

Japfa Comfeed Indonesia Tbk (JPFA)

Tingginya Biaya Bahan Baku Sebabkan Rugi di 4Q22

JPFA membukukan penjualan 4Q22 sebesar Rp12,2 triliun (-1,1% QoQ; +0,9% YoY). Laba kotor terkontraksi 26,1% YoY menjadi Rp1,5 triliun pada 4Q22 akibat meningkatnya biaya produksi (+13,5% YoY) sehingga menyebabkan GPM tercatat lebih rendah yaitu 12,6%. Adapun pada 4Q22, JPFA membukukan rugi bersih sebesar Rp8,4 miliar (-102,7% QoQ; -101,6% YoY) dan membawa NPM ke -0.1%. Sementara itu, segmen Aquaculture memimpin pertumbuhan penjualan pada FY22 yaitu 20,5% YoY diikuti oleh segmen Poultry Processing and Consumer Products tumbuh 18,5% YoY.

Margin Belum Mampu Bangkit

- JPFA membukukan penjualan 4Q22 sebesar Rp12,2 triliun (-1,1% QoQ; +0,9% YoY) sehingga secara kumulatif FY22 pendapatan tumbuh 9,1% YoY menjadi Rp49,0 triliun (vs FY21: Rp44,9 triliun).
- Tumbuhnya penjualan pada 4Q22 didorong oleh baik penjualan lokal maupun ekspor yang masing-masing tumbuh 0,8% YoY dan 5,3% YoY menjadi Rp12,0 triliun dan Rp212,1 miliar.
- Laba kotor terkontraksi 26,1% YoY menjadi Rp1,5 triliun pada 4Q22 akibat meningkatnya biaya produksi (+13,5% YoY) sehingga menyebabkan GPM tercatat lebih rendah, yaitu 12,6% (vs 3Q22: 14,2% dan 4Q21: 17,2%).
- Hal ini juga membawa OPM yang mengalami penurunan pada 4Q22 menjadi 1,7% (vs 3Q22: 4,8% dan 4Q21: 7,3%) akibat turunnya laba usaha sebesar 76,7% YoY menjadi Rp202,1 miliar.
- Adapun pada 4Q22, JPFA membukukan rugi bersih sebesar Rp8,4 miliar (-102,7% QoQ; -101,6% YoY) dan membawa NPM ke -0.1% (vs 3Q22: 2,6% dan 4Q21: 4,3%).
- Secara kumulatif FY22, laba kotor tercatat Rp7,7 triliun (-4,2% YoY), laba usaha terkontraksi menjadi Rp2,8 triliun (-22,0% YoY) serta laba bersih yang juga terkontraksi menjadi Rp1,4 triliun (-29,8% YoY).

Hampir Semua Segmen Tumbuh Pada FY22

- Segmen Aquaculture memimpin pertumbuhan penjualan pada FY22 yaitu 20,5% YoY menjadi Rp4,7 triliun diikuti oleh segmen Poultry Processing and Consumer Products tumbuh 18,5% YoY menjadi Rp7,5 triliun.
- Segmen Commercial Farm dan Animal Feed masing-masing tumbuh menjadi Rp19,0 triliun (+7,7% YoY) dan Rp14,0 triliun (+6,0% YoY). Selain itu, segmen Trading & Others tercatat tumbuh 5,0% YoY menjadi Rp2,1 triliun. Sementara segmen Poultry Breeding satu-satunya yang terkontraksi 1,4% YoY menjadi Rp2,6 triliun.
- Dilihat dari Operating Marginnya (OPM) pada FY22, segmen Animal Feed dan Aquaculture mencatatkan OPM yang lebih tinggi yaitu masing-masing 8,2% (vs FY21: 6,7%) dan 6,3% (vs FY21: 6,1%). Segmen Poultry Processing and Consumer Products mencatatkan OPM yang flat yaitu 3,1% (vs FY21: 3,1%).
- Adapun, Segmen Commercial Farm, Poultry Breeding, serta Trading & Others mencatatkan OPM yang lebih rendah yaitu masing-masing -3,3% (vs FY21: -1,7%), 16,3% (vs FY21: 25,0%), dan 8,0% (vs FY21: 9,2%).

