

PT. Sarana Menara Nusantara Tbk.

TOWR Succeeded in Acquiring

INVESTMENT THESIS

Digital and Internet users, active internet users in Indonesia there are 150 million people or about 56% of the total population of Indonesia. Of these, there are 142.8 million users who access via mobile devices.

TOWR succeeded in acquiring ISAT and EXCL towers, at the end of last year TOWR successfully acquired 1,000 ISAT towers and in February this TOWR again won the auction of 1,728 EXCL towers. With the addition of 2,728 towers, the number of TOWR towers grew by 20% to 20,924 towers.

FINANCIAL PROJECTION

Balanced Sheet. We project Total Assets in 2019 to grow 13% YoY to IDR 25.9 trillion and in 2020 increase to IDR 31.0 trillion. Total Liabilities in 2019 decreased by 11.9% YoY to IDR 13.1 trillion and in 2020 increased by 11.1% YoY to IDR 14.6 trillion. And Total Equity in 2019 grow 33.3% YoY to IDR10.7 trillion and IDR 13.3 trillion in 2020.

Profit loss. We project that total revenue in 2019 will grow 4.9% YoY to IDR 6.2 trillion and in 2020 it will increase to IDR 6.8 trillion or grow 10% YoY. Net Profit grow 38.4% YoY to IDR 3.04 trillion in 2019 and in 2020 it grow 8.7% YoY to IDR 3.31 trillion.

INVESTMENT RISK

Government Regulation Risk, The Company's business investments operate in a sector that is prone to changes in government regulations and policies such as new tax regulations and laws limiting investment in and ownership of companies in the tower sector.

Fluctuations in Interest Rates, equity prices and dividend distributions against the value of the assets in the portfolio companies owned by the Company. The failure of anticipating such risk may result in a decrease in the Company's share value.

VALUATION & RECOMMENDATION

By using the Relative Valuation Model, we set **12mo TOWR price target at IDR 1.050**, which implied PER'20E 16.0x. Comparing the closing price of TOWR on thursday (28/02) at the level of IDR 835, where there is still an upside potential of 26%, we recommend **Buy** for TOWR.

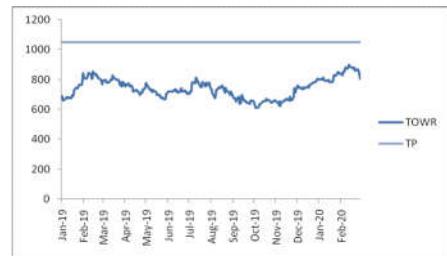
28 February 2020

Buy

Price (28/02)	IDR 835
Target Price	 IDR 1,050
Ticker (Bloomberg)	TOWR.IJ
IDX Sector	INFRASTUC

Edo Ardiansyah

edo.ardiansyah@megasekuritas.id



Company Description:

PT. Sarana Menara Nusantara Tbk was established in Kudus, Central Java in 2008. The sole focus of SMN was to invest in operating companies that specialize in owning and operating tower sites for lease to wireless communications companies.

Stock Data

52-week Range (IDR)	600 900
Mkt Cap (IDR bn)	41,576
JCI Weight	0,65%
Shares O/S (mn)	51,014
YTD Change	10%

Share Holders:

Sapta Adhikari Investama PT	50.5%
Public/Others (<5%)	48.5%
Treasury	1.0%

in bn IDR	FY14A	FY15A	FY16A	FY17A	FY18A	FY19E	FY20F	FY21F
Revenue (IDR bn)	4,106	4,470	5,053	5,338	5,868	6,154	6,767	7,147
COGS (IDR bn)	1,322	572	1,394	1,172	1,542	923	1,015	1,072
Gross Profit (bn IDR)	2,784	3,898	3,659	4,166	4,326	5,231	5,752	6,075
Operating Profit (bn IDR)	2,064	3,304	2,924	3,425	3,827	4,615	5,075	5,360
Net Income (bn IDR)	841	2,958	2,670	2,100	2,200	3,044	3,309	3,487
EPS (IDR)	16	58	52	41	43	60	65	69
Revenue Growth	28%	9%	13%	6%	10%	5%	10%	6%
EPS Growth	382%	254%	-10%	-21%	4%	40%	9%	5%
ROA	4.9%	13.8%	14.2%	11.2%	9.6%	9.8%	9.4%	8.5%
ROE	18.0%	38.5%	44.8%	29.6%	27.4%	28.4%	24.8%	21.7%
PE Ratio	50.6	23.6	20.7	19.4	16.0	13.4	16.0	15.5

I. BUSINESS MODEL

I.1. Company Overview

PT. Sarana Menara Nusantara, Tbk. (TOWR) is a telecommunications company, with the main focus of investing in companies that specialize in owning and operating tower locations, for leasing to wireless communication companies.

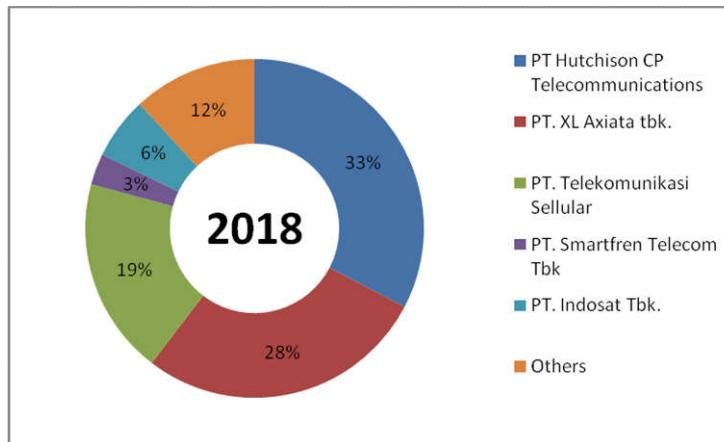
Since 2008 until now, TOWR's main investment has been 99.99% ownership of the outstanding shares of PT. Indonesian Telecommunications Professional (Protelindo). Most of the TOWR businesses are also run by Protelindo, so the TOWR function, in this case, is more as a holding company. However, the explanation contained in this report will be based on the consolidation of companies on a sum-of-parts basis.

One of the largest independent telecommunications companies and tower operators for wireless communication companies in Indonesia

At the end of 2018, Protelindo owned and operated approximately 17,437 tower sites. Protelindo's primary business is leasing space on its multi-tenant tower sites to major wireless operators in Indonesia pursuant to long term lease agreements. The place for rent consists of vertical space in the tower and also land space for each location.

