PT Japfa Comfeed Indonesia Tbk. (JPFA)

Strong 3Q26 Topline, but Profitability Lags

JPFA's 9M26 revenue grew +26.5% YoY to IDR 54.5 tn and net profit rose +34.0% YoY to IDR 3.2 tn, above our expectations at 80.8% and 77.5% of our previous FY26F forecasts, respectively. Growth was broad-based across all segments, led by Animal Feed and Poultry Breeding (+31.8% YoY each), while 9M26 GPM widened to 20.6% (9M25: 20.2%). 3Q26 revenue rose to IDR 19.2 tn (+22.7% YoY), but net profit fell -35.7% YoY to IDR 756 bn as GPM narrowed to 18.9% (3Q25: 22.0%) and finance costs rose. We raise our FY26F net profit to IDR 4.3 tn and maintain our "Buy" rating with a lower target price of IDR 2,480/share.

9M26 & 3Q26 Financial Performance

- **Solid 9M26 topline, boosted by robust 3Q26 revenue.** JPFA's 9M26 posted consolidated revenue rising +26.5% YoY to IDR 54.5 tn, above our estimates at 80.8% of our previous FY26F forecast (9M25: 71.0% of FY25 revenue). 3Q26 revenue grew +22.7% YoY and +8.7% QoQ to IDR 19.2 tn, the highest quarterly revenue since at least 1Q23 (vs. IDR 17.7 tn in 1Q26 and IDR 17.6 tn in 2Q26).
- **Broad-based segment growth across the poultry value chain.** In 9M26, Animal Feed revenue rose +31.8% YoY to IDR 33.5 tn (from IDR 25.4 tn in 9M25), Poultry Breeding +31.8% YoY to IDR 7.6 tn (from IDR 5.7 tn), Commercial Farm +22.6% YoY to IDR 25.0 tn (from IDR 20.4 tn), Poultry Processing +29.0% YoY to IDR 9.7 tn (from IDR 7.5 tn), Aquaculture +18.7% YoY to IDR 4.4 tn (from IDR 3.7 tn), and Trading & Others +30.8% YoY to IDR 4.1 tn (from IDR 3.1 tn). The 9M26 revenue growth was supported by higher sales volumes and ASPs across the company's major operations. By geography, export sales jumped +65.3% YoY to IDR 1.5 tn, while local sales grew +25.7% YoY to IDR 53.0 tn.
- **9M26 margins held above last year, but 3Q26 profit fell sharply YoY.** GPM widened to 20.6% in 9M26 (vs. 20.2% in 9M25), OPM to 9.5% (vs. 9.1%), and NPM to 5.9% (vs. 5.6%), lifting net profit +34.0% YoY to IDR 3.2 tn, or 77.5% of our previous FY26F estimate (9M25: 60.2% of FY25 net profit). In 3Q26 alone, GPM stood at 18.9% (vs. 22.0% in 3Q25 / 17.6% in 2Q26), OPM at 7.5% (vs. 11.5% in 3Q25 / 6.5% in 2Q26), and NPM at 3.9% (vs. 7.5% in 3Q25 / 3.7% in 2Q26), with net profit of IDR 756 bn (-35.7% YoY, +14.7% QoQ).
- **Rising opex and funding costs added further pressure.** 3Q26 opex rose +30.9% YoY, lifting opex-to-sales to 11.3% (vs. 10.6% in 3Q25), led by advertising and promotion (IDR 289 bn vs. IDR 162 bn in 3Q25). Finance costs rose to IDR 366 bn (+76.9% YoY, +69.7% QoQ) after the USD bonds were repaid and replaced with bank debt, lifting 9M26 bank loan interest to IDR 576 bn (vs. IDR 295 bn in 9M25).
- **Breeding led, Feed softened and Processing swung into a loss.** Poultry Breeding EBIT margin held at 21.6% (vs. 20.6% in 3Q25 / 21.4% in 2Q26), and Commercial Farm recovered to 5.0% (vs. 5.5% in 3Q25 / -6.5% in 2Q26). Feed EBIT margin eased to 6.8% (vs. 8.6% in 3Q25 / 9.5% in 2Q26) and Aquaculture to 7.5% (vs. 11.8% in 3Q25 / 9.4% in 2Q26), while Trading & Others improved to 17.7% (vs. 13.1% in 3Q25 / 3.2% in 2Q26). Poultry Processing & Consumer Products was the only loss-making segment at -1.2% (vs. 7.7% in 3Q25 / 6.1% in 2Q26).

