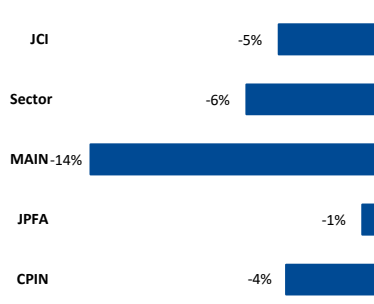


Overweight

(Maintained)

Tactical (3M): **OW**

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

Potentially Higher Feed and Poultry Prices from Govt. Plan to Centralize SBM Imports Through SOE

- Govt’s plan to shift SBM imports to SOE could negatively impact FY26F EBITDA by an estimated 1.1-3.8% if SBM costs rise by 7% from Apr26.
- The higher costs will negatively impact ST feed margin, while in LT, it will eliminate less efficient players and bring consumer chicken prices up.
- We maintain Overweight as larger size integrators will benefit in the LT and FY26F supply-demand remains favorable.

Regulating SBM import through SOE

The Indonesian government plans to shift soybean meal (SBM) import authority from private companies to a state-owned enterprise (PT Berdikari) starting in 2026, aiming to ensure controlled and nationally aligned feed supply and pricing. SBM accounts for about 20-25% of typical poultry feed and is the largest annual imported feed ingredient. To avoid market disruption during the transition, private firms are still permitted to import SBM directly until March 31, 2026, with volume subject to coordination with PT Berdikari, and are given opportunities to request additional import allocations if needed. The government also required traders not to hoard stock to maintain price stability.

Potentially higher SBM costs

While Indonesia has historically sourced SBM mainly from Brazil and Argentina, centralized imports may reduce flexibility in origin selection. If country trade deals lead to more import from the U.S., which structurally trades at a price premium, it could lift the effective base feed cost, which we estimate at around 2%. Aside from higher base prices, SBM cost will be higher due to the trader’s margin, which we estimate at around 5% based on FY24 Berdikari’s gross margin in the government assignment segment. Despite the potential 7% increase in SBM price, note that this will affect all feedmillers.

ST feed margin compression, LT impact to consumer prices

Based on our estimate, a 7% increase in SBM costs starting in Apr26 will negatively impact 1.1-3.8% FY26F EBITDA and 1.4-8.1% FY26F net profits. Typically, albeit lagging, industry-wide feed costs increases will be passed through to higher feed prices. Hence, in the long run, feed margin will stabilize, but it will eliminate less efficient poultry farms and/or bring chicken prices up.

Impact shall be continued, maintain sector Overweight rating

While the new regulations will negatively impact on the integrators’ margin and earnings in the near term, we believe larger size integrators will thrive in the long term given their bigger economic of scale advantages. We maintain Overweight as we see a favorable poultry supply-demand in FY26F with CPIN as our top pick given its less crowded position and underperformance. Tactical 3M rating: OW, as we see potential positive catalysts in the near term from Eid festive, corn harvest season, and robust financial results release. Risks to our view are extreme weather affecting local corn and SBM supply, and further deteriorating consumer purchasing power.

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	5,600	70,675.4	13.9	13.2	2.2	2.2	16.6
Japfa Comfeed Indonesia	JPFA IJ	BUY	3,100	30,489.1	8.0	7.9	1.8	1.8	22.8
Malindo Feedmill Indonesia	MAIN IJ	BUY	1,500	1,667.9	6.1	5.8	0.5	0.4	7.9

Potentially Higher Feed and Poultry Prices from Govt. Plan to Centralize SBM Imports Through SOE

Regulating SBM import through SOE

The Indonesian government plans to shift soybean meal (SBM) import authority from private companies to a state-owned enterprise (PT Berdikari) starting in 2026, aiming to ensure controlled and nationally aligned feed supply and pricing; SBM accounts for about 20-25% of typical poultry feed and is the largest annual imported feed ingredient. To avoid market disruption during the transition, private firms are still permitted to import SBM directly until March 31, 2026, with volume subject to coordination with PT Berdikari, and are given opportunities to request additional import allocations if needed. The government also required traders not to hoard stock to maintain price stability.

