Good earnings momentum may sustain

Prasetya Gunadi
+62 21 2854 8320
prasetya.gunadi@samuel.co.id

Samuel Research Team
+62 21 2854 8148
riset@samuel.co.id

4Q22 results review. Seventy-two companies under our coverage have released their 4Q22 results, with overall results marginally exceeding our expectations. Of the 72 companies, 21% booked in-line 4Q results, 39% above and 40% below expected. The banking sector experienced a solid quarter, driven by loan growth and lower provisions, while consumer staple players survived commodity price spike (mainly wheat and CPO), supported by aggressive ASP hikes. The metal mining sector also contributed to robust earnings in 4Q22 due to the higher nickel price (+28% YoY and +15% QoQ).

More favorable outlook going forward. JCI has shown resiliency thus far this year, despite its significant outperformance last year. We observed that foreign investors started to re-enter the equity side in Feb-23, with an average monthly foreign inflow of IDR5.2tn. Foreign investors' positioning remains OW in Indonesia, particularly in the banking sector, and they started to enter the telco and metal mining sectors in 1Q23. We maintain our view for a more favorable outlook in 2H23, as foreign investors will continue to re-enter the equity side, supported by the improvement in Indonesia's economic growth, primarily due to domestic demand (partially due to election-related spending) amid rising global macro volatility. In addition, we believe that The Fed may reevaluate its hawkish stance by reversing its monetary policy in 2H23. We believe that foreign investors won't be the only ones who will drive the market going forward, and local funds will also play a big part, as interest rates are likely to have peaked and JCI is currently trading at an attractive 13.4x forward P/E (below -1.5sd).

Stick to fundamentally sound stocks. We believe stocks with strong fundamentals and earnings outlooks will outperform JCI. In our opinion, the banking sector will remain the main driver of JCI's earnings growth in 2023, as we believe that the banks under our coverage can absorb the potential risks of higher NPLs and improve their NIMs in 2023 (especially big banks) amid high interest rate environment, paving the way for an earnings growth of +12.4% in 2023F. Consumer staple players will also continue to see solid margins, even though they should be more careful with their prices to maintain their market share. We also continue to favor the telco sector, as we see potential positive catalysts from election-related trickle-down effects in 2H23 and more mature competition in the industry. We project mid-to-high single-digit growth in the ARPU of Indonesian telco companies in 2023F, while for data traffic, we expect a ~30% YoY growth in 2023F (2022F growth: ~20%), driven by the election momentum.

Maintain our JCI target at 7,600. Post-FY22 results, we project JCI earnings to grow by 10.5% in 2023F. Based on our earnings forecast, our fundamental base case scenario index target for 2023F is 7,600, with a P/E of 15.0x. Strong bond inflows of IDR 55.7tn YTD have lifted rupiah to IDR 14,800 (vs.IDR 15,600 at the end of FY22) as well as bond yield to 6.7% (vs. 7.1% at the end of FY22), which we believe might help to increase the value to the equity over the long run, as Indonesia is perceived as a 'safe haven' in the midst of rising global macro volatility, on defensive domestic household consumption. Our top picks are BBNI, BBRI, ISAT, JSMR, NCKL, BIRD, RAJA, ICBP.

Table 1. 12-month top picks

Ticker	Recommendation	CP	TP	Upside	Net Profit Growth (%)		ROE (%)		ROA (%)	
		IDR	IDR	%	23F	24F	23F	24F	23F	24F
BBNI	BUY	9.450	12.700	34%	19,4%	10,1%	15,0	14,5	2,1	2,1
BBRI	BUY	4.990	6.200	24%	10,5%	11,3%	18,2	18,7	3,0	3,2
ISAT	BUY	6.650	10.500	58%	-54,5%	8,9%	6,7	7,0	1,9	2,0
JSMR	BUY	3.290	4.900	49%	-21,4%	8,7%	7,3	7,4	2,1	2,2
NCKL	BUY	1.400	2.000	43%	97.84%	18.17%	38,4	27,0	25,8	21,9
BIRD	BUY	1.640	2.000	22%	7,0%	15,4%	6,9	7,6	4,7	5,2
RAJA	BUY	950	1.500	58%	166,2%	0,6%	11,5	10,1	6,2	5,8
ICBP	BUY	10.225	12.000	17%	13,3%	12,8%	19,1	18,9	6,7	7,1

Source: SSI Research

Post 4Q22 results and looking ahead to 2023F:

1) **Banking sector (Overweight)**
   - Following the release of 4Q22 results, most Indonesian banks will continue to prioritize asset quality in 2023F and remain cautious when giving loans. Regarding NIM, most banks predicted that NIM should remain relatively stable or improve from 2022. Moreover, the cost of credit will continue to decline in 2023F, given the adequate provision buffers and the fact that OJK has decided to extend the relaxation period for banking credit restructuring to 31-Mar-2024. We believe that the banks under our coverage can absorb the potential risks of higher NPLs and improve their NIMs in 2023 (especially big banks) amid high interest rate environment, paving the way for an earnings growth of +12.4% in 2023F.
   - BBNI (BUY, IDR 12,700) and BBRI (BUY, IDR 6,200) are our top picks in the banking sector. BBNI has done impressive internal revamps, which should lead to better asset quality, and we believe that its valuation gap to its closest peer (BMRI) should become narrower. Meanwhile, BBRI should be able to book double-digit loan growth in 2023F, aided by the Kupedes program, which will result in a higher NIM despite some pressure in the CoF. Additionally, BBRI has a solid capital structure, with a CAR of 23.3% in 12M22.

2) **Telco sector (Overweight)**
   - We project mid-to-high single-digit growth in the ARPU of Indonesian telco companies in 2023F, while for data traffic, we expect a ~30% YoY growth in 2023F (2022F growth: ~20%), driven by the election momentum. Previously, telco companies in other countries (Malaysia, Thailand, China, and India) started to record higher data traffic two quarters before elections, ranging from ~+4-100%. We also expect that the competition in the fixed broadband market will remain tight in 2023F, considering the relatively low fiber penetration in Indonesia (~30%).
   - We see potential positive catalysts from election-related trickle-down effects in 2H23, as well as more mature competition in the industry. Our pecking order for the sector is ISAT (TP: IDR 10,500)>TLKM (TP: IDR 5,000) > EXCL (TP: IDR 2,700), considering the impact of IoH's network integration in 1Q23, its inorganic subscriber growth, and its robust balance sheet that put IoH in an excellent position to participate in the spectrum auction in 2H23.

