Nusantara Sawit Sejahtera (NSSS IJ)

SAMUEL SEKURITAS INDONESIA

Plantation Sector
6 November 2025

JCI Index 8,337

BUY (Maintained)

Target Price (IDR)	**650 (from 550)**
Potential Upside (%)	**30.0**

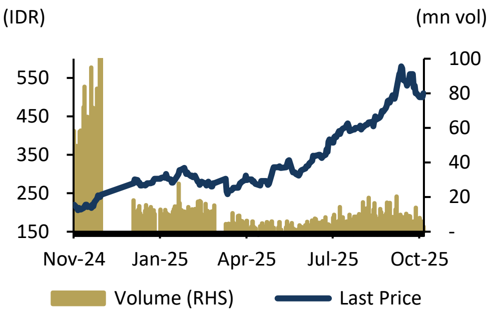
Company Data	
Cons. Target Price (IDR)	**530**
SSI vs. Cons (%)	**122.6**

Stock Information	
Last Price (IDR)	500
Market Cap. (IDR bn)	11,901
52-Weeks High/Low (IDR)	590/193
3M Avg. Daily Value (IDR bn)	4.3

Stock Performance

(%)	**YTD**	**1M**	**3M**	**12M**
Absolute	84.8	(8.9)	23.8	140.6
JCI Return	17.5	2.5	10.7	11.0
Relative	67.3	(11.4)	13.1	129.5

Stock Price & Volumes, 12M



Shareholders (%)	
PT Samuel Tumbuh Bersama	32.2
Ir. Teguh Patriawan	11.7
PT Nusantara Makmur Lestari	9.5
Others	7.3
Public/free float	39.3

Company Background

Founded in 2008 and listed in 2023, NSSS, operates five CPO plantations with average age of 10.5 years in Central Kalimantan. NSSS has total 44,705ha land bank, of which 28,053ha are planted and operates two palm oil mills, each with processing capacity of 60 tons/hour.

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3Q25 Results: Exceed expectations

CPO price reach new highs: further re-rating potential. Indonesia's biodiesel program continues to play a pivotal role in maintaining high CPO prices, allowing for YTD 2025 average price to rise +2.6% YoY to MYR 4,308/ton, following strong +10.1% YoY increase in 2024 (Figure 7). However, biodiesel demand represents only the tip of the iceberg, as the industry continues to grapple with tight supply conditions stemming from declining FFB yields in both Indonesia and Malaysia, the world's two largest producers. The yield deterioration stems mainly from aging plantations and slow progress in replanting programs (Figure 8). This issue is further exacerbated by shrinking plantation areas in Malaysia, where several estates have been converted for property development. Our discussions with industry players also revealed that no new HGU permits have been issued in recent years, pushing companies to expand through acquisitions instead. Our findings indicate that acquisition costs have surged from USD 5–8k/ha to USD 13–15k/ha (Figure 10).

Profit surge driven by higher ASP and sales volumes. NSSS booked +16% QoQ / +41% YoY increase in revenue to IDR 545bn, supported by robust CPO sales of IDR 459bn (+17% QoQ / +35% YoY) and PK sales of IDR 85bn (+11% QoQ / +91% YoY). CPO volumes rose +14% QoQ / +22% YoY to 33k tons, driven by a young plantation profile (average age: 10.5 years) and higher ASP of IDR 13,923/kg (+3% QoQ / +10% YoY) following the B40 mandate. PK volumes also improved +16% QoQ / +38% YoY to 7k tons, although ASP declined -5% QoQ, but up +39% YoY to IDR 11,552/kg. Cumulatively, 9M25 revenue jumped +56% YoY to IDR 1.5tn, in line with our projection (77% of FY25F). On the bottom line, NSSS posted exceptional 3Q25 earnings of IDR 240bn (+58% QoQ), lifting 9M25 net profit to IDR 554bn (+309% YoY), accounting for 77% of our revised-up FY25F bottom line of IDR 715bn (Figure 2).

