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## Sukarno Alatas

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### Stock Rate

Industry

**Buy**  
Neutral

TP 12M  
vs. Last Price

IDR 2,400  
+50.0%

### Stock Data

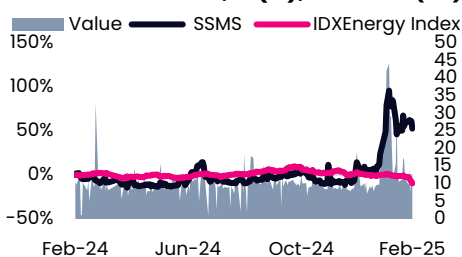
Ticker Code SSMS  
Sub Sector Food & Beverage  
Sector Consumer Non-Cyclicals

Market Cap (IDR.Tn) 15.24  
Shares Issued (Bn) 9.53  
AVG 3M Turnover (Bn) 12.58

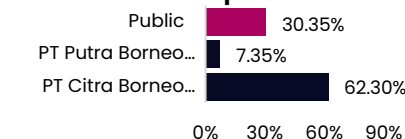
### Price (IDR)



### Price Performance, 1Y(%), Turnover (Bn)



### Shareholders Composition



### ESG Rating

Environmental 1.45  
Social 0.59  
Governance 3.81

Source : bloomberg

## PT Sawit Sumbermas Tbk (SSMS)

### SSMS: Solid Fundamentals, Backed by Upward Trend of ASP

**Fundamentals are good and quite solid.** The company's financial performance shows a strong upward trend from 2019 to 2022, especially in net profit. However, there is a significant decline in 2023. The upward trend is in line with sales volume growth with CAGR (2019–2023) recorded CPO 3.5%, PK (Palm Kernel) 7.5%, PKO (Palm Kernel Oil) 10.4% but FFB (Fresh Fruit Bunches) -10.4%. Then the upward trend of ASP of each segment, which resulted in CAGR growth of CPO 14.1%, PK 9.2%, PKO 8.3% and FFB 20.1% respectively. In 9M24, SSMS posted revenue of IDR 7.38 trillion or -0.1% y/y and down -15% q/q/ and posted EBITDA of IDR 1.62 trillion or +54% y/y (-24% q/q). EBITDA margin fell to 22% (vs 9M23 at 24%). As for the bottom line, SSMS generated net profit of IDR 609 billion or +18.7% y/y (+115% q/q). NPM ratio improved to 8.3% (vs 9M23 at 6.9%).

**SSMS is being competitive,** With 9M24 operation nucleus planted in an area of 68.9 Ha produces 16.5 t/ha, this is the highest when compared to its competitors such as LSIP producing 7.21 t/ha, TAPG 15.1 t/ha, and DSNG 14.6 t/ha. While from plasma SSMS yielded 6.33 t/ha, LSIP 3.17 t/ha, TAPG 9.4 t/ha, DSNG 13.3 t/ha.

**The potential price increase is driven by demand and supply.** The increasing trend of domestic and Malaysian consumption has the potential to push up CPO prices, especially since the Indonesian government is also implementing B40. In 2024, the decline was -22%, after reaching the highest point in 2023 where consumption was recorded at 22.98 million tons. Despite the decline, shareholder to production has increased to 45% which was only 42% in 2023. We believe this will affect inventory and cause prices to rise. Whereas the inventory in Indonesia from 2021–2024 has decreased. On the other hand, Malaysia's inventory is still below 2018.

### Key Takeaways

- o **2025F projection continues to grow in line with projected ASP increase.** We project top and bottom line to continue to grow in 2025F with respective growth at 5% y/y and 57% y/y.
- o **ASP Growth: SSMS' 9M24 Performance Impressive.** 9M24 results, there was an increase in CPO ASP to 11,810/kg or +11% y/y & +2% q/q, PK ASP to IDR 6,777/kg or +33% y/y & 9% q/q, PKO ASP to IDR 16,206/kg or +33% y/y & +13% q/q and FFB ASP to IDR 2,717/kg or +20% y/y & +4% q/q.
- o **SSMS showed an increase in profitability in 9M2024 compared to the same period last year,** as seen from the increase in Gross profit margin, Operating profit margin, and Net profit margin.

### Recommendation "BUY"

Based on absolute valuation (DCF) and future, we calculate SSMS's fair value for 12M target at IDR 2,400 per share. This price reflects a P/E of 11.5x and PBV of 5.57x. Last price (IDR 1,600) trade at PE est. 7.66x (vs avg peers at 10x) and PBV est. 3.71x (vs avg peers at 1.2x, Highest at 6.5x). *Downside risks: CPO price decline, weather conditions, competition, government regulations and environmental issues.*

### Financial Highlight

| End 31 Dec            | 2022A  | 2023A  | 2024F  | 2025F  | 2026F  |
|-----------------------|--------|--------|--------|--------|--------|
| Revenue (IDR Bn)      | 11,240 | 10,703 | 11,808 | 12,301 | 12,325 |
| Net Profit (IDR Bn)   | 1,464  | 338    | 1,264  | 1,988  | 1,799  |
| EPS (IDR Full)        | 154    | 35     | 133    | 209    | 189    |
| EBITDA Margin         | 27%    | 15%    | 22%    | 27%    | 25%    |
| NPM                   | 13.0%  | 3.2%   | 10.7%  | 16.2%  | 14.6%  |
| ROE                   | 72%    | 17%    | 38%    | 45%    | 38%    |
| Interest Coverage (x) | 4.1    | 1.8    | 3.8    | 6.4    | 6.6    |
| P/E (x)               | 9.56   | 29.45  | 7.99   | 11.50  | 12.71  |
| P/BV (x)              | 6.98   | 5.69   | 3.31   | 5.57   | 5.18   |
| EV/EBITDA (x)         | 1.80   | 8.38   | 1.68   | 1.31   | 1.28   |

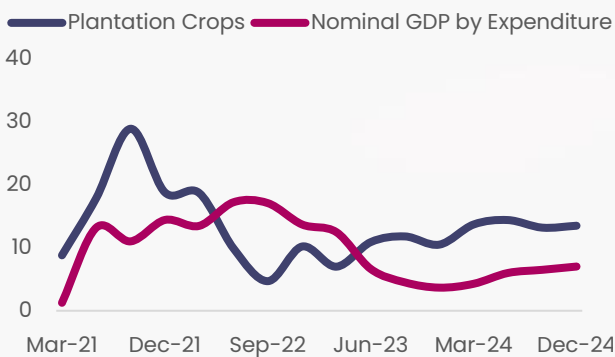
Source : Company & Bloomberg



## Macro & Industry Outlook

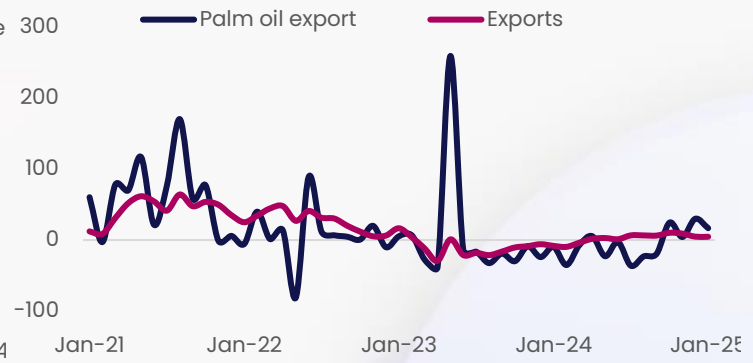
**Slowly recovery but sure.** The trend of the plantation industry based on nominal GDP experienced a growth trend, this is also inline with nominal economic growth which began to have a growth trend even though it was not significant. In 4Q24, the plantation crop industry grew by 13.5% YoY, higher than 4Q23 which only grew by 10.5% YoY. On the other hand, CPO exports showed a recovery and managed to increase above Indonesia's exports. In Jan-25 exports recorded an increase of 4.68% YoY but lower than 2024 which grew 4.78% YoY. On the other hand in Jan-25 CPO exports fell by -16.68% YoY but in Dec-24 CPO exports increased by 30.05% YoY. We believe that the palm oil industry can still increase this is driven by the levy cut of 7.5% and the potential to increase export activities from CPO.

