

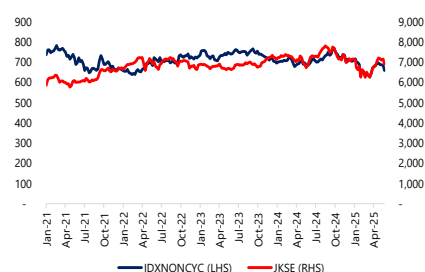


OVERWEIGHT

Index (Jun 19 th , 25)	663.48
Number of Companies	123
Market Cap	1,008 T
52w Lo/Hi	604 / 780
6 Months Changes	-6.29%
YTD Changes	-7.97%

Source : IDX | Phintraco Sekuritas Research
| as of Jun 19th, 2025

IHSG vs IDX NONCYC



Source : IDX | Phintraco Sekuritas Research

Stock	Fair Value	Potential Upside
AAJI	7000	16.99%
SSMS	2375	79.92%

as of Jun 19th, 2025

Research Analyst

Aditya Prayoga

+62 21 255 6138 Ext. 8302

adit@phintracosekuritas.com

Consumer Non-Cyclicals : Plantations

CPO Outlook Brightens Amid Structural Strength

Both plantation names under our coverage delivered solid performance in 1Q25. AALI posted robust revenue growth of 46.3% YoY, supported by higher sales volumes of CPO and palm kernel. SSMS also recorded a strong 48.0% YoY increase in revenue, driven by solid sales volume. Net profit for SSMS rose 14.42% YoY to IDR276.90 billion, as the company managed to maintain a low cash cost level. Meanwhile, AALI saw a 20.02% QoQ decline in net profit, mainly due to a 45.16% QoQ increase in cost of goods sold.

Indonesia's CPO production showed a recovery in March 2025, reaching 4.81 million tons (+16.05% MoM). However, cumulative 1Q25 production stood at 13.13 million tons (-1.82% YoY), still reflecting the lagging impact of the El Niño event during 2H23-1Q24, which typically materializes 6-12 months later. On the demand side, domestic consumption remained solid at 2.15 million tons in March (+5.6% MoM), bringing total 3M25 domestic usage to 6.05 million tons (+6.0% YoY), supported by a strong +8.5% YoY increase in biodiesel consumption. Exports also rose by 2.7% MoM (+12.4% YoY) to 2.88 million tons, driven by rising CPO prices, a weaker rupiah, and notable growth in refined PKO exports (+49.2% MoM), oleochemicals (+11.8% MoM), and processed palm oil products (+2.4% MoM). That said, sluggish demand from key buyers such as China, India, Pakistan, and Bangladesh continued to cap upside potential, despite partially being offset by stronger shipments to the EU, US, and Middle East markets.

We expect CPO prices to range around RM4,100-4,500/ton in 2H25F, supported by tight supply from Malaysia due to the ongoing decline in planted area and subdued FFB yields. Meanwhile, supply from Indonesia is expected to remain solid under a mild La Niña outlook, although a large portion will likely be absorbed by domestic demand, particularly for the biodiesel program. On the demand side, China's market remains stable, given high ending stocks of soybean and rapeseed oil, though restocking opportunities and improving import margins may serve as potential catalysts. In India, a 9% MoM increase in CPO ending stock in May points to the beginning of restocking ahead of the festive season in 2H25. Demand prospects in India are expected to remain robust, driven by this restocking trend as well as a potential consumption boost from lower import duties. Additionally, the continued wide discount of CPO to soybean oil should act as a further catalyst, supporting CPO's competitiveness in the global market.

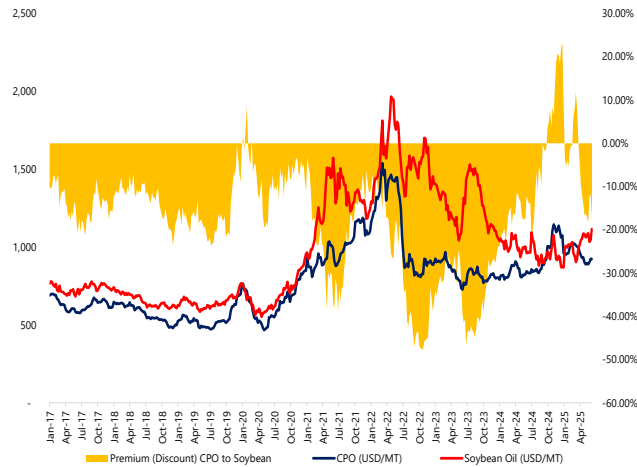
We maintain our Overweight rating on the plantation sector, supported by potential supply-side disruptions and an improving outlook for global demand in the near term. Given the current opportunities and challenges, we believe companies with strong production prospects particularly those with younger plantation profiles will have a productivity edge. In addition, the ability to maintain low cash cost levels will be key in sustaining solid performance amid market volatility. **Downside risks** include: (1) heightened volatility in CPO and other vegetable oil prices, and (2) potential policy changes that could impact profit margins.

