

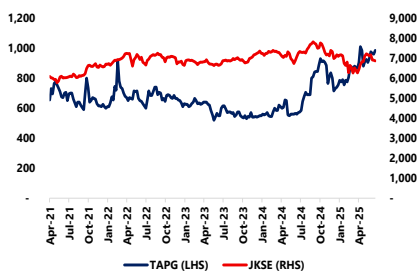


BUY

Price (Jul 4 th , 25)	985
Target Price	1,300
Potential Upside	31.98%
Market Cap	19.55T
Number of Share	19.85 B
52w Lo/Hi	555 / 1,060

Source : IDX | Phintraco Sekuritas Research
| as of Jul 4th, 2025

IHSG vs TAPG



Source : IDX

Shareholder	%
PT Persada Capital Investama	23%
PT Triputra Investindo Arya	22%
Public	14%

Source : Company

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PT Triputra Agro Persada Tbk (TAPG.JK / TAPG.IJ)

Shariah Compliant Stock

Sustaining Strong Yields, Powering Future Growth

PT Triputra Agro Persada Tbk (TAPG) is one of the largest integrated agribusiness companies in Indonesia, currently managing around 160 thousand Ha of oil palm plantations. With a relatively young and productive plantation profile (blended age: 14.2 years), TAPG has strong potential to maintain high productivity and stable yields over the long term. To support its operations, TAPG operates 18 palm oil mills (PKS) with a total processing capacity of 995 tons of FFB per hour, further strengthened by a palm kernel processing facility with a capacity of 300 tons per day. Beyond focusing on efficiency and expansion, TAPG consistently emphasizes its commitment to sustainability practices, as reflected in its RSPO and ISPO certifications. In addition, the company operates a biogas facility with a capacity of 1.5 MW, further supporting its renewable energy initiative

We expect CPO production in 2H25F to remain stable, supported by neutral climate conditions projected to persist until 1Q26F, helping maintain consistent rainfall in Southeast Asia and sustainably support yield recovery. On the other hand, concerns over potential fertilizer price increases due to geopolitical tensions in the Middle East could indeed put pressure on margins, but the risk remains relatively limited this year since most companies have already secured their fertilizer needs for the next 12 months. Meanwhile, domestic biodiesel consumption is expected to be the main growth catalyst, driven by a solid growth trend (7Y CAGR: 20%) and the potential for a significant increase through the mandatory B40 implementation in 2025. As a result, the national biodiesel quota is projected to rise to around 15 million KL (+16% YoY), equivalent to 13–14 million tons of CPO (+14% YoY), potentially pushing biodiesel's contribution to domestic CPO consumption to ~48–50%.

We project TAPG's revenue to increase to IDR 10.5 trillion in FY25F (+9.0% YoY), supported by higher sales volumes of CPO (~680 thousand tons, +6.9% YoY) and PKO (~27 thousand tons, +9.2% YoY), driven by strong domestic demand following the B40 mandate as well as solid PKO demand as a cocoa butter substitute. With projected cost of goods sold and operating expenses remaining manageable, positive contribution from associates, and lower interest expenses, net profit is estimated to reach IDR 3.4 trillion (+10.9% YoY), maintaining a solid net profit margin at 32.8%. In addition, strong free cash flow will support an aggressive dividend policy (DPR >50%) to continue in FY25F, reflected in a significantly higher DPS of IDR 167 (yield ~25%) in FY24, while cash balance is expected to remain solid at around IDR 1 trillion by end-2024.

We initiate coverage on TAPG with a BUY recommendation and a target price of IDR 1,300 per share, implying FY25F valuations of 7.5x PER and 2.2x PBV. We adopt a DCF valuation approach using a WACC of 16.4% and a terminal growth rate of 2%. We like TAPG for its productive plantation profile (blended age: 14.2 years) and solid balance sheet, which provide flexibility to pursue measured expansion. With this foundation, TAPG is well-positioned to deliver sustainable growth going forward. Key risks include: 1) lower-than-expected FFB yield; 2) CPO price volatility; and 3) unfavorable regulatory changes.

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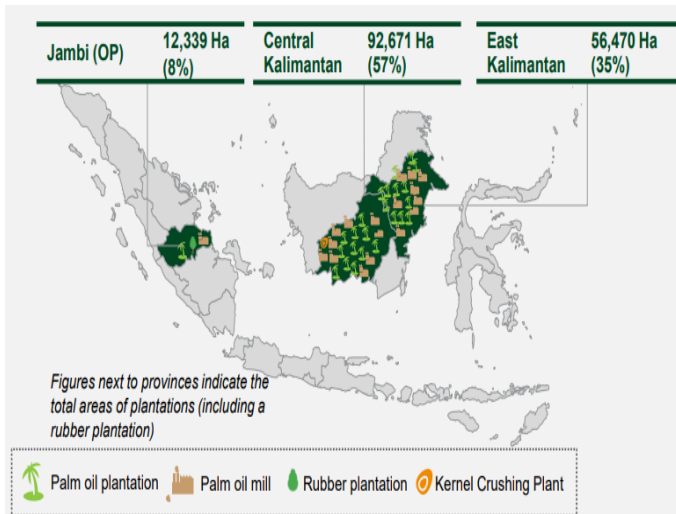
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Company Profile

Founded in 2005, PT Triputra Agro Persada Tbk (TAPG) is one of the key players in the plantation industry, focusing on two main commodities : 1) palm oil and 2) rubber. The company currently manages a total planted area of 161.48 thousand hectares for oil palm, with approximately 93.4% already in the mature, productive age group. In addition, the company owns around 1.3 thousand hectares of rubber plantations. TAPG's plantation areas are spread across several regions: 1) Central Kalimantan (57%), 2) East Kalimantan (35%), and 3) Jambi (8%). **To support operational efficiency,** TAPG applies an integrated plantation-mill model, where one palm oil mill (PKS) typically covers around 5 thousand hectares; however, in some cases, up to 15 thousand hectares can be served by two mills.

TAPG's processing infrastructure is also relatively solid, with 18 palm oil mills (PKS) having a total processing capacity of 995 tons of FFB per hour, along with one palm kernel processing plant (KCP) with a capacity of 300 tons per day. In addition, the company operates a 1.5 MW biogas facility that utilizes palm oil mill effluent (POME) as a renewable energy source. This initiative not only enhances energy efficiency but also reinforces TAPG's strong commitment to sustainability, as demonstrated by its RSPO (Roundtable on Sustainable Palm Oil) and ISPO (Indonesian Sustainable Palm Oil) certifications.

Figure 1. TAPG's Operational Plantation and Location Map



Source : Company Presentation

Figure 2. TAPG's Palm Oil Mill and Processing Facilities

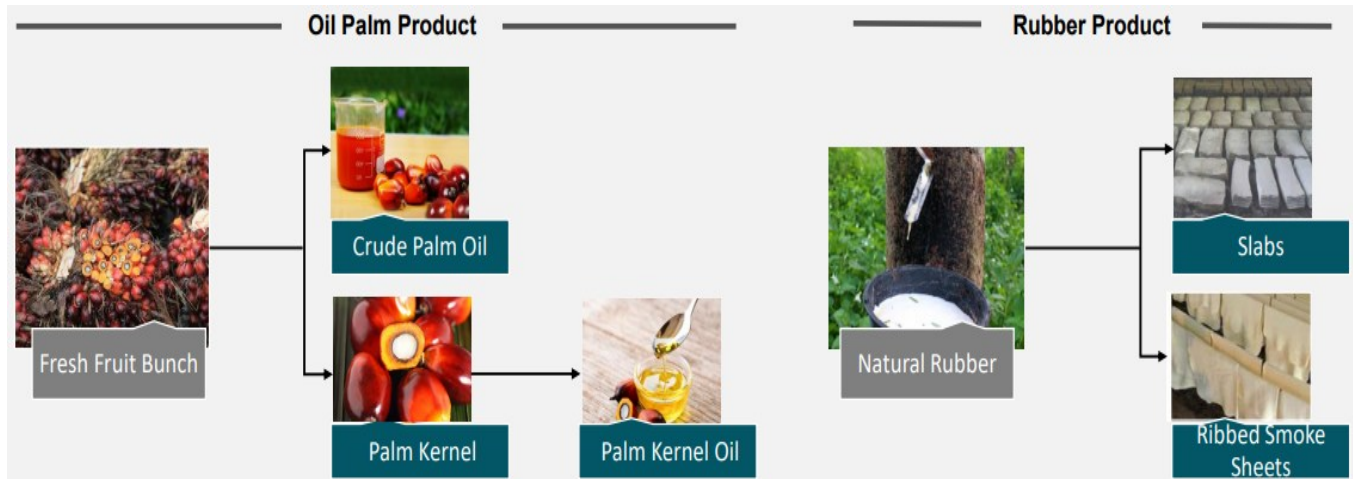


Source : Company Presentation

As an agribusiness company, TAPG has two main business lines : 1) palm oil and 2) rubber. In the palm oil segment, the company produces fresh fruit bunches (FFB), which are then processed at its palm oil mills into two primary products: 1) Crude Palm Oil (CPO) and 2) Palm Kernel (PK). The PK is further processed at the company's Kernel Crushing Plant (KCP) into two refined commodities: 1) Palm Kernel Oil (PKO) and 2) Palm Kernel Meal (PKM). Meanwhile, in the rubber segment, TAPG produces natural rubber, which is then processed into two final products: slabs and ribbed smoked sheets.

Company Profile

Figure 3. Products Produced by TAPG



Source : Company Presentation

Figure 4. Corporate Structure

TAPG is owned by several major shareholders, with the largest stake held by PT Persada Capital Investama (23.24%), followed by PT Triputra Investindo Arya (22.93%). Meanwhile, public ownership accounts for around 13%.