3) **Consumer staples sector (Overweight).**
   - Overall, most consumer staple players experienced positive growth in FY22, even with the commodity surge (mainly wheat and CPO prices due to the Russia-Ukraine war), supported by aggressive ASP hikes. Going forward, we expect consumer staple players to be more careful with their prices to maintain their market share. In line with stable IKK >100 (consumer confidence index), rupiah's positive momentum, and declining commodity prices, all consumer players are confident of achieving positive growth this year.
   - As a defensive sector, most consumer players managed to book stable revenue growth even during the COVID-19 pandemic, with ICBP reporting the best performance (+53.2% 2019 revenue), while UNVR still fell short behind its pre-covid performance (-4.0% 2019 revenue).

4) **Oil and Gas sector (Overweight).**

- Even with the recent drop in ICP projection to IDR 70/bbl, we believe oil prices to remain elevated, reaching USD 86/bbl this year, due to OPEC's decision to cut production by 1.16 mmbopd, which might jack up prices. However, Indonesian O&G companies are now focusing more on natural gas, due to its stable price (Henry Hub price: USD 2.13/mmbtu) and its ability to become a proxy for renewables. Several O&G companies will conduct further corporate action this year, some of which are PGAS's Fasken block divestment and MEDC's Amman IPO. Also, gasoline consumption is projected to increase to 670 mbopd in 2023, which may provide some upside for several O&G companies.

5) **Automotive sector (Overweight).**

- The Indonesian automotive industry experienced a thrilling recovery in 2022, particularly the 4W sector, whose FY22 sales (1.05 million units, +18.1% YoY) exceeded our projections (960,000; 109.2% of SSI's FY22 projection) and even the pre-pandemic levels (2019: 1.03 million units). We also saw satisfactory sales figures from the 2W sector (5.2 million units, +3.2% YoY), successfully overcoming the semiconductor supply problem that severely impacted 2W sales in 2Q22 (-14.9% YoY).
- We expect another positive year for the Indonesian automotive industry in 2023, with projected 4W sales of 1 million units and 2W sales of 5.5 million units, in line with the Association of Indonesia Motorcycle Industry (AISI)'s target. Going forward, we expect EV sales in Indonesia to spike, supported by government incentives such as IDR 7 million subsidies for 2W (Gesits, Selis, Volta, United, Smoot, Viar, Rakata, dan Polytron) and tax incentives for 4W (Hyundai Ioniq 5 & Wuling Air EV). The incentives will be provided to 200,000 2W EV units (UMKM will be prioritized), 50,000 converted 2W units, 35,900 4W EV units, and 138 electric bus units.

6) **Cement sector (Overweight).**

- The Indonesian cement industry experienced a challenging year in FY22, mainly due to coal and fuel spike, inflation, and oversupplied market. The oversupplied market prevented most cement players from raising their ASP to keep up with soaring costs, putting pressure on their margins. Also, inflation-driven drop in purchasing power led to a -3.4% YoY decline in cement consumption in FY22.
- We believe that the Indonesian cement industry will experience a rebound in FY23F even if the oversupply problem persists, supported by the decline in coal and fuel prices, as well as the +7% increase in state budget allocation for infrastructure. Also, the IKN project might help boost cement demand in FY23F (INTP projected that demand from IKN might reach 500 thousand – 1 million tons this year).

7) **Telco infra (Overweight).**

- We believe the Indonesian telco tower sector will continue to thrive, especially in the 5G era. In our opinion, Indonesia still has significant headroom for 4G and 5G expansion, considering the relatively low 4G penetration rate (66%) with an average internet speed of 15.1 Mbps (Asian average: 20.6 Mbps), which should help increase demand for data infrastructure. Also, the rapid growth of data usage in Indonesia (CAGR 2017-2021: +64.4%) will 'force' telco companies to develop their infrastructure to keep up with demand and compete with each other, boosting demand for infrastructure even further.
- Other factors that might help increase demand for telco towers and other telco infrastructure include the low tower coverage (1:2,700), demand from MNOs planning to expand their network, and demand for new towers and fiber optic lines to support 5G penetration (which is expected to start in 2025).

8) **Plantation (Overweight).**

- We believe demand for CPO will remain strong in 2023, supported by post-Covid-19 economic recovery, particularly in China, India, and Pakistan. In addition, demand from Indonesia's biodiesel program will increase by around 15% as the country transitions from B30 to B35. Meanwhile, demand from Europe is expected to slow even further. Even though CPO prices have fallen from an all-time high as global commodity prices continue to normalize, we believe that CPO prices will remain at MYR 4,000/ton or IDR 12,000/kg level, which is still higher than during the pre-covid period. Therefore, we reiterate our Overweight rating for the CPO sector.

9) **Healthcare sector (Neutral)**

- In 2023F, we expect healthcare companies under our coverage to book low-to-mid double-digit revenue growth, driven mainly by patient traffic and revenue per patient. Given the upward trend of base cases complexity in 4Q22 (cumulative ALOS 4Q22: ~2.84 days vs. ALOS 4Q19 ~2.80 days), we expect ALOS to remain stable at ~2.9 days in 2023F. Regarding the new INACBG rate, we believe that the impact of the new rate might be less significant than our initial estimates; SILO indicates that the impact of the new rate on its bottom line is projected to reach ~IDR 75-100 bn (our estimate: + IDR113 bn), while MIKA and HEAL provide EBITDA margin guidance of ~36-38% (estimate: ~39%) and ~28 -30% (estimate: ~31.1%). However, we expect to see positive impacts from the new CoB scheme and the new regulation that allows class 2 patients to upgrade to the VIP class.
- We pick HEAL as our top pick, with a BUY recommendation and a TP of IDR 1,700 (15.1x 23F EV-to EBITDA). We believe that the new INACBG rate and CoB scheme will benefit those with larger share of JKN users, giving them more flexibility to adjust their ASP in the long term.

10) **Coal sector (Neutral).**

- In 2023F, we expect most of our coverage to increase production: ADRO is expected to increase its coal production volume by 1.5%, PTBA by 10.5%, and BUMI by 4%-11%, while ITMG's coal production volume is projected to remain flat.
- In addition, we set our global coal price projection at USD 220/ton (37% lower than in 2022), leading to lower net profit projections for coal mining companies. We forecast ADRO, ITMG, and PTBA to book YoY net profit decline of -25%, -44%, and -13%, respectively, in 2023F. On the flip side, we expect BUMI to book net profit growth of 5.9%, partly due to lower interest expense, as the company already repaid the debt using non pre-emptive rights (NPR) proceeds.

