Maybank Kim Eng

Real Estate

Indonesia

# Bekasi Fajar (BEST IJ)

# Ride the wave; U/G to BUY

**BUY** *[Prior:HOLD]*

| | |
|---|---|
| Share Price | IDR 292 |
| 12m Price Target | IDR 400 (+37%) |
| *Previous Price Target* | *IDR 260* |

## U/G to BUY with 54% higher TP of 400

Upgrade BEST to BUY from HOLD as it appears set to capitalise on increasing FDI in Indonesia, with its strategically-located land assets in a prime industrial hub in Bekasi. Despite its strong rally since Oct'18, we believe that it has not fully priced-in its potential growth ahead the sector's upcycle. Valuation wise, BEST is still undervalued, trading at 66% discount to RNAV and 0.7x P/B FY19E a deep discount to DMAS, its closest peer's valuation at 44% disc. to RNAV. We lift our presales assumptions for FY19E-21E by 13%/36%/43% which lifts our EPS by +17%/+36%/43%. Our new TP is IDR400, up 54% from IDR260, based on a 54% disc. to RNAV, +1SD of its 5-year mean vs. a 68% disc. its 5-year mean, previously.

## Only pure industrial-estate developer

Unlike its peers, BEST sticks to its core strength of selling industrial land only. It has no plans to develop commercial or residential properties. Its gross land bank as of Jun 2019 was 1,043ha, of which 240ha was ready for sale. As new land in Bekasi is scarce, we believe pricing can be supported.

## Execution to continue

BEST holds a good record of meeting its presales targets. This year, it aspires to sell 40ha, up 14% YoY. Together with a high level of land enquiries of 96ha, we are confident it can meet its target. As BEST's ready-for-sale land can only cater to land plots below 20 ha each, it should continue to lead pricing as larger land plot buyers of more than 20ha will negotiate for bigger discount to its quoted selling price.

## Expanding to West or Central Java to enlarge RNAV

Management is conducting due diligence to expand to West or Central Java. Additional estates in either will help it diversify its portfolio which will appeal to labor intensive industries. The expansion plan is scheduled to be realised in 2H19 and we estimate this may boost its RNAV by 20% and possibly match its land bank size to DMAS at around 1,300ha.

| FYE Dec (IDR b) | FY17A | FY18A | FY19E | FY20E | FY21E |
|---|---|---|---|---|---|
| Revenue | 1,006 | 963 | 1,217 | 1,349 | 1,414 |
| EBITDA | 592 | 551 | 732 | 822 | 861 |
| Core net profit | 483 | 423 | 567 | 655 | 695 |
| Core EPS (IDR) | 50 | 44 | 59 | 68 | 72 |
| Core EPS growth (%) | 43.8 | (12.4) | 34.1 | 15.4 | 6.2 |
| Net DPS (IDR) | 3 | 10 | 9 | 12 | 14 |
| Core P/E (x) | 5.0 | 4.7 | 5.0 | 4.3 | 4.1 |
| P/BV (x) | 0.6 | 0.5 | 0.6 | 0.5 | 0.5 |
| Net dividend yield (%) | 1.4 | 4.8 | 3.0 | 4.0 | 4.6 |
| ROAE (%) | 13.4 | 10.6 | 12.9 | 13.3 | 12.7 |
| ROAA (%) | 8.8 | 7.0 | 8.6 | 9.2 | 9.0 |
| EV/EBITDA (x) | 5.8 | 5.0 | 4.5 | 3.6 | 2.9 |
| Net gearing (%) (incl perps) | 26.4 | 18.4 | 10.5 | 2.8 | net cash |
| Consensus net profit | - | - | 490 | 556 | 732 |
| MKE vs. Consensus (%) | - | - | 15.7 | 17.7 | (4.9) |

**Company Description**

*The company is engaged in the development and management of industrial estates and properties in the most prime industrial areas in Indonesia.*

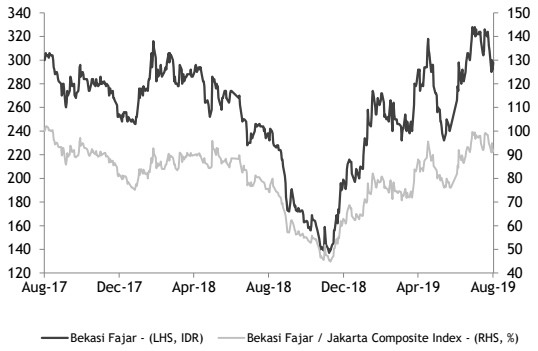
**Statistics**

| | |
|---|---|
| 52w high/low (IDR) | 328/137 |
| 3m avg turnover (USDm) | 0.5 |
| Free float (%) | 42.0 |
| Issued shares (m) | 9,647 |
| Market capitalisation | IDR2.8T |
| | USD198M |

Major shareholders:

| | |
|---|---|
| PT Argo Manunggal Land Development | 48.0% |
| Daiwa House Industry | 10.0% |

**Price Performance**




| | -1M | -3M | -12M |
|---|---|---|---|
| Absolute (%) | (11) | 7 | 23 |
| Relative to index (%) | (9) | 9 | 20 |

*Source: FactSet*

**Link to sector note:**

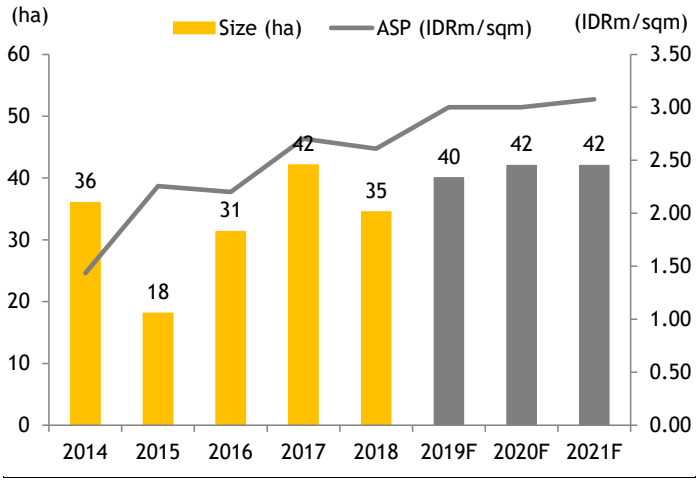
**Indonesia Property - Industrial estates: front, forward and centre | POSITIVE**

