



QUICK REVIEW

PT ASTRA AGRO LESTARI TBK (AALI)

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RESEARCH TEAM

Head of Research

Danny Eugene
danny.eugene@megasekuritas.id

Technical Analyst

Fadlillah Qudsi
fadlillah.qudsi@megasekuritas.id

Analyst

Josua Lois S.
josua.lois@megasekuritas.id

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Recommendation

Recommendation : **BUY**

Fair Value : **IDR 15,475**

Current Price (19/10) : **IDR 10,875**

Company Description

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.

Company Update

Results Estimate : 3Q 2020 (to be announced at Oct 30)

<i>In Billions of IDR except Per Share</i>	3Q20E	3Q19	%YoY	3Q20E	2Q20	%QoQ
Revenue	4,390	3,860	13.7%	4,390	4,285	2.5%
- Cost of Revenue	3,833	3,374	13.6%	3,833	3,908	-1.9%
Gross Profit	557	486	14.6%	557	377	48.0%
- Operating Expenses	288	279	3.2%	288	260	10.6%
Operating Income (Loss)	270	208	29.9%	270	117	131.4%
- Non-Operating (Income) Loss	68	90	-25.2%	68	77	-11.8%
Pretax Income (Loss), Adjusted	202	117	72.5%	202	40	406.7%
- Abnormal Losses (Gains)	0	33	-100.0%	0	3	
Pretax Income (Loss), GAAP	202	150	34.9%	202	43	367.2%
- Income Tax Expense (Benefit)	103	74	39.0%	103	17	510.3%
Income (Loss) Incl. MI	99	76	30.9%	99	26	276.0%
- Minority Interest	8	8	-5.0%	8	6	43.6%
Net Income Avail to Common, GAAP	91	67	35.4%	91	21	338.5%

Source: Bloomberg, MCS

Company Update

Astra Agro Lestari (AALI) is digitizing business processes

PT Astra Agro Lestari Tbk (AALI) is making digitalization efforts in the company's business lines. This is done so that companies can survive in the midst of the corona virus pandemic (Covid-19).

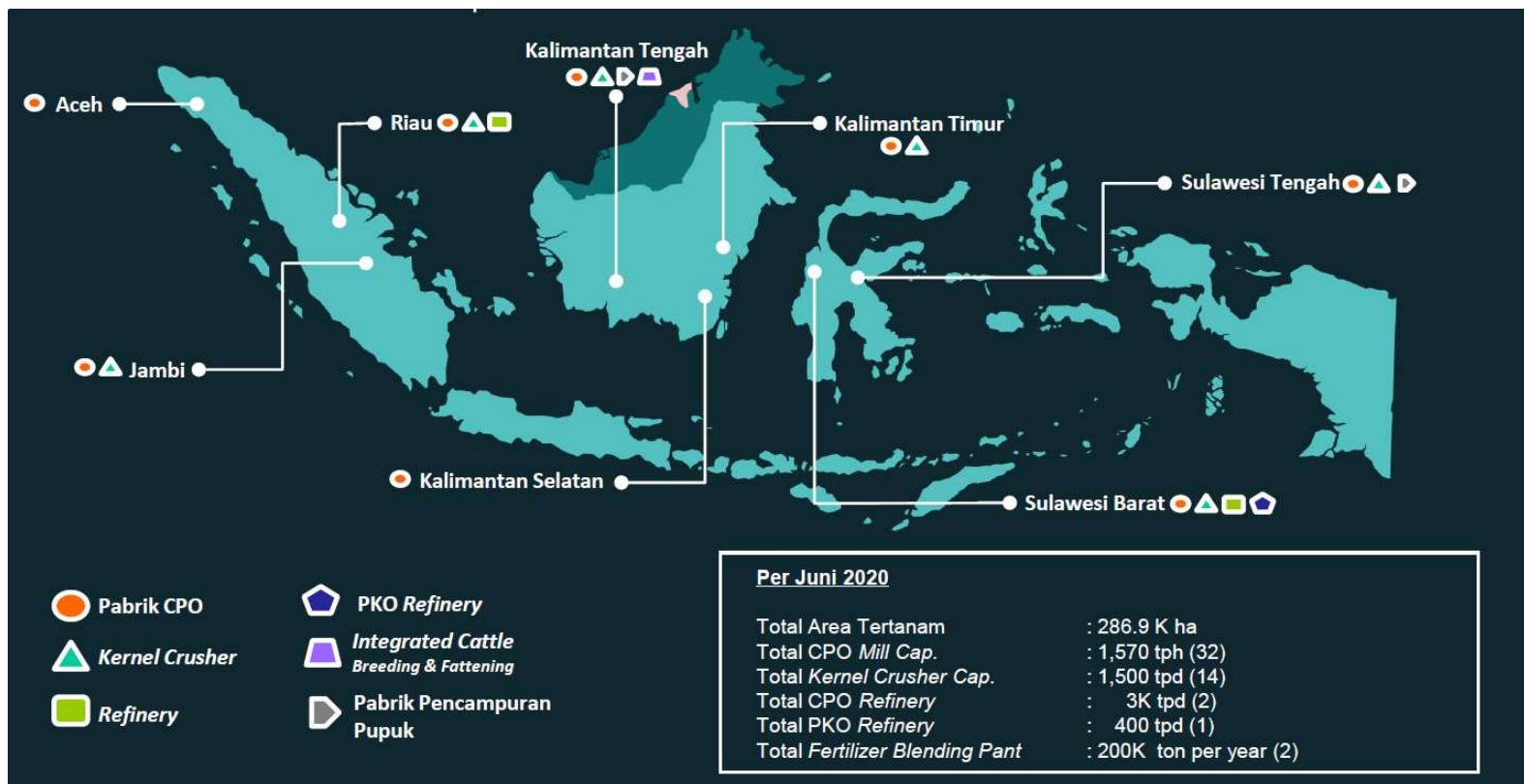
President Director of Astra Agro Lestari Santosa said, actually the digitization process has been carried out since 2017. Santosa said that this digitalization strategy that wants to be completed is not only from the production side but also from the maintenance side because it involves thousands of workers who still use conventional methods.

