Indonesia Morning Cuppa

Top Story

Unilever Indonesia (UNVR IJ, NEUTRAL, TP: IDR1,730)
Proceed With Caution
Company Update
Stay NEUTRAL, new IDR1,730 TP (from IDR1,580), 1% downside. We adjust our FY25-27 earnings forecasts by 11.8%, 12.4%, and 12.8% following Unilever Indonesia's latest results. The company booked 1Q25 net income of IDR1.2trn (+244.6% QoQ, -14.6% YoY). This was above expectations, with earnings coming in at 34.7% and c.32% of our and Street estimates. Despite UNVR seeing some improvements, we keep our NEUTRAL rating as we remain concerned on its long-term growth outlook, owing to intense competition.
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Today's Report: Unilever Indonesia : Proceed With Caution (28 Apr 2025)
Previous Report: Unilever Indonesia : A Bumpy Road To Recovery (17 Feb 2024)

Thematics / Ground Checks

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- Indonesia Consumer Thematic : Investing In Generation Alpha
- Consumer Products : Net Zero In a Consumer World
- Indonesia Thematic : Indonesia's Nickel Rush – Fuelling The EV Boom
- Medical Tourism In ASEAN : Connecting Wellness And Tourism
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- Plantation : At The Crossroads
- Indonesia Consumer, Banks, Tobacco, Poultry: Highlights Of Our Visit To Jakarta Fair
- Net Zero Transportation : Transitioning Towards Low-Carbon Transport
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Other Story

Metals & Coal (NEUTRAL)
KTAs From ESDM: Awaiting Clarity
Sector News Flash
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Today's Report: Metals & Coal : KTAs From ESDM: Awaiting Clarity (28 Apr 2025)
Previous Report: A Discussion With MIND ID; Harnessing Synergies (13 Sep 2024)

Regional Research

Market Strategy
US Tariff "Tantrump" Forces Extreme Caution
Regional Strategy
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Today's Report: Regional Market Strategy : US Tariff "Tantrump" Forces Extreme Caution (28 Apr 2025)
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Market Strategy : 2Q25: Navigating Through Uncertainty

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Telkom Indonesia : Dividend Play; Keep BUY

Bulletins

STOCK/SECTOR	NEWS	COMMENT	RATING
AKR Corporindo (AKRA IJ)	AKR Corporindo (AKRA) recorded 1Q25 net income of IDR565bn, down 5% YoY and 25% QoQ. Revenue came at IDR10.25trn (+5% YoY), driven mainly by improved ASP and margins on trading and distribution segment, as well as higher utilities revenue. In 1Q25, Java Integrated Industrial Estate and Port (JIIPE) has no land sales recorded. The 1Q25 trading and distribution segment reached an all-time high 1Q net profit performance of IDR627bn (+16% YoY), mainly supported by higher margins driven by an increased contribution from mining clients (4Q24: 38% vs 1Q25: 47%). The retail fuel segment's sales volume also improved 83% YoY, supported by higher traction from maturing gas stations from last year and the addition of five new gas stations in 1Q25. *(Company)*	AKRA's net income came in line with our and consensus' estimates at 22%. Despite the absence of land sales in 1Q25, the industrial estate segment still contributed 12% to total gross profit, supported by recurring utilities revenues which grew 497% YoY to IDR185bn. The surge in utilities revenue was driven by increasing demand from anchor tenants for services such as water, electricity, and waste management. Management remains confident that further growth will occur in 2H25, driven by several tenants that are expected to be fully operational – notably the Freeport Indonesia smelter in May 2025 and Xinyi Glass in 2H2025. Currently, anchor tenants are operating at only 20–30% capacity utilisation. In the upcoming gathering of shareholders (RUPS), the Board of Directors will propose a final dividend of IDR50/share. Combined with the interim dividend of IDR50/share, this brings the total dividend to IDR100/share, implying a dividend payout ratio of approximately 88%. AKRA has secured an additional chemical supply, which is expected to potentially increase sales volume 15-20%. Management anticipates this sales volume growth to materialise in 2Q25. In Apr 2025, the management, through its 60%-owned Berkah Kawasan Manyar Sejahtera (BKMS), officially handed over 20 hectares of land to Golden Elephant, a petrochemical company from China. Golden Elephant Indonesia will develop production facilities with an annual capacity of 120,000 tonnes of melamine and 150,000 tonnes of nitric acid per year. The total investment is worth USD600m or CNY4.2bn and will be divided into two phases – the first is worth CNY1.2bn (USD171m) to build the facilities and the remaining amount after the gas infrastructure installation is completed. We maintain our call and TP for AKRA.	BUY, TP: IDR1,500

