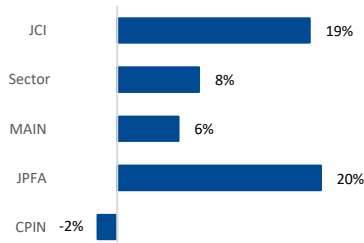


Overweight

(Maintained)

YTD share price performance



Sector EV/EBITDA band chart



Source: Bloomberg, BRIDS

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Poultry

Potential New Players in the Industry

- Danantara reportedly plans to fund Rp20tr investment in poultry farms to secure production of chicken and egg to support the MBG program.
- We believe strong execution is needed to employ such a large budget effectively and it would take time (2 years) to be fully integrated player.
- Despite the overhang, we maintain Overweight on the sector, with CPIN as our top pick and rebound in LB prices as ST catalyst.

Danantara potential involvement in poultry sector

Based on media report, Danantara plans to fund a Rp20tr integrated poultry farm project in collaboration with the Ministry of Agriculture (MoA), starting in Jan26. The project will focus on regions with chicken and egg supply shortages to support the Makan Bergizi Gratis (MBG) program and strengthen national food security. By developing an integrated farming system, it aims to boost poultry and egg production and stabilize market prices, preventing future protein shortages. According to MoA, MBG would require 700k ton of egg and 1.1mn tons of broiler. The latter tripled our FY26F estimate of 365mn kg of chicken meat, assuming full rollout of MBG program since beginning of the year.

Potential impact on existing integrators

While the initiatives are still in early stages, we analyze potential scenarios related to the poultry sector, especially in the broiler segment. If Danantara focuses on the downstream (commercial farming), it will have limited impact to supply-demand dynamics but might threaten existing commercial farms (c. 1-6% operating profit contribution). However, if Danantara aims to become a fully integrated player, it will become a potential competitor for existing integrators given the huge budget involved and more access to permits. But this would take time (2 years) and require strong execution to deploy such a large budget effectively. Note that integrators under our coverage spent capex of Rp19.6tr in 5 years (FY20-24).

Similar to Berdikari initiatives in 2018

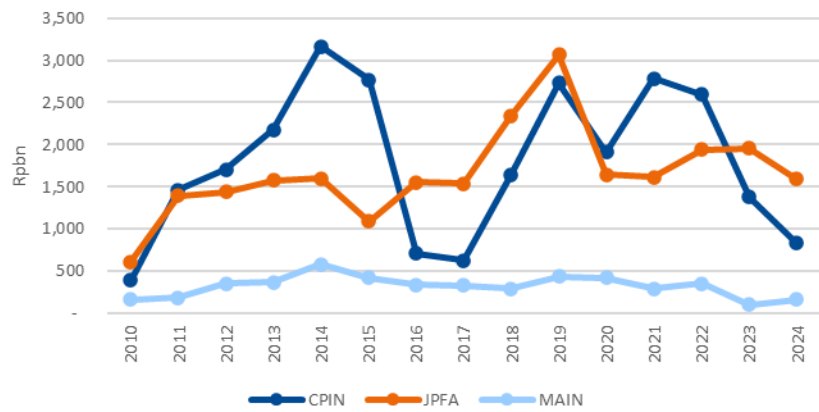
Currently, Berdikari serves as one of the government’s key integrators in the food and livestock sector. According to the company, it imported c. 7.6k GPS in FY24 and has a quota of 15k in FY25, which doubled FY24’s realization. However, this is much less than its initial GPS import of c. 53k back in FY18. As of FY24, Berdikari operated Rp1.5tr of assets, including 2 GPS and 3 PS breeding farms.

Maintain Overweight with sustained LB price as catalyst

We maintain our Overweight rating on the poultry sector, as we expect earnings momentum to sustain in the near term given improving supply-demand environment. We continue to favor CPIN (Buy, TP Rp6,400) for its attractive valuation (-1.5SD) from 5-year average and underweight position. Risks to our view are further weakening purchasing power and supply disruption in raw materials.

