

# Indofood CBP Sukses Makmur Tbk (ICBP IJ)

## Performa Luar Biasa

Meskipun menurut kami kenaikan harga bahan baku dan melemahnya rupiah akan masih terjadi di tahun ini, kontribusi penjualan yang besar dari Pinehill berhasil meningkatkan penjualan dan marjin pada 4Q20. Karena itu, kami mempertahankan rekomendasi BUY.

### Penghasilan 4Q20 Melebihi Ekspektasi Kami

- Indofood CBP Sukses Makmur (ICBP) melaporkan laba bersih 4Q20 sebesar Rp2,6tn, meningkatkan laba bersih FY20 menjadi Rp6,5tn (+30,7% YoY).
- Kenaikan laba 4Q20 disebabkan oleh kontribusi penjualan yang kuat dari Pinehill, efisiensi biaya, dan keuntungan FX sebesar Rp1,3 triliun dari pembiayaan akuisisi Pinehill.
- Pendapatan tumbuh 34,1% YoY menjadi Rp12,7tn, dengan total pendapatan FY20 sebesar Rp46,6tn. Secara kumulatif, pendapatan FY20 di atas ekspektasi kami.
- Tahun ini, ICBP menargetkan pertumbuhan penjualan 19%-21% YoY karena manajemen cukup optimis dengan prospek ke depan di tengah harapan pulihnya daya beli. Karena itu, kami merevisi estimasi topline FY21/22 sebesar 19,7%/22,5%.
- Di sisi margin, GPM pada 4Q20 meningkat 530bps YoY menjadi 38,4% (vs. 4Q19: 33,1%), yang juga menyebabkan peningkatan OPM (470bps YoY) dan NPM (850bps YoY).

### Berkat Performa Segmen Mie Instan

- Dilihat berdasarkan segmen, segmen mie instan memberikan hasil yang kuat dan membukukan penjualan sebesar Rp8,8tn di 4Q20. Selain itu, marjin EBIT mie instan meningkat meskipun harga bahan baku utama meningkat.
- Selain segmen minuman dan produk susu, segmen lainnya melaporkan pertumbuhan penjualan yang positif di FY20. Selain itu, kami menduga segmen makanan ringan dan penyedap makanan mencatat pertumbuhan penjualan dua digit akibat musim liburan.
- Pada 17 Feb, ICBP telah membeli seluruh saham yang dimiliki oleh Fritolay Netherlands Holdings BV (Fritolay), sehingga makanan ringan seperti *Cheetos*, *Lays*, dan *Doritos* tidak akan diproduksi lagi di Indonesia. Kami mempertahankan pandangan netral atas transaksi ini karena segmen makanan ringan hanya menyumbang ~6% dari total pendapatan dan merek-merek lain yang sudah ada seperti *Chitato*, *Chiki*, *Qtela* dan lainnya memiliki posisi pasar yang kuat.

### Rekomendasi Beli

- Kami mempertahankan rekomendasi BUY dengan TP Rp12.150, menyiratkan PE FY21F 14,5x. Risiko dari target harga kami adalah: 1) Melemahnya IDR terhadap USD 2) Harga bahan baku yang lebih tinggi 3) Pemulihan ekonomi yang lebih rendah dari perkiraan.

### Indofood CBP Sukses Makmur Tbk | Summary (IDR bn)

	2019A	2020A	2021F	2022F
Sales	42,297	46,641	55,844	68,427
Growth	10.1%	10.3%	19.7%	22.5%
Net Profit	5,039	6,587	7,995	9,791
Growth	10.1%	30.7%	10.4%	11.1%
EPS (IDR)	432	565	686	840
P/E	25.8x	15.3x	12.6x	10.3x
P/BV	4.9x	2.0x	1.8x	1.6x
EV/EBITDA	15.2x	9.5x	11.6x	9.3x
ROE	20.4%	17.1%	14.9%	16.3%
DER	0.1x	0.6x	0.6x	0.4x
Dividend Yield	1.2%	0.9%	1.2%	4.0%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

## BUY

Target Price (IDR)	12,150
Consensus Price (IDR)	12,148
TP to Consensus Price	0.0%
vs. Last Price	+38.1%

