



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51267.9	0.2	(0.4)	(4.0)	6.7
S&P 500	7774.0	0.7	1.2	0.7	13.6
FTSE 100	10497.9	0.3	(1.7)	(3.1)	5.7
AS30	8859.2	0.1	0.1	(3.7)	(1.8)
CSI 300	4357.6	0.3	(4.1)	(4.4)	(5.9)
FSSTI	5664.3	0.5	(1.1)	(2.4)	21.9
HSCEI	8051.7	0.3	(1.4)	(5.9)	(9.7)
HSI	24040.3	0.3	(1.9)	(6.3)	(6.2)
JCI	6118.9	1.4	(0.5)	(7.8)	(29.2)
KLCI	1631.8	0.1	(2.3)	(4.5)	(2.9)
KOSPI	7003.7	0.5	(1.1)	4.7	66.2
Nikkei 225	69946.9	2.4	6.2	7.6	39.0
SET	1576.5	0.3	(1.6)	(1.2)	25.1
TWSE	49712.0	2.6	3.5	6.8	71.6
BDI	3070	(2.5)	(6.1)	(15.4)	63.6
CPO (RM/mt)	4365	(0.6)	(2.4)	(6.3)	11.0
Brent Crude (US\$/bbl)	100	(1.9)	(4.7)	4.2	64.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Top Stories

Company Update | Japfa Comfeed Indonesia (JPFA IJ/BUY/Rp2,000/Target: Rp2,900)

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- Our visit to JPFA's Cikupa complex showed a well-run site already at full utilisation, supporting its strategy to move further downstream. The company is adding plants in Boyolali and Wonoayu and a mega slaughterhouse in Nganjuk by end-26. We expect 3Q26 profit to improve qoq as poultry prices recover. Maintain BUY with a lower target price of Rp2,900, based on 7x 2026F PE.

Technical Analysis

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- Trading Buy Range: We have a technical Buy at Rp11,900, and take profit at Rp12,475.

Bank Mandiri | BMRI IJ

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- Trading Buy Range: We have a technical Buy at Rp4,100, and take profit at Rp4,280.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Japfa Comfeed Indonesia (JPFA IJ)

Site Visit Takeaways, Further Scaling Up Downstream

Highlights

- Our visit to JPFA's Cikupa complex showed a well-run site at full utilisation, supporting its strategy to move further downstream.
- With downstream utilisation at around 70%, JPFA is adding plants in Boyolali and Wonoayu and a mega slaughterhouse in Nganjuk (~4x Cikupa) by end-26, with land secured in Sragen for its next project.
- We expect 3Q26 profit to improve qoq as poultry prices recover. Maintain BUY with a lower target price of Rp2,900, based on 7x 2026F PE.

