June 4, 2015

Initiating Coverage

Evan Lie Hadiwidjaja
Equity Analyst
evan.hadiwidjaja@sinarmassekuritas.co.id
(021) 392 5550 ext: 610

PT Mitra Pinasthika Mustika Tbk (MPMX)

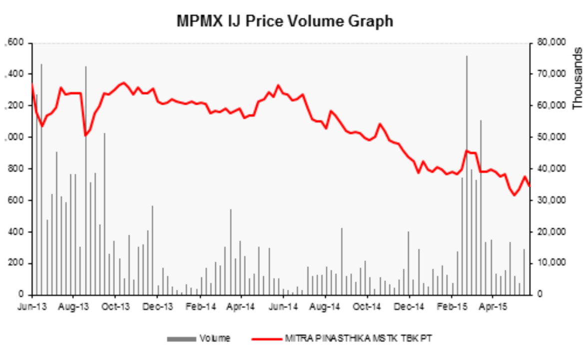
Every Cloud Has a Silver Lining

BUY

PT Mitra Pinasthika Mustika Tbk is an automotive company which provides: 1) distribution & retail for Honda Motorcycles and Nissan Datsun Cars, 2) manufacturing and distribution of auto parts such as lubricant oil, 3) auto services such as car rental and 4) auto-related financial services such as consumer financing and insurance.

Current Price: IDR 670

52-Week Target Price: IDR 960



Source: Bloomberg, Sinarmas Investment Research

We initiate coverage on PT Mitra Pinasthika Mustika Tbk (MPMX) as a BUY with 52-week target price of IDR 960, deriving via integration of SoTP and DCF valuation. At current market price of IDR 670, our valuation represents a potential upside of 43.3%, implying 10.4x 2015 P/E and 0.9x 2015 P/BV (current P/E and P/BV are 6.5x and 0.7x respectively). We foresee a silver lining waiting ahead, despite possible muted growth for FY15E total sales and bookings. We recommend BUY on MPMX as it is ideal for long term investment due to its attractive valuation. Last but not least, projecting the company's liquidation value VS market cap, we see the company is trading at a huge discount.

Distribution and Retail: Sales are expected to pick up in towards the end of 2Q15. Amidst the economy slowdown, weaker purchasing power anchors retail sales nationwide. For the first four months in 2015, the national sales for motorcycles have dropped by 21% in comparison to the same period last year, whereas car sales have dropped by 16% YoY. Though volume growth will most like be under, we expect sales will pick up in May and June as it draws near to the Islamic Festivities (*Ramadhan*), and in July due to THR allowance given by companies roughly two weeks before the *Ramadhan*. Furthermore, the implementation of new LTV regulation in June will give additional support to motorcycles sales as well.

Multi Finance: Remain vigilant on asset quality. This year financial institutions are suffering from lackluster lending growth and inclining NPL's, not to mention the CoF's increase in 1Q15 resulted from last year's pricing war. Be that as it may, the possibility of increasing vehicle sales in May—June mentioned previously will definitely bring positive impacts to multi finance businesses as it is strongly correlated. While all those catalysts may offer opportunities to expand credit portfolio, we remain vigilant when it comes to NPL's, however, the company is aware of the condition and plans to move forward conservatively with asset quality being their first priority.

Share Price Performance	
Price (IDR)	670
52-Week High (05/30/14)	1,335
52-Week Low (05/11/15)	630
52-Week Beta	0.67
YTD Change/%	-85.00/-10.76%

Stock Information	
Market Cap (IDR)	2,990.2B
Shares Out/Float (IDR)	4,463.0M/1,234.0M
IPO	5/29/2013

Source: Bloomberg, Sinarmas Investment Research

Financial Highlights	12/13	12/14	12/15E	12/16F	12/17F
Revenue (IDR bn)	13,879	16,076	17,327	19,703	22,567
% growth	*29%*	*16%*	*8%*	*14%*	*15%*
Gross Profit (IDR bn)	2,024	2,314	2,324	2,574	2,875
Net Profit (IDR bn)	526	487	437	494	558
% growth	*41%*	*-7%*	*-10%*	*13%*	*13%*
EV/EBITDA (x)	6.1	6.8	7.1	6.1	5.5
Gross Margin (%)	14.6	14.4	13.4	13.1	12.7
Net Margin (%)	3.8	3.0	2.5	2.5	2.5
Return on Equity (%)	18.4	11.2	9.2	9.5	9.8
Return on Assets (%)	5.2	3.9	3.1	3.4	3.5

