

Global Network Investment Competition 2017-18



GLOBAL NETWORK FOR ADVANCED MANAGEMENT



FACULTY OF
**ECONOMICS
AND BUSINESS**

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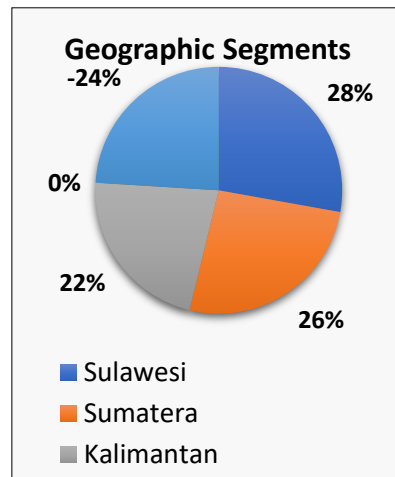
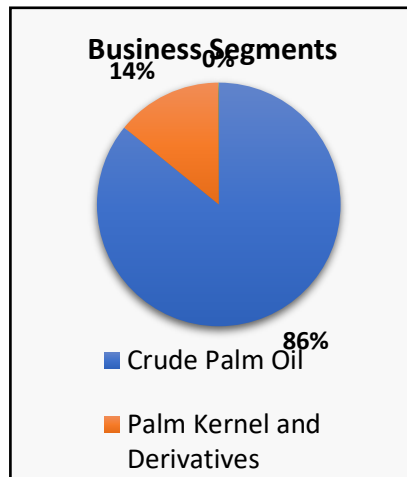
Rofikoh Rokhim, SE, SIP, DEA, PhD



Profile

PT Astra Agro Lestari Tbk operates rubber plantations and manufactures cooking oil. Through its subsidiaries, the Company also operates a variety of other plantations such as palm oil, tea, and cocoa plantations.

Holder Name	Ownership	Country
PT ASTRA INTERNATION	79.68%	Indonesia
SUN LIFE FINANCIAL I	1.43%	Canada
VANGUARD GROUP	0.93%	United States
DIMENSIONAL FUND ADV	0.60%	United States
MACQUARIE GROUP	0.28%	Australia
HIRTLE CALLAGHAN & C	0.20%	United States
NORDEA BANK AB	0.18%	Sweden
JPMORGAN CHASE & CO	0.09%	United States
EATON VANCE CORP	0.08%	United States
WISDOMTREE INVESTMEN	0.07%	United States



Issue Data		Profitability	
Last Price	14,600.00	EBIT	2,657,641.00
52wk High (12/6/2016)	17,950.00	Operating Margin	18.82
52wk Low (5/4/2017)	14,100.00	Pretax Margin	15.64
P/E (Trailing 12m)	12.39	Return on Assets	9.47
Dividend Yield	3.55	Return on Common Equity	13.45
Price to Book Ratio	1.60	Return on Capital	11.77
Price to Sales Ratio	1.65	Asset turnover	0.71
EV / Trail 12M EBITDA	7.06	Structure	
Shares Outstanding	1,924.69	Current Ratio	1.03
Market Cap (M)	28,100.44	Quick Ratio	0.27
Enterprise Value (M)	32,064.03	Total Debt to Total Assets	16.93
Per Share Data		Total Debt to Com Equity	23.93
EPS (Trailing 12m)	1,177.94	Acct Receivable Turnover	43.47
Dividend per Share	469.00	Inventory Turnover	6.44
Book Value / Share	9,115.80	Gross Margin	26.03
Sales / Share (Trailing 12m)	8,845.26	EBIT / Total Inter	23.20
Cash Flow / Basic Share	1,337.73	Growth Potential	
Free Cash Flow / Share	44.63	Sales 1yr Growth	8.13
Cash Flow Analysis		Asset 1yr Growth	12.61
Price / Cash Flow	10.32	Capital 1yr Growth	11.65
Price / Free Cash Flow	33.91		
Cash Flow / Net Income	1.18		
Dividend Payout Ratio	44.98		

