PT Sumber Tani Agung Resources Tbk (STAA.JK / STAA.IJ)

Shariah Compliants Stock | KOMPAS100

Young Estates, Strong Yields, and Refinery Upside

PT Sumber Tani Agung Resources Tbk (STAA.IJ) is an integrated palm oil company with operations based in Medan, North Sumatra, managing 49k hectares of planted land across North Sumatra, South Sumatra, West Kalimantan, and Central Kalimantan. The company's plantations are relatively young, with an average tree age of 14 years, comprising 74.3% prime (8–20 years), 9.4% mature (>20 years), and 10% immature. Productivity is solid, reflected in combined FFB yield of 23.41 tons/ha and 23.98 tons/ha for core estates, well above the industry average of ~19–20 tons/ha. To support this productivity, STAA operates 10 palm oil mills (450 TPH), one kernel crushing plant (600 TPD), one solvent extraction plant (500 TPD), and one refinery & fractionation facility (2,000 TPD), making the company fully integrated from upstream to downstream.

We expect CPO production in 2H25F to remain stable, supported by neutral climatic conditions, with an 82% probability of ENSO-neutral from June to August and 48% through the winter, keeping rainfall in Southeast Asia relatively consistent. However, the potential for a significant production rebound is limited as both Indonesia and Malaysia face structural challenges, including stagnant CPO output, aging plantations, and slow replanting. On the pricing side, global CPO averaged USD972/MT through mid-September, while the price spread has begun narrowing due to India's restocking ahead of Diwali and its reduced import tariffs, providing modest support for CPO prices.

We expect STAA to maintain solid performance, with FY25E revenue projected at IDR 8.38 trillion (+30.1% YoY), driven by higher sales volume, improved average selling prices, and incremental contribution from downstream operations via the refinery and fractionation facilities (olein ~IDR 4.43 trillion, stearin ~IDR 838 billion, RBDPO ~IDR 99 billion, PFAD ~IDR 205 billion). Gross profit FY25E is estimated at IDR 2.23 trillion (+1.98% YoY) with a gross margin of ~27%, reflecting initial pressure from external CPO purchases (IDR 1.12 trillion) and new plant operations; margins are expected to improve to 28–29% in FY26–FY27F through optimized internal feedstock usage and operational efficiency. Net profit FY25E is projected at IDR 1.33 trillion (+3.6% YoY) with a 16% net margin, rising to IDR 1.64 trillion (+23.7% YoY) and ~18–19% margin in FY26F–FY28F as downstream utilization ramps up.

We initiate coverage on STAA with a BUY recommendation and a target price of IDR 1,400, reflecting a PER of 11.5x/9.3x and PBV of 2.5x/2.1x for FY25E/FY26F, based on a DCF approach (WACC 11.5%; TG 2.5%). The company is currently traded at an EV/ha of IDR 299 million, well above the industry average of IDR 162.9 million; the premium is justified by its young plantation profile, solid productivity, and minimal replanting needs. Key investment highlights include: (1) productive plantation age averaging 14 years, (2) core estate yield ~24 tons/ha, (3) new refinery in Riau expanding downstream value capture, and (4) a healthy balance sheet with low leverage, supporting measured expansion. **Key risks** include global CPO price volatility, weather-related yield fluctuations, fertilizer price swings, and changes in biodiesel mandates or export taxes.

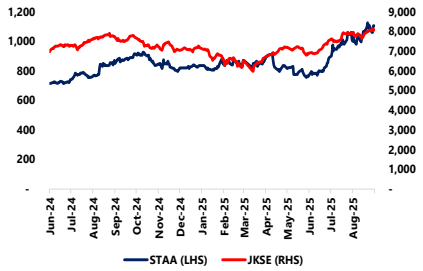
BUY

Price (Sep 26th, 25)	1,105
Target Price	1,400
Potential Upside	26.70%
Market Cap	11.99 T
Number of Share	10.90 B
52w Lo/Hi	740 / 1125

Source : IDX | Phintraco Sekuritas Research

| as of Sep 26th, 2025

IHSG vs STAA



Source : IDX

Shareholder	%
PT Malibu Indah Lestari	36.69
PT Kedaton Perkasa	28.87
Public	28.16

Source : Bloomberg

Research Analyst

Aditya Prayoga

+62 21 255 6138 Ext. 8302

adit@phintracosekuritas.com

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Company Profile

PT Sumber Tani Agung Resources Tbk (STAA.IJ) is an integrated palm oil plantation company founded in 1970, with its main operations based in Medan, North Sumatra. The company currently manages 49,000 ha of planted area across North Sumatra, South Sumatra, West Kalimantan, and Central Kalimantan.

STAA's plantation profile is relatively young and productive, with an average tree age of 14 years. 74.3% of the planted area is classified as prime (8–20 years), 9.4% mature (>20 years), and 10% immature, supporting long-term production continuity and minimizing near-term replanting needs. FFB yields are robust, at 23.41 tons/ha for the overall estate and 23.98 tons/ha for core estates, well above the industry average of ~19–20 tons/ha.

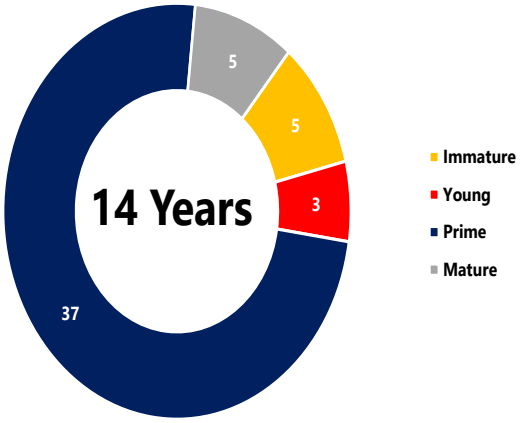
High productivity is supported by adequate processing capacity: 10 palm oil mills (450 TPH), 1 kernel crushing plant (600 TPD), 1 solvent extraction plant (500 TPD), and 1 refinery & fractionation facility (2,000 TPD). This upstream-to-downstream integration provides flexibility in managing output and maximizing product value across multiple lines.

Figure 1. Operational Map of Plantations and Mills

Source : Company Presentation

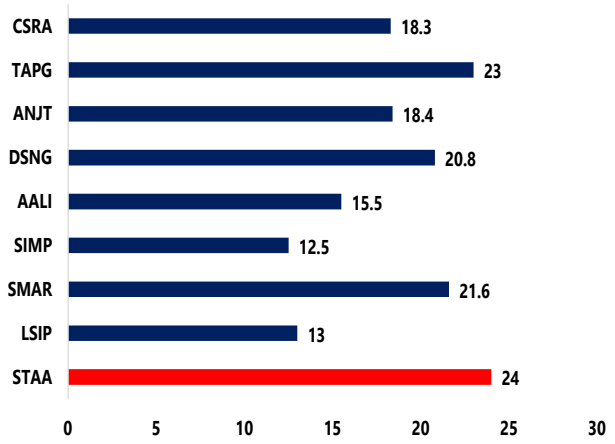
Company Profile

Figure 2. Plantation Age Breakdown



Source : Company | Phintraco Sekuritas Research

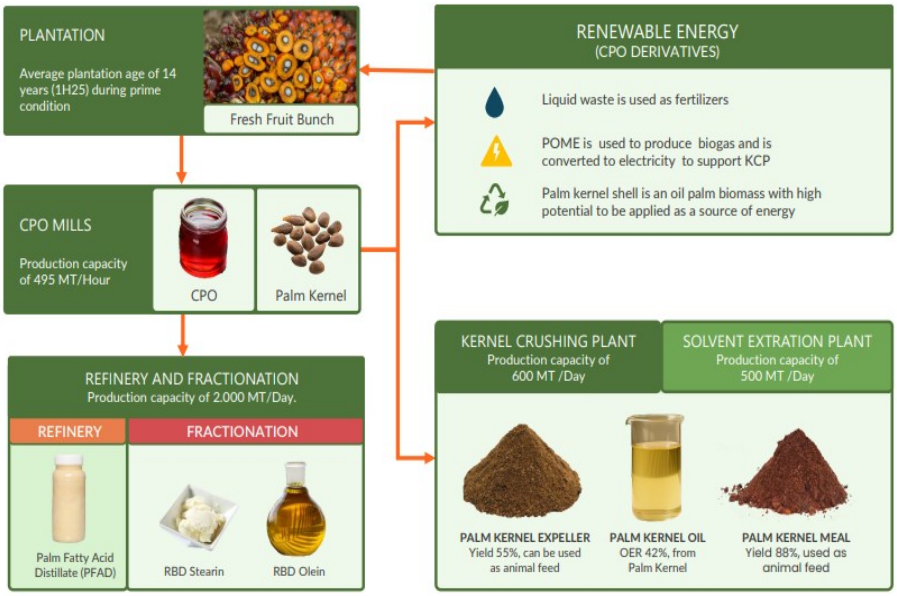
Figure 3. FFB Yield Comparison with Peers (ton/Ha)



Source : Company | Phintraco Sekuritas Research

STAA operates a fully integrated palm oil value chain, starting from 15 estates producing Fresh Fruit Bunches (FFB), which are processed into Crude Palm Oil (CPO) and Palm Kernel (PK). PK is further refined through the Kernel Crushing Plant (KCP) and Solvent Extraction Plant (SEP) into Palm Kernel Oil (PKO), Palm Kernel Meal (PKM), and Palm Kernel Expeller (PKE). Meanwhile, CPO is either sold as a raw product or processed through the refinery & fractionation facility into high-value derivatives such as RBDPO, PFAD, olein, and stearin. This vertical integration enables STAA to reduce external costs, optimize internal raw material utilization, and enhance value capture through better access to downstream markets with higher margins.

Figure 4. Products Produced by STAA



Source : Company

Company Profile

STAA demonstrates a strong commitment to sustainability through its renewable energy initiatives. The company has installed 600 KWP solar panels and operates a 1 MW biogas facility in Binjai, North Sumatra. Utilizing POME (Palm Oil Mill Effluent) as feedstock, the biogas plant converts processing residues into electricity, powering the Kernel Crushing Plant. In addition, several estates have obtained RSPO and ISPO certifications, enhancing ESG credentials and strengthening STAA's position with downstream customers increasingly prioritizing sustainable practices.

