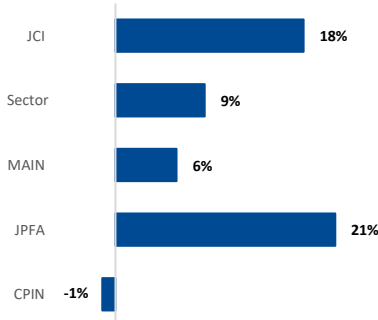


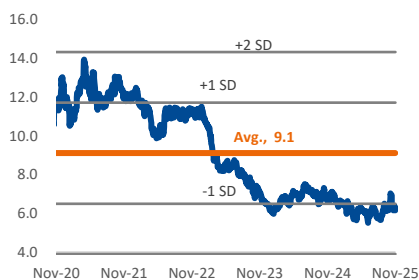
# Overweight

(Maintained)

## YTD share price performance



## Sector EV/EBITDA band chart



Source: Bloomberg, BRIDS

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# Poultry

## Mutant Chickens in Modern Cikande? Investigating the Impact of Cesium-137 Contamination

- News revealed CPIN is among the names affected in Cs-137 contamination. JPFA and MAIN have feedmill plants in the same estate.
- CPIN has stated it has achieved clean-and-clear status and returned normal operation. However, we see risk in consumer perception.
- JPFA and MAIN are less affected given its indirect effect on consumer product. We maintain Overweight given its relatively small impact.

### Radioactive Detection Traces Back to Modern Cikande Industrial Estate

The discovery of radioactive exposure in a container of frozen shrimp exported from Indonesia first surfaced when U.S. Customs detected abnormal radiation levels. The United States Food and Drug Administration (FDA) subsequently confirmed the presence of Cesium-137 (Cs-137) in early Aug25 in processed frozen shrimp samples from PT Bahari Makmur Sejati (BMS), and issued an official notification to the Indonesian government. A trace-back investigation by Indonesian authorities later identified the source of contamination in the Cikande area of Banten, where BMS's processing facility and several metal-smelting plants are located.

### Cs-137 Exposure Reports, CPIN Included in the List

Radiation exposure was subsequently identified across several major industrial segments, including metal smelting, hazardous-waste processing, food production, and manufacturing facilities. The Ministry of Industry reported that 24 companies operating within the Modern Cikande Industrial Estate (MCIE) were found to have potential Cs-137 contamination, with CPIN included on this list.

### Company-Level Assessment: CPIN Facing a Reputational Overhang

CPIN operates seven food-processing facilities, including one within the MCIE area located approximately 1.3 km from BMS's plant. Following its inclusion in the list of 24 companies with potential Cs-137 exposure, CPIN clarified that no contamination was detected at any of its facilities and noted that government-led decontamination activities occurred outside the production building, allowing operations to continue normally. That said, we flag a potential short-term reputational overhang given heightened consumer sensitivity to food-safety issues. Meanwhile, JPFA and MAIN also operate within the MCIE area, but their assets consist solely of feedmill facilities. Given the absence of food-processing operations and limited relevance of the reported radiation findings to feed production, we see minimal risk of material operational or reputational impact for both companies at this stage.

### Minimal impact to poultry sector, maintain Overweight

While CPIN has acquired clean-and-clear status and has no issue regarding its operation, we see risk that consumer perception regarding its brand, Fiesta and Champ, could deteriorate. However, given the relatively limited impact on profitability, our calculations, which incorporate three downside scenarios for revenue in the food segment (**Exhibit 5**), suggest that CPIN's earnings in FY25/26F would decline by approximately 0.3% and 0.5%, respectively. We maintain our Overweight rating and continue to favor CPIN.

