December 26th, 2012

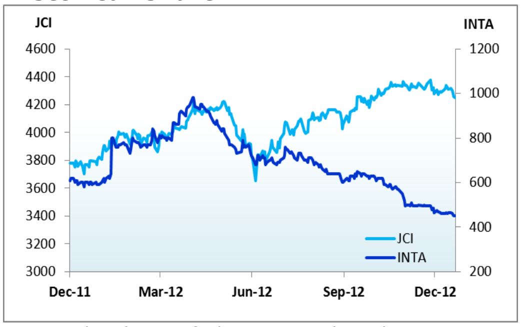
# Intraco Penta, Tbk

## Primary Report

| Target Price | |
|---|---|
| **Low** | **High** |
| **520** | **740** |

**Heavy Equipment**

### Historical Chart

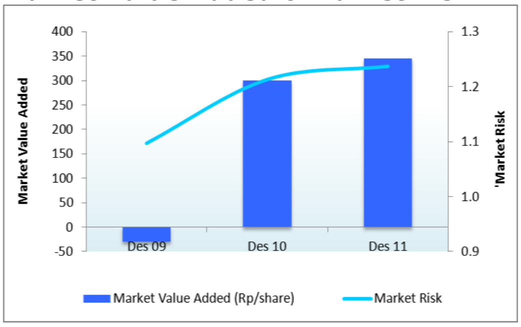



*Source: Bloomberg, Pefindo Equity & Index Valuation Division*

### Stock Information

| | Rp |
|---|---|
| Ticker code | INTA |
| Market price as of December 21st, 2012 | 450 |
| Market price – 52 week high | 980 |
| Market price – 52 week low | 450 |
| Market cap – 52 week high (bn) | 2.117 |
| Market cap – 52 week low (bn) | 972 |

### Market Value Added & Market Risk




*Source:PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

### Shareholders

| | (%) |
|---|---|
| Westwood Finance Inc. | 27.05 |
| Pristine Resources International Pte. Ltd. | 18.57 |
| PT Shalumindo Investama | 14.73 |
| PT Spallindo Adilong | 12.05 |
| Public (each below 5%) | 27.59 |

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PT INTRACO PENTA, Tbk

## An Integrated Heavy Equipment Company

The company was formerly established in 1970 as a spare parts trading firm. In May 1975, the company changed its legal status into limited liability entity (*Perseroan Terbatas*) under name of PT Intraco Penta. Later, in 1993, INTA listed its shares in Indonesia Stock Exchange. INTA now has been transforming to one of leading heavy equipment company in Indonesia. INTA and its subsidiaries engaged in diversified businesses that perform an integrated business portfolio in heavy equipment industry that includes multi finance (including sharia finance), trading, distribution, rental, manufacture, mining contractor, and coal business (under development). Undergone more than 40 years of business journey, currently INTA manages 44 distribution networks spread over in Indonesia and employs more than 2,300 people (as of half-year 2012). INTA holds licenses from global well-known heavy equipment brands such as Volvo, Bobcat, Ingersoll-Rand, SDLG, Mahindra and Sinotruk. In 2011, INTA recorded new history to hit Rp 3 trillion in sales value and Rp 3.7 trillion in assets value, representing growth of 64% YoY and 129% YoY, respectively. In the future, we expect INTA to continue to grow with exciting pace on the back of its integrated business model such that the company could deliver one stop business solution to the customers.

## INVESTMENT PARAMETER

**Better Outlook in the Next Year**
Global crisis has been affecting global commodity prices to weakening such as coal prices that already declined by around 40% YtD. Rupiah exchange rate to USD is also depreciating during this year to reach more than Rp 9,500 since end of August 2012. Accordingly, heavy equipment sales has been declining as depicted in 9M12 sales which only accounted for about 71% of 2011 units sold, and estimated to decline by about 5% YoY during 2012. With the positive expectation of Euro, U.S., and other developed countries economy, we expect that pressures on coal prices and Rupiah should ease in the next year. We expect coal price should elevate with moderate rate to the level of USD 100-105/MT on average during 2013. While, we estimate USD/Rp exchange rate to around Rp 9,200-9,300 on average along 2013. We believe that the condition should fuel the sales of heavy equipment in 2013 to the better figure than in this year.

**Estimated to Keep Last Year's Revenue Level**
In the midst of the downtrend of mining industry, INTA is able to keep its revenue level to book Rp 2.07 trillion during 9M12 compared to revenue in 9M11. Considering performance during 9M12, we expect the company should record total revenue of about Rp 3.05 trillion in 2012 or to grow by about 1.5% YoY. The estimation is based on condition that heavy equipment revenue should fall off about 2% YoY and total revenue outside heavy equipment should grow about 10% YoY on the back of strong growth of spare parts, maintenance, and leasing segments. Although this year growth is only flat, we estimate that INTA could record total revenue of Rp 3.69 trillion in 2013 (representing 21% YoY growth) regarding to better outlook in the year.

**Well Performance from After Sales Services Business**
INTA allocates its manpower with the largest portion in after sales services business (more than 80%) that includes spare parts and maintenance business segments. The after sales services business has been growing with exciting pace of 16.5% CAGR for period of 2008-2011. We expect the business should grow higher to reach about 23% CAGR for 2010-2013 periods considering that the businesses grew 33.9% YoY and 20.6% YoY during 2011 and 9M12, respectively. We also project that the business would contribute to total revenue by at least 20% in 2012 and 2013. We believe our estimate is still quite conservative considering long life expectancy of heavy equipment and the growing cumulative of heavy equipment sold by INTA that need spare parts replacement and maintenance.

