

Economic Data

	Latest	2020F
7-DRRR (%), eop	4.50	4.50
Inflation (YoY %)	2.98	3.04
US\$ 1 = Rp, period avg	16,623	14,257

Stock Market Data (23 March 2020)

JCI Index	3,989.5	-4.90%
Trading T/O (Rp bn)	3,906.0	
Market Cap (Rp tn)	4,616.3	

Market Data Summary*

	2020F	2021F
P/E (x)	10.4	9.4
P/BV (x)	1.5	1.4
EV/EBITDA (x)	9.2	8.6
Div. Yield (%)	4.4	4.6
Net Gearing (%)	23.8	20.8
ROE (%)	14.8	15.4
EPS Growth (%)	4.3	10.3
EBITDA Growth (%)	5.3	6.2
Earnings Yield (%)	9.6	10.6

* Aggregate of 75 companies in MS research universe, representing 58.5% of JCI's market capitalization

HIGHLIGHT

- *Feb-20 Fiscal Watch: Stimulus, Revenue, and Deficit*
- *The Budget Committee Propose Budget Deficit Cap to -5% of GDP*
- *Indofood CBP: 4Q19 Results Conference Call Takeaways (ICBP; Rp8,350; Buy; TP: Rp12,350)*
- *Indofood Sukses Makmur: 4Q19 Results Conference Call Takeaways (INDF; Rp5,350; Buy; TP: Rp9,750)*
- *Market Recap March 23rd 2020; JCI 3,989.52 Points -205.43 pts (-4.90%); Valued \$235mn; Mkt Cap \$282bn; USD/IDR 16,623*

ECONOMY

Feb-20 Fiscal Watch: Stimulus, Revenue, and Deficit

- **We see that the fiscal policy direction is heading to a more counter cyclical tone.** Although the revenue performance has remained sluggish at -0.3% yoy in 2M20, the central government expenditure (excluding transfer to region & village fund) has started to increase by 11% yoy with social spending accelerating 35.2% owing to the front-loading approach (mostly upfront payment for the universal healthcare beneficiary and the front-loaded spending for the food-aid program).
- **Stimulus, revenue, and deficit.** Overall, the budget deficit has reached -0.37% of GDP as of Feb-20, which is predicted to widen with a larger degree in the coming months due to the implementation of more rigorous counter-cyclical measures. On the revenue side, the combination of weak economic growth, lower oil price, and tax stimulus will pressure the fiscal revenue (just likely any other fiscal budget around the world). While on the expenditure side, further stimulus will be deployed to combat the Covid-19 risk, suggesting the potential fiscal deficit of -3% of GDP this year or even the possibility for the deficit ceiling rule to be revised. In fact, the budget committee in the parliament proposes the budget deficit cap to be revised to -5% of GDP (or equivalent to an additional fiscal space of around Rp330tn). Nevertheless, keep in mind that this action will not be negatively perceived by investors, as all countries are making the same move.
- **The third stimulus package.** The government is preparing the third stimulus package, which will focus on two parts: increasing the social safety net and enhancing the healthcare capacity. The government stated that the reallocation of spending could reach Rp63tn (the current social spending is at Rp108tn) (see report for more detail).
- **Re-iterating our view: a change of policy cycle.** All in all, the policy cycle will switch compared to 2019, in our opinion, wherein now the fiscal side will be more accommodative going forward, while the monetary policy will begin to balance between stability and economic growth, as the consequence of the BoP risk and the exchange rate volatility. We reiterate our view that Bank Indonesia will maintain the policy rate at 4.5% for the moment with instead higher possibility to ease the non-interest rate measures, such as cutting further the FX reserve requirement amid the USD liquidity risk.

THE GOVERNMENT HAS STARTED TO FRONTLOAD THE SOCIAL SPENDING

Social Spending (in Rp tn)	2019			2020		
	Budget (in Rp tn)	2M19 Realization (in Rp tn)	% of Target	Budget (in Rp tn)	2M20 Realization (in Rp tn)	% of Target
Social Rehabilitation	0.4	-	-	0.2	(0.0)	(0.6)
Social Insurance (i.e. National Health Insurance)	38.1	8.5	22.3	39.8	18.4	46.3
Social Empowerment	2.8	0.3	9.5	2.8	0.1	4.6
Social Protection (i.e. Family Hope Proram - PKH)	34.6	12.3	35.5	31.2	7.1	22.6
Poverty Alleviation (i.e. Food Aid)	21.0	2.5	12.0	28.6	6.3	22.0
Disaster Management	0.1	0.0	0.5	0.4	0.0	0.0
Total	97.1	23.6	24.3	103.0	31.9	31.0

Source: MoF

SOME SCENARIOS ON THE TAX REVENUE GROWTH BASED ON OUR MODEL

		Scenario 1	Scenario 2	Scenario 3	Scenario 4
Assumptions:	GDP Growth	4.50	4.00	3.50	3.00
	Inflation	3.3	3.0	3.0	3.0
	Oil Price	50	40	30	30
	Rupiah Average	14,257	14,900	15,200	15,200
Tax Growth Estimate		2.54	0.00	-1.17	-2.01
Tax Shortfall Estimate		281.12	320.37	338.45	351.44

Source: Mandiri Sekuritas Estimate

Leo Rinaldy(+6221 5296 9406)

Immanuel Reinaldo(+6221 5296 9651)

leo.rinaldy@mandirisek.co.id

immanuel.reinaldo@mandirisek.co.id

The Budget Committee Propose Budget Deficit Cap to -5% of GDP

- The budget committee in the parliament proposes the budget deficit ceiling to be revised to -5% of GDP from the initial rule at -3% of GDP, or equivalent to an additional fiscal space of around Rp330tn. The parliament asked the government to create an emergency government decree to replace the financing law. Overall, the proposal is made in order to *provide the fiscal space needed in order to combat the covid-19 risk.*
- **Comments:** *We believe that the proposed widen deficit cap is not only to provide stimulus space, but also accommodating the potential revenue shortfall this year. For information, assuming tax contracted by -2% this year, the tax shortfall will reach Rp350tn. Furthermore, the government will optimize the source of financing to cover the fiscal deficit, starting multilateral loan (World Bank & ADB), the usage of excess bank's excess liquidity placed in BI's instrument, private placement, and global bond issuance. If indeed, the government revised the deficit ceiling cap, it will be a temporary move, not a permanent one, in our opinion.*

Leo Rinaldy(+6221 5296 9406)

Immanuel Reinaldo(+6221 5296 9651)

leo.rinaldy@mandirisek.co.id

immanuel.reinaldo@mandirisek.co.id

CORPORATE

Indofood CBP: 4Q19 Results Conference Call Takeaways (ICBP; Rp8,350; Buy; TP: Rp12,350)

