Buy

(Maintained)

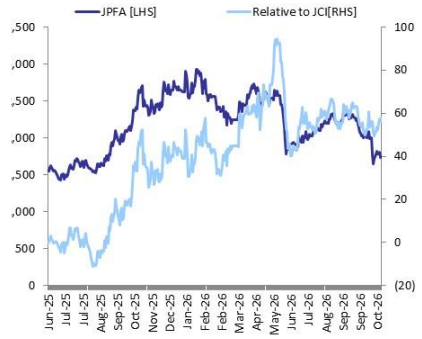
Tactical (3M): **OW**

Last Price (Rp)	**1,740**
Target Price (Rp)	**2,700**
Previous TP (Rp)	***3,200***
Upside/Downside	**+55.2%**
No. of Shares (mn)	**11,411**
Mkt Cap (Rpbn/US$mn)	**19,854/1,095**
Avg, Daily T/O (Rpbn/US$mn)	**34.8/1.9**
Free Float (%)	**43.2**
Major Shareholder (%)	
Japfa Ltd	**55.4**

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	344.0	343.4	314.3
Consensus	400.7	423.6	455.5
BRIDS/Cons (%)	**(14.2)**	**(18.9)**	**(31.0)**

JPFA relative to JCI Index



Source: Bloomberg

Japfa Comfeed Indonesia (JPFA IJ)

3Q26 Eanings: Below; Earning Recovery QoQ Offset by Higher Finance Costs

- **JPFA's 3Q26 net profit recovered 15% qoq to Rp756bn, but 9M26 achievement remained below expectations.**
- **DOC remained resilient and LB returned to profitability, while feed margin weakened and processed food swung to losses.**
- **FY26F/FY27F earnings trimmed 11%/12% on higher finance costs; maintain BUY with a lower Rp2,700 TP.**

Earnings recovered qoq, but remained below expectations

JPFA posted 3Q26 net profit of Rp756bn (+15% qoq; -36% yoy), bringing 9M26 earnings to Rp3.2tr (+34% yoy), reaching 71% of our FY26F and 70% of consensus, i.e. below expectations. Total gross revenue in 3Q26 grew 8% qoq/26% yoy to Rp29.6tr, driven by growth across all segments, led by feed (+35% yoy). Meanwhile, operating margin improved to 7.2% (+181bps qoq), supported by the LB recovery, but remained below last year's 9.0% (–179bps yoy), as feed and processed food margins weakened. Higher interest expenses (+77% yoy) weighed on earnings, partly reflecting increased short-term debt (+33% yoy) alongside higher inventory levels (+44% yoy), driven by raw material stockpiling (+55% yoy) following the SBM procurement change, in our view.

DOC remained resilient, while LB returned to profitability

The DOC segment remained the strongest segment, with OP rising 24% yoy to Rp541bn and OPM staying robust at 21.6% (+98bps yoy), bringing 9M26 DOC OP to Rp1.8tr, nearly triple last year's level. Meanwhile, the LB segment returned to profitability, recording Rp438bn in OP (vs. a Rp496bn loss in 2Q26), with OPM recovering to 5.0% (+1,145bps qoq) on better LB ASPs. In contrast, feed OP fell 25% qoq to Rp810bn, with margin contracting to 6.8% (-271bps qoq), likely due to higher input costs and limited ASP pass-through. Processed food swung to an operating loss of Rp41bn, with OPM falling to -1.2% (-733bps qoq), likely reflecting higher meat input costs amid the LB price recovery and intense competition.

Revised FY26/FY27F earnings by 11/12%

We trim our FY26F/FY27F earnings forecasts by 11%/12%, primarily reflecting higher finance costs amid increased working capital requirements and higher inventory levels following the change in SBM procurement. Meanwhile, our topline assumptions remain broadly unchanged.

Maintain Buy with a lower TP of Rp2,700

We maintain our Buy rating with a lower TP of Rp2,700 (from Rp3,200), reflecting our revised forecast. Our TP is based on a fair PE of 7.8x (Prev: 8.1x). We remain positive on the earnings outlook, supported by sustained DOC and LB ASPs, while feed margin recovery and inventory normalization remain key to earnings improvement. 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)	55,801	60,716	66,831	73,118	87,188
EBITDA (Rpbn)	6,274	7,290	7,869	8,134	7,792
EBITDA Growth (%)	91.7	16.2	7.9	3.4	(4.2)
Net Profit (Rpbn)	3,019	4,004	4,034	4,027	3,686
EPS (Rp)	257.4	341.4	344.0	343.4	314.3
EPS Growth (%)	224.7	32.6	0.7	(0.2)	(8.5)
BVPS (Rp)	1,319.8	1,591.6	1,795.6	1,998.0	2,171.5
DPS (Rp)	69.4	69.4	140.0	141.0	140.8
PER (x)	6.8	5.1	5.1	5.1	5.5
PBV (x)	1.3	1.1	1.0	0.9	0.8
Dividen yield (%)	4.0	4.0	8.0	8.1	8.1
EV/EBITDA	4.7	3.9	4.4	4.2	4.7