Nusantara Sejahtera Raya (CNMA IJ)	Nusantara Sejahtera Raya (CNMA) booked 1Q25 revenue of IDR929bn (-35.39% QoQ, -28.7% YoY) and recorded a net loss of IDR69.43bn (vs IDR199.18bn in 4Q24 and IDR141.56bn in 1Q24). Admissions were soft at 13.9m in 1Q25 (-34% QoQ, -34.3% YoY), impacted by the fasting period, with local films accounting for 59% of total admissions (vs 63% in 2024). The company added 15 new screens across four new places, with no cinema closures reported. Opex rose 11.6% in 1Q25 primarily due to early disbursement of holiday bonus (THR) in March. Excluding non-employee-related costs, opex increased 2.4%. Average ticket price reached IDR46.13k (+7.18% YoY), while spend per head was IDR24.43k (+9.04% YoY). Occupancy declined to 16.5% in 1Q25 (vs 24.1% in 1Q24, 23.9% in FY24). *(Company)*	CNMA's YTD admissions have reached c.26m (vs 29.2m in the same period a year ago), indicating a strong recovery driven by the *Lebaran* festive period. Five local films (Jumbo, Pabrik Gula, Komang, Qodrat 2, and Norma) contributed significantly to this figure, surpassing c.16.5m admissions nationally. Six big Hollywood titles are showing in 2Q25 (Minecraft, Final Destination, Thunderbolts, Lilo & Stitch, Mission Impossible, and How to Train Your Dragon). Spend per head is expected to improve in 2Q25, supported by the strong line-up of Hollywood releases. Management still maintains its FY25 admission guidance of 95–100m (vs c.87.1m in 2024). Plans to add 50-60 new screens, focusing on underserved markets where ROI is more attractive, is aligned with strong recent performance of local films and the novelty effect which may sustain for 6-12 months affecting the higher admission. Management is optimistic on the upcoming Hollywood pipeline, as the better contents are expected to resonate with Indonesian audiences with 15 major sequel releases (eg Superman, Jurassic Park, Avatar) scheduled for the year. There are no plans to reduce overall F&B pricing. Instead, the company intends to introduce more affordable F&B options (in line with the strong performance of local films) to support spend-per-head growth, targeting a single-digit CAGR for spend per head over the next five years. Jumbo is seen as a breakthrough for Indonesian animation films and is expected to rank as the third-highest admission of all time, following Agak Laen and KKN di Desa Penari. Currently, the company has not sold Jumbo-related souvenirs given the absence of intellectual property. The company is also mulling on how to utilise the empty spaces inside its premises to replace the console games areas. On digitalisation strategies, CNMA sees positive traction in ticket sales activity but opportunities in F&B segment might take some time as it is still challenging to lure people to buy food online. We do not cover the stock at this time.	NOT RATED

Top BUYs

	TP (IDR)	Upside (%)	Catalysts
Bank Syariah Indonesia (BRIS IJ)	3,500	24.6	• BRIS stands to gain from growing *shariah*-compliant financial services demand, leveraging on its vast branch network, government support, and product offerings to promote financial inclusion • Pushing innovation via its BYOND super app and social finance initiatives, BRIS enhances accessibility and aligns with customer values • Strategic efforts boost profitability, while improved asset quality and ESG-driven valuation positions it for sustainable growth and continued segment leadership
Sumber Alfaria Trijaya (AMRT IJ)	3,800	81.8	• We remain optimistic on AMRT's long-term outlook, given its resilient business model • Its dominance in the minimarket business and initiatives to enhance margins should sustain its growth • Store customer traffic at 15% below pre-pandemic levels offers upside potential, in our view
Bank Mandiri (BMRI IJ)	5,880	20.0	• Solid 3Q24 net profit was supported by higher non-II and lower provisions • NIM continued to expand QoQ on a consolidated basis, but saw a contraction at bank-only level due to higher funding costs • Loan demand remains robust across both wholesale and commercial segments, and asset quality continues to hold up with improved loans at risk (LAR) and NPL ratios • We believe the recent ROE expansion is structural and can be sustained, which underpins our optimism for the stock
Indofood CBP (ICBP IJ)	14,200	29.1	• We like the company, given the solid growth of its noodle business as well as the recovery of its dairy arm • This would be supported by the fact that its products are not vulnerable to a decline in consumer buying power situation, while the Pinehill business should benefit from positive seasonal factors, especially in 4Q24 • ICBP should also benefit from the appreciation of the IDR vs the USD • Despite concern on the potential increase in CPO price, we deem ICBP has solid position to pass on the price increase
Mastersystem Infotama (MSTI IJ)	1,800	25.0	• The implementation of Law No 27 of 2022 on Personal Data Protection (PDP Law) is expected to boost MSTI's prospects. Following the enactment of the PDP Law on data privacy protection and the push for upgrading IT infrastructure, Indonesia's financial services sector is allocating a larger budget for IT spending. Bank Mandiri has set a budget of IDR3trn (+20% YoY) to upgrade its digital infrastructure, while Bank Central Asia allocated IDR8trn for IT innovation • This year, the collaboration with Lintasarta and Nvidia on the GPU Merdeka project becomes MSTI's new revenue stream which we believe will continue for years to come. We estimate MSTI's 2025 revenue to grow 12% YoY • Partnerships with prominent global IT companies likely to boost 2024F-2025F net income at +33% YoY and +13% YoY. Utilising International Data Corporation's (IDC) forecast from 2024 to 2027, we expect Indonesia's IT spending at a CAGR of 6%. With a stable net margin of c.11%, net income could potentially grow to IDR597bn (+33% YoY) for 2024F and IDR676bn (13% YoY) in 2025F

RHB Guide to Investment Ratings

Buy: Share price may exceed 10% over the next 12 months
Trading Buy: Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
Neutral: Share price may fall within the range of +/- 10% over the next 12 months
Take Profit: Target price has been attained. Look to accumulate at lower levels
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Not Rated: Stock is not within regular research coverage

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