

# Charoen Pokphand Indonesia Tbk (CPIN)

## Segmen Ayam Pedaging Memimpin Kinerja 3Q22

Company Report | Nov 8, 2022

## Overweight

<b>Target Price</b>	<b>6,600</b>
Consensus Price (IDR)	6,781
TP to Consensus Price	-2.7%
Potential Upside	+11.9%

### Shares data

Last Price (IDR)	5,900
Price date as of	Nov 7, 2022
52 wk range (Hi/Lo)	6,525 / 4,800
Free float (%)	44.5
Outstanding sh.(mn)	16,398
Market Cap (IDR bn)	96,748
Market Cap (USD mn)	6,173
Avg. Trd Vol - 3M (mn)	6.4
Avg. Trd Val - 3M (bn)	36.6
Foreign Ownership (%)	9.5

### Consumer Non-Cyclicals

#### Food and Beverages

Bloomberg	CPIN.IJ
Reuters	CPIN.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-0.8%	11.3%	0.9%	-4.5%
Rel. Ret	-7.4%	10.2%	0.6%	-11.5%

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Pada 3Q22, CPIN membukukan pendapatan sebesar Rp14,8 triliun (+3,2% QoQ; +22,1% YoY). Segmen Ayam Pedaging memimpin pertumbuhan sebesar 28,1% YoY di tengah tekanan biaya input yang tinggi (jagung dan bungkil kedelai) menjadi Rp7,9 triliun, diikuti oleh pendapatan segmen Ayam Olah tumbuh 25,6% YoY, segmen Pakan tumbuh 14,3% YoY, segmen lainnya tumbuh 13,2% YoY, sementara segmen Anak Ayam Usia Sehari terkontraksi 8,2% YoY. Adapun, laba bersih pada 3Q22 mampu berbalik positif menjadi Rp768,8 miliar dari sebelumnya pada 3Q21 mencatatkan rugi senilai Rp157,0 miliar.

#### Pendapatan di Sumatera Tumbuh Paling Tinggi

- Pada 3Q22, CPIN membukukan pendapatan sebesar Rp14,8 triliun (+3,2% QoQ; +22,1% YoY). Secara kumulatif, pendapatan 9M22 tumbuh 15,5% YoY menjadi Rp43,4 triliun.
- Secara geografi, pendapatan di Sumatera pada 3Q22 memimpin pertumbuhan paling tinggi yaitu 92,4% YoY menjadi Rp3,5 triliun, diikuti oleh Sulawesi dan Kalimantan (+38,7% YoY) menjadi Rp1,6 triliun, Bali (+28,2% YoY) menjadi Rp899,2 miliar, Jawa (+6,1% YoY) menjadi Rp8,9 triliun, sementara pendapatan untuk wilayah lainnya terkontraksi 12,0% YoY menjadi Rp308,3 miliar.
- Laba kotor 3Q22 mampu tumbuh 201,1% YoY menjadi Rp2,0 triliun (vs 3Q21: Rp674,5 miliar) ditengah kenaikan beban pokok pendapatan sebesar 11,5% YoY menjadi Rp12,8 triliun akibat kenaikan biaya produksi sebesar 8,2% YoY.
- Laba operasi pada 3Q22 mampu berbalik positif menjadi Rp1,0 triliun dari sebelumnya pada 3Q21 tercatat negatif Rp246,1 miliar. Begitu halnya dengan laba bersih pada 3Q22 yang mampu berbalik positif menjadi Rp768,8 miliar dari sebelumnya pada 3Q21 mencatatkan rugi senilai Rp157,0 miliar.
- Secara kumulatif, pada 9M22 laba kotor tumbuh 16,0% YoY menjadi Rp6,9 triliun (vs 9M21: Rp6,0 triliun), laba operasi tumbuh 20,2% YoY menjadi Rp4,2 triliun (vs 9M21: Rp3,5 triliun), dan laba bersih tumbuh 19,1% YoY menjadi Rp3,2 triliun (vs 9M21: Rp2,7 triliun).

