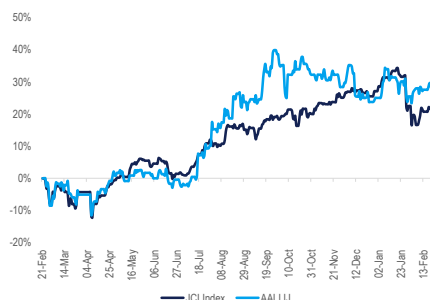


Stock Data

Target price	Rp7,950
Prior TP	Rp7,950
Current price	Rp7,575
Upside/downside	5.0%
Shares outstanding (mn)	1,925
Market cap (Rp bn)	14,868
Free float	20%
Avg. 6m daily T/O (Rp bn)	9

Price Performance

	3M	6M	12M
Absolute	-2.9%	1.7%	28.4%
Relative to JCI	-1.2%	-3.6%	6.8%
52w low/high (Rp)	5,225 – 8,250		



Major Shareholders

Astra International	79.7%
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## 4Q25 results: beating consensus but in-line with ours on lower costs

- Core NP reached Rp2.2tr (+77% yoy) in FY25, beating consensus but in-line with our estimates on lower costs; revenue was a miss.
- Costs declined deeper-than-expected by 21% qoq in 4Q25, due to lower harvesting, maintenance, and legal expenses.
- Maintain HOLD, as the growth outlook remains unattractive; a better cost outlook and clearer efficiency plans could shift our view.

### FY25 results: core NP beat consensus but in-line with our estimates

In 4Q25, core net profit rose to Rp654bn (+38% qoq), bringing FY25 core NP to Rp2.2tr (+77% yoy), beating consensus (107%) but in-line with our estimate (101%), despite revenue miss. 4Q25 revenue came in at Rp6.5tr (-15% qoq), with FY25 revenue at Rp28.7tr (+31% yoy), below our estimate but in-line with consensus (95%/103%), mainly due to weaker CPO and derivatives revenue (Rp25.5tr, 94% of our estimate). EBITDA outperformed at Rp1.2tr (+40% qoq) in 4Q25 and Rp3.8tr (+25% yoy) in FY25 (115%/118%), supported by lower harvesting, maintenance, and legal costs. However, lower interest income (85% to our estimate) and higher tax expenses (Rp689bn; 118% to our estimate) resulted in in-line core NP. As of end-Dec25, AALI reported zero debt (vs. Rp90bn at end-Sep25 and Rp3.2tr at end-Dec24), better than our estimate of Rp90bn.

### Improvement in costs: lower 4Q25 harvesting, maintenance, and legal costs

AALI's total costs (COGS and opex) fell 21% qoq to Rp5.7tr in 4Q25, though still up 30% yoy to Rp26tr in FY25, at 93% of our estimate. The lower-than-expected figure was mainly driven by lower harvesting and maintenance costs of Rp337bn (-61% qoq), bringing FY25 to Rp2.8tr (-4% yoy), or 83% of our estimate. Seasonally, these expenses typically declined qoq; however, the drop was steeper than in previous years, which generally ranged between -16% and -39% qoq. We are still awaiting further clarification from the company on this trend. AALI also recorded lower-than-expected legal expenses, primarily related to forestry land issues at Rp572bn (vs. our estimate of Rp860bn) in FY25.

### Maintain HOLD call on AALI with an unchanged TP

We maintain our HOLD call, as the growth outlook remains unattractive despite easing concerns over forestry land penalties. Management plans cost-efficiency initiatives in maintenance and infrastructure, but the savings impact is still unclear. We may turn more constructive if execution proves better than expected. Key risks are higher/lower costs/volumes, as well as the TSR program outcome at ASII IJ (HOLD, TP Rp5,850/sh).

