

Charoen Pokphand Indonesia Tbk (CPIN)

Kinerja Dibayangi Kenaikan Harga Bahan Baku

Company Report | Aug 23, 2022

Overweight

Target Price	6,600
Consensus Price (IDR)	6,548
TP to Consensus Price	+0.8%
Potential Upside	+10.9%

Shares data

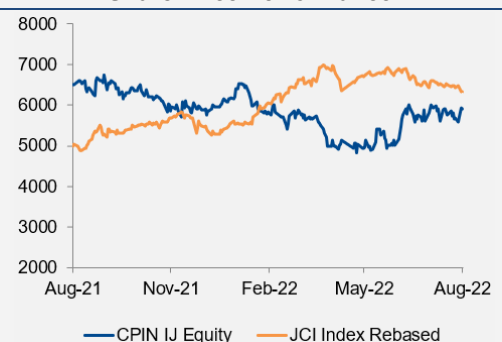
Last Price (IDR)	5,950
Price date as of	Aug 22, 2022
52 wk range (Hi/Lo)	6,750 / 4,800
Free float (%)	44.5
Outstanding sh.(mn)	16,398
Market Cap (IDR bn)	96,748
Market Cap (USD mn)	6,499
Avg. Trd Vol - 3M (mn)	9.8
Avg. Trd Val - 3M (bn)	3.9
Foreign Ownership (%)	9.8

Consumer Non-Cyclicals

Food and Beverages

Bloomberg	CPIN.IJ
Reuters	CPIN.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-0.8%	1.7%	18.7%	-9.2%
Rel. Ret	-8.4%	-4.8%	13.6%	-28.9%

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Pendapatan CPIN sepanjang 6M22 tumbuh 12,4% YoY sementara laba bersih terkontraksi 14,7% YoY. Kenaikan harga bahan baku menyebabkan menurunnya laba di tengah meningkatnya pendapatan. Biaya bahan baku yang digunakan pada 2Q22 mengalami kenaikan sebesar 15,6% YoY menjadi Rp9,9 triliun. Namun, sentimen positif datang dari CPIN yang melakukan ekspor perdananya ke Singapura sehingga diharapkan mampu meningkatkan kinerja keuangannya. Dilihat dari margin profitabilitas, GPM, OPM, dan NPM pada 2Q22 masing-masing tercatat sebesar 17,4%, 11,3%, dan 8,5%.

Broiler Membukukan Pertumbuhan Paling Tinggi

- Sepanjang 6M22, CPIN berhasil membukukan pendapatan senilai Rp28,6 triliun atau tumbuh 12,4% YoY (vs 6M20: Rp25,5 triliun). Untuk 2Q22, pendapatan tercatat Rp14,3 triliun (+9,8% YoY; +0,3% QoQ) naik dari 2Q21 yang tercatat sebesar Rp13,1 triliun.
- Hampir semua segmen mengalami pertumbuhan pendapatan pada 2Q22, dengan pertumbuhan paling tinggi dibukukan oleh segmen Broiler yaitu 22,7% YoY menjadi Rp8,3 triliun. Segmen Processed Chicken dan Lain-lain juga mengalami pertumbuhan pada 2Q22 masing-masing menjadi Rp2,1 triliun (+14,3% YoY) dan Rp402 miliar (11,2% YoY).
- Di tengah meningkatnya penjualan 2Q22, COGS pun turut mengalami peningkatan yaitu 14,1% YoY menjadi Rp11,8 triliun. Hal ini disebabkan oleh kenaikan bahan baku yang digunakan sebesar 15,6% YoY menjadi Rp9,9 triliun (vs 2Q21: Rp8,6 triliun).

Laba Terkontraksi di Tengah Tumbuhnya Pendapatan

- Naiknya harga bahan baku menyebabkan laba kotor 2Q22 mengalami penurunan sebesar 6,8% YoY menjadi Rp2,5 triliun (vs 2Q21: Rp2,7 triliun). Laba operasi terkontraksi 10,8% YoY menjadi Rp1,6 triliun (vs 2Q21: Rp1,8 triliun) di tengah meningkatnya beban operasi 2Q22 menjadi Rp989,9 miliar (+9,2% YoY).
- Sementara itu, penurunan juga terjadi pada laba bersih 2Q22 sebesar 11,1% YoY menjadi Rp1,2 triliun (vs 2Q21: Rp1,4 triliun). Adapun sepanjang 6M22, laba bersih tercatat sebesar Rp2,4 triliun (-14,7% YoY). Margin profitabilitas pada 2Q22 juga tercatat lebih rendah di mana GPM sebesar 17,4%, OPM sebesar 11,3% dan NPM sebesar 8,5% (vs 2Q21 GPM: 20,6%, OPM: 14,0%, dan NPM: 10,5%).

