

Consumer (Neutral/Maintain)

Consumer 2H24F outlook: illusion of growth; muted catalysts despite economic key events

Report summary

1H24 results

2Q24 earnings for the consumer sector were mixed, with some companies underperforming expectations (e.g., UNVR) while others exceeded them (e.g., MYOR). Despite economic challenges, the sector experienced moderate growth in 1H24, leading to varied analyst forecasts.

Overall gross margins improved in 1H24 due to normalized raw material prices. EBIT levels remained stable as salary expenses and A&P costs were consistent with the prior year.

2H24F expectations

We anticipate stable growth in 2H24, mirroring the performance in 1H24. Volume growth, rather than price increases, will be the primary revenue driver. Excluding MYOR, which plans to gradually raise ASPs, the sector is focused on market penetration due to weakened purchasing power.

Historically, the sector has grown by around 7.2% annually over the past seven years. However, current growth is in the single digits. We maintain a cautious outlook on margins for 2H24F due to raw material volatility. While some material prices have stabilized, high input costs may lead to reduced opex spending to protect EBIT margins.

The rupiah's depreciation since March, driven by a US economy, negatively impacts the consumer sector through FX losses for companies like ICBP and INDF, as well as increased raw material import costs, as consumer company might procure raw material from abroad.

2H24F outlook remain cloudy, with short-lived boost for purchasing in 1H24

Indonesia's economic outlook is influenced by several factors. Government aid continues, while upcoming elections may provide a short-term boost. The new presidency is expected to attract foreign investment. Potential tax increases on sweetened beverages, VAT, and sugar could impact consumers and businesses. The recent PPh21 tax reform has varied effects on different income groups. The consumer sector is expected to grow due to robust demand and potential interest rate cuts, despite challenges from elections and potential tax changes.

Maintain Neutral

We maintain a neutral stance on the consumer sector due to the absence of substantial catalysts, despite an anticipated economic upturn in the second half of 2024. We expect the full impact of government policies to materialize in 2025.

Key investment metrics

Company	Ticker	Market cap * (IDRbn)	Rating	Last price* (IDR)	Target price (IDR)	Upside (%)	P/E (x)		ROA (%)		ROE (%)	
							2024F	2025F	2024F	2025F	2024F	2025F
Sumber Alfaria Trijaya	AMRT	113,777	Trading Buy	2,740	3,200	16.8	28.1	27.6	11.0	9.8	25.6	22.3
Indofood CBP Sukses Makmur	ICBP	128,281	Hold	11,000	11,200	1.8	32.4	30.1	3.3	3.4	9.6	9.9
Indofood Sukses Makmur	INDF	53,561	Trading Buy	6,100	7,000	14.8	7.0	6.3	4.0	4.2	12.4	12.4
Unilever Indonesia	UNVR	93,849	Hold	2,460	2,700	9.8	19.8	19.0	28.7	29.2	136.9	131.4
Mayora Indah	MYOR	57,462	Buy	2,570	3,270	27.2	15.7	14.3	14.8	14.7	22.2	21.1
Cisarua Mountain Dairy	CMRY	39,594	Hold	4,990	5,050	1.2	27.7	22.4	17.7	18.8	20.9	22.3

Note: *Data as of August 6, 2024

Source: Mirae Asset Sekuritas Indonesia Research Estimates

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Investment thesis

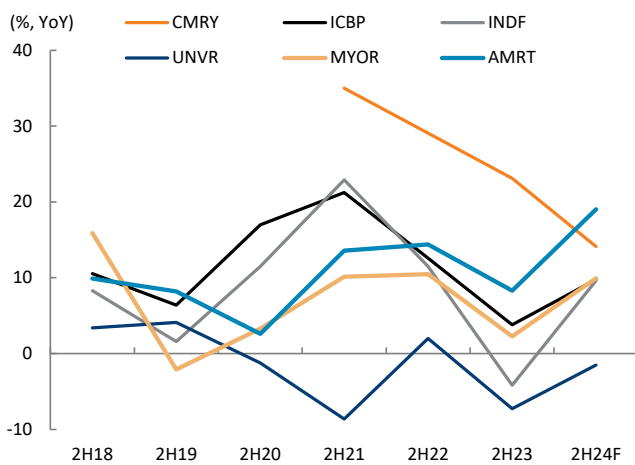
Historical performance and seasonality

A historical analysis of 2H net sales growth reveals distinct seasonal patterns across the sector. MYOR exhibits pronounced seasonality with stronger performance in the second half, while UNVR traditionally demonstrates better sales traction in the first half. We anticipate this historical trend to persist in 2H24F. Special note for AMRT is projected to benefit from accelerated sales growth in 2H24F due to anticipated store openings, typically commencing operations in 3Q.

Growth outlook and drivers

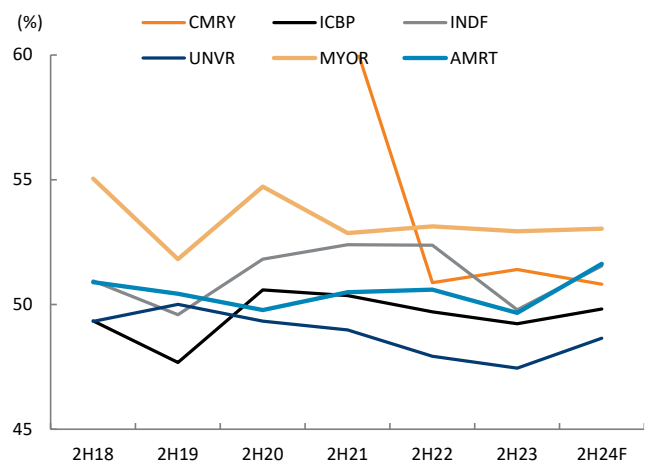
Given the trajectory of 1H24 financial performance, we have adjusted our 2H24F forecasts. We believe that the weakness experienced last year due to subdued consumer spending is likely to abate. Consequently, we expect growth to revert towards pre-COVID levels. Our analysis of recent earnings calls suggests that the current sales growth momentum in 2024F is primarily volume-driven. From the historical trend and our assumption suggest that the consumer company CAGR growth from 2018 – 2024F were in the range of -1.4% to 22.0%.

Figure 1. Consumer company 2H revenue growth



Notes: CMRY IPO in 2021
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 2. 2H contribution to FY

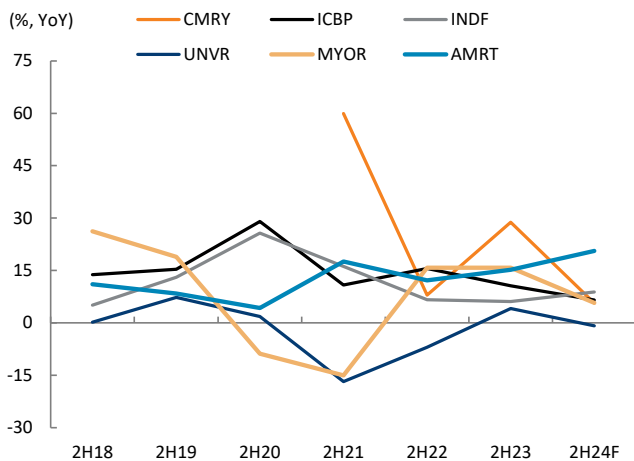


Notes: CMRY IPO in 2021
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Gross Profit and Margin Analysis

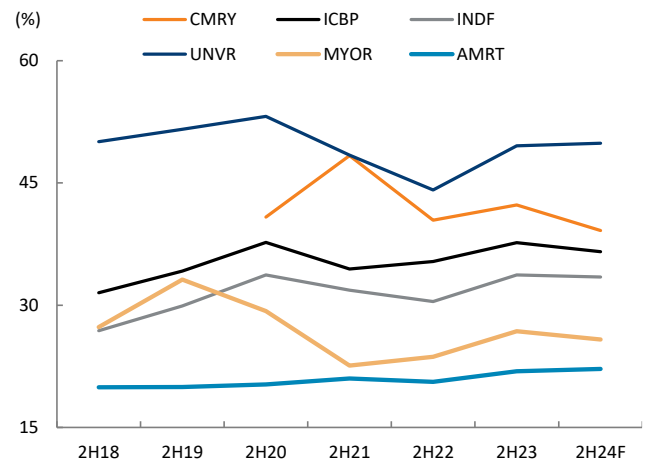
Based on 1H24 financial performance, coupled with the prevailing raw material cost environment and rupiah depreciation, we anticipate gross margin compression across the consumer sector. While AMRT's business model inherently offers some degree of margin resilience, we expect a modest decline in gross margin for all companies within the +/- 1% deviation range of our assumptions.

Figure 3. 2H gross profit growth trajectory



Notes: CMRY IPO in 2021
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 4. 2H gross margin trajectory

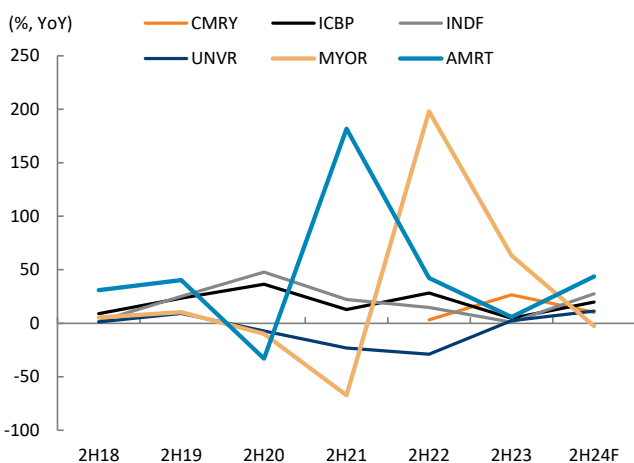


Notes: CMRY IPO in 2021
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Continuing upward trajectory through efficiency measures

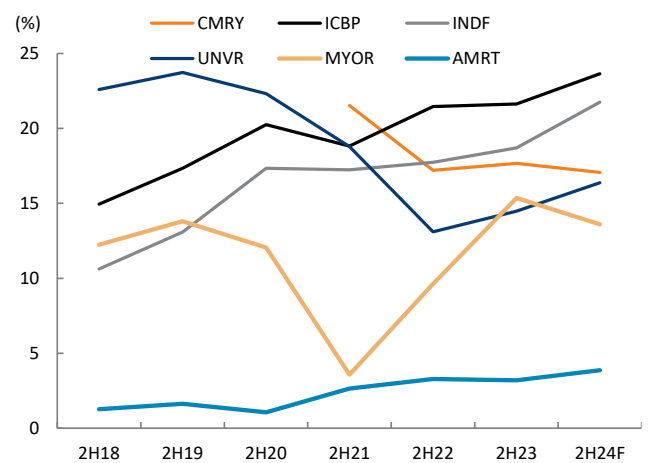
We anticipate a divergence in EBIT margin performance among consumer companies. While several firms are proactively implementing cost-cutting measures to mitigate gross margin pressures, others, such as MYOR, may face more significant challenges due to exposure to volatile commodity prices like coffee and cocoa beans. Despite these headwinds, consumer companies are projected based on our assumption and 1H24 financial performance to remain intact and on an upward trajectory, aligned with management guidance.

Figure 5. 2H EBIT profit growth trajectory



Notes: CMRY IPO in 2021
Source: Company data, Mirae Asset Sekuritas Indonesia Research

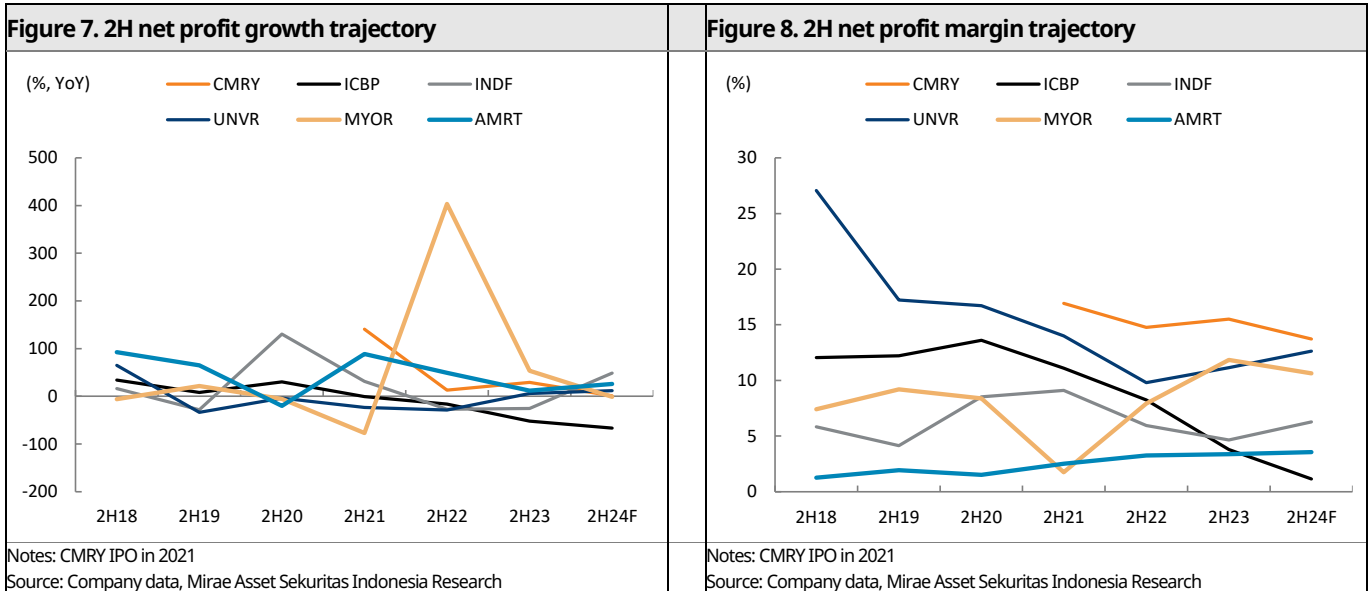
Figure 6. 2H EBIT margin trajectory



Notes: CMRY IPO in 2021
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Cautious outlook as commodity costs bite

Net profit performance in 1H24 has been mixed. Companies with significant USD-denominated debt, such as ICBP and INDF, have been adversely impacted by rupiah depreciation, which has elevated financial expenses. Conversely, other consumer companies are expected to exhibit improved net profit margins due to a low base effect in the prior year.



Expecting margin compression in the second half

We anticipate margin compression in the second half due to volatile raw material prices for cocoa and coffee, while wheat price remain stable, it's expected to decline significantly this year before rebounding in the second half. Low stock levels and delayed buying activity due to bearish sentiment should support price recovery. However, risks remain tilted upwards due to potential disruptions from Russia and adverse weather conditions in key production regions. While pricing pressures for other materials have stabilized following supply chain disruptions, elevated input costs may necessitate a conservative approach to A&P spending to offset margin erosion.

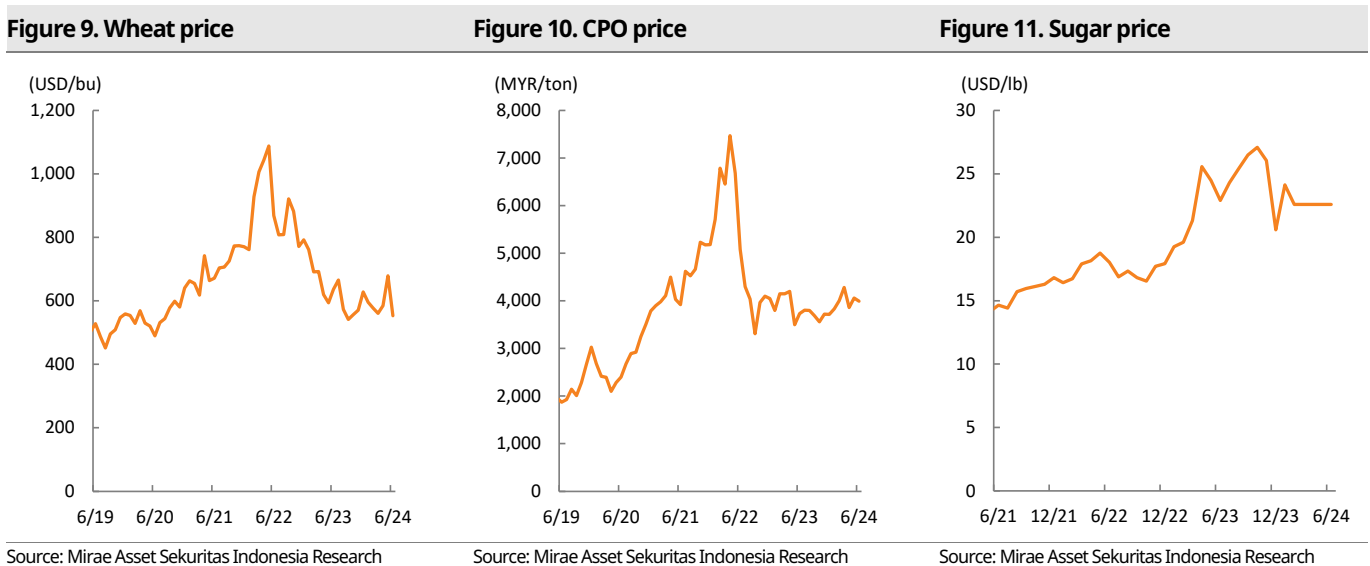
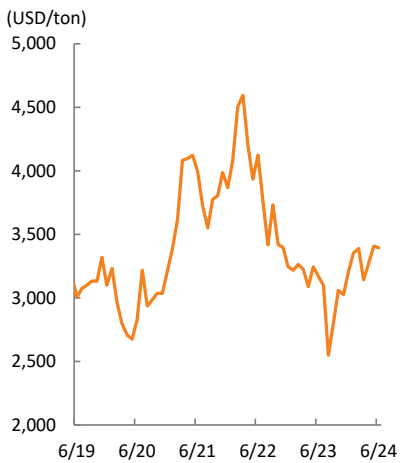
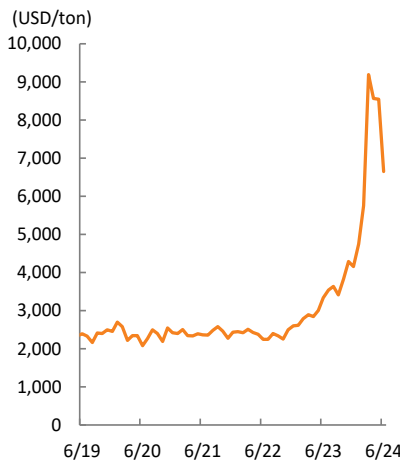


Figure 12. Skimmed milk powder price



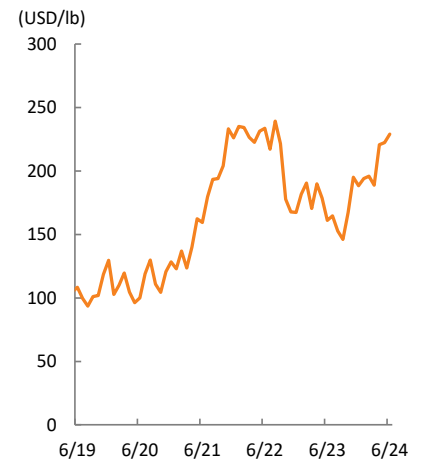
Source: Mirae Asset Sekuritas Indonesia Research

Figure 13. Cocoa price



Source: Mirae Asset Sekuritas Indonesia Research

Figure 14. Coffee beans

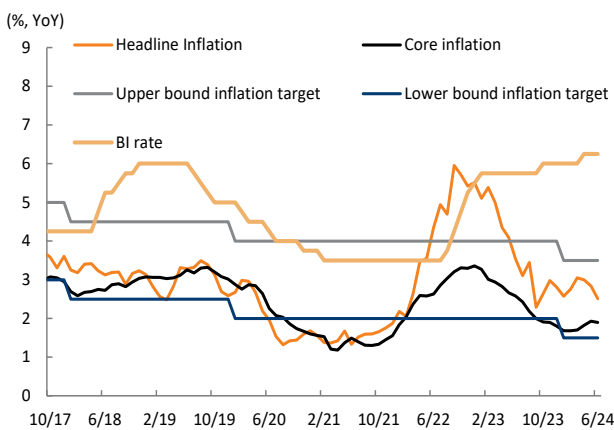


Source: Mirae Asset Sekuritas Indonesia Research

Inflation target

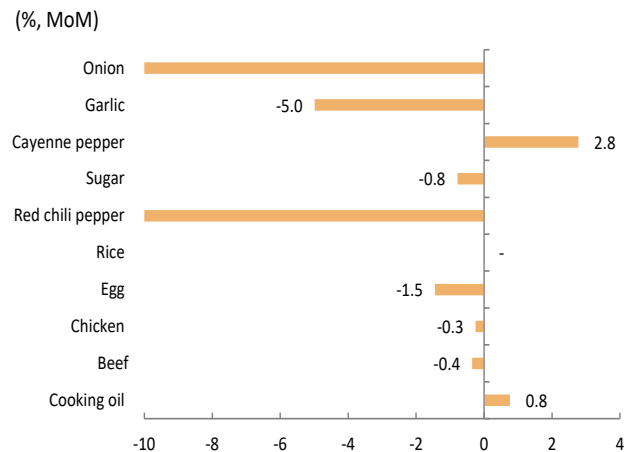
CPI inflation in July quite lower, with CPI inflation in July recorded at 2.1% YoY, the lowest in the past 29 months, as this was influenced by the declined volatile component prices. The core inflation remains stable at 1.95% YoY (has been below for the past 10 months), as our economist said that this has been at a faster pace than anticipated. As the current stance of BI monetary policy is still on pro stability which is rupiah.

