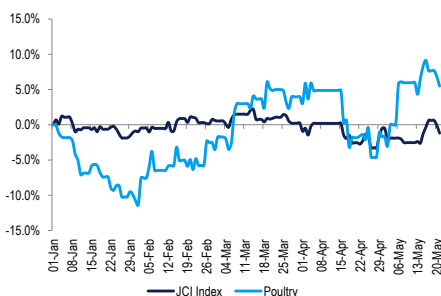


Sector Update | Poultry | 21 May 2024

Sector Index Performance

	3M	6M	12M
Absolute	12.1%	-1.0%	6.5%
Relative to JCI	13.6%	-3.8%	-0.1%



Summary Valuation Metrics

P/E (x)	2024F	2025F	2026F
CPIN IJ	22.2	20.4	18.9
JPFA IJ	8.3	7.4	6.3
EV/EBITDA (x)	2024F	2025F	2026F
CPIN IJ	12.9	12.0	11.1
JPFA IJ	5.8	5.4	4.9
Div. Yield	2024F	2025F	2026F
CPIN IJ	1.3%	2.2%	2.4%
JPFA IJ	0.0%	6.0%	6.7%

Stellar DOC/broiler price along with lower costs shall lead to better 2Q24F

- La Nina's prediction in 2H24F corroborate our view that corn price shall stabilize in 2H24F resulting in better FY24F feed margin.
- We upgrade FY24F CPIN/JPFA earnings by 8/42% as we have incorporated robust 2Q24F DOC and broiler price.
- Maintain OW as we believe poultry sector deserve a re-rating on the back of structural improvement from lower FY24F GPS import quota.

La Nina event is expected to stabilize corn price outlook

The prolonged dry weather (El-Nino) in FY23 has led to poor corn harvests, resulted in lower national corn inventory (-17% from 5yr avg.). Nonetheless, the La Nina event in FY24F (in-line with BMKG's expectations) shall bring a positive normalization impact to corn inventory levels (Fig. 6). The impact to corn prices following the big harvest season (Apr-May24) is already evident with 2Q24F average corn price estimated to decline by -23% qoq. As corn contributes 50% of feed raw material' volume, we estimate EBIT feed margin to improve at least c.3% which we have incorporated feed ASP cut of 5-6% qoq. Beyond 2Q24F, the corn price outlook for the rest of the year shall also remain stable on the La-Nina weather forecast.

Sustained strength in broiler price likely a reflection of strong demand coupled with tight supply

Broiler price sustained at Rp21k/kg on 20th of May24 (vs. 1Q24/QTD avg of Rp20.1k/21.4k/kg) as DOC price remained strong at Rp7.9/chick (vs. 1Q24/QTD avg of Rp5.1k/6.7k/chick). The strong broiler & DOC price were likely driven by demand recovery coupled with voluntary culling in early FY24F. Based on our channel check, Apr24' domestic sales has shown significant improvement (yoy, partly due to low base effect), suggesting uptick in buying power. Based on our channel check with Pinsar, there was disease outbreak due to extreme weather changes, resulting in lower broiler production. However, integrated poultry companies mentioned there is no such outbreak in their farm because of the closed coop system; hence, we think the outbreak is likely to happen on small farmer. With the current DOC price of Rp7.9k/chick in 20May24, we think the elevated broiler price is likely to sustain until Jun24 due to 3-4weeks time lag.

Earnings upgrade on the back of strong 2Q24F DOC and broiler price

In sum, the current DOC and Broiler price came above our estimate, hence, we revised up our DOC and Broiler price assumption to +6.0/2.5% in FY24F (vs. +3.0/1.0% previously), resulting in higher FY24F earnings by 8/42% for CPIN/JPFA or 22/49% higher than FY24F consensus. We see further consensus upgrade as we expect JPFA to book robust 2Q24F earnings.

Maintain OW on the back of structural improvement the sector

We believe poultry sector deserve re-rating on the back of structural improvement from lower FY24F GPS import quota (-15% yoy) and normalizing input cost (previous report). Coupled with current DOC & broiler price development, we maintain Overweight rating for the sector with JPFA as our top pick due to robust FY24F earnings growth (+115% yoy). Downside risk: poor corn harvest in 2H24F and soft DOC & broiler price.

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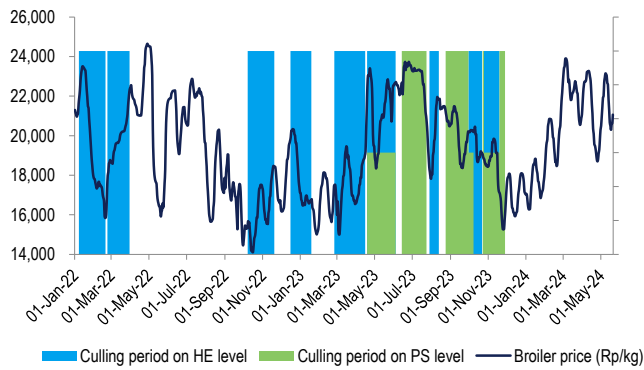
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Fig. 1: Indonesia Poultry Valuation Summary

