

**FROM EQUITY RESEARCH DESK**
**IDEA OF THE DAY**
**Telco: 2Q24 preview: expect the best momentum on IOH; TLKM and EXCL to focus on their catalysts (OVERWEIGHT)**

- We expect a robust and strong 2Q24/ 1H24 net profit momentum for IOH, while we expect TLKM and EXCL to have fewer ST catalysts.
- We estimate TLKM and EXCL to offer limited margin upside in 2Q24, while IOH shall realize leverage and margin expansion (100bps+, Qoq).
- ISAT remains our top pick with room for upgrade. We have a BUY rating on TLKM & EXCL, trading at low multiples offering positive catalysts.  
To see the full version of this report, please [click here](#)

**Bank Rakyat Indonesia: 1H24 earnings: Not yet out of the wood but progressing (NOT RATED)**

- Despite the higher NPL ratio, the SML ratio improved to 6.9% in 1H24 from 7.1% in 1Q24 and overall NPL improved to 3.1% (-6bps qoq).
- While we noted two scenarios of higher-than-expected CoC in FY24, the bank remains confident in achieving its current 3.0% CoC guidance.
- BBRI's implied CoE of 10.3% is slightly above its -1SD of the 5-year avg. of 8.7% with PBV of 2.2x, slightly above mean.  
To see the full version of this report, please [click here](#)

**Sido Muncul: Bright outlook post solid 1H24; upgrade to Buy (SIDO.IJ Rp 700; BUY; TP Rp 810)**

- Post robust 1H24, we raised our FY24-25F NP growth by 9.5-11%; expect solid volume growth and higher margins to support a strong 2H24.
- We expect rainy season and volume from direct distribution and export markets to support FY24 vol growth of +15% yoy (2018-13 avg 6%).
- We raise our rating to Buy with a higher TP of Rp810, as we expect robust FY24/25F NP growth of 26%/10% yoy, respectively.  
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**RESEARCH COMMENTARY**

- AKRA 1H24 Post-Concall: Miss Estimates and Downgrading Guidance
- BBTN 2Q24 Results (Inline) and Meeting KTA
- MIDI 2Q24 result: Broadly In line to achieve our and consensus' estimates

**MARKET NEWS**
**MACROECONOMY**

- PBOC Decreased the MLF Facility by 20bps to 2.3%
- US GDP Increased at a 2.8% Annualized Rate in the 2Q24

**CORPORATE**

- AKRA to Distribute an Interim Dividend of Rp978bn
- GOTO's Financial Technology Business Unit Launched Gopay Merchant App for MSMEs
- NFCX to Export Volta Electric Motorcycles to Southeast Asia

**EQUITY MARKET INDICES**

	Close	Chg (%)	Ytd (%)	Vol (US\$mn)
<b>Asean - 5</b>				
Indonesia	7,240	(0.3)	(0.4)	513
Thailand	1,292	(0.5)	(8.8)	941
Philippines	6,670	(1.2)	3.4	64
Malaysia	1,615	(0.4)	11.0	601
Singapore	3,430	(0.9)	5.9	853
<b>Regional</b>				
China	2,887	(0.5)	(3.0)	46,776
Hong Kong	17,005	(1.8)	(0.2)	13,509
Japan	37,870	(3.3)	13.2	25,419
Korea	2,711	(1.7)	2.1	7,992
Taiwan	22,872	2.8	27.6	n.a
India	80,040	(0.1)	10.8	1,164
Nasdaq	17,182	(0.9)	14.5	344,181
Dow Jones	39,935	0.2	6.0	22,100

**CURRENCY AND INTEREST RATE**

		Rate	wow (%)	mom (%)	ytd (%)
Rupiah	Rp/1US\$	16,250	(0.6)	0.8	(5.5)
BI7DRRR	%	6.25	-	-	0.3
10y Gov	Indo bond	6.99	0.0	(0.1)	0.5

**HARD COMMODITIES**

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Coal	US\$/ton	135	-	0.5	(8.0)
Gold	US\$/toz	2,364	(0.0)	2.8	14.6
Nickel	US\$/mt.ton	15,503	(0.3)	(8.2)	(5.3)
Tin	US\$/mt.ton	29,216	(1.2)	(8.8)	16.1

**SOFT COMMODITIES**

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Cocoa	US\$/mt.ton	7,372	(1.6)	6.7	77.2
Corn	US\$/mt.ton	152	1.1	(4.1)	(11.6)
Oil (WTI)	US\$/barrel	78	0.0	(3.2)	9.3
Oil (Brent)	US\$/barrel	82	0.8	(3.1)	6.9
Palm oil	MYR/mt.ton	4,011	(0.2)	1.6	7.9
Rubber	US\$/kg	161	(0.9)	(6.5)	2.8
Pulp	US\$/tonne	1,205	n.a	2.8	20.5
Coffee	US\$/60kgbag	227	1.2	6.6	73.0
Sugar	US\$/MT	531	1.8	(5.4)	(10.9)
Wheat	US\$/ton	146	(1.7)	(4.1)	(18.1)
Soy Oil	US\$/lb	46	(0.5)	7.1	(4.2)
SoyBean	US\$/by	1,116	0.5	(4.1)	(13.7)

- [WIFI Partners with Nokia to Develop Affordable Home Internet Network](#)
- [WIKA Recorded New Contracts Worth Rp10.2tr in 1H24](#)

### PREVIOUS EQUITY RESEARCH REPORTS

- [Bank Central Asia: 1H24 results: in-line earnings, supported by robust loan growth, resilient NIM, and stable LaR ratio](#)
- [Mitra Keluarga Karyasehat: Proven strategy execution led to solid 1H24; expect sustainable earnings momentum in FY24-25F](#)
- [Macro Strategy: The Monetary Easing Coercion](#)
- [Coal Sector: Improved Price Outlook Amid Tighter 1H24 Market S-D and Rising Costs; Upgrade Sector to OW](#)
- [Astra International: GIIAS 2024 Visit KTA: Intensifying competition amid Chinese Producers Product Launches](#)
- [Aspirasi Hidup Indonesia: Strong 1H24 SSSG continues to support strong FY24 earnings growth](#)
- [Astra International: 1H24E preview: possible earnings beat, driven by strong financials and qoq HE improvement](#)
- [HM Sampoerna: Regulatory uncertainty loom over HMSP](#)
- [Medco Energi International: Expect 2Q24 earnings support from AMMN amidst flattish oil price; resume coverage with Buy rating](#)
- [Gudang Garam: A still challenging outlook limits re-rating potential; downgrade rating to Hold](#)
- [Banks: 2Q24E preview: stepping into the light](#)
- [Macro Strategy: The Rate Cut Rotation](#)
- [Ciputra Development: Expect Landed-residential to Remain a Key Pillar for 2H24 Marketing Sales](#)
- [Summarecon Agung: Inline 1H24 pre-sales; Potential one-off tax expenses in 2Q24 from MKG asset transfer](#)

