Continuous Improvements in 9M26F

08 September 2026

After a good 1H26 results, Japfa Comfeed Indonesia' (JPFA) will continue to improve efficiency amid better Day-Old chick' (DOC) and broiler' (LB) demand and average selling price (ASP) in 2H26F, which could help mitigate the impact of high local corn' (LC) and soybean-meal' (SBM) prices. In 2Q26, JPFA' revenue and earnings reached IDR17.64 tn (+34.2% yoy/-0.4% qoq) and IDR659 bn (+18.6% yoy/-63.7% qoq), respectively, on better chicken' (DOC' and LB') demand and ASP, yoy. As a result, JPFA' revenue and earnings in 1H26 reached IDR35.36 tn (+28.7% yoy) and IDR2.48 tn (+100.2% yoy), respectively, which came above ours' (53.3%/57.5%) and consensus' (54.9%/59.8%) expectation. Thus, we adjusted up our '26F revenue and earnings for JPFA and expect its revenue and earnings to grow by 12.1% yoy and 18.2% yoy, to IDR68.04 tn (+2.6% from prior) and IDR4.73 tn (+10.1% from prior) respectively, on better chicken' (DOC & LB) demand and ASP amid MBG' continuation and seasonal festivities. Maintain BUY on JPFA with higher TP of IDR3,100/share, which implies 7.7x '26F P/E. Currently, JPFA trades at 5.7x '26F P/E or at -0.75stdev of its 5 years' mean P/E.

JPFA IJ	BUY
Sector	Poultry
Price 07 Sep 2026 (IDR)	2,310
Price target (IDR)	3,100
Upside/Downside (%)	34.2

Stock Information

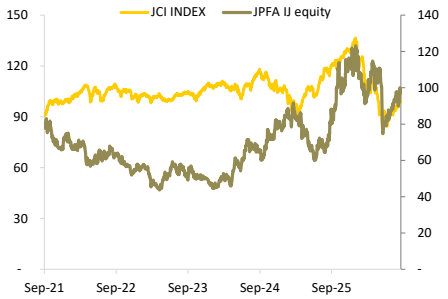
Japfa Comfeed Indonesia Tbk (JPFA) is the second largest poultry player in Indonesia that engages in animal feeds, breeds, processes chicken and operates aquaculture farms.

Market cap (IDR bn)	27,088
Shares outstanding (mn)	11,727
52-week range (IDR)	1,655-2,970
3M average daily vol. ('000)	16,186
3M average daily val. (IDR mn)	33,095

Shareholders (%)

Japfa Ltd	55.43
Treasury Stock	0.84
Leo Handoko Laksono	0.02
Public	43.71

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	7.7	33.1	40.2

Andre Suntono
Analyst
andre.suntono@kbvalbury.com

Adjusted up our '26F revenue and earnings

After a good 1H26 results, we adjusted up our '26F revenue and earnings for JPFA on continuous efficiency improvements, with better demand and ASP for chicken (DOC & LB) in 2H26F amid MBG' continuation and seasonal festivities. Moreover, JPFA' continuous efficiency improvements could help the company mitigate the impact of high LC' and SBM' prices. At the same time, we also expect the 2nd corn harvest in Indonesia that will take place on Sep'26-Oct'26 could help lower LC prices. All in all, we still expect JPFA '26F revenue and earnings to grow by 12.1% yoy and 18.2% yoy, to IDR68.04 tn (+2.6% from prior) and IDR4.73 tn (+10.1% from prior) respectively, on better chicken' (DOC & LB) demand and ASP with improved cost management, amid MBG' continuation and seasonal festivities in 2H26F.

