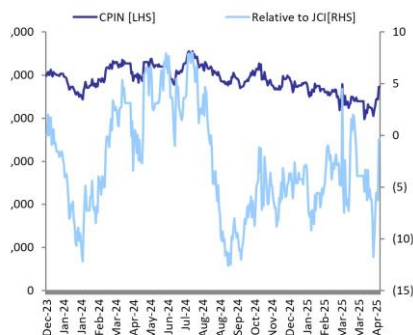


Buy

(Maintained)

Last Price (Rp)	4,730
Target Price (Rp)	6,800
Previous Target Price (Rp)	6,800
Upside/Downside	+43.8%
No. of Shares (mn)	16,398
Mkt Cap (Rpbn/US\$mn)	77,563/4,672
Avg, Daily T/O (Rpbn/US\$mn)	23.1/1.4
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	248.2 275.8 316.1
BRIDS/Cons (%)	8.0 9.4 21.5

CPIN relative to JCI Index



Source: Bloomberg

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Charoen Pokphand Indonesia (CPIN IJ)

1Q25 Earnings Beat: Margin Recovery in the Processed Food Business Supported Earnings

- CPIN posted 1Q25 net profit of Rp1.5tr (+16% qoq, +116% yoy) above our (35%) and cons' (36%) FY25F, partly supported by normalized tax.
- Despite the lower qoq margin in the poultry business, NP was boosted by significant margin recovery in the processed food business.
- Maintain BUY with an unchanged TP of Rp6,800, as we maintain our FY25 EBITDA unchanged given the softer 2Q25 earnings outlook.

1Q25 earnings above expectations despite flat qoq operating profit

CPIN reported net profit of Rp1.5tr in 1Q25 (+16% qoq, +116% yoy), forming 35% of our and 36% of consensus FY25F — i.e., above expectations. Gross revenue rose 2% qoq and 8% yoy, while operating profit was relatively flat qoq (-2%). Despite the flat OP, bottom-line growth was supported by a normalized tax rate of 23% in 1Q25, down from an elevated 40% in 4Q24. Gross operating margin declined 108bps qoq to 6.9%, as margin contraction in the upstream business was partly offset by stronger margins in the processed food segment.

Pressure in upstream segment, margin recovery in processed food

DOC and broiler margins declined qoq despite the Eid festive period, due to lower ASP, though margins remained in positive territory. Feed revenue grew 8% qoq and 5% yoy, but margin declined to 7.9% in 1Q25 (from 9.7% in 4Q24), which we believe was due to higher volumes but lower ASP during the quarter. Meanwhile, processed food revenue grew modestly at 4% qoq and 1% yoy, while OPM expanded to 10.9%, likely supported by higher volume and lower livebird input costs.

Maintain FY25F unchanged on, risk in processed food margin

Despite the solid 1Q25 earnings, we maintain our FY25F unchanged, as we anticipate soft earnings in 2Q25 due to weaker-than-expected demand, before expecting demand to normalize in 2H25, supported by the lower supply outlook. Despite the strong recovery in the processed food margin, we remain cautious on the continuity throughout FY25, as the oversupply condition may arise again.

Maintain Buy rating with a higher TP of Rp6,800

We maintain our FY25F est. and valuation unchanged, and hence maintain our TP at Rp6,800 and BUY rating. Our TP is derived from 5-year EV EBITDA average of 14.9x to FY25F, implying 25x PE. Risks to our view are persistent oversupply, government intervention, and reversal in processed food margin.

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)	33.5	20.9	17.7	15.7	12.3
PBV (x)	2.9	2.6	2.5	2.4	2.3
Dividen yield (%)	2.1	0.6	4.4	5.2	5.9
EV/EBITDA	16.4	11.3	10.4	9.4	7.7

Source: CPIN, BRIDS Estimates

Exhibit 1. CPIN 1Q25 Result Summary

CPIN (Rp bn)	1Q24	4Q24	1Q25	y-o-y	q-o-q	3M24	3M25	y-o-y	FY25F	FY25C	A/F	A/C
Consolidated												
Net Revenue	15,913	17,759	17,705	11%	0%	15,913	17,705	11%	65,368	71,228	27%	25%
COGS	(13,786)	(14,315)	(14,574)	6%	2%	(13,786)	(14,574)	6%	(54,300)	(60,590)	27%	24%
Gross Profit	2,126	3,445	3,130	47%	-9%	2,126	3,130	47%	11,068	10,638	28%	29%
Total Opex	(1,079)	(1,349)	(1,087)	1%	-19%	(1,079)	(1,087)	1%	(4,916)	(4,750)	22%	23%
Operating Profit	1,048	2,095	2,044	95%	-2%	1,048	2,044	95%	6,152	5,888	33%	35%
Pretax profit	867	2,201	1,995	130%	-9%	867	1,995	130%	5,704	5,139	35%	39%
Net profit	711	1,326	1,537	116%	16%	711	1,537	116%	4,393	4,082	35%	38%
Core profit	685	997	1,568	129%	57%	685	1,568	129%	4,139		38%	
Gross margin	13.4%	19.4%	17.7%	432 bp	(172)bp	13.4%	17.7%	432 bp	16.9%	14.9%		
Opex to revenue	6.8%	7.6%	6.1%	(64)bp	(146)bp	6.8%	6.1%	(64)bp	7.5%	6.7%		
Operating margin	6.6%	11.8%	11.5%	496 bp	(26)bp	6.6%	11.5%	496 bp	9.4%	8.3%		
Tax rate	18.0%	39.8%	22.9%	489 bp	(1,691)bp	18.0%	22.9%	489 bp	24.3%			
Net margin	4.5%	7.5%	8.7%	421 bp	121 bp	4.5%	8.7%	421 bp	6.7%	5.7%		
Segment breakdown												
Feed revenue	12,726	12,400	13,334	5%	8%	12,726	13,334	5%				
DOC revenue	1,967	2,519	2,376	21%	-6%	1,967	2,376	21%				
Live birds revenue	9,514	11,054	10,701	12%	-3%	9,514	10,701	12%				
Processed food revenue	2,988	2,923	3,029	1%	4%	2,988	3,029	1%				
Total gross revenue	29,088	30,710	31,305	8%	2%	29,088	31,305	8%				
Feed margin	6.7%	9.7%	7.9%	118 bp	(185)bp	6.7%	7.9%	118 bp				
DOC margin	-5.8%	6.2%	3.4%	924 bp	(279)bp	-5.8%	3.4%	924 bp				
Live birds margin	5.7%	10.3%	7.0%	126 bp	(336)bp	5.7%	7.0%	126 bp				
Processed food margin	-3.4%	3.0%	10.9%	1,432 bp	791 bp	-3.4%	10.9%	1,432 bp				
Total operating margin	4.0%	8.3%	6.9%	291 bp	(136)bp	4.0%	6.9%	291 bp				

