Buy

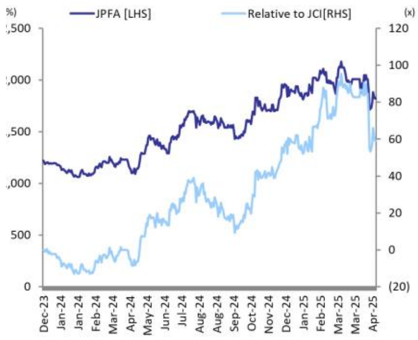
(Maintained)

Last Price (Rp)	**1,820**
Target Price (Rp)	**▼ 2,100**
Previous Target Price (Rp)	***2,800***
Upside/Downside	**+15.4%**
No. of Shares (mn)	**11,411**
Mkt Cap (Rpbn/US$mn)	**20,767/1,251**
Avg, Daily T/O (Rpbn/US$mn)	**41.5/2.5**
Free Float (%)	**43.2**
Major Shareholder (%)	
Japfa Ltd	**55.4**

EPS Consensus (Rp)

	2025F	2026F	2027F
BRIDS	213.9	232.1	259.9
Consensus	287.4	319.4	365.4
BRIDS/Cons (%)	**(25.6)**	**(27.3)**	**(28.9)**

JPFA relative to JCI Index



Source: Bloomberg

Japfa Comfeed Indonesia (JPFA IJ)

1Q25 Earnings Miss: Decent Margin but Missing Eid Festive Earnings momentum

- **JPFA posted net profit of Rp680bn in 1Q25 (-26% qoq, +2% yoy), forming 20% of our and consensus' FY25F, below in view of Eid season.**
- **The lower-than-expected earnings were driven by the weak margin in DOC and broiler business, though partly offset by higher margin in feed.**
- **Maintain BUY with a lower TP of Rp2,100 after we adjust our FY25F EBITDA by 18% taking into account the weak 1Q25 Eid festive quarter.**

Lower operating profit margin coupled with higher effective tax rate

JPFA posted net profit of Rp680bn in 1Q25 (-26% qoq, +2% yoy), forming only 20% of our and consensus FY25F — below expectations. Gross revenue rose modestly by 2% qoq and 2% yoy, but operating profit margin declined to 6.5% (-161bps qoq, -24bps yoy), resulting in operating profit of Rp1.1tr (-22% qoq, flat yoy). Opex was lower qoq (high 4Q24 base) but up 16% yoy, likely due to Eid allowance timing. The effective tax rate rose to 22.7% in 1Q25 (vs. 20.5% in 4Q24 and 20.2% in 1Q24).

Feed margin recovered, DOC and broiler business declined

Feed margin rebounded to 7.3% in 1Q25 (from an exceptionally low 3.7% in 4Q24) but remained lower vs. 8.1% in 1Q24, likely due to the lower ASP. Meanwhile, margins in the DOC and broiler segments declined qoq, pressured by lower ASP, although they remained in positive territory. On the other hand, processed food revenue grew by 2% qoq and 22% yoy to Rp2.5tr, but its margin contracted by 109bps qoq to 4.0%.

Revised FY25/26F net profit estimates by -25/-26%

We lowered our FY25 livebird ASP assumption from Rp20,602/kg to Rp18,746/kg, taking into account the softer demand during the 2025 Eid festive, while adjusting our SBM cost from US$346/t to US$324/t, reflecting the lower-than-estimated prices YTD. Hence, our FY25/26F EBITDA came in 18/18% lower than our previous estimates.

Maintain Buy rating with a lower TP of Rp2,100

We maintain our valuation target multiple unchanged at the 5-year EV/EBITDA average of 6.3x, resulting in a lower TP of Rp2,100 (from Rp2,800 prev.). Our TP implies an undemanding PE valuation of 9.8x FY25F, hence we maintain our BUY rating. Risks to our view are persistent weak purchasing power and government interventions.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	51,176	55,801	53,896	61,387	67,445
EBITDA (Rpbn)	3,272	6,274	5,609	6,105	6,750
EBITDA Growth (%)	(12.8)	91.7	(10.6)	8.8	10.6
Net Profit (Rpbn)	930	3,019	2,508	2,720	3,048
EPS (Rp)	79.3	257.4	213.9	232.1	259.9
EPS Growth (%)	(34.5)	224.7	(16.9)	8.5	12.0
BVPS (Rp)	1,127.9	1,319.8	1,308.3	1,353.1	1,409.8
DPS (Rp)	49.5	69.4	225.4	187.2	203.0
PER (x)	23.0	7.1	8.5	7.8	7.0
PBV (x)	1.6	1.4	1.4	1.3	1.3
Dividen yield (%)	2.7	3.8	12.4	10.3	11.2
EV/EBITDA	10.0	4.9	5.5	5.1	4.6