Aurellia Setiabudi
Aurellia.Setiabudi@maybank-ke.co.id
(62) 21 8066 8691

# Pure industrial-estate developer

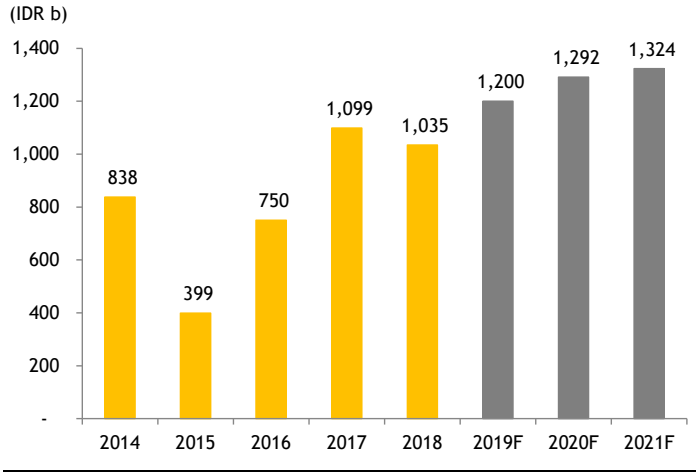
BEST's ready-for-sale land remains 150 ha. Although it charges the highest land price per ha of IDR3.0m psm in Bekasi, it continues to attract new demand. Most of its new tenants are Japanese, who value the high quality of the infrastructure that its Bekasi estate offers. With an improving investment outlook on the back of large potential demand of industrial land from electric vehicle and logistics & warehouse sectors, we believe its annual presales growth will continue to grow.

**Fig 1: Annual presales volume and ASPs**




*Source: Company data, Maybank Kim Eng*

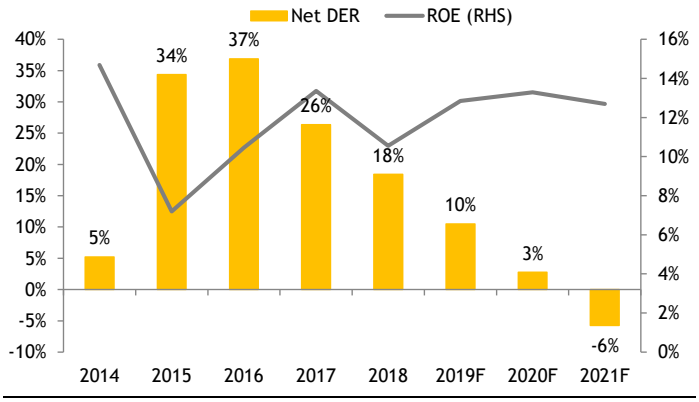
**Fig 2: Annual presales**




*Source: Company data, Maybank Kim Eng*

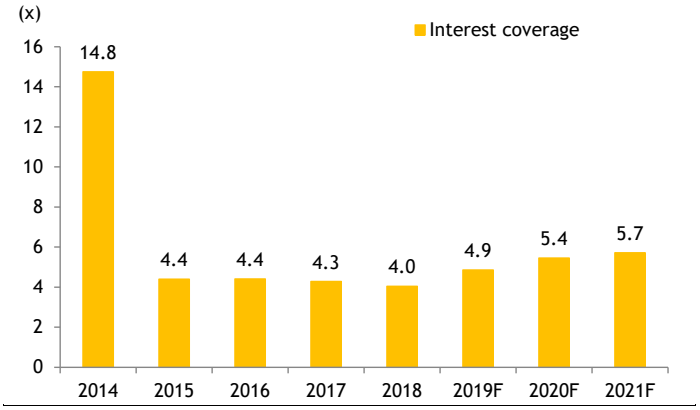
A healthy balance sheet with 10% gearing as at end-2019 should provide room for leveraging to expand to a second industrial estate. Management has set aside IDR600b for expansion this year. Another IDR600b has been budgeted for the acquisition of new land in its existing Bekasi estate.

**Fig 3: Net gearing and ROEs**




*Source: Company data, Maybank Kim Eng*

**Fig 4: Interest coverage**




*Source: Company data, Maybank Kim Eng*

# Changes in our assumptions

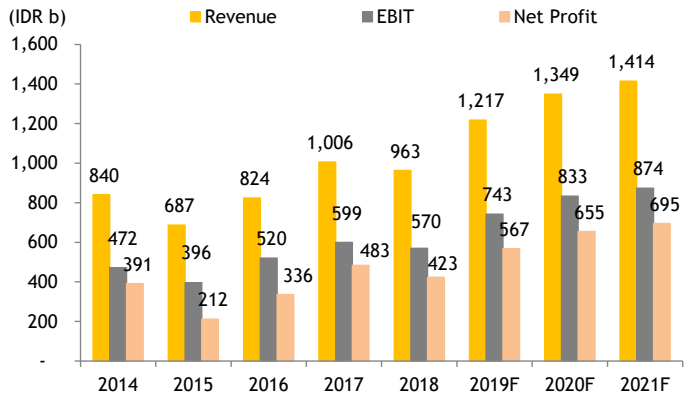
We increase FY19-21E land sales by 25-31% to 40-42ha following its higher level of enquiries. However, we see limited upside for ASPs as BEST's land prices are already IDR3m psm or USD214 psm vs its closest peers' USD120-205. We assume 3% annual price appreciation just to pass on the inflation from high competition in the Bekasi area among the industrial estates KIJA, BEST, DMAS, LPCK, SSIA and other non-listed companies. Despite this, we believe its current selling prices are sustainable from a scarcity of available land bank in Bekasi. Our higher presales lift our EPS estimates by +19%/+42%/+50%. We assume stable margins as costs are expected to be flat.

