Twin-Powered Growth

7 May 2026

TAPG IJ	BUY
Sector	Plantation
Price at 07 May 2026 (IDR)	1,970
Price target (IDR)	2,500
Upside/Downside (%)	26.9

Stock Information

Triputra Agro Persada (AMRT) is one of Indonesia's leading CPO players, with over 159k hectares of palm oil plantations across Sumatra & Kalimantan with average age of 14.6 years.

Market cap (IDR bn)	42,484
Shares outstanding (mn)	19,853
52-week range (IDR)	865 - 2300
3M average daily vol. ('000)	27,793
3M average daily val. (IDR mn)	48,765

Shareholders (%)

PT Persada Capital Investama	33.0
PT Triputra Investindo Arya	24.0
PT Daya Adicipta Mustika	19.9
Budiyanto Djoko Susanto	5.0
Public	17.8

Stock Performance

Source: Bloomberg

	1M	3M	12M
Performance (%)	9.4	30.9	101.0

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Triputra Agro Persada (TAPG) offers a twin-powered growth story, underpinned by solid production growth prospects from its prime-age estates and a supportive CPO pricing environment. Despite lower-than-expected 1Q26 results, we remain optimistic that TAPG will deliver stronger performance over the remainder of FY26F as the production cycle enters a seasonally higher phase and productivity improves. With a predominantly young plantation profile, secured fertilizer costs for FY26F, and clear capacity-driven growth from replanting and a new mill in East Kalimantan, TAPG is well positioned to grow volumes, while tighter Indonesian supply and the rollout of the B50 biodiesel mandate provide a firmer price floor for CPO. We initiate coverage on TAPG with a BUY rating and a DCF-based target price of IDR 2,500, implying 26.9% upside.

Prime is the norm

Established in Jan '05, Triputra Agro Persada (TAPG) is one of Indonesia's leading integrated plantation companies with operations spanning oil palm plantations, palm oil mills, a palm kernel oil mill, and supporting downstream facilities across Jambi, Central Kalimantan, and East Kalimantan. A domestic-focused player, TAPG manages around 160k ha of palm oil plantations, mainly comprised of prime-aged (7–20 years) plants (81.9%), bringing the average plant age to 14.6 years and making TAPG one of the younger large estates in the country. To support operations and maintain this favorable age profile, TAPG plans several operational initiatives in FY26F, including replanting about 3,500 ha of plantation land and constructing a new palm oil mill in East Kalimantan.

1Q26: Seasonality-driven slump

TAPG's 1Q26 results were softer on a YoY basis, though it mainly reflects a shift in production cycle rather than any major deterioration in operations. Revenue declined -5.0% YoY to IDR2.49 tn (20.3%/19.7% of our/consensus FY26F estimates), EBITDA fell -7.0% YoY to IDR1.07 tn (22.8%/19.8%), and net profit slipped -8.0% YoY to IDR767 bn (18.7%/17.4%) as lower FFB and CPO volumes weighed on sales, although OER actually improved by +1.0ppt YoY to 24.1% thanks to tighter harvest and mill control. Management indicated that production should skew more heavily to 2H26 as production cycle shift to the more positive direction, suggesting that the weak 1Q26 print is largely seasonality-related.

FY26F: Twin-powered earnings – volume and price

Looking into FY26F, TAPG's prospects remain attractive, anchored by its favorable plantation age profile and disciplined execution on costs. On the volume side, maturing blocks, stable yields, and operational optimization should lift FFB production to 3.67mn tonnes in FY26F (+7.3% YoY), with CPO production projected to rise to 996k tonnes (+4.6% YoY), while cost pressures remain manageable on the back of early fertilizer procurement and estate-level efficiencies. On the price side, Indonesia's move toward B50 and a higher probability of El Niño point to a tighter supply-demand balance and firmer CPO benchmarks, supporting ASPs. Together, these two engines are expected to drive FY26F revenue to IDR 12.2tn (+7.3% YoY), gross profit to IDR 4.9tn (+9.3% YoY; GPM 40.2%), and net profit to IDR 4.1tn (+11.2% YoY; NPM 33.6%).

BUY with TP of IDR 2,500

We initiate coverage on TAPG with a BUY rating and a DCF-based target price of IDR 2,500, implying 26.9% upside from the current share price. Our valuation is based on a WACC of 13.6% and a terminal growth rate of 2.0%. At current levels TAPG trades at 9.5x FY26F P/E, below the sector's average (11.9x), despite offering FY26F ROE of 33.3% and a solid dividend profile. While a strong El Niño in FY26F–27F may temporarily cap FFB growth, we expect the impact to be partly offset by firmer CPO prices and the rollout of Indonesia's B50 biodiesel mandate. In our view, this combination of prime-age estates driving volume growth and a supportive pricing environment sustaining high profitability underpins the "twin-powered growth" investment case for TAPG. Key risks include elevated input costs, El Niño-related weather disruption, and weaker-than-expected CPO prices.

