

MORNING HIGHLIGHT

FROM EQUITY RESEARCH

Cikarang Listrindo: Powering a brighter future

(Non rated)

Cikarang Listrindo, the first Indonesian independent power producer (IPP), plans to go public in the second quarter of this year. Currently, Cikarang Listrindo is operating two gas-fired power plants with combined total capacity of 864MW. By the end of this year, Cikarang Listrindo expects to commence operation of a 2x140MW coal fired power plant located in Babelan, Bekasi. In its planned IPO, the company will offer a maximum 10% of its shares to the public at a price ranging from Rp1,430-1,930/share. Proceeds from the IPO are expected to reach around Rp2.2-3.5tn. Of this amount, about 70% will be earmarked for future expansion with the rest used for working capital. Based on the given price range, we estimate that the valuation is in the range of 21-29x 2017F P/E and 10-13x 2017F EV/EBITDA.

MARKET NEWS

*Analysts' comment inside

- DVLA aims to soar above industry peers (TJP)
- Silo Maritime eyes expansion through IPO (TJP)
- State firms more confident in hedging their forex debts (TJP)
- Tax Amnesty could begin July 1 (ID)

Previous Reports:

- UNTR: Infra projects helped to endure weak Komatsu sales- [Snapshot20160525](#)
- TPIA: Beneficiary of low oil prices-[Snapshot20160520](#)
- AUTO: Weak monthly domestic car sales in April 2016- [Snapshot20160517](#)
- Cement sales April: Not encouraging-[Snapshot20160513](#)
- ITMG: 1Q16: Still depressed by coal price, but above expectation- [Snapshot20160512](#)
- 1Q16 result on cement, cigarettes, mining, retail-[Snapshot20160502](#)
- 1Q16 result on cement, consumer, mining, property- [Snapshot20160429](#)

IDX ANNOUNCEMENT

Corp Action

Code	Action	Date	Time (WIB)
MPMX	AGM	31-May-16	14
TFCO	AGM	2-Jun-16	10
BEST	AGM	2-Jun-16	10

Source: KSEI

Key Index

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	4,773	1.3	3.9	305
Thailand	1,398	1.0	8.5	1,038
Philippines	7,464	1.5	7.4	161
Malaysia	1,631	0.3	(3.6)	437
Singapore	2,767	0.6	(4.0)	600
Regional				
China	2,815	(0.2)	(20.5)	38,338
Hong Kong	20,368	2.7	(7.1)	8,063
Japan	16,757	1.6	(12.0)	9,791
Korea	1,966	0.3	0.2	4,245
Taiwan	8,396	1.2	0.7	2,424
India	25,881	2.3	(0.9)	345
NASDAQ	4,895	0.7	(2.2)	66,304
Dow Jones	17,852	0.8	2.4	6,690

Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	13,637	(1.9)	(3.3)	1.1
SBI rate %	6.60	-	-	(0.6)
10y Gov Indo bond	7.92	0.1	0.3	(0.8)

Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	51	0.5	0.5	1.3
Gold	US\$/toz	1,226	0.1	(1.4)	15.5
Nickel	US\$/mt.ton	8,305	(0.6)	(8.7)	(5.4)
Tin	US\$/mt.ton	15,500	(1.7)	(10.7)	6.2

Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	3,061	0.1	(4.2)	(6.4)
Corn	US\$/mt.ton	150	2.0	6.4	12.2
Oil (WTI)	US\$/barrel	50	0.0	12.6	33.8
Oil (Brent)	US\$/barrel	50	0.0	8.8	33.5
Palm oil	MYR/mt.ton	2,566	(0.1)	(3.8)	16.6
Rubber	US\$/mt ton	126	(0.9)	(19.9)	6.8
Pulp	US\$/tonne	796	N/A	0.8	(0.9)
Coffee	US\$/60kgbag	105	0.4	0.7	2.4
Sugar	US\$/MT	480	2.3	4.2	13.6
Wheat	US\$/ton	127	(0.1)	(4.6)	(3.7)

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

Natalia Sutanto

natalia.sutanto@danareksa.com
(62-21) 29555 888 ext.3508
Consumer, Tobacco

Stefanus Darmagiri

stefanus.darmagiri@danareksa.com
(62-21) 2955 5831
Auto, Coal, Heavy Equip., Metal, Cement

Puti Adani

putia@danareksa.com
(62-21) 2955 5824
Consumer

Antonia Febe Hartono

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

Lucky Bayu Purnomo

lucky.purnomo@danareksa.com
(62-21) 29555 888 ext.3512
Technical Analyst

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

Ehrlich Suhartono

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

Yunita L. Nababan

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

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

NOT RATED

CIKARANG LISTRINDO

IPO Term

Offering price, Rp 1,430-1,970

No. of shares post IPO (mn) 16,087

Max. number of shares to public (mn) 1,609

Max percentage of public offering 10%

Expected listing date 14 June 2016

UTILITIES/ALERT

Cikarang Listrindo

ALERT!