Source : Company | Phintraco Sekuritas Research

Company Profile

Table 1. TAPG'S Board of Commissioners

Profile	Experience	Position
	Arif Rachmat holds a Bachelor's and Master's degree in Engineering from Cornell University. He has extensive experience in strategic management. Currently, he serves as President Commissioner of PT Triputra Agro Persada Tbk since 2020, after previously serving as Co-founder, President Director, and President Commissioner of TAP Group.	President Commissioner
	Arini Saraswati S. holds a Bachelor of Fine Arts and an MBA from the United States. She has over 20 years of experience in arts, investment, and management. She currently serves as Commissioner of PT Triputra Agro Persada Tbk and leads several other companies, including PT Pandu Alam Persada, PT Persada Capital Investama, PT Adaro Energy Tbk, and PT Dharma Satya Nusantara	Commissioner
	Toddy M. Sugoto holds a Bachelor of Science in Mechanical Engineering from Worcester Polytechnic Institute, United States. He has cross-sector experience ranging from manufacturing to banking and investment. Since 2008, he has served as Commissioner of PT Triputra Agro Persada Tbk, after previously serving as Director (2005–2008), and is also active as Commissioner at PT Dharma Satya Nusantara Tbk and President Commissioner of PT Kirana Megatara Tbk.	Commissioner
	Danny Rachmat holds a Bachelor's degree in Business Administration from New York University, United States. He has over 20 years of experience in management and business development. Currently, he serves as Commissioner of PT Triputra Agro Persada Tbk and holds strategic roles in several companies, including PT Bina Busana Internusa, PT Daya Anugrah Mandiri, and PT Daya Adicipta Mustika	Commissioner
	Aridono Sukmanto has an educational and professional background in law enforcement and legal affairs. He previously served as Deputy Chief of Criminal Investigation, Chief of Criminal Investigation, and Deputy Chief of the Indonesian National Police, and was Acting Chief of Police in 2019. Since 2020, he has served as Independent Commissioner of PT Triputra Agro Persada Tbk	Commissioner Independent

Source : Company | Phintraco Sekuritas Research

Company Profile

Table 2. TAPG'S Board of Commissioners

Profile	Experience	Position
	Stanley Setia Atmadja holds a Bachelor's degree in Management Economics from Trisakti University and an MBA from the University of La Verne, United States. He has extensive experience in the financial and automotive sectors. Since 2020, he has served as Independent Commissioner of PT Triputra Agro Persada Tbk, and is also actively involved as a leader at PT Asco Automotive and PT Mandiri Utama Finance.	Commissioner Independent
	Maruli Gultom holds a Bachelor's degree in Mechanical Engineering from the Christian University of Indonesia. He has broad experience in the manufacturing and agribusiness sectors, including with the Astra Group. Since 2020, he has served as Independent Commissioner of PT Triputra Agro Persada Tbk and is also active in several other companies, including PT Provident Agro and PT Union Sampoerna Triputra Persada	Commissioner Independent

Source : Company | Phintraco Sekuritas Research

Company Profile

Table 3. TAPG'S Board of Director

Profile	Experience	Position
	Tjandra Karya Hermanto holds a Bachelor's degree in Mechanical Engineering from Institut Teknologi Indonesia. He has over 25 years of experience in the manufacturing and agribusiness industries. Since 2020, he has served as President Director of PT Triputra Agro Persada Tbk, after previously holding various strategic positions, including CEO for Kalimantan and Sumatra regions and Managing Director of Upstream.	President Director
	Erida holds a Bachelor's degree in Accounting from Trisakti University. She has over 30 years of experience in finance and management. Since 2020, she has served as Director of PT Triputra Agro Persada Tbk, and is also actively involved in various Triputra Group entities, including as President Commissioner of PT Kirana Megatara Tbk and PT Adi Sarana Armada Tbk	Director
	George Oetomo holds a Bachelor's degree in Engineering and an MBA from Rensselaer Polytechnic Institute, United States. He has over 25 years of experience in finance, business development, and operations. Since 2020, he has served as Director of PT Triputra Agro Persada Tbk.	Director
	Budiarto Abadi earned a Bachelor's degree in Mechanical Engineering from Tarumanagara University in 1993 and a Master's degree in Management from Padjadjaran University in 2003. He has over 25 years of experience in operational management and marketing. Since 2020, he has served as Director of PT Triputra Agro Persada Tbk	Director

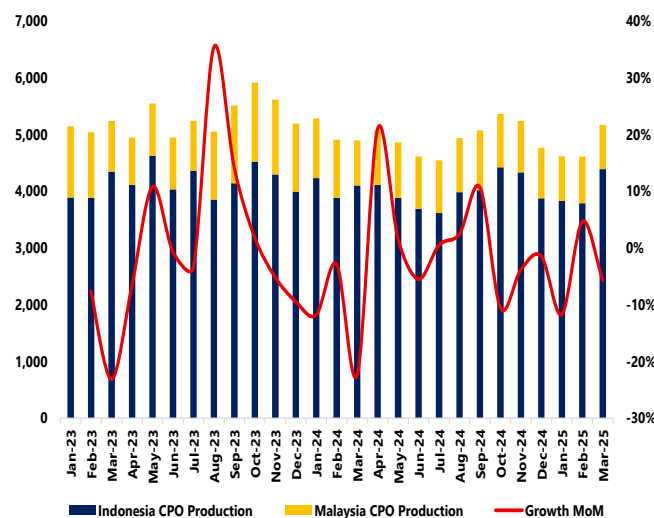
Source : Company | Phintraco Sekuritas Research

Industry Overview

The production recovery in 1Q25 marked the end of the El Niño impact that lasted throughout 2H23-1Q24. Combined CPO production from Indonesia and Malaysia in March 2025 reached 5.17 million tons (+12.03% MoM, +8.39% YTD, and +5.65% YoY). Indonesia showed stronger performance with production of 4.39 million tons (+15.89% MoM; +13.29% YTD; +7.05% YoY), supported by normalized weather conditions that accelerated the recovery of fresh fruit bunch (FFB) yields. Meanwhile, Malaysia's production remained relatively stagnant at 779 thousand tons (-5.68% MoM; -12.84% YTD; -2.10% YoY), in line with declining planted area. The production increase from these two major producers has pressured global supply, ultimately pushing CPO prices down (-2.09% MoM; -20.02% YTD).

Looking ahead, we expect CPO production in 2H25F to remain relatively stable, supported by neutral climate conditions. The latest diagnosis from the Climate Prediction Center (CPC) indicates that ENSO-neutral conditions persist, with sea surface temperatures projected to range between -0.1°C and +0.4°C. The probability of ENSO-neutral conditions remaining during the June–August period is estimated at 82%, and continuing into the winter season (November–January) at 48%, higher than the probability of La Niña formation (~41%). With no strong indication of either El Niño or La Niña forming, and overall stable climate conditions, we expect rainfall across Southeast Asia to remain consistent. Thanks to these relatively stable climate conditions, we believe this will support the ongoing recovery trend in CPO production during 2H25.

Figure 5. Malaysia & Indonesia CPO Production



Source : GAPKI | MPOB | Phintraco Sekuritas Research

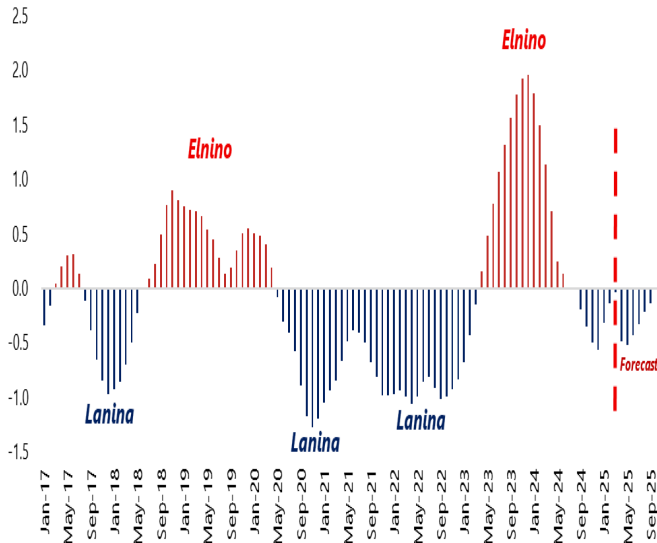
Figure 6. CPO Prices (MYR/MT)



Source : Bloomberg | Phintraco Sekuritas Research

Industry Overview

Figure 6. NOAA ENSO and Weather Forecast



Source : NOAA | Phintraco Sekuritas Research

Official NOAA CPC ENSO Probabilities (issued June 2025)

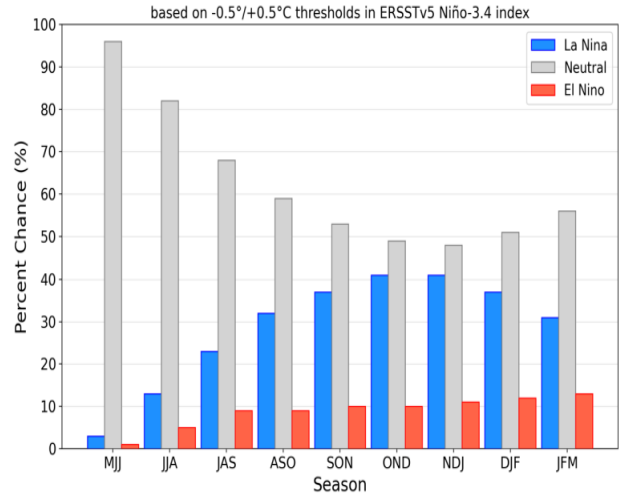
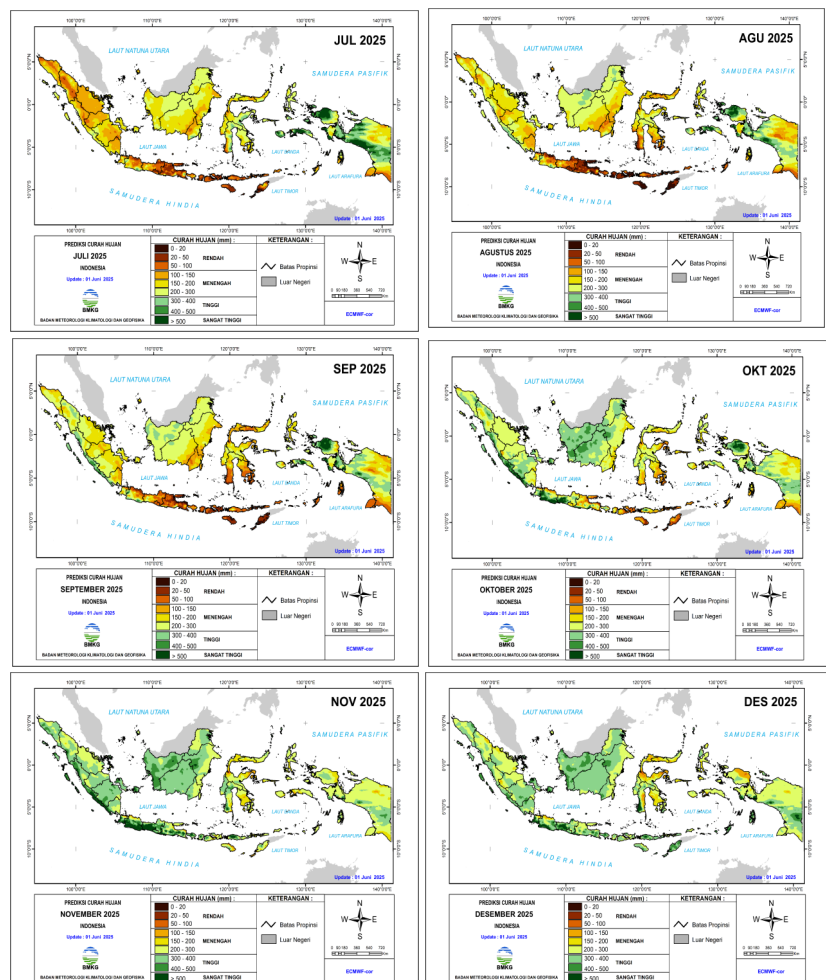


Figure 7. BMKG Weather Forecast

Sejalan dengan NOAA, BMKG juga memperkirakan peluang La Niña lemah pada 2H25F, tercermin dari pola curah hujan di wilayah utama produksi seperti Kalimantan dan Sumatera yang diperkirakan tetap terjaga.

