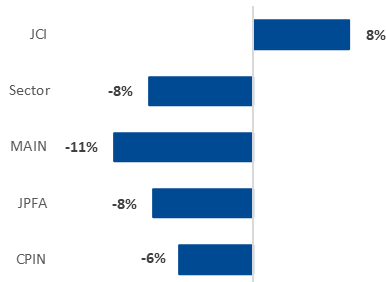


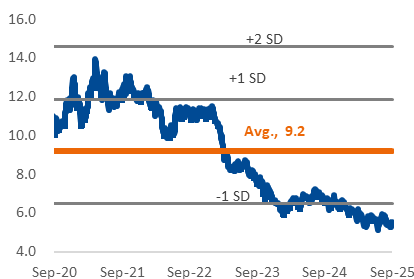
Overweight

(Maintained)

YTD share price performance



Sector EV/EBITDA band chart



Source: Bloomberg, BRIDS

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Poultry

There is such a thing as a free lunch

- We expect additional 3-5% chicken absorption from MBG in Sep25 to support for LB prices.
- We foresee margin expansion in 3Q25 to be led by higher LB prices, offsetting the higher raw feed material costs.
- Maintain Overweight, with better 2H25 supply-demand outlook, better margins, and higher LB prices as positive catalysts.

Additional 3.4-5.0% chicken absorption in Sep25

Based on our estimates, MBG program in Sep25 could potentially absorb additional 3.4-5.0% of monthly production which will continue to support LB prices for the month. Our calculations are based on the assumption of 7,558 SPPG (Central Kitchen), 3,000 recipients per SPPG, 50gram chicken per portion, and 2–3 days of chicken consumption per week. This also assumes 100% new demand from MBG chicken consumption. The government aims to fully rollout the program (82.9 million recipients) by Nov25, which could potentially increase the absorption by threefold.

Better supply-demand post 2Q25 low base

As noted in [our previous report](#), we expect the 3Q25 sharp rebound in margin to be led by a sharp increase in LB prices. Driven by the lower supply from lower GPS import last year, higher government spending, and higher rollout of MBG program, LB prices have reached its YTD high price of Rp22.6k/kg. QTD average LB price of Rp19.7k/kg (+17% qoq) will offset the higher feed raw material costs. Although it is still 17% higher qoq, QTD average corn prices of Rp6,116/kg have seen a downtrend from Rp6,800 in late Aug25 to Rp6,483/kg currently. Despite the coming harvest season, we note that government has been strict in managing the local corn prices, which can limit the benefit in the higher supply.

Ongoing margin expansions trend

The current LB prices of Rp22.6k/kg are above our expectations. Although we do not expect the current prices to sustain throughout the rest of FY25F, our sensitivity analysis sees the recent trend in poultry prices (i.e., higher LB and raw material prices) should translate into sustained margin expansions trend. Based on current price, integrators should see their bottom line expand by 16-20% compared to previous week, 114-147% compared to Aug25, and 140-364% compared to the 2Q25 low base.

Maintain Overweight with CPIN as top pick

We maintain our Overweight rating on the poultry sector, as the worst of the margin squeeze appears to be behind us and we see a more balanced supply-demand environment. We continue to favor CPIN (Buy, TP Rp6,400) for its attractive valuation (-1.6SD from 5-year average) and underweight position in local funds. In the past two months, local funds have added significant position in JPFA and reduced their weight in CPIN, which reflects the 2Q25 earnings performance, in our view. Risks to our sector view are further weakening purchasing power and supply disruption in raw materials.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%) 2026F
					2025F	2026F	2025F	2026F	
Charoen Pokphand Indonesia	CPIN IJ	BUY	6,400	73,463.0	17.4	15.5	2.4	2.3	15.1
Japfa Comfeed Indonesia	JPFA IJ	BUY	2,100	20,931.9	8.3	7.7	1.4	1.3	17.4
Malindo Feedmill Indonesia	MAIN IJ	BUY	1,500	1,522.4	4.3	3.1	0.4	0.4	12.8

