

May 21, 2015

**Selamat Sempurna, Tbk**

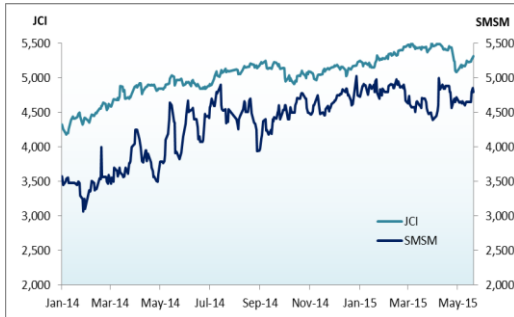
**Target Price**

**Primary Report**

<b>Low</b>	<b>High</b>
<b>5,025</b>	<b>5,950</b>

**Automotive and Components**

**Stock Performance**



Source: Bloomberg, PEFINDO Research & Consulting - Equity & Index Valuation Division



**PT SELAMAT SEMPURNA Tbk.**  
MEMBER OF ADR GROUP

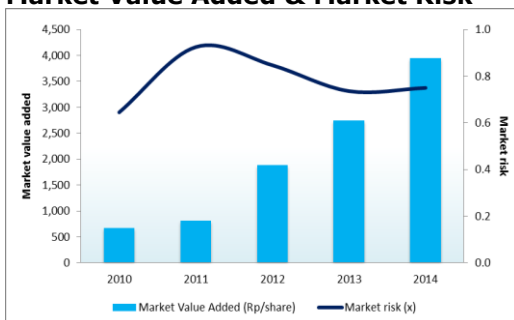
**Deserve to Be Favored**



**Stock Information**

	<b>IDR</b>
Ticker code	SMSM
Market price as of May 20, 2015	4,850
Market price - 52 week high	5,025
Market price - 52 week low	3,825
Market cap - 52 week high (bn)	7,234
Market cap - 52 week low (bn)	5,507

**Market Value Added & Market Risk**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division



**Shareholders**

	<b>(%)</b>
PT Adrindo Intiperkasa	58.13
Public (below 5%)	41.87

**Contact:**

Equity & Index Valuation Division  
Phone: (6221) 7884 0200  
info-equityindexvaluation@pefindo-consulting.co.id

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SMSM is part of a respective business group, ADR Group, a group renowned for its activities in production and distribution of automotive parts or components. SMSM position in the group is strategically important, as a flagship business arm for the group. SMSM is "the king" of filter manufacturer in the region with a large production capacity and extensive line of products. It has more than 8,000 parts, which is viewed as the most exhaustive filter and radiator manufacturer in terms of number of product types. Its products are distributed in more than 115 countries across the globe, where in most cases SMSM has registered its trademarks. Outside filter and radiator, SMSM also produces a wide range of other automotive components including oil coolers, condensers, brake pipes, fuel pipes, fuel tanks, exhaust systems, press parts, dump bodies, tanks, boxes, trailers, dump hoists, steel slitting equipment, shearing equipment, molding and dies. SMSM has been focusing its market on the aftermarket segment which sales contributed 90% to the company's revenues. The Company has an integrated business particularly from the integration of its sole distributor, PT Prapat Tunggal Cipta (PTC), into its business group.

## INVESTMENT PARAMETER

### U.S. and China to Boost Global Automotive Sales

The global light vehicle sales is estimated to hit 88.6 million unit in this year, representing a 2.4% growth from previous year's sales, based on IHS Automotive's estimates. This growth is fueled by improving sales in the U.S. market as well as the sales growth in China that will remain strong. However, there are some markets we need to be concerned about, particularly Russia and Brazil, which may underweight global automotive growth. We see that SMSM's export to the U.S. market will still be dominant as was in 2014 accounting for 18% of total export sales. However, this percentage was lower than that of 2007, a quarter of total export market. SMSM now has a greater number of countries to supply to. During 2007-2012 SMSM added 33 countries to its export destinations, and further added 7 more countries in 2013-2014. With such an extensive global market reach, we believe SMSM will benefit from its well-diversified market, especially in the event of downturn trend occurring in certain geographic areas.

### Less Favorable Domestic Car Sales

The car sales in domestic market in 2014 was relatively stagnant, where they slightly declined by 1.8% Y-o-Y, at 1.21 million units. Going into 2015, the sales continued to be soft as in the first quarter it fell by 14% Y-o-Y. Nonetheless, we remain optimistic about SMSM's prospect in the domestic aftermarket sales, considering its strong foothold in this segment as well as the investment commitments made by foreign car makers in Indonesia to expand their production capacity. We also put overweight on SMSM's prospect due to the measures taken by the government to accelerate infrastructure development especially in transportation infrastructure. We thus appreciate SMSM's efforts to continue to extend its distribution network to improve market outreach. It has opened a new sales branch office in Makassar in 2014, with the next office in Riau launched in 2015.