Figure 5. Biogas Facility at KSJA

Source : Company

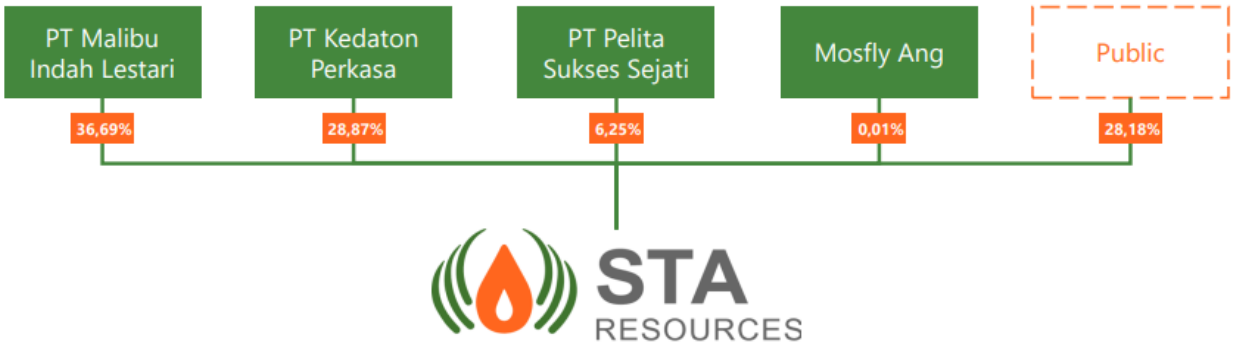
Figure 6. Company's Certifications

STAA has achieved 75% ISPO certification as of 2024 and is currently in the process of becoming an RSPO member

Source : Company

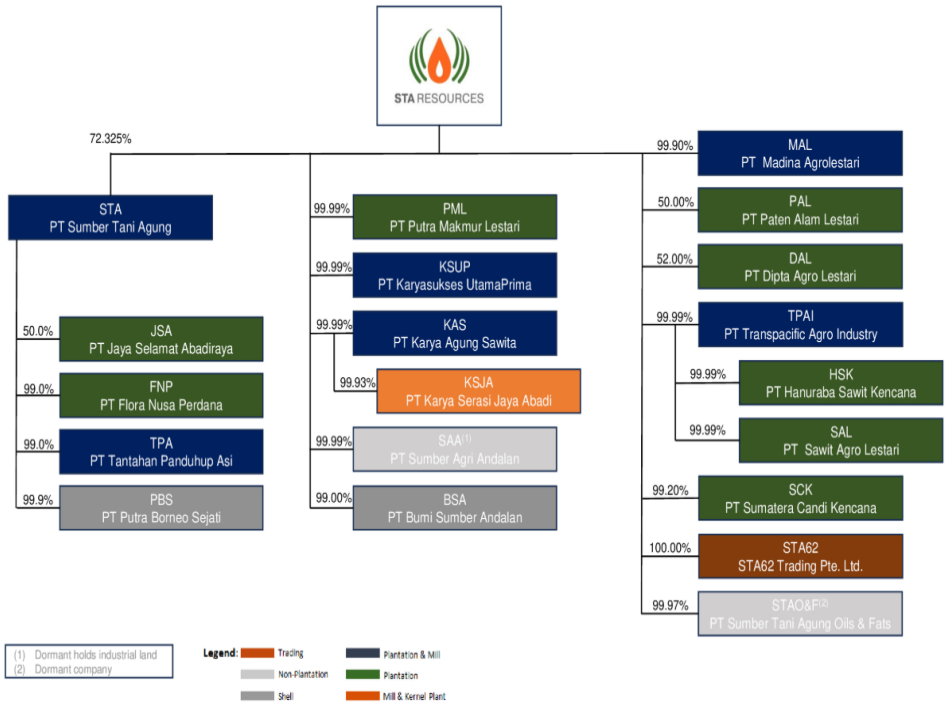
Company Profile

Figure 7. Organizational Structure



Source : Company

Figure 8. Organizational Structure



Source : Company

Company Profile

Table 1. STAA`S Board of Commissioners

Profile	Experience	Position
	**Suwandi Widjaya** has over 40 years of experience in the palm oil plantation business. He has served as the Managing Director of STA Resources since 1994. Under his leadership, as of June 30, 2021, STA Resources has grown rapidly through a combination of strategic acquisitions and organic growth into a large plantation conglomerate with extensive palm oil production facilities	**President Commissioner**
	**Riswan Wijaya** has more than 40 years of experience in the palm oil plantation business. After earning a degree in business in Singapore, he strengthened the family business and has dedicated himself to developing STA Resources into the leading position it holds today.	**Vice President Commissioner**
	**Robby Sumargo** has over 25 years of professional experience in business and taxation consulting. His career began in audit and assurance at KPMG (1993), followed by Grant Thornton (1998–2011), and since 2011 he has been with Kreston Indonesia.	**Commissioner Independent**
	**Rudi Ngadiman** started his career as a field engineer and has more than 33 years of experience in engineering, including over 18 years leading large agribusiness companies such as Sinarmas Group and Provident Agro. He currently also serves as Commissioner at PT Surya Jaya Prima Perkasa (since 2011), PT Karya Pratama Mandiri (since 2015), and as President Director of PT Karya Langgeng Mandiri (since 2019)	**Commissioner Independent**
	**Julian C. Hill** is a finance professional with over 50 years of experience. As a Chartered Accountant, he has served as a client advisor and as Chairman of a leading brokerage firm in Sydney. He has held various senior positions, including Chief Financial Officer of a major palm oil plantation group and, for two decades, Director in the financial advisory division of Deloitte, specifically supporting companies in the agribusiness sector.	**Commissioner Independent**

Source : Company | Phintraco Sekuritas Research

Company Profile

Table 1. STAA`S Board of Commissioners

Profile	Experience	Position
	**Tan Keng Tong** is a professional engineer with over 50 years of experience in the agribusiness sector. He joined STA Resources in 2014 and throughout his career has built strategies and led the development and operations of more than 100,000 hectares of palm oil plantations across Malaysia, Papua New Guinea, Indonesia, and the Philippines.	**Commissioner**
	**Lele Tanjung** is an entrepreneur with more than 40 years of experience in palm oil and cassava starch businesses. He joined STA Resources in 2005 and has played a key role in developing the company's business into a plantation conglomerate with extensive palm oil production facilities.	**Commissioner**

Source : Company | Phintraco Sekuritas Research

Company Profile

Table 2. STAA`S Board of Director

Profile	Experience	Position
	**Mosfly Ang** has over 22 years of experience in the plantation business, beginning his career as a Senior Auditor at Utomo & Co (an Arthur Andersen affiliate). He joined STA Resources in 1999 and currently serves as President Director, having previously held the position of Vice President Director.	**President Director**
	**Lim Chi Yin** graduated from Hull University, United Kingdom, and is a qualified Chartered Accountant (1988). He has over 30 years of experience in accounting and finance, starting his career as an accountant at Ernst & Young in London before working at several major palm oil companies in Indonesia and Malaysia.	**Director**
	**Go Kok Siang** holds a Bachelor's degree in Industrial Technology and has over 18 years of experience in the palm oil mill business, having been involved in multiple large-scale projects. His high level of commitment and loyalty drives him to continuously shape a sustainable future for the company by ensuring STA Resources remains at the forefront of new technologies and systems implementation.	**Director**
	**Bie Jan Jusri** began his career at STA Resources in 1994 and has since held various strategic positions within the company. He currently serves as Commercial Director, overseeing all procurement and marketing operations at STA Resources	**Director**
	**Nharong Somchit** graduated from Universiti Putra Malaysia (UPM) and has over 25 years of experience in the plantation industry, including roles as General Manager at PT Riau Sakti United Plantation, Assistant General Manager at Wilmar, and President Director and General Manager at Cargill Indonesia. He has also served as an advisor to major companies such as TSH Resources Bhd (Malaysia) and Chumporn Palm Oil Industry Ltd. (Thailand), before joining PT Sumber Tani Agung Resources Tbk in October 2023.	**Director**

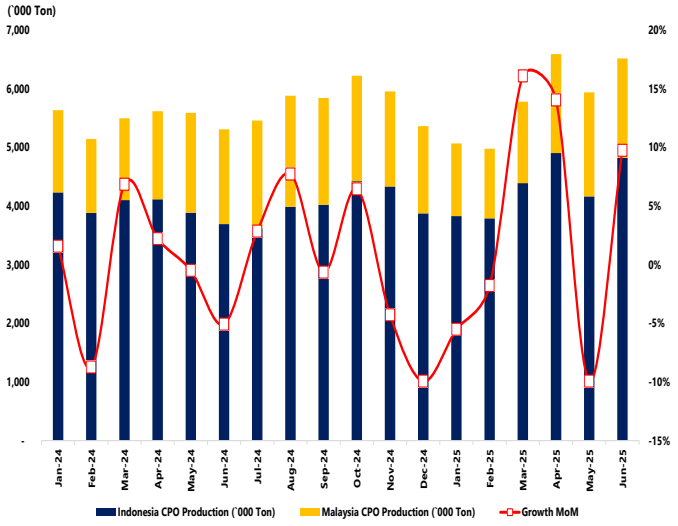
Source : Company | Phintraco Sekuritas Research

Industry Overview

CPO production in Indonesia and Malaysia showed diverging trends in March 2025, with a significant increase in Indonesia and a decline in Malaysia. Combined CPO production from both countries reached 6.52 million tons (+9.75% MoM, +21.49% YTD, and +22.78% YoY). Indonesia demonstrated stronger performance with production of 4.8 million tons (+15.80% MoM), supported by the normalization of relatively favorable weather conditions. In contrast, Malaysia's output fell to 1.69 million tons (-4.48% MoM), affected by the aging plantation profile with an average FFB yield ~15–16 tons/ha, resulting in relatively stagnant CPO production.

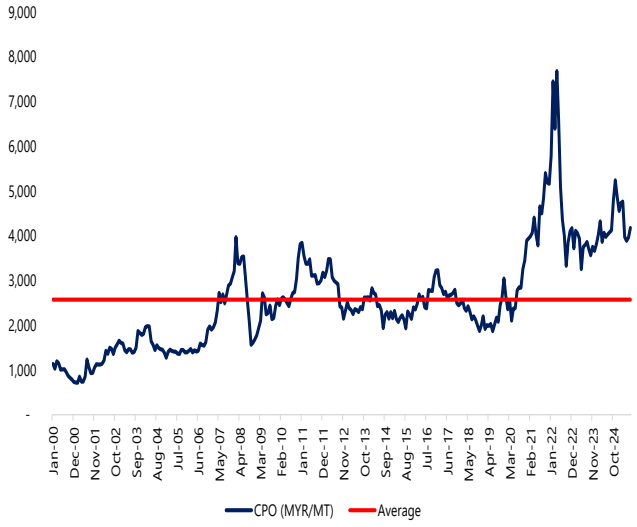
Looking ahead, we expect CPO production in 2H25F to remain relatively stable, supported by neutral climatic conditions. The latest diagnosis from the Climate Prediction Center (CPC) indicates that ENSO-neutral conditions persist, with projected sea surface temperatures ranging from -0.1°C to +0.4°C. The probability of ENSO-neutral conditions continuing from June to August is estimated at 82%, extending to 48% during the winter period (November–January), which is higher than the ~41% probability of La Niña formation. With no strong indications of El Niño or La Niña development and relatively stable weather conditions, rainfall in Southeast Asia is expected to remain consistent. This stable climate backdrop is likely to support the continued recovery trend in CPO production in 2H25.

