

Earnings above expectation; agribusiness continue shining

7 April 2026



INDF IJ	BUY
Sector	Consumer
Price at 6 April 2026 (IDR)	6,575
Price target (IDR)	9,150
Upside/Downside (%)	39.2

Stock Information

PT Indofood Sukses Makmur Tbk is a total food solutions company. Operating in all stages of food manufacturing to consumer products in the market. Its consumer branded products business segment produces a range of consumer products such as: noodles, dairy, snack foods, food seasonings, nutrition and special foods as well as and beverages. Bogasari business produced wheat flour, while the company also has agribusiness division and distribution businesses.

Market cap (IDR bn)	58,170
Shares outstanding (mn)	8,780
52-week range (IDR)	5,900-8,825
3M average daily vol. ('000)	22,192
3M average daily val. (IDR mn)	144,410

Shareholders (%)

First Pacific Company Limited	50.1
Public	49.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	4.8	(6.1)	(7.4)

Analyst

Akhmad Nurcahyadi
akhmad.nurcahyadi@kbvalbury.com

INDF's FY25 top line came in line with our and '25F consensus at 102.2%/100.2%. Despite escalating raw material costs and pressure on CBP segment, gross profit remained in line with our forecast, thanks to robust Agribusiness segment growth of 31.8% yoy on the back of stronger volume and ASP. On the bottom line, a major one-time boost (forex gain of IDR 952.21bn) drove INDF's earnings surpassed our '25F PATMI forecast by 5.49%, though the solid PATMI growth of 23.6% yoy (IDR10.68 tn) still lagged consensus expectations. We anticipate Bogasari and Agribusiness to become major supports for INDF's '26F earnings. Maintain BUY with SOTP-based TP of IDR 9,150 (7.1x '26F P/E), while currently attractively trading at 5.1x '26F P/E, or below -1SD.

Bottom-line boosted by non-operating factors

INDF's FY25 results confirmed financial resilience, though the solid top-line growth effectively "masking" underlying margin pressures. While the CBP segment faced significant headwinds, strong performance in other divisions mitigated the impact, driving net sales to IDR 123.49 tn, relatively in line with our and cons. '25F net revenue estimate of IDR 120.81 tn and IDR 123.27 tn, (run rate of 102.2% and 100.18%, respectively). However, a surge in raw material costs severely strained the Noodle and Snack segments, leading to an 8.8% yoy increase in cost of sales and pushing GP to IDR 41.19 tn, yet relatively in line with our expectation (99.81%) but falling slightly short of consensus (96.71%). At the bottom-line level, a forex gain of IDR 952.21 bn (vs. IDR 77.67 bn in 2024) pointedly supported earnings to reach IDR10.68 tn (+23.6% yoy) and outpacing our '25F PATMI for INDF by 5.4%, though still below cons. at 95.12%.

Net profit surge masks underlying margin pressures

A divergence was showed between INDF's core operational health and its bottom-line results. While the net revenue grew healthy by 6.7% yoy, a deeper look into the profitability reveals a more cautious narrative. GP margin was 131bps softer to 33.4% vs 34.7%, while at EBIT level, margin was relatively stable at 19.9%, supported by forex gain and a much softer S&GA to sales ratio. Net profit margin was 119bps stronger. Yet, it is clearly that this margin expansion was entirely decoupled from operational reality, driven exclusively by a significant one-time, non-recurring gain.

Mixed results in consumer & flour

The CBP segment reported revenue growth of 3.3% yoy and softer EBIT (2.02%) on elevated raw material costs. Despite these headwinds, CBP remains the group's main growth engine, accounting for 61.3% of total revenue. Meanwhile, Bogasari delivered solid results, with EBIT rising 10.2% yoy to IDR2.83 tn, meeting its FY25 guidance on the back of 5% volume growth. In terms of profitability, CBP's margin remained under pressure, dropped from 21.9% to 20.8% in FY25. On the flip of coin, Bogasari's margin expansion remained intact (+69 bps to 9.1%). The distribution segment also showed notable improvement, with margins strengthening by 146 bps to 8.4% over the same period.

