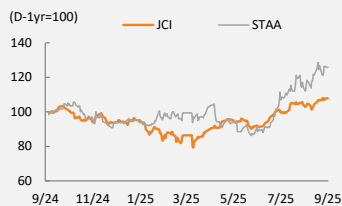


|                            |              |
|----------------------------|--------------|
| (Initiate)                 | <b>Buy</b>   |
| Target Price (IDR)         | <b>1,600</b> |
| Share Price (9/29/25, IDR) | 1,100        |
| Expected Return            | 45.5%        |

|                            |       |
|----------------------------|-------|
| NP (25F, IDRbn)            | 1,592 |
| Consensus NP (25F, IDRbn)  | 1,281 |
| EPS Growth (25F, %)        | 24.2  |
| Market EPS Growth (25F, %) | 32.9  |
| P/E (25F, x)               | 7.6   |
| Market P/E (25F, x)        | 14.3  |
| JCI                        | 8,123 |

|                         |        |
|-------------------------|--------|
| Market Cap (IDRbn)      | 11,994 |
| Shares Outstanding (mn) | 10,903 |
| Free Float (%)          | 25.3   |
| Beta (Adjusted, 24M)    | 0.7    |
| 52-Week Low             | 740    |
| 52-Week High            | 1,125  |

| (%)      | 1M   | 6M   | 12M  |
|----------|------|------|------|
| Absolute | 10.0 | 26.4 | 29.4 |
| Relative | 6.3  | 1.7  | 23.9 |



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# Sumber Tani Agung Resources

## Planting the Seeds of Sustainable Growth

### From Plantation Roots to Global Refinery Reach

PT Sumber Tani Agung Resources Tbk (STAA), headquartered in Medan, is an integrated palm oil company with >49,728ha plantations across five provinces. It operates 15 estates, 10 mills, a kernel crushing plant, a solvent extraction plant, and a refinery. In 2024, revenue was dominated by CPO (79%) and PKO (14.6%), with 95% sales domestic. Its new Dumai refinery (2,000 tons/day, 64,000 tons storage) achieved 78% utilization within months, processing ~50% of Sumatra's CPO and completing its first 9,000-ton RBD Olein export. This integration enables STAA to flexibly optimize midstream or downstream exposure to sustain profitability.

### Sustains Industry-Leading Yields

In 1H25, STAA achieved strong operational results with FFB production of 515,122 tons (+7% YoY), 91% from nucleus estates, and industry-leading yields of 23 tons/ha. CPO output rose 16.7% YoY to 211,830 tons, while PK grew 20% to 48,124 tons. Kernel crushing delivered 28,564 tons of PKO (+48.1% YoY) and 37,884 tons of PKE (+50.9% YoY). Higher extraction rates and robust ASPs across products further supported performance.

### Gears Up for Stronger Growth

STAA enters 2025F with solid momentum after booking IDR6.4tn revenue in FY24 (+21.8% YoY), driven by higher CPO prices. Looking ahead, sustained global CPO strength (YTD avg: MYR4,321/mt) and the commissioning of a new 300k-ton mill are set to lift FFB output to 2.0mn tons (+6.0% YoY) and boost CPO production to 429k tons (+10.1% YoY). This expansion, alongside strong mill utilization, should drive FY25F revenue to IDR7.5tn (+16.6% YoY) and profit to IDR1.6tn (+24.1% YoY). With improving efficiency, higher returns, consistent dividends, and a projected net cash position by 2025, STAA is well-positioned for resilient long-term growth.

### Initiate BUY with TP at IDR1,600, Reflecting 18.3x FY25F P/E

We initiate coverage on STAA with a TP of IDR1,600/share, implying 11.0x 2025F P/E and 6.1x EV/EBITDA, versus the current 8.6x and 4.6x, a discount to regional peers at 12-14x. Supported by resilient CPO prices, downstream integration, and biofuel demand, EBITDA is forecast at IDR1.6tr in 2025F (+22.1% YoY) and IDR1.8tr in 2026F (+13.8%). Net profit is set to grow to IDR1.8tr by 2026F. Robust FCF (IDR2.0tr+ annually) and a shift to net cash by 2025 underpin healthy margins (GPM >30%, EBITDA 35-39%). Risks include slower production growth, weak CPO price, and regulatory changes.

| (FY Dec. 31)             | 2023  | 2024  | 2025F | 2026F | 2027F |
|--------------------------|-------|-------|-------|-------|-------|
| Revenue (IDRbn)          | 5,285 | 6,439 | 7,510 | 7,834 | 7,834 |
| Operating profit (IDRbn) | 1,052 | 1,867 | 2,291 | 2,632 | 2,620 |
| Net profit (IDRbn)       | 682   | 1,282 | 1,592 | 1,866 | 1,887 |
| EPS (IDR)                | 63    | 118   | 146   | 171   | 173   |
| BPS (IDR)                | 441   | 541   | 635   | 743   | 841   |
| P/E (x)                  | 17.7  | 9.4   | 7.6   | 6.5   | 6.4   |
| EV/EBITDA (x)            | 9.1   | 5.6   | 4.3   | 3.4   | 3.1   |
| ROE (%)                  | 10.2  | 15.9  | 17.4  | 18.2  | 16.7  |
| Dividend yield (%)       | 2.4   | 4.7   | 5.7   | 6.8   | 6.8   |

Note: NP refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

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# Company Profile

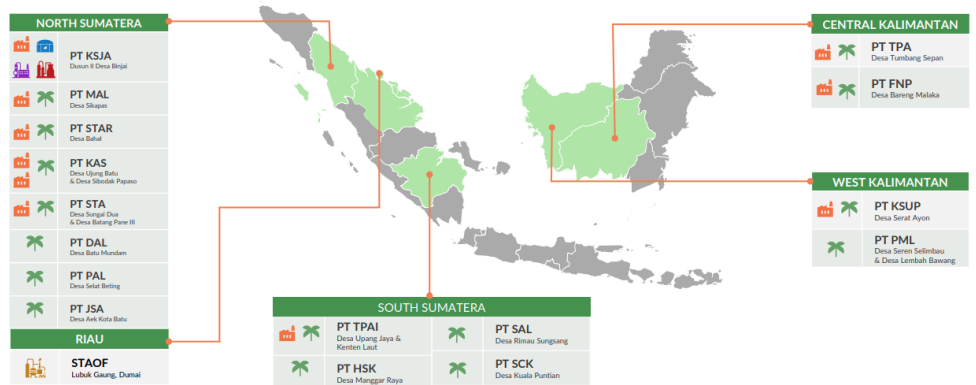
## 50+ years of palm oil leadership

PT Sumber Tani Agung Resources Tbk (STAA) is an oil palm company headquartered in Medan, North Sumatra, with operations dating back to 1970. Since then, the company has developed > 49,728ha of plantations (9.04% CAGR, 1971–2024), and operates across five provinces in Indonesia: North Sumatra, South Sumatra, Riau, West Kalimantan, and Central Kalimantan.

STAA operates an integrated business model comprising 15 palm oil estates, 10 palm oil mills, 1 kernel crushing plant, 1 solvent extraction plant (powered by a biogas facility), and 1 refinery & fractionation unit. Its product portfolio spans all value chain, from FFB, CPO, PK, PKO, and PKE to downstream derivatives such as RBDPO, PFAD, RBD Olein, and RBD Stearin.

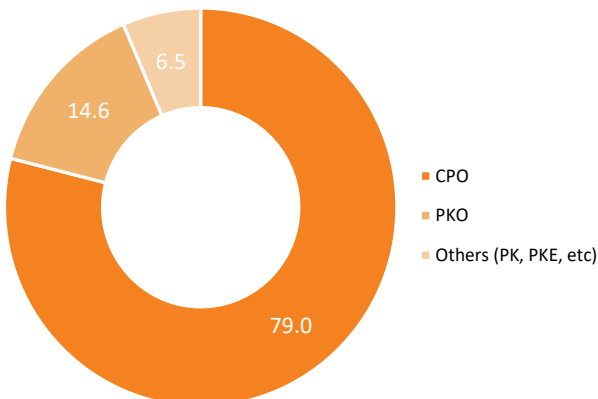
In 2024, CPO and PKO contributed 79.0% and 14.6% of total revenue, respectively, while other products, including FFB, PK, PKE, and refined derivatives, collectively accounted for the remaining 6.5%. Sales were largely domestic (95.4%), with the remainder exported to markets such as India, Netherlands, China, Thailand, and South Korea.

Figure 1. STAA's plantation and production facilities



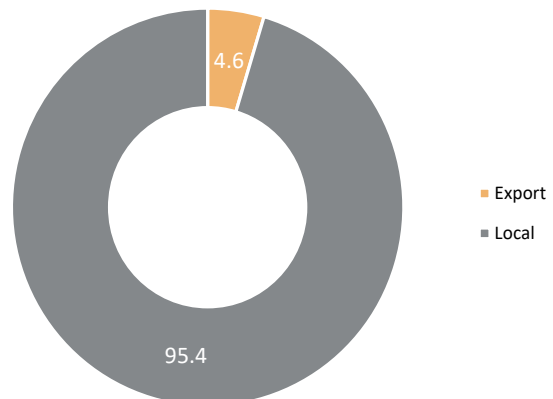
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 2. STAA's revenue by products, 2024



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 3. STAA's revenue by destination, 2024



Source: Company data, Mirae Asset Sekuritas Indonesia Research

**Figure 4. STAA's export destination**



Source: Company data, Mirae Asset Sekuritas Indonesia Research

**Figure 5. STAA's palm oil mill**



Source: Company data, Mirae Asset Sekuritas Indonesia Research

**Figure 6. STAA's solvent extraction plant**



Source: Company data, Mirae Asset Sekuritas Indonesia Research

### Maximizing value through vertical integration

To achieve superior growth, STAA runs a well-integrated business process. Fresh fruit bunches (FFB) from its plantations, where the average tree age is 14 years (prime age), are supplied to company’s own mills, with total processing capacity of 495 tons/hour. The mills produce crude palm oil (CPO) and palm kernel (PK), which further processed into downstream products.

CPO is processed at company’s refinery and fractionation facility (Sumber Tani Agung Oils & Fats/STAOF) to produce Refined Bleached Deodorized Palm Oil (RBDPO) and Palm Fatty Acid Distillate (PFAD). RBDPO is then fractionated into RBD olein (liquid product) & RBD stearin (solid product). RBD olein is widely used as cooking oil, while RBD stearin serves as a key input for producing trans-fat-free fats, primarily consumed in margarine and shortening.

Meanwhile, PK is processed at company’s kernel crushing plant (600 tons/day capacity) and solvent extraction plant (500 tons/day capacity) to produce Palm Kernel Oil (PKO) and Palm Kernel Expeller (PKE). PKO is a high-quality palm kernel oil, with free fatty acid levels typically below 2%, suitable for both food and non-food applications. PKE, a byproduct, is widely used as animal feed due to its high crude protein content.

