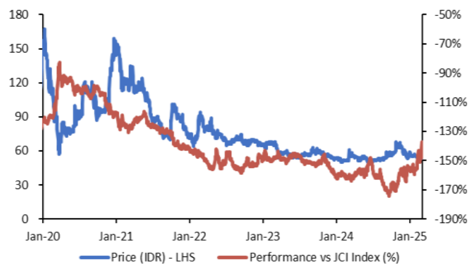
NOT RATED

Close: 18 Jun 2025

Price	IDR62
JCI Index	7,107.8

Share price performance relative to JCI Index



Market cap	**US$120mn**
6M avg daily turnover	**US$0.0mn**
Outstanding shares	**31,525mn**
Free float	**24.0%**
Major shareholders	**PT Rajawali Capital Internasional, 37.7%**
BVPS (FY2024)	**IDR78**
P/B (FY2024)	**0.79x**

Financial outlook (IDR bn)

Year to Dec	2022	2023	2024	1Q25
Sales	4,574	4,205	4,303	1,280
Op. Profit	661	703	927	293
Net Profit	17	177	260	69
EPS (IDR)	0.6	5.7	8.4	8.8
EPS Growth (%)	n.a.	925	47.2	5.7
P/E (x)	111.8	10.9	7.4	7.0
P/B (x)	0.97	0.88	0.79	0.77
ROE (%)	0.86	8.11	10.70	11.04

Source: Company data, Yuanta Research
*Net profit attributable to the parent

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Eagle High Plantations (BWPT IJ)

Elevates its attractiveness

Event

We recently attended BWPT analyst gathering at which management shared details about its future expansion plans and the outlook for its financial position. Here we highlight key points from the meeting.

Our take

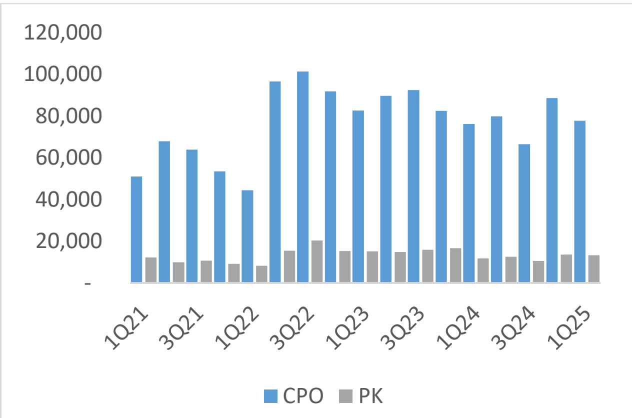
- **High crude palm oil (CPO) prices still provide comfort.** The CPO price reached IDR14.4k/kg (+27% YoY, +4.4% QoQ) in 1Q25, with the supply-demand imbalances still painting the backdrop. This provides a boost for BWPT to capitalize on higher prices. The top line grew to IDR1.27tn (US$77.6mn) (+6.5% YoY, -0.2 QoQ), diminishing QoQ on lower production as seasonality hit. CPO sales volume reached 77k MT in 1Q25 (-12% QoQ) (Figure 2). GPM remains intact at 29.3% (vs LY's 29.4%), as inventory and upkeep costs crept up. Interest costs improved to IDR99bn (vs LY's IDR121bn), aligning with BWPT's initiative to lower its gearing level. In 1Q25, its bottom line rose to IDR68.7bn (+6.4% YoY, 0.1% QoQ), dragged slightly by tax expenses due to one-off items. Production should be stable this year and it there be a favorable ASP. We think its uptrend will continue in the upcoming quarters.
- **Levels up its productivity growth.** BWPT foresees a remarkable trajectory in the next five years as it aims to secure bottom-line CAGR of 43%. This will be bolstered by revenue transformation through new-mill expansion, CPO trading, and premium products (biofuels). Key expansions include: 1) the Bangkirai mill, in East Kalimantan, extension of up to 30tph; 2) new mills in Papua and East Kalimantan; 3) kernel (PK) crushing plant expansion, aiming capacity of up to 60k MT/annum; 4) new planting/replanting programs of 1-2k ha/c.4k ha, respectively. Notably, mill utilization reached 48% in 1Q25 (Figure 3), with the FFB processed of 266k MT (+4.1% YoY, -15% QoQ) and a yield of 3.1x (vs LY's 3x). These expansions require a capex of IDR300-450bn/annum for FY2026-2028F, with funds fully deployed from cash flow. We expect its ample CFO to capex ratio to reach 5-5.5x for FY2025, assuming stable cash flow and allocated capex of IDR234bn.
- **Confident tones to reduce leveraged conditions.** BWPT aims to raise funds totaling IDR400bn via a bond instrument. This will mostly be used for CPO and FFB external purchases or its working capital. This move shifts its funding scheme to allocate more on stable instruments, targeting a financing scheme of 70:30 debt:equity in FY2029 (vs LY at 99:1) at an average cost of debt of 9-11%. Despite this, BWPT consistently reduced its gearing positions by amplifying its capital growth and subdued debt level (Figure 4). BWPT targets a bearing debt to EBITDA/DER of 0.6x/0.6x in FY2029. In 1Q25, the gearing ratio stood at 1.7x (bearing debt: IDR4.2bn) and coverage ratio of 0.28x.
- **Ongoing enhancement, ameliorating its appeal.** Its productivity enhancement will be a key growth catalyst, coupled with plans to increase its attractiveness (i.e. quasi plan). These enhancements will be backed by sound CPO prices. BWPT trades at an EV/ETBIDA of 3.98x and P/E of 6.8x. We have no rating as yet on the company and thus no target price upside/downside to describe.

