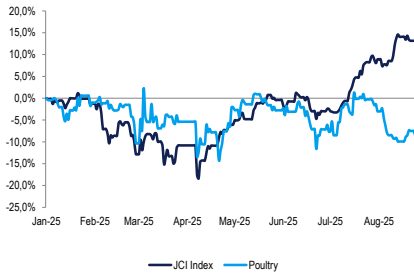


Sector Index Performance

	3M	6M	12M
Absolute	-6.7%	-4.3%	-6.1%
Relative to JCI	-19.7%	-27.9%	-13.7%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
CPIN IJ	19.7	18.2	16.1
JPFA IJ	5.9	5.5	5.2
EV/EBITDA (x)	2025F	2026F	2027F
CPIN IJ	10.2	9.1	7.9
JPFA IJ	5.2	4.8	4.2
Div. Yield	2025F	2026F	2027F
CPIN IJ	1.1%	1.1%	1.2%
JPFA IJ	8.0%	6.5%	6.9%

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Recent broiler price improvement is a boon for poultry player

- We expect broiler price improvement to sustain in 2H25F amid lower FY24 GPS import quota of -15.9% yoy coupled with voluntary culling.
- Concurrently, we expect higher broiler supply in 2H26F could be fully offset by demand generated from MBG program in FY26F.
- Maintain sector OW amid better supply-demand balance and Reiterate our JPFA as our top pick.

Feed margin to remain stable amid favourable input cost

Average QTD domestic corn price increased by +8% qoq to Rp5.2k/kg due to non-harvest season (corn harvest occurs in Mar-May and Sep-Nov). On the other side, average 3Q25F soybean meal price dropped to Rp4.5k/kg (-6.9% qoq) on the back of higher predicted US soybean yields of 53.6bu/acre in FY25 (vs. 50.7bu/acre in FY24). In sum, we view a lower soybean meal price to fully offset the higher corn price, resulting in relatively stable feed EBIT margin in 3Q25F. Given local corn price harvesting in Sep-Nov, we view corn price to trend down during harvesting season, leading to margin improvement in 4Q25F.

DOC and Broiler price improvement to sustain in 2H25F

Broiler price improved to Rp20.2k/kg in 24Aug25, while DOC price remained strong at Rp6.5k/chick (vs. broiler and DOC's floor price of Rp18k/kg and Rp5.5k/bird). Based on our channel check, recent broiler price improvement was driven by the impact of lower FY24 GPS import quota (-15.9% yoy), which tightened broiler supply in 2H25F, alongside voluntary PS culling. With lower FY24 GPS import quota, we view the lower supply to sustain until 1H26F, given 72-weeks GPS cycle. Assuming 3Q25F broiler price of Rp19k/kg, we estimate JPFA/CPIN to book 3Q25F earnings of Rp802bn/1.1tr (vs. Rp556/363bn in 2Q25), marking an improvement from soft 2Q25 result.

MBG program to boost broiler consumption

Government has made MBG a top priority program for FY26F with an allocated budget of Rp335tr targeting 82.9mn recipients or 29% of Indonesia's population and significantly higher than Rp171tr allocated in FY25F. We view MBG program is a direct catalyst for poultry demand as we expect it may boost broiler consumption by 14.8% in FY26F (Fig. 6). Consequently, higher broiler supply in 2H26F from +5.6% yoy FY25 GPS import quota could be fully absorbed by demand generated from MBG program.

Maintain Overweight

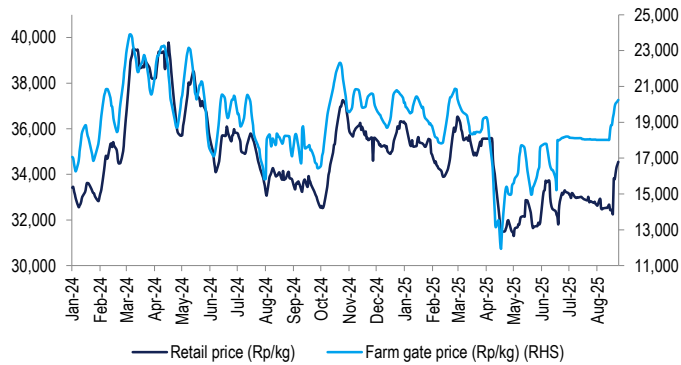
In terms of valuation, JPFA currently trades at 5.7x 12M forward PE, representing a -69.7% discount to CPIN (Fig. 7). In sum, we maintain our Overweight stance on the sector amid better supply-demand balance, with JPFA as our top pick. Key risks to our call: softer broiler price and higher input cost.