Figure 7. STAA’s plantation age profile

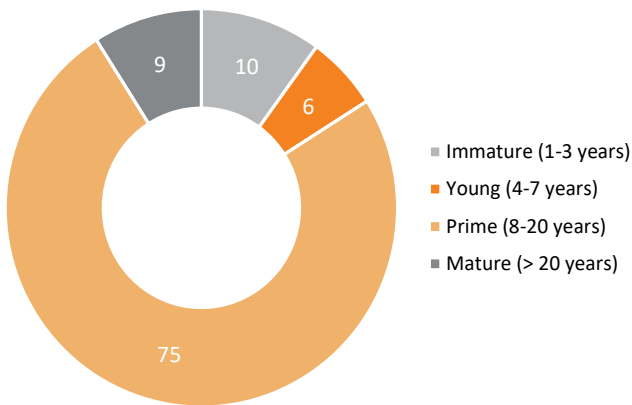
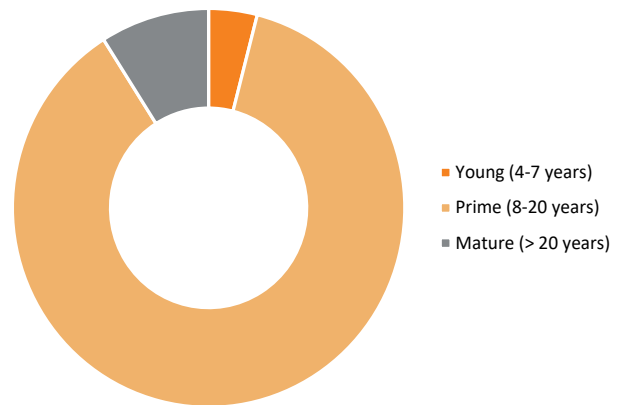


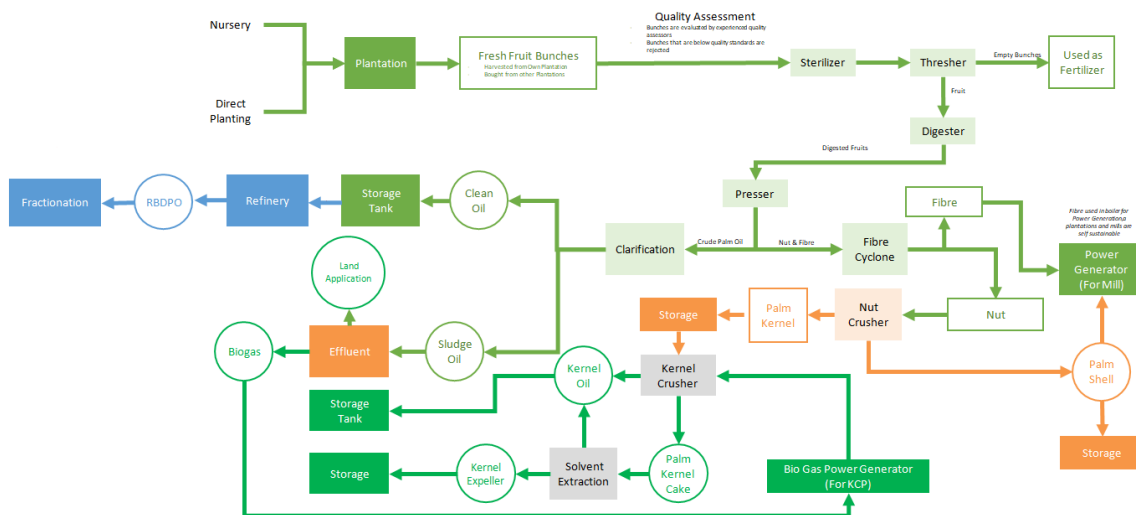
Figure 8. STAA’s FFB production age profile



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 9. STAA’s integrated business process

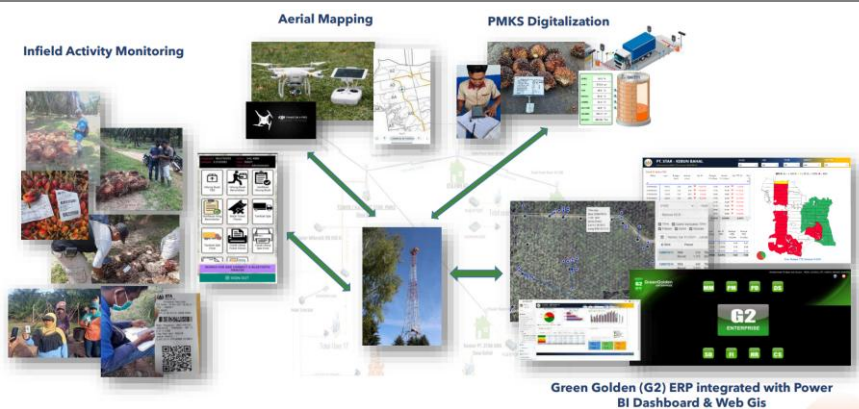


Source: Company data, Mirae Asset Sekuritas Indonesia Research

### Digitalization to drive efficiency and productivity

To strengthen operational oversight across plantations and mills, the company has implemented several digital initiatives, including an Android-based application for barcode generation at collection points, unmanned weighbridge systems, drones for field monitoring, and an IoT-based weather reporting system to improve forecast accuracy and optimize fertilizer application. These initiatives serve as a competitive advantage, enabling the company to enhance both cost efficiency and productivity.

Figure 10. STAA's digitalization initiatives



Source: Company data, Mirae Asset Sekuritas Indonesia Research

## Management Overview

**Table 1. STAA's Management Profile**

| Board of Commissioners  |  | Position                    | Years of Experience |
|---|--|-----------------------------|---------------------|
|    | <p>Suwandi Widjaja (69 years old) earned his Diploma of Business Management &amp; Administration at Stamford College in 1976 and joined PT Sumber Tani Agung Resources Tbk in 1994. He currently also serves as President Director of PT Malibu Indah Lestari.</p> | President Commissioner      | 48 years            |
|    | <p>Riswan Wijaya (66 years old) obtained his Diploma of Business Academy in 1979. He joined PT Sumber Tani Agung Resources Tbk in 1979. He currently also serves as President Director of PT Kedaton Perkasa.</p>  | Vice President Commissioner | 45 years            |
|   | <p>Lele Tanjung (74 years old) graduated from Junior High School in Medan in 1965 and joined PT Sumber Tani Agung Resources Tbk in 2005. He also serves as Commissioner of CV Serasi Jaya Sejati.</p>  | Commissioner                | 40 years            |
|  | <p>Tan Keng Tong (76 years old) earned his Diploma of Mechanical Engineering from Technical College in 1971. He joined PT Sumber Tani Agung Resources Tbk in 2014. He previously served as Director at Borneo Agribusiness Resources Pte Ltd.</p>                  | Commissioner                | 53 years            |
|  | <p>Robby Sumargo (56 years old) earned his Master's Degree from Woodbury University in 1993. He joined PT Sumber Tani Agung Resources Tbk in 2021. He currently serves as Managing Partner at Kreston.</p>   | Independent Commissioner    | 31 years            |
|  | <p>Rudi Ngadiman (58 years old) obtained Bachelor of Civil Engineering from Tarumanagara University in 1989. He joined PT Sumber Tani Agung Resources Tbk in 2021. He currently also serves as sident Director at PT Karya Langgeng Mandiri.</p>                   | Independent Commissioner    | 37 years            |

|   |   |                          |                            |
|---|---|--------------------------|----------------------------|
|    | Julian C.Hill (75 years old) earned his Master of Arts degree from Trinity College in 1971 and joined PT Sumber Tani Agung Resources Tbk in 2025. He previously served as Senior Technical Advisor of PT Deloitte Konsulan Indonesia.   | Independent Commissioner | 53 years                   |
| <b>Board of Directors</b>   |   | <b>Position</b>          | <b>Years of Experience</b> |
|    | Mosfly Ang (50 years old) received his Bachelor of Accounting from University of Northern Sumatra in 1997. He joined PT Sumber Tani Agung Resources Tbk in 1999. He previously served as Deputy President Director at PT Sumber Tani Agung Resources.                             | President Director       | 28 years                   |
|   | Lim Chi Yin (64 years old) earned his Bachelor of Economics and Accounting from University of Hull in 1984 and joined PT Sumber Tani Agung Resources Tbk in 2021. He previously served as Regional Financial Controller at PT Eagle High Plantations Tbk.                         | Director                 | 40 years                   |
|  | Go Kok Siang (46 years old) obtained his Bachelor of Industrial Management Engineering from ISTP in 2000. He joined PT Sumber Tani Agung Resources Tbk in 2003. He previously served as Vice President Engineering at PT Sumber Tani Agung Resources.                             | Director                 | 21 years                   |
|  | Bie Jan Jusri (54 years old) earned his Bachelor of English Literature from Indonesian Methodist University in 1994 and joined PT Sumber Tani Agung Resources Tbk in 1994. He previously served as Vice President of Procurement and Marketing at PT Sumber Tani Agung Resources. | Director                 | 30 years                   |
|  | Nharong Somchit (57 years old) received his Bachelor of Science Agriculture degree from University Serdang in 1989. He joined PT Sumber Tani Agung Resources Tbk in 2023. He previously served as Advisor TSH Bhd.  | Director                 | 35 years                   |

Source: Company data, Mirae Asset Sekuritas Indonesia Research

## Industry at a glance

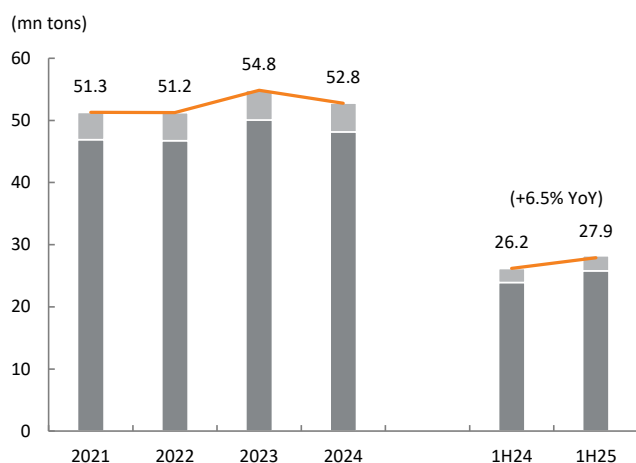
### Production rebounds, yet growth room tightens

CPO production in Jun-25 reached 4.823mn tons, up from 4.165mn tons in the prior month, while PKO output rose to 465k tons from 396k tons. On a cumulative basis, CPO+PKO production in 1H25 stood at 27.889mn tons, or +6.5% YoY from 26.185mn tons in 1H24, with domestic consumption posting a modest uptick. Globally, palm oil production is expected to recover modestly in fiscal 2025 as weather conditions in Indonesia normalize, following a 5.7% YoY decline in fiscal 2024 to 45.9mn tons due to dry conditions. Oil World projects global production to rise +1.4% YoY to 81.23mn tons in fiscal 2025, though still below the 81.78mn tons recorded in fiscal 2023. Longer-term growth prospects remain constrained by the absence of significant new area expansion over the past decade, although Indonesia is expected to maintain its dominance, accounting for 58.2% of global output in the fiscal year ending September.

