Solid FY25 earnings, but with strong headwinds ahead

05 March 2025

JPFA IJ	HOLD
Sector	Poultry
Price at 06 May 2025 (IDR)	2,280
Price target (IDR)	2,500
Upside/Downside (%)	9.6

Stock Information

Japfa Comfeed Indonesia Tbk (JPFA) is the second largest poultry player in Indonesia that engages in animal feeds, breeds, processes chicken and operates aquaculture farms.

Market cap (IDR bn)	28,496
Shares outstanding (mn)	11,727
52-week range (IDR)	1,415-2,970
3M average daily vol. ('000)	30,152
3M average daily val. (IDR mn)	79,641

Shareholders (%)

Japfa Ltd	55.43
Treasury Stock	0.84
Leo Handoko Laksono	0.02
Public	43.71

Stock Performance

Source: Bloomberg

	1M	3M	12M
Performance (%)	(12.3)	(13.3)	12.9

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Japfa Comfeed Indonesia' (JPFA) earnings grew significantly (+72.5% yoy/+35.5% qoq) in 4Q25, mainly on better livebird' (LB) and day old chick' (DOC) demand and average selling prices (ASP), amid lower soybean-meal prices (SBM) and higher local corn (LC) prices. As a result, JPFA' net profit grew 32.6% yoy to IDR4 tn in FY25, which came above ours' (118.1%) and consensus expectation (120%). While, JPFA' 4Q25 revenue grew 21.3% yoy/12.7% qoq, which made its FY25' revenue reach IDR60.7 tn (+8.8% yoy). However, starting in Apr'26, all poultry players, including JPFA are required to source SBM through PT Berdikari (ID Food), according to the latest government requirements for the sector. Thus, we adjusted our '26F and still maintain HOLD on JPFA with lower TP of IDR2,500, which implies 6.8x '26F P/E as we anticipate the potential cost pressure for the company starting this 2Q26F from the latest government requirements. We also anticipate on a possibility of softer chickens' demand in 2Q26F and 3Q26F due to lack of festivities amidst current macro economy conditions. Currently, JPFA is trading at 6.2x '26F P/E or at -0.5 stdev of its 5 years' mean P/E.

Earnings grew significantly in 4Q25

JPFA earnings grew significantly (+72.5% yoy/+35.5% qoq) in 4Q25, mainly supported by better LB' and DOC' demand and ASP, amid lower soybean-meal prices (SBM), despite higher local corn (LC) prices. SBM' prices per ton was relatively low in FY25, with its 5 years average price at around USD373 per ton vs USD308 per ton (last price early Mar'26). As a result, JPFA' net profit grew 32.6% yoy to IDR4 tn in FY25, which came above ours' (118.1%) and consensus expectation (120%).

4Q25 revenue growth on better chicken demand and ASP

JPFA' revenue grew 21.3% yoy/12.7% qoq in 4Q25 on better chicken demand and ASP amid festivities. Moreover, LB' and DOC ASP reached IDR21,597 per kg and IDR6,952, respectively in 4Q25 or the highest ASP vs other quarters in 2025. JPFA' 4Q25 revenue from its businesses; Feed at IDR4.48 tn (+26.9% yoy/+17.6% qoq), DOC at IDR1.07 tn (+28.3% yoy/+24.3% qoq), LB at IDR7.22 (+21.1% yoy/+12.5% qoq), Aquaculture at IDR1.44 tn (+14.2% yoy/+7.6% qoq), consumer products at IDR2.78 tn (+16.4% yoy/+6.5% qoq) and trading at IDR627 bn (+13.8% yoy/+5.4% qoq). Thus. JPFA' revenue grew 8.8% yoy to IDR60.72 tn in FY25, which came in-line with ours' (99.1%) and cons' expectation (100.9%).

