PT Astra Agro Lestari Tbk (AALI)

Plantation Business

Expecting solid performance despite lingering headwinds 2H22

08 July 2022

Recommendations : BUY

Stock	
Price on 07/07/2022 (Rp)	9,400
12M target price (Rp)	12,300
Capital gain potential	31%

Stock Data	
Outstanding shares	1,924,688,333
Market cap (Rp)	18,092,070,330,200
Weight vs IHSG (%)	0.14

Shareholders	**(%)**
Astra Internasional Tbk	79.68%
Public	20.32%
Outstanding Shares (unit)	1,924,688,333

Price Performance	
52-week high/low	Rp13,400/Rp7,275

Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
(21.99)	(26.27)	(5.53)	24.09	(1.05)

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	24,322	26,278	26,534
Operating Income	3,430	3,880	4,101
OPM (%)	14.10%	14.77%	15.46%
EBITDA	4,712	5,184	4,890
EV to EBITDA (x)*	4.16	3.84	4.17
Net Income	1,971	2,249	2,380
NPM (%)	8.11%	8.56%	8.97%
EPS (Rp)	1,024	1,169	1,237
EPS Growth (%)	136.6%	14.1%	5.8%
Price Earnings (x)*	9.02	8.04	7.60
Price to Book (x)*	0.86	0.83	0.78
Price to Sales (x)*	0.73	0.69	0.68
Return on Equity (%)	9.56%	10.30%	10.29%
Return on Assets (%)	6.48%	6.99%	6.99%
Tot Debt/Equity (x)	0.28	0.27	0.27

**) based on market price (07/07/2022) at Rp9,400*
Sources :Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)
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Alfiansyah

Laba bersih tumbuh 197,6% YoY pada 1Q22 menjadi Rp483, 5 miliar
Larangan ekspor CPO akan berdampak terbatas pada performa AALI
Rekomendasi "BUY" dengan target harga Rp12.300 per saham

Kenaikan laba bersih AALI kendati margin menurun

Laba bersih AALI meningkat tajam 197,6% YoY pada 1Q22 menjadi Rp483,5 miliar. Perolehan laba bersih tersebut ditopang oleh tidak adanya kerugian kontrak komoditas pada 1Q22 dibandingkan kerugian yang dicatatkan pada 1Q21 sebesar Rp390,0 miliar. Adapun, pendapatan yang tumbuh 30,7% YoY pada 1Q22 menjadi Rp6,6 triliun. Akan tetapi, GPM turun dari 18,5% pada 1Q21 menjadi 15,1% pada 1Q22 ditengah kenaikan beban pokok 30,7% YoY ditengah kenaikan bahan baku. Kemudian, beban operasional tumbuh 14,2% YoY pada 1Q22 ditengah kenaikan beban umum dan administrasi karena kenaikan community development, keselamatan dan lingkungan kerja dan beban karyawan. Namun, margin operasional turun dari 13,1% pada 1Q21 menjadi 10,4% pada 1Q22. Kemudian, AALI mencatatkan kenaikan pendapatan keuangan 90,3% YoY pada 1Q22 menjadi Rp23,9 miliar. Dari segi neraca, net gearing mencapai 0,08x pada 1Q22.

Peningkatan ASP ditengah produksi yang ketat

Kenaikan penjualan AALI pada 1Q22 ditopang oleh kenaikan ASP CPO sebesar 52,7% YoY. Sedangkan, volume produksi CPO justru turun 18,7% YoY pada 1Q22 menjadi 351.000, sedangkan produksi tandan buah segar juga turun 23,1% YoY. Kemudian, produksi kernel juga turun 14,1% YoY pada 1Q22 menjadi 74.000 MT. Penurunan produksi ini seiring dengan adanya musim kemarau sejak tahun 2019. Namun, secara QoQ, produksi CPO AALI meningkat 18,2% demikian juga dengan TBS yang juga tumbuh 22,6% QoQ.

Performa diperkirakan tetap membaik, kendati ASP CPO turun pada 2H22

Kami memproyeksikan pendapatan AALI dapat tumbuh 8% YoY pada 2022 ditengah permintaan yang meningkat terutama dari domestic seiring dengan program diesel pemerintah, juga tingginya harga minyak global. Sehingga, kami memproyeksikan ASP CPO mencapai RM5.000 tahun ini. Akan tetapi, kami memproyeksikan harga CPO yang dapat terkoreksi pada 2H22 setelah pemerintah kembali membuka ekspor CPO, kenaikan produksi dan juga adanya potensi pelambatan permintaan dari Cina yang menerapkan kebijakan CPO yang dinamis juga adanya resiko resesi global akibat kenaikan suku bunga agresif terutama dari bank sentral global akibat inflasi. Adapun, India yang saat ini menjadi konsumen CPO juga berusaha untuk meningkatkan produksi minyak edible-nya sebagai respon dari kenaikan harga CPO sepanjang 1H22. Di sisi lain, pemerintah juga menerapkan pajak ekspor CPO jika tidak memenuhi DMO dengan USD488/ ton untuk CPO ditambah dengan pungutan maksimal USD200/ton untuk BPDPKS.