**Business Prospects**
Current global crisis affects global demand and output to fall off, and the crisis has affected Indonesia economy as well. However, looking forward, we are optimistic that global economy will gradually improve. Meanwhile, domestic economy still deliver solid growth as during 9M12 grew 6.17% YoY. We believe that low interest rate and the soaring of investment realization should fuel heavy equipment industry in Indonesia. With the improvement of global economy, we expect there will be easing on commodity prices pressure which therefore drive related industries to escalate its production in the future. Refer to the arguments; we project the company's revenue should grow on a pace of 15% CAGR for the period of 2011-2016.

**Table 1: Performance Summary**

| | 2009 | 2010 | 2011 | 2012P | 2013P |
|---|---|---|---|---|---|
| Revenue [Rp bn] | 1,181 | 1,833 | 3,000 | 3,046 | 3,692 |
| Pre-tax profit [Rp bn] | 71 | 118 | 169 | 85 | 148 |
| Net profit [Rp bn] | 42 | 86 | 134 | 77 | 134 |
| EPS [Rp] | 96 | 200 | 62 | 36 | 62 |
| EPS growth [%] | 81 | 107 | (69) | (43) | 75 |
| P/E [x] | 1.4 | 2.5 | 9.5 | 12.7* | 7.2* |
| PBV [x] | 0.2 | 0.5 | 2.4 | 1.6* | 1.4* |

*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division Estimates*
**Based on INTA's share price as of December 21st, 2012 – Rp 450/share*

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# GROWTH-VALUE MAP

Growth-Value Map provides overview of market expectations for the companies listed on IDX. Current Performance ("CP") metric, running along the horizontal axis, is a portion of current stock market value that can be linked to the perpetuity of current company's performance in profitability. Growth Expectations ("GE") metric, plotted on the vertical axis, is the difference between current stock market value and the value of current performance. Both metrics are normalized by the company's book value.

Growth-Value Map divides companies into four clusters, they are:

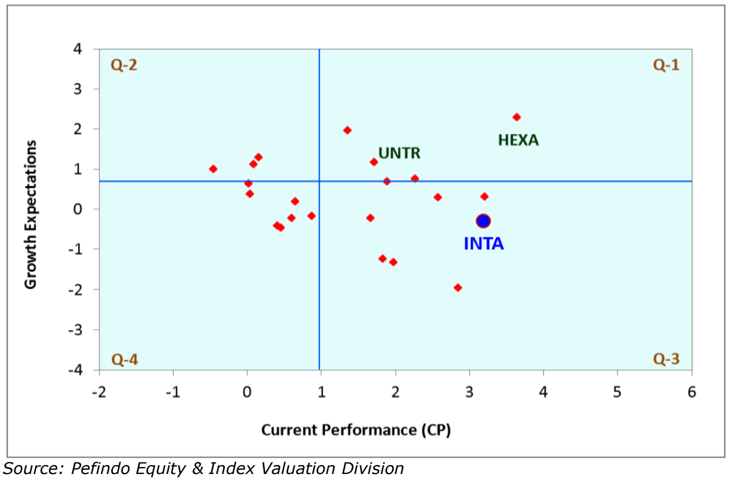
- **Excellent value managers ("Q-1")**
  Market expects companies in Q-1 to surpass their benchmark in profitability and growth.

- **Expectation builders ("Q-2")**
  Market has relatively low expectations of profitability from companies in Q-2 in the short term, but has growth expectations exceed the benchmark.

- **Traditionalists ("Q-3")**
  Market has low growth expectations of companies in the Q-3, although they showed a good profitability in the short term.

- **Asset-loaded value managers ("Q-4")**
  Market has low expectations in terms of profitability and growth for companies in Q-4.

**Figure 1: Growth-Value Map**
**(INTA and Wholesale Industry)**




*Source: Pefindo Equity & Index Valuation Division*

We classify INTA into a ***traditionalist (Q-3)*** company. INTA profitability in the short-term exceeded market expectation benchmark. Meanwhile for its future growth opportunity, market perceived remain lower than its peers. Regarding to the condition, we argue that INTA need to strengthen its internal growth capabilities, doing actions to drive market perceptions of the company's economic success and regularly update its significant information to public.

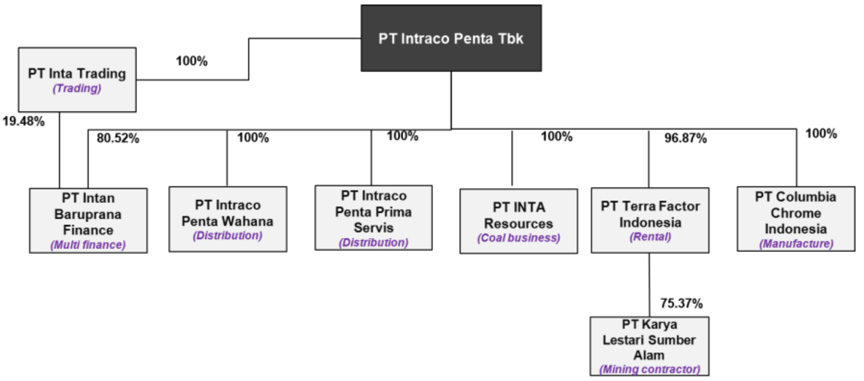
# BUSINESS INFORMATION

**A Brief Profile**

INTA was established in 1970 as a spare parts trading firm. On May 1975, the company changed its legal status into limited liability entity (*Perseroan Terbatas*) under name of PT Intraco Penta. Later, in 1993, INTA listed its shares in Indonesia Stock Exchange. INTA now has been transforming to one of leading heavy equipment company in Indonesia. INTA and its subsidiaries engaged in diversified businesses that perform an integrated business portfolio in heavy equipment industry that includes multi finance (including sharia finance), trading, distribution, rental, manufacture, mining contractor, and coal business (under development).

