

# Rating Buy

Asia Indonesia

Automobiles & Components

## Selamat Sempurna Alert

Reuters Bloomberg SMSM.JK SMSM IJ

Exchange Ticker JKT SMSM

### Weak 1013 results

- \* Headline net profit of Rp51bn is down 3% yoy and is below our estimates (representing 22% of DB FY13F), as top line declined 9% yoy on the back of lower than expected growth in the recently acquired Hydraxle business (down 47% yoy; representing mere 13% of DB FY13F) and in the Filter business (flat yoy; 21% of DB FY13F). Recall that SMSM owns 51% of Hydraxle.
- \* At the gross profit level, the significant gross margin improvement in Filter business (1Q13 filter margin of 28.7% vs. 24.5% in 1Q12 and 24.8% DB FY13F) was the saving grace for the business segment to came in line with our forecast (filter 1Q13 gross profit reached 25% of DB FY13F). This however was partly offset by the gross margin contraction in the Radiator business and the significant gross profit decline in Hydraxle (the latter, in 1Q13, represents a mere 8% of our full-year Hydraxle gross profit forecast). Excluding Hydraxle, combined gross profit of Filter and Radiator business accounts for 24% of DB FY13F. See table below for details.
- \* Overall, SMSM recorded ather weak 1Q13 results. We have yet to receive the full operational details from the company, but our first-take on the results suggests most of the disappointment comes from Hydraxle business segment.

