

# Charoen Pokphand Indonesia Tbk (CPIN)

## Tingginya Biaya Bahan Baku Masih Membebani Kinerja

Pada 1Q23, CPIN berhasil mencatatkan pertumbuhan penjualan sebesar 1,9% YoY menjadi Rp14,6 triliun (vs 1Q22: Rp14,3 triliun). Kenaikan biaya bahan baku, akibat kenaikan harga Soybean Meal (SBM) dan Jagung, sebesar 3,5% YoY menyebabkan beban pokok penjualan meningkat 10,0% YoY pada 1Q23 dan membuat laba kotor terkontraksi 38,4% YoY menjadi Rp1,5 triliun. Laba bersih 1Q23 juga terkontraksi 79,8% YoY menjadi Rp241,0 miliar (vs 1Q22: Rp1,2 triliun) dengan NPM tercatat 1,7% turun dari 1Q22 yaitu 8,3% namun mampu naik dari 4Q22 yaitu -1,9%.

### Pendapatan 1Q23 Berhasil Tumbuh

- Pada 1Q23, CPIN berhasil mencatatkan pertumbuhan penjualan sebesar 1,9% YoY menjadi Rp14,6 triliun (vs 1Q22: Rp14,3 triliun). Namun, segmen Broiler, yang memiliki kontribusi penjualan terbesar, mencatatkan penurunan 4,8% YoY menjadi Rp7,6 triliun (vs 1Q22: 8,0 triliun), dan diikuti oleh penurunan pada segmen Day-Old Chick (DOC) sebesar 39,5% menjadi Rp294,9 miliar (vs 1Q22: Rp487,3 miliar).
- Sementara itu, kontributor terbesar kedua terhadap penjualan yaitu segmen Pakan berhasil tumbuh 17,7% YoY pada 1Q23 menjadi Rp4,1 triliun (vs 1Q22: Rp3,5 triliun), diikuti oleh segmen Ayam Olah (+4,4% YoY) menjadi Rp2,1 triliun (vs 1Q22: Rp2,0 triliun) dan segmen lain-lain (+45,1% YoY) menjadi Rp470,9 miliar (vs 1Q22: 324,5 miliar).
- Secara geografis, penjualan di Bali memimpin pertumbuhan pada 1Q23 sebesar 13,7% YoY yang diikuti oleh Sulawesi dan Kalimantan (+10,9% YoY), Jawa (+1,6% YoY) sementara penjualan di Sumatera turun 7,5% YoY.

### Laba 1Q23 Masih Terkontraksi

- Kenaikan biaya bahan baku, akibat kenaikan harga Soybean Meal (SBM) dan Jagung, sebesar 3,5% YoY menyebabkan beban pokok penjualan meningkat 10,0% YoY pada 1Q23 dan membuat laba kotor terkontraksi 38,4% YoY menjadi Rp1,5 triliun. Hal ini membawa GPM ke level 10,1% (lebih rendah dari 1Q22: 16,7% namun lebih tinggi dari 4Q22: 9,1%).
- Laba operasi mengalami penurunan cukup signifikan sebesar 72,6% YoY menjadi Rp422,2 miliar akibat tingginya beban penjualan (+17,6% YoY) serta beban umum dan administrasi (+5,5% YoY) sehingga OPM tercatat lebih rendah yaitu 2,9% (vs 1Q22: 10,8%) namun mampu berbalik positif dari 4Q22 yang tercatat -1,4%. Laba bersih 1Q23 juga terkontraksi 79,8% YoY menjadi Rp241,0 miliar (vs 1Q22: Rp1,2 triliun) dengan NPM tercatat 1,7% turun dari 1Q22 yaitu 8,3% namun mampu naik dari 4Q22 yaitu -1,9%.

### Alokasi Capex Lebih Rendah

- Sepanjang 2023, Perseroan menerapkan strategi peningkatan efisiensi yang tercermin pada alokasi belanja modal yang ditetapkan lebih rendah dari tahun 2022 yaitu sebesar Rp1,7 triliun (vs 2022: Rp2,7 triliun).
- Belanja modal tahun ini akan difokuskan untuk pemeliharaan alat produksi guna menjaga efisiensi serta untuk sejumlah proyek yang masih berjalan. Adapun strategi lainnya yaitu fleksibilitas produksi dengan menyesuaikan pada perkembangan dan permintaan produk.

