

## PT Charoen Pokphand Indonesia Tbk (CPIN)

Animal Feeds

## Boosted by seasonal demand

18 April 2022

Recommendations : BUY

## Stock

Price on 14/04/2022 (Rp)	4,990
12M target price (Rp)	6,250
Capital gain potential	25%

## Stock Data

Outstanding shares	16,398,000,000
Market cap (Rp)	81,826,020,000,000
Weight vs IHSG (%)	1,18

## Shareholders (%)

Charoen Pokphand Ina. Group	55.53%
Public	44.47%
Outstanding Shares (unit)	16,398,000,000

## Price Performance

52-week high/low	Rp7,775 /Rp4,990
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## Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
(15.06)	(19.52)	(21.42)	(35.40)	(16.13)

## Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	51,698	55,959	60,736
Operating Income	4,934	6,070	6,887
OPM (%)	9.54%	10.85%	11.34%
EBITDA	6,080	7,265	8,221
EV to EBITDA (x)*	16.78	11.94	10.58
Net Income	3,621	4,474	5,044
NPM (%)	7.00%	8.00%	8.30%
EPS (Rp)	221	273	308
EPS Growth (%)	(5.8%)	23.6%	12.7%
Price Earnings (x)*	26.95	18.29	16.22
Price to Book (x)*	3.88	2.97	2.69
Price to Sales (x)*	1.89	1.46	1.35
Return on Equity (%)	14.41%	16.21%	16.61%
Return on Assets (%)	10.22%	11.49%	11.79%
Tot Debt/Equity (x)	0.25	0.25	0.25

\*) based on market price (14/04/2022) at Rp4,990

Sources : Company, Bloomberg and KB Valbury Sekuritas

## Analyst(s)

Alfiansyah  
Devi Harjoto

Laba bersih turun 5,8% YoY pada 2021 menjadi Rp3,6 triliun Menanti kenaikan permintaan secara seasonal ditengah puasa dan lebaran Rekomendasi "BUY" dengan target harga Rp6.250 per saham

## Penurunan laba bersih karena kenaikan beban

Laba bersih CPIN turun 5,8% YoY pada 2021 menjadi Rp3,62 triliun (+Rp944,95 miliar QoQ). Penurunan laba bersih YoY tersebut disebabkan oleh kenaikan beban pokok yang naik 27,1% YoY pada 2021, lebih dibandingkan net sales yang meningkat 21,6% YoY pada 2021 menjadi Rp51,7 triliun (+16,3% QoQ). Sehingga, margin laba kotor CPIN turun dari 19,4% pada 2020 menjadi 15,7% pada 2021. Kemudian, beban operasional hanya meningkat 2,8% YoY pada 2021 ditengah kenaikan beban penjualan dari gaji pegawai yang sebagian dikompensasi dari pendapatan operasional lain-lain dari pembukuan profit penjualan ayam afkir. Sehingga, margin operasional turun dari 12,1% pada 2020 menjadi 9,5% pada 2021. CPIN mencatatkan penurunan pendapatan keuangan 40,2% YoY pada 2021 seiring dengan penurunan suku bunga. Dari segi neraca, net gearing CPIN meningkat dari 0,08x pada 2020 menjadi 0,17x pada 2021.

## Ditopang oleh kenaikan margin DOC

Pertumbuhan pendapatan CPIN pada 2021 utamanya didorong segmen broiler yang tumbuh 40,5% YoY menjadi Rp29,3 triliun, sehingga kontribusinya meningkat dari 31,4 % pada 2020 menjadi 33,3%. Akan tetapi, secara profitabilitas, segmen broiler mencatatkan rugi operasional. Namun, secara profitabilitas, CPIN ditopang oleh segmen DOC dengan margin 18,4% pada 2021, dibandingkan dengan rugi bersih pada tahun 2020 ditengah kenaikan ASP. Penjualan segmen DOC juga meningkat 44,0% YoY pada 2021 menjadi Rp8,5 triliun, dengan kontribusi mencapai 9,7%. Adapun, penjualan segmen processed chicken juga meningkat 23,9% YoY pada 2021, tetapi margin berkurang dari 14,8% pada 2020 menjadi 11,1%. Adapun, segmen pakan ternak masih mendominasi penjualan CPIN, naik 24,5 %YoY pada 2021, dengan kontribusi menurun dari 47,8% pada 2020 menjadi 44,9%.