Fig. 1: Indonesia's poultry summary

Ticker	Rating	Current price (Rp)	Target price (Rp)	Earnings yoy growth		P/E		ROE	
				2025F	2026F	2025F	2026F	2025F	2026F
CPIN	BUY	4,480	5,450	0.3%	8.2%	19.7	18.2	11.7%	11.6%
JPFA	BUY	1,615	2,750	7.0%	6.8%	5.9	5.5	19.8%	19.0%

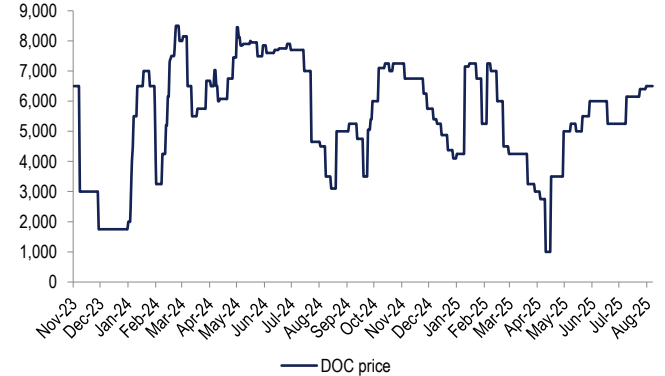
Source: Company, Indo Premier

Fig. 2: Broiler price trend (Rp/kg)



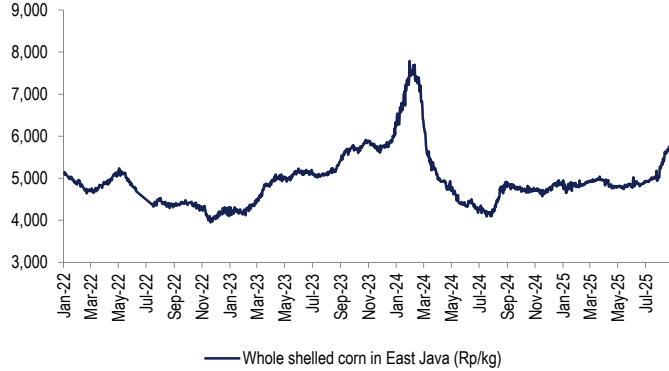
Source: Pinsar, Indo Premier

Fig. 3: DOC price trend (Rp/chick)



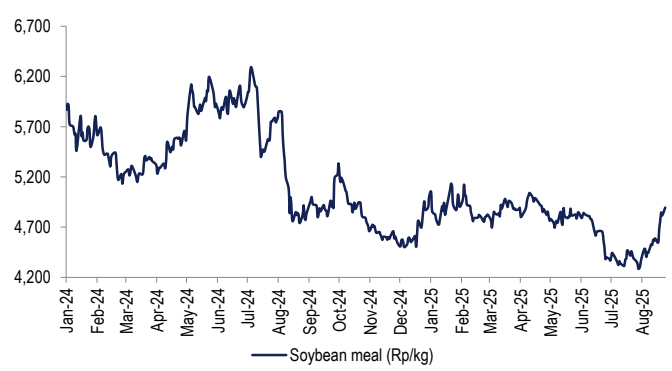
Source: Pinsar, Indo Premier

Fig. 4: Domestic corn price trend (Rp/kg)



Source: Bappenas, Indo Premier

Fig. 5: Soybean meal price trend (Rp/kg)



Source: Bloomberg, Indo Premier

Fig. 6: MBG impact on chicken consumption in FY26F

Item	FY26F
Receivers	82,900,000
Chicken/reciveres (Kg/year)	9.0
Total chicken from free lunch program (k tons)	742.0
% of FY26 chicken consumption*	14.8%

Source: Company, Indo Premier

*Assumption: 50% incremental demand

Fig. 7: JPFA's valuation discount to CPIN stood at -69.7%



Source: Bloomberg, Indo Premier

Fig. 8: CPIN is traded at fwd. 12M of 18.9x (-1.5 s.d. from its 5yr avg)