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	77,070.6	18.2	16.2	2.5	2.4	15.1
Japfa Comfeed Indonesia	JPFA IJ	BUY	2,800	27,557.5	8.5	7.6	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. Modern Cikande Industrial Estate (MCIE) Map



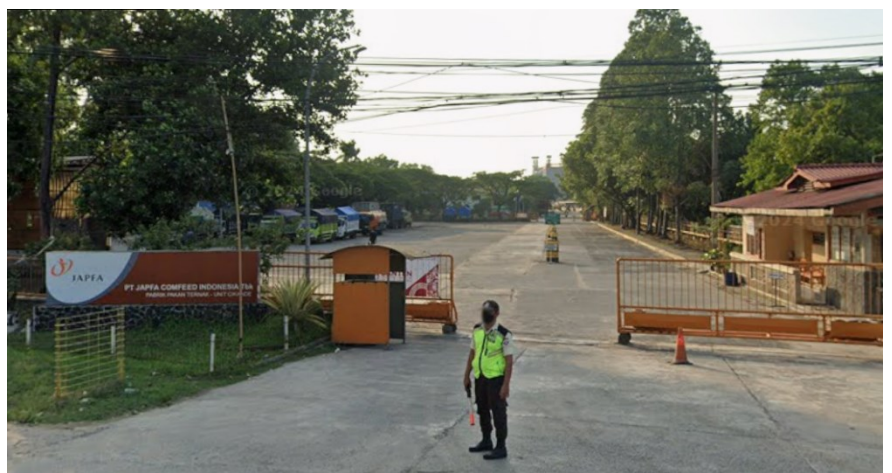
Source: Google MyMaps, BRIDS

**Exhibit 2. CPIN facility in MCIE**



Source: Google Street View, BRIDS

**Exhibit 3. JPFA facility in MCIE**



Source: Google Street View, BRIDS

**Exhibit 4. MAIN facility in MCIE**



Source: Google Street View, BRIDS

**Exhibit 5. CPIN’s Sensitivity Analysis FY25F**

Δ Processed food revenue	FY25F Net Profit	FY25F EBITDA	Share price (Rp/share)	% Changes in NP
0%	4,227	7,139	6,400	
-5%	4,220	7,129	6,400	-0.2%
-25%	4,190	7,091	6,400	-0.9%
-50%	4,153	7,042	6,300	-1.8%
<b>Aggregate Changes in NP*</b>				<b>-0.3%</b>

\*Probability: 85% (-5%), 13% (-25), 2% (-50%)

Source: BRIDS Estimates

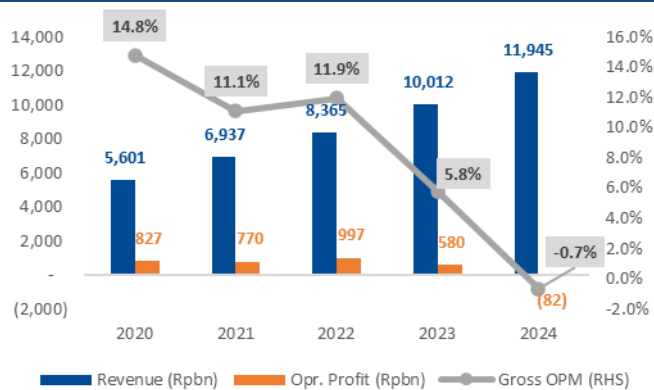
**Exhibit 6. CPIN’s Sensitivity Analysis FY26F**

Δ Processed food revenue	FY26F Net Profit	FY26F EBITDA	Share price (Rp/share)	% Changes in NP
0%	4,749	7,852	6,400	
-5%	4,735	7,834	6,400	-0.3%
-25%	4,679	7,762	6,400	-1.5%
-50%	4,610	7,672	6,300	-2.9%
<b>Aggregate Changes in NP*</b>				<b>-0.5%</b>

\*Probability: 85% (-5%), 13% (-25), 2% (-50%)

