Indonesia

ADD *(initiation)*

Consensus ratings*:	Buy 4 Hold 0 Sell 0
Current price:	Rp11,600
Target price:	Rp18,300
Up/downside:	57.8%
CIMB / Consensus:	-1.0%
Reuters:	MCAS.JK
Bloomberg:	MCAS IJ
Market cap:	US$659.6m
	Rp10,068,026m
Average daily turnover:	US$0.10m
	Rp1,529m
Current shares o/s:	867.9m
Free float:	35.0%

**Source: Bloomberg*

Key changes in this note

- N/A

Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	3.1	-11	16.6
Relative (%)	4.5	-12.4	2.4

Major shareholders	% held
Abell Technology Global PTE. LTD.	11.4
PT 1 Inti Dot Com	11.1
PT Kresna Graha Investama Tbk	8.5

M Cash Integrasi

Resilient tech-infrastructure play

- We like MCAS due to its unique ecosystem with potential for synergies between segments, and as it remains resilient amidst the current inflationary environment.
- MCAS is a tech-infrastructure company that offers various digital products and services, clean energy vehicles (2W and 3W EV), digital cloud advertising, SaaS, among others.
- More value could be unlocked as its taps into new opportunities. Initiate with Add and Rp18,300/share TP (57% potential upside).

Offers various digital products and services

MCAS offers an assortment of digital products and services through its affiliates. Some of these affiliates are listed, such as NFC Indonesia (NFCX), Telefast Indonesia (TFAS), and Digital Mediatama Maxima (DMMX). Products range from 1) telco products (e.g. data top-ups, vouchers, etc.) in minimarkets (e.g. Alfamart), MSMEs, and e-commerce (Tokopedia, Shopee), 2) digital advertising for clients (minimarkets, F&B, etc.), 3) WhatsApp for Business (serving SOE banks, telco companies, among others), 4) 2W and 3W electric vehicles (EV) under the Volta brand and 5) software services for SiCepat's and other courier, express, and parcel (CEP) drop points, among other new initiatives.

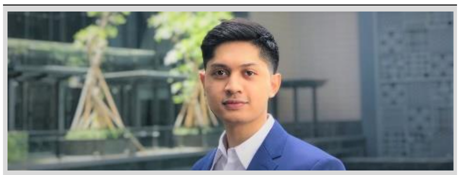
An agile tech-infra company with a close relationship with SiCepat

MCAS has a close relationship with SiCepat (Indonesia's second-largest logistics-express company in terms of parcels delivered as of 1H22, as per public disclosures). Its massive distribution points for telco products could provide an ample base for the ecosystem to expand, in our view. Whilst MCAS provides software infrastructure for its customers, we believe its adequate understanding of the technology ecosystem and close relationships with its clients could help it venture into new opportunities that could complement MCAS's existing businesses. For instance, we believe its recent investment in Volta can be ramped up quickly as SiCepat scales up and MCAS expands its ecosystem. In comparison to MCAS's subsidiaries, some of which are listed, MCAS provides investors an opportunity to have exposure to new high-growth digital opportunities, and not just certain businesses.

Proxy for high-margin, high-growth businesses; Initiate with Add

Our Add rating is underpinned by: 1) continuous growth in the telco segment while MCAS pushes its existing customers to use other businesses in its ecosystem; 2) MCAS's close relationship with SiCepat and its ability to venture into new high-growth opportunities; 3) MCAS's new businesses that could provide significant upside potential to investors and 4) the stock being a contrarian tech-play which is less affected by inflationary pressures. Our TP is derived by using SOP methodology, assigning: 1) 2.3x FY23F EV/Sales to NFCX; 2) 2x FY23F EV/Sales to TFAS and 3) 1.5x FY23F EV/Sales to the rest of MCAS's businesses. Risks include new businesses, share price liquidity, cyber security, and discontinuation of government incentives.

Analyst(s)



Baruna ARKASATYO
T (62) 21 3006 1738
E baruna.arkasatyo@cgs-cimb.com

Ryan WINIPTA
T (62) 21 3006 1739
E ryan.winipta@cgs-cimb.com

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Rpb)	11,334	12,675	13,951	15,187	16,167
Net Profit (Rpb)	39.12	(13.05)	45.05	61.60	76.95
Normalised EPS (Rp)	45.07	(15.03)	51.91	70.97	88.66
Normalised EPS Growth	(17%)	(133%)		37%	25%
FD Normalised P/E (x)	257.4	NA	223.5	163.5	130.8
Price To Sales (x)	0.89	0.79	0.72	0.66	0.62
DPS (Rp)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	80.78	79.02	55.40	41.83	34.14
P/FCFE (x)	89.17	NA	NA	NA	53.45
Net Gearing	(13.2%)	(30.9%)	(28.2%)	(26.1%)	(26.1%)
P/BV (x)	21.07	19.89	18.27	16.43	14.60
ROE	6.8%	(2.7%)	8.5%	10.6%	11.8%
% Change In Normalised EPS Estimates					
Normalised EPS/consensus EPS (x)			1.13	0.83	0.89

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Resilient tech-infrastructure play – Initiate with Add

Investment thesis

Initiate with an Add rating, TP of Rp18,300/share

We initiate coverage on PT M Cash Integrasi Tbk (MCAS IJ) with an Add rating and a target price of Rp18,300/share (57% potential upside). Our Add rating is underpinned by: 1) continuous growth in the telco segment while the company pushes its existing customers (Alfamart, SRC, etc.) to use other businesses in its ecosystem; 2) MCAS's close relationship with SiCepat and its ability to venture into new high-growth opportunities; 3) MCAS's new businesses that could provide significant upside potential to investors; and 4) the stock being a contrarian tech-play that is less affected by inflationary pressures and the current macro environment.

Our TP is derived by using sum-of-parts (SOP) methodology, assigning: 1) 2.3x FY23F EV/Sales to NFCX; 2) 2x FY23F EV/Sales to TFAS; 3) 1.5x FY23F EV/Sales to the rest of MCAS's businesses. Risks include new businesses, share price liquidity, cyber security, and government policy continuation.

One of a kind plug-and-play model in Indonesia

MCAS's offers an assortment of digital products and services (plug-and-play model), where customers can choose and add many products and services that MCAS has in its ecosystem. In a sense, MCAS is similar to a business incubator where it prefers to cooperate/partner/acquire new business lines, enabling it to offer many products and services without having to build the businesses from the ground up.

Attractive long-term investment proposition

MCAS's sales and ROE growth are similar to tech-infrastructure companies globally that were already profitable in FY21 (i.e. Network International and Yeahka Ltd.). We forecast MCAS's ROE at c.10% in FY24F, higher compared to the companies in more developed markets (i.e. the US and UK), which makes it an attractive profitable tech company investment proposition.