Source: JPFA, BRIDS Estimates

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Exhibit 1. JPFA 1Q25 result summary

JPFA (Rp bn)	1Q24	4Q24	1Q25	y-o-y	q-o-q	3M24	3M25	y-o-y	FY25F	FY25C	A/F	A/C
Consolidated												
Revenue	**13,925**	**14,521**	**14,332**	***3%***	***-1%***	**13,925**	**14,332**	***3%***	**56,479**	**60,187**	***25%***	***24%***
COGS	(11,451)	(11,247)	(11,638)	*2%*	*3%*	(11,451)	(11,638)	*2%*	(44,616)	(48,172)	*26%*	*24%*
Gross Profit	**2,474**	**3,274**	**2,695**	***9%***	***-18%***	**2,474**	**2,695**	***9%***	**11,864**	**12,015**	***23%***	***22%***
Total Opex	(1,360)	(1,844)	(1,576)	*16%*	*-15%*	(1,360)	(1,576)	*16%*	(6,242)	(6,591)	*25%*	*24%*
Operating Profit	**1,115**	**1,430**	**1,119**	***0%***	***-22%***	**1,115**	**1,119**	***0%***	**5,622**	**5,424**	***20%***	***21%***
Pretax profit	891	1,215	979	*10%*	*-19%*	895	977	*9%*	4,707	4,590	*21%*	*21%*
Net profit	**665**	**923**	**680**	***2%***	***-26%***	**665**	**680**	***2%***	**3,350**	**3,421**	***20%***	***20%***
Gross margin	17.8%	22.5%	18.8%	*103 bp*	*(375)bp*	17.8%	18.8%	*103 bp*	21.0%	20.0%		
Opex to revenue	9.8%	12.7%	11.0%	*123 bp*	*(170)bp*	9.8%	11.0%	*123 bp*	11.1%	11.0%		
Operating margin	8.0%	9.8%	7.8%	*(20)bp*	*(204)bp*	8.0%	7.8%	*(20)bp*	10.0%	9.0%		
Tax rate	20.2%	20.5%	22.7%	*255 bp*	*225 bp*	20.1%	22.8%	*269 bp*	26.3%			
Net margin	4.8%	6.4%	4.7%	*(3)bp*	*(161)bp*	4.8%	4.7%	*(3)bp*	5.9%	5.7%		
Segment breakdown												
Feed revenue	9,116	8,086	8,680	*-5%*	*7%*	9,116	8,680	*-5%*				
DOC revenue	1,860	2,044	1,988	*7%*	*-3%*	1,860	1,988	*7%*				
Live birds revenue	6,678	6,938	6,798	*2%*	*-2%*	6,678	6,798	*2%*				
Processed food revenue	2,027	2,434	2,474	*22%*	*2%*	2,027	2,474	*22%*				
Total revenue	**21,720**	**21,744**	**22,198**	***2%***	***2%***	**21,720**	**22,198**	***2%***				
Feed margin	8.1%	3.7%	7.3%	*(85)bp*	*356 bp*	8.1%	7.3%	*(85)bp*				
DOC margin	12.6%	14.9%	10.2%	*(241)bp*	*(474)bp*	12.6%	10.2%	*(241)bp*				
Live birds margin	4.5%	13.2%	3.8%	*(73)bp*	*(945)bp*	4.5%	3.8%	*(73)bp*				
Processed food margin	3.0%	5.1%	4.0%	*94 bp*	*(109)bp*	3.0%	4.0%	*94 bp*				
Total operating margin	**6.7%**	**8.1%**	**6.5%**	***(24)bp***	***(161)bp***	**6.7%**	**6.5%**	*(24)bp*				

