

Economic Data

	Latest	2021F
7-DRRR (%), eop	3.75	3.75
Inflation (YoY %)	1.68	2.00
US\$ 1 = Rp, period avg	13,915	14,745

Stock Market Data (30 April 2021)

JCI Index	6,137.3	0.53%
Trading T/O (Rp bn)	15,710.3	
Market Cap (Rp tn)	6,909.1	

Market Data Summary*

	2020F	2021F
P/E (x)	24.2	17.5
P/BV (x)	2.3	2.1
EV/EBITDA (x)	14.9	13.1
Div. Yield (%)	2.9	2.3
Net Gearing (%)	23.7	22.4
ROE (%)	9.4	12.7
EPS Growth (%)	-32.6	40.1
EBITDA Growth (%)	-13.8	15.3
Earnings Yield (%)	4.1	5.7

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

HIGHLIGHT

- *Preliminary 2022 State Budget: Our Brief Overall View*
- *Aneka Tambang: A Strong Start (ANTM; Rp2,490; Buy; TP: Rp3,300)*
- *Astra International: Welcoming Toyota Raize and Daihatsu Rocky (ASII; Rp5,500; Buy; TP: Rp6,300)*
- *Bank Danamon 1Q21 Results: A Weak Quarter (BDMN; Rp2,600; Buy; TP: Rp4,100)*
- *Bank Permata 1Q21 Results: Strong Earnings Momentum (BNLI; Rp2,170; Neutral; TP: Rp2,900)*
- *Bank Pan Indonesia 1Q21 Results: Below Expectations (PNBN; Rp900; Buy; TP: Rp1,400)*
- *Bekasi Fajar 1Q21: A Weak Start (BEST; Rp151; Neutral; TP: Rp130)*
- *Blue Bird: 1Q21 Results – Below Estimates (BIRD; Rp1,365; Buy; TP: Rp1,700)*
- *Bukit Asam: Coal Production Will accelerate Starting in 2Q (PTBA; Rp2,370; Buy; TP: Rp3,000)*
- *Bumi Serpong Damai 1Q21: Above Estimates (BSDE; Rp1,175; Buy; TP: Rp1,630)*
- *Gudang Garam 1Q21: Strong Volume Turnaround, Weak Gross Margin (GGRM; Rp36,100; Buy; TP: Rp46,650)*
- *HM. Sampoerna to Raise Prices on 17-May (HMSP; Rp1,320; Buy; TP: Rp1,750)*
- *Kalbe Farma: 1Q21 Result Opex Efficiencies Boosted Bottom Line (KLBF; Rp1,440; Buy; TP: Rp1,900)*
- *Mayora Indah: 1Q21 Result - Strong Result Driven by Export Recovery (MYOR; Rp2,460; Buy; TP: Rp2,600)*
- *Perusahaan Gas Negara: 1Q21 Results - Relatively Solid Performance (PGAS; Rp1,225; Buy; TP: Rp2,200)*
- *Ramayana Lestari Sentosa: 1Q21 Result - Sales Softness within Our Expectation (RALS; Rp775; Neutral; TP: Rp900)*
- *Sarana Menara Nusantara: 4Q20 Results - Profit Boost By D&A & Tax Rate Drop (TOWR; Rp1,140; Buy; TP: Rp1,500)*
- *Surya Citra Media: 1Q21 Result - Earnings Recovery Intact (SCMA; Rp1,575; Neutral; TP: Rp2,000)*
- *Telkom Indonesia 4Q20 Results: Telkomsel vs. Non-Telkomsel Trends (TLKM; Rp3,200; Buy; TP: Rp4,200)*
- *Unilever Indonesia: Not Out of the Woods Yet (UNVR; Rp6,000; Buy; TP: Rp7,150)*
- *COVID-19 Vaccine*

ECONOMY

Preliminary 2022 State Budget: Our Brief Overall View

- Lower budget deficit spells fiscal consolidation.** The government has revealed the preliminary figures for the 2022 State Budget, in which the fiscal deficit is projected to narrow to -4.51 to -4.85% of GDP from -5.7% in 2021. As the government has reiterated, it targets the deficit to be below 3% of GDP by 2023 to achieve fiscal consolidation. Keep in mind that the budget process still has a long way to go, and the numbers are very likely to change, particularly due to the dynamics of economic recovery. The official budget draft will be released on Aug-2021, and it is expected to be approved by the Parliament in Oct-2021.
- A conservative revenue target, with deviation slightly on the downside.** In detail, the government sets the total revenue to increase by 4.6–8.7% next year (vs. 6.7% in APBN 2021), with tax growth projected to decelerate 3.8–5.8% from 12.6% in 2021. As a result, the tax ratio is expected to remain low at 8.4% of GDP, partly due to the automatic cut on corporate income tax to 20% in 2022 (vs. 22%), resulting in a potential tax loss c. Rp20tn, based on our calculation. On the flip side, non-tax revenue is expected to record a positive growth of 8.1–21.8% YoY (vs. -11.9% YoY in APBN 2021) amid the high commodity prices and the normalization of SoE profit. The fiscal revenue target seems sensible using the government's economic growth assumption of 5.8% in 2022, implying a nominal GDP growth of around 8–9%. That said, we think the deviation on the revenue target remains slightly on the downside—subject to the recovery trend.
- Tightening fiscal expenditure.** On the other hand, the government expenditure is set to tighten next year, contracting by -4.95% to 0.92% YoY (vs. 6.18% in APBN 2021). The central government spending is slated to decline by -1.3% to -5.0%, reflecting the lower fiscal stimulus as the domestic economy starts normalizing. Specifically, we think the reduction will come from social and material spending, as most of the PEN stimulus (including vaccine) is located in these posts. Meanwhile, the interest rate payment will increase further. We calculated the government debt to GDP will hit 43.6% of GDP next year, resulting in an interest payment of 15.0% of total government expenditure (vs. 13.6% this year).

DETAILS ON 2022 PRELIMINARY STATE BUDGET

	Value (Rp tn)				% of GDP				Growth (% YoY)			
	2020 Unaudited	2021 APBN	2022 Preliminary		2020 Unaudited	2021 APBN	2022 Preliminary		2021 APBN	2022 Preliminary		
Government Revenue	1,633.6	1,743.6	1,823.5	- 1,895.4	10.40	9.87	10.18	- 10.44	6.73	4.58	- 8.70	
Tax Revenue	1,282.9	1,444.5	1,499.3	- 1,528.7	8.17	8.18	8.37	- 8.42	12.60	3.79	- 5.83	
Non-Tax Revenue	338.4	298.2	322.4	- 363.1	2.16	1.69	1.8	- 2	-11.89	8.11	- 21.76	
Grants	12.3	0.9	1.8	- 3.6	0.08	0.01	0.01	- 0.02	-92.66	99.38	- 298.76	
Government Expenditure	2,589.9	2,750.0	2,613.8	- 2,775.3	16.49	15.57	14.69	- 15.29	6.18	-4.95	- 0.92	
Central Government	1,827.4	1,954.5	1,856.0	- 1,929.9	11.64	11.07	10.36	- 10.63	6.96	-5.04	- 1.26	
Regional Transfer	762.5	795.5	775.8	- 845.3	4.86	4.50	4.33	- 4.66	4.33	-2.48	- 6.26	
Primary Balance	-642.1	-633.1	-414.1	- -480.5	-4.09	-3.59	-2.31	- -2.65				
Fiscal Balance	-956.2	-1,006.4	-808.2	- -879.9	-6.09	-5.70	-4.51	- -4.85				

Source: MoF, Various sources

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CORPORATE

Aneka Tambang: A Strong Start (ANTM; Rp2,490; Buy; TP: Rp3,300)

- ANTM's 1Q21 net profit of Rp630bn was above forecast due to strong earnings contribution from nickel and gold. The company indicates the possibility of selling more high-margin nickel ore than the initial target of 6.0mn tons due to strong demand from the domestic market. Maintain Buy with Rp3,300 TP.
- **1Q21 net profit was above forecast.** Aneka Tambang (ANTM) reported strong 1Q21 net profit of Rp630bn (Rp282bn net loss in 1Q20; +151% QoQ), mainly driven by strong earnings from its nickel, gold and strong contribution from income from associates (20% net profit), accounting for 28%/26% of our/consensus forecasts, while EBITDA was largely in line. Revenue stood at Rp.9.2tn (+77% YoY) and beat our forecast at 32%, but operating margin at 8.6% came below our FY21F of 10.5%, mainly due to higher operating expenses. Alongside, the gross margin was in line with our expectation.
- **Key points to highlight in 1Q21:** 1) Ferronickel (FeNi) ASP stood at USD 15.0k (+41% YoY/+4% QoQ), while sales volume declined to 5.6k tons (-12% YoY/-16% QoQ), below forecast at 21% of our full-year forecast due to shipping in progress, which will be booked in 2Q. 2) Nickel ore sales declined to 1.6mn wmt (-24% QoQ) but still in line with our forecast. Nickel ore ASP was strong at USD 41/wmt (+4% QoQ), in line with higher nickel price. The company indicates the possibility of selling >6.0mn wmt nickel ore this year due to strong demand from the domestic market. 3) Gold sales volume was strong at 7.4 tons (+45% YoY/+7% QoQ), at 34% of our forecast, with ASP at USD 1,900/oz (+11% YoY/-4% QoQ). Net margin from gold remained strong at 5.7%, below the peak at 8% in 2Q-3Q20 but above historical at only 2%.
- **Still our top pick for nickel play.** We still like ANTM for its strong earnings growth this year, driven by strong nickel price outlook and strong cash flow from high-margin nickel ore sales. Its gold trading (now mostly to the domestic market due to its high margin) is surprisingly strong and can offset the shortfall from the export market. The plan to significantly increase nickel ore sales this year also provides upside risk to our forecast, given its high margins and strong cash flow. We reiterate our Buy call on ANTM with Rp3,300 TP. Nickel price reversal is the key risk to our earnings forecast.

FINANCIAL SUMMARY

YE Dec (Rp Bn)	2019A	2020A	2021F	2022F	2023F
EBITDA	2,010	3,096	4,138	4,181	5,040
Net Profit	194	1,149	2,264	2,270	2,902
Fully-diluted EPS	8	48	94	94	121
Fully-diluted EPS growth (%)	(88.2)	492.9	97.0	0.3	27.8
P/E Ratio (x)	308.7	52.1	26.4	26.4	20.6
EV/EBITDA (x)	32.2	20.5	14.5	13.8	11.0
P/B Ratio (x)	3.3	3.1	2.5	2.4	2.2
Dividend Yield (%)	0.1	0.7	1.3	1.3	1.7
ROAE (%)	1.1	6.2	10.6	9.3	11.1

Source: Company (2019-2020), Mandiri Sekuritas (2021-2023)

RESULT SUMMARY

FYE Dec (Rp bn)	1Q21	1Q20	%YoY	4Q20	%QoQ	3M21	3M20	chg yoy	FY21F	% of mansek	Consensus
Revenue	9,210	5,203	77%	9,335	-1%	9,210	5,203	77%	28,593	32%	32%
COGS	(7,585)	(4,641)	63%	(7,764)	-2%	(7,585)	(4,641)	63%	(23,614)	32%	34%
Gross Profit	1,626	562	189%	1,571	3%	1,626	562	189%	4,979	33%	27%
Operating Income	794	138	477%	592	34%	794	138	477%	3,003	26%	21%
Pretax Income	890	(336)	-364%	523	70%	890	(336)	-364%	2,903	31%	26%
Net Income	630	(282)	-324%	314	101%	630	(282)	-324%	2,264	28%	26%
EBTDA	1,015	404	151%	955	6%	1,015	404	151%	4,138	25%	22%
Gross Margin (%)	17.6	10.8		16.8		17.6	10.8		17.4		
Operating Margin (%)	8.6	2.6		6.3		8.6	2.6		10.5		
Net Margin (%)	6.8	(5.4)		3.4		6.8	(5.4)		7.9		

FYE Dec (Rp bn)	1Q21	1Q20	%YoY	4Q20	%QoQ	3M21	3M20	chg yoy	FY21F	% of mansek	Consensus
Revenue											
Nickel	2,179	966	126%	2,599	-16%	2,179	966	126%			
Precious Metals and Refinery	6,635	4,028	65%	6,691	-1%	6,635	4,028	65%			
Bauxite and Alumina	366	188	95%	274	33%	366	188	95%			
Others	31	21	47%	(229)	-113%	31	21	47%			
Total	9,210	5,203	77%	9,335	-1%	9,210	5,203	77%			
Operating Income											
Nickel	1,029	71	1357%	1,198	-14%	1,029	71	1357%			
Precious Metals and Refinery	362	300	21%	399	-9%	362	300	21%			
Bauxite and Alumina	(124)	6	-2204%	(386)	-68%	(124)	6	-2204%			
Head Office	(420)	(178)	136%	(579)	-27%	(420)	(178)	136%			
Others	(52)	(60)	-13%	(41)	29%	(52)	(60)	-13%			
Total	794	138	477%	592	34%	794	138	477%			
Profit/Loss for the year											
Nickel	997	132	653%	1,051	-5%	997	132	653%			
Precious Metals and Refinery	375	293	28%	344	9%	375	293	28%			
Bauxite and Alumina	(72)	26	-379%	(423)	-83%	(72)	26	-379%			
Head Office	(618)	(668)	-8%	(609)	1%	(618)	(668)	-8%			
Others	(53)	(66)	-20%	(49)	8%	(53)	(66)	-20%			
Total	629	(282)	-323%	314	101%	629	(282)	-323%			

Source: Company, Mandiri Sekuritas

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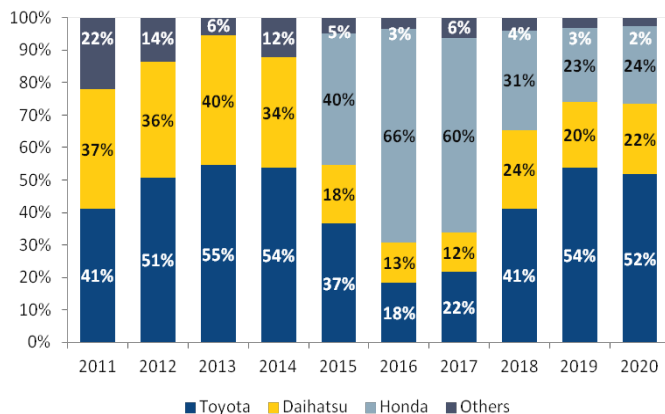
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Astra International: Welcoming Toyota Raize and Daihatsu Rocky (ASII; Rp5,500; Buy; TP: Rp6,300)

- The new Toyota Raize and Daihatsu Rocky will cement ASII's dominance in the growing LSUV segment, with ASII currently holding 85% market share. TAM targets 2.0k units/month for Raize and 0.5k units/month for Rocky (2.5% market share in 2021).
- **New models, Toyota Raize and Daihatsu Rocky.** Toyota Astra Motor (TAM) and Astra Daihatsu Motor (ADM) have officially released the twin models, Toyota Raize and Daihatsu Rocky. Raize uses 1,000 cc and 1,200 cc engines (6 variants) with 3-cylinder turbo and is equipped with Toyota Safety Sense (TSS) features, which are also installed on Toyota luxury cars, such as Camry, Corolla Altis, and Corolla Cross. Raize is priced at Rp220mn–266mn (incl. 0% PPnBM) and Rocky at Rp214mn–236mn. On the highest variant, Raize offers features that are not offered on Rocky, such as paddle shift, cruise control, adaptive cruise control, while Apple Car Play and Android Auto connectivity are only offered on Rocky. Based on price range and engine capacity, Raize/Rocky will compete head-to-head with Nissan Magnite, Kia Sonet, and Suzuki Ignis. TAM targets 2.0k units/month for Raize, and ADM targets 500 units/month for Rocky or equals to 2.5% of 4W market share in 2021.
- **Raize/Rocky will be a threat for Rush/Terios?** While we understand that the 5-seaters Raize/Rocky (stylish and safety feature) target a different segment than the 7-seaters Rush/Terios (family and larger space), we believe the new Raize/Rocky will naturally compete with Rush/Terios on the LSUV car segment. The reasons are, despite the lower pricing point, there is a wedge between the highest Raize/Rocky variants and the middle Rush/Terios variants and the preference to buy new model over older one. Nevertheless, we also believe the new Raize/Rocky will cement ASII's dominance in the growing LSUV market, in which ASII is the market leader with 85% market share, followed by Honda with 23% market share in 2020.

