

PT Japfa Comfeed Indonesia Tbk (JPFA)

Animal Feeds

Pinning hopes on normalized demands

19 May 2022

Recommendations : BUY

Laba bersih JPFA turun 29,7% YoY pada 1Q22 menjadi Rp603,7 miliar
Peningkatan mobilitas dapat mendorong segmen DOC dan broiler
Rekomendasi "BUY" dengan target harga Rp1,720 per saham

Stock

Price on 18/05/2022 (Rp)	1,400
12M target price (Rp)	1,720
Capital gain potential	23%

Stock Data

Outstanding shares	11,620,308,701
Market cap (Rp)	18,293,457,313,560
Weight vs IHSG (%)	0.27

Shareholders (%)

Japfa Ltd	55.43%
Public	43.66%
Treasury stocks	0.91%

Outstanding Shares (unit) 11,726,575,201

Price Performance

52-week high/low Rp2,220/Rp1,330

Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
(4.11)	(12.50)	(17.65)	(29.11)	(18.60)

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	44,878	48,704	52,781
Operating Income	3,530	3,639	4,178
OPM (%)	7.87%	7.47%	7.92%
EBITDA	4,849	4,983	5,398
EV to EBITDA (x)*	5.84	5.14	4.77
Net Income	2,023	2,116	2,289
NPM (%)	4.51%	4.34%	4.34%
EPS (Rp)	174	182	197
EPS Growth (%)	121.3%	4.6%	8.2%
Price Earnings (x)*	9.51	7.69	7.11
Price to Book (x)*	1.57	1.23	1.14
Price to Sales (x)*	0.43	0.33	0.31
Return on Equity (%)	16.53%	15.95%	15.97%
Return on Assets (%)	7.07%	6.90%	6.93%
Tot Debt/Equity (x)	0.83	0.80	0.76

*) based on market price (17/05/2022) at Rp1,400

Sources : Company, Bloomberg and KB Valbury Sekuritas

Kenaikan beban pokok menyebabkan penurunan laba bersih

Laba bersih JPFA turun 29,7% YoY pada 1Q22 menjadi Rp603,7 miliar (+17,2% QoQ). Penurunan laba bersih YoY ditengah kenaikan beban pokok yang lebih tinggi 25,6% YoY pada 1Q22 ditengah kenaikan material dan beban pengapalan, sedangkan pendapatan tumbuh 12,9% YoY (+0,7% QoQ). Sehingga, GPM menurun dari 25,9% pada 1Q21 menjadi 17,6% pada 1Q22. Namun, beban operasional berhasil diturunkan 22,5% YoY pada 1Q22 ditengah penurunan beban umum dan administrasi akibat premi opsi dan amortisasi. Sedangkan, beban lain-lain juga turun 97,2% YoY karena penurunan biaya sewa. Akan tetapi, margin operasional tetap menurun dari 12,4% pada 1Q21 menjadi 8,3% pada 1Q22. Adapun, JPFA mencatatkan kenaikan beban keuangan 23,6% YoY pada 1Q22. Dari segi neraca, net gearing turun QoQ dari 0,74% pada 2021 menjadi 0,67% pada 1Q22.

Penurunan margin pada segmen utama

Perolehan pendapatan JPFA para 1Q22 didorong oleh segment poultry breeding, animal feeds dan commercial farm ditengah kenaikan volume penjualan. Segmen poultry breeding berkontribusi 15,0% terhadap penjualan pada 1Q22, meningkat dari 12,7% pada 1Q21. Sedangkan, segmen animal feeds relative stabil pada 29,2% pada 1Q22. Kemudian, kontribusi commercial farm menurun dari 39,0% pada 1Q21 menjadi 37,5% pada 1Q22. Akan tetapi, dari segi margin, segmen poultry breeding menurun dari 34,8% pada 1Q21 menjadi 20,2% pada 1Q22. Penurunan margin juga diikuti segmen animal feeds dari 10,9% pada 1Q21 menjadi 7,5% pada 1Q22. Adapun, segmen commercial farm juga berkurang dari 5,7% pada 1Q21 menjadi 1,4% pada 1Q22.

