Danareksa Sekuritas

Equity SNAPSHOT

Tuesday, May 02, 2017

FROM EQUITY RESEARCH

Automotive Sector: IIMS 2017: Fewer new car launches

We visited the 2017 Indonesia International Motor Show (IIMS) whose theme, this year, was "The Essence of Motor Show". Held at Kemayoran, several new popular models were launched: a) an all-new 7-seater Honda CR-V, and b) facelift models of the Toyota Agya and Daihatsu Ayla. While rising commodity prices have helped to improve the sales of commercial cars, lackluster purchasing power amid only moderate economic growth has restricted further growth in the domestic car market. Maintain Neutral.

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Summarecon Agung: Solid 1Q17 results

(SMRA IJ. IDR1,360. HOLD. TP IDR1,300)

SMRA recorded net profits of IDR152.9bn in 1Q17, up 152.9%yoy, or 80.3% of our full year estimate. The stellar performance mainly owed to partial revenues recognition from commercial land plot sales in Summarecon Serpong worth IDR85.8bn. Last Saturday, SMRA conducted the launch of Magna Shop House and obtained a 100% take-up rate. We estimate that this will result in IDR250bn of additional marketing sales. Maintain HOLD.

To see the full version of this report, please **click here**

FLASH NOTES

Ace Hardware Indonesia: 1Q17 result in-line with our expectations (ACES IJ. IDR935. HOLD. TP IDR850)

Adhi Karya: 1Q17 earnings reach only 1.9% of our full year target (ADHI IJ. IDR2,260. BUY. TP IDR3,500)

Aneka Tambang: Weak production volume dragged down quarterly net profit (ANTM IJ. IDR745. HOLD. TP U/R)

Charoen Pokphand Indonesia: Weak 1Q17 results (CPIN IJ. IDR3,190. NON RATED)

Erajaya Swasembada: Good 1Q17 results (ERAA IJ. IDR730. NON RATED)

Harum Energy: 1Q17- Sturdy coal prices improved earnings (HRUM IJ. IDR2,570. SELL. TP IDR2,000)

Kino Indonesia: Poor 1Q17 earnings on negative top line growth with continued high opex (KINO IJ. IDR2,400. SELL. TP IDR2,800)

Mayora Indah: 1Q17 earnings grow 12% thanks to lower forex losses (MYOR IJ. IDR2,030. HOLD. TP IDR2,100)

Pakuwon Jati: Solid revenues growth but lower profits (PWON IJ. Rp625. BUY. TP Rp700)

KEY INDEX

	Close	Chg (%)	Ytd (%)	Vol (US$ m)
Asean - 5				
Indonesia	5,685	(0.4)	7.3	400
Thailand	1,566	(0.0)	1.5	1,330
Philippines	7,661	(0.8)	12.0	-!
Malaysia	1,768	0.0	7.7	639
Singapore	3,175	0.1	10.2	1,110
Regional				
China	3,155	0.1	1.6	41,618
Hong Kong	24,615	(0.3)	11.9	8,442
Japan	19,395	0.4	1.5	1,352
Korea	2,219	0.6	9.5	5,155
Taiwan	9,872	0.1	6.7	3,269
India	29,918	(0.4)	12.4	675
NASDAQ	6,092	0.7	13.2	82,414
Dow Jones	20,913	(0.1)	5.8	7,410

CURRENCY AND INTEREST RATE

		Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah	Rp/1US$	13,340	(0.4)	(0.1)	1.1
SBI rate	%	5.90	-	-	(1.3)
10y Gov	Indo bond	7.05	(0.0)	0.0	(0.9)

HARD COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US$/ton	79	-	(1.7)	(10.2)
Gold	US$/toz	1,257	0.0	0.6	9.1
Nickel	US$/mt.ton	9,404	1.2	(5.6)	(5.6)
Tin	US$/mt.ton	19,990	0.4	(1.2)	(5.7)

SOFT COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US$/mt.ton	1,902	(0.3)	(12.4)	(11.5)
Corn	US$/mt.ton	134	(1.0)	2.3	3.5
Oil (WTI)	US$/barrel	49	(0.2)	(3.7)	(9.3)
Oil (Brent)	US$/barrel	51	(0.2)	(2.6)	(9.5)
Palm oil	MYR/mt.ton	2,692	1.8	(6.8)	(15.9)
Rubber	USd/kg	160	1.1	(16.7)	(17.4)
Pulp	US$/tonne	840	N/A	1.5	3.9
Coffee	US$/60kgbag	120	(1.9)	(13.2)	(20.3)
Sugar	US$/MT	460	-	(3.7)	(12.3)
Wheat	US$/ton	124	0.2	4.0	5.2

Source: Bloomberg

Pembangunan Perumahan: 1Q17 net income grew 32.6%yoy (PTPP IJ. IDR3,180. BUY. TP IDR5,700)

Ramayana Lestari Sentosa: 1Q17 below expectation
(RALS IJ. IDR1,275. BUY. TP IDR1,580)

UNVR: 1Q17 – Above Expectations
(UNVR IJ. Rp44,500. U/R. TP RpU/R)

Waskita Karya: 1Q17 earnings jumped 219.4%yoy (WSKT IJ. IDR2,390. BUY. TP IDR3,700)

MARKET NEWS

Sector

- Bank Indonesia to loosen its reserve requirement regulation

Corporate

- Matahari Department Store: New store opening in Tegal
- Indofarma: Targets 20% yoy revenues growth this year
- Mandom targets 10% sales growth in 2017

Tuesday, 02 May 2017

Automotive Sector

IIMS 2017: Fewer new car launches

We visited the 2017 Indonesia International Motor Show (IIMS) whose theme, this year, was "The Essence of Motor Show". Held at Kemayoran, several new popular models were launched: a) an all-new 7-seater Honda CR-V, and b) facelift models of the Toyota Agya and Daihatsu Ayla. While rising commodity prices have helped to improve the sales of commercial cars, lackluster purchasing power amid only moderate economic growth has restricted further growth in the domestic car market. Maintain Neutral.

Fewer new cars launched compared to last year. After several car manufacturers took a bold approach last year, there have been fewer new car launches this year, marked by the launch an all-new 7-seater Honda CR-V and facelift models of Astra's Toyota Agya and Daihatsu Ayla just before the IIMS 2017 event. In 2016, Astra International (ASII) launched 14 new models with new popular models including Toyota Calya and Daihatsu Sigra (this duo 7-seater was launched slightly before the Gaikindo event), Toyota Sienta and Toyota Fortuner.

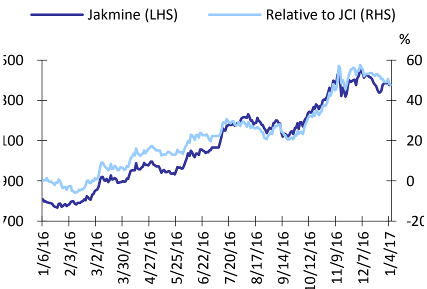
Mitsubishi XM Concept to rival the Toyota Avanza and Daihatsu Xenia. During IIMS 2017, Mitsubishi provided a sneak peak of its Mitsubishi XM Concept, a crossover MPV, which will be launched in the next Gaikindo auto show in August 2017. Customers can start to place orders now even though no price indication has been provided yet. The car, which will be produced at the new Mitsubishi Karawang plant, is expected to compete against Toyota Avanza and Daihatsu Xenia in the low-MPV market.

Longer vehicle lead-time with fewer discounts on popular models. Recently, the lead-time for popular car models such as Toyota Innova and Toyota Fortuner has increased to around 2 months. Consequently, discounts on these car models have declined to only a maximum of Rp20million/unit (a 3.9 – 6.8% discount) compared to the end of 4Q16. Meanwhile, the lead-time for the newly launched Toyota Agya is around 1 month with no discount currently and for Toyota Sienta stock is ready with discounts up to Rp30million/unit (a 10.1 - 12.9% discount).

1Q17: strong car sales but weak motorcycle sales volume. Domestic car sales improved by 5.7% yoy to 282,596 units in 1Q17 thanks to the introduction of the duo 7-seater LCGC cars, Toyota Calya and Daihatsu Sigra in 3Q16. Also, the sales of commercial cars (heavy trucks, buses and light-trucks) posted a recovery. Nonetheless, pick-up commercial car sales remained lackluster, owing to weak purchasing power in the retail sector in the low-income segment. This was also reflected in 6.8% yoy lower domestic motorcycle sales of 1,401,538 units in 1Q17.

We remain Neutral on the automotive sector even though rising commodity prices are helping to improve demand for commercial cars. As such, we maintain our conservative domestic car sales volume growth target of only 5.0% yoy for 2017, noting that moderate economic growth of an estimated 5.1% yoy will rein in consumer purchasing power. In turn, this will limit further growth in domestic car sales.