Upward FY26F Revision; Poultry Prices Rebounded in 3Q26

- **Poultry price recovery underpins our upward FY26F revision.** Live bird prices averaged IDR 23,681/kg in 3Q26 (+12.3% YoY, +3.6% QoQ). Prices have held firm into 4Q26, averaging IDR 23,898/kg in October (+6.0% YoY), slightly above the 3Q26 average. With the recovery expected to carry into 4Q26, we raise our FY26F revenue to IDR 73.9 tn (+21.7% YoY; previously IDR 67.5 tn) and net profit to IDR 4.3 tn (+8.0% YoY; previously IDR 4.2 tn), with 9M26 representing 73.8% and 74.8% of our new FY26F revenue and net profit, respectively.
- **Corn and soybean meal prices stayed elevated in 3Q26.** Corn averaged USD 4.78/bushel in 3Q26 (+7.7% vs. 2Q26), climbing to a September average of USD 5.22/bushel and a peak of USD 5.43/bushel on 21 September, before easing to USD 4.75/bushel in October. Soybean meal averaged USD 336.5/ton (+6.9% vs. 2Q26), with a September average of USD 361.6/ton.

Maintain "Buy" Recommendation with a lower Target Price at IDR 2,480/Share

- **We maintain our "Buy" rating but lower our target price to IDR 2,480/share (previously IDR 3,300),** based on DCF valuation. The TP cut reflects a higher cost of capital, as we factor in a higher market risk premium amid heightened uncertainty in the Indonesian equity market, including MSCI's potential reclassification of Indonesia from Emerging Market to standalone market status. Our new TP implies 6.7x FY26F P/E and offers a potential upside of 68.7%. Our outlook remains intact, backed by JPFA's integrated business model, which delivered +26.5% YoY revenue growth and +34.0% YoY net profit growth in 9M26.
- **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 and rising finance costs.

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

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	60,716	73,919	81,559	89,886
Growth (%y/y)	8.8%	21.7%	10.3%	10.2%
Net Profit	4,004	4,323	4,982	5,613
Growth (%y/y)	32.6%	8.0%	15.2%	12.7%
Basic EPS (IDR)	344	369	426	480
Price / Earnings	7.6x	6.7x	5.8x	5.2x
Price / Book Value	1.6x	1.4x	1.2x	1.0x
EV/EBITDA	5.2x	4.5x	4.1x	3.6x
ROE	21.5%	20.2%	20.2%	19.6%
ROA	10.0%	9.5%	10.0%	10.3%

Source : Company Data, Bloomberg, NHKSI Research

Update Report | 11th November 2026

Buy

Target Price (IDR)	**2,480**
Consensus Price	2,790
TP to Consensus Price	-11.1%
Potential Upside	+68.7%

Shares Data

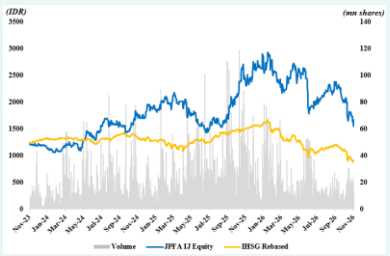
Last Price (IDR)	1,470
Price date as of	11th November 2026
52 wk range (Hi/Lo)	2,970 / 1,440
Free Float (%)	32.6
Outstanding sh (mn)	11,727
Market Cap (IDR bn)	17,238
Market Cap (USD mn)	950
Avg. Trd Vol – 3M (mn)	14.7

Sector
Consumer Non-Cylicals

Sub-Sector
Food & Beverages

Bloomberg	JPFA IJ Equity
Reuters	JPFA JK

Shares Price Performance



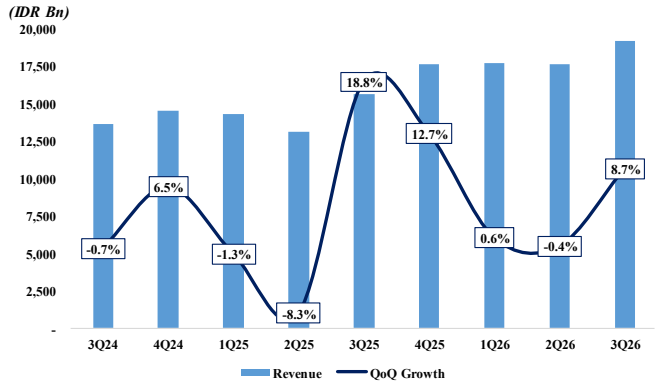
	YTD	3M	6M	12M
Abs.Ret	-43.9%	-33.2%	-41.9%	-37.7%
Rel.Ret	-3.1%	-14.9%	-16.0%	+1.1%