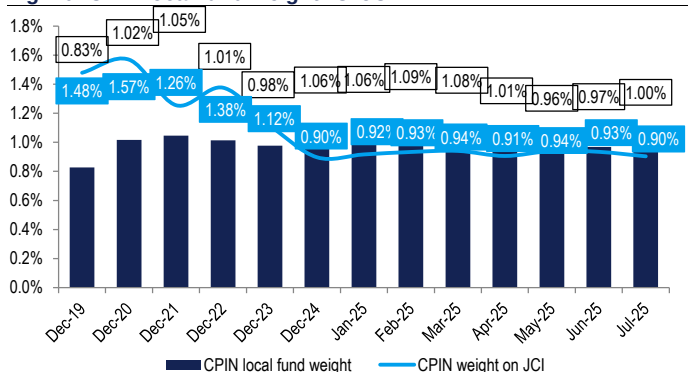
Source: Bloomberg, Indo Premier

Fig. 9: JPFA is traded at fwd. 12M of 5.7x (-1.0 s.d. from its 5yr avg)



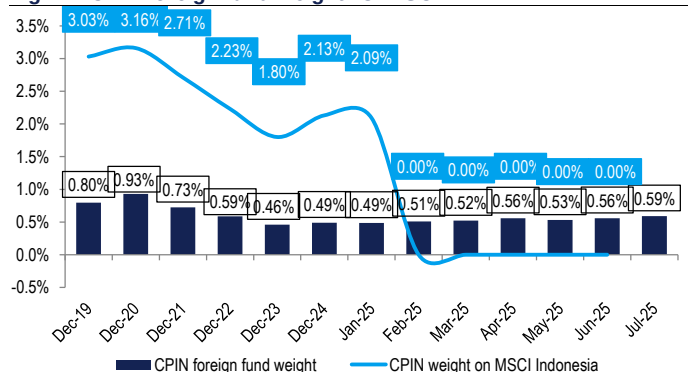
Source: Bloomberg, Indo Premier

Fig. 10: CPIN local fund weight vs. JCI



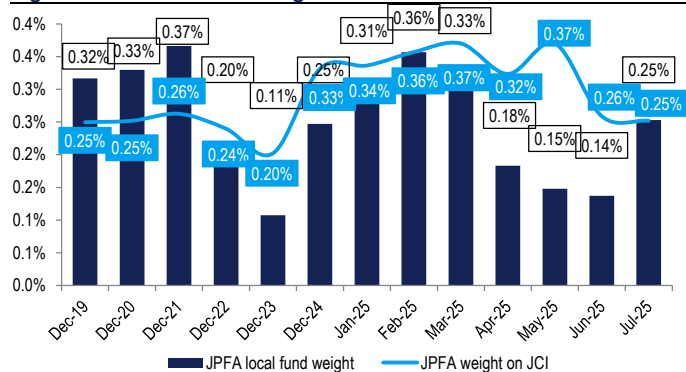
Source: KSEI, Indo Premier

Fig. 11: CPIN foreign fund weight vs. MSCI



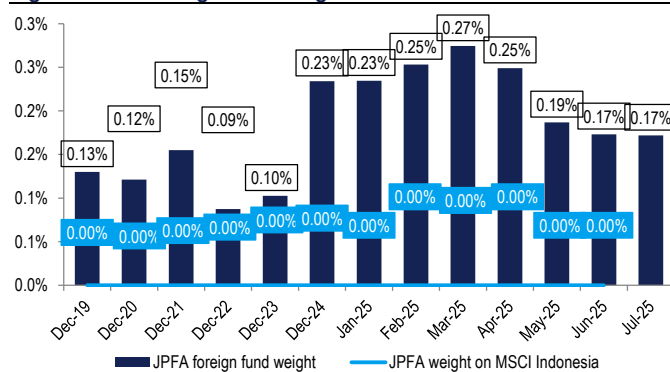
Source: MSCI, Indo Premier

Fig. 12: JPFA local fund weight vs. JCI



Source: KSEI, Indo Premier

Fig. 13: JPFA foreign fund weight vs. MSCI



Source: MSCI, Indo Premier

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SECTOR RATINGS

- 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

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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