ASII relative to JCI Index



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Company	Ticker	Rec	Price, Rp	Target Price, Rp	Market Cap, Rpbn	EPS Growth, % 2017F	EPS Growth, % 2018F	P/E, x 2017F	P/E, x 2018F	P/B, x 2017F	P/B, x 2018F	EV/EBITDA, x 2017F	EV/EBITDA, x 2018F	ROE, %
Astra International	ASII	HOLD	8,950	9,000	339,050	25.2	16.0	17.9	15.4	2.2	2.0	12.9	10.9	12.2

Tuesday,02 May 2017

HOLD

Maintain

Summarecon Agung(SMRA.IJ)

Solid 1Q17 results

Last price (IDR)	1,360
Target Price (IDR)	**Rp1,300**
Upside/Downside	**-6.8%**
Previous Target Price (IDR)	*Rp1,600*

Stock Statistics

Sector	Property
Bloomberg Ticker	SMRA IJ
No of Shrs (mn)	14,427
Mkt. Cap (IDR bn/USDmn)	20,125/1,510
Avg. daily T/O (IDR bn/USDmn)	n/a/n/a

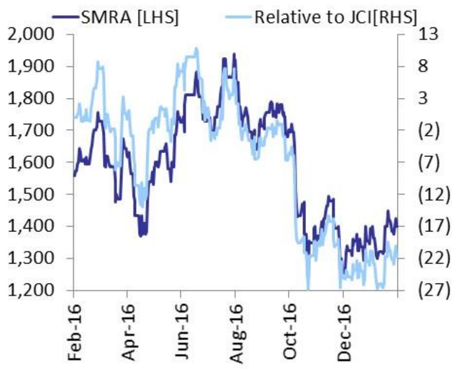
Major shareholders

Semarop Agung	25.4%
Sinarmegah Jayasentosa	6.6%
Estimated free float (%)	62.1

EPS Consensus SMRA

	2017F	2018F	2019F
Danareksa	22.3	28.1	25.2
Consensus	31.4	46.8	49.4
Danareksa/Cons	(28.9)	(39.9)	(48.9)

SMRA relative to JCI Index



Source : Bloomberg

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SMRA recorded net profits of IDR152.9bn in 1Q17, up 152.9%yoy, or 80.3% of our full year estimate. The stellar performance mainly owed to partial revenues recognition from commercial land plot sales in Summarecon Serpong worth IDR85.8bn. Last Saturday, SMRA conducted the launch of Magna Shop House and obtained a 100% take-up rate. We estimate that this will result in IDR250bn of additional marketing sales. Maintain HOLD.

Net profits surge 152.9% yoy in 1Q17

SMRA recorded net profits of IDR152.9bn in 1Q17, up 152.9%yoy, or reaching 80.3% of our full year forecast and 17.8% of the consensus. The stellar performance owed to (i) 17.5%yoy higher revenues from commercial land plot sales (IDR85.5bn) and houses (+96.1%yoy), (ii) lower tax paid (with a lower final tax rate imposed on development revenues – down from 5% to 2.5%), (iii) lower minorities.

Two launches in 2Q17

Last Saturday, SMRA conducted the launch of Magna Shop House in Summarecon Bandung township. From 127 units for sale with prices between IDR1.3-4.1bn/unit, SMRA recorded an impressive 100% take-up rate for this launch (previously, reservations had reached 200 units). In our estimate, this should result in IDR250bn of additional marketing sales. On top of this, SMRA also plans to launch the Burgundy cluster (landed residential) in Summarecon Bekasi in mid-May 2017. 380 units will be offered for sale with prices between IDR1.1bn-1.9bn/unit. Assuming a 50% take-up rate for the Burgundy cluster, we estimate that this cluster will contribute an additional IDR200bn of marketing sales for SMRA.

IDR1tn of marketing sales expected in 1H17

The company targets marketing sales of IDR1tn in 1H17, accounts for 22.2% of company's full year target of IDR4.5tn and 33.3% of ours amounted to IDR3.0tn. This is supported by project launches and sales from its inventory. Although expected marketing sales achievement in 1H17 will likely fall short of our marketing sales target, we believe that SMRA will still record marketing sales of IDR3.0tn in 2017 (+0.5%yoy), supported by stronger demand and expected commercial land plot sales. At the moment, the company is negotiating with several potential buyers of its commercial land plots.

Maintain HOLD

We maintain our HOLD call on SMRA with an unchanged target price of IDR1,300 (SOTP based valuation with WACC of 11.7%, Terminal Growth of 4.0%, 60% discount to NAV). Currently, SMRA is trading at a 58.4% discount to its NAV.

Key Financials

Year to 31 Dec	2015A	2016A	2017F	2018F	2019F
Revenue, (Rpbn)	5,624	5,398	5,327	5,478	5,249
EBITDA, (Rpbn)	2,009	1,678	1,645	1,671	1,638
EBITDA Growth, (%)	(12.1)	(16.5)	(2.0)	1.6	(2.0)
Net profit (Rpbn)	855	312	322	405	364
EPS (Rp)	59.3	21.6	22.3	28.1	25.2
EPS growth (%)	(38.3)	(63.6)	3.2	26.0	(10.2)
BVPS, (Rp)	416.8	432.7	453.2	479.4	502.3
DPS, (Rp)	20.0	5.0	1.8	1.9	2.4
PER (x)	22.9	63.0	61.0	48.4	53.9
PBV (x)	3.3	3.1	3.0	2.8	2.7
Dividend yield (%)	1.5	0.4	0.1	0.1	0.2
EV/EBITDA (x)	12.1	14.9	15.2	15.1	15.6

Source : SMRA, Danareksa Estimates

Danareksa Sekuritas

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FLASH NOTES

Ace Hardware Indonesia: 1Q17 result in-line with our expectations

(ACES IJ. IDR935. HOLD. TP IDR850)

- The 1Q17 net profit increased to IDR154.1bn (+10.2% yoy; -34.2% qoq), or reaching 22% of our FY17F forecast, in-line, mainly due to much brisker 1Q17 revenues growth. Although the gross margin was stable, opex fell slightly.
- **1Q17 revenues rose significantly.** The 1Q17 revenues climbed to IDR1.3tn (+11.5% yoy; -6.5% qoq), or reaching 24% of our FY17F forecast, in-line. About 96% of the revenues were generated by DP. The home improvement, lifestyle and toys divisions all recorded growth: 8.8%, 14.2% and 42.3% yoy, respectively, although -3.8%, -10.2%, and -5.7% qoq due to seasonality. Each contributed 57.0%, 39.1%, and 3.0% of total revenue.
- **The 1Q17 gross margin remained stable and opex declined.** The 1Q17 gross margin was stable at 47.8%. Hence, the 1Q17 gross profits increased by 11.2% yoy but fell 6.8% qoq. On a positive note, opex declined mainly due to lower headquarter office rental expenses and post-employment benefits (down by 9.6% yoy and 20.3% yoy respectively), although salary and store rental expenses increased by 14.5% yoy and 7.6% yoy. Salaries, store rental, office rental, and post-employment benefits were 45.1%, 14.1%, 2.9% and 2.5% of the total opex. As a result, the operating margin improved to 14.2% (1Q16: 13.7%; 4Q16: 21.0%).
- **The 1Q17 pretax margin only improved slightly due to tax penalties.** Despite a much better operating margin, the 1Q17 pretax margin improved by only 20 ppt to 14.8% (1Q16: 14.6%; 4Q16: 21.6%) due to tax penalties in 1Q17 of IDR 12bn. As a result, the 1Q17 pretax profit grew by 12.7% yoy, despite 36.2% qoq. The 1Q17 net margin dipped 10 ppt to 11.9% (1Q16: 12%; 4Q16: 16.9%) due to a slightly higher tax rate.
- **Balance sheet.** The 1Q17 inventory days fell slightly to 208 days (1Q16: 210 days; 4Q16: 220 days). The balance sheet remained healthy with a strong net cash position with A/R maintained at 1 day and A/P at 15 days.
- **Our view.** We maintain our HOLD recommendation with a TP of IDR 850, implying 22.8X P/E 2017F slightly above the mean.

Exhibit 1. ACES' 1Q17 earnings – in-line

Operational data	1Q16	4Q16	1Q17	QoQ,%	YoY, %	1Q16	1Q17	YoY, %	2017F	A/F, %
SSSG, %	*0.6*	*3.9*	*5.0*			*0.6*	*5.0*			

Financial performance	1Q16	4Q16	1Q17	QoQ,%	YoY, %	1Q16	1Q17	YoY, %	2017F	A/F, %
Revenue, IDRbn	1,161	1,385	1,295	*(6.5)*	*11.5*	1,161	1,295	*11.5*	5,430	*24*
Gross profit, IDRbn	556	664	618	*(6.8)*	*11.2*	556	618	*11.2*	2,585	*24*
Operating profit, IDRbn	159	291	183	*(36.9)*	*15.2*	159	183	*15.2*	802	*23*
Pretax profit, IDRbn	170	300	191	*(36.2)*	*12.7*	170	191	*12.7*	874	*22*
Net profit, IDRbn	140	234	154	*(34.2)*	*10.2*	140	154	*10.2*	669	*22*
Gross Margin, %	*47.9*	*47.9*	*47.8*			*47.9*	*47.8*			
Operating Margin, %	*13.7*	*21.0*	*14.2*			*13.7*	*14.2*			
Pretax Margin, %	*14.6*	*21.6*	*14.8*			*14.6*	*14.8*			
Net Margin, %	*12.0*	*16.9*	*11.9*			*12.0*	*11.9*			

Source: Danareksa Sekuritas

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FLASH NOTES

Adhi Karya: 1Q17 earnings reach only 1.9% of our full year target

(ADHI IJ. IDR2,260. BUY. TP IDR3,500)

- ADHI booked 1Q17 earnings of IDR19.1bn, up 79.2%yoy from IDR10.7bn in 1Q16. The result is below our target since the figure is only 1.9% of our full year target while in the past two years the 1Q figure averaged 2.9%.
- The strong earnings growth was supported by 69.3%yoy higher revenues and a wider gross margin. However, ADHI also booked higher interest expenses.
- Even though the total debt as of March 17 of IDR4.2tr was slightly lower than the IDR4.3tr as of Dec 16, the interest expenses jumped 80.4%yoy to IDR73.3bn. The debt to equity ratio reached 0.78x as of Mar 17, little changed from its level as of Dec 16.
- We are reviewing our forecast on ADHI.

