

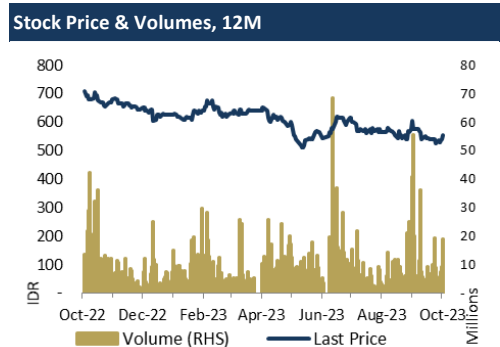
BUY (Maintain)

Target Price (IDR) 750 (Unchanged)
Potential Upside (%) 35.4

Price Comparison	
Cons. Target Price (IDR)	723
SSI vs. Cons. (%)	103.8

Stock Information	
Last Price (IDR)	555
Shares Issued (Mn)	19,853
Market Cap. (IDR Bn)	10,919
52-Weeks High/Low (IDR)	720/505
3M Avg. Daily Value (IDR Bn)	5.6
Free Float (%)	36.6
Shareholder Structure:	
PT Persada Capital Inv (%)	23.2
PT Triputra Investindo J (%)	22.9
Other major shareholders (%)	39.8
Public below 5% (%)	14.1

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	(13.4)	(4.3)	(8.3)	(22.5)
JCI Return	(1.6)	(2.8)	(2.3)	(5.0)
Relative	(11.8)	(1.5)	(6.1)	(17.6)



Company Background
 Established in 2005, PT Triputra Agro Persada Tbk is a company that focuses its business on the upstream oil palm industry. Through its subsidiaries and JVs, the company operates over 160,000 hectares of oil palm plantations.

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Strong Results, Better Outlook

CPO production rose +3.4% yoy in 3Q23. TAPG's nucleus FFB production reached 856k tons in 3Q23, relatively stable when compared to 3Q22 but higher than the previous quarter (+9.9% QoQ); not surprising, considering the fact that FFB production in 2H is usually higher than in 1H. The increase in FFB production led to higher CPO production (+3.4% yoy, +12.0% qoq to 275k tons). Regarding the cumulative figure, TAPG's nucleus FFB production came in at 2,254k tons in 9M23 (-8.0% yoy), in line with SSI's target, with an FFB yield of 17.3 tons/ha (vs. 18.7 tons/ha in 9M22). Its CPO production also fell -5.4% yoy to 759k tons with an OER of 23.1%.

3Q23 performance: Net profit growth of +13.7% yoy. TAPG's net profit went up +13.7% (+261.8% qoq) in 3Q23, supported by the increase in its CPO sales volume (+3.2% yoy, +27.5% qoq) and better ASP (+5.4% yoy, -1.0% qoq). On the other hand, its expenses went up as well, especially fertilizer expense, which rose +123.7% yoy (-21.3% qoq) and led to a spike in COGS of +17.8% yoy (+0.9% qoq). Cumulatively, TAPG booked revenue of IDR 6.0 trillion in 9M23 (-10.5% yoy) (slightly below SSI's and consensus estimates); the YoY decline was mainly caused by the drop in TAPG's CPO ASP of -11.0% yoy, even though its sales volume rose +7.0% yoy. Its COGS rose +14.2%, mainly due to the surge in fertilizer expense (+87.2% yoy), putting pressure on its net profit (-52.8% yoy to IDR 1.1 trillion).

Vertical expansion with the new PKO factory. TAPG's kernel oil factory, with a total processing capacity of 300 tons/day, commenced production activities in 3Q23. The factory will enable TAPG to sell value-added products from PK, such as CPKO and Palm Kernel Meal (PKM). In 3Q23, CPKO and PKM products only contributed 0.6% of TAPG's total revenue; however, we estimate that in FY24F, PKO will contribute 5-10% of the company's total revenue.

Better FY24F outlook, BUY with a TP IDR 750/share. We project TAPG's CPO production to grow ~+3% yoy, supported by its FFB production growth (+2% yoy) with an average plant age of 13 years, and the fact that 78% of TAPG's plants are in their prime age. Pressure on ASP is also expected to ease down, and we expect TAPG's CPO ASP to increase ~+7% yoy to IDR 11-12K/kg, mainly due to the El-Nino and global economy recovery. Also, fertilizer expense might drop -25% yoy in FY24F, which should help boost TAPG's bottom line (projection: +35.4% yoy). Therefore, we maintain our BUY rating on TAPG (TP: IDR 750, implying an FY23F EV of USD 8,680/ha). Main risk: Lower-than-expected CPO selling prices.

