

Noodles-led resilience drives 1Q26 earnings

12 May 2026



	BUY
Sector	Consumer
Price at 11 May 2026 (IDR)	7,100
Price target (IDR)	10,360
Upside/Downside (%)	45.9

Stock Information

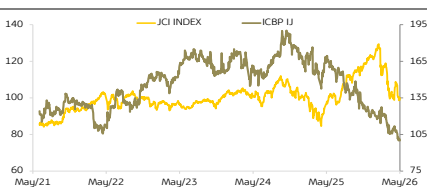
Indofood CBP Sukses Makmur (ICBP) is leading consumer company, engaged in diverse business categories, including noodles, dairy, snack foods, food seasonings, nutrition and special foods, and beverages. It also operates a packaging business, producing flexible and corrugated packaging for its products.

Market cap (IDR bn)	79,301
Shares outstanding (mn)	11,662
52-week range (IDR)	6,650-11,600
3M average daily vol. ('000)	6,108
3M average daily val. (IDR mn)	46,262

Shareholders (%)

Indofood Sukses Makmur	80.5
Public	19.5

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(8.8)	(19.0)	(40.0)

Analyst

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ICBP delivered a resilient 1Q26 performance, successfully navigating raw material cost pressures that weighed on margins. Earnings came in line with our and consensus expectations (26.4%/25.4%), primarily supported by three key factors: (1) solid top-line growth driven by the noodles segment, (2) stable sequential margins despite cost escalation, and (3) a significantly lower net foreign exchange loss. Noodles remained the core earnings driver, recording the highest net revenue growth (+8.2% YoY) and increasing its contribution to total sales to 71.8% (vs. 71.2% in 1Q25). While margin pressures persisted across several segments, ICBP demonstrated resilience through selective margin expansion in various divisions. Our conviction remains intact, supported by strong execution in pricing and product strategy. However, we remain cautious on the risk of elevated input costs, which could further pressure margins. Maintain BUY with a blended TP of IDR10,360 (12.4x '26F P/E), while the stock currently trades at 8.5x '26F P/E, below its -2SD.

Inline 1Q26 earnings on the back of solid noodles numbers and FX normalization

Despite ongoing uncertainty and margin pressure from higher input costs, ICBP delivered 1Q26 earnings that were in line with expectations, driven by a balanced combination of revenue growth and below-expected FX losses. Revenue increased by IDR1.53 tn (+7.6% YoY) to IDR21.72 tn, broadly meeting our and consensus forecasts (26.4%/25.4%), largely supported by strong noodles demand and resilient dairy performance. However, gross profit growth was limited to +3.1% YoY (IDR7.55 tn) due to elevated raw material costs. At the EBIT level, earnings declined by -10.4% YoY, reflecting higher freight and handling costs (+7.5% YoY jump in opex). However, the lower net foreign exchange loss (-IDR0.57 tn, vs. -IDR1.18 tn in 1Q25) provided a meaningful offset, ensuring net profit remained aligned with expectations.

Noodles remain the king, while dairy provides useful boost

The noodles segment continues to anchor ICBP's earnings profile, delivering +8.2% YoY revenue growth to IDR16.12 tn, the strongest among all divisions. Its contribution to total sales rose to 71.8% (+59bps YoY), reinforcing its role as the group's primary growth engine. At the EBIT level, noodles showed strong QoQ performance of +19.9% QoQ to IDR3.85 tn (vs. IDR3.21 tn in 4Q25), while remaining relatively stable YoY. Notably, its contribution to ICBP's consolidated EBIT increased significantly to 83.4% (vs. 74.7% in 1Q25), indicating improved earnings concentration and visibility. Meanwhile, the dairy segment supported overall growth with +6.3% YoY and +14.7% QoQ expansion in revenue to IDR2.89 tn, contributing 12.9% to total sales.

Defensive mix partially offset margin pressure

ICBP faced a turbulent 1Q26 as escalating raw material costs weighed on earnings, with cost of goods sold increasing by +137bps YoY to 65.2% (vs 63.9% in 1Q25). However, margins came in broadly in line with estimates - gross profit margin remained stable at 34.8% (vs. 34.7% in 4Q25), while EBIT margin declined slightly by -22bps QoQ to 21.3% - on the back of selective improvements across smaller segments. While noodles and dairy saw margin pressure, other segments provided partial offsets: snacks margin improved to 4.4% (+72bps YoY), while food seasonings and nutrition expanded to 15.0% (+69bps YoY) and 10.9% (+43bps YoY), respectively.

