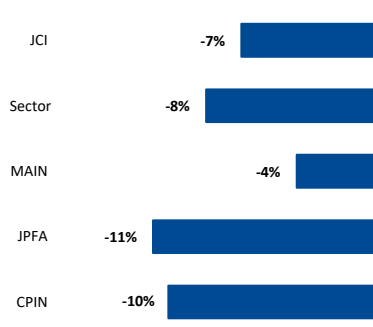


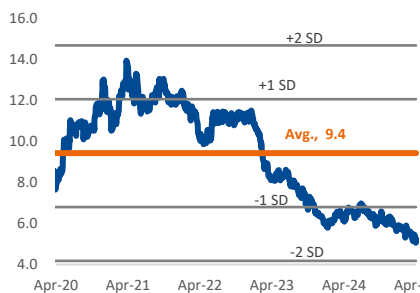
Overweight

(Maintained)

YTD share price performance



Sector EV/EBITDA band chart



Source: Bloomberg, BRIDS

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Poultry

Lebaran demand disappointed, weighing on sector outlook despite a still decent 1Q25 earnings est.

- LB prices during 2025 Ramadan and Lebaran fell short of expectations, reflecting weak demand and softer economic activity.
- Despite margin pressure from lower LB prices during Ramadan, we still expect decent 1Q25 earnings, with downside risks anticipated in 2Q25.
- Maintain OW rating on sound fundamentals and cheap valuations. Pecking order: MAIN, JPFA, CPIN.

Data pointing to weak Lebaran demand

We had anticipated post Lebaran price decline due to the oversupply caused by lack of government incentive to boost demand, absence of supply adjustment, and minimum effect of lower GPS import. However, during the Ramadan and Lebaran in 2025, we saw livebird (LB) prices only averaged at Rp19.4k/kg, lower than the Rp20.5k we anticipated, and much lower than the historical average (2021, 2022, and 2024) of Rp22.3k. The 2025 prices were similar to 2023's average of Rp19.2k where Lebaran demand was also soft. The trend was also confirmed by BBCA's data which show that Business Transaction Index and Consumer Spending Index pointing at lower activity during 2025 Ramadan compared to 2024.

We still expect positive earnings yoy in 1Q25; earnings risk in 2Q25

The lower-than-anticipated chicken prices during 2025 Ramadan period are likely to result in margin compression in 1Q25. We estimate CPIN, JPFA, and MAIN to 1Q25 book NP of Rp977-1,151bn, Rp655-797bn, and Rp98-118bn, respectively. These figures represent a 27-13% qoq decline, but a solid 18-41% yoy increase in earnings. The lower margin in 1Q25 is primarily attributed to a decline in LB and DOC prices, which fell by 4% qoq dan 10% qoq, respectively. On a positive note, overall input costs, particularly soybean meals (SBM), declined by 4% qoq during the quarter. The still relatively decent earnings expectation in 1Q25 is largely supported by the strong momentum observed in 2M25.

Lower-than-anticipated Lebaran could drag FY25F earnings estimate

Our 1Q25 earnings estimate forms 21-25% of our FY25F (21-25% of consensus'). Historically, quarter with Ramadan season contributed around 32% of the respective FY earnings. We still expect a better-supply demand dynamic in 2H25 on lower supply, but the lower contribution from this year Ramadan and risk on 2Q25 earnings could put risk on FY25F earnings growth outlook. We are maintaining our FY25F numbers pending the 1Q25 results. Our estimate is 0.6% higher compared to the consensus.

We Maintain Overweight with near-term cautious outlook

The government has recommended a voluntary culling program to manage the oversupply, which, if executed effectively, should help stabilize the price by mid-May, at the earliest. Despite that, there is still risk if supply adjustment fails to meet demand. However, the sector is still trading at -1.4 SD from its 5-year EV/EBITDA average, and we have Buy ratings on all integrators, with pecking order as follows: MAIN, JPFA, and CPIN, based on cheaper valuation. Risks to our call are failure in supply adjustment and persistent weak purchasing power in the mass market segment.