Figure 9. Malaysia & Indonesia CPO Production



Source : GAPKI | MPOB | Phintraco Sekuritas Research

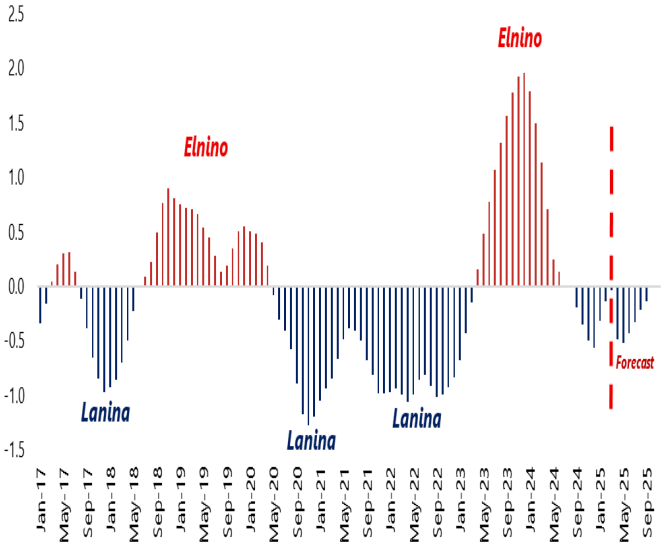
Figure 10. CPO Prices (MYR/MT)



Source : Bloomberg | Phintraco Sekuritas Research

Industry Overview

Figure 11. NOAA ENSO and Weather Forecast



Source : NOAA | Phintraco Sekuritas Research

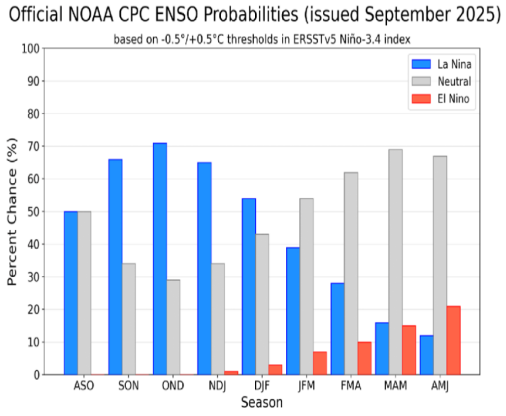
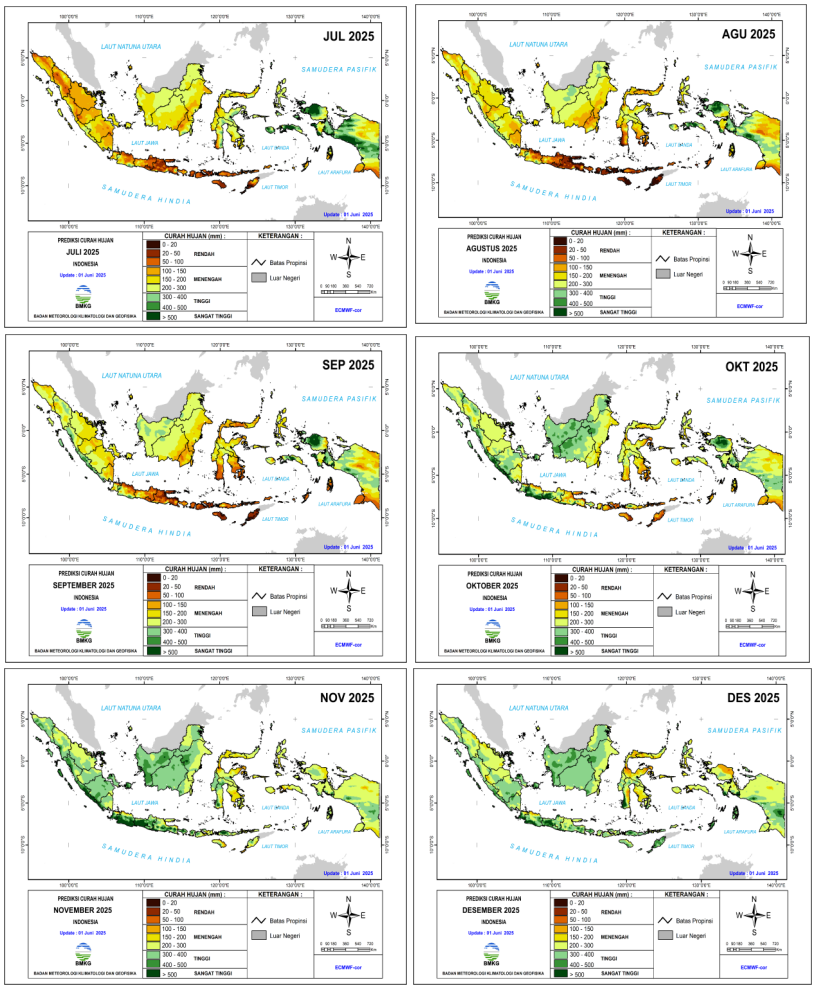


Figure 7. Official ENSO probabilities for the Niño 3.4 sea surface temperature index (5°N-5°S, 120°W-170°W). Figure updated 11 September 2025.

Figure 12. BMKG Weather Forecast



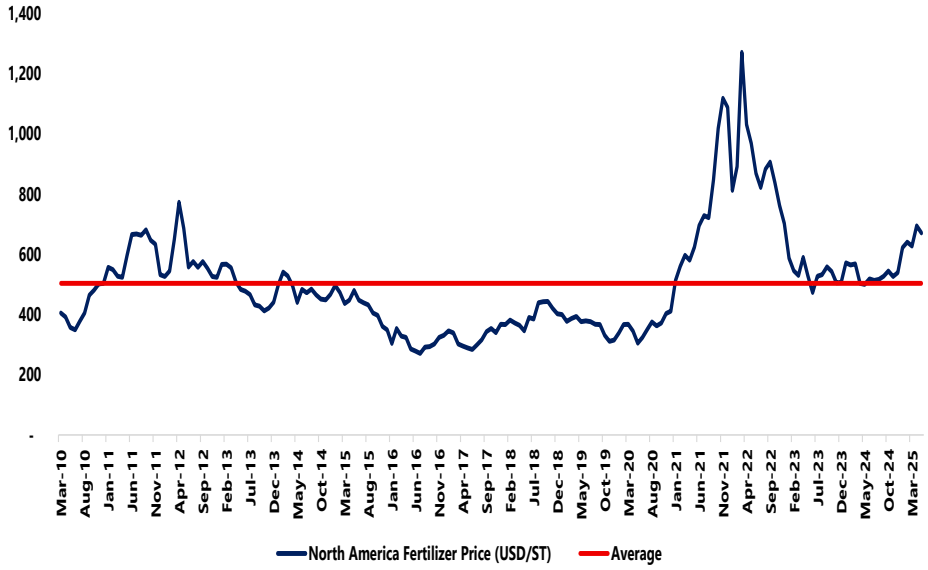
Source : BMKG

Industry Overview

Global fertilizer prices are expected to remain volatile amid ongoing geopolitical tensions. Conflicts in Europe and the Middle East involving several key raw material suppliers have raised market concerns over global fertilizer supply. This is reflected in the North America Fertilizer Index (NAFI), which currently stands at USD 722.86/ST, up 34.1% YTD and significantly above the 10-year average of USD 550/ST.

Rising fertilizer prices pose a notable risk to the plantation industry, as fertilizer costs account for more than 20% of total cost of goods sold. Most companies typically combine in-house produced organic fertilizers with purchased inorganic fertilizers, leaving them exposed to price fluctuations. Looking ahead, fertilizer price volatility is expected to remain high, while global demand is likely to remain relatively stable, reflecting the essential role of fertilizers in supporting plantation productivity.

Figure 13. North America Fertilizer Price (UST/ST)



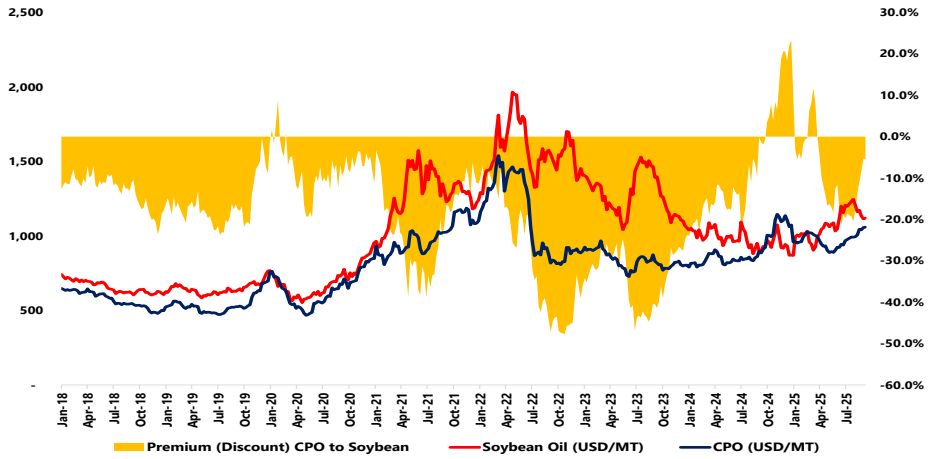
Source : Bloomberg | Phintraco Sekuritas Research

Industry Overview

CPO continues to trade at an attractive discount relative to other major edible oils. As of the second week of September, the global average CPO price was recorded at USD 972/MT, still below soybean oil, which averaged USD 1,070/MT. The spread between CPO and soybean oil reached -5.48% in June, but has started to narrow amid strengthening CPO prices throughout August. This increase was primarily driven by supply constraints and rising demand, particularly from India, which was restocking ahead of Diwali celebrations.