Pertahankan rekomendasi "BUY" karena fundamental yang kuat

Kami mempertahankan rekomendasi BUY saham AALI dengan target harga Rp12.300 per saham dengan mempertimbangkan: 1) valuasi yang atraktif dengan PE2022F pada 8,04x; 2) posisi yang kuat di pasar; 3) supply yang ketata disertai oleh pertumbuhan peningkatan mendorong ASP; dan 4) peningkatan harga komoditas minyak dan energy. Kami masih mencatat beberapa sentiment negative yakni 1) pembatasan Uni Eropa terhadap produk CPO; 2) pengetatan moneter yang dapat menurunkan pertumbuhan 3) potensi perubahan kebijakan biodiesel, DMO dan bea ekspor.

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1CQ2021	1CQ2022	YoY Change	4Q2021	1Q2022	QoQ Change
Net sales	**5,035**	**6,581**	*30.7%*	**6,308**	**6,581**	*4.3%*
Cost of Revenue	(4,103)	(5,587)	*36.2%*	(5,089)	(5,587)	*9.8%*
Gross Profit	**932**	**994**	*6.7%*	**1,219**	**994**	*(18.4%)*
Gross Margin (%)	***18.5%***	***15.1%***		***19.3%***	***15.1%***	
Operating Expenses	(274)	(313)	*14.2%*	(458)	(313)	*(31.6%)*
Operating Profit	**658**	**681**	*3.5%*	**761**	**681**	*(10.4%)*
Operating Margin (%)	***13.1%***	***10.3%***		***12.1%***	***10.3%***	
Non-Operating Income (Losses)	(303)	28	*(109.1%)*	(72)	28	*(138.5%)*
Pretax Income	**355**	**709**	*99.8%*	**689**	**709**	*2.9%*
Income Tax (Expense)/ Benefit	(173)	(203)	*17.6%*	(166)	(203)	*22.5%*
Profit for This Year	**182**	**506**	*177.5%*	**523**	**506**	*(3.4%)*
Net Profit (Losses)	**162**	**483**	*197.6%*	**502**	**483**	*(3.7%)*
Profit Margin (%)	***3.2%***	***7.3%***		***8.0%***	***7.4%***	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	**18,807**	**24,322**	**26,278**	**26,534**	**25,450**
Revenue growth yoy	*7.8%*	*29.3%*	*8.0%*	*1.0%*	*(4.1%)*
- Cost of Goods Sold	(15,844)	(19,492)	(20,638)	(21,025)	(19,983)
Gross Income	**2,963**	**4,830**	**5,641**	**5,508**	**5,466**
- Operating Expenses	(1,121)	(1,400)	(1,761)	(1,407)	(1,358)
Operating Income	**1,842**	**3,430**	**3,880**	**4,101**	**4,108**
Op income growth yoy	*91.8%*	*86.2%*	*13.1%*	*5.7%*	*0.2%*
- Non Operating Gains (Losses)	*(380)*	*(516)*	*(567)*	*(603)*	*(623)*
EBITDA	**3,179**	**4,712**	**5,184**	**4,890**	**4,799**
Pretax Income	**1,463**	**2,913**	**3,313**	**3,498**	**3,485**
- Income Tax Expense	(569)	(846)	(954)	(1,002)	(1,056)
Profit for This Year	**894**	**2,067**	**2,359**	**2,496**	**2,429**
- Minority Interests	(61)	(96)	(110)	(116)	(113)
Net Income	**833**	**1,971**	**2,249**	**2,380**	**2,316**
Net income growth yoy	*294.6%*	*136.6%*	*14.1%*	*5.8%*	*(2.7%)*
EPS (IDR)	**433**	**1,024**	**1,169**	**1,237**	**1,204**
Dividends Per Share (IDR)	**195**	**461**	**526**	**556**	**542**