Segments that are less prone to inflationary pressures

On average, Indonesians spent US$30/year for mobile data in FY21, and Statista expects this to register a FY21-26F CAGR of 2.1% to reach US$33/year. We believe mobile data is now a necessity for many, as evidenced by the growth in per capita mobile data spending even during the high inflation years of FY16-FY18, indicating a sustainable and lucrative industry for sales growth.

Is 2W EV more cost-efficient vs. ICE?

Yes it is, subject to on-the-road price, maintenance costs, and battery swap price if people bought 2-wheeler (2W) EVs, and subject to travel distance if people rent 2W EVs daily. By using Volta 401, people can save total usage costs of 30% (if people use the battery swap every day) to up to 116% (if people charge their EVs via power outlet at home), *based on our calculations on page 14.*

Unlocking the value through non-telco businesses

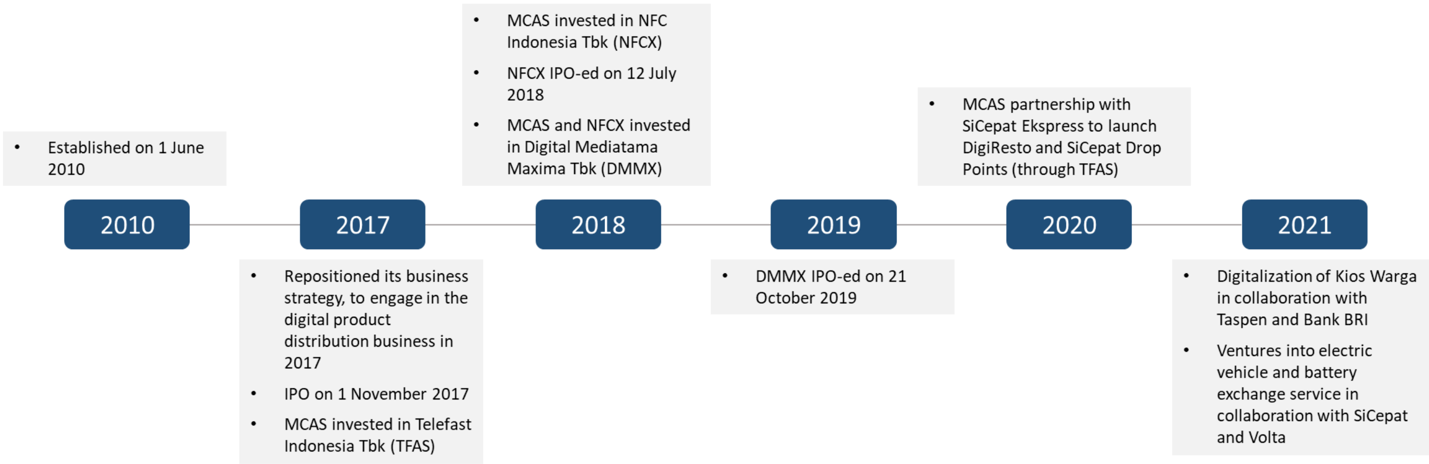
Gross profit contribution from the non-telco segment should unlock MCAS's value, in our view. As of FY21, the telco segment generated an average gross margin of 1.2%, meanwhile the non-telco segment generated 35.1%. Note that as of FY21, the non-telco segment contributed only 1.7% of MCAS's total net revenue but 35% of MCAS's gross profit. We forecast the non-telco segment to contribute up to 9.6% of MCAS's net revenue and 69% of total gross profit in FY24F.

What to look out for?: 1) Growth in total distribution points and sales per point, as they have a large impact to MCAS's topline growth and valuations; and 2) revenue and gross margin contribution from the non-telco segment, along with both segments' GPM as it will affect MCAS's bottom line significantly.

One of a kind plug-and-play model

M Cash Integrasi (MCAS) was established in 2010 and went public in 2017. As a digital distribution company, MCAS focuses on four distribution channels – digital wholesale, cashier, digital kiosk, and applications/chatbots. By 2018, MCAS had successfully expanded its distribution points to 76k amid the increasing mobile, Internet, and e-commerce penetration. MCAS is now a tech-infrastructure company in Indonesia with a massive ecosystem.

Figure 1: MCAS's milestones



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

MCAS has many business lines, along with 12 subsidiaries and 42 consolidated affiliates that serve their own purpose. MCAS also has three listed companies operating under it that act as MCAS's primary revenue contributors. From those many affiliates, we think that investors should focus more on six affiliates: 1) NFC Indonesia (NFCX IJ – Non rated, CP Rp12,050/share); 2) Digital Mediatama Maxima (DMMX IJ – Non rated, CP Rp1,210/share); 3) Telefast Indonesia (TFAS IJ – Non rated, CP Rp5,500/share); 4) Energi Selalu Baru (ESB –Unlisted) that owns a majority stake in Volta Indonesia Semesta (VIS – Unlisted); 5) V2 Indonesia; and 6) DAM Korpoindo Digital (DKD - Unlisted), as shown in Fig. 2.

NFCX – MCAS's most important subsidiary

NFC Indonesia (NFCX IJ- Non rated, CP Rp12,050/share) was established in 2013. MCAS invested in NFCX in 2018 and NFCX had its IPO in the same year. NFCX is the biggest direct subsidiary of MCAS and it owns several key affiliates of the group. NFCX owns a 29% stake in Digital Mediatama Maxima (DMMX) and through it, NFCX operates its digital product aggregator, digital cloud advertising businesses, digital wholesale by using SIAP platform, and content & entertainment businesses. DMMX also operates the clean energy products business under the Volta brand through NFCX's subsidiary ESB in which NFCX has a 35% stake (ESB then owned 51% of VIS).

DMMX – home to many MCAS businesses

Digital Mediatama Maxima (DMMX IJ – Non rated, CP Rp1,210/share) was established in 2015, and MCAS and NFCX invested in 2018. DMMX had its IPO a year later in 2019. DMMX's biggest business is its digital product aggregator business that sells digital products to enterprises that have modern or more traditional channels as their points of sales. As previously mentioned, besides an aggregator, DMMX also has other businesses – digital cloud advertising and digital wholesale.

TFAS – focusing on retail digital products and logistics segments

Telefast Indonesia (TFAS – Non rated, CP Rp5,500/share) was established in 2008; MCAS invested in 2017, followed by TFAS's IPO in 2019. TFAS operates a supply chain management business with a wide retail network of more than 10k. Besides selling digital products to its retail segment, TFAS partners with express logistics companies (i.e. Paxel and Sicepat) to provide supply chain management systems and drop points through its subsidiary PT Logitek Digital Nusantara (LDN). In addition, it also has Human Resources Information System (HRIS) and Man Power Supply Solutions business.

ESB – Volta is "turning" the EV industry

Energi Selalu Baru (ESB) is 35% owned by NFCX and ESB owns 51% of Volta Indonesia Semesta (VIS). Its main business is assembling and selling electric vehicles (EV) and providing battery swapping stations (BSS) for the EVs under the Volta brand.

