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Stock Rate

Industry

Buy

Neutral

TP 12M
vs. Last Price

IDR 2,420
+21.0%

Stock Data

Ticker Code

JPFA

Sub Sector

Food & Beverage

Sector

Consumer Non-Cyclicals

Market Cap (IDR.Tn)

15.24

Shares Issued (Bn)

9.53

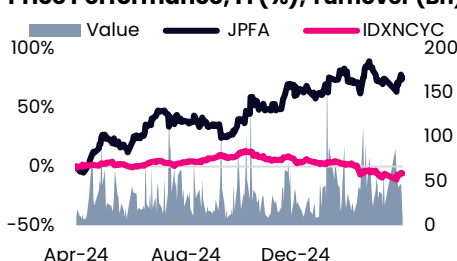
AVG 3M Turnover (Bn)

41.95

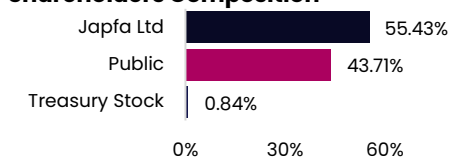
Price (IDR)



Price Performance, 1Y(%), Turnover (Bn)



Shareholders Composition



ESG Rating

Environmental 2.49
Social 1.76
Governance 4.98

Source : bloomberg

PT Japfa Comfeed Indonesia Tbk (JPFA)

JPFA: Standing strong amid the storm.

Strong Performance in 2024FY. JPFA delivered a solid bottom-line performance with significant growth in 2024FY. The company recorded revenue of IDR 55.8 trillion, up 9.0% y/y. In 4Q24 alone, sales reached IDR 14.5 trillion, reflecting growth of +8.3% y/y and +6.5% q/q. Meanwhile, net income for 2024FY came in at IDR 3.02 trillion, growing by 224.7% y/y. In 4Q24, net income stood at IDR 923 billion (+50% q/q, compared to a loss of IDR 7.5 billion in 4Q23). The strong bottom-line performance was driven by effective cost control, as COGS only increased by 2% y/y. On the other hand, top-line growth was supported by stable ASP and rising volumes.

Solid Revenue Segment Growth. Revenue segments continued to grow steadily. The animal feed segment, the largest revenue contributor, grew modestly by 0.6% y/y in 2024FY to IDR 33.5 trillion. Stronger growth was recorded in poultry processing & product (+10.3% y/y) and poultry breeding (+23.2% y/y). Domestic revenue rose by 4%, while export revenue increased by 6%. Currently, local revenue contributes the most at 98.3%, while exports contribute 1.72%. We believe this segmental growth can be sustained, supported by increasing volume under the MBG program.

Still Growth in 2025. We project continued growth in 2025, with revenue expected to reach IDR 59.60 trillion, an increase of 6.8% y/y. This is based on assumptions of stable broiler prices and sustained volume. Net income is projected to reach IDR 3.24 trillion, or +7.4% y/y growth, supported by lower corn prices and their stabilizing effect on raw material costs. Additionally, we expect solid growth in 1Q24, driven by the momentum of Ramadan and Eid al-Fitr.

Key Takeaways

- **2025F projections remain positive**, with expected top- and bottom-line growth of 6.8% y/y and 7.4% y/y, respectively.
- **Stable margin outlook.** Improved performance is expected to result in higher margins: GPM of 20%, OPM of 9%, and NPM of 10%. We expect NPM to remain stable at the 5%-6% range for 2025F-2027F.
- **Low leverage ratio.** Improved performance has also helped reduce JPFA's leverage, with the debt-to-asset ratio (DAR) declining to 0.52x and debt-to-equity ratio (DER) to 1.09x.
- **JPFA is set to distribute a dividend of IDR 70/sh.** After not distributing dividends in 2023, JPFA is resuming payouts with IDR 70/sh, representing a dividend yield of 3.60%.

