PT Charoen Pokphand Indonesia Tbk. (CPIN)

Profitability Soars in 1Q26 , but Expect Normalization Ahead

CPIN posted a record quarterly net profit of IDR 2.58tn in 1Q26, up +68% YoY (+13% QoQ), as revenue grew +13% YoY (-1% QoQ) to IDR 19.9tn on the back of elevated ASP and higher sales volume amid strong poultry prices. Growth was broad-based across segments, with DOC revenue surging +31% YoY (+3% QoQ), while Feed grew +8% YoY (+1% QoQ) and Broiler expanded +5% YoY (+1% QoQ). The Processed Chicken segment was comparatively muted, posting flat growth ~0% YoY (+5% QoQ), while the Others segment declined -19% YoY (-28% QoQ). Margins expanded across the board, with GPM, OPM, and NPM all improving YoY. Looking ahead, we expect poultry prices to normalize from their post-Lebaran peak amid lingering oversupply conditions, which could weigh on ASP and segment profitability through 3Q26.

1Q26 Financial Performance

- **1Q26 revenue hatches a strong start to 2026.** CPIN's 1Q26 revenue rose +13% YoY (-1% QoQ) to IDR 19.9tn, in line with expectations at 27% of our FY26F. The growth was primarily driven by elevated average selling prices and higher sales volume, both supported by strong poultry price dynamics throughout the quarter.
- **The Day-Old Chick segment flew the coop in 1Q26, outpacing every other business line.** Growth was broad-based across segments, with DOC revenue surging +31% YoY (+3% QoQ), while Feed grew +8% YoY (+1% QoQ) and Broiler expanded +5% YoY (+1% QoQ). The Processed Chicken segment was comparatively muted, posting flat growth ~0% YoY (+5% QoQ), while the Others segment declined -19% YoY (-28% QoQ).
- **Margin expansion drives 1Q26 net profit to a record high.** Gross profit margin improved to 22% in 1Q26 (vs. 18% in 1Q25 / 22% in 4Q25), while operating profit margin rose to 17% (vs. 12% in 1Q25 / 16% in 4Q25). This translated into a net profit margin of 13% (vs. 9% in 1Q25 / 11% in 4Q25), with net profit growing significantly by +68% YoY (+13% QoQ) to a record quarterly high of IDR 2.58tn — equivalent to 43% of our and 50% of consensus FY26F estimates.

Near-Term Outlook: Post-Lebaran Normalization

- **Poultry prices have begun retreating from their seasonal peak, normalizing in the aftermath of the Lebaran period.** LB prices have fallen ~12-13% ytd to around IDR 21,000 as of June 2026, with the quarterly average price down -12% to approximately IDR 22,000 in 2Q26 (vs. IDR 25,000 in 1Q26). Carcass broiler prices followed a similar trajectory, declining ~8% ytd to around IDR 35,000, with the quarterly average down -8% to approximately IDR 37,000 in 2Q26 (vs. IDR 40,000 in 1Q26).
- **Supply overhang persists, driven by seasonal and structural factors**. On the supply side, the Ditjen PKH has flagged signs of oversupply in the post-Lebaran period, estimated at 5–10% above normal weekly demand — concentrated particularly in Java. The excess supply stems from two converging dynamics: (1) a normalization of consumer demand following the elevated Lebaran holiday period, and (2) simultaneous breeding cycles, where elevated chick-in placements ahead of Lebaran have led to peaking of poultry supply. Compounding the situation further is the presence of seasonal local farmers who entered the poultry breeding cycle during the run-up to Lebaran to capitalize on peak demand during the festive season, amplifying the supply overhang as they exit the market. We view the demand normalization phase will likely persist through 3Q26, consistent with typical mid-year seasonal patterns.

BUY Recommendation with Target Price at IDR 5,050/Share

- **We maintain our BUY rating on CPIN with a TP of IDR 5,050/share.** Our constructive long-term view on CPIN remains intact, anchored by its diversified business model spanning feed, breeding, and downstream processed products. While we acknowledge near-term margin pressure as poultry prices normalize from their post-Lebaran peak — with oversupply conditions likely to persist and weigh on ASP and segment profitability in the coming quarters — we view this as a seasonal dynamic rather than a structural deterioration in CPIN's earnings power. With 1Q26 net profit coming in at a record high and beating both our and consensus estimates, we believe this earnings strength will more than offset the near-term softness in poultry prices on a full-year basis.