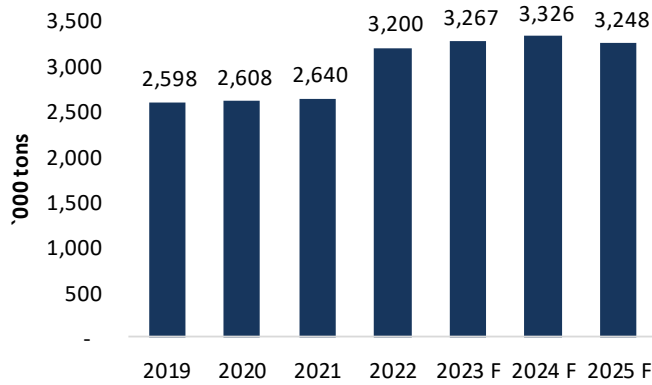
Valuations (at closing price IDR 555 per share)					
Y/E Dec	21A	22A	23F	24F	25F
Revenue (USD Mn)	6,278	9,346	8,697	9,818	10,690
EBITDA (USD Mn)	1,784	3,574	2,062	2,770	2,907
EV/EBITDA (x)	7.5	3.3	5.8	3.8	3.1
Net Profit (USD Mn)	1,159	2,981	1,767	2,392	2,542
EPS (USD)	58	150	89	120	128
EPS Growth (%)	21.7	157.2	(40.7)	35.4	6.3
P/E Ratio (x)	9.5	3.7	6.2	4.6	4.3
BVPS (USD)	378	505	529	612	688
P/BV Ratio (x)	1.5	1.1	1.0	0.9	0.8
DPS (USD)	15	25	38	44	60
Dividend Yield (%)	2.7	4.5	6.8	8.0	10.9
ROAE (%)	16.6	34.0	16.8	20.3	19.2
ROAA (%)	9.4	22.1	12.2	15.8	15.7
Interest Coverage (x)	6.3	8.0	6.0	11.6	18.1
Net Gearing (x)	0.3	0.0	n.c.	n.c.	n.c.

Table 1: 9M23 Result

(IDR Bn)	3Q21	2Q22	3Q22	QoQ (%)	YoY (%)	9M21	9M22	YoY	9M22/SSI	9M22/Cons
Revenue	2,131	1,847	2,266	22.7	6.3	6,746	6,039	-10.5	68.7	73.1
Gross Profit	819	315	721	128.9	-12.0	2,781	1,508	-45.8		
Operating Profit	591	91	619	577.5	4.8	2,278	914	-59.9		
EBITDA	735	245	778	217.4	5.9	2,701	1,379	-49.0		
Net Profit	557	175	634	261.8	13.7	2,337	1,103	-52.8	49.5	90.1
Gross Margin	38.4%	17.1%	31.8%	15 bps	(7) bps	41.2%	25.0%	(16) bps		
Operating Margin	27.7%	4.9%	27.3%	22 bps	(0) bps	33.8%	15.1%	(19) bps		
Net Margin	26.2%	9.5%	28.0%	18 bps	2 bps	34.6%	18.3%	(16) bps		

