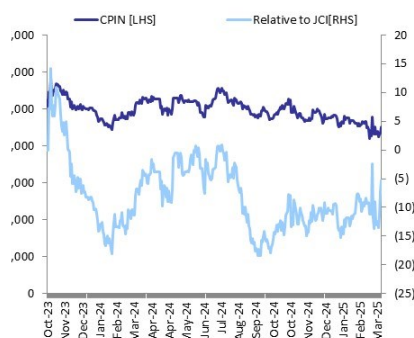


Buy

(Maintained)

Last Price (Rp)	4,500
Target Price (Rp)	6,800
Previous Target Price (Rp)	6,700
Upside/Downside	+51.1%
No. of Shares (mn)	16,398
Mkt Cap (Rpbn/US\$mn)	73,791/4,465
Avg, Daily T/O (Rpbn/US\$mn)	23.9/1.4
Free Float (%)	44.5
Major Shareholder (%)	
PT Charoen Pokphand Indonesia Group	55.5
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	267.9 301.6 384.0
Consensus	239.5 256.3 352.5
BRIDS/Cons (%)	11.9 17.7 8.9

CPIN relative to JCI Index



Source: Bloomberg

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Charoen Pokphand Indonesia (CPIN IJ)

FY24 Results – In line core net profit; headline net profit beat ours and consensus' est.

- Despite the high effective tax rate in 4Q24, CPIN reported a net profit of Rp1.3tr (+114% qoq), above ours (107%) and consensus (115%).
- The robust earnings were driven by margin expansion across all business segments, especially the turnover in livebird business.
- We raised FY25-26F est. by 9-16%. Maintain Buy with a higher TP of Rp6,800 as we believe the current -2SD valuation is unjustified.

Above ours and consensus amid the high effective tax rate

CPIN reported a net profit of Rp1.3tr in 4Q24 (+114% qoq, reversing losses in 4Q23). Despite a significantly higher tax rate of 29.4%, CPIN delivered FY24 net profit of Rp3.7tr (+60% yoy), above our estimate (107%) and consensus (115%) FY24F. The elevated 4Q24 tax rate of 39.4% partially offset CPIN's strong operating profit of Rp2.1tr (+124% qoq). Excluding the fair value gain on biological assets, CPIN booked a core net profit of Rp1.0tr in 4Q24. FY24's core net profit stood at Rp3.46tr, in line with our estimates.

Supported by margin expansion across business segments

The qoq net profit increase was driven by higher margins across all segments. Despite higher opex (+24% qoq, +10% yoy), OPM doubled from 5.6% in 3Q24 to 11.8% in 4Q24, likely due to combination of higher ASP and lower input costs. Gross revenues were flat qoq but grew 13% yoy in 4Q24, as the decline in feed revenues was offset by higher DOC and livebird revenues. Feed revenues declined by 7% qoq, but feed OPM improved 117bps qoq to 9.7%, driven by lower SBM prices (-10%) offsetting higher corn prices (+3%), in our view. Both DOC and broiler business recorded positive revenues and margin expansion. The processed food segment maintained a positive OPM in 4Q24.

Revised FY25/FY26 net profit by +9/+16%

We adjusted our numbers considering the robust FY24 results and revised up our FY25/26F net profits by 9/16%. Our new FY25/FY26F implies +6/+10% EBITDA growth and +18/+13% earnings growth on normalized tax rates.

Maintain Buy rating with a higher TP of Rp6,800

Maintain Buy with a higher TP of Rp6,800 (based on 14.9x FY25F EV/EBITDA) as we revised our FY25F EBITDA by 2% while maintaining our valuation multiple at -0.5SD. Currently CPIN is trading at FY25F 9.9x EV/EBITDA and 16.8x P/E, both of which are at -2SD of its 5-year average. Risk to our view are lower LB prices and foreign outflow.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	61,616	67,478	65,368	74,070	83,574
EBITDA (Rpbn)	5,160	7,186	7,617	8,377	10,164
EBITDA Growth (%)	(3.1)	39.2	6.0	10.0	21.3
Net Profit (Rpbn)	2,319	3,713	4,393	4,946	6,297
EPS (Rp)	141.4	226.4	267.9	301.6	384.0
EPS Growth (%)	(20.8)	60.1	18.3	12.6	27.3
BVPS (Rp)	1,647.3	1,846.2	1,906.0	1,961.3	2,067.9
DPS (Rp)	100.0	30.0	208.2	246.3	277.3
PER (x)	31.8	19.9	16.8	14.9	11.7
PBV (x)	2.7	2.4	2.4	2.3	2.2
Dividen yield (%)	2.2	0.7	4.6	5.5	6.2
EV/EBITDA	15.6	10.8	9.9	9.0	7.3