Ticker	Rating	Current price (Rp)	Target price (Rp)	Earnings yoy growth		P/E		ROE	
				2024F	2025F	2024F	2025F	2024F	2025F
Poultry									
CPIN	BUY	5,175	5,800	64.5%	9.0%	22.2	20.4	13.5%	13.5%
JPFA	BUY	1,420	1,880	115.4%	11.9%	8.3	7.4	14.1%	14.1%
Simple average				90.0%	10.5%	15.3	13.9	13.8%	13.8%

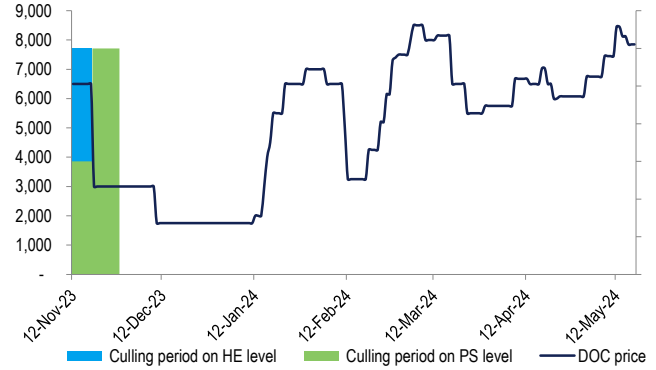
Source: Company, Indo Premier

Fig. 2: Broiler price (Rp/kg) showed an improvement since Feb24



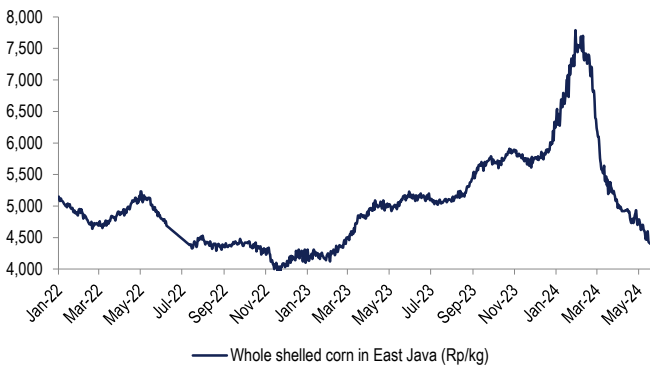
Source: Pinsar, Indo Premier

Fig. 3: DOC price trend (Rp/chick) since Nov-23



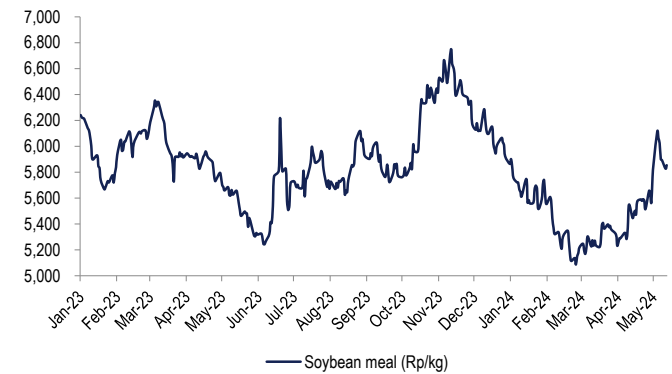
Source: Pinsar, Indo Premier

Fig. 4: Domestic corn price (Rp/kg) showed an improvement since 2nd week of Feb24



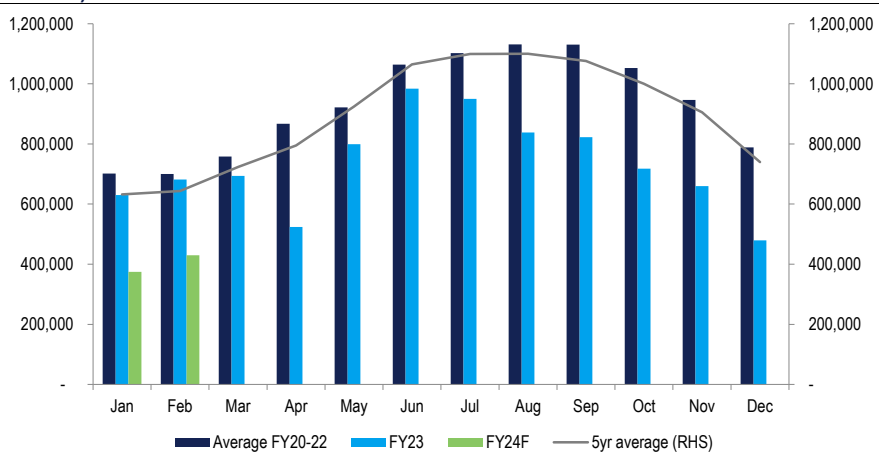
Source: Bappenas, Indo Premier

Fig. 5: Soybean meal price (Rp/kg) trend since Jan-23



Source: Bloomberg, Indo Premier

Fig. 6: Indonesia corn inventory (tons) which corn inventory remains good during La Nina (FY20-22)