### Lower Export Sales in 1Q2015 after Stronger Result in Last Year

During 2014, SMSM's revenue growth is back to its pace. It posted 10.5% Y-o-Y revenue growth supported by the stronger filter export sales. On the other hand, radiator export volume saw another drop, three years in a row. In domestic market, filter and radiator sales volume dropped by 62% Y-o-Y and 4% Y-o-Y. A stronger demand in export market particularly comes from filter sales and the depreciating Rupiah value. The export sales can ease the pain of declining domestic market in SMSM's revenue growth prospects. Entering the first quarter of 2015, SMSM's performance was not so encouraging. Export sales however declined by 8% Y-o-Y, total sales volume of filter and radiator was down by 11% and 10% Y-o-Y, respectively; whilst corresserie sales volume weakened by 22%. Local sales remained stagnant, slightly declined by 0.17% Y-o-Y. There were nearly all markets, except Asia region, that suffered from declining sales in 1Q15. But the results in such countries as the U.S. (+13.5%), Thailand (+12%), Japan (+42.6%), Belgium (+93.9%), and Myanmar (+355%) demonstrated a growth prospect; therefore, we expect lower export sales will only be temporary.

### Improving Profitability, Conservative Capital Structure

SMSM's profitability has consistently been improving at least for the last three years. Its gross margin, operating margin, and net margin in 2014 recorded their all-time highs of 29.8%, 20.8%, and 14.8%, respectively. SMSM's balance sheet is also becoming stronger supported by its improving financial performance. It shows a strong EBITDA growth for the past five years, CAGR 20% during the period of 2009-2014. SMSM's capital structure was robust with debt to equity ratio (DER) standing at only 0.23x in 2014 and 0.18x in 1Q2015. Its debt to EBITDA ratio has also been low at 0.38x in 2014 and 0.30x in 1Q2015, indicating a very strong debt protection measures.

### Business Prospects

Taking into account its strong market penetration in global market, covering more than 115 countries, SMSM has cemented its strong market position. The improving U.S. Asia, and Western Europe markets will provide a good opportunity for SMSM to further realize its potential growth. Despite the slowdown in domestic market sales, we have confidence in the Company's growth prospect, as it has relentlessly taken measures to extend its line of products. The quality of its products has also been well maintained by the Company which gives a strong reason for customers to keep buying its products. Last but not the least, the Company has a sound balance sheet and strong cash flow which makes it a preferred or favorable choice of investment.

**Table 1: Performance Summary**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015P</b>	<b>2016P</b>
Revenue [IDR bn]	2,269	2,382	2,633	3,038	3,347
Pre-tax profit [IDR bn]	370	461	541	583	651
Net profit [IDR bn]	219	308	390	419	468
EPS [IDR]	152	214	271	291	325
EPS growth [%]	3.3	40.4	26.7	7.5	11.6
P/E [x]	16.6	16.1	17.5	16.6*	14.9*
PBV [x]	4.0	4.9	4.1	3.7*	3.3*

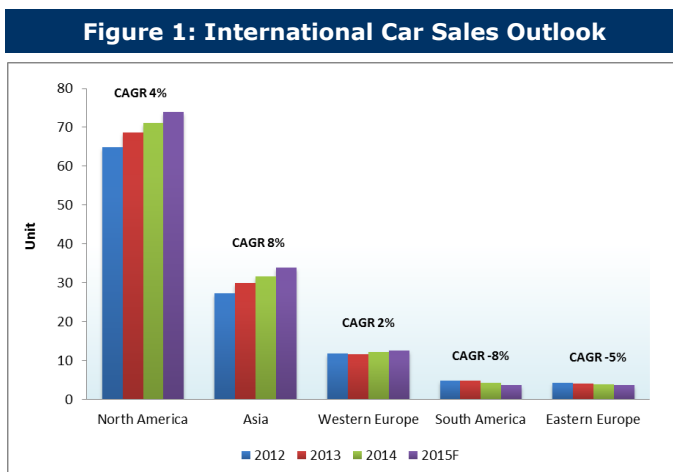
Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

\* Based on SMSM's share price as of May 20, 2015 - IDR4,850/share

**BUSINESS INFORMATION**

**Global Automotive to Expand in Key Markets, but Russia and Brazil may Underweight Growth**

The global light vehicle sales is estimated to hit 88.6 million units in this year, representing a 2.4% growth from previous year, based on IHS Automotive's estimates. This growth is fueled by improving sales in the U.S. market as well as the growing sales in China market. The sales in U.S. is expected to reach 17 million units driven by low gas price and financing availability. China market is estimated to generate sales of 25.2 million units, up by 7% from last year, on the back of improving financing access and expansion of distribution network by car dealers. Sales in West Europe is expected to rise by 3% this year, following 5% growth in 2014. However, there are some markets we are less pessimistic about, particularly Russia and Brazil. With current recession and currency volatility, Russia is expected to see 27% drop from last year. Meanwhile, Brazil's economy is slower in job creation, tighter financing policy, and has been raising tax rates which lead to a slash in sales estimation.