- 2019 was an impressive year with strong double-digit earnings growth as a result of continuous product innovations and distribution penetration. Management's 2020 guidance is notably lower than our and consensus estimates, though its past guidance is known to be conservative. While Covid-19 could weaken purchasing power, we believe ICBP should be among the most resilient counters given its basic staples products (instant noodles are >80% of EBIT), strong in-house distribution, and solid balance sheet.
- **4Q19 EBIT and PATMI were largely in-line.** ICBP delivered an impressive performance in 2019, largely driven by the impressive instant noodles volume growth accelerations and resilient margin as a reflection of its strong market domination, and by dairy's EBIT jump amid benign raw material prices. Full-year EBIT grew 26.1% YoY with core profit up 22.4% YoY. 4Q19 performance was overall softer in terms of earnings growth as a result of instant noodles' new launch timings and the surge in CPO prices, but it was largely expected. Detailed results are presented in Figure 2.
- **Covid-19 impact.** There has been no disruptions on production and distribution activities, while standard operating procedures are in place to mitigate the outbreak across the production, distribution, and office functions as well as the raw material inputs. Capital expenditure realizations could be affected given the imported machineries and equipment, while demand outlook is hard to be measured given how dynamic the situation is. Management's objectives are for business continuity with strong emphasis on safety and cost saving initiatives. We think the high profit mix from instant noodles (>80% of EBIT) and strong in-house distribution should make ICBP among one of the most resilient counters.
- **2020 guidance.** Management guided for 6-8% revenue growth and 14-16% EBIT margin for 2020; these imply net revenues of Rp44.8tn-45.7tn (2-4% below Mansek; 0-3% below consensus) and EBIT of Rp6.3tn-7.3tn (4-17% below Mansek; 7-24% below consensus). The management has decided not to give segmental guidance given the Covid-19 uncertainties but sounded optimistic that this company-level guidance could be achieved. Recall that ICBP's guidance tends to be conservative in the past. On CAPEX, the management allocated Rp4.7tn this year, while it spent Rp2.0tn in 2019 (vs. initial Rp3.5tn budget).
- **Key highlights on segment performance, Pinehill, A&P and leverage:**
 - **Instant noodles.** 2019 EBIT of Rp6,079bn (+14.4%) was 2% ahead of our forecast, while Rp27,031bn net revenues (+9.3% YoY) missed by 3%. 4Q19 was understandably a soft quarter, given the series of record-breaking volumes achieved in the past few years, while 2H18 was a tough comparison to begin with given the Asian Games event in 3Q18 and blockbuster launches in 4Q18 (e.g., *Indomie Goreng Aceh* and *Indomie Ayam Geprek*). As such, the implied 2.5% YoY growth in 4Q19 sales volume was like the 3.3% pace in 3Q19. For the full-year, volume grew 6.0% to 14.1bn packs, in-line with our estimate, with around 5% domestic volume growth and 20% on exports. EBIT margin retreated to 21.3% in 4Q19 (from 23.5% in 3Q19), understandable given the higher CPO prices. The last 3-5% price increases in January this year was followed by its closest competitors at similar magnitude.
 - **Dairy.** 2019 EBIT of Rp1,140bn (+43.7% YoY) and net revenues of Rp8,046bn (+6.7% YoY) came in-line at 98% of our estimates. Sales volume increased by 5.0% YoY in 2019, in-line with our estimate, with 4Q19 implied volume growth at 14.5% YoY, thus reversing the -5.3% YoY decline in 3Q19. Liquid milk was the main volume driver with online-game competition marketing activities helping the 2H19 run-rate. Overall EBIT improvement was fairly helped by lower sugar prices and volume improvement.
 - **Snacks.** 2019 operating loss narrowed to Rp43bn, less than half of our Rp103bn forecast, with net revenues of Rp2,561bn (+1.3% YoY), beating our estimate by 3%. Operating losses have been narrowing in the last few quarters, and a positive EBIT of Rp22bn has finally been achieved in 4Q19, likely as a result of the costs rationalization as it decided to stop biscuit productions. Revenue grew 2.1% YoY in 4Q19, weaker than the 8.0% growth in 3Q19. Sales volume down 10.6% YoY in 4Q19, bringing full-year volume decline to 7.0% YoY, in-line with our estimate.

- **Food Seasonings.** 2019 EBIT of Rp220bn (+69.8% YoY) was a 18% miss to our estimate with net revenues of Rp1,794bn (+90.2% YoY) at 8% below ours. Our sales volume forecast was too aggressive, as the actual volume only achieved 86% of our full-year estimates. YoY growth comparison was not meaningful for the full-year basis, as NICI was only consolidated for four months in 2018.
- **Nutrition & Special Foods.** 2019 EBIT topped estimates at 125% of our forecast, contributed by pricing variance and volume.
- **Beverages.** Operational improvement was notable with a reversal from the Rp67bn operating loss in 3Q19 (-13.8% of sales) to Rp7bn profit in 4Q19 (1.7% of sales), though this is still lower than our forecast. Margin improvement was driven by a combination of price increases, better mix (e.g., from cup to bottle), and continuous cost cutting and efficiency improvement efforts. Further cost savings are expected from the ongoing synergy improvement in the manufacturing and commercial divisions post-Asahi departure. Sales volume trend was also healthy, up 2.9% YoY in 4Q19 after a series of YoY declines since 1Q19.
- **Pinehill acquisition.** There is no decision yet regarding to the acquisition plan while the due diligence is still progressing up to now.
- **Views on A&P.** The use of digital media agency has managed to contain the media cost inflation, while the company targets to limit the media price increase, aligned with the national inflation rate.
- **Leverage.** Net cash position was at 23% of the total equity at the end of 2019 with 89% of the total debt in IDR currency and 72% as non-current.

4Q19 SEGMENTAL PERFORMANCE

Instant noodles	4Q18	1Q19	2Q19	3Q19	4Q19	2018	2019A	2019F	% (A/F)
Revenues	5,811	7,285	6,957	6,905	5,885	24,732	27,031	27,855	97%
YoY	9.4%	13.4%	15.4%	6.7%	1.3%	9.0%	9.3%	12.6%	
EBIT	1,330	1,586	1,536	1,668	1,289	5,315	6,079	5,973	102%
YoY	-3.0%	13.5%	27.9%	20.2%	-3.0%	9.2%	14.4%	12.4%	
Sales volume ('000 tons)	3.0	3.9	3.4	3.7	3.1	13.3	14.1	14.2	99%
YoY	4.5%	9.0%	9.0%	3.3%	2.5%	4.5%	6.0%	7.0%	
ASP (Rp/kg)	2,004	1,930	2,078	1,894	1,982	1,901	1,967	2,001	
YoY	5.4%	4.3%	6.5%	3.9%	-1.1%	4.6%	3.5%	5.3%	
EBIT margin	22.3%	21.3%	21.6%	23.5%	21.3%	21.0%	21.9%	21.0%	

Dairy	4Q18	1Q19	2Q19	3Q19	4Q19	2018	2019A	2019F	% (A/F)
Revenues	1,708	2,053	2,019	1,922	2,052	7,541	8,046	8,251	98%
YoY	-1.0%	9.1%	5.8%	-5.8%	20.1%	6.4%	6.7%	9.4%	
EBIT	74	335	315	230	260	794	1,140	1,162	98%
YoY	-52.4%	52.7%	43.7%	-18.0%	249.2%	6.4%	43.7%	46.3%	
Sales volume ('000 tons)	112.9	125.6	119.8	120.3	129.3	471.4	495.0	499.7	99%
YoY	0.9%	8.0%	4.0%	-5.3%	14.5%	400.0%	5.0%	6.0%	
ASP (Rp/kg)	15,143	16,355	16,856	15,981	15,878	16,002.2	16,260.9	16,519	
YoY	-1.9%	1.0%	1.7%	-0.6%	4.9%	2.3%	1.6%	3.2%	
EBIT margin	4.4%	16.3%	15.6%	12.0%	12.7%	10.5%	14.2%	14.1%	