Rekomendasi Buy dengan TP Rp1.300

- Kami memberikan rekomendasi Buy untuk JPFA dengan target price Rp1.300/lembar (P/E 8,7x atau -1 STD) yang memiliki potensi kenaikan sebesar 18,7%. Pendapatan dan laba bersih 2023F kami proyeksikan masing-masing Rp52,6 triliun dan Rp1,6 triliun. Adapun, risiko dari rekomendasi kami adalah kenaikan harga bahan baku, daya beli konsumen, dan penurunan permintaan produk.

Japfa Comfeed Indonesia Tbk | Summary (IDR Bn)

	2022	2023F	2024F	2025F
Revenue	48,972	52,649	56,972	61,310
Growth	9.1%	7.5%	8.2%	7.6%
Net Profit	1,420	1,627	1,858	2,115
Growth	-29.8%	14.6%	14.2%	13.9%
EPS (IDR)	121	139	158	180
P/E	10.7x	9.4x	8.2x	7.2x
P/BV	1.1x	1.0x	1.0x	0.9x
EV/EBITDA	6.9x	5.6x	5.3x	5.0x
ROE	10.6%	11.5%	12.2%	12.7%
DER	90.1%	80.0%	83.0%	83.0%
Dividend Yield	4.6%	4.7%	5.3%	6.1%

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

Company Report | Mar 24, 2023

Buy

Target Price

1,300

Consensus Price (IDR)	1,677
TP to Consensus Price	-22.5%
Potential Upside	+18.7%

Shares data

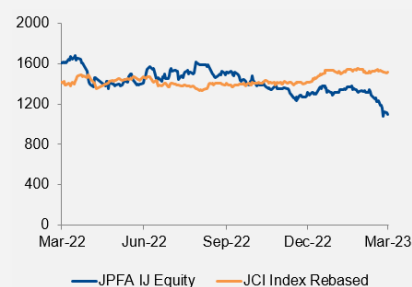
Last Price (IDR)	1,095
Price date as of	Mar 21, 2023
52 wk range (Hi/Low)	1,700 / 1,075
Free float (%)	42.2
Outstanding sh.(mn)	11,726.6
Market Cap (IDR bn)	12,840.6
Market Cap (USD mn)	836.8
Avg. Trd Vol - 3M (mn)	12.1
Avg. Trd Val - 3M (bn)	15.9
Foreign Ownership (%)	96.8

Consumer Non-Cyclicals

Food and Beverages

Bloomberg	JPFA IJ
Reuters	JPFA.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-18.3%	-17.0%	-16.4%	-31.8%
Rel. Ret	-16.0%	-14.4%	-14.5%	-28.0%

