Japfa Comfeed Indonesia Tbk. (JPFA IJ)

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Record Quarter, Regulated Floor — Livebird Price Policy Is the Swing Factor Into 2H26

Group revenue +23.6% YoY to IDR17.71tn; NPATMI +167% YoY to IDR1.82tn | Segment growth led by Breeding +35%, Commercial Farm +26%, Processing +26% | Jun26 DOC price -40.8% MoM to IDR3,488; livebird ~14% below the IDR19,500/kg mandated floor | 4.9x trailing P/E | Non-rated.

1Q26 Revenue	1Q26 NPATMI	Trailing P/E	Net Debt
IDR17.71tn	**IDR1.82tn**	**4.9x**	**Deleveraged**
+23.6% YoY	+167% YoY	vs. CPIN >15x	Bonds fully repaid

KEY TAKEAWAYS

- 1Q26 delivered a record quarter: **revenue +23.6% YoY to IDR17.71tn and NPATMI +167% YoY to IDR1.82tn**, roughly 26% of full-year FY26 consensus, with growth broad-based across Poultry Breeding (+35% YoY), Poultry Processing (+26%), Commercial Farm (+26%), and Animal Feed (+19%); only Aquaculture lagged at +4% YoY.
- Margin expansion drove the result: **gross profit rose to IDR4.52tn from IDR2.69tn YoY** on elevated ASPs for DOC and broiler alongside easing global feed input costs (soybean meal, corn) versus their 2023–2024 peaks; basic EPS rose to IDR156 from IDR59 a year earlier.
- The balance sheet deleveraged materially: **bond debt fully repaid (IDR5.83tn to zero) by 1Q26**, total liabilities fell to IDR17.31tn from IDR20.04tn at end-25, and equity rose to IDR22.02tn, more than doubling equity coverage of debt versus a year earlier.
- Government livebird price policy is the swing factor into 2H26: **Jun26 DOC price fell 40.8% MoM to IDR3,488** (its lowest in the 34-month dataset), and the livebird average of IDR16,756/kg ran ~14% below the IDR19,500/kg mandated floor effective by 15 July 2026. This report is non-rated and carries no target price.

1Q2026 SEGMENT PERFORMANCE

Segment	1Q26 YoY Growth
Poultry Breeding	+35%
Poultry Processing	+26%
Commercial Farm	+26%
Animal Feed	+19%
Trading & Others	+11%
Aquaculture	+4%

Poultry Breeding's outsized +35% YoY growth reflects the elevated DOC average selling price environment through 1Q26 — precisely the dynamic now facing reversal risk following Jun26's sharp DOC price decline.

LIVEBIRD (LB) & DOC MONTHLY AVERAGE PRICES, JAN–JUN 2026 (IDR/kg, IDR/chick)

Month	Livebird (LB)	DOC
January 2026	19,489	7,055
February 2026	23,256	6,999
March 2026	23,418	6,394
April 2026	19,617	5,546
May 2026	19,669	5,894
June 2026	**16,756**	**3,488**

Source: Monthly average prices of West Java, collected by Japfa's Marketing Team, as of 30 June 2026. LB weight range 1.6–1.8kg; Broiler DOC.

Despite the 9 June directive and 29 June industry commitment, June 2026's average livebird price ran ~14% below the mandated IDR19,500/kg floor, while the DOC price fell 40.8% MoM to its lowest in the 34-month dataset — a leading indicator that farmers may be pulling back on restocking amid oversupply concerns. For JPFA, whose Poultry Breeding segment grew 35% YoY in 1Q26 on strong DOC pricing, this reversal is the single most important data point shaping our 2H26 earnings caution.

INCOME STATEMENT SUMMARY (IDR bn)

Item	FY22A	FY23A	FY24A	FY25A

Revenue	48,972	51,176	55,801	60,716
Cost of Revenue	(41,289)	(43,665)	(44,583)	(47,525)
Gross Profit	**7,683**	**7,511**	**11,218**	**13,191**
Gross Margin (%)	15.7%	14.7%	20.1%	21.7%
Operating Expenses	(5,105)	(5,478)	(6,243)	(7,265)
Operating Profit	**2,578**	**2,034**	**4,975**	**5,927**
Operating Margin (%)	5.3%	4.0%	8.9%	9.8%
Net Profit	n/a	n/a	n/a	4,000
EPS (IDR/share)	n/a	n/a	n/a	344.4

Source: Company, S&P Global Market Intelligence, stockanalysis.com, Aldiracita Research. Non-rated: no target price.

BALANCE SHEET SUMMARY (IDR bn)		
Item	**FY25A (Dec-25)**	**1Q26A (Mar-26)**
Cash and Cash Equivalents	3,550	1,850
Inventory	9,600	10,270
Fixed Assets, net	15,000	15,680
Total Assets	**40,060**	**39,330**
Bond Debt	5,830	0
Long-Term Bank Debt	2,030	4,560
Total Liabilities	20,040	17,310
Total Equity	**20,020**	**22,020**

CASH FLOW SUMMARY, 1Q26 (IDR bn)	
Item	**1Q26A**
Cash Receipts from Customers	17,550
Payments to Suppliers & Others	(12,520)
Net Cash from Operating Activities	**2,220**
Additions to Fixed Assets	(811)
Net Cash Used in Investing Activities	(878)
Bond Debt Repayment	(5,920)
Net Cash from (Used in) Financing Activities	**(3,090)**

TRADING MULTIPLES (current / TTM)	
Multiple	Value
P/E, TTM (x)	4.9x
Forward P/E (x)	5.8x
EV/EBITDA (x)	5.0x
Dividend Yield (%)	6.2%
ROE (%)	23.4%
ROIC (%)	16.7%

Source: stockanalysis.com, Company. TTM earnings are inflated by the exceptional 1Q2026 quarter and are not necessarily representative of a normalized run-rate. Non-rated: metrics are Aldiracita Research model outputs, not company guidance.