Figure 15. Inflation trajectory



Source: Center of Strategic Food Price Information, Mirae Asset Sekuritas Indonesia Research

Figure 16. Monthly change in food prices in June 2024

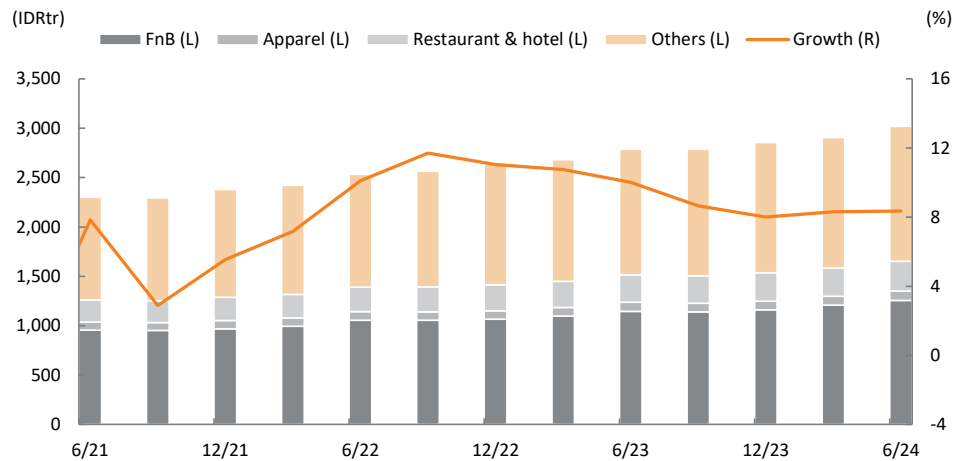


Source: Center of Strategic Food Price Information, Mirae Asset Sekuritas Indonesia Research

Household consumption

Household consumption exhibited robust growth of 8.4% YoY in June 2024, primarily driven by the food and beverage sector. Apparel, HORECA, and other segments registered slower growth compared to the same period last year, likely due to a high base effect from pent-up demand post-lockdown. While this positive consumption trend is expected to persist, inflationary pressures and food price volatility appear to be contained for now due to the post-harvesting season. In light of these factors, our in-house economists have revised downward the household consumption growth forecasts for 2024F and 2025F to 4.85% and 4.92%, respectively.

Figure 17. Household consumption remain stable



Source: BPS, Mirae Asset Sekuritas Indonesia Research

Key factors shaping 2H24F outlook

Government aid

The government is expected to maintain its social assistance program, focusing on low-income households. Disbursements are scheduled bimonthly in August, October, and December 2024. The program's overall budget and beneficiary count (approximately 22mn families) are projected to remain stable.

Regional election

In 2024, apart from the presidential election, there will also be regional elections occurring simultaneously, with preparations expected to begin by the end of Q3. While these events may provide a short-term tailwind, we believe the benefits may be limited. Historical consumption levels during past presidential elections indicate uncertainty, making it challenging to predict the exact impact on consumer behavior and spending. Thus, while these political events may stimulate economic activity temporarily, the overall clarity regarding their long-term benefits remains murky.

New presidency of Prabowo effect

As the new presidential election will inaugurate in October, this event is anticipated to provide a clearer direction for Indonesia's future policies and targets. The inauguration may instill confidence among foreign investors, potentially leading to a renewed influx of investment into Indonesia as they perceive a more stable and promising economic environment. This political transition could serve as a catalyst for increased foreign direct investment, aiding in the country's economic growth and development.

Potential excise on sweetened beverage

With the potential implementation of an excise tax on sweetened beverages (MBDK) by the Indonesian government, there could be an implicit increase in taxes levied on production and/or sales. While this intervention aims to discourage excessive consumption of sugary drinks, it could harm consumer company margins if the costs are not passed on to customers. Given the currently weak purchasing power, we believe that the implementation needs to be closely monitored.

Implementation of VAT hike to 12% effective 2025

A planned VAT hike from 11% to 12% is set to take effect in early 2025 as a government revenue-boosting measure. This increase is expected to elevate costs for businesses, potentially resulting in higher prices for consumers on a range of goods and services.

Sugar excise implementation

Indonesia has been considering a sugar excise for years to address public health concerns linked to high sugar consumption and to generate additional revenue. While economic factors and regulatory complexities have delayed implementation, the Health Ministry announced in September 2023 that regulations are nearing completion and could be finalized in 2024. Specific details about the excise rate, affected beverages, and implementation timeline remain undisclosed.

The potential sugar excise is expected to impact the FMCG sector. While MSMEs might be exempt, larger companies could face increased costs, potentially leading to higher consumer prices. The industry awaits official government communication for clarity on the excise's implications.

Recent update regarding PPH21

Indonesia's recent overhaul of the PPh21 tax system introduces the "*Tarif Efektif Rata-rata*" (TER) system, aiming to simplify calculations and enhance transparency. The impact of these changes on individuals varies across income segments.

For middle-to-lower earners: The TER system considers individual non-taxable income thresholds (PTKP), potentially providing proportional benefits. However, the overall impact could be neutral or slightly positive, depending on individual circumstances and the deductions claimed.

For middle-to-upper earners: The impact is less straightforward. Some individuals may experience minimal changes if they effectively utilize various deductions. However, others might face slightly higher taxes if specific deductions are no longer applicable under the TER system.

Significant events in 2H24

Brace for a BI rate cut boost

The consumer non-cyclical and cyclical sectors have exhibited remarkable growth, driven by robust demand for both essential and discretionary goods. Companies like UNVR, ICBP, MYOR, and AMRT have been at the forefront of this trend.

An anticipated central bank rate cut in the second half of 2024 is poised to further catalyze this growth. Historically, lower interest rates have correlated with increased consumer spending and a surge in investor interest in the consumer sector. The periods between 2011-2013 and 2015-2018, characterized by rate cut cycles, serve as compelling examples of this phenomenon.

Maintain Neutral

We maintain a neutral stance on the consumer sector due to the absence of substantial catalysts, despite an anticipated economic upturn in the second half of 2024. We expect the full impact of government policies to materialize in 2025.

AMRT IJ • Consumer Staples

Sumber Alfa Trijaya

Expands footprint while eyeing margin improvement

(Upgrade)
Trading Buy

Target price
IDR3,200

Upside
16.8%

Current price (8/6/24)
IDR2,740

JCI Index	7,129	Market cap (IDRbn)	113,777	Shares outstanding (mn)	41,524	Free Float (%)	35.0
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Report summary

Poised for growth in Indonesia's dynamic minimarket scene

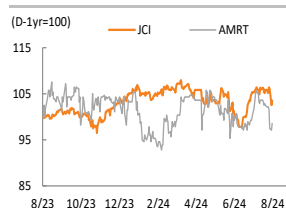
AMRT reported 1H24 results in line with expectations, with net profit growing 11.3% YoY. Revenue growth of 10% YoY was primarily driven by strong performance in Ex-Java regions, while Greater Jakarta and Java ex-Greater Jakarta exhibited slower growth. The company maintained gross margins but saw EBIT margins contract in key regions due to higher opex associated with new store openings. Despite this, overall opex/sales ratio remained relatively stable. While AMRT benefits from higher margins in Ex-Java regions, the company faces margin pressures in its core markets of Greater Jakarta and Java ex-Greater Jakarta.

Upgrade to Trading Buy

We maintain our forecast and changing to Trading Buy recommendation for AMRT as there are outflow that reflecting the share price to decline, with an unchanged TP of IDR3,200/share. Our target price implies 33.3x P/E in 24F. Our Buy recommendation for AMRT is based on: 1) continuous store expansion; 2) improvements in the economic condition; 3) diversify its store with new innovations; and 4) margin expansion.

Key data

Price performance



(%)	1M	6M	12M
Absolute	-1.4	4.2	-1.4
Relative	0.3	5.6	-5.0

Earnings and valuation metrics

(FY Dec. 31)	2021	2022	2023	2024F	2025F
Revenue (IDRbn)	84,904	96,925	106,945	122,438	134,838
Operating profit (IDRbn)	2,784	3,770	4,429	5,330	5,441
Net profit (IDRbn)	1,926	2,855	3,404	4,046	4,119
P/E (x)	59.1	39.8	33.4	28.1	27.6
P/B (x)	14.6	12.3	10.1	7.9	6.6
ROA (%)	7.2	9.8	10.5	11.0	9.8
ROE (%)	22.6	27.9	26.5	25.6	22.3
Dividend yield (%)	0.3	0.7	0.9	1.2	1.3

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

AMRT 1H24 performance

Meets expectations in solid 1H24

AMRT delivered 1H24 results in line with our and consensus expectations. AMRT delivered 2Q24 net profit of IDR904bn (+1.5% QoQ; +8.0% YoY), bringing total 1H24 of IDR1.8tr (+11.3% YoY). This is in line with our/consensus estimate with a run rate of 44.3%/42.4%, respectively.

Table 1. AMRT run rate

Run rate	1H24 (IDRbn)			Run rate (%)		
	Actual	MASI 24F	Consensus 24F	MASI	Consensus	Comment
Revenue	59,219	122,438	119,664	48.4	49.5	Inline/inline
Net profit	1,794	4,046	4,236	44.3	42.4	Inline/inline

Source: Mirae Asset Sekuritas Indonesia Research

Strong Ex-Java sales drive AMRT revenue growth

AMRT revenue for 2Q24 amounted of IDR29.8tr (+1.9% QoQ; +8.0% YoY), with total cumulatively for 1H24 reached IDR59.2tr (+10.0% YoY), in line with our/consensus estimates with a run rate of 48.4%/49.5%, respectively. Growth was driven by Ex-Java regions (+13.5% YoY), while Java ex-Greater Jakarta were in the mid-single digit growth, and Greater Jakarta experienced low single digit growth. The non-food category led with 13.5% YoY growth in Q2, compared to 5.9% YoY growth for the Food segment.

Juggles margin expansion and store growth

Gross margin level in 2Q24 remain intact, recorded 21.4%, while a little bit uptick on gross margin still translate to stable EBIT level of 2.9%. AMRT's EBIT level in Greater Jakarta and Java ex-Greater Jakarta contracted by 13.6% YoY and 12.5% YoY, respectively. This is likely due to higher opex associated with new store openings. However, opex/sales remained relatively stable at 18.6% for 1H24, with salary/sales holding steady at 10.0%. While AMRT enjoys better margins in Ex-Java regions, margins in Greater Jakarta and Java ex-Greater Jakarta contracted to 2.8% and 6.0% in 2Q24, respectively.

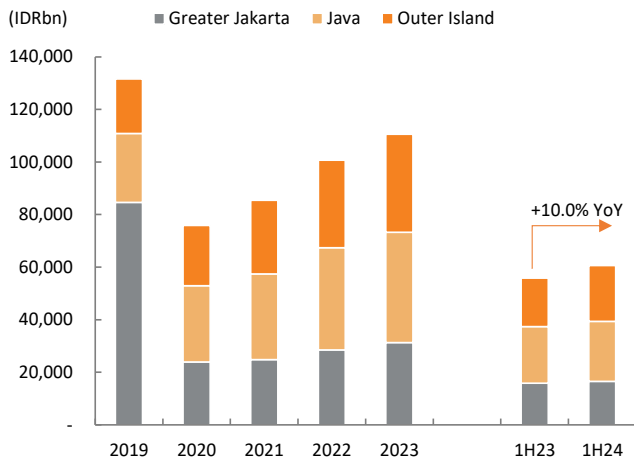
Table 2. AMRT 1H24 financial performance

(IDRbn)

	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	1H23	1H24	YoY (%)
Revenue	27,667	29,326	29,894	1.9	8.0	53,834	59,219	10.0
<i>Jabodetabek</i>	8,143	8,307	8,207	-1.2	0.8	15,864	16,514	4.1
<i>Excluding Jabodetabek</i>	10,933	11,503	11,397	-0.9	4.2	21,525	22,900	6.4
<i>Excluding Java</i>	9,624	10,238	10,922	6.7	13.5	18,452	21,161	14.7
COGS	-21,927	-22,937	-23,509	2.5	7.2	-42,398	-46,445	9.5
Gross profit	5,740	6,389	6,385	-0.1	11.2	11,436	12,774	11.7
Operating expense	-4,922	-5,508	-5,509	0.0	11.9	-9,850	-11,017	11.9
EBIT	818	881	876	-0.6	7.0	1,586	1,757	10.7
<i>Jabodetabek</i>	264	268	228	-15.0	-13.6	543	496	-8.7
<i>Excluding Jabodetabek</i>	781	668	684	2.3	-12.5	1,389	1,352	-2.7
<i>Excluding Java</i>	548	628	668	6.3	21.8	1,095	1,296	18.3
Other income (expense)	275	268	293	9.7	6.6	523	561	7.3
Operating profit	1,094	1,149	1,169	1.8	6.9	2,109	2,318	9.9
Finance income	12	30	23	-23.2	90.2	31	53	72.3
Finance expenses	-46	-30	-31	1.5	-33.4	-95	-61	-35.9
Pre-tax profit	1,062	1,152	1,172	1.7	10.4	2,046	2,325	13.6
Income tax expense	-206	-231	-234	1.2	13.6	-398	-465	16.6
Net profit	837	890	904	1.5	8.0	1,613	1,794	11.3
Margin								
Gross margin (%)	20.7	21.8	21.4	-0.4 pts	0.6 pts	21.2	21.6	0.3 pts
EBIT margin (%)	3.0	3.0	2.9	-0.1 pts	0 pts	2.9	3.0	0 pts
Net margin (%)	3.0	3.0	3.0	0 pts	0 pts	3.0	3.0	0 pts
Revenue by category								
Food	19,678	21,325	20,829	-2.3	5.9	38,410	42,154	9.7
Non-food	7,989	8,001	9,065	13.3	13.5	15,423	17,065	10.6
GPM								
Food	19.3	19.9	20.1	0.2 pts	0.7 pts	19.8	20.0	0.2 pts
Non-food	24.2	26.9	24.3	-2.6 pts	0.1 pts	25.0	25.5	0.6 pts
EBIT Margin								
Jabodetabek	3.2	3.2	2.8	-0.5 pts	-0.5 pts	3.4	3.0	-0.4 pts
Excluding Jabodetabek	7.1	5.8	6.0	0.2 pts	-1.1 pts	6.5	5.9	-0.5 pts
Excluding Java	5.7	6.1	6.1	0 pts	0.4 pts	5.9	6.1	0.2 pts
Ratio								
Opex/sales	17.8	18.8	18.4	-0.4 pts	0.6 pts	18.3	18.6	0.3 pts
Fixed asset/sales	5.1	5.2	5.4	0.2 pts	0.4 pts	5.1	5.3	0.2 pts
Salary/sales	9.6	10.1	9.8	-0.3 pts	0.2 pts	10.0	10.0	0 pts

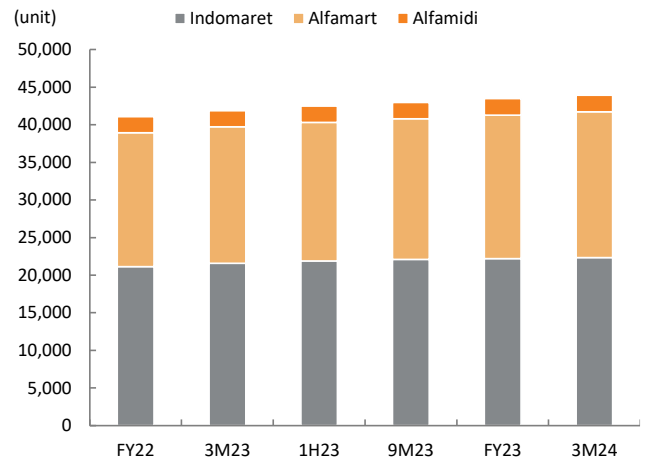
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 18. Revenue trajectory based on regions



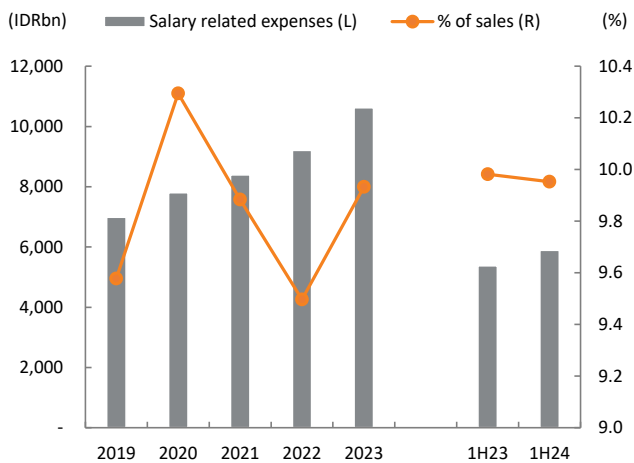
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 19. # of store growth trajectory