Plantations continue shining

The Agribusiness segment continued to excel, delivering 31.8% yoy top-line growth fueled by higher ASP and increased volumes across palm products, edible oils, and fats. Plantation division grew 21% yoy to IDR 14.46 tn, while Edible Oils & Fats posted 22% expansion to IDR14.99 tn. At the EBIT level, growth remained in double digits, rising 12.6% yoy to IDR4.13 tn (plantations: 7% yoy, edible oil & fat: 3% yoy), resulting in a consolidated EBIT margin of 19.6%. Operational metrics showed slight 2% yoy decline in FFB nucleus production. However, this was offset by 4% yoy increase in CPO production, which reached 733,000 tons.

Maintain BUY

Maintain BUY with SOTP-based TP of IDR 9,150 (7.1x '26F P/E), while currently trading at an attractive 5.1x '26F P/E, or below its -1SD. Risks to our call: a) lower-than-expected purchasing power, volume, asp growth and EBIT achievement, b) higher than expected input costs, e) continuing weakening Bogasari segment EBIT and f) wheat price declined further. Potential upside catalysts: a) better-than-anticipated CBP's segment growth, b) higher-than-expected volume growth and CPO average selling price, c) softer-than-expected usd/idr currency and operating expenses to sales ratio.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	115,787	123,493	126,635	133,522	141,024
Operating profit	23,088	24,569	23,727	25,408	26,939
Net profit	8,642	10,685	11,349	12,451	13,852
EPS (IDR)	984	1,217	1,292	1,418	1,578
EPS growth (%)	6.1	23.6	6.2	9.7	11.3
ROE (%)	7.9	8.9	8.9	9.0	9.3
ROA (%)	4.3	4.9	5.0	5.2	5.5
PER (x)	6.7	5.4	5.8	6.3	6.5
PBV (x)	0.5	0.5	0.5	0.6	0.6
EV/EBITDA (x)	3.4	3.0	3.4	3.7	3.6
Div Yield (%)	4.1	3.7	3.9	4.3	4.8