### Plantation crop industry & Nominal GDP (%)



Source: Indonesia Statistic (BPS)

### Palm oil export & Export 2021-2025

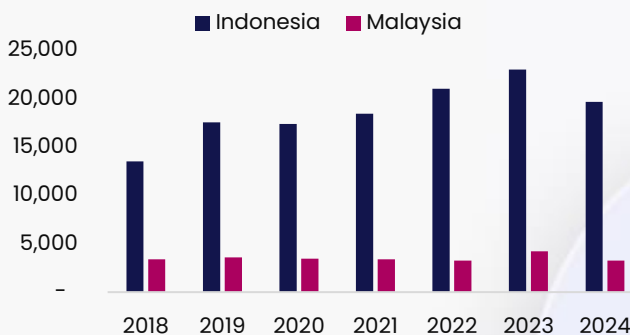


Source: Indonesia Statistic (BPS)

### Palm Oil Domestic consumption continues to show an increase.

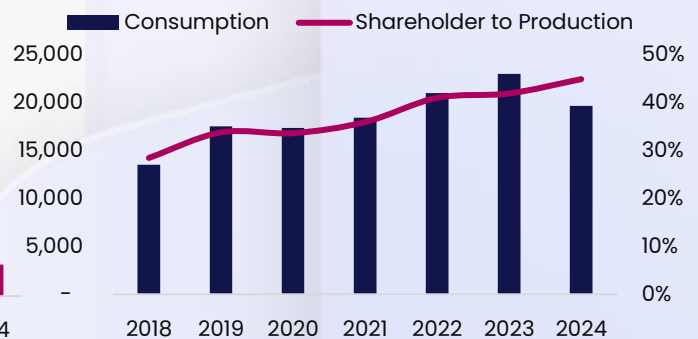
Palm oil consumption shows an upward trend from year to year, although in 2024 consumption shows a decline. In 2024, Indonesia's palm oil consumption was recorded at 19.6 million tons -14% YoY, while in 2023 Indonesia's palm oil consumption reached 22.96 million tons +9% YoY. Malaysia's palm oil consumption also decreased in 2024 which was recorded at 3.27 million tons -22% YoY. Although there was a decrease in consumption, there was an increase in the shareholder to production, which in 2024 was calculated at 45% (2023 42%), this shows a decrease in consumption due to supply disruptions.

### Indonesia vs Malaysia Consumption Palm Oil (000 Tons)



Source: GAPKI, MPOC

### Consumption Domestic & Shareholder to Production

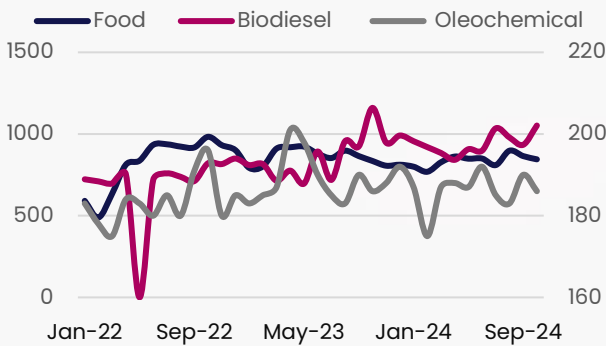


Source: GAPKI



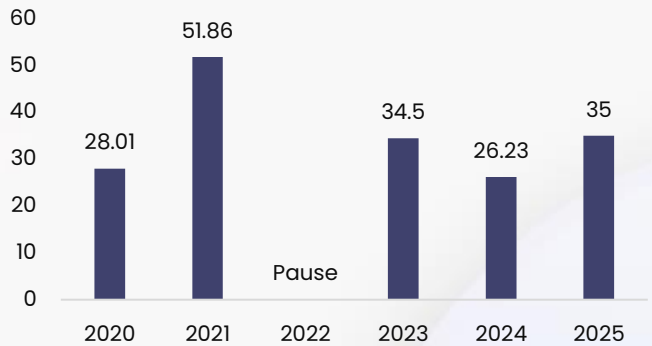
**Biodiesel Consumption is still increasing.** Palm oil consumption for biodiesel continued to increase. In Oct-24, palm oil consumption for biodiesel reached 1.05 million tons (+13% MoM, -9% YoY), Oleochem reached 186k tons (-2% MoM, 0% YoY), and Food reached 845k tons (-2% MoM, +1.20% YoY). We see that the demand for palm oil will continue to increase driven by Prabowo's program for food and energy self-sufficiency, as well as the government's program to reduce oil imports. The Ministry of Energy and Mineral Resources also said that it needs 15.6 million tons in the B40 program and the government targets to increase to B50 by 2026. Even in 2025, the government will subsidize biodiesel by IDR 35 trillion to encourage the B40 program, although this subsidy is below the initial target of 37.5 trillion, we believe it can encourage palm oil consumption for biodiesel.

### Type of Domestic Consumption Palm Oil (000 Tons)



Source: GAPKI

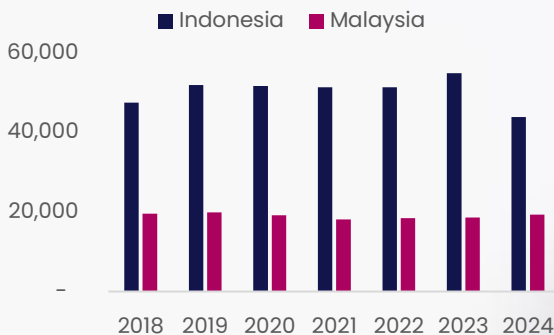
### Subsidies Biodiesel (IDR Trillion)



Source: BPD PKS

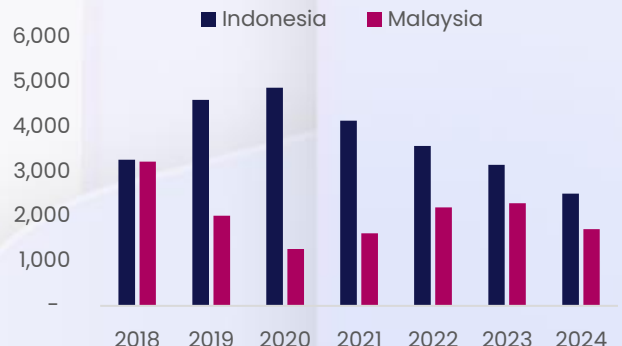
**Production and Inventory show a downward trend.** Indonesia's palm oil production was recorded at 43.78 million tons in 2024 which compared to 2023 fell by -20% YoY (2023 production 54.84 million tons). Malaysia also only experienced a small increase in production, where in 2024 Malaysia's palm oil production reached 19.55 million tons, up +4% YoY (2023 production 18.5 million tons). Whereas from inventory, Indonesia's inventory was recorded at 2.5 million tons -20% YoY, and from Malaysia inventory fell by 25% YoY or only to 1.71 million tons (2023 2.29 million tons). We see that the effect of la nina and the increase in demand can affect production and inventory.