**Fig 5: Changes in our assumptions**

| | 2019F | | | 2020F | | | 2021F | | |
|---|---|---|---|---|---|---|---|---|---|
| | Old | New | +/- % | Old | New | +/- % | Old | New | +/- % |
| **PRE-SALES** | | | | | | | | | |
| Net land sold (in ha) | 32 | 40 | 25% | 32 | 42 | 31% | 32 | 42 | 31% |
| ASP (IDRm/sqm) | 3.1 | 3.0 | -2% | 2.9 | 3.1 | 5% | 2.9 | 3.2 | 7% |
| Value (IDR b) | 984 | 1,200 | 22% | 941 | 1,292 | 37% | 941 | 1,324 | 41% |
| **Total Revenues** | **1,092** | **1,217** | **12%** | **1,157** | **1,349** | **17%** | **1,157** | **1,414** | **22%** |
| EBIT | 646 | 743 | 15% | 625 | 833 | 33% | 625 | 874 | 40% |
| Net Profit | 475 | 567 | 19% | 462 | 655 | 42% | 462 | 695 | 50% |
| **(%)** | **New** | **New** | **+/- ppt** | **New** | **New** | **+/- ppt** | **New** | **New** | **+/- ppt** |
| Gross margin | 71% | 71% | 0.5 | 66% | 72% | 6.0 | 66% | 72% | 6.1 |
| EBIT margin | 59% | 61% | 1.8 | 54% | 62% | 7.7 | 54% | 62% | 7.8 |
| Net margin | 44% | 47% | 3.0 | 40% | 49% | 8.6 | 40% | 49% | 9.2 |

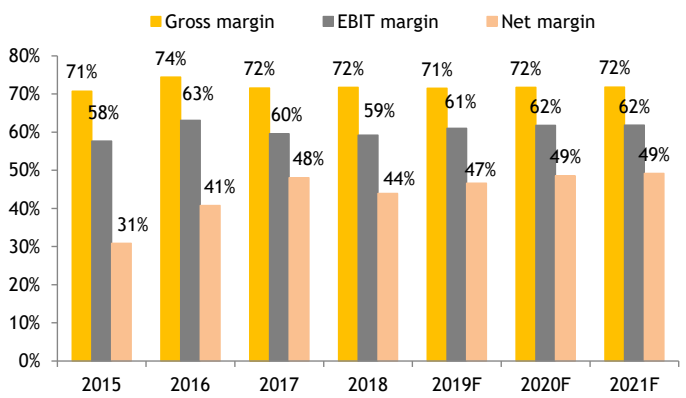
*Source: Maybank Kim Eng*

**Fig 6: Revenue, EBIT, net profit**




*Source: Maybank Kim Eng, Company*

**Fig 7: Margins**




*Source: Maybank Kim Eng, Company*

# Valuation

We upgrade BEST to BUY as it is strategically positioned to capture the incoming wave of investment into Indonesia. We believe BEST's valuation deserves a further re-rating due to its promising presales growth outlook and superior estate locations.

In our RNAV calculation, we now use simple market values for its remaining land bank and investment properties. With this, our RNAV per share rises by 5% to IDR869 from IDR825. Previously, we discounted cash flows from its development for five years and added the market value of its remaining land bank. This is to estimate the company's liquidation value.

Our new TP of IDR400 is based on a 54% discount to RNAV, +1SD of its 5-year mean vs a 68% discount, its 5-year mean, earlier to account for its high presales outlook on the back of the incoming demand for industrial land from FDI boom in Indonesia. It implies 0.8x FY19E P/BV, its 5-year mean.

**Fig 8: RNAV**

| | Gross Landbank (hectares) | Estimated Value (IDRb) | Ownership (%) | Value of Ownership (IDRb) |
|---|---|---|---|---|
| **PROPERTY DEVELOPMENT** | | | | |
| MM2100 ready-for-sale | 240 | 4,151 | 100% | 4,151 |
| MM2100 not-ready for sale | 810 | 4,860 | 100% | 4,860 |
| **TOTAL** | **1,050** | | | **9,011** |
| | | | | |
| **INVESTMENT PROPERTIES** | | 15 | 100% | 15 |
| | | | | |
| Customer Advance (2019F) | | | | (156) |
| Net Cash (2019F) | | | | (488) |
| RNAV | | | | 8,381 |
| # of Shares | | | | 9,647 |
| RNAV per share | | | | 869 |
| **Target price** | | | | **400** |
| Discount to RNAV | | | | -54% |

