

Astra Agro Lestari

HOLD (Unchanged)

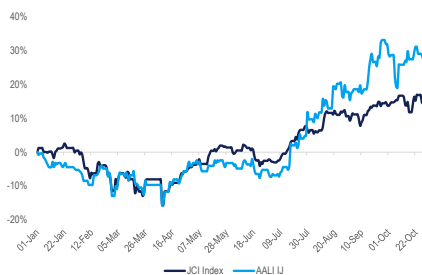
Company Update | Plantations | AALI IJ | 30 October 2025

Stock Data

Target price	Rp7,900
Prior TP	Rp7,900
Current price	Rp7,825
Upside/downside	0.96%
Shares outstanding (mn)	1,925
Market cap (Rp bn)	15,205
Free float	20%
Avg. 6m daily T/O (Rp bn)	11

Price Performance

	3M	6M	12M
Absolute	21.5%	31.1%	16.6%
Relative to JCI	14.3%	10.1%	9.2%
52w low/high (Rp)	5,225 – 8,250		



Major Shareholders

Astra International	79.7%
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9M25 core NP came above; but forestry land permit is an overhang

- 9M25 core NP came in at Rp1.2tr (+71% yoy), in-line with our estimate while still above consensus (75%/85% achievement).
- Debt improved significantly to Rp90bn at the end of 9M25, versus Rp3.1tr at the end of 6M25 and our estimate of Rp1.5tr.
- Retaining our estimates and HOLD call. AALI is fairly valued, with potential downside risk from the forestry land issue.

9M25 result was in-line with our estimate while remaining above consensus

In 3Q25, AALI recorded a core NP of Rp411bn (-3% qoq), while in 9M25 it was Rp1.2tr (+71% yoy), at 75%/85% of our and consensus estimates (3-year mean: 63%). It may appear above seasonality; however, we deem this in-line with our estimate but above consensus, as we expect stable qoq earnings growth in 4Q25F from flattish sales volume. Revenue came at Rp7.7tr (+3% qoq) in 3Q25 and Rp22.1tr (+36% yoy) in 9M25, at 75%/89% of our and consensus estimates. EBITDA stood at Rp871bn (-5% qoq) in 3Q25 and Rp2.6tr (+31% yoy) in 9M25, at 74% of our estimate while already exceeding consensus at 103%. At the end of 9M25, the debt balance was Rp90bn, improving from Rp3.1tr at the end of 6M25 and our estimate of Rp1.5tr.

Operational result: growing volume supported by inventory drawdown

Combined palm product (CPO, kernel, and their derivatives) sales volume rose 4% qoq to 548k tonnes in 3Q25 driven by higher CPO and derivative sales (+8% qoq to 489k tonnes), partly offset by lower kernel sales (-21% qoq to 59k tonnes). This was a contrast with a 15% qoq decline in production to 339k tonnes, indicating inventory flush out. In 9M25, combined palm product sales volume reached 1.6mn tonnes (+14% yoy), in line with our estimate at 77%. Implied ASP for CPO and derivatives came at Rp14.3mn/t (+1% qoq) in 3Q25 and Rp14.5mn/t (+15% yoy) in 9M25, or 98% of our estimate. Meanwhile, ASP for kernel and its derivatives was at Rp10.9mn/t (-14% qoq) in 3Q25 and Rp12.2mn/t (+69% yoy) in 9M25, or 91% of our estimate.

Maintain HOLD call

Despite a beat relative to consensus estimates, we maintain our HOLD call on AALI, with the main overhang being the potential impact from the new forestry land regulation, which could result in fines of up to Rp2.7tr - assuming 10.8k ha of disputed land (based on Greenpeace data) with an average plant age of 15 years. We retain our estimates pending further details from the earnings call. The stock currently trades at 11x P/E FY26F, in line with its long-term average since 2021. Key risks include regulatory changes, operational challenges, and CPO price volatility.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	20,745	21,815	29,637	30,004	30,751
EBITDA	2,578	3,049	3,546	3,266	3,321
Core net profit	975	1,258	1,603	1,413	1,363
Core EPS	507	654	833	734	708
Core EPS growth	-46%	29%	27%	-12%	-4%
ROE	4%	6%	7%	6%	5%
PER (x)	15.6	12.1	9.5	10.8	11.2
EV/EBITDA	6.9	5.2	3.8	3.8	3.5
Dividend yield			4%	5%	4%

