



JPFA Equity Update

PT Japfa Comfeed Indonesia Tbk (JPFA)

Soft Earnings, Valuation Floors Downside

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Stock Rate

Industry

Buy

Neutral

TP 12M
 vs. Last Price

IDR 2,010
 +17.20%

Stock Data

Ticker Code

JPFA

Sub Sector

Food & Beverage

Sector

Consumer Non-Cyclicals

Market Cap (IDR.Tn)

20.11

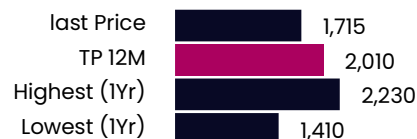
Shares Issued (Bn)

11.73

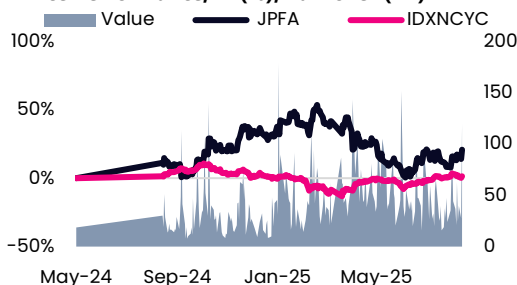
AVG 3M Turnover (Bn)

46.22

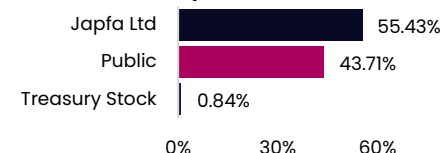
Price (IDR)



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



Shareholders Composition



ESG Rating

Environmental 3.89
 Social 3.03
 Governance 4.81

Source: bloomberg

Weaker purchasing power continued to weigh on JPFA's performance. In 2Q25, the company recorded sales of IDR 13.15 trillion (-8.3% q/q, -4.2% y/y) and net profit of IDR 556 billion (-18.3% q/q, -31.8% y/y). On a cumulative basis, 1H25 sales reached IDR 27.48 trillion (-0.6% y/y) with net profit of IDR 1.24 trillion (-16.4% y/y). The decline in performance was mainly driven by weaker demand and a drop in ASP for live birds due to oversupply in DOC. On the other hand, raw material costs in 1H25 stood at IDR 17.69 trillion (-2.77% y/y). Margins remained relatively stable, with GPM at 19% (1H24: 19%), OPM at 8% (1H24: 9%), and NPM at 4% (1H24: 5%).

Segmental sales growth showed a mixed trend. In 1H25, JPFA recorded varied performance across segments. Animal Feed declined slightly by -2.3% y/y to IDR 7.2 trillion, Poultry Breeding dropped -2.1% y/y to IDR 1.6 trillion, and Commercial Farm contracted sharply by -6.8% y/y to IDR 10.8 trillion, pressured by weaker chicken and DOC prices post-Ramadan as well as oversupply conditions that dampened demand. In contrast, Poultry Processing & Consumer Products posted solid growth of +19.4% y/y to IDR 5.0 trillion, reflecting a shift in consumption toward processed products, although 2Q25 revenue moderated to IDR 2.4 trillion (+15.2% y/y; -4.8% q/q) due to seasonal weakness. Meanwhile, Aquaculture remained stable with +2.5% y/y growth to IDR 2.3 trillion, while Trading & Others rose +5.8% y/y to IDR 1.1 trillion despite a sequential decline.

Key Takeaways:

- **2Q25 and 1H25 performance remained under pressure**, with 2Q25 sales reaching IDR 13.15 trillion (-4.2% y/y) and net profit at IDR 556 billion (-31.8% y/y). On a cumulative basis, 1H25 sales stood at IDR 27.48 trillion (-0.6% y/y) and net profit at IDR 1.24 trillion (-16.4% y/y), mainly impacted by weak purchasing power, DOC oversupply, and lower ASP of live birds.
- **The poultry processing segment delivered solid growth of +19.4% y/y**, while feed, breeding, and commercial farm businesses remained under pressure; aquaculture and trading recorded moderate growth.
- **We revise JPFA's 2025F performance**, projecting sales to grow +3% y/y to IDR 57.6 trillion (previously IDR 59.6 trillion, +7% y/y) and net profit to reach IDR 3.12 trillion (+3% y/y; previously IDR 3.24 trillion, +7% y/y).