Analysis

- We had a site visit to JPFA's consumer products integrated complex (So Good Food Manufacturing) in Cikupa**, the largest of its three downstream sites at 8ha (Boyolali and Wonoayu are ~4ha each). The site houses a chicken slaughterhouse (~3,000 birds/hour) and a frozen food plant with seven production lines producing 2,000-3,000 tonnes a month. It is fully integrated, with live birds sourced from Japfa Comfeed Indonesia's (JPFA) own farm and slaughterhouse with around 90% of the output going into downstream processing (the rest is sold to B2B customers). Operations are highly automated, halal compliant and biomass-powered. The facility is already at full utilisation, with management expecting the current capacity to be insufficient within a year, supporting continued downstream expansion.
- Downstream holding up well.** Despite a subdued FMCG market, the company remained positive, as its poultry processing and consumer products business still grew strongly at 29% yoy in 1H26 (17% to total revenue). JPFA sees significant room to grow its processed chicken business and plans to increase downstream processing from around 15% of chicken output currently to 40% by 2030, which we view positively as it should reduce margin and earnings volatility. Its processed meat brand, So Good, ranks in the top three alongside Kanzler (Cisarua Mountain Dairy) and Fiesta (Charoen Pokphand (CPIN)), while So Good is no.1 in frozen food in the Modern Trade channel. The company suggested it is continuing to gain share, while new product launches are accelerating, with around 10 new products this year and plans to double this to around 20 in 2027.
- Stepping up expansion.** Capex is ramping up, with Rp3t planned for 2026 (Rp2.2t spent in 1H26), nearly matching 2025's Rp2.4t. With downstream utilisation at around 70%, JPFA is expanding processing capacity through new plants in Boyolali and Wonoayu, alongside a mega slaughterhouse in Nganjuk. The facility will process about 12,000 birds/hour, approximately 4x Cikupa's capacity, and is expected to start operations by end-26.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	55,801	60,716	67,964	73,726	79,672
EBITDA	6,274	7,290	8,524	9,570	10,385
Operating profit	5,213	6,150	7,270	8,194	8,876
Net profit	3,019	4,004	4,890	5,589	6,101
EPS (Rp)	257.4	341.4	417.0	476.6	520.2
PE (x)	7.8	5.9	4.8	4.2	3.8
P/B (x)	1.5	1.3	1.1	0.9	0.8
EV/EBITDA (x)	5.2	4.4	3.5	3.0	2.7
Dividend yield (%)	3.5	3.7	6.8	9.4	10.7
Net margin (%)	5.4	6.6	7.2	7.6	7.7
Net debt/(cash) to equity (x)	0.6	0.4	0.3	0.2	0.2
Interest cover (x)	6.0	7.6	8.8	9.4	9.6
ROE (%)	19.5	21.5	22.3	22.1	21.1
UOBKH/Consensus (x)	-	-	1.06	1.13	1.18

Source: JPFA, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Rp2,000
Target Price	Rp2,900
Upside	+45.0%
Previous TP	Rp3,330

Stock Data

Sector	Consumer Staples
Bloomberg ticker	JPFA IJ
Shares issued (m)	11,727
Market cap (Rpb)	23,453
Market cap (US\$m)	1,309
3-mth avg daily t'over (US\$m)	1.5

Price Performance (%)

52-week high/low				
				Rp2,970/Rp1,750
1mth	3mth	6mth	1yr	YTD
(13.4)	(1.5)	(18.0)	(4.8)	(23.7)

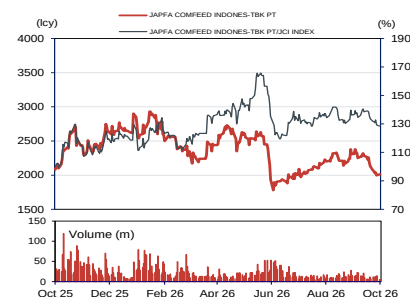
Major Shareholders (%)

Japfa Ltd	55.4
Public	43.3

Balance Sheet Metrics

FY26 NAV/Share (Rp)	1,872
FY26 Net Debt/Share (Rp)	562

Price Chart



Source: Bloomberg

Company Description

Japfa Comfeed Indonesia manufactures animal feed, breeds and processes chickens, and operates aquaculture farms. The company trades its products domestically and internationally.

- Looking further ahead, JPFA has also secured land in Sragen for its next project, which is currently in the permitting and land-clearing stage. The site will add another slaughterhouse and a rendering facility that converts feathers into meal for its feed business. Despite negative free cash flow of Rp6,013b in 2Q26, the downstream capex is justified by proven growth, and net debt/equity remains at a healthy level (0.68x vs 0.40x in 2025).
- Vaksindo sale to fund expansion and focus on core business.** On 29 Sep 26, JPFA sold its animal vaccine unit, Vaksindo Satwa Nusantara (previously 100% owned, mainly through its subsidiary Ciomas Adisatwa), to Bionovus and Japfa, its controlling shareholder, for Rp1.8t in cash (8.5% of JPFA's total equity). The company said the sale allows it to focus on feed, farming and downstream processing, with part of the proceeds to fund capex in these areas. Vaksindo's next expansion is also mainly overseas (India and Vietnam), which the company sees as higher risk and outside its core focus. We expect the impact to be limited, as Vaksindo's assets are only Rp1.6t (3.5% of total assets), while the trading and others segment, which includes animal health, contributed only around 4% of group segment operating profit in 1H26. Vaccine supply to JPFA's farms is projected to continue on similar terms.
- Overall, we expect full-year net profit to remain on track**, with our 2026 net profit forecast at Rp4.9t (1H26 profit: Rp2.5t, 51% of our full-year forecast). We anticipate 3Q26 profit improving qoq as poultry prices recover after 2Q26 had dropped due to seasonally weaker demand after Lebaran and the Suro month (1Q26: Rp1.8t, 2Q26: Rp659b). Jul 26-Aug 26 live bird and Day Old Chick (DOC) prices averaged Rp21,500/kg and Rp6,300/chick (up 15% and 26% respectively compared with the 2Q26 average). However, 3Q26 is unlikely to be as strong as 1Q26, as margins remain under pressure from high soybean meal and corn prices and a weaker rupiah.