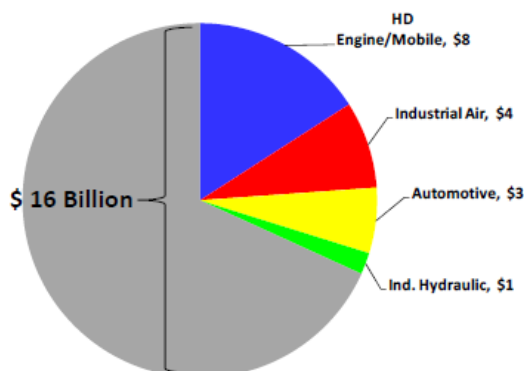


Source: Global Auto Report, PEFINDO Research & Consulting - Equity & Index Valuation Division

**More Diversified Global Market**

For export market, to grow its sales, SMSM will not only enter into new markets but also continue penetration in the existing markets. With positive development of global automotive market in general, SMSM has an optimistic view on SMSM's prospect in export markets. However, SMSM will not rely much on European market including Russian considering their recent economic and political developments. Export to U.S. is still dominant accounting for 18% of total export market in 2014. However, compared to the sales performance in 2007, US market contributed a quarter of total export market then. Thanks to SMSM's market diversification strategy. It now has more countries to supply to, while Asian markets have been growing to balance out the weight of U.S. market. During the period of 2007-2012, SMSM has added 33 countries to its export destinations, and further added 10 more countries in 2013-2014. With its diversified export market, we believe SMSM has an advantage to protect itself from any downside risk occurring in certain geographic areas.

**Figure 2: Targeted Global Filter Market**

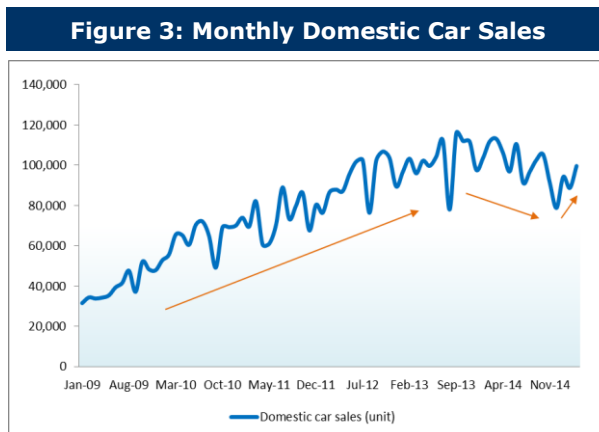


Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

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**Less Favorable Domestic Automotive Industry, Expectation from Infrastructure Development**

The domestic car sales saw a slight decline (-1.8% Y-o-Y) in 2014, at 1.21 million units vs. 1.23 million units in 2013. Entering 2015, car sales weakened further, as seen by the first quarter sales weakening by 14% Y-o-Y. Nonetheless, we remain optimistic about SMSM’s prospect in domestic market considering its strong foothold in aftermarket segment and the growing investment commitment made by Japanese automakers to expand their assembly lines in Indonesia. We also overweight SMSM’s prospect for the policies and measures taken by the Jokowi administration to accelerate infrastructure development, particularly transportation infrastructure (roads, bridges, toll roads, ports). We believe the impact it may have on the growth prospect of automotive sector in the country will only be positive. In the long run, the number of light and passenger vehicles will grow steadily, while in the short run the sector will see a moderate growth of vehicles used in the construction segment.



Source: Bloomberg, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Opening New Domestic Distribution Branches**

Strong and extensive distribution network is another strategic point when we see the value in this company. In domestic market, SMSM continues to strengthen its distribution network. SMSM has opened a new sales branch office in Makassar in 2014 with the next outlet launching in Riau this year. Therefore, we expect market penetration in domestic market to deepen eventually. Currently SMSM has sub-distributors located in eight major cities across the archipelago, i.e. Jakarta, Surabaya, Medan, Padang, Pekanbaru, Pontianak, Samarinda, and Makassar.