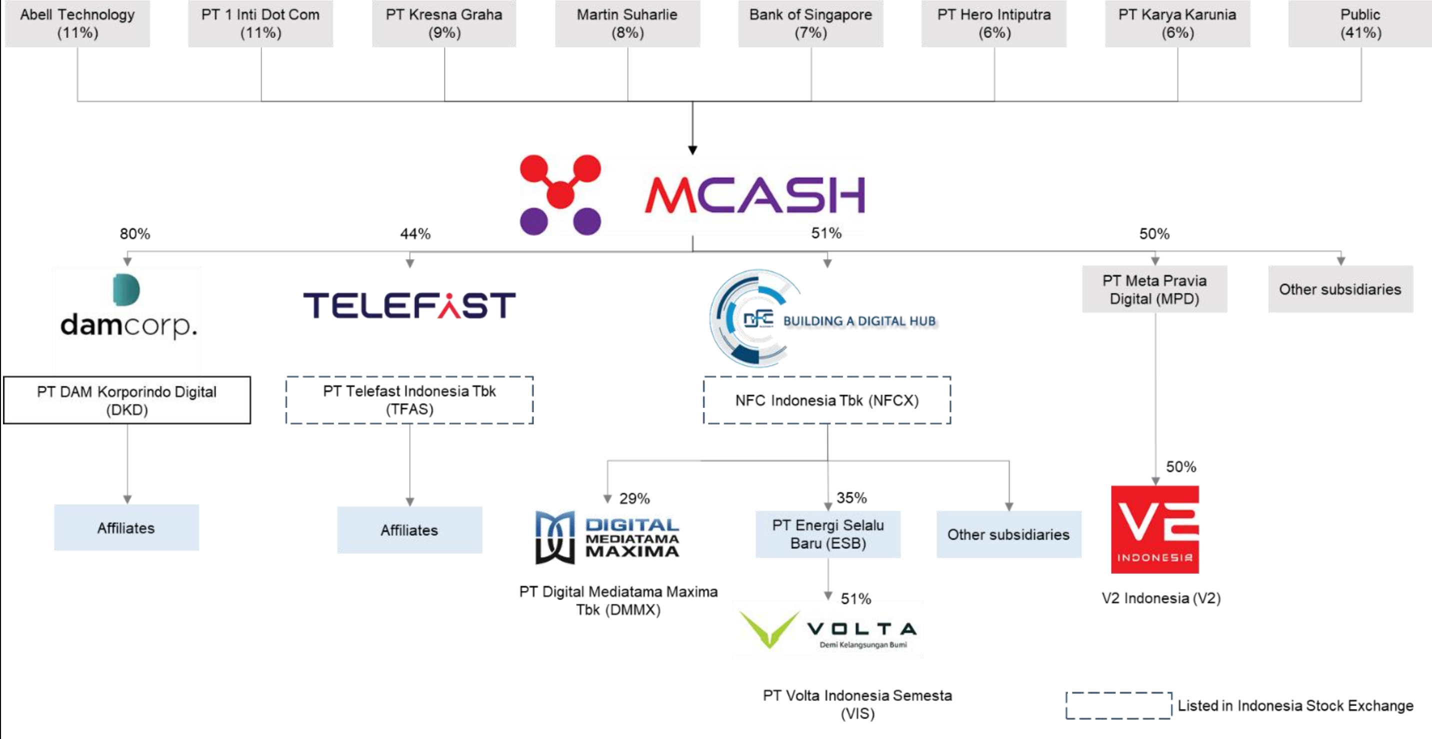
V2 Indonesia – audio-visual services and audio retailer

V2 Indonesia is one of MCAS's newest affiliates and it is owned through PT Meta Pravia Digital (MPD). MCAS owns a 50% stake in MPD and MPD owns a 50% stake in V2 Indonesia. Its main business is providing procurement and services related to audio-visual technology along with selling high-end audio-visual products as a retailer.

DKD – providing software as a service, mainly WhatsApp for Business

DAM Korpoindo Digital (DKD) business is Software as a Service (SaaS) by providing WhatsApp for Business services using Application Programming Interface (API), which is a software intermediary that enables two or more computers/software to connect with each other. In November 2021, DKD established a joint venture with PT Mahaka Media Tbk (ABBA IJ – Non rated), a multimedia and entertainment company founded by Erick Thohir, the current Minister of State-Owned-Enterprises of Indonesia.

Figure 2: MCAS's group structure as of 1H22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

What exactly is a plug-and-play model?

Plug-and-play model is an agnostic and inclusive business model where the company provides multiple products and services under one company. As such, each business line does not have exclusivity with a specific brand or enterprise, and consumers can access many products and services through a one-stop API model.

In a sense, MCAS's unique model is similar to business incubators, where it prefers to cooperate/partner/acquire new business lines that are suitable for its ecosystem and have strong growth prospects. This way, MCAS can offer many products and services to customers and enhance the ability to cross-sell between businesses.

MCAS's business segments

Figure 3: MCAS's net revenue and gross profit contribution, and gross profit margin per segment as of FY21

Segment	Sub-segment	Contributor	Net revenue contribution	Sub total	Gross profit contribution	Sub total	Gross profit margin	Sub total
Telco	Digital product and services sales	MCAS, TFAS	29,5%	98.3 %	38.1%	65.3 %	2.3%	1.2 %
	Digital product aggregator	NFCX, DMMX	68.8%		27.1%		0.7%	
Non-telco	Digital cloud advertising	DMMX	1.2%	1.7 %	26.1%	34.7 %	37.6%	35.1 %
	Software as a service	MCAS, DKD	0.4%		7.5%		32.2%	
	Clean energy products and services	NFCX (ESB)	0.1%		1.1%		20.5%	
	Digital wholesale	DMMX	0.0%		0.0%		2.2%	
	Content and entertainment	NFCX (BLDX*)	0.0%		0.1%		46.7%	
	Audio visual as a service	MPD (V2)	n.a.		n.a.		n.a.	

NOTE: 1) BLDX is Bumilangit Digital Mediatama, 2) audio visual as a service was consolidated in 1Q22
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

MCAS's revenue comes from eight revenue streams, that can be categorised into two separate segments – 1) Telco (digital product aggregator and digital products and services); and 2) Non-telco (digital cloud advertising, Software as a Service (SaaS), clean energy products and services, digital wholesale, content & entertainment, and audio visual as a service). The telco segment, which is the main revenue and gross profit contributor as of FY21 (98% of revenue, 65% of gross profit) has relatively small gross profit margins (average of 1.2% in FY21) but is the traffic generator for MCAS's other services, providing a massive customer base of 288k digital distribution points that MCAS can tap into.

On the other hand, the non-telco segment generated higher gross profit margins of c.35% in FY21. Despite only c.2% revenue contribution, the non-telco segment contributed 35% of the group's gross profit in FY21.

