



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51461.9	(1.2)	(1.8)	(4.2)	7.1
S&P 500	7551.8	(0.4)	(1.1)	(3.0)	10.3
FTSE 100	10688.5	0.3	0.2	(0.6)	7.6
AS30	8874.5	0.3	(2.5)	(4.4)	(1.6)
CSI 300	4480.3	0.7	(2.0)	(5.5)	(3.2)
FSSTI	5635.4	(0.1)	(1.6)	(2.3)	21.3
HSCEI	8206.4	0.0	(1.9)	(2.8)	(7.9)
HSI	24713.8	0.2	(2.2)	(1.6)	(3.6)
JCI	6436.9	(0.4)	(3.6)	0.5	(25.6)
KLCI	1679.2	(1.1)	(2.1)	(2.7)	(0.1)
KOSPI	6718.0	1.4	(4.7)	(3.7)	59.4
Nikkei 225	63923.0	0.7	(1.9)	(7.7)	27.0
SET	1562.7	(1.0)	(3.4)	(3.9)	24.1
TWSE	45848.9	0.7	(2.8)	(0.0)	58.3
BDI	3327	(1.0)	(8.1)	16.2	77.3
CPO (RM/mt)	4611	0.4	(1.1)	1.9	17.2
Brent Crude (US\$/bbl)	106	(2.7)	4.6	19.6	73.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct

Top Stories

Small/Mid Cap Highlights | Sawit Sumbermas Sarana (SSMS IJ/NOT RATED/Rp1,040)

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- SSMS runs a compact estate base in Central Kalimantan at an average age of 15.8 years, with above-average yields and extraction rates. 1H26 net profit grew strongly to Rp904b (+31% yoy) on stronger FFB production of 25%, and management guides 2H26 production to be 5-6% higher. The stock trades at an EV/ha of Rp198m, around 27% below TAPG, and 5.6x PE on annualised 1H26 profit, implying a 10.0-12.6% dividend yield at past payouts.

Technical Analysis

Charoen Pokphand Indonesia | CPIN IJ

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- Trading Buy Range: We have a technical Buy at Rp3,100, and take profit at Rp3,350.

Impack Pratama Industri | IMPC IJ

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- Trading Buy Range: We have a technical Buy at Rp1,690, and take profit at Rp1,800.

Sawit Sumbermas Sarana (SSMS IJ)

Strong 1H26 Profit, Momentum Guided To Carry Into Year-end

Highlights

- **Integrated producer, prime-age estate.** SSMS runs a compact estate base in Central Kalimantan at an average age of 15.8 years, with one of the sector's highest yields and extraction rates.
- **Strong 1H26 profit, momentum into year end.** 1H26 net profit reached Rp904b (+31% yoy) on higher FFB production of 25% yoy. Management guides 2H26 production to be 5-6% above 1H26, with further upside from higher CPO prices.
- **Mid-single-digit PE with high potential dividend yield.** The stock trades at an EV/ha of Rp198m, (~27% below TAPG) and at an undemanding 5.6x PE on annualised 1H26 profit. A payout in line with the 55-69% paid over the past two years would imply a 10.0-12.6% dividend yield.

Analysis

- **An integrated palm oil producer in Central Kalimantan.** Sawit Sumbermas Sarana (SSMS) has 94,963ha planted, with an average age of 15.8 years, in three adjacent blocks. These are within 1.0-3.5 hours of Pangkalan Bun and served by 10 mills (670 tonnes/hour capacity). This compact footprint keeps logistics efficient and supports solid productivity, with a blended FFB yield of 1.9 tonnes/ha/month (peer average at 1.5) and an oil extraction rate (OER) of 22.6% (peer average at 21.5%) in 1H26. SSMS moved downstream in Dec 23, acquiring 52.6% of refiner Citra Borneo Utama (CBUT) from its parent via a Rp3.5t loan conversion; this lifted its group stake to 78.2%. This gave it a 2,500 tonnes/day refinery and fractionation plant and a 600 tonnes/day kernel crushing plant, producing refined, bleached and deodorised palm oil (RBDPO), olein, stearin, palm fatty acid distillate (PFAD), crude palm kernel oil, palm kernel expeller and packaged cooking oil. In Nov 25, it bought 63.4% of Sawit Mandiri Lestari (SML) for Rp1.6t, adding 12,000ha of younger estates (~8.5 years).
- **Strong 1H26 profit, led by upstream volume, with optimism towards year-end.** SSMS delivered a strong 1H26 net profit of Rp904b (+31% yoy) on higher revenue of 36.5% yoy, with 2Q26 net profit of Rp586b (+84% qoq, +67% yoy). Beyond firm CPO prices, growth came from its own FFB production, which rose 25% yoy to 1m tonnes in 1H26 with support from the recently acquired estates from SML. It is also worth noting that group revenue to related parties fell from 36% in 1H25 to only 1% in 1H26, as SSMS sold less refined products into the group and more crude to third parties, most likely to capture the high CPO prices. Management stays constructive on 2H26, guiding production to be 5-6% above 1H26 on better fertiliser application earlier in the year, with further upside from prices as CPO futures sit near RM4,741/tonne (vs 1H26 average of RM4,329/tonne).

