PT Charoen Pokphand Indonesia Tbk. (CPIN)

Strong 9M26 Earnings, 3Q26 Margins Rebound from 2Q26 Trough

CPIN booked 9M26 net profit of IDR 5.2 tn (+54.0% YoY) on revenue of IDR 60.2 tn (+19.0% YoY), ahead of our expectations at 86.9% of our previous FY26F. 3Q26 rebounded from the 2Q26 trough, with GPM recovering to 17.2% (vs. 12.8% in 2Q26) and net profit rising +30.4% QoQ to IDR 1.5 tn, led by a margin recovery in Broiler and Day-Old Chicks. Higher finance costs, however, kept 3Q26 net profit flat YoY. While firm poultry prices should support 4Q26, higher-cost corn inventory and a high 4Q25 base are likely to weigh on YoY earnings. We raise our FY26F net profit to IDR 6.7 tn and maintain "Buy" with a lower TP of IDR 3,950/share.

9M26 & 3Q26 Financial Performance

- **Solid 9M26 Topline, with Record Quarterly Revenue in 3Q26.** CPIN's 9M26 consolidated revenue rose +19.0% YoY to IDR 60.2 tn, above our estimates at 80.1% of our previous FY26F forecast (9M25: 71.6% of FY25 revenue). 3Q26 revenue grew +18.5% YoY and +6.8% QoQ to IDR 20.8 tn, the highest quarterly revenue since at least 1Q23 (vs. IDR 20.0 tn in 1Q26 and IDR 19.5 tn in 2Q26).
- **Feed and Day-Old Chicks Drove Segment Growth.** In 9M26, Feed revenue rose +43.7% YoY to IDR 20.7 tn (from IDR 14.4 tn in 9M25), supported by a rising share of external feed sales. Day-Old Chicks rose +54.2% YoY to IDR 3.4 tn (from IDR 2.2 tn), Broiler +8.3% YoY to IDR 27.0 tn (from IDR 24.9 tn), and Processed Chicken +1.4% YoY to IDR 8.2 tn (from IDR 8.0 tn), while Others declined -8.6% YoY to IDR 892 bn (from IDR 977 bn). By geography, export sales rose +31.0% YoY to IDR 257 bn, while local sales grew +18.9% YoY to IDR 59.9 tn.
- **9M26 Margins Expand YoY as 3Q26 Recovers from the 2Q26 Trough.** 9M26 GPM expanded to 17.5% (vs. 15.9% in 9M25), OPM to 11.3% (vs. 9.8% in 9M25), and NPM to 8.6% (vs. 6.6% in 9M25), driving net profit growth of +54.0% YoY to IDR 5.2 tn. In 3Q26, GPM recovered to 17.2% (vs. 19.1% in 3Q25 / 12.8% in 2Q26), OPM to 10.5% (vs. 13.1% in 3Q25 / 6.2% in 2Q26), and NPM to 7.1% (vs. 8.3% in 3Q25 / 5.8% in 2Q26). This confirms that the 2Q26 compression was a seasonal trough.
- **Broiler and Day-Old Chicks Lead the Recovery, While Feed Softens.** Segment-level margins swung sharply. Broiler EBIT margin rebounded to 12.7% (vs. 11.5% in 3Q25 / 0.8% in 2Q26), and Day-Old Chicks turned positive at 18.2% (vs. 19.1% in 3Q25 / -9.8% in 2Q26) as live bird and DOC prices recovered. Processed Chicken improved to 6.3% (vs. 8.1% / 3.1%). Feed EBIT margin compressed to 12.5% (vs. 17.4% in 3Q25 / 17.1% in 2Q26), after holding steady in 1H26, as higher corn costs were not fully passed through to feed prices.
- **Higher Funding Costs Weigh on the Bottom Line.** Opex-to-sales eased to 6.5% in 3Q26 (vs. 6.9% in 3Q25), as opex grew +10.9% YoY, slower than revenue growth of +18.5% YoY. However, finance costs rose to IDR 209 bn (+47.2% YoY, +72.8% QoQ) as bank loans increased to IDR 11.2 tn as of Sep-26 (vs. IDR 6.3 tn in Dec-25). The increase coincided with an inventory build to IDR 17.8 tn (vs. IDR 11.4 tn in Dec-25), mainly raw materials, while 9M26 operating cash flow fell to IDR 114 bn (vs. IDR 4.0 tn in 9M25). Together with an FX loss of IDR 62 bn (vs. an IDR 245 bn gain in 2Q26), this kept 3Q26 net profit flat YoY at +0.6%, despite +18.5% YoY revenue growth.