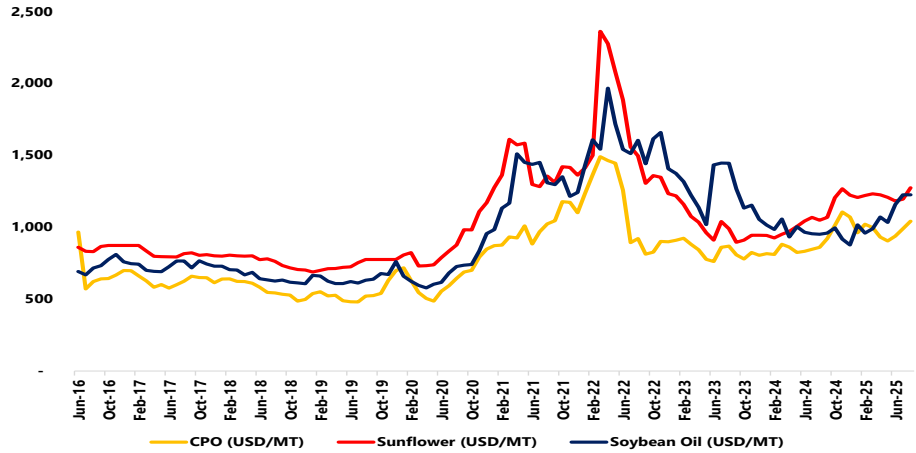
We believe the widening price gap further enhances CPO's appeal as a more cost-effective substitute. Although sunflower oil price volatility has eased following geopolitical disruptions, its price level remains at a premium relative to CPO. Consequently, we expect global CPO demand to remain relatively resilient. Additionally, India's recent reduction of CPO import tariffs (from 20% to 10%) provides an extra catalyst to support CPO demand.

Figure 14. CPO, Soybean Oil Prices, and CPO-to-Soybean Spread



Source : Bloomberg | Phintraco Sekuritas Research

Figure 15. CPO, Soybean and Sunflower Prices (USD/MT)



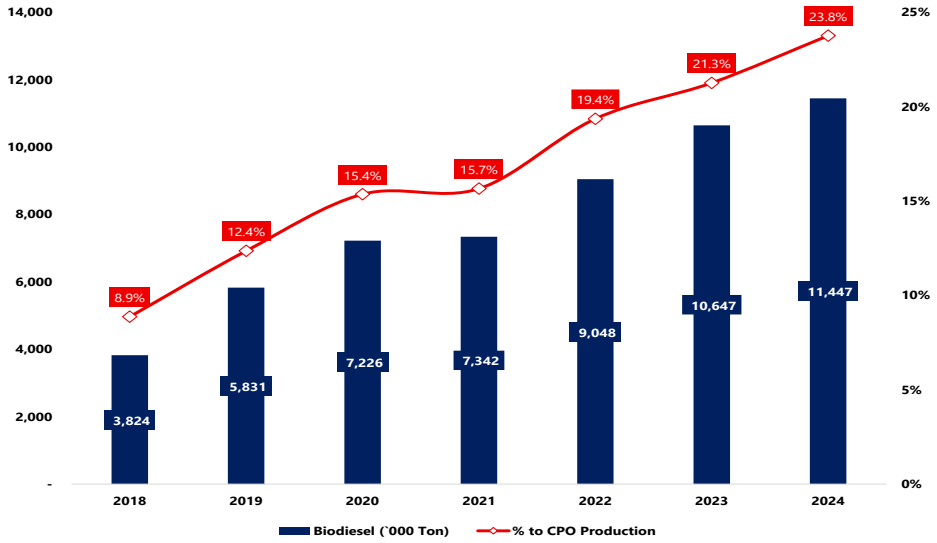
Source : Bloomberg | Phintraco Sekuritas Research

Industry Overview

Domestic biodiesel consumption continues to grow strongly, with a six-year CAGR of 20%, driven by the mandatory program which has now reached B35. Meanwhile, the premium of CPO relative to diesel is reflected in the average POGO spread of USD 299/MT (vs. USD 156/MT in FY24), directly supporting the need for BPDPKS subsidies to maintain attractive margins. A further widening of the spread, particularly if CPO prices rise faster than diesel, could pressure BPDPKS cash flows and margins for producers, especially ahead of the B50 implementation in FY26F.

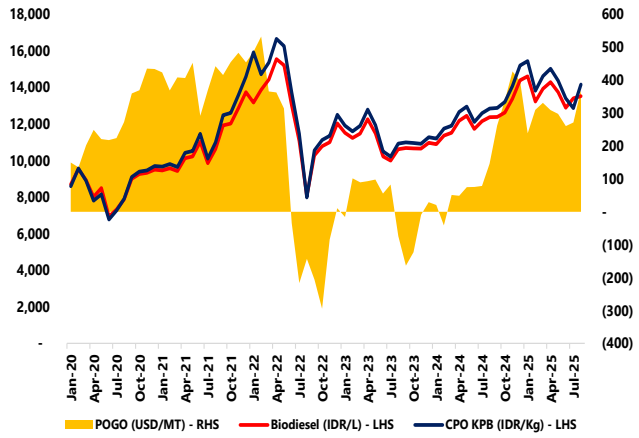
With the official implementation of the B40 mandate (40% palm oil; 60% diesel) in 2025, national biodiesel consumption is expected to reach approximately 15 million KL (+16% YoY), equivalent to a CPO requirement of ~13–14 million tons in FY25F (+14% YoY). This increase is projected to raise the

Figure 16. Domestic Biodiesel Consumption (`000 Ton)



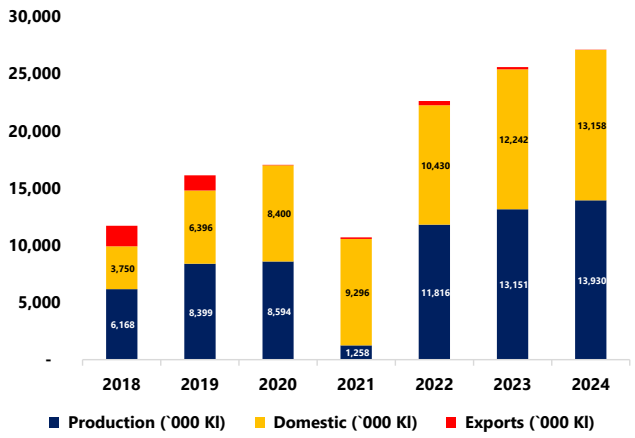
Source : APROBI | Phintraco Sekuritas Research

Figure 17. CPO, Biodiesel and Pogo Spread



Source : APROBI | Bloomberg | Phintraco Sekuritas Research

Figure 18. Biodiesel Production, Consumption and Export (`000 Kl)



Source : APROBI | Phintraco Sekuritas Research

Site Visit Notes

We had the opportunity to visit Sumber Tani Agung Oils and Fats (STAOF), STAA's refinery and fractionation facility located in Lubuk Gaung, Dumai, Riau. The facility sits on a 40,000-hectare site, of which only ~30% has been developed, indicating potential for future capacity expansion and the construction of additional downstream facilities. Based on our channel checks with management, there are opportunities to expand in this area to develop various downstream facilities, which are expected to strengthen STAA.IJ's vertical integration strategy while supporting value-added growth from upstream to downstream products.

STAOF has a processing capacity of 2,000 MT per day, storage tanks with a total capacity of 64,000 MT, and a jetty capable of accommodating vessels up to 50,000 DWT. Currently, feedstock requirements are primarily met through internal CPO supply (80%), with the remaining 20% sourced from external suppliers. For illustration, processing 1,000 tons of CPO produces ~950 tons (95%) of RBDPO and 45 tons (4.5%) of PFAD, with the two products separated based on their melting points. Subsequently, from the RBDPO output, 779 tons (82%) is further processed into olein and 114 tons (12%) into stearin, again separated according to their respective boiling points **(Figure 21).**

Figure 19. Olein and Stearin Production Example

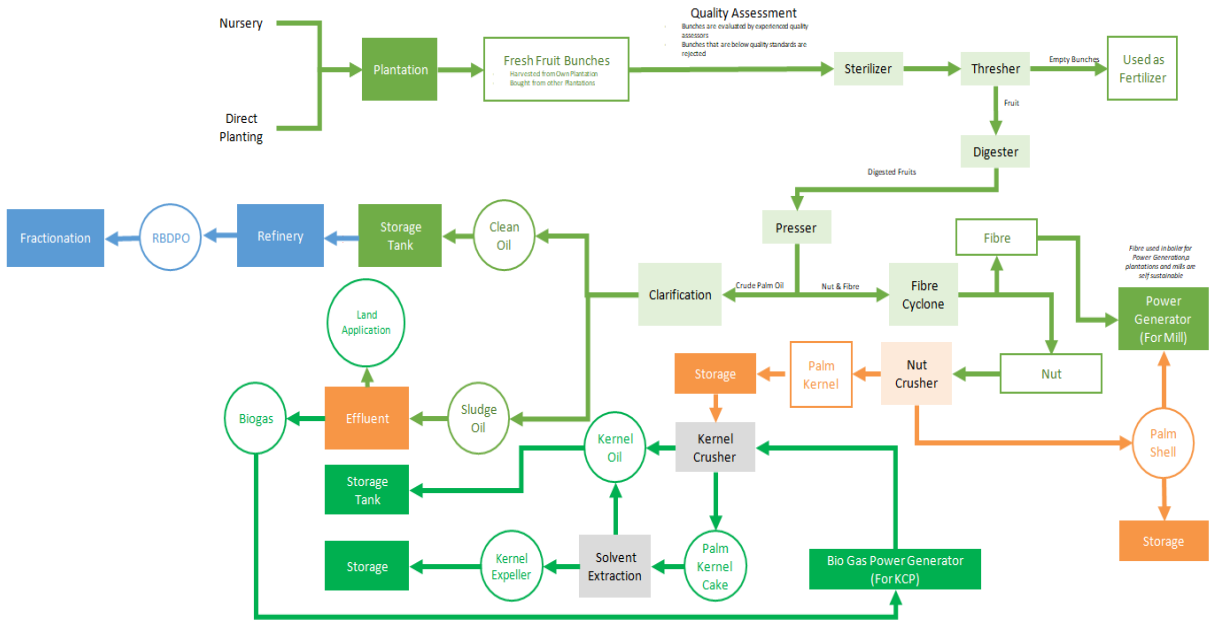
Source : Phintraco Sekuritas Research

Figure 20. CPO Processed at Refinery Facility

Source : Phintraco Sekuritas Research

Site Visit Notes

Figure 21. Processing Flow from Plantations to Mills, KCP, SEP, and Refinery Facility



Source : Company | Phintraco Sekuritas Research

Figure 22. Storage Tank Capacity – STAOF

Source : Phintraco Sekuritas Research

Figure 23. Downstream Products Produced by STAOF

Source : Phintraco Sekuritas Research

Site Visit Notes

As previously noted, STAOF is equipped with a jetty capable of accommodating vessels up to 50,000 DWT. The jetty has a depth of approximately 22 meters, allowing large tankers to berth without the assistance of tugboats, thereby supporting more efficient product distribution. From an infrastructure standpoint, the jetty features four separate pipelines, each dedicated to a specific product type, minimizing the risk of contamination. The transfer of products from the refinery or storage tanks to the jetty is carried out via pipelines with capacities ranging from 350 to 900 tons per hour, enabling faster and more efficient vessel loading operations.