Recommendation "BUY"

Based on relative valuation (PE) and future outlook, we recommend a "Buy" on JPFA, with a 12-month target price of IDR 2,420 per share. This implies a forward P/E of 8.7x and a PBV of 1.5x. The current price (IDR 2,000) trades at an estimated PE of 7.17x (vs. average peers at 10.02x) and a PBV of 1.22x (vs. average peers at 1.76x). *Downside risks: weakened purchasing power, regulatory uncertainty, commodity price fluctuations, and intense competition.*

Financial Highlight

(IDR Bn)	2023A	2024A	2025F	2026F	2027F
Revenue	51,176	55,801	59,602	62,126	65,494
Net Profit	930	3,019	3,243	3,522	3,812
EPS (Full)	80	260	279	303	328
EBITDA Margin	5%	10%	9%	10%	10%
NPM	1.8%	5.4%	5.4%	5.7%	5.8%
ROE	6.7%	19.4%	17.4%	17.0%	16.4%
P/E (x)	14.8x	7.5x	8.7x	8.0x	7.4x
P/BV (x)	1.0x	1.4x	1.5x	1.3x	1.2x
EV/EBITDA (x)	10.8x	6.2x	6.9x	6.7x	6.4x

Source : Company & Bloomberg



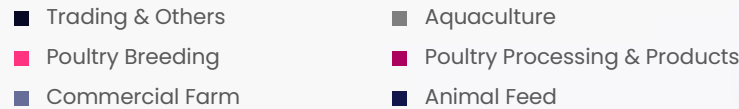
Performance Review

IDR Bn	2023	2024	y/y	4Q23	3Q24	4Q24	y/y	q/q
Revenue Segment								
Animal Feed	33,292	33,492	1%	8,897	8,268	8,086	-9%	-2%
Commercial Farm	24,881	26,913	8%	6,531	6,490	6,938	6%	7%
Poultry Processing & Products	7,902	8,719	10%	1,993	2,175	2,434	22%	12%
Poultry Breeding	6,499	8,006	23%	1,585	1,850	2,044	29%	10%
Aquaculture	4,585	4,771	4%	1,187	1,228	1,268	7%	3%
Trading & Others	3,553	3,742	5%	864	951	975	13%	3%
Revenue by Geography								
Local	48,151	50,286	4%	13,151	13,377	14,232	8%	6%
Export	821	890	6%	257	255	289	12%	13%
Revenue	51,176	55,801	9%	13,409	13,631	14,521	8%	7%
Gross Profit	7,511	11,218	49%	1,590	2,587	3,274	106%	27%
Operating Profit	2,208	5,134	132%	207	1,079	1,466	608%	36%
EBITDA	2,450	5,389	120%	486	1,404	1,686	247%	20%
Net Income	930	3,019	225%	(7.50)	617	923	N/A	50%
EPS (Full IDR)	80	260	225%	(0.65)	53	79	N/A	50%
Asset	34,109	34,666	2%	34,109	35,535	34,666	2%	-2%
Liabilities	19,942	18,094	-9%	19,942	19,046	18,094	-9%	-5%
Equity	14,167	16,573	17%	14,167	16,489	16,573	17%	1%
GPM %	15%	20%		12%	19%	23%		
OPM %	4%	9%		2%	8%	10%		
Ebitda Margin %	5%	10%		4%	10%	12%		
NPM %	2%	5%		0%	5%	6%		
ROE %	6.56%	18.22%						
ROA %	2.73%	8.71%						