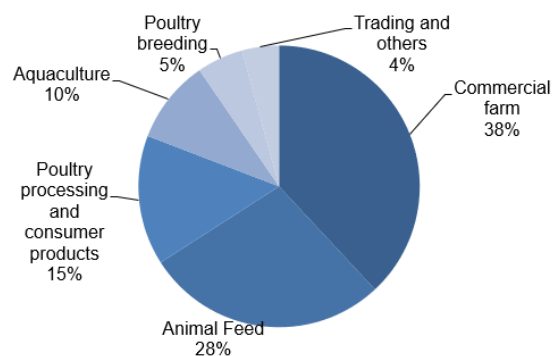
Cindy Alicia Ramadhania

+62 21 5088 9129

cindy.alicia@nhsec.co.id

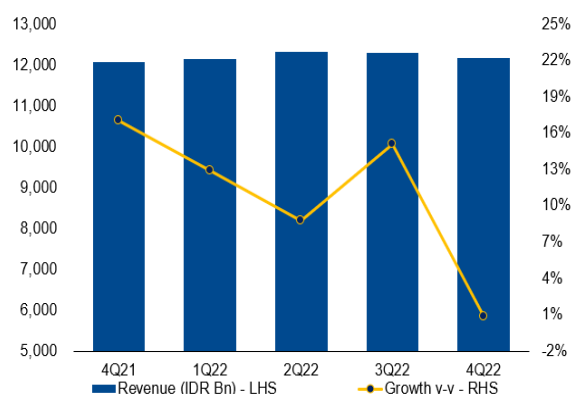
Performance Highlights

CPIN Revenue Breakdown FY22



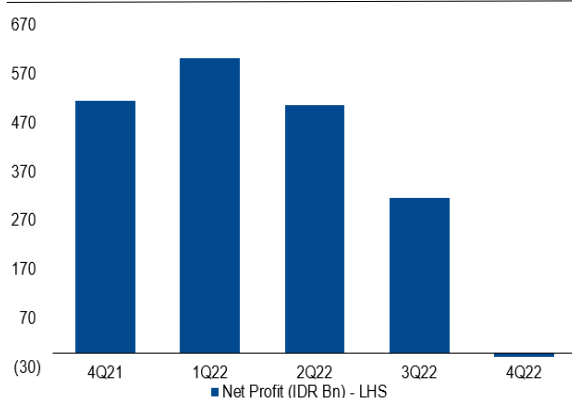
Source: Bloomberg, NHKSI Research

CPIN Net Revenue (4Q21 - 4Q22)



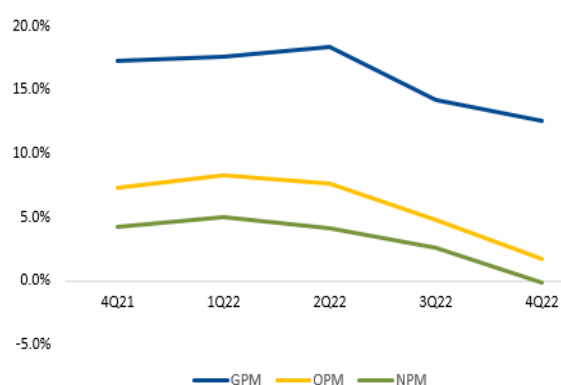
Source: Bloomberg, NHKSI Research

CPIN Net Profit (4Q21 - 4Q22)



Source: Company Data, NHKSI Research

Margin Ratios (4Q21 - 4Q22)



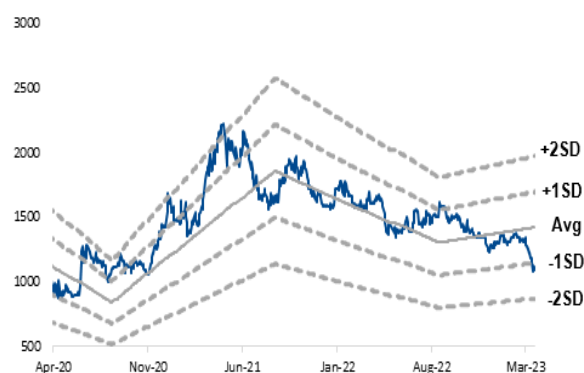
Source: Bloomberg, NHKSI Research

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)	2022/12A	2023/12E	2024/12E	2025/12E
Sales	48,972	52,649	56,972	61,310
Growth	9.1%	7.5%	8.2%	7.6%
COGS	(41,289)	(44,197)	(47,675)	(51,084)
Gross Profit	7,683	8,451	9,297	10,226
Gross Margin	15.7%	16.1%	16.3%	16.7%
Operating Expenses	(4,956)	(5,329)	(5,766)	(6,205)
EBIT	2,727	3,123	3,531	4,021
EBIT Margin	5.6%	5.9%	6.2%	6.6%
Depreciation	1,052	1,285	1,322	1,361
EBITDA	3,779	4,408	4,852	5,382
EBITDA Margin	7.7%	8.4%	8.5%	8.8%
Interest Expenses	677	676	714	706
EBT	1,955	2,240	2,558	2,912
Income Tax	(464)	(531)	(607)	(691)
Minority Interest	(71)	(81)	(93)	(106)
Net Profit	1,420	1,627	1,858	2,115
Growth	-29.8%	14.6%	14.2%	13.9%
Net Profit Margin	2.9%	3.1%	3.3%	3.5%