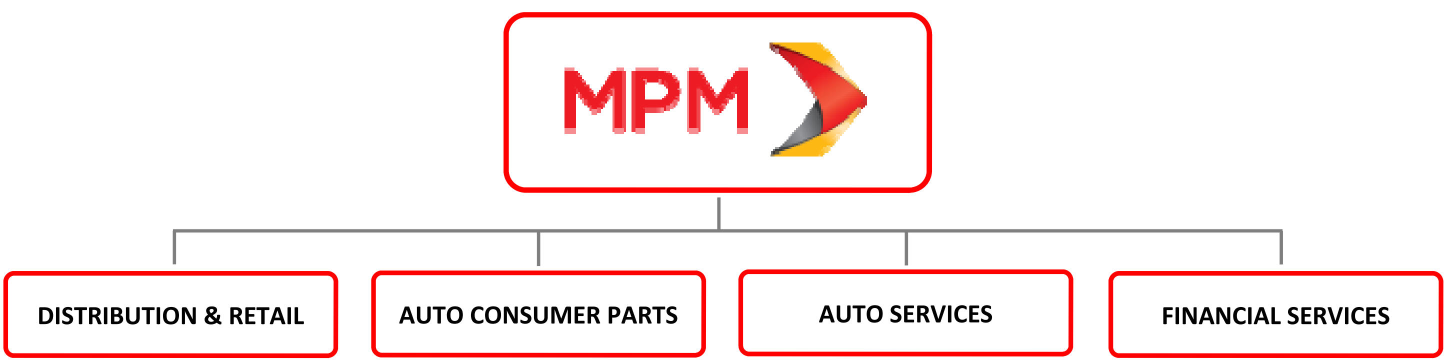
Source: Company Data, Sinarmas Investment Research

Table of Contents

Company Background

PT Mitra Pinasthika Mustika Tbk is an automotive company which provides: 1) distribution & retail for Honda Motorcycles and Nissan Datsun Cars, 2) manufacturing and distribution of auto parts such as lubricant oil, 3) auto services such as car rental and 4) auto-related financial services such as consumer financing and insurance.

MPM was founded in 1987 by William Soeryadjaya as motorcycles distribution business. In 1988, the company added a new line of business that engages in auto parts manufacture and distribution, namely PT Federal Karyatama (FKT). FKT produces motorcycle lubricants for OEM market as well as its own branded products. Four years later, MPM opened its first MPMMotor retail outlet for the direct sale of motorcycles. In 1994, MPM acquired their initial shareholding in PT Sasana Artha Finance (SAF), which was originally established in 1982. In late 2010, Mulia was established and the motorcycle distribution business was transferred from MPM to Mulia. After only one year, MPM then acquired MPMRent, MPMFinance, and established MPMInsurance. Just before the year 2012 ended, JACCS Co. Ltd acquired significant minority shares in SAF—plus options. In May 2013, MPM was listed in Indonesian Stock Exchange (Ticker: MPMX). Three months later, in August 2013, MPM established MPMAuto and signed "Dealer and Service Agreement" with Nissan Motor Indonesia. In mid of 2014, MPMFinance merged with SAF, with 40 % of ownership belongs to JACCS Co. Ltd.



Scale and Infrastructure

DISTRIBUTION & RETAIL

MPMDistributor:

- 2W Honda distribution in East Java and East Nusa Tenggara with 288 dealer relationships
- #1 in East Java with roughly 80% of market share as of 1Q15

MPMMotor:

- 2W Honda retail dealers with 40 outlets nationwide with 3.2M+ of active 2W customers
- #5 nationwide by volume

MPMAuto:

- 4W Nissan and Datsun dealership, opened first outlet in March 2014, and has four outlets as of now with ~2,000 4W sales since inception
- 1 of 2 nationwide dealer

AUTO CONSUMER PARTS

Federal Oil:

- 2W engine lubricant with 35 distributors and 15,000+ outlets nationwide, with 3,300+ Federal Oil Centers, third party retailers, and 10M+ 2W customers
- ~20% market share in 2W lube