11) **Metal mining sector (Neutral).**

- As we expect robust growth in the nickel industry going forward, we expect more surpluses in 2023F. As a result, we expect global nickel prices to decline to USD 23,500 per ton (-9.6% YoY) in 2023F. Despite the lower nickel price assumption, we believe most of our coverage to report solid earnings growth in 2023F, driven by additional earnings from new projects. On the cost side, we expect nickel players under our coverage to book lower input costs, especially those with blast furnaces and RKEF smelters, as we project energy commodities, i.e crude oil and coal, to slump in 2023F. As for gold outlook, we continue to prefer gold over other metals, mainly due to elevated inflation, economic slowdown, and the possibility of a slower Fed rate hike.
- Among nickel mining companies under our coverage, we pick NCKL as our top pick, considering its position as an Integrated nickel manufacturer which produces ferronickel and nickel-cobalt compounds using its ~26ktpa RKEF smelter and ~37ktpa HPAL smelter (NCKL is the first mover in the Indonesian HPAL sector). The company's FeNi production capacity is projected to reach 305ktpa in 2025E (supported by its RKEF projects), while its HPAL production capacity is projected to reach 120ktpa in 1Q24, assuming full utilization. Our analyst forecasts revenue growth of +165% YoY and +39% YoY and NPAT growth of +98% YoY and +18% YoY in 2023E-24E, respectively, mainly driven by higher production volume. Even after the 10% increase in its share price after its IPO, NCKL stock still trades at ~8x P/E 2023E (34% discount to industry average). We have a BUY rating on NKCL and a SOTP-based TP of IDR 1,700 per share (11.2x 2023F P/E).

12) **Property sector (Neutral).**

- We see 2023 as a potential turning point for the property sector. As we get closer to the BI rate peak, mortgage rate hikes might stop, and it could start to decline once BI decides to lower BI 7DRR. In addition, several large banks are still providing attractive mortgage promotions, and we also expect to see better recurring income due to the recovery of mobility. However, the government has stopped various incentives for the property sector, which might reduce demand for property. We also like industrial estate developers, given the ongoing infrastructure development and potential demand from various industries, including data centers, logistics, and automotive. Therefore, we give a NEUTRAL rating for the property sector with BSDE (BUY, IDR 1,240) and SSIA (BUY IDR 450) as our top picks.

13) **Technology sector (Neutral).**

- With layoffs and funding freeze, we see the tech winter is here to stay, at least through the end of the year. Companies are now focusing on achieving early profitability (BUKA and GOTO target to book positive EBITDA by 4Q23 EBITDA). In our view, BUKA is the clear winner in the race for early profitability, considering its ability to reduce S&M expense and boost take rate with its specialty verticals. GOTO, on the other hand, might experience a challenging year, considering the fact that it has to bounce back from its -IDR 40 trillion loss in FY22 and keep its businesses running using only its internal cashflow. Stories around tech will also revolve around EV, as NFCX has just been granted the IDR 7 million 2W EV subsidy, which may boost Volta sales.

14) **Poulty sector (Neutral).**

- We expect the poultry industry to feel the impact of raw material surge and low demand for broilers & DOC, at least through 1H23. One thing that might alleviate the burden is solid production and exports of soybean meal from Argentina and Brazil, which, according to USDA, should help suppress the price of soybean meal to USD 550/kg in 2023 (vs. USD 575/kg in 2022). Then, we project the industry to see some recovery in 2H23, supported by the increase in demand as global and domestic macroeconomic conditions continue to improve. Poultry sector will also benefit from the recent poultry adjustment policy, including the culling of 104 million DOC FS from 25 February – 15 April, and we expect to see more culling instructions in the upcoming months.

15) **Media sector (Neutral).**

- Our research revealed that in FY22, FMCG companies cut their advertising budgets by -624 bps, while tech companies cut theirs by -1,123 bps, and we expect more cuts in the future, which could lead to rate cuts and hurt media companies' performance. Even with the upcoming election year (which should generate demand for FTA advertising from political parties), due to budget constraints, it may not be enough to support the FTA market in 2023.

16) **Retail (Neutral).**

- Supported by the decline of Covid-19 cases in Indonesia (which led to mobility recovery), all retailers under our coverage booked positive revenue growth in FY22, with MAPI reporting the best revenue growth (+46.2% YoY) and becoming the only retailer under our coverage managed to exceed its pre-pandemic revenue figure (FY19; +24.5%). We expect the positive momentum in the retail sector to continue this year (FY23F), supported by the revocation of PPKM (social restriction), aggressive expansion carried out by retailers, and rupiah appreciation.

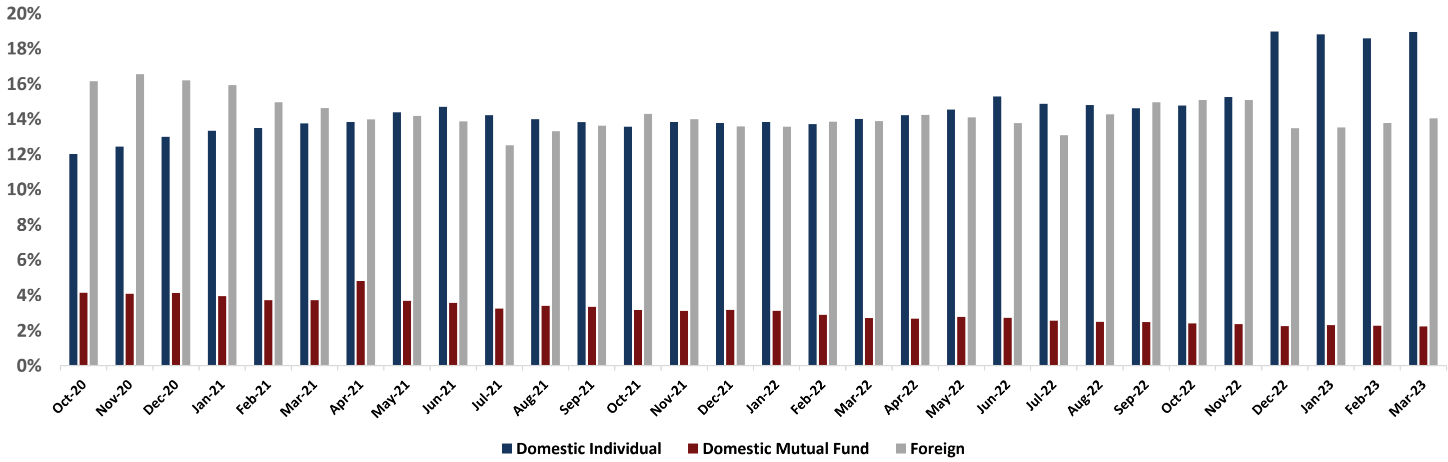
17) **Cigarettes (Underweight).**

- We believe that the tax gap between Tier I and Tier II producers (~40%) makes it difficult for Tier I producers (such as HMSP and GGRM) to increase market share without losing profit margins. On the other hand, the volume of national cigarette consumption is expected to grow slightly in FY23F, supported by post-pandemic economic recovery.