Powering a brighter future

Cikarang Listrindo, the first Indonesian independent power producer (IPP), plans to go public in the second quarter of this year. Currently, Cikarang Listrindo is operating two gas-fired power plants with combined total capacity of 864MW. By the end of this year, Cikarang Listrindo expects to commence operation of a 2x140MW coal fired power plant located in Babelan, Bekasi. In its planned IPO, the company will offer a maximum 10% of its shares to the public at a price ranging from Rp1,430-1,930/share. Proceeds from the IPO are expected to reach around Rp2.2-3.5tn. Of this amount, about 70% will be earmarked for future expansion with the rest used for working capital. Based on the given price range, we estimate that the valuation is in the range of 21-29x 2017F P/E and 10-13x 2017F EV/EBITDA.

The first IPP and the only power producer that serves industrial estates in Cikarang area

Cikarang Listrindo is the first Indonesian IPP. Currently, it serves more than 2,283 customers (as of March 2016) located in 5 industrial estates in the Cikarang area, i.e. the Bekasi International Industrial Estate, Lippo Cikarang, East Jakarta Industrial Park (EJIP), Megapolis Manunggal Industrial Development (MM-2100), and Jababeka Infrastruktur (Jababeka). At the same time, the company also has Electrical Power Supply and Purchase Agreements (EPSPA) with PLN whereby PLN agrees to purchase a fixed amount of electricity. As of March 2016, industrial estate tenants accounted for around 72.1% of the total revenues generated and PLN the remaining 27.9%.

Presently, Cikarang Listrindo operates gas fired power plants with 864MW of installed capacity. The natural gas required is supplied by Pertamina and Perusahaan Gas Negara (PGAS). Besides its existing gas fired power plants, Cikarang Listrindo is also constructing a coal-fired power plant with 2x140 MW of installed capacity. Construction began in December 2012 and the company expects the power plant to be operational by the end of this year.

Diversified consumer base to sustain the company's long-term performance

Although revenues from industrial estate customers reached 72.1% of the total revenues generated, Cikarang Listrindo has a diversified customer base across different industries (see exhibit 2). At the moment, none of its customers acquire more than 1.5% of the company's energized kVA. This bodes well for the continuation of stable performance going forward despite volatile global economic conditions.

With its commitment to provide highly reliable electricity supply with consistently recorded availability of more than 90%, Cikarang Listrindo has been able to secure its long-term relationships with its customers. Currently, more than 60% of the company's customers have electricity supply agreements lasting more than 10 years.

Sustainable profitability margins

Historically, Cikarang Listrindo has been able to maintain profitability margins of around 33% at the gross level and 25-26% at the operating level. We believe that the company's ability to maintain stable margins owes mainly to its tariffs which are adjusted to take into consideration changes in fuel prices and the exchange rate.

Cikarang Listrindo's tariff structure for industrial estate customers has 5 components, namely: (i) the connection fee, (ii) consumer security deposit, (iii) capacity fee, (iv) usage fee, and (v) excess cost (see exhibit 3). This scheme is similar to the tariff scheme which is applied by PLN for its industrial customers. The usage fee - which contributes the largest chunk of generated revenues - has a build-in scheme that makes adjustments for fluctuations in the gas price. In this way, fluctuations in the gas price and the exchange rate can be fully transferred on to customers.

Meanwhile, as stipulated in the EPSPA, the tariff structure for PLN consists of components A to D. These components are adjusted for fluctuations in the exchange rate (Components A, B, D), inflation (Components B, D) and fuel costs (Component C). With build-in adjustments for the exchange rate, inflation, and fuel costs, we believe the company can maintain its profitability margins going forward.