## Inflasi menjadi ancaman utama

Kami memperkirakan pendapatan CPIN dapat tumbuh pada 8% YoY tahun 2022 yang terdorong dari peningkatan mobilitas masyarakat dan peningkatan daya beli, ditengah kasus covid-19 yang terkendali, vaksinasi sehingga mendorong permintaan dari industry hospitality dan tingkat retail terutama pada 2Q22 bertepatan dengan puasa dan lebaran. Akan tetapi, kami melihat tantangan dari kenaikan inflasi pangan terutama dari jagung dan kedelai karena adanya konflik geopolitik antara Ukraina-Rusia yang menyebabkan supply ketat dan harga komoditas energy yang meningkat dapat mempengaruhi margin CPIN. Kemudian, kami melihat oversupply yang meningkat pasca lebaran karena permintaan cenderung mereda karena adanya potensi inflasi yang mempengaruhi daya beli. Kami memperkirakan margin CPIN dapat berpotensi tertekan.

## Rekomendasi BUY ditengah peningkatan daya beli

Kami mempertahankan rekomendasi BUY saham CPIN dengan target harga Rp6,250 , yang menggambarkan PE 2022 pada 18,29x. Rekomendasi kami ini didasari dengan pertimbangan sebagai berikut: 1) potensi peningkatan permintaan yang tinggi terutama pada 2Q22 ditengah adanya puasa dan lebaran; 2) posisi CPIN sebagai market leader dan bisnis yang terintegrasi sehingga lebih efisien; 3) neraca yang kuat. Namun, kami masih mencatat beberapa resiko yakni 1) inflasi yang mempengaruhi daya beli dan peningkatan beban CPIN; 2) depresiasi IDR terhadap dolar AS setelah kenaikan suku bunga 3) permintaan yang lebih lemah daripada proyeksi karena resiko pembatasan; 4) kenaikan supply DOC dan broiler.

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## FINANCIAL OVERVIEW

Income Statement (Rp bn)	FY2020	FY2021	YoY Change	3Q2021	4Q2021	QoQ Change
<b>Net Sales</b>	<b>42,519</b>	<b>51,698</b>	<b>22.0%</b>	12,124	14,105	16.3%
Cost of Revenue	(34,264)	(43,559)	27.1%	(11,436)	(11,932)	4.3%
<b>Gross Profit</b>	<b>8,255</b>	<b>8,139</b>	<b>(1.4%)</b>	<b>688</b>	<b>2,173</b>	216.0%
<b>Gross Margin (%)</b>	<b>19.4%</b>	<b>15.7%</b>		<b>5.7%</b>	<b>15.4%</b>	
Operating Expenses	(3,117)	(3,204)	2.8%	(934)	(715)	(23.4%)
<b>Operating Profit</b>	<b>5,138</b>	<b>4,934</b>	<b>(4.0%)</b>	<b>(246)</b>	<b>1,458</b>	(692.3%)
<b>Operating Margin (%)</b>	<b>12.1%</b>	<b>9.5%</b>		<b>(2.0%)</b>	<b>10.3%</b>	
Non-Operating Income (Losses)	(370)	(301)	(18.7%)	(60)	(85)	41.3%
<b>Pretax Income</b>	<b>4,768</b>	<b>4,634</b>	<b>(2.8%)</b>	<b>(306)</b>	<b>1,373</b>	(548.2%)
Income Tax (Expense)/ Benefit	(921)	(1,015)	10.5%	148	(429)	(389.7%)
<b>Profit for This Year</b>	<b>3,845</b>	<b>3,619</b>	<b>(5.9%)</b>	<b>(158)</b>	<b>943</b>	(696.6%)
<b>Net Profit (Losses)</b>	<b>3,842</b>	<b>3,621</b>	<b>(5.8%)</b>	<b>(157)</b>	<b>945</b>	(702.0%)
<b>Profit Margin (%)</b>	<b>9.4%</b>	<b>7.0%</b>		<b>(1.3%)</b>	<b>6.7%</b>	

