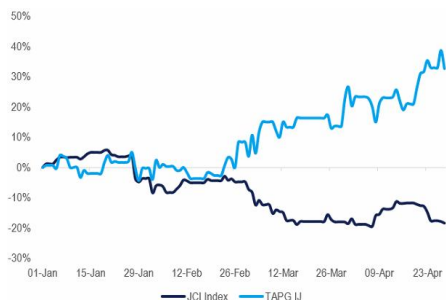


Stock Data

Target price	Rp2,100
Prior TP	2,100
Current price	1,990
Upside/downside	-5.5%
Shares outstanding (mn)	19,853
Market cap (Rp bn)	39,507
Free float	17%
Avg. 6m daily T/O (Rp bn)	34

Price Performance

	3M	6M	12M
Absolute	33.1%	12.4%	95.1%
Relative to JCI	48.2%	25.1%	90.0%
52w low/high (Rp)	880 – 2,080		



Major Shareholders

Persada Capital Investama	33.1%
Triputra Investindo Arya	24.1%
Daya Adicipta Mustika	19.9%

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1Q26 results: beat amid lower inventory costs; revenue was a miss

- 1Q26 core NP came at Rp734bn (-32% qoq; -9% yoy), above our/consensus estimates at 105% of our 1Q26F.
- 1Q26 cash margin exceeded estimates (112%), driven by lower inventory costs, leading to earnings beat despite soft revenue.
- Maintain BUY on attractive dividend yield (9% in FY26F) with potential upside to earnings; our estimate is currently under review.

1Q26 core NP: beat driven by lower costs; revenue was soft

In 1Q26, TAPG reported core NP of Rp734bn (-32% qoq; -9% yoy), at 15%/17% of our/consensus FY26F estimates (3Y mean: 18%) and 105% of our 1Q26F estimate, indicating a beat. This was driven by lower-than-expected operating costs (89% of our estimate). Revenue was soft at Rp2.5tr (-22% qoq; -5% yoy) due to weaker volume – this came at 94% of our estimate. EBITDA of Rp832bn (-38% qoq; -6% yoy) also exceeded expectations, supported by lower cash costs. Meanwhile, USTP income was Rp240bn (-7% qoq; -8% yoy) due to lower margins. We expect earnings to improve in the coming quarters, supported by volume recovery and margin improvement. Net cash stood at Rp1.7tr as of Mar26, broadly in-line with our Rp1.4tr estimate.

Operational overview: margin beat was driven by lower inventory costs

Total palm (FFB, CPO, PK, PKO, and PKM) sales volume declined 20% qoq to 180k tonnes (-6% yoy), representing 21% of our FY26F (3Y mean: 24%) and 95% of our 1Q26F estimate, below expectations. This was mainly due to weaker CPO sales, down 23% qoq to 142k tonnes (-6% yoy); this is lower than production of 157k tonnes (-9% qoq; flat yoy) due to delivery delays in March following Eid al-Fitr, which led to late vessel arrivals. In 1Q26, blended ASP was at Rp13.8mn/t (-2% qoq; +1% yoy), broadly in line at 98% of our estimate. Cash cost came in at Rp10mn/t (+12% qoq; +2% yoy), or 92% of our estimate, supported by lower inventory costs (+Rp143bn vs. our estimate of -Rp46bn). As a result, cash margin was flat yoy at Rp4.6mn/t (-21% qoq), exceeding our estimate at 112% of our 1Q26F.

Maintain BUY; TP and earnings are under review

Despite a 32% YTD share price increase, with the stock has nearing our TP of Rp2,100/sh, we maintain our BUY rating, supported by an attractive dividend yield (9–11% in FY26–28F) and a positive sector outlook. We also see potential upside to earnings from inventory sales in 2Q26F, likely priced on a spot basis. We are reviewing our earnings estimates pending further clarity from the company. Key risks include stronger/weaker-than-expected sales volume, regulatory changes, and HGU-related penalties.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Revenue	9,671	11,402	13,733	14,460	14,532
EBITDA	3,504	4,383	5,631	5,742	5,883
Core net profit	2,968	3,821	4,847	4,992	5,099
Core EPS	150	192	244	251	257
Core EPS growth	83%	29%	27%	3%	2%
ROE	27%	34%	40%	39%	38%
PER (x)	13.4	10.4	8.2	8.0	7.8
EV/EBITDA	9.4	7.4	5.7	5.5	5.2
Dividend yield	8%	8%	9%	11%	11%
IPS vs. consensus			113%	112%	127%