Source: Minister of Agriculture, Indo Premier

Charoen Pokphand Indonesia

BUY (unchanged)

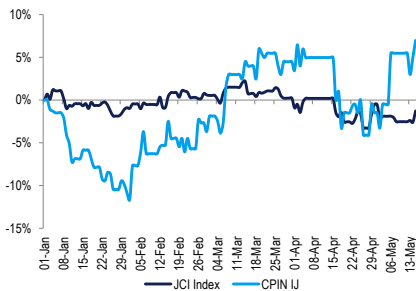
Company Update | Poultry | CPIN IJ | 21 May 2024

Stock Data

Target price	Rp5,800
Prior TP	Rp5,400
Current price	Rp5,175
Upside/downside	+12%
Shares outstanding (mn)	16,398
Market cap (Rp bn)	84,860
Free float	44%
Avg. 6m daily T/O (Rp bn)	39

Price Performance

	3M	6M	12M
Absolute	8.4%	-4.6%	1.5%
Relative to JCI	9.9%	-7.4%	-5.3%
52w low/high (Rp)	4,440-5,800		



Major Shareholders

Charoen Pokphand Indonesia Group	55%
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Strong DOC & broiler price lead better 2Q24F earnings

- We estimate CPIN to book 1H24F earnings of Rp2.2tr (+56% yoy) and this will be above FY24F consensus estimate at 68%.
- With strong 1H24F DOC and broiler price development, we upgrade CPIN FY24F earnings by 8%.
- Maintain BUY call with a higher TP of Rp5,800/sh on the back of FY24F earnings growth of 65%.

Favourable input cost shall improve profitability on 2Q24F feed segment

As discussed previously, we conservatively estimate CPIN to book 2Q24F feed EBIT of Rp1.2tr (+66% qoq) with margin improvement of 383bps qoq. We included 2Q24F interest and tax expenses in feed segment, feed segment net profit will stand at Rp837bn.

Strong DOC and broiler price to fully offset soft processing food segment

With the current DOC and broiler price development, we estimate combined DOC and broiler EBIT to reach Rp895bn (+109% qoq) on the back of strong underlying prices in full three months of 2Q24F (vs. 1.5 months in 1Q24: Mid of Feb-End of Mar24). On the other hand, CPIN's processing food 1Q24 EBIT loss of -Rp102bn due to opex spike was because CPIN had to rent cold storage to store its processing food inventory (Fig.9). Thus, we view CPIN's processing food segment is likely to book losses in the next 2 quarters.

Expect robust 2Q24F earnings

With strong DOC and broiler price than expected in 2Q24F, we estimate CPIN to book 2Q24F net profit of Rp1.4tr (+103% qoq). Thus, 1H24F earnings will be above FY24F consensus estimate at 68% (vs. 5yr avg of 52%).

Earnings upgrade

As the current DOC and broiler price was above our estimate, we revised up our DOC and broiler ASP assumption by +3/1.5% (vs. previously at +3/1.0%). At the same time, we revised down our processing food EBIT margin by 10.3% to 1.2% as we have incorporated the high processing food inventory risk. In sum, we revised up our FY24F earnings by 8.2% to Rp3.8tr.

Maintain BUY with a higher TP of Rp5,800/sh

In sum, we maintain our call BUY rating with a higher TP of Rp5,800/sh, based on 25.0x FY24F PE (5yr mean). Key downside risks are higher input cost and weaker DOC & broiler price than expected.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	56,868	61,616	68,402	74,451	80,658
EBITDA	5,125	4,795	7,116	7,662	8,201
Net profit	2,928	2,319	3,815	4,160	4,499
Net profit growth	-19.1%	-20.8%	64.5%	9.0%	8.2%
ROE	11.4%	8.7%	13.5%	13.5%	13.5%
PER (x)	29.0	36.6	22.2	20.4	18.9
EV/EBITDA (x)	18.1	19.3	12.9	12.0	11.1
Dividend yield	2.1%	1.9%	1.3%	2.2%	2.4%
Forecast change			8%	3%	6%
IPS vs. consensus			122%	113%	98%

Source: Company, Indo Premier

Share price closing as of: 21 May 2024

Fig. 7: CPIN 2Q24F preview

(Rp bn)	2Q24F	2Q23	% YoY	1Q24	% QoQ	6M24F	6M23	% YoY	IPS FY24F	% IPS	Cons. FY24F	% Cons	5yr avg exclud e covid period
Gross sales	30,927	27,789	11.3%	29,088	6.3%	60,015	53,123	13.0%					
Net sales	17,120	16,328	4.9%	15,913	7.6%	33,033	30,892	6.9%	69,217	48%	65,997	50%	48%
COGS	(13,945)	(13,671)	2.0%	(13,786)	1.2%	(27,732)	(26,763)	3.6%					
Gross profit	3,175	2,657	19.5%	2,126	49.3%	5,301	4,129	28.4%					
Operating expenses	(1,155)	(989)	16.8%	(1,057)	9.3%	(2,212)	(2,039)	8.5%					
EBIT	2,020	1,668	21.1%	1,069	89.0%	3,089	2,090	47.8%	5,271	59%	4,793	64%	51%
Net finance income/(cost)	(173)	(169)	2.5%	(202)	-14.4%	(375)	(348)	7.7%					
PBT	1,847	1,499	23.2%	867	113.1%	2,714	1,742	55.8%					
Tax	(406)	(362)	12.3%	(156)	160.4%	(563)	(364)	54.4%					
Net profit	1,441	1,137	26.7%	711	102.6%	2,152	1,378	56.2%	3,526	61%	3,159	68%	52%
Margin (%) - based on gross sales													
Gross margin	10.3%	9.6%		7.3%		8.8%	7.8%						
EBIT margin	6.5%	6.0%		3.7%		5.1%	3.9%						
Net margin	4.7%	4.1%		2.4%		3.6%	2.6%						