PT Charoen Pokphand Indonesia Tbk. | Summary (IDR Billions)

	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	70.705	75.190	79.176	85.137
Growth (%y/y)	*4,8%*	*6,3%*	*5,3%*	*7,5%*
Net Profit	5.644	5.960	6.436	7.059
Growth (%y/y)	*52,0%*	*5,6%*	*8,0%*	*9,7%*
Basic EPS (IDR)	344	363	392	430
Price / Earnings	13,1	13,9	12,9	11,7
Price / Book Value	2,2	2,3	2,1	1,9
EV / EBITDA	8,1	8,2	7,6	6,9
ROE	16,5%	16,4%	16,2%	16,3%
ROA	12,3%	12,5%	12,6%	12,8%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 23rd June 2026

BUY

Target Price (IDR)	**5,050**
Consensus Price	5,650
TP to Consensus Price	-10.6%
Potential Upside	+58.8%

Shares Data

Last Price (IDR)	3,180
Price date as of	23rd June 2026
52 wk range (Hi/Lo)	5,375 / 3,080
Free Float (%)	44.5
Outstanding sh (mn)	16,398
Market Cap (IDR bn)	52,146
Market Cap (USD mn)	2,920
Avg. Trd Vol – 3M (mn)	10.5

Sector
Consumer Non-Cylicals

Sub-Sector
Food & Beverages

Bloomberg	CPIN IJ Equity
Reuters	CPIN JK

Shares Price Performance

	YTD	3M	6M	12M
Abs.Ret	-29.5%	-22.4%	-30.4%	-30.6%
Rel.Ret	+1.7%	-6.1%	-0.2%	-19.2%

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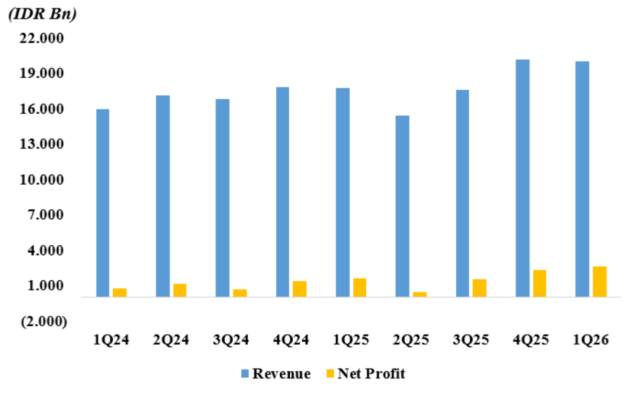
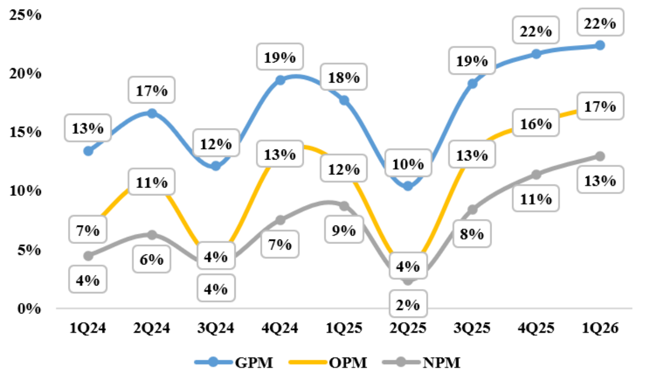
Performance Highlight for CPIN

Exhibit 1. CPIN Quarterly Revenue and Net Profit Performance (1Q24-1Q26)



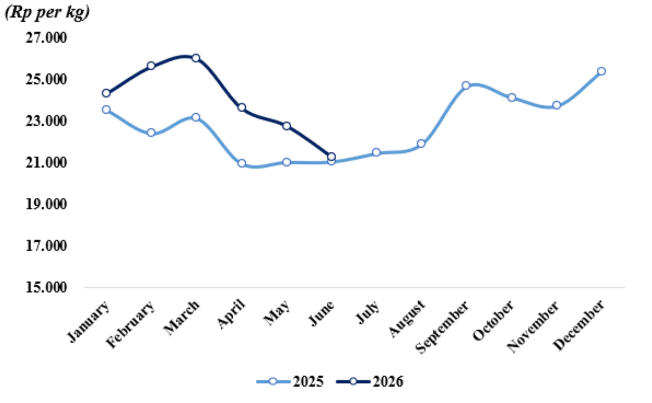
Source : Company, NHKSI Research

Exhibit 2. CPIN Margin Performance (1Q24-1Q26)