18) **Construction (Underweight).**

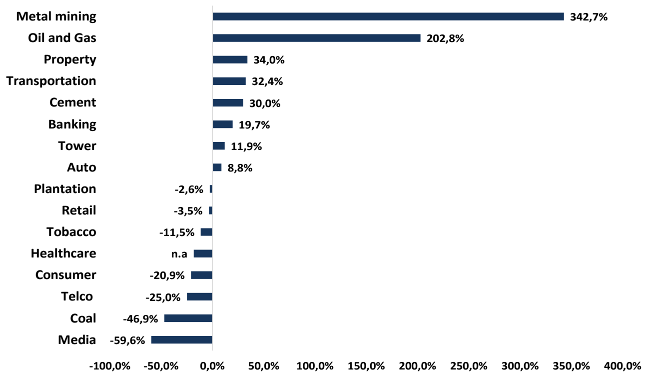
- Indonesian construction companies secured IDR 108.5 trillion in new contracts in FY22 (+29.5% YoY). For 2023, we expect those companies to book a rather moderate new contract growth of ~10%. There are a lot of uncertainties in the construction sector ahead of a political year (2024 election), prompting project owners (particularly private ones) to take a wait-and-see approach. Therefore, we believe that most of the new contracts for construction companies in 2023F will come from the government, including strategic projects and IKN-related contracts. Despite the catalyst from IKN and the increase in the infrastructure budget, the construction sector is still burdened by high levels of debt and high interest rates. In addition, elevated building material prices, as indicated by the wholesale price index for building materials (IHPB) (March 2023: 117.20, March 2022: 11.95), might hurt those companies' performance even further. Therefore, we believe that the construction sector will remain under pressure in 2023, prompting us to provide an 'Underweight' rating with ADHI (BUY, IDR 480) as the top pick, mainly due to two factors: 1) the company's balance sheet gained some boost from its rights issue proceeds, allowing the company to take on more new contracts, and 2) the company managed to exceed its pre-pandemic new contract figure in FY22.

Figure 1. Domestic and foreign ownership for JCI



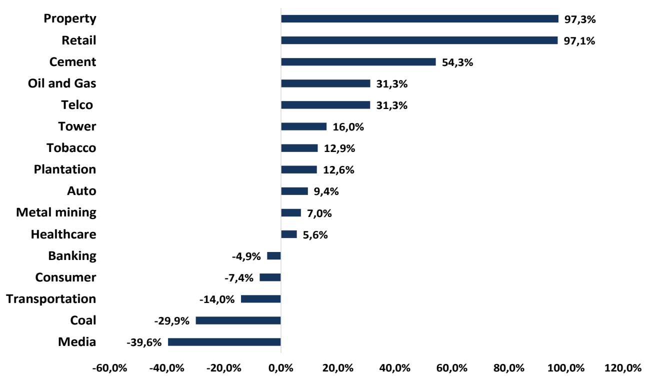
Source: KSEI, SSI Research

Figure 2. SSI sectoral coverage 4Q22 YoY growth



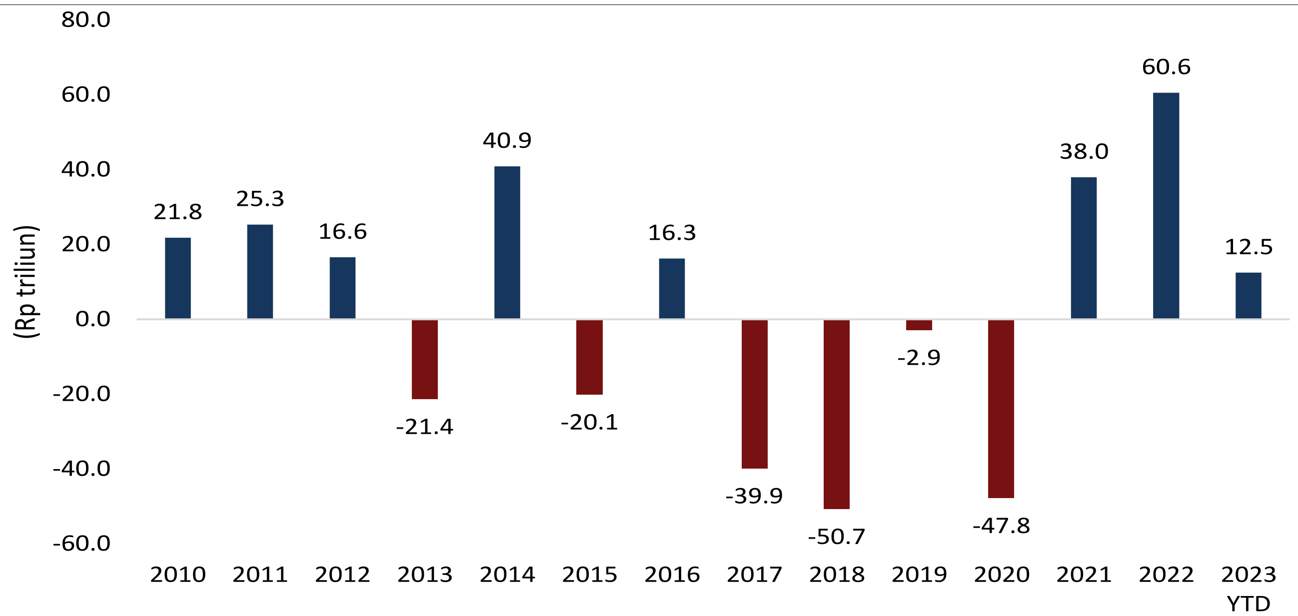
Source: Bloomberg, SSI Research, Companies