Undergone more than 40 years of business journey, currently INTA manages 44 distribution network and employs more than 2,300 people (as of half-year 2012). INTA holds licenses from global well-known heavy equipment brands such as Volvo, Bobcat, Ingersoll-Rand, SDLG, Mahindra and Sinotruk.

**Figure 2. INTA's Company Structure**




*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

**Wide Distribution Network**

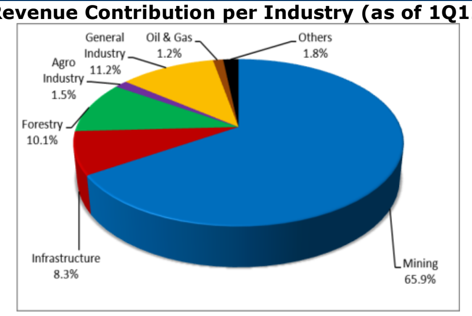
INTA has distribution network spread over Indonesian archipelago accounting for 44 distribution network. The network is concentrated in Kalimantan and Sumatera especially following coal mines concentration locations. This year INTA plans to open five new distribution offices located in Sulawesi and Maluku on the back of increasing demand due to favorable condition of nickel mining investment in those areas. The company estimate the investment needed of about USD 15 million. Before, INTA already developed its distribution networks in Manado (North Sulawesi) and Makasar (South Sulawesi).

On the revenue side, INTA's revenue mainly contributed from mining sector (about 65%-70% revenue). The other sectors that significantly contribute are infrastructure, forestry, and general industry. One of the company's strategies to increase its customer based is by expanding its retail sales. Moreover, INTA equips its business network with proper IT management which based on SAP platform such that the company can easily integrate all the data from the entire network.

**Figure 3: INTA's Distribution Networks and Revenue Contribution per Industry**

**Distribution Networks**


**Revenue Contribution per Industry (as of 1Q12)**




*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

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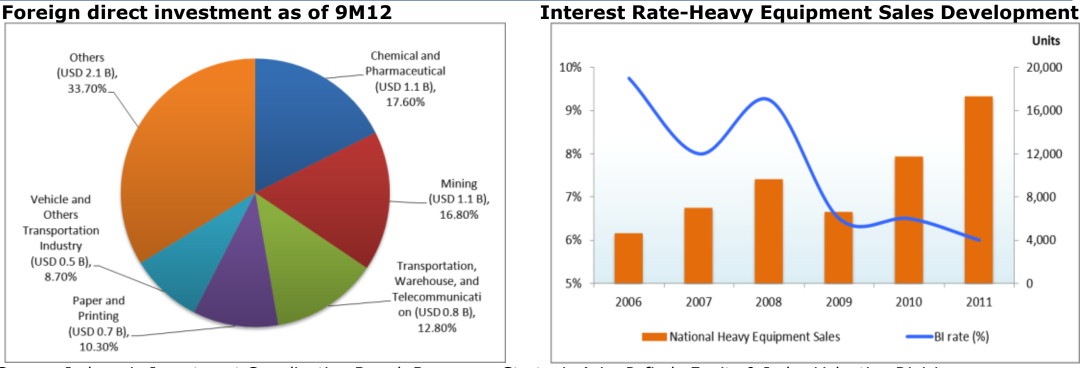
**Indonesia provides wide Opportunities**

After 2009, domestic economy has been growing solidly with growth pace of above 6.0% YoY. During 9M12, Indonesia economy remains strong with a growth 6.2% YoY. The economy is benefited from the soaring of investment realization (domestic and foreign) in this year as depicted by 27% YoY growth of investment realization in 9M12 to Rp 230 trillion (81% from 2012 target) in the midst of lowering export performance. Meanwhile, government program called Master Plan for the Acceleration and Expansion of Indonesia's Economic Development (MP3EI) should also accelerate the economy growth in the future particularly related to infrastructure development. Indonesia economy development in the recent years is accompanied with declining trend of interest rate, in which currently BI rate is in the lowest rate of its history of 5.75%. The condition should promote heavy equipment sales since 65% of the sales is financed through leasing companies.

**Figure 4: FDI as of 9M12 and Development of Interest Rate and Heavy Equipment Sales**

**Foreign direct investment as of 9M12** | **Interest Rate-Heavy Equipment Sales Development**




*Source: Indonesia Investment Coordinating Board, Bappenas, Strategic Asia, Pefindo Equity & Index Valuation Division*

