

Sept 07, 2015

Nippon Indosari Corpindo

Company Focus

Dian Octiana

(dian.octiana@trimegah.com)

Pioneer in the mass-produced bread industry

We reinitiate ROTI with a BUY and DCF TP of Rp1,380 (10.6% WACC, 3.0% LTG), implying 33-27x FY15-16F P/E (vs. 5-year avg. Fwd. P/E of 29.7x). We like the stock for its potential rerating, backed by its decent earnings growth, dominant position in the industry, and higher dividend payment expectation.

Decent earnings growth

APEBI expects Indonesian bakery to surge by 15% to Rp23tr in FY15, where Bread industry makes up 60% of it. Mass-produced bread contributes 20% of Indonesian bread products, and ROTI has 90% market share. We believe ROTI will gain benefit from the industry growth, thus, we expect earnings to grow by 19.1% CAGR FY14-17, and 21.4% ROIC in FY17 (vs 16.1% in FY14).

Ready for new competition

The competition in the industry will remain, yet, we doubt that the new entrants will be able to equalize their position as same as ROTI. It has already enjoyed its economies of scale with 52 production lines through its 10 factories, and company aims to add 10 new production lines in FY15 and new factory in FY17. New competition from Yamazaki is still marginal, as it only has 1 factory with 2 production lines, showing substantial gap with ROTI's.

More room in general trade channels

ROTI aims to have deeper penetration in GT (general trade), which may help ROTI to improve its working capital, cash flow, and gearing ratio. We expect GT's portion to be at 29% (vs 25% FY15 guidance), making the return rate to decline to 12.3% by FY17. Thus, we forecast negative cash cycle will remain.

Higher operating margin, but finance expenses remain high

Raw material takes ~65% of COGS, of which 40% is related to flour purchases. We expect slight margin improvement to reach 48.5% in FY17, vs 47.9% in FY14, as wheat price will only have slight increases for the next two years. We see that finance expenses will remain high, as ROTI has released new bond (rate: 10%) to repay its bank loan (rate: 10.25%). Yet, we forecast that net gearing will be in manageable level of 0.3-0.6x (vs 0.7x in FY14), given that the company does not have any plan to add new loans.

Opportunity to buy

ROTI's share price declined by 20% YTD, due to overall slowing down in the market, and new competition. The stock has de-rated from 31.8x fwd. P/E in Jan' 15 to 25.7x by now, reaching to -1 STDEV fwd. P/E. We see ROTI should re-rate, at least to trade at its 5-years average P/E of 29.7x, backed by its potential growth and recovery in its profitability. Moreover, we expect dividend payout ratio should increase to 20% by FY17F (vs 10.0% in FY14).

Companies Data

Year end Dec	2013	2014	2015F	2016F	2017F
Sales - net (Rp bn)	1,506	1,880	2,227	2,676	3,179
Net Profit (Rp bn)	158	189	214	263	318
EPS (Rp)	31	37	42	52	63
EPS Growth	5.9	19.3	13.3	23.2	21.0
DPS (Rp)	7.4	3.1	5.5	8.4	10.3
BVPS (Rp)	156	190	226	270	323
P/E (x)	34.8	29.1	25.7	20.9	17.2
Div Yield	0.7	0.3	0.5	0.8	1.0

PT Trimegah Securities Tbk - www.trimegah.com



PT Nippon Indosari Corpindo Tbk produces baked goods. The Company produces bread, cakes, bread pudding, lasagna, and other foods.

BUY **Rp1,380**

Company Update

Share Price	Rp1,090
Sector	Consumer
Price Target	Rp1,380 (+27.2%)

Stock Data

Reuters Code	ROTI.JK
Bloomberg Code	ROTI.IJ
Issued Shares	5,062
Mkt Cap. (Rpbn)	5,517
Avg. Value Daily 6 Month (Rpbn)	4.7
52-Wk range	1455 / 1020

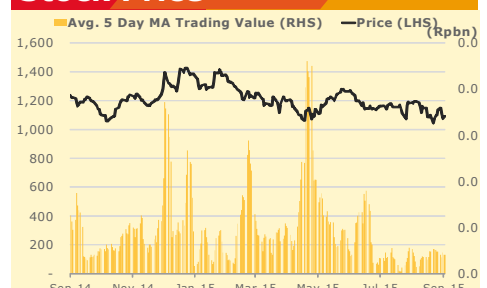
Major Shareholders

PT Indoritel Makmur Internasional Tbk	31.50%
Bonlight Investments, Ltd	26.50%
Pasco Shikishima Corporation	8.50%
Sojitz Corporation	4.25%
Public	29.25%

Consensus

EPS	14F	15F
Consensus (Rp)	46	58
TRIM vs Cons. (%)	-3.6	-10.1

Stock Price



COMPANY FOCUS

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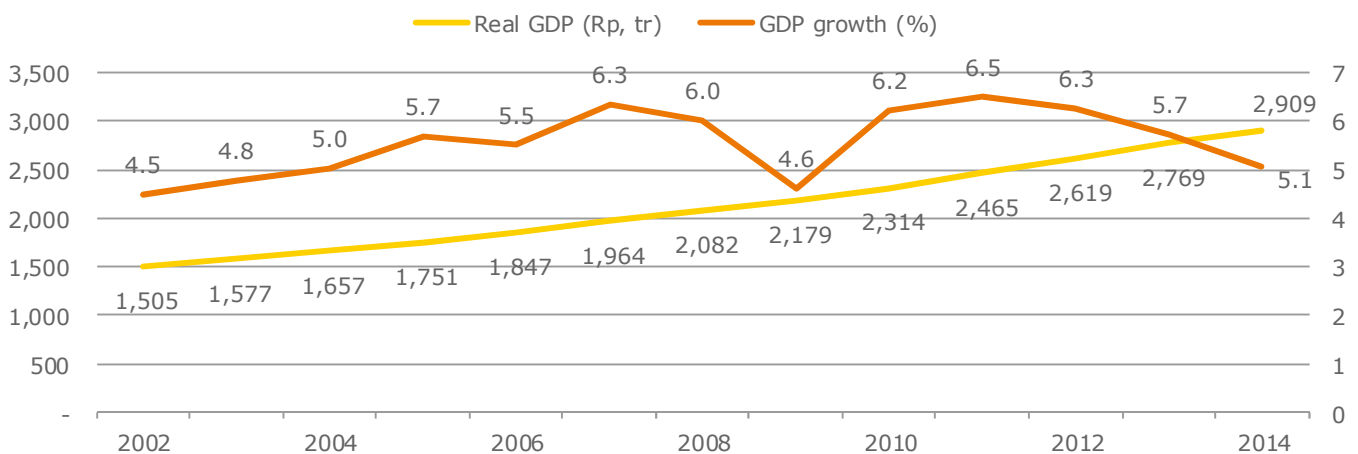
INVESTMENT THESIS

Benefiting from changes in eating patterns

Indonesia's population is exceeding ~250mn in 2014, making it to be the 4th most populous country in the world after China, India, and the US. Indonesia has a large domestic consumption base, supporting by the increasing levels of disposable income and purchasing power, from 38% of the population in 2003 to 57% in 2010. In 2014, Indonesia was ranked as the world's 16th largest economy with IDR10,542.7tr GDP and IDR41.8mn GDP per capita.