Source: CPIN, BRIDS Estimates

Exhibit 1. CPIN FY24 Result Summary

CPIN (Rp bn)	4Q23	3Q24	4Q24	y-o-y	q-o-q	FY23	FY24	y-o-y	FY24F	FY24C	A/F	A/C
Consolidated												
Net Revenue	14,487	16,757	17,759	23%	6%	61,616	67,478	10%	68,194	66,066	99%	102%
COGS	(13,126)	(14,733)	(14,315)	9%	-3%	(53,341)	(57,058)	7%	(58,115)	(56,481)	98%	101%
Gross Profit	1,361	2,023	3,445	153%	70%	8,275	10,420	26%	10,079	9,585	103%	109%
Total Opex	(1,228)	(1,089)	(1,349)	10%	24%	(4,330)	(4,630)	7%	(4,702)	(4,600)	98%	101%
Operating Profit	133	935	2,095	1475%	124%	3,944	5,790	47%	5,377	4,985	108%	116%
Pretax profit	(350)	562	2,201	n/a	292%	2,997	5,256	75%	4,578	4,134	115%	127%
Net profit	(356)	619	1,326	n/a	114%	2,319	3,713	60%	3,462	3,224	107%	115%
Core profit	(326)	810	997	n/a	23%	2,372	3,462	46%	3,460		100%	
Gross margin	9.4%	12.1%	19.4%	1,000 bp	732 bp	13.4%	15.4%	201 bp	14.8%	14.5%		
Opex to revenue	8.5%	6.5%	7.6%	(88)bp	110 bp	7.0%	6.9%	(17)bp	6.9%	7.0%		
Operating margin	0.9%	5.6%	11.8%	1,088 bp	622 bp	6.4%	8.6%	218 bp	7.9%	7.5%		
Tax rate	-1.7%	-10.0%	39.8%	n/a	n/a	22.6%	29.4%	677 bp	24.3%			
Net margin	-2.5%	3.7%	7.5%	n/a	377 bp	3.8%	5.5%	174 bp	5.1%	4.9%		
Segment breakdown												
Feed revenue	12,335	13,329	12,400	1%	-7%	49,427	50,639	2%				
DOC revenue	1,524	2,255	2,519	65%	12%	7,187	9,420	31%				
Live birds revenue	8,831	10,167	11,054	25%	9%	37,180	41,674	12%				
Processed food revenue	2,734	2,988	2,923	7%	-2%	10,012	11,945	19%				
Total gross revenue	27,259	30,831	30,710	13%	0%	110,335	120,959	10%				
Feed margin	10.5%	8.5%	9.7%	(80)bp	117 bp	9.2%	7.9%	(136)bp				
DOC margin	-5.2%	2.9%	6.2%	1,142 bp	329 bp	-4.2%	4.9%	909 bp				
Live birds margin	-6.4%	-2.3%	10.3%	1,667 bp	1,263 bp	-1.1%	4.9%	601 bp				
Processed food margin	-5.0%	0.5%	3.0%	799 bp	256 bp	5.8%	-0.7%	(648)bp				
Total operating margin	2.1%	3.1%	8.3%	618 bp	516 bp	4.0%	5.2%	119 bp				