### Rekomendasi Overweight dengan TP Rp5.500

- Kami mempertahankan rekomendasi Overweight untuk CPIN dengan menurunkan target price menjadi Rp5.500/lembar (P/E 22,3x) dengan potensi kenaikan sebesar 9,5%. Pendapatan dan laba bersih untuk tahun 2023 kami proyeksikan masing-masing Rp59,7 triliun dan Rp3,1 triliun. Adapun, risiko dari rekomendasi kami adalah kenaikan harga bahan baku, daya beli konsumen, dan penurunan permintaan produk.

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

	2022	2023F	2024F	2025F
Revenue	56,868	59,656	63,531	67,264
Growth	10.0%	4.9%	6.5%	5.9%
Net Profit	2,928	3,143	4,058	5,127
Growth	-19.1%	7.3%	29.1%	26.3%
EPS (IDR)	179	192	247	313
P/E	31.6x	28.7x	22.2x	17.6x
P/BV	3.5x	3.1x	2.6x	2.3x
EV/EBITDA	18.6x	17.8x	14.6x	12.3x
ROE	11.4%	11.3%	12.5%	13.9%
DER	35.5%	37.3%	29.0%	30.3%
Dividend Yield	1.9%	1.6%	1.6%	1.6%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

## Overweight

<b>Target Price</b>	<b>5,500</b>
Consensus Price (IDR)	5,572
TP to Consensus Price	-1.3%
Potential Upside	+9.5%

### Shares data

Last Price (IDR)	5,025
Price date as of	June 13, 2023
52 wk range (Hi/Lo)	6,275 / 4,330
Free float (%)	44.5
Outstanding sh.(mn)	16,398
Market Cap (IDR bn)	82,400
Market Cap (USD mn)	5,541
Avg. Trd Vol - 3M (mn)	10.5
Avg. Trd Val - 3M (bn)	51.0
Foreign Ownership (%)	9.7

### Consumer Non-Cyclicals

#### Food and Beverages

Bloomberg	CPIN.IJ
Reuters	CPIN.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-11.5%	0.0%	0.7%	0.0%
Rel. Ret	-9.5%	-0.1%	1.7%	4.0%

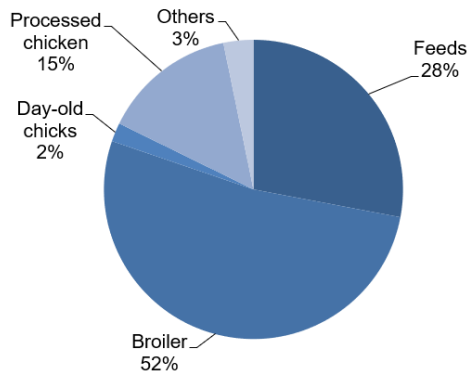
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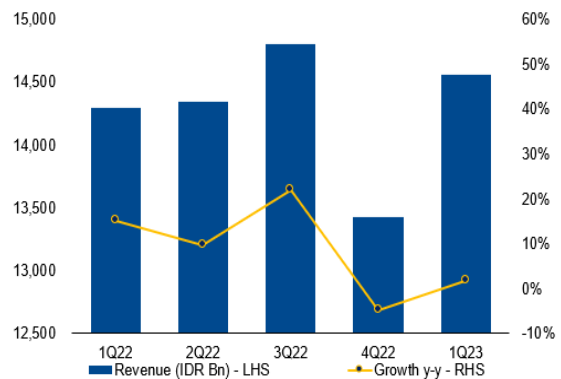
## Performance Highlights