Food Seasonings	4Q18	1Q19	2Q19	3Q19	4Q19	2018	2019A	2019F	% (A/F)
Revenues	299	538	472	452	332	943	1,794	1,948	92%
YoY	207.1%	133.2%	97.5%	158.9%	11.0%	9.3%	90.2%	106.6%	
EBIT	37	75	75	57	13	130	220	270	82%
YoY	99.3%	150.4%	150.1%	74.3%	-65.8%	23.1%	69.8%	107.6%	
Sales volume ('000 tons)	20.0	28.9	24.5	21.9	20.3	77.1	95.6	111.7	86%
YoY	42.4%	52.0%	15.9%	29.6%	1.2%	4.0%	24.0%	45.0%	
ASP (Rp/kg)	22,162	23,300	24,586	27,666	23,406	19,032	24,652	22,000	
YoY	54.9%	35.2%	34.2%	51.8%	5.6%	2.4%	29.5%	15.6%	
EBIT margin	8.3%	11.2%	12.5%	9.5%	2.6%	8.9%	9.4%	11.0%	

Snack Foods	4Q18	1Q19	2Q19	3Q19	4Q19	2018	2019A	2019F	% (A/F)
Revenues	524	703	681	643	534	2,528	2,561	2,493	103%
YoY	10.1%	-2.2%	-1.5%	8.0%	2.1%	-0.7%	1.3%	-1.4%	
EBIT	(114)	(29)	(34)	(2)	22	(198)	(43)	(103)	41%
YoY	40.8%	-784.4%	54.2%	-97.2%	-119.1%	299.2%	-78.5%	-48.1%	
Sales volume ('000 tons)	9.2	11.2	9.8	10.2	8.3	42.4	39.5	40.3	98%
YoY	4.8%	-8.0%	-12.2%	3.5%	-10.6%	1.0%	-7.0%	-5.0%	
ASP (Rp/kg)	58,039	63,707	71,190	65,418	67,620	60,439	66,831	62,736	
YoY	6.3%	6.8%	14.0%	6.6%	16.5%	-1.0%	10.6%	3.8%	
EBIT margin	-21.3%	-4.0%	-4.9%	-0.3%	3.9%	-7.7%	-1.6%	-4.1%	

Nutrition and Special Foods	4Q18	1Q19	2Q19	3Q19	4Q19	2018	2019A	2019F	% (A/F)
Revenues	229	223	225	251	282	838	981	899	109%
YoY	9.7%	6.6%	20.8%	17.4%	23.3%	16.6%	17.1%	-1.4%	
EBIT	5	9	11	8	14	31	41	33	125%
YoY	-444.8%	7.3%	-2.9%	29.9%	160.5%	-9.5%	35.5%	8.6%	
Sales volume ('000 tons)	5.1	4.7	4.6	5.2	4.6	18.9	19.1	19.4	98%
YoY	-0.2%	3.0%	7.1%	5.0%	-9.8%	17.0%	1.0%	2.6%	
ASP (Rp/kg)	44,746	47,328	48,951	48,386	61,154	44,295	51,343	46,315	
YoY	10.0%	3.5%	12.8%	11.8%	36.7%	-0.4%	15.9%	4.6%	
EBIT margin	2.4%	4.0%	4.7%	3.0%	5.1%	3.7%	4.2%	3.7%	

Beverages	4Q18	1Q19	2Q19	3Q19	4Q19	2018	2019A	2019F	% (A/F)
Revenues	365	454	522	487	422	1,832	1,884	1,851	102%
YoY	2.3%	8.9%	-1.3%	-6.8%	15.6%	6.8%	2.8%	1.0%	
EBIT	(67)	(47)	(53)	(67)	7	(299)	(160)	(185)	86%
YoY	-25.3%	1.3%	-52.7%	-8.9%	-110.6%	-9.3%	-46.6%	-38.2%	
Sales volume (mn liter)	349.3	311.0	314.7	351.5	359.4	1,378.0	1,336.6	1,378.0	97%
YoY	5.1%	-3.0%	-3.0%	-8.4%	2.9%	2.0%	-3.0%	0.0%	
ASP (Rp/l)	1,044	1,460	1,658	1,385	1,173	1,330	1,410	1,343	
YoY	-2.7%	12.2%	1.8%	1.8%	12.4%	4.7%	6.0%	1.0%	
EBIT margin	-18.3%	-10.3%	-10.2%	-13.8%	1.7%	-16.3%	-8.5%	-10.0%	

Source: Company, Mandiri Sekuritas estimates

4Q19 RESULT SUMMARY

P&L (Rp bn)	12M19	12M18	YoY	4Q19	4Q18	YoY	3Q19	QoQ	% of Mansek	% of Cons
Revenue	42,297	38,413	10.1%	9,506	8,935	6.4%	10,660	-10.8%	98%	99%
Gross profit	14,404	12,266	17.4%	3,145	2,674	17.6%	3,747	-16.1%	99%	101%
Selling expense	5,006	4,430	13.0%	1,054	840	25.5%	1,360	-22.5%	100%	
G&A expense	2,120	2,064	2.7%	485	569	-14.8%	495	-1.9%	91%	
EBIT	7,278	5,772	26.1%	1,606	1,265	27.0%	1,893	-15.1%	102%	100%
Pretax profit	7,437	6,447	15.4%	1,685	1,499	12.4%	1,925	-12.5%	102%	103%
Net profit	5,039	4,576	10.1%	1,153	1,091	5.7%	1,311	-12.0%	100%	100%
Margins										
Gross	34.1%	31.9%	2.1%	33.1%	29.9%	3.2%	35.1%	-2.1%		
EBIT	17.2%	15.0%	2.2%	16.9%	14.2%	2.7%	17.8%	-0.9%		
Net profit	11.9%	11.9%	0.0%	12.1%	12.2%	-0.1%	12.3%	-0.2%		

Gross revenue breakdown

Noodles	27,712	25,264	9.7%	6,047	5,963	1.4%	7,092	-14.7%	99%
Dairy	8,049	7,544	6.7%	2,052	1,709	20.1%	1,923	6.7%	98%
Food Seasonings	2,356	1,467	60.6%	475	444	6.9%	606	-21.6%	121%
Snack Foods	2,637	2,564	2.8%	559	537	4.2%	665	-15.9%	106%
Nutrition and Special Foods	981	838	17.1%	282	229	23.3%	251	12.3%	109%
Beverage	1,884	1,832	2.8%	422	365	15.6%	487	-13.4%	102%