Source: Company, Indo Premier

Share price closing as of: 28 Apr 2026

## 1Q26 results review

Fig. 1: Financial and operational result in 1Q26

Financial result	1Q26	1Q25	Growth yoy	4Q25	Growth qoq	IPS FY26F	% to IPC	Cons FY26F	% to Cons	3-year mean	IPS 1Q26F	% to IPS 1Q26F
Revenue	2,492	2,620	-5%	3,194	-22%	13,733	18%	12,263	20%	22%	2,663	94%
Cost of revenue	- 1,636	- 1,708	-4%	- 1,824	-10%	- 7,942	21%	- 7,001	23%	-	- 1,852	88%
Gross profit	856	912	-6%	1,371	-38%	5,792	15%	5,262	16%	19%	812	105%
Opex	- 201	- 197	2%	- 228	-12%	- 897					- 212	
EBIT	656	715	-8%	1,143	-43%	4,895	13%	4,272	15%	17%	599	109%
EBITDA	832	890	-6%	1,332	-38%	5,631	15%	5,333	16%	18%	780	107%
Other income/expense (exc. JV and asso income)	31	16	95%	50	-162%	157				-	2	
JV and asso income	229	260	-12%	241	-5%	1,289	18%				272	84%
Pretax income	915	990	-8%	1,334	-31%	6,027	15%	5,413	17%		870	105%
Tax expense	- 148	- 155	-5%	- 269	-45%	- 1,110				-	- 140	
Net profit attributable	740	805	-8%	1,023	-28%	4,734	16%				703	
Core NP	734	807	-9%	1,086	-32%	4,847	15%	4,278	17%	18%	703	105%

Operational result	1Q26	1Q25	Growth yoy	4Q25	Growth qoq	IPS FY26F	% to IPC	3-year mean	IPS 1Q26F	% to IPS 1Q26F
<b>Plantation Performance FFB Production</b>										
FFB total (th tonne)	793	830	-4%	868	-9%	3,708	21%	22%	799	99%
FFB Nucleus (th tonne)	698	741	-6%	763	-9%	3,287	21%	22%	702	99%
FFB Plasma (th tonne)	95	89	7%	105	-10%	422	23%	22%	97	98%
FFB yield nucleus (tonne/ha) - inc. associates	5.5	5.7	-4%	6.1	-10%	26.3	21%	22%	5.61	
FFB yield plasma (tonne/ha) - inc. associate	3.8	3.9	0%	4.5	-14%	18.0	21%	22%	4.13	
<b>Mill Performance (tonne production)</b>										
FFB Processed (th tonne)	942	1,001	-6%	1,040	-9%	4,376	22%	23%	947	99%
CPO Production (th tonne)	227	231	-2%	245	-7%	1,020	22%	23%	221	103%
Subsidiary company	157	157	0%	172	-9%	696	22%	23%		
Associate company	70	74	-5%	74	-4%	323	22%	22%		
PK Production (th tonne)	47	50	-5%	52	-10%	215	22%	23%	47	101%
PKO Production (th tonne)	-	6	-100%	-	#DIV/0!	17	0%			
OER (%)	24%	23%	4%	23%	4%	23%	103%	100%	23%	
KER (%)	5%	5%	0%	5%	4%	5%	101%	99%	5%	
<b>Average age</b>										
Nucleus	15	14	3%	14	6%					
Plasma	15	14	4%	14	6%					
<b>Planted area (ha)</b>										
Mature	151	153	-1%	149	2%	149	102%			
Nucleus	126	130	-3%	125	1%	125	101%			
Plasma	25	23	7%	23	6%	23	106%			
Total	160	162	-1%	160	0%	160	100%			
Nucleus	133	136	-2%	133	0%	133	100%			
Plasma	27	26	3%	27	0%	27	100%			
<b>Quantity sold (th tonne) - Consolidated</b>										
Total palm product	179.8	191.4	-6%	225.9	-20%	870.4	21%	24%	188.4	95%
FFB	2.9	1.4	101%	-	#DIV/0!	11.1	26%		2.8	105%
CPO	141.6	150.9	-6%	182.9	-23%	696.3	20%	22%	151.6	93%
PK	27.0	27.3	-1%	31.8	-15%	121.3	22%	24%	26.4	102%
PKO	3.0	4.4	-32%	6.4	-53%	17.4	17%	20%	1.6	192%
PKM	5.3	7.3	-28%	4.8	10%	24.4	22%	30%	6.1	86%
Slab and RSS	0.2	0.2	-28%	0.2	-14%	0.8	22%	29%	0.2	88%
<b>Price (Rp/kg)</b>										
FFB	3,874	2,990	30%	23,308	-83%	3,760	103%		-	
CPO	14,463	14,493	0%	14,297	1%	16,410	88%		14,851	97%
PK	12,318	11,220	10%	12,174	1%	13,856	89%		12,875	96%
PKO	27,894	24,581	13%	27,769	0%	30,348	92%		30,348	92%
PKM	2,069	830	149%	1,729	20%	1,366	151%		1,366	151%
Slab and RSS	32,220	32,464	-1%	28,984	11%	29,990	107%		29,990	107%

