QUICK REVIEW (CLEO)

SARIGUNA PRIMATIRTA TBK.

November 10, 2020

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Recommendation

Recommendation : **BUY**

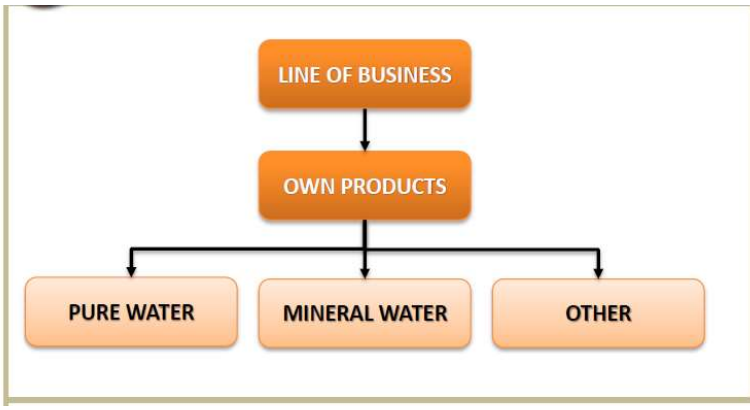
Fair Value : **IDR 820**

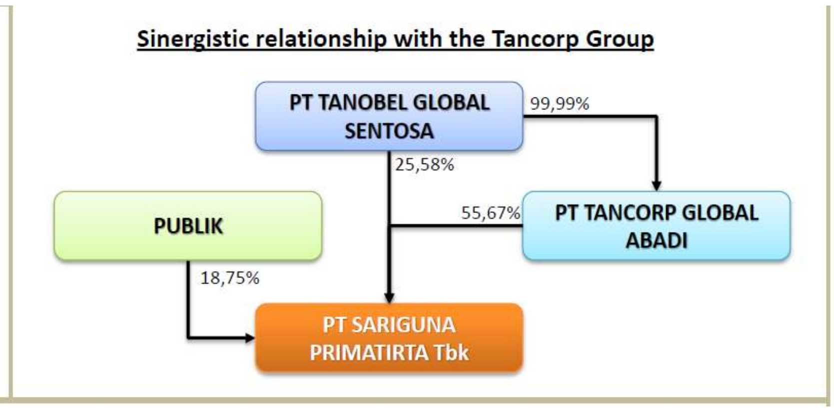
Current Price (06/11) : IDR 484

Company Description

PT Sariguna Primatirta Tbk, doing business as Tanobel, produces bottled water. The Company supplies drinking water. Tanobel markets its products in Indonesia.

