

Japfa Comfeed Indonesia Tbk (JPFA)

Impacted by Weaker Poultry Prices



Company Report | March 19, 2024

OVERWEIGHT

Target Price	1,300
Consensus Price (IDR)	1,309
TP to Consensus Price	-0.7%
Potential Upside	+8.3%

Shares data

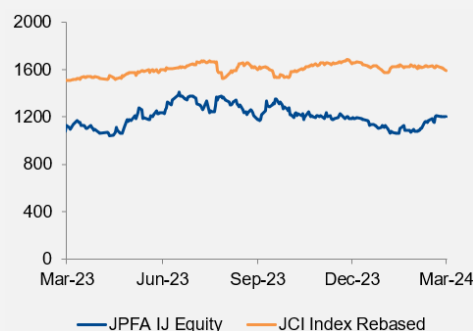
Last Price (IDR)	1,200
Price date as of	March 18, 2024
52 wk range (Hi/Lo)	1,410 / 1,015
Free float (%)	43.2
Outstanding sh.(mn)	11,726.6
Market Cap (IDR bn)	14,071.9
Market Cap (USD mn)	896.2
Avg. Trd Vol - 3M (mn)	13.4
Avg. Trd Val - 3M (bn)	15.4
Foreign Ownership (%)	98.6%

Consumer Non-Cyclicals

Food and Beverages

Bloomberg	JPFA IJ
Reuters	JPFA.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	2.6%	11.1%	0.8%	-25.2%
Rel. Ret	2.9%	11.0%	-1.7%	-30.2%

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JPFA berhasil membukukan pendapatan 4Q23 sebesar Rp13,4 triliun dan membawa kumulatif FY23 sebesar Rp51,2 triliun (+4,5% YoY) didukung oleh kenaikan volume pakan sebesar 3,3% YoY dan Harga Jual Rata-Rata (ASP) yang lebih tinggi. Di tengah meningkatnya harga pangan, penjualan lokal JPFA pada 4Q23 berhasil mencapai Rp13,2 triliun (-1,9% QoQ; +9,9% YoY). Dari sisi bottom line, JPFA mencatatkan kerugian sebesar Rp 7,5 miliar pada 4Q23 akibat meningkatnya biaya keuangan (+12,8% YoY), alhasil membawa NPM tercatat -0,1% (vs 3Q23: 6,3% dan 4Q22: -0,1%). Dari sisi bisnis hilir, JPFA akan terus memperkuat bisnis hilirnya melalui pengembangan bisnis pengolahan unggas dan produk konsumen, serta mendorong pertumbuhan penjualan ritel melalui gerai ritel baik offline maupun online.

Kenaikan Volume Pakan Meningkatkan Pendapatan

- JPFA berhasil membukukan pendapatan 4Q23 sebesar Rp13,4 triliun, di mana secara YoY berhasil tercatat lebih tinggi 10,1% namun secara QoQ sedikit lebih rendah 1,5%, sehingga membawa kumulatif FY23 sebesar Rp51,2 triliun (+4,5% YoY) didukung oleh kenaikan volume pakan sebesar 3,3% YoY dan Harga Jual Rata-Rata (ASP) yang lebih tinggi. Di tengah meningkatnya harga pangan, penjualan lokal JPFA pada 4Q23 berhasil mencapai Rp13,2 triliun (-1,9% QoQ; +9,9% YoY).
- Secara YoY, pada 4Q23 hampir semua segmen mengalami pertumbuhan dipimpin oleh segmen Peternakan Komersial tumbuh 19,3% YoY, diikuti oleh segmen Pengolahan Hasil Peternakan dan Produk Konsumen (+8,6% YoY), Pakan Ternak (+6,2% YoY), dan Budidaya Perairan (+2,4% YoY). Sementara segmen Perdagangan dan lain-lain serta Pembibitan Unggas berkontraksi masing-masing 12,0% YoY dan 3,5% YoY.

