Buy

(Maintained)

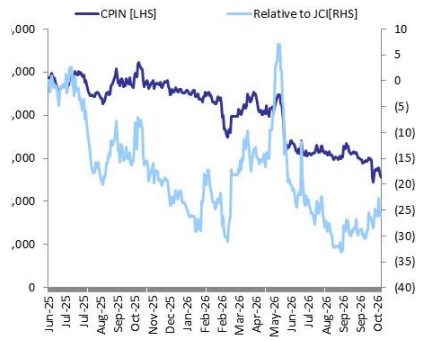
Tactical (3M): **OW**

Last Price (Rp)	2,550
Target Price (Rp)	3,900
Previous TP (Rp)	▼ *4,100*
Upside/Downside	+52.9%
No. of Shares (mn)	16,398
Mkt Cap (Rpbn/US$mn)	41,815/2,307
Avg, Daily T/O (Rpbn/US$mn)	69.2/3.8
Free Float (%)	44.5
Major Shareholder (%)	
PT Charoen Pokphand Indonesia Group	55.5

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	411.2	435.8	315.5
Consensus	394.5	413.7	432.1
BRIDS/Cons (%)	**4.2**	**5.3**	**(27.0)**

CPIN relative to JCI Index



Source: Bloomberg

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Charoen Pokphand Indonesia (CPIN IJ)

3Q26 Earnings: In line; Strong QoQ rebound on Livebird and DOC

- **3Q26 earnings rebounded 30% qoq to Rp1.5tr, bringing 9M26 achievement to 74% of FY26F estimates, in line.**
- **LB and DOC drove operating margin recovery, offsetting weaker feed profitability amid higher input costs.**
- **We trim FY26F/FY27F earnings by 3% on higher finance costs, while maintaining Buy rating with a lower Rp3,900 TP.**

Strong qoq earnings recovery, with 9M26 in line

CPIN posted 3Q26 net profit of Rp1.5tr (+30% qoq; +1% yoy), bringing 9M26 earnings to Rp5.2tr (+54% yoy), reaching 74% of our FY26F (in line) and 80% of consensus (ahead). A lower tax rate of 23.6% (vs. 33.6% in 3Q25) helped keep net profit flat yoy, despite pretax profit declining 13% yoy. Total gross revenue in 3Q26 grew 5% qoq/18% yoy to Rp34.5tr, mainly driven by higher feed and DOC revenue. Meanwhile, operating margin rebounded to 7.2% (+327bps qoq), nearly back to last year's level of 7.6%, as stronger LB and DOC profitability offset the weaker feed margin. However, higher interest expenses (+47% yoy) weighed on pretax earnings, partly reflecting increased short-term debt (+41% yoy) alongside higher inventory levels (+85% yoy), potentially associated with raw material stockpiling following the SBM procurement change.

LB and DOC led the margin recovery

The LB segment was the key earnings driver, with OP surging to Rp1.2tr (vs. Rp63bn in 2Q26), supported by stronger ASPs and an improved OPM of 11.1% (+1,050bps qoq). Similarly, DOC returned to profitability, recording Rp213bn in OP (vs. a Rp96bn loss in 2Q26), with OPM recovering to 7.4% (+1,123bps qoq). In contrast, feed OP fell 26% qoq, with margin contracting to 5.8% (-227bps qoq), likely due to higher input costs and limited ASP pass-through. Processed food recorded softer revenue (-11% qoq), although OP improved 81% qoq to Rp153bn, lifting its margin to 6.3% (+320bps qoq), albeit remaining below last year's level.

Earnings trimmed on higher finance costs

We trim our FY26F/FY27F earnings forecasts by 3%, mainly reflecting higher finance costs amid increased working capital requirements and higher inventory assumptions following the change in SBM procurement. Meanwhile, we leave our topline assumptions unchanged.

Maintain Buy with a lower TP of 3,900

We maintain our Buy rating with a lower TP of Rp3,900 (from Rp4,100), reflecting our revised earnings estimates. Our TP is based on a FY27F fair value of 9.0x PE. We remain positive on the earnings outlook, supported by stronger LB and DOC ASPs, while feed margin recovery and inventory normalization remain key watch points. Key risks include significant raw material supply disruptions and potential government intervention in imported feed raw materials.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	67,478	70,705	80,247	90,075	117,094
EBITDA (Rpbn)	7,186	8,868	10,474	11,036	8,728
EBITDA Growth (%)	39.2	23.4	18.1	5.4	(20.9)
Net Profit (Rpbn)	3,713	5,644	6,743	7,146	5,174
EPS (Rp)	226.4	344.2	411.2	435.8	315.5
EPS Growth (%)	60.1	52.0	19.5	6.0	(27.6)
BVPS (Rp)	1,846.2	2,081.8	2,313.0	2,533.7	2,621.3
DPS (Rp)	30.0	108.0	180.0	215.1	227.9
PER (x)	11.3	7.4	6.2	5.9	8.1
PBV (x)	1.4	1.2	1.1	1.0	1.0
Dividen yield (%)	1.2	4.2	7.1	8.4	8.9
EV/EBITDA	6.3	4.9	4.6	4.3	6.1