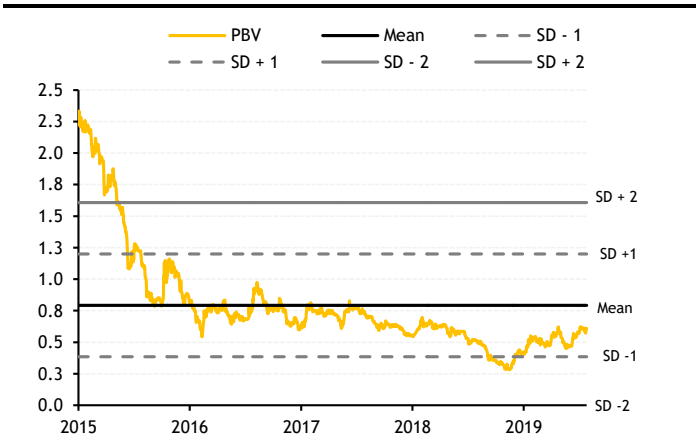
*Source: Maybank Kim Eng*

**Fig 9: Detail for Net Asset Value**

| | Ready-for-sale | Not-ready-for-sale |
|---|---|---|
| Industrial land bank (ha) | 240 | 810 |
| ASP (IDRm/sqm) | 3.00 | 0.60 |
| Gross value (IDRb) | 5,031 | 4,860 |
| Conversion ratio (%) | 70% | 100% |
| Development cost (IDRb) | 503 | |
| Opex (IDRb) | 252 | |
| Taxes (IDRb) | 126 | |
| | | |
| **Net Asset Value (IDRb)** | **4,151** | **4,860** |

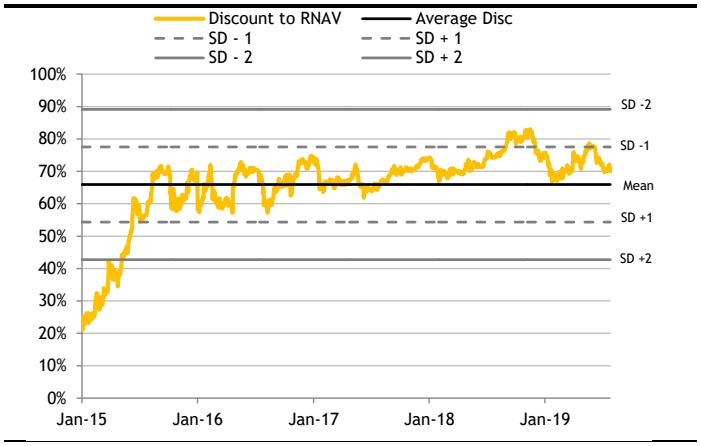
*Source: Maybank Kim Eng*

**Fig 10: P/BV band (1-year forward)**




*Source: FactSet, Maybank Kim Eng*

**Fig 11: Discount to RNAV (1-year forward)**

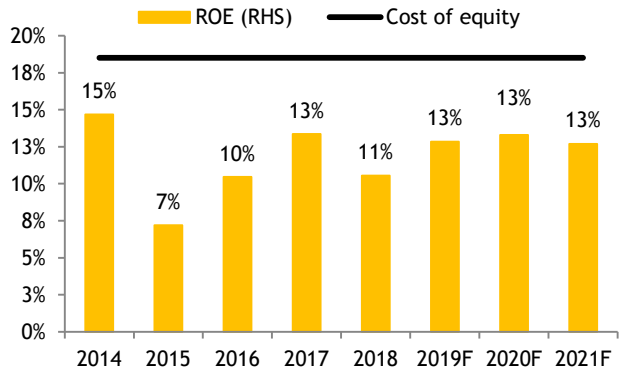



*Source: FactSet, Maybank Kim Eng*

## Value Proposition

- Strategically located and mature industrial estate is in the most-wanted industrial area in Indonesia.
- Land bank is about 1,000 hectares (gross) but mostly scattered with only 240 hectares of ready for sale land bank as of 6M19. Sales expected to increase above 40ha in the next three years from increasing demand.
- Improving ROE from higher annual sales volume.
- We estimate net gearing will decline to 11% in FY19E, which is still at a manageable level. This allows the company to take on higher leverage for its expansion plans.
- We estimate an addition of 300 hectares of land may increase its RNAV by 20%.

**ROE and cost of equity**




*Source: Company data, Maybank Kim Eng*

## Price Drivers

**Historical share price performance**

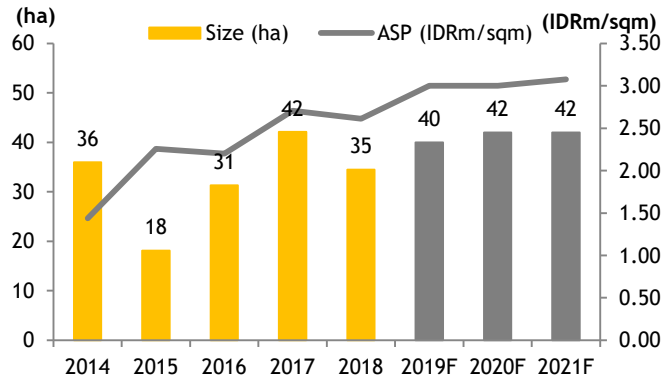
*Source: Company, Bloomberg, Maybank Kim Eng*

1 Further weakening of presales, expectations of significant decline in pre-sales building up.
2 Slowest presales in nine quarters, with no expectations of recovery.
3 Slowing GDP growth expected to hit industrial estate developers. Company's scattered land bank hasn't improved, making it lose out on sales of big size land.
4 No pre-sales for two quarters.
5 Continued weakness in IDR.

## Financial Metrics

- Pre-sales to grow above 40ha per annum in the next three years. Plot sizes are smaller than its closest competitor.
- We expect flat to modest ASP growth going forward from competition in the area.
- FCF is positive in which can be used for its expansion plan to its second industrial estate.
- Requires sales of 15ha of land per year to break even and service its debt.

**Annual ASP and pre-sales volume**




*Source: Company data, Maybank Kim Eng*

## Swing Factors

### Upside

- Significant land plot sales to improve cash flow.
- Stabilising IDR/USD and improving business sentiment.
- Resolving scattered land bank issue.

### Downside

- Inability to increase saleable land bank.
- Regulatory risk on investments in Indonesia.
- Tightening cash flow from slower-than-expected pre-sales.