Expects a 19.2% yoy revenue growth in 9M26F

We expect JPFA' revenue in 3Q26F could reach IDR16.02 tn (+2.5% yoy/-9.2% qoq) on better chicken' (DOC' & LB') ASP, despite softer demand due to lesser catalysts. Note that, DOC' and LB' ASP in Jul'26 reached around IDR5,286 /chick (-0.1% yoy/+51.5% mom) and IDR18,661 /kg (+2.5% yoy/+11.4% mom). Thus, we still expect JPFA' revenue in 9M26F to reach IDR51.37 tn (+19.2% yoy) or around 75.5% of our '26F revenue. In 2Q26, JPFA' revenue reached IDR17.64 tn (+34.2% yoy/-0.4% qoq) on better DOC' and LB' ASP yoy, amidst softer chicken (DOC & LB) demand qoq. As a result, JPFA' revenue grew 28.7% yoy to IDR35.36 tn, which came above both ours' (53.3%) and cons' (54.9%) expectations.

9M26F earnings could reach 76.6% of our '26F earnings

JPFA' earnings in 3Q26F could reach IDR1.15 tn (-2.0% yoy/+74.8% qoq). Note that, the possibility for a yoy decline in 3Q26F was due to high base effect in 3Q25 with lesser cost pressures, while the qoq growth was due to better chicken' (DOC & LB) ASP with improved efficiency. As a result, we expect JPFA' earnings in 9M26 to reach IDR3.63 tn (+50.4% yoy) or around 76.6% of our '26F earnings. In 2Q26, JPFA' earnings reached IDR659 bn (+18.6% yoy/-63.7% qoq) on better chicken' (DOC' and LB') demand and ASP, yoy amid lesser catalysts qoq. As a result, JPFA' earnings significantly grew to IDR2.48 tn (+100.2% yoy) in 1H26, which came above ours' (57.5%) and cons' (59.8%) expectations.

Margins continue to expand in 9M26F

JPFA' gross margin in 3Q26F could improve to 22% (+0bps yoy/+440bps qoq) mainly on better chicken' (DOC & LB) ASP. While, JPFA' EBIT margin in 3Q26F could reach 10.9% (-50bps yoy/+460bps qoq) on improved efficiency qoq. Thus, we still expect JPFA' net margin in 3Q26F to reach 7.2% (-30bps yoy/+350bps qoq). All in all, we expect JPFA' gross, EBIT and net margin in 9M26F to reach 21.7% (+150bps yoy), 10.7% (+170bps yoy), and 7.1% (+150bps yoy), respectively. In 1H26, JPFA' gross, EBIT and net margin reached 21.6% (+240bps yoy), 10.6% (+300bps yoy), and 7.0% (+250bps yoy), respectively, mainly on strong 1Q26 results amid better chicken' (DOC & LB) demand and ASP, during festivities, despite with higher LC' and SBM' prices, yoy. Note that, DOC' and LB' ASP in 2Q26 reached around IDR4,976 /chick (+18.6% yoy/-27.0% qoq) and IDR18,681 /kg (+14.4% yoy/-15.3% qoq).

Maintain BUY with TP of IDR 3,100

Maintain BUY on JPFA with higher TP of IDR3,100/share (+34.2% upside from current share price at IDR2,310), implying 7.7x '26F P/E. Risks to our call: 1) slower chicken demand amidst high supply, 2) higher raw material prices (LC & SBM), 3) IDR' depreciation vs USD and 4) regulation changes by the government. Currently, JPFA trades at 5.7x '26F P/E or around -0.75stdev of its 5 years' mean P/E.

Exhibit 1: Key statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	55,801	60,716	68,043	75,762	83,772
EBITDA	6,097	7,073	8,244	9,448	10,778
Net profit	3,019	4,004	4,734	5,424	6,186
EPS (IDR)	257	341	404	463	527
EPS growth (%)	224.7	32.6	18.2	14.6	14.0
ROE (%)	19.5	21.5	21.3	20.7	20.1
ROA (%)	8.7	10.0	11.1	11.4	11.6
PER (x)	8.7	6.6	5.7	5.0	4.4
PBV (x)	1.7	1.4	1.2	1.0	0.9
EV/EBITDA (x)	4.9	4.1	3.1	2.9	2.2
Div Yield (%)	3.1	3.3	4.2	5.0	5.7