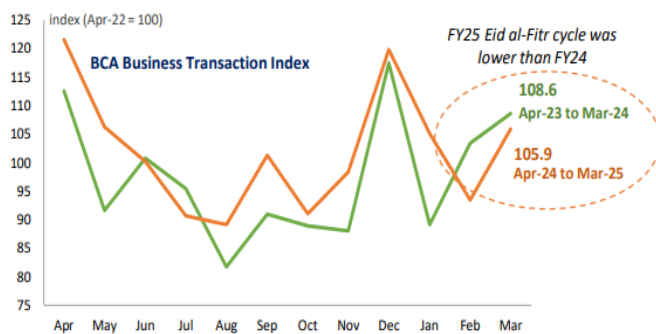
Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%)
					2025F	2026F	2025F	2026F	
Charoen Pokphand Indonesia	CPIN IJ	BUY	6,800	70,183.4	16.0	14.2	2.3	2.2	15.6
Japfa Comfeed Indonesia	JPFA IJ	BUY	2,800	20,287.0	7.0	6.4	1.5	1.4	22.2
Malindo Feedmill Indonesia	MAIN IJ	BUY	1,900	1,645.5	3.5	2.3	0.5	0.4	19.1

Exhibit 1. Weekly average LB price during Ramadan and Lebaran

West Java's Livebird Price (Rp '000/kg)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025E	Average 2017-2024 (exc. 2020)
30D before Ramadan	17.9	20.4	19.2	12.1	21.2	20.6	17.5	21.2	19.6		
First week of Ramadan	19.0	21.8	19.0	12.0	23.3	23.0	18.2	21.8	20.4	19.5	19.5
Second week of Ramadan	16.5	22.1	17.9	15.4	20.2	21.8	17.2	22.0	19.5	18.8	19.8
Third week of Ramadan	17.3	20.9	18.0	19.5	20.6	22.6	18.8	21.4	19.1	19.1	22.1
Fourth week of Ramadan	20.2	21.3	20.6	21.3	21.9	24.9	22.7	23.8	19.1	19.1	22.1
During Ramadan and Lebaran	18.1	21.5	18.8	16.9	21.7	23.0	19.2	22.1	19.4	20.5	20.5

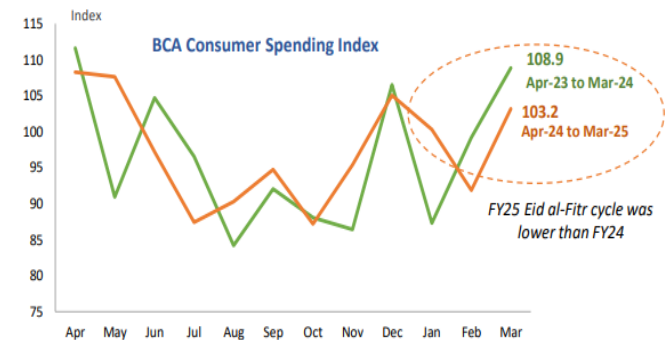
Source: Pinsar, BRIDS Estimates

Exhibit 2. BCA Business Transaction Index



Source: BCA

Exhibit 3. BCA Consumer Spending Index



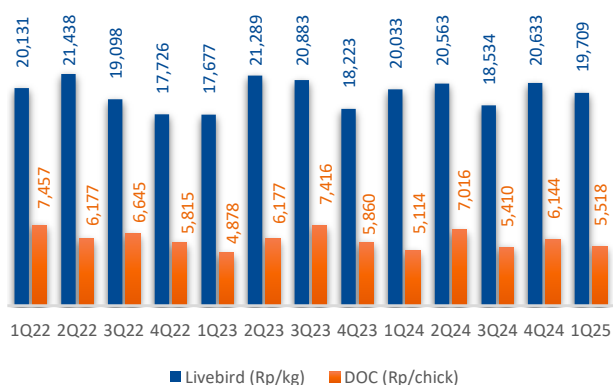
Source: BCA

Exhibit 4. Poultry's 1Q25 Earnings Estimates

Net Profit (Rpbn)	1Q25E	% to BRIDS	% to Cons
CPIN	977 - 1,151	22% - 26%	23% - 27%
JPFA	655 - 797	20% - 24%	19% - 23%
MAIN	98 - 118	21% - 25%	n.a - n.a