Firm Prices into 4Q26 Support Our Upward FY26F Revision

- **Poultry Price Momentum Carries into 4Q26.** Live Bird prices averaged IDR 23,681/kg in 3Q26 (+12.3% YoY, +3.6% QoQ) and strengthened further in October to IDR 23,898/kg (+6.0% YoY), above the 3Q26 average. Coupled with seasonal year-end demand, this suggests that selling prices in 4Q26 should hold at least at 3Q26 levels. On a YoY basis, however, the comparison is demanding, as 4Q25 was CPIN's strongest quarter of FY25 (GPM of 21.6%, net profit of IDR 2.3 tn). We therefore expect 4Q26 earnings to come in below that base.
- **Corn Costs Likely to Weigh on 4Q26 Despite the October Pullback.** Corn prices rose +7.7% QoQ to an average of USD 4.78/bushel in 3Q26, spiking to a September average of USD 5.22/bushel before retreating to USD 4.75/bushel in October. Soybean Meal followed a similar path, averaging USD 336.5/ton in 3Q26 (+6.9% QoQ) and reaching USD 361.6/ton in September. As CPIN built up raw material inventory during 3Q26 (IDR 9.8 tn as of Sep-26 vs. IDR 4.9 tn in Dec-25), part of this higher-cost stock will flow through COGS in 4Q26, limiting the near-term benefit of the October pullback.
- **We Raise Our Forecasts.** Given the stronger-than-expected 9M26 results and firm poultry prices heading into 4Q26, we raise our FY26F revenue to IDR 81.3 tn (+15.0% YoY; previously IDR 75.2 tn) and net profit to IDR 6.7 tn (+18.5% YoY; previously IDR 6.0 tn). 9M26 represents 74.1% and 77.5% of our new FY26F revenue and net profit, respectively.

Maintain "Buy" Recommendation with a Lower Target Price at IDR 3,950/Share

- **We maintain our "Buy" rating on CPIN with a lower TP of IDR 3,950/share (previously IDR 5,050), based on DCF valuation, implying 9.7x FY26F P/E and a potential upside of 63.9%.** The lower TP reflects a higher cost of capital, as we factor in a higher risk-free rate and market risk premium amid heightened uncertainty in the Indonesian equity market, including MSCI's potential reclassification of Indonesia. Beyond the market backdrop, CPIN's fundamentals remain solid, as reflected in its +54.0% YoY net profit growth in 9M26. Its integrated business model spanning feed, breeding, and downstream processed products continues to provide earnings stability across poultry cycles.
- **Risks:** (1) higher-than-anticipated corn and soybean meal prices; (2) further IDR depreciation; (3) volatility in live bird and DOC prices; (4) weaker consumer purchasing power.

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

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	70,705	81,279	86,816	91,403
Growth (%y/y)	4.8%	15.0%	6.8%	5.3%
Net Profit	5,644	6,687	7,298	7,663
Growth (%y/y)	52.0%	18.5%	9.1%	5.0%
Basic EPS (IDR)	344	408	445	467
Price / Earnings	13.1x	9.7x	8.9x	8.5x
Price / Book Valu	2.2x	1.7x	1.6x	1.4x
EV/EBITDA	7.9x	6.3x	5.5x	5.2x
ROE	16.5%	17.7%	17.5%	16.8%
ROA	12.3%	13.5%	13.6%	13.3%

Source : Company Data, Bloomberg, NHKSI Research

Update Report | 12th November 2026

Buy

Target Price (IDR)	**3,950**
Consensus Price	4,005
TP to Consensus Price	-1.4%
Potential Upside	+63.9%