### CPIN Revenue Breakdown 1Q23



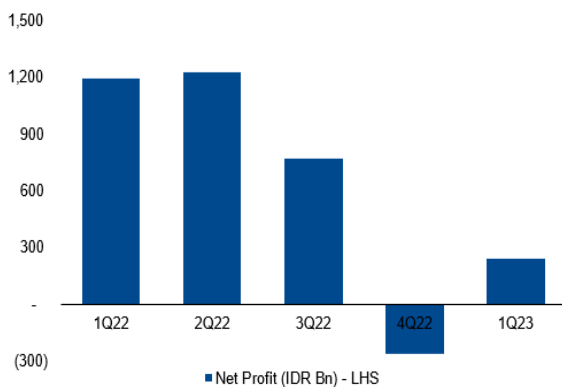
Source: Bloomberg, NHKSI Research

### CPIN Net Revenue (1Q22 - 1Q23)



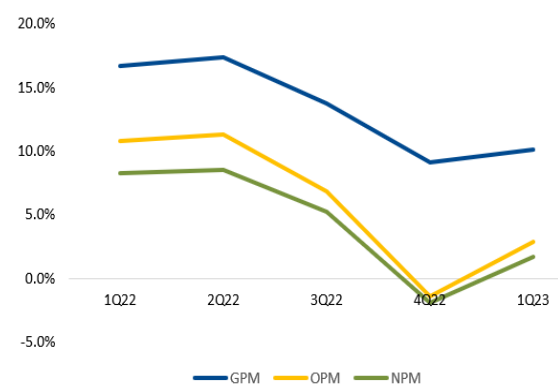
Source: Bloomberg, NHKSI Research

### CPIN Net Profit (1Q22 - 1Q23)



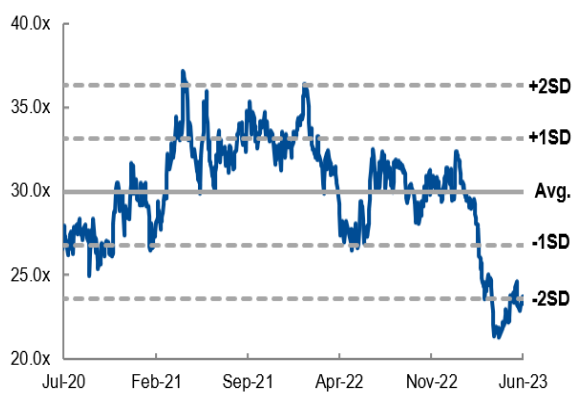
Source: Company Data, NHKSI Research

### Margin Ratios (1Q22 - 1Q23)



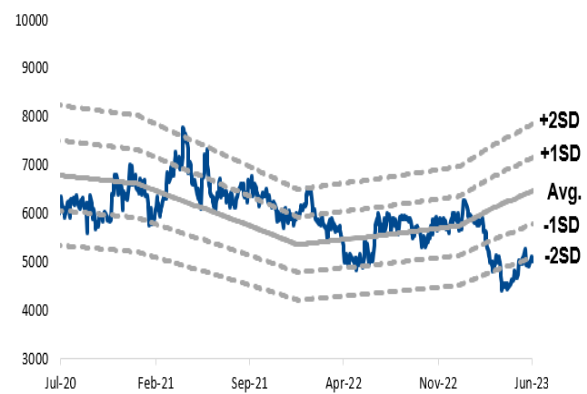
Source: Bloomberg, NHKSI Research

### 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
<b>Sales</b>	<b>56,868</b>	<b>59,656</b>	<b>63,531</b>	<b>67,264</b>
<i>Growth</i>	10.0%	4.9%	6.5%	5.9%
COGS	(48,724)	(50,809)	(53,356)	(55,563)
<b>Gross Profit</b>	<b>8,144</b>	<b>8,847</b>	<b>10,174</b>	<b>11,700</b>
<i>Gross Margin</i>	14.3%	14.8%	16.0%	17.4%
Operating Expenses	(4,160)	(4,677)	(5,082)	(5,381)
<b>EBIT</b>	<b>3,984</b>	<b>4,170</b>	<b>5,092</b>	<b>6,319</b>
<i>EBIT Margin</i>	7.0%	7.0%	8.0%	9.4%
Depreciation	1,395	1,326	1,361	1,361
<b>EBITDA</b>	<b>5,380</b>	<b>5,496</b>	<b>6,452</b>	<b>7,680</b>
<i>EBITDA Margin</i>	9.5%	9.2%	10.2%	11.4%
Interest Expenses	(367)	(493)	(365)	(366)
<b>EBT</b>	<b>3,537</b>	<b>3,584</b>	<b>4,628</b>	<b>5,848</b>
Income Tax	(607)	(442)	(571)	(722)
Minority Interest	(2)	1	1	1
<b>Net Profit</b>	<b>2,928</b>	<b>3,143</b>	<b>4,058</b>	<b>5,127</b>
<i>Growth</i>	-19.1%	7.3%	29.1%	26.3%
<i>Net Profit Margin</i>	5.1%	5.3%	6.4%	7.6%

