

## PT Indofood CBP Sukses Makmur Tbk (ICBP)

Food and Beverages

## Challenged by higher material costs

07 April 2022

Recommendations : BUY

## Stock

Price on 06/04/2022 (Rp)	7,400
12M target price (Rp)	9,500
Capital gain potential	28%

## Stock Data

Outstanding shares	11,661,908,000
Market cap (Rp)	86,298,119,200,000
Weight VS IHSG (%)	0.69

## Shareholders (%)

Indofood Sukses Makmur Tbk	80.53%
Public	19.47%
Outstanding Shares (unit)	11,661,908,000

## Price Performance

52-week high/low	Rp9,425/Rp7,200
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## Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
0.00	(16.62)	(16.38)	(16.85)	(14.94)

## Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	56,804	62,257	67,122
Operating Income	11,703	12,945	14,233
OPM (%)	20.60%	20.79%	21.20%
EBITDA	13,307	13,709	15,161
EV to EBITDA (x)*	9.23	7.97	7.04
Net Income	6,388	7,256	8,051
NPM (%)	11.25%	11.66%	12.00%
EPS (Rp)	548	622	690
EPS Growth (%)	-3.0%	13.6%	11.0%
Price Earnings (x)*	15.88	11.89	10.72
Price to Book (x)*	2.99	2.30	2.07
Price to Sales (x)*	1.79	1.39	1.29
Return on Equity (%)	18.86%	19.34%	19.35%
Return on Assets (%)	5.41%	5.94%	6.30%
Tot Debt/Equity (x)	1.23	1.14	1.01

\*) based on market price (06/04/2022) at Rp7,400

Sources : Company, Bloomberg and KB Valbury Sekuritas

## Analyst(s)

Alfiansyah

Devi Harjoto

Laba bersih ICBP berkurang 3,0% YoY pada 2021 menjadi Rp6,4 triliun. Kenaikan ASP dapat mendorong kenaikan pendapatan 10% YoY pada 2021. Rekomendasi "BUY" dengan target harga Rp9.500 per saham.

## Penurunan laba bersih dari peningkatan beban keuangan

Laba bersih ICBP turun 3,01% YoY pada 2021 menjadi Rp6,39 triliun (-18,8% QoQ). Penurunan laba bersih ICBP disebabkan oleh peningkatan beban keuangan 193,2% YoY pada 2021 menjadi Rp1,97 triliun setelah adanya akuisisi Pinehill. Adapun, pendapatan ICBP naik 21,8% YoY pada 2021 menjadi Rp56,8 triliun (-1,7% QoQ). Sementara itu, GPM berkurang dari 36,9% pada 2020 menjadi 35,7% pada 2021. ditengah kenaikan beban pokok yang lebih tinggi 24,2% YoY seiring dengan peningkatan bahan mentah. Kemudian, beban operasional naik 7,4% YoY pada 2021 utamanya akibat peningkatan beban distribusi dan transportasi. Akan tetapi, margin operasional meningkat dari 19,7% pada 2020 menjadi 20,5% pada 2021. Meski utang meningkat, net gearing bertahan pada 0,62x pada 2021, atau terhitung solid.

## Terdampak kenaikan bahan baku

Segmen mie instan yang tumbuh 28,2% YoY pada 2021 menjadi faktor utama kenaikan pendapatan ICBP, dengan kontribusi yang terus meningkat dari 66,1% pada 2020 menjadi 69,8%. Kemudian, margin segmen mie instan juga melebar dari 23,2% pada 2020 menjadi 24,3% pada 2021. Kemudian, segmen produk dairy juga tumbuh 10,1% YoY pada 2021, dengan kontribusi mencapai 15,6%, turun dibandingkan 17,2% pada 2020. Akan tetapi, margin segmen dairy jatuh dari 12,0% pada 2020 menjadi 8,5% pada 2021, akibat kenaikan bahan baku. Sementara, segmen makanan ringan bertumbuh 15,7% YoY pada 2021, dengan kontribusi menurun dari 6,1% pada 2020 menjadi 5,8%. Margin segmen makanan ringan berkurang dari 11,1% pada 2020 menjadi 9,3% pada 2021.