Shares Data

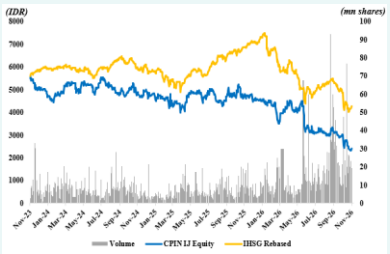
Last Price (IDR)	2,410
Price date as of	12th November 2026
52 wk range (Hi/Lo)	4,880 / 2,270
Free Float (%)	39.8
Outstanding sh (mn)	16,398
Market Cap (IDR bn)	39,519
Market Cap (USD mn)	2,168
Avg. Trd Vol – 3M (mn)	31.2

Sector
Consumer Non-Cylicals

Sub-Sector
Food & Beverages

Bloomberg	CPIN IJ Equity
Reuters	CPIN JK

Shares Price Performance



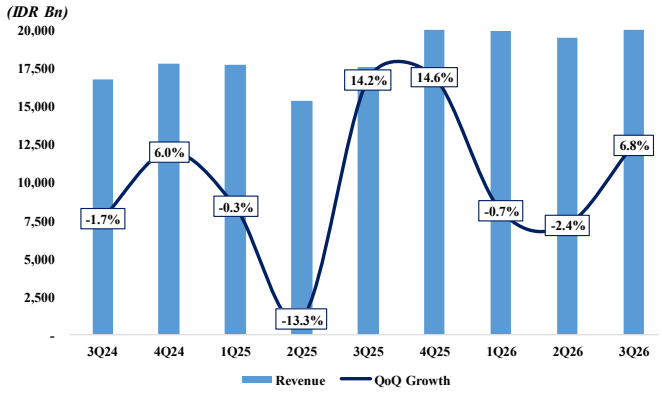
	YTD	3M	6M	12M
Abs. Ret	-46.6%	-23.5%	-39.5%	-49.2%
Rel. Ret	-6.4%	-4.7%	-14.9%	-10.9%

Fadly Rafiudin
Equity Research Analyst
fadly.rafiudin@nhsec.co.id

Please consider the rating criteria & important disclaimer

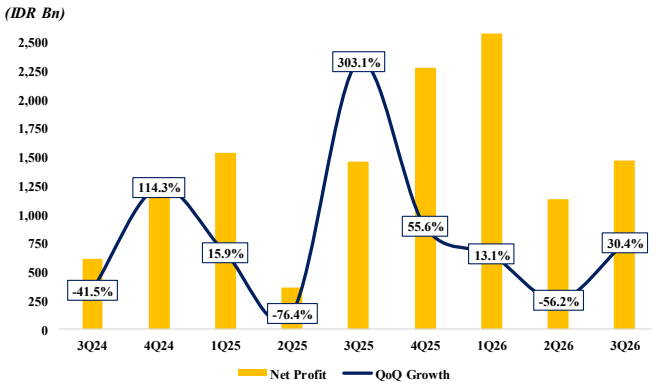
Performance Highlight for CPIN

Exhibit 1. CPIN Quarterly Revenue and QoQ Growth (3Q24-3Q26)



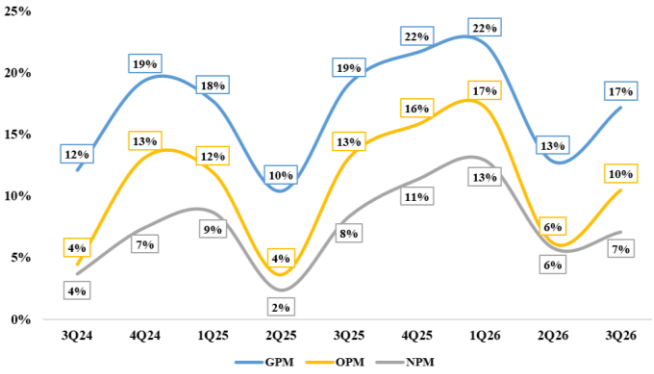
Source : Company, NHKSI Research

Exhibit 2. CPIN Quarterly Net Profit and QoQ Growth (3Q24-3Q26)