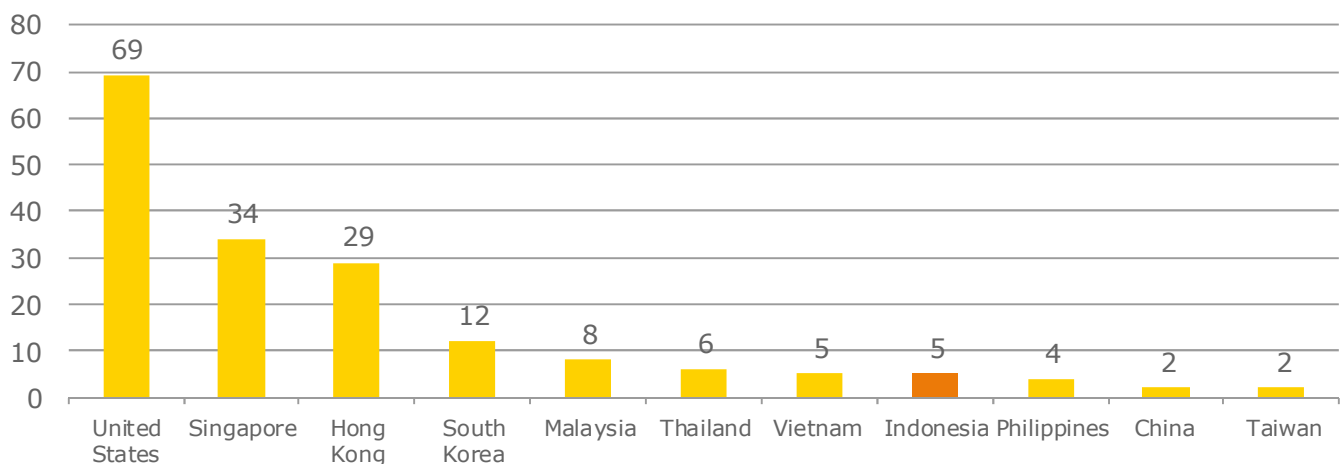
Indonesia has young population as the major composition in its demographic profile, majorly at productive age with total median age in 28 years. Hence, we see it will support further economic growth and potential growth in consumer story, given that the population will likely to consume more. Moreover, the change of urban lifestyle, in which consumers will enjoy the practically and convenience of serving and eating bread products, will be one of the main catalysts for bread industry.

Figure 1. Indonesia GDP Growth 2002-2014



Source: BPS, TRIM Research

Figure 2. Global bread market penetration (2012)



Source: Frost and Sullivan, TRIM Research

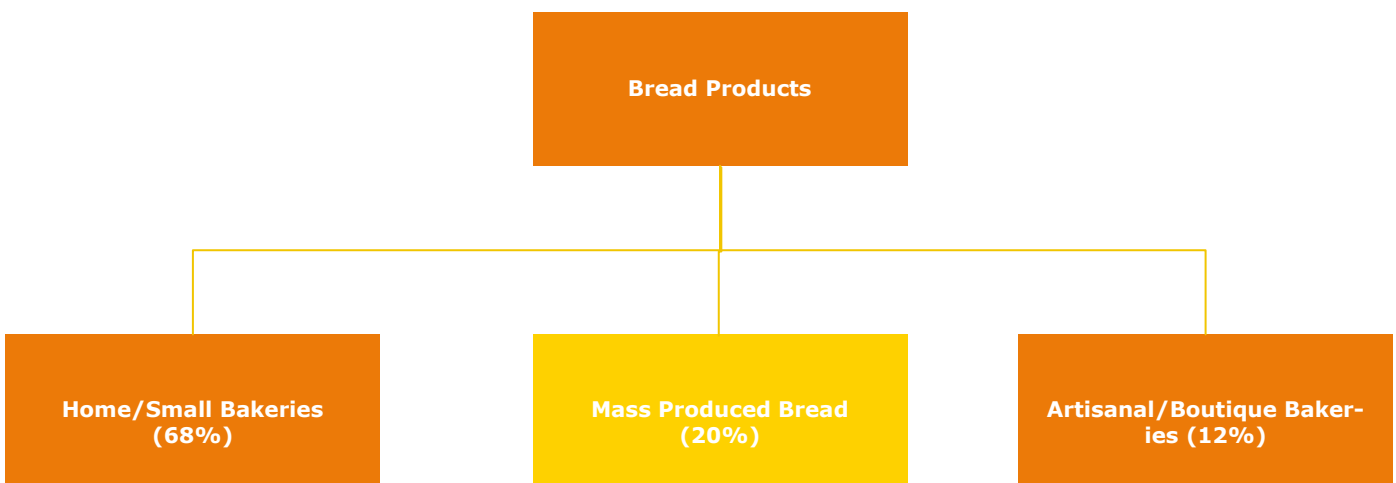
According to multisource surveys, there are more people, particularly urbanites, change their consumption patterns from traditional staple foods, such as rice, to other sources of carbohydrate or to wheat-based products, such as bread, noodles, and pasta. Bread has become one of the healthy solutions that fit for busy lifestyles and a healthy alternate to snacks. Moreover, bread is one of the most common daily consumable products and one the cheapest food alternative, hence we see continuous potential demand in bread market, going forward.

First mover advantage in mass-produced bread market with intensive investment

According to Indonesian Bakery Association (APEBI), domestic bread market is dominated by home/small based producers (68%), followed by mass-produced bread (20%) and artisanal/boutique bakeries (12%). Mass-produced bread refers to sliced white bread and sweet bread, which packaged in plastic bags and distributed within a radius of 200 to 300 km. Breads are produced and consumed quickly, and have shelf-life no more than 5 to 10 days.

There are certain consumers that start to shift towards mass-produced and boutique bakeries from traditional stores like home bakeries for the health issues, as the traditional stores have less consideration for food safety and store cleanliness. We see that the mass produced bread has competitive advantages in terms of standardized, hygienic high quality bread and competitive price (similar with home/small bakeries). For the boutique bakeries, we see that this segment is not a major competitors, as boutique bakeries typically target higher segment, have limited coverage areas (mainly in shopping mall), and offer premium price.

Figure 3. Bread market segmentation by producers



Source: APEBI, TRIM Research

Figure 4. Domestic bread market classification

	Home/small producers	Mass production	Boutique bakery
Players	Many	Few enterprises	Franchises format
Distribution	5-20 km	200-300 km	Permanent shop
Branding	No branding	Branding	Franchising/branding

Source: APEBI, TRIM Research

According to APEBI, bakery sales may surge by 15% to Rp23tr, of which 60% will be gained from bread products. ROTI is arguably one of the biggest players in Indonesia, with significant market share of 90% in mass-produced bread segment. The significant market share is coming from its economies of scale, resulting from combination of mass media branding and strong brand recognition, coupled with innovative product development, intensive investment, and extensive distribution throughout Indonesia. ROTI offers various products that are classified as white bread, sweet bread, sandwich, cakes and bread crumb.

Up to 2014, ROTI operated 52 production lines through 10 factories, which located in Bekasi (West Java), Purwakarta (West Java), Pasuruan (East Java), Semarang (Central Java), Medan (North Sumatra), Palembang (South Sumatera), Makassar (South Sulawesi), and Cikande (Banten). ROTI's production lines have grown significantly by +40% CAGR FY11-14 through rapid expansion done by the company. Hence, production capacity reached ~4mn pcs/day, increased by +39% CAGR FY11-14. For FY15, ROTI allocates approximately Rp345bn CAPEX, of which Rp160bn will be used to add 10 new production lines for sweet bread products, particularly for sandwiches. ROTI aims to build another new factory in FY17, yet, the detail info has not published.

Figure 5. ROTI's operational area, based on factories location



Source: Company, TRIM Research

Figure 6. ROTI's production lines

	1996	2005	2008	2011	2012	2013	2014
White bread	2	3	5	8	8	10	13
Sweet Bread	2	4	6	9	12	14	16
Sandwich				2	13	15	20
Minibun							1
Dorayaki							2
TOTAL	4	7	11	19	33	39	52