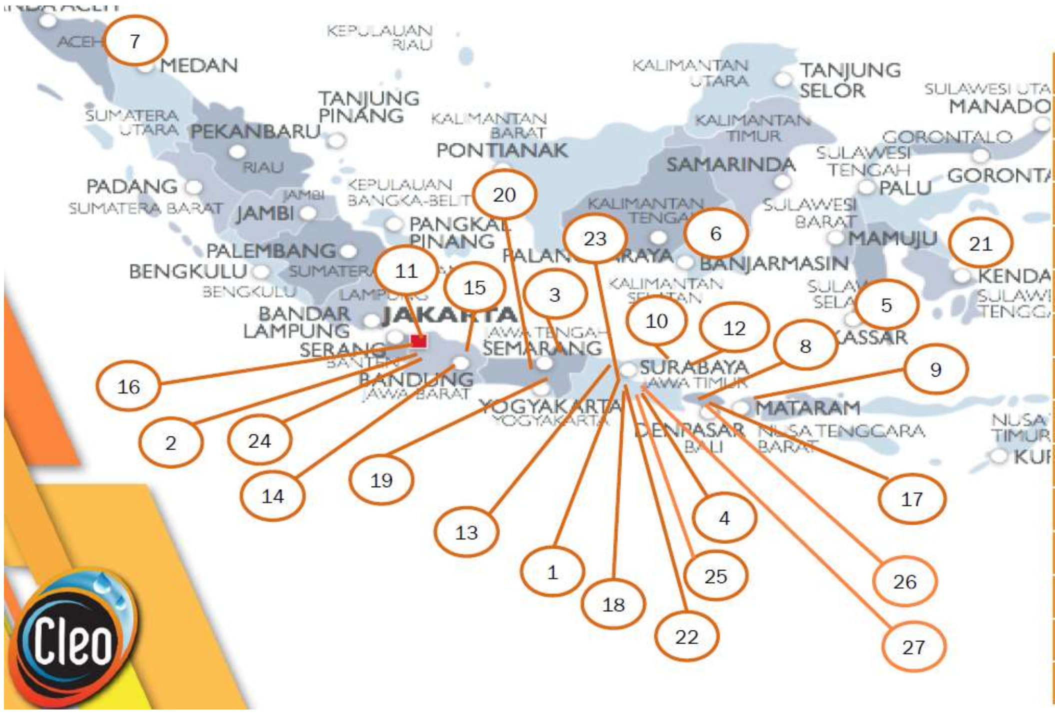
Corporate Structure





Source: Company

Factory Locations



No.	Location	No.	Location
1	PANDAAN	16	GUNUNG SINDUR
2	CITEUREUP	17	BALI MEGATI
3	KUDUS	18	MALANG
4	JEMBER	19	PURWOREJO
5	MAKASSAR	20	UNGARAN
6	BANJARMASIN	21	KENDARI
7	MEDAN	22	NGORO
8	BALI PEREAN	23	PRIGEN
9	LOMBOK	24	SUKABUMI
10	BANGKALAN	25	SINGOSARI
11	BEKASI	26	TEUKU UMAR BALI
12	SUMENEP	27	KEDIRI
13	BOJONEGORO		
14	GARUT		
15	CIREBON		

Source: Company

Company Update

Earnings Results : 3Q 2020

In Billions of IDR	Q3 2020	Q3 2019	%YoY	Q3 2020	Q2 2020	%QoQ
Revenue	**226**	**284**	**-20.4%**	**226**	**222**	**1.5%**
- Cost of Revenue	130	185	-29.8%	130	122	6.7%
Gross Profit	**96**	**99**	**-2.8%**	**96**	**101**	**-4.7%**
- Operating Expenses	47	51	-7.4%	47	51	-8.1%
Operating Income (Loss)	**49**	**48**	**2.0%**	**49**	**49**	**-1.3%**
Pretax Income (Loss), GAAP	**38**	**40**	**-4.8%**	**38**	**37**	**3.8%**
- Income Tax Expense (Benefit)	9	10	-13.8%	9	8	13.6%
Net Income Avail to Common, GAAP	**30**	**30**	**-1.7%**	**30**	**29**	**1.1%**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Company Update

Earnings Estimate : 4QE 2020

In Billions of IDR	Q4 2020 Est	Q4 2019	%YoY	Q4 2020 Est	Q3 2020	%QoQ
Revenue	**290**	**313**	**-7.3%**	**290**	**226**	**28.5%**
- Cost of Revenue	181	188	-4.0%	181	130	39.0%
Gross Profit	**110**	**125**	**-12.2%**	**110**	**96**	**14.3%**
- Operating Expenses	53	58	-9.1%	53	47	12.7%
Operating Income (Loss)	**57**	**66**	**-14.8%**	**57**	**49**	**15.9%**
- Non-Operating (Income) Loss	6	13	-57.0%	6	9	-39.5%
Pretax Income (Loss), GAAP	**46**	**48**	**-4.0%**	**46**	**38**	**20.3%**
- Income Tax Expense (Benefit)	11	12	-7.5%	11	9	19.7%
Net Income Avail to Common, GAAP	**36**	**37**	**-3.0%**	**36**	**30**	**20.5%**

