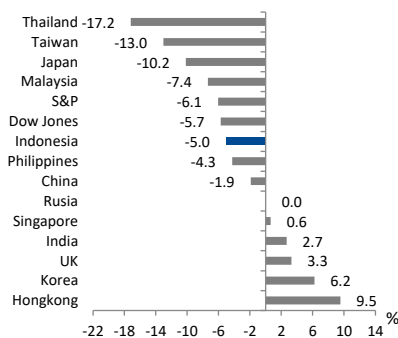


Equity Strategy

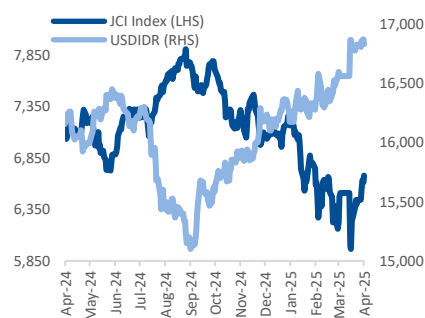
In Search of 'Value'

YTD Regional Market (%)



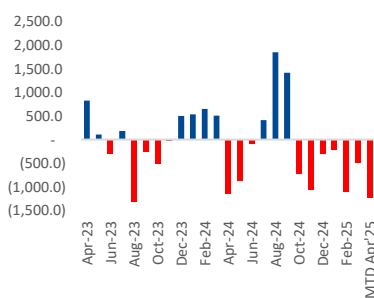
Source: Bloomberg

JCI vs USD



Source: Bloomberg

Net Foreign Flow (US\$m)



Source: Bloomberg

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- JCI valuation now reflects 126bps earnings yield spread over the 10-yr bond yield, implying investors' regained confidence on the market.
- Amid lack of growth catalysts, we believe stocks at deeply discounted value and low earnings downside risks may offer an attractive exposure.
- Top 'value' stocks based on our screening: BBRI, INTIP, CTIA, BBKA, KLBF.

JCI regaining confidence, but growth remains an overhang

Improving global risk sentiment has supported JCI's Apr25 performance of +3.3% MTD (-5% YTD). While foreign investors remain net sellers (MTD: US\$1,232mn; YTD: US\$3,062mn), the pace of outflows has noticeably slowed (US\$69mn during the week of 21st Apr25), with selective inflows into bellwether stocks such as BMRI (US\$19mn WTD). JCI valuation now reflects 126bps earnings yield spread over the 10-year bond yield, compared to widest of 176bps in 1Q25, implying that investors have regained confidence on the market. We believe this is driven by better clarity following SOE banks' and Danantara management announcement and share buybacks. Compared to regional EM peers, JCI's growth and valuation now looks more attractive with 5.4% EPS growth (Bloomberg consensus) and 10.8x forward PE.

Screening for value and low downside risks

Despite the improving sentiment, our key concern for 2Q25 remains on lack of growth catalysts. Under the current condition, we believe stocks at deeply discounted valuation and low earnings downside risks may offer a safe exposure with potential upside. Our criteria are as follows: 1) Stocks that trade at big discounts to their respective mean valuation. 2) Conservative earnings expectations from consensus analysts. 3) Low institutional ownership.

Our top five value stocks

Our screening results in the following 'value' stock picks: **BBRI** (Not Rated), **INTIP** (Buy, TP Rp8,500), **CTIA** (Buy, TP Rp1,700), **BBKA** (Buy, TP Rp11,900), **KLBF** (Buy, TP Rp1,800). The stocks share the same characteristics of trading at deep discounts (-2SD or below) to their respective historical valuations. In terms of earnings downside risk, we view INTIP to have the lowest risk given stable cement prices YTD and its track record to deliver cost control, while BBKA's strong 1Q25 earnings (+10% yoy) should also cushion downside risk to FY25 estimates (+6% yoy). For CTIA, we believe consensus analysts' +13% FY25 EPS growth expectations are aligned with management's guidance of 10-15%. Meanwhile, KLBF's risk lies on its margin (against weaker IDR), but we believe this risk will not materialize in 1Q25 earnings.

In Search of ‘Value’

