

Indofood CBP Sukses Makmur Tbk (ICBP IJ)

Performa Moderat di tengah Penurunan Marjin

ICBP menutup 2Q21 dengan kinerja yang moderat. Namun, perusahaan mengalami penurunan margin secara keseluruhan karena biaya material yang sedang naik. Kinerja perusahaan sedikit di bawah ekspektasi kami, antara lain disebabkan oleh lambatnya pemulihan daya beli di seluruh sektor konsumen.

Pertumbuhan pendapatan cukup baik

- Pada 2Q21, laba bersih ICBP terus meningkat menjadi IDR1,4 triliun, meskipun pertumbuhan melambat ke 6,4% YoY, 21%/23% dari estimasi kami/konsensus.
- Angka ini sedikit di bawah ekspektasi kami, ditekan pertumbuhan penjualan yang moderat dan biaya input yang lebih tinggi. Namun, ICBP biasanya membukukan penjualan yang lebih rendah di Q2 dibandingkan kuartal sebelumnya.
- Berdasarkan segmen geografis, penjualan domestik (c.75% dari total penjualan) tumbuh 3,3% YoY di 2Q21, sedangkan penjualan ekspor (termasuk Pinehill) meningkat lebih dari dua kali lipat.
- Margin di Q2 terdampak negatif tren kenaikan harga komoditas. ICBP mencatat margin profitabilitas yang lebih rendah dengan GPM, OPM, dan NPM pada 34,8%, 19%, 11% (vs. 37,6%, 20%, 13%).
- Menurut manajemen, perusahaan telah meningkatkan ASP sekitar 3-4% untuk beberapa produk. Kami berharap kenaikan ASP dapat menahan penurunan GPM.
- Sementara itu, SG&A di Q2 tetap rendah dan terkendali di IDR1,8tn, turun -2% YoY dan -14,8% QoQ.
- Secara keseluruhan, ICBP melaporkan penjualan sebesar IDR13,1 triliun (+18,7% YoY, -13,2% QoQ), yang sebagian besar berasal dari pertumbuhan volume, terutama di segmen mie dan susu.
- Di 1H21, ICBP membukukan penjualan sebesar IDR28,1 triliun (+22,4% YoY), sedangkan laba bersih mencapai IDR3,2 triliun (-4,6% YoY). Sementara, laba bersih inti 1H21 (sebelum kerugian FX) meningkat menjadi IDR3,9 triliun (+25% YoY).

Kontribusi pertumbuhan berasal dari mie dan makanan ringan

- Pertumbuhan segmen mie (c. 70% dari total penjualan) di Q2 melambat menjadi IDR9,1 triliun (+24,7% YoY), tertekan permintaan domestik yang lemah meskipun ekspor tercatat relatif baik.
- Penjualan makanan ringan mencatatkan pertumbuhan moderat sebesar 11,2% YoY. Sejak awal Agustus, ICBP sudah tidak lagi memproduksi beberapa produk populer seperti Lays, Doritos, dan Cheetos. Hal ini disebabkan oleh aksi korporasi antara ICBP dan Fritolay
- Namun, berdasarkan *ground check* kami di MT, ICBP telah meluncurkan produk baru seperti Chitato Lite dan Maxicorn. Produk ini mirip dengan produk yang ada dalam hal ASP dan ukuran.
- Kami percaya strategi ICBP untuk mengembangkan produk-produk ini dapat membantu mempertahankan posisi sebagai pemimpin pasar di industri makanan ringan.
- Segmen susu tumbuh 6,9% YoY, sementara Nutrisi dan Makanan Khusus (NSF) tumbuh negatif.
- Segmen minuman mencatat angka yang lebih baik karena *low based effect* dan pemulihan bertahap permintaan konsumsi di luar rumah.

Valuasi

- Saat ini, kami melihat angka secara keseluruhan masih tertahan lambatnya pemulihan daya beli di seluruh sektor konsumen. Namun, kami mempertahankan perkiraan pendapatan untuk FY21F dan rekomendasi BUY dengan TP yang sama sebesar IDR11.300 (berdasarkan target P/E 18,5x).
- Risiko utama: kondisi makro ekonomi, depresiasi rupiah, dan tren peningkatan biaya bahan baku.

