UOBKayHian

Sector – Update | Indonesia

Wednesday, 12 August 2026

Consumer

Better-than-feared Results, And A More Attractive Risk-Reward

Highlights

- We see a more tactical risk-reward as share prices have been overly punished, while 1H26 results were better than feared, coupled with improving sentiment as oil prices and the rupiah stabilise.
- Despite the weak macro backdrop, liquidity is improving as M2 supply is growing faster than last year, coupled with signs of the “lipstick effect”, allowing selective consumer names to outperform.
- Maintain MARKET WEIGHT. Prefer selective names with solid fundamentals amid macro uncertainty. Top Picks: CMRY, ICBP, JPFA, AMRT.

What’s New

- **Maintain MARKET WEIGHT, but tactically more interesting especially as a safe haven.** We see a more favourable risk-reward as consumer results have held up better than feared, while share prices have been overly punished amid weak market sentiment. Valuations have severely de-rated on structurally weak consumption, with the non-cyclical sector now trading at 8.3x 2026F PE (near -2SD of its five-year average), with the condition recently exacerbated by high oil prices, a weak rupiah and an upward trend in household debt. On the bright side, the negative sentiment appears to be easing as: a) oil prices and the rupiah have been more stable, b) a forward-looking view on consumption stimulus, (including the recently announced Rp26.34t 2H26 stimulus package), amid slight fiscal relief from lower oil prices, and c) stronger-than-expected 1H26 financial results were reported across the consumer sector. **Top picks: CMRY, ICBP, JPFA and AMRT**.
- **1H26 consumer results were broadly in line.** Consumer and retailer-related stocks under our coverage reported resilient growth, with aggregate revenue up 12.1% yoy and net profit up 10.6% yoy, (~52% of full=year forecasts on average). Most companies' gross margins softened, as expected, due to a weaker rupiah, higher prices for some soft commodities, and freight costs. Thus, most companies prioritised protecting volumes rather than raising ASPs, ie Cisarua Mountain Dairy (CMRY), Indofood CBP (ICBP), and Mayora Indah (MYOR). Only two names expanded gross margins in 1H26 vs 1H25: a) MYOR (+450bp) on lower cocoa and coffee prices, although 2Q already shows the peak passing, and b) Sumber Alfaria Trijaya (AMRT) (+38bp), driven by product mix and some ASP increases.

  Interestingly, across a broader universe of 25 consumer-related names we compiled, aggregate revenue grew a resilient 9.9%, with strength across dairy, poultry, bottled water and personal care-related companies, with the highest profit growth coming from cigarette names (see table below).
- **What’s the message behind the resilience?** We acknowledge the macro backdrop has not been exciting, with CCI continuing to decline and RSI staying negative for three consecutive months (April–June). However, liquidity is improving, with M2 growth holding at 8.7% yoy in June vs 6.4% yoy a year earlier. We are also seeing an early “lipstick effect”, where consumers cut back on larger discretionary purchases but continue spending on more affordable indulgences. Note the accommodation & food services component of GDP grew strongly at 10.6% yoy in 2Q26, alongside stronger inbound tourism (+5.7% yoy) and weaker outbound travel (-2.4% yoy) amid rupiah depreciation, which may redirect some discretionary spending toward domestic F&B, retail, personal care and leisure.
- **We identify three common themes among the outperformers:** a) upper-segment resilience and the "lipstick effect", particularly across sport & lifestyle and personal care names like Mitra Adiperkasa (MAPI), MAP Aktif Adiperkasa (MAPA, NR), and Akasha Wira International (ADES, NR); b)

Analyst(s)

Willinoy Sitorus
willinoysitorus@kh.co.id
+6221 2993 3845

Audrey Celia
audreycelia@kh.co.id
+6221 2993 3860

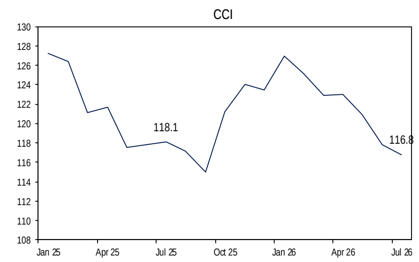
MARKET WEIGHT (Maintained)

