

## Indonesia consumer Putting needs over wants

We conducted a survey in order to gain a deeper understanding of the current state of society's purchasing power and willingness to spend. We are pleased to present our findings as follows:

### #1 The lower segment is more likely to rely on govt programs

Nearly half of respondents (46%) from the lower segment reported a decrease in their income in the past 6 months, but a majority of the respondents still expect to maintain their spending or even spend more in the next 2-3 months. They are prioritizing health-related expenses (medication, doctor visits, treatment, etc.) as their main priority over other discretionary categories. This implies that those in the lower SES group are more likely to rely on govt programs (e.g. social assistance) and have less disposable income to spend on non-essential items.

### #2 Savings is no 1 priority, yet pent-up demand in the upper and middle segments seems to be intact

~75% of respondents in the upper and middle segments had a stable or increasing income, but people in the upper segment are likely to spend more (48% of respondents) in the next 2-3 months – the highest amongst the middle (41%) and lower segment (31%). The majority of the upper and middle SES groups prioritize saving money, but they also intend to spend more on clothing and skincare products. This may indicate that pent-up demand among the groups is still intact. Despite the recent lifting of mobility restrictions in Indonesia, many people in the upper and middle segments choose to cut spending on entertainment (e.g. going out to restaurants, concerts, and movies).

### #3 Younger groups prioritize spending on personal appearance items, older groups choose education

The overall income trend across different age groups is relatively similar, but the adults (26-35 years old) and older adults (36-50 years old) are more likely to spend more. On the other hand, nearly a third of young adults (20-25 years old) are more cautious and prioritize saving money. In terms of spending priorities, the younger groups prefer spending on personal appearance items (clothes and skincare), while the older group is putting education as its main priority. Young adults and older adults plan to cut spending on cigarettes, while adults may cut spending on entertainment.

### #4 Downtrading is still prevalent across SES and age groups

75% of respondents plan to switch brands from the ones they normally use, suggesting that consumers are not necessarily loyal to a specific brand and are looking for options. When it comes to buying decisions, most respondents are placing price/affordability first (54% of respondents), ahead of quality (38%), and convenience (27%). This suggests that cost is a significant factor in consumers' decision-making. This trend is similar across socioeconomic and age groups, which may indicate that downtrading is still prevalent in society even after the pandemic situation has improved.

### Prefer staples to discretionary

We remain cautious on domestic purchasing power due to current economic challenges and the potential impact on consumer spending. Hence, we prefer defensive options at the moment and maintain **OVERWEIGHT on consumer staples**, as we believe that staples companies would post robust earnings growth driven by margin expansion (rather than sales growth) from normalizing input costs. On the other hand, we would like to **downgrade our call on retailers from OVERWEIGHT to NEUTRAL**, as we think that people are being more cautious with their discretionary spending and prioritize saving money. However, we still recommend selective stocks in retailers, particularly those who target the middle to upper segments and have high exposure to fashion and lifestyle items. Our top picks are **MYOR, ICBP, and MAPI**.

## Sector Update

### Consumer

25 January 2023

Company	Rating	TP (IDR)
ACES	HOLD	400
ERAA	HOLD	420
ICBP	BUY	12,250
INDF	HOLD	7,500
MAPI	BUY	1,800
MYOR	BUY	3,000
UNVR	SELL	4,400

### IDXCNCYC Index



Source: Bloomberg

### IDXCYC Index



Source: Bloomberg

Elvira Natalia

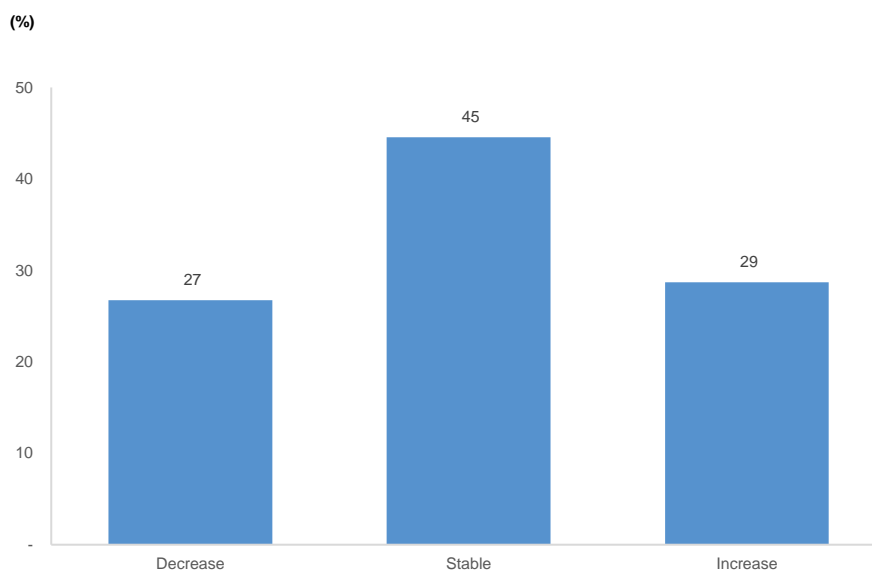
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We conducted a survey among 200 respondents in order to gain a deeper understanding of the current state of society’s purchasing power and willingness to spend. The respondents were selected from various cities in Indonesia and represented a wide range of socioeconomic statuses and generations. Below are the results of the survey collected in Jan2023.

**Current income condition**

The global economic turmoil has hit many industries hard; labor-intensive and export-oriented sectors (e.g., textiles, footwear, furniture, etc.) saw a sharp decline in overseas demand, while local giant tech companies were also facing the global “tech winter” trend. All of this has forced companies to make efficiencies. The Indonesian Employers Association (APINDO) reported that over a million Indonesian workers (~1% of workforce) lost their jobs in 2022. This may result in a reduction or complete loss of household income, which can hurt society’s purchasing power to some extent. To help us understand how people’s financial situations are affected by these factors, we asked our respondents if there had been any changes in their monthly income over the past 6 months.

**Fig 1. Changes in monthly income in the past 6 months**

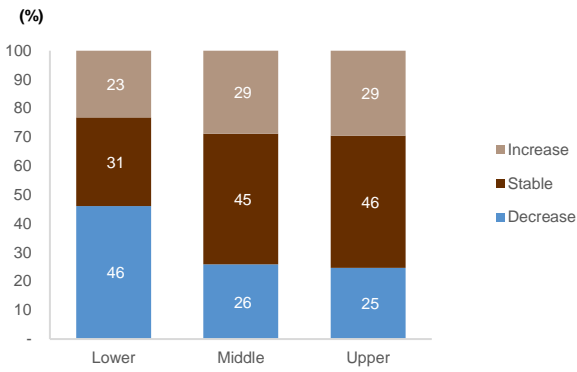


Source: KISI

Based on our survey, it appears that the majority of respondents, 45%, reported that their income had remained stable over the past 6 months. This is followed by 29% of respondents reporting an increase in their income, while the rest 26% reported a decline in income. This indicates that the majority of respondents have been able to maintain stable income or even see an increase during this time of economic uncertainty.

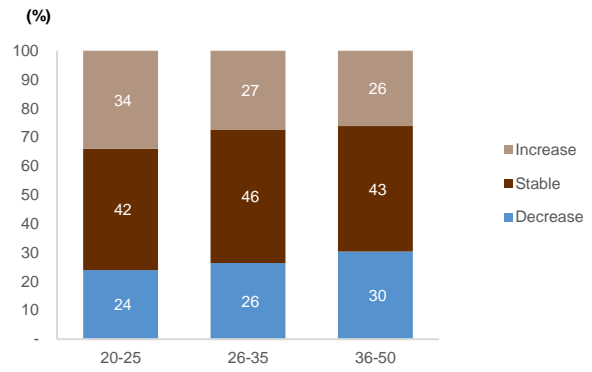
However, we found divergence when we looked at the data by socioeconomic status (SES). Most people in the middle and upper SES (75%) had stable or increasing income, but almost half of those in the lower SES (46%) had a decrease in income. This confirms that **the middle and upper segments tend to have more resilient incomes than the lower segment**. Additionally, this data can also highlight the importance of government policies and programs (e.g. social assistance) to support people in the lower-income segment.

Fig 2. Current income condition by SES



Source: KISI

Fig 3. Current income condition by age groups



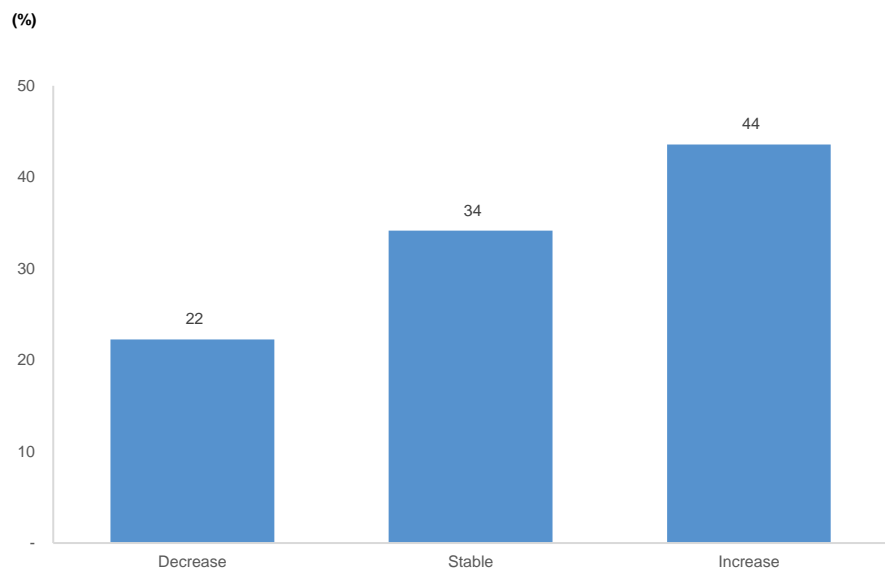
Source: KISI

If we divide the results based on age groups, a higher percentage of young adults aged 20-25 have seen a rise in income compared to the older groups, which is potentially due to their recent entry into the workforce. However, **the overall trend is relatively similar across age groups**: ~70% of respondents had a stable or increasing income, while the rest ~30% saw a decline in income. This suggests that current economic conditions affect people of all ages similarly.