Aurellia.Setiabudi@maybank-ke.co.id

| FYE 31 Dec | FY17A | FY18A | FY19E | FY20E | FY21E |
|---|---|---|---|---|---|
| **Key Metrics** | | | | | |
| P/E (reported) (x) | 5.9 | 5.4 | 5.0 | 4.3 | 4.1 |
| Core P/E (x) | 5.0 | 4.7 | 5.0 | 4.3 | 4.1 |
| P/BV (x) | 0.6 | 0.5 | 0.6 | 0.5 | 0.5 |
| P/NTA (x) | 0.6 | 0.5 | 0.6 | 0.5 | 0.5 |
| Net dividend yield (%) | 1.4 | 4.8 | 3.0 | 4.0 | 4.6 |
| FCF yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EV/EBITDA (x) | 5.8 | 5.0 | 4.5 | 3.6 | 2.9 |
| EV/EBIT (x) | 5.7 | 4.9 | 4.5 | 3.6 | 2.8 |
| | | | | | |
| **INCOME STATEMENT (IDR b)** | | | | | |
| Revenue | 1,006.0 | 963.0 | 1,217.4 | 1,348.7 | 1,413.7 |
| Gross profit | 720.0 | 691.0 | 870.3 | 967.4 | 1,014.7 |
| EBITDA | 592.0 | 551.0 | 732.2 | 821.7 | 861.3 |
| Depreciation | (7.0) | (19.0) | (10.4) | (11.4) | (12.6) |
| Amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 599.0 | 570.0 | 742.6 | 833.1 | 873.9 |
| Net interest income /(exp) | (134.0) | (125.0) | (139.0) | (138.0) | (136.0) |
| Associates & JV | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exceptionals | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other pretax income | 44.0 | 4.0 | 0.0 | 0.0 | 0.0 |
| Pretax profit | 509.0 | 449.0 | 603.6 | 695.1 | 737.9 |
| Income tax | (26.0) | (26.0) | (36.5) | (40.5) | (42.4) |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Discontinued operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reported net profit | 483.0 | 423.0 | 567.1 | 654.7 | 695.5 |
| Core net profit | 483.0 | 423.0 | 567.1 | 654.7 | 695.5 |
| | | | | | |
| **BALANCE SHEET (IDR b)** | | | | | |
| Cash & Short Term Investments | 502.0 | 1,129.0 | 1,377.8 | 1,721.1 | 2,197.5 |
| Accounts receivable | 351.0 | 146.0 | 243.5 | 269.7 | 282.7 |
| Inventory | 4,168.0 | 4,278.0 | 4,398.6 | 4,487.2 | 4,560.3 |
| Reinsurance assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Property, Plant & Equip (net) | 163.0 | 181.0 | 194.2 | 208.8 | 224.7 |
| Intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investment in Associates & JVs | 123.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other assets | 412.0 | 556.0 | 636.7 | 734.8 | 736.5 |
| **Total assets** | **5,719.0** | **6,290.0** | **6,850.8** | **7,421.6** | **8,001.7** |
| ST interest bearing debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts payable | 107.0 | 56.0 | 86.8 | 95.3 | 99.7 |
| Insurance contract liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LT interest bearing debt | 1,516.0 | 1,897.0 | 1,866.0 | 1,866.0 | 1,866.0 |
| Other liabilities | 248.0 | 165.0 | 243.0 | 264.0 | 276.0 |
| **Total Liabilities** | **1,871.0** | **2,118.0** | **2,196.2** | **2,225.8** | **2,241.4** |
| Shareholders Equity | 3,845.0 | 4,172.0 | 4,654.5 | 5,195.8 | 5,760.3 |
| Minority Interest | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total shareholder equity** | **3,848.0** | **4,172.0** | **4,654.5** | **5,195.8** | **5,760.3** |
| **Total liabilities and equity** | **5,719.0** | **6,290.0** | **6,850.8** | **7,421.6** | **8,001.7** |
| | | | | | |
| **CASH FLOW (IDR b)** | | | | | |
| Pretax profit | 509.0 | 449.0 | 603.6 | 695.1 | 737.9 |
| Depreciation & amortisation | (7.0) | (19.0) | (10.4) | (11.4) | (12.6) |
| Adj net interest (income)/exp | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in working capital | (353.0) | 7.0 | (167.5) | (179.3) | (68.2) |
| Cash taxes paid | (26.0) | (26.0) | (36.5) | (40.5) | (42.4) |
| Other operating cash flow | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from operations | 137.0 | 449.0 | 410.0 | 486.7 | 639.8 |
| Capex | (33.0) | (69.0) | (41.6) | (26.0) | (28.6) |
| Free cash flow | 104.0 | 380.0 | 368.4 | 460.8 | 611.3 |
| Dividends paid | (33.0) | (96.0) | (84.6) | (113.4) | (130.9) |
| Equity raised / (purchased) | 9.0 | 2.0 | 0.0 | 0.0 | 0.0 |
| Change in Debt | (175.0) | 381.0 | (31.0) | 0.0 | 0.0 |
| Other invest/financing cash flow | 156.0 | (35.0) | (4.0) | (4.0) | (4.0) |
| Effect of exch rate changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flow | 61.0 | 632.0 | 248.8 | 343.3 | 476.3 |

