

Charoen Pokphand Indonesia Tbk (CPIN)

Penjualan Mulai Membaik

CPIN membukukan perbaikan kinerja disisi *top line*, dengan penjualan tumbuh 9,5% YoY selama periode Juli-September 2020. Perbaikan terlihat dari beberapa segmen yang membukukan pertumbuhan secara kuartalan. Langkah pemerintah dalam menjaga agar harga ayam tetap stabil menjadi faktor penting. Kami optimis hingga 4Q/20 perseroan masih akan membukukan pertumbuhan penjualan.

Penjualan Tumbuh 9,5% YoY, Bottom Line Masih Tertekan. Perseroan mulai mencatatkan pertumbuhan penjualan sebesar 9,5% YoY selama periode Juli-September 2020 menjadi Rp15,7 triliun dibandingkan 3 bulan periode sebelumnya yang mencatatkan penurunan 9,3% YoY atau Rp13,7 triliun. Pertumbuhan di dorong oleh meningkatnya penjualan dari beberapa segmen Pertumbuhan tertinggi oleh segmen anak ayam usia sehari (*day-old-chick/DoC*) dan segmen ayam pedaging (*broiler*) yang masing-masing tumbuh 17,1% YoY dan 15,4% YoY selama 3Q/20. Secara kumulatif pada 9M/20 perseroan masih membukukan penurunan penjualan sebesar 1,4% YoY, yang masih lebih baik dibandingkan semester pertama ditahun 2020 yang turun lebih dari 6% YoY. Kami menilai penjualan segmen ayam perseroan mulai berangsur pulih hingga akhir kuartal III, mengingat penjualan perseroan sudah mencapai 73,3% dari estimasi kami untuk FY20E. kami menargetkan penjualan perseroan masih dapat tumbuh hingga 7,0% YoY di kuartal IV-2020.

Disisi lain, tumbuhnya penjualan secara kuartalan masih belum mampu mengangkat laba bersih perseroan, laba bersih yang diatribusikan ke entitas turun menjadi Rp628,1 miliar (-14,0% QoQ), akibat dari adanya beban kerugian atas penjualan ayam afkir yang mencapai Rp114,7 miliar. Namun, kami melihat laba bersih 3Q/20 masih lebih baik dibanding 2Q/20 yang turun lebih dari 20% QoQ.

Secara Kuartalan Penjualan di Beberapa Segmen Membaik. Pada 3Q/20 perseroan berhasil membukukan perbaikan kinerja dari penjualan di segmen pakan ternak, ayam pedaging, anak ayam usia sehari dan ayam olahan dengan masing-masing tumbuh sebesar 7,0%, 15,4%, 17,1%, 2,3% secara *year-on-year* selama periode Juli-September 2020. Langkah pemerintah dalam menjaga harga ayam agar tetap stabil menjadi peran penting terhadap pertumbuhan penjualan ayam perseroan. Kami optimis jelang 4Q/20 penjualan perseroan akan terus tumbuh.

Kami Merekomendasikan HOLD dengan Target Harga Rp6.675. Kami kembali merekomendasikan HOLD untuk saham CPIN dengan target harga Rp6.675, dengan pertimbangan harga saham telah mencapai 6,6% dari harga penutupan dari report kami sebelumnya yang berjudul "[Menanti Pemulihan Harga](#)". Target harga CPIN kami mencerminkan nilai P/E FY21E sebesar 36,7x. Saat ini CPIN diperdagangkan di level P/E sebesar 29,2x.

Charoen Pokphand Indonesia, Tbk | Summary (IDR bn)

	2018	2019	2020 F	2021 F
Sales	53,958	58,635	59,046	64,574
Revenue growth	9.3%	8.7%	0.7%	9.4%
EBITDA	7,305	5,740	4,842	5,607
Net profit	4,554	3,635	2,568	2,985
EPS (IDR)	278	222	157	182
EPS growth	82.1%	-20.2%	-29.3%	16.2%
BVPS (IDR)	1,183	1,285	1,349	1,458
EBITDA margin	13.5%	9.8%	8.2%	8.7%
NPM	8.4%	6.2%	4.3%	4.6%
ROE	23.5%	17.2%	11.6%	12.5%
ROA	16.5%	12.4%	8.2%	8.5%
OPM	12.0%	8.4%	6.6%	7.2%
P/E	26.0x	29.3x	42.6x	36.7x
P/BV	6.1x	5.1x	4.9x	4.6x
EV/EBITDA	16.4x	19.1x	23.6x	20.4x
DPS (IDR)	56	118	92	73
Dividend yield	0.8%	1.8%	1.4%	1.1%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia



Company Report | November 26, 2020

HOLD

Target Price (IDR) **6,675**

Consensus Price (IDR)	5,828
TP to Consensus Price	+14.5%
vs. Last Price	+3.9%

Shares data

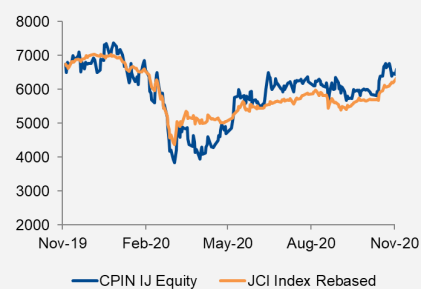
Last Price (IDR)	6,425
Price date as of	Nov. 25, 2020
52 wk range (Hi/Lo)	7,450 / 3,800
Free float	44.5%
Outstanding sh.(mn)	16,398
Market Cap (IDR bn)	108,227
Market Cap (USD mn)	7,619
Avg. Trd Vol - 3M (mn)	6.4
Avg. Trd Val - 3M (bn)	39.2
Foreign Ownership	8.9%

Basic Industry

Poultry

Bloomberg	CPIN IJ
Reuters	CPIN.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-2.3%	8.4%	5.3%	-4.8%
Rel. Ret	7.3%	-2.0%	-1.0%	1.6%

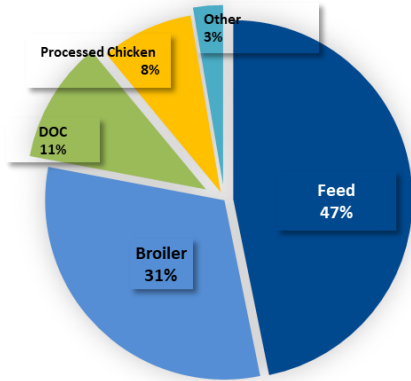
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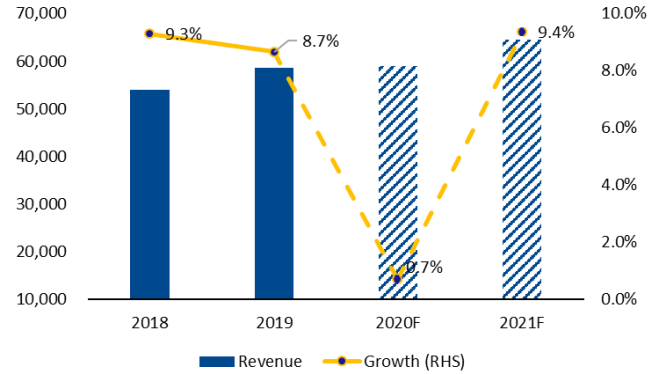
Performance Highlights

Sales Contributions 3Q20



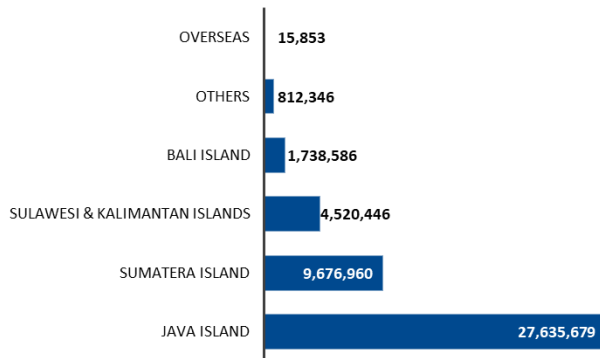
Source: Company, NHKSI Research

Sales Projections (Bn)



