ICBP IJ

PT Indofood CBP Sukses Makmur Tbk

Earnings Miss on FX Loss

SSI SUMMARY – ICBP's valuation is undemanding at 9.1x FY26F P/E versus global peers at 18.1x, providing an attractive entry point. We believe its dominant domestic noodle market share and robust overseas sales (32% total revenues) should cushion earnings amid tough operating environment, while the current multiple already discounts weaker earnings trajectory than we forecast. BUY.

SSI RATING

BUY

TARGET PRICE	UPSIDE
IDR 8,800	▲ 15.0%

(Based on 12.8x 2026F P/E)

Cons. TP (IDR)	9,759
Last Price (IDR)	7,650
52-Week High/Low (IDR)	10,050/5,925
Shares Out (bn)	11.7
Market Cap (IDRtn)	83.7
Indofood Sukses Makmur (%)	80.5
Public & Others (%)	19.5

2Q26 Top-line

2Q26 revenues of IDR20.1tn (+15.7% YoY, -7.2% QoQ) brought 1H26 top-line to IDR41.9tn (+11.3% YoY), in line with seasonality (SSI: 53%; cons: 48%; 5-yr avg: 51%); above FY26F guidance of 5-7%. Overseas sales rose 17.6% YoY to IDR7.2tn while domestic grew 8.7% YoY; overall noodles +15.0% YoY and dairy +26.6% YoY.

2Q26 Bottom-line

1H26 net profit fell 33.1% YoY to IDR3.76tn on FX translation loss of IDR2.9tn (1H25: IDR227.3bn). GPM declined to 34.3% (1H25: 34.9%) on higher input costs, while opex-to-sales rose 73bps to 14.5%, taking EBIT margin to 19.8% (-131bps). Core profit, however, came in line with ours at IDR5.3tn (-1.3% YoY; SSI: 46.5%).

Operational Data

1H26 growth was volume-led, not price-led: dairy volumes +16% on +15% revenue, nutrition +10%, snacks +6%. Domestic noodle volumes were near-flat (+2% 1H26; 2Q: +1%) vs overseas +13% YoY (2Q: +20%), now ~32% of sales. Beverages fell 5% on lower ASP despite +5% volumes.

3Q26/26F Preview

9M26 revenue expected to reach IDR61.2tn (+8.7% YoY) with cumulative 9M26 net profit of IDR6.0tn (-15.5% YoY) due to higher fx loss despite robust sales volumes.

Positive Catalysts

ICBP's leading market share and robust noodle sales volumes should provide cushion amid challenging operating conditions (contributing 74% of sales).

Negative Sentiments

Swing in commodity prices, IDR depreciation, and USD-linked debt will continue to weigh on ICBP's profitability.

Share-Price Relative

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(12.5)	3.2	5.5	(24.9)
JCI Return	(26.9)	7.6	(9.4)	(15.3)
Relative	14.4	(4.3)	14.9	(9.5)

Company Background

Incorporated in 2009 and IDX-listed since 2010, ICBP, 80.5% INDF-owned (Salim Group), is Indonesia's largest branded food producer with 60+ domestic and 20+ overseas plants, led by Indomie and expanded via Pinehill (2020) across the Mid-East, Africa and Southeast Europe.

SOURCES ICBP 2Q26 results & company filings; SSI Research. Analysts: Jonathan Guyadi.

Figure 1. ICBP's 2Q26 Results

(IDRbn)	2Q26	QoQ %	YoY %	1H25	1H26	y-y %	vs FY26F	vs cons
Revenue	**20,148**	**(7.2)**	**15.7**	**37,601**	**41,863**	**11.3**	**51.7**	**47.7**
Gross Profit	6,818	(9.7)	17.0	13,123	14,367	9.5	50.7	48.1
Operating Profit	**3 ,768**	**(16.5)**	**9.0**	**7,930**	**8,282**	**4.4**	**47.9**	**49.8**
Net Profit	1,129	(56.2)	(60.8)	5,536	3,702	(33.1)	46.2	60.3
Core Profit	**2,372**	**(19.1)**	**2.5**	**5,374**	**5,305**	**(1.3)**	**46.5**	**57.8**
Key ratios (%)								
GPM (%)	*33.8*	–	–	*34.9*	*34.3*	–	–	–
OPM(%)	*18.7*	–	–	*21.1*	*19.8*	–	–	–
NPM(%)	*5.6*	–	–	*14.7*	*8.8*	–	–	–

Sources: Company, SSI Research

Figure 2. Peer Comparables

Company	Market Cap	PER (x)		EV/EBITDA (x)		PBV (x)		ROE (%)		Net Gearing (%)
Ticker	(USD mn)	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	Current
ICBP IJ	4,760.8	9.1	8.0	6.9	6.2	1.5	1.3	16.0	17.0	21.4
INDF IJ	3,534.4	5.5	4.9	4.3	4.0	0.8	0.7	14.0	14.8	10.5
UNVR IJ	3,847.1	16.3	16.3	12.0	11.4	24.5	21.0	125.1	165.1	N.C.
MYOR IJ	2,117.7	11.3	9.9	6.8	6.1	1.9	1.7	17.2	17.8	13.8
KLBF IJ	1,917.0	9.4	8.6	6.0	5.5	1.4	1.3	14.8	15.0	N.C.
SIDO IJ	591.7	8.9	8.4	6.3	5.9	3.3	3.2	36.8	38.4	N.C.
CMRY IJ	2,117.5	16.8	14.1	12.9	11.0	5.0	4.5	29.8	31.5	N.C.
ULTJ IJ	866.1	9.4	8.4	6.1	5.4	1.8	1.6	19.8	20.8	N.C.
URC PM	2,037.0	10.3	9.6	5.8	5.4	1.0	1.0	9.6	10.0	11.7
MONDE PM	2,077.5	12.3	11.4	7.0	6.5	1.9	1.8	16.5	16.9	N.C.
CNPF PM	1,861.7	14.9	13.5	10.2	9.1	2.6	2.4	18.1	18.1	17.4
VNM VN	4,741.2	13.8	12.6	8.1	7.6	4.0	3.7	29.8	30.7	N.C.
BJC TB	1,979.9	14.9	13.7	10.7	10.3	0.5	0.5	3.6	3.8	123.1
CPF TB	5,530.2	9.8	8.6	10.4	10.3	0.7	0.7	8.1	8.6	195.9
NESZ MK	5,898.6	38.3	35.7	21.9	20.8	43.2	42.0	105.6	109.7	165.9
DABUR IN	7,653.9	34.5	31.2	25.4	23.1	6.0	5.6	17.8	18.5	N.C.
HMN IN	1,801.1	20.5	18.5	15.5	13.9	5.2	4.7	26.2	26.6	N.C.
Weighted Average	**53,378.2**	**18.1**	**16.6**	**12.6**	**11.7**	**8.8**	**8.3**	**34.9**	**38.8**	**27.0**

Sources: Company, SSI Research