Sources: Company, KBVS Research

Exhibit 2: JPFA 1H26 results

JPFA 1H26 Results (IDRbn)	1H26	1H25	YoY	2Q26	2Q25	YoY	1Q26	QoQ	% of '26F	% to Cons'
Revenue	35,355	27,482	28.7%	17,641	13,149	34.2%	17,714	-0.4%	53.3%	54.9%
COGS	(27,730)	(22,204)	24.9%	(14,536)	(10,566)	37.6%	(13,194)	10.2%		
Gross profit	7,625	5,278	44.5%	3,105	2,583	20.2%	4,520	-31.3%	53.5%	55.7%
Operating expenses	(3,893)	(3,177)	22.5%	(1,988)	(1,601)	24.1%	(1,905)	4.4%		
EBIT	3,733	2,101	77.7%	1,117	982	13.8%	2,615	-57.3%	56.5%	58.4%
Profit before tax	3,420	1,780	92.1%	938	804	16.7%	2,483	-62.2%	60.4%	60.7%
Tax expense	(736)	(418)	-76.0%	(196)	(196)	0.2%	(540)	-63.7%		
Minority interest	209	126	65.8%	83	52	58.1%	126	-34.5%		
Net profit	2,475	1,236	100.2%	659	556	18.6%	1,816	-63.7%	57.5%	59.8%
Margins (%)										
Gross margin	21.6%	19.2%		17.6%	19.6%		25.5%			
EBIT margin	10.6%	7.6%		6.3%	7.5%		14.8%			
Pretax margin	9.7%	6.5%		5.3%	6.1%		14.0%			
Net margin	7.0%	4.5%		3.7%	4.2%		10.3%			

JPFA 1H26 Results (IDRbn)	1H26	1H25	YoY	2Q26	2Q25	YoY	1Q26	QoQ
Animal feeds								
Revenue	9,819	7,018	39.9%	5,094	3,248	56.9%	4,724	7.8%
EBIT	2,082	1,394	49.3%	1,077	763	41.1%	1,005	7.2%
EBIT margin	21.2%	19.9%		21.1%	23.5%		21.3%	
Poultry breeding								
Revenue	2,056	1,501	37.0%	967	696	38.9%	1,089	-11.2%
EBIT	1,293	189	582.9%	509	(13)	-4035.2%	784	-35.1%
EBIT margin	62.9%	12.6%		52.7%	-1.9%		72.0%	
Commercial farm								
Revenue	13,255	10,825	22.4%	6,222	5,251	18.5%	7,033	-11.5%
EBIT	366	548	-33.3%	(496)	292	-269.8%	862	-157.6%
EBIT margin	2.8%	5.1%		-8.0%	5.6%		12.3%	
Poultry processing & consumer products								
Revenue	6,121	4,756	28.7%	3,077	2,318	32.7%	3,044	1.1%
EBIT	340	177	92.2%	193	79	145.0%	147	31.0%
EBIT margin	5.6%	3.7%		6.3%	3.4%		4.8%	
Aquaculture								
Revenue	2,812	2,314	21.5%	1,605	1,156	38.8%	1,208	32.9%
EBIT	244	236	3.5%	152	126	20.3%	92	64.8%
EBIT margin	8.7%	10.2%		9.5%	10.9%		7.6%	
Trading others								
Revenue	1,292	1,066	21.2%	676	480	40.7%	617	9.6%
EBIT	193	240	-19.9%	44	94	-53.7%	149	-70.7%
EBIT margin	14.9%	22.5%		6.5%	19.6%		24.2%	