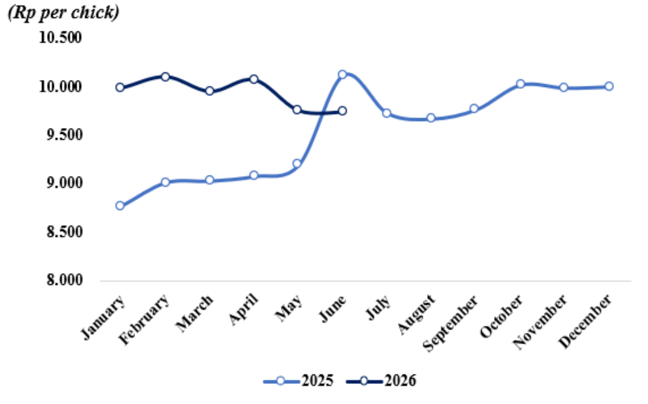
Source : Company, NHKSI Research

Exhibit 3. Average LB Price



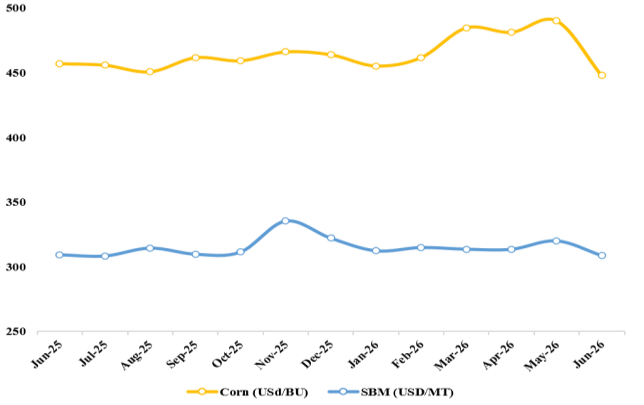
Source : SIMPONI Ternak, NHKSI Research

Exhibit 4. Average DOC Price



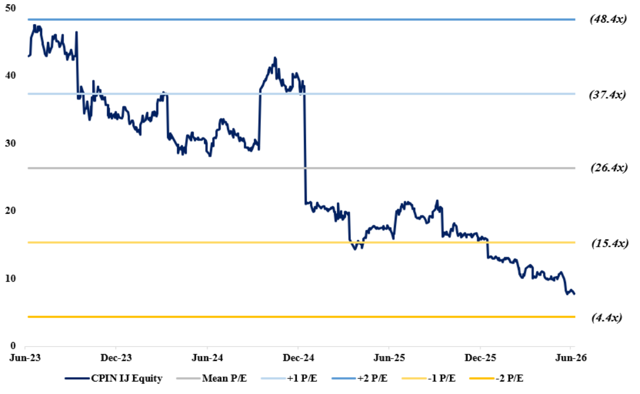
Source : SIMPONI Ternak, NHKSI Research

Exhibit 5. Average Corn & SBM Price



Source : Bloomberg, NHKSI Research

Exhibit 6. CPIN 3-Year P/E Band



Source : Company, NHKSI Research

Summary of CPIN's Financials & Forecast

INCOME STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Net Sales	**67.478**	**70.705**	**75.190**	**79.176**	**85.137**
Growth	*9,5%*	*4,8%*	*6,3%*	*5,3%*	*7,5%*
COGS	(57.058)	(58.285)	(61.979)	(65.341)	(70.349)
Gross Profit	**10.420**	**12.420**	**13.211**	**13.835**	**14.788**
Gross Margin	*15,4%*	*17,6%*	*17,6%*	*17,5%*	*17,4%*
Operating Expenses	(4.433)	(4.287)	(4.434)	(4.494)	(4.545)
EBIT	**5.987**	**8.133**	**8.777**	**9.342**	**10.243**
EBIT Margin	*8,9%*	*11,5%*	*11,7%*	*11,8%*	*12,0%*
Depreciation	1.332	1.197	1.499	1.694	1.850
EBITDA	**7.320**	**9.330**	**10.275**	**11.036**	**12.093**
EBITDA Margin	10,8%	13,2%	13,7%	13,9%	14,2%
Finance Expenses	(732)	(560)	(663)	(611)	(637)
EBT	**5.256**	**7.713**	**8.145**	**8.794**	**9.646**
Income Tax	(1.545)	(2.069)	(2.185)	(2.359)	(2.588)
Net Profit	**3.713**	**5.644**	**5.960**	**6.436**	**7.059**
Growth	*60,1%*	*52,0%*	*5,6%*	*8,0%*	*9,7%*
Net Profit Margin	*5,5%*	*8,0%*	*7,9%*	*8,1%*	*8,3%*