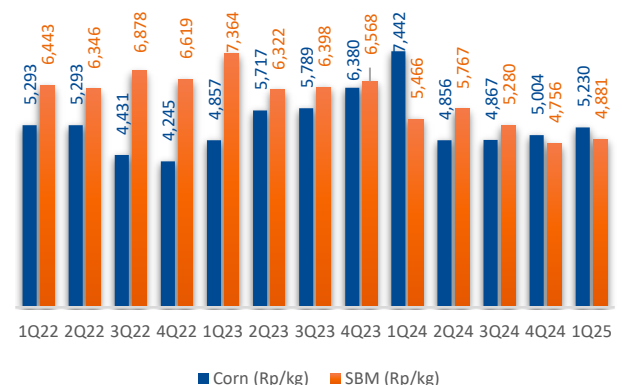
Source: BRIDS Estimates, Bloomberg

Exhibit 5. Average LB and DOC prices



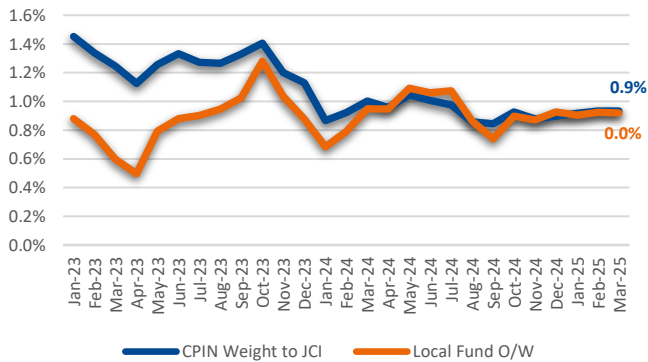
Source: Various sources, BRIDS

Exhibit 6. Average local and SBM price



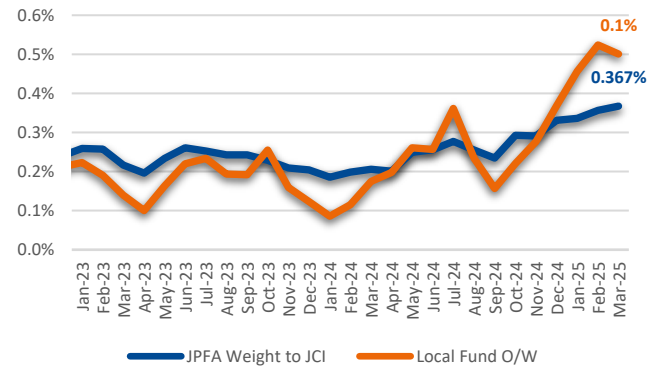
Source: Various sources, BRIDS

Exhibit 7. CPIN's weighting and local funds position



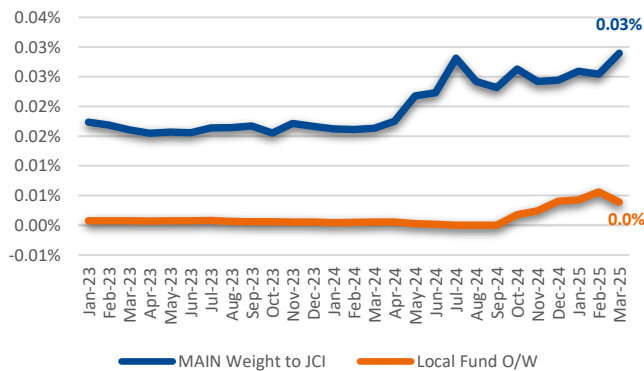
Source: KSEI, BRIDS

Exhibit 8. JPFA's weighting and local funds position



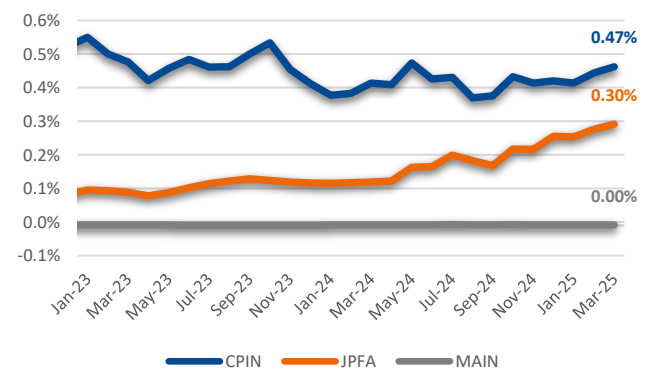
Source: KSEI, BRIDS

Exhibit 9. MAIN's weighting and local funds position



Source: KSEI, BRIDS

Exhibit 10. Foreign funds ownership