Upgrade TP to IDR 650 on higher earnings; reiterate BUY. We upgrade earnings by +2.2% in 2026F and +15.0% in 2027F and expect a sector re-rating in the near term, supported by: (1) new equilibrium in higher CPO prices, and (2) rising acquisition cost/ha amid ongoing moratorium land-expansion. Our BUY rating is retained with higher TP of IDR 650, implying 2026F EV/planted area of USD 30,943/ha. Key risks: weaker CPO prices, potential regulatory shifts, and adverse weather conditions.

Forecasts and Valuations	**23A**	**24A**	**25F**	**26F**	**27F**
Revenue (IDR bn)	1,185	1,490	1,930	2,523	2,775
EBIT (IDR bn)	199	519	961	1,336	1,569
Net Profit (IDR bn)	2	305	715	1,009	1,227
EV/Mature Area (USD/ha)	34,911	32,207	29,182	27,208	25,526
EV/EBITDA (x)	41.7	20.2	11.6	8.2	6.7
EPS (IDR)	0.1	12.8	30.0	42.4	51.6
EPS Growth (%)	(97.3)	13,361	134.7	41.1	21.7
P/E (x)	5,257	39.1	16.6	11.8	9.7
Div. Yield (%)	-	-	0.6	2.5	3.1
ROAE (%)	0.2	25.1	41.5	41.5	38.2
ROAA (%)	0.1	8.2	18.3	23.8	26.5
Net Gearing (%)	175.5	118.0	47.4	10.8	NC

Figure 1. NSSS' 3Q25 Results

(IDRbn)	3Q25	2Q25	3Q24	QoQ (%)	YoY (%)	9M25	9M24	YoY (%)	9M25/ SSI (%)
Revenue	545	470	385	15.9	41.4	1,492	955	56.2	77.3
Gross Profit	303	260	165	16.5	83.9	810	308	163.3	77.3
EBIT	281	235	150	19.4	87.7	747	262	184.6	77.7
Net Profit	240	152	113	57.7	111.7	554.1	135	309.3	84.3
Key Ratios (%)									
GPM	*55.6*	*55.3*	*42.8*	-	-	*54.3*	*32.2*	-	-
EBIT	*51.6*	*50.1*	*38.9*	-	-	*50.1*	*27.5*	-	-
NPM	*44.0*	*32.3*	*29.4*	-	-	*37.2*	*14.2*	-	-

Sources: Company, SSI Research

NSSS's 9M25 results came in above our estimates, supported by higher CPO prices, stronger sales volumes, and resilient margins

Figure 2. Forecast Changes

(IDR bn)	25F			26F			27F		
	Old	New	%	Old	New	%	Old	New	%
Revenue	1,930	1,930	0.0	2,538	2,523	(0.6)	2,589	2,775	7.2
Gross Profit	1,047	1,047	0.0	1,475	1,453	(1.5)	1,545	1,724	11.6
EBIT	961	961	0.0	1,359	1,336	(1.7)	1,391	1,569	12.8
EBITDA	1,113	1,113	0.0	1,514	1,491	(1.5)	1,556	1,734	11.4
Net Profit	657	715	8.8	987	1,009	2.2	1,068	1,227	15.0

Sources: SSI Research

We upgrade our earnings projections by +2.2 – 15.0% for 2025 – 27F

Figure 3. Peer Comparables (Indonesia vs Regional)

