

PT HK Metals Utama is a direct subsidiary of HYAMN group, an Indonesian-based holding company that operates in manufacturing and trading industry, specializing in aluminum extrusion products. In addition, the company also engages in other products such as light steel products (PVP pipe, stainless steel, etc), household materials (drying rack, bathtub, water hose, etc) and others. Looking at the huge market potential in aluminum extrusion industry, the company is expanding their manufacturing output capacity to tap and seize the market. The company is targeting IDR 300-350 bn IPO proceed, in which 40% of the proceed will be used for purchasing new equipments, while the rest will be used for working capital.

**Resource scarcity in the supply chain.** In the domestic market, there is a huge shortage of supply for aluminum products. While our national output currently only stands at 250,000 tons per annum, our demand for aluminum products has reached figures of 900,000 tons per annum, outstripping the supply by a wide margin. To note, aluminum product is one of the most used and common metal which is very affordable, light, easy to form and cast. It is also extremely corrosion resistant, which is perfect for everyday household products and industrial materials. Few examples of daily aluminum products that we often see are cans, kitchen utensils, window sills, door sills, box cart, body car, road sign & guardrail, and many more.

**Rapid expansion growth to seize the market opportunity.** Due to the huge discrepancy of demand and supply for aluminum products, PT HK Metals Utama wants to expand their manufacturing business to tap into this market. The company is one of the few players in the market with a vertical integration business model from smelting process, billet extrusion to distribution activity. The company began manufacturing production at the end of 2017 which currently has an output capacity of 500 tons per month derived from 1 smelter machine and 3 extrusion equipments. Post IPO, the company will gradually add more smelter machines and extrusion equipments. We estimate a 49.6% CAGR production growth in the next 4 years.

**Margin expansion ahead paired with healthier cash flow.** Prior to entering the manufacturing industry, the company only engaged in trading business for aluminum products. However, after the manufacturing expansion, as revenue contribution from manufacturing starts to increase, margin will begin to expand and cash flow will become much more steady. Hence, there is a less need of huge working capital and less burden from debt.

**We initiate our coverage on HKMU with end-of-FY19 TP at IDR 490,** derived from FY19F 10.0x PE which provides potential upside of 113%. Given the installed capacity and capacity expansion as well as robust industry supply demand dynamics, we forecast company's enterprise value to reach IDR 708 bn in next year, which represent FY19F 4.7x PE. Considering the very promising industry and company's accelerated growth in the coming years, we view HKMU to provide such an attractive investment opportunity. Several risks that may be associated with the company's performance include threat of new entrants, export-import regulations and dependence on supplier.

**Richard Suherman**

Equity Analyst

+62 21 392 5550 ext. 610

[richard.suherman@sinarmassekuritas.co.id](mailto:richard.suherman@sinarmassekuritas.co.id)**Stock Information**

Sector	Basic Industry
Bloomberg Ticker	HKMU IJ
Market Cap. (IDR mn)	843.3
Share Out./Float (mn)	1,467/3,667
Current Price	IDR 230
End-of-FY19 Target Price	IDR 490
Upside (%)	113.0%

**Relative Valuations**

Forward P/E	4.7x
P/BV	1.0x
EV/EBITDA	2.6x

## Company Background

PT HK Metals Utama is a direct subsidiary of HYAMN group, an Indonesian-based holding company that engages in the manufacturing and trading business of construction industry, property and household material needs such as coil, aluminum and etc. Currently, the company's distribution coverage has spread all over Indonesia. The company owns 6 subsidiaries that operate in the manufacturing and trading industry for light steel products (Aluminum, PVC pipe, stainless steel, etc), household materials (drying rack, bathtub, water hose, etc), and other products.

### PT HK Metals Utama ownership structure



Source: Company Data, Sinarmas Investment Research

## A. Trading Business

### 1. PT Hakaru Metalindo Perkasa (HMP)

HMP is a subsidiary that engages in aluminum and accessories distribution, powder coating fabrication, and aluminum extrusion profiles which are used in the construction industry, property and household appliance in the domestic market. They purchase the products from well known aluminum producers, namely Alexindo, Alcomexindo, Kalindo, and sell it to the end market through sales agents. HMP's distribution coverage focuses on the western area of Indonesia, from Sumatra to west Java with 12 distribution branch networks. HMP has been operating for more than 10 years since their first establishment in 2007.

