

MORNING HIGHLIGHT

FROM EQUITY RESEARCH

KAEF: Weathering challenging environment

(KAEF IJ. Rp 615. BUY. TP Rp 1,200)

We recently met with Kimia Farma's management. At the meeting, the management highlighted the 8M15 performance of which the company has managed to record +14% y-y sales and +17% y-y net profit growth during this period. Furthermore, the management also highlighted the company's business plan going forward which will strengthen its manufacturing (drugs and raw materials) as well as its retail chain. Retail expansion remains encouraging with 53 and 27 new pharmacies and clinics added in 8M15. However, The company stock price has been under pressure since its peak in Jan 2015 (-58%) following IDR depreciation against USD, this we believe is too excessive. With the current valuation of 13.2x-11.3x FY15F-16F P/E, the valuation is very attractive at 52% and 37% discount to Kalbe Farma and consumer FY15F P/E. Thus, we maintain our BUY call with a new TP of IDR1,200 based on 22x target P/E 2016F.

Previous Reports:

- UNTR: A recovery month, but still weak on cumulative basis- [Snapshot20150925](#)
- PGAS: Uncertainty remains- [Snapshot20150923](#)
- Construction: New contract – Aug 2015: Strong m-m progress- [Snapshot20150921](#)
- BBCA: Mismatch concerns- [Snapshot20150918](#)

MARKET NEWS

*Analysts' comment inside

- ANTM searching for partner (BI)
- BI: Fundamental exchange rate in 4Q15 to be Rp13,700/US \$ (ID)
- BBCA aims 10% growth in Fee Based Income (ID)
- BJBR prepares corporate actions for next year (BI)
- Electricity tariffs down IDR 16 / kWh in October (BI)
- KUR BBRI reach Rp2.1 tn (ID)
- Mitra Komunikasi sets IPO price at Rp200-300/share (ID)
- PPRO aim Rp607bn revenue from GKL (ID)
- Tobacco Industry Slapped by 8.7% VAT (BI)

IDX ANNOUNCEMENT

Cash announcement

Code	Ex-Date	Date Payable	Amount (Rp)
TBLA	28-Sep-15	20-Oct-15	8
ASII	28-Sep-15	21-Oct-15	64
HMSF	29-Sep-15	12-Oct-15	787

Source: KSEI

Key Index

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	4,121	(2.1)	(21.2)	193
Thailand	1,352	(1.8)	(9.7)	796
Philippines	6,816	(1.5)	(5.7)	106
Malaysia	1,608	(0.4)	(8.7)	441
Singapore	2,792	(1.4)	(17.0)	667
Regional				
China	3,101	0.3	(4.1)	49,127
Hong Kong	21,186	0.4	(10.2)	8,977
Japan	17,645	(1.3)	1.1	11,697
Korea	1,943	(0.2)	1.4	4,252
Taiwan	8,132	0.1	(12.6)	2,131
India	25,617	(1.0)	(6.8)	419
NASDAQ	4,544	(3.0)	(4.1)	92,531
Dow Jones	16,002	(1.9)	(10.2)	10,190

Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	14,674	(1.3)	(4.9)	(18.5)
SBI rate %	6.75	0.1	0.1	(0.5)
10y Gov Indo bond	9.66	0.6	0.9	1.9

Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	55	(1.6)	(5.2)	(11.0)
Gold	US\$/toz	1,133	0.0	(0.1)	(4.4)
Nickel	US\$/mt.ton	9,844	(0.7)	(1.9)	(34.7)
Tin	US\$/mt.ton	15,987	4.5	10.9	(17.7)

Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	3,321	(0.6)	5.3	11.8
Corn	US\$/mt.ton	142	0.3	5.1	(0.7)
Crude Oil	US\$/barrel	47	(2.6)	(5.4)	(17.4)
Palm oil	MYR/mt.ton	2,170	4.7	18.5	(5.5)
Rubber	US\$/kg	126	(0.2)	(4.2)	(17.5)
Pulp	US\$/tonne	838	N/A	(1.0)	(10.1)
Coffee	US\$/60kgbag	83	(0.8)	6.7	29.1
Sugar	US\$/MT	360	(0.1)	5.4	(8.0)
Wheat	US\$/ton	138	(0.4)	4.5	(17.8)

Source: Bloomberg

PT Danareksa Sekuritas

Jl. Medan Merdeka Selatan No. 14
Jakarta 10110
Indonesia
Tel (62 21) 29 555 888
Fax (62 21) 350 1709

Equity Research Team

Anindya Saraswati

anindyas@danareksa.com
(62-21) 2955 5820
Property, Retail

Armando Marulitua

armandom@danareksa.com
(62-21) 2955 5817
Pharmaceutical

Eka Savitri

ekas@danareksa.com
(62-21) 2955 5825
Banking

Jennifer Frederika Yapply

jennifer.yapply@danareksa.com
(62-21) 2955 5821
Consumer

Stefanus Darmagiri

stefanus.darmagiri@danareksa.com
(62-21) 2955 5825
Coal, Heavy Equipment, Metal Mining