P&L (Rp bn)	12M19	12M18	YoY	4Q19	4Q18	YoY	3Q19	QoQ	% of Mansek	% of Cons
EBIT breakdown										
Noodles	6,079	5,315	14.4%	1,289	1,330	-3.0%	1,668	-22.7%	102%	
Dairy	1,140	794	43.7%	260	74	249.2%	230	13.1%	98%	
Food Seasonings	220	130	69.8%	13	37	-65.8%	57	-78.1%	82%	
Snack Foods	(43)	(198)	-78.5%	22	(114)	n.m.	(2)	n.m.	41%	
Nutrition and Special Foods	41	31	35.5%	14	5	160.5%	8	90.6%	125%	
Beverage	(160)	(299)	-46.6%	7	(67)	n.m.	(67)	n.m.	86%	
EBIT margin (gross sales)										
Noodles	21.9%	21.0%	0.9%	21.3%	22.3%	-1.0%	23.5%	-2.2%		
Dairy	14.2%	10.5%	3.6%	12.7%	4.4%	8.3%	12.0%	0.7%		
Food Seasonings	9.4%	8.9%	0.5%	2.6%	8.3%	-5.6%	9.5%	-6.8%		
Snack Foods	-1.6%	-7.7%	6.1%	3.9%	-21.3%	25.2%	-0.3%	4.2%		
Nutrition and Special Foods	4.2%	3.7%	0.6%	5.1%	2.4%	2.7%	3.0%	2.1%		
Beverage	-8.5%	-16.3%	7.9%	1.7%	-18.3%	20.0%	-13.8%	15.5%		

Source: Company, Bloomberg, Mandiri Sekuritas estimates

Adrian Joezer (+6221 5296 9415)

adrian.joezer@mandirisek.co.id

Riyanto Hartanto (+6221 5296 9488)

riyanto@mandirisek.co.id

Lakshmi Rowter (+6221 5296 9549)

lakshmi.rowter@mandirisek.co.id

Indofood Sukses Makmur: 4Q19 Results Conference Call Takeaways (INDF; Rp5,350; Buy; TP: Rp9,750)

- INDF ended 2019 with a strong 40% QoQ jump in 4Q19 PATMI, driven by the significant margin accelerations at Bogasari and Agribusiness divisions. Guidance for 2020 was released, targeting higher volume growth for Bogasari and Agribusiness units but lower EBIT growth for CBP divisions. We have a Buy rating on the stock.
- **4Q19 PATMI beats consensus forecast; in-line with ours.** 2019 PATMI of Rp4.8trn (+17.8% YoY) came in-line with our estimate but was a 5% beat to consensus, while core profit increased by 22.6% YoY to Rp4.9trn. Revenue growth trend was weaker sequentially, but margin trended higher as a result of Bogasari (tailwind from price increases and input cost reversals) and Agribusiness (surge in CPO prices). Refer to Figure 1 for detailed results table and ICBP's separate [report](#) for more detailed analysis on the CBP division.
- **2020 guidance.** Management guided for 6-8% revenue growth and 14-16% EBIT margin on ICBP, which are much more conservative than our and consensus estimates, and the following for INDF's key business units: a) 2-4% volume growth for Bogasari (100-102% of our current volume estimate) with 5-7% EBIT margin (Mansek: 11%); and b) 5% nucleus FFB production growth with 3,000 ha replanting. The management budgeted Rp8.2tn CAPEX for this year with the following allocations: Rp4.7tn for ICBP, Rp1.5tn for Bogasari, Rp1.5tn for Agribusiness, and Rp0.4tn for distribution. INDF spent Rp4.5tn for CAPEX last year out of the original budget of Rp7.5tn.
- **Key highlights on segmental performance and leverage:**
 - **Agribusiness.** 2019 EBIT of Rp495bn (-30.4% YoY) and gross revenue of Rp13,600bn were 173% and 18% ahead of our forecasts; the numbers came from the significant surge in CPO prices. For the full-year, nucleus FFB production decreased by 2% YoY to 3.3mn tons as a result of replanting activities in North Sumatra and Riau, while overall CPO production declined by 9% YoY. CPO sales volume was flat, rubber down 11% YoY, while PK/Sugar grew 14%/16% YoY. While the B30 has increasingly become not economically viable at the current spread to diesel prices, the management has not yet heard any latest decision from the government as regards to the B30 mandate and the commitment in supporting it.

- **Bogasari.** 2019 EBIT of Rp1,621bn (+26.9% YoY) and gross revenue of Rp22,839bn (+7.5% YoY) came at 23% and 24% ahead of our forecasts. 2019 volume grew 1% YoY, in-line with industry growth. Tailwind from price increases and reversal of input costs helped the margin improvement.
 - **Leverage.** Net gearing improved from 61.7% in 2018 to 24.4% in 2019 with 91% of total debt in IDR currency and 39% classified as non-current.
- **Buy rating with Rp9,750 PT.** Our PT is derived from SOTP method, implying 2021 PE of 15.5x.

INDF'S 4Q19 RESULT SUMMARY

P&L (Rp bn)	12M19	12M18	YoY	4Q19	4Q18	YoY	3Q19	QoQ	% of Mansek	% of Consensus
Revenue	76,593	73,395	4.4%	18,748	18,653	0.5%	19,236	-2.5%	99%	98%
Gross profit	22,716	20,212	12.4%	5,717	4,742	20.6%	5,638	1.4%	104%	103%
Selling expense	8,489	7,817	8.6%	1,980	1,650	20.0%	2,221	-10.8%	103%	
G&A expense	4,697	4,466	5.2%	1,088	1,032	5.4%	1,099	-1.0%	100%	
EBIT	9,530	7,928	20.2%	2,650	2,061	28.6%	2,318	14.3%	108%	100%
Pretax profit	8,749	7,447	17.5%	2,554	2,151	18.7%	1,960	30.3%	107%	105%
Net profit	4,908	4,166	17.8%	1,377	1,346	2.3%	986	39.7%	105%	105%

Margins

Gross	29.7%	27.5%	2.1%	30.5%	25.4%	5.1%	29.3%	1.2%		
EBIT	12.4%	10.8%	1.6%	14.1%	11.0%	3.1%	12.1%	2.1%		
Net profit	6.4%	5.7%	0.7%	7.3%	7.2%	0.1%	5.1%	2.2%		

Gross revenues

Consumer branded products	42,753	38,710	10.4%	10,288	9,498	8.3%	10,596	-2.9%	99%	
Flour	22,839	21,245	7.5%	5,570	5,855	-4.9%	5,669	-1.8%	124%	
Agribusiness	13,600	14,050	-3.2%	3,571	3,795	-5.9%	3,604	-0.9%	118%	
Distribution	4,140	5,497	-24.7%	1,005	1,119	-10.2%	1,055	-4.8%	101%	

EBIT

Consumer branded products	7,200	5,751	25.2%	1,722	1,394	23.5%	1,809	-4.8%	101%	
Flour	1,621	1,278	26.9%	481	505	-4.8%	294	63.6%	123%	
Agribusiness	495	711	-30.4%	367	97	280.1%	169	117.7%	273%	
Distribution	213	187	13.9%	64	64	0.8%	46	38.6%	103%	

EBIT margin (as % of gross sales)

Consumer branded products	16.8%	14.9%	2.0%	16.7%	14.7%	2.1%	17.1%	-0.3%		
Flour	7.1%	6.0%	1.1%	8.6%	8.6%	0.0%	5.2%	3.5%		
Agribusiness	3.6%	5.1%	-1.4%	10.3%	2.5%	7.7%	4.7%	5.6%		
Distribution	5.1%	3.4%	1.7%	6.4%	5.7%	0.7%	4.4%	2.0%		

Source: Company, Mandiri Sekuritas estimates, Bloomberg

Adrian Joezer (+6221 5296 9415)
Riyanto Hartanto (+6221 5296 9488)
Lakshmi Rowter (+6221 5296 9549)

adrian.joezer@mandirisek.co.id
riyanto@mandirisek.co.id
lakshmi.rowter@mandirisek.co.id