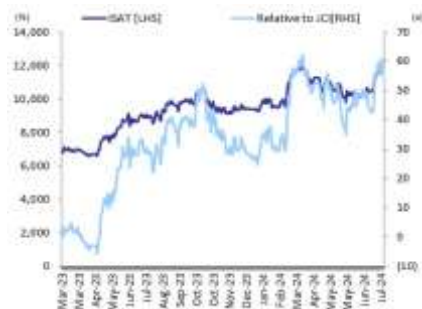
# Overweight

(Maintained)

## TLKM relative to JCI Index



## ISAT relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

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# Telco

## 2Q24 preview: expect the best momentum on IOH; TLKM and EXCL to focus on their catalysts

- We expect a robust and strong 2Q24/ 1H24 net profit momentum for IOH, while we expect TLKM and EXCL to have fewer ST catalysts.
- We estimate TLKM and EXCL to offer limited margin upside in 2Q24, while IOH shall realize leverage and margin expansion (100bps+, Qoq).
- ISAT remains our top pick with room for upgrade. We have a BUY rating on TLKM & EXCL, trading at low multiples offering positive catalysts.

### Expect a robust 2Q24 NP growth from IOH; TLKM and XL to sustain profits

We expect IOH to deliver a robust 2Q24 net profit growth, driven by potential operational and financial momentum from better ARPU (to ~39k) and subscriber growth. We expect Telkom to deliver steady 2Q24 net profit, mainly driven by its non-mobile segments. We expect EXCL to largely preserve its 1Q24 NP performance, but with limited 2Q upside as its EBITDA margin subsides to 50%, in line with FY24 guidance from the 1Q24 high.

### More growth catalysts for IOH in FY24, softer growth for EXCL & TLKM

We forecast IOH 2Q24 revenue to grow at rates of ~4%qoq/ ~10%yoy. We believe IOH may deliver the largest growth due to its rigorous expansion in ex-Java, supported by strong network capacity (based on Opensignal June '24 findings), while offering fewer discounts to capitalize on the price increases, we saw in Nov23. We expect TLKM's growth to be supported by non-mobile as TSEL underperformed the sector, according to Telkom's CFO. Meanwhile, we expect XL to reach ≤ 3% qoq growth in 2Q24 as we see fewer catalysts.

### Expect 2Q24 EBITDA margin expansion for IOH and volatile EBITDA for TLKM

We expect IOH to deliver EBITDA margin expansion of >100bps qoq by realizing operational leverages, which should lead toward achieving its guidance of FY24 49-50% (1Q24: 47%). Amid its "5 bold moves", Telkom undergoes business rationalization in both TSEL and its data centers businesses, which may cause volatility in its reported EBITDA, although core EBITDA should remain largely steady. We expect XL's 2Q24 EBITDA to remain steady, at best, on a qoq basis.

### IOH and XL 1H24 earnings to beat cons. FY est. Telkom should be well inline

We expect the telcos' 1H24 earnings to be in line with their FY24 guidance. If our 1H24 forecast is confirmed, we expect IOH's FY24 NP to beat ours and cons est.; Similarly, despite the flattish 2Q24 NP est., we believe EXCL still has pathway to outperform Cons est. (in line with ours). On the other hand, we see Telkom's NP trajectory to be in line with Cons FY est.

### IOH remains our top pick, while TLKM and EXCL offer catalysts to BUY

IOH remains our top pick due to its strong operating momentum, hence it offers the possibility to outperform. Meanwhile, we expect TLKM to see softer growth as it lays key foundations to secure sustainable growth for later in 2H24, FY25 and beyond. We maintain a BUY rating on TLKM with a TP of Rp4,400, trading at an undemanding valuation of 4.0x EV/EBITDA. We also see EXCL trading at an undemanding valuation (12.7x PE), despite offering key catalysts (FMC with LINK & merger). Downside risks are price competition, prolonged execution in TSEL 5 bold moves, delays in IOH's ex-Java penetration, delays in proposed EXCL-FREN merger to cause stock overhang.

Company	Ticker	Rating	Target	Market	P/E (x)		P/BV (x)		ROE (%)
			Price (Rp)	Cap. (RpBn)	2023F	2024F	2023F	2024F	2024F
Telkom	TLKM IJ	BUY	4,400	306,102.2	12.1	11.6	2.1	2.0	17.6
IOH	ISAT IJ	BUY	13,300	92,721.1	17.5	14.5	2.7	2.4	17.7
XL Axiata	EXCL IJ	BUY	3,300	28,627.6	13.6	11.7	1.0	1.0	8.6

## Non Rated

## Bank Rakyat Indonesia (BBRI IJ)

### 1H24 earnings: Not yet out of the wood but progressing

Last Price (Rp)	4,700
Target Price (Rp)	n/a
Previous Target Price (Rp)	n/a
Upside/Downside	n/a

No. of Shares (mn)	151,559
Mkt Cap (Rpbn/US\$mn)	712,327/43,836
Avg, Daily T/O (Rpbn/US\$mn)	1,310.3/80.6
Free Float (%)	46.3

Major Shareholder (%)	
Government of Indonesia	53.2

EPS Consensus (Rp)	2024F	2025F	2026F
BRIDS	n/a	n/a	n/a
Consensus	409.2	455.3	508.2
BRIDS/Cons (%)	n/a	n/a	n/a

- Despite the higher NPL ratio, the SML ratio improved to 6.9% in 1H24 from 7.1% in 1Q24 and overall NPL improved to 3.1% (-6bps qoq).
- While we noted two scenarios of higher-than-expected CoC in FY24, the bank remains confident in achieving its current 3.0% CoC guidance.
- BBRI's implied CoE of 10.3% is slightly above its -1SD of the 5-year avg. of 8.7% with PBV of 2.2x, slightly below mean.

