

FROM EQUITY RESEARCH DESK

IDEA OF THE DAY

Pakuwon Jati : Investment Property Remains an Underappreciated Growth Driver; Resume Coverage with a Buy Rating (PWON.IJ Rp 454; BUY TP Rp 640)

- We believe PWON's malls assets are poised to reap benefits from the current sectoral trend and will cushion its weak condo marketing sales.
- We expect a stable recurring revenue growth at an avg. of +10% p.a. in FY24F-FY29F with pre-sales of +7%, reflecting the weak condo market.
- We resume coverage with a Buy rating and a higher TP of Rp640, as we include new projects but with a slightly higher disc. of 58% to RNAV.

To see the full version of this report, please [click here](#)

Macro Strategy : 2025 Proposed Budget: The Groundwork for Transition

- The 2025 budget facilitates a smooth transition, allowing the immediate inclusion of the new government's key initiatives.
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- The conservative macro assumptions include a 2.5% deficit projection (vs FY24's 2.7%), despite a high 7.1% yield assumption in FY25.

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RESEARCH COMMENTARY

- EXCL Acquires Linknet's Residential Business for Rp1.875tr; Expected to Boost Revenue and NP, Enhancing EXCL's FMC Strategy.
- Industry and INTP Jul24 Volume
- Positive First View from Government Budget 2025 Revenue; Supports ICT by Reducing Fee Collections

MARKET NEWS

MACROECONOMY

- Indonesia: 2025 Budget Draft Projects 14% Tax Revenue Growth

SECTOR

- Indonesian Government Lowers Oil and Gas Lifting Targets for 2025
- Motorcycle Sales in Indonesia Increased by 17% yoy in Jul24
- Oil and Gas Production Reached its Peak on August 17, 2024
- Soft Commodities: Cocoa Prices Soar Due to Supply Shortages

CORPORATE

- ISAT Partners with Microsoft to Accelerate Transformation Through AI
- JSMR Absorbed Capex for Toll Road Investment of Rp4.36tr
- PGEO to Conduct a MESOP Worth Rp296.8bn

EQUITY MARKET INDICES

	Close	Chg (%)	Ytd (%)	Vol (US\$mn)
Asean - 5				
Indonesia	7,432	0.3	2.2	517
Thailand	1,303	1.0	(8.0)	1,028
Philippines	6,847	2.3	6.2	116
Malaysia	1,624	0.7	11.6	626
Singapore	3,353	1.1	3.5	955
Regional				
China	2,879	0.1	(3.2)	47,090
Hong Kong	17,430	1.9	2.2	12,642
Japan	38,063	3.6	13.7	26,466
Korea	2,697	2.0	1.6	6,560
Taiwan	22,349	2.1	24.6	n.a
India	80,437	1.7	11.3	1,001
Nasdaq	17,632	0.2	17.5	242,110
Dow Jones	40,660	0.2	7.9	18,460

CURRENCY AND INTEREST RATE

		Rate	wow (%)	mom (%)	ytd (%)
Rupiah	Rp/1US\$	15,690	1.5	3.0	(1.9)
BI7DRRR	%	6.25	-	-	0.3
10y Gov	Indo bond	6.72	(0.1)	(0.2)	0.2

HARD COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Coal	US\$/ton	147	(2.2)	9.2	0.2
Gold	US\$/toz	2,508	2.1	1.6	21.6
Nickel	US\$/mt.ton	16,130	0.4	(1.1)	(1.5)
Tin	US\$/mt.ton	31,866	0.0	(3.5)	26.6

SOFT COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Cocoa	US\$/mt.ton	6,349	(13.0)	(16.1)	52.6
Corn	US\$/mt.ton	130	(8.2)	(12.3)	(24.3)
Oil (WTI)	US\$/barrel	77	(1.9)	(5.1)	7.0
Oil (Brent)	US\$/barrel	80	(1.7)	(4.8)	3.4
Palm oil	MYR/mt.ton	3,869	0.3	(2.3)	4.1
Rubber	US\$/kg	173	(0.1)	7.2	10.8
Pulp	US\$/tonne	1,205	n.a	2.8	20.5
Coffee	US\$/60kgbag	237	0.7	1.7	74.6
Sugar	US\$/MT	517	0.7	(10.3)	(13.3)
Wheat	US\$/ton	150	0.4	(0.5)	(17.4)
Soy Oil	US\$/lb	40	1.2	(14.5)	(16.5)
SoyBean	US\$/by	939	(1.3)	(13.9)	(27.4)