**Table 2: Sub Distributors**

City	No. of Sub Distributor	Marketing Area
Jakarta	1	Jakarta, West Java, Central Java, Lampung, South Sumatra, Bengkulu, Sulawesi, Kalimantan (exclude West Kalimantan)
Surabaya	1	East Java, Bali, East Nusa Tenggara, West Nusa Tenggara, Maluku, Moluccas and Papuan, West Irian
Medan	1	Aceh, North Sumatra
Padang	1	West Sumatra and its surrounding
Pekanbaru	1	Riau including Riau Islands (exclude Batam)
Pontianak	1	West Kalimantan and its surrounding
Samarinda	1	East Kalimantan
Makassar	1	South Sulawesi

Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Business Profile**

SMSM is a part of a renowned business group, ADR Group, engaged in the production and distribution of automotive components. SMSM’s position in the group is strategically important and a flagship business arm for the group. SMSM is a filter manufacturer king in the region backed by a large production capacity and extensive number of product types. It has more than 8,000 part numbers of autoparts and is even said to be the most exhaustive filter and radiator manufacturer in terms of the number of each product type.

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**Figure 4: Brands**



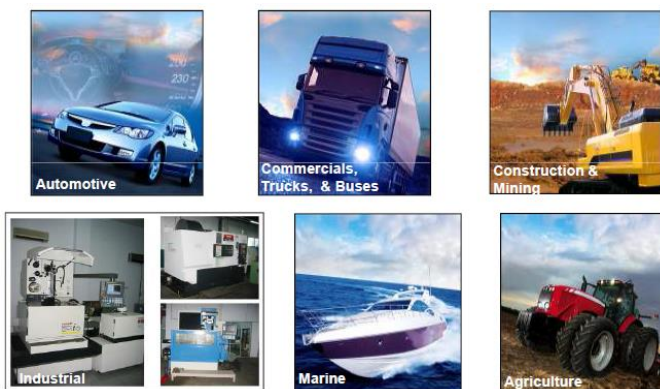
Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

We like SMSM for its extensive distribution channels and network, both globally and domestically. Today, It is capable of delivering products to more than 115 countries across the globe, where in almost every country SMSM has registered its trademark. Outside filter and radiator, SMSM produces a wide range of other automotive components including oil coolers, condensers, brake pipes, fuel pipes, fuel tanks, exhaust systems, press parts, dump bodies, tanks, boxes, trailers, dump hoists, steel slitting equipment, shearing equipment, molding and dies. SMSM has been focused on the aftermarket sales which make up 90% to the Company's total revenue. The Company has an integrated business particularly from the integration of its sole distributor, PT Prapat Tunggal Cipta (PTC), into its business group.

**Extensive Products, Wide Applications**

For strengthening its position in the market, SMSM relentlessly innovates through developing number of product types to meet the changing needs of the automotive industry. In a year, SMSM is able to add around 500 of part numbers or 2 part numbers in a day (effective operating day). As current position, there is more than 8,000 part numbers within its products portfolio with a wide application in many industries including automotive, construction, mining, marine and agriculture. The products serve not only aftermarket segment of the market but also the original equipment manufacturers (OEM) and original equipment suppliers (OES) segments. Among the brands under its management, Sakura, ADR-Radiator, ADR-Brake Parts, ADR-Dump Hoist, and ADR-Coolant are flagship brands well recognized by the market that at the same time represent a good quality. The extensive number of products, coupled with the wide applications of them, is the key to SMSM's competitiveness. As a result, its presence in both global and domestic market has been widely and easily recognized.

**Figure 5: Filter and Radiator Applications**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

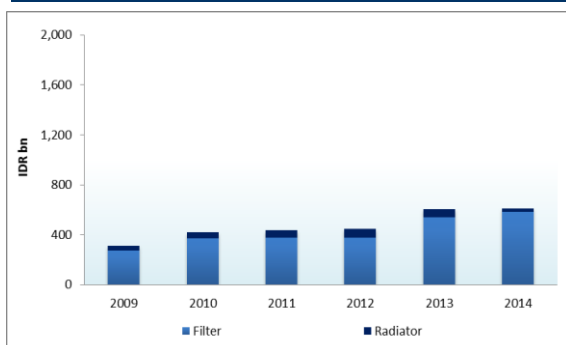
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**Stronger Export Market Demand in 2014, Temporary Decline in 1Q2015**

SMSM's revenue growth is back to its pace after only attaining a single digit growth for the past two years. Last year, it posted 10.5% Y-o-Y revenue growth backed by stronger export markets with filter as the prime mover. On the other hand, radiator export volume suffered from continuing decline, three years in a row, despite the fact last year it was decelerating to only -1% Y-o-Y. However, Rupiah depreciation during the year has helped SMSM's accounting sales. The export sales from filter and radiator as a result was significantly up by 28% Y-o-Y and 11% Y-o-Y, respectively.