Puti Adani

putia@danareksa.com
(62-21) 29555 888 ext.3511
Research Associate

Antonia Febe Hartono

antonia.hartono@danareksa.com
(62-21) 29555 888 ext.3504
Research Associate

Sales team

Ermawati A. Erman

ermawatiae@danareksa.com
(62 21) 29555 888 ext. 3151

Novrita E. Putrianti

novrita@danareksa.com
(62 21) 29555 888 ext. 3128

Ehrliech Suhartono

ehrliech@danareksa.com
(62 21) 29555 888 ext. 3132

Yunita L. Nababan

yunita@danareksa.com
(62 21) 29555 888 ext. 3145

Bram Taarea

bramt@danareksa.com
(62 21) 29555 888 ext. 3127

Martin Joshua

martinjs@danareksa.com
(62 21) 29555 888 ext. 3126

Laksmi Armandani

laksmiata@danareksa.com
(62 21) 29555 888 ext. 3125

Muhammad Hardiansyah

mhardiansyah@danareksa.com
(62 21) 29555 888 ext. 3109

Tuty Sutopo

tuty@danareksa.com
(62 21) 29555 888 ext. 3121

Upik Yuzarni

upik_y@danareksa.com
(62 21) 29555 888 ext. 3137

Kevin Giarto

kevin.giarto@danareksa.com
(62 21) 29555 888 ext. 3139

SECTOR/COMPANY UPDATE

Kimia Farma

Weathering challenging environment

We recently met with Kimia Farma's management. At the meeting, the management highlighted the 8M15 performance of which the company has managed to record +14% y-y sales and +17% y-y net profit growth during this period. Furthermore, the management also highlighted the company's business plan going forward which will strengthen its manufacturing (drugs and raw materials) as well as its retail chain. Retail expansion remains encouraging with 53 and 27 new pharmacies and clinics added in 8M15. However, The company stock price has been under pressure since its peak in Jan 2015 (-58%) following IDR depreciation against USD, this we believe is too excessive. With the current valuation of 13.2x-11.3x FY15F-16F P/E, the atock is very attractive at 52% and 37% discount to Kalbe Farma and consumer FY15F P/E. Thus, we maintain our BUY call with a new TP of IDR1,200 based on 22x target P/E 2016F.

A solid performance amidst challenging macro condition

The management believe the solid performance could be maintained until FY15 supported by strong sales growth through e-catalog (BPJS). The weakening rupiah remains the biggest risk for profitability, yet it has been mitigated as the company has already procured its raw material needs until end of year. As for next year, the weakening of Rupiah weakening will still pose a threat, especially for the capped price of unbranded generic drugs. In this regards, the association has proposed c.20% selling price increase to the Ministry of Healthcare and LKPP. This is likely to be approved, since there is a clause in the contract allowing the action. Should this materialized, profitability could be maintained.

Transformation to healthcare company is underway

The transformation story is still intact as the company remains determined to develop raw material plant for drugs, expand its manufacturing capacity, and pharmacy-clinic retail chain. In its 5 years strategic plan, the investment needs to develop raw material facilities reached Rp2.7tn. We view the initiation positively, as this would slightly reduce dependency on import. However, until the operational of the new plant in 2017, we still believe the near-term growth driver of Kimia Farma to be the rapid expansion of its pharmacies and clinics. In 8M15, the company has added a total of 53 new pharmacy stores and 27 clinic, thus increasing its total number of stores to 670 and clinics to 280. The growth in stores will be further accelerated as KAEF will start boosting the growth of its franchise pharmacy chain stores which offers estimated payback period of 2 years.

Enticing valuation at 11.3x P/E 2016F, Maintain BUY

We tweak our numbers following a change in our macro assumption. We tweak our revenue and net profit forecast by -1/-2% and 0/-3% in FY15/16F. Since its peak in Jan 15, Kimia Farma's share price has been under pressure (-58%) following weakening of IDR against USD. However, we believe this is too excessive. With the current valuation of 13.2x-11.3x FY15-16F P/E, the stock is very attractive at 52% and 37% discount to Kalbe Farma and consumer sector at FY15F P/E. Thus, we maintain our BUY call with a new TP of IDR1,200 based on FY16F target P/E of 22x.