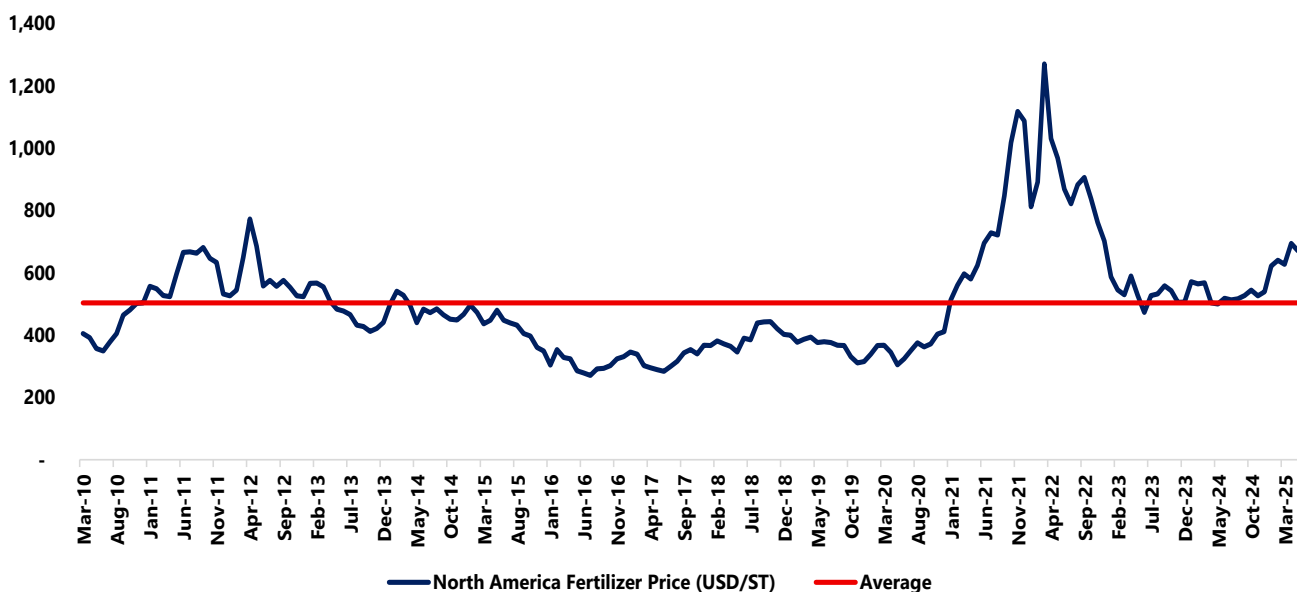


Source : BMKG

Industry Overview

Fertilizer price hikes have resurfaced as a concern, driven by rising geopolitical tensions in the Middle East. The escalating geopolitical risks have pushed the North America Fertilizer Index higher in recent periods. This increase is mainly fueled by fears of supply disruptions from Middle Eastern producers, who play a significant role in global fertilizer component exports. **In our view, fertilizer price volatility will remain high, given the ongoing geopolitical risks.** Volatile fertilizer prices have the potential to slightly disrupt the operational cost structure, as plantation companies typically allocate over 20% of their cash costs to fertilization needs. Nevertheless, most palm oil companies have generally secured their fertilizer needs for the next 12 months since the previous year, providing some short-term protection. However, if fertilizer prices stay elevated until year-end, this risk could become a pressure point that might squeeze profit margins

Figure 7. North America Fertilizer Price (UST/ST)

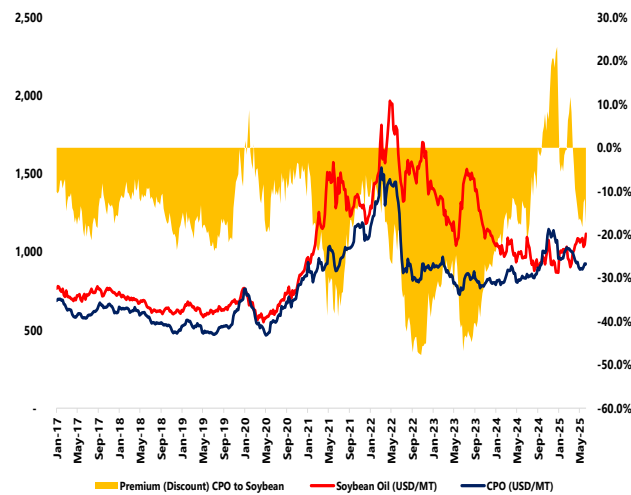


Source : Bloomberg | Phintraco Sekuritas Research

CPO continues to trade at an attractive discount compared to other major edible oils. As of mid-June 2025, CPO prices have remained stable at around USD 904–1,020/MT, with an average of USD 957/MT, still below soybean oil, which averaged USD 1,014/MT (~USD 960–1,071/MT), and sunflower oil at USD 1,219/MT (~USD 1,207–1,233/MT). Moreover, the price spread against soybean oil has widened significantly since March, with the discount reaching ~17.3% in June (CPO: USD 923/MT vs soybean oil: USD 1,116/MT). We believe this widening price gap further strengthens CPO's appeal as a more economical substitution option. Although sunflower oil price volatility has started to ease following geopolitical disruptions, its price level remains at a premium compared to CPO. As a result, we see this trend creating more room for demand switching toward CPO, supporting global demand prospects. Meanwhile, India's decision to cut CPO import duties (from 20% to 10%) also serves as an additional catalyst to support CPO demand

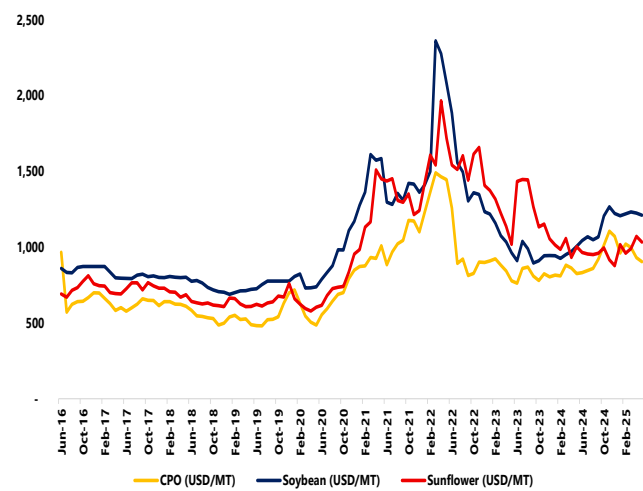
Industry Overview

Figure 8. CPO, Soybean Oil, and Price Spread



Source : Bloomberg | Phintraco Sekuritas Research

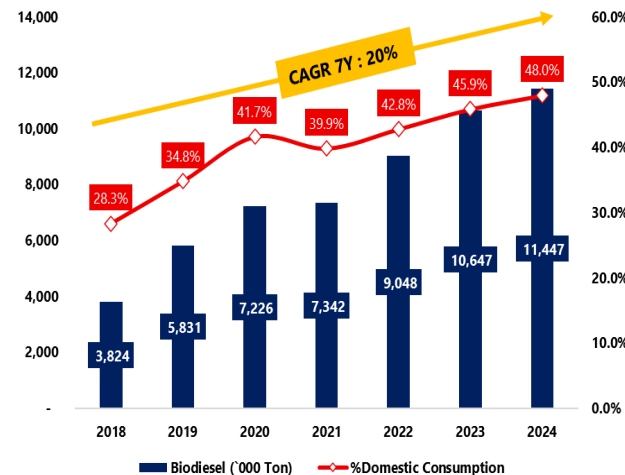
Figure 9. CPO, Soybean and Sunflower Prices (USD/MT)



Source : Bloomberg | Phintraco Sekuritas Research

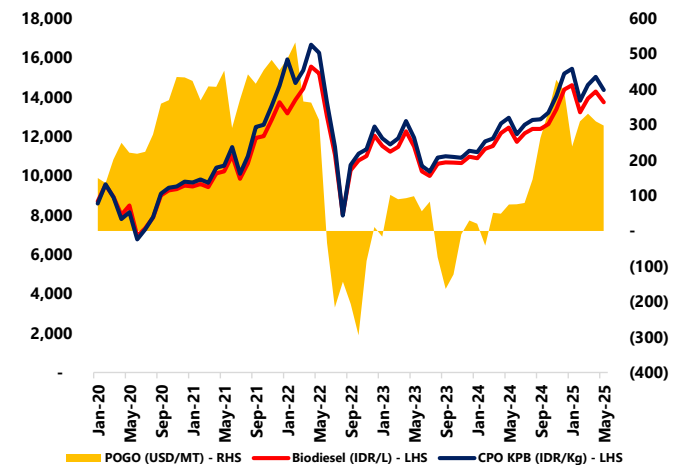
Domestic biodiesel consumption continues to show solid growth, with a 7-year CAGR of 20%. This strong increase is supported by the expansion of the mandatory biodiesel program, which has now reached B35 (35% palm oil; 65% diesel). Incentives for biodiesel production remain attractive, as reflected in the consistently positive POGO spread throughout the year (avg: USD 297/MT). On the other hand, the reference price for biodiesel has also remained stable at around IDR 13,961 per liter. Looking ahead, with the official approval of the B40 mandate (40% palm oil; 60% diesel) set to take effect in 2025, national biodiesel consumption quota is projected to rise to around 15 million KL (+16% YoY), equivalent to CPO demand for biodiesel of approximately 13-14 million tons in FY25F (~+14% YoY). This increase is expected to expand biodiesel's contribution to total domestic CPO consumption to ~48-50% (vs 5-year average: 43.6%).

