

PT Ciputra Development Tbk.

Spread Your Wings

10 June 2019

Investment Thesis

Likely to Enjoy More Benefit from New Infrastructures. Recent years, Greater Jakarta Area has enjoyed new infrastructure projects. In Greater Jakarta Area, CTRA has several project portfolio that located nearby the new infrastructure projects. Located on the strategic area, CTRA could expect some increase on their property value in the future.

Government Regulatory Support to Boost Property Sector. Since 1 August 2018, Bank Indonesia has revised its loan to value (LTV) ratio for mortgage in Indonesia to boost the consumers affordability. In addition to the monetary policy, the government also giving regulatory support for the property sector by adjusting the fiscal policy.

Financial Projection

Income Statement. For 2019, we project that the top line for the CTRA will be at IDR 7.66 trillion or slightly lower than 2018 number of IDR 7.67 trillion. On the bottom line, we estimate CTRA will book IDR 1.14 trillion or 3.94% decline from last year.

Balance Sheet. In term of balance sheet, we estimate that CTRA Total Assets FY2019 will be at IDR 35.97 trillion or 4.9% increase from last year, and Total Equity FY2019 will be at IDR 18.16 trillion or 6.99% increase from last year.

Investment Risk

Rising Interest Rate Might Affects Mortgage. In order to maintain Indonesian Rupiah exchange rate against the USD, Bank Indonesia has since proactively increasing the benchmark rate (7DRRR). With the rising interest rate trend, we argue that it might concerned potential end-user buyers who planned to use mortgages to purchase property units.

Slower Recovery on The Cities With CTRA Most Presences. With the interest rate cuts possibly going to occur as early as the end of year, the housing price index growth most likely still tend to slow down this year. Moreover, most of the cities where CTRA currently has most presences recorded lower housing price index growth rate than national average.

Valuation and Recommendation

Recommend Buy for CTRA with TP of IDR 1,200 per share. With 64% discount to NAV based from three years historical moving average, we conclude the CTRA price target for the next 12 months at the level of IDR 1,200 per share. By comparing the closing price of CTRA on Friday (31/05) at the level of IDR 980, we recommend Buy for CTRA stock with an upside potential of 22.45% from our target price.

Key Metrics	FY 2017	FY 2018	E 2019	E 2020	E 2021
Revenue (IDR bn)	6,442.80	7,670.41	7,662.82	8,061.37	8,779.85
Operating Income (IDR bn)	1,616.00	2,149.87	2,051.88	2,118.01	2,272.69
Net Income (IDR bn)	894.35	1,185.48	1,138.81	1,119.92	1,208.46
EPS (IDR)	48.19	63.87	61.36	60.34	65.11
BV (IDR)	837.85	896.78	959.45	1,022.50	1,090.37
ROAA (%)	2.93%	3.58%	3.23%	3.05%	3.13%
ROAE (%)	5.99%	7.36%	6.55%	6.09%	6.16%
Current Ratio (x)	1.94	2.02	2.13	2.07	2.25
Gearing Ratio (x)	0.49	0.51	0.48	0.43	0.44
P/E (x)	24.59	15.81	19.56	19.89	18.43
P/BV (x)	1.41	1.13	1.25	1.17	1.10

Buy (+22.45%)

Price (31/05)	IDR 980
Target Price	IDR 1,200
Ticker	CTRA
Industry	Property

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Company Description:

Founded by Dr. (HC) Ir. Ciputra and his family since 1981 under the name of PT. Citra Habitat Indonesia, PT. Ciputra Development Tbk (CTRA) changed its name as it is now in 1990. Until now, CTRA has developed more than 76 projects spread across 33 cities throughout Indonesia covering residential areas, apartments, office buildings, shopping centers, hotels, golf courses and hospitals. Since 1994, CTRA has been listed on the Jakarta Stock Exchange.

Stock Data

52-week Range (IDR)	730 - 1,250
Mkt Cap (IDR tn)	19.58
JCI Weight	0.28%
Shares O/S (bn)	18.56
YTD Change	4.46%
Beta	1.75x

Share Holders:

PT. Sang Pelopor	47.02%
Public/Others (<5%)	52.98%

Company Address :

Ciputra World 1
 DBS Bank Tower 39th Floor
 Jl. Prof. Dr. Satrio Kav. 3-5, Jakarta, 12940.

Source : Bloomberg, MCS Research

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CTRA Business Model

Property Development and Management as their core business activities

CTRA divides its business activities into two categories, namely property development, specifically township residential and development, for sale and commercial property development and management. The products produced by CTRA generally consist of land plots, residential houses and shophouses, in addition to apartments and strata title offices. While the services produced include rental of commercial centers, hotels, apartments, offices, golf courses and water parks. Currently, CTRA diversified its project portfolio over 75 projects in 33 cities across the nation.



Source : CTRA

CTRA earn revenue from real estate sales and recurring income from investment properties

CTRA residential products generally consist of land plots, residential houses, shop houses, apartments and strata title offices, while the development and management of commercial properties include rental of commercial centers, hotels, apartments, offices, hospitals, golf courses and water parks. In terms of revenue, CTRA earns revenue from sales of real estate and recurring income from rental, malls, hotels and others.

CTRA Growth Strategy

CTRA maintain more than 15 years worth of land bank to support their long term growth.

One of CTRA main strategy to maintain its growth is to retain healthy land bank levels which would be sufficient for more than 15 years of development. As a property development company, land bank supply hold important key to secure the company growth for mid to long term time horizon. In order to maintain the sustainability, CTRA continuously replenishing land bank in existing projects while searching for new strategic locations. Currently, CTRA has around 2,334 ha of land bank to support its long time development strategy. Additionally, CTRA also have rights to additional land bank through several joint-operation schemes with other companies. With this scheme, CTRA could potentially have additional up to 4,924 ha of land bank to develop.

CTRA Land Bank Inventory

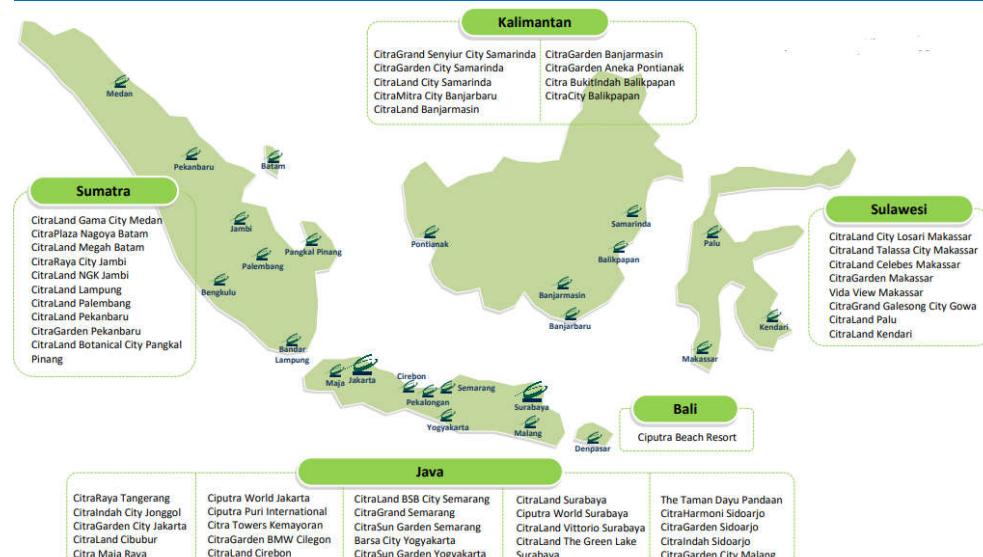
Project Name	Gross Land Bank (ha)	Stake
CitraRaya Tangerang	770	100%
CitraGarden City	119	100%
CitraIndah Jonggol	191	100%
Puri	18	100%
CitraLand Cibubur	84	60%
Total Greater Jakarta	1,182	
CitraLand Surabaya	866	100%
CitraHarmoni Sidoarjo	73	100%
CitraGarden Sidoarjo	11	60%
Total Greater Surabaya	950	
CitraLand Pekanbaru	7	60%
CitraLand NGK Jambi	2	51%
CitraLand Lampung	28	60%
CitraLand Palembang	109	100%
Ciputra Beach Resort	57	60%
Total Others	203	
Total Land Bank	2,335	