Kinerja Laba di Tengah Kenaikan Biaya Keuangan

- Laba kotor 4Q23 mampu tumbuh 3,3% YoY menjadi Rp1,6 triliun, namun GPM tercatat lebih rendah yaitu 11,9% (vs 3Q23: 18,8% dan 4Q22: 12,6%) akibat tingginya harga bahan baku dan lemahnya harga unggas. Laba usaha 4Q23 tercatat Rp210 miliar (+3,7% YoY) dengan OPM yang berkontraksi menjadi 1,4% (vs 3Q23: 9,9% dan 4Q22: 1,7%).
- Dari sisi bottom line, JPFA mencatatkan kerugian sebesar Rp 7,5 miliar pada 4Q23 akibat meningkatnya biaya keuangan (+12,8% YoY), alhasil membawa NPM tercatat -0,1% (vs 3Q23: 6,3% dan 4Q22: -0,1%). Adapun, secara kumulatif FY23, laba kotor berkontraksi 2,2% YoY menjadi Rp7,5 triliun, laba usaha turun 19,8% YoY menjadi Rp2,2 triliun, juga diikuti oleh laba bersihnya yang tercatat lebih rendah 34,5% YoY menjadi Rp929,7 miliar.

Terus Perkuat Bisnis Hilir

- Pada FY23, JPFA mencatatkan OPM yang lebih rendah yaitu 4,4% (vs FY22: 5,7%), di mana secara rinci OPM untuk segmen Feed tetap di level 8,2%, OPM segmen Poultry Processing tercatat lebih tinggi menjadi 5,3% (vs FY22: 3,1%), OPM segmen Breeding tercatat lebih rendah yaitu 3,6% (vs FY22: 16,3%), dan OPM untuk segmen Commercial Farms tercatat -2,5% (vs FY22: -3,3%).
- Dari sisi bisnis hilir, JPFA akan terus memperkuat bisnis hilirnya melalui pengembangan bisnis pengolahan unggas dan produk konsumen, serta mendorong pertumbuhan penjualan ritel melalui gerai ritel baik offline maupun online.
- Adapun, sentimen positif lainnya datang dari rencana Pemerintah yang akan menambah 2 program bantuan sosial di luar bantuan sosial yang rutin disalurkan setiap tahunnya untuk memitigasi risiko pangan. Bantuan sosial pertama yaitu bantuan beras 10 kg ditambah dengan telur dan daging ayam bagi keluarga yang memiliki balita stunting, yang akan diberikan hingga Juni 2024 dengan total mencapai Rp17,5 triliun. Sementara bantuan sosial kedua berupa Bantuan Langsung Tunai (BLT) yang akan disalurkan hingga Maret 2024 dengan anggaran sebesar Rp11,3 triliun.

Rekomendasi Overweight dengan TP Rp1.300

- Kami memberikan rekomendasi Overweight untuk JPFA dengan target price Rp1.300/lembar yang merefleksikan P/E 13,2x (3-year average) dengan potensi kenaikan sebesar 8,3%. Pendapatan dan laba bersih untuk 2024F kami proyeksikan masing-masing Rp55,3 triliun dan Rp1,1 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)

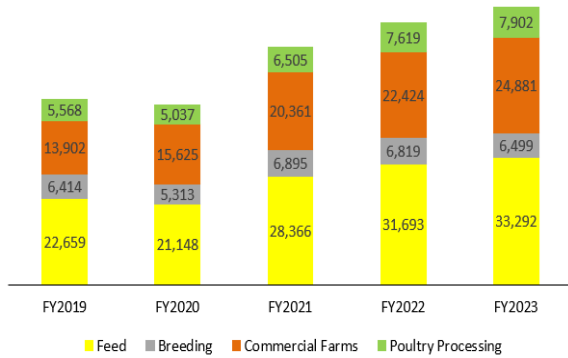
	2023	2024F	2025F	2026F
Revenue	51,176	55,293	57,851	60,978
Growth	4.5%	8.0%	4.6%	5.4%
Net Profit	930	1,074	1,179	1,243
Growth	-34.5%	15.5%	9.7%	5.5%
EPS (IDR)	79	92	101	106
P/E	14.9x	14.2x	12.9x	12.3x
P/BV	1.0x	1.1x	1.0x	1.0x
EV/EBITDA	7.5x	8.3x	8.1x	7.8x
ROE	6.7%	7.8%	8.4%	8.4%
ROA	2.8%	3.1%	3.3%	3.3%
Dividend Yield	4.2%	2.6%	2.7%	2.9%

Source: Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

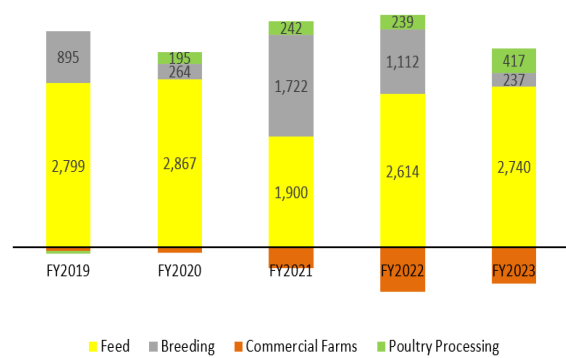
Performance Highlights

JPFA Revenue (FY2019 - FY2023)



