

**We initiate our coverage on PT Erajaya Swasembada Tbk (ERAA) with BUY recommendation and FY19 target price at IDR 4,000.**

Our TP reflects 26% upside potential which implies FY19F 15.4x PE. Successful flagship product launchings and citizens' rising love towards Xiaomi pushed ERAA's earnings to a higher level in 1H18. We believe ERAA should be able to explore tons of advantages in the evolving digital ecosystem through its plenty smartphone releases, ever growing demand on Xiaomi smartphones and its upcoming smart-living products. Supported by wider store penetration both in big and smaller cities and the prior mentioned key catalysts, we expect ERAA to maintain its exceptional performance. Downside risks to our call are: 1) Low enthusiasm on new product launchings, 2) Threat from black market, 3) Weakening purchasing power, and 4) Reducing incentives from banks due to tightening liquidity.

**Significant improvement on profitability.** 1H18 has provided higher benchmark for ERAA's financial performance expectation. The success of Iphone X, along with other flagship products launched during the period, as well as Xiaomi which turned booming altogether boosted ERAA's sales. In FY18F, we forecast ERAA's EPS to grow by 114% at IDR 234, and ROE to double up to 17.9% (vs 9.5% in FY17).

**Xiaomi's buzz and expanding capacity.** Through its consistency on offering value for money products, completed with attractive specifications, Xiaomi turns to be the brand-new gadget darling worldwide. With vast majority of customers in the mid-to-low end segment, Xiaomi's market share has gradually increased, reaching up to 18% in 1H18 according to Statcounter. Xiaomi has started to transform perception towards Chinese phone-makers into a better one, which used to receive weak sentiment from users. In order to cope with flooding demand on Xiaomi phones, the phone assembly factory's capacity (owned by PT Sat Nusapersada Tbk) is going to be expanded to shorten assembly days for Xiaomi products which currently stands at 10 days. This is expected to enable the company to meet the market needs and therefore drives sales higher.

**More stores are coming.** Second and third tier cities are no doubt lucrative market for Erajaya to penetrate given the domination of traditional gadget retailers in those areas. With 250 new stores in the pipeline, ERAA is going to enlarge its market share and further push top-line. As much as IDR 300bn of capex is allocated mostly for Erafone (multi-store format) store openings and a couple of Mi-Stores and Samsung Experience Store.

Highlights (IDR Bn)	2016	2017	2018F	2019F	2020F
Net Revenue	20,547	24,230	31,339	36,720	42,254
% growth	2.7%	17.9%	29.3%	17.2%	15.1%
Gross Profit	1,792	2,159	3,025	3,463	3,986
Net Profit	263	339	735	818	964
% growth	16.5%	28.9%	116.5%	11.3%	17.8%
Gross Margin (%)	8.7%	8.9%	9.7%	9.4%	9.4%
Net Margin (%)	1.3%	1.4%	2.4%	2.2%	2.3%
Return on Equity (%)	8.0%	9.5%	17.9%	16.9%	17.3%
Return on Assets (%)	3.5%	4.2%	7.3%	6.8%	7.2%
EPS	82	109	233	259	304

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**Stock Information**

Sector	Retail
Bloomberg Ticker	ERAA IJ
Market Cap. (IDR tn)	10.18
Share Out./Float (mn)	3.19
Current Price	3,170
FY19F Target Price	4,000
Upside (%)	26.1%

**Share Price Performance**

52W High (07/30/17)	3,280
52W Low (01/04/18)	690
52W Beta	0.4
YTD Change (%)	2,455