### Stable output and biodiesel demand provide price support

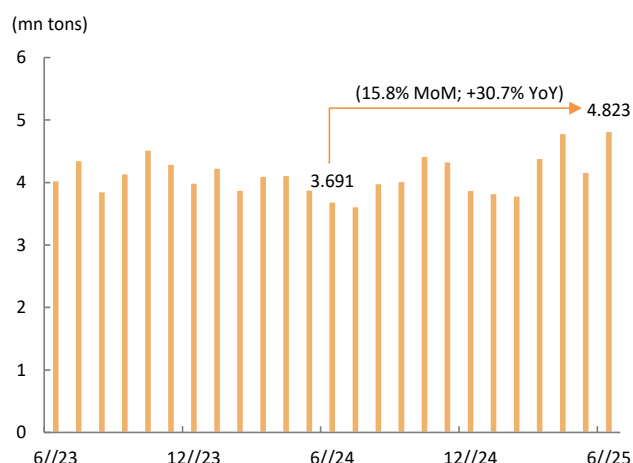
A plateau in palm oil output from Indonesia and Malaysia, the world’s two largest producers, may help limit downside risks to prices, though sustained support from Indonesia’s biodiesel program remains critical. In 2024, Indonesia consumed ~12mn tons of palm oil for biodiesel feedstock, equal to 22% of total output, and any slowdown in biodiesel uptake could lead to excess supply and renewed pressure on prices. Palm oil is the most consumed edible oil globally with a 32% share among 17 major edible oils, ahead of soybean oil at 24%, meaning slower palm oil output growth also constrains expansion in overall edible oil supply. Looking ahead, palm oil production is expected to recover modestly in fiscal 2025 as weather conditions improve, though output is likely to remain below fiscal 2023 levels, with growth constrained to the low single digits by aging plantations and ongoing replanting programs in both Indonesia and Malaysia. These structural supply challenges suggest that while output growth will remain muted, prices could find support as long as biodiesel demand and blending mandates remain intact.

Figure 11. Indonesia CPO productions trajectory



Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

Figure 12. Monthly CPO productions

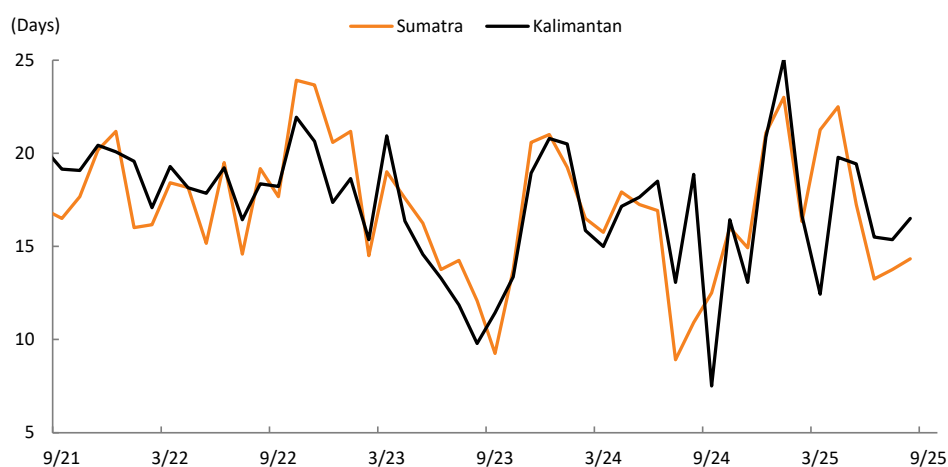


Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

### Indonesian planters struggle to break past yield ceiling

Indonesian planters have struggled to achieve new record yields, suggesting the industry may be approaching peak productivity, with tree maturity acting as a cap on output potential. This underscores the sector’s rising vulnerability to adverse weather, given the high proportion of aging trees. While yields could see some improvement in 2025 as the impact of unfavorable weather conditions eases, overall output is still projected to be 2.9% lower versus FY23, highlighting structural limits on growth. Weather disruptions have also affected FFB deliveries to refineries, with higher fatty acid content further reducing extraction rates and pressuring yields.

**Figure 13. # of rainy days in Indonesia**

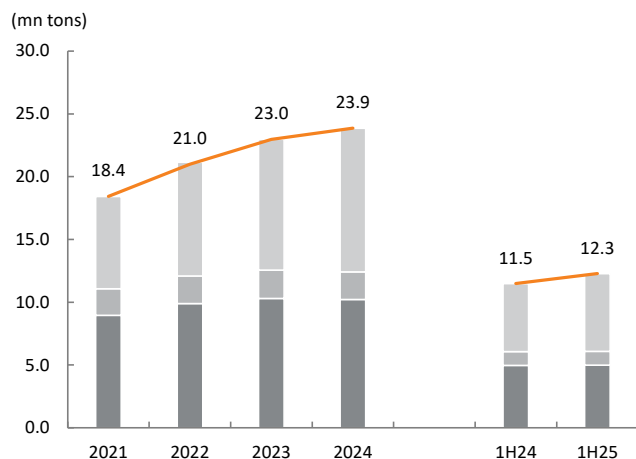


Source: Bloomberg, Mirae Asset Sekuritas Indonesia Research

### Food consumption plateaus as biodiesel gains share

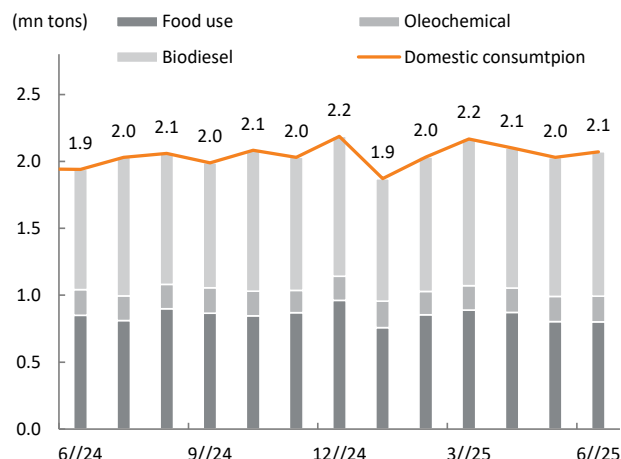
Oleochemical demand rose to 192k tons (+2.7% MoM) in Jun-25, while biodiesel consumption increased to 1.080mn tons (+4.0% MoM) and food consumption edged down to 800k tons (-0.4% MoM). Global palm oil demand growth is increasingly skewed toward energy rather than food use, with biodiesel becoming the primary driver of incremental consumption. Between 2016 and 2024, global demand rose by 17.6mn tons, of which 12mn tons were attributable to Indonesia, with 8.7mn tons linked to biodiesel. This highlights that food-related consumption grew only modestly by 8.8mn tons over the period, or around 1.1mn tons annually. Looking ahead, palm oil demand is projected to remain broadly flat at 81.55mn tons in FY25, compared with 81.7mn tons in 2024, according to Oil World. Rising biodiesel output in Indonesia could continue to divert supply away from food applications, limiting growth in the latter segment. Per capita food use is already elevated at 33.4kg, well above India’s 17.3kg, suggesting limited upside in edible oil consumption. At the same time, Indonesia’s DMO mechanism sustains demand by linking domestic sales to export volumes, allowing producers to export four times the amount sold locally. This framework has become increasingly relevant as unsubsidized bulk cooking oil prices averaged IDR18,084/kg in Dec-24, compared with IDR14,000–15,000/kg in 2023. Fully integrated are most exposed through cooking oil and specialty fats but still benefiting from rising biodiesel-linked demand.

**Figure 14. Indonesia CPO consumptions trajectory**



Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

**Figure 15. Indonesia monthly CPO consumptions**



Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

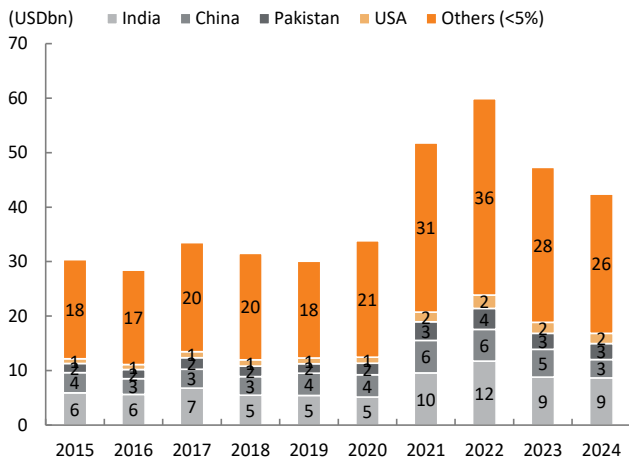
### Export strengthens sharply, supported by broad-based demand

Total palm oil exports rose sharply to 3.606mn tons in Jun-25 (+35.4% MoM), led by processed palm oil at 2.599mn tons (+32.1% MoM) and CPO exports at 418k tons (+155.7% MoM), partly offset by weaker oleochemical shipments at 420k tons (-3.7% MoM). Export growth was supported by higher shipments to China (+283k tons), India (+224k tons), Africa (+125k tons), Pakistan (+69k tons), Russia (+65k tons), the US (+58k tons), Bangladesh (+47k tons), Malaysia (+39k tons), and EU-27 (+10k tons). Export value increased to USD3.64bn in Jun-25 from USD2.82bn in May-25 (+28.8% MoM). On a cumulative basis, 1H25 export value rose +34.6% YoY to USD17.28bn (vs. USD12.83bn in 1H24), driven by both higher volumes and stronger prices, with the Jan–Jun 2025 average CIF Rotterdam price at USD1,180/ton, up from USD1,000/ton in the same period last year.

India’s palm oil import growth is expected to slow as domestic oilseed production rises. The USDA projects India’s oilseed output to increase 5.2% YoY to a record 43.53mn tons in FY25, following an 11.7% increase between FY17 and FY24. Edible oil demand is estimated at 25.59mn tons, of which 59.4% may be met by imports, compared with 71.1% in FY17. Palm oil typically accounts for 50–60% of India’s edible oil imports, but volumes have not exceeded 10mn tons since 2015. Imports are forecast to grow 5.8% to 9.4mn tons in FY25.

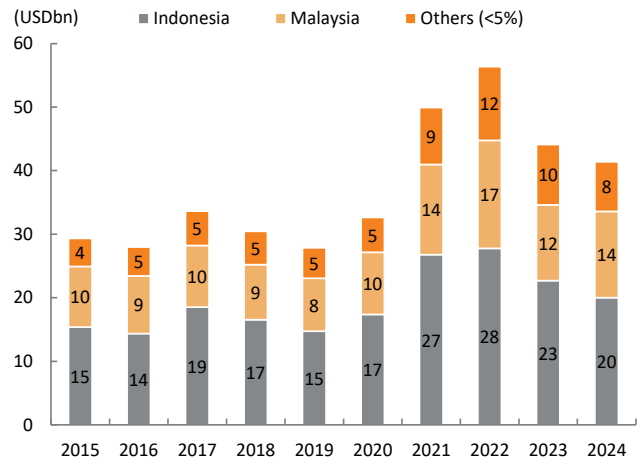
China, the largest incremental buyer in Jun-25, is likely to remain a key swing factor in global demand. While short-term imports rose due to stock replenishment and competitive pricing, structural growth prospects are more muted given stable per capita edible oil consumption and government efforts to diversify sourcing toward soybean oil. Nonetheless, palm oil continues to benefit from its relative cost advantage, particularly in the food service sector, suggesting China could sustain its role as a stabilizer of global demand during periods of oversupply.