Telco segment - the bread of MCAS

MCAS's telco products have a massive customer base with 288k total digital distribution points (204k digital product exchange members and 84k digital distribution points) as of 1H22. MCAS's telco business consists of two main revenue streams: 1) digital product aggregator; and 2) digital products and services.

Digital product aggregator (69% of total net revenue, 27% of total gross profit in FY21). As a digital product aggregator, MCAS offers business players the ability to sell telecommunication-related products, digitising the process for modern retailers, e-commerce platforms, and traditional retailers. As an aggregator, MCAS provides digital products such as mobile data, mobile credit, data top-up, PPOB, vouchers, and other products. Its customers include two large mini-market players in Indonesia (i.e. Alfamart and Indomaret).

Additionally, MCAS is also tapping into online-to-offline (O2O) traditional channels, such as Sampoerna Retail Community (SRC) that also uses Pojok Bayar platform and Kiosk Warga, in partnership with Civil Service Savings and Insurance Fund ("Taspen"). Pojok Bayar platform has also become the gateway for retailers and SMEs to order FMCG products connected to MCAS's wholesale business.

Aside from the O2O channels, MCAS also supplies digital products to e-commerce players in Indonesia, such as Tokopedia (GOTO IJ, HOLD, CP Rp250/share) and Shopee (e-commerce arm of Sea Ltd, HOLD, CP US$55.75/share). Note that Tokopedia contributed ~16% of MCAS's total net revenue in FY21.

Figure 4: Pojok Bayar application

SOURCES: COMPANY REPORTS

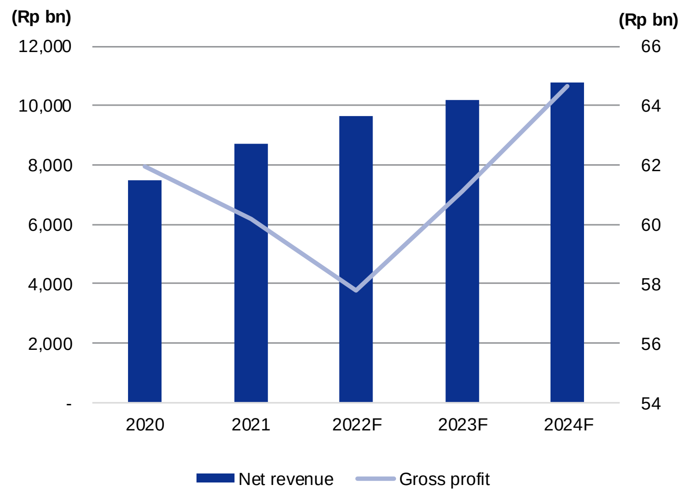
Figure 5: Kios Warga outlet

SOURCES: COMPANY REPORTS

The digital aggregator business can bring in customers for MCAS's other businesses. For instance, one of the largest mini-market players in Indonesia, Alfamart (AMRT IJ-Non Rated) started as a customer selling mobile top-ups, vouchers, etc. It currently also uses MCAS's digital cloud advertising service throughout its stores.

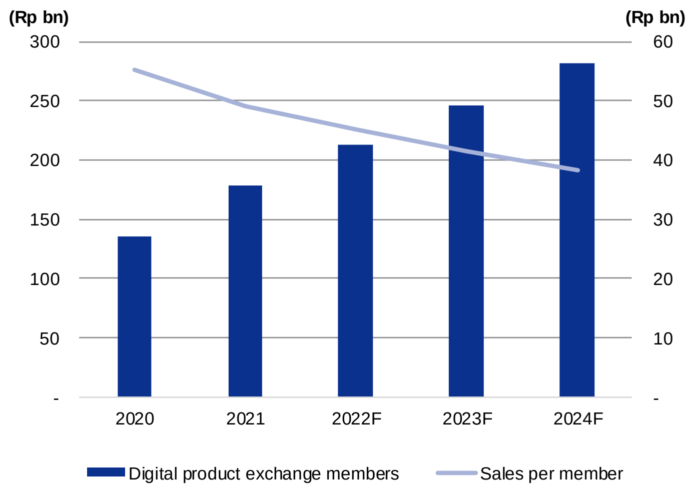
We expect the digital product aggregator business to remain MCAS's traffic generator and main revenue contributor; we project a FY21-24F revenue CAGR of 8% for the digital product aggregator business, driven by continuous growth in digital product exchange members.

Figure 6: Digital aggregator's net revenue and gross profit (FY20 – 24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

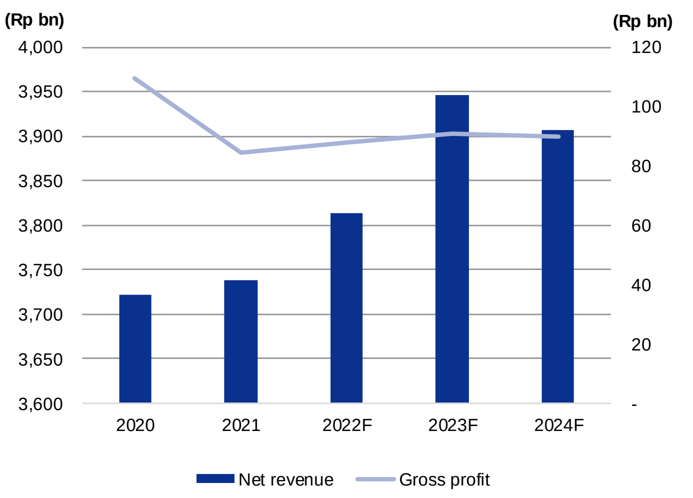
Figure 7: # of Digital product exchange members and sales per member (FY20 – 24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

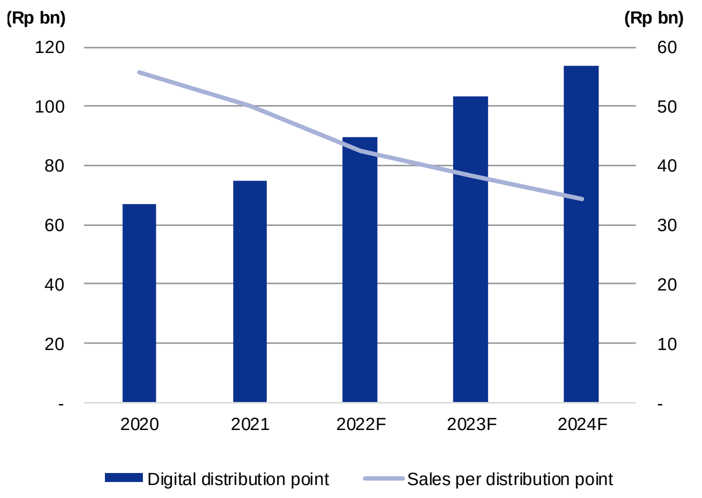
- **Digital products and services** (30% of total net revenue, 38% of total gross profit in FY21)**.** This segment provides similar digital products as the digital product aggregator business, but targets a different market where MCAS and TFAS offer their digital products to individual MSMEs (B2B2C), rather than business enterprises, and generate higher gross profit margins of ~2%, vs. digital product aggregator's 0.7% margin.

