MNCS INITIATE REPORT

MNC Sekuritas Research Division | March 29, 2021

BUY

Target Price	:	**IDR4,200**

Stock Data

Curent Price	:	IDR3,380
52wk Range L-H	:	IDR1,405-3,770
Share Outstanding	:	4.01 bn
Free Float (%)	:	38.72%
Mkt Capitalization (IDR tn)	:	13.57

Major Shareholders

PT Arthakencana	:	59.60%
Public	:	38.72%
Others	:	1.68%

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PT AKR Corporindo Tbk (AKRA IJ)

Logistic and Distribution Sector

Stepping Forward into Growth

Indonesia's most integrated logistics and supply chain company, PT AKR Corporindo Tbk (AKRA IJ), is engaged in the trading and distribution of Petroleum and Basic Chemicals with extensive network of liquid bulk and dry bulk storage, transportation facilities, and port operations.

SEZ's Proposal approved! JIIPE deserves a Promising Future

National Council for Special Economic Zones (SEZ/KEK) has finally approved the establishment of new SEZ in Feb-2021, namely JIIPE KEK (Java Integrated Industry and Port Estate) Gresik, East Java. The JIIPE SEZ is expected to attract investment worth USD16.9 billion (IDR236 trillion) and absorb 199,818 workers when fully operational. The JIIPE SEZ is developed mainly for the metal, electronics, chemical, energy, and logistics businesses. We believe the SEZ status carrying a positive sentiment for JIIPE since it comes with several benefits for its tenants, including: 1) ease of licensing; 2) reduction or suspension of certain taxes; 3) exemption from customs, import duties, and taxes on imports of capital good, as well as very open to export opportunities. At gross profit level, AKRA will expand its JIIPE's contribution from 7% in FY19 to 22% in FY23F with targeted growth of 13% YoY.

Omnibus Law creates a Stronger Investment Climate

The ratification of the Job Creation Bill would make Indonesia a far more attractive destination and create a stronger investment climate for foreign investors, in our view. This will certainly increase land sales in JIIPE as shown by the successful sale of JIIPE's 14ha land in 1Q21 (35% of 40ha target in FY21E). We expect the Omnibus Law to have a positive impact on AKRA's businesses include: 1) licensing simplification; 2) ease of investment (for strategic industries, allow SOE to have JV with private sector); 3) labor reform; 4) ease of doing business (facility for foreigner's work permit, electronic single submission, incentives for SME); 5) accelerating acquisition of land for public purposes and National strategic Project; 6) Government support in acquiring 50% of land for SEZ that allocate some part of land for SME & cooperation as well as administration streamlining.

Preparing the trading and distribution businesses for 'the day after' the pandemic

Despite the challenges and risks, management cautious optimism about trade and distribution segment this year, as economies are set for recovery after the pandemic and international trade becomes more robust. In fact, FY20 petroleum distribution volume grew by 11%, slightly in line with management's pre-Covid19 guidance of 12%-15% growth. Growth achieved with both additional businesses from existing customers and new customers with margins are being maintained. Currently, AKRA owns 137 SPBKB (petrol stations for motorists) and SPBN (petrol stations for fisheries) outlets, spread across regions of Indonesia. In addition, AKRA has opened 16 BP AKR outlets since FY18 and plans to open a total of 350 outlets in the next 10 years. Thus, we estimate AKRA will be able to secure 2.53-2.77 mn kl (+9%-10% YoY) in petroleum sales volumes in FY21E/FY22F, mainly supported by the increasing demand from the coal mining industry together with new customers from the smelter industry, palm oil, and other mining sectors. Meanwhile, we believe the chemical segment will gradually pick up in FY21E supported by JV AKR-Petronas that expected to start operate in Apr-21. Management targets bottom line to pick up by 12%-15% in FY21E.

Staying One Step Ahead: AKRA Consider to open EV Charging Station

Movement towards electric vehicle (EV) came in a rush within the next few years. AKRA has prepared a strategy to seize this opportunity, in cooperation with British Petrol which operate the largest charging stations in the UK called Chargemaster. BP-AKR will open charging facilities and battery exchange stations completed with retail stores. The battery EV would need approximately 30 to 40 minutes until fully charged. We believe AKRA is at the position of advantage with the growing number on EV in Indonesia and incentives for both user and industry player which will increase the need of charging stations. Besides, AKRA would also gain recurring income from tenant rents at the charging facility as well as revenues from car lubricant sales.

Initiate coverage on AKRA IJ with a BUY call; TP: IDR4,200

We initiate coverage on AKRA IJ with a 12-months target price of IDR4,200 (+24% upside), implies an FY21E PE of 15.87x and EV/EBITDA of 9.64x. Our SOTP valuation consist of DCF-based (WACC: 10.5%) and NAV with IDR828 bn value for AKRA's industrial estate 1st phase (50% disc. to RNAV). AKRA currently trade close to -1STD EV/EBITDA with improving earnings momentum. We expect AKRA should gain a good momentum this year align with a healthy recovery on trading and distribution businesses as well as potential opportunity on JIIPE SEZ. Downside risk to our call include: 1) slower than expected growth due to pandemic; 2) unfavorable changes in government regulation.