Exhibit 1. Indonesia soybean meal import volume and price



Source: NSA, BRIDS

*as of 11M

Potentially higher SBM costs

While Indonesia has historically sourced SBM mainly from Brazil and Argentina, centralized imports may reduce flexibility in origin selection. If country trade deals lead to more import from the U.S., which structurally trades at a price premium, it could lift the effective base feed cost, which we estimate at around 2%. Aside from higher base prices, SBM cost will be higher due to the trader’s margin, which we estimate at around 5% based on FY24 Berdikari’s gross margin in the government assignment segment. Despite the potential 7% increase in SBM price, note that this will affect all feedmillers.

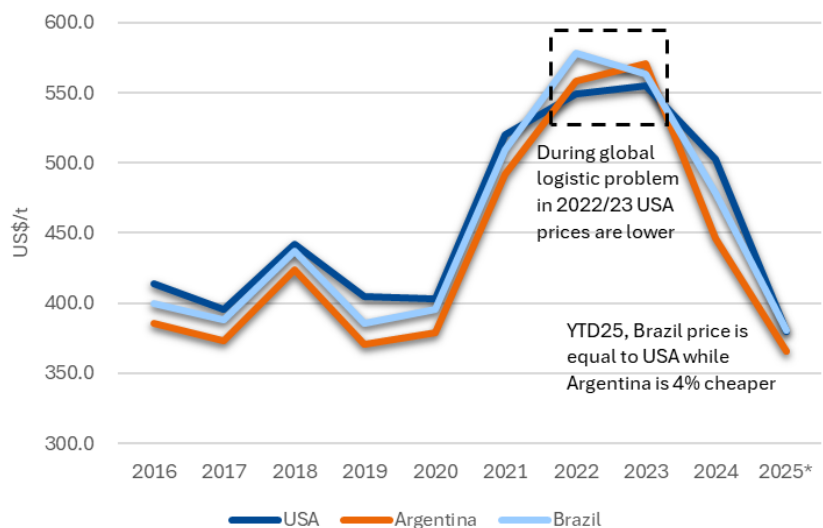
If Berdikari manages 100% of SBM imports, this would add significant contribution to its earnings. In FY24, SBM imports have value of Rp43.5tr. Assuming trader’s margin of 5% this would add c. Rp2tr of gross profit, which if compared to Berdikari’s FY24 gross profit of less than Rp500bn, would be more than four-fold increase.

Exhibit 2. Berdikari revenue and margin by business segment

By Segments	Financial, in Rpmm			YoY Growth	
	2022	2023	2024	2023	2024
Revenue					
Poultry	148,750	112,800	202,966	-24.2%	79.9%
Ruminant	135,133	21,757	53,699	-83.9%	146.8%
Retail Trading	762,390	1,379,912	2,052,147	81.0%	48.7%
Government Meat Assignment	1,976,462	267,941	3,655,169	-86.4%	1264.2%
Manufacturing	135,761	39,858	35,061	-70.6%	-12.0%
Service	18,181	20,732	16,752	14.0%	-19.2%
Gross Profit Margin					
Poultry	6.1%	13.4%	18.2%	7.4%	4.7%
Ruminant	-2.2%	8.1%	3.9%	10.4%	-4.3%
Retail Trading	2.8%	2.3%	6.4%	-0.5%	4.1%
Government Meat Assignment	4.4%	0.4%	4.9%	-4.1%	4.5%
Manufacturing	32.4%	27.8%	31.7%	-4.6%	3.9%
Service	-31.7%	31.9%	-324.1%	63.7%	-356.0%