MARKET

Market Recap March 23rd 2020; JCI 3,989.52 Points -205.43 pts (-4.90%); Valued \$235mn; Mkt Cap \$282bn; USD/IDR 16,623

- TOP TURNOVER: BBKA BBRI TLKM ASII TBIG PTBA MDKA BMRI UNVR ADRO UNTR SMGR TOWR INTP HMSP INDF GGRM ICBP CPIN (56%)
- ADVANCING SECTOR: NONE
- DECLINING SECTOR: telco-6.9%; auto-6.8%; consumer & cement-5.8%; construction-5.6%; financial-5.3%; plantation-3.3%; property-2.8%; mining-1.7%
- Asian shares sank as a rising tide of national lockdowns threatened to overwhelm policymakers' frantic efforts to cushion what is likely to be a deep global recession. In a foretaste of the pain to come, E-Mini futures for the S&P 500 dived 5% at the open to be limit down, while EUROSTOXXX 50 futures tumbled 6.4%. There was little to cheer in coronavirus news as the global death toll exceeded over 14,000 with more than 300,000 infections. Indo equities also resumed declined, triggering a trading halt for the fifth time in two weeks. The JCI fell 5% at 3985 level, with total transaction at \$234.34MN (IDR3.89TN) as of time of halt. The JCI has slumped 36.7% since the start of the year to an eight-year low. Indonesia has seen a spike in infections and fatalities in recent weeks, prompting authorities to declare an emergency in capital Jakarta. BBKA contributed the most to the index decline, decreasing 6.4%. The IDR slumped amid a broad sell-off in EM currencies on risk aversion triggered by concern over mounting coronavirus deaths and disagreement among US politicians on economic stimulus. In the end, the JCI lost 4.9% at 3989 level. Market turnover (excluding \$9MN CARE; \$9MN BOGA; \$5.8MN ENVY crossing) returned to thin at \$235MN. Foreign participants at 38% came up slightly better buyer. Losers beat gainers by 11 to 10. The IDR weakened as much as 4.1% to 16623, the highest level since June 1998. The benchmark 10-year bond fell and the yield rose 18.9 bps to 8.271%. Global funds sold at net of \$494.1MN of Indo bonds on March 18th and sold a net \$49.4MN in country's equities on March 20th. In the past year, the JCI had a similar or greater loss four times. The next day, it advanced three times for an avg 1.4% and declined 2.8% once. This quarter, it fell 37%, heading for the biggest decline at least in ten years too. This month, it fell 27%, also heading for the biggest decline in at least ten years. It declined 39% in the past 52 weeks. The MSCI AC Asia Pacific Index lost 24% in the same period. It is now 39.9% below its 52-week high on April 18, 2019 and 1.8% above its low on March 20, 2020. It is down 15% in the past five days and fell 32% in the past 30 days. It is trading at a PER of 12 on a trailing basis and 9x estimated earnings of its members for the coming year. Its dividend yield is 4% on a trailing 12-month basis. Its members have a total market capitalization of IDR4.88 quadrillion. The 30-day price volatility rose to 40.34% compared with 38.92% in the previous session and the average of 24.96% over the past month.

Sales Team

+6221 527 5375

FROM THE PRESS
FLPP disbursement runs normally

CEO of center for housing financing management (PPDPP), Arief Sabaruddin states that up until now, FLPP disbursement runs normally despite in the midst of Covid-19 spread. As of 20 Mar-20, FLPP disbursement stood at Rp584bn to 5k debtors. (Bisnis Indonesia)

SOE banks has reduced lending rates for SME

SOE banks have reportedly reduced lending rates for SME customers to take into account the impact of Covid-19 as well as the decline in 7DRR. Micro director of BRI (BBRI), Supari states that post 50bps central rate cut in 2020, the bank has reduced lending rates across segments, especially for non-KUR micro lending. The bank is considering to reduce lending rates again given lower RR, hence, better liquidity condition. Meanwhile, Corporate Secretary of Bank Mandiri (BMRI), Rully Setiawan states that the bank is considering to reduce lending rates for SME segment which predicted to receive significant impact from the Covid-19. The bank ensures that lending rates are now lower compared to end of last year. The ministry of SOE, Erick Thohir previously asked SOE banks to lower lending rates, especially for SME customers. (Investor Daily)

Banks see difficulty to maintain credit cost

Consumer director of Bank Niaga (BNGA) states that there is a risk of rising cost of credit due to Covid-19 that will impact some industries as well as work limitation due to work from home procedure. Meanwhile, BRI (BBRI) plans to keep cost of credit at 2-2.2% for this year. (Bisnis Indonesia)

Bank Danamon (BDMN) to distributes 35% of FY19's net profit as dividend

This is equivalent to Rp145.9 per share. The AGM also concludes that 10% of FY19 net profit will also be given as dividend related to the stake sale of Asuransi Adira Dinamika. The bank booked Rp4.07tn of net profit in 2019, +3.9%yoy. Furthermore, the bank appointed Noriaki Goto and Nobuya Kawasaki as commissioners of BDMN. (Investor Daily)

BFI Finance (BFIN) receives additional syndicated loans of USD25mn

Hence, BFIN's total syndicated loans received was USD100mn, with a tenor of 1-3years. The funds will be used for financing expansions. (Investor Daily)

Developers asked for lower lending rates

Vice president of Real Estate Indonesia (REI), CEO of Waskita Karya (WIKA), CEO of PT Perintis Trinitis Properti (Trinitis Land) and property business observer believe that the decline in 7DRR must be followed by a reduction in lending rates for mortgage and construction loans to relieve end users who need houses. (Investor Daily)

Erajaya Swasembada (ERAA) to conduct buyback program

Erajaya Swasembada (ERAA IJ) will conduct buyback program with total amount up to Rp319bn. This corporate action will be done during March, 20th 2020 – June, 19th 2020. The company will use internal cash to finance the buyback program. In addition, Buana Capital Sekuritas has been appointed to help the company for this buyback program. (Investor Daily)

Tower Bersama Infrastructure ready to conduct buyback program

Tower Bersama Infrastructure (TBIG IJ) ready to conduct buyback program up to 1.13bn of shares to counter the volatility in share prices. The company has appointed Indo Premier Sekuritas to do this corporate action. Buyback will be done during March, 24th 2020 – June, 23rd 2020. (Kontan)

Indices and Fund Flows				Currencies and Bonds				Major Commodities			
Indices	Last	Chg (%)	YTD Chg (%)	Currency	Last	Chg (%)	YTD Chg (%)		Last	Chg (%)	YTD Chg (%)
JCI	3,989.5	-4.9	-36.7	Rp/US\$	16,575	+3.85	-16.5	Oil spot (US\$/bl)	23.36	+4.2	-61.7
Dow Jones	18,591.9	-3.0	-34.9	US\$/EUR	1.073	+0.36	+4.5	Copper (US\$/mt)	4,625	-3.8	-24.8
Nikkei	16,887.8	+2.0	-28.6	YEN/US\$	111.23	+0.27	-2.4	Nickel spot (US\$/mt)	10,806	-3.1	-22.5
Hang Seng	21,696.1	-4.9	-23.0	SGD/US\$	1.461	+0.72	-7.9	Gold spot (US\$/oz)	1,553	+3.6	+2.4
STI	2,233.5	-7.4	-30.7					Tin 3-month (US\$/mt)	13,250	-5.0	-22.9
Ishares indo	11.9	-7.5	-53.5					CPO futures (Ringgit/ton)	2,289	+0.0	-24.5
								Coal (US\$/ton)	66.1	-0.4	-2.4
Foreign Fund Flows (US\$m)	Last	Chg	YTD Chg	Gov. Bond Yield	Last	Chg (bps)	YTD Chg (bps)	Rubber forward (US\$/kg)	139.8	-4.6	-15.9
Equity Flow		+2.3	-707	5Yr	7.50	+26	+106	Soybean oil (US\$/100gallons)	26.14	+2.0	-24.2
Bonds Flow		-610.4	-7,047	10Yr	8.32	+23	+125	Baltic Dry Index	617.0	-1.0	-43.4