Key Financial Highlight

YE Dec (IDR bn)	FY18	FY19	FY20	FY21E	FY22F
Revenue	23,548.14	21,702.64	17,715.93	20,017.47	23,275.50
Net Profit	711.34	717.21	924.93	1,048.31	1,241.06
EPS (IDR)	178.81	180.28	233.53	264.68	313.35
PE (x)	18.90	18.75	14.47	12.77	10.79
BVS (IDR)	2,495.25	2,530.45	2,665.29	2,767.00	2,887.41
PBV (x)	1.35	1.34	1.27	1.22	1.17
ROA (%)	3.87	3.47	4.61	5.41	6.00
ROE (%)	7.50	7.17	8.97	9.74	11.08
Dividend Yield (%)	7.10	3.25	3.49	4.82	5.71

Source: Bloomberg, MNCS as of March 26th, 2021

Indonesia's most Integrated Logistics and Supply Chain Company

PT AKR Corporindo Tbk (AKRA IJ) a leading logistics and supply chain company, is engaged in the trading and distribution of Petroleum and Basic Chemicals with extensive network of liquid bulk and dry bulk storage, transportation facilities, and port operations. AKRA's logistics network is spread throughout the Indonesian archipelago including 15 sea and river ports, a strong logistics fleet, as well as a storage tanks at 20 points with a capacity of 819 million liters in 2020 (vs 150 million in 2004). All of these strength have developed AKRA to reach more than 2,000 industrial customers in Indonesia.

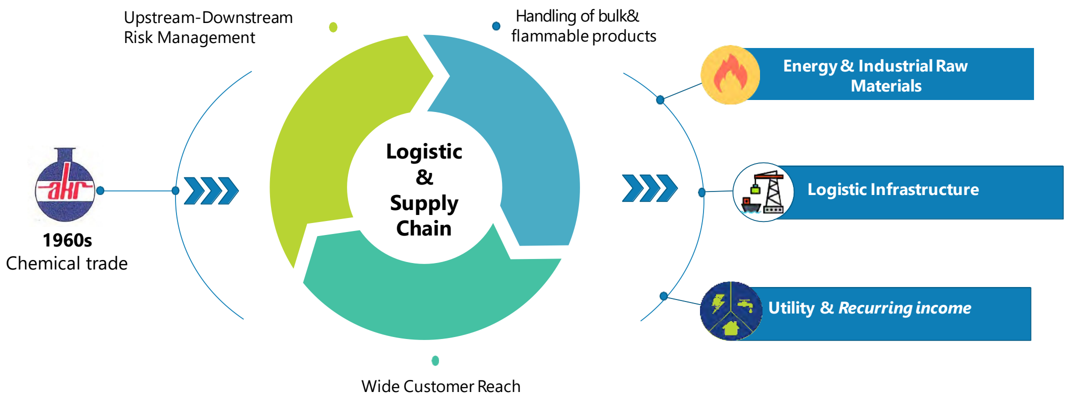
AKRA distributes fuel from various oil producers & suppliers, both global and domestic, in several industries, such as: 1) Mining (52%); 2) General industry (41%); 3) Power generation (1%); and 4) Retail (6%). The company is also a major distributor of global chemical producers such as Asahimas Chemicals, Solvay Europe, and South Pacific Viscose. Management stated that they had a dominant market share reaching >50% for the distribution of chemical base material in FY20. AKRA operates fuel-carrying vessels consisting of tankers, barges and self-propelled oil barges (SPOB). The vessel ships are able to pass through shallow rivers with a depth of up to 2.7 meters in the Kalimantan region. AKRA also has a fleet of approximately 350 trucks to deliver products throughout Indonesia.

Exhibit 01. AKRA business model and services range

Core Business			Strategic and Sustainable Income	New Business
Industrial Fuel	Basic Chemical	Logistic	JIIPE	Retail Fuel, Aftur, & Castrol Lubricants
				
Supply diesel to industry	Supply raw materials to industrial customers	The company's competitive advantage	Generate income through land sales, port operations and recurring income from utilities	Seize the opportunities for middle and upper economic growth and the government's commitment to infrastructure development
Through a benchmark + cost + mark-up mechanism	Commission-based business model has stable margins	Growth in line with the distribution of petroleum and basic chemical products		

Source : Company

Exhibit 02. AKRA has built a competitive advantage in the distribution field from upstream to downstream by utilizing the logistics infrastructure

