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### KEY HIGHLIGHTS

#### Sector

#### Regional Plantation

Page 2

Highlight from Thomas Mielke sessions: CPO will be the price leader in 2024, current price is undervalued, and the price will appreciate within the next 4-6 months.

#### Small/Mid Cap Highlights

#### Avia Avian (AVIA IJ/NOT RATED/Rp585)

Page 4

Weak demand from low-to-mid income segment hinders growth.

#### TRADERS' CORNER

Page 7

**Surya Esa Perkasa (ESSA IJ):** Technical BUY

**Erajaya Swasembada (ERAA IJ):** Technical BUY

### REGIONAL MARKET

Market	Close	+ / -	Chg (%)
MSCI Indonesia	7,508.8	(40.7)	(0.5)
MSCI Asia-Ex Japan	619.3	(1.2)	(0.2)
KLCI	1,453.4	(1.6)	(0.1)
FSSTI	3,214.5	(3.8)	(0.1)
SET	1,545.5	4.6	0.3
Hang Seng	18,025.9	(70.6)	(0.4)
Nikkei	32,776.4	308.6	0.9
Shanghai Comp	3,137.1	(5.7)	(0.2)
Dow Jones	34,646.0	(17.7)	(0.1)

Source: Bloomberg

### INDONESIA STOCK EXCHANGE

	Level	+ / -	Chg (%)
Index	6,934.0	(29.4)	(0.4)
LQ-45	953.5	(5.3)	(0.5)
Value (US\$m)	694.4	(31.0)	(4.3)

### FOREIGN TRADE IN IDX

Net (US\$m)	Buy	Sell	Total (%)
(36.7)	204.0	240.7	32.0

### TOP VOLUME

Company	Price (Rp)	Chg (%)	Volume ('000)
GoTo Gojek Tokopedia	88	(1.1)	1,606,449
Smartfren Telecom	66	8.2	1,321,793
Bumi Resources	136	(3.5)	936,158
Bumi Resources Minerals	206	(3.7)	587,545
Medco Energi Internasional	1,490	10.0	442,172

### TOP GAINERS

Company	Price (Rp)	Chg (%)	Volume ('000)
Medco Energi Internasional	1,490	10.0	442,172
Smartfren Telecom	66	8.2	1,321,793
Amman Mineral	5,800	5.5	68,802
Adaro Minerals	1,440	2.9	35,844
Mayora Indah	2,620	2.7	13,714

### TOP LOSERS

Company	Price (Rp)	Chg (%)	Volume ('000)
Maha Properti Indonesia	2,070	(9.6)	52
Indo Tambangraya	28,100	(7.5)	4,174
Pantai Indah Kapuk Dua	3,320	(5.1)	16,097
Bumi Resources Minerals	206	(3.7)	587,545
Bumi Resources	136	(3.5)	936,158

### COMMODITY TREND

	12 Sep 23 Closing	Chg (%)	
		1-day	1-mth
Forex (Rp/US\$)	15,342	0.1	0.8
Crude Oil NYMEX (US\$/bbl)	88.84	1.8	6.8
Coal Fut Newc (US\$/tonne)	159.00	0.6	n.a.
Nickel 3M LME	19,923	(2.7)	(1.6)
Tin 3M LME	25,524	(1.1)	(3.5)
Gold SPOT (US\$/oz)	1,916	(0.5)	0.1
CPO Fut Msia (MYR/tonne)	3,598	(0.8)	(3.5)

Source: Bloomberg, UOB Kay Hian

### SECTOR UPDATE

## Plantation – Regional

Thomas Mielke: Palm Oil To Be The Price Leader In 2024

**Key highlights from Mr. Thomas Mielke update session: a) current vegoil prices are not reflecting the prospective global production deficit in 2023/24, b) palm oil will be the price leader in 2024, and c) soymeal prices could be under pressure on higher crush volume while meal demand is relatively weak. CPO prices will appreciate by at least US\$100/tonne within the next 4-6 months from the current level of US\$860/tonne. Maintain OVERWEIGHT**