### 2. PT Dantool Karya Teknik Utama (DKTU)

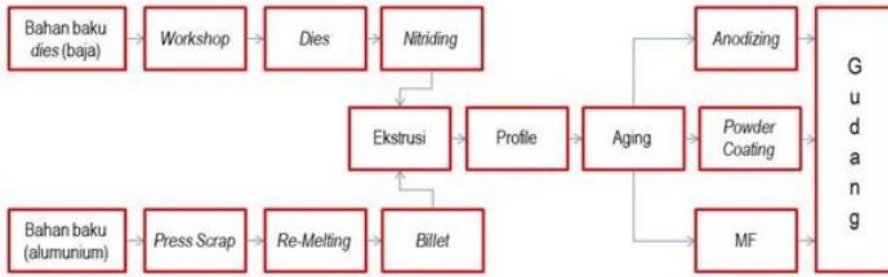
DKTU is the official dealer/distributor of Makita, Maktec and Lakoni products. DKTU serves service tools and spare part sales of any engineering tools from Makita and Mactec products. They also provide any products of Lakoni, including inverter machines, compressors, jet cleaners and portable gensets in various capacities based on consumer needs.

## B. Manufacturing Business

### 1. PT Handal Aluminium Sukses (HAS)

Having been successful in the distribution business for so long and wanting to seize big opportunities in aluminum extrusion industry, the company has decided to open a manufacturing company for producing aluminum extrusion in 2017. Aluminum extrusion is the final product of processed aluminum billet that has been extruded, anodized and powder coated into aluminum bar as per consumer request. The factory is located in Cirebon with total area of four hectares. The production process of HAS are as follows:

**HAS extrusion operation procedure**



Source: Company Data, Sinarmas Investment Research

In general, there are 4 main steps in their process, which are smelting, molding, extrusion and finishing. The first step is smelting, which is the process of melting the raw material (ingot and scrap) and shaping it in the form of aluminum billet. Second is the process of shaping the mold print from steel according to customer order request. Third, the aluminum billet is pressed or extrude against the die to give it shape according to the mold. Finally the extruded product will be directly sold to customer or go through the final process of anodizing or powder coating, which is giving color and profile to the aluminum bar.

**Raw material - Ingot**



Source: Company Data, Sinarmas Investment Research

**Raw material - Scrap**



Source: Company Data, Sinarmas Investment Research

**Smelting process**



Source: Company Data, Sinarmas Investment Research

**Aluminum billet**



Source: Company Data, Sinarmas Investment Research

### Mold print



Source: Company Data, Sinarmas Investment Research

### Extrusion process



Source: Company Data, Sinarmas Investment Research

### Anodizing



Source: Company Data, Sinarmas Investment Research

### Final product after anodizing



Source: Company Data, Sinarmas Investment Research

## 2. PT Karya Bumi Perkasa (KBP)

KBP is a subsidiary company that produces sanitary products under the brand, CIVIC. The company's factory has a production capacity of 250 unit production. Currently, the company only utilize 30% of its maximum production capacity.

## 3. PT Rasa Langgeng Wira (RLW)

RLW is a subsidiary company that produces PVC and conduit pipe under the brand of Victory. The factory is located in Cileungsi, East Java and can produce PVP pipe ranging from 0.5 inch to 12 inch.

## 4. PT Metaltama Perkasa Jaya (MPJ)

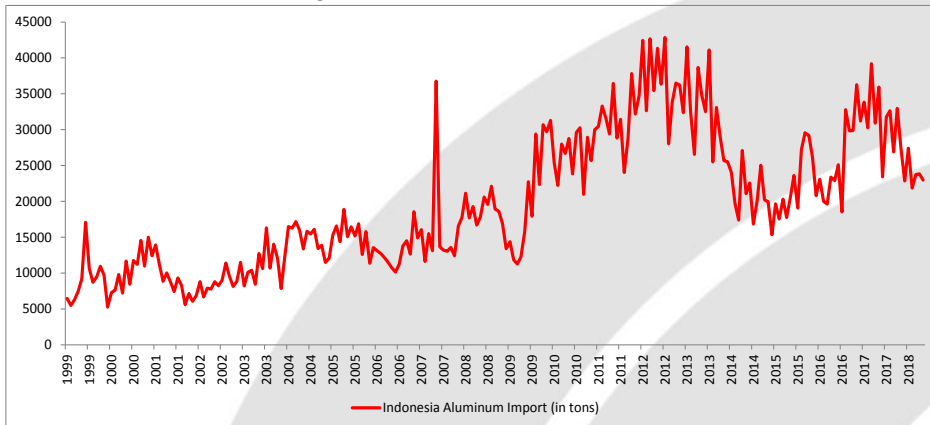
MJP is an Indonesian stainless steel company that has been operating since 2013. The main businesses of MPJ are stainless steel pipe fabrication and distribution. The company is currently operating in full capacity under the brand Jisung and is located in North Jakarta. MPJ produces steel in the form of round pipe, plat stainless steel, hollow iron and accessories.