Table 1. Indonesia CPO Supply, Consumption, and Export Overview

(`000 Tonnes)	Jan-25	Feb-25	Mar-25	MoM	YoY	3M24	3M25	YoY
Beginning stock	2,576	2,936	2,249	-23.40%	-31.10%	9,442	7,761	-17.80%
CPO production	3,828	3,789	4,391	15.89%	7.05%	12,217	12,008	-1.71%
CPKO production	356	354	417	17.80%	6.65%	1,162	1,127	-3.01%
Total Production	4,184	4,143	4,808	16.05%	7.01%	13,379	13,135	-1.82%
Impor	7	3	3	0.00%	200.00%	11	13	18.18%
Domestic consumption								
Food-related	758	854	889	4.10%	7.50%	2,396	2,501	4.38%
Oleokimia	197	175	182	4.00%	-2.67%	549	554	0.91%
Biodiesel	916	1,003	1,075	7.18%	21.61%	2,760	2,994	8.48%
Total Consumption	1,871	2,032	2,146	5.61%	13.07%	5,704	6,049	6.05%
Export								
CPO production	39	246	169	-31.30%	-48.32%	846	454	-46.34%
CPO and derivatives	1,449	2,079	2,128	2.36%	26.89%	5,105	5,656	10.79%
CPKO	2	1	4	300.00%	-	16	7	-56.25%
CPKO and derivatives	82	112	167	49.11%	38.02%	356	361	1.40%
Biodiesel	-	1	2	100.00%	-60.00%	26	3	-88.46%
Oleokimia	388	364	407	11.81%	-5.13%	1,186	1,159	-2.28%
Total Export	1,960	2,803	2,877	2.64%	12.38%	7,536	7,640	1.38%
Total Dom. Cons. + Export	3,831	4,835	5,023	3.89%	12.67%	13,232	13,689	3.45%
Ending stock	2,936	2,249	2,036	-9.47%	-38.30%	9,591	7,221	-24.71%
Export value (USD mn)	2,274	3,192	3,283	2.85%	50.73%	6,290	8,749	39.09%

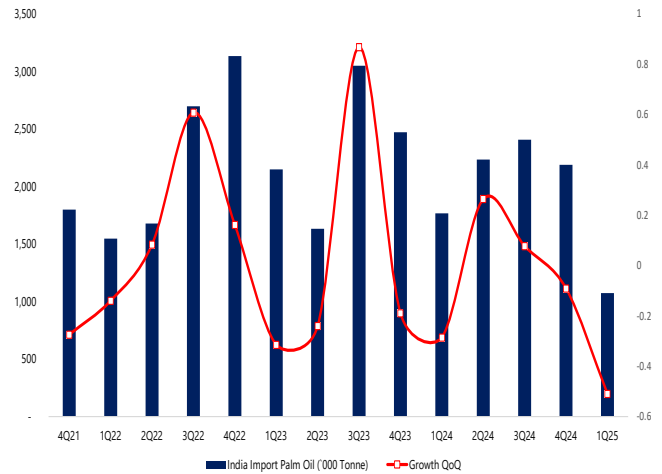
Source : GAPKI | Phintraco Sekuritas Research

Figure 1. CPO Soybean Oil Prices, and CPO-SBO Spread



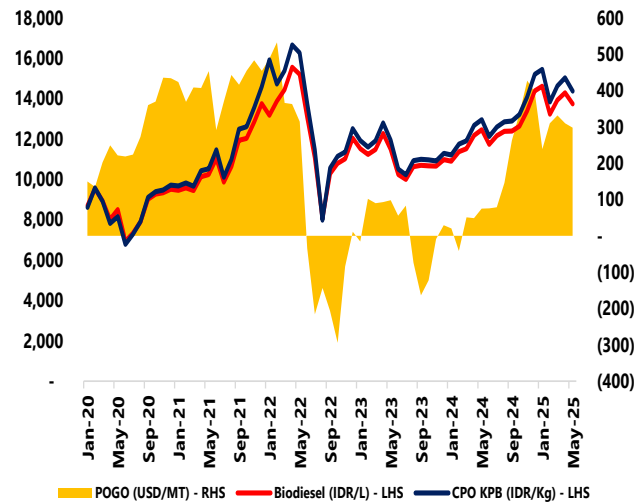
Source : Bloomberg | Phintraco Sekuritas Research