#### WHAT'S NEW

- CPO prices to appreciate.** Thomas Mielke, the executive director of Oil World, shared his view on CPO prices at UOB Kay Hian-Bursa Malaysia Derivatives Joint Webinar on Global Oilseeds and Vegoil Outlook. But he reckons that CPO prices would appreciate by at least US\$100/tonne within the next 4-6 months with expectation of supply deficit in 2024. This is in line with our view where we expect CPO prices to trend up from end-23.
- Palm oil likely the price leader 2024.** Thomas Mielke highlighted that major vegoil prices are currently undervalued due to ample global vegoil inventories at present. However, prices should appreciate with the anticipation of potential global vegoil production deficit in 2024. As a result, palm oil will likely be the price leader in 2024 and its pricing discount gap to soybean oil (compared with Argentina soybean oil) should narrow as supply tightens after the strong inventory drawdown in Indonesia (-4m tonnes as at early-Aug-23 vs a year earlier) and production growth slows down in 2024.
- Smallest palm oil production growth in four years.** Higher CPO prices are forecast for Oct 23/Sep 24 on the basis of a below-average production growth and declining stocks. For Oct 23/Sep 24 season, world palm oil production is estimated to rise by only 1.2m tonnes (Indonesia +0.7m tonnes and Malaysia +0.2m tonnes), which is the slowest in the recent four years. This production is based on mild impact from the current dryness. While exports are expected increase by 0.5m tonnes. Thomas also highlighted that Malaysia's palm oil inventory increased in Aug 23, above market expectation but not burdensome, thus the recent pressure on CPO prices may not sustain, especially in view of the sharp drop in Indonesia palm oil inventory.

#### ACTION

- Maintain OVERWEIGHT.** We maintain our view that CPO prices would trade at the range of RM3,800-4,200/tonne. With the current weather uncertainty (especially from the South Africa region), we reckon that this would continue to buoy soybean prices and palm oil prices as well.
- We recommend investors to accumulate upstream plantation players with strong production growth.** We expect CPO prices to trend higher from end-4Q23 to better reflect the tightness of global palm oil supplies. Top picks: Hap Seng Plantations, IOI Corporation, Bumitama Agri and Triputra Agro. Trading BUY: Sime Darby Plantation and Astra Agro Lestari.

#### PEER COMPARISON

Company	Ticker	Rec	Share Price 12 Sep 23 (local currency)	Target Price (local currency)	Market Cap (US\$m)	2022 (x)	PE 2023F (x)	2024F (x)	ROE (%)	P/B (x)	2023F Div (sen)	Div Yield (%)
<b>Malaysia</b>			<b>(RM)</b>	<b>(RM)</b>							<b>(sen)</b>	
Hap Seng Plantations	HAPL MK	BUY	1.85	2.65	316.3	7.0	11.9	8.5	11.0	0.8	9.3	5.0
IOI Corporation	IOI MK	BUY	4.04	4.80	5,357.6	15.8	16.7	15.4	10.0	2.2	12.6	3.1
Sime Darby Plantation	SDPL MK	BUY	4.31	5.00	6,371.7	14.3	25.3	14.6	13.8	1.5	10.2	2.4
Genting Plantations	GENP MK	HOLD	5.20	6.40	997.3	9.9	15.0	13.8	9.1	0.9	15.2	2.9
Kuala Lumpur Kepong	KLK MK	HOLD	21.50	24.40	4,956.5	10.7	15.8	13.4	16.6	1.6	68.0	3.2
Kim Loong Resources	KIML MK	HOLD	1.81	1.95	375.5	9.6	9.9	9.4	19.7	2.0	15.5	8.6
Sarawak Oil Palms	SOP MK	HOLD	2.55	3.00	485.3	4.7	7.3	5.9	15.7	0.7	13.9	5.4
<b>Singapore</b>			<b>(S\$)</b>	<b>(S\$)</b>							<b>(cent)</b>	
Wilmar International	WIL SP	BUY	3.70	4.30	16,963.9	10.7	8.6	6.8	12.0	0.9	22.0	5.9
Bumitama Agri	BAL SP	BUY	0.56	0.65	719.6	8.4	6.2	2.9	24.8	1.2	3.5	6.2
First Resources	FR SP	HOLD	1.38	1.65	1,760.2	14.4	10.0	4.7	25.9	1.3	7.6	5.5
<b>Indonesia</b>			<b>(Rp)</b>	<b>(Rp)</b>							<b>(Rp)</b>	
Astra Agro Lestari	AALI IJ	BUY	7,425	9,785	931.5	17.2	6.1	8.8	8.2	0.7	316.2	4.3
Triputra Agro	TAPG IJ	BUY	555	900	718.2	11.6	9.5	3.9	34.0	1.1	33.5	6.0
London Sumatra	LSIP IJ	HOLD	990	1,150	440.3	9.7	6.8	7.1	9.8	0.6	38.7	3.9