Exhibit 1. 1Q17 earnings – below expectation

Financial performance (in Rpbn)	1Q16	4Q16	1Q17	QoQ Chg %	YoY Chg %	2017F	A/F %
Revenue	1,329	5,371	2,249	(58.1)	69.3	23,284	9.7
Gross profit before JO	127	560	238	(57.5)	87.6	2,586	9.2
Operating profit	54	443	157	(64.7)	192.7	1,854	8.5
Net profit	11	198	19	(90.3)	79.2	986	1.9
Gross margin before JO (%)	9.6	10.4	10.6	0.2	1.0	11.1	
Operating margin (%)	4.0	8.3	7.0	(1.3)	2.9	8.0	
Net margin (%)	0.8	3.7	0.9	(2.8)	0.0	4.2	

Source: Danareksa, Company

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FLASH NOTES

Aneka Tambang: Weak production volume dragged down quarterly net profit

(ANTM IJ. IDR745. HOLD. TP U/R)

- Aneka Tambang (ANTM) reported net profits of IDR7bn in 1Q17 (+25.4% yoy, but – 75.0% qoq). While the revenue and gross profit was below our expectation, the net profit was above expectation attributable to income from associates (Nusa Halmahera Mining) vs. loss in our assumption.
- **Lower ferronickel sales volume dragged down quarterly net profit.** The decline in the net profit was mainly due to lower profitability in the nickel division following a) lower ferronickel sales volume by 50.3% qoq and nickel ore sales volume by 51.2% qoq and b) rising energy cost. As such, nickel division to post an operating loss of Rp32bn in 1Q17 vs. operating income of Rp299bn in 4Q16. With the company to post income from associates vs. a loss in 4Q16, this helped to mitigate further decline in the net profit.
- **Tax benefit and income from associates helped the company sustained yearly profit.** On yearly basis, while at operational wise, ANTM reported weak performance with higher operating loss of Rp84bn in 1Q17 (1Q16: loss of Rp50bn) due to lower sales volume in all business segment, the company managed to improve its net profit by 25.4% yoy. This was due to a) income from associates and joint venture vs. a loss in 1Q16 and b) tax benefit in 1Q17 partly owing to non-taxable income
- Given a lack of catalysts that would help lift the nickel price further owing to: a) more nickel supply following the announcement by the Indonesian government to partially lift the nickel ore exports ban, b) uncertainty in the Philippines nickel ore industry, and c) the muted global nickel demand to persist, we maintain HOLD recommendation for ANTM while reviewing our target price.

Exhibit 1. 1Q17 earnings – lower sales volume dragged down

Operational performance	1Q16	4Q16	1Q17	QoQ,%	YoY, %	2017F	A/F, %
Ferronickel, tons							
Production	4,357	5,900	2,934	*(50.3)*	*(32.7)*	22,000	*13*
Sales	2,625	8,793	2,562	*(70.9)*	*(2.4)*	22,000	*12*
Nickel Ore, tons							
Production	250,986	527,384	525,468	*(0.4)*	*109.4*	1,430,000	*37*
Sales	201,050	103,435	50,500	*(51.2)*	*(74.9)*	0	*n.a.*
Gold, kg							
Production	479	666	594	*(10.8)*	*24.0*	2,400	*25*
Sales	2,907	2,159	2,128	*(1.4)*	*(26.8)*	10,300	*21*

Financial performance	1Q16	4Q16	1Q17	QoQ,%	YoY, %	2017F	A/F, %
Revenue, IDR bn	1,982	2,661	1,651	*(38.0)*	*(16.7)*	9,739	*17*
COGS, IDR bn	(1,873)	(2,175)	(1,568)	*(27.9)*	*(16.3)*	(8,714)	*18*
Gross profit, IDR bn	109	486	83	*(83.0)*	*(24.1)*	1,025	*8*
Operating profit, IDR bn	(50)	201	(84)	*(141.9)*	*n.a.*	214	*n.a.*
Net profit, IDR bn	5	27	7	*(75.0)*	*25.4*	(147)	*n.a.*
Gross margin, %	5.5	18.3	5.0	*(13.3)*	*(0.5)*	10.5	
Operating margin, %	(2.5)	7.6	(5.1)	*(12.7)*	*(2.6)*	2.2	
Net margin, %	0.3	1.0	0.4	*(0.6)*	*0.1*	(1.5)	

Source: Danareksa, ANTM

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FLASH NOTES

Charoen Pokphand Indonesia: Weak 1Q17 results
(CPIN IJ. IDR3,190. NON RATED)

- The 1Q17 net profits sank to IDR625.7bn (-17.9% yoy), although much improved from the previous quarter (4Q16: net loss IDR264.2bn) due to a significantly higher tax rate in 4Q16. The weak 1Q17 net profits mainly owed to lower profitability as reflected in margins compression across the board, although the 1Q17 revenues surged thanks to inorganic growth in the broiler division.
- **Surge in 1Q17 revenues.** The 1Q17 revenues jumped to IDR12tn (+30% yoy; +21.3% qoq) mainly thanks to inorganic growth in the broiler division (+153.5% yoy; +130.4% qoq). This was off a low base as the broiler division only started to operate in 2015, combined with improving revenues from the animal feed business (+9.4% yoy; +2.5% qoq). These two divisions contributed 28.2% and 49.9% of total revenues. Meanwhile, DOC revenues, which contributed 10.4% of total revenues, dropped by 3.2% yoy but rose 16.2% qoq. Food processing revenues, which contributed 7.7% of total revenues, increased by 13.6% yoy and 1.4% qoq.
- **The 1Q17 gross margin narrowed**. The 1Q17 gross margin narrowed to 11.8% (1Q16: 15.2%; 4Q16: 17.0%), mainly due to the negative broiler gross margin. Meanwhile, the DOC gross margin was also squeezed. The lower gross margins owed to oversupply issues for broilers and DOC in 1Q17. However, the relatively stable animal feed and processed chicken gross margins helped lead to gross profits growth of 0.9% yoy in 1Q17.
- **Higher opex, operating margins compression.** The 1Q17 opex increased due to higher salaries, royalty fees, promotions and freight out (up by 20.9% yoy, 15.8% yoy, 27.7% yoy, and 51.1% yoy). Salaries, royalty fees, promotions and freight out were 39%, 18%, 9%, and 6% of opex respectively. As the result, the 1Q17 operating margin compressed to 7.3% (1Q16: 10.4%; 4Q16: 10.5%). This led to negative yoy growth in 1Q17's operating profits of -9.6%.
- **Lower FX gains, pretax margins compressed further.** Forex gains fell to IDR23bn (1Q16: IDR152bn; 4Q16: forex loss IDR43bn) offsetting lower financing costs and higher interest income. As the result, the 1Q17 pretax margin compressed further to 6.3% (1Q16: 9.9%; 4Q16: 8.8%). This led to 17.7% yoy lower 1Q17 pretax profits. As the result, the 1Q17 net margin narrowed to 5.2% (1Q16: 8.2%; 4Q16: -2.7%).
- **Outlook.** The major concern facing the company going forward is the issue of continued oversupply of broiler and DOC in the following quarters due to weak overall consumption. The stock is currently trading at 3.0x PBV, below its mean.

Exhibit 1. CPIN's 1Q17 earnings – sluggish

Financial performance	1Q16	4Q16	1Q17	QoQ,%	YoY, %	1Q16	1Q17	YoY, %
Revenue, IDRbn	9,244	9,904	12,014	*21.3*	*30.0*	9,244	12,014	*30.0*
Gross profit, IDRbn	1,406	1,686	1,418	*(15.9)*	*0.9*	1,406	1,418	*0.9*
Operating profit, IDRbn	964	1,039	872	*(16.1)*	*(9.6)*	964	872	*(9.6)*
Pretax profit, IDRbn	918	876	755	*(13.8)*	*(17.7)*	918	755	*(17.7)*
Net profit, IDRbn	762	(264)	626	*(336.8)*	*(17.9)*	762	626	*(17.9)*
Gross Margin, %	*15.2*	*17.0*	*11.8*			*15.2*	*11.8*	
Operating Margin, %	*10.4*	*10.5*	*7.3*			*10.4*	*7.3*	
Pretax Margin, %	*9.9*	*8.8*	*6.3*			*9.9*	*6.3*	
Net Margin, %	*8.2*	*(2.7)*	*5.2*			*8.2*	*5.2*	

Source: Danareksa Sekuritas

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FLASH NOTES

Erajaya Swasembada: Good 1Q17 results

(ERAA IJ. IDR730. NON RATED)

- The 1Q17 net profits increased to IDR65bn (+7.3% yoy; -19.4% qoq), mainly due to better revenues growth. Although the 1Q17 gross margin improved, opex increased, leading to a slightly narrower 1Q17 operating margin. The 1Q17 pretax and net margins were maintained thanks to lower financing costs.
- **1Q17 revenues improved.** The 1Q17 revenues climbed to IDR5.2tn (+6.5% yoy; +4.2% qoq) mainly due to higher voucher revenues which grew by 64.2% yoy and 41.5% qoq. Meanwhile, cellular phones and tablets revenues fell by 0.4% yoy and 3.6% qoq. Cellular phones & tablets and vouchers contributed 79% and 15% of total revenues. Meanwhile, the other divisions, i.e. computers and accessories contributed only 3% each. They posted growth of 2.9% yoy and 19.9% yoy, and also 105.7% qoq and 49.1% qoq respectively.
- **The 1Q17 gross margin improved.** The 1Q17 gross margin improved to 9.3% (1Q16: 8.4%; 4Q16: 10.4%) mainly due to a slightly better cellular phones and tablets gross margin of 5.0% (1Q16: 4.7%; 4Q16: 6.6%). The accessories gross margin also improved to 45.5% (1Q16: 32.1%; 4Q16: 52.0%). In terms of gross profits, the cellular phones and tablets division contributed 75.6%, followed with accessories (15.8%). Meanwhile, vouchers only contributed 4.7% to total gross profits followed by computers with a contribution of only 3.9%. Vouchers' gross margin dipped to 2.9% (1Q16: 4.1%; 4Q16: 5.5%), while computers' gross margin was stable at 11.8% (1Q16: 11.2%; 4Q16: 2.1%). As a result, the 1Q17 gross profit increased significantly by 17.9% yoy albeit -6.2% qoq.
- **1Q17 higher opex, slightly lower operating margin.** On the negative side, 1Q17 opex increased due to higher salaries, promotion and rental expense which grew 19.1% yoy, 59.8% yoy, and 17.3% yoy. Salaries, promotion and rental expense contributed 41%, 15% and 13% to opex. As the result, 1Q17 operating margin was slightly lower at 2.1% (1Q16: 2.2%; 4Q16: 2.9%), which filter through only 3% yoy increase in 1Q17 operating profit, despite -24.7% qoq due to seasonality.
- **Lower 1Q17 financing costs.** Positively, the 1Q17 financing costs dropped by 41.9% yoy, leading to a 1Q17 pretax margin of 1.8% (1Q16: 1.8%; 4Q16: 2.4%). This resulted in a 1Q17 net margin of 1.3% (1Q16: 1.3%; 4Q16: 1.6%).
- **Balance sheet.** 1Q17 inventory days increased to 53 days (1Q16: 49 days; FY16: 46 days) due to purchases of new products in 1Q17. Meanwhile, net gearing increased to 38.1% (1Q16: 56.8%; FY16: 8.5%), as the company received IDR613bn of short-term bank loans in 1Q17.
- **Outlook.** Due to rapid growth in mobile data usage and recent product launches in 2Q17, the company expects further improvements in revenues. Inventory days are expected to improve, resulting in a better cash position. As a result, net gearing is expected to fall.

