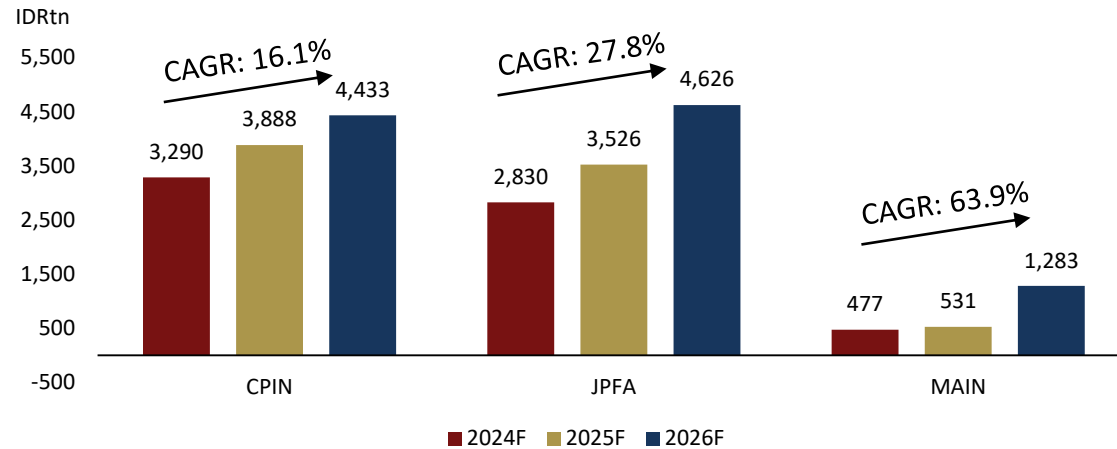


# Poultry: Overweight with JPFA as Top-Pick

## Sector Net Profit Outlook, by Company



## SWOT Analysis: 2025 Outlook

### Strength

Limited upside for soybean meal prices due to higher-than-average 2025 production growth estimates from Brazilian farmers (+8.2% YoY, vs. 5Y Avg: +1.4% YoY), boosting profit margins; continued low GPS import quota in 2025 (560k) and weekly PS culling to help support DOC and live bird prices

### Weakness

Given that corn constitutes a large part of the poultry industry's COGS (41%), readjustment of corn prices to IDR 5,500/kg (+10%, effective 1 February 2025) may pressure the sector's profitability margins

### Opportunity

In 2025, the government's free meal program will add 637k tons or +13% higher to Indonesia's total chicken sales volumes of 5,579k tons; this should allow for poultry players to outperform the market this year

### Threat

Weakened purchasing power may lead to unexciting growth or zero-sum outcome; IDR depreciation may cause higher raw materials resulting in margin squeeze; recent market outperformance by some poultry players could trigger profit-taking from investors

## Peer Comparables

Ticker	Rating	Mkt Cap (IDR Tn)	3M avg. Trading Vol. (mn shr)	Last Price (IDR)	Target Price (IDR)	2025F				
						EPS Gwt (%)	P/E (x)	P/B (x)	Div. Yield (%)	ROE (%)
CPIN**	BUY	77.7	6.2	4,740	6,075	18.2	19.0*	2.5	1.6	12.7
JPFA	BUY	22.6	21.0	1,930	2,400	24.6	6.4	1.4	2.2	17.1
MAIN**	BUY	1.8	5.3	785	1,200	11.1	3.3*	0.5	N.A	10.6
<b>Sector</b>		<b>102.1</b>	<b>9.5</b>			<b>19.5</b>	<b>15.9</b>	<b>2.2</b>	<b>1.7</b>	<b>13.7</b>

\*annualized

\*\*based on consensus

## Relative Performance vs JCI