Exhibit 1: Key Statistics

Year end Dec	2024A	2025A	2026A	2027F	2028F
Revenue (IDR bn)	9,671	11,402	12,239	12,731	13,929
EBITDA (IDR bn)	3,720	4,251	4,687	4,714	5,374
Net profit (IDR bn)	3,120	3,702	4,118	4,121	4,781
EPS (IDR)	157	186	207	208	240
EPS growth (%)	94	19	11	0	16
ROA (%)	21.8	25.2	25.7	24.78	26.5
ROE (%)	28.9	33.0	33.3	31.7	33.5
PER (x)	4.3	6.6	12.1	12.0	10.4
PBV (x)	1.2	2.2	4.0	3.8	3.5
EV/EBITDA (x)	3.6	5.9	10.8	10.8	9.6
Div Yield (%)	24.6	13.3	6.3	7.1	7.1

Source: Company, KBVS Research

Company Overview

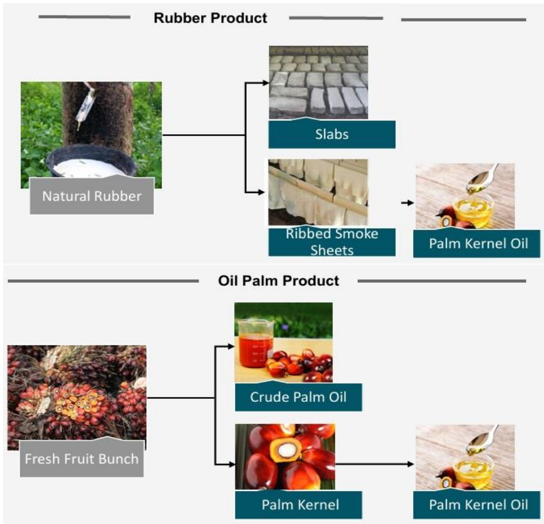
Established in Jan '05 under the name PT Alam Permata Indah and rebranded as PT Triputra Agro Persada in May '05, TAPG has grown into one of Indonesia's major integrated plantation groups with core businesses in oil palm and rubber. The company manages nucleus estates and smallholder partnership (plasma/scheme) plantations and processes fresh fruit bunches (FFB) into crude palm oil (CPO), palm kernel (PK), and palm kernel oil (PKO), as well as natural rubber slabs and ribbed smoked sheets (RSS). The bulk of TAPG's revenue and earnings is derived from CPO and palm kernel sales (both contributing 82.2% and 11.9% of the company's FY25F revenue), with rubber providing a smaller but complementary contribution, and sales predominantly directed to domestic refiners and downstream processors. TAPG listed its shares on the IDX on 12 Apr '21, unlocking access to capital markets to support expansion, operational upgrading, and its sustainability agenda.

As of 1Q26, TAPG operates 159,738 ha of planted oil palm area and 1,334 ha of rubber plantation across Jambi, Central Kalimantan, and East Kalimantan, supported by 18 palm oil mills with total installed capacity of around 1,000 tons per hour, one palm kernel oil mill in Jambi, and one kernel crushing plant in Central Kalimantan equipped with a biogas power plant. The company is also constructing an additional palm oil mill in East Kalimantan, which should further strengthen processing integration and support future production growth. To expand its operational capabilities further, TAPG is building another palm mill in East Kalimantan with capacity of ~30-45 tons/hour, which should further strengthen processing integration and support future production growth.

Exhibit 2. TAPG's Area of Operations

Source: Company, KBVS Research

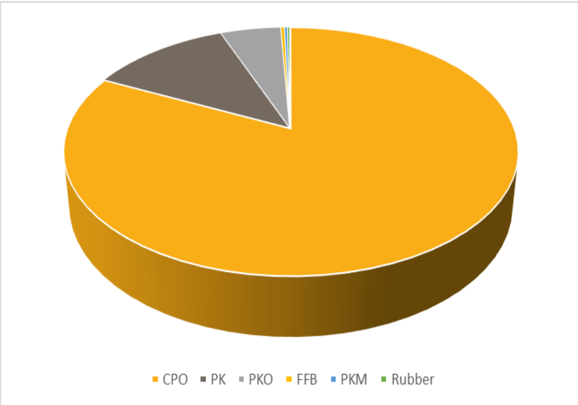
Exhibit 3. TAPG's Products



Source: Company, KBVS Research

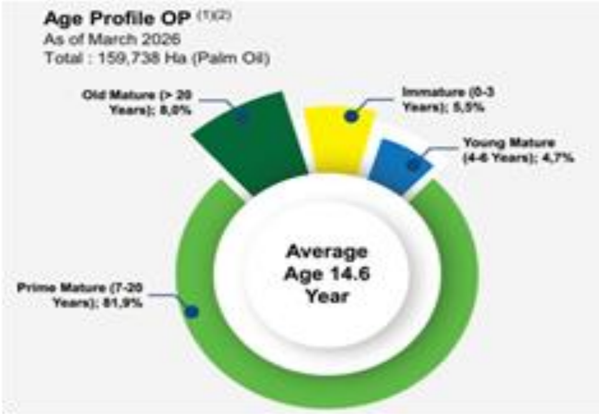
TAPG's plantation portfolio is characterized by a relatively mature but still prime age profile, which underpins yield stability and production resilience. the average plant age maturing to 14.6 years as of 1Q26. While the average age is higher compared to end-25F (13.9 years), the composition of the company's plants remains to be dominated by prime, mature plants (7-20 years) at 81.9%. This age structure supports robust FFB productivity and cost competitiveness. To preserve this productivity profile, TAPG plans to replant around 3,500 ha in FY26F, reflecting disciplined estate management and a long-term approach to sustaining yield quality.