Valuation/Recommendation

- Maintain BUY with a lower target price of Rp2,900 (from Rp3,330)** as we cut our target PE from 8x to 7x (0.5 SD below its five-year historical forward average of 7.7x) to reflect higher earnings volatility from cost pressure amid a weaker rupiah and higher feed costs. This puts JPFA broadly at par with CPIN's 7.2x, which we think is justified now given its stronger growth (2022-25 net profit three-year CAGR of 41% vs 24%) and higher ROE (29% vs 23%). Its downstream revenue grew 28% yoy in 1H26 and has overtaken CPIN's since 3Q25. The stock trades at an undemanding 4.8x 2026F PE (-2SD below its five-year average), a 33% discount to CPIN.

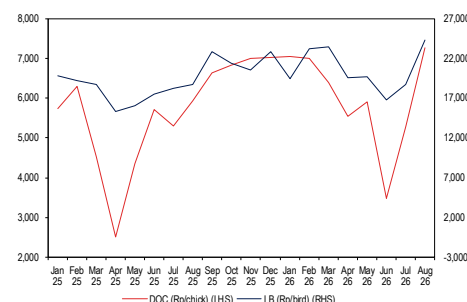
Earnings Revision/Risk

- No earnings revision.
- Key risks** include: a) feed cost volatility, b) broiler and DOC price volatility, c) externality risk from contract farmers, d) weak purchasing power, and e) government policy changes.

Share Price Catalyst

- Catalysts:** a) 3Q26 results, b) firm live bird and DOC prices, and c) strong downstream growth and continued expansion.

Live Bird And DOC Prices



Source: JPFA, UOB Kay Hian

Main Operating Facility

Fabrik Pakan Ternak Poultry Feedmills	Medan (2), Padang, Lampung, Cikande-Serang, Tangerang, Puncakwarta, Cirebon (2), Grogogan, Sragen, Bluburan-Sidoarjo, Gedangan-Sidoarjo, Banjarmasin, Makassar
Pengeringsan Jagung (2) Unit Pakan Pakan Ternak Corn Dryer Facilities (Outside Feedmills)	Lampung Tengah (2), Lampung Timur (2), Lampung Selatan (2), Brebes, Sumbawa (2), Bima, Makassar, Gowa, Sidrap, Gorontalo Utara, Kotamobagus
Rumah Potong Ayam Slaughterhouses	Medan, Lampung, Cikupa-Tangerang, Pangung-Bogor, Sadang-Puncakwarta, Pemalang, Palembang-Salaga, Magelang, Yogyakarta, Boyolali, Krian-Sidoarjo, Wonorejo-Sidoarjo, Tuban-Rati, Bati-Rati-Banjarmasin, Makassar
Poultry Cold Storage (2) Unit (RFA/Outside Slaughterhouse)	Palembang, Patimura-Lampung, Tiga Raksa-Tangerang Selatan, Karang Anyar-Surakarta, Mojokerto
Unit Pengolahan Daging (SDP) Meat Processing Unit (MPU)	Cikupa-Tangerang, Boyolali (3), Wonorejo-Sidoarjo