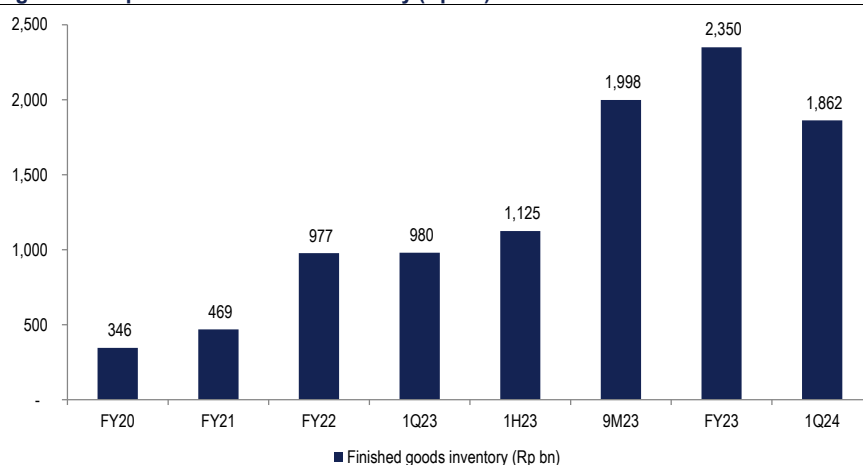
Source: Company, Indo Premier

Fig. 8: CPIN's earnings changes

	Previous			Previous			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Gross sales	120,782	128,254	137,444	122,223	133,067	143,933	1.2%	3.8%	4.7%
Net sales	69,217	73,997	79,591	68,402	74,451	80,658	-1.2%	0.6%	1.3%
Gross profit	10,162	11,203	12,015	10,753	11,537	12,320	5.8%	3.0%	2.5%
EBIT	5,271	5,946	6,333	5,795	6,212	6,622	10.0%	4.5%	4.6%
Net profit	3,526	4,019	4,252	3,815	4,160	4,499	8.2%	3.5%	5.8%
Margin, %									
Gross margin	8.4%	8.7%	8.7%	8.8%	8.7%	8.6%	0.4%	-0.1%	-0.2%
EBIT margin	4.4%	4.6%	4.6%	4.7%	4.7%	4.6%	0.4%	0.0%	0.0%
Net profit margin	2.9%	3.1%	3.1%	3.1%	3.1%	3.1%	0.2%	0.0%	0.0%

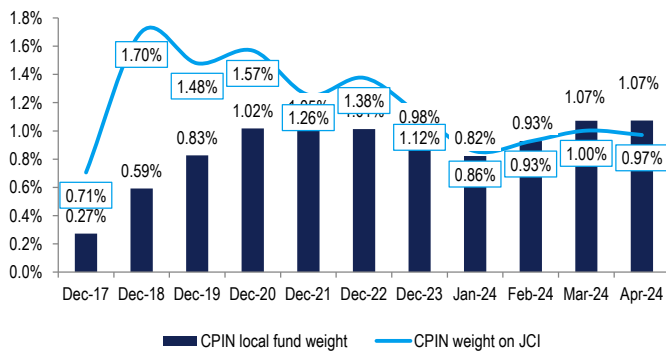
Source: Company, Indo Premier

Fig. 9: CPIN processed chicken inventory (Rp bn)