Figure 16. Biggest CPO importer



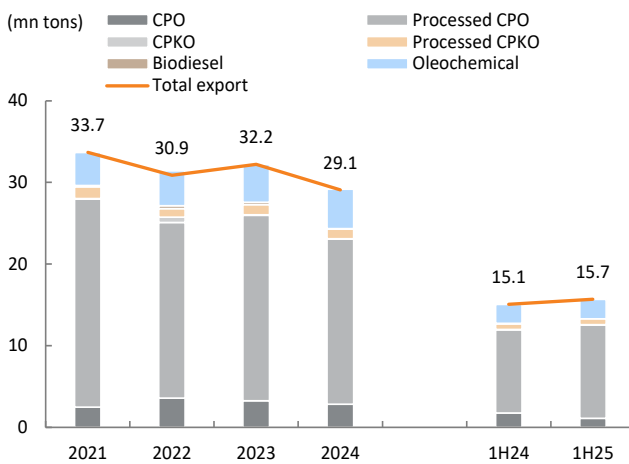
Source: TradeMap, Mirae Asset Sekuritas Indonesia Research

Figure 17. Biggest CPO exporter



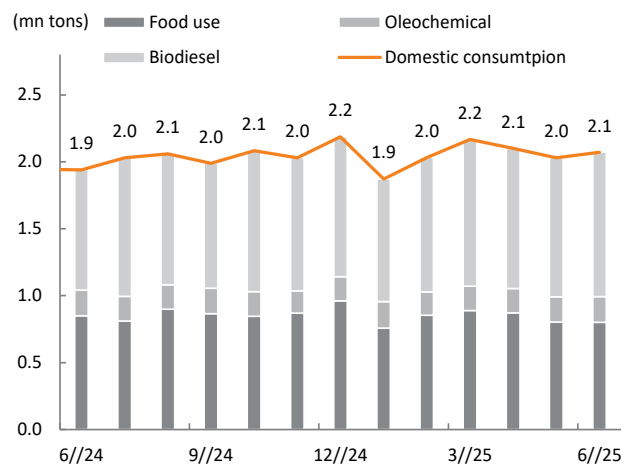
Source: TradeMap, Mirae Asset Sekuritas Indonesia Research

Figure 18. Indonesia CPO export by type trajectory



Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

Figure 19. Indonesia CPO export by type monthly

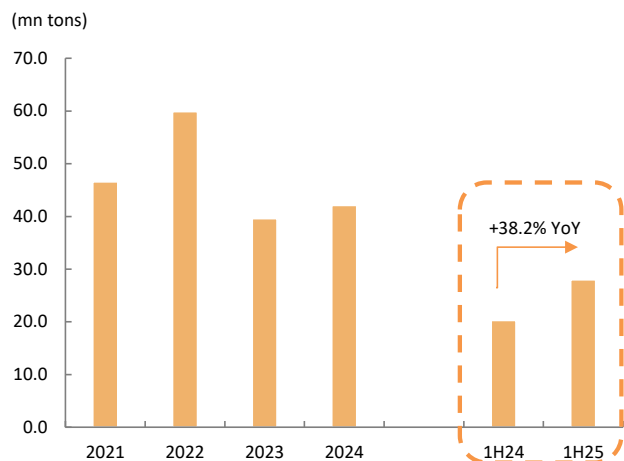


Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

### Palm oil stock level increase amid stronger output

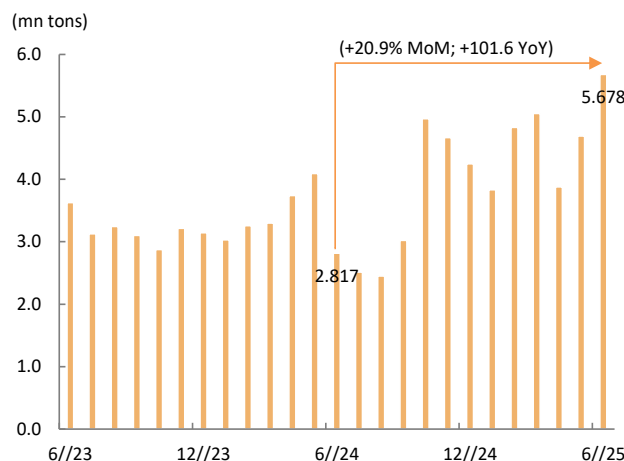
Indonesia’s palm oil beginning stock in June 2025 stood at 2.92mn tons. With monthly output rising to 5.29mn tons, domestic consumption reaching 2.07mn tons, and exports recorded at 3.61mn tons, ending inventory is estimated to climb to 5.68mn tons by end-June. The build-up in stock reflects stronger output momentum outpacing demand, both domestically and abroad, and may add downward pressure to prices if sustained into 2H25.

**Figure 20. CPO inventory level trajectory**



Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

**Figure 21. CPO inventory level monthly**



Source: GAPKI, Mirae Asset Sekuritas Indonesia Research

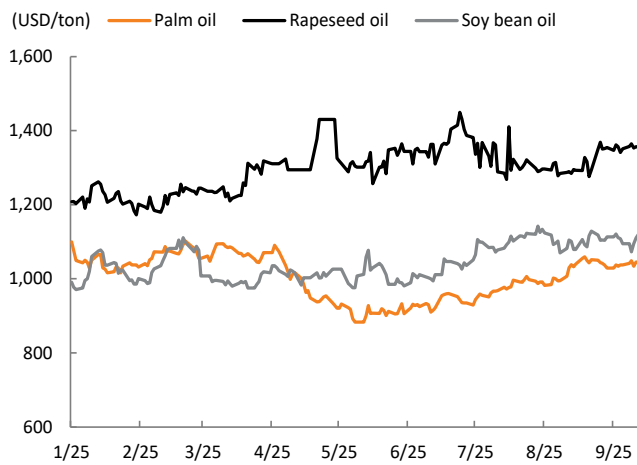
### Palm oil rally unlikely amid elevated stock levels

We expect near-term downside risk to palm oil prices as output recovery pushes inventories toward multi-year highs. While the stock-to-usage ratio has eased, it remains well above the 2016 trough, limiting the potential for a sustained price rally. Current elevated prices already reflect expectations of supply tightness, leaving little room for further upside. Strength in soybean oil, supported by U.S. green-diesel demand, is unlikely to translate into significant spillover support for palm oil.

### Scope for palm oil to regain share once spread normalizes

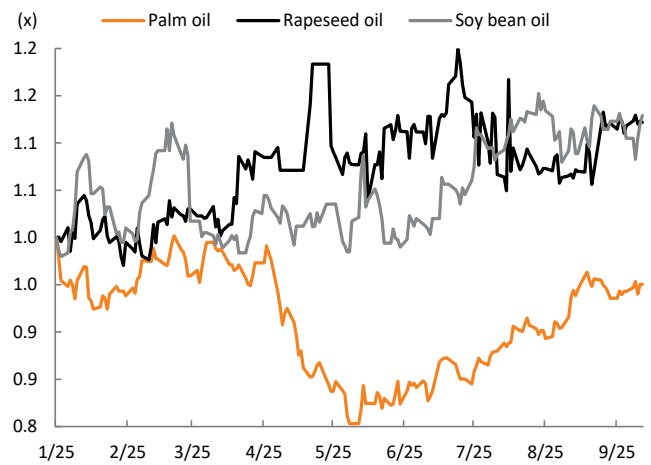
Palm oil’s discount to soybean oil may need to widen further for palm olein to regain competitiveness in China. At the current discount of USD79/ton to Argentine soybean oil, palm olein still trades at a premium of CNY454/ton to soybean oil on the Dalian Commodity Exchange. With soybean supply remaining abundant, palm olein’s higher relative price continues to encourage soybean crushing in China, weighing on palm oil demand. To reach parity with Chinese soybean oil, palm olein prices would need to decline by at least USD63/ton. Historically, palm oil has traded at a discount of USD91–184/ton to soybean oil over the past decade, with the exception of 2022 when the discount widened sharply to USD306/ton.

**Figure 22. YTD vegetable oil movement**



Source: Bloomberg, Mirae Asset Sekuritas Indonesia Research

**Figure 23. YTD vegetable oil movement (indexed)**



Source: Bloomberg, Mirae Asset Sekuritas Indonesia Research

### B50 meets U.S. trade commitment

Indonesia’s USD19.5bn trade deal with the U.S. poses risks to the country’s biodiesel expansion, as higher import commitments, USD15bn in energy and USD4.5bn in agricultural products, may necessitate increased CPO exports, diverting feedstock from domestic use. This could undermine progress toward the government’s B50 target, with policy execution dependent on balancing export obligations and domestic energy priorities. In FY24, Indonesia exported 1.54mn tons of CPO worth USD1.59bn to the U.S., while achieving B50 would require an additional 3.5mn tons of feedstock, underscoring the tension between sustaining biodiesel growth and fulfilling trade commitments.

### Palm oil regulations aim to secure domestic supply

In early 2025, Indonesia introduced Regulation No. 2/2025 to tighten palm oil trade and secure domestic supply. The regulation restricts exports of POME, HAPOR, and used cooking oil to support the domestic cooking oil industry and the B40 biodiesel program. The government is also considering raising the CPO export levy to 10% from 7.5%, which would raise costs for exporters. These measures build on the 2024 revision of the DMO scheme aimed at improving local cooking oil availability.

Externally, the EUDR will take effect from Dec-24, requiring palm oil exports to be verified deforestation-free. Taken together, these developments reflect efforts to secure raw materials domestically, limit byproduct exports, and align with global sustainability standards. However, they also imply higher costs and compliance risks for Indonesian producers.

## Site Visit Summary

### STAOF: STAA’s first step into downstream integration

We visited Sumber Tani Agung Oils & Fats (STAOF), STAA’s first refinery located in Dumai. Commissioned in July 2025, STAOF marks a significant milestone in STAA’s downstream expansion strategy. The facility has processing capacity of 2,000 tons per day, supported by 64,000 tons of storage tanks (equivalent to roughly one month of inventory) and a jetty that can accommodate vessels of up to 50,000 DWT, further strengthening STAA’s integrated operations and value-added capabilities.

Shortly after commissioning, STAA completed its first export shipment of 9,000 tons of RBD Olein to the Middle East, underscoring its commitment to downstream growth and international market expansion. Within just a few months of operations, the refinery has already reached 78% utilization rate, processing about 50% of the company’s CPO supply, particularly from Sumatra.

### Building resilience by strengthening value chain control

The establishment of STAOF represents a strategic move to strengthen STAA’s control over margins across value chain. An integrated business model provides the company with greater flexibility to navigate market dynamics. When the midstream margins are favorable, STAA can channel output to that segment, while during periods of weaker midstream prices, it can shift focus to the downstream processing to sustain overall profitability. This approach enables STAA to maintain resilient earnings despite sudden commodity price fluctuations, while also reducing its reliance on external parties to maximize profits.