Figure 10. Domestic Biodiesel Consumption ('000 Ton)



Source : APROBI | Phintraco Sekuritas Research

Figure 11. CPO, Biodiesel and Pogo Spread

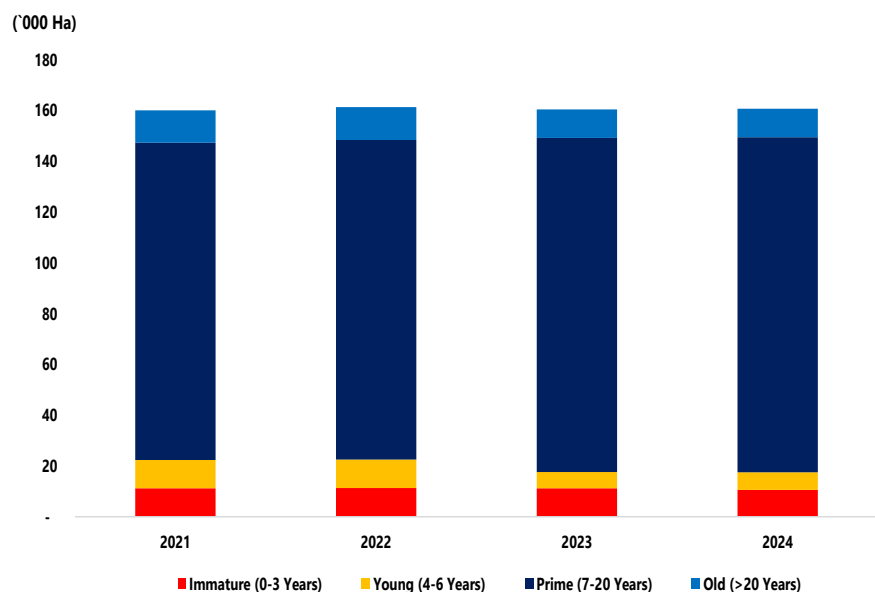


Source : APROBI | Bloomberg | Phintraco Sekuritas Research

Operational Overview

From a production perspective, we believe TAPG has a solid foundation to maintain output stability, supported by the dominance of plantations in their productive age phase. As of FY24, the blended average plantation age stood at 14.2 years, with 82% of total planted area (132 thousand ha out of 161 thousand ha) in the 7–20 year age bracket. With the majority of trees in their prime productive years, TAPG holds a competitive advantage in sustaining stable and solid production. In terms of productivity, the blended plantation yield was recorded at 21.81 tons/ha in 2024 (vs. 22.86 tons/ha in 2023), while the nucleus plantation yield reached 23.0 tons/ha (vs. 23.5 tons/ha in 2023). Although slightly lower, these achievements remain above the historical four-year average (4Y avg: 22.9 tons/ha). The decline in yield was mainly driven by dry weather conditions due to El Niño during 2H23–1Q24, with the impact typically felt 6–12 months later.

Figure 12. Breakdown of Plantation Profile

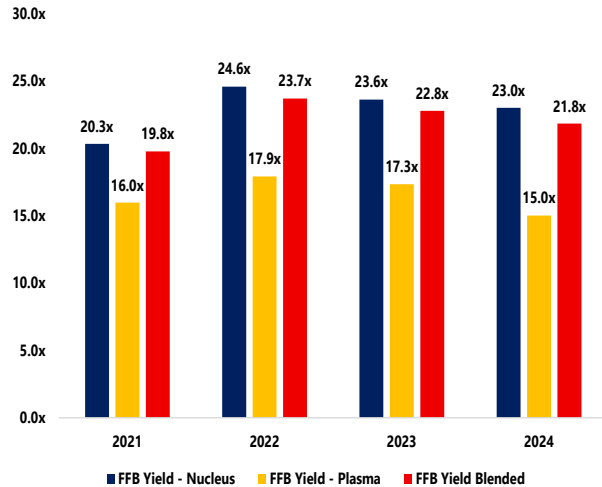


Source : Company | Phintraco Sekuritas Research

The pressure on plantation yields directly impacted the decline in fresh fruit bunch (FFB) production volume. Total FFB production was recorded at 3.28 million tons (–3.6% YoY) in FY24. Production remained largely dominated by nucleus estates, contributing 89.9% of total output (vs. 4-year average: 89.9%). Nucleus estates demonstrated better production resilience, with a volume of 2.95 million tons (–3.4% YoY), while plasma estates saw a deeper decline to 330 thousand tons (–5.2% YoY). Looking ahead, we expect nucleus estate yields to remain stable at around ~23 tons/ha in FY25F, supported by the relatively young plantation age profile in its productive phase and projections of more neutral climate conditions in 2H25.

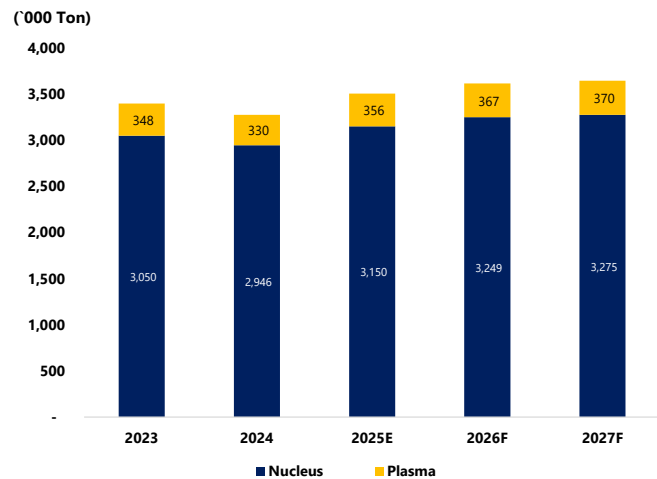
Operational Overview

Figure 13. FFB Yield: Nucleus, Plasma, and Blended



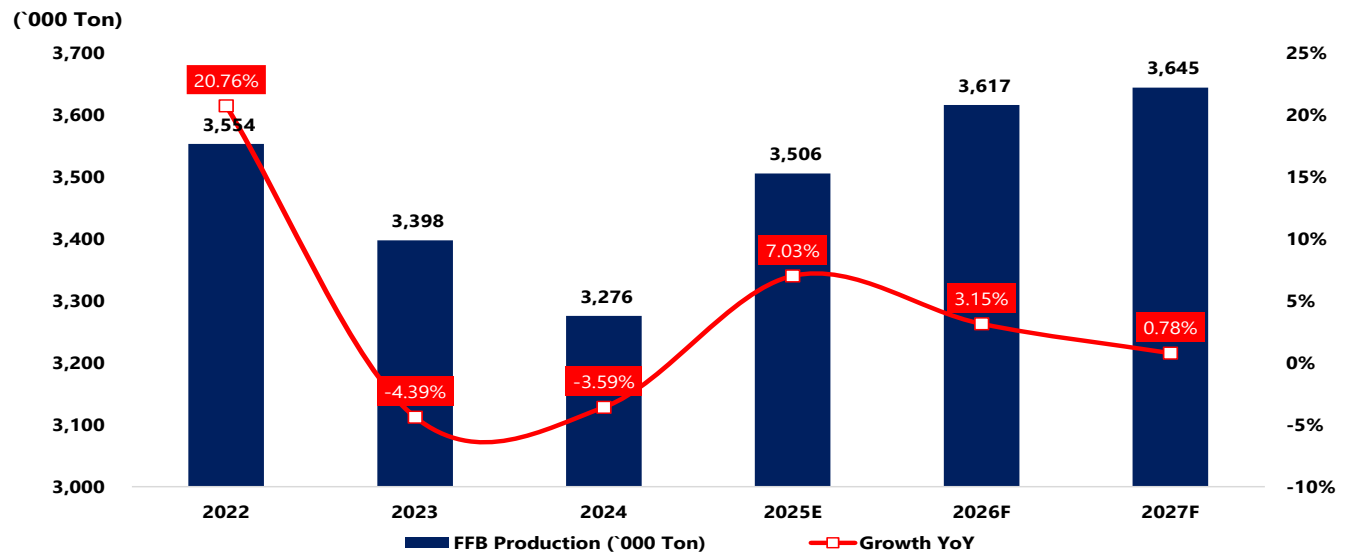
Source : Company | Phintraco Sekuritas Research

Figure 14. Composition of FFB Production



Source : Company | Phintraco Sekuritas Research

Figure 15. FFB Production Trajectory

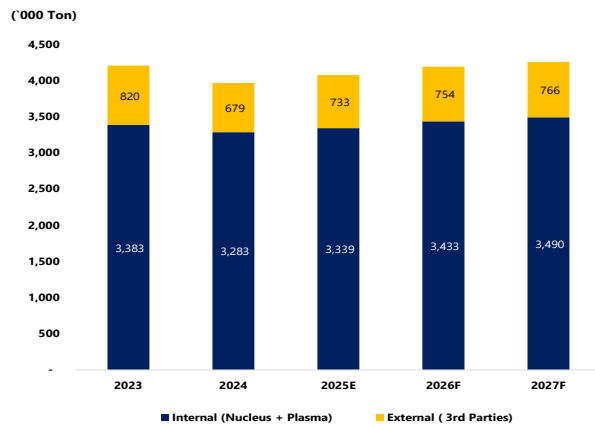


Source : Company | Phintraco Sekuritas Research

The volume of FFB processed declined, in line with weaker internal production and a drop in third-party purchases. TAPG processed 3.96 million tons of FFB (-5.7% YoY) in FY24, in line with the decrease in internal FFB production (-2.96% YoY) and a sharper decline in third-party FFB purchases (-17.20% YoY). The supply composition of processed FFB remained dominated by internal sources, accounting for 83% of total processed FFB (4-year average: 80%). Meanwhile, the contribution of external FFB in FY24 stood at 17%, relatively lower compared to the 4-year historical average (4-year avg: 19.6%). In our view, the contribution of external FFB is expected to remain stable at around ~17-18%, supported by solid internal production capacity and efforts to optimize mill utilization.

