



GNAM Investment Competition

Universitas Indonesia

Top Investment Idea : AKRA, TLKM, WIKA,
BBRI, ICBP

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AKRA

| | | |
|--------------------------------|----------------------------|--------------------------------|
| OPEN | DAY RANGE | VOLUME |
| 5,650.00 | 5,650.00 - 5,900.00 | 14,786,000 |
| PREVIOUS CLOSE | 52WK RANGE | 1YR RETURN |
| 5,625.00 | 3,950.00 - 6,225.00 | 22.58% |
| YTD RETURN | CURRENT P/E RATIO (TTM) | EARNINGS PER SHARE (IDR) (TTM) |
| 43.20% | 22.25 | 265 |
| MARKET CAP (T IDR) | SHARES OUTSTANDING (B) | PRICE/SALES (TTM) |
| 23.299 | 3.949 | 1.13 |
| DIVIDEND INDICATED GROSS YIELD | SECTOR | INDUSTRY |
| 2.20% | Materials | Chemicals |
| SUB-INDUSTRY | | |
| Chemicals Distribution | | |

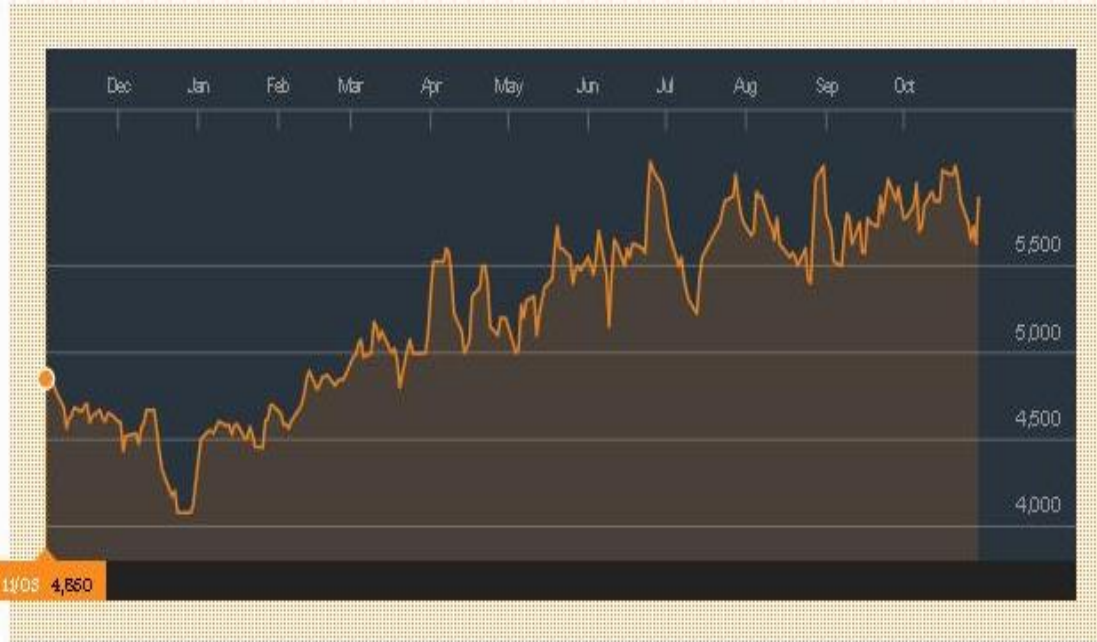
AKRA 3Q15 delivered strong results.

3Q15 recurring net profit up 43.20% y/d. Price/sales is 1.13% y/m.

Returns indicated is 22.58% with market cap of 23.299 quadrillion IDR.

Dividends indicated is 2.20% of gross yield.

AKRA Cont'd



- AKRA has strong operational performance history, interesting for long term investment.
- Financial structure of the company is also strong
- Management of the company also has good responsibility to the shareholders.

AKRA has a good position on the stock market and is a great player with a high resilience on the market. It has a great growth historically and have been the primadona of the stock market.

