

Solid 1Q25 results, was above expectations

05 May 2025



Charoen Pokphand Indonesia' (CPIN) earnings grew 116.2% yoy/15.9% qoq to IDR1.5 tn in 1Q25 due to higher chickens' sales volume with lower Soybean Meal (SBM) prices and stable Local Corn (LC) prices, which came above ours' (36.2%) and consensus' expectation (37.7%). While, CPIN' revenue grew by 11.3% yoy, but was flat quarterly (-0.3% qoq) to IDR17.7 tn in 1Q25 due to higher sales volume of chickens during Ramadan festivities, despite a slightly lower broiler' (LB) and Day Old Chick' (DOC) average selling price (ASP), yoy/qoq. CPIN' 1Q25 revenue came in-line with ours' (23.8%) and cons' expectation (24.9%). All in all, CPIN' gross, EBIT and net margin expanded to 17.7% (+430bps yoy), 11.5% (+490bps yoy) and 8.7% (+420bps yoy), respectively in 1Q25. Thus, we maintain BUY with TP of IDR6,075, which implies 23.5x '25F P/E as we maintained our '25F and expect CPIN to continue to perform well this year on higher consumption of chickens (LB, DOC), lower SBM' prices and stable LC' prices, amidst the current economic conditions in Indonesia. Currently, CPIN is trading at 18.3x '25F P/E or slightly above -2stdev of its 5 years' mean P/E.

CPIN IJ	BUY
Sector	Poultry
Price at 02 May 2025 (IDR)	4,740
Price target (IDR)	6,075
Upside/Downside (%)	28.2

Stock Information

Charoen Pokphand Indonesia Tbk (CPIN) is the leading company in Indonesian poultry sector that manufactures and distributes animal feeds, sells Day Old Chick (DOC), live-birds (LB), processed chicken (PC), poultry equipment, and others.

Market cap (IDR bn)	77,563
Shares outstanding (mn)	16,398
52-week range (IDR)	3,900-5,650
3M average daily vol. ('000)	5,775
3M average daily val. (IDR mn)	25,090

Shareholders (%)

Charoen Pokphand Indonesia Group	55.53
UBS AG	5.98
Treasury Stock	4.35
Public	34.14

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	7.9	1.5	(2.5)

Solid earnings growth in 1Q25

CPIN' earnings grew 116.2% yoy/15.9% qoq to IDR1.5 tn in 1Q25 due to higher chickens' sales volume, lower SBM prices and stable LC prices, despite lower chicken (LB, DOC) ASP, yoy/qoq. As a result, CPIN' 1Q25 earnings came above ours' (36.2%) and consensus' expectation (37.7%).

Revenue growth on higher chickens' (DOC, LB) sales volume, despite lower chickens' ASP

CPIN' revenue grew 11.3% yoy but was flat quarterly (-0.3%) qoq to IDR17.7 tn in 1Q25 due to higher demand of chickens during Ramadan festivities, despite with lower chickens' (DOC, LB) ASP. Note that, LB' ASP declined 4.6% yoy/4.7% qoq to IDR19,220 per kg in 1Q25. While, DOC' ASP declined 10% qoq but was up 7.9% yoy to IDR5,518 per chick in 1Q25. CPIN' business segments (before elimination) contributed higher revenue yoy in 1Q25; LB segment at IDR10.7 tn (+12.5% yoy/-3.2% qoq), DOC at IDR2.38 tn (+20.8% yoy/-5.7% qoq), processed chicken at IDR3.03 tn (+1.4% yoy/+3.6% qoq), and feed at IDR13.33 tn (+4.8% yoy/+7.5% qoq). Thus, CPIN' 1Q25 revenue came in-line with ours' (23.8%) and cons' (24.9%) expectation.