JCI regaining confidence, though growth remains an overhang

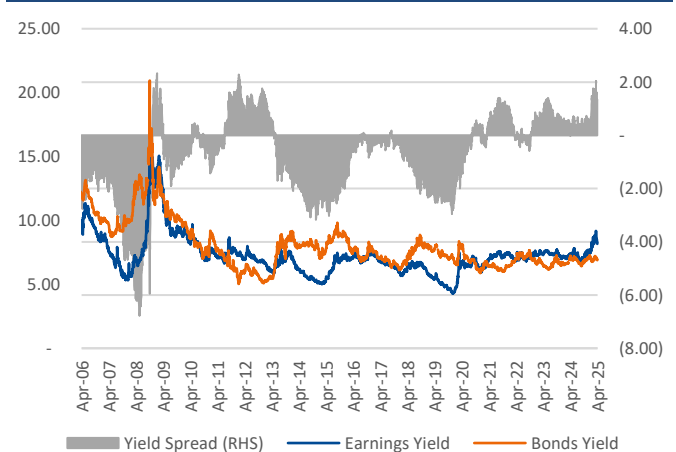
Improving global risk sentiment has supported JCI’s Apr25 performance of +3.3% MTD (-5% YTD). While foreign investors remain net sellers (MTD: US\$1,232mn; YTD: US\$3,062mn), the pace of outflows has noticeably slowed (US\$69mn during the week of 21st Apr25), with selective inflows into bellwether stocks such as BMRI (US\$19mn WTD). JCI valuation now reflects 126bps earnings yield spread over the 10-year bond yield, compared to widest of 176bps in 1Q25, implying that investors have regained confidence on the market. We believe this is driven by better clarity following SOE banks’ and Danantara management announcement and share buybacks. Compared to regional EM peers, JCI’s growth and valuation now looks more attractive with 5.4% EPS growth (Bloomberg consensus) and 10.8x forward PE.

Exhibit 1. JCI Forward PE Band



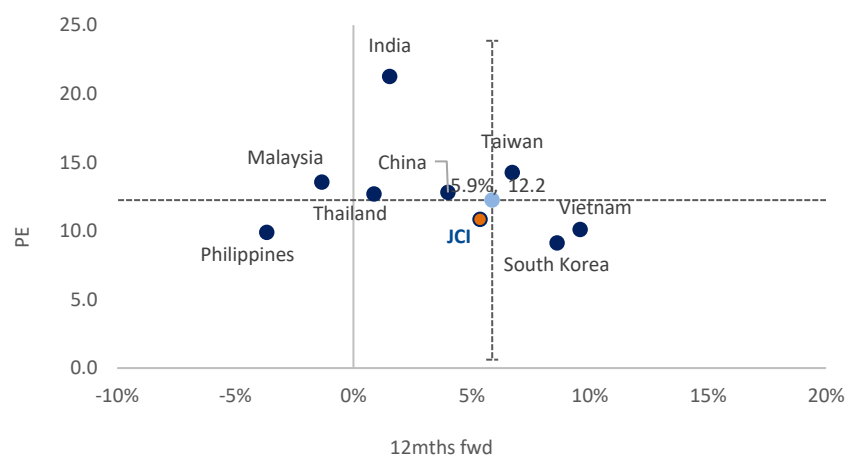
Source: Bloomberg, BRIDS Estimates

Exhibit 2. JCI Earnings Yield vs. Bonds Yield



Source: Bloomberg, BRIDS Estimates

Exhibit 3. JCI vs EM Peers



Source: Bloomberg, BRIDS

In search of ‘value’

Given lack of growth catalyst, we performed screening to find stocks with value and low downside risks attributes. Our criteria are as follows: 1) Stocks that trade at big discounts to their respective mean valuation. 2) Conservative earnings expectations from consensus analysts. 3) Low institutional ownership.

Our screening results in the following stock picks:

- 1) **BBRI** (-2.3SD of 5-year mean PE/ -1.1SD of PBV, Consensus’ FY25F EPS growth: -2%). Downside risk in the earnings forecast may stem from possible higher CoF and CoC, but should be limited given an already conservative consensus earnings expectations, in our view. Domestic funds are neutral on the stock (+11bps vs. JCI), with also relatively lower foreign ownership compared to other big banks.
- 2) **INTP** (-2.1SD PE/ -2.2SD PBV, Cons FY25F EPS growth: -2% vs. BRIDS: +8%). Our analyst sees stable cement prices YTD and INTP’s track record of delivering cost control to limit downside risk on earnings. Domestic funds are also underweight on the stock (-7bps vs. JCI).
- 3) **CTRA** (-2.2SD PE/ -2.0SD PBV, Cons FY25F EPS growth: +13% vs. BRIDS: +8%). We think consensus forecast is aligned with management’s guidance (+10-15%), which took into consideration number of projects to be handed over. Domestic funds have a slight OW position on the stock (+30bps vs. JCI).
- 4) **BBCA** (-2.4SD PE/ -1.4SD PBV, Cons. FY25F EPS growth: +6.3% vs. BRIDS: +6.4%). The strong 1Q25 earnings (+10% yoy), should offer cushion on earnings (vs. consensus FY25 forecast of +6%). Domestic funds have a slight OW position on the stock (+32bps vs. JCI).
- 5) **KLBF** (-1.3SD PE/ -2.0SD PBV, Cons. FY25F EPS growth: +7.6% vs. BRIDS: +4.5%). Our analyst sees downside risk on gross margin given the IDR weakness, but this should not materialize in 1Q25. However, domestic funds already have a OW position on the stock (+75bps vs. JCI).