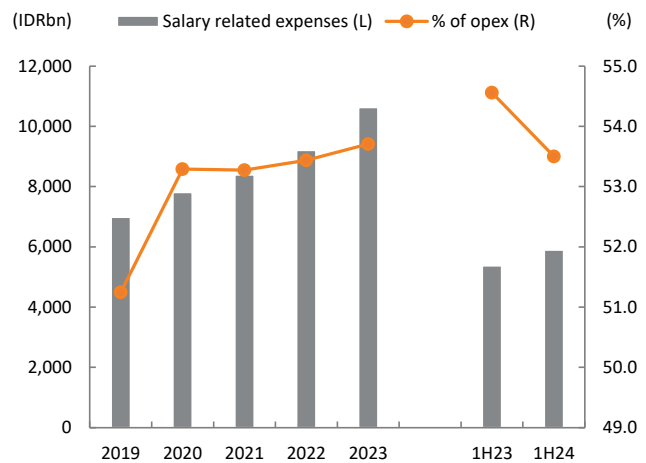
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 20. AMRT salary related expenses to sales



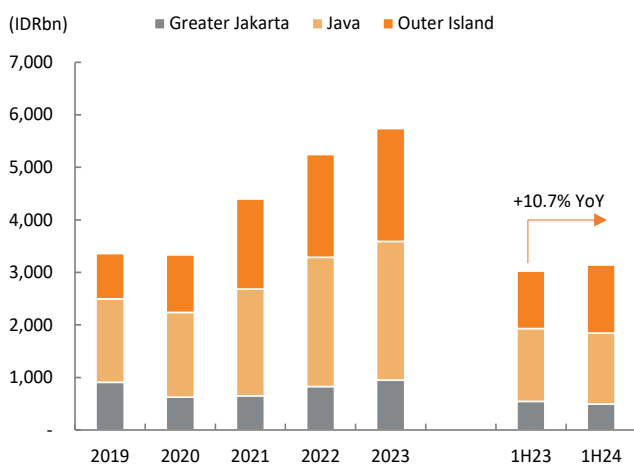
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 21. AMRT salary related expenses to opex



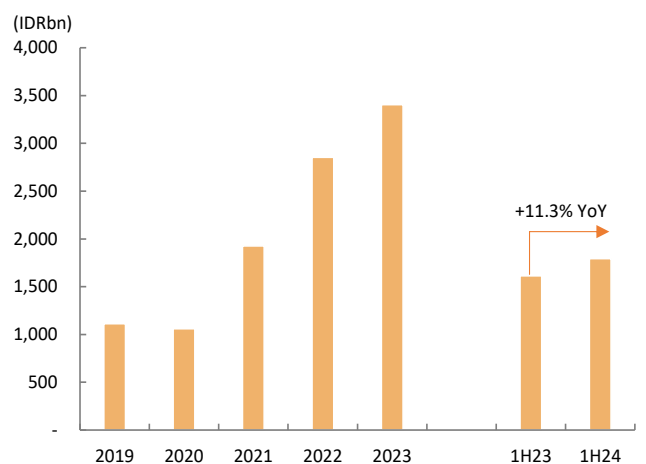
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 22. AMRT segment income growth trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 23. AMRT net profit trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Valuation and recommendation

AMRT targets double-digit revenue growth in 2024F

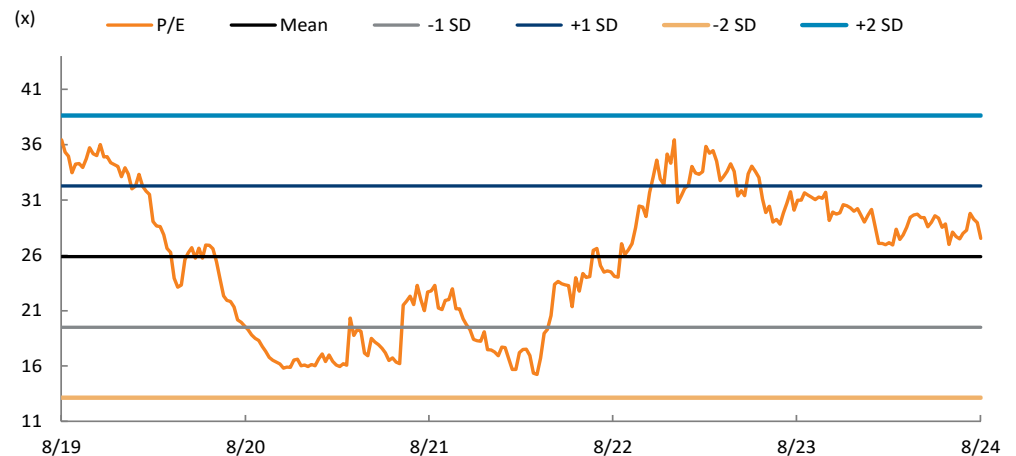
AMRT's 2024F guidance still aligns with our forecast of double-digit revenue growth of 10%, driven by a net addition of 1,450 stores: 1,000 Alfamart stores, 200 Alfamidi stores, and 250 Lawson stores (including 200 store-in-store concepts and 50 standalone locations). Management also anticipates mid-single digit SSSG of 4-6%. Notably, the store expansion will be leaned more on Ex-Greater Jakarta regions. We believe significant growth potential remains in Indonesia's underpenetrated retail market. The ratio of stores to population is lower compared to other countries, suggesting ample room for AMRT's expansion strategy.

AMRT's 2024F capex for Alfamart only is projected at IDR4.8-4.9tr, allocated for: 1) new store rollout: This includes funding for the planned store openings and potential lease extensions; and 2) Distribution center expansion: Five new distribution centers are planned, including locations in Tegal, Gorontalo, and Palopo. Two additional mini-DC and depo facilities are planned for outer island regions. The Lawson business segment is allocated a separate capex budget of IDR200bn.

Upgrade to Trading Buy

We maintain a conservative FY24F outlook for AMRT, expecting >10% YoY revenue growth as guided. Store expansion will be the key revenue driver. We believe AMRT will continue its expansion strategy in outer island and Java ex-Greater Jakarta regions. Our believe that SSSG should remain intact in the mid-single digit. We acknowledge the lack of immediate structural catalysts, such as potential interest rate cut. Cost estimates remain stable due to the lower minimum wage increase. This is significant as salaries make up over 50% of operating costs. We have maintained our target price based on the P/E multiple valuation method. We maintain a target multiple which is 33.0x, +1 SD above AMRT's 5-year average P/E. We upgrade to Trading Buy, due to current price movement suggesting above than 15% appreciation. Our Trading Buy recommendation for AMRT is based on: 1) continuous store expansion; 2) improvements in the economic condition; 3) diversify it's store with new innovations; and 4) margin expansion. Downside risk were: 1) slower-than-anticipated growth SSSG, and 2) less favorable environment to increase domestic consumption.

Figure 24. AMRT's forward P/E band



Source: Mirae Asset Sekuritas Indonesia Research

Sumber Alfaria Trijaya (AMRT IJ)

Comprehensive Income Statement (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Revenue	96,925	106,945	122,438	134,838
COGS	-76,902	-83,879	-95,637	-105,751
Gross profit	20,022	23,066	26,801	29,087
Opex	-16,252	-18,637	-21,471	-23,646
EBIT	2,798	3,286	4,199	4,196
Other income / (expenses)	973	1,143	1,131	1,245
Finance income	38	75	86	95
Finance cost	-183	-163	-269	-297
Profit before income tax	3,617	4,333	5,137	5,230
Income tax expenses	-710	-848	-996	-1,014
Non-controlling interest	52	80	95	97
Net profit	2,855	3,404	4,046	4,119
EBITDA	3,901	6,225	7,764	8,455

Margin (%)

Gross profit	20.7	21.6	21.9	21.6
Operating profit	3.9	4.1	4.4	4.0
Net profit	4.0	5.8	6.3	6.3

Growth (%)

Revenue	14.2	10.3	14.5	10.1
Operating profit	35.4	17.5	20.3	2.1
EPS	48.3	19.2	18.9	1.8

Cash Flows (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Cash Flows from Op. Activities	4,042	5,947	7,689	8,873
Net profit	2,855	3,404	4,046	4,119
Depreciation	1,103	2,939	3,565	4,259
Change in working capital	89	-846	100	498
Others	-5	450	-22	-3
Cash Flows from Inv. Activities	-3,022	-5,228	-5,835	-6,393
Capex	-1,678	-2,059	-2,449	-2,697
Others	-1,344	-3,169	-3,386	-3,696
Cash Flows from Fin. Activities	-471	-464	-883	-1,001
Change in liabilities	341	-1,295	465	373
Change in equity	0	0	0	0
Dividends paid	-780	-999	-1,416	-1,441
Others	-33	1,830	68	66
Increase (decrease) in cash	549	256	971	1,479
Beginning balance	3,270	3,819	4,075	5,045
Ending balance	3,819	4,075	5,045	6,524

Note: Net profit refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Balance sheet (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Current assets				
Cash & equivalents	3,819	4,075	5,045	6,524
Receivables	2,490	2,812	3,145	3,464
Inventories	9,128	10,094	11,509	12,726
Others	227	346	399	429
Total current assets	15,664	17,326	20,098	23,143
Non-current assets				
Fixed assets - net	7,204	8,053	9,139	10,307
Others	7,878	8,868	10,073	11,042
Total non-current assets	15,082	16,920	19,212	21,348
Total assets	30,746	34,246	39,310	44,492
Current liabilities				
ST bank loans	446	63	72	79
Account payables	13,504	14,151	15,874	17,841
Other current liabilities	3,439	3,049	3,500	3,814
Total current liabilities	17,389	17,263	19,446	21,735
Non-current liabilities				
Long-term financial liabilities	1,244	669	766	844
Others non-current liabilities	642	609	696	766
Total non-current liabilities	1,886	1,278	1,462	1,610
Total liabilities	19,276	18,541	20,907	23,344
Shareholders' equity	11,222	14,473	17,114	19,801
Non-controlling interests	249	1,232	1,289	1,347
Total liabilities and equity	30,746	34,246	39,310	44,492

Forecasts/Valuations (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
P/E (x)	39.8	33.4	28.1	27.6
P/B (x)	12.3	10.1	7.9	6.6
EV/EBITDA (x)	29.1	18.0	14.3	13.0
EPS (IDR)	68.8	82.0	97.4	99.2
BPS (IDR)	222.1	270.2	348.6	412.1
DPS (IDR)	18.8	24.1	34.1	34.7
Payout ratio (%)	40.5	35.0	35.0	35.0
Dividend yield (%)	0.7	0.9	1.2	1.3
Accounts receivable turnover (x)	44.8	41.6	44.8	44.8
Inventory turnover (x)	8.4	8.3	8.3	8.3
Accounts payable turnover (x)	7.3	7.6	7.8	7.6
ROA (%)	9.8	10.5	11.0	9.8
ROE (%)	27.9	26.5	25.6	22.3
Current ratio (x)	0.9	1.0	1.0	1.1
Net gearing (x)		Net cash	Net cash	Net cash
Interest coverage ratio (x)	15.3	20.2	15.6	14.1

ICBP IJ • Consumer Staples

Indofood CBP Sukses Makmur

1H24 results: strong volume traction in 2Q

(Downgrade)

Hold
 Target price
IDR11,200 ▼

 Upside
1.8%

 Current price (8/6/24)
IDR11,000

JCI Index	7,129	Market cap (IDRbn)	128,281	Shares outstanding (mn)	11,662	Free Float (%)	19.5
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Report summary

ICBP's core profit soars despite FX headwinds

ICBP reported inline revenue but robust core profit growth in 1H24. Despite headwinds in 1Q24, 2Q24 revenue accelerated driven by both volume and price increases, particularly in the overseas market. The company delivered strong margin expansion on the back of lower input costs, excluding the food seasoning segment. However, significant FX losses eroded net profit, with 1H24 net profit declining 38.2% YoY. Core profit remains healthy, but the sustainability of margin expansion and the impact of ongoing FX volatility will be key factors to monitor.

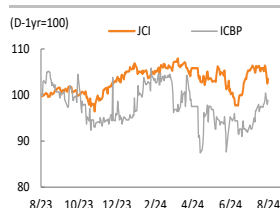
Downgrade to Hold

We have adjusted ICBP's target price to IDR11,200, reflecting a forward P/E of 11.0x, which is 1.0x standard deviations below its 3-year average. This valuation incorporates currency risk and utilizes a 3-year P/E to accurately capture the impact of the USD-denominated overseas market and interest expense.

We believe the current valuation is fair, but upside potential exists from sustained low input costs, a stronger USDIDR, and positive developments in the Middle East and Africa. Conversely, downside risks include rising raw material prices and weaker-than-expected sales growth.

Key data

Price performance



(%)	1M	6M	12M
Absolute	7.1	-3.7	-1.1
Relative	8.8	-2.3	-4.7

Earnings and valuation metrics

(FY Dec. 31)	2021	2022	2023	2024F	2025F
Revenue (IDRbn)	56,804	64,798	67,910	73,651	79,608
EBIT (IDRbn)	11,550	12,414	14,775	17,345	18,741
Net profit (IDRbn)	6,399	4,587	6,991	3,955	4,257
EPS (IDR)	549	393	599	339	365
BPS (IDR)	2,923	3,131	3,494	3,566	3,771
P/E (x)	20.0	28.0	18.4	32.4	30.1
P/B (x)	3.8	3.5	3.1	3.1	2.9
EV/EBITDA (x)	11.6	11.6	9.4	8.4	7.7
ROA (%)	5.8	3.9	6.0	3.3	3.4
ROE (%)	20.0	13.0	18.1	9.6	9.9

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

ICBP 1H24 performance

Core Profit Up 20% YoY in 1H24

ICBP delivered inline revenue and strong core profit growth in 1H24. ICBP recorded its 2Q24 core profit of 2.4tr (-26.5% QoQ; +31.5% YoY), with cumulative for 1H24 of 5.6tr (+20.1% YoY).

Table 3. ICBP run rate

Run rate	1H24 (IDRbn)			Run rate (%)		
	Actual	MASI 24F	Consensus 24F	MASI	Consensus	Comment
Revenue	36,961	72,982	72,229	50.6	51.2	Inline/Inline
Net profit	3,538	10,600	9,473	33.4	37.3	Below/Below

Source: Mirae Asset Sekuritas Indonesia Research

ICBP 2Q24 revenue recorded IDR 17tr (-14.5% QoQ; +11.1% YoY), and cumulatively recorded IDR36.9tr (+7.2% YoY). The faster 2Q24 growth despite the Eid-fitr partial sales in 1Q24 were driven by higher sales volume in domestic and overseas market, which recorded 9% for both regions, while for overseas market also shows price improvement of 9% due to middle east soaring inflation.

ICBP margin expanded to 19.5% YoY for EBIT level, which was driven by the lower and more stable input costs. This was shown in each segment excluding food seasoning segment.

Lower net profit as fx losses continue stemming from rupiah depreciation, amounting IDR.1.5tr in 2Q24 (1H24: IDR2.6tr). Despite this, core profit remain in a strong growth. Net profit for 2Q24 recorded IDR1.2tr (-49.6% QoQ; -33.0% YoY), and cumulatively amounted to IDR3.5tr (-38.2% YoY).

Revised due to rising finance costs offset ICBP's positive momentum

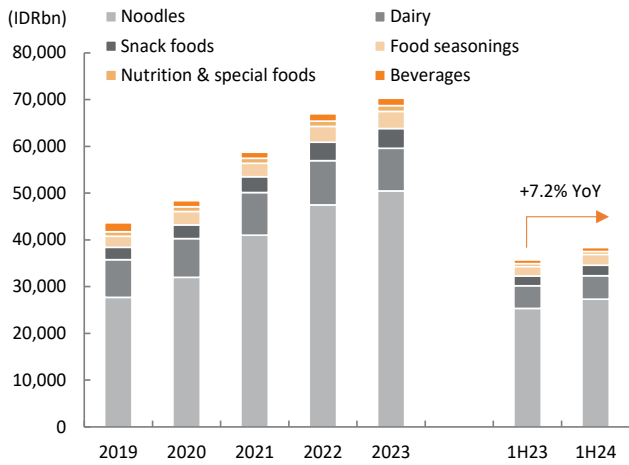
We have updated our forecast assumptions in light of ICBP's strong 1H24 performance, characterized by increased domestic and overseas sales volumes. Stabilizing raw material prices have boosted margins across all business segments. However, we've incorporated the growing burden of finance costs, largely driven by USD-denominated debt, into our model. This includes adjustments to account for the impact of FX fluctuations on interest expense.

Table 4. Change of forecast

	Previous forecasts (IDRbn)		Current forecasts (IDRbn)		Change (%)	
	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
Revenue	72,982	78,438	73,651	79,608	0.9	1.5
Net profit	10,600	9,981	6,790	7,321	-35.9	-26.6

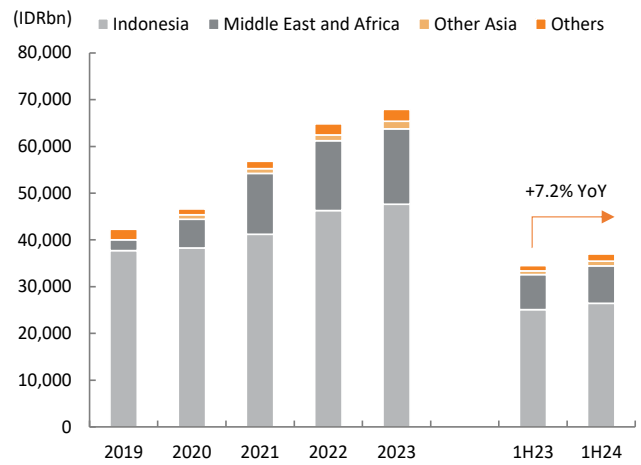
Source: Mirae Asset Sekuritas Indonesia Research

Figure 25. Revenue trajectory



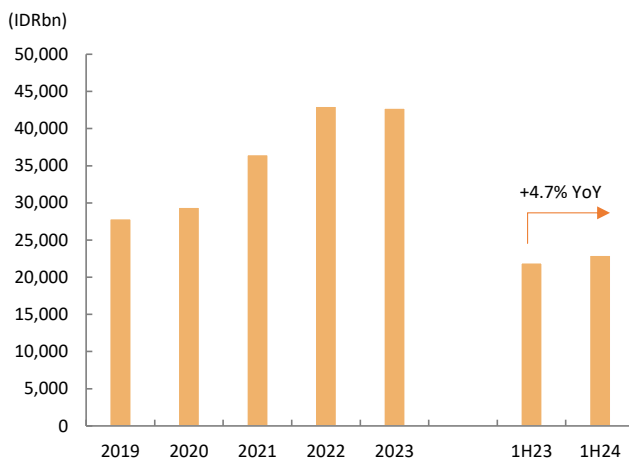
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 26. Sales by region trajectory



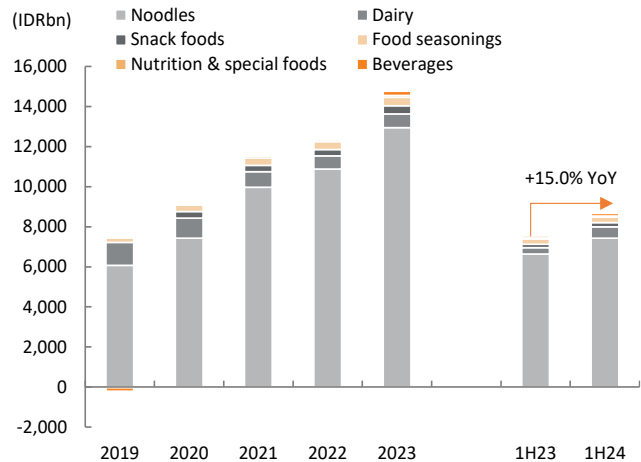
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 27. COGS trajectory