Figure 24. STAOF refinery and fractionation plant



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 25. STAOF refinery installation



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 26. STAOF fractination installation



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 27. STAOF control room monitoring system



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 28. STAOF dedicated jetty port



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 29. STAOF storage tank



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 30. STAA's downstream products



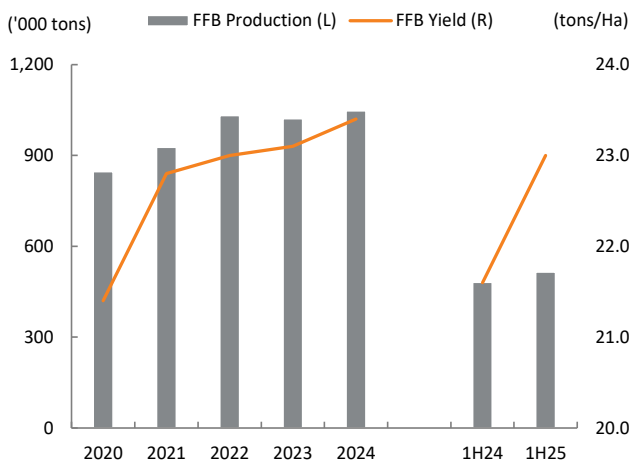
Source: Company data, Mirae Asset Sekuritas Indonesia Research

## Operational Overview

### Operational strength underpinned by higher ASP

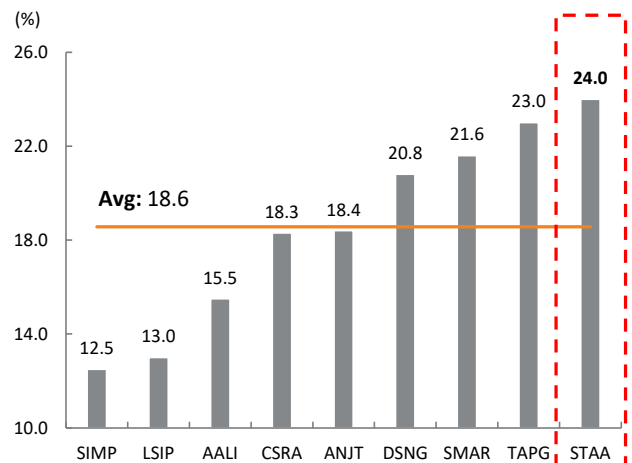
In 1H25, STAA recorded FFB production of 515,122 tons (+7% YoY), with ~91% sourced from its own estates (nucleus). Average yield reached 23 tons/ha (vs. 21.6 tons/ha in 1H24), reflecting a consistent upward trend driven by operational improvements and the increasing contribution of young palm trees entering their prime productive stage. Compared to peers, STAA continues to deliver the highest yields in industry (24 tons/ha vs. industry average of 18.6 tons/ha), underscoring its superior efficiency & productivity.

Figure 31. STAA's FFB production & FFB yield



Source: Company data, Mirae Asset Sekuritas Indonesia Research

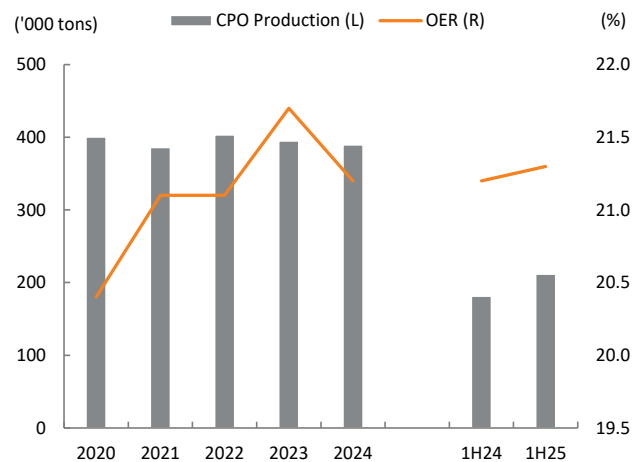
Figure 32. STAA's FFB yield vs peers



Source: Company data, Mirae Asset Sekuritas Indonesia Research

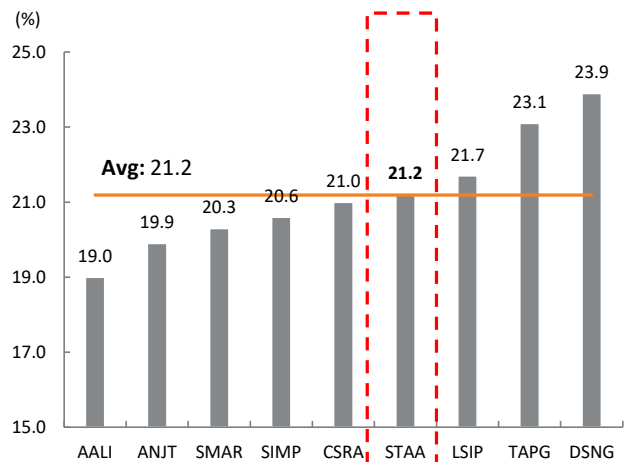
During the period, STAA processed 995,958 tons of FFB, producing 211,830 tons of CPO (+16.7% YoY) and 48,124 tons of PK (+20.0% YoY). Extraction rates also improved, with OER at 21.3% (vs. 21.2% in 1H24) and KER at 4.8% (vs. 4.7% in 1H24), both remaining above industry benchmarks of 21% and 4.5%. Meanwhile, the kernel crushing facility produced 28,564 tons of PKO (+48.1% YoY) and 37,884 tons of PKE (+50.9% YoY).

Figure 33. STAA's CPO production & OER



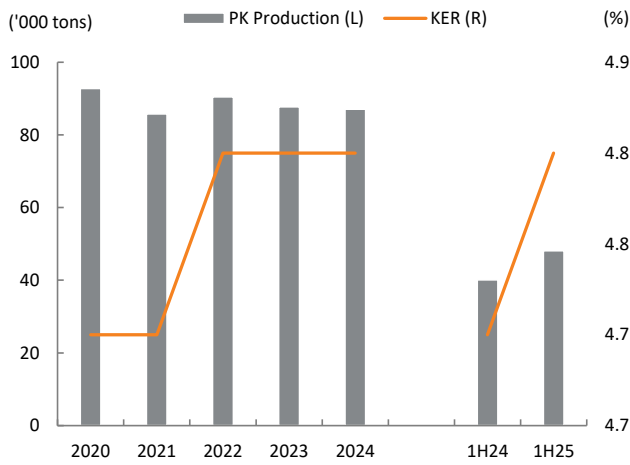
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 34. STAA's OER vs peers



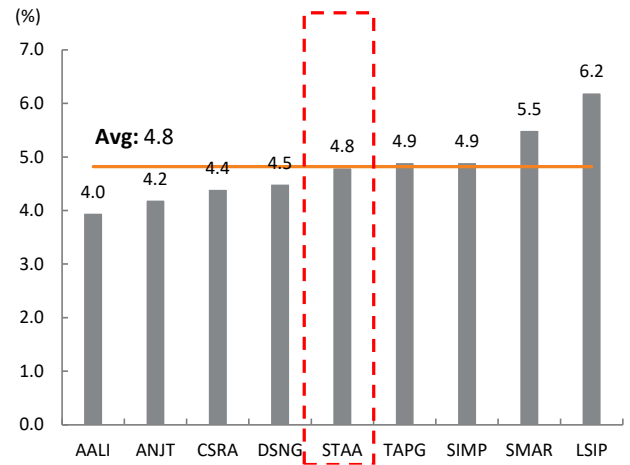
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 35. STAA's PK production & KER



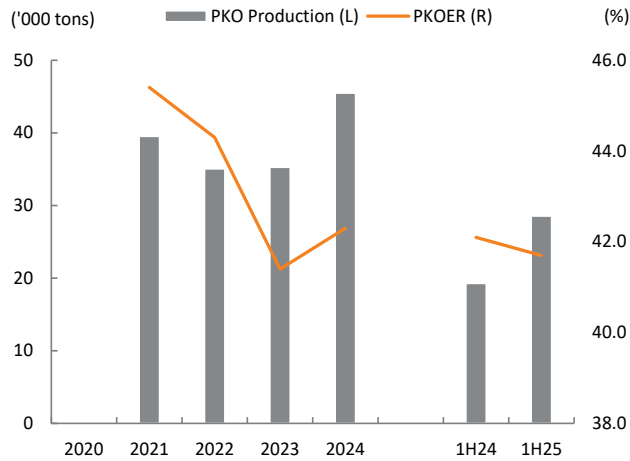
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 36. STAA's KER vs peers



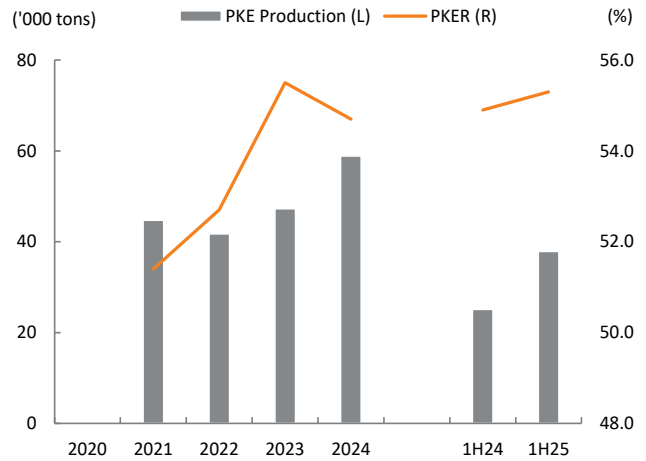
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 37. STAA's PKO production & PKOER



Source: Company data, Mirae Asset Sekuritas Indonesia Research

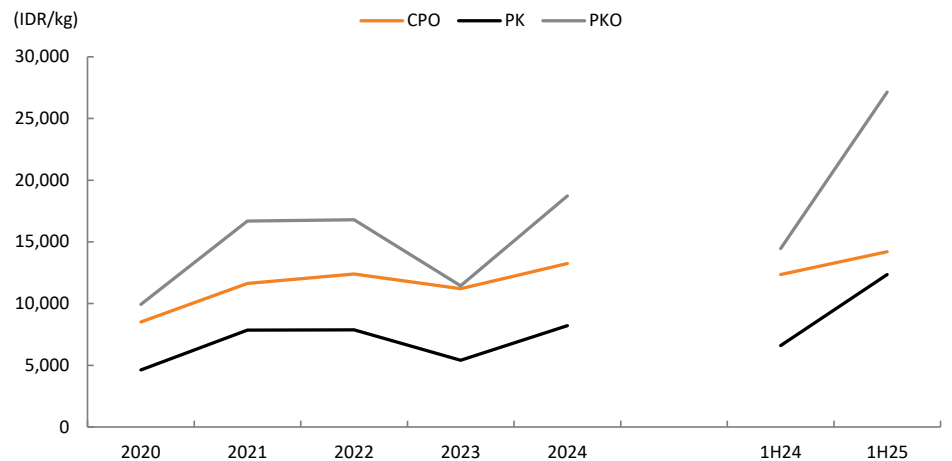
Figure 38. STAA's PKE production & PKER



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Strong operational performance was further supported by elevated selling prices across all products, in line with higher index prices. In 1H25, ASP stood at IDR14,204/kg for CPO (+14.9% YoY), IDR12,350/kg for PK (+86.9% YoY), and IDR27,131/kg for PKO (+87.6% YoY).