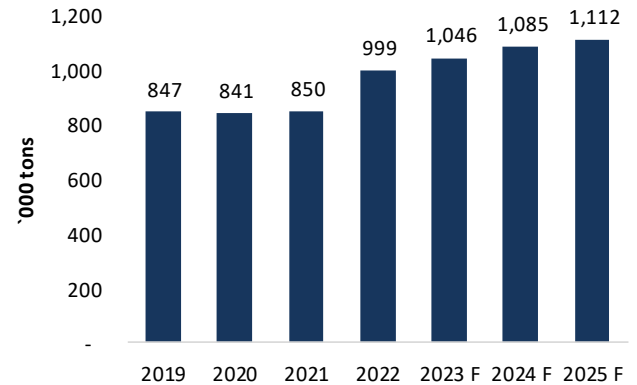
Source: Company, SSI Research

Figure 1. FFB Volume



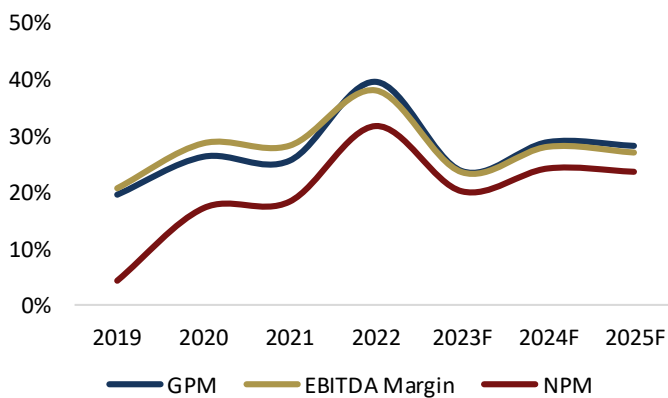
Source: Company, SSI Research

Figure 2. CPO Volume



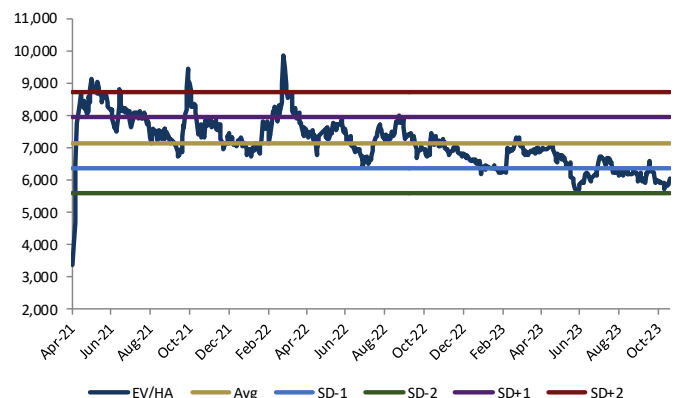
Source: Company, SSI Research

Figure 3. Profitability Margins



Source: Company, SSI Research

Figure 4. EV/Hectare Band



Source: Bloomberg, Company, SSI Research

Table 2. 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	1,024	15.6	16.8	7.0	7.0	0.8	0.8	3.0	4.6
GENTING PLANTATI	MY	GENP MK	991	17.5	15.5	9.1	8.5	0.9	0.8	5.2	5.5
IOI CORP BHD	MY	IOI MK	5,108	17.9	18.0	13.2	13.3	2.1	2.1	11.1	10.7
KUALA LUMPUR KEP	MY	KLK MK	4,998	18.3	17.3	10.8	10.6	1.7	1.6	8.3	8.9
SIME DARBY	MY	SIME MK	3,241	13.0	11.9	6.7	6.6	0.9	0.9	7.2	7.6
TSH RESOURCES	MY	TSH MK	280	15.9	12.0	7.0	6.3	0.7	0.7	5.5	5.7
BUMITAMA AGRI LT	ID	BAL SP	722	5.4	5.7	4.0	4.2	0.8	0.8	16.3	14.1
FIRST RESOURCES	ID	FR SP	1,682	8.4	7.5	5.2	4.8	1.3	1.2	13.2	14.1
GOLDEN AGRI-RESO	ID	GGR SP	2,455	6.0	6.6	3.7	3.8	0.5	0.5	8.3	11.6
WILMAR INTERNATI	CN	WIL SP	16,144	12.0	9.1	11.6	9.8	0.8	0.7	7.0	8.5
ASTRA AGRO LEST	ID	AALI IJ	854	14.9	11.7	5.1	5.1	0.6	0.6	4.6	5.0
DHARMA SATYA NUS	ID	DSNG IJ	382	7.7	2.8	4.7	4.1	N/A	N/A	10.5	11.8
PP LONDON SUMATR	ID	LSIP IJ	390	11.6	10.1	1.7	1.5	0.6	0.5	5.0	6.4
TRIPUTRA AGRO PE	ID	TAPG IJ	691	9.3	11.0	4.7	3.8	N/A	N/A	14.7	16.5
NUSANTARA SAWIT	ID	NSSS IJ	258	N/A	N/A	12.5	7.7	N/A	N/A	N/A	N/A
Global Weighted Average			39,221	13.2	11.6	9.8	8.9	1.1	1.0	8.1	9.1

