

ICBP delivered a resilient top-line in 1Q26, with revenue rising +8% YoY (+17% QoQ) to IDR 21.7 tn, coming in line with our estimate at a 28% run-rate of our FY26F revenue forecast. Across business segments, the noodles division retained its crown as the primary growth engine, with revenue climbing +8% YoY (+17% QoQ). Gross profit margin contracted to 35% in 1Q26 from 36% in 1Q25, as elevated input costs — most notably CPO prices rising +17% YoY. The pressure was more pronounced at the operating level, with OPM declining sharply to 21% (vs. 26% in 1Q25). At the bottom line, core profit declined -4% YoY, and net profit attributable to owners fell -3% YoY to IDR 2.6 tn, with net profit margin narrowing to 12% (vs. 13% in 1Q25). Despite the margin headwinds, the result was broadly in line with our estimates, representing a 27% run-rate of our FY26F net profit forecast.

1Q26 Financial Performance

- Top-line on track — overseas momentum holds the fort.** ICBP delivered a resilient top-line in 1Q26, with revenue rising +8% YoY (+17% QoQ) to IDR 21.7 trillion, coming in line with our estimate at a 28% run-rate of our FY26F revenue forecast. Growth was underpinned by a healthy geographic mix, with overseas sales advancing +13% YoY — reflecting the continued strength of ICBP's international franchise — while domestic sales grew a steady +6% YoY, affirming the durability of consumer demand on the home front.
- Broad-based segment recovery, beverages the lone laggard.** Across business segments, the noodles division retained its crown as the primary growth engine, with revenue climbing +8% YoY (+17% QoQ). Snack foods followed with +7% YoY (+18% QoQ), while dairy posted +6% YoY (+15% QoQ). Nutrition & special foods grew at a more modest +5% YoY (+5% QoQ), and food seasonings rebounded sharply on a sequential basis at +4% YoY (+27% QoQ). The lone soft spot was the beverages segment, which dipped -3% YoY (-3% QoQ), continuing its near-term softness.
- Margin compression deepens — input costs take their toll.** Gross profit margin contracted to 35% in 1Q26 from 36% in 1Q25, as elevated input costs — most notably CPO prices rising +17% YoY — continued to weigh on cost of goods. The pressure was more pronounced at the operating level, with OPM declining sharply to 21% (vs. 26% in 1Q25). Compounding this, operating expenses surged +37% YoY, ultimately dragging operating profit down -10% YoY.
- Bottom line holds up — in line with estimates.** At the bottom line, core profit declined -4% YoY, and net profit attributable to owners fell -3% YoY to IDR 2.6 tn, with net profit margin narrowing to 12% (vs. 13% in 1Q25). Despite the margin headwinds, the result was broadly in line with our estimates, representing a 27% run-rate of our FY26F net profit forecast.

Margins Remain the Key Overhang

- Our forecasts stay intact, but CPO remains the margin wildcard.** Our FY26 estimates remain largely unchanged, though margin pressure remains the primary near-term risk. As highlighted in our previous report, CPO prices — already up 13% YTD — continue to find structural support from Indonesia's B50 biodiesel mandate and Malaysia's upcoming B15 implementation effective June 1st (stepping up from B10), dynamics we expect to keep CPO prices elevated well into 2H26F. Compounding this, the IDR has depreciated -4% YTD, adding another layer of cost pressure as the weaker currency inflates the landed cost of USD-denominated imports — most notably wheat, a key input for ICBP's noodles segment. Together, these twin headwinds — elevated CPO and a softer IDR — reinforce our view that meaningful margin recovery is unlikely in the near term.
- Geopolitical easing could offer a relief valve — but timing is uncertain.** That said, we are monitoring developments on the geopolitical front closely. An easing of U.S.-Iran tensions could weigh on crude oil prices, which in turn would undermine the economics of biofuels and potentially dampen demand for palm oil as a biodiesel feedstock. Should this scenario play out, it could provide meaningful relief to ICBP's input cost profile — though the timing and magnitude of such a shift remains difficult to predict. We will continue to reassess our margin assumptions as the macro backdrop evolves.