Figure 8: Digital products and services - net revenue and gross profit (FY20 – 24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 9: Number of distribution points and sales per distribution point (FY20 – 24F)



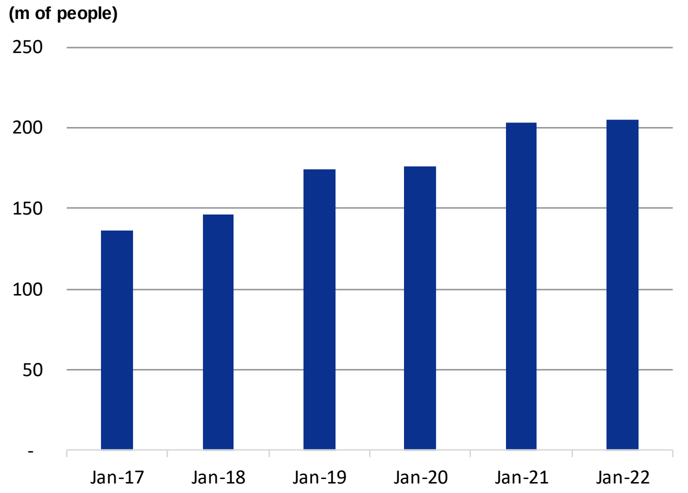
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

We forecast the digital product and services segment to generate a FY21-24F revenue CAGR of 1%, mainly driven by decline in sales per distribution point amid growing digital distribution points. We forecast the number off digital distribution points will increase by FY21-24F CAGR of 10%, respectively, and we expect sales per distribution point to reduce going forward, following the historical trends.

Massive and growing telecommunication market in Indonesia amid macroeconomic pressures

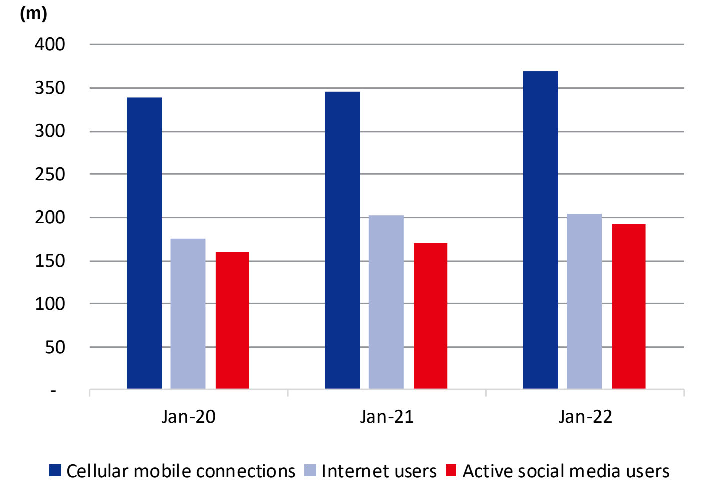
Indonesia is a lucrative telco market, as it has a massive population with high and growing Internet penetration. In 2017, c.136m Indonesians (c.70% penetration) accessed the Internet and 47% of those accessed it via mobile phones, according to DataReportal, an established market research institution focusing on the digital landscape. Internet users grew to 203m (c.75% penetration) in Jan 2022, based on DataReportal, with c.72% of those users estimated to have accessed Internet via their mobile phones.

Figure 10: Number of internet users in Indonesia (FY17-FY22)



SOURCES: CGS-CIMB RESEARCH, DATAREPORTAL

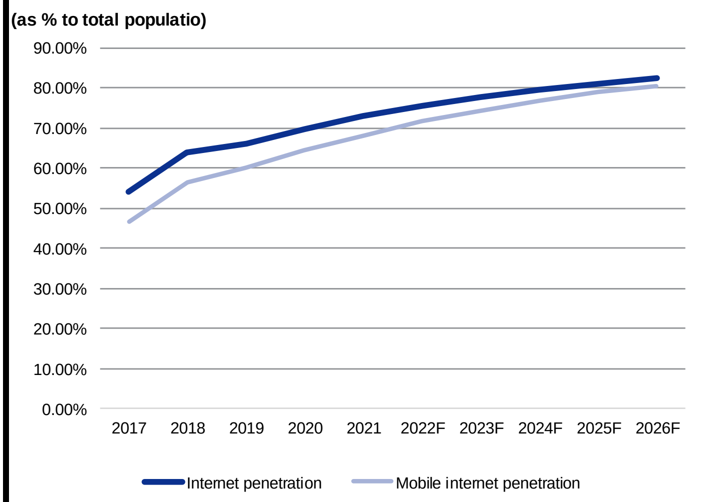
Figure 11: Number of cellular mobile connections, internet users, and active social media users (FY20-FY22)



SOURCES: CGS-CIMB RESEARCH, DATAREPORTAL

Statista, a leading provider of market and consumer data, expects Indonesia's Internet and mobile Internet penetration to reach 80% and 79% in FY26F, respectively. Indonesia's mobile data total addressable market (TAM) is expected to be at c.US$8.3bn in FY21 and projected to register a FY21-FY26F CAGR of 3%, reaching US$9.6bn in FY26F, according to Statista. Hence, we believe that MCAS, as a digital products aggregator could benefit from this through continuous expansion of distribution points.

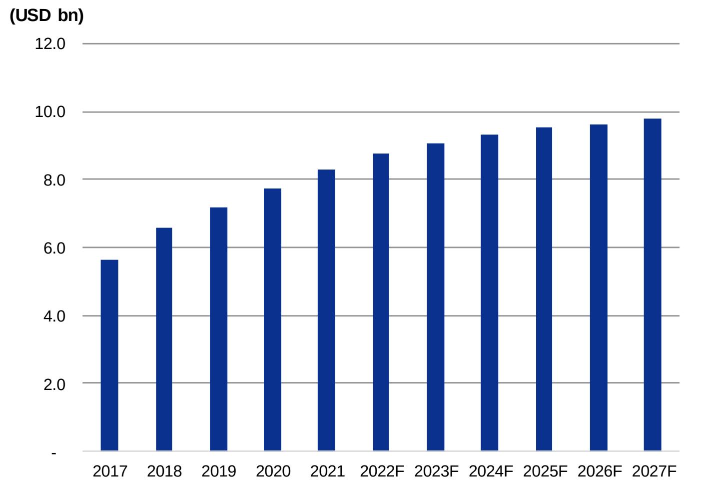
Figure 12: Internet and mobile Internet penetration as % of population (FY17-FY26F)



