13 May 2024

Market Strategy

Post 1Q24 Earnings Tactical Strategy

Stocks Covered	74
Rating (Buy/Neutral/Sell):	58 / 14 / 2
Last 12m Earnings Revision Trend:	Neutral

- **1Q24 earnings met expectations overall,** with sectors like banks, auto, and technology performing in line, while telecommunications, property development, and poultry exceeded expectations. Bank stocks, despite recent declines, offer buying opportunities, as the bad news has likely been priced-in at current share prices. The metal mining industry anticipates a production boost in 2Q24 due to mining production quota (RKAB) clarity and signals of China's economic recovery. Despite oil & gas (O&G) earnings below estimates, optimism remains for AKR Corporindo (AKRA) and Medco Energi Internasional (MEDC). The pulp & paper sector favour Pabrik Kertas Tjiwi Kimia (TKIM IJ, NR) in 2Q24 and Indah Kiat Pulp & Paper (INKP) in 2H24. Additionally: We hold the view that the healthcare industry's momentum will persist in 2Q24, coal sector's outlook will be neutral with upside risks, and consumer industry is to book mixed results, with retailers mostly posting weak performances. Poultry earnings surpassed consensus, though.
- **Banks' share prices already at a low?** 1Q24 performances met expectations. Among the seven banks under our coverage, only Bank Mandiri (BMRI IJ, BUY, TP: IDR8,240) and Bank BJB (BJBR IJ, NEUTRAL, TP: IDR1,070) booked lower-than-expected 1Q24 net profits. Banks' share prices have declined drastically in the last few weeks, most likely due to softened 1Q24 net profit growth – no thanks to narrowed NIMs on tightened liquidity in the sector. Despite Bank Indonesia's recent rate hike, banks see still room to manage NIMs by improving CASA. We feel now is a good opportunity to buy bank stocks because the bad news has likely been factored into the current share prices. It is worth noting that, despite Bank Rakyat Indonesia (BBRI) reporting in-line 1Q24 net profit and a stable loan at risk or LAR, its share price has dropped dramatically – this is possibly due to expected lower micro loan asset quality risks. However, in 1Q24, BBRI allocated a significant amount of provisions to manage the risk. Despite near-term headwinds in the banking sector from estimates that liquidity will probably stay tight, we remain sector OVERWEIGHT due to the industry's attractive long-term outlook. Top Picks: BBRI>Bank Central Asia (BBCA IJ, BUY, TP: IDR11,100)>BMRI>Bank CIMB Niaga (BNGA).
- **2Q24 mining production to see a likely boost on better RKAB clarity.** The main reason for the below-than-expected sector earnings was low production volumes due to the Energy and Mineral Resources Ministry's tighter evaluation requirements following exposure of a series of malpractices and illegal mining operations. The bulk of the metal mining businesses under our coverage have signalled for greater clarity in permit issues, resulting in higher output observed at the start of 2Q. Some optimism may be seen from consistent signals of primary market China's economic recovery, which can support prices going forward – the Bloomberg Commodity Index has risen 7% since February's bottom, with nickel prices hovering at c.USD19,000/tonne (+16% YTD; our FY24F average: USD18,500/tonne). Our sector Top Pick: Merdeka Copper Gold (MDKA).

Company Name	Rating	Target (IDR)	% Upside (Downside)	P/E (x) Dec-24F	P/B (x) Dec-24F	ROAE (%) Dec-24F	Yield (%) Dec-24F
AKR Corporindo	Buy	2,100	26.5	10.9	2.7	26.4	6.0
Bank CIMB Niaga	Buy	2,500	37.0	6.1	0.9	14.5	8.1
Bank Rakyat Indonesia	Buy	6,300	34.9	11.0	2.0	19.3	6.8
Indah Kiat Pulp & Paper	Buy	15,250	61.8	6.9	0.5	8.1	0.6
Mayora Indah	Buy	3,700	55.5	15.2	3.2	21.9	3.6
Medco Energi Internasional	Buy	1,830	40.8	5.7	1.0	18.9	4.9
Merdeka Copper Gold	Buy	3,100	17.0	72.4	3.9	5.7	-
Pakuwon Jati Tbk	Buy	510	27.5	9.0	0.8	9.9	-
Sumber Alfaria Trijaya	Buy	3,400	18.1	41.1	7.1	25.0	-
Vale Indonesia	Buy	4,810	3.4	21.1	1.1	5.3	-

Source: Company data, RHB

Sectors	1Q24 earnings
Banks, auto, consumer, coal, plantation, industrial estates, and technology	In line
Telecommunications, property development, and poultry	Above
Retail, tobacco, metal mining, oil & gas, cement, and renewable energy	Below