### Indonesia vs Malaysia Production Palm Oil (000 Tons)



Source: GAPKI, MPOC

### Inventory Indonesia & Malaysia (000 Tons)

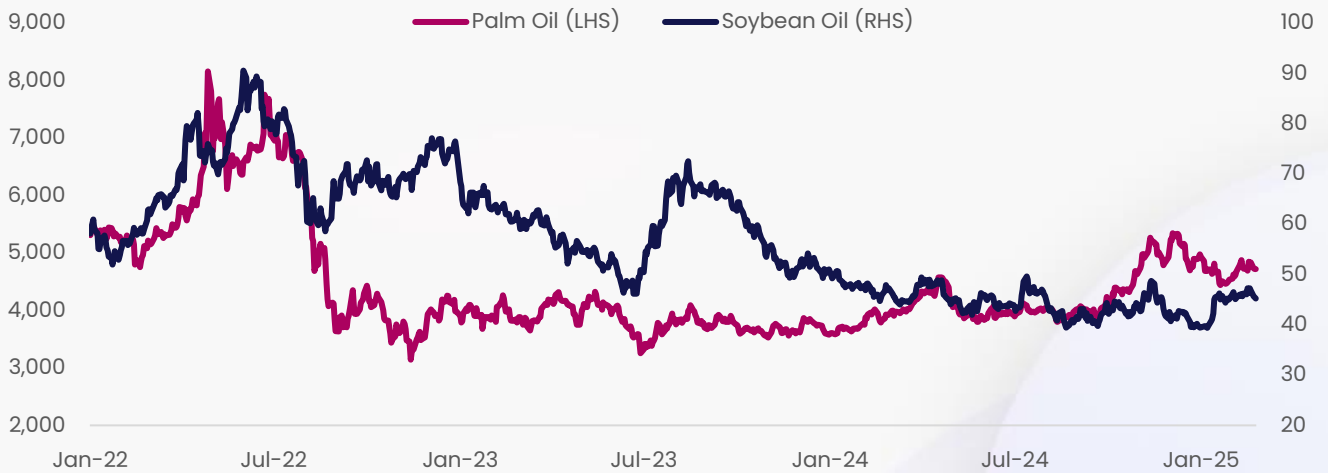


Source: GAPKI, MPOC



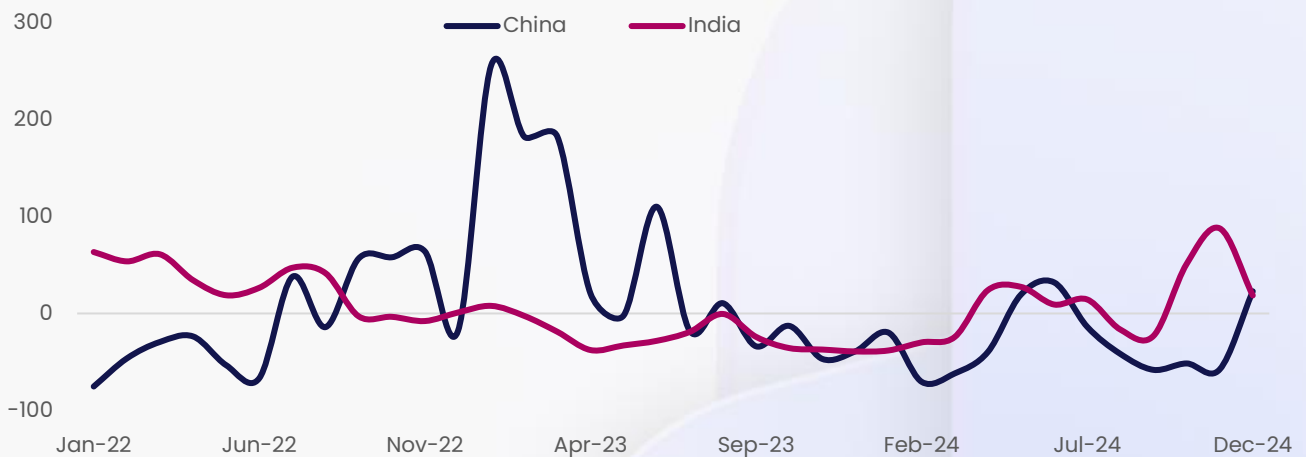
**CPO prices rose faster than Soybean Oil.** CPO price started to show recovery, driven by increasing consumption and decreasing inventory of palm oil. In Dec-24, CPO price touched 4,975 MYR/Ton (+41% YoY) and became the highest point since 2023. CPO price gain in 2024 reached 36% YoY. Meanwhile, soybean oil price during 2024 decreased by -21% YoY, where in 2023 the price had touched 50.15 USD/lb and in 2024 the price was at 39.64 USD/lb. We see that there is still potential for an increase in palm oil prices due to the increasing demand from Indonesia and also from China and India whose economies are recovering.

**Palm Oil (MYR/ton) vs Soybean Oil (USD/lb)**



Source: Bloomberg

**China & India Palm Oil Import Growth (%)**

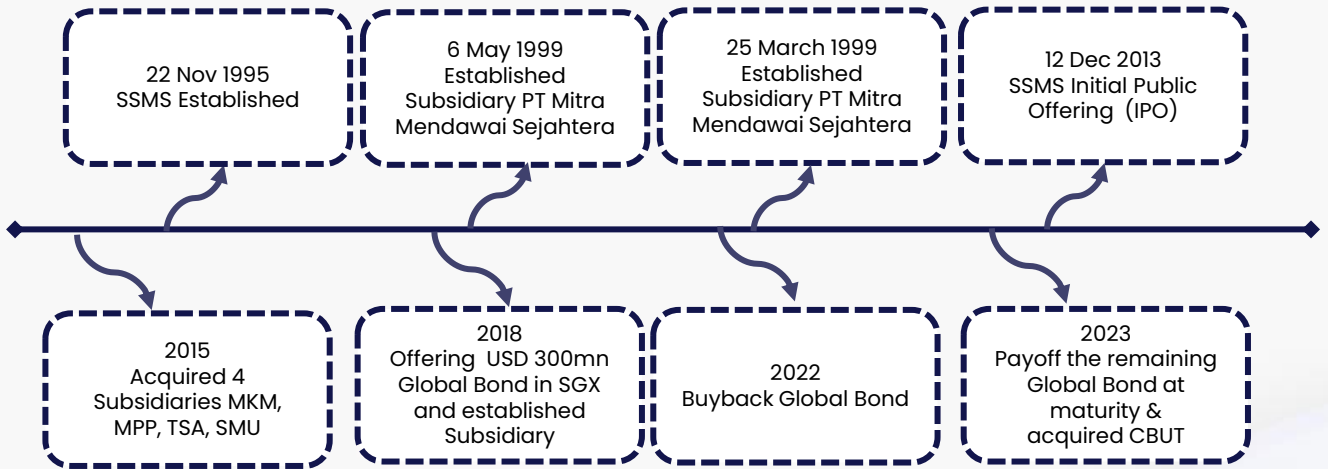


Source: Bloomberg

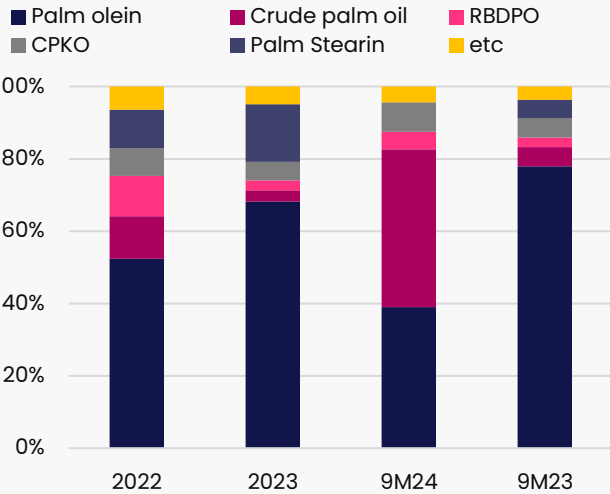


## Business Profile

### Company Milestone



### Revenue Contribution (%)



Source: Company

### Company Overview

PT Sumber Sawitmas Sarana Tbk, was established on November 22, 1995. SSMS continues to expand so that it has a variety of products such as :

- Palm Olein (9M24 has a 23% contribution to revenue)
- Crude palm (9M24 has a 25% contribution to revenue)
- RBDPO (9M24 has a 2% contribution to revenue)
- CPKO (9M24 has a 3% contribution to revenue)
- Palm Sterein (9M24 has 0% contribution to revenue)
- PFAD (Palm Fatty Acid Distillate)
- Pillow Pack
- PKE (Palm Kernel Expeller)



### Strategic Location, Integration The Key

SSMS has 8 Palm Oil Mills with a capacity of 540 TPH, 1 KCP of 190 TPD and 1 BIOGAS which can generate 1.5Megawatt. Through its 23 oil palm plantations, SSMS produces nearly 2 million tons of FFB by 2023 and >500 thousand MT of CPO by acquiring additional 440 thousand MT of FFB from independents.