Strategic ASP, product mix, and launch pipeline as key hedges

We remain positive on ICBP, mainly due to its ability to sustain volume growth in noodles while implementing strategic ASP adjustments, which should be vital in protecting margins. In addition, continuous product launches and line extensions across all segments should reinforce brand equity and support demand resilience. Lastly, the company's aggressive product mix strategy positions it well to outperform peers, particularly with noodles as a dominant and defensive category. That said, key concerns remain: (1) persistently elevated raw material costs, particularly for key inputs, which could further compress margins; (2) softer out-of-home consumption, potentially limiting volume growth; and (3) prolonged macro uncertainty affecting consumer purchasing power.

Maintain BUY

Our blended TP of IDR10,360 implies 12.4x '26F P/E; the stock is currently trading at 8.5x '26F P/E, below its -2SD. Potential upside catalysts include: a) softer-than-expected raw material costs; b) stronger-than-expected volume growth and ASP adjustments; c) a more favorable USD/IDR exchange rate and lower operating expenses; and d) a stronger recovery in out-of-home consumption. Key risks to our call include: a) weaker-than-expected purchasing power, volume, ASP growth, and EBIT performance; b) higher-than-expected input costs, which could further compress margins; and c) competition from substitute brands.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	72,597	74,851	78,222	82,508	86,471
Operating profit	16,321	16,656	16,106	17,719	17,882
Net profit	7,079	9,225	9,737	10,390	11,189
EPS (Rp)	607	791	835	891	959
EPS growth (%)	1.3	30.3	5.6	6.7	7.7
ROE (%)	14.0	19.1	18.1	17.5	16.6
ROA (%)	5.8	7.1	6.9	7.0	7.3
PER (x)	11.6	8.9	8.4	7.9	7.3
PBV (x)	1.9	1.8	1.6	1.5	1.3
EV/EBITDA (x)	5.4	5.5	5.9	5.0	4.8
Div Yield (%)	3.0	3.9	4.1	3.2	3.4

Source: Company, KBVS Research

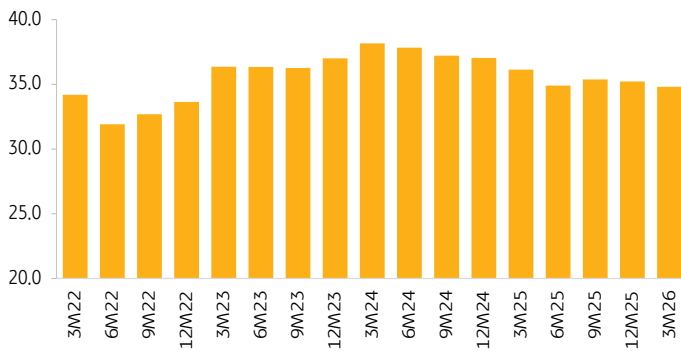
Indofood CBP Sukses Makmur (ICBP)