Year end Dec (Rp bn)	2013	2014	2015F	2016F	2017F
Sales (Rp bn)	4,348	4,521	5,156	6,000	6,971
EBITDA (Rp bn)	280	325	392	457	530
EBITDA growth (%)	(5.0)	14.5	18.9	12.8	13.7
Net profit (Rp bn)	213	234	258	306	340
Core profit (Rp bn)	182	195	231	262	298
EPS (Rp)	39	42	47	55	61
EPS growth (%)	4.6	9.4	10.4	17.0	11.3
Net Gearing (%)		net cash	net cash	0.7	3.6
PER (x)	15.9	14.6	13.2	11.3	10.1
PBV (x)	2.0	4.8	1.8	1.6	1.4
EV/EBITDA (x)	12.2	10.5	8.7	7.5	6.4
Dividend yield (%)	0.9	1.6	1.7	1.9	2.2

BUY

Target Price, IDR 1,200

Upside 95%

KAEF IJ/KAEF.JK

Last Price, IDR 615

No. of shares (bn) 5.6

Market Cap, IDR bn 3,610

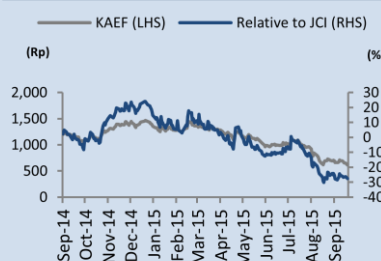
(USD mn) 233

3M T/O, USDmn 0.13

Last Recommendation

31-Jul-15	BUY	Rp1,500
10-Apr-15	BUY	Rp1,500
08-Jan-15	BUY	Rp1,550

Company relative to JCI Index



Market Recommendation



Consensus

	Our	Cons	% Diff
Target Price, IDR	1,200	1,380	-13
EPS 2015F, IDR	46.6	49.2	-5.2
PE 2015F, x	13.2	12.4	6.4



Armando Marulitua
(62-21) 2955 5817
armandom@danareksa.com

Danareksa research reports are also available at Reuters Multex and First Call Direct and Bloomberg.

Exhibit 1. Trading at -1stdev. Forward PE

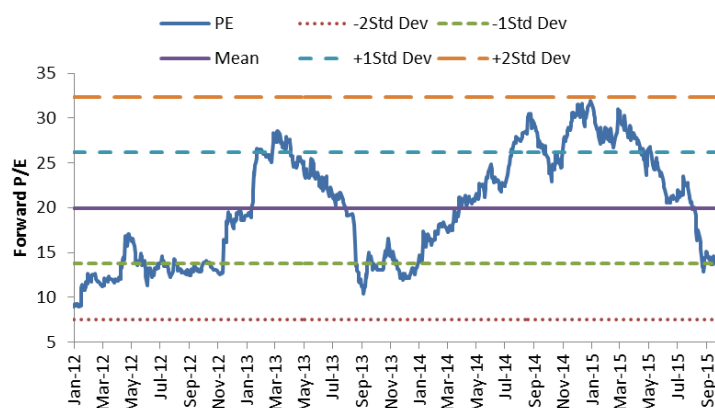
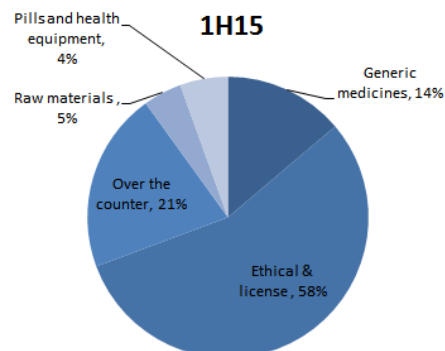
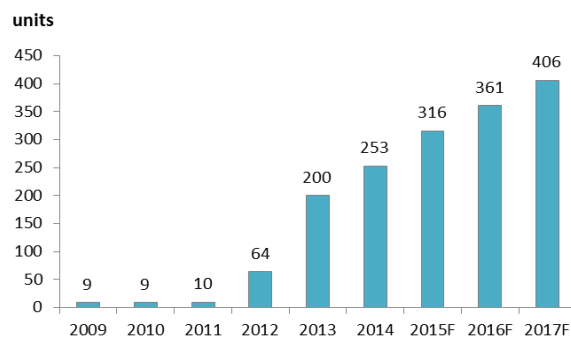
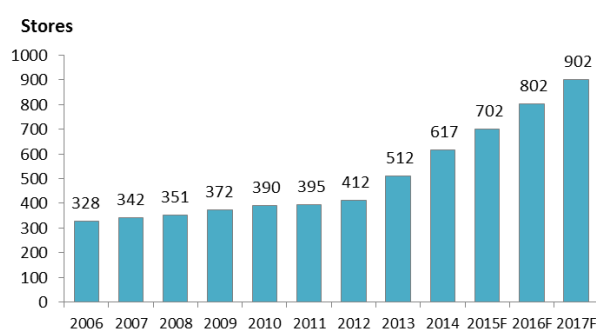