Source: Company, Indo Premier

Share price closing as of: 29 October 2025

9M25 result review

Fig. 1: Financial result in 9M25

Financial result - in Rpbn unless stated otherwise	3Q25	3Q24	Growth yoy	2Q25	Growth qoq	9M25	9M24	Growth yoy	IPC FY25F	% to IPC	Cons FY25F	% to Cons	3-year mean
Revenue	7,672	5,974	28%	7,423	3%	22,119	16,287	36%	29,637	75%	24,932	89%	75%
Cost of revenue	- 6,657	- 5,251	27%	- 6,112	9%	- 18,856	- 14,281	32%	- 25,040				
Gross profit	1,015	722	41%	1,310	-23%	3,262	2,006	63%	4,596				
GPM	13.2%	12.1%		17.7%		14.7%	12.3%		15.5%				
Opex	- 490	- 355	38%	- 752	-35%	- 1,703	- 1,059	61%	- 2,504				
EBIT	524	368	43%	558	-6%	1,559	947	65%	2,092	75%	1,921	81%	65%
EBIT margin	6.8%	6.2%		7.5%		7.1%	5.8%		7.1%				
EBITDA	871	720	21%	918	-5%	2,625	1,996	31%	3,546	74%	2,544	103%	69%
EBITDA margin	11.4%	12.0%		12.4%		11.9%	12.3%		12.0%				
Other income/expense (exc. JV and asso income)	50	115	-56%	68	-26%	52	241	-78%	128				
JV and asso income	- 8	- 54	-85%	- 7	13%	- 56	- 48	16%	95				
Pretax income	566	429	32%	619	-8%	1,556	1,140	36%	2,126				
Tax expense	- 181	- 120	51%	- 177	2%	- 444	- 310	43%	- 562				
Net profit attributable	368	300	23%	425	-13%	1,070	801	34%	1,510				
Core NP	411	264	55%	423	-3%	1,206	706	71%	1,603	75%	1,426	85%	63%
Core NP margin	5.4%	4.4%		5.7%		5.5%	4.3%		5.4%				

Source: Company, Indo Premier

Fig. 2: Operational result in 9M25

Operational result	3Q25	3Q24	Growth yoy	2Q25	Growth qoq	9M25	9M24	Growth yoy	IPC FY25F Previous	% to IPC	2-year mean
Palm planted Area - Ha	285	285	0%	285	0%	285	285	0%	284	100%	
Mature area	265	267	-1%	266	-1%	265	267	-1%	264	100%	
Nucleus	192	195	-1%	194	-1%	192	195	-1%	192	100%	
Plasma	72	72	0%	72	0%	72	72	0%	72	101%	
Immature area	20	19	10%	19	8%	20	19	10%	20	101%	
Nucleus	20	19	10%	19	8%	20	19	10%	20	101%	
Plasma	-	-	N/A	-	N/A	-	-	N/A	-		
Replanting	5	-	N/A	3	70%	5	-	N/A	6	86%	
Yield - Nucleus and plasma	3.5	3.5	1%	3.8	-9%	10.7	10.2	5%	14.4		
Nucleus	3.8	3.8	1%	4.2	-8%	11.6	11.3	3%	15.6		
Plasma	2.6	2.6	0%	3.0	-14%	8.1	7.2	12%	11.1		
FFB Processed (th tonne)	1,281	1,521	-16%	1,492	-14%	4,024	4,285	-6%	6,301		
Nucleus - production	738	738	0%	807	-9%	2,236	2,195	2%	2,996		
Plasma - production	186	185	0%	215	-14%	584	522	12%	797		
3rd parties - purchases	543	598	-9%	685	-21%	1,788	1,568	14%	2,508		
Production (th tonne)	339	346	-2%	400	-15%	1,065	984	8%			
CPO	280	286	-2%	331	-15%	881	813	8%			
Kernel	59	60	-2%	69	-14%	184	171	8%			
Sales (th tonne)	548	484	13%	527	4%	1,556	1,368	14%	2,022	77%	77%
CPO and derivatives	489	423	16%	453	8%	1,372	1,204	14%	1,771	77%	76%
CPO	326	307	6%	295	11%	918	811	13%	1,187	77%	78%
CPO derivative	163	116	41%	158	3%	454	393	16%	585	78%	74%
Kernel and derivatives	59	61	-4%	74	-21%	184	164	12%	251	73%	77%
Kernel	25	34	-27%	39	-36%	92	92	0%	135	68%	79%
Kernel derivative	34	27	25%	36	-4%	92	72	28%	115	79%	75%
Implied ASP CPO (Rp/kg)	14,336	12,908	11%	14,263	1%	14,451	12,538	15%	14,801	98%	
Implied ASP Kernel and derivatives (Rp/kg)	10,889	8,877	23%	12,612	-14%	12,231	7,247	69%	13,459	91%	