Source: Company, Indo Premier

## Valuation

Fig. 2: SOP valuation

In Rpbn, unless stated otherwise	12M FWD Remarks
<b>Consolidated</b>	
EV/EBITDA Multiple (x)	At +2 s.d. above sector mean since 2021; premium for its 6 higher production guidance in FY26F with ample dividend payout
EBITDA	5,659
EV	31,688
Market cap	32,619
Debt	1,099
Cash	2,740
Minority	710
<b>JV/Asso - USTP</b>	
P/E multiple	8 +1s.d. sector mean since 2021
Earnings - 100% stake	2,623
Disc. for limited transparacy	15%
Market value	18,062
TAPG's ownership	50%
TAPG's market value from USTP	9,031
<b>SOP valuation</b>	
Total equity value	41,650
# share (bn)	20
<b>Implied TP (Rp/sh)</b>	<b>2,098</b>
<b>Rounded TP (Rp/sh)</b>	<b>2,100</b>

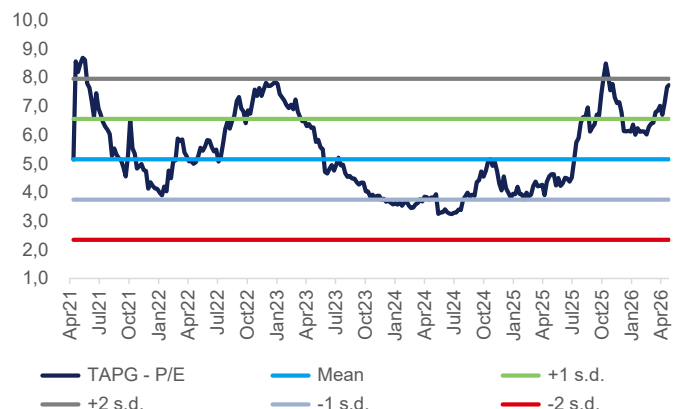
Source: Company, Indo Premier

Fig. 3: EV/EBITDA 12M forward



Source: Company, Indo Premier

Fig. 4: P/E 12M forward



Source: Company, Indo Premier

Income Statement (Rp bn)	FY24	FY25	FY26F	FY27F	FY28F
Net revenue	9,671	11,402	13,733	14,460	14,532
Cost of sales	(5,949)	(6,905)	(7,941)	(8,574)	(8,503)
<b>Gross profit</b>	<b>3,723</b>	<b>4,498</b>	<b>5,792</b>	<b>5,886</b>	<b>6,030</b>
Operating expenses	(894)	(823)	(897)	(928)	(959)
<b>Operating profit</b>	<b>2,829</b>	<b>3,675</b>	<b>4,895</b>	<b>4,958</b>	<b>5,071</b>
<b>EBITDA</b>	<b>3,504</b>	<b>4,383</b>	<b>5,631</b>	<b>5,742</b>	<b>5,883</b>
Net interest	(11)	51	(34)	(32)	(17)
Others	1,110	936	1,166	1,383	1,396
<b>Pre-tax income</b>	<b>3,927</b>	<b>4,661</b>	<b>6,027</b>	<b>6,309</b>	<b>6,449</b>
Income tax	(686)	(816)	(1,110)	(1,124)	(1,153)
Minority interest	(120)	(143)	(183)	(193)	(197)
<b>Net income</b>	<b>3,120</b>	<b>3,702</b>	<b>4,734</b>	<b>4,992</b>	<b>5,099</b>
<b>Core net profit</b>	<b>2,968</b>	<b>3,821</b>	<b>4,847</b>	<b>4,992</b>	<b>5,099</b>