Source: Bloomberg, UOB Kay Hian

## OVERWEIGHT

(Maintained)

#### SEGMENTAL RATING

Segment	Rating
Indonesia	OVERWEIGHT (MAINTAINED)
Singapore	OVERWEIGHT (MAINTAINED)
Malaysia	OVERWEIGHT (MAINTAINED)

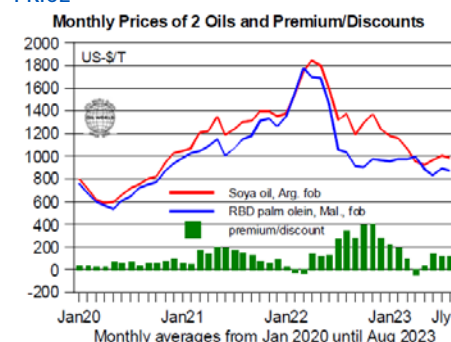
Source: UOB Kay Hian

#### SECTOR PICKS

Company	Ticker	Rec	Share Price (lcl currency)	Target Price (lcl currency)
Hap Seng Plantations	HAPL MK	BUY	1.85	2.65
IOI Corporation	IOI MK	BUY	4.04	4.80
Sime Darby Plantation	SDPL MK	BUY	4.31	5.00
Wilmar International	WIL SP	BUY	3.70	4.30
Bumitama Agri	BAL SP	BUY	0.56	0.65
Astra Agro Lestari	AALI IJ	BUY	7,425	9,785
Triputra Agro	TAPG IJ	BUY	555	900

Source: Bloomberg, UOB Kay Hian

#### PALM OIL PRICE VS ARGENTINA SOYBEAN OIL PRICE



Source: Oil World

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### ESSENTIALS

- Deviating trends for soybean and oil palm.** Palm oil has lost its growth dynamics which will raise global dependence on soybean, sunseed and rapeseed. During the past three years, oil palm planted areas only increased by about 0.5m ha vs soybean planted area at 4.9m ha. On top of that, soybean productivity yield is on a rising trend vs palm oil yield which is on a declining trend. With rising global vegoil demand and slower growth from palm oil (highest oil yield crops), future growth has to come from higher oil yield crops such as sunflower and rapeseed or prices need to be very attractive as farmers plant on areas with marginal land.
- Palm oil growth to slow down.** The annual production growth rate for palm oil for the 10 years up to 2030 is estimated at 1.8m tonnes p.a. vs 2.9m tonnes p.a. for the 10 years up to 2020.
- Huge soybean planting areas coming...** Soybean production would reach a record new high in 2023/24, mainly due to the huge planting expansion in Brazil with booming acreage expansion in Brazilian soybeans (an increase of 6m ha during the past three years), which exceeded the total palm oil area in Malaysia. In contrast, there is very little growth in North America and a declining trend in Argentina.
- ... but watch out for the weather risk.** There are some ongoing drought problems in South America and this would continue to lift soybean oil prices. There is high weather risk which we need to monitor, especially the dryness in Mato Grosso, Brazil which is the largest soybean planting area. The weather in India also has to be watched, if the dry weather continues to prolong, this would affect the domestic crop production which may lead to higher imports of vegoils.
- Slower sunflower and rapeseed oil production.** The growth in world production of sunflower and rapeseed oils is estimated to slow from a combined 4.6m tonnes in 2022/23 to only 1.0m-1.2m tonnes in 2023/24, thus reducing their ability to contribute to the satisfaction of rising world consumption.
- Strong growth of biodiesel production.** Oil World forecast biodiesel production for 2023 to reach at least 56.5m tonnes as compared with 52.2m tonnes in 2022 (+8.2% yoy), with EU being the largest biodiesel producer at 15.1m tonnes, followed by the US at 12.8m tonnes, Indonesia at 11.0m tonnes and Brazil at 6.4m tonnes. These biodiesel productions have doubled in the past 10 years.
- Bearish view on soybean meal.** With the expectation of higher vegoil prices, soybean crushing volume may increase in Sep 23/Oct 24 which could lead to oversupply of soybean meal considering the extraction rates of 80% of soybean meal and 18% of soybean oil. In view of the weaker demand for animal protein, soybean meal prices may be under severe pressure.