### Shares data

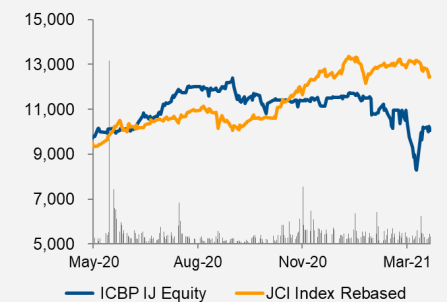
Last Price (IDR)	8,800
Price date as of	Apr 08, 2021
52 wk range (Hi/Lo)	10,600 / 8,150
Free float (%)	19.5
Outstanding sh.(mn)	11,662
Market Cap (IDR bn)	110,496
Market Cap (USD mn)	7,933
Avg. Trd Vol - 3M (mn)	12.28
Avg. Trd Val - 3M (bn)	121.31
Foreign Ownership	5.4%

### Consumer Staples

#### Packaged Foods & Beverages

Bloomberg	ICBP IJ
Reuters	ICBP.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-8.1%	5.1%	-3.3%	-8.3%
Rel. Ret.	-7.6%	7.9%	-1.1%	-39.6%

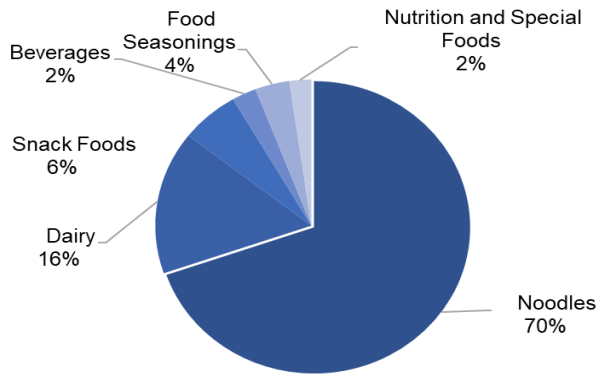
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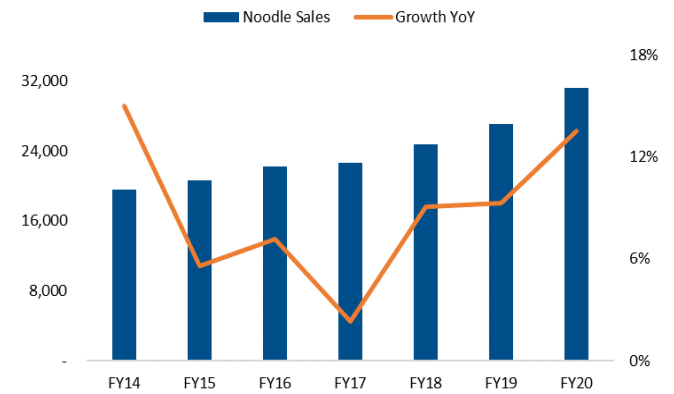
# Performance Highlights