Exhibit 1. ERAA's 1Q17 earnings – good performance

Financial performance	1Q16	4Q16	1Q17	QoQ,%	YoY, %	1Q16	1Q17	YoY, %
Revenue, IDRbn	4,850	4,956	5,166	*4.2*	*6.5*	4,850	5,166	*6.5*
Gross profit, IDRbn	409	514	483	*(6.2)*	*17.9*	409	483	*17.9*
Operating profit, IDRbn	107	146	110	*(24.7)*	*3.0*	107	110	*3.0*
Pretax profit, IDRbn	86	121	93	*(23.1)*	*9.1*	86	93	*9.1*
Net profit, IDRbn	61	81	65	*(19.4)*	*7.3*	61	65	*7.3*
Gross Margin, %	*8.4*	*10.4*	*9.3*			*8.4*	*9.3*	
Operating Margin, %	*2.2*	*2.9*	*2.1*			*2.2*	*2.1*	
Pretax Margin, %	*1.8*	*2.4*	*1.8*			*1.8*	*1.8*	
Net Margin, %	*1.3*	*1.6*	*1.3*			*1.3*	*1.3*	

Source: Danareksa Sekuritas

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FLASH NOTES

Harum Energy: 1Q17- Sturdy coal prices improved earnings

(HRUM IJ. IDR2,570. SELL. TP IDR2,000)

- Harum Energy (HRUM) reported net income of USD12.4mn in 1Q17 (+850.2 and +390.4%qoq). The results were above our expectation on the back of lower-than-expected on the costs.
- **Higher quarterly net profit** was mainly attributable to rising profitability with a) higher coal prices with ASP +11.2% qoq and b) lower COGS despite the company reported higher stripping ratio and c) lower operating expenses significantly with commissions and G&A per tonne went down by 25.1% qoq. At the same time, better net profit was due to normalization of tax rate of 36.8% in 1Q17 vs. 78.4% in 4Q16. In 2Q16, the company is expected to maintain coal production and overburden removal at current level with the expectation on improvement in the equipment productivities owing to better weather condition.
- **Rising coal price and production boosted yearly net profit.** The rising coal prices resulted on HRUM to increase monthly production run-rate to 0.4mn tonnes per month in 1Q17 from 0.2mn tonnes per month. This reflected on higher coal production by 71.7% yoy despite unfavourable weather condition that occurred in 1Q17. While HRUM experienced higher cash cost on the back of rising stripping ratio and average fuel price purchased by 42.3% which reflected on higher FOB cash cost, its profitability improved owing to higher coal prices.
- **Maintain SELL recommendation on demanding valuation.** With the expectation of better coal prices, we expect a recovery in HRUM's coal production by 33.3% yoy to 4.0mn tonnes in 2017, earnings should remain strong. Nonetheless, we maintain our SELL recommendation as we remain concerned by the company's low reserves with a mining life of just 14 years and a demanding valuation of 17.9x 2017F PE vs. its peers such as PTBA (11.0x 2017F PE) and ADRO (13.3x 2017F PE).

Exhibit 1. 1Q17 earnings – above expectation

Operational Data	1Q16	4Q16	1Q17	QoQ, %	YoY, %	2017F	A/F, %
Production vol, mn tonnes	0.7	1.2	1.2	*(0.1)*	*71.7*	4.4	*26.3*
Sales vol, mn tonnes	0.9	1.5	1.2	*(18.2)*	*42.2*	5.4	*23.1*
3rd party purchase, mn tonnes	0.2	0.4	0.2	*(51.1)*	*(24.6)*	1.0	*18.1*
ASP, USD/tonne	48.3	55.4	61.6	*11.2*	*27.5*	58.9	*104.6*
Strip ratio, bcm/tonne	5.7	6.9	7.9	*14.5*	*38.6*	7.0	*112.9*
FOB cash cost, USD/tonne	32.2	33.2	34.0	*2.4*	*5.6*	34.1	*99.6*

Financial performance	1Q16	4Q16	1Q17	QoQ, %	YoY, %	2017F	A/F, %
Revenue, USDmn	43.9	87.3	78.7	*(9.9)*	*79.2*	303.3	*25.9*
COGS, USDmn	33.3	59.1	51.6	*(12.7)*	*54.9*	211.0	*24.5*
Gross profit, USDmn	10.6	28.2	27.1	*(4.0)*	*155.8*	92.3	*29.3*
Operating profit, USDmn	1.3	15.2	19.0	*25.4*	*1,363.1*	36.7	*51.8*
EBITDA, USDmn	5.0	18.4	22.1	*20.1*	*342.0*	47.8	*46.3*
Pretax profit, USDmn	2.1	11.7	19.6	*67.5*	*850.8*	40.2	*48.7*
Net profit, USDmn	1.3	2.5	12.4	*390.4*	*850.2*	29.9	*41.4*
Gross margin, %	24.1	32.3	34.4	*2.1*	*10.3*	30.4	
Operating margin, %	3.0	17.4	24.2	*6.8*	*21.2*	12.1	
EBITDA margin, %	11.4	21.1	28.1	*7.0*	*16.7*	15.7	
Net margin, %	3.0	2.9	15.7	*12.8*	*12.7*	9.8	

Source: Danareksa, HRUM

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FLASH NOTES

Kino Indonesia: Poor 1Q17 earnings on negative top line growth with continued high opex

(KINO IJ. IDR2,400. SELL. TP IDR2,800)

- KINO reported poor 1Q17 earnings growth on the back of negative top line growth (- 22% yoy) with continued high opex (39% of revenues). The 1Q17 earnings were below our forecast (only 2% of our FY17F).
- At the top line, KINO's personal care division – the major revenues contributor (48% of total 1Q17 revenues), posted a 28% yoy decline in revenues, followed by Beverages (down 11% yoy) and Foods (-28% yoy). Soft purchasing power combined with tough competition weighed heavily on KINO, we believe.
- On a more positive note, KINO managed to maintain its high 1Q17 gross margin. However, continued high opex – especially in advertising and promotions (18.9% of 1Q17 revenues versus 16.8% in FY16), put pressure on the operating profits. This filtered through to the bottom line, leading to a 0.5% net margin in 1Q17.
- It is worth noting that in 1Q17, KINO's activity ratios worsened. Inventory days increased to 102 – the highest in the past 8 quarters, while receivable days rose to 117 days.
- This year, the company plans to launch several new products and offer smaller package sizes in a bid to push sales growth. Nonetheless, with the expectation of only a soft recovery in purchasing power, we don't expect strong demand growth for consumer discretionary products.
- At the current share price, KINO is trading at FY17F PE of 18x. We maintain our SELL recommendation on the stock with an unchanged TP of Rp2,800.

Exhibit 1. 1Q17 earnings

Financial performance	1Q16	4Q16	1Q17	yoy	qoq	2017F	A/F, %
Revenue, IDRbn	861	793	670	-22.1%	-15.5%	3,698	18%
COGS	510	491	389	-23.8%	-20.8%	2,202	
Gross profit	350	302	281	-19.7%	-6.8%	1,496	
Opex	256	302	264	3.4%	-12.5%	1,186	
Operating profit	95	0	17	-81.8%	16380.9%	310	6%
Pretax profit	85	(7)	5	-93.7%	na	244	
Net profit	72	(4)	4	-95.0%	na	191	2%
Gross margin	40.7%	38.1%	42.0%			40.5%	
Opex to revenue	29.7%	38.1%	39.4%			32.1%	
Operating margin	11.0%	0.0%	2.6%			8.4%	
Pretax margin	9.9%	-0.9%	0.8%			6.6%	
Net margin	8.3%	-0.4%	0.5%			5.2%	
Inventory days	63	75	102			63	
Receivable days	104	98	117			81	
Payable days	63	55	72			70	
Gross margin per divisions							
Personal care	52.1%	54.6%	55.7%				
Beverages	38.6%	33.7%	37.7%				
Food	7.4%	5.2%	7.8%				
Pharmaceutical	37.6%	28.6%	30.1%				

Source: Danareksa, KINO

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FLASH NOTES

Mayora Indah: 1Q17 earnings grow 12% thanks to lower forex losses
(MYOR IJ. IDR2,030. HOLD. TP IDR2,100)

- Mayora reported solid 1Q17 earnings growth of 11.9% yoy, thanks to lower forex losses due to a lower revenues contribution from exports (1Q17: 39% versus 1Q16: 45% to total revenues). As a result, MYOR's result was in line with our FY17 forecast.
- At the top line, the food processing division was the main growth driver while growth in the coffee and chocolate division was flattish due to tough competition in the coffee market, we believe.
- Both divisions reported lower gross margins on the back of higher raw material prices including sugar (+36.1% yoy), CPO (+29.7% yoy) and coffee (+13.1% yoy).
- In 1Q17, MYOR reduced its advertising and promotions spending, leading to a lower opex to revenues ratio of 12%. This cushioned the decline in operating profits which fell a smaller 4.1% yoy. Coupled with smaller forex losses, MYOR managed to book growth at the bottom line.
- We will review our forecast and recommendation following the announcement of this result. At the current share price, MYOR is trading at FY17F PE of 29.6x.