#### Hanya Segmen Anak Ayam Usia Sehari yang Terkontraksi di 3Q22

- Pada 3Q22, segmen Ayam Pedaging memimpin pertumbuhan sebesar 28,1% YoY di tengah tekanan biaya input yang tinggi (jagung dan bungkil kedelai) menjadi Rp7,9 triliun, diikuti oleh pendapatan segmen Ayam Olah tumbuh 25,6% YoY, segmen Pakan tumbuh 14,3% YoY, segmen lainnya tumbuh 13,2% YoY, sementara segmen Anak Ayam Usia Sehari terkontraksi 8,2% YoY.
- Dilihat dari operating margin tiap segmennya, segmen Ayam Pedaging dan lainnya pada 3Q22 mampu berbalik positif dimana OPM segmen Ayam Pedaging tercatat 2,5% (vs 3Q21: -25,4%) dan OPM segmen lainnya tercatat 0,7% (vs 3Q21: -1,5%).
- Sementara itu, OPM segmen pakan tercatat lebih rendah yaitu 3,6% (vs 3Q21: 10,6%), OPM segmen Anak Ayam Usia Sehari tercatat turun menjadi 12,5% (vs 3Q21: 16,9%) dan OPM segmen Ayam Olah terkontraksi menjadi 5,3% (vs 3Q21: 8,1%).

#### Rekomendasi Overweight dengan TP Rp6.600

- Kami mempertahankan rekomendasi Overweight untuk CPIN dengan target price Rp6.600/lembar yang memiliki potensi kenaikan sebesar 11,9%. Adapun, risiko dari rekomendasi kami adalah kenaikan harga bahan baku, daya beli konsumen, dan penurunan permintaan produk.

#### Charoen Pokphand Indonesia Tbk | Summary (IDR Bn)

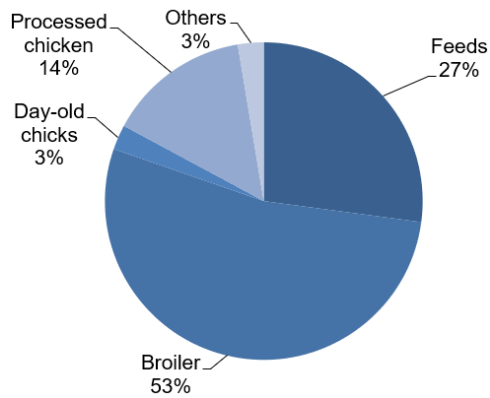
	2021	2022F	2023F	2024F
Revenue	51,698	58,595	61,406	62,890
Growth	21.6%	13.3%	4.8%	2.4%
Net Profit	3,621	4,336	5,095	5,850
Growth	-5.1%	19.8%	17.5%	14.8%
EPS (IDR)	221	264	311	357
P/E	26.9x	25.0x	21.2x	18.5x
P/BV	3.9x	3.9x	3.3x	2.9x
EV/EBITDA	7.9x	15.5x	10.4x	9.7x
ROE	14.9%	16.5%	16.9%	16.5%
DER	25.0%	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