**Relative Valuations**

Trailing P/E	14.6
Forward P/E	12.2
P/BV	2.4
EV/EBITDA	15.2

## Erajaya at a Glance

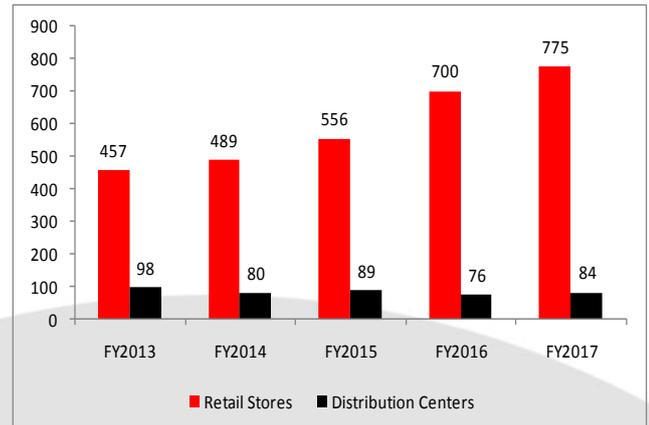
**Largest modern gadget retailer.** Firstly established in 1996, Erajaya currently holds 35% of market share and stands as the leading retailer of mobile communication device, IoT products, gadgets, accessories, as well as value added services in the region. It owns 787 retail outlets, 84 distribution centers and collaborates with approximately 53k third party outlets and service points spread nationwide. The company distributes renowned phone brands such as Samsung, Apple (exclusive right), Motorola, Nokia, Sony and rising star Xiaomi (exclusive right), along with other Chinese brands such as Oppo, Huawei, Vivo, and etc. Erajaya also engages in voucher distribution which contributes to a small percentage of company's revenue.

## Erajaya Map of Operations



Source: Company data, Sinarmas Investment Research

## ERAA Number of stores



Source: Company data, Sinarmas Investment Research

**Various store format.** Erafone is a multi-brand store format which dominates outlets operated under Erajaya. Besides, ERAA also manages several mono-brand stores: Samsung Experience Store, iBox, Mi-Store. In 2016, the company introduced its new retail outlet, Urban Republic, which presents gadget lifestyle product including accessories. To diversify its distribution channel, Erajaya developed Erafone.com, an e-commerce based gadget distributor. In addition to domestic market, Erajaya expands its wing to neighborhood countries: Singapore and Malaysia by mostly operating Switch (Apple reseller), Samsung and Mi-Stores.

## Erajaya Distribution Business

Mobile Communication User		Mobile Operator Products & Contents	Lifestyle Accessories
Alcatel	Motorola	Indosat Ooredoo	Accessories
Apple	Nokia	Telkomsel	Internet of Things (IoT)
Asus	Oppo	XL Axiata	
Blackberry	Samsung		
Huawei	Sony		
Lenovo	Smartfren		
LG	Xiaomi		
Luna	Oppo		

Source: Company data, Sinarmas Investment Research

**The more the merrier.** Management observes that people's appetite to shop for gadgets usually peaks during three momentums: 1) Holiday, 2) New product launch, and 3) Event/exhibition. Therefore, the company frequently conducts several events such as Erajaya expo, Erafone fair, Gadget Invasion Week, Technopolis, usually taking place at shopping malls in order to snap attention for both gadget geeks or those using phone for daily needs.

### iBoxing Week



Source: Company data, Sinarmas Investment Research

### Galaxy S9/S9+ Launch



Source: Company data, Sinarmas Investment Research

### Erafone Expo



Source: Company data, Sinarmas Investment Research

### Mi Store Grand Opening

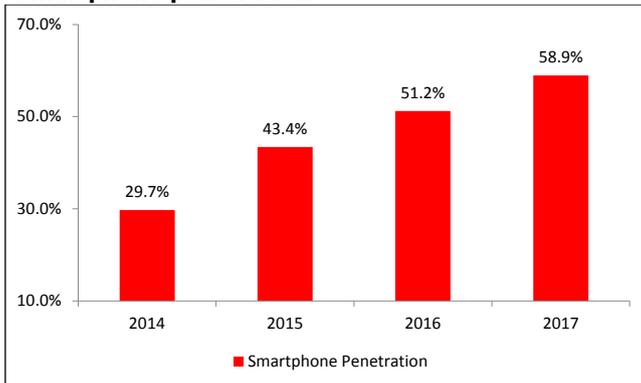


Source: Company data, Sinarmas Investment Research

## Industry Overview

**Alluring market for digital products.** According to GSMA Intelligence: Mobile Economy 2017, mobile penetration in Indonesia has reached 73% as of 2017 and is forecasted to achieve 77% level by the end of 2025. This level is higher than the global average of 66%, indicating that about three out of four Indonesian citizens own a mobile phone. With 265 million of population and being the world's fourth most populated country, Indonesia is one of the most attractive country for digital market. Key drivers for industry growth include increasing population coverage of 3G and 4G networks, more affordable smartphones and data tariffs, increasing range of services and online contents.