Key Recommendations

Company	Ticker	Rec	Share Price (Rp)	Target Price (Rp)
Cisarua Mountain Dairy	CMRY	BUY	4,570	6,400
Indofood CBP Sukses Makmur	ICBP	BUY	7.575	10,150
Japfa Comfeed Indonesia	JPFA	BUY	2,200	3,330
Sumber Alfaria Trijaya	AMRT	BUY	1,395	1,940

Source: Bloomberg

Consumer Confidence Index

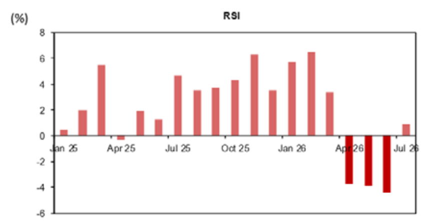


Source: Bloomberg. UOB Kay Hian

M2 Supply Growth

Source: Bloomberg.UOB Kay Hian

Retail Sales Index



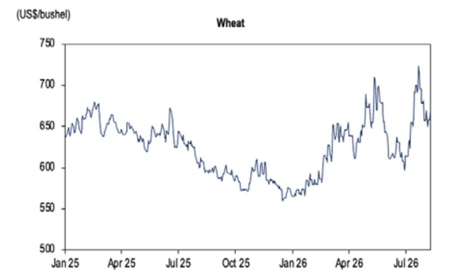
Source: Bloomberg. UOB Kay Hian

strong brand power, integration, pricing ability and innovation agility, allowing names to either grab market share or pass through price hikes. We see this in names like: a) ICBP, which continues to deliver strong overseas growth supported by a distribution network that has enabled it to gain share amid Middle East disruptions; b) AMRT, which has been able to pass on supplier costs; c) CMRY, which continues to innovate and drive market expansion, and bottled water and cigarette names, which continue to raise ASPs; and d) Free Meal Program beneficiaries, particularly dairy and poultry-related players such as Ultrajaya Milk Industry (ULTJ, NR), CMRY, Charoen Pokphand Indonesia (CPIN, NR) and Japfa Comfeed Indonesia (JPFA).

Valuation/Recommendation

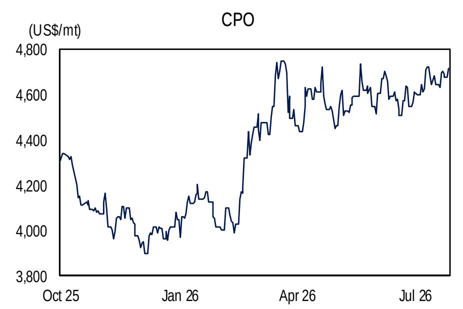
- **Prefer selective names with solid fundamentals amid macro uncertainty.** ICBP delivered solid top-line growth with results that were not as bad as expected. It trades at an undemanding 8.2x 2026F PE (near -2SD of its five-year average of 12.6x) and offers a tactical angle with consistent foreign inflows over the past three weeks. CMRY continues to deliver solid earnings despite margin pressure. JPFA benefits from a supportive industry backdrop, while AMRT maintains its strong market positioning with its store expansion plan remaining intact.
- **Cisarua Mountain Dairy (CMRY/BUY/Target: Rp6,400).** Growth remains strong. 2Q26 net profit rose 11% qoq, a notable outcome for a quarter that typically flattens post-Lebaran, and was entirely volume-driven. 1H26 net profit grew a solid 17.9% despite a slight margin compression, with FY26 revenue guidance maintained at 15-20%. We see further catalysts from gross margin expansion, as it plans to implement selective price increases in 4Q26 and source milk powder directly in 2027, which should help lower costs. CMRY remains our preferred name for its margin resilience, execution, and channel expansion, coupled with a zero-debt balance sheet.
- **Japfa Comfeed Indonesia (JPFA/BUY/Target: Rp3,330).** 2Q26 earnings momentum should remain strong yoy, though softer qoq on seasonality and higher raw material costs. The 2Q26 results, currently under limited review, are due 31 Aug 26. After a very strong 1Q26 net profit growth of 166% yoy, earnings should normalise as corn and US dollar-denominated SBM costs rise, but we expect the impact to be partly offset by resilient livebird prices, disciplined industry supply, incremental MBG demand, and cost optimisation.
- **Mayora Indah (MYOR/BUY/Target: Rp2,580**). 1H26 was a margin story rather than a volume one, with revenue growing just 0.7% on export softness, while net profit rose 46.5% as gross margin expanded to 25.7% from 21.2% on lower cocoa, coffee and sugar costs. We expect 2H26 margins to moderate, as cocoa and coffee prices begin to trend up again. MYOR retains a relatively strong buffer against rupiah depreciation, supported by about 40% export contribution and a net forex monetary asset position.
- **Sumber Alfaria Trijaya (AMRT/BUY/Target: Rp1,940).** Its SSSG of 4.4% in 1H26 remains within the 4-6% guidance, and store expansion is intact with 396 net additions ytd against a ~1,000 target, weighted to 2H. It maintains a strong position, continuing to gain market share and successfully passing on higher supplier costs. Margin expansion should also remain intact, driven by a better product mix, a higher contribution from ex-Java, and greater operating leverage from the distribution centres added last year.
- **Indofood CBP Sukses Makmur (ICBP/BUY/Target: Rp10,150).** 1H26 top-line was strong at 11.3% yoy (vs guidance of 5-7%), with strong overseas volume as the company continued to expand its distribution and captured market share while competitors faced disruption. However, core profit was flat at 0.7% due to margin pressure from higher freight costs and a weaker rupiah. For 2H26, management remains conservative, keeping its top-line guidance unchanged. High freight costs are expected to persist into 3Q26, and margin recovery hinges on rupiah stability given its largely imported raw materials and USD debt exposure.