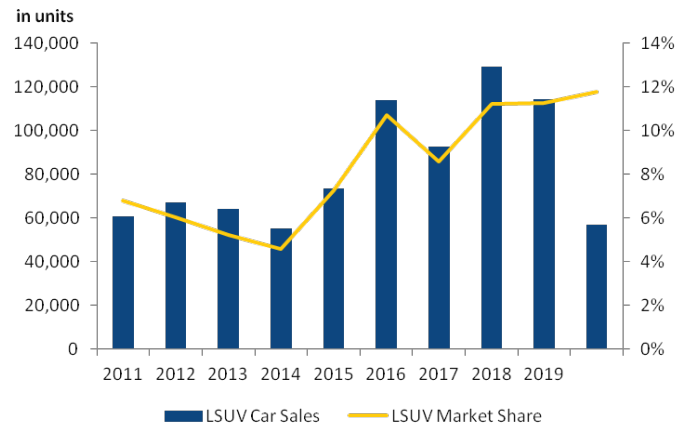
- **Raize/Rocky will cement ASII's dominance in the growing LSUV segment.** ASII has dominated the LSUV segment since 2018, with around 85% market share since the introduction of Rush/Terios in Nov-2017. The new Raize/Rocky will cement its dominance even further, as we do not see meaningful competition from other brands, including Kia Sonet, Nissan Magnite, and Suzuki Ignis. From 2015-2019, the LSUV segment has grown by 12% CAGR, driven by Honda HRV and Rush/Terios. The LSUV segment accounted for 11% of market share in 2019 from only 7% in 2015, taking market share from the LMPV segment, given that LSUV launched more new models priced around Rp200mn, close to LMPV's pricing point.
- **We have a buy call on ASII, with Rp6,300/share TP.** We still like ASII for the potential recovery in the automotive sector, driven by the tax incentives and the recovery of economic activities.

LSUV MARKET



Source: Gaikindo

LSUV CAR AND MARKET SHARE



Source: Gaikindo

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Bank Danamon 1Q21 Results: A Weak Quarter (BDMN; Rp2,600; Buy; TP: Rp4,100)

- BDMN posted Rp522tn net income in 1Q20, down 58% YoY and short of expectations at 18% of FY21 consensus' and 15% of our estimates. Though, we note that 1Q21's earnings were much better than Rp469bn net loss in 4Q20. Maintain Buy.
- **1Q21 earnings at Rp522bn.** BDMN saw earnings at Rp522bn in 1Q21, -58%, accounting for 18% of consensus' and 15% of Mansek's expectations – below expectations. Operating income declined 22% YoY but grew 5% QoQ in 1Q21. PPOP declined 32% YoY, in parallel with the YoY operating income decline. However, PPOP also declined 10% QoQ as the sequential operating income improvement in 1Q21 was offset by the 51% QoQ opex jump. Yet, 1Q21 earnings were significantly better than Rp469bn net loss reported in 4Q20. QoQ earnings improvement came mostly from lower provisioning charges.
- **Loan growth at -9% YoY/-2% QoQ, deposit growth at +1% YoY/-4% QoQ.** The enterprise banking loans grew +11%YoY while other segments posted declining growth. On the funding side, demand deposit and saving deposits drove YoY deposit growth, while demand deposit supported QoQ deposit growth. CASA ratio to total loans improved to 54% in Mar-21 from 52% in Dec-20 and 48% in Mar-20. Meanwhile, LDR declined to 110% in Mar-21 from 123% in Mar-20.
- **NIM declined to 7.1% in 1Q21** from 8.6% last year, driven by reduction in asset yield that came almost twice larger than reduction in cost of funds. Lower LDR, rising number of restructured loans, and portfolio mix change toward lower yielding loans have led the margin erosion in the past one year. However, 1Q21's NIM was an improvement from 6.1% in 4Q20, over a combination of higher asset yield and lower CoF on QoQ basis.

- **Cost-to-income ratio increased to 54% in 1Q20** from 47% in 1Q20 and 41% in 4Q20.
- **NPL increased to 3.2% in Mar-21** from 2.7% in Dec-20 while SML declined to 6.4% from 7.1%. Restructured loans slightly declined to 20.5% from 21.8% in Dec-20, bringing loan at risk down to 24.4% from 26.1% in Dec-20. Cost of credit increased to 3.6% in 1Q21 from 3.1% in 1Q20. However, credit cost declined substantially from 7.1% in 4Q20. We estimated BDMN write-off Rp1.4tn of bad debt in 1Q21, vs. Rp1.1tn last year. Loan loss coverage declined to 173% in 1Q21 from 203% in Dec-20.
- **We have a BUY rating for BDMN.** BDMN currently trades at 0.5x for P/BV 2021F.

BDMN 1Q21 RESULTS

Income Statement (Rp bn)	3M20	3M21	% YoY	1Q20	4Q20	1Q21	% YoY	% QoQ	FY21F	% of FY21F	FY21 Consensus	% of FY21F Consensus
Net interest income	3,870	3,390	(12)	3,870	2,921	3,390	(12)	16	15,523	22		
Non interest income	1,658	899	(46)	1,658	819	899	(46)	10	4,939	18		
Fees & Commissions	1,046	522	(50)	1,046	312	522	(50)	67	2,730	19		
Forex income	132	83	(37)	132	115	83	(37)	(27)	618	13		
Others	480	293	(39)	480	392	293	(39)	(25)	1,591	18		
Operating income	5,528	4,289	(22)	5,528	3,739	4,289	(22)	15	20,461	21	18,885	23
Provision expense	(1,122)	(1,200)	7	(1,122)	(2,352)	(1,200)	7	(49)	(4,599)	26		
Operating expense	(2,622)	(2,309)	(12)	(2,622)	(1,531)	(2,309)	(12)	51	(10,993)	21		
Personnel Expenses	(1,311)	(1,251)	(5)	(1,311)	(1,189)	(1,251)	(5)	5	(5,363)	23		
Other Expenses	(1,310)	(1,057)	(19)	(1,310)	(342)	(1,057)	(19)	210	(5,630)	19		
Operating profit	1,784	780	(56)	1,784	(143)	780	(56)	n.a	4,869	16	4,293	18
PPOP	2,906	1,980	(32)	2,906	2,209	1,980	(32)	(10)	9,468	21		
Pre-tax profit	1,756	771	(56)	1,756	(258)	771	(56)	n.a	4,747	16	4,407	17
Net profit	1,245	522	(58)	1,245	(469)	522	(58)	n.a	3,538	15	2,918	18

Balance Sheet (Rp bn)	Mar-20	Dec-20	Mar-21	% YoY	% QoQ
Gross loan	144,177	134,161	130,849	(9)	(2)
Demand deposit	19,157	22,900	24,194	26	6
Saving deposit	37,702	40,967	40,278	7	(2)
Time deposit	60,832	59,866	54,768	(10)	(9)
Total deposit	117,691	123,733	119,240	1	(4)
CASA to deposits (%)	48.3	51.6	54.1		

Ratio (%)	3M20	3M21	1Q20	4Q20	1Q21
CAR	22.1	25.7	22.1	25.6	25.7
Tier 1 CAR	21.3	24.9	21.3	24.6	24.9
LDR	122.5	109.7	122.5	108.4	109.7
NIM	8.58	7.14	8.58	6.14	7.14
ROE	11.3	4.8	11.3	(4.3)	4.8
Unconsolidated NPL, cat.3-5	3.28	3.17	3.28	2.71	3.17
Special mention loans	8.6	6.4	8.6	7.1	6.4
Cost of credit	3.1	3.6	3.1	7.0	3.6
Loan loss coverage	132	173	132	203	173
Restructured Loans	2.5	20.5	2.5	21.8	20.5
Loan at risk	13.0	24.4	13.0	26.1	24.4
Cost to Income	47.4	53.8	47.4	40.9	53.8

Source: Company, Mandiri Sekuritas

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Bank Permata 1Q21 Results: Strong Earnings Momentum (BNLI; Rp2,170; Neutral; TP: Rp2,900)

- BNLI announced Rp494bn net income in 1Q21, accounting for 40%/42% of FY21 consensus/our net income estimates. Solid YoY net income growth was driven by consolidation effects and lower provision charges. The consolidation with Bangkok Bank Indonesia in 4Q20 also led to sequential earnings jump, lower credit cost and higher coverage ratio. Stay Neutral.
- **1Q21 earnings at Rp494bn.** BNLI announced Rp494bn of net income in 1Q21, accounting for 40% of FY21 consensus and 42% of our estimates — ahead of expectations. 1Q21's earnings were a material improvement from Rp2bn reported last year. Decent PPOP growth YoY was due to a combination of strong top-line growth and managed opex. Lower provisioning expenses of -33% YoY also boosted earnings base in 1Q21. On a quarterly basis, earnings increased +69% QoQ, largely driven by opex savings.
- **Loan growth stood at +7% YoY/flat QoQ, deposit growth at +12% YoY/+2% QoQ.** The asset transfer from the merger with Bangkok Bank Indonesia (BBI) has largely supported BNLI's loan growth. BNLI's disclosure stated that BBI has transferred good quality assets to BNLI amounting to Rp34tn. On the deposit side, CASA saw a strong growth of +37% YoY/+9% QoQ, while TD declined -8% YoY/-4% QoQ. Consequently, CASA portion to total loans increased to 54% in Mar-21 from 45% in Mar-20 and 51% in Dec-20. Meanwhile, LDR declined to 79% from 83% in Mar-20.
- **NIM declined to 4.1% in 1Q21** from 4.4% in 1Q20 on larger reduction in asset yield than in cost of funds. On a quarterly basis, NIM also trended down from 4.9% in 4Q20, aligned with rising loan at risks and lower LDR, which offset the positive impact from higher CASA.
- **Cost-to-income ratio declined to 55% in 1Q21** from 60% in 1Q20 and 61% in 4Q20.
- **NPL increased to 2.9% in Mar-20** from 2.8% in Dec-20, similar with SML which increased to 5.9% from 5.0%. Meanwhile, restructured loans slightly increased to 14.1% from 13.7% in Dec-20. Hence, loan at risk trended up to 18.7% in Mar-20 from 18.1% in Dec-20. Cost of credit declined to 1.4% from 2.3% in 1Q20 but increased from 1.0% in 4Q20. The asset transfer from BBI has reduced the need to build up provision since assets being transferred are of good quality. BNLI's coverage ratio stood at 246% in Mar-21 and is among one of the highest in our coverage. We estimate the bank reported write-back of Rp24bn in 1Q21, vs. Rp207bn of write-off in 1Q20.
- **Maintain our Neutral stance.** The stock trades at a premium valuation of 2.7x for 2021F P/BV. BNLI has recently received approval to conduct rights offerings of up to 88bn of new shares. Based on the bank's indicative timetable, the cum-right date is set on 18 Jun-21 (regular and negotiation market). The recording date is at 22 Jun-21 and trading-and-execution period is on 24-30 Jun-21.

BNLI 1Q21 RESULTS

Income Statement (Rp bn)	3M20	3M21	YoY	1Q20	4Q20	1Q21	YoY	QoQ	FY21	%	Cons	%
Net interest income	1,605	1,996	24	1,605	2,156	1,996	24	(7)	7,158	28		
Non-interest income	532	386	(28)	532	591	386	(28)	(35)	2,211	17		
Fees and Commissions	324	348	7	324	290	348	7	20	1,443	24		
Others	208	38	(82)	208	301	38	(82)	(88)	769	5		
Operating income	2,137	2,382	11	2,137	2,747	2,382	11	(13)	9,369	25	9,332	26
Provision expense	(626)	(420)	(33)	(626)	(287)	(420)	(33)	47	(2,864)	15		
Operating expense	(1,282)	(1,311)	2	(1,282)	(1,678)	(1,311)	2	(22)	(5,137)	26		
Personnel Expenses	(622)	(699)	12	(622)	(823)	(699)	12	(15)	(2,809)	25		
Other Expenses	(660)	(613)	(7)	(660)	(855)	(613)	(7)	(28)	(2,328)	26		
Operating profit	229	650	184	229	782	650	184	(17)	1,368	48	2,714	24
PPOP	855	1,071	25	855	1,069	1,071	25	0	4,232	25		
Pre-tax profit	281	654	133	281	782	654	133	(16)	1,509	43	1,592	41
Net Profit	2	494	N.A.	2	292	494	N.A.	69	1,170	42	1,221	40

Balance Sheet (Rp bn)	Mar-20	Dec-21	Mar-21	YoY	QoQ
Gross loan	110,466	118,147	117,712	7	(0)
Demand deposit	36,490	40,624	47,540	30	17
Saving deposit	22,787	33,859	33,578	47	(1)
Time deposit	73,693	71,081	68,048	(8)	(4)
Total deposit	132,970	145,564	149,166	12	2
CASA to deposits (%)	44.6	51.2	54.4		

Ratio (%)	3M20	3M21	1Q20	4Q20	1Q21
CAR	19.9	35.4	19.9	35.8	35.4
Tier 1 CAR	18.7	34.4	18.7	34.6	34.4
LDR	83.1	78.9	83.1	81.2	78.9
NIM	4.35	4.08	4.35	4.93	4.08
ROE	0.0	5.6	0.0	3.9	5.6
NPL, cat.3-5	3.1	2.9	3.1	2.8	2.9
Special mention loans	6.3	5.9	6.3	5.0	5.9
Cost of credit	2.3	1.4	2.3	1.0	1.4
Loan loss coverage	152.2	246.1	152.2	238.9	246.1
Cost to Income	60.0	55.1	60.0	61.1	55.1
Restructured Loans	4.4	14.1	4.4	13.7	14.1
Loan at risk	10.9	18.7	10.9	18.1	18.7

Source: Company, Mandiri Sekuritas Research

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Bank Pan Indonesia 1Q21 Results: Below Expectations (PNBN; Rp900; Buy; TP: Rp1,400)

- PNBN booked Rp595bn net profit in 1Q21, below expectations – at 18%/17% of consensus/our FY21 net profit estimates. Although operating income trended flat YoY, PPOP grew strong due to cost savings. But, provision charges doubled YoY and dragged earnings down YoY. Retain Buy.
- **1Q21 results below expectations.** PNBN reported 1Q21 earnings of Rp595bn, down 13% YoY and accounting for 18% of consensus and 17% of our expectations – below expectations. PPOP grew strong, up by +21% YoY, on the back of reduction in operating expenses, down by -18% YoY. We note that operating income growth was flat, as the decline in net-interest income was offset by improved non-interest income, particularly from higher gain on sale of financial assets. But, provision charges doubled YoY, dragging operating profit growth. 1Q21's earnings of Rp595bn were lower than 4Q20's earnings of Rp790bn, mainly due to weaker non-interest income on QoQ basis.
- **Loan growth at -15% YoY/-1% QoQ, deposit growth at +2% YoY/-3% QoQ.** We note that this is the sixth consecutive quarters of negative YoY loan growth at PNBN. Weak loan demand combined with rising credit risk has led the bank to deliberately slow down growth. Like in previous quarters, we expect all segments to post negative growth, with commercial segment showing the largest growth contraction. On the liability side, PNBN has managed to convert time deposits into CASA, leading to CASA increase of +10% YoY/+1% QoQ. As a result, CASA ratio to total loans improved to 41% in Mar-21, up from 38% in Mar-20 and 39% in Dec-20. In-line with industry trend, LDR declined to 93% from 111% a year ago.
- **NIM declined to 4.7% in 1Q21** from 5.1% in 1Q20 since asset yield decline outpaced cost of funds decline on YoY basis. On quarterly basis, 1Q21's NIM was an improvement from 4Q20, which stood at 4.6%. Higher NIM QoQ was driven by lower cost of funds from higher CASA balances.
- **Cost to income ratio declined to 42% in 1Q21** from 52% in 1Q20 and 44% in 4Q20. This is in line with declining opex growth.

- **NPL increased to 3.5% from 2.9% in Dec-20**, SML also increased to 4.3% from 4.0%. The increase in NPL and SML was similar to a number of banks under coverage. Meanwhile, restructured loans declined to 31.5% from 33.1%. As a result, loans at risk declined to 34.5% in Mar-21 from 36.0% in Dec-20. Aligned with higher loan at risk, cost of credit increased to 2.8% in 1Q21 from 1.2% in 1Q20. Coverage ratio stood at 147% in Mar-21 vs. 159% in Mar-20 after the bank wrote-off Rp190bn of bad debt in 1Q20, vs. Rp237bn in 1Q20.
- **We have a buy rating with TP of Rp1,400**. PNB is trading at 0.6x for 2021F P/BV. We expect loan growth to recover in 2H21 as recent economic figures points to a stronger economic recovery.