Figure 24. STAOF-Owned Jetty Port (Capacity up to 50,000 DWT)

Source : Phintraco Sekuritas Research

Figure 25. Pipeline Facilities from Plant and Storage Tanks to Jetty

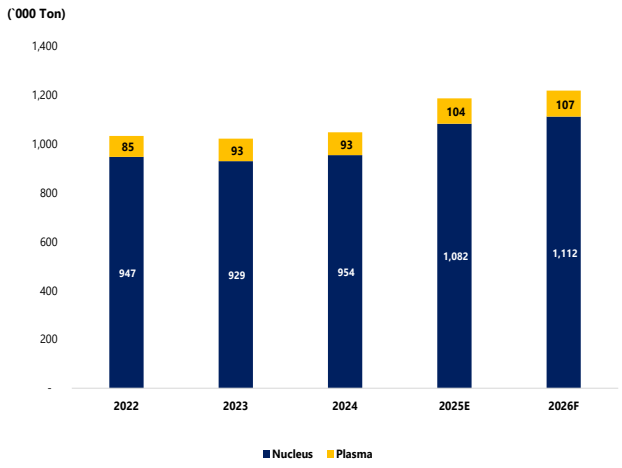
Source : Phintraco Sekuritas Research

Operational Overview

STAA recorded solid Fresh Fruit Bunch (FFB) production growth in 2Q25, with a total of 275k tons produced (+4.8% YoY). This increase was supported by higher output from nucleus estates (+4.8% YoY) and stronger contributions from plasma estates (+9.2% YoY). Cumulatively, total FFB production reached 515k tons (+7% YoY) in 1H25, with the majority sourced from nucleus estates (90.6%) and the remainder from plasma estates (9.4%).

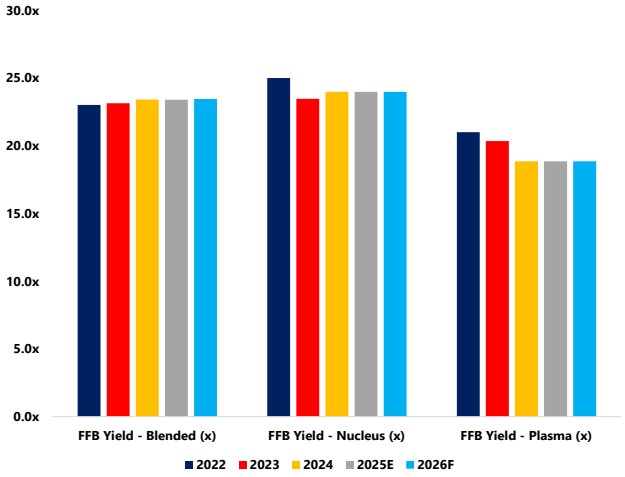
We expect STAA to maintain a positive production trend throughout FY25E–FY26F, with nucleus FFB yield projected to remain stable at ~24 tons/ha. Total FFB production is forecasted to reach 1,186k tons (+13.2% YoY) in FY25E and 1,218k tons (+2.72% YoY) in FY26F. Key factors supporting these projections include the revitalized estates in South Sumatra and the disciplined implementation of fertilization programs, which help sustain solid yields while underpinning the long-term continuity of production.

Figure 26. FFB Production Trajectory (`000 Ton)



Source : Company | Phintraco Sekuritas Research

Figure 27. FFB Yield: Nucleus, Plasma, and Blended (ton/Ha)



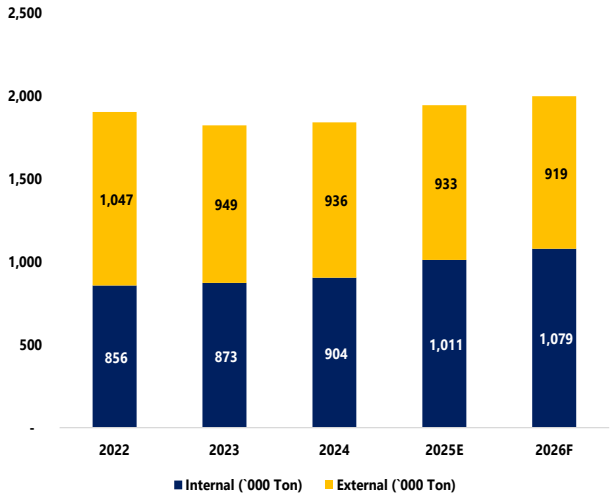
Source : Company | Phintraco Sekuritas Research

STAA processed a solid volume of FFB in 2Q25, despite being largely supported by external supply. The company processed 563k tons of FFB (+20.6% YoY), with external sources contributing 328.5k tons (+37.1% YoY) and nucleus estates supplying 234.9k tons (+3.2% YoY). From this total input, STAA produced 119k tons of CPO (+22.5% YoY) and 27k tons of PK (+27.7% YoY), with Oil Extraction Rate (OER) and Kernel Extraction Rate (KER) remaining stable at 21.2% (vs 20.9% in 2Q24) for CPO and 4.8% (vs 4.8% in 2Q24) for PK.

We expect OER and KER to remain stable at ~21–22% and 4.7–4.8%, respectively, supporting production profitability. This consistency underpins our projections that CPO volume will reach 428k tons in FY25E (+9.7% YoY) and 440k tons in FY26F (+2.8% YoY), while PK production is expected to reach 92k tons in FY25E and 95k tons in FY26F. Additionally, we anticipate that management will begin reducing dependence on external supply (46–48% in FY25–26F), as internal contributions increase to 52–54% over the same period.

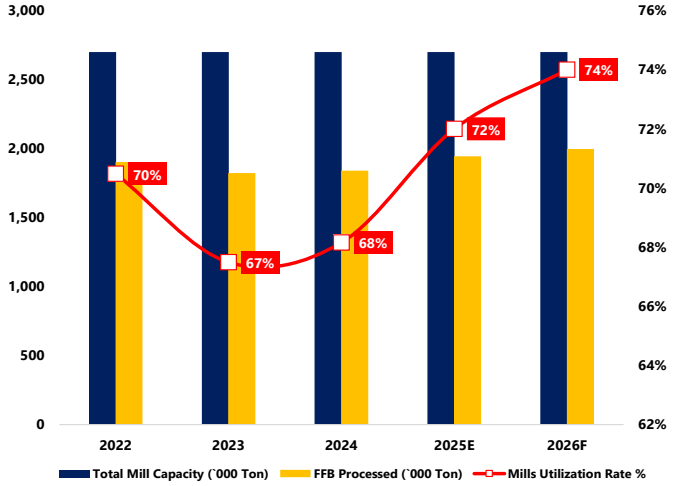
Operational Overview

Figure 27. Composition of FFB Processed (`000 Ton)



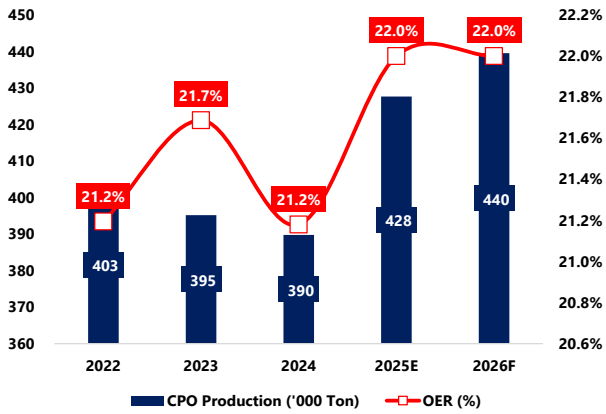
Source : Company | Phintraco Sekuritas Research

Figure 28. Composition of FFB Production



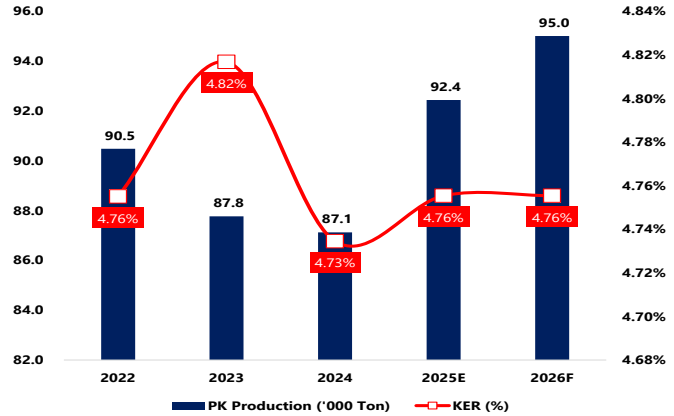
Source : Company | Phintraco Sekuritas Research

Figure 29. CPO Production Trajectory (`000 Ton)



Source : Company | Phintraco Sekuritas Research

Figure 30. PK Production Trajectory (`000 Ton)



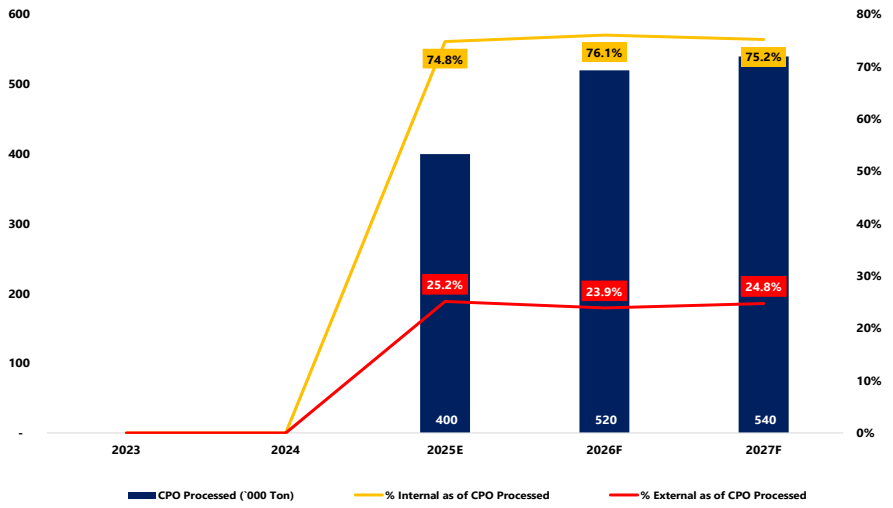
Source : Company | Phintraco Sekuritas Research

With the commissioning of the refinery and fractionation plant, the company now holds a new "ace card," unlocking monetization opportunities for downstream products. The facility, with an installed capacity of approximately 2,000 tons per day, provides additional flexibility to sell products either as CPO or as high-value derivatives such as RBDPO, stearin, PFAD, and olein, targeting both food-related and oleochemical segments.