Wheat Price



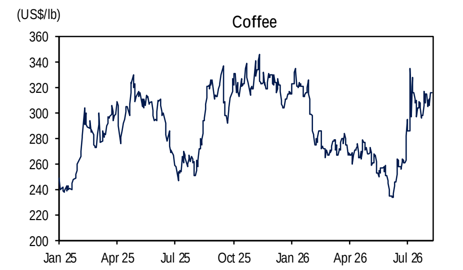
Source: Bloomberg, UOB Kay Hian

CPO Price



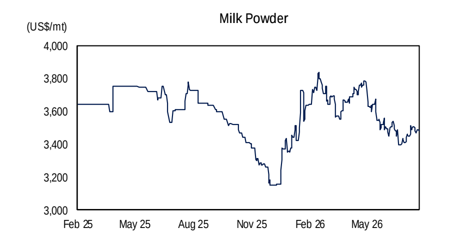
Source: Bloomberg, UOB Kay Hian

Coffee Price



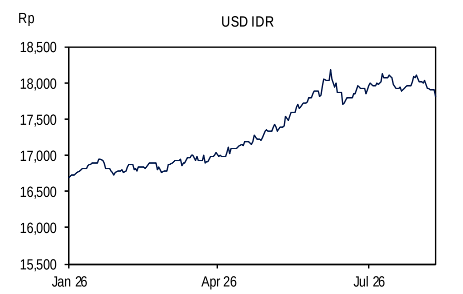
Source: Bloomberg, UOB Kay Hian

Milk Powder Price



Source: Bloomberg, UOB Kay Hian

USD/IDR



Source: Bloomberg, UOB Kay Hian

- **Kalbe Farma (KLBF/BUY/Target: Rp1,100).** We see KLBF as a valuation-driven opportunity, as the sharp share price correction has been more severe than the earnings pressure. We expect FY26 net profit to decline ~5%, while the stock has fallen 33.6% ytd and de-rated to 10.8x 2026F PE, near -2SD of its three-year average. 1H26 revenue grew 14% yoy, above its prior high single-digit guidance, while net profit fell 2.8% yoy due to margin compression from higher API costs and a weaker rupiah, with further pressure expected in 2H26. We see limited downside at its current valuation, with a more stable rupiah and easing oil prices serving as potential catalysts, while maintaining a constructive long-term outlook.

Risks/Catalysts

- **Risks:** a) persistent weak purchasing power, b) slower government spending in 2H, c) weaker rupiah pressure, d) higher raw material costs.

