Stock Research Report

June 11, 2025

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PT Ajaib Sekuritas Asia

TAPG

PT Triputra Agro Persada Tbk.

Palm Strength Meets Payout Power

- **Strengthening palm oil demand and lower global production post-peak season are expected to lift prices, supporting revenue growth.**
- **Enhanced FFB yields and maturing replanting initiatives will drive steady volume growth and production efficiency.**
- **Consistent dividend payouts above 8% offer attractive returns and reflect solid cash generation.**
- **We initiate a BUY rating with TP of Rp 1,250 (7.7x P/E 2025F).**

Company Overview and Integrated Operations

PT Triputra Agro Persada Tbk (TAPG), established in 2005, is an integrated agribusiness company specializing in palm oil and rubber production. Operating across key regions in Indonesia (Jambi, Central Kalimantan, and East Kalimantan), TAPG manages a total of 23 palm oil estates covering around 128,200 hectares of mature planted areas, along with a 1,400-hectare rubber plantation. The company's downstream capabilities include 18 palm oil mills, a kernel crushing plant (KCP), a rubber processing facility producing ribbed smoked sheets (RSS), and a biogas-powered KCP unit. TAPG supplies its output to domestic refineries and palm kernel processors, with distribution channels reaching major industrial ports and cities such as Balikpapan, Tarjun, Gresik, Lampung, Batam, Bontang, Bitung, and Dumai.

Strong 1Q25 Performance Amid Seasonal Volatility

TAPG posted a strong 1Q25 with revenue of Rp2.6 trillion (+37.0% YoY; -23.6% QoQ), supported by stable domestic CPO sales of 150.9k tons (+4.0% YoY) and a higher ASP of Rp14,493/kg (+22.0% YoY), despite a slight drop from the previous quarter. PKO sales jumped to Rp108 billion (+345.0% YoY), driven by strong demand from the oleochemical sector and higher ASP of Rp24,581/kg (+102.0% YoY). CPO production rose to 231k tons (+8.0% YoY) on improved FFB yields of 5.7 tons/ha (+11.0% YoY), although the oil extraction rate edged down to 23.7%. Good weather in Central Kalimantan and a favorable plantation age profile supported operations. Lower fertilizer costs, helped by easing global biochemical prices after the Russia-Ukraine conflict de-escalation, boosted margins and lifted EBITDA to Rp891 billion (+88.4% YoY). Bottom line grew strongly, with net profit reaching Rp805 billion (+117.2% YoY; -46.4% QoQ), despite seasonal weakness.

Short-Term Price Risks Offset by Firm Demand

The Malaysian Palm Oil Council expects production to continue rising through September, adding short-term pressure on prices. India's palm oil imports surged to a six-month high in May, driven by recent cuts in import duties and attractive price spreads against soyoil and sunflower oil. This rebound in demand, coupled with lower inventories in India, supports expectations of sustained strong buying. Malaysian exports also remained robust, with May shipments estimated to grow by 13.2–17.9% MoM, based on cargo surveyor data. While prices remain weighed down by weakness in rival edible oils on the Chicago and Dalian exchanges, firm demand from key importers and slowing production post-peak season should help lift prices in 2H25. We project average CPO prices to reach MYR 4,300/ton in 2025F (+2% vs. 2024 average).

Valuation Backed by Dividends and CPO Tailwinds

We initiate our BUY rating on TAPG with a DCF-based target price of Rp1,250, implying a 2025F P/E of 7.7x. The stock remains attractive, supported by its consistent dividend profile with an average yield of over 8%. We see a positive outlook for CPO prices in 2H25, driven by the B40 biodiesel mandate, tightening global supply, and potential local shortages amid disruptions in the soybean market. **Key risk:** weaker-than-expected B40 rollout due to low oil prices and adverse policy developments.