## Industry Overview

### **Imbalanced domestic demand and supply, lucrative market.**

Aluminum is a lightweight metal, used in a huge variety of products including cans, kitchen utensil, window frames, box cart, automotive sector, infrastructure projects and many more. It is renowned as non toxic, high thermal conductivity metal which has excellent corrosion resistance and can be easily cast and formed. Not to mention it is cheaper and lighter than cooper or wood, perfect for everyday household products and industrial materials. In Indonesia, there is only a limited amount of supply for aluminum, with Inalum being the sole producer in the nation with capacity output of 250,000 tons per annum, consisting of ingot alloy (90,000 tons), billet aluminum (30,000 tons) and aluminum ingot primer (140,000 tons). According to the Industry Ministry, domestic demand for aluminum products currently reaches 900,000 tons per annum, far higher than domestic production of around 250,000 thousands per annum, despite possessing one of the largest bauxite reserve in the world. It is estimated that Inalum will raise its production output to 500,000 tons per annum by 2021, but even then national demand would rise even higher beyond 1 million tons per annum. Due to the deficit of national supply, Indonesia has been an importer for aluminum for the past years. As a result, we think government regulation will remain supportive for domestic aluminum industry, especially for a midstream player that produces billet and processed aluminum as an effort to reduce import dependency.

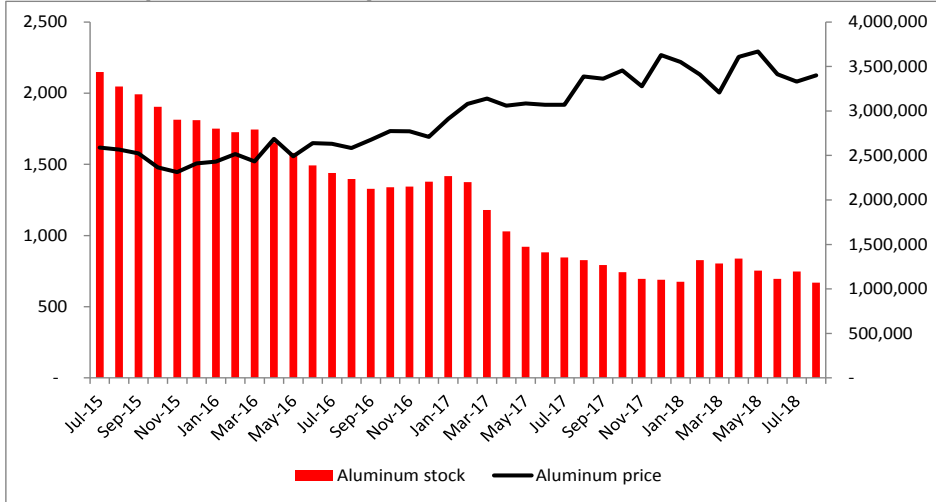
### **Indonesia's aluminum import**



Source: Company Data, Sinarmas Investment Research

**Global perspective.** Aluminum price has been on an uptrend in the last two years stemmed by growing demand and strong global economy growth. In 2017, China's demand for aluminum rose by 7.8% while other markets grew by 3.7%, resulting in a 6% increase in world demand. It is expected that demand from China will remain strong in the next few years driven by rising industrial output and ongoing major infrastructure project (OBOR). On the other hand, supply growth will remain limited as China curbs production output due to environmental issues and illegal operating capacity, while other countries lack the potential output capacity to supply the deficit. As a result, LME inventory stock for aluminum has been continuously declining in the past four years which helps push price upwards. We expect demand supply dynamics for aluminum will remain supportive in the next few years.