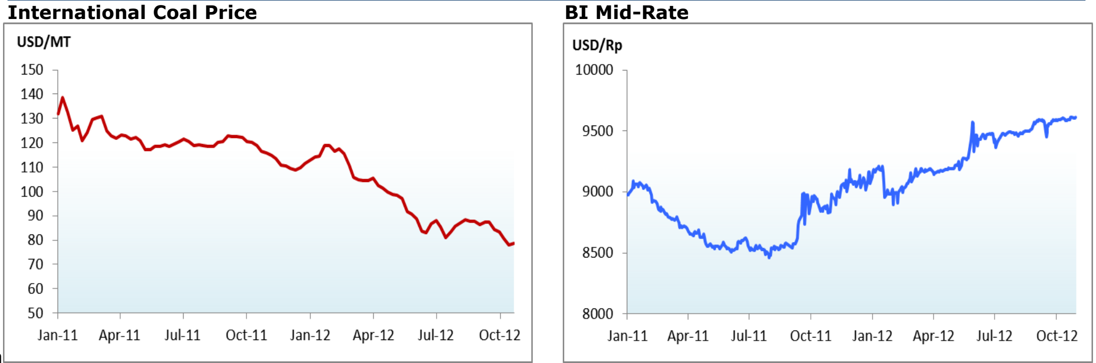
**Better Outlook in 2013**

Unfavorable condition of global economic, particularly in Europe, has been shrinking the demand and output of many countries across the globe. The crisis affecting global commodity prices to weakening such as coal prices that already declined by around 40% YtD. Rupiah exchange rate to USD is also depreciating during this year to reach more than Rp 9,500 since end of August 2012. The condition should burdening Indonesia mining industry, particularly coal industry, moreover coal is the main commodity produced by Indonesia. Accordingly, heavy equipment sales has been declining as depicted in 9M12 sales which only accounted for about 71% of 2011 units sold, and estimated to decline by about 5% YoY during 2012.

With the positive expectation of Euro, U.S., and other developed countries economy, we expect pressures to coal prices and Rupiah should ease in the next year. However, considering there will be more supply from U.S. coal producers to Asian market due to low demand in Europe and U.S., we expect coal price should elevate with moderate rate to the level of USD 100-105/MT on average during 2013. While, we expect USD/Rp exchange rate to around Rp 9,200-9,300 on average along 2013 by taking into account the narrower of current-account shortfall and improvement in capital-account in the recent months in which the trends should continue in the next year. We believe that the condition should fuel the sales of heavy equipment in 2013 to the better figure than in 2012.

**Figure 5: International Coal Price and Exchange Rate Movement**

**International Coal Price** | **BI Mid-Rate**




*Source: Bloomberg, Bank Indonesia, Pefindo Equity & Index Valuation Division*

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**Volvo will continue to be INTA's Flagship Brand Product and Sinotruk should Follow**

INTA's heavy equipment flagship brand product is Volvo, which accounted for 66% of total revenue in 2011. Three types of Volvo heavy equipment that significantly contributes to INTA's revenue are articulated hauler, excavator, and compactor. INTA has been a distributor of Volvo heavy equipment for more than 30 years. Recently, there were changes in Volvo business such that INTA's distribution area for Volvo focused to only Kalimantan, Sulawesi, and Maluku. However, we believe Volvo will still become INTA's flagship brand product in the future.

From 1,585 units heavy equipment that INTA sold in 2011, about 34% is non-Volvo brands that include Ingersoll Rand, Bobcat, and Mahindra. The newest brand managed by INTA is Sinotruk. We estimate that Sinotruk will be a new INTA's flagship brand and should record second largest sales by brand, after Volvo, within INTA's heavy equipment product portfolio. The argument is based on consideration that Sinotruk has wider market not only for mining industry but also can be used for other industries such as cement, chemical transport, and bulk-material transport.

**Figure 5: Some of Volvo Heavy Equipment Types**

**Articulated Hauler** | **Excavator** | **Compactor**

*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

**Figure 6: Non-Volvo Heavy Equipment Types**

**Ingersoll Rand (Air Source)** | **Bobcat (Skid Steer Loader)** | **Mahindra (Tractor)** | **Sinotruk (Dump Truck)**


*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

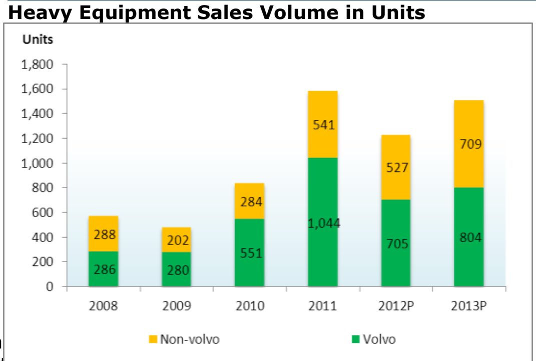
## FINANCE

**Lower Sales of Heavy Equipment in 2012, To Pick Up in 2013**

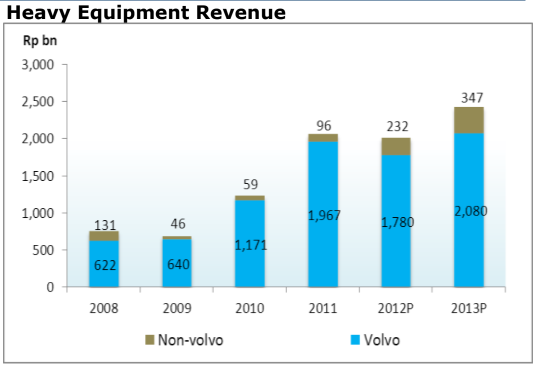
Due to lower demand of heavy equipment in 2012, we estimate that INTA sales volume should not as high as in 2011 but lower to about 705 units for Volvo and 512 for non-Volvo. However, we expect the sales should pick up to 804 units for Volvo and 709 units for non-Volvo in 2013 along with better expectation of the demand particularly from mining industry. Sales growth for non-Volvo is estimated higher than Volvo due to Sinotruk sales expectation considering this year (first year sales) encouraging result as we project will contribute about 4% of total heavy equipment revenue.