Since PT Citra Borneo Utama (CBUT) was acquired by the Company. These CPO products are then processed directly by CBUT for further processing into palm oil derivative products.

### Location SSMS

### Integrated landholding so that SSMS is able to keep costs under control.



Source: Company

### Competitive Operational

SSMS can still compete with its competitors, in operational 9M24 nucleus planted at 68.9 Ha and yielded 16.5 t/ha, this is the highest when compared to its competitors such as LSIP yield 7.21 t/ha, TAPG 15.1 t/ha, and DSNG 14.6 t/ha. While from plasma SSMS yield was 6.33 t/ha, LSIP 3.17 t/ha, TAPG 9.4 t/ha, DSNG 13.3 t/ha.

While from the ratio of OER and KER SSMS can also compete well, where OER is calculated at 23%, LSIP 22%, TAPG 23%, and DSNG 24%. On the other hand, SSMS KER is still low compared to competitors which is only recorded at 4.3%.

### Operational

| 9M24 Operational | SSMS | LSIP  | TAPG  | DSNG  |
|------------------|------|-------|-------|-------|
| Nucleus(000 Ha)  | 68.9 | 112.7 | 136.6 | 84.5  |
| Yield(t/ha)      | 16.5 | 7.21  | 15.1  | 14.60 |
| Plasma (000 Ha)  | 12.7 | 32.2  | 24.1  | 27.9  |
| Yield(t/ha)      | 6.33 | 3.17  | 9.4   | 13.30 |
| OER              | 23%  | 22%   | 23%   | 24%   |
| KER              | 4.3% | 6.3%  | 4.9%  | 4.6%  |

Source: Company



## Visit SSMS and subsidiaries

We had the opportunity to visit SSMS, see how the research process for fertilizers, pests, and weather, as well as see the FFB collection process and the refinery process.

The location is strategic and the road has been cast according to us, it is very efficient for time, traveling from the city of Pangkalan Bun, to the oil palm plantation takes +/- 1.5 hours.

## Plant tissue & fertilizer sampling process in Sulung Research



## Sulung Research Products



**Biofertilizer SRS** is a solid biofertilizer product made from live microorganisms in the form of a consortium of rooting microorganisms. Using boiler ash, which is a solid waste from burning palm oil in palm oil processing, as a basic ingredient in the SRS Biofertilizer product.



**Biofertilizer Cair SRS** is divided into two types, namely Phosphate Solubilizing Bacteria and Nitrogen Fixing Microbes, which can be applied specifically to the problems of plants. SRS Liquid Biofertilizer contains live microorganisms originating from the soil of the oil palm plantation area of PT Sawit Sumbermas Sarana Tbk. or is Site Specific. The microorganisms used are Nitrogen Fixing Bacteria (BPN): Azotobacter sp. and Rhizobium; Phosphate Solubilizing Bacteria (BPF): Pseudomonas sp.



### BIOLOGICAL AGENTS SRS

- *Cordyceps* is utilized by Sulung Research Station as an active ingredient in a formula for controlling caterpillar pests.
- *Metharizium* is utilized by Sulung Research Station as an active ingredient in the formula for controlling *Oryctes rhinoceros* or horned beetle pests.
- *Trichoderma* is utilized by Sulung Research Station as an active ingredient in preventive formulas and control of *Ganoderma* fungal pathogen attacks..



### Attractants SRS

is a product that attracts insects to pollinate oil palm, the application of SRS Attractant can increase the arrival of pollinator insects up to 85%, and increase the fruitset value of oil palm fruit.

Source: Company



### Metharizium in pest control



Source: Company

### Ganoderma Fungi one type of fungi that is a pest for palms



Source: Company

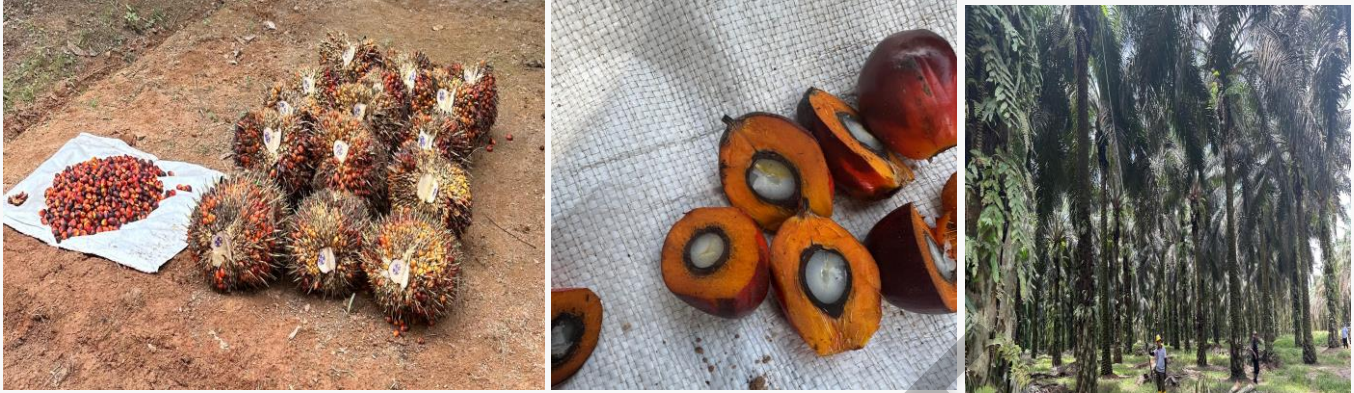
### Plant area monitoring with camera & Drone



Source: Company



## Sample of Freh Fruit Brunch (FFB)



Source: Company

## Proses In PKS Sulung & Refinery Procces



Source: Company



## BIOGAS Factory



Source: Company



Source: Company

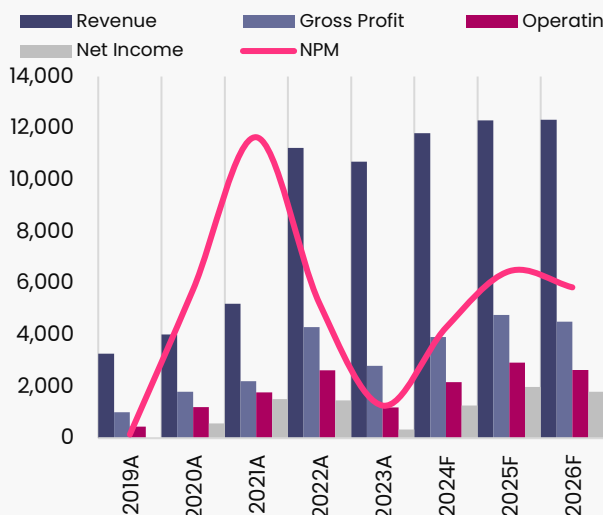
## Integrated With Jety



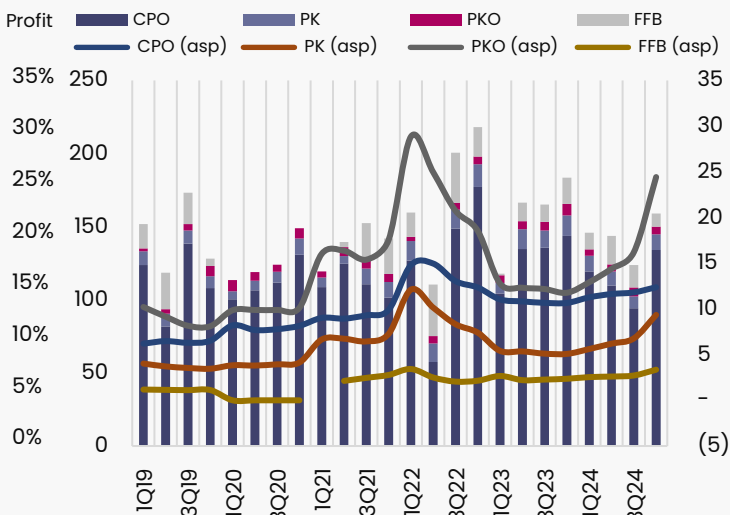
Source: Company



## Financial Overview



## Sales Volume (000 MT) vs ASP (IDR 000 /kg)



**Strong CAGR growth from 2019 to 2023 shows a solid foundation. Despite the quarterly decline in revenue, SSMS managed to significantly improve its operating and net profit margins.**