NOTE: MOBILE INTERNET PENETRATION IS THE PERCENTAGE OF POPULATION THAT ACCESSED THE INTERNET THROUGH MOBILE PHONE

SOURCES: CGS-CIMB RESEARCH, STATISTA

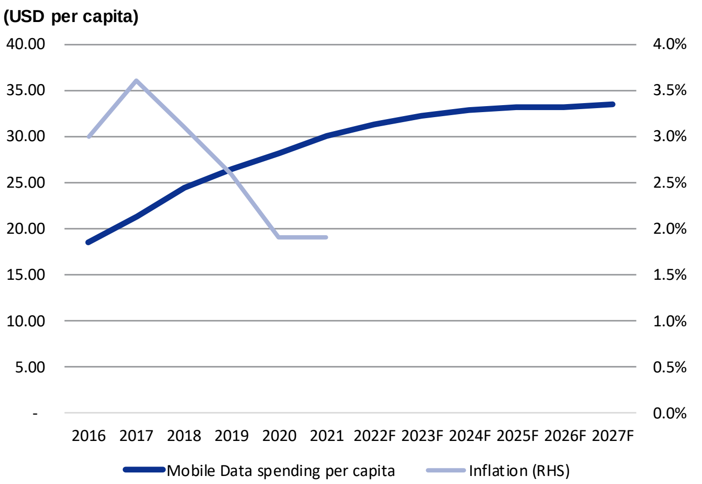
Figure 13: Indonesia's total addressable market (TAM) of mobile data (FY17-FY27F)



SOURCES: CGS-CIMB RESEARCH, STATISTA

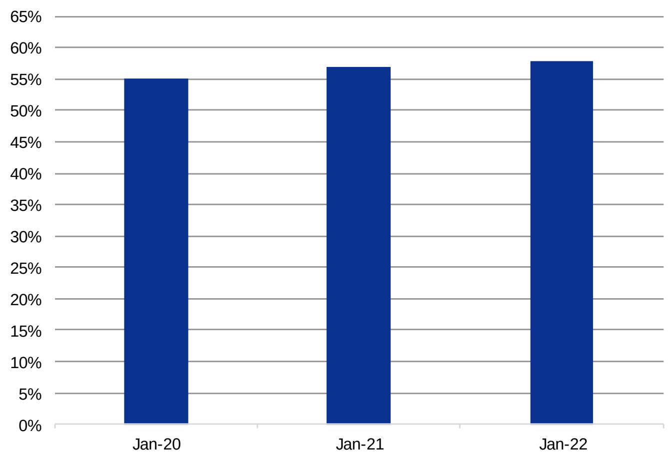
On average, Indonesians spent US$30/year for mobile data in FY21, and this is projected to register a FY21-26F CAGR of 2.1% to reach US$33/year, according to DataReportal. Even during high inflation years of FY16-18, average mobile data spending increased by~16%. We believe Internet connectivity, in particular mobile data, has become a necessity as more than half of Indonesian's population currently lives in urban areas, based on Datareportal. The growth is likely to accelerate as people become more tech-savvy and more dependent on their mobile phones. This has also changed how businesses operate, both inside the companies with their employees and how they target and serve customers.

Figure 14: Indonesia's mobile data spending per capita and inflation (FY16-FY27F)



SOURCES: CGS-CIMB RESEARCH, DATAREPORTAL

Figure 15: Indonesia's urbanisation rate (FY20-FY22)



SOURCES: CGS-CIMB RESEARCH, DATAREPORTAL

Non-telco segment – the butter of MCAS

As previously mentioned, this segment contributed only 1.7% of total net revenue but 35% of gross profit in FY21. In FY22FF, we project that the non-telco segment will contribute 5% of total net revenue and 54% of total gross profit. This is supported by the newer businesses that the company has started to roll out, such as the clean energy products and services, digital wholesale, content & entertainment, and audio visual as a service.

- **Digital cloud advertising** (1.2% of total net revenue, 26% of total gross profit in FY21). Within this segment, MCAS through DMMX offers advertising solutions to modern retail clients through signage (screens, mainly LED) to showcase their products or services. DMMX offers three types of services:

  1) **Managed Service**, where DMMX provides its cloud advertising service without providing any screen (as clients have their own screens). DMMX generates 60% gross margin from this service;

  2) **Infrastructure as a Service (IIAS),** where DMMX provides the whole package, including hardware and managing all of the services (including insurance, monitoring of the ads and hardware, etc.). DMMX generates 30-40% gross margin from this service, based on the management; and

  3) **Ad Exchange Hub service**, where DMMX offers in-store advertisement spots to big brands and SMEs through screens. If DMMX connects the customers and clients, DMMX and the clients split the profits (revenue split and margin varies from client to client).

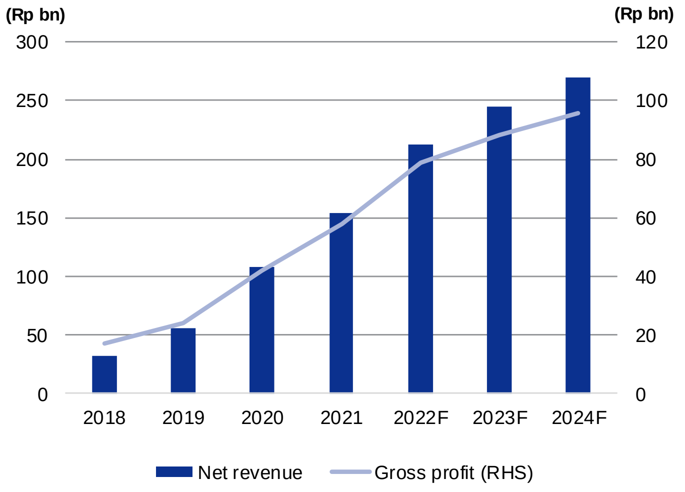
Figure 16: DMMX's digital advertising at one of KFC outlets

SOURCES: COMPANY REPORTS

As of 1Q22, DMMX had ~12k sites and ~20k screens. Several well-known customers have used such services. For instance, Alfamart is using DMMX's service to promote its AlfaGift application and FMCG products. Likewise, Indomaret, FamilyMart, Kimia Farma, and KFC are also using the service to show their products and menu as of 1H22, based on company disclosures.