Key Financial Highlights

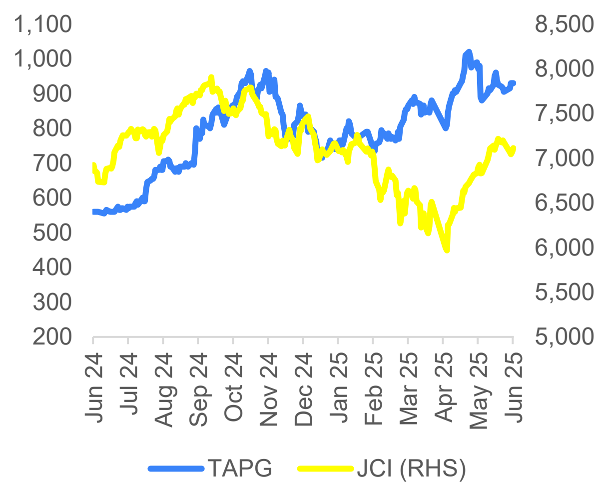
Key Metrics (Rp bn)	2023	2024	2025F	2026F	2027F
Revenue	8,326	9,671	10,306	10,630	10,873
EBITDA	3,573	1,954	3,445	3,700	3,827
Net Profit	1,608	3,120	3,195	3,331	3,449
ASP (Rp/kg)	7,697	9,540	9,715	9,828	9,851
OER (%)	23	23	23	23	23
P/E (x)	7.2	4.3	7.8	7.4	7.2
EPS Growth (%)	-46.1	94.0	2.4	4.3	3.6

BUY

Stock Information (as of June 10, 2025)

Last Price (Rp)	960
Target Price (Rp)	1,250
Upside/Downside	30.2%
Market Cap (Rp tn)	19.1
52 Week Range (Rp)	1,060 - 550
Free Float	17.7%
Share Out. (bn)	19.9

Relative to JCI Performance



Shareholders

TAPG's Shareholders	%
PT Persada Capital Investama	33.07
PT Triputra Investindo Arya	24.05
PT Daya Adicipta Mustika	19.94
Public	17.74
Theodore Permadi Rachmat	5.20

Company Description

TAPG's Company Profile

PT Triputra Agro Persada Tbk (TAPG) is an Indonesian company engaged in oil palm and rubber plantations, with operations across 23 palm oil and one rubber plantation. It manages 18 palm oil mills, one ribbed smoked sheet (RSS) facility, and offices in Jambi and Kalimantan, cultivating around 160,000 hectares of oil palm and 1,400 hectares of rubber. Its products include crude palm oil (CPO), palm kernel (PK), slab rubber, and RSS.

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INVESTMENT SUMMARY

Strategic Growth Through Smart Partnerships

To fuel its expansion, TAPG has actively grown its plantation footprint through joint ventures and selective acquisitions. These strategic investments contributed significantly—22.8% of pre-tax profit in 2024, aligning with a four-year average of 26.3%. Key investments include stakes in Union Sampoerna Triputra Persada (50.0%), Graha Cakramulia (1.0%), and several others. Notably, Union Sampoerna achieved a stellar 2021–2024 CAGR of 37.0%, and delivered a standout FY24 dividend payout ratio of 131.0%, the second-highest in the sector. Operationally, TAPG manages over 70k hectares of oil palm plantations across Central and West Kalimantan, supported by 6 estates and 4 processing mills.