Source : CTRA

To ensure their sustainability, CTRA diversified their locations and product type to minimizing risks.

To ensure the sustainability, CTRA also maintain wide geographical footprint for their growth strategy. Currently, CTRA have over 75 projects in 33 cities and 21 provinces throughout Indonesia. To leverage their diversification strategy, CTRA also optimize their joint-operation scheme with other land owners to reach more potential area and enable them to create innovative product launches to best cater to existing demand by capitalizing on the flexibility given by ample and diverse land bank. This strategy allow CTRA to have more diversification of products and target market while minimizing concentration risk.

CTRA Project Portfolio



Source : CTRA

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CTRA Key Projects in 2019

Citra Maja Raya	
	Location Lebak, Banten
	Development Plan 1,200 ha (sold 267 ha)
	Market Segment Middle to middle-low
	Launch November 2014
	2018 Presales IDR 889 billion
	Unit Price Range IDR 107 million—1.3 billion
	Unit Sold 3,628 units
	Others Launched 6 new clusters of house and shop house in 2018

Source : CTRA

CitraLand Surabaya	
	Location Surabaya, East Java
	Development Plan 1,700 ha (sold 732 ha)
	Market Segment Middle to middle-high
	Launch 1993
	2018 Presales IDR 551 billion
	Unit Price Range IDR 500 million—5.1 billion
	Unit Sold 226 units
	Others Launched 3 new clusters of house and shop house in 2018

Source : CTRA

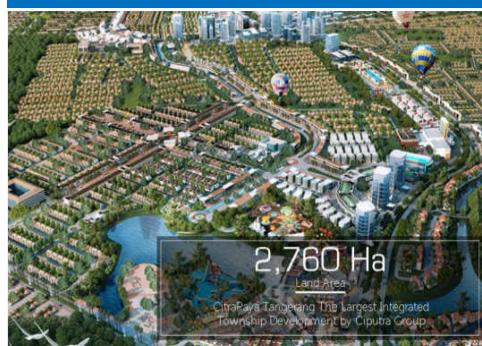
CitraLand City Losari Makassar	
	Location Makassar, South Sulawesi
	Development Plan 157 ha (sold 35 ha + 50 ha to government)
	Market Segment Middle to high
	Estimated Launch October 2015
	2018 Presales IDR 407 billion
	Unit Price Range IDR 2,2 billion—57.5 billion
	Unit Sold 84 units
	Others Grand-launching event in Mar -18 to celebrate 100% land reclamation process for 1st phase (100Ha)

Source : CTRA



CTRA Key Projects in 2019

CitraRaya Tangerang



Location	Tangerang, Banten
Development Plan	2,760 ha (sold 837 ha)
Market Segment	Middle-low to middle-high
Launch	November 2014
2018 Presales	IDR 431 billion
Unit Price Range	IDR 253 million—2.4 billion
Unit Sold	532 units
Others	-

Source : CTRA

CitraIndah City Jonggol



Location	Jonggol, Bogor
Development Plan	780 ha (sold 514 ha)
Market Segment	Middle and middle low
Launch	1997
2018 Presales	IDR 301 billion
Unit Price Range	IDR 111 million—1.4 billion
Unit Sold	853 units
Others	Launched 3 new clusters of house and shop house in 2018

Source : CTRA

CitraLand Gama City Medan

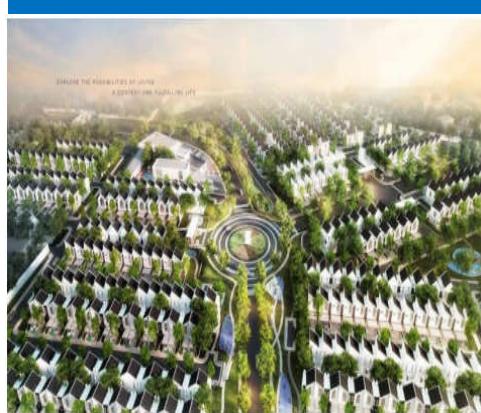


Location	Medan, North Sumatera
Development Plan	132 ha (1st phase)
Market Segment	Middle and middle-up
Estimated Launch	September 2018
2018 Presales	IDR 305 billion
Unit Price Range	IDR 1 billion—8.5 billion
Unit Sold	113 units
Others	-

Source : CTRA

CTRA Key Projects in 2019

New Landed Residential Development in Puri



Location	Puri, West Jakarta
Development Plan	18.2 ha
Market Segment	Middle and middle-up
Estimated Launch	2H19
2019 Est. Presales	IDR 300 billion
Unit Price Range	Approx. IDR 900 million—2 billion
Accessibility	5 minutes from Kali Deres commuter line station. 30 minutes from Soekarno Hatta international airport.

Source : CTRA

New Township Development in Sentul



Location	Sentul, Bogor
Development Plan	114 ha (1st phase)
Market Segment	Middle and middle-low
Estimated Launch	2H19
2019 Est. Presales	IDR 200 billion
Unit Price Range	Approx. IDR 600 million—1.6 billion
Accessibility	5 minutes from Sentul Circuit LRT Station. 5 minutes from Sentul Circuit toll road exit.

Source : CTRA

New Apartment Development in Ciracas



Location	Ciracas, East Jakarta
Development Plan	2 ha or approx. 61,000 sqm (1st phase)
Market Segment	Middle-low and low
Estimated Launch	2H19
2019 Est. Presales	IDR 250 billion
Unit Price Range	Approx. IDR 320 million—800 million
Accessibility	5 minutes from Ciracas LRT Station.