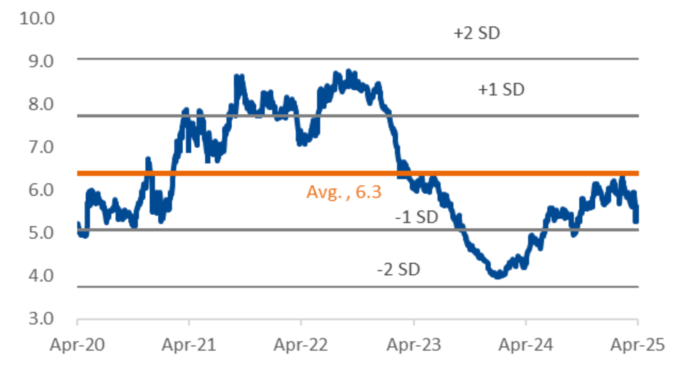
Source: Company, BRIDS Estimates

Exhibit 2. Summary of forecast revision

Financial	2025F			2026F		
	Prev	New	Changes	Prev	New	Changes
Revenue (Rpbn)	56,479	53,896	-4.6%	64,376	61,387	-4.6%
EBITDA (Rpbn)	6,795	5,609	-17.5%	7,442	6,105	-18.0%
Net Profit (Rpbn)	3,350	2,508	-25.1%	3,672	2,720	-25.9%
Price	**2025F**			**2026F**		
	Prev	New	Changes	Prev	New	Changes
Live Bird (Rp/kg live)	20,602	18,746	-9.0%	21,351	19,428	-9.0%
DOC (Rp/bird)	7,215	7,215	0.0%	7,357	7,358	0.0%
Corn (Rp/kg)	5,833	5,639	-3.3%	6,037	5,837	-3.3%
Soybean meal (US$/t)	346	324	-6.3%	353	331	-6.3%

