PT Indofood CBP Sukses Makmur Tbk. (ICBP)

Volume-Led Acceleration, Raising FY26 Forecast

ICBP delivered a strong 9M26, with revenue up +15% YoY to IDR 64.4 tn, as 3Q26 accelerated to +21% YoY (+12% QoQ) on double-digit volume growth across its product categories, driven by new launches. Gross margin narrowed to 34.1% (vs. 35.4% in 9M25) on higher input costs, while net forex losses of IDR 3.3 tn (vs. IDR 1.4 tn) pulled 9M26 net profit down -13% YoY to IDR 6.2 tn. That said, 3Q26 net profit rebounded to IDR 2.5 tn (+57% YoY) as the forex loss narrowed to IDR 391 bn. With 9M26 revenue running ahead of our previous forecast, we raise our FY26F revenue forecast to IDR 83.9 tn (+12% YoY) and our net profit forecast to IDR 8.8 tn. We upgrade ICBP to "Buy" with an unchanged TP of IDR 6,850/share, implying 15.6% upside.

3Q26 & 9M26 Financial Performance

- **Top-line acceleration, powered by volume.** 9M26 revenue grew +15% YoY to IDR 64.4 tn, an 82% run-rate of our previous FY26 forecast of IDR 78.6 tn and ahead of the historical 9M contribution of 75–76%. 3Q26 revenue alone jumped +21% YoY (+12% QoQ) to IDR 22.6 tn, up from +16% YoY in 2Q26. Management attributed the acceleration to double-digit volume growth across all its product categories, supported by a broad pipeline of new product launches in 2026.
- **Every segment grew double digits in 3Q26.** Noodles, which make up 75% of gross segment sales, grew +14% YoY in 9M26 and +20% YoY in 3Q26 (+12% QoQ). Dairy (+20% YoY in 9M26; +31% YoY/+14% QoQ in 3Q26) and nutrition & special foods (+22% YoY; +33% YoY/+10% QoQ) remained the fastest-growing segments. Food seasonings (+12% YoY; +27% YoY/+19% QoQ) and snack foods (+12% YoY; +18% YoY/+11% QoQ) also accelerated. Beverages picked up to +19% YoY in 3Q26, bringing 9M26 growth to +6%.
- **Domestic growth accelerates, overseas stays strong.** Overseas sales grew +23% YoY in 9M26, lifting their share to 33% of total sales (vs. 31% in 9M25). The bigger change was at home. Domestic sales accelerated to +20% YoY (+15% QoQ) in 3Q26, up from +7% YoY in 1H26.
- **Margins remain under pressure.** 9M26 GPM eased to 34.1% (vs. 35.4% in 9M25). 3Q26 GPM was 33.7%, flat QoQ but down from 36.3% in 3Q25, reflecting higher input costs amid IDR weakness. Selling expenses rose +19% YoY, with freight & handling up +28% and A&P up +19% to support volume growth and new launches. As a result, 9M26 OPM fell to 21.2% (vs. 22.6%), with EBIT up +7% YoY to IDR 13.7 tn. By segment, noodles EBIT margin narrowed to 23.1% (vs. 24.8%). Dairy was the bright spot, with EBIT up +26% YoY and margin improving to 8.0% (vs. 7.6%).
- **Forex drag eased in 3Q26.** ICBP booked net forex losses from financing activities of IDR 3.3 tn in 9M26 (vs. IDR 1.4 tn in 9M25), stemming from the revaluation of its USD 2.75 bn bonds as the IDR weakened to 17,998/USD at end-September (vs. IDR 16,782/USD at end-2025). This non-cash loss pulled 9M26 net profit down -13% YoY to IDR 6.2 tn (73% of our previous FY26F forecast), despite EBIT growth of +7%. The pace of IDR depreciation slowed markedly in 3Q26: the currency weakened only 0.8% during the quarter (IDR 17,856 to 17,998/USD), compared with 6.4% in 1H26 (IDR 16,782 to 17,856/USD). As a result, the forex loss narrowed sharply to IDR 391 bn in 3Q26 (vs. IDR 3.0 tn in 1H26 and IDR 1.2 tn in 3Q25), driving the rebound in 3Q26 net profit to IDR 2.5 tn (+57% YoY, +118% QoQ).