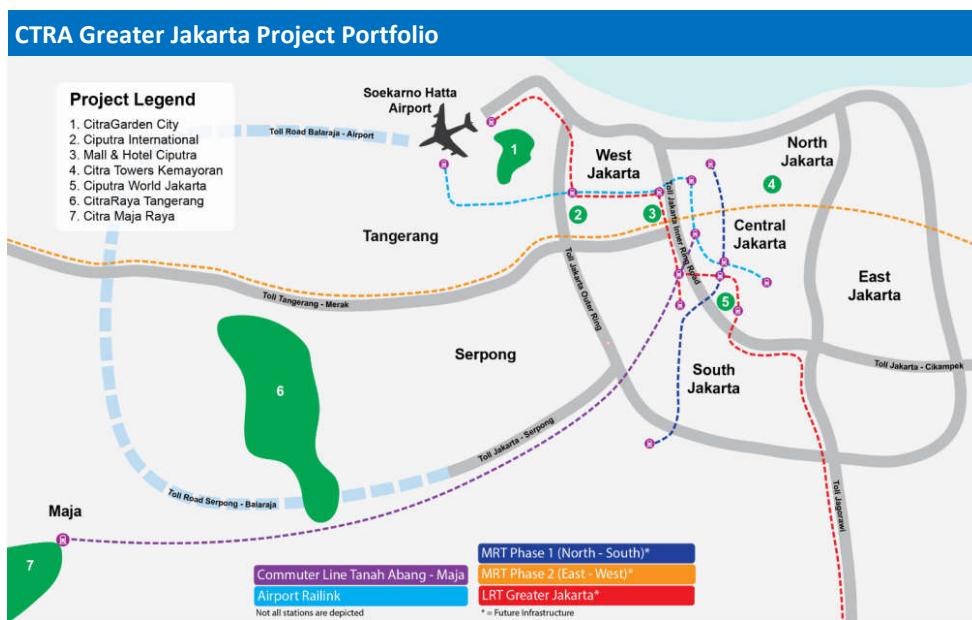
Source : CTRA

Investment Thesis

Recently, many new infrastructure projects commenced to ease commuters.

1. Likely to Enjoy More Benefit from New Infrastructures

Recent years, Greater Jakarta Area has enjoyed several new infrastructure projects. Other than several prominent toll road projects around Jakarta such as Jakarta Outer Ring Road (JORR)-2 and Jakarta-Cikampek 2 Toll Road, the government also develop several railway-based infrastructure such as electrification of Greater Jakarta railways such as Tanah Abang—Rangkasbitung and Jakarta Kota—Cikarang, Airport Railink project, and the first phase of MRT North—South lane that was just launched last month. Also, there are some more upcoming projects which expected to be completed in near future such as second phase of MRT North—South lane, MRT East—West lane, Jakarta LRT, and Greater Jakarta LRT. The development of new toll road and railways expected to reduce traffic jams and congestion around Greater Jakarta and help commuters to reach their destination easier and faster.



Some CTRA projects located nearby the new infrastructure projects, hopefully will boost their value.

In Greater Jakarta Area, CTRA has several project portfolio that located nearby the new infrastructure projects. Some residential development projects in West Jakarta such as CitraRaya Tangerang and Citra Maja Raya, for example, will be benefited by the Serpong-Balaraja toll road and Tanah Abang—Maja commuter line that operated near their location. Also, the projects that located in the downtown area such as Mall and Hotel Ciputra and Ciputra World Jakarta will be along the MRT and LRT projects operating route. Located on the strategic area nearby the new infrastructure projects, CTRA could expect some increase on their property value in the future.

Investment Thesis

2. Government Regulatory Support to Boost Property Sector

Bank Indonesia has revised their regulation to relax LTV ratio and mortgage.

Since 1 August 2018, Bank Indonesia has revised its loan to value (LTV) ratio for mortgage in Indonesia to boost the consumers affordability. The LTV ratio for the first mortgage is relaxed from 85% to 100%, while the second and after is relaxed from 75-80% to 80-85%. Moreover, Bank Indonesia also increase the limit for indent mortgages from two to five units. Also, the mortgage disbursement from banks to developers is also to be accelerated in order to provide faster cash for the developers.

Loan to Value (LTV) Ratio Policy Revision					
Property Type	Credit Facility				
	PBI No. 18/16/PBI/2016	1st Time	2nd Time	3rd Time etc	1st Time
Landed House					
Type > 70m ²	85%	80%	75%	-	80%
Type 22 - 70m ²	-	85%	80%	-	85%
Type < 21m ²	-	-	-	-	-
Flat and Apartment					
Type > 70m ²	85%	80%	75%	-	80%
Type 22 - 70m ²	90%	85%	80%	-	85%
Type < 21m ²	-	85%	80%	-	85%
Shophouse	-	85%	80%	-	85%

Source : Bank Indonesia

Lower tax rate and threshold to boost purchasability.

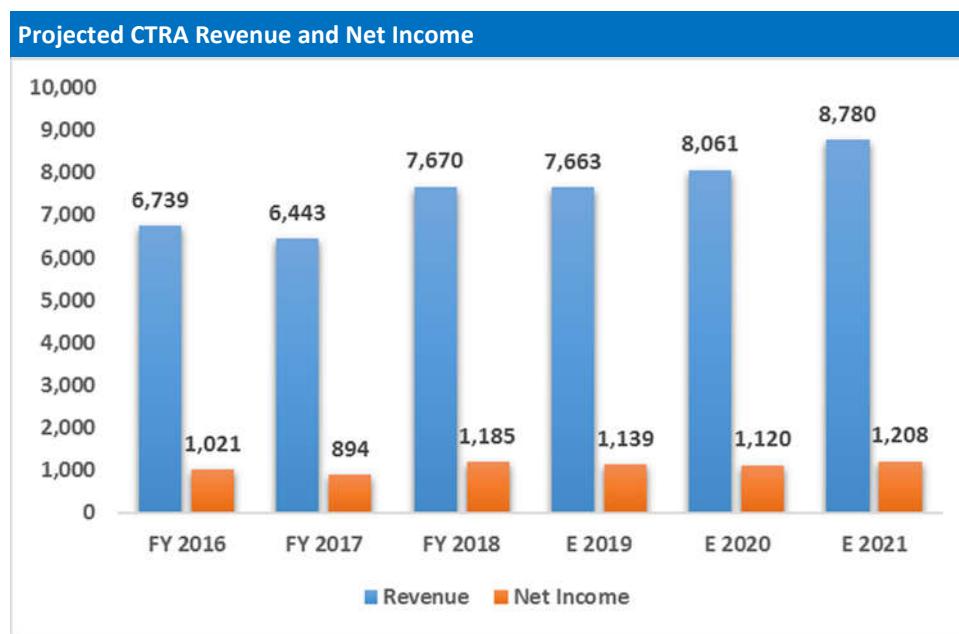
In addition to monetary policy, the government also giving regulatory support for the property sector by adjusting the fiscal policy. The Ministry of Finance has plan to increase the threshold for the 20% luxury tax from IDR 10 Billion to IDR 30 Billion for apartments and from IDR 20 Billion to IDR 30 Billion for landed houses. Also, the ministry planned to lower the super luxury tax from 5% to 1% for property units above IDR 5 Billion. To support faster property transaction, the tax authority also simplified the tax validation process to accelerate the transfer of title procedure from 30 days to 3 days.

