Indonesia Strategy

8 November 2024

Market Outlook | Market Strategy

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3Q24 Highlights: Solid Banks, Auto, Coal, Poultry

- **3Q24 net profit: Banks, auto, coal, and poultry posted strong performances; challenges persist in tobacco, healthcare, telecommunication, and cement.** Overall, 3Q24 bottomline saw a 9.6% QoQ rise (+11.6% YoY), with total 9M24 earnings up 4.1% YoY or 76% of forecasts, ie aligning with expectations. These numbers are based on 9M24 earnings of 56 out of the 76 firms we cover. Post results, we adjusted earnings, raising projections for Astra International (ASII), United Tractors (UNTR), Aneka Tambang (ANTM IJ, BUY, TP: IDR1,800), Japfa Comfeed (JPFA IJ, BUY, TP: IDR2,650), and PP London Sumatra Indonesia (LSIP IJ, BUY, TP: IDR1,400), thanks to strong performances and still-robust 4Q24 outlooks, while lowering our forecast for Kencana Energi Lestari (KEEN IJ, BUY, TP: IDR850).
- **Banks met expectations on strong loan growth and robust non-II.** Banks like Bank Central Asia (BBCA IJ, BUY, TP: IDR12,060), Bank Mandiri (BMRI IJ, BUY, TP: IDR8100), and Bank Negara Indonesia (BBNI IJ, BUY, TP: IDR6,710) saw improved asset quality and healthy loan yields. BBCA raised its FY24 loan growth target while Bank Rakyat Indonesia (BBRI) showed NIM and non-II growth. Bank BJB (BJBR IJ, NEUTRAL, TP: IDR920) faced challenges – affected by lower NIM; no thanks to higher Bank Indonesia (BI) rates.
- **Auto & autoparts outperformed** on strong demand for used vehicles and replacement markets despite weak new vehicle sales. ASII's earnings were boosted by its mining, gold, and financial services segments while Astra Otoparts (AUTO) benefited from robust trading and manufacturing recoveries. Both achieved c.85% of their FY24F earnings.
- **Consumer had mixed results:** Indofood CBP (ICBP) and Indofood Sukses (INDF IJ, BUY, TP: IDR8,000) doing well on FX gains and solid demand. Firms like Mayora Indah (MYOR IJ, BUY, TP: IDR3,300) and Unilever Indonesia (UNVR IJ, NEUTRAL, TP: IDR2,170) saw challenges from rising material costs and increased competition. Healthcare and telecommunications underperformed on lower patient volume and rising costs (healthcare) and reduced data demand and subscriber growth (telecoms).
- **Coal and oil & gas, robust commodity prices supported strong performance.** UNTR and Adaro Energy (ADRO IJ, BUY, TP: IDR3,900) led coal while Perusahaan Gas Negara (PGAS IJ, NEUTRAL, TP: IDR1,440) and Medco Energi Internasional (MEDC) showed resilience in oil & gas on higher distribution spreads and improved associate income. Metal mining was mixed: Vale Indonesia (INCO IJ, TRADING BUY, TP: IDR4,300) was pressured by high energy costs while ANTM was propped by strong demand.
- **Infrastructure, toll road, cement, and property development: Mixed results.** Infrastructure showed YoY growth from tariff increases, though QoQ earnings normalised due to seasonal factors. Cement faced challenges from industry oversupply while property development saw revenue normalisation after a strong first half, driven by recurring income from hospitality.

Company Name	Rating	Target (IDR)	% Upside (Downside)	P/E (x) Dec-25F	P/B (x) Dec-25F	ROAE (%) Dec-25F	Yield (%) Dec-25F
Astra International	Buy	6,300	22.9	5.8	1.1	18.1	5.0
Astra Otoparts	Buy	2,800	13.4	7.1	0.8	11.6	4.4
Bank Rakyat Indonesia	Buy	5,900	25.0	10.0	2.0	19.9	6.9
Elnusa	Buy	650	38.3	4.1	0.6	15.9	9.1
Indofood CBP	Buy	13,800	12.0	13.7	2.7	21.6	3.4
Kalbe Farma	Buy	1,970	23.9	21.0	3.0	14.5	2.5
Medco Energi Internasional	Buy	1,900	49.0	5.1	0.8	18.2	5.5
Merdeka Copper Gold	Buy	3,100	33.6	37.1	3.3	9.2	-
Sumber Alfaria Trijaya	Buy	3,800	15.5	39.7	6.9	25.0	-
United Tractors	Buy	35,000	28.0	5.3	1.1	20.9	7.6

Source: Company data, RHB

Stocks Covered	76
Rating (Buy/Neutral/Sell):	53 / 20 / 3
Last 12m Earnings Revision Trend:	Neutral

Sectors	Top Picks
OVERWEIGHT	
Banks	BBRI, BBNI, BMRI, BBTN
Cement	INTP
Healthcare	KLBF
Oil & gas	MEDC, ELSA
Property – industrial estates	DMAS
Property – residential developer	PWON, BSDE
Telecommunication	EXCL
NEUTRAL	
Auto & autoparts	ASII, AUTO
Coal	UNTR
Consumer	AMRT, ICBP
Metal mining	MDKA, INCO
Plantation	LSIP
Poultry	JPFA
Pulp & paper	INKP
Tobacco	HMSP

Analyst

Andrey Wijaya
+6221 5093 9846
andrey.wijaya@rhbgroup.com

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3Q24: Solid banking, automotive, coal; challenges in tobacco, cement

In summary, 3Q24 saw solid performances from sectors like banks, automotive, coal, and poultry. Meanwhile, tobacco, healthcare, telecom, and cement underperformed due to industry-specific challenges. Overall, 3Q24 net profit demonstrated 9.6% QoQ and 11.6% YoY increases. Total 9M24 earnings increased 4.1% YoY, achieving 76% and 75% of our and consensus' FY24 earnings forecasts, aligning with general expectations. The figures above are based on 9M24 earnings reports from 56 out of the 76 companies within our coverage.

Following the 3Q24 results announcement, we revised our earnings estimates, increasing projections for ASII, UNTR, ANTM, JPFA, and LSIP due to their strong performances and positive 4Q24 outlooks, while reducing the forecast for KEEN.

Banks performed steadily, meeting expectations with strong loan growth and robust non-interest income. BBCA increased its FY24 loan growth target to 10-12% despite expecting higher opex in 4Q24. BMRI saw an improvement in NIM on a consolidated basis, though bank-only NIM was impacted by funding costs. BBNI benefited from higher loan yields and a focus on low-cost deposits, while BBRI's earnings improved due to enhanced asset quality and a strong recovery rate. BJBR posted QoQ net profit growth, though YoY profit declined due to the impacts from BI's rate hikes. Bank CIMB Niaga (BNGA IJ, BUY, TP: IDR2,300) has emphasised high-yield loans, adjusting its cost of credit (CoC) guidance to below 1% due to improved asset quality and a lower loan-at-risk (LAR) ratio.

Auto & autoparts' earnings were above expectations. Strong demand in the used vehicles and replacement markets contributed to earnings growth despite continued weakness in YoY new vehicle sales. ASII's 3Q24 net profit was bolstered by its mining, gold, and financial services segments, delivering solid performances even as coal prices normalised. AUTO's 3Q24 revenue was also strong, driven by trading activities and a recovery in manufacturing, with net profit further supported by equity income from the replacement market.

Consumer showed mixed performance, in which F&B companies like ICBP and INDF had strong performances that managed to navigate FX headwinds and rising material prices effectively. The sector also saw a slightly uptick in discretionary spending, though certain segments faced challenges, eg MYOR, which was affected by a cocoa price surge.

Healthcare and telecom underperformed. Healthcare's earnings were impacted by a slowdown in patient volume and rising operational costs. Telecom suffered from weak demand, as seen in Indosat Ooredoo Hutchison's (ISAT IJ, NEUTRAL, TP: IDR12,500) EBITDA, which was affected by low subscriber additions.

Tech results were in line, with both Bukalapak (BUKA IJ, BUY, TP: IDR180) and GoTo Gojek Tokopedia (GOTO IJ, NR) showed progress in terms of financial performances. BUKA reduced its net losses and achieved positive core earnings. It also reported a lower adjusted LBITDA. GOTO moved closer to adjusted EBITDA breakeven, with strong YoY growth in gross transaction value (GTV) and contribution margin.

Coal and oil & gas showed strong performances, supported by robust commodity prices and effective cost management, particularly with companies like UNTR and ADRO. However, metal mining had mixed results, with INCO experiencing margins pressures due to high energy costs while ANTM saw steady growth supported by high sales volumes.

The infrastructure, toll road, cement, and property development sectors had mixed results. Infrastructure showed YoY growth from tariff increases, but QoQ earnings normalised due to seasonal traffic patterns. Cement faced oversupply challenges, impacting ASPs and sales volumes, while property development experienced normalisation after a strong 1H24.