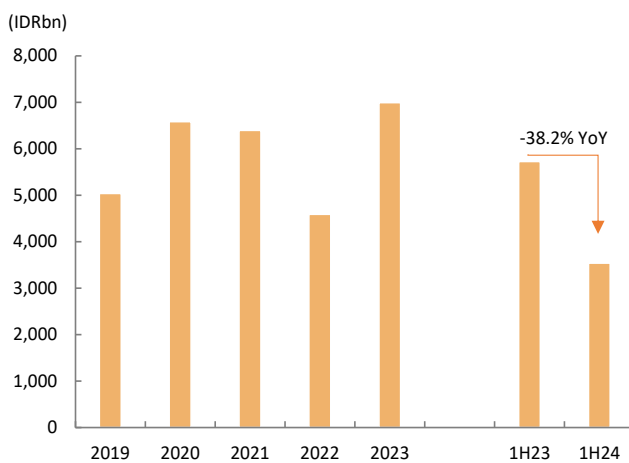
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 28. EBIT trajectory



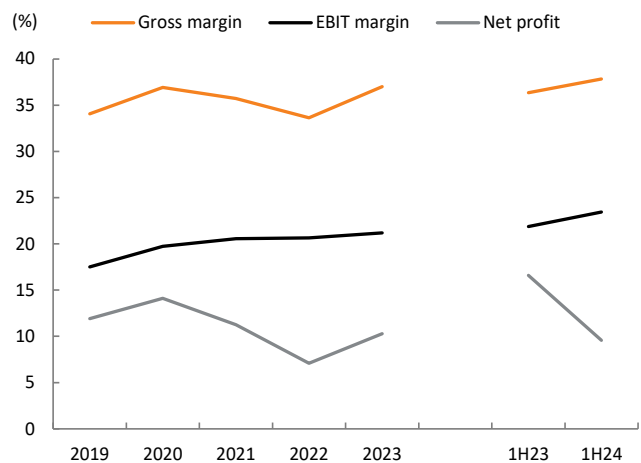
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 29. Net profit trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 30. Margin trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Table 5. 1H24 ICBP performance

	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	1H23	1H24	YoY (%)
Revenue	15,335	19,922	17,039	-14.5	11.1	34,479	36,961	7.2
<i>Noodles</i>	<i>11,313</i>	<i>14,678</i>	<i>12,615</i>	<i>-14.1</i>	<i>11.5</i>	<i>25,326</i>	<i>27,293</i>	<i>7.8</i>
<i>Dairy</i>	<i>2,174</i>	<i>2,765</i>	<i>2,271</i>	<i>-17.9</i>	<i>4.5</i>	<i>4,868</i>	<i>5,036</i>	<i>3.4</i>
<i>Snack foods</i>	<i>949</i>	<i>1,164</i>	<i>1,101</i>	<i>-5.4</i>	<i>16.0</i>	<i>2,084</i>	<i>2,265</i>	<i>8.7</i>
<i>Food seasonings</i>	<i>783</i>	<i>1,302</i>	<i>969</i>	<i>-25.6</i>	<i>23.8</i>	<i>2,042</i>	<i>2,271</i>	<i>11.2</i>
<i>Nutrition & special foods</i>	<i>293</i>	<i>335</i>	<i>313</i>	<i>-6.7</i>	<i>6.7</i>	<i>610</i>	<i>648</i>	<i>6.2</i>
<i>Beverages</i>	<i>389</i>	<i>426</i>	<i>417</i>	<i>-2.1</i>	<i>7.4</i>	<i>783</i>	<i>844</i>	<i>7.8</i>
COGS	9,766	12,321	10,658	-13.5	9.1	21,948	22,979	4.7
Gross profit	5,569	7,601	6,381	-16.0	14.6	12,530	13,983	11.6
Operating expenses	-2,335	-2,800	-2,516	-10.1	7.8	-4,991	-5,316	6.5
EBIT	3,235	4,802	3,865	-19.5	19.5	7,539	8,667	15.0
<i>Noodles</i>	<i>2,868</i>	<i>4,093</i>	<i>3,333</i>	<i>-18.6</i>	<i>16.2</i>	<i>6,641</i>	<i>7,426</i>	<i>11.8</i>
<i>Dairy</i>	<i>127</i>	<i>361</i>	<i>207</i>	<i>-42.8</i>	<i>63.1</i>	<i>321</i>	<i>568</i>	<i>77.1</i>
<i>Snack foods</i>	<i>72</i>	<i>89</i>	<i>121</i>	<i>35.1</i>	<i>67.5</i>	<i>160</i>	<i>210</i>	<i>31.2</i>
<i>Food seasonings</i>	<i>103</i>	<i>153</i>	<i>125</i>	<i>-17.7</i>	<i>21.8</i>	<i>273</i>	<i>278</i>	<i>1.7</i>
<i>Nutrition & special foods</i>	<i>18</i>	<i>33</i>	<i>20</i>	<i>-40.2</i>	<i>8.2</i>	<i>50</i>	<i>53</i>	<i>5.8</i>
<i>Beverages</i>	<i>47</i>	<i>70</i>	<i>58</i>	<i>-17.0</i>	<i>22.9</i>	<i>94</i>	<i>128</i>	<i>36.8</i>
Others income (expense)	24	-29	-1	-95.4	-105.5	-442	226	-151.2
Operating profit	3,105	4,919	3,974	-19.2	28.0	7,098	8,893	25.3
Finance income	253	211	306	44.9	21.1	2,215	517	-76.6
Finance expenses	-526	-1,703	-2,146	26.0	308.2	-989	-3,849	289.0
Pre-tax profit	2,857	3,399	2,133	-37.2	-25.3	8,363	5,532	-33.9
Income tax expense	-726	-675	-481	-28.7	-33.8	-1,905	-1,156	-39.3
Net profit	1,771	2,352	1,186	-49.6	-33.0	5,725	3,538	-38.2
Margin								
Gross margin (%)	36.3	38.2	37.5	-0.7 pts	1.1 pts	36.3	37.8	1.5 pts
EBIT margin (%)	21.1	24.1	22.7	-1.4 pts	1.6 pts	21.9	23.4	1.6 pts
Net margin(%)	11.5	11.8	7.0	-4.8 pts	-4.6 pts	16.6	9.6	-7 pts
EBIT margin each segment								
Noodles	25.4	27.9	26.4	-1.5 pts	1.1 pts	26.2	27.2	1 pts
Dairy	5.8	13.1	9.1	-4 pts	3.3 pts	6.6	11.3	4.7 pts
Snack foods	7.6	7.7	11.0	3.3 pts	3.4 pts	7.7	9.3	1.6 pts
Food seasonings	13.2	11.7	12.9	1.2 pts	-0.2 pts	13.4	12.2	-1.2 pts
Nutrition & special foods	6.3	9.9	6.4	-3.6 pts	0.1 pts	8.3	8.2	0 pts
Beverages	12.2	16.5	14.0	-2.5 pts	1.8 pts	12.0	15.2	3.2 pts

Source: Company data, Mirae Asset Sekuritas Indonesia Research

Valuation and recommendation

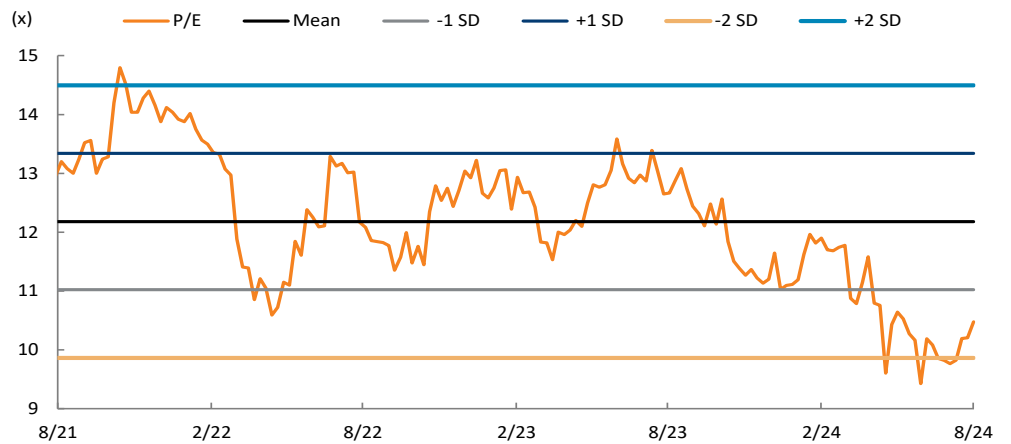
Downgrade to Hold recommendation with lower TP

We have revised our FY24F target price for ICBP to IDR11,200, based on a forward P/E ratio of 11.0x, which is -1SD of 3-year average P/E. We believe the current valuation is fair. Our valuation derived from net profit adjusted, which is core profit that's given from management.

Our valuation incorporates currency risk and utilizes a 3-year P/E to accurately reflect the impact of the USD-denominated overseas market and interest expense on company performance.

Potential upside risks include sustained low input costs until 1H24, improved margins from a stronger USDIDR, and positive developments in the Middle East and Africa. Downside risks are higher-than-expected raw material prices and lower-than-expected sales growth.

Figure 31. ICBP's forward P/E band



Source: Mirae Asset Sekuritas Indonesia Research estimates

Indofood CBP Sukses Makmur (ICBP JJ)

Comprehensive Income Statement

(IDRbn)	12/22	12/23	12/24F	12/25F
Revenue	110,830	111,704	118,261	125,351
COGS	76,859	75,653	78,052	85,239
Gross profit	33,972	36,050	40,209	40,112
Opex	-15,289	-16,372	-15,927	-14,234
EBIT	18,683	19,679	24,282	25,878
Other income / (expenses)	1,010	-15	-16	-17
Finance income	596	1,965	2,080	2,205
Finance cost	-7,999	-3,525	-11,826	-12,535
Profit before income tax	12,319	15,615	14,459	15,449
Income tax expenses	-3,126	-4,122	-3,470	-3,708
Non-controlling interest	2,833	3,347	3,307	3,254
Net profit	6,359	8,147	7,682	8,487
EBITDA	22,067	22,694	27,454	29,217

Margin (%)

Gross profit	30.7	32.3	34.0	32.0
EBIT	16.9	17.6	20.5	20.6
Net profit	5.7	7.3	6.5	6.8

Growth (% YoY)

Revenue	11.6	0.8	5.9	0.0
Gross profit	4.6	6.1	11.5	-0.2
EBIT	9.0	5.3	23.4	6.6
Net profit	-17.0	28.1	-5.7	10.5

Cash Flows (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Cash Flows from Op. Activities	5,396	13,516	6,571	9,803
Net profit	6,359	8,147	7,682	8,487
Depreciation	3,384	3,015	3,172	3,339
Change in working capital	-4,424	2,433	-4,287	-1,915
Others	77	-78	3	-109
Cash Flows from Inv. Activities	-3,752	-8,003	-27,443	-7,524
Capex	-3,910	-2,753	-4,730	-5,014
Others	158	-5,250	-22,713	-2,510
Cash Flows from Fin. Activities	-5,176	-1,390	4,130	-40
Change in liabilities	-5,454	-1,578	4,283	-85
Change in equity	2,465	976	2,104	2,302
Dividends paid	-2,441	-2,257	-2,257	-2,257
Others	254	1,468	0	0
Increase (decrease) in cash	-3,532	4,123	-16,742	2,239
Beginning balance	29,478	25,946	28,576	11,834
Ending balance	25,946	30,069	11,834	14,073

Note: Net profit refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Balance sheet (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Current assets				
Cash & equivalents	25,946	28,576	11,834	14,073
Receivables	8,281	7,978	8,748	9,273
Inventories	16,517	15,213	15,696	17,141
Others	4,133	11,334	22,856	24,230
Total current assets	54,877	63,102	59,134	64,717
Non-current assets				
Fixed assets	47,411	47,295	49,000	50,822
Others	78,146	76,191	89,618	91,056
Total non-current assets	125,557	123,486	138,618	141,877
Total assets	180,433	186,588	197,751	206,594
Current liabilities				
ST bank loans	15,255	16,240	17,194	18,225
Account payables	5,372	5,354	5,346	5,838
Other current liabilities	10,099	11,320	12,855	10,742
Total current liabilities	30,726	32,915	35,395	34,805
Non-current liabilities				
LT bank loans	6,205	4,059	4,297	4,554
Bond payable	42,968	42,125	43,389	44,691
Others non-current liabilities	6,911	7,025	6,676	6,017
Total non-current liabilities	56,084	53,209	54,362	55,262
Total liabilities	86,810	86,123	89,756	90,067
Shareholders' equity	53,844	59,193	65,074	71,983
Non-controlling interests	39,779	41,272	42,921	44,544
Total liabilities and equity	180,433	186,588	197,751	206,594

Forecasts/Valuations (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
P/E (x)	28.0	18.4	32.4	30.1
P/B (x)	3.5	3.1	3.1	2.9
EV/EBITDA (x)	11.6	9.4	8.4	7.7
EPS (IDR)	724	928	875	967
BPS (IDR)	6,132	6,741	7,411	8,198
DPS (IDR)	278	257	257	257
Payout ratio (%)	62.1	50.1	50.1	50.1
Dividend yield (%)	4.6	4.2	4.2	4.2
Accounts receivable turnover (x)	13.4	14.0	13.5	13.5
Inventory turnover (x)	4.7	5.0	5.0	5.0
Accounts payable turnover (x)	14.3	14.1	14.6	14.6
ROA (%)	3.5	4.4	4.0	4.2
ROE (%)	12.4	13.8	12.4	12.4
Current ratio (x)	1.8	1.9	1.7	1.9
Net gearing (x)	0.8	0.6	0.9	0.8
Interest coverage ratio (x)	2.3	5.6	2.1	2.1

INDF IJ • Consumer Staples

Indofood Sukses Makmur

strong core profit growth driven by volume and margin expansion

(Maintain)
Trading Buy

Target price
IDR7,000 ▼

Upside
14.8%

Current price (8/6/24)
IDR6,100

JCI Index	7,129	Market cap (IDRbn)	53,561	Shares outstanding (mn)	8,780	Free Float (%)	49.9
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Report summary

FX loss due to rupiah depreciation hit net profit despite double digit core profit growth

INDF reported 2Q24 core profit above expectations, driven by strong CBP segment performance. Domestic noodle sales accelerated on new product launches and increased penetration, while exports benefited from volume growth and price hikes due to Middle East inflation. The company exceeded EBIT margin guidance across all segments, notably Bogasari and CBP, reflecting effective cost management. While raw material costs appear to stabilize, increased FX losses will likely pressure PATMI.

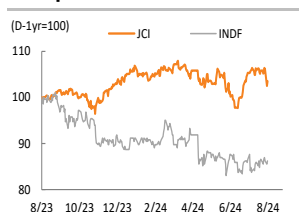
Maintain Trading Buy recommendations

We have lowered our FY24F target price for INDF to IDR7,000 based on a forward P/E ratio of 5.0x, which is below the 3-year average. This valuation is derived from adjusted net profit, aligning with the core profit figure provided by management.

Our valuation takes into account currency risk and the impact of the company's USD-denominated operations. Key risks to our forecast include rising inflation, lower-than-expected flour prices, and a weaker IDR.

Key data

Price performance



(%)	1M	6M	12M
Absolute	-0.4	-3.9	-13.8
Relative	1.3	-2.5	-17.3

Earnings and valuation metrics

(FY Dec. 31)	2021	2022	2023	2024F	2025F
Revenue (IDRbn)	99,346	110,830	111,704	118,261	125,351
EBIT (IDRbn)	17,133	18,683	19,679	24,282	25,878
Net profit (IDRbn)	7,662	6,359	8,147	7,682	8,487
EPS (IDR)	873	724	928	875	967
BPS (IDR)	5,528	6,132	6,741	7,411	8,198
P/E (x)	7.0	8.4	6.6	7.0	6.3
P/B (x)	1.1	1.0	0.9	0.8	0.7
EV/EBITDA (x)	4.2	4.2	3.9	4.0	3.7
ROA (%)	4.5	3.5	4.4	4.0	4.2
ROE (%)	16.8	12.4	13.8	12.4	12.4

Notes: NP is attributable to owners of the parent

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

INDF 1H24 performance

INDF core profit soars despite revenue slowdown

INDF delivered inline revenue and above expectation for core profit in 1H24. INDF recorded its 2Q24 core profit of IDR2.5tr (-22.8 QoQ; +40.3% YoY), bringing total 1H24 of IDR5.7tr (+21.7% YoY).

Table 6. INDF run rate

Run rate	1H24 (IDRbn)			Run rate (%)		
	Actual	MASI 24F	Consensus 24F	MASI	Consensus	Comment
Revenue	57,296	117,644	115,930	48.7	49.4	Inline/Inline
Net profit	3,854	11,678	9,733	33.0	39.6	Below/Below

Source: Mirae Asset Sekuritas Indonesia Research

INDF revenue for 2Q24 recorded IDR26.5tr (-13.9% QoQ; +3.8% YoY), and cumulatively recorded IDR57.3tr (+2.2% YoY). Performance were inline within our/consensus estimates. The CBP segment drove growth, with domestic noodle sales accelerating 12% YoY in 2Q24 due to new product acceptance and increased penetration. Exports grew 18% YoY in 1H24, driven by a 9% YoY volume increase and a 9% YoY ASP hike. The latter is justified by soaring Middle East inflation.

INDF's margins improved in 2Q24, with EBIT margins for all segments in line with 1H24 guidance. We anticipate this positive trend to continue as input costs stabilize. Notably, the Bogasari segment EBIT margin were in the upper bound of management guidance, reaching 7.9% (+1.5 pts), with the guidance of 6-8%. This outperformance is attributed to effective management strategies. The CBP segment also surpassed its 19-21% EBIT margin guidance, reaching 23.2% (+1.8pts).

Our previous concerns centered on raw material price volatility and the impact of rupiah depreciation on FX losses due to USD-denominated bonds. Given the increased FX losses, we are likely to revise downward our PATMI estimates.

Forecast upgraded, FX costs weigh on profits

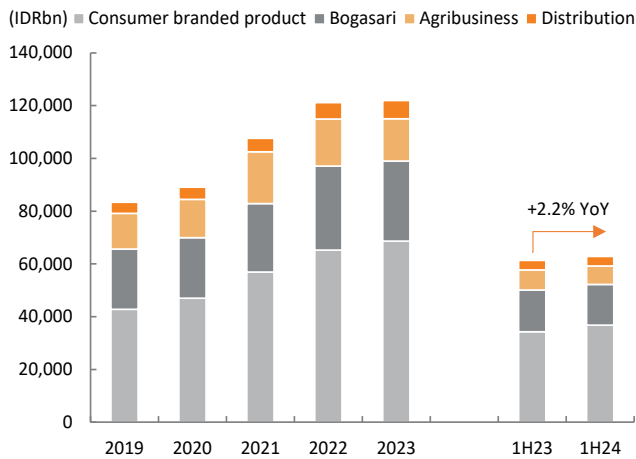
Our forecast has been revised to reflect the company's strong 1H24 performance. This includes adjustments to multiple line items across all segments, primarily driven by changes in EBIT margins due to fluctuating raw material costs. While the company has benefited from expanding margins, the increasing burden of interest payments on USD-denominated debt continues to impact profitability.