Margin expansion on lower SBM prices and stable LC prices

CPIN' gross profit reached IDR3.13 tn (+47.2% yoy/-9.1% qoq) in 1Q25 on higher chickens' sales volume with lower SBM prices and stable LC prices, despite lower LB' and DOC' ASP. Note that, since Feb'25 the government via its National Food Agency (NFA) has exercised a reference price for LC (14% of water content) at IDR5,500 per kg. Fortunately, the imported SBM' prices is still at around USD296.9 /tons or still much lower than its 5years average price of USD383.3 /tons, despite stronger USD vs IDR. While, CPIN' EBIT reached IDR2.04 tn (+95.1% yoy/-2.5% qoq) in 1Q25 due to better cost management. Moreover, CPIN' income tax rate has returned to normal level at 22.9% in 1Q25 (vs 39.8% in 4Q24). All in all, CPIN' gross, EBIT and net margin expanded to 17.7% (+s430bps yoy), 11.5% (+490bps yoy) and 8.7% (+420bps yoy), respectively in 1Q25.

Maintain our '25F as to anticipate softer chickens' demand in 2Q25F and 3Q25F

We maintained our CPIN '25F revenue growth at 10.1% yoy in '25F due to higher sales volume on government free nutritious food program with improvements in LB' and DOC' ASP, despite our anticipation on softer chickens' demand in 2Q25F and 3Q25F due to less festivities. We also maintained CPIN '25F gross profit and EBIT as per our view that the company could still grow its gross profit and EBIT by 10.5% yoy and 12% yoy, respectively in '25F, despite the latest government' reference price for LC. We think that CPIN could improve further its cost management, as to procure LC with higher water content and would fully utilize its corn dryer and silos, in order to sustain its margin expansion in '25F. Moreover, we think that SBM' prices would still be at around USD295-USD300 per tons in '25F, which is still lower yoy. All in all, we still expect CPIN to grow its earnings in '25F by 14.4% yoy with around 20bps yoy net margin expansion.

Maintain BUY with TP of IDR6,075

Maintain BUY on CPIN with the same TP of IDR 6,075/share, which implies 23.5x '25F PE or slightly above -1stdev of its 5 years mean PE. After solid 1Q25 results, we expect CPIN' revenue and earnings could still grow by 10.1% yoy and 14.4% yoy, respectively in '25F, due to higher demand of chicken on government free nutritious food program with a more stable LB' and DOC' supply and prices, also with low SBM' prices and stable LC' prices (LC and SBM). Currently, CPIN is trading at 18.3x '25F P/E or slightly above its -2stdev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025F	2026F	2027F
Revenue (IDR bn)	61,616	67,478	74,271	81,887	89,860
EBITDA (IDR bn)	4,870	7,259	8,044	8,821	9,535
Net profit (IDR bn)	2,319	3,713	4,248	4,825	5,312
EPS (IDR)	141	226	259	294	324
EPS growth (%)	(20.8)	60.1	14.4	13.6	10.1
ROE (%)	8.6	12.3	13.5	14.6	15.4
ROA (%)	5.7	8.7	9.6	10.7	11.2
PER (x)	33.5	20.9	18.3	16.1	14.6
PBV (x)	3.1	2.7	2.6	2.5	2.4
EV/EBITDA (x)	18.3	11.9	10.8	9.5	9.0
Div Yield (%)	2.7	0.6	3.8	4.4	5.0

Source: Company, KBVS Research

Analyst

Andre Suntono

Andre.suntono@kbvalbury.com

Exhibit 2: CPIN 1Q25 results

CPIN 1Q25 Results (IDRbn)	1Q25	1Q24	YoY	4Q24	QoQ	% to '25F	% to Cons'
Revenue	17,705	15,913	11.3%	17,759	-0.3%	23.8%	24.9%
COGS	(14,574)	(13,786)	5.7%	(14,315)	1.8%		
Gross profit	3,130	2,126	47.2%	3,445	-9.1%	27.2%	29.4%
Selling expense	(566)	(588)	-3.7%	(735)	-23.0%		
GA expense	(521)	(491)	6.1%	(614)	-15.2%		
Operating expenses	(1,087)	(1,079)	0.8%	(1,349)	-19.4%		
EBIT	2,044	1,048	95.1%	2,095	-2.5%	31.5%	34.7%
Profit before tax	1,995	867	130.1%	2,201	-9.4%	33.2%	38.8%
Tax expense	(457)	(156)	192.6%	(876)	-47.9%		
Minority interest	1	(0)	-1693.1%	(1)	-211.3%		
Net profit	1,537	711	116.2%	1,326	15.9%	36.2%	37.7%