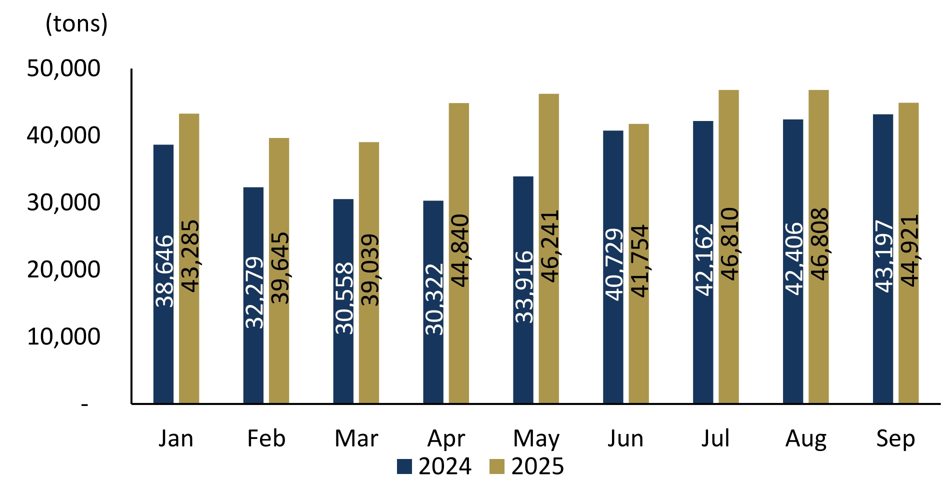
Company Ticker	Mkt. Cap (IDR tn)	Rating	Last Price (IDR)	Target Price (IDR)	Upside (%)	EPS Growth 26F (%)	P/E 26F (x)	EV/ha (USD)	ROE (%)	DY (%)
TAPG IJ	37.3	BUY	1,880	1,400	(25.5)	5.1	10.3	17,250	26.5	9.3
DSNG IJ*	19.5	BUY	1,840	1,976	7.4	5.8	9.2	13,587	16.0	2.5
SSMS IJ	15.7	BUY	1,645	2,500	52.0	15.0	11.3	11,452	37.1	39.8
AALI IJ*	15.1	BUY	7,825	7,848	0.3	(4.3)	10.7	2,450	5.7	4.3
NSSS IJ	**11.9**	**BUY**	**500**	**650**	**27.5**	**40.9**	**11.8**	**27,740**	**41.4**	**0.6**
LSIP IJ*	9.5	BUY	1,390	1,691	21.6	11.5	5.7	1,965	10.9	5.6
Indonesia	**108.9**				**8.5**	**10.7**	**10.0**	**13,521**	**23.8**	**9.9**

Company Ticker	Mkt. Cap (IDR tn)	Rating	Last Price (MYR)	Target Price (MYR)	Upside (%)	EPS Growth 26F (%)	P/E 26F (x)	EV/ha (USD)	ROE (%)	DY (%)
SDG MK*	145.7	HOLD	5.3	5.4	1.2	(1.1)	20.0	21,276	8.8	2.8
IOI MK*	98.7	BUY	4.0	4.1	1.7	0.9	18.4	46,150	10.3	2.7
KLK MK*	91.8	BUY	20.8	21.7	4.5	7.3	17.5	31,123	9.1	3.0
GENP MK*	18.0	HOLD	5.1	5.6	10.1	1.1	13.4	5,005	6.4	4.4
TAH MK*	7.3	HOLD	4.2	4.5	8.0	(2.3)	10.1	14,618	9.1	6.9
HAPL MK*	7.1	BUY	2.3	2.3	0.8	(2.1)	12.3	10,292	6.7	4.9
Malaysia	**368.7**				**2.7**	**1.6**	**18.3**	**29,244**	**9.1**	**3.0**
Regional	**477.6**				**3.9**	**3.7**	**16.2**	**25,487**	**12.3**	**4.6**