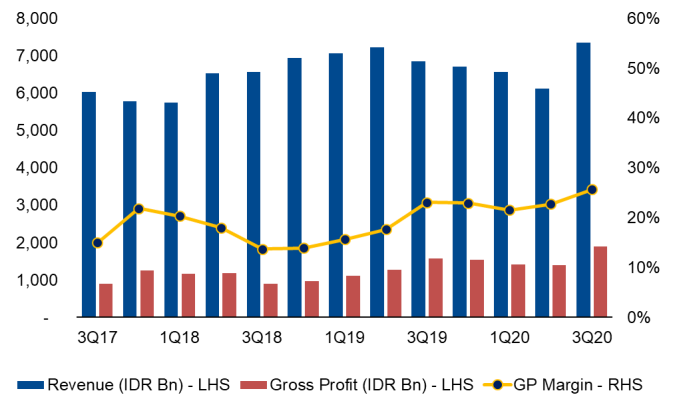
Source: Company, NHKSI Research

Geographical Segments (Mn)



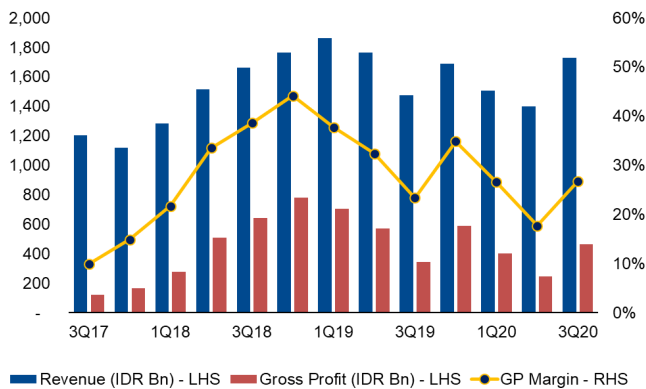
Source: Company, NHKSI Research

Feed Segmen Sales & Margin



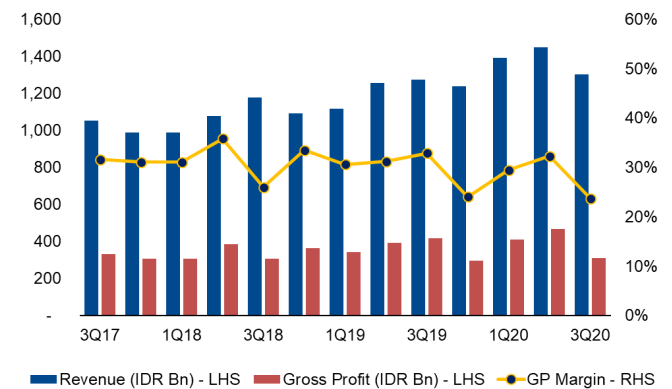
Source: Company, NHKSI Research

DOC Segmen Sales & Margin



Source: Company, NHKSI Research

Processed Chicken Segmen Sales & Margin



Source: Bloomberg, Company, NHKSI Research



Sekilas tentang CPIN

Kegiatan usaha utama CPIN adalah industri makanan ternak, pembibitan, budidaya, dan pengolahan ayam ras, pengawetan daging ayam, serta unit-unit cold storage. CPIN memiliki 8 pabrik pakan ternak yang terletak di Banten, Jawa Timur, Sumatera Utara, Jawa Tengah, Sulawesi Selatan, Lampung dan Jawa Barat. CPIN juga memiliki 7 pabrik pengolahan daging ayam yang terletak di Banten, Jawa Tengah, Sumatera Utara, Jawa Timur (Sidoarjo dan Mojokerto), Jawa Barat dan Bali. Selain itu, CPIN juga memiliki fasilitas pembibitan anak ayam usia sehari yang terletak di Banten dan Jawa Barat.

Dari sisi penjualan konsolidasi, kontribusi terbesar berasal dari segmen pakan ternak, diikuti dengan segmen daging ayam pedaging ("Broiler"), anak ayam usia sehari ("DOC"), dan daging ayam olahan.

Daya Saing CPIN di Asia Pasifik

CPIN menduduki peringkat pertama sebagai emiten unggas dengan kapitalisasi pasar terbesar di Indonesia. Selain itu CPIN berhasil mencatatkan pertumbuhan Sales LTM ketiga terbesar sebesar USD4.009 juta di asia pasifik. ROE CPIN saat ini berada pada posisi keempat di Asia Pasifik, Namun P/E CPIN terbilang cukup mahal berada di level 32,3x dengan rata-rata di kelima negara di level 20,8x.

