PT Indofood CBP Sukses Makmur Tbk. (ICBP)

Top-Line Stays Resilient, but Forex Storm Clouds the Bottom-Line

ICBP delivered broad-based volume growth in 1H26, with revenue rising +11% YoY to IDR 41.9 tn, in line with our estimates at a 53% run-rate of our FY26F forecast. 2Q26 revenue grew +16% YoY (-7% QoQ), led by nutrition & special foods, dairy, and a resilient overseas franchise. Bottom-line, however, missed the mark: 1H26 net profit fell -33% YoY to IDR 3.7 tn on a ballooning IDR 2.9 tn net forex loss tied to ICBP's USD-denominated debt. Excluding this, core profit rose a modest +1% YoY to IDR 5.4 tn. With IDR weakness, and elevated input costs persisting into 2H26F, we trim our FY26F net profit forecast to IDR 8.4 tn (-9% YoY) while maintaining our TP at IDR 6,850/share.

1H26 & 2Q26 Financial Performance

- **Top-line stays resilient, broad volume growth carries the day.** ICBP booked a solid 1H26 revenue of IDR 41.9 tn, up +11% YoY, in line with our estimates at a 53% run-rate of our FY26F forecast. 2Q26 revenue alone grew +16% YoY (-7% QoQ), underpinned by broad-based volume growth across all business segments.
- **Dairy and nutrition emerge as the new growth engines worth monitoring.** Nutrition & special foods (+31% YoY/-1% QoQ) and dairy (+27% YoY/-5% QoQ) led 2Q26 segmental growth, followed by noodles at +15% YoY (-7% QoQ). Snack foods grew +11% YoY (-2% QoQ), food seasonings rose +9% YoY (-20% QoQ), while beverages remained the relative laggard, up a modest +3% YoY (+6% QoQ).
- **Overseas sales extends its lead.** Overseas sales grew +22% YoY in 1H26, lifting its contribution to 32% of total sales (vs. 29% in 1H25), while domestic sales grew a steadier +7%. The overseas push accelerated further in 2Q26, up +31% YoY (+15% QoQ), with Asia & Africa (+30% YoY/+19% QoQ) and Other Nations (+35% YoY/-9% QoQ) both firing. We attribute this to ICBP's extensive overseas distribution network, solid regional demand, and the ramp-up of new production capacity that came onstream last year.
- **Forex losses drive the profit miss.** 1H26 GPM eased to 34.3% (vs. 34.9% in 1H25) and OPM to 21.9% (vs. 22.5% in 1H25), reflecting continued input cost pressure. The bigger blow came below the operating line: NPM collapsed to 8.8% (vs. 14.7% in 1H25), pulling net profit down -33% YoY to IDR 3.7 tn (40%/45% run-rate of our old/new FY26F estimates). This was primarily driven by a net forex loss on financing activities of IDR 2.9 tn (vs. IDR 227 mn in 1H25), as IDR depreciation weighed on ICBP's debt book, 98% of which is foreign-currency-denominated (mainly USD bonds). Stripping out this item, core profit was roughly flat, up +1% YoY to IDR 5.4 tn.

Costly Ingredients, Same Recipe. Trimming Our FY26F Bottom-Line

- **A weaker Rupiah remains the biggest swing factor.** IDR depreciation hits ICBP on two fronts — inflating USD-denominated input costs and generating forex losses on its foreign-currency debt. The Rupiah has depreciated -8% YoY, trading around IDR 17,900-18,000/USD; any further weakness would amplify the forex loss going forward.
- **CPO prices, a key input cost, stay elevated with little sign of relief.** Global CPO is trading at MYR ~4,600/ton (+16% YTD/+11% YoY). Domestic CPO prices, though less correlated to global benchmarks, have also risen +3% YoY to IDR 14,615/kg in 1H26 per INDF's CPO ASP. We expect prices to stabilize above the MYR 4,400-4,500/ton range through year-end.
- **We trim our FY26F net profit forecast to IDR 8.4 tn,** implying a -9% YoY decline and NPM of 11% (vs. 12% in FY25), reflecting these persistent currency and commodity headwinds.

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

- **We maintain our HOLD rating on ICBP with an unchanged target price of IDR 6,850/share.** Our FY26F outlook remains broadly intact, with key overhangs, IDR weakness and elevated input costs, still in play. However, we continue to see ICBP's core business as resilient, with volume growth solid across all segments; dairy segments is also worth monitoring as the company's next growth engine alongside noodles. That said, amid ongoing macro and global uncertainty affecting currency, freight, and commodity prices, near-term margin recovery is unlikely. We will continue to monitor these key risks going forward.
- **Risks:** (1) Weaker-than-expected consumer purchasing power; (2) higher-than-anticipated input costs; (3) intensifying competition from substitute and competing brands; (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	8.439	9.665	10.649
Growth (%y/y)	*1,3%*	*30,3%*	*-8,5%*	*14,5%*	*10,2%*
Basic EPS (IDR)	607	791	724	829	913
Price / Earnings	18,74	10,37	9,47	8,27	7,50
Price / Book Value	1,98	1,30	1,00	0,92	0,84
EV / EBITDA	8,68	6,30	4,99	4,42	3,84
ROE	10,6%	12,5%	10,5%	11,1%	11,2%
ROA	5,6%	6,8%	5,8%	6,4%	6,7%

