PT Japfa Comfeed Indonesia Tbk. (JPFA)

1H26 Earnings Took Flight, but 2Q26 Margins Retreat

JPFA's 1H26 posted strong consolidated revenue growing +28.7% YoY to IDR 35.4 tn, in line with our estimates (52% of our FY26F forecast). All segments contributed positively, led by Trading & Others (+45.9% YoY) and Poultry Breeding (+45.4% YoY). GPM widened to 21.6% in 1H26 (vs. 19.2% in 1H25), OPM to 10.6% (vs. 7.8% in 1H25), and NPM to 7.0% (vs. 4.5% in 1H25), translating into net profit of IDR 2.5 tn (+100.2% YoY) — equivalent to 59% of our FY26F estimate. However, 2Q26 margins retreated sharply from 1Q26's peak as broiler and DOC prices softened against still-elevated feed costs, with GPM at 17.6%, OPM at 6.5%, and NPM at 3.7% for the quarter.

1H26 & 2Q26 Financial Performance

- **Strong topline delivered in 1H26, as 2Q26 held flat QoQ off a high base.** JPFA's 1H26 posted consolidated revenue surging +28.7% YoY to IDR 35.4 tn, in line with our estimates and representing 52% of our full-year FY26 forecast. Revenue growth was equally robust in 2Q26 alone, up +34.2% YoY, though flat QoQ at IDR 17.6 tn, as the quarter's momentum sustained the strong run-rate set in 1Q26.
- **Broad-based segment growth across the board.** Feed rose +42.4% YoY (+8.8% QoQ), Poultry Breeding +45.4% YoY (-11.5% QoQ), Commercial Farm +23.1% YoY (-10.3% QoQ), Poultry Processing +33.7% YoY (+0.9% QoQ), Aquaculture +38.8% YoY (+32.7% QoQ), and Trading & Others +45.9% YoY (+10.6% QoQ), driven by higher ASP and volumes. Export sales surged +146.1% YoY (+67.2% QoQ), while local sales grew +32.0% YoY (-1.9% QoQ).
- **Margin expansion drove 1H26 net profit to a new high, though 2Q26 saw a sharp reversal.** GPM widened to 21.6% in 1H26 (vs. 19.2% in 1H25), OPM to 10.6% (vs. 7.8%), and NPM to 7.0% (vs. 4.5%), lifting net profit +100.2% YoY to IDR 2.5 tn (59% of our FY26F estimates). However, 2Q26 alone saw margins reverse sharply as cost pressures resurfaced and DOC and broiler prices fell QoQ against rising COGS, with GPM falling to 17.6% (vs. 19.6% in 2Q25 / 25.5% in 1Q26), OPM to 6.5% (vs. 7.6% / 14.7%), and NPM to 3.7% (vs. 4.2% / 10.3%).
- **Feed stayed the anchor; Commercial Farm swung into a loss.** Feed EBIT margin held stable at 9.5% (vs. 8.6% in 2Q25 / 9.7% in 1Q26). Poultry Processing & Consumer Products improved to 6.1% (vs. 3.3% in 2Q25 / 4.7% in 1Q26), while Poultry Breeding eased to 21.4% (vs. -0.8% in 2Q25 / 29.2% in 1Q26), Aquaculture eased to 9.4% (vs. 10.9% in 2Q25 / 7.6% in 1Q26), and Trading & Others eased to 3.2% (vs. 10.2% in 2Q25 / 12.2% in 1Q26). Commercial Farm was the sole loss-making segment at -6.5% (vs. 4.7% in 2Q25 / 10.1% in 1Q26).

Early Price Recovery Signals in 3Q26 But Input Cost Pressures Still Persists

- **Poultry prices begin recovering in July-August.** Live bird prices rose +4% vs. the 2Q26 average (+8% YoY); carcass broiler prices rose +2% vs. 2Q26 (+8% YoY). Elevated input costs likely cap near-term upside, but we expect more meaningful margin recovery in 4Q26 as seasonal demand strengthens.
- **Corn and soybean meal prices stay elevated in 3Q26.** Corn surged +29% YoY (+16% vs. 2Q26) to a late-August average of USD 5.15/bushel, a fresh high since July 2023, on tightening global supply and US crop concerns. Soybean meal rose +10% YoY (+10% vs. 2Q26) to USD 345.9/ton. This pressures poultry margins, but we view JPFA's Feed segment, the largest EBIT contributor, as a relative beneficiary given its cost pass-through ability.