**What are the implications for consumer spending?**

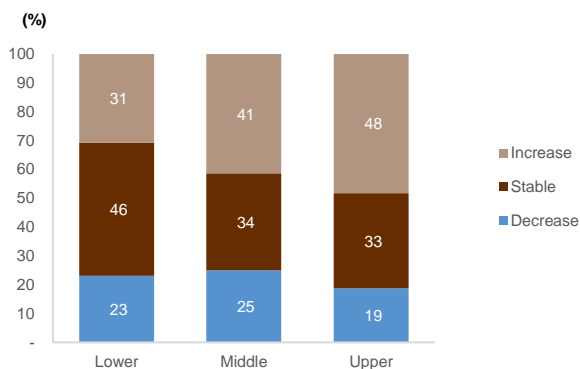
In light of current economic challenges such as rising inflation, fears of a potential recession, and the possibility of lower household income, we asked our respondents if there would be any changes in their monthly spending expectations in the next 2-3 months. Through this question, we aim to get insights into how individuals or households are responding to economic uncertainties.

Fig 4. Changes in monthly spending expectations in the next 2-3 months



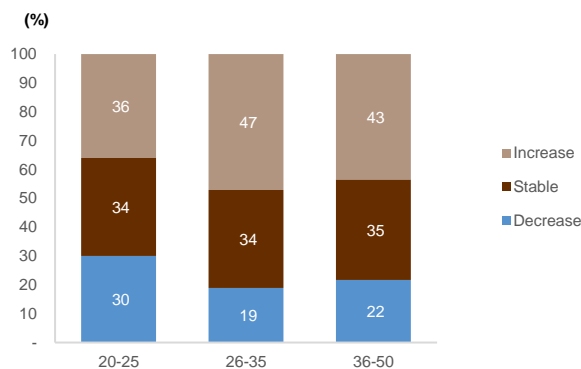
Source: KISI

**Fig 5. Spending expectations by SES**



Source: KISI

**Fig 6. Spending expectations by age groups**



Source: KISI

In the current situation, many people still plan to either increase spending in the next 2-3 months (44% of respondents) or maintain it at a similar level (34%). People in the upper segment are more likely to spend more (48%) – the highest amongst the middle (41%) and lower segments (31%). **Interestingly, despite nearly half of the respondents in the lower SES group having lower income, many respondents still expect to maintain their spending or even spend more.** This could be due to a variety of factors, such as a reluctance to cut back on necessities.

When we looked at the data by age groups, we found that more than 40% of the adults (26-35 years old) and older adults (36-50 years old) expect to spend more in the next 2-3 months, while 30% of the young adults (20-25 years old) plan to spend less. This may suggest that older adults are more optimistic about their financial situation and more likely to spend more, while young adults are more cautious and looking to cut their spending.

**Net spending intention**

For respondents who said they would increase or decrease their spending in the next 2-3 months, we asked them to specify which categories they would like to spend more or less on. Understanding spending priorities or concerns is essential for identifying potential areas of growth or decline in various industries.

**Net spending intention – by socioeconomic status**

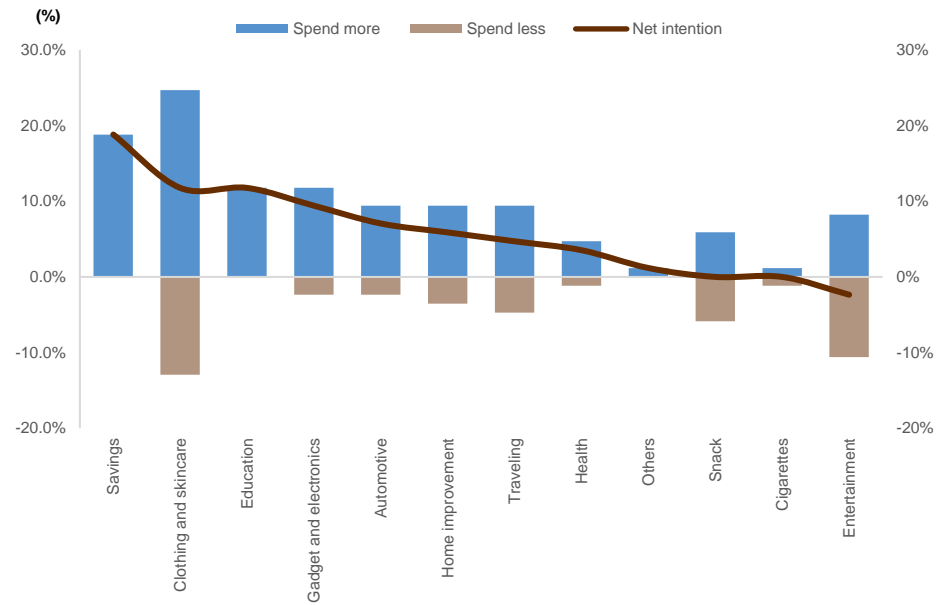
In the next 2-3 months, the majority of the upper and middle SES groups intend to increase savings while also spending more on clothing (clothes, shoes, bags, etc) and skincare products. Furthermore, the upper segment intends to spend more on education, and the middle segment plans to increase spending on snacks. Despite the recent lifting of mobility restrictions in Indonesia, many people in the upper and middle segments choose to cut spending on entertainment such as dining out, attending concerts, and going to movies. Additionally, a portion of the middle class also plans to reduce budget for traveling.

This may indicate that:

- (1) In times of economic uncertainty, some respondents choose to save more money to prepare for potential financial challenges
- (2) Pent-up demand for clothing and skincare among the upper and middle SES groups is still intact
- (3) With school reopening, education and snacks have become one of the top priorities for some respondents
- (4) Spending on entertainment and traveling is not much influenced by the lifting of mobility restrictions

In sharp contrast, health-related expenses (medication, doctor visits, treatment, etc.), are the main priority for those in the lower SES group, while they choose to cut budget in the other discretionary categories. **This implies that the lower segment has less disposable income to spend on non-essential items.**

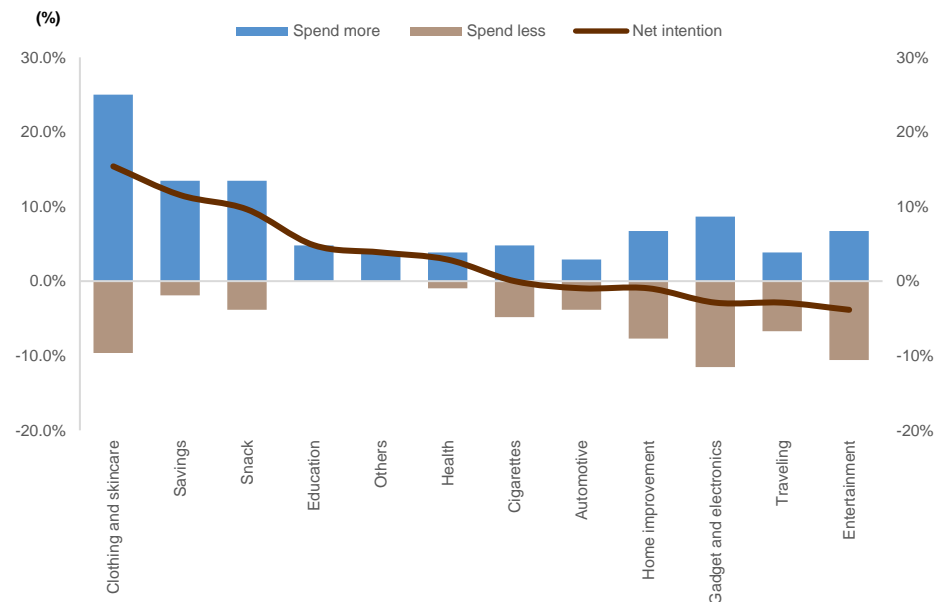
**Fig 7. Net spending intention – upper segment**



\*Respondents can select up to 3 answers

Source: KISI

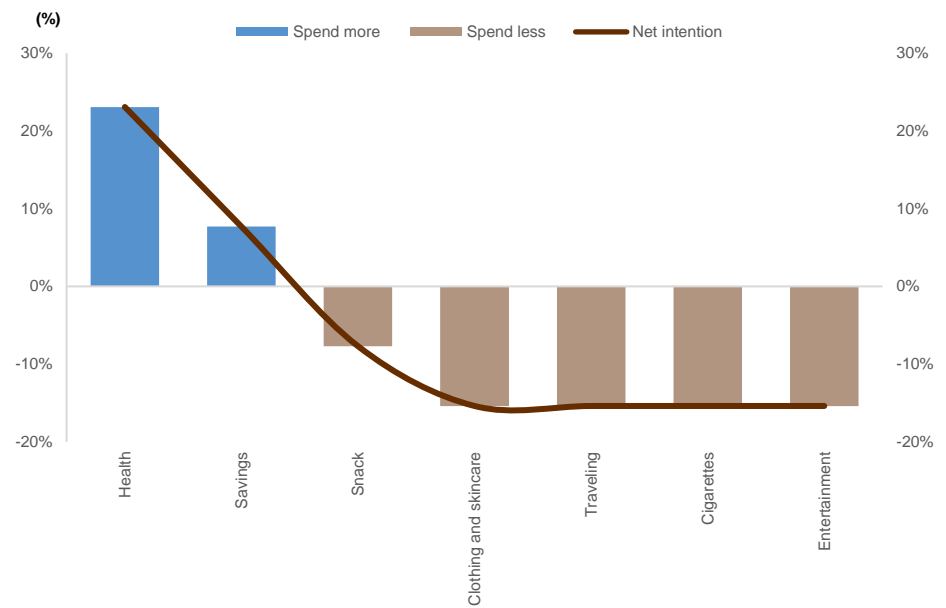
**Fig 8. Net spending intention – middle segment**