The tower portfolio owned by TOWR is not limited to key locations in Sumatra, Java, Bali, Kalimantan and Sulawesi. Protelindo operates independently of wireless communication operators and has more than 28,319 tower tenants. However, the main tenants are from 4 large wireless communication companies in Indonesia, such as PT Telekomunikasi Selular ("Telkomsel"), PT XL Axiata Tbk ("XL Axiata"), PT Indosat Tbk ("Indosat"), and PT Hutchison 3 Indonesia ("H3I").

In 2018, Protelindo acquired 100% of the shares of KIN from PT Telekom Infranusa and PT Menara Telekomunikasi Indonesia. As a result, Protelindo added over 1,234 macro-cell towers, 182 micro-cell towers, 18 in building coverage towers and 21 BTS hotels in operation with more than 277 kilometers of fiber optic cable network and more than 250 PoP in 7 cities, including Medan, Surabaya, Makassar, Banda Aceh, Palembang, Batam and Ambon, to our portfolio.



Picture 1 . Main Tower Rental Partner

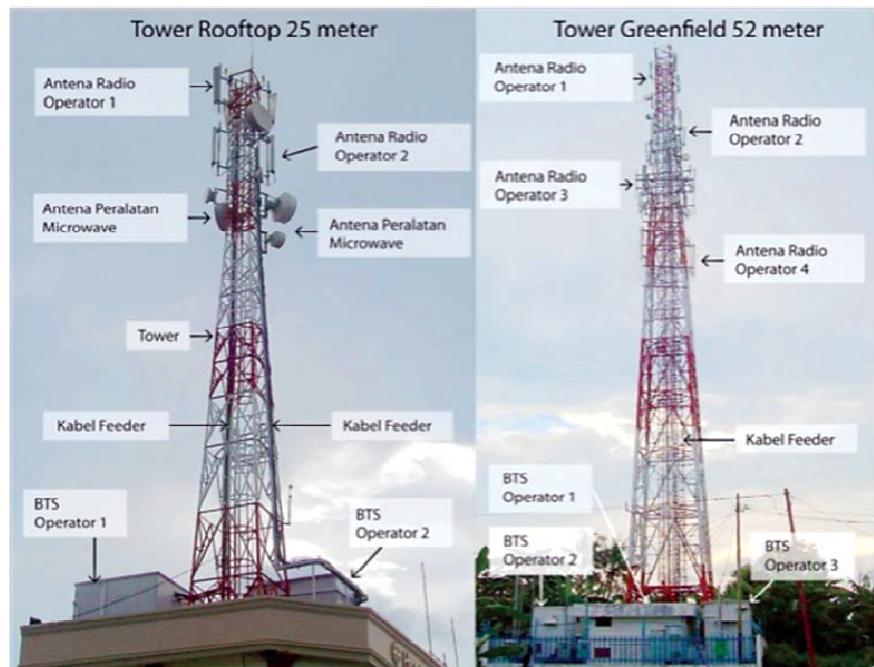
Source: Company

I.1.1. Kind of Towers

A telecommunications tower can be *self-supporting* or supported by *guy wires*. There are two types of self-supporting towers: *lattice* and *monopole*. Lattice towers usually tapered from the bottom up and usually have three or four feet. Monopole is a cylindrical structure that is usually used in places with limited land or to meet aesthetic considerations. In general, a telecommunication tower site consists of land on which towers and equipment shelters (as a place for various transmitting equipment, receivers, and switching equipment for wireless telecommunications operators).

There are two types of towers,: rooftop tower and greenfield tower

Rooftop towers or other buildings are more common in urban areas where there are many high-rise buildings and high density of communication lines and thus require several telecommunication tower sites. One of the advantages of towers on the roof is that in general spatial regulations permit antenna installation without a lengthy licensing and approval process. Besides, the construction of tower structures that have their foundations and free-standing land in urban areas is often not possible due to administrative limitations space, land availability and high land acquisition costs



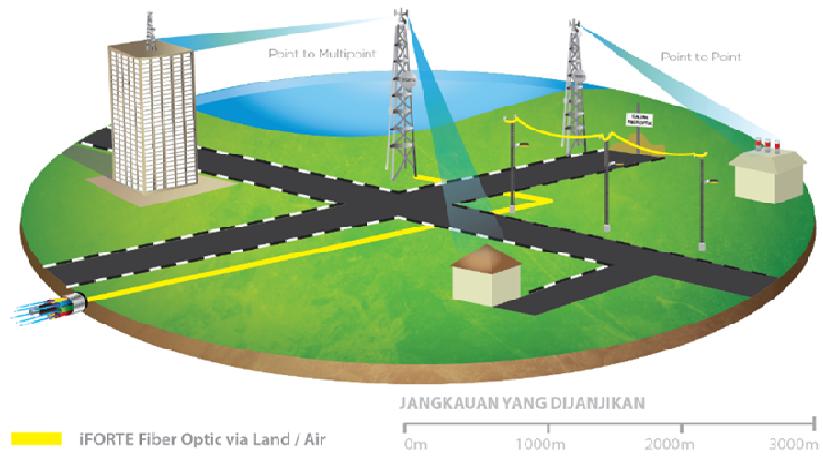
Picture 2. Tower Rooftop & Tower Greenfield

Source: Company

I.1.2. MWIFO

MWIFO, which stands for Metropolitan Wireless Fiber Optic business line geared to provide broadband and Virtual Private Network for diverse corporate and government organizations in Jakarta metropolitan area, using media Fiber Optic network, coupled with mesh broadband wireless (BWA) technology.

MWIFO (Metropolitan Wireless Fiber Optic)



Picture 3. Fiber Optic & SkyFiber

Source: iforte.id

L.1.3. VSAT

Very Small Aperture Terminal (VSAT) is iForte's first telco business has full VSAT coverage across Indonesia with more than 100 VSAT clients and more than 500 sites. Our target market is primarily in government, mining, group of company and plantation sectors. In 2008, iForte replaced its VSAT equipment with the latest state-of-the art technology that allows it to offer premium service with lower costs.

VSAT (Very Small Aperture Terminal)



Picture 4. VSAT Tower

Source: iforte.id

I.2. Business Prospect

In running its business, Protelindo leases space in its telecommunication tower sites to various wireless telecommunications operators. The space for rent consists, among other things, of the vertical tower area where customers can place antennas and microwave antennas and land areas at each location for shelters and cabinets as a place for active electronic and electrical devices. At present, Protelindo provides services to almost all wireless telecommunications operators in Indonesia.

