

Nusantara Sawit Sejahtera (NSSS): IDR 185 – BUY, SSI TP: IDR 265

2Q24 Results: 26 July 2024

(IDRbn)	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	6M23	6M24	YoY (%)	6M24/SSI
Revenue	289	278	292	4.9	1.0	532	570	2.0	40.6
Gross Profit	67	65	77	18.3	15.3	98	143	45.3	44.5
EBITDA	66	75	63	(15.8)	(4.3)	60	139	131.1	41.3
Operating Profit	56	54	59	10.2	4.5	41	113	173.3	41.6
Net Profit	4	6	16	184.8	302.3	-57	22	n.a.	42.0
Key Ratios									
GPM (%)	23.2	23.5	26.5	-	-	18.5	25.1	-	-
EBITDA Margin (%)	22.9	27.1	21.7	-	-	11.3	24.3	-	-
OPM (%)	19.5	19.3	20.2	-	-	7.7	19.8	-	-
NPM (%)	1.4	2.1	5.6	-	-	n.a.	3.9	-	-

SWOT Analysis of The Results (Above)

Strength

NSSS booked positive 2Q24 results of IDR 292bn (+4.9% q-q, +1.0% y-y) on the back of higher CPO sales of IDR 259bn (+3.0% q-q, +5.4% y-y), driven by higher ASP of IDR12.2k/kg (+6.9% q-q/+14.6% y-y) despite lower CPO sales volume

Weakness

2Q24 FFB production decline to 105k tons (-10% y-y) due to El Nino effect which translated to lower CPO sales volume of 21.2k tons (-3.6% q-q/-8.0% y-y)

Opportunity

2nd Mill and special terminal that will fully utilize in 2H24 might boost sales volume and lower transportation costs

Threat

Lower-than-expected global CPO price and higher-than-expected fertilizer costs might hurt margins in the future

Peer Comparables

Company Ticker	Market Cap. (IDR Tn)	2024F			
		P/E (x)	P/B (x)	EV/Ha (USD)	ROE (%)
AALI IJ	12	23	1	2,798	8
TAPG IJ	13	4.0	1.0	4,610	20.3
SSMS IJ	10	13.4	5.6	12,483	20.4
STAA IJ	8	6.4	0.8	11,517	11.4
LSIP IJ	6	5.0	0.5	312	9.5
NSSS IJ	4	32.3	2.6	14,580	30.2
Sector	53	12.8	2.0	7,141	15.8

Relative Performance vs JCI