PROFITABILITY & STABILITY

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
ROE	12,3%	16,5%	16,4%	16,2%	16,3%
ROA	8,7%	12,3%	12,5%	12,6%	12,8%
Inventory Turnover	6,1	5,6	5,4	5,3	5,1
Receivable Turnover	33,7	28,6	26,2	25,5	24,5
Payables Turnover	21,5	20,5	20,7	20,8	20,6
Dividend Yield	37%	60%	56%	61%	67%
Payout Ratio	48%	48%	48%	48%	48%
DER	27%	18%	17%	16%	15%
DAR	19%	14%	13%	12%	12%
Net Gearing	27%	18%	17%	16%	15%
Cash Conversion Cycle	53,57	60,52	65,62	69,76	73,99
Interest Coverage	8,18	14,53	13,24	15,28	16,07
Current Ratio	2,48	3,22	3,58	3,91	4,22
Quick Ratio	1,39	1,73	1,95	2,12	2,25
Total Shares (mn)	16.398	16.398	16.398	16.398	16.398
Share Price (IDR)	4.760	4.510	5.050	5.050	5.050
Market Cap (IDR bn)	78.054	73.955	82.810	82.810	82.810

BALANCE SHEET

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Cash	4.446	4.461	4.876	5.396	6.088
Receivables	2.182	2.791	2.951	3.262	3.683
Inventories	9.375	11.406	11.681	12.931	14.618
Total Current Assets	**21.340**	**24.631**	**25.708**	**28.185**	**31.351**
Net Fixed Assets	16.928	17.363	17.919	18.479	19.032
Other Non Current Assets	4.523	3.865	3.938	4.530	4.807
Total Non Current Assets	**21.451**	**21.227**	**21.857**	**23.009**	**23.839**
Total Assets	**42.791**	**45.858**	**47.565**	**51.194**	**55.191**
Payables	2.420	3.154	2.972	3.135	3.401
ST Bank Loan	5.400	3.480	3.306	3.188	3.129
Total Current Liabilities	**8.590**	**7.641**	**7.191**	**7.204**	**7.431**
LT Debt	2.794	2.824	2.959	3.193	3.271
Other Non Current Liab	1.119	1.242	1.101	1.132	1.135
Total Non Current Liabilities	**3.913**	**4.066**	**4.060**	**4.325**	**4.406**
Total Liabilities	**12.502**	**11.707**	**11.250**	**11.529**	**11.837**
Capital Stock & APIC	121	121	121	121	121
Retained Earnings	30.135	33.997	36.204	39.570	43.262
Shareholders' Equity	**30.274**	**34.136**	**36.343**	**39.709**	**43.401**

VALUATION INDEX

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	21,02	13,10	13,89	12,87	11,73
Price /Book Value	2,58	2,17	2,28	2,09	1,91
EPS Growth	60%	52%	6%	8%	10%
EV/EBITDA	11,18	8,12	8,19	7,59	6,87
EV/EBIT	13,66	9,32	9,59	8,97	8,11
EV (IDR bn)	81.802	75.798	84.199	83.795	83.122
Sales CAGR (3-Yr)	9%	8%	7%	5%	6%
Net Income CAGR (3-Yr)	1%	24%	37%	20%	21%
Basic EPS (IDR)	226	344	363	392	430
BVPS (IDR)	1.846	2.082	2.216	2.422	2.647
DPS (IDR)	108	164	173	187	205

CASH FLOW STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	4.306	5.774	5.616	5.250	6.246
Investing Cash Flow	(508)	(1.888)	(1.998)	(1.970)	(2.142)
Financing Cash Flow	(1.611)	(3.894)	(3.132)	(2.735)	(3.363)
Net Changes in Cash	**2.118**	**14**	**415**	**520**	**692**

OWNERSHIP

Shareholders	**%**
Charoen Pokphand Indonesia Group	55,5
UBS AG	6,0
Vanguard Group Inc	2,0
Blackrock Inc	1,4
By Geography	**%**
Indonesia	80,9
Switzerland	8,7
United States	6,7
Others	3,7

Source: Company, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

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