Table 7. Change of forecast

	Previous forecasts (IDRbn)		Current forecasts (IDRbn)		Change (%)	
	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
Revenue	117,644	124,347	118,261	125,351	0.5	0.8
Net profit	11,678	11,321	7,682	8,487	-34.2	-25.0

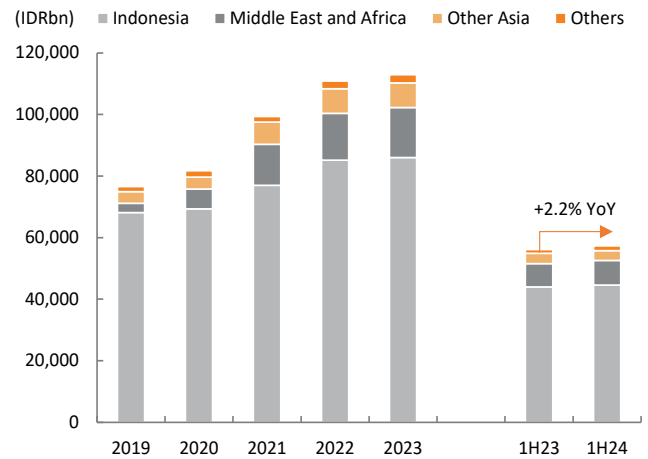
Source: Mirae Asset Sekuritas Indonesia Research

Figure 32. Revenue trajectory



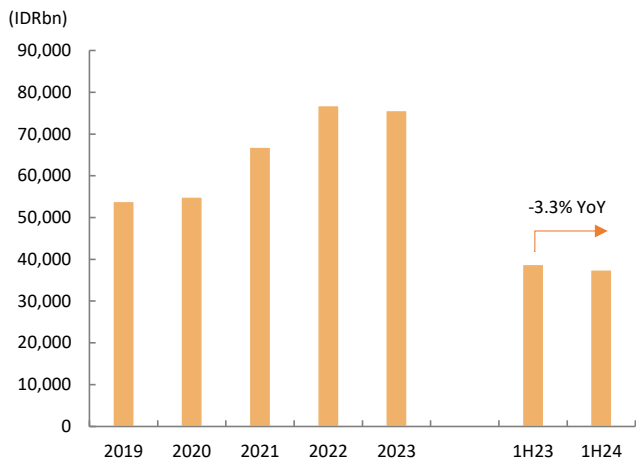
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 33. Sales by region trajectory



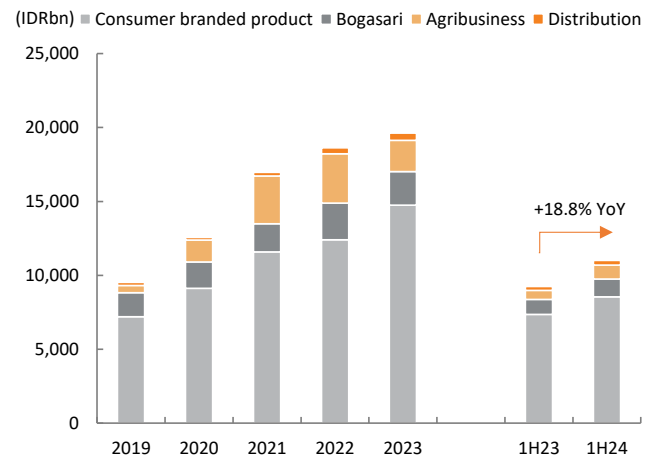
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 34. COGS trajectory



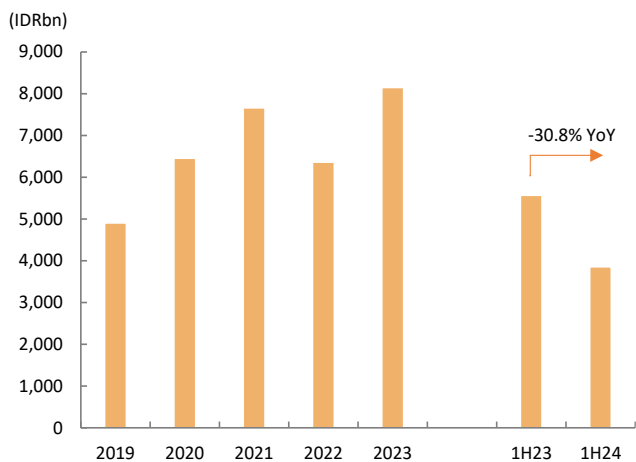
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 35. EBIT trajectory



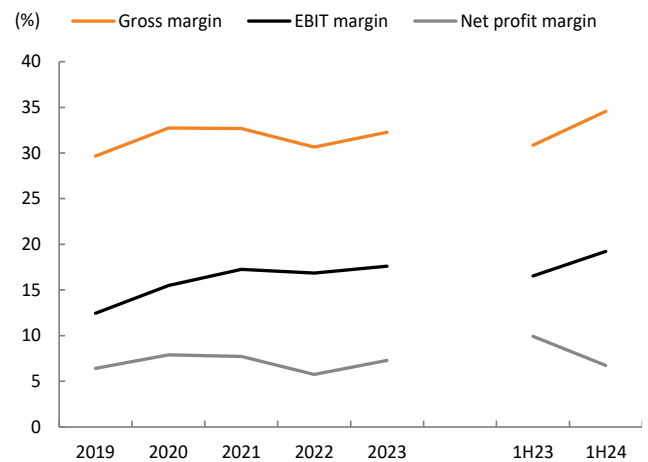
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 36. Net profit trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 37. Margin trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Table 8. 1H24 INDF financial performance

	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	1H23	1H24	YoY (%)
Revenue	25,544	30,792	26,505	-13.9	3.8	56,087	57,296	2.2
<i>CBP</i>	15,738	19,557	17,218	-12.0	9.4	34,279	36,775	7.3
<i>Bogasari</i>	7,026	8,338	7,072	-15.2	0.6	15,845	15,409	-2.8
<i>Agribusiness</i>	3,537	3,726	3,290	-11.7	-7.0	7,554	7,017	-7.1
<i>Distribution</i>	1,648	1,979	1,621	-18.1	-1.7	3,617	3,600	-0.5
COGS	17,724	20,280	17,210	-15.1	-2.9	38,781	37,490	-3.3
Gross profit	7,820	10,512	9,295	-11.6	18.9	17,306	19,806	14.4
Operating expenses	-3,836	-4,582	-4,205	-8.2	9.6	-8,029	-8,786	9.4
EBIT	3,984	5,930	5,090	-14.2	27.8	9,277	11,020	18.8
<i>CBP</i>	3,229	4,686	3,854	-17.8	19.3	7,359	8,540	16.0
<i>Bogasari</i>	509	525	689	31.2	35.4	1,010	1,215	20.3
<i>Agribusiness</i>	152	469	468	-0.4	207.6	617	937	51.9
<i>Distribution</i>	80	236	77	-67.6	-4.0	263	313	19.1
Others income (expense)	-94	488	243	-50.1	nm	-419	731	nm
Operating profit	3,890	6,418	5,333	-16.9	37.1	8,858	11,751	32.7
Finance income	306	460	629	36.8	105.8	2,576	1,088	-57.7
Finance expenses	-866	-2,355	-2,809	19.3	224.5	-1,645	-5,165	213.9
Pre-tax profit	3,266	4,473	3,007	-32.8	-7.9	9,739	7,480	-23.2
Income tax expense	-871	-931	-707	-24.1	-18.9	-2,262	-1,638	-27.6
Net profit	1,717	2,450	1,404	-42.7	-18.2	5,566	3,854	-30.8
Margin								
Gross margin (%)	30.6	34.1	35.1	0.9 pts	4.5 pts	30.9	34.6	3.7 pts
EBIT margin (%)	15.6	19.3	19.2	-0.1 pts	3.6 pts	16.5	19.2	2.7 pts
Net margin(%)	6.7	8.0	5.3	-2.7 pts	-1.4 pts	9.9	6.7	-3.2 pts
EBIT margin each segment								
CBP	20.5	24.0	22.4	-1.6 pts	1.9 pts	21.5	23.2	1.8 pts
Bogasari	7.2	6.3	9.7	3.4 pts	2.5 pts	6.4	7.9	1.5 pts
Agribusiness	4.3	12.6	14.2	1.6 pts	9.9 pts	8.2	13.4	5.2 pts
Distribution	4.8	12.0	4.7	-7.2 pts	-0.1 pts	7.3	8.7	1.4 pts

Source: Company data, Mirae Asset Sekuritas Indonesia Research

Valuation and recommendation

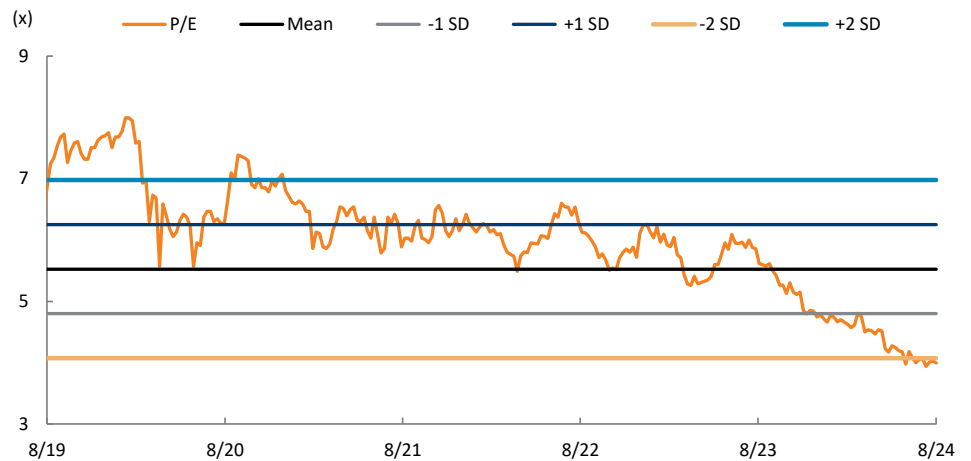
Downgrade to Hold recommendations with new TP

We have lowered our FY24F target price for INDF to IDR7,000 based on a forward P/E ratio of 5.0x, which is -0.8SD of 3-year average P/E. We believe the current valuation is fair. Our valuation derived from net profit adjusted, which is core profit that's given from management.

Our valuation incorporates currency risk and utilizes a 3-year P/E to accurately reflect the impact of the USD-denominated overseas market and interest expense on company performance.

Potential risks to our forecast include elevated inflation, which could dampen consumer spending, lower-than-expected flour prices, and a depreciation of the IDR against the USD.

Figure 38. INDF's forward P/E band



Source: Mirae Asset Sekuritas Indonesia Research estimates

Indofood Sukses Makmur (INDF JJ)

Comprehensive Income Statement (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Revenue	110,830	111,704	118,261	125,351
COGS	76,859	75,653	78,052	85,239
Gross profit	33,972	36,050	40,209	40,112
Opex	-15,289	-16,372	-15,927	-14,234
EBIT	18,683	19,679	24,282	25,878
Other income / (expenses)	1,010	-15	-16	-17
Finance income	596	1,965	2,080	2,205
Finance cost	-7,999	-3,525	-11,826	-12,535
Profit before income tax	12,319	15,615	14,459	15,449
Income tax expenses	-3,126	-4,122	-3,470	-3,708
Non-controlling interest	2,833	3,347	3,307	3,254
Net profit	6,359	8,147	7,682	8,487
EBITDA	22,067	22,694	27,454	29,217
Margin (%)				
Gross profit	30.7	32.3	34.0	32.0
EBIT	16.9	17.6	20.5	20.6
Net profit	5.7	7.3	6.5	6.8
Growth (% YoY)				
Revenue	11.6	0.8	5.9	0.0
Gross profit	4.6	6.1	11.5	-0.2
EBIT	9.0	5.3	23.4	6.6
Net profit	-17.0	28.1	-5.7	10.5

Cash Flows (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Cash Flows from Op. Activities	5,396	13,516	6,571	9,803
Net profit	6,359	8,147	7,682	8,487
Depreciation & amortization	3,384	3,015	3,172	3,339
Change in working capital	-4,424	2,433	-4,287	-1,915
Others	77	-78	3	-109
Cash Flows from Inv. Activities	-3,752	-8,003	-27,443	-7,524
Capex	-3,910	-2,753	-4,730	-5,014
Others	158	-5,250	-22,713	-2,510
Cash Flows from Fin. Activities	-5,176	-1,390	4,130	-40
Change in liabilities	-5,454	-1,578	4,283	-85
Change in equity	2,465	976	2,104	2,302
Dividends paid	-2,441	-2,257	-2,257	-2,257
Others	254	1,468	0	0
Increase (decrease) in cash	-3,532	4,123	-16,742	2,239
Beginning balance	29,478	25,946	28,576	11,834
Ending balance	25,946	30,069	11,834	14,073

Note: Net profit refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Balance sheet (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Current assets				
Cash & equivalents	25,946	28,576	11,834	14,073
Receivables	8,281	7,978	8,748	9,273
Inventories	16,517	15,213	15,696	17,141
Others	4,133	11,334	22,856	24,230
Total current assets	54,877	63,102	59,134	64,717
Non-current assets				
Fixed assets	47,411	47,295	49,000	50,822
Others	78,146	76,191	89,618	91,056
Total non-current assets	125,557	123,486	138,618	141,877
Total assets	180,433	186,588	197,751	206,594
Current liabilities				
ST bank loans	15,255	16,240	17,194	18,225
Account payables	5,372	5,354	5,346	5,838
Other current liabilities	10,099	11,320	12,855	10,742
Total current liabilities	30,726	32,915	35,395	34,805
Non-current liabilities				
LT bank loans	6,205	4,059	4,297	4,554
Bond payable	42,968	42,125	43,389	44,691
Others non-current liabilities	6,911	7,025	6,676	6,017
Total non-current liabilities	56,084	53,209	54,362	55,262
Total liabilities	86,810	86,123	89,756	90,067
Shareholders' equity	53,844	59,193	65,074	71,983
Non-controlling interests	39,779	41,272	42,921	44,544
Total liabilities and equity	180,433	186,588	197,751	206,594

Forecasts/Valuations (Summarized)

	12/22	12/23	12/24F	12/25F
P/E (x)	8.4	6.6	7.0	6.3
P/B (x)	1.0	0.9	0.8	0.7
EV/EBITDA (x)	4.2	3.9	4.0	3.7
EPS (IDR)	724	928	875	967
BPS (IDR)	6,132	6,741	7,411	8,198
DPS (IDR)	278	257	257	257
Payout ratio (%)	62.1	50.1	50.1	50.1
Dividend yield (%)	4.6	4.2	4.2	4.2
Accounts receivable turnover (x)	13.4	14.0	13.5	13.5
Inventory turnover (x)	4.7	5.0	5.0	5.0
Accounts payable turnover (x)	14.3	14.1	14.6	14.6
ROA (%)	3.5	4.4	4.0	4.2
ROE (%)	12.4	13.8	12.4	12.4
Current ratio (x)	1.8	1.9	1.7	1.9
Net gearing (x)	0.8	0.6	0.9	0.8
Interest coverage ratio (x)	2.3	5.6	2.1	2.1

UNVR IJ · Consumers Staples

Unilever Indonesia

Dissapointing 1H24 results

(Maintain)

Hold
 Target price
IDR2,700 ▼

 Upside
9.8%

 Current price (8/6/24)
IDR2,460

JCI Index	7,129	Market cap (IDRbn)	93,849	Shares outstanding (mn)	38,150	Free Float (%)	15.0
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Report summary

1H24 performance were below

UNVR reported disappointing 1H24 results, falling short of management, MASI, and consensus estimates on both revenue and net profit. The company continues to grapple with the lingering effects of the boycott, evidenced by declining sales and market share. Gross and EBIT margins contracted due to cost pressures and increased marketing expenses to regain consumer trust. While the company is making efforts to improve efficiency and leverage lower input costs, these initiatives have yet to yield significant results.

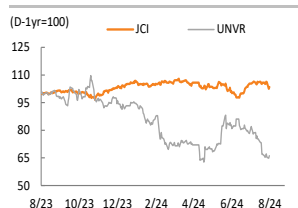
Looking ahead, UNVR faces a challenging outlook with persistent headwinds from the boycott, potential commodity price increases, and ongoing market share recovery efforts. These factors are expected to weigh on sales and volume growth for the remainder of the year.

Valuation and recommendation

We have lowered our FY24F forecast for UNVR due to its weak 1H24 performance. The new target price is IDR2,700, based on a P/E of 22x, which is significantly below its 5-year average. We maintain a Hold recommendation. We expect UNVR's growth to decline in 2024 due to heightened competition, ongoing brand image challenges post-boycott, and the need for the new CEO to establish a successful strategy. Key risks include rising raw material costs, a weaker Rupiah, and intensified competition across both premium and value segments.

Key data

Price performance



(%)	1M	6M	12M
Absolute	-15.5	-24.8	-33.9
Relative	-13.8	-23.3	-37.4

Earnings and valuation metrics

(FY Dec. 31)	2021	2022	2023	2024F	2025F
Revenue (IDRbn)	39,546	41,219	38,611	37,085	38,939
Operating profit (IDRbn)	7,678	7,070	6,279	6,145	6,452
Net profit (IDRbn)	5,758	5,365	4,801	4,747	4,946
EPS (IDR)	151	141	126	124	130
BPS (IDR)	113	105	89	93	104
P/E (x)	16.3	17.5	19.5	19.8	19.0
P/B (x)	21.7	23.5	27.8	26.4	23.6
ROA (%)	29.1	28.7	28.8	28.7	29.2
ROE (%)	124.4	129.0	142.0	136.9	131.4

Notes: NP is attributable to owners of the parent

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

UNVR 1H24 financial performance

UNVR Misses Estimates, Struggles with Post-Boycott Recovery

UNVR reported a miss on both revenue and net profit falling short of management, MASI, and consensus expectations. Key call takeaways on earnings call that UNVR still affected by the boycott impact, but volatility wane. Additionally, FMCG industry looking at a weaker growth in 1H24. UNVR net profit stood at IDR1tr (-29.7% QoQ; -24.8% YoY), and cumulatively amounted to IDR2,4tr (-10.6% YoY).

Table 9. UNVR run rate

Run rate	1H24 (IDRbn)			Run rate (%)		
	Actual	MASI 24F	Consensus 24F	MASI	Consensus	Comment
Revenue	19,044	39,568	39,475	48.1	48.2	Below/below
Net profit	2,467	5,217	5,086	47.3	48.5	Below/below

Source: Mirae Asset Sekuritas Indonesia Research

UNVR revenue stood at IDR8.9tr (-11.1 QoQ; -7.5% YoY), and cumulatively amounted to IDR19tr (-6.2% YoY). This is below the management/MASI/consensus expectation, with a run rate MASI/consensus of 48.1%/48.2%. Both segment of HPC/FnR saw a decline in 2Q24 of -9.2%/-4.1%, respectively. UNVR domestic sales 2Q were declined by 6.9% as UPG were decline also of -5.2% YoY and UVG -1.8%. As for, 1H24, UNVR saw domestic sales decline of -5.7%, with UPG of -5.2% and UVG of -0.7%.

UNVR's gross margin contracted on a quarter basis despite efforts to improve efficiency and leverage lower input costs. This suggests ongoing challenges in cost optimization. Additionally, EBIT margin remains under pressure due to high A&P expenses incurred in regaining customer loyalty after the boycott. Despite some improvement, UNVR's market share remains below pre-boycott levels. This recovery is primarily driven by price competitiveness and product mix strategies.

Looking ahead, we anticipate the negative trend in sales and volume growth to persist through the remainder of 2024. This expectation is based on: 1) continued pressure from the boycott; 2) potential for negative UPG if commodity prices remain high; and 3) the ongoing challenge of regaining volume and market share.