TLKM

| Key Data | Total |
|------------------------|-------------|
| 52 w High/low (IDR) | 3,004/2,485 |
| 5Y Net Dividend growth | 9.20% |
| P/E Ratio | 17.85 |
| Market capitalization | 270.1 T |
| Major Shareholders | |
| -Republik Indonesia | 51.2% |

TLKM 3Q15 delivered strong results.

3Q15 recurring net profit up 18.8% y/y.
EBITDA is 21% y/y.

Total revenues up 13.5% y/y, while wireless revenues up 10% y/y.

3Q15 has marked a turn in data yield, which is 5% y/y

TLKM posted a strong beat at the operational line with EBIT growing 21% y/y. TLKM service revenue are up 20%y/y driven by a 49% increase in data revenues, while voice and SMS revenues are up 13% and 18% respectively. TLKM continues giving price hikes that is supporting revenue growth. It shows as a positive sign in the industry.

TLKM Cont'd



- Indonesia wireless competitive landscape was improved.
- signs of easing competitive intensity
- we consider their new "Indi Home" fixed offering aimed an incremental growth driver.

TLKM seems best positioned for us to capture the 4G opportunity in this country, it will give their solid balance sheet position. Their last test that TLKM leading over 21 of 29 major cities in network quality data. This will help TLKM sustain growth momentum and also pricing premium.

WIKA



| Key Data | Total |
|------------------------|-------------|
| 52 w High/low (IDR) | 3,895/2,370 |
| 5Y Net Dividend growth | 14.86% |
| P/E Ratio | 33.59 |
| Market capitolization | 18.08T |
| Major Shareholders | |
| - Republik Indonesia | 65.05% |

Analysis

(1) Good dividiend growth 5y of 14.86% more than 10% growth.

(2) P/E ratio of 33.59 which investor earns 33 times more than the investment they did on the company,

(3) Market cap of 18.08 quadrillion IDR,

(4) High and low fluctuative of almost 30% with a large potential gain..

BBRI

| Consolidated Rpbm | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 | QoQ % | YTD |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------|--------|
| Int inc | 17,946 | 19,412 | 20,701 | 20,856 | 20,715 | 21,765 | 5.1 | 63,336 |
| Int exp | 5,290 | 6,491 | 7,202 | 7,359 | 6,430 | 6,647 | 3.4 | 20,436 |
| NII | 12,656 | 12,921 | 13,499 | 13,497 | 14,285 | 15,118 | 5.8 | 42,900 |
| Total op inc | 14,702 | 15,704 | 16,119 | 16,275 | 17,265 | 19,095 | 10.6 | 52,635 |
| PPOP | 8,939 | 8,315 | 8,907 | 8,905 | 9,247 | 10,321 | 11.6 | 28,473 |
| Prov | 2,018 | 1,807 | 779 | 1,565 | 2,431 | 3,097 | 27.4 | 7,093 |
| PBT | 6,922 | 6,508 | 8,128 | 7,340 | 6,816 | 8,465 | 24.2 | 22,621 |
| NP | 5,809 | 6,381 | 6,117 | 6,143 | 5,802 | 6,478 | 11.6 | 18,424 |
| Ratios % | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 | | |
| Loans qoq | 6.0 | 1.3 | 5.6 | (3.4) | 6.4 | 3.1 | | |
| Loans yoy | 17.0 | 12.4 | 13.9 | 9.6 | 10.0 | 11.9 | | |
| Deposits qoq | 4.2 | 11.1 | 10.2 | (1.8) | (2.4) | 6.6 | | |
| Deposits yoy | 11.7 | 19.8 | 23.4 | 25.2 | 17.3 | 12.6 | | |
| ROAE | 28.4 | 29.0 | 25.9 | 25.4 | 23.4 | 25.4 | | |
| CAR | 18.0 | 18.4 | 18.1 | 19.9 | 20.1 | 20.3 | | |
| NIM | 8.6 | 8.1 | 7.6 | 7.1 | 7.7 | 8.2 | | |
| LDR | 93.9 | 85.6 | 82.0 | 80.7 | 88.0 | 85.1 | | |
| NPL | 1.9 | 1.8 | 1.6 | 2.1 | 2.2 | 2.1 | | |
| NPL cov | 182.7 | 191.1 | 192.1 | 157.0 | 142.7 | 156.2 | | |
| Broad NPL | 9.2 | 8.0 | 8.0 | 9.3 | 9.2 | 9.0 | | |