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Still optimistic on the O&G sector despite 1Q24 earnings coming in below estimates. While only Perusahaan Gas Negara (PGAS IJ, BUY, TP: IDR1,440) booked above-estimate net profit in 1Q24, we continue to pick AKRA and MEDC as we see more mining activities and higher commodity prices for the remainder of 2024. We raise our earnings estimates on better view of unsubsidised fuel sales volumes in the coming quarters. Based on historical data, petroleum sales volumes are normally lower in 1H. Going forward, with the Government's RKAB approval signed in March and a 922m tonne coal production target for 2024 (+19% YoY), we expect to see petroleum sales volumes rising for the rest of the year. About 49% of AKRA's petrol customers are coal mining companies. We lift our 2024 and 2025 average Brent oil price estimates to USD88 and USD83 per bbl from USD85 and USD80 per bbl to price in higher geopolitical risks. MEDC estimates that every USD10 per bbl increase in Brent oil price (base price: USD84 per bbl) could see EBITDA potentially rising by USD120m (equivalent to c.9% of FY24F EBITDA; it is 6% below our sensitivity analysis).

For the pulp & paper industry, we prefer TKIM in 2Q24 and INKP in 2H. TKIM's 1Q24 net profit reached USD105m (+175.7% QoQ, +10.5% YoY), supported by strong earnings from its OKI Pulp & Paper Mills (OKI) associate and expanding cultural paper GPMs to 24% (1Q23: 11.9%). OKI booked 1Q24 earnings of c.USD138m (+147% YoY). Based on our latest estimation, Bleached Hardwood Kraft or BHK pulp price during the aforementioned period grew by 18-19% QoQ but still dropped 24.2% YoY due to 1Q23's high base. The strong earnings indicate that 1Q24 revenue growth was not only supported by price hikes but also volume growth. Additionally, the IDR's depreciation also supported TKIM's GPM expansion and FX gains to bottomline. Meanwhile, we hold the view that INKP's earnings will likely accelerate in 2H24 as we believe industrial paper prices is set to mostly recover during this time period. Price recovery and a cooling down period for recovered paper (ie industrial paper feedstock) should improve its GPMs for 2H24 onwards.

The healthcare sector's robust 1Q24 momentum is likely to continue in 2Q. Hospital players booked strong 1Q24 revenues due to unfavourable weather conditions in Indonesia and an increase in diseases like dengue, which led to strong patient traffic. The expected heatwave may trigger higher respiratory cases that may result in increased patient traffic to hospitals here. Meanwhile, pharmaceutical companies posted solid revenue on seasonality and margins expansion on declining commodity prices during 1Q24. Our sector Top Pick is Mitra Keluarga Karyasehat (MIKA IJ, BUY, TP: IDR3,300),

We are NEUTRAL on the coal industry, but there are upside risks in the sector, signalled by further weather abnormalities – early heatwave signs have been reported in Asian countries, which may trigger a hike in demand for electricity to cool down homes, offices, and other types of properties affected by the heat. Prices of Newcastle Coal Futures have regained traction to notch USD140 per tonne recently (+25% since end January). Such patterns are unprecedented when compared to the seasonality of the past decade. This could indicate a short-term momentum for earnings in 2Q. In line with our expectations, the predictable impact from the coal price downtrend has weakened 1Q24 earnings despite some support in higher-than expected volume from the pre-stripping activity undertaken during the previous quarter. Weakened revenue has affected reported bottomline, although this has come in with relatively stable margins.

The consumer industry reported mixed 1Q24 results, but mostly in line to below. Although core earnings were above expectations, Indofood CBP (ICBP IJ, BUY, TP: IDR14,300) and Indofood Sukses (INDF IJ, BUY, TP: IDR9,200) booked below-than-expected 1Q24 reported earnings on FX losses while Mayora Indah (MYOR) recorded better-than estimated earnings on GPM and opex efficiencies. Most retailers booked disappointing results, recording below-than-expected results on soft purchasing power, which reined in revenue generation – this translated into softer-than-estimated earnings. The tobacco sector booked below-than-expected 1Q24 bottomline numbers, as the main player in the main player in the machine-rolled *kretek* cigarettes full flavour (SKM FF) – Gudang Garam (GGRM IJ, NEUTRAL, TP: IDR17,325) – saw sales volume dropped significantly due to downtrading, as well as a tiny exposure towards the hand rolled kretek cigarettes (SKT) segment as a cheaper alternative. The poultry industry's 1Q24 earnings were above consensus given Japfa Comfeed's (JPFA IJ, BUY, TP: IDR1,320) strong results. This was thanks to strong commercial farming and feed sales, as well as higher broiler and day-old chicks or DOC ASPs. In the coming quarters, however, we do foresee a lack of catalysts for the consumer sector – this is in the absence of election spending and festive season allowances.

