

## Economic Data

	Latest	2021F
7-DRRR (%), eop	3.50	3.75
Inflation (YoY %)	1.38	2.92
US\$ 1 = Rp, period avg	14,400	14,085

## Stock Market Data (05 March 2021)

JCI Index	6,258.7	-0.51%
Trading T/O (Rp bn)	12,147.4	
Market Cap (Rp tn)	7,351.5	

## Market Data Summary\*

	2020F	2021F
P/E (x)	24.8	17.9
P/BV (x)	2.4	2.2
EV/EBITDA (x)	15.6	13.7
Div. Yield (%)	2.7	2.1
Net Gearing (%)	25.3	23.4
ROE (%)	9.6	12.8
EPS Growth (%)	-31.0	39.4
EBITDA Growth (%)	-13.7	14.5
Earnings Yield (%)	4.0	5.6

\* Aggregate of 73 companies in MS research universe, representing 65.1% of JCI's market capitalization

## HIGHLIGHT

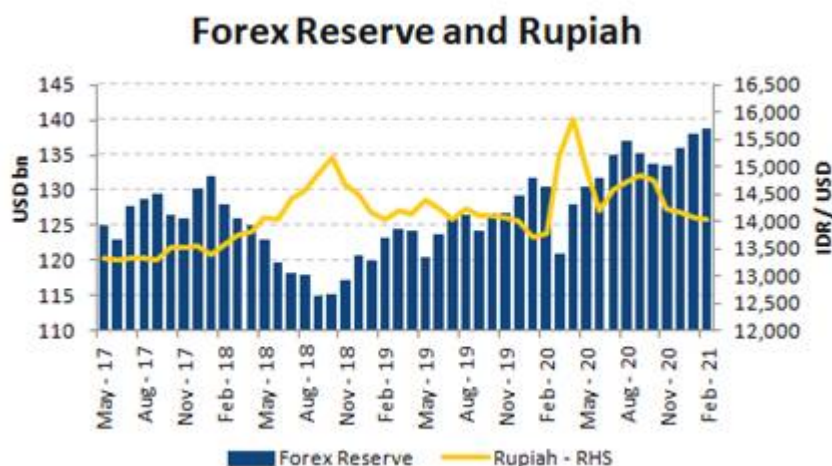
- Feb-2021 Forex Reserve Touched All Time High
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- Weekly Covid-19 update: (1-7 Mar'21)

## ECONOMY

### Feb-2021 Forex Reserve Touched All Time High

- **Increasing forex reserve.** Bank Indonesia (BI) reported that forex reserve picked up to USD 138.8 bn in Feb-2021 from USD 138.0 bn in Jan-2021. The current position is all time high and equivalent to 10.5 months of import or 10.0 months of import and government's external debt, which is above the minimum threshold of 3 months import.
- **Factors behind the higher reserve.** BI mentioned that the higher forex reserve was supported by the government's external debt and tax revenue. Continuing trade surplus may have also contributed to the figure as import is likely to remain subdued amid the modest domestic demand. These factors compensated the pressure from foreign outflow from bonds market (-USD 1.1 bn) amid the increasing US treasury yield.
- **Our view: Global bonds, FDI and benign CAD to compensate global volatility pressure.** All in all, we think the space to cut policy rate further has become very limited on the back of rising US treasury yield. The 10 years US Treasury yield has increased by 0.67% year-to-date, to 1.58%, causing portfolio outflow pressure. Thus, the central bank will likely utilize its ample FX reserve more aggressive ahead to counter exchange rate volatility. Furthermore, potential reserve depletion is expected to be offset by larger global bonds issuance (USD 16 bn in 2021 vs USD 11 bn in 2020), potential FDI inflow in 2H21 post the issuance of Omnibus Law's implementing regulations and benign CAD at 1.9% of GDP. We reiterate our exchange rate forecast at Rp 14,085/USD from Rp 14,543/USD last year.

## FOREX RESERVE REACHED USD 138.8 BN IN FEB-2021



Source: BI, CEIC

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## SECTOR

## Banking Data Dec-20: Soft Lending, Ample Liquidity

- The industry ended FY20 with 2.4% YoY industry loan decline but 11.1% YoY deposit growth. The industry loan decline was mainly driven by lower loan balances from the manufacturing, retail and trade sectors. On monthly basis, NPL declined to 3.06%, with loan loss coverage at 181% in Dec-20. NIM improved to 4.45%, while CAR remained strong at 23.9% in Dec-20 too. Maintain Overweight.
- **Loan growth:**
  - **-2.4% YoY (+0.6% MoM) in December**, lower than -1.4% YoY (-0.6% MoM/-3.0% YTD) in November.
  - Adjusted for currency movement, loan growth declined by -2.6% YoY, lower than -1.4% YoY in November. **Rupiah loan growth declined by -2.2% YoY** (-1.3% YoY in November), **foreign currency in rupiah declined by -3.6% YoY** (-2.0% YoY), whereas **FX loan growth in USD also declined by -5.0% YoY** (-2.1% YoY in November).
  - Based on bank classification, **only BUKU IV (7 banks) saw loan growth, up by +2.1% YoY** in December. Meanwhile, BUKU III's (26 banks) loan growth declined -9.9% YoY, BUKU II's (58 banks) by -4.4% and BUKU I's (4 banks) by -67.2% YoY. The decline in combined loan balance of BUKU I banks was also due to de-categorization of 9 BUKU I banks in the past one year. Sharia banks' (14 banks) loan growth was at +9.5% YoY compared to +11.5% YoY in November.
  - Based on usage, **working capital loans posted the largest contraction by -4.3% YoY**, while consumption and investment loans declined by -0.8% YoY each.
  - **Of the large sectors with >5% loan exposure:** agriculture loans (7.0% exposure) grew by +4.2% YoY, construction (6.9%) by +3.9% YoY, homeownership/landed-house (9.1%) by +3.5% YoY, while wholesale and retail trade (17.2%) remained weak at -6.3% YoY and manufacturing (16.3%) by -4.1% YoY since the two sectors have been heavily impacted by the pandemic.
  - **On a regional basis, Kalimantan posted the highest improvement in loan growth to +0.5% YoY** from -0.7% YoY in November, followed by Sulawesi to +2.7% YoY from +2.3% YoY. Meanwhile, loan growth in Java and Bali further weakened to -3.9% YoY from -2.6% YoY in November, in Sumatra it grew flat YoY from +0.5% YoY last month, and in other areas to +10.5% YoY from 12.3% YoY.

#### ■ Deposit growth:

- **+11.1% YoY (+0.5% MoM)** vs. +11.6% YoY (+0.2 MoM/+10.6% YTD) in November.
- Adjusting for rupiah depreciation, deposits grew by +10.9% YoY in December, lower than 11.5% YoY in November. **Rupiah deposits grew by +11.4% YoY** vs. +11.3% YoY in November. Foreign currency deposits in rupiah grew by +9.1% YoY vs. +13.0% YoY in November. In USD, **FX deposits increased by +7.5% YoY** vs. +12.8% in November.
- Based on bank classification, **deposits in BUKU IV banks grew the strongest at +15.5% YoY**, followed by BUKU III at +6.6% YoY and BUKU II at +4.5% YoY. Meanwhile, deposits in BUKU I declined by -70.3% YoY due to flight-to-quality to bigger banks and reduction in number of banks in the category. Deposit growth in sharia banks was at +11.7% YoY.
- Based on type, **CASA deposit growth remain solid at +13.2% YoY in December** vs. 15.1% in November, with strong CA growth at +15.1% YoY and SA at +11.7% YoY, while **time deposits went up by +8.4% YoY**. We believe, increasing e-commerce transactions, higher savings by affluent households, and declining enterprise activities contributed to the solid CASA growth.