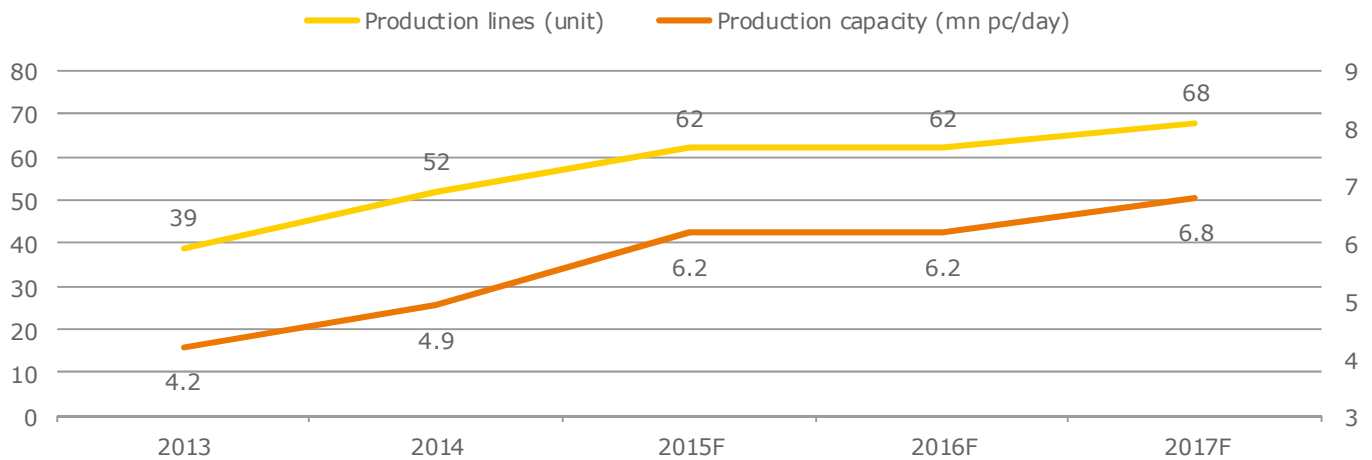
Source: Company, TRIM Research

Figure 7. ROTI's factories and production capacity

Plant	Production capacity (pcs/day)	Net revenue (Rp, bn)	Opening year
Cikarang (W Block)	427,464	316	1996
Cikarang (U Block)	579,888		2008
MM2100	341,472		2012
Pasuruan	824,525	220	2005
Semarang	576,278	109	2011
Medan	559,695	57	2011
Palembang	144,384	36	2013
Makassar	157,966	34	2013
Purwakarta	421,468	141	2014
Cikande	317,112	126	2014

Source: Company, TRIM Research

Figure 8. ROTI's production lines and production capacity

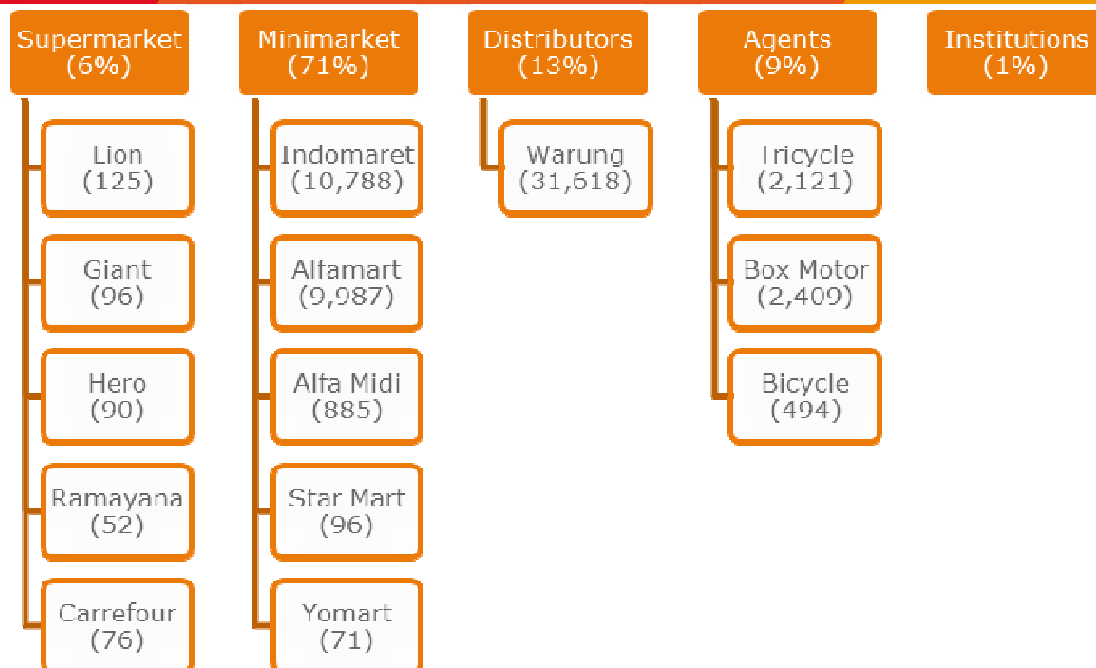


Source: Company, TRIM Research

Extensive distribution throughout Indonesia

ROTI will immediately distribute all of the completed products to the consumers within 24 hours, through general trade channels as well as modern trade channels. In order to provide the best quality of products, ROTI has developed an extensive distribution network of ~59,000 points of sale (1H15), which has distributed well throughout Indonesia. There are two main distribution channels (1H15); 1) modern retail channels (77%), consisting of supermarket and minimarket; and 2) general trade channels (23%), including distributors, agents and institutions.

Figure 9. ROTI's distribution channels (1H15)

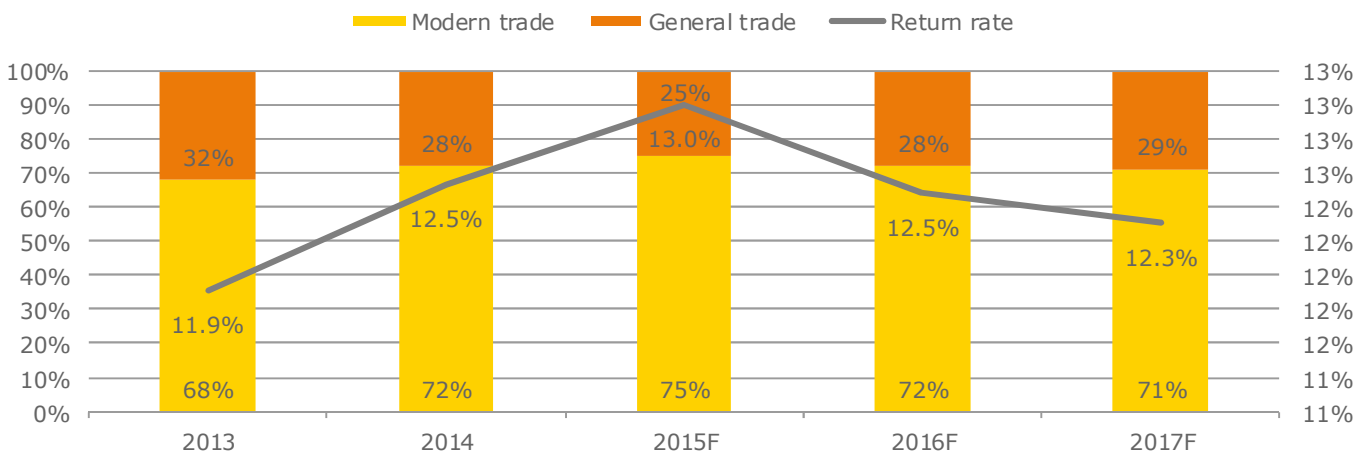


Source: Company, TRIM Research

In the modern trade channels, ROTI distributes the biggest portion of sales to its 2 top minimarkets, accounting 63.73% of its net sales in 1H15, which including Indomaret (38.05%) and Alfamart (25.68%). We see there is still potential upside for further growth on bread products through minimarkets, given that Indonesian minimarkets are still underserved.