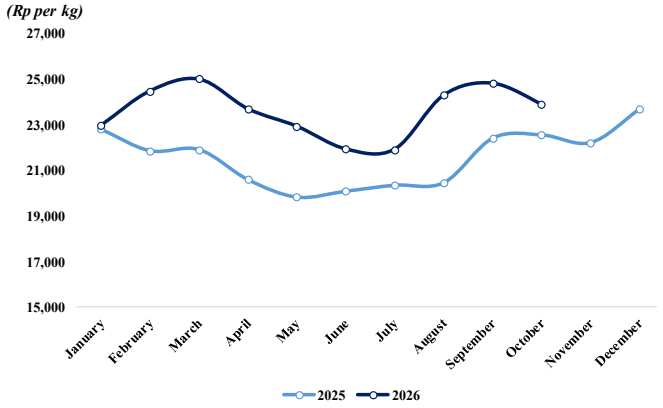
Source : Company, NHKSI Research

Exhibit 3. CPIN Margin Performance (3Q24-3Q26)



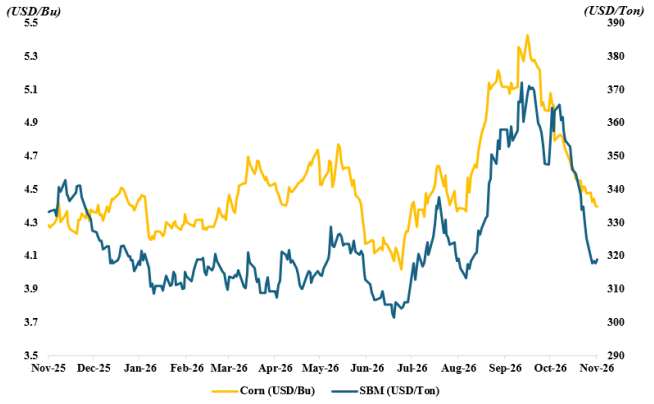
Source : Company, NHKSI Research

Exhibit 4. Average LB Price YoY



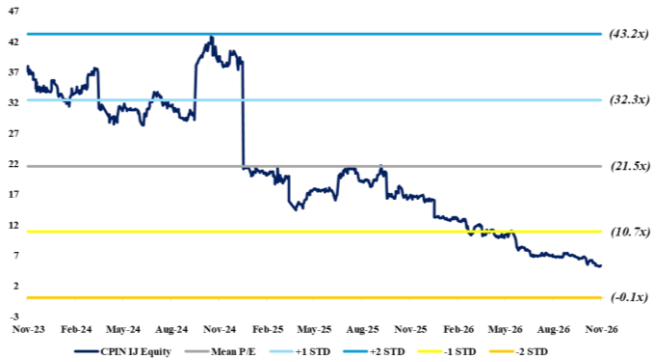
Source : Badan Pangan Nasional, NHKSI Research

Exhibit 5. Corn & SBM Price (1-Year)



Source : Bloomberg, NHKSI Research

Exhibit 6. CPIN 3-Year P/E Band



Source : NHKSI Research

Summary of CPIN's Financials & Forecast

INCOME STATEMENT

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	**70,705**	**81,279**	**86,816**	**91,403**
Growth %	*4.8%*	*15.0%*	*6.8%*	*5.3%*
COGS	(58,285)	(67,462)	(71,811)	(75,735)
Gross Profit	**12,420**	**13,817**	**15,005**	**15,668**
Gross Margin	*17.6%*	*17.0%*	*17.3%*	*17.1%*
Operating Expenses	(4,846)	(5,519)	(5,923)	(6,221)
EBIT	**8,133**	**8,941**	**9,768**	**10,169**
EBIT Margin	*11.5%*	*11.0%*	*11.3%*	*11.1%*
EBITDA	**9,654**	**10,648**	**11,580**	**12,063**
EBITDA Margin	*13.7%*	*13.1%*	*13.3%*	*13.2%*
Finance Expenses	(560)	(641)	(455)	(464)
EBT	7,713	8,625	9,414	9,885
Income Tax	(2,069)	(1,939)	(2,116)	(2,222)
Net Profit	**5,644**	**6,687**	**7,298**	**7,663**
Growth %	*52.0%*	*18.5%*	*9.1%*	*5.0%*
Net Profit Margin	*8.0%*	*8.2%*	*8.4%*	*8.4%*