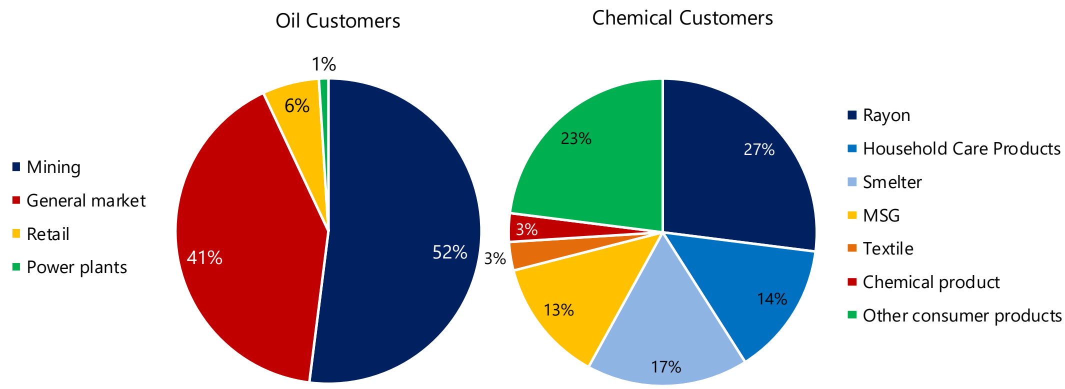


Source : Company

Exhibit 03. Location of tank terminal

Source : Company

Exhibit 04. Client by sectors



Source : Company

Pass-through Strategy Delivers a Stable Margin

AKRA sets the margin per-liter of fuel distributed which can be passed-through directly to the consumers, in terms of the selling price of fuel per-liter. The margin is based on the reference price of the mean of plats Singapore (MOPS), ranging from IDR400-IDR600 per-liter. With this cost-plus scheme, the Company will get benefits when oil prices weaken, which results in a stable gross profit margins. In addition, the Company always maintains its net open position to manage the inventory.

The fuel distribution segment is still the main contributor to AKRA's total revenue reaching 73%, followed by the chemical industry at 19%. AKRA reported FY20 core earnings of Rp925 billion (+28.96% YoY); beats consensus estimate mainly due to stronger-than-expected fuel margin, gain on land sales, higher lease rate, as well as lower finance cost. Meanwhile EBITDA increased to IDR1.54 trillion (+9.77% YoY), with an EBITDA margin of 8.68% in FY20 (vs 6.46% in FY19).

SEZ's Proposal approved! JIIPE deserves a Promising Future

National Council for Special Economic Zones (SEZ/KEK) has finally approved the establishment of new SEZ in Feb-2021, namely JIIPE KEK (Java Integrated Industry and Port Estate) Gresik, East Java. The industrial area owned by AKRA, JIIPE is expected to attract investment worth USD16.9 billion (IDR236 trillion) and absorb 199,818 workers when fully operational. The JIIPE SEZ is developed mainly for the metal, electronics, chemical, energy, and logistics businesses. Indonesia so far has developed 15 SEZs, comprising of nine industrial SEZs and six tourism SEZs.

We believe the SEZ status carrying a positive sentiment for JIIPE since it comes with several benefits for its tenants, including: 1) ease of licensing; 2) reduction or suspension of certain taxes; 3) exemption from customs, import duties, and taxes on imports of capital good, as well as very open to export opportunities. At gross profit level, AKRA will expand its JIIPE's contribution from 7% in FY19 to 22% in FY23F with targeted growth of 13% YoY.

The JIIPE SEZ is developed on an area of 3,000 ha, covering an industrial area of 1,761 ha, an 800 ha of residential, and 400 ha multipurpose port, a logistics center, bonded area, recreation area as well as commercial area. JIIPE is located in Gresik City, close to its economic and investment center of East Java, Surabaya, which only 24 km away. Moreover, as an integrated facility, the JIIPE SEZ is also equipped with a sea port with four docks and a total berth area of 6,200 meters, and can serve vessel up to 100,000 DWT. International and domestic access is accommodated with sea, toll road (Krian-Legundi-Bunder-Manyar) and train connectivity. In addition, AKRA maintained FY21E industrial land sales guidance of 30-40 ha in, slightly higher than FY20's target of 25-26 ha. We estimate that JIIPE SEZ is considered to be a great and potential opportunity for the property business as demand for occupancy is increasing.

Exhibit 05. JIIPE SEZ is expected to attract investment worth USD16.9 bn and absorb 199,818 workers


JIIPE Becomes a Special Economic Zone, Housing Needs Will Spike Page all

February 12, 2021 12:00 by Netral NewsDesk

JAKARTA, KOMPAS.com – The Special Economic Zone (KEK) National Council Meeting approved the formation of two new SEZs, namely the Lido KEK in Bogor, West Java Province, and the Java Integrated Industrial and Ports Estate (JIIPE) KEK in Gresik, East Java Province, Wednesday (10/02/2021).

The two KEK proposals are recommendations submitted to the President, and are expected to be able to generate investment while absorbing a significant number of workers.

