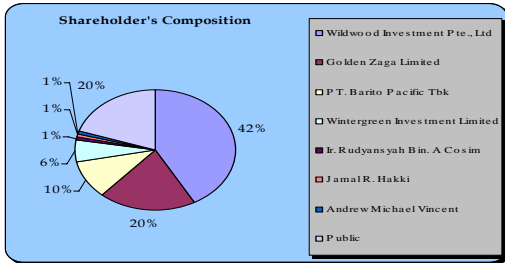


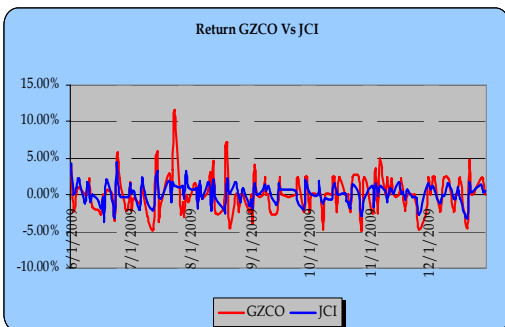
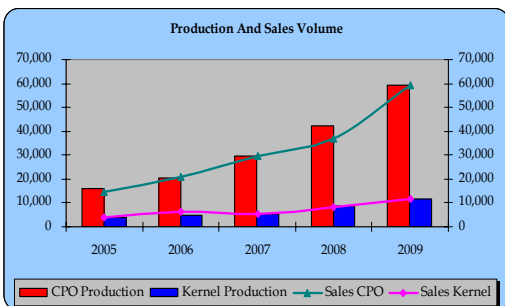
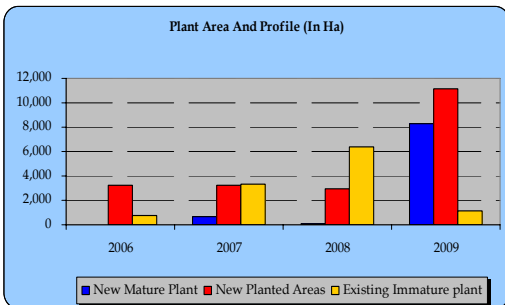
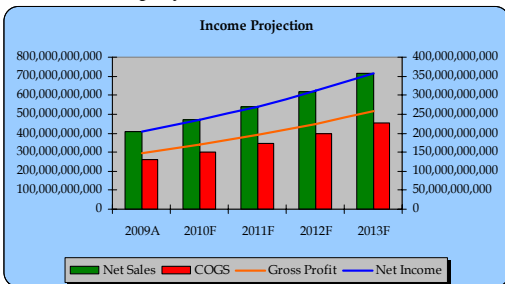
Target Price:
Rp 485 / Share

PT. Gozco Plantation Tbk (GZCO)

Oil Palm Plantation Sector



Source: Company



Source: Research Department PT. FBI

Company Highlight:

- PT. Gozco Plantation Tbk (GZCO) was known with the name PT. Surya Gemilang Sentosa that established in 2001. The company changes it in 2007. The company main business is at oil palm plantation. They started it at South Sumatra, and now also operate at East and Mid Kalimantan.
- The company has a total plant areas of 126 thousands Ha. From 126 thousands Ha areas company had, there are only ± 27 thousands Ha of areas fully planted divided to ± 14 thousands Ha of mature plant and ± 12 thousands Ha of immature plant. Even though, their CPO production increased 41% to 59 thousands tons and followed by Kernel production at 33% to 11 thousands tons. It is resulted in sales volume growth for CPO at 61% and 35% for Kernel.
- In the end 2009, company closed it with a solid performance. Sales was increased 40% at IDR 407 billions, produced growth in gross profit 26% at IDR 146 billions, resulted in positive net income around IDR 204 billions an increased 273% from 2008.
- GZCO is a relatively new comer at our capital market. They went listed in 2008. By now, they have ± 5 billion shares outstanding with composition Wildwood Investment 42%, Golden Zaga Ltd 20%, PT. Barito Pacific Tbk 10%, Wintergreen Investment Ltd 6%, Individual 3%, Public 20%. Not just their strong financial performance, the stock also showing tough result a 53% growth since IPO.
- At this time, company is running max capacity. However, this year 2010 from ± 12 thousands Ha areas of immature plant last year approximately 4-5 thousands Ha areas will become mature. It will boost an estimated production growth 12-15%, create a sales projection in 2010 around IDR 456 billions. Besides, GZCO is relatively good to keep in long run due to reserve areas of 98 Ha.
- Therefore, using cash flow method resulted in a target price Rp 485 per share. Meanwhile, as per April 21, 2010 GZCO stock traded at Rp 420 per share. So our conclusion that, it stocks is undervalued. Happy investing.

