

1H25 results in-line, despite chicken' oversupply

11 August 2025



Charoen Pokphand Indonesia' (CPIN) revenue declined 9.9% yoy/13.3% qoq in 2Q25 due to significantly lower demand for chicken post Lebaran festivities, with the Day Old Chick' (DOC) and broiler' (LB) average selling prices (ASP) sharply declined, amidst consumers' weaker purchasing power. Thus, CPIN' earnings declined 65.6% yoy/76.4% qoq in 2Q25, with significant margin contractions, despite stable local corn' (LC) and lower soybean-meal' (SBM) prices. Yet, CPIN' earnings still grew 7.5% yoy in 1H25, with a 30bps yoy net margin expansion. As a result, CPIN' 1H25 revenue and earnings still came in-line with ours' (45%/47%) and consensus' (47%/45%) expectation. We took a more conservative stance and reduced our '25F revenue for CPIN (-5.4% from prior), mainly due to consumers' weaker than anticipated purchasing power, which made our '25F earnings for CPIN to be 5.7% lower than prior. All in all, we still expect CPIN' earnings to grow by 8% yoy in '25F, with a 20bps yoy net margin expansion on better chicken demand in 2H25F with improved DOC' and LB' ASP amidst stable LC' and low SBM' prices. Thus, we maintain BUY on CPIN with adjusted TP of IDR5,750, which implies 23.5x '25F P/E. Currently, CPIN is trading at 18.4x '25F P/E or slightly above -2stddev of its 5 years' mean P/E.

CPIN IJ	BUY
Sector	Poultry
Price at 08 Aug 2025 (IDR)	4,500
Price target (IDR)	5,750
Upside/Downside (%)	27.8

Stock Information

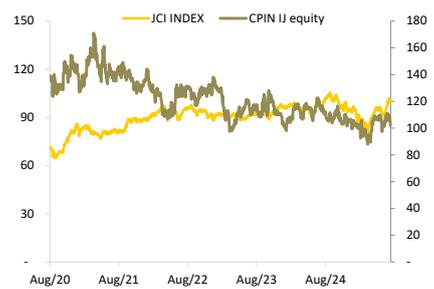
Charoen Pokphand Indonesia Tbk (CPIN) is the leading company in Indonesian poultry sector that manufactures and distributes animal feeds, sells Day Old Chick (DOC), live-birds (LB), processed chicken (PC), poultry equipment, and others.

Market cap (IDR bn)	74,283
Shares outstanding (mn)	16,398
52-week range (IDR)	3,900-5,325
3M average daily vol. ('000)	5,557
3M average daily val. (IDR mn)	26,712

Shareholders (%)

Charoen Pokphand Indonesia Group	55.53
UBS AG	5.98
Treasury Stock	4.35
Public	34.14

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	(4.5)	(7.2)	(14.3)

1H25 earnings still came in-line, despite weak 2Q25

CPIN' earnings declined 65.6% yoy/76.4% qoq to IDR363 bn in 2Q25 on significantly lower demand for chicken (LB, DOC) post Lebaran festivities with a sharp decline in DOC' and LB' ASP, despite with stable LC' prices and lower SBM prices. Yet, CPIN' 1H25 earnings still grew 7.5% yoy with 30bps net margin expansion, which came in-line with ours' (45%) and cons' (45%) expectation.

Lower revenue yoy/qoq in 2Q25 on lower chicken' ASP

CPIN' revenue declined 9.9% yoy/13.3% qoq to IDR15.4 tn in 2Q25 on significantly lower demand for chicken (LB, DOC) post Lebaran festivities, which made an oversupply condition for chicken and lowered LB' & DOC' ASP. Based on our channel check, DOC' and LB' ASP declined by around 40% yoy/24% qoq and 21% yoy/15% qoq, respectively in 2Q25 amidst consumers' weaker purchasing power. Thus, DOC' and LB' ASP declined by around 20% yoy and 13% yoy, respectively in 1H25. Yet, CPIN still recorded 0.3% yoy revenue growth in 1H25 mainly on solid 1Q25 results with better DOC' and LB' ASP. As a result, CPIN' 1H25 revenue still came in-line with ours' (45%) and cons' (47%).

