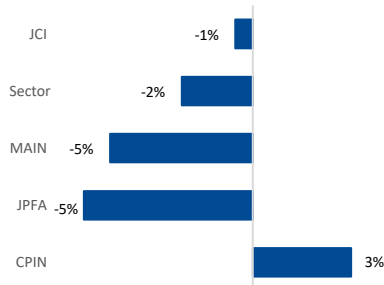


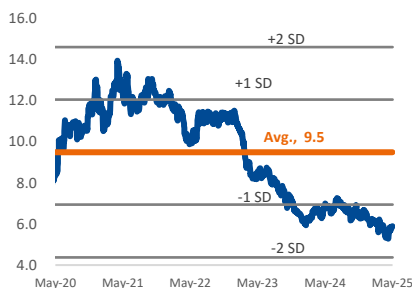
Overweight

(Maintained)

YTD share price performance



Sector EV/EBITDA band chart



Source: Bloomberg, BRIDS

BRI Danareksa Sekuritas Analysts

Victor Stefano

(62-21) 5091 4100 ext. 3503
victor.stefano@brids.co.id

Wilastita Muthia Sofi

(62-21) 5091 4100 ext. 3509
wilastita.sofi@brids.co.id

Poultry

Bottoming-out Livebird Prices, Better Supply-Demand outlook in 2H25

- Chicken absorption from MBG program in FY25F to be minimal at 3.4%; full implementation may form 10% absorption in FY26 onwards.
- Slight underweight in local funds and rebounding LB prices from their bottom in mid-Apr25 should limit further downside risks.
- Maintain Overweight on poultry sector with CPIN as our top pick from cheaper historical valuation and better earnings outlook.

Lower-than-expected chicken absorption

Previously we estimated the MBG program would increase chicken absorption of 5.8% in FY25F and gradually increase to 30.6% by FY29F ([see our report](#)), which is based on 1.2 million tons of chicken meat per year when the program is fully rolled out. However, recent findings led to our new estimate of 10% chicken absorption upon the program's full rollout as we estimate a lesser chicken meat portion of 50 grams per portion from 100 grams (1 piece of 8 pieces chicken cut) previously. Moreover, during the initial implementation, the number of recipients will gradually increase from 3 million in Apr25 to 82.9 million by Nov25, resulting in a mere 3.4% chicken absorption in FY25F.

Minimal demand impact in FY25F

Based on our calculations, we estimate that broiler meat absorption for the 2025 MBG program will reach approximately 119.5mn kilograms. Thus, demand from this program is projected to account for only around 3.4% of the total broiler meat production in 2025, which is estimated at approximately 3.6 million tons. This calculation assumes that chicken-based meals are served twice per week, with each serving containing 50 grams of chicken meat. Given the relatively low absorption rate, the program has positive but minimal impacts on the overall supply-demand dynamics of the poultry industry in FY25F.

Aside from higher LB prices, May25 industry data remained steady

In the early weeks of May25, livebird (LB) prices saw a notable 9% wow increase to an average of Rp17.4k/kg, reaching Rp18.2k/kg ahead of the Vesak festive season partly supported by the voluntary culling mandate. Day-old chick (DOC) prices remained stable at around Rp4.7k/chick. Local corn prices edged up slightly to Rp5.2k/kg following the post-harvest season, though the weekly average has been held flat at Rp5.1k/kg since mid-Apr25. Meanwhile, soybean meal (SBM) prices stayed below US\$300/t, averaging US\$288 in May25 (-1% mom; -22% yoy).

Maintain Overweight with better LB prices in 2H25

Given that LB prices have passed their bottom, potential higher LB prices from lesser supply and higher chicken absorption in 2H25, combined with still favorable feed costs, and an underweight position in local funds, we maintain an Overweight rating for the sector. We prefer CPIN due to its cheap valuation (-1.5SD from 5-year average), better earnings outlook, and underweight position. Risks to our view are further weakening purchasing power, supply disruption in raw material, and government intervention.