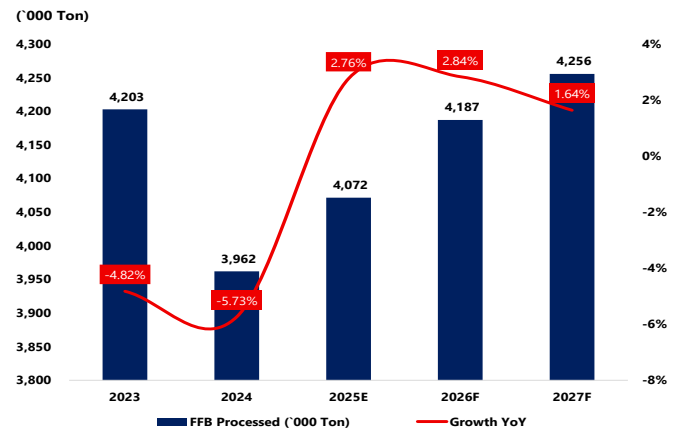
Operational Overview

Figure 16. Composition of FFB Processed



Source : Company | Phintraco Sekuritas Research

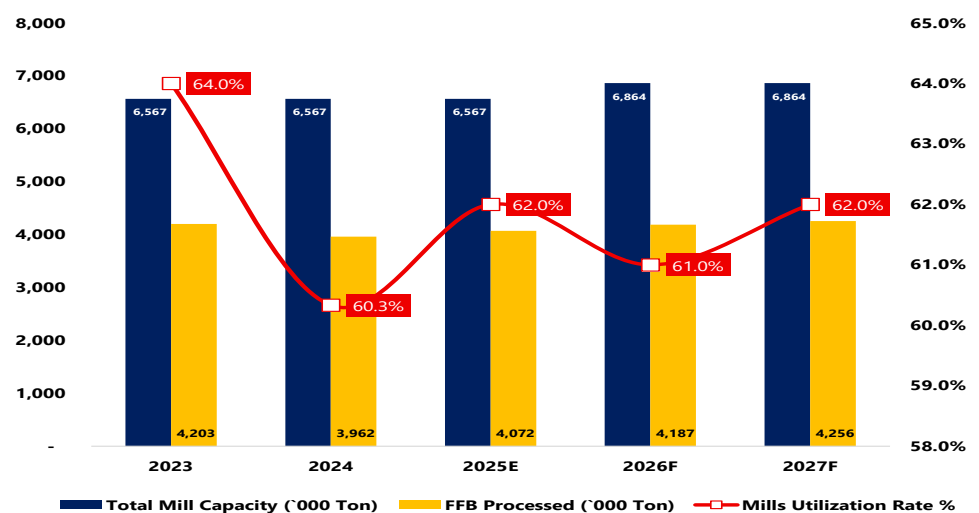
Figure 17. FFB Processed Trajectory



Source : Company | Phintraco Sekuritas Research

We project that TAPG's total processed FFB volume will increase to around **3.96 million tons (+2.7% YoY) in FY25F**, supported by potential production recovery following weather disruptions and an expected improvement in yields. Of this total processed volume, internal supply is expected to remain dominant at around ~82–83%, equivalent to 3.34 million tons, while external supply is projected at ~17–18%, or approximately 733 thousand tons. As part of its long-term expansion strategy, TAPG also plans to add one new palm oil mill (PKS), which is expected to commence operations in 2H26F. With this addition, the total number of mills will increase to 19 units, and processing capacity will rise to 1,040 tons/hour (*Prev: 995 tons/hour*). This expansion is expected to enhance the company's flexibility in capturing future volume growth opportunities, although in the initial stages, the additional capacity may temporarily put pressure on mill utilization rates.

Figure 18. Mill Capacity, FFB Processed, and Mill Utilization Rate

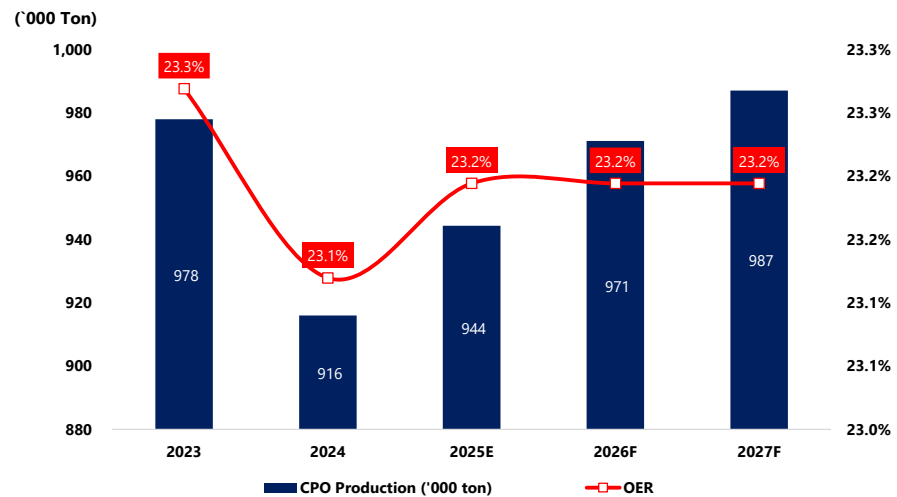


Source : Company | Phintraco Sekuritas Research

Operational Overview

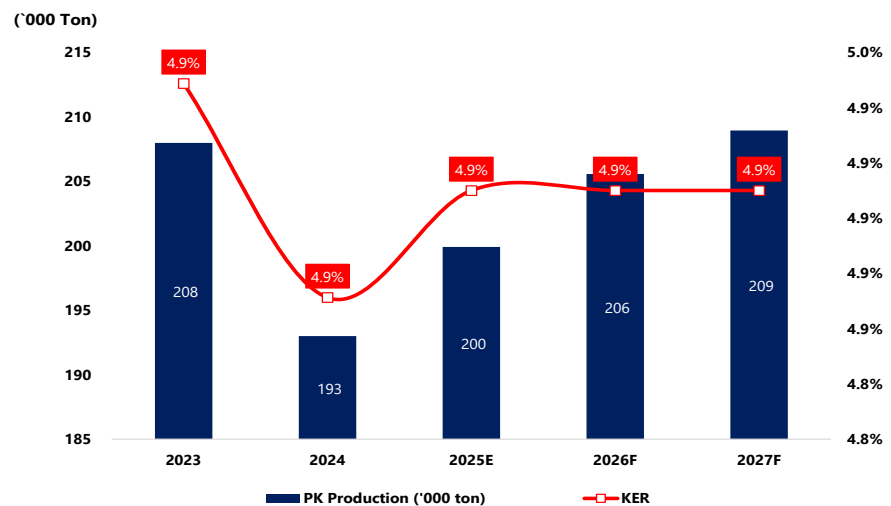
Although CPO production declined to 916 thousand tons (-6.3% YoY) in FY24, TAPG successfully maintained a blended Oil Extraction Rate (OER) at 23.1% and a blended Kernel Extraction Rate (KER) at 4.87%. In line with lower CPO production, Palm Kernel production also dropped by 7.2% YoY to 193 thousand tons. Looking ahead, we expect CPO production to increase to 944 thousand tons in FY25F (+3% YoY), supported by projected growth in both produced and processed FFB volumes. We also expect OER to remain stable at around ~23% in FY25F, underpinned by the continued dominance of nucleus estates to ensure raw material quality. In line with this, PK production is projected to increase to 200 thousand tons (+3% YoY), with the blended KER ratio expected to stay stable at around ~4.9%.

Figure 19. CPO Production & OER Trajectory



Source : Company | Phintraco Sekuritas Research

Figure 20. Palm Kernel Production & KER Trajectory

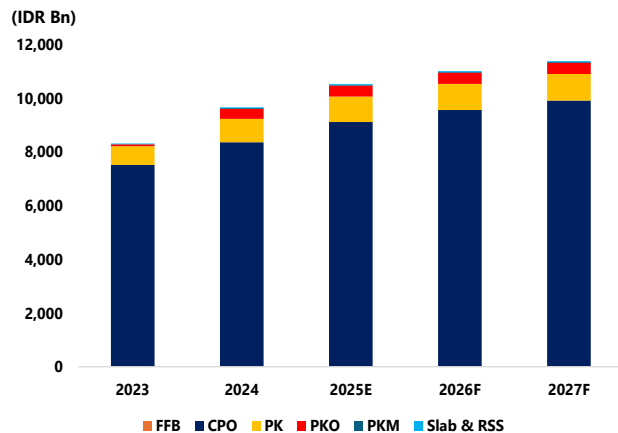


Source : Company | Phintraco Sekuritas Research

Financial Overview

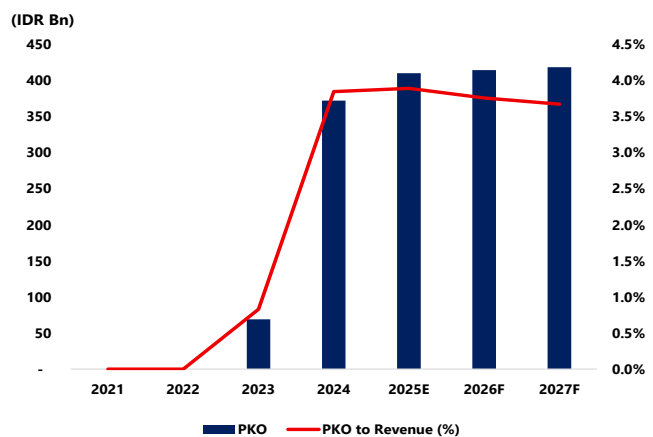
We project TAPG's revenue to grow to IDR 10.5 trillion in FY25F (+9.0% YoY), with the main contribution still dominated by CPO (~87%), followed by palm kernel (9%), and palm kernel oil (~4%). This increase aligns with the projected rise in sales volumes of CPO and PKO to around 680 thousand tons (+6.9% YoY) and 27 thousand tons (+9.2% YoY), respectively. The growth in CPO sales volume is driven by strong domestic demand supported by the implementation of the B40 mandate, which is expected to push CPO consumption higher. Meanwhile, PKO demand is also projected to remain solid, with a three-year CAGR (2023–2025F) of 143.6%. This robust demand is mainly supported by increased PKO usage as a cocoa substitute in the food industry. On the price side, we expect CPO prices to stay around ~MYR 4,100–4,200/MT in FY25F, supported by limited supply from Malaysia and strong domestic absorption, which together help maintain price stability at that level.