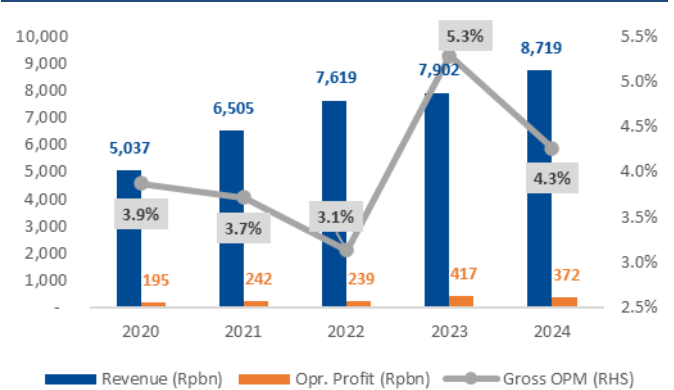
Source: BRIDS Estimates

**Exhibit 7. CPIN’s Processed food segment performance**



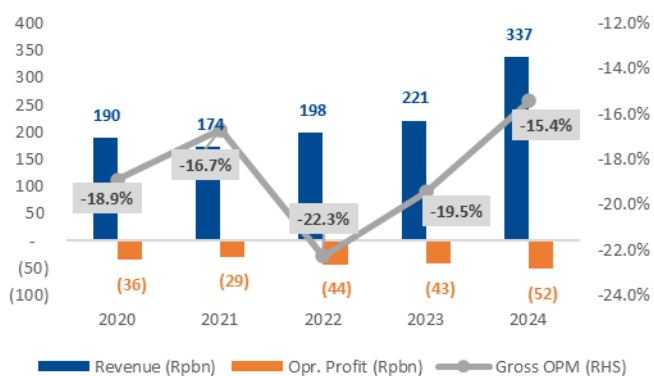
Source: Company, BRIDS

**Exhibit 8. JPFA’s Processed food segment performance**



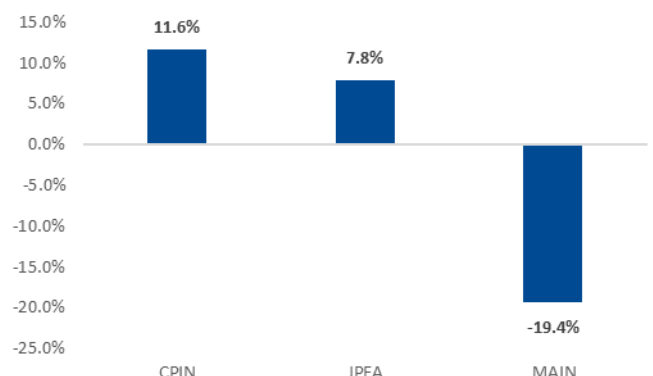
Source: Company, BRIDS

**Exhibit 9. MAIN’s Processed food segment performance**



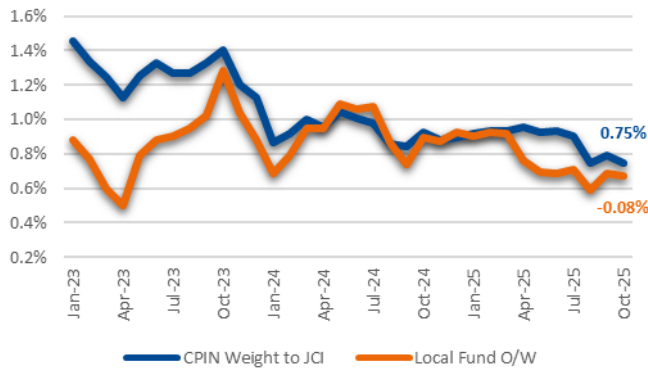
Source: Company, BRIDS

**Exhibit 10. Processed food revenue contribution, 9M25**



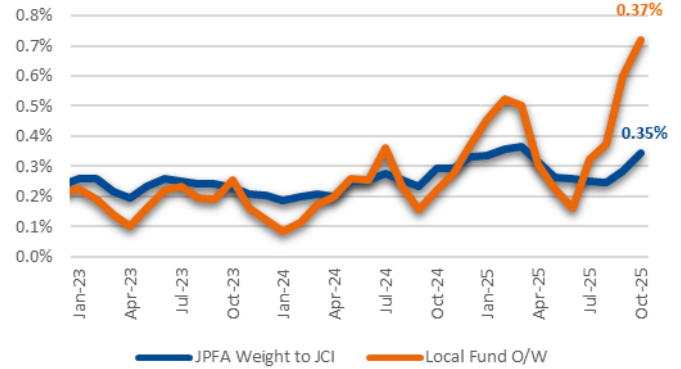
Source: Company, BRIDS

**Exhibit 11. CPIN's weighting and local funds position**



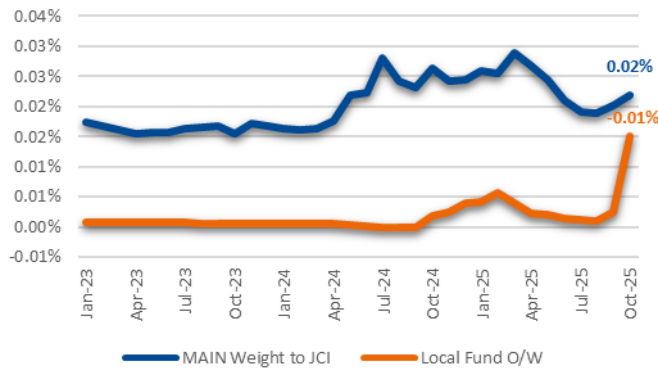