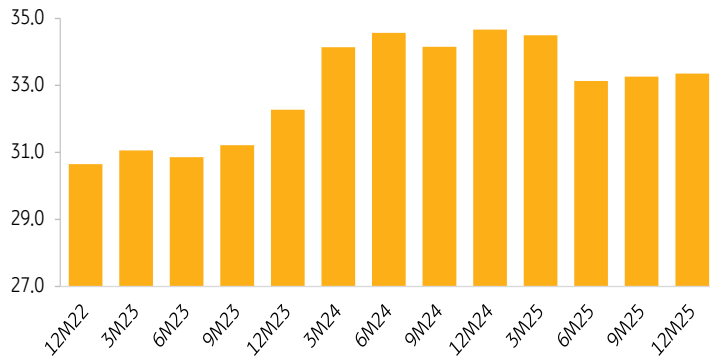
Source: Company, KBVS Research

Exhibit 2: INDF FY25 result – selected financial and key performance metrics

Profit and Loss (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons.
Net revenue	115,787	123,493	6.7	28,843	32,512	12.7	31,138	4.4	120,811	102.2	123,276	100.2
COGS	(75,650)	(82,301)	8.8	(18,400)	(21,581)	17.3	(20,705)	4.2	(79,542)	103.5	(80,682)	102.0
Gross Profit	40,137	41,192	2.6	10,443	10,931	4.7	10,432	4.8	41,269	99.8	42,594	96.7
S&GA	(17,307)	(17,836)	3.1	(3,885)	(4,608)	18.6	(4,530)	1.7				
Others	258	1,213	369.4	437	148	(66.2)	148	0.0				
Gain / (Loss) fair value of biological asset	318	(135)	(142.6)	151	(77)	(151.2)	125	(161.8)				
Other operating income	1,187	1,993	67.9	227	411	80.8	607	(32.3)				
Other operating expenses	(1,246)	(645)	(48.3)	59	(186)	(417.4)	(229)	(19.0)				
EBIT	23,088	24,569	6.4	6,995	6,471	(7.5)	6,406	1.0				
EBITDA	27,106	28,735	6.0	7,985	7,528	(5.7)	7,530	(0.0)				
Net finance income (expenses)	(4,418)	(4,311)	(2.4)	(4,215)	(1,084)	(74.3)	(1,980)	(45.3)				
Pre-tax income	17,040	20,038	17.6	1,193	5,339	347.7	4,493	18.8				
Tax	(3,962)	(4,481)	13.1	(400)	(1,151)	187.7	(1,225)	(6.0)				
Income for the period	13,078	15,556	19.0	793	4,188	428.5	3,268	28.2				
Net Income	8,642	10,685	23.6	(119)	2,803	(2,453.1)	2,043	37.2	10,129	105.5	11,233	95.1
Margins (%)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)				
Gross Profit	34.7	33.4	(1.31)	36.2	33.6	(2.6)	33.5	0.1				
EBIT	19.9	19.9	(0.05)	24.3	19.9	(4.3)	20.6	(0.7)				
EBITDA	23.4	23.3	90.29	27.7	23.2	(45.0)	24.2	(0.6)				
Net Profit	7.5	8.7	1.19	(0.4)	8.6	9.0	6.6	2.1				
Segmentation sales (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)				
Consumer Branded Products	73,320	75,743	3.3	17,754	19,337	8.9	18,864	2.5				
Bogasari	30,558	31,108	1.8	7,730	8,275	7.0	7,795	6.2				
Agribusiness	15,958	21,037	31.8	4,719	6,148	30.3	5,526	11.3				
Distribution	7,002	7,425	6.1	1,701	1,849	8.7	1,787	3.5				
Total sales	126,837	135,314	6.7	31,904	35,609	11.6	33,972	4.8				
Total	115,787	123,493	6.7	28,843	32,512	12.7	31,138	4.4				
Sales contribution (%)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)				
Consumer Branded Products	57.8	59.7	1.9	14.0	15.2	1.2	14.9	0.4				
Bogasari	24.1	24.5	0.4	6.1	6.5	0.4	6.1	0.4				
Agribusiness	12.6	16.6	4.0	3.7	4.8	1.1	4.4	0.5				
Distribution	5.5	5.9	0.3	1.3	1.5	0.1	1.4	0.0				
Total sales	100	107	6.7	25	28	2.9	27	1.3				
Segmentation EBIT (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)				
Consumer Branded Products	16,082	15,757	(2.02)	3,829	3,925	2.5	3,966	(1.0)				
Bogasari	2,571	2,832	10.2	851	814	(4.4)	744	9.4				
Agribusiness	3,666	4,128	12.6	1,782	1,423	(20.2)	1,058	34.5				
Distribution	489	627	28.2	93	168	82.0	121	39.5				
Total	23,088	24,569	6.4	6,995	6,471	(7.5)	6,406	1.0				
Segmentation EBIT margin (%)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)				
Consumer Branded Products	21.9	20.8	(1.1)	21.6	20.3	(1.3)	21.0	(0.7)				
Bogasari	8.4	9.1	0.69	11.0	9.8	(1.2)	9.5	0.3				
Agribusiness	23.0	19.6	(3.4)	37.8	23.1	(14.6)	19.2	4.0				
Distribution	7.0	8.4	1.46	5.4	9.1	3.7	6.8	2.4				
Total	19.9	19.9	(0.0)	24.3	19.9	(4.3)	20.6	(0.7)				

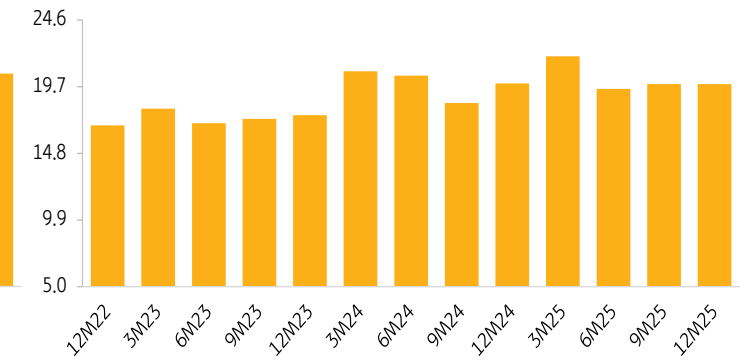
Source: Company, KBVS Research

Exhibit 3: Expecting higher GPM on softer cost input (%)...



