

JPFA

PT Japfa Comfeed Indonesia Tbk.

Sustainable Growth Ahead

- Strong poultry price recovery and rising feed segment revenue, driven by robust demand and higher SBM prices, supported JPFA's operational performance in 4Q25.
- JPFA is well positioned to capture medium-term growth from Danantara's Rp 20 trillion downstream investment.
- JPFA delivered strong earnings growth in FY25 and 4Q25, supported by higher poultry prices and continued innovation in the processed food segment, with stable performance expected into 1Q26.
- We reiterate a BUY call on Japfa Comfeed Indonesia with a higher target price of Rp 3,200, supported by solid growth outlook and attractive valuation at 7.39x forward P/E.

Poultry Industry Rebound Driven by Strong Pricing and Demand Tailwinds

The poultry industry is currently experiencing positive momentum, with chicken prices showing a notable increase throughout 4Q25 as average live bird prices rose to Rp 21,597 per bird (+8.4% QoQ, +7.1% YoY), supported by robust demand during 2025, particularly from the government's free nutritious meal (MBG) program. Day-old chick (DoC) prices also strengthened, reaching Rp 6,952 per bird in 4Q25 (+16.7% QoQ, +13.2% YoY), which has driven strong performance across several segments of JPFA, especially DoC and Commercial Farm. In addition, the company's Animal Feed segment recorded revenue growth to Rp 35,826 in 2025 (+7.0% YoY), largely attributed to higher Soybean Meal (SBM) prices, a key input in poultry feed production.

Danantara Downstreaming Becomes Structural Demand Catalyst

JPFA is well positioned to benefit from Danantara's Rp20tn poultry downstreaming investment supporting the MBG program. The project is expected to add 1.5mn tons of chicken meat and 1.0mn tons of eggs, translating into consumption uplift of +29% and +13%, respectively. Investment across feed mills, farms, and processing facilities under a partnership-based model provides JPFA with stronger demand visibility, and earnings stability via guaranteed offtake, enhancing medium-term growth certainty.

Strong Earnings Growth Driven by Poultry Price Upswing and Product Innovation

JPFA delivered solid top-line growth, with FY25 revenue reaching Rp 60.7 trillion (+8.8% YoY), while 4Q25 revenue came in at Rp 17.6 trillion (+12.7% QoQ, +21.3% YoY). On the profitability side, net profit rose significantly to Rp 4.3 trillion in FY25 (+33.3% YoY), with 4Q25 net profit standing at Rp 1.6 trillion (+29.7% QoQ, +70.4% YoY). The strong performance was primarily supported by higher poultry prices during 4Q25, alongside continued traction in the processed food segment, which has been actively introducing new products to capture broader consumer demand. Looking ahead to 1Q26, we expect earnings to remain relatively stable compared to the previous quarter, supported by steady pricing dynamics, with live bird prices at around Rp 22,054 per bird (+2.12% QoQ, +14.75% YoY) and Day-old chick (DoC) prices at Rp 6,819 per bird (-2.0% QoQ, +23.9% YoY).

Upgraded Target Price Supported by Attractive Valuation and Earnings Outlook

We maintain a BUY recommendation on JPFA, with an upgraded target price of Rp 3,200 per share from our previous Rp 2,800, following stronger-than-expected performance in 4Q25. Looking ahead into 2026-2027, we expect the company to deliver upper single-digit earnings growth, supported by improving industry dynamics. Our valuation is based on a blend of Discounted Cash Flow (DCF) and Dividend Discount Model (DDM), incorporating a cost of equity of 7.2% and cost of debt of 8.2%, with the relatively low cost of equity reflecting JPFA's historically lower share price volatility compared to the broader market. On a relative basis, the stock is currently trading at a 2026F forward P/E of 7.39x, below -1 standard deviation, indicating an attractive valuation level.