Exhibit 4. TAPG's Revenue Breakdown (FY25F)



Source: Company, KBVS Research

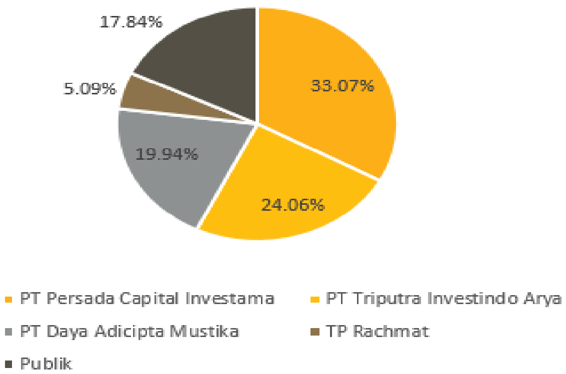
Exhibit 5. TAPG's Plantation Profile



Source: Company, KBVS Research

The company's controlling and major shareholders include PT Persada Capital Investama (33.07%), PT Triputra Investindo Arya (24.06%), PT Daya Adicipta Mustika (19.94%), TP Rachmat (5.07%) and public investors holding 17.84%. In running its business, the company is led by

Exhibit 6: TAPG's Shareholder Structure



Source: Company, KBVS Research

TAPG integrates Good Corporate Governance (GCG) across its policies, strategies, and operational activities. The Board comprises seven commissioners (three independent) and three directors with deep plantation sector and capital markets experience. Following the Aug '25 EGMS, the updated governance structure is led by President Commissioner Arif Rachmat and President Director George Oetomo, collectively bringing extensive experience in plantations, operations, and corporate strategy to steer TAPG's growth ahead.

Exhibit 7. Board of Commissionars and Directors

Board of Commissioners

		Position	About
Arif Rachmat		President Commissioner	Arif holds a Bachelor of Science and a Master of Engineering in Operations Research and Industrial Engineering from Cornell University, New York (1997 and 1998). A co-founder of TAPG, he previously worked for the General Electric Company in the US, where he earned a Six Sigma Black Belt and the Operation Management Leadership Award. He holds various concurrent positions, including commissioner roles at PT Essa Industries Indonesia Tbk, PT Kirana Megatara Tbk, and PT Dharma Satya Nusantara Tbk
Toddy M Sugoto		Vice President Commissioner	Toddy graduated with a Bachelor of Science in Mechanical Engineering from Worcester Polytechnic Institute, USA, in 1999. His career includes roles as a Foreign Exchange Dealer at Solectron Massachusetts Corp, PT Bank Niaga Tbk, and JP Morgan Chase, as well as working at United Technology Corporation-Pratt and Whitney. At TAPG, he served as a Director (2005-2008) and a Commissioner (2008-2025) before being appointed to his current position.
Arini S. Subianto		Commissioner	Arini obtained a Bachelor of Fine Arts from Parsons School of Design, New York (1994) and an MBA from Fordham University, New York (1998). She serves as the President Director of PT Persada Capital Investama, PT Tri Nur Cakrawala, and PT Pandu Alam Persada. Additionally, she holds commissioner positions at PT Alamtri Resources Indonesia Tbk (formerly Adaro Energy) and PT Dharma Satya Nusantara Tbk, and has been a TAPG Commissioner since 2017.
Danny Rachmat		Commissioner	Danny earned an MBA from New York University, USA, in 1991. He has held significant leadership roles, including Director and President Commissioner of PT Bina Busana Internusa and President Commissioner across various PT Daya Adicipta subsidiaries, such as Medika and Mustika. He has served as a Commissioner for TAPG since 2010.
Tjandra K. Hermanto		Commissioner	Tjandra earned a Bachelor's Degree in Mechanical Engineering from the Indonesian Institute of Technology in 1996. He spent over a decade at PT Tri Dharma Wisesa in various management roles before joining TAPG, where he held strategic positions such as Managing Director of Upstream. He notably served as the President Director of TAPG from 2018 to 2025.
Drs. Aridono Sukmanto		Independent Commissioner	Aridono is a highly decorated former official of the Indonesian National Police, having served as Police Chief of Central Sulawesi, Chief of the Criminal Investigation Agency (Kabareskrim), and Deputy Chief of the Indonesian National Police (Wakapolri). He graduated from the Indonesian Police Science College (1995), the Law Academy of Indonesia (1999), and the Staff and Top Management College (2010).

Ir. Maruli Gultom 	Independent Commissioner	Ir. Maruli Gultom (Independent Commissioner) obtained a Bachelor of Mechanical Engineering from the Christian University of Indonesia in 1970. He has extensive experience within the Astra Group, most notably serving as the President Director of PT Astra Agro Lestari Tbk (2000-2007). His distinguished career also includes serving as the Rector of the Christian University of Indonesia from 2008 to 2012 and President Commissioner of PTPN V.
Stanley Setia Atmadja 	Independent Commissioner	Stanley Setia Atmadja (Independent Commissioner) graduated with a Bachelor of Economics from Trisakti University (1982) and an MBA from La Verne University, California (1984). He is well-known for his tenure as the CEO of Adira Group from 1991 to 2012. He currently serves as the CEO of Asco Automotive and Chairman of the Four Seasons Hotel Jakarta (PT Rajawali Greenland Utama).

Source: Company, KBVS Research

Board of Directors

	Position	About
George Oetomo 	President Director	George holds a Bachelor of Engineering (1994) and an MBA in Finance and Management Information Systems (1996) from Rensselaer Polytechnic Institute, USA. He previously held management roles at BDNI Securities and Asia Pulp & Paper Co. Ltd. before joining TAPG in 2007. At TAPG, he served in various leadership roles, including CEO for multiple regions and Director (2020-2025), before becoming President Director.
Budiarto Abadi 	Vice President Director	Budiarto Abadi (Vice President Director) graduated with a Bachelor's Degree in Mechanical Engineering from Tarumanagara University (1993) and a Master of Management from Padjadjaran University (2003). His career includes serving as a General Manager at Indomobil Group and a Director at PT Sarana Raharja Makmur. Since joining TAPG in 2007, he has held positions such as CEO of the East Kalimantan region and served as a Director from 2020 to 2025.
Erida 	Director	Erida earned a Bachelor's Degree in Economics (Accounting) from Trisakti University in 1990. Her professional background includes working as an Internal Auditor at PT Inti Salim Corporation and serving as the Finance Director at PT Adira Dinamika Multi Finance Tbk. She has been a Director of TAPG since 2012 and holds concurrent board positions within Triputra Group subsidiaries, including President Commissioner of PT Adi Sarana Armada Tbk.