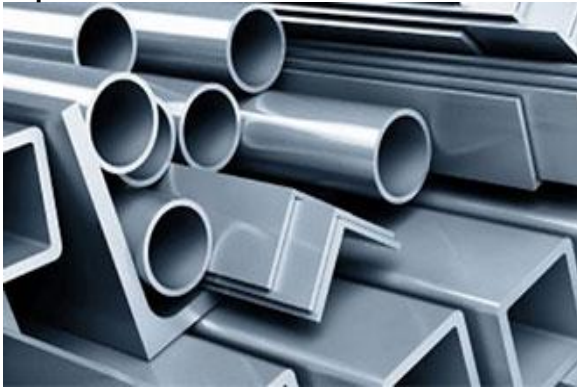
### Aluminum price and inventory data



Source: Company Data, Sinarmas Investment Research

**Wide variety of usage.** Aluminum can be used in a wide variety of usage from household products to industrial sector. Its competitive feature's are its cheap material cost, light-weight, anti corrosion and easy to recycle. Here are few examples of aluminum products in Indonesia.

#### Pipe and elbow



Source: Company Data, Sinarmas Investment Research

#### Household products



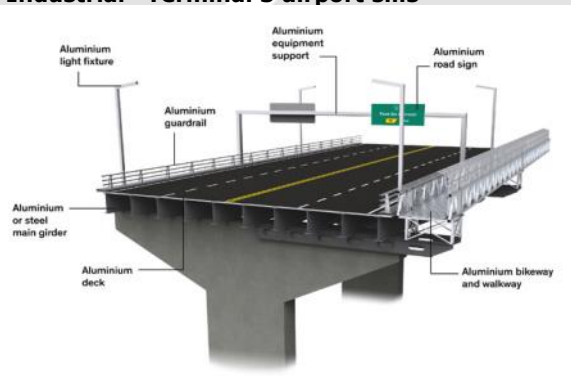
Source: Company Data, Sinarmas Investment Research

#### Window sills



Source: Company Data, Sinarmas Investment Research

#### Industrial—Terminal 3 airport sills



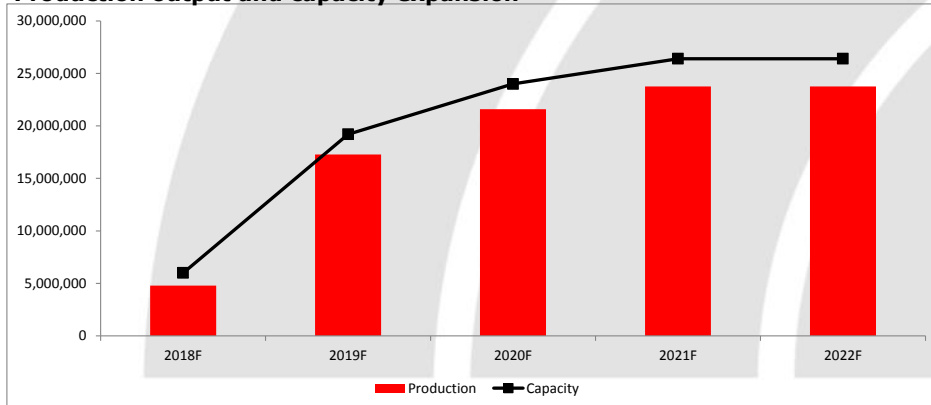
Source: Company Data, Sinarmas Investment Research

## Investment Thesis

**Huge untapped market.** Domestic demand for aluminum product is four times bigger than the supply, meaning there is a huge untapped market for aluminum products. Aluminum is used in a wide range of industries, from household to industrial. Not to mention, aluminum products will soon gradually substitute wood material products (e.g: picture frames, door, windows sills, etc) as it offers cheaper price and protection from termite damages. Though demand is huge, supply remains to be limited due to few players in the market. In general, there are three market categories for domestic aluminum products, which are commodities (pipe, aluminum elbow, etc), architecture (windows sills, door sills, household products, etc) and industry (box cart, construction materials, etc). Currently, the company has not yet tapped into the industry market as they don't have enough capacity and precise specification to penetrate those market. However, with their capacity expansion plan and new extrusion machine with higher specification (higher inch capability) they will soon penetrate those market. In addition, company's distribution network currently only focuses on the western side (West Java, Sumatra) of Indonesia, but right after the expansion they will penetrate the eastern side market and slowly expand their distribution network all over Indonesia.