Figure 39. STAA's product ASP



Source: Company data, Mirae Asset Sekuritas Indonesia Research

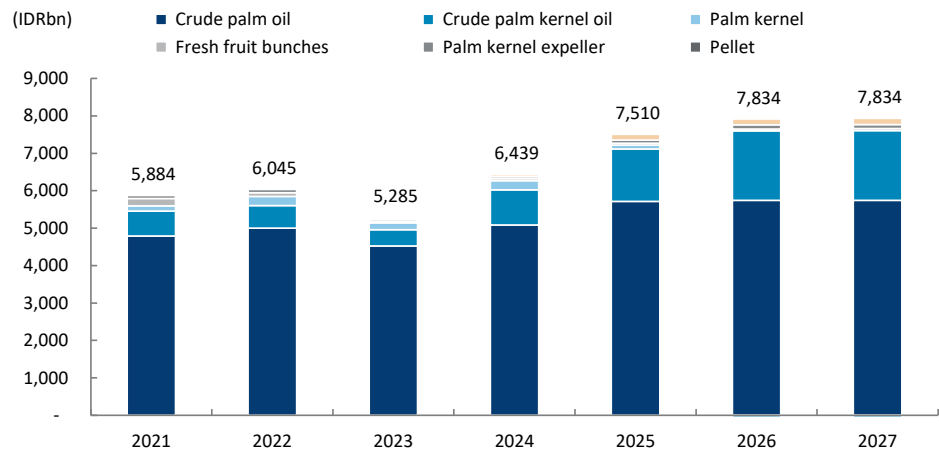
## Operational & Financial Outlook

### Robust financial performance, backed by operational excellence

STAA booked solid FY24 revenue of IDR6.4tn (+21.8% YoY), underpinned by stronger CPO ASP (+18.9% YoY) despite flat sales volumes. We expect global CPO prices to remain elevated in FY25F (YTD avg: MYR4,321/mt), providing further revenue tailwinds. The company is set to commission one additional mill (300k-ton capacity), lifting FFB output to 2.0mn tons (+6.0% YoY). Consequently, FY25F CPO production is projected to reach 429k tons (+10.1% YoY) with OER of 22.0%, driving stronger sales volumes.

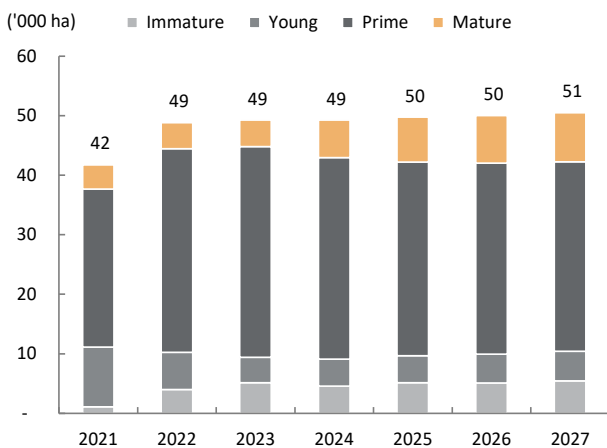
With sustainable CPO pricing and higher production, we forecast FY25F revenue at IDR7.5tn (+16.6% YoY) and FY26F at IDR7.8tn (+4.3% YoY), before normalizing into FY27F-30F. We believe the combination of favorable pricing dynamics, capacity expansion, and higher efficiency positions STAA for resilient top-line growth over the medium term.

Figure 40. STAA’s revenue trajectory



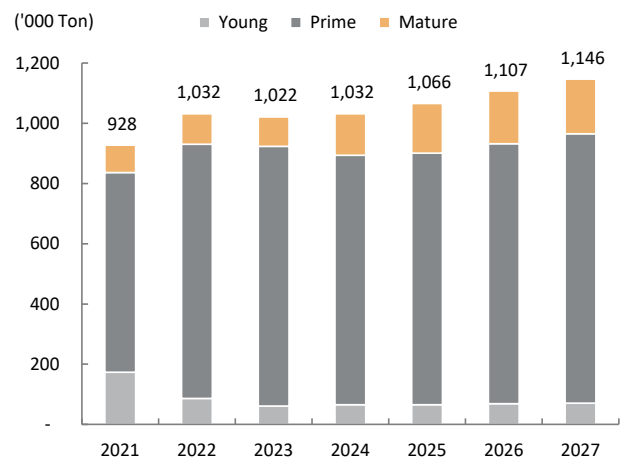
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 41. STAA’s planted area



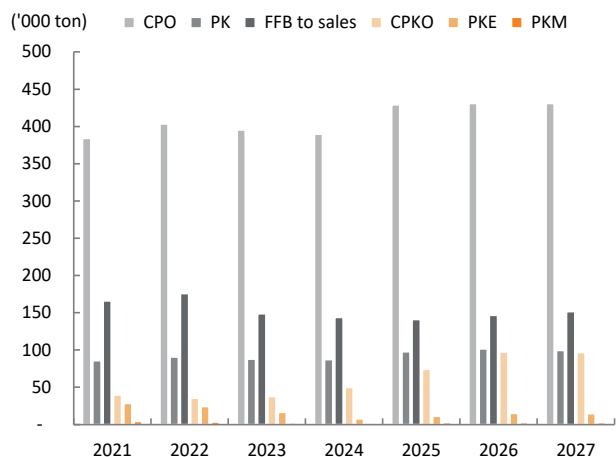
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 42. STAA’s FBB production



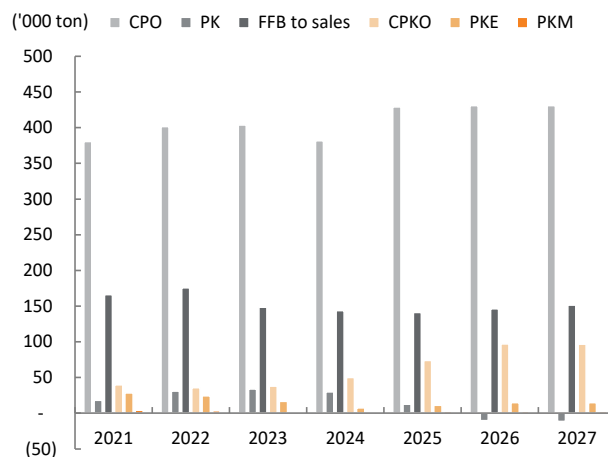
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 43. STAA' production volume trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 44. STAA's sales volume trajectory



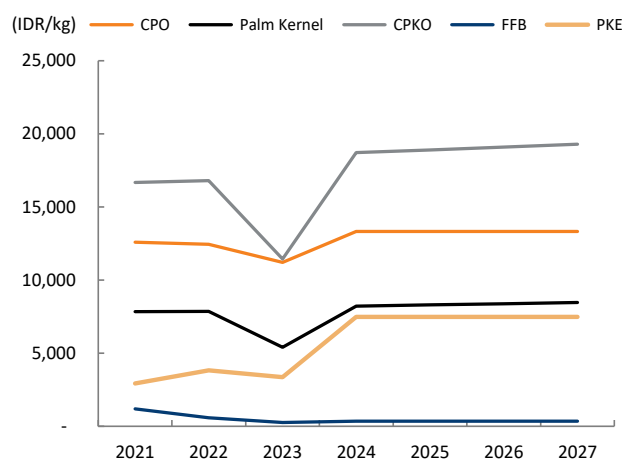
Source: Company data, Mirae Asset Sekuritas Indonesia Research

### Higher utilization, rising earnings, strong returns

STAA has been operating its mills at relatively high utilization levels throughout 2021–2024, averaging 84.2%, reflecting its ability to maintain strong efficiency and maximize production capacity. Looking ahead, with sustained global CPO prices and the addition of one new mill in FY25F, the company is well-positioned to expand its FFB processing capacity by +6.0% YoY, primarily sourced from external supplies. The increased production volume, supported by higher utilization, is expected to strengthen operating leverage and boost overall margins going forward.

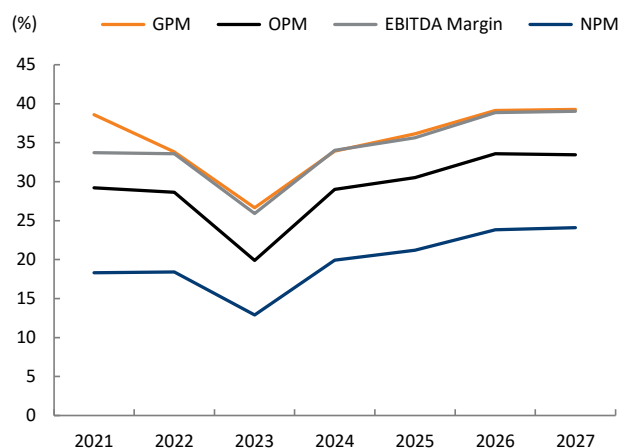
In FY25F, underpinned by stronger operational activity and resilient demand for CPO, we expect STAA to deliver IDR1.6tn of net profit (+24.1% YoY) and IDR2.7tn of EBITDA (+22.1% YoY). Growth momentum is expected to continue into FY26F, with earnings projected to rise to IDR1.9tn and EBITDA to IDR3.0tn. Beyond topline and profit growth, STAA's management has consistently demonstrated operational discipline and capital efficiency, as reflected in its robust profitability metrics. The company achieved an average ROE of 23.7% and ROA of 15.1% during 2021–2024. Looking forward, with stronger earnings visibility and rising production, we forecast further improvement in returns, with ROE of 23.0% and ROA of 17.4% in FY25F.