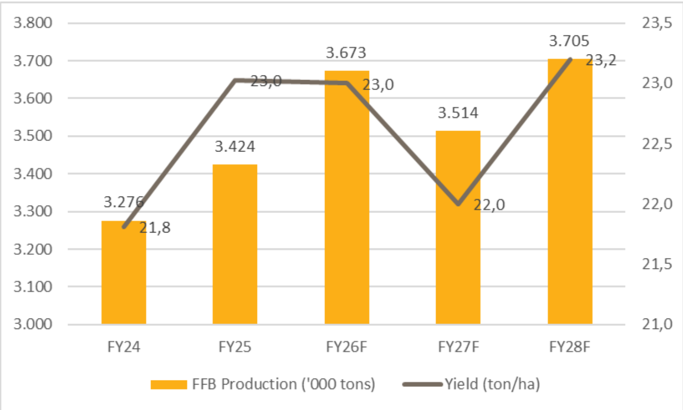
Source: Company, KBVS Research

Operational Overview

TAPG delivered solid operational performance in FY25, underpinned by its predominantly prime-age estates and disciplined execution across estates and mills. The company's plantations in Jambi, Central Kalimantan, and East Kalimantan remain dominated by mature, high-yielding oil palm trees, enabling TAPG to sustain healthy productivity while gradually scaling up volumes. In FY25, fresh fruit bunch (FFB) production reached 3,424k tonnes (+4.5% YoY), translating into a blended (nucleus and plasma) FFB yield of around 23.0 tonnes/ha, driven by a rising contribution from prime-age plantings and favourable weather conditions. Stronger FFB performance flowed through to mills, with CPO production increasing to 952k tonnes (+4.0% YoY), implying an oil extraction rate (OER) of 23.3%, while palm kernel (PK) output grew to 202k tonnes (+4.6% YoY) with a kernel extraction rate (KER) of 4.9%, supporting a competitive cost structure and resilient margins.

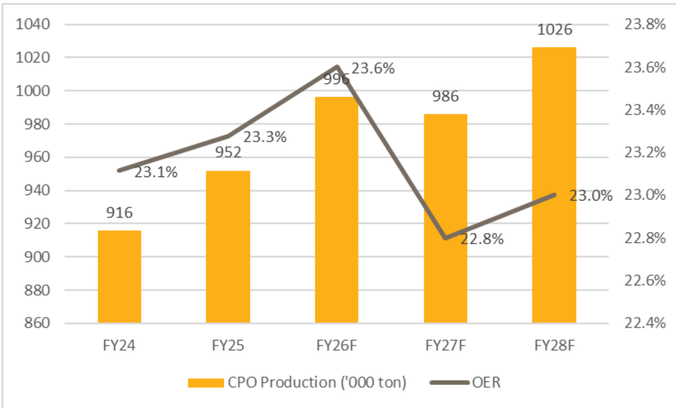
Looking ahead, TAPG's operational outlook will be shaped by both estate fundamentals and weather-related dynamics, with CPO and PK remaining the company's main revenue and profit drivers. In FY26F, FFB production is projected to rise to 3,673k tonnes (+7.3% YoY), underpinned by stable yields as the benefits of prior replanting and maturing prime-age blocks increasingly materialise. In line with this, CPO and PK production in FY26F is expected to reach 996k tonnes (+4.6% YoY) and 207k tonnes (+2.9% YoY), respectively, reflecting better fruit quality, higher mill utilisation, and ongoing process optimisation, which should help contain unit cash costs. In FY27F, a modest pullback in FFB volumes to around 3,593k tonnes (-2.2% YoY) is anticipated, primarily due to the lagged impact of a strong El Niño in FY26F that could prolong the dry season and weigh on yields, before a recovery in FY28F production to 3,705k tonnes (+5.5% YoY) as weather conditions normalise. A similar pattern is projected for CPO and PK output, with production easing to about 986k tonnes (-1.0% YoY) and 208k tonnes (+0.7% YoY) in FY27F, then rebounding in FY28F to 1,026k tonnes (+4.1% YoY) and 219k tonnes (+4.9% YoY), respectively, providing a gradually rising volume base to support medium-term earnings.