Margin expanded across the board in 4Q25

JPFA' gross profit grew 36.7% yoy/30.2% qoq to IDR4.48 tn in 4Q25, due to higher sales and ASP, with low SBM prices, despite higher LC' prices, yoy. Note that, LC' ASP reached IDR5,937 per kg in 4Q25 or higher than other quarters in 2025. While, JPFA' EBIT grew 58.5% yoy/27.2% qoq to IDR2.27 tn in 4Q25 on better cost management. All in all, JPFA' gross, EBIT and net margin expanded to 21.7% (+160bps yoy), 10.1% (+80bps yoy) and 6.6% (+120bps yoy), respectively in FY25.

Adjustments to reflect current condition

We adjusted our JPFA '26F revenue and earnings to incorporate good FY25 results and to anticipate potential margin pressure on latest government' requirements. We slightly tweaked down our '26F revenue to IDR66.34 tn (-1.1% from prior) as per our view that chicken demand would grow softly amid stable ASP this year due to current economic conditions. We also anticipated around -20bps yoy gross margin in '26F due to latest government requirements on SBM. As a result, we still expect JPFA' earnings to reach IDR4.3 tn (11.6% from prior) mainly due to stronger than expected FY25 earnings.

Maintain HOLD with lower TP of IDR2,500/share

Maintain HOLD on JPFA with lower TP of IDR2,500/share, which implies 6.8x '25F P/E as we still expect JPFA' revenue and earnings to grow by 9.3% yoy and 6.6% yoy, respectively in '26F on higher chicken demand with stable ASP, amid potential margin pressure ahead. Risks to our call includes: a) high supply with low demand on LB and DOC, b) higher than expected raw material prices (LC and SBM), and c) changes in government regulations on poultry sector. Currently, JPFA is trading at 6.2x '26F P/E or at its -0.5stdev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025A	2026F	2027F
Revenue (IDR bn)	51,176	55,801	60,716	66,341	72,612
EBITDA (IDR bn)	3,110	6,097	7,073	7,685	8,580
Net profit (IDR bn)	930	3,019	4,004	4,301	4,756
EPS (IDR)	79	257	341	367	406
EPS growth (%)	-34.5	224.7	32.6	7.4	10.6
ROE (%)	7.0	19.5	21.5	19.7	18.8
ROA (%)	2.7	8.7	10.0	10.2	10.3
PER (x)	22.0	6.9	7.6	7.1	6.4
PBV (x)	1.5	1.3	1.6	1.4	1.2
EV/EBITDA (x)	8.5	4.0	4.7	3.7	3.7
Div Yield (%)	2.8	4.0	2.8	3.8	4.0

Source: Company, KBVS Research

Exhibit 2: JPFA' 4Q25 results

JPFA FY25 Results (IDRbn)	FY25	FY24	YoY	4Q25	4Q24	YoY	3Q25	QoQ	of '25F	to Cons'
Revenue	60,716	55,801	8.8%	17,611	14,521	21.3%	15,623	12.7%	99.1%	100.9%
COGS	(47,524)	(44,583)	6.6%	(13,135)	(11,247)	16.8%	(12,186)	7.8%		
Gross profit	13,191	11,218	17.6%	4,476	3,274	36.7%	3,437	30.2%	106.7%	109.8%
Operating expenses	(7,042)	(6,005)	17.3%	(2,209)	(1,844)	19.8%	(1,655)	33.5%		
EBIT	6,150	5,213	18.0%	2,267	1,430	58.5%	1,782	27.2%	107.2%	113.0%
Profit before tax	5,484	4,241	29.3%	2,103	1,216	73.0%	1,600	31.5%	117.5%	119.5%
Tax expense	(1,202)	(1,029)	-16.8%	(456)	(249)	83.1%	(328)	38.7%		
Minority interest	277	193	43.4%	55	44	25.2%	96	-42.8%		
Net profit	4,004	3,019	32.6%	1,593	923	72.5%	1,175	35.5%	118.1%	120.0%

Margins (%)	FY25	FY24	4Q25	4Q24	3Q25
Gross margin	21.7%	20.1%	25.4%	22.5%	22.0%
EBIT margin	10.1%	9.3%	12.9%	9.8%	11.4%
Pretax margin	9.0%	7.6%	11.9%	8.4%	10.2%
Net margin	6.6%	5.4%	9.0%	6.4%	7.5%