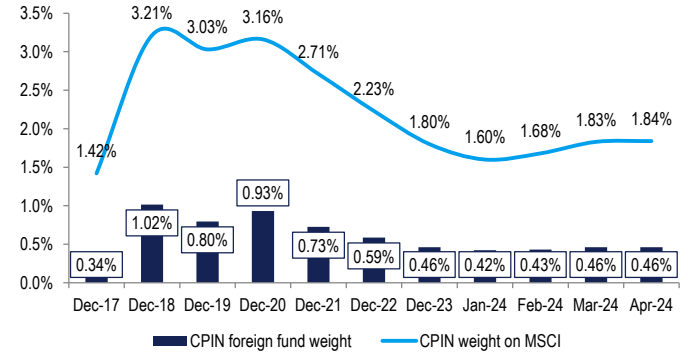
Source: Company, Indo Premier

Fig. 10: CPIN's local fund weight vs. JCI's



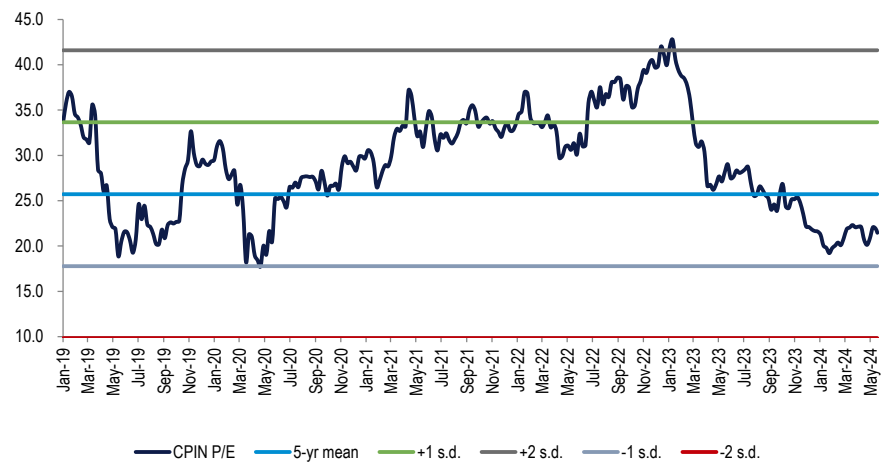
Source: KSEI, Indo Premier

Fig. 11: CPIN's foreign fund weight vs. MSCI's



Source: KSEI, Indo Premier

Fig. 12: CPIN is traded at 21.5x fwd. 12M PE (at -0.5 s.d. below its 5Y mean)



Source: Company, Bloomberg, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	56,868	61,616	68,402	74,451	80,658
Cost of sales	(48,724)	(53,341)	(57,649)	(62,914)	(68,338)
Gross profit	8,144	8,275	10,753	11,537	12,320
SG&A Expenses	(4,160)	(4,620)	(4,958)	(5,325)	(5,698)
Operating profit	3,984	3,655	5,795	6,212	6,622
Net interest	(399)	(670)	(689)	(670)	(650)
Others	(250)	(278)	(278)	(278)	(278)
Pre-tax income	3,336	2,707	4,828	5,264	5,694
Income tax	(607)	(679)	(1,014)	(1,105)	(1,196)
Net income	2,928	2,319	3,815	4,160	4,499

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	2,042	2,328	2,911	3,321	4,179
Receivable	1,820	1,708	2,567	2,656	2,650
Inventory	9,000	9,299	9,154	9,847	10,516
Other current assets	5,169	4,990	4,990	4,990	4,990
Total current assets	18,031	18,325	19,621	20,814	22,335
Fixed assets	17,628	17,690	19,070	20,320	21,441
Other non-current assets	3,143	3,656	3,656	3,656	3,656
Total non-current assets	20,771	21,346	22,726	23,976	25,097
Total assets	38,802	39,671	42,347	44,790	47,432
ST loans	6,649	7,393	7,393	7,393	7,393
Payable	2,446	2,886	2,880	3,030	3,207
Other payables	0	0	0	0	0
Current portion of LT loans	1,014	845	845	845	845
Total current liab.	10,109	11,124	11,118	11,268	11,445
Long term loans	2,312	1,841	1,841	1,841	1,841
Other LT liab.	1,099	978	978	978	978
Total liabilities	13,520	13,942	13,936	14,086	14,264
Equity	172	172	172	172	172
Retained earnings	26,139	26,841	29,522	31,815	34,280
Minority interest	17	16	16	16	16
Total SHE + minority int.	26,327	27,029	29,710	32,003	34,468
Total liabilities & equity	39,848	40,971	43,646	46,090	48,731

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Operating income	3,984	3,655	5,795	6,212	6,622
Depr. & amortization	1,140	1,261	1,321	1,450	1,579
Changes in working capital	(1,326)	253	(719)	(633)	(486)
Others	(2,067)	(1,680)	(1,980)	(2,052)	(2,123)
Cash flow from operating	1,731	3,489	4,417	4,977	5,592
Capital expenditure	(2,594)	(1,382)	(2,700)	(2,700)	(2,700)
Others	(402)	(390)	0	0	0
Cash flow from investing	(2,996)	(1,772)	(2,700)	(2,700)	(2,700)
Loans	3,017	272	0	0	0
Equity	(1)	(122)	0	0	0
Dividends	(1,753)	(1,617)	(1,134)	(1,866)	(2,034)
Others	0	0	0	0	0
Cash flow from financing	1,262	(1,466)	(1,134)	(1,866)	(2,034)
Changes in cash	(2)	251	583	411	858

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	8.0%	7.5%	8.8%	8.7%	8.6%
Operating margin	3.9%	3.3%	4.7%	4.7%	4.6%
Pre-tax margin	3.5%	2.7%	4.0%	4.0%	4.0%
Net margin	2.9%	2.1%	3.1%	3.1%	3.1%
ROA	7.8%	5.7%	9.0%	9.3%	9.5%
ROE	11.4%	8.7%	13.5%	13.5%	13.5%
Acct. receivables TO (days)	11.6	7.8	13.7	13.0	12.0
Inventory TO (days)	62.4	47.0	58.0	57.1	56.2
Payable TO (days)	18.2	13.7	18.2	17.6	17.1
Debt to equity	8.8%	6.8%	6.2%	5.8%	5.3%
Interest coverage ratio (x)	-9.5	-5.2	-8.2	-8.8	-9.4
Net gearing	1.0%	-1.8%	-3.6%	-4.6%	-6.8%