#### 1H24 net profit remained in line with consensus expectations

BBRI reported net profit of Rp29.7tr in 1H24 (+1% yoy), in line with the consensus (48%) FY24F. NIM declined to 7.7% in 1H24 from 7.9% in 1H23 as the increase in loan yield (+48bps yoy) was offset by the higher CoF (+86bps yoy). The 2Q24 net profit was Rp13.8tr (-1% yoy, -13% qoq) as NIM declined sequentially due to one-off corporate client payments in 1Q24.

#### Asset quality improvement in 2Q24

Overall NPL slightly improved from 3.11% in 1Q24 to 3.05% in 1H24. We noted notable improvement in the small and medium segments, although the micro segment's NPL still rose from 2.69% in 1Q24 to 2.95% in 1H24. Special mention loans improved in all segments, including micro, which decreased to 6.87% in 1H24 from 7.11% in 1Q24. LaR improved to 12.0% in 1H24 from 12.7% in 1Q24 due to the lower amount of restructured loans. The bank aims to reduce COVID-19 restructured loans from Rp32tr in 1H24 to Rp20-22tr in FY24. Coverage on COVID-19 restructured loans remained steady at 33%, which the management deemed sufficient, as the corporate portion (Rp9tr) still serviced its obligations.

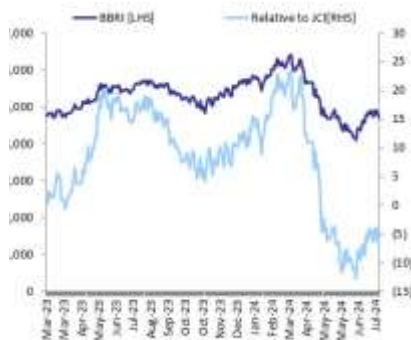
#### Management's confidence in meeting its FY24 CoC target

In 2Q24, CoC improved to 3.1% from 3.8% in 1Q24, resulting in a CoC of 3.5% in 1H24. According to management, the two downside scenarios on its FY24 CoC target of 3.0% are: 1) lower-than-expected loan growth and 2) absence of positive results from the Rp15-20tr restru which started in May24. However, management remains confident that the company will meet its CoC target as it observed improvements in asset quality throughout 2Q24.

#### Relatively cheap valuation in view of the potential recovery

We deem 1H24 results as decent, given that higher recoveries may partly offset the higher provisions and that the corporate loans were disbursed to names with good track records, resulting in less delinquency risk. There is a downside risk to 2H24 NIM from the expected one-off modification losses, while higher LDR and few cash basis payments in 3Q24 offer upside risk. BBRI trades at 2.2x PBV, slightly above its 5-year mean of 2.1x PBV. The implied CoE of 10.3% is slightly below its -1SD of the 5-year avg. of 8.7%.

#### BBRI relative to JCI Index



Source: Bloomberg

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#### Key Financials

Year to 31 Dec	2020A	2021A	2022A	2023A
PPOP (Rpbn)	65,059	80,435	91,285	106,508
Net profit (Rpbn)	21,036	33,467	51,170	60,100
EPS (Rp)	171	220.8	337.6	396.5
EPS growth (%)	(38.8)	29.5	52.9	17.5
BVPS (Rp)	1,840	1,905.1	1,974.8	2,054.4
PER (x)	31.9	23.4	13.9	11.9
PBV (x)	3.0	2.7	2.4	2.3
Dividend yield (%)	1.4	3.4	6.1	7.2
ROAE (%)	9.7	13.0	17.4	19.7

Source: BBRI

# Buy

(Upgraded)

Last Price (Rp)	700		
Target Price (Rp)	810		
Previous Target Price (Rp)	710		
Upside/Downside	+15.7%		
No. of Shares (mn)	14,884		
Mkt Cap (Rpbn/US\$m)	10,419/641		
Avg, Daily T/O (Rpbn/US\$m)	26.2/1.6		
Free Float (%)	5.3		
Major Shareholder (%)			
Hotel Candi Baru	77.6		
Public	22.4		
EPS Consensus (Rp)			
	2024F	2025F	2026F
BRIDS	39.9	43.9	47.6
Consensus	38.7	42.2	47.0
BRIDS/Cons (%)	3.0	4.1	1.2

## SIDO relative to JCI Index



Source: Bloomberg

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# Sido Muncul (SIDO IJ)

## Bright outlook post solid 1H24; upgrade to Buy

- Post robust 1H24, we raised our FY24-25F NP growth by 9.5-11%; expect solid volume growth and higher margins to support a strong 2H24.
- We expect rainy season and volume from direct distribution and export markets to support FY24 vol growth of +15% yoy (2018-13 avg 6%).
- We raise our rating to Buy with a higher TP of Rp810, as we expect robust FY24/25F NP growth of 26%/10% yoy, respectively.

### We raise FY24-25F net profit by 9.5-11%

Following a robust 1H24, we raised our FY24-25F revenue by 9.5%-11%, supported by the expected continuation of strong sales in the F&B segment both in local and export markets. Additionally, the direct distribution to Alfamart and Indomaret, which began between May and Jul24, has boosted sales volume (around 5%). The export market also showed positive developments in 1H24, with strong demand for energy drinks, from Malaysia (4% contribution to 1H24 rev), Philippines (2% of total revenue with Tolak Angin products), and Nigeria (around 2% contribution), resulting in a 73% yoy growth in 1H24 export revenue. We expect lower input prices, especially for Taurine and Aspartame in F&B segment, along with a solid growth higher-margin Herbal segment, to sustain FY24-25F gross margin at 57.9%/57.8%, 20bps higher than our previous forecast. Despite our estimate of higher A&P spending (now 11% vs 10.3% prev) to support sales, we have raised our FY24-25F net profit by 9.5%/11% to Rp1.2tr/1.3tr, translating to 26% and 10% yoy growth, respectively.

### Domestic and export to support growth

We expect La Nina and the rainy season in 2H24, coupled with higher volume turnover from Alfamart and Indomaret, to support sales volume. In the export market, SIDO aims to expand further into Vietnam as a new market, as well as other African countries. Domestically, SIDO reported solid demand for energy drinks (Kuku Bima), driven by extreme weather and increased activities in commodity business. However, SIDO remains cautious about the economic conditions and thus has maintained its FY24 top and bottom-line growth projections at above 10% yoy.