Net margin expanded on stable LC prices, lower SBM prices and tax

CPIN' gross profit reached only IDR1.59 tn (-43.6% yoy/-49.1% qoq) in 2Q25 on lower chicken' (DOC & LB) volume and ASP. Note that, government' reference price for LC (14% of water content) is still stable at IDR5,500 per kg. While, the imported SBM' prices came down to USD273.8 /tons or still much lower than its 5years average price of USD382.9 /tons, despite stronger USD to IDR. Moreover, CPIN' EBIT only reached IDR458 bn (-73.2% yoy/-77.6% qoq) in 2Q25, despite with better cost management. As a result, CPIN' gross', EBIT' and net' margin contracted to 10.4% (-620bps yoy/-730bps qoq), 3% (-700bps yoy/-830bps qoq) and 2.4% (-380bps yoy/-630bps qoq), respectively in 2Q25, on significantly weaker chicken' (DOC & LB) demand with a much lower ASP, despite with lower SBM prices and stable LC prices. All in all, CPIN' net margin still expanded by 30bps yoy in 1H25 on stable LC prices, lower SBM prices and tax expense.

Adjusted down our '25F due to weaker than anticipated chicken' demand

We adjusted down our CPIN '25F revenue growth (-5.4% from prior) in '25F due to lower than anticipated chicken' (DOC & LB) demand with much lower ASP in 2Q25. As a result, it affected our '25F earnings for CPIN to be 5.7% lower than prior. Good news is that DOC' and LB' ASP has bounced back to around IDR5.7k/kg (+30.9% mom) and IDR17k/kg (+9% mom), respectively in June'25. We also think that CPIN could improve further its cost management, as to procure LC with higher water content and would fully utilize its corn dryer and silos, in order to sustain its margin expansion in '25F. Moreover, we think that SBM' prices would still be at around USD270-USD290 per tons in '25F, which is still much lower yoy. All in all, we still expect CPIN to grow its '25F earnings by 8% yoy, with around 20bps yoy net margin expansion, amidst current economic condition.

Maintain BUY with adjusted TP of IDR5,750

Maintain BUY on CPIN with adjusted TP of IDR 5,750/share, which implies 23.5x '25F P/E as we think that CPIN' good costs management would be the key factor in '25F amidst Indonesia' current economic condition. Currently, CPIN is trading at 18.4x '25F P/E or slightly above its -2stddev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025F	2026F	2027F
Revenue (IDR bn)	61,616	67,478	70,270	78,287	87,195
EBITDA (IDR bn)	4,870	7,259	7,698	8,468	9,436
Net profit (IDR bn)	2,319	3,713	4,003	4,575	5,242
EPS (IDR)	141	226	244	279	320
EPS growth (%)	(20.8)	60.1	7.8	14.3	14.6
ROE (%)	8.6	12.3	12.8	14.0	15.3
ROA (%)	5.7	8.7	9.2	10.3	11.1
PER (x)	32.0	20.0	18.6	16.2	14.2
PBV (x)	3.1	2.7	2.6	2.5	2.4
EV/EBITDA (x)	18.3	11.9	11.1	10.0	8.9
Div Yield (%)	2.9	0.6	4.0	4.3	4.9

Source: Company, KBVS Research

Analyst

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Exhibit 2: CPIN 2Q25 results