) Bloomberg consensus

Sources: Bloomberg, SSI Research

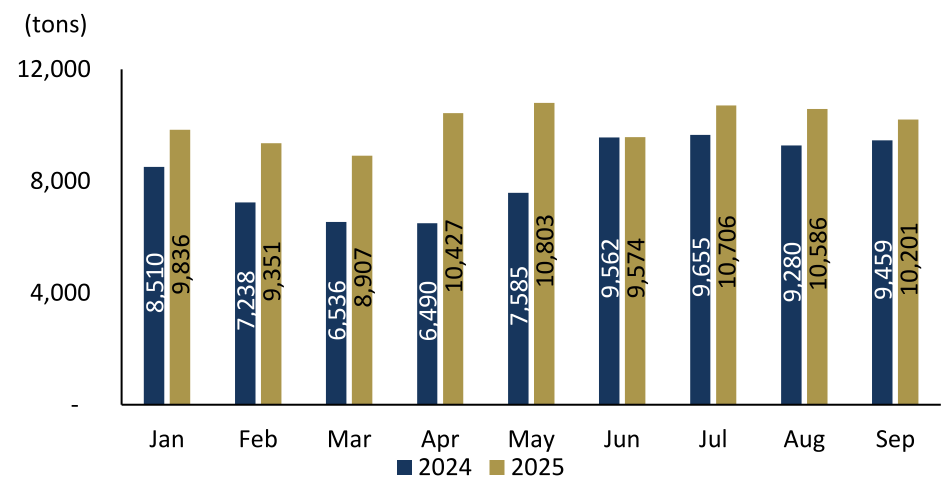
Figure 4. Monthly FFB Production



Sources: Company, SSI Research

In 3Q25, NSSS reported 8.4% YoY growth in FFB production to 138,539 tons, leading to …

Figure 5. Monthly CPO Production



Sources: Company, SSI Research

… 10.9% YoY increase in CPO production to 31,493 tons

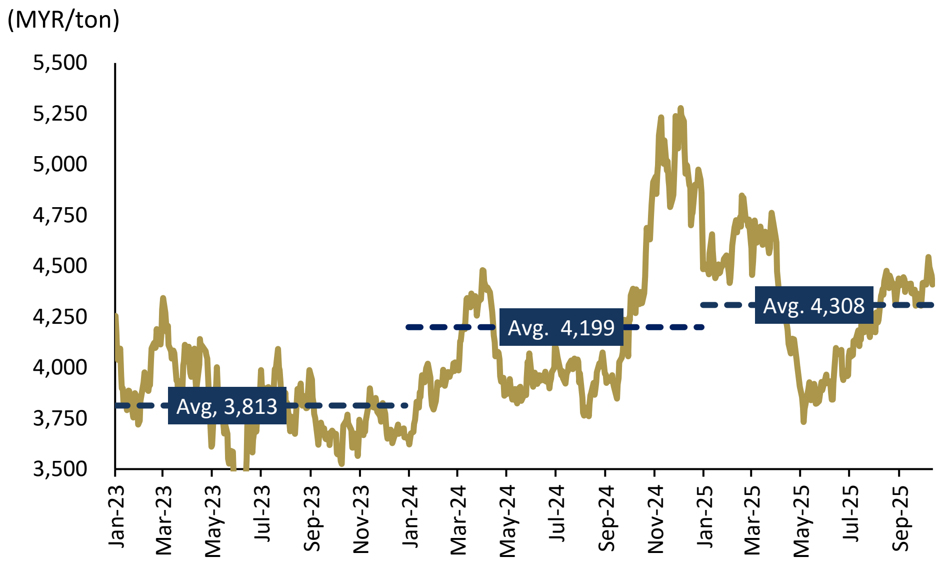
Figure 6. Operational Highlights

FFB Production (tons)	3Q25	2Q25	3Q24	QoQ (%)	YoY (%)	9M25	9M24	YoY (%)
Nucleus	138,539	132,836	127,765	4.3	8.4	393,344	334,216	17.7
Plasma	3,022	2,738	2,133	10.4	41.7	8,161	5,249	55.5
Total	141,561	135,724	129,898	4.3	9.0	401,505	339,465	18.3
FFB Yield (tons/ha)	5.3	5.1	4.9	3.9	8.2	15.0	12.8	17.2

Mill Performance (tons)	3Q25	2Q25	3Q24	QoQ (%)	YoY (%)	9M25	9M24	YoY (%)
Processed FFB	143,842	143,768	135,396	0.1	6.2	413,533	348,351	18.7
CPO Production	31,493	30,804	28,394	*2.2*	*10.9*	90,391	74,314	21.6
CPO OER (%)	21.9	21.4	21.0	*0.5*	*0.9*	21.9	0.0	21.9
PK Production	7,054	6,496	5,612	*8.6*	*25.7*	19,108	14,903	28.2
KER (%)	4.6	4.5	4.1	0.1	0.5	4.6	4.3	0.3