\*Respondents can select up to 3 answers

Source: KISI

**Fig 9. Net spending intention – lower segment**



\*Respondents can select up to 3 answers

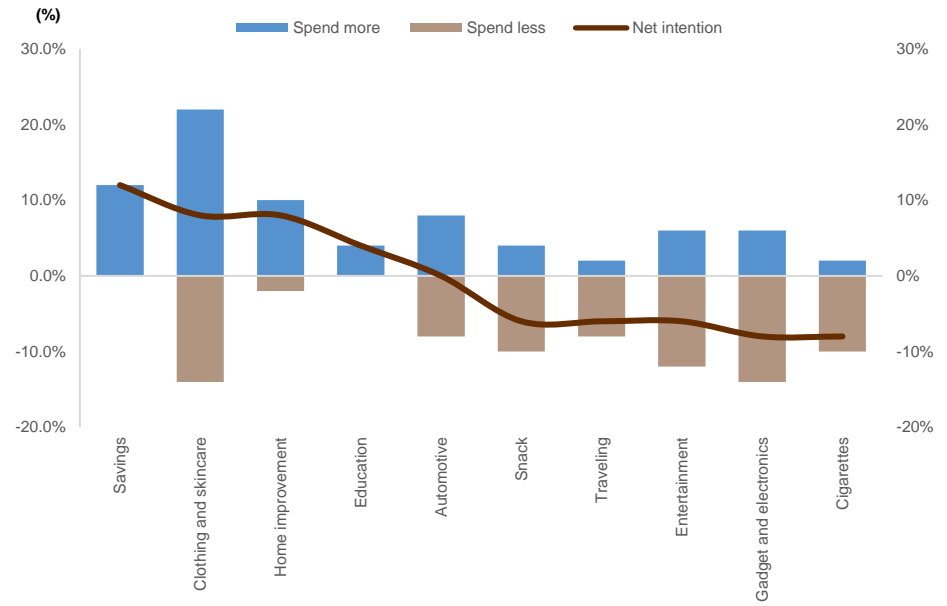
Source: KISI

**Net spending intention – by age groups**

In general, spending priorities among different age groups may vary due to their unique financial circumstances. Our survey data shows that those in the 20-25 (young adults) and 26-35 (adults) age groups have similar top priorities when they have extra money: **saving more and buying clothes and skincare**. This may suggest that younger people are still prioritizing personal appearance, even during times of economic uncertainty. On the other hand, young adults are more likely to choose to cut spending on cigarettes and gadgets in the next 2-3 months, while adults prefer to cut spending on entertainment and traveling.

Meanwhile, those who are in their late 30s to 50s tend to have more financial responsibilities, such as paying for their children’s education. Hence, most respondents intend to spend more on education. They also want to increase spending on gadgets, while cutting back on cigarettes and home improvement expenditures.

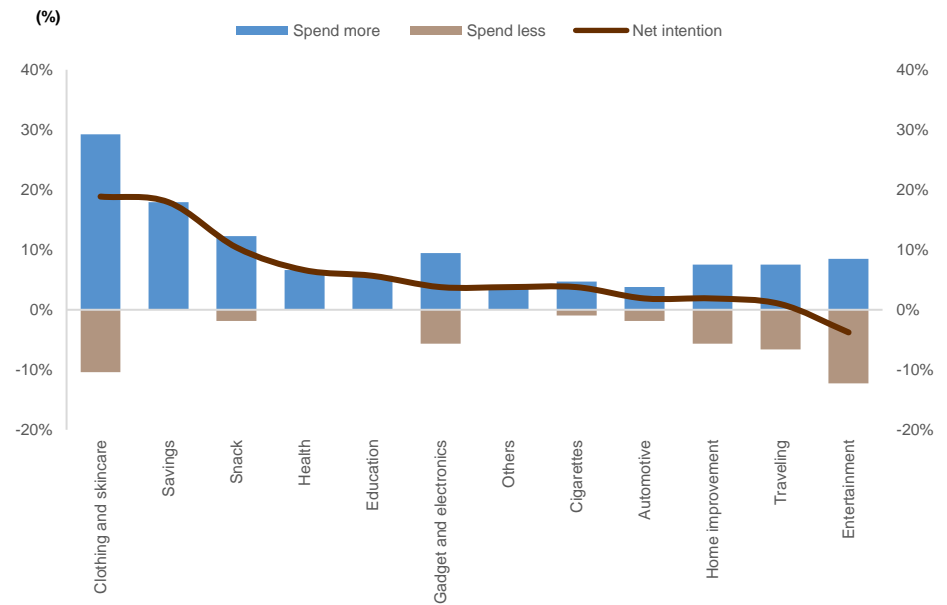
**Fig 10. Net spending intention – 20-25 years old**



\*Respondents can select up to 3 answers

Source: KISI

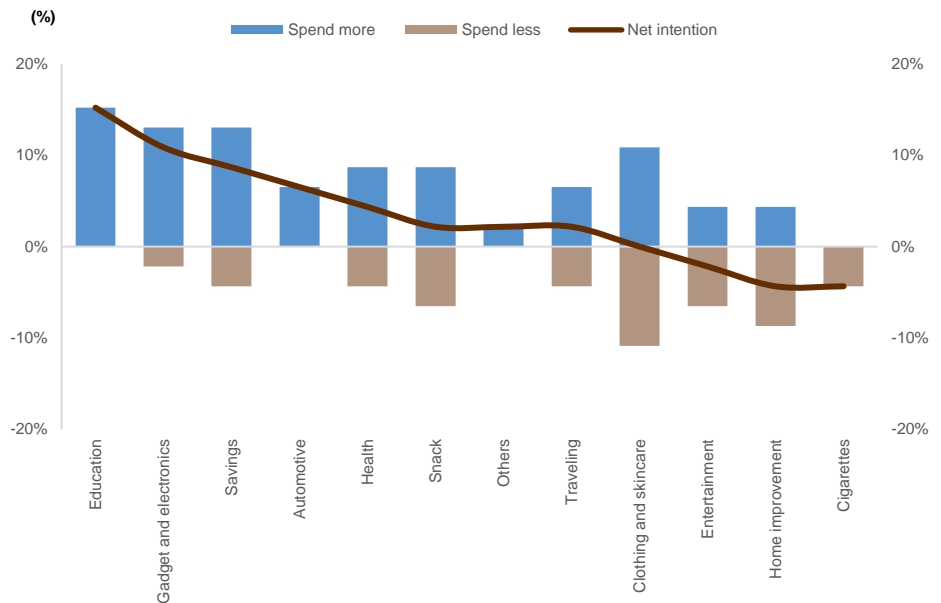
**Fig 11. Net spending intention – 26-35 years old**



\*Respondents can select up to 3 answers

Source: KISI

**Fig 12. Net spending intention – 36-50 years old**



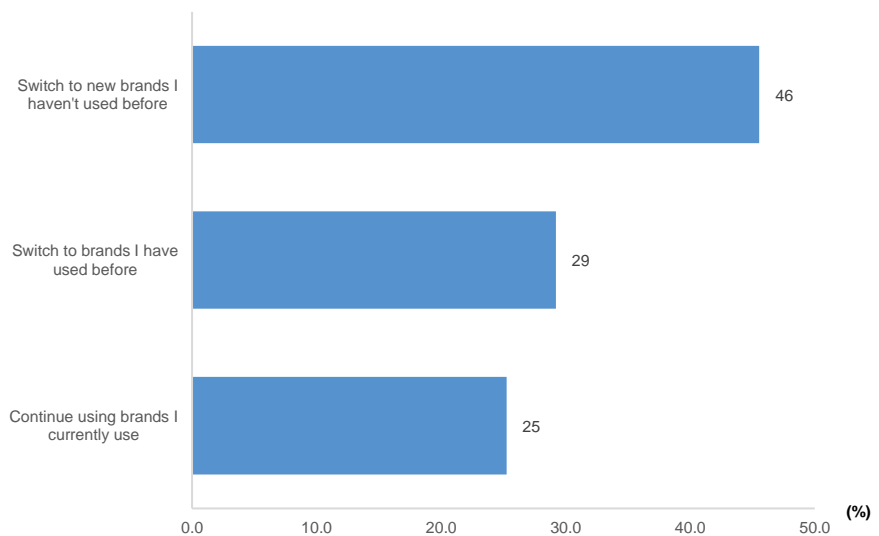
\*Respondents can select up to 3 answers

Source: KISI

**Factors affecting buying decisions**

We asked our respondents whether they would consider switching brands they normally use. We also inquired about the factors that influence their decision to switch brands. This is one approach to getting some insights into the downtrading trend, which refers to the practice of consumers switching to lower-priced products or brands. If a significant number of respondents indicate that lower price/cost is a major factor in their decision to switch brands, it can be inferred that they may be looking for more affordable options, which is an indication of downtrading.

**Fig 13. Most of the respondents plan to switch brands from brands that they normally use**



Source: KISI



Our survey finds that 75% of respondents plan to switch brands from the ones they normally use. Of those who intend to switch, 46% choose new brands they have never used before, while 29% choose brands that they have previously used. **This suggests that a significant number of consumers are not necessarily loyal to a specific brand**, and are looking for options, whether it is a new brand or one that they are already familiar with.