Company Update

Astra Agro Lestari (AALI) projects CPO production to decline in 2020

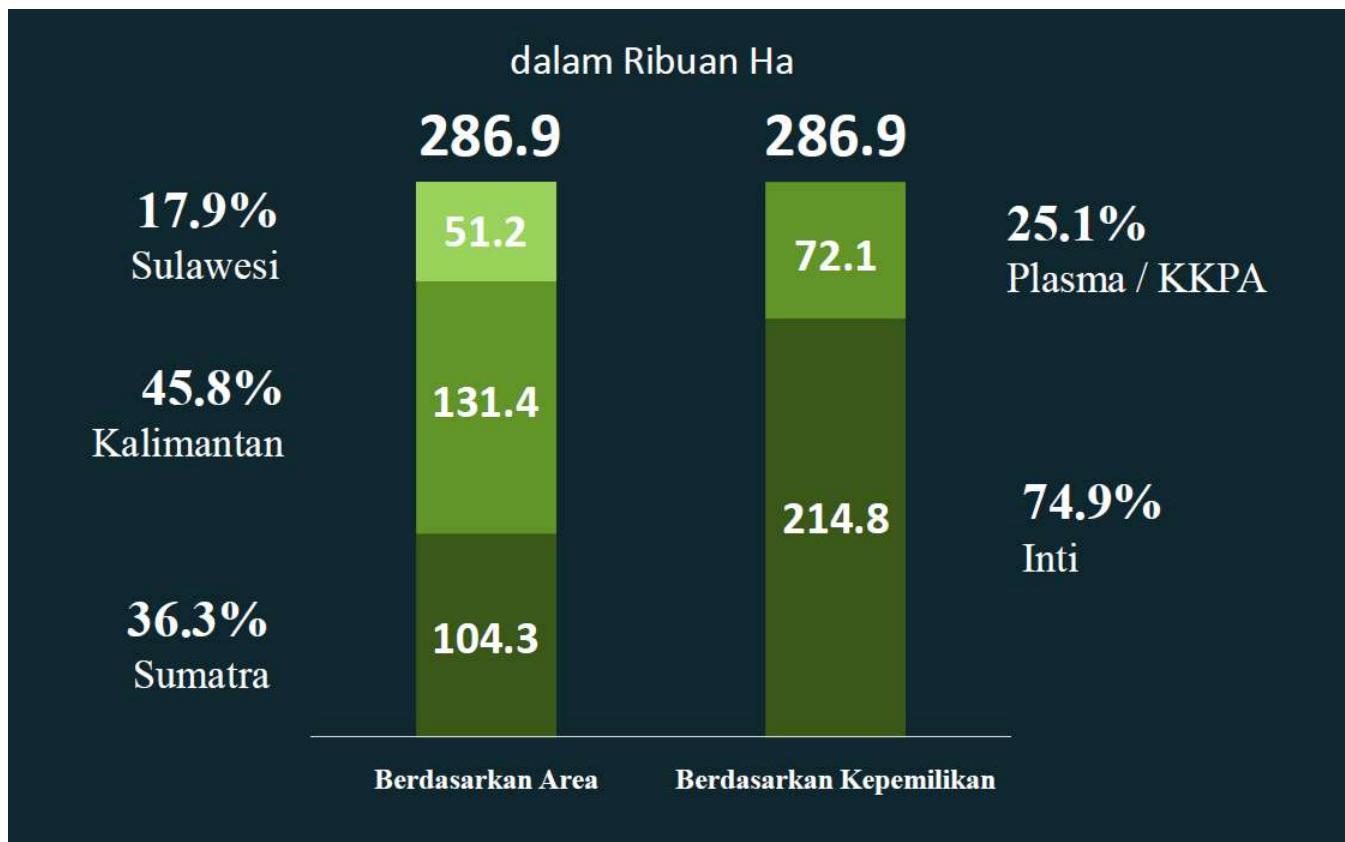
PT Astra Agro Lestari Tbk (AALI) projected that the production volume of crude palm oil (CPO) will decrease due to dry weather last year. Sales target (year-end) is adjusted to production projections. Until September 2020, it is likely that in terms of volume it will decrease by around 10% compared to last year.