AUTO SERVICES

MPMRent:

- Independent 4W rental/lease company with 34 outlets and workshops, and roughly 1,400 corporate clients
- 2nd largest nationwide by fleet size

FINANCIAL SERVICES

MPMFinance:

- Independent 2W, 4W, lease financing business with 122 outlets nationwide, and 220,000+ finance and lease customers
- Top 5 non-bank financial company

MPMInsurance:

- Offers non-life insurance including 2W, 4W, cargo, and property with 13 offices, 9 service points, and 125,000+ insurance clients

Supportive Catalysts and Key Risks to Valuation

Supportive Catalysts:

- **Ramadhan Effect**—As it draws near to the Islamic Festivities (*Ramadhan*), we expect distribution and retail sales toward the end of 2Q15 to pick up due to the increase in demand.

- **Tunjangan Hari Raya**—THR allowance given by companies roughly two weeks before *Ramadhan* to add purchasing power to possible buyers, which will support distribution and retail sales in July.

- **Motorcycles Down Payment Rule—**New motorcycles down payment rule to escalate 2W sales. The new regulation is being reviewed and to be implemented starting in June this year.

- **Reference Rate Cut—**Seeing three of MPM's business segments are interest rate sensitive—Distribution & Retail, Auto Services, and Financial Services—the possibility of BI lowering the reference rate makes the company even more attractive, as it will help the company's sales and gearing.

- **Attractive Valuation—**Being traded at P/E and P/BV of 6.3x and 0.7x, we view the company is trading at a discount.

- **MPM-TAXI to be Working Partners—**Saratoga's ongoing plan to acquire a controlling stake on the second largest taxi operator, PT Express Transindo Utama Tbk (TAXI), may open possibilities of working partnership with MPM, seeing that Saratoga holds 33.20% of ownership in MPM. We see a possibility for MPM to supply vehicles or lubricant oils to TAXI Express in the future if the deal goes through. *Nonetheless, we have not factored the possibility of this working synergy into our valuation.*

Key Risks:

- **The Fed Raising the Rate—**With the likelihood of the Fed raising the rate in the second semester, we remain cautious on the company's CoF, as it will lower the margins.

- **Delayed Government Spending in Infrastructure—**As long as the government delays the infrastructure spending, the economy will remain weak as it is and further decline market's purchasing power. Not to mention that it may bring negative impact to MPMFinance's NPL as well.

- **Low Commodity Prices—**Given the 2W sales are correlated with the fruitfulness of farmers' harvest, the low commodity prices are holding back low to middle income segment's purchasing power.

- **Market Sentiment on flat or worse YoY growth—**While we are optimist that we will see monthly growth towards the end of 2Q15 and in July, we are fully aware that YoY growth will be flat at best, given remarkable automotive performance on the same period last year.

Company in Depth

Distribution and Retail

Amidst economy slowdown and declining national sales for 2W and 4W, MPM gained market share..

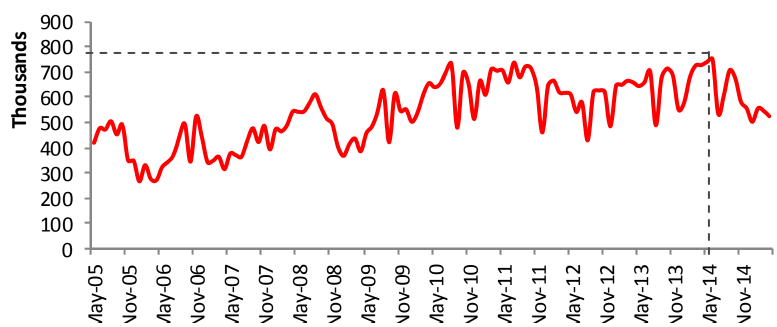
For the first four months in 2015, the national sales for motorcycles have dropped by 21% in comparison to the same period last year (MPM dn 3.2% YoY), whereas car sales have dropped by 16% YoY. While MPM also reported minus YoY growth for 2W, the company is gaining market share during the period. As for MPMAuto, it is hard to conclude YoY comparison, since the company had just started to operate in March last year.

Sales are expected to pick up towards the end of 2Q15, though positive YoY growths are hard to obtain..

