

Buy

(Maintained)

Japfa Comfeed Indonesia (JPFA IJ)

FY24 earnings: in line but beat consensus; solid 4Q24 driven by robust livebird segment

Last Price (Rp)	2,020
Target Price (Rp)	2,800
Previous Target Price (Rp)	2,800
Upside/Downside	+38.6%

No. of Shares (mn)	11,411
Mkt Cap (Rpbn/US\$mn)	23,049/1,399
Avg, Daily T/O (Rpbn/US\$mn)	34.9/2.1
Free Float (%)	43.2

Major Shareholder (%)	
Japfa Ltd	55.4

EPS Consensus (Rp)	2025F	2026F	2027F
BRIDS	285.7	313.3	350.8
Consensus	256.0	299.4	406.4
BRIDS/Cons (%)	11.6	4.5	(13.7)

- JPFA booked a net profit of Rp923bn in 4Q24, bringing FY24 net profit to Rp3.0tr, in line with our estimate but above consensus (110%).
- The solid results were supported by improving livebird margins, although feed and DOC margins experienced a decline on a qoq basis.
- We adjust our FY25/26F est. by +7.2/-1.8% but keep our TP unchanged at Rp2,800; maintain Buy rating on attractive FY25 growth outlook.

Robust net profits beating consensus on higher margin

JPFA reported a net profit of Rp923bn in 4Q24 (+50% qoq, reversing losses in 4Q23), bringing FY24 net profit to Rp3.0tr (tripled yoy), in line with our estimate (101%) but above consensus (110%) FY24F. Despite a surge in opex in 4Q24 (+27% qoq, +35% yoy), operating profits remained strong (+26% qoq, a sixfold increase from last year's low base), supported by a higher net gross profit margin of 22.5%. Net gearing further dropped to 56% in 4Q24 from 65% in 3Q24 and 80% in 4Q23, as the company reduced its short-term debt.

Livebird outperformed while feed faced an unusual decline in margin

The qoq net profit increase was mainly driven by livebird operating profits of Rp916bn (from slight losses in 3Q24), supported by higher revenues (+7% qoq) and an improved margin of 13.2% (3Q24: -0.2%) due to a 10% qoq rise in market prices. Feed revenues declined by 2% qoq, while feed OP dropped by half as margins shrank significantly to 3.7% in 4Q24 from 7.9% in 3Q24—an unusual trend in our view given that market corn price only rose by 3% and SBM declined by 10%. Despite a 14% qoq increase in market prices, DOC OPM declined to 14.9% in 4Q24 from 20.4% in the previous quarter.

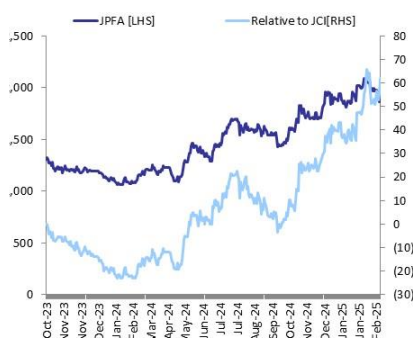
Revised FY25/26F net profit estimates by +7.2/-1.8%

We have slightly adjusted our FY25/26 forecast, with revised net income estimates for FY25/26F of Rp3.4tr/ Rp3.7tr. We expect a higher margin for FY25F, driven by a higher operating margin in the livebird segment of 10.5% (compared to -3%/6% in FY23/FY24). Additionally, we have revised our FY25 assumption for SBM costs downward by 4.4%, bringing it to US\$346/t.

Maintain Buy rating with an unchanged TP of Rp2,800

We maintain our Buy rating with an EV/EBITDA multiple valuation of 6.3x, resulting in an unchanged TP of Rp2,800. Our TP implies an FY25/26F PE multiple of 9.8/8.9x. Risks to our view are slowing demand, a potential spike in feed costs, and uncertainty in government programs.