Figure 1: 3Q24 results highlights – by sector

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
Banks	48,274	49,113	52,808	7.5%	9.4%	141,567	150,760	6.5%	202,472	74%	201,343	75%	In line
Auto & autoparts	9,261	9,084	10,027	10.4%	8.3%	27,381	27,714	1.2%	32,243	86%	32,515	85%	Above
Consumer	5,433	4,631	10,712	131.3%	97.2%	21,325	23,092	8.3%	29,065	79%	27,793	83%	Mixed
Retail	1,562	2,157	1,996	-7.5%	27.8%	5,629	6,166	9.5%	8,995	69%	9,199	67%	Mixed
Poultry	2,152	1,872	1,236	-34.0%	-42.6%	3,613	4,483	24.1%	5,099	88%	5,416	83%	Above
Tobacco	3,624	1,400	1,974	41.1%	-45.5%	10,662	6,217	-41.7%	13,505	46%	11,371	55%	Below
Healthcare	1,054	1,525	1,140	-25.2%	8.1%	3,687	4,497	22.0%	6,468	70%	6,231	72%	Below
Telecom	8,203	6,921	6,878	-0.6%	-16.2%	22,286	21,553	-3.3%	28,728	75%	30,062	72%	Below
Tech	(1,487)	(834)	(619)	-25.8%	-58.4%	(7,017)	(1,687)	-76.0%	(3,778)	45%	(3,592)	47%	In line
Coal	10,389	12,764	13,638	6.8%	31.3%	37,546	37,555	0.0%	45,153	83%	43,358	87%	Above
Metal mining	1,166	1,798	867	-51.8%	-25.7%	6,303	3,000	-52.4%	4,567	66%	3,828	78%	Mixed
Oil & gas	3,588	3,703	2,902	-21.6%	-19.1%	8,559	10,401	21.5%	14,650	71%	14,887	70%	Mixed
Cement and building materials	1,523	325	952	193.1%	-37.5%	3,334	2,091	-37.3%	4,281	49%	3,945	53%	Below
Property development	1,358	1,956	1,433	-26.7%	5.5%	4,438	5,642	27.1%	7,238	78%	7,650	74%	In line
Infrastructure	720	978	877	-10.3%	21.8%	1,817	2,446	34.6%	3,279	75%	3,206	76%	In line
Plantation	629	506	627	23.9%	-0.3%	1,240	1,640	32.3%	2,108	78%	2,056	80%	Above
Renewable energy	49	103	46	-55.4%	-5.5%	198	200	1.0%	313	64%	4,883	4%	Below
Pulp & paper	297	1,516	1,625	7.2%	447.4%	5,469	4,578	-16.3%	6,306	73%	7,592	60%	Below
Total	**97,797**	**99,517**	**109,120**	**9.6%**	**11.6%**	**298,037**	**310,349**	**4.1%**	**410,690**	**76%**	**411,742**	**75%**	**In line**

Source: Company data, RHB

Figure 2: 3Q24 results highlights – commentary

	Note	Comment
Banks	In line	In 3Q24, major Indonesian banks mostly aligned with expectations, driven by loan growth and robust non-II. BBCA raised its FY24 loan growth target to 10-12% despite anticipated 4Q opex pressure. BMRI saw NIM improvement at the consolidated level, though funding costs affected bank-only NIM. BBNI's results benefited from loan yield increases and focus on low-cost deposits, while BBRI's earnings rose with improved asset quality and a strong recovery rate. BJBR achieved QoQ net profit growth but faced YoY declines from BI rate impacts. BNGA focused on high-yield loans, revising its CoC guidance below 1% due to better asset quality and lower LAR.
Auto & autoparts	Above	Robust demand in used vehicles and replacement markets helped boost bottomline despite still weak YoY new vehicles sales. ASII's 3Q24 net profit was boosted by its mining, gold, and financial services segments, with strong results despite normalised coal prices. AUTO's 3Q24 revenue was robust, driven by trading and a recovery in manufacturing, with net profit supported by equity income from the replacement market.
Consumer	Mixed	ICBP and INDF booked strong performances – mainly due to FX gains whilst Cisarua Mountain Dairy (CMRY) booked solid sales. For UNVR, product boycotts (stemming from conflicts in the Middle East) and intensifying competition put pressure on its performance. Despite booking strong sales, MYOR faced challenges from rising raw material prices (cocoa and coffee).
Retail	Mixed	MAP Aktif Adiperkasa (MAPA) posted a major surprise given its strong performance amidst low seasonality. Nonetheless, a soft recovery in the F&B business and end-of-season sales have brought pressure to Mitra Adiperkasa's (MAPI) performance. Erajaya Swasembada (ERAA) continued to book solid sales growth from growing volume on affordable products while other verticals have gained traction.
Poultry	Above	Overall, 9M24 earnings were above expectations. Soft 3Q24 net profit was due to weak broiler and DOC prices; however, we believe lower raw material costs partly supported margins in 3Q24.
Tobacco	Below	The weak 9M24 earnings for HMSP, GGRM, and WIIM were primarily due to downtrading and excise tax hike while ASP hike were less aggressive in expectation to recover market share in the industry vs. below tier-2 players.
Healthcare	Below	Slowdown in patient volume for hospital companies due to high base impact, soft purchasing power and number restrictions both from private insurance and BPJS. SIDO posted weak sales, particularly in herbal and supplement segment, which pressurize its performance.
Telecom	Below	3Q should be the weakest period for the telecom industry. ISAT's EBITDA eroded on negative topline growth while Telkom Indonesia (TLKM) booked low single-digit growth in EBITDA and margin expansion but still lower on a YoY basis.
Tech	In line	BUKA and GOTO saw improvements in 9M24 – net losses narrowed for the former (with positive core earnings and lower adjusted LBITDA despite a decline in contribution margins) – while the latter approached adjusted EBITDA breakeven, achieving strong YoY growth in GTV, net revenue, and contribution margins, and reduced net losses by 53%.
Coal	Above	The strong 9M24 performance was led by UNTR's solid earnings, with stable mining contracting, targeted heavy equipment sales bolstered by high-margin units, and rising gold prices, while Bukit Asam (PTBA) faced higher cash costs and lower gross and net profit margins due to increased pre-stripping activities and expected ASP normalisation. However, its volume production has improved (in line with seasonality).
Metal mining	Mixed	The expectation of a decrease in ASP still puts pressure on margins. The positive sentiment from changes in the regional economy, which is expected to boost demand for base metals, seems to require more time to materialise. ANTM's profits are still supported by high gold sales volume (in addition to the recovery in nickel ore operations), while INCO is unexpectedly experiencing margins pressure due to high energy volume requirements.
Oil & gas	Mixed	PGAS' strong 9M24 earnings were supported by improved GPMs from a higher distribution spread and increased income from associates. MEDC benefited from a 12% YoY rise in oil and gas sales, as well as associate income, while Amman Mineral Internasional (AMMN) saw an 808% YoY increase in net profit, though this gain was partially offset by TransAsia Pipeline's losses. Elnusa's (ELSA) earnings grew due to higher upstream segment performance, with EBIT margin rising to 7%, while AKR Corporindo's (AKRA) weaker results were attributed to reduced mining activities from permit delays, a 5% drop in petroleum sales, and a 29% YoY decline in trading gross profit amid lower market purchasing power.
Cement and building materials	Below	Semen Indonesia's (SMGR) weak 9M24 earnings were impacted by industry-wide cement oversupply and risks of lower blended ASPs despite a mid-year price hike, while Indocement's (INTP) strong 3Q24 results were seasonal, with 4Q24 earnings expected to normalise as year-end rains may dampen sales volumes. Arwana Citramulia's (ARNA) 9M24 earnings are aligned with expectations, showing a sales volume recovery and stable ASPs in 3Q24, with a positive outlook on its recovery and an improved competitive landscape.
Property development	In line	Normalising 3Q24 revenue mainly from seasonality in project deliveries while recurring income showed robust growth following higher demand in leisure activities especially for the hotel segment.
Infrastructure	In line	QoQ, revenue and earnings slowed due to normalizing traffic after the holiday season in 2Q, but showed stronger YoY growth thanks to higher tariffs, particularly from a special tariff adjustment.
Plantation	Above	Astra Agro Lestari's (AALI) 9M24 earnings lagged expectations due to weaker FFB output, with potential production gains in 4Q24 despite high unit costs, while PP London Sumatra Indonesia's (LSIP) strong earnings were supported by high CPO and PK prices, increased interest income, and favourable tax rates, which are expected to sustain under sympathetic CPO prices, a weaker USD, and lower export taxes.
Renewable energy	Below	Kencana Energi Lestari's (KEEN) 9M24 earnings were below expectations at 64% as Pakkat and Air Putih's net income dropped 28% and 33% YoY. Revenue declined for both assets: Pakkat's was down 11% YoY while Air Putih's -15% YoY was the cause behind its below-expected earnings.
Pulp & paper	Below	Weak 9M24 earnings were driven by lower pulp prices, FX losses, and higher operational expenses, despite an improvement in pulp sales volume.
Total	**In line**	**3Q24 saw solid performance in sectors like banking, auto & autoparts, consumer, and coal, while healthcare, telecom, and tech underperformed due to industry-specific challenges.**

Source: Company data, RHB

Banks: Resilient 3Q24, robust loan growth, stable asset quality

3Q24 results for major Indonesian banks largely met expectations, with robust loan growth and non-II as key drivers. BBCA recorded a 12.8% YoY increase in 9M24 earnings, raising its FY24 loan growth guidance to 10-12% despite an expected seasonal increase in 4Q operational expenses. BMRI also performed well, with NIM growth at the consolidated level, although bank-only NIM faced pressure from higher funding costs. Strong loan demand and improved asset quality, reflected in lower LAR and NPL ratios, supported BMRI's results.