Exhibit 2. KAEF Product Mix in 1H15



Source: Company, Danareksa Sekuritas

Exhibit 3. Rapid expansion in pharmacy and clinics



Source: Company, Danareksa Sekuritas

Exhibit 4. Changes in our forecast

	2014	Current			Previous			Changes, %		
		2015F	2016F	2017F	2015F	2016F	2017F	2015F	2016F	2017F
Sales, Rp bn	4,521	5,156	6,000	6,971	5,198	6,152	7,242	(1)	(2)	(4)
Gross profit, Rp bn	1,385	1,586	1,842	2,136	1,591	1,901	2,280	(0)	(3)	(6)
Operating profit, Rp bn	286	340	383	436	335	410	526	1	(6)	(17)
EBITDA, Rp bn	325	392	457	530	387	478	605	1	(4)	(12)
Net profit, Rp bn	235	259	303	337	259	314	377	0	(3)	(10)
Gross margin, %	30.6	30.8	30.7	30.6	30.6	30.9	31.5	0.2	(0.2)	(0.8)
Operating margin, %	6.3	6.6	6.4	6.3	6.4	6.7	7.3	0.1	(0.3)	(1.0)
Net margin, %	5.2	5.0	5.1	4.8	5.0	5.1	5.2	0.0	(0.1)	(0.4)

Source: Company, Danareksa Sekuritas

Exhibit 5. Profit and Loss, IDR bn

YE Dec (Rp bn)	2013	2014	2015F	2016F	2017F
Revenues	4,348	4,521	5,156	6,000	6,971
Gross profit	1,292	1,385	1,586	1,842	2,136
Operating Profit	250	286	340	383	436
EBITDA	280	325	392	457	530
Net interest	(9)	(22)	(29)	(31)	(35)
Forex gain (loss)	1	9	(1)	1	(1)
Net other	42	43	39	53	54
Pretax income	284	316	348	407	454
Income tax	(68)	(79)	(87)	(102)	(113)
Minority Interest	(2)	(3)	(3)		
Net profit	213	234	258	306	340
Core profit	182	195	231	262	298

Source: Company and Danareksa Sekuritas

Source: Company, Danareksa Sekuritas

Exhibit 6. Balance Sheet, IDR bn

YE Dec (Rp bn)	2013	2014	2015F	2016F	2017F
Current assets	1,811	2,040	2,251	2,336	2,693
Cash & ST investment	394	573	498	335	298
Account receivable	547	515	696	713	924
Inventories	641	687	786	952	1,045
Others	229	265	272	335	426
Fixed Asset - net	499	558	830	1,070	1,363
Intangible assets	3	3	3	3	3
Others	159	399	559	659	756
Total assets	2,472	3,001	3,644	4,068	4,814
Current liabilities	746	855	1,148	1,398	1,747
Accounts payable	478	505	621	731	841
ST borrowings	49	133	292	392	589
Others	219	216	235	275	317
Long-term liabilities	101	433	580	513	645
Long-term debts	2	203	218	21	22
Others	100	230	361	492	623
Total liabilities	848	1,288	1,728	1,911	2,392
Minority interest	16	22	24	27	30
Share capital	555	555	555	555	555
Excess paid in	44	44	44	44	44
Retained earnings and others	1,009	1,092	1,293	1,531	1,793
Total equity	1,608	1,691	1,892	2,130	2,392
Total liabilities and equity	2,472	3,001	3,644	4,068	4,814

Source: Company, Danareksa Sekuritas

Exhibit 7. Cash flow, IDR bn

YE Dec (Rp bn)	2013	2014	2015F	2016F	2017F
Operating cash flow	208	397	291	411	320
Pretax profit	284	316	348	407	454
Minority	(1)	(2)	(2)	(3)	(3)
Tax	(83)	(141)	(76)	(126)	(145)
Depreciation & amortisation	32	39	53	73	95
Change in working capital	(32)	0	(163)	(73)	(211)
Others	8	185	131	131	131
Investment cash flow					
Net capex	(121)	(303)	(484)	(414)	(483)
Change in other assets					
Cash flow after invt.	86	94	(194)	(3)	(163)
Financing cash flow	(9)	85	118	(160)	127
Change in share capital	-	-	-	-	-
Net change in debt	23	285	174	(98)	199
Dividend payment	(31)	(54)	(59)	(65)	(76)
Change in other LT liab.	(1)	(147)	3	3	4
Net cash flow	78	179	(76)	(162)	(37)
Beginning balance	316	394	573	498	335
Ending balance	394	573	498	335	298