## Revenue Breakdown | 12M20



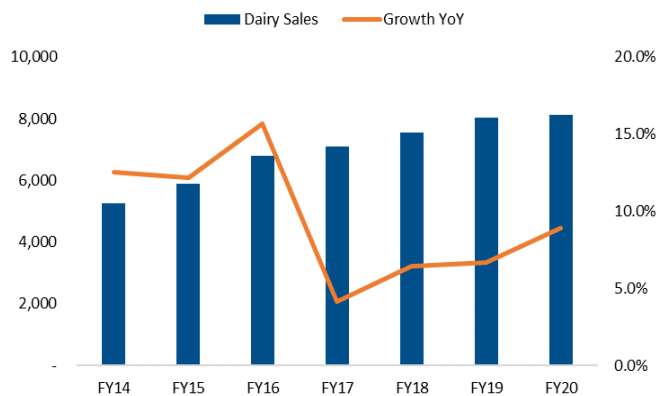
Source: Company, NHKSI Research

## Noodle Sales | FY14– FY20



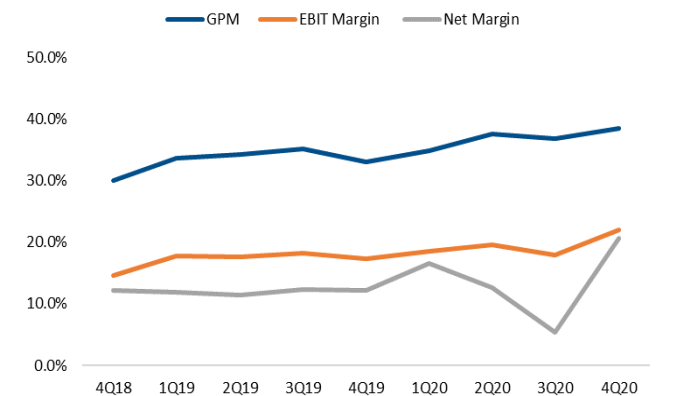
Source: Company, NHKSI Research

## Dairy Sales | FY14-FY20



Source: Company, NHKSI Research

## Gross Profit & Margin | 4Q18 - 4Q20



Source: Company, NHKSI Research

## Wheat Price | FY17-FY21



Source: Company, NHKSI Research

## Crude Palm Oil Price | FY17-FY21



Source: Company, NHKSI Research

## Company Overview

Dengan bisnis yang beragam mulai dari mi instan, produk susu, makanan ringan, penyedap, nutrisi dan makanan khusus, juga minuman, ICBP adalah produsen terkemuka produk konsumen. Untuk mendukung bisnis utamanya, ICBP menjalankan bisnis kemasan yang memproduksi kemasan fleksibel dan berbahan dasar kardus.



ICBP melalui 40 produknya menawarkan berbagai produk untuk konsumen dari berbagai usia dan pangsa pasar yang berbeda. Loyalitas jutaan konsumen Indonesia memperkuat posisi ICBP di pasar Indonesia. Sebagian besar produk pun tersedia di seluruh Indonesia. Didukung oleh jaringan distribusi yang luas yang dimiliki oleh entitas induknya, ICBP berhasil memenuhi permintaan pasar dengan lebih efisien dan cepat.

Kegiatan operasionalnya didukung oleh lebih dari 50 pabrik yang berlokasi di kota-kota besar di Indonesia; oleh karena itu, ICBP dengan mudah memenuhi permintaan pasar dan memastikan kualitas produknya. ICBP tidak hanya memasarkan produknya di Indonesia tetapi juga mengekspor produknya ke lebih dari 60 negara.

### Asia Pacific Packaged Food Company

Company	Market Cap (USD mn)	Asset (USD mn)	Sales LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	Net Margin	ROE LTM	P/E LTM	P/BV
<b>Indonesia</b>									
ICBP	7,109	7,439	3,205	453	30.72%	14.1%	24.1%	15.7x	3.5x
INDF	4,052	11,715	5,617	444	31.53%	7.9%	16.1%	9.1x	1.4x
<b>Japan</b>									
Nissin Foods Holdings	7,775	5,350	4,635	374	96.83%	8.1%	11.3%	21.2x	2.3x
Toyo Suisan Kaisha Ltd	4,686	3,735	3,908	270	37.62%	6.9%	9.3%	16.5x	1.5x
<b>South Africa</b>									
Pioneer Foods Group Ltd	#N/A	967	1,554	63	-15.18%	4.1%	10.5%	#N/A	#N/A
<b>South Korea</b>									
Samyang Foods Co Ltd	600	511	551	57	12.85%	10.4%	21.5%	10.0x	2.0x
Nongshim Co Ltd	1,528	2,503	2,241	126	109.18%	5.6%	7.5%	11.0x	0.8x
Ottogi Corporation	1,858	2,149	2,204	90	9.72%	4.1%	7.9%	17.6x	1.4x
<b>Thailand</b>									
Thai President Foods	2,029	1,247	754	131	3.73%	17.3%	N/A	15.6x	#N/A
Thai Union Group	2,152	4,820	4,235	200	63.69%	4.7%	12.4%	11.3x	1.3x
<b>Malaysia</b>									
Nestle Berhad	7,694	712	1,289	132	-17.86%	10.2%	90.5%	57.5x	57.1x
PPB Group Berhad	6,382	6,189	998	314	14.26%	31.4%	6.0%	20.0x	1.2x