BBNI's results were in line, benefiting from higher loan yields and reduced deposit costs, which contributed to NIM expansion. The bank remains focused on growing low-cost deposits, enhancing liquidity, and meeting healthy loan demand. BBRI's earnings grew 11.2% QoQ and 5.5% YoY, with non-II and NIM gains as primary contributors. Improved asset quality and recovery rate also strengthened its 4Q24 earnings outlook.

BJBR posted a 21.1% QoQ rise in net profit, but its 9M24 earnings declined by 19% YoY due to the impact of higher central bank rates on its NIM. While loan growth was slower than expected, the bank saw improvement in its CASA ratio. Increased credit costs are anticipated for 4Q24.

BNGA maintained a stable 3Q24 net profit, reaching IDR5.1trn for 9M24, with a 6.4% YoY increase in loan growth led by selective segments, excluding mortgages. The bank revised its FY24 CoC guidance to below 1% due to better asset quality and a reduced LAR, prioritising high-yield, low-risk loans.

Overall, Indonesian banks demonstrated resilience in 3Q24, supported by stable asset quality and targeted loan growth strategies. While some challenges such as higher funding costs and anticipated seasonal expenses in 4Q remain, the sector is largely on track to meet or slightly exceed full-year projections.

Figure 3: Banks' 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
BBCA	12,230	13,997	14,198	1.4%	16.1%	36,420	41,074	12.8%	53,565	77%	53,913	76%	In line
BMRI	13,832	13,848	15,467	11.7%	11.8%	39,064	42,017	7.6%	55,145	76%	56,281	75%	In line
BBNI	5,452	5,365	5,617	4.7%	3.0%	15,753	16,308	3.5%	21,458	76%	22,038	74%	In line
BBRI	14,565	13,816	15,363	11.2%	5.5%	43,993	45,065	2.4%	63,830	71%	60,879	74%	In line
BJBR	526	361	437	21.1%	-16.9%	1,435	1,163	-19.0%	1,478	79%	1,478	79%	In line
BNGA	1,669	1,726	1,726	0.0%	3.4%	4,902	5,133	4.7%	6,996	73%	6,754	76%	In line
Total	**48,274**	**49,113**	**52,808**	**7.5%**	**9.4%**	**141,567**	**150,760**	**6.5%**	**202,472**	**74%**	**201,343**	**75%**	In line

Source: Company data, RHB

Figure 4: Banks' 3Q24 results commentary

(IDRbn)	Note	Key insights from the results analysis
BBCA	In line	Robust 3Q24 results in line, however 4Q opex tends to be seasonally higher, which could dampen bottomline. On the back of robust loans growth, management raised its FY24 loans growth guidance to 10-12% from 8-10%.
BMRI	In line	Solid 3Q24 net profit met expectations, aided by increased non-II and reduced provisions. Consolidated NIM grew QoQ, though bank-only NIM declined due to rising funding costs. Loan demand stayed strong, with stable asset quality and improved LAR and NPL ratios.
BBNI	In line	3Q24 results aligned with expectations, highlighted by NIM growth from increased loan yields and lower deposit costs. BBNI management remains optimistic, focusing on strong loan demand, improving liquidity, and expanding low-cost deposits.
BBRI	In line	3Q24 earnings increased 11.2% QoQ, supported by higher non-II and slight NIM gains, with 9M24 earnings up 2.4% YoY. Improved asset quality and recovery rate, alongside lower expected credit costs, bolster 4Q24's growth prospects.
BJBR	In line	3Q24 net profit rose 21.1% QoQ, meeting expectations, though 9M24 earnings dropped 19% YoY due to NIM pressures from higher BI rates. Loan growth lagged, but CASA improved, with higher 4Q24 credit costs expected.
BNGA	In line	Stable 3Q24 net profit, in line with expectations. Loan growth reached 6.4% YoY, excluding mortgages, with focus on profitability. Lower NIM of 4.07% led to revised FY24F guidance, while improved asset quality and reduced LAR prompted CoC guidance below 1%, prioritising selective, high-yield, low-risk loans.
Overall	**In line**	**In 3Q24, major Indonesian banks mostly aligned with expectations, driven by loan growth and robust non-interest income. BBCA raised its FY24 loan growth target to 10-12% despite anticipated 4Q opex pressure. BMRI saw NIM improvement at the consolidated level, though funding costs affected the bank-only segment NIM. BBNI's results benefited from loan yield increases and focus on low-cost deposits, while BBRI's earnings rose with improved asset quality and a strong recovery rate. BJBR achieved QoQ net profit growth but faced YoY declines from BI rate impacts. BNGA focused on high-yield loans, revising its CoC guidance below 1% due to better asset quality and lower LAR.**

Source: Company data, RHB

Auto & autoparts: Surpass 3Q24 with strong performance in finance and used vehicles

ASII's 3Q24 earnings exceeded expectations, driven by its mining contracting, gold, and financial services sectors. Despite the normalisation of coal prices, ASII achieved strong results, largely supported by sales volumes from its mining activities and a robust performance in financial services. This resilience highlights the company's ability to maintain profitability even with changes in commodity prices.

AUTO also performed well, with its 3Q24 trading revenue remaining strong while manufacturing revenue showed signs of recovery. The total revenue in 3Q24 was strong, and net profit continued to be bolstered by equity income, particularly from the replacement market. This indicates robust demand in the used vehicle and replacement sectors, which offset weaker sales in new vehicles YoY.

Overall, ASII and AUTO's performances reflect their strategic adaptability, focusing on high-demand areas such as financial services, used vehicles, and mining amidst changing market conditions. Both companies achieved c.85% of their full-year forecasts, with ASII at 86% and AUTO at 83%, positioning them well to meet or exceed their year-end targets.

ASII's strong 9M24 earnings, and management's optimistic outlook for end-2024 and FY25 have prompted an upgrade to its FY24-25 forecasts. The company's valuation is primarily supported by its finance and mining segments.

Figure 5: Auto & autoparts' 3Q24 results highlight (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
ASII (core profit)	8,750	8,544	9,513	11.3%	8.7%	26,069	26,186	0.4%	30,424	86%	30,663	85%	Above
AUTO	511	540	514	-4.8%	0.6%	1,312	1,528	16.5%	1,819	84%	1,852	83%	Above
Total	**9,261**	**9,084**	**10,027**	**10.4%**	**8.3%**	**27,381**	**27,714**	**1.2%**	**32,243**	**86%**	**32,515**	**85%**	**Above**

Source: Company data, RHB

Figure 6: Auto & autoparts' 3Q24 results commentary

	Note	Key insights from the results analysis
ASII (core profit)	Above	ASII's 3Q24 earnings were driven by the mining contracting, gold, and financial services businesses. While 3Q24 numbers reflected normalised coal prices from the beginning of last year, the company still managed to book strong results, mainly supported by financial services and sales volumes from its mining activities.
AUTO	Above	As expected, AUTO's 3Q24 trading revenue was still strong while manufacturing revenue recovered. This strengthened total 3Q24 revenue, while net profit was supported by equity income, mostly from the parts replacement market.
Overall	**Above**	**The robust used vehicles and parts replacement market helped boost the companies' bottomlines despite still-weak YoY new vehicle sales. ASII's 3Q24 earnings were boosted by its mining, gold, and financial services sectors, with strong results despite normalised coal prices. AUTO's 3Q24 revenue was robust, driven by trading and a recovery in manufacturing, with net profit supported by equity income from the parts replacement market.**

Source: Company data, RHB

Consumer: Mixed results as FX gains boost ICBP and INDF, while MYOR and UNVR face cost pressures and market challenges

Overall, the consumer sector saw a mixed performance, with companies benefiting from favourable exchange rates, while others faced challenges from raw material costs and market pressures.

In 3Q24, ICBP and INDF achieved strong performances, largely driven by substantial FX gains from the IDR's appreciation and solid sales. INDF also benefitted from improved margins. Cisarua Mountain Dairy (CMRY IJ, BUY, TP: IDR5,700) recorded a solid sales performance, remaining in line with expectations. However, MYOR struggled due to increased raw material costs for cocoa and coffee, which compressed margins, leading to a below-expectations performance. Similarly, UNVR faced weak earnings due to sluggish sales and rising operating expenses, compounded by intensifying competition and boycott issues.

ICBP's 9M24 growth was primarily driven by sales volumes, with sales of noodles up 7% YoY and dairy up 8%, with modest gains in snacks, seasonings, nutrition, and beverages. Noodle sales volumes rose 5% domestically and 23% in overseas markets in 3Q24, with strong demand in Egypt, Turkey, and key markets. New launches, like the Korean Ramyeon series, gained traction, with marketing focused on social media to target younger consumers. Ice cream products also performed well, albeit with a small revenue share, and the company maintained its A&P-to-revenue ratio guidance at 4%.

