Plantation Sector

Maximizing the Momentum

OVERWEIGHT

15 December 2021

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All-time-high CPO price. During 10M21, strong demand from China and India combined with a weak production from Malaysia led CPO price to all-time-high price at MYR 5,400 per tons (+36.7% YTD). From the demand side, import number from China and India, the top two world's palm oil importer, remained flat during 6M21. It started to rise due to high demand for edible oils ahead of Diwali Festival for India (Nov-21) and China severe energy crisis. From the supply side, Malaysia has seen their palm oil production decreasing in number during 10M21. We observe this decrease was caused by two main interconnected factors: the surging Covid cases and labor shortage. Malaysia Covid cases exploded from July to September, while labor shortage has struck since last year.

High price will likely to sustain until the end of 1Q22 and start declining from beginning of 2Q22 as production starts to recover. We predict that CPO price may remain high for the rest of 2021 until the end of 1Q22, with demand mainly driven by China, as they need to increase their stockpile for FnB industry, ahead of Chinese New Year at the beginning of February. From the supply side, we expect Malaysia's production to remain flat as the labor shortage issue has not completely been solved and the occurrence of La Nina on November until February 2022. Therefore, we see that CPO price will average at MYR 4,300 per tons for FY21E (currently also at MYR 4,300 per tons). As for FY22F, we see CPO price will start to decline due to gradual production recovery. Malaysia government has just approved 32,000 foreign worker in the harvesting fields. We believe this easing policy will gradually improve production and start to take effect on 2Q22 onwards. After weighting on those aspects, we expect the average CPO price to stay above MYR 3,600 per tons for FY22F (-16,3% YoY).

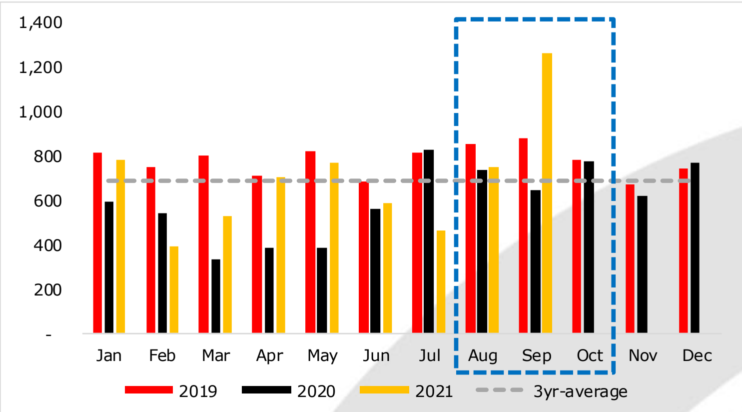
Favorable trade policy from India. Another catalyst from the demand side, India has reduced the import tariff and cess for CPO and its derivatives. The effective tax have been reduced to 8.25% (from previous 24.75%), derived from 7.50% agri cess plus 10% for social welfare cess, with 0% import tariff, starting from Oct-21 to Mar-22. We believe that the reason India has revised the tax policy is to maintain their domestic price stable, due to high global CPO price. While on global scale, this policy is likely to boost demand from India, as their have more space on budget. Therefore, we see that this policy is positive both for India and CPO price.

We maintain our OVERWEIGHT recommendation on plantation sector as we see the global CPO price will remain high and the global demand is set to recover to their pre-pandemic level. We expect global average CPO price to remain high with our price projection at MYR 4,300/3,600 for FY21E/FY22F. We maintained our BUY call for AALI and LSIP as we see current valuation provides attractive upside potential. Our top pick is LSIP as we prefer a player in the domestic market, which is export tax free and more stable than global market dynamic. Downside risks to our call are lower-than-expected CPO price and slower-than-expected economic recovery. Our pecking BUY order are LSIP>AALI.