**Rapid manufacturing expansion.** Given the huge market demand supply discrepancy, PT HK Metals Utama want to seize the opportunity by tapping into the manufacturing business and expanding their current capacity to cater domestic demand. In only one year after their establishment, the company has a production output of 450 tons per month, which is derived from 1 smelter machine with output capacity of 980 tons per month and 3 extrusion machines with total output capacity of 450 tons per month. In 2H18, the company will purchase additional 3 extrusion machine with output capacity of 500 tons per month, hence smelter capacity will be fully utilized starting in early 2019 (980 tons per month). Moreover, the company will add 1 more smelter and 2 extrusion machines in 2019 which will bring total output capacity to 1,600 tons per month. Going beyond 2019, the company has prepared further expansion plans to maximize their output capacity. As a result, we expect a 49.6% production CAGR growth in the next 5 years driven by rapid expansion capacity.

### Production output and capacity expansion



Source: Company Data, Sinarmas Investment Research

**Building a secure supply chain network.** Despite company's rapid expansion plan, we believe there will be no big concern on supply availability. The company's raw material for producing billet are ingot and aluminum. They purchase ingot from Inalum, which is the sole producer in the country, while aluminum scrap are bought from scrap collector, both from individual and corporation. Since there are only a few players who further process ingot products to aluminum billet and it has been government's focus to curb aluminum billet import, we believe PT HK Metal Utama will have a secure quota of ingot supply from Inalum. Meanwhile, as we have mentioned there are only a few players who have smelting process, hence there are not much market for scrap collector to sell their product, thus the management is very optimistic they will secure supply for scrap as well.

**Improving margin and cash flow.** Given the rapid expansion of the manufacturing business, we see their contribution toward company's revenue proportion will increase significantly in the next few years. In 2019, we expect revenue contribution from manufacturing to overtake trading business, contributing more than 50% to total revenue. Note that manufacturing business offers higher margin than trading (26% GPM vs 20% GPM for trading). Moreover, manufacturing business provides more steady cash flow and less working capital, hence less burden on leverage side. In addition, as we mention that the company will penetrate industrial market, thus it will provide the company with a bigger volume and longer term contract sales.

**Minimal impact from USD appreciation.** Concerning recent USD appreciation, we see little impact on currency risk towards the company's financial performance. Note that the company only uses 30% of ingot and 70% of scrap to produce the billet. Though ingot have correlation with dollar index, scraps are bought with rupiah hence only 30% of raw material cost is linked to dollar. However, as demand outbid supply by wide margin, we believe dollar impact can be easily passed on to consumers. In addition, proportion between ingot and scrap can be manipulated by purchasing scrap with higher aluminum grade quality, hence less need of ingot usage.

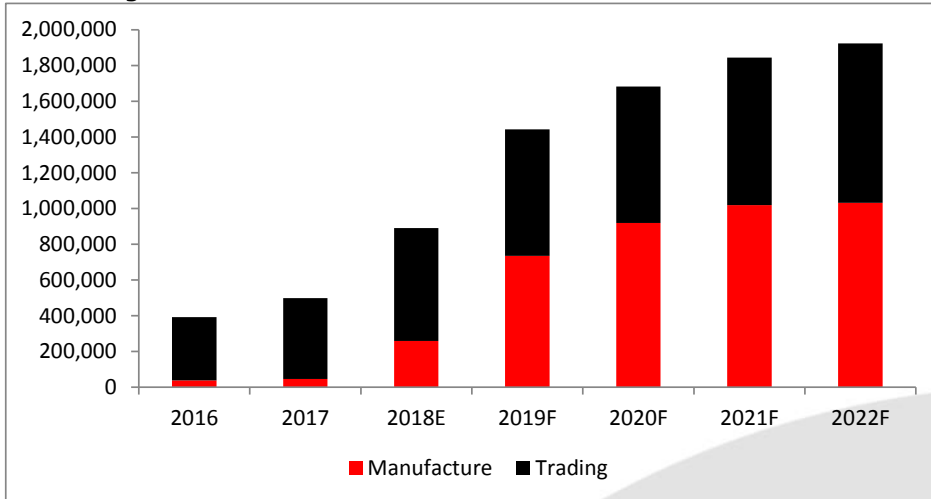
**Attractive valuation.** We estimate the company's IPO price to be valued at FY18E 8.3x PE. Given the installed capacity expansion and robust industry supply demand dynamics, we forecast company's enterprise value to reach IDR 713.3 bn, which represent FY19F 3.8x PE. Considering the very promising industry and company's accelerated growth in the coming years, we view this IPO to provide such an attractive investment opportunity.