Equity Valuation

Code	Rating	Price	Price	% of	Mkt Cap (Rp Bn)	Net Profit		PER (x)		P/BV (x)		EV/EBITDA (x)		EPS Growth		Div.Yield	
		(Rp)	Target	PT		2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
MANSEK universe		3,990	6,875	72.3	2,754,563	273,672	301,846	10.1	9.1	1.4	1.3	9.0	8.4	4.2%	10.3%	4.5%	4.8%
Banking					1,051,296	116,064	130,304	9.1	8.1	1.4	1.3	N.A.	N.A.	15.3%	12.3%	3.8%	4.4%
BBCA	Neutral	22,150	31,000	40.0	546,108	31,769	34,327	17.2	15.9	2.9	2.6	N.A.	N.A.	10.5%	8.1%	1.8%	2.1%
BBNI	Neutral	3,390	9,000	165.5	63,219	18,879	20,915	3.3	3.0	0.5	0.5	N.A.	N.A.	13.4%	10.8%	11.8%	13.4%
BBRI	Buy	2,620	5,050	92.7	323,042	41,393	47,217	7.8	6.8	1.4	1.3	N.A.	N.A.	17.3%	14.1%	5.5%	6.4%
BBTN	Buy	880	2,500	184.1	9,319	3,389	4,031	2.7	2.3	0.4	0.4	N.A.	N.A.	1296.3%	18.9%	6.0%	7.8%
BDMN	Neutral	1,710	4,900	186.5	16,713	4,698	5,825	3.5	2.8	0.3	0.3	N.A.	N.A.	-19.7%	24.0%	12.2%	9.8%
BJBR	Neutral	670	1,770	164.2	6,738	1,838	2,183	3.7	3.1	0.5	0.5	N.A.	N.A.	27.4%	18.8%	11.8%	11.8%
BJTM	Buy	404	790	95.5	6,061	1,554	1,745	3.9	3.5	0.6	0.6	N.A.	N.A.	12.9%	12.3%	11.8%	12.6%
BNGA	Buy	550	1,300	136.4	13,822	4,298	4,832	3.2	2.9	0.3	0.3	N.A.	N.A.	18.3%	12.4%	5.3%	6.2%
BNLI	Neutral	995	1,490	49.7	27,903	1,528	1,630	18.3	17.1	1.1	1.1	N.A.	N.A.	5.6%	6.7%	0.0%	0.0%
PNBN	Buy	690	1,630	136.2	16,620	3,466	3,829	4.8	4.3	0.4	0.4	N.A.	N.A.	9.1%	10.5%	0.0%	0.0%
BTPS	Buy	2,260	4,200	85.8	17,410	1,720	2,096	10.1	8.3	2.6	2.0	N.A.	N.A.	28.5%	21.9%	1.5%	2.0%
BFIN	Buy	290	900	210.3	4,340	1,532	1,674	2.8	2.6	0.5	0.5	N.A.	N.A.	6.4%	9.2%	10.0%	10.6%
Construction & materials					117,122	13,794	16,379	8.5	7.2	0.8	0.8	8.0	7.3	9.3%	18.7%	3.3%	3.1%
INTP	Buy	10,350	21,600	108.7	38,101	2,313	2,759	16.5	13.8	1.5	1.4	7.7	6.3	32.7%	19.3%	1.6%	2.1%
SMGR	Buy	6,575	16,100	144.9	39,000	4,067	4,913	9.6	7.9	1.1	1.0	5.9	5.2	92.0%	20.8%	3.2%	2.2%
ADHI	Neutral	388	1,120	188.7	1,382	619	593	2.2	2.3	0.2	0.2	3.5	3.7	-6.8%	-4.2%	9.6%	9.0%
PTPP	Buy	520	2,050	294.2	3,224	981	1,320	3.3	2.4	0.3	0.3	4.3	4.1	2.4%	34.6%	8.9%	9.1%
WIKA	Buy	775	2,500	222.6	6,944	1,671	1,871	4.2	3.7	0.5	0.4	3.9	2.7	-17.2%	12.0%	4.8%	5.4%
WSKT	Buy	422	1,660	293.4	5,647	1,245	1,440	4.5	3.9	0.3	0.3	14.2	12.4	-21.7%	15.6%	4.4%	5.1%
WTON	Buy	196	700	257.1	1,708	586	678	2.9	2.5	0.5	0.4	2.4	2.2	14.3%	15.7%	9.0%	10.3%
WSBP	Buy	110	360	227.3	2,900	842	954	3.4	3.0	0.4	0.3	4.2	3.7	4.5%	13.3%	13.9%	14.5%
JSMR	Buy	2,510	7,400	194.8	18,217	1,471	1,851	12.4	9.8	0.9	0.9	11.2	11.6	-33.6%	25.8%	2.4%	1.6%
Consumer staples					694,696	45,308	50,498	15.3	13.8	3.5	3.3	9.9	8.9	-7.6%	11.5%	5.1%	5.1%
ICBP	Buy	8,350	12,350	47.9	97,377	5,414	5,889	18.0	16.5	3.6	3.3	11.0	10.0	7.4%	8.8%	2.8%	3.0%
INDF	Buy	5,350	9,750	82.2	46,973	4,929	5,272	9.5	8.9	1.2	1.2	6.5	6.2	6.9%	6.9%	6.3%	6.7%
MYOR	Neutral	1,460	2,850	95.2	32,644	2,152	2,476	15.2	13.2	3.0	2.6	8.3	7.3	15.5%	15.0%	2.2%	2.5%
UNVR	Neutral	5,800	9,650	66.4	221,270	8,027	8,978	27.6	24.6	34.4	29.9	19.0	17.0	8.3%	11.8%	3.4%	3.6%
GGRM	Buy	36,725	63,450	72.8	70,662	7,512	8,963	9.4	7.9	1.3	1.2	6.0	5.3	-22.1%	19.3%	4.1%	7.1%
HMSP	Buy	1,255	2,450	95.2	145,979	12,297	13,379	11.9	10.9	4.2	4.1	8.6	7.8	-22.6%	8.8%	10.7%	8.3%
KLBF	Buy	915	1,950	113.1	42,891	2,742	3,027	15.6	14.2	2.5	2.2	9.6	8.6	7.2%	10.4%	3.2%	3.5%
SIDO	Buy	950	1,450	52.6	14,250	914	1,023	15.6	13.9	3.8	3.4	10.9	9.6	12.8%	11.9%	5.6%	6.3%
MLBI	Buy	10,750	19,450	80.9	22,650	1,320	1,493	17.2	15.2	15.1	12.5	11.1	9.8	10.4%	13.1%	4.8%	5.2%
Healthcare					40,058	1,143	1,325	35.1	30.2	3.0	2.8	12.4	10.7	18.3%	16.0%	0.9%	1.0%
MIKA	Buy	1,860	3,100	66.7	27,064	794	870	34.1	31.1	5.6	5.1	21.8	19.7	15.1%	9.6%	1.1%	1.2%
SILU	Buy	4,520	7,150	58.2	7,345	44	100	165.5	73.4	1.2	1.1	5.9	4.7	107.0%	125.6%	0.0%	0.0%
HEAL	Buy	1,900	5,200	173.7	5,649	304	355	18.6	15.9	2.5	2.2	7.6	6.7	19.4%	16.7%	1.2%	1.5%
Consumer discretionary					209,472	31,747	33,629	6.6	6.2	1.0	0.9	5.6	5.1	5.8%	5.9%	6.4%	6.6%
ACES	Neutral	1,040	1,800	73.1	17,836	1,183	1,306	15.1	13.7	3.3	2.9	11.8	10.4	6.5%	10.4%	3.1%	3.3%
LPPF	Neutral	1,445	3,300	128.4	4,216	1,563	1,664	2.7	2.5	1.2	1.0	0.7	0.3	10.4%	6.5%	16.8%	18.5%
MAPA	Buy	2,600	7,350	182.7	7,411	934	1,159	7.9	6.4	2.0	1.6	4.7	3.7	28.4%	24.1%	2.9%	3.8%
MAPI	Buy	444	1,200	170.3	7,370	1,088	1,311	6.8	5.6	1.0	0.9	2.8	2.3	21.7%	20.5%	1.8%	2.2%
RALS	Buy	470	1,600	240.4	3,335	667	705	5.0	4.7	0.8	0.7	0.9	0.6	10.1%	5.7%	11.8%	13.0%
ERAA	Buy	930	2,400	158.1	2,967	632	902	4.7	3.3	0.5	0.5	3.7	2.6	140.8%	42.6%	4.3%	6.1%
ASII	Buy	3,520	8,200	133.0	142,502	21,183	21,717	6.7	6.6	0.9	0.8	6.5	6.2	-1.3%	2.5%	6.8%	6.7%
SCMA	Buy	700	1,800	157.1	10,309	1,566	1,693	6.6	6.1	1.8	1.6	4.6	4.3	35.7%	8.1%	10.6%	11.5%
MNCN	Buy	820	2,200	168.3	10,171	2,427	2,593	4.2	3.9	0.8	0.7	3.2	2.7	24.1%	6.8%	3.6%	3.8%
MSIN	Buy	334	650	94.6	1,737	267	316	6.5	5.5	1.1	1.0	3.8	3.6	16.3%	18.1%	7.7%	9.1%
PZZA	Buy	535	1,400	161.7	1,617	237	264	6.8	6.1	1.0	0.9	3.5	3.1	18.3%	11.3%	2.5%	2.9%
Commodities					153,366	23,483	24,661	6.5	6.2	0.6	0.6	2.8	2.4	-5.5%	5.0%	5.9%	5.9%
UNTR	Buy	13,825	22,500	62.7	51,569	8,897	9,130	5.8	5.6	0.8	0.7	2.7	2.3	-15.2%	2.6%	5.2%	5.3%
ADRO*	Neutral	775	1,350	74.2	24,789	372	353	4.7	5.0	0.4	0.4	2.1	1.9	-7.9%	-5.2%	7.5%	7.1%
HRUM*	Neutral	1,155	1,300	12.5	2,964	17	14	12.2	15.4	0.7	0.7	-0.6	-1.0	-23.9%	-20.3%	4.5%	3.6%
INDY*	Neutral	480	910	89.7	2,501	2	7	97.4	26.5	0.2	0.2	1.7	1.4	-70.9%	271.2%	0.3%	0.9%