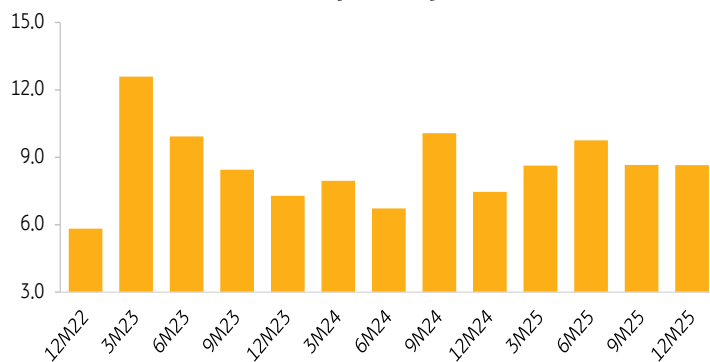
Source: Company, KBVS Research

Exhibit 4: ..which resulting to a better EBIT margin (%)



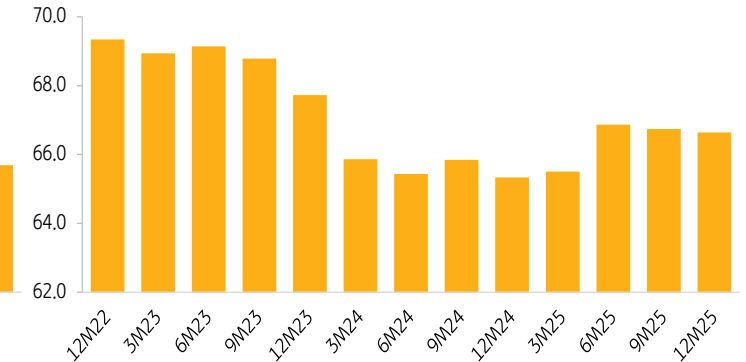
Source: Company, KBVS Research

Exhibit 5: Expect NPM driven more by operating activities (%)



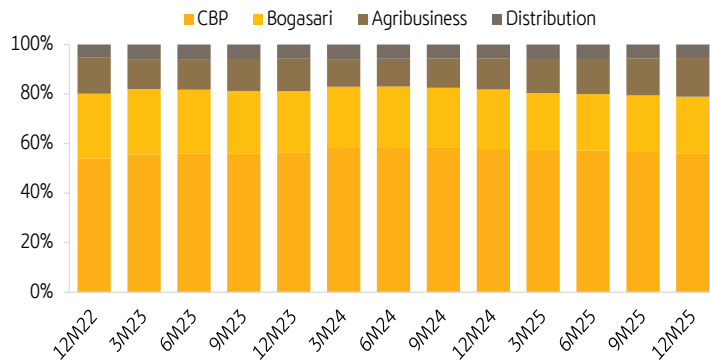
Source: Company, KBVS Research

Exhibit 6: Expect raw material to softened (%)



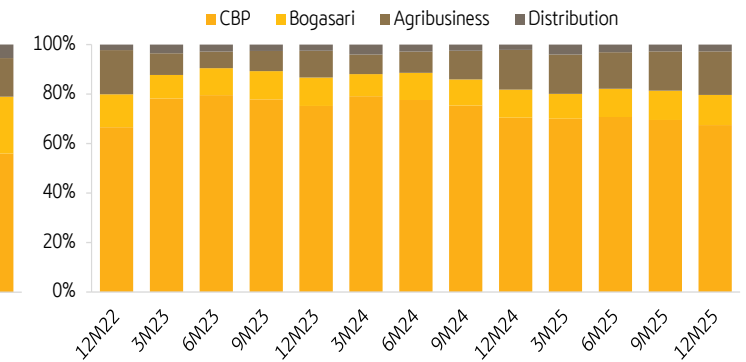
Source: Company, KBVS Research

Exhibit 7: Expecting better CBP with continuing stable solid agri (%)