JPFA FY25 Results (IDRbn)	FY25	FY24	YoY	4Q25	4Q24	YoY	3Q25	QoQ
Animal feeds								
Revenue	15,297	14,317	6.8%	4,474	3,527	26.9%	3,804	17.6%
EBIT	3,129	2,376	31.7%	977	300	225.9%	758	29.0%
EBIT margin	20.5%	16.6%		21.8%	8.5%		19.9%	
Poultry breeding								
Revenue	3,439	3,137	9.6%	1,074	837	28.3%	864	24.3%
EBIT	1,267	1,378	-8.1%	641	305	110.4%	436	47.1%
EBIT margin	36.8%	43.9%		59.7%	36.4%		50.4%	
Commercial farm								
Revenue	24,458	23,038	6.2%	7,219	5,959	21.1%	6,414	12.5%
EBIT	1,796	1,589	13.1%	842	916	-8.1%	406	107.2%
EBIT margin	7.3%	6.9%		11.7%	15.4%		6.3%	
Poultry processing & consumer products								
Revenue	10,136	8,466	19.7%	2,775	2,384	16.4%	2,604	6.5%
EBIT	442	372	18.8%	61	123	-50.5%	204	-70.1%
EBIT margin	4.4%	4.4%		2.2%	5.2%		7.8%	
Aquaculture								
Revenue	5,097	4,750	7.3%	1,442	1,263	14.2%	1,341	7.6%
EBIT	522	358	45.8%	128	77	65.5%	158	-19.4%
EBIT margin	10.2%	7.5%		8.8%	6.1%		11.8%	
Trading others								
Revenue	2,289	2,092	9.4%	627	551	13.8%	595	5.4%
EBIT	371	277	34.0%	(12)	42	-127.8%	142	-108.2%
EBIT margin	16.2%	13.2%		-1.9%	7.6%		23.9%	

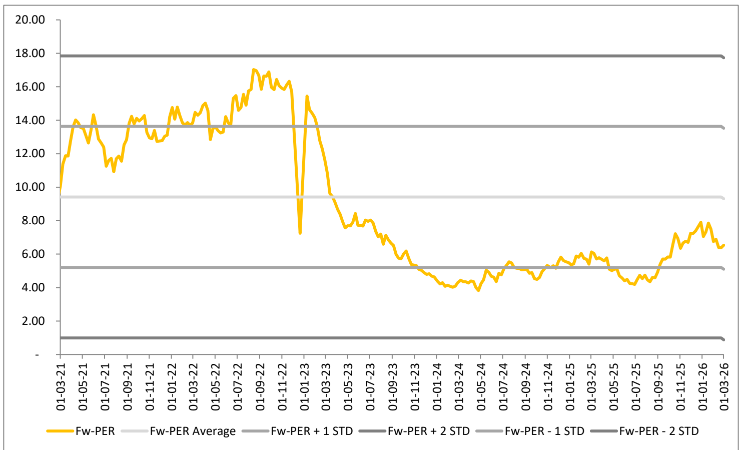
Source: Company, KBVS Research

Exhibit 3: Earning adjustments

Adjustments	New		Old		Diff (%)	
In IDR bn	26F	27F	26F	27F	26F	27F
Revenue	66,341	72,612	67,065	75,094	-1.1%	-3.3%
Gross profit	14,251	15,676	13,734	15,579	3.8%	0.6%
EBIT	6,604	7,362	6,406	7,297	3.1%	0.9%
Profit before tax	5,662	6,371	5,298	6,133	6.9%	3.9%
Net profit	4,301	4,756	3,853	4,375	11.6%	8.7%