Source: JPFA, UOB Kay Hian

Cikupa Site



Source: JPFA

Profit & loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	60,716	67,964	73,726	79,672
EBITDA	7,290	8,524	9,570	10,385
Deprec. & amort.	1,140	1,254	1,376	1,509
EBIT	6,150	7,270	8,194	8,876
Total other non-operating income/(expense)	72	40	42	44
Net interest income/(expense)	(738)	(717)	(730)	(742)
Pre-tax profit	5,484	6,593	7,505	8,178
Tax	(1,202)	(1,446)	(1,646)	(1,793)
Minorities	(277)	(258)	(271)	(284)
Net profit	4,004	4,890	5,589	6,101

Cash flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	5,012	5,969	5,962	6,760
Net profit	4,004	4,890	5,589	6,101
Deprec. & amort.	1,140	1,254	1,376	1,509
Working capital changes	(689)	52	(937)	(792)
Other operating cashflows	557	(225)	(66)	(58)
Investing	(2,826)	(2,902)	(3,130)	(3,379)
Capex (growth)	(2,467)	(2,762)	(2,996)	(3,238)
Investments	-	-	-	-
Others	(359)	(140)	(134)	(141)
Financing	(35)	(973)	(1,267)	(1,502)
Dividend payments	(862)	(1,602)	(2,200)	(2,515)
Proceeds & repay borrowings	1,118	368	660	726
Others	(292)	261	274	287
Net cash inflow (outflow)	2,151	2,095	1,566	1,879
Beginning cash & cash equivalent	1,354	3,550	5,645	7,210
Others	46	0	0	0
Ending cash & cash equivalent	3,550	5,645	7,210	9,089

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	14,995	16,504	18,123	19,852
Other LT assets	3,689	3,829	3,963	4,104
Cash/ST investment	3,550	5,645	7,210	9,089
Other current assets	17,826	18,633	20,295	21,858
Total assets	40,060	44,610	49,591	54,903
ST debt	9,772	4,334	4,767	5,244
Other current liabilities	6,746	7,309	7,896	8,533
LT debt	2,090	7,896	8,123	8,372
Other LT liabilities	1,434	1,505	1,581	1,660
Shareholders' equity	18,664	21,952	25,340	28,926
Minority interest	1,355	1,613	1,884	2,168
Total liabilities & equity	40,060	44,610	49,591	54,903

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	12.0	12.5	13.0	13.0
Pre-tax margin	9.0	9.7	10.2	10.3
Net margin	6.6	7.2	7.6	7.7
ROA	10.0	11.0	11.3	11.1
ROE	21.5	22.3	22.1	21.1
Growth				
Turnover	8.8	11.9	8.5	8.1
EBITDA	16.2	16.9	12.3	8.5
Pre-tax profit	29.3	20.2	13.8	9.0
Net profit	32.6	22.1	14.3	9.2
EPS	32.6	22.1	14.3	9.2
Leverage				
Debt to total capital (x)	0.3	0.3	0.3	0.2
Debt to equity (x)	0.6	0.6	0.5	0.5
Net debt/(cash) to equity (x)	0.4	0.3	0.2	0.2
Interest cover (x)	7.6	8.8	9.4	9.6

Technical Analysis



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Adaro Andalan Indonesia AADI IJ

Technical BUY with 5% potential return

Resistance: Rp12,475, Rp12,925

Support: Rp11,000, Rp10,725

Stop-loss: Rp11,425

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead and challenge the resistance at Rp12,475 and Rp12,925. The RSI is sloping upwards and is back above its midline, while the Stochastic has just issued a bullish signal. Buy at Rp11,900 and take profit at Rp12,475.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp14,300.



Bank Mandiri BMRI IJ

Technical BUY with 6% potential return

Resistance: Rp4,280, Rp4,350

Support: Rp4,060, Rp4,000

Stop-loss: Rp4,040

Share price closed higher and formed a neutral candlestick. Price rebounded; hence, it could trigger more rallies ahead and challenge the resistance at Rp4,280 and Rp4,350. The RSI is sloping upwards and approaching its midline, while the Stochastic has just issued a bullish signal but remains in the oversold zone. Buy at Rp4,100 and take profit at Rp4,280.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental HOLD and target price of Rp5,150.

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