Plantation Location



Source: Company

Plantations Ownership



Source: Company

Balanced Sheet : Annual

<i>In Billions of IDR except Per Share</i>	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Assets										
+ Cash, Cash Equivalents & STI	1,241	838	228	709	611	294	532	262	49	383
+ Accounts & Notes Receiv	51	5	40	4	33	46	527	548	617	369
+ Inventories	625	770	1,249	803	1,278	1,692	2,097	2,253	2,543	2,161
+ Other ST Assets	135	244	263	176	481	782	895	1,418	1,292	1,559
Total Current Assets	2,051	1,857	1,780	1,692	2,404	2,814	4,052	4,480	4,501	4,472
+ Property, Plant & Equip, Net	6,103	7,703	9,894	12,019	14,852	16,510	17,335	17,733	18,136	18,203
+ LT Investments & Receivables	96	91	91	106	99	587	454	447	539	450
+ Other LT Assets	541	554	655	1,147	1,204	1,602	2,385	2,459	3,681	3,849
Total Noncurrent Assets	6,741	8,347	10,639	13,271	16,156	18,698	20,175	20,639	22,356	22,502
Total Assets	8,792	10,204	12,420	14,963	18,559	21,512	24,226	25,120	26,857	26,974
Liabilities & Shareholders' Equity										
+ Payables & Accruals	738	967	1,050	1,136	1,470	1,033	1,369	1,292	1,382	1,071
+ ST Debt	0	0	972	2,152	2,299	2,025	1,985	600	1,125	150
+ Other ST Liabilities	324	501	578	472	341	464	589	418	569	346
Total Current Liabilities	1,062	1,468	2,601	3,759	4,111	3,522	3,943	2,309	3,077	1,567
+ LT Debt	0	0	0	571	2,128	5,708	2,116	3,369	3,606	5,535
+ Other LT Liabilities	273	311	454	365	487	583	574	728	700	893
Total Noncurrent Liabilities	273	311	454	936	2,615	6,291	2,690	4,098	4,306	6,429
Total Liabilities	1,335	1,778	3,054	4,695	6,726	9,814	6,633	6,407	7,382	7,996
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	871	871	871	871	871	871	4,841	4,841	4,841	4,841
- Treasury Stock	0	0	0	0	0	0	0	0	0	0
+ Retained Earnings	6,341	7,269	8,158	9,024	10,545	10,414	12,294	13,428	14,182	13,844
+ Other Equity	0	0	0	0	0	0	0	33	33	164
Equity Before Minority Interest	7,212	8,140	9,029	9,895	11,416	11,285	17,135	18,236	18,990	18,521
+ Minority/Non Controlling Interest	246	287	336	373	418	414	458	477	485	457
Total Equity	7,457	8,426	9,365	10,268	11,834	11,699	17,593	18,712	19,475	18,979
Total Liabilities & Equity	8,792	10,204	12,420	14,963	18,559	21,512	24,226	25,120	26,857	26,974