Source: Company, Indo Premier

Potential penalty fee on forestry land issue

Fig. 3: AALI has not yet disclosed the actual size of the disputed area. However, based on a rough estimate, if all disputed land identified by Greenpeace were planted with an average plant age of 15 years, potential fines could reach up to around Rp2.7tr

AALI - 32% of potential land disputes*			AALI - 100% of potential land disputes		
Admin fines	25	mn/ha/year	Admin fines	25	mn/ha/year
Area	3,440	ha	Area	10,751	ha
Period of violation	10	Assuming 15 y.o plant	Period of violation	10	Assuming 15 y.o plant
Total fines	860	Rpbn	Total fines	2,688	Rpbn

*The 32% figure is derived from PT Pasangkayu's actual seized land area compared to Greenpeace's estimated overlap.

Source: Company, Indo Premier

Valuation

Fig. 4: SOP valuation

In Rpbn, unless stated otherwise	FY26F Remarks
EV/EBITDA Multiple (x)	4 At -1 s.d. below mean since 2021, as we expect earnings decline in FY26-27F
EBITDA	3,266
EV	12,412
Market cap	15,171
Debt	1,500
Cash	4,923
Minority	664
# share (bn)	2
Implied price per share	7,882
Rounded TP (Rp/sh)	7,900
Current price	7,900
Upside	0%
Div.yield	5% FY26F dividend yield
Total return	4%
IPC - Recommendation	HOLD

Source: Company, Indo Premier

Fig. 5: EV/EBITDA 12M forward



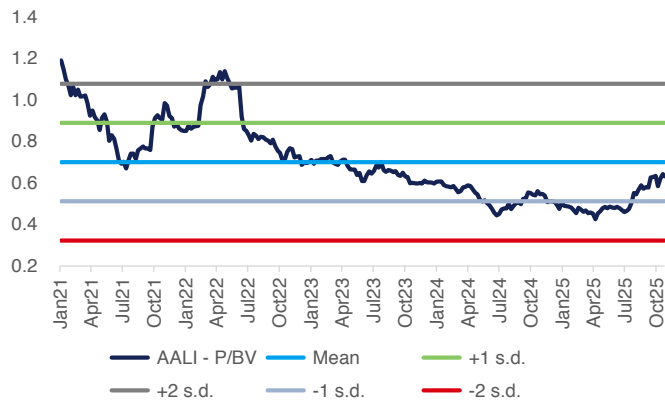
Source: Company, Bloomberg, Indo Premier