Financial Projection

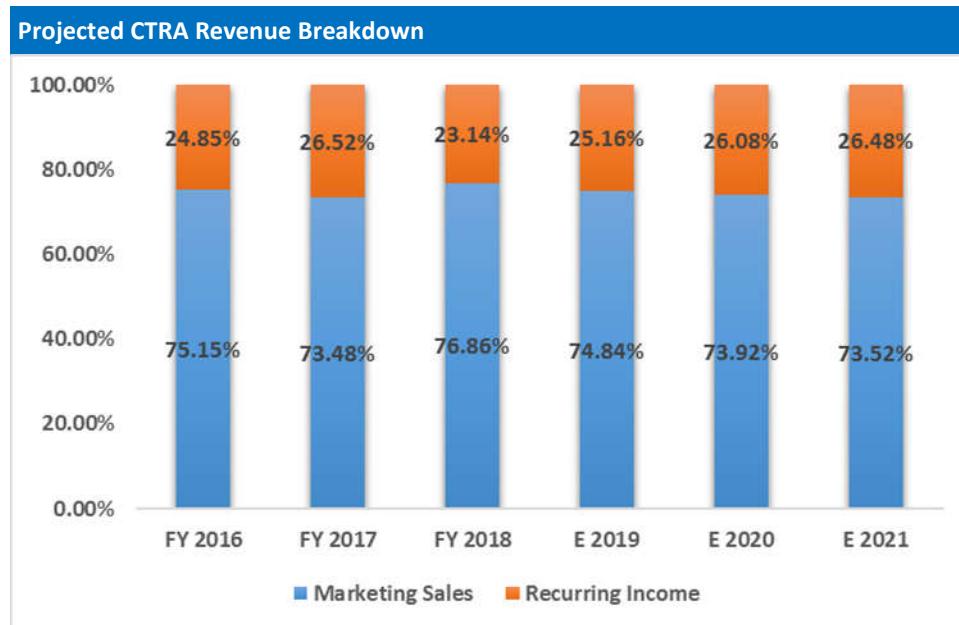
1. Income Statement

CTRA FY2019 revenue and net profit expected to slightly declined, citing decline on marketing presales.

For 2019, we project that the top line for the CTRA will be at IDR 7.66 trillion or slightly lower than 2018 number of IDR 7.67 trillion. Marketing sales is still the main contributors for the CTRA with almost 77% of last year from total revenue. With the downward trend of marketing pre-sales since 2016, company lower target for 2019, high interest rate, and presidential election sentiments, we estimate that CTRA marketing sales will declined 2.71% from last year. Despite of that, we expect that the recurring income from CTRA investment properties will grow 8.59% from last year. We hope that the recurring income growth will able to offset the decline in marketing sales. On the bottom line, we estimate CTRA will book IDR 1.14 trillion or 3.94% decline from last year.