Source: Bloomberg

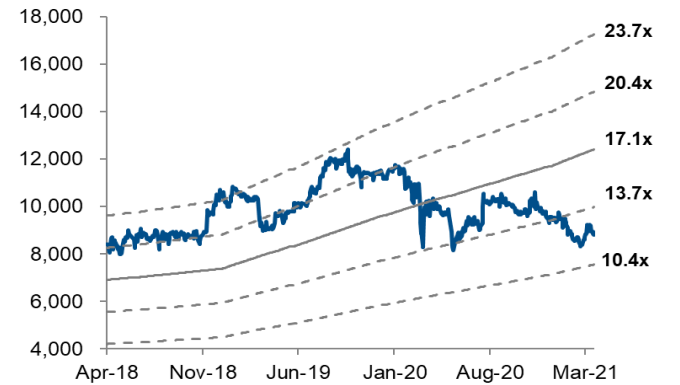
# Valuation Highlight in Charts

Forward P/E band | Last 2 years



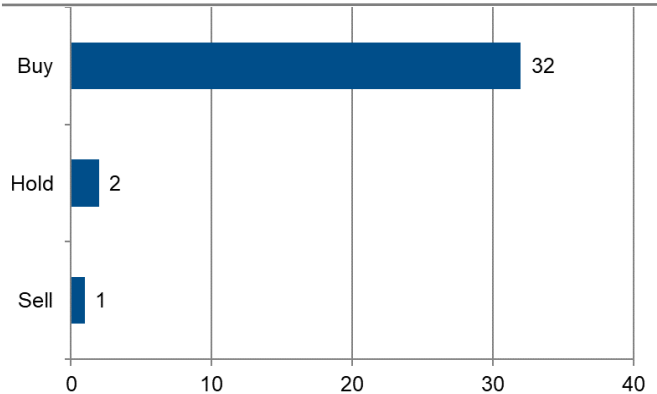
Source: NHKSI research

Dynamic Forward P/E band | Last 2 years



Source: NHKSI research

Recommendations by Analysts



Source: Bloomberg

Closing and Target Price



Source: NHKSI research

# Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
12/06/2019	Buy	11,600 (Dec 2019)	9,950	11,002	+16.6%	+5.4%
21/11/2019	Hold	12,875 (Dec 2020)	11,400	12,798	+12.9%	+0.6%
16/06/2020	Hold	9,850 (Dec 2020)	8,650	10,368	+13.9%	-5.0%
14/01/2021	Buy	12,150 (Dec 2021)	9,525	12,148	+27.6%	-0.0%

Source: NHKSI research, Bloomberg

## Summary of Financials

INCOME STATEMENT				
(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
<b>Sales</b>	<b>42,297</b>	<b>46,641</b>	<b>55,844</b>	<b>68,427</b>
<i>Growth</i>	10.1%	10.3%	19.7%	22.5%
COGS	(27,893)	(29,417)	(35,121)	(43,140)
<b>Gross Profit</b>	<b>14,404</b>	<b>17,225</b>	<b>20,723</b>	<b>25,287</b>
<i>Gross Margin</i>	34.1%	36.9%	37.1%	37.0%
Operating Expenses	(6,904)	(8,108)	(9,708)	(11,896)
<b>EBIT</b>	<b>7,500</b>	<b>9,116</b>	<b>11,015</b>	<b>13,391</b>
<i>EBIT Margin</i>	17.7%	19.5%	19.7%	19.6%
Depreciation	929	1,071	1,471	1,741
<b>EBITDA</b>	<b>8,429</b>	<b>10,187</b>	<b>12,486</b>	<b>15,132</b>
<i>EBITDA Margin</i>	19.9%	21.8%	22.4%	22.1%
Interest Expenses	(161)	(671)	(392)	(384)
<b>EBT</b>	<b>7,412</b>	<b>9,940</b>	<b>12,412</b>	<b>15,200</b>
Income Tax	(2,052)	(2,521)	(3,126)	(3,828)
Minority Interest	(321)	(832)	(1,291)	(1,581)
<b>Net Profit</b>	<b>5,039</b>	<b>6,587</b>	<b>7,995</b>	<b>9,791</b>
<i>Growth</i>	10.1%	30.7%	21.4%	22.5%
<i>Net Profit Margin</i>	11.9%	14.1%	14.3%	14.3%