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	5,203	11,240	10,703	10,367	14,813
EBITDA	2,112	3,475	1,596	2,274	3,082
Operating profit	1,799	2,887	1,177	1,826	2,558
Net profit (rep./act.)	1,516	1,837	512	820	1,161
EPS (Rp)	159.1	192.9	53.8	86.0	121.9
PE (x)	6.5	5.4	19.3	12.1	8.5
P/B (x)	1.6	4.9	5.6	3.8	4.3
EV/EBITDA (x)	9.2	5.6	12.2	8.6	6.3
Dividend yield (%)	7.7	14.4	0.9	4.5	8.1
Net margin (%)	29.1	16.3	4.8	7.9	7.8
Net debt/(cash) to equity (%)	72.7	261.9	353.3	207.9	256.6
Interest cover (x)	3.5	4.9	1.9	3.2	4.3
ROE (%)	27.8	45.5	27.2	37.4	47.4

Source: SSMS, Bloomberg, UOB Kay Hian

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NOT RATED

Share Price	Rp1,040
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Consumer Staples
Bloomberg ticker	SSMS IJ
Shares issued (m)	9,525
Market cap (Rpb)	9,906
Market cap (US\$m)	560
3-mth avg daily t'over (US\$m)	0.6

Price Performance (%)

52-week high/low				Rp1920/Rp650
1mth	3mth	6mth	1yr	YTD
18.2	27.6	(19.1)	(28.8)	(32.2)

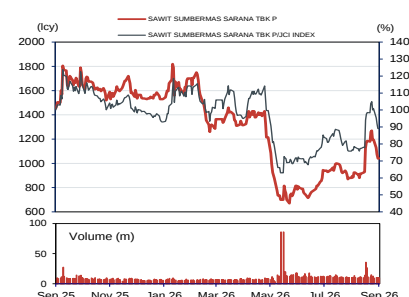
Major Shareholders (%)

Citra Borneo Indah	65.83
Putra Borneo Agro Lestari	29.16
Public	5.01

Balance Sheet Metrics

FY26 NAV/Share	n.a.
FY26 Net Debt/Share	n.a.

Price Chart



Source: Bloomberg

Company Description

Sawit Sumbermas Sarana is an integrated palm oil producer in Central Kalimantan, with 94,963ha planted and 10 mills. It is part of the Citra Borneo Indah group and owns 70.22% of refiner CBUT, giving it refining, fractionation and kernel crushing capacity alongside its estates.

- **Cost discipline under new management.** From the analyst meeting, it appears the new management has placed a visible focus on cost control, through stricter fuel-theft enforcement, pooled vehicles, and a more disciplined application of fertiliser. Although fertiliser prices rose to 20% and diesel surged, overall cost growth was contained, and gross margin in 1H26 improved to 39.1% from 35.9%. The compression in operating margin to 17.5% from 20.7% came instead from items outside the company's control, with export tax and levy lifting selling expenses to 16% of sales from 9%, while G&A itself fell to 5.9% from 6.6%.
- **No replanting planned; growth by acquisition.** Management sees no case for replanting while the oldest 21-22-year-old blocks still yield around 22 tonnes/ha. The focus is instead on mechanising the harvest of tall palms. Scale is being added by acquisition, most recently 63.4% of SML for Rp1.6t, with management indicating it remains open to further deals.
- **High leverage, but cheaply funded.** Net gearing has run above 2x ever since CBUT was consolidated, rising again in 2025 following the SML acquisition, and stood at 3.1x in 1H26. Nevertheless, management says funding remains cheap, with a US dollar facility at 5.75% and rupiah facilities averaging around 7.7%.

Valuation

- **Mid-single-digit PE with high potential dividend yield.** The company currently trades at an EV/ha of Rp198m, (~27% below TAPG's Rp271m though at a slight premium to the peer average of ~Rp188m) likely justified by its high productivity and dividend yield. Annualising 1H26 profit, the stock trades at an undemanding 5.6x PE, and assuming a payout in line with the 55-69% paid over the past two years, that implies a 10.0-12.6% dividend yield.