Source : Company Data, Bloomberg, NHKSI Research

Update Report | 04th August 2026

HOLD

Target Price (IDR)	**6,850**
Consensus Price	9,750
TP to Consensus Price	-29.7%
Potential Downside	-4.9%

Shares Data

Last Price (IDR)	7,200
Price date as of	04th August 2026
52 wk range (Hi/Lo)	10,050 / 5,925
Free Float (%)	19.5
Outstanding sh (mn)	11,662
Market Cap (IDR bn)	84,257
Market Cap (USD mn)	4,676
Avg. Trd Vol – 3M (mn)	5.2

Sector
Consumer Non-Cylicals
Sub-Sector
Food & Beverages

Bloomberg	ICBP IJ Equity
Reuters	ICBP JK

Shares Price Performance

	YTD	3M	6M	12M
Abs.Ret	-10.8%	+6.3%	-13.5%	-24.4%
Rel.Ret	+16.9%	-10.3%	+9.3%	-7.4%

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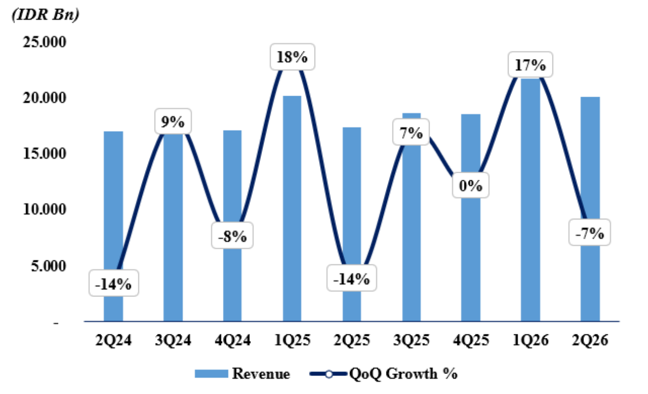
Please consider the rating criteria & important disclaimer

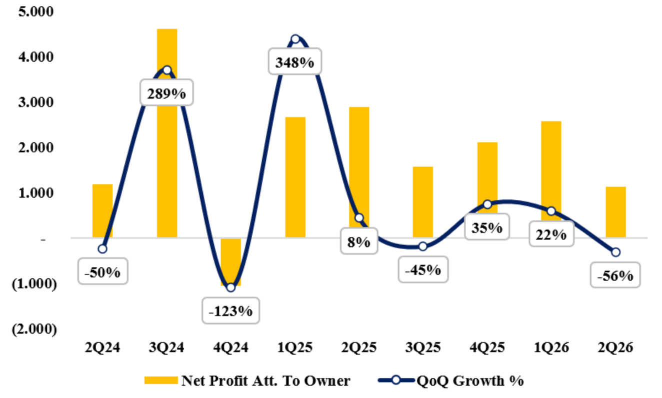
Performance Highlight for ICBP

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



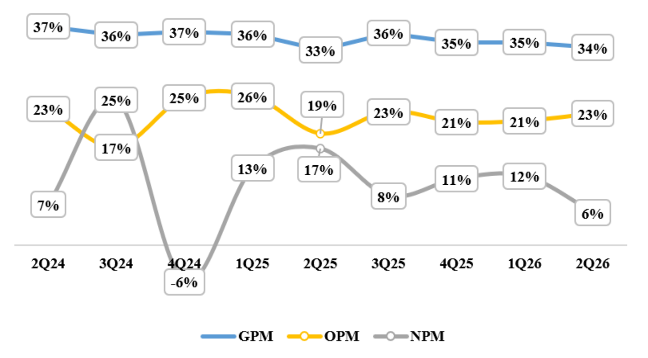
Source : Company, NHKSI Research

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



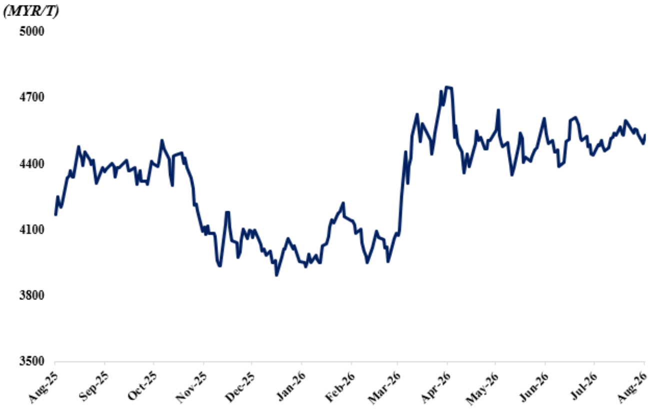
Source : Company, NHKSI Research

Exhibit 3. ICBP Margin Performance (2Q24-2Q26)