Source: KSEI, BRIDS

**Exhibit 12. JPFA's weighting and local funds position**



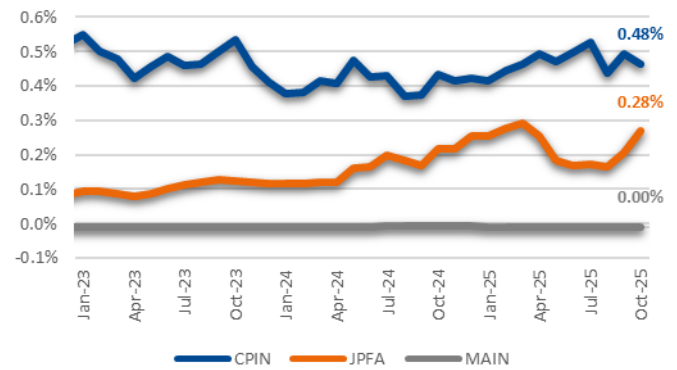
Source: KSEI, BRIDS

**Exhibit 13. MAIN's weighting and local funds position**



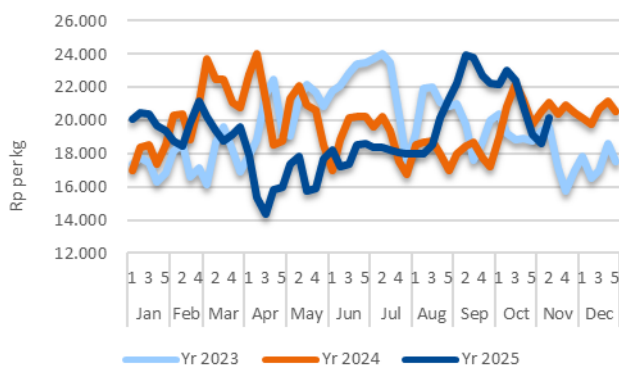
Source: KSEI, BRIDS

**Exhibit 14. Foreign funds ownership**



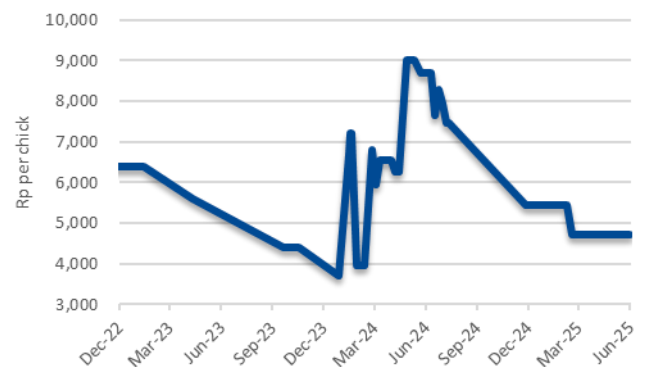
Source: KSEI, BRIDS

**Exhibit 15. West Java livebird price**



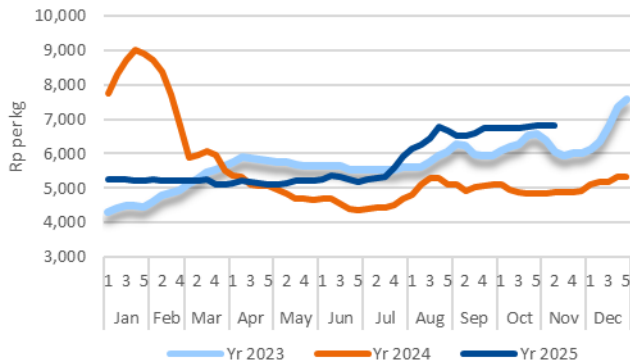
Source: Pinsar, BRIDS

**Exhibit 16. Wonokoyo DOC price**



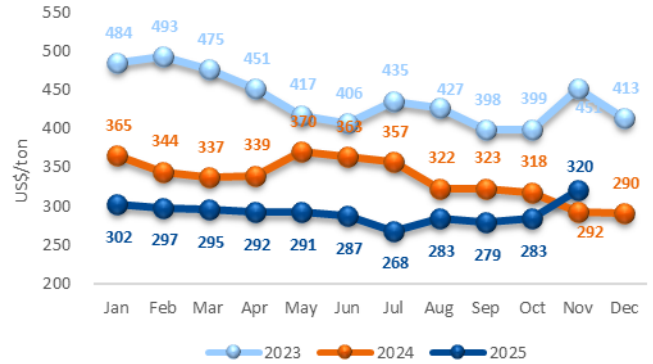
Source: Arboge, BRIDS