Source: Company, Indo Premier

Japfa Comfeed Indonesia

BUY (unchanged)

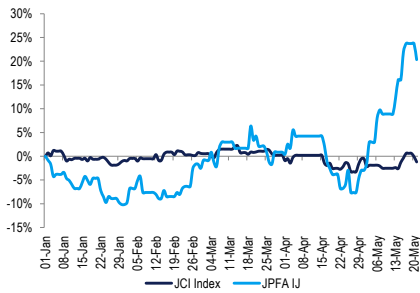
Company Update | Poultry | JPFA IJ | 21 May 2024

Stock Data

Target price	Rp1,880
Prior TP	Rp1,400
Current price	Rp1,420
Upside/downside	+32%
Shares outstanding (mn)	11,727
Market cap (Rp bn)	16,769
Free float	43%
Avg. 6m daily T/O (Rp bn)	28

Price Performance

	3M	6M	12M
Absolute	31.5%	18.8%	16.9%
Relative to JCI	33.0%	16.1%	10.1%
52w low/high (Rp)	1,060 – 1,460		



Major Shareholders

Japfa Ltd	55%
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Strong 2Q24F earnings has yet to be fully priced in

- We estimate JPFA to deliver robust 1H24F earnings of Rp1.6tr (vs. Rp82bn in 1H23), achieving 130% of FY24F consensus estimate.
- We expect JPFA discount valuation to narrow against market leader on the back of robust 2Q24F earnings.
- Maintain BUY call a higher TP of Rp1,880/sh as we have revised up FY24F earnings by 42%.

Normalizing input cost to fully impact in 2Q24F feed segment

As we have discussed previously, we estimate JPFA’s 2Q24F feed EBIT margin to improve at least 3.4% to 11.5%; hence, 2Q24F feed EBIT to reach Rp894bn (+20.8% qoq). We included consolidated interest expense and 22% tax expenses into feed segment; 2Q24F earnings will reach at Rp487bn or 73% of 1Q24 consolidated earnings.

Strong 2Q24F DOC and Broiler price than expected shall translate into 2Q24F earnings

With strong 2Q24F DOC and broiler price coupled with lower input cost, we estimate JPFA to book combined DOC and broiler EBIT of Rp534bn (+36% qoq). As such, we estimate JPFA to book 2Q24F earnings of Rp1tr (+50% qoq); thus, 1H24F earnings will reach 130% FY24F consensus estimate. With a low expectation from consensus, we believe JPFA’s has a potential upside from current point.

We expect the valuation discount against market leader to narrow

As of now, JPFA is traded at 8.0x fwd. 12M PE (-0.7s.d. from its 5yr avg) which JPFA’ PE multiples is 63% below than CPIN’s. We believe the discount to CPIN will be narrower as JPFA can deliver robust earnings in 2Q24F. As such, there is a low hanging fruit for JPFA valuation to rerate.

Maintain BUY with a higher TP of Rp1,880/sh

In sum, we upgrade JPFA’s FY24F earnings by 42% to Rp2tr, or 49% above consensus estimate. As such, we maintain our BUY call for JPFA with a higher TP of Rp1,880/sh, based on 11.0x FY24F PE (its 5yr mean). Key downside risks are higher input cost, soft DOC and broiler price and US\$ appreciation.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	48,972	51,176	54,775	57,677	60,621
EBITDA	3,797	3,240	4,648	5,029	5,485
EBITDA growth	-21%	-15%	43%	8%	9%
Net profit	1,420	930	2,003	2,240	2,663
EPS (Rp)	121	79	171	191	227
EPS growth	-29.8%	-34.5%	115.4%	11.9%	18.9%
ROE	11.4%	7.0%	14.1%	14.1%	15%
PER (x)	11.7	17.9	8.3	7.4	6.3
EV/EBITDA (x)	7.3	8.7	5.8	5.4	4.9
Dividend yield	4.2%	4.2%	0.0%	6.0%	6.7%
Forecast change			42%	36%	41%
IPS vs. consensus			149%	141%	138%