Raising Our FY26F Forecasts on Stronger Volume

- **9M26 beat our run-rate, prompting an upward revision.** With 9M26 revenue already reaching 82% of our previous full-year forecast, well ahead of the historical 9M contribution of 75–76%, we raise our FY26 revenue forecast to IDR 83.9 tn (+12% YoY), from IDR 78.6 tn. We also raise our FY26 net profit forecast to IDR 8.8 tn from IDR 8.4 tn. We expect the growth to continue into 4Q26, supported by continued traction from new product launches, albeit at a more moderate pace after a strong 3Q26.
- **The IDR remains the key swing factor.** A weaker IDR inflates non-cash forex losses on its USD 2.75 bn bonds and raises imported input costs, while a stronger IDR would reverse these effects through forex gains and cost relief. The IDR traded at 18,150/USD in early November (vs. 17,998 at end-September), so continued weakness would pose downside risk to our forecast.
- **Input costs stay elevated.** Global CPO prices hover around MYR 4,500/ton, while wheat prices, at USD 6.0/bushel, with the impact amplified by IDR weakness. We lower our FY26F GPM to 34.0% (previously 35.0%), in line with 9M26 levels.

Upgrade to BUY with Target Price at IDR 6,850/Share

- **We upgrade ICBP to "Buy" from "Hold" with an unchanged TP of IDR 6,850/share, implying 15.6% upside, 9.1x FY26F P/E and 6.0x FY26F EV/EBITDA.** 3Q26 confirmed ICBP's strength: double-digit volume growth across all segments and strong traction from new product launches. Margin pressure from input costs and the IDR's influence on the bottom line remain near-term risks.
- **Risks:** (1) further IDR depreciation; (2) higher-than-anticipated input costs; (3) weaker consumer purchasing power; (4) intensifying competition from substitute and competing brands.

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

	FY24/12A	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	72,597	74,851	83,875	89,298	95,161
Growth (%y/y)	6.9%	3.1%	12.1%	6.5%	6.6%
Net Profit	7,079	9,225	8,767	10,486	11,629
Growth (%y/y)	1.3%	30.3%	(5.0%)	19.6%	10.9%
Basic EPS (IDR)	607	791	752	899	997
Price / Earnings	18.7x	10.4x	9.1x	7.6x	6.9x
Price / Book Value	2.9x	1.9x	1.4x	1.2x	1.1x
EV / EBITDA	9.7x	7.3x	6.0x	5.3x	4.8x
ROE	15.7%	17.9%	15.2%	16.2%	16.0%
ROA	5.6%	6.8%	5.9%	6.5%	6.7%

Source : Company Data, Bloomberg, NHKSI Research

Update Report | 4th November 2026

Buy

Target Price (IDR)	**6,850**
Consensus Price	9,650
TP to Consensus Price	-29.0%
Potential Upside	+15.6%

Shares Data

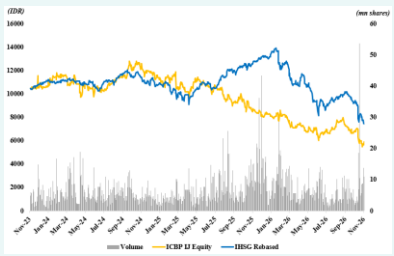
Last Price (IDR)	5925
Price date as of	4th November 2026
52 wk range (Hi/Lo)	8725 / 5,400
Free Float (%)	19.5
Outstanding sh (mn)	11,662
Market Cap (IDR bn)	69,097
Market Cap (USD mn)	3,808
Avg. Trd Vol – 3M (mn)	6.4

Sector
Consumer Non-Cylicals

Sub-Sector
Food & Beverages

Bloomberg	ICBP IJ Equity
Reuters	ICBP JK

Shares Price Performance



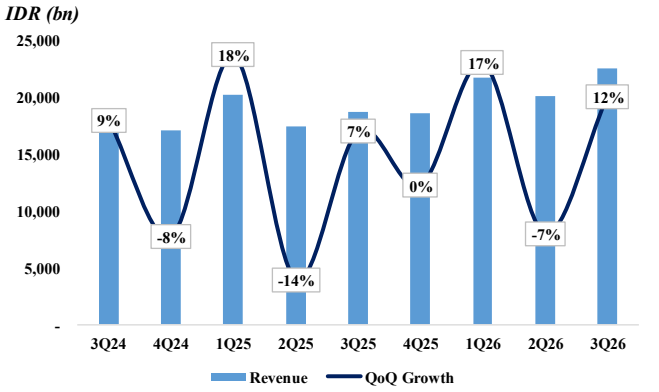
	YTD	3M	6M	12M
Abs.Ret	-27.7%	-17.4%	-12.9%	-30.1%
Rel.Ret	+15.4%	+4.8%	+16.5%	+10.2%

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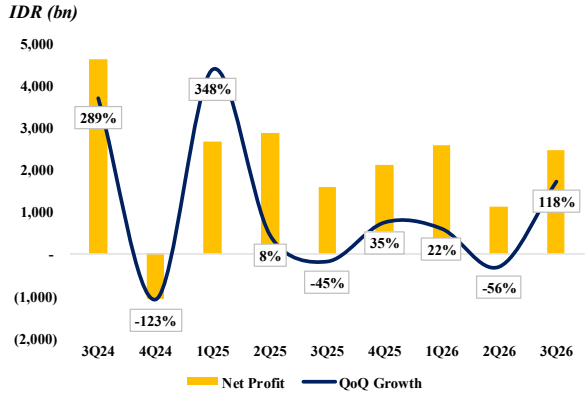
Performance Highlight for ICBP