Source: JPFA, BRIDS Estimates

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Exhibit 1. JPFA 3Q26 Result Summary

JPFA (Rp bn)	3Q25	2Q26	3Q26	y-o-y	q-o-q	9M25	9M26	y-o-y	FY26F	FY26C	A/F	A/C
Consolidated												
Revenue	**15,623**	**17,641**	**19,170**	***23%***	***9%***	**43,104**	**54,525**	***26%***	**66,873**	**68,149**	***82%***	***80%***
COGS	(12,186)	(14,536)	(15,546)	*28%*	*7%*	(34,389)	(43,276)	*26%*	(52,307)	(53,248)	*83%*	*81%*
Gross Profit	**3,437**	**3,105**	**3,624**	***5%***	***17%***	**8,715**	**11,249**	***29%***	**14,566**	**14,901**	***77%***	***75%***
Total Opex	(1,655)	(1,988)	(2,167)	*31%*	*9%*	(4,833)	(6,060)	*25%*	(7,679)	(7,815)	*79%*	*78%*
Operating Profit	**1,782**	**1,117**	**1,457**	***-18%***	***30%***	**3,882**	**5,190**	***34%***	**6,887**	**7,086**	***75%***	***73%***
Pretax profit	1,600	938	1,101	*-31%*	*17%*	3,380	4,521	*34%*	6,200	6,396	*73%*	*71%*
Net profit	**1,175**	**659**	**756**	***-36%***	***15%***	**2,411**	**3,231**	***34%***	**4,527**	**4,644**	***71%***	***70%***
Gross margin	22.0%	17.6%	18.9%	*(309)bp*	*130 bp*	20.2%	20.6%	*41 bp*	21.8%	21.9%		
Opex to revenue	10.6%	11.3%	11.3%	*71 bp*	*4 bp*	11.2%	11.1%	*(10)bp*	11.5%	11.5%		
Operating margin	11.4%	6.3%	7.6%	*(380)bp*	*127 bp*	9.0%	9.5%	*51 bp*	10.3%	10.4%		
Tax rate	20.5%	20.9%	21.4%	*90 bp*	*53 bp*	22.1%	21.5%	*(59)bp*	24.3%			
Net margin	7.5%	3.7%	3.9%	*(358)bp*	*21 bp*	5.6%	5.9%	*33 bp*	6.8%	6.8%		
Segment breakdown												
Feed revenue	8,815	11,283	11,859	*35%*	*5%*	25,417	33,509	*32%*				
DOC revenue	2,115	2,374	2,505	*18%*	*6%*	5,735	7,561	*32%*				
Live birds revenue	7,396	7,678	8,804	*19%*	*15%*	20,433	25,044	*23%*				
Processed food revenue	2,661	3,147	3,393	*28%*	*8%*	7,489	9,658	*29%*				
Total gross revenue	**23,418**	**27,439**	**29,586**	***26%***	***8%***	**65,846**	**84,186**	***28%***				
Feed OP	758	1,077	810	*7%*	*-25%*	2,152	2,892	*34%*				
DOC OP	436	509	541	*24%*	*6%*	625	1,834	*193%*				
Live birds OP	406	(496)	438	*8%*	*n/a*	954	804	*-16%*				
Processed food OP	204	193	(41)	*n/a*	*n/a*	381	299	*-21%*				
Total operating profit	**2,104**	**1,478**	**2,129**	***1%***	***44%***	**4,889**	**6,646**	***36%***				
Feed margin	8.6%	9.5%	6.8%	*(176)bp*	*(271)bp*	8.5%	8.6%	*17 bp*				
DOC margin	20.6%	21.4%	21.6%	*98 bp*	*15 bp*	10.9%	24.3%	*1,335 bp*				
Live birds margin	5.5%	-6.5%	5.0%	*(51)bp*	*1,145 bp*	4.7%	3.2%	*(146)bp*				
Processed food margin	7.7%	6.1%	-1.2%	*(887)bp*	*(733)bp*	5.1%	3.1%	*(199)bp*				
Total operating margin	**9.0%**	**5.4%**	**7.2%**	***(179)bp***	***181 bp***	**7.4%**	**7.9%**	*47 bp*				