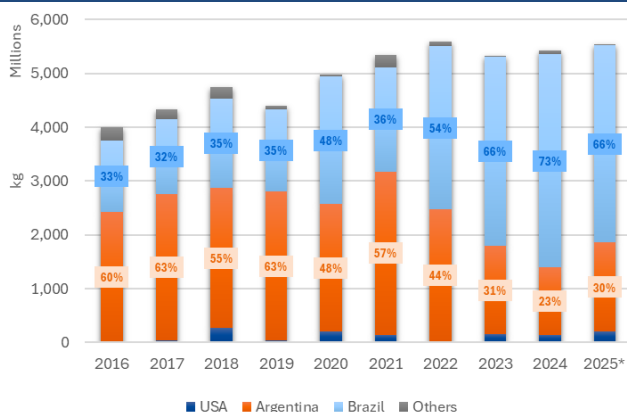
Source: Berdikari, BRIDS

Exhibit 3. Indonesia soybean meal import price



Source: NSA, BRIDS

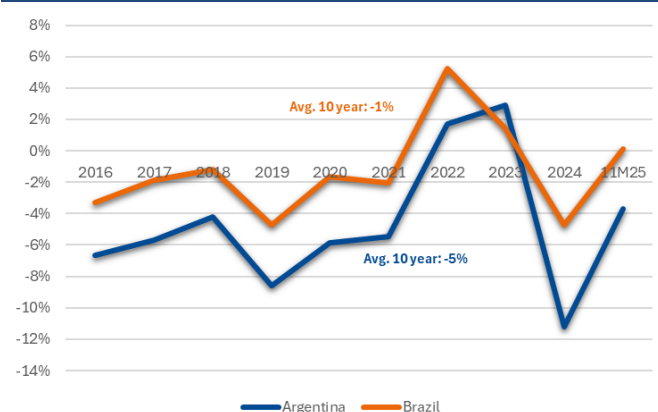
Exhibit 4. Soybean meal import volume by origin



Source: NSA, BRIDS

*as of 11M

Exhibit 5. Price difference vs USA SBM import price



Source: NSA, BRIDS

ST feed margin compression, LT impact to consumer prices

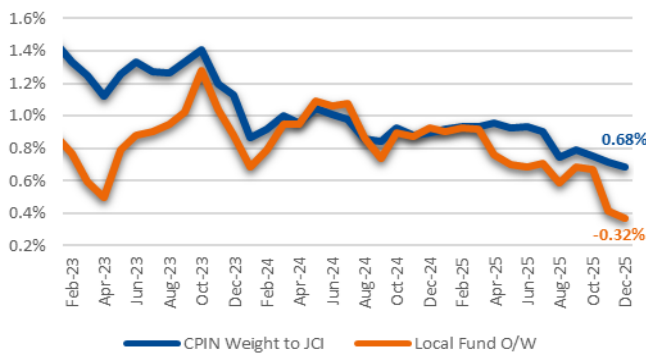
Based on our estimate, a 7% increase in SBM costs starting in Apr26 will negatively impact 1.1-3.8% FY26F EBITDA and 1.4-8.1% FY26F net profits. Typically, albeit lagging, industry-wide feed costs increase will be passthrough to higher feed prices. Hence, in the long run this will eliminate less efficient poultry farms and/or bring chicken prices up.

Exhibit 6. Earnings sensitivity of SBM prices

	FY26F Impact			
	Sensitivity of 1% increase in SBM price		7% increase in SBM price in Apr26	
	Net Profit	EBITDA	Net Profit	EBITDA
CPIN	-0.31%	-0.25%	-1.4%	-1.1%
JPFA	-0.50%	-0.36%	-2.2%	-1.6%
MAIN	-1.84%	-0.88%	-8.1%	-3.8%