PREVIOUS EQUITY RESEARCH REPORTS

- Digital Banks: [Still Robust Earnings Growth Potentials Despite Increasing Competition](#)
- Midi Utama Indonesia: [Strong 1H24 Earnings Bolster FY24 Guidance; Focus on Profitability Enhances Outlook](#)
- Mitratel: [Resilient Growth and Strategic Advantages Amid Telco Consolidation](#)
- Wintermar Offshore Marine: [Riding the charter rates upcycle; initiate with Buy](#)
- Macro Strategy: [What's Priced In and What's Not](#)
- Jasa Marga: [Reinitiate with Buy rating; Attractive FY24-25 28%-33% EPS growth from deleveraging and tariff hikes](#)
- Property: [KTA from meeting with JLL: Landed Housing and Retails as Key Growth Driver in Greater Jakarta](#)
- XL Axiata : [Inline earnings on robust operational; potential catalysts ahead](#)
- Bank Neo Commerce : [Turning into net loss in 2Q24 on loans and NIM contraction \(inline 1H24\); maintain FY24F net losses](#)
- Aspirasi Hidup Indonesia: [Steady SSSG, but Challenges Loom; reaffirm Buy Rating with a lower TP](#)
- Charoen Pokphand Indonesia: [Strong 2Q24 earnings on higher sales and margin; 1H24 beat estimates](#)
- Indocement Tunggal Prakarsa: [Lowering FY24E/FY25E EPS est by 7%-8%; reiterate Buy on Better ASP Management](#)
- Telkom Indonesia: [Resilient 1H24 earnings \(inline\); diversified growth drivers to mitigate downside risks](#)
- Semen Indonesia: [Lowering FY24E/FY25E est. EPS by 20%-22 on weak ASP; downgrade rating to Hold](#)
- Macro Strategy: [Anathema to Growth](#)

Buy

(Maintained)

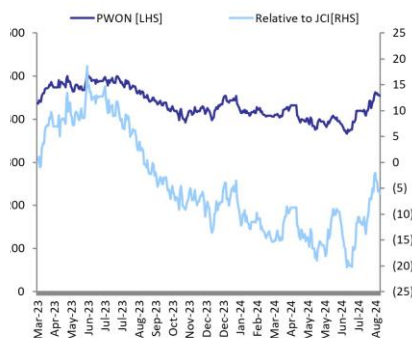
Last Price (Rp)	454
Target Price (Rp)	640
Previous Target Price (Rp)	610
Upside/Downside	+41.0%

No. of Shares (mn)	48,160
Mkt Cap (Rpbn/US\$mn)	21,864/1,394
Avg, Daily T/O (Rpbn/US\$mn)	15.6/1.0
Free Float (%)	31.3

Major Shareholder (%)	
Pakuwon Arthaniaga	68.7

EPS Consensus (Rp)	2024F	2025F	2026F
BRIDS	44.7	49.0	46.1
Consensus	44.8	47.4	52.4
BRIDS/Cons (%)	(0.1)	3.3	(12.1)

PWON relative to JCI Index



Source: Bloomberg

Pakuwon Jati (PWON JJ)

Investment Property Remains an Underappreciated Growth Driver; Resume Coverage with a Buy Rating

- We believe PWON's malls assets are poised to reap benefits from the current sectoral trend and will cushion its weak condo marketing sales.
- We expect a stable recurring revenue growth at an avg. of +10% p.a. in FY24F-FY29F with pre-sales of +7%, reflecting the weak condo market.
- We resume coverage with a Buy rating and a higher TP of Rp640, as we include new projects but with a slightly higher disc. of 58% to RNAV.

Strategically Located Mixed-Use Assets as Key Distinctive Factors

We believe PWON's strategically located mixed-use assets with main focus on retail segment (malls represent ~30% to RNAV) are poised to reap benefits from the increasing inquiries from tenants seeking space in prime locations ([please see our last sector note](#)), which will help cushion its property development business amid the weak condo market. PWON's malls NLA of 785k sqm, the highest in the sector (vs. SMRA's 337k sqm) with relatively higher blended occupancy (~94% per 1H24 vs. SMRA's of ~83%), also demonstrated that its mall assets are more mature and better monetized. We expect mall traffic to remain supported as the middle-upper segment's purchasing power has proven to be resilient under the current condition.

Expect a 10% p.a. average growth in FY24F-FY29F recurring revenue

Taking into account its recurring revenue expansion pipeline located in the new emerging domestic markets (e.g., Semarang, Batam, IKN) and mature tier-1 city locations ([exh.1](#)), we expect a stable recurring revenue growth at an average of 10% p.a. in FY24F-FY29F, driven by a projected 5% growth in ARR and a stable blended malls occupancy at ~92%. Meanwhile, we project PWON to achieve pre-sales of Rp1.45/Rp1.53tr for FY24F/FY25F, and to grow at an average rate of 7% for FY26F-FY29F, considering its project launch schedule and our conservative view of the still weak condo market.

Resuming Coverage with a Buy rating and a TP of Rp640

We resume our coverage on PWON with a Buy rating and a slightly higher TP of Rp640, as we include new projects into our RNAV but assume a higher 58% disc. We believe the current 10.2x FY24F P/E (vs. average Indo peers of 10.7x) has already priced in the risk of weak condo market, but overlooks its investment assets value, recurring revenue and expansion pipeline. Key risks are: 1) lower marketing sales 2) discontinuation of gov't incentive on property sector.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	5,987	6,200	6,370	6,938	6,678
EBITDA (Rpbn)	3,272	3,358	3,545	3,834	3,657
EBITDA Growth (%)	14.7	2.6	5.6	8.1	(4.6)
Net Profit (Rpbn)	1,543	2,121	2,154	2,360	2,218
EPS (Rp)	32.0	44.0	44.7	49.0	46.1
EPS Growth (%)	10.5	37.5	1.5	9.6	(6.0)
BVPS (Rp)	359.4	396.5	428.9	465.3	497.6
DPS (Rp)	4.0	9.0	12.3	12.6	13.8
PER (x)	14.2	10.3	10.2	9.3	9.9
PBV (x)	1.3	1.1	1.1	1.0	0.9
Dividend yield (%)	0.9	2.0	2.7	2.8	3.0
EV/EBITDA	6.3	6.1	5.6	4.9	5.0