Recommendation "BUY"

We maintain our "BUY" call on JPFA with a target price of IDR 2,010 (7.5x forward P/E; 1.2x PBV). The stock has corrected -25% (Mar-Jun) and is now below Avg 5y, while stable corn prices are expected, supported by the government's distribution of 52,400 tons at IDR 5,500/kg. In addition, on the top-line side we see potential improvement following the government's call for production control through DOC and broiler culling, which could serve as a positive catalyst in 2H25. Meanwhile downside risks include weakening consumer purchasing power, intense market competition, and rising operating expenses (OPEX), which may affect future profitability.

Financial Highlight

Year-end (IDR Bn)	2023A	2024A	2025F	2026F	2027F
Revenue	51,176	55,801	57,597	60,970	64,338
Net Profit	930	3,019	3,119	3,384	3,638
EPS (Full)	80	260	268	291	313
EBITDA Margin	5%	10%	9%	9%	9%
NPM	1.8%	5.4%	5.4%	5.6%	5.7%
ROE	6.7%	19.4%	16.8%	16.5%	15.9%
P/E (x)	14.8x	7.5x	7.5x	6.9x	6.4x
P/BV (x)	1.0x	1.4x	1.2x	1.1x	1.0x
EV/EBITDA (x)	10.8x	6.2x	6.1x	6.0x	5.8x

Source: Company and KSI Research

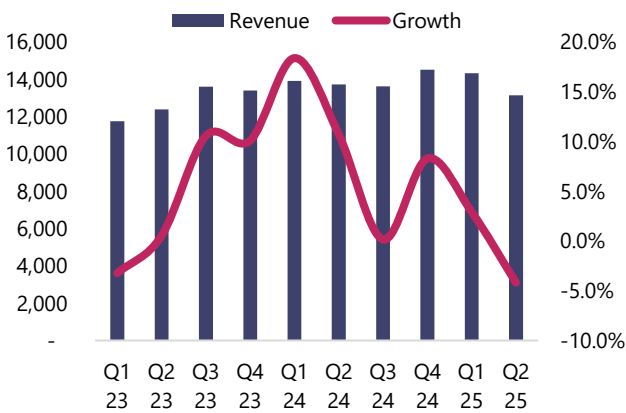


Performance Review

IDR Bn	1H24	1H25	y/y	2Q24	1Q25	2Q25	y/y	q/q
Revenue Segment								
Animal Feed	7,403	7,235	-2.3%	3,391	3,876	3,359	-1.0%	-13.4%
Poultry Breeding	1,602	1,569	-2.1%	882	841	727	-17.5%	-13.6%
Commercial Farm	11,616	10,825	-6.8%	5,875	5,575	5,251	-10.6%	-5.8%
Poultry Processing & Consumer Products	4,179	4,991	19.4%	2,113	2,557	2,434	15.2%	-4.8%
Aquaculture	2,274	2,332	2.5%	1,167	1,168	1,164	-0.2%	-0.3%
Trading & Others	1,012	1,071	5.8%	505	588	483	-4.3%	-17.7%
Revenue	27,649	27,482	-0.6%	13,723	14,332	13,149	-4.2%	-8.3%
Gross Profit	5,357	5,278	-1.5%	2,882	2,695	2,583	-10.4%	-4.1%
Operating Profit	2,583	2,144	-17.0%	1,526	1,124	1,021	-33.1%	-9.2%
EBITDA	3,145	2,768	-12.0%	1,809	1,435	1,333	-26.3%	-7.1%
Net Income	1,479	1,236	-16.4%	814	680	556	-31.8%	-18.3%
EPS (Full IDR)	127	107	-15.9%	70	59	48	-31.8%	-19.0%
Asset	36,109	36,374	0.7%	36,109	35,553	36,374	0.7%	2.3%
Liabilities	20,469	19,306	-5.7%	20,469	18,267	19,306	-5.7%	5.7%
Equity	15,640	17,068	9.1%	15,640	17,285	17,068	9.1%	-1.3%
GPM %	19%	19%	-0.2%	21%	19%	20%	-1.4%	0.8%
OPM %	9%	8%	-1.5%	11%	8%	8%	-3.4%	-0.1%
Ebitda Margin %	11%	10%	-1.3%	13%	10%	10%	-3.0%	0.1%
NPM %	5%	4%	-0.9%	6%	5%	4%	-1.7%	-0.5%
ROE %	18.9%	14.5%	-4%	20.8%	15.7%	13.0%	-8%	-3%
ROA %	8.2%	6.8%	-1%	9.0%	7.7%	6.1%	-3%	-2%