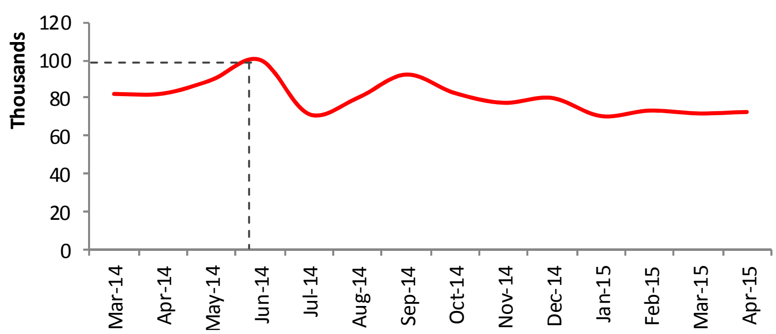
As of April 2015, the company has sold 288,353 units of motorcycle and 926 units of car in 2015 (13.5% and 0.3% of the 2W and 4W national sales respectively). The company stated that 2W sales would normally pick up one to two months prior to *Ramadhan*. While we believe monthly growth is most likely to be achieved, YoY growth is hard to obtain, considering last year's sales were remarkable for both MPM and national.

Last year's sales were remarkable for both MPM and national..

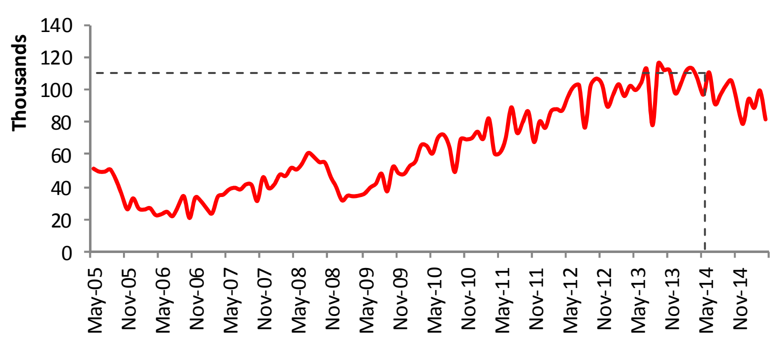
National 2W Sales



MPM 2W Sales

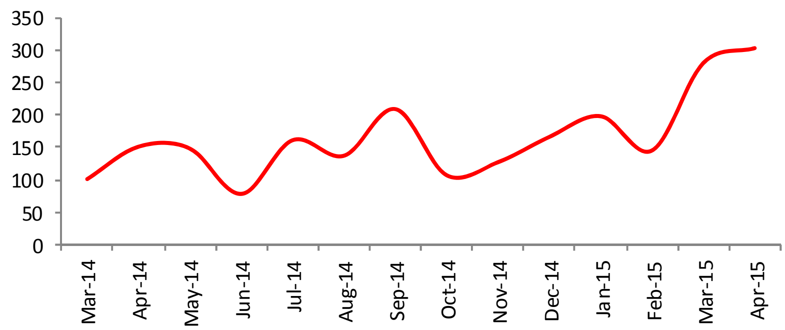


National 4W Sales



MPM targets to open 10 additional 4W dealerships in 2015..

MPM 4W Sales



Source: Company Data, Sinarmas Investment Research

LTV loosening is expected to increase 2W sales..

Putting aside last year's performance, on May 19th, BI had stated that it will review the LTV regulation for motorcycles and plans to implement the new regulation in June. We expect LTV easing to boost demand for 2W and support historical trend of increasing demand in prior to the festivities.

THR allowance to add purchasing power and bring positive impact..

Moreover, in 3Q15, there will be THR allowance given by companies roughly two weeks before *Ramadhan*. We view the THR disbursement will add purchasing power and bring positive impact to both MPM and national sales. Breaking down contributions from each business segment, 2W sales contributes ~82% of the total revenue.

Capex in MPMAuto will trim down FY15E's bottom line..

Moving to MPM's 4W segment, we view that the prospect is quite worthy, though we have to admit during the expansion the company will bleed through the capex spent. We view that the 4W will start to be profitable by next year the earliest. For this year, we forecast MPM's 4W segment to give contributions to the top line roughly IDR 661.6 bn FY15E.

Another catalyst that we see might occur this year would be reference rate cut by BI. Given that this line of businesses is interest rate sensitive, the reduction in BI rate will boost demand for both 2W and 4W sales.