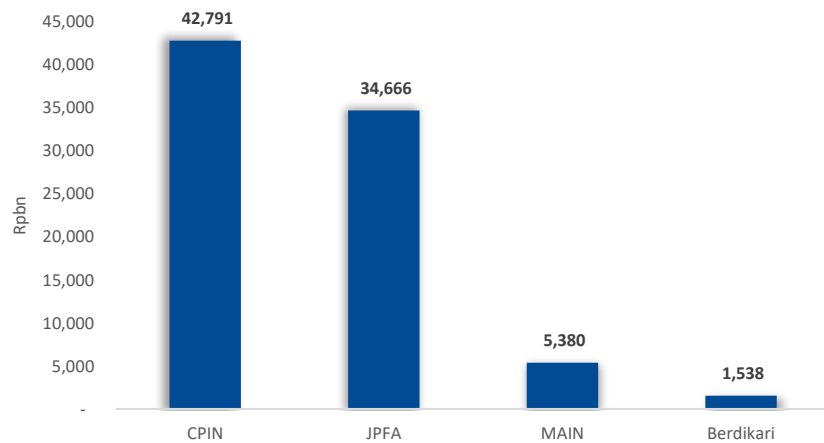
Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%) 2026F
					2025F	2026F	2025F	2026F	
Charoen Pokphand Indonesia	CPIN IJ	BUY	6,400	76,578.7	18.1	16.1	2.5	2.4	15.1
Japfa Comfeed Indonesia	JPFA IJ	BUY	2,800	27,205.7	8.4	7.5	1.7	1.6	21.9
Malindo Feedmill Indonesia	MAIN IJ	BUY	1,300	1,813.4	6.8	5.1	0.5	0.5	9.7

Exhibit 1. Annual Capital Expenditure of Poultry Players



Source: Company, BRIDS

Exhibit 2. Total Assets, 2024



Source: Company, BRIDS

Exhibit 3. Berdikari’s Business Segment

Segment	Description
Poultry	The Poultry segment covers the production of Day Old Chicks (DOC) for both Parent Stock and Commercial Final Stock, which are distributed to partner farms and smallholder farmers. PT Berdikari also produces broiler feed through a contract manufacturing arrangement in Central Java, supplying both internal farming operations and external partners. To enhance the performance of the Poultry Breeding Business Segment, PT Berdikari is working to complete its integrated poultry supply chain throughout 2024 by acquiring a Poultry Slaughterhouse (RPHU) and obtaining a Cold Storage Reefer Container for storage.
Ruminant	The Ruminant segment focuses on the procurement, fattening, and sale of cattle, including seasonal demand for sacrificial cattle. Activities include livestock fattening, care, and logistics management to ensure supply stability.
Trading and Retail	PT Berdikari sells chicken carcasses and processed meat products under the BeBest brand, including meatballs, sausages, beef, and buffalo meat. Berdikari distributes its products through various retail channels, including offline sales through partnerships with resellers and online sales through e-commerce platforms.
Government Meat Assignment	Under its government mandate, PT Berdikari imports beef from Brazil and buffalo meat from India to help stabilize domestic meat prices and meet national consumption needs.
Manufacturing	PT Berdikari Meubel Nusantara (BMN) is a subsidiary that specializes in manufacturing furniture products for export. In 2024, BMN sold a variety of furniture units and sets while maintaining its captive market and diversifying its product offerings.
Service	The Services segment includes logistics and supply chain activities carried out by PT Berdikari Logistik Suplai (BLS). Services include transportation, warehousing, freight forwarding, and quarantine handling. In addition to focusing on logistics and warehousing, BLS collaborates with its parent company to support the livestock business, particularly in the transportation sector.