Overall, the company's financial performance showed a strong upward trend from 2019 to 2022, especially in net profit. However, there was a significant decline in 2023. The upward trend is in line with sales volume growth with CAGR (2019-2023) recorded CPO 3.5%, PK (Palm Kernel) 7.5%, PKO (Palm Kernel Oil) 10.4% but FFB (Fresh Fruit Bunches) -10.4%. Then the upward trend of ASP of each segment, which resulted in CAGR growth of CPO 14.1%, PK 9.2%, PKO 8.3% and FFB 20.1% respectively. Nonetheless, we project that SSMS' financial performance will recover and rebound in the coming years as the projected increase in ASP and inline CPO upward trend.

**Revenue:** There was a significant increase in revenue from 2019 to 2022, followed by a decline in 2023. CAGR growth from 2019-2023 is 24%. In 9M24, SSMS booked revenue of IDR 7.38 trillion or -0.1% y/y and down -15% q/q/.

**Gross Profit:** In line with revenue, gross profit also increased until 2022, declined in 2023 or with a CAGR growth from 2019-2023 of 12%. In 9M2024, SSMS recorded gross profit of IDR 2.15 trillion or +10.2% y/y, but down -36% q/q. Gross profit margin improved to 29.2% (vs 9M23 at 26.4%).

**Operating Profit:** The trend is similar to gross profit, with an increase until 2022, a decrease in 2023. CAGR growth from 2019-2023 is 14%. In 9M2024, SSMS recorded an operating profit of IDR 1.32 trillion or +26.7% y/y, and grew +25% q/q. Operating profit margin ratio increased to 17.9% (vs 9M23 at 14.1%).

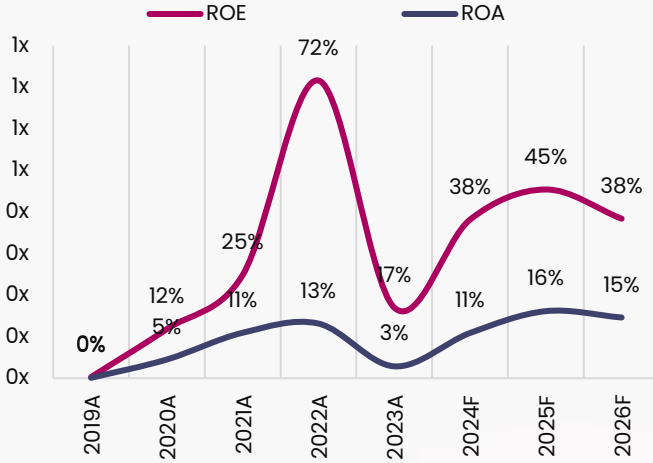
**EBITDA:** Following the same pattern as operating profit and resulting in a CAGR growth from 2019-2023 of 13%. In 9M2024, SSMS booked EBITDA of IDR 1.62 trillion or +54% y/y, but down by -24% q/q. EBITDA margin fell to 22% (vs 9M23 at 24%).

**Net Income:** Significant increase happened 2019 until 2022, sharp decline in 2023. CAGR growth from 2019-2023 of 32%. 9M2024, SSMS generated net profit of IDR 609bn or +18.7% y/y, and grew significantly by +115% q/q. Net profit margin ratio increased to 8.3% (vs 9M23 at 6.9%).



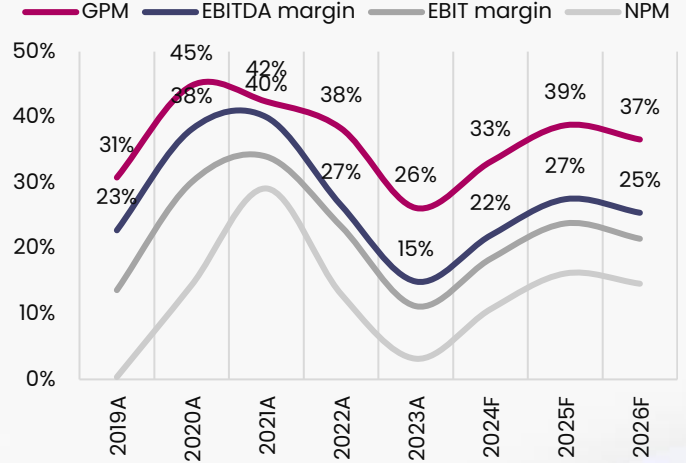
SSMS showed an increase in profitability in the 9M2024 period compared to the same period the previous year, as seen from the increase in Gross profit margin, Operating profit margin, and Net profit margin.

### ROE-ROA ratio is expected to increase



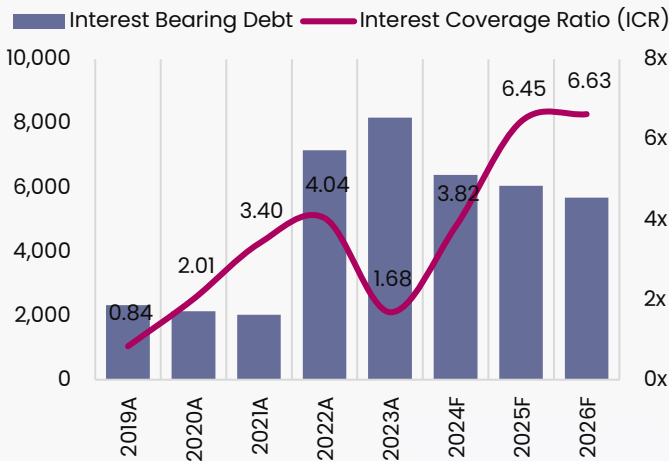
Source : Company & KSI Research

### The profitability ratio projected to increase



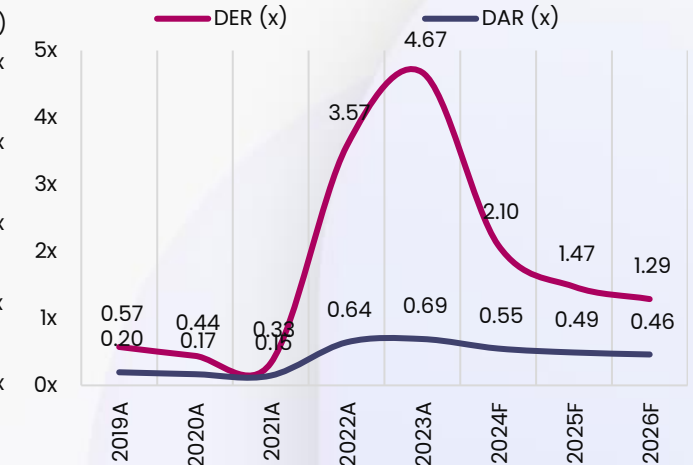
Source : Company & KSI Research

### Interest Coverage vs Interest Bearing



Source : Company & KSI Research

### Debt Ratio



Source : Company & KSI Research

**Interest Coverage Ratio continues to be on an upward trend, although it dipped in 2023.** SSMS' 9M24 period resulted in ICR ratio at 3.48x or improved compared to FY2023 at 1.68x.