Ticker	Rating	CP	TP	% Chg	FY21E/FY22F EV/Ha
LSIP IJ	BUY	1,240	1,600	29.0%	3,300/5,500
AALI IJ	BUY	9,850	13,200	34.0%	4,900/6,850

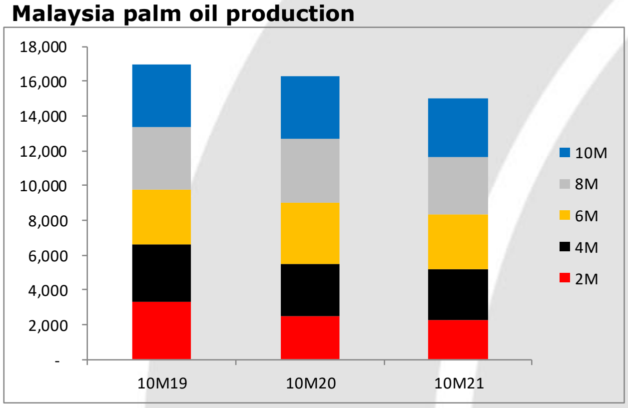
All-time-high CPO price. During 10M21, strong demand from China and India combined with a weak production from Malaysia led CPO price to all-time-high price at MYR 5,400 per tons (+36.7% YTD). From the demand side, import number from China and India, the top two world's palm oil importer, remained flat during 6M21. It started to rise due to high demand for edible oils ahead of Diwali Festival for India (Nov 21) and China severe energy crisis. Historically, we also notice that India started to strengthen their stockpiles two to three months before the festivals begin, above its 3-year average. It has occurred this year for India as palm oil imports increased to 750k tons (+61.1% MoM) on August and 1.26mn tons (+68.2% MoM). While for China energy crisis, several soybean plant was forced to close due to power shortage, which lead to plant shutdown. Therefore, the disruption on soybean production pushes CPO price as its substitute product. From the supply side, Malaysia has seen their palm oil production decreasing in number during 10M21, which is at 15,1 mn tons (-7.9% YoY/-13% to pre-covid level). We observe this decrease was caused by two main interconnected factors: the surging Covid cases and labor shortage. Malaysia Covid cases exploded from July to September, while labor shortage has struck since last year.

India palm oil import



Source: Bloomberg, Sinarmas Investment Research

Malaysia palm oil production

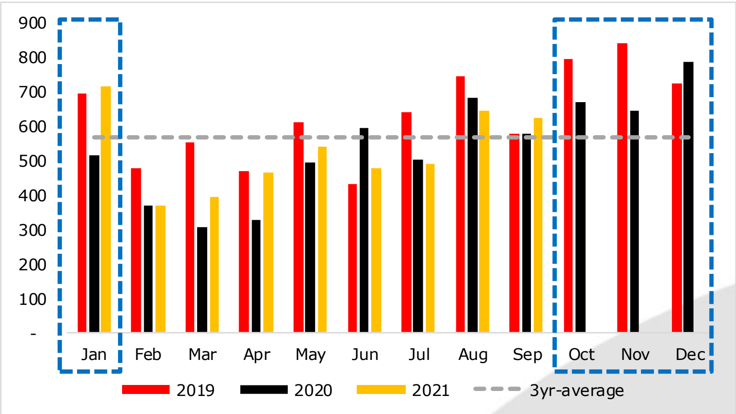


Source: MPOB, Bloomberg, Sinarmas Investment Research

High price will likely to sustain until the end of 1Q22 and start declining from beginning of 2Q22 as production starts to recover. We predict that CPO price may remain high for the rest of 2021 until the end of 1Q22, with demand mainly driven by China, as they need to increase their stockpile for FnB industry from a few months before the Chinese New Year at the beginning of February. It was reflected from China palm oil import history, as well as MPOB 10M21 result as China export was still growing at 244k tons (+4.1% MoM), while India and Europe decreased their export.