Figure 1: 1Q24 results highlights – by sector

(IDRbn)	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
Banks	47,561	52,500	49,718	-5.3%	4.5%	210,522	24%	212,061	23%	In line
Auto & autoparts	9,152	8,679	7,939	-8.5%	-13.3%	32,094	25%	32,183	25%	In line
Consumer	10,285	3,153	7,823	148.1%	-23.9%	30,786	25%	30,199	26%	In line
Retail	1,980	2,664	2,476	-7.1%	25.1%	12,273	20%	11,207	22%	Below
Poultry	(9)	(365)	1,376	nm	nm	5,731	24%	4,505	31%	Above
Tobacco	4,124	2,761	2,843	3.0%	-31.1%	14,716	19%	14,398	20%	Below
Healthcare	1,817	1,761	1,911	8.5%	5.2%	7,700	25%	7,724	25%	Above
Telecommunications	7,554	7,041	7,887	12.0%	4.4%	29,865	26%	33,423	24%	Above
Tech	(3,979)	116	(677)	-683.6%	-83.0%	(330)	205%	(3,691)	18%	In line
Coal	13,463	14,191	11,199	-21.1%	-16.8%	44,396	25%	44,796	25%	In line
Metal mining	1,663	229	238	4.1%	-85.7%	3,005	8%	2,587	9%	Below
Oil & gas	775	1,219	789	-35.2%	1.8%	3,669	22%	3,796	21%	Below
Cement and building materials	1,078	1,233	815	-33.9%	-24.4%	5,291	15%	5,618	15%	Below
Property development	2,164	807	2,692	233.6%	24.4%	6,702	40%	7,116	38%	Above
Industrial estates	145	801	351	-56.2%	141.6%	1,660	21%	1,655	21%	In line
Plantation	424	719	471	-34.5%	11.1%	1,904	25%	2,054	23%	In line
Renewable energy	5	0	3	1468.2%	-33.5%	20	16%	20	16%	Below
Total	**98,700**	**98,328**	**98,440**	**0.1%**	**-0.3%**	**410,004**	**24%**	**409,652**	**24%**	**In line**

Source: Company data, RHB

Figure 2: 1Q24 results highlights – by sector (continued)

Sectors	Note	Reasons below/above expectations/in line
Banks	In line	Despite liquidity headwinds that lifted cost of funds or CoF, 1Q24 earnings were still within expectations thanks to robust loan growth.
Auto & autoparts	In line	Despite lower 4-wheeler and 2-wheeler sales volumes, 1Q24 numbers were in line or slightly above – supported by finance earnings thanks to solid used-vehicle sales, as well as higher heavy equipment ASPs.
Consumer	In line	Mixed results, but mostly in line to below. Although core earnings were above expectations, ICBP and INDF booked below-than-expected 1Q24 reported earnings on FX losses while MYOR recorded better-than-estimated earnings on GPM improvements and opex efficiency.
Retail	Below	Most retailers booked disappointing results, recording-below-than-expected results owing to soft purchasing power that reined in revenue generation – this translated to softer than expected earnings
Poultry	Above	Above consensus, given JPFA's strong results on strong sales growth YoY and margins expansion.
Tobacco	Below	Below, due to GGRM - as the main player in the SKM FF segment – saw sales volume was down significantly due to downtrading and tiny exposure to the SKT segment as a cheaper alternative.
Healthcare	Above	Hospital operators booked strong revenue given the unfavourable weather conditions as well as increase in diseases (eg dengue). Meanwhile, pharmaceutical companies posted solid revenue on seasonality and margins expansion on declining commodity prices,
Telecommunications	Above	Slightly above our but below consensus. Telkom Indonesia (TLKM IJ, BUY, TP: IDR4,780), as the largest player, posted earnings that were within our expectations but below Street's.
Tech	In line	There are exciting prospects for Bukalapak (BUKA IJ, BUY, TP: IDR330) – the higher take rate improved net losses significantly on a yearly basis. While we see negative catalysts ahead with potentially lower purchasing power, we believe BUKA is on the right track to book income in the near future.
Coal	In line	The predictable impact from the downtrend in coal price has weakened profits despite some support from higher-than-expected volume (from the pre-stripping activity that was done during the previous quarter).
Metal mining	Below	Overhang issues with RKAB approval temporarily halted mineral mining activities. However, some positivity may be seen ahead from stable economic recovery signals from the main market – China – that can support future prices.
Oil & gas	Below	Only PGAS booked above-estimate numbers in 1Q24. However, we continue to pick AKRA and MEDC as we see more mining activities and higher commodity prices for the remainder of 2024.
Cement and building materials	Below	Below expectations, as lower sales volumes – coupled with lower ASPs – were seen as the industry now suffers from a trending-down behaviour. This is as customers prefer using bulk and cheaper brands with more than 10% price difference from the main brands.
Property development	Above	Higher-than-expected revenue from real estate due to faster deliveries, which are expected to kick-in from FY24 onwards.
Industrial estates	In line	In line, as presales from industrial land sales continue to be strong, given foreign demand – especially from the manufacturing and data centre segments.
Plantation	In line	Lower sales volume was offset by higher ASPs thanks to lower CPO production due to the impact of *El Nino*.
Renewable energy	Below	Hurt by the dry season due to *El Nino* effect. A lack of scheduled maintenance ahead should propel Kencana Energi Lestari's (KEEN IJ, BUY, TP: IDR990) earnings ahead.
Total	**In line**	**In overall, 1Q24 earnings were line with expectations. However, we see a challenging situation in the following quarters. Therefore, we revise down some companies earnings estimates, particularly in the banking sector.**

