Buy

(Maintained)

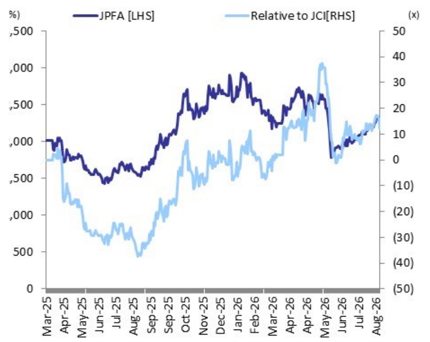
Tactical (3M): **OW**

Last Price (Rp)	**2,250**
Target Price (Rp)	**3,300**
Previous TP (Rp)	***3,300***
Upside/Downside	**+46.7%**
No. of Shares (mn)	**11,411**
Mkt Cap (Rpbn/US$mn)	**25,674/1,447**
Avg, Daily T/O (Rpbn/US$mn)	**41.3/2.3**
Free Float (%)	**43.2**
Major Shareholder (%)	
Japfa Ltd	**55.4**

EPS Consensus (Rp)

	2026F	**2027F**	**2028F**
BRIDS	359.9	370.1	230.4
Consensus	381.7	414.0	423.3
BRIDS/Cons (%)	**(5.7)**	**(10.6)**	**(45.6)**

JPFA relative to JCI Index



Source: Bloomberg

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Japfa Comfeed Indonesia (JPFA IJ)

2Q26 Earnings: Inline; Normalization due to Soft Chicken Prices Was Expected

- **2Q26 earnings normalized sequentially, while 1H26 net profit doubled yoy and remained broadly in line with expectations.**
- **Feed and DOC segment remained resilient, while weaker livebird profitability drove the sharp 2Q26 margin normalization.**
- **Maintain Buy rating with unchanged TP of Rp3,300; improving poultry prices should support earnings as demand improved.**

Strong 1H26 Profitability Despite 2Q26 Normalization

JPFA booked net profit of Rp659bn in 2Q26 (-64% qoq, +19% yoy), bringing 1H26 net profit to Rp2.5tr (+100% yoy), or 59%/56% of our/cons. FY26F forecast, broadly in line with expectations. Driven by higher volume and higher ASP, gross revenue grew 36% yoy to Rp27.4tr but was broadly flat qoq as the higher volume was offset by lower ASP. As a result, operating profit declined 51% qoq to Rp1.5tr as operating margin normalized to 5.4% from 11.2% in 1Q26 and 6.6% in 2Q25. 1H26 profitability remained strong, with operating profit rising 62% yoy to Rp4.5tr, with operating margin improving 171bps yoy to 8.3%, and net margin expanding 250bps yoy to 7.0%.

Feed and DOC Remained Resilient Despite Livebird Weakness

Feed remained resilient, with revenue growing 9% qoq/42% yoy and OPM broadly stable at 9.5% (-15bps qoq/-9bps yoy), lifting operating profit 7% qoq/41% yoy to Rp1.1tr and cushioning weaker downstream margins. DOC OPM normalized to 21.4% from 29.2% in 1Q26, although 1H26 DOC margin remained healthy at 25.6%. Meanwhile, livebird revenue declined 10% qoq but grew 23% yoy, while operating profit fell to a Rp496bn loss from Rp862bn profit in 1Q26, driving OPM to -6.5% from 10.1% in 1Q26. Processed food remained supportive, with revenue broadly flat qoq (+34% yoy) and OPM improving to 6.1% from 4.7%/33% in 1Q26/2Q25.

Maintain Buy rating and TP of Rp3,300

JPFA's 2Q26 results were broadly in line, with stronger feed and DOC profitability partly offset by weaker livebird margins. Compared with CPIN, JPFA saw a sharper deterioration in livebird profitability, while both companies experienced significant qoq margin normalization. Nevertheless, strong 1H26 profitability keeps FY26F earnings delivery on track. We maintain our FY26-28F forecast and Buy rating with an unchanged TP of Rp3,300. Our TP is derived from 5-year EV/EBITDA average of 6.1x to FY26F, implying 9.2x P/E. Risk to our view are raw material supply disruptions. **Tactical (3M) view: OW**; we expect improving poultry prices to support earnings as demand normalized.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	55,801	60,716	65,125	71,086	82,429
EBITDA (Rpbn)	6,274	7,290	7,747	8,052	5,904
EBITDA Growth (%)	91.7	16.2	6.3	3.9	(26.7)
Net Profit (Rpbn)	3,019	4,004	4,220	4,340	2,702
EPS (Rp)	257.4	341.4	359.9	370.1	230.4
EPS Growth (%)	224.7	32.6	5.4	2.8	(37.7)
BVPS (Rp)	1,319.8	1,591.6	1,765.8	1,940.2	1,969.4
DPS (Rp)	69.4	69.4	185.7	195.7	201.3
PER (x)	8.7	6.6	6.3	6.1	9.8
PBV (x)	1.7	1.4	1.3	1.2	1.1
Dividen yield (%)	3.1	3.1	8.3	8.7	8.9
EV/EBITDA	5.7	4.7	4.3	4.1	6.0