## Financial Outlook

**Significant sales growth driven by capacity expansion.** PT HK Metals Utama will begin its rapid expansion plan starting early this year where we forecast a 49.6% CAGR growth production in the next 4 years, leading to a robust sales growth in the upcoming future. We estimate sales revenue could grow by 79% this year and 62% for the following year. Though manufacturing business seems to be the top priority, management still expect steady double digit growth for trading business as market demand is still huge and growing.

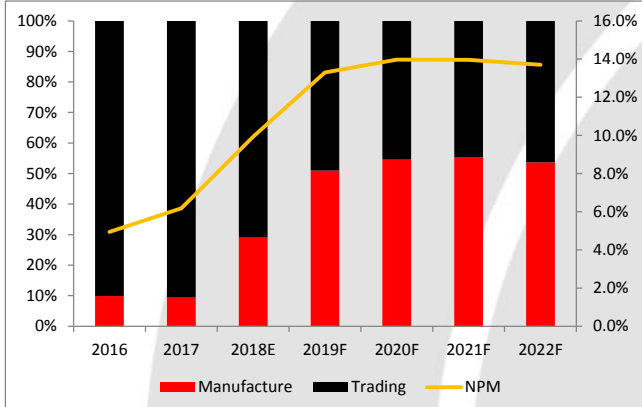
### Revenue growth estimate



Source: Company Data, Sinarmas Investment Research

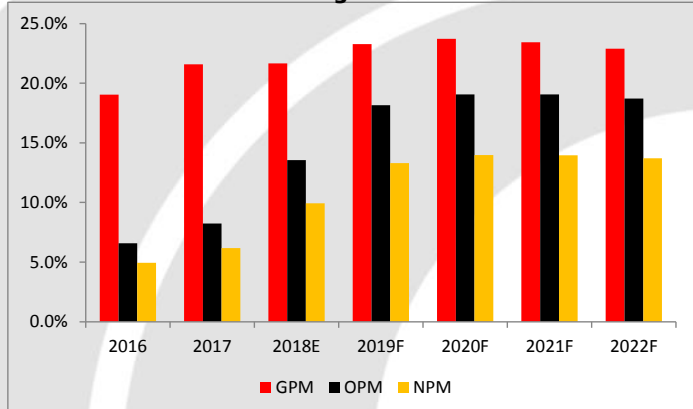
**Margin expansion.** We expect margin to continue expanding in the next few years stemmed by higher contribution from manufacturing business. To note, gross margin from manufacturing business equals to 26% compared to 20% for trading business. Going beyond 2019, manufacturing business will contribute more than 50% of company's total revenue.

### Revenue contribution



Source: Company Data, Sinarmas Investment Research

### PT HK Metlas Utama's margin



Source: Company Data, Sinarmas Investment Research

## Key Risks

**Threat of new entrants.** Given the highly attractive demand supply dynamics in the industry and low of barriers entry from the regulation perspective, we see potential of new players entering the market, providing more competition in the industry. Although, we might expect competition to be less intensive as compared to other industries due to high imbalanced supply and demand.

**Export-import regulation.** Since commodity trading is heavily regulated by the government, there might be potential changes in aluminum and iron export and import regulation, which could potentially disrupt the company's trading business and distribution network.

**High dependency on raw materials.** Since the company's raw material for ingot depends only on a single producer, there might be risk on supply availability in a case where the producer's productions are not according to their plan.

## IPO Proceeds:

PT HK Metals Utama Tbk. expects to achieve IDR 300-350bn of IPO proceeds. The proceeds will be used for:

- **40% for capital expenditure.** Post IPO, the company is planning to use the proceed for purchasing additional 1 smelter machine and 5 extrusion machines with total value around USD 120 bn, with expected ROIC of 20% per annum. The new installed equipments will boost company's output capacity to 1,600 ton per month in 2019 (vs 500 tons per month in 2017).
- **60% for working capital.** Given the nature of their trading business, company's requires a sizeable amount of working capital. New money injection from IPO proceeds will give a relieve to their current ratio, increased from 1.6x to 2.0x.