Source: Company data, RHB

Figure 3: Bank's 1Q24 earnings – in line

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
BBCA	11,530	12,219	12,879	5.4%	11.7%	53,565	24%	53,681	24%	In line
BMRI	12,560	15,996	12,702	-20.6%	1.1%	57,061	22%	58,441	22%	Below
BBNI	5,221	5,156	5,326	3.3%	2.0%	23,022	23%	23,105	23%	Within expectation
BBRI	15,502	16,107	15,886	-1.4%	2.5%	63,830	25%	64,349	25%	In line
BBTN	801	1,188	860	-27.6%	7.4%	3,612	24%	3,804	23%	Within expectation
BJBR	366	262	384	46.6%	4.9%	2,018	19%	2,018	19%	Below
BNGA	1,581	1,572	1,681	6.9%	6.3%	7,414	23%	6,663	25%	In line
Total	**47,561**	**52,500**	**49,718**	**-5.3%**	**4.5%**	**210,522**	**24%**	**212,061**	**23%**	**In line**

Source: Company data, RHB

Figure 4: Bank's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
BBCA	In line	Solid 1Q24 PPOP (+9% QoQ and YoY) thanks to +2% QoQ (+7% YoY) NII growth, supported by increased 14% QoQ (+3% YoY) in non-II. Asset quality remained intact, with 1Q24 CoC of 40bps down by half from 1Q23's 80bps.
BMRI	Below	Despite robust loan growth, 1Q24 NIM was lower than expectation amid the tight liquidity.
BBNI	In line	Healthy loan and non-II growth as well as benign credit cost, while the key negative was NIM compression (by >50bps QoQ) due to higher COF.
BBRI	In line	Robust PPOP climbed 12.5% QoQ (+22.2% YoY) which is driven by strong loan growth (+3.3% QoQ, +10.9% YoY) and non-II (-8.8% QoQ, +26% YoY), however BBRI lifted 1Q24 CoC significantly to anticipate lower asset quality, particularly from micro loans.
BBTN	In line	Lower CoC of 0.8% (FY23: 1.2%; 1Q23: 1.05%) offset soft PPOP growth (-22.3% QoQ, +2.4% YoY).
BJBR	Below	1Q24 PPOP increased 11% YoY (-23.3% YoY), driven solid loan growth (+12% YoY, +4.3% QoQ) and Non-II (+28.5% YoY, +3.1% QoQ). However, CoC increased to 0.6% (FY23: 0.6%, 1Q23: 0.1%).
BNGA	In line	PPOP increased 17.3% QoQ (-3.6% YoY), while 1Q24 NIM decreased 20bps QoQ (51bps YoY). CoC declined 21bps QoQ (-68bps YoY), signalling improved asset quality.
Total	**In line**	**Despite liquidity headwinds which lifted COF, 1Q24 earnings were still within expectations thanks to robust loan growth.**

Source: Company data, RHB

Figure 5: Auto's 1Q24 earnings – in line to slightly above expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
ASII	8,719	8,148	7,464	-8.4%	-14.4%	30,424	25%	30,256	25%	In line
AUTO	433	531	475	-10.5%	9.7%	1,670	28%	1,927	25%	Above
Total	**9,152**	**8,679**	**7,939**	**-8.5%**	**-13.3%**	**32,094**	**25%**	**32,183**	**25%**	**In line**

Source: Company data, RHB

Figure 6: Auto's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
ASII	In line	Robust 1Q24 core earnings, due to higher-than-expected finance and heavy equipment earnings. However ASII recorded a loss in investments
AUTO	Above	Lower OEM sales were offset by robust replacement market sales, as well as exports
Total	**In line**	**Robust 1Q24 core earnings were offset by a loss in investments**