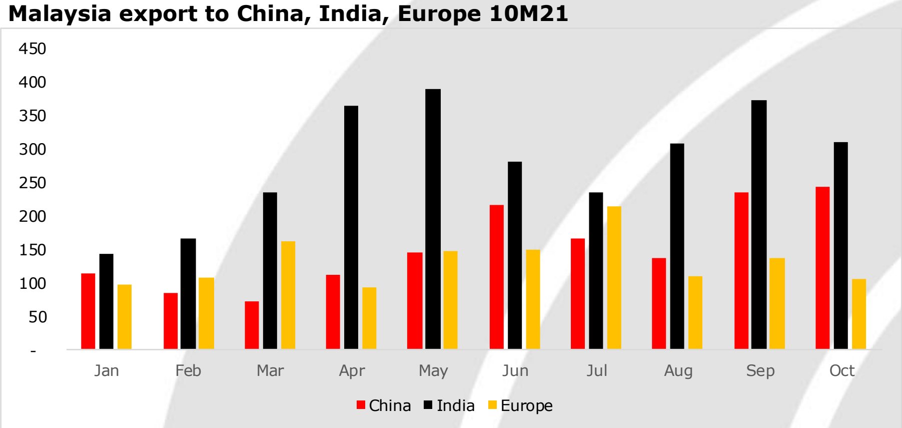
From the supply side, we expect Malaysia's production to remain flat as the labor shortage issue has not completely been solved and the occurrence of La Nina on November until February 2022. La Nina can disrupt harvesting process as it was done manually by labor. Therefore, we see that CPO price will average at MYR 4,300 per tons for FY21E (currently also at MYR 4,300 per tons). As for FY22F, we see CPO price will start to decline due to gradual production recovery. Malaysia government has just approved 32,000 foreign worker in the harvesting fields, filling 42.6% out of 75,000 foreign worker shortage. Foreign worker took about 80% of total worker in the palm oil industry, so the shortage have been heavily impacted Malaysia production. We believe this easing policy will gradually improve production and start to take effect on 2Q22 onwards, potentially could lift yearly FY22F production to 18.9 mn tons (+5% YoY). After weighting on those aspects, we expect the average CPO price to stay above MYR 3,600 per tons for FY22F (-16,3% YoY).

China palm oil import



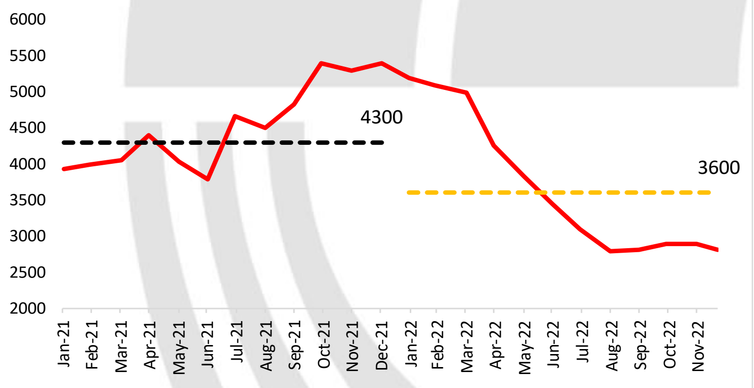
Source: Bloomberg, Sinarmas Investment Research

Malaysia export to China, India, Europe 10M21



Source: MPOB, Bloomberg, Sinarmas Investment Research

CPO price projection



Source: Bloomberg, Sinarmas Investment Research

Favorable trade policy from India. Another catalyst from the demand side, India has reduced the import tariff and cess for CPO and its derivatives. The effective tax have been reduced to 8.25%, derived from 7.50% agri cess plus 10% for social welfare cess, with 0% import tariff, starting from Oct-21 to Mar-22. Previously the effective tax was seen at 24.75%, derived from 20% agri cess plus 10% for social welfare cess, with 2.50% import tariff. As for the derived products, such as Olein and RBDPO, the effective tax rate decreased from 35.75% to 19.25%. We believe that the reason India has revised the tax policy is to maintain their domestic price stable, due to high global CPO price. While on global scale, this policy is likely to boost demand from India, as their have more space on budget. Therefore, we see that this policy is positive both for India and CPO price. Over longer term, since CPO price has already been in all-time-high, we expect that India will no longer maintaining this policy, so we will likely to see a slightly lower effective tax rate.