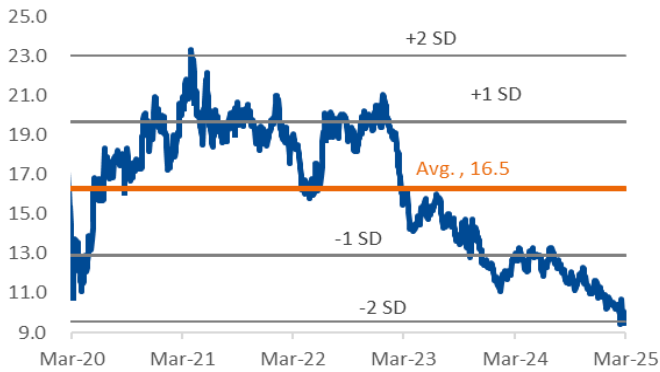
Source: Company, BRIDS Estimates

Exhibit 2. Summary of forecast revision

Financial	2025F			2026F		
	Prev	New	Changes	Prev	New	Changes
Revenue (Rpbn)	65,030	65,368	0.5%	72,877	74,070	1.6%
EBITDA (Rpbn)	7,498	7,617	1.6%	7,890	8,377	6.2%
Net Profit (Rpbn)	4,021	4,393	9.3%	4,260	4,946	16.1%
Price	2025F			2026F		
	Prev	New	Changes	Prev	New	Changes
Live Bird (Rp/kg live)	20,991	20,722	-1.3%	21,544	21,576	0.1%
DOC (Rp/bird)	7,152	7,026	-1.8%	7,352	7,272	-1.1%
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. CPIN EV/EBITDA band chart (5-year)



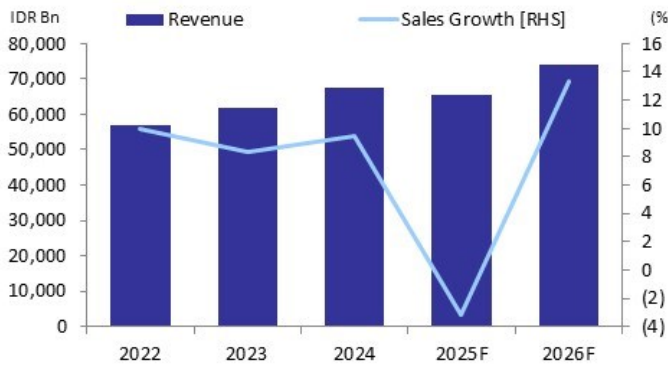
Source: Bloomberg, BRIDS Estimates

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



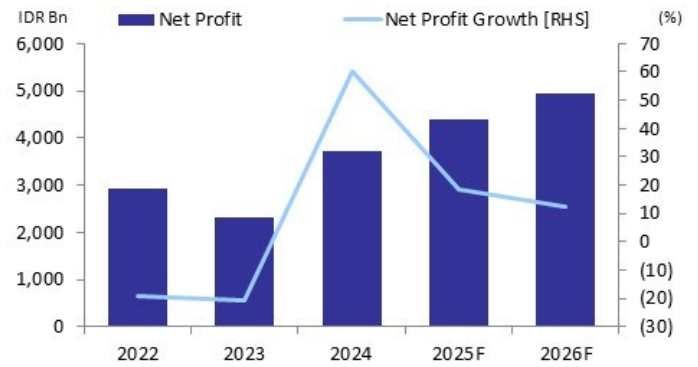
Source: Bloomberg, BRIDS Estimates

Exhibit 5. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 6. Net Profit and Growth