### PROFITABILITY & STABILITY

	2022/12A	2023/12E	2024/12E	2025/12E
ROE	11.4%	11.3%	12.5%	13.9%
ROA	7.8%	7.4%	8.5%	9.7%
ROIC	10.5%	10.2%	11.0%	12.2%
Cash Dividend (IDR bn)	1,771	1,417	1,445	1,474
Dividend Yield	1.9%	1.6%	1.6%	1.6%
Payout Ratio	48.9%	48.4%	46.0%	36.3%
DER	35.5%	37.3%	29.0%	30.3%
Net Gearing	35.5%	37.3%	29.0%	30.3%
LT Debt to Equity	9.9%	9.8%	8.1%	8.5%
Capitalization Ratio	26.2%	27.2%	22.5%	23.3%
Equity Ratio	66.1%	64.9%	70.1%	69.7%
Debt Ratio	23.4%	24.3%	20.3%	21.1%
Current Ratio	178.4%	183.7%	230.6%	235.9%
Par Value (IDR)	10	10	10	10
Total Shares (mn)	16,398	16,398	16,398	16,398
Share Price (IDR)	5,650	5,500	5,500	5,500
Market Cap (IDR tn)	92.6	90.2	90.2	90.2

### BALANCE SHEET

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Cash	2,042	3,579	6,422	7,725
Receivables	1,820	2,157	5,326	5,639
Inventories	13,263	15,871	13,697	15,875
<b>Total Current Assets</b>	<b>18,031</b>	<b>22,438</b>	<b>26,251</b>	<b>30,087</b>
Net Fixed Assets	18,277	19,184	20,692	22,018
Other Non Current Assets	3,539	3,695	3,349	3,528
<b>Total Assets</b>	<b>39,848</b>	<b>45,316</b>	<b>50,292</b>	<b>55,633</b>
Payables	1,497	2,404	1,978	2,100
ST Bank Loan	6,732	8,116	7,364	8,477
LT Debt	2,611	2,874	2,856	3,288
<b>Total Liabilities</b>	<b>13,520</b>	<b>15,886</b>	<b>15,046</b>	<b>16,847</b>
Capital Stock & APIC	121	121	121	121
Retained Earnings	26,172	29,275	35,092	38,635
<b>Shareholders' Equity</b>	<b>26,327</b>	<b>29,431</b>	<b>35,246</b>	<b>38,787</b>

### VALUATION INDEX

	2022/12A	2023/12E	2024/12E	2025/12E
Price /Earnings	31.6x	28.7x	22.2x	17.6x
Price /Book Value	3.5x	3.1x	2.6x	2.3x
Price/Sales	1.6x	1.5x	1.4x	1.3x
PE/EPS Growth	-1.7x	3.9x	0.8x	0.7x
EV/EBITDA	18.6x	17.8x	14.6x	12.3x
EV/EBIT	25.1x	23.4x	18.5x	14.9x
EV (IDR bn)	99,985	97,635	94,020	94,260
Sales CAGR (3-Yr)	10.2%	12.0%	7.1%	5.8%
EPS CAGR (3-Yr)	-7.0%	-6.3%	3.9%	20.5%
Basic EPS (IDR)	179	192	247	313
Diluted EPS (IDR)	179	192	247	313
BVPS (IDR)	1,606	1,795	2,149	2,365
Sales PS (IDR)	3,468	3,638	3,874	4,102
DPS (IDR)	108	86	88	90

### CASH FLOW STATEMENT

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Operating Cash Flow	1,674	2,105	4,371	4,215
Investing Cash Flow	(2,613)	(2,168)	(2,498)	(2,981)
Financing Cash Flow	928	1,627	970	69
<b>Net Changes in Cash</b>	<b>(11)</b>	<b>1,563</b>	<b>2,843</b>	<b>1,303</b>

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	90.3	CP Indonesia Group 55.5
United States	6.5	Vanguard Group 1.7
Ireland	0.9	Blackrock 1.3
Japan	0.5	FlexShares Trust 0.5

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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