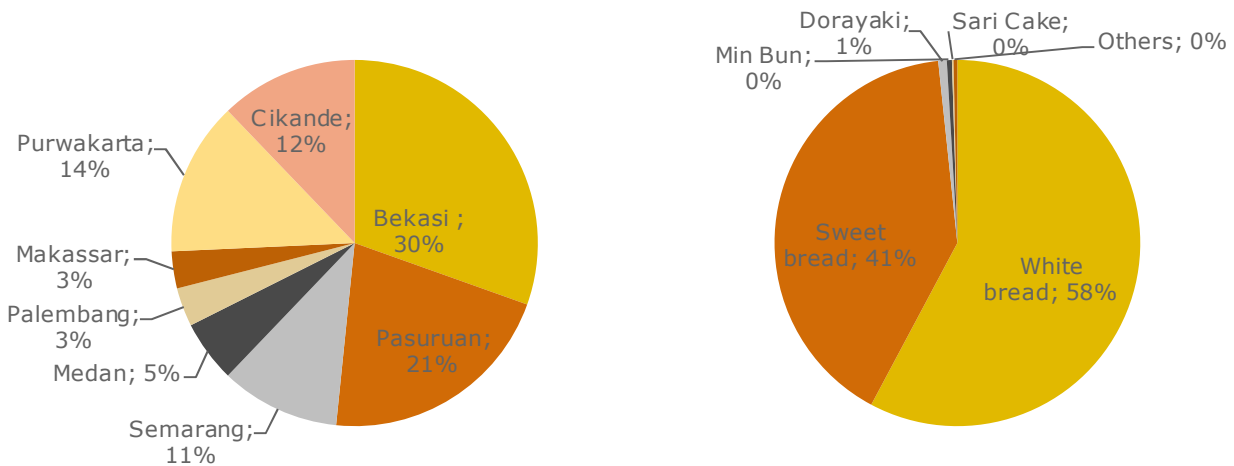
Going forward, ROTI aims to have deeper penetration in general trade channels (vs 25% ROTI's expectation in FY15). All of sales in general trade are in cash which may help ROTI to improve its working capital, cash flow, and gearing ratio, compared to 30-day A/R in modern trade. In addition, ROTI may get lower level of sales return rate, given that under general trade there is no returnable term. Furthermore, ROTI might also get direct penetration of 200 million consumers who do not live in big cities.

Figure 10. ROTI aims to have deeper penetration in general trade channels



Source: Company, TRIM Research

Figure 11. ROTI's revenue breakdown (1H15)



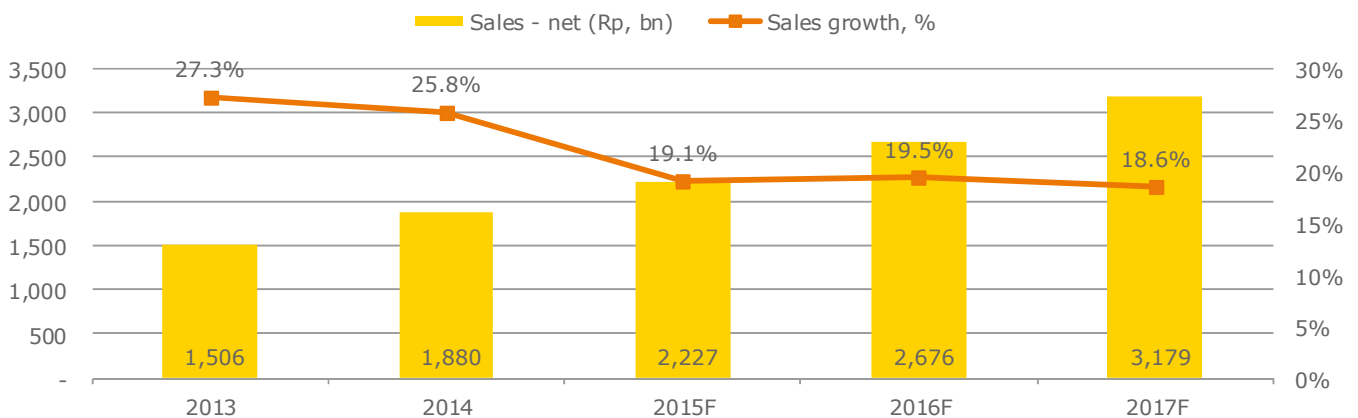
Source: Company, TRIM Research

FINANCIAL ANALYSIS

Sales growth of 19.1% CAGR FY14-17F

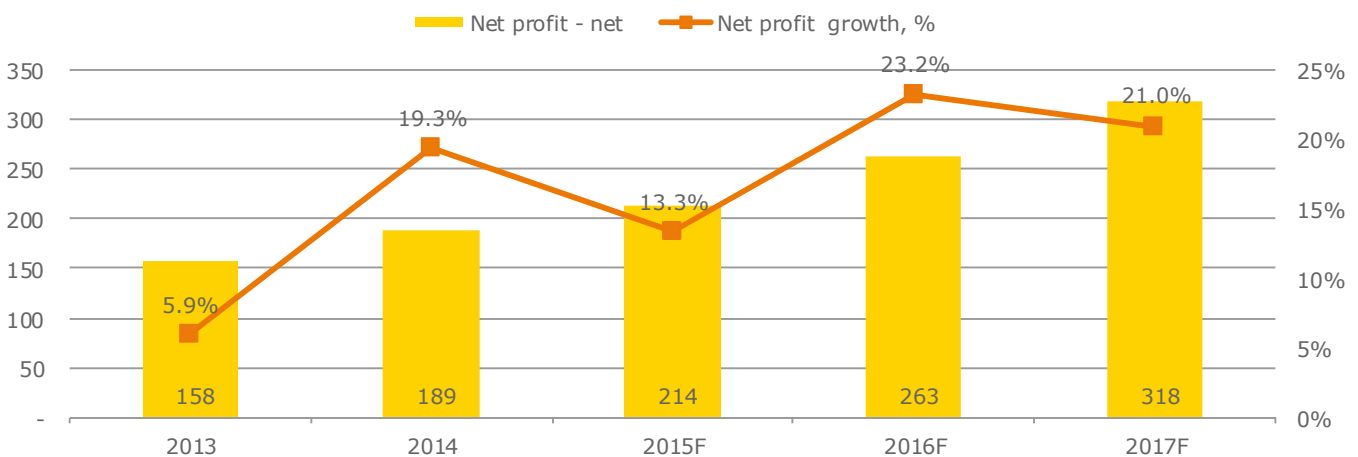
In FY14-17F, we estimate 19.1% earnings CAGR to reach to Rp318bn in FY17F, on the back of 19.1% sales CAGR in the same period. We forecast volume growth will mainly drive further sales growth, as we expect the company will continue to maximize its production lines, production capacity, and return rate efficiency. Historically, the sales growth is commonly related to sales volume growth, as well as the addition of production lines, instead of price increases.

