

2Q24 Performance

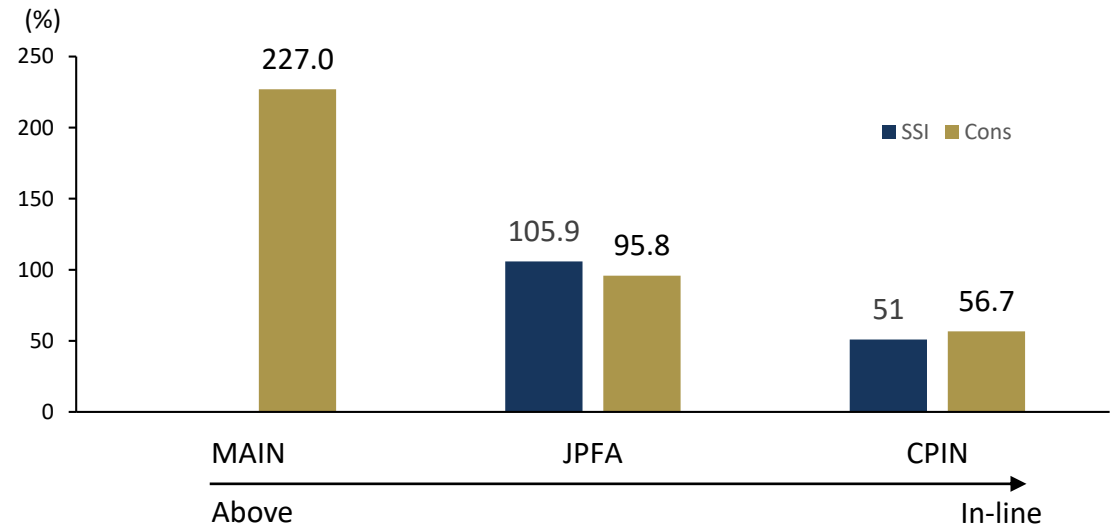
- Poultry sector posted positive aggregate top-line growth in 2Q24 of +7.1% YoY (JPFA: +10.7%, CPIN: +4.4%), supported by higher live-bird and DOC prices due to voluntary culling. On the bottom line, JPFA recorded stellar growth in 2Q24 of +145.4% YoY, partly due to low-base effect in 2Q23, while CPIN booked -7.1% YoY due to processed food segment still reported losses.
- We anticipate 2H24 results to be relatively softer, due to seasonal trends and the ongoing Suro month (July-August), which may exert downward pressure on live-bird prices, though still much improved compared to 2H23. Additionally, the potential impact of the upcoming La Niña in 2024 could further dampen profitability.
- We upgrade our rating for poultry sector to OW with JPFA (BUY: TP 1,790) as our top pick. We believe favorable government policies, such as price relaxation, efforts to maintain live-bird prices above the cost of production, and lower GPS imports from 2024 onwards, will contribute to positive longer-term outlook for the sector. Downside risks: 1) weaker-than-expected demand and 2) rising raw materials costs.

Peer Comparables

Company	Market		Last	Target	2024F			2023	
	Cap	Rating	Price	Price	P/B	P/E	Div. Yield	EPS	ROE
Ticker	(IDR Tn)		(IDR)	(IDR)	(x)	(x)	(%)	Gwt (%)	(%)
JPFA IJ	19.1	BUY	1,640	1,790	1.2	6.4*	1.9	84.3	14.7
CPIN IJ	81.7	BUY	5,000	5,500	2.8	21.9*	1.6	5.7	11.6
MAIN IJ	1.9	-	835	-	0.7	3.1*	N/A	65.1	5.5
Sector	102.6				2.5	20.8	1.6	21.4	12.0

*annualized

6M24 Net Profit / SSI & Cons



YTD Relative Performance vs JCI