INDF's growth was supported by strong performances in Bogasari, LSIP, and ICBP. Bogasari's volumes rose 12%, maintaining a 6-8% EBIT margin, while ICBP expects 5-8% revenue growth from sales volumes. LSIP exceeded expectations, benefiting from high CPO prices and favourable tax changes. We revised up LSIP's FY24F-26F earnings by 24%, 24%, and 21% after reducing our unit cost assumptions, raising interest income, and lowering effective tax rates.

CMRY achieved a 45.5% GPM in 3Q24, and expects this to stabilise at 42-44% due to potential raw material price fluctuations. Growth in the dairy segment is driven by UHT milk sales volumes and a recovery in yogurt product sales, with new products gaining traction. CMRY is expanding its distribution, especially in general trade, and investing heavily in marketing. It anticipates a 20-22% ratio of marketing expenses to revenue to boost yogurt consumption.

Figure 7: Consumer sector's 3Q24 results highlight (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
ICBP	1,335	1,186	4,612	289.0%	245.5%	7,060	8,149	15.4%	10,222	80%	9,016	90%	Above
INDF	1,517	1,404	4,907	249.3%	223.5%	7,083	8,761	23.7%	9,176	95%	9,268	95%	Above
MYOR	807	606	298	-50.9%	-63.1%	2,026	2,015	-0.5%	3,469	58%	3,385	60%	Below
UNVR	1,430	1,019	543	-46.7%	-62.0%	4,189	3,010	-28.1%	4,606	65%	4,629	65%	Below
CMRY	345	416	353	-15.1%	2.3%	967	1,156	19.5%	1,592	73%	1,495	77%	In line our, Above cons.
Total	**5,433**	**4,631**	**10,712**	**131.3%**	**97.2%**	**21,325**	**23,092**	**8.3%**	**29,065**	**79%**	**27,793**	**83%**	**Mixed**

Source: Company data, RHB

Figure 8: Consumer sector's 3Q24 results commentary

	Note	Key insights from the results analysis
ICBP	Above	IDR appreciation, translated to substantial forex gain
INDF	Above	Strong sales, improved margin and IDR appreciation, translated to substantial forex gain
MYOR	Below	Soaring raw material cost (cocoa and coffee) pressured margin
UNVR	Below	Slow sales along with increasing opex
CMRY	In line our, Above cons.	Solid sales performance
Overall	**Mixed**	**ICBP and INDF booked strong performance mainly due to the forex gain whilst CMRY booked solid sales. For UNVR, boycott issue along with intensifying competition put pressure on its performance. Despite booking strong sales, MYOR faced challenge from rising raw material price (cocoa and coffee)**

Source: Company data, RHB

Retail: Mixed results; some companies saw strong sales, others faced margin pressures and seasonal challenges

Retail companies saw a mixed performance in 3Q24, with some benefiting from solid sales growth, while others faced challenges. MAP Aktif Adiperkasa (MAPA IJ, BUY, TP: IDR930) outperformed expectations with strong sales growth and effective cost controls despite 3Q being a low season. Erajaya Swasembada (ERAA IJ, NEUTRAL, TP: IDR420) saw robust profitability driven by higher sales volumes, particularly in the affordable product segment, and expanded verticals.

Mitra Adiperkasa's (MAPI IJ, BUY, TP: IDR1,800) performance was impacted by the soft recovery in its F&B business and the end-of-season sales, which pressured margins. Aspirasi Hidup Indonesia's (ACES IJ, TRADING BUY, TP: IDR815) results were in line with historical trends, with its 9M24 earnings achieving 62-67% of full-year targets, consistent with past years. Meanwhile, Sumber Alfaria Trijaya's (AMRT IJ, BUY, TP: IDR3,800) 9M24 earnings met expectations, achieving c.60% of our and consensus' full-year projections.

Overall, the sector displayed a mixed outcome, with some companies thriving due to volume growth and strategic cost management, while others struggled with seasonal and segment-specific pressures.

Figure 9: Retail sector's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
ERAA	36	268	268	-0.1%	640.9%	495	791	59.9%	1,030	77%	957	83%	Above
MAPI	372	485	401	-17.5%	7.7%	1,416	1,300	-8.2%	1,903	68%	1,900	68%	Below
ACES	183	164	208	27.1%	13.7%	486	574	18.2%	932	62%	863	67%	In line
MAPA	393	336	515	53.2%	30.9%	1,042	1,102	5.8%	1,207	91%	1,413	78%	Above
AMRT	578	904	605	-33.1%	4.7%	2,190	2,399	9.5%	3,923	61%	4,066	59%	In line
Total	**1,562**	**2,157**	**1,996**	**-7.5%**	**27.8%**	**5,629**	**6,166**	**9.5%**	**8,995**	**69%**	**9,199**	**67%**	**Mixed**

Source: Company data, RHB

Figure 10: Retail sector's 3Q24 results commentary

	Note	Key insights from the results analysis
ERAA	Above	Solid sales volumes boosted its profitability
MAPI	Below	Weighed down by F&B business, end of season sales pinched margins.
ACES	In line	Although 9M24 earnings were at 62-67% of full-year earnings, we deem this as in line, as 9M16-23 recorded an average of 64.2%.
MAPA	Above	Strong sales growth along with solid operating cost controls.
AMRT	In line	9M24 earnings were within expectations, at 61.1% and 59.0% of our and consensus' full-year estimates (9M19-23 average: c.60%).
Overall	**Mixed**	**MAPA posted a major surprise with a strong performance amidst weak seasonality. The soft recovery in its F&B business, along with the end-of-season sales pressured MAPI's performance. ERAA continued to book solid sales growth from growing sales volumes for affordable products, while other verticals gained traction.**

Source: Company data, RHB

Poultry: 9M24 earnings resilience despite 3Q24 challenges

Overall poultry sector earnings for 9M24 were above expectations, although 3Q24 saw a decline in net profit due to weak broiler and day-old chick (DOC) prices, impacting companies like Charoen Pokphand Indonesia (CPIN IJ, BUY, TP: IDR5,800) and JPFA.

CPIN's earnings were in line with expectations, but 3Q24 net profit fell QoQ due to the lower poultry prices. Despite this, we anticipate better results in 4Q24, expecting a recovery in poultry prices and positive momentum in its processed chicken segment.

JPFA performed better, with its 9M24 earnings exceeding expectations, largely supported by lower raw material costs, which helped offset margin pressures from weak poultry prices. JPFA's margins benefited from supply-demand adjustments for broilers and DOC, along with seasonally higher year-end demand, which is expected to continue to support earnings.

Overall, while 3Q24 was challenging due to lower poultry prices, we are optimistic about a recovery in 4Q24, with potential improvements from higher demand and better pricing. We remain cautiously positive on the sector, with expectations of stable margins in the upcoming quarter.

Following JPFA's strong 9M24 results, we have raised our FY24-26F earnings forecasts, as we anticipate a more balanced supply-demand environment for broilers and DOC, supported by supply management strategies and increased year-end demand.

Figure 11: Poultry sector's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
CPIN	1,297	1,057	619	-41.4%	-52.3%	2,676	2,387	-10.8%	2,865	83%	3,214	74%	Above our, In line cons.
JPFA	855	814	617	-24.2%	-27.8%	937	2,096	123.7%	2,234	94%	2,202	95%	Above
Total	**2,152**	**1,872**	**1,236**	**-34.0%**	**-42.6%**	**3,613**	**4,483**	**24.1%**	**5,099**	**88%**	**5,416**	**83%**	**Above**

Source: Company data, RHB

Figure 12: Poultry sector's 3Q24 results commentary

	Note	Key insights from the results analysis
CPIN	Above our, In line cons.	In overall, CPIN's 9M24 earnings were in line. As expected 3Q24 net profit was soft mainly due to weak broiler and day-old chicks (DOC) prices. We do anticipate improved performances in 4Q24, driven by a recovery in poultry prices and positive developments in the processed chicken segment.
JPFA	Above	JPFA robust 9M24 earnings was driven by lower raw material costs support margins despite weak poultry price in 3Q24. We expect a more balanced supply-demand dynamic for broilers and day-old chicks (DOC) to support poultry prices, aided by supply management measures and seasonally higher year-end demand.
Overall	**Above**	**In overall, 9M24 earnings above expectation. Soft 3Q24 net profit was due to weak broiler and DOC prices; however, we expect more favourable poultry prices to possibly boost earnings going forward.**

Source: Company data, RHB

Tobacco: Challenges in 9M24 amid rising excise taxes, downtrading trends, and limited price adjustments

The tobacco sector faced a challenging 9M24, with HMSP, GGRM, and WIIM all reporting weaker earnings that were below expectations. HMSP's earnings were impacted by higher operational expenses, including salaries and promotions, along with rising excise taxes and raw material costs. A shrinking market share due to consumer downtrading also limited sales growth.