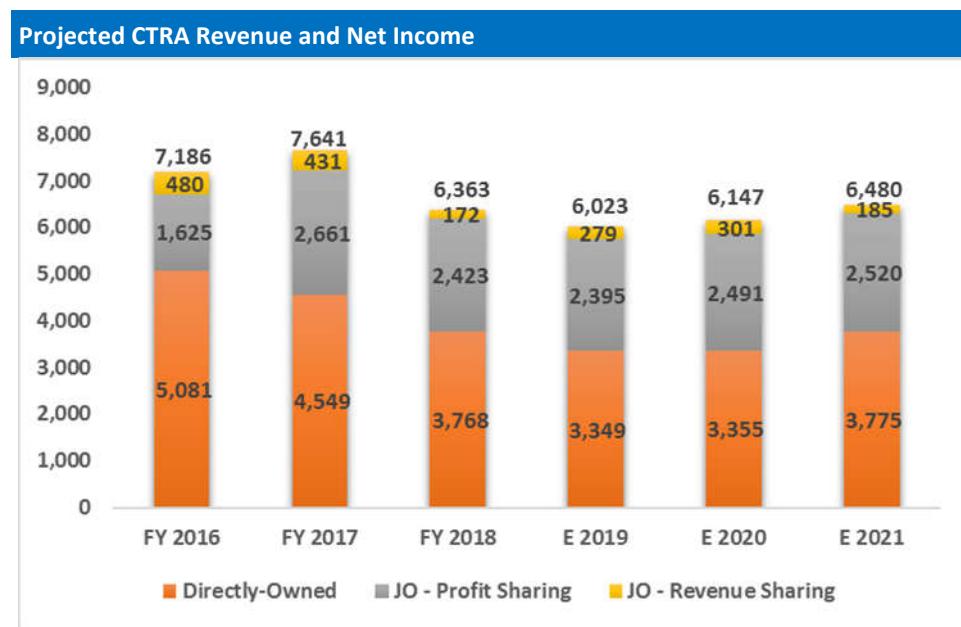


Source : Bloomberg, MCS Research



Source : Bloomberg, MCS Research

Financial Projection

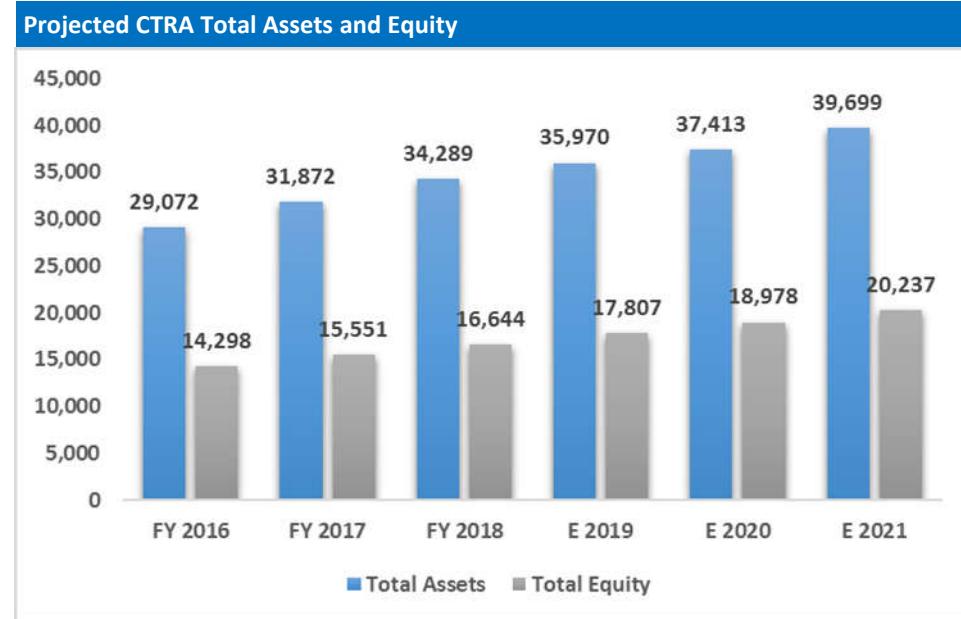


Source : Bloomberg, MCS Research

2. Balance Sheet

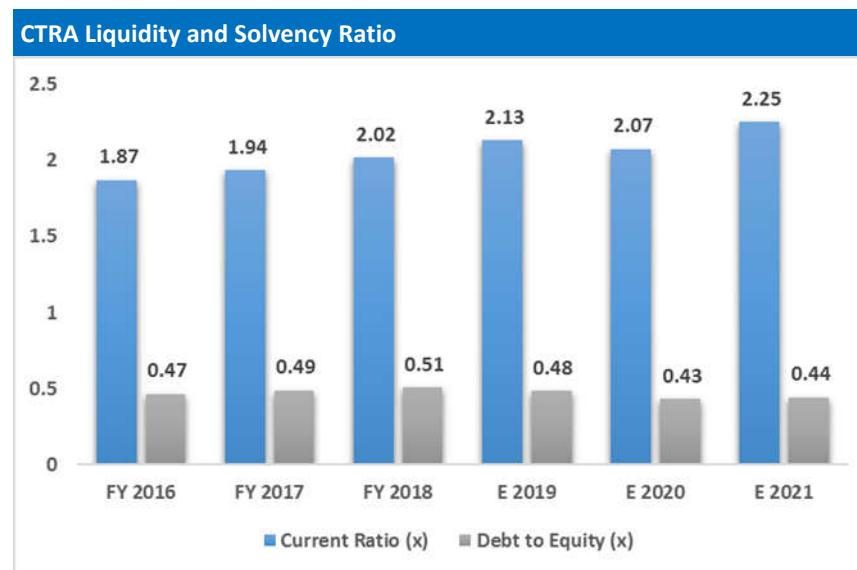
CTRA FY2019 total assets estimated to grow 4.99% and total equity estimated to grow 6.99%.

In term of balance sheet, we estimate that CTRA Total Assets FY2019 will be at IDR 35.97 trillion or 4.9% increase from last year, and Total Equity FY2019 will be at IDR 18.16 trillion or 6.99% increase from last year. Since CTRA merger with CTRP and CTRS in early 2017 the company saw increase on their balance sheet due to the stock conversion and addition on company property portfolio, increase their total assets and total equity.

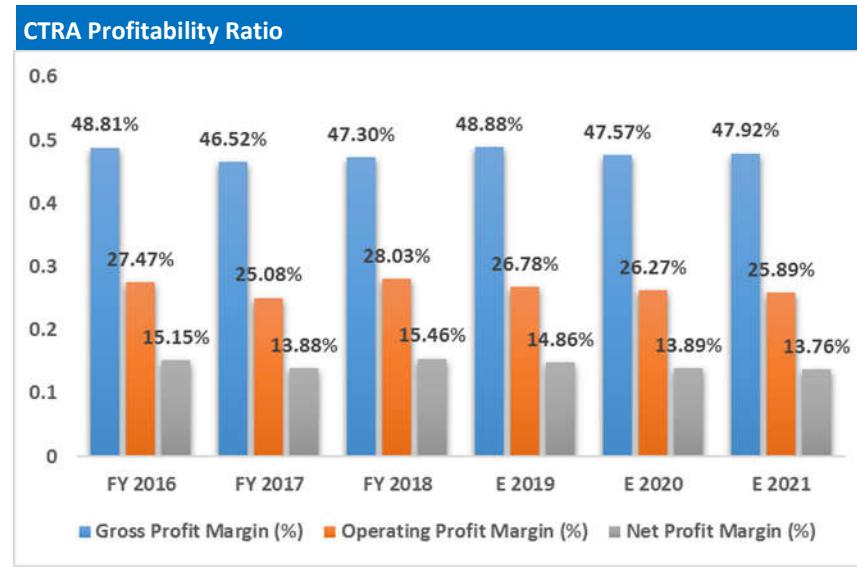


Source : Bloomberg, MCS Research

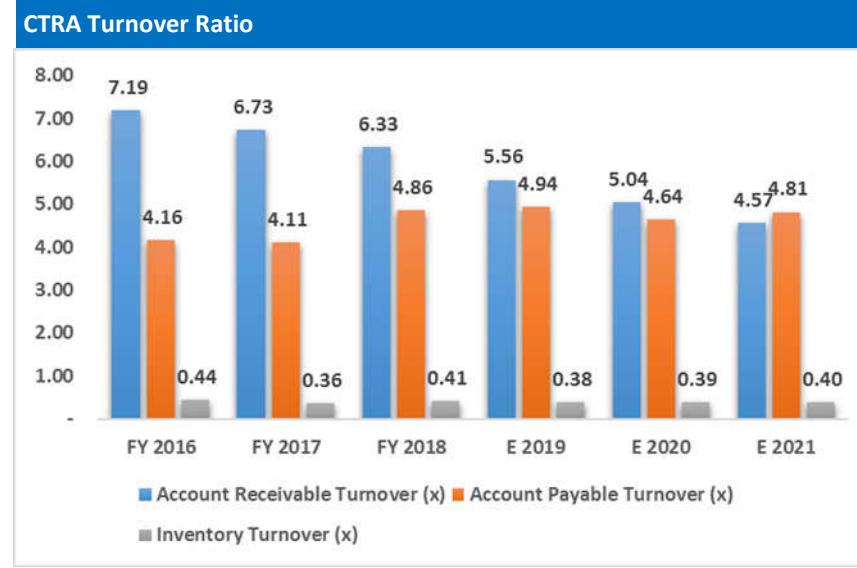
Financial Projection



Source : Bloomberg, MCS Research



Source : Bloomberg, MCS Research



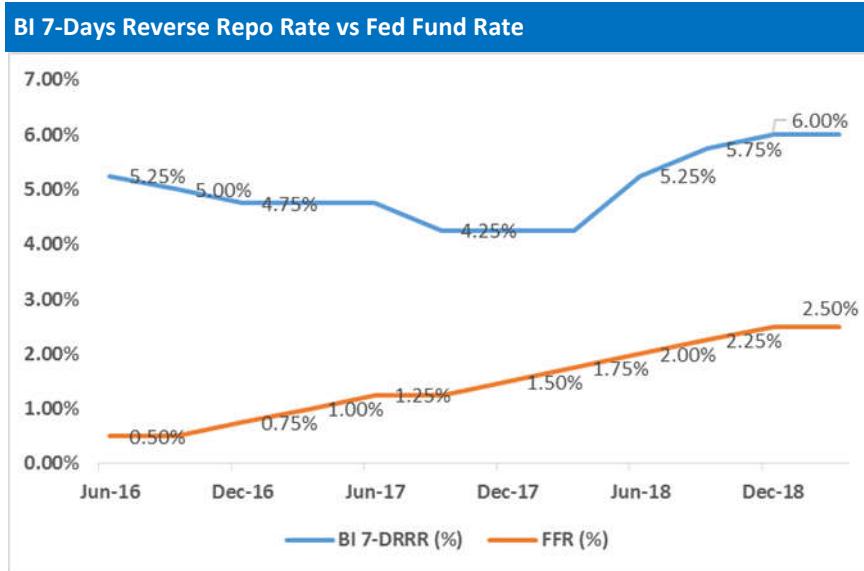
Source : Bloomberg, MCS Research

Investment Risk

To counter hiking Fed Fund Rate, Bank Indonesia proactively increasing the benchmark rate.