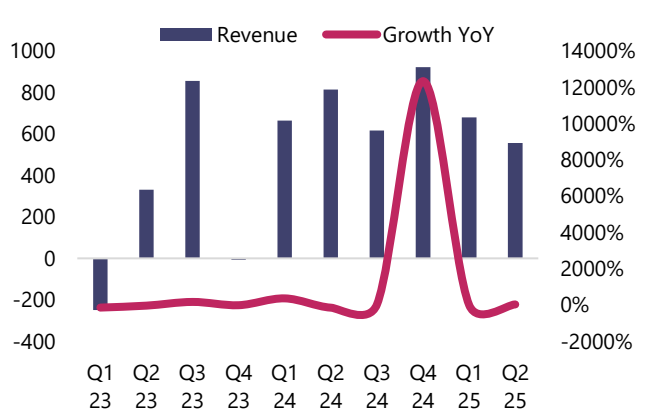
Source: Company & KSI Research

Revenue (IDR Bn) vs Growth



Source: Company & KSI Research

Net Income (IDR Bn) vs Growth



Source: Company & KSI Research

Source: KSI Research



Valuation

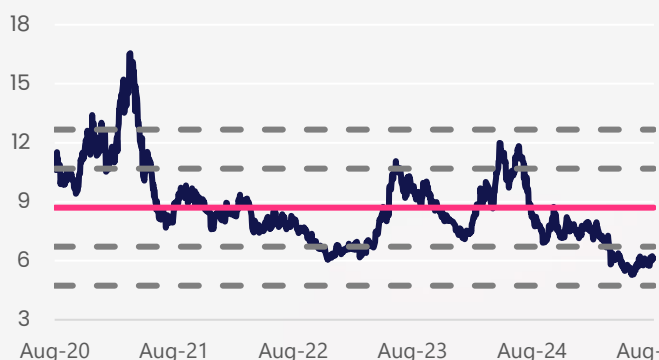
We assign a "BUY" rating for JPFA. We calculate the fair value of JPFA using relative valuation methods (PE). We obtained a result that the fair value of JPFA is Rp 2,010 (rounded). The current fair value implements a P/E ratio of 7.5x and a PBV of 1.2x.

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
PE	3,119	7.5	23,362	100%	23,362

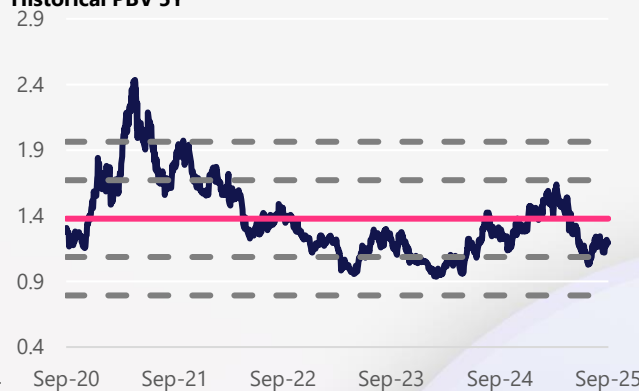
Total Value (Bn)	23,362
Share (Bn)	12
Target Price (IDR)	2,010
Current Price	1,715
Potential Upside (%)	17.20%

Source: KSI Research

Historical P/E 5Y



Historical PBV 5Y



Source: KSI Research

Comparison to Peers (Based on subindustry "Pharmaceuticals")

Ticker	M.Cap	1M	3M	6M	1Y	YTD	Beta	WACC	PBV	PE	ROE	DER	AVG 3M Value
JPFA	19.1T	-4%	1%	-13%	2%	-13%	0.8x	11.30%	1.2x	6.9x	18%	0.7x	45.1BB
<i>Average</i>							0.6x	12%	1.9x	23.7x	11%	0.3x	18.4B
CPIN	70.7T	-10%	-11%	3%	-11%	-7%	0.7x	13.20%	2.3x	18.2x	13%	0.3x	29.4B
MAIN	1.5T	4%	-13%	-4%	-20%	-7%	1.4x	12.10%	0.5x	6.5x	7%	0.4x	2.5B
CPRO	3.7T	22%	24%	24%	24%	24%	0.1x	8.80%	1.0x	8.5x	12%	0.5x	11.7B
NEST	1.1T	-13%	-13%	-46%	-16%	-36%	0.8x	15.70%	3.0x	-	-	0.0x	1.5B
AYAM	0.7T	2%	14%	14%	42%	28%	-0.1x	9.90%	3.2x	78.6x	4%	0.2x	20.3B