Source: Company data, RHB

Figure 7: Consumer's 1Q24 earnings – in line

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
ICBP	3,954	(69)	2,352	-3487.4%	-40.5%	10,057	23%	9,756	24%	Below
INDF	3,850	1,064	2,450	130.2%	-36.4%	10,478	23%	10,219	24%	Below
ROTI	49	103	74	-28.6%	50.1%	353	21%	394	19%	Below
MYOR	727	1,168	1,112	-4.8%	52.9%	3,469	32%	3,256	34%	Above
UNVR	1,405	612	1,449	136.7%	3.1%	4,961	29%	5,117	28%	Above
CMRY	299	275	386	40.4%	29.3%	1,468	26%	1,457	27%	In line
Total	**10,285**	**3,153**	**7,823**	**148.1%**	**-23.9%**	**30,786**	**0%**	**30,199**	**26%**	**In line**

Source: Company data, RHB

Figure 8: Consumer's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
ICBP	Below	Core profit above, but 1Q24 earnings in line due to forex loss
INDF	Below	Core profit above, but 1Q24 earnings in line due to forex loss
ROTI	Below	Lower revenue from seasonality and soft purchasing power
MYOR	Above	GPM expansion and opex efficiency
UNVR	Above	Above expectations due to royalty fee support (excluding royalty fee, 1Q24 earnings in line)
CMRY	In line	Revenue was driven by higher consumer food sales, while GPM improved
Total	**In line**	**Mixed results, but mostly in line to below. Although core earnings were above expectations, ICBP and INDF booked lower-than-expected 1Q24 earnings on forex loss whilst MYOR recorded better-than-expected earnings on GPM improvement and opex efficiency**

Source: Company data, RHB

Figure 9: Retail's 1Q24 earnings – below expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
ERAA	235	331	255	-22.9%	8.4%	1,410	18%	1,062	24%	Below
MAPI	405	404	414	2.4%	2.3%	2,813	15%	2,392	17%	Below
RALS	30	46	107	133.9%	254.0%	331	32%	336	32%	Below
ACES	158	278	202	-27.3%	27.4%	886	23%	834	24%	In line
MAPA	274	347	281	-18.9%	2.7%	1,886	15%	1,753	16%	Below
LPPF	101	45	326	626.9%	221.9%	1,024	32%	758	43%	Below
AMRT	776	1,213	890	-26.6%	14.8%	3,923	23%	4,072	22%	Slightly above
Total	**1,980**	**2,664**	**2,476**	**-7.1%**	**25.1%**	**12,273**	**20%**	**11,207**	**22%**	**Below**

Source: Company data, RHB

Figure 10: Retail's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
ERAA	Below	Revenue came in line, but GPM narrowed and opex increased
MAPI	Below	Soft revenue generation, particularly in active and F&B segments
RALS	Below	Soft revenue generation from lower purchasing power
ACES	In line	Revenue was driven by higher sales from lifestyle products
MAPA	Below	Soft revenue generation, particularly QoQ, from overseas business and aggressive expansion plan
LPPF	Below	Soft revenue generation from lower purchasing power
AMRT	Slightly above	Revenue from food segment still the key growth driver. Greater Jakarta's stores saw an improvement on a QoQ basis
Total	**Below**	**Most retailers disappointed, recording lower-than-expected results owing to soft purchasing power, reining in revenue generation which translated to softer-than-expected earnings**

Source: Company data, RHB

Figure 11: Poultry's 1Q24 earnings – above expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
CPIN	241	(357)	711	nm	195.0%	4,349	16%	3,235	22%	Below
JPFA	(250)	(8)	665	nm	nm	1,382	48%	1,270	52%	Above
Total	**(9)**	**(365)**	**1,376**	**nm**	**nm**	**5,731**	**24%**	**4,505**	**31%**	**Above**

Source: Company data, RHB

Figure 12: Poultry's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
CPIN	Below	Processing segment faced challenges from EBIT losses and being weighed down on the company's performance
JPFA	Above	Strong sales growth YoY and margin expansion
Total	**Above**	**Above consensus given strong results in JPFA thanks to strong commercial farming and feed sales, as well as higher broiler and DOC ASPs.**

Source: Company data, RHB

Figure 13: Tobacco's 1Q24 earnings – below expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
HMSP	2,160	1,892	2,247	18.8%	4.0%	8,903	25%	8,862	25%	In line
GGRM	1,963	869	596	-31.5%	-69.7%	5,813	10%	5,536	11%	Below
Total	**4,124**	**2,761**	**2,843**	**3.0%**	**-31.1%**	**14,716**	**19%**	**14,398**	**20%**	**Below**

Source: Company data, RHB

Figure 14: Tobacco's 1Q24 earnings

Tickers	Note	Reasons below/above expectations/in line
HMSP	In line	In line. Volume sales drop was offset by price hike in January to March. 1Q24 earnings grew by 18.8% QoQ on lower opex and 6.4% YoY on volume growth and lower opex
GGRM	Below	Below expectations, weak SKM sales as its brands are mostly full flavour. With the minimum wage hike lower than the excise tax, full flavour should be the most negatively impacted compare to the low tar low nicotine segment
Total	**Below**	**Below, due to GGRM's (the main player in SKM FF) sales volume was down significantly due to downtrading and minimal exposure to the SKT segment as a cheaper alternative**