- **Liquidity: LDR slightly increased to 82.2% in December** (rupiah LDR is at 82.1% and foreign currency LDR at 83.3%), from 82.1% in November. Only BUKU IV banks' LDR declined, down to 80.1% in December from 80.3% in November. Meanwhile, BUKU II's LDR increased to 82.7% from 80.1%, BUKU I's to 98.2% from 96.0%, and BUKU III's to 87.7% from 87.4%. Excluding BBKA, LDR in BUKU IV banks was at 83.2%, up from 83.0% in November. Also, sharia banks' LDR was down to 76.4% in December from 77.6% in November.

#### ■ Asset quality:

- **NPL declined to 3.06%** in December from 3.18% in November, while the **special mention loans (category 2) also declined to 4.44%** from 4.83% in November. In absolute terms, total NPL increased by +18.2% YoY/-3.0% MoM, while special mention loans declined by -14.5% YoY/-7.4% MoM.
- **BUKU II banks reported the largest NPL improvement, down to 3.18% in December** from 3.60% in November, followed by BUKU I banks to 3.69% from 4.07%, BUKU III banks' to 2.93% from 3.09%, and BUKU IV banks' to 3.10% from 3.13%. NPF in sharia banks also declined to 3.13% from 3.22% in November.
- **NPL in investment loans declined to 2.95% in December** from 3.15% in November, in consumer loans to 1.79% from 1.93% in November, and in working capital loans to 3.92% from 3.97%.
- **Main industries' NPL levels:** NPL in mining increased to 7.26% (from 7.11% in November). Meanwhile, NPL in accommodation and F&B declined to 5.39% (from 6.25% in November), in construction to 3.45% (from 3.62% in November), and in wholesale & retail to 4.43% (from 4.56% in November), and NPL in processing industry to 4.58% (from 4.65% in November). NPL in household loans declined to 1.87% from 2.01% in November, with NPL in homeownership (landed house) declining to 2.57% (2.76%), in apartment ownership to 2.22% (2.42%), in shop house ownership to 4.88% (5.39%), and in vehicle ownership to 2.05% (2.14%).
- **Kalimantan posted the largest NPL improvement to 3.07%** from 3.50% in November, followed by Sumatra to 2.99% from 3.24%, Sulawesi to 2.52% from 2.72% and Java and Bali to 3.19% from 3.29%. Meanwhile, NPL in other parts of Indonesia increased to 1.56% from 1.30%.
- **Loan-loss coverage ratio** increased to 181% from 174% in November as more banks are preparing for NPL pick up in the face of OJK's loan restructuring period end in Mar-22. BUKU IV banks still maintained their high coverage ratio at 224%, higher than November's level of 221%, BUKU III at 132% (117%), BUKU II at 106% (115%), and BUKU I at 60% (56%). The coverage ratio in sharia banks increased to 111% from 104%. On YoY basis, loan-loss coverage ratio in December '20 is 65 percentage points higher than the 116% in December '19. Especially, BUKU IV banks' loan-loss coverage ratio is 70 percentage points higher and BUKU III banks' is 48 percentage points higher on YoY basis.

### ■ Profitability:

- Industry **NIM improved to 4.45% in December** from 4.41% in November.
- **Only BUKU I banks' NIM declining, down to 3.37%** from 3.50% in November. Meanwhile, NIM in BUKU II increased to 4.57% from 4.52%, in BUKU IV to 4.92% from 4.88%, and in BUKU III to 3.51% from 3.49%.
- **Interest rates are on a declining trend in the past year across all types of loans.** On average, lending rates have declined by 85 bps in the past 12 months. On the deposit side, the average 1-M T/D rates have declined by 180 bps over the past 12 months, in line with lower benchmark rates and liquidity influx.

### ■ Capital: average CAR declined to 23.9% from 24.2% in November.

### ■ Maintain **Overweight** on the banking sector.

#### OJK BANKING DATA SUMMARY

	Dec-19	Mar-20	Jun-20	Sep-20	Oct-20	Nov-20	Dec-20
Loan growth (% YoY)	6.1	8.0	1.5	0.1	(0.5)	(1.4)	(2.4)
Loan growth (% YTD)	6.1	1.7	(1.2)	(1.5)	(2.4)	(3.0)	(2.4)
Deposits growth (% YoY)	6.5	9.5	7.9	12.9	12.1	11.6	11.1
Deposits growth (% YTD)	6.5	3.6	4.4	10.9	10.4	10.6	11.1
LDR (%)	93.6	91.9	88.6	83.2	82.8	82.1	82.2
NPL (%)	2.53	2.77	3.11	3.14	3.15	3.18	3.06
Loan-loss coverage (%)	116	165	159	166	170	174	181
Special mention loans (%)	5.1	6.6	5.5	4.9	4.9	4.8	4.4
NIM (%)	4.91	4.31	4.46	4.41	4.41	4.41	4.45
CAR (%)	23.4	21.7	22.5	23.5	23.8	24.2	23.9
<b>Avg. Rp. lending rates (%):</b>							
Investment loans	9.90	9.70	9.30	9.06	9.01	8.96	8.88
Working capital loans	10.03	9.91	9.43	9.37	9.32	9.25	9.15
Consumer loans	11.62	11.37	11.20	11.10	11.05	11.00	10.97
<b>Avg. Rp. deposit rates (%):</b>							
Demand deposit	2.27	2.18	2.20	2.07	2.00	1.97	1.91
Savings deposit	1.17	1.14	1.03	0.95	0.90	0.87	0.86
1-M T/D	6.02	5.72	5.49	4.90	4.66	4.45	4.22
3-M T/D	6.32	6.12	5.75	5.14	4.79	4.57	4.39
BI rate (%)	5.00	4.50	4.25	4.00	4.00	3.75	3.75
Inflation rate (% YoY)	2.72	2.96	1.96	1.42	1.44	1.59	1.68

Source: OJK, BPS, Mandiri Sekuritas

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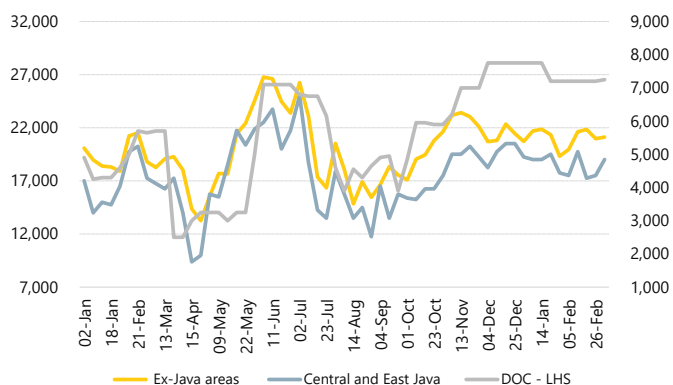
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### Poultry: Is This the Start of Another Bull Cycle?

- Strict culling regulation since Aug-20, lower GPS import quota realization, and higher broiler mortality resulted in robust broiler and DOC prices. Normalization of feed margin after all-time high last year is expected, given the soft commodity price rally. As such, we see a high possibility of poultry players achieving positive EBIT margin in commercial farming in 1Q21. Should the average 2021 prices of soybean meal, local corn price, broiler and DOC prices stay at this level, we estimate 2021 PATMI for JPFA/CPIN to be about 54%/1% above street estimate. Retain O/W, with JPFA as top pick.