GGRM's earnings suffered from an insufficient ASP increase, which was unable to offset rising excise taxes. While the company focused on volume growth in the machine-rolled *kretek* (SKM) segment, downtrading led to modest sales growth, while sales in the hand-rolled *kretek* (SKT) segment declined. Elevated operating expenses further reduced net margins.

WIIM experienced stagnant volume growth, capped by tier-2 market limits, and has not raised prices since January, eroding its GPM to 6% due to rising excise taxes. The company expects performance improvements in 4Q24 if sales increase as anticipated.

Overall, the sector's weak 9M24 performance is attributed to downtrading trends, high excise taxes, and less aggressive ASP hikes, which hindered market share recovery compared to tier-2 competitors.

Figure 13: Tobacco sector's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
HMSP	2,455	1,070	1,908	78.3%	-22.3%	6,205	5,224	-15.8%	8,903	59%	8,097	65%	Below
GGRM	1,169	330	67	-79.8%	-94.3%	4,457	992	-77.7%	4,602	22%	3,274	30%	Below
WIIM	195	57	60	6.3%	-69.0%	441	208	-53.0%	396	52%	396	52%	Below
Total	**3,624**	**1,400**	**1,974**	**41.1%**	**-45.5%**	**10,662**	**6,217**	**-41.7%**	**13,505**	**46%**	**11,371**	**55%**	**Below**

Source: Company data, RHB

Figure 14: Tobacco 3Q24 results commentary

	Note	Key insights from the results analysis
HMSP	Below	Weak 9M24 earnings were due to higher opex (salaries, advertising, promotions, and other overhead expenses), and higher excise taxes and raw material costs. A shrinking market share due to downtrading (which limited sales volume growth) also pressured its sales price.
GGRM	Below	Lower-than-expected 9M24 earnings were due to insufficient ASP hikes to offset the excise tax. While it tried to boost volume growth by not increasing prices, downtrading led GGRM to book modest sales growth in the SKM segment and lower sales in the SKT segment. Surging operating expenses further eroded its net margin.
WIIM	Below	Capped by its tier-2 limit on sales volumes, WIIM's sales volumes remained stagnant while prices were not increased in January-September, resulting in weak SKM sales in 9M24, with expectations of a better 4Q24. With prices remaining stagnant while excise taxes increased, its GPM was eroded, resulting in its net margin falling to 6%.
Overall	**Below**	**Weak 9M24 earnings for HMSP, GGRM, and WIIM were primarily due to downtrading and the excise tax hikes, while ASP hikes were less aggressive in expectations of recovering market share in the industry vs below-tier-2 players.**

Source: Company data, RHB

Healthcare: Mixed 9M24 numbers amid patient volume decline and purchasing power challenges; KLBF's pharmaceutical division is a bright spot

The healthcare sector recorded mixed 9M24 numbers, with overall earnings falling below expectations due to challenges related to patient volume and purchasing power. Both Mitra Keluarga Karyasehat (MIKA IJ, BUY, TP: IDR3,500) and Hermina Medikaloka (HEAL IJ, BUY, TP: IDR1,700) faced a decline in patient volume, which dampened their performance. The lower numbers were also attributed to the high base, limitations from private insurance patients, and Social Security (BPJS) restrictions – these factors jointly pressured hospital revenues.

Kalbe Farma (KLBF IJ, BUY, TP: IDR1,970) did relatively well, with its pharmaceutical division meeting expectations and contributing positively to its overall performance. However, Sido Muncul (SIDO IJ, NEUTRAL, TP: IDR620) struggled with weak sales, especially in its herbal and supplement segment, as lower consumer purchasing power dampened the demand for discretionary health products.

Overall, the healthcare sector's 9M24 results were impacted by external pressures, including soft demand and insurance-related constraints, with KLBF being the exception due to the steady performance of its pharmaceutical segment.

Figure 15: Healthcare sector's 3Q24 earnings review (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
MIKA	233	312	272	-12.6%	16.9%	686	873	27.2%	1,223	71%	1,171	75%	Below
HEAL	147	152	125	-17.9%	-14.7%	349	468	34.2%	728	64%	602	78%	Below
KLBF	536	843	573	-32.0%	7.0%	2,065	2,378	15.2%	3,207	74%	3,261	73%	In line
SIDO	138	218	170	-22.2%	22.5%	587	778	32.7%	1,310	59%	1,197	65%	Below
Total	**1,054**	**1,525**	**1,140**	**-25.2%**	**8.1%**	**3,687**	**4,497**	**22.0%**	**6,468**	**70%**	**6,231**	**72%**	**Below**

Source: Company data, RHB

Figure 16: Summary of the healthcare sector's 3Q24 results

	Performance vs estimates	Key insights from the results analysis
MIKA	Below	Slowdown in patient volume.
HEAL	Below	Slowdown in patient volume.
KLBF	In line	Pharmaceutical division continued to perform well.
SIDO	Below	Soft purchasing power to curb sales.
Overall	**Below**	**Slowdown in patient volume for hospital companies was due to a high base, softer consumer purchasing power and restrictions from both from private insurers and BPJS. SIDO posted weak sales, particularly in the herbal and supplement segment, which toned down its performance.**

Source: Company data, RHB

Telecommunications: Weak 3Q24 as ISAT and TLKM struggle with declining data demand, ARPU and subscriber bases

The sector faced a challenging 3Q24, with both ISAT and Telkom Indonesia (TLKM IJ, BUY, TP: IDR4,780) reporting earnings below expectations. ISAT booked a 20.6% QoQ decline in net profit, impacted by slower data consumption and a decrease in subscriber numbers. Its EBITDA eroded due to weaker topline growth, which highlighted a difficult quarter for the telecom industry.

TLKM's results also deteriorated, with revenue down 9.4% YoY and a slight decline in EBITDA growth. The company faced challenges from declining ARPU and lower data yields in mobile revenue, while other segments, such as interconnection and enterprise, also saw declines. TLKM managed to achieve low single-digit EBITDA growth and some margin expansion QoQ, although it remained lower on a YoY basis.

Overall, 3Q24 was a weak period for the telecommunications sector, with both ISAT and TLKM affected by reduced data demand, lower ARPU, and subscriber base contraction. Despite minor margin gains for TLKM, the industry struggled with overall revenue and EBITDA declines compared to the previous year.

Figure 17: Telecommunications sector's 3Q24 earnings review (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
ISAT	879	1,440	1,143	-20.6%	30.0%	2,787	3,878	39.1%	4,883	79%	5,234	74%	Slightly below
TLKM	7,324	5,481	5,735	4.6%	-21.7%	19,499	17,675	-9.4%	23,845	74%	24,828	71%	EBITDA below
Total	**8,203**	**6,921**	**6,878**	**-0.6%**	**-16.2%**	**22,286**	**21,553**	**-3.3%**	**28,728**	**75%**	**30,062**	**72%**	**Below**

Source: Company data, RHB

Figure 18: Summary of the telecommunications sector's 3Q24 results

	Performance vs estimates	Key insights from the results analysis
ISAT	Slightly below	Slower data consumption and lower number of subscribers.
TLKM	EBITDA below	Declining ARPU and lower data yield led to a decline in mobile revenue. Other segment such as interconnection, enterprise also saw a decline in both YoY and QoQ terms.
Overall	**Below**	**3Q should be the weakest period for the telecommunications industry. ISAT EBITDA eroded on negative top line growth while TLKM booked low single digit growth in EBITDA and margin expansion but still lower on YoY basis,**

Source: Company data, RHB

Technology: A recovery in 9M24 as BUKA turned profitable, while GOTO closed the distance to breaking even on EBITDA terms with strong growth metrics

In 9M24, the technology sector showed signs of improvement, with both BUKA and GOTO reducing their net losses. BUKA's core earnings turned positive, and its adjusted LBITDA decreased due to effective cost control. However, contribution margins weakened YoY and QoQ, partly due to a seasonal decline in its gaming division. Overall, BUKA's 9M24 net loss improved by 24% YoY.

GOTO, meanwhile, saw substantial progress, with a 99% improvement in adjusted EBITDA, nearing the breakeven point. The company achieved strong growth metrics, with its gross transaction value (GTV) up 55% YoY, net revenue increasing 94%, and contribution margin rising by 47% YoY. Monthly transacting users or MTUs grew by 21%, and GOTO reduced its net loss by 53% YoY to IDR4.5trn.

In summary, both BUKA and GOTO demonstrated better financial stability in 9M24, with a focus on cost efficiency and revenue growth. BUKA's core earnings turned positive, while GOTO approached the EBITDA-breakeven point, supported by significant growth in key performance indicators. Despite challenges in contribution margins, the overall outlook for both companies remains positive.

