

Indofood CBP Sukses Makmur Tbk (ICBP IJ)

Didukung oleh Pertumbuhan Topline

ICBP menutup 9M21 dengan kinerja yang impresif. Meskipun penerapan PPKM lebih ketat, perusahaan mencapai pertumbuhan pendapatan dua digit di hampir semua segmen. Dengan demikian, kami memperkirakan angka penjualan akan tetap kuat di kuartal mendatang.

Hasil 9M21 yang kuat, sesuai ekspektasi

- ICBP mencatat pendapatan sebesar IDR14.4 triliun di 3Q21 (+13,2% YoY, +10,0% QoQ) dan IDR42.6 triliun (+25,7% YoY) secara kumulatif di 9M21, mencapai 73% dan 74% dari estimasi kami dan konsensus.
- Faktor utama angka yang kuat ini disebabkan oleh penjualan mie Pinehill, mendorong divisi mie (c. 70% dari total penjualan) naik 41,4% YoY di 3Q21.
- Selain itu, kami melihat pendapatan dari Timur Tengah dan Afrika meningkat sebesar 32% QoQ, yang kami yakini membantu mengimbangi konsumsi domestik yang lemah.
- Kami melihat semua segmen membukukan pertumbuhan pendapatan dua digit YoY selama 3Q21, kecuali bumbu makanan, meskipun dengan pembatasan aktivitas publik yang lebih ketat.
- Segmen minuman tumbuh 20,8% YoY menjadi IDR331 miliar, mempertahankan *turnaround story* selama dua kuartal terakhir. Kami percaya ini masih akan berlanjut, didorong permintaan konsumsi di luar rumah.
- Sementara itu, segmen penyedap makanan membukukan penjualan IDR512 miliar (-6,4% YoY, -3% QoQ), yang kami yakini karena makan di tempat diizinkan kembali.
- Karena pemerintah telah mencabut PPKM ketat, kami percaya bahwa angka penjualan yang kuat akan terus ditunjukkan di kuartal mendatang.
- Meskipun COGS dan beban keuangan naik, ICBP melaporkan *bottom line* 3Q21 sebesar IDR1,7 triliun dan IDR4,9 triliun secara kumulatif di 9M21. Sementara laba inti naik 18% YoY menjadi IDR5,17 triliun.

Margin yang solid meskipun harga komoditas naik

- Kami yakin ICBP memiliki ruang yang cukup untuk melaksanakan rencananya meningkatkan ASP pada awal tahun depan untuk produk-produk tertentu mengingat ICBP adalah pemimpin pasar. Dengan demikian, perusahaan bisa menjaga marginnya relatif stabil.
- Kami juga melihat margin perusahaan secara keseluruhan tetap kuat meskipun dilatarbelakangi oleh kenaikan harga komoditas dan kondisi yang tidak menguntungkan.
- Secara kumulatif, mie dan makanan ringan meningkatkan margin EBIT 9M21 masing-masing sebesar 24,0% (9M20:22,0%) dan 10,7% (9M20: 10,0%).
- Margin EBIT segmen bumbu makanan dan Nutrisi dan Makanan Khusus (NSF) telah melaporkan peningkatan masing-masing menjadi 12,3% (vs 11,3% di 9M20) dan 6,6% (vs 5,2% di 9M20).
- Di sisi lain, divisi *Dairy* membukukan margin EBIT yang lebih rendah sebesar 10,4% (9M20: 12,0%). Sementara divisi minuman hanya melaporkan 1,6%, setelah tahun lalu membukukan kerugian EBIT.
- Pada sisi positif, kami memperkirakan harga komoditas utama yang digunakan untuk bahan baku cenderung akan turun di tahun depan, sehingga dapat membawa potensi kenaikan tingkat margin kotor.

Valuation

- Kami mempertahankan rekomendasi BUY di ICBP dengan target harga Rp11.300, yang kami peroleh berdasarkan target FY21F P/E sebesar 17,9x. Risiko utama rekomendasi kami adalah depresiasi rupiah, konsumsi yang lemah, dan persaingan yang semakin ketat.