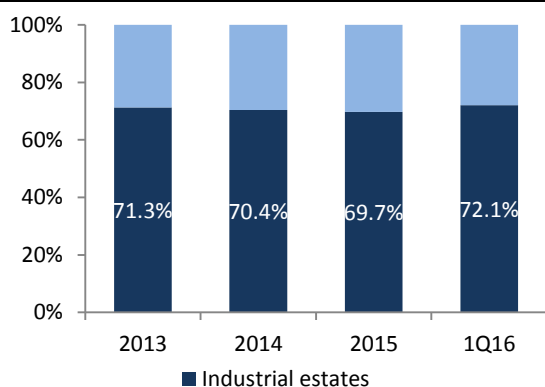
Antonia Febe Hartono

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

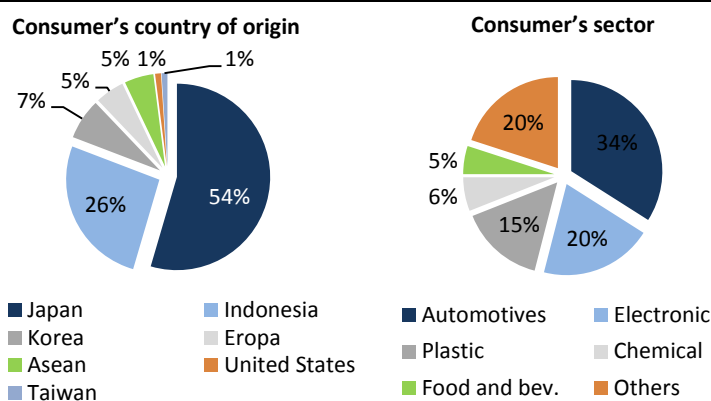
Stefanus Darmagiri

(62-21) 2955 5777 ext.3530
stefanus.darmagiri@danareksa.com

anareksa research reports are also available at Reuters Multex and First all Direct and Bloomberg.

Exhibit 1. Cikarang Listrindo's revenue contribution

Source: Company

Exhibit 2. Cikarang Listrindo's consumer base (as of December 2015)

Source: Company

Exhibit 3. Tariff structure for industrial estates

Connection fee	One time charge for the installation of the electricity network. This cost is determined by the energized capacity of the customer's electricity connection.
Customer security deposit	This is equivalent to two months capacity and usage fees. The deposit is returned once the customer terminates the power purchase agreement with the company.
Capacity fee	This monthly fixed fee is calculated as a function of installed capacity (in KVA). This fee is denominated in USD.
Usage fee	Monthly variable fee that is calculated from the amount of electricity usage (in kWh). In determining usage fees, the company makes certain adjustments to transfer fluctuations in gas prices to customers. This fee is denominated in USD.
Excess cost	The variable cost which is calculated based on the kVARh (reactive electricity power) in excess of 85% of kWh electricity usage.

Source: Company

Plenty of room for growth

From the 4,740 ha of industrial estates in the Bekasi area, only 1,812 ha have been electrified, or equivalent to 38.2% of the total available area. Even considering that 1,422 ha must be set aside as public area, there is still 1,506 ha which has not been electrified (or around 31.8% of the total area). This vacant area has either not been acquired or not yet been built on. As the only electricity provider in the area, this undeveloped area has the potential to generate demand for the company in the future.

Exhibit 4. The company's industrial estate customers

	Area (ha)	Total kVA Energized	Number of occupants	% occupants supplied by Company	% kVA supplied by Company
Jababeka	1,040	341,139	1,289	98.1%	87.6%
MM-2100	1,460	439,857	300	89.0%	89.5%
EJIP	320	135,840	93	90.3%	95.7%
Lippo Cikarang	1,695	133,943	526	97.5%	92.1%
Bekasi International Industrial Estate	225	55,423	80	71.3%	57.7%
Total	4,740	1,106,202	2,288	95.5%	88.4%

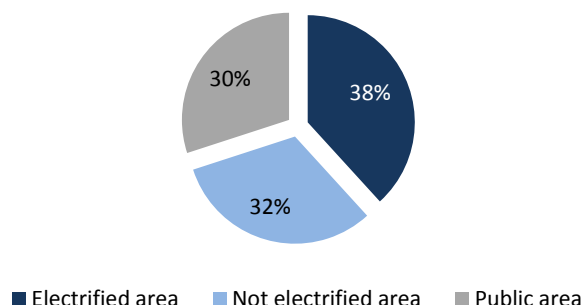
Source: Company

The prospects for future demand also come from the potential increase in energy density. Energy density is defined as the amount of energized capacity per acquired area. At the moment, the average energy density of the company's customers is 540 kVA/ha. Based on its experience with its industrial estate customers, the company estimates that the saturated

energy density¹ stands at 1,167 kVA/ha. Given this, the company estimates that around 3,900MW of power plant capacity would be needed to satisfy the electricity demand in the 5 industrial areas whereas the company's existing power plant capacity is 1,104MW.