India import tax policy

	14-Oct-21				11-Sep-21			
	Import Tariff (%)	Agri Cess (%)	SW Cess (%)	Effective Duty (%)	Import Tariff (%)	Agri Cess (%)	SW Cess (%)	Effective Duty (%)
Crude Palm Oil	0.00	7.50	10.00	**8.25**	2.50	20.00	10.00	**24.75**
RBD Palm Olein	17.50	0.00	10.00	**19.25**	32.50	0.00	10.00	**35.75**
RBD Palm Oil	17.50	0.00	10.00	**19.25**	32.50	0.00	10.00	**35.75**

	20-Aug-21				2-Feb-21			
	Import Tariff (%)	Agri Cess (%)	SW Cess (%)	Effective Duty (%)	Import Tariff (%)	Agri Cess (%)	SW Cess (%)	Effective Duty (%)
Crude Palm Oil	10.00	17.50	10.00	**30.25**	15.00	17.50	10.00	**35.75**
RBD Palm Olein	37.50	0.00	10.00	**41.25**	45.00	0.00	10.00	**49.50**
RBD Palm Oil	37.50	0.00	10.00	**41.25**	54.00	0.00	10.00	**59.40**

Source: Solvent Extractors Association India

We maintain our OVERWEIGHT recommendation on plantation sector as we see the global CPO price will remain high and the global demand is set to recover to their pre-pandemic level. We expect global average CPO price to remain high with our price projection at MYR 4,300/3,600 for FY21E/FY22F. Although the price projection seems declining for next year, it's still higher if we compare with the last time all-time-high price before FY21E, which is at MYR 3,200 in FY11. We maintained our BUY call for AALI and LSIP as we see current valuation provides attractive upside potential with limited downside risk. Our top pick is LSIP as we prefer a player in the domestic market, which is export tax free and more stable than global market dynamic. LSIP also had a strong cash position with zero debt in its capital structure, and a better production performance. However, we also like AALI due to attractive upside potential and high exposure to India and China. Downside risks to our call are lower-than-expected CPO price and slower-than-expected economic recovery.

Ticker	Rating	CP	TP	% Chg	FY21E/FY22F EV/Ha
LSIP IJ	BUY	1,240	1,600	29.0%	3,300/5,500
AALI IJ	BUY	9,850	13,200	34.0%	4,900/6,850

PT PP London Sumatra Indonesia Tbk.

High Ask ASP and Solid Production

BUY (TP: IDR 1,600)

15 December 2021

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We maintain our BUY call on PT PP London Sumatra Indonesia Tbk. (LSIP), with FY22F target price of IDR 1,600. Our TP represents 29.0% potential upside, derived from 5,550 EV/ha, +1.0 SD EV/Ha its-5 years EV/Ha average. We maintain our call on LSIP as recent price correction provide attractive upside potential. Also, CPO price will likely to stay above MYR 3,600 per tons for next year. From sales point of view, LSIP is strongly supported by parent company, SIMP, as LSIP's revenue stream has grown from 46% in FY16 to 76% in FY20 to SIMP. We see that LSIP a more stable revenue over the years, which give less downside risk. Nonetheless, although we see that the price will likely not to move aggressively in the short term, we see limited downside movement from the current price. Downside risks to our call are lower-than-expected CPO price and slower-than-expected economic recovery.

Revisiting our earnings estimate. We revised up our CPO ASP assumption to IDR 10,525/9,987 for FY21E/FY22F, supported by recent high CPO price. In terms of sales contribution, due to high cooking oil price which is sold by SIMP, we expect the demand will stay flat or even slightly decrease for the rest of year. As a result, we revised down our CPO sales volume to 332k/351k tons for FY21E/FY22F. On the other side, based on the latest result, due to outstanding FFB nucleus production at 318k tons (+6.7%, +7.2 QoQ/YoY), LSIP could reduce purchased FFB from third party at IDR 76bn (-35.6% QoQ), resulting COGS reduced to 65% (-1.4% QoQ). We expect this trend to continue next year. Overall, we forecast revenue/ NPAT of IDR 4.4tn/944bn and IDR 4.3tn/885bn for FY21E/FY22F.

Solid stance on domestic market. LSIP has a strong exposure to domestic market, with >90% of sales. This can be advantage for LSIP as demand from Indonesia domestic market in the food use segment is currently growing at CAGR3Y 4.2% (vs 3.1% in Malaysia). We see that food use segment will continue to grow as the economic recovers, especially for packaged cooking oil, as the government has a new policy on banning bulk cooking oil starting from Jan-22. As a result, demand for packaged cooking oil sold by LSIP's related party, which is SIMP (>70% total sales to SIMP), will likely to grow.