Key Ratio Highlights

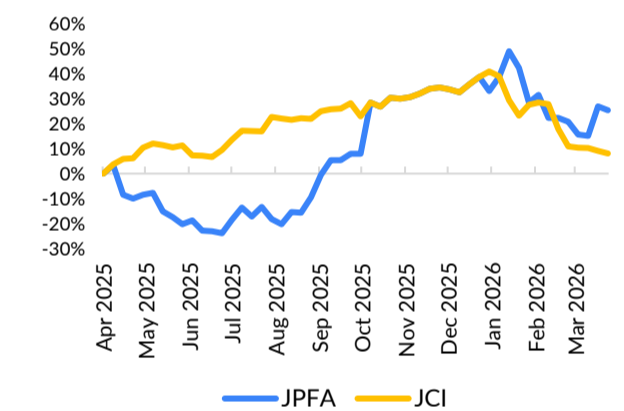
Key Metrics	2023	2024	2025	2026F	2027F
P/E (x)	14.88	7.56	7.67	7.39	6.14
P/BV (x)	0.98	1.37	1.53	1.38	1.23
EV/EBITDA (x)	6.34	3.62	3.29	3.33	3.12
ROE	7.03	19.45	21.45	20.00	21.40
Gross Profit Margin (%)	14.68	20.10	21.73	21.53	22.16
EBITDA Margin (%)	6.08	10.93	11.65	11.61	12.31
Net Profit Margin (%)	1.82	5.39	6.59	6.28	6.82
Revenue Growth (%)	4.50	9.04	8.81	7.73	10.89

BUY

Stock Information (as of April 15, 2026)

Last Price (Rp)	2,710
Target Price (Rp)	3,200
Potential Upside	18.0%
Previous TP (Rp)	2,800
Market Cap (Rp tn)	31.9
52 Week Range (Rp)	2,970 - 1,415
Free Float (%)	41.03
Share Out. (bn)	11.7

1-Year Stock Performance Comparison vs JCI



Shareholders

JPFA's Shareholders	%
JPFA Ltd.	55.43
Tree of Blessing Pte. Ltd.	4.40
Bank Julius Baer & Co. Ltd.	3.38
Other Public	41.19

Company Description

JPFA's Company Profile

PT Japfa Comfeed Indonesia Tbk is an Indonesia-based poultry solutions provider. The Company offers several types of products and services that are integrated from upstream to downstream, particularly in the animal feed industry, poultry breeding and commercial farming, aquaculture, beef cattle farming, and consumer product processing. The Company's poultry division includes poultry feed, poultry breeding, commercial farm, poultry processing, animal health, and farm supplies.

