

# Plantations: 9M24 Results Round-up

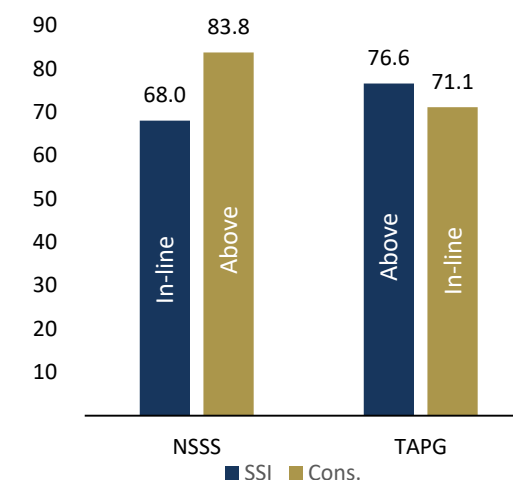
## Our Take on the Sector

- In 3Q24, plantation stocks under our coverage posted consolidated revenue growth of +3.8% QoQ, mainly due to higher ASP aggregate of IDR 12,759/kg (+2.9% QoQ, +19.6% YoY). However, we noticed -2.9% YoY decline in revenue, primarily because TAPG was still recovering from aftermath of 2H23 El Nino, leading to decline in Fresh Fruit Bunches (FFB) and CPO production of -19% and -24% YoY. On the profitability front, our CPO coverage posted robust bottom-line growth of +24.9% QoQ and +16.4% YoY, which we attribute to NSSS' stellar performance (triple-digit both quarterly and annually) on the back of lower fertilizer and maintenance costs of IDR 116bn (-19.5% YoY).
- We expect our plantation coverage to report even better 4Q24 numbers, supported by higher prices (October-November average: MYR 4,691/MT, 18% higher than the 3Q24 average of MYR 3,971/MT). Additionally, we believe 2025 outlook will be favorable for CPO companies, as Indonesia plans to implement B40 (40% CPO-60% diesel fuel) in January 2025 and B50 (50% CPO-50% diesel fuel) in 2026. These policies are expected to boost domestic CPO consumption, which in turn should help lift CPO prices further.
- We put 'Overweight' call on the plantation sector with NSSS (BUY, IDR 300) as our top pick, supported by its relatively young plantation assets (less than 10 years old), which should translate to higher crop and extraction yields.

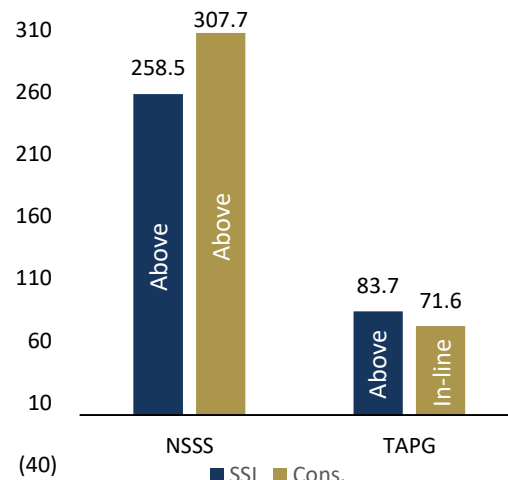
## Peer Comparables

Ticker	Mkt Cap (IDR Tn)	Rating	Target Price (IDR)	Last Price (IDR)	Rel. to JCI 5D (%)	2024F			
						EPS Growth (%)	P/E (x)	EV/Ha (USD)	ROE (%)
TAPG IJ	16.3	BUY	775	820	(4.6)	34.6	6.7	3,663.8	17.6
AALI IJ	11.8	N.R	6,200	6,125	(0.3)	1.1	10.0	4,803.2	5.3
STAA IJ	8.9	N.R	845	815	(0.9)	61.9	8.3	12,985.1	13.9
LSIP IJ	7.4	N.R	1,055	1,080	(0.7)	40.2	7.0	1,765.2	8.5
NSSS IJ	6.6	BUY	224	276	13.6	7802.8	42.2	18,949.5	4.1
<b>Sector</b>	<b>72.5</b>				<b>(1.2)</b>	<b>740.2</b>	<b>8.1</b>	<b>8,631</b>	<b>14.4</b>

## 9M24 Revenue / SSI & Cons



## 9M24 Net Profit / SSI & Cons



## YTD Relative Performance vs JCI