Valuation. At current price, LSIP is traded at attractive valuation at 3,300 EV/Ha, sits at –0.5 SD from its-5 years EV/Ha average. While LSIP has 1.9tn cash (67% of CA) and zero debt in its capital structure, we see very limited downside risk for the stock.

Highlights (IDR Bn)	2020	2021E	2022F	2023F	2024F
Revenue	3,537	4,446	4,427	4,331	4,251
% growth	-4.4%	25.7%	-0.4%	-2.2%	-1.8%
Gross Profit	1,076	1,523	1,446	1,317	1,277
Net Profit	696	944	886	798	766
% growth	174.1%	35.6%	-6.1%	-9.9%	-4.0%
Gross Margin	30.4%	34.3%	32.7%	30.4%	30.0%
Net Margin	19.7%	21.2%	20.0%	18.4%	18.0%
Return on Equity	7.8%	9.8%	8.7%	7.5%	6.9%
Return on Assets	6.6%	8.3%	7.3%	6.3%	5.9%
EPS (IDR)	102	138	130	117	112

Stock Information	
Sector	Plantation
Bloomberg Ticker	LSIP IJ
Market Cap. (IDR tn)	8.46
Share Out./Float (mn)	6,823/2,757
Current Price	1,240
FY22F Target Price	1,600
Upside	29.0%

Share Price Performance	
52W High (15/03/21)	1,560
52W Low (28/06/21)	965
52W Beta	1.9
YTD Change	-9.5%

Relative Valuations	
EV/Ha	3,342
Trailing P/E	7.2x
Forward P/E	8.0x
P/BV	0.85x

Income Statement (IDR Bn)	2020	2021E	2022F	2023F	2024F
Revenue	3,537	4,446	4,427	4,331	4,251
Cost of Good Sold	(2,461)	(2,923)	(2,980)	(3,015)	(2,974)
Gross Profit	**1,076**	**1,523**	**1,446**	**1,317**	**1,277**
Operating Expenses	(266)	(394)	(390)	(369)	(371)
Other Income (Expenses)	6	7	7	7	7
EBIT	**816**	**1,136**	**1,064**	**955**	**913**
EBITDA	**1,188**	**1,534**	**1,470**	**1,375**	**1,354**
Net Financing Income (Expenses)	44	74	72	68	69
EBT	**860**	**1,209**	**1,135**	**1,023**	**982**
Tax Expenses	(165)	(266)	(250)	(225)	(216)
Net Income	**695**	**943**	**885**	**798**	**766**
EPS (IDR)	**102**	**138**	**130**	**117**	**112**

Balance Sheet (IDR Bn)	2020	2021E	2022F	2023F	2024F
Cash & Equivalents	1,959	2,775	2,961	3,010	3,029
Trade Receivables	339	295	371	363	328
Inventories	364	465	466	447	443
Other Current Assets	258	179	206	204	195
Total Current Assets	**2,920**	**3,714**	**4,005**	**4,024**	**3,996**
Fixed Assets	6,313	6,445	6,706	7,112	7,555
Other Non Current Assets	1,689	1,735	1,755	1,750	1,730
Total Assets	**10,923**	**11,894**	**12,466**	**12,887**	**13,281**
Short Term Debt	-	-	-	-	-
Trade Payables	259	281	310	317	303
Other Current Liabilities	338	279	292	324	288
Total Current Liabilities	**597**	**560**	**602**	**641**	**591**
Long Term Debt	-	-	-	-	-
Other Non Current Liabilities	1,039	1,375	1,393	1,325	1,318
Total Liabilities	**1,636**	**1,936**	**1,995**	**1,966**	**1,909**
Share & APIC	1,713	1,713	1,713	1,713	1,713
Retained Earnings	7,560	8,231	8,744	9,193	9,645
Non Controlling Interest	2	3	3	3	3
Other Equity	12	12	12	12	12
Total Equity	**9,286**	**9,958**	**10,471**	**10,920**	**11,373**
Total Liabilities & Equity	**10,923**	**11,894**	**12,466**	**12,887**	**13,281**