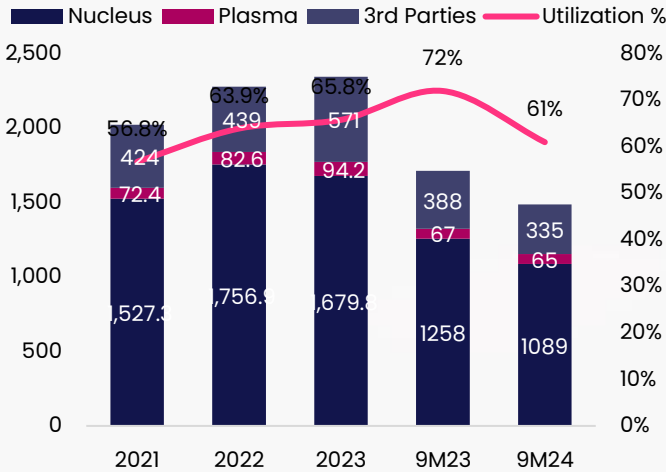
SSMS in 9M24, managed to reduce total liabilities to IDR 8.8 trillion or -10% lower (vs FY2023 9.8 trillion) or resulted in a debt ratio of 3.42x (vs 2024 4.94x). The debt ratio is noteworthy and warrants caution when the interest expense coverage ratio or ICR falls below 1.5x.

**The solid financial structure gives SSMS the opportunity to continue expanding both organically and inorganically.** In addition, we believe SSMS is committed to maintaining its risk appetite and project that its debt ratio may decrease in the future.



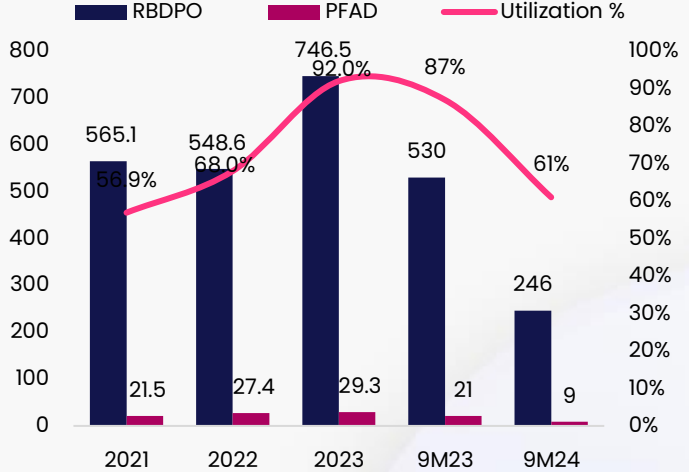
**Overall, the 9M24 data shows a decline in production volume and mill utilization in almost all stages of palm oil processing.** This decline is due to disruptions in FFB supply which will directly impact mill utilization. This decrease in supply can be caused by various factors, such as seasonal factors or weather conditions. Based on GAPKI source data, 9M2024 production decreased by -4.6% y/y, and July 2024 recorded the lowest production in the last 2 years. But we see an opportunity because there is an increase in production starting from August to October 2024. ***As for short-term or seasonal challenges, BMKG projects that Central Kalimantan will experience medium-high rainfall from March to May 2025.***

### FFB Process vs Mills Utilizations (000 Ton)



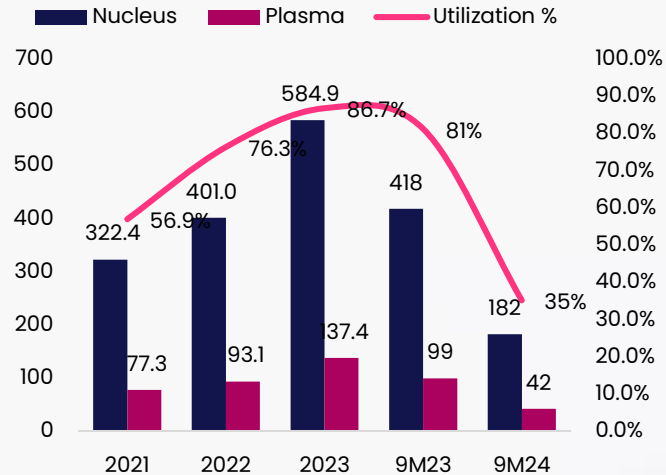
Source : Company & KSI Research

### CPO Process at Refinery (000 Ton)



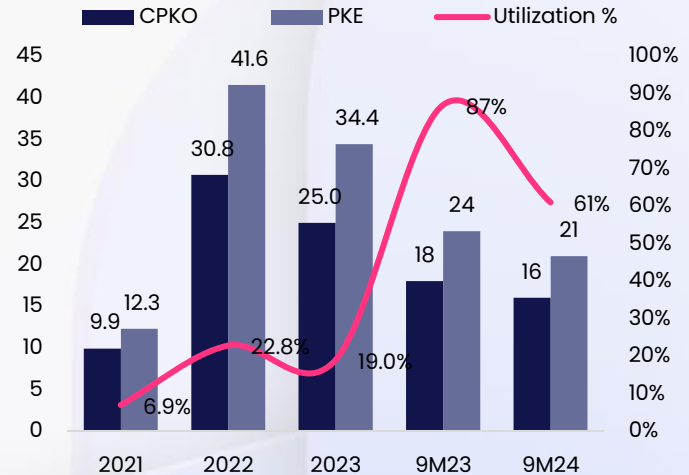
Source : Company & KSI Research

### RBDPO Fractionation Plant Process (000 Ton)



Source : Company & KSI Research

### PK Process at KCP (000 Ton)



Source : Company & KSI Research



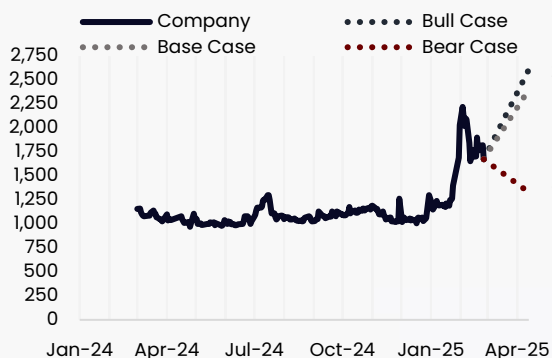
## Valuation

Initiate SSMS with a BUY call and with a TP of IDR 2,400/share or +50.0% upside to the current price. We calculate the fair price of SSMS using the absolute valuation method (DCF Method). We get the result that the fair price of SSMS is at IDR 2,400. The assumptions used are Beta 0.26x, Risk Free 6.79%, Risk Premium 10.80%, Cost of Debt 7.80%, WACC yield 8.55% and perpetual growth of 2.9%. The current fair price implements the calculation of P/E ratio at 11.5x and PBV at 5.57x.

### Fair Value

| DCF (IDR Bn)                      | 2024F         | 2025F        | 2026F                                | 2027F        | 2028F        | 2029F         |
|-----------------------------------|---------------|--------------|--------------------------------------|--------------|--------------|---------------|
| <b>EBIT</b>                       | 2,171         | 2,927        | 2,644                                | 2,338        | 1,910        | 1,655         |
| marginal tax rate                 | 22%           | 22%          | 22%                                  | 22%          | 22%          | 22%           |
| <b>EBIT (1-tax)</b>               | 1,693         | 2,283        | 2,062                                | 1,824        | 1,490        | 1,291         |
| <b>+ D &amp; A</b>                | 384           | 407          | 431                                  | 455          | 479          | 503           |
| <b>- Capex</b>                    | (485)         | (535)        | (557)                                | (559)        | (558)        | (559)         |
| <b>Changes in working capital</b> | 905           | (30)         | 1                                    | 17           | 14           | 6             |
| <b>Free Cash Flow</b>             | <b>2,498</b>  | <b>2,125</b> | <b>1,938</b>                         | <b>1,737</b> | <b>1,425</b> | <b>1,241</b>  |
| <b>Terminal Value</b>             |               |              |                                      |              |              | <b>21,015</b> |
| Discount Factor                   | 1.00          | 0.92         | 0.85                                 | 0.78         | 0.72         | 0.66          |
| <b>Firm Value</b>                 | 23,250        |              | <b>Key Assumption</b>                |              |              |               |
| Cash                              | 2,217         |              | <b>Perpetuity Growth</b> <b>2.9%</b> |              |              |               |
| Interest Bearing Debt             | 3,574         |              | Beta 0.26                            |              |              |               |
| <b>Equity Value</b>               | <b>22,855</b> |              | RF 6.79%                             |              |              |               |
| Share                             | 10            |              | RP 10.80%                            |              |              |               |
| Fair Value (IDR)                  | <b>2,400</b>  |              | Cost of Equity 9.60%                 |              |              |               |
| Last Price 06 Mar. 2025           | IDR 1,600     |              | Cost of Debt 7.80%                   |              |              |               |
| Potential Upside (%)              | 50.0%         |              | WACC 8.55%                           |              |              |               |