Exhibit 1. ICBP Quarterly Revenue Performance (3Q24-3Q26)



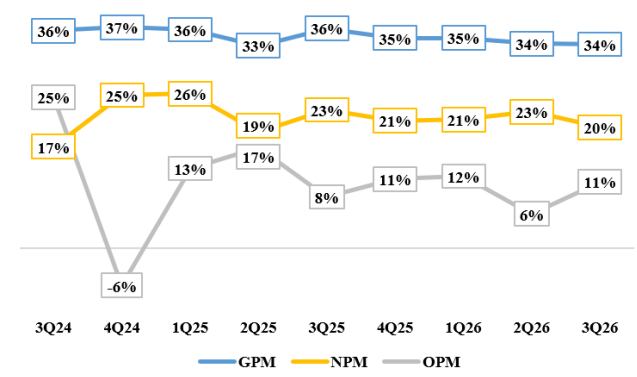
Source : Company, NHKSI Research

Exhibit 2. ICBP Quarterly Net Profit Performance (3Q24-3Q26)



Source : Company, NHKSI Research

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



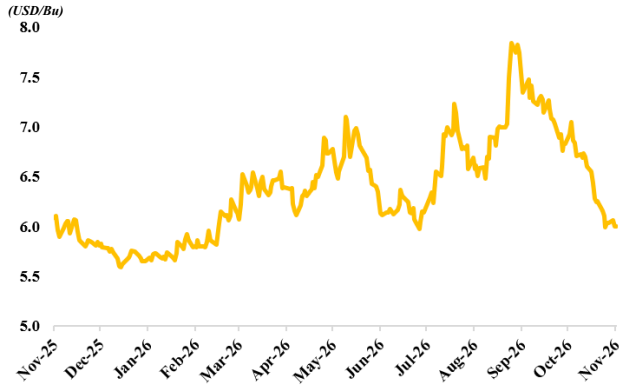
Source : Company, NHKSI Research

Exhibit 4. CPO Price (1-Year)



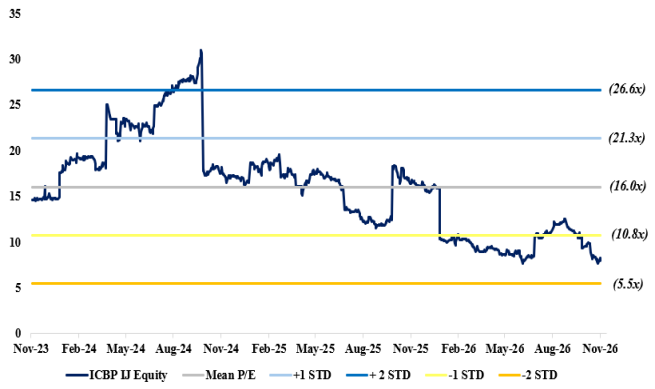
Source : Bloomberg, NHKSI Research

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	FY24/12A	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	**72,597**	**74,851**	**83,875**	**89,298**	**95,161**
Growth %	*6.9%*	*3.1%*	*12.1%*	*6.5%*	*6.6%*
COGS	(45,704)	(48,491)	(55,357)	(57,865)	(61,379)
Gross Profit	**26,893**	**26,360**	**28,517**	**31,433**	**33,782**
Gross Margin	*37.0%*	*35.2%*	*34.0%*	*35.2%*	*35.5%*
Operating Expenses	(10,702)	(10,695)	(12,013)	(13,281)	(14,105)
EBIT	**16,321**	**16,656**	**17,614**	**19,333**	**20,935**
EBIT Margin	*22.5%*	*22.3%*	*21.0%*	*21.7%*	*22.0%*
EBITDA	**18,107**	**18,515**	**19,697**	**21,551**	**23,299**
EBITDA Margin	*24.9%*	*24.7%*	*23.5%*	*24.1%*	*24.5%*
Finance Expenses	(4,256)	(3,864)	(5,322)	(4,692)	(4,608)
EBT	11,499	13,485	13,069	15,542	17,235
Income Tax	(2,686)	(2,965)	(2,875)	(3,419)	(3,792)
Net Profit	**7,079**	**9,225**	**8,767**	**10,486**	**11,629**
Growth %	*1.3%*	*30.3%*	*(5.0%)*	*19.6%*	*10.9%*
Net Profit Margin	*9.8%*	*12.3%*	*10.5%*	*11.7%*	*12.2%*