Especially for the JIIPE SEZ developed by PT AKR Corporindo Tbk and PT Pelabuhan

Source : Kompas.com

Exhibit 06. Java Integrated Industrial And Ports Estate (JIIPE) is The First And Leading Integrated Industrial And Ports Estate

INDUSTRIAL ESTATE

The most advance, modern and sustainable industrial area in East Java, Indonesia

PT BKMS: 1,761 Ha

PT BMKS has signed sale purchase agreement (AJB) for land measuring approx. 14 ha in 1Q21

INTEGRATED PORTS ESTATE

The Place where your business journey starts.

PT BMS: 406.1 Ha

Jetty expansion: the project aims to widen of the 250 x 50 m jetty and thicken of the existing jetty which targeted to be completed by June-2021.

RESIDENTIAL ESTATE

Grand Estate Marina City (GEM City) Business, Leisure & Lifestyle

PT AKR Land: 765.8 Ha

Source : Company

Omnibus Law creates a Stronger Investment Climate

Apart from the sentiment of SEZ status, the omnibus law has also been a breath of fresh air for the sale of JIIPE industrial land. The ratification of the Job Creation Bill would make Indonesia a far more attractive destination and create a stronger investment climate for foreign investors, in our view. This will certainly increase land sales in JIIPE as shown by the successful sale of JIIPE's 14 ha land in 1Q21.

We expect the Omnibus Law to have a positive impact on AKRA's businesses include: 1) licensing simplification; 2) ease of investment (for strategic industries, allow SOE to have JV with private sector); 3) labor reform; 4) ease of doing business (facility for foreigner's work permit, electronic single submission, incentives for SME); 5) accelerating acquisition of land for public purposes and National strategic Project; 6) Government support in acquiring 50% of land for SEZ that allocate some part of land for SME & cooperation as well as administration streamlining.

Exhibit 07. JIIPE Tenant

Chemical & Processing	1. PT. Unichem Candi Indonesia - (Salt Refinery) 2. PT. Clariant Adsorbent Indonesia - (Bleaching Earth) 3. PT. Fertilizer Inti Technology - (Blending Fertilizer) 4. PT. Tirta Bahagia - (Warehousing) 5. PT. Clariant Indonesia - (Specialty Chemical) 6. PT.Cahaya Maju Lestari - (Aroma Chemical & Castrol Oil)
Clean Industry	1. PT. Nippon Indosari Corpindo Tbk (Bread – Sari Roti) 2. Rodamas Group 3. Pangansari (Freeport's Catering)
Construction	1. PT. Adhimix PCI Indonesia (Precast& Concrete) 2. Waskita Beton Karya
Smelter	PT. Freeport Indonesia

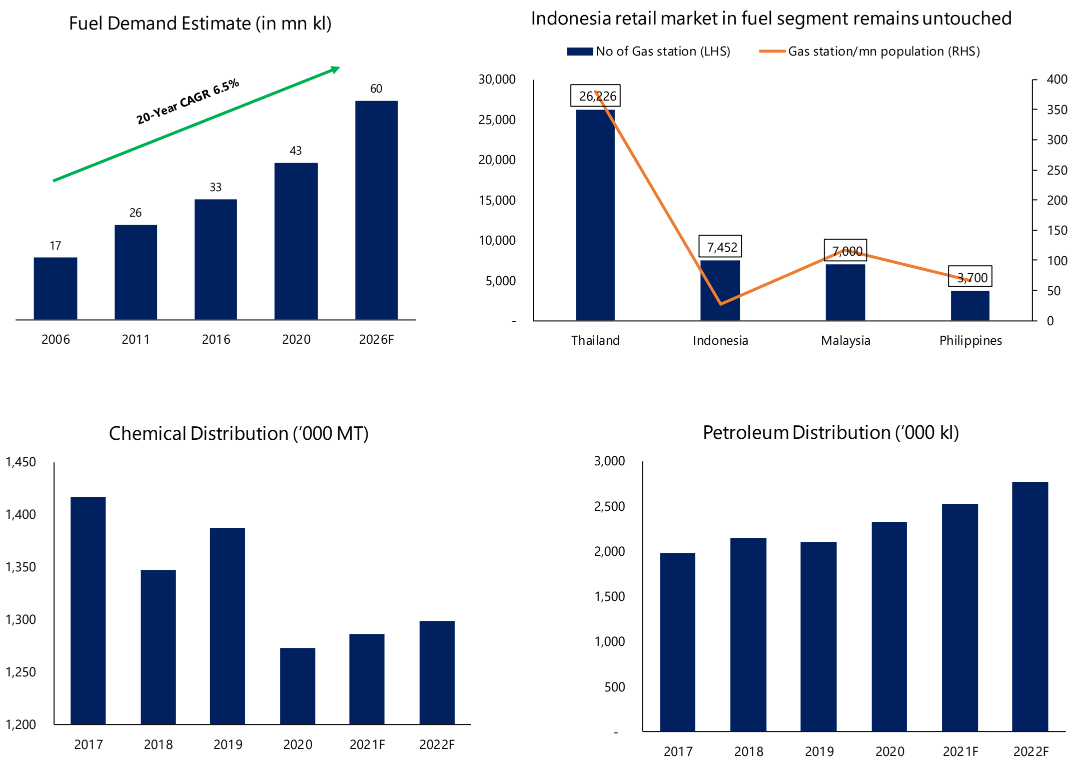
Source : Company

Preparing the trading and distribution businesses for 'the day after' the pandemic