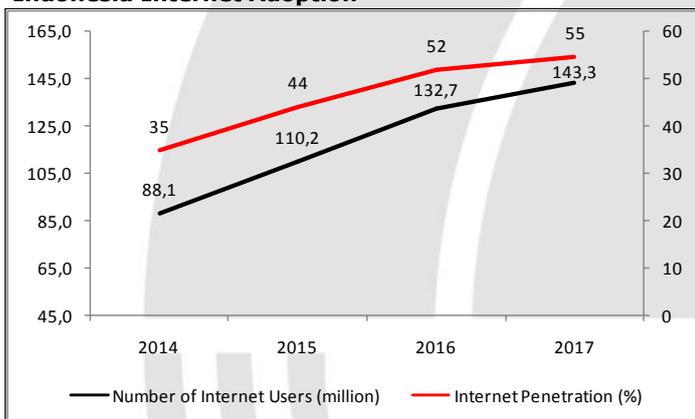
### Smartphone penetration



Source: GSMA Intelligence, Sinarmas Investment Research

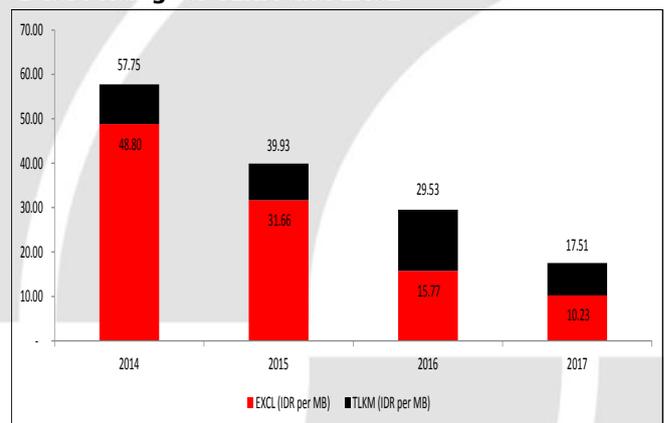
**Connecting the unconnected.** Association of Indonesian Internet Service Providers (APJII)'s survey resulted in 54.7% level of internet penetration in Indonesia from total population of 265 millions by the end of 2017. This figure grew by 8% YoY and users are mostly dominated with urban citizens (72.41%). In order to broaden Indonesia's internet connectivity, government has been undertaking telecommunication infrastructure project, called "Palapa Ring". The project aims to ensure strong mobile and internet coverage nationwide, and is expected to lower telecommunication companies' cost. In addition, noting that despite higher internet penetration and data traffic growth, data pricing has experienced a declining trend for the past few years due to sturdy competition in the market.

### Indonesia Internet Adoption



Source: APJII, Sinarmas Investment Research

### Data Pricing for TLKM and EXCL

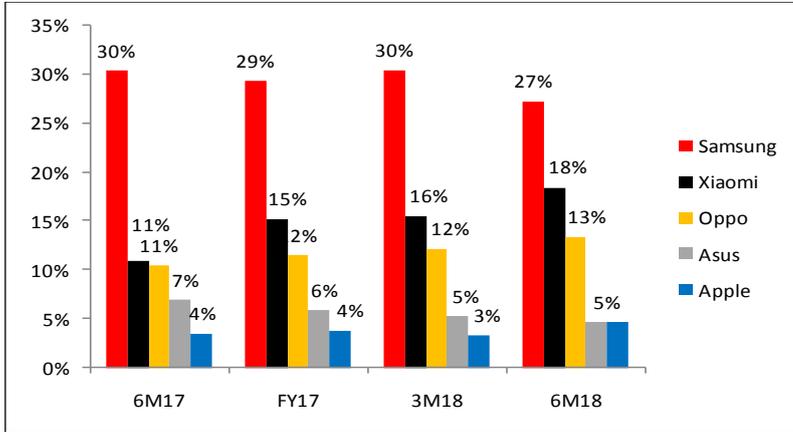


Source: Company Data, Sinarmas Investment Research

### Samsung still reigns, while Chinese brands stealing market share.

Statcounter data released showed that as per 1H18, Samsung lingers at the top of the industry, with market share in Indonesia stood at 27.3%, declined from 30.4% level in the same period last year. Xiaomi and Oppo, on the other hand, have gradually gained their share within the smartphone industry. Xiaomi currently possesses 18.5% of share (vs 11% in 1H17), while Oppo owns 13.4% of market share (vs 10.5% in 1H17). This we believe is due to appealing specifications offered at affordable prices carried by the Chinese phones.