Worth noted, our valuation incorporated negative growth in volume, and 5-7% ASP increase at the beginning of every year.

Auto Consumer Parts

While other MPM's business segments offer single digit of net margin, Federal Oil offers ~16%..

Within MPM's businesses, Federal Oil offers the widest bottom line margin and has been the second biggest contributor to the company's net profit (2W Distribution and Retail: 2% net margin, Federal Oil: 16% net margin, Auto Services: 5% net margin, Financial Services: 8% net margin, and 4W still minus due to ongoing capex).

As of now MPM holds 20% market share in 2W lubricant oils, and sells 4W lubricant oils starting April 2015..

Having ~20% market share in 2W lubricant oils, Federal Oil is one of the biggest players in the industry. While the price is quite competitive, Federal Oil has solid brand image among 2W users. According to the data that we gathered, Federal Oil sells at IDR 85,000 /lt, 47% discount from Shell Oil Advance Ultra 4T and 39% discount from Pertamina Fastron.

Brand and Type	Size	IDR ('000)
Shell Oil Advance ultra 4T	1 lt	160
Pertamina Fastron 0w-50,API SM	1 lt	140
Federal Oil Supreme xx 4T	1 lt	85
Motul 5100 ester 4T	1 lt	85
Motul 510 power lube 2T	1 lt	75
Pertamina Fastron 10w-30, API SM	1 lt	60
Pertamina Fastron 10w-40, API SL	1 lt	52
Motul 3100 gold 4T	0.8 lt	45
Shell Oil Advance VSX 4T	1 lt	45

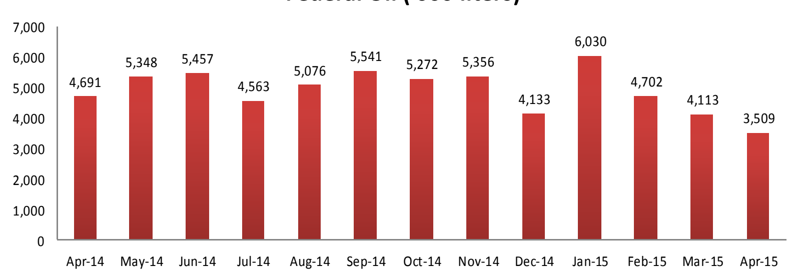
Source: Iptekno

Demand is soon to pick up as people need to travel to celebrate Ramadhan..

We view the lubricant oil sales will rise toward the end of first semester as it gets near to the holiday. Though the economy has not recovered just yet, demand will pick up as people need to travel. Meanwhile, we foresee that there will be monthly increase in the oil sales, despite possibility that YoY growth will be muted.

As for the first four months in 2015, the oil sales were somewhat disappointing. While Federal Oil sold more than 6 million liters of oil in January 2015, it has been deteriorating since then and has not stopped until April, with only 3.5 million liters sold. On our valuation, given the weak economy condition, we forecast negative YoY growth in volume (dn 6% YoY) accompanied with 5% ASP increase to maintain Federal Oil revenue at relatively the same level as 2014's accomplishment.

Federal Oil ('000 liters)



Source: Company Data, Sinarmas Investment Research

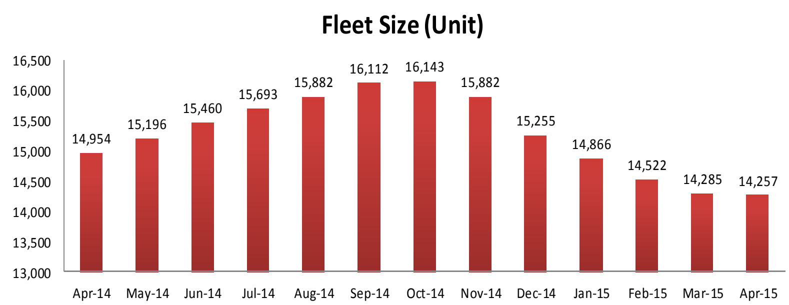
Auto Services

14,287 fleets as of 1Q15 with 4 years CAGR of 35.8%, becoming the second largest nationwide by fleet size..