Alvin Timothy Murthi

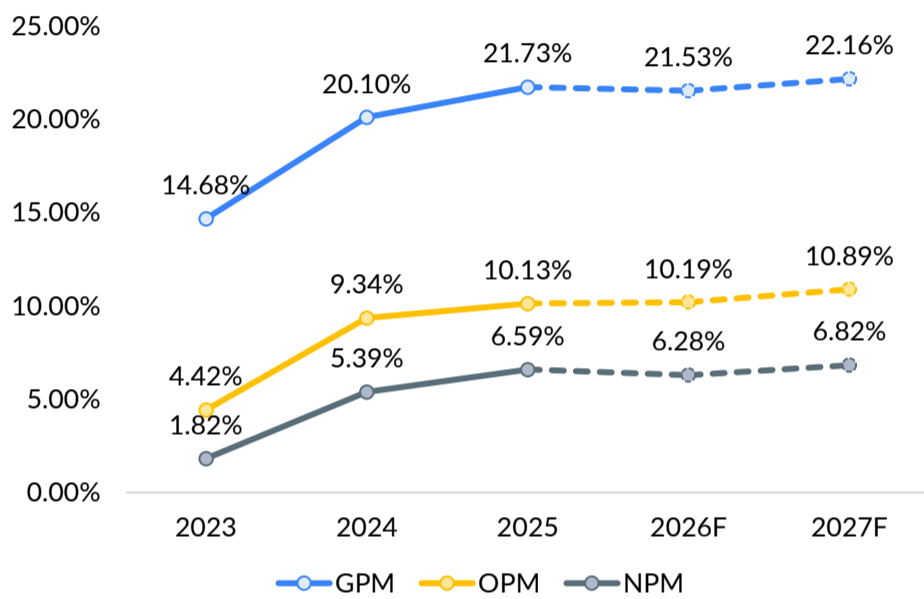
Equity Research Analyst

Table 1. JPFA's Financial Performance

Key Metrics (Rp bn)	12M24	12M25	YoY	3Q25	4Q25	QoQ	4Q24	YoY
Revenue	55,801	60,716	8.8%	15,623	17,611	12.7%	14,521	21.3%
Gross Profit	11,218	13,191	17.6%	3,437	4,476	30.2%	3,274	36.7%
Gross Margin	20.1%	21.7%		22.0%	25.4%			
Operating Profit	5,062	6,184	22.2%	1,790	2,259	26.2%	1,418	59.3%
Operating Margin	9.1%	10.2%		11.5%	12.8%			
Net Profit	3,212	4,281	33.3%	1,271	1,648	29.7%	967	70.4%
Net Margin	5.8%	7.1%		8.1%	9.4%			