However, despite the challenges and risks, management cautious optimism about trade and distribution segment this year, as economies are set for recovery after the pandemic and international trade becomes more robust. In fact, FY20 petroleum distribution volume grew by 11%, slightly in line with management's pre-Covid19 guidance of 12%-15% growth. Growth achieved with both additional businesses from existing customers and new customers with margins are being maintained. Currently, AKRA owns 137 SPBKB (petrol stations for motorists) and SPBN (petrol stations for fisheries) outlets, spread across regions of Indonesia. In addition, AKRA has opened 16 BP AKR outlets since FY18 and plans to open a total of 350 outlets in the next 10 years. Thus, we estimate AKRA will be able to secure 2.53-2.77 mn kl (+9%-10% YoY) in petroleum sales volumes in FY21E/ FY22F, mainly supported by the increasing demand from the coal mining industry together with new customers from the smelter industry, palm oil, and other mining sectors.

Meanwhile, chemical revenue slipped by -24.8% YoY in FY20 due to a downward pressure on volume and ASP by 8%/18% YoY, impacted by social restriction. However, the chemical segment is expected to improve in FY21E, supported by higher oil prices and a rebound in demand in end-user industries. The transitional PSBB (large-scale social restriction) provided a boost to Indonesia' manufacturing sector midway through the 1Q21, with PMI data indicating an improvement in business conditions during Feb-2021 at 50.9 level (from 47.8 level in Oct-2020). Hence, we believe the chemical segment will gradually pick up in FY21E, in line with our GDP growth estimation at 4.5%-5%.

Exhibit 08. We expect volume to grow by double-digit in FY21E



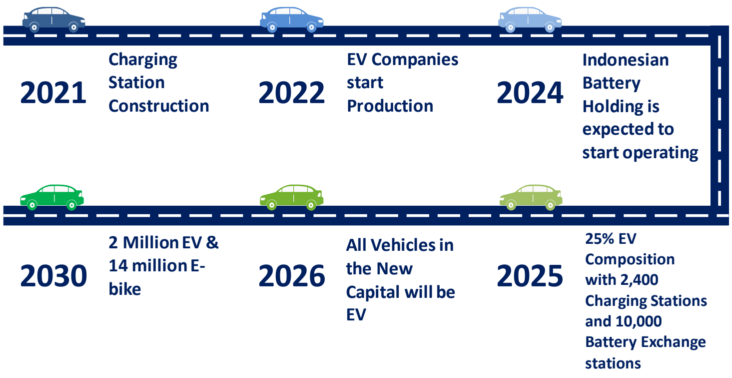
Source : Company, MNCS estimates

Staying One Step Ahead: AKRA Consider to open EV Charging Station

Being a petrol distributor surely doesn't keep AKRA from adapting with changes nor become a threat. Movement towards electric vehicle (EV) came in a rush within the next few years. As of October 2020, Indonesia has just built 62 charging stations with target of 2,400 charging stations and 10,000 battery exchange stations throughout Indonesia in 2025. AKRA has prepared a strategy to seize this opportunity, in cooperation with British Petrol which operate the largest charging stations in the UK called Chargemaster, BP-AKR will open charging facilities and battery exchange stations completed with retail stores. The battery EV would need approximately 30 to 40 minutes until fully charged. While charging, customers can wait on coffee shops or food and beverage stores that will be available on the facility.

If one charging station operate for 24 hours, it will be able to charge 36 cars non-stop. The Government stated that an EV need ~40kWh, with the tariff of IDR2,500/kWh means that it only took IDR100k to fully charge an EV. So, one charging station would generate IDR3.6 million per day. We believe AKRA is at the position of advantage with the growing number on EV in Indonesia and incentives for both user and industry player which will increase the need of charging stations. Besides, AKRA would also gain recurring income from tenant rents at the charging facility as well as revenues from car lubricant sales.