Maintain BUY Recommendation with Target Price at IDR 3,300/Share

- **We maintain our BUY rating on JPFA with a target price of IDR 3,300/share.** We maintain our BUY rating on JPFA with a target price of IDR 3,300/share. Our outlook remains intact, backed by JPFA's integrated business model providing resilience through commodity cycles. We favour the stock at current levels, trading at 4.9x P/E, near the -1 standard deviation of its 3-year P/E band, as a compelling entry point. Longer term, we see JPFA as a key beneficiary of Indonesia's protein transition, with its downstream processing pivot and low-cost integrated operations anchoring growth and through-cycle profitability.

PT Japfa Comfeed Indonesia Tbk. | Summary (IDR Billions)

	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	60.716	67.503	74.502	82.135
Growth (%y/y)	*8,8%*	*11,2%*	*10,4%*	*10,2%*
Net Profit	4.004	4.167	4.515	5.117
Growth (%y/y)	*32,6%*	*4,1%*	*8,4%*	*13,3%*
Basic EPS (IDR)	341	355	385	436
Price / Earnings	7,67	6,25	5,77	5,09
Price / Book Value	1,65	1,17	1,01	0,87
EV / EBITDA	5,49	4,61	4,25	3,78
ROE	21,5%	18,8%	17,5%	17,1%
ROA	10,0%	9,8%	9,8%	10,2%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 31st August 2026

BUY

Target Price (IDR)	**3,300**
Consensus Price	3,080
TP to Consensus Price	7.1%
Potential Upside	48.0%

Shares Data

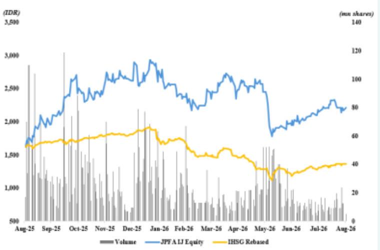
Last Price (IDR)	2,230
Price date as of	31st August 2026
52 wk range (Hi/Lo)	2,970 / 1,550
Free Float (%)	32.7
Outstanding sh (mn)	11,727
Market Cap (IDR bn)	26,033
Market Cap (USD mn)	1,469
Avg. Trd Vol – 3M (mn)	36.4

Sector
Consumer Non-Cylicals

Sub-Sector
Food & Beverages

Bloomberg	JPFA IJ Equity
Reuters	JPFA JK

Shares Price Performance



	YTD	3M	6M	12M
Abs.Ret	-15.3%	-9.0%	-9.4%	-15.3%
Rel.Ret	+10.3%	-13.9%	+10.2%	-0.7%

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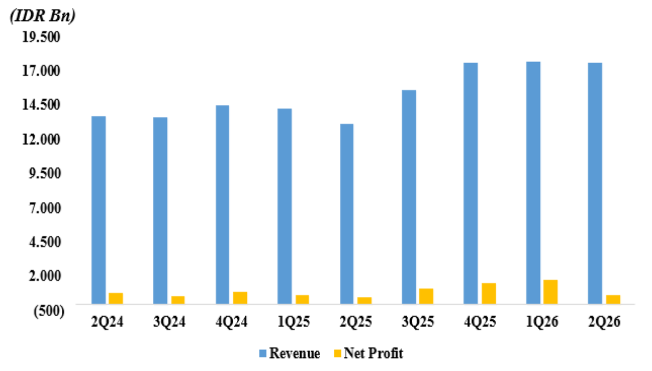
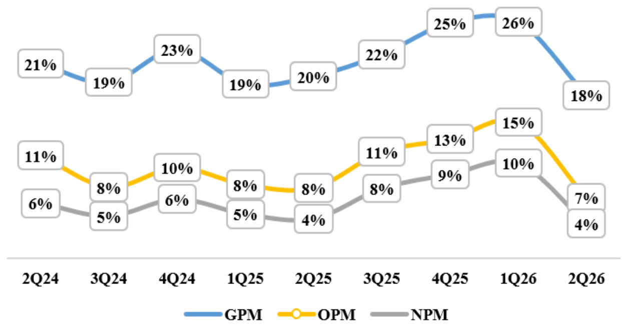
Performance Highlight for JPFA

Exhibit 1. JPFA Quarterly Revenue and Net Profit Performance (2Q24-2Q26)



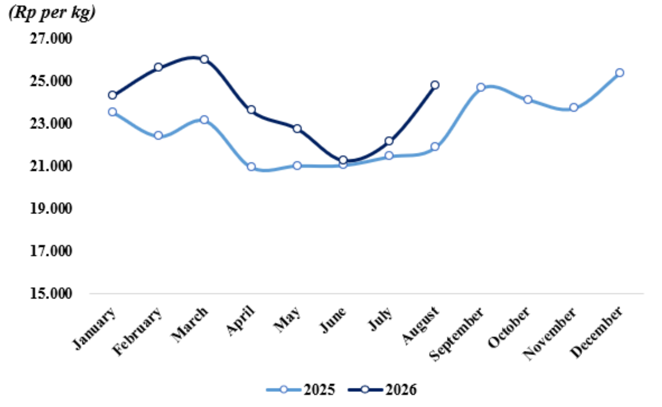
Source : Company, NHKSI Research

Exhibit 2. JPFA Margin Performance (2Q24-2Q26)