Exhibit 8. FFB Production & Yield (FY24–FY28F)



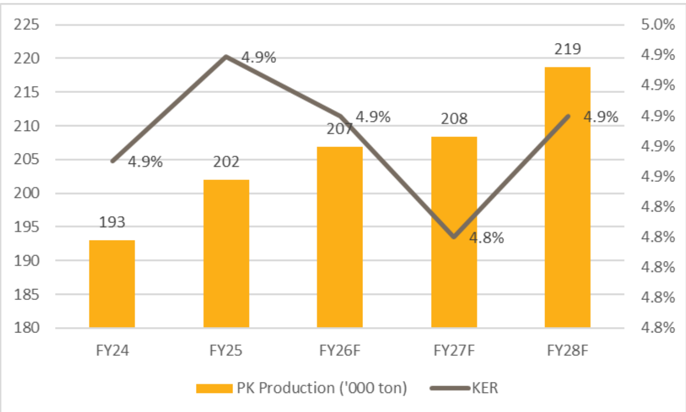
Source: Company, KBVS Research

Exhibit 9. CPO Production & OER (FY24–FY28F)



Source: Company, KBVS Research

Exhibit 10. PK Production & KER (FY24–FY28F)



Source: Company, KBVS Research

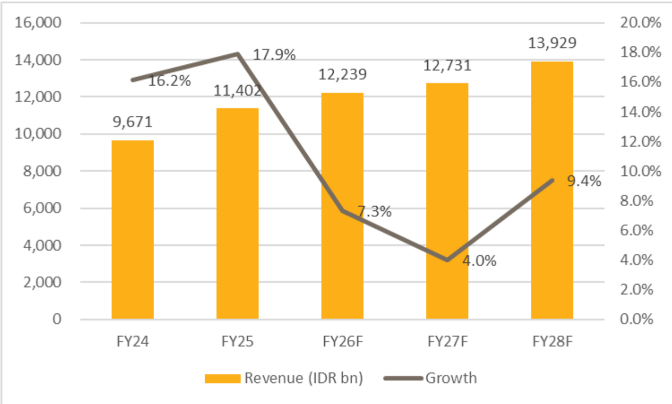
Financial Overview

TAPG delivered strong earnings momentum in FY25, with revenue rising to IDR 11.4tn (+17.9% YoY), driven primarily by higher CPO sales volumes and an increase in CPO ASP to around IDR 14,220/kg from IDR 13,156/kg in FY24. CPO remained the dominant earnings engine, contributing roughly 82% of FY25 revenue, supported by tightening global palm oil balances and Indonesia's B40 program, while total cost of revenue increased to IDR 6.9tn (+16.1% YoY) on higher external FFB procurement and raw material costs. External FFB purchases (plasma and third party) were the single largest cost item at IDR 2,993bn (43% of COGS, +20.5% YoY), whereas fertilizer costs moderated to IDR 754bn (4.2% YoY); together, this cost profile still allowed gross profit to climb to IDR 4.5tn (+20.8% YoY), lifting the gross margin to 39.5% from 38.5% in FY24. Operating profit reached IDR 3.54tn (31.1% margin), EBITDA increased to IDR 4.25tn (+14.3% YoY) with a 37.3% margin (vs 38.1% in FY24), and net profit rose to IDR 3.70tn (+18.7% YoY), translating into a 32.5% net margin.

Looking ahead, revenue is projected to grow to IDR 12.2tn in FY26F (+7.3% YoY), underpinned by higher CPO production and ASP in a supportive pricing environment driven by tighter supply (including the impact of a 'Godzilla' El Niño) and the partial implementation of the B50 program in Indonesia, before further rising to IDR 12.7tn in FY27F (+4.0% YoY) and IDR 13.9tn in FY28F (+9.4% YoY) as B50 is fully rolled out and domestic CPO balances tighten. COGS is expected to increase to IDR 7.3tn in FY26F (+6% YoY), with fertiliser costs rising modestly to around IDR 792bn (+5% YoY) following early procurement, and total selling and G&A expenses projected at about IDR 851bn, mainly on higher transportation and freight costs; in FY27F and FY28F, COGS is forecast to reach roughly IDR 7.8tn (+6.8% YoY) and IDR8.3 tn (+6.9% YoY), partly reflecting lagged fertiliser price effects, though the overall cost structure should remain manageable relative to revenue growth. On the topic of profitability, operating profit is forecast to reach IDR3.93 tn in FY26F (+11.1% YoY), IDR 3.92tn in FY27F (-0.4%), and IDR4.5 tn in FY28F (+15.7%), with operating margin at 30-32% range. EBITDA is expected at IDR4.69 tn in FY26F (+10.2% YoY), IDR4.71tn in FY27F (+0.6% YoY) and IDR5.37 tn (+14% YoY), with margins reaching 37-38% range. On the bottom line, net profit is projected to increase to IDR4.11 tn (+11.2% YoY) in FY26F, IDR4.12 tn (+0.1% YoY) in FY27F, and IDR4.78 tn (+16.0% YoY), sustaining net margins in the 32-34% range.

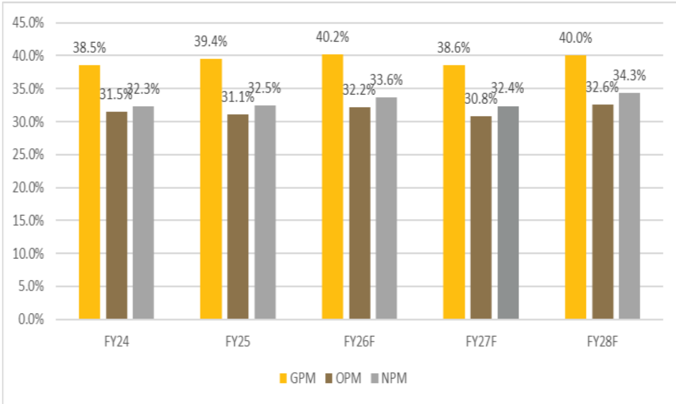
Beyond the income statement, TAPG's balance sheet and cash generation remain clear strengths. Cash and cash equivalents stood at IDR 1.65tn in FY25 and are projected to increase to IDR 2.08tn in FY26F, IDR 2.20tn in FY27F, and IDR 2.79tn in FY28F, supported by operating cash flow of IDR 3.85tn in FY25 and forecast OCF of IDR 4.34tn, IDR 4.61tn, and IDR 5.19tn in FY26F-28F, comfortably covering the FY26F capex budget (IDR 923.4bn) and ongoing investment thereafter. Leverage is very conservative, with DER at 0.09x in FY25 and expected to decline to 0.07x, 0.06x, and 0.04x in FY26F-28F as net cash builds, while liquidity remains ample, with the current ratio projected to improve from 2.13x in FY25 to 2.41x, 2.50x, and 2.73x and the cash ratio from 1.25x to 1.38x, 1.42x, and 1.45x over the same period. Interest coverage is exceptionally strong, with ICR estimated to rise from 81.1x in FY25 to 99.4x, 115.7x, and 159.4x in FY26F-28F, underpinning TAPG's capacity to fund growth capex while maintaining a generous shareholder-return profile with DPS projected at IDR 159-176 in FY26F-28F.