Type of tower rental space

The location, height and load capacity at certain wind speeds of telecommunication tower sites determine the needs of wireless telecommunications operators and the number of antennas that can be accommodated by the tower. The height of the antenna in the tower and the location of the tower determine the horizontal line of sight of the antenna and ultimately affect the distance of the signal that can be emitted. Certain equipment used by wireless telecommunications operators also determines the height required in the tower.

Wireless telecommunications operators will generally lease space under the long-term lease agreements governed by the master lease agreement. The duration of the lease agreement usually ranges from 5-12 years for the first lease period and an extension clause with the same period that can be adjusted to the needs and interests of the wireless telecommunications operator. Tenants usually renew or extend their contracts due to the high difficulties and costs involved in moving antennas and BTS to new telecommunication tower sites.

L.2.1. Collocations Rentals

Demand for collocation rentals

Most of Protelindo's revenue depends on the demand for leasing space at its telecommunication tower sites from tenants other than the original tenants. These additional tenants are called "collocation" tenants. Protelindo actively markets its telecommunication tower sites to all wireless telecommunications operators to rent out available space to collocation tenants. The demand for space rentals from collocation tenants is influenced by several factors, including:

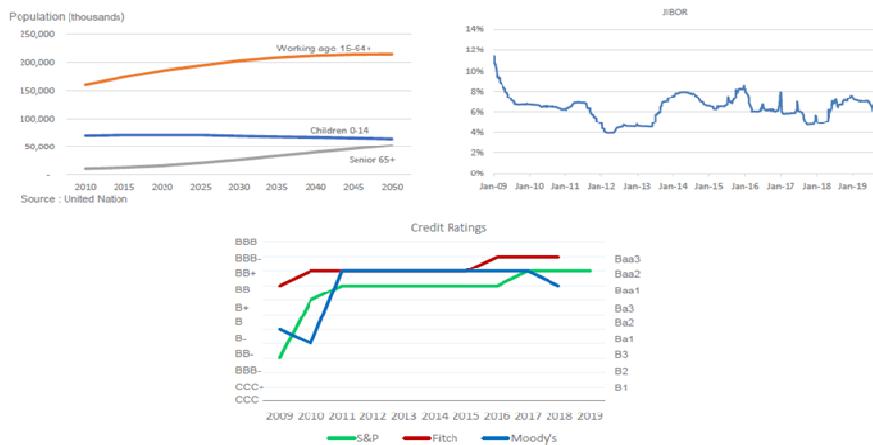
- Geographic network development from the wireless operator itself;
- Speed to market - collocation in towers owned by professional telecommunication tower sites service providers is much faster than building new towers
- Customer requests for wireless telecommunications services and network capacity requirements caused by this request
- Financial conditions of wireless telecommunications operators and their choice to own or lease space at telecommunication tower sites whereby collocation there will be less capital expenditure required by operators than building new telecommunication tower sites
- Central and local government regulations that limit the construction of new towers;
- Technology changes
- Wireless telecommunications operators share their towers with other wireless telecommunications operators

I.3. Intense Telecommunications Rivalry Creates Opportunity

The Communication Industry is still expected to experience growth

The Wireless Communication Industry in Indonesia, which is a major driver of the tower site telecommunications service industry, is still expected to experience growth which will ultimately lead to space demand at the telecommunication tower site for the addition of BTS and antenna equipment.

This is in line with the development of information technology in Indonesia increased rapidly from day to day and from year to year. It was developed by various factors ranging from increasing internet area, increasing internet bandwidth, using faster and more efficient internet and communication technology, developing smartphones, managing various social media and e-commerce, and increasing the number of people who understood and were active use the internet.



Source: Company

The population of active internet users reaches 56% of the total Indonesian population

From infographic, it can be seen that the total Indonesian population reached 268.2 million, while known to Mobile (smartphones and tablets) reached 355.5 million. This means that the circulation of smartphones and tablets is more than the total population in Indonesia. Can happen if one person has 2 or more gadgets, mutually replace the smartphone is normal.

Turning to Internet Users, there are 150 million active internet users, this means that 56% of the total population of Indonesia has used the internet. Similarly, social media, on average 50% of Indonesia's population actively uses social media.



Picture 5. Indonesia Digital 2019

Source: websindo.com

I.6. Revenue Streams

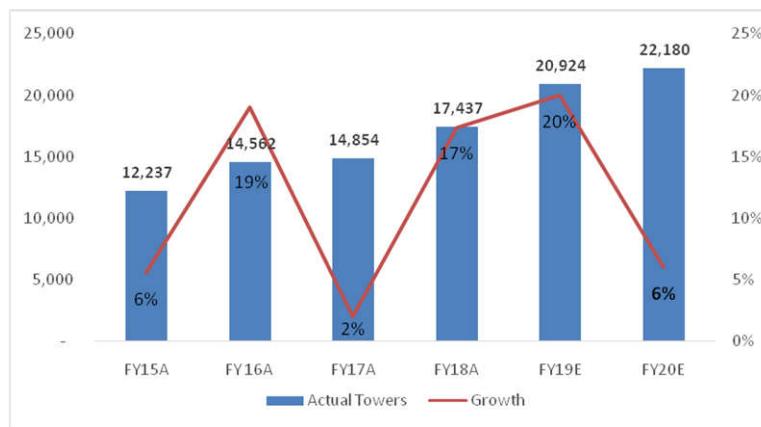
TOWR sales from tower rental services contribute to around 94% of the company's total revenue, followed by sales of Very Small Aperture Terminal (VSAT) rental 4% and Metropolitan Wireless Fiber Optic (MWIFO) rental of 2%.

I.6.1. Actual Towers

At the end of 2019, the company successfully acquired 1,000 ISAT towers, in February TOWR won the auction again for 1,728 EXCL towers. With the addition of 2,728 towers, the number of towers will be 20,924, growing 20% from the previous year of 17,437. We believe that by the end of 2020, the number of towers will continue to grow to around 22,180 towers or grow 6% YoY assuming the auctioned towers from ISAT and EXCL will be fully operational this year.

Actual Towers grow 20% YoY in 2019 and 6% YoY in 2020

Graph 1. Actual Towers



Source: Company, MCS Research



I.6.2. Site Leases

Tenancies to increase 11% YoY in 2019 and 5% YoY in 2020.

In 2018, the number of tenancies on our towers grew by 28,319 tenancies, or grow 13%. The increase in revenue was driven by the new tenancies and additional equipment leases as the major telecom operators are continuing to expand coverage ex-Java and increase their capacity in Java. In this case, we project in 4Q19, tenancies will continue to increase to around 31,300 tenancies, or equivalent to a hike of 11%. Meanwhile, in 2020 there will be about 32,865 tenancies or growth 5% YoY.