Source: Company, BRIDS Estimates

Exhibit 2. Forecast Changes Summary

Financial	Prev.		New		*Changes*	
	2026F	2027F	2026F	2027F	*2026F*	*2027F*
Revenue (Rpbn)	66,873	73,142	66,831	73,118	*-0.1%*	*0.0%*
EBITDA (Rpbn)	8,125	8,401	7,869	8,134	*-3.2%*	*-3.2%*
Net Profit (Rpbn)	4,527	4,599	4,034	4,027	*-10.9%*	*-12.4%*

Source: BRIDS Estimates

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



Source: Bloomberg, BRIDS Estimates

Exhibit 4. JPFA 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	**55,801**	**60,716**	**66,831**	**73,118**	**87,188**
COGS	-44,583	-47,524	-52,362	-57,804	-72,268
Gross profit	**11,218**	**13,191**	**14,469**	**15,314**	**14,920**
EBITDA	**6,274**	**7,290**	**7,869**	**8,134**	**7,792**
Oper. profit	**5,213**	**6,150**	**6,631**	**6,802**	**6,371**
Interest income	50	67	82	84	58
Interest expense	-870	-805	-1,150	-1,410	-1,410
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	-152	72	118	85	70
Pre-tax profit	**4,241**	**5,484**	**5,682**	**5,561**	**5,090**
Income tax	-1,029	-1,202	-1,246	-1,219	-1,116
Minority interest	-193	-277	-402	-315	-288
Net profit	**3,019**	**4,004**	**4,034**	**4,027**	**3,686**
Core Net Profit	**3,010**	**4,007**	**3,992**	**4,021**	**3,698**

Exhibit 6. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	1,354	3,550	3,936	4,261	1,376
Receivables	2,761	3,198	3,801	4,159	4,959
Inventory	11,120	11,726	19,508	21,535	26,924
Other Curr. Asset	1,934	2,902	2,530	2,749	3,455
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	4,239
Total asset	**34,666**	**40,060**	**49,560**	**53,020**	**57,343**
ST Debt	3,213	9,706	12,876	12,877	12,878
Payables	4,636	4,752	5,172	5,709	7,138
Other Curr. Liabilities	1,447	2,059	2,082	2,162	2,325
Long Term Debt	7,382	2,034	5,039	5,039	5,039
Other LT. Liabilities	1,417	1,487	1,579	1,732	2,139
Total Liabilities	**18,095**	**20,039**	**26,748**	**27,520**	**29,520**
Shareholder'sFunds	15,477	18,664	21,057	23,429	25,464
Minority interests	1,096	1,355	1,757	2,072	2,361
Total Equity & Liabilities	**34,667**	**40,058**	**49,562**	**53,022**	**57,345**

Exhibit 7. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	3,019	4,004	4,034	4,027	3,686
Depreciation and Amort.	1,061	1,140	1,238	1,332	1,420
Change in Working Capital	(270)	(859)	(7,977)	(2,057)	(5,388)
OtherOper. Cash Flow	1,051	727	700	629	617
Operating Cash Flow	**4,860**	**5,012**	**(2,005)**	**3,930**	**335**
Capex	(1,592)	(2,382)	(2,224)	(2,098)	(1,968)
Others Inv. Cash Flow	(31)	(377)	72	76	50
Investing Cash Flow	**(1,623)**	**(2,759)**	**(2,152)**	**(2,022)**	**(1,918)**
Net change in debt	(2,229)	1,146	6,175	1	1
New Capital	22	143	-	-	-
Dividend payment	(814)	(814)	(1,642)	(1,654)	(1,651)
Other Fin. Cash Flow	(369)	(510)	92	153	407
Financing Cash Flow	**(3,389)**	**(35)**	**4,625**	**(1,500)**	**(1,243)**
Net Change in Cash	**(152)**	**2,217**	**468**	**409**	**(2,827)**
Cash - begin of the year	1,503	1,354	3,550	3,936	4,261
Cash - end of the year	1,354	3,550	3,936	4,261	1,376

Exhibit 8. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	9.0	8.8	10.1	9.4	19.2
EBITDA	91.7	16.2	7.9	3.4	(4.2)
Operating profit	130.3	18.0	7.8	2.6	(6.3)
Net profit	224.7	32.6	0.7	(0.2)	(8.5)
Profitability (%)					
Gross margin	20.1	21.7	21.7	20.9	17.1
EBITDA margin	11.2	12.0	11.8	11.1	8.9
Operating margin	9.3	10.1	9.9	9.3	7.3
Net margin	5.4	6.6	6.0	5.5	4.2
ROAA	8.8	10.7	9.0	7.9	6.7
ROAE	21.0	23.5	20.3	18.1	15.1
Leverage					
Net Gearing (x)	0.6	0.4	0.6	0.5	0.6
Interest Coverage (x)	6.0	7.6	5.8	4.8	4.5

Source: JPFA, 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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