Figure 3. SSI sectoral coverage 4Q22 QoQ growth



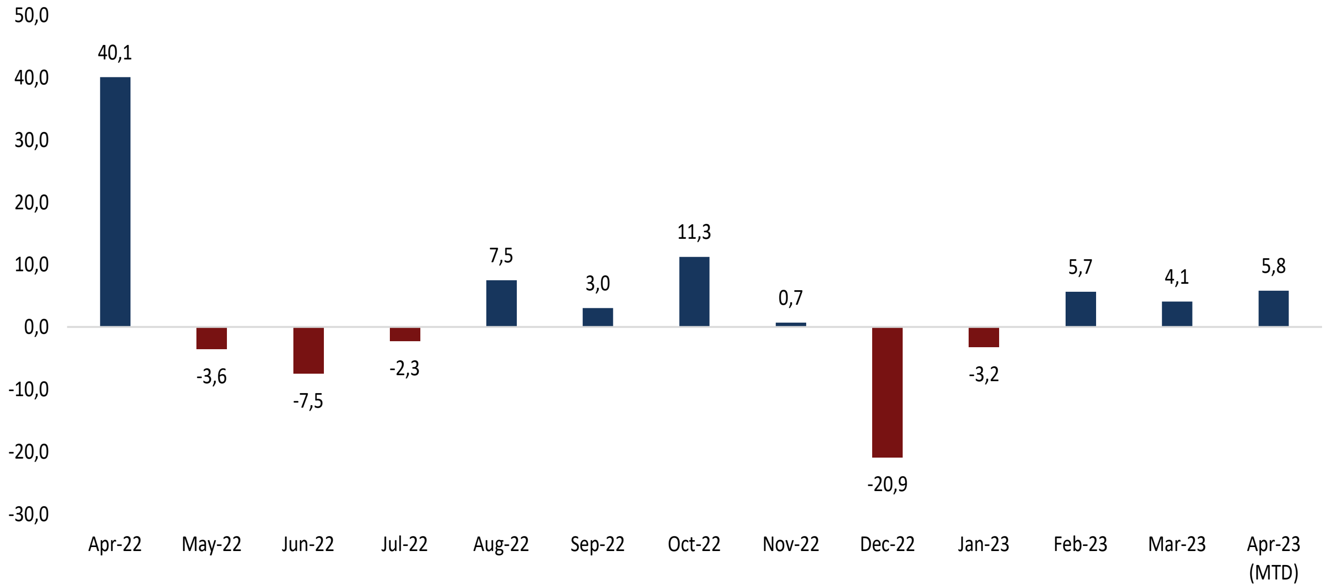
Source: Bloomberg, SSI Research, Companies

Figure 4. Domestic equity foreign flow (IDR, Tn)



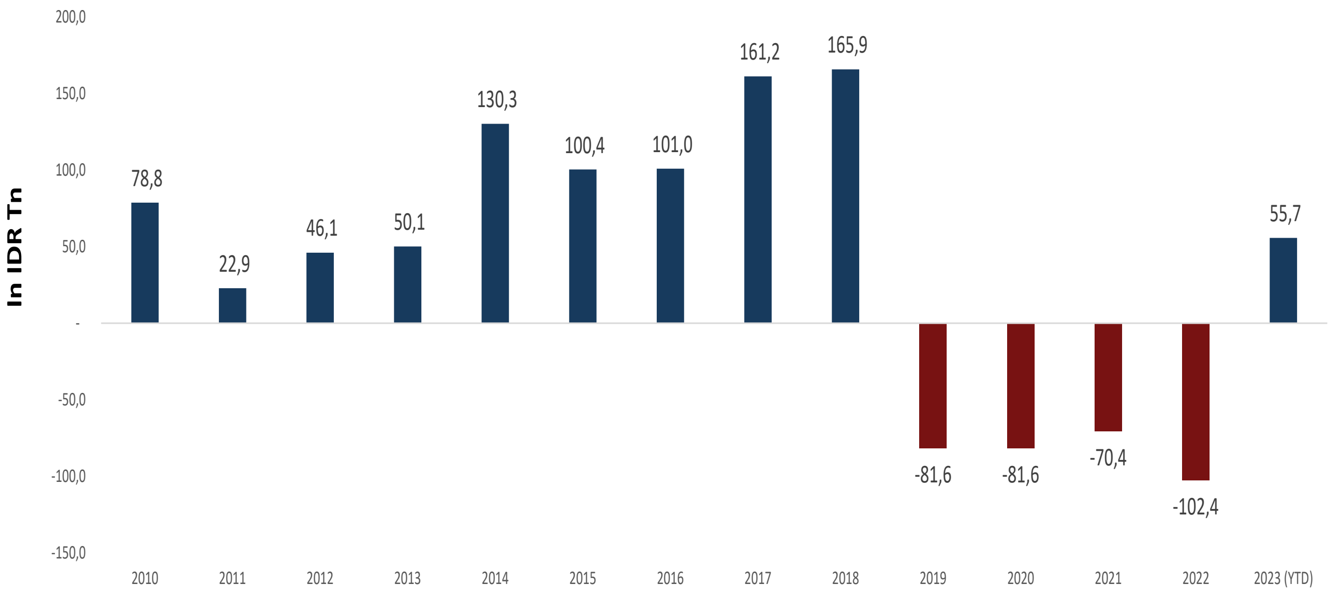
Source: Bloomberg, SSI Research

Figure 5. Domestic monthly equity foreign flow 4M23 (IDR, Tn)



Source: Bloomberg, SSI Research

Figure 6. Domestic monthly bond flow (IDR, Tn)