Source: PWON, BRIDS Estimates

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Macro Strategy

2025 Proposed Budget: The Groundwork for Transition

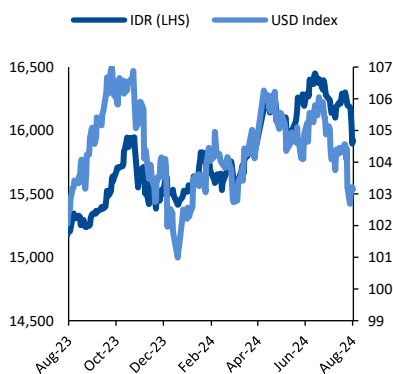
- The 2025 budget facilitates a smooth transition, allowing the immediate inclusion of the new government's key initiatives.
- High tax growth remains the primary revenue source as non-tax revenue declines, with a focus on expanding the tax base.
- The conservative macro assumptions include a 2.5% deficit projection (vs FY24's 2.7%), despite a high 7.1% yield assumption in FY25.

The fiscal design for transition. The 2025 proposed budget lays the groundwork for smooth transition, allowing for the immediate integration of the new government's essential initiatives and agendas. In our opinion, the budget is designed to support the incoming administration while ensuring the continuity of key projects. This includes incorporating the next government's Free Nutritious Food Program and continuing the development of the New Capital City, a major legacy project of the current administration. The key macro assumptions seem conservative, particularly with the fiscal deficit projected at 2.5%, lower than FY24 outlook of 2.7%. This is notable given the relatively high yield assumption of 7.1% (compared to the current yield of 6.7%), which would typically suggest a larger deficit.

The Five Key Focus Area. The 2025 proposed budget highlights five key focus areas that are primary to the government's fiscal strategy:

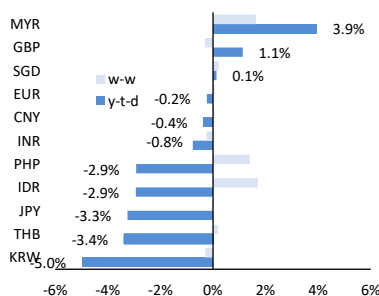
1. The government is targeting a substantial 13.9% increase in tax revenue for FY25, compared to the modest 2.8% growth projected for FY24, to compensate for the expected decline in non-tax revenue. To optimized tax revenue the government, among others, will expand the tax base through both intensification and extensification, with income tax and VAT are expected to grow by 14-15% in FY25. The contribution from those two items to total tax revenue will rise to 86.5%, up 1.7ppt from last year'. The government has indicated higher 12% VAT will be implemented in 2025.
2. While the combined growth of Customs and Excise is projected to be modest at 1.7% next year (vs 3.5% in FY24), Excise revenue is expected to rise by 5.9% in FY25 (vs 3.9% in FY24). This increase is primarily driven by stricter enforcement against illegal excisable goods (BKC) and the introduction of excise on sweetened packaged drinks (MBDK). With nominal GDP expected to grow by 7.9% y-y in 2025, the government will need to explore additional revenue expansion avenues beyond the MBDK excise. Separately, while the Non-Tax Revenue is expected to continue its annual decline, dividends from SOEs are still anticipated to show slight growth of 0.2% y-y to IDR86tn.
3. The Free Nutritious Food (MBG) Program is allocated IDR 71tn (0.29% of GDP), and will benefit 15.4 million recipients across 514 cities. This budget covers the costs of food, distribution, and operational expenses. The Education budget, set to increase by 24.3% y-y in FY25, will fund food costs for students in pre-school, elementary, and middle school, while the Health budget, which is rising by 5.4% y-y in FY25, will covers the nutritious food for expecting mothers. The government anticipates that this program will contribute 0.1 percentage points to GDP growth, supporting the overall growth assumption of 5.2% in 2025.
4. Subsidies are projected to decrease slightly by 1.5% y-y FY25, largely due to a significant reduction in non-energy subsidies, which are expected to decline by 13.7%y-y after doubling in 2024 from pre-pandemic levels. However, there are notable increases in specific areas, with electricity subsidies anticipated to rise by 11.8% y-y and fertilizer subsidies also expected to grow. A significant burden comes from energy compensation, primarily allocated to maintain stable Pertilite prices. (Continued)

YTD Currency performance (%)



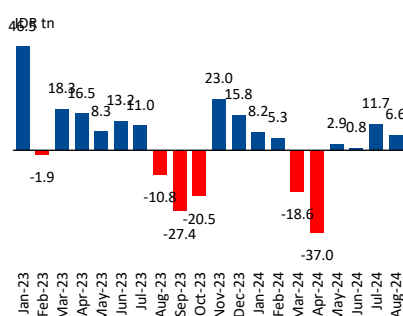
Source: Bloomberg

IDR vs DXY



Source: Bloomberg

Capital Inflow/Outflow (IDR tn)



Source: Bloomberg

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The compensation budget is expected to reach IDR189.8tn, up 33.7% y-y in FY25, making it the second-largest increase after Regional Revenue Sharing. Infra budget saw 5% lower budget in FY25.