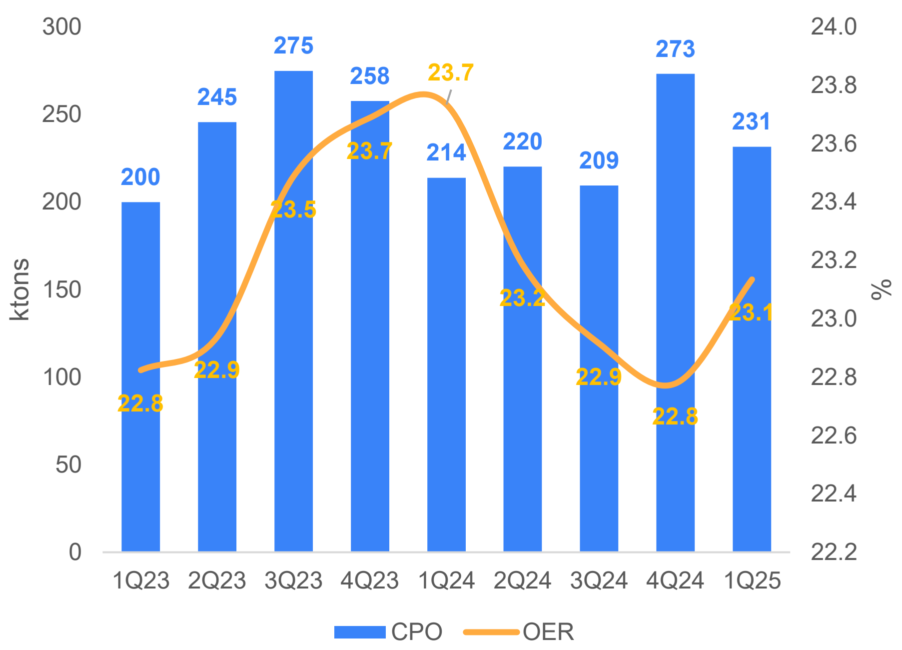
Operational Momentum Backed by Rising Yields

TAPG is positioned for operational resilience, underpinned by stronger plantation productivity and an improving crop age profile. FFB output is forecasted to climb from 3.42 million tons in 2025F to 3.47 million tons in 2026F, supported by yield improvements reaching 24 tons/ha as replanting initiatives mature. CPO production is projected at 956k tons, underpinned by steady oil extraction rates, while PK output is expected to reach 201k tons due to better fruit processing efficiency. In terms of pricing, CPO ASP is forecasted to rise to Rp9,828/kg in 2026F, up from Rp9,715/kg in 2025, supported by robust domestic market fundamentals. With national supply constrained by aging plantations and slow replanting (under 150k ha/year), TAPG's revenue is projected to increase to Rp10.6 trillion in 2026F (+3.1% YoY), driven by steady CPO and incremental gains from PK, PKO, and rubber.

Financial Strength with High Shareholder Returns

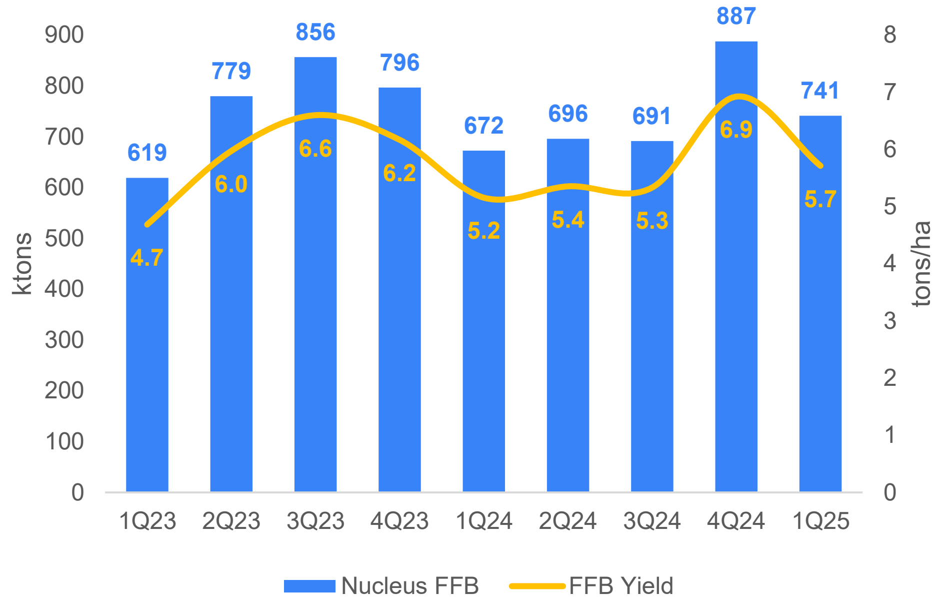
TAPG is expected to maintain strong financial momentum through 2025–26F, backed by volume growth and operational efficiency. 2025F revenue is estimated at Rp10.3 trillion (+7% YoY), supported by higher FFB and CPO output, while 2026F revenue is forecasted to remain stable at Rp10.6 trillion, driven by ASP resilience. Margins remain healthy, with GPM and EBITDA margin at 39.0% and 35.9%, respectively, reflecting effective cost controls. Net profit is set to rise to Rp3.33 trillion in 2026F (+4.3% YoY), with solid net margins at 31.3%. Return ratios remain impressive, with ROE at 24.1% and ROIC at 27.9% in 2026F, highlighting efficient capital deployment. Importantly, TAPG continues to reward shareholders, with a projected dividend of Rp84/share in 2026F, implying a strong 8.6% yield, underscoring its commitment to consistent and generous payouts.