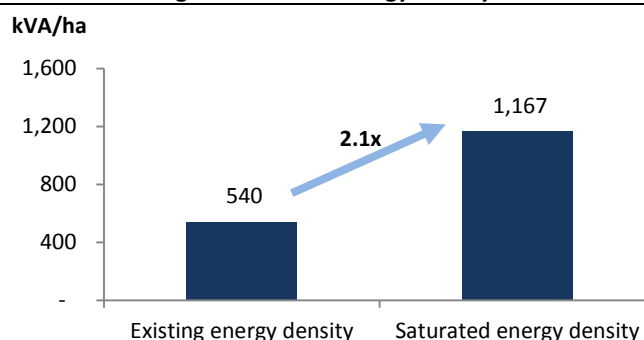
In a bid to seize upon the opportunities, the company has signed an MoU with General Electric Capital Ltd to construct a gas fired power plant with installed capacity of 1,100-1,400MW. According to the plan, this power plant will be built in the company's existing area.

Exhibit 5. Available area in the 5 industrial estates



Source: Company

Exhibit 6. Existing vs. Saturated energy density



Source: Company

Offering price in the range of Rp1,430-1,970

To finance future expansion, Cikarang Listrindo will offer a maximum of 1.61bn new shares to the public or equivalent to 10% of the company's outstanding shares. The shares will be offered in the price range of Rp1,430-1,970. As such, proceeds from the IPO would reach around Rp2.2-3.15tn. This would give the company a market cap in the range of Rp22-31tn.

Estimated valuation in the range of 21-29x 2017F P/E and 10-13x 2017F EV/EBITDA

In the prospectus, the company used FY15 performance. The company did not provide earnings projections for 2016 but did include its 1Q16 financial performance in the prospectus. As such, to come up with the projected 2016 numbers, we are using simple calculations by annualizing the 1Q16 performance. To estimate the 2017 number, we assume revenue growth of 4.5% (3 years CAGR 2013-2015) and same level of profitability margin as the 2016 margin. Nevertheless, for the revenue, we exclude the impact of the deferred tax asset that recognized by Cikarang Listrindo in the 1Q16 of amounted to USD65.9mn.

Exhibit 7. Cikarang Listrindo earnings estimates

In USD'000	2013	2014	2015	2016F ²	2017F ³
Net sales	501,777	544,708	547,895	549,239	573,924
Gross profit	147,696	185,463	185,446	186,224	194,593
Operating profit	114,146	143,079	143,223	141,366	147,720
Depreciation	42,401	41,422	41,195		
EBITDA	156,547	184,501	184,417	182,880	191,100
Pre-tax profit	62,557	112,305	108,251		
Tax	(19,388)	(27,896)	(28,240)		
Net profit	43,168	84,410	80,011	144,698 ⁴	82,291
Gross margin	29.4%	34.0%	33.8%	33.9%	33.9%
Operating margin	22.7%	26.3%	26.1%	25.7%	25.7%
EBITDA margin	31.2%	33.9%	33.7%	33.3%	33.3%
Net margin	8.6%	15.5%	14.6%	26.3%	14.3%

Source: Company, Danareksa Sekuritas

¹ Estimated from historical client energy consumption, i.e. the energized capacity of mature companies that have completed their construction progress and are fully operational divided by the total area used.

² 2016 is the annualized 1Q16 number

³ 2017 is based on 4.5% revenue growth, other figure assumes unchanged margin, yet we exclude the impact of DTA realized by company in 1Q16

⁴ Cikarang Listrindo realized Deferred Tax Asset from asset revaluation amounted USD65.9mn

Based on our simple calculation, the offering price of Rp1,430 implies a 20.9x 2017F P/E and 10.4x 2017F EV/EBITDA (assuming proceeds from the IPO result in additional cash and an unchanged debt level from 1Q16 as well as an exchange rate of Rp13,400/USD). These multiples imply a 57.4% premium to the average regional PE and a 1.2% discount to the average regional EV/EBITDA. A higher offering price of Rp1,970 implies 28.7x FY16 P/E and 13.5x EV/EBITDA, implying a 116.9% premium to the average regional PE and 27.8% premium to the average regional EV/EBITDA.