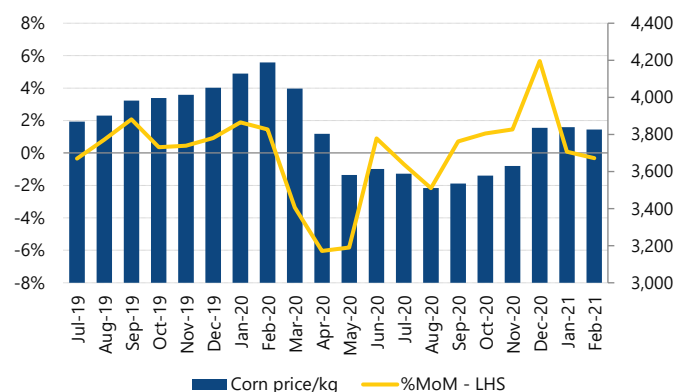
- **Broiler and DOC prices remain elevated.** Despite the social mobility restriction, limited restaurant capacity regulation, and seasonally weak demand in Feb-Mar, poultry prices remain strong across Indonesia. Broiler price in Java area climbed again to Rp19k/kg (+7% WoW/+13% YoY), while DOC price remained stable at Rp7.2k/chick (+1% WoW/+27% YoY). We believe the elevated prices are due to three key factors, namely:
  - **Stricter culling regulation since Aug-20.** The government has conducted the seventh consecutive culling until Feb-20 with several culling measures on the following: 19-day FS HE, >50-week PS, internal live bird absorption, and corporate social responsibility program. The stricter culling regulation with a more transparent approach and the reward and punishment incentives will be more effective in supporting prices.
  - **Lower GPS import quota realization.** The GPS import quota has declined from the peak of 707k in 2018 to 700k/650k in 2019/20. With a transmission lag of 44-70 weeks, we see that 2021 will start a period of lower broiler supply.
  - **Higher broiler mortality during heavy rainfall period.** Our discussion with contract farmers with semi-open broiler farm in Central Java suggests that heavy rainfall in the past few months has resulted in a higher mortality rate in broilers. As the La Nina is expected to linger until May-21 (see news: [here: https://www.beritasatu.com/nasional/735985/waspada-la-nina-berlangsung-hingga-mei-2021](https://www.beritasatu.com/nasional/735985/waspada-la-nina-berlangsung-hingga-mei-2021)), we see a more toned-down oversupply concern ahead.
- **Awaiting the normalization of soybean meal price.** The dry weather in producing countries and the massive demand from China resulted in the steep rally of soybean prices since Aug-20. Regardless, soybean meal (SBM) price has slightly declined from the peak at USD 439/ton (+51% YoY) in early Feb to currently at USD 422/ton (+39% YoY). On the other hand, local corn price remains favorable at Rp3.9k/kg (-9% YoY) given the successful harvest season and La Nina period. Regardless, discussions with companies suggest the normalization of feed margin for this year after an all-time high in 3Q20.
- **Sensitivity analysis.** Given the uncertainty of global soybean price outlook, our sensitivity analysis suggests every +5% increase of SBM will reduce CPIN/JPFA/MAIN 2021 EBIT by 11%/9%/17%. Should the average 2021 prices of soybean meal, local corn price, broiler and DOC prices stay at this level of Rp4k/kg, Rp19k/kg, and Rp6.9k/chick, we estimate 2021 PATMI of Rp1.4trn/Rp3.9trn for JPFA/CPIN, an increase of 54%/26% YoY, about 54%/1% above street estimate. That translates into 2021 PE of 13.7x/26.8x.
- **Key action.** We see a high possibility of poultry players achieving positive EBIT margin in commercial farming in 1Q21. In the past five years, poultry companies only managed to achieve a positive 1Q commercial farming EBIT margin during the 2018 super cycle (Fig. 5). We retain our preference toward JPFA, with TP of Rp1,700, given the higher commercial farming revenue proportion compared to CPIN's. Additionally, we see a potential consensus upgrade for JPFA, given the strong beat on the 4Q20 result and the better price outlooks ahead. Consensus only expects +6% YoY EPS growth in 2021 for JPFA.

#### BROILER AND DOC PRICE TRENDS



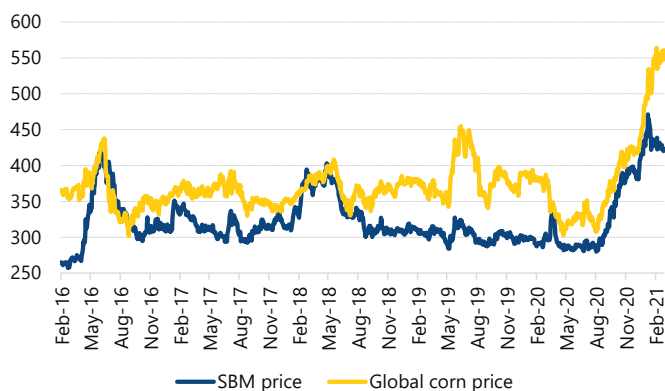
Source: Arboge.com, Mandiri Sekuritas

#### LOCAL CORN PRICE TREND



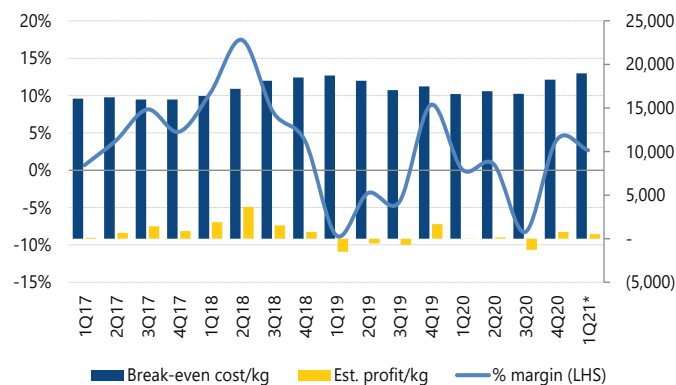
Source: Ministry of Agriculture, Mandiri Sekuritas

### GLOBAL CORN AND SOYBEAN MEAL PRICES



Source: Bloomberg

### FARMER'S PROFITABILITY ESTIMATE



Source: Mandiri Sekuritas estimates

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### Telecom: Broadband Barometer – February 2021

- XL Axiata launched family-oriented product 'Paket Akrab' and new short-validity packages to get stronger customer retention and product relevance, while other operators held prices steady. Mobile pricing was stable in Feb-21 and absence of internet subsidy program for education in Jan-Feb could support 1Q21 trends.
- **What's new in February 2021?** XL Axiata launched several products to regain its revenue momentum and counter competition. XL Axiata launched family-oriented product, called 'Paket Akrab', to compete against Telkomsel's Kuota Keluarga. XL Axiata also introduced more short-validity packages under the Hot Rod line-ups to maintains product relevance. More details on product and pricing changes in Feb-21 are listed below:
  - XL Axiata's Akrab packages come in 5 subscription tiers and allow 2-4 subscribers to share common monthly mobile data allowances, from 10GB/month to 160GB/month. On top of common data allowances, each subscriber can get 1GB-10GB additional individual bonus data allowance per month, depending on area. XL Axiata splits the pricing structure into 4 different area across Indonesia and XL includes unlimited on-net Voice & SMS allowances in the packages. More importantly, these packages imply unit price range of Rp1.0-4.6/MB, at discount to Telkomsel Kuota Keluarga's unit price range of Rp3.3-6.8/MB (see Fig. 2 for more details).
  - XL Axiata also launched several short-validity packages via the HotRod Special, HotRod Baru Harian, and HotRod Baru Mingguan line-ups. However, these packages came with relatively premium unit price range of Rp6.0-11.4/MB, versus its closest peers Indosat Yellow's and Indosat Freedom Kuota Harian's unit price range of Rp2.4-2.9/MB.
  - Hutchison added new Always On and Promo options on the <Rp50k/month segment, pricing them at Rp5.0-10.0/MB.
  - Smartfren relaunched Smartplan packages at Rp8.3-25.0/MB. In addition, the company brought in new 'Internet Volume Based' package i.e 16GB (of which 8GB is midnight quota) for Rp40k/month or at Rp2.5/MB.
  - Lastly, Telkomsel and Indosat kept prices and product offerings unchanged.
- **Minor price changes in fixed broadband.** Telkom's IndiHome relaunched teacher and student packages in Feb-21 to anticipate prolonged 'learning from home' program. IndiHome also added more subscription speed options in 3P packages at Rp450-525k/month. Meanwhile, Indosat Gig offered 4.4% discounts across packages in Feb-21. Other operators made no price change in Feb-21.
- **Maintain BUY.** XL Axiata's latest product shift is geared towards customer retention rather than external acquisition, we think. XL's unit price range is still between Telkomsel's and the other smaller operators' price ranges. This implies that XL's success in regaining revenue market share will need to rely more on on-ground promotions and distribution execution,