Exhibit 11. Revenue Growth FY24-FY28F



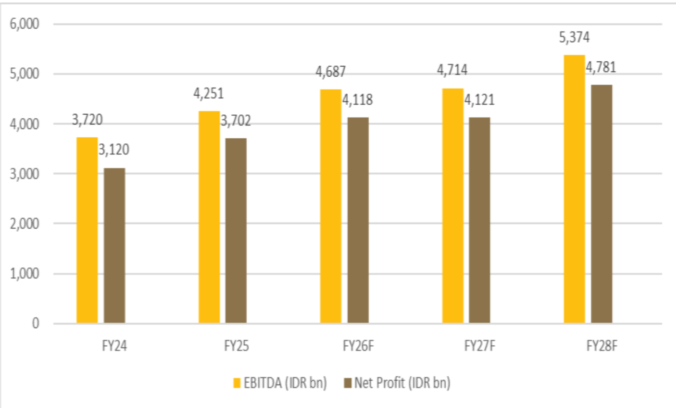
Source: Company, KBVS Research

Exhibit 12. Profitability Margins



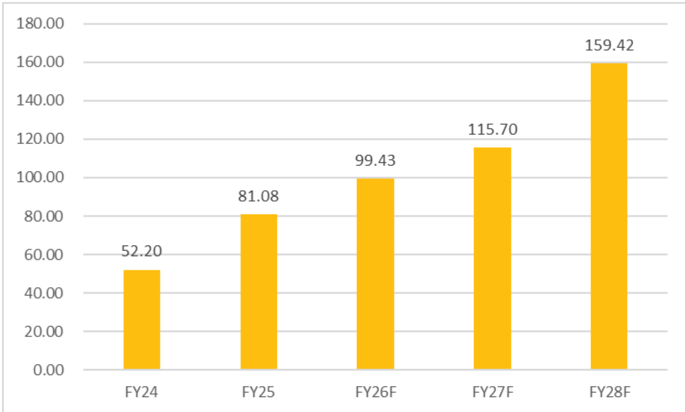
Source: Company, KBVS Research

Exhibit 13. EBITDA & Net Profit FY24-FY28F



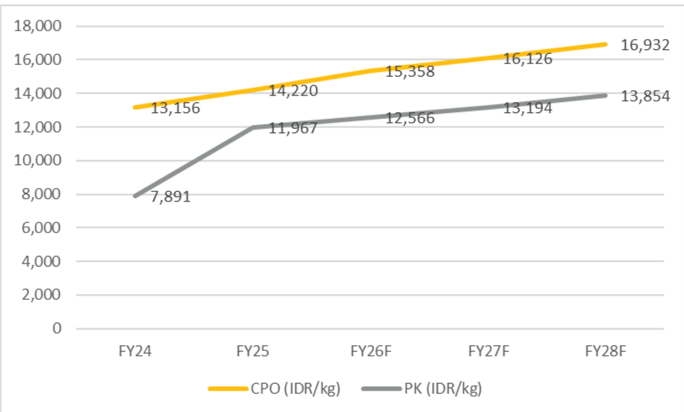
Source: Company, KBVS Research

Exhibit 14. Interest coverage ratio FY24-FY28F



Source: Company, KBVS Research

Exhibit 15. TAPG's CPO and PK ASP (FY24-FY28F)



Source: Company, KBVS Research

Industry Overview

Indonesia's palm oil industry is entering a phase of structurally tighter balances, where strong domestic biofuel demand and stricter governance constraints on land offset weather and policy volatility. This backdrop is broadly supportive for CPO pricing but raises the bar on compliance and operational resilience.

Production recovery versus governance risks. Indonesia remains the world's dominant CPO supplier, accounting for roughly two-thirds of global output. After a weaker 2024, national CPO production recovered in 2025 to around 51.7mn tonnes, with total CPO+PKO output reaching about 56.6mn tonnes (+7.2% YoY), establishing a higher normalized base. At the same time, land-governance risks have risen: the government's Satgas PKH initiative seized roughly 4mn hectares of plantation land in FY25 deemed non-compliant with forest licensing rules, and President Prabowo has signalled that a further ~5mn hectares could be reviewed in FY26F, heightening the risk of operational disruption and slower replanting in affected areas. Against this, the administration has also articulated an expansionary stance, backing a plan to open around 600k hectares of new oil palm plantations over the next four years to counter stagnating output and support food and energy security, with much of the new area likely in outer islands and oriented toward biodiesel and potentially aviation fuel. This creates a dual-track dynamic: governance enforcement and climate risk constrain near-term supply growth and raise compliance costs, but policy still treats palm oil as a strategic crop, with future expansion likely more gradual and scrutinized than in past up-cycles, favouring better-capitalised, compliant operators.