Figure 12. We expect sales to grow by 19.1% CAGR from FY14-17F



Source: Company, TRIM Research

Figure 13. We expect earnings to grow by 19.1% CAGR from FY14-17F

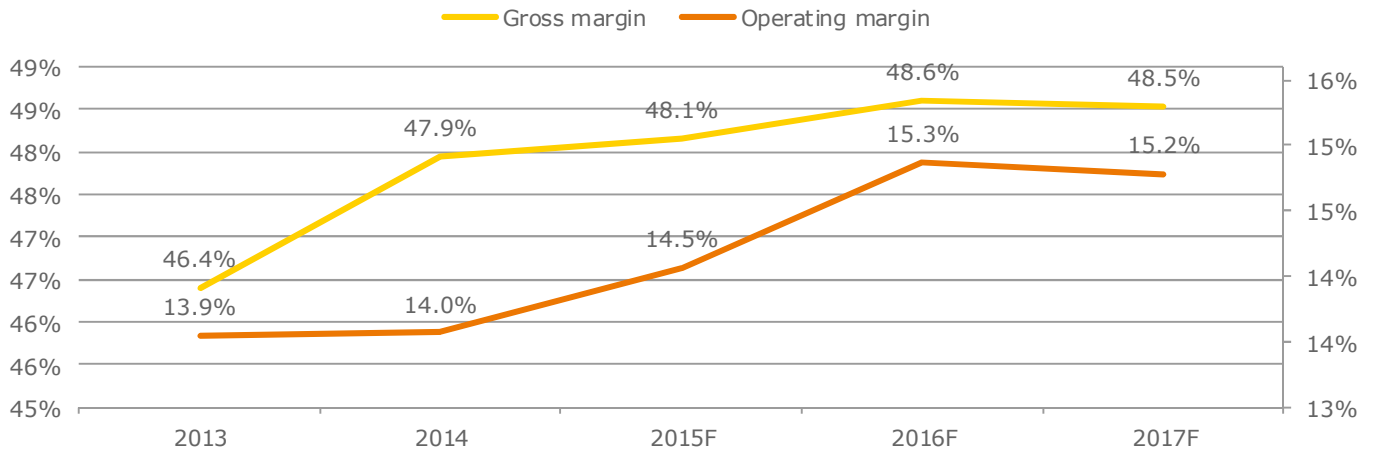


Source: Company, TRIM Research

Slight margin improvement, backed by softer commodity prices

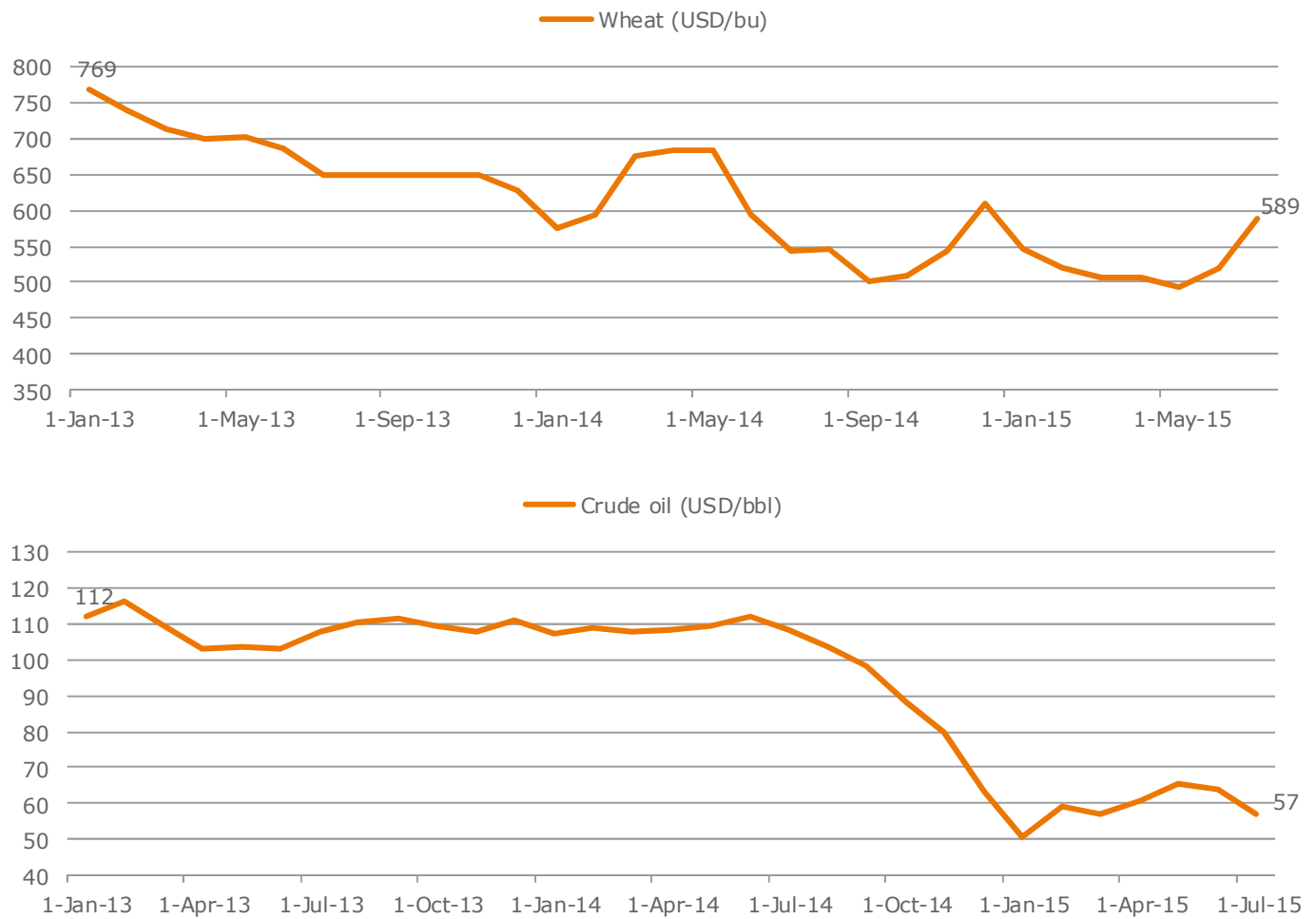
ROTI may gain benefit from softer commodity price, particularly wheat and oil price. Raw material takes the biggest chunk from its COGS of ~65%, of which 40% is related to flour purchases, and 8% is related to packaging price (oil price). We can conclude that commodities comprise approximately ~31% of the company's COGS. We see a declining trend in wheat price from US\$769 per bushel in the beg. of 2013 to US\$589 per bushel in July 2015 (-23%). Moreover, the crude oil price decreased to US\$57 per barrel in July 2015 from US\$112 per barrel in the beg. of 2013 (-49%). According to Bloomberg forecast, those commodities will only increase moderately, at least for the next two years. Thus, we expect gross margin to improve to 48.5% in FY17F vs 47.9% in FY14.

Figure 14. Slight margin improvement expectation



Source: Company, TRIM Research

Figure 15. Declining trend in major commodity prices



Source: Bloomberg, TRIM Research

We did sensitivity analysis and concluded that every 5% increase in wheat price will affect 58-60bps to the company's operating margin (by using gross sales as denominator).

Figure 16. Flour price sensitivity

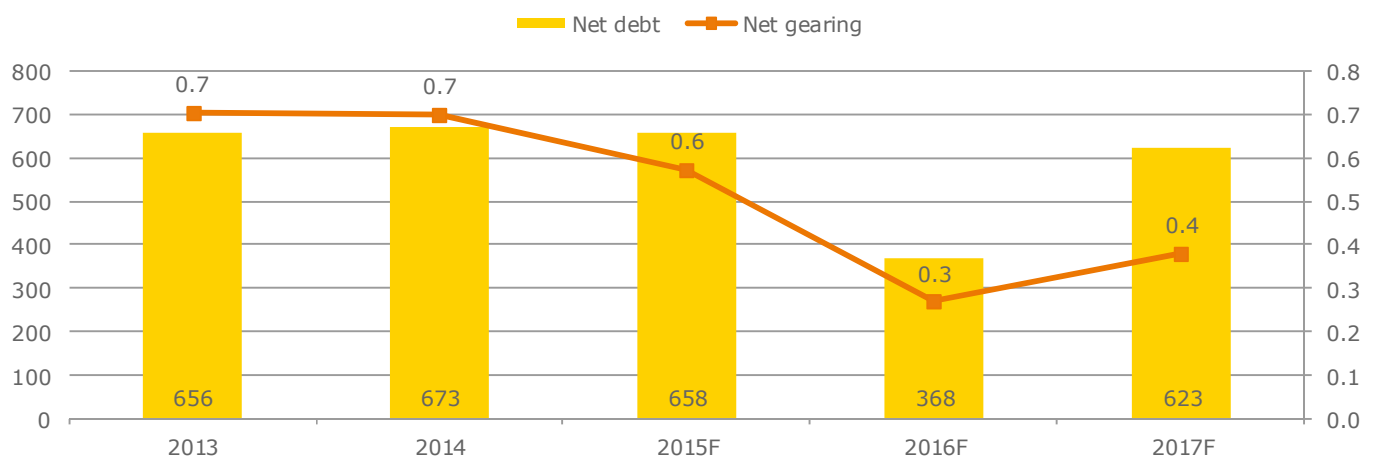
	FY15 margin - gross sales (%)	Increase in flour (in %)			
		5.0	10.0	15.0	20.0
Gross margin (%)	41.9	41.3	40.7	40.1	39.6
Operating margin (%)	12.6	12.0	11.4	10.8	10.3
Net margin (%)	8.3	7.7	7.2	6.6	6.0