#### Mobile Vendor Market Share Indonesia



Source: Statcounter, Sinarmas Investment Research

### Protecting domestic industry and fighting black market products.

To defend Indonesian cell phone manufacturers from abundant import strikes, and to encourage economic growth, Indonesia government has applied Level of Domestic Components (TKDN) regulation for 4G phones since 2015. The rule requires 4G phone manufacturer to show that 30% of components were assembled in Indonesia. This includes hardware components, as well as software and labor. In addition to that, by the goal of diminishing illegal products circulation, Ministry of Industry has further developed Device Identification, Registration, and Blocking System (DIRBS) to detect phones through verifying the products validity of the International Mobile Equipment Identity (IMEI) database.

## Investment Thesis

**Strong 1H18 readings and keys behind it.** ERAA's share price has rallied after the release of its 1Q18 result which surpassed market expectation. Net sales jumped by 60.3% YoY, while bottom-line recorded an almost three-fold increase. Margins were also seen expanding, both in gross and net margin level. Those figures were claimed to be supported by carryover from two flagships launched in the end of 2017 (Iphone X and Samsung S9) and rising hype of Xiaomi new products launched (Xiaomi Redmi 5 series) within the period. Iphone X was a hit and awarded as one of the best-selling high-end phone last year by Kantar Worldpanel. This time, Erajaya successfully shortened the gap between global launching and domestic one for Apple smartphones which used to be more than six months long into a month period only. Should this maintained by the company, we believe ERAA should be able to better catch next Apple series launching momentum, which will translate into solid forthcoming performance. ERAA reached another milestone by carrying on the remarkable performance up to second quarter, where revenue rose by 6% on a QoQ basis and net profit increased by 12% QoQ. During the quarter, various mid-end smartphones from Asus, Oppo, Samsung and Xiaomi were launched and most of them were well-received by the market.

### **We see six catalysts which will keep up ERAA attractiveness after the notable results:**

**The Xiaomi play.** Amidst intense competition within middle-to-low smartphone market, Xiaomi managed to place as one of the most-wanted gadget in town by promoting its value for money products. Xiaomi products have been tapping into Indonesia for few years, but the brand really gained massive attention starting from last year. The boom is triggered by Xiaomi's growing product variants, sold in very competitive pricing, offering reliable quality, serving broad target market, and capturing diverse needs. Various surveys noted that the brand has been gradually gaining market share in the cell phone industry. At this moment, Xiaomi officially collaborates with two giant online shopping platforms in Indonesia (Lazada and Shopee) to distribute its products. We observe the majority of flash sale events conducted by the marketplaces successfully resulted in sold out. To add, long queue of people were seen lining-up to get the first hand on Xiaomi's brand new products launched at Mi-stores in several locations. These portray immense demand either in domestic market towards this Chinese gadget-maker brand.

#### **Redmi 5A Prime Flash Sale at Shopee**



Source: Droidlime, Sinarmas Investment Research

#### **Redmi 5 Series Flash Sale at Lazada**



Source: Droidlime, Sinarmas Investment Research

**Road to 1000 stores.** ERAA prepares IDR 300bn of capex and aims to open 250 new stores until the end of 2018. The company targets to expand

its presence in second and third tier cities and seeks to grab market share from mom and pop stores who mostly dominate those areas. The progress has reached 90 new stores as of 1H18. Majority of new stores are going to be ERAA's multi-brand format: Erafone, with several Mi-stores and Samsung Experience Store to complement the expansion. Erajaya chose to finance the robust expansion through private placement which took place in the 1Q18 period, raising IDR 305bn entirely allocated for capex. Management also took a new IDR 1.5tn short-term loan facility to support the plan.

**Contending with e-commerce influence.** Not only stepping up its brick and mortar business, but ERAA also seeks to develop its omni-channel retailing through activating O2O (Online to Offline) services. Through this initiative, customers would be able to purchase products online and have it sent to the designated place, and vice versa. The synergy between offline and online is believed to make it easier for customers to shop as well as to acquire more engagement from millennial generation. Erajaya also supplies smartphones sold in official e-commerce platform and specially partners with Lazada and Shopee for Xiaomi distribution.

**Enlarging assembly plant capacity.** As exclusive partner of Xiaomi in Indonesia, ERAA only imports the brand's spare parts from China. It then takes the materials to a plant operated by PT Sat Nusapersada Tbk. (PTSN) for assembling Xiaomi products to comply with TKDN. In order to cope with flooding demand on Xiaomi phones, the phone assembly factory's capacity is going to be expanded to shorten assembly days for Xiaomi products which currently stands at 10 days. This is expected to enable the company to meet the market needs, thus helping to draw sales higher.