Profile

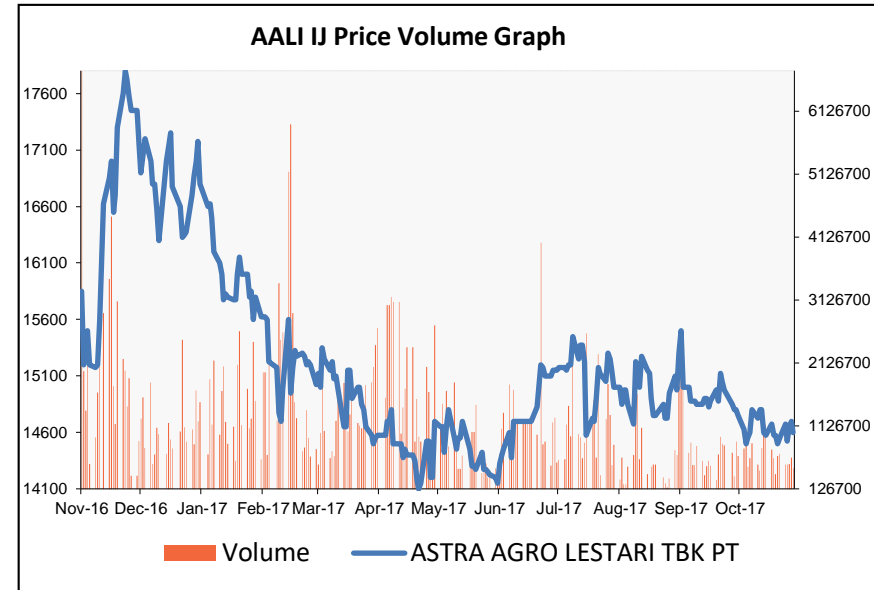
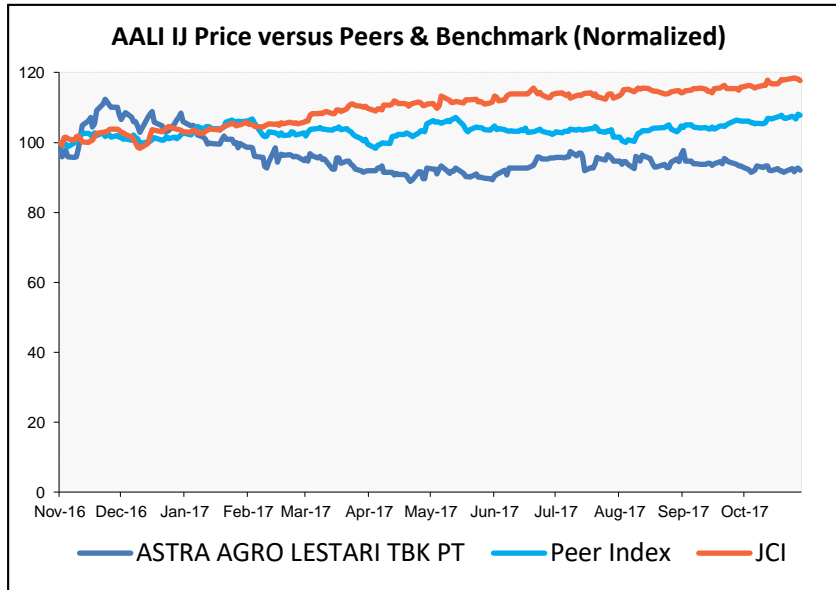
Industry