1. Rising Interest Rate Might Affects Mortgage

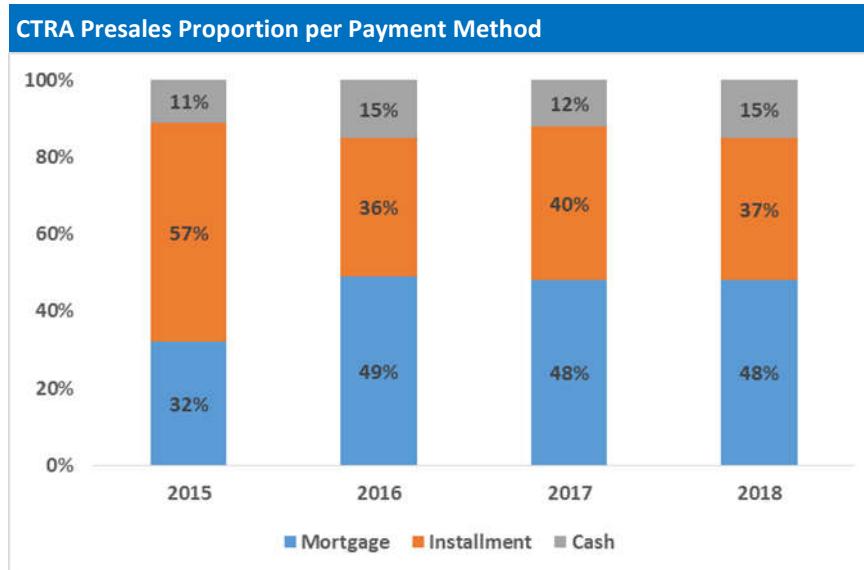
After years of maintaining low interest rates following 2008 financial crisis, along with improving economic indicators, since 2015 the Federal Reserve Banks have raised their Fed Fund Rate several times in order to stimulate US economy. In order to maintain Indonesian Rupiah exchange rate against the USD, Bank Indonesia has since proactively increasing the benchmark rate (7-Days Reverse Repo Rate—7DRRR).



Source : Bloomberg, MCS Research

With the increasing interest rate, there might some concern for end-user potential buyers.

The increase of interest rate, however, means that there are some potential increase on bank lending rate. In 2018, proportion of mortgage payment reach 48% of total CTRA presales and only 15% of total presales payment made through cash method due to the larger demand from end-user buyers seeking property priced below IDR 2 billion per unit. With the rising interest rate trend, we argue that it might concerned potential end-user buyers who planned to use mortgages to purchase property units.



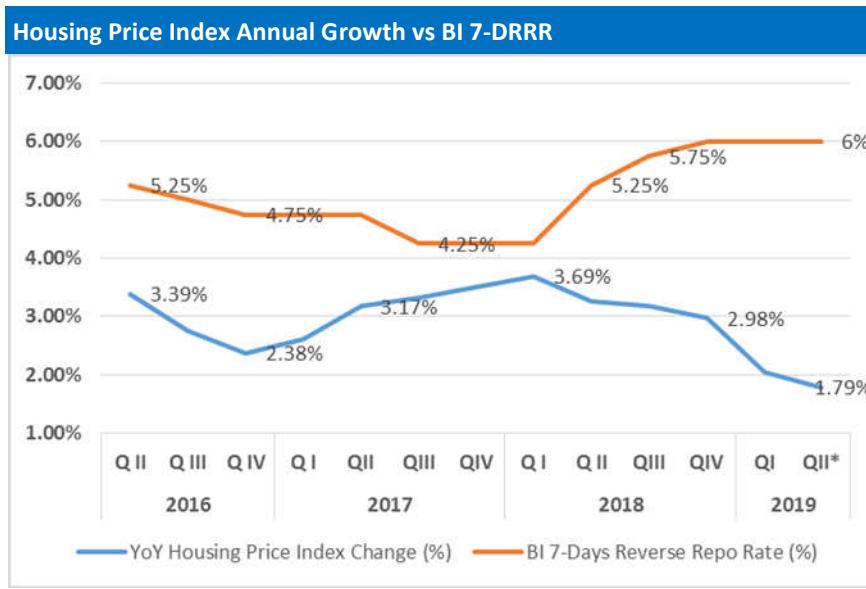
Source : CTRA, MCS Research

Investment Risk

Rising interest rate means slower recovery for property index price.

2. Slower Recovery on CTRA Most Presence Cities

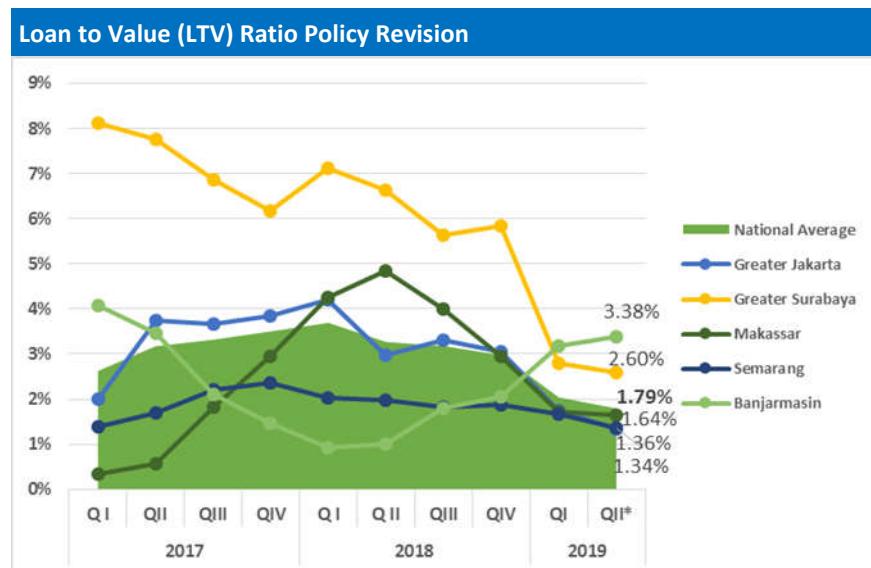
Since 2013, Indonesian housing price index (IHPR) growth has been slowing down from double digit annual growth to below five percent figures after 2015. After Indonesian property boom period during 2009-2013, housing price index growth has been slower year by year until the first quarter of 2017 which oversaw some rebound due to the effect of lowered BI 7-Day Reverse Repo Rate (BI-7DRRR) one quarter before from 5.25% to 4.75%. When the benchmark rate lowered again to the level of 4.25%, annual housing price index growth continue to rise up to the highest level at 3.69% during first quarter of 2018. However, the trend declining again after Bank Indonesia raise their benchmark rate to counter US Federal Reserve hiking rate. With the interest rate cuts possibly going to occur as early as the end of year, the housing price index growth most likely still tend to slow down this year.



Source : Bank Indonesia, MCS Research

Cities with CTRA most presences records lower recovery rate.

Moreover, most of the cities where CTRA currently has most presences recorded lower housing price index growth rate than national average. Among of them, only Greater Surabaya area that consistently outperform national average during recent years. Whereas, other main project contributors such as Greater Jakarta and Makassar has been declined rapidly since last year and only Banjarmasin recorded growth increase.



Source : Bank Indonesia, MCS Research

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Valuation and Recommendation

Target price 12 months for CTRA at IDR 1,200 per share, derived from 64% discount to RNAV.