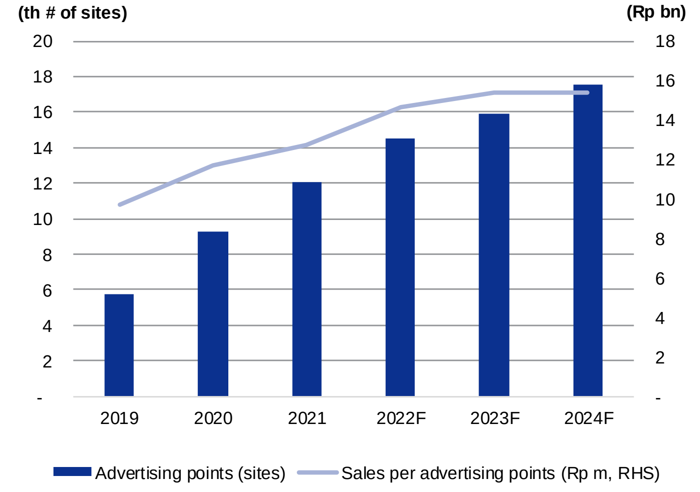
We project that digital products and digital cloud advertising will help expand MCAS's margin until FY23F, before the clean energy segment becomes more dominant in FY24F. We expect digital cloud advertising to register FY21-24F revenue and gross profit CAGR of 21%. In FY24F, we expect this segment to contribute 20% of total gross profit.

Figure 17: Digital cloud advertising's net revenue and gross profit (FY20 – 24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

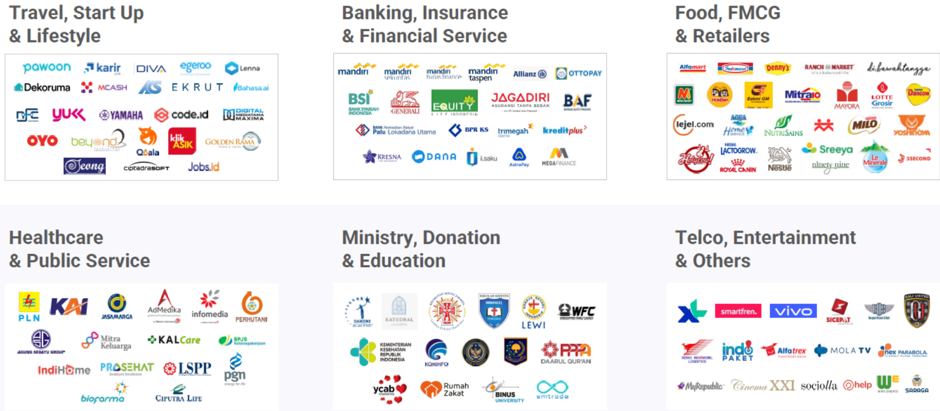
Figure 18: DMMX's number of advertising sites and sales per advertising point (FY19 – 24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

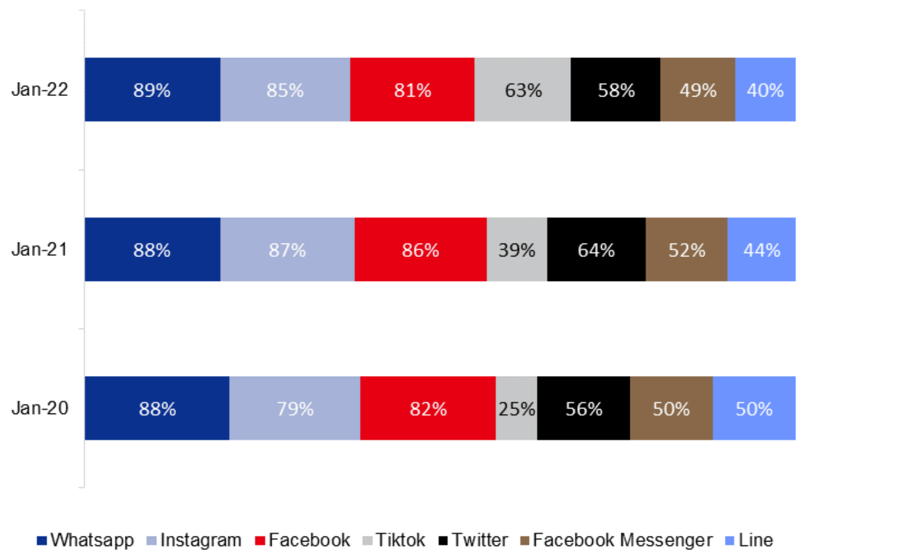
- **Software as a service (SaaS),** (0.4% of total net revenue, 7% of total gross profit in FY21). MCAS through Damcorp (DKD) offers WhatsApp for Business to enterprises. WhatsApp for Business provides a simple communication platform between business and customers through an API. DKD connects the company's software with WhatsApp so that the company can send alerts, notifications, and chatbot/customer service agent. In addition, the company's WhatsApp account will be officially verified. DKD had more than 150 business enterprises clients as of 1Q22 in sectors including bank, insurance, financial, tech, entertainment, and many others offering generic and tailored services.

Figure 19: SaaS clients



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 20: Indonesia's most used social media platforms as % of Internet users from the age of 16 to 64 (FY20-FY22)



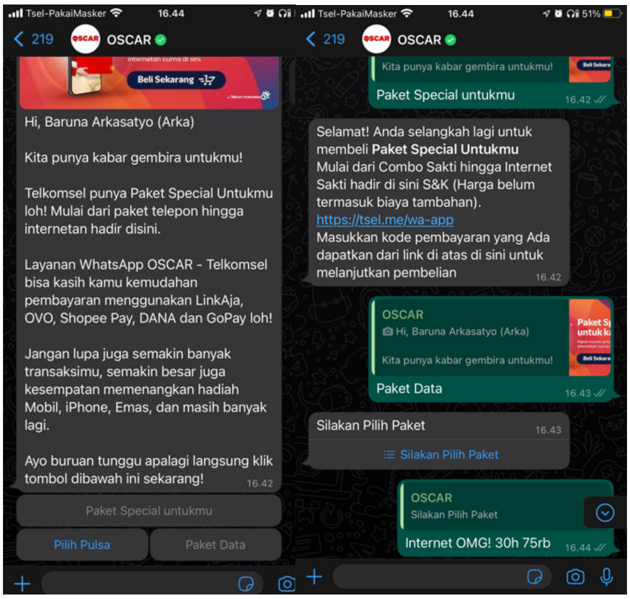
NOTE: PERCENTAGE OF INTERNET USERS AGED 16 TO 64 THAT HAS USED EACH PLATFORM IN THE PAST MONTH

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, DATAREPORTAL

As shown In Figure 21, In Jan 2022, 89% of Internet users from the age of 16 to 64 had uses WhatsApp in the past month, based on DataReportal. With c.203m Internet users, the implies that there c.181m WhatsApp users in Indonesia, making it a potential market for social media advertising and commerce. Hence, we think that MCAS's SaaS business still has massive potential.

For instance, Telkom Indonesia (Persero) Tbk (TLKM IJ, ADD, CP Rp4,440/share) is one of the clients as per Sept-22 and uses DKD to provide OSCAR, an online service assistant for customers. It is a virtual assistant with chatbot (automatic reply) technology for TLKM's customers to make transactions for credit top-up, data packages, among others. OSCAR is built on a WhatsApp Business API-based transaction platform and is equipped with various online payment options and delivery services supported by SiCepat (A courier, express, and parcel company in Indonesia).