Analysis

Valuation



Profile



Tickers	Company Name	Market Cap (IDR Mio)	1M Ret (IDR)	6M Ret (IDR)	Valuation (Price Earnings)			
					2016	2017E	2018E	2019E
AALI IJ	ASTRA AGRO LESTARI TBK PT	28,100,449.66	-1.4%	0.3%	12.9x	13.6x	13.9x	12.7x
GENP MK	GENTING PLANTATIONS BHD	27,868,711.38	2.3%	-1.9%	23.1x	24.9x	23.1x	21.2x
FR SP	FIRST RESOURCES LTD	30,584,204.31	2.0%	4.8%	18.5x	14.3x	12.4x	11.2x
KLK MK	KUALA LUMPUR KEPONG BHD	84,979,430.96	0.7%	4.9%	22.7x	28.5x	21.5x	
IOI MK	IOI CORP BHD	91,352,463.27	0.7%	3.1%	34.9x	24.1x	22.4x	21.3x
WIL SP	WILMAR INTERNATIONAL LTD	208,359,085.78	-1.6%	-6.7%	15.7x	13.6x	12.3x	11.6x
GGR SP	GOLDEN AGRI-RESOURCES LTD	50,695,673.61	4.9%	11.9%	19.6x	21.0x	17.3x	17.3x

Profile

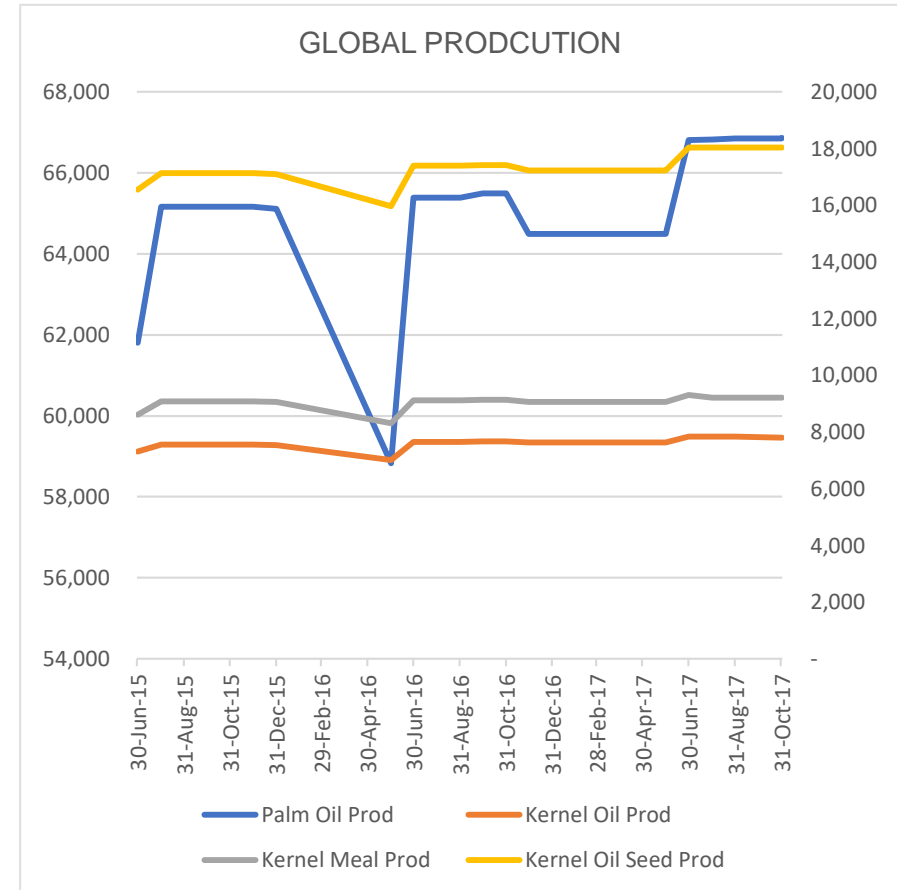
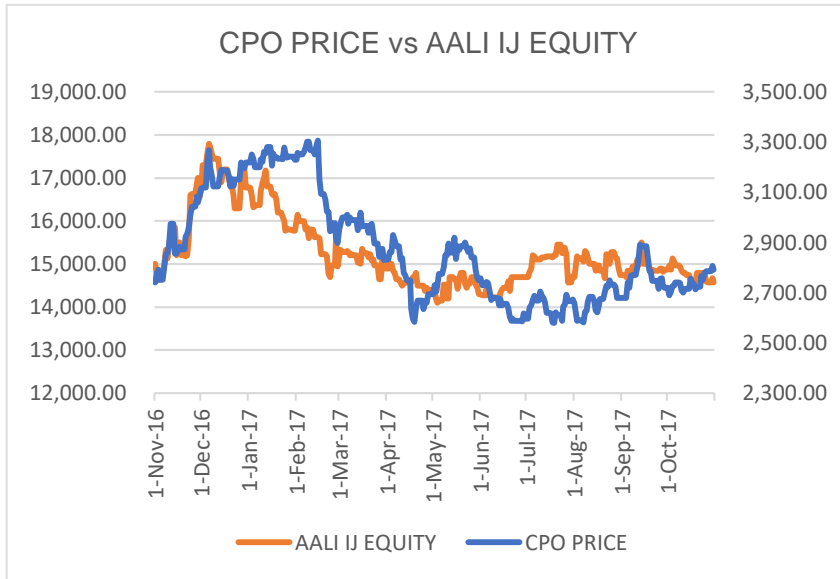
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CPO PRICE FORECAST					
	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
Median	2,700.00	2,700.00	2,700.00	2,700.00	2,650.00
Mean	2,770.00	2,783.33	2,708.33	2,630.00	2,655.00
High	3,000.00	3,150.00	2,975.00	2,800.00	2,950.00
Low	2,610.00	2,500.00	2,450.00	2,390.00	2,365.00
Forward	2,766.00	2,812.10	2,776.90	2,707.95	2,702.71