Indofood CBP Sukses Makmur Tbk | Summary (IDR bn)

	2020A	2021F	2022F	2023F
Sales	46,641	57,926	62,657	67,874
Growth	10.3%	24.2%	8.2%	8.3%
Net Profit	6,586	6,867	7,408	8,137
Growth	30.7%	4.3%	7.9%	9.8%
EPS (IDR)	565	589	635	698
P/E	17.0x	19.2x	17.8x	16.2x
P/BV	2.2x	2.4x	2.2x	2.0x
EV/EBITDA	15.2x	13.3x	11.8x	10.7x
ROE	24.7%	13.6%	13.5%	13.7%
DER	0.6x	0.5x	0.5x	0.4x
Dividend Yield	2.2%	1.9%	2.0%	2.1%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer



Company Report | Dec 20, 2021

BUY

Target Price (IDR)	11,300
Consensus Price (IDR)	11,142
TP to Consensus Price	1.4%
Potential upside	28.4%

Shares data

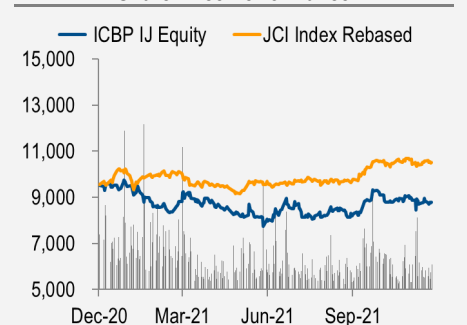
Last Price (IDR)	8,800
Price date as of	17-Dec-21
52 wk range (Hi/Lo)	9750/7750
Free float (%)	19.5
Outstanding sh.(mn)	11,662
Market Cap (IDR bn)	102,041
Market Cap (USD mn)	7,094
Avg. Trd Vol - 3M (mn)	5.72
Avg. Trd Val - 3M (bn)	50.61
Foreign Ownership	4.0%

Consumer Non Cyclical

Packaged Foods & Beverages

Bloomberg	ICBP IJ
Reuters	ICBP.IK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-6.6%	-0.6%	8.0%	-9.5%
Rel. Ret.	-15.5%	0.6%	0.3%	-17.5%

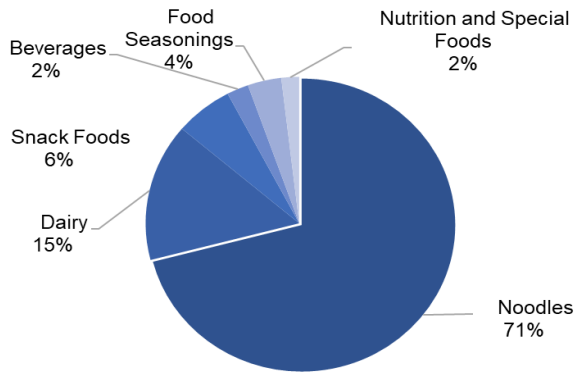
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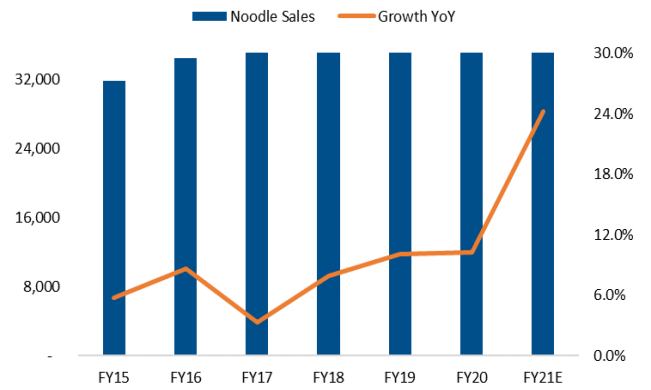
Performance Highlights