Exhibit 1. 1Q17 result

Financial performance	1Q16	4Q16	1Q17	yoy	qoq	2017F	1Q17/FY17F
Revenue, IDRbn	4,681	5,034	4,980	6.4%	-1.1%	20,821	23.9%
COGS	3,347	3,667	3,791	13.3%	3.4%	15,344	
Gross profit	1,335	1,368	1,189	-11.0%	-13.1%	5,477	
Opex	721	711	600	-16.8%	-15.7%	3,005	
Operating profit	614	657	589	-4.1%	-10.3%	2,472	23.8%
Pretax profit	424	624	491	15.7%	-21.3%	2,088	
Net profit	323	457	361	11.9%	-21.0%	1,532	23.6%
Gross margin	28.5%	27.2%	23.9%			26.3%	
Operating margin	13.1%	13.0%	11.8%			11.9%	
Opex to revenue	15.4%	14.1%	12.0%			14.4%	
Pretax margin	9.1%	12.4%	9.9%			10.0%	
Net margin	6.9%	9.1%	7.3%			7.4%	
Revenue breakdown - IDR bn							
Food processing	2,432.8	2,804	2,706	11.2%	-3.5%		
Coffee and chocolate	2,407.8	2,416	2,434	1.1%	0.7%		
Gross margin - by divisions							
Food processing	27.2%	25.1%	24.9%				
Coffee and chocolate	28.0%	27.5%	21.2%				
Operating margin - by divisions							
Food processing	13.6%	11.7%	12.4%				
Coffee and chocolate	11.8%	13.6%	10.4%				

Source: Danareksa, MYOR

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FLASH NOTES

Pakuwon Jati: Solid revenues growth but lower profits (PWON IJ. Rp625. BUY. TP Rp700)

- PWON recorded net profits of IDR348bn in 1Q17, down 36.0%yoy, or INLINE with our forecast (20.4%) yet below consensus estimates (17.6%). The sluggish performance was mainly attributable to: (i) one-off early bond redemption expenses from its USD200mn senior notes amounting to IDR143.7bn. Should we exclude this one-off expense, PWON would have recorded net profits of IDR501bn, down by 7.7%yoy, (ii) lower forex gains recognized in 1Q17 (IDR19.8bn in 1Q17 vs. IDR85.5bn in 1Q16).
- Thanks to annual rental adjustments and the encouraging construction progress of its apartment projects, PWON managed to record revenues of IDR1.4tn in 1Q17, up 10.6%yoy. Nevertheless, the higher contribution from apartment projects which exhibit lower gross margins than both residential property and recurring revenues (apartments: 51.6%, landed residential property: 85.8%, recurring: 54.6%) resulted in 3.0ppt compression in the gross margin.
- Coupled with increasing advertising and promotional expenses (+25.3%yoy) and salaries and allowances (+14.7%yoy), PWON recorded an operating margin of only 48.4% in 1Q17, down by 4.0ppt.
- **Slight reduction in gearing thanks to lower capex spending**
  PWON reduced its net gearing from 31.7% in 2016 to 30.7% in 1Q17. This was mainly thanks to lower capex spending in 1Q17 following the completion of Pakuwon Mall Extension last year.
- **Forecast maintained**
  Although the 1Q17 net profits figure was only 20.4% of our full year forecast, we maintain our net profits target of IDR1.7tn. We foresee additional revenues recognition from the Pakuwon Mall Extension and expect annual rental adjustments to boost performance this year.
- **We reiterate our BUY call on PWON with an unchanged target price**
  We maintain our BUY call on PWON with a target price of IDR700 (SOTP based valuation with WACC of 12.4%, Terminal Growth of 4.0%, and 40% discount to NAV). Currently, PWON is trading at a 46.7% discount to its NAV.

in Rp bn, unless stated	1Q16	4Q16	1Q17	qoq, %	yoy, %	1Q16	1Q17	yoy, %	2017F*	A/F,%*	2017F**	A/F,%**
Sales	1,246	1,206	1,378	14.2	10.6	1,246	1,378	10.6	5,206	26.5%	5,646	24.4%
COGS	(497)	(523)	(591)	13.0	19.0	(497)	(591)	19.0	(2,259)	26.2%	(2,449)	24.1%
Gross profit	749	683	787	15.2	5.0	749	787	5.0	2,947	26.7%	3,198	24.6%
Operating expenses	(97)	(173)	(120)	(30.3)	24.1	(97)	(120)	24.1	(517)	23.3%	(538)	22.4%
Operating profit	652	511	666	30.5	2.2	652	666	2.2	2,429	27.4%	2,660	25.1%
EBITDA	726	607	748	23.3	3.0	726	748	3.0	2,739	27.3%	3,010	24.9%
Pre-tax profit	693	379	462	22.0	(33.2)	693	462	(33.2)	2,154	21.5%	2,393	19.3%
Net profit	543	358	348	(2.9)	(36.0)	543	348	(36.0)	1,707	20.4%	1,975	17.6%
Net gearing (%)	28.3	31.7	30.7			28.3	30.7	2.4				
Gross margin (%)	60.1	56.7	57.1	0.5	(3.0)	60.1	57.1	(3.0)	56.6		56.6	
Opex to sales (%)	(7.8)	(14.3)	(8.7)	5.6	(0.9)	(7.8)	(8.7)	(0.9)	(9.9)		(9.5)	
Operating margin (%)	52.3	42.3	48.4	6.0	(4.0)	52.3	48.4	(4.0)	46.7		47.1	
Net margin (%)	43.6	29.7	25.2	(4.5)	(18.4)	43.6	25.2	(18.4)	32.8		35.0	

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FLASH NOTES

Pembangunan Perumahan: 1Q17 net income grew 32.6%yoy

(PTPP IJ. IDR3,180. BUY. TP IDR5,700)

- PTPP booked 1Q17 earnings growth of 32.6%yoy to IDR130.2bn (1Q16: IDR98.2bn). This is in-line with our target (in the past two years the 1Q results reached 11.1% of the full year result).
- The earnings growth was supported by higher interest income. PTPP booked IDR71.3bn of interest income thanks to IDR6.6tr of cash as of March 17 following the rights issue conducted in 2H16.
- Margins were squeezed. The operating margin contracted by 1.5% in 1Q17 due to higher employee expenses which climbed 42.8%yoy.
- Total debt reached IDR6.7tr as of Mar 17, resulting in a debt to equity ratio of 0.70x (Dec 16: 0.69x).
- We maintain our forecast on PTPP.

Exhibit 1. 1Q17 earnings – inline

Financial performance (in Rpbn)	1Q16	4Q16	1Q17	QoQ Chg %	YoY Chg %	2017F	A/F %
Revenues	2,588	5,613	2,917	(48.0)	12.7	24,084	12.1
Gross profit	360	941	391	(58.4)	8.6	3,004	13.0
Operating profit	261	900	250	(72.2)	(4.1)	2,704	9.3
Net profit	98	457	130	(71.5)	32.6	1,295	10.1
Gross margin (%)	13.9	16.8	13.4	(3.4)	(0.5)	12.5	
Operating margin (%)	10.1	16.0	8.6	(7.5)	(1.5)	11.2	
Net margin (%)	3.8	8.1	4.5	(3.7)	0.7	5.4	

Source: Danareksa, Company

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FLASH NOTES

Ramayana Lestari Sentosa: 1Q17 below expectation

(RALS IJ. IDR1,275. BUY. TP IDR1,580)

- 1Q17 net profits fell to IDR2.9bn (-65.8% yoy; -93.9% qoq), or reaching just 1% of our FY17F forecast, below expected as historically the 1Q bottom line is 2% of the full year number. The result was sluggish due to weak purchasing power and lower profitability reflected in lower gross margins and higher opex.
- **Weak purchasing power in 1Q17.** The 1Q17 revenues dropped to IDR 1.1tn (-0.7% yoy; -16.8% qoq), or reaching 18% of our FY17F forecast, in line. The sluggish revenues owed to weak purchasing power in 1Q17, specifically in the low-end segment. Direct purchases fell by 2.4% yoy and 18.1% qoq, although the consignment division still grew 3.9% yoy, despite recording a 16.1% qoq decline due to seasonality. The DP and consignment divisions contributed 88.1% and 11.9% of total revenues respectively. By region, Java's revenues increased by 1.6% yoy and 112.8% qoq. However, ex Java sales declined (Sumatera, Kalimantan, and Sulawesi & Papua sales fell by 4.9% yoy, 7.2% yoy, and 1.4% yoy respectively), although they still grew q-o-q, indicating weak commodity sales in 1Q17.
- **Lower gross margin and higher opex in 1Q17.** The 1Q17 gross margin narrowed to 34.7% (1Q16: 36.3%; 4Q16: 34.3%), significantly down yoy although slightly better qoq. This mainly reflects the lower DP gross margin. As a result, the 1Q17 gross profit fell by 5% yoy (-15.8% qoq). Meanwhile, the opex increased mainly due to salaries, electricity and promotional expenses (up 0.2% yoy, 0.6% yoy, and 2.6% yoy), although rental expenses dropped by 5.8% yoy. Salaries, electricity, rental and promotional expenses were 34.2%, 15.6%, 10.9%, and 4.2% of the total respectively. Moreover, other SG&A such as office supplies, travelling, and insurance expenses also increased although they contributed less than 5%. This led to an operating loss in 1Q17 of IDR37.7bn (1Q16: operating loss of IDR15.5bn; 4Q16: operating loss IDR 3.8bn). The 1Q17 operating margin compressed to -3.5% (1Q16: -1.4%; 4Q16: -0.3%).
- **Insurance claims boosted other income.** The 1Q17 pretax profit was still positive at IDR 0.8bn (-82.6% yoy; -82.5% qoq), mainly due to a significant increase in other income of IDR17.8bn (1Q16: other expenses of IDR -6.0bn). This was thanks to IDR17.9bn of insurance claims received for stores that had been closed due to fire. In 1Q17, the company also received small tax benefits of IDR2bn.
- **Balance sheet.** The 1Q17 inventory days were relatively stable at 121 days, although higher than in 4Q16 due to seasonality. Positively, the balance sheet remains healthy with a strong net cash position.
- **Our view.** We are currently reviewing our forecast and maintain our BUY recommendation with a TP of IDR 1,580, implying 23.7x P/E, +1 std. The stock is currently trading at 19.1x P/E, or at mean.