### Upgrade rating to Buy with a higher TP of Rp810

In addition to our higher FY24-25F est., we also roll over our valuation to FY25, raising our DCF-based TP to Rp810 (FY25F PE of 18.5x) (WACC 10.2%, Terminal growth 3%). We expect continued strong growth in 2H24, supported by higher volume and export market growth, to sustain earnings and share price. The downside risks include lower volume from export and domestic markets and above-expectation A&P spending, which may hamper earnings.

### Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	3,866	3,566	4,152	4,573	4,969
EBITDA (Rpbn)	1,279	1,140	1,384	1,521	1,650
EBITDA Growth (%)	(12.7)	(10.9)	21.4	9.9	8.5
Net Profit (Rpbn)	1,105	951	1,197	1,316	1,427
EPS (Rp)	36.8	31.7	39.9	43.9	47.6
EPS Growth (%)	(12.4)	(13.9)	25.9	10.0	8.4
BVPS (Rp)	116.8	112.9	116.2	119.5	122.9
DPS (Rp)	33.2	30.1	36.6	40.5	44.3
PER (x)	19.0	22.1	17.5	16.0	14.7
PBV (x)	6.0	6.2	6.0	5.9	5.7
Dividend yield (%)	4.7	4.3	5.2	5.8	6.3
EV/EBITDA	15.7	17.7	14.6	13.3	12.3

Source: SIDO, BRIDS Estimates

**RESEARCH COMMENTARY**
**AKRA 1H24 Post-Concall: Miss Estimates and Downgrading Guidance**

- AKRA's 1H24 NP declined by 3% yoy to Rp1tr, forming 35%/33% of our/consensus estimate, a miss from the usual seasonality of 37-49%. AKRA earnings were helped by higher financial income (Rp149bn in 1H24 vs Rp50bn in 1H23), and lower tax bracket benefit from SEZ.
- The company's 1H24 revenue/GP/NP declined by 6%/12%/15% yoy, as petrochemical revenue declined by 7% yoy and chemical revenue declined by 8% yoy, due to price normalization on chemical, while rainy season and permit delay affected delivery on petrochemical.
- Meanwhile, industrial estate revenue increased by 12% yoy, as AKRA recorded 18.1ha land sales (-7% yoy) in 1H24 (2Q24: 5 ha), implying higher ASP of Rp2.8mn/m<sup>2</sup> (+15% yoy). Land presales were derived from auto and steel companies.
- AKRA's 1H24 GPM/OPM declined by 60/70 bps yoy, brought down by a declining margin in the petro & chemical segment (6.5% in 1H24 vs 7.4% in 1H23), while industrial estate margin was relatively stable at ~45%.
- AKRA revised down its NP guidance from 12-15% yoy to 4%-7% for FY24F (vs our estimate of 3% and consensus of 9%), implying downside on consensus earnings by 2%-5%. AKRA also slightly revised its industrial land sales guidance from 130 ha to 115ha-130ha (our expectation: 100ha), while also revising down trading & distribution volume from 6-8% yoy to 1-3% yoy (our estimate: 1.5% yoy).
- We expect that 2H24E should be a better period for AKRA, as usually, 2H contributes 50-63% of total FY earnings. Miners are also trying to catch up with their production after production delay that occurred in 1H, while industrial estate sales are usually backloaded in 2H. We reiterate our BUY rating for AKRA with a TP of Rp1,850. AKRA currently trades at PER of 9.6x (-1.5 std dev of 5-years mean). Surprise surrounding the guidance downgrade might lead to short-term share price weaknesses. *(Richard Jerry, CFA & Christian Sitorus – BRIDS)*

(in Rpbn)	2Q23	1Q24	2Q24	QoQ, %	YoY, %	6M23	6M24	YoY, %	FY24 (BRIDS)	A/F, %	FY24 (Cons)	A/F, %
Revenue	8,896	9,811	8,839	(9.9)	(0.6)	19,855	18,651	(6.1)	38,385	49	42,362	44
Gross profit	740	894	690	(22.9)	(6.7)	1,810	1,584	(12.5)	4,462	35	4,976	32
Operating income	553	700	457	(34.7)	(17.3)	1,354	1,149	(15.1)	3,577	32	3,975	29
EBITDA	665	822	571	(30.5)	(14.1)	1,579	1,385	(12.3)	3,993	35	4,497	31
Net income	424	595	408	(31.6)	(3.8)	1,031	1,003	(2.7)	2,861	35	3,035	33
<b>Margins, %</b>												
Gross margin	8.3	9.1	7.8	(1.3)	(0.5)	9.1	8.5	(0.6)	11.6		11.7	
Operating margin	6.2	7.1	5.2	(2.0)	(1.0)	6.8	6.2	(0.7)	9.3		9.4	
EBITDA margin	7.5	8.4	6.5	(1.9)	(1.0)	8.0	7.4	(0.5)	10.4		10.6	
Net margin	4.8	6.1	4.6	(1.5)	(0.2)	5.2	5.4	0.2	7.5		7.2	

**BBTN 2Q24 Results (Inline) and Meeting KTA**

- BBTN reported net profits of Rp642bn in 2Q24 (-5% yoy, -25% qoq), bringing its 1H24 NP to Rp1.5tr (+2% yoy), forming 41% of consensus FY24F NP, similar to the 42% achievement in 1H23.
- Interest income declined 5% qoq in 2Q24, due to an accrued interest reversal of Rp245bn from a corporate loan. Consequently, along with the higher CoF, NII declined 13% qoq, and NIM dropped to 3.0% in 1H24 from 3.6% in 1H23.
- Despite CoF rising to 4.1% in 1H24 from 3.6% in 1H23, the bank's initiatives to reduce high special rates have shown improvement, with CoF improving from 4.2% in 1Q24.
- Due to seasonality, the NPL ratio slightly rose to 3.1% in 1H24 from 3.0% in 1Q24 (but improved from 3.7% in 1H23). The LaR ratio improved to 21.2% in 2Q24 from 23.1% in 2Q23. However, in 1H24, both NPL and LaR coverage declined yoy from 139% to 136% and 22% to 20%, respectively, due to lower provisions.
- The bank's CoC declined to 0.6% in 1H24 from 1.3% in 1H23 (vs. FY24 target of 1.0-1.1%). The 50% yoy lower provisions in 1H24 offset the 24% yoy decline in PPOP, resulting in 2% yoy growth in NP.