Figure 19: Technology sector's 3Q24 earnings review (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
BUKA *) core earnings	63	120	36	-70.0%	-42.9%	(74)	342	562.2%	231	148%	486	70%	Above our, In line cons.
GOTO	(1,550)	(954)	(655)	-31.3%	-57.7%	(6,943)	(2,029)	-70.8%	(4,009)	51%	(4,078)	50%	In line
Total	**(1,487)**	**(834)**	**(619)**	**-25.8%**	**-58.4%**	**(7,017)**	**(1,687)**	**-76.0%**	**(3,778)**	**45%**	**(3,592)**	**47%**	**In line**

Source: Company data, RHB

Figure 20: Summary of the technology sector's 3Q24 results

	Performance vs estimates	Key insights from the results analysis
BUKA *) core earnings	Above our, In line with cons.	9M24 net loss improved by 24% YoY to IDR593bn, core earnings turned positive, and adjusted LBITDA decreased due to cost control efforts, although contribution margins declined YoY and QoQ, with a seasonal dip in 3Q24 due to a weaker gaming division's performance.
GOTO	In line	9M24 adjusted EBITDA improved 99%, approaching the breakeven level, with GTV up 55% YoY, net revenue up 94% YoY, and a 47% YoY increase in contribution margin, driven by a 21% rise in MTUs, while net loss improved 53% YoY to IDR4.5trn.
Overall	**In line**	**BUKA and GOTO saw improvements in 9M24: Net losses narrowed for the first time, with positive core earnings and lower adjusted LBITDA despite a decline in contribution margins, while GOTO approached the adjusted EBITDA-breakeven point, achieved strong YoY growth in GTV, net revenue, and contribution margin, and reduced net loss by 53%.**

Source: Company data, RHB

Coal: Outperforms expectations in 3Q24, driven by UNTR and ADRO

Overall, the combined earnings of coal companies – which have been reported their 3Q24 results – rose 6.8% QoQ and 31.3% YoY, led mainly by the strong results from UNTR and ADRO. The sector's total 9M24 earnings came up to 83% of RHB's FY24 forecast and 87% of the consensus estimate, indicating that the sector is performing above expectations. While UNTR and ADRO have outperformed expectations with their effective cost control and high-margin product sales, Bukit Asam (PTBA IJ, NEUTRAL, TP: IDR2,900) is managing stable growth amid some cost-related challenges.

UNTR demonstrated impressive growth with a 21.6% increase QoQ and a 46.6% rise YoY. This strong performance is attributed to stable operations in mining contracting and substantial sales of high-margin heavy equipment, aided by favourable gold price trends. With its revenue achieving 81% of our forecast for FY24, we lifted UNTR's FY24-25F net earnings by 11% and 10% as the company demonstrated noteworthy resilience throughout the year, reporting exceptional 3Q24 net profit.

ADRO maintained stable 3Q24 earnings despite a minor 0.1% decline QoQ, thanks to effective cost management and operational efficiency that helped preserve its margins. Its cumulative earnings have reached 92% of the consensus forecast, supported by steady production volumes and coal price stability.

In contrast, PTBA recorded a slight 3Q24 earnings dip of 3.5% QoQ, but posted a 19.3% YoY growth for 9M24. PTBA's performance remains aligned with expectations, having achieved 75% of our full-year forecast. However, the company encountered rising cash costs and a reduction in profit margins, impacted by pre-stripping activity and the anticipated normalisation of ASP.

Figure 21: Coal sector's 3Q24 earnings review (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
UNTR	4,132	4,985	6,059	21.6%	46.6%	15,349	15,592	1.6%	19,291	81%	18,157	86%	Above
ADRO (USDm)	345	404	404	-0.1%	17.1%	1,219	1,183	-3.0%	1,378	86%	1,284	92%	Above
PTBA	1,004	1,242	1,198	-3.5%	19.3%	3,779	3,230	-14.5%	4,331	75%	5,138	63%	In line
Total (eq. IDRbn)	**10,389**	**12,764**	**13,638**	**6.8%**	**31.3%**	**37,546**	**37,555**	**0.0%**	**45,153**	**83%**	**43,358**	**87%**	**Above**

Source: Company data, RHB

Figure 22: Summary of the coal sector's 3Q24 results

	Performance vs estimates	Key insights from the results analysis
UNTR	Above	9M24 solid earnings was driven by a stable performance in mining contracting, heavy equipment sales meeting targets (supported by management's strategy to sell high-margin units), and gold price surges.
ADRO	Above	Operational stability, evidenced by margin efficiency (reflected in the reduction of cash costs), supported by operational volumes that meet the targets along with a relatively defensive ASP of coal throughout the year, led to results that exceed our and consensus expectations.
PTBA	In line	Cash costs surged throughout the year which was driven by heightened pre-stripping activity early in the year. As anticipated, 9M24 GPMs stood at 18% vs 9M23's 21%. Additionally, PTBA's NPMs were significantly impacted (9M24: 11% vs the 5-year average of 19%) – primarily due to the anticipated normalisation of ASPs.
Overall	**Above**	**The strong 9M24 performance was led by UNTR's solid earnings, with stable mining contracting, targeted heavy equipment sales bolstered by high-margin units, and rising gold prices, while PTBA faced higher cash costs and lower gross and net profit margins due to increased pre-stripping activity and expected ASP normalisation - however, its volume production is improved (in line with its seasonality).**

Source: Company data, RHB

Metal mining: Mixed performances – INCO struggles with high energy costs, while ANTM thrives on strong demand and diversification

Overall, the metal mining sector's performance was mixed. While INCO faced significant margin pressure due to energy costs, ANTM showed resilience, supported by its diversified operations and strong demand. The sector outlook remains cautious, with pressures on margins from expected ASP decreases and slower-than-expected demand recovery in regional markets being anticipated.

INCO's underperformance is attributed to challenges in managing margins, driven by high energy costs, particularly for high-sulphur fuel oil required for its operations. With 9M24 earnings coming up to only 58% and 56% of our/consensus FY24F, INCO's results are considered as below expectations due to these high energy consumption needs impacting overall production costs.

On the other hand, ANTM's performance exceeded expectations, with 9M24 earnings at 92% of the consensus FY24 estimate. The company's results were bolstered by strong gold sales volume, a stable ASP in the nickel ore segment, and rising domestic demand, despite slight margin pressure due to raw material costs in its gold refinery operations. ANTM's diversified product base, including gold and nickel, helped cushion its performance amidst challenging conditions. We raised ANTM's FY24-25F earnings by 6% each on the notion of higher gold sales targets.

Figure 23: Metal mining sector's 3Q24 earnings review (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
INCO (USDm)	13	31	14	-55.5%	4.0%	221	51	-76.9%	88	58%	91	56%	Below
ANTM	959	1,312	651	-50.4%	-32.1%	2,849	2,201	-22.7%	3,190	69%	2,402	92%	Above
Total (eq. IDRbn)	**1,166**	**1,798**	**867**	**-51.8%**	**-25.7%**	**6,303**	**3,000**	**-52.4%**	**4,567**	**66%**	**3,828**	**78%**	**Mixed**

Source: Company data, RHB

Figure 24: Summary of the metal mining sector's 3Q24 results

	Performance vs estimates	Key insights from the results analysis
INCO (USDm)	Below	Weak 9M24 earnings were driven by the challenges in the ability to manage its margins – the required high-sulphur fuel oil consumption for 9M24, along with coal usage. Energy costs are a significant portion of overall production costs.
ANTM	Above	The increase in gold sales volume, supported by rising domestic demand for safe havens and a relatively stable ASP related to the nickel ore segment, continues to have a positive impact, even though margins are slightly pressured (due to an increase in COGS from the use of raw materials for its gold refinery). Overall operational numbers are still within its target.
Overall (eq. IDRbn)	**Mixed**	**The expectation of a decrease in ASP still puts pressure on margins. The positive sentiment from changes in the regional economy, which is expected to boost demand for base metals, may need more time to materialise. ANTM's profits are still supported by high gold sales volumes (in addition to the recovery in nickel ore operations), while INCO is unexpectedly experiencing margin pressure due to high energy volume requirements.**

Source: Company data, RHB

Oil & gas: Mixed earnings – PGAS and MEDC resilience, while AKRA faces market and operational challenges

Overall, oil & gas' earnings were mixed, with PGAS and MEDC showing resilience through higher distribution spreads and improved associate income, while Elnusa (ELSA) demonstrated stable growth. However, AKR Corporindo (AKRA) struggled with weaker sales and profitability, impacted by market and operational challenges.

PGAS exceeded our expectations with 9M24 earnings at 84% of our FY24F forecast, driven by an improved GPM due to a higher distribution spread and increased income from associates. The company reported strong growth, with YoY 9M24 earnings rising by 32.7% YoY, supported by cost controls and favourable associate income contributions.

MEDC's earnings aligned with expectations, achieving 70% of our FY24 forecast, largely due to a 12% YoY increase in oil and gas sales and higher associate income. A notable boost came from Amman Mineral Internasional's (AMMN IJ, NR) substantial 808% YoY net profit increase. However, MEDC's results were partially offset by losses in the TransAsia Pipeline.

ELSA's 9M24 earnings met our expectations, but were above consensus at 71% and 90% of FY24F, attributed to steady upstream segment growth, though its downstream segment was relatively flat. ELSA also improved its EBIT margin from 6% in 9M23 to 7% in 9M24, reflecting operational efficiency.