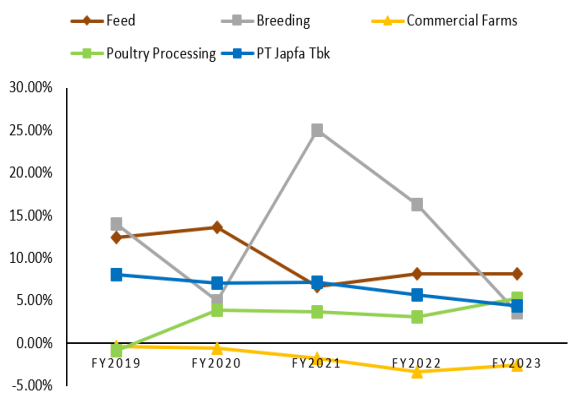
Source: Bloomberg, NHKSI Research

JPFA Operating Profit (FY2019 - FY2023)



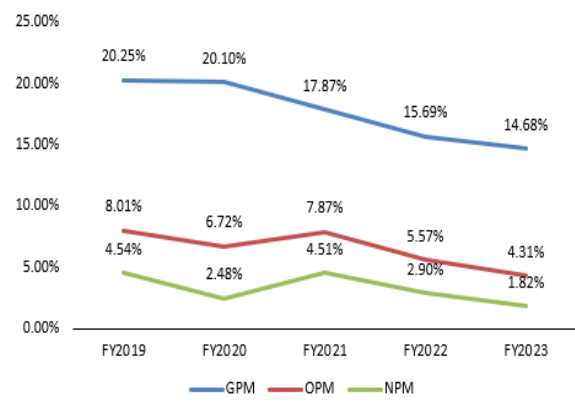
Source: Bloomberg, NHKSI Research

JPFA OPM (FY2019 - FY2023)



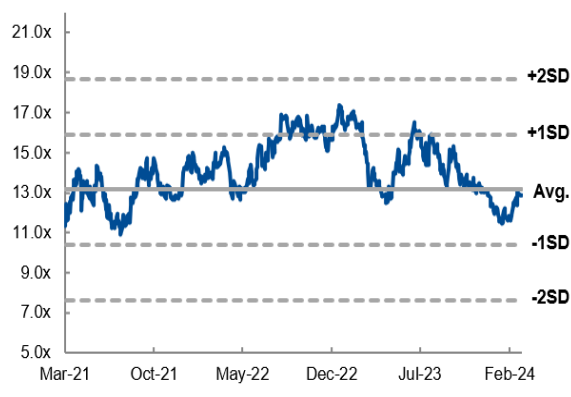
Source: Bloomberg, NHKSI Research

Margin Ratios (FY2019 - FY2023)