Exhibit 8. Cikarang Listrindo valuation range

Price/shares	Rp/share	1,430	1,970
Proceeds from IPO	Rp bn	2,300	3,169
Shares outstanding post money	bn shares	16.1	16.1
Market cap	Rp bn	23,005	31,692
Exchange rate	USD/IDR	13,400	13,400
2017F P/E	x	20.9	28.7
Net debt	Rp bn	3,670	2,801
2017F EV/EBITDA	x	10.4	13.5
Premium (Discount) to P/E regional*	%	57.4%	116.9%
Premium (Discount) to EV/EBITDA regional*	%	-1.2%	27.8%

*) average P/E, EV/EBITDA regional is based on Bloomberg consensus

Source: Danareksa Sekuritas

Exhibit 9. Peer valuations

Company	Country	Ticker	Price 25-May-16 (LC)	Market Cap (US\$m)	---- PE ----		EV/EBITDA		EPS growth		EBITDA margin Latest %	ROE Latest %
					2016 (x)	2017 (x)	2016 (x)	2017 (x)	2016 (x)	2017 (x)		
Power producer company												
MALAKOFF CORP BHD	MALAYSIA	MLK MK	2	1,923	14.7	14.7	8.1	8.2	1.0	3.8	44.4	9.3
ABOITIZ POWER CORP	PHILIPPINES	AP PM	46	7,246	18.0	17.4	12.3	12.0	4.7	3.6	36.8	21.0
FIRST GEN CORPORATION	PHILIPPINES	FGEN PM	22	1,697	9.9	8.1	5.7	5.1	(2.2)	28.9	45.3	8.7
VALLIBEL POWER ERATHNA PLC	SRI LANKA	VPESL	9	44	7.0	7.4	5.9	6.5	(13.4)	(12.5)	90.3	29.6
GLOW ENERGY PCL	THAILAND	GLOW TB	86	3,498	14.2	14.5	9.2	9.3	1.2	(3.0)	34.1	18.1
ELECTRICITY GENERATING PCL	THAILAND	EGCO TB	191	2,805	12.3	10.5	21.9	17.6	81.1	14.2	44.8	7.0
RATCHABURI ELEC GEN HODG PUB	THAILAND	RATCH TB	51	2,068	10.9	10.3	9.9	10.4	105.2	4.5	11.4	5.3
CK POWER PCL	THAILAND	CKP TB	2	453	34.7	32.6	48.2	43.4	14.0	0.0	54.5	2.8
VINH SON - SONG HINH HYDROPO	VIETNAM	VSH VN	14,700	136	10.5	9.9	10.9	9.9	13.1	6.3	77.0	8.7
Average power producer company				19,869	14.2	13.3	11.0	10.5				

Source: Bloomberg, 25 May 2016

MARKET NEWS

DVLA aims to soar above industry peers (TJP)

Darya Varia Laboratoria (DVLA) is optimistic about booking higher sales growth compared to industry average this year despite current slow growth in the pharmaceutical market. Although company decline to specify sales target in 2016, Vice President Director of DVLA said that DVLA aimed to maintained at least 18% net sales growth this year. Meanwhile, the local pharmaceutical company is expected to grow by only 7-8% this year. In an attempt to maintain double digit growth, DVLA will focus on intensifying and promote their brands as well as improving customer engagement and putting emphasis on the value added of its product. Moreover, DVLA also will strengthening its participation in the National Health Insurance program.

Silo Maritime eyes expansion through IPO (TJP)

Sillo Maritime Perdana plans to expand its sea transportation service into the natural gas sector, funded by proceed of next month IPO. Company which focuses on transporting oil produces expected to raise fund of Rp70bn-80bn from share slated for June 8-10. It plans on releasing 600mn shares to public. 90% of the IPO funds would be used to finance acquisition of 50.8% stakes in Suasa Benua Sukses. SBS focuses on the upstream oil and gas sector.

State firms more confident in hedging their forex debts (TJP)

8 SOEs inked USD1.92bn agreement with three state banks that will allow them to hedge their foreign exchange liabilities. The 8 companies are Pupuk Indonesia, Perusahaan Gas Negara (PGAS), State Logistic Agency (Bulog), Peruri, Aneka Tambang (ANTM), Semen Baturaja (SMBR), Pelindo II and Pelindo III. State banks were Bank Mandiri (BMRI), Bank Rakyat Indonesia (BBRI), Bank Negara Indonesia (BBNI). Under the agreement BBRI will provide USD750mn worth forex line facilities, while BBNI and BMRI will provide USD619mn and USD555mn facilities.