Margins (%)

Gross margin	17.7%	13.4%		19.4%
EBIT margin	11.5%	6.6%		11.8%
Pretax margin	11.3%	5.4%		12.4%
Net margin	8.7%	4.5%		7.5%

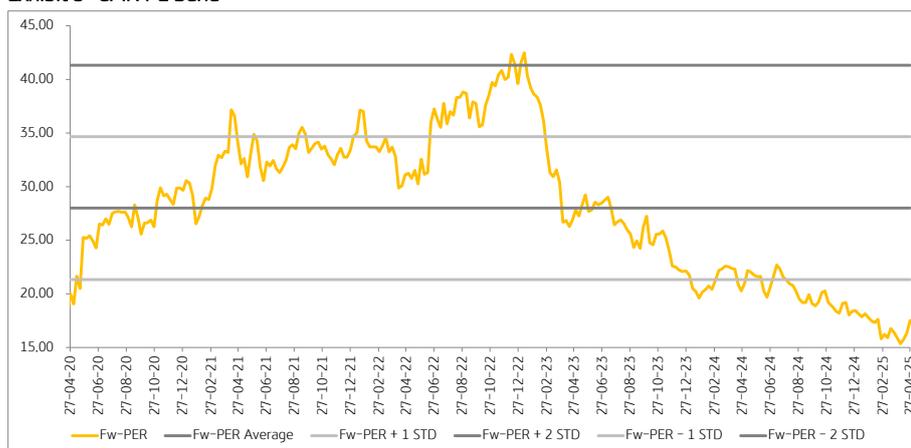
CPIN 1Q25 Results (IDRbn)

CPIN 1Q25 Results (IDRbn)	1Q25	1Q24	YoY	4Q24	QoQ
Feed					
Revenue*	13,334	12,726	4.8%	12,400	7.5%
EBIT	1,050	750	40.0%	1,205	-12.9%
EBIT margin	7.9%	5.9%		9.7%	
Broiler					
Revenue*	10,701	9,514	12.5%	11,054	-3.2%
EBIT	744	542	37.4%	1,140	-34.7%
EBIT margin	7.0%	5.7%		10.3%	
Day-old chicks					
Revenue*	2,376	1,967	20.8%	2,519	-5.7%
EBIT	82	(114)	-171.6%	157	-47.9%
EBIT margin	3.4%	-5.8%		6.2%	
Processed chicken					
Revenue*	3,029	2,988	1.4%	2,923	3.6%
EBIT	331	(102)	-426.0%	88	275.3%
EBIT margin	10.9%	-3.4%		3.0%	
Others					
Revenue*	1,865	1,893	-1.4%	1,814	2.8%
EBIT	(46)	(17)	167.7%	(52)	-10.6%
EBIT margin	-2.5%	-0.9%		-2.9%	