HOLD Recommendation with Target Price at IDR 6,850/Share

- We maintain our HOLD rating on ICBP with a target price of IDR 6,850 per share.** A more constructive macro environment — particularly a meaningful and sustained pullback in CPO prices alongside IDR appreciation remain the key re-rating catalysts in our 1-year view.
- Risks :** (1) Weaker-than-expected consumer purchasing power; (2) higher-than-anticipated input costs, particularly key raw materials; (3) intensifying competition from substitute and competing brands; and (4) IDR depreciation

PT Indofood CBP Sukses Makmur Tbk. | Summary (IDR Billions)

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	72.597	74.851	78.593	83.152	88.141
Growth (%y/y)	6,9%	3,1%	5,0%	5,8%	6,0%
Net Profit	7.079	9.225	9.366	10.144	11.032
Growth (%y/y)	1,3%	30,3%	1,5%	8,3%	8,8%
Basic EPS (IDR)	607	791	803	870	946
Price / Earnings	18,74	10,37	8,53	7,87	7,24
Price / Book Value	1,98	1,30	0,99	0,91	0,83
EV / EBITDA	8,68	6,30	4,95	4,36	3,77
ROE	10,6%	12,5%	11,6%	11,5%	11,5%
ROA	5,6%	6,8%	6,7%	6,8%	7,0%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 08th May 2026

HOLD

Target Price (IDR)	6,850
Consensus Price	10,100
TP to Consensus Price	-32.2%
Potential Downside	-2.8%

Shares Data

Last Price (IDR)	7,050
Price date as of	08 th May 2026
52 wk range (Hi/Lo)	11,475 / 6,650
Free Float (%)	19.5
Outstanding sh (mn)	11,662
Market Cap (IDR bn)	82,216
Market Cap (USD mn)	4,736
Avg. Trd Vol - 3M (mn)	6

Sector

Consumer Non-Cyclicals

Sub-Sector

Food & Beverages

Bloomberg

ICBP IJ Equity

Reuters

ICBP JK

Shares Price Performance



	YTD	3M	6M	12M
Abs.Ret	-14.0%	-12.7%	-18.7%	-37.1%
Rel.Ret	+6.3%	-0.7%	-1.5%	-39.1%

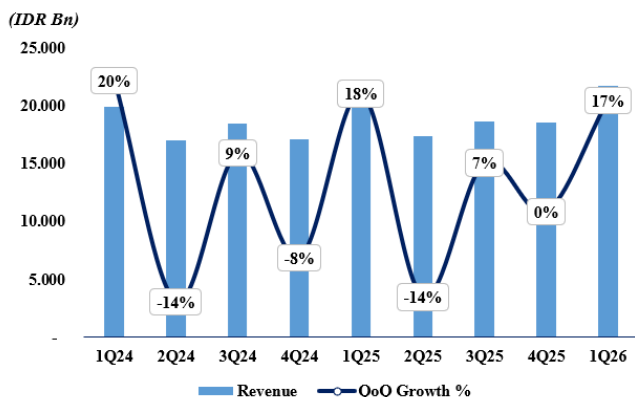
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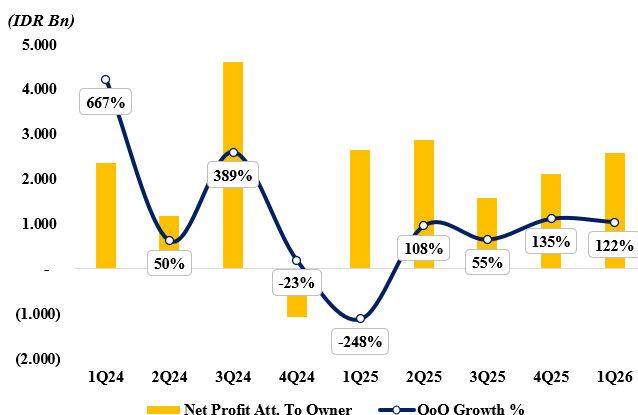
Performance Highlight for ICBP

Exhibit 1. ICBP Quarterly Revenue Performance (1Q24-1Q26)