Figure 1. Quarterly CPO Production & OER



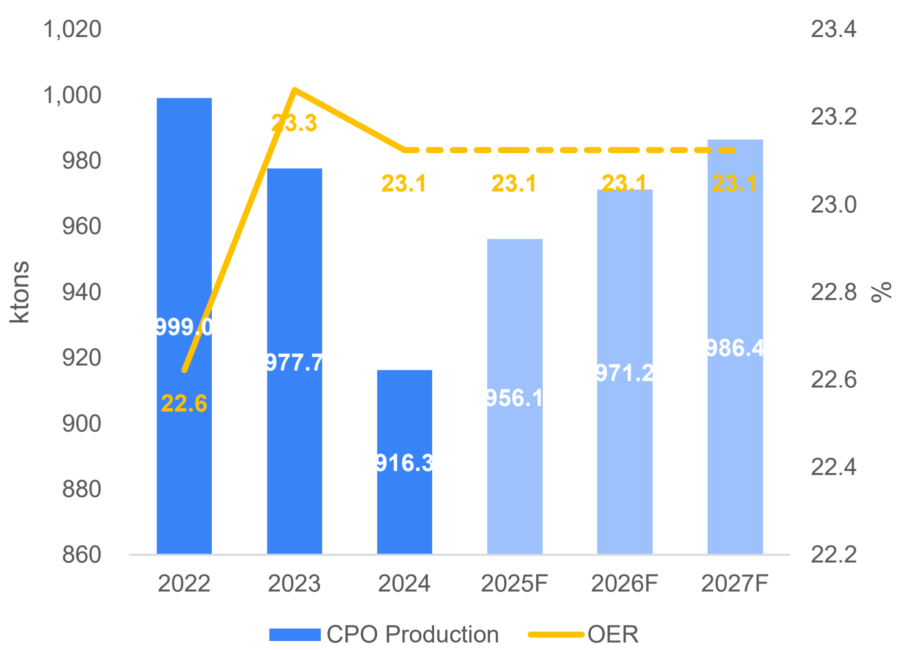
Source: Company, Ajaib Research

Figure 2. Quarterly Nucleus FFB & FFB Yield



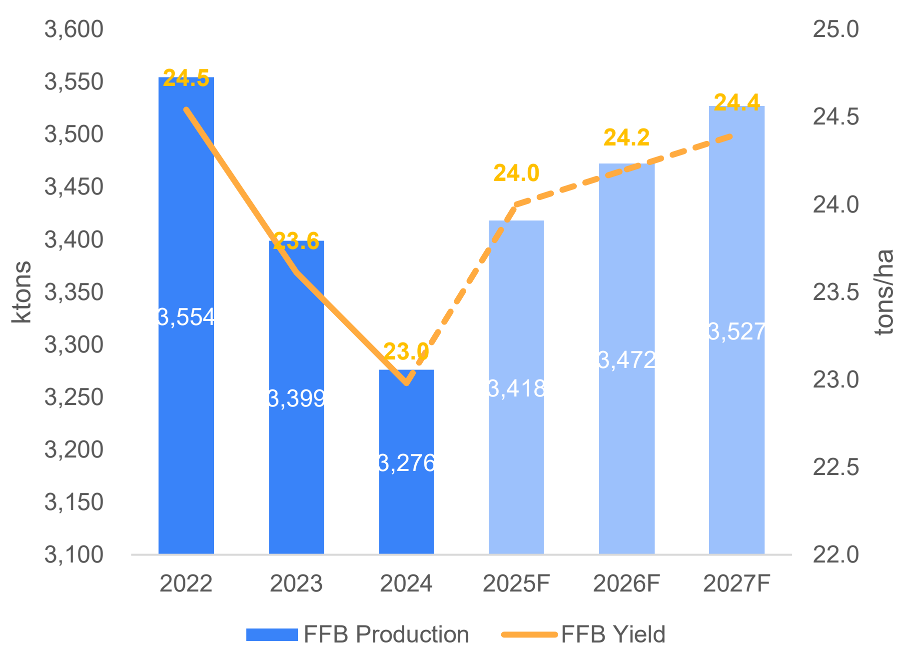
Source: Company, Ajaib Research

Figure 3. CPO Production & OER Projections



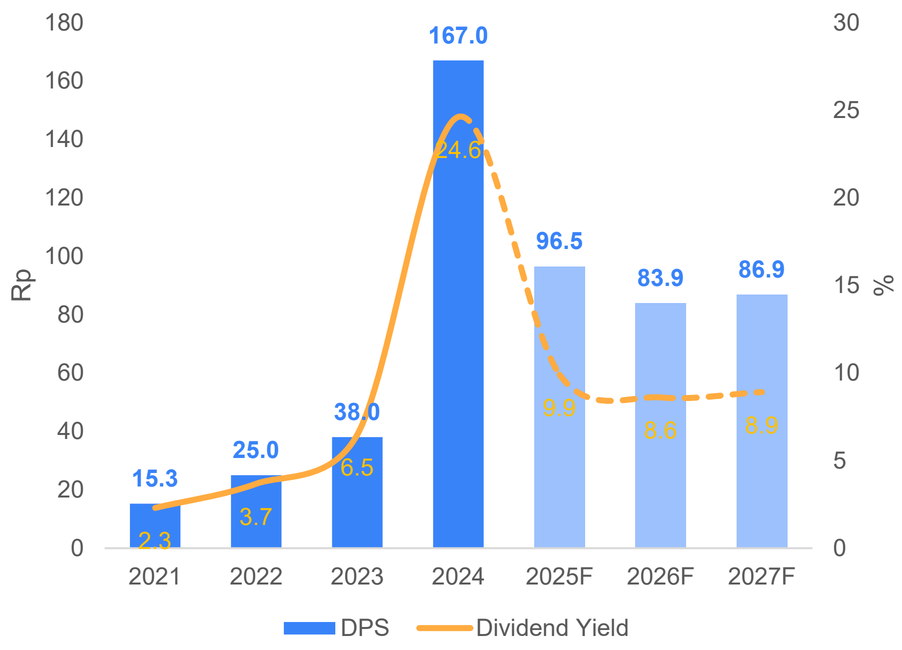
Source: Company, Ajaib Research

Figure 4. FFB Production & Yield Projections



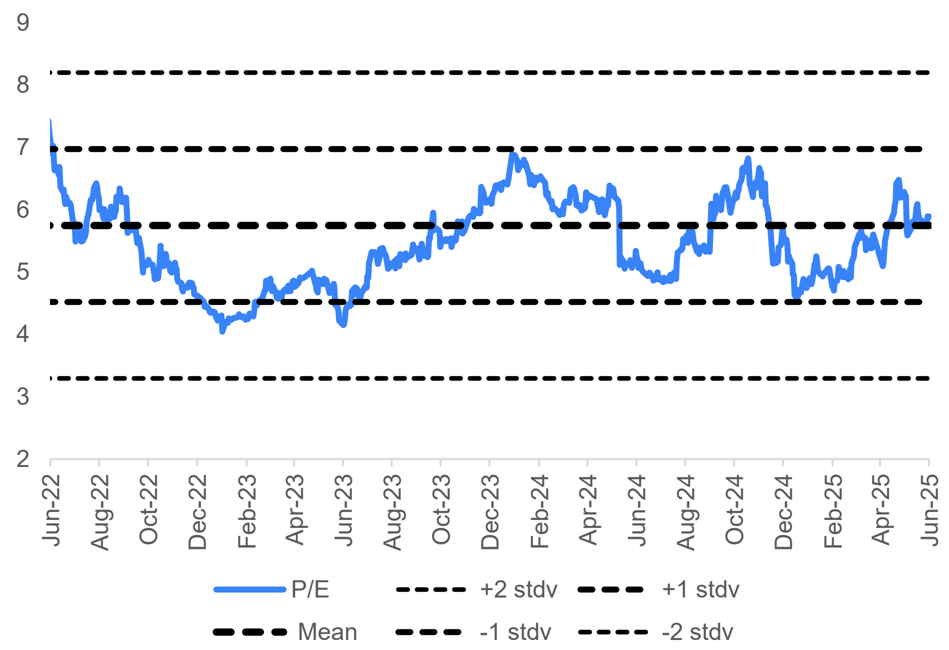
Source: Company, Ajaib Research

Figure 5. DPS & Dividend Yield Projections



Source: Company, Ajaib Research

Figure 6. TAPG's 5-Years Hostorical PE Band



Source: Bloomberg, Ajaib Research

Figure 7. TAPG's 1Q25 Results