CPIN 1H25 Results (IDRbn)	1H25	1H24	YoY	2Q25	2Q24	YoY	1Q25	QoQ	% to '25F	% to Cons'
Revenue	33,062	32,962	0.3%	15,357	17,049	-9.9%	17,705	-13.3%	45%	47%
COGS	(28,339)	(28,010)	1.2%	(13,764)	(14,224)	-3.2%	(14,574)	-5.6%		
Gross profit	4,723	4,952	-4.6%	1,593	2,826	-43.6%	3,130	-49.1%	41%	43%
Selling expense	(1,196)	(1,182)	1.2%	(630)	(594)	6.1%	(566)	11.3%		
GA expense	(1,025)	(1,011)	1.4%	(504)	(520)	-3.0%	(521)	-3.2%		
Operating expenses	(2,221)	(2,193)	1.3%	(1,134)	(1,114)	1.8%	(1,087)	4.4%		
EBIT	2,502	2,759	-9.3%	458	1,712	-73.2%	2,044	-77.6%	39%	41%
Profit before tax	2,461	2,493	-1.3%	466	1,626	-71.3%	1,995	-76.6%	41%	44%
Tax expense	(556)	(725)	-23.2%	(100)	(569)	-82.5%	(457)	-78.2%		
Minority interest	4	0	7798.1%	3	0	2331.2%	1	165.0%		
Net profit	1,900	1,768	7.5%	363	1,057	-65.6%	1,537	-76.4%	45%	45%

Margins (%)	1H25	1H24	2Q25	2Q24	1Q25
Gross margin	14.3%	15.0%	10.4%	16.6%	17.7%
EBIT margin	7.6%	8.4%	3.0%	10.0%	11.5%
Pretax margin	7.4%	7.6%	3.0%	9.5%	11.3%
Net margin	5.7%	5.4%	2.4%	6.2%	8.7%

CPIN 1H25 Results (IDRbn)	1H25	1H24	YoY	2Q25	2Q24	YoY	1Q25	QoQ
Feed								
Revenue*	25,381	24,910	1.9%	12,047	12,184	-1.1%	13,334	-9.6%
EBIT	1,919	1,868	2.7%	869	1,118	-22.3%	1,050	-17.2%
EBIT margin	7.6%	7.5%		7.2%	9.2%		7.9%	
Broiler								
Revenue*	19,614	20,453	-4.1%	8,913	10,939	-18.5%	10,701	-16.7%
EBIT	614	1,127	-45.5%	(130)	585	-122.2%	744	-117.5%
EBIT margin	3.1%	5.5%		-1.5%	5.4%		7.0%	
Day-old chicks								
Revenue*	4,168	4,646	-10.3%	1,792	2,679	-33.1%	2,376	-24.6%
EBIT	(115)	238	-148.2%	(197)	353	-155.7%	82	-340.7%
EBIT margin	-2.8%	5.1%		-11.0%	13.2%		3.4%	
Processed chicken								
Revenue*	5,556	6,034	-7.9%	2,527	3,046	-17.0%	3,029	-16.6%
EBIT	377	(184)	-305.5%	46	(82)	-156.6%	331	-86.0%
EBIT margin	6.8%	-3.0%		1.8%	-2.7%		10.9%	
Others								
Revenue*	4,004	3,375	18.6%	2,138	1,483	44.2%	1,865	14.6%
EBIT	(57)	(36)	56.6%	(11)	(19)	-44.4%	(46)	-77.1%
EBIT margin	-1.4%	-1.1%		-0.5%	-1.3%		-2.5%	