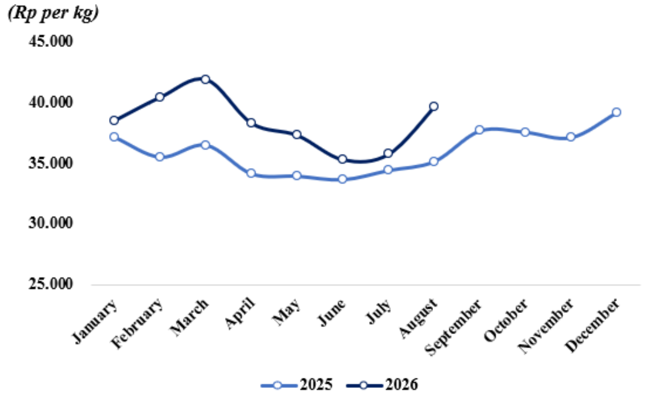
Source : Company, NHKSI Research

Exhibit 3. Average LB Price YoY



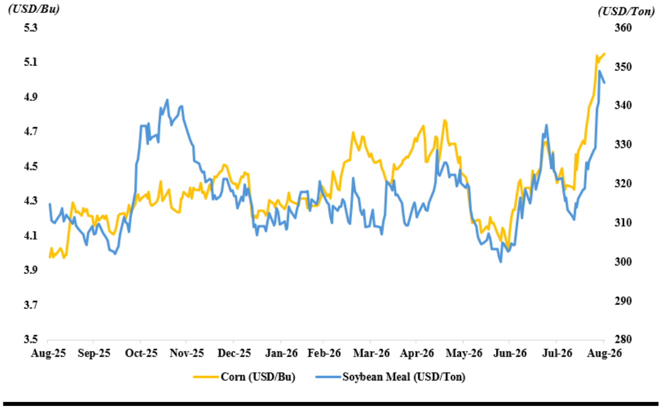
Source : Kementerian Pertanian, NHKSI Research

Exhibit 4. Average Broiler Carcass Price YoY



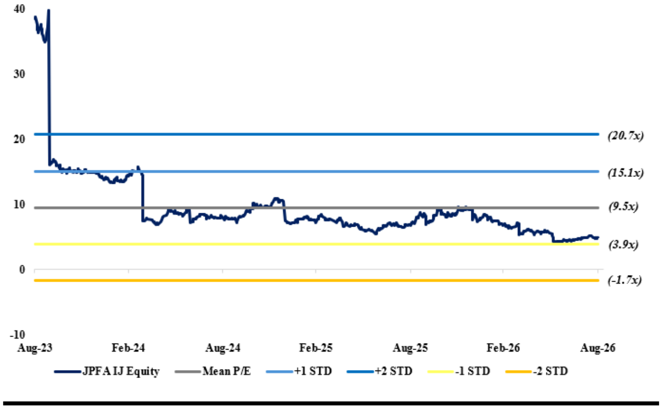
Source : Bloomberg, NHKSI Research

Exhibit 5. Corn & SBM Price YoY



Source : Bloomberg, NHKSI Research

Exhibit 6. JPFA 3-Year P/E Band



Source : Company, NHKSI Research

Summary of JPFA's Financials & Forecast

INCOME STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Net Sales	**55.801**	**60.716**	**67.503**	**74.502**	**82.135**
Growth	*9,0%*	*8,8%*	*11,2%*	*10,4%*	*10,2%*
COGS	(44.583)	(47.524)	(53.515)	(59.285)	(65.368)
Gross Profit	**11.218**	**13.191**	**13.988**	**15.217**	**16.766**
Gross Margin	*20,1%*	*21,7%*	*20,7%*	*20,4%*	*20,4%*
Operating Expenses	(6.156)	(7.008)	(7.521)	(8.266)	(9.026)
EBIT	**5.062**	**6.184**	**6.467**	**6.951**	**7.740**
EBIT Margin	*9,1%*	*10,2%*	*9,6%*	*9,3%*	*9,4%*
Depreciation	883	924	1.036	1.107	1.194
EBITDA	**5.945**	**7.107**	**7.503**	**8.059**	**8.934**
EBITDA Margin	10,7%	11,7%	11,1%	10,8%	10,9%
Finance Expenses	(870)	(804)	(794)	(797)	(755)
EBT	**4.241**	**5.484**	**5.745**	**6.225**	**7.054**
Income Tax	(1.029)	(1.202)	(1.264)	(1.369)	(1.552)
Net Profit	**3.019**	**4.004**	**4.167**	**4.515**	**5.117**
Growth	*219,1%*	*32,6%*	*4,1%*	*8,4%*	*13,3%*
Net Profit Margin	*5,4%*	*6,6%*	*6,2%*	*6,1%*	*6,2%*