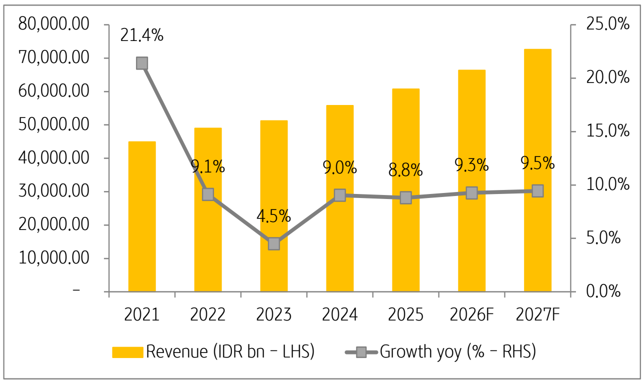
Source: KBVS Research

Exhibit 4: JPFA' P/E Band



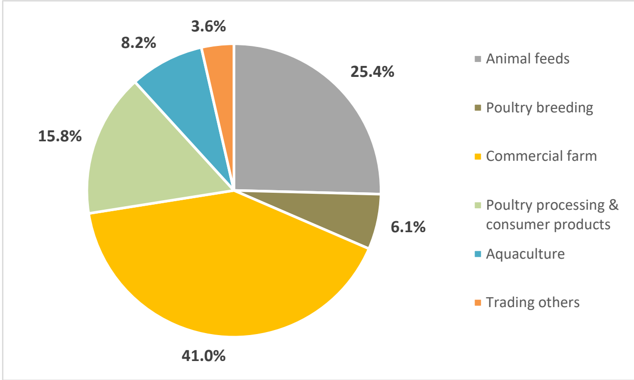
Source: Company, KBVS Research

Exhibit 5: Revenue and growth yoy



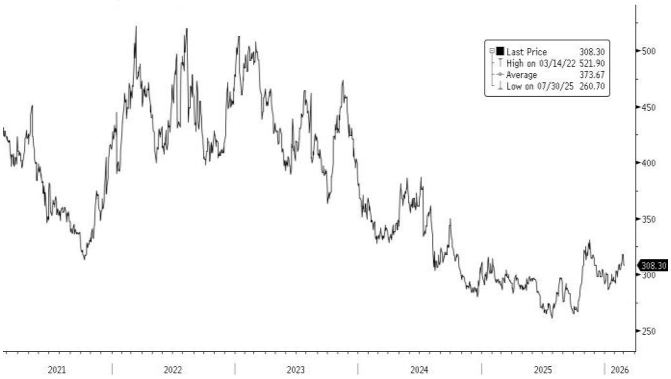
Source: Company, KBVS Research

Exhibit 6: Revenue contribution from each segment in 1Q25



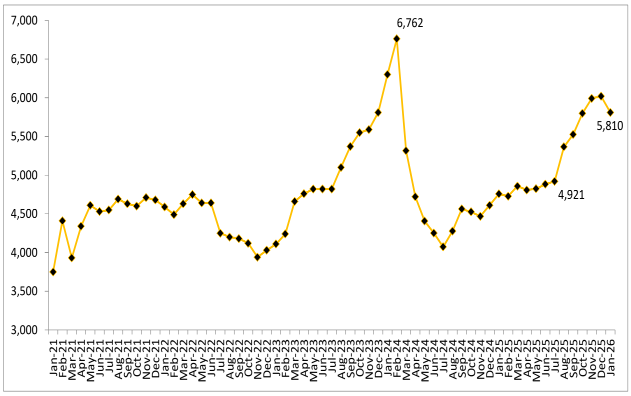
Source: Company, KBVS Research

Exhibit 7: Soybean-meal prices - USD/ton



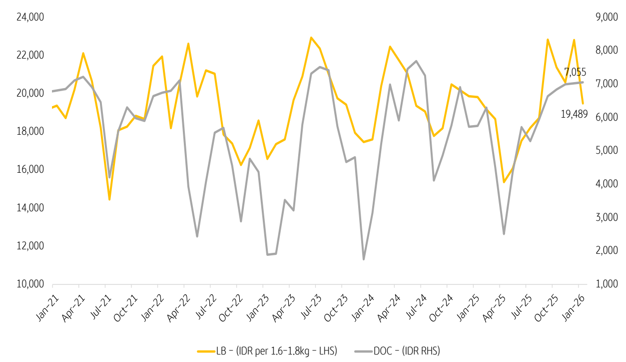
Source: Bloomberg, KBVS Research

Exhibit 8: Local corn prices at producer level



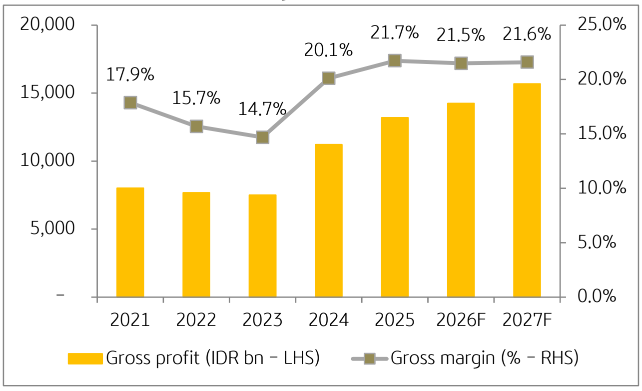
Source: Bapanas, KBVS Research

Exhibit 9: LB' and DOC' ASP, monthly



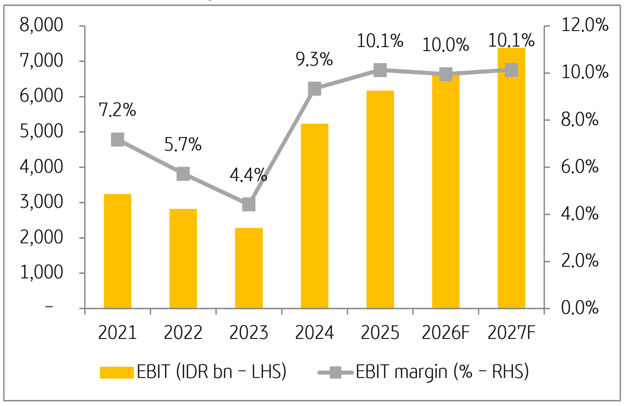
Source: Company, KBVS Research