Source: Company, Danareksa Sekuritas

Exhibit 8. Ratios

	2013	2014	2015F	2016F	2017F
Growth (% YoY)					
Sales	16.4	4.0	14.0	16.4	16.2
Operating profit	(5.0)	14.5	18.9	12.8	13.7
EBITDA	(12.3)	15.9	20.7	16.4	16.1
Net profit	4.6	9.4	10.4	17.0	11.3
Core profit	(3.6)	7.5	18.0	13.6	13.7
Profitability (%)					
Gross margin	29.7	30.6	30.8	30.7	30.6
Operating margin	5.7	6.3	6.6	6.4	6.3
EBITDA margin	6.5	7.2	7.6	7.6	7.6
Net profit margin	4.9	5.2	5.0	5.1	4.8
ROE	13.3	13.8	13.7	14.3	14.2
ROA	8.6	7.8	7.1	7.5	7.1
Leverage					
Net debt/equity (%)	(21.13)	(13.84)	0.68	3.60	12.93
EBITDA/gross interest (x)	29.1	12.1	9.7	11.3	11.8
Per share data (Rp)					
EPS	39	42	47	55	61
CFPS	37	72	52	74	58
BVPS	292	308	345	388	436
DPS	6	10	11	12	14

Source: Company, Danareksa Sekuritas

DISCLAIMER

The information contained in this report has been taken from sources which we deem reliable. However, none of P.T. Danareksa Sekuritas and/or its affiliated companies and/or their respective employees and/or agents makes any representation or warranty (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of P.T. Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitation for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither P.T. Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in this report is not to be taken as any recommendation made by P.T. Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regard to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.

MARKET NEWS

ANTM searching for partner (BI)

Aneka Tambang (ANTM) and PT Indonesia Asahan Aluminium (Inalum), to find new partners for Mempawah Smelter Grade Alumina project with an investment of USD 1.7bn. Third parties preferred to have the required technology, funding and readiness to absorb the products.

BI: Fundamental exchange rate in 4Q15 to be Rp13,700/US \$ (ID)

Bank Indonesia estimates fundamental value of Rupiah exchange rate in 3Q15 and 4Q15 at Rp13,300 and Rp13,700, respectively taking into account manageable inflation rate and current account deficit. According to the Deputy Governor of Bank Indonesia, Perry Warjiyo, the current market perception is influenced by several factors, most importantly the Fed plan of interest rate hike and slowing domestic economic growth.

BBCA aims 10% growth in Fee Based Income (ID)

Bank Central Asia (BBCA) targeting the fee-based income to grow by 8-10% this year through developing a wide range of product portfolios, among others: (i) ATM star, automated teller machines for deposit and withdrawal, (ii) Sakuku, electronic money which is accessed through smartphone application. Number of user of Sakuku is expected to reach 1 million in 2H15.

BJBR prepares corporate actions for next year (BI)

Bank Pembangunan Jawa Barat dan Banten (BJBR) preparing a corporate action in order to strengthen its capital to raise CAR to 18%, where the current CAR position is in the range of 15.9%, which will be implemented by the end of this year or early next year. Previously, BJBR revise credit growth target to 13% from the initial plan of 15%.

Electricity tariffs down IDR 16 / kWh in October (BI)

Electricity power tariff down by around IDR 12-16 kWh due to the weakening of Indonesia Crude Price (ICP) indicator, which was offset by the weakening USDIDR and inflation.

Category	Power, kVa	Tariff, Rp/kWh
Household		
R-1/LV	1.3	1352
R-1/LV	2.2	1352
R-2/LV	3.5-5.5	1507
R-3/LV	6.6	1507
Business		
B-2/LV	6.6-200	1507
B-3/MV	>200	1187
Industry		
I-3/MV	>200	1187
I-4/HV	>30,000	1508
Government		
P-1/LV	6.6-200	1507
P-2/MV	200	1187

LV = Low Voltage, MV = Medium Voltage, HV = High Voltage

**Subsidized tariff, no adjustment*

KUR BBRI reach Rp2.1 tn (ID)

KUR disbursement of Bank Rakyat Indonesia (BBRI) reached Rp2.1 tn within 1 month since its re-launching in the third week of August. KUR was distributed to 153 thousand micro, small and medium enterprises (UMKM) throughout Indonesia. KUR disbursement is dominated by trade and agriculture sectors with 69.3% and 19.95% contribution. By region, KUR absorption is dominated by South Sulawesi (12.41%), Bali, West Nusa Tenggara and East Nusa Tenggara (9.97%) and Yogyakarta region (9.38%)

Mitra Komunikasi sets IPO price at Rp200-300/share (ID)

Mitra Komunikasi Nusantara will hold an initial public offering of 200 million shares at a price of Rp200-300/share with expected total fund raised to be Rp40-60 billion. Mitra Komunikasi is engaged in general trading business, especially cellular phones, sales of phone cellular voucher, and sole agent of Cyrus gadget. IPO proceeds will be used to finance expansion, addition of the distribution network, and debt repayment.