Exhibit 1. RALS' 1Q17 earnings – below expectation

Operational data	1Q16	4Q16	1Q17	QoQ,%	YoY, %	1Q16	1Q17	YoY, %	2017F	A/F, %
SSSG, %	*(0.1)*	*6.3*	*1.0*			*(0.1)*	*1.0*			

Financial performance	1Q16	4Q16	1Q17	QoQ,%	YoY, %	1Q16	1Q17	YoY, %	2017F	A/F, %
Revenue, IDRbn	1,086	1,297	1,078	*(16.8)*	*(0.7)*	1,086	1,078	*(0.7)*	6,172	*18*
Gross profit, IDRbn	394	445	375	*(15.8)*	*(5.0)*	394	375	*(5.0)*	2351	*16*
Operating profit, IDRbn	(16)	(4)	(38)	*n/a*	*n/a*	(16)	(38)	*n/a*	396	*n/a*
Pretax profit, IDRbn	5	45	1	*(98.2)*	*(82.6)*	5	1	*(82.6)*	508	*1*
Net profit, IDRbn	8	47	3	*(93.9)*	*(65.8)*	8	47	*(65.8)*	453	*1*
Gross Margin, %	*36.3*	*34.3*	*34.7*			*36.3*	*34.7*			
Operating Margin, %	*(1.4)*	*(0.3)*	*(3.5)*			*(1.4)*	*(3.5)*			
Pretax Margin, %	*0.4*	*3.5*	*0.1*			*0.4*	*0.1*			
Net Margin, %	*0.8*	*3.6*	*0.3*			*0.8*	*0.3*			

Source: Danareksa Sekuritas

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FLASH NOTES

Semen Indonesia: Stiff competition squeezes profits (SMGR IJ. IDR8,825. SELL. TP IDR8,200)

- SMGR recorded net profits of IDR747bn in 1Q17, down 27.8%yoy, reaching 25.7% of our full year forecast (INLINE) and 18.4% of the consensus (BELOW). The sluggish performance was mainly attributable to (i) 8.5%yoy lower ASP reflecting SMGR's aggressive penetration of markets in a bid to boost sales, (ii) 16.4%yoy higher fuel costs per ton following increases in coal prices, (iii) 6.8%yoy higher electricity costs per ton, (iv) 16.0%yoy higher depreciation costs following commencement of the Indarung plant.
- Lower ASP and higher direct costs have squeezed gross margins. Thus, in 1Q17, SMGR recorded a gross margin of 30.4%, down by 9.9ppt compared to its level in 1Q16.
- Despite efficiency initiatives, particularly for transportation and handling whose costs declined 34.5%yoy, these measures were not sufficient to offset margins compression resulting from the decline in ASP and higher direct costs.
- **Further deterioration in working capital is inevitable**
  With an increasing contribution from bulk sales (up from 75.3% in 2016 to 76.3% in 1Q17) as well as incentives given to distributors, we note that SMGR's account receivable days rose further to 55.5 days in 1Q17. Coupled with increasing inventory, particularly raw materials and finished goods, SMGR's CCC deteriorated from 22.1 days in 2016 to 36.1 days in 1Q17. Going forward, with competition in the domestic market remaining stiff, we believe that further deterioration in the CCC is inevitable.
- **Slight increase in the gearing ratio**
  With the current construction of Semen Indonesia's Aceh plant and multiple infrastructure facilities at its existing plants, SMGR reported a slight increase in its gearing ratio from 20.5% in 2016 to 21.4% in 1Q17. This year, SMGR will build two greenfield cement plants in Aceh and Kupang and complete construction of the Rembang plant. Thus, we believe the gearing ratio will increase further this year.
- **Maintain SELL with an unchanged target price**
  We maintain our SELL call on SMGR with an unchanged target price of IDR8,200 (DCF based valuation with WACC of 13.0% and Terminal Growth of 4.0%). Currently, SMGR trades at 18.0x 2017F P/E.

	1Q16	4Q16	1Q17	qoq, %	yoy, %	1Q16	1Q17	yoy, %	2017F*	A/F,%*	2017F**	A/F,%**
Revenue (Rp bn)	6,021	7,052	6,399	(9.3)	6.3	6,021	6,399	6.3	25,781	24.8%	26,316	24.3%
Gross profit (Rp bn)	2,425	2,282	1,943	(14.9)	(19.9)	2,425	1,943	(19.9)	8,804	22.1%	10,259	18.9%
Operating profit (Rp bn)	1,234	1,101	896	(18.6)	(27.4)	1,234	896	(27.4)	3,937	22.8%	5,453	16.4%
EBITDA (Rp bn)	1,621	1,591	1,345	(15.5)	(17.0)	1,621	1,345	(17.0)	5,981	22.5%	7,051	19.1%
Pretax income (Rp bn)	1,243	1,216	876	(28.0)	(29.6)	1,243	876	(29.6)	3,762	23.3%	5,344	16.4%
Net Income (Rp bn)	1,034	1,593	747	(53.1)	(27.8)	1,034	747	(27.8)	2,907	25.7%	4,049	18.4%
Margin												
Gross profit margin (%)	40.3	32.4	30.4	(2.00)	(9.9)	40.3	30.4	(9.91)	34.1		39.0	
Operating margin (%)	20.5	15.6	14.0	(1.61)	(6.5)	20.5	14.0	(6.49)	15.3		20.7	
EBITDA margin (%)	26.9	22.6	21.0	(1.54)	(5.9)	26.9	21.0	(5.90)	23.2		26.8	
Net margin (%)	17.2	22.6	11.7	(10.92)	(5.5)	17.2	11.7	(5.50)	11.3		15.4	
Sales												
Cement sales only (Rp bn)	5,822	6,276	5,752	(8.4)	(1.2)	5,822	5,752	(1.2)	22,250	25.9%		
Sales volume ('000 tons)	5,985	7,249	6,388	(11.9)	6.7	5,985	6,388	6.7	27,103	23.6%		
Implied ASP (Rp/tons)***	916,103	815,069	838,676	2.9	(8.5)	916,103	838,676	(8.5)	820,952	102.2%		
Cash conversion cycle												
Days in AR	45.3	53.6	55.5	3.5	22.5	45.3	55.5	22.5				
Days in Inventory	71.4	59.9	63.0	5.1	(11.8)	71.4	63.0	(11.8)				
Days in AP	101.7	91.4	82.3	(10.0)	(19.0)	101.7	82.3	(19.0)				

* analyst number
** consensus number
*** exclude Thang-Long

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FLASH NOTES

UNVR: 1Q17 – Above Expectations (UNVR IJ. Rp44,500. U/R. TP RpU/R)

	1Q16	1Q17	YoY, %	1Q16	4Q16	1Q17	QoQ, %	YoY, %	FY17F	A/F, %
(in Rp bn)										
Net sales	9,988	10,846	*8.6*	9,988	9,952	10,846	*9.0*	*8.6*	44,796	*24.2*
COGS	4,968	5,219	*5.1*	4,968	4,796	5,219	*8.8*	*5.1*	20,197	*25.8*
Gross profit	5,021	5,626	*12.1*	5,021	5,156	5,626	*9.1*	*12.1*	20,398	*27.6*
Opex	2,874	2,966	*3.2*	2,874	2,925	2,966	*1.4*	*3.2*	11,625	*25.5*
Operating profit	2,147	2,661	*23.9*	2,147	2,232	2,661	*19.2*	*23.9*	8,773	*30.3*
EBITDA	2,268	2,798	*23.3*	2,268	2,371	2,798	*18.0*	*23.3*	9,168	*30.5*
Other income (expenses)	(41)	(41)	*(0.3)*	(41)	(24)	(41)	*68.5*	*(0.3)*	(93)	*43.6*
Pretax profit	2,106	2,620	*24.4*	2,106	2,208	2,620	*18.7*	*24.4*	8,680	*30.2*
Tax expense	(536)	(659)	*23.0*	(536)	(567)	(659)	*16.2*	*23.0*	(2,191)	*30.1*
Net profit	1,570	1,961	*24.9*	1,570	1,640	1,961	*19.6*	*24.9*	6,489	*30.2*
(in %)										
Gross margin	50.3	51.9		50.3	51.8	51.9			50.2	
Operating margin	21.5	24.5		21.5	22.4	24.5			21.6	
EBITDA margin	22.7	25.8		22.7	23.8	25.8			22.6	
Net margin	15.7	18.1		15.7	16.5	18.1			16.0	

- Unilever Indonesia (UNVR) booked IDR 1.96tn of earnings in 1Q17 (+19.6% qoq, +24.9% yoy), reaching 30.2% of our full year forecast, supported by solid topline growth and manageable opex.
- Net sales reached IDR 10.8tn in 1Q17 (+9.0% qoq, +8.6% yoy), supported by +1.3% average price increase in February, with its Home and Personal Care (HPC) and Food and Refreshment (FNR) divisions grow by +6.6% yoy and +13.0% yoy, respectively. Domestic sales rose 7.8% yoy and exports jumped 22.5%. The gross margin improved to 51.9% (vs 50.3% in 1Q16 and 51.8% in 4Q16).
- At the operating level, UNVR managed to book an improved margin of 24.5% (vs 21.5% in 1Q16 and 22.4% in 4Q16), which, we believe, was supported by better operating efficiency with opex grow by +1.4% qoq and +3.2% yoy. While the General and Administrative expenses increased by 18.5% yoy, the Marketing and Selling expenses dropped 3.7% yoy. We attribute this to UNVR's 'zero-based-budgeting' efforts, even though UNVR launched and relaunched a total of 16 products in 3M17 compared to 15 products in 3M16.
- We are reviewing our target price and recommendation.