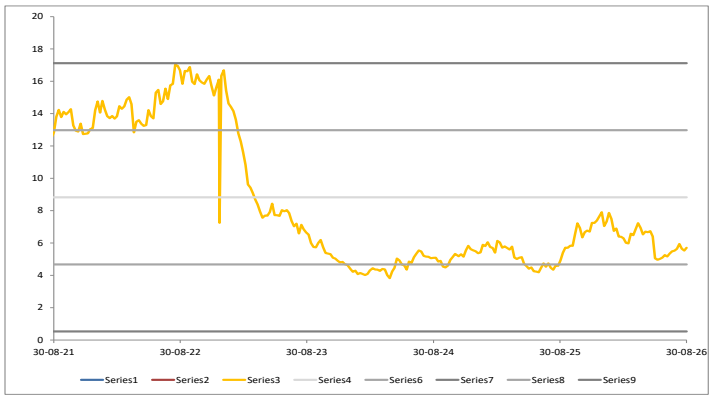
Sources: Company, KBVS Research

Exhibit 3: Upward adjustments

Adjustments	New		Old		Diff (%)	
	26F	27F	26F	27F	26F	27F
Revenue	68,043	75,762	66,341	72,612	2.6%	4.3%
Gross profit	14,997	16,889	14,251	15,676	5.2%	7.7%
EBIT	7,162	8,230	6,604	7,362	8.5%	11.8%
Profit before tax	6,221	7,239	5,662	6,371	9.9%	13.6%
Net profit	4,734	5,424	4,301	4,756	10.1%	14.0%