- Loans grew 2% qoq to Rp352tr (+14% yoy), with housing loans growing 11% yoy and non-housing loans growing 38% yoy. Loan growth might move towards the company's target of 10-11% yoy as the subsidized housing quota will deplete in Aug24, which will bring the loan growth below 10% from 12%.
- The management continues to pursue the shift from FLPP to SSB but expects no changes until the new government is in place.
- The bank expects bulk asset sales to occur in two stages: 1) Rp1tr in Sep24 and 2) Rp500bn in Nov24. Additionally, it expects another asset sale to DIRE worth approximately Rp100-200bn in 2H24.
- The spin-off of its well-performing Shariah business will be done with the acquisition of a shell company. Hence, the bank expects the acquisition to occur quicker, and the Shariah bank can kick off in 1Q25.
- In our view, the positive NP growth was driven by the 50% lower provisions as the bank was dealing with one-off accrued interest and persistent CoF in 1H24. Hence, the improvement in EA yield in 2H24 might be offset by higher CoC. Key risks to our view in 2H24 include: Subsidized mortgage budget and bulk asset sales. (*Victor Stefano & Naura Reyhan Muchlis – BRIDS*)

Financial (Rpbn) - presentation	2Q23	1Q24	2Q24	qoq, %	yoy, %	1H23	1H24	yoy, %	FY24C	A/C
Interest income	6,846	7,672	7,303	-5%	7%	13,522	14,975	-11%	31,581	47%
Interest expense	3,489	4,445	4,506	1%	29%	7,044	8,949	27%	16,982	53%
Net interest income	3,357	3,227	2,798	-13%	-17%	6,478	6,025	-7%	14,599	41%
Other operating income	840	1,005	1,004	0%	20%	1,718	2,009	17%	3,687	54%
Operating expenses	2,130	2,421	2,710	12%	27%	4,357	5,131	18%	9,710	53%
PPOP	2,070	1,811	1,092	-40%	-47%	3,839	2,903	-24%	8,576	34%
Provision	1,197	657	319	-51%	-73%	1,948	976	-50%	3,854	25%
Operating Profit	873	1,155	773	-33%	-11%	1,891	1,927	2%	4,722	41%
Net profit	673	860	642	-25%	-5%	1,474	1,502	2%	3,672	41%
Loans	307,669	344,244	352,066	2%	14%					n/a
Customer deposits	313,256	357,740	365,382	2%	17%					n/a
<b>Key Ratio</b>										
Cost of fund (%) - ann						3.6	4.1 ↓	50		
NIM (%) - ann						3.6	3.0 ↓	(60)		
CIR (%) - ann						47.8	58.8 ↓	1,100		
Cost of credit (%) - ann						1.3	0.6 ↑	(69)		
ROE - tier 1(%) - ann						12.0	11.1 ↓	(90)		
CASA ratio (%)	54.3	49.9	51.8 ↑	190 ↓	(250)					
LDR (%)	98.2	96.2	96.4 ↓	20 ↑	(180)					
NPL ratio (%)	3.7	3.0	3.1 ↓	10 ↑	(60)					
LaR ratio (%)	23.1	21.6	21.2 ↑	(40) ↑	(190)					

**MIDI 2Q24 result: Broadly In line to achieve our and consensus' estimates**

- MIDI reported 2Q24 net profit of Rp175bn, +11% yoy and 17% qoq, leading to 1H24 bottom line of Rp325bn, +25% yoy, supported by solid top line (+13% yoy) with higher gross margin (26.5% vs 1H23: 25.9%).
- The 1H24 net profit was 53% of our FY24F and of consensus, i.e broadly inline. Further details to follow. (*Natalia Sutanto, Sabela Nur Amalina – BRIDS*)

MIDI U	1H23	1H24	yoy	2Q23	1Q24	2Q24	qoq	yoy	2024F	A/F	A/C
Revenue (Rpbn)	8,648	9,784	13%	4,608	4,794	4,991	4%	8.3%	19,478	50.2%	50.2%
COGS	6,405	7,188	12%	3,453	3,525	3,663	4%	6.1%	14,354		
Gross profit	2,243	2,596	16%	1,155	1,268	1,328	5%	14.9%	5,124	50.7%	50.8%
Opex	1,979	2,273	15%	1,011	1,115	1,158	4%	14.6%	4,536		
Operating profit	392	425	8%	226	209	216	3%	-4.4%	799	53.2%	72.2%
Pretax profit	321	396	23%	193	194	202	4%	4.5%	760	52.1%	52.9%
Net profit	259	325	25%	158	150	175	17%	11.0%	618	52.6%	52.3%
Gross margin	25.9%	26.5%		25.1%	26.5%	26.6%			26.3%		
Opex to revenue	22.9%	23.2%		21.9%	23.3%	23.2%			23.3%		
Operating margin	4.5%	4.3%		4.9%	4.4%	4.3%			4.1%		
Net margin	3.0%	3.3%		3.4%	3.1%	3.5%			3.2%		

Source: Company, BRI Danareksa Sekuritas, Bloomberg

**MACROECONOMY****PBOC Decreased the MLF Facility by 20bps to 2.3%**

PBoC decreased the rate of the medium-term lending facility (MLF) by 20bps to 2.3%, the first reduction in almost a year. The cut followed the PBOC's trim of the seven-day reverse repo by 10bps on Monday. (Bloomberg)

**US GDP Increased at a 2.8% Annualized Rate in the 2Q24**

US GDP increased at a 2.8% annualized rate in the 2Q24, exceeding estimate and 1Q's 1.4% in the previous quarter, the government's initial estimate showed. Personal spending advanced 2.3%, also more than projected. A closely watched measure of underlying inflation rose 2.9%, easing from the first quarter but still above estimates. (Bloomberg)

**CORPORATE****AKRA to Distribute an Interim Dividend of Rp978bn**

AKRA plans to distribute a total interim dividend of Rp978bn, equivalent to Rp50/share (yield: 3.3%), for the fiscal year 2024. AKRA made a decision regarding the distribution of the FY24 interim dividend after recording a net profit of Rp1tr in 1H24. (Bisnis)