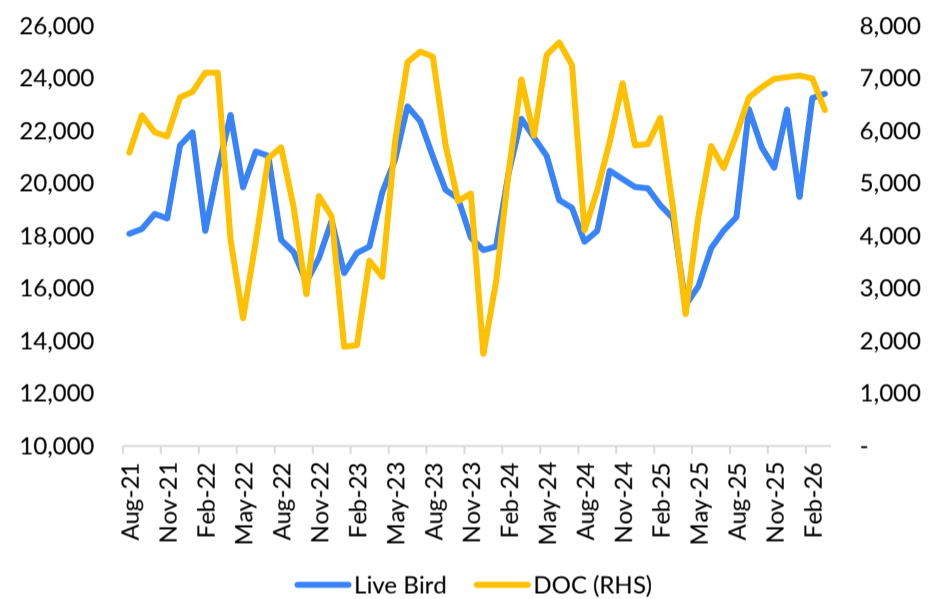
Source: Company, Ajaib Research

Figure 1. JPFA's Profit Margin



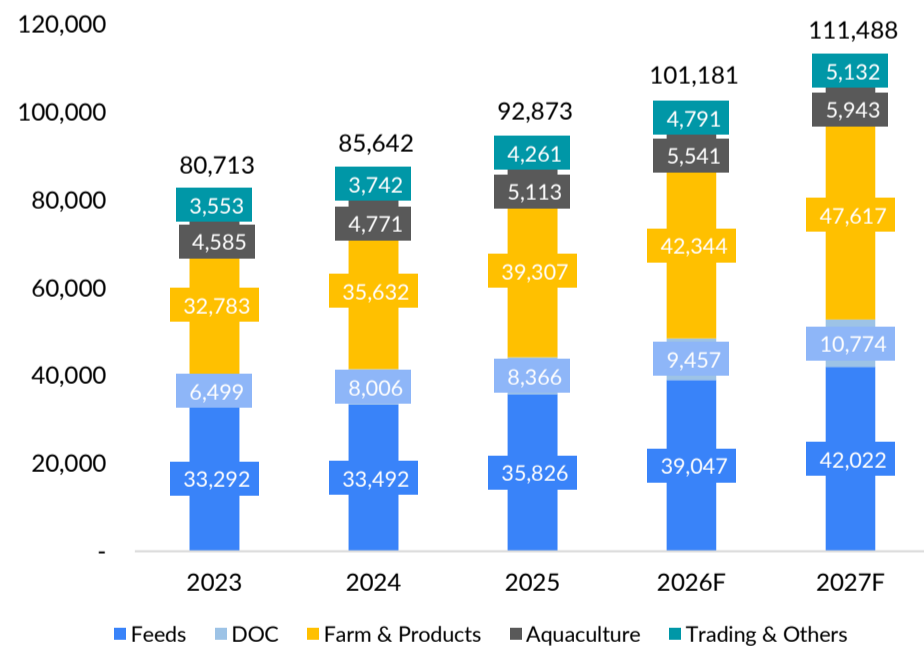
Source: Company, Ajaib Research

Figure 2. West Java Poultry Prices (Rp/unit)



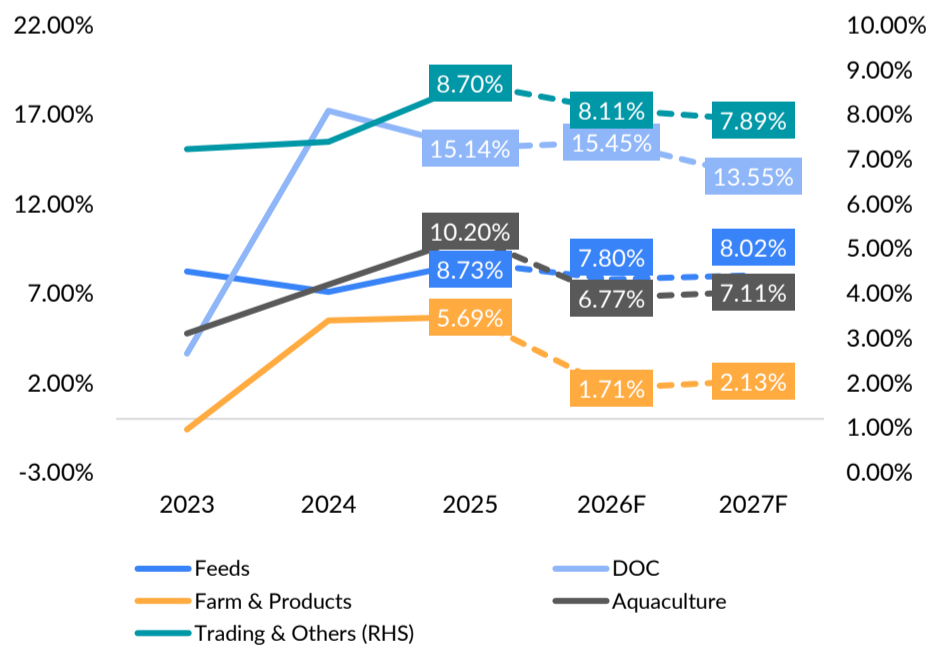
Source: Company, BPS

Figure 3. JPFA's Segment Sales (Rp bn)



Source: Company, Ajaib Research

Figure 4. JPFA's Segment Operating Profit Margin (%)



Source: Company, Ajaib Research

Table 2. JPFA's Peers Comparison (Data as of April 15, 2026)

Ticker	Mkt Cap (IDR tn)	Forward PE 2026F (x)	Forward PE 2027F (x)	ROE 2026F (%)	ROE 2027F (%)	EPS 2026F (IDR)	EPS 2027F (IDR)
JPFA.IJ	31.90	7.95	6.96	19.76	19.82	356.03	390.67
CPIN.IJ	71.99	13.68	12.22	14.75	15.39	332.01	359.33
AYAM.IJ	1.47	59.67	41.35	9.00	11.13	6.95	8.90
MAIN.IJ	2.41	5.56	5.65	12.10	11.00	192.31	190.10

Source: Bloomberg, Ajaib Research

Rating for Sectors:

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”

Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

Analyst Certification:

The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

PREPARED BY AJAIB RESEARCH TEAM



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