Tax Amnesty could begin July 1 (ID)

MoF is still optimistic the government could implement a tax amnesty policy on July 1, 2016 after the draft Law on Tax Amnesty was passed into law. Tax Amnesty Bill discussion is already underway at the Working Committee (Panja) of House of Rep. However, according to Deputy House of Representatives Legislation Council there are still issues to be debated at the Panja, among others is the imposition of sanctions tariff. While government proposes progressive tariff, employers have proposed a 5% flat tariff. Should all the discussion has been agreed, the bill will be discussed Tax Amnesty Consultative Council House of Rep to be passed into law in plenary.



Equity Valuation

Danareksa Universe	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		2016
					2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	
Danareksa Universe				2,691,833	159,430	178,704	360.4	404.0				7%	12%	16.9	15.1	19.0	16.9	2.6	2.3		16.1
Auto				266,179	18,063	20,702	397.8	455.9				13%	15%	14.7	12.9	11.2	10.0	1.9	1.7		13.3
Astra International	HOLD	6,575	6,700	266,179	18,063	20,702	446	511	412	461		13%	15%	14.7	12.9	11.2	10.0	1.9	1.7	28.0	13.3
Banks				879,109	77,627	86,048	761.8	844.5				8%	11%	11.3	10.2			1.9	1.6		17.9
BCA	BUY	13,000	15,425	320,515	19,792	22,301	794	890	794	890		10%	12%	16.4	14.6	N/A	N/A	3.0	2.5	N/A	20.1
BNI	BUY	4,510	5,850	84,105	8,596	9,810	461	526	461	526		15%	14%	9.8	8.6	N/A	N/A	1.2	1.1	N/A	12.6
BRI	BUY	9,825	13,400	244,841	25,863	28,463	1,048	1,154	1,048	1,154		8%	10%	9.5	8.6	N/A	N/A	1.8	1.5	N/A	20.7
Bank Tabungan Negara	BUY	1,690	1,450	17,897	1,964	2,395	187	228	187	228		24%	22%	9.0	7.4	N/A	N/A	1.2	1.1	N/A	13.8
Bank Mandiri	BUY	9,075	11,450	211,750	21,413	23,179	918	993	918	993		6%	8%	9.9	9.1	N/A	N/A	1.6	1.4	N/A	16.8
Cement				118,146	9,047	8,489	465	436				-2%	-6%	13.1	13.9	7.7	7.6	2.0	1.9		16.3
Indocement	HOLD	16,525	18,700	60,832	4,148	4,075	1,127	1,107	1,114	1,094		-5%	-2%	14.7	14.9	8.5	8.4	2.4	2.3	net cash	16.9
Semen Indonesia	BUY	8,825	12,100	52,346	4,582	4,228	772	713	766	707		1%	-8%	11.4	12.4	7.0	7.1	1.8	1.7	3.3	16.5
Semen Baturaja	SELL	505	330	4,968	317	186	32	19	32	19		-11%	-41%	15.7	26.7	8.8	6.6	1.6	1.5	net cash	10.3
Cigarettes				587,924	17,509	19,507	2,662	2,966				4%	11%	33.6	30.1	22.2	20.1	7.8	7.2		24.1
Gudang Garam	HOLD	71,000	74,000	136,610	6,189	7,053	3,216	3,666	3,216	3,666		-4%	14%	22.1	19.4	13.4	12.1	3.2	2.9	40.5	15.4
HM Sampoerna	HOLD	97,000	105,000	451,314	11,320	12,455	2,433	2,677	2,447	2,691		4%	10%	39.9	36.2	28.5	25.9	13.7	13.2	5.5	34.8
Construction				74,567	3,243	4,005	115	142				32%	23%	23.0	18.6	10.6	8.5	2.8	2.4		13.1
Wijaya Karya	HOLD	2,420	2,900	14,881	741	841	120	137	126	142		27%	24%	20.1	17.7	8.5	7.2	2.4	2.1	35.4	12.6
Pembangunan Perumahan	BUY	3,430	4,700	16,610	857	1,045	177	216	185	227		35%	22%	19.4	15.9	8.2	7.0	3.2	2.3	27.1	19.1
Adhi Karya	BUY	2,530	2,750	9,009	556	632	156	177	169	195		40%	14%	16.2	14.3	8.0	6.9	1.7	1.5	17.7	11.0
Waskita Karya	BUY	2,510	2,150	34,067	1,089	1,487	80	110	80	110		31%	37%	31.3	22.9	16.0	11.3	3.1	2.9	24.9	11.7
Consumer				506,292	14,666	18,520	507	640				4%	26%	34.5	27.3	21.0	16.8	8.6	7.6		26.1
Indfood CBP	BUY	15,800	13,800	92,712	3,130	4,761	537	816	524	804		-11%	52%	29.6	19.5	21.3	13.7	5.2	4.4	net cash	18.4