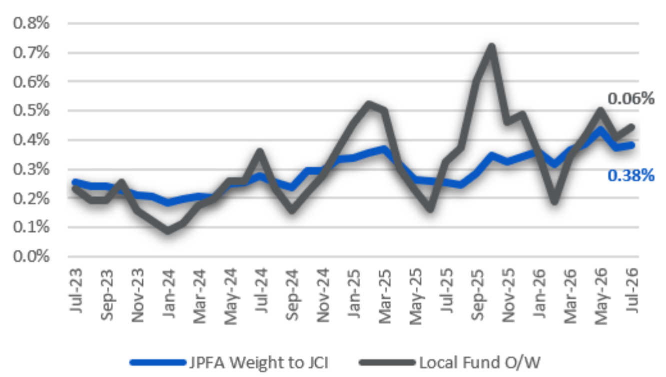
Source: JPFA, BRIDS Estimates

Exhibit 1. JPFA 2Q26 Result Summary

JPFA (Rp bn)	2Q25	1Q26	2Q26	*y-o-y*	*q-o-q*	6M25	6M26	*y-o-y*	FY26F	FY26C	*A/F*	*A/C*
Consolidated												
Revenue	**13,149**	**17,714**	**17,641**	***34%***	***0%***	**27,482**	**35,355**	***29%***	**65,125**	**66,390**	***54%***	***53%***
COGS	(10,566)	(13,194)	(14,536)	*38%*	*10%*	(22,204)	(27,730)	*25%*	(51,070)	(52,274)	*54%*	*53%*
Gross Profit	**2,583**	**4,520**	**3,105**	***20%***	***-31%***	**5,278**	**7,625**	***44%***	**14,055**	**14,116**	***54%***	***54%***
Total Opex	(1,601)	(1,905)	(1,988)	*24%*	*4%*	(3,177)	(3,893)	*23%*	(7,547)	(7,438)	*52%*	*52%*
Operating Profit	**982**	**2,615**	**1,117**	***14%***	***-57%***	**2,101**	**3,733**	***78%***	**6,509**	**6,678**	***57%***	***56%***
Pretax profit	804	2,483	938	*17%*	*-62%*	1,780	3,420	*92%*	5,779	5,980	*59%*	*57%*
Net profit	**556**	**1,816**	**659**	***19%***	***-64%***	**1,236**	**2,475**	***100%***	**4,220**	**4,399**	***59%***	***56%***
Gross margin	19.6%	25.5%	17.6%	*(204)bp*	*(791)bp*	19.2%	21.6%	*236 bp*	21.6%	21.3%		
Opex to revenue	12.2%	10.8%	11.3%	*(91)bp*	*52 bp*	11.6%	11.0%	*(55)bp*	11.6%	11.2%		
Operating margin	7.5%	14.8%	6.3%	*(114)bp*	*(843)bp*	7.6%	10.6%	*291 bp*	10.0%	10.1%		
Tax rate	24.3%	21.7%	20.9%	*(343)bp*	*(84)bp*	23.5%	21.5%	*(197)bp*	24.3%			
Net margin	4.2%	10.3%	3.7%	*(49)bp*	*(652)bp*	4.5%	7.0%	*250 bp*	6.5%	6.6%		
Segment breakdown												
Feed revenue	7,922	10,367	11,283	*42%*	*9%*	16,602	21,650	*30%*				
DOC revenue	1,632	2,682	2,374	*45%*	*-11%*	3,620	5,056	*40%*				
Live birds revenue	6,238	8,562	7,678	*23%*	*-10%*	13,036	16,240	*25%*				
Processed food revenue	2,354	3,118	3,147	*34%*	*1%*	4,828	6,264	*30%*				
Total revenue	**20,230**	**27,161**	**27,439**	***36%***	***1%***	**42,427**	**54,600**	***29%***				
Feed OP	763	1,005	1,077	*41%*	*7%*	1,394	2,082	*49%*				
DOC OP	(13)	784	509	*n/a*	*-35%*	189	1,293	*583%*				
Live birds OP	292	862	(496)	*n/a*	*n/a*	548	366	*-33%*				
Processed food OP	79	147	193	*145%*	*31%*	177	340	*92%*				
Total operating profit	**1,342**	**3,039**	**1,478**	***10%***	***-51%***	**2,784**	**4,517**	***62%***				
Feed margin	9.6%	9.7%	9.5%	*(9)bp*	*(15)bp*	8.4%	9.6%	*122 bp*				
DOC margin	-0.8%	29.2%	21.4%	*2,224 bp*	*(779)bp*	5.2%	25.6%	*2,035 bp*				
Live birds margin	4.7%	10.1%	-6.5%	*(1,115)bp*	*(1,653)bp*	4.2%	2.3%	*(195)bp*				
Processed food margin	3.3%	4.7%	6.1%	*278 bp*	*140 bp*	3.7%	5.4%	*176 bp*				
Total operating margin	**6.6%**	**11.2%**	**5.4%**	***(125)bp***	***(580)bp***	**6.6%**	**8.3%**	***171 bp***				