**Figure 7: Heavy Equipment Sales Volume and Revenue**

**Heavy Equipment Sales Volume in Units**




**Heavy Equipment Revenue**




*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division Estimates*

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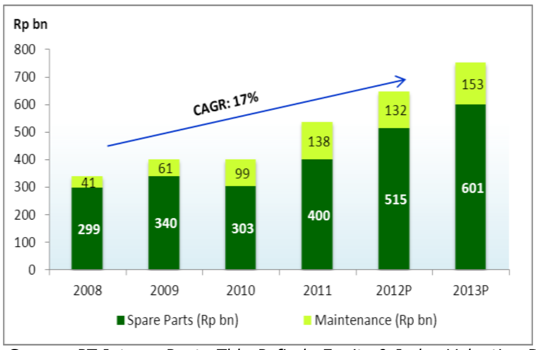
**The Growing of After Sales Services Business**

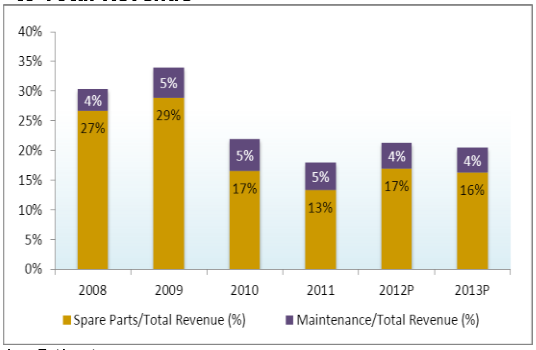
INTA allocates its manpower with the largest portion in after sales services business (more than 80%) that includes spare parts and maintenance business segments. The after sales services business has been growing with exciting pace of 16.5% CAGR for period of 2008-2011. We expect the business should grow higher to reach about 23% CAGR for 2010-2013 periods considering that the business grew 33.9% YoY and 20.6% YoY during 2011 and 9M12, respectively. We also project that the business would contribute to total revenue by at least 20% in 2012 and 2013. We believe our estimate is still quite conservative considering long life expectancy of heavy equipment and the growing cumulative of heavy equipment sold by INTA that need spare parts replacement and maintenance.

**Figure 8: Spare parts and Maintenance Revenue**

**Spare parts and Maintenance Revenue**




**Spare parts and Maintenance Revenue compared to Total Revenue**



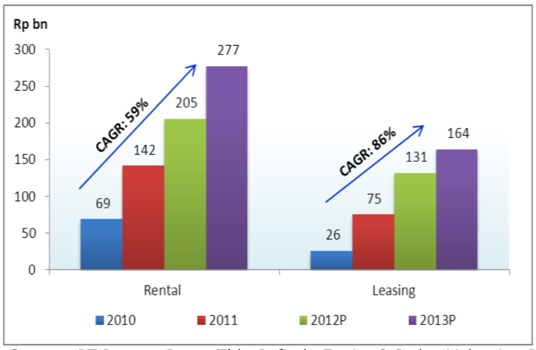

*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division Estimates*

**High Growth of Rental Business**

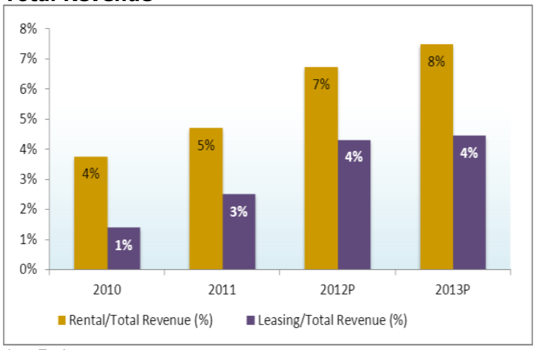
INTA expands its business into heavy equipment rental by acquiring PT Terra Factor Indonesia (TFI) in 2010. After since, INTA's revenue from the business continues to grow as in 2011 and 9M12 grew by 106% YoY and 47% YoY, respectively. Supported by its group business particularly the leasing company, heavy equipment rental business is expected to expand as we estimate by about 59% CAGR in terms of revenue within period of 2010-2013. We view that rental business is a significant link in INTA's value chain and should play an important role for the company's future growth.

**Figure 9: Rental and Leasing Revenue**

**Rental and Leasing Revenue**




**Rental and Leasing Revenue compared to Total Revenue**




*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division Estimates*

**Keeping Revenue Level in the midst of Mining Industry Downtrend**

In the midst of the downtrend of mining industry, INTA is able to keep its revenue level to book Rp 2.07 trillion during 9M12 compared to revenue in 9M11 (0.1% YoY growth). INTA's heavy equipment revenue only declined 3.5% YoY along 9M12 although revenue from mining service dropped 96% YoY due to contract expiration. The growth drivers for the period came from revenue of spare parts (29.5% YoY), rental (46.9% yoY), and leasing (234.2% YoY).

Considering performance during 9M12, we expect the company should record total revenue of about Rp 3.05 trillion in 2012 or to grow by about 1.5% YoY. The estimation is based on condition that heavy equipment revenue should fall of about 2% YoY and total revenue outside heavy equipment should grow about 10% YoY on the back of strong growth of spare parts, maintenance, and leasing segments. Although this year growth is only flat, we estimate that INTA could record total

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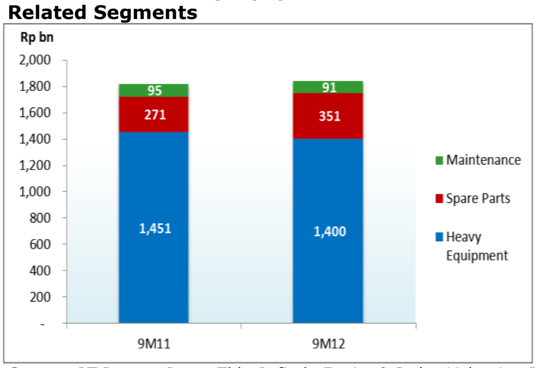
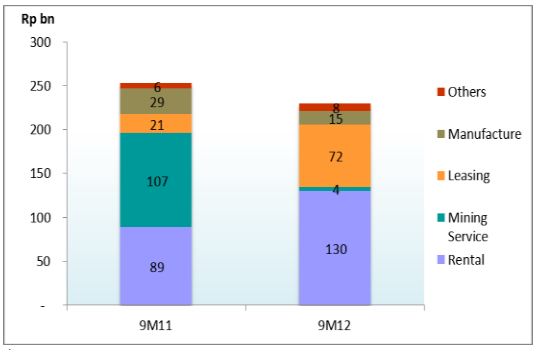
revenue of Rp 3.69 trillion in 2013 (representing 21% YoY growth) regarding to better outlook in the year.