Revenue Breakdown | 3Q21



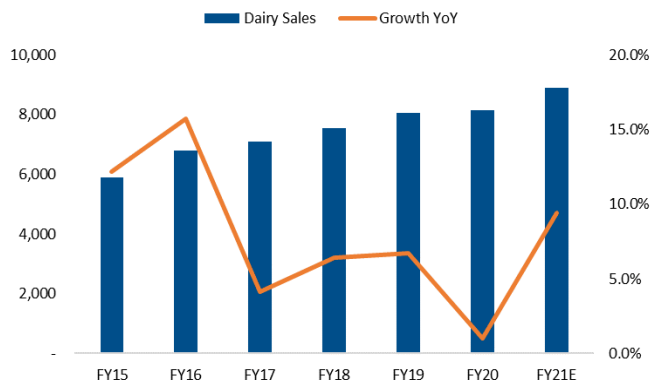
Source: Company, NHKSI Research

Noodle Sales | FY15–FY21E



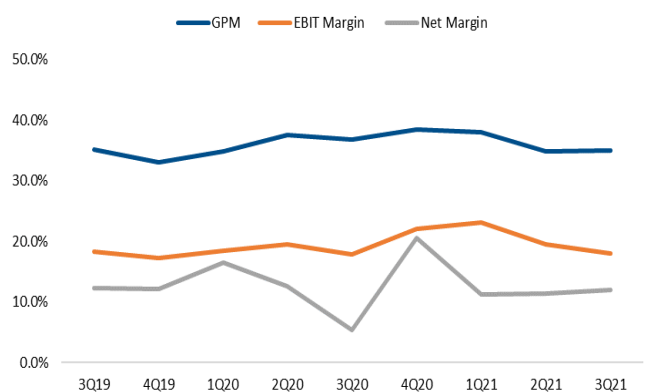
Source: Company, NHKSI Research

Dairy Sales | FY15–FY21E



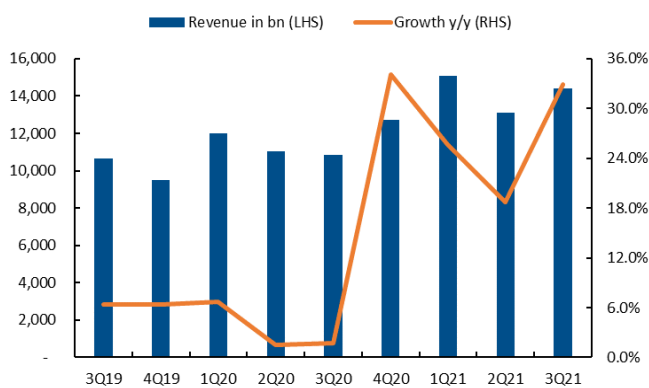
Source: Company, NHKSI Research

Gross Profit & Margin | 3Q19–3Q21



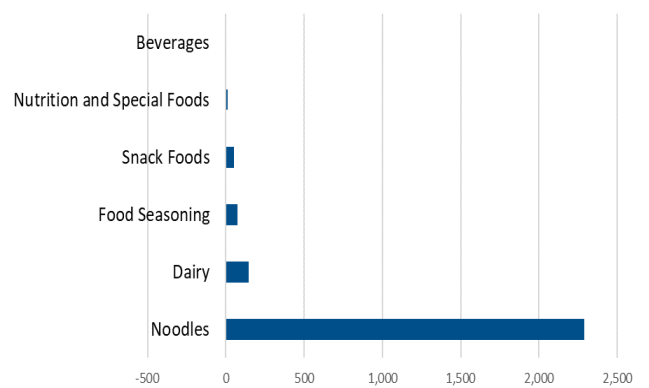
Source: Company, NHKSI Research

Revenue | 3Q19–3Q21



Source: Google

EBIT (in Bn) | 3Q21



Source: Company, NHKSI Research

Company Overview



Dengan bisnis yang beragam mulai dari mie 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	7,094	7,439	3,863	530	48.43%	13.7%	25.8%	13.5x	3.2x
INDF	3,906	11,715	6,681	566	58.15%	8.5%	19.1%	7.0x	1.3x
Japan									
Nissin Foods Holdings	8,164	5,999	5,026	335	-4.88%	6.7%	9.6%	25.3x	2.3x
Toyo Suisan Kaisha Ltd	4,751	3,875	3,578	236	-11.12%	6.6%	7.7%	19.6x	1.5x
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	606	511	532	39	-42.98%	7.2%	12.2%	16.6x	1.9x
Nongshim Co Ltd	1,610	2,503	2,294	95	-21.27%	4.1%	5.1%	17.1x	0.8x
Ottogi Corporation	1,427	2,149	2,371	98	3.51%	4.1%	9.6%	11.4x	1.1x
Thailand									
Thai President Foods	1,998	1,247	759	117	-12.27%	15.4%	14.0%	19.0x	2.8x
Thai Union Group	2,724	4,820	4,351	241	28.98%	5.5%	14.0%	12.4x	1.6x
Malaysia									
Nestle Berhad	7,291	712	1,367	143	6.91%	10.5%	96.1%	52.2x	48.4x
PPB Group Berhad	5,635	6,189	1,109	334	7.60%	30.1%	6.0%	17.3x	1.0x