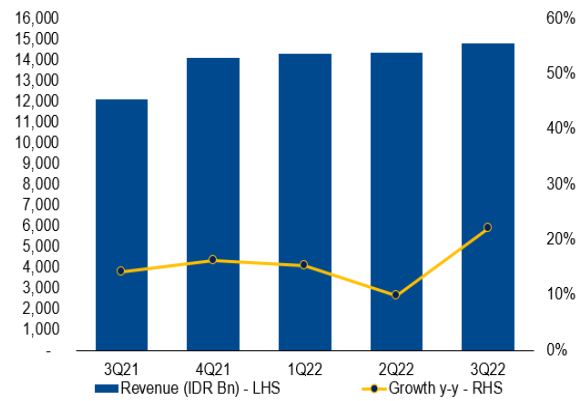
## Performance Highlights

### CPIN Revenue Breakdown 3Q22



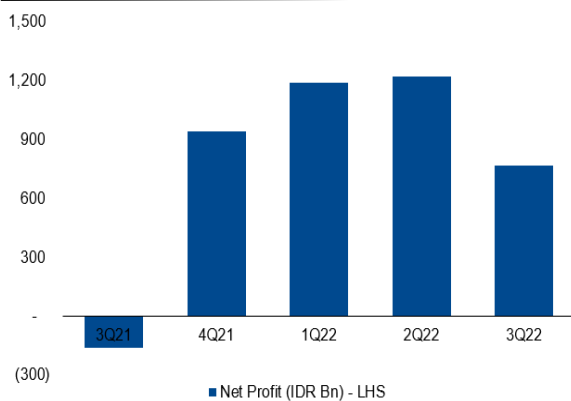
Source: Bloomberg, NHKSI Research

### CPIN Net Revenue (3Q21 - 3Q22)



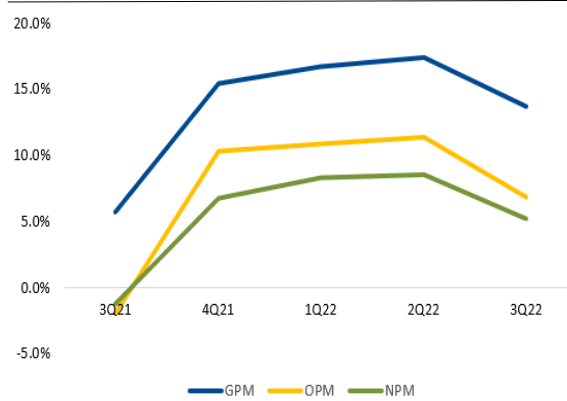
Source: Bloomberg, NHKSI Research

### CPIN Net Profit (3Q21 - 3Q22)



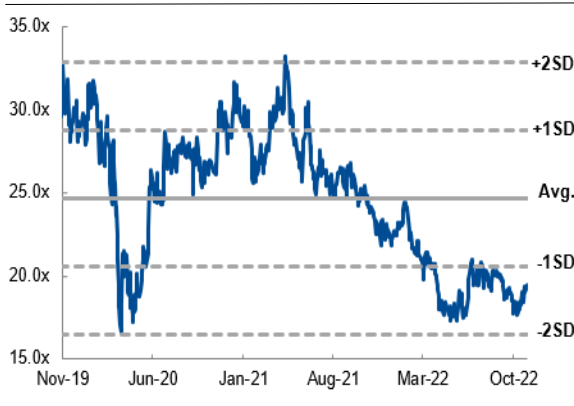
Source: Company Data, NHKSI Research

### Margin Ratios (3Q21 - 3Q22)



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
<b>Sales</b>	<b>51,698</b>	<b>58,595</b>	<b>61,406</b>	<b>62,890</b>
<i>Growth</i>	21.6%	13.3%	4.8%	2.4%
COGS	(43,559)	(48,630)	(50,046)	(49,826)
<b>Gross Profit</b>	<b>8,139</b>	<b>9,965</b>	<b>11,360</b>	<b>13,064</b>
<i>Gross Margin</i>	15.7%	17.0%	18.5%	20.8%
Operating Expenses	(3,204)	(3,911)	(4,298)	(5,031)
<b>EBIT</b>	<b>4,934</b>	<b>6,053</b>	<b>7,062</b>	<b>8,033</b>
<i>EBIT Margin</i>	9.5%	10.3%	11.5%	12.8%
Depreciation	8,044	1,231	3,435	2,922
<b>EBITDA</b>	<b>12,978</b>	<b>7,284</b>	<b>10,496</b>	<b>10,954</b>
<i>EBITDA Margin</i>	25.1%	12.4%	17.1%	17.4%
Interest Expenses	(240)	(322)	(337)	(324)
<b>EBT</b>	<b>4,634</b>	<b>5,646</b>	<b>6,635</b>	<b>7,616</b>
Income Tax	(1,015)	(1,307)	(1,536)	(1,763)
Minority Interest	2	(3)	(3)	(3)
<b>Net Profit</b>	<b>3,621</b>	<b>4,336</b>	<b>5,095</b>	<b>5,850</b>
<i>Growth</i>	-5.1%	19.8%	17.5%	14.8%
<i>Net Profit Margin</i>	7.0%	7.4%	8.3%	9.3%