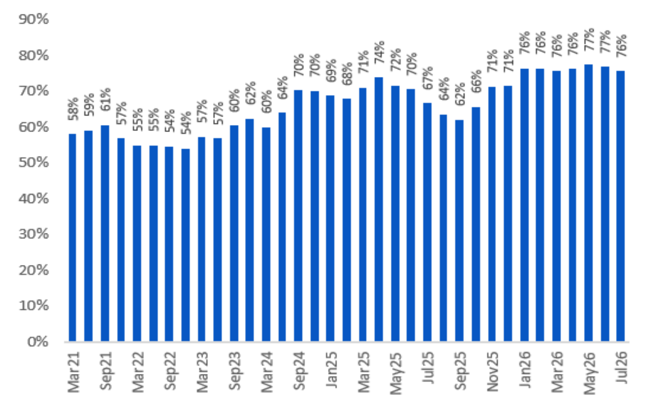
Source: Company, BRIDS Estimates

Exhibit 2. JPFA's Domestic Fund Positioning



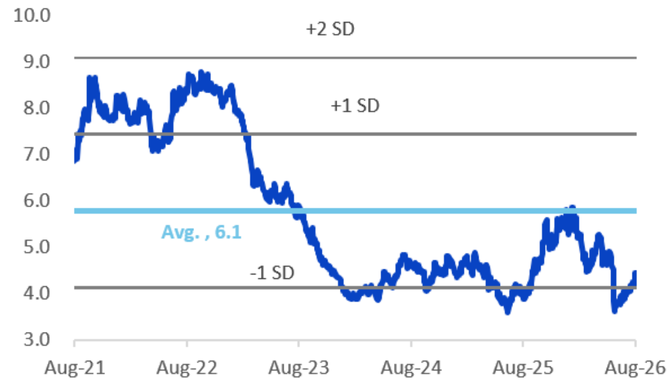
Source: Company, BRIDS Estimates

Exhibit 3. JPFA's Foreign Ownership (ex. Corporate)



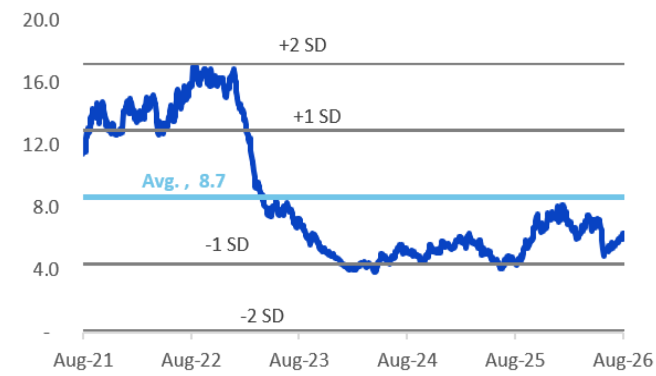
Source: Company, BRIDS Estimates

Exhibit 4. JPFA EV/EBITDA band chart (5-year)



