

1Q26 results came beyond expectations on better chicken' demand & ASP

07 May 2026



Charoen Pokphand Indonesia' (CPIN) earnings grew significantly (+67.7% yoy/+13.1% qoq) in 1Q26 to IDR2.58 tn and its net margin expanded to 12.9% (+420bps yoy/+160bps qoq), on the back of better demand and average selling prices (ASP) for Day Old Chick' (DOC) and broiler' (LB) during festivities, with better costs management, despite higher local corn (LC) and soybean-meal (SBM) prices. As a result, CPIN' 1Q26 earnings came way above ours' (41.9%) and consensus' (49.8%) expectation. While, CPIN' revenue reached IDR19.95 tn (+12.7% yoy/-0.7% qoq) in 1Q26, which also came above ours' (26.1%) and cons' (26.4%) expectation. Yet, we did not make any adjustments to our '26F revenue and earnings as per our anticipation on further increases in raw material (LC & SBM) prices. All in all, we still expect CPIN' revenue and earnings to grow by 8% yoy and 8.9% yoy, respectively in '26F. Thus, maintain BUY on CPIN with TP of IDR5,250, which implies 14x '26F P/E. Currently, CPIN is trading at 10.8x '26F P/E or slightly below its -1.5stddev of its 5 years' mean P/E.

CPIN IJ	BUY
Sector	Poultry
Price at 06 May 2026 (IDR)	4,040
Price target (IDR)	5,250
Upside/Downside (%)	30.0

Stock Information

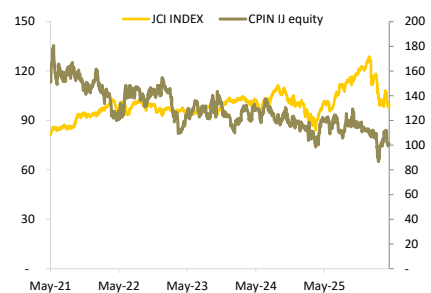
Charoen Pokphand Indonesia Tbk (CPIN) is the leading company in Indonesian poultry sector that manufactures and distributes animal feeds, sells Day Old Chick (DOC), live-birds (LB), processed chicken (PC), poultry equipment, and others.

Market cap (IDR bn)	67,068
Shares outstanding (mn)	16,398
52-week range (IDR)	3,390-5,375
3M average daily vol. ('000)	8,807
3M average daily val. (IDR mn)	35,677

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 (%)	(2.7)	(10.0)	(15.8)

Analyst

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1Q26 earnings grew beyond expectation

CPIN' earnings grew significantly higher (+67.7% yoy/+13.1% qoq) in 1Q26 on better chicken' (DOC & LB) demand and higher ASP with better costs management, despite higher LC and SBM prices. As a result, CPIN' 1Q26 earnings came way above ours' (41.9%) and cons' (49.8%) expectation.

Better chicken demand and higher ASP boosted 1Q26 revenue

CPIN' revenue reached IDR19.95 tn (+12.7% yoy/-0.7% qoq) in 1Q26 on better chicken' (DOC & LB) demand and higher ASP amid festivities. Moreover, according to our channel check, LB' and DOC' ASP reached IDR22,054 (+14.7% yoy/+2.1% qoq) per kg and IDR6,816 (+23.5% yoy/-2% qoq) per chick, respectively in 1Q26. Thus, CPIN' 1Q26 revenue came above ours' (26.1%) and cons' (26.4%) expectation.

Significant margin expansion in 1Q26

CPIN' gross profit grew by 42.4% yoy/2.5% qoq in 1Q26 on higher chicken' ASP and demand during festivities, despite higher LC and SBM prices. While CPIN' EBIT grew 61.8% yoy/12.4% qoq in 1Q26 due to better costs management. Moreover, CPIN' business segments' EBIT in 1Q26; a) Feed at at IDR1.05 tn (+0.2% yoy/+4.7% qoq), b) DOC at IDR391 bn (+379.1% yoy/-33.7% qoq), c) LB at IDR1.61 tn (+116% yoy/-8% qoq), and d) processed chicken at IDR474 bn (+43.3% yoy/+66.6% qoq). All in all, CPIN' gross', EBIT' and net' margin expanded to 22.3% (+460bps yoy/+70bps qoq), 16.6% (+510bps yoy/+200bps qoq) and 12.9% (+420bps yoy/+160bps qoq), respectively in 1Q26.