### SECTOR CATALYSTS

- Weather risk.** Probable crops losses due to unfavourable weather in some major producing countries which could be a trigger to higher prices.
- Black sea tension.** As the war is still ongoing, supply risk from the Black Sea remains.

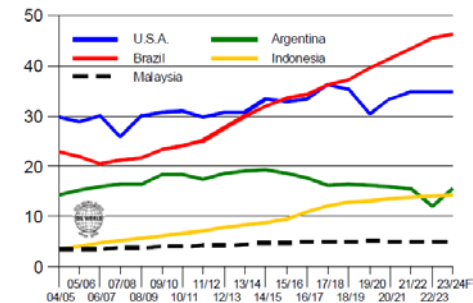
### RISKS

- Slower demand.** The two largest vegoil consuming countries – China and India boosted their imports of four major vegoils by 2.9m and 1.5m tonnes for 7M23. The largest increase was palm oil and sunflower oil. The appetite for imports may reduce going forward with current high inventory in the countries. In addition, some of the importing countries continue to face the shortage of forex; a limitation in the issuance of letter of credit is also limiting purchasing power.

### ASSUMPTION CHANGES

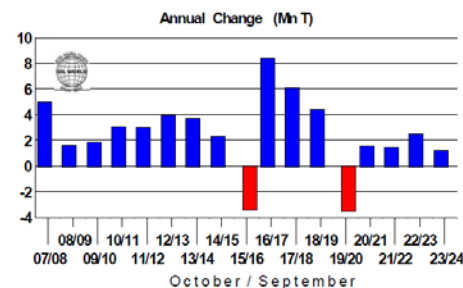
- No change to CPO ASP for 2023 and 2024** at RM4,000/tonne and RM4,200/tonne respectively.