Source: Bloomberg, MCS Research

Balanced Sheet : Annual

In Billions of IDR	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Assets							
+ Cash, Cash Equivalents & STI	2	1	2	1	3	3	7
+ Accounts & Notes Receiv	26	25	28	37	65	90	123
+ Inventories	46	69	56	42	64	95	100
+ Other ST Assets	2	2	3	6	12	11	11
Total Current Assets	**75**	**96**	**89**	**86**	**144**	**199**	**241**
+ Property, Plant & Equip, Net	171	213	237	332	409	550	927
+ LT Investments & Receivables	13	15	17	16	16	15	15
+ Other LT Assets	15	11	10	29	92	70	63
Total Noncurrent Assets	**200**	**239**	**264**	**377**	**517**	**635**	**1,004**
Total Assets	**275**	**335**	**353**	**463**	**661**	**834**	**1,245**
Liabilities & Shareholders' Equity							
+ Payables & Accruals	29	58	36	42	65	113	132
+ ST Debt	34	72	91	104	51	6	68
+ Other ST Liabilities	1	1	2	1	1	2	5
Total Current Liabilities	**64**	**131**	**129**	**147**	**117**	**121**	**205**
+ LT Debt	17	24	50	83	206	30	209
+ Other LT Liabilities	55	37	27	35	40	47	65
Total Noncurrent Liabilities	**73**	**60**	**77**	**118**	**246**	**77**	**274**
Total Liabilities	**137**	**192**	**205**	**265**	**363**	**198**	**479**
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0
+ Share Capital & APIC	118	118	118	176	226	500	502
- Treasury Stock	0	0	0	0	0	0	0
+ Retained Earnings	21	26	31	22	72	136	264
+ Other Equity	0	0	0	0	0	0	0
Equity Before Minority Interest	139	143	148	198	298	635	766
+ Minority/Non Controlling Interest	0	0	0	0	0	0	0
Total Equity	**139**	**143**	**148**	**198**	**298**	**635**	**766**
Total Liabilities & Equity	**275**	**335**	**353**	**463**	**661**	**834**	**1,245**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Balanced Sheet : Quarter

In Billions of IDR	Q1 2018	Q2 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Total Assets										
+ Cash, Cash Equivalents & STI	3	3	3	17	16	17	7	23	18	14
+ Accounts & Notes Receiv	64	76	90	103	121	141	123	135	127	135
+ Inventories	73	90	95	104	126	122	100	122	124	100
+ Other ST Assets	8	16	11	12	19	18	11	15	22	19
Total Current Assets	**148**	**185**	**199**	**235**	**283**	**297**	**241**	**296**	**291**	**267**
+ Property, Plant & Equip, Net	476	483	550	646	681	817	927	946	988	992
+ LT Investments & Receivables	16	16	15	15	15	15	15	15	14	14
+ Other LT Assets	32	47	70	51	88	89	63	70	47	50
Total Noncurrent Assets	**523**	**545**	**635**	**712**	**784**	**921**	**1,004**	**1,030**	**1,049**	**1,056**
Total Assets	**672**	**730**	**834**	**948**	**1,066**	**1,218**	**1,245**	**1,326**	**1,340**	**1,323**
Liabilities & Shareholders' Equity										
+ Payables & Accruals	77	110	113	143	146	157	132	148	93	94
+ ST Debt	49	57	6	91	77	59	68	56	124	86
Total Current Liabilities	**127**	**167**	**121**	**237**	**225**	**218**	**205**	**209**	**222**	**186**
+ LT Debt	194	196	30	3	95	219	209	248	221	209
+ Other LT Liabilities	40	42	47	47	48	51	65	66	68	70
Total Noncurrent Liabilities	**234**	**237**	**77**	**50**	**142**	**270**	**274**	**315**	**289**	**279**
Total Liabilities	**361**	**405**	**198**	**287**	**367**	**488**	**479**	**524**	**511**	**465**
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	226	226	500	500	500	500	502	502	502	502
- Treasury Stock	0	0	0	0	0	0	0	0	3	3
+ Retained Earnings	85	100	136	161	200	230	264	300	329	359
+ Other Equity	0	0	0	0	0	0	0	0	0	0
Equity Before Minority Interest	311	326	635	661	699	729	766	802	828	858
+ Minority/Non Controlling Interest	0	0	0	0	0	0	0	0	0	0
Total Equity	**311**	**326**	**635**	**661**	**699**	**729**	**766**	**802**	**828**	**858**
Total Liabilities & Equity	**672**	**730**	**834**	**948**	**1,066**	**1,218**	**1,245**	**1,326**	**1,340**	**1,323**