Figure 45. STAA's ASP trajectory



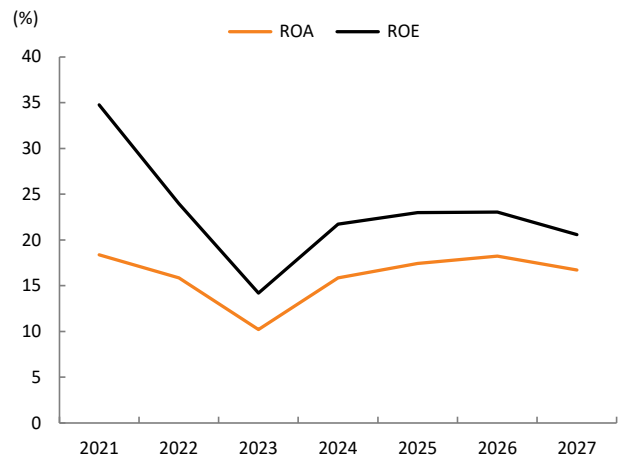
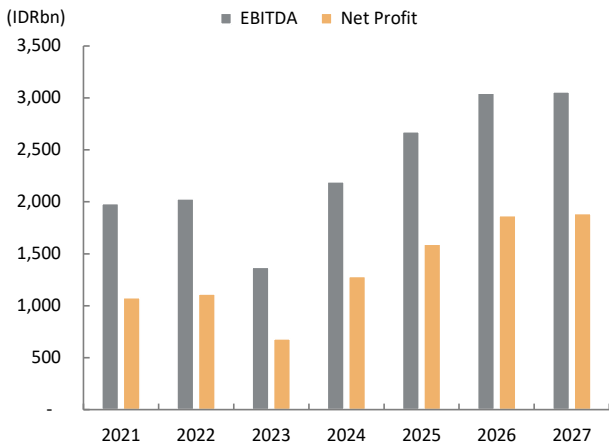
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 46. STAA's margin trajectory



Source: Company data, Mirae Asset Sekuritas Indonesia Research

**Figure 47. STAA's earnings trajectory** **Figure 48. STAA's profitability ratios**



Source: Company data, Mirae Asset Sekuritas Indonesia Research

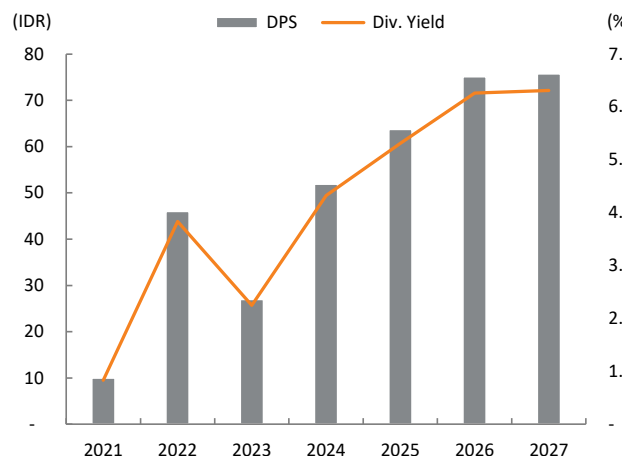
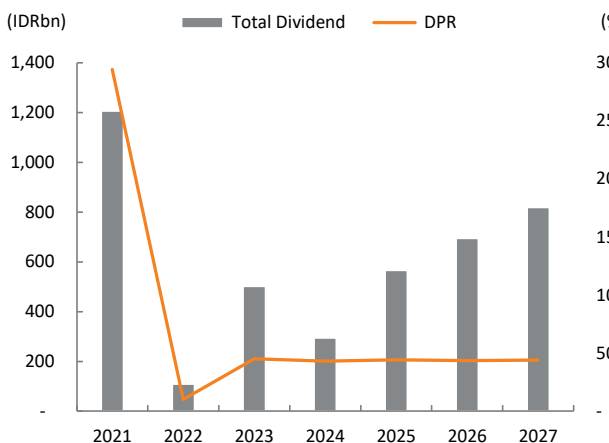
Source: Company data, Mirae Asset Sekuritas Indonesia Research

### Consistent dividend payouts and strengthening balance sheet

STAA has consistently rewarded shareholders with healthy dividend payouts and attractive yields. Most recently, the company distributed IDR599.7bn in dividends, representing a 41% payout ratio and 5.5% yield (based on last closing price). With improving earnings visibility and a favorable outlook, we expect STAA to sustain its commitment to shareholder returns.

On the balance sheet, STAA continues to strengthen its financial profile, maintaining low gearing from 2021–2024, underscoring its ability to fund operations through internal cash flow. Looking ahead, we project STAA will transition into a net cash position by 2025–2027F, enhancing its profile as a low-risk, high-profitability company.

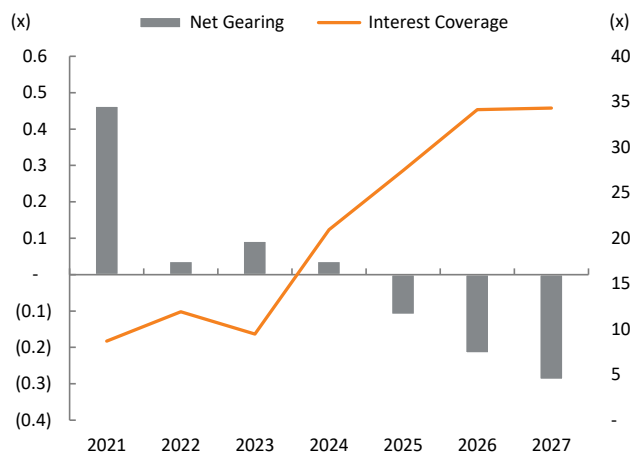
**Figure 49. STAA's dividend policy** **Figure 50. STAA's dividend history**



Source: Company data, Mirae Asset Sekuritas Indonesia Research

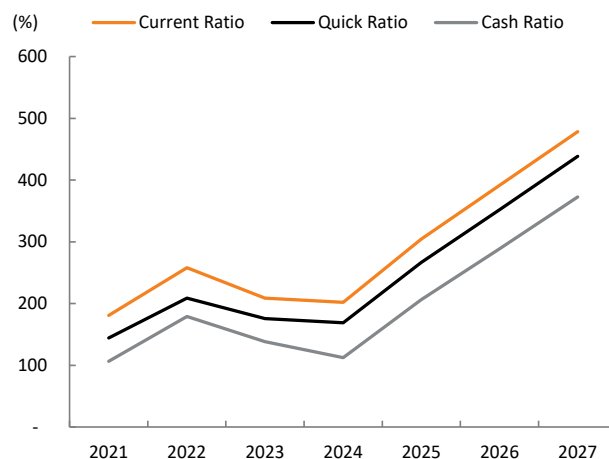
Source: Company data, Mirae Asset Sekuritas Indonesia Research

**Figure 51. STAA's leverage profile**



Source: Company data, Mirae Asset Sekuritas Indonesia Research

**Figure 52. STAA liquidity profile**



Source: Company data, Mirae Asset Sekuritas Indonesia Research

## Valuation and recommendation

### Initiate Buy with TP of IDR1,600/share

We initiate coverage on STAA with a target price of IDR1,600/share, implying a 2025F P/E of 11.0x and EV/EBITDA of 6.3x. At the current price of IDR1,200, the stock trades at just 8.6x 2025F P/E and 4.6x EV/EBITDA, a steep discount to regional peers at 12–14x. Our DCF valuation, using a 13.1% WACC and 1% terminal growth, yields an equity value of IDR17.1tr.

Earnings momentum is robust, with EBITDA forecast to rise to IDR1.6tr in 2025F (+22.1% YoY) and IDR1.8tr in 2026F (+13.8% YoY), supported by resilient CPO prices, downstream integration, and biofuel demand. Net profit is projected to grow from IDR1.6tr in 2025F to IDR1.8tr in 2026F, reflecting consistent bottom-line expansion.

Free cash flow generation is a key strength, projected at over IDR2.0tr annually through 2030F. Our model assumes FCF of IDR2.1tr in 2025F, rising to IDR2.3tr in 2029F, driven by disciplined capex and lower fertilizer costs. This supports a healthier balance sheet, with STAA moving into a net cash position by 2025F (net debt/EBITDA -0.3x) and strengthening further to -2.1x by 2030F.

Margins remain resilient, with GPM recovering to 30.5% in 2025F and stabilizing above 33% thereafter, while EBITDA margin sustains at 35–39%. The company's integrated upstream-downstream model provides a natural hedge against CPO price volatility.

Key risks include weaker CPO output, weather disruptions, and regulatory pressures. Even so, STAA's strong cash flow, balance sheet flexibility, and valuation discount position it as an attractive plantation play.

**Table 2. Summary of DCF valuation**

| In IDRbn                   | 2026F         | 2027F        | 2028F        | 2029F        | 2030F        | Terminal Value |
|----------------------------|---------------|--------------|--------------|--------------|--------------|----------------|
| <b>EBIT</b>                | 2,632         | 2,620        | 2,581        | 2,566        | 2,556        |                |
| EBIT (1-Tax)               | 2,288         | 2,277        | 2,243        | 2,230        | 2,222        |                |
| Add (+) D&A                | 412           | 438          | 463          | 491          | 529          |                |
| Less (-) Capex             | (610)         | (615)        | (637)        | (667)        | (667)        |                |
| Changes in Working Capital | (13)          | (23)         | (4)          | (31)         | 30           |                |
| <b>FCFF</b>                | <b>2,076</b>  | <b>2,078</b> | <b>2,066</b> | <b>2,023</b> | <b>2,114</b> | <b>17,671</b>  |
| Discount Factor            | 1.1           | 1.3          | 1.4          | 1.6          | 1.8          | 1.8            |
| <b>PV of FCFF</b>          | <b>1,836</b>  | <b>1,625</b> | <b>1,429</b> | <b>1,237</b> | <b>1,143</b> | <b>9,557</b>   |
| Sum FCF                    | 16,827        |              |              |              |              |                |
| Less: Debt                 | (1,419)       |              |              |              |              |                |
| Less: Minority Interest    | (431)         |              |              |              |              |                |
| Add: Cash                  | 2,130         |              |              |              |              |                |
| <b>Equity Value</b>        | <b>17,107</b> |              |              |              |              |                |
| Shares (in Bn)             | 10.9          |              |              |              |              |                |
| <b>Target Price - DCF</b>  | <b>1,600</b>  |              |              |              |              |                |

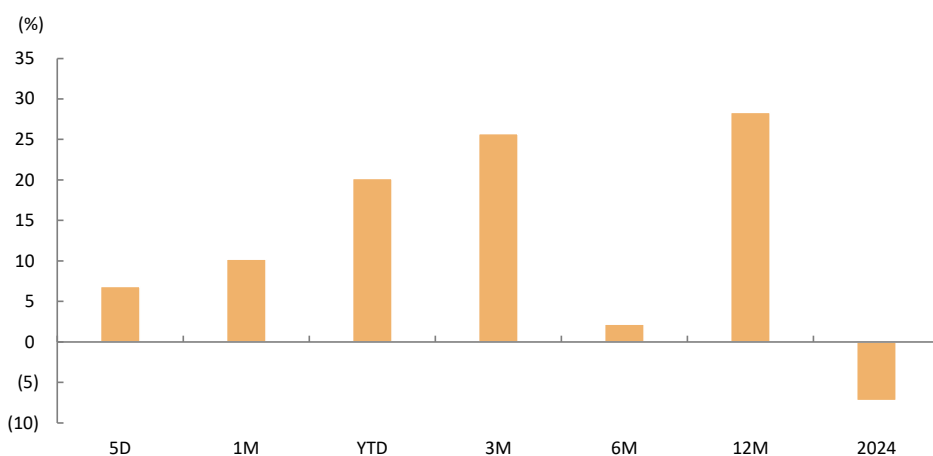
Source: Bloomberg, Mirae Asset sekuritas Indonesia Research