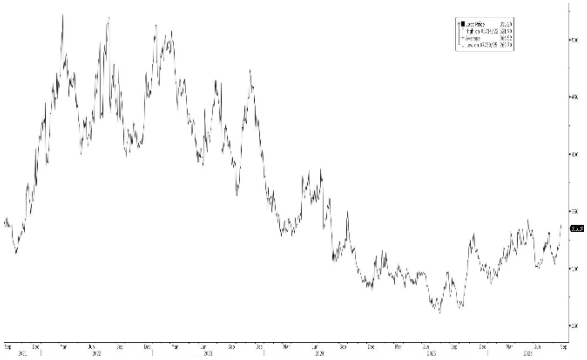
Sources: Company, KBVS Research

Exhibit 4: JPFA' PE band



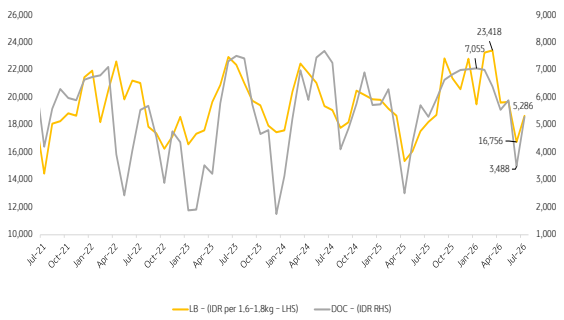
Sources: Company, KBVS Research

Exhibit 5: Soybean-meal price



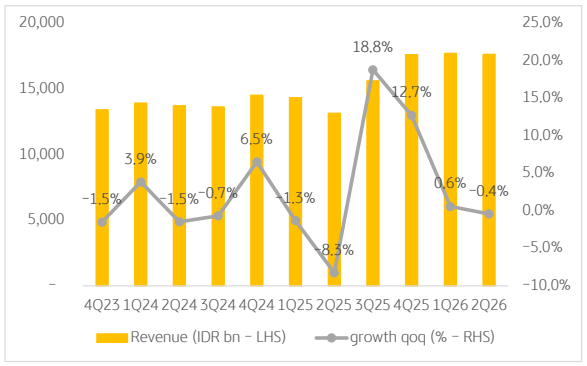
Sources: Company, KBVS Research

Exhibit 6: Broiler & DOC' average prices per month



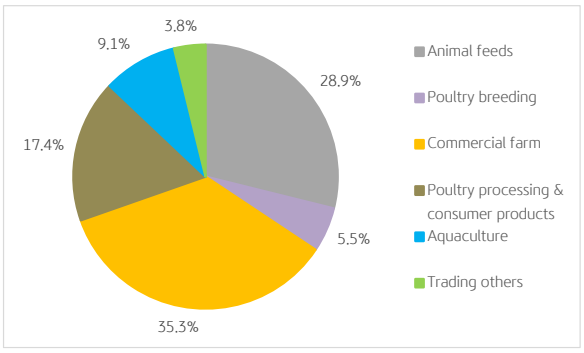
Sources: Company, KBVS Research

Exhibit 7: Revenue per quarter & growth qoq



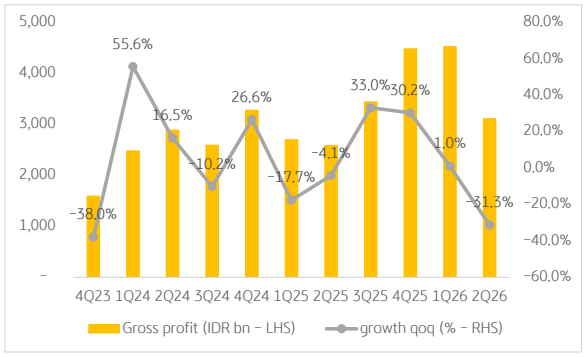
Sources: Company, KBVS Research

Exhibit 8: Segment' revenue contribution in 2Q26



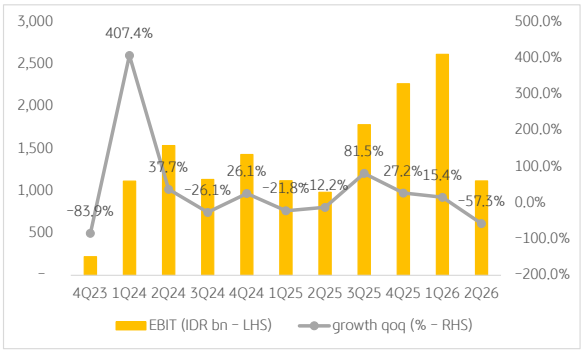
Sources: Company, KBVS Research

Exhibit 9: Gross profit per quarter & growth qoq



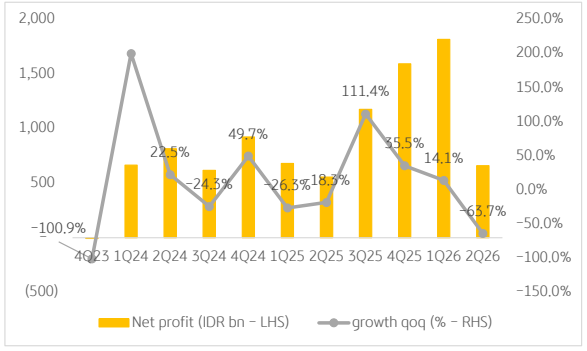
Sources: Company, KBVS Research

Exhibit 10: EBIT per quarter & growth qoq



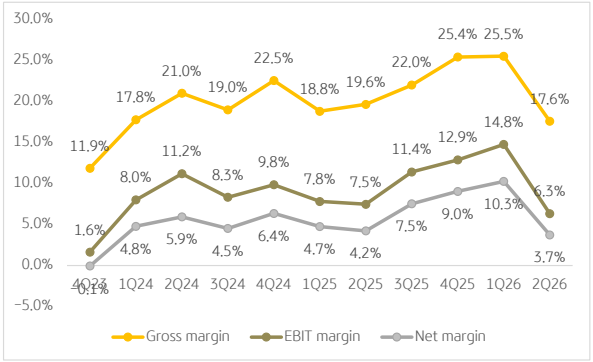
Sources: Company, KBVS Research

Exhibit 11: Net profit per quarter & growth qoq



Sources: Company, KBVS Research

Exhibit 12: JPFA margins each quarter



Sources: Company, KBVS Research

Financial Tables

Exhibit 13: Profit and Loss

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	**55,801**	**60,716**	**68,043**	**75,762**	**83,772**
COGS	(44,583)	(47,524)	(53,045)	(58,873)	(64,754)
Gross profit	**11,218**	**13,191**	**14,997**	**16,889**	**19,018**
Operating expenses	(6,005)	(7,042)	(7,835)	(8,659)	(9,630)
EBIT	**5,213**	**6,150**	**7,162**	**8,230**	**9,388**
EBITDA	**6,097**	**7,073**	**8,244**	**9,448**	**10,778**
Pre-tax profit	4,241	5,484	6,221	7,239	8,245
Net profit	**3,019**	**4,004**	**4,734**	**5,424**	**6,186**
EPS	**257**	**341**	**404**	**463**	**527**
EPS Growth	225%	33%	18%	15%	14%