PPRO aim Rp607bn revenue from GKL (ID)

Property PP (PPRO) targets for revenues of Rp607bn of the CBD project Kamala Grand Lagoon (GKL) in Bekasi. Currently, PPRO has completed the foundations for two towers (Emerald and Barclay) and is working on building structures for Emerald Tower which targeted for completion in 2Q16. On the other hand, construction of Barclay tower's structure will begin in 4Q15. Construction of the bridge as the main access to GKL has reached 90% and will be completed immediately. In addition, the realization of architectural bridge railing along 115m has reached 100%.

Tobacco Industry Slapped by 8.7% VAT (BI)

Through the issuance of new government regulation PMK No.174/PMK.03/2015, tobacco producers will incur 8.7% VAT starting in January 2016. This new regulation will replace KMK No.62/KMK.03/2002, which stipulates 8.4% VAT. Currently, there are 3 taxes slapped for tobacco industry, excise tax, VAT and regional tax which amounts to 10% of excise.



Equity Valuation

	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net profit, Rp bn		EPS (Rp)		Core EPS (Rp)		EPS Growth		PER (x)		EV / EBITDA (x)		PBV (x)		Net Gearing	ROE
					2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016		
Danareksa Universe				2,328,913	189,323	210,742	298.4	332.1			5%	11%	12.3	11.1	10.4	9.4	2.1	1.8		18.1
Auto				219,674	24,706	29,222	452.6	535.3			15%	18%	8.9	7.5	7.6	6.5	1.6	1.3		18.6
Astra International	HOLD	5,175	8,300	209,502	23,976	28,096	592	694	497	567	16%	17%	8.7	7.5	7.7	6.6	1.6	1.4	33.5	19.1
Gajah Tunggal	BUY	515	1,500	1,795	266	633	76	182	140	127	-1%	138%	6.7	2.8	4.2	4.1	0.3	0.3	95.0	4.4
Selamat Sempurna	BUY	4,320	5,300	6,219	465	493	323	342	332	352	19%	6%	13.4	12.6	8.1	7.5	4.3	3.6	net cash	36.0
Banks				764,833	75,351	81,638	699.5	757.8			1%	8%	10.2	9.4	1.8	1.6	1.8	1.6		19.4
BCA	HOLD	11,475	13,500	282,916	19,966	21,921	725	800	725	800	8%	10%	15.8	14.3	NA	NA	3.1	2.6	NA	23.8
BNI	BUY	3,940	5,850	73,476	7,506	8,596	402	461	402	461	-30%	15%	9.8	8.5	NA	NA	1.1	1.0	NA	12.1
BRI	BUY	8,300	13,400	204,754	24,352	25,863	987	1,048	987	1,048	0%	6%	8.4	7.9	NA	NA	1.8	1.5	NA	23.0
Bank Tabungan Negara	BUY	1,000	1,400	10,582	1,357	1,609	129	153	129	153	22%	19%	7.7	6.5	NA	NA	0.8	0.7	NA	10.6
Bank Mandiri	BUY	7,525	11,450	175,583	20,144	21,413	863	918	863	918	1%	6%	8.7	8.2	NA	NA	1.5	1.3	NA	18.2
Bank Tabungan Pensiunan	BUY	3,000	4,500	17,521	2,026	2,237	347	383	347	383	8%	10%	8.6	7.8	NA	NA	1.3	1.1	NA	15.8
Cement				123,060	12,525	15,375	725	890			7%	23%	9.8	8.0	5.8	5.1	1.9	1.6		20.0
Holcim	HOLD	990	2,300	7,586	923	1,213	120	158	118	152	12%	31%	8.2	6.3	4.9	3.6	0.7	0.7	30.0	9.1
Indocement	BUY	16,625	28,300	61,200	5,741	6,595	1,559	1,792	1,555	1,788	8%	15%	10.7	9.3	5.8	4.8	2.1	1.9	net cash	21.2
Semen Indonesia	BUY	9,150	14,500	54,273	5,581	7,567	908	1,276	988	1,276	5%	29%	9.3	7.2	6.1	5.7	2.0	1.7	12.3	23.2
Construction				98,070	4,317	5,350	103	128			17%	24%	22.7	18.3	10.9	9.3	2.9	2.5		14.4
Jasa Marga	BUY	4,830	8,000	32,844	1,531	1,779	480	614	513	657	19%	28%	10.1	7.9	11.6	10.3	2.6	2.4	95.8	12.9
Wijaya Karya	HOLD	2,635	2,500	16,203	1,573	638	93	104	98	109	-7%	11%	28.3	25.4	11.6	9.8	2.6	2.9	29.0	10.8
Pembangunan Perumahan	BUY	3,410	4,600	16,513	694	856	143	177	150	185	30%	23%	23.8	19.3	9.7	8.1	5.5	4.5	39.2	25.8
Adhi Karya	BUY	2,215	3,700	3,990	399	531	221	295	244	322	23%	33%	10.0	7.5	5.5	4.7	1.9	1.6	66.6	20.8
Waskita Karya	BUY	1,585	2,000	21,504	725	1,054	53	78	53	78	4%	46%	29.7	20.4	14.2	11.9	2.5	2.2	net cash	12.5
Wika Beton	HOLD	805	1,350	7,016	396	491	45	56	46	57	32%	24%	17.7	14.3	8.9	7.1	2.8	2.4	net cash	17.1