BALANCE SHEET

IDR bn	FY24/12A	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Cash	25,293	29,216	38,178	45,727	54,695
Receivables	8,412	9,869	9,603	10,542	11,065
Inventories	7,060	7,999	8,352	8,858	9,328
Other Current Assets	3,904	4,070	3,981	4,025	4,003
Total Current Assets	**44,668**	**51,154**	**60,114**	**69,153**	**79,091**
Net Fixed Assets	15,266	17,328	20,326	23,543	26,892
Other Non Current Assets	66,107	67,063	67,473	67,891	68,348
Total Non Current Assets	**81,373**	**84,391**	**87,799**	**91,434**	**95,241**
Total Assets	**126,041**	**135,544**	**147,913**	**160,587**	**174,332**
Trade Payables	4,101	4,568	4,841	5,102	5,390
ST Bank Loan	185	577	577	577	577
Other Current Liabilities	6,638	7,171	7,207	7,189	7,198
Total Current Liabilities	**10,925**	**12,316**	**12,625**	**12,868**	**13,164**
LT Debt	44,874	46,404	49,791	52,080	54,270
Other Non Current Liabilities	3,198	3,141	3,141	3,141	3,141
Total Non Current Liabilities	**48,072**	**49,545**	**52,932**	**55,221**	**57,411**
Total Liabilities	**58,997**	**61,861**	**65,556**	**68,089**	**70,575**
Capital Stock & APIC	6,569	6,569	6,569	6,569	6,569
Retained Earnings	38,961	45,188	51,103	58,193	66,065
Shareholders' Equity	**67,044**	**73,683**	**82,357**	**92,498**	**103,756**

CASH FLOW STATEMENT

IDR bn	FY24/12A	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Operating Cash Flow	9,257	10,930	12,525	13,127	15,117
Investing Cash Flow	(749)	(4,866)	(5,492)	(5,854)	(6,170)
Financing Cash Flow	(2,569)	(2,140)	1,928	276	20
Net Changes in Cash	**5,939**	**3,924**	**8,961**	**7,550**	**8,967**

PROFITABILITY & STABILITY

	FY24/12A	FY25/12A	FY26/12F	FY27/12F	FY28/12F
ROE	15.7%	17.9%	15.2%	16.2%	16.0%
ROA	5.6%	6.8%	5.9%	6.5%	6.7%
Inventory Turnover	6.8x	6.4x	6.8x	6.7x	6.8x
Receivables Turnover	17.6x	15.5x	16.3x	16.8x	16.7x
Payables Turnover	12.7x	12.3x	12.9x	12.7x	12.8x
Cash Conversion Cycle	45.5	50.5	48.0	49.2	48.6
Dividend Payout Ratio	32.9%	31.6%	31.6%	31.6%	31.6%
DER	0.7x	0.6x	0.6x	0.6x	0.5x
DAR	36.2%	35.0%	34.4%	33.1%	31.7%
Current Ratio	4.1x	4.2x	4.8x	5.4x	6.0x
Quick Ratio	3.4x	3.5x	4.1x	4.7x	5.3x
Total Shares (mn)	11,662	11,662	11,662	11,662	11,662
Share Price (IDR)	11,375	8,200	6,850	6,850	6,850
Market Cap (IDR bn)	132,654	95,628	79,884	79,884	79,884
Dividend Yield	1.8%	3.0%	3.5%	4.1%	4.6%
Net Gearing	30.3%	24.7%	15.4%	8.0%	0.6%

VALUATION INDEX

	FY24/12A	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Price / Earnings	18.7x	10.4x	9.1x	7.6x	6.9x
Price / Book Value	2.9x	1.9x	1.4x	1.2x	1.1x
Price / Earnings to Growth		0.34x	(1.84x)	0.39x	0.63x
EPS Growth		30.3%	(5.0%)	19.6%	10.9%
EV/EBITDA	9.7x	7.3x	6.0x	5.3x	4.8x
EV/EBIT	10.7x	8.2x	6.7x	6.0x	5.3x
EV (IDR bn)	174,813	136,006	117,358	115,118	111,742
Sales CAGR (3-Year)	9%	5%	7%	7%	8%
Net Income CAGR (3-Year)	3%	26%	8%	14%	8%
Basic EPS (IDR)	607	791	752	899	997
BVPS (IDR)	3,877	4,418	4,938	5,546	6,221
DPS (IDR)	200	250	238	284	315

OWNERSHIP

Shareholders	**%**
Indofood Sukses Makmur Tbk	80.5
Public	19.5
By Geography (shareholder domicile)	**%**
Indonesia	91.2
United States	3.3
Luxembourg	1.8
Others	3.7

Source: Company, Bloomberg & NHKSI Research

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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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