**Fig 14. Factors affecting buying decisions**

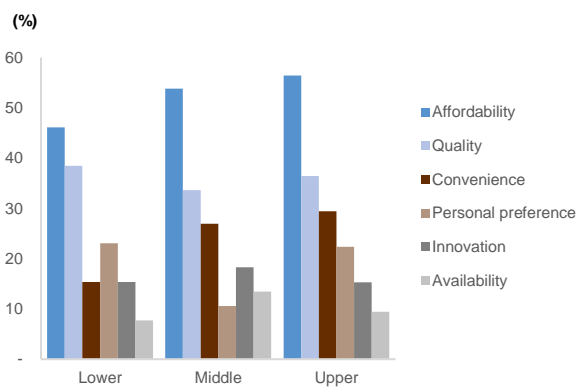
Category	Main reason	Results*	% of respondents**
Price/affordability	Lower price	76	54%
	Discount/promotion	73	
Quality	Better quality	71	35%
Convenience	Easy to find where I shop	32	27%
	Can be bought online	32	
Availability	Available when I want to buy	23	11%
Innovation	Product innovation	34	17%
Personal preference	Want to treat myself	33	16%

\*Respondents can select up to 3 answers  
\*\*Implies % of respondents per category

Source: KISI

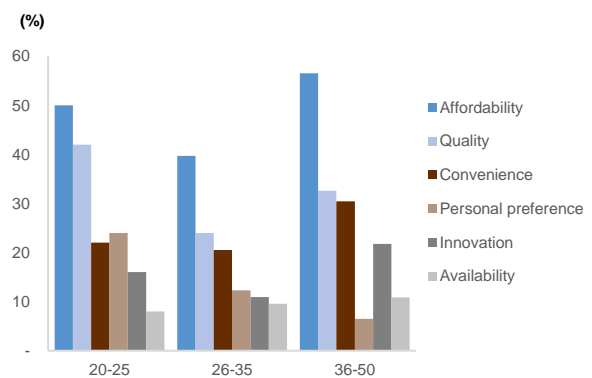
When it comes to buying decisions, **most respondents are placing price/affordability first** (54% of respondents), ahead of quality (38%), and convenience (27%). This suggests that cost is a significant factor in consumers’ decision-making. This trend is **similar across socioeconomic and age groups**, which may indicate that **downtrading is still prevalent in society even after the pandemic situation has improved**.

**Fig 15. Factors affecting buying decisions by SES**



Source: KISI

**Fig 16. Factors affecting buying decisions by age group**



Source: KISI

## Conclusion

Entering the year of 2023 with several economic uncertainties such as rising inflation, fears of a potential recession, and the possibility of lower household income might contribute to a sense of financial insecurity among many people. As a result, it is likely that many people will prioritize saving money to prepare for potential financial challenges. This may lead to a decrease in spending on discretionary products. However, we discovered that there is still a strong demand for clothing and skincare products, particularly among the upper and middle socio-economic groups. This suggests that pent-up demand is still intact among these groups, likely due to they have more disposable income and are less vulnerable to economic downturns.

On the other hand, we remain cautious on the purchasing power of the lower socio-economic group. These individuals may be particularly vulnerable to inflationary pressures and might require assistance from government to overcome financial challenges. They may not have as much disposable income and therefore are more likely to cut back on non-essential items.

In conclusion, we believe that investing in defensive sector would be more favorable in the current situation. We **maintain our OVERWEIGHT rating on consumer staples**, as we expect staples companies to post robust earnings growth driven by margin expansion (rather than sales growth) from normalizing input costs. On the other hand, we would like to **downgrade our call on retailers from OVERWEIGHT to NEUTRAL**, as we think that people may be more cautious with their discretionary spending and prioritize saving money. However, we still recommend selective stocks in retailers, particularly those who target the middle to upper segments and have high exposure to fashion and lifestyle items. Our top picks are **MYOR, ICBP, and MAPI**.

Fig 17. Consumer staples and retailers valuation

Company	Bbg ticker	PE (x)		EV/EBITDA (x)		PB (x)		EPS growth (%)		Div. yield (%)		ROE (%)	
		FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F
Unilever Indonesia	UNVR IJ	28.3	26.5	19.8	18.5	38.6	36.8	13.3	6.7	3.3	3.6	143.5	142.3
Indofood CBP Sukses Makmur	ICBP IJ	18.0	15.6	13.7	11.3	3.3	2.9	(1.5)	15.0	2.1	2.1	14.9	18.5
Indofood Sukses Makmur	INDF IJ	7.2	7.0	7.0	6.3	1.2	1.0	5.2	2.2	4.0	3.7	13.8	14.5
Mayora Indah	MYOR IJ	34.7	23.9	18.1	13.4	4.4	3.9	27.5	45.2	1.1	1.4	13.1	17.2
<b>Consumer staples average</b>		<b>22.0</b>	<b>18.3</b>	<b>14.6</b>	<b>12.4</b>	<b>11.9</b>	<b>11.2</b>	<b>11.1</b>	<b>17.3</b>	<b>2.6</b>	<b>2.7</b>	<b>46.3</b>	<b>48.1</b>
Ace Hardware Indonesia	ACES IJ	14.9	13.5	6.9	6.0	1.4	1.3	(26.4)	10.0	4.6	3.8	9.3	9.9
Mitra Adiperkasa	MAPI IJ	13.0	12.0	5.1	4.7	2.9	2.5	306.2	8.4	0.0	1.8	29.9	22.2
Erajaya Swasembada	ERAA IJ	6.6	6.2	4.8	4.4	1.0	0.9	0.6	4.9	3.8	3.8	15.6	14.6
<b>Retailers average</b>		<b>11.5</b>	<b>10.6</b>	<b>5.6</b>	<b>5.0</b>	<b>1.7</b>	<b>1.5</b>	<b>93.5</b>	<b>7.8</b>	<b>2.8</b>	<b>3.2</b>	<b>18.3</b>	<b>15.6</b>

Source: Bloomberg, KISI

### Top picks

**Mayora Indah (MYOR) – Maintain BUY with TP of IDR 3,000/share, offering a 28% upside.** Our TP implies 30x FY23 PE, based on its 5-yr historical mean. We like MYOR as we expect it to have the highest FY23 earnings growth in the sector on the back of: (1) recovery of its export sales, (2) normalizing raw material costs, and (3) lower logistic costs as container prices for export have declined. We forecast MYOR to post 12%/7% sales growth in FY22/23, resulting in robust 27%/45% EPS growth.

**Indofood CBP Sukses Makmur (ICBP) – Maintain BUY with a higher TP of IDR 12,250/share (from previously IDR 11,250/sh), offering an 18% upside.** Our TP implies 18.4x FY23 core PE (+0.25SD from 3yr mean). We favor ICBP due to its pricing power, which allows the company to see decent volume growth even when it raises prices. We expect ICBP to post 10% top-line growth in FY23, driven by higher ASP (from its annual price adjustment) and volume (from Pinehill's effort to tap into second-tier cities). Margin pressure should ease after declining input costs, resulting in 15% core EPS growth in FY23.

**Mitra Adiperkasa (MAPI) – Maintain BUY with a higher TP of IDR 1,800 (from previously IDR 1,100/share), offering a 29% upside.** Our TP implies 16x FY23F PE (-0.5SD from 5yr mean excl. Covid). Aside from all the economic challenges, we still see strong demand for items related to personal appearances such as clothes and skincare, particularly among younger individuals in the middle and upper segments. Pent-up demand is still intact among these groups, likely due to they have more disposable income and are less vulnerable to economic downturns. Hence, we believe that MAPI will be one of the beneficiaries considering its strong brand portfolios in fashion lifestyle items. We estimate MAPI would post 40%/8% sales growth in FY22/23, resulting in 306%/8% core EPS growth.

### Other recommendation

**Ace Hardware Indonesia (ACES) – Maintain HOLD with a TP of IDR 400/share.** Our TP implies 12.2x FY23 PE, a 50% discount to regional peers' valuation. Softer sales growth due to structural changes in consumer behavior, weaker margins, and declining ROE have resulted in the company's share price being heavily punished. ACES now trades at 13.5x FY23 PE. At current price, we think that all of the bad news has been fairly priced in; thus, any meaningful recovery should offer a better upside in the future.

**Erajaya Swasembada (ERAA) – Downgrade from BUY to HOLD with a lower TP of IDR 420/share (from prev. IDR 820/share).** Our TP implies 6.2x FY23 PE (-1SD from its 3yr mean). With the current cautious view on discretionary spending, we believe that consumers may reduce their spending on gadgets and electronics. These items typically have a relatively high price, and individuals might choose to save their money rather than make large purchases. Additionally, ERAA still plans to be aggressive this year by opening ~600 new stores (vs. 2022: ~400 stores), which may lead to higher opex and potentially affect its margin. Therefore, we cut our FY22/FY23 revenue projection by 1.4%/1.5%, while higher opex may result in a lower EPS projection by 17%/18%. We will turn more positive when there is better-than-expected sales growth.

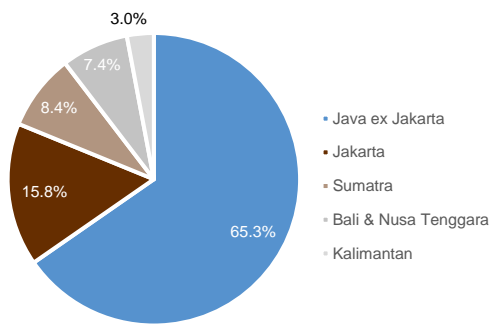
**Indofood Sukses Makmur (INDF) – Downgrade to HOLD (from BUY) with a TP of IDR 7,500/share.** Our TP is derived from SoTP valuation, which implies 7.6x FY23F PE (its 3-yr mean). We continue to favor INDF due to its CBP segment's resilient performance. However, its recent price rally (+10% in 3 months) limits the potential for further upside. Additionally, its declining agribusiness and Bogasari performance due to lower global commodity prices may make its valuation difficult to re-rate. In the theme of commodity price normalization, we prefer ICBP to enjoy full staples' margin recovery.

**Unilever Indonesia (UNVR) – Maintain SELL with a TP of IDR 4,400/share.** Our TP implies 24x FY23F PE (-1.5SD from its 5-yr mean). The company has been losing market share in various segments to competitors such as Wings Group, P&G, and other smaller players over the past 3 years. As a result, its revenue only grew by 1.4% CAGR in 2017-20 (vs. 12.6% CAGR in 2010-16). We believe that competition will remain tough for UNVR going forward as all the businesses fight for a share of the consumers' wallets in the midst of consumer downtrading and downsizing. UNVR now trades at 26.5x FY23 PE (-1.1SD from 5yr mean). Despite trading at discount, we believe that re-rating to its mean is unlikely due to its sluggish performance outlook.