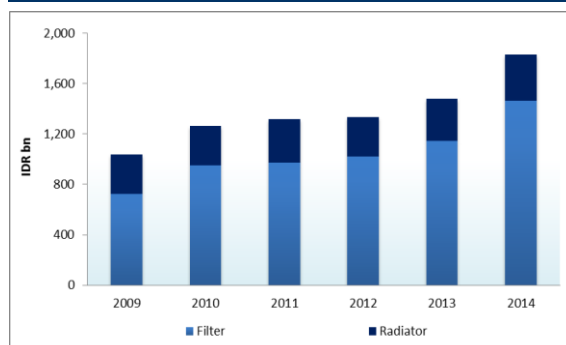
A stronger demand in export market particularly from filter sales and the depreciation of Rupiah have offset to certain extent the impact of the softening domestic sales on the Company's overall performance. Last year, filter and radiator sales volume in domestic market was down by a whopping 62% Y-o-Y and 4% Y-o-Y, respectively, while carrosseri sales volume saw a more than 30% Y-o-Y drop in two consecutive years. The weakening sales volume was also experienced in other automotive components such as fuel tank, muffler, and brake pipe.

**Figure 6: Domestic Sales of Filter and Radiator**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Figure 7: Export Sales of Filter and Radiator**



Source: PT Steel Pipe Industry of Indonesia Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

Meanwhile, entering the first quarter of 2015, SMSM's performance was not too encouraging to see either. The export sales declined by 8% Y-o-Y, with sales volume of filter and radiator falling by 11% Y-o-Y and 10% Y-o-Y, and corrosserie sales volume deteriorating by 22%. Local sales was a slight decline by 0.17% Y-o-Y.

In general, the market was softening in 1Q15 for SMSM with only a handful of export markets show a positive development. For instance, the U.S. market continues its positive trend with an expansion by 13.5% Y-o-Y. The Company's market penetration seem to have brought in some encouraging results on Y-o-Y basis from Thailand (+12%), Japan (+42.6%), Belgium (+93.9%), and Myanmar (+355%). Therefore, despite wide-ranging unfavorable development, we could expect SMSM to further penetrate the export markets and harvest when they rebound.

**Russia and Ecuador Sales to Rebound Immediately**

Two major countries as a main driver of export sales weakening is Russia and Ecuador. Sales in Russia dropped 74% Y-o-Y in 1Q2015 to only IDR6 billion due to Rubel deep depreciation to USD led to higher import price for local distributors. Russia's contribution to total sales of Europe region then declined to only 8% compared to 24% in 1Q2014. However, currently Rubel has been in a better situation, compared to its lowest peak of around RUB70/USD, now it has reached around RUB50/USD and remain in its stronger trend. Therefore, we expect sales in Russia is expected to rebound in 2Q2015.

Meanwhile, sales in Ecuador weakened due to import administration matter as in early of the year the Country started to apply "national standard" for import goods. This condition caused sales in Ecuador slashed to only IDR9 billion from IDR17 billion in 1Q2014 or a fall of 45% Y-o-Y. Ecuador sales contribution then declined from 13% in 1Q2014 to only 8%. The good news is, SMSM has completed all the administration requirements in early April 2015 and accordingly we expect sales in Ecuador will be back to normal phase soon.

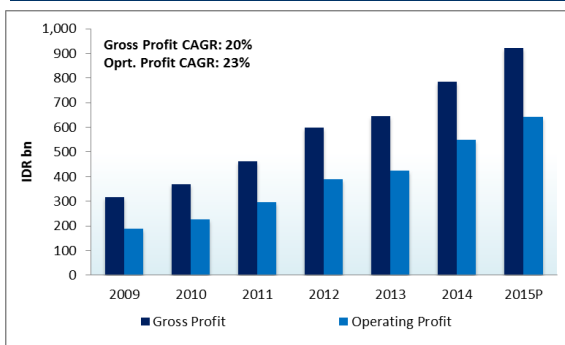
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**Steady Margins Hike**

A positive point deserves pointing out in SMSM’s performance, amidst braking sales in domestic market. The Company’s profitability measures have consistently improved at least for the last three years. Its gross margin, operating margin, and net margin in 2014 reached their all-time highs of 29.8%, 20.8%, and 14.8%, respectively, up from 24.2%, 15.9%, and 10.2% in 2011. The growing trend was still seen in 1Q2015, particularly for the gross margin. We argue the improving margins were as a result of more integrated business model.