Source: Bloomberg & KSI Research



Financial Exhibits

Year-end (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Revenue	48,972	51,176	55,801	57,597	60,970	64,338
Costs of revenue	41,289	43,665	44,583	46,078	48,776	51,471
Gross profit	7,683	7,511	11,218	11,519	12,194	12,868
EBITDA	2,942	2,450	5,389	5,419	5,780	6,101
Operating profit	2,722	2,208	5,134	5,173	5,532	5,851
Income before tax	1,955	1,261	4,241	4,193	4,591	4,903
Tax expenses	464	315	1,029	1,010	1,108	1,184
Minority interests	71	16	193	64	98	81
Net income	1,420	930	3,019	3,119	3,384	3,638
EPS	122	80	260	268	291	313

Balance Sheet

Year-end (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Cash and equivalents	1,811	1,503	1,354	1,199	1,212	1,718
Account receivables	2,405	2,456	2,677	2,786	2,933	3,098
Inventories	12,456	12,877	12,761	13,158	15,612	16,457
Fixed assets	13,584	14,504	15,117	16,175	17,631	19,394
Other assets	2,434	2,770	2,757	2,942	3,142	3,260
Total assets	32,691	34,109	34,666	36,260	40,531	43,927
S-T liabilities	4,436	4,919	3,273	2,857	3,902	4,221
Other S-T liabilities	4,976	5,765	6,023	6,003	6,548	6,791
L-T liabilities	8,430	7,927	7,471	6,921	7,326	7,731
Other L-T liabilities	1,193	1,332	1,327	1,551	1,642	1,733
Total liabilities	19,036	19,942	18,094	17,332	19,419	20,476
Equity	13,655	14,167	16,573	18,928	21,113	23,451

Cash Flows Statement

Year-end (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Net Income	2,023	1,420	930	3,019	3,119	3,384
Depreciation	279	250	220	242	255	246
Change in working capital	2,536	2,416	(338)	2,295	2,333	3,168
Operating cash flow	234	746	(1,488)	(966)	(1,041)	(462)
Capital expenditure	(952)	(919)	(614)	(1,058)	(1,456)	(1,763)
Others	(309)	(282)	8	(160)	(171)	(103)
Investing cash flow	(1,261)	(1,202)	(606)	(1,218)	(1,627)	(1,866)
Dividend paid	(581)	-	(814)	(1,092)	(1,354)	(1,455)
Net change in debt	1,290	(504)	(456)	(550)	405	405
Others	463	651	2,401	2,579	2,275	2,429
Financing cash flow	1,753	147	1,945	2,029	2,681	2,834
Change in cash	726	(308)	(149)	(155)	13	506
Beginning cash flow	1,085	1,811	1,503	1,354	1,199	1,212
Ending cash flow	1,811	1,503	1,354	1,199	1,212	1,718

Source : Company, KSI Research & Bloomberg



Financial Ratio

Key Ratios	2022A	2023A	2024A	2025F	2026F	2027F
Revenue Growth (%)	9%	5%	9%	3%	6%	6%
Gross Profit Growth (%)	-4%	-2%	49%	3%	6%	6%
Operating Profit Growth (%)	-22%	-19%	132%	1%	7%	6%
EBITDA Growth (%)	-22%	-17%	120%	1%	7%	6%
Net Profit Growth (%)	-30%	-35%	225%	3%	9%	7%
EPS Growth (%)	-22%	-17%	120%	1%	7%	6%
Gross margin (%)	16%	15%	20%	20%	20%	20%
EBIT margin (%)	6%	4%	9%	9%	9%	9%
EBITDA margin (%)	6%	5%	10%	9%	9%	9%
Net margin (%)	5%	3%	9%	9%	9%	8%
ROE (%)	11%	7%	19%	17%	16%	16%
ROA (%)	5%	3%	9%	9%	9%	8%
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	104.2	116.8	116.7
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	3.3x	2.2x	5.9x	5.4x	5.4x	5.6x
Cash Ratio	19%	14%	15%	12%	16%	14%
Earning Yield (%)	9%	7%	13%	13%	14%	16%
Dividend Yield (%)	3.9%	-	3.6%	4.7%	5.8%	6.2%
PE (x)	10.6x	14.8x	7.5x	7.5x	6.9x	6.4x
PBV (x)	1.1x	1.0x	1.4x	1.2x	1.1x	1.0x
P/Sales (x)	0.3x	0.3x	0.4x	0.4x	0.4x	0.4x
EV/Ebitda (x)	9.5x	10.8x	6.2x	6.1x	6.0x	5.8x

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
 NOT RATED : Stock is not within regular research coverage Over the next 12 month (excluding dividend)



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