3 resi	ults s	umm	nary							
1Q12*	1Q13	yoy %	FY13F	% DB FY13F						
517	473	-9%	2,383	20%						
390	349		1,802							
127	124	-2%	582	21%	Segmental sales	1Q12	1Q13	yoy %	FY13F	% DB FY13
24.5%	26.2%		24.4%		- Filter (gross)	355	354	0%	1,647	21%
42	43		197		- Radiator	87	91	4%	402	23%
8.1%	9.2%		8.3%		- Hy drax le	103	55	-47%	423	13%
85	81	-5%	385	21%						
16.5%	17.0%		16.1%		3 1					
(5.6)	(7.6)		(33.4)		- Filter	87	102	17%	409	25%
` '	. ,	Q0 <u>/</u>	. ,		- Radiator	19	15	-25%	80	18%
		-0 /0		2170	- Hy drax le	18	7	-61%	85	8%
	16									
9	6		41		Segmental Gross margin					
53	51	-3%	231	22%	- Filter (gross)	24.5%	28.7%		24.8%	
10.2%	10.8%		9.7%		- Radiator	22.4%	16.1%		19.9%	
51	51	-1%	231	22%	- Hy drax le	17.5%	12.7%		20.0%	
	1Q12* 517 390 127 24.5% 42 8.1% 85 16.5% (5.6) 80 18 9 53	1012* 1013 517 473 390 349 127 124 24.5% 26.2% 42 43 8.1% 9.2% 85 81 16.5% 17.0% (5.6) (7.6) 80 73 18 16 9 6 53 51 10.2% 10.8%	1012*         1013         yoy %           517         473         -9%           390         349	517         473         -9%         2,383           390         349         1,802           127         124         -2%         582           24.5%         26.2%         24.4%           42         43         197           8.1%         9.2%         8.3%           85         81         -5%         385           16.5%         17.0%         16.1%           (5.6)         (7.6)         (33.4)           80         73         -8%         351           18         16         79           9         6         41           53         51         -3%         231           10.2%         10.8%         9.7%	1012*         1013         yoy %         FY13F         % DB FY13F           517         473         -9%         2,383         20%           390         349         1,802         1,802           127         124         -2%         582         21%           24.5%         26.2%         24.4%         42           42         43         197         8.3%           85         81         -5%         385         21%           16.5%         17.0%         16.1%         (5.6)         (7.6)         (33.4)           80         73         -8%         351         21%           18         16         79         9         6         41           53         51         -3%         231         22%           10.2%         10.8%         9.7%         9.7%	1012*         1013         yoy %         FY13F         % DB FY13F           517         473         -9%         2,383         20%           390         349         1,802           127         124         -2%         582         21%           24.5%         26.2%         24.4%         - Filter (gross)         - Radialor           42         43         197         - Hydrax le           85         81         -5%         385         21%           85         16.5%         17.0%         16.1%         Segmental Gross           (5.6)         (7.6)         (33.4)         - Filter         - Radialor           18         16         79         - Hydrax le         - Hydrax le           18         16         79         - Hydrax le         - Hydrax le           53         51         -3%         231         22%         - Filter (gross)           10.2%         10.8%         9.7%         - Radialor         - Radialor	1012*         1013         yoy %         FY13F         % DB FY13F           517         473         -9%         2,383         20%           390         349         1,802           127         124         -2%         582         21%           24.5%         26.2%         24.4%         - Filler (gross)         355           42         43         197         - Radialor         87           8.1%         9.2%         8.3%         - Hydraxle         103           85         81         -5%         385         21%         Segmental Gross profit           (5.6)         (7.6)         (33.4)         - Filter         - Radialor         19           - Radialor         19         - Hydraxle         18         - Hydraxle         18           18         16         79         - Hydraxle         18           53         51         -3%         231         22%         - Filter (gross)         24.5%           10.2%         10.8%         9.7%         - Radialor         22.4%	1012*         1013         yoy %         FY13F         % DB FY13F           517         473         -9%         2,383         20%           390         349         1,802           127         124         -2%         582         21%           24.5%         26.2%         24.4%         - Filter (gross)         355         354           42         43         197         - Radialor         87         91           8.1%         9.2%         8.3%         - Hydraxle         103         55           85         81         -5%         385         21%         Segmental Gross profit         - Filter         87         102           (5.6)         (7.6)         (33.4)         - Radialor         19         15           - Radialor         19         15         - Hydraxle         18         7           18         16         79         - Hydraxle         18         7           9         6         41         Segmental Gross margin         - Filter (gross)         24.5%         28.7%           10.2%         10.8%         9.7%         - Radialor         22.4%         16.1%	1012*         1013         yoy %         FY13F         % DB FY13F           517         473         -9%         2,383         20%           390         349         1,802           127         124         -2%         582         21%           24.5%         26.2%         24.4%         - Filter (gross)         355         354         0%           42         43         197         - Radiator         87         91         4%           8.1%         9.2%         8.3%         - Hydraxle         103         55         -47%           85         81         -5%         385         21%         Segmental Gross profit         - Filter         87         102         17%           (5.6)         (7.6)         (33.4)         - Radiator         19         15         -25%           18         16         79         - Hydraxle         18         7         -61%           18         16         79         - Hydraxle         18         7         -61%           18         16         79         - Hydraxle         18         7         -61%           18         16         79         - Hydraxle         18	1012*         1013         yoy %         FY13F         % DB FY13F           517         473         -9%         2,383         20%           390         349         1,802         1,802           127         124         -2%         582         21%           24.5%         26.2%         24.4%         - Filler (gross)         355         354         0%         1,647           42         43         197         - Radiator         87         91         4%         402           8.1%         9.2%         8.3%         - Hydrax le         103         55         -47%         423           16.5%         17.0%         16.1%         - Filler (gross)         - Filler         87         102         17%         409           (5.6)         (7.6)         (33.4)         - Radiator         19         15         -25%         80           18         16         79         - Hydrax le         18         7         -61%         85           18         16         79         - Hydrax le         18         7         -61%         85           9         6         41         - Segmental Gross margin         - Filter (gross)

Source: Deutsche Bank and Company data

\* 1012 numbers are restated to give retrospective effect to acquisition of PT Hydraxle Perkasa

#### Date 30 April 2013

#### Results

Price at 30 Apr 2013 (IDR)	2,725
Price target - 12mth (IDR)	2,950
52-week range (IDR)	2,725 - 1,722
Jakarta Comp. Index	4,999.75

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Stock data						
Market cap (IDRb	3,923					
Market cap (USDm) 4						
Shares outstanding (m) 1,4						
Major shareholders						
Free float (%)						
Avg daily value tr (USDm)	0.000					
Key data						
FYE 12/31	2011A	2012E	2013E			
Sales (IDRbn)	1,808	1,930	2,383			
Net Profit (IDRbn)	200.9	210.1	230.9			
DB EPS (IDR)	139.52	145.92	160.38			
PER (x)	7.8	18.7	17.0			
Yield (net) (%)	12.0	3.5	3.8			

#### Deutsche Bank AG/Hong Kong

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