

HOLD

LP 1,375/Share
TP 1,400/Share
(+1.82% Upside)

General Information

Ticker	LSIP
52-week range	905-1420
YTD Return (%)	3.24%
VS JCI (%)	-4.12%
Last Price (IDR per share)	1,375
Target Price	1,400
Share Outstanding (Mn shares)	6,822.9
Market Cap (Rp tn)	8.29
Sector	Agriculture

Source: Company

Shareholders

PT Salim Ivomas Pratama	59.48%
Public	40.52%

Source: Company

Year	Payment
2013	46
2014	53
2015	37
2016	35

Source: IDX

Stock Price



Source: Proclick

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Ikhtisar Kinerja Perseroan Semester I-2018

PT PP London Sumatra Indonesia Tbk mencatatkan penurunan pendapatan sepanjang semester I-2018 sebesar -28.5% yoy menjadi Rp 1.76 triliun ditekan turunnya volume penjualan CPO sebesar 171,012 ton (-19.9% yoy), Kernel turun sebesar 42,577 ton (-20.4% yoy), dan karet turun sebesar 3,728 ton (-34.8% yoy) ditengah penurunan harga rata-rata produk kelapa sawit (CPO dan Kernel). Adapun, penurunan volume penjualan dipengaruhi oleh *timing* dalam realisasi persediaan CPO. Hal ini, Menyebabkan laba bersih LSIP turun -47.7% yoy menjadi Rp 428.5 miliar.

Strategi LSIP di tahun 2018

Di tengah ketidakpastian harga komoditas LSIP berusaha menjadi produsen berbiaya rendah dengan mengadopsi praktik manajemen yang baik, proaktif meningkatkan volume produksi dari-pohon pohon muda dan lahan baru. Adapun, luas area tanam di kuartal II-2018 mencapai 115,409 ha dari sebelumnya di kuartal I-2018 sebesar 115,264

Proyeksi Kinerja Keuangan Akan Datang

Pada tahun 2018, LSIP diproyeksikan akan mencatatkan penurunan pendapatan sebesar 27.19% YoY menjadi Rp 3.44 triliun rupiah ditekan penurunan volume penjualan CPO yang diperkirakan mencapai 340,314 ton, dan kernel menjadi 88,134 ton. Laba bersih turun sebesar 21.30% YoY menjadi Rp 600.78 miliar.

Keputusan Investasi

Berdasarkan metode *Free Cash Flow to Firm* (FCFF), kami mendapatkan harga wajar Rp 1,400 per lembar saham dengan tingkat PER dan PBV FY 2018 masing-masing sebesar 15.90x dan 1.09x dibandingkan rata-rata industri 16.51x dan 1.41x.

Exhibit 1. Financial Highlights

	2016	2017	2018F	2019F
Revenue (Bn Rp)	3,848	4,738	3,450	3,622
Gross Profit (Bn Rp)	1,111	1,343	1,027	1,073
EPS (Rp)	87	112	88	92
Current Ratio	2.5	5.2	3.8	4.1
Debt Ratio	19%	17%	17%	17%
Debt to Equity Ratio (DER)	24%	20%	12%	12%
Net Profit Margin (NPM)	15%	16%	17%	17%
ROA	6%	8%	6%	6%
ROE	8%	9%	7%	7%
PER	20.03	12.69	15.90	15.22
PBV	1.55	1.19	1.09	1.02

Source: Company and Profindo estimates

Exhibit 2. Simplified Balance Sheet

	2016	2017	2018F	2019F
Cash and cash equivalent	1,141	1,633	2,087	2,374
Receivables	203	175	128	134
Inventories	569	308	440	462
Biological asset	-	-	95	104
Other Current Asset	7	51	59	60
Total current asset	1,920	2,168	2,808	3,134
Plasma Receivables	67	69	73	73
Fixed Asset	3,436	3,234	3,194	3,354
Plantation	2,929	2,995	3,153	3,342
Other non current asset	1,107	1,278	1,325	1,343
Total non current assets	7,539	7,576	7,745	8,111
Total Asset	9,459	9,744	10,554	11,246
Trade payables	241	213	248	261
Accrued Expenses	128	61	67	70
Other current liabilities	411	143	422	427
Total current liabilities	781	416	737	758
Total non current liabilities	1,032	1,206	1,087	1,124
Equity	7,646	8,122	8,730	9,363
Total liabilities and equity	9,459	9,744	10,554	11,246

Source: Company and Profindo estimates

Exhibit 3. Income Statement

	2016	2017	2018F	2019F
Net revenue	3,848	4,738	3,450	3,622
<i>growth</i>	<i>-8%</i>	<i>23%</i>	<i>-27%</i>	<i>5%</i>
Cost of revenue	(2,737)	(3,395)	(2,423)	(2,549)
Gross profit	1,111	1,343	1,027	1,073
Loss arising from change in fair value of biological asset	-	-	(11)	(12)
Selling and distribution expenses	(61)	(84)	(69)	(72)
General and administrative expenses	(260)	(272)	(241)	(254)
Other Operating Income	56	26	69	72
Other Operating Expenses	(35)	(55)	(34)	(36)
EBIT	811	958	740	771
Finance cost	(1)	(1)	(2)	(1)
Finance Income	28	57	48	52
Share in profit (loss) of associates	(60)	(9)	1	1
subtotal	(32)	48	48	52
Profit before income tax	779	1,006	787	822
Income tax expense	(186)	(243)	(186)	(195)
Profit for the period	593	763	601	628
<i>growth</i>	<i>-5%</i>	<i>29%</i>	<i>-21%</i>	<i>4%</i>

Source: Company and Profindo estimates

Exhibit 4. Financial Ratio

	2016	2017	2018F	2019F
Profitability Ratio				
Return on Assets (ROA)	6%	8%	6%	6%
Return On Equity	8%	9%	7%	7%
Return on Capital Employed (ROCE)	11%	12%	8%	8%
Net Profit Margin	15%	16%	17%	17%
Gross Profit Margin	29%	28%	30%	30%
Net Operating Profit Margin	21%	20%	21%	21%
Liquidity Ratio				
Current Ratio	2.46	5.21	3.81	4.13
Quick Ratio (Acid Test)	1.73	4.47	3.22	3.53
Solvability Ratio				
Debt to Equity Ratio	24%	20%	12%	12%
Debt Ratio	19%	17%	17%	17%
Times Interest Earned Ratio	75%	83%	72%	73%
Activity Ratio				
Inventory Days	76	33	66	66
Creditors Days	32	23	37	37
Plantation Turnover	131%	158%	109%	108%
Asset Turnover (Sales / Total Assets)	41%	49%	33%	32%
Asset Leverage (Total Assets/Equity)	124%	120%	121%	120%

Source: Profindo estimates

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Profindo Stock Rating

BUY : The share price is expected to increase by 20% or more
ACCUMULATE: The share price is expected to increase at least by 10%
HOLD : The share price is expected to move within range of +/- 10%
REDUCE: The Share price is expected to decline within range of 10% - 20%
SELL : The share price is expected to decline by more than 20%

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