### Risk Reward [1 : 3.74x (Bull) or 2.96x (base)]



**Bull Case** : Target price used DCF valuation, Gr. 3.5%  
**Base Case** : Target price used DCF valuation, Gr. 2.9%  
**Bear Case** : Target price used target by technical

Source : Company & Bloomberg



## Down Risks

- **CPO price fluctuations.** Prices of CPO and other palm oil products are highly volatile and are affected by global factors such as supply and demand, economic conditions, and trade policies. Price fluctuations can have a significant impact on SSMS' revenue and profitability. The price of CPO is determined by international prices and is also dependent on other vegetable oils such as soybean oil, rapeseed oil, sunflower oil, and others; as CPO is a substitute product of vegetable oils.
- **Weather Changes.** Extreme and unpredictable weather can affect the company's production performance and will directly impact the company's revenue growth.
  - **El Nino** causes dry conditions and lower than average rainfall in the Southeast Asia region, including major palm oil producing areas. This drought can cause stress to oil palm plants, reduce fruit production, and lower CPO yields.
  - **La Nina** brings wet conditions and higher than average rainfall to Southeast Asia. Excessive rainfall can cause flooding, disrupt harvesting, and hamper transportation of oil palm fruits.
- **Government policy changes.** Plantation business activities can be affected by changes in government policies either directly or indirectly. For example, the Government introduced an export tax levy to support the biodiesel program - the policy created a price cap against strong CPO price movements resulting in revenue growth.



## Financial Exhibits

| Year-end 31 Dec (IDR Mn) | 2021A | 2022A  | 2023A  | 2024F  | 2025F  | 2026F  |
|--------------------------|-------|--------|--------|--------|--------|--------|
| <b>Revenue</b>           | 5,203 | 11,240 | 10,703 | 11,808 | 12,301 | 12,325 |
| Costs of revenue         | 2,998 | 6,936  | 7,904  | 7,889  | 7,532  | 7,815  |
| <b>Gross profit</b>      | 2,205 | 4,304  | 2,799  | 3,919  | 4,768  | 4,510  |
| <b>Operating profit</b>  | 1,768 | 2,626  | 1,196  | 2,171  | 2,927  | 2,644  |
| <b>EBITDA</b>            | 2,082 | 2,987  | 1,598  | 2,592  | 3,381  | 3,132  |
| <b>Income before tax</b> | 1,874 | 1,965  | 552    | 1,639  | 2,563  | 2,321  |
| Tax expenses             | 347   | 490    | 208    | 361    | 564    | 511    |
| Minority interests       | 11.4  | 10.7   | 6.1    | 14.6   | 11.3   | 11.2   |
| <b>Net income</b>        | 1,516 | 1,464  | 338    | 1,264  | 1,988  | 1,799  |
| EPS (IDR)                | 159   | 154    | 35     | 133    | 209    | 189    |

### Balance sheet

| Year-end 31 Dec (IDR Mn) | 2021A  | 2022A  | 2023A  | 2024F  | 2025F  | 2026F  |
|--------------------------|--------|--------|--------|--------|--------|--------|
| Cash and equivalents     | 1,833  | 1,807  | 1,237  | 2,312  | 2,217  | 2,284  |
| Account receivables      | 668    | 1,133  | 960    | 344    | 369    | 365    |
| Inventories              | 353    | 885    | 792    | 446    | 463    | 465    |
| Fixed assets             | 4,401  | 4,843  | 4,814  | 4,915  | 5,043  | 5,169  |
| Other assets             | 6,596  | 2,469  | 4,007  | 3,593  | 4,225  | 4,031  |
| <b>Total assets</b>      | 13,851 | 11,137 | 11,810 | 11,611 | 12,318 | 12,314 |
| S-T liabilities          | 259    | 2,466  | 3,349  | 2,616  | 2,477  | 2,328  |
| Other S-T liabilities    | 1,205  | 1,707  | 1,406  | 1,663  | 1,625  | 1,679  |
| L-T liabilities          | 6,012  | 4,697  | 4,831  | 3,774  | 3,574  | 3,358  |
| Other L-T liabilities    | 267    | 223    | 235    | 247    | 263    | 261    |
| <b>Total liabilities</b> | 7,743  | 9,092  | 9,820  | 8,299  | 7,940  | 7,626  |
| <b>Equity</b>            | 6,108  | 2,045  | 1,990  | 3,312  | 4,379  | 4,688  |
| <b>BVPS (IDR)</b>        | 638    | 211    | 184    | 320    | 431    | 463    |

### Cash Flows Statement

| Year-end 31 Dec (IDR Mn)     | 2021A          | 2022A          | 2023A        | 2024F          | 2025F          | 2026F          |
|------------------------------|----------------|----------------|--------------|----------------|----------------|----------------|
| Net Income                   | 1,516          | 1,464          | 338          | 1,264          | 1,988          | 1,799          |
| Depreciation                 | 299            | 436            | 375          | 384            | 407            | 431            |
| Change in working capital    | (23)           | (971)          | 408          | 905            | (30)           | 1              |
| <b>Operating cash flow</b>   | 1,726          | 1,135          | 71           | 3,040          | 1,937          | 2,409          |
| Capital expenditure          | (169)          | (879)          | (347)        | (485)          | (535)          | (557)          |
| Others                       | (1,120)        | 4,295          | (313)        | (73)           | (204)          | 17             |
| <b>Investing cash flow</b>   | <b>(1,289)</b> | <b>3,416</b>   | <b>(660)</b> | <b>(558)</b>   | <b>(739)</b>   | <b>(541)</b>   |
| Dividend paid                | (290)          | (1,474)        | (1,780)      | -              | (948)          | (1,491)        |
| Net change in debt           | (37)           | 892            | 1,017        | (1,790)        | (338)          | (366)          |
| Others                       | (185)          | (3,995)        | 782          | 383            | (7)            | 55             |
| <b>Financing cash flow</b>   | <b>(512)</b>   | <b>(4,577)</b> | <b>20</b>    | <b>(1,407)</b> | <b>(1,293)</b> | <b>(1,802)</b> |
| Effect of Foreign Exc. Rates | -              | -              | -            | -              | -              | -              |
| Change in cash               | (75)           | (26)           | (570)        | 1,075          | (95)           | 67             |
| Beginning cash flow          | 1,908          | 1,833          | 1,807        | 1,237          | 2,312          | 2,217          |
| Ending cash flow             | 1,833          | 1,807          | 1,237        | 2,312          | 2,217          | 2,284          |