SWOT Analysis

STRENGTHS

- Fully integrated model across feed, breeding, farming, processing, and aquaculture.
- Record 1Q2026 results — revenue +23.6% YoY, NPATMI +167% YoY.
- Bond debt fully repaid (IDR5.83tn to zero) by 1Q2026; total liabilities down to IDR17.31tn.
- Attractive dividend yield (~6.2%) at a steep discount to peer CPIN's valuation.

WEAKNESSES

- TTM earnings (P/E 4.9x) inflated by an exceptional, likely non-repeatable 1Q2026 quarter.
- High sensitivity to livebird/DOC price cycles and feed input cost swings.
- June 2026 DOC price collapse (-40.8% MoM) signals emerging oversupply/demand softness.
- Aquaculture segment growth lagging (+4% YoY in 1Q26) versus other segments.

OPPORTUNITIES

- MBG free nutritious meals program driving structural chicken/egg demand nationally.
- GPS import quota cuts (~16%) supporting supply-demand rebalancing.
- Low per-capita chicken consumption vs. ASEAN peers leaves long secular growth runway.
- Valuation re-rating potential if the gap to peer CPIN (>15x P/E) narrows.

THREATS

- Livebird price still ~14% below the government-mandated IDR19,500/kg floor as of June 2026.
- Government/industry price intervention (Komitmen Bersama, Permentan 10/2024) constrains pricing flexibility.
- Global feed input cost volatility (soybean meal, corn, currency) beyond JPFA's control.
- Risk of renewed industry oversupply if GPS/DOC production does not moderate with demand.

Poultry Sector Policy Update — Livebird Price Stabilization

Government mandates a livebird price floor. On 9 June 2026, the Directorate General of Livestock and Animal Health issued Letter No. B-3/PK.130/F.3/06/2026, directing 46 feed mills (including JPFA) to absorb livebird from independent farmers, prioritizing harvest weights of 1.8kg and above, at a minimum farm-gate price of IDR19,500/kg, with weekly reporting of absorption and cutting volumes.

Industry ratifies a joint commitment. On 29 June 2026, JPFA joined 13 other major producers — including Charoen Pokphand, Malindo Feedmill, and the GPPU/PINSAR/GOPAN associations — in a Komitmen Bersama targeting IDR19,500/kg for all weight sizes by 15 July 2026, rising gradually toward the government's Harga Acuan Pemerintah (HAP), with compliance monitored by relevant ministries, Satgas Pangan POLRI, KPPU, and local governments, and tiered sanctions under Permentan 10/2024.

Industry Outlook

Supply-Side Discipline via GPS Import Quotas. A reduction of roughly 16% in Grandparent Stock (GPS) import quotas has helped rebalance livebird supply and demand domestically, supporting price stabilization through mid-2026 — a policy lever that, combined with the livebird price floor, signals continued regulatory willingness to intervene when farm-gate economics deteriorate.

MBG Demand, Consumption Runway, and Peer Positioning. The nationwide rollout of the MBG free nutritious meals program through 2026 positions eggs and chicken meat as primary protein sources, a structural volume tailwind for integrated players like JPFA. Indonesia's low per-capita chicken consumption versus ASEAN peers leaves a long secular runway. JPFA's closest listed peer, CPIN, typically trades at >15x P/E despite a broadly comparable integrated model — a persistent discount several sell-side analysts view as unwarranted following JPFA's deleveraging and margin recovery.

Key Risks

Livebird and DOC price normalization. 1Q2026's exceptional results were driven by elevated poultry ASPs now subject to explicit government price management. June 2026 data already shows a 40.8% MoM collapse in DOC prices and a livebird average still below the mandated floor. If this normalization continues through 2H2026, full-year earnings could fall well short of the run-rate implied by 1Q2026.

Regulatory price intervention constrains flexibility. The 9 June directive and 29 June Komitmen Bersama commit JPFA and peers to a livebird price floor with tiered sanctions, monitored by multiple government bodies (Satgas Pangan POLRI, KPPU), reducing commercial flexibility to respond to market conditions.

Stale market pricing data. The most recent reliable price data for this report (IDR1,980, as of 5 June 2026) pre-dates the June poultry pricing developments; given the stock's documented volatility (single-day moves of 7–16%), users should refresh pricing before acting.

Feed input cost volatility and limited historical disclosure. JPFA's margin recovery has been partly attributed to easing global soybean meal and corn prices; a reversal or currency depreciation would pressure feed costs across the chain. Separately, net profit and EPS for FY2022A–FY2024A were not confirmed in the sources reviewed.

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