Asia Pacific Poultry Company

Company	Market Cap (USD mn)	Asset (USD mn)	Sales LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	Net Margin	ROE LTM	P/E LTM	P/BV
Indonesia									
Charoen Pokphand Ind	7,604	2,120	4,009	232	-8.13%	5.8%	15.9%	32.3x	4.9x
Japfa Comfeed Indonesia	1,088	1,819	2,383	68	-36.37%	2.8%	9.5%	15.9x	1.4x
Malindo Feedmill	108	336	473	(3)	N/A	-0.6%	-1.8%	N/A	0.7x
India									
Godrej Agrovet Ltd	1,341	624	962	43	-6.94%	4.5%	17.6%	32.5x	5.4x
Avanti Feeds Ltd	945	249	581	49	26.63%	8.4%	26.6%	20.2x	5.0x
Malaysia									
PPB Group Berhad	6,545	5,765	1,045	301	27.75%	28.8%	5.9%	21.2x	1.2x
Cab Cakaran Corp Bhd	64	315	399	(1)	N/A	-0.2%	-0.5%	N/A	0.6x
Philippines									
San Miguel F&B	8,207	5,246	5,549	268	-33.22%	4.8%	15.2%	28.9x	5.0x
Thailand									
Charoen Pokphand Foods	8,025	21,308	18,618	758	46.53%	4.1%	13.6%	10.4x	1.4x
Thaifoods Group PCL	885	766	988	73	71.39%	7.3%	22.1%	11.9x	2.5x
GFPT Public Co Ltd	524	632	469	37	-4.07%	7.8%	8.3%	14.0x	1.1x

Source: Bloomberg

Forward P/E Band Trade in area +1SD



Source: Bloomberg, NHKSI Research

Forward EV/EBITDA Trade in area +1SD



Source: Bloomberg, NHKSI Research

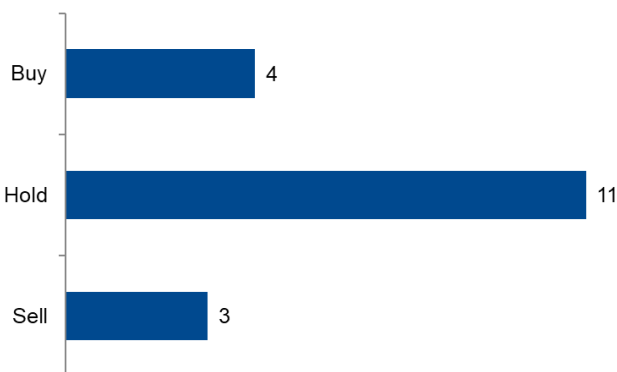
Rating and Target Price Update

Target Price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
09/23/2020	Hold	6,660 (12 Month)	6,025	5,515	10.5%	20.8%
11/26/2020	Hold	6,675 (12 Month)	6,425	5,828	3.9%	14.5%

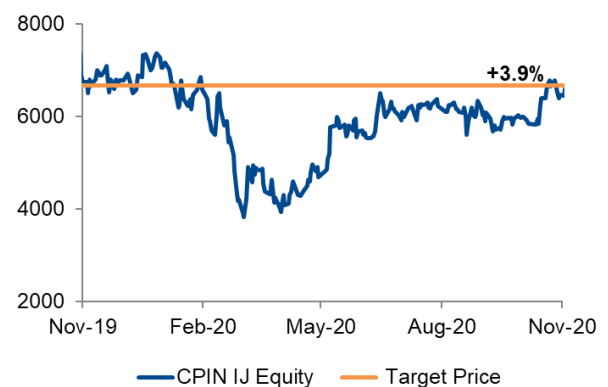
Source: Bloomberg, NHKSI Research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2018/12	2019/12	2020/12F	2021/12F
Sales	53,958	58,635	59,046	64,574
<i>Growth</i>	9.3%	8.7%	0.7%	9.4%
COGS	(44,823)	(50,538)	(52,087)	(56,424)
Gross Profit	9,135	8,096	6,958	8,150
<i>Gross Margin</i>	16.9%	13.8%	11.8%	12.6%
Operating Expenses	(2,647)	(3,163)	(3,037)	(3,498)
EBIT	6,488	4,933	3,921	4,652
<i>EBIT Margin</i>	12.0%	8.4%	6.6%	7.2%
Depreciation	816	808	921	955
EBITDA	7,305	5,740	4,842	5,607
<i>EBITDA Margin</i>	13.5%	9.8%	8.2%	8.7%
Interest Expenses	(513)	(448)	(582)	(815)
EBT	5,907	4,595	3,246	3,773
Income Tax	(1,356)	(963)	(680)	(791)
Minority Interest	3	2	2	2
Net Profit	4,554	3,635	2,568	2,985
<i>Growth</i>	82.1%	-20.2%	-29.3%	16.2%
<i>Net Profit Margin</i>	8.4%	6.2%	4.3%	4.6%