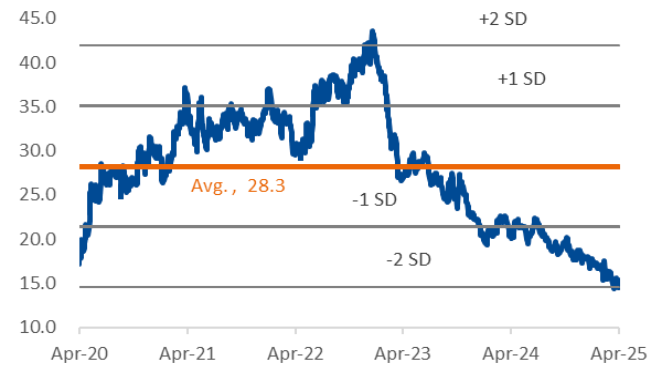
Source: KSEI, BRIDS

Exhibit 11. CPIN EV/EBITDA band chart (5-year)



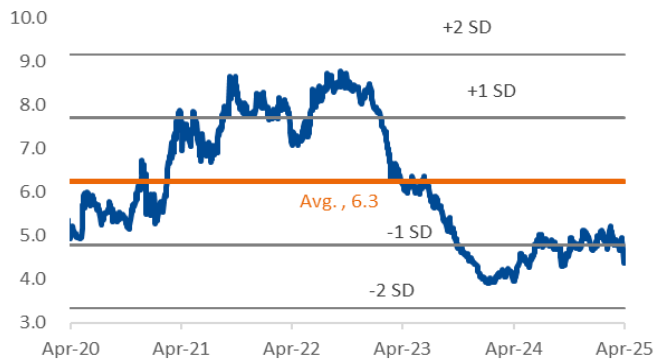
Source: Bloomberg, BRIDS Estimates

Exhibit 12. CPIN P/E band chart (5-year)



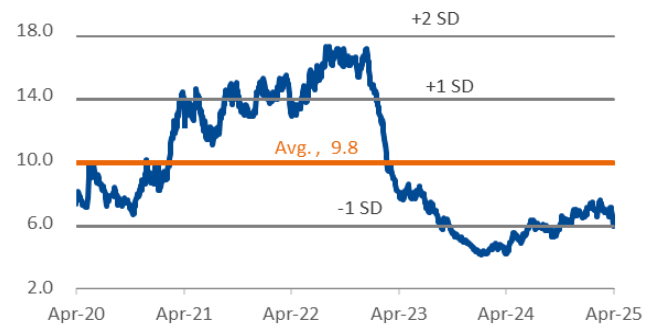
Source: Bloomberg, BRIDS Estimates

Exhibit 13. JPFA EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 14. JPFA P/E band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 15. MAIN EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 16. MAIN P/BV band chart (5-year)



Source: Bloomberg, 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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