Note *: Before elimination

Source: Company, KBVS Research

Exhibit 3: CPIN PE Band



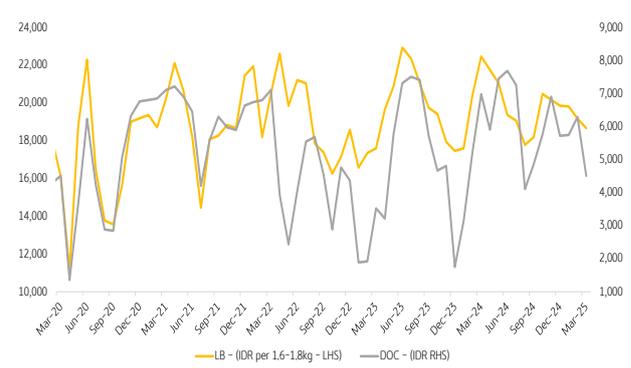
Source: Company, KBVS Research

Exhibit 4: Soybean-meal price, monthly



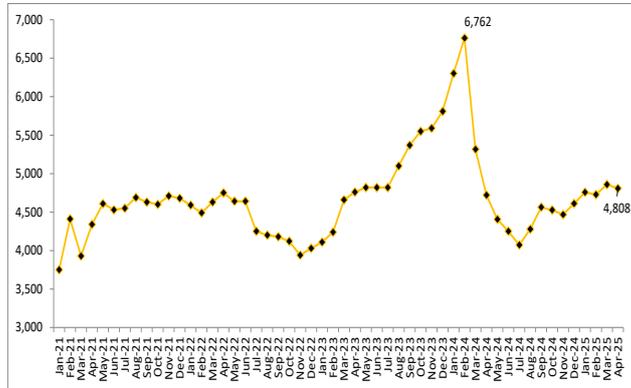
Source: Company, KBVS Research

Exhibit 5: Broiler & DOC' average prices per month



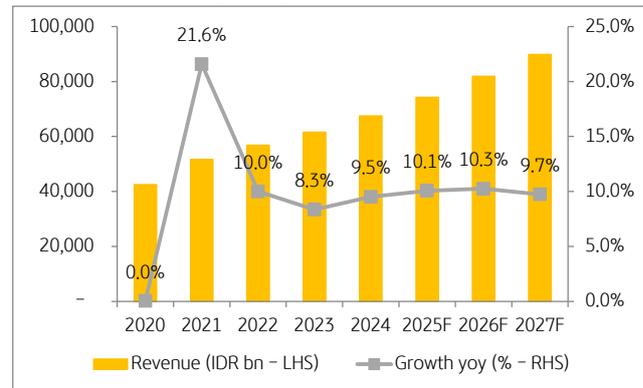
Source: Company, KBVS Research

Exhibit 6: Local corn prices at producer level



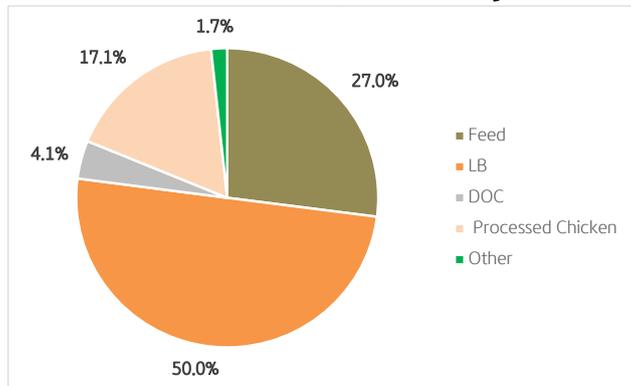
Source: Company, KBVS Research

Exhibit 7: Revenue and growth yoy



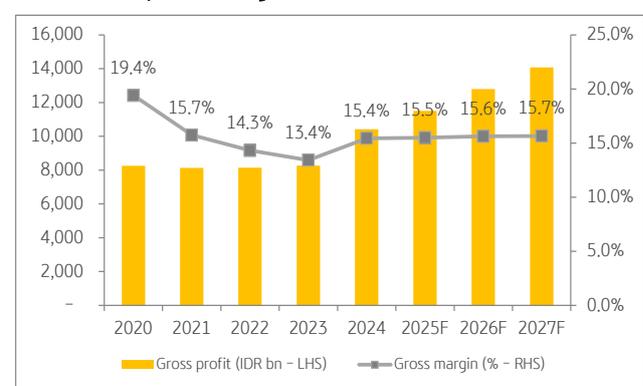
Source: Company, KBVS Research

Exhibit 8: Revenue contribution in 1Q25 from each segment



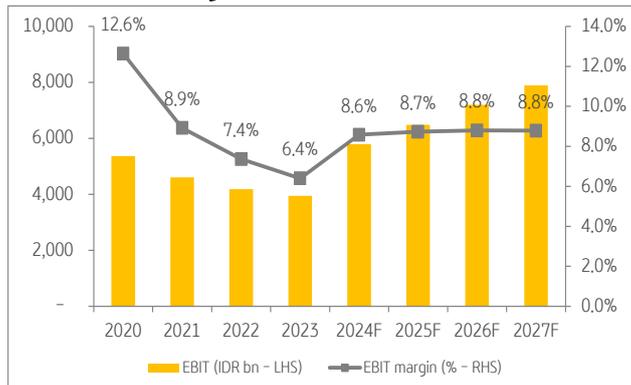
Source: Company, KBVS Research

Exhibit 9: Gross profit & margin



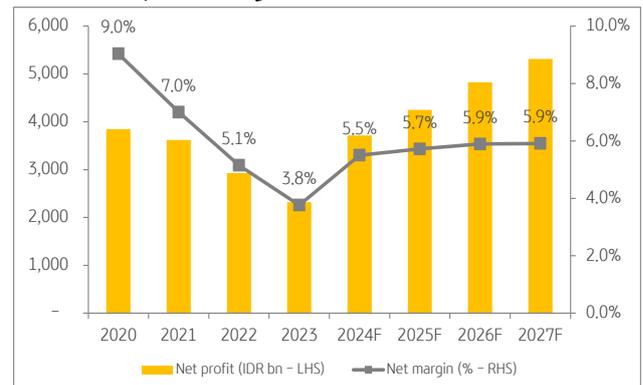
Source: Company, KBVS Research

Exhibit 10: EBIT & margin



Source: Company, KBVS Research

Exhibit 11: Net profit & margin



Source: Company, KBVS Research

Exhibit 12: Profit & loss summary

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	61,616	67,478	74,271	81,887	89,860
COGS	(53,341)	(57,058)	(62,758)	(69,086)	(75,786)
Gross profit	8,275	10,420	11,513	12,801	14,074
Operating expenses	(4,330)	(4,630)	(5,027)	(5,598)	(6,181)
EBIT	3,944	5,790	6,486	7,203	7,893