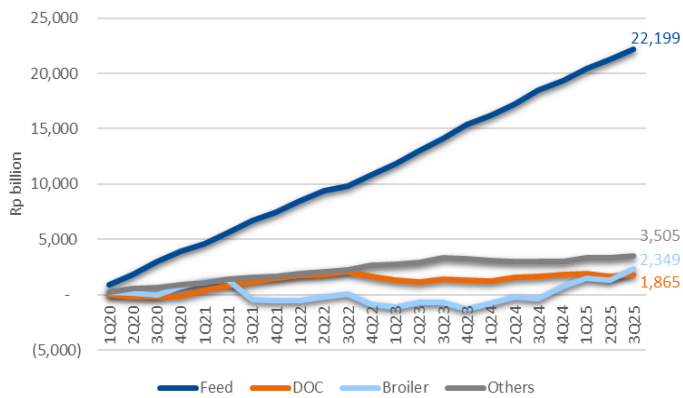
Source: Company, BRIDS

Exhibit 4. Berdikari’s margin by segments

By Segments	Financial, in Rpmm			YoY Growth 2024
	2022	2023	2024	
Revenue	3,176,767	2,163,606	6,061,221	180.1%
Poultry	148,750	112,800	202,966	79.9%
Ruminant	135,133	21,757	53,699	146.8%
Retail Trading	762,390	1,379,912	2,052,147	48.7%
Government Meat Assignment	1,976,462	267,941	3,655,169	1264.2%
Manufacturing	135,761	39,858	35,061	-12.0%
Service	18,181	20,732	16,752	-19.2%
Others	90	320,606	45,427	-85.8%
Gross Profit	153,156	95,385	306,879	221.7%
Poultry	9,038	15,160	36,886	143.3%
Ruminant	(3,024)	1,773	2,084	17.5%
Retail Trading	21,122	31,139	130,884	320.3%
Government Meat Assignment	87,791	1,047	178,670	16964.9%
Manufacturing	43,992	11,076	11,126	0.5%
Service	(5,771)	6,621	(54,291)	-920.0%
Others	8	28,569	1,520	-94.7%
Gross Profit Margin	4.8%	4.4%	5.1%	0.7%
Poultry	6.1%	13.4%	18.2%	4.7%
Ruminant	-2.2%	8.1%	3.9%	-4.3%
Retail Trading	2.8%	2.3%	6.4%	4.1%
Government Meat Assignment	4.4%	0.4%	4.9%	4.5%
Manufacturing	32.4%	27.8%	31.7%	3.9%
Service	-31.7%	31.9%	-324.1%	-356.0%
Others	8.9%	8.9%	3.3%	-5.6%