**GOTO's Financial Technology Business Unit Launched Gopay Merchant App for MSMEs**

GOTO's financial technology business unit, GoTo Financial, launched the GoPay Merchant application to provide easy and safe access to financial services, especially for MSME players. (VOI)

**NFCX to Export Volta Electric Motorcycles to Southeast Asia**

NFCX plans to expand its business by exporting Volta electric motorcycles to several countries in Southeast Asia. According to Volta, they have targeted three countries in Southeast Asia: Malaysia, Vietnam, and Thailand. Currently, Thailand is Volta's priority for expansion with a B2B scheme. (Kontan)

**WIFI Partners with Nokia to Develop Affordable Home Internet Network**

WIFI has officially entered into a strategic partnership with Nokia Indonesia to jointly develop and expand affordable home internet services throughout Indonesia. Nokia will serve as a strategic partner for Surge, providing end-to-end network connectivity. This initiative aims to deliver reliable, high-speed, and affordable internet services to 25 million households on the Java Island, with plans to expand to other islands in Indonesia. (IDX)

**WIKA Recorded New Contracts Worth Rp10.2tr in 1H24**

WIKA has successfully recorded an increase in new contract acquisitions through Jun24, totaling Rp10.25tr in 1H24. The largest contribution to these new contracts came from the industrial segment, followed by infrastructure, buildings, EPC projects, and properties. A majority of these projects originated from state-owned enterprises and the government sector, utilizing a payment scheme based on monthly progress payments. (Emiten News)



