Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	54085.9	1.7	2.5	2.2	12.5
S&P 500	7736.5	1.8	4.1	3.4	13.0
FTSE 100	10879.4	0.2	0.1	1.9	9.5
AS30	9311.9	1.5	2.2	2.9	3.2
CSI 300	4600.9	1.3	0.7	(5.0)	(0.6)
FSSTI	5612.3	(0.0)	(0.1)	7.0	20.8
HSCEI	8574.3	(0.9)	1.6	11.4	(3.8)
HSI	25852.9	(0.6)	2.1	10.7	0.9
JCI	6319.6	1.4	3.1	7.6	(26.9)
KLCI	1732.7	0.4	1.2	3.2	3.1
KOSPI	6359.0	1.6	5.6	(21.4)	50.9
Nikkei 225	63957.5	0.3	2.6	(8.3)	27.1
SET	1617.1	(0.3)	(1.7)	0.4	28.4
TWSE	43360.7	(0.1)	4.2	(7.3)	49.7
BDI	2843	4.1	6.7	4.6	51.5
CPO (RM/mt)	4499	0.0	(0.7)	1.2	14.4
Brent Crude (US$/bbl)	79	(5.3)	(5.6)	10.0	30.4

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

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Top Stories

Company Results | Indofood CBP Sukses Makmur (ICBP IJ/**BUY**/Rp7,175 /Target: Rp10,150) Page 2

1H26 top-line was solid at 11.3% yoy, but core profit was flat at 0.7% (50% in line with our 2026 estimate) due to high freight costs and a weak rupiah. Despite 1H26 revenue exceeding guidance, management maintained its conservative outlook while reiterating that cost pressure remains manageable. Capacity and Pinehill distribution expansion remain on track. Maintain BUY on ICBP with a target price of Rp10,150.

Technical Analysis

Ketrosden Triasmitra | KETR IJ Page 5

Trading Buy Range: We have a technical Buy at Rp600, and take profit at Rp650.

GTS Internasional | GTSI IJ Page 5

Trading Buy Range: We have a technical Buy at Rp167, and take profit at Rp180.

Disclaimer: *In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

Indofood CBP Sukses Makmur (ICBP IJ)

1H26: Solid Top-line Hindered By Cost And Forex Pressure

BUY (Maintained)

Share Price	Rp7,175
Target Price	Rp10,150
Upside	+41.5%

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Highlights

- 1H26 top-line was solid at 11.3% yoy, but core profit was flat at 0.7% (50% in line with our 2026 estimate) due to high freight costs and the weak rupiah.
- Despite 1H26 revenue exceeding guidance, management maintained its conservative outlook while reiterating that cost pressure remains manageable. Capacity and Pinehill distribution expansion remain on track. Maintain BUY with a target price of Rp10,150.

1H26 Results

Year to 31 Dec (Rpb)	2Q25	1Q26	2Q26	qoq(%)	Yoy (%)	1H25	1H26	Yoy (%)
Revenue	17,415	21,716	20,148	-7.2%	15.7%	37,601	41,863	11.3%
Gross profit	5,828	7,549	6,818	-9.7%	17.0%	13,123	14,367	9.5%
GP margin (%)	33.5%	34.8%	33.8%			34.9%	34.3%	
Op. profit	3,458	4,514	3,768	-16.5%	9.0%	7,930	8,282	4.4%
Op. margin (%)	19.9%	20.8%	18.7%			21.1%	19.8%	
Pre-tax profit	4,012	3,757	1,887	-49.8%	-53.0%	7,742	5,644	-27.1%
Pre-tax margin (%)	23.0%	17.3%	9.4%			20.6%	13.5%	
Net profit	2,879	2,574	1,129	-56.1%	-60.8%	5,536	3,703	-33.1%
Net margin (%)	16.5%	11.9%	5.6%			14.7%	8.8%	
Core profit	2,291	2,950	2,454	-16.8%	7.1%	5,367	5,404	0.7%
Core profit margin (%)	13%	14%	12%	-7.2%	15.7%	14%	13%	