PROFITABILITY & STABILITY

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
ROE	19,5%	21,5%	18,8%	17,5%	17,1%
ROA	8,7%	10,0%	9,8%	9,8%	10,2%
Inventory Turnover	4,7	5,0	5,4	5,6	5,8
Receivable Turnover	20,9	20,6	20,7	20,2	19,3
Payables Turnover	8,6	9,9	9,4	9,3	9,6
Dividend Yield	42%	31%	38%	41%	46%
Payout Ratio	27%	20%	20%	20%	20%
DER	69%	64%	53%	46%	39%
DAR	31%	30%	28%	26%	24%
Net Gearing	65%	59%	50%	44%	38%
Cash Conversion Cycle	52,97	58,04	56,80	55,93	56,92
Interest Coverage	5,82	7,69	8,14	8,73	10,26
Current Ratio	1,85	1,29	2,27	2,51	2,76
Quick Ratio	0,85	0,71	1,21	1,35	1,50
Total Shares (mn)	11.727	11.727	11.727	11.727	11.727
Share Price (IDR)	1.940	2.620	2.220	2.220	2.220
Market Cap (IDR bn)	22.750	30.724	26.033	26.033	26.033

BALANCE SHEET

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Cash	1.354	3.550	3.285	3.585	4.029
Receivables	2.761	3.126	3.395	3.968	4.528
Inventories	9.311	9.600	10.307	10.984	11.566
Total Current Assets	**17.169**	**21.376**	**22.085**	**23.711**	**25.363**
Net Fixed Assets	13.754	14.995	16.428	17.861	19.262
Other Non Current Assets	3.743	3.689	4.085	4.548	5.494
Total Non Current Assets	**17.497**	**18.684**	**20.513**	**22.410**	**24.756**
Total Assets	**34.666**	**40.060**	**42.598**	**46.121**	**50.119**
Payables	5.436	4.752	4.837	4.733	4.618
ST Bank Loan	3.273	9.772	3.940	3.743	3.556
Total Current Liabilities	**9.296**	**16.517**	**9.712**	**9.454**	**9.191**
LT Debt	7.471	2.090	7.922	8.080	8.242
Other Non Current Liab	1.327	1.434	1.434	1.434	1.434
Total Non Current Liabilities	**8.798**	**3.524**	**9.356**	**9.514**	**9.676**
Total Liabilities	**18.094**	**20.041**	**19.068**	**18.968**	**18.866**
Capital Stock & APIC	3.030	3.030	3.030	3.030	3.030
Retained Earnings	12.758	15.796	19.296	22.908	27.001
Shareholders' Equity	**15.477**	**18.664**	**22.173**	**25.793**	**29.891**

VALUATION INDEX

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	7,54	7,67	6,25	5,77	5,09
Price /Book Value	1,47	1,65	1,17	1,01	0,87
EPS Growth	225%	33%	4%	8%	13%
EV/EBITDA	5,41	5,49	4,61	4,25	3,78
EV/EBIT	6,35	6,31	5,35	4,93	4,37
EV (IDR bn)	32.139	39.036	34.610	34.271	33.802
Sales CAGR (3-Yr)	8%	7%	10%	10%	12%
Net Income CAGR (3-Yr)	14%	41%	65%	14%	13%
Basic EPS (IDR)	257	341	355	385	436
BVPS (IDR)	1.320	1.592	1.891	2.200	2.549
DPS (IDR)	69	68	71	77	87

CASH FLOW STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	4.860	5.012	4.327	5.080	5.704
Investing Cash Flow	(1.673)	(2.826)	(2.252)	(2.643)	(2.723)
Financing Cash Flow	(3.389)	(35)	(2.346)	(2.118)	(2.493)
Net Changes in Cash	**(149)**	**2.196**	**(265)**	**300**	**443**

OWNERSHIP

Shareholders	**%**
Japfa Ltd.	56,3
PT Japfa Comfeed Indonesia Tbk.	0,2
Public	43,5
By Geography	**%**
Singapore	76,9
United States	7,8
Switzerland	3,7
Others	11,6

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%

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