Ekspor Perdana ke Singapura

- Untuk pertama kalinya, CPIN mengespor produk unggas ke Singapura sebanyak 1.000 ton karkas yang akan dikirim secara bertahap hingga akhir 2022 dengan pengiriman perdana sebanyak 50 ton. Hal ini diharapkan dapat meningkatkan kinerja keuangan CPIN.
- Selain Singapura, CPIN juga sudah melakukan ekspor ke Jepang, Papua Nugini, Republik Demokratik Timor Leste, dan Qatar. Dari 2017 hingga 6M22, CPIN telah melakukan ekspor sebanyak 500 kontainer dan 1,3 juta ekor DOC.
- Sementara itu, CPIN mengalokasikan belanja modal sekitar Rp2,5 triliun untuk tahun 2022 yang akan digunakan untuk peningkatan kapasitas segmen bisnis pengolahan produk unggas.

Rekomendasi Overweight dengan TP Rp6.600

- Kami memberikan rekomendasi Overweight untuk CPIN dengan target price Rp6.600/lembar. TP kami mengimplikasikan P/E sebesar 21,4x (P/E -1 STD) yang memiliki potensi kenaikan sebesar 10,9%. Adapun, risiko dari rekomendasi kami adalah kenaikan harga komoditas, daya beli konsumen, dan penurunan permintaan produk.

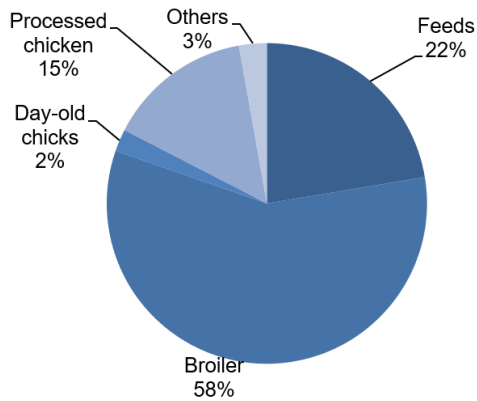
Charoen Pokphand Indonesia Tbk | Summary (IDR Bn)

	2021	2022F	2023F	2024F
Revenue	51,698	57,813	62,110	64,071
Growth	21.6%	11.8%	7.4%	3.2%
Net Profit	3,621	4,264	5,079	6,347
Growth	-5.1%	17.7%	19.1%	25.0%
EPS (IDR)	221	260	310	387
P/E	26.9x	25.4x	21.3x	17.1x
P/BV	3.9x	3.9x	3.3x	2.7x
EV/EBITDA	7.9x	15.0x	10.0x	7.8x
ROE	14.9%	16.2%	16.8%	17.5%
DER	25.0%	30.3%	24.8%	26.7%
Dividend Yield	1.9%	1.6%	1.8%	2.2%

Source: Company Data, Bloomberg, NHKSI Research
Please consider the rating criteria & important disclaimer