By contrast, AKRA's results fell below expectations, with 9M24 earnings at only 51% and 52% of our and consensus FY24F. The company faced challenges due to decreased petroleum volume, lower trading gross profit, and a 5% YoY decline in 9M24 petroleum sales amid weaker purchasing power in the trading market. Reduced mining activity due to permit delays also impacted AKRA's results.

Figure 25: Oil & gas' 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
PGAS (USDm)	53	65	77	17.3%	44.4%	198	263	32.7%	314	84%	344	77%	Above our, In line cons
MEDC (USDm)	123	129	72	-44.0%	-41.3%	241	273	13.3%	390	70%	390	70%	In line
ELSA	157	260	109	-58.1%	-30.4%	405	551	36.0%	776	71%	612	90%	In line our, above cons
AKRA	679	407	466	14.5%	-31.4%	1,287	1,469	14.1%	2,869	51%	2,809	52%	Below
Total	**3,588**	**3,703**	**2,902**	**-21.6%**	**-19.1%**	**8,559**	**10,401**	**21.5%**	**14,650**	**71%**	**14,887**	**70%**	**Mixed**

Source: Company data, RHB

Figure 26: Oil & gas 3Q24 results commentary

	Note	Key insights from the results analysis
PGAS (USDm)	Above (our), In line (cons)	Solid 9M24 earnings were driven by Improved GPM due to a higher distribution spread, significantly lower net interest expense, and higher income from associate.
MEDC (USDm)	In line	9M24 earnings were driven by 12% YoY increase in oil & gas sales contracts and better contribution from net income of associates. AMMN booked a USD625m net profit (+808% YoY). Unfortunately, a substantial increase in AMMN's net income was offset by TransAsia Pipeline's losses.
ELSA	In line (our), Above (cons)	9M24 earnings were driven by YoY increase in the upstream segment while the downstream segment remained relatively flat. Meanwhile, EBIT margin improved to 7% in 9M24, from 6% in 9M23.
AKRA	Below	Weak 9M24 earnings were mainly driven by lower-than-expected petroleum volume and Java Integrated Industrial and Ports or JIIPE land sales. Management attributed this shift to lower mining activity due to permit delays. AKRA's petroleum sales volume declined by 5% YoY in 9M24. Trading gross profit also fell by 29% YoY, as the general market has lower purchasing power.
Overall	**Mixed**	**PGAS' strong 9M24 earnings were supported by improved GPM from a higher distribution spread and increased income from associates. MEDC benefited from a 12% YoY rise in oil and gas sales and associate income, while AMMN saw an 808% YoY increase in net profit, though this gain was partially offset by TransAsia Pipeline's losses. ELSA's earnings grew due to higher upstream segment performance, with EBIT margin rising to 7%, while AKRA's weaker results were attributed to reduced mining activity from permit delays, a 5% drop in petroleum sales, and a 29% YoY decline in trading gross profit amid lower market purchasing power.**

Source: Company data, RHB

Cement & building materials: Mixed results; SMGR struggles amid oversupply, INTP benefits from seasonality, ARNA shows steady growth

The cement & building materials sector had a mixed performance. While Semen Indonesia (SMGR IJ, TRADING BUY, TP: IDR5,300) struggled with industry-wide oversupply and pricing pressures, Indocement (INTP IJ, BUY, TP: IDR8,500) showed strength from seasonality but faced normalisation risks, and Arwana Citramulia (ARNA IJ, BUY, TP: IDR870) maintains steady growth with stable ASPs. The sector's outlook remains cautious, with expected pressures on ASPs and potential demand fluctuations due to seasonal factors.

SMGR underperformed, achieving only 32% and 37% of our and consensus FY24 estimates due to an industry-wide oversupply of cement capacity, which led to lower blended ASPs despite a mid-year price hike. 9M24 earnings fell 58% YoY, reflecting ongoing pressures from an unfavourable sales mix and competition. SMGR's earnings outlook remains cautious due to potential further ASP challenges.

INTP delivered stronger 3Q24 results, with earnings increasing by 215.7% QoQ – meeting expectations, as seasonality factors boosted sales. However, concerns remain over lower blended ASPs, and 4Q24 earnings may normalise due to the year-end rainy season impact on sales volume. 9M24 earnings reached 66% and 68% of our and consensus FY24 estimates, demonstrating relative stability in a challenging market.

ARNA's 9M24 performance was in line with expectations, achieving 70% of RHB's FY24 forecasts, supported by a recovery in sales volume and stable blended ASPs. The company recorded a 14.6% QoQ increase in earnings for 3Q24, with steady demand across its product mix. ARNA's resilience in a competitive landscape has been attributed to its effective sales recovery strategy and a favourable sales mix.

Figure 27: Cement & building materials' 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
SMGR	846	30	218	634.5%	-74.2%	1,714	720	-58.0%	2,233	32%	1,970	37%	Below
INTP	568	197	621	215.7%	9.3%	1,267	1,056	-16.7%	1,597	66%	1,546	68%	Inline
ARNA	109	98	113	14.6%	3.3%	353	316	-10.4%	451	70%	429	74%	Inline
Total	**1,523**	**325**	**952**	**193.1%**	**-37.5%**	**3,334**	**2,091**	**-37.3%**	**4,281**	**49%**	**3,945**	**53%**	**Below**

Source: Company data, RHB

Figure 28: Cement & building materials' 3Q24 results commentary

(IDRbn)	Note	Key insights from the results analysis
SMGR	Below	Weak 9M24 earnings were driven by oversupply of cement capacity in the industry. We still see lower blended ASPs (from sales mix) as a major risk despite the ASP hike SMGR initiated in the middle of this year.
INTP	In line	Strong results in 3Q24 were anticipated given seasonality factors. However, our concern on lower blended ASPs remains as a major risk. We expect 4Q24 earnings to normalise on a QoQ basis, as sales volume may be impacted by the upcoming year-end rainy season.
ARNA	In line	9M24 earnings were in line as we expected a recovery in sales volume that supported 3Q24 revenue (+19% QoQ, +14% YoY) – along with stable blended ASP during the quarter (+2% QoQ, +1% YoY) following a steady sales mix between products. We still like the company for its sales recovery story, and healthier competition landscape.
Overall	**Below**	**SMGR's weak 9M24 earnings were impacted by industry-wide cement oversupply and risks of lower blended ASPs despite a mid-year price hike, while INTP's strong 3Q24 results were seasonal, with 4Q24 earnings expected to normalise as year-end rains may dampen sales volume. ARNA's 9M24 earnings are aligned with expectations, showing sales volume recovery and stable ASPs in 3Q24, with a positive outlook on its recovery and improved competitive landscape**

Source: Company data, RHB

Property development: PWON gains from strong recurring income while CTRA and BSDE face project delivery normalisation

Property development was a mixed bag, with overall in-line results. Pakuwon Jati (PWON IJ, BUY, TP: IDR550) benefitted from strong recurring income, especially in the hospitality segment, while Ciputra Development (CTRA IJ, BUY, TP: IDR1,330) and Bumi Serpong Damai (BSDE IJ, BUY, TP: IDR1,430) faced normalisation in project delivery and handover schedules. Outlook for the sector remains stable, but seasonal and project-specific factors may influence future earnings.

PWON's 3Q24 earnings grew 58.1% QoQ and 11.8% YoY, while 9M24 earnings reached 77% and 79% of our and consensus FY24 estimates. The company benefited from a robust rise in recurring income, primarily driven by strong performance in its hotel segment, aligning with expectations and contributing to a record quarterly recurring income.

CTRA, however underperformed, with its 9M24 earnings reaching only 65% and 63% of our and consensus FY24 forecasts, attributed to weaker revenue recognition in the residential and shop-house segment. This was partly due to normalisation following a period of higher project completion and handovers in 1H24, affecting the QoQ performance in 3Q24, which saw a 54.6% decline.

BSDE's 3Q24 earnings were mainly supported by residential sales, with commercial sales normalising due to a slower handover period. While 9M24 earnings met expectations at 87% and 77% of our and consensus FY24 estimates, profitability was impacted by a shift in sales mix with a lower contribution from higher-margin commercial products.