PNBN 1Q21 RESULTS

Income Statement (Rp bn)	3M20	3M21	% YoY	1Q20	4Q20	1Q21	% YoY	% QoQ	FY21F	% of FY21F	FY21 Cons	% of FY21F Cons
Net interest income	2,404	2,348	(2)	2,404	2,374	2,348	(2)	(1)	9,612	24		
Non-interest income	481	551	14	481	1,102	551	14	(50)	2,342	24		
Fees and Commissions	147	118	(20)	147	132	118	(20)	(11)	560	21		
Forex Income	72	(153)	n.a	72	125	(153)	n.a	n.a	245	(62)		
Others	263	586	123	263	845	586	123	(31)	1,537	38		
Operating income	2,885	2,899	0	2,885	3,477	2,899	0	(17)	11,953	24	11,668	25
Provision expense	(463)	(916)	98	(463)	(906)	(916)	98	1	(1,769)	52		
Operating expense	(1,494)	(1,219)	(18)	(1,494)	(1,539)	(1,219)	(18)	(21)	(5,763)	21		
Personnel Expenses	(509)	(523)	3	(509)	(526)	(523)	3	(1)	(2,172)	24		
Other Expenses	(985)	(695)	(29)	(985)	(1,013)	(695)	(29)	(31)	(3,591)	19		
Operating profit	929	764	(18)	929	1,031	764	(18)	(26)	4,422	17	4,519	17
Non operating profit	55	16	(70)	55	61	16	(70)	(73)	(49)	(33)		
PPOP	1,391	1,680	21	1,391	1,937	1,680	21	(13)	6,191	27		
Pre-tax profit	984	781	(21)	984	1,092	781	(21)	(28)	4,373	18	4,405	18
Net profit	684	595	(13)	684	790	595	(13)	(25)	3,405	17	3,277	18

Balance Sheet (Rp bn)	Mar-20	Dec-20	Mar-21	% YoY	% QoQ
Gross loan	150,580	129,893	127,996	(15)	(1)
Demand deposit	11,160	11,791	11,225	1	(5)
Saving deposit	40,624	44,623	45,652	12	2
Time deposit	84,137	86,615	81,398	(3)	(6)
Total deposit	135,920	143,030	138,274	2	(3)
CASA to deposits (%)	38.1	39.4	41.1		

Ratio (%)	3M20	3M21	1Q20	4Q20	1Q21
CAR	23.9	28.5	23.9	29.6	28.5
Tier 1 CAR	21.3	26.0	21.3	27.0	26.0
LDR	110.8	92.6	110.8	90.8	92.6
NIM	5.09	4.67	5.09	4.64	4.67
ROE	6.8	5.5	6.8	7.4	5.5
NPL, cat.3-5	2.9	3.5	2.9	2.9	3.5
Special mention loans	5.4	4.3	5.4	4.0	4.3
Cost of credit	1.2	2.8	1.2	2.7	2.8
Loan loss coverage	159	147	159	155	147
Restructured Loan	6.9	31.5	6.9	33.1	31.5
Loan at risk	12.4	34.5	12.4	36.0	34.5
Cost to Income	51.8	42.0	51.8	44.3	42.0

Source: Company, Mandiri Sekuritas

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Bekasi Fajar 1Q21: A Weak Start (BEST; Rp151; Neutral; TP: Rp130)

- BEST's top line weakness remained, supported only by maintenance revenues in 1Q21 as there was no land sales recognition following weak past presales. However, the company saw slight qoq improvement in margins which resulted lower core loss qoq.
- **Sustained weak revenue recognition.** BEST's weak revenue recognition continued into 1Q21 which stood at IDR 36bn, -9% qoq, -33% yoy, as handovers of prior land sales did not occur. Revenue from maintenance thus remained the main contributor for the company in 1Q21 at IDR 29bn, +3% qoq, flat yoy. BEST's FY20 revenue was a mere 6% of our forecast and consensus'.
- **Qoq margin improvement.** Gross margin weakness also sustained in 1Q21 following zero land sales recognition, but improved qoq as the company recorded gross loss in land sales in previous quarter, in addition to lower gross loss from hotel business from cost reduction. However, BEST's maintenance business slightly retreated.
- **Operating loss continued.** BEST's 1Q21 gross profit of IDR 16bn could not cover opex, even as it fell 21% qoq and 16% yoy, helped by efficiencies in selling expenses and G&A expenses, which fell 21% qoq and 16% yoy. Along with IDR 27bn in forex losses, BEST booked IDR 55bn in net loss in 1Q21. Stripping out the forex gain/loss, BEST saw lower core loss of IDR 27bn qoq.
- **Inquiries growth not showing in presales yet.** BEST recorded 0.5 ha of presales to the automotive sector, from a minor expansion by an existing tenant. On the flipside, its inquiries level saw some growth to 66ha from its Feb-21 level of 56h, driven by inquiries growth in data centre and logistics inquiries which offset declines in inquiries from the F&B and other miscellaneous industries which are not part of BEST's strong suit. The company maintains its 10-15 ha presales target this year at ASP of IDR 2.6-3.2 mn psm.
- **Maintain Neutral.** We maintain Neutral on BEST at IDR 130 PT.

BEST 1Q21 RESULTS VS ESTIMATES

IDRbn	1Q21	1Q20	4Q20	QoQ %	YoY%	2021F	2021C	% of target	% of cons
Revenue	36	54	40	-9%	-33%	575	651	6%	6%
Gross profit	16	31	12	31%	-49%	362	387	4%	4%
Operating profit	(6)	5	(15)	-62%	-207%	272	291	-2%	-2%
Net profit	(55)	(226)	(5)	1098%	-76%	122	152	-45%	-36%
Core	(27)	(31)	(54)	-50%	-12%	92			
Gross margin	43%	56%	30%			63%	59%		
Operating margin	-15%	10%	-37%			47%	45%		
Net margin	N/A	N/A	-11%			21%	23%		
Total debt	1,808	2,114	1,803			1,944			
Total equity	4,302	4,242	4,357			4,541			
Cash	707	711	799			773			
Net gearing	25.6%	33.1%	23.0%			25.8%			
Revenue	36	53	40	-9%	-32%				
Land	-	17	6	-100%	-100%				
Maintenance	29	29	28	3%	0%				
Hotel	1.5	3	1.5	-1%	-58%				
Others	6	4	4	40%	38%				
GP	16	31	12	31%	-49%				
Land	-	12	(4)	-100%	-100%				

IDRbn	1Q21	1Q20	4Q20	QoQ %	YoY%	2021F	2021C	% of target	% of cons
Maintenance	13	16	13	-5%	-20%				
Hotel	(1.1)	(0)	(1.4)	-23%	337%				
Others	4	3	4	8%	51%				
GPM	43.1%	57.1%	29.9%						
Land	N/A	72.9%	-59.7%						
Maintenance	43.9%	54.9%	47.6%						
Hotel	-73.2%	-7.1%	-93.8%						
Others	68.0%	62.1%	87.7%						

Source: Company, Mandiri Sekuritas Estimates

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Blue Bird: 1Q21 Results – Below Estimates (BIRD; Rp1,365; Buy; TP: Rp1,700)

- 1Q20 net loss reached Rp28.3bn (4Q20 net loss: Rp3.4bn), below MANSEK's/consensus' estimates. The slower-than-expected recovery in both taxi and non-taxi's segments was largely driven by the implementation of strict social distancing in early 1Q21. Asset disposals continued to be profitable, indicating strong recovery in the second-hand car market. We have a Buy rating.
- 1Q21 net profit came below estimates.** 1Q21 net loss came at Rp28.3bn (4Q20 net loss: Rp3.4bn; 1Q20 net profit: Rp13.7bn), below MANSEK's/consensus' FY21 net profit targets at Rp280bn/Rp117bn. 1Q20 core loss reached Rp31.9bn (4Q20 core profit: Rp51.7bn). 1Q21 revenues came at Rp480.1bn (-2.8% QoQ; -45.8% YoY), accounting for 13%/18% of MANSEK's/consensus' FY21 estimates, below.
- Although BIRD's 1Q21 taxi revenues (75% of total revenues) improved by 16.1% QoQ to Rp361.4bn, non-taxi segments decelerated by 34.6% QoQ to Rp120.3bn. The slower recovery was mainly due to another strict social distancing in Jan-2021, in our view, while our survey indicated that competition remained mild ([link to report: https://www.mandirisekuritas.co.id/r/Ga23?c=rsch](https://www.mandirisekuritas.co.id/r/Ga23?c=rsch)). Though the government has officially forbidden the homecoming event in May-2021, it is still important to monitor, as a long holiday historically causes a spike in COVID-19 new cases. Thus, the government may impose another strict social distancing.
- 1Q21 GPM improved by 100 bps QoQ; opex remained stable.** 1Q21 GPM improved by 100 bps QoQ to 17.4%, following the decline in allowance and drivers' cost by 37.8% QoQ or 59.3% YoY. 1Q21 opex reached Rp129.9bn (-0.7% QoQ; -29.7% YoY), with salary expense (42% of total opex) reaching Rp54.6bn (+6.4% QoQ; -26.4% YoY). In 1Q21, BIRD still booked an operating loss of Rp46.6bn (1Q20 operating profit: Rp21.5bn). Considering the ongoing vaccine rollout, we expect BIRD'S EBIT to positively turn around in 2H21 on the back of mobility improvement.
- Second-hand car market continued to be profitable**, with BIRD gaining Rp14.6bn from asset disposals in 1Q21 (4Q20: Rp35.7bn; 3Q20/2Q20 net losses: Rp3.4bn/Rp37.5bn). Our discussion with the management indicated a robust recovery in the second-hand car market.
- Solid balance sheet.** In Mar-2021, BIRD's total debts remained at Rp1.3tn (Dec-2020: Rp1.3tn; Jan-2020: Rp1.3tn), with cash still ample at Rp928.1bn. Thus, BIRD's gearing stood at 6.2% (Dec-2020: 8.6%; Jan-2020: 13.0%).
- We have a Buy rating.**

BIRD 1Q21 RESULTS

Rp bn	3M21	3M20	%yoy	1Q21	4Q20	%qoq	1Q20	%yoy	FY21F	% of ours	FY21C	% of cons.
Revenue	480.1	885.2	-45.8	480.1	493.7	-2.8	885.2	-45.8	3,696	13.0	2,621	18.3
Gross profit	83.3	206.3	-59.6	83.3	80.8	3.1	206.3	-59.6	1,061	7.9	795	10.5
Operating profit	(46.6)	21.5	n.m	(46.6)	(50.0)	-6.8	21.5	n.m	404	n.m	229	n.m
Pretax profit	(43.9)	18.0	n.m	(43.9)	(86.0)	-48.9	18.0	n.m	360	n.m	196	n.m
Net profit	(28.3)	13.7	n.m	(28.3)	(3.4)	729.9	13.7	n.m	280	n.m	117	n.m
Gross margin (%)	17.4	23.3		17.4	16.4		23.3		28.7		30.4	
Operating margin (%)	n.m	2.4		n.m	n.m		2.4		10.9		8.7	
Pretax margin (%)	n.m	2.0		n.m	n.m		2.0		9.7		7.5	
Net margin (%)	n.m	1.6		n.m	n.m		1.6		7.6		4.5	

Source: Company, Bloomberg, Mandiri Sekuritas estimates

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Bukit Asam: Coal Production Will accelerate Starting in 2Q (PTBA; Rp2,370; Buy; TP: Rp3,000)

- PTBA's 1Q21 net profit was below forecast due to lower production, lower ASP, and higher costs. We lower our FY21-22F net profit by 9% after imputing lower ASP and higher costs. We reiterate our Buy call but with a lower TP of Rp3,000/share.
- Weak 1Q21 net profit due to lower production and ASP.** PTBA's 1Q21 net profit of Rp501bn (-45% YoY/-24% QoQ) represented only 17%/14% of our/consensus forecasts. Revenue was weak at only Rp4.0tn (-22% YoY/-11% QoQ) due to lower blended ASP at Rp668k/ton (-10% YoY/+13% QoQ) and lower sales volume at 5.9mn tons (-13% YoY/-21% QoQ), as production was affected by heavy rain, reaching 4.5mn tons (-18% YoY/-17% QoQ). Meanwhile, its production cost dropped by less than its revenue, thus lowering the gross and operating margins to 25.5% and 10.9%, respectively, from 29.8% and 18.4% in 1Q20. PTBA sold 69% of its coal sales to the domestic market in 1Q21, which is subject to the USD 70/ton DMO price ceiling. The management targets up to 55% of sales to go to the domestic market.
- Key points to highlight in 1Q21:** 1) PTBA's blended ASP stood at Rp668k/ton (-10% YoY/+13% QoQ); ASP from export at Rp762k/ton (+2% YoY/+20% QoQ) and Rp628k/ton (-15% YoY/+16% QoQ) was from the domestic market. 2) We estimate the total cash cost/ton (incl. royalty and SGA) stood at Rp585k/ton (-2% YoY/+21%QoQ), mainly due to higher SR at 5.2 (vs. 4.4x in 1Q20) and lower production. 3.) The Sumsel 8 project has reached 75.61% construction progress and is stated to start commissioning in Q1-2022.
- Stronger coal production in upcoming quarters.** PTBA maintained its FY21F sales volume at 30.7mn tons (vs. 26.1mn tons in 2020). Despite the weak production in 1Q21 (15% of guidance), the management indicated that production has improved since March, following better weather. The company also sees possibilities for upward revision on volume guidance, following the recently higher government coal production quota.
- Maintain Buy with lower TP of Rp3,000/share.** We lower our FY21-22F net profit by 9% after imputing lower ASP and higher costs, mainly mining cost due to higher SR and transportation cost. We reiterate our Buy call on PTBA but with a lower TP of 3,000/share based on 13x FY21F PE (+1 SD). We still like PTBA for its strong production growth, low-cost structure, and exposure to growing domestic demand.

FINANCIAL SUMMARY

YE Dec (Rp Bn)	2019A	2020A	2021F	2022F	2023F
EBITDA	5,386	1,486	1,795	2,609	1,970
Net Profit	4,056	2,387	2,647	3,130	2,627
Fully-diluted EPS	372	208	231	273	229
Fully-diluted EPS growth (%)	(22.0)	(44.0)	10.9	18.3	(16.1)
P/E Ratio (x)	6.4	11.4	10.3	8.7	10.3
EV/EBITDA (x)	4.3	15.7	14.6	10.1	14.2
P/B Ratio (x)	1.5	1.6	1.5	1.4	1.4
Dividend Yield (%)	13.4	6.6	7.3	8.6	7.2
ROAE (%)	23.7	13.5	15.2	17.0	13.7

Source: Company (2019-2020), Mandiri Sekuritas (2021-2023)

RESULTS SUMMARY

in Rpbn	1Q21	1Q20	%YoY	4Q20	q-o-q	3M21	3M20	%YoY	FY21F	% ours	% cons
Revenue	3,995	5,122	-22%	4,476	-11%	3,995	5,122	-22%	19,517	20%	19%
COGS	(2,977)	(3,598)	-17%	(3,431)	-13%	(2,977)	(3,598)	-17%	(13,535)	22%	20%
Gross profit	1,018	1,525	-33%	1,045	-3%	1,018	1,525	-33%	5,981	17%	15%
Operating expenses	(583)	(583)	0%	(439)	33%	(583)	(583)	0%	(2,557)	23%	20%
Operating profit	435	942	-54%	606	-28%	435	942	-54%	3,425	13%	11%
Net profit	501	903	-45%	659	-24%	501	903	-45%	2,917	17%	14%
Gross margin	25.5%	29.8%		23.4%		25.5%	29.8%				
Operating margin	10.9%	18.4%		13.5%		10.9%	18.4%				
Net margin	12.5%	17.6%		14.7%		12.5%	17.6%				

Operational Numbers**ASP**

Domestic (RpK)	628	738	-15%	543	16%	628	740	-15%
Export (RpK)	762	744	2%	633	20%	762	744	2%
Blended (RpK)	668	740	-10%	591	13%	668	740	-10%
Production	4.5	5.5	-18%	5.4	-17%	4.5	5.5	-18%
Sales	5.9	6.8	-13%	7.5	-21%	5.9	6.8	-13%
Total cash cost - inc royalty & SGA	585	595	-2%	483	21%	585	595	-2%

Source: Company, Mandiri Sekuritas estimates

CHANGE IN FORECAST

PTBA In Rpbn	2021F			2022F		
	New	Old	%change	New	Old	%change
Profit & Loss						
Revenue	18,872	19,517	-3%	20,262	20,982	-3%
COGS	13,691	13,535	1%	14,199	14,228	0%
Gross profit	5,182	5,981	-13%	6,063	6,754	-10%
Operating profit	2,709	3,425	-21%	3,490	4,090	-15%
Net profit	2,647	2,917	-9%	3,130	3,429	-9%
Gross margin	27.5%	31%		29.9%	32.2%	
Operating margin	14.4%	18%		17.2%	19.5%	
Net margin	14.0%	15%		15.4%	16.3%	
Production Volume (Mt)	26	26	0%	27	27	0%
Sales volume (Mt)	26	26	0%	27	27	0%
ASP (IDRk/ton)	729	754	-3%	753	780	-3%
Total cash cost/ton	659	597	11%	656	603	9%

Source: Mandiri Sekuritas estimates

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Bumi Serpong Damai 1Q21: Above Estimates (BSDE; Rp1,175; Buy; TP: Rp1,630)

- BSDE's 1Q21 revenue mix was helped by handover of commercial land plots which offset minor seasonal decline in residential housing revenue. 1Q21 revenue was broadly in-line with our forecast albeit below consensus', however higher margins from the land sales along with opex savings and a non-cash gain helped result in a strong earnings beat. **Maintain Buy.**
- **1Q21 revenue of IDR 1.7tn, -12% qoq, +12% yoy.** BSDE's 1Q21 continued to be driven by landed housing revenues, which fell -14% qoq and -12% yoy to IDR 702bn, 42% of total revenue, due to seasonally lower handovers. However, commercial land revenues saw strong increase to IDR 510bn, +10% qoq and +1,605% yoy on the back of the handover of a 2.7ha plot of commercial land sold in 2018 at IDR 13mn psm (totaling IDR 360bn, 71% of total land sales revenue in 1Q21). This helped raise total 1Q21 revenue to IDR 1.7tn, which formed 25% of our FY revenue forecast and 21% of consensus'.
- **Higher margins, EBIT above forecasts.** The higher land sales revenue contribution raised blended GPM to 73% in 1Q21 as the commercial land plot sales generated 96% in GPM. Meanwhile, opex savings continued, mainly driven by lower salary and utilities expenses and advertising expenses as marketing efforts have not resumed to scale in 1Q21. Overall, opex decreased -18% qoq and -12% yoy to IDR 421bn. This led to operating margin improvement to 48%, compared to 38% in 1Q21 and 36% in FY20. BSDE's 1Q21 EBIT posted strong growth at IDR 802bn, +12% qoq, +42% yoy and beat our and consensus' forecasts at 34%/31% of respective FY targets. Management however guides that some of the opex savings will likely be eroded further ahead as selling activities pick up throughout the rest of the year.
- **Strong earnings beat helped by one-off gain.** Earnings was further helped by IDR 150bn in non-cash gains over BSDE's acquisition (through 89%-owned DUTI) of a subsidiary developing the Aerium apartment project in West Jakarta. Along with the higher profitability from land sales and opex savings, BSDE's 1Q21 PATMI improved to IDR 588bn, +127% yoy and from IDR 188bn net loss in 4Q20. This was a strong beat forming 62% of our FY forecast and 42% of consensus'. Stripping out non-core items, BSDE's 1Q21 core profit was still a strong beat at 35% of our FY estimate.
- **Maintain Buy.** We have a Buy on BSDE. However, its relatively strong project portfolio should continue to tide its presales, while a large bulk land transaction should come to fruition this year.

