

BUY (Maintain)

Target Price (IDR) 1,050 (from 1,400)

Potential Upside (%) 22.1

Price Comparison

Cons. Target Price (IDR) N/A

SSI vs. Cons. (%) N/A

Stock Information

Last Price (IDR) 860

Shares Issued (Mn) 10,903

Market Cap. (IDR Bn) 9,377

52-Weeks High/Low (IDR) 1,205/800

3M Avg. Daily Value (IDR Bn) 6.5

Free Float (%) 16.7

Shareholder Structure:

PT Malibu Indah Lestari (%) 36.7

PT Kedaton Perkasa (%) 28.9

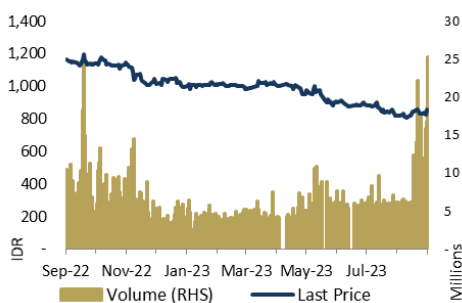
Others Non-Public (%) 17.6

Public (%) 16.8

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(17.7)	4.9	(4.4)	(26.2)
JCI Return	1.9	1.0	4.0	(4.4)
Relative	(19.6)	3.9	(8.5)	(21.8)

Stock Price & Volumes, 12M



Company Background

STAA berdiri sejak tahun 1970 dan usaha utamanya adalah sebagai produsen produk kelapa sawit. Perusahaan memiliki lahan sawit tertanam lebih dari 49 ribu Ha. Selain itu, STAA saat ini juga memiliki dan mengoperasikan 9 unit pabrik kelapa sawit, 1 unit Kernel Crushing Plant dan 1 unit Solvent Extraction Plant yang terintegrasi.

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More Expansion Ahead

STAA memiliki 9 pabrik kelapa sawit yang secara total berkapasitas total 450 tph, yang dapat menampung 2x lipat produksi sawit internal perusahaan (baik inti maupun plasma). Sehingga lebih dari 50% produksi CPO berasal dari TBS eksternal. Strategi ini yang membedakan STAA dengan peers lainnya, sehingga CPO tidak hanya tergantung pada lahan yang dimiliki. Hal ini pula membuat perusahaan memberanikan diri untuk membuat pabrik refinery sawit untuk menghasilkan produk sawit yang memiliki nilai tambah lebih tinggi. Dukungan ekspansi, serta didukung potensi harga CPO global yang diproyeksikan berada di atas level pre-covid (RM 4,000/ton) membuat kami tetap merekomendasikan BUY saham STAA dengan TP 1.050/saham mencerminkan EV/ton FY24F sebesar USD 1.570.

Masuk ke produk midstream kelapa sawit. Perusahaan melalui anak usahanya, PT Sumber Tani Agung Oils and Fats (STAOF) sedang membangun industri hilir kelapa sawit dengan membangun fasilitas refinery di Dumai yang akan beroperasi di 1H24F mendatang. Pada fase pertama pabrik ini akan dapat melakukan refinari dan fraksinasi 2.000 ton/hari. Fasilitas ini juga didukung tangki timbun yang dapat memuat 64 ribu ton produk hasil refinari dan juga dilengkapi dermaga dengan kapasitas kapal mencapai 50 ribu DWT sehingga memudahkan pelanggan untuk melakukan pembelian. STAOF akan memproduksi produk sawit bernilai tambah yang dapat menambah margin keuntungan bersih hingga 300 bps saat beroperasi penuh.