## Performa diproyeksikan membaik, pulihnya harga komoditas pangan

Kami memproyeksi pertumbuhan ICBP dapat mencapai 10% YoY pada tahun ini, yang ditopang oleh segmen utama seperti mie instan dan produk dairy. Kami memandang ASP berpeluang untuk tumbuh lebih tinggi ditengah rilis produk juga membaiknya daya beli masyarakat yang masih dalam area optimistis. Namun, kami melihat adanya resiko kenaikan bahan baku terutama dari gandum setelah invasi Rusia atas Ukraina karena gangguan supply. Ditambah dengan kenaikan tajam harga komoditas energy dan pangan lainnya yang mendorong beban pokok, sehingga, berpotensi dapat menekan margin ICBP. Secara bottom line, kami memperkirakan laba bersih ICBP akan naik lebih moderat mengingat masih tingginya beban keuangan tahun ini setelah adanya dampak akuisisi PCL. Di sisi lain, kami melihat adanya resiko daya beli yang tertekan karena peningkatan inflasi YoY tahun ini.

## Rekomendasi BUY ditengah penguasaan pangsa pasar produk mie instan

Kami merekomendasikan "BUY" dengan target harga Rp9.500 per saham, yang merefleksikan valuasi 2022E pada 11,89x. Rekomendasi kami telah memfaktorisasi 1) brand ICBP yang kuat dengan penguasaan pangsa pasar lebih dari 60% untuk produk mie instan yang cenderung defensive; 2) pemulihan daya beli seiring membaiknya mobilitas dan penurunan kasus covid-19; dan 3) peningkatan ASP. Adapun, kami mencatat beberapa resiko diantaranya 1) kenaikan biaya bahan baku dan komoditas pangan dapat menghimpit margin terutama untuk segmen non- mie instan; 2) volatilitas kurs yang cukup tinggi; 3) intensitas persaingan di produk-produk staple dari brand lain; dan 4) potensi pelemahan daya beli karena tingginya inflasi.

# PT Indofood CBP Sukses Makmur Tbk (ICBP)

Food and Beverages

## FINANCIAL OVERVIEW

Income Statement (Rp bn)	FY2020	FY2021	YoY Change	3Q2021	4Q2021	QoQ Change
<b>Revenue</b>	<b>46,641</b>	<b>56,804</b>	21.8%	<b>14,423</b>	<b>14,182</b>	(1.7%)
Cost of Revenue	(29,417)	(36,526)	24.2%	(9,324)	(9,436)	1.2%
<b>Gross Profit</b>	<b>17,224</b>	<b>20,277</b>	17.7%	<b>5,099</b>	<b>4,745</b>	(6.9%)
<b>Gross Margin (%)</b>	<b>36.9%</b>	<b>35.7%</b>		<b>35.4%</b>	<b>33.5%</b>	
Operating Expenses	(8,107)	(8,742)	7.4%	(2,636)	(1,911)	(27.5%)
<b>Operating Profit</b>	<b>9,201</b>	<b>11,659</b>	26.7%	<b>2,463</b>	<b>2,834</b>	15.1%
<b>Operating Margin (%)</b>	<b>19.7%</b>	<b>20.5%</b>		<b>17.1%</b>	<b>20.0%</b>	
Non-Operating Income (Losses)	757	(1,723)	(327.5%)	(206)	(592)	(388.1%)
<b>Pretax Income</b>	<b>9,875</b>	<b>9,811</b>	(0.7%)	<b>2,669</b>	<b>2,242</b>	(16.0%)
Income Tax (Expense)/ Benefit	(2,540)	(2,035)	(19.9%)	(552)	(424)	(23.2%)
<b>Profit for This Year</b>	<b>7,335</b>	<b>7,776</b>	6.2%	<b>2,117</b>	<b>1,819</b>	(14.1%)
Minority	(748)	(1,388)	85.5%	(369)	(400)	8.3%
<b>Net Profit (Losses)</b>	<b>6,587</b>	<b>6,388</b>	(3.0%)	<b>1,748</b>	<b>1,419</b>	(18.8%)
<b>Profit Margin (%)</b>	<b>14.1%</b>	<b>11.2%</b>		<b>12.1%</b>	<b>10.0%</b>	