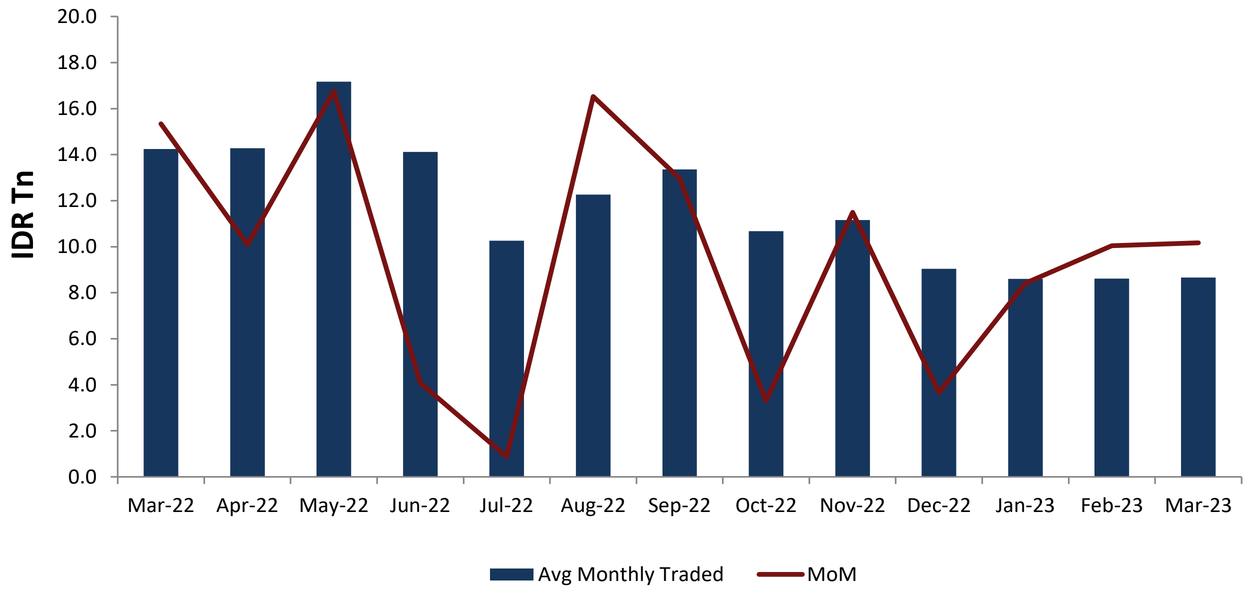
Source: Bloomberg, SSI Research

Table 2. Sectoral distribution of foreign ownership

Sector	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Bank	34%	34%	34%	35%	34%	34%	34%	35%	35%
Digital banks	0%	0%	1%	1%	1%	1%	1%	1%	1%
Consumer Staples	16%	17%	17%	19%	19%	21%	22%	23%	23%
Cigarette	15%	15%	14%	13%	14%	13%	13%	12%	11%
Healthcare	4%	5%	5%	5%	5%	5%	4%	4%	4%
Poultry	4%	4%	4%	4%	4%	4%	4%	4%	4%
Retail	20%	20%	20%	20%	19%	18%	17%	16%	14%
Pulp and Paper	7%	7%	6%	6%	6%	6%	6%	6%	6%
Media	8%	8%	8%	8%	9%	9%	9%	8%	8%
Telco	19%	17%	13%	14%	14%	15%	15%	15%	15%
Telco Infra	18%	17%	16%	16%	15%	15%	15%	13%	12%
Auto	40%	38%	39%	32%	12%	13%	14%	14%	14%
Mining Contracting	32%	34%	34%	37%	38%	41%	40%	38%	38%
Property	11%	11%	10%	10%	11%	12%	12%	12%	12%
Industrial estate	6%	6%	5%	6%	6%	5%	4%	4%	4%
Construction	7%	7%	6%	6%	6%	7%	7%	7%	8%
Cement	24%	24%	24%	23%	21%	21%	20%	20%	20%
Precast	2%	2%	2%	2%	2%	2%	2%	2%	2%
Oil and Gas	10%	10%	10%	10%	10%	11%	11%	11%	11%
Chemical	2%	2%	2%	2%	2%	2%	3%	3%	2%
Utilities	18%	17%	17%	17%	16%	16%	16%	17%	20%
Metal	6%	6%	7%	7%	7%	9%	9%	9%	9%
Coal	11%	12%	11%	11%	12%	11%	12%	11%	12%
Plantation	5%	4%	5%	5%	6%	7%	8%	7%	7%
Technology	1%	1%	3%	3%	3%	3%	3%	3%	4%