We use the sum of the parts (SOTP) method to carry out our valuations, by taking account of landbank effective value of IDR 68.33 trillion, investment property effective value of IDR 8.74 billion, cash FY2019F of IDR 3.34 trillion, interest bearing debt FY2019F of IDR 8.59 trillion, and advance from customers FY2019F of IDR 6.69 trillion. Under these assumptions, we derive total revaluated net asset value (RNAV) of IDR 62.03 trillion or IDR 3,353 per share. With 64% discount to NAV based from three years historical moving average, we conclude the CTRA price target for the next 12 months at the level of IDR 1,200 per share

RNAV		
Landbank	Gross Land Bank (ha)	Effective Value (IDR bn)
Jabodetabek		
CitraRaya Tangerang	770	15,593
CitraGarden City	119	9,044
CitraIndah Jonggol	191	1,719
CitraLand Cibubur	84	1,240
Total	1,182	27,595
Jawa Timur		
CitraLand Surabaya	866	34,294
CitraHarmoni Sidoarjo	73	2,008
CitraGarden Sidoarjo	11	269
Total	950	36,570
Sumatera		
CitraLand Pekanbaru	7	134
CitraLand NGK Jambi	2	22
CitraLand Lampung	28	524
CitraLand Palembang	109	1,858
Ciputra Beach Resort	57	1,625
Total	203	4,163
Investment Property		
Gross Asset Value		73,975
Cash		3,343
Debt		(8,592)
Advances		(6,691)
Net Asset Value		62,035
Share Outstanding (billions)		18.5
NAV/Share (IDR)		3,353
Discount to NAV		64%
Target Price (IDR)		1,200

Source : CTRA, MCS Research

*Recommendation **Buy** with upside potential of 22.45%*

By comparing the closing price of CTRA on Friday (31/05) at the level of IDR 980, we recommend **Buy** for CTRA stock with an upside potential of 22.45% from our target price.

As a note, the criteria for determining the recommendations in our research are as follows:

Strong Buy	: there is a potential price movement of + 40% and above
Buy	: there is a potential price movement between + 10% to + 40%
Neutral	: there is the potential for price movement between 0% to + 9%
Reduce	: there is a potential price movement of 0% and below
No Rating	: no coverage for the stock

CTRA Company Profile

Established since 1981, building its first project in 1984

Founded by Dr. (HC) Ir. Ciputra and his family since 1981 under the name of PT. Citra Habitat Indonesia, PT. Ciputra Development Tbk (CTRA) changed its name as it is now in 1990. CTRA focuses on building residential complexes with its first project CitraGarden in Cengkareng, West Jakarta in 1984. Currently, CTRA has developed more than 76 projects spread across 33 cities throughout Indonesia which includes residential areas, apartments, office buildings, shopping centers, hotels, golf courses, and hospitals. Since 1994, CTRA has been listed on the Jakarta Stock Exchange

CTRA Milestone

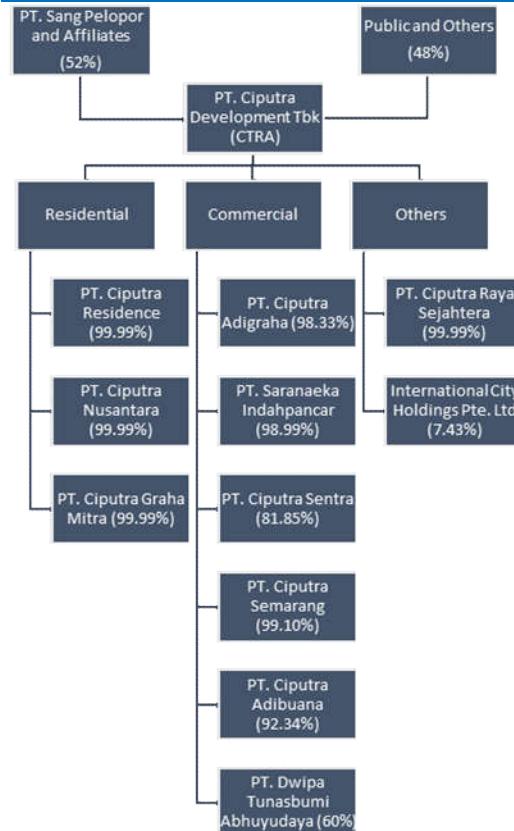


Source : CTRA

Since 2017, CTRA has merged with its subsidiaries, CTRP and CTRS.

In January 2017, CTRA officially merged with its two subsidiaries, namely PT. Ciputra Property (CTRP) and PT. Ciputra Surya (CTRS) in accordance with the agreement at the GMS in December 2016. Previously, CTRP was a subsidiary of CTRA which focused on the business of investment properties and CTRS was a subsidiary of CTRA which focused on the property business in the Surabaya and surrounding areas. With the merger, holders of one share of CTRS will get a conversion of 2.13 shares of CTRA while the shareholders of one share of CTRP will get a conversion of 0.54 shares of CTRA.

CTRA Corporate Structure Post Merger



Source : CTRA

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CTRA Management Team

Board of Commissioners



DR. Ir. Ciputra
Chairman



Dian Sumeler



Rina Ciputra S.



Junita Ciputra



Sandra Hendharto



Kodradi
Independent member



Henk Wangitan
Independent member



Thomas Bambang
Independent member

Source : CTRA

Board of Directors



Candra Ciputra
President



Cakra Ciputra



Budiarsa Sastrawinata



Harun Hajadi



Agussurja Widjaja



MI Meiko Handojo



Nanik J. Santoso



Sutoto Yakobus



Artadinata Djangkar Tanan H. Antonius



Tulus Santoso
Corporate Secretary

Source : CTRA

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Financial Statements

Income Statement	FY 2016	FY 2017	FY 2018	E 2019	E 2020	E 2021
<i>(In Billions of IDR except Per Share)</i>						
Revenue	6,739.32	6,442.80	7,670.41	7,662.82	8,061.37	8,779.85
- Cost of Revenue	3,449.61	3,445.43	4,042.14	3,916.94	4,226.61	4,572.68
Gross Profit	3,289.70	2,997.37	3,628.27	3,745.87	3,834.76	4,207.17
+ Other Operating Income	349.58	377.26	375.30	400.79	444.97	470.63
- Operating Expenses	1,788.12	1,758.62	1,853.70	2,094.78	2,161.72	2,405.12
Operating Income (Loss)	1,851.17	1,616.00	2,149.87	2,051.88	2,118.01	2,272.69
- Non-Operating (Income) Loss	351.11	324.52	550.12	442.09	474.55	526.81
Pretax Income (Loss)	1,500.06	1,291.48	1,599.74	1,609.79	1,643.47	1,745.88
- Abnormal Losses (Gains)	(0.80)	(1.07)	0.29	0.08	-	-
- Income Tax Expense (Benefit)	330.14	279.48	301.99	335.36	336.02	350.11
Income (Loss) from Cont Ops	1,170.71	1,013.07	1,297.47	1,274.35	1,307.45	1,395.77
- Net Extraordinary Losses (Gains)	-	(5.46)	(5.24)	-	-	-
- Minority Interest	149.47	124.18	117.22	135.54	187.53	187.31
Net Income	1,021.24	894.35	1,185.48	1,138.81	1,119.92	1,208.46
Earning per Share (EPS)	66.21	48.19	63.87	61.36	60.34	65.11
EBITDA	2,097.65	1,881.08	2,465.79	2,402.31	2,369.71	2,692.02