Source: Company data, RHB

Figure 15: Healthcare's 1Q24 earnings – above expectation

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
MIKA	231	230	289	25.6%	25.3%	1,195	24%	1,095	26%	In line
HEAL	109	89	191	115.7%	75.3%	696	27%	607	31%	Above
SILO	250	352	14	-96.1%	-94.5%	1,267	1%	1,406	1%	Below
KLBF	856	702	988	40.7%	15.4%	3,103	32%	3,233	31%	Above
SIDO	300	364	390	7.3%	30.0%	1,114	35%	1,030	38%	Above
PRDA	71	24	39	61.4%	-45.3%	325	12%	353	11%	Below
Total	**1,817**	**1,761**	**1,911**	**8.5%**	**5.2%**	**7,700**	**25%**	**7,724**	**25%**	**Above**

Source: Company data, RHB

Figure 16: Healthcare's 1Q24 earnings

Tickers	Note	Reasons below/above expectations/in line
MIKA	In line	Strong patient volume
HEAL	Above	Strong patient volume
SILO	Below	Earnings fell due to jump in provision expense
KLBF	Above	Strong sales and GPM expansion, particularly pharmaceutical and consumer health on seasonality
SIDO	Above	Strong sales and GPM expansion on seasonality
PRDA	Below	Slow traffic due to competition from in-house hospital laboratory
Total	**Above**	**Hospital companies booked strong revenue given unfavourable weather as well as an increase in diseases (ie dengue). Meanwhile, pharmaceutical companies saw solid revenue on seasonality and margin expansion on declining commodity prices.**

Source: Company data, RHB

Figure 17: Telco's 1Q24 earnings – above expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
EXCL	201	261	539	106.9%	168.3%	1,595	34%	1,625	33%	Above
ISAT	929	1,719	1,295	-24.7%	39.4%	4,425	29%	5,130	25%	Above
TLKM	6,424	5,061	6,053	19.6%	-5.8%	23,845	25%	26,668	23%	In line
Total	**7,554**	**7,041**	**7,887**	**12.0%**	**4.4%**	**29,865**	**26%**	**33,423**	**24%**	**Above**

Source: Company data, RHB

Figure 18: Telco's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
EXCL	Above	Above expectations, 1Q24 EBITDA margin improved to 52.8% vs 47.5% in 1Q23 and 48.8% in 4Q23, on the back of lower sales and marketing expenses
ISAT	Above	Above expectations, stable EBITDA margin and higher data traffic have led to higher earnings growth on a YoY basis
TLKM	In line	In line with our but below consensus estimates. Unrealised loss from GOTO investment and decent growth expected on lower ARPU due to lower yield package, Telkomsel Lite. 1Q24 earnings dropped by 5.8% YoY due to higher opex by 4.5% YoY while topline only grew by 3.7% YoY.
Total	**Above**	**Slightly above our but below consensus. TLKM as the largest player earnings came in within our, but were below consensus estimates**

Source: Company data, RHB

Figure 19: Technology's 1Q24 earnings – in line

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
BUKA core earnings	(117)	116	185	59.5%	-258.1%	(330)	-56%	426	43%	Core earnings below
GOTO	(3,862)	nm	(862)	nm	-77.7%	nm	nm	(4,117)	21%	In line
Total	**(3,979)**	**116**	**(677)**	**-683.6%**	**-83.0%**	**(330)**	**205%**	**(3,691)**	**18%**	**In line**

Source: Company data, RHB

Figure 20: Tech's 1Q24 earnings

Tickers	Note	Reasons below/above expectations/in line
BUKA	Core earnings below	BUKA's core earnings were below consensus but showed improvement in the e-commerce segment. Take rate rose to 2.8% and amplified BUKA's EBITDA to the positive territory for the first time in three years, amounted to IDR15bn
GOTO	In line	GOTO showed significant improvement in 1Q24, proforma adjusted LBITDA shrank to IDR102bn, from IDR898bn in 1Q23. Net loss reduced to IDR862bn from IDR3.9trn in 1Q23. On Demand Services (ODS) booked positive EBITDA in 1Q24
Total	**In line**	**Exciting prospects on BUKA, the higher take rate improved offsetting net loss significantly on a yearly basis. While we see negative catalyst ahead with potential lower purchasing power, BUKA is on the right track to book income in the near future**