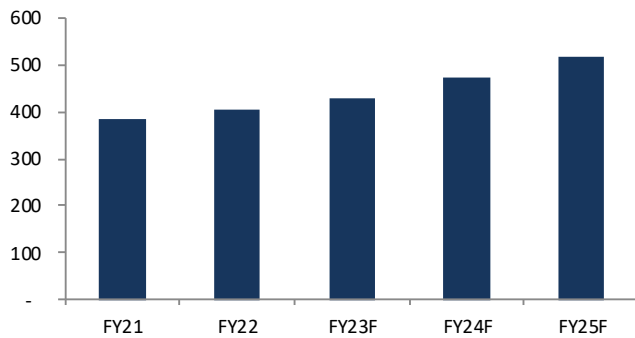
Ekspansi lahan dan pabrik terus berlanjut hingga 2025. Akuisisi lahan sebesar 6.000 Ha pada akhir tahun lalu membuat potensi produksi internal akan meningkat kedepannya, dimana umur tanaman rata-rata saat ini tergolong prima (13 tahun) dengan 74% lahan berada di rentang 7-20 tahun. Hal ini tentu berpotensi menambah 5% volume produksi internal pada FY24F dan FY25F dan kami menilai dalam 5 tahun mendatang belum akan penurunan kuantitas TBS yang dihasilkan, perusahaan juga berkomitmen untuk terus menambah lahan hingga mencapai 60 ribu Ha di FY25F. Di sisi lain, pabrik kelapa sawit juga terus ditambah, dimana pada 2H23 akan mulai dibangun pabrik berkapasitas 45 tph dan pada 1H24 akan ada penambahan PKS baru dengan kapasitas yang sama, sehingga total kapasitas produksi akan naik 20% atau mencapai 540 tph di 2025 mendatang.

BUY, TP IDR 1.050 (EV/Ton USD 1.570). Dukungan ekspansi bisnis baik secara horizontal maupun vertikal, serta potensi harga CPO yang relatif lebih tinggi dari masa pre-Covid (Global: MYR 4,000/ton, Lokal: IDR 11-12 ribu/ton) membuat kami mempertahankan rekomendasi BUY untuk saham STAA dengan TP IDR 1.075/saham, yang mengimplikasikan EV/ton sebesar USD 1.075 (25% lebih premium dari rata-rata EV/ton peers). Risiko: perubahan kebijakan global terkait CPO, anomali cuaca dan pergerakan minyak nabati lainnya.

Valuations (at closing price IDR 860 per share)

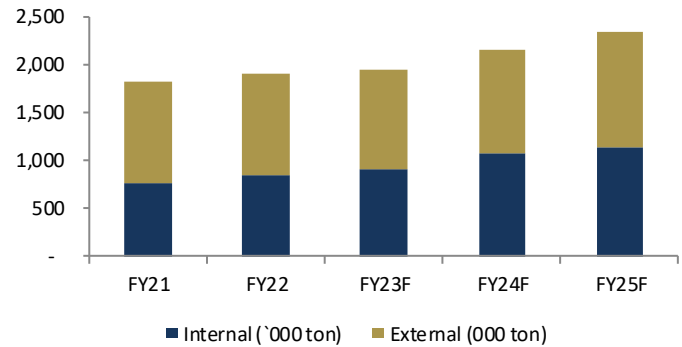
Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	5,884	6,045	6,072	6,461	7,322
EBITDA (IDR Bn)	1,983	2,128	1,730	2,634	2,933
EV/EBITDA (x)	3.4	4.0	4.9	3.6	3.5
Net Profit (IDR Bn)	1,077	1,113	923	1,545	1,767
EPS (IDR)	108	102	85	142	162
EPS Growth (%)	186.5	(5.3)	(17.0)	67.4	14.3
P/E Ratio (x)	7.7	8.1	9.8	5.9	5.1
BVPS (IDR)	274	393	431	534	626
P/BV Ratio (x)	3.0	2.1	1.9	1.6	1.3
DPS (IDR)	-	10	46	38	71
Dividend Yield (%)	-	1.2	5.5	4.6	8.5
ROAE (%)	45.8	31.7	20.6	29.4	27.9
ROAA (%)	19.7	17.3	13.5	21.6	21.7
Interest Coverage (x)	8.7	11.9	18.7	58.4	126.0
Net Gearing (x)	0.5	0.0	0.0	n.c.	n.c.