PROFITABILITY & STABILITY				
	2019/12A	2020/12A	2021/12E	2022/12E
ROE	20.4%	17.1%	14.9%	16.3%
ROA	13.8%	9.3%	7.4%	8.6%
Inventory Turnover	7.3x	6.4x	8.5x	9.6x
Receivable Turnover	10.4x	8.8x	10.1x	12.2x
Payables Turnover	10.6x	9.7x	10.1x	8.3x
Dividend Yield	1.2%	0.9%	1.2%	4.0%
Payout Ratio	34.9%	18.1%	18.1%	50.0%
DER	0.1x	0.6x	0.6x	0.4x
Net Gearing	0.1x	1.4x	1.1x	0.8x
Equity Ratio	68.9%	48.6%	51.3%	54.0%
Debt Ratio	5.8%	31.6%	28.7%	23.8%
Financial Leverage	1.5x	1.8x	2.0x	1.9x
Current Ratio	62.3%	41.2%	43.1%	44.2%
Quick Ratio	1.9x	1.8x	1.9x	1.6x
Par Value (IDR)	50	50	50	50
Total Shares (mn)	11,662	11,662	11,662	11,662
Share Price (IDR)	11,150	8,650	8,650	8,650
Market Cap (IDR tn)	130.0	100.9	100.9	100.9

BALANCE SHEET				
(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
Cash	8,359	9,535	13,357	15,944
Receivables	4,049	5,273	5,508	5,624
Inventories	3,841	4,587	4,138	4,491
<b>Total Current Assets</b>	<b>16,625</b>	<b>20,716</b>	<b>24,601</b>	<b>27,785</b>
Net Fixed Assets	11,342	13,606	16,044	17,725
Other Non Current Assets	10,742	69,266	70,711	71,012
<b>Total Non Current Asset</b>	<b>22,084</b>	<b>82,872</b>	<b>86,755</b>	<b>88,737</b>
<b>Total Assets</b>	<b>38,709</b>	<b>103,588</b>	<b>111,356</b>	<b>116,522</b>
Payables	2,635	3,045	3,464	5,200
ST Bank Loan	546	1,796	1,855	1,606
<b>Total Current Liabilities</b>	<b>6,556</b>	<b>9,176</b>	<b>10,904</b>	<b>14,333</b>
LT Debt	1,695	30,900	30,134	26,078
<b>Total Liabilities</b>	<b>12,038</b>	<b>53,270</b>	<b>54,232</b>	<b>53,605</b>
Capital Stock	6,569	6,569	6,569	6,569
Retained Earnings	18,495	22,576	29,382	35,175
<b>Shareholders' Equity</b>	<b>26,671</b>	<b>50,318</b>	<b>57,124</b>	<b>62,917</b>

VALUATION INDEX				
	2019/12A	2020/12A	2021/12E	2022/12E
Price /Earnings	25.8x	15.3x	12.6x	10.3x
Price /Book Value	4.9x	2.0x	1.8x	1.6x
PE/EPS Growth	2.6x	0.5x	0.6x	0.5x
EV/EBITDA	15.2x	9.5x	11.6x	9.3x
EV/EBIT	17.1x	10.6x	13.2x	10.5x
EV (IDR bn)	128,225	96,364	145,210	140,681
Sales CAGR (3-Yr)	7.1%	9.4%	13.3%	17.4%
Net Income CAGR (3-Yr)	11.9%	20.2%	20.4%	24.8%
Basic EPS (IDR)	432	565	686	840
BVPS (IDR)	2,287	4,315	4,898	5,395
DPS (IDR)	137	78	102	343

OWNERSHIP	
<b>Shareholders</b>	%
First Pacific Company	80.5
Schroder Investment	0.8
Vanguard Group	0.7
Matthews Intl Capital	0.7
<b>By Geography</b>	%
Indonesia	94.6
United States	3.0
Luxembourg	0.6
Norway	0.3

CASH FLOW STATEMENT				
(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
Operating Cash Flow	7,302	9,337	11,072	14,613
Investing Cash Flow	(2,364)	(34,957)	(5,354)	(3,722)
Financing Cash Flow	(1,305)	26,758	(1,896)	(8,303)
<b>Net Changes in Cash</b>	<b>3,633</b>	<b>1,137</b>	<b>3,822</b>	<b>2,587</b>

Source: Company Data, Bloomberg

## NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to 15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

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