JPFA relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Victor Stefano

(62-21) 5091 4100 ext. 3505

victor.stefano@brids.co.id

Wilastita Muthia Sofi

(62-21) 5091 4100 ext. 3509

wilastita.sofi@brids.co.id

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	51,176	55,801	56,479	64,376	70,751
EBITDA (Rpbn)	3,272	6,274	6,795	7,442	8,248
EBITDA Growth (%)	(12.8)	91.7	8.3	9.5	10.8
Net Profit (Rpbn)	930	3,019	3,350	3,674	4,114
EPS (Rp)	79.3	257.4	285.7	313.3	350.8
EPS Growth (%)	(34.5)	224.7	11.0	9.7	12.0
BVPS (Rp)	1,127.9	1,319.8	1,380.1	1,443.2	1,519.7
DPS (Rp)	49.5	69.4	225.4	250.1	274.1
PER (x)	25.5	7.8	7.1	6.4	5.8
PBV (x)	1.8	1.5	1.5	1.4	1.3
Dividen yield (%)	2.5	3.4	11.2	12.4	13.6
EV/EBITDA	10.7	5.2	4.8	4.4	3.9

Source: JPFA, BRIDS Estimates

Exhibit 1. JPFA FY24 result summary

JPFA (Rp bn)	4Q23	3Q24	4Q24	y-o-y	q-o-q	12M23	12M24	y-o-y	FY24F	FY24C	A/F	A/C
Consolidated												
Revenue	13,408	13,631	14,521	8%	7%	51,176	55,801	9%	53,497	55,031	104%	101%
COGS	(11,819)	(11,044)	(11,247)	-5%	2%	(43,665)	(44,583)	2%	(42,627)	(44,544)	105%	100%
Gross Profit	1,590	2,587	3,274	106%	27%	7,511	11,218	49%	10,870	10,487	103%	107%
Total Opex	(1,370)	(1,453)	(1,844)	35%	27%	(5,247)	(6,005)	14%	(5,357)	(5,665)	112%	106%
Operating Profit	220	1,134	1,430	551%	26%	2,264	5,213	130%	5,513	4,822	95%	108%
Pretax profit	(35)	847	1,215	n/a	43%	1,261	4,241	236%	4,447	3,982	95%	107%
Net profit	(8)	617	923	n/a	50%	930	3,019	225%	2,994	2,753	101%	110%
Gross margin	11.9%	19.0%	22.5%	1,069 bp	357 bp	14.7%	20.1%	543 bp	20.3%	19.1%		
Opex to revenue	10.2%	10.7%	12.7%	248 bp	204 bp	10.3%	10.8%	51 bp	10.0%	10.3%		
Operating margin	1.6%	8.3%	9.8%	821 bp	153 bp	4.4%	9.3%	492 bp	10.3%	8.8%		
Tax rate	-46.2%	22.9%	20.5%	6,664 bp	(241)bp	25.0%	24.3%	(74)bp	26.3%			
Net margin	-0.1%	4.5%	6.4%	641 bp	183 bp	1.8%	5.4%	359 bp	5.6%	5.0%		
Segment breakdown												
Feed revenue	8,897	8,268	8,086	-9%	-2%	33,292	33,492	1%				
DOC revenue	1,585	1,850	2,044	29%	10%	6,499	8,006	23%				
Live birds revenue	6,531	6,490	6,938	6%	7%	24,881	26,913	8%				
Total revenue	21,056	20,963	21,744	3%	4%	80,713	85,642	6%				
Feed margin	7.1%	7.9%	3.7%	(336)bp	(416)bp	8.2%	7.1%	(114)bp				
DOC margin	-2.3%	20.4%	14.9%	1,723 bp	(547)bp	3.6%	17.2%	1,357 bp				
Live birds margin	-5.8%	-0.2%	13.2%	1,901 bp	1,346 bp	-2.5%	5.9%	836 bp				
Total operating margin	2.9%	6.2%	8.1%	525 bp	195 bp	4.0%	7.4%	338 bp				

Source: Company, BRIDS Estimates

Exhibit 2. Summary of forecast revision

Financial	2025F			2026F		
	Prev	New	Changes	Prev	New	Changes
Revenue (Rpbn)	52,366	56,479	7.9%	57,509	64,376	11.9%
EBITDA (Rpbn)	6,798	6,795	0.0%	7,807	7,442	-4.7%
Net Profit (Rpbn)	3,124	3,350	7.2%	3,738	3,672	-1.8%
Price	2025F			2026F		
	Prev	New	Changes	Prev	New	Changes
Live Bird (Rp/kg live)	20,654	20,602	-0.3%	21,251	21,351	0.5%
DOC (Rp/bird)	8,070	7,215	-10.6%	8,282	7,357	-11.2%
Corn (Rp/kg)	5,670	5,833	2.9%	5,868	6,037	2.9%
Soybean meal (US\$/t)	362	346	-4.4%	369	353	-4.4%