Exhibit 2: ICBP 1Q26 result – selected financial and key performance metrics

Profit and Loss (IDRbn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)	KBVS '26F	% to KBVS '26F	Cons. '26F	% to Cons. '26F
Net revenue	20,186	21,716	7.6	20,186	21,716	7.6	18,584	16.9				
COGS	(12,891)	(14,166)	9.9	(12,891)	(14,166)	9.9	(12,129)	16.8				
Gross Profit	7,294	7,550	3.5	7,294	7,550	3.5	6,455	17.0				
Opex	(2,822)	(3,035)	7.5	(2,822)	(3,035)	7.5	(2,733)	11.1				
Selling and distribution expenses	(2,129)	(2,210)	3.8	(2,129)	(2,210)	3.8	(2,012)	9.8				
G&A expenses	(693)	(825)	19.0	(693)	(825)	19.0	(721)	14.5				
Other operating income	749	209	(72.1)	749	209	(72.1)	234	-10.8				
Other operating expenses	(68)	(104)	52.2	(68)	(104)	52.2	(45)	132.9				
EBIT	5,153	4,620	(10.4)	5,153	4,620	(10.4)	3,912	18.1				
EBITDA	5,599	5,097	(9.0)	5,599	5,097	(9.0)	4,414	15.5				
Net finance income (expenses)	(1,467)	(911)	(37.9)	(1,467)	(911)	(37.9)	(733)	24.3				
Share in net income of associates & JV	76	80	5.3	76	80	5.3	30	162.9				
Pre-tax income	3,730	3,757	0.7	3,730	3,757	0.7	3,190	17.8				
Taxes	(695)	(738)	6.2	(695)	(738)	6.2	(623)	18.4				
Net Income	2,657	2,574	(3)	2,657	2,574	(3)	2,116	22	9,737	26.4	10,137	25.4
Geographic sales (IDRbn)												
	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)				
Indonesia	14,655.2	15,470.4	5.6	14,655	15,470	5.6	12,048.6	28.4				
Middle east and Africa	4,201.2	5,345.8	27.2	4,201	5,346	27.2	5,834.1	-8.4				
Other Asia	1,329.4	899.6	(32.3)	1,329	900	(32.3)	701.4	28.3				
Total	20,186	21,716	8	20,186	21,716	8	18,584	17				
Segmentation sales (IDRbn)												
	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)				
Noodles	14,909.7	16,127	8.2	14,910	16,127	8.2	13,827.7	16.6				
Dairy	2,719.6	2,892	6.3	2,720	2,892	6.3	2,521.7	14.7				
Snacks	1,208.0	1,287	6.5	1,208	1,287	6.5	1,093.7	17.7				
Food Seasonings	1,372.4	1,421	3.5	1,372	1,421	3.5	1,114.9	27.5				
Nutrition foods	360.9	377	4.5	361	377	4.5	360.4	4.6				
Beverages	372.1	361	(3.0)	372	361	(3.0)	372.5	(3.1)				
Total	20,943	22,465	7.3	20,943	22,465	7.3	19,291	16.5				
Segmentation EBIT (IDRbn)												
	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)				
Noodles	3,851	3,852	0.0	3,851	3,852	0.0	3,211	19.9				
Dairy	292	295	1.0	292	295	1.0	229	28.8				
Snacks	44	56	27.7	44	56	27.7	12	378.6				
Food Seasonings	196	213	8.6	196	213	8.6	159	34.3				
Nutrition foods	38	41	8.7	38	41	8.7	35	17.5				
Beverages	51	48	(5.4)	51	48	(5.4)	76	(36.8)				
EBIT	5,153	4,620	(10.3)	5,153	4,620	(10.3)	3,913	18.1				
Margins (%)												
	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)				
Gross Profit	36.1	34.8	(1.4)	36.1	34.8	(1.4)	34.7	0.0				
EBIT	25.5	21.3	(4.3)	25.5	21.3	(4.3)	21.1	0.2				
EBITDA	27.7	23.5	(4.3)	27.7	23.5	(4.3)	23.8	(0.3)				
Pretax	18.5	17.3	(1.2)	18.5	17.3	(1.2)	17.2	0.1				
Net Profit	13.2	11.9	(1.3)	13.2	11.9	(1.3)	11.4	0.5				
Segmentation margin (%)												
	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)				
Noodles	25.8	23.9	(1.9)	25.8	23.9	(1.9)	23.2	0.7				
Dairy	10.7	10.2	(0.5)	10.7	10.2	(0.5)	9.1	1.1				
Snacks	3.6	4.4	0.7	3.6	4.4	0.7	1.1	3.3				
Food Seasonings	14.3	15.0	0.7	14.3	15.0	0.7	14.2	0.8				
Nutrition foods	10.4	10.9	0.4	10.4	10.9	0.4	9.7	1.2				
Beverages	13.6	13.3	(0.3)	13.6	13.3	(0.3)	20.4	(7.1)				
EBIT	25.5	21.3	(4.3)	25.5	21.3	(4.3)	21.1	0.2				