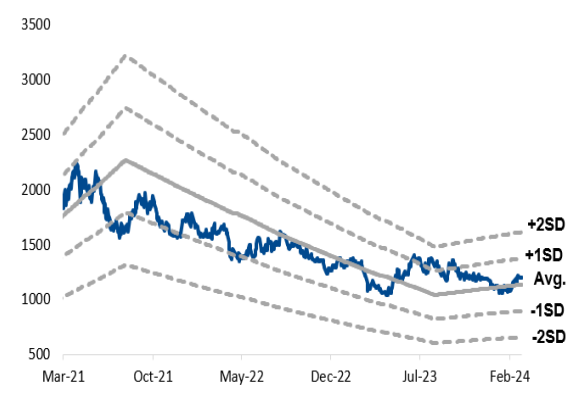
Source: Bloomberg, NHKSI Research

3-Year Forward P/E Band



Source: Bloomberg, NHKSI Research

3-Year Dynamic Forward P/E Band



Source: Bloomberg, NHKSI Research

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2023/12	2024/12E	2025/12E	2026/12E		2023/12	2024/12E	2025/12E	2026/12E
Sales	51,176	55,293	57,851	60,978	ROE	6.7%	7.8%	8.4%	8.4%
<i>Growth</i>	4.5%	8.0%	4.6%	5.4%	ROA	2.8%	3.1%	3.3%	3.3%
COGS	(43,665)	(47,407)	(49,491)	(52,116)	ROIC	6.4%	6.8%	7.4%	7.3%
Gross Profit	7,511	7,887	8,360	8,862	Cash Dividend (IDR bn)	581	400	408	448
<i>Gross Margin</i>	14.7%	14.3%	14.5%	14.5%	Dividend Yield	4.2%	2.6%	2.7%	2.9%
Operating Expenses	(5,305)	(5,529)	(5,785)	(6,098)	Payout Ratio	40.9%	43.0%	38.0%	38.0%
EBIT	2,206	2,358	2,575	2,764	DER	84.7%	95.0%	94.0%	97.0%
<i>EBIT Margin</i>	4.3%	4.3%	4.5%	4.5%	Net Gearing	96.6%	108.7%	110.6%	109.9%
Depreciation	1,097	1,075	1,075	1,082	LT Debt to Equity	55.9%	57.2%	56.6%	58.4%
EBITDA	3,303	3,432	3,650	3,846	Capitalization Ratio	45.9%	48.7%	48.5%	49.2%
<i>EBITDA Margin</i>	6.5%	6.2%	6.3%	6.3%	Equity Ratio	41.5%	39.0%	40.1%	39.1%
Interest Expenses	899	758	760	752	Debt Ratio	35.2%	37.0%	37.7%	37.9%
EBT	1,261	1,457	1,599	1,686	Financial Leverage	110.2%	110.5%	91.6%	104.4%
Income Tax	(315)	(364)	(400)	(422)	Current Ratio	161.2%	140.8%	147.0%	141.9%
Minority Interest	(16)	(19)	(21)	(22)	Inventory Turnover	3.4x	3.5x	3.4x	3.4x
Net Profit	930	1,074	1,179	1,243	Total Shares (mn)	11,727	11,727	11,727	11,728
<i>Growth</i>	-34.5%	15.5%	9.7%	5.5%	Share Price (IDR)	1,180	1,300	1,300	1,300
<i>Net Profit Margin</i>	1.8%	1.9%	2.0%	2.0%	Market Cap (IDR tn)	13.8	15.2	15.2	15.2
BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2023/12	2024/12E	2025/12E	2026/12E		2023/12	2024/12E	2025/12E	2026/12E
Cash	1,503	162	449	248	Price /Earnings	14.9x	14.2x	12.9x	12.3x
Receivables	2,456	2,769	2,885	3,004	Price /Book Value	1.0x	1.1x	1.0x	1.0x
Inventories	12,877	13,606	14,409	15,306	Price/Sales	0.3x	0.3x	0.3x	0.3x
Total Current Assets	17,218	16,893	18,113	18,921	PE/EPS Growth	-0.4x	0.9x	1.3x	2.2x
Net Fixed Assets	14,504	15,314	16,281	17,245	EV/EBITDA	7.5x	8.3x	8.1x	7.8x
Other Non Current Asset	2,387	2,096	2,196	2,227	EV/EBIT	11.3x	12.0x	11.5x	10.9x
Total Assets	34,109	34,303	36,590	38,392	EV (IDR bn)	24,931	28,322	29,653	30,160
Payables	4,118	3,865	3,995	4,429	Sales CAGR (3-Yr)	11.5%	7.2%	5.7%	6.0%
ST Bank Loan	4,078	5,049	5,485	5,782	EPS CAGR (3-Yr)	0.5%	-19.0%	-6.0%	10.2%
LT Debt	7,918	7,655	8,317	8,766	Basic EPS (IDR)	79	92	101	106
Total Liabilities	19,942	20,930	21,907	23,393	Diluted EPS (IDR)	79	92	101	106
Capital Stock & APIC	3,030	3,030	3,030	3,030	BVPS (IDR)	1,208	1,140	1,252	1,279
Retained Earnings	10,537	9,809	10,597	11,355	Sales PS (IDR)	4,364	4,715	4,933	5,200
Shareholders' Equity	14,167	13,374	14,683	14,998	DPS (IDR)	50	34	35	38
CASH FLOW STATEMENT					OWNERSHIP				
(IDR bn)	2023/12	2024/12E	2025/12E	2026/12E	By Geography	% Shareholders			
Operating Cash Flow	2,416	1,477	1,205	2,031	Singapore	83.5	Japfa Ltd	55.4	
Investing Cash Flow	(2,148)	(1,693)	(2,129)	(2,088)	United States	6.7	FIL Ltd	3.7	
Financing Cash Flow	(556)	(1,125)	1,211	(143)	Luxembourg	4.7	Vanguard Group Inc	2.3	
Net Changes in Cash	(288)	(1,340)	287	(201)	Unknown	2.1	Dimensional Fund Adv.	1.1	

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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