rather than headline price changes, in our view. The mobile industry also saw temporary pause in the Government's internet subsidy program for education sector in Jan-Feb 2021, which should help 1Q21 monetization. Government plans to resume the subsidy program for Mar-May 2021 but likely with lower data allowances and fewer subsidy recipients.

#### MOBILE INTERNET PRICING UPDATE: JANUARY 2021 VS FEBRUARY 2021

Price Band	Affordability Ranking	Market	Telkomsel	Indosat	XL Axiata
Less than Rp50,000 per month	Smartfren's Super 4G and Volume Based EVO ranked as the most affordable in the market, followed by Indosat's Yellow and Axis BroNet.	Average headline price increased from Rp7.0/MB in Jan-21 to Rp7.3/MB in Feb-21. Telkomsel's premium decreased from 11% in Jan-21 to 9% in Feb-21.	No change from Telkomsel.	No change from Indosat.	Saw effective price increase in select Xtra Lite package by 25-32% MoM.
Rp50,000 - 75,000 per month	Axis Bronet 4G Owsem ranked as the most affordable in the segment, followed by Hutch's Mix Combo and Kombo 4G as well as Smartfren's Super 4G and Volume Based EVO.	Average headline price increased from Rp6.7/MB in Jan-21 to Rp7.1/MB in Feb-21. Telkomsel's premium decreased from 87.2% in Jan-21 to 53.5% in Feb-21.	No change from Telkomsel.	No change from Indosat.	Saw effective price increase in select Xtra Lite package by 15.3% MoM. Also saw effective price decrease in select Bronet 4G Owsem Axis package by 3.6-20.0% MoM.
Rp75,000 - 100,000 per month	Axis Bronet 4G Owsem ranked as the most affordable in the segment, followed by Smartfren's Super 4G and Volume Based EVO.	Average headline price flat at Rp4.4/MB in Feb-21. Telkomsel's premium increased from 133.9% in Jan-21 to 134.1% in Feb-21.	No change from Telkomsel.	No change from Indosat.	Saw effective price decrease in select Bronet 4G Owsem Axis package by 25.0% MoM.
Rp100,000 - 150,000 per month	Axis Bronet 4G Owsem ranked as the most affordable in the segment, followed by Hutch's Home packages, Smartfren's Volume Based and Telkomsel's Unlimited Max.	Average headline price slightly increased from Rp4.8/MB in Jan-21 to Rp4.9/MB in Feb-21. Telkomsel's premium slightly decreased from 134.0% in Jan-21 to 133.8% in Feb-21.	No change from Telkomsel.	No change from Indosat.	Saw effective price increase in select Xtra Lite package by 7.8-12.9% MoM. Also saw effective price decrease in select Bronet 4G Owsem Axis package by 33.3% MoM.
Rp150,000 - 200,000 per month	Smartfren's Volume Based EVO ranked as the most affordable in the segment, followed by Indosat Freedom Combo.	Average headline price increased from Rp5.4/MB in Jan-21 to Rp5.7/MB in Feb-21. Telkomsel's premium flat at 174.6% in Feb-21.	No change from Telkomsel.	No change from Indosat.	No change from XL Axiata.

Source: Company Data, Mandiri Sekuritas Research estimates

#### FIXED BROADBAND PROMOTION UPDATE – FEBRUARY 2021

Company	Brand	Promotion Terms	Promotion Period
Telkom	IndiHome	Semua Berubah Bisa Maju Promo Package that offers opportunity to get various gifts and add-on for 59 TV channels.	Ongoing
		Telkom relaunched Teacher and Student packages that offer 22-23% discount compared to normal 2P and 3P packages.	Ongoing
Link Net	First Media	New subscribers: Up to 30% discount on subscription prices (excluding modem and STB rental costs) for credit card holders only; 25% discount for 12 months for speed upgrade; 50% discount for Wi-Fi X-Tender for 12 months, free speed upgrade and all channels for 3 months, Free YouTube Premium for 12 months.	Ongoing
Cyberindo Aditama	CBN	New subscribers of Fiber can get up to 40% discount and free speed boost for 6-12 months	Ongoing
MyRepublic	MyRepublic	New subscriber: 10% discount for 1 year. Additional 15% discount with credit card	Ongoing
MNC Group	Play Media	New subscriber: Free 1 month with minimal 10 Mbps	Ongoing

Source: Company Data, Mandiri Sekuritas Research estimates

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## CORPORATE

**Ramayana Lestari Sentosa to Conduct Buyback Subject to Approval from EGM (RALS; Rp760; Buy; TP: Rp1,150)**

- Size: max 5% of shares outstanding or 354.8mn shares. Estimated cost Rp350bn (Rp986/share).
- Period: Co will do EGM to ask approval on 14 Apr-21. Buyback will last for 18 months until Oct-22.
- Latest treasury position as of Jan-21 was 353.5mn shares (4.98% shares outstanding).

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**Smartfren Telecom: 4Q20 Results Snapshot (FREN; Rp87; Not Rated)**

- **4Q20 Revenues of Rp2.56tn (+27.5% YoY, +0.7% QoQ).** Mobile service revenue booked 22.8% YoY growth in 4Q20 vs. 24.0% YoY in 3Q20. On quarterly basis, mobile service revenue increased 2.2% QoQ in 4Q20, better than XL's 4.5% QoQ decline but slightly lower than Indosat's 2.8% QoQ in the same period. Strong mobile service revenue growth can be attributed to Data revenue which grew 26.6% YoY/2.8% QoQ in 4Q20. This figure was better than XL's 2.9% QoQ decline but lower than Indosat's 6.2% QoQ in the same period. Meanwhile, Interconnection and Other revenues jumped from Rp21bn in 4Q19 to Rp119bn in 4Q20. On a full year basis, Smartfren reported **Rp9.41tn Revenues in FY20, up 34.6% YoY.**
- **4Q20 EBITDA of Rp856bn**, doubled on YoY basis and increased 2.2% QoQ. Cost of revenues decreased 5.2% YoY in 4Q20, driven by 29.5% YoY rental expenses decline in the same period. Meanwhile, operating expenses increased 25.1% YoY in 4Q20 as all non-operating expenses (i.e. Personnel, G&A, and Marketing expenses) saw 7.3-29.3% YoY increase in the same period. EBITDA margin expanded from 19.9% in 4Q19 to 33.4% in 4Q20. On a full year basis, Smartfren reported **Rp3.05tn EBITDA in FY20**, more than doubled on YoY basis.
- D&A charges, however, declined 37.6% YoY/42.5% QoQ in 4Q20 to Rp587bn. As a result, Smartfren booked Rp269bn Operating Profit in 4Q20 vs. Rp183bn Operating Loss in 3Q20. On a full year basis, Smartfren reported **Rp785bn Operating Loss in FY20**, down 65.9% YoY.
- **4Q20 Net Profit of Rp228bn in 4Q20** vs. Rp549bn Net Loss in 4Q19. Higher revenue growth and manageable cost increase helped Smartfren to book Net Profit in 4Q20. Smartfren also booked Rp108bn of non-operating gain as the company booked Rp253bn of FX gain in 4Q20. Meanwhile, interest expenses jumped from Rp96bn in 4Q19 to Rp229bn in 4Q20. On a full year basis, Smartfren reported **Rp1.52tn Net Loss in FY20, down 30.4% YoY.**