As of 1Q15, MPMRent has 14,287 fleets and become the second largest nationwide by fleet size, with four years CAGR of 35.8%. The company has 34 outlets and 1,400+ corporate clients. Historically speaking, the company expanded rather aggressive these past few year.

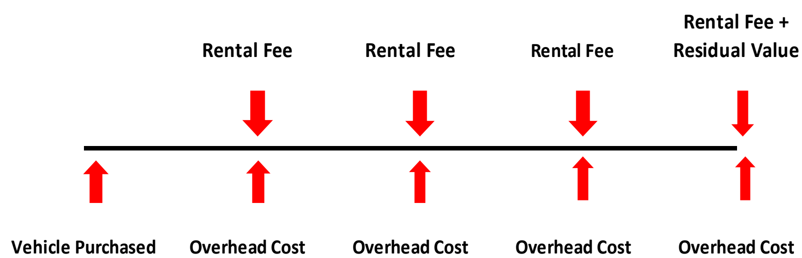
MPMRent plans to maintain fleet size and focuses on operational efficiencies and receivable collections to produce better cash flows..

Due to a lot of big players in the industry—TRAC, ASA—it is hard for MPM to raise the rental rates. As a result, the company plans to maintain its fleet size somewhere around 14,500 units and focuses on operational efficiencies and receivables collections in order to produce positive cash flows. On the other hand, adding fleets during challenging macro economic condition like this year would make the profitability bleeds.



Source: Company Data, Sinarmas Investment Research

To sum up the business briefly, the company adopts 10-year straight line depreciation method for the fleets and sell them at year 4, with 70-75% residual value. While the company experiences negative cash flows whenever the company purchases fleets, at year 4 of every fleet, the company receives positive cash flows.



Source: Sinarmas Investment Research

Still waiting for positive catalyst from BI..

Given this line of businesses is interest rate sensitive, at the moment, there are no bigger catalysts than a decrease in the BI rate to lower CoF. Although the company's decision to reduce fleet size will improve the operational efficiencies and cash flows.

Financial Services

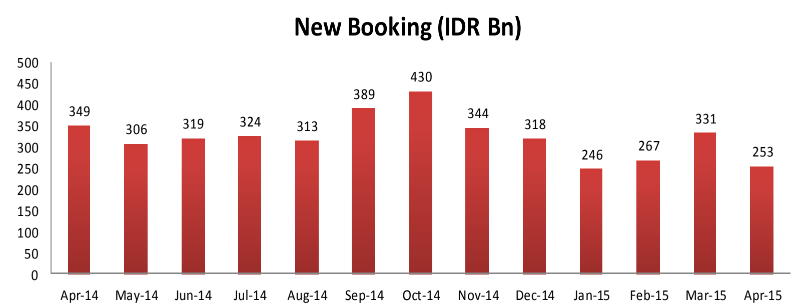
Asset quality deterioration in the industry with no exception to big players..

This year has been a tough year for financial institutions, given the economy slowdown, and weakening in purchasing power resulted from it. The majority of financial institutions are suffering from asset quality deterioration, especially in consumer loans. At this point, even big banks are suffering from the downtrend (i.e. PT Bank Central Asia Tbk). As of 1Q15, BBCA reported NPL in two-wheelers had increased from 2.5% in 1Q14 to 4.0% in 1Q15.

LTV loosening in motorcycles combined with Ramadhan effect may boost demands temporarily, though asset quality is uncertain..

With recent LTV loosening in motorcycles, we view demands will pick up temporarily, in addition to seasonality pick up as it draws near to the *Ramadhan.* Nonetheless, as long as the economy has recovered and government spending still recorded slow, expanding portfolio could expose the company to additional bad debts. While expanding portfolio is needed to elevate top and bottom line income, good risk management is needed to avoid further asset quality worsening.

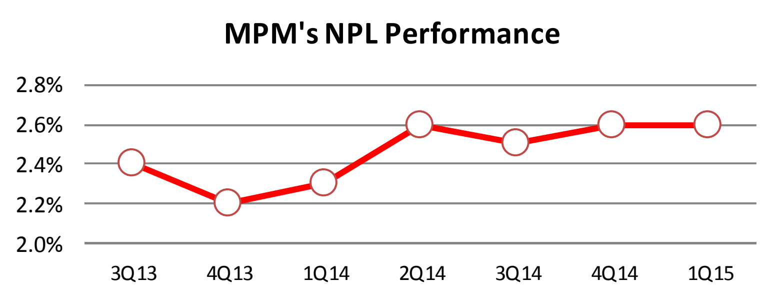
Loans disbursement were held back in January and February to secure NPL position..