Source: Company data, Sinarmas Investment Research

Cash Flow (IDR Bn)	2020	2021E	2022F	2023F	2024F
Net Income	**696**	**944**	**886**	**798**	**766**
Depreciation & Amortization	372	399	406	420	441
Change in Working Capital	230	(14)	(63)	69	(3)
Cash Flow from Operating	**1,298**	**1,329**	**1,229**	**1,287**	**1,204**
Capital Expenditure	(375)	(530)	(668)	(826)	(883)
Change in Long Term Assets	(221)	336	17	(67)	(7)
Change in Long Term Liabilities	33	(45)	(20)	5	20
Cash Flow from Investing	**(563)**	**(239)**	**(671)**	**(888)**	**(871)**
Change in Share & APIC	-	-	-	-	-
Change in Debt	-	-	-	-	-
Dividends Paid	(102)	(278)	(378)	(354)	(319)
Others	195	5	5	5	5
Cash Flow from Financing	**92**	**(273)**	**(373)**	**(349)**	**(314)**
Change in Cash	827	816	186	49	19
Beginning Cash	1,132	1,959	2,775	2,961	3,010
Ending Cash	**1,959**	**2,775**	**2,961**	**3,010**	**3,029**

Financial Ratio & Key Assumption	2020	2021E	2022F	2023F	2024F
Profitability					
Return on Equity	7.8%	9.8%	8.7%	7.5%	6.9%
Return on Assets	6.6%	8.3%	7.3%	6.3%	5.9%
Gross Margin	30.4%	34.3%	32.7%	30.4%	30.0%
Operating Margin	23.1%	25.6%	24.0%	22.1%	21.5%
EBITDA Margin	33.6%	34.5%	33.2%	31.7%	31.8%
Net Margin	19.7%	21.2%	20.0%	18.4%	18.0%
Liquidity					
Current Ratio (x)	4.9	6.6	6.6	6.3	6.8
Solvency					
Debt to Equity (x)	0.0	0.0	0.0	0.0	0.0
Debt to Assets (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
Price to Earnings (x)	13.5	9.0	9.5	10.6	11.0
Price to Book (x)	1.01	0.85	0.81	0.77	0.74
Assumptions					
FFB Production Nucleus (Ths Tons)	1,295	1,319	1,352	1,396	1,377
FFB Yield Nucleus (Tons/Ha)	15.1	15.5	15.7	16.0	16.0
CPO Production (Ths Tons)	331	350	358	370	365
CPO Extraction Rate (%)	22.5%	22.8%	22.8%	22.8%	22.8%
CPO Sales (Ths Tons)	325	332	351	370	365
CPO ASP (IDR/kg)	8,563	10,525	9,987	9,318	9,283

Source: Company data, Sinarmas Investment Research

PT Astra Agro Lestari Tbk.

Strong Exposure from India and China

sekuritas sinarmas

BUY (TP: IDR 13,200)

15 December 2021

We maintain our BUY call on PT Astra Agro Lestari Tbk. (AALI), with a higher FY22F target price of IDR 13,200. Our TP represents 34.0% potential upside, derived from 6,850 EV/ha, its-5 years EV/Ha average. We maintain our call on AALI as recent price still provide attractive upside potential. Also, CPO price will likely to stay above MYR 3,600 per tons for next year as global production will only recover gradually. From the other side, demand should be getting better from India and China as global economic continue to recover. AALI has great exposures to both of the countries, with 54% of total CPO export to India and 75% of total refined products export to China. Although we see that the price will likely not to move aggressively in the short term, we see limited downside movement from the current price. Downside risks to our call are lower-than-expected CPO price and slower-than-expected global economic recovery.

Revisiting our earnings estimate. We revised up our CPO ASP assumption to IDR 10,605/9,945 for FY21E/FY22F, supported by recent high CPO price. In terms of sales contribution, demand from India is predicted to increase and AALI has a high exposure to India, as stated in the previous point. As a result, we revised up our CPO sales volume to 1.34mn/1.46mn tons for FY21E/FY22F. For the refined products, we see that refined products sales contribution decreased to 29.48% in 9M21 (vs 30.99% in 6M21). As a result, we revised down our refined products sales volume to 690.5k/676.7k tons for FY21E/FY22F. Additional note, AALI no longer recorded loss from forward commodity contracts in 3Q21 (IDR -383bn/−264bn in 1Q21/2Q21). Overall, we forecast revenue/NPAT of IDR 23.1tn/2.0tn and IDR 23.3tn/1.8tn for FY21E/FY22F.