Source: Bloomberg, SSI Research (Valuation at 26/10/2023)

Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenue	6,278	9,346	8,697	9,818	10,690
Cost of Revenue	(4,662)	(5,630)	(6,617)	(6,966)	(7,656)
Gross Profit	1,616	3,716	2,080	2,851	3,034
Operating Expense	(367)	(684)	(637)	(719)	(783)
G&A Expense	(361)	(401)	(373)	(421)	(459)
Selling & Marketing Expense	(168)	(284)	(264)	(298)	(325)
Other Income (Expense)	162	1	1	1	1
Operating Profit	1,249	3,032	1,443	2,132	2,251
EBITDA	1,784	3,574	2,062	2,770	2,907
Interest Income	21	69	69	69	69
Interest Expense	(197)	(380)	(242)	(185)	(125)
Share of JV	349	968	968	968	968
Other Income (Expense)	-	-	-	-	-
Pre-tax Profit	1,421	3,689	2,239	2,986	3,165
Taxes	(223)	(601)	(364)	(486)	(515)
Minority Interest	(40)	(108)	(108)	(108)	(108)
Net Profit	1,159	2,981	1,767	2,392	2,542

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash	1,280	1,958	1,548	2,509	3,268
Receivables	60	121	174	196	214
Inventory	673	1,088	1,298	1,366	1,501
Others	7,984	7,680	7,981	7,048	6,238
Total Current Asset	9,997	10,847	11,001	11,120	11,221
Net Fixed Asset	7,119	7,293	7,446	7,566	7,666
Other Assets	(4,669)	(3,614)	(3,915)	(2,982)	(2,172)
Total Asset	12,446	14,526	14,532	15,703	16,715
Payables	267	489	331	348	383
ST. Debt and CMLTD	685	637	294	224	151
Other Current Liabilities	653	967	967	967	967
Current Liability	1,605	2,094	1,592	1,540	1,501
LT. Debt	2,660	1,700	1,195	911	615
Other LT. Liabilities	386	319	319	319	319
Total Liability	4,650	4,113	3,107	2,770	2,436
Minority Interest	283	391	391	391	391
Total Equity	7,513	10,021	11,034	12,542	13,888

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	1,159	2,981	1,767	2,392	2,542
D&A	535	542	619	638	656
Changes in Working Capital	(132)	(16)	(420)	(73)	(118)
Operating CF	1,562	3,507	1,966	2,956	3,080
Capital Expenditure	(455)	(706)	(773)	(757)	(757)
Others	(325)	(686)	-	-	-
Investing CF	(780)	(1,392)	(773)	(757)	(757)
Dividend Paid	(300)	(496)	(754)	(883)	(1,196)
Net Borrowing	(1,021)	(1,007)	(848)	(354)	(368)
Others	329	65	-	-	-
Financing CF	(991)	(1,438)	(1,603)	(1,238)	(1,564)
Net - Cash flow	(210)	678	(410)	962	758
Adjustment	-	-	-	-	-
Cash at Beginning	1,490	1,280	1,958	1,548	2,509
Cash at Ending	1,280	1,958	1,548	2,509	3,268

Key Ratios					
Y/E Dec	21A	22A	23F	24F	25F
Gross Profit Margin (%)	25.7	39.8	23.9	29.0	28.4
Operating Margin (%)	19.9	32.4	16.6	21.7	21.1
Pretax Margin (%)	22.6	39.5	25.7	30.4	29.6
Net Profit Margin (%)	18.5	31.9	20.3	24.4	23.8
Revenue Growth (%)	19.2	48.9	(6.9)	12.9	8.9
EBITDA Margin (%)	28.4	38.2	23.7	28.2	27.2
EBITDA Growth (%)	17.5	100.4	(42.3)	34.3	5.0
Debt to Equity (x)	0.4	0.2	0.1	0.1	0.1

Key Ratios					
Y/E Dec	21A	22A	23F	24F	25F
ASP Growth	12%	32%	-11%	7%	5%
FFB Yield	20.0	24.1	24.5	25.0	24.5
CPO extraction rate	23%	23%	23%	23%	23%

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