Key Metrics (USD mn)	3M25	3M24	YoY	1Q25	4Q24	QoQ
Revenue	2,620	1,912	37.0%	2,620	3,429	-23.6%
Operating Profit	715	547	30.7%	715	1,413	-49.4%
Operating Margin	*27.3%*	*28.6%*		*27.3%*	*41.2%*	
Net Profit	805	596	35.1%	805	1,503	-46.4%
NPM	*30.7%*	*31.2%*		*30.7%*	*43.8%*	

Source: Company, Ajaib Research

Figure 8. Peers Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	EPS Growth (%)	Dividend Yield (%)
TAPG	18.46	5.8	1.6	3.4	28.2	10.3	10.7
AALI	11.36	10.2	0.5	2.9	4.7	-11.3	6.3
LSIP	8.49	6.0	0.6	0.3	11.0	0.9	6.5
DSNG	8.37	6.4	0.8	3.6	12.1	14.1	3.9
SSMS	13.34	9.7	4.4	8.0	40.1	30.6	2.8
Sector Average		**7.6**	**1.6**	**3.6**	**19.2**	**3.5**	**6.9**

Source: Bloomberg, Ajaib Research

Figure 9. DCF Valuation

Rp bn	2024	2025F	2026F	2027F	2028F	2029F	2030F
EBIT	2,829	3,080	3,183	3,258	3,337	3,390	3,446
Tax	-686	-705	-736	-764	-792	-815	-837
Capex	-522	-805	-831	-850	-871	-884	-898
Depreciation & Amort.	617	621	645	668	690	711	731
Change in working capital	55	-194	-46	2	-9	-10	-12
Unlevered FCF	**2,291**	**1,997**	**2,214**	**2,313**	**2,356**	**2,392**	**2,430**

NPV of FCFF Projected	8,536
Terminal Value (Perpetuity Gwt)	27,488
NPV of Terminal Value	16,065
Total Enterprise Value	**24,601**
(+) Cash	1,836
(-) Debt	1,228
Equity Value	**25,209**
Number of shares (bn)	19,853
DCF Target Price	**1,250**

Source: Bloomberg, Ajaib Research

Financial Statement (Rp bn)