Sources : Company and KB Valbury Sekuritas

## FINANCIAL TABLES

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
<b>Revenue</b>	<b>46,641</b>	<b>56,804</b>	<b>62,257</b>	<b>67,122</b>	<b>74,935</b>
Revenue growth yoy	10.3%	21.8%	9.6%	7.8%	11.6%
- Cost of Goods Sold	(29,417)	(36,526)	(39,976)	(42,965)	(47,816)
<b>Gross Income</b>	<b>17,224</b>	<b>20,277</b>	<b>22,282</b>	<b>24,157</b>	<b>27,119</b>
- Operating Expenses	(8,450)	(9,018)	(9,337)	(9,924)	(10,552)
<b>Operating Income</b>	<b>9,104</b>	<b>11,703</b>	<b>12,945</b>	<b>14,233</b>	<b>16,567</b>
Op income growth yoy	21.0%	28.5%	10.6%	10.0%	16.4%
- Non Operating Gains (Losses)	(854)	1,768	1,906	1,962	2,166
<b>EBITDA</b>	<b>10,563</b>	<b>13,307</b>	<b>13,709</b>	<b>15,161</b>	<b>17,183</b>
<b>Pretax Income</b>	<b>9,959</b>	<b>9,935</b>	<b>11,039</b>	<b>12,271</b>	<b>14,401</b>
- Income Tax Expense	(2,540)	(2,035)	(2,893)	(3,233)	(3,816)
<b>Income Before XO Items</b>	<b>7,419</b>	<b>7,900</b>	<b>8,145</b>	<b>9,038</b>	<b>10,585</b>
- Minority Interests	(832)	(1,512)	(889)	(987)	(1,155)
<b>Net Income</b>	<b>6,587</b>	<b>6,388</b>	<b>7,256</b>	<b>8,051</b>	<b>9,429</b>
Net income growth yoy	30.7%	(3.0%)	13.6%	11.0%	17.1%
<b>EPS (IDR)</b>	<b>565</b>	<b>548</b>	<b>622</b>	<b>690</b>	<b>809</b>
<b>Dividends Per Share (IDR)</b>	<b>215</b>	<b>273*</b>	<b>310</b>	<b>345</b>	<b>403</b>

Sources: Company, Bloomberg and KB Valbury Sekuritas

\*) Estimate

# PT Indofood CBP Sukses Makmur Tbk (ICBP)

Food and Beverages

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
<b>Total Current Assets</b>	<b>20,716</b>	<b>33,998</b>	<b>35,451</b>	<b>39,331</b>	<b>42,856</b>
+ Cash & Near Cash Items	9,535	20,378	19,821	21,407	22,292
+ Short Term Investments	0	284	326	374	429
+ Accounts & Notes Receivable	5,273	6,401	7,346	8,424	9,664
+ Inventories	4,587	5,857	6,722	7,708	8,844
+ Other Current Assets	1,320	1,077	1,236	1,418	1,627
<b>Total Long-Term Assets</b>	<b>82,872</b>	<b>84,069</b>	<b>86,719</b>	<b>88,454</b>	<b>90,335</b>
+ Property, Plant & Equip, Net	13,606	14,384	16,715	18,189	19,450
Property, Plant & Equip	21,532	23,419	27,333	29,514	31,680
Accumulated Depreciation	7,926	9,035	10,618	11,325	12,230
+ Long Term Investments	1,678	1,947	2,168	2,330	2,852
+ Other Long Term Assets	67,588	67,738	67,836	67,935	68,033
<b>Total Assets</b>	<b>103,588</b>	<b>118,067</b>	<b>122,170</b>	<b>127,784</b>	<b>133,191</b>
<b>Total Current Liabilities</b>	<b>9,176</b>	<b>18,896</b>	<b>17,066</b>	<b>18,291</b>	<b>19,557</b>
+ Payables & Accruals	7,963	8,334	9,457	10,633	11,903
+ Short Term Borrowings	817	907	940	980	965
+ Other Short Term Liabilities	397	9,655	6,670	6,679	6,689
<b>Total Long Term Liabilities</b>	<b>44,094</b>	<b>44,447</b>	<b>45,805</b>	<b>45,213</b>	<b>43,577</b>
+ Long Term Borrowings	30,900	40,838	41,841	40,868	38,872
+ Other Long Term Borrowings	13,194	3,609	3,964	4,345	4,705
<b>Total Liabilities</b>	<b>53,270</b>	<b>63,343</b>	<b>62,871</b>	<b>63,504</b>	<b>63,134</b>
+ Share Capital & APIC	6,569	6,569	6,569	6,569	6,569
+ Retained Earnings & Other Eq.	22,576	26,917	30,553	34,587	39,311
+ Other Equity	286	396	406	463	515
<b>Total Shareholders Equity</b>	<b>29,430</b>	<b>33,882</b>	<b>37,528</b>	<b>41,619</b>	<b>46,394</b>
+ Minority/Non Controlling Int.	20,888	20,842	21,772	22,661	23,663
<b>Total Equity</b>	<b>50,318</b>	<b>54,724</b>	<b>59,299</b>	<b>64,280</b>	<b>70,057</b>
<b>Total Liabilities &amp; Equity</b>	<b>103,588</b>	<b>118,067</b>	<b>122,170</b>	<b>127,784</b>	<b>133,191</b>
<b>Book Value Per Share (IDR)</b>	<b>2,524</b>	<b>2,905</b>	<b>3,218</b>	<b>3,569</b>	<b>3,978</b>