BALANCE SHEET

(IDR bn)	2018/12	2019/12	2020/12F	2021/12F
Cash	2,803	1,961	3,017	4,349
Receivables	2,778	3,043	3,065	3,352
Inventories	5,835	5,718	5,893	6,384
Total Current Assets	14,098	13,298	14,552	16,680
Net Fixed Assets	11,685	13,522	14,101	15,646
Other Non Current Assets	177	166	166	166
Total Assets	27,645	29,353	31,218	34,925
Payables	1,445	1,038	1,603	1,371
ST Bank Loan	1,700	2,770	2,507	3,510
LT Debt	2,750	2,278	2,961	4,146
Total Liabilities	8,254	8,281	9,094	11,017
Capital Stock & APIC	121	121	121	121
Retained Earnings	19,237	20,920	21,972	23,757
Shareholders' Equity	19,391	21,072	22,124	23,908

CASH FLOW STATEMENT

(IDR bn)	2018/12	2019/12	2020/12F	2021/12F
Operating Cash Flow	4,865	3,816	3,665	2,857
Investing Cash Flow	(1,560)	(3,316)	(1,532)	(2,534)
Financing Cash Flow	(2,343)	(1,295)	(1,077)	1,009
Net Changes in Cash	962	(796)	1,056	1,332

Source: Company Data, NHKSI Research

PROFITABILITY & STABILITY

	2018/12	2019/12	2020/12F	2021/12F
ROE	23.5%	17.2%	11.6%	12.5%
ROA	16.5%	12.4%	8.2%	8.5%
OPM	12.0%	8.4%	6.6%	7.2%
Cash Dividend (IDR bn)	918	1,935	1,516	1,200
Dividend Yield	0.8%	1.8%	1.4%	1.1%
Payout Ratio	20.2%	53.2%	59.0%	40.2%
DER	22.9%	24.0%	29.7%	38.4%
Net Gearing	22.9%	23.9%	24.7%	32.0%
LT Debt to Equity	14.2%	10.8%	13.4%	17.3%
Capitalization Ratio	18.7%	19.3%	19.8%	24.3%
Equity Ratio	70.1%	71.8%	70.9%	68.5%
Debt Ratio	16.1%	17.2%	17.5%	21.9%
Current Ratio	297.9%	256.3%	274.6%	277.3%
Par Value (IDR)	10	11	12	13
Total Shares (mn)	16,398	16,398	16,398	16,398
Share Price (IDR)	7,225	6,500	6,675	6,675
Market Cap (IDR tn)	106.6	110.7	109.5	109.5

VALUATION INDEX

	2018/12	2019/12	2020/12F	2021/12F
Price /Earnings	26.0x	29.3x	42.6x	36.7x
Price /Book Value	6.1x	5.1x	4.9x	4.6x
Price/Sales	2.2x	1.8x	1.9x	1.7x
PE/EPS Growth	0.3x	-1.5x	-1.5x	2.3x
EV/EBITDA	16.4x	19.1x	23.6x	20.4x
EV/EBIT	18.5x	22.2x	29.1x	24.6x
EV (IDR bn)	120,119	109,671	114,229	114,292
Sales CAGR (3-Yr)	21.7%	15.3%	6.1%	6.2%
EPS CAGR (3-Yr)	35.3%	17.9%	0.9%	-13.1%
Basic EPS (IDR)	278	222	157	182
Diluted EPS (IDR)	278	222	157	182
BVPS (IDR)	1,183	1,285	1,349	1,458
Sales PS (IDR)	3,290	3,576	3,601	3,938
DPS (IDR)	56	118	92	73

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	91.1 PT Central Agromina	55.5
United States	5.5 Vanguard Group	1.6
Ireland	0.8 Blackrock	1.0
Luxembourg	0.7 Dimensional Fund	0.4

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to +15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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