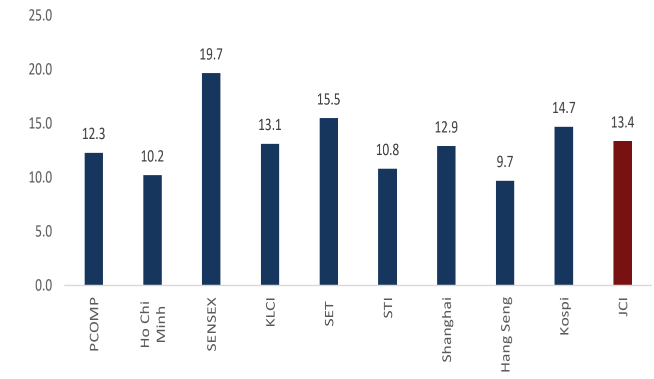
Source: KSEI, SSI Research

Figure 7. Average daily trading value 3M23



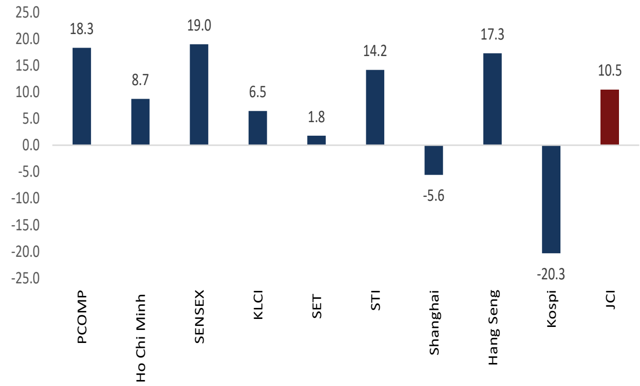
Source: Bloomberg, SSI Research

Figure 8. JCI PE vs. Peers



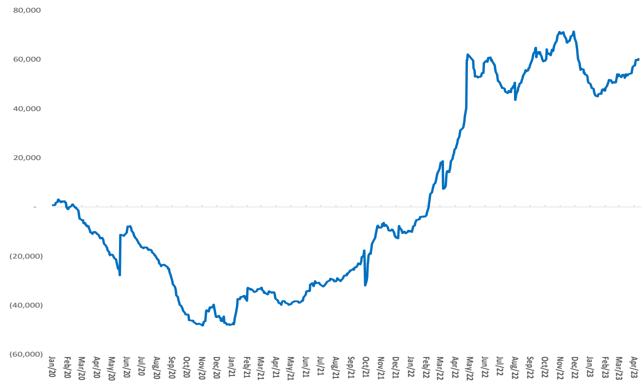
Source: Bloomberg, SSI Research

Figure 9. JCI EPS growth vs. Peers



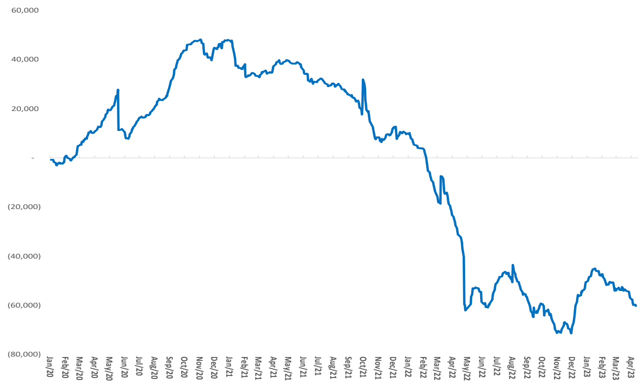
Source: Bloomberg.,SSI Research

Figure 10. Foreign flow to JCI



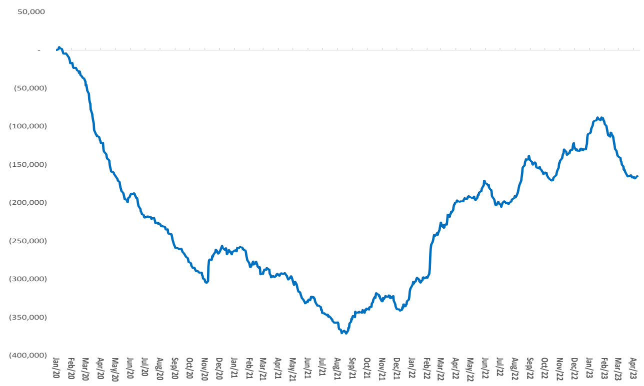
Source: Bloomberg, SSI Research

Figure 11. Domestic flow to JCI



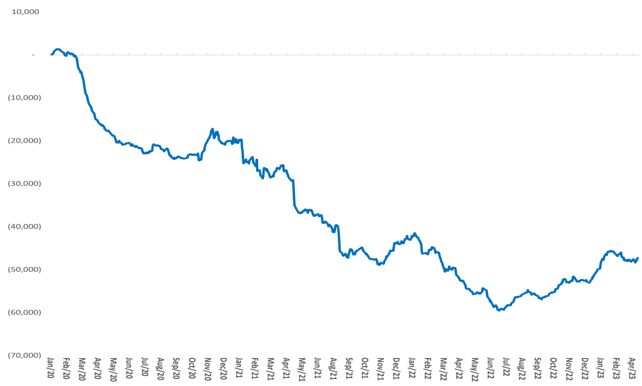
Source Bloomberg, SSI Research

Figure 12. Foreign flow to Thailand



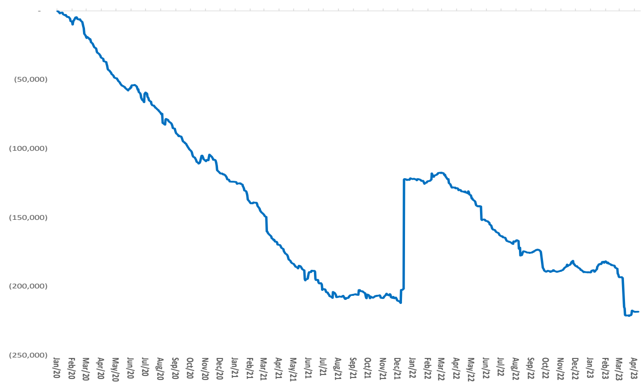
Source: Bloomberg, SSI Research

Figure 13. Foreign flow to South Korea



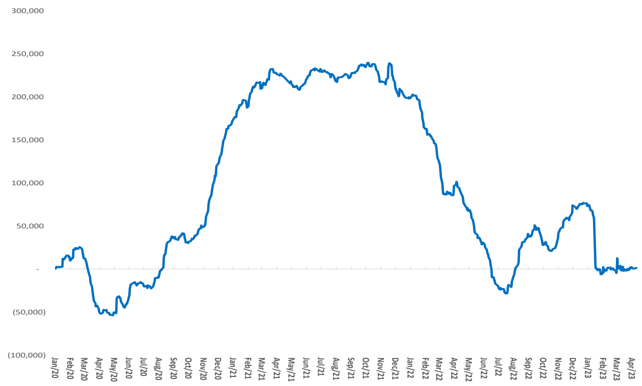
Source Bloomberg, SSI Research

Figure 14. Foreign flow to the Philippines



Source: Bloomberg, SSI Research

Figure 15. Foreign flow to India

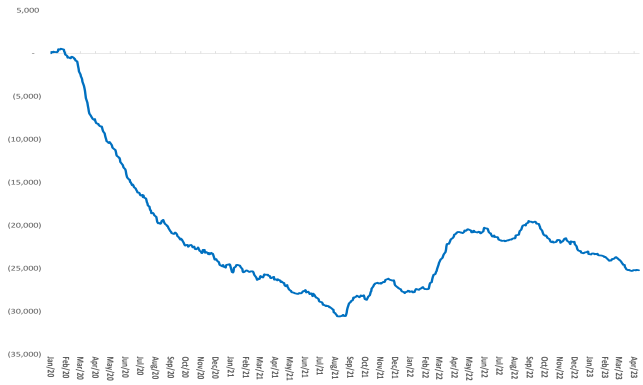


Source Bloomberg, SSI Research

Figure 16. Foreign flow to Vietnam

Source: Bloomberg, SSI Research

Figure 17. Foreign flow to Malaysia



Source Bloomberg, SSI Research

Table 3. JCI vs developed market

NAME	2017 % yoy	2018 % yoy	2019 % yoy	2020 % yoy	2021 % yoy	2022 % yoy	2023 %YTD
S&P 500 Index	18.9	-7.5	29.6	15.2	27.9	-19.7	4.4
Nasdaq Composite Index	27.1	-5.3	35.9	42.9	22.0	-33.5	6.8
Taiwan Taiex Index	16.3	-8.0	23.9	21.5	25.8	-22.4	5.0
Dow Jones Indus Avg	24.7	-7.1	23.4	6.2	19.7	-8.9	2.3
FTSE 100 Index	8.0	-11.7	12.7	-14.2	12.1	0.7	4.1
KOSPI INDEX	21.9	-17.3	7.7	30.4	6.0	-25.3	6.4
NIKKEI 225	18.9	-12.2	18.2	15.1	7.2	-9.4	4.2
SHANGAI SE COMPOSITE	6.8	-24.3	21.9	13.6	6.5	-14.6	3.5
MSCI ASIA EX JAPAN	39.7	-16.4	16.3	21.8	-4.0	-20.9	7.5
FTSE MALAYSIA	9.7	-4.9	-4.5	2.1	-6.1	-3.1	1.5
HANGSENG INDEX	37.3	-14.6	11.0	-3.8	-12.2	-14.4	7.6
JCI INDEX	19.9	-1.9	1.7	-5.5	8.0	4.1	-1.2

Source: Bloomberg, SSI Research

Table 4. JCI and sectoral performance

Index	DoD	WoW	MoM	YoY	YTD
JCI	-0.2	-0.3	0.2	-5.6	-0.8
LQ45	0.1	0.3	0.4	-8.4	0.9
IDXFIN	0.2	0.3	0.6	-12.1	-1.8
IDXBASIC	-0.3	0.0	-0.2	-16.4	-4.9
IDXNCYC	-0.5	-0.4	-1.9	8.3	-1.1
IDXENER	-1.6	-3.7	-1.1	30.0	-9.8
IDXINFRA	0.1	-0.6	-3.2	-15.8	-7.6
IDXCYC	-0.2	-1.1	-2.2	-13.4	-4.6
IDXTECH	-1.5	-4.2	-10.0	-46.3	-7.0
IDXHLTH	-0.5	-0.9	-2.0	3.5	-2.1
IDXPROP	-0.3	0.6	2.0	-3.4	-2.4
IDXINDUS	1.0	1.3	2.5	-0.5	2.3
IDXTRANS	0.3	-0.5	-0.4	-10.7	6.9

