QUICK REVIEW (HMSP)

H.M. SAMPOERNA TBK.

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Recommendation

Recommendation : **BUY**

Fair Value : **IDR 3,560**

Current Price (20/11) : IDR 1,525

Company Description

PT H.M. Sampoerna Tbk manufactures hand-rolled and machine-rolled clove-blended cigarettes. The Company distributes its products in the domestic and international market. Through its subsidiaries, the Company also develops properties.

MEGACAPITAL Sekuritas

Company Update

Earnings Estimate : 3QE 2020

In Billions of IDR	Q3 2020 Est	Q3 2019	%YoY	Q3 2020 Est	Q2 2020	%QoQ
Revenue	**25,381**	**26,787**	**-5.2%**	**25,381**	**21,044**	**20.6%**
- Cost of Revenue	19,377	20,223	-4.2%	19,377	17,172	12.8%
Gross Profit	**6,005**	**6,565**	**-8.5%**	**6,005**	**3,872**	**55.1%**
- Operating Expenses	2,165	2,298	-5.8%	2,165	2,017	7.3%
Operating Income (Loss)	**3,840**	**4,267**	**-10.0%**	**3,840**	**1,855**	**107.0%**
- Non-Operating (Income) Loss	278	283	-1.9%	278	182	52.9%
Pretax Income (Loss), GAAP	**4,117**	**4,549**	**-9.5%**	**4,117**	**2,036**	**102.2%**
- Income Tax Expense (Benefit)	1,006	1,119	-10.1%	1,006	472	113.3%
Net Income Avail to Common, GAAP	**3,111**	**3,430**	**-9.3%**	**3,111**	**1,565**	**98.8%**

Source: Bloomberg, MCS Research

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Balanced Sheet : Annual

In Billions of IDR	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Assets										
+ Cash, Cash Equivalents & STI	3,210	2,070	784	657	65	1,719	5,056	7,502	15,516	18,821
+ Accounts & Notes Receiv	856	891	1,077	1,393	1,010	2,459	3,323	3,598	3,508	3,255
+ Inventories	9,802	8,913	15,670	17,333	17,432	19,072	19,442	18,023	15,183	16,376
+ Other ST Assets	1,900	2,977	3,598	1,865	2,271	6,558	5,827	5,057	3,624	3,245
Total Current Assets	**15,769**	**14,851**	**21,128**	**21,248**	**20,778**	**29,807**	**33,647**	**34,180**	**37,831**	**41,697**
+ Property, Plant & Equip, Net	4,263	4,024	4,259	4,825	6,035	6,395	7,010	7,005	7,397	7,407
+ LT Investments & Receivables	0	0	141	364	436	606	585	481	465	443
+ Other LT Assets	494	501	719	969	1,133	1,203	1,265	1,475	909	1,356
Total Noncurrent Assets	**4,757**	**4,525**	**5,119**	**6,157**	**7,603**	**8,203**	**8,861**	**8,961**	**8,771**	**9,206**
Total Assets	**20,525**	**19,376**	**26,248**	**27,405**	**28,381**	**38,011**	**42,508**	**43,141**	**46,602**	**50,903**
Liabilities & Shareholders' Equity										
+ Payables & Accruals	9,737	8,460	9,536	9,155	10,153	3,843	5,681	5,761	8,047	11,805
+ ST Debt	42	30	2,332	2,462	2,855	20	21	29	34	161
+ Other ST Liabilities	0	0	30	507	592	675	726	693	713	762
Total Current Liabilities	**9,779**	**8,490**	**11,898**	**12,124**	**13,600**	**4,539**	**6,428**	**6,483**	**8,794**	**12,728**
+ LT Debt	45	50	56	34	33	41	66	81	81	257
+ Other LT Liabilities	486	635	985	1,092	1,249	1,415	1,839	2,465	2,370	2,239
Total Noncurrent Liabilities	**531**	**685**	**1,041**	**1,126**	**1,282**	**1,456**	**1,905**	**2,545**	**2,450**	**2,495**
Total Liabilities	**10,310**	**9,175**	**12,939**	**13,250**	**14,883**	**5,995**	**8,333**	**9,028**	**11,244**	**15,223**
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	480	480	575	559	538	20,951	20,932	20,914	21,011	21,033
- Treasury Stock	0	0	0	0	0	0	0	0	0	0
+ Retained Earnings	9,134	9,135	12,116	12,980	12,344	10,448	12,626	12,582	13,731	14,030
+ Other Equity	600	587	618	616	617	617	617	617	616	616
Equity Before Minority Interest	10,214	10,202	13,308	14,155	13,498	32,016	34,175	34,113	35,358	35,680
+ Minority/Non Controlling Interest	1	0	0	0	0	0	0	0	0	0
Total Equity	**10,215**	**10,202**	**13,308**	**14,155**	**13,498**	**32,016**	**34,175**	**34,113**	**35,358**	**35,680**
Total Liabilities & Equity	**20,525**	**19,376**	**26,248**	**27,405**	**28,381**	**38,011**	**42,508**	**43,141**	**46,602**	**50,903**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Balanced Sheet : Quarter