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FLASH NOTES

Waskita Karya: 1Q17 earnings jumped 219.4%yoy

(WSKT IJ. IDR2,390. BUY. TP IDR3,700)

- WSKT's earnings grew by 219.4%yoy to IDR406.6bn in 1Q17 (1Q16: IDR127.3bn), or reaching 17.3% of our full year target of IDR2.3tr. This is higher than the 7.4% figure in the previous year and 1.1% in 1Q15. However, considering the company is now focusing on toll road development, the previous trend does not apply anymore.
- The strong earnings growth was supported by 114.8%yoy growth in revenues, wider operating margins and higher other income.
- WSKT booked IDR78.6bn of other income. Excluding this, the 1Q17 earnings still grew by 188.9%yoy.
- Interest expenses increased 127.6%yoy to IDR386.2bn in 1Q17 due to higher debts. Total debt as of Mar 17 reached IDR25.9tr, or slightly higher than the IDR25.2tr as of Dec 16. Hence, the debt to equity ratio reached 2.36x as of Mar 17, or higher than its level of 2.28x in Dec 16.
- WSKT managed to book IDR11.65tr of new contracts in 1Q17, almost triple the IDR3.9tr booked in the previous year.
- We maintain our forecast on WSKT.

Exhibit 1. 1Q17 earnings – above expectation

Financial performance (in Rpbn)	1Q16	4Q16	1Q17	QoQ Chg %	YoY Chg %	2017F	A/F %
Revenues	3,324	9,780	7,142	(27.0)	114.8	34,380	20.8
Gross profit before JO	520	1,541	1,034	(32.9)	99.1	3,897	26.5
Operating profit	384	1,111	879	(20.9)	129.1	3,280	26.8
Net profit	127	779	407	(47.8)	219.4	2,344	17.3
Gross margin after JO (%)	15.6	15.8	14.5	(1.3)	(1.1)	11.3	
Operating margin (%)	11.5	11.4	12.3	1.0	0.8	9.5	
Net margin (%)	3.8	8.0	5.7	(2.3)	1.9	6.8	

Source: Danareksa, Company

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MARKET NEWS

SECTOR

Bank Indonesia to loosen its reserve requirement regulation

Bank Indonesia loosened regulations on reserve requirements to allow banks some flexibility to better manage liquidity, a step aimed at reducing volatility in the overnight money market. From July, banks must keep a minimum 5 percent of their total deposits at Bank Indonesia (BI) everyday and maintain at least a 6.5% average of total deposits in the period of two weeks. Banks would get an interest of 2.5% from BI. (Jakarta Globe)

CORPORATE

Matahari Department Store: New store opening in Tegal

Matahari Department Store (LPPF) recently opened a new 5,000 sqm store in Tegal, Central Java. The store uses LED lighting which is environmentally friendly. The company currently operates about 152 stores in Indonesia. (Kontan)

Indofarma: Targets 20% yoy revenues growth this year

Indofarma (INAF) is optimistic that it will book 20% revenues growth this year, supported by sales of herbal products including food supplements and also sales of medical equipment. In 2016, INAF booked flattish revenues growth of 3.3% yoy, supported by sales of prescription drugs (+24% yoy) whereas OTC and medical equipment sales declined by 7% and 47% yoy, respectively. (Kontan)

Mandom targets 10% sales growth in 2017

To reach its target of 10% sales growth this year, Mandom Indonesia (TCID) will seek to innovate its existing products. The company has indicated that demand has recovered, although not by as much as initially expected. (Kontan)