Anticipating higher raw material prices

Albeit CPIN' solid 1Q26 results, we did not make any changes to our '26F revenue and earnings for CPIN as we had already factored in higher raw material (LC & SBM) prices in our prior report (CPIN' FY25 results). Based on our channel, the LC' main harvest back in Mar'26- Apr'26, was not as successful as last year's or lower yoy. While, the imported SBM' price continue to rise as its ASP has reached USD336.4 /tons, amid depreciation IDR to USD, despite it is still lower than its 5years ASP of USD370.5 /tons. Moreover, all poultry players including CPIN must comply with government' latest requirements starting Apr'26, which require all poultry players to source SBM via PT Berdikari (ID Food). Thus, we anticipate weaker performance from CPIN in 2Q26F and 3Q26F due to the possibility of lower chicken' demand and ASP, as fewer festivities and higher margin pressure are expected in 2Q26F and 3Q26F. All in all, we still expect CPIN' revenue and earnings to grow by 8% yoy and 8.9% yoy to IDR76.4 tn and IDR6.2 tn, respectively in '26F. We also expect CPIN will be able to maintain its net margin at around 8% in FY26F on the back of better chicken demand and ASP with better cost management amid higher raw material prices.

Maintain BUY with TP of IDR5,250

Continued foreign outflows from the Indonesian capital market continue to pressure blue chip stocks including CPIN. Certainly, the share price decline was not due to CPIN' fundamentals. Thus, maintain BUY on CPIN with TP of IDR 5,250/share (+30% upside from current share price at IDR4,040), which implies 14x '26F P/E or around -1.25stddev of its 5 years' mean P/E. Risks to our call; a) lower demand of chicken amid oversupply conditions, b) depreciation IDR to USD, and c) changes in government' regulations on the sector. Currently, CPIN is trading at 10.8x '26F P/E or slightly below its -1.5stddev of its 5 years' mean P/E, which, in our view, makes its current share price a good entry point for investors.

Exhibit 1: Key Statistics

Year end Dec	2024A	2025A	2026A	2027F	2028F
Revenue (IDR bn)	67,478	70,705	76,356	84,141	90,812
EBITDA (IDR bn)	7,259	9,321	10,049	11,134	12,074
Net profit (IDR bn)	3,713	5,644	6,147	6,935	7,543
EPS (IDR)	226	344	375	423	460
EPS growth (%)	60.1	52.0	8.9	12.8	8.8
ROE (%)	12.3	16.5	16.4	16.7	16.5
ROA (%)	8.7	12.3	12.9	13.3	13.3
PER (x)	17.8	11.7	10.8	9.6	8.8
PBV (x)	2.7	2.4	2.2	2.0	1.8
EV/EBITDA (x)	11.9	9.0	7.9	7.3	6.3
Div Yield (%)	0.7	2.7	4.1	4.5	5.0

Source: Company, KBVS Research

Exhibit 2: CPIN 1Q26 results

CPIN 1Q26 Results (IDRbn)	1Q26	1Q25	YoY	4Q25	QoQ	% to '26F	% to Cons'
Revenue	19,952	17,705	12.7%	20,100	-0.7%	26.1%	26.4%
COGS	(15,493)	(14,574)	6.3%	(15,751)	-1.6%		
Gross profit	4,459	3,130	42.4%	4,350	2.5%	33.1%	35.4%
Selling expense	(579)	(566)	2.3%	(636)	-9.0%		
GA expense	(573)	(521)	10.1%	(771)	-25.6%		
Operating expenses	(1,152)	(1,087)	6.0%	(1,407)	-18.1%		
EBIT	3,306	2,044	61.8%	2,943	12.4%	40.4%	44.7%
Profit before tax	3,379	1,995	69.4%	3,046	10.9%	40.2%	50.0%
Tax expense	(802)	(457)	75.5%	(771)	-4.0%		
Minority interest	(0)	1	-116.8%	(3)	-94.3%		
Net profit	2,578	1,537	67.7%	2,279	13.1%	41.9%	49.8%