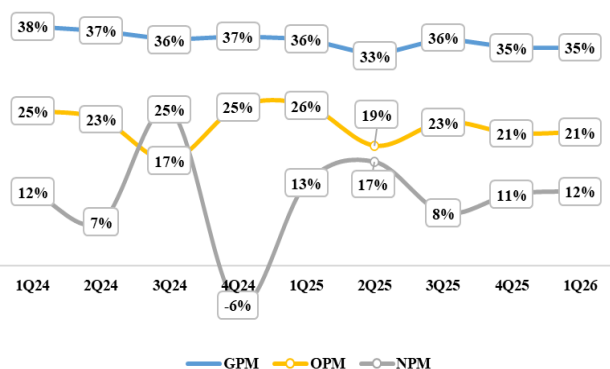
Source : Company, NHKSI Research

Exhibit 2. ICBP Quarterly Net Profit Performance (1Q24-1Q26)



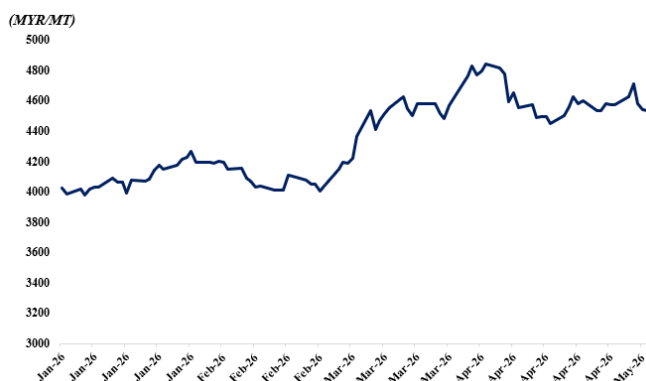
Source : Company, NHKSI Research

Exhibit 3. ICBP Margin Performance (1Q24-1Q26)



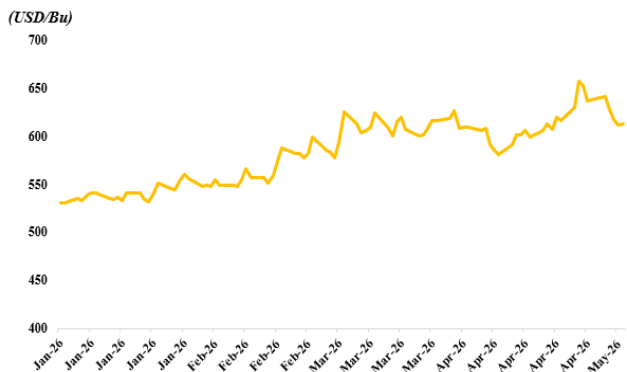
Source : Company, NHKSI Research

Exhibit 4. CPO Price YTD



Source : Company, NHKSI Research

Exhibit 5. Wheat Price YTD



Source : Company, NHKSI Research

Exhibit 6. ICBP 3-Year P/E Band



Source : Company, NHKSI Research

Summary of ICBP's Financials & Forecast

INCOME STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Net Sales	72.597	74.851	78.593	83.152	88.141
Growth	6,9%	3,1%	5,0%	5,8%	6,0%
COGS	(45.704)	(48.491)	(51.092)	(53.879)	(56.819)
Gross Profit	26.893	26.360	27.501	29.273	31.322
Gross Margin	37,0%	35,2%	35,0%	35,2%	35,5%
Operating Expenses	(10.572)	(9.705)	(10.696)	(11.198)	(11.888)
EBIT	16.321	16.656	16.805	18.075	19.434
EBIT Margin	22,5%	22,3%	21,4%	21,7%	22,0%
Depreciation	1.275	1.768	1.835	2.072	2.373
EBITDA	17.596	18.423	18.639	20.147	21.807
EBITDA Margin	24,2%	24,6%	23,7%	24,2%	24,7%
Finance Expenses	(4.256)	(3.864)	(3.887)	(3.968)	(4.031)
EBT	11.499	13.721	13.931	15.089	16.410
Income Tax	(2.686)	(2.965)	(3.010)	(3.261)	(3.546)
Net Profit	7.079	9.225	9.366	10.144	11.032
Growth	1,3%	30,3%	1,5%	8,3%	8,8%
Net Profit Margin	9,8%	12,3%	11,9%	12,2%	12,5%