Income Statement	2023	2024	2025F	2026F	2027F
Revenue	8,326	9,671	10,306	10,630	10,873
COGS	(6,109)	(5,949)	(6,282)	(6,474)	(6,621)
Gross Profit	**2,217**	**3,723**	**4,024**	**4,156**	**4,252**
Operating Expense	(875)	(894)	(944)	(973)	(994)
Operating Profit	**1,342**	**2,829**	**3,080**	**3,183**	**3,258**
EBITDA	3,573	1,954	3,445	3,700	3,827
Finance Income	78	64	83	117	154
Finance Costs	(153)	(75)	(80)	(73)	(54)
Others	674	1,110	948	986	1,016
Pretax Income	**1,941**	**3,927**	**4,031**	**4,213**	**4,374**
Income taxes	(280)	(686)	(705)	(736)	(764)
Minority Interest	(53)	(120)	(132)	(146)	(160)
Net Profit	**1,608**	**3,120**	**3,195**	**3,331**	**3,449**

Cash Flow Statement	2023	2024	2025F	2026F	2027F
Net Profit	1,608	3,120	3,195	3,331	3,449
D&A	612	617	621	645	668
Changes in WC	(139)	55	(194)	(46)	2
Operating Cash Flow	**2,081**	**3,792**	**3,622**	**3,929**	**4,119**
Capital Expenditure	(802)	(522)	(805)	(831)	(850)
Change in Other Assets	(385)	267	(554)	(551)	(561)
Investing Cash Flow	**(1,187)**	**(255)**	**(1,359)**	**(1,382)**	**(1,411)**
Change in Debt	(1,213)	(21)	128	(335)	(207)
Dividends	(754)	(3,315)	(1,917)	(1,666)	(1,725)
Other Financing	121	103	52	44	38
Financing Cash Flow	**(1,845)**	**(3,234)**	**(1,736)**	**(1,956)**	**(1,894)**
Net - Cash Flow	**(951)**	**302**	**526**	**591**	**814**
Cash at beginning	**1,958**	**1,007**	**1,309**	**1,836**	**2,427**
Cash at ending	**1,007**	**1,309**	**1,836**	**2,427**	**3,241**

Balance Sheet	2023	2024	2025F	2026F	2027F
Cash	1,007	1,309	1,836	2,427	3,241
Trade receivables	108	291	311	320	328
Inventories	1,020	1,035	1,205	1,242	1,270
Others	311	612	652	672	688
Total current assets	**2,446**	**3,247**	**4,003**	**4,661**	**5,526**
Fixed assets	7,483	7,388	7,572	7,759	7,942
Investments	3,215	2,945	3,451	3,978	4,520
Other Assets	724	728	775	800	818
Total Assets	**13,867**	**14,307**	**15,802**	**17,197**	**18,806**
Trade payables	568	669	653	644	674
ST Debt	920	770	1,066	893	686
Other ST Liabilities	470	924	975	1,005	1,028
Total Current Liabilities	**1,959**	**2,362**	**2,695**	**2,542**	**2,388**
LT Debt	201	330	162	0	0
Other LT liabilities	368	339	327	315	304
Total Liabilities	**2,528**	**3,031**	**3,183**	**2,858**	**2,692**
Minority Interest	446	469	493	518	545
Total Equity	**11,340**	**11,276**	**12,619**	**14,340**	**16,114**
Total Liabilities & Equity	**13,867**	**14,307**	**15,802**	**17,197**	**18,806**

Key Ratios	2023	2024	2025F	2026F	2027F
EBIT Margin (%)	16.1	29.2	29.9	29.9	30.0
EBITDA Margin (%)	42.9	20.2	33.4	34.8	35.2
Pre-Tax Margin (%)	23.3	40.6	39.1	39.6	40.2
Net Profit Margin (%)	19.3	32.3	31.0	31.3	31.7
Revenue Growth (%)	(10.9)	16.2	6.6	3.1	2.3
EBITDA Growth	(45.3)	76.3	7.4	3.4	2.6
ROAE (%)	14.8	28.9	26.3	24.1	22.2
ROAA (%)	11.6	21.8	20.2	19.4	18.3

Source: Company, Ajaib Research

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Rating for Sectors:
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

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 ≤ +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”

Analyst Certification:
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