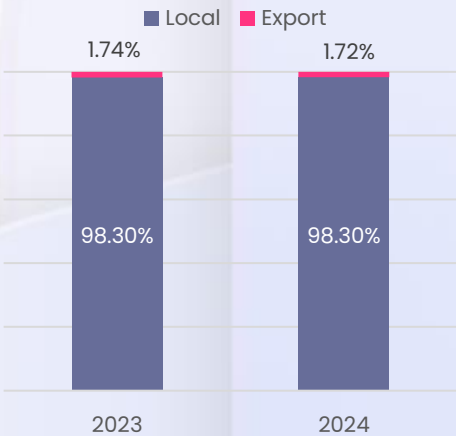
Source: Company & KSI Research

JPFA Revenue Contribution by Segment & Location

Segment



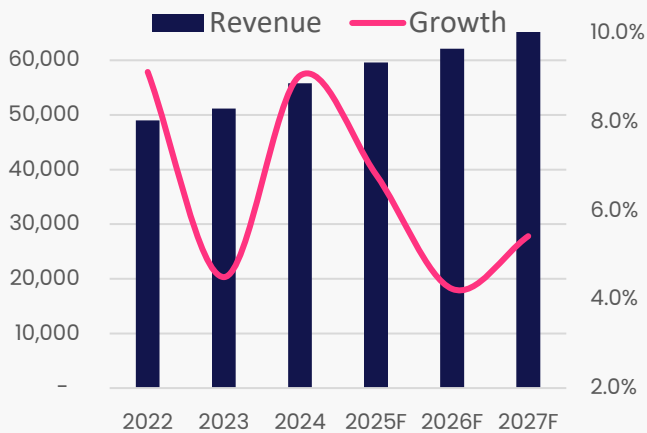
Location



Source: Company, KSI Research, & Bloomberg

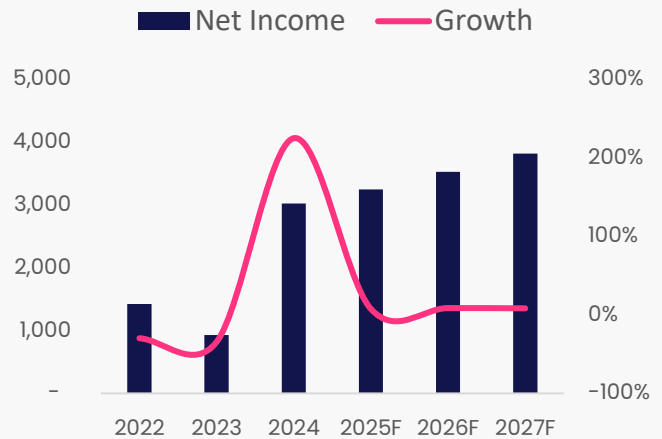


Revenue vs Growth



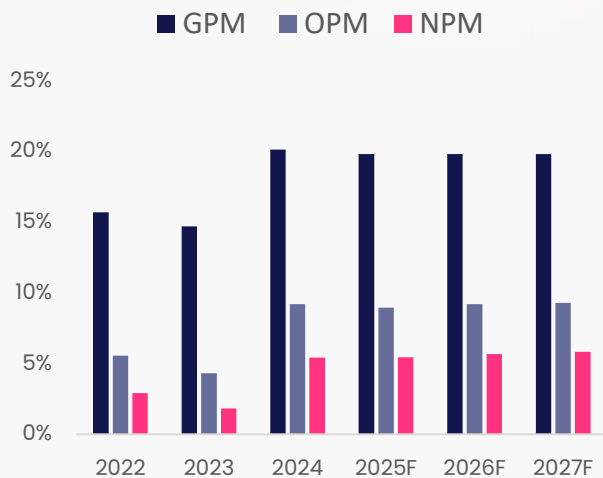
Source: Company & KSI Research

Net Income vs Growth



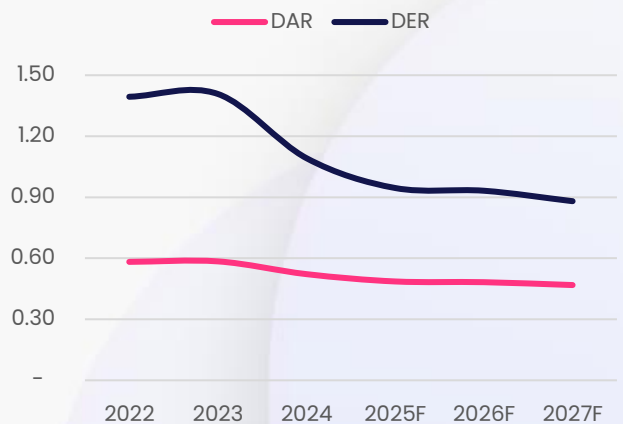
Source: Company & KSI Research

Margin



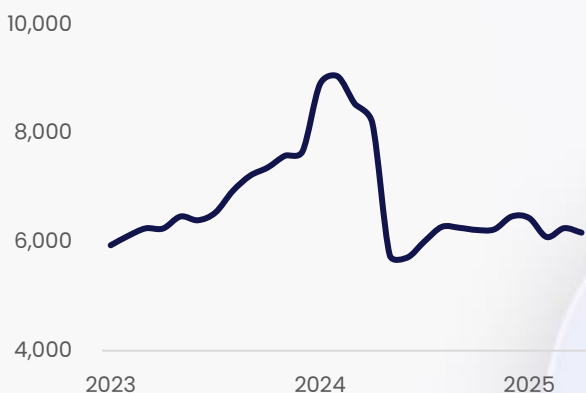
Source: Company & KSI Research

Leverage



Source: Company & KSI Research

Monthly corn Price (IDR/Kg)



Source: Bapanas

Monthly broiler Price (IDR/Kg)



Source: Bapanas



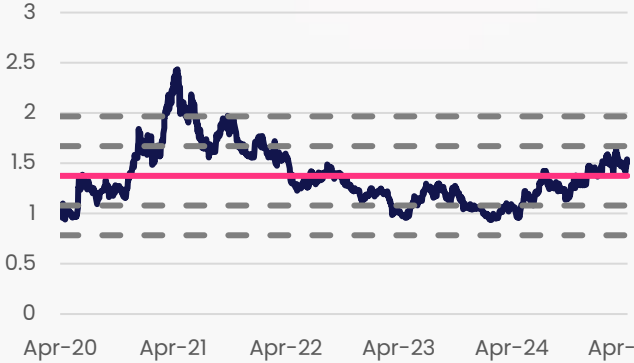
Valuation

We assign a “Buy” rating for JPFA. We calculate the fair value of JPFA using relative valuation methods (PE). We obtained a result that the fair value of JPFA is Rp 2,420 (rounded). The current fair value implements a P/E ratio of 8.7x and a PBV of 1.5x.

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
PE	3,243	8.7	28,118	100%	28,118
Total Value (Bn)					28,118
Share (Bn)					12
Target Price (IDR)					2,420
Current Price					2,000
Potential Upside (%)					21.00%

Source: KSI Research

Historical PBV 5Y



Source: KSI Research

Historical PE 5Y



Source: KSI Research



Financial Exhibits

Year-end (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Revenue	48,972	51,176	55,801	59,602	62,126	65,494
Costs of revenue	41,289	43,665	44,583	47,800	49,825	52,526
Gross profit	7,683	7,511	11,218	11,801	12,301	12,968
EBITDA	2,942	2,450	5,389	5,575	5,954	6,322
Operating profit	2,722	2,208	5,134	5,330	5,706	6,072
Income before tax	1,955	1,261	4,242	4,349	4,765	5,124