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	20,745	21,815	30,205	30,278	30,698
EBITDA	2,578	3,066	3,342	3,763	3,648
Core net profit	975	1,258	2,191	1,865	1,748
Core EPS	507	654	1,138	969	908
Core EPS growth	-46%	29%	74%	-15%	-6%
ROE	4%	6%	9%	8%	7%
PER (x)	15.0	11.6	6.7	7.8	8.3
EV/EBITDA	6.6	4.9	3.3	2.9	2.6
Dividend yield	5%	3%	4%	5%	6%
IPS vs. consensus adj.			114%	95%	91%

Source: Company, Indo Premier

Share price closing as of: 20 Feb 2026

**FY25 result**

**Fig. 1: FY25 result – core NP was beat to consensus' estimates, while in-line with ours**

Financial result - in Rpbn unless stated otherwise	4Q25	4Q24	Growth yoy	3Q25	Growth qoq	12M25	12M24	Growth yoy	IPC FY25F - published est.	% to IPC	Cons FY25F	% to Cons
Revenue	6,536	5,528	18%	7,672	-15%	28,655	21,815	31%	30,205	95%	27,930	102.6%
Cost of revenue	- 5,167	- 4,193	23%	- 6,657	-22%	- 24,023	- 18,474	30%	- 25,791	93%		
Gross profit	1,369	1,335	3%	1,015	35%	4,631	3,341	39%	4,414			
<b>GPM</b>	<b>20.9%</b>	<b>24.1%</b>		<b>13.2%</b>		<b>16.2%</b>	<b>15.3%</b>		<b>14.6%</b>			
Opex	- 511	- 623	-18%	- 490	4%	- 2,214	- 1,682	32%	- 2,507	88%		
Opex (excluding legal expense which related to forestry land issue)	- 422	- 623	-32%	- 407	4%	- 1,642	- 1,682	-2%	- 1,647	100%		
EBIT	858	711	21%	524	64%	2,417	1,658	46%	1,907	127%	2,089	116%
<b>EBIT margin</b>	<b>13.1%</b>	<b>12.9%</b>		<b>6.8%</b>		<b>8.4%</b>	<b>7.6%</b>		<b>6.3%</b>			
EBITDA	1,215	1,070	14%	871	40%	3,840	3,066	25%	3,342	115%	3,254	118%
<b>EBITDA margin</b>	<b>18.6%</b>	<b>19.4%</b>		<b>11.4%</b>		<b>13.4%</b>	<b>14.1%</b>		<b>11.1%</b>			
Other income/expense (exc. JV and asso income)	- 165	- 173	-4%	50	-429%	- 113	68	-266%	227			
JV and asso income	- 22	29	-176%	8	163%	- 78	- 19	299%	64			
Pretax income	671	567	18%	566	18%	2,227	1,707	30%	2,069	108%		
Tax expense	- 245	- 210	17%	- 181	36%	- 689	- 520	32%	- 584	118%		
Net profit attributable	402	347	16%	368	9%	1,472	1,148	28%	1,426	103%	1,514	97%
Core NP	654	552	19%	473	38%	2,223	1,258	77%	2,191	101%	2,073	107%
<b>Core NP margin</b>	<b>10.0%</b>	<b>10.0%</b>		<b>6.2%</b>		<b>7.8%</b>	<b>5.8%</b>		<b>7.3%</b>			

Source: Company, Indo Premier

\*Core NP is excluding the legal expense and other income/expenses

## Valuation

Fig. 2: SOP valuation

In Rpbn, unless stated otherwise	FY26F Remarks
EV/EBITDA Multiple (x)	<sup>3</sup> At -1 s.d. below mean since 2021, as we expect earnings decline in FY26-27F
EBITDA	3,763
EV	11,667
Market cap	15,289
Debt	90
Cash	4,398
Minority	686
# share (bn)	2
<b>Implied price per share</b>	<b>7,944</b>
<b>Rounded TP (Rp/sh)</b>	<b>7,950</b>
Current price	7,750
<b>Upside</b>	<b>2.5%</b>
<b>Div.yield</b>	<b>5% FY26F dividend yield</b>
<b>Total return</b>	<b>8%</b>
<b>IPC - Recommendation</b>	<b>HOLD</b>