BSDE 1Q21 RESULTS VS ESTIMATES

IDRbn	1Q21	1Q20	4Q20	QoQ %	YoY%	2021F	2021C	% of target	% of cons
Revenue	1,669	1,496	1,901	-12%	12%	6,632	7,909	25%	21%
Gross profit	1,222	1,043	1,232	-1%	17%	4,511	5,554	27%	22%
Operating profit	802	566	717	12%	42%	2,325	2,581	34%	31%
Pretax profit	686	372	(291)	-335%	84%	1,729	1,979	40%	35%
Net profit	588	260	(188)	-413%	127%	956	1,451	62%	41%
Core profit	497	293	239	108%	70%	1,401		35%	
Gross margin	73%	70%	65%			68%	70%		
Operating margin	48%	38%	38%			35%	33%		
Pretax margin	41%	25%	-15%			26%	25%		
Net margin	35%	17%	-10%			14%	18%		
Total debt	18,385	19,173	18,055						
Total equity	34,899	32,184	34,471						
Cash	12,485	10,420	10,917						
Net gearing	8.9%	18.6%	20.7%						

Revenue breakdown

Revenue	1,669	1,496	1,901	-12%	12%
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IDRbn	1Q21	1Q20	4Q20	QoQ %	YoY%	2021F	2021C	% of target	% of cons
Landed	1,283	1,031	1,374	-7%	24%				
Residential	702	799	815	-14%	-12%				
Land	510	30	462	10%	1,605%				
Shophouses	71	202	97	-26%	-65%				
Apartments	67	112	138	-52%	-40%				
Rental	173	227	180	-4%	-24%				
Construction	67	-	119	-44%	N/A				
Others	79	126	90	-13%	-37%				
GPM	73.2%	69.7%	64.8%						
Landed	80.7%	70.1%	71.2%						
Apartments	34.9%	48.3%	47.5%						
Rental	47.4%	68.6%	51.6%						
Construction	6.8%	-	9.5%						
Others	97.2%	88.0%	93.8%						
Opex	(421)	(477)	(515)	-18%	-12%				
Selling	(174)	(206)	(182)	-5%	-15%				
G&A	(247)	(271)	(332)	-26%	-9%				
Interest expense	(301)	(314)	(390)	-23%	-4%				
Interest on cust. advances	(133)	(115)	(106)	26%	16%				

Source: Company, Bloomberg, Mandiri Sekuritas estimates

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Gudang Garam 1Q21: Strong Volume Turnaround, Weak Gross Margin (GGRM; Rp36,100; Buy; TP: Rp46,650)

- 1Q21 revenue growth of 9.1% demonstrates the GGRM's continued volume outperformance to ~5% from ~1% in 4Q20—much stronger than HMSP's -3% decline. Unfavorable mix and lower contribution from SKT nonetheless translated to a bigger QoQ gross margin decline relative to HMSP. Low interest costs may continue, as GGRM is now nearly debt-free, though we expect rising COGS pressure as the full-quarter booking of new excise kicks-in in 2Q21.
- 1Q21 PATMI within our estimate, slightly below consensus.** 1Q21 PATMI declined by 28.6% YoY to Rp1.7tn, accounting for 28% of our FY21 estimate and 23% of consensus'. The miss to the street estimate largely reflects the deviations in costs, while revenue delivery was as expected. The surge in excise tariffs has started showing in the gross margin, as GGRM has a high mix of SKM, but the 82.5% drop in net interest costs largely cushioned the PBT impact.
- Strong volume outperformance but with unfavorable mix.** 1Q21 revenue came at Rp29.8tn, in line with our and consensus FY21 estimates at 25% achievement. Machine-rolled (SKM) revenue growth of +9.7% YoY far outperformed hand-rolled (SKT) growth of +1.5% YoY. The strength in SKM contributed to the improvement in the overall YoY revenue growth trend to +9.1% in 1Q21 from 8.0% in 4Q20. Using an estimated volume-weighted price indexing, we approximately estimate GGRM's 1Q21 volume growth at around 5% YoY, much stronger relative to HMSP's decline at -2.7%. Mobility recovery and vaccination progress undeniably helped. GGRM raised ex-factory prices by ~1% ASP in February across low-priced brands and ~1.5% in early April across premium brands. Regardless, lower SKT volume mix contributed to the margin decline of 5.0 ppt YoY/1.0 ppt QoQ. We think SKT's weakness could be attributable to the tight competition from HMSP's *Sampoerna Kretek*, given its +48.9% YoY volume growth.
- Benign SG&A and capex spent, fully repaid short-term debt.** Sequential decline in EBIT margin (-0.5 ppt) was better than in gross margin (-1.0 ppt), as the SG&A-to-sales ratio trended lower to 6.0% in 1Q21 from 6.6% in 4Q20. This partly

reflects the higher volume turnover, creating some leverage over the rather fixed G&A costs despite some uptick in transport and A&P costs. Net interest costs were flat QoQ but still represented a steep 82.5% YoY decline amid GGRM's decision to repay loans in end-2Q20. As of end-1Q21, GGRM no longer had any short-term bank loan compared to Rp6.0tn in 4Q20. In comparison, the 1Q21 capex spent was 35.3% lower YoY at Rp1.1tn.

- **Buy rating with Rp46,550 PT.** While the valuation is undeniably inexpensive at 11.0x 2021 PE, the risk premium normalization should be more pronounced when EPS visibility improves. In the absence of HJE adjustments, such visibility should be more pronounced in 2H21, as pricing power appears weak for now. On a 12-month basis, we retain our Buy rating, as we expect the EPS decline to gradually subside.

GGRM 1Q21 RESULT SUMMARY

GGRM (Rp bn)	1Q21	1Q20	YoY	4Q20	QoQ	% of Mansek	% of Consensus
Revenue	29,747	27,261	9.1%	31,102	-4.4%	25%	25%
SKM	27,163	24,762	9.7%	28,593	-5.0%	25%	
SKT	2,184	2,151	1.5%	2,171	0.6%	24%	
Others	400	348	15.0%	338	18.4%	30%	
COGS	(25,838)	(22,319)	15.8%	(26,698)	-3.2%	25%	26%
Gross profit	3,909	4,942	-20.9%	4,404	-11.2%	23%	22%
Selling expenses	(1,058)	(1,001)	5.7%	(1,078)	-1.8%		
G&A expenses	(734)	(703)	4.5%	(967)	-24.1%		
EBIT	2,117	3,239	-34.6%	2,360	-10.3%	26%	21%
Net interest income	(29)	(168)	-82.5%	(28)	3.8%		
Others	142	103	38.5%	53	169.8%		
Pretax profit	2,229	3,173	-29.7%	2,384	-6.5%	28%	23%
Tax	(483)	(727)	-33.6%	(384)	25.8%		
Minority interests	0	0	n.a.	0	n.a.		
Net profit	1,747	2,447	-28.6%	2,001	-12.7%	28%	23%
Margins							
Gross	13.1%	18.1%	-5.0%	14.2%	-1.0%		
EBIT	7.1%	11.9%	-4.8%	7.6%	-0.5%		
Net profit	5.9%	9.0%	-3.1%	6.4%	-0.6%		

Source: Company, Bloomberg, Mandiri Sekuritas estimates

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HM. Sampoerna to Raise Prices on 17-May (HMSP; Rp1,320; Buy; TP: Rp1,750)

- HMSP announced its plan to raise the selling prices of *A Mild 12*, *Sampoerna Kretek*, and *Marlboro SPM* by respectively 0.6%, 1.6%, and 0.4%, effective as of 17-May. While the price increases would be positive for margins, we are still a long way from seeing the full pass-throughs of the 2020-21 excise hikes. Competitor Djarum will also increase its ASP for an average of 3.6% across 10 SKUs.
- **Fourth round of price increase in 2021.** Last Friday (30/4), HMSP informed its distributors regarding its plan to raise the selling price of *A Mild 12*, *Sampoerna Kretek*, and *Marlboro SPM* by respectively 0.6%, 1.6%, and 0.4%, effective as of 17-May. With volume mix of mid-30s, this round of price increase would translate to c.0.3% volume-weighted for HMSP. The *A Mild 12* adjustment marks its first price hike in a year, while for *Sampoerna Kretek* and *Marlboro SPM*, theirs are the first adjustments since 30-Dec-2019.

- **A long way from full pass-throughs of the 2020-21 excise hikes.** Apart from *Sampoerna Kretek*, the pass-through progress remains sluggish given the weak purchasing power. The upcoming price increase will raise the total pass-throughs to 3.2%, 9.5%, and 15.2% for *A Mild 12*, *Sampoerna Kretek*, and *Marlboro SPM*, approximately equivalent to around 12%, 97%, and 45% to fully neutralize the combined 2020 and 2021 increases in excise tariffs, tobacco tax, and VAT. Though price increases would be positive for margins, we are still a long way from seeing the full pass-throughs of the 2020-21 excise hikes. *A Mild 16*, for example, only passed through 29% of the required increase so far. Meanwhile, low-priced brands, i.e., *Magnum Mild*, *Marlboro Filter Black*, and *PM Bold* still need around 5-13% to comply with the minimum price regulation (HJE).
- **Competitor Djarum to raise prices after one-month hiatus.** Djarum will also raise its ex-factory prices by an average of 3.6% for 10 SKUs, namely *Djarum Coklat Filter* (+3.5%), *Super 12* (+2.4%), *Super 16* (+3.6%), *Super MLD 16* (+4.7%), *Super MLD 20* (+4.0%), *Super MLD Black Series 16* (+4.2%), *LA Lights 12* (+3.3%), *LA Bold 16* (+4.5%), *Mr Brown 16* (+1.6%), and *Vigor Filter 16* (+3.9%). This will be Djarum's second round of price hikes in 2021.
- **Buy rating with Rp1,750 PT.** While the valuation is undeniably inexpensive at 18.8x 2021 EPS, the risk premium normalization should be more pronounced when EPS visibility improves. In the absence of HJE adjustments, such visibility should be more pronounced in 2H21, as pricing power appears weak for now.

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Kalbe Farma: 1Q21 Result Opex Efficiencies Boosted Bottom Line (KLBF; Rp1,440; Buy; TP: Rp1,900)

- Overall 1Q21 result was in line with consensus expectation. Sales were driven by the lower-margin business, i.e., the distribution segment. Opex saving covered the declining gross margin in prescription, consumer health, and nutritional divisions. The 1Q21 core profit increased by 12% YoY.
- **1Q21 sales came at Rp6.0tn, increasing by 4%YoY.** The distribution and logistics segment drove sales with 12% YoY sales growth in 1Q21, reaching Rp2.0tn and now contributing 33% of consolidated sales. Meanwhile, prescription pharma, which contributed 23% of consolidated sales, booked a flat YoY sales growth at Rp1.4tn as hospital traffic slowly improves vs. FY20 sales at -4% YoY. Consumer health division fared better than pharma with +3% YoY sales growth in 1Q21, reaching Rp1.0tn due to high demand for vitamins and supplements. Meanwhile, the nutritional division (26% of consolidated sales) recorded -1% YoY sales at Rp1.6tn, as school closure put some pressure in the kids nutrition segment. More details to follow, as the company has yet to publish its presentation.
- **1Q21 blended gross margin at -1.2 ppt YoY.** We observed all segments booked gross margin reduction YoY, except for distribution division, which gained 1.1 ppt YoY gross margin in 1Q21. In comparison, prescription-pharma/consumer-health/nutritional-gross margins declined by 1.0 ppt/0.9 ppt/1.6 ppt YoY. We suspect the lower gross margin could be due to product mix, rising commodity prices, and soft sales. KLBF recorded 1Q21 gross profit of Rp2.6tn, +1% YoY.
- **Opex to sales further declined by 1.9 ppt YoY in 1Q21** to 29.1% as the company did some efficiencies in selling expenses, primarily related to marketing-related accounts, travel, and royalty. 1Q21 operating profit reached Rp897bn, +10% YoY.
- **Bottom line.** KLBF booked higher profit, coming from its associates, i.e., Kalbe Blackmores Nutrition, related to strong demand for vitamins and supplement products as people become more health conscious during the pandemic. Share of profit in 1Q21 from Kalbe Blackmores reached Rp27bn vs. Rp300mn share of loss in 1Q20. However, lower forex gain dampened the bottom line. KLBF recorded 1Q21 net profit of Rp716bn (+7% YoY). Stripping out the forex impact, we see that 1Q21 core profit reached Rp711bn, +12% YoY.

- Balance sheet.** KLBF paid down its debt in 1Q21, with gearing reduced to 0.04x as of Mar-2021 vs. 0.06x as of Dec-2020. KLBF is at net cash position, at Rp4.6tn per Mar-2021. KLBF's cash conversion cycle shortened to 119 days as of Mar-2021 vs. 125 days as of Mar-2020, given the faster receipt from receivable and the longer payable payment.