Consumer				395,136	13,419	14,186	488	516			7%	6%	29.4	27.9	17.4	16.4	6.9	5.8		25.9
Indofood CBP	BUY	11,250	13,800	65,598	3,033	3,308	520	567	520	567	16%	9%	21.6	19.8	14.8	13.9	4.1	3.7	net cash	20.3
Indofood	BUY	5,100	7,100	44,780	3,704	4,059	422	462	563	610	-5%	10%	12.1	11.0	5.6	5.4	1.6	1.5	19.5	13.8
Unilever	SELL	36,100	30,475	275,443	5,889	6,234	772	817	772	817	3%	6%	46.8	44.2	32.1	30.5	27.0	16.8	net cash	80.4
Nippon Indosari Corpindo	BUY	1,145	1,680	5,796	266	309	53	61	53	61	41%	16%	21.8	18.7	12.5	10.1	4.8	4.0	59.5	24.7
Mandom	BUY	17,500	21,170	3,519	526	276	2,618	1,375	279	1,373	202%	-47%	6.7	12.7	7.4	6.5	2.1	2.0	net cash	35.7
Healthcare				121,311	3,219	3,609	595	703			20%	18%	37.7	33.6	23.8	20.4	6.9	6.1		19.9
Kalbe Farma	BUY	1,315	1,925	61,641	2,219	2,375	47	51	47	52	2%	7%	27.8	26.0	18.1	15.9	5.8	5.2	net cash	22.2
Kimia Farma	BUY	615	1,200	3,416	258	313	47	56	41	50	12%	19%	13.1	11.0	8.9	7.1	1.7	1.5	2.2	13.5
Sileam Hospital	HOLD	12,600	16,900	14,567	153	245	96	132	99	137	77%	38%	151.5	95.3	24.1	19.3	6.3	7.6	35.5	8.9
Mitra Keluarga	BUY	28,650	29,950	41,688	689	676	405	464	397	454	14%	15%	70.8	61.7	64.3	54.7	12.5	11.2	net cash	23.9
Heavy Equipment				63,167	5,973	6,297	1,307	1,378			7%	5%	10.6	10.0	4.7	3.9	1.5	1.4		14.6
Hexindo Adiperkasa	HOLD	1,595	3,650	1,340	220	260	262	309	238	273	13%	18%	6.1	5.2	2.7	1.8	0.5	0.5	net cash	8.0
United Tractors	HOLD	16,575	19,800	61,827	5,753	6,037	1,542	1,619	1,542	1,619	7%	5%	10.7	10.2	4.8	4.0	1.6	1.4	net cash	15.1
Mining				72,159	7,134	8,305	110	128			-19%	16%	10.1	8.7	4.2	3.7	0.7	0.7		7.3
Adaro Energy	BUY	550	1,150	17,592	2,095	2,202	66	69	66	69	2%	5%	8.4	8.0	3.4	3.0	0.5	0.5	33.0	6.2
Timah	BUY	610	850	4,543	157	237	21	32	21	32	-75%	51%	28.9	19.1	6.9	6.5	0.8	0.8	24.9	2.9
Vale Indonesia	BUY	2,020	3,700	20,071	1,386	1,790	140	180	140	180	-136%	29%	14.5	11.2	4.8	4.1	0.9	0.9	net cash	6.2
Aneka Tambang	HOLD	482	1,100	4,598	194	400	20	42	20	42	-148%	106%	23.7	11.5	11.6	8.8	0.4	0.4	62.8	1.6
Bukit Asam	BUY	5,575	8,400	12,846	1,560	1,674	718	770	718	770	-23%	7%	7.8	7.2	5.5	5.0	1.4	1.2	net cash	17.4
Indo Tambangraya Megah	HOLD	9,025	10,600	10,198	1,622	1,800	1,435	1,593	1,435	1,593	-23%	11%	6.3	5.7	2.0	1.8	0.9	0.8	net cash	15.2
Harum Energy	HOLD	855	1,750	2,312	119	202	44	75	44	75	-53%	69%	19.4	11.5	0.5	0.5	0.6	0.6	net cash	3.1
Plantation				46,759	5,510	5,938	211	227			11%	8%	8.5	7.9	4.7	4.2	1.2	1.1		14.9
Astra Agro Lestari	BUY	17,800	27,100	28,030	2,770	2,832	1,759	1,798	1,759	1,798	4%	2%	10.1	9.9	6.0	5.6	2.4	2.2	net cash	24.5
Sampoerna Agro	BUY	1,190	2,600	2,249	464	550	245	291	253	299	18%	19%	4.9	4.1	3.6	3.0	0.7	0.6	31.8	14.5
PP London Sumatra	HOLD	1,400	2,090	9,552	1,055	1,133	155	166	155	166	8%	7%	9.1	8.4	4.4	3.7	1.2	1.1	net cash	13.9
Salm Ivomas Pratama	BUY	438	850	8,928	1,221	1,423	77	90	87	98	33%	17%	5.7	4.9	3.5	3.0	0.5	0.4	37.6	8.2
Property				79,117	8,896	10,205	87	99			-10%	8%	7.8	7.8	1.6	1.4	1.6	1.4		18.8
Alam Sutera	BUY	323	700	6,347	1,254	1,516	64	77	73	85	15%	21%	5.1	4.2	6.1	5.1	0.9	0.8	75.3	18.9
Bumi Serpong Damai	BUY	1,315	2,100	25,309	2,369	2,617	135	150	140	156	-36%	10%	9.7	8.8	8.4	7.4	1.7	1.5	net cash	16.6
Metropolitan Land	BUY	238	620	1,822	290	322	38	43	38	43	14%	11%	6.2	5.6	4.8	4.4	0.8	0.7	27.7	14.2
Surya Semesta Internusa	HOLD	630	1,040	2,964	464	415	99	88	103	93	32%	-11%	6.4	7.1	2.5	2.5	1.0	0.9	net cash	16.9
Lippo Karawaci	BUY	1,120	1,200	25,847	1,565	1,763	72	82	58	64	-38%	13%	15.5	13.7	11.7	10.1	1.6	1.5	27.3	10.1
PP Properti	BUY	135	242	1,896	1,626	1,963	21	26	22	28	172%	27%	6.6	5.2	4.7	4.6	0.9			