BRI danareksa Equity Valuation		Rating	Outstanding			Mkt Cap Rp Bn	PER (x)		EV / EBITDA (x)		PBV		ROE	
			Shares (Mn)	Price (Rp)	Price Target		2023	2024	2023	2024	2023	2024	2023	2024
<b>BRI-Danareksa Universe</b>			<b>3,205,618</b>			<b>4,709,790</b>	<b>17.5</b>	<b>13.2</b>	<b>11.2</b>	<b>10.6</b>	<b>2.3</b>	<b>2.1</b>	<b>13.3</b>	<b>16.6</b>
<b>Auto</b>			<b>40,484</b>			<b>181,771</b>	<b>5.4</b>	<b>6.0</b>	<b>4.4</b>	<b>4.2</b>	<b>0.9</b>	<b>0.9</b>	<b>17.3</b>	<b>14.7</b>
Astra International	ASII	BUY	40,484	4,490	5,100	181,771	5.4	6.0	4.4	4.2	0.9	0.9	17.3	14.7
<b>Financials &amp; Banks</b>			<b>340,326</b>			<b>2,237,721</b>	<b>16.8</b>	<b>15.8</b>	<b>NA</b>	<b>NA</b>	<b>3.1</b>	<b>2.8</b>	<b>19.1</b>	<b>18.5</b>
BCA	BBCA	BUY	123,275	10,300	11,300	1,269,734	26.1	24.0	NA	NA	5.2	4.8	21.0	20.9
BN	BBNI	BUY	37,297	5,025	6,800	187,419	9.0	8.6	NA	NA	1.2	1.1	14.6	14.0
Bank Tabungan Negara	BBTN	BUY	14,034	1,325	2,000	18,596	5.9	5.2	NA	NA	0.7	0.6	11.6	11.9
Bank Mandiri	BMRI	BUY	93,333	6,575	7,400	613,667	11.1	10.8	NA	NA	2.4	2.2	22.4	20.9
Bank Jago	ARTO	BUY	13,857	2,430	4,500	33,673	465.3	259.7	NA	NA	4.0	4.0	0.9	1.5
Bank Neo Commerce	BBYB	BUY	12,399	242	600	3,001	(5.2)	(25.1)	NA	NA	0.9	0.9	(16.2)	(3.7)
Bank Syariah Indonesia	BRIS	BUY	46,129	2,420	2,700	111,633	19.6	17.0	NA	NA	2.9	2.5	15.8	15.9
<b>Cement</b>			<b>10,433</b>			<b>53,836</b>	<b>13.1</b>	<b>14.0</b>	<b>5.4</b>	<b>5.4</b>	<b>0.8</b>	<b>0.8</b>	<b>6.5</b>	<b>5.9</b>
Indocement	INTP	BUY	3,681	7,325	8,400	26,965	13.8	15.6	7.3	7.1	1.3	1.2	9.6	8.0
Semen Indonesia	SMGR	BUY	6,752	3,980	6,700	26,871	12.4	12.8	4.6	4.6	0.6	0.6	5.0	4.8
<b>Cigarettes</b>			<b>118,242</b>			<b>109,921</b>	<b>8.2</b>	<b>9.0</b>	<b>5.7</b>	<b>5.7</b>	<b>1.2</b>	<b>1.1</b>	<b>15.2</b>	<b>13.1</b>
Gudang Garam	GGRM	HOLD	1,924	16,625	17,500	31,988	6.0	8.0	4.0	4.3	0.5	0.5	9.0	6.3
HM Sampoerna	HMSP	HOLD	116,318	670	730	77,933	9.6	9.5	7.5	6.7	2.6	2.5	27.9	26.9
<b>Construction</b>			<b>21,865</b>			<b>44,140</b>	<b>17.9</b>	<b>14.7</b>	<b>8.37</b>	<b>7.91</b>	<b>1.0</b>	<b>0.9</b>	<b>5.7</b>	<b>6.5</b>
Pembangunan Perumahan	PTPP	BUY	6,200	382	750	2,368	7.9	5.0	5.2	4.8	0.2	0.2	2.6	4.0
Adhi Karya	ADHI	BUY	8,408	242	500	2,035	37.3	51.9	6.0	6.4	0.2	0.2	0.6	0.5
Jasa Marga	JSMR	BUY	7,258	5,475	5,100	39,737	18.8	16.0	10.0	9.3	1.6	1.5	9.1	9.8
<b>Consumer</b>			<b>87,138</b>			<b>338,156</b>	<b>14.4</b>	<b>12.3</b>	<b>7.7</b>	<b>6.8</b>	<b>2.9</b>	<b>2.5</b>	<b>20.8</b>	<b>21.9</b>
Indofood CBP	ICBP	BUY	11,662	10,850	12,900	126,532	18.1	12.9	9.4	8.5	3.1	2.7	18.1	22.3
Indofood	INDF	BUY	8,780	6,100	8,000	53,561	6.6	5.4	3.9	3.0	0.9	0.8	14.4	15.7
Unilever	UNVR	SELL	38,150	2,490	2,300	94,994	19.8	20.9	13.4	14.5	28.1	27.9	130.1	133.8
Mayora Indah	MYOR	BUY	22,359	2,540	3,200	56,791	17.8	16.9	11.1	10.8	3.8	3.4	23.1	21.1
Nippon Indosari Corpindo	ROTI	BUY	6,186	1,015	1,400	6,279	18.8	16.4	9.3	8.4	2.6	2.4	13.1	15.3
<b>Pharmaceutical</b>			<b>76,875</b>			<b>95,531</b>	<b>25.7</b>	<b>24.2</b>	<b>16.5</b>	<b>15.9</b>	<b>3.9</b>	<b>3.6</b>	<b>15.3</b>	<b>15.4</b>
Sido Muncul	SIDO	HOLD	30,000	700	710	21,000	22.1	19.2	17.7	15.9	6.2	6.0	27.6	31.8
Kalbe Farma	KLBF	BUY	46,875	1,590	1,600	74,531	26.9	26.2	16.2	15.9	3.5	3.3	13.2	12.9
<b>Healthcare</b>			<b>43,556</b>			<b>101,775</b>	<b>34.4</b>	<b>46.9</b>	<b>28.7</b>	<b>24.2</b>	<b>7.8</b>	<b>7.1</b>	<b>24.5</b>	<b>15.8</b>
Medikaloka Herrina	HEAL	BUY	15,366	1,365	1,800	20,975	43.3	35.1	15.0	13.0	4.4	4.0	11.9	12.1
Mitra Keluarga	MKA	BUY	14,246	3,010	3,400	42,882	46.8	35.6	28.0	22.3	7.4	6.4	16.3	19.3
Prodia Widyahusada	PRDA	BUY	938	2,850	6,400	2,672	7.6	7.3	3.0	2.7	1.1	1.0	14.8	14.6
Siloam Hospital	SLO	BUY	13,006	2,710	2,900	35,247	29.1	31.0	12.9	12.7	4.5	4.1	16.3	13.7
<b>Heavy Equipment</b>			<b>3,730</b>			<b>92,880</b>	<b>4.5</b>	<b>5.4</b>	<b>2.4</b>	<b>2.3</b>	<b>1.2</b>	<b>0.9</b>	<b>25.1</b>	<b>18.4</b>
United Tractors	UNTR	HOLD	3,730	24,900	24,900	92,880	4.5	5.4	2.4	2.3	1.2	0.9	25.1	18.4
<b>Industrial Estate</b>			<b>62,551</b>			<b>13,621</b>	<b>10.1</b>	<b>10.0</b>	<b>6.9</b>	<b>6.3</b>	<b>1.0</b>	<b>0.9</b>	<b>9.6</b>	<b>9.5</b>
Puradelta Lestari	DMAS	BUY	48,198	155	220	7,471	6.3	8.1	5.3	6.4	1.3	1.3	20.5	16.0
Bekasi Fajar	BEST	HOLD	9,647	101	140	974	7.2	5.0	7.4	6.1	0.2	0.2	3.1	4.2
Surya Semesta	SSIA	BUY	4,705	1,100	700	5,176	165.5	21.6	9.7	6.2	1.3	1.3	0.8	6.1
<b>Media</b>			<b>89,020</b>			<b>15,350</b>	<b>5.3</b>	<b>6.2</b>	<b>2.3</b>	<b>2.0</b>	<b>0.5</b>	<b>0.5</b>	<b>10.3</b>	<b>8.2</b>
Media Nusantara Citra	MNCN	BUY	15,050	322	800	4,846	2.5	3.1	1.1	0.7	0.2	0.2	9.8	7.2
Surya Citra Media	SCMA	BUY	73,971	142	325	10,504	11.5	11.7	5.2	5.0	1.3	1.2	11.6	10.7
<b>Mining</b>			<b>320,876</b>			<b>399,834</b>	<b>6.7</b>	<b>8.2</b>	<b>3.5</b>	<b>4.2</b>	<b>1.3</b>	<b>1.3</b>	<b>20.5</b>	<b>15.8</b>
Medco Energi	MEDC	BUY	25,136	1,270	1,700	31,923	6.4	6.5	2.3	4.2	1.2	1.0	19.5	16.9
Adaro Energy	ADRO	BUY	31,986	3,130	3,770	100,116	4.1	5.7	1.6	2.0	1.0	1.0	25.7	17.2
Timah	TINS	HOLD	7,448	930	2,100	6,926	17.8	55.6	5.3	22.8	1.0	1.0	5.3	1.7
Vale Indonesia	INCO	BUY	10,540	3,690	5,700	38,892	9.5	27.5	3.8	7.2	1.0	1.0	11.2	3.7
Aneka Tambang	ANTM	BUY	24,031	1,280	2,000	30,759	10.0	10.6	5.8	5.7	1.0	1.0	11.3	9.5
Bukit Asam	PTBA	BUY	11,521	2,610	3,100	30,069	4.9	5.4	4.2	5.0	1.4	1.3	24.4	25.3
Indo Tambangraya Megah	ITMG	BUY	1,130	26,050	31,300	29,435	3.9	3.9	1.8	1.3	1.1	1.1	26.7	28.0
Harum Energy	HRUM	BUY	13,518	1,190	1,700	16,087	5.1	5.2	1.9	1.5	1.2	1.1	26.1	22.4
Merdeka Copper Gold	MDKA	BUY	24,473	2,430	3,100	59,469	(19.1)	72.1	21.2	16.5	4.3	3.7	(191.1)	5.5
Trimegah Bangun Persada	NXKL	BUY	63,099	890	1,300	56,158	10.0	11.1	8.4	8.0	2.4	2.1	34.1	20.1
Merdeka Battery Materials	MBMA	BUY	107,995	595	700	64,257	618.3	89.6	46.1	26.6	95.5	165.4	10.0	135.1
<b>Poultry</b>			<b>30,363</b>			<b>110,842</b>	<b>33.5</b>	<b>22.7</b>	<b>14.4</b>	<b>11.5</b>	<b>2.6</b>	<b>2.4</b>	<b>7.9</b>	<b>11.0</b>
Charoen Pokphand	CPIN	BUY	16,398	5,425	5,900	88,959	38.4	30.2	18.6	16.1	3.3	3.1	8.7	10.6
Japfa Cornfeed	JFFA	BUY	11,727	1,700	1,800	19,935	21.4	11.0	9.6	6.7	1.5	1.4	7.2	12.9
Malindo Feedmill	MAIN	BUY	2,239	870	850	1,948	30.7	15.1	5.9	5.2	0.8	0.7	2.6	5.0
<b>Property</b>			<b>124,025</b>			<b>75,402</b>	<b>10.6</b>	<b>9.6</b>	<b>5.8</b>	<b>4.9</b>	<b>0.8</b>	<b>0.7</b>	<b>7.7</b>	<b>7.9</b>
Alam Sutera	ASRI	BUY	19,649	136	240	2,672	3.6	6.7	4.0	4.9	0.2	0.2	6.7	3.5
Bumi Serpong Damrai	BSDE	BUY	21,171	1,005	1,300	21,277	10.5	9.3	6.5	5.8	0.6	0.6	5.8	6.1
Ciptara Development	CTRA	BUY	18,536	1,220	1,600	22,614	13.8	10.2	7.1	6.0	1.1	1.0	8.6	10.7
Pakuu on Jati	PWON	BUY	48,160	412	610	19,842	9.2	9.1	4.5	4.0	1.0	0.9	11.8	10.8
Summarecon	SMRA	BUY	16,509	545	1,000	8,997	15.9	11.7	6.6	3.2	0.9	0.9	6.0	7.8
<b>Utility</b>			<b>65,737</b>			<b>37,696</b>	<b>29.4</b>	<b>27.6</b>	<b>13.8</b>	<b>13.7</b>	<b>2.6</b>	<b>2.5</b>	<b>16.0</b>	<b>15.5</b>
Perusahaan Gas Negara	PGAS	BUY	24,242	1,555	1,650	37,696	9.1	8.6	2.8	2.4	0.8	0.8	9.8	9.5
Pertamina Geothermal Energy	PGE0	BUY	41,495	1,270	1,470	52,699	20.3	19.0	11.0	11.3	1.8	1.7	10.8	9.2
<b>Retail</b>			<b>95,689</b>			<b>71,880</b>	<b>15.8</b>	<b>13.8</b>	<b>8.1</b>	<b>7.3</b>	<b>2.8</b>	<b>2.4</b>	<b>19.8</b>	<b>18.7</b>
Mitra Adi Perkasa	MADI	BUY	16,600	1,375	2,200	22,825	12.1	10.6	5.4	5.0	2.3	1.9	20.9	19.4
MAP Aktif Adiperkasa	MAPA	BUY	28,504	745	1,100	21,235	15.3	13.5	9.7	8.9	3.7	3.0	27.3	24.4
Midi Utama Indonesia	MDI	BUY	33,435	414	600	13,842	26.8	22.4	11.1	9.8	3.7	3.3	18.0	15.6
Ace Hardware	ACES	BUY	17,150	815	1,200	13,977	18.3	16.1	12.4	10.3	2.3	2.1	12.7	13.6
<b>Technology</b>			<b>1,377,157</b>			<b>130,066</b>	<b>(1.4)</b>	<b>(18.1)</b>	<b>7.8</b>	<b>20.8</b>	<b>1.8</b>	<b>2.0</b>	<b>(81.4)</b>	<b>(10.6)</b>
Bukalapak	BUKA	BUY	103,109	121	340	12,476	(20.7)	43.7	12.1	130.8	0.5	0.5	(2.3)	1.1
Gojek Tokopedia	GOTO	BUY	1,150,838	54	120	62,145	(0.7)	(1						