Biofuel mandates tighten the balance. Indonesia's mandatory biodiesel programme has structurally reshaped domestic demand, now absorbing roughly one-third of national CPO output. The current B40 programme channels around 15.6mn kilolitres of FAME, equivalent to roughly 14mn tonnes of CPO, into the transport pool. The planned B50 launch in July 2026 is expected to further tighten exportable supply and provide a structural price floor for global CPO, although policymakers have also floated an interim B45 blend if infrastructure or funding constraints delay a full B50 rollout, implying some timing risk around the demand uplift. This domestic tightening is reinforced by global policy: higher biofuel mandates in markets such as Brazil (B15, targeting B20 by 2030) and continued expansion of renewable diesel capacity in the US are structurally lifting baseload demand for vegetable oils, limiting substitution when CPO prices rally.

Geopolitical shocks and energy linkages drive prices higher. CPO prices have been volatile but generally well supported since late 2025, reflecting constrained supply, rising biofuel demand, and energy-market shocks. The escalation of US–Iran tensions and associated risks in the Strait of Hormuz have injected a risk premium into crude oil, increasing the attractiveness of biofuels and feedstocks such as CPO. In Indonesia, the Ministry of Trade set the April 2026 CPO reference price at around USD 990/ton, up 5–6% from March, while international benchmarks such as Rotterdam CIF have been trading in a higher USD 1,050–1,250/ton range. Structurally, biofuel policy and governance are the key long-term drivers of the balance, while geopolitics and weather act as cyclical amplifiers that can temporarily push prices above or below fundamental levels.

El Niño risk and production volatility. BMKG, Indonesia's meteorological agency, projects a higher-than-normal probability (around 50–60%) of El Niño conditions developing in the second half of 2026, implying a longer, drier dry season than in 2025 and below-normal rainfall across much of the archipelago. This setup presents downside risk to Indonesia's FFB and CPO production: GAPKI has warned that El Niño-related dryness, combined with fertiliser prices that are estimated to be around 30% higher due to Middle East tensions, could reduce FY26F CPO output by 1–2mn tonnes versus FY25, with smallholders most exposed as they may cut or delay fertiliser application. Importantly, oil palm trees respond to water stress with a lag, so lower rainfall in FY26F can depress bunch formation and harvest volumes into FY27F, meaning supply tightness can persist even if weather normalises. Prolonged dry conditions also raise operational and environmental risks, including declining soil moisture, suppressed bunch formation, and an elevated probability of peatland and plantation fires, especially in regions with weaker water-management and fire-prevention systems.

Valuation

We initiate coverage on TAPG with a BUY rating and a 5-year DCF-based TP of IDR2,500, implying 26.9% upside from the current share price of IDR 1,970. The DCF assumes a WACC of 13.6% and a terminal growth rate of 2.0%. At the current price, TAPG trades at about 9.5x FY26F PE and 8.2x EV/EBITDA, a modest discount to the Indonesian plantation sector averages of 11.9x and 9.4x, despite offering FY26F ROE of 33.3% versus the sector's 24.7% and a substantially stronger balance sheet. Our DCF-derived TP implies 12.5x FY26F PE and 10.4x EV/EBITDA, still broadly in line with the sector on EV/EBITDA and only a small premium on PER, which we view as justified given TAPG's higher ROE, superior margin profile, and net-cash position. We also note that TAPG's dividend payout ratio has averaged the mid-80% range over the past four years and is projected to remain around 85% in FY26F-27F, supporting an attractive prospective dividend yield of 6-7% while still funding replanting and mill expansion from internal cash flow.While a strong El Niño in FY26F-27F may temporarily cap FFB growth, we expect the impact to be partly offset by firmer CPO prices and the roll-out of Indonesia's B50 biodiesel mandate. Key risks to our call include higher-than-expected input costs, more prolonged or severe El Niño episodes, and declining CPO prices.

Exhibit 16. DCF Valuation Summary

Assumptions	
Risk Free Rate	6.70%
Equity Risk Premium	15.00%
Beta (x)	0.5
Cost of Equity	14.20%
Cost of Debt	5.30%
Terminal Growth	2.00%
WACC	13.60%

DCF SUMMARY	FY26F	FY27F	FY28	FY29F	FY30F	FY31F	Terminal Value
EBIT	5,113	5,091	5,892	6,634	7,176	7,920	
Add (+) Depreciation	570	597	622	653	688	725	
Less (-) Tax	(906)	(906)	(1,052)	(1,189)	(1,290)	(1,426)	
Less (-) Capex	(776)	(810)	(813)	(926)	(1,003)	(1,080)	
Change in WC	(266)	(61)	(101)	(129)	(110)	(143)	
FCFF	3,735	3,909	4,549	5,044	5,461	5,996	52,950
PV	3,735	3,443	3,528	3,445	3,285	3,176	28,049

EV	48,661
(+) Cash	2,082
(-) Debt	(894)
(-) MI	(610)
Equity Value	49,238
Shares (bn)	19.85
Target Price	2,500