EBITDA	4,870	7,259	8,044	8,821	9,535
Pre-tax profit	2,997	5,256	6,013	6,830	7,520
Net profit	2,319	3,713	4,248	4,825	5,312
EPS	141	226	259	294	324
EPS growth	(20.8)	60.1	14.4	13.6	10.1

Source: Company, KBVS Research

Exhibit 13: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent (with ST Investment)	2,328	4,446	2,258	4,948	3,503
Accounts receivables	1,708	2,110	1,662	1,832	2,010
Inventories	9,299	9,375	12,290	11,559	14,603
Others	4,990	5,409	6,940	6,608	8,176
Total current assets	18,325	21,340	23,149	24,947	28,292
Fixed assets - Net	17,690	16,928	16,265	15,389	14,393
Others	11,538	13,326	15,535	17,654	20,204
Total non-current assets	22,646	21,451	20,900	19,990	19,186
Total assets	40,971	42,791	44,049	44,937	47,478
Accounts payable	2,095	1,536	2,453	1,925	2,879
Short term bank loan	7,393	5,400	3,850	3,850	3,850
Others	1,636	1,653	2,331	2,370	2,545
Total current liabilities	11,124	8,590	8,634	8,145	9,274
Long term bank loan	1,841	2,794	2,793	2,793	2,793
Others non-current liabilities	978	1,119	1,058	1,010	972
Total non-current liabilities	2,818	3,913	3,851	3,803	3,765
Total liabilities	13,942	12,502	12,485	11,948	13,038
Minority interests	16	15	13	12	10
Total Equity	27,012	30,274	31,550	32,977	34,429
Total Liabilities & Equity	40,971	42,791	44,049	44,937	47,478