Source: Bloomberg, MCS Research

Profit & Loss : Annual

In Billions of IDR	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Est	FY 2021 Est
Revenue	**243**	**310**	**366**	**524**	**615**	**831**	**1,089**	**1,010**	**1,405**
- Cost of Revenue	188	250	288	366	389	562	692	591	849
Gross Profit	**55**	**60**	**78**	**158**	**226**	**269**	**396**	**419**	**556**
+ Other Operating Income	0	0	0	0	0	0	0	0	0
- Operating Expenses	36	39	46	87	127	161	191	207	278
Operating Income (Loss)	**19**	**21**	**32**	**72**	**98**	**108**	**206**	**211**	**278**
- Non-Operating (Income) Loss	11	14	25	25	40	20	19	26	29
Pretax Income (Loss), Adjusted	**9**	**7**	**6**	**47**	**58**	**88**	**186**	**185**	**250**
- Abnormal Losses (Gains)	2	1	2	1	4	6	14	18	19
Pretax Income (Loss), GAAP	**7**	**6**	**8**	**48**	**63**	**82**	**173**	**167**	**230**
- Income Tax Expense (Benefit)	1	2	3	9	12	19	42	37	53
Income (Loss) from Cont Ops	**6**	**5**	**5**	**39**	**50**	**63**	**131**	**130**	**177**
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	**6**	**5**	**5**	**39**	**50**	**63**	**131**	**130**	**177**
- Minority Interest	0	0	0	0	0	0	0	0	0
Net Income, GAAP	**6**	**5**	**5**	**39**	**50**	**63**	**131**	**130**	**177**
- Preferred Dividends	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	**6**	**5**	**5**	**39**	**50**	**63**	**131**	**130**	**177**

Source: Bloomberg, MCS Research

Profit & Loss : Quarter

In Billions of IDR	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020 Est	Q1 2021 Est
Revenue	**237**	**224**	**268**	**284**	**313**	**272**	**222**	**226**	**290**	**283**
- Cost of Revenue	167	145	173	185	188	159	122	130	181	176
Gross Profit	**70**	**78**	**95**	**99**	**125**	**113**	**101**	**96**	**110**	**107**
+ Other Operating Income	0	0	0	0	0	0	0	0	0	0
- Operating Expenses	47	40	42	51	58	56	51	47	53	52
Operating Income (Loss)	**23**	**38**	**53**	**48**	**66**	**57**	**49**	**49**	**57**	**55**
- Non-Operating (Income) Loss	8	6	3	4	13	5	6	9	6	5
Pretax Income (Loss), Adjusted	**32**	**32**	**56**	**44**	**53**	**51**	**43**	**40**	**51**	**49**
- Abnormal Losses (Gains)	10	2	7	4	5	6	6	1	5	4
Pretax Income (Loss), GAAP	**21**	**34**	**50**	**40**	**48**	**45**	**37**	**38**	**46**	**45**
- Income Tax Expense (Benefit)	5	9	11	10	12	10	8	9	11	10
Income (Loss) from Cont Ops	**16**	**25**	**39**	**30**	**37**	**35**	**29**	**30**	**36**	**35**
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	**16**	**25**	**39**	**30**	**37**	**35**	**29**	**30**	**36**	**35**
- Minority Interest	0	0	0	0	0	0	0	0	0	0
Net Income, GAAP	**16**	**25**	**39**	**30**	**37**	**35**	**29**	**30**	**36**	**35**
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	**16**	**25**	**39**	**30**	**37**	**35**	**29**	**30**	**36**	**35**