In Billions of IDR	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Total Assets										
+ Cash, Cash Equivalents & STI	21,527	15,277	21,371	15,516	22,308	13,758	19,514	18,821	13,026	5,110
+ Accounts & Notes Receiv	2,304	2,379	2,458	3,508	2,338	2,671	2,193	3,255	2,149	3,473
+ Inventories	15,378	14,559	13,093	15,183	17,489	14,450	14,601	16,376	22,973	21,063
+ Other ST Assets	4,230	2,771	3,700	3,624	4,793	2,736	3,237	3,245	16,031	3,467
Total Current Assets	**43,439**	**34,986**	**40,621**	**37,831**	**46,928**	**33,615**	**39,545**	**41,697**	**54,179**	**33,113**
+ Property, Plant & Equip, Net	6,960	7,051	7,048	7,397	7,785	7,613	7,544	7,407	7,247	7,040
+ LT Investments & Receivables	477	473	470	465	460	454	449	443	438	433
+ Other LT Assets	1,421	1,369	974	909	1,415	1,430	1,410	1,356	1,436	1,320
Total Noncurrent Assets	**8,859**	**8,893**	**8,493**	**8,771**	**9,660**	**9,498**	**9,404**	**9,206**	**9,121**	**8,792**
Total Assets	**52,297**	**43,879**	**49,114**	**46,602**	**56,587**	**43,113**	**48,949**	**50,903**	**63,300**	**41,905**
Liabilities & Shareholders' Equity										
+ Payables & Accruals	12,071	13,134	14,594	8,047	14,594	11,387	13,656	11,805	20,952	12,110
+ ST Debt	30	33	33	34	147	146	158	161	207	137
+ Other ST Liabilities	536	496	610	713	558	471	658	762	643	676
Total Current Liabilities	**12,637**	**13,664**	**15,237**	**8,794**	**15,299**	**12,004**	**14,471**	**12,728**	**21,803**	**12,923**
+ LT Debt	78	84	78	81	252	224	250	257	228	210
+ Other LT Liabilities	2,422	2,413	2,392	2,370	2,376	2,401	2,296	2,239	2,202	2,160
Total Noncurrent Liabilities	**2,499**	**2,497**	**2,470**	**2,450**	**2,628**	**2,624**	**2,546**	**2,495**	**2,430**	**2,370**
Total Liabilities	**15,137**	**16,160**	**17,706**	**11,244**	**17,927**	**14,628**	**17,017**	**15,223**	**24,232**	**15,293**
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	20,930	20,888	21,001	21,011	21,028	21,000	21,017	21,033	21,046	21,018
- Treasury Stock	0	0	0	0	0	0	0	0	0	0
+ Retained Earnings	15,614	6,214	9,791	13,731	17,016	6,868	10,298	14,030	17,406	4,978
+ Other Equity	616	616	616	616	616	616	616	616	615	616
Equity Before Minority Interest	37,161	27,719	31,408	35,358	38,660	28,485	31,932	35,680	39,068	26,612
+ Minority/Non Controlling Interest	0	0	0	0	0	0	0	0	0	0
Total Equity	**37,161**	**27,719**	**31,408**	**35,358**	**38,660**	**28,485**	**31,932**	**35,680**	**39,068**	**26,612**
Total Liabilities & Equity	**52,297**	**43,879**	**49,114**	**46,602**	**56,587**	**43,113**	**48,949**	**50,903**	**63,300**	**41,905**