Source: Company data, RHB

Figure 21: Coal's 1Q24 earnings – in line

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
UNTR	5,323	5,263	4,547	-13.6%	-14.6%	20,315	22%	16,993	27%	Inline
ADRO	6,977	6,602	5,861	-11.2%	-16.0%	19,750	30%	22,910	26%	Above
PTBA	1,163	2,327	791	-66.0%	-32.0%	4,331	18%	4,893	16%	Below
Total	**13,463**	**14,191**	**11,199**	**-21.1%**	**-16.8%**	**44,396**	**25%**	**44,796**	**25%**	**Inline**

Source: Company data, RHB

Figure 22: Coal's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
UNTR	In line	The slowdown in earnings was expected on the back of downturn in coal price. However, the higher OB volume and coal sales, combined with increased ASP on HE units supported the stability in margin
ADRO	Above	Higher-than-estimate coal output during the quarter has given the support for ADRO's profitability. Some pre-stripping activity conducted in the previous quarter partly boosted the efficiency in cost.
PTBA	Below	Lower coal output during the quarter, coupled with decreasing sales prices negated earnings growth
Total	**In line**	**The predictable impact from the downtrend in coal prices weakened profits despite support from higher-than expected volume (from pre-stripping activity that was done in the previous quarter).**

Source: Company data, RHB

Figure 23: Metal mining's 1Q24 earnings – below expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
ANTM	1,663	229	238	4.1%	-85.7%	3,005	8%	2,587	9%	Below
Total	**1,663**	**229**	**238**	**4.1%**	**-85.7%**	**3,005**	**8%**	**2,587**	**9%**	**Below**

Notes: INCO, MDKA have not issued 1Q24 results
Source: Company data, RHB

Figure 24: Metal mining's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
ANTM	Below	Some of sales portion on Fe-Ni, nickel ore, and bauxite was not recognized due to the ongoing RKAB review; most of them will begin recording in 2Q as the permits require to be cleared in March
Total	**Below**	**An overhang on RKAB (working plan permit) approval issue has temporarily halted mineral mining activity. However, some positivity may be seen going forward from stable economy recovery from the main markets (ie China) to support prices ahead.**

Source: Company data, RHB

Figure 25: Oil & gas' 1Q24 earnings – below expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
PGAS	86	60	121	101.7%	40.8%	313	39%	289	42%	Above
MEDC	82	88	73	-17.7%	-11.4%	372	20%	384	19%	Below
AKRA	607	1,070	595	-44.4%	-1.9%	2,984	20%	3,123	19%	Below
Total	**775**	**1,219**	**789**	**-35.2%**	**1.8%**	**3,669**	**22%**	**3,796**	**21%**	**Below**

Source: Company data, RHB

Figure 26: Oil & gas' 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
PGAS	Above	Supported by lower cost of goods sold (-4% QoQ and -3% YoY), higher interest income (+23% QoQ and +44% YoY) and lower interest expense (+6% QoQ and -27% YoY). PGAS also applied gas quota to its customers, raising ASP by 9% to USD7.9/mmbtu
MEDC	Below	Net profit booked at USD73mn, dropped 18% QoQ and 11% YoY, broadly in line with our (20%) but below consensus (19%) estimates. This largely due to Amman Mineral International's earnings that were below estimate, only reaching 19% of our FY24F
AKRA	Below	Management claimed that the lower ASP and demand from mining companies were the causes of the weaker performance. We also see 67ha land sales delayed from Hebang exacerbated AKRA's 1Q24 earnings
Total	**Below**	**Only PGAS booked results above estimates in 1Q24. However, AKRA and MEDC remain our preferred picks as we see more mining activity and higher commodity prices for the remaining of 2024**

Source: Company data, RHB

Figure 27: Cement and building materials' 1Q24 earnings – below expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
SMGR	562	457	472	3.3%	-16.0%	2,687	18%	2,859	17%	Below
INTP	371	683	238	-65.2%	-35.8%	2,057	12%	2,212	11%	Below
ARNA	145	93	105	12.5%	-27.9%	547	19%	547	19%	Below
Total	**1,078**	**1,233**	**815**	**-33.9%**	**-24.4%**	**5,291**	**15%**	**5,618**	**15%**	**Below**

Source: Company data, RHB

Figure 28: Cement and building materials' 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
SMGR	Below	Lower-than-expected volume and ASP from higher contribution of bulk and economy brands
INTP	Below	Lower-than-expected volume and ASP from higher contribution of bulk and economy brands
ARNA	Below	Sales came in slightly lower, and margin narrowed, likely driven by rising production costs, while ASP was flat
Total	**Below**	**Below expectations as lower sales volume. coupled with lower ASP – the industry saw a trending down behaviour as customers prefer to use bulk and cheaper brands with more than 10% price difference with the main brands**