Indofood CBP Sukses Makmur Tbk | Summary (IDR bn)

	2020A	2021F	2022F	2023F
Sales	46,641	56,697	61,037	65,796
Growth	10.3%	21.6%	7.7%	7.8%
Net Profit	6,586	6,779	7,144	7,851
Growth	30.7%	2.9%	5.4%	9.9%
EPS (IDR)	565	581	613	673
P/E	17.0x	19.4x	18.4x	16.8x
P/BV	2.2x	2.3x	2.2x	2.0x
EV/EBITDA	15.2x	11.5x	10.5x	9.6x
ROE	24.7%	13.5%	12.5%	12.9%
DER	0.6x	0.6x	0.5x	0.5x
Dividend Yield	2.2%	2.5%	2.6%	2.7%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

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Company Report | Sept 14, 2021

BUY

Target Price (IDR)	11,300
Consensus Price (IDR)	11,177
TP to Consensus Price	1.1%
Potential upside	34.1%

Shares data

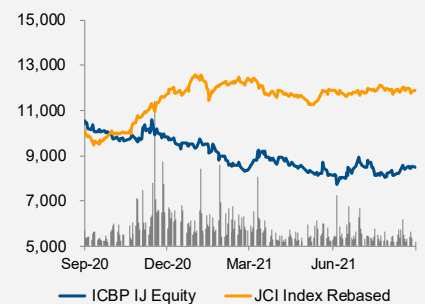
Last Price (IDR)	8,425
Price date as of	13-Sep-21
52 wk range (Hi/Lo)	10600/7750
Free float (%)	19.5
Outstanding sh.(mn)	11,662
Market Cap (IDR bn)	98,543
Market Cap (USD mn)	6,790
Avg. Trd Vol - 3M (mn)	5.34
Avg. Trd Val - 3M (bn)	44.71
Foreign Ownership	4.0%

Consumer Non Cyclical

Packaged Foods & Beverages

Bloomberg	ICBP IJ
Reuters	ICBP.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-12.0%	4.3%	3.1%	-15.3%
Rel. Ret.	-11.7%	5.2%	3.2%	-35.0%

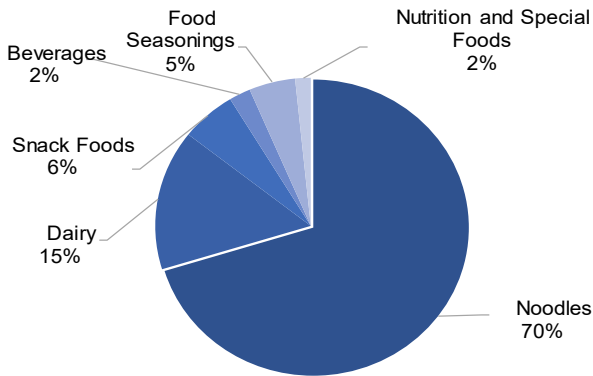
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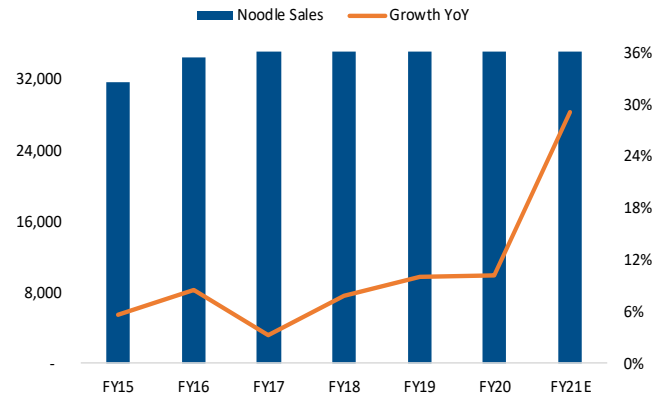
Performance Highlights