Figure 21. Breakdown of Revenue



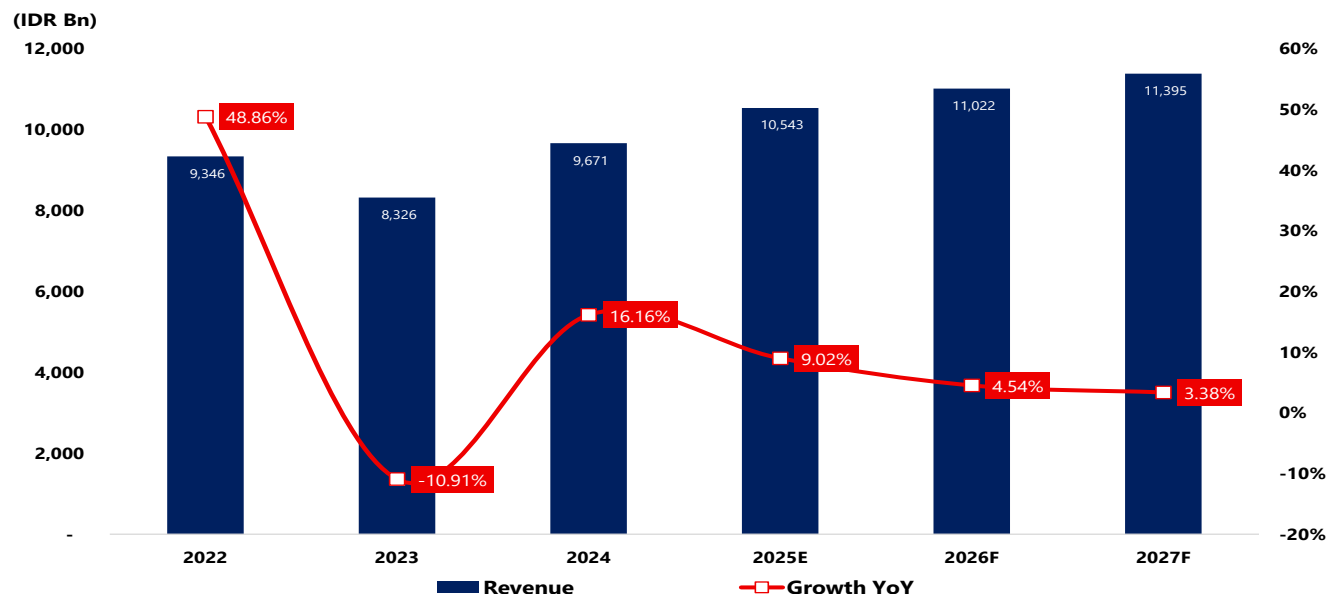
Source : Company | Phintraco Sekuritas Research

Figure 22. Palm Kernel Oil Trajectory



Source : Company | Phintraco Sekuritas Research

Figure 23. Revenue Trajectory

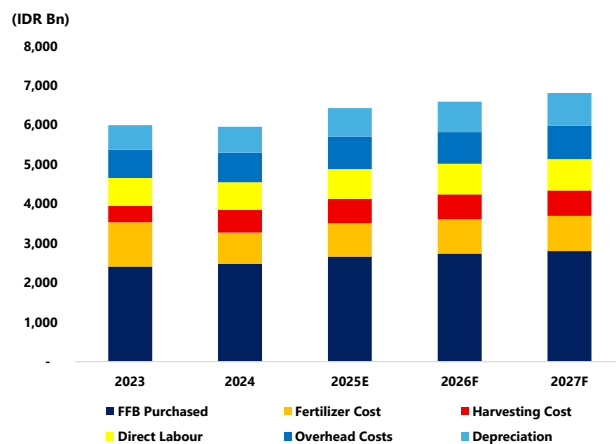


Source : Company | Phintraco Sekuritas Research

Financial Overview

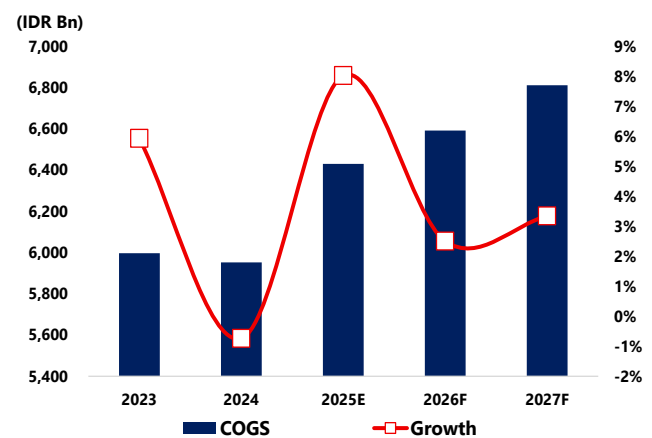
We project TAPG to record a gross profit of IDR 4.1 trillion in FY25F (+7.7% YoY), with a solid gross profit margin (GPM) maintained at around ~38%. This performance is supported by a well-managed cost of goods sold (COGS) structure. The controlled COGS is primarily driven by fertilizer costs, which are expected to remain stable at around IDR 802 billion (+2.0% YoY), supported by the normalization trend in global fertilizer prices. Additionally, FFB purchase costs — accounting for approximately 65% of raw material expenses — are projected to remain relatively flat at around IDR 2.73 trillion, in line with the company's focus on maintaining mill utilization at 60–80%, with two-thirds of this capacity supplied by internal sources. Meanwhile, external FFB purchases will continue to be maintained at around ~17–18%, which is expected to further support margin improvement.

Figure 24. Breakdown of COGS



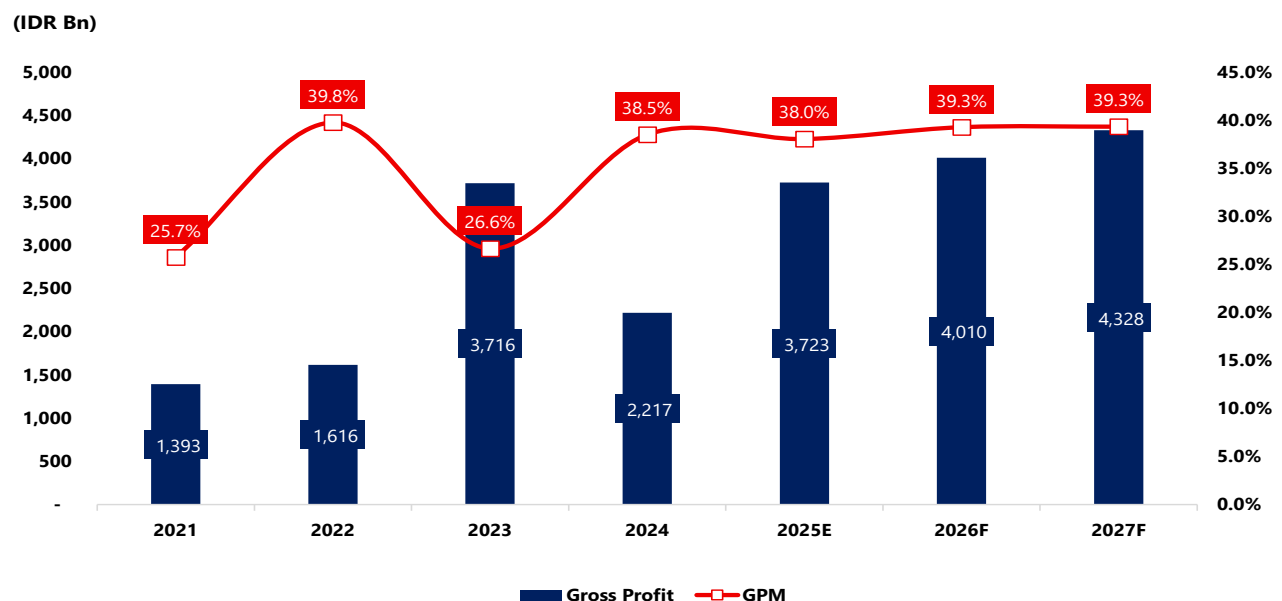
Source : Company | Phintraco Sekuritas Research

Figure 25. COGS Trajectory



Source : Company | Phintraco Sekuritas Research

Figure 26. Gross Profit & GPM Trajectory

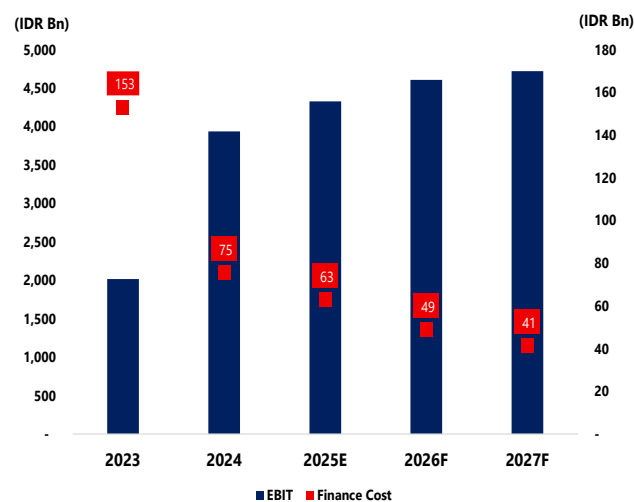


Source : Company | Phintraco Sekuritas Research

Financial Overview

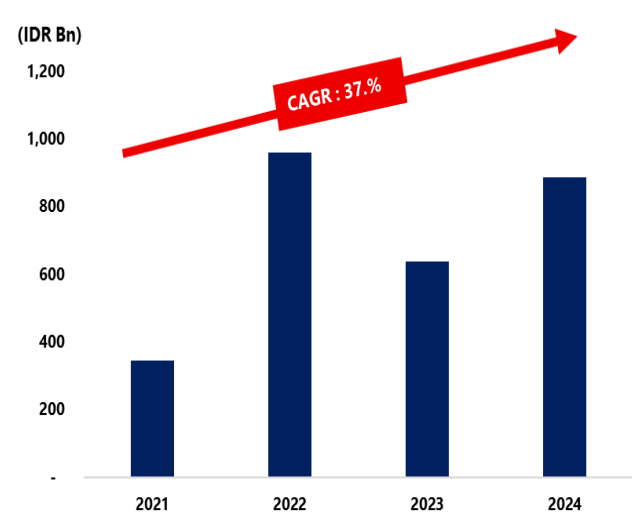
We project TAPG to record EBIT of IDR 4.3 trillion in FY25F (+9.9% YoY), supported by the company's success in keeping cost increases at single-digit levels, both in cost of goods sold (+9% YoY) and operating expenses (+4% YoY). Additional support is expected from potential profit contributions from associate entities, particularly USTP, which manages approximately 60 thousand hectares of oil palm plantations with an average tree age of 15.2 years. Moreover, interest expenses are projected to decline to IDR 53 billion (-16.6% YoY) in FY25F, further strengthening the company's healthy and resilient capital structure against risks, and providing greater flexibility to support profitability margins and future expansion funding. As a result, we forecast TAPG's net profit to reach IDR 3.4 trillion in FY25F (+10.9% YoY), with a solid net profit margin maintained at 32.8%.