Appendix

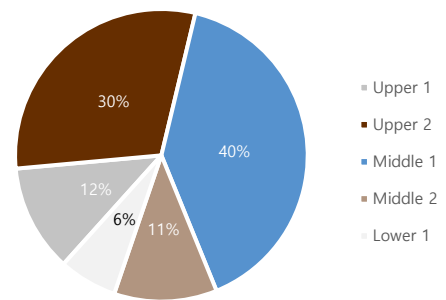
Our survey was conducted online with 200 respondents from both urban and rural areas across Indonesia. The respondents were from different socio-economic backgrounds, including lower, middle, and upper segments, as determined by a scoring calculation adapted from Nielsen that takes into account factors such as (1) monthly expenses on electricity, food, phone, education, (2) energy source for cooking, (3) source of drinking water, (4) electricity at home. The respondents also represented different age groups, including young adults (20-25 years old), adults (26-35 years old), and older adults (36-50 years old). The following is a summary of the respondents' profiles.

Fig 17. Location of residency



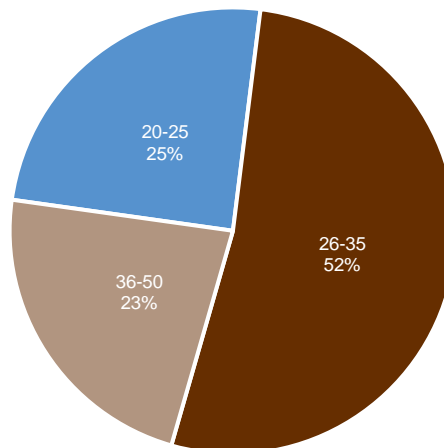
Source: KISI

Fig 18. Socioeconomic groups



Source: KISI

Fig 19. Age group



Source: KISI

## Ace Hardware Indonesia (ACES)

<b>Balance sheet</b>						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>Current assets</b>											
Cash & cash equivalent	2,220	2,544	2,763	2,922	3,049						
Accounts & other receivables	143	67	78	83	87						
Inventories	2,453	2,368	2,303	2,417	2,550						
Others	218	214	214	214	214						
<b>Non-current assets</b>											
Fixed assets	512	460	488	511	529						
Intangible assets	-	-	-	-	-						
Investment properties	363	348	333	318	302						
Other non-current assets	1,338	1,189	1,132	1,174	1,335						
<b>Total assets</b>	<b>7,247</b>	<b>7,190</b>	<b>7,310</b>	<b>7,637</b>	<b>8,066</b>						
<b>Current liabilities</b>											
Accounts & other payables	164	127	152	160	169						
ST debt	-	-	-	-	-						
Current portion of LT debt	-	-	-	-	-						
Others	681	596	569	585	637						
<b>Non-current liabilities</b>											
LT debt	-	-	-	-	-						
Other non-current liabilities	1,180	955	911	939	1,046						
<b>Total liabilities</b>	<b>2,025</b>	<b>1,677</b>	<b>1,632</b>	<b>1,684</b>	<b>1,852</b>						
<b>Controlling interest</b>											
Capital stock	172	172	172	172	172						
Additional paid-in capital	441	441	441	441	441						
Retained earnings	4,629	4,903	5,069	5,344	5,604						
Others	(34)	(34)	(34)	(34)	(34)						
Minority interest	15	31	31	31	31						
<b>Shareholders' equity</b>	<b>5,222</b>	<b>5,513</b>	<b>5,678</b>	<b>5,953</b>	<b>6,213</b>						

<b>Cash flow</b>						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>C/F from operating</b>											
Net profit	733	704	519	571	635						
Depreciation	138	147	143	156	171						
Net incr. in W/C	446	(33)	66	(108)	(130)						
Others	0	5	0	(0)	(0)						
<b>C/F from investing</b>											
CAPEX	(166)	(85)	(156)	(164)	(173)						
Others	-	-	-	-	-						
<b>C/F from financing</b>											
Incr. in equity	36	-	-	-	-						
Incr. in debts	-	-	-	-	-						
Dividends	(309)	(550)	(353)	(296)	(375)						
Others	86	137	-	-	-						
<b>Increase in cash</b>	<b>965</b>	<b>324</b>	<b>219</b>	<b>159</b>	<b>127</b>						

<b>Income statement</b>						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
Net Sales	7,413	6,543	6,660	7,036	7,422						
COGS	(3,754)	(3,331)	(3,453)	(3,623)	(3,822)						
<b>Gross profit</b>	<b>3,659</b>	<b>3,213</b>	<b>3,207</b>	<b>3,412</b>	<b>3,600</b>						
SG&A expense	(2,806)	(2,425)	(2,623)	(2,761)	(2,857)						
<b>Operating profit</b>	<b>853</b>	<b>788</b>	<b>584</b>	<b>651</b>	<b>743</b>						
<b>Financial income</b>											
Interest income	63	48	49	52	55						
<b>Financial expense</b>											
Interest expense	(126)	(112)	(107)	(111)	(124)						
Other non-operating profit	134	135	136	136	136						
Gains (Losses) from associates and JV	-	-	-	-	-						
<b>Earnings before tax</b>	<b>923</b>	<b>859</b>	<b>662</b>	<b>728</b>	<b>810</b>						
Income taxes	(192)	(140)	(132)	(146)	(162)						
Non-controlling interest	(2)	14	11	12	13						
<b>Net profit</b>	<b>733</b>	<b>704</b>	<b>519</b>	<b>571</b>	<b>635</b>						
<b>EBITDA</b>	<b>991</b>	<b>935</b>	<b>727</b>	<b>808</b>	<b>914</b>						

<b>Key financial data</b>					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
per share data (IDR)					
EPS	42.8	41.1	30.2	33.3	37.0
BPS	304.5	321.4	331.1	347.1	362.3
DPS	18.0	32.1	20.6	17.3	21.8
Growth (%)					
Sales growth	(9.0)	(11.7)	1.8	5.6	5.5
OP growth	(30.0)	(7.7)	(25.8)	11.5	14.1
NP growth	(27.9)	(3.9)	(26.4)	10.0	11.2
EBITDA growth	(25.5)	(5.7)	(22.2)	11.1	13.2
Profitability (%)					
OP margin	11.5	12.0	8.8	9.3	10.0
NP margin	9.9	10.8	7.8	8.1	8.6
EBITDA margin	13.4	14.3	10.9	11.5	12.3
ROA	10.6	9.8	7.2	7.6	8.1
ROE	14.9	13.2	9.3	9.9	10.5
Dividend yield	4.2	7.5	4.8	4.0	5.1
Dividend payout ratio	30.4	75.1	50.1	57.1	65.6
Stability					
Net debt (IDR bn)	(2,220)	(2,544)	(2,763)	(2,922)	(3,049)
Int-bearing debt/equity (%)	-	-	-	-	-
Valuation (X)					
PE	10.5	11.0	14.9	13.5	12.2
PB	1.5	1.4	1.4	1.3	1.2
EV/EBITDA	5.6	5.6	6.9	6.0	5.1

## Erajaya Swasembada (ERAA)

<b>Balance sheet</b>						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>Current assets</b>						<b>Income statement</b>					
						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F	FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
Current assets						Sales					
Cash & cash equivalent	2,002	520	432	422	425		34,113	43,467	47,661	50,685	54,021
Accounts & other receivables	1,576	1,047	1,892	2,013	2,145	COGS					
Inventories	3,259	3,932	3,942	4,181	5,027		(30,703)	(38,661)	(42,391)	(44,958)	(47,754)
Others	710	1,125	1,125	1,125	1,125	<b>Gross profit</b>					
Non-current assets							3,410	4,806	5,270	5,727	6,267
Fixed assets	716	852	1,057	1,242	1,408	SG&A expense					
Intangible assets	727	768	768	768	768		(2,552)	(3,320)	(3,798)	(4,143)	(4,474)
Total investment	707	936	1,931	3,329	3,682	<b>Operating profit</b>					
Other non-current assets	1,515	2,192	2,187	2,187	2,187		858	1,486	1,472	1,584	1,793
<b>Total assets</b>						Financial income					
	11,212	11,372	13,334	15,267	16,767	Interest income					
Current liabilities							6	15	6	5	5
Accounts & other payables	2,871	2,369	3,215	3,419	3,644	Financial expense					
ST debt	1,879	1,288	1,200	1,200	1,200	Interest expense					
Current portion of LT debt	-	143	143	143	143		(191)	(195)	(216)	(289)	(308)
Others	393	479	843	1,355	1,484	Other non-operating profit					
Non-current liabilities							245	173	190	202	215
LT debt	-	214	-	-	-	Gains (Losses) from associates and JV					
Other non-current liabilities	382	418	690	1,076	1,176		(1)	16	47	70	84
<b>Total liabilities</b>						<b>Earnings before tax</b>					
	5,525	4,911	6,091	7,193	7,647		917	1,495	1,499	1,572	1,789
Controlling interest						Income taxes					
Capital stock	1,595	1,595	1,595	1,595	1,595		(246)	(377)	(375)	(393)	(358)
Additional paid-in capital	594	598	598	598	598	<b>Net profit</b>					
Retained earnings	3,211	4,004	4,769	5,583	6,612		612	1,012	1,018	1,068	1,296
Others	8	(59)	(59)	(59)	(59)	Non-controlling interest					
Minority interest	279	323	340	357	374		59	106	106	111	135
<b>Shareholders' equity</b>						<b>EBITDA</b>					
	5,687	6,461	7,243	8,074	9,120		991	1,613	1,658	1,815	2,071