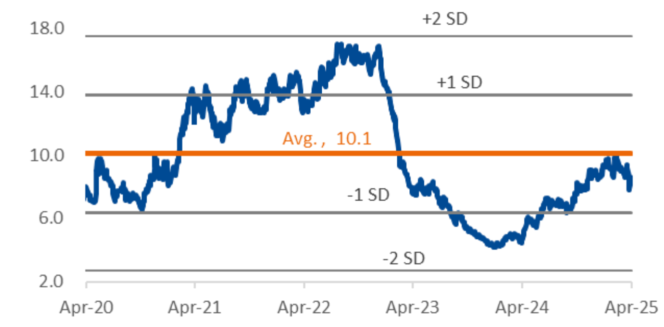
Source: BRIDS Estimates

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



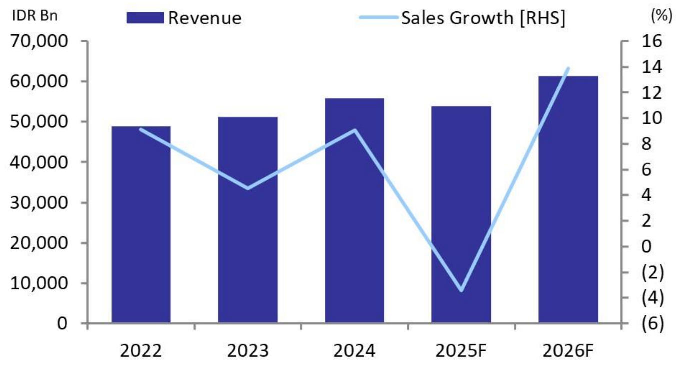
Source: Bloomberg, BRIDS Estimates

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



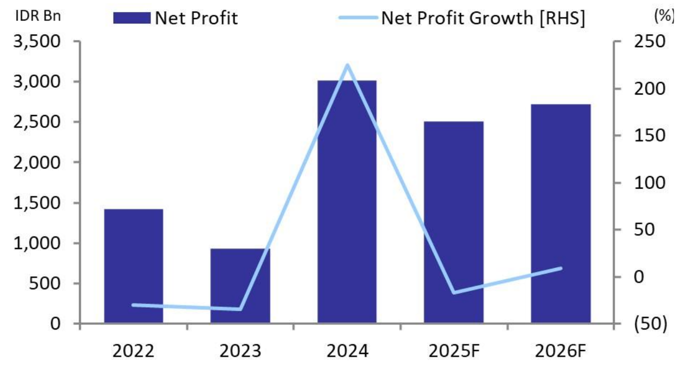
Source: Bloomberg, BRIDS Estimates

Exhibit 5. Revenue and Growth



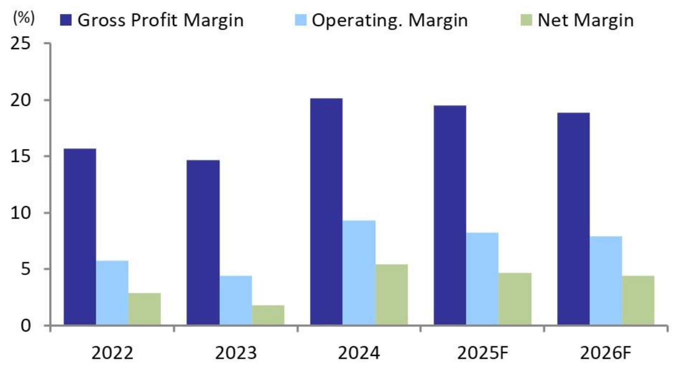
Source: Company, BRIDS Estimates

Exhibit 6. Net Profit and Growth



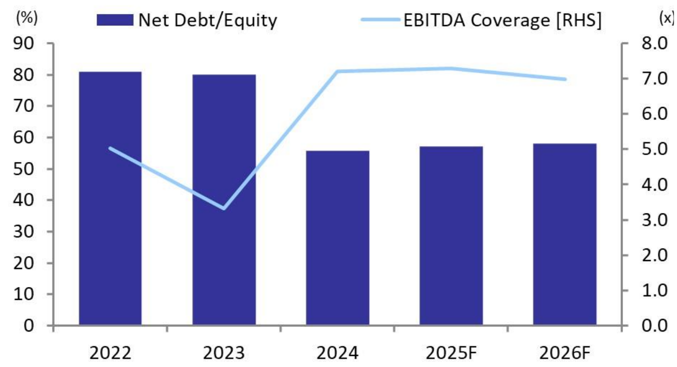
Source: Company, BRIDS Estimates

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**	**53,896**	**61,387**	**67,445**
COGS	(43,665)	(44,583)	(43,396)	(49,799)	(54,696)
Gross profit	**7,511**	**11,218**	**10,500**	**11,587**	**12,749**
EBITDA	**3,272**	**6,274**	**5,609**	**6,105**	**6,750**
Oper. profit	**2,264**	**5,213**	**4,436**	**4,843**	**5,411**
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)	(166)	(173)	(178)
Pre-tax profit	**1,261**	**4,241**	**3,524**	**3,822**	**4,280**
Income tax	(315)	(1,029)	(855)	(927)	(1,038)
Minority interest	(16)	(193)	(161)	(174)	(195)
Net profit	**930**	**3,019**	**2,508**	**2,720**	**3,048**
Core Net Profit	**930**	**3,019**	**2,508**	**2,720**	**3,046**

Exhibit 10. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	1,503	1,354	1,069	965	1,090
Receivables	2,586	2,761	2,589	2,949	3,240
Inventory	11,321	11,120	10,922	12,533	13,766
Other Curr. Asset	1,809	1,934	2,024	2,291	2,476
Fixed assets - Net	13,395	13,754	13,821	13,712	13,431
Other non-curr.asset	3,496	3,743	4,117	4,215	4,276
Total asset	**34,109**	**34,666**	**34,541**	**36,665**	**38,278**
ST Debt	4,909	3,213	3,212	9,211	9,210
Payables	4,891	4,636	4,637	5,321	5,844
Other Curr. Liabilities	884	1,447	1,364	1,461	1,550
Long Term Debt	7,915	7,382	7,347	1,808	1,808
Other LT. Liabilities	1,342	1,415	1,383	1,568	1,706
Total Liabilities	**19,941**	**18,092**	**17,943**	**19,370**	**20,119**
Shareholder'sFunds	13,226	15,477	15,342	15,867	16,532
Minority interests	941	1,096	1,256	1,431	1,626
Total Equity & Liabilities	**34,108**	**34,665**	**34,541**	**36,667**	**38,277**

Exhibit 11. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	930	3,019	2,508	2,722	3,048
Depreciation and Amort.	1,008	1,061	1,173	1,262	1,339
Change in Working Capital	461	(270)	(169)	(1,552)	(1,151)
OtherOper. Cash Flow	(27)	1,051	471	499	533
Operating Cash Flow	**2,372**	**4,860**	**3,983**	**2,931**	**3,769**
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)	(2,196)	(2,381)
Other Fin. Cash Flow	(128)	(369)	(30)	186	142
Financing Cash Flow	**(556)**	**(3,389)**	**(2,710)**	**(1,549)**	**(2,240)**
Net Change in Cash	**(244)**	**(152)**	**(262)**	**(77)**	**156**
Cash - begin of the year	1,811	1,503	1,354	1,069	965
Cash - end of the year	1,503	1,354	1,069	965	1,090

Exhibit 12. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	4.5	9.0	(3.4)	13.9	9.9
EBITDA	(12.8)	91.7	(10.6)	8.8	10.6
Operating profit	(19.2)	130.3	(14.9)	9.2	11.7
Net profit	(34.5)	224.7	(16.9)	8.5	12.0
Profitability (%)					
Gross margin	14.7	20.1	19.5	18.9	18.9
EBITDA margin	6.4	11.2	10.4	9.9	10.0
Operating margin	4.4	9.3	8.2	7.9	8.0
Net margin	1.8	5.4	4.7	4.4	4.5
ROAA	2.8	8.8	7.2	7.6	8.1
ROAE	7.2	21.0	16.3	17.4	18.8
Leverage					
Net Gearing (x)	0.8	0.6	0.6	0.6	0.5
Interest Coverage (x)	2.3	6.0	5.8	5.5	5.5

Source: JPFA, 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