Note *: Before elimination

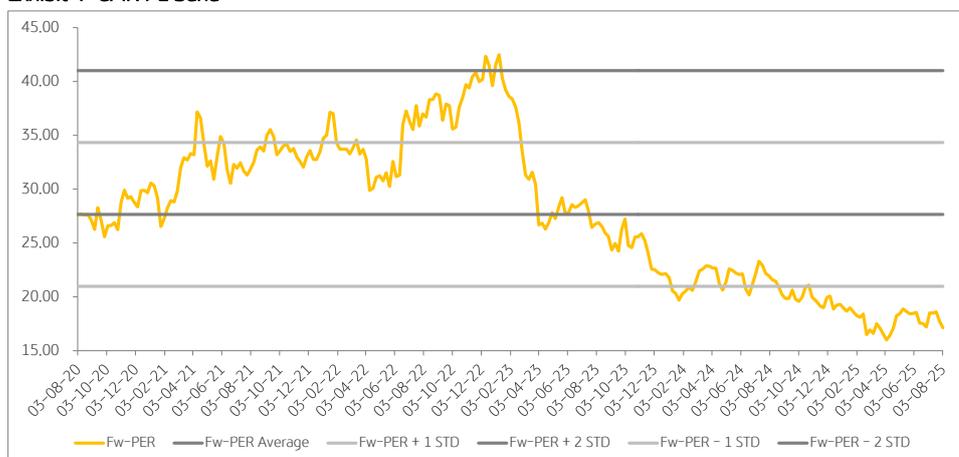
Source: Company, KBVS Research

Exhibit 3: Earnings adjustments

Adjustments	New		Old		Diff (%)	
	25F	26F	25F	26F	25F	26F
Revenue	70,270	78,287	74,271	81,887	-5.4%	-4.4%
Gross profit	10,907	12,211	11,513	12,801	-5.3%	-4.6%
EBIT	6,140	6,850	6,486	7,203	-5.3%	-4.9%
Profit before tax	5,668	6,477	6,013	6,830	-5.7%	-5.2%
Net profit	4,003	4,575	4,248	4,825	-5.7%	-5.2%