Exhibit 10: Gross profit & margin



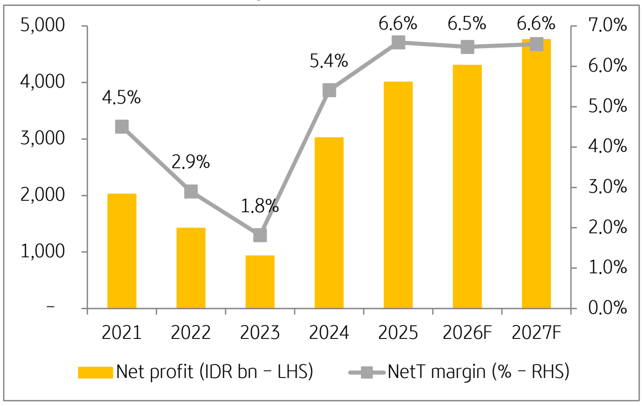
Source: Company, KBVS Research

Exhibit 11: EBIT & margin



Source: Company, KBVS Research

Exhibit 12: Net profit & margin



Source: Company, KBVS Research

Exhibit 13: Profit & loss summary

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
Revenue	51,176	55,801	60,716	66,341	72,612
COGS	(43,665)	(44,583)	(47,524)	(52,090)	(56,936)
Gross profit	7,511	11,218	13,191	14,251	15,676
Operating expenses	(5,247)	(6,005)	(7,042)	(7,647)	(8,314)
EBIT	2,264	5,213	6,150	6,604	7,362
EBITDA	3,110	6,097	7,073	7,685	8,580
Pre-tax profit	1,261	4,241	5,484	5,662	6,371
Net profit	930	3,019	4,004	4,301	4,756
EPS	79	257	341	367	406
EPS growth	-35%	225%	33%	7%	11%