**Partnership with ride-sharing and telco providers.** Ride-sharing has gained extensive popularity in Indonesia these past few years, ERAA thus reached out online service companies (Grab and Gojek) to provide their drivers with smartphones. In addition, the company also engages with big telco players (Telkomsel and XL Axiata) to present bundling program with assorted attractive promotion within every new product purchase. Customers are offered free smartphone by purchasing a certain data package for a one-year period. These deals should help support ERAA's sales in addition to its internal marketing activities.

**Erafone collaboration program with Grab**



Source: Droidlime, Sinarmas Investment Research

**Erafone collaboration program with XL Prioritas**



Source: Erafone, Sinarmas Investment Research

**Entering smart-living era.** With Internet of Things (IoT) receiving tremendous interest and developing rapidly, Xiaomi taps into the market with a number of smart home kit. Varying from home utilities such as purifier, TV, home camera, robot vacuum, smart scale, rice cooker, bag, to electronic devices such as watch, Bluetooth speaker, power bank, and

portable mouse. However, those products have not yet entirely entered Indonesian market as licensing is under process. Management reveals that the company is planning to launch Xiaomi smart Mi-TV in September this year. Considering current small penetration of IoT products in domestic market and future need and rising demand of smart-living tools, we believe Xiaomi should be able to match the demand with its functional and economical products, thus benefitting ERAA in the process.

#### **Xiaomi Mi TV**



*Source: Venturebeat, Sinarmas Investment Research*

#### **Xiaomi Vacuum Cleaner**

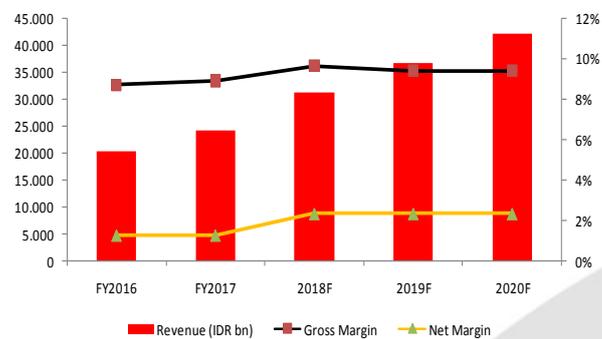


*Source: Androidpit, Sinarmas Investment Research*

## Financial Outlook

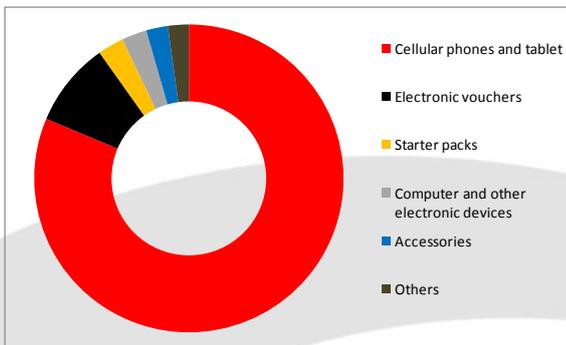
**1H18 performance review.** ERAA's revenue growth is very much related to the successful new products launched during the period. In 1Q18, ERAA recorded IDR 8.3tn revenue (+60.3% YoY), reaching 26.5% of our estimate. Gross margin was at 10% (vs 9.3% in 1Q17), while net margin was at 2.5% (vs 1.2% in 1Q17). Bottom-line arrived at IDR 205bn (+236% YoY), fulfilling 30.7% of our forecast. Cellular phones and tablets contribute to around 80% of company's revenue. During five years backwards, ERAA mobile handsets' ASP has increased by 7.83% CAGR, while volume growth fluctuate. By the end of 2019, we forecast ERAA to achieve IDR 36.7tn of sales (+17.2% YoY) and IDR 770bn of net income (+15.2%). Continuing the impressive outcome in 2nd quarter alone, top-line came at IDR 8.8tn (+6% QoQ; +50% YoY) and bottom-line was booked at IDR 230bn (+12% QoQ; +252% YoY). Gross margin was at 9.8%, while +40bps margin improvement was seen at EBIT level (4.4% in 2Q18 vs 4% in 1Q18).