Forecast Cut Amidst Sales Decline

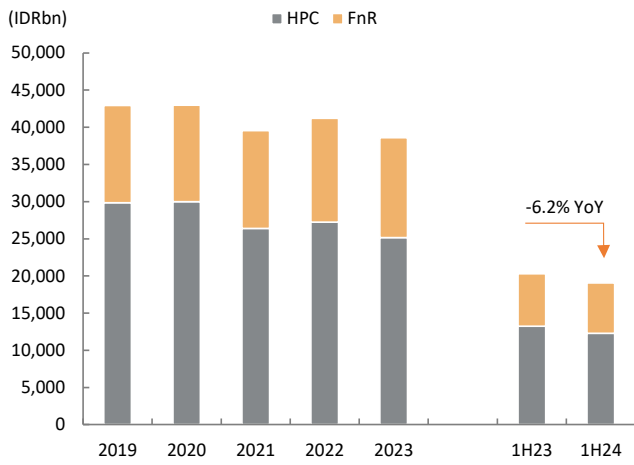
We have revised our initial revenue growth forecasts for 2024F to a decline of 6.3% and for 2025F to a decline of 10.7%, reflecting the company's current trajectory. Gross margin has been adjusted upward to 49.8% from 49.4% due to ongoing raw material volatility. Additionally, we have revised operating expenses, including A&P, salaries, and logistics costs, as the company's strategic direction and consumer education efforts become clearer.

Table 10. Change of forecast

	Previous forecasts (IDRbn)		Current forecasts (IDRbn)		Change (%)	
	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
Revenue	39,568	41,546	37,085	37,085	-6.3	-10.7
Net profit	5,217	5,435	4,747	4,946	-9.0	-9.0

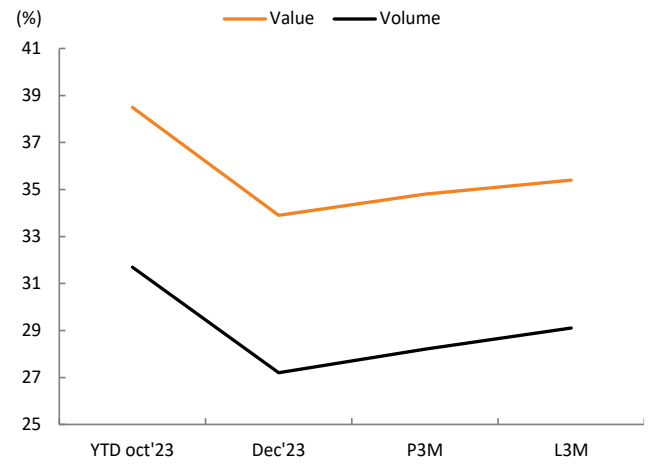
Source: Mirae Asset Sekuritas Indonesia Research

Figure 39. Revenue trajectory



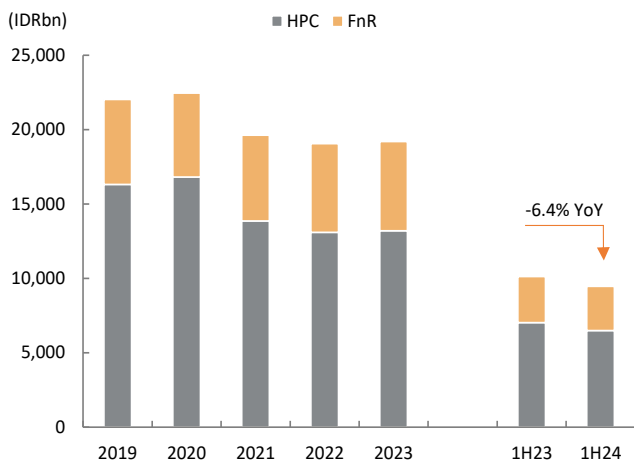
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 40. Market share



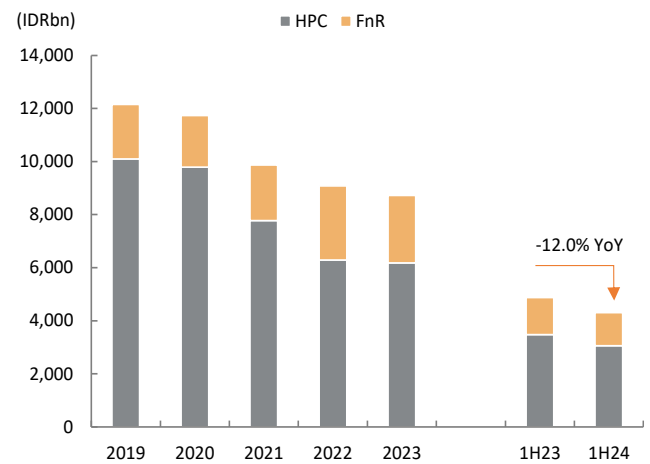
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 41. Gross profit trajectory



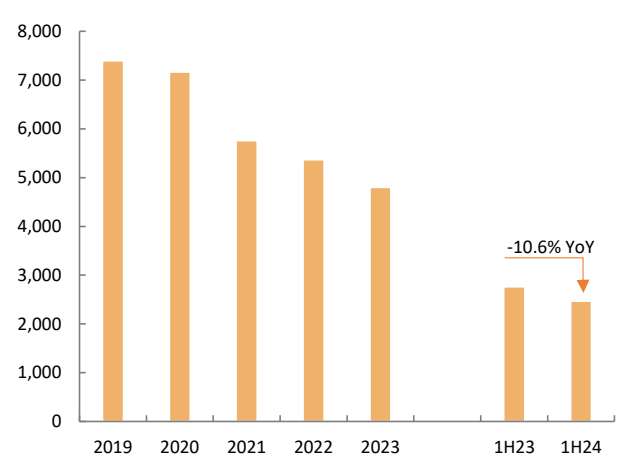
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 42. EBIT trajectory



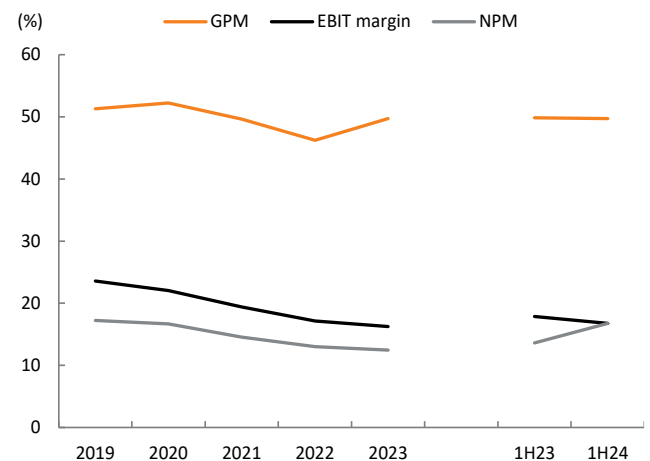
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 43. Net profit trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 44. Margin trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Table 11. UNVR 1H24 financial performance

	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	1H23	1H24	YoY (%)
Revenue	9,687	10,080	8,964	-11.1	-7.5	20,292	19,044	-6.2
<i>Home & personal care</i>	<i>6,429</i>	<i>6,443</i>	<i>5,839</i>	<i>-9.4</i>	<i>-9.2</i>	<i>13,251</i>	<i>12,282</i>	<i>-7.3</i>
<i>Foods and refreshment</i>	<i>3,258</i>	<i>3,637</i>	<i>3,125</i>	<i>-14.1</i>	<i>-4.1</i>	<i>7,041</i>	<i>6,762</i>	<i>-4.0</i>
COGS	-4,800	-5,047	-4,529	-10.3	-5.6	-10,175	-9,576	-5.9
Gross profit	4,887	5,033	4,435	-11.9	-9.2	10,117	9,468	-6.4
<i>Home & personal care</i>	<i>3,449</i>	<i>3,431</i>	<i>3,051</i>	<i>-11.1</i>	<i>-11.5</i>	<i>7,024</i>	<i>6,482</i>	<i>-7.7</i>
<i>Foods and refreshment</i>	<i>1,438</i>	<i>1,601</i>	<i>1,384</i>	<i>-13.6</i>	<i>-3.8</i>	<i>3,093</i>	<i>2,985</i>	<i>-3.5</i>
Operating expenses	-3,118	-3,150	-3,127	-0.7	0.3	-6,490	-6,277	-3.3
Operating profit	1,769	1,883	1,308	-30.5	-26.1	3,627	3,191	-12.0
Other income (expenses)	0	-1	0	nm	nm	0	-1	nm
Finance income	8	2	10	nm	21.1	10	12	24.3
Finance expense	-21	-25	-9	-63.6	-57.4	-63	-34	-46.4
Pre-tax profit	1,756	1,859	1,309	-29.6	-25.5	3,574	3,169	-11.3
Income tax expense	-402	-411	-291	-29.1	-27.6	-815	-702	-13.8
Net profit	1,354	1,449	1,018	-29.7	-24.8	2,759	2,467	-10.6
Margins (%)								
GPM (%)	50.5	49.9	49.5	-0.5 pts	-1 pts	49.9	49.7	-0.1 pts
<i>Home & personal care</i>	<i>53.6</i>	<i>53.3</i>	<i>52.3</i>	<i>-1 pts</i>	<i>-1.4 pts</i>	<i>53.0</i>	<i>52.8</i>	<i>-0.2 pts</i>
<i>Foods and refreshment</i>	<i>44.1</i>	<i>44.0</i>	<i>44.3</i>	<i>0.2 pts</i>	<i>0.1 pts</i>	<i>43.9</i>	<i>44.2</i>	<i>0.2 pts</i>
OPM (%)	18.3	18.7	14.6	-4.1 pts	-3.7 pts	17.9	16.8	-1.1 pts
NPM (%)	14.0	14.4	11.4	-3 pts	-2.6 pts	13.6	13.0	-0.6 pts

Source: Company data, Mirae Asset Sekuritas Indonesia Research

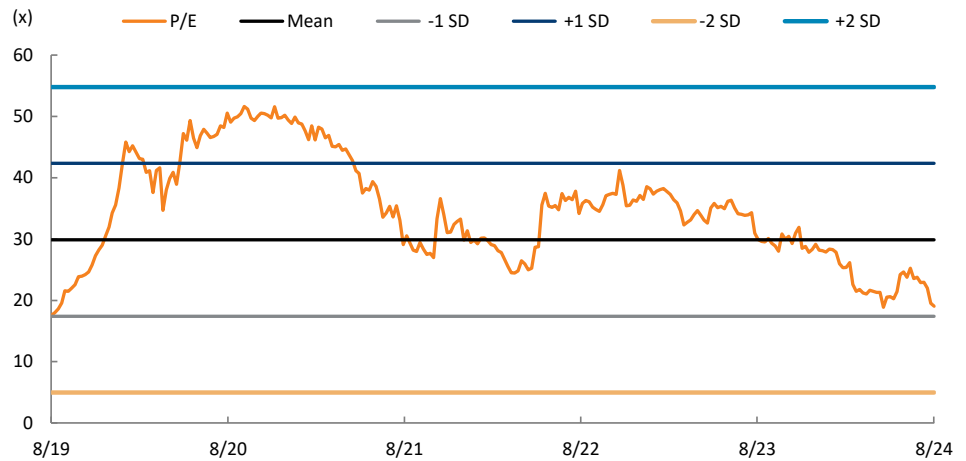
Valuation and recommendations

Hold recommendations with a new lower TP

We are downgrading our FY24F forecast for UNVR due to a disappointing 1H24 performance. Our new target price is IDR2,700, based on a P/E of 22x, which is 1.5 standard deviations below its 5-year average. We maintain a Hold recommendation.

We anticipate declining growth in 2024 due to intense competition, brand image challenges following a boycott, and the need for the new CEO to implement a successful strategy. Risks to our forecast include rising raw material prices, a weaker Rupiah, and intensified competition in both premium and value segments.

Figure 45. UNVR's forward P/E band



Source: Mirae Asset Sekuritas Indonesia Research estimates

Unilever Indonesia (UNVR IJ)

Income Statement (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Revenue	41,219	38,611	37,085	38,939
COGS	-22,154	-19,417	-18,617	-19,548
Gross profit	19,065	19,195	18,468	19,391
Opex	-11,995	-12,915	-12,322	-12,939
EBIT	7,070	6,279	6,145	6,452
Other income / (expenses)	-1	0	0	0
Finance income	10	29	27	29
Finance cost	-85	-106	-56	-58
Profit before income tax	6,994	6,202	6,117	6,423
Income tax expenses	-1,629	-1,401	-1,370	-1,477
Non-controlling interest	0	0	0	0
Net profit	5,365	4,801	4,747	4,946
EBITDA	7,469	6,730	6,586	6,889
Margin (%)				
Gross profit	46.3	49.7	49.8	49.8
EBIT profit	17.2	16.3	16.6	16.6
Net profit	13.0	12.4	12.8	12.7
Growth (% YoY)				
Revenue	4.2	-6.3	-4.0	5.0
Gross profit	-2.9	0.7	-3.8	5.0
EBIT profit	-7.9	-11.2	-2.1	5.0
Net profit	-6.8	-10.5	-1.1	4.2

Cash Flows (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Cash Flows from Op. Activities	7,284	6,257	4,971	5,711
Net profit	5,365	4,801	4,747	4,946
Depreciation & amortization	399	451	441	436
Change in working capital	1,525	1,093	-214	317
Others	-5	-88	-4	13
Cash Flows from Inv. Activities	277	-173	210	217
Capex	214	-178	185	195
Others	63	5	25	23
Cash Flows from Fin. Activities	-7,383	-5,567	-4,494	-4,405
Change in liabilities	-1,694	-150	81	118
Change in equity	0	0	0	0
Dividends paid	-5,837	-5,112	-4,575	-4,523
Others	148	-305	0	0
Increase (decrease) in cash	178	518	687	1,523
Beginning balance	325	503	1,021	1,708
Ending balance	503	1,021	1,708	3,231

Note: Net profit refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Balance sheet (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Current assets				
Cash & equivalents	503	1,021	1,708	3,231
Receivables	3,924	2,343	2,250	2,363
Inventories	2,625	2,422	2,322	2,410
Others	515	406	302	317
Total current assets	7,568	6,192	6,582	8,321
Non-current assets				
Fixed assets - net	9,536	9,311	8,726	8,138
Goodwill	62	62	62	62
Others	1,152	1,100	1,033	968
Total non-current assets	10,750	10,472	9,821	9,167
Total assets	18,318	16,664	16,403	17,488
Current liabilities				
ST bank loans	636	210	381	401
Account payables	4,700	4,064	4,080	4,284
Other current liabilities	7,107	6,951	6,416	6,752
Total current liabilities	12,442	11,224	10,878	11,438
Non-current liabilities				
Long-term financial liabilities	648	541	520	546
Others non-current liabilities	1,230	1,518	1,452	1,529
Total non-current liabilities	1,879	2,059	1,972	2,075
Total liabilities	14,321	13,283	12,850	13,513
Shareholders' equity	3,997	3,381	3,553	3,976
Non-controlling interests	9	9	11	12
Total liabilities and equity	18,318	16,664	16,403	17,488

Forecasts/Valuations (Summarized)

	12/22	12/23	12/24F	12/25F
P/E (x)	17.5	19.5	19.8	19.0
P/B (x)	23.5	27.8	26.4	23.6
EV/EBITDA (x)	12.7	13.9	14.1	13.3
EPS (IDR)	141	126	124	130
BPS (IDR)	105	89	93	104
DPS (IDR)	153	134	120	119
Payout ratio (%)	101.4	95.3	95.3	95.3
Dividend yield (%)	5.2	4.6	4.1	4.0
Accounts receivable turnover (x)	9.8	16.5	16.5	16.5
Inventory turnover (x)	8.7	8.0	8.0	8.1
Accounts payable turnover (x)	4.7	4.8	4.6	4.6
ROA (%)	28.7	28.8	28.7	29.2
ROE (%)	129.0	142.0	136.9	131.4
Current ratio (x)	0.6	0.6	0.6	0.7
Net gearing (x)	0.2	Net cash	Net cash	Net cash
Interest coverage ratio (x)	83.0	59.3	110.5	110.5

MYOR IJ • Consumers Staples

Mayora Indah Tbk

Positive results, while margin pressured

(Maintain)

Buy

Target price
IDR3,270 ▲Upside
27.2%Current price (8/6/24)
IDR2,570

JCI Index	7,129	Market cap (IDRbn)	57,462	Shares outstanding (mn)	22,359	Free Float (%)	15.7
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Report summary

Strong Profits, Margin Concerns

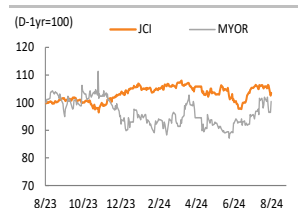
MYOR reported inline revenue but exceeded net profit expectations in 1H24. The beverage segment was the standout performer, outgrowing the food segment and driving overall growth. Domestic sales and exports both contributed to the top-line expansion. Gross margin was pressured by volatile raw material prices, but cost cuts partially offset this impact. While lower A&P spending supported profitability, the effectiveness of future spending increases is questionable given potential weakness in purchasing power. The food segment saw margin contraction, while the beverage segment improved its margin.

Valuation and recommendation

We have increased our target price to IDR3,270 from IDR3,100, reflecting a P/E multiple of 20x, which is below the 3-year average. This upward revision is driven by stronger-than-expected margin performance in 1H24, which we anticipate to continue into 2H24 despite raw material price volatility. Key risks to our forecast include rising raw material costs, a weakening Rupiah, and increased competitive pressure.

Key data

Price performance



(%)	1M	6M	12M
Absolute	5.3	7.1	0.4
Relative	7.0	8.5	-3.1

Earnings and valuation metrics

(FY Dec. 31)	2021	2022	2023	2024F	2025F
Revenue (IDRbn)	27,905	30,669	31,485	34,545	37,767
Operating profit (IDRbn)	1,772	2,433	4,299	4,501	4,933
Net profit (IDRbn)	1,187	1,942	3,194	3,665	4,018
EPS (IDR)	53	87	143	164	180
BPS (IDR)	508	574	683	793	910
P/E (x)	48.4	29.6	18.0	15.7	14.3
P/B (x)	5.1	4.5	3.8	3.2	2.8
ROA (%)	6.0	9.2	13.8	14.8	14.7
ROE (%)	10.5	16.1	22.7	22.2	21.1

Notes: NP is attributable to owners of the parent

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

MYOR 1H24 performance

Positive results, while margin pressured

MYOR reported inline revenue and exceeded net profit expectations. Net profit for 2Q24 was IDR606bn (-45.5% QoQ; +23.2% YoY), bringing the 1H24 total to IDR1.7trn (+40.9% YoY), above both our and consensus expectations. Revenue reached IDR7.4trn (-14.8% QoQ; +17.2% YoY) for a 1H24 total of IDR16.2tr (+9.5% YoY), in line with MASI/consensus expectations (48.3%/47.8% run rate). Both food and beverage segments grew in 2Q24, with food up 0.6% YoY and beverages up 28.3% YoY. Domestic sales grew 20.0% YoY, while exports grew 14.1% YoY, as anticipated by management in 1Q24. The food segment achieved yearly growth of 15.7% (IDR4.2tr), while the beverage segment outgrew the former of 32.7% YoY.