Source : Company & Bloomberg



## Financial Ratio

| Key Ratios                  | 2021A  | 2022A  | 2023A  | 2024F  | 2025F  | 2026F  |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| Revenue Growth (%)          | 30%    | 116%   | -5%    | 10%    | 4%     | 0%     |
| Gross Profit Growth (%)     | 23%    | 95%    | -35%   | 40%    | 22%    | -5%    |
| Operating Profit Growth (%) | 47%    | 48%    | -54%   | 81%    | 35%    | -10%   |
| EBITDA Growth (%)           | 36%    | 43%    | -46%   | 62%    | 30%    | -7%    |
| Net Profit Growth (%)       | 163%   | -3%    | -77%   | 274%   | 57%    | -9%    |
| EPS Growth (%)              | 163%   | -3%    | -77%   | 274%   | 57%    | -9%    |
| Gross margin (%)            | 42%    | 38%    | 26%    | 33%    | 39%    | 37%    |
| EBITDA margin (%)           | 40%    | 27%    | 15%    | 22%    | 27%    | 25%    |
| EBIT margin (%)             | 34%    | 23%    | 11%    | 18%    | 24%    | 21%    |
| Pretax margin (%)           | 36%    | 17%    | 5%     | 14%    | 21%    | 19%    |
| Net margin (%)              | 29.1%  | 13.0%  | 3.2%   | 10.7%  | 16.2%  | 14.6%  |
| ROE (%)                     | 25%    | 72%    | 17%    | 38%    | 45%    | 38%    |
| ROA (%)                     | 11%    | 13%    | 3%     | 11%    | 16%    | 15%    |
| Current ratio (x)           | 2.39x  | 1.11x  | 1.06x  | 1.09x  | 1.23x  | 1.23x  |
| Quick ratio (x)             | 2.15x  | 0.90x  | 0.89x  | 0.98x  | 1.11x  | 1.11x  |
| Gearing (%)                 | 103%   | 350%   | 411%   | 193%   | 138%   | 121%   |
| Receivable turn over (x)    | 7.79x  | 9.92x  | 11.15x | 10.50x | 10.81x | 10.65x |
| AR turnover (days)          | 46.9   | 36.8   | 32.7   | 34.8   | 33.8   | 34.3   |
| Inventory turnover (x)      | 14.76x | 12.70x | 13.52x | 13.61x | 13.56x | 13.59x |
| AP turnover (days)          | 24.74  | 28.73  | 27.00  | 26.82  | 26.91  | 26.87  |
| LT D/Equity (x)             | 1.03x  | 2.41x  | 2.55x  | 1.21x  | 0.88x  | 0.77x  |
| DER (x)                     | 1.27x  | 4.45x  | 4.94x  | 2.51x  | 1.81x  | 1.63x  |
| DAR (x)                     | 0.56x  | 0.82x  | 0.83x  | 0.71x  | 0.64x  | 0.62x  |
| Interest Coverage           | 3.27x  | 4.09x  | 1.76x  | 3.82x  | 6.45x  | 6.63x  |
| Cash Ratio                  | 125%   | 43%    | 26%    | 54%    | 54%    | 57%    |
| Sustainable Growth (%)      | 12%    | 2%     | 18%    | 41%    | 12%    | 10%    |
| Earning Yield (%)           | 16.5%  | 10.5%  | 3.4%   | 12.5%  | 8.7%   | 7.9%   |
| Dividend Yield (%)          | 8.3%   | 10%    | 1.31%  | 0.00%  | 6.52%  | 5.90%  |
| PE (x)                      | 6.07x  | 9.56x  | 29.45x | 11.50x | 11.50x | 12.71x |
| PBV (x)                     | 1.51x  | 6.98x  | 5.69x  | 5.57x  | 5.57x  | 5.18x  |
| P/Sales (x)                 | 0.04x  | 0.00x  | 0.60x  | 0.05x  | 0.05x  | 0.05x  |
| EV/Ebitda (x)               | 2.24x  | 1.80x  | 8.38x  | 1.31x  | 1.31x  | 1.28x  |

Source : Company & Bloomberg



## Board of Commissioners



### **PROF. DR. IR. Bungaran Saragih – President Commissioner**

Bungaran Saragih, a 78-year-old Indonesian citizen, has served as President Commissioner of the Company since August 12, 2013 and has been reappointed three times, with a current term of 2023-2028; he holds a Bachelor's degree in Agricultural Economics from IPB in 1971, as well as an M.Ec. and Doctorate in Philosophy on Economics from North Carolina State University, USA; with more than 45 years of experience in the oil palm plantation industry, he has served as President Commissioner of PT Pupuk Indonesia, Commissioner of PT Rea Kaltim Plantations, and Minister of Agriculture of the Republic of Indonesia in 2001-2004.



### **Hoesen – Independent Commissioner**

Hoesen, a 57-year-old Indonesian citizen, has served as Independent Commissioner of the Company since September 30, 2022; with more than 30 years of experience in the financial industry, he has served as the Board of Commissioners of the Head of Capital Market Supervision at the Financial Services Authority (2017-2022), President Director of PT Kliring Penjaminan Efek Indonesia (2009-2012), and has also served as President Commissioner and Independent Commissioner in several other companies, including PT Mandiri Sekuritas and PT Kliring Penjamin Efek Indonesia.



### **IR. Rimbun Situmorang – Commissioner**

Rimbun Situmorang, a 56-year-old Indonesian citizen, has served as Commissioner of the Company since August 31, 2016 and has been reappointed for the period 2021-2026; with more than 30 years of experience in the oil palm plantation industry, this graduate of S1 Engineering from Tumpal Dorianus Pardede Institute of Technology and S2 Master of Management from PPM Management College has held various directorships and commissionerships in the oil palm plantation industry from 2000 to 2023, and currently serves as Director of PT Pelayaran Lingga Marintama and President Commissioner of PT BPR Lingga Sejahtera.

## Board of Directors



### **Jap Hartono – President Director**

Indonesian citizen, domiciled in Pangkalan Bun, Central Kalimantan, Indonesia. Appointed as Finance Director through the 2021 Annual General Meeting of Shareholders, previously served as Chief Finance Officer (CFO) since March 2020. He holds a Bachelor of Business Administration from The University of Texas at Austin, USA (1992). Master of Business Administration From Boston University, USA (1995). He has Experience as Manager Corporate Banking di American Express Bank Jakarta (1995-1999). • Vice President at ABN AMRO Indonesia (1999-2006). • Direktur at UBS Wealth Management Singapore (2006-2008). • Treasure at Raja Garuda Mas Group (2008). • Director two (2) periode at Bank ICB Bumiputera Tbk. (2009-2012). • Deputy President Director and President Director at PT Intan Baruprama Finance Tbk. (2012-2017). • CFO at PT Kencana Agri Ltd Indonesia (2017-2019).



### **Akhmad Faisyal – Director**

Akhmad Faisyal was appointed as Director of the Company for the first time based on Deed of Meeting Resolution No. 62 dated April 25, 2024 for the 2024-2029 work period. He completed his education in Bachelor Technic of Agraria - Diponegoro University (2003), Master of Law - Sultan Agung Islamic University (2017). Working Experience: PT Sawit Sumbermas Sarana Tbk : Chief Operating Officer (Januari 2024 hingga saat ini), PT Sawit Sumbermas Sarana Tbk : Regional Head 1, Regional Head 2 (September 2020 – Desember 2023), PT Menteng Kencana Mas : Group Manager (Maret 2018 – September 2021), PT Tanjung Sawit Abadi : Estate Manager (April 2015 – Maret 2018), PT Tanjung Sawit Abadi : Asisten Kepala (Desember 2010 – April 2015), PT Mitra Mendawai Sejati : Asisten Kebun (Juni 2007 – Desember 2010), PT Sawit Sumbermas Sarana Tbk : Legal Staff (Oktober 2006 – Juni 2007)



## Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

### Sector/Industry

OVERWEIGHT : Sector & Industry Outlook has potential and good condition  
 NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant  
 UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

### Stock

|              |                                                 |                                                                     |
|--------------|-------------------------------------------------|---------------------------------------------------------------------|
| BUY          | : Stock Performance > +15%                      | Over the next 12 month (excluding dividend)<br>Minor to Medium Term |
| TRADING BUY  | : Stock Performance, range between +5% to +15%  | Over the next 12 month (excluding dividend)                         |
| HOLD         | : Stock Performance, range between -10% to +15% | Over the next 12 month (excluding dividend)                         |
| SELL         | : Stock Performance > -15%                      | Over the next 12 month (excluding dividend)                         |
| TRADING SELL | : Stock Performance, range between -5% to -15%  | Minor to Medium Term                                                |
| NOTE RATE    | : Stock is not within regular research coverage | Over the next 12 month (excluding dividend)                         |



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