Revenue Breakdown | 2Q21



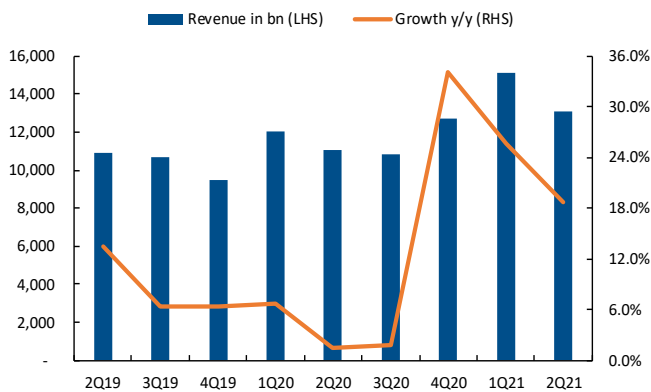
Source: Company, NHKSI Research

Noodle Sales | FY15– FY21E



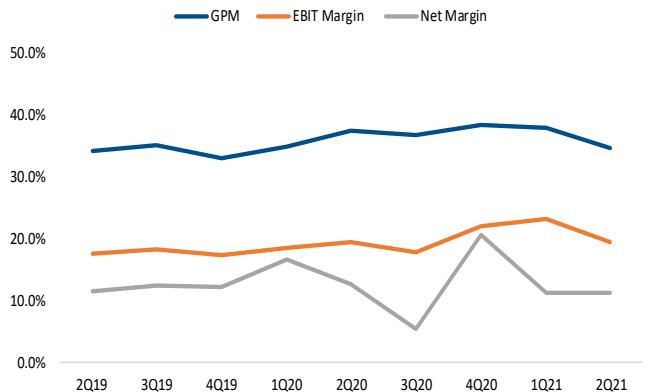
Source: Company, NHKSI Research

Revenue | 2Q19-2Q21



Source: Company, NHKSI Research

Gross Profit & Margin | 2Q19-2Q21



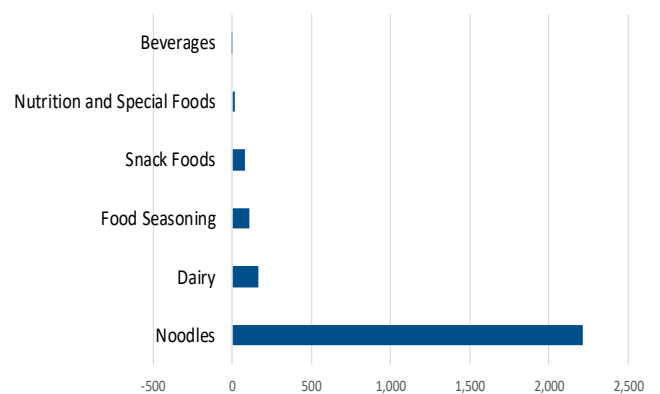
Source: Company, NHKSI Research

ICBP's New Product Launch



Source: Google

EBIT (in Bn) | 2Q21



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
Indonesia									
ICBP	6,874	7,439	3,593	446	10.06%	12.4%	20.9%	15.2x	3.0x
INDF	3,805	11,715	6,219	489	35.36%	7.9%	16.3%	7.7x	1.2x
Japan									
Nissin Foods Holdings	8,710	5,999	4,865	344	2.85%	7.1%	10.1%	25.8x	2.5x
Toyo Suisan Kaisha Ltd	5,208	3,852	3,727	255	0.34%	6.8%	8.4%	19.5x	1.6x
South Africa									
Pioneer Foods Group Ltd	N/A	967	1,554	63	-15.18%	4.1%	10.5%	N/A	N/A
South Korea									
Samyang Foods Co Ltd	527	511	534	40	-39.21%	7.6%	13.4%	13.5x	1.7x
Nongshim Co Ltd	1,515	2,503	2,262	98	-9.38%	4.3%	5.4%	15.2x	0.8x
Ottogi Corporation	1,607	2,149	2,335	77	-30.66%	3.3%	6.3%	19.9x	1.2x
Thailand									
Thai President Foods	1,953	1,247	746	119	-13.77%	15.9%	14.1%	17.5x	2.4x
Thai Union Group	3,068	4,820	4,380	248	48.34%	5.7%	14.4%	13.5x	1.8x
Malaysia									
Nestle Berhad	7,614	712	1,354	138	-0.36%	10.2%	88.6%	55.4x	48.1x
PPB Group Berhad	6,337	6,189	1,059	335	9.37%	31.6%	6.1%	19.0x	1.1x

