INDOPREMIER

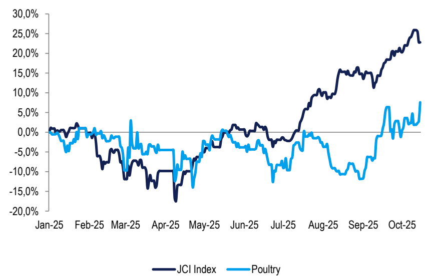
Poultry

OVERWEIGHT *(unchanged)*

Sector Update | Poultry | 15 October 2025

Sector Index Performance

	3M	6M	12M
Absolute	10.5%	18.9%	9.6%
Relative to JCI	-11.8%	-22.8%	-9.7%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
CPIN IJ	20.3	18.8	16.7
JPFA IJ	8.6	8.1	7.6
EV/EBITDA (x)	**2025F**	**2026F**	**2027F**
CPIN IJ	10.5	9.5	8.2
JPFA IJ	5.7	5.3	4.6
Div. Yield	**2025F**	**2026F**	**2027F**
CPIN IJ	1.0%	1.0%	1.1%
JPFA IJ	5.4%	5.8%	6.2%

Andrianto Saputra
PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 712

Nicholas Bryan
PT Indo Premier Sekuritas
nicholas.bryan@ipc.co.id
+62 21 5088 7168 ext. 722

3Q25F earnings preview: expect strong CPIN/JPFA's earnings

- We expect CPIN/JPFA 3Q25F earnings to come above consensus estimate amid strong broiler prices (+22.1% qoq).
- Given the impact of lower DOC supply to persist, we estimate consensus needs to upgrade CPIN/JPFA's FY25F earnings by 12/4%.
- Maintain sector OW amid better supply-demand balance.

Strong 3Q25 DOC and broiler price recovery to boost the earnings

Average 3Q25 broiler and DOC price improved to Rp19.9k/kg (+22.1% qoq) and Rp6.4k/bird (+46.2% qoq), higher than our estimate of the broiler BEP level of Rp18.6-18.9k/kg; this implies 5-6.5% broiler EBIT margin. Given a strong 3Q25 broiler and DOC price, we estimate the combined DOC and Broiler EBIT for CPIN/JPFA 3Q25F to rise to Rp646/648bn (vs. 2Q25's Rp-327/+279bn) which shall lead to earnings upgrade, in our view.

We expect feed EBIT margin to remain stable amid strong broiler price

In terms of input cost, average 3Q25 corn price increased to Rp5.4k/kg (+11.9% qoq) as the government has set corn floor price of Rp5.5k/kg. Meanwhile, average 3Q25 SBM price dropped to Rp4.5k/kg (-5.5% qoq), partly offsetting cost pressures. Given a strong broiler price, we expect feed producers to pass on higher input costs through 3Q25F ASP hikes of +1.3% qoq; As such, we expect 3Q25F feed EBIT margin to be stable on qoq basis.

3Q25F preview: CPIN/JPFA's earnings to be above

We estimate CPIN/JPFA's 3Q25F earnings to improve to Rp1.2tr/985bn (+231/+77% qoq) and this will be above consensus estimate at 73/74% (vs. 5yr avg of 67/68%) (Fig. 5). However, we view the strong JPFA's 3Q25F result has partly priced-in as JPFA's share px has improved by 40% in the past 3M (vs. CPIN's -3.5%).

Robust earnings to sustain until end of FY25F

Broiler price normalized to Rp22.3k/kg on 13th Oct (avg. 4Q25F: Rp21.5k/kg), while DOC price remained strong at Rp7.5k/bird. We expect the robust broiler price is driven by lower DOC supply, following the lower FY24 GPS import quota, voluntary culling and ramp-up of MBG's central kitchen capacity. With the government targeting MBG's central kitchens to reach c.32k units by the end of FY25F, we expect the incremental poultry demand to continue for the rest of the year and this may boost broiler consumption by c.15% in FY26F (link to note). Assuming average 4Q25F broiler and DOC prices of Rp21.5k/kg and Rp6.3k/bird; we estimate CPIN/JPFA 4Q25F earnings to be at Rp1.5/1.1tr, leading to FY earnings of Rp4.6/3.3tr (+25.2/9.2% yoy). Thus, we view consensus needs to upgrade CPIN/JPFA's FY25 earnings by 12/4%.

Maintain Overweight

Local fund ownership in the sector increased notably in Sep25 (Fig. 13-16) amid strong broiler price; thus, the incremental buyer shall come from foreign funds. In sum, we maintain our Overweight stance on the sector amid better supply-demand balance. Key risks: softer broiler price and higher input costs.