5. The fiscal deficit for 2025 will remain stable at 2.5%, at the midpoint of the projected macro framework and lower from 2.7% deficit in FY24 outlook. In terms of value, the deficit will increase slightly from IDR610tn in FY24F to IDR 616tn. However, net SBN issuance is expected to rise significantly, from IDR451.9tn in FY24 to IDR642.6tn in FY25, 42% increase y-y. This increase is mainly driven by a substantial rise in investment financing, which will grow to IDR154.5tn (up 68% y-y), with significant allocations for education and reserve financing. In our view, this has led to relatively high SBN yield assumption of 7.1% in FY25. With this assumption, on bond auction, the target (per 2 auctions) will go up to IDR41tn (vs current IDR26.1tn).

The overall fiscal outlook for 2025 seems manageable, with projected growth in both spending and revenue that aligns with historical trends. The macroeconomic assumptions also appear conservative, with IDR set at IDR16,100 and average bond yield at 7.1%. However, some financial assumptions could be subject to revision, particularly in response to recent developments in the IDR and yields, before the draft is finalized into law in October. The focus on human development is reflected in tangible budget allocations, including IDR 71 trillion for the MBG program, IDR 20.3 trillion for school revitalization, and IDR 55 trillion for education investment (compared to IDR 31 trillion previously).

Capital Market – Stronger IDR Underpinned robust market performance

The yield on the 10-year US Treasury (UST) decreased by 5 basis points last week, bringing it down to 3.89% on wider expectation of rate cut. Meanwhile, the 2-year UST yield rose by 1 basis point to 4.06%. Similarly, the yield on the 10-year Indonesian Government Bond (INDOGB) dropped by 5 basis points, falling to 6.72%.

The U.S. Dollar Index down 0.24% last week, while Indonesian Rupiah appreciated by 1.48% to IDR 15,690 per US dollar. On similar vein, Indonesia's 5-year Credit Default Swap (CDS) spread narrowed by 7 basis points, settling at 71 basis points as of August 16, 2024.

Fixed Income Flow: Strong Weekly Foreign Flow - Foreign ownership of domestic Government Securities (SBN) surged by IDR10.68tn w-w (as of 14th Aug data), with total ownership now reach IDR828tn. On the other hand, the banking sector continued to trim its position with another weekly outflow of IDR18.58tn. Bank Indonesia (excluding repo transactions) recorded an inflow of IDR27.73tn for the week, while mutual funds also saw weekly inflow of IDR1.59tn, while insurance and pension funds reported an inflow of IDR0.73tn.

Equity Flow: JCI hit ATH. In the second week of August 2024, foreign inflows totaled IDR 3.2 trillion, contributing to meteoric weekly 2.4% rise in the Jakarta Composite Index (JCI), hit an ATH level last week. Year-to-date, outflows in the regular market have reached IDR 9.5 trillion. On MTD basis, foreign inflows amounted to IDR5.2tn, with strong interest remains on BMRI, ASII, INDF, AMRT, KLBF, ICBP, ADRO, and JPFA as those stocks consistently attracted the highest inflows, while BBRI, TOWR, AMMN, MDKA, AKRA, and MAPI remained among the top outflows.

RESEARCH COMMENTARY**EXCL Acquires Linknet's Residential Business for Rp1.875tr; Expected to Boost Revenue and NP, Enhancing EXCL's FMC Strategy.**

- The revised LINK prospectus suggests that EXCL will spend Rp1.875tr (for 750k subscribers or Rp2.5mn/subs) to take over LINK's residential or B2C business unit.
- The deal optics appear accretive to value in XL's P&L. We see also EXCL achieving a margin of 60%+, before OPEX related to content costs, marketing, labour; and regulatory costs related to the Fixed BB residential business. XL should absorb this OPEX by leveraging its own cost structure and aim for an XL EBITDA margin not far below from the 50.1% average in last 8 quarters, 52.3% in 2Q24.
- LINKNET guides to potentially incur incremental net earnings of Rp139bn (previous prospectus est. 308bn) compared to not proceeding with the deal, hence XL may potentially avoid incurring losses from its 19.22% minority stake.
- Moreover, we think that the cost of the deal of Rp1.875tr is affordable for EXCL given the expected Rp9tr oFCF (EBITDA-CAPEX) in our FY24F and 2.4x ND/EBITDA. Moreover, we do not exclude the possibility for XL to trade some of its own homepasses with LINK and reduce the cost of the deal.
- Probable reason for the low cost of LINK subs, is that LINK still uses coaxial cables to connect to large number of homepasses.
- We expect a new set date for GMS shareholders to approve this deal. *(Niko Margaronis – BRIDS)*

Industry and INTP Jul24 Volume

Industry volume:

- Jul24: +14.1% mom/+3.8% yoy, mostly from Central Java (+15% yoy), Banten (+16% yoy), Kalimantan (+21% yoy), and Nusa Tenggara (+7% yoy)
- 6M24: +2.5% yoy
- Jul24 bag/bulk growth: -0.9% yoy/+15.5% yoy