Exhibit 17. Peer Comparables

Indonesia	Market cap (IDR tn)	P/E		P/BV		EV/EBITDA		ROE		Dividend Yield	
		26F	27F	26F	27F	26F	27F	26F	27F	26F	27F
TAPG	40.5	12.1	12.0	4.0	3.8	10.8	10.8	33.2	31.7	6.3	7.1
LSIP*	10.9	5.9	5.9	0.7	0.6	1.5	1.5	11.9	11.4	2.7	2.7
AALI*	16.3	9.6	9.4	0.7	0.6	3.4	3.5	6.6	6.4	4.5	4.5
NSSS*	18.8	19.9	16.9	n/a	n/a	14.0	12.3	37.6	33.6	n/a	n/a
DSNG*	18.4	8.7	7.7	1.4	1.2	14.0	12.3	16.4	15.8	2.3	2.9
SSMS*	13.4	8.2	6.3	2.4	1.6	6.4	5.9	25.0	32.3	n/a	n/a
Sector (ID)	**118.3**	**11.4**	**10.5**	**2.0**	**1.8**	**9.4**	**8.9**	**24.7**	**24.2**	**3.4**	**3.8**

Source: Bloomberg, KBVS Research (*: Bloomberg estimates)

Exhibit 18: Profit & loss summary

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	9,671	11,402	12,239	12,731	13,929
COGS	5,949	6,905	7,320	7,809	8,357
Gross profit	3,723	4,498	4,919	4,922	5,572
Operating expenses	678	954	982	993	1,035
Operating profit	3,045	3,543	3,937	3,929	4,537
EBITDA	3,720	4,251	4,687	4,718	5,374
Pre-tax profit	3,927	4,661	5,183	5,200	6,017
Net profit	3,120	3,702	4,118	4,132	4,781
EPS	157	186	207	208	240
EPS growth	94%	19%	11%	0%	16%

Source: Company, KBVS Research

Exhibit 19: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent	1,309	1,651	2,082	2,197	2,794
Accounts receivables	291	167	238	248	271
Inventories	1,035	1,092	1,386	1,442	1,578
Others	612	1,071	1,150	1,196	1,308
Total current assets	3,247	3,981	4,856	5,083	5,951
Fixed assets - Net	7,388	7,244	7,450	7,663	7,854
Others	3,672	3,471	3,726	3,876	4,241
Total non-current assets	11,061	10,715	11,176	11,539	12,094
Total assets	14,307	14,697	16,032	16,622	18,046
Short-term bank loan	770	280	239	205	168
Accounts payable	428	419	519	523	581
Others	1,164	1,170	1,256	1,307	1,430
Total current liabilities	2,362	1,870	2,014	2,034	2,178
LT bank loan	330	766	655	561	460
Others non-current liabilities	339	373	400	416	456
Total non-current liabilities	669	1,139	1,055	978	916
Total liabilities	3,031	3,009	3,069	3,012	3,094
Share capital	1,985	1,985	1,985	1,985	1,985
Add-on Capital	3,335	3,335	3,335	3,335	3,335
Retained earnings	5,557	6,381	7,352	7,972	9,251
Minority Interest	469	478	587	610	668
Others	(70)	(492)	(296)	(293)	(287)
Total Equity	11,276	11,687	12,963	13,610	14,952
Total Liabilities & Equity	14,307	14,697	16,032	16,622	18,046

Source: Company, KBVS Research

Exhibit 20: Cash flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net profit	3,120	3,702	4,118	4,121	4,781
D&A	617	545	570	597	622
Changes in working capital	(114)	58	(266)	(61)	(101)
Others	(300)	(459)	(79)	(46)	(113)
Operating cash flow	**3,322**	**3,846**	**4,344**	**4,610**	**5,190**
Capital expenditures	(522)	(401)	(776)	(810)	(813)
Others	267	201	(255)	(150)	(365)
Investing cash flow	**(255)**	**(200)**	**(1,031)**	**(960)**	**(1,178)**
Changes in LT borrowings	(150)	(490)	(41)	(34)	(37)
Changes in ST borrowings	129	436	(112)	(93)	(101)
Cash dividends paid	(3,408)	(2,879)	(3,147)	(3,500)	(3,503)
Others	665	(372)	417	94	225
Financing cash flow	**(2,764)**	**(3,304)**	**(2,882)**	**(3,534)**	**(3,415)**
Net change in cash	**302**	**342**	**431**	**115**	**597**
Cash in beginning of the year	1,007	1,309	1,651	2,082	2,197
Cash at the end of the year	**1,309**	**1,651**	**2,082**	**2,197**	**2,794**

Source: Company, KBVS Research

Exhibit 21: Ratio analysis

Year End Dec	2024A	2025A	2026F	2027F	2028F
Growth					
Revenue	16.16%	17.90%	7.34%	4.02%	9.41%
Gross profit	67.90%	20.81%	9.36%	-0.11%	13.41%
Operating profit	121.79%	16.38%	11.11%	-0.43%	15.73%
EBITDA	84.59%	14.29%	10.25%	0.57%	14.02%
Net profit	94.02%	18.65%	11.23%	0.06%	16.03%
Profitability					
Gross margin	38.49%	39.45%	40.19%	38.59%	40.00%
Operating margin	31.48%	31.08%	32.17%	30.79%	32.57%
EBITDA margin	38.46%	37.28%	38.29%	37.02%	38.58%
Net margin	32.26%	32.47%	33.65%	32.37%	34.33%
ROA	21.81%	25.19%	25.69%	24.79%	26.49%
ROE	28.87%	33.03%	33.28%	31.70%	33.47%
Solvency (x)					
Current ratio	1.37	2.13	2.41	2.50	2.73
Quick ratio	0.94	1.55	1.72	1.79	2.01
Debt to equity	0.1	0.09	0.07	0.06	0.04
Interest coverage	52.20	81.08	99.43	115.70	159.42
Net gearing	(0.02)	(0.05)	(0.10)	(0.11)	(0.15)

Source: Company, KBVS Research

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