**SMARTFREN - 4Q20 RESULTS**

in Rp bn	4Q19	3Q20	4Q20	YoY	QoQ	FY19	FY20	YoY
Telecommunication Services	1,989	2,391	2,442	22.8%	2.2%	6,918	8,972	29.7%
Data	1,888	2,324	2,390	26.6%	2.8%	6,607	8,626	30.6%
Non-Data	101	66	53	-47.5%	-20.5%	312	346	10.9%
Interconnection Services	17	69	39	N.A.	-43.5%	51	170	N.A.
Others	4	83	80	N.A.	-3.6%	18	266	N.A.
<b>Revenues</b>	<b>2,010</b>	<b>2,543</b>	<b>2,562</b>	<b>27.5%</b>	<b>0.7%</b>	<b>6,988</b>	<b>9,408</b>	<b>34.6%</b>
Frequency usage charges	332	339	350	5.4%	3.3%	1,304	1,355	3.9%
Rental of spaces	469	322	331	-29.5%	2.5%	1,635	1,301	-20.4%
Others	216	349	283	31.2%	-18.8%	744	1,197	60.8%
<b>Cost of revenues</b>	<b>1,017</b>	<b>1,011</b>	<b>964</b>	<b>-5.2%</b>	<b>-4.6%</b>	<b>3,683</b>	<b>3,853</b>	<b>4.6%</b>
<b>Gross Profit</b>	<b>993</b>	<b>1,533</b>	<b>1,598</b>	<b>61.0%</b>	<b>4.3%</b>	<b>3,304</b>	<b>5,555</b>	<b>68.1%</b>
% margin	49.4%	60.3%	62.4%	1298 bps	211 bps	47.3%	59.0%	1175 bps



in Rp bn	4Q19	3Q20	4Q20	YoY	QoQ	FY19	FY20	YoY
Personnel	226	276	292	29.3%	5.6%	778	1,008	29.4%
Sales & Marketing	301	344	378	25.8%	10.1%	939	1,255	33.6%
G&A	67	75	72	7.3%	-4.5%	206	244	18.3%
<b>Operating expenses</b>	<b>593</b>	<b>695</b>	<b>742</b>	<b>25.1%</b>	<b>6.7%</b>	<b>1,924</b>	<b>2,506</b>	<b>30.3%</b>
<b>EBITDA</b>	<b>399</b>	<b>837</b>	<b>856</b>	<b>N.A.</b>	<b>2.2%</b>	<b>1,381</b>	<b>3,049</b>	<b>N.A.</b>
% margin	19.9%	32.9%	33.4%	1354 bps	49 bps	19.8%	32.4%	1264 bps
D&A	941	1,021	587	-37.6%	-42.5%	3,683	3,833	4.1%
<b>Operating Loss</b>	<b>(541)</b>	<b>(183)</b>	<b>269</b>	<b>N.A.</b>	<b>N.A.</b>	<b>(2,302)</b>	<b>(785)</b>	<b>-65.9%</b>
% margin	-26.9%	-7.2%	10.5%	N.A.	N.A.	-32.9%	-8.3%	N.A.
Gain or loss on foreign exchange	117	(180)	253	N.A.	N.A.	315	(2)	N.A.
Interest expense	(96)	(206)	(229)	N.A.	11.0%	(375)	(851)	N.A.
Gain or loss on change in fair value	7	(1)	74	N.A.	N.A.	(29)	37	N.A.
Interest Income	2	2	2	2.6%	16.2%	7	7	2.3%
Other income (expenses)	65	32	7	-88.5%	-76.8%	45	(4)	N.A.
<b>Non-operating items</b>	<b>94</b>	<b>(353)</b>	<b>108</b>	<b>14.5%</b>	<b>N.A.</b>	<b>(37)</b>	<b>(813)</b>	<b>N.A.</b>
<b>Pretax profit/(loss)</b>	<b>(447)</b>	<b>(537)</b>	<b>377</b>	<b>N.A.</b>	<b>N.A.</b>	<b>(2,339)</b>	<b>(1,597)</b>	<b>-31.7%</b>
Taxes	(102)	7	(149)	46.3%	N.A.	151	74	-51.3%
% effective tax rate	22.7%	-1.2%	-39.5%	-6219 bps	N.A.	-6.5%	-4.6%	186 bps
<b>Net profit/(loss)</b>	<b>(549)</b>	<b>(530)</b>	<b>228</b>	<b>N.A.</b>	<b>N.A.</b>	<b>(2,188)</b>	<b>(1,524)</b>	<b>-30.4%</b>
% margin	-27.3%	-20.8%	8.9%	N.A.	N.A.	-31.3%	-16.2%	1511 bps

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### United Tractors: 2020 Earnings Call Key Takeaways (UNTR; Rp21,800; Buy; TP: Rp31,700)

- **UNTR management turns more positive on coal business outlook following encouraging operational numbers in the first two months of 2021.** Meanwhile, the management is also aware of rising concerns on ESG among investors.
- **Stronger Komatsu outlook.** The management sees strong Komatsu demand across sectors in the first two months of 2021. Thus, Komatsu sales growth may reach 25-30% YoY this year from the initial target of up to 15%, driven by recovery from construction and mining sectors. However, the management remains cautious about the sustainability of coal prices, which will have a material impact on its earnings outlook, as the coal-related business accounts for >80% of revenue. Meanwhile, ASP is expected to be flattish, as big machine sales are estimated at a similar level to 2020 at around 8%, compared to 21% of total volume in 2019, with Komatsu expected to introduce a new model (20-ton hydraulic excavator), with a lower price amid intensifying competition in the small equipment market. UNTR previously guided 10-15% sales to 1,700 units in 2021F.
- **Pama's flat output, in-line with the national coal production.** Pama's coal production and overburden are largely similar to the 2020 level, in-line with the flat national coal production at 550mn tons in 2021, with potential upside revision in 2H21 if coal prices remain high. Higher coal prices will also lead to lower contractors' fee discounts, hence improving Pama's margin, which was at a historical low in 2020. Note, Pama gave approximately a USD 175mn fee discount to coal miners at 34% of the 2020 net profit of Rp7tn.
- **ACST was a drag down.** ACST recorded net loss in 2021 due to the challenging construction industry amid the pandemic in 2020 and losses from delays in some key projects. The government has initiated some infrastructure projects, which are expected to boost the economy and recovery in 2H20, but the impact on ACST has been limited due to limited exposure to the infrastructure business. UNTR recorded a Rp350bn impairment on ACST's fair value in 4Q20.