We estimate that refinery utilization in FY25E will remain low at ~20–30%, as the facility only became operational mid-year, before gradually increasing to 30–50% over FY26–FY30F. With initial utilization still limited, management plans to prioritize internal production for the feedstock used in downstream products (80%), while external supply will be capped at 20% to protect margins during the early operational stage.

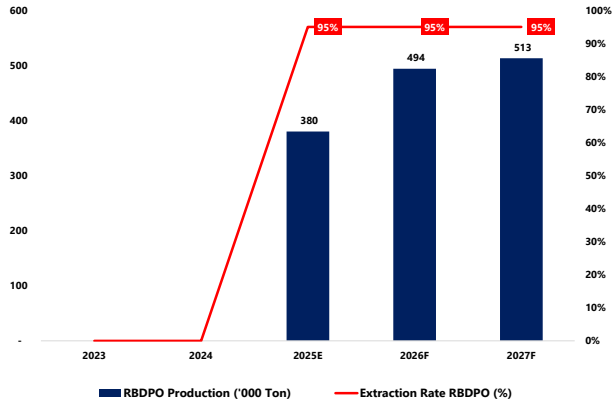
Operational Overview

Figure 32. Composition of CPO Processed (`000 Ton)



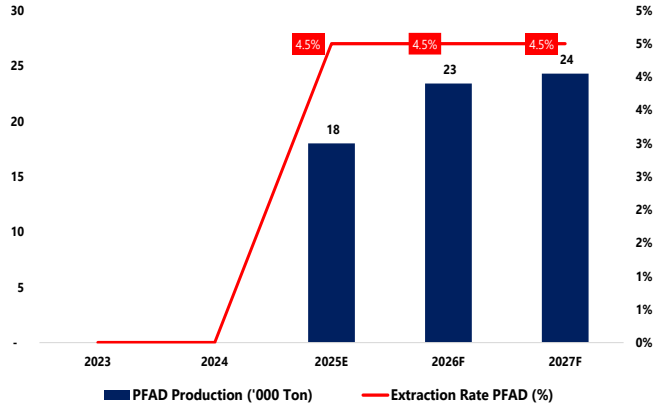
Source : Company | Phintraco Sekuritas Research

Figure 33. RBDPO Production Trajectory (`000 Ton)



Source : Company | Phintraco Sekuritas Research

Figure 34. PFAD Production Trajectory (`000 Ton)



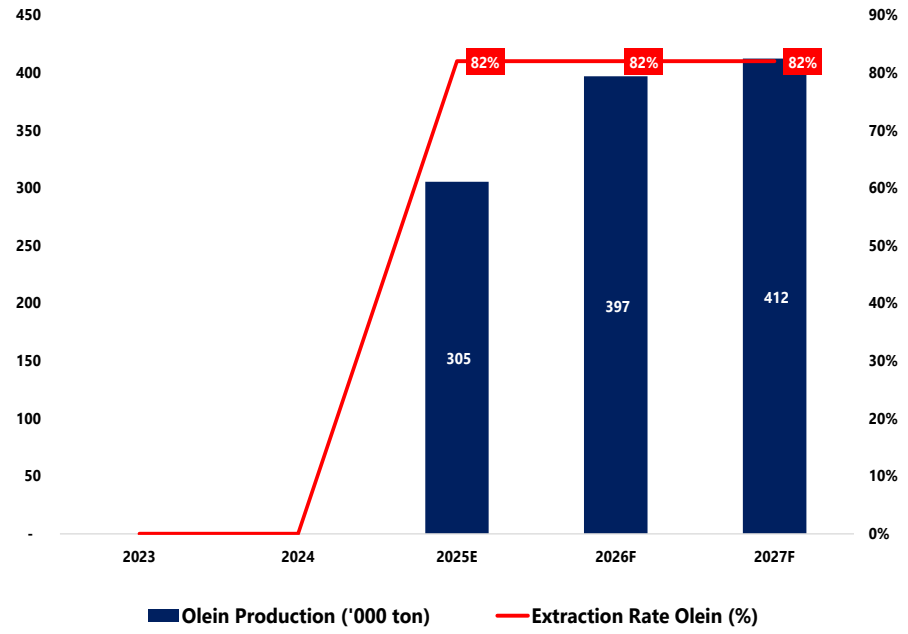
Source : Company | Phintraco Sekuritas Research

Aligned with the still-limited refinery utilization, the processed RBDPO volume in the initial phase is expected to reach approximately 372k tons, sourced entirely from internal production. Based on our channel checks with the company, there are currently no plans to procure RBDPO externally during the early operational stage.

Consequently, fractionation utilization is projected to reach only ~18% in FY25E, before gradually increasing to approximately 25–50% during FY26F–FY30F. At these utilization levels, olein production is expected to reach ~305k tons and stearin 67k tons in FY25E, with an upward trend as capacity optimization progresses in the following years.

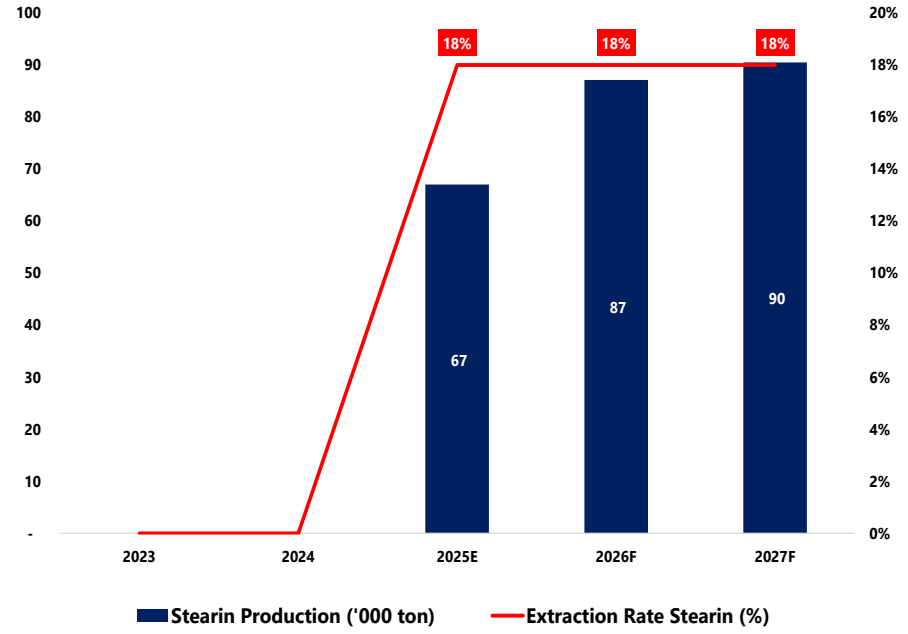
Operational Overview

Figure 35. Olein Production Trajectory ('000 Ton)



Source : Company | Phintraco Sekuritas Research

Figure 36. Stearin Production Trajectory ('000 Ton)



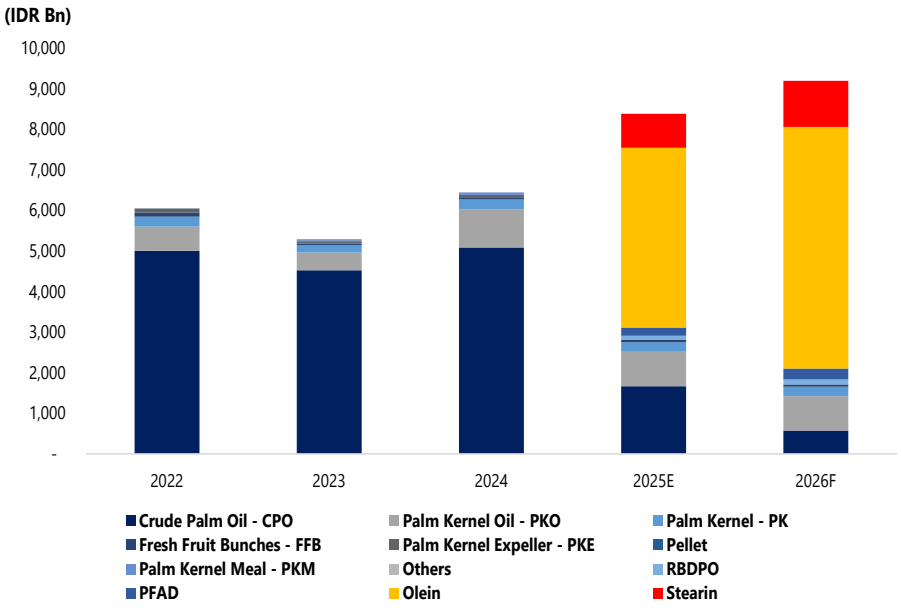
Source : Company | Phintraco Sekuritas Research

Financial Overview

STAA posted solid revenue in 2Q25, reaching IDR 1.92 trillion (+35.7% YoY). The CPO segment remained the primary revenue contributor at IDR 1.20 trillion (+5.2% YoY), despite a decline in sales volume to 86.8k tons (-4.2% YoY). This volume contraction was offset by an increase in the average selling price to IDR 13,795/kg (+9.8% YoY). The PK and CPKO segments also recorded significant growth, with revenues rising 40.6% and 37.1% YoY, respectively, supported by higher average selling prices (PK +79.1% YoY; CPKO +78.6% YoY).

We project STAA's revenue to reach IDR 8.38 trillion in FY25E (+30.1% YoY) and IDR 9.20 trillion in FY26F (+9.7% YoY), driven by higher sales volumes, stronger average selling prices, and additional contributions from the downstream segment following the commissioning of the refinery and fractionation facilities this year. Revenue from the CPO segment is expected to reach IDR 1.67 trillion (-67.2% YoY), reflecting a decline in sales volume to ~128k tons (-66.4% YoY) as part of the CPO is redirected as feedstock for downstream products. Downstream products are anticipated to gradually contribute to revenue as utilization ramps up, with projected contributions of olein ~IDR 4.43 trillion, stearin ~IDR 838 billion, RBDPO ~IDR 99 billion, and PFAD ~IDR 205 billion.