Figure 27. EBIT & Finance Cost Trajectory



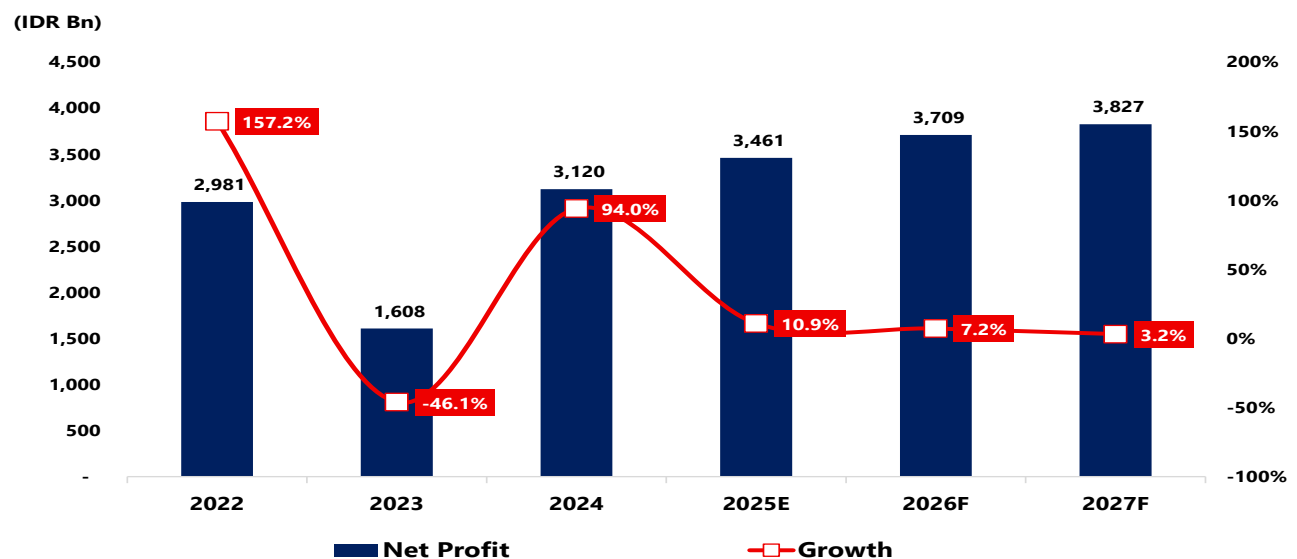
Source : Company | Phintraco Sekuritas Research

Figure 28. Contribution Trend from USTP



Source : Company | Phintraco Sekuritas Research

Figure 29. Net Profit Trajectory

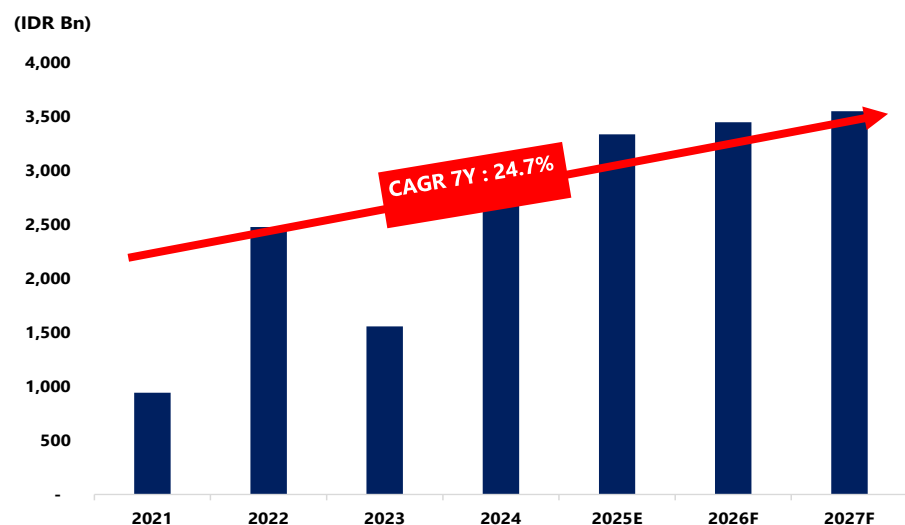


Source : Company | Phintraco Sekuritas Research

Financial Overview

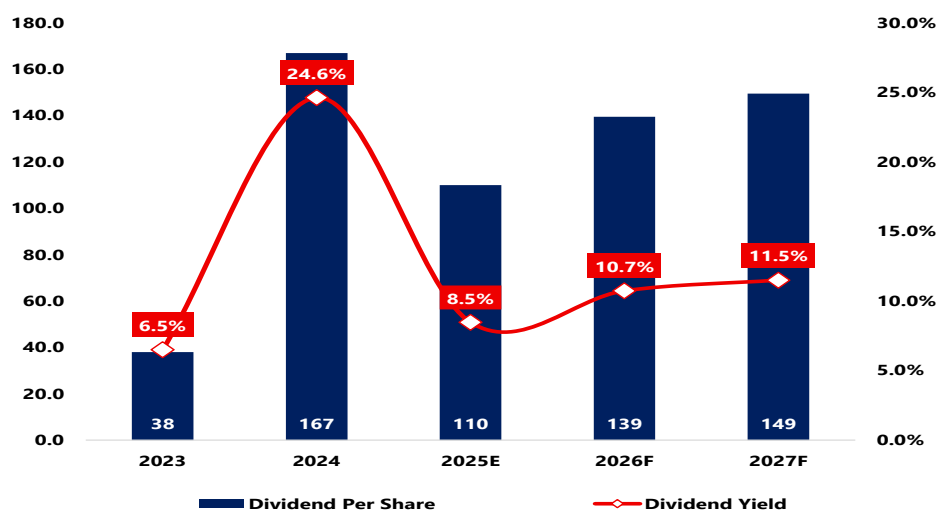
Supported by solid free cash flow, TAPG has maintained an attractive dividend policy. This is reflected in the total dividend payout, which surged significantly to IDR 3.3 trillion in 2024 (DPR: 106.3%), nearly 4.4x higher compared to the 2021 dividend. This increase was fully backed by robust free cash flow, which reached IDR 2.8 trillion in 2024 (+80.1% YoY). Dividend per share (DPS) also rose to IDR 167 in FY24 (vs. IDR 38 in FY23), resulting in a highly attractive dividend yield of 24.6%. Despite distributing a large amount of dividends, TAPG successfully maintained a healthy cash balance at IDR 1.3 trillion by the end of FY24. We believe TAPG has strong potential to sustain a dividend payout ratio above 50% (4-year average: 49%), supported by solid free cash flow (7-year CAGR: 24.7%) and a stable cash position of around IDR 1 trillion

Figure 30. Free Cash Flow Trajectory



Source : Company | Phintraco Sekuritas Research

Figure 31. DPS & Dividen Yield

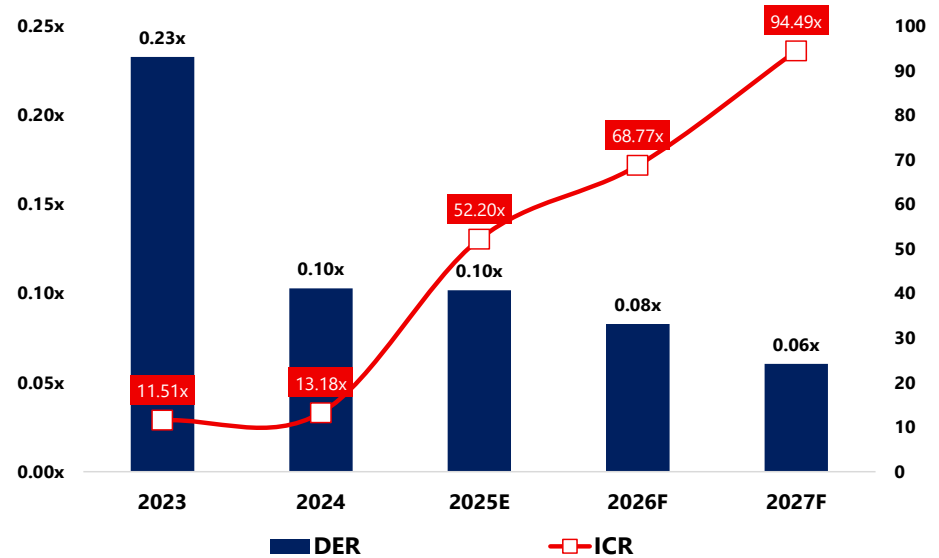


Source : Company | Phintraco Sekuritas Research

Financial Overview

Figure 32. Solvability Ratios

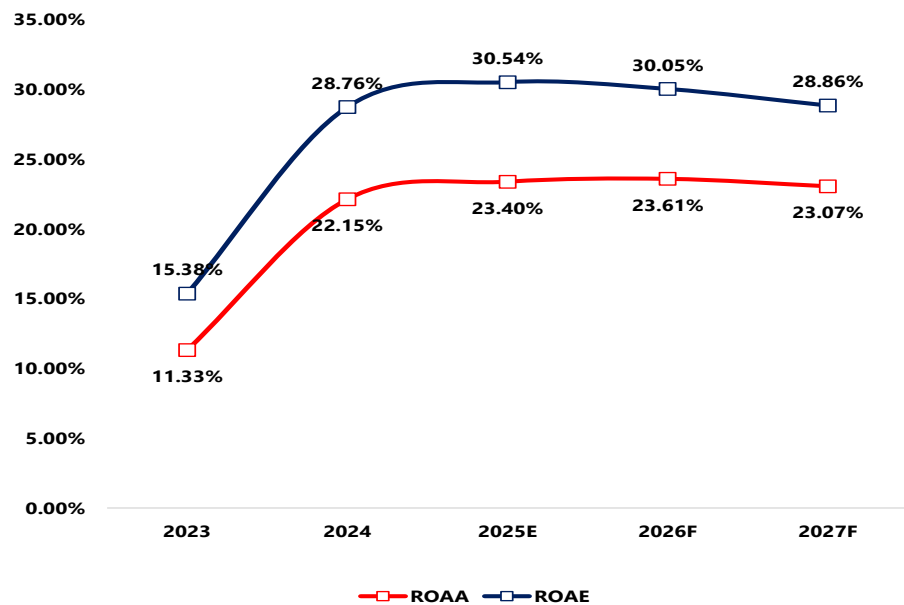
The decline in DER, accompanied by an upward trend in ICR, reflects a healthier capital structure, providing greater flexibility for future expansion



Source : Company | Phintraco Sekuritas Research

Figure 33. ROAA & ROAE

We expect TAPG to maintain solid capital efficiency, with ROAE consistently at 29–30% and ROAA remaining strong at around ~23%. This reflects high profitability levels and effective asset optimization, supporting sustainable long-term value creation.