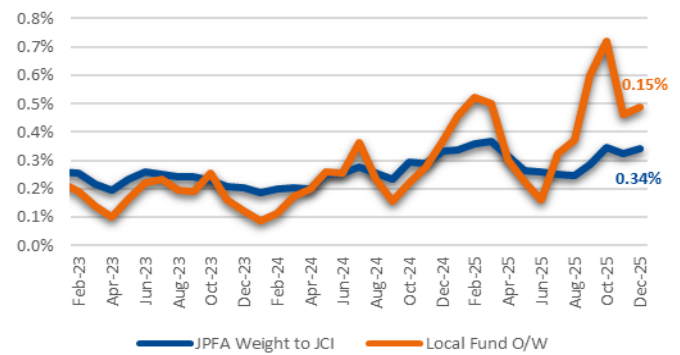
Source: Company, BRIDS Estimates

Exhibit 7. CPIN’s weighting and local funds position



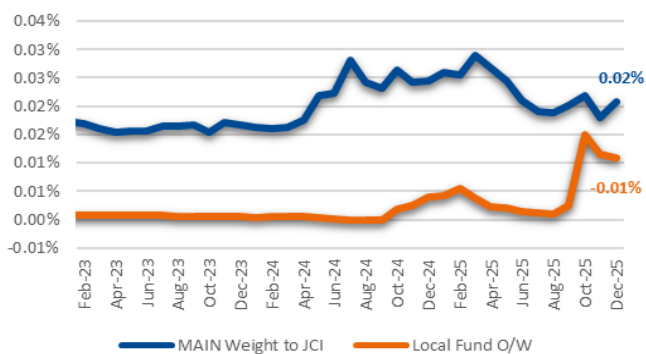
Source: KSEI, BRIDS

Exhibit 8. JPFA’s weighting and local funds position



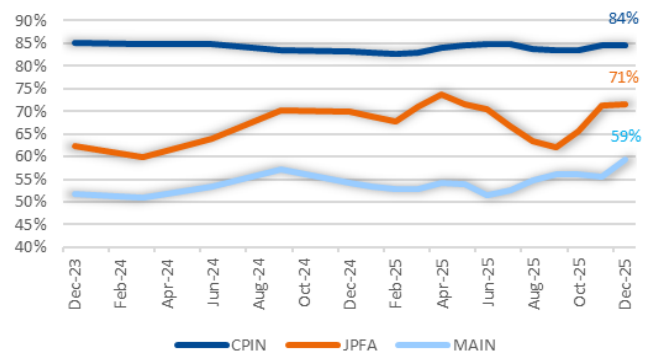
Source: KSEI, BRIDS

Exhibit 9. MAIN’s weighting and local funds position



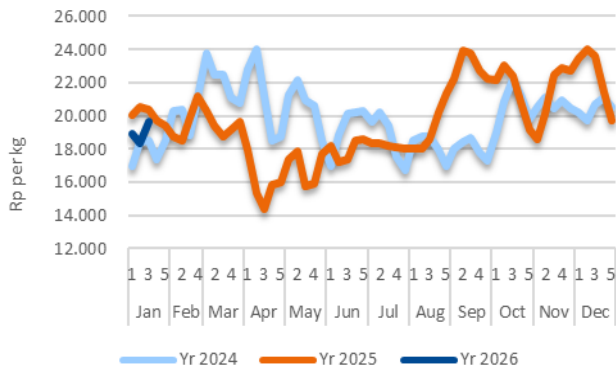
Source: KSEI, BRIDS

Exhibit 10. Foreign ownership (ex. Corporate)