Margins (%)

Gross margin	22.3%	17.7%		21.6%
EBIT margin	16.6%	11.5%		14.6%
Pretax margin	16.9%	11.3%		15.2%
Net margin	12.9%	8.7%		11.3%

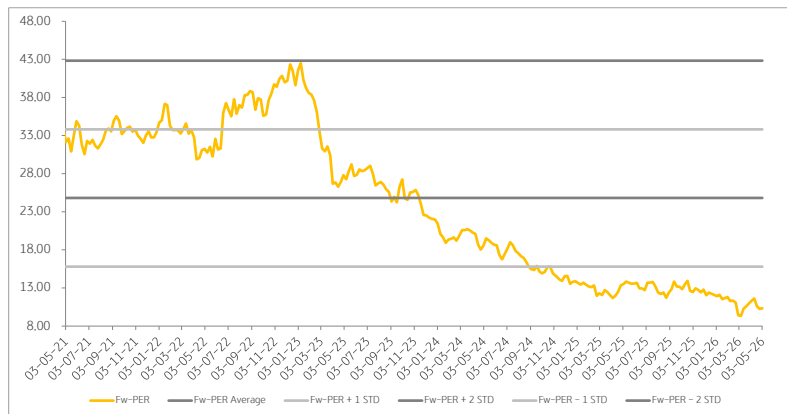
CPIN 1Q26 Results (IDRbn)

CPIN 1Q26 Results (IDRbn)	1Q26	1Q25	YoY	4Q25	QoQ
<b>Feed</b>					
Revenue*	14,367	13,334	7.8%	14,287	0.6%
EBIT	1,052	1,050	0.2%	1,005	4.7%
EBIT margin	7.3%	7.9%		7.0%	
<b>Broiler</b>					
Revenue*	11,214	10,701	4.8%	11,059	1.4%
EBIT	1,608	744	116.0%	1,748	-8.0%
EBIT margin	14.3%	7.0%		15.8%	
<b>Day-old chicks</b>					
Revenue*	3,124	2,376	31.5%	3,026	3.3%
EBIT	391	82	379.1%	591	-33.7%
EBIT margin	12.5%	3.4%		19.5%	
<b>Processed chicken</b>					
Revenue*	3,036	3,029	0.2%	2,897	4.8%
EBIT	474	331	43.3%	285	66.6%
EBIT margin	15.6%	10.9%		9.8%	
<b>Others</b>					
Revenue*	1,510	1,865	-19.1%	2,096	-28.0%
EBIT	(19)	(46)	-59.9%	(31)	-39.6%
EBIT margin	-1.2%	-2.5%		-1.5%	