Sources : Company and KB Valbury Sekuritas

## FINANCIAL TABLES

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
<b>Revenue</b>	<b>42,519</b>	<b>51,698</b>	<b>55,959</b>	<b>60,736</b>	<b>66,042</b>
Revenue growth yoy	0.0%	21.6%	8.2%	8.5%	8.7%
- Cost of Goods Sold	(34,264)	(43,559)	(46,051)	(49,860)	(54,084)
<b>Gross Income</b>	<b>8,255</b>	<b>8,139</b>	<b>9,908</b>	<b>10,876</b>	<b>11,958</b>
- Operating Expenses	(3,309)	(3,738)	(3,838)	(3,988)	(4,054)
<b>Operating Income</b>	<b>5,138</b>	<b>4,934</b>	<b>6,070</b>	<b>6,887</b>	<b>7,904</b>
Op income growth yoy	3.9%	(4.0%)	23.0%	13.5%	14.8%
- Non Operating Gains (Losses)	(370)	(301)	(324)	(409)	(478)
<b>EBITDA</b>	<b>6,165</b>	<b>6,080</b>	<b>7,265</b>	<b>8,221</b>	<b>9,133</b>
<b>Pretax Income</b>	<b>4,768</b>	<b>4,634</b>	<b>5,746</b>	<b>6,478</b>	<b>7,426</b>
- Income Tax Expense	(922)	(1,015)	(1,274)	(1,437)	(1,647)
<b>Profit for This Year</b>	<b>3,846</b>	<b>3,619</b>	<b>4,472</b>	<b>5,041</b>	<b>5,779</b>
- Minority Interests	(4)	2	2	2	3
<b>Net Income</b>	<b>3,842</b>	<b>3,621</b>	<b>4,474</b>	<b>5,044</b>	<b>5,782</b>
Net income growth yoy	5.4%	(5.8%)	23.6%	12.7%	14.6%
<b>EPS (IDR)</b>	<b>234</b>	<b>221</b>	<b>273</b>	<b>308</b>	<b>353</b>
<b>Dividends Per Share (IDR)</b>	<b>112</b>	<b>88*</b>	<b>123</b>	<b>138</b>	<b>159</b>

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
<b>Total Current Assets</b>	<b>13,532</b>	<b>15,715</b>	<b>17,514</b>	<b>19,514</b>	<b>21,136</b>
+ Cash & Near Cash Items	2,678	1,803	1,990	2,541	2,793
+ Accounts & Notes Receivable	1,841	1,644	1,834	2,005	2,167
+ Inventories	8,351	11,588	12,930	14,138	15,279
+ Other Current Assets	662	680	759	830	897
<b>Total Long-Term Assets</b>	<b>17,627</b>	<b>19,731</b>	<b>21,421</b>	<b>23,276</b>	<b>25,477</b>
+ Property, Plant & Equip, Net	15,094	16,917	18,000	19,187	20,439
Property, Plant & Equip	22,289	25,120	27,289	29,653	32,185
Accumulated Depreciation	7,195	8,204	9,288	10,466	11,746
+ Other Long Term Assets	2,533	2,814	3,421	4,089	5,038
<b>Total Assets</b>	<b>31,159</b>	<b>35,446</b>	<b>38,935</b>	<b>42,790</b>	<b>46,613</b>
<b>Total Current Liabilities</b>	<b>5,356</b>	<b>7,836</b>	<b>8,648</b>	<b>9,648</b>	<b>10,331</b>
+ Payables & Accruals	2,493	3,156	3,453	3,749	3,955
+ Short Term Borrowings	2,842	4,646	5,158	5,857	6,327
+ Other Short Term Liabilities	22	34	38	42	49
<b>Total Long Term Liabilities</b>	<b>2,453</b>	<b>2,460</b>	<b>2,671</b>	<b>2,749</b>	<b>2,705</b>
+ Long Term Borrowings	1,612	1,637	1,765	1,820	1,746
+ Other Long Term Borrowings	841	823	906	929	959
<b>Total Liabilities</b>	<b>7,810</b>	<b>10,296</b>	<b>11,320</b>	<b>12,398</b>	<b>13,036</b>
+ Share Capital & APIC	121	121	121	121	121
+ Retained Earnings & Other Eq.	23,194	24,996	27,457	30,231	33,411
+ Other Equity	18	18	19	21	23
<b>Total Shareholders Equity</b>	<b>23,333</b>	<b>25,135</b>	<b>27,597</b>	<b>30,373</b>	<b>33,555</b>
+ Minority/Non Controlling Int.	17	15	18	20	22
<b>Total Equity</b>	<b>23,350</b>	<b>25,150</b>	<b>27,615</b>	<b>30,393</b>	<b>33,577</b>
<b>Total Liabilities &amp; Equity</b>	<b>31,159</b>	<b>35,446</b>	<b>38,935</b>	<b>42,790</b>	<b>46,613</b>
<b>Book Value Per Share</b>	<b>1,423</b>	<b>1,533</b>	<b>1,683</b>	<b>1,852</b>	<b>2,046</b>