Source : Bloomberg, MCS Research

Balance Sheet	FY 2016	FY 2017	FY 2018	E 2019	E 2020	E 2021
<i>(In Billions of IDR except Per Share)</i>						
Total Assets						
+ Cash & Cash Equivalents	3,467.59	3,239.07	3,243.10	3,401.72	2,754.37	2,650.49
+ ST Investments	0.57	0.58	-	-	-	-
+ Accounts & Notes Receiv	937.58	957.75	1,212.16	1,377.62	1,600.02	1,921.34
+ Inventories	7,914.10	9,495.96	9,786.24	10,289.07	10,963.37	11,559.04
+ Other ST Assets	1,359.59	1,504.25	1,910.46	2,343.78	2,777.82	3,344.31
Total Current Assets	13,679.42	15,197.60	16,151.96	17,412.19	18,095.58	19,475.17
+ Property, Plant & Equip, Net	12,774.27	13,893.76	14,756.71	15,581.83	16,358.90	16,973.12
+ Property, Plant & Equip	14,316.69	15,698.94	16,872.16	18,047.71	19,076.47	20,110.03
- Accumulated Depreciation	1,542.42	1,805.18	2,115.45	2,465.88	2,717.57	3,136.91
+ LT Investments & Receivables	-	440.49	564.02	151.35	-	-
+ Other LT Assets	2,618.57	2,340.46	2,816.33	2,824.65	2,958.68	3,250.62
Total Noncurrent Assets	15,392.83	16,674.70	18,137.06	18,557.83	19,317.58	20,223.74
Total Assets	29,072.25	31,872.30	34,289.02	35,970.03	37,413.16	39,698.92
Liabilities & Shareholders' Equity						
+ Accounts Payable	829.10	839.05	831.85	792.46	911.67	950.12
+ ST Debt	1,685.83	1,230.70	1,640.72	1,603.95	1,722.69	1,588.31
+ Other ST Liabilities	4,796.11	5,778.54	5,522.27	5,772.08	6,086.55	6,113.09
Total Current Liabilities	7,311.04	7,848.29	7,994.84	8,168.48	8,720.91	8,651.52
+ LT Debt	4,975.99	6,387.61	6,814.24	6,987.95	6,449.84	7,405.42
+ Other LT Liabilities	2,487.29	2,085.84	2,835.66	3,006.12	3,264.85	3,404.62
Total Noncurrent Liabilities	7,463.28	8,473.44	9,649.90	9,994.07	9,714.69	10,810.04
Total Liabilities	14,774.32	16,321.73	17,644.74	18,162.56	18,435.60	19,461.56
+ Preferred Equity and Hybrid Capital	-	-	-	-	-	-
+ Share Capital & APIC	4,022.77	8,236.67	8,198.59	8,198.59	8,198.59	8,198.59
+ Retained Earnings and Other Equity	8,620.72	5,200.84	6,175.20	7,153.32	8,131.86	9,172.80
+ Minority/Non Controlling Interest	1,654.44	2,113.05	2,270.49	2,455.55	2,647.11	2,865.97
Total Equity	14,297.93	15,550.57	16,644.27	17,807.47	18,977.55	20,237.35
Total Liabilities & Equity	29,072.25	31,872.30	34,289.01	35,970.02	37,413.15	39,698.91
Book Value per Share (BVS)	926.93	837.85	896.78	959.45	1,022.50	1,090.37

Source : Bloomberg, MCS Research

Financial Statements

Cash Flow	FY 2016	FY 2017	FY 2018	E 2019	E 2020	E 2021
<i>(In Billions of IDR except Per Share)</i>						
Cash from Operating Activities	41.05	549.29	1,043.56	598.04	474.55	209.32
+ Net Income	1,021.24	894.35	1,185.48	1,138.81	1,119.92	1,208.46
+ Depreciation & Amortization	246.49	265.08	315.92	350.43	251.69	419.33
+ Non-Cash Items	(1,226.67)	(610.15)	(457.84)	(891.19)	(897.06)	(1,418.47)
Cash from Investing Activities	(1,053.20)	(1,896.80)	(1,694.31)	(771.21)	(1,011.44)	(1,325.50)
+ Change in Fixed & Intang	(513.72)	(1,695.53)	(1,107.29)	(1,175.56)	(1,028.76)	(1,033.56)
+ Net Change in LT Investment	(414.82)	(285.91)	(181.47)	412.66	151.35	-
+ Net Cash From Acq & Div	(124.66)	84.64	(405.55)	-	-	-
+ Other Investing Activities	-	-	-	(8.31)	(134.04)	(291.94)
Cash from Financing Activities	1,453.79	1,115.99	653.26	331.79	(110.47)	1,012.30
+ Dividends Paid	(122.53)	(88.05)	(176.09)	(160.68)	(141.38)	(167.52)
+ Cash From (Repayment) Debt	1,384.40	932.14	740.67	136.94	(419.36)	821.19
+ Cash (Repurchase) of Equity	(32.93)	(47.00)	(12.22)	-	-	-
+ Other Financing Activities	224.85	318.89	100.90	355.53	450.28	358.63
Net Changes in Cash	433.44	(232.11)	4.03	158.63	(647.36)	(103.88)

Source : Bloomberg, MCS Research

Ratio	FY 2016	FY 2017	FY 2018	E 2019	E 2020	E 2021
Liquidity and Solvency Ratio						
Current Ratio (x)	1.87	1.94	2.02	1.96	2.09	2.13
Quick Ratio (x)	0.60	0.53	0.56	0.55	0.59	0.59
Cash Ratio (x)	0.47	0.41	0.41	0.43	0.43	0.42
Debt to Assets (x)	0.23	0.24	0.25	0.24	0.25	0.24
Debt to Equity (x)	0.47	0.49	0.51	0.50	0.51	0.48
Growth						
Revenue (%)	-10.31%	-4.40%	19.05%		21.29%	-0.10%
Operating Income (%)	-23.37%	-12.70%	33.04%		61.37%	-4.56%
Net Income (%)	-20.45%	-12.42%	32.55%		126.03%	-3.94%
Profitability Ratio						
Gross Profit Margin (%)	48.81%	46.52%	47.30%	46.35%	51.87%	48.88%
EBITDA Margin (%)	31.13%	29.20%	32.15%	24.08%	32.03%	31.35%
Operating Profit Margin (%)	27.47%	25.08%	28.03%	24.08%	32.03%	26.78%
Net Profit Margin (%)	15.15%	13.88%	15.46%	9.23%	17.19%	14.86%
Return on Average Assets (%)	3.69%	2.93%	3.58%	0.38%	0.85%	3.23%
Return on Average Equity (%)	7.47%	5.99%	7.36%	0.78%	1.74%	6.55%
Valuation Ratios						
Price to Earning Ratio (x)	20.16	24.59	15.81	-	-	19.56
Price to Book Ratio (x)	1.44	1.41	1.13	-	-	1.25
Other Ratio						
Asset Turnover (x)	0.23	0.20	0.22	0.04	0.05	0.21
Account Receivable Turnover (x)	7.19	6.73	6.33	1.54	1.35	5.56
Account Payable Turnover (x)	4.16	4.11	4.86	0.84	1.01	4.94
Inventory Turnover (x)	0.44	0.36	0.41	0.08	0.08	0.38

Source : Bloomberg, MCS Research

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