INTP:

- Jul24: +23.3% mom/+10.7% yoy, 52% of our estimate (inline). Demand came mostly from Central Java (+52% yoy), Kalimantan (+32% yoy), and Nusa Tenggara (+22% yoy)
- 6M24: +10.7% yoy
- Market share: Jul24 at 30.6% (+220 bps mom)

Comment: overall strong volume growth for industry and INTP. Bag market performed better in non-Java (Jul24 industry/INTP: +1%/+5.7% yoy) vs Java (Jul24 industry/INTP: -2.9%/+0.3% yoy). However, bulk market still drives the aggregate growth. Based on our price tracker, the bag segment ASP was relatively flat in Jul24. Due to in-line volume vs seasonality, we think prices could be sustained in short-term. (Richard Jerry, CFA & Christian Sitorus – BRIDS)

Positive First View from Government Budget 2025 Revenue; Supports ICT by Reducing Fee Collections

1. The state revenue budget for Kemkominfo in 2025 is expected to decrease by -4.7% yoy to approximately Rp21tr, compared to the 2024 outlook. This reduction is attributed by the state to the anticipated lower collection of spectrum license fees. Notably, these fees constitute around 12% of IOH's and XL's topline in 2Q24, and approximately 5%/7% for Telkom/TSEL, respectively.

The aforementioned may not be taking into consideration the following:

- The XL-SF merger may or may not require returning part of the spectrum to Kemkominfo in the new mergeCo.
- The state budget may not have incorporated a potential 700MHz spectrum auction that is due.
- However, it may incorporate a potential overhaul in how fees are charged (Telcos have suggested there are such talks), hence the downward trend in the fees.

2. Additionally, state revenue from USO fees is expected to decline from Rp3.9tr to Rp3.7tr, a 7.3% yoy reduction.
 3. Furthermore, the budget outlines plan to simplify licensing processes, introducing a Fast-Track service for frequency licensing.
 4. The foregone tax revenue in the ICT sector is projected to increase by 14% yoy to Rp6.4tr. However, it remains unclear whether this will effectively provide the intended tax incentives to attract data centers and Foreign Direct Investment (FDI), particularly in response to Malaysia's Johor pro-FDI / Data center strategy.
 5. State budget priorities lie in expanding 4G coverage in the 3T cities. No considerations mention for 5G rollout.
- (Niko Margaronis – BRIDS)*

MACROECONOMY

Indonesia: 2025 Budget Draft Projects 14% Tax Revenue Growth

2025 fiscal budget draft expects tax revenue to grow by 14%, offsetting the 8% contraction expected in non-tax revenue. Spending is expected to grow 6% yoy, with priority spending expected to grow by 8%. Education spending is expected to grow by 23%, accommodating the MBG cost for 15.4mn students. Fiscal deficit is expected to lower to 2.5% of GDP from 2.7% in 24F. (MoF)

SECTOR

Indonesian Government Lowers Oil and Gas Lifting Targets for 2025

The government has stated that the oil and gas lifting assumptions in the 2025 Draft State Budget (RAPBN) are estimated to reach 600k barrels per day for oil and 1.005mn barrels of oil equivalent per day for gas. These figures represent a decrease compared to the 2024 State Budget targets, which were 635k barrels per day for oil and 1.033mn barrels of oil equivalent per day for gas. According to the Minister of Energy and Mineral Resources, the decrease in oil and gas lifting next year is due to many oil fields experiencing a decline in production. Going forward, it is hoped that there will be an increase in oil production with efforts to boost production in the Cepu Block. (Kontan)

Motorcycle Sales in Indonesia Increased by 17% yoy in Jul24

Motorcycle sales in Indonesia surged to 598,844 units in Jul24, a +17.16% increase from June's 511,090 units. 7M24 sales reached 3,769,838 units, up 2.5% yoy (vs 7M23: 3,677,358 units) (AISI). In terms of segmentation, scooters continued to dominate the market in Jul24, accounting for 90.26% of total sales. Underbone motorcycles saw a slight increase, contributing 5.22%, up from 5.04%. Meanwhile, sales of sport motorcycles slightly decreased to 4.52% from 4.60%. (Kompas)

Oil and Gas Production Reached its Peak on August 17, 2024

The Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) reported that oil and gas production has reached its highest point of the year on August 17, 2024. Specifically, oil production reached 609mn barrels per day, while gas production amounted to 7.212 MMSCFD. (Investor Daily)

Soft Commodities: Cocoa Prices Soar Due to Supply Shortages

Cocoa prices have surged to US\$8,884.4/tn, up 159.26% yoy/14.96% mom, driven by supply shortages from key producers like Côte d'Ivoire and Ghana. Adverse weather has caused up to 81% of crops in these regions to be affected by the Cocoa Swollen Shoot Virus (CSSV). The Indonesian Cocoa Board and the Food and Beverage Manufacturers Association (Dekaindo) have noted the impact on production costs, with GAPMMI noting that companies are adjusting prices and formulas. To mitigate costs, the company (i.e United Food Family) is partnering with others to import cocoa in bulk for better pricing. (Kontan)