### DEVIATING TRENDS OF HARVESTED AREAS OF SOYBEAN AND OIL PALM



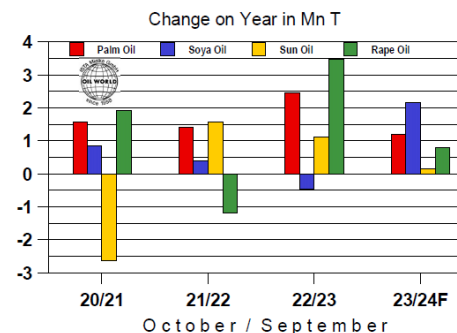
Source: Oil World

### SLOWER PALM OIL PRODUCTION GRWOTH IN RECENT FOUR YEARS



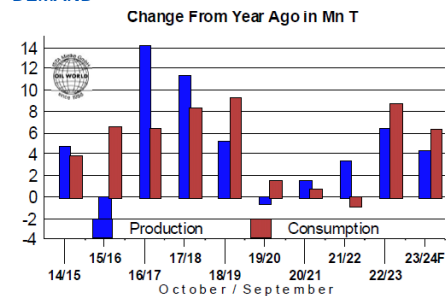
Source: Oil World

### WORLD PRODUCTION OF FOUR MAJOR VEGOILS



Source: Oil World

### EIGHT MAJOR VEGOILS: PRODUCTION AND DEMAND



Source: Oil World

### SMALL/MID CAP HIGHLIGHTS

#### Avia Avian (AVIA IJ)

Weak Demand From Low-To-Mid Income Segment Hinders Growth

We think demand for AVIA's paint product remains weak for now as the low-to-mid income segment customers still needs time to recover their purchasing power. The company targets 8-12% yoy revenue growth in 2023, but estimate the increase in volume to remain limited (only 2-3% yoy). AVIA trades at 21.7x-19.6x 2023F-24F PE, lower than Nippon Paint Holdings (24.7x-22.5x), but close to Toa Paint Thailand (20.9x-18.7x).

#### WHAT'S NEW

- 2023 revenue to rise by 8-12% yoy, mainly from higher pricing.** Avia Avian (AVIA) expects purchasing power of paint products' customers in 2023 to remain relatively weak given the price increases in the last two years, particularly for the low-to-mid income segment. Thus, AVIA targets its total sales to grow by 8-12% yoy. In terms of volume, the company estimates paint products' volume to still be able to slightly grow by 2-3% yoy in 2023.
- Revenue contribution from wall paint could be higher than 24%.** AVIA still sees growth opportunities in its wall paints products as this product category accounts for the largest portion of Indonesia's total decorative paint market. Thus, the company expects contribution from wall paints to be higher than its water proofing products in the future. As of 1H23, AVIA's top 3 segment and its respective revenue contribution are: a) waterproofing (26%), b) wall paints (24%), and c) wood and metal coating (20%).
- Well-received new products.** One of its new products is Aries Bling (May 23) with a relatively "economical" price. This is part of AVIA's product strategy in the midst of consumers' weaker purchasing power. For Aries Bling, the company mentioned that more than 4,000 retail outlets have participated in less than two months. Another new wall paint product is Aries Gold, which was launched in Sep 22 and has received positive response. More than 5,800 retail shops participated in the first 19 days after it was launched, despite the challenging market condition at the time.
- To add eight DCs per year until 2026, implying 5-6% yoy growth between 2023 and 2026.** Several benefits from expanding distribution centres (DC) are as follows: a) improvement in product penetration, inventory management; b) better service quality, and c) a stronger relationship with customers. To improve sales in small stores, AVIA also plans to improve its ability in providing same-day delivery service. AVIA covers 38 provinces (99 cities) with more than 56,000 customers (retail outlets). It owned 599 delivery trucks as of 1H23, supporting its delivery capability of around 10,000 deliveries per day.
- Cautiously optimistic outlook in 2H23.** The company remains cautious but optimistic given its market leadership and its various strategies (to support growth) in 2H23. Those strategies include the ones mentioned above, as well as the growing project-based segment and other internal operation improvements. The company mentioned 3Q23 revenue (yoy) growth might improve slightly due to the low base in 3Q22 revenue, but weaker consumer demand is still considered as headwinds to its business.

#### KEY FINANCIALS

Year to 31 Dec (Rpb)	2018	2019	2020	2021	2022
Net turnover	5,122	5,670	5,731	6,780	6,694
EBITDA	1,385	1,395	1,556	1,880	1,612
Operatin profit	1,271	1,251	1,438	1,755	1,476
Net profit (rep./act.)	1,038	959	1,136	1,435	1,401
Net profit (adj.)	1,038	959	1,136	1,435	1,401
EPS (Rp)	17	15	18	23	23
PE (x)	34.9	37.8	31.9	25.3	25.9
P/B (x)	8.2	8.6	7.7	3.9	3.8
EV/EBITDA (x)	25.2	25.4	22.4	18.6	21.1
Dividend yield (%)	n.a	n.a	n.a	3.3	3.6
Net margin (%)	20.3	16.9	19.8	21.2	20.9
Net debt/(cash) to equity (%)	-29.3	-20.3	-29.1	-13.7	-22.6
Interest cover (x)	22.3	27.4	36.2	42.7	5.6
ROE (%)	23.5	22.7	24.2	15.2	14.6
Consensus net profit	-	-	-	-	-
UOBKH/Consensus (x)	-	-	-	-	-

Source: AVIA, Bloomberg, UOB Kay Hian

### NOT RATED

Share Price	Rp585
Target Price	n.a.
Upside	n.a.