Source : Company | Phintraco Sekuritas Research

Valuation

We initiate coverage on TAPG with a BUY recommendation and a target price of IDR 1,300 per share, reflecting PER and PBV valuations of 7.5x and 2.2x for FY24F, respectively. We use a DCF valuation approach (WACC: 16.4%; TG: 2%) to better capture TAPG's long-term growth potential.

We favor TAPG due to several competitive advantages, including: (1) plantation age profile in the productive phase (AMSP: 13.2 years; USTP: 15.2 years; blended: 14.2 years), ensuring sustainable FFB supply; (2) solid nucleus estate yield maintained at ~23 tons/ha and consolidated yield around ~21 tons/ha, which further strengthens TAPG's ability to sustain production and maintain healthy margins; and (3) a solid balance sheet, providing room for more flexible and measured future expansion. With this foundation, we believe TAPG is strategically positioned to continue delivering sustainable growth going forward.

Key Risks: 1) FFB yield coming in lower than projected; 2) CPO price volatility; 3) regulatory changes that may not be supportive for the plantation industry.

Figure 34. DCF Valuation

DCF CALCULATION							
DCF SUMMARY	2025E	2026F	2027F	2028F	2029F	2030F	Terminal Value
	-	1	2	3	4	5	
EBIT	4,329	4,609	4,722	4,838	4,957	5,077	
Add (+) Depreciation	679	721	765	810	857	904	
Less (-) Tax	(761)	(816)	(842)	(868)	(895)	(923)	
Less (-) Capex	(853)	(925)	(963)	(997)	(1,026)	(1,057)	
Change in WC	(65)	(35)	(62)	(17)	(41)	(36)	
FCFF	3,328	3,554	3,621	3,766	3,851	3,964	28,173
Discount Factor	1.0	1.2	1.4	1.6	1.8	2.1	
Present Value	3,328	3,054	2,674	2,391	2,101	1,859	13,211
Enterprise Value	25,291						
(+) Cash	1,470						
(-) Debt	(983)						
(-) Minority Interest	(506)						
Equity Value	25,272						
Shares (Bn)	19.85						
Fair Value in IDR	1,273						
Rounding	1,300						
Target Price	1,300						

Source : Phintraco Sekuritas Research

Financial Highlight

(in Billion Rupiah)

BALANCE SHEET	FY23	FY24	FY25E	FY26F	FY27F
Asset					
Cash & cash equivalents	1,007	1,309	1,470	1,864	2,308
Account Receivables	108	291	213	222	230
Inventory	1,020	1,035	1,194	1,249	1,291
Total Current Assets	2,446	3,247	3,376	3,857	4,368
Fixed Assets	7,483	7,388	7,563	7,767	7,965
Total Non Current Assets	11,422	11,061	11,897	12,298	12,649
Total Asset	13,867	14,307	15,273	16,155	17,017
Liabilities					
Account payables	345	428	445	474	462
Current Maturities of long-term bank loans	920	770	688	544	502
Total Current Liabilities	1,959	2,362	2,215	2,148	2,133
Long Term Bank Loans	201	330	295	233	215
Total Non Current Liabilities	569	669	693	649	646
Total Liabilities	2,528	3,031	2,908	2,798	2,778
Equity	11,340	11,276	12,365	13,357	14,239

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY23	FY24	FY25E	FY26F	FY27F
Cash Flow from Operating					
Net Income	1,608	3,120	3,461	3,709	3,827
Depreciation & Amortization	612	617	679	721	765
Working Capital	63	(114)	(65)	(35)	(62)
Others	75	(300)	113	(23)	(18)
Net-CFFO	2,358	3,322	4,188	4,373	4,513
Cash Flow from Investing					
CAPEX	(802)	(522)	(853)	(925)	(963)
Others	(385)	267	(662)	(197)	(153)
Net-CFFI	(1,187)	(255)	(1,515)	(1,122)	(1,116)
Cash Flow from Financing					
Short Term Debt	286	(150)	(82)	(145)	(42)
Long Term Debt	(1,499)	129	(35)	(62)	(18)
Change in other non-current liabilities	(174)	665	(212)	119	75
Equity	-	-	-	-	-
Net-CFFF	(2,122)	(2,764)	(2,513)	(2,857)	(2,953)
NET CASH FLOW	(951)	302	161	394	444

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

INCOME STATEMENT	FY23	FY24	FY25E	FY26F	FY27F
Revenue	8,326	9,671	10,543	11,022	11,395
<i>Growth</i>	<i>-10.91%</i>	<i>16.16%</i>	<i>9.02%</i>	<i>4.54%</i>	<i>3.38%</i>
Cost of Revenues	6,109	5,949	6,534	6,695	6,915
Gross Profit	2,217	3,723	4,010	4,328	4,480
<i>Gross Profit Margin</i>	<i>26.63%</i>	<i>38.49%</i>	<i>38.03%</i>	<i>39.26%</i>	<i>39.32%</i>
EBITDA	2,015	3,720	4,073	4,405	4,571
<i>EBITDA Margin</i>	<i>24.20%</i>	<i>38.46%</i>	<i>38.64%</i>	<i>39.96%</i>	<i>40.11%</i>
EBIT	2,016	3,938	4,329	4,609	4,722
<i>EBIT Margin</i>	<i>24.21%</i>	<i>40.72%</i>	<i>41.06%</i>	<i>41.81%</i>	<i>41.44%</i>
Finance Cost	(153)	(75)	(63)	(49)	(41)
EBT	1,941	3,927	4,356	4,668	4,816
<i>EBT Margin</i>	<i>23.31%</i>	<i>40.60%</i>	<i>41.32%</i>	<i>42.35%</i>	<i>42.27%</i>
Net Profit	1,608	3,120	3,461	3,709	3,827
<i>Net Profit Margin</i>	<i>19.32%</i>	<i>32.26%</i>	<i>32.83%</i>	<i>33.65%</i>	<i>33.59%</i>

Source : Company | Phintraco Sekuritas Research

RATIOS	FY23	FY24	FY25E	FY26F	FY27F
Profitability Ratio (%)					
GPM	26.6%	38.5%	38.0%	39.3%	39.3%
OPM	16.5%	31.5%	31.6%	32.7%	32.7%
EBITDA Margin	24.2%	38.5%	38.6%	40.0%	40.1%
NPM	19.3%	32.3%	32.8%	33.7%	33.6%
ROA	11.6%	21.8%	22.7%	23.0%	22.5%
ROAA	11.3%	22.1%	23.4%	23.6%	23.1%
ROE	14.8%	28.9%	29.2%	28.9%	28.0%
ROAE	15.4%	28.8%	30.5%	30.1%	28.9%
ROIC	14.4%	27.3%	27.8%	28.0%	27.0%
Activity Ratio (x)					
Inventory Turnover	8.2x	9.3x	8.8x	8.8x	8.8x
Receivables Turnover	77.4x	33.2x	49.5x	49.5x	49.5x
Payables Turnover	17.7x	13.9x	14.7x	14.1x	15.0x
Days of Inventory	44.1x	38.5x	40.8x	40.8x	40.8x
Days of Receivables	4.6x	10.8x	7.3x	7.3x	7.3x
Days of Payables	20.3x	25.9x	24.5x	25.5x	24.1x
Cash Operating Cycle (Days)	28.4x	23.4x	23.5x	22.5x	24.0x
Leverage Ratio (x)					
DER	0.10x	0.10x	0.08x	0.06x	0.05x
DAR	0.08x	0.08x	0.06x	0.05x	0.04x
Interest Bearing Debt (In IDR Bn)	1,121	1,100	983	777	717
Net Debt (Cash) (In IDR Bn)	114	(209)	(487)	(1,087)	(1,591)
Net Gearing Ratio	0.01x	n/c	n/c	n/c	n/c
Interest Coverage Ratio (ICR)	13.18x	52.20x	68.77x	94.49x	114.07x
Net Debt / EBITDA	0.06x	n/c	n/c	n/c	n/c
Liquidity Ratio (x)					
Current Ratio	1.25x	1.37x	1.52x	1.80x	2.05x
Quick Ratio	0.73x	0.94x	0.99x	1.21x	1.44x
Cash Ratio	0.73x	0.82x	0.86x	0.93x	0.97x
Price Ratio					
Price per Share at the end of the year	585	678	1,300	1,300	1,300
Outstanding Shares (in Billion)	20	20	20	20	20
EPS (IDR) (annualized)	81	157	174	187	193
BVPS (IDR)	549	544	597	646	690
PER (x)	7.2	4.3	7.5	7.0	6.7
PBV (x)	1.1	1.2	2.2	2.0	1.9
EV/EBITDA (x)	5.68x	3.64x	6.42x	6.07x	5.96x
Dividend					
DPS	38.00	167.00	110.02	139.48	149.48
DPR	46.91%	106.25%	70.00%	80.00%	80.00%
Div. Yield	6.50%	24.62%	8.46%	10.73%	11.50%

Source : Company | 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>



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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"

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