

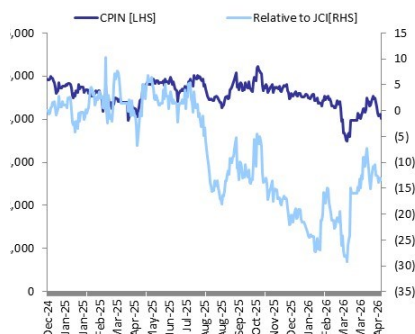
# Buy

(Maintained)

Tactical (3M): **OW**

Last Price (Rp)	4,010
Target Price (Rp)	5,900
Previous TP (Rp)	5,900
Upside/Downside	+47.1%
No. of Shares (mn)	16,398
Mkt Cap (Rpbn/US\$mn)	65,756/3,789
Avg, Daily T/O (Rpbn/US\$mn)	39.2/2.3
Free Float (%)	44.5
Major Shareholder (%)	
PT Charoen Pokphand Indonesia Group	55.5
EPS Consensus (Rp)	
	2026F 2027F 2028F
BRIDS	381.9 409.4 228.9
Consensus	318.6 353.7 319.7
BRIDS/Cons (%)	19.9 15.8 (28.4)

## CPIN relative to JCI Index



Source: Bloomberg

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# Charoen Pokphand Indonesia (CPIN IJ)

## 1Q26 Earnings Beat on Resilient Feed Margin and Contained Operating Costs

- CPIN booked net profit of Rp2.6tr in 1Q26 (+13% qoq, +68% yoy), forming 41% of our and 50% of consensus estimates.
- We believe the solid earnings were supported by 4Q25's inventory build-up, which was used in 1Q26, supporting feed margin.
- Maintain Buy rating with a TP of Rp5,900 with solid earnings and the low local fund position providing ST upside potential.

### Record high quarterly earnings with strong operating performance

After 4Q25's record high quarterly earnings, CPIN booked an even higher net profit of Rp2.6tr in 1Q26 (+13% qoq, +68% yoy), forming 41% of our and 50% of consensus estimates, i.e., above expectations. The strong earnings were supported by solid operating performance and margin expansion across most segments. Gross revenue stood at Rp33.3tr (flat qoq, +6% yoy), supported by stable demand and relatively firm ASP across key segments. Gross operating margin came in at 10.5% (-24bps qoq, +364bps yoy), as lower DOC and broiler margins weighed slightly qoq, but overall profitability improved yoy amid higher raw material costs.

### Resilient feed margin amid higher input costs

Feed revenue grew 1% qoq and 8% yoy, with margin improving qoq to 7.3% (+29bps qoq) but still lower yoy (-55bps yoy). We believe the feed inventory build-up, particularly corn substitutes from 4Q25, began to be utilized in 1Q26, helping cushion higher corn and SBM prices. DOC remained strong with revenue up 31% yoy (+3% qoq) and margin at 12.5%, albeit normalizing from a high base. Livebird revenue grew 5% yoy (+1% qoq) with margin at 14.3%, still robust yoy but moderating qoq due to higher input costs. Processed food continued its recovery, with stable revenue and margin improving to 15.6% (+579bps qoq, +469bps yoy).

### Strong cash bringing 1Q26 to net cash position

In 1Q26, inventory dropped by 2% qoq, partly driven by lower goods in transit, which declined 30% as they arrived and were utilized during the quarter. Despite flat borrowings, the strong cash balance in 1Q26 brought CPIN into a net cash position, the first since 2012.

### Maintain Buy rating and TP of Rp5,900

Despite solid earnings, we maintain our FY26F est. as we foresee normalized earnings post Eid seasonality and potential persistently high raw material costs. We maintain Buy rating with an unchanged TP of Rp5,900, based on revised FY26F EBITDA and an EV/EBITDA multiple of 10.2x (-1SD of the 5-year avg.), implying 15x FY26F PE. Risks to our view include foreign outflows and MBG discontinuation. **Tactical (3M) view: OW.** Low local fund position, strong 1Q26 earnings, and favorable LB prices should provide positive sentiment.

### Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	67,478	70,705	76,409	85,472	108,581
EBITDA (Rpbn)	7,186	8,868	9,538	9,953	6,230
EBITDA Growth (%)	39	23	8	4	(37)
Net Profit (Rpbn)	3,713	5,644	6,263	6,713	3,753
EPS (Rp)	226	344	382	409	229
EPS Growth (%)	60	52	11	7	(44)
BVPS (Rp)	1,846	2,082	2,300	2,527	2,560
DPS (Rp)	30	108	164	182	195
PER (x)	17.7	11.7	10.5	9.8	17.5
PBV (x)	2.2	1.9	1.7	1.6	1.6
Dividen yield (%)	0.7	2.7	4.1	4.5	4.9
EV/EBITDA	9.7	7.6	7.0	6.7	11.0

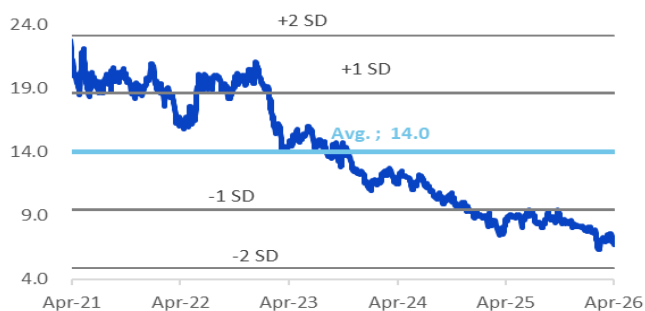
Source: CPIN, BRIDS Estimates

## Exhibit 1. CPIN 1Q26 Result Summary

CPIN (Rp bn)	1Q25	4Q25	1Q26	y-o-y	q-o-q	3M25	3M26	y-o-y	FY26F	FY26C	A/F	A/C
<b>Consolidated</b>												
Net Revenue	17,705	20,100	19,952	13%	-1%	17,705	19,952	13%	76,409	75,689	26%	26%
COGS	(14,574)	(15,751)	(15,493)	6%	-2%	(14,574)	(15,493)	6%	(62,991)	(63,089)	25%	25%
Gross Profit	3,130	4,350	4,459	42%	3%	3,130	4,459	42%	13,418	12,600	33%	35%
Total Opex	(1,087)	(1,407)	(1,152)	6%	-18%	(1,087)	(1,152)	6%	(5,237)	(5,211)	22%	22%
Operating Profit	2,044	2,943	3,306	62%	12%	2,044	3,306	62%	8,181	7,389	40%	45%
Pretax profit	1,995	3,046	3,379	69%	11%	1,995	3,379	69%	8,133	6,757	42%	50%
Net profit	1,537	2,279	2,578	68%	13%	1,537	2,578	68%	6,263	5,181	41%	50%
Gross margin	17.7%	21.6%	22.3%	467 bp	71 bp	17.7%	22.3%	467 bp	17.6%	16.6%		
Opex to revenue	6.1%	7.0%	5.8%	(36)bp	(122)bp	6.1%	5.8%	(36)bp	6.9%	6.9%		
Operating margin	11.5%	14.6%	16.6%	503 bp	193 bp	11.5%	16.6%	503 bp	10.7%	9.8%		
Tax rate	22.9%	25.3%	23.7%	83 bp	(158)bp	22.9%	23.7%	83 bp	26.4%	23.3%		
Net margin	8.7%	11.3%	12.9%	424 bp	158 bp	8.7%	12.9%	424 bp	8.2%	6.8%		
<b>Segment breakdown</b>												
Feed revenue	13,334	14,287	14,367	8%	1%	13,334	14,367	8%				
DOC revenue	2,376	3,026	3,124	31%	3%	2,376	3,124	31%				
Live birds revenue	10,701	11,059	11,214	5%	1%	10,701	11,214	5%				
Processed food revenue	3,029	2,897	3,036	0%	5%	3,029	3,036	0%				
Total gross revenue	31,305	33,364	33,251	6%	0%	31,305	33,251	6%				
Feed OP	1,050	1,005	1,052	0%	5%	1,050	1,052	0%				
DOC OP	82	591	391	379%	-34%	82	391	379%				
Live birds OP	744	1,748	1,608	116%	-8%	744	1,608	116%				
Processed food OP	331	285	474	43%	67%	331	474	43%				
Total operating profit	2,160	3,598	3,506	62%	-3%	2,160	3,506	62%				
Feed margin	7.9%	7.0%	7.3%	(55)bp	29 bp	7.9%	7.3%	(55)bp				
DOC margin	3.4%	19.5%	12.5%	909 bp	(699)bp	3.4%	12.5%	909 bp				
Live birds margin	7.0%	15.8%	14.3%	738 bp	(147)bp	7.0%	14.3%	738 bp				
Processed food margin	10.9%	9.8%	15.6%	469 bp	579 bp	10.9%	15.6%	469 bp				
Total operating margin	6.9%	10.8%	10.5%	364 bp	(24)bp	6.9%	10.5%	364 bp				