- **Rp571bn in one-off charges in 4Q20:** 1) impairment of goodwill in ACST business, amounting to Rp350bn. The management does not expect more impairment on ACST in the future. 2) Impairment of deferred exploration cost in Martabe, amounting to Rp110bn, related to early exploration and development cost. 3) Realized loss of gold hedging contract at Rp111bn.
- **20% of gold output has been hedged.** UNTR has entered a new gold hedge contract for 20% of gold production in 2021F, using a 10% put option and 10% zero collar mechanism. Given the lower gold hedge compared to last year, the management expects higher gold ASP if gold stays at 1,700/oz.
- **More investment outside coal.** As part of its efforts to diversify away from gold, the management reiterates its plan to boost investment in gold mining but realized that it is not easy to find sizeable gold assets in which to invest in Indonesia. The management also indicates its plan to enter renewable energy, but there is still a constraint because of government regulation regarding the tariffs.
- **Rising concerns on ESG.** UNTR's management addressed ESG concerns from investors related to ESG scorecards, diversification from coal business, and carbon emissions. Management reiterated UNTR is actively looking for other mineral projects, predominantly gold in both domestic and international mines. The project must fulfill the following: be sizable enough and have a long mine life; have potential future reserve and resource upsides, and; constitute ESG. Meanwhile, the company expects carbon emission to decrease as productivity increases. In terms of renewable energy mix, UNTR states that hydropower is still its go-to plan, as generating sizeable solar power would require a big area.
- **Quick recap on Jan-2021 operational numbers:**
  1. Komatsu sales in Jan-2021 stood at 215 units (-14% YoY/+159% MoM), with strong rebound from sales across sectors (mining at -14% YoY/+159% MoM and construction at -8% YoY/+60% MoM)
  2. PAMA's coal production and overburden stood at 8.2mn (-13% YoY/-17% MoM) and 56.9bcm (-19% YoY/-9% MoM), respectively
  3. Coal sales were strong at 1.62mn (+115% YoY/+59% MoM)
  4. Gold sales also rebounded back to pre-COVID level at 35k toz (-3% YoY/+67% MoM)

#### UNTR MONTHLY DATA

UNTR monthly data	Jan-21	Jan-20	YoY %	Dec-20	MoM %	FY21F	YTD
Pama - coal production (mn tons)	8.2	9.4	-13%	9.9	-17%	114	7%
Pama - coal overburden (mn bcm)	56.9	70.0	-19%	62.2	-9%	819	7%
SR	6.9	7.4		6.3		7.2	

#### Komatsu sales (units)

Agro	24	25	-6%	15	58%		
Construction	62	68	-8%	39	60%		
Forestry	45	80	-44%	7	580%		
Mining	84	78	8%	22	274%		
<b>Total</b>	<b>215</b>	<b>251</b>	<b>-14%</b>	<b>83</b>	<b>159%</b>	<b>2,000</b>	<b>11%</b>

<b>Coal sales volume</b>	<b>1.62</b>	<b>0.75</b>	<b>115%</b>	<b>1.01</b>	<b>59%</b>	<b>9.5</b>	<b>17%</b>
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<b>Gold (toz)</b>	<b>35,000</b>	<b>36,000</b>	<b>-3%</b>	<b>21,000</b>	<b>67%</b>	<b>360,000</b>	<b>10%</b>
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Source: Company, Mandiri Sekuritas Estimates

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## Waskita Karya: RDPT Issuance for Semarang–Batang Toll Road (WSKT; Rp1,405; Neutral; TP: Rp1,410)

- WSKT announced a conditional sales and purchase agreement (CSPA) to issue an equity-based mutual fund (RDPT) with the Semarang-Batang Toll Road (75km) as the underlying asset and total proceeds of Rp1.5tn for 20% stake, equivalent to 2.0x PBV. The divestment is positive for WSKT to support its liquidity and strengthen the balance sheet, though largely expected. Maintain Neutral.
- **Details of transaction.** Waskita Toll Road (WTR), a subsidiary of WSKT, has signed a CSPA to divest its 20% stake (out of 40% total) in Jasamarga Semarang Batang (JSB; 75 km) through an RDPT for Rp1.5tn or equivalent to ca.2.0x PBV valuation as of Aug-2020's book. The sales and purchase agreement (SPA) is slated to be signed in Apr-2021, though the buyer has not been disclosed on the announcement. It is worth highlighting that the buy-back clause for the RDPT issuance in this transaction will be optional for WSKT.
- **Impact on WSKT.** WSKT currently books the debt in JSB using the equity method, as the company owns a 40% stake in the aforementioned toll road (JSMR.IJ: 40%, Lintas Marga Jawa: 20%). Therefore, the divestment gain will be booked in equity income. Although none of the debt is deconsolidated from the transaction, the total proceeds of Rp1.5tn would reduce WSKT's net gearing to 270% from 285% as of Sep-20.
- **Asset recycling is the priority agenda in 2021.** As the company focuses on balance sheet restructuring, asset divestment is its main objective in 2021. The company is currently negotiating with some potential investors to divest its toll-road asset ownership, while the initiation of the Indonesia Investment Authority (INA) will also accelerate the company's asset recycling plan, in our view. Our discussion with the company indicates it has been in intensive discussion with the Ministry of State-Owned Enterprises regarding the divestment opportunity through the INA.
- **Maintain Neutral.** The RDPT issuance of the Semarang-Batang Toll Road will support the company's liquidity, as two of WSKT's bonds worth Rp1.7tn will mature in 3Q21. We have a Neutral rating on the counter, with a target price of Rp1,410 by using the SOTP valuation. Key risks: delays in toll road asset divestment and prolonged COVID-19 pandemic, which might lower the new-contracts achievement.

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## FROM THE PRESS

### BFI Finance (BFIN) to issue bonds amounting to Rp6tn

This is under the shelf registered bonds V where the funds will be used to expand financing throughout 2021. The bank is in the process to pay off maturing bonds totaling to Rp966bn using the bank's internal cash. (Bisnis Indonesia, Kontan)

### Bank Niaga (BNGA) has cut prime lending rates

It is mentioned that the bank has reduced around 250bps for retail prime lending rates in the past one to two years. (Investor Daily)

## COVID-19 INDONESIA

### Weekly Covid-19 update: (1-7 Mar'21)

#### ■ Covid weekly summary:

- National new cases during first week of March dropped by 20% wow. Jakarta new cases -4%wow. Similarly, other region in Java and Bali also experienced the decline.
- Infection rate was largely flat wow at 19.2% nationwide. Jakarta infection rate slightly went up by 1.1ppt wow to 13.7%.
- Indo saw declining active cases during the week. Jakarta active cases -3,156 last week.

■ **Vaccination progress:** As of 7 Mar, 2.89mn people have received first shot (7.16% phase 1 target) and 1.13mn have received second shot (2.81% phase 1 target).

■ **From the news:** Govt extends PPKM Mikro for another 2 weeks, until 22 Mar-21. The coverage of PPKM Mikro is for Java and Bali, plus 3 additional provinces, ie North Sumatra, East Kalimantan, South Sulawesi. No changes in restriction policy for PPKM.