Graph 2. Site Leases

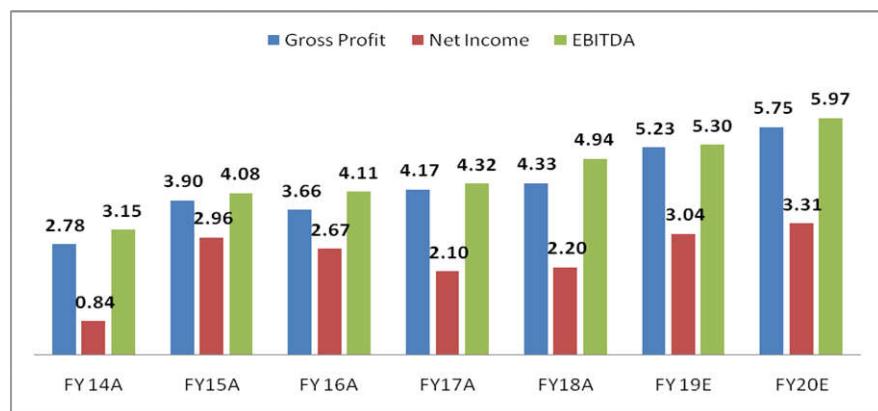


Source: Company, Bloomberg, MCS Research

I.7. Gross Profit Projection

We project the gross profit in 2019 to grow for 21% YoY to the level of IDR 5.23 trillion. However, we estimate a growth of gross profit in 2020, reaching the level of IDR 5.75 trillion or an increase of 10% YoY. Meanwhile, we project Net Income to grow 38% to the level of IDR 3.04 trillion in 2019 and continue to grow for another 9% YoY to IDR 3.31 trillion in 2020.

Material cost is significant.



Graph 3. Company's Profit Projection

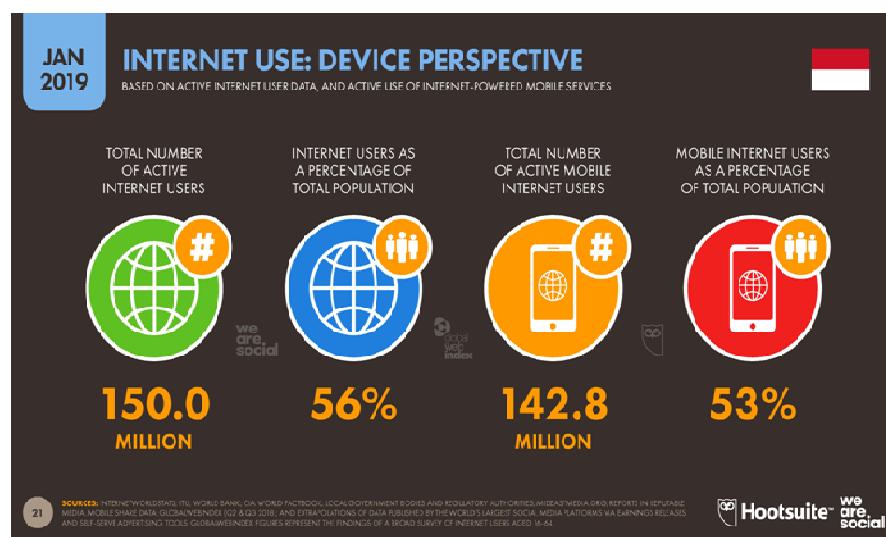
Source: Company, Bloomberg, MCS Research

II. INVESTMENT THESIS

II.1. Digital and Internet Users in Indonesia

Internet users and social media are much faster than population growth

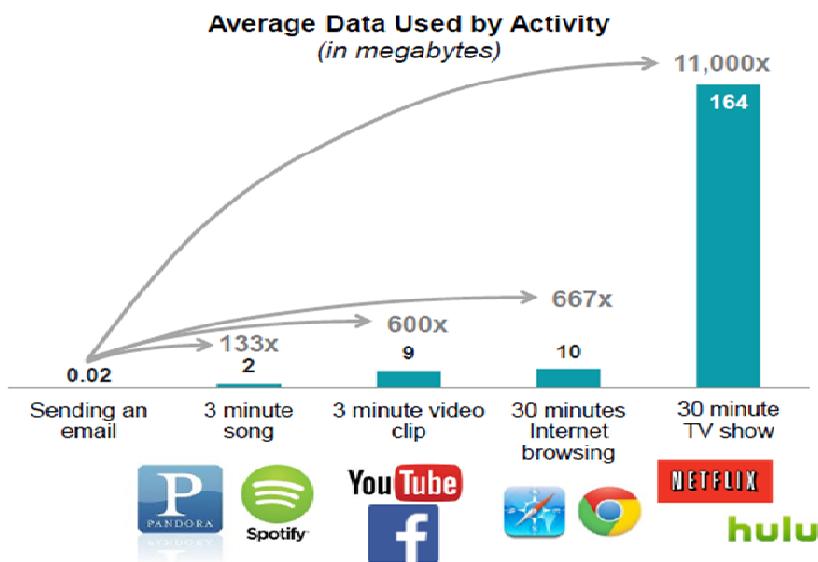
In the following infographic, we can see that there are 150 million active internet users in Indonesia or around 56% of the total population of Indonesia. Of these, there are 142.8 million users who access via mobile devices. The direction of the trend is internet access through Mobile Devices. Besides the trend of streaming is also increasingly popular in the community. If in the past it was only for streaming music, videos, and television, now it is also often used for streaming games.



Picture 6. Internet Use Device Perspective

Source: Websindo.com, MCS Research

Average Data Used by Activity



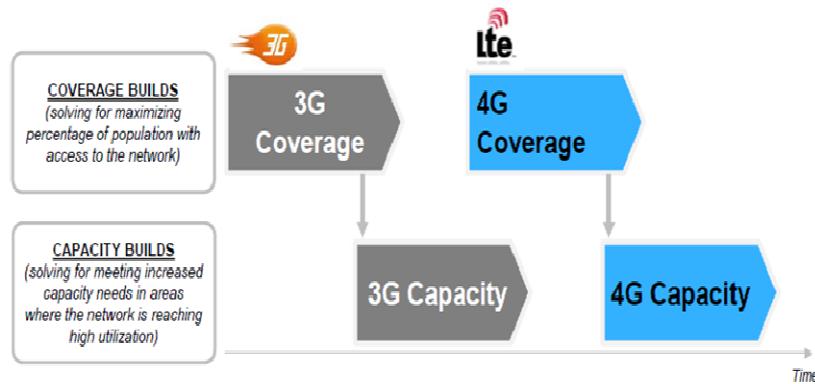
Picture 7. Average Data Used

Source: American Tower, MCS Research

II.2. Technology Cycles

Telco network rollouts should typically be aimed for 2 purposes: coverage and capacity. Depending on the data technology and the geography region, telcos are balancing their CAPEX between fitting coverage for 4G LTE while beefing up data networks as per consumer demand. Both should have a positive effect on Tower companies.