| FYE 31 Dec | FY17A | FY18A | FY19E | FY20E | FY21E |
|---|---|---|---|---|---|
| **Key Ratios** | | | | | |
| **Growth ratios (%)** | | | | | |
| Revenue growth | 22.1 | (4.3) | 26.4 | 10.8 | 4.8 |
| EBITDA growth | 15.2 | (6.9) | 32.9 | 12.2 | 4.8 |
| EBIT growth | 15.2 | (4.8) | 30.3 | 12.2 | 4.9 |
| Pretax growth | 37.9 | (11.8) | 34.4 | 15.2 | 6.2 |
| Reported net profit growth | 43.8 | (12.4) | 34.1 | 15.4 | 6.2 |
| Core net profit growth | 43.8 | (12.4) | 34.1 | 15.4 | 6.2 |
| | | | | | |
| **Profitability ratios (%)** | | | | | |
| EBITDA margin | 58.8 | 57.2 | 60.1 | 60.9 | 60.9 |
| EBIT margin | 59.5 | 59.2 | 61.0 | 61.8 | 61.8 |
| Pretax profit margin | 50.6 | 46.6 | 49.6 | 51.5 | 52.2 |
| Payout ratio | 6.8 | 22.7 | 14.9 | 17.3 | 18.8 |
| | | | | | |
| **DuPont analysis** | | | | | |
| Net profit margin (%) | 48.0 | 43.9 | 46.6 | 48.5 | 49.2 |
| Revenue/Assets (x) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Assets/Equity (x) | 1.5 | 1.5 | 1.5 | 1.4 | 1.4 |
| ROAE (%) | 13.4 | 10.6 | 12.9 | 13.3 | 12.7 |
| ROAA (%) | 8.8 | 7.0 | 8.6 | 9.2 | 9.0 |
| | | | | | |
| **Leverage & Expense Analysis** | | | | | |
| Asset/Liability (x) | 3.1 | 3.0 | 3.1 | 3.3 | 3.6 |
| Net gearing (%) (incl perps) | 26.4 | 18.4 | 10.5 | 2.8 | net cash |
| Net gearing (%) (excl. perps) | 26.4 | 18.4 | 10.5 | 2.8 | net cash |
| Net interest cover (x) | 4.5 | 4.6 | 5.3 | 6.0 | 6.4 |
| Debt/EBITDA (x) | 2.6 | 3.4 | 2.5 | 2.3 | 2.2 |
| Capex/revenue (%) | 3.3 | 7.2 | 3.4 | 1.9 | 2.0 |
| Net debt/ (net cash) | 1,014.0 | 768.0 | 488.2 | 144.9 | (331.5) |

*Source: Company; Maybank*

# Research Offices

## REGIONAL

**Sadiq CURRIMBHOY**
Regional Head of Research & Economics
(65) 6231 5836
sadiq@maybank-ke.com.sg

**WONG Chew Hann, CA**
Regional Head of Institutional Research
(603) 2297 8686
wchewh@maybank-ib.com

**ONG Seng Yeow**
Regional Head of Retail Research
(65) 6231 5839
ongsengyeow@maybank-ke.com.sg

## ECONOMICS

**Suhaimi ILIAS**
Chief Economist
Malaysia | Philippines | China
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

**CHUA Hak Bin**
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank-ke.com.sg

**LEE Ju Ye**
Singapore | Thailand
(65) 6231 5844
leejuye@maybank-ke.com.sg

**Linda LIU**
Singapore | Vietnam
(65) 6231 5847
lindaliu@maybank-ke.com.sg

**Dr Zamros DZULKAFLI**
(603) 2082 6818
zamros.d@maybank-ib.com

**Ramesh LANKANATHAN**
(603) 2297 8685
ramesh@maybank-ib.com

## FX

**Saktiandi SUPAAT**
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com.sg

**Christopher WONG**
(65) 6320 1347
wongkl@maybank.com.sg

**Tan Yanxi**
(65) 6320 1378
tanyx@maybank.com.sg

**Fiona LIM**
(65) 6320 1374
fionalim@maybank.com.sg

## STRATEGY

**Sadiq CURRIMBHOY**
Global Strategist
(65) 6231 5836
sadiq@maybank-ke.com.sg

**Willie CHAN**
Hong Kong | Regional
(852) 2268 0631
williechan@kimeng.com.hk

## FIXED INCOME

**Winson PHOON, ACA**
(65) 6812 8807
winsonphoon@maybank-ke.com.sg

**Se Tho Mun Yi**
(603) 2074 7606
munyi.st@maybank-ib.com

## MALAYSIA

**WONG Chew Hann, CA** *Head of Research*
(603) 2297 8686 wchewh@maybank-ib.com
• Strategy

**Desmond CH'NG, ACA**
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

**LIAW Thong Jung**
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas Services- Regional

**ONG Chee Ting, CA**
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

**Mohshin AZIZ**
(603) 2297 8692 mohshin.aziz@maybank-ib.com
• Aviation - Regional • Petrochem

**YIN Shao Yang, CPA**
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming - Regional • Media

**TAN Chi Wei, CFA**
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

**WONG Wei Sum, CFA**
(603) 2297 8679 weisum@maybank-ib.com
• Property

**LEE Yen Ling**
(603) 2297 8691 lee.yl@maybank-ib.com
• Glove • Ports • Shipping • Healthcare

**Ivan YAP**
(603) 2297 8612 ivan.yap@maybank-ib.com
• Automotive • Semiconductor • Technology

**Kevin WONG**
(603) 2082 6824 kevin.wong@maybank-ib.com
• REITs • Consumer Discretionary

**Adrian WONG, CFA**
(603) 2297 8675 adrian.wkj@maybank-ib.com
• Constructions

**Jade TAM**
(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples

**Mohd Hafiz HASSAN**
(603) 2082 6819 mohdhafiz.ha@maybank-ib.com
• Building Materials • Small & Mid Caps

**Amirah AZMI**
(603) 2082 8769 amirah.azmi@maybank-ib.com
• Media • Plantations

**TEE Sze Chiah** *Head of Retail Research*
(603) 2082 6858 szechiah.t@maybank-ib.com

**Nik Ihsan RAJA ABDULLAH, MSTA, CFTe**
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com

## SINGAPORE

**Neel SINHA** *Head of Research*
(65) 6231 5838 neelsinha@maybank-ke.com.sg
• Strategy • Industrials
• SMID Caps - Regional