KLBF 1Q21 FINANCIAL AND SEGMENTAL PERFORMANCE SUMMARY

KLBF, Rp bn	1Q20	FY20	1Q21	%YoY	1Q20	2Q20	3Q20	4Q20	1Q21	%qoq	%YoY	%Cons.
Revenues	5,796	23,113	6,015	3.8	5,796	5,809	5,491	6,017	6,015	(0.0)	3.8	24.2
Gross profit	2,617	10,246	2,647	1.1	2,617	2,635	2,519	2,475	2,647	7.0	1.1	24.0
Operating profit	819	3,555	897	9.5	819	896	843	997	897	(10.1)	9.5	24.0
Net interest	20	62	15	(24.3)	20	19	8	15	15	5.9	(24.3)	
Pre-tax income	888	3,628	926	4.3	888	921	879	940	926	(1.5)	4.3	24.3
Net profit	669	2,733	716	7.1	669	718	640	706	716	1.5	7.1	24.5

Growth trend, %YoY

Revenues	8.0	2.1	3.8	8.0	-0.1	-2.8	3.6	3.8
Operating profit	6.9	7.4	9.5	6.9	4.5	-3.1	22.1	9.5
Net profit	12.5	9.0	7.1	12.5	8.3	-2.7	19.4	7.1

Margin, %

Gross margin	45.2	44.3	44.0	45.2	45.4	45.9	41.1	44.0
Opex to revenue	31.0	28.9	29.1	31.0	29.9	30.5	24.6	29.1
Operating margin	14.1	15.4	14.9	14.1	15.4	15.4	16.6	14.9
Net margin	11.5	11.8	11.9	11.5	12.4	11.7	11.7	11.9

Segmental performance
Prescription Pharmaceutical

Sales	1,397	4,984	1,396	(0.1)	1,397	1,168	1,206	1,213	1,396	15.1	(0.1)
Gross margin, %	54.0	53.4	53.0	(1.0)	54.0	55.9	58.2	45.5	53.0	7.6	(1.0)

Consumer Health

Sales	996	3,633	1,023	2.7	996	1,076	821	740	1,023	38.3	2.7
Gross margin, %	56.1	56.5	55.2	(0.9)	56.1	57.5	57.0	55.2	55.2	0.1	(0.9)

Nutritionals

Sales	1,602	6,743	1,586	(1.0)	1,602	1,610	1,721	1,810	1,586	(12.4)	(1.0)
Gross margin, %	54.2	53.5	52.6	(1.6)	54.2	54.7	55.3	50.1	52.6	2.4	(1.6)

Distribution and Logistics

Sales	1,800	7,752	2,010	11.7	1,800	1,955	1,744	2,254	2,010	(10.8)	11.7
Gross margin, %	24.2	24.8	25.3	1.1	24.2	24.7	22.8	27.0	25.3	(1.7)	1.1

Consolidated

Sales	5,796	23,113	6,015	3.8	5,796	5,809	5,491	6,017	6,015	(0.0)	3.8
Gross margin, %	45.2	44.3	44.0	(1.2)	45.2	45.4	45.9	41.1	44.0	2.9	(1.2)

Source: Company, Bloomberg, Mandiri Sekuritas

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Mayora Indah: 1Q21 Result - Strong Result Driven by Export Recovery (MYOR; Rp2,460; Buy; TP: Rp2,600)

- MYOR's 1Q21 core profit increased by 47% YoY, driven by strong sales and manageable operating expenses, which offset the pressure from rising commodity prices. However, net profit in 1Q21 declined by 12% YoY, solely because of lower forex gain compared to 1Q20. The overall 1Q21 results seem to beat consensus expectations, but risks remain on the margin side due to ongoing commodity price volatility, primarily for wheat and sugar.
- **1Q21 sales reached Rp7.3tn, +36% YoY.** The strong growth was driven by export sales, which went up by 84% YoY to Rp2.9tn in 1Q21 due to 1) the low-base last year because of earlier lockdown in some countries, and; 2) the shift for this year's CNY stock-up to 1Q21 (from CNY 2020 stock-up in 4Q19). Meanwhile, 1Q21 domestic sales grew by 16% YoY to Rp4.4tn. Export was reportedly strong for both coffee and confectioneries. 1Q21 coffee sales went up by 70% YoY to Rp3.4tn, as coffee sales are dominated by export. Meanwhile, confectionery sales went up by 17% YoY to Rp3.9tn. Reportedly, last year's product launches continue to perform well, such as Kopi Gilus Mix (launched in May-2020), which is gaining market share. Overall, 1Q21 sales can be considered stronger than consensus expectation.
- **1Q21 gross margin decreased to 29.6%** (-1.2 ppt YoY) due to rising input prices YoY, such as for sugar and wheat. This condition is expected to persist in 2Q21, given the high volatility of those prices up to Apr-2021. MYOR booked Rp2.2tn gross profit in 1Q21, +31% YoY.
- **1Q21 operating profit reached Rp996bn (+36%YoY)** as operating expenses to sales lowered by 1.2 ppt YoY in 1Q21. This was mainly from lower A&P and G&A expenses as percentages of sales. We should expect a higher A&P in 2Q21 due to more promotions during Ramadan month.
- **1Q21 core profit reached Rp702bn, increasing by 47%YoY.** Nevertheless, due to Rp449bn YoY lower forex gain in 1Q21, net profit seemed to have lowered by 12% YoY to Rp823bn. Although 1Q21 earnings account for 36% of FY21F consensus, we deem this result to be an in-line achievement, given lingering challenges on future margin from higher commodity prices.

MYOR 1Q21 FINANCIAL AND OPERATIONAL RESULT SUMMARY

Rp bn	3M21	3M20	% YoY	1Q21	1Q20	% YoY	4Q20	% QoQ	% of CONS
Net sales	7,335	5,380	36.4%	7,335	5,380	36.4%	6,896	6.4%	27.0%
COGS	5,161	3,723	38.6%	5,161	3,723	38.6%	4,888	5.6%	
Gross profit	2,175	1,657	31.3%	2,175	1,657	31.3%	2,008	8.3%	27.1%
Selling expense	986	741	33.1%	986	741	33.1%	932	5.8%	
G&A expense	193	186	3.7%	193	186	3.7%	161	19.6%	
Operating profit	996	730	36.4%	996	730	36.4%	915	8.8%	29.9%
Pretax profit	1,089	1,266	-14.0%	1,089	1,266	-14.0%	648	68.0%	35.7%
Net profit	823	931	-11.7%	823	931	-11.7%	504	63.3%	35.6%
Core profit	702	477	47.0%	702	477	47.0%	650	8.0%	

Gross margin	29.6%	30.8%	-1.2%	29.6%	30.8%	-1.2%	29.1%	0.5%	
Operating margin	13.6%	13.6%	0.0%	13.6%	13.6%	0.0%	13.3%	0.3%	
Pre-tax margin	14.8%	23.5%	-8.7%	14.8%	23.5%	-8.7%	9.4%	5.4%	
Net margin	11.2%	17.3%	-6.1%	11.2%	17.3%	-6.1%	7.3%	3.9%	

Segmental performance	3M21	3M20	% YoY	1Q21	1Q20	% YoY	4Q20	% QoQ
Sales by region								
Domestic sales	4,360	3,757	16.0%	4,360	3,757	16.0%	3,918	11.3%
Export sales	2,982	1,625	83.5%	2,982	1,625	83.5%	2,979	0.1%
Confectioneries								
Sales	3,949	3,383	16.7%	3,949	3,383	16.7%	4,368	-9.6%
Gross margin	23.8%	27.7%	-3.8%	23.8%	27.7%	-3.8%	26.2%	-2.4%
EBIT margin	8.8%	11.8%	-3.0%	8.8%	11.8%	-3.0%	14.5%	-5.7%

Segmental performance	3M21	3M20	% YoY	1Q21	1Q20	% YoY	4Q20	% QoQ
Coffee								
Sales	3,387	1,996	69.6%	3,387	1,996	69.6%	2,528	34.0%
Gross margin	36.4%	36.1%	0.3%	36.4%	36.1%	0.3%	34.1%	2.3%
EBIT margin	19.1%	16.6%	2.6%	19.1%	16.6%	2.6%	11.1%	8.0%

Source: Company, Bloomberg, Mandiri Sekuritas

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Perusahaan Gas Negara: 1Q21 Results - Relatively Solid Performance (PGAS; Rp1,225; Buy; TP: Rp2,200)

- PGAS reported USD62mn Net Profit in 1Q21, with the help from its cost leadership program and FX gain. Although the downside risks from tax provisions remain, we think this solid performance can help the company beat our FY21 normalized net profit estimates of USD88mn. Operational data improvement in upcoming months will be essential to provide a better revenue outlook and support the argument above. Retain BUY.
- 1Q21 Revenues of USD733mn (-16.1% YoY, -0.2% QoQ).** Gas-related business (i.e. Gas distribution, gas transmission, gas processing, and regasification) booked 13.7% YoY revenue decline in 1Q21, mainly driven by gas distribution and transmission businesses. Effective distribution ASP increased from USD6.87/MMBTU in 4Q20 to USD7.15/MMBTU in 1Q21 as the distribution volume with normal selling price increased 7.7% QoQ vs. 1.3% QoQ distribution volume decline with lower selling price. Meanwhile, the blended toll fee for the transmission business slightly increased on YoY basis to USD0.54/MMBTU in 1Q21. Overall, PGN booked 916BBTUD of gas distribution volume in 1Q21, up 3.9% YoY/4.6% QoQ, and 1,203BBTUD of transmission volume, down 9.8% YoY but up 1.9% QoQ in the same period. Meanwhile, oil and gas revenues declined 38.1% YoY in 1Q21 as the oil and gas lifting volume declined 20.1% YoY. Other revenues (i.e. Oil transportation and others) declined 30.4% YoY in 4Q20. The revenue figure formed 22.5%/23.4% of our/consensus FY21 revenue estimates.
- 1Q21 Operating Profit of USD93mn (-44.8% YoY).** Cost of revenues declined 9.4% YoY in 1Q21 due to MEMR Decree no. 89k/2020 and no. 91k/2020 implementation, which provides lower gas cost. As a result, distribution margin also declined from USD2.4/MMBTU in 1Q20 to USD1.63/MMBTU in 1Q21, but slightly improved from USD1.51/MMBTU in 4Q20. Operating expenses declined 8.7% YoY in 1Q21, largely driven by G&A expenses. Overall, PGN saw operating margin decline by 657bps on YoY basis to 12.6%. The operating profit figure formed 24.5%/23.3% of our/consensus FY21 operating profit estimates.
- 1Q21 Net Profit of USD62mn (+28.9% YoY).** PGN booked USD12mn of non-operating income in 1Q21, helped by USD9mn FX gain vs. USD63mn FX loss in 1Q20. Interest expenses declined 4.8% YoY, in-line with the USD71mn debt repayment in 1Q21. We also highlight that the company booked no major one-off expenses in 1Q21. Meanwhile, income taxes declined 22.5% YoY. The net profit figure formed 50.7% of the consensus FY21 net profit estimate vs. USD83mn of our FY21 net loss estimate.
- Maintain BUY.** We think PGN booked a solid start in 1Q21 with a USD62mn net profit, which was the highest quarterly net profit since 2019. If the company can maintain this solid quarterly run-rate, we think PGN can beat our/consensus FY21 normalized net profit estimates (i.e. in the absence of VAT and Saka Energi's tax provisions) at USD88mn/USD121mn. However, we highlight that the downside risks from tax provisions still exist and continue to bring pressure on the stock price in the short term.

PGAS: 1Q21 RESULTS

in USD mn	1Q20	4Q20	1Q21	% YoY	% QoQ	% FY21F Mansek	% FY21F Cons
Gas distribution	693	554	596	-14.0%	7.7%		
Oil and gas sales	76	60	47	-38.1%	-21.5%		
Gas transmission	65	78	59	-9.1%	-24.2%		
Gas processing	25	(24)	21	-17.4%	n.a.		
Gas regasification	-	46	-	n.a.	n.a.		
Oil transportation	5	5	4	-26.4%	-19.0%		
Others	8	16	6	-33.0%	-64.5%		
Revenues	874	734	733	-16.1%	-0.2%	22.5%	23.4%
Purchase, processing and transportation of natural gas	473	471	449	-5.2%	-4.8%		
Oil & gas operation	75	71	64	-14.6%	-10.0%		
LNG expenses	27	17	12	-56.4%	-29.2%		
Gas processing	8	6	7	-16.9%	6.1%		
Rent & other services	4	3	1	-82.8%	-78.0%		
Cost of revenues	587	568	532	-9.4%	-6.4%		
Distribution & transmission expenses	75	108	73	-3.0%	-32.6%		
G&A expenses	44	55	36	-18.5%	-34.5%		
Operating expenses	119	163	109	-8.7%	-33.3%		
Operating income	168	3	93	-44.8%	n.a.	24.5%	23.3%
% Operating margin	19.2%	0.5%	12.6%	-657bps	1218bps		
Finance cost	(38)	(48)	(36)	-4.8%	-24.7%		
Finance income	8	6	5	-34.7%	-11.3%		
Impairment reversal/(loss) of oil & gas properties	-	(20)	-	n.a.	n.a.		
FX gains/(losses)	(63)	1	9	n.a.	n.a.		
Gains/(losses) on change in fair value of derivatives	-	-	-	n.a.	n.a.		
Other one-off gains/(expenses)	-	(275)	-	n.a.	n.a.		
Share in profit/(loss) of joint ventures	13	18	30	130.1%	70.4%		
Other income/(expenses)	4	(15)	3	-26.0%	n.a.		
Non-Operating income/(losses)	(76)	(333)	12	n.a.	n.a.		
Pretax income	92	(329)	104	13.2%	n.a.		
Income taxes	(36)	29	(28)	-22.5%	n.a.		
Minority interests	(9)	(18)	(15)	73.4%	-15.6%		
PATAMI	48	(318)	62	28.9%	n.a.	n.a.	50.7%
% Net margin	5.5%	-43.3%	8.4%	n.a.	n.a.		
Operating stats	1Q20	4Q20	1Q21	% YoY	% QoQ		
Distribution business metrics							
Distribution volume (MMSCFD)	882	876	916	3.9%	4.6%		
Distribution volume (MMBTUD)	882,000	876,000	916,089	3.9%	4.6%		
Effective distribution ASP (USD/MMSCF)	8,640	6,873	7,153	-17.2%	4.1%		
Effective distribution ASP (USD/MMBTU)	8.64	6.87	7.15	-17.2%	4.1%		
Effective distribution costs (USD/MMSCF)	6,238	5,366	5,527	-11.4%	3.0%		
Effective distribution costs (USD/MMBTU)	6.24	5.37	5.53	-11.4%	3.0%		
Effective gross spread (USD/MMSCF)	2,403	1,508	1,627	-32.3%	7.9%		
Effective gross spread (USD/MMBTU)	2.40	1.51	1.63	-32.3%	7.9%		
Transmission business metrics							
Transmission volume (MMSCFD)	1,342	1,180	1,203	-10.4%	1.9%		
Transmission volume (MMBTUD)	1,342,000	1,180,000	1,202,844	-10.4%	1.9%		
Blended toll fee (USD/MMSCF)	532	718	540	1.5%	-24.8%		
Blended toll fee (USD/MMBTU)	0.53	0.72	0.54	1.5%	-24.8%		

Source: Company Data, Mandiri Sekuritas Research

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Ramayana Lestari Sentosa: 1Q21 Result - Sales Softness within Our Expectation (RALS; Rp775; Neutral; TP: Rp900)

- RALS's 1Q21 result was in line with our numbers and the company's prognosis per our last call, but missed consensus. The company booked core net loss of Rp92bn in 1Q21 vs. Rp16bn in 1Q20 due to weaker sales and lower finance income. Sales recovery was not apparent in 1Q21, which might be due to mobility restriction in Jan-Feb or something more structural, i.e., purchasing-power recovery lag for middle-low- and low-income segments. All in all, we maintain our Neutral call for RALS, noting that it will have lagged recovery compared to other retailers and face risk of consensus earnings downgrade. After our last downgrade, share price has declined by 10%, and currently, RALS is trading at 1.5x/1.4x 2021F/22F PBV.
- **1Q21 gross sales reached Rp770bn (-43% YoY)**, with DP still underperforming CV. DP was at -48% YoY vs. CV at -37% YoY in 1Q21 as lower-income customers have not returned to shop. This is also proven by the fact that customer count declined by 44% YoY, while the avg. basket size increased by +12% YoY in 1Q21 per our last call with the management (see [report: https://www.mandirisekuritas.co.id/r/gRsb?c=rsch](https://www.mandirisekuritas.co.id/r/gRsb?c=rsch)). The recovery trajectory, as expected, was not significant in 1Q21, as gross sales were still -43% YoY in 1Q21 vs. -44% YoY in 4Q20, probably dampened by mobility restriction in Jan-Feb 2021 or something more structural, i.e., purchasing power recovery lag for middle-low- and low-income segments. All said, 1Q21 net sales was in line with our estimate but missed consensus, forming 17%/11% of FY21F.
- **1Q21 CV margin largely stable YoY, while DP margin increased by 1 ppt YoY.** Blended gross margin increased by 2.8 ppt YoY in 1Q21 to 43.6% due to larger consignment proportion. As of 1Q21, consignment sales made up 48% of gross sales vs. 43% as of 1Q20. 1Q21 gross profit reached Rp214bn (-43% YoY), in line with our FY21F, but missed consensus.
- **RALS recorded Rp104bn operating loss in 1Q21** vs. Rp41bn operating loss in 1Q20. We noted operating expense saving was more in expenses for promotion, salaries, and utilities. Meanwhile, the discount magnitude for rent was marginal and more than offset by rental income reduction.
- **RALS booked 1Q21 net loss of Rp86bn** vs. 1Q20 net profit of Rp13bn as lower finance income and lower forex gain in 1Q21 further dragged the bottom line. We think the 1Q21 bottom line is in line with our FY21F of Rp41bn net loss but missed consensus, which still expects Rp263bn net profit in FY21F. Excluding the forex impact, RALS booked core net loss of Rp92bn in 1Q21 vs. core net loss of Rp16bn in 1Q20.
- **Inventory increased to a reasonable level.** Inventory went up as of Mar-2021 to Rp690bn (vs. Rp493bn as of Dec-2020). However, we think this is reasonable, as seasonally in the past three years, 1Q inventory has been the highest compared to other quarters as the company stocks up ahead of the festive season. Inventory in 1Q21 has also been 33-35% lower than the normal 1Q level.
- **Cash conversion cycle remained healthy** per Mar-2021 as higher inventory days were compensated by higher payable days. Meanwhile, the cash balance depleted per Mar-2021 due to normal operation and increase in time deposit. Nevertheless, RALS remained at net cash territory with zero debt as of Mar-2021. RALS has not done any buyback in 1Q21 since the recently approved buyback started on 15-Apr-2021.