| Key Data | Total |
|------------------------|--------------|
| 52 w High/low (IDR) | 13,450/7,975 |
| 5Y Net Dividend growth | 17.42% |
| P/E Ratio | 10.6 |
| Market capitilization | 259.6T |
| Major Shareholders | |
| -Republik Indonesia | 56.0% |

Analysis

(1) Net interest income +17% / +6% qoq with Reported NIM up 29 bps qoq to 8.48%. Loan growth of 12% yoy driven by Micro and Corporate non-SOE segments.

(2) Lackluster non-interest income -1% yoy / -4% qoq,

(3) Operating expense +3% yoy / -5% qoq,

(4) Improving asset quality ratios: NPL ratio improved 9 bps qoq to 2.24%. BRI booked higher provisions of Rp 3.1tn.

BBRI cont'd

Performance BBRI vs JCI. source : Bloomberg



BRI target to increase micro market share in Indonesia via new micro KUR loans.

KUR rate may further be cut to 9% with higher subsidy from the government vs current mechanism of 12% rate + 7% subsidy.

Overall, the results were above expectations on better opex and NIM, offsetting higher provisions and weaker non-II.

BRI is represent economic macro of Indonesia.



ICBP



| Key Data | Total |
|--------------------------|---------------|
| 52 w High/low (IDR) | 16,050/10,800 |
| 5Y Net Dividend growth | - |
| P/E Ratio | 25.83 |
| Market capitilization | 76.97T |
| Major Shareholders | |
| - Indofood Sukses Makmur | 80.0% |

Analysis

(1) Largest shareholders by its own parent company; room for policy maneuver

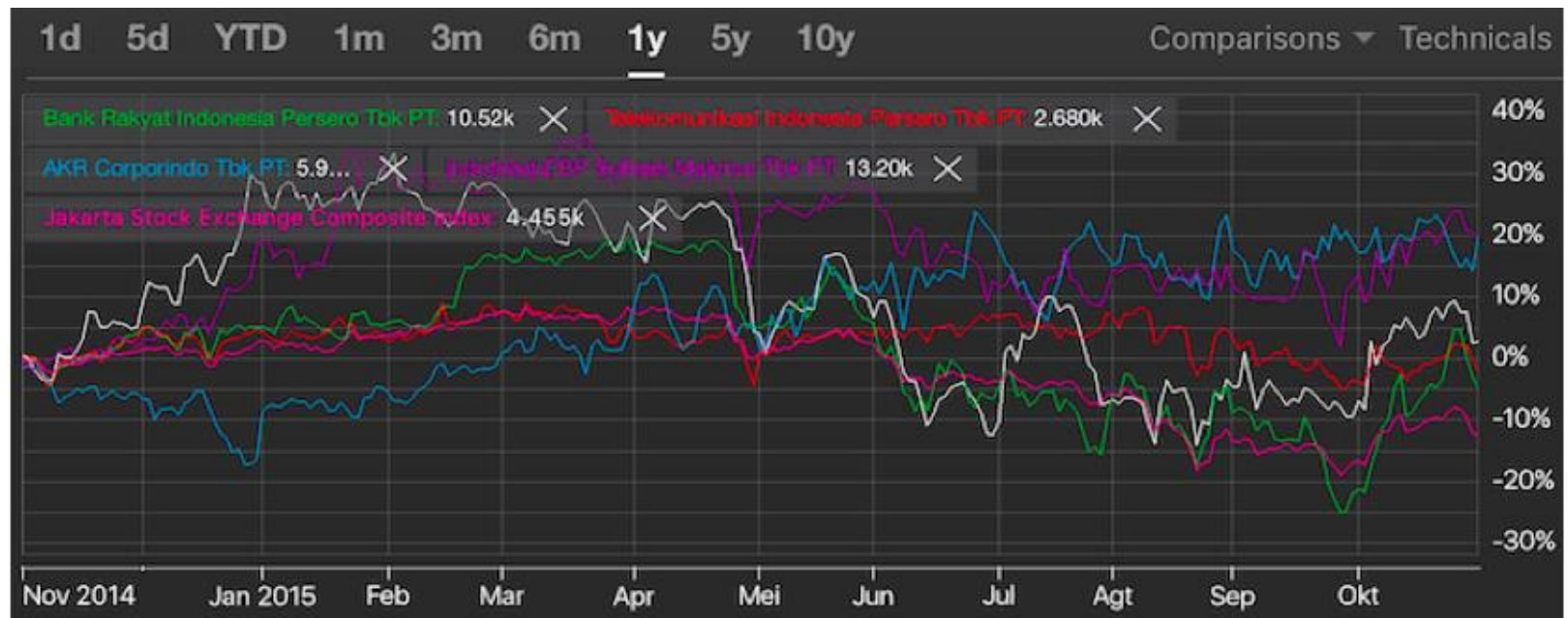
(2) P/E ratio of 33.59 which investor earns 25 times more than the investment they did on the company,