Company	Ticker	Rec	Target Price	Market Cap.	P/E (x)		P/BV (x)		ROE (%)
			(Rp)	(RpBn)	2025F	2026F	2025F	2026F	2026F
Charoen Pokphand Indonesia	CPIN IJ	BUY	6,800	80,514.2	18.3	16.3	2.6	2.5	15.6
Japfa Comfeed Indonesia	JPFA IJ	BUY	2,100	21,518.3	8.6	7.9	1.4	1.4	17.4
Malindo Feedmill Indonesia	MAIN IJ	BUY	1,500	1,634.3	4.6	3.3	0.5	0.4	12.8

Exhibit 1. Chicken Consumption for MBG 2025

Month	Number of Recipient (mn people)	Number of meals with chicken menu	Chicken Demand (mn kg)
Jan-25	1.0	8	0.4
Feb-25	1.8	8	0.7
Mar-25	2.5	6	0.8
Apr-25	3.3	8	1.3
May-25	4.0	8	1.6
Jun-25	6.0	6	1.8
Jul-25	14.0	6	4.2
Aug-25	22.0	8	8.8
Sep-25	42.3	8	16.9
Oct-25	62.6	8	25.0
Nov-25	82.9	8	33.2
Dec-25	82.9	6	24.9
Total demand for MBG 2025 (mn kg)			119.5
Broiler meat production (mn kg)			3,559
MBG as % of production			3.4%

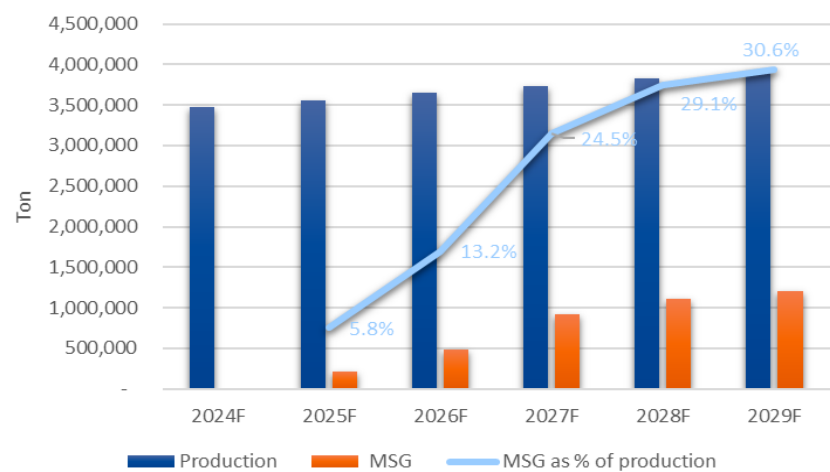
Source: Various sources, BRIDS Estimates

Exhibit 2. Chicken Consumption for MBG 2026

Month	Number of Recipient (mn people)	Number of meals with chicken menu	Chicken Demand (mn kg)
Jan-26	82.9	8	33.2
Feb-26	82.9	8	33.2
Mar-26	82.9	6	24.9
Apr-26	82.9	8	33.2
May-26	82.9	8	33.2
Jun-26	82.9	6	24.9
Jul-26	82.9	6	24.9
Aug-26	82.9	8	33.2
Sep-26	82.9	8	33.2
Oct-26	82.9	8	33.2
Nov-26	82.9	8	33.2
Dec-26	82.9	6	24.9
Total demand for MBG 2026 (mn kg)			364.8
Broiler meat production (mn kg)			3,645
MBG as % of production			10.0%

Source: Various sources, BRIDS Estimates

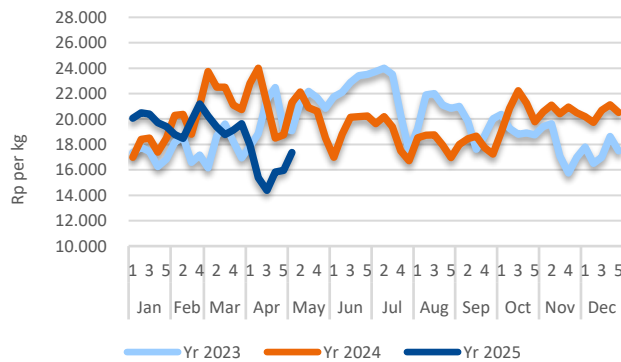
Exhibit 3. Supply and demand projection of broiler meat based on the MSG program (old estimates)