<b>Income Statement (IDR mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019F</b>	<b>2020F</b>
<b>Sales</b>	<b>392,309</b>	<b>497,504</b>	<b>890,369</b>	<b>1,442,592</b>	<b>1,682,364</b>
-Manufacturing	38,613	46,522	258,993	735,451	918,652
-Trading	353,696	450,982	631,375	707,141	763,712
Cost of good sold	317,631	390,094	697,463	1,113,776	1,283,462
-Manufacturing	30,601	37,763	192,488	542,549	660,367
-Trading	287,029	352,331	504,975	571,227	623,095
<b>Gross profit</b>	<b>74,678</b>	<b>107,410</b>	<b>192,906</b>	<b>328,816</b>	<b>398,902</b>
% growth		43.8%	79.6%	70.5%	21.3%
Operating expense	48,890	66,396	75,344	81,053	86,642
<b>EBT</b>	<b>25,789</b>	<b>41,014</b>	<b>117,562</b>	<b>247,763</b>	<b>312,260</b>
% growth		59.0%	186.6%	110.8%	26.0%
Tax expense	6,345	10,909	29,390	61,941	78,065
Minority interest	64	-615	2,645	5,575	7,026
<b>Net profit</b>	<b>19,380</b>	<b>30,719</b>	<b>85,526</b>	<b>180,248</b>	<b>227,169</b>
% growth		58.5%	178.4%	110.8%	26.0%

<b>Balance Sheet (IDR mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019F</b>	<b>2020F</b>
Cash and Cash Equivalent	9,181	30,578	176,068	247,338	184,089
Trade Receivables	139,701	154,039	254,348	307,494	361,983
Inventories	240,959	273,128	439,086	474,277	553,106
Other Current Assets	160,058	177,768	283,216	487,156	551,618
Total Current Assets	549,899	635,513	1,152,718	1,516,265	1,650,796
Fixed Assets	40,577	391,542	441,026	447,510	468,994
Other Non Current Assets	20,663	22,627	2,414	4,647	4,990
<b>Total Assets</b>	<b>611,139</b>	<b>1,049,682</b>	<b>1,596,157</b>	<b>1,968,422</b>	<b>2,124,780</b>
Trade Payables	31,860	60,885	108,859	173,836	200,320
Short Term Bank Loans	249,585	319,005	445,184	577,037	504,709
Other Current Liabilities	27,967	23,620	34,832	61,531	67,502
Total Current Liabilities	309,413	403,511	588,875	812,404	772,532
Long Term Bank Loans	250,643	332,794	311,390	273,033	240,009
Other Non Current Liabilities	3,872	6,214	10,047	16,893	18,978
<b>Total Liabilities</b>	<b>563,928</b>	<b>742,519</b>	<b>910,313</b>	<b>1,102,331</b>	<b>1,031,519</b>
Share Capital	5,000	220,001	366,668	366,668	366,668
Paid-in Capital	11,034	11,034	157,522	157,522	157,522
Retained Earnings	24,418	55,137	140,663	320,911	548,080
Others	-1,707	13,018	13,018	13,018	13,018
Non Controlling Interest	8,465	7,973	7,973	7,973	7,973
<b>Total Equity</b>	<b>47,211</b>	<b>307,163</b>	<b>685,844</b>	<b>866,092</b>	<b>1,093,261</b>
<b>Total Equity &amp; Liabilities</b>	<b>611,139</b>	<b>1,049,682</b>	<b>1,596,157</b>	<b>1,968,422</b>	<b>2,124,780</b>