Peer Comparison

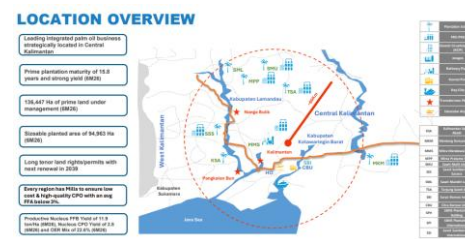
	Price	Market	3M Avg	PE	PBV	ROE	Div. Yield	Net
	10-Sep-26	Cap	Turnover	TTM	Current	TTM	TTM	Gearing
Ticker	(Rp)	(US\$m)	(US\$m)	(x)	(x)	(%)	(%)	(%)
SSMS	1,040	560	0.6	7.21	4.1	56.6	8.1	256.6
TAPG	2,210	2,479	2.0	10.8	3.8	35.4	9.1	(8.8)
NSSS	800	1,076	0.5	28.7	8.4	29.4	0.6	51.7
DSNG	1,595	955	0.4	8.8	1.4	16.1	3.0	30.2
AALI	8,600	935	0.6	8.9	0.7	7.8	5.3	(11.4)
LSIP	1,710	660	0.8	6.5	0.8	14.4	4.9	-54.3
BWPT	120	214	1.8	9.4	1.3	13.4	n.a.	154.2
PSGO	195	208	n.a.	9.1	1.3	14.4	3.1	-4.5
CSRA	755	87	n.a.	6.0	1.0	16.2	1.6	39.6
Company	Avg age	FFB Yield (t/ha) (2025)	OER(%) (2025)	KER(%) (2025)	EV/ha (Rp mn)			
SSMS	15.8	19.3	22.1	4.4	198			
TAPG	14	24.4	23.3	4.9	271			
NSSS	11.5	20	22.2	4.8	678			
DSNG	15	21.4	23.3	4.4	173			
AALI	16.7	14.6	19.2	4	41			
LSIP	19	13.4	21.9	6.1	30			
BWPT	18	12.5	23.3	4.5	98			
PSGO	11	17.3	18.2	2.8	115			
CSRA	11.7	20.1	20.7	4.7	100			

Source: Bloomberg, UOB Kay Hian, Respective companies

Risk/Catalyst

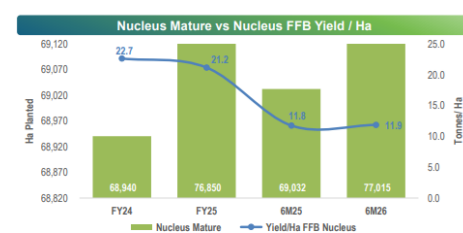
- **Risks:** CPO price volatility, cost inflation from fertiliser and energy, El Nino production disruption, related party transactions, high leverage, and policy changes.