**COVERAGE PERFORMANCE**
**LEADERS**

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		25-Jul-24	24-Jul-24					
Dharma Satya	DSNG	690	645	7.0	8.7	13.1	24.3	BUY
Malindo Feedmill	MAIN	870	815	6.7	6.7	33.8	68.9	BUY
Tower Bersama	TBIG	1,995	1,920	3.9	0.3	14.7	(4.5)	BUY
Medikaloka Hermina	HEAL	1,365	1,320	3.4	5.4	-	(8.4)	BUY
BCA	BBCA	10,300	10,075	2.2	2.0	8.4	9.6	BUY
Mitra Adi Perkasa	MAPI	1,375	1,345	2.2	(1.8)	(2.1)	(23.2)	BUY
M-Cash Integrasi	MCAS	925	905	2.2	6.9	12.1	(78.7)	BUY
Surya Semesta	SSIA	1,100	1,080	1.9	2.3	1.4	153.5	BUY
PP London Sumatra	LSIP	830	815	1.8	1.2	3.8	(6.7)	BUY
Indofood	INDF	6,100	6,000	1.7	0.4	3.4	(5.4)	BUY

Sources: Bloomberg

**LAGGARDS**

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		25-Jul-24	24-Jul-24					
Unilever	UNVR	2,490	2,720	(8.5)	(11.1)	(17.3)	(29.5)	SELL
Summarecon	SMRA	545	570	(4.4)	(4.4)	9.4	(5.2)	BUY
Adi Sarana Armada	ASSA	770	805	(4.3)	(1.9)	22.2	(2.5)	BUY
Bank Neo Commerce	BBYB	242	252	(4.0)	(8.3)	1.7	(44.5)	BUY
Matahari Department Store	LPPF	1,485	1,545	(3.9)	(4.8)	2.1	(25.8)	#N/A
Metrodata Electronics	MTDL	635	660	(3.8)	(2.3)	10.4	18.7	BUY
BTPS	BTPS	1,110	1,150	(3.5)	(7.9)	0.9	(34.3)	BUY
Saratoga Investama Sedaya	SRTG	1,440	1,490	(3.4)	(3.7)	12.5	(12.2)	BUY
Harum Energy	HRUM	1,190	1,230	(3.3)	(3.6)	3.9	(10.9)	BUY
Bank Syariah Indonesia	BRIS	2,420	2,500	(3.2)	(2.8)	(5.1)	39.1	BUY

Sources: Bloomberg

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