Indfood	BUY	7,025	7,100	61,682	4,059	5,149	462	586	610	773		10%	27%	15.2	12.0	7.3	5.8	2.0	1.8	14.7	13.9
Unilever	BUY	43,700	46,650	333,431	6,563	7,555	860	990	860	990		12%	15%	50.8	44.1	36.0	31.3	63.9	57.8	28.9	130.6
Kino Indonesia	BUY	5,925	5,700	8,464	329	379	230	266	230	266		-2%	15%	25.7	22.3	15.9	14.1	4.1	3.6	2.2	17.2
Nippon Indosari Corpindo	BUY	1,400	1,680	7,087	309	359	61	71	61	71		16%	16%	22.9	19.7	12.1	10.5	4.9	4.1	49.6	23.4
Mandom	BUY	14,500	21,170	2,915	276	317	1,375	1,577	1,373	1,576		-47%	15%	10.5	9.2	5.3	4.9	1.7	1.5	net cash	15.9
Healthcare				120,066	3,341	3,768	260	335				29%	31.9	21.2	18.4	6.2	5.6	5.0	5.6		18.0
Kalbe Farma	HOLD	1,395	1,355	65,391	2,274	2,533	49	54	49	54		15%	11%	28.8	25.8	18.2	16.3	5.6	5.0	net cash	20.1
Kimia Farma	HOLD	1,170	1,130	6,498	287	303	52	55	47	49		15%	6%	22.7	21.4	14.9	13.6	3.0	2.7	19.9	14.3
Siloam Hospital	HOLD	9,200	10,500	10,636	134	204	116	177	127	191		91%	53%	79.6	52.1	16.0	11.8	5.7	5.1	28.4	7.4
Mitra Keluarga	BUY	2,580	2,580	37,541	646	728	44	50	43	49		13%	13%	58.1	51.6	41.4	35.8	10.2	9.2	net cash	18.5
Heavy Equipment				50,077	5,409	5,580	1,450	1,496				40%	3%	9.3	9.0	2.9	2.5	1.3	1.2		14.3
United Tractors	HOLD	13,425	17,000	50,077	5,409	5,580	1,450	1,496	1,450	1,496		40%	3%	9.3	9.0	2.9	2.5	1.3	1.2	net cash	14.3
Mining				84,504	4,045	5,257	51	66				-32%	30%	20.9	16.1	5.4	4.8	0.8	0.8		3.7
Adaro Energy	BUY	680	750	21,750	1,577	1,652	49	52	49	52		-30%	5%	13.8	13.2	3.8	3.4	0.6	0.6	25.0	4.1
Timah	BUY	640	850	4,767	237	293	32	39	32	39		51%	24%	20.1	16.3	6.7	5.6	0.9	0.8	25.6	4.3
Vale Indonesia	BUY	1,600	2,000	15,898	222	480	22	48	22	48		-67%	116%	71.5	33.1	6.1	5.3	0.7	0.7	net cash	0.9
Aneka Tambang	BUY	855	472	15,740	(293)	50	(31)	5	(31)	5		-59%	-117%	(21.3)	126.0	20.1	16.0	1.0	1.0	22.7	-1.8
Bukit Asam	BUY	6,475	8,800	14,919	1,610	1,834	741	844	741	844		-21%	14%	8.7	7.7	6.1	5.2	1.5	1.3	net cash	16.7
Indo Tambangraya Megah	HOLD	8,225	7,300	9,294	814	1,044	720	924	720	924		-46%	28%	11.4	8.9	2.6	2.0	0.8	0.8	net cash	6.8
Harum Energy	HOLD	790	790	2,136	(123)	(95)	(45)	(35)	(45)	(35)		-540%	-22%	(17.4)	(22.4)	4.7	2.6	0.6	0.6	net cash	-3.2
Property				97,891	8,608	9,107	84	89				6%	11.4	10.7	8.5	7.8	1.7	1.5			15.5
Alam Sutera	BUY	390	700	7,663	1,516	2,043	77	104	85	117		21%	35%	5.1	3.8	5.7	4.1	0.9	0.8	57.4	19.5
Bumi Serpong Damai	BUY	1,815	2,100	34,933	2,617	2,842	150	162	156	169		10%	9%	12.1	11.2	10.3	9.4	2.0	1.8	net cash	16.2
Metropolitan Land	BUY	320	620	2,450	322	341	43	45	43	45		11%	6%	7.5	7.1	5.6	5.3	1.0	0.9	27.2	13.9
Surya Semesta Internusa	HOLD	650	1,040	3,058	415	477	88	101	93	106		-11%	15%	7.4	6.4	2.6	2.2	0.9	0.8	net cash	13.4
Lippo Karawaci	BUY	945	1,200	21,808	1,763	1,236	82	57	64	40		13%	-30%	11.6	16.5	8.8	10.1	1.3	1.2	27.4	10.6
PP Properti	BUY	364	242	5,112	366	427	26	30	28	32		27%	17%	14.0	12.0	10.2	8.6	2.0	1.8	30.1	15.5
Summarecon	BUY	1,585	2,045	22,866	1,609	1,741	111	121	111	120		21%	8%	14.2	13.1	10.4	9.9	3.0	2.6	27.9	23.0
Retail				27,144	1,211	1,487	47	57				17%	23%	22.4	18.2	10.4	9.2	2.7	2.5		12.6
Mitra Adi Perkasa	BUY	3,810	4,650	6,325	275	438	166	264	175	272		71%	59%	23.0	14.4	6.4	5.6	1.9	1.7	67.4	8.4
Ramayana	HOLD	795	775	5,641	331	369	47	52	47	52		3%	11%	17.0	15.3	9.8	8.7	1.6	1.5	net cash	9.4
Ace Hardware	HOLD	885	745	15,178	604	681	35	40	34	38		9%	13%	25.1	22.3	17.3	15.4	5.1	4.6	net cash	21.7