Location Overview



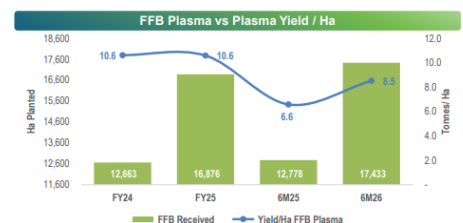
Source: SSMS, UOB Kay Hian

Nucleus FFB Yield/Ha



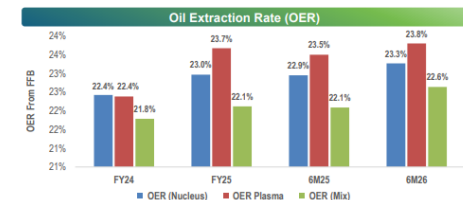
Source: SSMS, UOB Kay Hian

Plasma FFB Yield/Ha



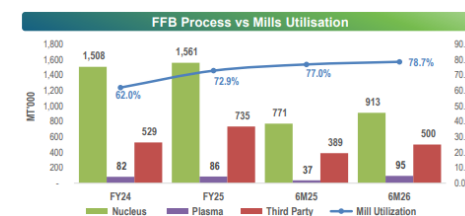
Source: SSMS, UOB Kay Hian

Oil Extraction Rate



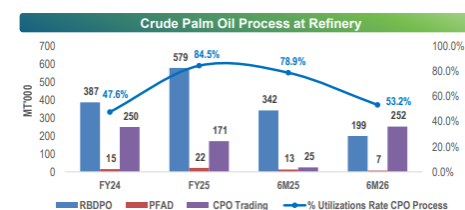
Source: SSMS, UOB Kay Hian

FFB Process and Mill Utilisation



Source: SSMS, UOB Kay Hian

CPO Process at Refinery



Source: SSMS, UOB Kay Hian

Profit & loss

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Net turnover	11,240	10,703	10,367	14,813
EBITDA	3,475	1,596	2,274	3,082
Deprec. & amort.	589	418	448	523
EBIT	2,887	1,177	1,826	2,558
Total other non-operating income	(348)	(109)	(151)	(131)
Associate contributions	1	2	3	4
Net interest income/(expense)	(574)	(516)	(461)	(500)
Pre-tax profit	1,965	552	1,213	1,927
Tax	(490)	(208)	(381)	(535)
Minorities	(11)	(6)	(25)	(42)
Net profit	1,837	512	820	1,161

Cash Flow

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Operating	2,442	624	993	1,097
Pre-tax profit	1,965	552	1,213	1,927
Tax	(490)	(208)	(381)	(535)
Deprec. & amort.	589	418	448	523
Working capital changes	(774)	423	(19)	(144)
Non-cash items	1,153	(561)	(268)	(674)
Investing	(710)	(1,451)	91	(1,902)
Capex (growth)	(267)	(308)	(245)	(416)
Investments	0	0	0	0
Others	(443)	(1,143)	336	(1,486)
Financing	(1,910)	257	(1,141)	499
Dividend payments	(3,883)	(711)	0	(450)
Issue of shares	0	0	0	0
Proceeds from borrowings	7,009	6,333	5,101	9,536
Loan repayment	(3,561)	(5,363)	(6,332)	(8,552)
Others/interest paid	(1,475)	150	89	(36)
Net cash inflow (outflow)	(178)	(570)	(57)	(306)
Beginning cash & cash equivalent	1,833	1,807	1,237	1,180
Ending cash & cash equivalent	1,807	1,237	1,180	874

Balance Sheet

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Fixed assets	4,861	5,058	5,012	6,047
Other LT assets	1,637	1,869	1,647	1,635
Cash/ST investment	1,807	1,237	1,180	874
Other current assets	2,832	3,780	4,032	5,027
Total assets	11,137	11,944	11,871	13,584
ST debt	2,466	3,365	3,224	2,765
Other current liabilities	1,707	1,421	1,527	1,848
LT debt	4,697	4,926	3,954	5,658
Other LT liabilities	223	236	282	371
Shareholders' equity	2,006	1,757	2,622	2,278
Minority interest	38	239	263	664
Total liabilities & equity	11,137	11,944	11,871	13,584

Key Metric

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
EBITDA margin	30.9	14.9	21.9	20.8
Pre-tax margin	17.5	5.2	11.7	13.0
Net margin	16.3	4.8	7.9	7.8
ROA	14.7	4.4	6.9	9.1
ROE	45.5	27.2	37.4	47.4
Growth				
Turnover	116.0	(4.8)	(3.1)	42.9
EBITDA	64.5	(54.1)	42.5	35.5
Pre-tax profit	4.8	(71.9)	119.7	58.9
Net profit	(3.4)	(76.9)	138.7	67.5
Net profit (adj.)	21.2	(72.1)	60.0	41.6
EPS	(3.4)	(76.9)	138.7	67.5
Leverage				
Debt to total capital	77.8	80.6	71.3	74.1
Debt to equity	350.3	415.3	248.8	286.4
Net debt/(cash) to equity	261.9	353.3	207.9	256.6
Interest cover (x)	4.9	1.9	3.2	4.3

Technical Analysis



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Technical BUY with 8% potential return

Resistance:	Rp3,400, Rp3,540
Support:	Rp3,400, Rp3,540
Stop-loss:	Rp3,400, Rp3,540

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for price to make more rallies and challenge the resistance at Rp3,400 and Rp3,540. Technical indicator RSI is sloping upwards and approaching its midline, while the MACD remains on a bullish crossover. Buy at Rp3,100 and take profit at Rp3,350.

Approximate timeframe: 2-4 weeks.



Impack Pratama Industri IMPC IJ

Technical BUY with 6.5% potential return

Resistance:	Rp1,820, Rp1,960
Support:	Rp1,615, Rp1,465
Stop-loss:	Rp1,610

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we see potential for more rallies ahead and price could challenge the resistance at Rp1,820 and Rp1,960. Technical indicator RSI is sloping upwards and back above its midline, while the MACD remains on a bullish crossover. Buy at Rp1,690 and take profit at Rp1,800.

Approximate timeframe: 2-4 weeks.

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