Figure 37. Revenue Breakdown



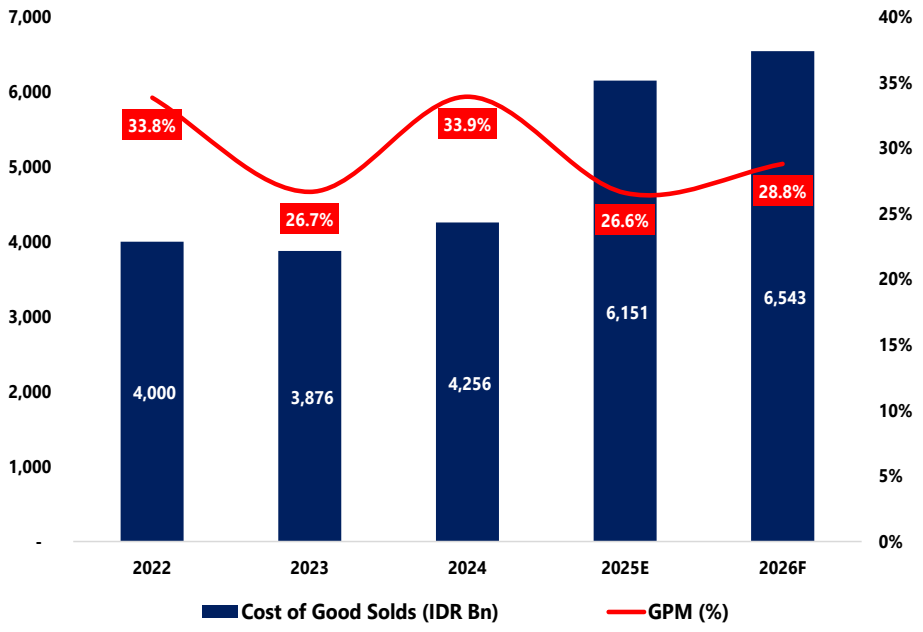
Source : Company | Phintraco Sekuritas Research

Financial Overview

STAA posted solid gross profit in 2Q25, reaching IDR 599 billion (+37.8% YoY), with an improved margin of 31.1% (vs 30.6% in 2Q24). This performance was achieved despite higher cost of goods sold (COGS) at IDR 1.3 trillion (+34.7% YoY), largely driven by increased purchases of external FFB, which rose to 328.5k tons (+37.1% YoY). The robust gross profit was supported by cost efficiency initiatives and more favorable selling prices.

We project STAA's gross profit to remain positive despite initial pressure from the commissioning of the refinery and fractionation facilities, with an estimated IDR 2.23 trillion (+1.98% YoY) for FY25F. The increase in COGS by 44.5% YoY to IDR 6.15 trillion is mainly attributed to the new processing facilities, where raw material costs are the largest component, totaling ~IDR 1.12 trillion (purchase volume: 120k tons) to meet plant utilization requirements. Despite initial pressure from external CPO purchases and new plant operations, a combination of internal feedstock optimization and operational efficiencies is expected to maintain gross profit margins at ~28–29% in FY26–FY27F, with a slight decline to 27% in FY25E.

Figure 36. COGS Trajectory



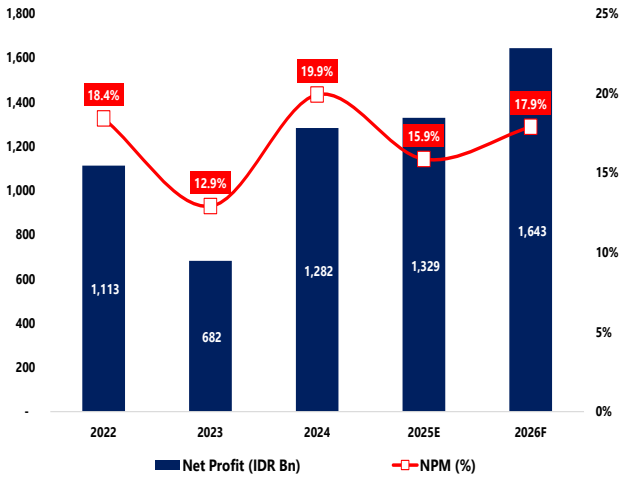
Source : Company | Phintraco Sekuritas Research

Financial Overview

The positive momentum continues, with net profit demonstrating resilient performance. Net profit reached IDR 352 billion (+15.53% QoQ; +55.97% YoY) with an improvement in net profit margin to 18.30% (vs 18.29% in 1Q25; 15.92% in 2Q24), showcasing STAA's ability to combine strong revenue growth with disciplined cost control. The increase in net profit was also supported by a significant reduction in operating expenses of -24.34% QoQ, resulting in EBIT of IDR 510.23 billion (+11.77% QoQ; +47.52% YoY), with EBIT margin slightly declining to 26.53% (vs 27.4% in 1Q25; 24.39% in 2Q24). In addition, profit contributions from subsidiaries of IDR 1.41 trillion (+24.60% QoQ; +15.35% YoY) further reinforced the company's bottom-line growth.

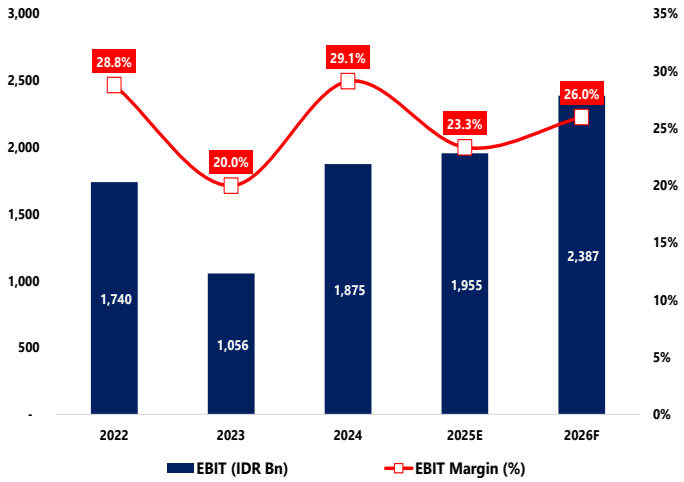
Net profit is expected to remain solid, supported by the company's flexible strategy. We project STAA's net profit to reach IDR 1.33 trillion (+3.6% YoY) in FY25E and IDR 1.64 trillion (+23.7%) in FY26F. This robust growth is driven by EBIT growth of +4.3% YoY, reaching IDR 1.95 trillion in FY25E, supported by incremental contributions from downstream products that began generating sales this year. Although downstream contributions are expected to remain relatively limited due to the new operations starting mid-year, net profit margin is projected to slightly dip to 16% in FY25E before improving to ~18–19% in subsequent periods, in line with increasing utilization and full contribution from downstream products. Over the medium to long term, we expect STAA's net profit to grow at a CAGR of ~10% for FY21–FY27F, driven by efficiently managed EBIT and controlled operational costs, which are expected to continue supporting sustainable margin expansion.

Figure 37. Net Profit Trajectory



Source : Company | Phintraco Sekuritas Research

Figure 38. EBIT Trajectory



Source : Company | Phintraco Sekuritas Research

Valuation

We initiate coverage on STAA with a BUY recommendation and a target price of IDR 1,400, reflecting of PER 11.5x/9.3x and PBV 2.5x/2.1x for FY25E/FY26F. We adopt a DCF valuation approach (WACC: 11.5%; Terminal Growth: 2.5%) to provide a comprehensive view of long-term growth prospects, as this model captures future cash flow dynamics more thoroughly. In addition to the DCF approach, we also assess STAA's valuation from an asset perspective. STAA's EV/ha stands at approximately IDR 299 million/ha, higher than the industry average of IDR 162.9 million/ha; however, we view this premium as justified given the relatively young age profile of its plantations, solid productivity, and minimal replanting needs in the near term.

Our key reasons for favoring STAA : (1) a plantation age profile in the productive phase with an average of 14 years, which not only supports consistent TBS supply but also minimizes near-term replanting needs, allowing STAA to focus on expansion and margin enhancement; (2) strong nucleus plantation yield of ~24 tons/ha and a combined yield of approximately 23.8 tons/ha; (3) the presence of a new refinery in Riau, providing strategic flexibility for STAA to expand its value chain and increase the contribution of high-value downstream products; and (4) a healthy balance sheet with low leverage, supporting measured expansion.

We believe STAA is strategically positioned to maintain solid and sustainable performance. Nonetheless, several key risks warrant attention, including: (1) global CPO price volatility; (2) potential yield declines due to weather factors; (3) fluctuations in fertilizer prices that may pressure margins; and (4) changes in government regulations related to biodiesel domestic market obligations (DMO) or export taxes, which could impact profitability.

Figure 39. DCF Summary

DCF SUMMARY	2025E	2026F	2027F	2028F	2029F	2030F	Terminal Value
Year	-	1.0	2.0	3.0	4.0	5.0	
EBIT	1,955	2,387	2,506	2,632	2,764	2,670	
Add (+) Depreciation	327	359	393	429	465	502	
Less (-) Tax	(425)	(526)	(555)	(586)	(620)	(603)	
Less (-) Capex	(616)	(807)	(885)	(911)	(936)	(962)	
Change in WC	59	(69)	(83)	29	(31)	(7)	
Unlevered FCFF	**1,300**	**1,344**	**1,376**	**1,593**	**1,642**	**1,600**	**18,237**
Discount Factor	***1.0***	***0.9***	***0.8***	***0.7***	***0.6***	***0.6***	
Present Value	**1,300**	**1,206**	**1,107**	**1,149**	**1,062**	**929**	**10,586**

Enterprise Value	**16,039**
(+) Cash	1,580
(-) Debt	(1,323)
(-) Minority Interest	(525)
Equity Value	**15,770**
Shares **(In Bn)**	10.90
Fair Value **(In IDR)**	1,446
Rounding	1,400
Target Price	**1,400**
Market Price as of Sept 19th 25	*1,100*
Potential Upside (%)	**27.27%**

Source : Phintraco Sekuritas Research

Appendix

Table 3. Financial and Operational Highlight STAA.IJ

PT Sumber Tani Agung Resouces Tbk - STAA.IJ										
(in Billion IDR)	1H24	1H25	YoY	2Q24	1Q25	2Q25	QoQ	YoY	Consensus Estimates	%Consensus
Income Statement										
Revenue	2,695	3,590	**33.2%**	1,418	1,666	1,923	**15.4%**	**35.7%**	6,663	**53.9%**
Cost of Revenue	(1,890)	(2,417)	**27.9%**	(983)	(1,093)	(1,325)	**21.2%**	**34.7%**	(4,441)	**54.4%**
Gross Profit	804	1,173	**45.8%**	435	574	599	**4.4%**	**37.8%**	2,222	**52.8%**
Operating Profit	650	967	**48.8%**	346	457	510	**11.8%**	**47.5%**	1,850	**52.3%**
Net Profit	423	657	**55.2%**	226	305	352	**15.5%**	**56.0%**	1,245	**52.7%**
Profitability Ratios										
Gross Profit Margin (%)	29.85%	32.67%		30.65%	34.43%	31.14%			33.35%	
Operating Profit Margin (%)	24.11%	26.93%		24.39%	27.40%	26.53%			27.77%	
Net Profit Margin (%)	15.71%	18.29%		15.92%	18.29%	18.30%			18.69%	
Operational Highlight										
Sales Volume (`000 Ton)										
CPO	178.5	170.4	**-4.5%**	90.6	83.6	86.8	**3.9%**	**-4.2%**		
PK	13.7	16.3	**18.5%**	6.5	7.2	9.1	**27.6%**	**40.7%**		
PKO	21.8	28.3	**29.8%**	11.3	12.7	15.5	**21.7%**	**37.1%**		
ASP (Rp/Kg)										
CPO	12,357	14,204	**14.9%**	12,562	14,630	13,795	**-5.7%**	**9.8%**		
PK	6,608	12,350	**86.9%**	7,313	11,394	13,098	**15.0%**	**79.1%**		
PKO	14,459	27,131	**87.6%**	16,073	25,209	28,712	**13.9%**	**78.6%**		