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	4,640	5,450	1.2%	7.8%	20.3	18.8	11.8%	11.6%
JPFA	BUY	2,380	2,750	7.0%	6.8%	8.6	8.1	19.8%	19.0%

Source: Company, Indo Premier

Fig. 2: Indonesia' poultry 3Q25F net revenue preview

Ticker	3Q25F	3Q24	% YoY	2Q25	% QoQ	9M25F	9M24	% YoY	IPS FY25F	% IPS	Cons FY25F	% Cons	5yr avg
JPFA	14,737	13,631	8.1%	13,149	12.1%	42,218	41,280	2.3%	57,101	73.9%	58,653	72.0%	72.3%
CPIN	17,524	16,757	4.6%	15,357	14.1%	50,586	49,719	1.7%	72,421	70.0%	69,874	72.0%	80.0%
Indo's Poultry	**32,261**	**30,388**	**6.2%**	**28,506**	**13.2%**	**92,804**	**90,999**	**2.0%**	**129,521**	**71.7%**	**128,527**	**72.2%**	

Source: Company, Bloomberg, Indo Premier

Fig. 3: Indonesia' poultry 3Q25F GPM preview

Ticker	3Q25F	3Q24	% YoY	2Q25	% QoQ	9M25F	9M24	% YoY
JPFA	13.9%	12.3%	158 bps	12.8%	115 bps	13.0%	12.4%	52 bps
CPIN	8.8%	6.6%	226 bps	5.8%	301 bps	9.0%	8.6%	41 bps
Indo's Poultry	**11.4%**	**9.5%**	**192 bps**	**9.3%**	**208 bps**	**11.0%**	**10.5%**	**47 bps**

Source: Company, Indo Premier

Fig. 4: Indonesia' poultry 3Q25F EBIT margin preview

Ticker	3Q25F	3Q24	% YoY	2Q25	% QoQ	9M25F	9M24	% YoY
JPFA	7.0%	5.0%	200 bps	4.9%	207 bps	5.7%	5.7%	1 bps
CPIN	5.3%	2.4%	286 bps	2.0%	325 bps	5.3%	4.9%	32 bps
Indo's Poultry	**6.1%**	**3.7%**	**243 bps**	**3.5%**	**266 bps**	**5.5%**	**5.3%**	**16 bps**

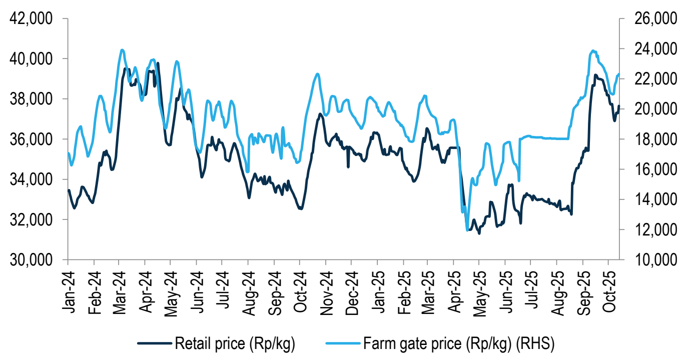
Source: Company, Indo Premier

Fig. 5: Indonesia' poultry 3Q25F net profit preview

Ticker	3Q25F	3Q24	% YoY	2Q25	% QoQ	9M25F	9M24	% YoY	IPS FY25F	% IPS	Cons FY25F	% Cons	5yr avg
JPFA	985	617	59.7%	556	77.2%	2,221	2,096	6.0%	3,055	72.7%	3,059	72.6%	67.7%
CPIN	1,203	618	94.7%	363	231.1%	3,103	2,386	30.1%	3,721	83.0%	4,215	74.0%	67.0%
Indo's Poultry	**2,188**	**1,235**	**77.2%**	**919**	**138.0%**	**5,325**	**4,482**	**18.8%**	**6,776**	**78.6%**	**7,274**	**73.2%**	

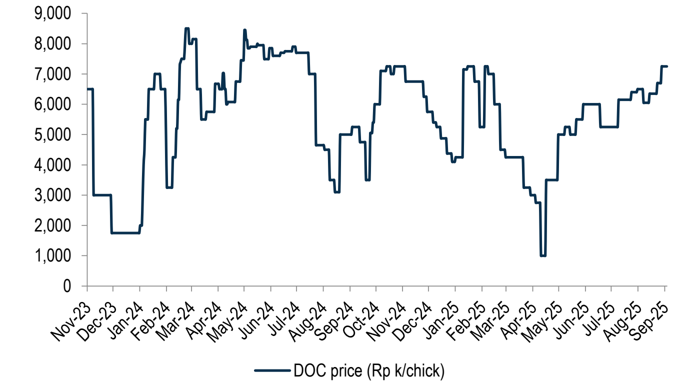
Source: Company, Bloomberg, Indo Premier

Fig. 6: Broiler price trend (Rp/kg)