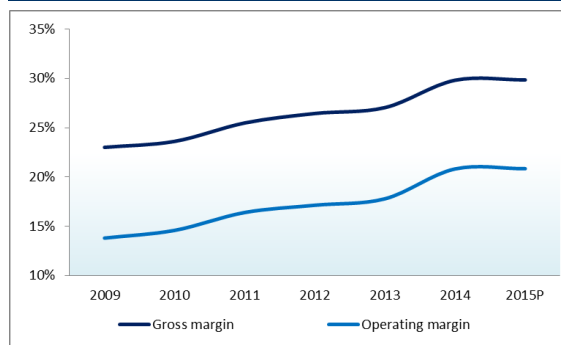
Since 2012 SMSM has completed the acquisitions of its affiliates not only to have more products in the portfolio but also in order to integrate the businesses vertically. The integration was effected with the acquisition of PT Selamat Sempurna Perkasa (a producer of rubber compound for automotive industry) as well as PT Prapat Tunggal Cipta (PTC), its sole distributor for domestic market. We feel its joint venture in PT Tokyo Radiator Selamat Sempurna contributes to the improvement of the overall production costs. The current business structure has allowed SMSM to generate better profitability, and we believe SMSM will be able to maintain it for years ahead. In addition, SMSM’s bottom line has also been expanded by lowering interest expenses with the maturing bond. It has lessened the debt servicing burden.

**Figure 8: Gross and Operating Profit**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Figure 9: Gross and Operating Margin**

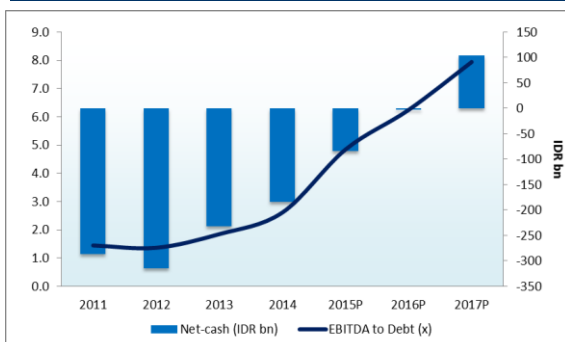


Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Strong Balance Sheet, Strong Cash Flow Protection**

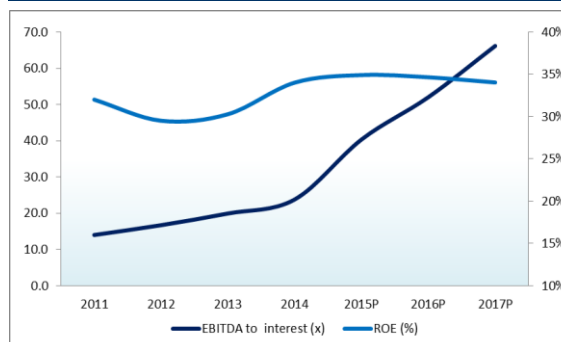
SMSM’s balance sheet is becoming stronger along with its improving performance. It has a remarkable EBITDA growth for years, CAGR 20% for 2009-2014. The Company we believe has been able to satisfy the shareholders with the growth of dividend payments over the years and at the same time to enlarge the shareholders’ equity by CAGR 16% for the last five years. Further, SMSM’s capital structure remains exceptionally healthy with debt to equity ratio (DER) standing at 0.23x in 2014 and 0.18x in 1Q2015. While its debt to EBITDA ratio was very low, 0.38x in 2014 and 0.30x in 1Q15, the cash flow protection has improved. The profits growth and margin expansions have also enhanced ROE reaching a stellar 34% in 2014 vs. 27% in 2009.

**Figure 10: Net Cash and EBITDA to Debt Ratio**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Figure 11: EBITDA to Interest and ROE**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

On the production side, as the Company still has a room for expansion in anticipation of market rebound, its capex will only be stable at around IDR100 billion per year that is mainly used for production facility maintenance. Sitting on a pile of cash, SMSM is on the lookout for target acquisition, which is to further expand its business structure with vertical integration or horizontal integration.

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On the financial risk side, with the bond maturing this year, its cash flow protection (EBITDA to Debt and EBITDA to Interest) will grow solid. This is reflected by the recent rating upgared by Pefindo to *id*AA on the bond.