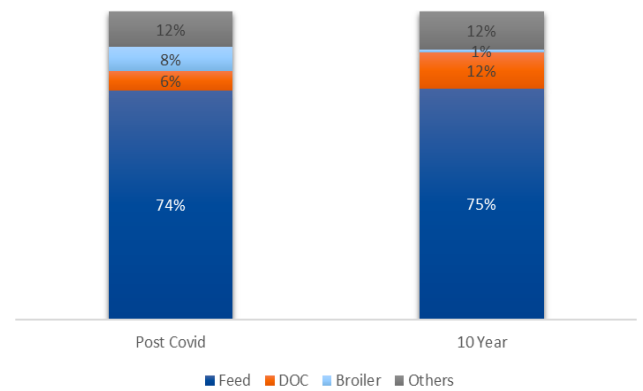
Source: Company, BRIDS

Exhibit 5. CPIN cumulative operating profit by segment



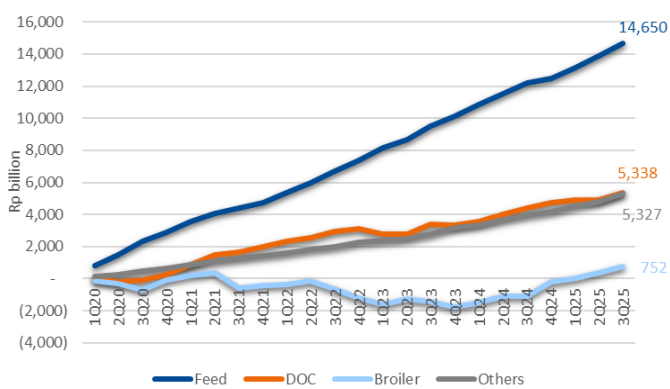
Source: Company, BRIDS

Exhibit 6. CPIN operating profit contribution



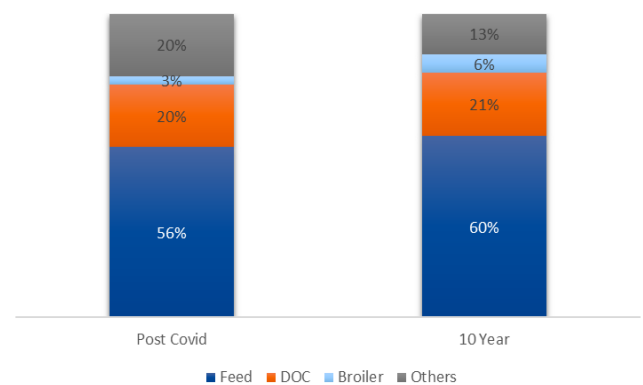
Source: Company, BRIDS

Exhibit 7. JPFA cumulative operating profit by segment



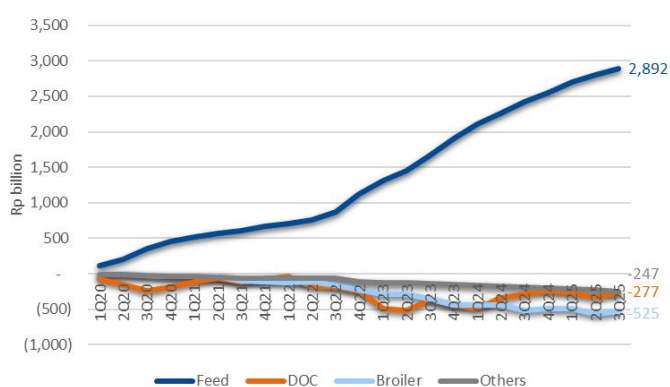
Source: Company, BRIDS

Exhibit 8. JPFA operating profit contribution



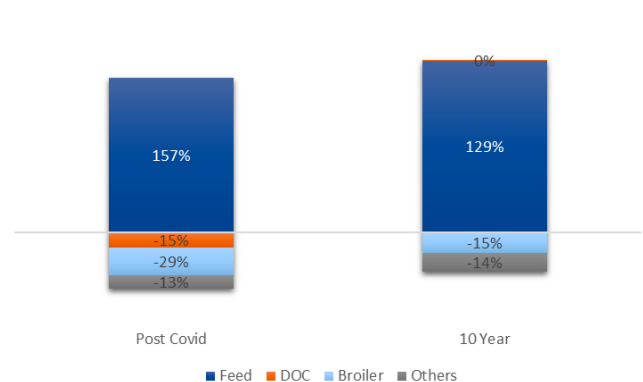
Source: Company, BRIDS

Exhibit 9. MAIN cumulative operating profit by segment



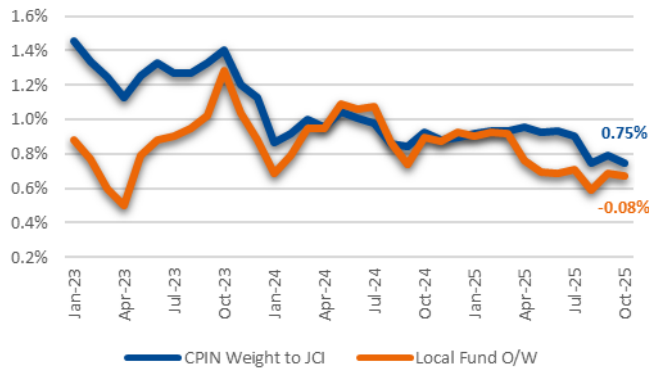
Source: Company, BRIDS

Exhibit 10. MAIN operating profit contribution



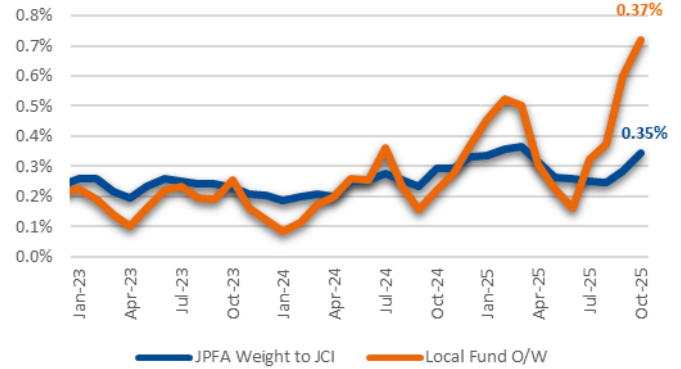
Source: Company, BRIDS