**Figure 10: INTA's Business Segment Revenues**

**Revenue from Heavy Equipment and Related Segments**




**Revenue from Other Segments**



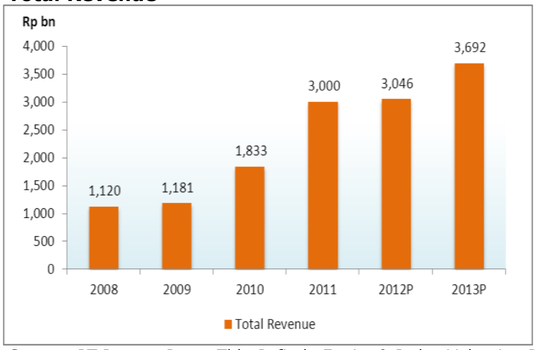

*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

**In 2012, Gross Profits expected to Expand but not Net Profit**

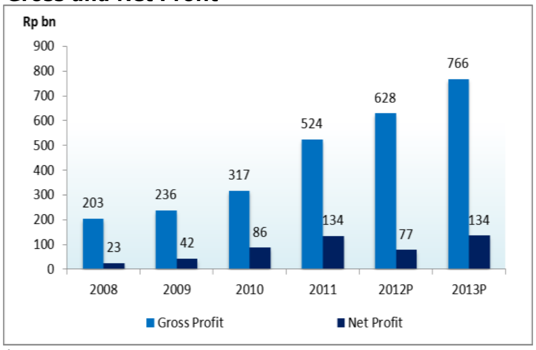
Despite experiencing a slowdown in revenue growth, INTA's gross profit should likely to increase this year as depicted in 9M12 performance. During 9M12, INTA gross margin has been increasing to 20.7% compared to 17.5% during 2011 on the back of decreasing cost of revenue by 5.8% YoY. On the contrary, the company's net margin dropped to 2.0% compared to 4.5% in 2011 particularly as a result of the surge in foreign exchange loss (based on unrealized value in 9M12) and higher finance cost. Considering all the facts, we estimate that INTA should book gross and net profit of Rp 628 billion and Rp 77 billion. The numbers are representing a rise of about 20% for gross profit and a fall off about 43% for net income. We expect a better figure for both gross and net profit in 2013 along with better expectation of commodity prices and Rupiah appreciation against foreign exchanges.

**Figure 11: INTA's Revenue and Profits**

**Total Revenue**




**Gross and Net Profit**

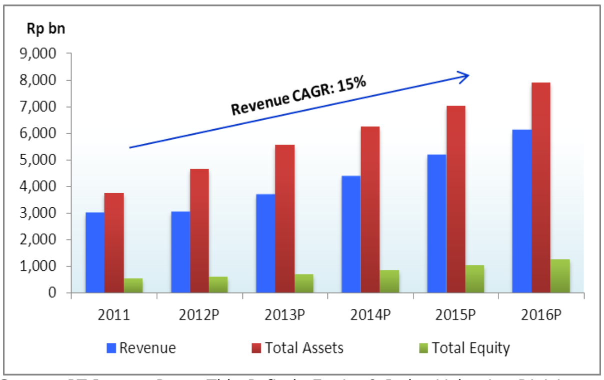



*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

**Business Prospects**

Current global crisis affects global demand and output to fall off, and the crisis has affected Indonesia economy as well. However, looking forward, we are optimistic that global economy will gradually improve. Meanwhile, domestic economy still deliver solid growth as during 9M12 grew 6.17% YoY. We believe that low interest rate and the soaring of investment realization should fuel heavy equipment industry in Indonesia. With the improvement of global economy, we expect there will be easing on commodity prices pressure which therefore drive the industry to escalate its production in the future. Refer to the arguments; we project the company's revenue should grow on a pace of 15% CAGR for the period of 2011-2016.

**Figure 12: INTA's Prospect**




*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

## SWOT ANALYSIS

**Table 2: SWOT Analysis**

| Strength | Weakness |
|---|---|
| • More than 40 years experience in the heavy equipment industry.<br>• Integrated business portfolio which can deliver one stop solution for the customers.<br>• Has 44 distribution network spreading over Indonesian archipelago.<br>• The company manages strong brand products prorfolio.<br>• New brand Sinotruk could be INTA's new flagship product and provides favorable profit.<br>• Having natural hedging from currency fluctuation due to the nature of the business. | • Higher leverage and operating expense magin, and lower current ratio compared to its peers. |
| **Opportunity** | **Threat** |
| • Higher investment realization may provides opportunity for the development of industries in Indonesia, including industries INTA served such as mining industry.<br>• Low interest rate regime expected to continue that will fueled heavy equipment sales. | • Global economy fail to recover that may cause protracted economy slowdown.<br>• Commodity prices particularly coal prices continue to in its low level.<br>• Disruption of products supply that will disturb sustainable inventories. |