## INDUSTRY COMPARISON

**Table 3: Performance of SMSM and Its Peers in 2014**

	SMSM	AUTO	INDS
Revenue [IDR bn]	2,633	12,255	1,867
Gross profit [IDR bn]	785	1,755	319
Before tax profit [IDR bn]	541	1,108	168
Net profit [IDR bn]	390	872	127
Total asset [IDR bn]	1,940	14,381	2,283
Total liabilities [IDR bn]	735	4,244	454
Total equity [IDR bn]	1,205	10,137	1,828
<b>Growth [Y-o-Y]</b>			
Net sales [%]	10.5	14.5	9.7
Gross profit [%]	21.9	6.1	(2.1)
Before tax profit [%]	17.3	(8.5)	(9.2)
Net profit [%]	26.7	(8.1)	(13.4)
<b>Profitability</b>			
Gross profit margin [%]	29.8	14.3	17.1
Operating profit margin [%]	20.6	9.0	9.0
ROA [%]	26.8	8.1	7.4
ROE [%]	32.4	8.6	6.9
<b>Leverage</b>			
Liabilities to equity [x]	0.6	0.4	0.2

Source: Bloomberg, PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

## TARGET PRICE

### VALUATION

#### • Methodology

We employed the *Discounted Cash Flow* (DCF) method as the main valuation approach considering that income growth is the value driver for SMSM instead of asset growth.

Furthermore, we also used the *Guideline Company Method* (GCM) as a comparison method.

This valuation is based 100% on the shares price as of May 20, 2015, using SMSM's Financial Report (unaudited) for the period ending March 31, 2015 as the basis for the analysis.

#### • Value Estimation

We applied a cost of capital and cost of equity of 10.1% and 10.5% in our valuation based on the following assumptions:

**Table 4: Assumption**

Risk free rate [%]*	8.1
Risk premium [%]*	5.3
Beta [x]**	0.5
Cost of Equity [%]	10.5
Marginal tax rate [%]	22.5
<b>WACC [%]</b>	<b>10.1</b>

Source: Bloomberg, PEFINDO Research & Consulting - Equity & Index Valuation Division

\* as of May 20, 2015

\*\* PEFINDO Beta as of May 21, 2015

The target price for 12 months, based on the valuation as of May 20 2015, is as follows:

- ❖ Using the DCF method with a discount rate assumption of 10.1%, it is IDR5,468-IDR6,054 per share.
- ❖ Using the GCM method (P/E 19.5x and P/Sales 1.9x), it is IDR3,957-IDR5,686 per share.

In order to obtain a value which represents both value estimates, we have weighted in the results of both DCF and GCM methods by 70%:30%.

Based on the above calculation, the target price of SMSM for 12 months is **IDR5,025-IDR5,950** per share.

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

	Conservative	Moderate	Optimist
PV of Free Cash Flows [IDR bn]	1,871	1,970	2,068
PV of Terminal Value [IDR bn]	6,148	6,472	6,795
Non-Operating Assets [IDR bn]	66	66	66
Debt [IDR bn]	(214)	(214)	(214)
Number of Shares [mn shares]	1,440	1,440	1,440
Fair Value per Share [IDR]	<b>5,468</b>	<b>5,761</b>	<b>6,054</b>

Source: PEFINDO Research & Consulting - Equity & Index Valuation Division

**Table 6: GCM Comparison**

	<b>SMSM</b>	<b>AUTO</b>	<b>Average</b>
P/E [x]	18.2	20.8	<b>19.5</b>
P/Sales [x]	2.6	1.2	<b>1.9</b>

Source: Bloomberg, PEFINDO Research & Consulting - Equity & Index Valuation Division

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

	<b>Multiple [x]</b>	<b>Est. EPS [IDR]</b>	<b>Est. BV/share [IDR]</b>	<b>Value [IDR]</b>
P/E	19.5	291	-	<b>5,686</b>
P/Sales	1.9	-	2,110	<b>3,957</b>

Source: Bloomberg, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Table 8: Fair Value Reconciliation**

	<b>Fair Value per Share [IDR]</b>		
	<b>DCF</b>	<b>GCM</b>	<b>Average</b>
Upper limit	6,054	5,686	<b>5,950</b>
Bottom limit	5,468	3,957	<b>5,025</b>
Weight	70%	30%	

Source: PEFINDO Research & Consulting - Equity & Index Valuation Division

**Table 9: Consolidated Statement of Comprehensive Income**

IDR bn	2012	2013	2014	2015P	2016P
Net revenue	2,269	2,382	2,633	3,038	3,347
COGS	(1,669)	(1,738)	(1,848)	(2,175)	(2,394)
<b>Gross profit</b>	<b>600</b>	<b>644</b>	<b>785</b>	<b>863</b>	<b>953</b>
Operating expense	(211)	(220)	(237)	(274)	(302)
<b>Operating profit</b>	<b>389</b>	<b>424</b>	<b>548</b>	<b>589</b>	<b>652</b>
EBITDA	520	604	678	720	793
Other income (charges)	(19)	37	(7)	(6)	(1)
<b>Pre-tax profit</b>	<b>370</b>	<b>461</b>	<b>541</b>	<b>583</b>	<b>651</b>
Tax	(83)	(108)	(120)	(131)	(147)
<b>Net profit</b>	<b>219</b>	<b>308</b>	<b>390</b>	<b>419</b>	<b>468</b>