Exhibit 09. Indonesian Electric Vehicle Grand Design



Source : Company

Exhibit 10. Chargemaster is the operator of the UK's largest EV charging network

Source : BP Images

Financial Highlight:

Steady Volume and Discipline over Opex should deliver Higher Margin

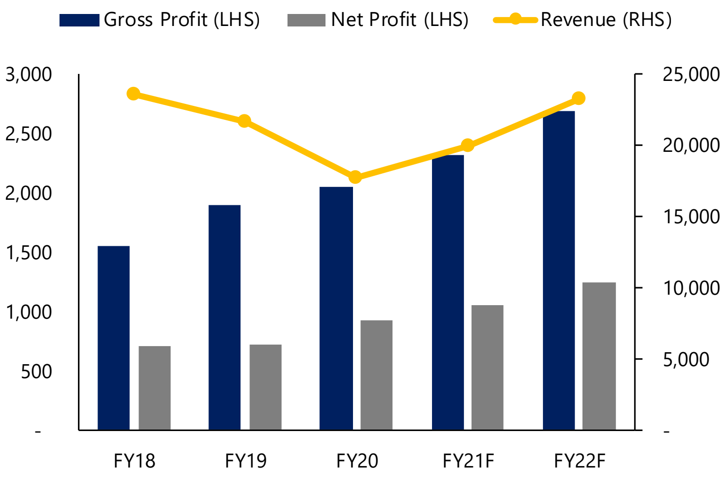
AKRA proved their worthy track record by increasing their earnings by +28.96% YoY to Rp925 billion in FY20. Despite the declining top line, the company recorded a solid gross profit growth by +8.23 YoY to IDR2.05 trillion, translated into higher GPM to 11.56% in FY20 vs 8.72% in FY19 amid the fall in oil prices throughout last year.

We expect sales momentum to pick up in FY21E as additional volumes come on stream from existing customers and new customers across all regions, align with global market which is expected to recover at a healthy pace. We are also confident of strong margin expansion supported by sales from the industrial estate project, going forward. Hence, we set our top-line target at 12.99%/16.28% YoY while earnings could significantly pick up to 13.34%/18.39% YoY in FY21E/FY22F, respectively, assuming a conservative petroleum margin of IDR600-IDR700/liter. We believe AKRA's petroleum distribution margin could increase gradually in FY21E.

Strong Balance Sheet and Manageable Debt Exposure

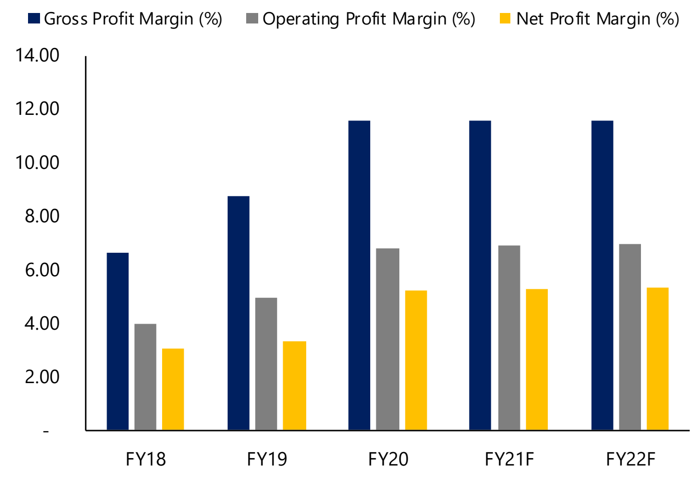
The company's solvency ratio is relatively stable with a net gearing level of 0.22x in FY20, thanks to excellent working capital management. In the other hand, AKRA's subsidiary, PT Berkah Kawasan Manyar Sejahtera (BKMS) obtained a 7-year senior term loan facility of IDR500 billion from PT Indonesia Infrastructure Finance (IIF) on last Dec-2020. The loan will be used by BKMS for the development of JIIPE project in which has entered phase 2. We expect management to be able to maintain its leverage, with net gearing level in FY21E/ FY22F at 0.22x/0.24x. Manageable debt exposure should encourage superior margins in the future.

Exhibit 11. Revenue and Net Profit Trend (IDR bn)



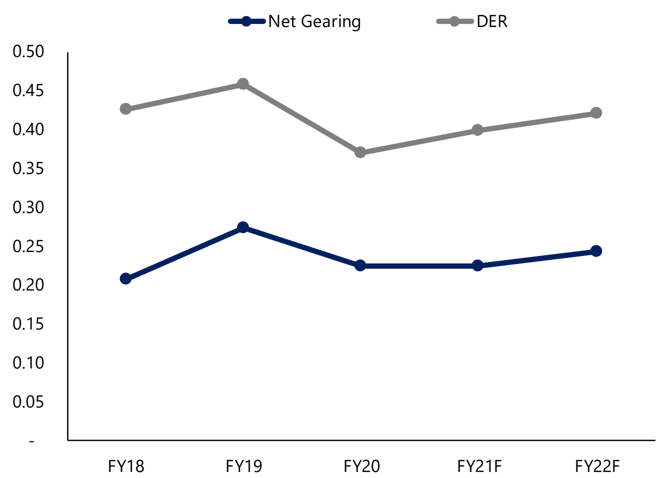
Source : Company, MNCS

Exhibit 12. Profitability Trend (%)