Sources: Company, SSI Research

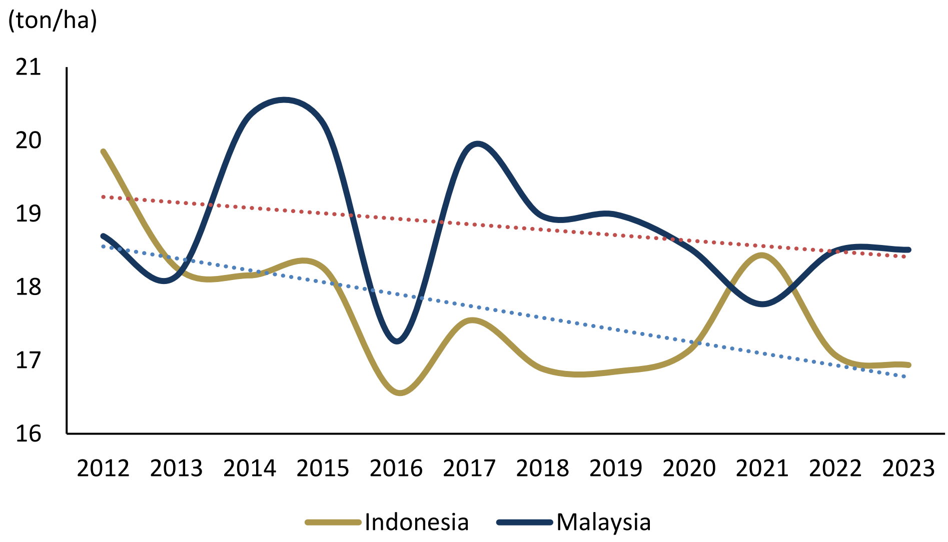
Figure 7. CPO Prices (2023 - YTD 2025)



Sources: Bloomberg, SSI Research

CPO prices are expected to establish new equilibrium, with 2024 average price up 10.1% and 2025 YTD average rising 2.6%, driven by…

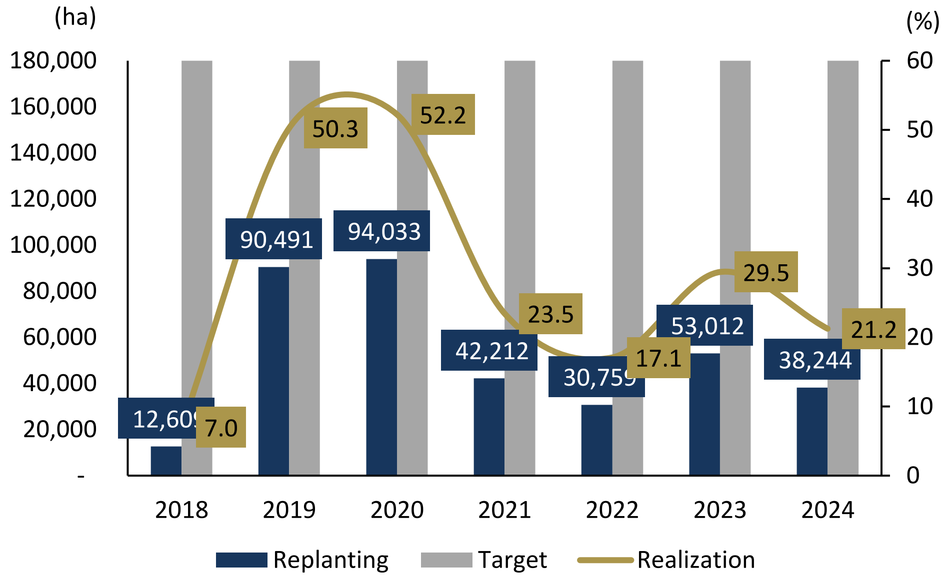
Figure 8. Indonesia and Malaysia's FFB Yield (2012-2023)