Exhibit 1. Analysis of MBG impact to supply-demand

Demand		Supply	
Number of SPPG	7,558	Production in FY25F	3,559,367 ton
Recipient per SPPG	3,000 people	Production in Sep25	296,614 ton
Total recipient	22.7 million people		
Number of day	22 day		
Minimum			
Chicken day in meal (2 of 5)	0.4		
Chicken portion in a meal	50 gram		
Chicken consumption	9,977 ton	Chicken absorption	3.4%
Maximum			
Chicken day in meal (3 of 5)	0.6		
Chicken portion in a meal	50 gram		
Chicken consumption	14,965 ton	Chicken absorption	5.0%

Source: BGN, MoA, BRIDS Estimates

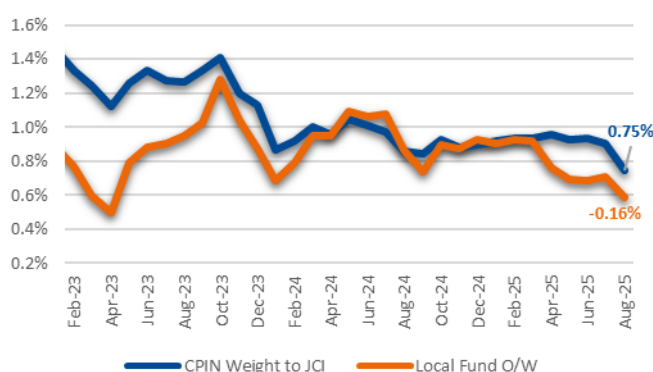
Exhibit 2. Sensitivity Analysis of Recent Trends in Poultry Prices

CPIN impact to FY25F NP	Latest vs. last week	Latest vs. Aug25	Latest vs. 2Q25
Livebird	15.8%	115.4%	201.5%
DOC	0.0%	0.0%	60.4%
Corn	1.2%	-2.2%	-54.4%
SBM	-1.1%	1.0%	3.6%
Total	16.0%	114.1%	211.1%

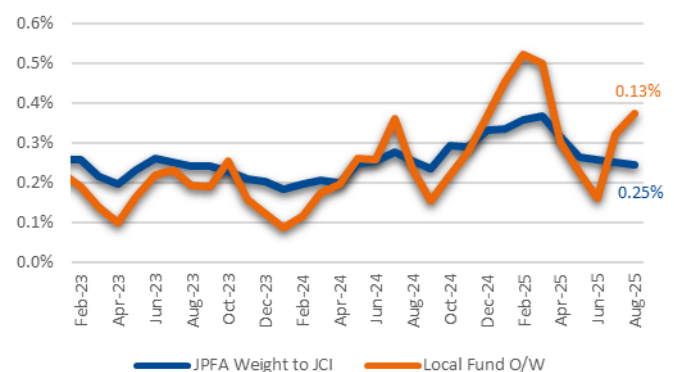
JPFA impact to FY25F NP	Latest vs. last week	Latest vs. Aug25	Latest vs. 2Q25
Livebird	16.0%	116.9%	204.1%
DOC	0.0%	0.0%	20.6%
Corn	2.0%	-3.7%	-90.5%
SBM	-1.6%	1.6%	5.6%
Total	16.4%	114.7%	139.9%

MAIN impact to FY25F NP	Latest vs. last week	Latest vs. Aug25	Latest vs. 2Q25
Livebird	20.2%	147.1%	256.9%
DOC	0.0%	0.0%	120.7%
Corn	0.3%	-0.6%	-14.1%
SBM	-0.3%	0.3%	0.9%
Total	20.2%	146.8%	364.5%