<b>Cash flow</b>							(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F							
<b>C/F from operating</b>							<b>Key financial data</b>					
							(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F	FY-ending Dec.	2020A	2021A	2022F	2023F	2024F	
C/F from operating							per share data (IDR)					
Net profit	612	1,012	1,018	1,068	1,296	EPS	38.4	63.5	63.8	67.0	81.3	
Depreciation	133	127	186	231	278	BPS	339.1	384.9	432.8	483.8	548.4	
Net incr. in W/C	1,648	(1,886)	(362)	(656)	(879)	DPS	-	13.8	15.9	15.9	16.7	
Others	69	98	-	-	-	Growth (%)						
C/F from investing							Sales growth					
CAPEX	(303)	(361)	(391)	(416)	(443)		3.5	27.4	9.6	6.3	6.6	
Others	-	-	-	-	-	OP growth						
C/F from financing								67.3	73.2	(0.9)	7.6	13.2
Incr. in equity	-	4	-	-	-	NP growth						
Incr. in debts	(825)	(234)	(302)	-	-		106.8	65.4	0.6	4.9	21.3	
Dividends	-	(219)	(253)	(254)	(267)	EBITDA growth						
Others	97	(23)	16	17	18		55.8	62.8	2.8	9.5	14.1	
Increase in cash	1,431	(1,482)	(88)	(10)	3	Profitability (%)						
							OP margin					
							NP margin					
							EBITDA margin					
							ROA					
							ROE					
							Dividend yield					
							Dividend payout ratio					
							Stability					
							Net debt/(cash) (IDR bn)					
							Int.-bearing debt/equity (%)					
							Valuation (X)					
							PE					
							PB					
							EV/EBITDA					

## Indofood CBP Sukses Makmur (ICBP)

<b>Balance sheet</b>						<b>Income statement</b>					
(IDR bn)						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F	FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
<b>Current assets</b>						<b>Current assets</b>					
Cash & cash equivalent	9,535	20,378	13,967	17,810	22,653	Sales	46,641	56,804	63,787	70,410	77,751
Accounts & other receivables	5,747	6,834	6,648	7,338	8,103	COGS	(29,417)	(36,526)	(42,737)	(46,119)	(50,538)
Inventories	4,587	5,857	6,079	6,560	7,189	<b>Gross profit</b>	17,224	20,278	21,050	24,291	27,213
Others	847	928	928	928	928	SG&A expense	(8,107)	(8,742)	(9,964)	(11,022)	(12,060)
<b>Non-current assets</b>						<b>Operating profit</b>					
Fixed assets	13,351	14,176	15,400	16,595	17,909	9,117	11,536	11,086	13,269	15,153	
Intangible assets	1,859	1,726	1,726	1,726	1,726	<b>Financial income</b>					
Total investment	10,645	11,069	11,069	11,069	11,069	Interest income	1,624	144	343	318	405
Other non-current assets	57,017	57,099	57,099	57,099	57,099	<b>Financial expense</b>					
<b>Total assets</b>	103,588	118,067	112,916	119,125	126,676	Interest expense	(671)	(1,966)	(3,417)	(2,484)	(1,934)
<b>Current liabilities</b>						<b>Other non-operating profit</b>					
Accounts & other payables	8,450	8,784	9,128	9,537	9,991	84	124	194	214	237	
ST debt	513	515	515	515	515	Gains (Losses) from associates and JV	(195)	99	108	119	143
Current portion of LT debt	213	323	323	323	323	<b>Earnings before tax</b>	9,959	9,937	8,314	11,436	14,004
Others	-	9,275	-	-	-	Income taxes	(2,540)	(2,035)	(1,829)	(2,516)	(3,081)
<b>Non-current liabilities</b>						<b>Net profit</b>					
LT debt	39,941	40,731	40,731	40,731	40,731	6,587	6,390	5,244	7,213	8,833	
Other non-current liabilities	4,153	3,716	3,716	3,716	3,716	<b>Core profit</b>	7,419	6,850	6,749	7,763	8,833
<b>Total liabilities</b>	53,270	63,344	54,413	54,822	55,276	<b>Non-controlling interest</b>					
<b>Controlling interest</b>						832					
Capital stock	583	583	583	583	583	<b>EBITDA</b>	10,230	12,806	12,485	14,819	16,869
Additional paid-in capital	5,985	5,985	5,985	5,985	5,985	<b>Key financial data</b>					
Retained earnings	22,576	26,917	29,655	34,361	40,309	<b>FY-ending Dec.</b>					
Others	286	396	396	396	396	per share data (IDR)					
Minority interest	20,888	20,842	21,884	22,978	24,127	Core EPS	636	587	579	666	757
<b>Shareholders' equity</b>	50,318	54,723	58,503	64,303	71,400	BPS	2,524	2,905	3,140	3,544	4,054
<b>Cash flow</b>						DPS					
(IDR bn)						215					
<b>FY-ending Dec.</b>	<b>2020A</b>	<b>2021A</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	Growth (%)					
C/F from operating	9,062	5,006	(2,460)	8,000	9,608	Sales growth	10.3	21.8	12.3	10.4	10.4
Net profit	6,587	6,390	5,244	7,213	8,833	OP growth	25.3	26.5	(3.9)	19.7	14.2
Depreciation	1,112	1,271	1,399	1,550	1,716	Core profit growth	43.8	(7.7)	(1.5)	15.0	13.8
Net incr. in W/C	2,565	(2,809)	(8,966)	(763)	(941)	EBITDA growth	40.6	25.2	(2.5)	18.7	13.8
Others	(1,202)	154	(137)	-	-	Profitability (%)					
C/F from investing	(54,095)	(2,250)	(2,486)	(2,744)	(3,030)	OP margin	19.5	20.3	17.4	18.8	19.5
CAPEX	(1,919)	(2,250)	(2,486)	(2,744)	(3,030)	Core profit margin	15.9	12.1	10.6	11.0	11.4
Others	(52,176)	-	-	-	-	EBITDA margin	21.9	22.5	19.6	21.0	21.7
C/F from financing	46,209	8,087	(1,465)	(1,413)	(1,735)	ROA	9.3	5.8	4.5	6.2	7.2
Incr. in equity	-	-	-	-	-	ROE	17.1	12.2	9.3	11.7	13.0
Incr. in debts	29,149	10,070	-	-	-	Dividend yield	2.3	2.3	2.3	2.3	2.6
Dividends	(2,507)	(2,507)	(2,507)	(2,507)	(2,884)	Dividend payout ratio	49.8	38.1	39.2	47.8	40.0
Others	19,567	524	1,042	1,094	1,149	Stability					
Increase in cash	1,176	10,843	(6,411)	3,843	4,843	Net debt/(cash) (IDR bn)	31,132	21,191	27,602	23,759	18,916
						Int.-bearing debt/equity (%)	105.6	79.1	73.4	67.7	61.3
						Valuation (X)					
						Core PE	16.3	17.7	18.0	15.6	13.7
						PB	4.1	3.6	3.3	2.9	2.6
						EV/EBITDA	16.9	12.8	13.7	11.3	9.7



## Indofood Sukses Makmur (INDF)

<b>Balance sheet</b>						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>Assets</b>											
<b>Current assets</b>											
Cash & cash equivalent	17,338	29,479	23,026	28,413	34,738						
Accounts & other receivables	7,452	8,464	8,932	9,323	9,751						
Inventories	11,150	12,684	14,219	14,777	15,388						
Others	2,479	3,557	3,557	3,557	3,557						
<b>Non-current assets</b>											
Fixed assets	45,863	46,752	48,994	50,807	52,635						
Intangible assets	1,859	1,726	1,726	1,726	1,726						
Total investment	11,682	12,102	12,102	12,102	12,102						
Other non-current assets	65,314	64,593	64,593	64,593	64,593						
<b>Total assets</b>	<b>163,137</b>	<b>179,357</b>	<b>177,149</b>	<b>185,298</b>	<b>194,490</b>						
<b>Liabilities and Equity</b>											
<b>Current liabilities</b>											
Accounts & other payables	13,262	13,811	14,439	14,692	14,972						
ST debt	13,800	13,306	13,306	13,306	13,306						
Current portion of LT debt	913	2,013	2,013	2,013	2,013						
Others	-	9,275	-	-	-						
<b>Non-current liabilities</b>											
LT debt	47,734	46,454	46,454	46,454	46,454						
Other non-current liabilities	8,289	7,867	7,865	7,865	7,865						
<b>Total liabilities</b>	<b>83,998</b>	<b>92,726</b>	<b>84,077</b>	<b>84,330</b>	<b>84,610</b>						
<b>Controlling interest</b>											
Capital stock	878	878	878	878	878						
Additional paid-in capital	284	284	284	284	284						
Retained earnings	31,116	36,855	41,377	47,259	54,056						
Others	10,097	10,247	10,247	10,247	10,247						
Minority interest	36,764	38,367	40,286	42,300	44,415						
<b>Shareholders' equity</b>	<b>79,139</b>	<b>86,631</b>	<b>93,072</b>	<b>100,968</b>	<b>109,880</b>						
<b>Cash flow</b>											
(IDR bn)											
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>C/F from operating</b>											
Net profit	6,456	7,642	6,961	8,105	9,388						
Depreciation	3,140	3,250	3,452	3,677	3,913						
Net incr. in W/C	(48,862)	(2,958)	(10,649)	(696)	(761)						
Others	(1,532)	456	(435)	-	-						
<b>C/F from investing</b>	<b>(4,398)</b>	<b>(4,595)</b>	<b>(5,259)</b>	<b>(5,489)</b>	<b>(5,741)</b>						
CAPEX	(4,398)	(4,595)	(5,259)	(5,489)	(5,741)						
Others	-	-	-	-	-						
<b>C/F from financing</b>	<b>48,789</b>	<b>8,346</b>	<b>(523)</b>	<b>(210)</b>	<b>(474)</b>						
Incr. in equity	-	-	-	-	-						
Incr. in debts	30,309	8,494	-	-	-						
Dividends	(2,441)	(2,441)	(2,441)	(2,224)	(2,589)						
Others	20,921	2,293	1,918	2,014	2,115						
<b>Increase in cash</b>	<b>3,593</b>	<b>12,141</b>	<b>(6,453)</b>	<b>5,387</b>	<b>6,325</b>						