Sources: Company, Bloomberg and KB Valbury Sekuritas

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	3,842	3,621	4,474	5,044	5,782
+ Depreciation & Amortization	1,027	1,146	1,085	1,178	1,280
+ Other Non-Cash Adjustments	(23)	(2,645)	(1,085)	(1,060)	(1,152)
<b>Cash From Operating Activities</b>	<b>4,846</b>	<b>2,122</b>	<b>4,474</b>	<b>5,161</b>	<b>5,910</b>
+ Disposal of Fixed Assets	98	39	41	44	47
+ Capital Expenditures	(1,896)	(2,870)	(1,937)	(2,102)	(2,286)
+ Other Investing Activities	(7)	12	(607)	(668)	(949)
<b>Cash From Investing Activities</b>	<b>(1,806)</b>	<b>(2,819)</b>	<b>(2,502)</b>	<b>(2,726)</b>	<b>(3,187)</b>
+ Dividends Paid	(1,328)	(1,837)	(2,013)	(2,270)	(2,602)
+ Change in long Term Borr.	(1,002)	(159)	219	380	125
+ Other Financing Activities	7	2	9	5	6
<b>Cash From Financing Activities</b>	<b>(2,323)</b>	<b>(314)</b>	<b>(1,785)</b>	<b>(1,884)</b>	<b>(2,470)</b>
<b>Net Changes in Cash</b>	<b>716</b>	<b>(1,012)</b>	<b>187</b>	<b>551</b>	<b>252</b>

Sources: Company, Bloomberg and KB Valbury Sekuritas

# PT Charoen Pokphand Indonesia Tbk (CPIN)

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### RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
<b>Valuation Ratios</b>					
Price Earnings*	27.35	26.95	18.29	16.22	14.15
EV to EBIT*	20.80	20.68	14.04	12.35	11.09
EV to EBITDA*	17.34	16.78	11.94	10.58	9.54
Price to Sales*	2.47	1.89	1.46	1.35	1.24
Price to Book*	4.50	3.88	2.97	2.69	2.44
Dividend Yield*	1.7%	1.5%**	2.5%	2.8%	3.2%
<b>Profitability Ratios</b>					
Gross Margin	19.41%	15.74%	17.71%	17.91%	18.11%
EBITDA Margin	14.50%	11.76%	12.98%	13.54%	13.83%
Operating Margin	12.08%	9.54%	10.85%	11.34%	11.97%
Profit Margin	9.04%	7.00%	8.00%	8.30%	8.75%
Return on Assets	12.33%	10.22%	11.49%	11.79%	12.40%
Return on Equity	16.47%	14.41%	16.21%	16.61%	17.23%
<b>Leverage &amp; Coverage Ratios</b>					
Current Ratio	2.53	2.01	2.03	2.02	2.05
Quick Ratio	0.97	0.53	0.53	0.56	0.57
Interest Coverage Ratio (EBIT/I)	13.96	20.57	23.92	21.57	20.62
Tot Debt/Capital	0.04	0.06	0.08	0.09	0.09
Tot Debt/Equity	0.19	0.25	0.25	0.25	0.24
<b>Others</b>					
Asset Turnover	1.36	1.46	1.44	1.42	1.42
Accounts Receivable Turnover	23.10	31.45	30.51	30.29	30.47
Accounts Payable Turnover	17.06	16.38	16.21	16.20	16.70
Inventory Turnover	5.09	4.46	4.33	4.30	4.32

\*) based on market price (14/04/2022) at Rp4,990

\*\*) Estimate

Sources: Company, Bloomberg and KB Valbury Sekuritas

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