Peer Comparison

Company	Ticker	Rec	Price 11 Aug 26 (Rp)	Target Price (Rp)	Potential Upside (%)	Market Cap (US$m)	3M Avg Turnover (US$m)	--------- PE -------- 2026F (x)	2027F (x)	-------- P/B -------- 2026F (x)	2027F (x)	ROE 2026F (%)	Div. Yield 2026F (%)	Net Gearing (%)
Cisarua Mountain Dairy	CMRY	BUY	4,570	6,400	40.0	2,034	0.6	15.8	13.8	4.8	4.3	28.8	4.2	(25.1)
Indofood CBP Sukses Makmur	ICBP	BUY	7,575	10,150	34.0	4,955	1.9	8.2	7.4	1.5	1.3	19.2	4.2	21.4
Japfa Comfeed Indonesia	JPFA	BUY	2,200	3,330	51.4	1,447	2.2	5.3	4.7	1.2	1.1	22.3	6.1	40.2
Kalbe Farma	KLBF	BUY	800	1,100	37.5	2,100	3.6	10.8	9.3	1.5	1.4	14.0	4.3	(16.8)
Mayora Indah	MYOR	BUY	1,680	2,580	53.6	2,107	0.7	11.2	9.7	1.9	1.7	19.1	3.4	13.8
Sumber Alfaria Trijaya	AMRT	BUY	1,395	1,940	39.1	3,249	7.2	15.3	14.0	2.9	2.6	18.8	3.1	(10.2)
Unilever Indonesia	UNVR	HOLD	1,745	2,500	43.3	3,734	1.8	16.1	15.0	23.8	20.5	122.7	9.7	(113.1)