RALS 1Q21 RESULT SUMMARY

RALS, Rp bn	1Q20	FY20	1Q21	%yoy	1Q20	2Q20	3Q20	4Q20	1Q21	%qoq	%yoy	% Mansek	% Cons.
Gross sales	1,357	3,882	770	(43.2)	1,357	839	682	1,005	770	(23.4)	(43.2)	17.1	
Net sales	916	2,528	491	(46.4)	916	558	428	626	491	(21.6)	(46.4)	17.1	11.0
Gross profit	374	1,078	214	(42.8)	374	240	190	274	214	(21.9)	(42.8)	17.1	10.9
Operating profit	(41)	(223)	(104)	na	(41)	(16)	(147)	(19)	(104)	na	na	na	na
EBITDA	3	(45)	(46)	na	3	27	(97)	23	(46)	na	na	na	na
Net interest	31	98	14	(54.0)	31	37	40	(10)	14	na	(54.0)	15.7	
Pre-tax income	14	(181)	(84)	na	14	(10)	(107)	(79)	(84)	na	na	na	na
Net profit	13	(139)	(86)	na	13	(8)	(101)	(44)	(86)	na	na	na	na

RALS, Rp bn	1Q20	FY20	1Q21	%yoy	1Q20	2Q20	3Q20	4Q20	1Q21	%qoq	%yoy	% Mansek	% Cons.
Growth, %yoy													
Gross sales	-12.1	-54.4	-43.2		-12.1	-77.5	-53.4	-43.9	-43.2				
Net sales	-12.4	-54.8	-46.4		-12.4	-77.2	-54.3	-46.5	-46.4				
Gross profit	-15.8	-56.8	-42.8		-15.8	-78.7	-56.1	-44.4	-42.8				
Operating profit	na	na	na		na	na	na	na	na				
Net profit	-82.8	na	na		-82.8	na	na	na	na				
Margin, %													
Gross margin	40.8	42.6	43.6		40.8	43.1	44.4	43.8	43.6				
Opex to revenue	45.2	51.4	64.8		45.2	45.9	78.7	46.8	64.8				
Operating margin	(4.4)	(8.8)	(21.3)		(4.4)	(2.9)	(34.3)	(3.1)	(21.3)				
EBITDA margin	0.3	(1.8)	(9.5)		0.3	4.8	(22.8)	3.6	(9.5)				
Net margin	1.5	(5.5)	(17.4)		1.5	(1.4)	(23.5)	(7.0)	(17.4)				

Source: Company, Mandiri Sekuritas estimates, Bloomberg

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Sarana Menara Nusantara: 4Q20 Results - Profit Boost By D&A & Tax Rate Drop (TOWR; Rp1,140; Buy; TP: Rp1,500)

- SMN booked 24.5% YoY net profit growth in 4Q20 and 21.1% YoY in FY20 – above expectations. Solid FY20 net profit growth can be attributed to higher tenancy ratio, M&A benefits, D&A costs reduction, and lower effective tax rate. Retain BUY.
- **4Q20 Revenues of Rp1.89tn (+5.0% YoY, +1.1% QoQ)** came below our estimates by 2.5%. Tower rental revenue growth slowed down to 9.8% YoY in 4Q20 vs. 13.4% YoY in 3Q20, despite of 512 net tenancy adds on QOQ basis in 4Q20. Meanwhile, non-tower revenue declined 16.0% YoY in 4Q20. SMN ended the quarter with 21,381 tower sites and 39,127 tenants, implying 1.83x tenancy ratio in 4Q20 – up from 1.81x in 3Q20. In terms of sequential revenue add, Telkomsel and Smartfren contributed the most in 4Q20. Revenue contribution from XL Axiata and Hutchison declined in 4Q20, mainly due to scheduled repricing. ARPT was flat QoQ at Rp13.8mn/month in 4Q20, trending closer towards latest market rate of Rp12m-13mn/month. On full year basis, SMN booked **Rp7.45tn Revenues in FY20, up 15.4% YoY** and forming 99.3%/100.4% of our/consensus FY20 revenue estimates. The strong FY20 revenue growth can be attributed to organic tenancy ratio improvement, XL Axiata & Indosat tower acquisitions, and steady VSAT & MWIFO growth.
- **4Q20 EBITDA of Rp1.63tn (+7.8% YoY, +1.2% QoQ)** came below our estimate by 1.7%. Cash opex declined 9.3% YoY in 4Q20 despite 10.7% larger tower portfolio size. Cost leadership program, as shown by COGS and selling expenses decline, plus PSAK 73 implementation drove the cost decline. As a result, EBITDA margin expanded 217bps YoY to 86.2% in 4Q20. On full year basis, SMN booked **Rp6.41tn EBITDA in FY20, up 18.9% YoY** and forming 99.6%/101.7% of our/consensus FY20 EBITDA estimates.
- Meanwhile, D&A expenses declined 7.5% YoY in 4Q20. The D&A decline helped push SMN's operating profit up 11.6% YoY in 4Q20 and boost SMN's operating margin by 419bps YoY to 71.3% in 4Q20. On full year basis, SMN booked **Rp4.76tn Operating Profit in FY20, up 18.0% YoY** and forming 104.1%/102.6% of our/consensus FY20 operating profit estimates.
- **4Q20 Net Profit of Rp928bn (+24.5% YoY, +52.8% QoQ)** beat our estimates by 44.0%. The net profit impact from higher tenancy ratio was compounded by opex savings, D&A drop, and lower income tax rate in 4Q20. The lower effective tax rate was driven by effect of tax rate changes and higher portion of revenue chargeable with 10% final tax. We also highlight that larger debt balances contributed to 36.9% YoY increase in interest expenses in 4Q20. On full year basis, SMN booked **Rp2.84tn Net Profit in FY20, up 21.1% YoY** and forming 111.1%/103.1% of our/consensus FY20 net profit estimates.

- Maintain BUY.** SMN successfully addressed risks of earnings erosion from scheduled tenancy rate repricing in FY20 through multiple avenues i.e. organic tenancy ratio improvement, tower acquisitions, efficient cost of debt, and tax rate improvement. Revenue growth support from XL Axiata tower acquisition in early 2020 should last until end of 1H21, while organic tenancy adds from national 4G LTE densification could help maintain revenue & EBITDA growth at mid-to-high single digit in 2H21 and 2022F, in our estimates. The stock continues to trade at attractive valuation of 10.7x/10.1x EV/EBITDA 2021F/2022F and offers ~2% dividend yield.

TOWR: 4Q20 & FY20 RESULTS

in Rp bn	4Q19	3Q20	4Q20	4Q20F	YoY	QoQ	vs Mansek	FY19	FY20	YoY	vs FY20F Mansek	vs FY20F Cons
Tower rentals	1,468	1,593	1,612	1,568	9.8%	1.2%	2.8%	5,583	6,332	13.4%		
MWIFO & VSAT rentals & services	331	277	278	371	-16.0%	0.4%	-25.1%	872	1,114	27.8%		
Revenues	1,800	1,870	1,890	1,939	5.0%	1.1%	-2.5%	6,454	7,445	15.4%	99.3%	100.4%
COGS	127	102	111	115	-12.0%	9.8%	-3.2%	458	415	-9.4%		
D&A	305	479	282	496	-7.5%	-41.2%	-43.2%	1,350	1,644	21.8%		
Gross profit	1,368	1,289	1,497	1,328	9.4%	16.1%	12.7%	4,646	5,386	15.9%		
% margin	76.0%	68.9%	79.2%	68.5%	316 bps	1025 bps	1071 bps	72.0%	72.3%	35 bps		
Selling expense	38	39	28	43	-25.6%	-28.2%	-34.8%	148	146	-1.1%		
G&A	123	119	121	123	-1.5%	1.6%	-1.9%	463	479	3.5%		
Operating Expenses	160	158	149	166	-7.1%	-5.8%	-10.4%	611	625	2.4%		
EBITDA	1,513	1,611	1,630	1,658	7.8%	1.2%	-1.7%	5,385	6,405	18.9%	99.6%	101.7%
% margin	84.1%	86.1%	86.2%	85.5%	217 bps	11 bps	73 bps	83.4%	86.0%	259 bps		
EBITDA less net interest expense	1,293	1,319	1,319	1,352	2.0%	0.0%	-2.4%	4,466	5,237	17.3%		
Operating Income	1,208	1,131	1,348	1,162	11.6%	19.2%	16.0%	4,036	4,761	18.0%	104.1%	102.6%
% margin	67.1%	60.5%	71.3%	59.9%	419 bps	1083 bps	1140 bps	62.5%	63.9%	142 bps		
Other Income (Expenses)	(248)	(360)	(268)	(172)	8.1%	-25.7%	56.0%	(1,027)	(1,362)	32.6%		
PBT	960	771	1,080	990	12.5%	40.2%	9.1%	3,009	3,399	13.0%		
% margin	53.4%	41.2%	57.2%	51.1%	380 bps	1593 bps	608 bps	46.6%	45.7%	-97 bps		
Income Tax	(204)	(160)	(154)	(342)	-24.4%	-3.4%	-54.9%	(656)	(545)	-16.8%		
% effective tax rate	-21.3%	-20.7%	-14.3%	-34.6%	697 bps	644 bps	2029 bps	-21.8%	-16.0%	575 bps		
Minority Interest	(11)	(4)	2	(4)	n.a.	n.a.	n.a.	(11)	(18)	58.2%		
PATAMI	745	607	928	644	24.5%	52.8%	44.0%	2,342	2,836	21.1%	111.1%	103.1%
% margin	41.4%	32.5%	49.1%	33.2%	768 bps	1662 bps	1586 bps	36.3%	38.1%	181 bps		
Operating Metrics	4Q19	3Q20	4Q20		YoY	QoQ		FY19	FY20	YoY		
Tenants	33,346	38,615	39,127		17.3%	1.3%		33,346	39,127	17.3%		
Net add	2,916	493	512					5,027	5,781			
Tower sites	19,319	21,373	21,381		10.7%	0.0%		19,319	21,381	10.7%		
Net add	1,086	102	8					1,882	2,062			
Tenancy ratio	1.73	1.81	1.83					1.73	1.83			
ARPT (Rp mn / month); Implied	15.4	13.8	13.8		-9.9%	-0.1%		15.1	13.9	-7.9%		
Revenue breakdown	4Q19	3Q20	4Q20		YoY	QoQ		FY19	FY20	YoY		
Hutchison 3	531	600	565		6.5%	-5.8%		2,028	2,351	15.9%		
XL Axiata	507	584	532		4.9%	-9.0%		1,865	2,196	17.7%		
Telkomsel	276	251	321		16.4%	28.1%		1,112	1,116	0.3%		

in Rp bn	4Q19	3Q20	4Q20	4Q20F	YoY	QoQ	vs Mansek	FY19	FY20	YoY	vs FY20F Mansek	vs FY20F Cons
Indosat	152	217	240		58.7%	10.8%		482	815	69.2%		
Others	335	219	232		-30.7%	6.2%		967	968	0.1%		
Total Revenues (Rp bn)	1,800	1,870	1,890		5.0%	1.1%		6,454	7,445	15.4%		
Hutchison 3	29.5%	32.1%	29.9%		40 bps	-219 bps		31.4%	31.6%			
XL Axiata	28.2%	31.2%	28.1%		-3 bps	-311 bps		28.9%	29.5%			
Telkomsel	15.3%	13.4%	17.0%		166 bps	359 bps		17.2%	15.0%			
Indosat	8.4%	11.6%	12.7%		430 bps	112 bps		7.5%	10.9%			
Others	18.6%	11.7%	12.3%		-633 bps	59 bps		15.0%	13.0%			
Total Revenues (% mix)	100%	100%	100%					100%	100%			

Source: Company Data, Mandiri Sekuritas Research estimates

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Surya Citra Media: 1Q21 Result - Earnings Recovery Intact (SCMA; Rp1,575; Neutral; TP: Rp2,000)

- SCM booked Rp332bn Net Profit in 1Q21, while booking 7.6%/7.4% of Revenue/EBITDA growth in the same period. Strong revenue growth in the digital business offset the sluggish growth in TV revenues, but we think the latter's outlook will improve as the company has started regaining prime time shares. Vidio.com's net loss could nonetheless widen given its plan in enriching the content offerings.
- **1Q21 Revenues of Rp1.40tn (+7.6% YoY, -7.4% QoQ).** SCM booked solid revenue growth on a YoY basis across all revenue streams. TV revenue increased 1.7% YoY although the group lost 847bps prime time shares on a YoY basis in 1Q21. Meanwhile, Digital & OOH business saw 59.6% YoY revenue increase in 1Q21, which we think came from Vidio.com business as the OTT platform managed to grow both MAU and paying subscribers. This revenue formed 24.4%/24.7% of our/consensus FY21 revenue estimates.
- **1Q21 EBITDA of Rp496bn (+7.4% YoY, +31.5% QoQ).** Programming and broadcasting expenses growth increased to 11.7% YoY in 1Q21 vs. 9.4% YoY, likely due to SCM's effort to regain prime time shares and the content library expansion for Vidio.com. Meanwhile, operating expenses declined 2.3% YoY in 1Q21, largely driven by professional fees and other expenses. EBITDA margin was flattish on a YoY basis at 35.4% in 1Q21. This EBITDA figure formed 25.7%/26.6% of our/consensus FY21 EBITDA estimates.
- Meanwhile, D&A expenses declined 9.1% YoY to Rp43bn in 1Q21. **Operating Profit stood at Rp454bn in 1Q21, up 9.2% YoY/61.3% QoQ.** Operating margin also improved 48bps on a YoY basis to 32.3%. This operating profit figure formed 27.2%/27.1% of our/consensus FY21 operating profit estimates.
- **1Q21 Net Profit of Rp332bn (+6.4% YoY, +41.2% QoQ).** SCM booked Rp2bn non-operating expenses in 1Q21 vs. Rp37bn non-operating income in 1Q20. Interest expenses jumped to Rp18bn in 1Q21 vs. Rp7bn in 4Q20. However, we highlight that the company has repaid Rp399bn debt in 1Q21 to de-leverage the balance sheet. Effective tax rate stood at 22.7% in 1Q21, in-line with the statutory tax rate at 22.0%. This net profit figure formed 24.7%/25.7% of our/consensus FY21 net profit estimates.
- **Maintain Neutral.** SCM booked a solid start in 1Q21 as the digital business continued to book strong revenue growth on a YoY basis. FTA TV revenues remained sluggish but we think the outlook will be better in upcoming quarters as the company has started regaining prime time shares in the last 3 months. However, we highlight the potential programming cost pickup in upcoming quarters as the company has committed to producing 300 hours of exclusive content in Vidio.com in 2021 vs. 100 hours in 2020. This effort is essential to ensure paying subscribers growth and setup a strong foundation, although in the short term it will expand Vidio.com's net loss.