Source: Company, Indo Premier

Fig. 3: EV/EBITDA 12M forward



Source: Company, Bloomberg, Indo Premier

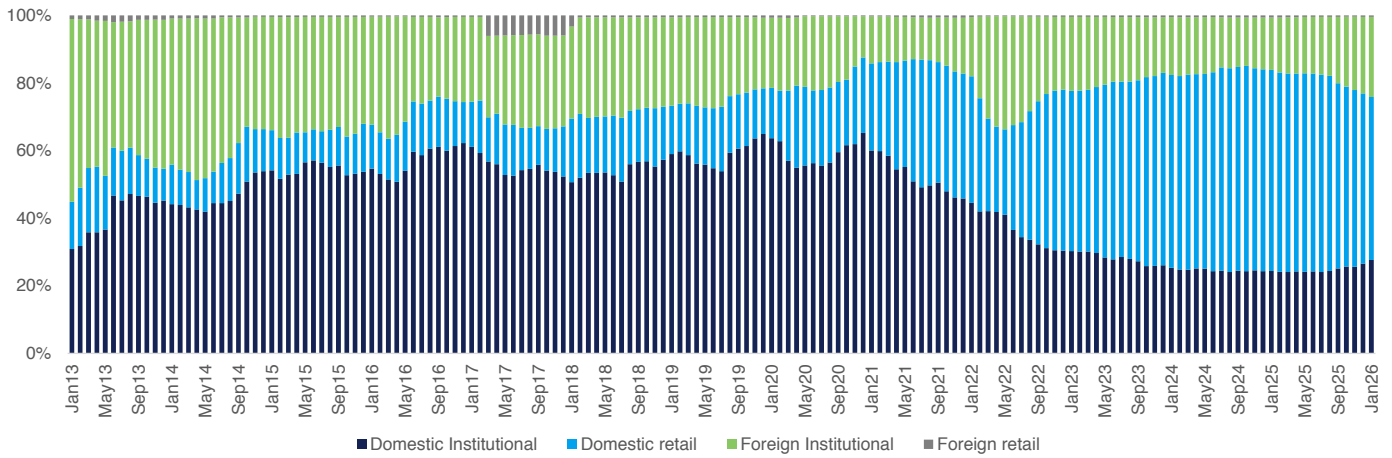
Fig. 4: P/E 12M forward



Source: Company, Bloomberg, Indo Premier

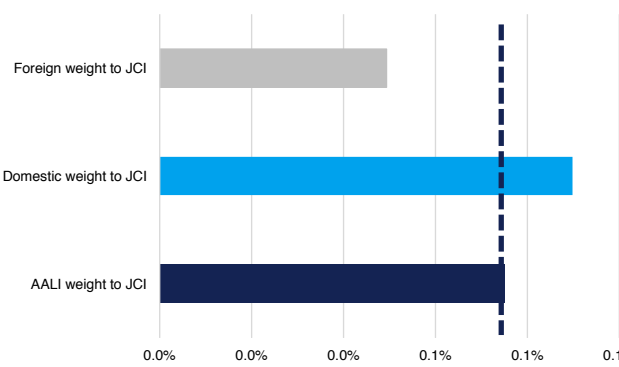
## Share ownership

**Fig. 5: Share ownership since 2013**



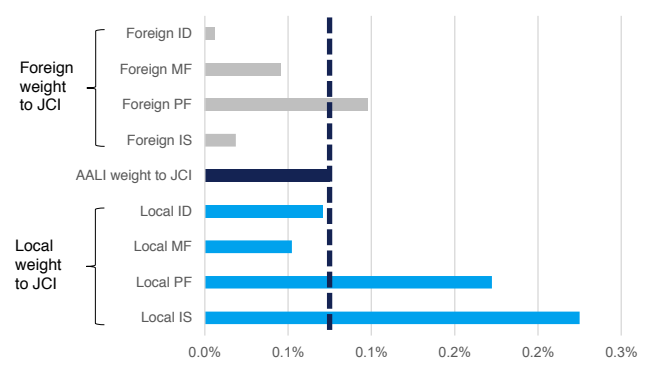
Source: KSEI, Indo Premier

**Fig. 6: Share ownership in Jan26**



Source: KSEI, Indo Premier

**Fig. 7: Share ownership in Jan26**



Source: KSEI, Indo Premier

Income Statement (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Net revenue	20,745	21,815	30,205	30,278	30,698
Cost of sales	(17,974)	(18,474)	(25,791)	(25,970)	(26,530)
<b>Gross profit</b>	<b>2,771</b>	<b>3,341</b>	<b>4,414</b>	<b>4,308</b>	<b>4,169</b>
Operating expenses	(1,520)	(1,682)	(2,507)	(2,050)	(2,084)
<b>Operating profit</b>	<b>1,251</b>	<b>1,658</b>	<b>1,907</b>	<b>2,258</b>	<b>2,084</b>
<b>EBITDA</b>	<b>2,578</b>	<b>3,066</b>	<b>3,342</b>	<b>3,763</b>	<b>3,648</b>
Net interest	(176)	(53)	188	292	296
Forex gain (loss)	(18)	(8)	34	-	-
Others	441	110	(60)	134	136
<b>Pre-tax income</b>	<b>1,498</b>	<b>1,707</b>	<b>2,069</b>	<b>2,684</b>	<b>2,517</b>
Income tax	(410)	(520)	(584)	(752)	(706)
Minority interest	(32)	(39)	(59)	(66)	(62)
<b>Net income</b>	<b>1,056</b>	<b>1,148</b>	<b>1,426</b>	<b>1,865</b>	<b>1,748</b>
<b>Core net profit</b>	<b>975</b>	<b>1,258</b>	<b>2,191</b>	<b>1,865</b>	<b>1,748</b>

