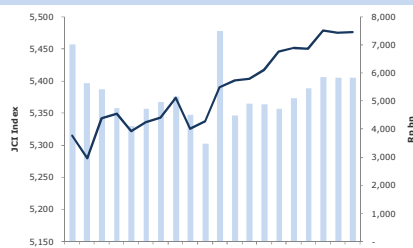
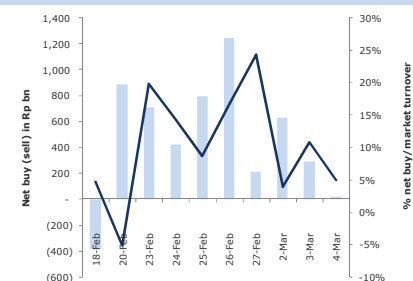


## JCI Index



## Foreign net buy (sell)



## Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,448	-0.5%	16.9%	4.2%
LQ45	947	-0.7%	20.9%	5.3%
DJI	18,097	-0.6%	10.6%	1.5%
SET	1,563	-1.2%	16.1%	4.4%
HSI	24,465	-1.0%	8.4%	3.6%
NKY	18,704	-0.6%	25.5%	7.2%
FTSE	6,919	0.4%	2.1%	5.4%
FSSTI	3,416	-0.2%	9.6%	1.5%

## Commodity price

Commodities (in USD)	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	51.5	2.0%	-50.1%
CPO/tonne	646.6	-0.6%	-15.6%
Soy/bushel	9.9	-1.8%	-30.3%
Rubber/kg	1.9	-0.8%	-14.6%
Nickel/tonne	13,879	1.9%	-8.2%
Tins/tonne	17,750	-0.3%	-24.0%
Copper/tonne	5,862	0.3%	-17.3%
Gold/try.oz (Spot)	1,200	-0.3%	-10.2%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	3.8	-0.4%	-19.7%
Wheat/bushel**	248.5	-7.9%	-9.8%

\* : 1 week change

\*\* : 1 month change

Source : Bloomberg

## Jasa Marga (JSMR IJ; Buy)

## Building the future

- 3 new sections operational this year
- Adding 3 new sections with sum of part-value of Rp613 per share
- Government keen to support toll road development
- Reiterate BUY with new TP of Rp8,175

**Three new sections operational this year.** Jasa Marga will operate three new toll roads this year, namely, 1) Gempol-Pandaan (13.6km) 2) Gempol-Pasuruan section 1 (13.9km) and 3) Surabaya-Mojokerto section 4 (18.5km). Gempol-Pandaan is expected to operate in 2Q15, followed by Surabaya-Mojokerto in 3Q15 and Gempol Pasuruan in 4Q15. We expect all of these toll roads to operate with an average tariff of Rp600/km. All of these new toll roads are important parts of the toll road network surrounding Surabaya, the second largest city in Indonesia. This is similar to the toll road network developed in Jakarta in the past. These toll roads are stretches to the West, South and South East of Surabaya.

**Additional value of Rp613 from three future toll roads.** We turn positive on the future development of three toll roads 1) Cengkareng-Kunciran 2) Kunciran Serpong and 3) Medan-Kualanamu (airport expressway). The first two toll roads are parts of the Jakarta outer ring road 2, which are in the land acquisition stage. The Medan-Kualanamu airport express is to start construction this year. Based on our estimates we expect that the additional DCF value could be about Rp613 per share. Nevertheless, exact commercial operation will depend on the speed of land acquisition which up to now remains a time consuming process. In its business plans, Jasa Marga expects to complete these toll roads in mid-17. We have learned that usually commercial operation could be delayed by 12-18 months from its original deadline.

**Government support to be tested this year.** The Government issued a land bill back in FY12 allowing the government to revoke land rights for public utility development including toll roads. Although, up to now the Government has not been willing to strictly implement this ruling due to the transition period up to FY15. Now is the time for the Government to strictly implement this new ruling. We feel that the Government is keen to develop new toll roads to reduce logistics costs. For instance, the Medan-Kualanamu toll road land acquisition has been fully carried out by the Government, with the concession holder only responsible for construction. We are still not sure whether this structure will be implemented in future toll roads, but there is a possibility as we have a firmer Government.

**Remaining a BUY, new TP Rp8,175.** Earnings growth will be supported by inflation adjusted tariff and additional value from new toll roads. At the moment 69% of revenue is driven by the Jakarta-Greater Jakarta toll road network. We expect Jasa Marga to diversify to other large cities such as Semarang, Surabaya

Year To 31 Dec	2013A	2014A	2015F	2016F	2017F
Toll Revenue (RpBn)	6,311	7,813	8,791	9,615	10,567
EBITDA(RpBn)	2,430	3,604	4,190	4,547	4,037
EBITDA Growth (%)	-32	48.3	16.3	8.5	-11.2
Net Profit(RpBn)	933	1,222	1,509	1,793	2,164
EPS (Rp)	137	180	222	264	318
EPS Growth (%)	-39.2	31.0	23.4	18.9	20.7
Net Gearing (%)	81.5	87.5	80.6	77.9	70.0
PER (x)	46.3	35.3	28.6	24.1	20.0
PBV (x)	4.1	3.8	3.5	3.2	2.9
Dividend Yield (%)	1.2	1.5	1.4	1.7	2.0
EV/EBITDA (x)	21.3	14.8	12.7	11.8	13.2

