

## **Company Visit Note**

### **PT Catur Sentosa Adiprana Tbk (CSAP)**

We have met the management and here are the meeting key points:

1. The company claims that they have the largest distribution channel in Indonesia as of June 2015. CSAP has 48 building materials distribution branches in 39 cities, 4 chemicals distribution branches, 15 consumer goods distribution areas, 21 Mitra10 stores, and 10 Atria showrooms.
2. There are 5 business line segments contributed to 1Q15 consolidated total sales revenue of IDR 1.72 billion (+5% yoy) which are: 50% from building materials, 4% from chemicals, 16% from consumer goods, 29% from building materials & home improvement (Mitra10), and 1% from furniture (Atria).
3. Despite the increase in sales revenue, CSAP booked 1Q15 both gross profit margin and net profit margin slightly decreased from 14.6% to 14.2% and from 1.2% to 1.1% in respectively.
4. Approximately 40% out of IDR 100 billion capex budget has been realized in 1H15.
5. Even though there will be 1 million unit housing development future national project by the Government, but according to company this has not been affected to company yet so far.
6. FY15E sales revenue target has been revised down to approximately IDR 7 trillion due to Indonesia economic slow down.

### **Distribution Segment (Building Materials, Chemicals, Consumer Goods)**

1. In general view, size of a distribution company is very depending on how many principals join into. More principal could means bigger size for a distribution company.
2. As of June 2015, the breakdown of principals and customers from each business line in distribution segment are as follow:
  - Building materials: 40+ principals & 35,000+ customers.
  - Chemicals: 100+ principals & 3,400+ customers.
  - Consumer goods: 17+ principals & 132,000+ customers.

<b>Building Materials Top Principals</b>	<b>Consumer Goods Top Principals</b>
ICI Paints	P&G Indonesia
Osram	Frisian Flag Indonesia
American Standard	Nutrifood
3M	UnivenuS
Arwana Ceramic Tiles	Tiga Pilar Sejahtera
Mulia Ceramic Tiles	Dua Kelinci
Roman Ceramic Tiles	
Mowilex Paint	
Propan Wood Finishing	
Voksel Electric	

### **Modern Retail Segment ("Mitra10" Building Materials & Home Improvement, "Atria" Furniture)**

- The breakdown of principals and members/SKUs in Mitra10 and Atria which they have so far until June 2015:
  - Mitra10: 600+ principals and 500,000 members (90% home owners).
  - Atria: 100+ principals and 12,000 SKUs.
- Stores: Out of 21 Mitra10 unit stores, 17 of them are superstores (>1000 sqm) and the rest are express stores (<1000 sqm). While Atria has 10 showrooms (7 inside Mitra10 unit stores).
- Mitra10's 1Q15 sales was increased by 13% yoy to IDR 494 billion, while its SSG was 11% yoy.

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