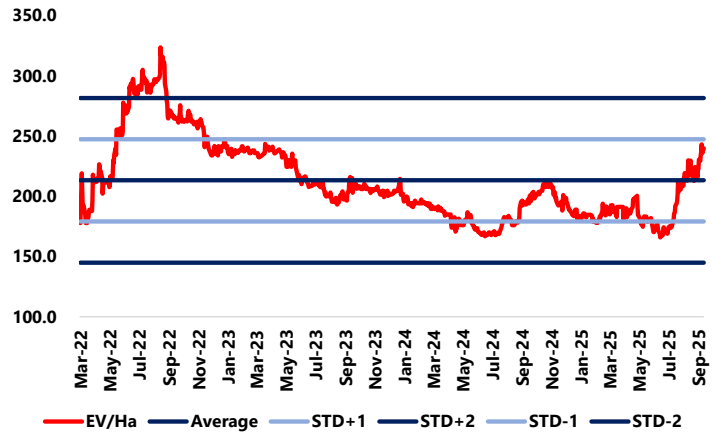
Source : Compny | Phintraco Sekuritas Research

Table 4. Peers Comparabales

Company Name	Ticker	Market Cap (IDR Bn)	Enterprise Value (IDR Bn)	Planted Area (`000 Ha)	PE (x)	PBV (x)	EPS Growth (%)	Dividen Yield (%)	ROE (%)	EV/Ha (IDR Mn/Ha)
PT Triputra Agro Persada Tbk	TAPG.IJ	29,481	29,283	160	7.64	2.68	98.29	7.74	36.77	183.02
PT Dharma Satya Nusantara Tbk	DSNG.IJ	17,755	21,981	112	11.42	1.71	40.50	1.43	16.74	196.26
PT Astra Agro Lestari Tbk	AALI.IJ	14,146	11,571	288	10.49	0.62	8.68	3.65	5.97	40.23
PT Sawit Sumbermas Sarana Tbk	SSMS.IJ	13,383	19,533	116	15.14	4.48	140.65	3.36	35.17	168.97
PT Sumber Tani Agung Resources Tbk	STAA.IJ	11,503	12,493	42	7.59	2.08	87.46	5.21	30.72	298.89
PT Salim Ivomas Pratama Tbk	SIMP.IJ	9,921	16,373	241	5.58	0.52	143.85	3.13	12.56	67.88
PT Teladan Prima Agro Tbk	TLDN.IJ	9,155	9,803	61	8.17	2.76	81.88	4.40	36.58	162.00
PT Perusahaan Perkebunan London Sumatra Indonesia Tbk	LSIP.IJ	9,139	2,627	46	5.75	0.71	111.04	4.85	15.87	57.11
PT Sampoerna Agro Tbk	SGRO.IJ	8,584	11,092	49	7.62	1.51	54.96	6.99	20.75	226.36
Weighted Average					**9.05**	**2.05**	**83.62**	**4.76**	**24.96**	**160.65**

Source : Bloomberg | Phintraco Sekuritas Research

Figure 40. EV/HA (IDR Mn/Ha)



Source : Bloomberg | Phintraco Sekuritas Research

Financial Highlight

(in Billion Rupiah)

BALANCE SHEET	FY23	FY24	FY25E	FY26F	FY27F
Asset					
Cash & cash equivalents	1,033	1,318	1,580	1,745	1,982
Account Receivables	94	289	217	271	317
Inventory	245	386	500	509	553
Total Current Assets	**1,559**	**2,372**	**2,650**	**2,912**	**3,251**
Fixed Assets	4,381	5,002	5,291	5,740	6,232
Total Non Current Assets	**5,122**	**5,712**	**6,213**	**6,751**	**7,275**
Total Asset	**6,681**	**8,084**	**8,863**	**9,663**	**10,527**
Liabilities					
Account payables	137	139	240	234	241
Current Maturities of long-term bank loans	360	657	572	447	405
Total Current Liabilities	**747**	**1,174**	**1,226**	**1,128**	**1,104**
Long Term Bank Loans	983	836	728	569	515
Total Non Current Liabilities	**1,130**	**1,009**	**950**	**812**	**766**
Total Liabilities	**1,877**	**2,184**	**2,176**	**1,940**	**1,870**
Equity	**4,804**	**5,900**	**6,687**	**7,723**	**8,657**

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY23	FY24	FY25E	FY26F	FY27F
Cash Flow from Operating					
Net Income	682	1,282	1,329	1,643	1,735
Depreciation & Amortization	286	303	327	359	393
Working Capital	134	(334)	59	(69)	(83)
Others	(11)	(191)	25	(34)	(12)
Net-CFFO	**1,091**	**1,060**	**1,739**	**1,899**	**2,032**
Cash Flow from Investing					
CAPEX	(575)	(925)	(616)	(807)	(885)
Others	(121)	32	(213)	(89)	(32)
Net-CFFI	**(696)**	**(893)**	**(829)**	**(896)**	**(917)**
Cash Flow from Financing					
Short Term Debt	40	221	(87)	(130)	(44)
Long Term Debt	(346)	(148)	(107)	(159)	(54)
Change in other non-current liabilities	(147)	339	186	117	42
Equity	-	-	-	-	-
Net-CFFF	**(955)**	**118**	**(649)**	**(837)**	**(878)**
NET CASH FLOW	**(561)**	**285**	**261**	**166**	**237**

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

INCOME STATEMENT	FY23	FY24	FY25E	FY26F	FY27F
Revenue	**5,285**	**6,439**	**8,378**	**9,188**	**9,478**
Growth	*-12.58%*	*21.84%*	*30.10%*	*9.67%*	*3.16%*
Cost of Revenues	(3,876)	(4,256)	(6,151)	(6,543)	(6,716)
Gross Profit	**1,409**	**2,183**	**2,227**	**2,645**	**2,762**
Gross Profit Margin	*26.66%*	*33.91%*	*26.58%*	*28.79%*	*29.14%*
EBITDA	1,370	2,192	2,298	2,765	2,921
EBITDA Margin	*25.92%*	*34.03%*	*27.43%*	*30.09%*	*30.82%*
EBIT	1,056	1,875	1,955	2,387	2,506
EBIT Margin	*19.99%*	*29.11%*	*23.34%*	*25.98%*	*26.44%*
Finance Cost	(111)	(89)	(80)	(62)	(56)
EBT	**1,007**	**1,831**	**1,932**	**2,389**	**2,522**
EBT Margin	*19.06%*	*28.44%*	*23.06%*	*26.01%*	*26.61%*
Net Profit	**682**	**1,282**	**1,329**	**1,643**	**1,735**
Net Profit Margin	*12.90%*	*19.91%*	*15.86%*	*17.89%*	*18.30%*

Source : Company | Phintraco Sekuritas Research

RATIOS	FY23	FY24	FY25E	FY26F	FY27F
Profitability Ratio (%)					
GPM	26.7%	33.9%	26.6%	28.8%	29.1%
OPM	19.9%	29.0%	23.2%	25.9%	26.4%
EBITDA Margin	12.9%	19.9%	15.9%	17.9%	18.3%
NPM	25.9%	34.0%	27.4%	30.1%	30.8%
ROA	20.0%	29.1%	23.3%	26.0%	26.4%
ROAA	19.1%	28.4%	23.1%	26.0%	26.6%
ROE	10.2%	15.9%	15.0%	17.0%	16.5%
ROAE	15.3%	23.4%	21.6%	23.0%	21.5%
Activity Ratio (x)					
Inventory Turnover	21.6	16.7	16.7	18.1	17.1
Receivables Turnover	56.4	22.3	38.6	33.9	29.9
Payables Turnover	28.2	30.5	25.7	28.0	27.9
Days of Inventory	16.7	21.6	21.5	19.9	21.0
Days of Receivables	6.4	16.2	9.3	10.6	12.0
Days of Payables	12.7	11.8	14.0	12.9	12.9
Cash Operating Cycle (Days)	10.3	26.0	16.8	17.7	20.1
Leverage Ratio (x)					
DER	0.32x	0.28x	0.21x	0.14x	0.12x
DAR	0.22x	0.19x	0.15x	0.11x	0.09x
Interest Bearing Debt (In IDR Bn)	1,444	1,517	1,323	1,033	935
Net Debt (Cash) (In IDR Bn)	410	199	(257)	(712)	(1,047)
Net Gearing Ratio	0.09x	0.04x	-0.04x	-0.10x	-0.13x
Interest Coverage Ratio (ICR)	9.52x	21.01x	24.53x	38.34x	44.49x
Net Debt / EBITDA	0.30x	0.09x	-0.11x	-0.26x	-0.36x
Liquidity Ratio (x)					
Current Ratio	2.09x	2.02x	2.16x	2.58x	2.95x
Quick Ratio	1.76x	1.69x	1.75x	2.13x	2.44x
Cash Ratio	0.70x	0.90x	0.87x	1.03x	1.15x
Price Ratio					
Price per Share at the end of the year	921	807	1,400	1,400	1,400
Outstanding Shares (in Billion)	11	11	11	11	11
EPS (IDR) (annualized)	63	118	122	151	159
BVPS (IDR)	410	502	565	656	739
PER (x)	14.7	6.9	11.5	9.3	8.8
PBV (x)	2.2	1.6	2.5	2.1	1.9
EV/EBITDA (x)	6.79x	3.73x	6.53x	5.57x	5.38x
Dividend					
DPS	46.00	27.00	58.80	60.92	75.36
DPR	45.1%	43.2%	50.0%	50.0%	50.0%
Div. Yield	5%	3%	4%	4%	5%

Source : Company | Phintraco Sekuritas Research

Glossarium

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

PHINTRACO SEKURITAS

Rating for Stocks :

Buy : The stock is expected to give return of more than 10% over the next 12 months.

Hold : The stock is expected to give return of between -10% and 10% over the next 12 months.

Sell : The stock is expected to give total return of < -10% 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