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		25-May-2016	24-May-2016					
Ramayana	RALS	795	730	8.9	19.5	13.6	23.3	HOLD
Vale Indonesia	INCO	1,600	1,500	6.7	4.6	(15.3)	(2.1)	BUY
XL Axiata	EXCL	3,340	3,160	5.7	0.6	(5.2)	(7.2)	BUY
Perusahaan Gas Negara	PGAS	2,420	2,300	5.2	5.7	(9.5)	(11.8)	BUY
Salim Ivomas Pratama	SIMP	474	454	4.4	(4.0)	(12.2)	42.8	BUY
PP Properti	PPRO	364	350	4.0	7.7	17.4	104.5	BUY
Indocement	INTP	16,525	15,950	3.6	2.2	(16.4)	(26.0)	HOLD
Summarecon	SMRA	1,585	1,530	3.6	6.7	(1.9)	(3.9)	BUY
Tower Bersama	TBIG	6,650	6,425	3.5	(1.5)	17.7	13.2	HOLD
Bukit Asam	PTBA	6,475	6,275	3.2	(0.4)	(11.6)	43.1	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		25-May-2016	24-May-2016					
MNC Sky Vision	MSKY	1,170	1,200	(2.5)	(6.4)	21.9	(12.4)	HOLD
Mitra Adi Perkasa	MAPI	3,810	3,860	(1.3)	(4.5)	(5.6)	0.4	BUY
Kino Indonesia	KINO	5,925	6,000	(1.3)	3.0	23.4	54.3	BUY
Kalbe Farma	KLBF	1,395	1,405	(0.7)	4.1	4.1	5.7	HOLD
Mitra Keluarga	MIKA	2,580	2,590	(0.4)	1.2	2.0	7.5	BUY
Indosat	ISAT	6,550	6,575	(0.4)	(2.2)	0.4	19.1	BUY
Sampoerna Agro	SGRO	1,895	1,900	(0.3)	(2.3)	(5.7)	11.5	BUY
Gudang Garam	GGRM	71,000	71,150	(0.2)	(1.4)	2.6	29.1	HOLD
Wijaya Karya	WIKA	2,420	2,420	-	5.7	(10.9)	(8.3)	HOLD
Mandom	TCID	14,500	14,500	-	(1.7)	(11.0)	(12.1)	BUY

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.