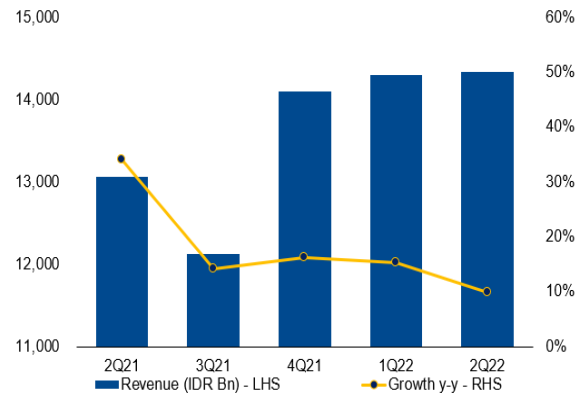
Performance Highlights

CPIN Revenue Breakdown 2Q22



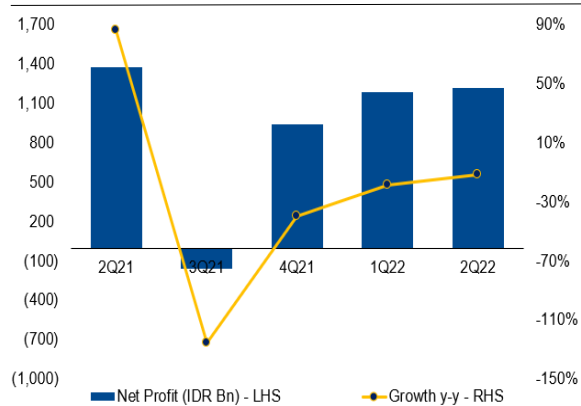
Source: Bloomberg, NHKSI Research

CPIN Net Revenue (2Q21 - 2Q22)



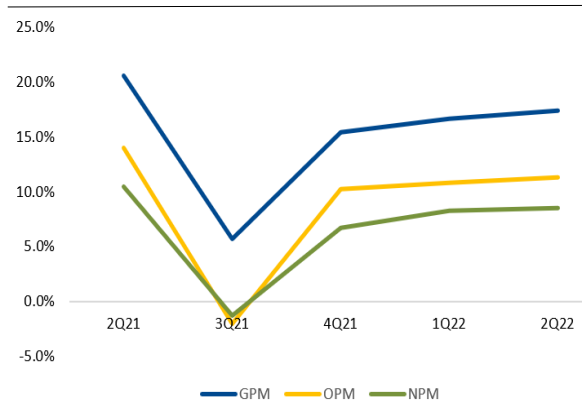
Source: Bloomberg, NHKSI Research

CPIN Net Profit (2Q21 - 2Q22)



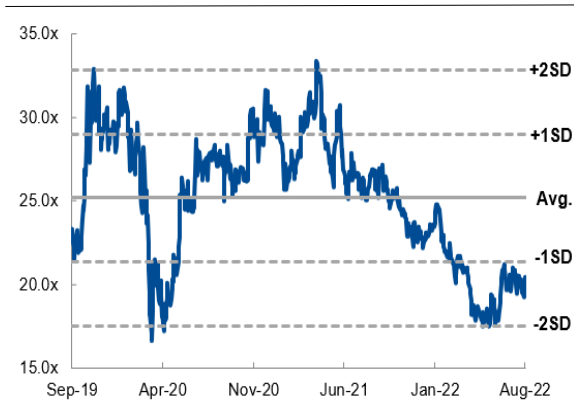
Source: Company Data, NHKSI Research

Margin Ratios (2Q21 - 2Q22)



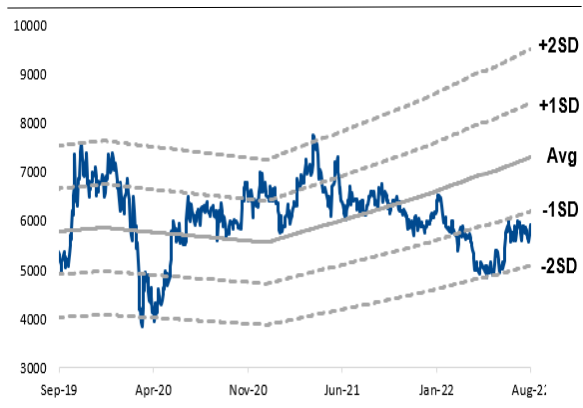
Source: Bloomberg, NHKSI Research

3-Year Forward P/E Band



Source: Company Data, NHKSI Research

3-Year Dynamic Forward P/E Band



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E
Sales	51,698	57,813	62,110	64,071
<i>Growth</i>	21.6%	11.8%	7.4%	3.2%
COGS	(43,559)	(47,532)	(50,390)	(50,594)
Gross Profit	8,139	10,281	11,720	13,478
<i>Gross Margin</i>	15.7%	17.8%	18.9%	21.0%
Operating Expenses	(3,204)	(3,969)	(4,239)	(4,248)
EBIT	4,934	6,312	7,481	9,230
<i>EBIT Margin</i>	9.5%	10.9%	12.0%	14.4%
Depreciation	8,044	1,201	3,425	4,223
EBITDA	12,978	7,513	10,905	13,453
<i>EBITDA Margin</i>	25.1%	13.0%	17.6%	21.0%
Interest Expenses	(240)	(270)	(293)	(268)
EBT	4,634	5,959	7,100	8,871
Income Tax	(1,015)	(1,695)	(2,019)	(2,523)
Minority Interest	2	(1)	(1)	(1)
Net Profit	3,621	4,264	5,079	6,347
<i>Growth</i>	-5.1%	17.7%	19.1%	25.0%
<i>Net Profit Margin</i>	7.0%	7.4%	8.2%	9.9%