Source: Bloomberg, MCS Research

Profit & Loss : Annual

In Billions of IDR	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Est	FY 2021 Est
Revenue	**66,626**	**75,025**	**80,690**	**89,069**	**95,467**	**99,091**	**106,742**	**106,055**	**96,688**	**102,422**
- Cost of Revenue	48,119	54,954	60,190	67,305	71,612	74,876	81,251	79,932	74,514	77,781
Gross Profit	**18,507**	**20,071**	**20,500**	**21,764**	**23,855**	**24,216**	**25,491**	**26,123**	**22,174**	**24,641**
+ Other Operating Income	0	0	0	0	0	0	0	0	0	0
- Operating Expenses	5,157	5,471	6,695	7,716	7,834	8,104	8,609	9,046	8,347	8,578
Operating Income (Loss)	**13,350**	**14,600**	**13,805**	**14,048**	**16,020**	**16,111**	**16,882**	**17,077**	**13,826**	**16,063**
- Non-Operating (Income) Loss	12	285	91	214	911	780	1,006	1,190	1,092	932
Pretax Income (Loss), Adjusted	**13,338**	**14,316**	**13,714**	**13,835**	**16,932**	**16,891**	**17,888**	**18,267**	**14,919**	**16,995**
- Abnormal Losses (Gains)	45	194	4	98	80	3	74	8	1	0
Pretax Income (Loss), GAAP	**13,383**	**14,510**	**13,718**	**13,933**	**17,011**	**16,895**	**17,961**	**18,259**	**14,919**	**16,995**
- Income Tax Expense (Benefit)	3,438	3,691	3,537	3,569	4,249	4,224	4,423	4,538	3,563	4,223
Income (Loss) from Cont Ops	**9,945**	**10,818**	**10,181**	**10,363**	**12,762**	**12,671**	**13,538**	**13,722**	**11,356**	**12,772**
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	**9,945**	**10,818**	**10,181**	**10,363**	**12,762**	**12,671**	**13,538**	**13,722**	**11,356**	**12,772**
- Minority Interest	0	0	0	0	0	0	0	0	0	0
Net Income, GAAP	**9,945**	**10,818**	**10,181**	**10,363**	**12,762**	**12,671**	**13,538**	**13,722**	**11,356**	**12,772**
- 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	**9,945**	**10,818**	**10,181**	**10,363**	**12,762**	**12,671**	**13,538**	**13,722**	**11,356**	**12,772**