#### COMPANY DESCRIPTION

Avia Avian is a paint manufacturing company that produces various type of paint for wood & metal, wall, waterproofing, wood care, automotive and roof. Several Avia Avian well-known brands in Indonesia market are Avian, Avitex and No Drop.

#### STOCK DATA

GICS sector	Manufacture
Bloomberg ticker:	AVIA IJ
Shares issued (m):	61,953.6
Market cap (Rpb):	36,242.8
Market cap (US\$m):	2,358.6
3-mth avg daily t'over (US\$m):	-

#### Price Performance (%)

52-week high/low	Rp875/Rp565				
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>	
(7.9)	(19.9)	(6.3)	(30.8)	(7.1)	

#### Major Shareholders

Tancorp Surya Sentosa	36.6
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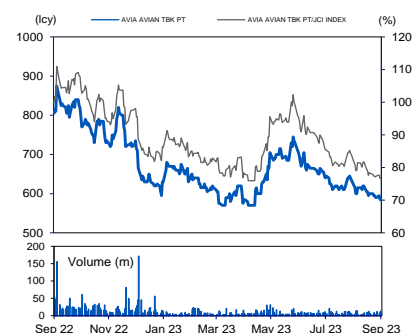
FY23 NAV/Share (Rp)

-

FY23 Net Debt/Share (Rp)

-

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

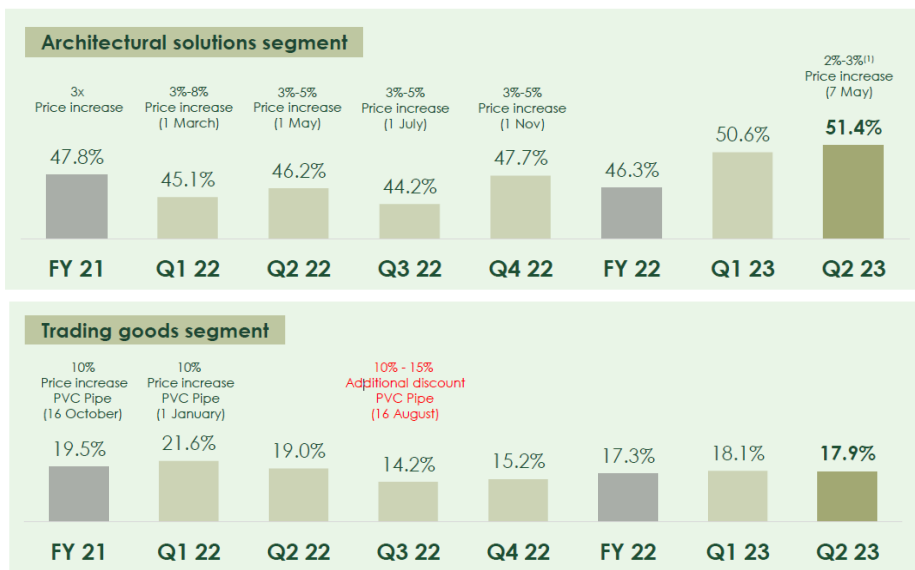
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### STOCK IMPACT

- **2Q23 revenue was nearly flat yoy.** This is partly due to the high-base revenue in 2Q22 from the implementation of one-month “last bite” for architectural solutions segment products before the pricing increase was implemented. The “last bite” period refers to the remaining period before the pricing increase is implemented, driving higher-than-normal sales volume for the period. In 2Q22, AVIA raised its pricing for part of its segments in April and other segments in June by 3-5%. Thus, it applied two “last-bite” periods in 2Q22, compared with only one last bite (for two weeks) in 2Q23 for solvent products.