CORPORATE**ISAT Partners with Microsoft to Accelerate Transformation Through AI**

ISAT reaffirms its commitment to transforming from a Telco into an AI Native TechCo by maximizing the use of artificial intelligence (AI) across all its operations. Continuing its strategic partnership with Microsoft, ISAT is leveraging Copilot for Microsoft 365, an integrated AI assistant, to enhance productivity and connect communities across the Indonesian archipelago. (Investor Daily)

JSMR Absorbed Capex for Toll Road Investment of Rp4.36tr

JSMR has absorbed capital expenditure of Rp4.36tr in 1 H24 for toll road construction. According to JSMR, the absorption of capex through the end of the year will heavily depend on the construction progress of each toll road section (Jakarta-Cikampek Selatan, Yogyakarta-Bawen, Yogyakarta-Solo, and Probolinggo-Banyuwangi) and the advancement of land acquisition for each project. (Kontan)

PGEO to Conduct a MESOP Worth Rp296.8bn

PGEO will conduct a management and employee stock option program (MESOP) valued at Rp296.8bn. The MESOP is divided into two stages. In Stage I, stock options for 35.1mn shares will be offered at an exercise price of Rp648/share. Thus, the transaction value for Stage I will be Rp22.71bn. In Stage II, stock options for 252.2mn shares will be offered at a price of Rp1,087/ share. Accordingly, the value of MESOP Stage II will be Rp274.09bn. The MESOP period is 30 trading days starting from August 24, 2024. (Emiten News)