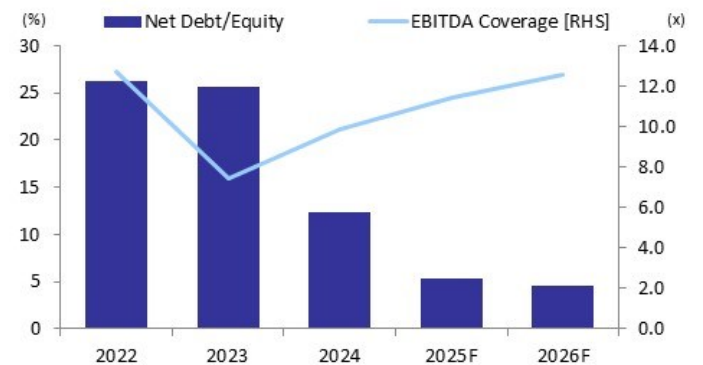
Source: Company, BRIDS Estimates

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	61,616	67,478	65,368	74,070	83,574
COGS	(53,341)	(57,058)	(54,300)	(61,725)	(68,858)
Gross profit	8,275	10,420	11,068	12,345	14,715
EBITDA	5,160	7,186	7,617	8,377	10,164
Oper. profit	3,944	5,790	6,152	6,853	8,589
Interest income	28	44	64	67	78
Interest expense	(698)	(732)	(667)	(667)	(667)
Forex Gain/(Loss)	12	(43)	(10)	(2)	(2)
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(290)	198	165	171	177
Pre-tax profit	2,997	5,256	5,704	6,422	8,175
Income tax	(679)	(1,545)	(1,312)	(1,477)	(1,880)
Minority interest	0	1	1	2	2
Net profit	2,319	3,713	4,393	4,946	6,297
Core Net Profit	2,307	3,756	4,404	4,948	6,299

Exhibit 10. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	2,328	4,446	6,618	6,832	7,973
Receivables	1,827	2,182	1,942	2,200	2,483
Inventory	9,299	9,375	8,885	10,100	11,267
Other Curr. Asset	4,871	5,337	5,425	5,649	5,874
Fixed assets - Net	17,690	16,928	16,368	15,769	15,135
Other non-curr.asset	4,956	4,523	4,625	4,730	4,837
Total asset	40,971	42,791	43,863	45,280	47,569
ST Debt	7,393	5,400	5,400	5,400	5,400
Payables	2,886	2,420	2,524	2,870	3,201
Other Curr. Liabilities	845	770	678	762	894
Long Term Debt	1,841	2,794	2,882	2,884	2,886
Other LT. Liabilities	978	1,119	1,111	1,191	1,268
Total Liabilities	13,942	12,502	12,596	13,107	13,650
Shareholder's Funds	27,013	30,274	31,254	32,161	33,910
Minority interests	16	15	14	12	10
Total Equity & Liabilities	40,971	42,791	43,863	45,280	47,569

Exhibit 11. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	2,319	3,713	4,393	4,946	6,297
Depreciation and Amort.	1,216	1,396	1,465	1,524	1,575
Change in Working Capital	256	(1,385)	692	(1,268)	(1,211)
Other Oper. Cash Flow	(644)	582	(33)	(34)	(36)
Operating Cash Flow	3,146	4,306	6,517	5,168	6,624
Capex	(1,382)	(834)	(905)	(925)	(941)
Others Inv. Cash Flow	6	326	(67)	(69)	(70)
Investing Cash Flow	(1,376)	(508)	(972)	(994)	(1,011)
Net change in debt	234	(1,044)	50	2	2
New Capital	0	0	0	0	0
Dividend payment	(1,640)	(492)	(3,414)	(4,039)	(4,548)
Other Fin. Cash Flow	187	(75)	(10)	77	74
Financing Cash Flow	(1,219)	(1,611)	(3,374)	(3,960)	(4,472)
Net Change in Cash	551	2,187	2,171	214	1,142
Cash - begin of the year	2,042	2,328	4,446	6,618	6,832
Cash - end of the year	2,328	4,446	6,618	6,832	7,973

Exhibit 12. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	8.3	9.5	(3.1)	13.3	12.8
EBITDA	(3.1)	39.2	6.0	10.0	21.3
Operating profit	(5.8)	46.8	6.3	11.4	25.3
Net profit	(20.8)	60.1	18.3	12.6	27.3
Profitability (%)					
Gross margin	13.4	15.4	16.9	16.7	17.6
EBITDA margin	8.4	10.6	11.7	11.3	12.2
Operating margin	6.4	8.6	9.4	9.3	10.3
Net margin	3.8	5.5	6.7	6.7	7.5
ROAA	5.7	8.9	10.1	11.1	13.6
ROAE	8.7	13.0	14.3	15.6	19.1
Leverage					
Net Gearing (x)	0.3	0.1	0.1	0.0	0.0
Interest Coverage (x)	5.7	7.9	9.2	10.3	12.9

Source: CPIN, BRIDS Estimates

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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

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