Source: Bloomberg

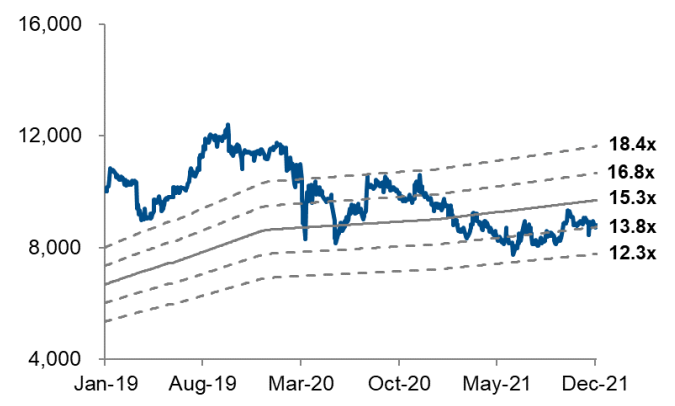
Valuation Highlight in Charts

Forward P/E band | Last 3 years



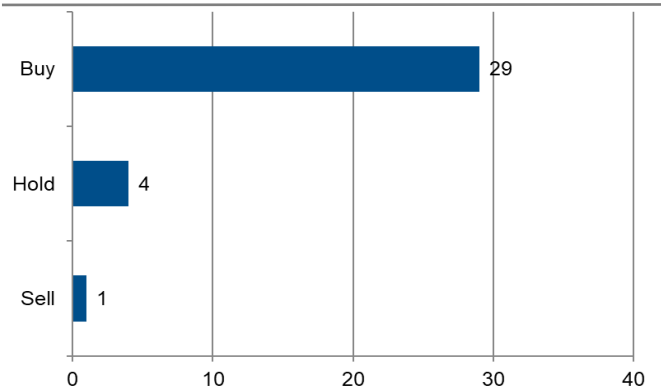
Source: NHKSI research

Dynamic Forward P/E band | Last 3 years



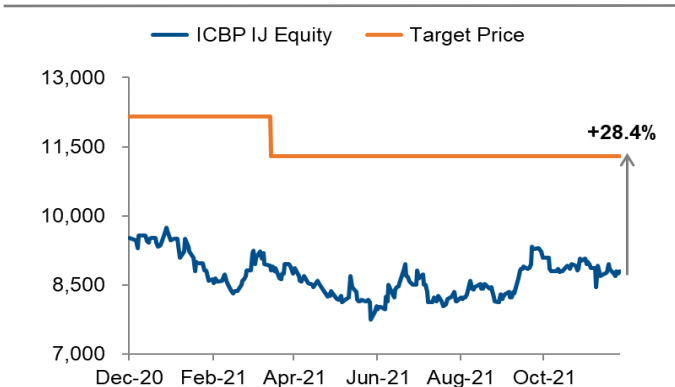
Source: NHKSI research

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	57,926	62,657	67,874
<i>Growth</i>	10.3%	24.2%	8.2%	8.3%
COGS	(29,416)	(37,003)	(39,360)	(42,611)
Gross Profit	17,225	20,923	23,297	25,263
<i>Gross Margin</i>	36.9%	36.1%	37.2%	37.2%
Operating Expenses	(8,023)	(9,209)	(10,338)	(11,199)
EBIT	9,202	11,714	12,959	14,063
<i>EBIT Margin</i>	19.7%	20.2%	20.7%	20.7%
Depreciation	1,071	1,339	1,435	1,588
EBITDA	10,273	13,053	14,394	15,651
<i>EBITDA Margin</i>	22.0%	22.5%	23.0%	23.1%
Interest Expenses	(671)	(1,633)	(1,290)	(1,237)
EBT	9,960	10,609	12,240	13,445
Income Tax	(2,542)	(2,226)	(3,083)	(3,386)
Minority Interest	(832)	(1,516)	(1,749)	(1,921)
Net Profit	6,586	6,867	7,408	8,137
<i>Growth</i>	30.7%	4.3%	7.9%	9.8%
<i>Net Profit Margin</i>	14.1%	11.9%	11.8%	12.0%

BALANCE SHEET

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Cash	9,535	8,509	10,858	12,144
Receivables	5,273	6,713	7,210	7,624
Inventories	4,587	5,489	5,715	6,654
Total Current Assets	20,716	22,447	25,658	28,297
Net Fixed Assets	13,606	14,476	15,547	16,674
Other Non Current Assets	69,266	69,645	69,725	69,741
Total Non Current Asset	82,872	84,121	85,272	86,415
Total Assets	103,588	106,569	110,930	114,712
Payables	3,045	3,855	4,098	4,203
ST Bank Loan	1,796	717	1,045	1,063
Total Current Liabilities	9,176	19,740	20,807	20,198
LT Debt	30,900	27,957	26,453	25,521