Purchased FFB supported AALI's production. Based on the 9M21 result, AALI's FFB production (nucleus and plasma) was recorded at 1.13mn tons, contributing to 3.36 mn tons (-1.1% YoY) on year-to-date basis (9M21). The production slowed down due to long-term drought on last year started to take effect. To fulfill the demand, AALI purchased more from 3rd party, reflected from the increasing FFB purchased at 2.53mn (+38.2% YoY) during 9M21. Based on recent discussion with the company, production will likely to stay flat for next year.

Valuation. At current price, AALI is traded at attractive valuation at 4,900 EV/Ha, sits at −1.3 SD from its-5 years EV/Ha average. While the CPO price will likely to remain high, we see limited downside risk for the stock.

Highlights (IDR Bn)	2020	2021E	2022F	2023F	2024F
Revenue	18,807	23,050	23,252	23,263	23,340
% growth	7.8%	22.6%	0.9%	0.0%	0.3%
Gross Profit	2,963	4,836	4,525	4,580	4,579
Net Profit	833	1,996	1,800	1,930	1,973
% growth	294.6%	139.5%	-9.8%	7.2%	2.2%
Gross Margin	15.8%	21.0%	19.5%	19.7%	19.6%
Net Margin	4.4%	8.7%	7.7%	8.3%	8.5%
Return on Equity	4.4%	10.0%	8.5%	8.6%	8.4%
Return on Assets	3.0%	7.1%	6.3%	6.7%	6.8%
EPS (IDR)	433	1,037	935	1,003	1,025

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Stock Information	
Sector	Plantation
Bloomberg Ticker	AALI IJ
Market Cap. (IDR tn)	18.96
Share Out./Float (mn)	1,924/391
Current Price (IDR)	9,850
FY22F Target Price	13,200
Upside	34.0%

Share Price Performance	
52W High (06/01/21)	13,350
52W Low (14/07/21)	7,275
52W Beta	1.6
YTD Change	-19.7%

Relative Valuations	
EV/Ha	4,939
Trailing P/E	11.0x
Forward P/E	8.2x
P/BV	0.95x

Income Statement (IDR Bn)	2020	2021E	2022F	2023F	2024F
Revenue	18,807	23,050	23,252	23,263	23,340
Cost of Good Sold	(15,844)	(18,215)	(18,727)	(18,683)	(18,761)
Gross Profit	**2,963**	**4,836**	**4,525**	**4,580**	**4,579**
Operating Expenses	(1,121)	(1,468)	(1,481)	(1,450)	(1,476)
Other Income (Expenses)	(134)	0	0	0	0
EBIT	**1,708**	**3,368**	**3,044**	**3,130**	**3,103**
EBITDA	**3,118**	**4,660**	**4,394**	**4,504**	**4,522**
Net Financing Income (Expenses)	(246)	(209)	(186)	(149)	(107)
EBT	**1,463**	**3,159**	**2,858**	**2,981**	**2,996**
Tax Expenses	(569)	(1,042)	(943)	(924)	(899)
Net Income	**894**	**2,116**	**1,915**	**2,057**	**2,097**
EPS (IDR)	**433**	**1,037**	**935**	**1,003**	**1,025**