Table 12. MYOR run rate

Run rate	1H24 (IDRbn)			Run rate (%)		
	Actual	MASI 24F	Consensus 24F	MASI	Consensus	Comment
Revenue	16,223	33,564	34,047	48.3	47.6	Inline/Inline
Net profit	1,718	3,154	3,313	54.3	51.8	Above/Above

Source: Mirae Asset Sekuritas Indonesia Research

MYOR's gross margins faced pressure as cocoa and coffee prices, key raw materials, have been volatile. Gross profit for 1H24 totaled IDR4.2trn (+6.3% YoY). Lower opex, driven by a decrease in A&P/sales from 10.3% in 1H23 to 8.4%, partially offset the impact of higher raw material prices. However, we believe if management implement higher A&P may not fully translate into higher sales given potentially weak purchasing power. As stated above, food segment's EBIT level declined 1.4pts to 4.7%, while the beverage segment's EBIT level improved 0.3pts to 11.7%.

Revised forecast following 1H24 margin trajectory

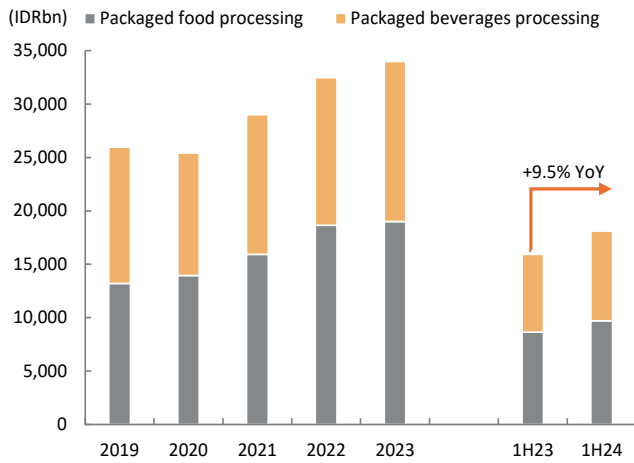
We revise up on revenue change from better traction in food and beverage segment with growth changes to 9.0% and 10.5%, respectively. As for margin, we revised down our forecast for food and beverage to have a margin of 23.1% and 25.1%, respectively. In terms of operating margin, our assumption for food and beverage margin has also declined to 10.2% and 13.0%, respectively. We also lower our forecast for interest expense due to the trajectory of the payment and higher fx gain from export sales due to rupiah depreciation in recent quarter.

Table 13. Change of forecast

	Previous forecasts (IDRbn)		Current forecasts (IDRbn)		Change (%)	
	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
Revenue	33,564	36,699	34,545	37,767	+2.9	+2.9
Net profit	3,154	3,497	3,665	4,018	+16.2	+14.9

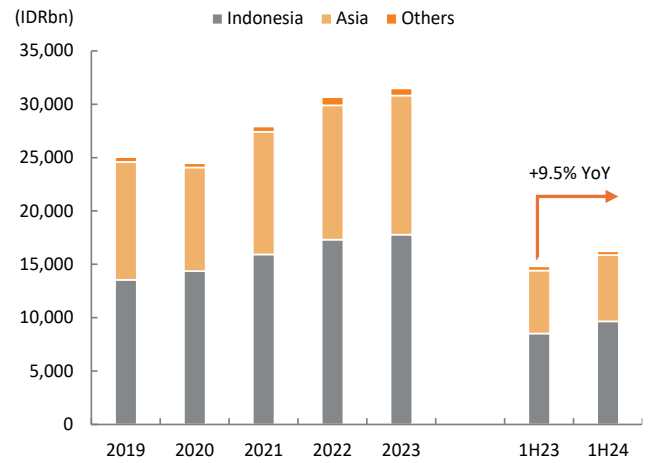
Source: Mirae Asset Sekuritas Indonesia Research

Figure 46. Revenue by segment trajectory



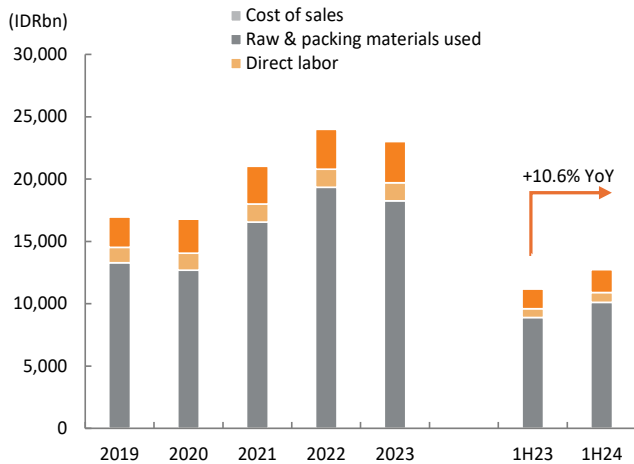
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 47. Revenue by region trajectory



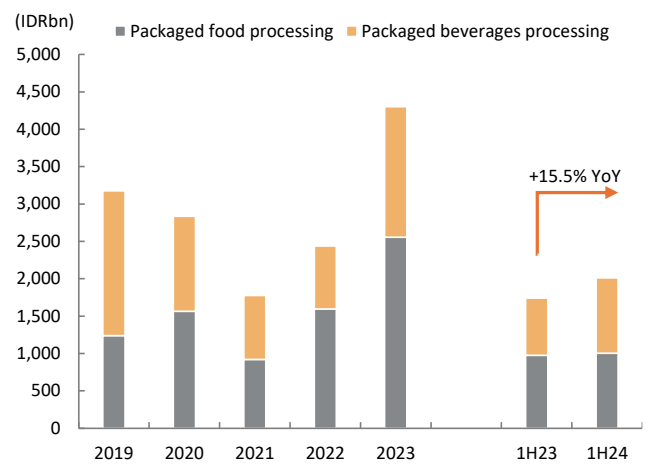
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 48. COGS composition trajectory



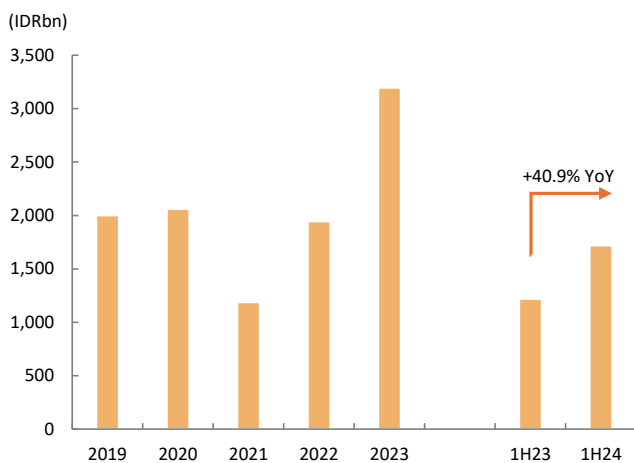
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 49. EBIT trajectory



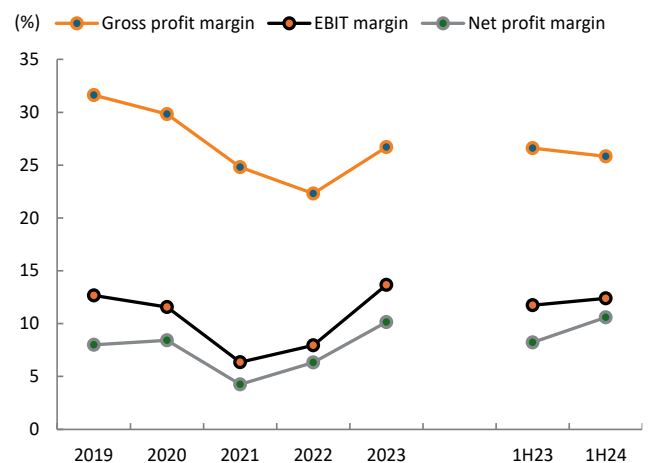
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 50. Net profit trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 51. Margin trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Table 14. 1H24 MYOR financial performance

(IDRbn)

	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	1H23	1H24	YoY (%)
Revenue	6,367	8,761	7,462	-14.8	17.2	14,819	16,223	9.5
<i>Food</i>	<i>3,677</i>	<i>5,459</i>	<i>4,253</i>	<i>-22.1</i>	<i>15.7</i>	<i>8,631</i>	<i>9,712</i>	<i>12.5</i>
<i>Beverages</i>	<i>3,183</i>	<i>4,161</i>	<i>4,225</i>	<i>1.5</i>	<i>32.7</i>	<i>7,299</i>	<i>8,386</i>	<i>14.9</i>
COGS	4,740	6,326	5,707	-9.8	20.4	10,877	12,033	10.6
Gross profit	1,626	2,435	1,755	-27.9	7.9	3,942	4,190	6.3
<i>Food</i>	<i>774</i>	<i>1,410</i>	<i>851</i>	<i>-39.7</i>	<i>10.0</i>	<i>2,014</i>	<i>2,261</i>	<i>12.3</i>
<i>Beverages</i>	<i>853</i>	<i>1,024</i>	<i>904</i>	<i>-11.7</i>	<i>6.0</i>	<i>1,928</i>	<i>1,929</i>	<i>0.0</i>
Opex	1,040	1,121	1,061	-5.4	2.0	2,203	2,182	-1.0
EBIT	586	1,314	695	-47.1	18.5	1,739	2,008	15.5
<i>Food</i>	<i>224</i>	<i>802</i>	<i>202</i>	<i>-74.8</i>	<i>-10.0</i>	<i>974</i>	<i>1,004</i>	<i>3.1</i>
<i>Beverages</i>	<i>363</i>	<i>513</i>	<i>494</i>	<i>-3.7</i>	<i>36.0</i>	<i>767</i>	<i>1,006</i>	<i>31.2</i>
Profit before tax	612	1,407	795	-43.5	30.0	1,527	2,202	44.2
Food	223	847	241	-71.6	7.8	832	1,088	30.7
Beverages	388	559	554	-0.9	43.0	696	1,114	60.0
Net profit	492	1,112	606	-45.5	23.2	1,219	1,718	40.9
Margins (%)								
Gross margin (%)	25.5	27.8	23.5	-4.3 pts	-2 pts	26.6	25.8	-0.8 pts
EBITDA margin (%)	12.5	17.4	12.2	-5.2 pts	-0.3 pts	14.5	15.0	0.5 pts
EBIT margin (%)	9.2	15.0	9.3	-5.7 pts	0.1 pts	11.7	12.4	0.6 pts
Net profit margin (%)	7.7	12.7	8.1	-4.6 pts	0.4 pts	8.2	10.6	2.4 pts
food Gross	21.0	25.8	20.0	-5.8 pts	-1 pts	23.3	23.3	0 pts
beverage Gross	26.8	24.6	21.4	-3.2 pts	-5.4 pts	26.4	23.0	-3.4 pts
Food EBIT	6.1	14.7	4.7	-9.9 pts	-1.4 pts	11.3	10.3	-0.9 pts
beverage EBIT	11.4	12.3	11.7	-0.6 pts	0.3 pts	10.5	12.0	1.5 pts
Domestic	3,380	5,598	4,055	-27.6	20.0	8,511	9,653	13.4
Export	2,988	3,165	3,411	7.8	14.1	6,311	6,576	4.2

Source: Company data, Mirae Asset Sekuritas Indonesia Research

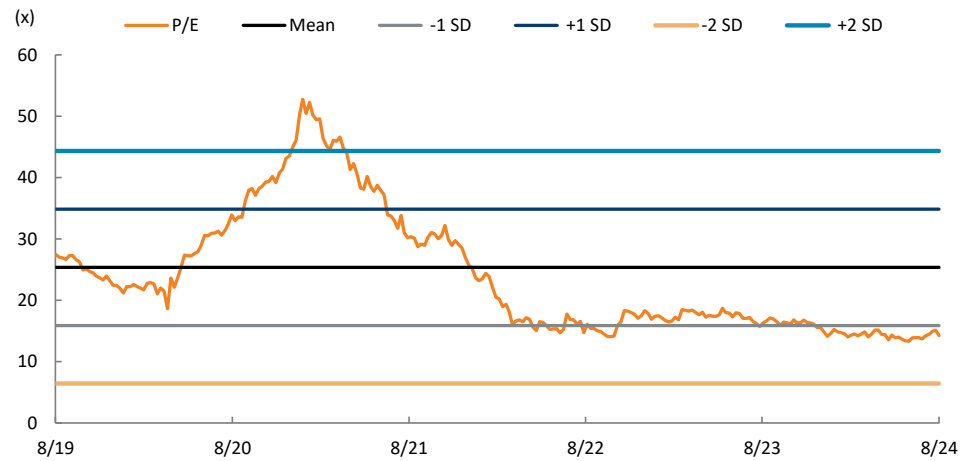
Valuation and recommendations

Buy recommendations with a higher TP

We have revised our projection upwards due to improved margin performance in 1H24, which we expect to persist in 2H24 despite volatile raw material prices. Our new target price is IDR3,275, based on a P/E multiple of 20x, which is 0.75 standard deviations below its 3-year average (previously IDR3,100).

Risks to our forecast include escalating raw material costs, a weaker Rupiah, and intensified competition within the same business segment and price point.

Figure 52. MYOR's forward P/E band



Source: Mirae Asset Sekuritas Indonesia Research estimates

Mayora Indah (MYOR IJ)

Income Statement (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Revenue	30,669	31,485	34,545	37,767
COGS	23,830	23,077	25,633	27,999
Gross profit	6,839	8,408	8,912	9,768
Opex	4,406	4,108	4,411	4,835
EBIT	2,433	4,299	4,501	4,933
Other income / (expenses)	431	12	225	225
Finance income	31	85	104	118
Finance cost	-389	-303	-102	-92
Profit before income tax	2,506	4,094	4,728	5,184
Income tax expenses	536	849	1,011	1,109
Non-controlling interest	28	51	53	58
Net profit	1,942	3,194	3,665	4,018
EBITDA	3,281	5,125	5,382	5,894
Margin (%)				
Gross profit	22.3	26.7	25.8	25.9
Operating profit	7.9	13.7	13.0	13.1
Net profit	6.3	10.1	10.6	10.6
Growth (% YoY)				
Revenue	9.9	2.7	9.7	9.3
Operating profit	37.3	76.7	4.7	9.6
Net profit	63.7	64.4	14.7	9.6

Cash Flows (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Cash Flows from Op. Activities	1,891	5,212	3,235	3,958
Net profit	1,942	3,194	3,665	4,018
Depreciation & amortization	848	826	881	961
Change in working capital	-918	1,213	-1,312	-1,007
Others	18	-21	1	-14
Cash Flows from Inv. Activities	-1,482	-2,342	-542	-1,020
Capex	-1,100	-2,327	-539	-893
Others	-382	-16	-3	-126
Cash Flows from Fin. Activities	-107	-1,913	-2,237	-1,621
Change in liabilities	395	-1,262	-856	-341
Change in equity	-35	36	61	67
Dividends paid	-470	-783	-1,287	-1,477
Others	2	95	-155	129
Increase (decrease) in cash	301	956	455	1,317
Beginning balance	3,009	3,262	4,157	4,722
Ending balance	3,262	4,157	4,722	6,039

Note: Net profit refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Balance sheet (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Current assets				
Cash & equivalents	3,009	3,262	4,157	4,722
Receivables	6,079	6,605	6,197	6,744
Inventories	3,034	3,870	3,557	3,722
Others	847	1,035	828	995
Total current assets	12,970	14,773	14,739	16,183
Non-current assets				
Fixed assets - net	6,377	6,645	8,160	8,579
Others	571	859	972	973
Total non-current assets	6,948	7,504	9,131	9,552
Total assets	19,918	22,276	23,870	25,736
Current liabilities				
ST bank loans	3,209	2,718	734	585
Account payables	1,778	1,659	1,895	1,756
Other current liabilities	584	1,260	1,384	1,090
Total current liabilities	5,571	5,637	4,013	3,430
Non-current liabilities				
Long-term financial liabilities	1,925	2,811	3,533	2,827
Others non-current liabilities	1,062	994	1,042	839
Total non-current liabilities	2,987	3,805	4,575	3,666
Total liabilities	8,558	9,441	8,588	7,096
Shareholders' equity	11,119	12,628	15,039	17,427
Non-controlling interests	241	206	243	304
Total liabilities and equity	19,918	22,276	23,870	24,827

Forecasts/Valuations (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
P/E (x)	29.6	18.0	15.7	14.3
P/B (x)	4.5	3.8	3.2	2.8
EV/EBITDA (x)	22.8	17.5	11.0	10.1
EPS (IDR)	86.9	142.8	163.9	179.7
BPS (IDR)	574.0	683.5	793.0	910.0
DPS (IDR)	21.0	35.0	57.6	66.0
Payout ratio (%)	39.6	40.3	40.3	40.3
Dividend yield (%)	0.9	1.5	2.4	2.8
Accounts receivable turnover (x)	4.7	5.2	5.2	5.2
Inventory turnover (x)	6.2	6.5	6.9	6.7
Accounts payable turnover (x)	18.5	16.6	14.6	15.5
ROA (%)	9.2	13.8	14.8	14.7
ROE (%)	16.1	22.7	22.2	21.1
Current ratio (x)	2.6	3.7	4.7	5.3
Net gearing (x)	0.2	0.0	Net cash	Net cash
Interest coverage ratio (x)	6.3	14.2	44.0	53.6

CMRY IJ · Consumers Staples

Cisarua Mountain Dairy Tbk

in line with expectations

(Maintain)
Hold

Target price
IDR5,050

Upside
1.2%

Current price (8/6/24)
IDR4,990

JCI Index	7,129	Market cap (IDRbn)	39,594	Shares outstanding (mn)	7,935	Free Float (%)	19.2
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Report summary

Within street expectation

CMRY reported in-line revenue and net profit for 1H24. The food segment was the key growth driver, outperforming the dairy product segment. While the dairy product segment showed stable growth, it faced intense competition.

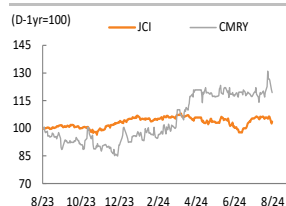
Gross margin remained steady due to lower input costs, which were reinvested in marketing to drive growth. The dairy product segment's EBIT margin declined due to increased marketing spending, while the food segment continued to deliver strong EBIT growth.

Valuation and recommendation

We maintain Hold for CMRY with target price of IDR5,050, derived from a P/E ratio of 28.1x for FY24F. We value CMRY using a P/E multiple considering its high growth potential. Risk to call: 1) higher-than-expected raw material prices; and 2) lower-than-expected sales growth; and 3) more aggressive competition.

Key data

Price performance



(%)	1M	6M	12M
Absolute	1.8	23.5	19.4
Relative	3.5	25.0	15.9

Earnings and valuation metrics

(FY Dec. 31)	2021	2022	2023	2024F	2025F
Revenue (IDRbn)	4,096	6,378	7,773	8,976	10,510
Operating profit (IDRbn)	1,008	1,255	1,415	1,637	2,124
Net profit (IDRbn)	790	1,061	1,242	1,428	1,770
EPS (IDR)	99.6	133.7	156.5	180.0	223.0
BPS (IDR)	592.0	662.7	748.8	862.5	1,000.9
P/E (x)	50.1	37.3	31.9	27.7	22.4
P/B (x)	8.4	7.5	6.7	5.8	5.0
ROA (%)	16.3	16.3	16.3	16.3	16.3
ROE (%)	24.1	24.1	24.1	24.1	24.1

Notes: NP is attributable to owners of the parent

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

CMRY 1H24 financial performance

In line with expectations

CMRY reported an inline on both revenue and net profit expectations with street estimates. Net profit for 2Q24 stood at IDR416bn (+7.7% QoQ; +28.1% YoY), cumulatively for 1H24 amounted IDR802bn (+29% YoY), inline within our/consensus expectation.