Sources: FAO, SSI Research

… lower FFB yields in the world's largest CPO-producing countries

Figure 9. Palm Oil Tree Replanting in Indonesia (2018 - 2024)



Sources: BPDPKS, SSI Research

The decline in yields has been largely attributed to the slow realization of replanting programs

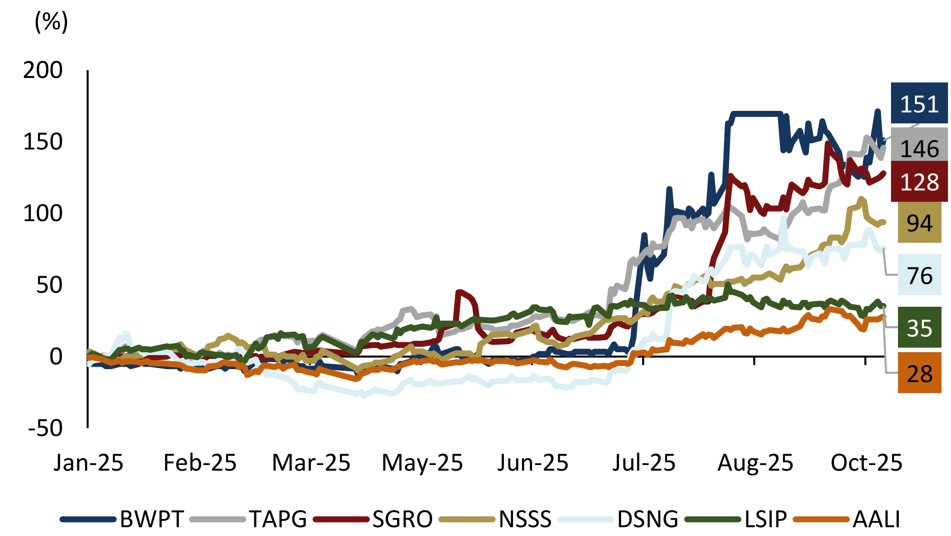
Figure 10. Recent Acquisitions of CPO Companies (2020 - 2025)

Year	Acquirer	Target (Location)	Plantation Area (ha)	Deal Value (USDmn)	Implied Cost/ha
2020	Golden Agri-Resources	PT Hindoli (Cargill)	20,000	110	5,500
2020	Socfin	Oil Palm Tanzania	18,500	150	8,108
2024	Presco Plc	GOPDC, Ghana	21,000	125	5,948
2025	M.P. Evans Group PLC	SKMA & SBS, East Kalimantan, ID	2,750	35	12,764
2025	SSMS IJ	SML, Central Kalimantan, ID	11,046	98	14,700

Sources: Various, SSI Research

CPO companies have experienced notable jump in asset valuation, as EV per hectare has climbed from USD 5–8k/ha to USD 10–13k/ha in recent years

Figure 11. CPO Stocks Price Change (YTD)



Sources: Company, SSI Research

Higher CPO equilibrium and rising acquisition costs drive a surge in CPO stock prices

Financial Highlights & Projections

Profit and Loss (IDRbn)	23A	24A	25F	26F	27F
Revenue	**1,185**	**1,490**	**1,930**	**2,523**	**2,775**
Cost of Goods Sold	(882)	(905)	(883)	(1,070)	(1,051)
Gross Profit	**303**	**585**	**1,047**	**1,453**	**1,724**
Operating Expense	(103)	(66)	(87)	(117)	(155)
Operating Profit	**199**	**519**	**961**	**1,336**	**1,569**
EBITDA	**330**	**670**	**1,113**	**1,491**	**1,734**
Net Interest Expense	(151)	(146)	(121)	(94)	(58)
Other Income (Cost)	(4)	(15)	2	4	5
Pre-tax Profit	**51**	**407**	**862**	**1,246**	**1,515**
Income Tax	(49)	(102)	(146)	(237)	(288)
Net Profit	**2**	**305**	**715**	**1,009**	**1,227**