Historical network buildouts have consisted of 2 broad phases: Coverage and Capacity



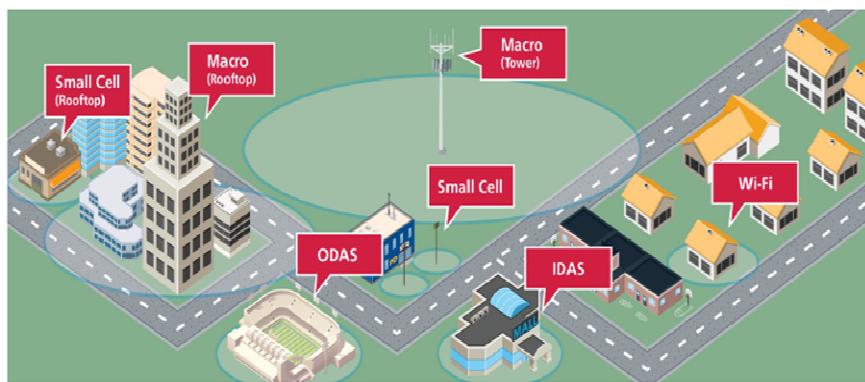
Picture 8. Technology Cycles

Source: American Tower, MCS Research

Mobile Networks Use Multiple Technology Heterogeneous Networks (HetNets)

II.3. From 2G to 4G/LTE requires use of more technologies

To support seamless data service in dense urban areas, network deployments have started to integrate multiple infra layers to form the Heterogeneous Networks (HetNets). Traditional macro cell towers have long height and provide blanket coverage, while underneath a combination of other structures are deployed to improve Telcos' network. Multiple solutions including DAS, Rooftop sites, small-cell/microsites, fiber, and wifi technologies can be combined to support heavy traffic and help infill network gaps. These solutions are effective due to their lighter tower infrastructure, and the ability to increase capacity in hotspot areas.



Picture 9. Mobile Networks multiple Technology

Source: American Tower, MCS Research

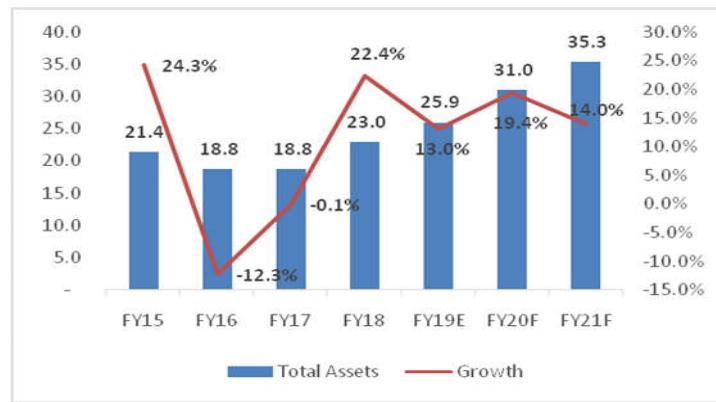
III. FINANCIAL PROJECTIONS

III.1. Balanced Sheet

Total Asset to grow CAGR 7.4% between 2015-2021.

We project Total Asset in 2019 to reach the level of IDR 25,9 trillion or to grow 13 % YoY. Meanwhile, we project Total Asset in 2020 to increase for around 19.4% to reach the level of IDR 31 trillion. Between 2015 and 2021, we expect Total Asset to grow CAGR 7.4%.

Graph 4. Total Assets

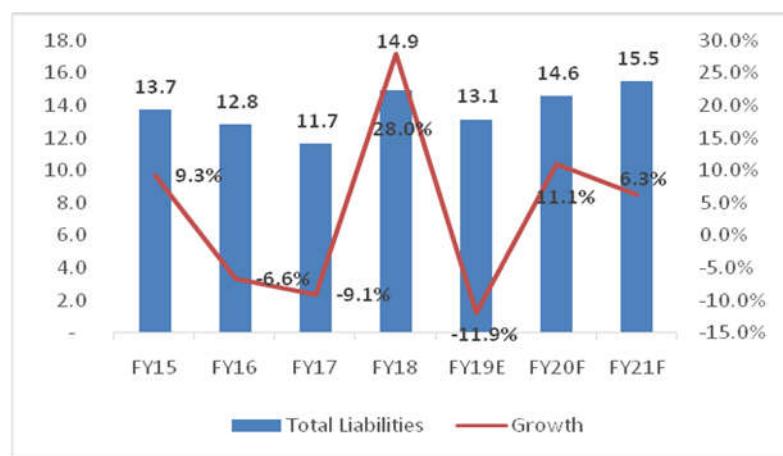


Source : Company, Bloomberg, MCS Research

Total Liabilities to grow CAGR 1.8% between 2015-2021.

We project Total Liabilities in 2019 to reach the level of IDR 13,1 trillion or to decrease 11.9% YoY. Meanwhile, for the year 2020, we project Total Liabilities to increase for 11.1% YoY to IDR 14.6 trillion. Between 2015 and 2021, we expect Total Liability to grow CAGR 1.8%.

Graph 5. Total Liabilities

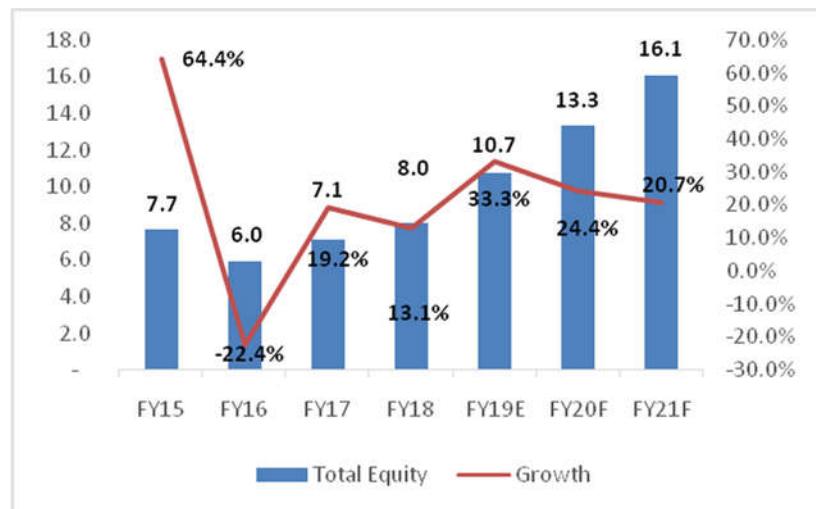


Source : Company, Bloomberg, MCS Research

We project Total Equity in 2019 to reach IDR 10.7 trillion or grow 33.3% YoY. Meanwhile, in 2020, we project Total Equity to increase for 24.4% YoY to IDR 13.3 trillion. Between 2015 and 2021, we expect Total Equity to grow CAGR 11.1%.