WEEKLY COVID-19 SUMMARY					%wow			
	8-14 Feb'21	15-21 Feb'21	22-28 Feb'21	1-7 Mar'21	8-14 Feb'21	15-21 Feb'21	22-28 Feb'21	1-7 Mar'21
<b>New cases</b>								
Indonesia (benchmark)	59,631	61,185	55,981	45,028	-25%	3%	-9%	-20%
Jakarta	21,728	13,070	11,112	10,690	-10%	-40%	-15%	-4%
West Java	7,296	19,366	16,843	11,188	-58%	165%	-13%	-34%
East Java	4,524	3,658	3,426	2,712	-11%	-19%	-6%	-21%
Central Java	5,885	6,025	5,566	4,710	-42%	2%	-8%	-15%
Banten	2,279	2,196	1,882	1,860	4%	-4%	-14%	-1%
Yogya	1,485	1,423	1,367	1,164	-14%	-4%	-4%	-15%
Bali	1,996	2,086	1,856	1,312	-6%	5%	-11%	-29%
<b>Case tested</b>								
Indonesia (benchmark)	230,540	224,396	293,733	233,985	-20%	-3%	31%	-20%
Jakarta	99,029	79,716	88,059	77,891	-15%	-20%	10%	-12%
Outside Jakarta	131,511	144,680	205,674	156,094	-23%	10%	42%	-24%
<b>Infection rate</b>								
Indonesia (benchmark)	25.9%	27.3%	19.1%	19.2%	-1.8%	1.4%	-8.2%	0.2%
Jakarta	21.9%	16.4%	12.6%	13.7%	1.3%	-5.5%	-3.8%	1.1%
Outside Jakarta	28.8%	33.3%	21.8%	22.0%	-3.8%	4.4%	-11.4%	0.2%
<b>Active cases</b>								
Indonesia (benchmark)	(17,279)	(1,924)	(1,323)	(8,025)	na	na	na	na
Jakarta	(6,749)	(4,081)	(2,674)	(3,156)	na	na	na	na
West Java	(6,074)	4,182	7,282	89	na	na	74%	-99%
East Java	(1,343)	(952)	(551)	(832)	na	na	na	na
Central Java	1,071	3,608	(4,897)	(17)	-74%	237%	na	na
Banten	(969)	48	(71)	154	na	na	na	na
Yogya	(446)	(53)	(346)	(298)	na	na	na	na
Bali	(312)	(393)	(185)	(364)	na	na	na	na
<b>Active cases rate</b>								
Indonesia (benchmark)	-29.0%	-3.1%	-2.4%	-17.8%	-30.5%	25.8%	0.8%	-15.5%
Jakarta	-31.1%	-31.2%	-24.1%	-29.5%	-33.1%	-0.2%	7.2%	-5.5%
West Java	-83.3%	21.6%	43.2%	0.8%	-84.7%	104.8%	21.6%	-42.4%
East Java	-29.7%	-26.0%	-16.1%	-30.7%	-4.2%	3.7%	9.9%	-14.6%
Central Java	18.2%	59.9%	-88.0%	-0.4%	-21.5%	41.7%	-147.9%	87.6%
Banten	-42.5%	2.2%	-3.8%	8.3%	-39.0%	44.7%	-6.0%	12.1%
Yogya	-30.0%	-3.7%	-25.3%	-25.6%	-29.0%	26.3%	-21.6%	-0.3%
Bali	-15.6%	-18.8%	-10.0%	-27.7%	3.3%	-3.2%	8.9%	-17.8%

WEEKLY COVID-19 SUMMARY					%w/w			
	8-14 Feb'21	15-21 Feb'21	22-28 Feb'21	1-7 Mar'21	8-14 Feb'21	15-21 Feb'21	22-28 Feb'21	1-7 Mar'21
<b>Recovery</b>								
<b>Indonesia (benchmark)</b>	<b>75,283</b>	<b>61,803</b>	<b>55,627</b>	<b>51,953</b>	<b>-2%</b>	<b>-18%</b>	<b>-10%</b>	<b>-7%</b>
Jakarta	28,169	16,874	13,480	13,534	21%	-40%	-20%	0%
West Java	13,296	15,119	9,379	10,942	-22%	14%	-38%	17%
East Java	5,457	4,304	3,728	3,366	-9%	-21%	-13%	-10%
Central Java	4,544	2,198	9,931	4,658	-23%	-52%	352%	-53%
Banten	3,189	2,106	1,896	1,671	44%	-34%	-10%	-12%
Yogya	1,881	1,431	1,674	1,429	10%	-24%	17%	-15%
Bali	2,239	2,413	1,993	1,622	-9%	8%	-17%	-19%
<b>Recovery rate</b>								
<b>Indonesia (benchmark)</b>	<b>126.2%</b>	<b>101.0%</b>	<b>99.4%</b>	<b>115.4%</b>	<b>29.7%</b>	<b>-25.2%</b>	<b>-1.6%</b>	<b>16.0%</b>
Jakarta	129.6%	129.1%	121.3%	126.6%	33.0%	-0.5%	-7.8%	5.3%
West Java	182.2%	78.1%	55.7%	97.8%	84.3%	-104.2%	-22.4%	42.1%
East Java	120.6%	117.7%	108.8%	124.1%	2.0%	-3.0%	-8.8%	15.3%
Central Java	77.2%	36.5%	178.4%	98.9%	19.5%	-40.7%	141.9%	-79.5%
Banten	139.9%	95.9%	100.7%	89.8%	38.6%	-44.0%	4.8%	-10.9%
Yogya	126.7%	100.6%	122.5%	122.8%	27.5%	-26.1%	21.9%	0.3%
Bali	112.2%	115.7%	107.4%	123.6%	-4.2%	3.5%	-8.3%	16.2%
<b>Fatality</b>								
<b>Indonesia (benchmark)</b>	<b>1,627</b>	<b>1,306</b>	<b>1,677</b>	<b>1,100</b>	<b>4%</b>	<b>-20%</b>	<b>28%</b>	<b>-34%</b>
Jakarta	308	277	306	312	-4%	-10%	10%	2%
West Java	74	65	182	157	-31%	-12%	180%	-14%
East Java	410	306	249	178	18%	-25%	-19%	-29%
Central Java	270	219	532	69	3%	-19%	143%	-87%
Banten	59	42	57	35	23%	-29%	36%	-39%
Yogya	50	45	39	33	56%	-10%	-13%	-15%
Bali	69	66	48	54	23%	-4%	-27%	13%
<b>Fatality rate</b>								
<b>Indonesia (benchmark)</b>	<b>2.7%</b>	<b>2.1%</b>	<b>3.0%</b>	<b>2.4%</b>	<b>0.8%</b>	<b>-0.6%</b>	<b>0.9%</b>	<b>-0.6%</b>
Jakarta	1.4%	2.1%	2.8%	2.9%	0.1%	0.7%	0.6%	0.2%
West Java	1.0%	0.3%	1.1%	1.4%	0.4%	-0.7%	0.7%	0.3%
East Java	9.1%	8.4%	7.3%	6.6%	2.2%	-0.7%	-1.1%	-0.7%
Central Java	4.6%	3.6%	9.6%	1.5%	2.0%	-1.0%	5.9%	-8.1%
Banten	2.6%	1.9%	3.0%	1.9%	0.4%	-0.7%	1.1%	-1.1%
Yogya	3.4%	3.2%	2.9%	2.8%	1.5%	-0.2%	-0.3%	0.0%
Bali	3.5%	3.2%	2.6%	4.1%	0.8%	-0.3%	-0.6%	1.5%