Inflasi menjadi tantangan utama

Kami memproyeksikan pendapatan JPFA dapat tumbuh hingga 9% pada 2022, terutama dari segi volume ditengah peningkatan daya beli dan restriksi mobilitas yang melonggars sehingga dapat mendorong DOC dan broiler. Kami melihat performa secara QoQ dapat meningkat pada 2Q22 ditengah adanya puasa dan lebaran. Akan tetapi, kami melihat adanya resiko dari 1) kenaikan harga bahan baku akibat kenaikan harga komoditas lunak seperti jagung dan kedelai ; 2) inflasi komoditas energy karena konflik geopolitik Rusia-Ukraina yang dapat mendorong biaya shipping dan logistik; 3) kenaikan suku bunga secara agresif yang dapat mendorong USD dan 4) inflasi domestic yang lebih tinggi dibandingkan tahun lalu dapat menurunkan daya beli. Selain itu, kami memandang pengendalian inflasi yang dilakukan pemerintah dapat berdampak terhadap kebijakan stabilisasi supply-demand dari pemerintah.

Rekomendasi "BUY", posisi sebagai perusahaan pakan ternak terintegrasi

Kami mempertahankan rekomendasi BUY saham JPFA dengan target harga Rp1,720 per saham, yang merefleksikan PE 2022E pada 7,69x. Rekomendasi kami ini didasari dengan pertimbangan sebagai berikut: 1) peningkatan mobilitas dan daya beli masyarakat terutama menjelang puasa dan lebaran; 2) bisnis JPFA yang terintegrasi sehingga beban dapat lebih efisien; 3) neraca JPFA yang cukup kuat. Namun, kami masih mencatat beberapa resiko yakni 1) inflasi bahan utama terutama dari jagung dan kedelai; 2) komoditas energy; 3) depresiasi Rupiah terhadap dolar AS setelah adanya peningkatan suku bunga; 4) permintaan yang lebih lemah daripada proyeksi; dan 5) oversupply yang lebih tinggi dibandingkan proyeksi.

Analyst(s)

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1Q2021	1Q2022	YoY Change	4Q2021	1Q2022	QoQ Change
Net Sales	10,769	12,154	12.9%	12,075	12,154	0.7%
Cost of Revenue	(7,978)	(10,019)	25.6%	(9,992)	(10,019)	0.3%
Gross Profit	2,792	2,135	(23.5%)	2,083	2,135	2.5%
Gross Margin (%)	25.9%	17.6%		17.2%	17.6%	
Operating Expenses	(1,461)	(1,132)	(22.5%)	(1,212)	(1,132)	(6.6%)
Operating Profit	1,331	1,002	(24.7%)	871	1,003	15.1%
Operating Margin (%)	12.4%	8.3%		7.2%	8.3%	
Non-Operating Income (Losses)	(151)	(192)	27.5%	(172)	(192)	11.5%
Pretax Income	1,180	810	(31.3%)	699	810	16.0%
Income Tax (Expense)/ Benefit	(265)	(164)	(38.2%)	(184)	(164)	(11.2%)
Profit for This Year	916	647	(29.4%)	514	647	25.7%
Net Profit (Losses)	859	604	(29.7%)	515	604	17.2%
Profit Margin (%)	8.0%	5.0%		4.3%	5.0%	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	36,965	44,878	48,704	52,781	55,947
<i>Revenue growth yoy</i>	-4.9%	21.4%	8.5%	8.4%	6.0%
- Cost of Goods Sold	29,536	36,858	39,951	43,190	45,668
Gross Income	7,429	8,020	8,753	9,592	10,279
- Operating Expenses	5,054	5,052	5,114	5,414	5,747
Operating Income	2,483	3,530	3,639	4,178	4,532
<i>Op income growth yoy</i>	-20.2%	42.2%	3.1%	14.8%	8.5%
- Non Operating Gains (Losses)	1,023	736	525	794	842
EBITDA	3,963	4,849	4,983	5,398	5,719
Pretax Income	1,460	2,794	3,114	3,384	3,690
- Income Tax Expense	457	663	850	936	1,040
Profit for This Year	1,002	2,131	2,264	2,448	2,650
- Minority Interests	86	108	148	159	172
Net Income	917	2,023	2,116	2,289	2,478
<i>Net income growth yoy</i>	-48.1%	120.6%	4.6%	8.2%	8.2%
EPS (IDR)	79	174	182	197	213
Dividends Per Share (IDR)	40	87*	93	104	117