Code	Rating	Price	Price	% of	Mkt Cap	Net Profit		PER (x)		P/BV (x)		EV/EBITDA (x)		EPS Growth		Div.Yield	
		(Rp)	Target	PT		(Rp Bn)	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
ITMG*	Neutral	6,400	10,450	63.3	7,018	100	101	4.9	4.9	0.6	0.6	1.2	1.1	-20.8%	0.9%	17.3%	17.4%
PTBA	Neutral	1,675	2,350	40.3	19,300	3,482	3,496	5.5	5.5	1.0	1.0	3.3	3.2	-18.3%	0.4%	13.5%	13.6%
ANTM	Buy	348	1,100	216.0	8,363	959	1,319	8.7	6.3	0.4	0.4	5.9	5.4	5.5%	37.6%	4.0%	5.5%
INCO*	Buy	1,450	4,000	175.8	14,408	111	166	9.1	6.1	0.5	0.5	2.2	1.4	93.6%	49.6%	0.0%	0.0%
TINS	Neutral	354	870	145.7	2,637	394	429	6.7	6.2	0.4	0.4	4.5	4.3	N/M	8.8%	5.2%	5.7%
MDKA*	Buy	905	1,450	60.2	19,817	80	85	17.4	16.4	2.4	2.1	6.5	5.7	9.9%	6.6%	0.0%	0.0%
Property & Industrial Estate					65,024	10,555	9,376	6.2	6.9	0.5	0.6	6.4	6.2	-4.7%	-11.2%	3.3%	3.2%
ASRI	Neutral	94	310	229.8	1,847	468	948	3.9	1.9	0.2	0.2	9.1	6.3	-29.4%	102.6%	2.1%	2.1%
BSDE	Buy	630	1,650	161.9	12,125	2,086	2,119	5.8	5.7	0.4	0.4	5.6	5.8	-14.5%	1.6%	0.0%	0.8%
CTRA	Buy	520	1,550	198.1	9,651	1,128	1,366	8.6	7.1	0.6	0.6	7.1	6.8	17.0%	21.0%	1.6%	1.9%
JRPT	Buy	372	1,050	182.3	5,115	949	1,035	5.4	4.9	0.7	0.6	4.7	3.8	-6.0%	9.0%	4.5%	5.6%
PWON	Buy	286	800	179.7	13,774	2,532	2,532	5.4	5.4	0.8	0.7	4.4	4.2	0.3%	0.0%	2.1%	2.1%
SMRA	Neutral	428	1,330	210.7	6,175	550	722	11.2	8.6	0.8	0.7	7.7	7.0	54.4%	31.1%	1.2%	1.2%
LPKR	Buy	132	360	172.7	9,318	861	812	10.8	11.5	0.3	0.3	10.7	10.5	-54.0%	-5.7%	0.8%	0.8%
DMAS	Buy	127	390	207.1	6,121	1,441	1,086	4.2	5.6	0.9	0.9	3.8	5.2	81.9%	-24.7%	18.8%	16.0%
BEST	Buy	93	400	330.1	897	540	700	1.7	1.3	0.2	0.2	3.3	2.6	19.4%	29.8%	11.8%	15.6%
Telco					343,004	23,972	27,310	14.3	12.6	2.1	2.0	4.8	4.5	-11.4%	13.9%	5.1%	5.5%
EXCL	Buy	1,485	4,000	169.4	15,872	954	1,637	16.6	9.7	0.8	0.7	4.2	3.8	33.9%	71.5%	1.4%	1.8%
TLKM	Buy	2,680	4,400	64.2	265,487	20,159	21,712	13.2	12.2	2.4	2.3	4.6	4.4	3.2%	7.7%	5.7%	6.1%
ISAT	Buy	1,280	3,500	173.4	6,955	-1,420	-685	-4.9	-10.2	0.6	0.6	3.8	3.5	N/M	51.8%	0.0%	0.0%
LINK	Buy	2,800	5,500	96.4	8,153	980	1,017	8.4	8.1	1.5	1.4	3.8	3.5	-3.3%	3.8%	6.0%	6.2%
TBIG	Buy	780	1,420	82.1	16,930	1,010	1,208	16.8	14.0	4.1	3.6	9.6	9.0	10.7%	19.7%	3.5%	3.5%
TOWR	Buy	590	1,030	74.6	29,607	2,289	2,420	12.9	12.2	2.9	2.6	7.6	7.2	8.2%	5.7%	4.1%	4.1%
Chemical					1,257	136	163	9.3	7.7	0.4	0.4	5.3	4.7	29.5%	20.3%	0.0%	0.0%
AGII	Buy	410	700	70.7	1,257	136	163	9.3	7.7	0.4	0.4	5.3	4.7	29.5%	20.3%	0.0%	0.0%
Airlines					1,666	540	837	3.1	2.0	0.3	0.3	3.6	2.1	30.0%	55.0%	0.0%	0.0%
GMFI*	Neutral	59	275	365.7	1,666	38	59	3.1	2.0	0.3	0.3	3.6	2.1	26.1%	56.3%	0.0%	0.0%
Transportation					3,253	369	421	8.8	7.7	0.6	0.5	3.5	3.4	21.4%	13.9%	3.2%	3.6%
BIRD	Buy	1,300	3,100	138.5	3,253	369	421	8.8	7.7	0.6	0.5	3.5	3.4	21.4%	13.9%	3.2%	3.6%
Poultry					74,349	6,561	6,944	11.3	10.7	1.9	1.7	7.1	6.4	16.7%	5.8%	2.5%	2.9%
CPIN	Neutral	3,920	4,950	26.3	64,280	4,219	4,490	15.2	14.3	2.7	2.4	9.5	8.8	16.4%	6.4%	2.1%	2.4%
JPFA	Buy	780	1,950	150.0	9,147	2,042	2,127	4.5	4.3	0.7	0.7	3.9	3.4	19.0%	4.1%	5.2%	6.2%
MAIN	Buy	412	1,150	179.1	922	300	327	3.1	2.8	0.4	0.3	3.1	2.7	7.1%	9.3%	4.1%	4.4%