Source: Company data, RHB

Figure 29: Property development's 1Q24 earnings – above expectations

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
PWON	595	618	331	-46.4%	-44.4%	2,009	16%	1,977	17%	In line
SMRA	272	(653)	441	-167.5%	62.1%	937	47%	777	57%	Above
CTRA	413	665	483	-27.4%	16.9%	1,767	27%	1,822	27%	Above
BSDE	884	177	1,437	711.9%	62.6%	1,989	72%	2,540	57%	Above
Total	**2,164**	**807**	**2,692**	**233.6%**	**24.4%**	**6,702**	**40%**	**7,116**	**38%**	**Above**

Source: Company data, RHB

Figure 30: Property development's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
PWON	In line	Core earnings are in line with expectation. However, PWON recorded FX losses.
SMRA	Above	Higher-than-expected revenue from real estate from faster deliveries
CTRA	Above	Higher-than-expected revenue from real estate from faster deliveries
BSDE	Above	Higher-than-expected revenue from real estate from faster deliveries
Total	**Above**	**Higher-than-expected revenue from real estate from faster deliveries, which is expected to kick in from FY24F**

Source: Company data, RHB

Figure 31: Industrial estates'1Q24 earnings – in line

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
DMAS	155	600.9	366	-39.1%	136.1%	1,210	30%	1,200	31%	In line
SSIA	-9.7	200	-14.9	-107.5%	53.6%	450	-3%	455	-3%	In line
Total	**145**	**801**	**351**	**-56.2%**	**141.6%**	**1,660**	**21%**	**1,655**	**21%**	**In line**

Source: Company data, RHB

Figure 32: Industrial estates' 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
DMAS	In line	In line with land sales achievement in 1Q24. Revenue from the industrial segment in the first quarter of 2024 mainly came from industrial land sales to industrial customers from the data centre and automotive-related sectors
SSIA	In line	Greater loss in 3M24 was primarily due to an increase in other expenses, particularly share-based compensation expenses (Management Employee Stock Option Plan (MESOP) programme) of IDR35.5bn (or 47,057,700 MESOP shares). This is a one-time expense; if we remove this share-based compensation expenses, 1Q24 net profit was IDR20.6bn.
Total	**In line**	**In line as industrial land presales were strong from healthy demand, especially in manufacturing and data centre.**

Source: Company data, RHB

Figure 33: Infrastructure's 1Q24 earnings – in line

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
JSMR	498	819	586	-28.4%	17.7%	3,308	18%	3,007	19%	In line
Total	**498**	**819**	**586**	**-28.4%**	**17.7%**	**3,308**	**18%**	**3,007**	**19%**	**In line**

Source: Company data, RHB

Figure 34: Infrastructure's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
JSMR	In line	Higher revenue YoY mainly from re-consolidation of three sections that was under the limited participation mutual fund (RDPT). JSMR bought them back in 2H23
Total	**In line**	Despite infrastructure's 1Q24 net profit only achieving merely 19% of the full-year estimate, 1Q24 EBITDA is in line with expectation.

Source: Company data, RHB

Figure 35: Plantations' 1Q24 earnings – in line

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
AALI	256	276	258	-6.5%	0.8%	1,068	24%	1,169	22%	Inline
LSIP	168	443	213	-51.9%	26.8%	835	25%	885	24%	Inline
Total	**424**	**719**	**471**	**-34.5%**	**11.1%**	**1,904**	**25%**	**2,054**	**23%**	**In line**

Source: Company data, RHB

Figure 36: Plantations' 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
AALI	In line	Significant 20% QoQ and 12% YoY drop in FFB production in 1Q24 due to *El Nino*'s lingering impact which was offset by higher CPO price (+7% QoQ, +1% YoY)
LSIP	In line	1Q24 core net profit plunged by 52% QoQ – largely due to the low output season, albeit offset by a higher CPO ASP (+7.7% QoQ), which were in line with projections
Total	**In line**	**Lower sales volume was offset by higher ASP thanks to the lower CPO production of the *El Nino* impact**

Source: Company data, RHB

Figure 37: Renewable energy's 1Q24 earnings – below estimates

Tickers	1Q23	4Q23	1Q24	QoQ	YoY	FY24 RHB	%-RHB	FY24 Cons	%-Cons	Note
KEEN	5	0	3	1468.2%	-33.5%	20	16%	20	16%	Below
Total	**5**	**0**	**3**	**1468.2%**	**-33.5%**	**20**	**16%**	**20**	**16%**	**Below**

Source: Company data, RHB

Figure 38: Renewable energy's 1Q24 earnings (continued)

Tickers	Note	Reasons below/above expectations/in line
KEEN	Below	1Q24 net income was USD3.3m (-34% YoY), flat interest expense at USD1.4m exacerbated KEEN's below-par topline. Topline dropped 27% QoQ and 26% YoY to USD9.8m
Total	**Below**	**Impacted by the dry season due to the *El Nino* effect, no scheduled maintenance ahead should propel KEEN's earnings going forward**

Source: Company data, RHB

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