Source: Pinsar, BRIDS Estimates

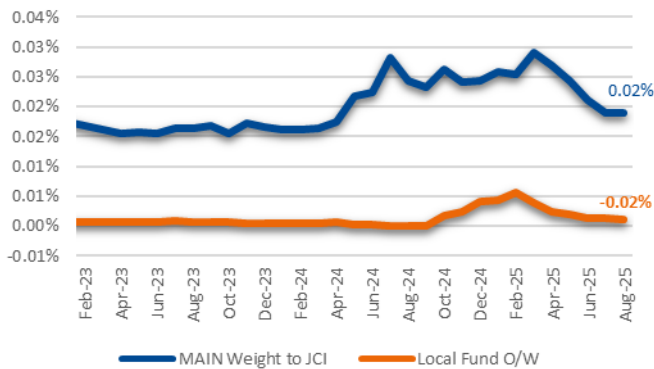
Exhibit 3. CPIN's weighting and local funds position


Source: KSEI, BRIDS

Exhibit 4. JPFA's weighting and local funds position


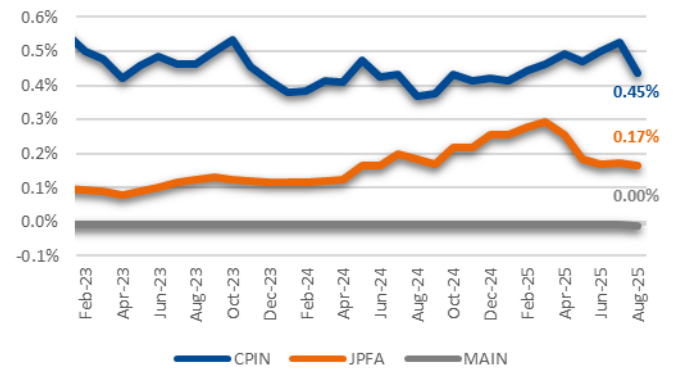
Source: KSEI, BRIDS

Exhibit 5. MAIN's weighting and local funds position



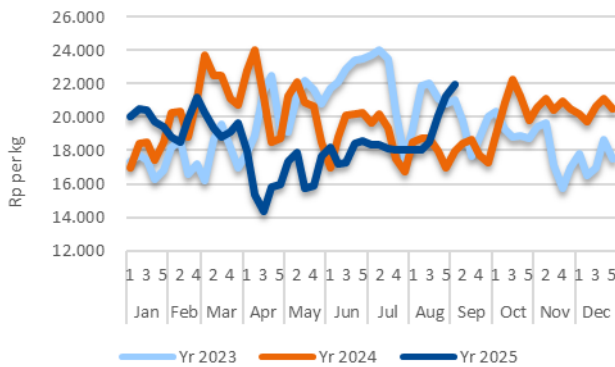
Source: KSEI, BRIDS

Exhibit 6. Foreign funds ownership



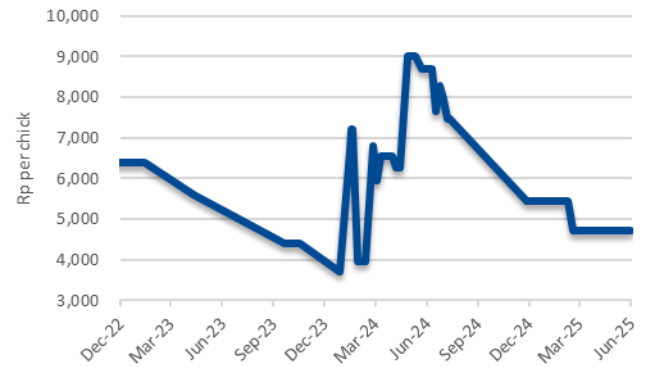
Source: KSEI, BRIDS

Exhibit 7. West Java livebird price



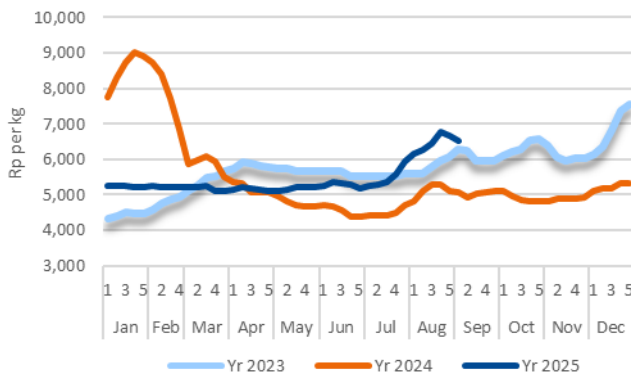
Source: Pinsar, BRIDS

Exhibit 8. Wonokoyo DOC price



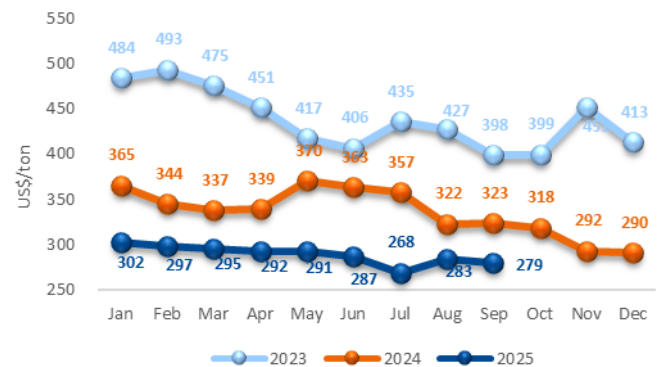