Source: Bloomberg, MCS Research

Profit & Loss : Quarter

In Billions of IDR	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020 Est	Q4 2020 Est
Revenue	**28,377**	**29,207**	**23,806**	**26,914**	**26,787**	**28,548**	**23,689**	**21,044**	**25,381**	**26,573**
- Cost of Revenue	21,499	22,024	17,920	20,473	20,223	21,316	17,821	17,172	19,377	20,144
Gross Profit	**6,879**	**7,183**	**5,885**	**6,441**	**6,565**	**7,232**	**5,868**	**3,872**	**6,005**	**6,429**
+ Other Operating Income	0	0	0	0	0	0	0	0	0	0
- Operating Expenses	2,308	2,412	1,953	2,171	2,298	2,624	1,915	2,017	2,165	2,250
Operating Income (Loss)	**4,571**	**4,770**	**3,933**	**4,270**	**4,267**	**4,607**	**3,952**	**1,855**	**3,840**	**4,180**
- Non-Operating (Income) Loss	200	288	358	317	283	233	357	182	278	275
Pretax Income (Loss), Adjusted	**4,771**	**5,058**	**4,291**	**4,586**	**4,550**	**4,840**	**4,310**	**2,036**	**4,117**	**4,455**
- Abnormal Losses (Gains)	0	71	0	8	1	0	0	0	0	0
Pretax Income (Loss), GAAP	**4,771**	**5,129**	**4,291**	**4,579**	**4,549**	**4,840**	**4,310**	**2,036**	**4,117**	**4,455**
- Income Tax Expense (Benefit)	1,194	1,281	1,005	1,095	1,119	1,319	988	472	1,006	1,097
Income (Loss) from Cont Ops	**3,577**	**3,848**	**3,286**	**3,484**	**3,430**	**3,521**	**3,322**	**1,565**	**3,111**	**3,358**
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	**3,577**	**3,848**	**3,286**	**3,484**	**3,430**	**3,521**	**3,322**	**1,565**	**3,111**	**3,358**
- Minority Interest	0	0	0	0	0	0	0	0	0	0
Net Income, GAAP	**3,577**	**3,848**	**3,286**	**3,484**	**3,430**	**3,521**	**3,322**	**1,565**	**3,111**	**3,358**
- 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	**3,577**	**3,848**	**3,286**	**3,484**	**3,430**	**3,521**	**3,322**	**1,565**	**3,111**	**3,358**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Cash Flow : Annual

In Billions of IDR	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Cash from Operating Activities										
+ Net Income	6,421	8,065	9,945	10,818	10,181	10,363	12,762	12,671	13,538	13,722
+ Depreciation & Amortization	550	543	463	495	567	655	724	865	953	1,374
+ Non-Cash Items	89	2,480	6,320	511	355	10,205	590	1,846	5,702	2,050
Cash from Operating Activities	**7,060**	**11,088**	**4,087**	**10,802**	**11,103**	**814**	**14,077**	**15,382**	**20,193**	**17,146**
Cash from Investing Activities										
+ Change in Fixed & Intang	367	97	628	1,034	1,458	725	959	1,118	847	960
+ Net Change in LT Investment	0	0	114	215	84	190	0	10	5	30
+ Net Cash From Acq & Div	76	0	0	0	0	0	0	0	90	0
+ Other Investing Activities	0	37	119	106	156	3,621	597	741	1,095	873
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	**291**	**133**	**860**	**1,143**	**1,386**	**4,537**	**362**	**386**	**334**	**57**
Cash from Financing Activities										
+ Dividends Paid	3,353	12,053	6,794	9,945	10,651	12,250	10,352	12,527	12,481	13,632
+ Cash From (Repayment) Debt	156	39	88	140	20	2,721	24	22	31	160
+ Cash (Repurchase) of Equity	0	2	0	0	0	20,444	0	0	0	0
+ Other Financing Activities	75	0	1,813	678	271	5	0	0	0	7
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	**3,434**	**12,094**	**4,892**	**9,407**	**10,400**	**5,468**	**10,377**	**12,550**	**12,512**	**13,785**
Net Changes in Cash	**3,335**	**1,139**	**1,665**	**252**	**683**	**1,744**	**3,337**	**2,446**	**8,015**	**3,304**