Source: Company, BRIDS Estimates

## Exhibit 2. CPIN EV/EBITDA band chart (5-year)



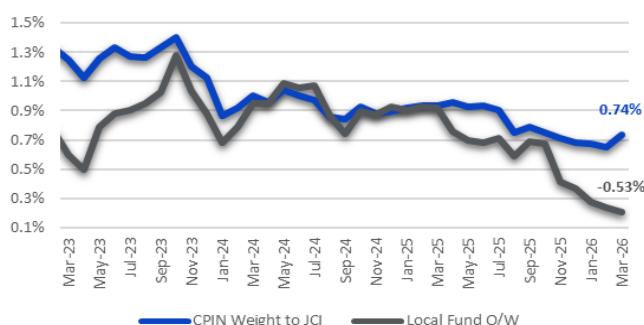
Source: Bloomberg, BRIDS Estimates

## Exhibit 3. CPIN P/E band chart (5-year)



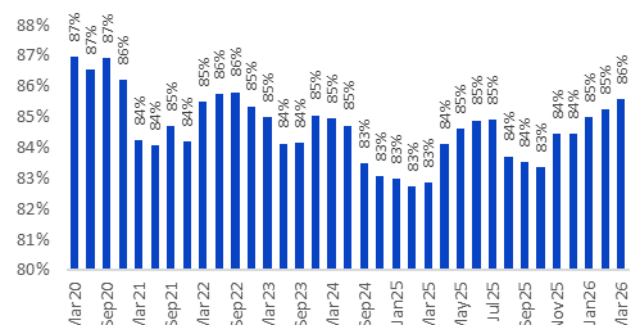
Source: Bloomberg, BRIDS Estimates

## Exhibit 4. CPIN's weighting and local fund position



Source: KSEI, BRIDS

## Exhibit 5. CPIN's Foreign Ownership (ex. Corporate)



Source: KSEI, BRIDS

## Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
<b>Revenue</b>	67,478	70,705	76,409	85,472	108,581
COGS	(57,058)	(58,285)	(62,991)	(71,188)	(96,890)
<b>Gross profit</b>	10,420	12,420	13,418	14,284	11,691
<b>EBITDA</b>	7,186	8,868	9,538	9,953	6,230
<b>Oper. profit</b>	5,790	7,574	8,181	8,508	4,681
Interest income	44	117	110	105	78
Interest expense	(732)	(560)	(504)	(504)	(504)
Forex Gain/(Loss)	(43)	23	(2)	(2)	(2)
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	198	559	348	611	621
<b>Pre-tax profit</b>	5,256	7,713	8,133	8,718	4,874
Income tax	(1,545)	(2,069)	(1,871)	(2,005)	(1,121)
Minority interest	1	0	0	0	0
<b>Net profit</b>	3,713	5,644	6,263	6,713	3,753
<b>Core Net Profit</b>	3,462	5,152	5,786	6,230	3,265

## Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	4,446	4,461	5,727	5,334	3,636
Receivables	2,182	2,791	2,687	3,005	3,818
Inventory	9,375	11,406	12,352	15,356	16,720
Other Curr. Asset	5,337	5,973	6,132	6,389	6,855
Fixed assets - Net	16,928	17,363	18,394	19,414	20,415
Other non-curr.asset	4,523	3,865	3,950	4,038	4,128
<b>Total asset</b>	<b>42,791</b>	<b>45,858</b>	<b>49,242</b>	<b>53,536</b>	<b>55,572</b>
ST Debt	5,400	3,480	3,480	3,480	3,480
Payables	2,420	3,154	3,012	3,403	4,632
Other Curr. Liabilities	770	1,007	870	954	947
Long Term Debt	2,794	2,824	2,882	2,884	2,886
Other LT. Liabilities	1,119	1,242	1,277	1,367	1,628
<b>Total Liabilities</b>	<b>12,502</b>	<b>11,707</b>	<b>11,521</b>	<b>12,089</b>	<b>13,573</b>
Shareholder's Funds	30,274	34,137	37,707	41,433	41,984
Minority interests	15	15	14	14	14
<b>Total Equity &amp; Liabilities</b>	<b>42,791</b>	<b>45,858</b>	<b>49,243</b>	<b>53,537</b>	<b>55,572</b>

**Exhibit 8. Cash Flow**

Year to 31 Dec (Rpb)	2024A	2025A	2026F	2027F	2028F
Net income	3,713	5,644	6,263	6,713	3,753
Depreciation and Amort.	1,396	1,294	1,356	1,445	1,549
Change in Working Capital	(1,385)	(2,364)	(1,184)	(3,103)	(1,421)
Other Oper. Cash Flow	582	1,200	(14)	(14)	(14)
<b>Operating Cash Flow</b>	<b>4,306</b>	<b>5,774</b>	<b>6,422</b>	<b>5,041</b>	<b>3,866</b>
Capex	(834)	(1,799)	(2,390)	(2,467)	(2,552)
Others Inv. Cash Flow	326	(89)	(65)	(66)	(67)
<b>Investing Cash Flow</b>	<b>(508)</b>	<b>(1,888)</b>	<b>(2,455)</b>	<b>(2,533)</b>	<b>(2,619)</b>
Net change in debt	(1,044)	(1,871)	(39)	2	2
New Capital	0	0	0	0	0
Dividend payment	(492)	(1,771)	(2,692)	(2,987)	(3,202)
Other Fin. Cash Flow	(75)	(252)	30	84	255
<b>Financing Cash Flow</b>	<b>(1,611)</b>	<b>(3,894)</b>	<b>(2,700)</b>	<b>(2,901)</b>	<b>(2,944)</b>
<b>Net Change in Cash</b>	<b>2,187</b>	<b>(8)</b>	<b>1,266</b>	<b>(393)</b>	<b>(1,697)</b>
Cash - begin of the year	2,328	4,446	4,461	5,727	5,334
Cash - end of the year	4,446	4,461	5,727	5,334	3,636

**Exhibit 9. Key Ratio**

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
<b>Growth (%)</b>					
Sales	9.5	4.8	8.1	11.9	27.0
EBITDA	39.2	23.4	7.6	4.4	(37.4)
Operating profit	46.8	30.8	8.0	4.0	(45.0)
Net profit	60.1	52.0	11.0	7.2	(44.1)
<b>Profitability (%)</b>					
Gross margin	15.4	17.6	17.6	16.7	10.8
EBITDA margin	10.6	12.5	12.5	11.6	5.7
Operating margin	8.6	10.7	10.7	10.0	4.3
Net margin	5.5	8.0	8.2	7.9	3.5
ROAA	8.9	12.7	13.2	13.1	6.9
ROAE	13.0	17.5	17.4	17.0	9.0
<b>Leverage</b>					
Net Gearing (x)	0.1	0.1	0.0	0.0	0.1
Interest Coverage (x)	7.9	13.5	16.2	16.9	9.3

Source: CPIN, BRIDS Estimates

# Equity Research – Company Update

Monday, 04 May 2026

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## INVESTMENT RATING

<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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