**Table 3. STAA valuation comparison**

| Ticker               | Company Name                       | Market Cap.<br>(IDRbn) | P/E TTM<br>(x) | EV/Ha<br>(IDRmn) | ROE<br>(x)  | EPS Growth 25F<br>(%, YoY) |
|----------------------|------------------------------------|------------------------|----------------|------------------|-------------|----------------------------|
| TAPG IJ              | Triputra Agro Persada              | 31,069                 | 8.1            | 192.0            | 28.8        | 11.0                       |
| DSNG IJ              | Dharma Satya Nusantara             | 17,384                 | 11.2           | 189.3            | 12.4        | 73.6                       |
| ANJT IJ              | Austindo Nusantara Jaya            | 6,021                  | 12.9           | 153.9            | 2.5         | 209.0                      |
| CSRA IJ              | Cisadane Sawit Raya                | 1,763                  | 6.1            | 116.5            | 17.8        | 32.0                       |
| AALI IJ              | Astra Agro Lestari                 | 14,387                 | 10.7           | 39.4             | 5.1         | 11.9                       |
| <b>Total average</b> |                                    | <b>14,125</b>          | <b>9.7</b>     | <b>155.1</b>     | <b>17.4</b> | <b>44.0</b>                |
| <b>STAA IJ</b>       | <b>Sumber Tani Agung Resources</b> | <b>11,776</b>          | <b>7.8</b>     | <b>248.3</b>     | <b>6.0</b>  | <b>20.6</b>                |

Source: Bloomberg, Mirae Asset Sekuritas Indonesia Research \*at closing last price

**Figure 53. Share Price Performance Relative to JCI**



Source: Bloomberg, Mirae Asset Sekuritas Indonesia Research

## Sumber Tani Agung Resources (STAA IJ)

## Income Statement (Summarized)

| (IDRbn)                         | 12/23        | 12/24        | 12/25F        | 12/26F        |
|---------------------------------|--------------|--------------|---------------|---------------|
| <b>Revenue</b>                  | <b>5,285</b> | <b>6,439</b> | <b>7,510</b>  | <b>7,834</b>  |
| COGS                            | (3,876)      | (4,256)      | (4,797)       | (4,769)       |
| <b>Gross profit</b>             | <b>1,409</b> | <b>2,183</b> | <b>2,713</b>  | <b>3,065</b>  |
| Opex                            | (357)        | (316)        | (422)         | (433)         |
| <b>EBIT</b>                     | <b>1,052</b> | <b>1,867</b> | <b>2,291</b>  | <b>2,632</b>  |
| Other income / (expenses)       | 6            | 9            | 13            | 14            |
| Finance income                  | 62           | 46           | 56            | 100           |
| Finance cost                    | (111)        | (89)         | (83)          | (77)          |
| <b>Profit before income tax</b> | <b>1,008</b> | <b>1,833</b> | <b>2,276</b>  | <b>2,669</b>  |
| Income tax expenses             | (225)        | (377)        | (468)         | (549)         |
| Non-controlling interest        | (100)        | (172)        | (213)         | (250)         |
| <b>Net profit</b>               | <b>683</b>   | <b>1,284</b> | <b>1,595</b>  | <b>1,870</b>  |
| <b>EBITDA</b>                   | <b>1,370</b> | <b>2,192</b> | <b>2,675</b>  | <b>3,044</b>  |
| <b>Margin (%)</b>               | <b>12/23</b> | <b>12/24</b> | <b>12/25F</b> | <b>12/26F</b> |
| Gross profit                    | 26.7         | 33.9         | 36.1          | 39.1          |
| Operating profit                | 19.9         | 29.0         | 30.5          | 33.6          |
| Net profit                      | 12.9         | 19.9         | 21.2          | 23.9          |
| EBITDA                          | 25.9         | 34.0         | 35.6          | 38.9          |
| <b>Growth (% YoY)</b>           | <b>12/23</b> | <b>12/24</b> | <b>12/25F</b> | <b>12/26F</b> |
| Revenue                         | (12.6)       | 21.8         | 16.6          | 4.3           |
| Operating profit                | (39.2)       | 77.6         | 22.7          | 14.9          |
| EPS                             | (38.6)       | 88.1         | 24.2          | 17.3          |
| EBITDA                          | (32.5)       | 60.0         | 22.1          | 13.8          |

## Cash Flows (Summarized)

| (IDRbn)                                | 12/23        | 12/24        | 12/25F       | 12/26F       |
|--|--------------|--------------|--------------|--------------|
| <b>Cash Flows from Op. Activities</b>  | <b>965</b>   | <b>1,264</b> | <b>2,104</b> | <b>2,262</b> |
| Net profit                             | 683          | 1,284        | 1,595        | 1,870        |
| Depreciation & amortization            | 318          | 324          | 384          | 412          |
| Change in working capital              | (36)         | (345)        | 125          | (20)         |
| Others                                 | 0            | 0            | 0            | 0            |
| <b>Cash Flows from Inv. Activities</b> | <b>(696)</b> | <b>(893)</b> | <b>(657)</b> | <b>(635)</b> |
| Capex                                  | (609)        | (950)        | (574)        | (610)        |
| Others                                 | (87)         | 56           | (83)         | (25)         |
| <b>Cash Flows from Fin. Activities</b> | <b>(830)</b> | <b>(85)</b>  | <b>(635)</b> | <b>(794)</b> |
| Change in liabilities                  | (307)        | 73           | (98)         | (108)        |
| Change in equity                       | 0            | 0            | 0            | 0            |
| Dividends paid                         | (502)        | (294)        | (566)        | (695)        |
| Others                                 | (21)         | 136          | 29           | 9            |
| <b>Increase (decrease) in cash</b>     | <b>(561)</b> | <b>285</b>   | <b>811</b>   | <b>834</b>   |
| Beginning balance                      | 1,594        | 1,033        | 1,318        | 2,130        |
| <b>Ending balance</b>                  | <b>1,033</b> | <b>1,318</b> | <b>2,130</b> | <b>2,964</b> |

Note: Net profit refers to net profit attributable to controlling interests

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

## Balance sheet (Summarized)

| (IDRbn)                             | 12/23        | 12/24        | 12/25F       | 12/26F        |
|-------------------------------------|--------------|--------------|--------------|---------------|
| <b>Current assets</b>               |              |              |              |               |
| Cash & equivalents                  | 1,033        | 1,318        | 2,130        | 2,964         |
| Receivables                         | 94           | 260          | 153          | 156           |
| Inventories                         | 245          | 386          | 387          | 407           |
| Others                              | 187          | 407          | 474          | 495           |
| <b>Total current assets</b>         | <b>1,559</b> | <b>2,372</b> | <b>3,144</b> | <b>4,022</b>  |
| <b>Non-current assets</b>           |              |              |              |               |
| Fixed assets - net                  | 4,381        | 5,002        | 5,193        | 5,391         |
| Others                              | 741          | 709          | 792          | 818           |
| <b>Total non-current assets</b>     | <b>5,122</b> | <b>5,712</b> | <b>5,985</b> | <b>6,208</b>  |
| <b>Total assets</b>                 | <b>6,681</b> | <b>8,084</b> | <b>9,129</b> | <b>10,230</b> |
| <b>Current liabilities</b>          |              |              |              |               |
| ST bank loans                       | 460          | 682          | 452          | 418           |
| Account payables                    | 137          | 139          | 170          | 180           |
| Other current liabilities           | 150          | 353          | 412          | 430           |
| <b>Total current liabilities</b>    | <b>747</b>   | <b>1,174</b> | <b>1,034</b> | <b>1,027</b>  |
| <b>Non-current liabilities</b>      |              |              |              |               |
| Long-term financial liabilities     | 983          | 836          | 967          | 893           |
| Others non-current liabilities      | 147          | 174          | 203          | 212           |
| Total non-current liabilities       | 1,130        | 1,009        | 1,170        | 1,105         |
| <b>Total liabilities</b>            | <b>1,877</b> | <b>2,184</b> | <b>2,203</b> | <b>2,132</b>  |
| Shareholders' equity                | 4,470        | 5,469        | 6,495        | 7,666         |
| Non-controlling interests           | 334          | 431          | 431          | 431           |
| <b>Total liabilities and equity</b> | <b>4,804</b> | <b>5,900</b> | <b>6,926</b> | <b>8,097</b>  |

## Forecasts/Valuations (Summarized)

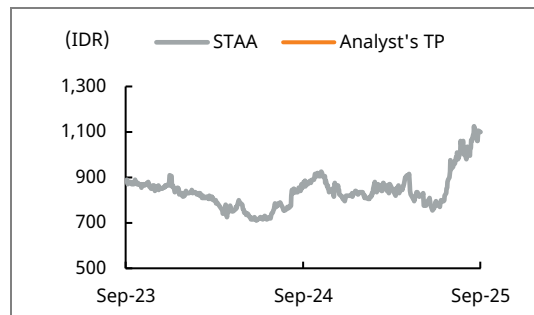
|                                  | 12/23 | 12/24 | 12/25F | 12/26F |
|----------------------------------|-------|-------|--------|--------|
| P/E (x)                          | 19.2  | 10.2  | 8.2    | 7.0    |
| P/B (x)                          | 2.7   | 2.2   | 1.9    | 1.6    |
| EV/EBITDA (x)                    | 9.9   | 6.1   | 4.6    | 3.8    |
| EPS (IDR)                        | 62.5  | 117.6 | 146.0  | 171.2  |
| BPS (IDR)                        | 440.6 | 541.1 | 635.2  | 742.7  |
| DPS (IDR)                        | 27.0  | 51.9  | 63.7   | 75.1   |
| Payout ratio (%)                 | 43.2  | 44.1  | 43.6   | 43.9   |
| Dividend yield (%)               | 2.2   | 4.3   | 5.3    | 6.3    |
| Accounts receivable turnover (x) | 56.4  | 24.7  | 49.2   | 50.1   |
| Inventory turnover (x)           | 15.8  | 11.0  | 12.4   | 11.7   |
| Accounts payable turnover (x)    | 28.2  | 30.5  | 28.3   | 26.5   |
| ROA (%)                          | 0.1   | 0.2   | 0.2    | 0.2    |
| ROE (%)                          | 0.1   | 0.2   | 0.2    | 0.2    |
| Current ratio (x)                | 2.1   | 2.0   | 3.0    | 3.9    |
| Net gearing (x)                  | 0.1   | 0.0   | (0.1)  | (0.2)  |
| Interest coverage ratio (x)      | 9.5   | 20.9  | 27.5   | 34.1   |

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

| Company                              | Date      | Rating | TP (IDR) |
|--------------------------------------|-----------|--------|----------|
| Sumber Tani Agung Resources (STAA J) | 9/30/2025 | Buy    | 1,600    |



### Stock ratings

|             |  |
|-------------|--|
| Buy         | Expected 12-month performance: +20% or greater |
| Trading Buy | Expected 12-month performance: +10% to +20%    |
| Hold        | Expected 12-month performance: -10% to +10%    |
| Sell        | Expected 12-month performance: -10% or worse   |

### Sector ratings

|             |  |
|-------------|--|
| Overweight  | Expected to outperform the market over 12 months           |
| Neutral     | Expected to perform in line with the market over 12 months |
| Underweight | Expected to underperform the market over 12 months         |

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

\* Our investment rating is a guide to the expected return of the stock over the next 12 months.

\* Outside of the official ratings of PT Mirae Asset Sekuritas Indonesia, analysts may call trading opportunities should technical or short-term material developments arise.

\* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

\* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

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