### QUARTERLY GROSS MARGIN BY SEGMENT AND TIMING OF PRICE INCREASE



Source: AVIA.

- **Expanding gross margin by 410bp to 45% in 1H23.** AVIA managed to expand its 2Q23 gross margin to 45% (2Q22: 41.3%) and EBITDA margin to 28.7% (vs. 2Q22: 26.4%). This is thanks to more stability in most raw material prices for architectural solutions (AS). The AS segment's gross margin increased to 51% in 2Q23 from 46% in 2Q22. This segment contributes 81% of AVIA's 1H23 total sales.

### 1H23 RESULTS

AVIA (Rpb)	2022	1Q23	2Q23	qoq %	yoy %	1H22	1H23	yoy %
Revenue	1,740	1,782	1,726	-3.1%	-0.8%	3,379	3,508	3.8%
Gross Profit	718	807	777	-3.7%	8.2%	1,387	1,584	14.2%
Operating Profit	401	487	435	-10.6%	8.7%	803	923	14.9%
Net Profit	392	417	390	-6.5%	-0.5%	777	807	3.8%
	2022	1Q23	2Q23	qoq (in bp)	yoy (in bp)	1H22	1H23	yoy (in bp)
Gross Margin	41.3%	45.3%	45.0%	-28	375	41.0%	45.2%	410
Operating Margin	23.0%	27.3%	25.2%	-211	220	23.8%	26.3%	254
Net Profit Margin	22.5%	23.4%	22.6%	-81	8	23.0%	23.0%	0

Source: AVIA, UOB Kay Hian

- **1H23 opex jumped 13% yoy given back-to-normal operation and DC expansion.** The company noted that it reduced expenses caused by the pandemic from 2021 to 1H22. Normally, if gross margin reaches 40-41%, EBITDA margin and net income margin would be 22% and 19% respectively. This is lower than 2Q22 EBITDA margin (26%) and net income margin (22.5%). As the company is in “full-operation” in 1H23 compared with during the pandemic, and DCs' expansion already started, AVIA's expenses rose, aligning with its normal operation.
- **Roughly stable net income margin in 1H23.** Net income margin of 23% in 1H23 was similar to 1H22 despite expansion in gross margin. The company recorded other expenses of Rp17b, accounting for 2% of 1H23 net profit, compared with Rp16b of other income in 1H22. We also noticed effective tax rate in 1H23 (23%) was higher than 1H22 (18%).

### NEW PRODUCTS (1H23)



Source: AVIA

### REVENUE CONTRIBUTION BY SEGMENT (1H23)



Source: AVIA

### DISTRIBUTION COVERAGE

4Q21: 101 wholly-owned DCs and 33 third-party DCs



2Q23: 114 wholly-owned DCs, 13 wholly-owned mini DCs, and 37 third-party DCs



Source: AVIA, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Rpb)	2019	2020	2021	2022
Net turnover	5,670	5,731	6,780	6,694
EBITDA	1,395	1,556	1,880	1,612
Deprec. & amort.	81	118	125	136
EBIT	1,251	1,438	1,755	1,476
Total other non-operating income	34	10	48	(16)
Associate contributions	(4)	-	(1)	(1)
Net interest income/(expense)	51	43	44	287
<b>Pre-tax profit</b>	<b>1,331</b>	<b>1,491</b>	<b>1,845</b>	<b>1,745</b>
Tax	(372)	(355)	(410)	(345)
Minorities	-	-	0	0
<b>Net profit</b>	<b>959</b>	<b>1,136</b>	<b>1,435</b>	<b>1,401</b>
Net profit (adj.)	959	1,136	1,435	1,401