PROFITABILITY & STABILITY

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
ROE	16.5%	17.7%	17.5%	16.8%
ROA	12.3%	13.5%	13.6%	13.3%
Inventory Turnover	5.6x	5.2x	4.9x	5.0x
Receivables Turnover	29.8x	30.2x	30.7x	30.5x
Payables Turnover	37.9x	37.6x	37.7x	37.8x
Cash Conversion Cycle	98.9	112.2	105.5	108.9
Dividend Payout Ratio	52.3%	52.3%	52.3%	52.3%
DER	0.2x	0.2x	0.2x	0.1x
DAR	14.5%	13.4%	12.4%	11.6%
Current Ratio	3.4x	3.9x	4.3x	4.8x
Quick Ratio	1.8x	1.9x	2.4x	2.6x
Total Shares (mn)	16,398	16,398	16,398	16,398
Share Price (IDR)	4,510	3,950	3,950	3,950
Market Cap (IDR bn)	73,955	64,772	64,772	64,772

BALANCE SHEET

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Cash	4,461	4,137	7,642	9,285
Receivables	2,656	2,754	2,936	3,094
Inventories	11,406	14,786	14,271	15,825
Other Current Assets	6,108	6,326	6,840	7,087
Total Current Assets	**24,631**	**28,003**	**31,690**	**35,291**
Net Fixed Assets	17,363	17,623	17,893	18,187
Other Non Current Assets	3,865	3,914	3,952	3,996
Total Non Current Assets	**21,227**	**21,537**	**21,845**	**22,183**
Total Assets	**45,858**	**49,540**	**53,535**	**57,474**
Trade Payables	1,953	2,116	2,202	2,349
ST Bank Loan	3,030	3,030	3,030	3,030
Other Current Liabilities	2,208	1,993	2,100	2,047
Total Current Liabilities	**7,191**	**7,139**	**7,332**	**7,426**
LT Debt	3,274	3,274	3,274	3,274
Other Non Current Liabilities	1,242	1,242	1,242	1,242
Total Non Current Liabilities	**4,516**	**4,516**	**4,516**	**4,516**
Total Liabilities	**11,707**	**11,655**	**11,848**	**11,941**
Capital Stock & APIC	121	121	121	121
Retained Earnings	33,997	37,732	41,534	45,380
Shareholders' Equity	**34,136**	**37,871**	**41,672**	**45,519**

VALUATION INDEX

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Price / Earnings	13.1x	9.7x	8.9x	8.5x
Price / Book Value	2.2x	1.7x	1.6x	1.4x
Price / Earnings to Growth	0.25x	0.52x	0.97x	1.69x
EPS Growth	52.0%	18.5%	9.1%	5.0%
EV/EBITDA	7.9x	6.3x	5.5x	5.2x
EV/EBIT	9.4x	7.5x	6.5x	6.1x
EV (IDR bn)	76,156	67,297	63,792	62,149
Sales CAGR (3-Year)	8%	10%	9%	9%
Net Income CAGR (3-Year)	24%	42%	25%	11%
Basic EPS (IDR)	344	408	445	467
BVPS (IDR)	2,082	2,310	2,541	2,776

CASH FLOW STATEMENT

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Operating Cash Flow	4,801	4,645	9,122	7,691
Investing Cash Flow	(1,297)	(2,017)	(2,120)	(2,232)
Financing Cash Flow	(3,490)	(2,952)	(3,497)	(3,817)
Net Changes in Cash	**14**	**(323)**	**3,505**	**1,642**

OWNERSHIP

Shareholders	**%**
Charoen Pokphand Indonesia Group	55.5
UBS AG	6.0
LEAP GLOBAL CAPITAL	4.7
DBS Group Holdings Ltd.	4.4
By Geography	**%**
Indonesia	73.2
Singapore	13.1
Switzerland	7.1
Others	6.7

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%

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