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	**5,938**	**9,414**	**10,622**	**11,704**	**12,329**
+ Cash & Near Cash Items	979	3,896	4,131	3,912	2,753
+ Accounts & Notes Receivable	766	458	539	647	795
+ Inventories	2,424	3,315	3,899	4,681	5,753
+ Other Current Assets	1,769	1,745	2,053	2,464	3,028
Total Long-Term Assets	**21,843**	**20,986**	**21,566**	**22,341**	**23,639**
+ Property, Plant & Equip, Net	17,741	17,781	17,804	17,918	18,614
Property, Plant & Equip	28,662	29,915	30,840	31,672	33,017
Accumulated Depreciation	10,921	12,134	13,036	13,755	14,403
+ Long Term Investments	457	419	489	578	685
+ Other Long Term Assets	3,645	2,785	3,273	3,845	4,339
Total Assets	**27,781**	**30,400**	**32,188**	**34,045**	**35,968**
Total Current Liabilities	**1,793**	**5,960**	**6,171**	**6,378**	**6,604**
+ Payables & Accruals	1,158	1,735	1,839	1,945	2,053
+ Short Term Borrowings	0	3,564	3,652	3,742	3,834
+ Other Short Term Liabilities	635	661	680	691	718
Total Long Term Liabilities	**6,741**	**3,268**	**3,594**	**3,918**	**4,325**
+ Long Term Borrowings	5,624	2,132	2,300	2,482	2,678
+ Other Long Term Borrowings	1,117	1,136	1,294	1,437	1,648
Total Liabilities	**8,533**	**9,229**	**9,765**	**10,296**	**10,929**
+ Share Capital & APIC	4,841	4,841	4,841	4,841	4,841
+ Retained Earnings & Other Eq.	14,497	16,003	17,240	18,549	19,823
+ Other Equity	(586)	(225)	(243)	(261)	(279)
Total Shareholders Equity	18,752	20,619	21,839	23,129	24,386
+ Minority/Non Controlling Int.	495	552	585	619	653
Total Equity	**19,248**	**21,171**	**22,423**	**23,749**	**25,038**
Total Liabilities & Equity	**27,781**	**30,400**	**32,188**	**34,045**	**35,968**
Book Value Per Share (IDR)	**9,743**	**10,713**	**11,347**	**12,017**	**12,670**

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	833	1,971	2,249	2,380	2,316
+ Depreciation & Amortization	1,337	1,282	1,702	1,719	1,649
+ Other Non-Cash Adjustments	(268)	1,243	(340)	(344)	(1,154)
Cash From Operating Activities	**1,902**	**4,497**	**3,611**	**3,755**	**2,811**
+ Capital Expenditures	(999)	(1,229)	(2,304)	(2,326)	(2,231)
+ Other Investing Activities	0	43	(488)	(572)	(494)
Cash From Investing Activities	**(999)**	**(1,187)**	**(2,792)**	**(2,898)**	**(2,726)**
+ Dividends Paid	(175)	(491)	(1,012)	(1,071)	(1,042)
+ Change in long Term Borr.	(150)	0	368	82	(104)
+ Other Financing Activities	18	98	60	(87)	(98)
Cash From Financing Activities	**(307)**	**(393)**	**(584)**	**(1,077)**	**(1,244)**
Net Changes in Cash	**596**	**2,917**	**235**	**(220)**	**(1,159)**

Sources: Company, Bloomberg and KB Valbury Sekuritas

RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	26.98	9.02	8.04	7.60	7.81
EV to EBIT*	14.72	5.71	5.72	6.43	6.94
EV to EBITDA*	8.53	4.16	3.84	4.17	4.55
Price to Sales*	1.20	0.73	0.69	0.68	0.71
Price to Book*	1.20	0.86	0.83	0.78	0.74
Dividend Yield*	1.7%	5.0%	5.6%	5.9%	5.8%
Profitability Ratios					
Gross Margin	15.75%	19.86%	21.47%	20.76%	21.48%
EBITDA Margin	16.90%	19.37%	19.73%	18.43%	18.86%
Operating Margin	9.80%	14.10%	14.77%	15.46%	16.14%
Profit Margin	4.43%	8.11%	8.56%	8.97%	9.10%
Return on Assets	3.00%	6.48%	6.99%	6.99%	6.44%
Return on Equity	4.44%	9.56%	10.30%	10.29%	9.50%
Leverage & Coverage Ratios					
Current Ratio	3.31	1.58	1.72	1.84	1.87
Quick Ratio	1.96	1.02	1.09	1.10	1.00
Interest Coverage Ratio (EBIT/I)	4.69	9.17	8.48	7.27	6.98
Tot Debt/Capital	0.20	0.24	0.25	0.26	0.26
Tot Debt/Equity	0.30	0.28	0.27	0.27	0.27
Others					
Asset Turnover	0.68	0.80	0.82	0.78	0.71
Accounts Receivable Turnover	24.56	53.09	48.76	41.01	32.01
Accounts Payable Turnover	16.24	14.02	14.29	13.64	12.40
Inventory Turnover	7.76	7.34	6.74	5.67	4.42

**) based on market price (07/07/2022) at Rp9,400*

Sources: Company, Bloomberg and KB Valbury Sekuritas

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Plantation Business

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