Source: BRIDS

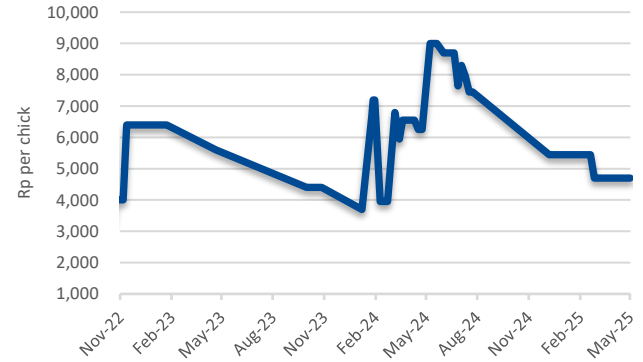
Source: MoA, various sources, BRIDS estimates

Exhibit 4. West Java livebird price (Rp '000/kg)



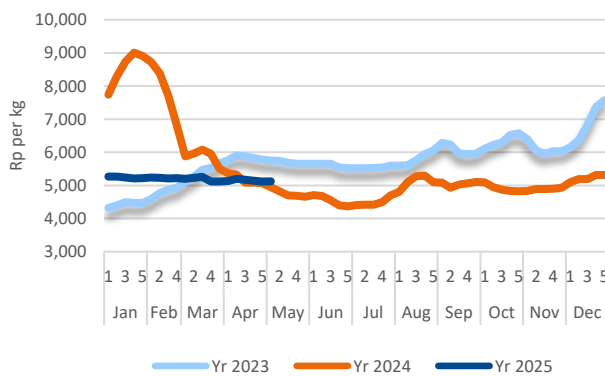
Source: Pinsar, BRIDS

Exhibit 5. Wonokoyo DOC price (Rp/chick)



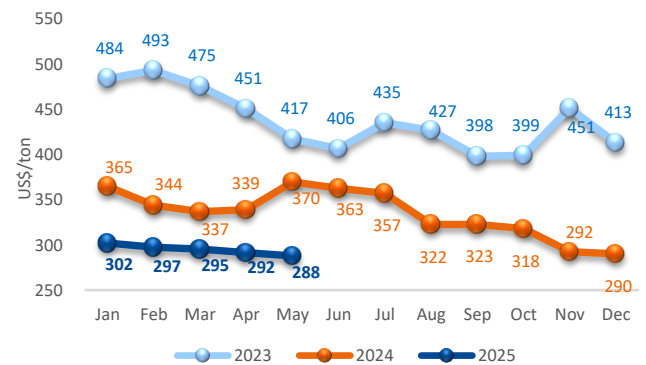
Source: Arboge, BRIDS

Exhibit 6. Average local corn price



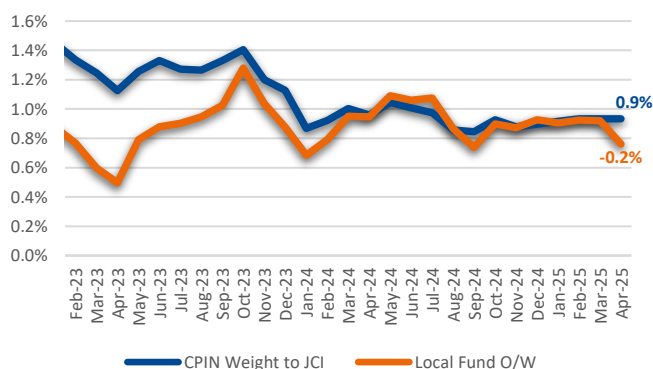
Source: Various sources, BRIDS

Exhibit 7. Soybean meal price (US\$/t)