*Source: Pefindo Equity & Index Valuation Division*

## INDUSTRY COMPARISON

**Table 3: INTA and Its Peers Performance Summary as of Sep-12**

| | INTA | UNTR | HEXA* |
|---|---|---|---|
| Revenue [Rp bn] | 2,071 | 44,137 | 362 |
| Gross profit [Rp bn] | 421 | 8,218 | 75 |
| Net profit [Rp bn] | 42 | 4,469 | 39 |
| Total asset [Rp bn] | 4,164 | 50,301 | 489 |
| Total liabilities [Rp bn] | 3,647 | 19,974 | 296 |
| Total equity [Rp bn] | 516 | 30,327 | 193 |
| **Growth [YoY]** | | | |
| Revenue [%] | 0.1 | 11.0 | 22.2 |
| Gross profit [%] | 32.8 | 13.6 | 21.2 |
| Net profit [%] | (45.8) | 2.8 | 25.2 |
| **Profitability** | | | |
| Gross margin [%] | 20.3 | 18.6 | 20.7 |
| Net margin [%] | 2.0 | 10.1 | 10.6 |
| ROA [%]** | 1.4 | 11.8 | 15.8 |
| ROE [%]** | 10.9 | 19.6 | 40.0 |
| **Leverage** | | | |
| Debt to assets [x] | 0.9 | 0.4 | 0.6 |
| Debt to equity [x] | 7.1 | 0.7 | 1.5 |

*Source: Bloomberg, PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*
** in USD million*
*** annualized*

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## TARGET PRICE

### VALUATION

- **Methodology**

  We apply Discounted Cash Flow (DCF) method as the INTA valuation approach considering the income growth is a value driver instead of the asset growth.

  Furthermore, we also apply Guideline Company Method (GCM) as comparison method.

  This valuation is based on 100% shares price as of December 21st, 2012, and Financial Report as of September 30th, 2012 as the basis for the fundamental analysis.

- **Value Estimation**

  We use the cost of capital and cost of equity of 9.9% and 12.4% based on the following assumptions:

**Table 4: Assumption**

| | |
|---|---|
| Risk free rate [%]* | 5.2 |
| Risk premium [%]* | 7.4 |
| Beta [x]* | 1.0 |
| Cost of Equity [%] | 12.4 |
| Marginal tax rate [%] | 25.0 |
| **WACC [%]** | **9.9** |

*Source: Bloomberg, Pefindo Equity & Index Valuation Division Estimates*
** as of December 21st, 2012*

Target price for 12 months based on valuation as per December 21st, 2012, is as follows:

- Using DCF method with discount rate assumption 9.9%, is Rp 595 – Rp 745 per share.
- Using GCM method (P/E 9.9x and P/BV 2.6x) is Rp 350 – Rp 725 per share.

In order to obtain a value which represents both value indications, we have weighted both DCF and GCM methods by 70%:30%.

Based on the above calculation, target price of INTA for 12 month is **Rp 520** - **Rp 740** per share.

**Table 5: Summary of DCF Method Valuation**

| | Conservative | Moderate | Optimist |
|---|---|---|---|
| PV of Free Cash Flows [Rp bn] | 99 | 104 | 110 |
| PV of Terminal Value [Rp bn] | 2,957 | 3,113 | 3,268 |
| Non-Operating Assets [Rp bn] | 59 | 59 | 59 |
| Debt [Rp bn] | (1,833) | (1,833) | (1,833) |
| Number of Share [mn shares] | 2,160 | 2,160 | 2,160 |
| Fair Value per Share [Rp] | **595** | **670** | **745** |

*Source: Pefindo Equity & Index Valuation Division Estimates*

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**Table 6: GCM Comparison**

| | INTA | UNTR | HEXA | Average |
|---|---|---|---|---|
| P/E [x] | 9.4 | 11.5 | 8.8 | **9.9** |
| P/BV [x] | 1.9 | 2.5 | 3.5 | **2.6** |

*Source: Bloomberg, Pefindo Equity & Index Valuation Division*

**Table 7: Summary of GCM Method Valuation**

| | Multiple [x] | Est. EPS [Rp] | Est. BV/share [Rp] | Value [Rp] |
|---|---|---|---|---|
| P/E | 9.9 | 36 | - | **350** |
| P/BV | 2.6 | - | 277 | **725** |

*Source: Bloomberg, Pefindo Equity & Index Valuation Division Estimates*

**Table 8: Fair Value Reconciliation**

| | Fair Value per Share [Rp] | | |
|---|---|---|---|
| | DCF | GCM | Average |
| Upper limit | 745 | 725 | **740** |
| Bottom limit | 595 | 350 | **520** |
| Weight | 70% | 30% | |

*Source: Pefindo Equity & Index Valuation Division Estimates*
*Note: average price is rounded according to the fractional price prevailing on the IDX*

**Table 9: Income Statement** (Rp bn)

| | 2009 | 2010 | 2011 | 2012P | 2013P |
|---|---|---|---|---|---|
| Revenue | 1,181 | 1,833 | 3,000 | 3,046 | 3,692 |
| Cost of revenue | (945) | (1,517) | (2,477) | (2,418) | (2,926) |
| **Gross profit** | **236** | **317** | **524** | **628** | **766** |
| Operating expense | (165) | (199) | (355) | (544) | (618) |
| EBITDA | 198 | 233 | 352 | 340 | 443 |
| **Pre-tax profit** | **71** | **118** | **169** | **85** | **148** |
| Tax | (29) | (33) | (49) | (21) | (37) |
| **Net profit** | **42** | **86** | **134** | **77** | **134** |