Fig. 6: P/E 12M forward



Source: Company, Bloomberg, Indo Premier

Fig. 7: P/BV 12M forward



Source: Company, Bloomberg, Indo Premier

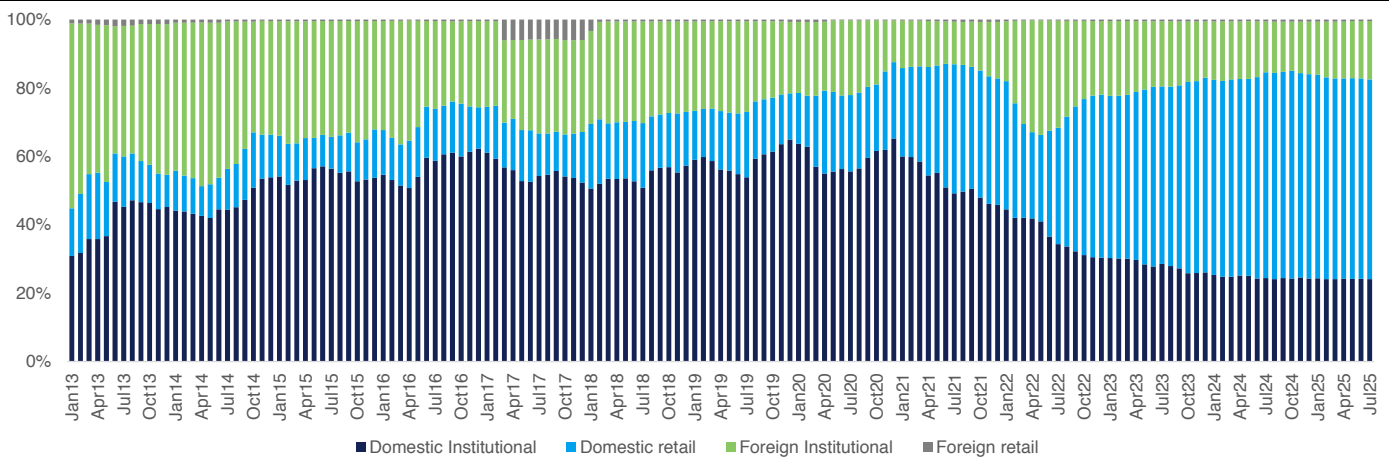
Fig. 8: PEG next year



Source: Company, Bloomberg, Indo Premier

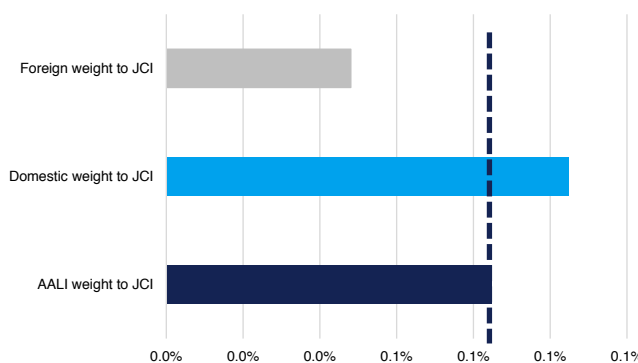
Share ownership

Fig. 9: Share ownership since 2013



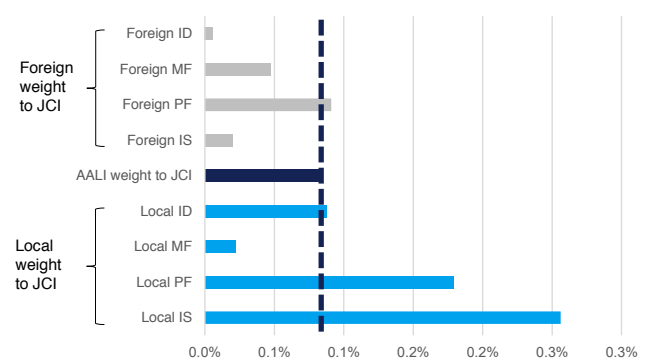
Source: KSEI, Indo Premier

Fig. 10: Share ownership in Sep25



Source: KSEI, Indo Premier

Fig. 11: Share ownership in Sep25



Source: KSEI, Indo Premier

Income Statement (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Net revenue	20,745	21,815	29,637	30,004	30,751
Cost of sales	(17,974)	(18,474)	(25,040)	(25,713)	(26,405)
Gross profit	2,771	3,341	4,596	4,291	4,346
Operating expenses	(1,520)	(1,682)	(2,504)	(2,537)	(2,596)
Operating profit	1,251	1,658	2,092	1,754	1,751
EBITDA	2,578	3,049	3,546	3,266	3,321
Net interest	(176)	(53)	76	153	82
Forex gain (loss)	(18)	(8)	(12)	-	-
Others	441	110	(31)	84	89
Pre-tax income	1,498	1,707	2,126	1,992	1,922
Income tax	(410)	(520)	(562)	(528)	(511)
Minority interest	(32)	(39)	(54)	(50)	(48)
Net income	1,056	1,148	1,510	1,413	1,363
Core net profit	975	1,258	1,603	1,413	1,363

Balance Sheet (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Cash & equivalents	2,090	3,236	3,946	4,923	5,919
Inventories	2,876	3,700	3,756	3,857	3,961
Other current assets	2,153	1,498	1,907	1,931	1,979
Total current assets	7,118	8,434	9,609	10,711	11,858
Fixed assets	8,982	8,456	7,951	7,426	6,881
Other non-current assets	12,746	11,903	11,154	11,411	11,629
Total non-current assets	21,728	20,360	19,105	18,836	18,510
Total assets	28,846	28,793	28,714	29,547	30,368
Current portion of LT loans	2,315	1,690	-	1,500	-
Other current liab.	1,567	1,548	2,141	2,198	2,257
Total current liab.	3,882	3,238	2,141	3,698	2,257