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

Please consider the rating criteria & important disclaimer

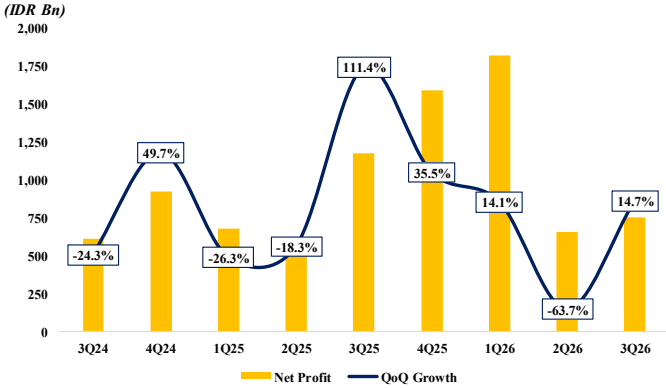
Performance Highlight for JPFA

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



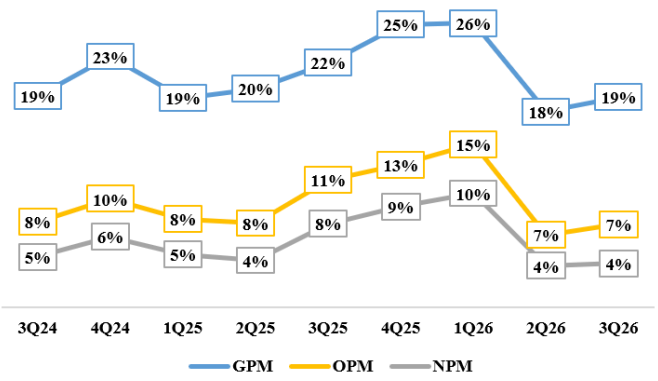
Source : Company, NHKSI Research

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



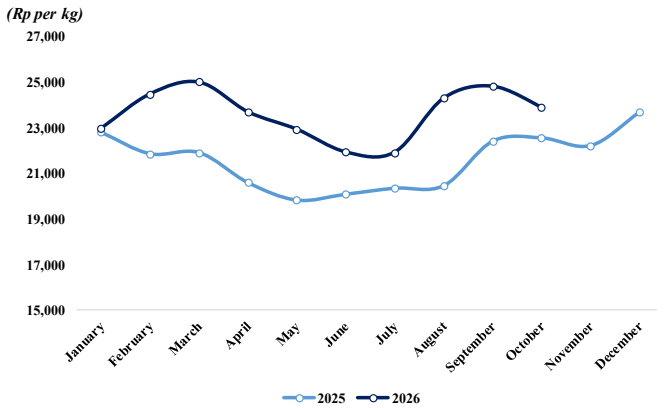
Source : Company, NHKSI Research

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



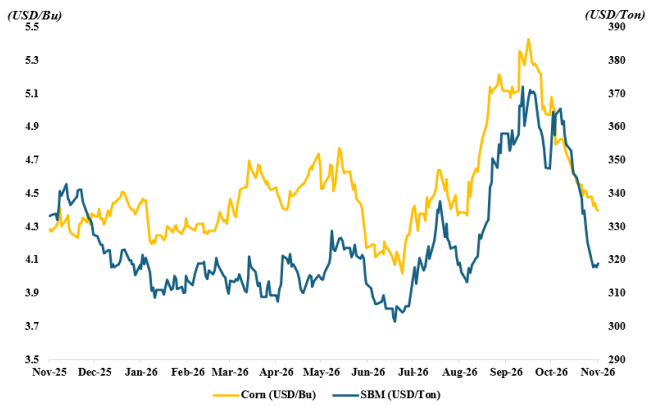
Source : Company, NHKSI Research

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. JPFA 3-Year P/E Band



Source : NHKSI Research

Summary of JPFA's Financials & Forecast

INCOME STATEMENT

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	**60,716**	**73,919**	**81,559**	**89,886**
Growth %	*8.8%*	*21.7%*	*10.3%*	*10.2%*
COGS	(47,524)	(58,618)	(64,921)	(71,549)
Gross Profit	**13,191**	**15,301**	**16,638**	**18,337**
Gross Margin	*21.7%*	*20.7%*	*20.4%*	*20.4%*
Operating Expenses	(7,042)	(8,394)	(9,099)	(9,938)
EBIT	**6,184**	**6,948**	**7,585**	**8,449**
EBIT Margin	*10.2%*	*9.4%*	*9.3%*	*9.4%*
EBITDA	**7,462**	**8,505**	**9,302**	**10,342**
EBITDA Margin	*12.3%*	*11.5%*	*11.4%*	*11.5%*
Finance Expenses	(805)	(1,154)	(917)	(917)
EBT	5,484	5,988	6,901	7,774
Income Tax	(1,202)	(1,317)	(1,518)	(1,710)
Net Profit	**4,004**	**4,323**	**4,982**	**5,613**
Growth %	*32.6%*	*8.0%*	*15.2%*	*12.7%*
Net Profit Margin	*6.6%*	*5.8%*	*6.1%*	*6.2%*

PROFITABILITY & STABILITY

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
ROE	21.5%	20.2%	20.2%	19.6%
ROA	10.0%	9.5%	10.0%	10.3%
Inventory Turnover	5.0x	5.4x	5.1x	5.2x
Receivables Turnover	21.3x	22.9x	22.6x	22.5x
Payables Turnover	12.9x	13.7x	13.0x	13.0x
Cash Conversion Cycle	89.3	89.6	89.4	89.5
Dividend Payout Ratio	40.7%	37.9%	32.9%	29.2%
DER	0.6x	0.6x	0.5x	0.4x
DAR	29.6%	29.5%	27.1%	24.6%
Current Ratio	1.3x	1.6x	1.7x	1.8x
Quick Ratio	0.7x	0.8x	0.9x	0.9x
Total Shares (mn)	11,628	11,705	11,705	11,705
Share Price (IDR)	2,620	2,480	2,480	2,480
Market Cap (IDR bn)	30,464	29,028	29,028	29,028

BALANCE SHEET