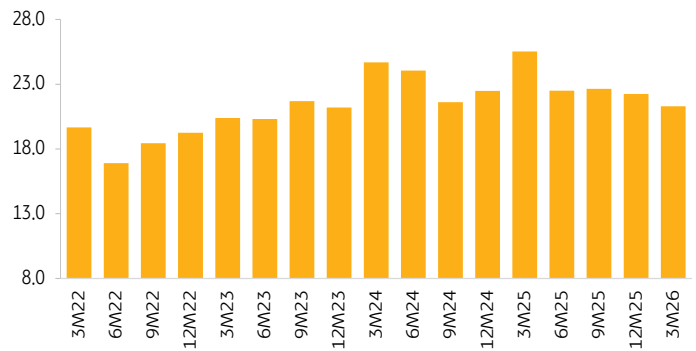
Source: Company, KBVS Research

Exhibit 3: Expect better GPM on softer raw material cost increase (%)



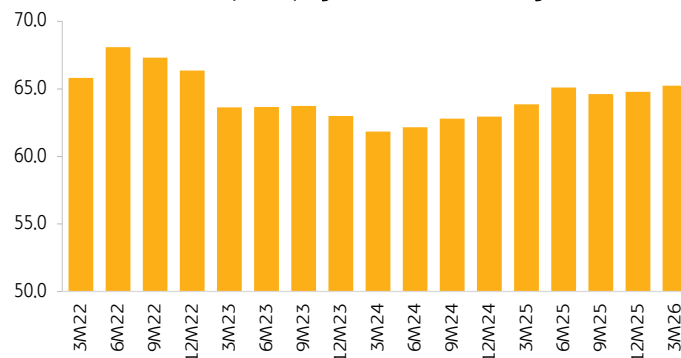
Source: Company, KBVS Research

Exhibit 4: With much stronger EBIT margin (%)



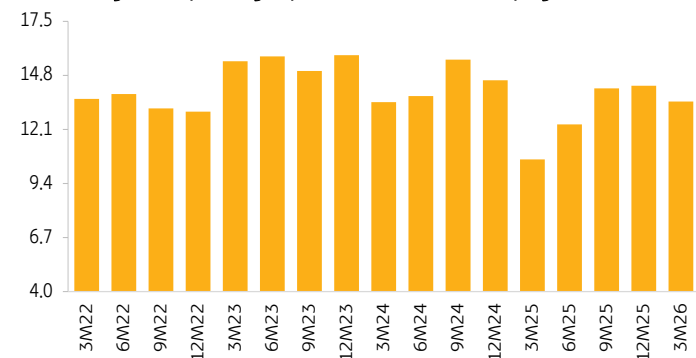
Source: Company, KBVS Research

Exhibit 5: % to sales cost input to play vital role for '26F margin (%)



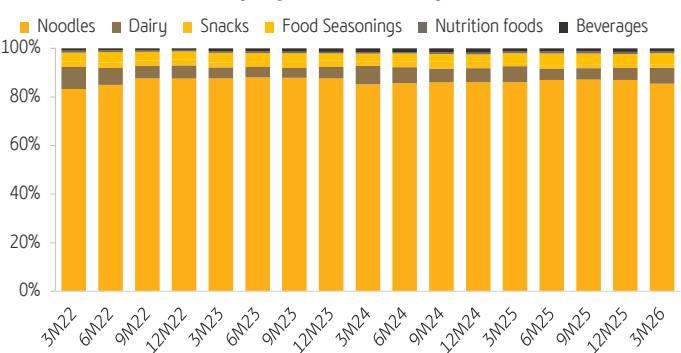
Source: Company, KBVS Research

Exhibit 6: Manageable operating expenses to sales will also play crucial role (%)



Source: Company, KBVS Research

Exhibit 7: Noodles continuing key role to support growth (%)



Source: Company, KBVS Research

Exhibit 8: Currently attractively trading at 8.5x '26F P/E, below its -2SD



Source: Company, KBVS Research

FINANCIAL TABLES

Exhibit 9: Profit & Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenues	72,597	74,851	78,222	82,508	86,471
Cost of revenues	(45,704)	(48,491)	(50,358)	(53,355)	(55,624)
Gross profit	26,893	26,360	27,864	29,152	30,847
Operating expenses	(10,572)	(9,705)	(11,758)	(11,433)	(12,965)
EBIT	16,321	16,656	16,106	17,719	17,882
EBITDA	19,061	18,181	17,818	19,589	19,939
Net finance income (expenses)	(3,292)	(3,056)	(1,172)	(1,875)	(1,839)
Other income/(expenses)	(4,822)	(2,934)	(706)	(1,469)	(945)
Pretax profit	11,499	13,721	15,400	16,250	16,937
Tax expenses	(2,686)	(2,965)	(3,597)	(3,656)	(3,657)
Net profit	7,079	9,225	9,737	10,390	11,189