### ERAA Revenue, Gross Margin, Net Margin



Source: Sinarmas Investment Research

### ERAA revenue contribution

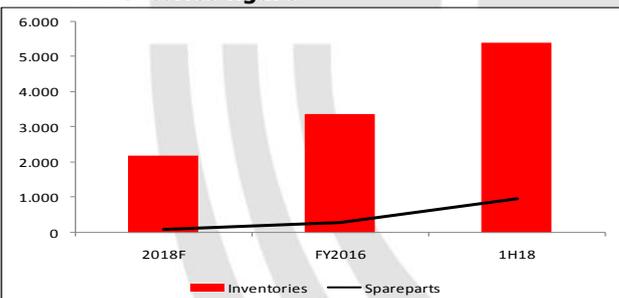


Source: Sinarmas Investment Research

**Future revenue drivers.** This year around, we forecast a solid growth for Erajaya's top-line driven by: 1) Rising demand on flagships product, 2) Frequent popular product launchings from mid-end smartphones, and 3) Robust store expansion. Going forward, we regard the entry of IoT products and wider usage of IoT applications in daily life, various innovative handset releases, and extensive store penetration in second-third tier cities to be the tailwinds for sales to come.

**Inventories hike to comply with TKDN.** Inventories were seen increasing significantly in 2017 and the trend continued to 1Q18, as contributed by spike in spareparts which turned to be IDR 1.4tn in 1Q18 (vs IDR 291bn in 1Q17). In order to comply with TKDN, ERAA partners with PT Sat Nusapersada Tbk. since 2017 to assemble Xiaomi smartphones released in Indonesia which requires ERAA to import parts to be assembled. We believe that the pick-up in inventory numbers indicates ERAA to anticipate favorable years ahead, as the company prepares to step-up production.

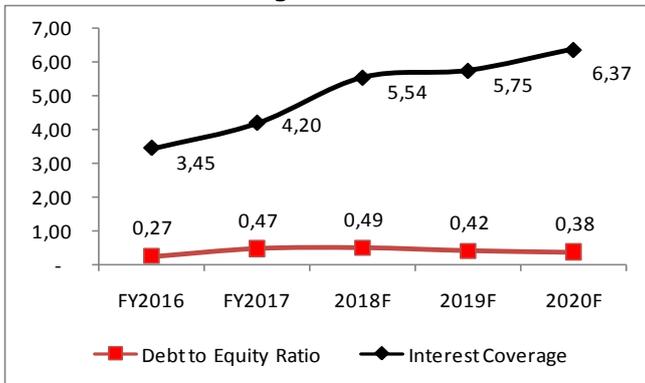
### ERAA Inventories figure



Source: Sinarmas Investment Research

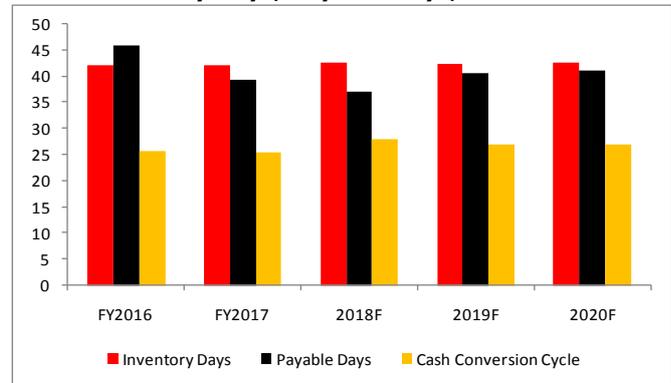
**Capital financing for expansion.** For the purpose of expansion, ERAA has received IDR 305bn additional capital after conducting rights issue of 290mn new shares. Company also earned lending facility worth IDR 1.5tn from BCA. This is needed to support company's working capital and expansion purpose. Amidst rising interest rate environment, we believe ERAA still has the solvency supported by its favorable earnings growth.

**ERAA Interest Coverage**



Source: Sinarmas Investment Research

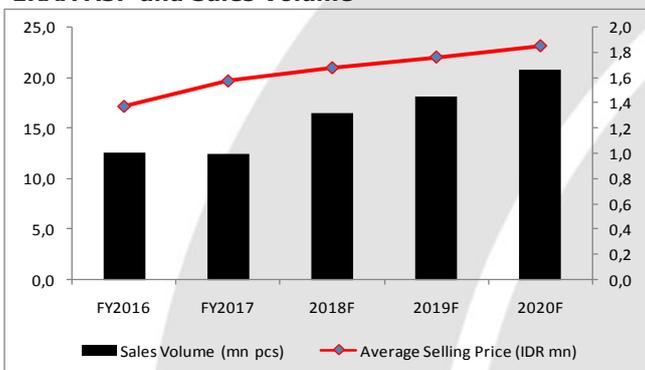
**ERAA Inventory Days, Payable Days, Cash Conversion Cycle**