Source: Bloomberg, MCS

Balanced Sheet : Quarter

<i>In Billions of IDR except Per Share</i>	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Total Assets						
+ Cash, Cash Equivalents & STI	43	375	464	383	1,471	1,152
+ Accounts & Notes Receiv	355	546	451	369	440	610
+ Inventories	2,400	2,304	2,425	2,161	2,488	2,096
+ Other ST Assets	1,798	1,858	1,791	1,559	1,577	1,818
Total Current Assets	4,596	5,083	5,132	4,472	5,976	5,676
+ Property, Plant & Equip, Net	18,264	18,262	18,289	18,203	16,540	17,908
+ LT Investments & Receivables	530	527	528	450	1,507	463
+ Other LT Assets	3,510	3,291	3,702	3,849	5,196	3,334
Total Noncurrent Assets	22,304	22,079	22,519	22,502	23,243	21,705
Total Assets	26,900	27,162	27,651	26,974	29,219	27,381
Liabilities & Shareholders' Equity						
+ Payables & Accruals	1,459	1,459	1,476	1,071	1,323	1,110
+ ST Debt	1,250	2,000	250	150	700	0
+ Other ST Liabilities	451	481	541	346	474	412
Total Current Liabilities	3,159	3,940	2,267	1,567	2,497	1,522
+ LT Debt	3,548	3,523	5,643	5,535	6,524	5,699
+ Other LT Liabilities	711	738	744	893	835	841
Total Noncurrent Liabilities	4,259	4,261	6,387	6,429	7,358	6,540
Total Liabilities	7,418	8,201	8,654	7,996	9,855	8,062
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0
+ Share Capital & APIC	4,841	4,841	4,841	4,841	4,841	4,841
- Treasury Stock	0	0	0	0	0	0
+ Retained Earnings	14,187	13,718	13,745	13,844	14,215	14,141
+ Other Equity	33	33	33	164	160	115
Equity Before Minority Interest	18,994	18,526	18,553	18,521	18,896	18,868
+ Minority/Non Controlling Interest	487	435	443	457	467	451
Total Equity	19,482	18,961	18,997	18,979	19,364	19,319
Total Liabilities & Equity	26,900	27,162	27,651	26,974	29,219	27,381

Source: Bloomberg, MCS

Profit & Loss : Annual

<i>In Billions of IDR except Per Share</i>	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Revenue	11,564	12,675	16,306	13,059	14,121	17,306	19,084	17,453	18,620	19,860
- Cost of Revenue	7,207	8,593	11,353	9,977	10,445	13,160	15,545	15,308	15,128	16,461
Gross Profit	4,357	4,082	4,953	3,082	3,676	4,145	3,540	2,145	3,492	3,399
+ Other Operating Income	0	0	46	190	0	0	0	0	0	0
- Operating Expenses	904	1,077	1,276	1,419	1,017	1,094	1,214	1,184	1,215	1,239
Operating Income (Loss)	3,454	3,005	3,723	1,853	2,659	3,051	2,326	960	2,277	2,161
- Non-Operating (Income) Loss	71	398	5	488	450	157	112	368	192	176
Pretax Income (Loss), Adjusted	3,525	2,606	3,728	1,365	2,209	2,894	2,214	593	2,085	1,985
- Abnormal Losses (Gains)	0	1	46	190	0	14	7	68	0	0
Pretax Income (Loss), GAAP	3,525	2,605	3,682	1,176	2,209	2,880	2,207	661	2,085	1,985
- Income Tax Expense (Benefit)	1,005	702	1,060	480	94	810	686	417	594	572
Income (Loss) from Cont Ops	2,520	1,903	2,622	696	2,114	2,070	1,521	244	1,491	1,413
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	2,520	1,903	2,622	696	2,114	2,070	1,521	244	1,491	1,413
- Minority Interest	110	102	118	77	107	102	82	33	84	82
Net Income, GAAP	2,410	1,801	2,504	619	2,007	1,968	1,439	211	1,407	1,331
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	2,410	1,801	2,504	619	2,007	1,968	1,439	211	1,407	1,331