(3) Market cap of 76.97 quadrillion IDR,

(4) High and low fluctuative of almost 50% with a large potential gain..

Strategy and Analysis to buy

| Companies | Ticker | Rating | Price | Target Price | Operating Profit yoy growth (%) | | | | |
|--------------------------|---------|--------|------------|--------------|---------------------------------|------|-------|-------|------|
| | | | | | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 |
| AKR Corporindo | AKRA IJ | BUY | IDR 5,875 | IDR 6,500 | 31.8 | 64.8 | 80.8 | 45.3 | 38.5 |
| Telekomunikasi Indonesia | TLKM IJ | BUY | IDR 2,640 | IDR 3,675 | -3.0 | 48.5 | 5.2 | 3.0 | 8.9 |
| Bank Rakyat Indonesia | BBRI IJ | BUY | IDR 10,025 | IDR 12,500 | 6.5 | 1.9 | 7.8 | -0.4 | 0.7 |
| Indofood CBP | ICBP IJ | BUY | IDR 12,750 | IDR 15,650 | 20.8 | 44.7 | 15.7 | 43.0 | 3.7 |
| Wijaya Karya | WIKA IJ | BUY | IDR 2,950 | IDR 3,200 | -4.9 | 31.4 | -45.6 | -14.1 | 5.1 |



Equity Analysis: BBRI

BRI 3Q15 its NP Rp18.4tr (+2% yoy). BRI reported NP of Rp6,478bn up 12% qoq as provision charges jump to 2.4% (from 2.0% in 2Q15), as BRI utilised its strong PPOP to build provisioning buffer. At operating level, BRI booked 9M15 PPOP of Rp28.5tr (+13% yoy).

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| Major Shareholders | |
| -Republik Indonesia | 56.0% |

And on qoq, implied 3Q15 PPOP reached Rp10.3tr (+12% qoq) due to strong NIM, which rose by 50bp qoq on lower funding costs.

BRI Quarterly result

| Consolidated Rpbn | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 | QoQ % | YTD |
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Sources : Company data

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Investment Thesis

BRI target to increase micro market share in Indonesia via new micro KUR loans. Management thinks that KUR rate may further be cut to 9% with higher subsidy from the government vs current mechanism of 12% rate + 7% subsidy.

Overall, the results were above expectations on better opex and NIM, offsetting higher provisions and weaker non-II.

BRI is represent economic macro of Indonesia. Indonesia now focusing on infrastructure, we believe in 2016 will result growth GDP so it will be an incremental growth driver in BRI revenue and make it as momentum on increasing pricing premium.