Source: Company, KBVS Research

Exhibit 14: Balance Sheet

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash and cash equivalent	1,354	3,550	6,045	3,286	6,594
Receivables	2,761	3,126	3,498	3,829	4,298
Inventories	11,120	11,726	9,949	14,231	11,785
Others	1,934	2,974	2,299	2,380	2,240
Total current assets	**17,169**	**21,376**	**21,790**	**23,726**	**24,918**
Fixed assets - Net	13,754	14,995	17,050	20,058	24,445
Others	3,743	3,689	3,769	3,895	4,070
Total non-current assets	**17,497**	**18,684**	**20,819**	**23,953**	**28,515**
Total assets	**34,666**	**40,060**	**42,609**	**47,679**	**53,433**
Accounts payable	4,636	3,707	5,198	5,495	5,813
Short term bank loan	3,213	3,875	3,203	3,203	3,203
Others	1,447	8,936	2,248	2,836	3,406
Total current liabilities	**9,296**	**16,517**	**10,649**	**11,533**	**12,422**
LT. debt	1,887	2,089	1,025	722	420
Other non-current liabilities	6,911	1,435	7,046	7,106	7,209
Total non-current liabilities	**8,798**	**3,524**	**8,071**	**7,829**	**7,629**
Total liabilities	**18,094**	**20,041**	**18,720**	**19,362**	**20,051**
Shareholders' equity	1,879	1,879	1,879	1,879	1,879
Add Paid-in capital	1,150	1,150	1,150	1,150	1,150
Treasury stock & other items	(148)	(148)	(148)	(148)	(148)
Minority interests	1,096	1,355	1,676	2,073	2,564
Others	(164)	(15)	(15)	(15)	(15)
Retained earnings	12,758	15,796	19,345	23,376	27,950
Total Equity	**15,477**	**18,664**	**22,213**	**26,244**	**30,818**
Total Liabilities & Equity	**34,666**	**40,060**	**42,609**	**47,679**	**53,433**

Source: Company, KBVS Research

Exhibit 15: Cash Flow

Year end Dec (USD mn)	2024A	2025A	2026F	2027F	2028F
Net profit	3,019	4,004	4,734	5,424	6,186
Depreciation and amortization	883	924	1,082	1,218	1,390
Changes in working capital	(229)	(1,901)	2,897	(4,317)	2,295
Others	724	750	(98)	627	868
Operating cash flow	**4,398**	**3,777**	**8,615**	**2,952**	**10,739**
Capex	(1,243)	(2,165)	(3,135)	(4,226)	(5,777)
Others	(573)	28	(39)	(84)	(131)
Investing cash flow	**(1,816)**	**(2,137)**	**(3,175)**	**(4,310)**	**(5,908)**
Net change in debt	(2,152)	1,113	(2,081)	(404)	(402)
Net change in equity	-	-	-	-	-
Others	205	305	279	356	429
Cash dividends paid	(819)	(862)	(1,144)	(1,352)	(1,549)
Financing cash flow	**(2,765)**	**556**	**(2,945)**	**(1,401)**	**(1,523)**
Net cash flow	**(183)**	**2,196**	**2,495**	**(2,759)**	**3,308**
Cash at beginning of the year	1,503	1,354	3,550	6,045	3,286
Cash at the end of the year	**1,319**	**3,550**	**6,045**	**3,286**	**6,594**