Total Liabilities	53,270	51,848	51,411	49,871
Capital Stock	6,569	6,569	6,569	6,569
Retained Earnings	22,576	26,941	31,740	37,062
Shareholders' Equity	50,318	54,720	59,519	64,841

CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	9,337	9,025	8,720	7,745
Investing Cash Flow	(34,957)	(2,885)	(2,585)	(2,731)
Financing Cash Flow	26,758	(7,228)	(3,785)	(3,728)
Net Changes in Cash	1,137	(1,087)	2,349	1,286

Source: Company Data, Bloomberg

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	24.7%	13.6%	13.5%	13.7%
ROA	17.0%	6.6%	7.0%	7.3%
Inventory Turnover	6.4x	6.7x	6.9x	6.4x
Receivable Turnover	8.8x	8.6x	8.7x	8.9x
Payables Turnover	9.7x	9.6x	9.6x	10.1x
Dividend Yield	2.2%	1.9%	2.0%	2.1%
Payout Ratio	18.1%	38.1%	38.0%	38.0%
DER	0.6x	0.5x	0.5x	0.4x
Net Gearing	1.4x	1.0x	0.9x	0.7x
Equity Ratio	48.6%	51.3%	53.7%	56.5%
Debt Ratio	31.6%	26.9%	24.8%	23.2%
Financial Leverage	2.0x	1.9x	1.8x	1.8x
Current Ratio	2.3x	1.1x	1.2x	1.4x
Quick Ratio	1.8x	0.9x	1.0x	1.1x
Par Value (IDR)	50	50	50	50
Total Shares (mn)	11,662	11,662	11,662	11,662
Share Price (IDR)	9,575	11,300	11,300	11,300
Market Cap (IDR tn)	111.7	131.8	131.8	131.8

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	17.0x	19.2x	17.8x	16.2x
Price /Book Value	2.2x	2.4x	2.2x	2.0x
PE/EPS Growth	0.6x	4.5x	2.3x	1.6x
EV/EBITDA	15.2x	13.3x	11.8x	10.7x
EV/EBIT	17.0x	14.8x	13.1x	11.9x
EV (IDR bn)	155,997	173,154	169,629	167,431
Sales CAGR (3-Yr)	9.4%	14.7%	14.0%	13.3%
Net Income CAGR (3-Yr)	20.2%	14.5%	13.7%	7.3%
Basic EPS (IDR)	565	589	635	698
BVPS (IDR)	4,315	4,692	5,104	5,560
DPS (IDR)	78	215	224	241

OWNERSHIP

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