Note \*: Before elimination

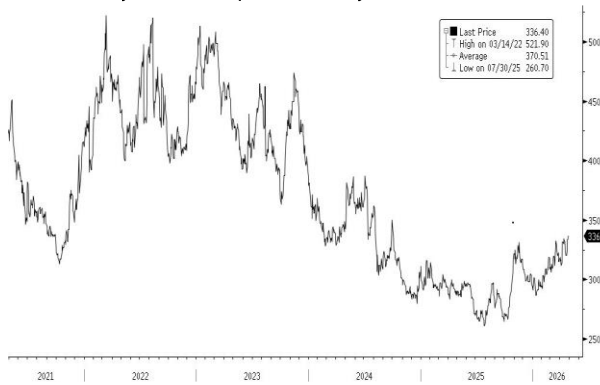
Source: Company, KBVS Research

Exhibit 3: CPIN PE Band



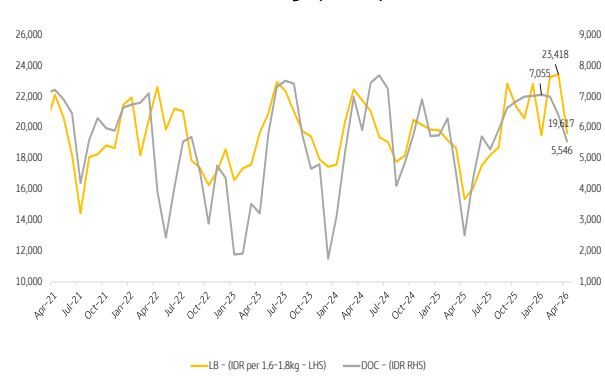
Source: Company, KBVS Research

Exhibit 4: Soybean-meal price, monthly



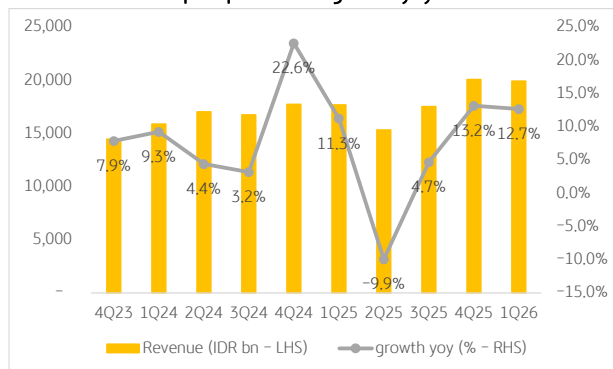
Source: Company, KBVS Research

Exhibit 5: Broiler & DOC' average prices per month



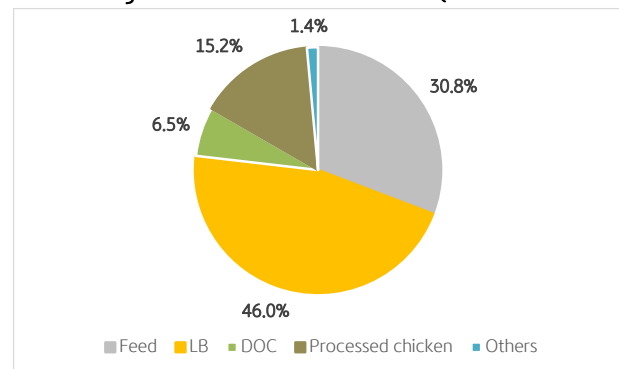
Source: Company, KBVS Research

Exhibit 6: Revenue per quarter and growth yoy



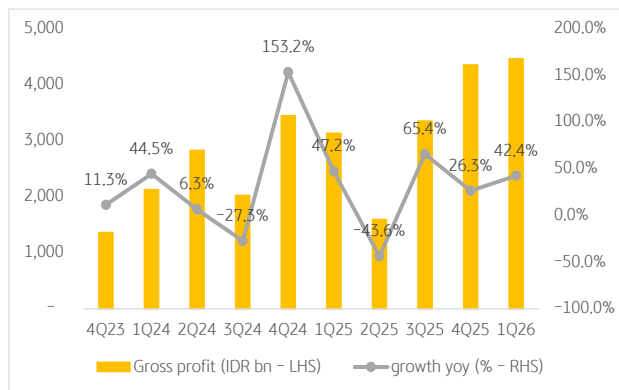
Source: Company, KBVS Research

Exhibit 7: Segments' revenue contribution in 1Q26



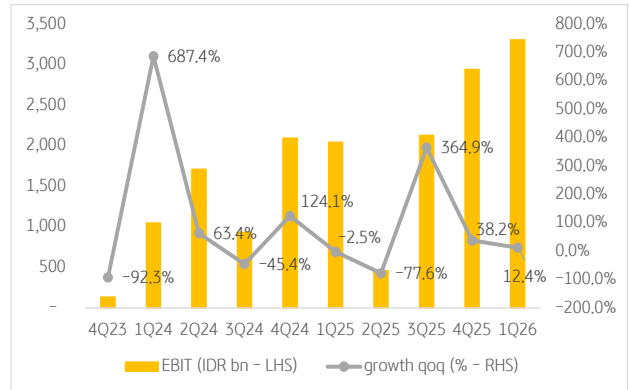
Source: Company, KBVS Research

Exhibit 8: Gross profit & growth qoq



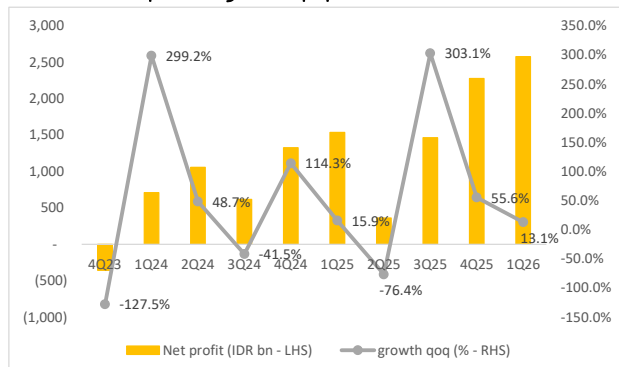
Source: Company, KBVS Research