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		28-Sep-2015	25-Sep-2015					
Nippon Indosari Corpindo	ROTI	1,145	1,105	3.6	(2.6)	0.9	(17.3)	BUY
Lippo Karawaci	LPKR	1,120	1,100	1.8	(3.4)	7.2	9.8	BUY
Bank Tabungan Pensiunan Nasional	BTPN	3,000	2,950	1.7	3.4	0.8	(24.1)	BUY
XL Axiata	EXCL	2,340	2,325	0.6	(2.3)	(21.2)	(51.9)	BUY
Indosat	ISAT	3,700	3,680	0.5	5.7	(10.8)	(8.6)	BUY
Bukit Asam	PTBA	5,575	5,550	0.5	(3.0)	(6.3)	(55.4)	BUY
Blue Bird	BIRD	6,725	6,700	0.4	(1.1)	(2.2)	(28.6)	BUY
Adhi Karya	ADHI	2,215	2,210	0.2	6.7	15.4	(36.4)	BUY
Selamat Sempurna	SMSM	4,320	4,320	-	(0.7)	(9.1)	(9.1)	BUY
Mandom	TCID	17,500	17,500	-	2.9	2.9	(0.1)	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		28-Sep-2015	25-Sep-2015					
Summarecon	SMRA	1,035	1,150	(10.0)	(18.2)	(32.1)	(31.9)	BUY
Gajah Tunggal	GJTL	515	570	(9.6)	3.0	4.0	(63.9)	BUY
Astra International	ASII	5,175	5,550	(6.8)	(10.8)	(10.4)	(30.3)	HOLD
Adaro Energy	ADRO	550	585	(6.0)	(8.3)	(11.3)	(47.1)	BUY
Wika Beton	WTON	805	855	(5.8)	(10.1)	(14.4)	(38.1)	HOLD
Aneka Tambang	ANTM	482	510	(5.5)	0.4	(1.8)	(54.7)	HOLD
Timah	TINS	610	645	(5.4)	(1.6)	2.5	(50.4)	BUY
United Tractors	UNTR	16,575	17,525	(5.4)	(9.9)	(7.0)	(4.5)	HOLD
Kimia Farma	KAEF	615	650	(5.4)	(12.1)	(11.5)	(58.0)	BUY
Ramayana	RALS	515	540	(4.6)	(8.8)	(16.3)	(34.8)	SELL

Sources: Bloomberg

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of P.T. Danareksa Sekuritas and/or its affiliated companies and/or their respective employees and/or agents makes any representation or warranty (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of P.T. Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitation for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither P.T. Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or misstatements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in this report is not to be taken as any recommendation made by P.T. Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regard to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.