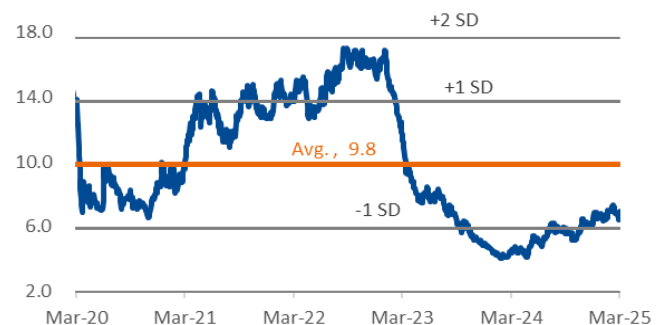
Source: BRIDS Estimates

Exhibit 3. JPFA EV/EBITDA band chart (5-year)



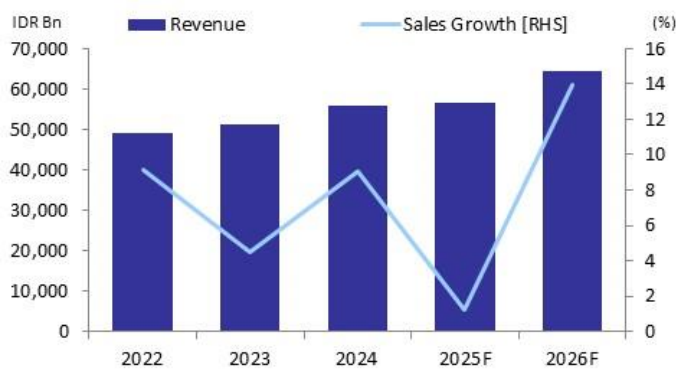
Source: Bloomberg, BRIDS Estimates

Exhibit 4. JPFA P/E band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 5. Revenue and Growth