Graph 6. Total Equity

Total Equity to grow CAGR 11.1% between 2015-2021.



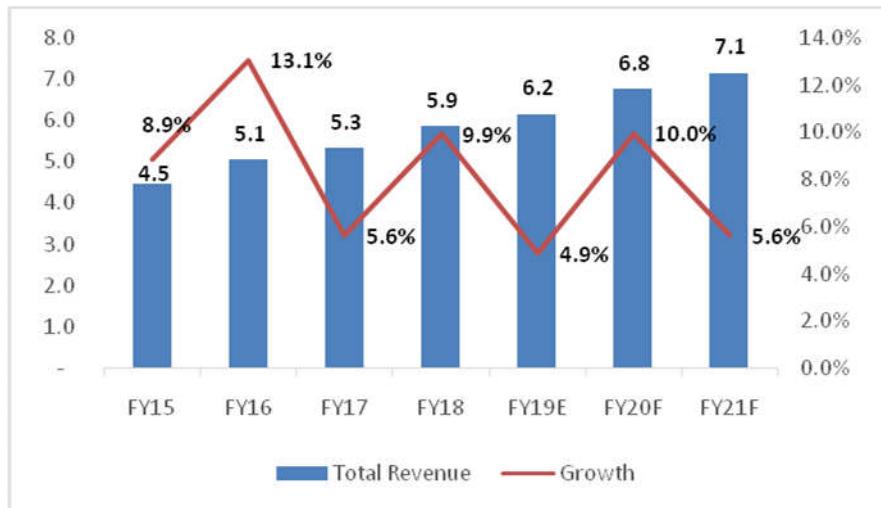
Source : Company, Bloomberg, MCS Research

III.2. Profit & Loss

We project Total Revenue in 2019 to reach the level of IDR 6.2 trillion or grow 4.9% YoY. Meanwhile, in 2020 we project Total Revenue to continue its growth by 10.0%, reaching the level of IDR 6.8 trillion. Between 2015 to 2021, we expect Total Revenue to grow CAGR 6.9%.

Revenue to grow CAGR 6.9% between 2015-2021.

Graph 7. Total Revenue

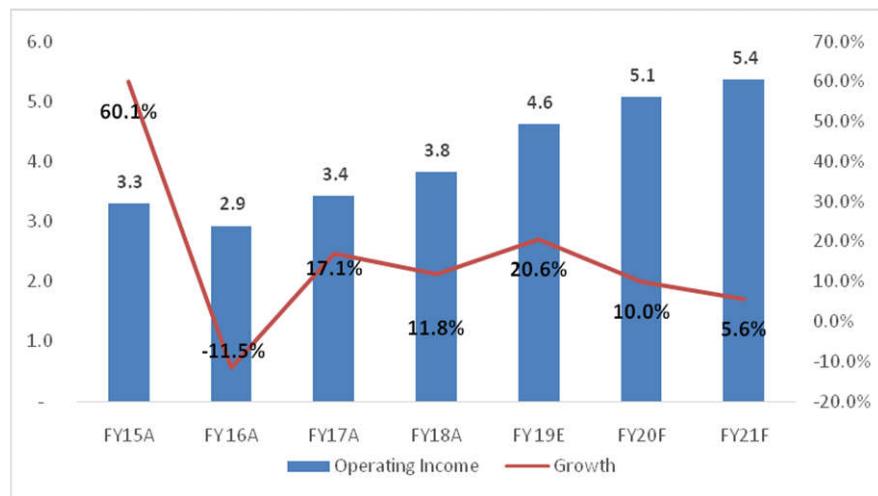


Source : Company, Bloomberg, MCS Research

We project Operating Income in 2019 to reach IDR 4,6 trillion or to increase 20.6% YoY. Meanwhile, for 2020, we project Operating Income to grow 10.0% YoY into IDR 5,1 trillion. Between 2015 and 2021, we expect Operating Income to rise CAGR 7.2%

Graph 8. Operating Income

Operating Income to grow CAGR 7.2% between 2015-2021.

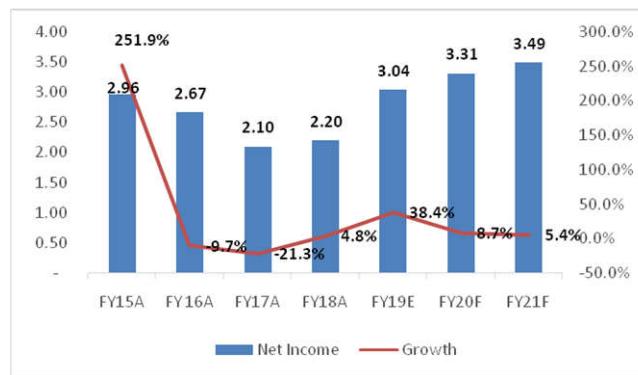


Source : Company, Bloomberg, MCS Research

We project Net Income in 2019 to reach IDR 3,04 trillion or to increase 38.4% YoY. Meanwhile, for 2020, we project Net Income to climb 8.7% YoY into IDR 3,31 trillion. Between 2015 and 2021, we expect Net Income to grow CAGR 2.4%

Graph 9. Net Income

Net Income to grow CAGR 2.4% between 2015-2021.



Source : Company, Bloomberg, MCS Research

IV. VALUATION & RECOMMENDATION

IV.1. Valuation

We use WACC and DCF method to assess the company target price

12mo target price IDR 1.050/share.