Source: Bloomberg, MCS Research

Cash Flow : Quarter

In Billions of IDR	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Cash from Operating Activities										
+ Net Income	3,032	3,080	3,577	3,848	3,286	3,484	3,430	3,521	3,322	1,565
+ Depreciation & Amortization	218	222	247	265	283	422	298	371	328	312
+ Net Cash From Disc Ops	9,922	1,715	2,535	8,469	3,342	429	2,215	3,936	1,277	6,633
Cash from Operating Activities	**13,172**	**5,017**	**6,360**	**4,356**	**6,911**	**4,336**	**5,943**	**44**	**4,927**	**4,756**
Cash from Investing Activities										
+ Change in Fixed & Intang	201	186	244	216	381	228	150	200	164	253
+ Net Change in LT Investment	1	1	5	0	0	0	1,274	1,244	0	0
+ Net Cash From Acq & Div	0	0	0	90	0	0	0	0	0	0
+ Other Investing Activities	1,062	1,311	58	1,336	302	969	1,271	873	10,564	10,899
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	**860**	**1,126**	**190**	**1,461**	**79**	**740**	**147**	**572**	**10,727**	**10,646**
Cash from Financing Activities										
+ Dividends Paid	0	12,481	0	0	0	13,632	0	0	0	13,935
+ Cash From (Repayment) Debt	7	89	76	37	41	39	40	41	42	41
+ Cash (Repurchase) of Equity	0	0	0	0	0	0	0	0	0	0
+ Other Financing Activities	0	0	0	0	0	45	0	37	7	225
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	**7**	**12,392**	**76**	**37**	**41**	**13,627**	**40**	**78**	**50**	**13,751**
Net Changes in Cash	**14,025**	**6,249**	**6,094**	**5,854**	**6,792**	**8,550**	**5,757**	**694**	**5,850**	**7,861**

Source: Bloomberg, MCS Research

Valuation

HMSP IJ Equity | Export | Settings | Equity Relative Valuation

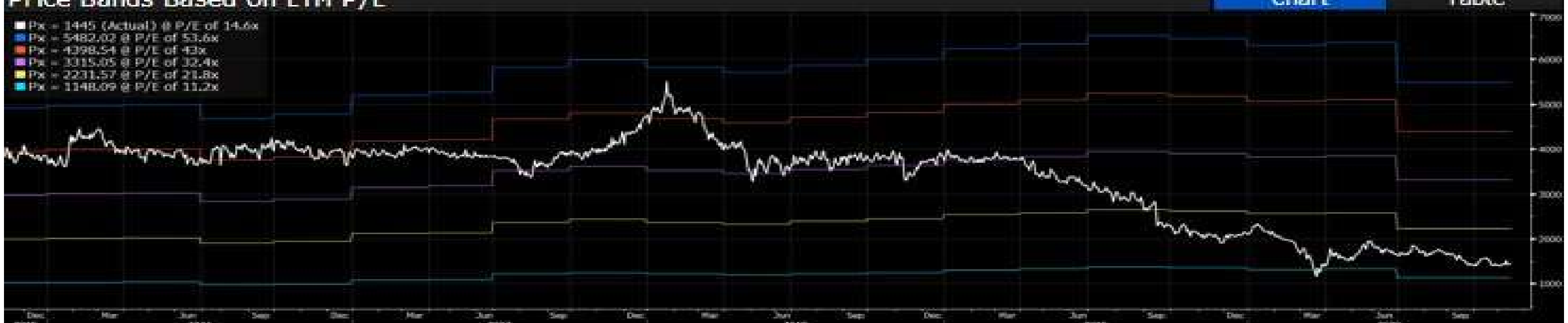
Comp Source BICS Best Fit (Algo) Region Global Mkt Cap > Curr IDR

vs Comps | Group Dynamics | vs Self | Price Bands

3M 6M 1Yr 2Yr 5Yr 10Yr

Metric	Current	5Yr Avg	Band (x)	Avg+x	Avg-x	Est (IDR)	5Yr Avg	Avg+x	Avg-x
	Valuation Metric Bands						12M Fwd Implied Price @		
Current Price							1,490.00	1,490.00	1,490.00
LTM P/E	14.6x	32.4x	10.6	43.0x	21.8x	99.36	3,222.39	4,275.59	2,169.19
LTM P/BV	6.5x	14.6x	10.0	24.6x	4.6x	329.77	4,816.19	8,113.92	1,518.47
LTM P/CF	28.6x	55.2x	110.6	165.8x	-55.4x	116.28	6,418.08	19,279	--
LTM P/S	1.7x	4.1x	1.3	5.4x	2.8x	885.52	3,640.43	4,791.61	2,489.25

Price Bands Based On LTM P/E | Chart | Table



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Source: Bloomberg

MEGACAPITAL Sekuritas

Valuation

PER	EPS	Value
32.4x	IDR 110	**IDR 3,560**

MEGACAPITAL

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