Exhibit 4. Top Value Stocks based on P/BV

Company	P/BV		Earnings Growth (yoy) - Cons.		Domestic Fund Positioning Mar-25	YTD Performance
	Current	Discount (SD)	2025F	2026F		
MIKA	4.5	(2.4)	10.8%	12.1%	0.3%	-1.6%
INTP	0.8	(2.2)	-1.8%	4.5%	-0.1%	-27.0%
INCO	0.6	(2.0)	69.0%	43.6%	0.3%	-30.7%
KLBF	2.3	(2.0)	7.6%	8.3%	0.7%	-7.4%
MBMA	1.3	(2.0)	190.2%	158.2%	-0.1%	-28.4%
BBTN	0.4	(2.0)	8.6%	12.9%	0.3%	-3.5%
CTRA	0.7	(2.0)	13.3%	7.1%	0.3%	-7.7%
ASII	0.8	(2.0)	-2.1%	2.9%	0.4%	-0.2%
PWON	0.8	(1.9)	15.7%	8.8%	0.2%	-6.0%
BSDE	0.4	(1.9)	-16.2%	12.4%	0.0%	-9.5%
SMGR	0.4	(1.9)	62.6%	20.5%	0.1%	-21.9%
CPIN	2.2	(1.8)	16.4%	10.1%	0.0%	-6.3%
GGRM	0.3	(1.7)	74.5%	59.4%	-0.1%	-24.1%
SMRA	0.5	(1.7)	-16.5%	-4.9%	0.2%	-11.8%
ICBP	2.5	(1.7)	49.2%	14.0%	1.7%	-3.3%
HEAL	3.1	(1.7)	14.7%	17.7%	0.2%	-35.3%
NCKL	1.1	(1.5)	18.3%	15.7%	0.1%	-6.6%
MDKA	2.5	(1.5)	-163.2%	269.4%	0.4%	2.8%
BTPS	0.7	(1.4)	9.5%	14.1%	-0.1%	24.9%
BBCA	3.7	(1.4)	6.3%	7.4%	0.3%	-9.3%

Source: KSEI, Bloomberg, BRIDS Estimates

Exhibit 5. Top Value Stocks based on P/E

Company	P/E		Earnings Growth (yoy) - Cons.		Domestic Fund Positioning Mar-25	YTD Performance
	Current	Discount (SD)	2025F	2026F		
BBCA	17.9	(2.4)	6.3%	7.4%	0.3%	-9.3%
BBRI	8.9	(2.3)	-2.0%	10.6%	0.1%	-5.9%
CTRA	5.7	(2.2)	13.3%	7.1%	0.3%	-7.7%
INTP	8.7	(2.1)	-1.8%	4.5%	-0.1%	-27.0%
MIKA	24.8	(2.0)	10.8%	12.1%	0.3%	-1.6%
CPIN	17.2	(1.9)	16.4%	10.1%	0.0%	-6.3%
UNVR	17.3	(1.7)	15.2%	-9.8%	-0.1%	-11.7%
BTPS	6.9	(1.7)	9.5%	14.1%	-0.1%	24.9%
NCKL	4.5	(1.6)	18.3%	15.7%	0.1%	-6.6%
PWON	6.4	(1.6)	15.7%	8.8%	0.2%	-6.0%
GGRM	8.2	(1.5)	74.5%	59.4%	-0.1%	-24.1%
INDF	5.8	(1.5)	34.2%	14.6%	0.3%	-3.6%
ASII	5.3	(1.5)	-2.1%	2.9%	0.4%	-0.2%
SIDO	13.6	(1.4)	7.6%	7.3%	0.0%	-4.2%
SMGR	12.9	(1.4)	62.6%	20.5%	0.1%	-21.9%
KLBF	17.5	(1.3)	7.6%	8.3%	0.7%	-7.4%
MBMA	89.6	(1.2)	190.2%	158.2%	-0.1%	-28.4%
ACES	9.0	(1.2)	4.6%	11.3%	0.1%	-34.8%
BSDE	2.5	(1.1)	-16.2%	12.4%	0.0%	-9.5%
BBTN	4.9	(1.0)	8.6%	12.9%	0.3%	-3.5%

Source: KSEI, Bloomberg, BRIDS Estimates

Exhibit 6. BRIDS Top ‘Value’ Pick Valuation

Company	Rating	Target Price (Rp/share)	Market Cap (Rpbn)	P/E (x)		P/BV (x)		EV/EBITDA (x)		ROE (%)		EPS Growth (%, yoy); 25F
				25F	26F	25F	26F	25F	26F	25F	26F	
BBRI*	Not Rated	n.a	581,987	9.8	8.9	1.8	1.7	n.a	n.a	18.4	19.6	(2.0)
INTP	BUY	8,500	19,879	9.1	8.5	0.8	0.8	4.0	3.2	9.4	9.4	8.4
CTRA	BUY	1,700	16,775	7.4	6.4	0.7	0.7	3.0	2.2	10.0	10.7	7.6
BBCA	BUY	11,900	1,081,739	18.5	17.6	3.8	3.6	n.a	n.a	21.4	21.0	6.4
KLBF	BUY	1,800	59,063	17.4	16.2	2.4	2.2	10.5	9.6	14.1	14.1	4.5

Source: BRIDS Estimates, *Consensus number

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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