Source: ICBP, UOB Kay Hian

Analysis

- **1H26 results – Core profit in line.** Indofood CBP Sukses Makmur's (ICBP) 1H26 revenue grew 11.3% yoy to Rp41.86t, with around 92% of its sales increase contributed by its core noodles (+11.4% yoy) and dairy (+15.3% yoy) segments. EBIT margin softened to 21.9% (1H25: 22.5%) as noodles margin compressed to 22.9% (1H25: 24.6%) due to higher freight costs and the weaker rupiah, although management viewed the pressure as manageable. Consequently, EBIT increased 8.0% yoy to Rp9.15t, while core profit was broadly flat (+1% yoy) at Rp5.4t (50% of our full-year estimate). Meanwhile, reported net profit declined 33% yoy due to a 216% yoy increase in forex-related finance expenses to Rp4.09t, as rupiah depreciation affected its predominantly US dollar-denominated debt (>90% of total).
- **Overseas remained the key growth driver,** with 1H26 sales growing 21.9% yoy to Rp13.4t (domestic: +7.0% yoy), supported by volume growth, capacity expansion, and continued distribution expansion through Pinehill. Note that since the 2020 Pinehill acquisition, production capacity has increased from 9b to 15b packs/year across several countries. Management also noted no apparent disruption to Middle East operations despite ongoing geopolitical tensions.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	72,597	74,851	78,964	82,860	86,527
EBITDA	17,466	17,172	17,895	19,624	20,709
Operating profit	16,191	15,666	16,120	17,655	18,558
Net profit	7,079	9,225	8,926	10,019	10,675
Core profit	10,945	10,324	10,764	11,957	12,719
Core EPS (Rp)	938.5	885.2	923.0	1,025.3	1,090.6
Core PE (x)	7.6	8.1	7.8	7.0	6.6
P/B (x)	1.2	1.1	1.1	1.0	0.9
EV/EBITDA (x)	6.0	6.0	5.6	4.9	4.4
Dividend yield (%)	2.8	3.5	4.4	4.3	4.8
Net margin (%)	15.1	13.8	13.6	14.4	14.7
Net debt/(cash) to equity (x)	0.3	0.3	0.2	0.1	0.1
Interest cover (x)	3.8	4.1	3.8	4.0	4.0
ROE (%)	16.3	14.0	13.8	14.1	13.9
UOBKH/Consensus (x)	-	-	1.06	1.09	1.10

Source: ICBP, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	ICBP IJ
Shares issued (m):	11,662
Market cap (Rpb):	83,674
Market cap (US$m):	4,642
3-mth avg daily t'over (US$m):	1.9

Price Performance (%)

52 week high/low: Rp10,050/Rp5,925

1mth	3mth	6mth	1yr	YTD
3.2	5.5	(9.7)	(27.5)	(12.5)

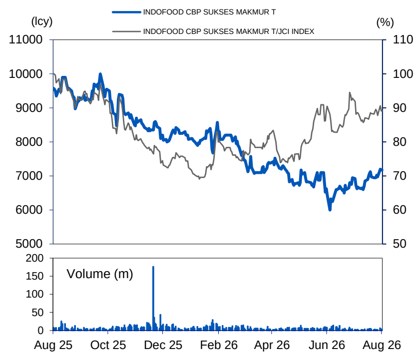
Major Shareholders

	(%)
Indofood Sukses Makmur	80.5
Public	19.5

Balance Sheet Metrics

FY26 NAV/Share (Rp)	6,711
FY26 Net Debt/Share (Rp)	1,444

Price Chart



Source: Bloomberg

Company Description

Indofood CBP Sukses Makmur provides a wide range of food products. The company is a total food solutions company with operations in all stages of food manufacturing from the production of raw materials and their processing through to consumer products on the retailer's shelf.