Figure 2. India Palm Oil Import Trend



Source : Bloomberg | Phintraco Sekuritas Research

Figure 3. Trends in POGO Spread, Biodiesel, and CPO Price



Source : Dirjen EBTKE | Phintraco Sekuritas Research

Figure 4. NOAA CPC ENSO Outlook Based on Niño 3.4 SST Index

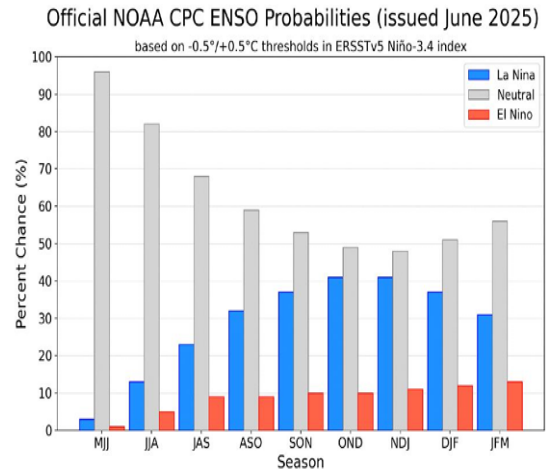
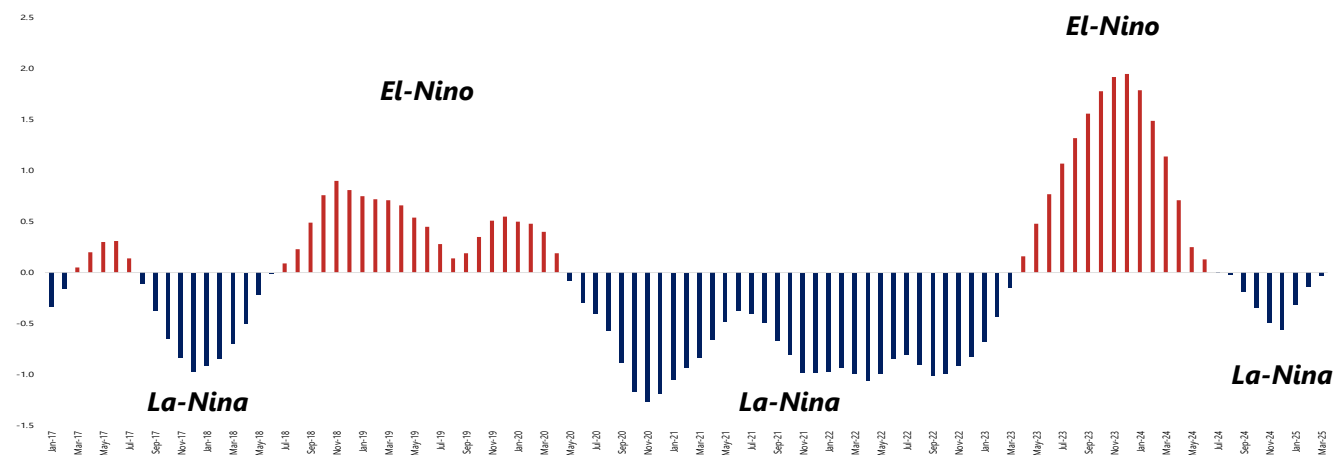


Figure 7. Official ENSO probabilities for the Niño 3.4 sea surface temperature index (5°N-5°S, 120°W-170°W). Figure updated 12 June 2025.

Source : NOAA

Figure 5. Sea Surface Temperature



Source : NOAA | Phintraco Sekuritas Research

Glossarium

CFFO	: <i>Cash Flow from Operating</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFF	: <i>Cash Flow from Financing</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBIT	: <i>Earning Before Interes & Tax</i>
EBT	: <i>Earning Before Tax</i>
OPM	: <i>Operating Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>
EPS	: <i>Earning per Share</i>
BVPS	: <i>Book Value per Share</i>
RPS	: <i>Revenue per Share</i>
PER	: <i>Price to Earning Ratio</i>
PBV	: <i>Price to Book Value</i>
DPS	: <i>Dividend per Share</i>
DPR	: <i>Dividend Payout Ratio</i>
EV	: <i>Enterprise Value</i>



PHINTRACO SEKURITAS

Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

PHINTRACO SEKURITAS

Kantor Cabang & Mitra GI BEI



DISCLAIMER : The information on this document is provided for information purpose only, It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any trading or investment strategy, nor does it constitute any prediction of likely future movement in prices, Users of this document should seek advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to on this document and should understand that statements regarding future prospects may not be realized, Opinion, Projections and estimates are subject to change without notice, Phintraco Sekuritas is not an investment adviser, and is not purporting to provide you with investment advice, Phintraco Sekuritas accepts no liability whatsoever for any direct or consequential loss arising from the use of this report or its contents, This report may not be reproduced, distributed or published by any recipient for any purpose.