Source: Bloomberg, MCS

Profit & Loss : Quarter

<i>In Billions of IDR except Per Share</i>	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20E
Revenue	4,233	4,294	3,860	5,066	4,796	4,285	4,390
- Cost of Revenue	3,900	3,898	3,374	4,137	3,869	3,908	3,833
Gross Profit	333	396	486	929	927	377	557
+ Other Operating Income	0	0	0	0	0	0	0
- Operating Expenses	299	287	279	319	287	260	288
Operating Income (Loss)	34	109	208	610	640	117	270
- Non-Operating (Income) Loss	1	9	90	269	16	77	68
Pretax Income (Loss), Adjusted	35	100	117	341	656	40	202
- Abnormal Losses (Gains)	38	38	33	35	51	3	0
Pretax Income (Loss), GAAP	73	62	150	376	605	43	202
- Income Tax Expense (Benefit)	33	48	74	262	222	17	103
Income (Loss) from Cont Ops	40	14	76	114	382	26	99
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0
Income (Loss) Incl. MI	40	14	76	114	382	26	99
- Minority Interest	2	7	8	14	11	6	8
Net Income, GAAP	37	6	67	100	371	21	91
- Preferred Dividends	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	37	6	67	100	371	21	91

Source: Bloomberg, MCS

Cash Flow : Annual

<i>In Billions of IDR except Per Share</i>	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Cash from Operating Activities										
+ Net Income	2,017	2,406	2,410	1,801	2,504	619	2,007	1,968	1,439	211
+ Depreciation & Amortization	343	268	342	599	537	664	782	1,189	1,260	1,304
+ Non-Cash Items	0	0	0	0	0	0	0	0	0	0
+ Chg in Non-Cash Work Cap	0	0	0	0	0	0	0	0	0	0
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Operating Activities	2,936	3,157	2,569	3,082	2,930	913	2,364	2,757	1,821	957
Cash from Investing Activities										
+ Change in Fixed & Intang	1,536	2,033	2,631	2,861	3,587	2,586	2,285	1,754	1,609	1,307
+ Net Change in LT Investment	0	0	0	0	0	0	0	0	0	0
+ Net Cash From Acq & Div	0	0	0	0	0	75	0	0	0	0
+ Other Investing Activities	145	6	0	8	0	458	111	0	70	0
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	1,391	2,027	2,631	2,870	3,587	3,119	2,395	1,754	1,679	1,307
Cash from Financing Activities										
+ Dividends Paid	1,031	1,480	1,456	968	943	743	191	997	835	431
+ Cash From (Repayment) Debt	0	0	961	1,287	1,556	2,710	3,450	156	525	1,161
+ Cash (Repurchase) of Equity	0	0	0	0	0	0	3,970	0	0	0
+ Other Financing Activities	42	52	58	65	72	81	65	124	75	60
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	1,073	1,532	554	253	541	1,886	265	1,277	385	670
Net Changes in Cash	452	403	610	481	98	317	237	269	213	334

Source: Bloomberg, MCS

Cash Flow : Quarter

<i>In Billions of IDR except Per Share</i>	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Cash from Operating Activities						
+ Net Income	37	6	67	100	371	21
+ Depreciation & Amortization	413	409	153	329	321	320
Cash from Operating Activities	156	366	39	395	552	807
Cash from Investing Activities						
+ Change in Fixed & Intang	293	294	338	383	188	193
+ Net Change in LT Investment	0	0	0	0	0	0
+ Net Cash From Acq & Div	0	0	0	0	0	0
+ Other Investing Activities	0	0	0	0	0	0
+ Net Cash From Disc Ops	0	0	0	0	0	0
Cash from Investing Activities	293	294	338	383	188	193
Cash from Financing Activities						
+ Dividends Paid	0	431	0	0	0	0
+ Cash From (Repayment) Debt	125	750	386	100	550	700
+ Cash (Repurchase) of Equity	0	0	0	0	0	0
+ Other Financing Activities	0	60	0	0	1	22
+ Net Cash From Disc Ops	0	0	0	0	0	0
Cash from Financing Activities	125	259	386	100	549	722
Net Changes in Cash	6	332	89	80	1,088	319

Source: Bloomberg, MCS

Valuation



Source: Bloomberg

Valuation

PSR	RPS	Value
1.5x	IDR 10,319	IDR 15,475



PT. Mega Capital Sekuritas

Menara Bank Mega 2nd Floor
Jl. Kapten P. Tendean Kav. 12-14A
Jakarta Selatan 12790
Telp : 021-79175599
Faks : 021-79193900
Email : research@megasekuritas.id