Tax expenses	464	315	1,029	1,040	1,141	1,228
Minority interests	71	16	193	66	102	85
Net income	1,420	930	3,019	3,243	3,522	3,812
EPS	122	80	260	279	303	328
Balance Sheet						
Year-end (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Cash and equivalents	1,811	1,503	1,354	1,272	1,398	2,024
Account receivables	2,405	2,456	2,677	2,882	2,989	3,154
Inventories	12,456	12,877	12,761	13,616	15,908	16,752
Fixed assets	13,584	14,504	15,117	16,175	17,631	19,394
Other assets	2,434	2,770	2,757	3,044	3,202	3,319
Total assets	32,691	34,109	34,666	36,991	41,129	44,643
S-T liabilities	4,436	4,919	3,273	2,964	3,986	4,307
Other S-T liabilities	4,976	5,765	6,023	6,223	6,693	6,940
L-T liabilities	8,430	7,927	7,471	7,180	7,484	7,890
Other L-T liabilities	1,193	1,332	1,327	1,609	1,677	1,768
Total liabilities	19,036	19,942	18,094	17,976	19,841	20,905
Equity	13,655	14,167	16,573	19,015	21,288	23,738
Cash Flows Statement						
Year-end (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Net Income	2,023	1,420	930	3,019	3,243	3,522
Depreciation	279	250	220	242	255	246
Change in working capital	2,536	2,416	(338)	2,053	2,569	3,312
Operating cash flow	234	746	(1,488)	(1,208)	(929)	(456)
Capital expenditure	(952)	(919)	(614)	(1,058)	(1,456)	(1,763)
Others	(309)	(282)	8	(248)	(134)	(102)
Investing cash flow	(1,261)	(1,202)	(606)	(1,307)	(1,590)	(1,865)
Dividend paid	(581)	-	(814)	(1,135)	(1,409)	(1,525)
Net change in debt	1,290	(504)	(456)	(291)	304	406
Others	463	651	2,401	2,724	2,341	2,541
Financing cash flow	1,753	147	1,945	2,433	2,645	2,947
Change in cash	726	(308)	(149)	(81)	126	626
Beginning cash flow	1,085	1,811	1,503	1,354	1,272	1,398
Ending cash flow	1,811	1,503	1,354	1,272	1,398	2,024