Source: Company, KBVS Research

Exhibit 14: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net income	2,319	3,713	4,248	4,825	5,312
D&A	1,216	1,271	1,360	1,420	1,444
Changes in working capital	115	(1,367)	(3,010)	486	(3,707)
Others	(767)	528	473	(58)	(133)
Operating cash flow	2,882	4,145	3,071	6,672	2,916
Capital expenditures	(1,259)	(537)	(628)	(520)	(422)
Others	54	(45)	(49)	(14)	(38)
Investing cash flow	(1,205)	(581)	(676)	(534)	(461)
Net change in debt	272	(1,040)	(1,551)	-	-
Cash dividends paid	(2,132)	(452)	(2,970)	(3,398)	(3,860)
Others	468	47	(62)	(50)	(40)
Financing cash flow	(1,391)	(1,445)	(4,583)	(3,448)	(3,900)
Net change in cash	286	2,119	(2,189)	2,689	(1,444)
Cash in beginning of the year	2,042	2,328	4,447	2,258	4,948
Cash at the end of the year	2,328	4,447	2,258	4,948	3,503

Source: Company, KBVS Research

Exhibit 15: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Revenue	8.3	9.5	10.1	10.3	9.7
Gross profit	1.6	25.9	10.5	11.2	9.9
EBIT	(5.8)	46.8	12.0	11.1	9.6
EBITDA	(2.6)	49.0	10.8	9.7	8.1
Net profit	(20.8)	60.1	14.4	13.6	10.1
Profitability (%)					
Gross margin	13.4	15.4	15.5	15.6	15.7
EBIT margin	6.4	8.6	8.7	8.8	8.8
EBITDA margin	7.9	10.8	10.8	10.8	10.6
Net margin	3.8	5.5	5.7	5.9	5.9
ROE	8.6	12.3	13.5	14.6	15.4
ROA	5.7	8.7	9.6	10.7	11.2
Solvency (x)					
Current ratio	1.6	2.5	2.7	3.1	3.1
Quick ratio	0.8	1.4	1.3	1.6	1.5
Debt to equity	0.3	0.3	0.2	0.2	0.2
Interest coverage	5.7	7.9	9.8	12.8	14.0
Net gearing	0.3	0.1	0.1	0.1	0.1

Source: Company, KBVS Research

Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.

KB Valbury Sekuritas Head Office

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. (021) 25098300
F. (021) 25098400

Branch Office

Jakarta – Sudirman

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Karet Tengsin,
Tanah Abang, Jakarta Pusat 10220
T. (021) 25098300/301

Jakarta – Kelapa Gading

Rukan Plaza Pasifik
Jl. Boulevard Barat Raya Blok A1 No. 10
Jakarta Utara 14240
T. (021) 29451577

Jakarta – Puri Indah

Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Jakarta – Pluit

Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Bandung

Jl. Abdul Rivai No. 1A, Kel. Pasirkaliki,
Kec. Cicendo Bandung 40171
T. (022) 3003133

Malang

Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Banjarmasin

Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Pekanbaru

Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Palembang

Komplek PTC Mall Blok I No. 7
Jl. R. Sukanto
Palembang 30114
T. (0711) 2005050

Surabaya

Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (051) 21008080

Padang

Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Yogyakarta

Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 8099090

Semarang

Jl. Gajahmada 23A,
Kecamatan Semarang Tengah,
Kelurahan Kembang Sari 50241
T. (024) 40098080

Makassar

Komplek Ruko Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Medan

Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Denpasar

Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 225229

Pontianak

Jl. Prof. M Yamin No. 14
Kotabaru, Pontianak Selatan
Kalimantan Barat 78116
T. (0561) 8069000

Investment Gallery

Jakarta

Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Tangerang

Ruko Aniva Junction Blok D No. 32
Gading Serpong, Tangerang,
Banten 15334
T. (021) 35293147

Semarang

Jl. Jati Raya No. D6,
Srandol Wetan, Banyumanik,
Semarang 50263
T. (024) 8415195

Salatiga

Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118
T. (0271) 3199090

Jambi

Jl. Orang Kayo Hitam No. 48 B
Jambi Timur 36123
T. (0741) 3068533