Note:

- *) net profit in USD mn
- U/R means Under Review
- n/a means Not Available
- N/M means Not Meaningful
- N.A means Not Applicable

RESEARCH

Adrian Joezer	Head of Equity Research, Strategy, Consumer	adrian.joezer@mandirisek.co.id	+6221 5296 9415
Tjandra Lienandjaja	Deputy Head of Equity Research, Banking	tjandra.lienandjaja@mandirisek.co.id	+6221 5296 9617
Ariyanto Kurniawan	Automotive, Coal, Metal Mining, Chemical	ariyanto.kurniawan@mandirisek.co.id	+6221 5296 9682
Kresna Hutabarat	Telecom, Media	kresna.hutabarat@mandirisek.co.id	+6221 5296 9542
Lakshmi Rowter	Healthcare, Consumer, Retail	lakshmi.rowter@mandirisek.co.id	+6221 5296 9549
Robin Sutanto	Property, Building Material	robin.sutanto@mandirisek.co.id	+6221 5296 9572
Edbert Surya	Construction, Transportation	edbert.surya@mandirisek.co.id	+6221 5296 9623
Silvony Gathrie	Banking, Research Assistant	silvony.gathrie@mandirisek.co.id	+6221 5296 9544
Riyanto Hartanto	Poultry, Research Assistant	riyanto@mandirisek.co.id	+6221 5296 9488
Henry Tedja	Research Assistant	henry.tedja@mandirisek.co.id	+6221 5296 9434
Wesley Louis Alianto	Research Assistant	wesley.alianto@mandirisek.co.id	+6221 5296 9510
Leo Putera Rinaldy	Chief Economist	leo.rinaldy@mandirisek.co.id	+6221 5296 9406
Immanuel Reinaldo	Economist	immanuel.reinaldo@mandirisek.co.id	+6221 5296 9651

INSTITUTIONAL SALES

Silva Halim	Managing Director	silva.halim@mandirisek.co.id	+6221 527 5375
Lokman Lie	Head of Equity Capital Market	lokman.lie@mandirisek.co.id	+6221 527 5375
Andrew Handaya	Institutional Sales	andrew.handaya@mandirisek.co.id	+6221 527 5375
Feliciana Ramonda	Institutional Sales	feliciana.ramonda@mandirisek.co.id	+6221 527 5375
Henry Pranoto	Institutional Sales	henry.pranoto@mandirisek.co.id	+6221 527 5375
Kevin Giarto	Institutional Sales	kevin.giarto@mandirisek.co.id	+6221 527 5375
Sharon Anastasia Tjahjadi	Institutional Sales	sharon.tjahjadi@mandirisek.co.id	+6221 527 5375
Talitha Medha Anindya	Institutional Sales	talitha.anindya@mandirisek.co.id	+6221 527 5375
Angga Aditya Assaf	Institutional Sales	angga.assaf@mandirisek.co.id	+6221 527 5375
Ilona Carissa	Institutional Sales	ilona.simanungkalit@mandirisek.co.id	+6221 527 5375
Kusnadi Widjaja	Equity Dealing	kusnadi.widjaja@mandirisek.co.id	+6221 527 5375
Edwin Pradana Setiadi	Equity Dealing	edwin.setiadi@mandirisek.co.id	+6221 527 5375
Jane Theodoven Sukardi	Equity Dealing	jane.sukardi@mandirisek.co.id	+6221 527 5375
Michael Taarea	Equity Dealing	michael.taarea@mandirisek.co.id	+6221 527 5375

RETAIL SALES

Andreas M. Gunawidjaja	Head Retail Equities	andreas@mandirisek.co.id	+6221 526 9693
Boy Triyono	Jakarta	boy.triyono@mandirisek.co.id	+6221 526 5678
Dhanan Febrie Handita	Bandung	dhanan.handita@mandirisek.co.id	+6222 426 5088
Yogiswara Perdana	Yogyakarta	yogiswara.perdana@mandirisek.co.id	+62274 560 596
Widodo	Solo	widodo@mandirisek.co.id	+62271 788 9290
Linawati	Surabaya	Linawati@mandirisek.co.id	+6231 535 7218
Ruwie	Medan	ruwie@mandirisek.co.id	+6261 8050 1825
Aidil Idham	Palembang	aidil.idham@mandirisek.co.id	+62711 319 900
Yuri Ariadi	Pontianak	yuri.ariadi@mandirisek.co.id	+62561 582 293

INVESTMENT RATINGS: Indicators of expected total return (price appreciation plus dividend yield) within the 12-month period from the date of the last published report, are: Buy (15% or higher), Neutral (-15% to 15%) and Sell (-15% or lower).

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