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Cash	3,550	3,988	4,257	4,895
Receivables	3,126	3,525	3,915	4,301
Inventories	9,600	12,077	13,146	14,615
Other Current Assets	5,100	4,897	5,452	5,913
Total Current Assets	**21,376**	**24,488**	**26,770**	**29,724**
Net Fixed Assets	14,995	17,439	19,207	21,140
Other Non Current Assets	3,689	3,726	3,779	3,821
Total Non Current Assets	**18,684**	**21,164**	**22,986**	**24,961**
Total Assets	**40,060**	**45,652**	**49,756**	**54,685**
Trade Payables	3,707	4,827	5,188	5,805
ST Bank Loan	2,921	6,500	6,500	6,500
Other Current Liabilities	9,890	4,003	4,071	4,037
Total Current Liabilities	**16,517**	**15,330**	**15,760**	**16,342**
LT Debt	2,034	5,820	5,820	5,820
Other Non Current Liabilities	1,490	1,490	1,490	1,490
Total Non Current Liabilities	**3,524**	**7,310**	**7,310**	**7,310**
Total Liabilities	**20,041**	**22,640**	**23,070**	**23,652**
Capital Stock & APIC	3,030	3,030	3,030	3,030
Retained Earnings	15,796	18,491	21,835	25,809
Shareholders' Equity	**18,664**	**21,370**	**24,713**	**28,687**

VALUATION INDEX

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Price / Earnings	7.6x	6.7x	5.8x	5.2x
Price / Book Value	1.6x	1.4x	1.2x	1.0x
Price / Earnings to Growth	0.23x	0.93x	0.38x	0.41x
EPS Growth	33%	7%	15%	13%
EV/EBITDA	5.2x	4.5x	4.1x	3.6x
EV/EBIT	6.3x	5.5x	5.0x	4.5x
EV (IDR bn)	38,777	38,518	38,249	37,612
Sales CAGR (3-Year)	7%	13%	13%	14%
Net Income CAGR (3-Year)	41%	67%	18%	12%
Basic EPS (IDR)	344	369	426	480
BVPS (IDR)	1,605	1,826	2,111	2,451

CASH FLOW STATEMENT

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Operating Cash Flow	4,993	3,815	5,517	6,223
Investing Cash Flow	(2,928)	(4,037)	(3,539)	(3,868)
Financing Cash Flow	131	660	(1,708)	(1,717)
Net Changes in Cash	**2,196**	**438**	**269**	**638**

OWNERSHIP

Shareholders	**%**
Japfa Pte. Ltd.	56.3
PT Japfa Comfeed Indonesia Tbk.	0.02
Public	43.6
By Geography	**%**
Singapore	77.0
United States	7.4
Switzerland	3.7
Other	11.9

Source: Company, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

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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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