Balance Sheet (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Cash & equivalents	2,090	3,236	4,348	4,398	6,050
Inventories	2,876	3,700	2,734	2,354	1,969
Other current assets	2,153	1,498	1,500	1,500	1,500
<b>Total current assets</b>	<b>7,118</b>	<b>8,434</b>	<b>8,582</b>	<b>8,252</b>	<b>9,519</b>
Fixed assets	8,982	8,456	7,800	7,282	6,745
Other non-current assets	12,746	11,903	12,064	12,976	13,194
<b>Total non-current assets</b>	<b>21,728</b>	<b>20,360</b>	<b>19,864</b>	<b>20,258</b>	<b>19,939</b>
<b>Total assets</b>	<b>28,846</b>	<b>28,793</b>	<b>28,446</b>	<b>28,509</b>	<b>29,457</b>
Current portion of LT loans	2,315	1,690	90	90	90
Other current liab.	1,567	1,548	3,338	2,220	2,223
<b>Total current liab.</b>	<b>3,882</b>	<b>3,238</b>	<b>3,428</b>	<b>2,310</b>	<b>2,313</b>
Long term loans	1,690	1,500	-	-	-
Other LT liab.	708	854	921	921	921
<b>Total liabilities</b>	<b>6,280</b>	<b>5,591</b>	<b>4,349</b>	<b>3,231</b>	<b>3,234</b>
Equity	4,797	4,808	4,808	4,808	4,808
Retained earnings	17,219	17,834	18,670	19,785	20,668
Minority interest	550	560	619	686	748
<b>Total SHE + minority int.</b>	<b>22,566</b>	<b>23,202</b>	<b>24,097</b>	<b>25,279</b>	<b>26,223</b>
<b>Total liabilities &amp; equity</b>	<b>28,846</b>	<b>28,793</b>	<b>28,446</b>	<b>28,509</b>	<b>29,457</b>

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Net income	1,056	1,148	1,426	1,865	1,748
Depr. & amortization	1,133	1,294	1,447	1,505	1,563
Changes in working capital	261	(188)	2,754	(739)	388
Others	-	-	-	-	-
<b>Cash flow from operating</b>	<b>2,450</b>	<b>2,254</b>	<b>5,628</b>	<b>2,632</b>	<b>3,700</b>
Capex	(1,246)	(891)	(829)	(1,244)	(1,244)
Others	244	966	(122)	(655)	-
<b>Cash flow from investing</b>	<b>(1,002)</b>	<b>75</b>	<b>(951)</b>	<b>(1,899)</b>	<b>(1,244)</b>
Loans	(245)	(670)	(3,032)	-	-
Equity	48	(42)	(0)	(0)	-
Dividends	(772)	(479)	(591)	(750)	(866)
Others	(9)	10	59	66	62
<b>Cash flow from financing</b>	<b>(978)</b>	<b>(1,182)</b>	<b>(3,564)</b>	<b>(683)</b>	<b>(804)</b>
<b>Changes in cash</b>	<b>470</b>	<b>1,147</b>	<b>1,112</b>	<b>49</b>	<b>1,652</b>

Key Ratios	FY23	FY24	FY25F	FY26F	FY27F
Gross margin	13%	15%	15%	14%	14%
EBITDA margin	12%	14%	11%	12%	12%
Pre-tax margin	7%	8%	7%	9%	8%
Core net margin	5%	6%	7%	6%	6%
ROA	3%	4%	8%	7%	6%
ROE	4%	6%	9%	8%	7%
ROIC	4%	6%	11%	9%	9%
Net gearing (x)	0.1	(0.0)	(0.2)	(0.2)	(0.2)
Net debt to EBITDA (x)	0.7	(0.0)	(1.3)	(1.1)	(1.6)
Interest coverage (x)	10	12	24	487	472

## 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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