In IDR Bn	1	2	3	4	
	2019E	2020F	2021F	2022F	2023F
EBIT	4,615	5,075	5,360	5,601	5,713
Depreciation	1,980	2,228	2,478	2,739	3,005
Tax	(1,015)	(1,114)	(1,176)	(1,204)	(1,238)
Capex	(2,930)	(3,222)	(3,249)	(3,395)	(3,463)
Change in WC	2,201	(199)	(185)	40	(68)
FCF	4,852	2,768	3,228	3,782	3,950
Present Value	4,852	2,478	2,586	2,712	2,535
Terminal Value					48,570
Equity Value	56,402				
Debt	(7,710)				
Cash	4,802				
Enterprise Value	53,494				
Fair Value (In IDR)	1,050				

IV.2. Recommendation

Recommendation Buy

By comparing the closing price of the Company on thursday (28/02) at the level of IDR 835, we recommend **Buy** for TOWR shares, where there is still an **upside potential of 26%** if our 12mo target price at IDR **1.050** is reached.

Following is the classification of recommendations that we issue

Recommendation	Potential Return
Strong Buy	>40%
Buy	10% to 39%
Neutral	0% to 9%
Reduce	<0%
No Rating	No Coverage

V. INVESTMENT RISKS

- Political and social instability
- Indonesia is located in an earthquake zone and is subject to geological risks and natural disasters that could lead to economic loss
- Labor activism and labor unrest in our business or the business of our commercial partners may adversely affect our performance and financial condition
- Regional or global economic changes may materially and adversely affect the Indonesian economy and ultimately our business
- Downgrades of the credit ratings of Indonesia and Indonesian companies could materially and adversely affect our business and our ability to obtain financing.
- Government Regulation Risk, The Company's business investments operate in a sector that is prone to changes in government regulations and policies such as new tax regulations and laws limiting investment in and ownership of companies in the tower sector.
- Fluctuations in interest rates, equity prices and dividend distributions against the value of the assets in the portfolio companies owned by the Company. The failure of anticipating such risk may result in a decrease in the Company's share value.
- Foreign Exchange Rates Fluctuation Risk, The Company is exposed to fluctuations in foreign exchange rates, primarily in the exchange rate of the Indonesian Rupiah to the US Dollar. Protelindo has incurred US Dollar denominated debt while the majority of the Company's revenues are denominated in Indonesian Rupiah. In addition, the Company reports its financials in Indonesian Rupiah while it generates a significant amount of revenues in US Dollar.

VI. ABOUT THE COMPANY

VI.1. Brief History

Founded in 2008, Sarana Menara Nusantara went public in 2010 under the TOWR stock code

PT Sarana Menara Nusantara Tbk ("SMN" or the "Company") was established in Kudus, Central Java in 2008. The sole focus of SMN was to invest in operating companies that specialize in owning and operating tower sites for lease to wireless communications companies. Since 2008, SMN's main investment has been its ownership of 99.99% of the outstanding shares of PT Profesional Telekomunikasi Indonesia ("Protelindo"). As SMN's business activities are conducted primarily through Protelindo, the description of SMN's business will focus on the assets and operations of Protelindo. Any references to "our", "us", "we" or "the Group" refer to SMN and Protelindo and its subsidiaries on a consolidated basis.

VI.2. Profil Manajemen

Komisaris Utama	: Tonny Kusnadi
Komisaris	: Ario Wibisono
Komisaris Independen	: Kusmayanto Kadiman : Mirza Adityaswara
Direktur Utama	: Ferdinandus Aming Santoso
Wakil Direktur Utama	: Adam Gifari : Stephen Duffus Weiss
Direktur	: Kenny Harjo : Eko Santoso hadiprodjo : Indra Gunawan : Eugene Keith Gabraith

VI.3. Corporate Information

Nama Perusahaan <i>Company's Name</i>	PT SARANA MENARA NUSANTARA TBK
Bidang Usaha Line of Business	Investasi dan Jasa Penunjang Telekomunikasi <i>Investment and Telecommunications Supporting Services</i>
Alamat Perusahaan <i>Company's Address</i>	Kantor Pusat Head Office Jl. Jend. A. Yani No. 19A Kudus, Indonesia Telp : +62 291 431691 Fax : +62 291 431718
Hubungan investor <i>Investor Relations</i>	Kantor Cabang Branch Office Menara BCA, 55th Floor Jl. M.H. Thamrin No. 1 Jakarta 10310 Telp : +62 21 23585500 Fax : +62 21 23586446 Email : investor.relations@ptsmn.co.id Website : www.ptsmn.co.id

Appendix 1-Balanced Sheet Statement
(In Billion of IDR except Per Share)

Balance sheet	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Total Current Assets	2,647	3,533	3,595	3,050	2,275	5,931	7,247	10,269
+ Cash & Near Cash Items	2,010	2,987	2,905	2,348	963	4,802	5,892	8,838
+ Short Term Investments	-	-	-	-	-	-	-	-
+ Accounts & Notes Receivable	572	471	352	624	821	614	789	833
+ Inventories	-	11	-	-	-	-	-	-
+ Other Current Assets	65	65	338	77	491	331	515	566
Total Long-Term Assets	14,589	17,883	15,192	15,714	20,684	25,048	28,058	30,902
+ Long Term Investments	-	14,683	-	-	-	-	-	-
Gross Fixed Assets	12,469	309	16,124	16,865	20,912	25,740	28,962	32,211
Accumulated Depreciation	78	152	3,854	4,265	4,932	5,615	6,318	7,026
+ Net Fixed Assets	12,392	157	12,269	12,601	15,980	20,125	22,644	25,184
+ Other Long Term Assets	2,197	3,043	2,923	3,113	4,704	4,923	5,413	5,717
Total Asset	17,235	21,417	18,787	18,763	22,960	30,979	35,304	41,171
Total Current Liabilities	2,039	1,978	3,303	2,230	4,752	2,367	2,792	3,053
+ Accounts Payable	472	217	189	276	697	200	275	306
+ Short Term Borrowings	203	446	517	634	2,391	533	721	850
+ Other Short Term Liabilities	1,365	1,315	2,597	1,320	1,664	1,634	1,796	1,897
Total Long Term Liabilities	10,527	11,761	9,524	9,431	10,175	10,781	11,810	12,463
+ Long Term Borrowings	9,151	9,456	8,403	8,365	9,093	9,538	10,488	11,078
+ Other Long Term Borrowings	1,365	1,315	2,597	1,320	1,664	1,634	1,796	1,897
Total Liabilities	12,566	13,738	12,827	11,662	14,926	13,148	14,602	15,516
+ Long Preferred Equity	-	-	-	-	-	-	-	-
+ Minority Interest	(8)	(2)	0	0	0	0	0	0
+ Share Capital & APIC	531	531	531	531	531	531	531	531
+ Retained Earnings & Other Equity	4,147	7,149	5,429	6,571	7,503	10,180	12,794	15,549
Total Shareholders Equity	4,669	7,679	5,960	7,102	8,033	10,711	13,325	16,080
Total Liabilities & Equity	17,235	21,417	18,787	18,763	22,960	23,859	27,927	31,596
Book Value Per Share	0	0	0	0	0	0	0	0