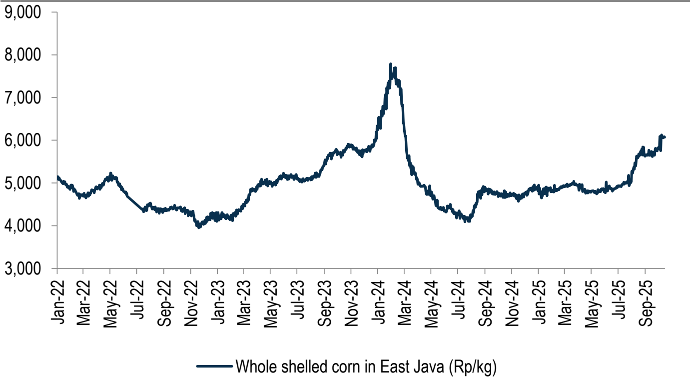
Source: Pinsar, Indo Premier

Fig. 7: DOC price trend (Rp/chick)



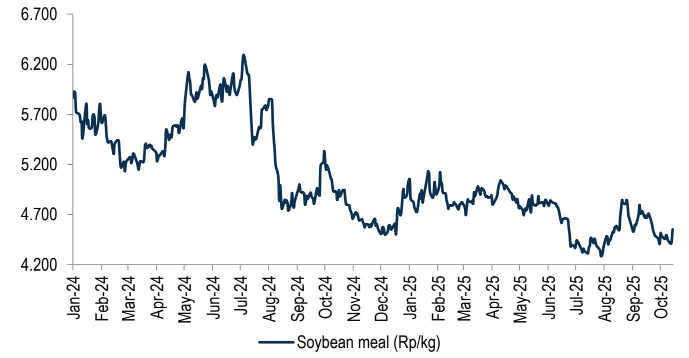
Source: Pinsar, Indo Premier

Fig. 8: Domestic corn price trend (Rp/kg)



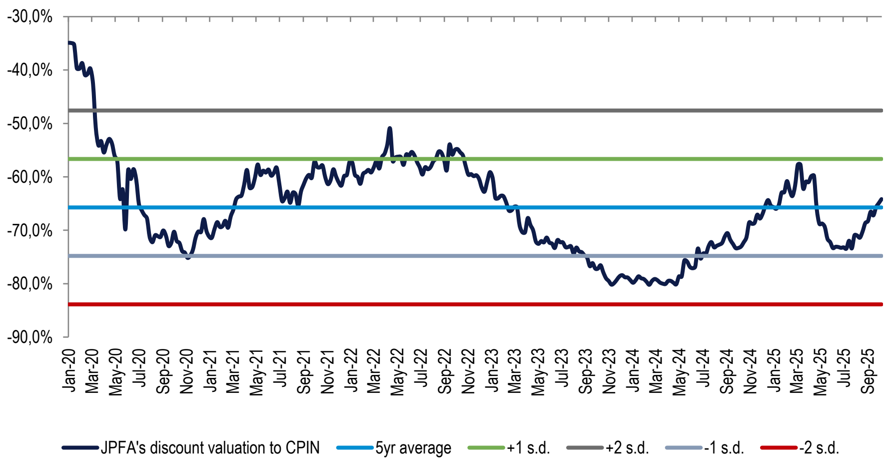
Source: Bappenas, Indo Premier

Fig. 9: Soybean meal price trend (Rp/kg)



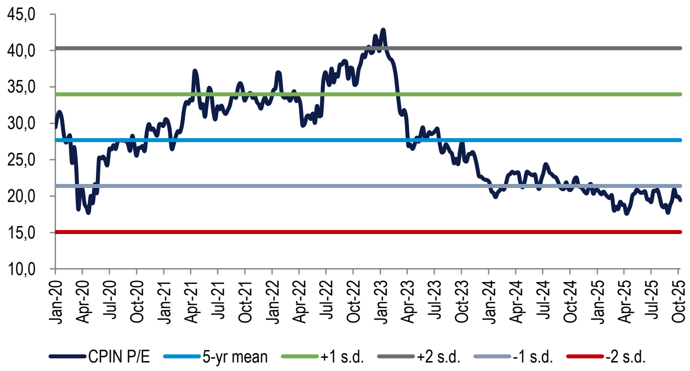
Source: Bloomberg, Indo Premier

Fig. 10: JPFA's valuation discount to CPIN stood at -64.2%



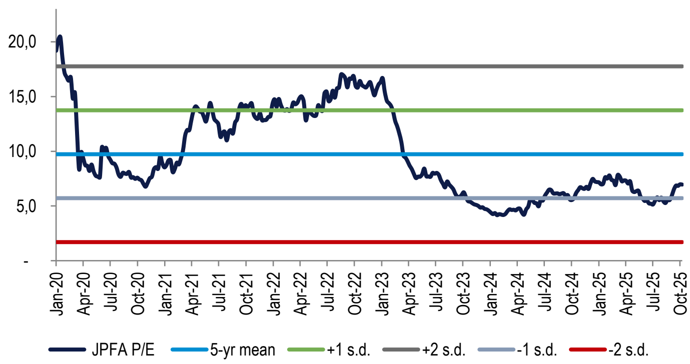
Source: Bloomberg, Indo Premier

Fig. 11: CPIN is traded at fwd. 12M of 19.5x (-1.3 s.d. from its 5yr avg)