Source: Bloomberg

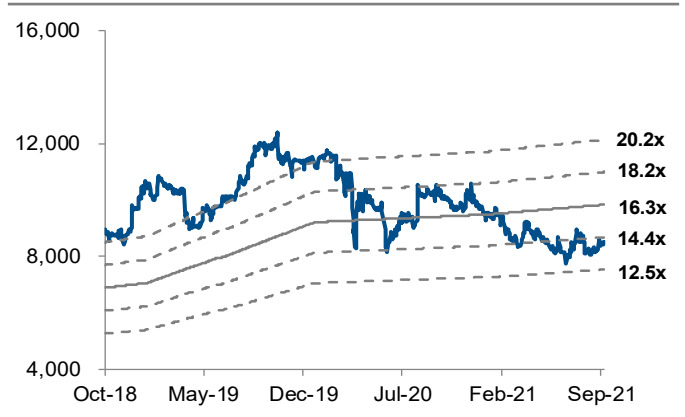
Valuation Highlight in Charts

Forward P/E band | Last 3 years



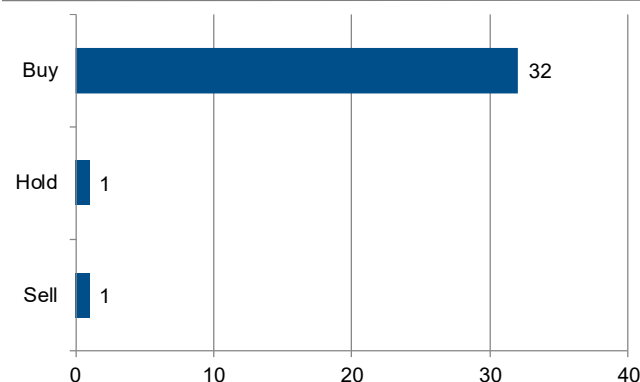
Source: NHKSI research

Dynamic Forward P/E band | Last 3 years



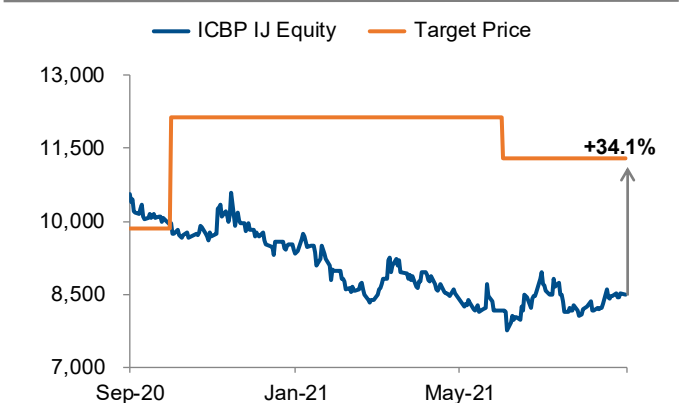
Source: NHKSI research

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	Potential Upside	vs Consensus
12/06/2019	Buy	11,600	9,950	11,002	+16.6%	+5.4%
21/11/2019	Hold	12,875	11,400	12,798	+12.9%	+0.6%
16/06/2020	Hold	9,850	8,650	10,368	+13.9%	-5.0%
14/01/2021	Buy	12,150	9,525	12,148	+27.6%	-0.0%
08/07/2021	Buy	11,300	8,400	11,498	+34.5%	-1.7%