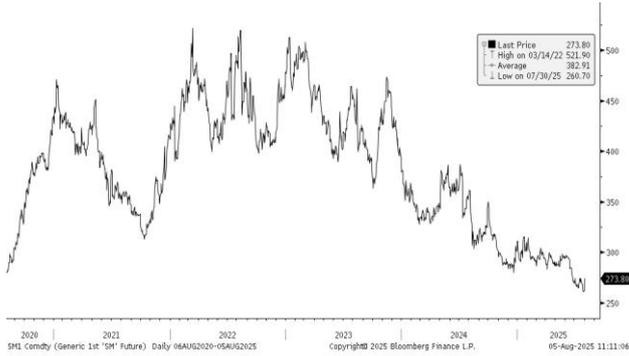
Source: Company, KBVS Research

Exhibit 4: CPIN PE Band



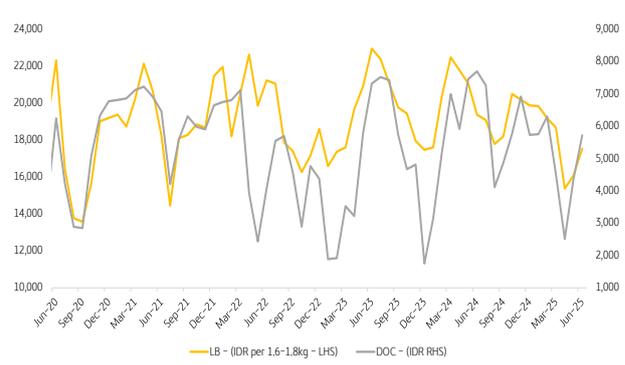
Source: Company, KBVS Research

Exhibit 5: Soybean-meal price, monthly



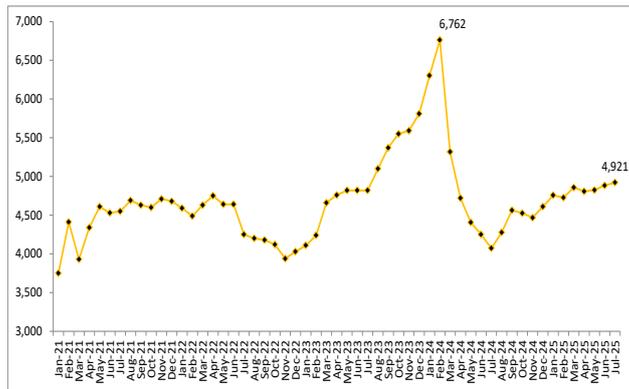
Source: Company, KBVS Research

Exhibit 6: Broiler & DOC average prices per month



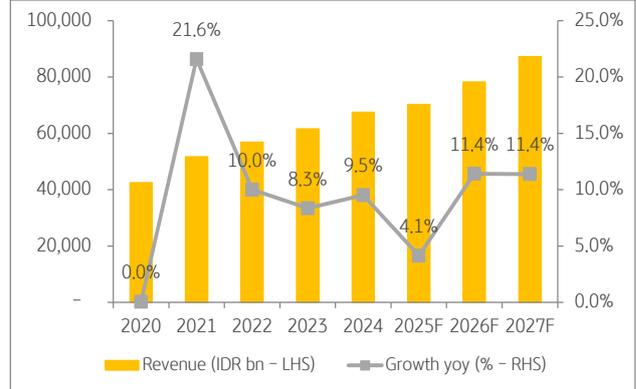
Source: Company, KBVS Research

Exhibit 7: Local corn prices at producer level



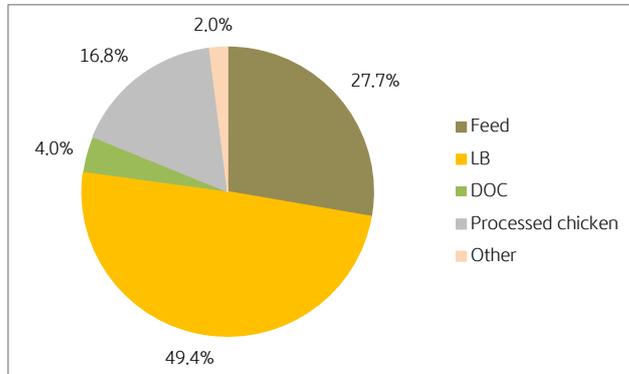
Source: Company, KBVS Research

Exhibit 8: Revenue and growth yoy



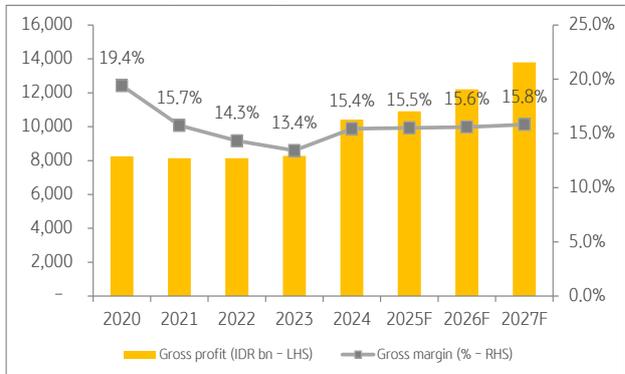
Source: Company, KBVS Research

Exhibit 9: Revenue contribution in 1H25 from each segment



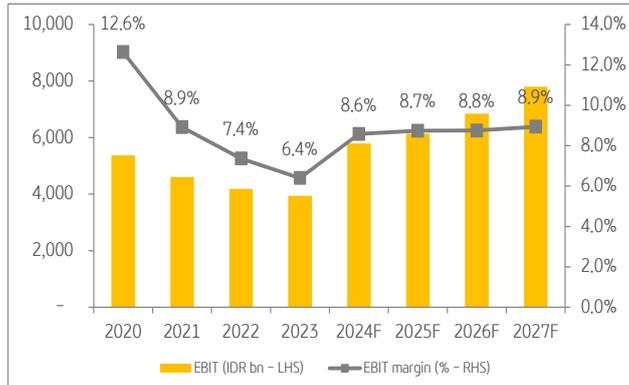
Source: Company, KBVS Research

Exhibit 10: Gross profit & margin



Source: Company, KBVS Research

Exhibit 11: EBIT & margin



Source: Company, KBVS Research

Exhibit 12: Net profit & margin



Source: Company, KBVS Research

Exhibit 13: Profit & loss summary

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	61,616	67,478	70,270	78,287	87,195
COGS	(53,341)	(57,058)	(59,363)	(66,076)	(73,397)
Gross profit	8,275	10,420	10,907	12,211	13,798
Operating expenses	(4,330)	(4,630)	(4,767)	(5,361)	(6,004)
EBIT	3,944	5,790	6,140	6,850	7,795
EBITDA	4,870	7,259	7,698	8,468	9,436
Pre-tax profit	2,997	5,256	5,668	6,477	7,422
Net profit	2,319	3,713	4,003	4,575	5,242
EPS	141	226	244	279	320
EPS growth	(20.8)	60.1	7.8	14.3	14.6