BRI Danareksa Equity Valuation			Rating	Outstanding	Shares	Price (Rp)	Price	Mkt Cap	PER (x)		EV / EBITDA (x)		PBV		ROE		
					(Mn)		Target	Rp Bn	2023	2024	2023	2024	2023	2024	2023	2024	
BRI-Danareksa Universe					3,176,321			4,812,299	18.0	13.4	11.5	10.7	2.4	2.2	13.3	16.9	
Auto					40,484			201,203	5.9	6.7	4.7	4.6	1.0	1.0	17.3	14.7	
Astra International				ASIL	BUY	40,484	4,970	5,100	201,203	5.9	6.7	4.7	4.6	1.0	1.0	17.3	14.7
Financials & Banks					340,326			2,311,155	17.4	16.3	N/A	N/A	3.2	2.9	19.1	18.5	
BCA				BBCA	BUY	123,275	10,325	11,300	1,272,815	26.2	24.0	N/A	N/A	5.3	4.8	21.0	20.9
BNI				BBNI	BUY	37,297	5,300	6,800	197,676	9.5	9.0	N/A	N/A	1.3	1.2	14.6	14.0
Bank Tabungan Negara				BBTN	BUY	14,034	1,305	2,000	18,315	5.8	5.1	N/A	N/A	0.6	0.6	11.6	11.9
Bank Mandiri				BMRI	BUY	93,333	7,075	7,400	660,333	12.0	11.6	N/A	N/A	2.5	2.3	22.4	20.9
Bank Jago				ARTO	BUY	13,857	2,750	3,800	38,107	526.6	305.2	N/A	N/A	4.6	4.5	0.9	1.5
Bank Neo Commerce				BBYB	BUY	12,399	246	600	3,050	(5.3)	(48.7)	N/A	N/A	0.9	0.9	(16.2)	(1.9)
Bank Syariah Indonesia				BRIS	BUY	46,129	2,620	2,700	120,859	21.2	18.4	N/A	N/A	3.1	2.7	15.8	15.9
Cement					10,433			53,388	13.0	16.4	5.4	5.8	0.8	0.8	6.5	5.0	
Indocement				INTP	BUY	3,681	7,075	8,800	26,045	13.4	16.2	7.0	7.2	1.2	1.2	9.6	7.5
Semen Indonesia				SMGR	HOLD	6,752	4,050	4,100	27,344	12.6	16.7	4.7	5.1	0.6	0.6	5.0	3.8
Cigarettes					118,242			106,165	7.9	8.7	5.5	5.5	1.2	1.1	15.2	13.1	
Gudang Garam				GGRM	HOLD	1,924	14,975	17,500	28,813	5.4	7.2	3.7	4.0	0.5	0.4	9.0	6.3
HM Sampoerna				HMSM	HOLD	116,318	665	730	77,352	9.6	9.4	7.4	6.6	2.6	2.5	27.9	26.9
Construction					21,865			44,400	18.0	14.8	8.39	7.93	1.0	0.9	5.7	6.5	
Pembangunan Perumahan				PTPP	BUY	6,200	444	750	2,753	9.2	5.8	5.3	4.9	0.2	0.2	2.6	4.0
Adhi Karya				ADHI	BUY	8,408	292	500	2,455	44.9	62.6	6.3	6.6	0.3	0.3	0.6	0.5
Jasa Marga				JSMR	BUY	7,258	5,400	5,100	39,193	18.6	15.8	9.9	9.3	1.6	1.5	9.1	9.8
Consumer					87,138			347,635	14.8	12.6	7.9	7.0	2.9	2.6	20.8	21.9	
Indofood CBP				ICBP	BUY	11,662	11,375	12,900	132,654	19.0	13.5	9.7	8.9	3.3	2.8	18.1	22.3
Indofood				INDF	BUY	8,780	6,525	8,000	57,292	7.0	5.8	4.0	3.1	1.0	0.9	14.4	15.7
Unilever				UNVR	SELL	38,150	2,390	2,300	91,179	19.0	20.0	12.9	13.8	27.0	26.8	130.1	134.2
Mayora Indah				MYOR	BUY	22,359	2,680	3,350	59,921	18.8	18.0	11.7	11.5	4.0	3.6	23.1	20.9
Nippon Indosari Corpindo				ROTI	BUY	6,186	1,065	1,400	6,589	19.8	17.2	9.8	8.9	2.8	2.5	13.1	15.3
Pharmaceutical					76,875			98,944	26.6	24.5	17.1	16.2	4.0	3.8	15.3	15.8	
Sido Muncul				SIDO	BUY	30,000	720	810	21,600	22.7	18.0	18.2	15.1	6.4	6.2	27.6	34.8
Kalbe Farma				KLBF	BUY	46,875	1,650	1,600	77,344	28.0	27.1	16.9	16.5	3.6	3.4	13.2	12.9
Healthcare					43,556			100,717	34.0	46.4	28.4	23.9	7.8	7.0	24.5	15.8	
Medikaloka Hermina				HEAL	BUY	15,366	1,295	1,800	19,899	41.1	33.3	14.3	12.3	4.2	3.8	11.9	12.1
Mitra Keluarga				MKA	BUY	14,246	2,970	3,400	42,312	46.2	35.2	27.6	22.0	7.3	6.4	16.3	19.3
Prodia Widyahusada				PRDA	BUY	938	3,200	6,400	3,000	8.6	8.2	3.6	3.3	1.2	1.2	14.8	14.6
Siloam Hospital				SILO	BUY	13,006	2,730	3,000	35,507	29.3	31.3	13.0	12.8	4.5	4.1	16.3	13.7
Heavy Equipment					3,730			93,533	4.5	4.8	2.4	2.7	1.2	1.0	25.1	22.7	
United Tractors				UNTR	BUY	3,730	25,075	29,200	93,533	4.5	4.8	2.4	2.7	1.2	1.0	25.1	22.7
Industrial Estate					52,903			12,744	10.5	10.9	6.9	6.4	1.3	1.3	12.7	11.9	
Puradelta Lestari				DMA5	BUY	48,198	158	220	7,615	6.4	8.2	5.4	6.6	1.3	1.3	20.5	16.0
Surya Semesta				SSIA	BUY	4,705	1,090	700	5,129	164.0	21.4	9.6	6.1	1.3	1.3	0.8	6.1
Media					89,020			14,254	4.9	5.8	2.1	1.8	0.5	0.5	10.3	8.2	
Media Nusantara Citra				MNCN	BUY	15,050	318	800	4,786	2.4	3.0	1.1	0.7	0.2	0.2	9.8	7.2
Surya Citra Media				SCMA	BUY	73,971	128	325	9,468	10.4	10.5	4.5	4.3	1.2	1.1	11.6	10.7
Mining					320,876			415,605	7.0	8.5	3.7	4.4	1.4	1.3	20.5	15.8	
Medco Energi				MEDC	BUY	25,136	1,335	1,700	33,557	6.8	6.8	2.4	4.3	1.2	1.1	19.5	16.9
Adaro Energy				ADRO	BUY	31,986	3,280	3,770	104,914	4.3	6.0	1.8	2.2	1.0	1.0	25.7	17.2
Timah				TINS	HOLD	7,448	1,030	2,100	7,671	19.7	61.6	5.8	24.9	1.1	1.1	5.3	1.7
Vale Indonesia				INCO	BUY	10,540	3,860	5,700	40,684	9.9	28.7	4.0	7.6	1.1	1.1	11.2	3.7
Aneka Tambang				ANTM	BUY	24,031	1,460	2,000	35,085	11.4	12.1	6.9	6.7	1.1	1.2	11.3	9.5
Bukit Asam				PTBA	BUY	11,521	2,730	3,100	31,451	5.2	5.6	4.4	5.3	1.5	1.4	24.4	25.3
Indo Tambangraya Megah				ITMG	BUY	1,130	26,425	31,300	29,858	4.0	4.0	1.8	1.3	1.1	1.1	26.7	28.0
Harum Energy				HRUM	BUY	13,518	1,335	1,700	18,047	5.8	5.9	2.3	2.0	1.4	1.2	26.1	22.4
Merdeka Copper Gold				MDKA	BUY	24,473	2,300	3,100	56,288	(181.7)	68.3	20.3	15.8	4.0	3.5	(2.1)	5.5
Trimegah Bangun Persada				NCKL	BUY	63,099	920	1,300	58,051	10.3	11.4	8.6	8.3	2.5	2.2	34.1	20.1
Merdeka Battery Materials				MBMA	BUY	107,995	555	700	59,937	576.7	83.6	43.1	24.9	89.0	154.2	10.0	135.1
Poultry					30,363			105,070	31.7	18.0	13.8	9.5	2.5	2.2	7.9	13.0	
Charoen Pokphand				CPN	BUY	16,398	5,150	6,400	84,450	36.4	24.4	17.7	13.3	3.1	2.9	8.7	12.3
Japfa Comfeed				JFPA	BUY	11,727	1,600	2,200	18,763	20.2	8.4	9.2	5.4	1.4	1.2	7.2	15.8
Malindo Feedmill				MAIN	BUY	2,239	830	850	1,858	29.3	14.4	5.7	5.1	0.7	0.7	2.6	5.0
Property					104,375			80,701	12.6	10.8	6.7	5.4	1.0	0.9	7.8	8.5	
Bumi Serpong Damai				BSDE	BUY	21,171	1,155	1,300	24,453	12.0	10.7	7.3	6.5	0.7	0.6	5.8	6.1
Cipta Development				CTRA	BUY	18,536	1,285	1,600	23,818	14.5	10.7	7.5	6.3	1.2	1.1	8.6	10.7
Pakuwon Jati				PWON	BUY	48,160	454	610	21,864	10.2	10.0	5.1	4.5	1.1	1.0	11.8	10.8
Summarecon				SMRA	BUY	16,509	640	1,000	10,565	18.6	13.8	7.4	3.8	1.1	1.0	6.0	7.8
Utility					65,737			38,786	29.1	27.2	13.6	13.4	2.6	2.5	16.0	15.5	
Perusahaan Gas Negara				PGAS	BUY	24,242	1,600	1,650	38,786	9.4	8.8	2.9	2.5	0.9	0.8	9.8	9.5
Pertamina Geothermal Energy				PGEO	BUY	41,495	1,230	1,470	51,039	19.7	18.4	10.7	11.0	1.7	1.7	10.8	9.2
Retail					95,689			73,856	16.2	14.2	8.3	7.5	2.9	2.4	19.8	18.6	
Mitra Adi Perkasa				MAPI	BUY	16,600	1,450	2,200	24,070	12.7	11.1	5.7	5.2	2.4	2.0	20.9	19.4
MAP Aktif Adiperkasa				MAPA	BUY	28,504	800	1,100	22,803	16.4	14.5	10.4	9.6	4.0	3.2	27.3	24.4
Midi Utama Indonesia				MIDI	BUY	33,435	430	600	14,377	27.8	23.3	11.5	10.2	3.8	3.4	18.0	15.6
Ace Hardware				ACES	BUY	17,150	735	1,100	12,605	16.5	15.0	11.1	9.6	2.1	1.9	12.7	13.2
Technology					1,377,157			129,963	(1.4)	(18.1)	7.8	20.8	1.8	2.0	(81.4)	(10.6)	
Bukalapak				BUKA	BUY	103,109	120	340	12,373	(20.5)	43.3	12.3	132.4	0.5	0.5	(2.3)	1.1
Gojek Tokopedia				GOTO	BUY	1,150,838	54	120	62,145	(0.7)	(14.3)	5.2	18.3	1.6	1.8	(111.0)	(12.0)
Bibii (Global Digital Niaga)																	