Analyst:
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FORECASTS AND VALUATION

Key Forecast

	2008A	2009A	2010F	2011F	2012F	2013F
EPS	11	41	47	54	62	71
PER	7.76	5.63	6.47	7.44	8.56	9.84
ROE	6.01%	18.09%	20.81%	23.93%	27.52%	31.65%
ROA	3.83%	10.25%	11.79%	13.56%	15.60%	17.94%
ROIC	13.69%	29.24%	33.62%	38.67%	44.47%	51.14%
Net Profit Margin	18.83%	50.11%	57.62%	66.27%	76.21%	87.64%
Current Ratio	5.22	2.86	3.29	3.78	4.34	5.00
Cash Ratio	4.55	2.39	2.75	3.17	3.64	4.19
Debt Ratio	0.36	0.43	0.50	0.57	0.66	0.76
Assets Turn Over	0.20	0.20	0.24	0.27	0.31	0.36
EV/EBITDA	N/A	3.33	3.83	4.40	5.07	5.83
EV/Sales	N/A	3.63	4.17	4.79	5.51	6.34
EV/FCFF	N/A	2.97	3.41	3.92	4.51	5.19

Source: Research Department PT. Finansial Bisnis Informatika

Proforma Balance Sheet

(Expressed in nominal value)

	2008A	2009A	2010F	2011F	2012F	2013F
Current Asset	374,382,778,055	363,843,288,697	418,419,782,002	481,182,749,302	553,360,161,697	636,364,185,952
Non-Current Asset	1,054,227,556,807	1,629,202,638,937	1,873,583,034,778	2,154,620,489,994	2,477,813,563,493	2,849,485,598,017
Total Asset	1,428,610,334,862	1,993,045,927,634	2,292,002,816,779	2,635,803,239,296	3,031,173,725,190	3,485,849,783,969
Current Liabilities	71,730,078,523	127,362,627,247	146,467,021,334	168,437,074,534	193,702,635,714	222,758,031,071
Non-Current Liabilities	445,455,176,614	736,148,618,465	846,570,911,235	973,556,547,920	1,119,590,030,108	1,287,528,534,624
Minority Interest	29,653,538,750	59,552,794,158	68,485,713,282	78,758,570,274	90,572,355,815	104,158,209,187
Equity	881,771,540,975	1,069,981,887,764	1,230,479,170,929	1,415,051,046,568	1,627,308,703,553	1,871,405,009,086
Total Liabilities & Equity	1,428,610,334,862	1,993,045,927,634	2,292,002,816,779	2,635,803,239,296	3,031,173,725,190	3,485,849,783,969

Source: Research Department PT. Finansial Bisnis Informatika

Proforma Income Statement

(Expressed in nominal value)

	2008A	2009A	2010F	2011F	2012F	2013F
Net Sales	290,790,810,001	407,905,583,636	469,091,421,181	539,455,134,359	620,373,404,512	713,429,415,189
COGS	174,605,064,426	260,959,228,929	300,103,113,268	345,118,580,259	396,886,367,297	456,419,322,392
Gross Profit	116,185,745,575	146,946,354,707	168,988,307,913	194,336,554,100	223,487,037,215	257,010,092,797
Operating Expense	(17,837,159,151)	(25,464,051,809)	(29,283,659,580)	(33,676,208,517)	(38,727,639,795)	(44,536,785,764)
Operating Profit	98,348,586,424	121,482,302,898	139,704,648,333	160,660,345,583	184,759,397,420	212,473,307,033
Other Income (Expense)	(34,468,541,843)	81,582,851,082	93,820,278,744	107,893,320,556	124,077,318,639	142,688,916,435
Income Before Taxes	63,880,044,581	203,065,153,980	233,524,927,077	268,553,666,139	308,836,716,059	355,162,223,468
Taxes	(10,637,118,045)	(30,766,095,651)	(35,381,009,999)	(40,688,161,498)	(46,791,385,723)	(53,810,093,582)
Income Before Minority	53,242,926,536	172,299,058,329	198,143,917,078	227,865,504,640	262,045,330,336	301,352,129,887
Minority Interest	1,507,127,733	4,125,531,747	4,744,361,509	5,456,015,735	6,274,418,096	7,215,580,810
Profit From Normal Activity	54,750,054,269	176,424,590,076	202,888,278,587	233,321,520,376	268,319,748,432	308,567,710,697
Extraordinary Income (Expense)	0	27,960,903,378	32,155,038,885	36,978,294,717	42,525,038,925	48,903,794,764
Net Income	54,750,054,269	204,385,493,454	235,043,317,472	270,299,815,093	310,844,787,357	357,471,505,460

Source: Research Department PT. Finansial Bisnis Informatika

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