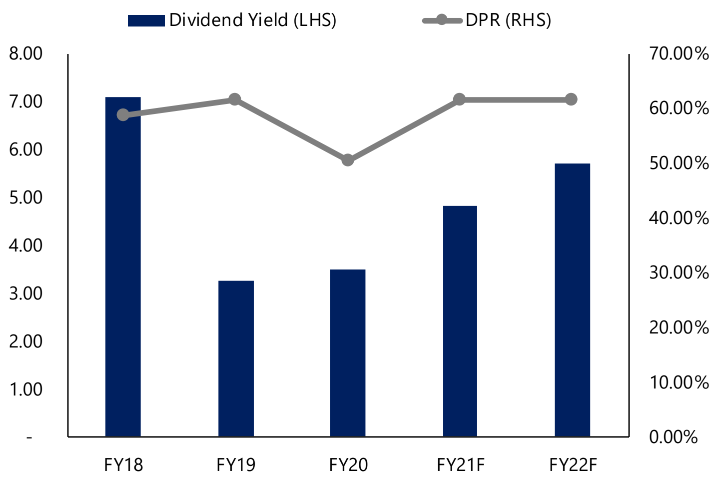
Source : Company, MNCS

Exhibit 13. Leverage Ratio (x)



Source : Company, MNCS

Exhibit 14. Dividend Trend

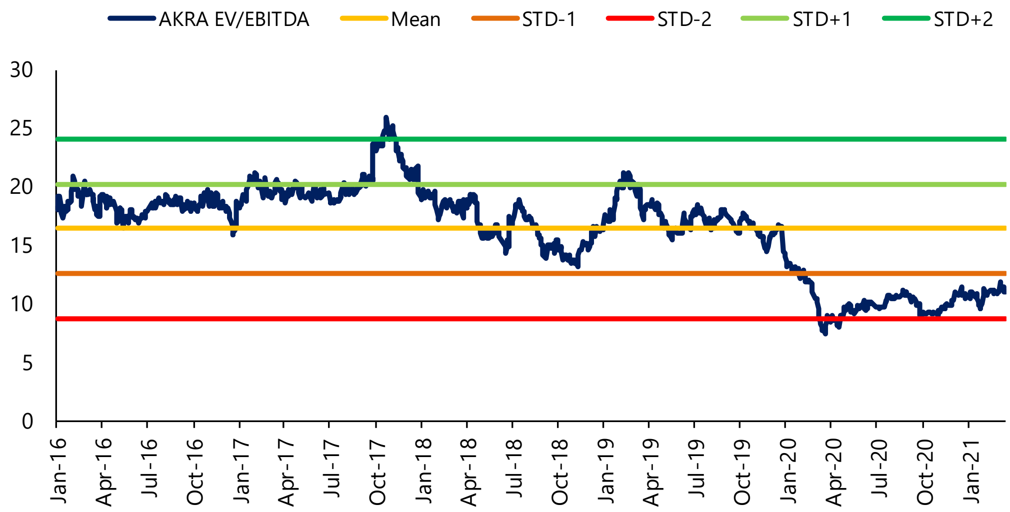


Source : Company, MNCS

Initiate coverage on AKRA IJ with a BUY call;
TP: IDR4,200

We initiate coverage on AKRA IJ with a 12-months target price of IDR4,200 (+24% upside), implies an FY21E PE of 15.87x and EV/EBITDA of 9.64x. Our SOTP valuation consist of DCF-based (WACC: 10.5%) and NAV with IDR828 bn value for AKRA's industrial estate 1st phase (50% disc. to RNAV). AKRA currently trade close to -1STD EV/EBITDA with improving earnings momentum. We expect AKRA should gain a good momentum this year align with a healthy recovery on trading and distribution businesses as well as potential opportunity on JIIPE SEZ. Downside risk to our call include: 1) slower than expected growth due to pandemic; 2) unfavorable changes in government regulation.

Exhibit 15. AKRA currently trade close to -1STD EV/EBITDA (5 years mean average) at 10.8x



Source : Bloomberg< MNCS

Exhibit 16. Financial Projections

Income Statement

IDR Billion	FY18	FY19	FY20	FY21E	FY22F
Revenues	23,548.14	21,702.64	17,715.93	20,017.47	23,275.50
COGS	21,993.58	19,810.52	15,668.00	17,702.62	20,582.37
Gross Profit	1,554.57	1,892.12	2,047.93	2,314.84	2,693.13
Operating Expense	618.57	817.72	846.50	940.27	1,072.63
Operating Profit	936.00	1,074.40	1,201.43	1,374.58	1,620.50
EBITDA	1,204.43	1,401.28	1,538.14	1,727.31	1,989.26
Interest Expense	86.00	110.00	74.28	82.96	91.43
Interest Income	44.00	38.00	42.63	35.50	43.83
Other	45.84	175.31	56.95	56.95	56.95
Profit Before Tax	890.16	899.08	1,226.73	1,384.06	1,629.85
Tax Expense (Benefit)	226.82	199.59	264.72	298.67	351.71
Net Income Before MI	663.34	699.50	962.01	1,085.38	1,278.14
Minority Interest	48.00	-10.55	-37.08	-37.08	-37.08
Net Profit	711.34	717.21	924.93	1,048.31	1,241.06
EPS (full amount)	178.81	180.28	233.53	264.68	313.35