Source: Bloomberg, UOB Kay Hian

1H26 Results

Ticker	(Rpb)	2Q25	1Q26	2Q26	qoq (%)	yoy (%)	1H25	1H26	yoy (%)	% To FY UOBKH	% To FY Consensus
Staples											
AMRT	Revenue	31,040	35,240	32,715	(7.2)	5.4	63,813	67,956	6.5	49.6	49.6
	Net profit	909	1,076	950	(11.7)	4.5	1,884	2,025	7.5	53.6	52.5
KLBF	Revenue	8,291	9,678	9,800	1.3	18.2	17,079	19,479	14.0	51.1	51.0
	Net profit	898	1,029	891	(13.5)	(0.8)	1,975	1,919	(2.8)	55.4	53.5
ICBP	Revenue	17,415	21,716	20,148	(7.2)	15.7	37,601	41,863	11.3	53.0	52.9
	Core profit	2,291	2,950	2,454	-16.8	7.1	5,367	5,404	0.7	50.2	60.8
MYOR	Revenue	7,937	9,392	8,530	(9.2)	7.5	17,797	17,922	0.7	43.6	43.5
	Net profit	477	946	764	(19.2)	60.1	1,167	1,709	46.5	50.4	50.6
CMRY	Revenue	2,711	3,117	3,344	7.3	23.4	5,148	6,461	25.5	52.7	51.6
	Net profit	514	555	617	11.1	20.0	994	1,172	17.9	50.9	51.8
UNVR	Revenue	7,576	8,443	8,457	0.2	11.6	15,786	16,900	7.1	50.6	50.6
	Core profit	791	1,252	829	-33.8	4.9	1,889	2,082	10.2	50.2	50.3
ULTJ	Revenue	1,798	2,783	2,711	(2.6)	50.8	4,082	5,494	34.6	n.a.	n.a.
	Net profit	239	496	553	11.7	131.4	604	1,049	73.7	n.a.	n.a.
ADES	Revenue	617	942	1,085	15.2	75.8	1,186	2,027	70.9	n.a.	n.a.
	Net profit	170	256	275	7.5	61.3	316	530	67.5	n.a.	n.a.
KINO	Revenue	1,033	1,256	1,373	9.3	33.0	2,160	2,629	21.7	n.a.	n.a.
	Net profit	15	63	88	40.3	476.5	54	151	180.2	n.a.	n.a.
CLEO	Revenue	697	774	917	18.4	31.5	1,366	1,691	23.8	n.a.	n.a.
	Net profit	91	120	136	13.5	49.4	208	256	23.3	n.a.	n.a.
MLBI	Revenue	802	759	961	26.7	19.9	1,472	1,720	16.8	n.a.	45.4
	Net profit	231	229	300	31.1	30.0	426	529	24.3	n.a.	41.6
FORE	Revenue	371	444	560	26.1	51.2	662	1,005	51.7	n.a.	46.1
	Net profit	36	9	47	398.9	30.2	42	56	34.4	n.a.	n.a.
ROTI	Revenue	911	871	901	3.5	(1.1)	1,771	1,772	0.1	n.a.	n.a.
	Net profit	49	2	2	(20.4)	(96.4)	72	4	(94.5)	n.a.	n.a.
STTP	Revenue	1,242	1,215	1,520	25.1	22.4	2,507	2,735	9.1	n.a.	n.a.
	Net profit	237	242	355	46.8	49.6	539	596	10.6	n.a.	n.a.
GOOD	Revenue	2,911	3,522	3,743	6.3	28.6	6,041	7,265	20.3	n.a.	n.a.
	Net profit	119	140	131	(6.4)	9.6	258	270	4.9	n.a.	n.a.
Aggregate	Revenue	85,352	100,153	96,766	(3.4)	13.4	178,471	196,918	10.3		
	Net profit	3,986	5,161	5,107	(1.0)	28.1	8,538	10,268	20.3		
Retail											
ACES	Revenue	2,133	2,353	2,186	(7.1)	2.5	4,269	4,539	6.3	44.2	48.8
	Net profit	151	164	227	38.7	49.9	293	390	33.3	36.5	53.8
ERAA	Revenue	19,164	22,413	20,482	(8.6)	6.9	35,046	42,895	22.4	55.3	52.4
	Net profit	365	453	331	(26.8)	(9.2)	568	784	38.0	63.5	57.7
MAPI	Revenue	10,273	12,292	11,864	(3.5)	15.5	19,582	24,157	23.4	56.4	51.2
	Net profit	489	628	587	(6.5)	20.2	961	1,216	26.5	55.6	50.7
MAPA	Revenue	4,475	4,955	5,168	4.3	15.5	8,795	10,123	15.1	n.a.	47.7
	Net profit	322	471	394	(16.3)	22.1	662	864	30.5	n.a.	46.4
Aggregate	Revenue	36,045	42,013	39,701	(5.5)	10.1	67,692	81,713	20.7		
	Net profit	1,327	1,715	1,539	(10.2)	16.0	2,485	3,254	31.0		
Cigarettes											
HMSP	Revenue	26,384	27,204	29,291	7.7	11.0	55,173	56,495	2.4	n.a.	49.4
	Net profit	210	2,056	2,138	4.0	917.5	2,128	4,194	97.1	n.a.	49.9
GGRM	Revenue	21,302	20,114	21,063	4.7	(1.1)	44,369	41,177	(7.2)	n.a.	47.8
	Net profit	13	1,538	1,438	(6.5)	11194.1	117	2,976	2440.2	n.a.	75.8
WIIM	Revenue	1,517	1,611	1,622	0.7	6.9	2,879	3,233	12.3	n.a.	45.6
	Net profit	75	148	155	4.8	106.6	148	303	104.6	n.a.	49.7
Aggregate	Revenue	49,204	48,929	51,977	6.2	5.6	102,421	100,906	(1.5)		
	Net profit	298	3,742	3,731	(0.3)	1152.0	2,394	7,474	212.2		
Poultry											
CPIN	Revenue	15,357	19,952	19,466	(2.4)	26.8	33,062	39,418	19.2	n.a.	51.7
	Net profit	363	2,578	1,130	(56.2)	211.1	1,900	3,708	95.1	n.a.	63.6
MAIN	Revenue	2,934	3,698	3,607	(2.5)	22.9	6,106	7,305	19.6	n.a.	50.9
	Net profit	(36)	123	(24)	(119.8)	(32.1)	27	99	266.7	n.a.	40.9
SIPD	Revenue	1,157	1,432	1,350	(5.7)	16.7	2,514	2,782	10.7	n.a.	n.a.
	Net profit	(36)	25	(80)	(420.7)	124.4	(16)	(55)	240.6	n.a.	n.a.
MAIN	Revenue	2,934	3,698	3,607	(2.5)	22.9	6,106	7,305	19.6	n.a.	50.9
	Net profit	(36)	123	(24)	(119.8)	(32.1)	27	99	266.7	n.a.	n.a.
Aggregate	Revenue	22,383	28,780	28,031	(2.6)	25.2	47,787	56,811	18.9		
	Net profit	256	2,849	1,002	(64.9)	291.5	1,938	3,851	98.7		

Source: Respective companies, UOB Kay Hian