Source: Company Data, Sinarmas Investment Research

As for the first four months in 2015, new bookings for automotive loans have been recorded low. While demand is still weak, the company has held back loans disbursement to two-wheelers in January and February due to economic uncertainties. As for the rest of the year, the company plans to move forward conservatively with asset quality being their first priority.

Precisely like MPMRent, for this line of business, there are no bigger catalysts than a decrease in BI rate to improve and sustain company's profitability. Although, we are optimist that even with current economic condition, MPMFinance's NPL will not go too far, as the company has learned from 2014's performance where NPL rose by 0.4% and provision trimmed down the bottom line. Thus, this time around, we believe maintaining asset quality is better than portfolio expansion.



Source: Company Data, Sinarmas Investment Research

Valuations and Forecasts

2W-Distribution (IDR mn)	12/14	12/15E	12/16F	12/17F	12/18F
Revenue	13,130,000	14,012,703	16,118,112	18,616,419	21,501,964
COGS	(12,365,299)	(13,196,593)	(15,179,381)	(17,532,185)	(20,249,674)
Gross Profit	764,701	816,110	938,731	1,084,234	1,252,290
Operating Profit	335,009	357,531	411,250	474,994	548,618
Income Before Tax Expenses	385,723	413,150	471,845	540,612	619,279
Net Profit	283,623	303,790	346,949	397,513	455,357

4W-Distribution (IDR mn)	12/14	12/15E	12/16F	12/17F	12/18F
Revenue	262,042	661,592	778,976	904,352	1,049,541
COGS	(246,453)	(617,927)	(727,564)	(844,665)	(980,271)
Gross Profit	15,589	43,665	51,412	59,687	69,270
Operating Profit	2,620	(5,293)	7,011	13,565	36,734
Income Before Tax Expenses	(20,872)	(23,143)	(579)	9,655	29,144
Net Profit	(13,527)	(17,357)	(434)	7,241	21,858

Auto Consumer Parts (IDR mn)	12/14	12/15E	12/16F	12/17F	12/18F
Revenue	1,577,141	1,552,793	1,714,074	1,888,598	2,082,823
COGS	(1,122,215)	(1,103,781)	(1,219,038)	(1,342,821)	(1,481,104)
Gross Profit	454,926	449,012	495,036	545,777	601,719
Operating Profit	315,366	311,266	343,171	378,346	417,127
Income Before Tax Expenses	325,418	317,313	351,623	386,798	422,179
Net Profit	250,696	244,452	270,884	297,982	325,239

Auto Services (IDR mn)	12/14	12/15E	12/16F	12/17F	12/18F
Revenue	1,174,275	1,214,711	1,247,655	1,350,045	1,460,061
COGS	(818,475)	(856,371)	(879,597)	(951,782)	(1,029,343)
Gross Profit	355,800	358,340	368,058	398,263	430,718
Operating Profit	258,837	261,163	268,246	290,260	313,913
Income Before Tax Expenses	73,054	57,085	46,311	57,228	69,230
Net Profit	62,244	48,638	39,458	48,760	58,985

Financial Services (IDR mn)	12/14	12/15E	12/16F	12/17F	12/18F
Revenue	1,212,714	1,078,578	1,145,581	1,234,091	1,389,551
COGS	(430,155)	(394,731)	(411,927)	(451,064)	(507,561)
Gross Profit	782,559	683,847	733,655	783,027	881,990
Operating Profit	110,165	85,825	98,483	98,781	111,548
Income Before Tax Expenses	128,939	104,599	118,665	121,486	137,091
Net Profit	96,443	78,237	88,758	90,868	102,541

Source: Company Data, Sinarmas Investment Research

Assumptions

Sales Volume	12/14	12/15E	12/16F	12/17F	12/18F	Jan-Apr '15	FY15E	%
MPM 2W Sales Volume (Unit)	971,756	969,238	1,041,931	1,146,124	1,260,737	288,353	969,238	29.8%
MPM 4W Sales Volume (Unit)	1,385	4,282	4,710	5,111	5,545	926	4,282	21.6%
MPM Federal Oil Sales Volume ('000 liters)	62,116	58,389	61,308	64,374	67,593	18,354	58,389	31.4%
MPM Auto Services Fleet Size (Unit)	15,255	14,492	15,317	16,152	17,051	-	14,492	-
MPM Financial Services - Total Loans (IDR m	4,003	4,003	4,303	4,841	5,446	1,097	4,003	27.4%