Source : Company, KSI Research & Bloomberg



Financial Ratio

Key Ratios	2022A	2023A	2024A	2025F	2026F	2027F
Revenue Growth (%)	-4%	-2%	49%	5%	4%	5%
Gross Profit Growth (%)	-22%	-19%	132%	4%	7%	6%
Operating Profit Growth (%)	-22%	-17%	120%	3%	7%	6%
EBITDA Growth (%)	-30%	-35%	225%	7%	9%	8%
Net Profit Growth (%)	-22%	-17%	120%	3%	7%	6%
EPS Growth (%)	-18%	66%	-20%	-18%	35%	-22%
Gross margin (%)	16%	15%	20%	20%	20%	20%
EBIT margin (%)	6%	4%	9%	9%	9%	9%
EBITDA margin (%)	6%	5%	10%	9%	10%	10%
Net margin (%)	5%	3%	9%	9%	9%	9%
ROE (%)	11%	7%	19%	17%	17%	16%
ROA (%)	5%	3%	9%	9%	9%	9%
Current ratio (x)	3.33	1.11x	1.06x	1.09x	1.23x	1.23x
Quick ratio (x)	0.48	0.90x	0.89x	0.98x	1.11x	1.11x
Receivable turn over (x)	20.4x	20.8x	20.8x	20.7x	20.8x	20.8x
AR turnover (days)	17.9	17.5	17.5	17.7	17.6	17.6
Inventory turnover (x)	3.3x	3.4x	3.5x	3.5x	3.1x	3.1x
Inventory Days	110.1	107.6	104.5	104.0	116.5	116.4
DER (x)	1.4x	1.4x	1.1x	0.9x	0.9x	0.9x
DAR (x)	0.6x	0.6x	0.5x	0.5x	0.5x	0.5x
Interest Coverage	3.0x	2.7x	6.2x	6.6x	7.2x	7.2x
Cash Ratio	19%	14%	15%	13%	18%	17%
Earning Yield (%)	9%	7%	13%	12%	13%	14%
Dividend Yield (%)	3.9%	-	3.6%	4.0%	5.0%	5.4%
PE (x)	10.6x	14.8x	7.5x	8.7x	8.0x	7.4x
PBV (x)	1.1x	1.0x	1.4x	1.5x	1.3x	1.2x
P/Sales (x)	0.3x	0.3x	0.4x	0.5x	0.5x	0.4x
EV/Ebitda (x)	9.5x	10.8x	6.2x	6.9x	6.7x	6.4x

Source : Company, KSI Research & Bloomberg



Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT : Sector & Industry Outlook has potential and good condition
NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOTE RATE	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)



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