Exhibit 9: EBIT & growth qoq



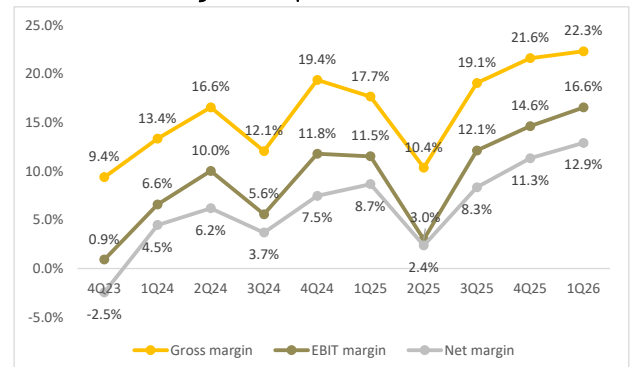
Source: Company, KBVS Research

Exhibit 10: Net profit & growth qoq



Source: Company, KBVS Research

Exhibit 11: CPIN margins each quarter



Source: Company, KBVS Research

**Exhibit 12: Profit & loss summary**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
<b>Revenue</b>	67,478	70,705	76,356	84,141	90,812
COGS	(57,058)	(58,285)	(62,895)	(69,151)	(74,515)
<b>Gross profit</b>	10,420	12,420	13,461	14,990	16,297
Operating expenses	(4,630)	(4,846)	(5,266)	(5,788)	(6,252)
<b>EBIT</b>	5,790	7,574	8,194	9,202	10,045
<b>EBITDA</b>	7,259	9,321	10,049	11,134	12,074
Pre-tax profit	5,256	7,713	8,400	9,477	10,308
<b>Net profit</b>	3,713	5,644	6,147	6,935	7,543
<b>EPS</b>	226	344	375	423	460
EPS growth (%)	60.1	52.0	8.9	12.8	8.8