<b>Income statement</b>						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>Sales</b>											
Sales	81,731	99,346	109,913	114,728	119,993						
<b>COGS</b>											
COGS	(54,979)	(66,882)	(75,620)	(78,589)	(81,835)						
<b>Gross profit</b>	<b>26,752</b>	<b>32,464</b>	<b>34,293</b>	<b>36,139</b>	<b>38,158</b>						
<b>SG&amp;A expense</b>											
SG&A expense	(14,095)	(15,364)	(17,664)	(18,284)	(18,574)						
<b>Operating profit</b>	<b>12,657</b>	<b>17,100</b>	<b>16,629</b>	<b>17,855</b>	<b>19,584</b>						
<b>Financial income</b>											
Interest income	1,667	325	525	514	632						
<b>Financial expense</b>											
Interest expense	(1,876)	(2,885)	(3,936)	(3,003)	(2,453)						
<b>Other non-operating profit</b>											
Other non-operating profit	232	(218)	(241)	(251)	(263)						
<b>Gains (Losses) from associates and JV</b>											
Gains (Losses) from associates and JV	(254)	134	108	119	143						
<b>Earnings before tax</b>	<b>12,426</b>	<b>14,456</b>	<b>13,085</b>	<b>15,234</b>	<b>17,643</b>						
<b>Income taxes</b>											
Income taxes	(3,674)	(3,253)	(2,879)	(3,352)	(3,881)						
<b>Net profit</b>	<b>6,456</b>	<b>7,642</b>	<b>6,961</b>	<b>8,105</b>	<b>9,388</b>						
<b>Core profit</b>											
Core profit	5,960	8,050	8,467	8,656	9,388						
<b>Non-controlling interest</b>											
Non-controlling interest	2,296	3,561	3,245	3,777	4,374						
<b>EBITDA</b>	<b>15,797</b>	<b>20,350</b>	<b>20,081</b>	<b>21,533</b>	<b>23,497</b>						
<b>Key financial data</b>											
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>per share data (IDR)</b>											
Core EPS	679	917	964	986	1,069						
BPS	4,826	5,497	6,012	6,682	7,456						
DPS	278	278	278	253	295						
<b>Growth (%)</b>											
Sales growth	6.7	21.6	10.6	4.4	4.6						
OP growth	32.8	35.1	(2.8)	7.4	9.7						
Core profit growth	21.6	35.1	5.2	2.2	8.5						
EBITDA growth	65.8	28.8	(1.3)	7.2	9.1						
<b>Profitability (%)</b>											
OP margin	15.5	17.2	15.1	15.6	16.3						
Core profit margin	7.3	8.1	7.7	7.5	7.8						
EBITDA margin	19.3	20.5	18.3	18.8	19.6						
ROA	5.0	4.5	3.9	4.5	4.9						
ROE	16.1	16.9	13.8	14.5	15.1						
Dividend yield	4.4	4.4	4.4	4.0	4.7						
Dividend payout ratio	49.7	37.8	31.9	31.9	31.9						
<b>Stability</b>											
Net debt/(cash) (IDR bn)	45,109	32,294	38,747	33,360	27,035						
Int.-bearing debt/equity (%)	93.7	74.5	68.8	63.7	58.6						
<b>Valuation (X)</b>											
Core PE	10.2	7.6	7.2	7.0	6.5						
PB	1.4	1.3	1.2	1.0	0.9						
EV/EBITDA	9.0	6.5	7.0	6.3	5.6						

## Mitra Adiperkasa (MAPI)

### Balance sheet (IDR bn)

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
<b>Current assets</b>					
Cash & cash equivalent	2,788	2,778	2,630	3,186	3,292
Accounts & other receivables	342	404	540	581	619
Inventories	3,715	3,731	4,270	4,593	4,891
Others	1,320	1,299	1,299	1,299	1,299
<b>Non-current assets</b>					
Fixed assets	3,365	3,034	3,162	3,651	3,993
Intangible assets	79	79	79	79	79
Investment properties	4,926	4,375	4,468	4,815	6,691
Other non-current assets	1,115	1,081	1,081	1,081	1,081
<b>Total assets</b>	<b>17,650</b>	<b>16,783</b>	<b>17,530</b>	<b>19,286</b>	<b>21,945</b>
<b>Current liabilities</b>					
Accounts & other payables	3,519	3,894	3,988	4,128	4,257
ST debt	2,497	1,546	-	-	-
Current portion of LT debt	-	-	-	-	-
Others	1,329	1,221	1,267	1,305	1,592
<b>Non-current liabilities</b>					
LT debt	-	-	-	-	-
Other non-current liabilities	3,806	3,026	3,114	3,187	3,734
<b>Total liabilities</b>	<b>11,151</b>	<b>9,687</b>	<b>8,369</b>	<b>8,620</b>	<b>9,583</b>
<b>Controlling interest</b>					
Capital stock	830	830	830	830	830
Additional paid-in capital	503	503	503	503	503
Retained earnings	2,905	3,344	5,409	6,913	8,610
Others	1,111	1,198	1,198	1,198	1,198
Minority interest	1,151	1,221	1,221	1,221	1,221
<b>Shareholders' equity</b>	<b>6,499</b>	<b>7,096</b>	<b>9,161</b>	<b>10,665</b>	<b>12,362</b>

### Cash flow (IDR bn)

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
<b>C/F from operating</b>	<b>668</b>	<b>1,548</b>	<b>2,398</b>	<b>2,483</b>	<b>2,006</b>
Net profit	(554)	439	2,065	1,932	2,096
Depreciation	871	824	889	1,011	1,158
Net incr. in W/C	443	390	(539)	(460)	(1,249)
Others	(92)	(105)	(17)	0	(0)
<b>C/F from investing</b>	<b>(359)</b>	<b>(388)</b>	<b>(1,000)</b>	<b>(1,500)</b>	<b>(1,500)</b>
CAPEX	(359)	(388)	(1,000)	(1,500)	(1,500)
Others	-	-	-	-	-
<b>C/F from financing</b>	<b>662</b>	<b>(1,169)</b>	<b>(1,546)</b>	<b>(427)</b>	<b>(400)</b>
Incr. in equity	508	-	-	-	-
Incr. in debts	980	(1,327)	(1,546)	-	-
Dividends	-	-	-	(427)	(400)
Others	(825)	158	-	-	-
<b>Increase in cash</b>	<b>971</b>	<b>(10)</b>	<b>(148)</b>	<b>556</b>	<b>106</b>

### Income statement (IDR bn)

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
Sales	14,847	18,424	25,770	27,722	29,521
COGS	(8,666)	(10,731)	(14,122)	(15,192)	(16,177)
<b>Gross profit</b>	<b>6,181</b>	<b>7,692</b>	<b>11,648</b>	<b>12,530</b>	<b>13,343</b>
SG&A expense	(6,238)	(6,459)	(8,309)	(9,077)	(9,645)
<b>Operating profit</b>	<b>(57)</b>	<b>1,234</b>	<b>3,340</b>	<b>3,454</b>	<b>3,698</b>
<b>Financial income</b>					
Interest income	70	61	59	63	71
<b>Financial expense</b>					
Interest expense	(552)	(500)	(500)	(517)	(517)
Other non-operating expense	(185)	(103)	118	(178)	(189)
<b>Earnings before tax</b>	<b>(724)</b>	<b>692</b>	<b>3,016</b>	<b>2,822</b>	<b>3,062</b>
Income taxes	139	(201)	(664)	(621)	(674)
<b>Net profit</b>	<b>(554)</b>	<b>439</b>	<b>2,065</b>	<b>1,932</b>	<b>2,096</b>
Core profit	(554)	439	1,782	1,932	2,096
Non-controlling interest	(32)	51	288	269	292
<b>EBITDA</b>	<b>814</b>	<b>2,057</b>	<b>4,228</b>	<b>4,465</b>	<b>4,856</b>

### Key financial data

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
per share data (IDR)					
Core EPS	(33.4)	26.4	107.3	116.4	126.3
BPS	322.2	353.9	478.3	569.0	671.1
DPS	-	-	-	25.7	24.1
Growth (%)					
Sales growth	(31.2)	24.1	39.9	7.6	6.5
OP growth	NA	NA	170.6	3.4	7.1
Core profit growth	NA	NA	306.2	8.4	8.5
EBITDA growth	(70.5)	152.7	105.5	5.6	8.8
Profitability (%)					
OP margin	(0.4)	6.7	13.0	12.5	12.5
NP margin	(3.7)	2.4	8.0	7.0	7.1
EBITDA margin	5.5	11.2	16.4	16.1	16.5
ROA	(3.5)	2.5	12.0	10.5	10.2
ROE	(9.6)	7.8	29.9	22.2	20.4
Dividend yield	-	-	-	1.8	1.7
Dividend payout ratio	-	-	-	20.7	20.7
Stability					
Net debt/(cash) (IDR bn)	(291)	(1,232)	(2,630)	(3,186)	(3,292)
Int-bearing debt/equity (%)	43.3	27.6	-	-	-
Valuation (X)					
PE	(41.8)	52.8	13.0	12.0	11.0
PB	4.3	3.9	2.9	2.5	2.1
EV/EBITDA	29.5	11.2	5.1	4.7	4.3