Source: Company, BRIDS Estimates

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



Source: Company, BRIDS Estimates

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Revenue	**55,801**	**60,716**	**65,125**	**71,086**	**82,429**
COGS	(44,583)	(47,524)	(51,070)	(56,185)	(69,892)
Gross profit	**11,218**	**13,191**	**14,055**	**14,901**	**12,538**
EBITDA	**6,274**	**7,290**	**7,747**	**8,052**	**5,904**
Oper. profit	**5,213**	**6,150**	**6,509**	**6,720**	**4,484**
Interest income	50	67	61	77	63
Interest expense	(870)	(805)	(866)	(932)	(932)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(152)	72	75	79	85
Pre-tax profit	**4,241**	**5,484**	**5,779**	**5,944**	**3,700**
Income tax	(1,029)	(1,202)	(1,267)	(1,303)	(811)
Minority interest	(193)	(277)	(292)	(301)	(187)
Net profit	**3,019**	**4,004**	**4,220**	**4,340**	**2,702**
Core Net Profit	**3,019**	**4,007**	**4,222**	**4,340**	**2,699**

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	1,354	3,550	4,807	5,601	2,971
Receivables	2,761	3,198	3,551	3,876	4,495
Inventory	11,120	11,726	12,275	13,505	16,799
Other Curr. Asset	1,934	2,902	2,510	2,724	3,417
Fixed assets - Net	13,754	14,995	15,694	16,158	16,389
Other non-curr.asset	3,743	3,689	4,091	4,158	4,238
Total asset	**34,666**	**40,060**	**42,928**	**46,022**	**48,310**
ST Debt	3,213	9,706	9,875	9,876	9,877
Payables	4,636	4,752	5,044	5,549	6,903
Other Curr. Liabilities	1,447	2,059	2,074	2,172	2,191
Long Term Debt	7,382	2,034	2,039	2,039	2,039
Other LT. Liabilities	1,417	1,487	1,543	1,687	2,073
Total Liabilities	**18,095**	**20,039**	**20,576**	**21,323**	**23,083**
Shareholder'sFunds	15,477	18,664	20,707	22,752	23,094
Minority interests	1,096	1,355	1,647	1,948	2,135
Total Equity & Liabilities	**34,667**	**40,058**	**42,930**	**46,024**	**48,312**

Exhibit 8. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	3,019	4,004	4,220	4,340	2,702
Depreciation and Amort.	1,061	1,140	1,238	1,332	1,420
Change in Working Capital	(270)	(859)	(610)	(1,236)	(3,317)
OtherOper. Cash Flow	1,051	727	590	614	516
Operating Cash Flow	**4,860**	**5,012**	**5,439**	**5,051**	**1,321**
Capex	(1,592)	(2,382)	(2,224)	(2,098)	(1,968)
Others Inv. Cash Flow	(31)	(377)	51	68	55
Investing Cash Flow	**(1,623)**	**(2,759)**	**(2,173)**	**(2,029)**	**(1,914)**
Net change in debt	(2,229)	1,146	174	1	1
New Capital	22	143	0	0	0
Dividend payment	(814)	(814)	(2,177)	(2,295)	(2,360)
Other Fin. Cash Flow	(369)	(510)	56	144	386
Financing Cash Flow	**(3,389)**	**(35)**	**(1,948)**	**(2,150)**	**(1,974)**
Net Change in Cash	**(152)**	**2,217**	**1,318**	**871**	**(2,567)**
Cash - begin of the year	1,503	1,354	3,550	4,807	5,601
Cash - end of the year	1,354	3,550	4,807	5,601	2,971

Exhibit 9. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	9.0	8.8	7.3	9.2	16.0
EBITDA	91.7	16.2	6.3	3.9	(26.7)
Operating profit	130.3	18.0	5.8	3.2	(33.3)
Net profit	224.7	32.6	5.4	2.8	(37.7)
Profitability (%)					
Gross margin	20.1	21.7	21.6	21.0	15.2
EBITDA margin	11.2	12.0	11.9	11.3	7.2
Operating margin	9.3	10.1	10.0	9.5	5.4
Net margin	5.4	6.6	6.5	6.1	3.3
ROAA	8.8	10.7	10.2	9.8	5.7
ROAE	21.0	23.5	21.4	20.0	11.8
Leverage					
Net Gearing (x)	0.6	0.4	0.3	0.3	0.4
Interest Coverage (x)	6.0	7.6	7.5	7.2	4.8

Source: JPFA, BRIDS Estimates

Equity Research – Company Update

Friday, 21 August 2026

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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