Balance Sheet

IDR Billion	FY18	FY19	FY20	FY21E	FY22F
Current Assets	11,268.60	10,777.64	8,042.42	9,196.56	10,101.07
Cash and Cash Equivalents	2,171.08	1,860.78	1,549.36	1,913.10	2,026.24
Trade Receivable	4,404.61	4,320.95	2,368.36	2,906.65	3,379.73
Inventories	4,107.40	4,091.04	3,633.78	3,822.13	4,050.13
Others current Assets	585.50	504.87	490.91	554.69	644.97
Non-Current Assets	8,672.25	10,631.41	10,641.15	10,904.90	11,136.15
Fix Asset-net	5,127.04	5,557.55	5,126.12	5,173.39	5,204.63
Other Non-Current Assets	3,545.21	5,073.86	5,515.03	5,731.51	5,931.51
TOTAL ASSETS	19,940.85	21,409.05	18,683.57	20,101.46	21,237.22
Current Liabilities	8,062.73	8,712.53	5,102.11	5,775.02	6,150.71
Account Payable	5,584.68	6,425.94	3,616.67	4,096.60	4,199.11
Short Term Debt	2,426.71	2,140.61	1,248.07	1,410.22	1,639.74
Other current liabilities	51.34	145.98	237.36	268.20	311.85
Non-Current Liabilities	1,951.29	2,629.66	3,025.11	3,367.24	3,650.41
Long-term Liabilities-Net	1,803.07	2,469.49	2,656.84	2,951.14	3,166.58
Other NC-Liabilities	148.22	160.17	368.26	416.11	483.83
TOTAL EQUITY	9,926.83	10,066.86	10,556.36	10,959.20	11,436.11
LIABILITIES & EQUITY	19,940.85	21,409.05	18,683.57	20,101.46	21,237.22

Cash Flow

IDR Billion	FY18	FY19	FY20	FY21E	FY22F
CFO Total	(1.99)	2,160.64	967.56	1,121.40	964.61
Net Income	711.34	717.21	924.93	1,048.31	1,241.06
Depreciation	291.53	326.89	336.71	352.73	368.75
Change in WC	(3,552.81)	941.28	(399.42)	(246.70)	(598.58)
Change in Others	2,547.95	175.27	105.34	(32.94)	(46.63)
CFI Total	(1,158.46)	(2,260.50)	(709.18)	(616.48)	(600.00)
Capex	(1,202.03)	(731.86)	(268.00)	(400.00)	(400.00)
Change in Others	43.57	(1,528.64)	(441.18)	(216.48)	(200.00)
CFF Total	1,446.26	(210.44)	(569.80)	(141.19)	(251.46)
Net Change in Debt	1,056.86	380.33	(705.18)	456.44	444.97
Equity financing	51.93	-	(118.07)	-	-
Dividend payment	(963.52)	(441.60)	(467.09)	(645.47)	(764.15)
Others	1,300.99	(149.17)	720.55	47.84	67.73
Net Cash Increase	285.82	(310.30)	(311.42)	363.73	113.15
Closing Balance	2,171.08	1,860.78	1,549.36	1,913.10	2,026.24

Ratios

Ratio	FY18	FY19	FY20	FY21E	FY22F
Revenue Growth (%)	28.76	(7.84)	(18.37)	12.99	16.28
Operating Profit Growth (%)	(14.33)	14.79	11.82	14.41	17.89
Net Profit Growth (%)	(20.82)	0.82	28.96	13.34	18.39
Current Ratio (%)	139.76	123.70	157.63	159.25	164.23
Quick Ratio (%)	81.56	70.95	76.79	83.46	87.89
Receivable Days	55.12	73.37	68.91	53.00	53.00
Inventory Days	42.98	75.53	89.98	78.81	71.82
Payable Days	82.90	110.65	116.98	84.47	74.47
Net gearing (x)	0.21	0.27	0.22	0.22	0.24
Debt to EBITDA (x)	3.51	3.29	2.54	2.52	2.42
Gross Profit Margin (%)	6.60	8.72	11.56	11.56	11.57
Operating Profit Margin (%)	3.97	4.95	6.78	6.87	6.96
EBITDA Margin (%)	5.11	6.46	8.68	8.63	8.55
Net Profit Margin (%)	3.02	3.30	5.22	5.24	5.33
ROA (%)	3.87	3.47	4.61	5.41	6.00
ROE (%)	7.50	7.17	8.97	9.74	11.08

Source: Company, MNCS

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MNC Research Investment Ratings Guidance

BUY : Share price may exceed 10% over the next 12 months
HOLD : Share price may fall within the range of +/- 10% of the next 12 months
SELL : Share price may fall by more than 10% over the next 12 months
Not Rated : Stock is not within regular research coverage

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