NSSS is expected to record 2025F revenue of IDR 1.9tn (+29.5% YoY) and net profit of IDR 715bn (+134.8% YoY), driven by elevated CPO prices and strong volumes

Balance Sheet (IDRbn)	23A	24A	25F	26F	27F
Cash & equivalents	243	386	669	952	1,128
Receivables	33	50	63	83	91
Inventories	250	139	157	191	187
Others	109	144	169	180	195
Total Current Assets	636	720	1,059	1,406	1,602
Fixed Assets	905	920	885	849	955
Other Non-Current Assets	2,132	2,088	2,147	2,151	2,288
Total Assets	3,672	3,728	4,091	4,406	4,845
ST. Bank loans	-	60	50	38	25
Payables	254	94	73	88	86
Other Current Liabilities	424	473	420	349	275
Total Current Liabilities	678	627	542	475	387
LT. Debt	1,847	1,613	1,336	1,013	680
Other LT Liabilities	85	123	132	132	132
Total Liabilities	2,611	2,363	2,010	1,619	1,199
Minority Interest	0	0	0	0	0
Total Equity	1,061	1,365	2,080	2,787	3,646

NSSS remains on solid financial footing, with net gearing at 57.9% as of 9M25; a significant improvement from 118% in 2024

Cash Flow (IDRbn)	23A	24A	25F	26F	27F
Net Profit	2	305	715	1,009	1,227
D&A	(129)	(151)	(153)	(155)	(165)
Chg. in Working Capital	258	284	54	179	109
Operating Cash Flow	**131**	**438**	**617**	**1,033**	**1,171**
Capital Expenditure	(254)	(69)	(24)	(24)	(175)
Others	(71)	(105)	32	(22)	(40)
Investing Cash Flow	**(324)**	**(175)**	**8**	**(47)**	**(215)**
Free Cash Flow	**(193)**	**263**	**625**	**987**	**956**
Net - Borrowing	85	361	-	-	-
Dividend Paid	-	-	(71)	(303)	(368)
Other Financing	311	(481)	(271)	(401)	(412)
Financing Cash Flow	**395**	**(120)**	**(343)**	**(703)**	**(780)**
Net - Cash Flow	202	144	282	283	176
Cash at beginning	40	243	386	669	952
Cash at ending	243	386	669	952	1,128

NSSS generates ample cash flow to fund its capex requirements, including the construction of its 3rd and 4th mills, without taking on additional bank loans; as a result, net gearing is expected to continue improving; allowing the company to distribute a dividend of IDR 3/share in 4Q25

Key Ratios	23A	24A	25F	26F	27F
Gross Profit Margin (%)	25.6	39.3	54.3	57.6	62.1
Operating Margin (%)	16.8	34.8	49.8	53.0	56.5
EBITDA Margin (%)	27.8	45.0	57.7	59.1	62.5
Pre-Tax Margin (%)	4.3	27.3	44.7	49.4	54.6
Net Profit Margin (%)	0.2	20.4	37.1	40.0	44.2
Debt to Equity (%)	198.4	146.4	79.6	45.0	23.1
Net Gearing (%)	175.5	118.0	47.4	10.8	NC

NSSS' margins remain among the highest in the sector, with further expansion expected—driven by higher FFB yields and continued improvements in operational efficiency

Major Assumptions	23A	24A	25F	26F	27F
FFB Nucleus Yield (tons/ha)	17.4	17.5	18.5	22.8	23.3
FFB Plasma Yield (tons/ha)	10.2	12.1	13.0	16.4	15.3
OER (%)	21.7	21.2	22.5	22.5	22.5
KER (%)	4.5	4.2	4.5	4.5	4.5
ASP (IDR/kg)	10,796	12,842	13,242	13,242	14,566
CPO Sales Vol. (k tons)	91	106	124	162	162

We expect FFB yield to reach 18.5 tons/ha, driven by increasing contribution of mature and high-yielding plantation areas across NSSS's estates

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