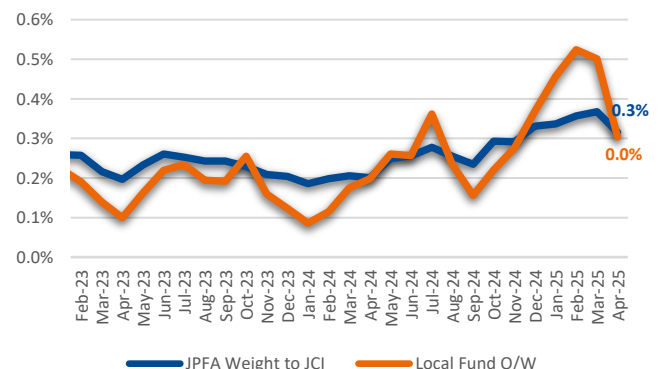
Source: Bloomberg, BRIDS

Exhibit 8. CPIN's weighting and local funds position



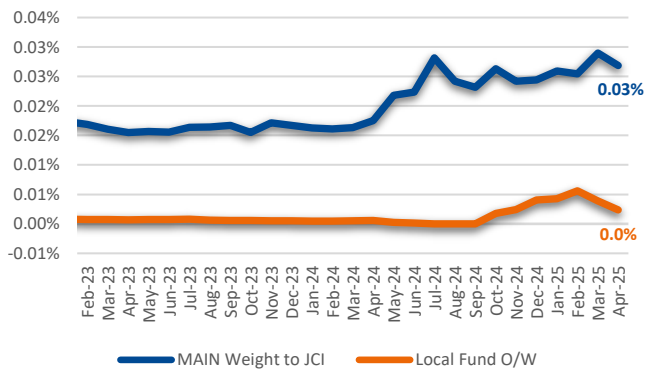
Source: KSEI, BRIDS

Exhibit 9. JPFA's weighting and local funds position



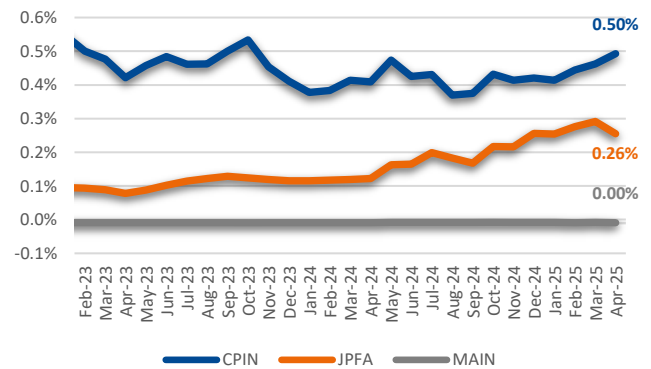
Source: KSEI, BRIDS

Exhibit 10. MAIN's weighting and local funds position



Source: KSEI, BRIDS

Exhibit 11. Foreign funds ownership



Source: KSEI, BRIDS

Exhibit 12. CPIN EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 13. CPIN P/E band chart (5-year)



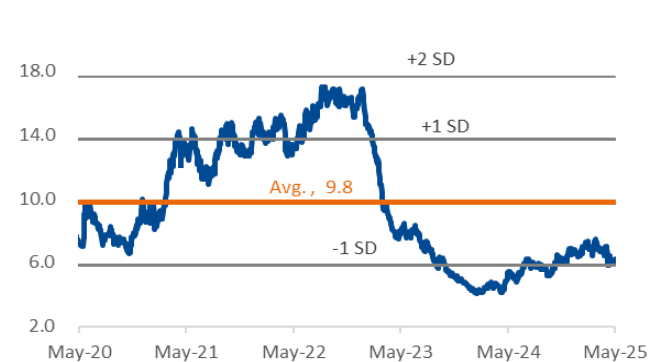
Source: Bloomberg, BRIDS Estimates

Exhibit 14. JPFA EV/EBITDA band chart (5-year)



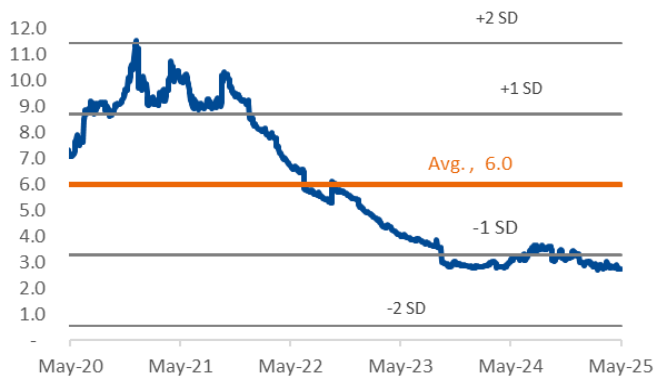
Source: Bloomberg, BRIDS Estimates

Exhibit 15. JPFA P/E band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 16. MAIN EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 17. MAIN P/BV band chart (5-year)



Source: Bloomberg, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@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
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
Ehrlicch Suhartono	Institutional Sales Associate	ehrlicch@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
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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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