Source: Company, BRIDS Estimates

Exhibit 2. CPIN EV/EBITDA band chart (5-year)



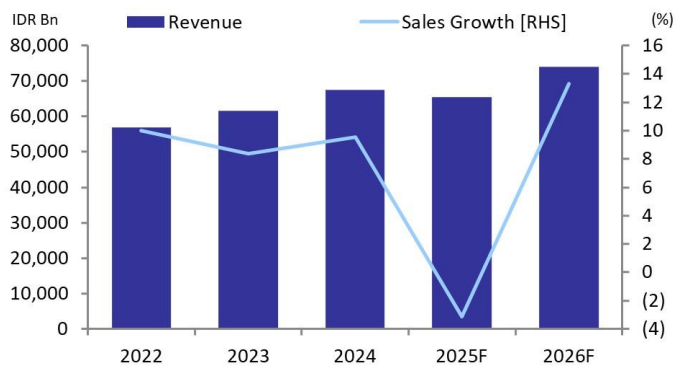
Source: Bloomberg, BRIDS Estimates

Exhibit 3. CPIN P/E band chart (5-year)



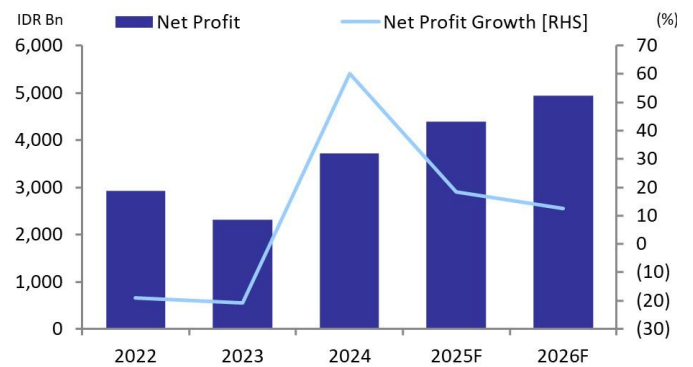
Source: Bloomberg, BRIDS Estimates

Exhibit 4. Revenue and Growth



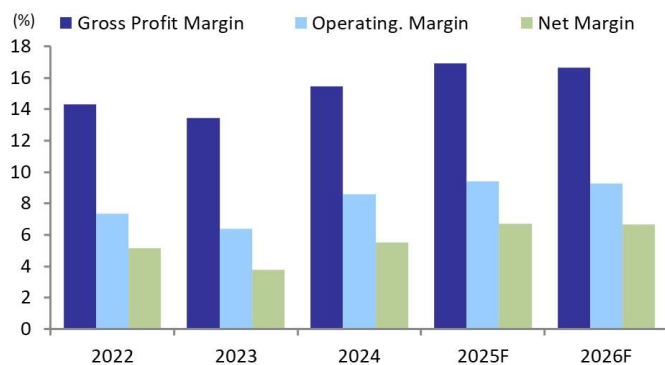
Source: Company, BRIDS Estimates

Exhibit 5. Net Profit and Growth



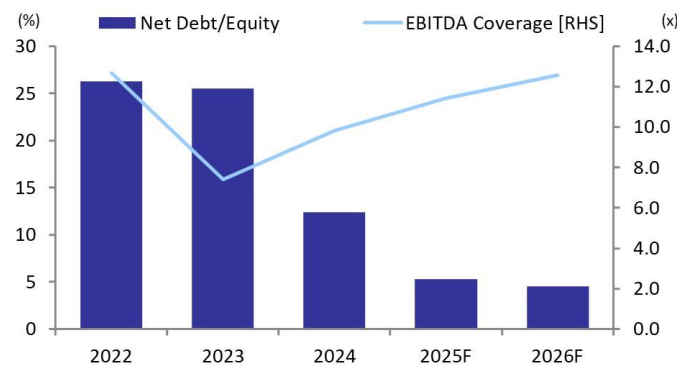
Source: Company, BRIDS Estimates

Exhibit 6. Margins



Source: Company, BRIDS Estimates

Exhibit 7. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 8. 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 9. 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 10. 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 11. 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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