BALANCE SHEET

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Cash	25.293	29.216	33.340	39.000	45.008
Receivables	8.792	10.291	10.120	10.707	11.189
Inventories	7.060	7.999	7.699	8.119	8.250
Total Current Assets	44.668	51.154	54.944	61.834	68.535
Net Fixed Assets	15.266	17.328	18.126	19.406	21.005
Other Non Current Assets	66.107	67.063	67.397	67.646	68.189
Total Non Current Asset	81.373	84.391	85.523	87.052	89.194
Total Assets	126.041	135.544	140.468	148.886	157.729
Payables	5.167	5.635	5.599	5.905	6.227
ST Bank Loan	537	773	626	646	682
Total Current Liabilities	10.925	12.316	11.583	12.281	12.944
LT Debt	44.883	46.413	44.830	45.375	45.539
Other Non Current Liab	3.189	3.132	3.276	3.125	3.104
Total Non Current Liab	48.072	49.545	48.105	48.500	48.643
Total Liabilities	58.997	61.861	59.688	60.781	61.587
Capital Stock & APIC	6.569	6.569	6.569	6.569	6.569
Retained Earnings	38.961	45.188	51.788	58.788	66.400
Shareholders' Equity	67.044	73.683	80.779	88.104	96.143

CASH FLOW STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	12.455	12.104	17.072	17.522	19.602
Investing Cash Flow	(2.253)	(4.700)	(5.359)	(4.466)	(5.258)
Financing Cash Flow	(4.308)	(4.290)	(7.647)	(7.704)	(8.806)
Net Changes in Cash	5.939	3.924	4.123	5.660	6.008

Source: Company, Bloomberg & NHKSI Research

PROFITABILITY & STABILITY

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
ROE	10,6%	12,5%	11,6%	11,5%	11,5%
ROA	5,6%	6,8%	6,7%	6,8%	7,0%
Inventory Turnover	6,8	6,3	6,2	6,5	6,6
Receivable Turnover	8,9	7,9	7,3	7,5	7,6
Payables Turnover	9,0	8,8	8,6	8,9	8,9
Dividend Yield	20%	35%	42%	46%	50%
Payout Ratio	31%	31%	31%	31%	31%
DER	68%	64%	56%	52%	48%
DAR	36%	35%	32%	31%	29%
Net Gearing	68%	64%	56%	52%	48%
Cash Conversion Cycle	54,07	58,03	62,00	62,00	59,33
Interest Coverage	3,84	3,93	4,31	4,32	4,56
Current Ratio	4,09	4,15	4,74	5,03	5,29
Quick Ratio	3,44	3,50	4,08	4,37	4,66
Total Shares (bn)	11,66	11,66	11,66	11,66	11,66
Share Price (IDR)	11.375	8.200	6.850	6.850	6.850
Market Cap (IDR bn)	132.655	95.628	79.885	79.885	79.885

VALUATION INDEX

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	18,7	10,4	8,5	7,9	7,2
Price /Book Value	2,0	1,3	1,0	0,9	0,8
EPS Growth	1%	30%	2%	8%	9%
EV/EBITDA	8,68	6,30	4,95	4,36	3,77
EV/EBIT	9,36	6,82	5,47	4,81	4,17
EV (IDR bn)	152.783	113.598	92.001	86.906	81.098
Sales CAGR (3-Yr)	9%	5%	5%	5%	6%
Net Income CAGR (3-Y)	3%	26%	10%	13%	6%
Basic EPS (IDR)	607	791	803	870	946
BVPS (IDR)	5.749	6.318	6.927	7.555	8.244
DPS (IDR)	191	245	249	270	293

OWNERSHIP

Shareholders	%
PT Indofood Sukses Makmur Tbk.	80,5
Public	19,5
By Geography	%
Indonesia	92,2
United States	3,3
Luxembourg	1,7
Others	2,8

Please consider the rating criteria & important disclaimer

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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