Source: Company Data, Sinarmas Investment Research

Balance Sheet

Balance Sheet (IDR mn)	12/14	12/15E	12/16F	12/17F	12/18F
Cash and Equivalents	1,421,735	682,381	1,132,650	1,500,616	1,423,976
Trade Receivables	871,415	721,978	820,957	940,299	1,080,023
Consumer Financing Receivables	2,083,251	2,165,935	2,627,063	2,654,961	2,880,061
Finance Lease Receivables	651,916	753,369	856,651	981,181	1,036,822
Non-Trade Receivables	292,017	314,742	357,891	150,448	172,804
Inventories	683,770	736,981	838,017	959,838	1,102,466
Total Current Assets	**6,201,026**	**5,572,309**	**6,830,151**	**7,384,263**	**7,893,073**
LT Consumer Financing Receivable	1,767,375	1,925,276	1,094,610	1,253,731	1,440,030
LT Finance Lease Receivables	686,962	641,759	729,740	835,821	960,020
Fixed Assets	3,214,402	4,135,620	4,697,498	5,192,603	5,801,840
Total Non-Current Assets	**7,749,151**	**8,603,496**	**8,296,989**	**8,969,307**	**9,827,450**
Total Assets	**13,950,177**	**14,175,804**	**15,127,140**	**16,353,570**	**17,720,523**
Bank Loans	355,950	500,000	500,000	650,000	800,000
Trade Payables	885,619	1,034,706	1,181,318	1,358,112	1,562,991
Other Payables	387,845	422,799	482,708	554,949	638,666
LT Borrowings Ending Within a Yea	2,365,474	1,582,191	1,661,300	1,744,365	1,831,584
Total Current Liabilities	**4,207,258**	**3,768,114**	**4,078,882**	**4,590,712**	**5,150,550**
LT Borrowings	1,797,944	1,977,738	2,076,625	2,180,457	2,289,479
Total Non-Current Liabilities	**4,482,760**	**4,669,409**	**4,775,494**	**4,886,883**	**5,003,841**
Total Liabilities	**8,690,018**	**8,437,524**	**8,854,376**	**9,477,595**	**10,154,390**
Total Liabilities and Equity	**13,950,177**	**14,175,804**	**15,127,140**	**16,353,570**	**17,720,523**

Source: Company Data, Sinarmas Investment Research

Liquidation Value VS Market Cap

Liquidation Value as of Dec '14	P/E Multiple	Net Income (IDR mn)	Book Value (IDR mn)	Depreciation/Loss	Fair Value (IDR mn)
+ Cash					1,421,735
+ Distribution and Retail	8.0x	270,096			2,160,768
+ Auto Consumer Parts	8.0X	250,696			2,005,568
+ Auto Services Rental Fleet			4,036,468	30%	2,825,528
+ Financial Services Receivables			3,467,132	10%	3,120,419
+ Company's Unallocated Assets					4,987,662
- Elimination					(3,862,103)
- Debt					(8,690,018)
Liquidation Value					3,969,559
Market Cap					2,990,200
Discount Rate					**25%**

Source: Company Data, Sinarmas Investment Research

Looking at the company's share performance, we view that the company is currently trading at discount. To that end, we computed the liquidation value of the company with aggressive discount on Auto Services and Financial Services, assuming 30% depreciation discount on the rental fleets and 10% NPL or uncollectable loans. As for other business segments, we used P/E multiples of 8.0x. Having said that, the liquidation value of the company amounted to IDR 3,969.6 bn. Given the company's market cap (IDR 2,990.2 bn), there is a 24.7% discount of the liquidation value that we calculated.

All in all, we integrated 10-year DCF model with SoTP valuation and came up with 52-week target price of IDR 960. While SoTP is the best method to valuate a company with multiple business segments, we decided to use DCF Model as well, since it would be just right to take the strong stream of cash flows after 2015 into consideration.

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.