Appendix 2-Profit & Loss Statement
(In Billion of IDR except Per Share)

Income Statement	FY14	FY15	FY16	FY17	FY18	FY19E	FY20F	FY21F
Revenue	4,106	4,470	5,053	5,338	5,868	6,154	6,767	7,147
- Cost of Goods Sold	1,135	1,322	572	1,394	1,172	1,542	923	1,015
Gross Profit	2,062	2,784	3,898	3,659	4,166	4,326	5,231	5,752
- Operating Expenses	339	720	594	735	741	499	615	677
Operating Income	1,724	2,064	3,304	2,924	3,425	3,827	4,615	5,075
- Interest Expense	519	848	503	591	607	784	854	972
- Foreign Exchange Losses (Gains)	-	5	-	(187)	2	37	-	-
- Net Non-Operating Losses (Gains)	977	0	(1,157)	22	12	54	(297)	(320)
Pretax Income	228	1,211	3,958	2,498	2,803	2,952	4,059	4,423
- Income Tax Expense	63	371	993	733	703	752	1,015	1,114
Income Before XO Items	165	839	2,965	1,765	2,100	2,200	3,044	3,309
- Extraordinary Loss Net of Tax	-	-	-	(373)	-	-	-	-
- Minority Interests	(4)	(1)	6	3	0	0	0	0
Net Income Adjusted	169	841	2,958	2,670	2,100	2,200	3,044	3,309
EPS Adjusted	0							
EBITDA	2,651	3,148	4,083	4,109	4,319	4,942	5,298	5,973

Appendix 3-Financial Ratio

Ratio	FY14	FY15	FY16	FY17	FY18	FY19E	FY20F	FY21F
Liquidity Ratio & Solvency								
Current Ratio	1.30	1.79	1.09	1.37	0.48	2.51	2.60	3.36
Cash Ratio	0.99	1.51	0.88	1.05	0.20	2.03	2.11	2.89
Total Debt/Equity	2.00	1.29	1.50	1.27	1.43	0.94	0.84	0.74
Total Debt/Total Assets	0.67	0.56	0.60	0.56	0.59	0.48	0.46	0.43
Interest Coverage Ratio (EBIT/I)	2.43	6.56	4.95	5.64	4.88	5.41	5.22	5.31
Profitabilitas								
GPM	0.68	0.87	0.72	0.78	0.74	0.85	0.85	0.85
OPM	0.50	0.74	0.58	0.64	0.65	0.75	0.75	0.75
NPM	0.20	0.66	0.53	0.39	0.37	0.49	0.49	0.49
ROA	0.05	0.14	0.14	0.11	0.10	0.10	0.09	0.08
ROE	0.18	0.39	0.45	0.30	0.27	0.28	0.25	0.22
Growth								
Revenue Growth (%)	28%	9%	13%	6%	10%	5%	10%	6%
Operating Income Growth (%)	20%	60%	-12%	17%	12%	21%	10%	6%
Profit Before Income Tax Growth (%)	35%	40%	-6%	14%	4%	21%	10%	6%
Net Income Growth (%)	399%	252%	-10%	-21%	5%	38%	9%	5%

Research Division

Danny Eugene	Mining, Finance, Infrastructure	danny.eugene@megasekuritas.id	+62 21 7917 5599	62431
Helen	Consumer Discretionary, Consumer Staples, Health Care	helen.vincentia@megasekuritas.id	+62 21 7917 5599	62425
Edo Ardiansyah	Property, Trade, Basic Industry	edo.ardiansyah@megasekuritas.id	+62 21 7917 5599	62425
Fadillah Qudsi	Technical Analyst	fadillah.qudsi@megasekuritas.id	+62 21 7917 5599	62035

Retail Equity Sales Division

Carsum Kusmady	Head of Sales, Trading & Dealing	carsum.kusmady@megasekuritas.id	+62 21 7917 5599	62038
Andri Sumarno	Retail Equity Sales	andri@megasekuritas.id	+62 21 7917 5599	62045
Andrie Zainal Zen	Retail Equity Sales	andrie.zainal@megasekuritas.id	+62 21 7917 5599	62048
Brema Setyawan	Retail Equity Sales	brema.setyawan@megasekuritas.id	+62 21 7917 5599	62126
Dewi Suryani	Retail Equity Sales	dewi.suryani@megasekuritas.id	+62 21 7917 5599	62441
Ety Sulistyowati	Retail Equity Sales	ety.sulistyowati@megasekuritas.id	+62 21 7917 5599	62408
Fadel Muhammad Iqbal	Retail Equity Sales	fadel@megasekuritas.id	+62 21 7917 5599	62164
Syaifathir Muhamad	Retail Equity Sales	fathir@megasekuritas.id	+62 21 7917 5599	62179

Corporate Equity Division

Ratna Wijayanti	Corporate Equity Sales	ratna.wijayanti@megasekuritas.id	+62 21 7917 5599	62055
Widianita	Marketing Equity Corporate	widianita@megasekuritas.id	+62 21 7917 5599	62439

OLT Brokerage Dept

Yefri Indra	Head of OLT Brokerage	olt@megasekuritas.id	+62 21 7917 5599	62168
-------------	-----------------------	----------------------	------------------	-------

Fixed Income Sales & Trading

Tel. +62 7917 5559-62 Fax. +62 21 7917 5965

Investment Banking

Tel. +62 21 7917 5599 Fax. +62 21 7919 3900

Kantor Pusat

Menara Bank Mega Lt. 2
 Jl. Kapt P. Tendean, Kav 12-14 A
 Jakarta Selatan 12790

Pondok Indah

Plaza 5 Pondok Indah Blok D No. 15 Lt. 2
 Jl. Margaguna Raya Pondok Indah
 Jakarta Selatan

Kelapa Gading

Ruko Gading Bukit Indah Lt.2
 Jl. Bukit Gading Raya Blok A No. 26, Kelapa Gading
 Jakarta Utara - 14240

DISCLAIMER

This Document is for information only and for the use of the recipient. It is not to be reproduced or copied or made available to others. Under no circumstances is it to be considered as an offer to sell or solicitation to buy any security. Any recommendation contained in this report may not be suitable for all investors and strictly a personal view and should not be used as a sole judgment for investment. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights reserved by PT Mega Capital Sekuritas.