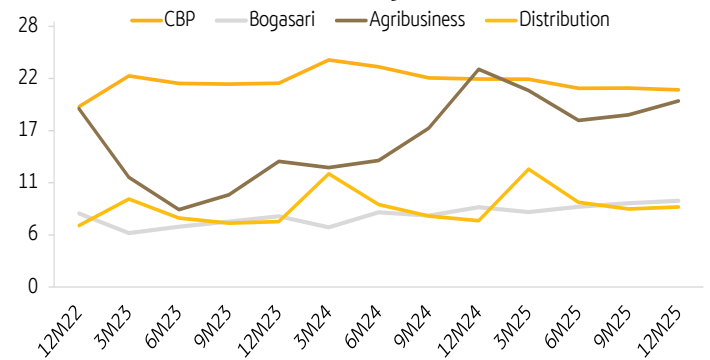
Source: Company, KBVS Research

Exhibit 8: Better CBP with steady solid agribusiness to help consolidated EBIT (%)



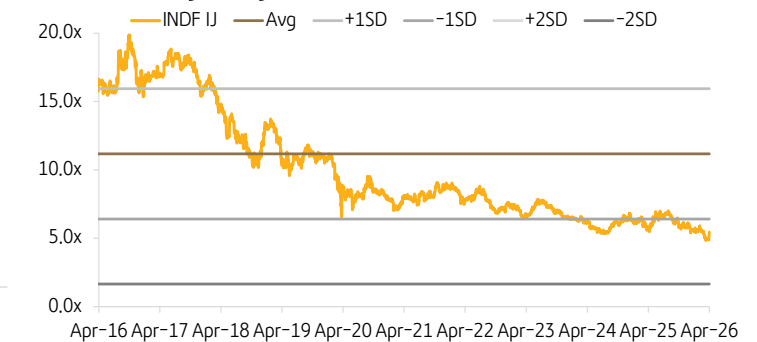
Source: Company, KBVS Research

Exhibit 9: CBP still record more stable margin (%)



Source: Company, KBVS Research

Exhibit 10: Currently trading at 5.1x '25F P/E, or below -1SD



Source: Company, KBVS Research

FINANCIAL TABLES

Exhibit 11: Profit & Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenues	115,787	123,493	126,635	133,522	141,024
Cost of revenues	(75,650)	(82,301)	(83,831)	(88,458)	(93,068)
Gross profit	40,137	41,192	42,804	45,064	47,957
Operating expenses	(17,048)	(16,623)	(19,077)	(19,657)	(21,017)
Operating income	23,088	24,569	23,727	25,408	26,939
EBITDA	27,665	29,824	27,759	29,564	32,294
Net financing	(4,418)	(4,311)	(4,366)	(4,479)	(4,533)
Other income/(expenses)	(1,630)	(221)	(491)	50	50
Pretax profit	17,040	20,038	18,869	20,978	22,456
Tax expenses	(3,962)	(4,481)	(3,937)	(4,377)	(4,349)
Net profit	8,642	10,685	11,349	12,451	13,852

Source: Company, KBVS Research

Exhibit 12: Balance Sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash	38,710	47,471	48,981	50,870	52,539
Deposits & ST inv.	9,515	9,837	7,676	10,007	10,092
Receivables	10,017	11,439	9,339	10,394	11,591
Inventories	17,954	18,692	16,766	17,692	21,056
Other current assets	3,569	2,952	3,188	3,341	3,520
Total current assets	79,765	90,391	85,950	92,304	98,797
Fixed assets – net	47,814	49,794	55,254	60,850	66,586
Goodwill	56,352	56,352	56,352	56,352	56,352
Intangible Asset	1,313	1,180	1,094	1,018	963
Other non-current assets	16,469	20,265	27,262	28,770	29,745
Total non-current assets	121,948	127,591	139,961	146,990	153,646
Total assets	201,713	217,982	225,911	239,294	252,443
Bank borrowings	20,951	21,303	24,498	25,723	25,852
Payables	7,412	8,025	8,458	8,928	9,329
Accrued expenses	4,315	5,057	5,065	5,341	5,641
S-T employee benefit	1,820	1,777	1,077	1,068	1,075
Current matt. long term loan	622	4,021	1,227	1,218	1,237
Other current liabilities	1,974	2,217	2,273	2,397	2,531
Total current liabilities	37,094	42,400	42,598	44,675	45,665
Long-term debt	5,016	3,299	3,266	3,233	3,201
Bonds	44,211	45,936	46,396	47,231	47,712
Deferred tax liabilities	997	963	1,080	1,126	1,195
LT employee benefits – non curr	4,724	4,743	4,515	4,325	4,173
Other non liabilities	680	406	128	131	137
Total non-current liabilities	55,628	55,347	55,385	56,046	56,418
Shareholder's equity	108,991	120,235	127,928	138,572	150,360
Total liabilities and equity	201,713	217,982	225,911	239,294	252,443