Cash Flow (IDR mn)	2016	2017	2018E	2019F	2020F
<b>Net Income</b>	<b>19,380</b>	<b>30,719</b>	<b>85,526</b>	<b>180,248</b>	<b>227,169</b>
Depreciation	2,793	6,206	20,516	23,516	28,516
Chg. in NWC	(227,652)	(39,539)	(312,529)	(200,601)	(165,325)
<b>CF from Operating</b>	<b>-205,478</b>	<b>-2,613</b>	<b>-206,487</b>	<b>3,163</b>	<b>90,360</b>
Capital Expenditure	(25,595)	(357,171)	(70,000)	(30,000)	(50,000)
Chg. in LT Assets	(20,023)	(1,964)	20,213	(2,234)	(343)
Chg in LT Liabilities	1,254	2,342	3,833	6,846	2,085
<b>CF from Investing</b>	<b>(44,364)</b>	<b>(356,794)</b>	<b>(45,954)</b>	<b>(25,388)</b>	<b>(48,258)</b>
Chg. in Share Capital & APIC	4,900	215,001	293,155	0	0
Chg. in Short term loans	1,547	69,420	126,179	131,852	(72,327)
Chg. in Long term loans	239,468	82,150	(21,403)	(38,357)	(33,024)
Chg. in others	8,317	14,232	0	0	0
<b>CF from Financing</b>	<b>254,232</b>	<b>380,803</b>	<b>397,930</b>	<b>93,495</b>	<b>(105,351)</b>
Change in Cash	4,389	21,397	145,490	71,270	(63,249)
Beginning Cash	4,792	9,181	30,578	176,068	247,338
<b>Ending Cash</b>	<b>9,181</b>	<b>30,578</b>	<b>176,068</b>	<b>247,338</b>	<b>184,089</b>

Financial Ratio	2016	2017	2018E	2019F	2020F
<b>Profitability</b>					
ROE	41.0%	10.0%	12.5%	20.8%	20.8%
ROA	3.2%	2.9%	5.4%	9.2%	10.7%
Gross Margin	19.0%	21.6%	21.7%	22.8%	23.7%
Operating Margin	6.6%	8.2%	13.2%	17.2%	18.6%
Net Profit Margin	4.9%	6.2%	9.6%	12.5%	13.5%
<b>Liquidity &amp; Solvency</b>					
Current Ratio	1.8	1.6	2.0	1.9	2.1
Debt to Equity	5.6	1.1	0.5	0.3	0.2
Debt to Assets	0.4	0.3	0.2	0.1	0.1
<b>Efficiency</b>					
A/P Days	37	57	57	57	57
A/R Days	123	112	100	75	75
Inventory Days	224	200	180	120	120

Key Assumptions	2016	2017	2018E	2019F	2020F
Manufacturing Capacity (in thousand tons)	0	6,000	6,000	19,200	24,000
Utilization rate	0.0%	2.9%	90.0%	90.0%	90.0%

## 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.

### DISCLAIMER

This report has been prepared by PT Sinarmas Sekuritas, an affiliate of Sinarmas Group.

This material is: (i) created based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such; (ii) for your private information, and we are not soliciting any action based upon it; (iii) not to be construed as an offer to sell or a solicitation of an offer to buy any security.

Opinions expressed are current opinions as of original publication date appearing on this material and the information, including the opinions contained herein, is subjected to change without notice. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst (s) responsible for the preparation of this publication may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, integrating and interpreting market information. Research will initiate, update and cease coverage solely at the discretion of Sinarmas Research department. If and as applicable, Sinarmas Sekuritas' investment banking relationships, investment banking and non-investment banking compensation and securities ownership, if any, are specified in disclaimers and related disclosures in this report. In addition, other members of Sinarmas Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from companies under our research coverage. Further, the Sinarmas Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, to the extent permitted by law and/or regulation, have long or short positions in, and buy or sell, the securities (including ownership by Sinarmas Group), or derivatives (including options) thereof, of companies under our coverage, or related securities or derivatives. In addition, the Sinarmas Group, including Sinarmas Sekuritas, may act as market maker and principal, willing to buy and sell certain of the securities of companies under our coverage. Further, the Sinarmas Group may buy and sell certain of the securities of companies under our coverage, as agent for its clients.

Investors should consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. Recipients should not regard this report as substitute for exercise of their own judgment. Past performance is not necessarily a guide to future performance. The value of any investments may go down as well as up and you may not get back the full amount invested.

Sinarmas Sekuritas specifically prohibits the redistribution of this material in whole or in part without the written permission of Sinarmas Sekuritas and Sinarmas Sekuritas accepts no liability whatsoever for the actions of third parties in this respect. If publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

**Additional information is available upon request.**

Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual properties.

**©Sinarmas Sekuritas(2018). All rights reserved.**