Source: Company, Indo Premier

Share price closing as of: 21 May 2024

Fig. 13: JPFA 2Q24F preview

(Rp bn)	2Q24F	2Q23	% YoY	1Q24	% QoQ	6M24F	6M23	% YoY	IPS FY24F	% IPS	Cons FY24F	% Cons	5yr avg (excl e covid period)
Gross sales	21,221	19,203	10.5%	21,720	-2.3%	42,941	37,778	13.7%					
Net sales	13,606	12,394	9.8%	13,925	-2.3%	27,531	24,156	14.0%	55,503	50%	54,672	50%	48%
COGS	(10,711)	(10,323)	3.8%	(11,451)	-6.5%	(22,162)	(20,797)	6.6%					
Gross profit	2,894	2,071	39.7%	2,474	17.0%	5,369	3,358	59.9%					
Operating expenses	(1,367)	(1,336)	2.3%	(1,402)	-2.5%	(2,769)	(2,702)	2.5%					
EBIT	1,528	736	107.7%	1,072	42.5%	2,600	656	296.3%	2,727	95%	2,619	99%	43%
Net finance income/(cost)	(184)	(256)	-28.1%	(177)	4.0%	(361)	(477)	-24.4%					
PBT	1,344	480	180.1%	895	50.1%	2,239	179	1150.1%					
Tax	(270)	(126)	115.0%	(180)	50.1%	(450)	(67)	N/A					
Minority	(76)	(22)	240.3%	(50)	50.1%	(126)	(30)	N/A					
Net profit	998	332	200.7%	665	50.1%	1,663	82	1928.4%	1,414	118%	1,284	130%	36%
Margin (%) - based on gross sales													
Gross margin	13.6%	10.8%		11.4%		12.5%	8.9%						
EBIT margin	7.2%	3.8%		4.9%		6.1%	1.7%						
Net margin	4.7%	1.7%		3.1%		3.9%	0.2%						

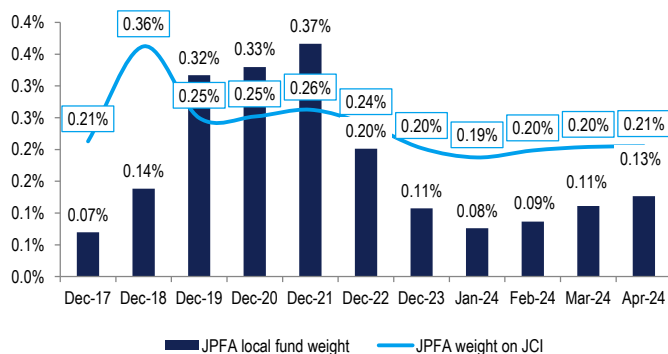
Source: Company, Indo Premier

Fig. 14: JPFA's earnings changes

	Previous			Current			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Gross sales (Rp bn)	88,123	93,840	99,900	86,949	91,899	96,847	-1.3%	-2.1%	-3.1%
Net sales (Rp bn)	55,503	58,865	62,437	54,775	57,677	60,621	-1.3%	-2.0%	-2.9%
Gross profit (Rp bn)	8,526	9,285	9,990	9,003	9,442	9,948	5.6%	1.7%	-0.4%
EBIT (Rp bn)	2,727	3,094	3,381	3,560	3,854	4,220	30.6%	24.6%	24.8%
Net profit (Rp bn)	1,414	1,646	1,886	2,003	2,240	2,663	41.6%	36.1%	41.2%
Margin, %									
Gross margin	9.7%	9.9%	10.0%	10.4%	10.3%	10.3%	0.7%	0.4%	0.3%
EBIT margin	3.1%	3.3%	3.4%	4.1%	4.2%	4.4%	1.0%	0.9%	1.0%
Net profit margin	1.6%	1.8%	1.9%	2.3%	2.4%	2.7%	0.7%	0.7%	0.9%

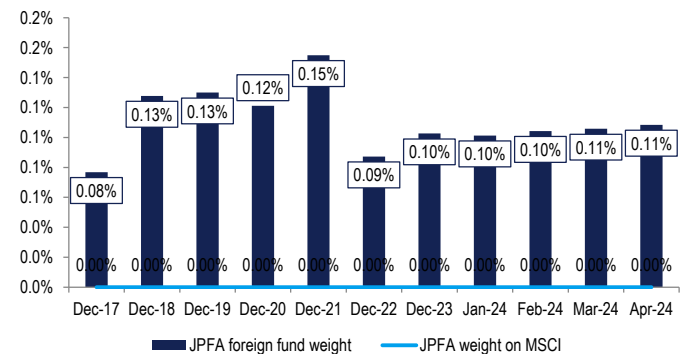
Source: Company, Indo Premier

Fig. 15: JPFA's local fund weight vs. JCI's



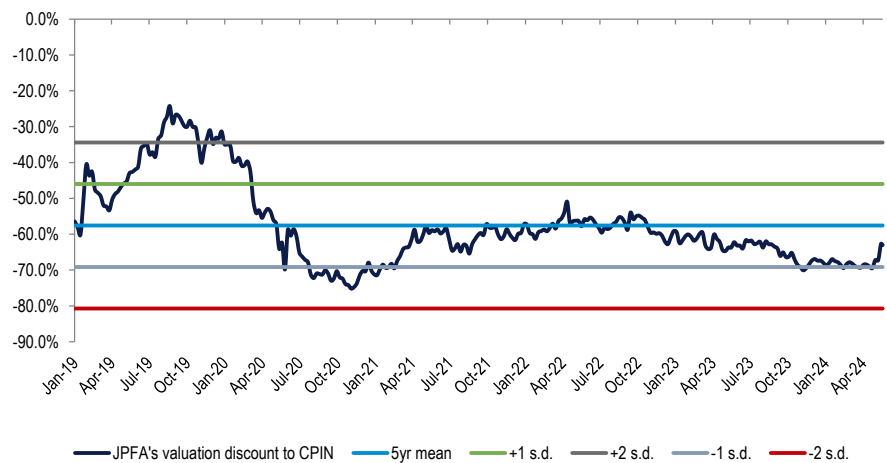
Source: KSEI, Indo Premier

Fig. 16: JPFA's foreign fund weight vs. MSCI's



Source: KSEI, Indo Premier

Fig. 17: JPFA's valuation discount to CPIN is at 63% (or 0.5s.d. below its 5Y mean)



