



10 October 2013

PT Indoritel Makmur Internasional Tbk

Articulating the Right Vision

Neutral

DNET were initially known as an Indonesian based Internet Service Provider (ISP) company. In June 2013, the company began acquiring Salim's three retail companies and turned into an investment holding company. As part of the process, the corporate name was changed from PT Dyviacom Intrabumi Tbk to PT Indoritel Makmur Internasional Tbk. DNET's three retail companies stake consist of 31.5% stake in ROTI, 35.84% in FAST, and 40% in Indomaret.

Based on our valuation analysis, DNET fair value is calculated as the number of shares outstanding times the price per share. The market value of those two listed company ROTI and FAST. As for the unlisted company, Indomaret using AMRT market value. We maintain our **NEUTRAL** view on DNET's performance going forward considering its strategic asset. We see that DNET should be traded at **IDR 885 per share, implying 9% higher stake value.**

Figure 1. Valuation Table based on Market Capitalization

Company	Market Cap	Stake	DNET Equity Value
ROTI IJ	6,378 mn	31.50%	2,009 mn
FAST IJ	4,888 mn	35.84%	1,752 mn
Indomaret	29,821 mn	40.00%	11,928 mn
Total			15,689 mn

Description	per share in IDR
Current price (As of 10/10)	810
Fair value before discount	1,106
Fair value after discount (20%)	885
Upside Potential after discounted price	9%

Source: Company data, Sinarmas Investment research 2013

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Stock Data

Sector	Investment/Consumer
Price (As of 10 October 2013)	IDR 810
Ticker	DNET.IJ
Market Cap	IDR 11,489 bn
Shares Outstanding	14,184 mn

Source: Company data, Bloomberg, Sinarmas Investment research 2013

Shareholders

	%
Hannawell Group Ltd.	39.60
Treasure East Investment Ltd.	29.70
PT Megah Eraraharja	27.80
Public	2.90

Source: Company data, Bloomberg, Sinarmas Investment research 2013

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