Source: NHKSI research, Bloomberg

Summary of Financials

INCOME STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Sales	46,641	56,697	61,037	65,796
<i>Growth</i>	10.3%	21.6%	7.7%	7.8%
COGS	(29,416)	(35,860)	(38,522)	(41,497)
Gross Profit	17,225	20,837	22,515	24,298
<i>Gross Margin</i>	36.9%	36.8%	36.9%	36.9%
Operating Expenses	(8,023)	(8,568)	(9,224)	(9,943)
EBIT	9,202	12,269	13,291	14,356
<i>EBIT Margin</i>	19.7%	21.6%	21.8%	21.8%
Depreciation	1,071	1,444	1,519	1,780
EBITDA	10,273	13,713	14,811	16,135
<i>EBITDA Margin</i>	22.0%	24.2%	24.3%	24.5%
Interest Expenses	(671)	(1,122)	(608)	(583)
EBT	9,960	11,241	12,784	13,882
Income Tax	(2,542)	(2,441)	(3,220)	(3,496)
Minority Interest	(832)	(1,630)	(1,854)	(2,013)
Net Profit	6,586	7,170	7,711	8,373
<i>Growth</i>	30.7%	8.9%	7.5%	8.6%
<i>Net Profit Margin</i>	14.1%	12.6%	12.6%	12.7%

BALANCE SHEET

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Cash	9,535	9,331	10,787	13,494
Receivables	5,273	6,213	5,017	5,588
Inventories	4,587	5,314	4,011	4,434
Total Current Assets	20,716	22,512	21,600	25,445
Net Fixed Assets	13,606	15,747	18,501	21,326
Other Non Current Assets	69,266	69,618	69,691	69,706
Total Non Current Asset	82,872	85,365	88,191	91,033
Total Assets	103,588	107,877	109,792	116,478
Payables	3,045	3,736	4,011	4,320
ST Bank Loan	1,796	1,558	751	866
Total Current Liabilities	9,176	12,091	9,644	10,449
LT Debt	30,900	11,962	12,197	13,560
Total Liabilities	53,270	50,346	48,135	50,304
Capital Stock	6,569	6,569	6,569	6,569
Retained Earnings	22,576	29,728	33,854	38,371
Shareholders' Equity	50,318	57,530	61,656	66,174

CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	9,337	9,767	9,959	9,706
Investing Cash Flow	(34,957)	9,163	(4,346)	(4,621)
Financing Cash Flow	26,758	(22,386)	(4,157)	(2,377)
Net Changes in Cash	1,137	(3,456)	1,456	2,707

Source: Company Data, Bloomberg

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	24.7%	14.2%	13.4%	13.6%
ROA	17.0%	6.9%	7.1%	7.6%
Inventory Turnover	6.4x	6.7x	9.6x	9.4x
Receivable Turnover	8.8x	9.1x	12.2x	11.8x
Payables Turnover	9.7x	9.6x	9.6x	9.6x
Dividend Yield	2.2%	2.3%	2.5%	2.7%
Payout Ratio	18.1%	49.7%	50.0%	50.0%
DER	0.6x	0.2x	0.2x	0.2x
Net Gearing	1.4x	0.4x	0.4x	0.4x
Equity Ratio	48.6%	53.3%	56.2%	56.8%
Debt Ratio	31.6%	12.5%	11.8%	12.4%
Financial Leverage	2.0x	1.8x	1.8x	1.8x
Current Ratio	2.3x	1.9x	2.2x	2.4x
Quick Ratio	1.8x	1.4x	1.8x	2.0x
Par Value (IDR)	50	50	50	50
Total Shares (mn)	11,662	11,662	11,662	11,662
Share Price (IDR)	9,575	12,200	12,200	12,200
Market Cap (IDR tn)	111.7	142.3	142.3	142.3

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	17.0x	19.8x	18.5x	17.0x
Price /Book Value	2.2x	2.5x	2.3x	2.2x
PE/EPS Growth	0.6x	2.2x	2.4x	2.0x
EV/EBITDA	15.2x	12.2x	11.2x	10.2x
EV/EBIT	17.0x	13.7x	12.5x	11.5x
EV (IDR bn)	155,997	167,698	165,671	164,441
Sales CAGR (3-Yr)	9.4%	13.9%	13.0%	12.2%
Net Income CAGR (3-Yr)	20.2%	16.2%	15.2%	8.3%
Basic EPS (IDR)	565	615	661	718
BVPS (IDR)	4,315	4,933	5,287	5,674
DPS (IDR)	78	280	307	331

OWNERSHIP

Shareholders	%
First Pacific Company	80.5
Schroder Investment	0.8
Vanguard Group	0.7
Blackrock	0.5
By Geography	%
Indonesia	96.0
United States	1.8
Luxembourg	0.6
Norway	0.4

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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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