Figure 1. STAA's CPO Production



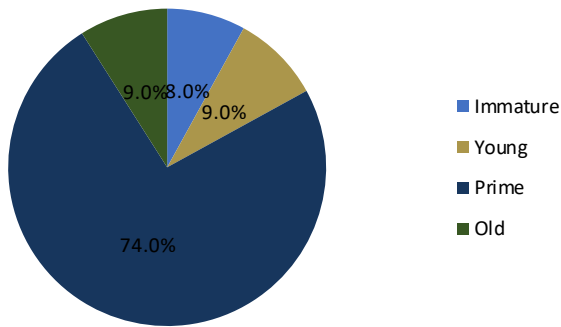
Source: Company, SSI Research

Figure 2. STAA's FFB Processed Contribution



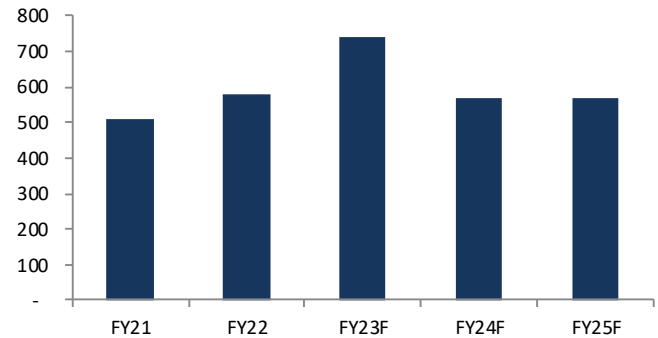
Source: Company, SSI Research

Figure 3. Age Profile



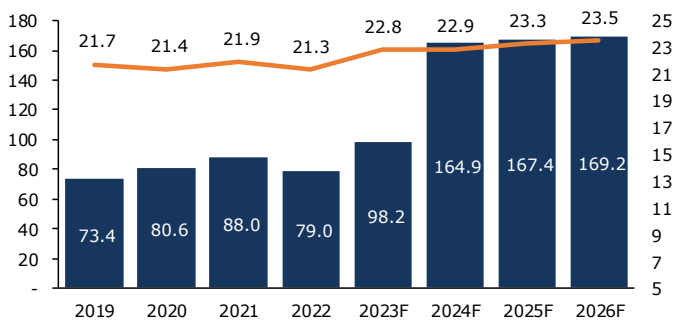
Source: Company, SSI Research

Figure 4. STAA's CPO Mill Capacity (Mton/hour)



Source: Company, SSI Research

Figure 5. STAA's Capex



Source: Company, SSI Research

Figure 6. EV/Ton

11-Sep-23	EV (USD Mn)	CPO Sales (Ton)	EV/Ton (USD)
AALI	1,150	1,342,035	857
LSIP	166	347,042	477
SSMS	1,061	556,249	1,907
DSNG	751	571,393	1,314
TAPG	786	852,704	922
NSSS	415	164,880	2,519
STAA	641	473,715	1,353
Average			1,336
		EV/ton STAA (25% premium), USD	1,670
		Target Price (IDR/Share)	1,050

Source: Bloomberg, Companies, SSI Research

Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenue	5,884	6,045	6,072	6,461	7,322
Cost of Revenue	(3,613)	(4,000)	(4,282)	(3,834)	(4,329)
Gross Profit	2,271	2,045	1,791	2,627	2,993
Operating Expense	(553)	(315)	(398)	(340)	(415)
G&A Expense	(135)	(141)	(147)	(153)	(159)
Selling & Marketing Expense	(548)	(243)	(320)	(305)	(341)
Other Income (Expense)	131	69	69	118	85
Operating Profit	1,718	1,731	1,392	2,287	2,578
EBITDA	1,983	2,128	1,730	2,634	2,933
Interest Income	20	43	32	18	33
Interest Expense	(198)	(145)	(75)	(39)	(20)
Share of JV	10	9	9	10	11
Other Income (Expense)	-	-	-	-	-
Pre-tax Profit	1,550	1,638	1,359	2,275	2,601
Taxes	(311)	(357)	(296)	(496)	(567)
Minority Interest	(162)	(168)	(140)	(234)	(267)
Net Profit	1,077	1,113	923	1,545	1,767

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash	860	1,594	891	1,626	2,407
Receivables	37	91	91	97	110
Inventory	297	440	416	373	421
Others	268	176	176	176	176
Total Current Asset	1,462	2,300	1,574	2,271	3,113
Net Fixed Asset	3,882	4,093	4,495	4,718	4,933
Other Assets	514	620	620	620	620
Total Asset	5,859	7,012	6,688	7,609	8,666
Payables	131	195	167	149	168
ST. Debt and CMLTD	334	421	141	74	39
Other Current Liabilities	344	275	277	279	280
Current Liability	808	891	584	502	487
LT. Debt	1,796	1,330	758	398	208
Other LT. Liabilities	156	148	148	148	148
Total Liability	2,760	2,369	1,491	1,048	844
Minority Interest	360	360	500	733	1,001
Total Equity	2,739	4,283	4,698	5,828	6,822