### PROFITABILITY & STABILITY

	2021/12A	2022/12E	2023/12E	2024/12E
ROE	14.9%	16.5%	16.9%	16.5%
ROA	10.9%	11.5%	11.9%	11.9%
ROIC	13.9%	14.8%	15.1%	15.0%
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%	45.1%	46.3%
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%	8.6%	7.0%	7.6%
Capitalization Ratio	20.0%	23.3%	19.9%	21.1%
Equity Ratio	71.0%	68.4%	72.3%	72.1%
Debt Ratio	17.7%	20.7%	17.9%	19.3%
Current Ratio	200.5%	204.1%	241.2%	257.6%
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	3,741	6,955	12,289
Receivables	1,644	1,697	2,328	2,232
Inventories	11,588	12,878	12,755	12,823
<b>Total Current Assets</b>	<b>15,715</b>	<b>19,302</b>	<b>22,815</b>	<b>28,158</b>
Net Fixed Assets	16,917	18,080	19,955	21,610
Other Non Current Assets	2,814	2,894	2,747	2,819
<b>Total Assets</b>	<b>35,446</b>	<b>40,276</b>	<b>45,517</b>	<b>52,587</b>
Payables	1,572	1,723	1,715	1,743
ST Bank Loan	4,646	5,990	5,846	7,259
LT Debt	1,637	2,366	2,309	2,868
<b>Total Liabilities</b>	<b>10,296</b>	<b>12,710</b>	<b>12,618</b>	<b>14,652</b>
Capital Stock & APIC	121	121	121	121
Retained Earnings	24,996	27,411	32,735	37,782
<b>Shareholders' Equity</b>	<b>25,150</b>	<b>27,566</b>	<b>32,899</b>	<b>37,936</b>

### VALUATION INDEX

	2021/12A	2022/12E	2023/12E	2024/12E
Price /Earnings	26.9x	25.0x	21.2x	18.5x
Price /Book Value	3.9x	3.9x	3.3x	2.9x
Price/Sales	1.9x	1.8x	1.8x	1.7x
PE/EPS Growth	-5.3x	1.3x	1.2x	1.2x
EV/EBITDA	7.9x	15.5x	10.4x	9.7x
EV/EBIT	20.7x	18.6x	15.5x	13.2x
EV (IDR bn)	102,080	112,876	109,471	106,098
Sales CAGR (3-Yr)	-1.4%	11.3%	13.0%	6.8%
EPS CAGR (3-Yr)	-7.4%	6.0%	10.1%	17.3%
Basic EPS (IDR)	221	264	311	357
Diluted EPS (IDR)	221	264	311	357
BVPS (IDR)	1,534	1,681	2,006	2,313
Sales PS (IDR)	3,153	3,573	3,745	3,835
DPS (IDR)	112	108	119	144

### CASH FLOW STATEMENT

(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E
Operating Cash Flow	2,122	3,841	8,374	8,821
Investing Cash Flow	(2,819)	(2,011)	(3,014)	(3,088)
Financing Cash Flow	(316)	108	(2,146)	(399)
<b>Net Changes in Cash</b>	<b>(1,013)</b>	<b>1,938</b>	<b>3,214</b>	<b>5,334</b>

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	90.5	CP Indonesia Group 55.5
United States	5.9	Vanguard Group 1.5
Ireland	0.8	Blackrock 1.3
Luxembourg	0.6	JP Morgan Chase&Co 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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