Source: Company, KBVS Research

Exhibit 10: Balance Sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash and other investments	25,293	29,216	29,590	30,092	31,337
Receivables	8,792	10,291	8,235	8,569	8,789
Inventories	7,060	7,999	6,895	7,241	7,378
Other current assets	3,524	3,648	1,123	1,196	1,317
Total current assets	44,668	51,154	45,844	47,097	48,821
Deferred tax assets	270	259	383	360	367
Long term investments	6,419	7,431	10,966	10,726	10,522
Fixed assets	15,266	17,328	19,322	21,339	23,358
Rights of use assets	237	333	270	280	294
Deferred charges – net	53	55	68	65	67
Goodwill	54,006	54,006	63,280	64,408	66,588
Intangible assets	1,313	1,180	1,802	1,760	1,771
Other non current assets	3,809	3,800	3,445	3,694	4,003
Total non-current assets	81,373	84,391	99,534	102,632	106,969
Total assets	126,041	135,544	145,378	149,729	155,790
Current liabilities					
Short-term debts	185	577	635	698	768
Payables	5,167	5,635	6,261	7,465	7,937
Curr matt LT Loans	352	196	0	0	0
Other current liabilities	5,220	5,908	7,122	7,575	6,787
Total current liabilities	10,925	12,316	14,018	15,738	15,492
Non-current liabilities					
Long-term debts	663	468	492	516	542
Bonds payable	44,211	45,936	50,530	45,477	43,203
Other non-current liabilities	3,198	3,141	3,034	3,203	3,331
Total non-current liabilities	48,072	49,545	54,056	49,196	47,076
Shareholder's Equity	67,044	73,683	77,304	84,795	93,221
Total liabilities and equity	126,041	135,544	145,378	149,729	155,790

Source: Company, KBVS Research

Exhibit 11: Cash Flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net profit	7,079	9,225	9,737	10,390	11,189
Depreciation & amortization	1,275	1,373	1,612	1,769	1,957
Changes in working capital	(1,380)	(1,418)	5,118	905	(795)
CF from operating activities	6,974	9,180	16,468	13,064	12,351
Decr. (incr.) in fixed assets	(1,830)	(3,434)	(3,606)	(3,787)	(3,976)
Decr. (incr.) in non-current assets	1,677	(956)	(13,150)	(1,080)	(2,318)
Other investing activities	253	1,918	0	0	337
CF from investing activities	101	(2,473)	(16,756)	(4,867)	(5,957)
Net change in gross debt	1,659	1,766	4,478	(4,965)	(2,178)
Dividends paid	(2,478)	(3,229)	(3,408)	(2,598)	(2,797)
Other financing activities	(316)	(1,321)	(408)	(134)	(173)
CF from financing activities	(1,136)	(2,783)	662	(7,696)	(5,149)
Cash at end of period	25,293	29,216	29,590	30,092	31,337

Source: Company, KBVS Research

Exhibit 12: Key performance metrics

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
Gross profit margin (%)	37.0	35.2	35.6	35.3	35.7
Operating profit margin (%)	22.5	22.3	20.6	21.5	20.7
EBITDA margin	26.3	24.3	22.8	23.7	23.1
Net profit margin (%)	9.8	12.3	12.4	12.6	12.9
ROAE (%)	14.0	19.1	18.1	17.5	16.6
ROAA (%)	5.8	7.1	6.9	7.0	7.3
Net gearing (x)	44.5	34.9	39.6	26.2	18.4
Interest coverage ratio (x)	3.8	4.3	8.4	5.9	5.5
PER (x)	11.6	8.9	8.4	7.9	7.3
PBV (x)	1.8	1.6	1.5	1.3	1.1
EV/EBITDA (x)	5.4	5.5	5.9	5.0	4.8
Dividend Yield (%)	3.0	3.9	4.1	3.2	3.4

Source: Company, KBVS Research

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Investment Gallery

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