Sources: Company, Bloomberg and KB Valbury Sekuritas

*) Estimate

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	11,745	14,161	15,845	17,349	18,618
+ Cash & Near Cash Items	1,336	1,085	1,314	1,458	1,664
+ Accounts & Notes Receivable	1,880	2,348	2,609	2,853	3,044
+ Inventories	7,988	10,356	11,508	12,586	13,428
+ Other Current Assets	541	372	413	452	482
Total Long-Term Assets	14,207	14,429	14,836	15,687	16,159
+ Property, Plant & Equip, Net	12,303	12,633	12,741	13,235	13,308
Property, Plant & Equip	20,170	21,691	22,250	23,314	24,053
Accumulated Depreciation	7,867	9,058	9,508	10,079	10,745
+ Long Term Investments	86	382	468	590	762
+ Other Long Term Assets	1,818	1,413	1,626	1,863	2,088
Total Assets	25,952	28,590	30,680	33,036	34,777
Total Current Liabilities	6,008	7,064	7,528	8,375	9,180
+ Payables & Accruals	4,722	3,637	3,961	4,612	5,213
+ Short Term Borrowings	948	3,032	3,082	3,132	3,149
+ Other Short Term Liabilities	338	395	485	631	817
Total Long Term Liabilities	8,532	8,423	8,988	9,357	9,110
+ Long Term Borrowings	6,819	7,141	7,569	7,802	7,416
+ Other Long Term Borrowings	1,713	1,282	1,419	1,555	1,693
Total Liabilities	14,540	15,487	16,516	17,731	18,290
+ Share Capital & APIC	3,028	3,028	3,028	3,028	3,028
- Treasury Stock	80	155	155	155	155
+ Retained Earnings & Other Eq.	7,770	9,429	10,466	11,541	12,656
+ Other Equity	(40)	(68)	(75)	(83)	(91)
Total Shareholders Equity	10,678	12,233	13,263	14,331	15,438
+ Minority/Non Controlling Int.	734	869	902	974	1,050
Total Equity	11,412	13,103	14,165	15,305	16,487
Total Liabilities & Equity	25,952	28,590	30,680	33,036	34,777
Book Value Per Share (IDR)	916	1,053	1,141	1,233	1,329

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	917	2,023	2,116	2,289	2,478
+ Depreciation & Amortization	1,479	1,319	1,450	1,571	1,665
+ Other Non-Cash Adjustments	1,761	(2,626)	(2,887)	(3,129)	(3,316)
Cash From Operating Activities	4,157	715	678	731	827
+ Disposal of Fixed Assets	28	32	34	37	40
+ Capital Expenditures	(1,681)	(1,361)	(1,479)	(1,686)	(1,847)
+ Change in Investment	2	(305)	85	122	172
+ Other Investing Activities	(387)	(904)	(213)	(236)	(226)
Cash From Investing Activities	(2,039)	(2,539)	(1,572)	(1,763)	(1,861)
+ Dividends Paid	(258)	(489)	(1,079)	(1,213)	(1,363)
+ Change in long Term Borr.	1,417	2,131	2,188	2,383	2,602
+ Change in capital stock	4	6	14	6	1
+ Other Financing Activities	(1,787)	1,573	1,122	1,176	1,240
Cash From Financing Activities	332	(251)	229	144	206
Net Changes in Cash	917	2,023	2,116	2,289	2,478

Sources: Company, Bloomberg and KB Valbury Sekuritas

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RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings	17.60	9.51	7.69	7.11	6.57
EV to EBIT	9.09	8.02	7.25	6.73	6.21
EV to EBITDA	5.69	5.84	5.14	4.77	4.40
Price to Sales	0.44	0.43	0.33	0.31	0.29
Price to Book	1.51	1.57	1.23	1.14	1.05
Dividend Yield	2.9%	5.3%**	6.6%	7.5%	8.4%
Profitability Ratios					
Gross Margin	20.10%	17.87%	17.97%	18.17%	18.37%
EBITDA Margin	10.72%	10.80%	10.23%	10.23%	10.22%
Operating Margin	6.72%	7.87%	7.47%	7.92%	8.10%
Profit Margin	2.48%	4.51%	4.34%	4.34%	4.43%
Return on Assets	3.53%	7.07%	6.90%	6.93%	7.12%
Return on Equity	8.59%	16.53%	15.95%	15.97%	16.05%
Leverage & Coverage Ratios					
Current Ratio	1.96	2.00	2.10	2.07	2.03
Quick Ratio	0.63	0.54	0.58	0.57	0.57
Interest Coverage Ratio (EBIT/I)	3.11	5.32	7.47	5.35	5.34
Tot Debt/Capital	0.32	0.35	0.40	0.40	0.39
Tot Debt/Equity	0.73	0.83	0.80	0.76	0.68
Others					
Asset Turnover	1.42	1.57	1.59	1.60	1.61
Accounts Receivable Turnover	19.66	19.11	18.67	18.50	18.38
Accounts Payable Turnover	7.83	12.34	12.30	11.44	10.73
Inventory Turnover	4.63	4.33	4.23	4.19	4.17

*) based on market price (17/05/2022) at Rp1,400

**) Estimate

Sources: Company, Bloomberg and KB Valbury Sekuritas

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