SCMA: 1Q21 RESULTS

in Rp bn	1Q20	4Q20	1Q21	YoY	QoQ	% of FY21 Cons.	% of FY21 Mansek
TV revenue	1,225	1,286	1,246	1.7%	-3.1%		
Digital & Out-of-home (OOH) Advertisitng	92	204	147	59.6%	-28.0%		
Content	479	478	490	2.3%	2.4%		
(Elimination)	(492)	(453)	(480)	-2.5%	5.9%		
Revenues	1,304	1,516	1,404	7.6%	-7.4%	24.7%	24.4%
Cost of program materials	543	898	611	12.5%	-31.9%		
Others	38	33	38	-0.1%	12.6%		
Program and broadcasting expenses	581	931	649	11.7%	-30.3%		
Gross Profit	724	585	755	4.3%	29.0%		
% Margin	55.5%	38.6%	53.8%	-170 bps	1517 bps		
Salaries and wages	180	149	198	10.2%	33.3%		
Depreciation	38	43	35	-6.5%	-17.7%		
Professional and management fees	29	17	20	-29.7%	17.5%		
Others	62	95	47	-23.5%	-50.4%		
Operating expenses	308	304	301	-2.3%	-1.0%		
Operating profit	416	281	454	9.2%	61.3%	27.1%	27.2%
% Margin	31.9%	18.6%	32.3%	48 bps	1378 bps		
D&A	47	96	43	-9.1%	-55.7%		
EBITDA	462	378	496	7.4%	31.5%	26.6%	25.7%
% Margin	35.4%	24.9%	35.4%	-8 bps	1047 bps		
Interest income	7	6	4	-37.3%	-30.7%		
Interest expense	(0)	(7)	(18)	n.a.	n.a.		
Share of profit (loss) of associated companies	6	3	10	65.5%	n.a.		
Others	25	(1)	2	n.a.	n.a.		
Total other income (losses)	37	1	(2)	n.a.	n.a.		
Pretax profit	453	282	452	-0.2%	60.1%		
Tax expense	(125)	(43)	(103)	-17.5%	137.3%		
% Tax rate	27.5%	15.3%	22.7%	-479 bps	740 bps		
PAT	328	239	349	6.4%	46.1%		
% margin	25.1%	15.8%	24.9%	-28 bps	911 bps		
Minority interest	16	4	18	n.a.	n.a.		
PATAMI	312	235	332	6.4%	41.2%	25.7%	24.7%
% margin	23.9%	15.5%	23.6%	-27 bps	814 bps		
Operating Stats	1Q20	4Q20	1Q21	YoY	QoQ		
All Time Audience Share %							
SCTV	17.1%	15.0%	16.1%	-97 bps	113 bps		
Indosiar	17.1%	15.2%	12.7%	-443 bps	-250 bps		
Total	34.2%	30.2%	28.8%	-540 bps	-137 bps		
Prime Time Audience Share %							
SCTV	19.9%	15.4%	16.4%	-353 bps	97 bps		
Indosiar	15.6%	13.3%	10.7%	-493 bps	-260 bps		
Total	35.5%	28.7%	27.1%	-847 bps	-163 bps		

Source: Company Data, Mandiri Sekuritas Research estimates

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Telkom Indonesia 4Q20 Results: Telkomsel vs. Non-Telkomsel Trends (TLKM; Rp3,200; Buy; TP: Rp4,200)

- Telkomsel booked Rp7.05tn net profit in 4Q20 and ended FY20 with Rp25.1tn, benefitting from non-O&M cost savings and tower sale gains. At Non-Telkomsel, IndiHome's strong performance drove revenue growth acceleration and margin improvements in 4Q20 and FY20. Reiterate BUY.
- **4Q20 Telkomsel Revenues of Rp22.0tn (-3.6% YoY, +4.0% QoQ)** came relatively in-line with our estimate. The sequential revenue growth improvement can be attributed to the strong mobile data traffic growth, which stood 54.1% YoY/22.5% QoQ in 4Q20. We highlight that the implementation of PSAK72 affected revenue recognition method of bundled subscriptions by customers, hence we view the full-year segmental revenue trends as more representative of actual performance than 4Q20's. On full year basis, Telkomsel reported **Rp25.1tn Revenues in FY20, down 2.9% YoY**. Mobile broadband & digital service revenue growth decelerated to 7.0% YoY in FY20, vs. 23.1% YoY in FY19. Voice & SMS revenue declined further, down 30.5% YoY in FY20 vs. down 22.0% YoY in FY19. Weak mobile revenue trends can be attributed to intense competition and weak spending power amidst pandemic.
- **4Q20 Telkomsel EBITDA of Rp12.6tn (+1.2% YoY, +4.4% QoQ)** beat our estimate by 10.4%. Cash opex declined 9.3% YoY with help from PSAK73 implementation, lower IC and G&A expenses. Meanwhile, Marketing expenses doubled on YoY basis in 4Q20. EBITDA margin improved 270bps on YoY basis to 57.4% in 4Q20. On full year basis, Telkomsel reported **Rp51.1tn EBITDA in FY20, up 3.8% YoY** and 58.7% EBITDA margin in FY20, up 463bps. Aside from PSAK73 effect, EBITDA margin improvement was supported by cost efficiency as reflected by the 3.6% YoY reduction in Non-O&M expenses in FY20.
- **4Q20 Net Profit of Rp7.05tn (+7.1% YoY, +32.8% QoQ)** beat our estimate by 14.6%. Telkomsel booked ~Rp1.5tn gains from the sale of 1,911 towers to Mitratel in 4Q20, hence the strong non-operating income. Effective tax rate declined to 17.5% in 4Q20 and brought FY20's tax rate to 20.6% - lower than 22% statutory tax rate due to tower sale gains impact. On full year basis, Telkomsel booked **Rp25.1tn Net Profit in FY20, down 2.9% YoY**. In overall, Telkomsel managed to improve profitability in FY20 despite revenue pressures, with help from non-O&M cost savings and tower sale gains.

FINANCIAL SUMMARY

YE Dec (Rp Bn)	2018A	2019A	2020F	2021F	2022F
EBITDA	59,181	64,832	68,320	71,938	76,936
Net Profit	18,032	18,663	19,014	20,506	23,496
Fully-diluted EPS	182	188	192	207	237
Fully-diluted EPS growth (%)	(18.6)	3.5	1.9	7.8	14.6
P/E Ratio (x)	17.6	17.0	16.7	15.5	13.5
EV/EBITDA (x)	6.1	5.7	5.8	5.6	5.2
P/B Ratio (x)	3.2	3.2	3.1	2.9	2.7
Dividend Yield (%)	5.1	4.9	4.7	4.8	4.8
ROAE (%)	18.8	18.8	18.7	19.3	20.8

Source: Company (2019-2020), Mandiri Sekuritas (2021-2023)

TELKOMSEL: 4Q20 RESULTS

in Rp bn	4Q19	3Q20	4Q20	4Q20F	YoY	QoQ	vs Mansek's	FY19	FY20	YoY
Voice	6,364	4,607	4,189	4,255	-34.2%	-9.1%	-1.5%	26,790	18,994	-29.1%
SMS	792	493	714	352	-9.8%	44.8%	N.A.	3,973	2,388	-39.9%
Broadband	13,130	13,628	13,316	14,130	1.4%	-2.3%	-5.8%	50,550	54,766	8.3%
Digital Service	2,007	2,163	1,353	2,170	-32.6%	-37.4%	-37.6%	7,687	7,562	-1.6%
Others	488	234	2,397	951	N.A.	N.A.	N.A.	2,088	3,393	62.5%
Total Revenues	22,781	21,125	21,969	21,858	-3.6%	4.0%	0.5%	91,088	87,103	-4.4%
Operation and Maintenance (O&M)	6,702	5,418	5,094	6,456	-24.0%	-6.0%	-21.1%	25,938	20,657	-20.4%
Personnel	1,239	1,366	1,340	1,486	8.2%	-1.9%	-9.8%	4,846	5,330	10.0%

in Rp bn	4Q19	3Q20	4Q20	4Q20F	YoY	QoQ	vs Mansek's	FY19	FY20	YoY
Marketing	436	626	932	494	113.8%	48.9%	88.5%	2,462	2,555	3.8%
Interconnection	601	436	418	454	-30.4%	-4.1%	-7.9%	2,439	1,814	-25.6%
General and Admin.	435	437	428	492	-1.6%	-2.1%	-13.1%	1,860	1,535	-17.5%
Others	911	765	1,152	1,056	26.5%	50.6%	9.1%	4,325	4,118	-4.8%
Operating expenses	10,323	9,047	9,363	10,438	-9.3%	3.5%	-10.3%	41,870	36,009	-14.0%
EBITDA	12,457	12,078	12,606	11,421	1.2%	4.4%	10.4%	49,218	51,094	3.8%
% margin	54.7%	57.2%	57.4%	52.2%	270 bps	21 bps	513 bps	54.0%	58.7%	463 bps
D&A	3,547	4,780	5,422	5,181	52.8%	13.4%	4.6%	14,227	19,884	39.8%
Operating profit	8,910	7,298	7,184	6,240	-19.4%	-1.6%	15.1%	34,991	31,210	-10.8%
% margin	39.1%	34.5%	32.7%	28.5%	-641 bps	-185 bps	415 bps	38.4%	35.8%	-258 bps
Non-operating items	(160)	(411)	1,354	1,927	N.A.	N.A.	-29.7%	(389)	341	N.A.
Pre-tax profit	8,751	6,888	8,539	8,167	-2.4%	24.0%	4.6%	34,602	31,550	-8.8%
Taxes	2,173	1,581	1,493	2,020	-31.3%	-5.6%	-26.1%	8,803	6,488	-26.3%
% effective tax rate	24.8%	23.0%	17.5%	24.7%	-735 bps	-548 bps	-725 bps	25.4%	20.6%	-488 bps
Net profit	6,578	5,306	7,046	6,147	7.1%	32.8%	14.6%	25,799	25,062	-2.9%
% margin	28.9%	25.1%	32.1%	28.1%	320 bps	695 bps	395 bps	28.3%	28.8%	45 bps
Operating stats	4Q19	3Q20	4Q20		YoY	QoQ		FY19	FY20	YoY
Total Subscribers (mn)	171,105	170,117	169,542		-0.9%	-0.3%		171,105	169,542	-0.9%
Smartphone Subscribers (mn)	119,300	132,200	127,300		6.7%	-3.7%		119,300	127,300	6.7%
% penetration	69.7%	77.7%	75.1%		536 bps	-263 bps		69.7%	75.1%	536 bps
MoU (in bn minutes)	42.9	38.0	36.4		-15.2%	-4.2%		178.7	151.1	-15.4%
Voice yield (Rp/min)	148	121	115		-22.4%	-5.1%		150	126	-16.1%
SMS (in bn units)	11.2	11.3	8.5		-24.1%	-24.8%		54.1	39.4	-27.2%
SMS yield (Rp/SMS)	70.7	43.6	84.0		18.8%	92.5%		73	61	-17.5%
Data payload (TB)	1,929,727	2,426,387	2,973,105		54.1%	22.5%		6,715,227	9,654,742	43.8%
Data yield (Rp/MB)	6.8	5.6	4.5		-34.2%	-20.3%		7.5	5.7	-24.6%

Source: Company Data, Mandiri Sekuritas Research

NON-TELKOMSEL: 4Q20 RESULTS (IMPLIED)

in Rp bn	4Q19	3Q20	4Q20	4Q20F	YoY	QoQ	vs Mansek's	FY19	FY20	YoY
IndiHome	4,561	5,744	6,101		33.8%	6.2%		18,325	22,214	21.2%
Interconnection (ex-Cellular)	1,032	1,675	(741)		N.A.	N.A.		4,198	4,293	2.3%
Others (ex-Cellular)	4,563	4,541	9,192		N.A.	N.A.		21,956	22,852	4.1%
Revenues	10,156	11,960	14,552	11,930	43.3%	21.7%	22.0%	44,479	49,359	11.0%
Personnel	2,029	2,024	2,644	2,029	30.3%	30.6%	30.3%	8,166	9,060	10.9%
Interconnection	556	866	727	985	30.8%	-16.1%	-26.2%	2,638	3,592	36.2%
Operation and Maintenance (O&M)	3,557	2,689	3,250	3,714	-8.7%	20.9%	-12.5%	11,963	9,818	-17.9%
G&A	1,329	677	1,850	1,594	39.1%	173.4%	16.0%	4,836	4,976	2.9%

in Rp bn	4Q19	3Q20	4Q20	4Q20F	YoY	QoQ	vs Mansek's	FY19	FY20	YoY
Marketing	339	274	194	295	-42.8%	-29.2%	-34.3%	1,262	927	-26.5%
Cash Expenses	7,811	6,529	8,664	8,617	10.9%	32.7%	0.5%	28,865	28,373	-1.7%
EBITDA	2,345	5,431	5,888	3,313	N.A.	8.4%	77.7%	15,614	20,986	34.4%
% margin	23.1%	45.4%	40.5%	27.8%	1738 bps	-495 bps		35.1%	42.5%	741 bps
D&A	2,372	2,332	2,433	2,025	2.6%	4.3%		8,951	9,008	0.6%
EBIT	(27)	3,100	3,456	1,288	N.A.	11.5%	168.2%	6,663	11,978	79.8%
% margin	-0.3%	25.9%	23.7%	10.8%	N.A.	-217 bps		15.0%	24.3%	929 bps

Operating stats	4Q19	3Q20	4Q20	YoY	QoQ	FY19	FY20	YoY
Dual Play IndiHome Subs ('000)	3,642	4,420	4,649	27.7%	5.2%	3,642	4,649	27.7%
Triple Play IndiHome Subs ('000)	3,361	3,335	3,367	0.2%	1.0%	3,361	3,367	0.2%
IndiHome Subs ('000)	7,003	7,755	8,016	14.5%	3.4%	7,003	8,016	14.5%
Net Add ('000)	491	304	261			1,899	1,013	
IndiHome ARPU ('000)	244	253	262	7.4%	3.6%	252	242	-3.8%
Net Add ('000)	(12)	12	9			(17)	(10)	

Source: Company Data, Mandiri Sekuritas Research

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Unilever Indonesia: Not Out of the Woods Yet (UNVR; Rp6,000; Buy; TP: Rp7,150)

- In 1Q21 earnings call, management addressed the challenges related to weak purchasing power, temporary changes in consumption behavior amid the reimposed lockdown, and intense competition in certain categories. Though there has been improvement in Mar/Apr sales trend, COVID-19 case resurgences and cost inflation are near-term risks along with the potential outflow if the JCI adopts float-adjusted weighting. We lower our PT to Rp7,150.
- **Reflection of a two-shaped recovery...** 1Q21 revenue weakness was not just a reflection of the overall FMCG industry weakness, but also a decoupling in purchasing power recovery between the mid-to-low and mid-upper income segments. While the persistent commodity price inflation will weigh on margins, UNVR continues to see the need to accelerate cost discipline as downtrading accelerates in certain categories.
- **...and intense competition.** While overall market shares were steady on a moving annual trend basis, short-term volatility persists across categories, especially Home & Personal Care (HPC), as the 12.6% revenue decline underperformed the industry's high-SD decline. Competition is heated, especially in skin cleansing, with >5 notable challengers. Growing e-commerce channel risks inviting new competitors. Foods & Refreshment had above-industry 3.7% growth, led by UNVR's strength in the In-Home Cooking category, along with recovery in Ice Cream and UFS business.
- **Addressing the relevant needs.** Product innovations are focused on core strengths, bringing relevant and affordable products to match consumer needs (i.e., health concerns and downtrading). While UNVR was able to raise prices selectively by nearly 1% in early January, it still provides relevant promotions and price laddering. UFS will bring the group's plant-based meat, *The Vegetarian Butcher* (initially on a B2B scheme), with the launch of a plant-based burger on 5-May in collaboration with Burger King.

- **Buy rating unchanged, PT cut to Rp7,150.** We reduce 2021-23 EPS by 7-9% on lower assumptions for volume and price, mainly on HPC. We now forecast -4.1% EPS this year and +12.4% next year. Our new DCF-based PT assumes 8.7% WACC and is 35.x of 2022 PE. While the Buy rating is unchanged, we expect near-term overhang, given the potential change in JCI's weighting method into [float-adjusted](https://www.mandirisekuritas.co.id/r/uXsU?c=rsch): <https://www.mandirisekuritas.co.id/r/uXsU?c=rsch>.

FINANCIAL SUMMARY

YE Dec (Rp Bn)	2019A	2020A	2021F	2022F	2023F
EBITDA	10,985	10,313	9,945	10,781	11,586
Net Profit	7,393	7,164	6,871	7,725	8,398
Fully-diluted EPS	194	188	180	202	220
Fully-diluted EPS growth (%)	(18.6)	(3.1)	(4.1)	12.4	8.7
P/E Ratio (x)	31.0	32.0	45.7	40.6	37.4
EV/EBITDA (x)	21.1	22.5	31.8	29.2	27.1
P/B Ratio (x)	43.3	46.4	69.1	59.4	53.8
Dividend Yield (%)	4.0	3.2	3.1	2.2	2.5
ROAE (%)	116.7	140.2	145.0	157.3	151.2

Source: Company (2019-2020), Mandiri Sekuritas (2021-2023)

KEY FORECAST CHANGES

(Rp bn)	New			Old			Chg		
	2021F	2022F	2023F	2021F	2022F	2023F	2021F	2022F	2023F
Revenues	43,103	45,425	48,994	44,834	47,647	51,385	-3.9%	-4.7%	-4.7%
Gross profit	22,194	23,583	25,231	23,364	24,918	26,637	-5.0%	-5.4%	-5.3%
EBIT	9,045	9,838	10,596	9,696	10,695	11,607	-6.7%	-8.0%	-8.7%
Net profit	6,871	7,725	8,398	7,382	8,419	9,216	-6.9%	-8.2%	-8.9%
Gross margin	51.5%	51.9%	51.5%	52.1%	52.3%	51.8%	-0.6%	-0.4%	-0.3%
EBIT margin	21.0%	21.7%	21.6%	21.6%	22.4%	22.6%	-0.6%	-0.8%	-1.0%
HPC revenues	29,538	30,731	32,928	31,203	32,463	34,783	-5.3%	-5.3%	-5.3%
F&B revenues	13,565	14,694	16,067	13,631	15,183	16,602	-0.5%	-3.2%	-3.2%

Source: Mandiri Sekuritas estimates

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COVID-19 INDONESIA**COVID-19 Vaccine**

- **Vaksin Gotong Royong (Private Vaccination) will start on 9 May, according to Kadin.**
- This is following **Sinopharm vaccine arrival last Fri-Sat, totaling 1mn doses.**
- Sinopharm has also **received EUA from BPOM on Friday.**
- Based on our channel check, **vaccination price is set at Rp500k/shot or Rp1mn for full vaccination (2 doses).** This price includes vaccine price of Rp375k/dose and **fee for hospital Rp125k/shot (including medical supplies/alkes).**
- Kadin will determine who gets the vaccine first and the allocation. Corporates will pay the Rp1mn fee to Biofarma. Biofarma will send the vaccine to appointed healthcare facilities. **Biofarma will also reimburse the fee for hospital (Rp125k/shot) post vaccination.**
- Our take: the Rp125k/shot fee (incl medical supplies) is still a good price, according to hospitals, assuming that hospitals take no risk on wastage/spoilage (which appears to be the case). Impact to financials etc can be calculated following more details.