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		15-Aug-24	14-Aug-24					
Aneka Tambang	ANTM	1,385	1,305	6.1	9.1	3.4	(18.8)	BUY
M-Cash Integrasi	MCAS	1,170	1,120	4.5	19.4	25.8	(73.1)	BUY
Metrodata Electronics	MTDL	645	625	3.2	4.0	(4.4)	20.6	BUY
Harum Energy	HRUM	1,380	1,345	2.6	19.0	12.2	3.4	BUY
Summarecon	SMRA	640	625	2.4	5.8	12.3	11.3	BUY
Gojek Tokopedia	GOTO	54	53	1.9	8.0	8.0	(37.2)	BUY
Japfa Comfeed	JPFA	1,595	1,585	0.6	(3.6)	(3.0)	35.2	BUY
Vale Indonesia	INCO	3,830	3,810	0.5	6.1	0.8	(9.9)	BUY
Charoen Pokphand	CPIN	5,200	5,175	0.5	(1.0)	(4.1)	3.5	BUY
Mayora Indah	MYOR	2,710	2,700	0.4	5.9	8.4	8.8	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		15-Aug-24	14-Aug-24					
Pembangunan Perumahan	PTPP	448	466	(3.9)	21.7	12.6	4.7	BUY
Indosat	ISAT	11,200	11,550	(3.0)	8.5	(3.9)	19.5	BUY
Ace Hardware	ACES	735	755	(2.6)	2.1	(8.1)	2.1	BUY
Bukalapak	BUKA	120	123	(2.4)	0.8	(7.7)	(44.4)	BUY
Mitra Telekomunikasi Indonesia	MTEL	665	680	(2.2)	(2.2)	(2.9)	(5.7)	BUY
Unilever	UNVR	2,380	2,430	(2.1)	(3.3)	(15.3)	(32.6)	SELL
Ciputra Development	CTRA	1,290	1,315	(1.9)	(0.8)	2.0	10.3	BUY
Jasa Marga	JSMR	5,400	5,500	(1.8)	0.9	1.4	10.9	BUY
Sarana Menara Nusantara	TOWR	825	840	(1.8)	-	4.4	(16.7)	BUY
XL Axiata	EXCL	2,220	2,260	(1.8)	3.7	(0.9)	11.0	BUY

Sources: Bloomberg

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