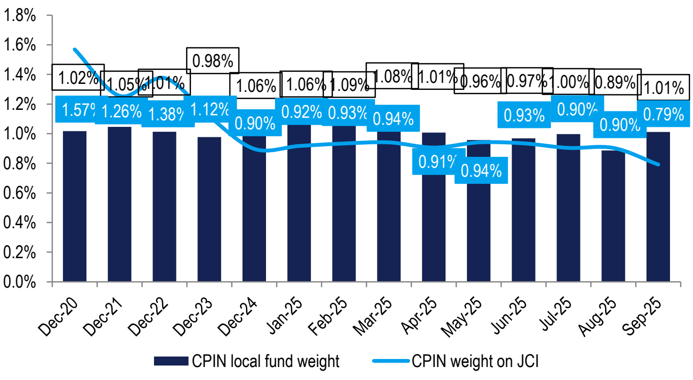
Source: Bloomberg, Indo Premier

Fig. 12: JPFA is traded at fwd. 12M of 7.0x (-0.7 s.d. from its 5yr avg)



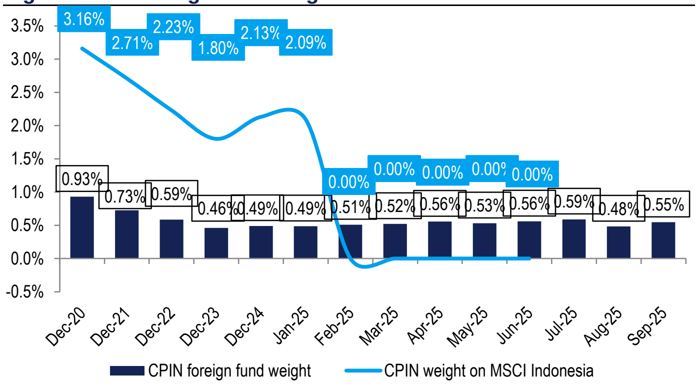
Source: Bloomberg, Indo Premier

Fig. 13: CPIN local fund weight vs. JCI



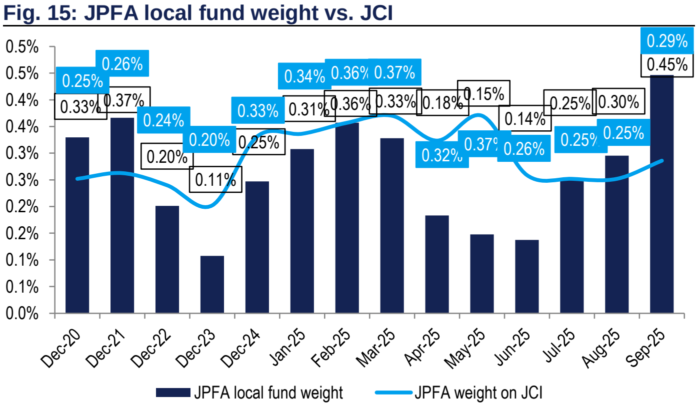
Source: KSEI, Indo Premier

Fig. 14: CPIN foreign fund weight vs. MSCI



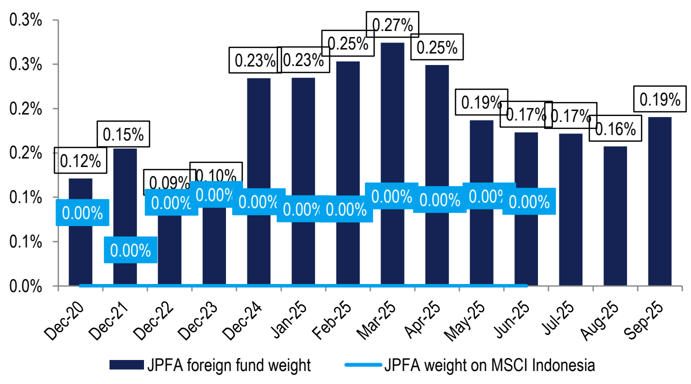
Source: MSCI, Indo Premier

Fig. 15: JPFA local fund weight vs. JCI



Source: KSEI, Indo Premier

Fig. 16: JPFA foreign fund weight vs. MSCI



Source: MSCI, Indo Premier

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.

DISCLAIMERS