Source: Arboge, BRIDS

Exhibit 9. Local corn price



Source: Various sources, BRIDS

Exhibit 10. Soybean meal price



Source: Bloomberg, BRIDS

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



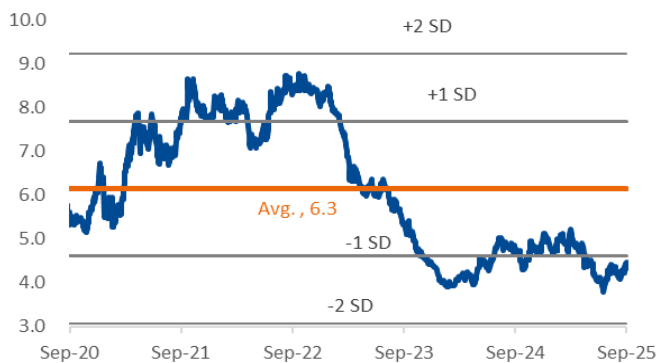
Source: Bloomberg, BRIDS Estimates

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



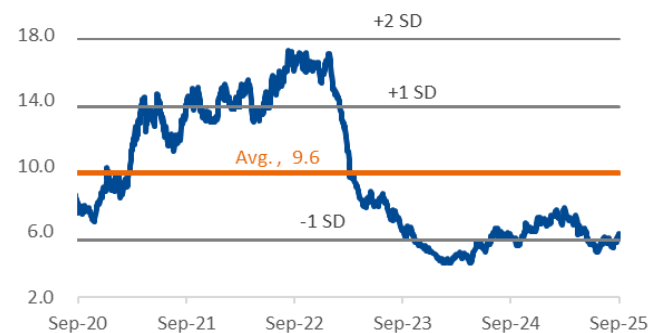
Source: Bloomberg, BRIDS Estimates

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



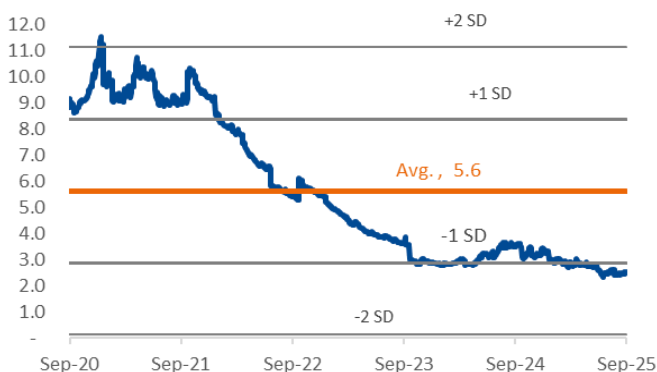
Source: Bloomberg, BRIDS Estimates

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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