Figure 1: Financial results for 1Q25 (IDRbn)

	1Q25	1Q24	% YoY	4Q24	% QoQ
Financials (IDR bn)					
Revenue	1,279.6	943.4	6.5%	1,370.2	-0.2%
Gross Profit	375.4	277.2	8.4%	382.4	-3.9%
Operating Profit	292.7	182.9	13.5%	323.5	19.3%
Pretax Income	185.2	82.2	4.6%	169.3	-5.5%
Net Income	68.7	47.5	6.4%	81.2	0.1%
Margins (%)					
Gross Margin	29.3	29.4		27.9	
Operating Margin	22.9	19.4		23.6	
Pretax Margin	14.5	8.7		12.4	
Net Margin	5.4	5.0		5.9	

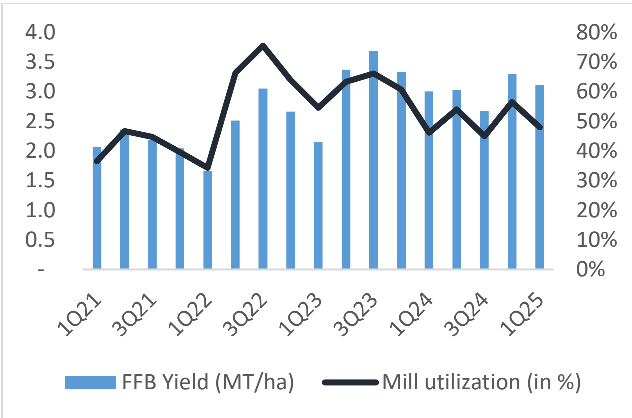
Source: Company, Yuanta

Figure 2: CPO and PK sales are stable for now (in MT)



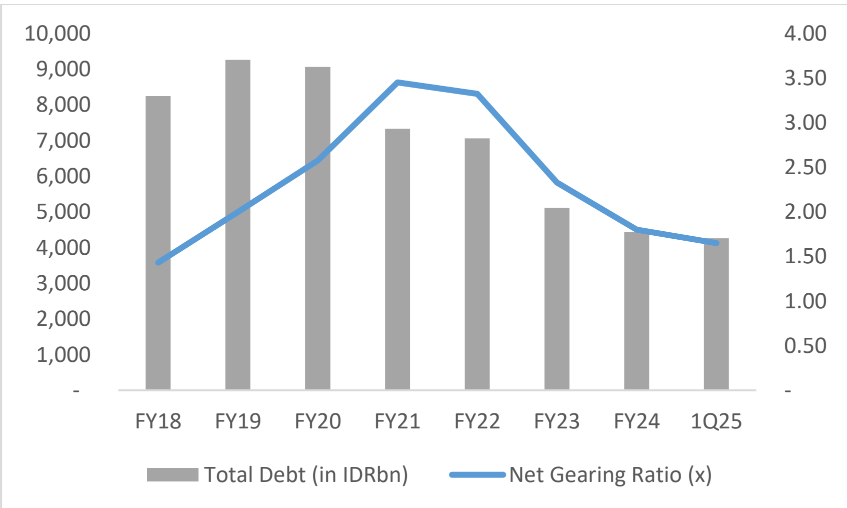
Source: Company, Yuanta

Figure 3: Consistent productivity by QoQ



Source: Company, Yuanta

Figure 4: Debt level further subdued and an improved net gearing ratio in 1Q25



Source: Company, Yuanta

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