Long term loans	1,690	1,500	1,500	-	1,500
Other LT liab.	708	854	899	899	899
Total liabilities	6,280	5,591	4,540	4,597	4,656
Equity	4,797	4,808	4,808	4,808	4,808
Retained earnings	17,219	17,834	18,753	19,478	20,191
Minority interest	550	560	614	664	713
Total SHE + minority int.	22,566	23,202	24,174	24,950	25,712
Total liabilities & equity	28,846	28,793	28,714	29,547	30,368

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Net income	1,056	1,148	1,510	1,413	1,363
Depr. & amortization	1,133	1,294	1,454	1,512	1,571
Changes in working capital	261	(188)	127	(67)	(93)
Others	-	-	-	-	-
Cash flow from operating	2,450	2,254	3,091	2,858	2,841
Capex	(1,246)	(891)	(987)	(1,244)	(1,244)
Others	244	966	787	-	-
Cash flow from investing	(1,002)	75	(200)	(1,244)	(1,244)
Loans	(245)	(670)	(1,644)	-	-
Equity	48	(42)	0	-	0
Dividends	(772)	(479)	(591)	(687)	(650)
Others	(9)	10	54	50	48
Cash flow from financing	(978)	(1,182)	(2,181)	(637)	(601)
Changes in cash	470	1,147	710	977	995

Key Ratios	FY23	FY24	FY25F	FY26F	FY27F
Gross margin	13%	15%	16%	14%	14%
EBITDA margin	12%	14%	12%	11%	11%
Pre-tax margin	7%	8%	7%	7%	6%
Core net margin	5%	6%	5%	5%	4%
ROA	3%	4%	6%	5%	4%
ROE	4%	6%	7%	6%	5%
ROIC	4%	6%	8%	7%	7%
Net gearing (x)	0.1	(0.0)	(0.1)	(0.1)	(0.2)
Net debt to EBITDA (x)	0.7	(0.0)	(0.7)	(1.0)	(1.3)
Interest coverage (x)	10	12	21	35	33

SECTOR RATINGS

- OVERWEIGHT** : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL** : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT** : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY** : Expected total return of 10% or more within a 12-month period
- HOLD** : Expected total return between -10% and 10% within a 12-month period
- SELL** : Expected total return of -10% or worse within a 12-month period

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