### CASH FLOW

Year to 31 Dec (Rpb)	2019	2020	2021	2022
<b>Operating</b>	947	1,802	1,272	1,461
Pre-tax profit	1,331	1,498	1,845	1,745
Tax	(372)	(355)	(410)	(345)
Deprec. & amort.	81	100	125	136
Working capital changes	120	(68)	(357)	(151)
Other operating cashflows	(214)	627	68	76
<b>Investing</b>	(185)	(533)	(4,564)	560
Capex (growth)	(93)	(24)	(27)	(37)
Investments	(92)	(509)	(4,537)	597
<b>Financing</b>	(1,200)	(763)	3,219	(1,146)
Dividend payments	(1,200)	(700)	(2,350)	(1,115)
Proceeds from borrowings	-	-	1	6
Others/interest paid	-	(62)	5,568	(37)
<b>Net cash inflow (outflow)</b>	(438)	506	(73)	875
<b>Beginning cash &amp; cash equivalent</b>	1,294	855	1,361	1,288
Changes due to forex impact	-	-	-	7
<b>Ending cash &amp; cash equivalent</b>	855	1,361	1,288	2,171

### BALANCE SHEET

Year to 31 Dec (Rpb)	2019	2020	2021	2022
Fixed assets	1,500	1,524	1,551	1,588
Other LT assets	2,439	425	436	487
Cash/ST investment	855	1,361	1,288	2,171
Other current assets	153	2,560	7,598	6,546
<b>Total assets</b>	<b>4,947</b>	<b>5,871</b>	<b>10,874</b>	<b>10,792</b>
ST debt	-	-	1	7
Other current liabilities	634	1,023	1,339	1,101
LT debt	-	-	-	-
Other LT liabilities	94	164	118	109
Shareholders' equity	4,219	4,684	9,412	9,570
Minority interest	-	-	3	5
<b>Total liabilities &amp; equity</b>	<b>4,947</b>	<b>5,871</b>	<b>10,874</b>	<b>10,792</b>

### KEY METRICS

Year to 31 Dec (%)	2019	2020	2021	2022
<b>Profitability</b>				
EBITDA margin	24.6	27.1	27.7	24.1
Pre-tax margin	23.5	26.0	27.2	26.1
Net margin	16.9	19.8	21.2	20.9
ROA	19.4	19.3	13.2	13.0
ROE	22.7	24.2	15.2	14.6
<b>Growth</b>				
Turnover	10.7	1.1	18.3	(1.3)
EBITDA	0.7	11.5	20.9	(14.3)
Pre-tax profit	(2.3)	12.0	23.8	(5.4)
Net profit	(7.6)	18.4	26.3	(2.4)
Net profit (adj.)	(7.6)	18.4	26.3	(2.4)
EPS	(7.6)	18.4	26.3	(2.4)
<b>Leverage</b>				
Debt to total capital	-	-	0.0	0.1
Debt to equity	-	-	0.0	0.1
Net debt/(cash) to equity	(20.3)	(29.1)	(13.7)	(22.6)
Interest cover (x)	27.4	36.2	42.7	5.6

### TRADERS' CORNER



Source: Amibroker

### Surya Esa Perkasa (ESSA IJ)

Technical BUY with 7% potential return

Resistance: Rp745, Rp790

Support: Rp630, Rp600

Stop-loss: Rp650

Share price closed with strong gains and formed a bullish candlestick. The positive price action and higher trading volume imply bullishness ahead. That said, we expect more upside pressure to take place and price could challenge the resistance at Rp745 and Rp790. Technical indicator RSI is sloping upwards and above its centre line, while the MACD has just formed a bullish crossover signal. Buy at Rp695 and take profit at Rp745.

Approximate timeframe: 2-4 weeks.



Source: Amibroker

### Erajaya Swasembada (ERAA IJ)

Technical BUY with 4% potential return

Resistance: Rp494, Rp505

Support: Rp470, Rp458

Stop-loss: Rp470

Share price closed higher and formed a bullish candlestick. As price has rebounded from its support area, we see potential for more rebounds to take place and price could challenge the resistance at Rp494 and Rp505. Technical indicator RSI is sloping upwards and is approaching its centre line, while the MACD is relatively neutral for now. Buy at Rp484 and take profit at Rp505.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental HOLD and target price of Rp527.

### ANALYST(S)

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