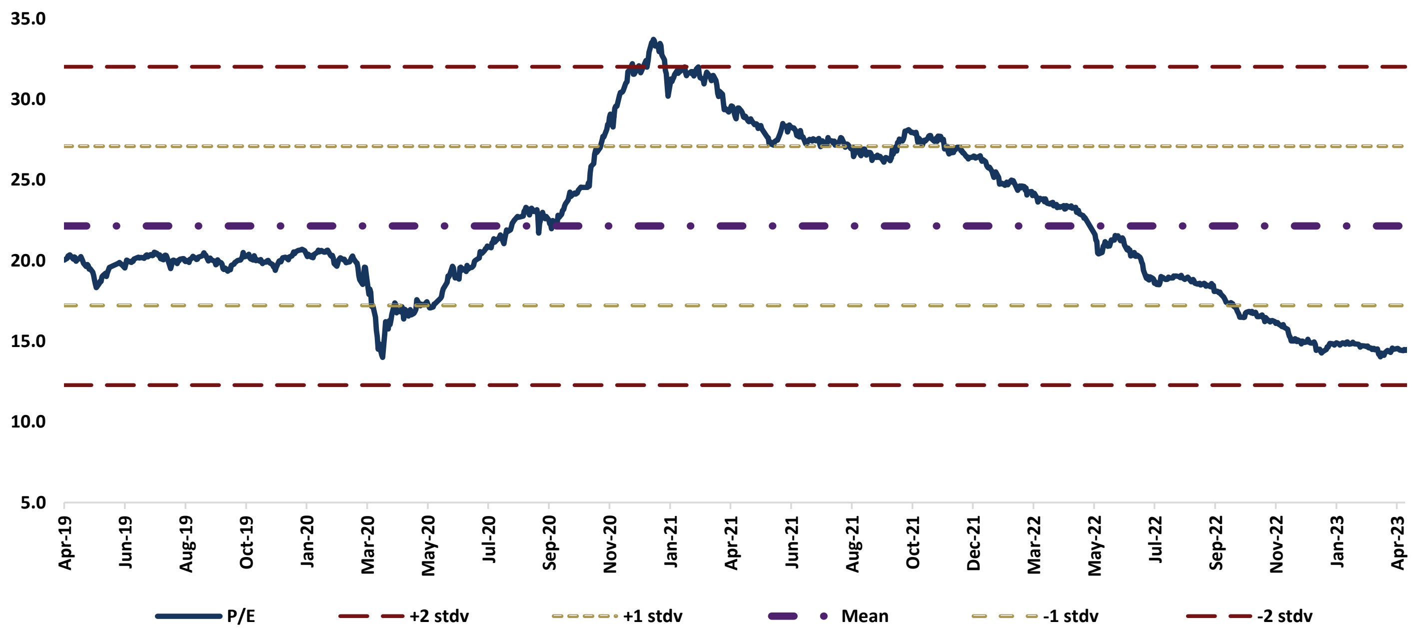
Source: Bloomberg, SSI Research

Table 5. JCI Target Scenario

	Bear	Base	Bull
Earnings growth (%)	5,5	10,5	15,5
5 years average JCI index P/E	16,1	16,1	16,1
Fair P/E multiple	15,0	15,0	15,0
EPS 2023	485,2	508,1	586,8
Fair index target	7300	7600	8800

Source: Bloomberg, SSI Research

Figure 15. JCI's 5-year PE band



Source: Bloomberg, SSI Research

Research Team			
Prasetya Gunadi	Head of Equity Research, Strategy, Banking, Digital Banks	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Lionel Priyadi	Macro Equity Strategist	lionel.priyadi@samuel.co.id	+6221 2854 8854
Muhamad Alfatih, CSA, CTA, CFTe	Senior Technical Analyst	m.alfatih@samuel.co.id	+6221 2854 8129
William Mamudi, CFTe, CMT, CCT	Senior Technical Analyst	william.mamudi@samuel.co.id	+6221 2854 8382
Yosua Zisokhi	Cement , Cigarette, Paper, Plantation,Telco Infra, Chemicals	yosua.zisokhi@samuel.co.id	+6221 2854 8387
M. Farras Farhan	Media, Poultry, Oil & Gas, Technology	farras.farhan@samuel.co.id	+6221 2854 8346
Pebe Peresia	Automotive, Consumer Staples, Retail	pebe.peresia@samuel.co.id	+6221 2854 8339
Juan Oktavianus Harahap	Coal, Metal Mining	juan.oktavianus@samuel.co.id	+6221 2854 8846
Jonathan Guyadi	Banking, Healthcare, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8321
Adolf Richardo	Editor	adolf.richardo@samuel.co.id	+6221 2864 8397
Ashalia Fitri Yuliana	Research Associate	ashalia.fitri@samuel.co.id	+6221 2854 8389
Daniel Aditya Widjaja	Research Associate	daniel.aditya@samuel.co.id	+6221 2854 8322
Laurencia Hiemas	Research Associate	laurencia.hiemas@samuel.co.id	+6221 2854 8392
Brandon Boedhiman	Research Associate	brandon.boedhiman@samuel.co.id	+6221 2854 8392

Equity Institutional Team			
Benny Bambang Soebagjo	Head of Institutional Equity Sales	benny.soebagjo@samuel.co.id	+6221 2854 8312
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Anthony Yunus	Institutional Equity Sales	anthony.yunus@samuel.co.id	+6221 2854 8314
Widya Meidrianto	Institutional Equity Sales	widya.meidrianto@samuel.co.id	+6221 2854 8317
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team			
Joseph Soegandhi	Head of Equity	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Damargumilang	Head of Equity Retail	damargumilang@samuel.co.id	+6221 2854 8309
Denzel Obaja	Head of Community & Partnership	denzel.obaja@samuel.co.id	+6221 2854 8342
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Michael Alexander	Equity Sales	michael.alexander@samuel.co.id	+6221 2854 8369
Sylviawati	Equity Sales	sylviawati@samuel.co.id	+6221 2854 8112
Wandha Ahmad	Equity Sales	wandha.ahmad@samuel.co.id	+6221 2854 8316
Handa Sandiawan	Equity Sales	handa.sandiawan@samuel.co.id	+6221 2854 8302
Wahyudi Budiyono	Dealer	wahyudi.budiyono@samuel.co.id	+6221 2854 8152

Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Rudianto Nugroho	Fixed Income Sales	rudianto.nugroho@samuel.co.id	+6221 2854 8306
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Safitri	Fixed Income Sales	safitri@samuel.co.id	+6221 2854 8376
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 28548104
Nadya Attahira	Fixed Income Sales	nadya.attahira@samuel.co.id	+6221 2854 8305