- **Domestic demand remained resilient despite softer macro indicators.** Although domestic sales declined 16.2% qoq in 2Q26 due to seasonality, yoy growth remained healthy at 8.7%, bringing 1H26 domestic growth to 7.0% yoy. Management attributed the resilience partly to the "lipstick effect," as consumers continued to spend on affordable staples and retail goods. We think this is supported by M1 money supply growth accelerating to 9.8% yoy in Jun 26 (vs 6.3% yoy in Jun 25), and broadly strong double-digit revenue growth across the consumer sector. Note that across the 37 consumer-related stocks we compiled, 1H26 aggregate revenue grew 13% yoy.
- **Growth remained largely volume-driven, with no broad ASP hikes.** Aside from selective SKU-level price adjustments in dairy, management did not implement broad price increases in 1H26. Although Bogasari raised flour prices (raw material for noodles) by 2% in May and another 1-2% in July following rupiah depreciation, the noodles division has refrained from passing on higher costs as the pressure is forex-driven rather than stemming from underlying wheat costs. Management prefers to wait for a more sustainable medium-term demand outlook before considering broader ASP hikes.
- **2026 guidance maintained.** Despite 1H26 revenue growing 11.3% yoy, well above its 2026 guidance of 5-7% (vs 2025: +3%), management maintained its conservative outlook, citing macro uncertainty and higher freight costs. The company also reiterated its 2026 EBIT margin guidance of 20-22%, viewing the slight margin pressure in 1H26 (21.9% vs 22.5% in 1H25) as primarily driven by freight costs and rupiah weakness, while soft commodity costs remained manageable. Meanwhile, 2026 capex is budgeted at Rp5.5t (+50% yoy), mainly for capacity expansion, including an additional 1.5b packs of noodle capacity, further capacity additions in 2H26, and new dairy capacity expected in 4Q26.

Earnings Revision/Risks

- No earnings revision.
- **Risks:** a) Elevated raw material costs, b) soft purchasing power, and c) rupiah depreciation.

Valuation/Recommendation

- **Maintain BUY with a target price of Rp10,150,** based on a target PE of 11x 2026F (-1SD below the five-year average forward PE). We apply this discount to reflect the soft macro environment, potential margin pressure from rising raw material costs, and rupiah depreciation, given that approximately 97% of the company's debt is denominated in US dollars.

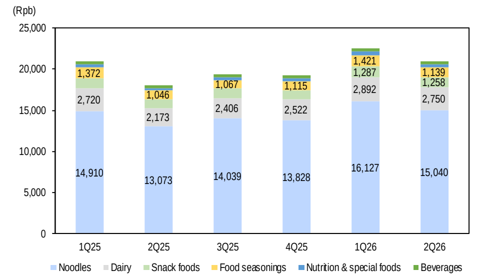
Share Price Catalyst

- a) Sustained overseas growth, b) recovery in domestic consumption, and c) easing freight costs.

New Product Launch In 2026

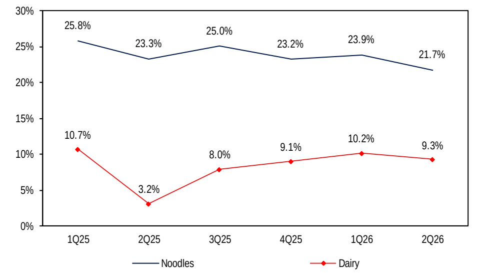
Source: ICBP, UOB Kay Hian

Revenue By Segment



Source: ICBP, UOB Kay Hian

Operating Margin Per Segment



Source: ICBP, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	74,851	78,964	82,860	86,527
EBITDA	17,172	17,895	19,624	20,709
Deprec. & amort.	1,506	1,776	1,969	2,151
EBIT	15,666	16,120	17,655	18,558
Total other non-operating income/(expense)	1,111	537	555	568
Net interest income/(expense)	(3,056)	(3,210)	(3,265)	(3,246)
Pre-tax profit	13,721	13,447	14,944	15,881
Tax	(2,965)	(2,906)	(3,229)	(3,432)
Minorities	(1,531)	(1,615)	(1,696)	(1,773)
Net profit	9,225	8,926	10,019	10,675