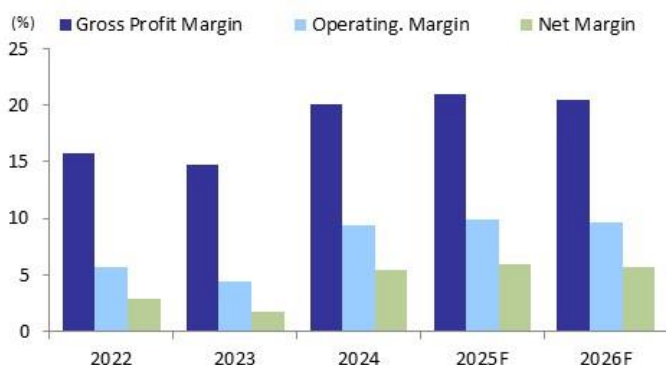
Source: Company, BRIDS Estimates

Exhibit 6. Net Profit and Growth



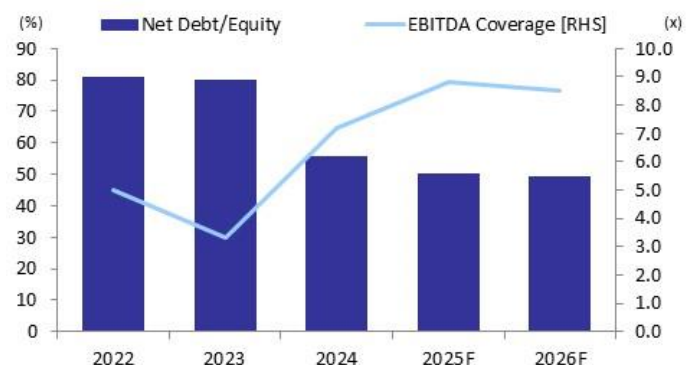
Source: Company, BRIDS Estimates

Exhibit 7. Margins



Source: Company, BRIDS Estimates

Exhibit 8. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 9. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	51,176	55,801	56,479	64,376	70,751
COGS	(43,665)	(44,583)	(44,616)	(51,245)	(56,276)
Gross profit	7,511	11,218	11,864	13,131	14,475
EBITDA	3,272	6,274	6,795	7,442	8,248
Oper. profit	2,264	5,213	5,622	6,180	6,909
Interest income	44	50	23	27	31
Interest expense	(988)	(870)	(770)	(875)	(983)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(59)	(152)	(168)	(173)	(178)
Pre-tax profit	1,261	4,241	4,707	5,160	5,778
Income tax	(315)	(1,029)	(1,142)	(1,252)	(1,402)
Minority interest	(16)	(193)	(215)	(235)	(263)
Net profit	930	3,019	3,350	3,674	4,114
Core Net Profit	930	3,010	3,352	3,673	4,113

Exhibit 10. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	1,503	1,354	1,776	1,912	2,317
Receivables	2,586	2,761	2,713	3,092	3,399
Inventory	11,321	11,120	11,229	12,897	14,163
Other Curr. Asset	1,809	1,934	2,011	2,277	2,461
Fixed assets - Net	13,395	13,754	13,821	13,712	13,431
Other non-curr.asset	3,496	3,743	4,124	4,223	4,285
Total asset	34,109	34,666	35,673	38,114	40,056
ST Debt	4,909	3,213	3,212	9,211	9,210
Payables	4,891	4,636	4,767	5,475	6,013
Other Curr. Liabilities	884	1,447	1,435	1,541	1,640
Long Term Debt	7,915	7,382	7,347	1,808	1,808
Other LT. Liabilities	1,342	1,415	1,419	1,610	1,752
Total Liabilities	19,941	18,092	18,179	19,647	20,424
Shareholder's Funds	13,226	15,477	16,184	16,924	17,821
Minority interests	941	1,096	1,310	1,546	1,809
Total Equity & Liabilities	34,108	34,665	35,673	38,116	40,054

Exhibit 11. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	930	3,019	3,350	3,674	4,114
Depreciation and Amort.	1,008	1,061	1,173	1,262	1,339
Change in Working Capital	461	(270)	(394)	(1,594)	(1,176)
Other Oper. Cash Flow	(27)	1,051	525	560	601
Operating Cash Flow	2,372	4,860	4,655	3,902	4,878
Capex	(1,954)	(1,592)	(1,547)	(1,476)	(1,393)
Others Inv. Cash Flow	(106)	(31)	11	17	21
Investing Cash Flow	(2,060)	(1,623)	(1,535)	(1,459)	(1,373)
Net change in debt	(27)	(2,229)	(36)	461	(1)
New Capital	180	22	0	0	0
Dividend payment	(581)	(814)	(2,643)	(2,933)	(3,214)
Other Fin. Cash Flow	(128)	(369)	5	193	146
Financing Cash Flow	(556)	(3,389)	(2,674)	(2,280)	(3,069)
Net Change in Cash	(244)	(152)	445	163	436
Cash - begin of the year	1,811	1,503	1,354	1,776	1,912
Cash - end of the year	1,503	1,354	1,776	1,912	2,317

Exhibit 12. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	4.5	9.0	1.2	14.0	9.9
EBITDA	(12.8)	91.7	8.3	9.5	10.8
Operating profit	(19.2)	130.3	7.8	9.9	11.8
Net profit	(34.5)	224.7	11.0	9.7	12.0
Profitability (%)					
Gross margin	14.7	20.1	21.0	20.4	20.5
EBITDA margin	6.4	11.2	12.0	11.6	11.7
Operating margin	4.4	9.3	10.0	9.6	9.8
Net margin	1.8	5.4	5.9	5.7	5.8
ROAA	2.8	8.8	9.5	10.0	10.5
ROAE	7.2	21.0	21.2	22.2	23.7
Leverage					
Net Gearing (x)	0.8	0.6	0.5	0.5	0.4
Interest Coverage (x)	2.3	6.0	7.3	7.1	7.0

Source: JPFA, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement, Infrastructure	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Kafi Ananta Azhari	Research Associate	kafi.azhari@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.