**CHUA Su Tye**
(65) 6231 5842 chuasutye@maybank-ke.com.sg
• REITs

**Luis HILADO**
(65) 6231 5848 luishilado@maybank-ke.com.sg
• Telcos • Transport

**LAI Gene Lih, CFA**
(65) 6231 5832 laigenelih@maybank-ke.com.sg
• Technology • Healthcare

**Thilan WICKRAMASINGHE**
(65) 6231 5840 thilanw@maybank-ke.com.sg
• Banks • Consumer

**SZE Jia Min**
(65) 6231 5845 jiamin@maybank-ke.com.sg
• Consumer

## INDIA

**Jigar SHAH** *Head of Research*
(91) 22 4223 2632 jigar@maybank-ke.co.in
• Strategy • Oil & Gas • Automobile • Cement

**Neerav DALAL**
(91) 22 4223 2606 neerav@maybank-ke.co.in
• Software Technology • Telcos

**Vishal PERIWAL**
(91) 22 4223 2605
vishalperiwal@maybank-ke.co.in
• Infrastructure

**Kshitiz PRASAD**
(91) 22 4223 2607
kshitiz@maybank-ke.co.in
• Banks

## INDONESIA

**Isnaputra ISKANDAR** *Head of Research*
(62) 21 8066 8680
isnaputra.iskandar@maybank-ke.co.id
• Strategy • Metals & Mining • Cement

**Rahmi MARINA**
(62) 21 8066 8689
rahmi.marina@maybank-ke.co.id
• Banking & Finance

**Aurellia SETIABUDI**
(62) 21 8066 8691
aurellia.setiabudi@maybank-ke.co.id
• Property

**Janni ASMAN**
(62) 21 8066 8687
janni.asman@maybank-ke.co.id
• Cigarette • Healthcare • Retail

**Luthfi RIDHO**
(62) 21 8066 8690
luthfi.ridho@maybank-ke.co.id
• Economics

## PHILIPPINES

**Minda OLONAN** *Head of Research*
(63) 2 849 8840
minda_olonan@maybank-atrke.com
• Strategy • Conglomerates

**Katherine TAN**
(63) 2 849 8843
kat_tan@maybank-atrke.com
• Banks • Conglomerates • Ports

**Luis HILADO**
(65) 6231 5848 luishilado@maybank-ke.com.sg
• Telcos

**Romel LIBO-ON**
(63) 2 849 8844
romel_libo-on@maybank-atrke.com
• Property

**Kayzer LLANDA**
(63) 2 849 8839
Kayzer_llanda@maybank-atrke.com
• Utilities

## THAILAND

**Maria LAPIZ** *Head of Institutional Research*
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399
Maria.L@maybank-ke.co.th
• Strategy • Consumer • Materials • Services

**Teerapol Udomvej, CFA**
(66) 2658 6300 ext 1394
teerapol.U@maybank-ke.co.th
• Healthcare

**Ekachai TARAPORNTIP** *Head of Retail Research*
(66) 2658 5000 ext 1530
Ekachai.t@maybank-ke.co.th

**Sutthichai KUMWORACHAI** *Deputy Head*
(66) 2658 5000 ext 1400
sutthichai.k@maybank-ke.co.th
• Energy • Petrochem

**Surachai PRAMUALCHAROENKIT**
(66) 2658 5000 ext 1470
Surachai.p@maybank-ke.co.th
• Auto • Conmat • Contractor • Steel

**Suttatip PEERASUB**
(66) 2658 5000 ext 1430
suttatip.p@maybank-ke.co.th
• Media • Commerce

**Termporn TANTIVIVAT**
(66) 2658 5000 ext 1520
termporn.t@maybank-ke.co.th
• Property

**Jaroonpan WATTANAWONG**
(66) 2658 5000 ext 1404
jaroonpan.w@maybank-ke.co.th
• Transportation • Small cap

**Thanatphat SUKSRICHAVALIT**
(66) 2658 5000 ext 1401
thanaphat.s@maybank-ke.co.th
• Media • Electronics

**Sorrabhol VIRAMETEEKUL**
*Head of Digital Research*
(66) 2658 5000 ext 1550
sorrabhol.V@maybank-ke.co.th
• Food, Transportation

**Wijit ARAYAPISIT**
(66) 2658 5000 ext 1450
wijit.a@maybank-ke.co.th
• Strategist

**Kritsapong PATAN**
(66) 2658 5000 ext 1310
kritsapong.p@maybank-ke.co.th
• Chartist

## VIETNAM

**LE Hong Lien, ACCA**
*Head of Institutional Research*
(84 28) 44 555 888 x 8181
lien.le@maybank-kimeng.com.vn
• Strategy • Consumer • Diversified

**LE Nguyen Nhat Chuyen**
(84 28) 44 555 888 x 8082
chuyen.le@maybank-kimeng.com.vn
• Oil & Gas

**QUAN Trong Thanh**
(84 28) 44 555 888 x 8184
thanh.quan@maybank-kimeng.com.vn
• Banks

**NGUYEN Thi Ngan Tuyen**
*Head of Retail Research*
(84 28) 44 555 888 x 8081
tuyen.nguyen@maybank-kimeng.com.vn
• Food & Beverage • Oil&Gas • Banking

**TRUONG Quang Binh**
*Deputy Head of Retail Research*
(84 28) 44 555 888 x 8087
binh.truong@maybank-kimeng.com.vn
• Rubber Plantation • Tyres & Tubes • Oil & Gas

**TRINH Thi Ngoc Diep**
(84 28) 44 555 888 x 8208
diep.trinh@maybank-kimeng.com.vn
• Technology • Utilities • Construction

**NGUYEN Thi Sony Tra Mi**
(84 28) 44 555 888 x 8084
mi.nguyen@maybank-kimeng.com.vn
• Port Operation • Pharmaceutical
• Food & Beverage

**NGUYEN Thanh Lam**
(84 28) 44 555 888 x 8086
thanhlam.nguyen@maybank-kimeng.com.vn
• Technical Analysis

## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Kim Eng Securities (Thailand) Public Company Limited. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research reports of MBKET Institutional and Retail Research Department may differ in either recommendation or target price, or both. MBKET Retail Research is intended for retail investors (http://kelive.maybank-ke.co.th) while Maybank Kim Eng Institutional Research is intended only for institutional investors based outside Thailand only.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MBKET does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.

### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Kim Eng Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

**UK**

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by Maybank KERPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Kim Eng Securities ("PTMKES") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited ("KESI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA – Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

### Disclosure of Interest

**Malaysia:** MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 8 August 2019, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** As of 8 August 2019, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

**India:** As of 8 August 2019, and at the end of the month immediately preceding the date of publication of the research report, KESI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months KESI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

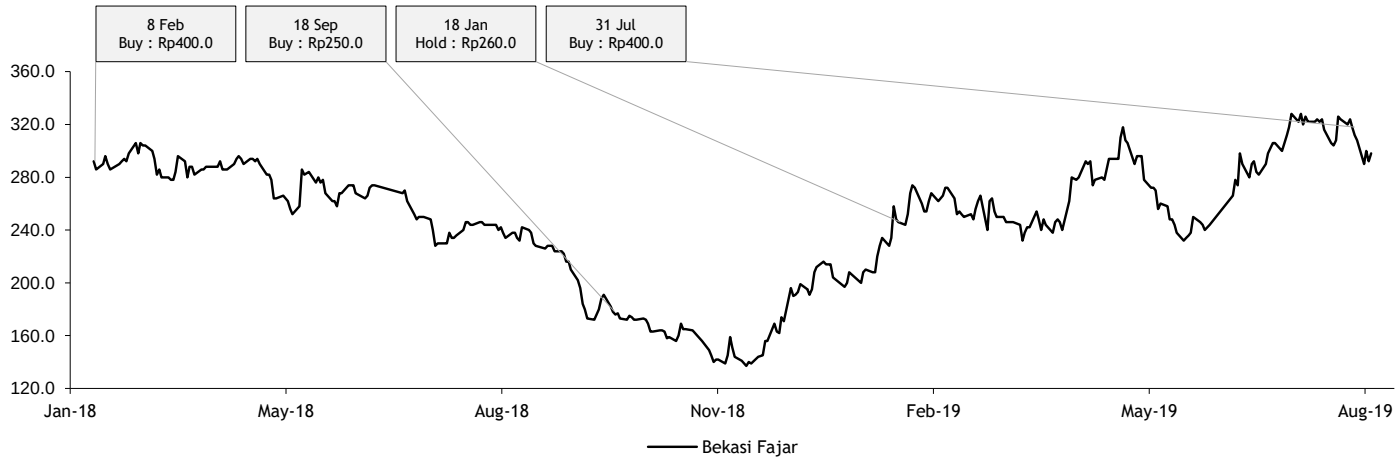
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed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

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

**Historical recommendations and target price: Bekasi Fajar (BEST IJ)**




## Definition of Ratings

Maybank Kim Eng Research uses the following rating system

| | |
|---|---|
| **BUY** | Return is expected to be above 10% in the next 12 months (excluding dividends) |
| **HOLD** | Return is expected to be between - 10% to +10% in the next 12 months (excluding dividends) |
| **SELL** | Return is expected to be below -10% in the next 12 months (excluding dividends) |

## Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

## Malaysia
**Maybank Investment Bank Berhad**
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

## Singapore
**Maybank Kim Eng Securities Pte Ltd**
**Maybank Kim Eng Research Pte Ltd**
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

## London
**Maybank Kim Eng Securities (London) Ltd**
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

## New York
**Maybank Kim Eng Securities USA Inc**
400 Park Avenue, 11th Floor
New York, New York 10022,
U.S.A.

Tel: (212) 688 8886
Fax: (212) 688 3500

## Hong Kong
**Kim Eng Securities (HK) Ltd**
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

## Indonesia
**PT Maybank Kim Eng Securities**
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

## India
**Kim Eng Securities India Pvt Ltd**
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

## Philippines
**Maybank ATR Kim Eng Securities Inc.**
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 849 8888
Fax: (63) 2 848 5738

## Thailand
**Maybank Kim Eng Securities (Thailand) Public Company Limited**
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

## Vietnam
**Maybank Kim Eng Securities Limited**
4A-15+16 Floor Vincom Center Dong
Khoi, 72 Le Thanh Ton St. District 1
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888
Fax : (84) 8 38 271 030

## Saudi Arabia
*In association with*
**Anfaal Capital**
Villa 47, Tujjar Jeddah
Prince Mohammed bin Abdulaziz
Street P.O. Box 126575
Jeddah 21352

Tel: (966) 2 6068686
Fax: (966) 26068787

## South Asia Sales Trading
Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank-ke.com.sg
Tel: (65) 6636-3620
US Toll Free: 1-866-406-7447

### Indonesia
Iwan Atmadjaja
iatmadjaja2@bloomberg.net
(62) 21 8066 8555

### New York
James Lynch
jlynch@maybank-keusa.com
Tel: (212) 688 8886

### Philippines
Keith Roy
keith_roy@maybank-atrke.com
Tel: (63) 2 848-5288

## North Asia Sales Trading
Andrew Lee
andrewlee@kimeng.com.hk
Tel: (852) 2268 0283
US Toll Free: 1 877 837 7635

### London
Greg Smith
gsmith@maybank-ke.co.uk
Tel: (44) 207-332-0221

### India
Sanjay Makhija
sanjaymakhija@maybank-ke.co.in
Tel: (91)-22-6623-2629


www.maybank-ke.com | www.maybank-keresearch.com