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	17,328	20,423	22,730	25,039
Other LT assets	67,063	67,042	66,693	66,904
Cash/ST investment	29,216	33,551	40,886	47,566
Other current assets	21,937	22,115	22,781	23,682
Total assets	135,544	143,130	153,091	163,190
ST debt	882	1,097	1,315	1,526
Other current liabilities	11,434	11,796	12,482	13,001
LT debt	46,916	49,292	51,789	54,415
Other LT liabilities	2,629	2,682	2,735	2,790
Shareholders' equity	51,520	56,016	62,441	69,052
Minority interest	22,163	22,247	22,328	22,405
Total liabilities & equity	135,544	143,130	153,091	163,190

Cash Flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	12,104	11,015	12,090	12,554
Net profit	9,225	8,926	10,019	10,675
Deprec. & amort.	1,506	1,776	1,969	2,151
Working capital changes	(1,404)	217	54	(346)
Other operating cashflows	2,777	96	48	74
Investing	(4,700)	(4,946)	(4,028)	(4,774)
Capex (growth)	(3,635)	(4,738)	(4,143)	(4,326)
Investments	(1,001)	(72)	221	(326)
Others	(65)	(137)	(105)	(121)
Financing	(4,290)	(1,735)	(727)	(1,101)
Dividend payments	(2,915)	(3,690)	(3,570)	(4,008)
Proceeds & repay borrowings	1,709	2,611	2,787	2,886
Others	(3,084)	(656)	57	21
Net cash inflow (outflow)	3,114	4,334	7,336	6,679
Beginning cash & cash equivalent	25,293	29,216	33,551	40,886
Change due to forex impact	810	0	0	0
Ending cash & cash equivalent	29,216	33,551	40,886	47,566

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	22.9	22.7	23.7	23.9
Pre-tax margin	18.3	17.0	18.0	18.4
Net margin	12.3	11.3	12.1	12.3
ROA	6.8	6.2	6.5	6.5
ROE	20.0	19.2	19.1	18.4
Growth				
Turnover	3.1	5.5	4.9	4.4
EBITDA	(1.7)	4.2	9.7	5.5
Pre-tax profit	19.3	(2.0)	11.1	6.3
Net profit	30.3	(3.2)	12.2	6.6
EPS	9.8	4.3	11.1	6.4
Leverage				
Debt to total capital (x)	0.4	0.4	0.4	0.4
Debt to equity (x)	0.7	0.6	0.6	0.6
Net debt/(cash) to equity (x)	0.3	0.2	0.1	0.1
Interest cover (x)	4.1	3.8	4.0	4.0

Source: ChartGenie

Ketrosden Triasmitra (KETR IJ)

Technical BUY with 8% potential return

Resistance: Rp680, Rp730

Support: Rp560, Rp530

Stop-loss: Rp555

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, it could trigger more rallies and challenge the resistance level at Rp615 and Rp680. The RSI is sloping upwards and is above its midline, while the MACD remains on a bullish crossover. Buy at Rp600 and take profit at Rp650.

Approximate timeframe: 2-4 weeks.

Source: ChartGenie

GTS Internasional (GTSI IJ)

Technical BUY with 9% potential return

Resistance: Rp180, Rp200

Support: Rp150, Rp135

Stop-loss: Rp150

Share price closed higher and formed a bullish candlestick. Price advanced with significantly higher trading volume; hence, we see potential for more bullish pressure to take place and challenge the resistance level at Rp180 and Rp200. The RSI is sloping upwards and is above its midline, while the MACD remains on a bullish crossover. Buy at Rp167 and take profit at Rp180.

Approximate timeframe: 2-4 weeks.

ANALYST(S)

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