## Mayora Indah (MYOR)

### Balance sheet (IDR bn)

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
<b>Current assets</b>					
Cash & cash equivalent	3,777	3,008	2,229	2,746	3,708
Accounts & other receivables	5,464	5,912	6,355	6,816	7,183
Inventories	2,805	3,034	3,821	4,014	4,140
Others	792	1,014	1,014	1,014	1,014
<b>Non-current assets</b>					
Fixed assets	6,043	6,377	7,919	8,336	8,219
Intangible assets	-	-	-	-	-
Total investment	-	-	-	-	-
Other non-current assets	896	571	571	571	571
<b>Total assets</b>	<b>19,777</b>	<b>19,916</b>	<b>21,909</b>	<b>23,497</b>	<b>24,835</b>
<b>Current liabilities</b>					
Accounts & other payables	2,467	2,361	2,421	2,552	2,659
ST debt	50	795	795	795	795
Current portion of LT debt	960	2,323	2,878	2,878	2,878
Others	84	91	91	91	91
<b>Non-current liabilities</b>					
LT debt	3,614	1,845	2,290	2,290	2,290
Other non-current liabilities	1,332	1,142	1,142	1,142	1,142
<b>Total liabilities</b>	<b>8,507</b>	<b>8,557</b>	<b>9,617</b>	<b>9,748</b>	<b>9,855</b>
<b>Controlling interest</b>					
Capital stock	447	447	447	447	447
Additional paid-in capital	-	-	-	-	-
Retained earnings	10,571	10,684	11,605	13,049	14,267
Others	(8)	(13)	(13)	(13)	(13)
Minority interest	260	241	253	266	279
<b>Shareholders' equity</b>	<b>11,270</b>	<b>11,359</b>	<b>12,292</b>	<b>13,749</b>	<b>14,980</b>

### Cash flow (IDR bn)

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
<b>C/F from operating</b>	<b>3,302</b>	<b>650</b>	<b>1,296</b>	<b>2,766</b>	<b>3,107</b>
Net profit	2,061	1,187	1,514	2,199	2,319
Depreciation	732	844	952	1,088	1,175
Net incr. in W/C	1,976	(862)	(1,170)	(521)	(387)
Others	(1,467)	(519)	-	-	-
<b>C/F from investing</b>	<b>(634)</b>	<b>(659)</b>	<b>(2,494)</b>	<b>(1,505)</b>	<b>(1,057)</b>
CAPEX	(634)	(659)	(2,494)	(1,505)	(1,057)
Others	-	-	-	-	-
<b>C/F from financing</b>	<b>(1,873)</b>	<b>(760)</b>	<b>419</b>	<b>(744)</b>	<b>(1,088)</b>
Incr. in equity	-	-	-	-	-
Incr. in debts	(1,184)	338	1,000	-	-
Dividends	(685)	(1,207)	(593)	(757)	(1,101)
Others	(4)	109	12	13	13
<b>Increase in cash</b>	<b>795</b>	<b>(769)</b>	<b>(779)</b>	<b>517</b>	<b>962</b>

### Income statement (IDR bn)

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
Sales	24,477	27,905	31,176	33,441	35,239
COGS	(17,178)	(20,982)	(24,068)	(25,282)	(26,077)
<b>Gross profit</b>	<b>7,299</b>	<b>6,923</b>	<b>7,108</b>	<b>8,159</b>	<b>9,162</b>
SG&A expense	(4,468)	(5,151)	(4,939)	(5,072)	(5,876)
<b>Operating profit</b>	<b>2,831</b>	<b>1,772</b>	<b>2,169</b>	<b>3,087</b>	<b>3,286</b>
<b>Financial income</b>					
Interest income	51	23	40	38	49
<b>Financial expense</b>					
Interest expense	(354)	(321)	(362)	(395)	(395)
Other non-operating profit	155	75	134	149	94
Gains (Losses) from associates and JV	-	-	-	-	-
<b>Earnings before tax</b>	<b>2,683</b>	<b>1,549</b>	<b>1,981</b>	<b>2,879</b>	<b>3,034</b>
Income taxes	(584)	(338)	(436)	(635)	(667)
<b>Net profit</b>	<b>2,061</b>	<b>1,187</b>	<b>1,514</b>	<b>2,199</b>	<b>2,319</b>
Non-controlling interest	38	24	31	45	48
<b>EBITDA</b>	<b>3,563</b>	<b>2,616</b>	<b>3,122</b>	<b>4,176</b>	<b>4,461</b>

### Key financial data

FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
per share data (IDR)					
EPS	92	53	68	98	104
BPS	492	497	538	603	658
DPS	31	54	27	34	49
Growth (%)					
Sales growth	(2.2)	14.0	11.7	7.3	5.4
OP growth	(10.8)	(37.4)	22.4	42.3	6.4
NP growth	3.7	(42.4)	27.5	45.2	5.5
EBITDA growth	(5.2)	(26.6)	19.3	33.8	6.8
Profitability (%)					
OP margin	11.6	6.4	7.0	9.2	9.3
NP margin	8.4	4.3	4.9	6.6	6.6
EBITDA margin	14.6	9.4	10.0	12.5	12.7
ROA	10.6	6.0	7.2	9.7	9.6
ROE	19.9	10.7	13.1	17.2	16.5
Dividend yield	1.3	2.2	1.1	1.4	2.1
Dividend payout ratio	34.5	58.6	50.0	50.0	50.1
Stability					
Net debt/(cash) (IDR bn)	847	1,955	3,734	3,217	2,255
Int.-bearing debt/equity (%)	44.7	44.9	51.5	46.7	42.3
Valuation (X)					
PE	25.5	44.3	34.7	23.9	22.7
PB	4.8	4.7	4.4	3.9	3.6
EV/EBITDA	15.1	20.9	18.1	13.4	12.3

## Unilever Indonesia (UNVR)

<b>Balance sheet</b>						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F						
<b>Current assets</b>						<b>Income statement</b>					
						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F	FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
Current assets						Sales	42,972	39,546	41,918	43,730	45,914
Cash & cash equivalent	845	327	552	1,148	1,713	COGS	(20,515)	(19,920)	(21,449)	(21,308)	(22,274)
Accounts & other receivables	5,295	4,517	5,140	5,362	5,630	<b>Gross profit</b>	22,457	19,626	20,469	22,422	23,640
Inventories	2,463	2,454	2,605	2,588	2,705	SG&A expense	(12,986)	(11,948)	(12,002)	(13,397)	(13,958)
Others	226	347	347	347	347	<b>Operating profit</b>	9,471	7,678	8,467	9,025	9,682
<b>Non-current assets</b>						Financial income					
Fixed assets	10,420	10,102	10,031	9,950	9,862	Interest income	5	2	3	5	9
Intangible assets	408	475	475	475	475	Financial expense					
Total investment	829	781	781	781	781	Interest expense	(249)	(185)	(111)	(111)	(111)
Other non-current assets	49	68	68	68	68	Other non-operating profit	(20)	2	2	2	2
<b>Total assets</b>	20,535	19,071	19,999	20,719	21,581	Gains (Losses) from associates and JV	-	-	-	-	-
<b>Current liabilities</b>						<b>Earnings before tax</b>	9,207	7,497	8,361	8,921	9,582
Accounts & other payables	10,230	10,515	10,996	11,471	12,044	Income taxes	(2,043)	(1,738)	(1,839)	(1,962)	(2,108)
ST debt	3,015	1,850	1,850	1,850	1,850	<b>Net profit</b>	7,164	5,759	6,522	6,959	7,474
Current portion of LT debt	-	-	-	-	-	Non-controlling interest	-	-	-	-	-
Others	113	83	83	83	83	<b>EBITDA</b>	10,313	8,513	9,377	9,981	10,688
<b>Non-current liabilities</b>						<b>Key financial data</b>					
LT debt	-	-	-	-	-	FY-ending Dec.	2020A	2021A	2022F	2023F	2024F
Other non-current liabilities	2,240	2,302	2,302	2,302	2,302	per share data (IDR)					
<b>Total liabilities</b>	15,598	14,750	15,231	15,706	16,279	EPS	188	151	171	182	196
<b>Controlling interest</b>						BPS	129	113	125	131	139
Capital stock	76	76	76	76	76	DPS	194	166	159	176	188
Additional paid-in capital	96	96	96	96	96	Growth (%)					
Retained earnings	4,765	4,149	4,596	4,841	5,130	Sales growth	0.1	(8.0)	6.0	4.3	5.0
Others	-	-	-	-	-	OP growth	(6.4)	(18.9)	10.3	6.6	7.3
Minority interest	-	-	-	-	-	NP growth	(3.1)	(19.6)	13.2	6.7	7.4
<b>Shareholders' equity</b>	4,937	4,321	4,768	5,013	5,302	EBITDA growth	(6.1)	(17.5)	10.1	6.4	7.1
<b>Cash flow</b>						Profitability (%)					
						(IDR bn)					
FY-ending Dec.	2020A	2021A	2022F	2023F	2024F	OP margin	22.0	19.4	20.2	20.6	21.1
C/F from operating	8,017	7,461	7,137	8,185	8,668	NP margin	16.7	14.6	15.6	15.9	16.3
Net profit	7,164	5,759	6,522	6,959	7,474	EBITDA margin	24.0	21.5	22.4	22.8	23.3
Depreciation	842	835	909	956	1,006	ROA	34.8	29.1	33.4	34.2	35.3
Net incr. in W/C	169	944	(294)	270	188	ROE	140.2	124.4	143.5	142.3	144.9
Others	(158)	(77)	-	-	-	Dividend yield	3.6	3.1	3.0	3.3	3.5
C/F from investing	(388)	(440)	(838)	(875)	(918)	Dividend payout ratio	100.1	88.4	105.5	102.9	103.2
CAPEX	(388)	(440)	(838)	(875)	(918)	Stability					
Others	-	-	-	-	-	Net debt/(cash) (IDR bn)	2,170	1,523	1,298	702	137
C/F from financing	(7,413)	(7,539)	(6,074)	(6,714)	(7,185)	Int.-bearing debt/equity (%)	59.0	40.0	40.7	37.8	35.9
Incr. in equity	-	-	-	-	-	Valuation (X)					
Incr. in debts	95	(1,165)	-	-	-	PE	25.7	32.0	28.3	26.5	24.7
Dividends	(7,401)	(6,333)	(6,074)	(6,714)	(7,185)	PB	37.3	42.6	38.6	36.8	34.8
Others	(107)	(41)	-	-	-	EV/EBITDA	18.1	21.8	19.8	18.5	17.3
Increase in cash	216	(518)	225	596	565						

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