Balance Sheet (Rp bn)	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	1,309	1,651	2,508	3,437	3,602
Inventories	1,035	1,092	1,375	1,484	1,472
Other current assets	903	1,238	1,433	1,541	1,531
<b>Total current assets</b>	<b>3,247</b>	<b>3,981</b>	<b>5,315</b>	<b>6,462</b>	<b>6,605</b>
Fixed assets	7,388	7,244	7,258	7,024	6,762
Other non-current assets	3,672	3,471	3,526	3,575	3,620
<b>Total non-current assets</b>	<b>11,061</b>	<b>10,715</b>	<b>10,785</b>	<b>10,599</b>	<b>10,382</b>
<b>Total assets</b>	<b>14,307</b>	<b>14,697</b>	<b>16,100</b>	<b>17,061</b>	<b>16,987</b>
Short term bank loans	620	280	280	280	280
Current portion of LT loans	150	53	-	-	-
Other current liab.	1,592	1,537	1,768	1,908	1,893
<b>Total current liab.</b>	<b>2,362</b>	<b>1,870</b>	<b>2,048</b>	<b>2,188</b>	<b>2,173</b>
Long term loans	330	766	819	819	-
Other LT liab.	339	373	373	373	373
<b>Total liabilities</b>	<b>3,031</b>	<b>3,009</b>	<b>3,240</b>	<b>3,381</b>	<b>2,545</b>
Equity	4,854	4,829	4,829	4,829	4,829
Retained earnings	5,954	6,381	7,370	7,998	8,561
Minority interest	469	478	661	854	1,051
<b>Total SHE + minority int.</b>	<b>11,276</b>	<b>11,687</b>	<b>12,860</b>	<b>13,681</b>	<b>14,441</b>
<b>Total liabilities &amp; equity</b>	<b>14,307</b>	<b>14,697</b>	<b>16,100</b>	<b>17,061</b>	<b>16,987</b>

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	FY24	FY25	FY26F	FY27F	FY28F
Net income	3,120	3,702	4,734	4,992	5,099
Depr. & amortization	617	545	736	784	812
Changes in working capital	55	(448)	(247)	(77)	6
Others	-	-	-	-	-
<b>Cash flow from operating</b>	<b>3,792</b>	<b>3,800</b>	<b>5,224</b>	<b>5,698</b>	<b>5,918</b>
Capital expenditure	(522)	(401)	(750)	(550)	(550)
Others	267	201	(55)	(48)	(45)
<b>Cash flow from investing</b>	<b>(255)</b>	<b>(200)</b>	<b>(805)</b>	<b>(598)</b>	<b>(595)</b>
Loans	(50)	34	-	-	(819)
Equity	109	(25)	-	-	-
Dividends	(3,315)	(3,276)	(3,745)	(4,364)	(4,535)
Others	23	10	183	193	197
<b>Cash flow from financing</b>	<b>(3,234)</b>	<b>(3,258)</b>	<b>(3,562)</b>	<b>(4,171)</b>	<b>(5,158)</b>
<b>Changes in cash</b>	<b>302</b>	<b>342</b>	<b>857</b>	<b>929</b>	<b>165</b>

Key Ratios	FY24	FY25	FY26F	FY27F	FY28F
Gross margin	38%	39%	42%	41%	41%
EBITDA margin	36%	38%	41%	40%	40%
Pre-tax margin	41%	41%	44%	44%	44%
Core net margin	31%	34%	35%	35%	35%
ROA	21%	26%	30%	29%	30%
ROE	27%	34%	40%	39%	38%
ROIC	28%	36%	45%	48%	51%
Net gearing (x)	(0.0)	(0.0)	(0.1)	(0.2)	(0.2)
Net debt to EBITDA (x)	(0.1)	(0.1)	(0.3)	(0.4)	(0.6)
Interest coverage (x)	46.4	77.1	83.2	84.9	107.6

Source: Company, Indo Premier

## 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

## ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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