Table 15. CMRY run rate

Run rate	1H24 (IDRbn)			Run rate (%)		
	Actual	MASI 24F	Consensus 24F	MASI	Consensus	Comment
Revenue	4,415	8,976	8,939	49.2	49.4	Inline/Inline
Net profit	802	1,428	1,479	56.2	54.2	Inline/Inline

Source: Mirae Asset Sekuritas Indonesia Research

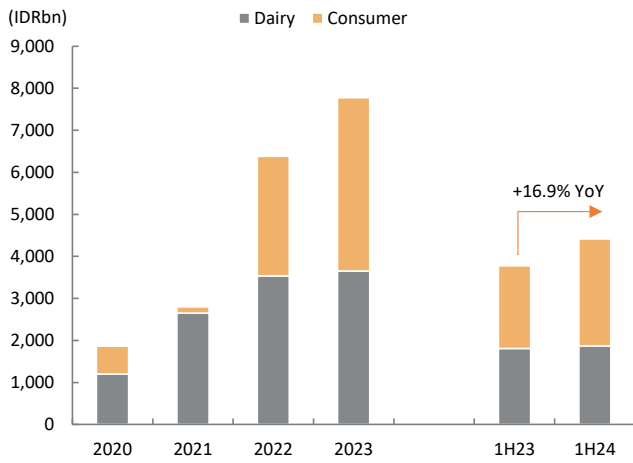
CMRY revenue stood at IDR2.2tr (+3.7 QoQ; +15.4% YoY), and cumulatively amounted to IDR4.4tr (+16.9% YoY). This is in line with MASI/consensus expectation, with a run rate MASI/consensus of 49.2%/49.4%. Both segment of dairy product and foods saw an increase in 2Q24 of +0.6%/+28.3%, respectively. Domestic sales grew 15% YoY, while export show 173% YoY growth due to low base in 2Q23.

CMRY dairy products still show stable growth despite the intense competition in dairy overall market. As for food segment still show strong growth of 29.2% YoY for 1H24.

CMRY gross margin remained steady, supported by lower milk powder input costs. While A&P/sales held steady at 12.8% in 2Q24 due to new product launches and marketing activities. We believe the company is strategically investing this cost savings from lower raw material prices into brand building and customer acquisition.

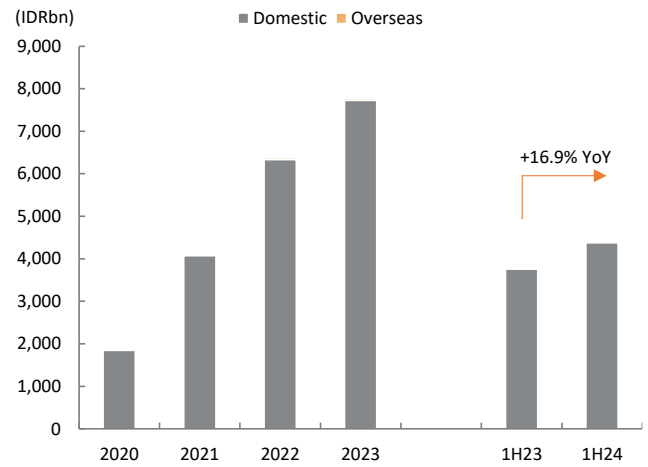
In EBIT level, dairy product shows a decline of 7.6% YoY in Q2, while still showing overall growth of 12.7% for 1H24. We believe this is due to the higher marketing spending to gain new customer. As for food segment, it still shows healthy growth of 42.7% YoY, and cummulatively 38.0% YoY in 1H24.

Figure 53. Revenue trajectory



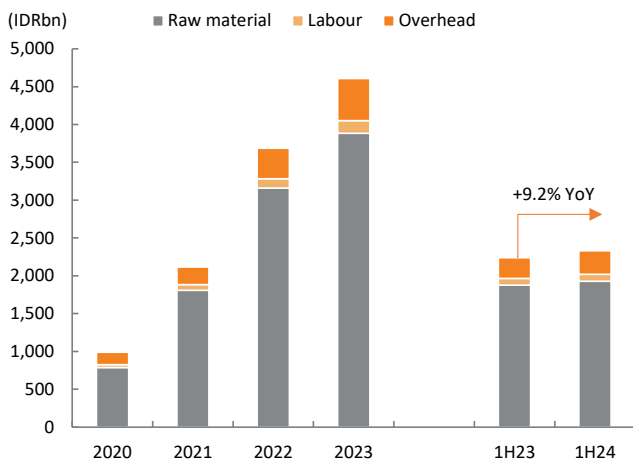
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 54. Sales by region trajectory



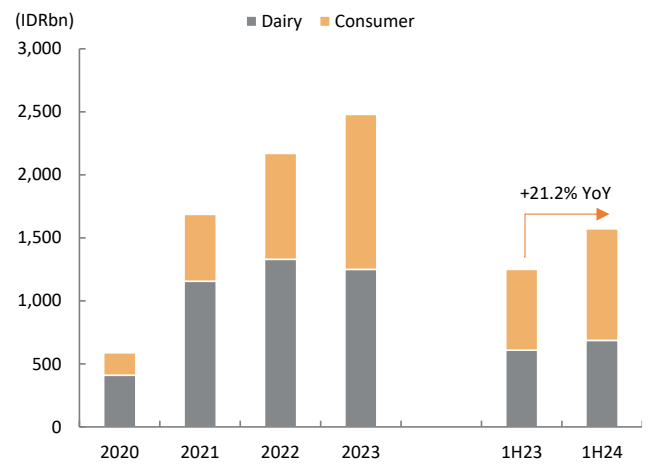
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 55. COGS trajectory



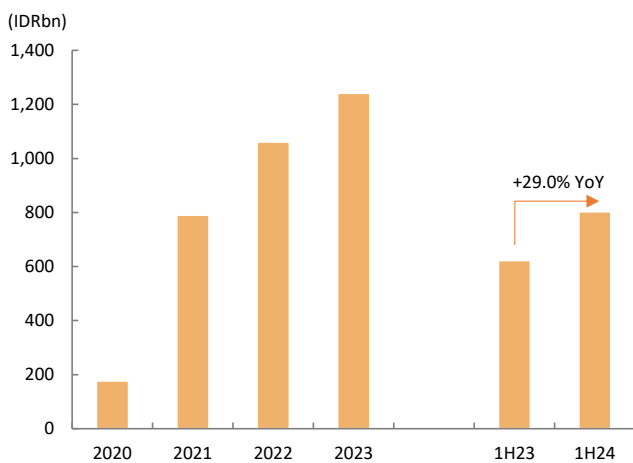
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 56. EBIT trajectory



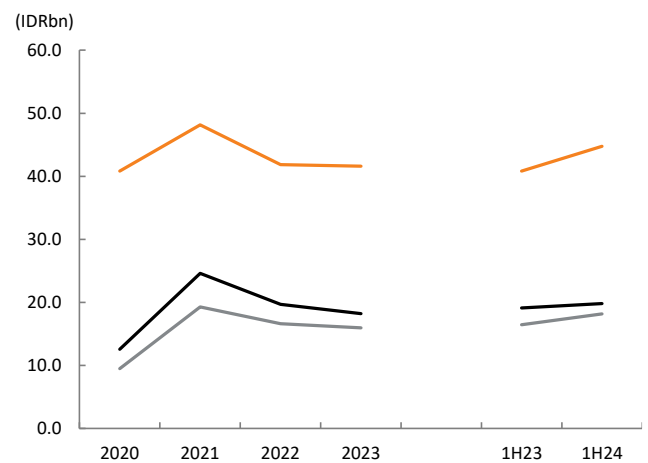
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 57. Net profit trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 58. Margin trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Table 16. CMRY 1H24 financial performance

(IDRbn)

	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	1H23	1H24	YoY (%)
Revenue	1,947	2,168	2,247	3.7	15.4	3,777	4,415	16.9
<i>Dairy products</i>	902	966	907	-6.1	0.6	1,810	1,873	3.5
<i>Foods</i>	1,045	1,202	1,340	11.5	28.3	1,968	2,542	29.2
COGS	1,135	1,198	1,242	3.7	9.4	2,235	2,440	9.2
Gross profit	812	970	1,005	3.6	23.9	1,543	1,975	28.1
Operating expenses	-436	-542	-558	2.9	28.0	-826	-1,099	33.2
EBITDA	417	472	495	4.7	18.6	792	967	22.2
Operating profit	381	428	446	4.3	17.2	722	874	21.2
<i>Dairy products</i>	303	406	280	-31.0	-7.6	609	687	12.7
<i>Foods</i>	320	427	457	7.0	42.7	641	884	38.0
Profit before income tax	410	489	530	8.4	29.1	783	1,019	30.1
Income tax expenses	-86	-103	-114	11.2	33.2	-161	-217	34.3
Net profit	325	386	416	7.7	28.1	622	802	29.0
Margins (%)								
Gross profit margin	41.7	44.7	44.7	0 pts	3 pts	40.8	44.7	3.9 pts
EBITDA margin	21.4	21.8	22.0	0.2 pts	0.6 pts	21.0	21.9	0.9 pts
Operating profit margin	19.6	19.7	19.9	0.1 pts	0.3 pts	19.1	19.8	0.7 pts
Net profit margin	16.7	17.8	18.5	0.7 pts	1.8 pts	16.5	18.2	1.7 pts
% of sales								
A&P/sales	11.3	12.4	12.8	0.4 pts	1.5 pts	10.3	12.6	2.3 pts
Salary/sales	5.3	6.5	4.9	-1.6 pts	-0.3 pts	5.4	5.7	0.3 pts

Source: Company data, Mirae Asset Sekuritas Indonesia Research

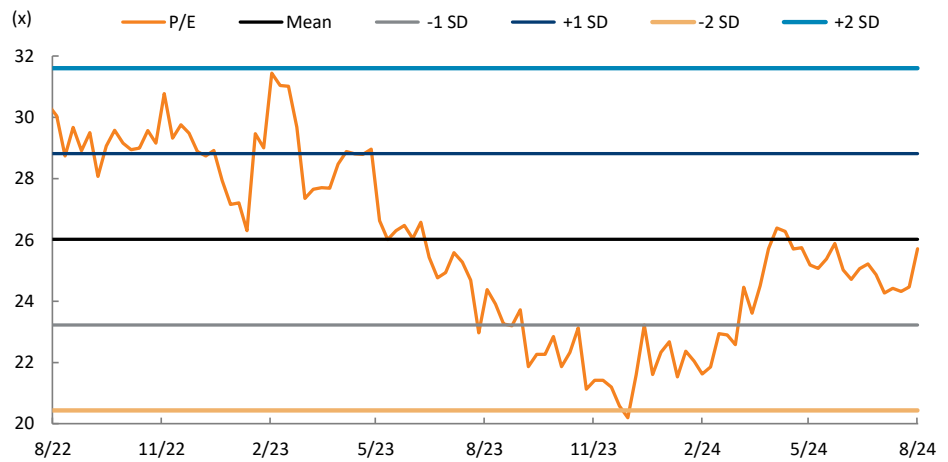
Valuation and recommendations

Maintain Hold

Based on our financial projections for FY24F and a thorough market analysis, we are maintaining our target price of IDR5,050 for CMRY. This target price is derived from a P/E ratio of 28.1x for FY24F, which represents approximately -0.8 SD from its 3-year average P/E ratio. We value CMRY using a P/E multiple considering its high growth potential. Additionally, we appreciate the company's efforts to expand its sales channels, and we factor in the outlook for commodity prices, which may benefit the company in the near term.

Risk to call: 1) higher-than-expected raw material prices; and 2) lower-than-expected sales growth; and 3) more aggressive competition.

Figure 59. CMRY's forward P/E band



Source: Mirae Asset Sekuritas Indonesia Research estimates

Cisarua Mountain Dairy (CMRY IJ)

Income Statement (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Revenue	6,378	7,773	8,976	10,510
COGS	3,710	4,540	5,215	6,040
Gross profit	2,668	3,233	3,761	4,470
Opex	-1,414	-1,818	-2,124	-2,346
EBIT	1,255	1,415	1,637	2,124
Other income / (expenses)	0	0	0	0
Profit before income tax	1,343	1,561	1,796	2,240
Income tax expenses	-282	-319	-367	-470
Non-controlling interest	0	0	0	0
Net profit	1,061	1,242	1,428	1,770
EBITDA	1,351	1,572	1,821	2,322

Margin (%)

Gross profit	41.8	41.6	41.9	42.5
Operating profit	19.7	18.2	18.2	20.2
Net profit	16.6	16.0	15.9	16.8

Growth (% YoY)

Revenue	55.7	21.9	15.5	17.1
Gross profit	35.2	21.1	16.3	18.8
Operating profit	24.4	12.8	15.7	29.7
Net profit	34.2	17.1	15.0	23.9

Cash Flows (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Cash Flows from Op. Activities	528	1,568	1,483	1,796
Net profit	1,061	1,242	1,428	1,770
Depreciation & amortization	97	157	184	198
Change in working capital	-916	-548	-4	-315
Others	287	718	-125	142
Cash Flows from Inv. Activities	-1,516	-941	-734	-805
Capex	-689	-511	-478	-478
Others	-827	-430	-255	-326
Cash Flows from Fin. Activities	-515	-589	-574	-731
Change in liabilities	-13	-1	16	15
Change in equity	561	683	903	1,098
Dividends paid	-500	-555	-683	-786
Others	-564	-715	-810	-1,058
Increase (decrease) in cash	-1,503	38	176	260
Beginning balance	3,662	2,159	2,197	2,373
Ending balance	2,159	2,197	2,373	2,633

Note: Net profit refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Balance sheet (Summarized)

(IDRbn)	12/22	12/23	12/24F	12/25F
Current assets				
Cash & equivalents	2,159	2,197	2,373	2,633
Receivables	771	879	1,015	1,188
Inventories	909	877	957	1,125
Others	0	1	1	1
Total current assets	4,025	4,539	5,025	5,744
Non-current assets				
Fixed assets - net	1,267	1,647	1,995	2,343
Others	1	1	1	1
Total non-current assets	2,198	2,508	3,058	3,648
Total assets	6,223	7,047	8,083	9,393
Current liabilities				
ST bank loans	0	0	0	0
Account payables	423	555	640	750
Other current liabilities	0	1	1	1
Total current liabilities	916	1,061	1,181	1,383
Non-current liabilities				
Long-term financial liabilities	24	0	0	0
Others non-current liabilities	0	0	0	0
Total non-current liabilities	49	45	58	68
Total liabilities	965	1,106	1,239	1,451
Shareholders' equity	5,258	5,941	6,844	7,942
Non-controlling interests	0	0	0	0
Total liabilities and equity	6,223	7,047	8,083	9,393

Forecasts/Valuations (Summarized)

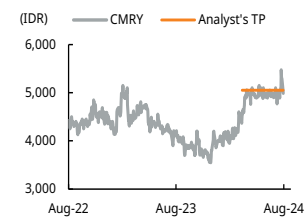
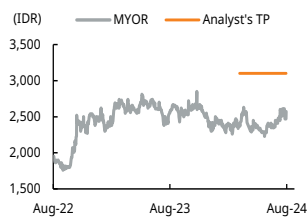
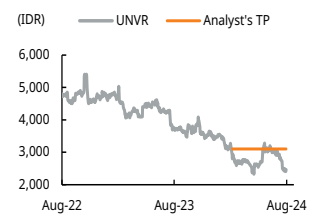
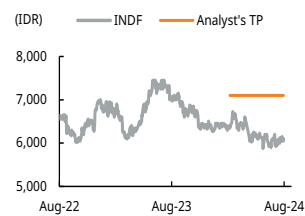
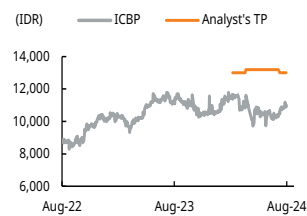
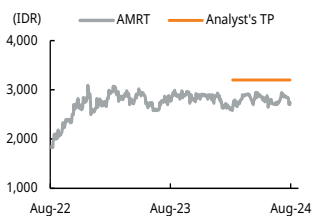
	12/22	12/23	12/24F	12/25F
P/E (x)	37.3	31.9	27.7	22.4
P/B (x)	7.5	6.7	5.8	5.0
EV/EBITDA (x)	1.6	1.4	1.3	1.1
EPS (IDR)	134	156	180	223
BPS (IDR)	663	749	863	1001
DPS (IDR)	63	70	86	99
Payout ratio (%)	63.3	52.4	55.0	55.0
Dividend yield (%)	1.4	1.6	2.0	2.3
Accounts receivable turnover (x)	8.3	8.8	8.8	8.8
Inventory turnover (x)	4.1	5.2	5.4	5.4
Accounts payable turnover (x)	15.1	14.0	14.0	14.0
ROA (%)	17.0	17.6	17.7	18.8
ROE (%)	20.2	20.9	20.9	22.3
Current ratio (x)	4.4	4.3	4.3	4.2
Net gearing (x)	Net cash	Net cash	Net cash	Net cash
Interest coverage ratio (x)	335.1	199.5	887.9	596.9

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (IDR)	Company	Date	Rating	TP (IDR)
Sumber Alfaria Trijaya (AMRT IJ)	8/7/2024	Trading Buy	3,200	Unilever Indonesia (UNVR IJ)	8/4/2023	Trading Buy	8,300
	7/15/2024	Hold	3,200		7/7/2023	Trading Buy	8,300
	4/4/2024	Trading Buy	3,200		5/19/2023	Trading Buy	7,700
	2/13/2024	Buy	3,200		8/7/2024	Hold	2,700
	12/12/2023	Trading Buy	3,200		7/15/2024	Hold	3,100
	12/11/2023	Trading Buy	3,200		4/30/2024	Trading Buy	3,100
	8/15/2023	Trading Buy	3,200		2/13/2024	Hold	3,100
	4/17/2023	Trading Buy	3,200		12/12/2023	Hold	3,800
Indofood CBP Sukses Makmur (ICBP IJ)	8/7/2024	Hold	11,200	12/11/2023	Hold	3,800	
	7/15/2024	Buy	13,000	10/26/2023	Hold	4,500	
	3/27/2024	Buy	13,200	7/25/2023	Hold	4,500	
	2/13/2024	Trading Buy	13,000	7/7/2023	Hold	4,500	
	12/12/2023	Trading Buy	13,000	5/19/2023	Hold	4,900	
	12/11/2023	Trading Buy	13,000	2/15/2023	Trading Buy	5,100	
	8/3/2023	Trading Buy	13,000	10/28/2022	Hold	4,750	
	7/7/2023	Trading Buy	13,000	Mayora Indah (MYOR IJ)	8/7/2024	Buy	3,270
5/19/2023	Trading Buy	12,500	7/15/2024		Buy	3,100	
			3/13/2024		Buy	3,100	
Indofood Sukses Makmur (INDF IJ)	8/7/2024	Trading Buy	7,000	Cisarua Mountain Dairy (CMRY IJ)	8/7/2024	Hold	5,050
	7/15/2024	Trading Buy	7,100		7/15/2024	Hold	5,050
	2/13/2024	Trading Buy	7,100		3/19/2024	Trading Buy	5,050
	12/12/2023	Trading Buy	7,100				
	12/11/2023	Trading Buy	7,100				



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of PT Mirae Asset Sekuritas Indonesia, analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

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