Source: Bloomberg, MCS Research

Cash Flow : Annual

In Billions of IDR	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Cash from Operating Activities							
+ Net Income	6	5	5	39	50	63	131
+ Depreciation & Amortization	23	29	33	49	49	60	57
+ Net Cash From Disc Ops	0	0	0	0	0	0	0
Cash from Operating Activities	**47**	**48**	**30**	**102**	**78**	**132**	**198**
Cash from Investing Activities							
+ Change in Fixed & Intang	53	59	55	135	118	129	370
+ Net Change in LT Investment	1	3	2	0	0	0	0
+ Net Cash From Acq & Div	0	0	0	0	0	0	11
+ Other Investing Activities	14	7	3	22	79	50	63
+ Net Cash From Disc Ops	0	0	0	0	0	0	0
Cash from Investing Activities	**67**	**68**	**60**	**158**	**197**	**179**	**422**
Cash from Financing Activities							
+ Dividends Paid	0	0	0	48	0	0	0
+ Cash From (Repayment) Debt	20	44	45	47	70	226	230
+ Cash (Repurchase) of Equity	0	0	0	57	49	0	0
+ Other Financing Activities	0	26	14	1	1	273	1
+ Net Cash From Disc Ops	0	0	0	0	0	0	0
Cash from Financing Activities	**20**	**19**	**31**	**55**	**120**	**47**	**229**
Net Changes in Cash	**0**	**1**	**1**	**1**	**2**	**0**	**5**

Source: Bloomberg, MCS Research

Cash Flow : Quarter

In Billions of IDR except Per Share	Q1 2018	Q2 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Cash from Operating Activities										
+ Net Income	13	15	16	25	39	30	37	35	29	30
+ Depreciation & Amortization	13	16	15	13	13	14	17	18	20	22
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Operating Activities	**35**	**29**	**26**	**49**	**18**	**54**	**77**	**40**	**31**	**77**
Cash from Investing Activities										
+ Change in Fixed & Intang	81	24	23	110	62	154	43	51	73	14
+ Net Change in LT Investment	0	0	0	0	0	0	0	0	0	0
+ Net Cash From Acq & Div	0	0	0	0	11	0	0	0	0	0
+ Other Investing Activities	61	15	88	17	38	1	41	0	0	16
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	**20**	**39**	**65**	**93**	**89**	**155**	**85**	**51**	**73**	**30**
Cash from Financing Activities										
+ Dividends Paid	0	0	0	0	0	0	0	0	0	0
+ Cash From (Repayment) Debt	15	10	232	58	70	102	1	28	40	51
+ Cash (Repurchase) of Equity	0	0	0	0	0	0	0	0	0	0
+ Other Financing Activities	0	0	273	0	0	0	1	1	3	1
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	**15**	**10**	**41**	**58**	**70**	**102**	**2**	**27**	**36**	**51**
Net Changes in Cash	**0**	**0**	**1**	**14**	**1**	**1**	**10**	**17**	**5**	**4**

Source: Bloomberg, MCS Research

Valuation

Valuation Metric Bands							12M Fwd Implied Price @		
Metric	Current	2Yr Avg	Band (x)	Avg+x	Avg-x	Est (IDR)	2Yr Avg	Avg+x	Avg-x
Current Price							478.00	478.00	478.00
LTM P/E	43.8x	54.1x	12.4	66.5x	41.7x	--	--	--	--
LTM P/BV	6.7x	7.9x	1.3	9.2x	6.6x	--	--	--	--
LTM P/CF	25.4x	31.5x	6.9	38.4x	24.6x	--	--	--	--
LTM P/S	5.6x	5.5x	1.1	6.6x	4.4x	--	--	--	--

Source: Bloomberg

Valuation

PER	EPS	Value
54.1x	IDR 15	**IDR 810**

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