Source: Company, KBVS Research

Exhibit 13: Cash Flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
EBIT	23,088	24,569	23,727	25,408	26,939
Depreciation & amortization	4,577	5,255	4,032	4,157	5,355
Changes in working capital	(1,863)	3,343	6,040	(2,349)	(3,785)
CF from operating activities	25,802	33,167	33,799	27,216	28,508
Decr. (incr.) in fixed assets	(5,095)	(7,235)	(9,492)	(9,753)	(11,091)
Decr. (incr.) in non-current assets	3,014	(1,966)	(6,645)	(762)	(813)
Other investing activities	(956)	(1,739)	(266)	(671)	(107)
CF from investing activities	(3,038)	(10,939)	(16,403)	(11,186)	(12,010)
Net change in gross debt	3,043	9	426	802	449
Dividends paid	(2,257)	(2,394)	(2,137)	(2,270)	(2,490)
Other financing activities	(13,416)	(10,932)	(14,289)	(12,664)	(12,768)
CF from financing activities	(12,630)	(13,317)	(15,999)	(14,131)	(14,809)
Net Changes in Cash	10,134	8,911	1,398	1,899	1,689
Cash at beginning of period	28,576	38,560	47,583	48,971	50,850
Cash at end of period	38,710	47,471	48,981	50,870	52,539

Source: Company, KBVS Research

Exhibit 14: Key performance metrics

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
Gross profit margin	34.7	33.4	33.8	33.8	34.0
Operating profit margin	19.9	19.9	18.7	19.0	19.1
Net profit margin	23.9	24.2	21.9	22.1	22.9
ROE	7.5	8.7	9.0	9.3	9.8
ROA	7.9	8.9	8.9	9.0	9.2
DER	4.3	4.9	5.0	5.2	5.5
Net gearing (x)	65.0	62.0	58.9	55.9	51.9
Interest coverage ratio (x)	29.4	22.5	20.6	19.1	16.9
PER (x)	3.7	4.1	3.6	3.6	3.8
PBV (x)	6.7	5.4	5.8	6.3	6.5
EV/EBITDA (x)	0.5	0.5	0.5	0.6	0.6
Dividend Yield	4.1	3.7	3.9	4.3	4.8

Source: Company, KBVS Research

Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.

KB Valbury Sekuritas Head Office

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. +62 21 – 250 98 300
F. +62 21 – 255 33 778

Branch Office

Jakarta – Sudirman

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Karet Tengsin,
Tanah Abang, Jakarta Pusat 10220
T. (021) 25098300/301

Jakarta – Kelapa Gading

Rukan Plaza Pasifik
Jl. Raya Boulevard Barat Blok A1 No. 10
Jakarta Utara 11620
T. (021) 29451577

Jakarta – Puri Indah

Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Jakarta – Pluit

Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Bandung

Jl. HOS Cokroaminoto No. 82
Bandung 40171
T. (022) 87255800

Malang

Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Banjarmasin

Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) – 3265918

Pekanbaru

Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Palembang

Komplek PTC Mall Blok I No. 7
Jl. R. Sukanto
Palembang 30114
T. (0711) 5700281

Surabaya

Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 2955788

Padang

Jl. Kampung Nias II No. 10,
Padang 25211
T. (0751) 8955747

Yogyakarta

Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 623111

Semarang

Candi Plaza Building Lt. Dasar
Jl. Sultan Agung No. 90-90A
Semarang 50252
T. (024) 8501122

Makassar

Komplek RUKO Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0241) 16000818

Medan

Komplek Jati Junction No. P5-5A
Jl. Perintis Kemerdekaan
Medan 20218
T. (061) 88816222

Denpasar

Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 225229

Investment Gallery

Jakarta

Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 522392181

Semarang

Jl. MT Haryono 637
Semarang 50242
T. (024) 8415195

Salatiga

Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 315007

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118
T. (0271) 6726306