Source: Company, KBVS Research

Exhibit 16: Key Performance Metrics

Year end Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Revenue	9.0	8.8	12.1	11.3	10.6
Gross profit	49.3	17.6	13.7	12.6	12.6
EBIT	130.3	18.0	16.5	14.9	14.1
EBITDA	96.0	16.0	16.6	14.6	14.1
Net profit	224.7	32.6	18.2	14.6	14.0
Profitability (%)					
Gross margin	20.1	21.7	22.0	22.3	22.7
EBIT margin	9.3	10.1	10.5	10.9	11.2
EBITDA margin	10.9	11.6	12.1	12.5	12.9
Net margin	5.4	6.6	7.0	7.2	7.4
ROA	8.7	10.0	11.1	11.4	11.6
ROE	19.5	21.5	21.3	20.7	20.1
Solvency (x)					
Current ratio	1.8	1.3	2.0	2.1	2.0
Quick ratio	0.7	0.6	1.1	0.8	1.1
Debt to equity	0.3	0.3	0.2	0.1	0.1
Interest coverage	6.0	7.6	8.3	10.0	12.1
Net gearing	0.2	0.1	(0.1)	0.0	(0.1)

Source: Company, KBVS Research

Our Analysts

Fikri C Permana
Head of Equity Research
Strategy and Economics
fikri.permana
@kbvalbury.com

Adolf R B Setiadi
Equity Analyst
Coal, Renewables, Plantation, Pulp
adolf.setiadi
@kbvalbury.com

Akhmad Nurcahyadi
Senior Equity Analyst
Banks, Consumer, Cigarettes, Auto
akhmad.nurcahyadi
@kbvalbury.com

Andre Suntono
Senior Equity Analyst
Retail, Poultry, Healthcare
andre.suntono
@kbvalbury.com

Ashalia Fitri Yuliana
Equity Analyst
Metal Mining, H-Equipment, Cement, Media, Chemicals
ashalia.yuliana
@kbvalbury.com

Atikah Tri Adriyanti
Equity Analyst
Small-Mid Caps
atikah.adriyanti
@kbvalbury.com

Steven Gunawan
Senior Equity Analyst
Telco, Tower, Property
steven.gunawan
@kbvalbury.com

Khairunnisa N Syahfiraputri
Associate Economist
khairunnisa.syahfiraputri
@kbvalbury.com

Michael Handisurya
Technical Analyst
michael.handisurya
@kbvalbury.com

Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.

KB Valbury Sekuritas
Head

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. (021) 25098300
F. (021) 25098400

Branch Office

Jakarta - Kelapa Gading
Rukan Plaza Pasifik
Jl. Boulevard Barat Raya Blok A1 No. 10
Jakarta Utara 14240
T. (021) 29451577

Jakarta - Puri Indah
Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Jakarta - Pluit
Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Denpasar
Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 3338080

Bandung
Jl. Abdul Rivai No. 1A,
Kel. Pasirkaliki, Kec. Cicendo
Bandung 40171
T. (022) 3003133

Malang
Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Palembang
Komplek PTC Mall Blok I No. 7
Jl. R. Sukamto
Palembang 30114
T. (0711) 2005050

Yogyakarta
Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 8099090

Banjarmasin
Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Semarang
Jl. Gajahmada 23A,
Kecamatan Semarang Tengah,
Kelurahan Kembang Sari 50241
T. (024) 40098080

Surabaya
Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 21008080

Padang
Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Pontianak
Jl. Prof. M Yamin No. 14
Kotabaru, Pontianak Selatan
Kalimantan Barat 78116
T. (0561) 8069000

Makassar
Komplek Ruko Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Medan
Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Pekanbaru
Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Investment

Jakarta
Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Semarang
Jl. Jati Raya No. D6,
Srondol Wetan, Banyumanik,
Semarang 50263
T. (024) 8415195

Salatiga
Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Jambi
Jl. Orang Kayo Hitam
No. 48 B
Jambi Timur 36123
T. (0741) 3068533