Exhibit 11. CPIN's weighting and local funds position



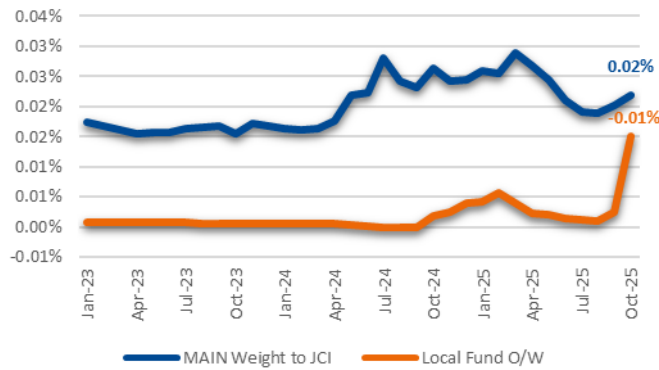
Source: KSEI, BRIDS

Exhibit 12. JPFA's weighting and local funds position



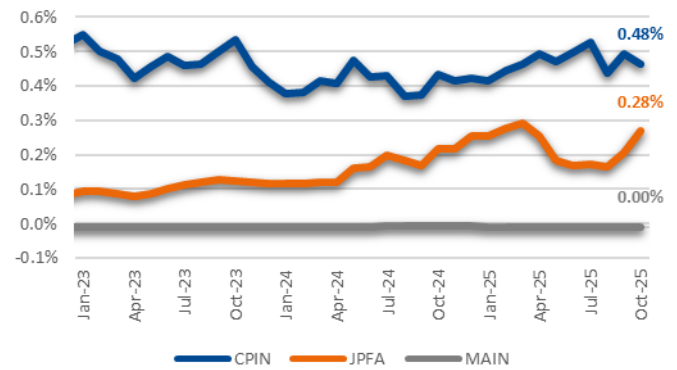
Source: KSEI, BRIDS

Exhibit 13. MAIN's weighting and local funds position



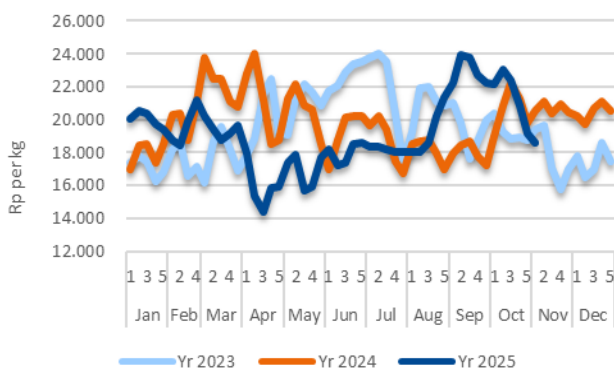
Source: KSEI, BRIDS

Exhibit 14. Foreign funds ownership



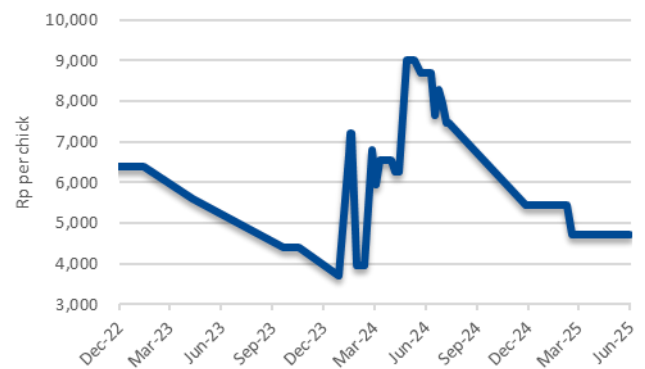
Source: KSEI, BRIDS

Exhibit 15. West Java livebird price



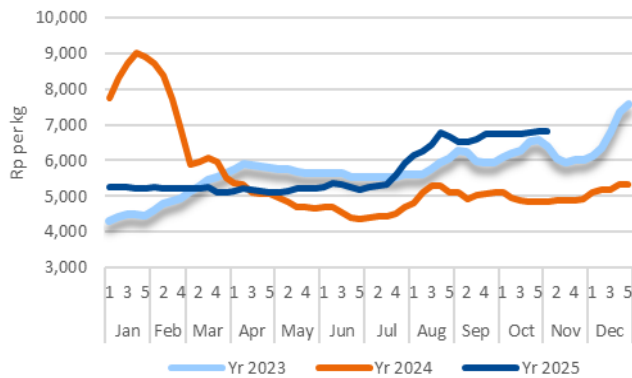
Source: Pinsar, BRIDS

Exhibit 16. Wonokoyo DOC price



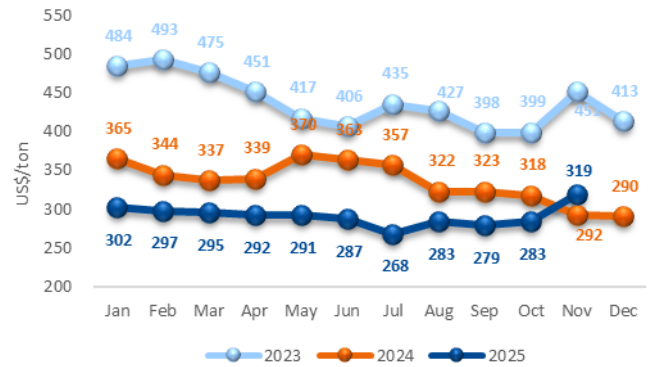
Source: Arboge, BRIDS

Exhibit 17. Local corn price



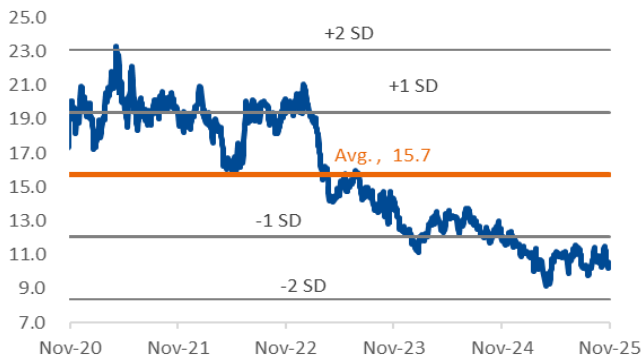
Source: Various sources, BRIDS

Exhibit 18. Soybean meal price