Source: TRIM Research

Gearing to sustain in manageable level

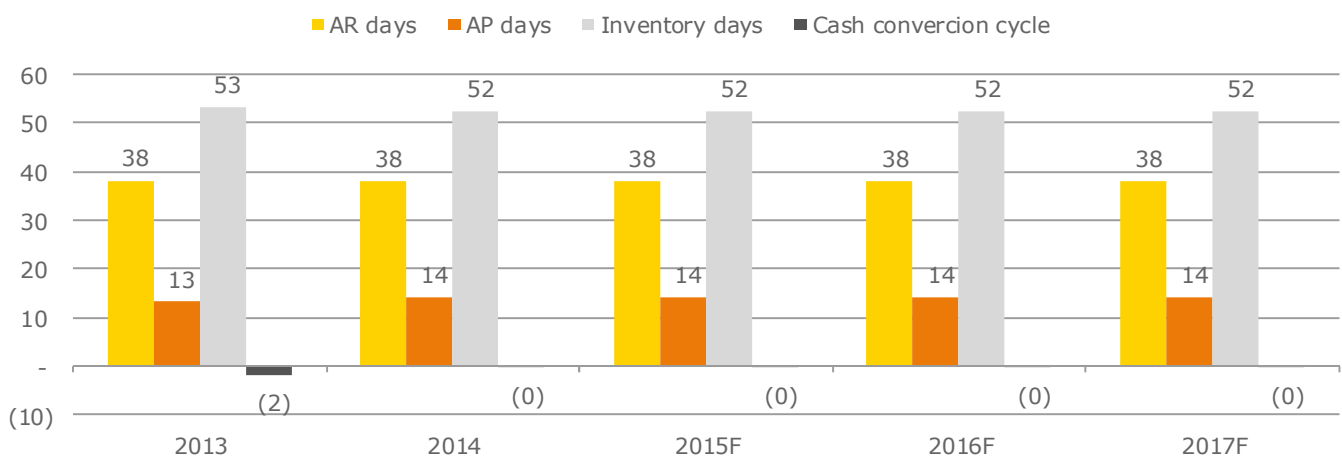
In March 2015, ROTI released the second stage of its continuing public offering of non-convertible, 10% fixed rate bonds, with a total face value of Rp500bn. 68% of its new bond payable was mainly used to replace its bank loan to BCA which had higher fixed rate of 10.25%, while the rest 32% was intended to finance its expansion plan. For the next two years, we expect ROTI's net gearing will be in manageable level of 0.3-0.6x, given that the company does not have any plan to add new loans. Furthermore, the management believes that ROTI's plan to enlarge its general trade channels may help them to maintain its negative cash cycle.

Figure 17. We expect net gearing will still in manageable level



Source: Company, TRIM Research

Figure 18. Cash conversion cycle to remain negative

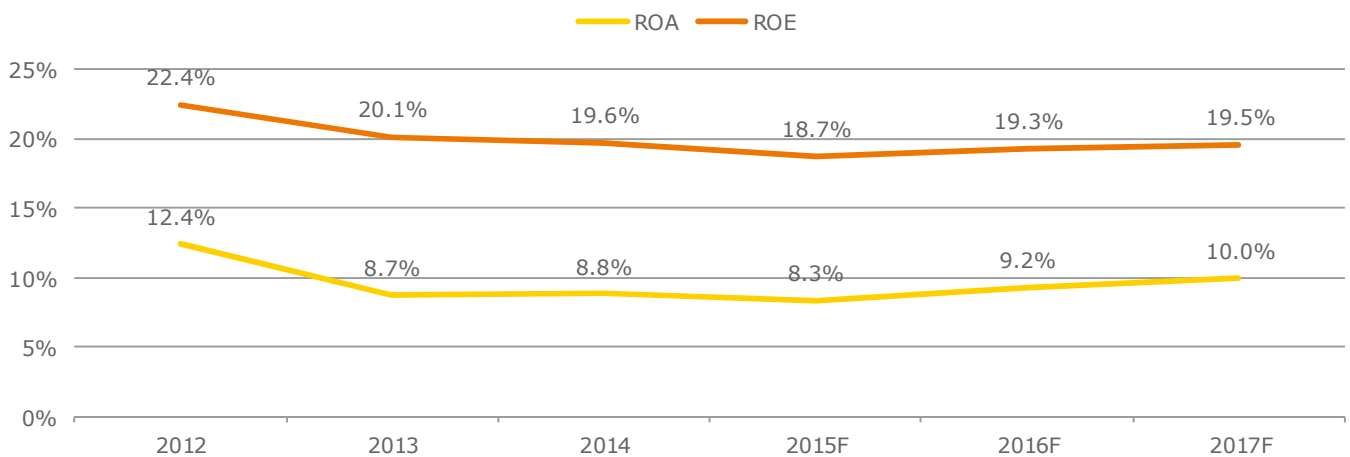


Source: Company, TRIM Research

Dupont analysis

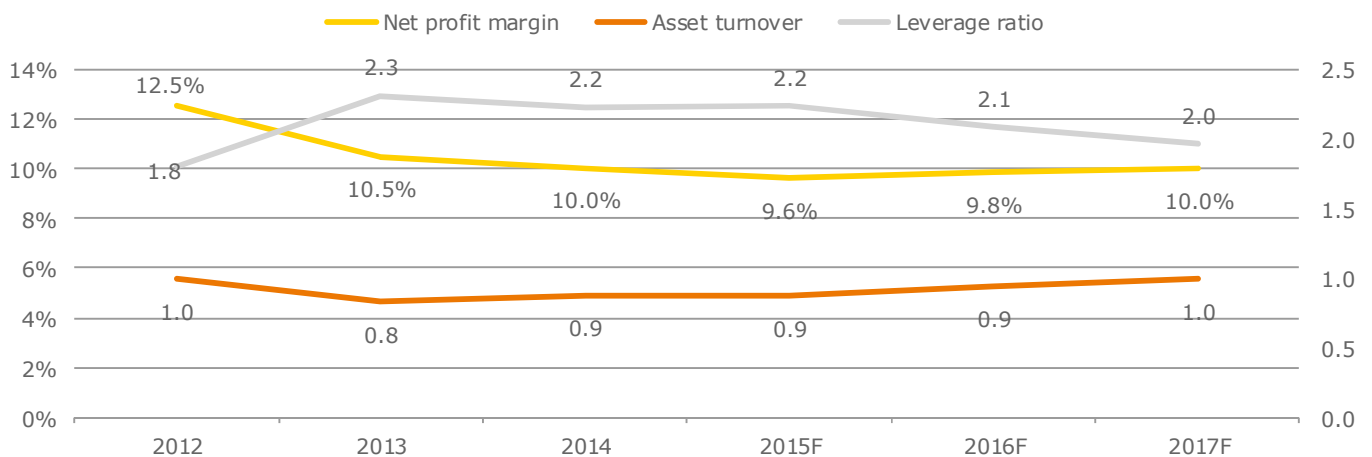
For the last three years, ROTI's ROA and ROE had a declining trend, mainly due to lower net profit margin and asset turnover ratio, compensating with higher leverage ratio. In such period, ROTI made intensive investment for its rapid expansion of adding new capacities and factories. However, we expect the expansions will turn into organic growth in the long run, resulting with some improvement trend in asset turnover, as well as its profitability level.

