

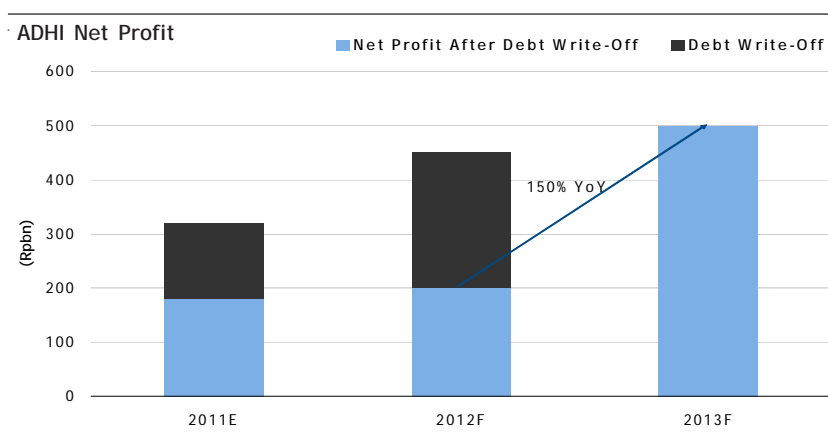
ADHI: 2013 Turnaround Story

Removing Bad Debt...

ADHI currently is having the bad debt from Jakarta Monorail project and Doha City Center, Qatar for Rp390bn. Due to the IFRS regulation; these bad debts will press the net profit amount as they will allocate provision during FY11-12.

...Turnaround in FY13

Hence, after the net profit pressed for two years, removing the burden from the bad debt, its net profit expected to increase 150% YoY to Rp500bn as a result of fully reflected operational, without the bias from the bad debt expense.



Source: Company

Focus on EPC

The ADHI focus on EPC will gain for high revenue contract, especially on its oil and gas segment. ADHI capability in doing a solely power plant project in Lampung will be a benefits for its next contract bidding. Currently, ADHI will be doing the Pertamina project in Gundih and RFCC Pertamina worth Rp3.5tr.

Grooming Property

In the near time, ADHI will focus on the property for its recurring income and bigger margin compared to the construction. Hence they will precede the right issue accounted for Rp800bn to Rp1tr for SCBD Sudirman prestigious project.

Valuation

ADHI plan for right issue and its pressing net profit could be the opportunity to enter in FY12. ADHI currently traded at 5.7x forward PE, a discount to its peers at 9.4x forward PE.

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