Source : Company, NHKSI Research

Exhibit 4. CPO Price YoY

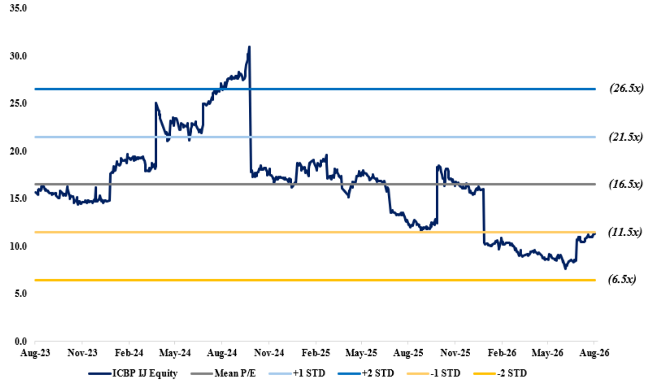


Source : Bloomberg, NHKSI Research

Exhibit 5. Wheat Price YoY

Source : Bloomberg, NHKSI Research

Exhibit 6. ICBP 3-Year P/E Band



Source : 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)	(5.266)	(4.681)	(4.602)
EBT	**11.499**	**13.721**	**12.552**	**14.376**	**15.839**
Income Tax	(2.686)	(2.965)	(2.712)	(3.107)	(3.423)
Net Profit	**7.079**	**9.225**	**8.439**	**9.665**	**10.649**
Growth	*1,3%*	*30,3%*	*-8,5%*	*14,5%*	*10,2%*
Net Profit Margin	*9,8%*	*12,3%*	*10,7%*	*11,6%*	*12,1%*

PROFITABILITY & STABILITY

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
ROE	10,6%	12,5%	10,5%	11,1%	11,2%
ROA	5,6%	6,8%	5,8%	6,4%	6,7%
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%	38%	44%	48%
Payout Ratio	31%	31%	31%	31%	31%
DER	68%	64%	62%	56%	52%
DAR	36%	35%	35%	32%	31%
Net Gearing	68%	64%	62%	56%	52%
Cash Conversion Cycle	54,07	58,03	62,00	62,00	59,33
Interest Coverage	3,84	3,93	4,31	3,19	3,86
Current Ratio	4,09	4,15	5,08	5,16	5,44
Quick Ratio	3,44	3,50	4,41	4,50	4,80
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

BALANCE SHEET

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Cash	25.293	29.216	37.137	40.414	46.629
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**	**58.771**	**63.345**	**70.340**
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**	**144.294**	**150.397**	**159.534**
Payables	5.167	5.635	5.599	5.905	6.227
ST Bank Loan	537	773	611	641	675
Total Current Liabilities	**10.925**	**12.316**	**11.568**	**12.276**	**12.937**
LT Debt	44.883	46.413	49.311	47.862	48.586
Other Non Current Liab	3.189	3.132	3.276	3.125	3.104
Total Non Current Liab	**48.072**	**49.545**	**52.586**	**50.987**	**51.690**
Total Liabilities	**58.997**	**61.861**	**64.154**	**63.263**	**64.627**
Capital Stock & APIC	6.569	6.569	6.569	6.569	6.569
Retained Earnings	38.961	45.188	51.148	57.817	65.165
Shareholders' Equity	**67.044**	**73.683**	**80.140**	**87.134**	**94.907**

VALUATION INDEX

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	18,7	10,4	9,5	8,3	7,5
Price /Book Value	2,0	1,3	1,0	0,9	0,8
EPS Growth	1%	30%	-9%	15%	10%
EV/EBITDA	8,68	6,30	4,99	4,42	3,84
EV/EBIT	9,36	6,82	5,51	4,87	4,25
EV (IDR bn)	152.783	113.598	92.670	87.974	82.517
Sales CAGR (3-Yr)	9%	5%	5%	5%	6%
Net Income CAGR (3-Y	3%	26%	6%	11%	5%
Basic EPS (IDR)	607	791	724	829	913
BVPS (IDR)	5.749	6.318	6.872	7.472	8.138
DPS (IDR)	191	245	224	257	283

CASH FLOW STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	12.455	12.104	16.377	17.186	19.332
Investing Cash Flow	(2.253)	(4.700)	(5.359)	(4.397)	(5.179)
Financing Cash Flow	(4.308)	(4.290)	(3.206)	(9.691)	(8.424)
Net Changes in Cash	**5.939**	**3.924**	**7.920**	**3.277**	**6.215**

OWNERSHIP

Shareholders	**%**
PT Indofood Sukses Makmur Tbk.	80,5
Public	19,5
By Geography	**%**
Indonesia	92,4
United States	3,2
Luxembourg	1,8
Others	2,6

Source: Company, Bloomberg & NHKSI Research

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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