PROFITABILITY & STABILITY

	2021/12A	2022/12E	2023/12E	2024/12E
ROE	14.9%	16.2%	16.8%	17.5%
ROA	10.9%	11.3%	11.8%	12.7%
ROIC	13.9%	14.4%	14.9%	16.1%
Cash Dividend (IDR bn)	1,837	1,771	1,956	2,360
Dividend Yield	1.9%	1.6%	1.8%	2.2%
Payout Ratio	48.1%	48.9%	45.9%	46.5%
DER	25.0%	30.3%	24.8%	26.7%
Net Gearing	25.0%	30.3%	24.8%	26.7%
LT Debt to Equity	6.5%	7.7%	6.3%	6.8%
Capitalization Ratio	20.0%	23.2%	19.9%	21.1%
Equity Ratio	71.0%	68.5%	72.1%	72.3%
Debt Ratio	17.7%	20.7%	17.9%	19.3%
Current Ratio	200.5%	199.3%	232.1%	258.8%
Par Value (IDR)	10	10	10	10
Total Shares (mn)	16,398	16,398	16,398	16,398
Share Price (IDR)	5,950	6,600	6,600	6,600
Market Cap (IDR tn)	97.6	108.2	108.2	108.2

BALANCE SHEET

(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E
Cash	1,803	4,147	6,900	14,128
Receivables	1,644	1,843	1,980	2,043
Inventories	11,588	12,326	13,067	13,120
Total Current Assets	15,715	19,250	22,706	30,082
Net Fixed Assets	16,917	18,148	20,080	21,813
Other Non Current Assets	2,814	2,852	2,733	2,800
Total Assets	35,446	40,250	45,519	54,695
Payables	1,572	1,649	1,783	1,773
ST Bank Loan	4,646	6,217	6,054	7,851
LT Debt	1,637	2,132	2,076	2,693
Total Liabilities	10,296	12,660	12,702	15,162
Capital Stock & APIC	121	121	121	121
Retained Earnings	24,996	27,436	32,653	39,378
Shareholders' Equity	25,150	27,589	32,817	39,533

VALUATION INDEX

	2021/12A	2022/12E	2023/12E	2024/12E
Price /Earnings	26.9x	25.4x	21.3x	17.1x
Price /Book Value	3.9x	3.9x	3.3x	2.7x
Price/Sales	1.9x	1.9x	1.7x	1.7x
PE/EPS Growth	-5.3x	1.4x	1.1x	0.7x
EV/EBITDA	7.9x	15.0x	10.0x	7.8x
EV/EBIT	20.7x	17.8x	14.6x	11.3x
EV (IDR bn)	102,080	112,462	109,501	104,676
Sales CAGR (3-Yr)	-1.4%	10.8%	13.5%	7.4%
EPS CAGR (3-Yr)	-7.4%	5.4%	10.0%	20.6%
Basic EPS (IDR)	221	260	310	387
Diluted EPS (IDR)	221	260	310	387
BVPS (IDR)	1,534	1,682	2,001	2,411
Sales PS (IDR)	3,153	3,526	3,788	3,907
DPS (IDR)	112	108	119	144

CASH FLOW STATEMENT

(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E
Operating Cash Flow	2,122	4,368	8,086	10,467
Investing Cash Flow	(2,819)	(2,299)	(3,168)	(3,283)
Financing Cash Flow	(316)	35	(2,165)	44
Net Changes in Cash	(1,013)	2,104	2,753	7,228

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	90.2	CP Indonesia Group 55.5
United States	6.4	Vanguard Group 1.5
Ireland	0.8	Blackrock 1.3
Luxembourg	0.5	Flexshares Trust 0.3

Source: Bloomberg, NHKSI Research

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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