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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	5,995.6	-0.3	+0.3	Rp/US\$	14,441	+0.29	-2.7	Crude Oil, WTI (US\$/bl)	63.58	-2.2	+31.0
Dow Jones	33,874.9	-0.5	+10.7	US\$/EUR	1.202	-0.83	+1.6	Copper (US\$/mt)	9,825	-0.6	+26.5
Nikkei	28,812.6	-0.8	+5.0	YEN/US\$	109.31	+0.35	-5.5	Nickel (US\$/mt)	17,674	+2.4	+6.4
Hang Seng	28,724.9	-2.0	+5.5	SGD/US\$	1.331	+0.31	-0.7	Gold (US\$/oz)	1,769	-0.2	-6.8
STI	3,218.3	-0.1	+13.2					Tin 3-month (US\$/mt)	28,690	+0.8	+41.2
Ishares indo	21.6	-1.1	-7.6					CPO futures (Ringgit/ton)	3,868	-1.7	+7.4
								Coal (US\$/ton)	93.3	+0.4	+15.9
Foreign Fund Flows (US\$m)	Last	Chg	YTD Chg	Gov. Bond Yield	Last	Chg (bps)	YTD Chg (bps)	Rubber forward (US\$/kg)	226.0	+0.4	+1.6
Equity Flow		+12.9	+603	5Yr	5.65	-2	+44	Soybean oil (US\$/100gallons)	68.46	+3.7	+58.0
Bonds Flow		+80.6	-789	10Yr	6.46	-2	+58	Baltic Dry Index	3,053.0	+2.0	+123.5

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		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
MANSEK universe		5,996	6,850	14.3	4,147,427	237,106	281,019	17.5	14.9	2.1	2.0	13.1	12.0	40.1%	18.5%	2.3%	2.8%
Banking					1,649,840	96,946	114,412	16.9	14.7	2.2	2.0	N.A.	N.A.	50.2%	18.1%	1.5%	2.4%
BBCA	Buy	32,025	38,000	18.7	789,577	30,524	34,015	25.9	23.2	4.2	3.8	N.A.	N.A.	12.5%	11.4%	1.8%	1.9%
BBNI	Buy	5,700	8,000	40.4	106,297	14,210	16,049	7.5	6.6	0.9	0.8	N.A.	N.A.	255.0%	12.9%	0.9%	4.0%
BBRI	Buy	4,050	5,500	35.8	499,359	32,751	39,703	15.2	12.6	2.2	2.0	N.A.	N.A.	71.2%	21.2%	1.1%	3.3%
BBTN	Buy	1,590	2,200	38.4	16,838	2,153	2,660	7.8	6.3	0.8	0.7	N.A.	N.A.	34.4%	23.5%	0.1%	0.0%
BDMN	Buy	2,600	4,100	57.7	25,411	3,538	4,034	7.0	6.2	0.5	0.5	N.A.	N.A.	71.5%	14.0%	2.8%	4.9%
BJBR	Neutral	1,390	1,700	22.3	13,676	1,744	2,023	7.8	6.8	1.1	1.0	N.A.	N.A.	11.3%	16.0%	7.0%	7.2%
BJTM	Buy	815	900	10.4	12,227	1,557	1,810	7.9	6.8	1.2	1.1	N.A.	N.A.	10.0%	16.3%	6.2%	6.4%
BNGA	Buy	1,005	1,300	29.4	25,257	3,309	4,229	7.6	6.0	0.6	0.6	N.A.	N.A.	44.6%	27.8%	3.6%	5.2%
BNLI	Neutral	2,170	2,900	33.6	99,810	1,170	2,366	60.4	46.3	2.7	3.5	N.A.	N.A.	10.5%	30.4%	0.0%	0.0%
PNBN	Buy	900	1,400	55.6	21,673	3,405	3,829	6.4	5.7	0.6	0.5	N.A.	N.A.	12.9%	12.4%	0.0%	0.0%
BTPS	Buy	3,270	4,500	37.6	25,191	1,597	2,286	15.8	11.0	3.5	2.8	N.A.	N.A.	87.3%	43.1%	0.8%	1.6%
BFIN	Buy	675	475 (29.6)		10,101	841	1,196	12.0	8.4	1.4	1.2	N.A.	N.A.	7.7%	42.3%	2.3%	2.9%
AMOR	Buy	3,980	4,400	10.6	4,422	107	188	41.2	23.6	15.2	14.7	32.1	18.2	28.1%	75.1%	2.3%	4.0%
Construction & materials					186,632	6,093	9,792	30.6	19.1	1.4	1.3	12.4	10.9	N/M	60.7%	0.8%	1.2%
INTP	Buy	12,850	14,500	12.8	47,304	2,003	2,586	23.6	18.3	1.9	1.7	11.2	9.0	19.8%	29.1%	1.2%	1.5%
SMGR	Buy	10,425	11,020	5.7	61,836	2,825	3,387	21.9	18.3	1.7	1.6	9.2	8.4	12.1%	19.9%	1.5%	1.6%
ADHI	Neutral	1,155	1,350	16.9	4,113	261	442	15.8	9.3	0.7	0.6	8.8	7.6	491.0%	69.6%	0.2%	1.3%
PTPP	Neutral	1,220	1,600	31.1	7,564	220	494	34.4	15.3	0.6	0.6	9.1	7.8	87.6%	124.8%	0.5%	0.9%
WIKA	Neutral	1,440	1,800	25.0	12,903	513	743	25.2	17.4	0.9	0.8	8.8	7.7	213.6%	44.8%	0.8%	1.2%
WSKT	Neutral	1,110	1,410	27.0	14,853	-1,957	-1,277	-7.6	-11.6	2.0	2.3	28.3	23.7	44.5%	34.7%	-2.6%	-1.7%
WTON	Buy	300	400	33.3	2,615	201	309	13.0	8.5	0.7	0.7	5.7	4.7	57.2%	53.3%	1.5%	2.3%
WSBP	Neutral	202	240	18.8	5,325	71	227	75.3	23.5	0.8	0.8	16.0	12.3	N/M	220.6%	0.0%	0.7%
JSMR	Buy	4,150	7,040	69.6	30,120	1,957	2,882	15.4	10.5	1.5	1.3	11.8	10.9	251.0%	47.3%	0.4%	1.3%
Consumer staples					775,911	41,642	48,051	18.6	16.1	3.7	3.4	11.8	10.5	0.4%	15.4%	3.7%	3.9%
ICBP	Buy	8,700	12,050	38.5	101,459	6,319	6,940	16.1	14.6	3.2	2.8	9.6	8.8	5.7%	9.8%	2.9%	3.1%
INDF	Buy	6,525	9,950	52.5	57,289	6,307	6,849	9.1	8.4	1.3	1.2	5.8	5.4	6.5%	8.6%	5.1%	5.5%
MYOR	Buy	2,460	2,600	5.7	55,003	2,190	2,466	25.1	22.3	4.4	3.9	14.4	12.9	-9.2%	12.6%	1.7%	1.5%
UNVR	Buy	6,000	8,550	42.5	228,900	7,382	8,419	31.0	27.2	45.4	38.4	21.8	19.7	3.1%	14.0%	3.1%	3.2%
GGRM	Buy	36,100	46,550	28.9	69,460	6,337	7,797	11.0	8.9	1.1	1.1	7.4	6.5	-17.1%	23.0%	5.5%	5.5%
HMSP	Buy	1,320	1,750	32.6	153,540	8,189	9,964	18.8	15.4	5.2	4.9	12.8	10.9	-4.6%	21.7%	5.7%	5.4%
KLBF	Buy	1,440	1,900	31.9	67,500	2,842	3,180	23.7	21.2	3.6	3.3	15.8	14.4	4.1%	11.9%	2.1%	2.3%
SIDO	Buy	795	980	23.3	23,850	1,011	1,136	23.6	21.0	7.1	6.8	17.6	16.0	10.9%	12.4%	3.7%	4.2%
MLBI	Buy	8,975	13,250	47.6	18,910	1,063	1,299	17.8	14.6	14.5	12.3	11.4	9.6	656.9%	22.1%	0.7%	5.6%
Healthcare					64,328	1,724	1,756	37.3	36.6	4.5	4.1	15.5	14.9	32.9%	1.8%	1.0%	0.9%
MIKA	Buy	2,620	3,200	22.1	37,325	1,099	1,016	33.9	36.7	6.6	6.0	23.0	25.4	30.6%	-7.6%	0.9%	1.2%
SILO	Buy	8,325	9,000	8.1	13,534	225	218	60.2	62.2	2.3	2.2	8.8	8.6	93.5%	-3.2%	1.7%	0.5%
HEAL	Buy	4,530	4,000 (11.7)		13,468	400	522	33.7	25.8	4.8	4.1	13.7	11.1	17.8%	30.6%	0.4%	0.4%
Consumer discretionary					24,644	29,486	13,2	11.0	1.5	1.4	8.7	7.7	19.7%	19.6%	2.9%	3.1%	
ACES	Buy	1,480	2,200	48.6	25,382	991	1,153	25.6	22.0	4.3	3.8	17.1	15.0	23.8%	16.4%	0.9%	1.2%
LPPF	Buy	1,800	2,000	11.1	4,727	224	839	21.1	5.6	5.9	2.9	5.3	2.2	N/M	274.6%	0.0%	0.0%
MAPA	Buy	2,350	4,000	70.2	6,698	314	475	21.3	14.1	2.1	1.8	8.6	5.7	N/M	51.1%	0.0%	0.0%
MAPI	Buy	800	1,223	52.8	13,280	550	976	24.1	13.6	2.1	1.9	6.5	4.8	N/M	77.3%	0.0%	0.0%
RALS	Neutral	775	900	16.1	5,499	-41	148	-132.9	37.1	1.5	1.4	74.8	12.7	70.2%	N/M	0.0%	0.0%
ERAA	Buy	610	700	14.8	9,730	771	947	12.6	10.3	1.7	1.5	8.8	7.9	53.3%	22.9%	1.6%	1.9%
ASII	Buy	5,500	6,300	14.5	222,660	18,098	20,591	12.3	10.8	1.3	1.2	8.9	8.4	1.9%	13.8%	3.6%	3.7%
SCMA	Neutral	1,575	2,000	27.0	21,900	1,341	1,515	16.3	14.5	3.6	3.1	11.1	9.6	12.8%	13.0%	2.4%	3.1%
MNCN	Buy	980	2,000	104.1	12,132	2,266	2,639	5.4	4.6	0.8	0.7	3.9	3.2	20.3%	16.5%	2.8%	6.5%
PZZA	Buy	755	750 (0.7)		2,282	130	202	17.6	11.3	1.7	1.5	6.7	5.2	N/M	55.5%	0.0%	2.8%
Commodities					355,654	23,147	27,316	15.4	13.0	1.5	1.4	5.7	5.0	61.2%	18.0%	2.4%	2.8%
UNTR	Buy	21,175	28,500	34.6	78,986	9,476	9,814	8.3	8.0	1.2	1.1	3.1	2.5	57.8%	3.6%	3.6%	3.7%
ADRO*	Buy	1,245	1,750	40.6	39,823	257	282	10.9	10.0	0.7	0.7	3.9	3.4	74.7%	9.9%	3.1%	3.4%
HRUM*	Neutral	5,150	3,000 (41.7)		13,218	10	11	96.0	82.0	2.9	2.8	32.1	27.1	-66.1%	17.1%	0.6%	0.7%
INDY*	Neutral	1,420	910 (35.9)		7,398	6	82	81.8	6.4	0.6	0.5	1.7	1.6	286.9%	1182.5%	0.3%	3.9%

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)	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
ITMG*	Neutral	11,875	15,000	26.3	13,022	93	128	9.9	7.2	1.0	1.0	3.7	2.9	61.3%	38.1%	8.6%	11.9%
PTBA	Buy	2,370	3,100	30.8	27,308	2,917	3,429	9.3	7.9	1.5	1.4	6.0	4.8	29.9%	17.5%	8.0%	9.4%
ANTM	Buy	2,490	3,300	32.5	59,837	2,264	2,270	26.4	26.4	2.5	2.4	14.5	13.8	97.0%	0.3%	1.3%	1.3%
INCO*	Neutral	4,610	3,800	(17.6)	45,807	127	164	25.4	19.7	1.5	1.4	8.3	6.9	53.4%	28.9%	0.0%	0.0%
TINS	Sell	1,730	1,400	(19.1)	12,885	651	706	19.8	18.2	2.2	2.1	10.9	10.3	N/M	8.5%	1.8%	1.9%
MDKA*	Buy	2,620	3,300	26.0	57,372	60	115	67.3	35.1	6.6	5.6	19.8	13.6	1.2%	91.9%	0.0%	0.0%
Property & Industrial Estate					111,378	7,523	8,023	14.8	13.9	0.9	0.9	9.5	9.2	112.6%	6.6%	1.7%	1.7%
ASRI	Buy	198	250	26.3	3,891	485	524	8.0	7.4	0.4	0.4	7.8	7.1	N/M	8.0%	1.0%	1.0%
BSDE	Buy	1,175	1,630	38.7	24,876	956	1,638	26.0	15.2	0.8	0.8	13.0	9.0	27.8%	71.2%	0.0%	0.0%
CTRA	Buy	1,140	1,360	19.3	21,159	1,096	1,111	19.3	19.1	1.3	1.2	10.8	10.9	-17.0%	1.4%	1.0%	0.8%
JRPT	Buy	560	750	33.9	7,700	917	891	8.4	8.6	0.9	0.9	7.3	7.2	-0.9%	-2.8%	3.6%	3.6%
PWON	Buy	530	680	28.3	25,525	2,046	2,320	12.5	11.0	1.6	1.4	9.1	8.0	101.5%	13.4%	1.1%	1.1%
LPKR	Neutral	214	210	(1.9)	15,107	913	215	16.6	70.3	0.5	0.5	7.4	11.0	N/M	-76.5%	0.5%	0.5%
DMAS	Buy	242	300	24.0	11,664	988	1,158	11.8	10.1	2.0	2.0	11.4	9.5	11.7%	17.2%	8.7%	8.7%
BEST	Neutral	151	130	(13.9)	1,457	122	167	12.0	8.7	0.3	0.3	9.6	8.5	14.2%	37.4%	0.6%	1.0%
Telecom					503,919	30,737	31,524	16.4	16.0	3.0	2.8	6.1	5.7	32.1%	2.6%	3.5%	3.5%
EXCL	Buy	2,090	3,300	57.9	22,258	1,596	2,066	13.9	10.8	1.1	1.0	3.9	3.6	329.5%	29.5%	0.9%	1.6%
TLKM	Buy	3,200	4,200	31.3	316,999	20,506	23,496	15.5	13.5	2.9	2.7	5.6	5.2	7.8%	14.6%	4.8%	4.8%
ISAT	Buy	6,575	7,500	14.1	35,728	3,372	439	10.6	81.4	2.3	2.3	4.8	4.5	N/M	-87.0%	0.0%	0.0%
LINK	Buy	4,000	4,500	12.5	11,350	925	942	12.8	12.5	2.0	1.8	5.8	5.5	0.1%	1.8%	2.4%	2.5%
TBIG	Buy	2,790	2,500	(10.4)	60,351	1,467	1,512	41.2	39.9	9.4	8.3	17.0	16.1	29.9%	3.1%	1.0%	1.0%
TOWR	Buy	1,140	1,500	31.6	57,234	2,872	3,068	19.9	18.7	4.9	4.2	10.7	10.1	12.5%	6.8%	2.1%	2.1%
Transportation					3,415	251	303	13.6	11.3	0.6	0.6	5.5	5.4	N/M	20.6%	1.8%	2.2%
BIRD	Buy	1,365	1,700	24.5	3,415	251	303	13.6	11.3	0.6	0.6	5.5	5.4	N/M	20.6%	1.8%	2.2%
Poultry					142,364	5,574	6,218	25.5	22.9	3.6	3.3	14.2	13.2	86.5%	11.6%	0.9%	1.7%
CPIN	Buy	7,050	6,950	(1.4)	115,606	3,728	4,282	31.0	27.0	4.6	4.2	19.4	17.1	34.3%	14.9%	1.0%	1.6%
JPFA	Buy	2,110	1,700	(19.4)	24,743	1,696	1,714	14.6	14.4	2.0	1.8	8.0	8.1	392.5%	1.1%	0.4%	2.1%
MAIN	Buy	900	700	(22.2)	2,015	150	222	13.4	9.1	0.9	0.9	5.7	4.8	N/M	48.1%	0.0%	1.7%
Oil and Gas					29,696	-1,175	4,138	-25.3	7.2	0.9	0.9	6.0	5.1	-65.2%	N/M	0.0%	4.2%
PGAS*	Buy	1,225	2,200	79.6	29,696	-83	292	-25.3	7.2	0.9	0.9	6.0	5.1	65.5%	N/M	0.0%	4.2%

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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