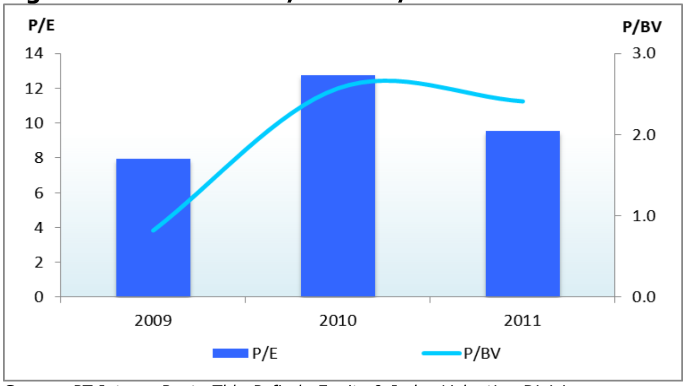
*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division Estimates*

**Table 10: Financial Position Statement** (Rp bn)

| | 2009 | 2010 | 2011 | 2012P | 2013P |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | 70 | 65 | 331 | 76 | 90 |
| Trade accounts receivable | 203 | 222 | 515 | 425 | 515 |
| Net investments in finance lease | 170 | 151 | 212 | 322 | 390 |
| Inventories | 265 | 408 | 765 | 1,438 | 1,743 |
| Other current assets | 62 | 102 | 178 | 322 | 385 |
| **Total current assets** | **769** | **948** | **2,001** | **2,583** | **3,123** |
| Net investments in finance lease | - | 114 | 197 | 338 | 410 |
| Property, plant, and equipment | 143 | 157 | 365 | 382 | 410 |
| Property and equipment for lease | 151 | 153 | 291 | 350 | 422 |
| Assets for Ijarah and Ijarah Muntahiyah Bittamlik | 6 | 156 | 684 | 799 | 933 |
| Other noncurrent assets | 103 | 107 | 199 | 208 | 252 |
| **Total assets** | **1,172** | **1,635** | **3,738** | **4,661** | **5,550** |
| | | | | | |
| **Liabilities and equity** | | | | | |
| Trade accounts payable | 190 | 231 | 324 | 1,462 | 1,658 |
| Short-term debt | 173 | 230 | 438 | 660 | 939 |
| Other short-term liabilities | 107 | 78 | 108 | 261 | 294 |
| Long-term debt | 300 | 215 | 272 | 775 | 1.116 |
| Other long-term liabilities | 39 | 42 | 56 | 43 | 56 |
| **Total liabilities** | **809** | **796** | **1,198** | **3,201** | **4,063** |
| **Total equity** | **329** | **363** | **437** | **537** | **598** |

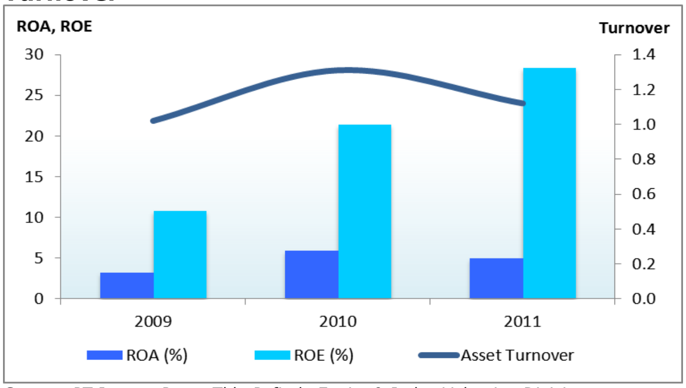
*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division Estimates*

**Figure 13: Historical P/E dan P/BV**




*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

**Figure 14: Historical ROA, ROE and Total Assets Turnover**




*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division*

**Table 11: Key Ratios**

| | 2009 | 2010 | 2011 | 2012P | 2013P |
|---|---|---|---|---|---|
| **Growth [%]** | | | | | |
| Revenue | 5.4 | 55.2 | 63.7 | 1.5 | 21.2 |
| Pre-tax profit | 51.0 | 65.5 | 43.6 | (49.9) | 75.3 |
| EBITDA | 98.9 | 17.4 | 51.4 | (3.5) | 30.5 |
| Net profit | 81.2 | 107.5 | 54.9 | (42.5) | 75.3 |
| | | | | | |
| **Profitability [%]** | | | | | |
| Gross margin | 20.0 | 17.3 | 17.5 | 20.6 | 20.8 |
| Pre-tax margin | 6.0 | 6.4 | 5.6 | 2.8 | 4.0 |
| EBITDA margin | 16.8 | 12.7 | 11.7 | 11.1 | 12.0 |
| Net margin | 3.5 | 4.7 | 4.5 | 2.5 | 3.6 |
| ROA | 3.5 | 5.3 | 3.6 | 1.6 | 2.4 |
| ROE | 11.4 | 19.7 | 24.9 | 12.8 | 19.1 |
| | | | | | |
| **Solvability [x]** | | | | | |
| Debt to equity | 2.2 | 2.7 | 6.0 | 6.8 | 6.9 |
| Debt to asset | 0.7 | 0.7 | 0.9 | 0.9 | 0.9 |
| | | | | | |
| **Liquidity [x]** | | | | | |
| Current Ratio | 1.4 | 1.1 | 0.8 | 0.9 | 0.9 |
| Quick Ratio | 0.9 | 0.6 | 0.5 | 0.4 | 0.4 |

*Source: PT Intraco Penta Tbk, Pefindo Equity & Index Valuation Division Estimates*

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