Balance Sheet (IDR Bn)	2020	2021E	2022F	2023F	2024F
Cash & Equivalents	979	2,269	2,808	3,401	4,483
Trade Receivables	1,390	988	1,067	1,114	1,061
Inventories	2,166	2,672	2,709	2,654	2,696
Other Current Assets	1,403	1,561	1,411	1,324	1,233
Total Current Assets	**5,938**	**7,492**	**7,996**	**8,493**	**9,473**
Fixed Assets	9,242	8,829	8,429	8,060	7,712
Plantations	8,499	8,206	8,233	8,265	8,304
Other Non Current Assets	4,102	3,972	3,865	3,880	3,916
Total Assets	**27,781**	**28,498**	**28,522**	**28,698**	**29,405**
Short Term Debt	0	0	0	0	0
Trade Payables	770	1,051	1,057	1,021	1,055
Other Current Liabilities	1,022	1,025	1,028	1,109	1,061
Total Current Liabilities	**1,793**	**2,075**	**2,085**	**2,130**	**2,116**
Long Term Debt	5,624	4,624	3,624	2,624	2,224
Other Non Current Liabilities	1,117	987	1,043	1,039	1,029
Total Liabilities	**8,533**	**7,686**	**6,752**	**5,793**	**5,369**
Share & APIC	4,256	4,256	4,256	4,256	4,256
Retained Earnings	14,497	15,950	16,881	17,982	19,080
Non Controlling Interest	495	606	634	667	700
Total Equity	**19,248**	**20,812**	**21,770**	**22,905**	**24,036**
Total Liabilities & Equity	**27,781**	**28,498**	**28,522**	**28,698**	**29,405**

Source: Company data, Sinarmas Investment Research

Cash Flow (IDR Bn)	2020	2021E	2022F	2023F	2024F
Net Income	**833**	**1,996**	**1,800**	**1,930**	**1,973**
Depreciation & Amortization	1,336	1,413	1,465	1,501	1,544
Change in Working Capital	(495)	20	44	140	88
Cash Flow from Operating	**1,675**	**3,428**	**3,310**	**3,572**	**3,604**
Capital Expenditure	(1,201)	(585)	(977)	(1,037)	(1,111)
Change in Long Term Assets	369	130	107	(15)	(36)
Change in Long Term Liabilities	224	(130)	56	(4)	(9)
Others	193	(10)	(86)	(94)	(92)
Cash Flow from Investing	**(416)**	**(595)**	**(901)**	**(1,150)**	**(1,247)**
Change in Share & APIC	-	-	-	-	-
Change in Debt	(62)	(1,000)	(1,000)	(1,000)	(400)
Dividends Paid	(378)	(542)	(870)	(829)	(875)
Others	(224)	0	0	0	0
Cash Flow from Financing	**(663)**	**(1,542)**	**(1,870)**	**(1,829)**	**(1,275)**
Change in Cash	596	1,291	539	592	1,082
Beginning Cash	383	979	2,269	2,808	3,401
Ending Cash	**979**	**2,269**	**2,808**	**3,401**	**4,483**

Financial Ratio & Key Assumption	2020	2021E	2022F	2023F	2024F
Profitability					
Return on Equity	4.4%	10.0%	8.5%	8.6%	8.4%
Return on Assets	3.0%	7.1%	6.3%	6.7%	6.8%
Gross Margin	15.8%	21.0%	19.5%	19.7%	19.6%
Operating Margin	9.1%	14.6%	13.1%	13.5%	13.3%
EBITDA Margin	16.6%	20.2%	18.9%	19.4%	19.4%
Net Margin	4.4%	8.7%	7.7%	8.3%	8.5%
Liquidity					
Current Ratio (x)	3.3	3.6	3.8	4.0	4.5
Solvency					
Debt to Equity (x)	0.3	0.2	0.2	0.1	0.1
Debt to Assets (x)	0.2	0.2	0.1	0.1	0.1
Valuation					
Price to Earnings (x)	28.5	9.5	10.5	9.8	9.6
Price to Book (x)	1.23	0.91	0.87	0.83	0.79
Assumptions					
FFB Production (Ths Tons)	4,633	4,863	4,948	5,021	4,965
FFB Yield (Tons/Ha)	17.36	18.14	18.20	18.39	18.29
CPO Production (Ths Tons)	1,429	1,578	1,586	1,595	1,593
CPO Extraction Rate (%)	19.7%	20.0%	20.0%	19.9%	20.0%
CPO Sales (Ths Tons)	1,498	1,341	1,460	1,595	1,593
CPO ASP (IDR/kg)	8,545	10,605	9,945	9,322	9,295

Source: Company data, Sinarmas Investment Research

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