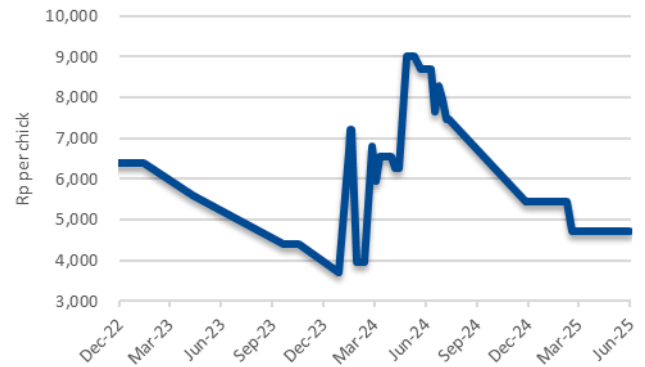
Source: KSEI, BRIDS

Exhibit 11. West Java livebird price



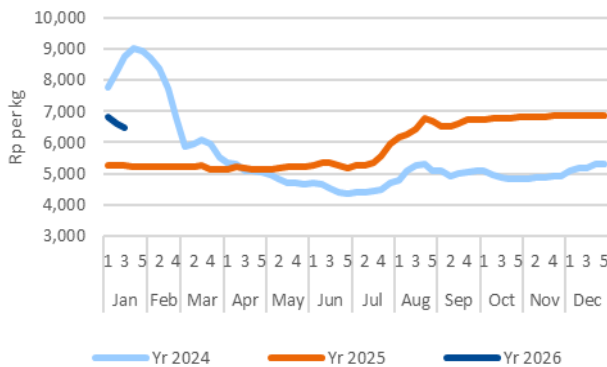
Source: Pinsar, BRIDS

Exhibit 12. Wonokoyo DOC price



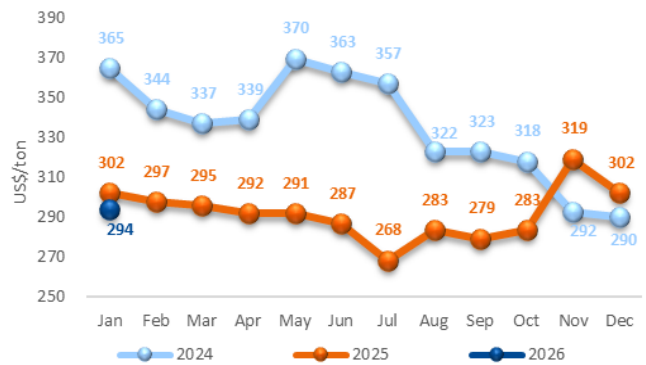
Source: Arboge, BRIDS

Exhibit 13. Local corn price



Source: Various sources, BRIDS

Exhibit 14. Soybean meal price



Source: Bloomberg, BRIDS

Impact shall be continued, maintain sector Overweight rating

While the new regulations will negatively impact on the integrators' margin and earnings in the near term, we believe larger size integrators will thrive in the long term given their bigger economic of scale advantages. We maintain Overweight as we see a favorable poultry supply-demand in FY26F with CPIN as our top pick given its less crowded position and underperformance. Tactical 3M rating: OW, as we see potential positive catalysts in the near term from Eid festive, corn harvest season, and robust financial results release. Risks to our view are extreme weather affecting local corn and SBM supply, and further deteriorating consumer purchasing power.

Exhibit 15. CPIN EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 16. CPIN P/E band chart (5-year)



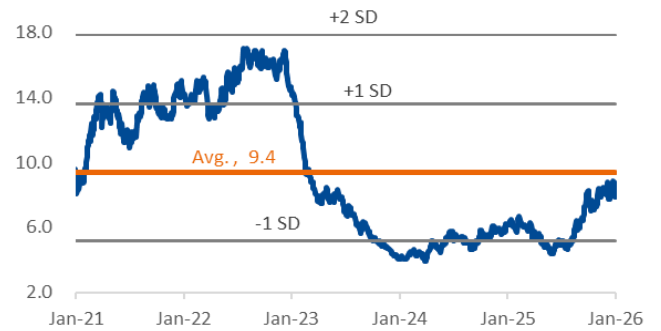
Source: Bloomberg, BRIDS Estimates

Exhibit 17. JPFA EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 18. JPFA P/E band chart (5-year)



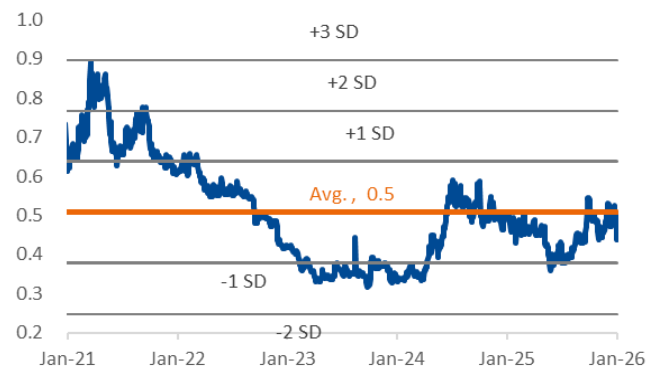
Source: Bloomberg, BRIDS Estimates

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



Source: Bloomberg, BRIDS Estimates

Exhibit 20. MAIN P/BV band chart (5-year)



Source: Bloomberg, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@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

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuh Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@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
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.