Analysis

Value Proposition

- AALI is the sector's bellwether, commanding over 298,000 hectares of planted area, the largest among its Indonesian listed peers and fifth biggest globally
- One of the best estate management, which can be seen from its respectable FFB yield despite having the oldest trees
- To address sustainability and CSR concerns, AALI commits to three principle : no deforestation, conservation of peatlands, and respects for human rights.

Risk

- More IDR depreciations lead to larger forex loss for AALI, suppressing it bottom line
- Growth impeded by the implementation of negative regulations, such as an increase export levies or a higher-than-expected minimum wage increase
- Due to its substitutable nature, a further weakening of crude oil or soybean price could negatively impact the CPO price and ultimately affect AALI's earnings



Valuation

In Millions of IDR	Dec 15 A	Dec 16 A	Dec 17 E	Dec 18 E	Dec 19 E
Revenue (Estimate Comparable)	13,059,216	14,121,374	15,840,765	16,580,074	16,937,055
% YoY Growth	-20%	8%	12%	5%	5%
EBITDA	2,773,661	3,727,303	3,924,785	4,250,238	4,494,980
% Margin	21%	26%	25%	26%	27%
Free Cash Flow	(1,697,886)	58,538	1,190,550	1,050,889	1,222,088
% Margin	-13%	0%	8%	6%	7%
NOPAT	1,094,905	2,543,962	1,902,256	2,014,212	2,180,555
% Margin	8%	18%	12%	12%	13%

Ratios

	12/16	12/17E	12/18E	12/19E
P/E	14.8x	13.6x	15.2x	14.0
EV/EBIT	13.7x	11.5x	11.5x	10.9x
EV/EBITDA	9.7x	8.0x	7.2x	6.8x
P/S	2.1x	1.8x	1.8x	1.7x
P/B	1.9x	1.5x	1.4x	1.3x
Div Yield	2.8%	2.6%	2.8%	3.3%
Gross Margin	26.0	25.2	24.8	25.9
EBITDA Margin	26.4	25.7	25.9	26.6
Operating Margin	18.8	17.6	17.8	18.4
Profit Margin	14.2	12.7	12.6	13.1
Return on Assets	8.8	8.0	8.0	8.4
Return on Equity	14.1	11.5	10.6	10.7

Target Price is Rp 15,900,- Implying :

- EV//EBITDA : 2018F 7.2x, 2019F 6.8x
- P/E : 2018F 15.2x, 2019F 14.0x

Profile

Industry

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Valuation