Source: Bloomberg, Indo Premier

Fig. 18: JPFA is traded at 7.9x fwd. 12M PE (or 0.7s.d. below its 5Y mean)



Source: Company, Bloomberg, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	48,972	51,176	54,775	57,677	60,621
Cost of sales	(41,289)	(43,665)	(45,772)	(48,235)	(50,673)
Gross profit	7,683	7,511	9,003	9,442	9,948
SG&A Expenses	(4,920)	(5,305)	(5,443)	(5,588)	(5,728)
Operating profit	2,763	2,206	3,560	3,854	4,220
Net interest	(809)	(944)	(892)	(868)	(672)
Others	(40)	(59)	(59)	(59)	(59)
Pre-tax income	1,915	1,204	2,610	2,927	3,490
Income tax	(464)	(315)	(587)	(657)	(780)
Net income	1,420	930	2,003	2,240	2,663

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	1,811	1,503	1,910	1,947	2,232
Receivable	2,496	2,586	2,938	3,018	3,092
Inventory	9,272	9,684	9,261	9,722	10,218
Other current assets	3,422	3,446	3,446	3,446	3,446
Total current assets	17,001	17,218	17,556	18,133	18,988
Fixed assets	12,497	13,395	14,262	15,041	15,731
Other non-current assets	3,037	3,341	3,341	3,341	3,341
Total non-current assets	15,534	16,736	17,603	18,382	19,072
Total assets	32,535	33,954	35,159	36,515	38,060
ST loans	3,869	4,078	4,078	4,778	5,288
Payable	4,135	4,891	4,866	4,984	5,017
Other payables	691	773	701	541	397
Current portion of LT loans	718	942	942	942	942
Total current liab.	9,412	10,684	10,587	11,246	11,644
Long term loans	8,426	7,915	7,215	6,673	6,276
Other LT liab.	1,197	1,343	1,343	1,343	1,343
Total liabilities	19,036	19,942	19,144	19,262	19,263
Equity	2,868	3,061	3,061	3,061	3,061
Retained earnings	9,880	10,166	12,168	13,407	14,950
Minority interest	907	941	941	941	941
Total SHE + minority int.	13,655	14,167	16,170	17,409	18,952
Total liabilities & equity	32,691	34,109	35,314	36,671	38,215

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Operating income	2,763	2,206	3,560	3,854	4,220
Depr. & amortization	950	1,008	1,087	1,176	1,264
Changes in working capital	(522)	255	45	(422)	(537)
Others	(2,247)	(1,239)	(1,558)	(1,613)	(1,557)
Cash flow from operating	945	2,231	3,135	2,994	3,390
Capital expenditure	(1,937)	(1,954)	(1,954)	(1,954)	(1,954)
Others	(118)	(167)	0	0	0
Cash flow from investing	(2,055)	(2,122)	(1,954)	(1,954)	(1,954)
Loans	2,855	(220)	(773)	(1)	(31)
Equity	(324)	373	0	0	0
Dividends	(637)	(645)	0	(1,001)	(1,120)
Others	0	0	0	0	0
Cash flow from financing	1,893	(492)	(773)	(1,002)	(1,152)
Changes in cash	783	(383)	408	37	284

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	10.0%	9.3%	10.4%	10.3%	10.3%
Operating margin	3.6%	2.7%	4.1%	4.2%	4.4%
Pre-tax margin	2.5%	1.6%	3.1%	3.2%	3.7%
Net margin	1.8%	1.2%	2.3%	2.4%	2.7%
ROA	4.6%	2.7%	5.8%	6.2%	7.1%
ROE	11.4%	7.0%	14.1%	14.1%	15.4%
Acct. receivables TO (days)	18.4	18.1	19.6	19.1	18.6
Acct. receivables - other TO (days)					
Inventory TO (days)	75.1	79.2	73.9	73.6	73.6
Payable TO (days)	31.7	37.7	38.8	37.7	36.1
Acct. payables - other TO (days)					
Debt to equity	71.5%	65.7%	52.0%	43.8%	37.1%
Interest coverage ratio (x)	-3.4	-2.2	-3.8	-4.3	-6.2
Net gearing	57.3%	54.3%	39.4%	32.0%	24.7%

Source: Company, Indo Premier

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- OVERWEIGHT** : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL** : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT** : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY** : Expected total return of 10% or more within a 12-month period
- HOLD** : Expected total return between -10% and 10% within a 12-month period
- SELL** : Expected total return of -10% or worse within a 12-month period

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