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	1,077	1,113	923	1,545	1,767
D&A	255	370	337	347	355
Changes in Working Capital	98	(97)	(6)	20	(42)
Operating CF	1,430	1,386	1,255	1,913	2,080
Capital Expenditure	(508)	(581)	(740)	(570)	(570)
Others	(3)	(105)	-	-	-
Investing CF	(511)	(686)	(740)	(570)	(570)
Dividend Paid	(1,206)	(109)	(502)	(416)	(773)
Net Borrowing	(380)	(379)	(851)	(427)	(225)
Others	1,087	522	135	235	269
Financing CF	(499)	34	(1,218)	(608)	(729)
Net - Cash flow	420	734	(703)	735	781
Adjustment	-	-	-	-	-
Cash at Beginning	440	860	1,594	891	1,626
Cash at Ending	860	1,594	891	1,626	2,407

Key Ratios					
Y/E Dec	21A	22A	23F	24F	25F
Gross Profit Margin (%)	38.6	33.8	29.5	40.7	40.9
Operating Margin (%)	29.2	28.6	22.9	35.4	35.2
Pretax Margin (%)	26.3	27.1	22.4	35.2	35.5
Net Profit Margin (%)	18.3	18.4	15.2	23.9	24.1
Revenue Growth (%)	40.0	2.7	0.4	6.4	13.3
EBITDA Margin (%)	33.7	35.2	28.5	40.8	40.1
EBITDA Growth (%)	82.4	7.3	(18.7)	52.3	11.3
Debt to Equity (x)	0.8	0.4	0.2	0.1	0.0

Major Assumptions					
Y/E Dec	21A	22A	23F	24F	25F
FFB Yield (Ton/Ha)	22.8	23.2	24.0	25.0	26.0
Mills capacity (Mton/hour)	450	450	450	495	540
CPOER (%)	21.1	21.2	22.0	22.0	22.0
CPO sales volume growth (%)	(5.6)	5.5	7.2	10.0	9.9

Figure 6. Peers Comparison

Company Ticker	Country	Company Ticker	Market Cap (USD Mn)	PER (x)		EV/EBITDA (x)		PBV (x)		ROE (%)	
				2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
FGV HOLDINGS BHD	MY	FGV MK	1,083	12.4	14.2	6.9	6.6	0.8	0.8	4.5	5.3
GENTING PLANTATI	MY	GENP MK	1,027	17.5	15.8	8.7	8.3	0.9	0.9	5.3	5.6
IOI CORP BHD	MY	IOI MK	4,980	16.8	17.5	12.3	12.9	2.0	1.9	11.5	10.5
KUALA LUMPUR KEP	MY	KLK MK	5,370	19.0	18.0	11.2	10.8	1.8	1.7	8.4	9.0
SIME DARBY	MY	SIME MK	3,129	12.5	11.4	6.6	6.4	0.9	0.8	7.1	7.4
TSH RESOURCES	MY	TSH MK	298	15.8	12.5	7.1	6.5	0.7	0.7	5.5	5.6
BUMITAMA AGRI LT	ID	BAL SP	725	5.2	5.5	3.9	4.1	0.8	0.8	16.3	14.1
FIRST RESOURCES	ID	FR SP	1,759	8.8	7.9	5.5	5.1	1.3	1.2	13.2	13.8
GOLDEN AGRI-RESO	ID	GGR SP	2,280	5.6	6.0	3.6	3.6	0.4	0.4	8.3	11.6
WILMAR INTERNATI	CN	WIL SP	17,410	12.9	9.9	12.3	10.1	0.8	0.8	6.8	8.4
ASTRA AGRO LEST	ID	AALI IJ	949	15.1	11.4	6.2	5.4	0.6	0.6	4.9	5.5
DHARMA SATYA NUS	ID	DSNG IJ	411	7.9	4.8	5.2	4.2	N/A	N/A	9.6	12.6
PP LONDON SUMATR	ID	LSIP IJ	442	10.9	9.7	2.2	2.0	0.6	0.6	7.2	7.5
SAWIT SUMBERMAS	ID	SSMS IJ	729	10.6	11.4	12.3	12.4	1.6	1.5	17.5	15.7
TRIPUTRA AGRO PE	ID	TAPG IJ	717	7.0	8.8	5.0	4.5	1.0	0.9	14.8	15.3
NUSANTARA SAWIT	ID	NSSS IJ	266	N/A	N/A	12.4	7.6	N/A	N/A	N/A	N/A
Global Weighted Average			41,574	13.3	11.8	10.1	9.1	1.1	1.1	8.3	9.1

Source: Bloomberg, Company, SSI Research (*Valuation at closing price 15/9/2023)

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