Source: Bloomberg, BRIDS

Exhibit 19. CPIN EV/EBITDA band chart (5-year)



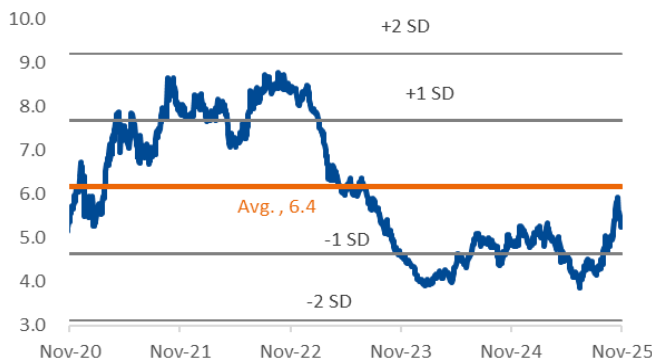
Source: Bloomberg, BRIDS Estimates

Exhibit 20. CPIN P/E band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 21. JPFA EV/EBITDA band chart (5-year)



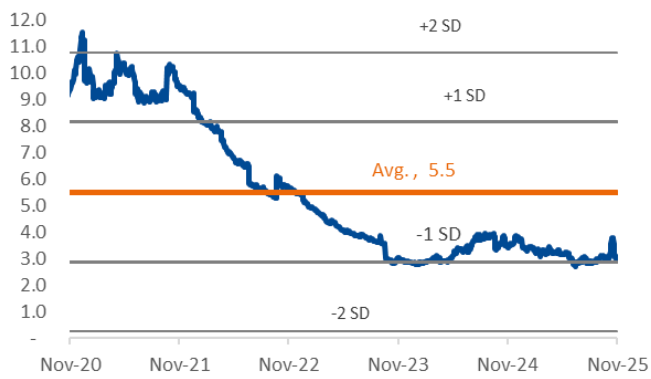
Source: Bloomberg, BRIDS Estimates

Exhibit 22. JPFA P/E band chart (5-year)



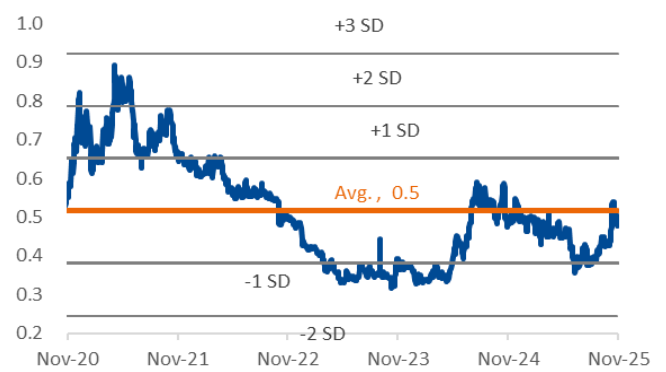
Source: Bloomberg, BRIDS Estimates

Exhibit 23. MAIN EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 24. MAIN P/BV band chart (5-year)



Source: Bloomberg, BRIDS Estimates

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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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