Source: CPIN, BRIDS Estimates

Exhibit 1. CPIN 3Q26 Result Summary

CPIN (Rp bn)	3Q25	2Q26	3Q26	y-o-y	q-o-q	9M25	9M26	y-o-y	FY26F	FY26C	A/F	A/C
Consolidated												
Net Revenue	**17,543**	**19,466**	**20,785**	***18%***	***7%***	**50,605**	**60,204**	***19%***	**80,247**	**78,687**	***75%***	***77%***
COGS	(14,195)	(16,976)	(17,215)	*21%*	*1%*	(42,534)	(49,685)	*17%*	(65,982)	(64,687)	*75%*	*77%*
Gross Profit	**3,348**	**2,490**	**3,570**	***7%***	***43%***	**8,071**	**10,519**	***30%***	**14,265**	**14,000**	***74%***	***75%***
Total Opex	(1,218)	(1,203)	(1,351)	*11%*	*12%*	(3,439)	(3,706)	*8%*	(5,315)	(5,056)	*70%*	*73%*
Operating Profit	**2,130**	**1,287**	**2,219**	***4%***	***72%***	**4,631**	**6,812**	***47%***	**8,950**	**8,944**	***76%***	***76%***
Pretax profit	2,206	1,375	1,929	*-13%*	*40%*	4,667	6,683	*43%*	9,036	8,623	*74%*	*78%*
Net profit	**1,465**	**1,130**	**1,474**	***1%***	***30%***	**3,365**	**5,182**	***54%***	**6,958**	**6,444**	***74%***	***80%***
Gross margin	19.1%	12.8%	17.2%	*(191)bp*	*438 bp*	15.9%	17.5%	*152 bp*	17.8%	17.8%		
Opex to revenue	6.9%	6.2%	6.5%	*(44)bp*	*32 bp*	6.8%	6.2%	*(64)bp*	6.6%	6.4%		
Operating margin	12.1%	6.6%	10.7%	*(147)bp*	*406 bp*	9.2%	11.3%	*216 bp*	11.2%	11.4%		
Tax rate	33.6%	17.8%	23.6%	*(1,002)bp*	*581 bp*	27.8%	22.5%	*(535)bp*	26.4%	25.3%		
Net margin	8.3%	5.8%	7.1%	*(126)bp*	*128 bp*	6.6%	8.6%	*196 bp*	8.7%	8.2%		
Segment breakdown												
Feed revenue	12,483	15,362	15,932	*28%*	*4%*	37,864	45,662	*21%*				
DOC revenue	2,328	2,530	2,859	*23%*	*13%*	6,496	8,513	*31%*				
Live birds revenue	9,828	9,925	10,858	*10%*	*9%*	29,442	31,997	*9%*				
Processed food revenue	2,482	2,702	2,414	*-3%*	*-11%*	8,038	8,152	*1%*				
Total gross revenue	**29,364**	**32,974**	**34,534**	***18%***	***5%***	**88,087**	**100,759**	***14%***				
Feed OP	914	1,239	923	*1%*	*-26%*	2,833	3,214	*13%*				
DOC OP	173	(96)	213	*23%*	*n/a*	58	508	*774%*				
Live birds OP	987	63	1,209	*22%*	*1831%*	1,601	2,879	*80%*				
Processed food OP	200	84	153	*-24%*	*81%*	577	711	*23%*				
Total operating profit	**2,241**	**1,283**	**2,472**	***10%***	***93%***	**4,980**	**7,261**	***46%***				
Feed margin	7.3%	8.1%	5.8%	*(153)bp*	*(227)bp*	7.5%	7.0%	*(45)bp*				
DOC margin	7.4%	-3.8%	7.4%	*1 bp*	*1,123 bp*	0.9%	6.0%	*507 bp*				
Live birds margin	10.0%	0.6%	11.1%	*109 bp*	*1,050 bp*	5.4%	9.0%	*356 bp*				
Processed food margin	8.1%	3.1%	6.3%	*(175)bp*	*320 bp*	7.2%	8.7%	*154 bp*				
Total operating margin	**7.6%**	**3.9%**	**7.2%**	***(47)bp***	***327 bp***	**5.7%**	**7.2%**	***155 bp***				

Source: Company, BRIDS Estimates

Exhibit 2. Forecast Changes Summary

Financial	Prev.		New		Changes	
	2026F	2027F	2026F	2027F	*2026F*	*2027F*
Revenue (Rpbn)	80,247	90,075	80,247	90,075	*0.0%*	*0.0%*
EBITDA (Rpbn)	10,307	10,848	10,474	11,036	*1.6%*	*1.7%*
Net Profit (Rpbn)	6,958	7,369	6,743	7,146	*-3.1%*	*-3.0%*