Figure 29: Property development's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
PWON (core earnings)	388	515	815	58.1%	109.9%	1,487	1,663	11.8%	2,167	77%	2,114	79%	In line
CTRA	402	546	248	-54.6%	-38.3%	1,181	1,277	8.1%	1,965	65%	2,027	63%	Below
BSDE	568	894	370	-58.6%	-34.9%	1,770	2,702	52.7%	3,106	87%	3,509	77%	In line
Total	**1,358**	**1,956**	**1,433**	**-26.7%**	**5.5%**	**4,438**	**5,642**	**27.1%**	**7,238**	**78%**	**7,650**	**74%**	**In line**

Source: Company data, RHB

Figure 30: Property development 3Q24 results commentary

	Note	Key insights from the results analysis
PWON (core earnings)	In line	3Q24 earnings were driven by higher recurring revenue with the highest growth came from the hotel. This was in line with our expectations – the company managed to book its highest recurring income of the quarter.
CTRA	Below	Weak 9M24 earnings were driven by normalising 3Q24 revenue due to lower revenue recognition in the residential and shophouse segment, as well as apartments.
BSDE	In line	3Q24 revenue was mainly supported by residential sales, while commercial sales normalised on slower handover period in 3Q24 vs 1H24. Profitability contracted on sales mix (lower contribution from commercial products that generate higher profitability).
Overall	**In line**	**Normalising 3Q24 revenue mainly from seasonality in project delivery while recurring income showed robust growth following higher demand in leisure activities, especially in the hotel segment.**

Source: Company data, RHB

Plantation: LSIP thrives on favourable pricing and tax benefits, while AALI struggles with high costs and weak production

Plantation's 9M24 earnings reached 78% of our FY24 forecast, which was slightly above expectations due to LSIP's strong performance, despite Astra Agro Lestari (AALI IJ, NEUTRAL, TP: IDR6,270) underperforming. LSIP outperformance was from favourable pricing and tax benefits, while AALI faced challenges with weaker production and high costs. The sector outlook is cautiously optimistic, as LSIP's strong fundamentals are likely to sustain under current market conditions, while AALI may see improvement if production gains materialise in 4Q24.

AALI reported lower-than-expected earnings, achieving only 76% and 70% of our and consensus FY24F due to weaker FFB output and high unit costs. The company's 3Q24 earnings declined by 16.3% QoQ and 50% YoY, reflecting ongoing operational challenges. However, production may improve in 4Q24, although elevated unit costs could continue to weigh on profitability.

In contrast, LSIP exceeded expectations with its 9M24 earnings reaching 90% of our FY24 estimate. The company's strong performance was driven by robust CPO and PK prices, as well as favourable tax rates and higher-than-expected interest income. 3Q24 YoY earnings grew by 92.7%, demonstrating its ability to capitalise on favourable market conditions, particularly with the higher CPO price environment and weaker USD.

LSIP's strong earnings were further supported by a reduction in export tax structure, which, combined with favourable market conditions, provided a significant boost to profitability. The company's positive outlook is expected to continue, benefiting from sustained CPO prices, favourable tax environment, and reduced export taxes, which should help mitigate the impact of any cost pressures. We revised up LSIP's FY24F-26F earnings by 24%, 24%, and 21%, after reducing our unit cost assumptions, raising interest income, and lowering effective tax rates.

Figure 31: Plantation's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
AALI	410	245	205	-16.3%	-50.0%	774	745	-3.7%	986	76%	1,066	70%	Below
LSIP	219	261	422	61.7%	92.7%	466	895	92.1%	1,121	80%	990	90%	Above
Total	**629**	**506**	**627**	**23.9%**	**-0.3%**	**1,240**	**1,640**	**32.3%**	**2,108**	**78%**	**2,056**	**80%**	**Above**

*Note: *) core profit*

Source: Company data, RHB

Figure 32: Plantation's 3Q24 results commentary

	Note	Key insights from the results analysis
AALI	Below	9M24 earnings came in below our and consensus forecasts, dragged by weaker FFB output. We expect production to improve QoQ in 4Q24, although unit costs may remain elevated.
LSIP	Above	Strong 9M24 earnings were driven by robust CPO and PK prices, as well as higher-than-anticipated interest income and favourable tax rate. We expect LSIP's earnings to remain robust thanks to the higher CPO price environment, depreciation of the USD, and reduction in export tax structure.
Overall	**Above**	**AALI's 9M24 earnings lagged expectations due to weaker FFB output, with potential production gains in 4Q24 despite high unit costs, while LSIP's strong earnings were supported by high CPO and PK prices, increased interest income, and favourable tax rates, which are expected to sustain under favourable CPO prices, a weaker USD, and lower export taxes.**

Source: Company data, RHB

Infrastructure: JSMR's yearly growth bolstered by tariff increases amid seasonal traffic variability

While Infrastructure experienced a seasonal dip in earnings from the previous quarter, the YoY growth driven by tariff increases points to a solid foundation for future revenue stability. Jasa Marga's (JSMR) in line earnings also indicates effective management of traffic and pricing dynamics within the sector.

9M24 earnings reached 75% and 76% of our and consensus forecasts – within expectations. The company's revenue and earnings were impacted by seasonal traffic patterns, but the YoY improvement highlights the positive effect of tariff increases. The higher tariffs have provided a steady boost to earnings, offsetting the typical fluctuations in traffic volume.

The outlook for the infrastructure sector, particularly for JSMR, appears stable as the company continues to benefit from tariff adjustments despite the seasonal variability in traffic. The ability to maintain robust YoY growth, even with the QoQ decline, suggests that JSMR's financial performance is supported by favourable pricing strategies.

Figure 33: Infrastructure's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
JSMR (core profit)	720	978	877	-10.3%	21.8%	1,817	2,446	34.6%	3,279	75%	3,206	76%	In line
Total	**720**	**978**	**877**	**-10.3%**	**21.8%**	**1,817**	**2,446**	**34.6%**	**3,279**	**75%**	**3,206**	76%	**In line**

Source: Company data, RHB

Figure 34: Infrastructure's 3Q24 results commentary

(IDRbn)	Note	Key insights from the results analysis
JSMR (core profit)	In line	Slower QoQ revenue and earnings were driven by normalizing traffic volume post-holiday season in 2Q while stronger YoY on higher tariff that the company enjoys (especially from special tariff adjustment).

Source: Company data, RHB

Pulp & Paper: Challenging times; INKP struggles with low pulp prices, FX losses, and rising costs despite sales volume growth

Pulp & Paper is facing a challenging environment with pressures from lower pulp prices, unfavourable FX movements, and rising operational costs. While Indah Kiat Pulp & Paper INKP IJ, BUY, TP: IDR13,625) saw some growth in sales volume, the sector's profitability remains under strain, and future performance will likely depend on recovery in pulp prices and stabilization of FX rates.

INKP's 9M24 core earnings reached 73% of our forecast, but only 60% of consensus FY24 estimates. The weaker-than-expected performance was attributed to a combination of factors, including lower pulp prices, forex losses, and higher operational expenses. Despite these challenges, the company did see some improvement in pulp sales volume, though it was not enough to offset the negative impact in other areas.

Figure 35: Pulp & paper's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
INKP (core profit) (USDm)	19	97	104	7.2%	447.4%	350	293	-16.3%	404	73%	486	60%	Below
Total (eq. IDRbn)	**297**	**1,516**	**1,625**	**7.2%**	**447.4%**	**5,469**	**4,578**	**-16.3%**	**6,306**	**73%**	**7,592**	**60%**	**Below**

Source: Company data, RHB

Figure 36: Pulp & paper 3Q24 results commentary

	Note	Key insights from the results analysis
INKP (core profit)	Below	Weak 9M24 earnings were driven by lower pulp prices, FX loss, and higher operational expenses, despite an improvement in pulp sales volume

Source: Company data, RHB

Renewable energy: KEEN's 9M24 earnings fell short of expectations amid revenue decline in key assets

KEEN's 9M24 earnings were below expectations, achieving only 64% of our FY24 estimates. The outlook remains cautious, with a need for potential operational adjustments or improvements in asset performance to align with forecasted growth. KEEN's underperformance was largely due to declining revenue from its Pakkat and Air Putih assets by 11% and 15% YoY, while net income dropped by 28% and 33% YoY. This contributed to the overall shortfall in earnings.

Figure 37: Renewable energy's 3Q24 results highlights (IDRbn)

(IDRbn)	3Q23	2Q24	3Q24	QoQ	YoY	9M23	9M24	YoY	FY24F RHB	%-RHB	FY24F Cons	%-Cons	Note
KEEN (USDm)	3	7	3	-55.4%	-5.5%	13	13	1.0%	20	64%	20	64%	Below
Total (eq. IDRbn)	**49**	**103**	**46**	**-55.4%**	**-5.5%**	**198**	**200**	**1.0%**	**313**	**64%**	**313**	**64%**	**Below**

Source: Company data, RHB

Figure 38: Renewable energy's 3Q24 results commentary

	Note	Key insights from the results analysis
KEEN	Below	KEEN's 9M24 earnings were below expectations at 64%, as Pakkat and Air Putih's net incomes dropped 28% and 33% YoY. Revenue was declining on both assets: Pakkat and Air Putih's numbers going down 11% and 15% YoY was the cause behind the below expectation earnings.

Source: Company data, RHB

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KUALA LUMPUR

RHB Investment Bank Bhd
Level 3A, Tower One, RHB Centre
Jalan Tun Razak
Kuala Lumpur 50400
Malaysia
Tel : +603 2302 8100
Fax : +603 2302 8134

JAKARTA

PT RHB Sekuritas Indonesia
Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel : +6221 509 39 888
Fax : +6221 509 39 777

BANGKOK

RHB Securities (Thailand) PCL
10th Floor, Sathorn Square Office Tower
98, North Sathorn Road, Silom
Bangrak, Bangkok 10500
Thailand
Tel: +66 2088 9999
Fax :+66 2088 9799

SINGAPORE

RHB Bank Berhad (Singapore branch)
90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531
Fax: +65 6509 0470