DANAREKSA VALUATION GUIDE

	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net profit, Rp bn 2016	Net profit, Rp bn 2017	EPS (Rp) 2016	EPS (Rp) 2017	Core EPS (Rp) 2016	Core EPS (Rp) 2017	EPS Growth 2016	EPS Growth 2017	PER (x) 2016	PER (x) 2017	EV / EBITDA (x) 2016	EV / EBITDA (x) 2017	PBV (x) 2016	PBV (x) 2017	Net Gearing 2016	ROE 2016	ROE 2017
Danareksa Universe				**3,340,289**	**159,254**	**186,515**	**256.0**	**299.8**			**9%**	**17%**	**21.0**	**17.9**	**24.8**	**21.5**	**3.1**	**2.8**		**15.8**	**16.2**
Auto				**362,328**	**15,156**	**18,975**	**304.8**	**381.6**			**5%**	**25%**	**23.9**	**19.1**	**16.7**	**13.7**	**2.6**	**2.3**		**11.4**	**12.8**
Astra International	HOLD	8,950	9,000	362,328	15,156	18,975	374	469	334	449	5%	25%	23.9	19.1	16.7	13.7	2.6	2.3	29.7	11.4	12.8
Banks				**1,172,101**	**78,703**	**93,624**	**772.4**	**918.8**			**5%**	**19%**	**14.9**	**12.5**			**2.2**	**2.0**		**16.9**	**16.8**
BCA	BUY	17,750	18,300	437,626	20,606	22,682	836	920	836	920	14%	10%	21.2	19.3	N/A	N/A	3.9	3.4	N/A	20.4	18.8
BNI	HOLD	6,375	6,700	118,885	10,994	14,036	590	753	590	753	21%	28%	10.8	8.5	N/A	N/A	1.3	1.2	N/A	13.3	14.7
BRI	BUY	12,900	15,000	318,232	26,092	31,100	1,058	1,261	1,058	1,261	3%	19%	12.2	10.2	N/A	N/A	2.2	1.9	N/A	20.1	19.8
Bank Tabungan Negara	BUY	2,300	2,400	24,357	2,200	2,572	208	243	208	243	19%	17%	11.1	9.5	N/A	N/A	1.3	1.0	N/A	13.6	12.3
Bank Mandiri	HOLD	11,700	11,500	273,000	18,811	23,234	612	756	612	756	-30%	24%	19.1	15.5	N/A	N/A	1.7	1.6	N/A	13.8	14.3
Cement				**149,470**	**8,637**	**5,571**	**444**	**286**			**-6%**	**-35%**	**17.3**	**26.8**	**12.4**	**14.1**	**2.6**	**2.5**		**15.5**	**9.4**
Indocement	SELL	16,950	13,000	62,397	3,870	2,513	1,051	683	1,045	677	-11%	-35%	16.1	24.8	11.5	13.4	2.4	2.3	net cash	15.5	9.5
Semen Indonesia	SELL	8,825	8,000	52,346	4,522	2,907	762	490	724	480	0%	-36%	11.6	18.0	8.4	9.8	1.8	1.7	11.8	16.3	9.8
Semen Baturaja	SELL	3,530	390	34,727	245	150	25	15	25	15	-31%	-39%	141.7	231.5	86.4	75.8	11.1	10.7	16.0	8.1	4.7
Cigarettes				**572,095**	**18,145**	**19,608**	**153**	**166**			**8%**	**8%**	**31.5**	**29.2**	**21.3**	**19.6**	**7.9**	**7.3**		**25.4**	**25.9**
Gudang Garam	BUY	66,400	79,500	127,759	6,342	6,860	3,296	3,565	3,296	3,565	-1%	8%	20.1	18.6	12.5	11.6	3.3	2.9	46.6	16.4	16.4
HM Sampoerna	HOLD	3,820	3,850	444,335	11,803	12,749	101	110	101	109	14%	8%	37.6	34.9	27.9	25.5	13.3	12.9	net cash	36.1	37.6
Construction				**134,901**	**6,753**	**8,712**	**90**	**117**			**39%**	**29%**	**20.0**	**15.5**	**10.7**	**8.9**	**2.4**	**2.1**		**14.6**	**14.7**
Wijaya Karya	BUY	2,370	3,900	21,259	906	1,190	101	133	101	133	45%	31%	23.5	17.9	8.6	6.4	1.9	1.7	net cash	11.6	10.1
Pembangunan Perumahan	BUY	3,180	5,700	19,716	967	1,295	200	267	211	298	31%	34%	15.9	11.9	9.7	7.4	3.8	3.1	net cash	20.2	22.5
Adhi Karya	BUY	2,260	3,500	8,048	703	986	208	292	216	303	52%	40%	10.9	7.8	5.9	4.6	1.3	1.0	net cash	12.2	13.7
Waskita Karya	BUY	2,390	3,700	32,441	1,688	2,344	124	173	124	173	61%	39%	19.2	13.8	13.9	9.9	2.9	2.5	20.2	16.4	19.5
Waskita Beton	BUY	505	770	13,312	547	788	21	30	21	30	64%	44%	24.3	16.9	14.2	10.9	1.9	1.7	net cash	13.1	10.7
Wika Beton	BUY	740	1,300	6,449	268	362	31	42	31	42	54%	35%	24.0	17.8	12.8	9.3	2.6	2.4	net cash	11.5	13.9
Jasa Marga	BUY	4,640	6,300	33,677	1,674	1,747	246	257	250	261	14%	4%	18.8	18.1	10.8	11.4	2.9	2.5	115.0	15.1	14.0
Consumer				**490,685**	**11,748**	**13,054**	**567**	**630**			**29%**	**11%**	**41.8**	**37.6**	**33.5**	**30.1**	**20.7**	**20.1**		**50.4**	**54.4**
Indofood	BUY	8,375	9,650	73,536	4,141	4,712	472	537	463	532	40%	14%	17.8	15.6	8.2	7.6	2.5	2.3	25.8	14.6	15.3
Indofood CBP	BUY	8,775	10,850	102,333	3,714	4,293	319	368	319	368	24%	16%	27.6	23.8	19.4	16.8	6.2	6.1	net cash	22.5	25.7
Unilever	BUY	44,500	47,000	339,535	6,490	7,026	851	921	851	921	11%	8%	52.3	48.3	37.2	34.2	65.5	62.0	31.6	129.7	131.8
Kino Indonesia	SELL	2,400	2,800	3,429	190	198	133	138	131	137	-43%	4%	18.1	17.3	11.5	10.2	1.8	1.7	3.2	10.3	9.9
Mayora Indah	HOLD	2,030	2,100	45,388	1,354	1,537	61	69	62	69	11%	13%	33.5	29.5	17.1	15.5	7.4	6.1	32.2	24.1	22.7
Healthcare				**87,904**	**2,538**	**2,803**	**98**	**108**			**12%**	**9%**	**34.6**	**31.4**	**22.3**	**19.9**	**6.3**	**5.6**		**19.3**	**18.8**
Kalbe Farma	BUY	1,585	1,750	74,297	2,258	2,501	48	53	48	53	13%	11%	32.9	29.7	21.0	18.9	6.2	5.5	net cash	20.2	19.7
Kimia Farma	SELL	2,450	1,510	13,607	279	302	50	54	48	52	12%	8%	48.7	45.1	33.0	27.5	6.6	5.9	33.7	14.3	13.8
Heavy Equipment				**100,341**	**5,002**	**6,468**	**1,341**	**1,734**			**30%**	**29%**	**20.1**	**15.5**	**9.0**	**6.4**	**2.6**	**2.3**		**13.4**	**15.8**
United Tractors	BUY	26,900	30,000	100,341	5,002	6,468	1,341	1,734	1,341	1,734	30%	29%	20.1	15.5	9.0	6.4	2.6	2.3	net cash	13.4	15.8
Mining				**160,336**	**6,767**	**9,532**	**85**	**120**			**70%**	**41%**	**23.7**	**16.8**	**7.8**	**6.3**	**1.4**	**1.4**		**6.0**	**8.2**
Adaro Energy	BUY	1,775	1,900	56,775	3,615	4,282	113	134	113	134	76%	18%	15.7	13.3	5.6	4.6	1.4	1.4	14.2	9.1	10.3
Timah	BUY	945	1,250	7,038	177	371	24	50	24	50	74%	110%	39.8	19.0	11.2	8.1	1.2	1.2	26.6	3.2	6.4
Vale Indonesia	HOLD	2,220	2,800	22,059	222	480	22	48	22	48	-67%	116%	99.3	45.9	8.9	7.7	0.9	0.9	net cash	0.9	2.0
Aneka Tambang	HOLD	695	900	16,701	(307)	(147)	(13)	(6)	(13)	(6)	-79%	-52%	(54.5)	(113.4)	22.6	20.1	0.9	0.9	18.0	(1.7)	(0.8)
Bukit Asam	BUY	12,675	14,500	29,205	1,446	2,498	665	1,149	665	1,149	-29%	73%	19.1	11.0	13.3	7.5	2.9	2.5	net cash	15.2	22.9
Indo Tambangraya Megah	HOLD	19,125	15,800	21,610	1,363	1,661	1,207	1,470	1,207	1,470	64%	22%	15.8	13.0	5.9	5.1	1.8	1.8	net cash	12.0	14.1
Harum Energy	SELL	2,570	2,000	6,948	249	388	92	144	92	144	-196%	56%	27.9	17.9	9.6	6.3	1.8	1.7	net cash	6.6	9.9
Property				**114,767**	**4,954**	**7,104**	**41**	**59**			**-19%**	**43%**	**23.2**	**16.2**	**13.5**	**11.3**	**2.2**	**1.9**		**10.1**	**12.7**
Alam Sutera	HOLD	348	380	6,838	822	1,360	42	69	52	77	38%	65%	8.3	5.0	9.3	6.5	1.0	0.8	88.9	12.1	17.6
Bumi Serpong Damai	BUY	1,790	2,200	34,452	1,669	2,702	87	140	128	188	-22%	62%	20.6	12.8	13.1	9.3	1.7	1.5	12.8	8.5	12.5
Ciputra Development	BUY	1,280	1,530	23,757	631	917	41	49	36	42	-41%	21%	31.3	25.9	14.9	14.6	2.7	1.8	43.6	7.3	8.5
Pakuw on Jati	BUY	625	700	30,100	1,757	2,036	36	42	34	40	39%	16%	17.1	14.8	12.6	11.4	3.4	2.8	29.6	21.8	20.8
Summarecon	HOLD	1,360	1,300	19,620	74	89	5	6	14	17	-91%	20%	263.5	220.2	18.8	18.6	3.3	3.3	92.8	1.2	1.5
Retail				**83,266**	**3,389**	**3,868**	**99**	**113**			**14%**	**14%**	**24.6**	**21.5**	**13.9**	**12.6**	**5.8**	**5.4**		**24.9**	**25.8**
Mitra Adi Perkasa	HOLD	6,325	5,800	10,500	196	291	119	181	119	181	176%	52%	53.2	35.0	10.0	9.6	3.4	3.1	84.4	6.4	9.0
Ramayana	BUY	1,275	1,700	9,047	396	482	56	68	54	68	18%	22%	22.7	18.7	18.1	15.9	2.6	2.4	net cash	11.6	13.4
Matahari Department Store	SELL	14,600	12,000	42,602	2,080	2,370	707	805	704	803	16%	14%	20.7	18.1	14.4	12.5	20.8	17.5	net cash	131.7	105.6
Matahari Putra Prima	SELL	945	1,100	5,082	63	121	12	23	12	23	-65%	92%	78.8	41.1	9.4	8.9	1.8	1.8	net cash	2.3	4.3
Ace Hardw are	SELL	935	750	16,035	654	604	37	35	38	34	7%	-5%	25.3	26.6	18.8	19.0	5.5	5.0	net cash	23.6	19.8

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on 28-Apr-17	27-Apr-17	Chg, %	w-w, %	m-m, %	YTD, %	Rating
Vale Indonesia	INCO	2,220	2,170	2.3	1.8	(2.2)	(21.3)	HOLD
Matahari Putra Prima	MPPA	945	930	1.6	1.6	(16.7)	(36.1)	SELL
Bank Central Asia	BBCA	17,750	17,525	1.3	2.5	7.3	14.5	BUY
Indofood CBP	ICBP	8,775	8,700	0.9	7.3	4.2	2.3	BUY
Bank Negara Indonesia	BBNI	6,375	6,375	-	2.0	(2.3)	15.4	HOLD
Semen Indonesia	SMGR	8,825	8,825	-	1.7	0.6	(3.8)	SELL
Gudang Garam	GGRM	66,400	66,400	-	4.4	2.9	3.9	BUY
Timah	TINS	945	945	-	(1.6)	1.6	(12.1)	BUY
Aneka Tambang	ANTM	695	695	-	(0.7)	(3.5)	(22.3)	HOLD
Bank Mandiri	BMRI	11,700	11,725	(0.2)	1.5	-	1.1	HOLD

Sources: Bloomberg

LAGGARDS

	Code	Price as on 28-Apr-17	27-Apr-17	Chg, %	w-w, %	m-m, %	YTD, %	Rating
Adaro Energy	ADRO	1,775	1,840	(3.5)	(3.5)	(1.4)	4.7	BUY
Unilever	UNVR	44,500	45,750	(2.7)	(1.8)	2.7	14.7	BUY
Wika Beton	WTON	740	760	(2.6)	(2.6)	(5.7)	(10.3)	BUY
Indo Tambangraya Megah	ITMG	19,125	19,625	(2.5)	(2.9)	(3.0)	13.3	HOLD
Summarecon Agung	SMRA	1,360	1,395	(2.5)	1.9	3.4	2.6	HOLD
Mayora Indah	MYOR	2,030	2,080	(2.4)	2.5	(3.3)	23.4	HOLD
Mitra Adi Perkasa	MAPI	6,325	6,475	(2.3)	2.0	7.2	17.1	HOLD
Ramayana	RALS	1,275	1,305	(2.3)	11.4	12.3	6.7	BUY
Adhi Karya	ADHI	2,260	2,300	(1.7)	0.9	(3.0)	8.7	BUY
Harum Energy	HRUM	2,570	2,610	(1.5)	1.6	(1.5)	20.1	SELL

Sources: Bloomberg

PREVIOUS REPORTS

- Vale Indonesia: Expect production recovery in the next quarters, Semen Baturaja: Solid 1Q sales, Adaro Energy: 1Q17: Higher rainfall hit coal production, Indofood CBP: 1Q17: Inline, Indofood Sukses Makmur: 1Q17 earnings in line with our forecast, Jasa Marga: 1Q17 earnings above our forecast and the consensus Snapshot20170428
- Matahari Department Stores: 1Q17 results below expectation Report170427
- HM Sampoerna: 1Q17 earnings: Below our estimate, Property: Lower mortgage rates not sufficient to boost property demand (NEUTRAL), Wijaya Karya: 1Q17 net income surges 242%yoy; above our estimate and the consensus, Wijaya Karya Beton: Flattish growth in 1Q17 net income, Bukit Asam: 1Q17: boosted by strong coal prices Snapshot20170427

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