Exhibit 17. Local corn price



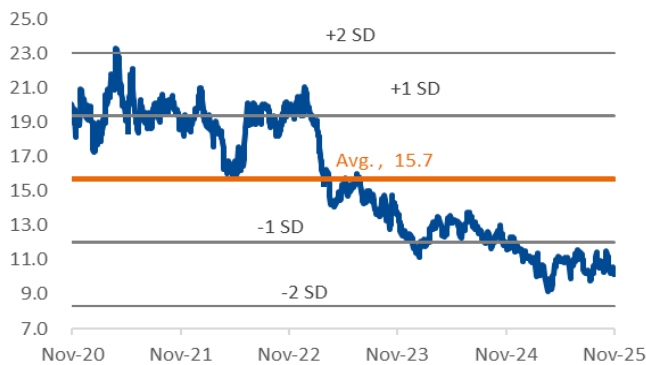
Source: Various sources, BRIDS

Exhibit 18. Soybean meal price



Source: Bloomberg, BRIDS

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



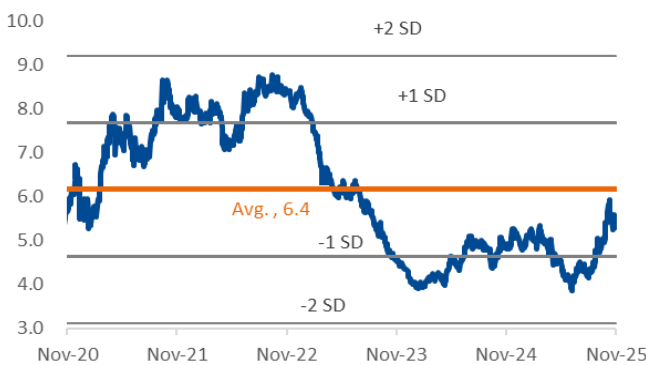
Source: Bloomberg, BRIDS Estimates

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



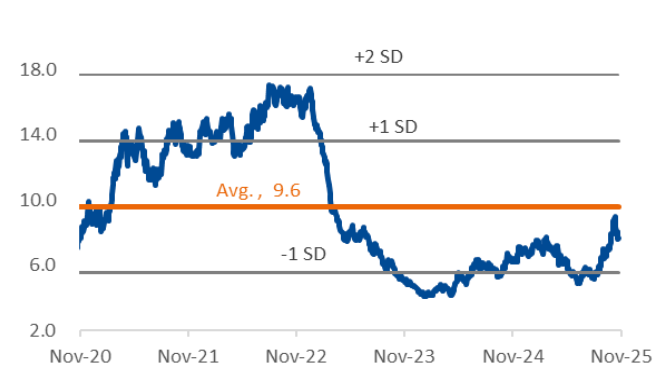
Source: Bloomberg, BRIDS Estimates

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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<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

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