Figure 19. ROTI's ROA & ROE trend



Source: Company, TRIM Research

Figure 20. ROTI's dupont analysis



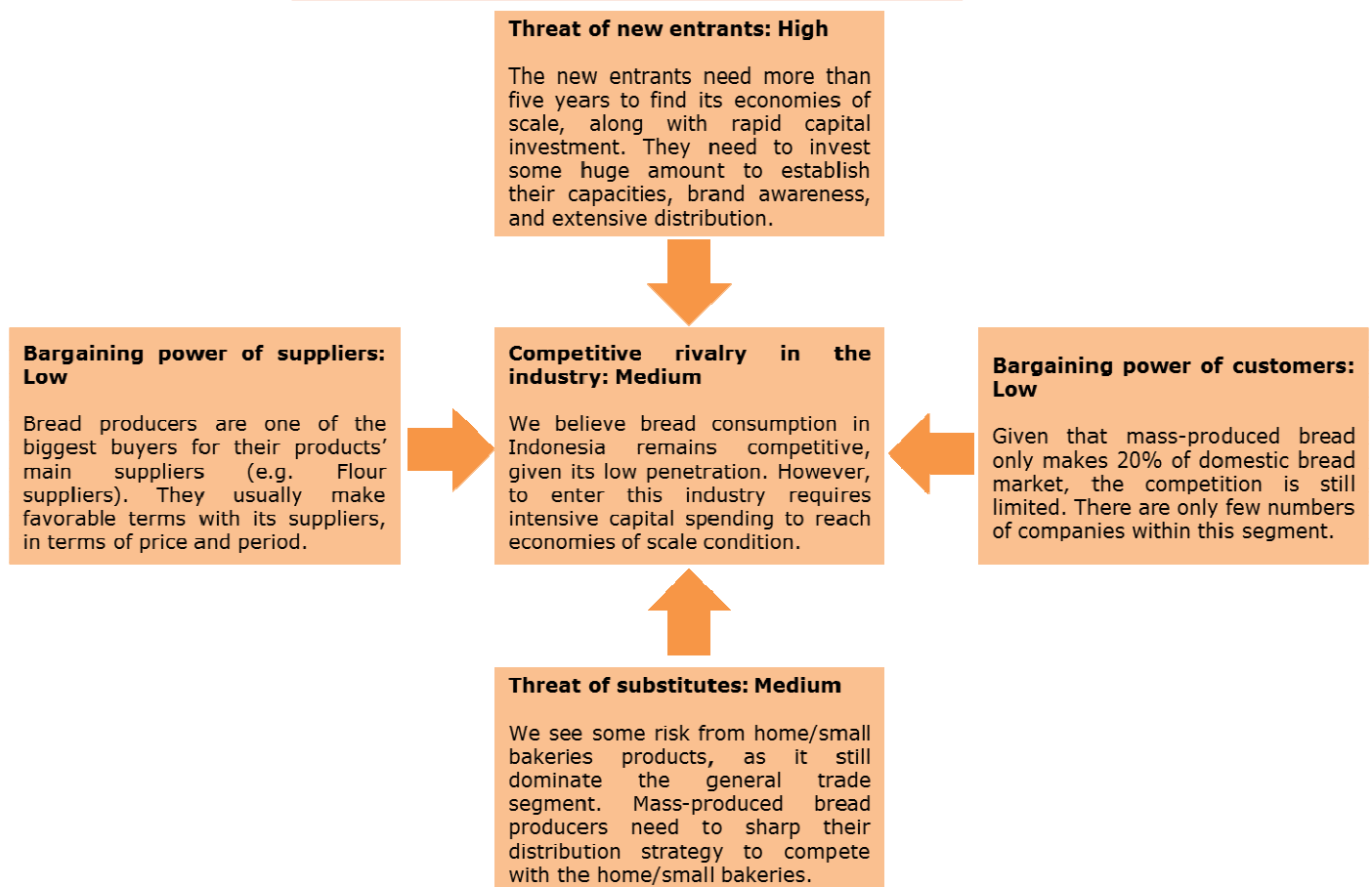
Source: Company, TRIM Research

Industry's competitive landscape

We apply Five Forces analysis to see the industry's competitive landscape, coming to conclusion that the Indonesian bread manufacturing industry has medium competitive rivalry. We see that competition in this industry will remain exist, given its low penetration compared to other countries. Also, changing pattern in consumption from traditional staple foods to other sources of carbohydrate products will underpin further growth of bread industry. However, the new entrants are required to spend intensive capital spending to reach economies of scale, as ROTI has now.

At the end of FY14, Yamazaki – Japan's biggest bread producer – entered Indonesian bread industry by establishing a JV with Alfamart, under brand Myroti. At that time, many investors thought that it could steal ROTI's market share, resulting with a selling pressure to the company's share price. To date, Yamazaki only has 1 factory (vs 10 factories of ROTI), located in Karawang, which only covers limited distribution area. We see that Yamazaki's appearance does not bring significant impact to ROTI, given that ROTI has already reached its economies of scale through its rapid expansion.

Figure 21. ROTI's porter 5 forces analysis



Source: TRIM Research

1H15 results - margin improvement underpinned the good result

ROTI made a significant net profit growth of 23% YoY in 1H15 to Rp123bn. It was mainly due to a +660bps gross margin improvement. We deemed it was resulted from cost efficiency in raw material. In term of revenue, it still grew by 14% YoY to Rp1tr, amid slowdown economic condition. In 1H15, interest expense jumped significantly to Rp40bn (vs Rp7bn in 1H14). We noted that ROTI has released the second stage of its continuing public offering of non-convertible, amounting Rp500bn with 10% coupon rate, of which 68% was mainly used to replace its bank loan to BCA which had higher fixed rate of 10.25%

Figure 22. 1H15 Results - solid results backed by margin improvement

Quarterly Result (Rp, bn)	2Q14	1Q15	2Q15	QoQ	YoY	1H14	1H15	YoY
Total net revenue	450	519	520	0.3%	15.6%	915	1,039	13.6%
Total cost of revenue	(247)	(244)	(247)	1.3%	-0.2%	(492)	(490)	-0.2%
Total gross profit	203	275	273	-0.7%	34.8%	423	549	29.7%
Total operating expense	(158)	(177)	(191)	7.9%	20.8%	(304)	(369)	21.4%
Operating profit	44	98	82	-16.2%	85.1%	119	180	50.8%
Interest income	0	1	5	370.0%	3398.8%	0	6	2178.0%
Interest expense	(5)	(19)	(22)	16.8%	375.5%	(7)	(40)	505.7%
Others	12	9	10	2.7%		21	19	
Total other income/expense	8	(8)	(7)	-13.2%		15	(15)	
Profit before tax	52	90	75	-16.4%	43.6%	134	165	22.8%
Income tax	(13)	(23)	(19)	-17.0%	42.3%	(34)	(41)	22.2%
Minority interest	0	0	0			0	0	
Net profit	39	67	56	-16.2%	44.0%	100	123	23.0%
Core profit	30	60	49	-18.4%	64.2%	85	109	29.2%
Profitability analysis								
Gross margin (%)	45.1%	53.0%	52.5%			46.2%	52.8%	
Operating margin (%)	9.9%	18.9%	15.8%			13.0%	17.3%	
Pre-tax margin (%)	11.6%	17.3%	14.4%			14.6%	15.8%	
Net margin (%)	8.7%	12.9%	10.8%			11.0%	11.9%	
Core margin (%)	6.6%	11.6%	9.4%			9.2%	10.5%	
BL sheet analysis								
Cash	63	399	399			63	399	
Debt	835	994	994			835	994	
Equity	872	1,055	1,055			872	1,055	
Gearing (%)	96%	94%	94%			96%	94%	
Net gearing (%)	89%	56%	56%			89%	56%	
Turnover								
Trade receivables (days)	39	37	37			39	37	
Inventory (days)	14	13	14			14	14	
Trade payables (days)	43	44	42			43	42	
Cash conversion cycle								
	11	7	9			11	9	
Trade receivables	199	214	216			199	216	
Inventories	39	36	38			39	38	
Trade payables	117	119	115			117	115	
Tax ratio	25.1%	25.1%	24.9%			25.1%	25.0%	

Source: Company, TRIM Research

Valuation and Price Target

We reinitiate ROTI and recommend BUY with target price of Rp1,380,- (+27.2% upside). We apply DCF calculation to get our target price by using WACC 10.6% and LTG 3.0%, translating to 33-27x PE FY15-16F. We believe ROTI's premium valuation is warranted due to its dominant position and stable business, with EPS potentially rising at 21.8% CAGR FY15-18F. Our BUY stance due to its: 1) dominant market share in mass-produced bread industry of ~90%, 2) rapid expansion to cover consumer's demand, 3) extensive distribution throughout Indonesia, 4) higher dividend payout ratio expectation. The stock is currently trading at 26-21x PE FY15-16F. **BUY**

Figure 23. WACC and DCF Calculations

Risk free rate	8.4%
Market premium	5.0%
Beta	0.90
Debt proportion	42.1%
Tax rate	25.4%
Equity cost of capital	12.9%
Debt cost of capital	10.0%
WACC	10.6%
LT growth rate	3.0%

Description	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F
EBIT x (1 - tax)	305	360	413	476	550	610	678	755	843	944
Less: Capital Expenditure	(60)	(690)	(350)	(350)	(350)	(400)	(400)	(400)	(400)	(400)
Changes in Working Capital	10	14	11	11	11	19	22	25	29	33
Add: Depreciation & Amortization	120	154	172	189	207	227	247	267	287	307
Free Cash Flow	374	(161)	245	325	418	456	546	647	759	884
TV										11,963
Discounted FCFF	380	(147)	198	241	279	275	298	319	339	5,184
Total discounted FCFF	7,366									
Net debt / (Net cash)	368									
Minority Interest	0									
NAV	6,998									
# of shares (bn)	5.06									
NAV / share	1,380									