Source: Company, KBVS Research

**Exhibit 13: Balance sheet**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent (with ST Investment)	4,446	4,461	7,866	6,301	11,234
Accounts receivables	2,110	2,656	1,683	1,855	2,002
Inventories	9,375	11,406	10,306	13,566	12,157
Others	5,409	6,108	5,549	7,089	6,478
<b>Total current assets</b>	<b>21,340</b>	<b>24,631</b>	<b>25,404</b>	<b>28,811</b>	<b>31,871</b>
Fixed assets - Net	16,928	17,363	18,284	19,272	20,405
Others	4,523	3,865	4,102	4,228	4,293
<b>Total non-current assets</b>	<b>21,451</b>	<b>21,227</b>	<b>22,386</b>	<b>23,499</b>	<b>24,699</b>
<b>Total assets</b>	<b>42,791</b>	<b>45,858</b>	<b>47,790</b>	<b>52,310</b>	<b>56,570</b>
Accounts payable	1,536	1,953	1,822	2,295	2,146
Short term bank loan	5,400	3,480	2,000	2,000	2,000
Others	1,653	2,208	2,380	2,484	2,713
<b>Total current liabilities</b>	<b>8,590</b>	<b>7,641</b>	<b>6,202</b>	<b>6,780</b>	<b>6,859</b>
Long term bank loan	2,794	2,824	2,800	2,800	2,800
Others non-current liabilities	1,119	1,242	1,189	1,148	1,114
<b>Total non-current liabilities</b>	<b>3,913</b>	<b>4,066</b>	<b>3,990</b>	<b>3,948</b>	<b>3,914</b>
<b>Total liabilities</b>	<b>12,502</b>	<b>11,707</b>	<b>10,192</b>	<b>10,728</b>	<b>10,774</b>
Minority interests	15	15	14	14	14
<b>Total Equity</b>	<b>30,274</b>	<b>34,136</b>	<b>37,584</b>	<b>41,568</b>	<b>45,783</b>
<b>Total Liabilities &amp; Equity</b>	<b>42,791</b>	<b>45,858</b>	<b>47,790</b>	<b>52,310</b>	<b>56,570</b>

Source: Company, KBVS Research

**Exhibit 14: Cash flow**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net income	3,713	5,644	6,147	6,935	7,543
D&A	1,271	1,188	1,296	1,373	1,470
Changes in working capital	(1,367)	(2,378)	2,402	(4,346)	1,855
Others	528	911	52	(135)	58
<b>Operating cash flow</b>	<b>4,145</b>	<b>5,364</b>	<b>9,896</b>	<b>3,827</b>	<b>10,926</b>
Capital expenditures	(537)	(1,573)	(2,201)	(2,347)	(2,574)
Others	(45)	(76)	(25)	(53)	(56)
<b>Investing cash flow</b>	<b>(581)</b>	<b>(1,649)</b>	<b>(2,226)</b>	<b>(2,400)</b>	<b>(2,630)</b>
Net change in debt	(1,040)	(1,890)	(1,504)	-	-
Cash dividends paid	(452)	(1,771)	(2,709)	(2,950)	(3,329)
Others	47	(40)	(53)	(42)	(34)
<b>Financing cash flow</b>	<b>(1,445)</b>	<b>(3,701)</b>	<b>(4,265)</b>	<b>(2,993)</b>	<b>(3,362)</b>
<b>Net change in cash</b>	<b>2,119</b>	<b>14</b>	<b>3,405</b>	<b>(1,565)</b>	<b>4,934</b>
Cash in beginning of the year	2,328	4,447	4,461	7,866	6,301
<b>Cash at the end of the year</b>	<b>4,447</b>	<b>4,461</b>	<b>7,866</b>	<b>6,301</b>	<b>11,234</b>

Source: Company, KBVS Research

**Exhibit 15: Ratio analysis**

Year End Dec	2024A	2025A	2026F	2027F	2028F
<b>Growth (%)</b>					
Revenue	9.5	4.8	8.0	10.2	7.9
Gross profit	25.9	19.2	8.4	11.4	8.7
EBIT	46.8	30.8	8.2	12.3	9.2
EBITDA	49.0	28.4	7.8	10.8	8.4
Net profit	60.1	52.0	8.9	12.8	8.8
<b>Profitability (%)</b>					
Gross margin	15.4	17.6	17.6	17.8	17.9
EBIT margin	8.6	10.7	10.7	10.9	11.1
EBITDA margin	10.8	13.2	13.2	13.2	13.3
Net margin	5.5	8.0	8.0	8.2	8.3
ROE	12.3	16.5	16.4	16.7	16.5
ROA	8.7	12.3	12.9	13.3	13.3
<b>Solvency (x)</b>					
Current ratio	2.5	3.2	4.1	4.2	4.6
Quick ratio	1.4	1.7	2.4	2.2	2.9
Debt to equity	0.3	0.2	0.1	0.1	0.1
Interest coverage	7.9	13.5	17.1	20.0	23.3
Net gearing	0.1	0.1	(0.1)	(0.0)	(0.1)

Source: Company, KBVS Research

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