Source: Sinarmas Investment Research

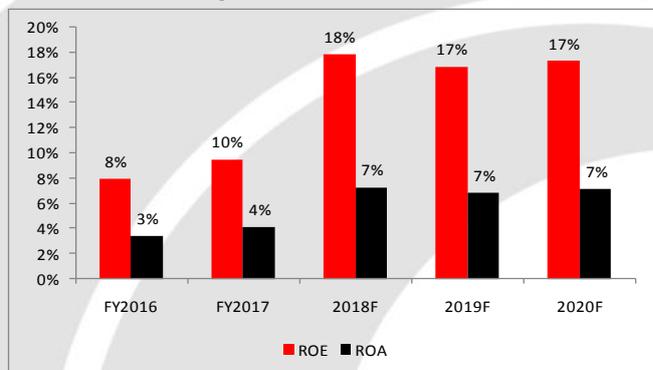
**ASP and volume growth.** ERAA's average selling price has been moving at 7% CAGR over the past three years, whereas volume growth fluctuated. Serving very broad range customers profile, ERAA has been steadily raising product prices in the last few years. Industry-wise, GSMA estimated blended ASP for smartphones tends to be in a downtrend as phones become more affordable. Therefore, we forecast ASP growth to be lower at 5% in the next couple of years and volume hike to be the main driver for revenue numbers. We believe sales volume would grow supported by ample room for smartphone adoption development (given current 60% level), flooding variants of mid-end products, higher affordability for smartphone, and wider Erajaya coverage in large and small cities.

**ERAA ASP and Sales Volume**



Source: Sinarmas Investment Research

**ERAA Profitability**



Source: Sinarmas Investment Research

**Valued at 20% discount to retail players.** We initiate coverage on PT Erajaya Swasembada Tbk (ERAA) with BUY recommendation with target price of IDR 4,000. Currently trading at FY19F 14.6x PE, our multiples target is set at 15.4x PE. We think ERAA deserves to be priced at 20% below average multiples of retail players within our coverage (ACES, LPPF, MAPI, RALS). Our target is justified on the back of 1) Significant raise on profitability, 2) Xiaomi popularity and the increasing capacity of Xiaomi assembly plants, and 3) Robust store openings.

<b>Income Statement (IDR Bn)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
<b>Revenue</b>	<b>20,547</b>	<b>24,230</b>	<b>31,339</b>	<b>36,720</b>	<b>42,254</b>
Cost of Revenue	18,755	22,071	28,314	33,257	38,268
<b>Gross Profit</b>	<b>1,792</b>	<b>2,159</b>	<b>3,025</b>	<b>3,463</b>	<b>3,986</b>
% growth	19.0%	20.5%	40.1%	14.5%	15.1%
Operating Expenses	1,309	1,636	1,952	2,287	2,632
Opex to Sales (%)	6.4%	6.8%	6.2%	6.2%	6.2%
<b>EBITDA</b>	<b>594</b>	<b>673</b>	<b>1,263</b>	<b>1,398</b>	<b>1,610</b>
% growth	13.1%	13.4%	87.7%	10.7%	15.2%
<b>EBT</b>	<b>383</b>	<b>480</b>	<b>1,004</b>	<b>1,116</b>	<b>1,313</b>
% growth	19.6%	25.2%	109.3%	11.2%	17.6%
Tax	-122	-133	-261	-290	-341
Non Controlling Interest	-2	8	8	8	8
<b>Net Profit for the Year</b>	<b>263</b>	<b>339</b>	<b>735</b>	<b>818</b>	<b>964</b>
% growth	16.5%	28.9%	116.5%	11.3%	17.8%