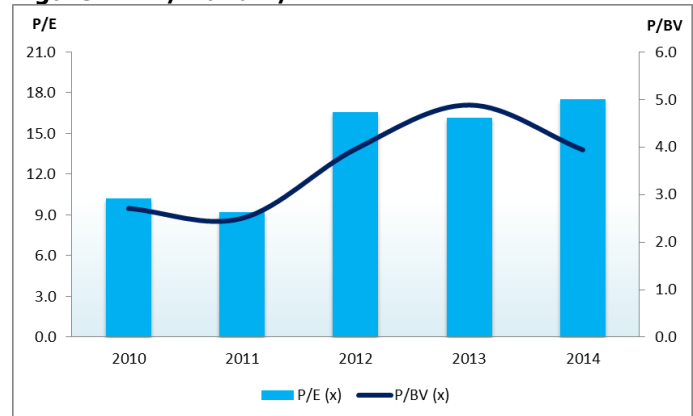
Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Table 10: Consolidated Statement of Financial Position**

IDR bn	2012	2013	2014	2015P	2016P
<b>Assets</b>					
Cash and cash equivalents	66	95	76	72	120
Receivables	470	565	575	592	652
Inventory	429	402	432	477	525
Other assets	29	47	51	59	68
<b>Total current assets</b>	<b>995</b>	<b>1,108</b>	<b>1,134</b>	<b>1,199</b>	<b>1,364</b>
Fixed assets	515	493	493	528	524
Other assets	56	112	123	127	135
<b>Total assets</b>	<b>1,565</b>	<b>1,713</b>	<b>1,749</b>	<b>1,855</b>	<b>2,023</b>
<b>Liabilities</b>					
Trade payables	103	166	152	179	197
Short-term debt	294	237	283	161	147
Other short-term liabilities	85	121	101	114	129
Long-term debt	111	115	-	26	20
Other long-term liabilities	54	56	66	72	80
<b>Total Liabilities</b>	<b>647</b>	<b>696</b>	<b>603</b>	<b>552</b>	<b>573</b>
Minority interest	175	169	142	149	156
<b>Total Equity</b>	<b>918</b>	<b>1,017</b>	<b>1,147</b>	<b>1,302</b>	<b>1,450</b>

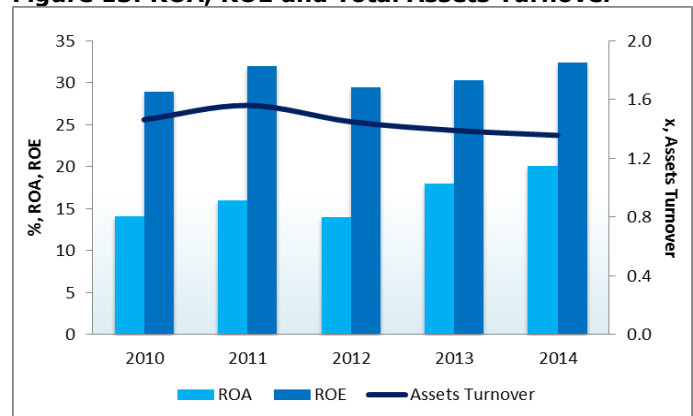
Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Figure 12: P/E and P/BV**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Figure 13: ROA, ROE and Total Assets Turnover**



Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

**Table 11: Key Ratios**

	2012	2013	2014	2015P	2016P
<b>Growth [%]</b>					
Net revenue	9.5	5.0	10.5	15.4	10.2
Operating profit	18.4	9.0	29.3	7.5	10.6
EBITDA	18.0	16.2	12.2	6.2	10.2
Net profit	3.3	40.4	26.7	7.5	11.6
<b>Profitability [%]</b>					
Gross margin	26.4	27.0	29.8	28.4	28.5
Operating margin	17.1	17.8	20.8	19.4	19.5
EBITDA margin	22.9	25.4	25.7	23.7	23.7
Net margin	9.7	12.9	14.8	13.8	14.0
ROA	14.0	18.0	22.3	22.6	23.1
ROE	29.5	30.3	34.0	32.2	32.3
<b>Solvability [x]</b>					
Debt to equity	0.7	0.7	0.5	0.4	0.4
Debt to asset	0.4	0.4	0.3	0.3	0.3
<b>Liquidity [x]</b>					
Current Ratio	2.1	2.1	2.1	2.6	2.9
Quick Ratio	1.2	1.3	1.3	1.6	1.8

Source: PT Selamat Sempurna Tbk, PEFINDO Research & Consulting - Equity & Index Valuation Division

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