Source: Company, KBVS Research

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
Cash & equivalent (with ST Investment)	1,503	1,354	3,550	5,995	2,514
Accounts receivables	2,585	2,761	3,126	3,333	3,690
Inventories	11,321	11,120	11,726	9,559	13,826
Others	1,809	1,934	2,974	2,292	2,366
Total current assets	17,218	17,169	21,376	21,178	22,396
Fixed assets - Net	13,395	13,754	14,995	17,050	20,058
Others	3,496	3,743	3,689	3,759	3,878
Total non-current assets	16,891	17,497	18,684	20,809	23,936
Total assets	34,109	34,666	40,060	41,987	46,331
Accounts payable	4,890	4,636	3,707	5,105	5,314
ST Bank loan	4,909	3,213	3,875	3,203	3,203
Others	885	1,447	8,936	2,194	2,722
Total current liabilities	10,684	9,296	16,517	10,502	11,239
LT Bank loan	2,635	1,887	2,089	1,025	722
Others non-current liabilities	6,623	6,911	1,435	7,004	7,031
Total non-current liabilities	9,258	8,798	3,524	8,029	7,753
Total liabilities	19,942	18,094	20,041	18,531	18,992
Shareholders equity	1,879	1,879	1,879	1,879	1,879
Add Paid-in capital	1,150	1,150	1,150	1,150	1,150
Treasury stock & other items	(148)	(148)	(148)	(148)	(148)
Minority interests	941	1,096	1,355	1,676	2,073
Others	(192)	(164)	(15)	(15)	(15)
Retained earnings	10,537	12,758	15,796	18,912	22,399
Total Equity	13,226	15,477	18,664	21,780	25,266
Total Liabilities & Equity	34,109	34,666	40,060	41,987	46,331

Source: Company, KBVS Research

Exhibit 15: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
Net profit	930	3,019	4,004	4,301	4,756
D&A	846	883	924	1,082	1,218
Changes in working capital	321	(229)	(1,901)	3,359	(4,415)
Others	(22)	724	750	(177)	548
Operating cash flow	**2,074**	**4,398**	**3,777**	**8,565**	**2,106**
Capital expenditures	(1,744)	(1,243)	(2,165)	(3,135)	(4,226)
Others	(203)	(573)	28	(39)	(84)
Investing cash flow	**(1,946)**	**(1,816)**	**(2,137)**	**(3,175)**	**(4,310)**
Net change in debt	(19)	(2,152)	1,113	(2,081)	(404)
Net change in equity	10	-	-	-	-
Others	154	205	305	279	356
Cash dividends paid	(581)	(819)	(862)	(1,144)	(1,228)
Financing cash flow	**(436)**	**(2,765)**	**556**	**(2,945)**	**(1,277)**
Net change in cash	**(308)**	**(183)**	**2,196**	**2,445**	**(3,481)**
Cash in beginning of the year	1,811	1,503	1,354	3,550	5,995
Cash at the end of the year	**1,503**	**1,319**	**3,550**	**5,995**	**2,514**

Source: Company, KBVS Research

Exhibit 16: Ratio analysis

Year End Dec	2023A	2024A	2025A	2026F	2027F
Growth (%)					
Revenue	4.5	9.0	8.8	9.3	9.5
Gross profit	-2.2	49.3	17.6	8.0	10.0
Operating profit	-19.2	130.3	18.0	7.4	11.5
EBITDA	-14.9	96.0	16.0	8.7	11.6
Net profit	-34.5	224.7	32.6	7.4	10.6
Profitability (%)					
Gross margin	14.7	20.1	21.7	21.5	21.6
Operating margin	4.4	9.3	10.1	10.0	10.1
EBITDA margin	6.1	10.9	11.6	11.6	11.8
Net margin	1.8	5.4	6.6	6.5	6.6
ROA	2.7	8.7	10.0	10.2	10.3
ROE	7.0	19.5	21.5	19.7	18.8
Solvency (x)					
Current ratio	1.6	1.8	1.3	2.0	2.0
Quick ratio	0.6	0.7	0.6	1.1	0.8
Debt to equity	0.6	0.3	0.3	0.2	0.2
Interest coverage	2.3	6.0	7.6	7.6	9.0
Net gearing	0.5	0.2	0.1	(0.1)	0.1

Source: Company, KBVS Research

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