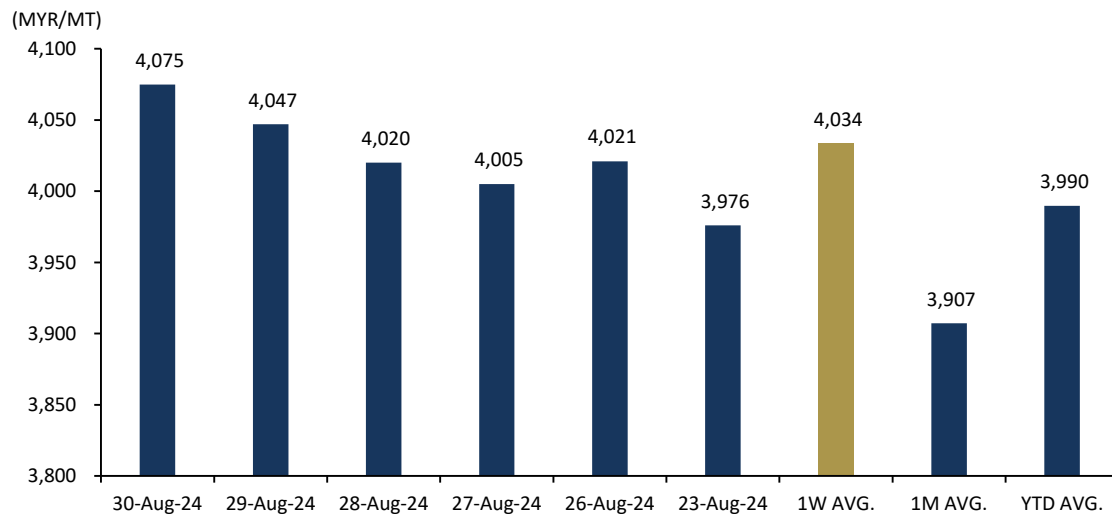


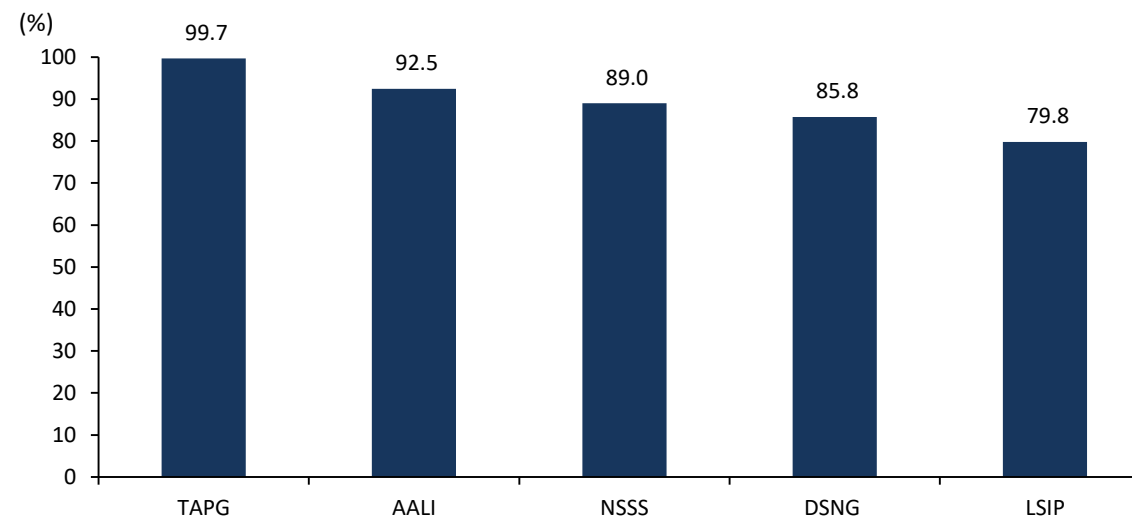
## CPO Price Performance



## Recent Catalysts Driving the Price

- Between 26-30 August 2024, CPO prices rose +2.5% WoW, averaging MYR 4,034/MT, driven by concerns over supplies from the world's leading CPO producers (Indonesia and Malaysia) and strong demand from top importers.
- According to GAPKI, Indonesia's 2024 CPO output is to remain flat or down slightly from 2023 levels (-5% YoY) due to dry weather. Malaysia is also facing supply issues due to aging plantations (avg age: 11.4 year) and labor shortage.
- On consumption, we expect stronger demand in the coming months from India and China, two of the world's largest CPO importers. Historically, India's cooking oil usage rises in September - November on several religious festivals, including Diwali. Meanwhile, Chinese importers have secured some cargoes for December delivery as the country plans to increase its CPO stockpile due to seasonality.
- At this stage, we retain our FY24 average forecast at MYR 4,100/MT (YTD: MYR 3,990/MT) with NSSS (TP IDR 265/sh) and TAPG (TP IDR 800/sh) as our top picks, supported by their relatively young plantation profiles (<10 years old), which should translate to higher crop and extraction yields.

## CPO Contribution to 2Q24 Revenue, by Company



## Peer Comparables

Company Ticker	Market		Last Price (IDR)	2024F			
	Cap (IDR Tn)	Rating		EPS Growth (%)	P/E (x)	EV/Ha (USD)	ROE (%)
TAPG IJ	13.7	BUY	690	75.6	4.5	4,641	17.4
AALI IJ	11.6	HOLD	6,050	1.5	10.7	2,798	4.8
SSMS IJ	9.8	BUY	1,025	110.9	5.6	12,483	5.0
DSNG IJ	8.4	BUY	790	14.3	5.9	11,517	9.4
LSIP IJ	6.1	HOLD	890	30.9	5.1	2,912	9.5
NSSS IJ*	4.4	BUY	184	344.2	99.7	14,580	4.1
<b>Sector</b>	<b>53.9</b>			<b>74.9</b>	<b>14.3</b>	<b>7,046</b>	<b>9.1</b>

\*: FY24 figures are annualized