BALANCE SHEET

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Cash	1,811	2,596	3,282	4,129
Receivables	2,405	2,746	2,912	3,137
Inventories	12,456	12,669	13,585	14,741
Total Current Assets	17,001	18,425	20,150	22,379
Net Fixed Assets	13,584	14,463	15,277	16,287
Other Non Current Asset	2,105	1,935	1,945	1,995
Total Assets	32,691	34,823	37,372	40,661
Payables	3,444	3,547	3,719	3,899
ST Bank Loan	3,869	3,685	4,114	4,560
LT Debt	8,429	8,028	8,963	9,935
Total Liabilities	19,036	20,182	21,617	23,198
Capital Stock & APIC	3,028	3,028	3,028	3,028
Retained Earnings	10,231	11,149	12,193	13,380
Shareholders' Equity	13,655	14,640	15,755	17,463

CASH FLOW STATEMENT

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Operating Cash Flow	1,439	3,790	2,322	2,256
Investing Cash Flow	(2,202)	(1,777)	(2,258)	(2,419)
Financing Cash Flow	1,406	(1,228)	622	1,010
Net Changes in Cash	643	785	686	848

PROFITABILITY & STABILITY

	2022/12A	2023/12E	2024/12E	2025/12E
ROE	10.6%	11.5%	12.2%	12.7%
ROA	4.6%	4.8%	5.1%	5.4%
ROIC	9.7%	9.2%	10.2%	10.6%
Cash Dividend (IDR bn)	697	710	814	929
Dividend Yield	4.6%	4.7%	5.3%	6.1%
Payout Ratio	34.5%	50.0%	50.0%	50.0%
DER	90.1%	80.0%	83.0%	83.0%
Net Gearing	101.5%	89.9%	92.9%	95.0%
LT Debt to Equity	61.7%	54.8%	56.9%	56.9%
Capitalization Ratio	47.4%	44.4%	45.4%	45.4%
Equity Ratio	41.8%	42.0%	42.2%	42.9%
Debt Ratio	37.6%	33.6%	35.0%	35.6%
Financial Leverage	105.7%	106.6%	99.0%	96.8%
Current Ratio	180.6%	171.5%	177.4%	187.1%
Inventory Turnover	3.3x	3.5x	3.5x	3.5x
Total Shares (mn)	11,727	11,727	11,727	11,727
Share Price (IDR)	1,295	1,300	1,300	1,300
Market Cap (IDR tn)	15.2	15.2	15.2	15.2

VALUATION INDEX

	2022/12A	2023/12E	2024/12E	2025/12E
Price /Earnings	10.7x	9.4x	8.2x	7.2x
Price /Book Value	1.1x	1.0x	1.0x	0.9x
Price/Sales	0.3x	0.3x	0.3x	0.2x
PE/EPS Growth	-0.4x	0.6x	0.6x	0.5x
EV/EBITDA	6.9x	5.6x	5.3x	5.0x
EV/EBIT	9.6x	7.9x	7.2x	6.6x
EV (IDR bn)	26,069	24,825	25,574	26,666
Sales CAGR (3-Yr)	8.0%	12.5%	8.3%	7.8%
EPS CAGR (3-Yr)	-7.0%	21.1%	-2.8%	14.2%
Basic EPS (IDR)	121	139	158	180
Diluted EPS (IDR)	121	139	158	180
BVPS (IDR)	1,164	1,248	1,344	1,489
Sales PS (IDR)	4,176	4,490	4,858	5,228
DPS (IDR)	59	61	69	79

OWNERSHIP

By Geography	% Shareholders	%
Singapore	84.1 Japfa Ltd	55.4
United States	6.2 Vanguard Group	1.9
Unknown	3.6 Dimensional Fund Adv	0.9
Indonesia	3.2 JAPFA COMFEED IND	0.9

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%

DISCLAIMER

This document is strictly confidential and is being supplied to you solely for your information. The recipients of this report must make their own independent decisions regarding any securities or financial instruments mentioned herein. This document may not be quoted, reproduced, exhibited, redistributed, transmitted, edited, translated, or published, in whole or in part, for any purpose without notice. Any failure to comply with this restriction may constitute a violation of civil or criminal laws.

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein. All rights reserved by PT NH Korindo Sekuritas Indonesia.