Sources: Company, Bloomberg and KB Valbury Sekuritas

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
<b>Net Income</b>	<b>6,587</b>	<b>6,388</b>	<b>7,256</b>	<b>8,051</b>	<b>9,429</b>
+ Depreciation & Amortization	1,458	1,604	1,583	1,707	1,905
+ Other Non-Cash Adjustments	1,292	(4)	(4)	(4)	(5)
<b>Cash From Operating Activities</b>	<b>9,337</b>	<b>7,989</b>	<b>8,836</b>	<b>9,754</b>	<b>11,330</b>
+ Disposal of Fixed Assets	28	36	40	45	50
+ Capital Expenditures	(1,919)	(2,250)	(3,084)	(3,325)	(3,712)
+ Other Investing Activities	(33,066)	(887)	(98)	(98)	(99)
<b>Cash From Investing Activities</b>	<b>(34,957)</b>	<b>(3,100)</b>	<b>(3,142)</b>	<b>(3,379)</b>	<b>(3,761)</b>
+ Dividends Paid	(2,507)	(2,507)	(2,621)	(2,718)	(2,905)
+ Change in long Term Bor.	29,792	9,520	(2,997)	(972)	(2,496)
+ Other Financing Activities	(566)	(1,067)	(633)	(1,099)	(1,283)
<b>Cash From Financing Activities</b>	<b>26,808</b>	<b>5,961</b>	<b>(6,251)</b>	<b>(4,789)</b>	<b>(6,684)</b>
<b>Net Changes in Cash</b>	<b>1,187</b>	<b>10,850</b>	<b>(557)</b>	<b>1,586</b>	<b>885</b>

Sources: Company, Bloomberg and KB Valbury Sekuritas

# PT Indofood CBP Sukses Makmur Tbk (ICBP)

Food and Beverages

## RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
<b>Valuation Ratios</b>					
Price Earnings*	16.53	15.88	11.89	10.72	9.15
EV to EBIT*	14.39	10.50	9.01	7.93	6.80
EV to EBITDA*	12.41	9.23	7.97	7.04	6.04
Price to Sales*	2.33	1.79	1.39	1.29	1.15
Price to Book*	3.70	2.99	2.30	2.07	1.86
Dividend Yield*	2.3%	3.1%	4.2%	4.7%	5.5%
<b>Profitability Ratios</b>					
Gross Margin	36.93%	35.70%	35.79%	35.99%	36.19%
EBITDA Margin	22.65%	23.43%	22.02%	22.59%	22.93%
Operating Margin	19.52%	20.60%	20.79%	21.20%	22.11%
Profit Margin	14.12%	11.25%	11.66%	12.00%	12.58%
Return on Assets	6.36%	5.41%	5.94%	6.30%	7.08%
Return on Equity	22.38%	18.86%	19.34%	19.35%	20.32%
<b>Leverage &amp; Coverage Ratios</b>					
Current Ratio	2.26	1.80	2.08	2.15	2.19
Quick Ratio	1.76	1.49	1.68	1.73	1.74
Interest Coverage Ratio (EBIT/I)	13.58	6.37	6.12	6.60	6.79
Tot Debt/Capital	0.23	0.29	0.33	0.33	0.32
Tot Debt/Equity	1.08	1.23	1.14	1.01	0.86
<b>Others</b>					
Asset Turnover	0.45	0.48	0.51	0.53	0.56
Accounts Receivable Turnover	8.84	8.87	8.48	7.97	7.75
Accounts Payable Turnover	5.86	6.82	6.58	6.31	6.30
Inventory Turnover	10.17	9.70	9.26	8.71	8.47

\*) based on market price (06/04/2022) at Rp7,400

\*\*) Estimate

Sources: Company, Bloomberg and KB Valbury Sekuritas

# PT Indofood CBP Sukses Makmur Tbk (ICBP)

Food and Beverages

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