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Indices and Fund Flows				Currencies and Bonds				Major Commodities			
Indices	Last	Chg (%)	YTD Chg (%)	Currency	Last	Chg (%)	YTD Chg (%)		Last	Chg (%)	YTD Chg (%)
JCI	6,258.7	-0.5	+4.7	Rp/US\$	14,400	+0.36	-2.4	Crude Oil, WTI (US\$/bl)	66.09	+3.5	+36.2
Dow Jones	31,496.3	+1.9	+2.9	US\$/EUR	1.192	-0.45	+2.5	Copper (US\$/mt)	8,896	-0.1	+14.5
Nikkei	28,864.3	-0.2	+5.2	YEN/US\$	108.31	+0.31	-4.7	Nickel (US\$/mt)	16,425	+1.8	-1.1
Hang Seng	29,098.3	-0.5	+6.9	SGD/US\$	1.342	+0.36	-1.5	Gold (US\$/oz)	1,701	+0.2	-10.4
STI	3,013.9	-0.0	+6.0					Tin 3-month (US\$/mt)	24,444	+3.7	+20.3
Ishares indo	22.9	+0.5	-2.2					CPO futures (Ringgit/ton)	3,741	+0.3	+3.9
								Coal (US\$/ton)	87.8	+0.3	+9.0
Foreign Fund Flows (US\$mn)	Last	Chg	YTD Chg	Gov. Bond Yield	Last	Chg (bps)	YTD Chg (bps)	Rubber forward (US\$/kg)	241.8	+1.2	+8.7
Equity Flow		-66.4	+1,009	5Yr	5.78	+12	+57	Soybean oil (US\$/100gallons)	53.38	+1.9	+23.2
Bonds Flow		+145.1	-832	10Yr	6.69	+12	+80	Baltic Dry Index	1,829.0	+3.0	+33.9



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		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
PTBA	Buy	2,710	3,100	14.4	31,226	2,917	3,429	10.6	9.1	1.7	1.6	6.9	5.6	29.9%	17.5%	7.0%	8.2%
ANTM	Buy	2,420	3,300	36.4	58,154	2,255	2,261	25.8	25.7	2.4	2.3	14.2	13.6	60.2%	0.3%	1.4%	1.4%
INCO*	Neutral	5,150	4,000	(22.3)	51,172	106	146	33.9	24.8	1.7	1.6	10.8	8.9	3.7%	37.0%	0.0%	0.0%
TINS	Neutral	1,890	800	(57.7)	14,076	357	455	39.5	30.9	2.4	2.3	14.9	14.1	N/M	27.6%	0.9%	1.1%
MDKA*	Buy	2,600	3,300	26.9	56,934	60	115	66.8	34.8	6.6	5.5	19.7	13.4	1.2%	91.9%	0.0%	0.0%
<b>Property &amp; Industrial Estate</b>					<b>126,096</b>	<b>8,875</b>	<b>9,852</b>	<b>14.2</b>	<b>12.8</b>	<b>0.9</b>	<b>0.9</b>	<b>10.9</b>	<b>10.4</b>	<b>54.6%</b>	<b>11.0%</b>	<b>1.4%</b>	<b>1.4%</b>
ASRI	Buy	238	210	(11.8)	4,677	683	821	6.9	5.7	0.4	0.4	8.3	7.6	1534.2%	20.3%	0.8%	0.8%
BSDE	Buy	1,205	1,160	(3.7)	25,511	2,050	2,103	12.4	12.1	0.8	0.7	12.1	12.5	46.5%	2.6%	0.4%	-0.8%
CTRA	Buy	1,130	1,120	(0.9)	20,973	1,094	1,024	19.2	20.5	1.2	1.2	12.2	12.3	31.5%	-6.4%	0.6%	0.8%
JRPT	Buy	585	670	14.5	8,044	1,065	1,191	7.6	6.8	0.9	0.8	6.5	5.7	6.7%	11.8%	0.1%	4.1%
PWON	Buy	565	770	36.3	27,210	1,879	2,361	14.5	11.5	1.6	1.4	10.4	8.5	90.7%	25.6%	1.1%	1.1%
SMRA	Buy	870	960	10.3	12,551	604	682	20.8	18.4	1.5	1.4	10.9	10.5	43.8%	12.9%	0.6%	0.6%
LPKR	Neutral	202	200	(1.0)	14,260	391	345	36.4	41.3	0.5	0.5	12.3	13.4	429.7%	-11.8%	0.5%	0.5%
DMAS	Buy	236	300	27.1	11,375	988	1,158	11.5	9.8	2.0	1.9	11.1	9.2	11.7%	17.2%	8.9%	8.9%
BEST	Neutral	155	130	(16.1)	1,495	122	167	12.3	8.9	0.3	0.3	9.8	8.6	14.2%	37.4%	0.6%	1.0%
<b>Telecom</b>					<b>495,934</b>	<b>30,737</b>	<b>31,524</b>	<b>16.2</b>	<b>15.8</b>	<b>2.9</b>	<b>2.7</b>	<b>6.1</b>	<b>5.7</b>	<b>32.1%</b>	<b>2.6%</b>	<b>3.5%</b>	<b>3.6%</b>
EXCL	Buy	2,190	3,300	50.7	23,322	1,596	2,066	14.6	11.3	1.1	1.0	4.0	3.7	329.5%	29.5%	0.9%	1.5%
TLKM	Buy	3,320	4,200	26.5	328,887	20,506	23,496	16.0	14.0	3.0	2.8	5.7	5.3	7.8%	14.6%	4.6%	4.6%
ISAT	Buy	5,625	7,500	33.3	30,566	3,372	439	9.1	69.6	2.0	1.9	4.4	4.1	N/M	-87.0%	0.0%	0.0%
LINK	Buy	3,310	4,500	36.0	9,392	925	942	10.6	10.4	1.6	1.5	5.0	4.7	0.1%	1.8%	3.0%	3.0%
TBIG	Buy	2,070	2,500	20.8	44,776	1,467	1,512	30.5	29.6	7.0	6.1	14.1	13.3	29.9%	3.1%	1.3%	1.3%
TOWR	Buy	1,175	1,500	27.7	58,991	2,872	3,068	20.5	19.2	5.0	4.3	11.0	10.3	12.5%	6.8%	2.0%	2.0%
<b>Transportation</b>					<b>3,165</b>	<b>251</b>	<b>303</b>	<b>12.6</b>	<b>10.5</b>	<b>0.6</b>	<b>0.6</b>	<b>5.2</b>	<b>5.2</b>	<b>N/M</b>	<b>20.6%</b>	<b>2.0%</b>	<b>2.4%</b>
BIRD	Buy	1,265	1,700	34.4	3,165	251	303	12.6	10.5	0.6	0.6	5.2	5.2	N/M	20.6%	2.0%	2.4%
<b>Poultry</b>					<b>124,985</b>	<b>5,574</b>	<b>6,218</b>	<b>22.4</b>	<b>20.1</b>	<b>3.1</b>	<b>2.9</b>	<b>12.6</b>	<b>11.6</b>	<b>86.5%</b>	<b>11.6%</b>	<b>1.0%</b>	<b>1.9%</b>
CPIN	Buy	6,350	6,950	9.4	104,127	3,728	4,282	27.9	24.3	4.2	3.8	17.5	15.4	34.3%	14.9%	1.1%	1.8%
JPFA	Buy	1,645	1,700	3.3	19,290	1,696	1,714	11.4	11.3	1.5	1.4	6.7	6.8	392.5%	1.1%	0.5%	2.6%
MAIN	Buy	700	700	0.0	1,567	150	222	10.4	7.1	0.7	0.7	5.0	4.2	N/M	48.1%	0.0%	2.1%
<b>Oil and Gas</b>					<b>33,938</b>	<b>-1,175</b>	<b>4,138</b>	<b>-28.9</b>	<b>8.2</b>	<b>1.1</b>	<b>1.0</b>	<b>6.3</b>	<b>5.4</b>	<b>-65.2%</b>	<b>N/M</b>	<b>0.0%</b>	<b>3.7%</b>
PGAS*	Buy	1,400	2,200	57.1	33,938	-83	292	-28.9	8.2	1.1	1.0	6.3	5.4	65.5%	N/M	0.0%	3.7%

**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



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**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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