<b>Balance Sheet (IDR Bn)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Cash and Cash Equivalent	615	366	1,052	897	1,029
Trade Receivables	1,442	1,571	2,335	2,736	3,148
Inventories	2,203	3,388	3,932	4,607	5,301
Other Current Assets	909	1,359	1,328	1,556	1,790
<b>Total Current Assets</b>	<b>5,168</b>	<b>6,685</b>	<b>8,646</b>	<b>9,795</b>	<b>11,268</b>
Fixed Assets	457	486	685	698	642
Other Non Current Assets	1,799	1,703	1,949	2,139	2,334
<b>Total Assets</b>	<b>7,425</b>	<b>8,874</b>	<b>11,279</b>	<b>12,632</b>	<b>14,244</b>
Trade Payables	2,614	2,619	3,775	4,423	5,089
ST Bank Loans	801	1,747	2,207	2,124	2,162
Other Current Liabilities	520	682	663	777	894
<b>Total Current Liabilities</b>	<b>3,935</b>	<b>5,049</b>	<b>6,645</b>	<b>7,323</b>	<b>8,145</b>
Other Non Current Liabilities	80	119	114	133	153
<b>Total Liabilities</b>	<b>4,015</b>	<b>5,167</b>	<b>6,759</b>	<b>7,456</b>	<b>8,298</b>
Share & APIC	1,884	1,884	2,189	2,189	2,189
Retained Earnings	1,463	1,744	2,333	2,987	3,758
Non Controlling Interest	61	79	79	79	79
Other Components of Equity	2	-1	-1	-1	-1
<b>Total Equity</b>	<b>3,409</b>	<b>3,707</b>	<b>4,521</b>	<b>5,175</b>	<b>5,946</b>
<b>Total Equity &amp; Liabilities</b>	<b>7,425</b>	<b>8,874</b>	<b>11,279</b>	<b>12,632</b>	<b>14,244</b>

Cash Flow (IDR Bn)	2016	2017	2018F	2019F	2020F
<b>Net Income</b>	<b>263</b>	<b>339</b>	<b>735</b>	<b>818</b>	<b>964</b>
Depreciation	51	58	101	115	122
Chg. in NWC	-913	920	442	427	439
Chg. in Other CT Assets	76	553	-286	127	131
Chg. in Other CT Liabilities	44	-24	18	12	12
<b>CF from Operating</b>	<b>1,195</b>	<b>-1,100</b>	<b>697</b>	<b>391</b>	<b>528</b>
Capital Expenditure	71	87	300	128	66
Chg. in LT Assets	-99	-96	245	190	195
Chg in LT Liabilities	19	37	1	19	20
<b>CF from Investing</b>	<b>46</b>	<b>46</b>	<b>-545</b>	<b>-299</b>	<b>-242</b>
Dividends Paid	-58	-58	-147	-164	-193
Chg. in Debt	-694	848	453	-84	38
Share Capital & APIC	7	0	306	-	-
Others	-9	16	-79	-	-
<b>CF from Financing</b>	<b>-754</b>	<b>806</b>	<b>532</b>	<b>-247</b>	<b>-155</b>
Change in Cash	488	-248	685	-155	132
Beginning Cash	127	615	366	1,052	897
<b>Ending Cash</b>	<b>615</b>	<b>366</b>	<b>1,052</b>	<b>897</b>	<b>1,029</b>

Financial Ratio	2016	2017	2018F	2019F	2020F
<b>Profitability</b>					
ROE	8.0%	9.5%	17.9%	16.9%	17.3%
ROA	3.5%	4.2%	7.3%	6.8%	7.2%
Operating Margin	2.6%	2.5%	3.8%	3.5%	3.5%
EBITDA Margin	2.9%	2.8%	4.0%	3.8%	3.8%
<b>Liquidity &amp; Solvency</b>					
Current Ratio	1.3	1.3	1.3	1.3	1.4
Debt to Equity	1.2	1.4	1.5	1.4	1.4
Debt to Assets	0.5	0.6	0.6	0.6	0.6
Interest Coverage	3.5	4.2	5.9	6.0	7.0
<b>Valuation</b>					
Price to Earning (PE)	7.3	6.8	12.2	15.4	13.1
Price to Book (PBV)	0.6	0.6	2.8	2.5	2.1

Key Assumptions	2016	2017	2018F	2019F	2020F
Number of Stores	700	775	975	1050	1090
Receivable Days	29.6	22.7	22.7	25.2	25.4
Payable Days	46.0	39.4	37.2	40.7	41.1
Inventory Days	42.2	42.1	42.6	42.4	42.8
Cash Conversion Cycle	25.8	25.4	28.1	26.9	27.1

## SINARMAS SEKURITAS INVESTMENT RATINGS GUIDE

**BUY:** Share price may rise by more than 15% over the next 12 months.

**ADD:** Share price may range between 10% to 15% over the next 12 months.

**NEUTRAL:** Share price may range between -10% to +10% over the next 12 months.

**REDUCE:** Share price may range between -10% to -15% over the next 12 months.

**SELL:** Share price may fall by more than 15% over the next 12 months.

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