Source: Company, KBVS Research

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent (with ST Investment)	2,328	4,446	3,583	4,493	4,637
Accounts receivables	1,708	2,110	1,572	1,751	1,951
Inventories	9,299	9,375	11,118	11,692	13,645
Others	4,990	5,409	6,332	6,658	7,682
Total current assets	18,325	21,340	22,604	24,594	27,914
Fixed assets - Net	17,690	16,928	16,265	15,389	14,393
Others	11,538	13,326	15,535	17,654	20,204
Total non-current assets	22,646	21,451	20,866	19,948	19,164
Total assets	40,971	42,791	43,470	44,543	47,078
Accounts payable	2,095	1,536	2,247	1,939	2,711
Short term bank loan	7,393	5,400	3,850	3,850	3,850
Others	1,636	1,653	2,202	2,260	2,481
Total current liabilities	11,124	8,590	8,299	8,049	9,043
Long term bank loan	1,841	2,794	2,793	2,793	2,793
Others non-current liabilities	978	1,119	1,058	1,010	972
Total non-current liabilities	2,818	3,913	3,851	3,803	3,765
Total liabilities	13,942	12,502	12,150	11,852	12,807
Minority interests	16	15	14	12	10
Total Equity	27,012	30,274	31,306	32,679	34,261
Total Liabilities & Equity	40,971	42,791	43,470	44,543	47,078

Source: Company, KBVS Research

Exhibit 15: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net income	2,319	3,713	4,003	4,575	5,242
D&A	1,216	1,271	1,360	1,420	1,444
Changes in working capital	115	(1,367)	(1,412)	(1,259)	(2,261)
Others	(767)	528	443	(39)	(119)
Operating cash flow	2,882	4,145	4,395	4,697	4,305
Capital expenditures	(1,259)	(537)	(628)	(520)	(422)
Others	54	(45)	(49)	(14)	(38)
Investing cash flow	(1,205)	(581)	(676)	(534)	(461)
Net change in debt	272	(1,040)	(1,551)	-	-
Cash dividends paid	(2,132)	(452)	(2,970)	(3,203)	(3,660)
Others	468	47	(62)	(50)	(40)
Financing cash flow	(1,391)	(1,445)	(4,583)	(3,253)	(3,701)
Net change in cash	286	2,119	(864)	910	1,44
Cash in beginning of the year	2,042	2,328	4,447	3,583	4,493
Cash at the end of the year	2,328	4,447	3,583	4,493	4,637

Source: Company, KBVS Research

Exhibit 16: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Revenue	8.3	9.5	4.1	11.4	11.4
Gross profit	1.6	25.9	4.7	12.0	13.0
EBIT	(5.8)	46.8	6.1	11.6	13.8
EBITDA	(2.6)	49.0	6.1	10.0	11.4
Net profit	(20.8)	60.1	7.8	14.3	14.6
Profitability (%)					
Gross margin	13.4	15.4	15.5	15.6	15.8
EBIT margin	6.4	8.6	8.7	8.8	8.9
EBITDA margin	7.9	10.8	11.0	10.8	10.8
Net margin	3.8	5.5	5.7	5.8	6.0
ROE	8.6	12.3	12.8	14.0	15.3
ROA	5.7	8.7	9.2	10.3	11.1
Solvency (x)					
Current ratio	1.6	2.5	2.7	3.1	3.1
Quick ratio	0.8	1.4	1.4	1.6	1.6
Debt to equity	0.3	0.3	0.2	0.2	0.2
Interest coverage	5.7	7.9	9.2	12.1	13.8
Net gearing	0.3	0.1	0.1	0.1	0.1

Source: Company, KBVS Research

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