Source : JSMR, IndoPremier

Share Price Closing as of : 03-March-2015

Refer to Important disclosures on the last of this report

## News & Analysis

### Corporates

**AISA:** Tiga Pilar Sejahtera Food (AISA IJ; Rp2,245; Not rated) expects market share to rise to 5% from 1% in 2020, as it plans to have 17 rice mills with 2mn tonnes of total capacity. AISA, via its subs, TPS Rice will build 11 rice mills from 2016 onwards, with a total investment of around Rp6-7tn, expected to be funded by debts or equity injection. The company targets revenue of Rp7.3tn, up 44.26%yoy, with rice making up 60% of its revenue. (Kontan)

**KAEF:** Kimia Farma (KAEF IJ; Rp1,385; Not rated) reported revenue of Rp4.5tn, up 4.0%yoy and net profit of Rp235bn, up 9.4%yoy in FY14. The revenue figure missed consensus estimates by 7% but net profit was 3% higher, as other operating gains were higher-than-expected. Going forward, we expect the company's performance to be driven by the government's universal healthcare programme. KAEF is currently trading at 23.3x FY15F earnings. (Company)

	4Q13	3Q14	4Q14	Growth		FY14	FY13	Growth
	(Rpbn)	(Rpbn)	(Rpbn)	(q-q%)	(y-y%)	(Rpbn)	(Rpbn)	y-y%
Sales	1,532	1,178	1,443	22.5%	-5.8%	4,521	4,348	4.0%
COGS	(1,101)	(793)	(998)	25.8%	-9.4%	(3,136)	(3,056)	2.6%
Gross Profit	431	385	445	15.6%	3.4%	1,385	1,292	7.2%
Opex	(329)	(276)	(338)	22.5%	2.5%	(1,100)	(1,043)	5.5%
Operating profit	102	110	108	-2.0%	6.1%	286	250	14.5%
Net profit	93	73	91	24.0%	-2.5%	235	215	9.4%
Gross margin	28.1%	32.7%	30.9%			30.6%	29.7%	
Operating margin	6.6%	9.3%	7.5%			6.3%	5.7%	
Net margin	6.1%	6.2%	6.3%			5.2%	4.9%	

Source: Kimia Farma

**TINS:** Timah (TINS IJ; Rp1,005; Buy)'s reported net profit of Rp638bn for FY14, up only 9.8%yoy, beating the consensus' estimates by 19.3%. The company attributed the moderate results to the fall in oil prices, which had negatively affected the commodity prices in 4Q14. Meanwhile, last year's sales volume grew by 15.8%yoy to 26,907mt supported by a 23.34% increase in tin ore production. (Bisnis Indonesia)

**WSKT:** Waskita Karya (WSKT IJ; Rp1,800; Buy) targets 10 dam construction contracts in 2015, besides highway and electricity transmission. If the right issue is executed and realized, WSKT projects its net profit to reach Rp 1.04tn from Rp501.5bn. Further, WSKT will need an additional Rp10tn, and is expected to be significantly debt funded. The company will also spend Rp2tn in capex in FY15, with 8% going to construction projects, 15% to precast, 50% to property, and 17% to highway. (Investor Daily)

### Economic Update

**Tax:** 2M15 tax revenue (excluding oil & gas income tax) decreased by 9.2% to Rp.125tn from Rp.137tn at the same period last year. (Investor Daily)

*Comment: We view this as not necessarily negative news as the trend of tax revenue is always low at the beginning of the year. In addition, the new appointed tax general director and recently approved fiscal budget might also affect the tax collection. However, it should be an early warning for the government regarding tax collection in the near future and the plan to expand and intensify taxes starting in April15.*

## Head Office

### PT INDO PREMIER SECURITIES

Wisma GKBI 7/F Suite 718

Jl. Jend. Sudirman No.28

Jakarta 10210 - Indonesia

p +62.21.5793.1168

f +62.21.5793.1167

## Institutional Equity & Private Client

<b>Benny B. Soebagjo</b>	Head of Equities	benny.soebagjo@ipc.co.id
<b>Angkula Ruriawan</b>	Equity Sales	angkula.ruriawan@ipc.co.id
<b>Alexander Salim</b>	Equity Sales	alexander.salim@ipc.co.id
<b>Edward Azizy</b>	Equity Sales	edazizy@ipc.co.id
<b>Henry Sutanto</b>	Equity Sales	henry.sutanto@ipc.co.id
<b>Isna Alfiathi</b>	Equity Sales	isna.alfiathi@ipc.co.id
<b>Angky Amarylis</b>	Sales Trader	angky.amarylis@ipc.co.id
<b>Thomas Samuil</b>	Sales Trader	thomas.samuil@ipc.co.id

---

### INVESTMENT RATINGS

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

### ANALYSTS CERTIFICATION.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT. Indo Premier Securities or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.