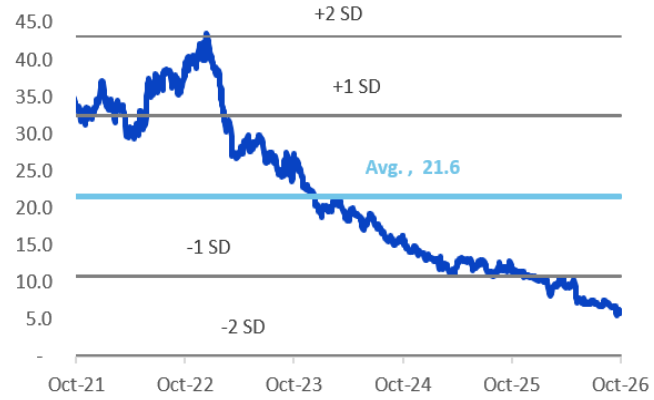
Source: BRIDS Estimates

Exhibit 3. CPIN EV/EBITDA band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 4. CPIN P/E band chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 5. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Revenue	**67,478**	**70,705**	**80,247**	**90,075**	**117,094**
COGS	(57,058)	(58,285)	(65,982)	(74,869)	(103,059)
Gross profit	**10,420**	**12,420**	**14,265**	**15,206**	**14,035**
EBITDA	**7,186**	**8,868**	**10,474**	**11,036**	**8,728**
Oper. profit	**5,790**	**7,574**	**9,117**	**9,591**	**7,179**
Interest income	44	117	108	113	(13)
Interest expense	(732)	(560)	(615)	(728)	(730)
Forex Gain/(Loss)	(43)	23	(21)	(38)	(39)
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	198	559	111	284	279
Pre-tax profit	**5,256**	**7,713**	**8,700**	**9,220**	**6,676**
Income tax	(1,545)	(2,069)	(1,958)	(2,075)	(1,502)
Minority interest	1	0	0	0	0
Net profit	**3,713**	**5,644**	**6,743**	**7,146**	**5,174**
Core Net Profit	**3,462**	**5,152**	**6,566**	**6,984**	**5,021**

Exhibit 6. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	4,446	4,461	4,632	4,769	(833)
Receivables	2,182	2,791	3,091	3,470	4,510
Inventory	9,375	11,406	17,644	20,020	26,181
Other Curr. Asset	5,337	5,973	6,167	6,432	6,927
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
Total asset	**42,791**	**45,858**	**53,879**	**58,143**	**61,327**
ST Debt	5,400	3,480	5,980	5,980	5,980
Payables	2,420	3,154	3,155	3,579	4,927
Other Curr. Liabilities	770	1,007	909	995	1,070
Long Term Debt	2,794	2,824	4,586	4,625	4,664
Other LT. Liabilities	1,119	1,242	1,306	1,403	1,688
Total Liabilities	**12,502**	**11,707**	**15,936**	**16,582**	**18,329**
Shareholder'sFunds	30,274	34,137	37,928	41,548	42,985
Minority interests	15	15	14	14	14
Total Equity & Liabilities	**42,791**	**45,858**	**53,879**	**58,144**	**61,327**

Exhibit 7. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	3,713	5,644	6,743	7,146	5,174
Depreciation and Amort.	1,396	1,294	1,356	1,445	1,549
Change in Working Capital	(1,385)	(2,364)	(6,733)	(2,510)	(6,273)
OtherOper. Cash Flow	582	1,200	(14)	(14)	(14)
Operating Cash Flow	**4,306**	**5,774**	**1,353**	**6,067**	**436**
Capex	(834)	(1,799)	(2,390)	(2,467)	(2,552)
Others Inv. Cash Flow	326	(89)	(65)	(66)	(67)
Investing Cash Flow	**(508)**	**(1,888)**	**(2,455)**	**(2,533)**	**(2,619)**
Net change in debt	(1,044)	(1,871)	4,166	38	39
New Capital	-	-	-	-	-
Dividend payment	(492)	(1,771)	(2,952)	(3,527)	(3,737)
Other Fin. Cash Flow	(75)	(252)	59	91	280
Financing Cash Flow	**(1,611)**	**(3,894)**	**1,274**	**(3,397)**	**(3,419)**
Net Change in Cash	**2,187**	**(8)**	**172**	**137**	**(5,602)**
Cash - begin of the year	2,328	4,446	4,461	4,632	4,769
Cash - end of the year	4,446	4,461	4,632	4,769	(833)

Exhibit 8. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	9.5	4.8	13.5	12.2	30.0
EBITDA	39.2	23.4	18.1	5.4	(20.9)
Operating profit	46.8	30.8	20.4	5.2	(25.1)
Net profit	60.1	52.0	19.5	6.0	(27.6)
Profitability (%)					
Gross margin	15.4	17.6	17.8	16.9	12.0
EBITDA margin	10.6	12.5	13.1	12.3	7.5
Operating margin	8.6	10.7	11.4	10.6	6.1
Net margin	5.5	8.0	8.4	7.9	4.4
ROAA	8.9	12.7	13.5	12.8	8.7
ROAE	13.0	17.5	18.7	18.0	12.2
Leverage					
Net Gearing (x)	0.1	0.1	0.2	0.1	0.3
Interest Coverage (x)	7.9	13.5	14.8	13.2	9.8

Source: CPIN, BRIDS Estimates

Equity Research – Company Update

Monday, 02 November 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

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