Source: TRIM Research

Figure 24. ROTI's valuation

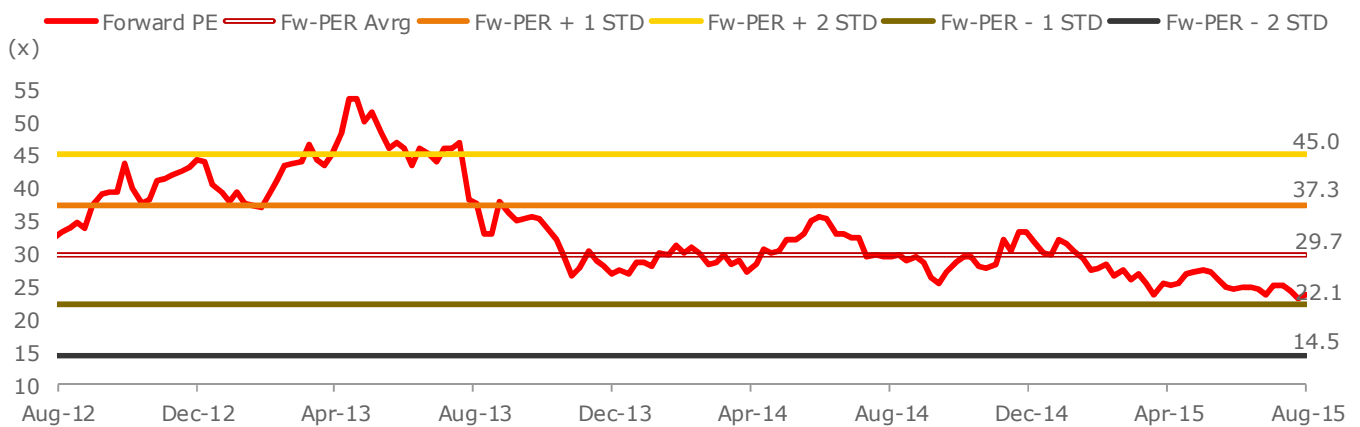
		2015F	2016F	2017F	2018F	2019F
Net profit	Rp, bn	214	263	318	386	464
EPS	Rp/share	42	52	63	76	92
3-year CAGR	%	12.7	18.6	19.1	21.8	20.8
P/E target price	X	32.7	26.5	21.9	18.1	15.1
P/E current price	X	25.7	20.9	17.2	14.2	11.8
PEG (3-year)	x	2.0	1.1	0.9	0.7	0.6

Source: TRIM Research

Opportunity to buy

ROTI's share price declined by 20% YTD, mainly due to the overall slowing down in the market and negative consumer sentiment. We also see some negative sentiment of Yamazaki appearance at the end of FY14. Yamazaki entered Indonesian bread industry by setting up JV with Alfamart, whose contributed ~25% to ROTI's sales. However, we see that Yamazaki needs big effort to have position as ROTI has now. Up to now, Yamazaki only has 1 factory (vs ROTI's 10 factories), located in Bekasi, meaning that it has limited coverage area. The stock has de-rated from 31.8x fwd. P/E in the beg. of this year to 25.7x by now, reaching to -1 STDEV fwd. P/E. We see ROTI should re-rating at least to trade at its 5-years average P/E of 29.7x. Moreover, we expect dividend payout ratio should increase to 20% by FY17F (vs 10.0% in FY14).

Figure 25. 5-years forward P/E



Source: TRIM Research

Income Statement (Rpbn)

Year end Dec	2013	2014	2015F	2016F	2017F
Revenue	1,506	1,880	2,227	2,676	3,179
Revenue Growth (%)	26.4	24.9	18.4	20.2	18.8
Gross Profit	699	901	1,072	1,301	1,543
Opr. Profit	210	263	322	409	483
EBITDA	273	359	439	528	637
EBITDA Growth (%)	20.2	31.4	22.2	20.4	20.5
Net Int Inc/(Exp)	(22)	(46)	(70)	(90)	(90)
Gain/(loss) Forex	(1)	4	0	0	0
Other Inc/(Exp)	24	32	34	34	34
Pre-tax Profit	211	253	286	353	427
Tax	(53)	(64)	(73)	(90)	(108)
Minority Int.	0	0	0	0	0
Extra. Items	0	0	0	0	0
Reported Net Profit	158	189	214	263	318
Core Net Profit	141	162	188	238	293
Growth (%)	1.4	14.5	16.3	26.4	23.2
Dividend per share	7	3	6	8	10
growth (%)	28.6	(57.6)	77.2	51.5	23.2
Dividend payout ratio	25.0	10.0	14.8	19.8	19.8

Balance Sheet (Rpbn)

Year end Dec	2013	2014	2015F	2016F	2017F
Cash and equivalents	101	163	335	626	370
Other current asset	263	258	293	352	418
Net fixed asset	1,175	1,680	1,908	1,849	2,385
Other asset	284	43	28	28	28
Total asset	1,823	2,143	2,564	2,854	3,201
ST debt	0	48	0	0	497
Other curr liab	320	260	335	399	474
LT debt	656	788	994	994	497
Other LT Liab	59	87	90	95	100
Minority interest	0	0	0	0	0
Total Liabilities	1,035	1,183	1,419	1,487	1,568
Shareholders Equity	787	960	1,146	1,367	1,633
Net debt / (cash)	555	673	658	368	623
Total cap employed	1,502	1,835	2,229	2,455	2,230
Net Working capital	44	113	293	579	(183)
Debt	656	835	994	994	994

Cash Flow

Year end Dec	2013	2014	2015F	2016F	2017F
Net profit	158	189	214	263	318
Depr / Amort	63	96	117	120	154
Chg in non-cash Working Cap	61	(74)	46	10	14
Others	32	154	11	0	0
CF's from oprs	315	365	387	393	487
Capex	(344)	(598)	(345)	(60)	(690)
Others	(178)	202	0	0	0
CF's from investing	(522)	(396)	(345)	(60)	(690)
Net change in debt	353	179	158	0	0
Net change in equity	0	0	0	0	0
Dividend payment	(37)	(16)	(28)	(42)	(52)
Others	(47)	(70)	0	0	0
CF's from financing	269	93	130	(42)	(52)
Net cash flow	62	63	173	290	(255)
Cash at BoY	38	101	163	335	626
Cash at EoY	101	163	335	626	370
Free Cashflow	(64)	(384)	58	374	(161)

Key Ratio Analysis

Year end Dec	2013	2014	2015F	2016F	2017F
Profitability					
Gross Margin	46.4	47.9	48.1	48.6	48.5
Opr Margin	13.9	14.0	14.5	15.3	15.2
EBITDA Margin	18.1	19.1	19.7	19.7	20.0
Net Margin	10.5	10.0	9.6	9.8	10.0
Core Net Margin	9.4	8.6	8.4	8.9	9.2
ROE	20.1	19.6	18.7	19.3	19.5
ROA	8.7	8.8	8.3	9.2	10.0
Stability					
Current ratio (x)	1.1	1.4	1.9	2.5	0.8
Net Debt to Equity (x)	0.7	0.7	0.6	0.3	0.4
Interest Coverage (x)	8.6	5.6	4.6	4.5	5.4
Efficiency					
A/P (days)	53.2	52.4	52.4	52.4	52.4
A/R (days)	38.1	37.9	37.9	37.9	37.9
Inventory (days)	13.2	14.2	14.2	14.2	14.2

Interim Results

Year end Dec	2Q14	3Q14	4Q14	1Q15	2Q15
Sales	450	446	519	519	520
Gross Profit	203	209	270	275	273
Operating Profit	44	54	89	98	82
Net Profit	39	31	57	67	56
Gross Margins	45.1	46.8	51.9	53.0	52.5
Opr Margins	9.9	12.1	17.2	18.9	15.8
Net Margins	8.7	7.0	11.0	12.9	10.8

Capital History

Date	
28 June 2010	IPO @ Rp1,275

PT Trimegah Securities Tbk
Gedung Artha Graha 18th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia
t. +62-21 2924 9088
f. +62-21 2924 9150
www.trimegah.com

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