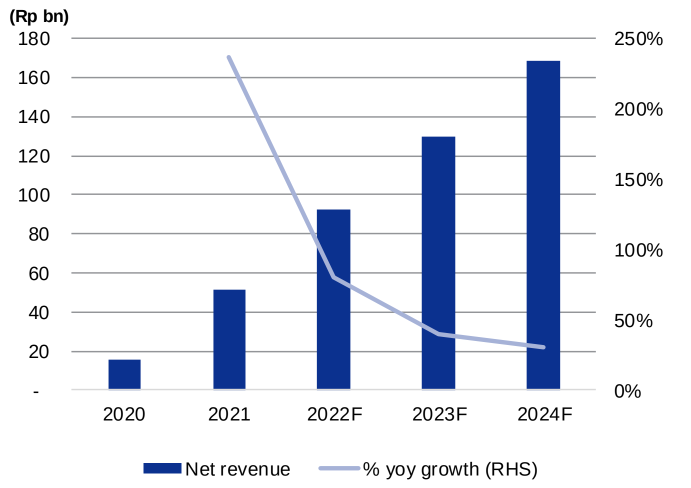
Figure 21: OSCAR from damcorp's SaaS service



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

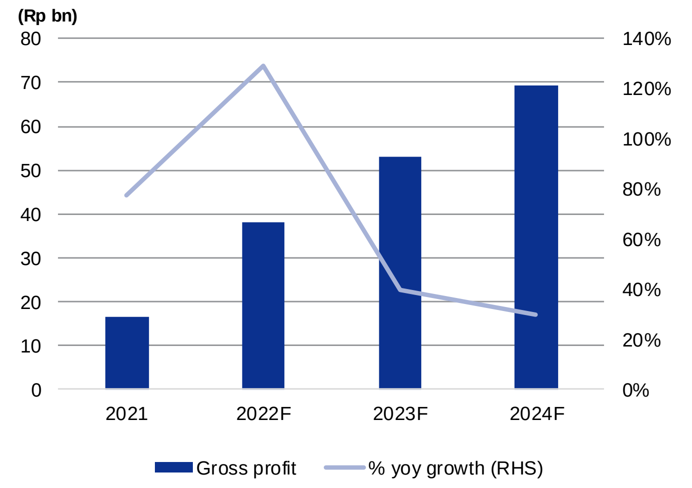
MCAS generates revenue from the subscription base fees (from using the platform) and fees per conversation. The subscription base fee is fixed and fees per conversation is variable, where DKD receives Rp200-300/chat per unique person per day, as per company disclosures. We expect that SaaS's revenue will increase by 80% yoy in FY22F, 40% in FY23F and 30% in FY24F yoy. The SaaS business had a high blended margin of c.32% in FY21 and we expect this to sustain in the future. In FY24F, we expect SaaS to contribute to 15% of total gross profit.

Figure 22: SaaS's net revenue and yoy growth (FY20 – 24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 23: SaaS's gross profit and yoy growth (FY20 – 24F)



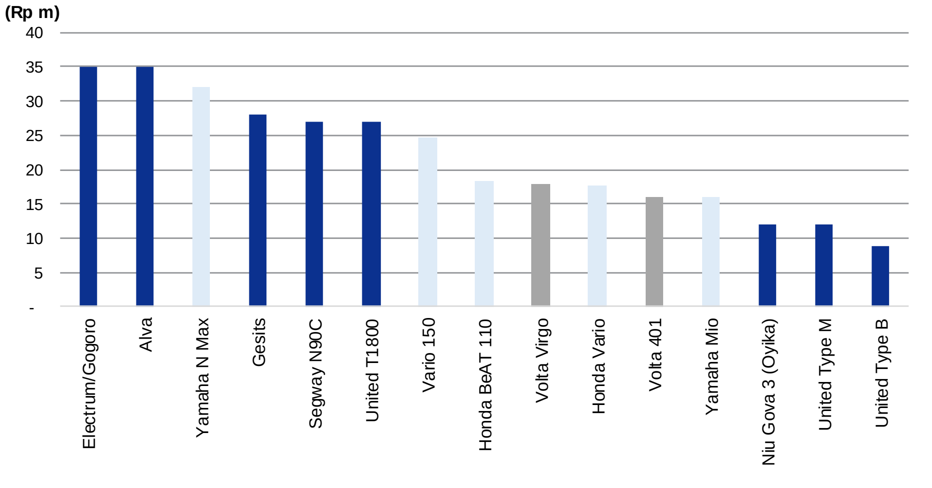
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

- **Clean energy products and services** is a new segment the company started in 2021, established through a joint venture between NFCX and SiCepat. The two companies established a 50-50 JV, named PT Energi Selalu Baru (ESB) and through ESB, they acquired a 51% stake in Volta Indonesia Semesta (VIS). TFAS and DMMX acquired a minority stake in ESB to support the commercial, infrastructure, and ecosystem side, especially for the battery swap stations (BSS).

  Volta (VIS) is the production house or assembly point, meanwhile NFCX manages the back-end side of Volta (i.e. digital platform, registration, payment and rewards). SiCepat and TFAS are in charge of in expanding the BSS, through their wide scope.

  The BSSs will be deployed at MCAS's partner outlets and come in three configurations (see Figure 27). The BSSs will be deployed mainly at Sicepat (Indonesia's 2nd largest courier, express, and parcel company by parcels delivered per day as of 1H22, based on public disclosures, which is also one of MCAS's minority shareholders) hubs and the management indicated, during an interview with us, that one of its end-goal strategy is to provide one-stop battery swap stations for all types of 2W EVs.

Figure 24: 2W EV and Internal Combustion Engine (ICE) on-the-road prices

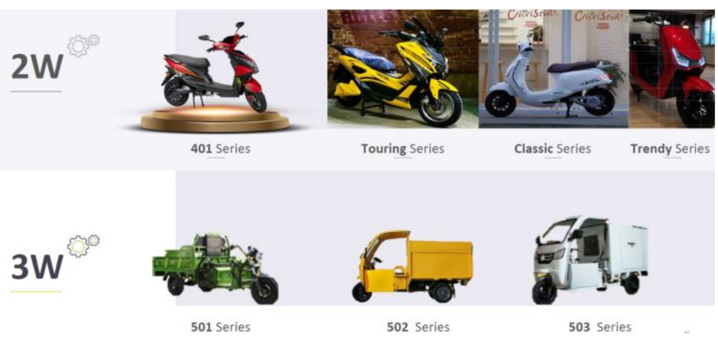


SOURCES: CGS-CIMB RESEARCH

Based on prices alone, 2W EVs' prices are relatively similar to those of 2W ICE vehicles. Comparing Volta 401 and Volta Virgo to other 2W EVs, Volta has an edge in terms of pricing at Rp15m-16m for Volta 401 and ~Rp18m for Volta Virgo, vs. Honda Vario's price of Rp18m.

Volta is currently selling the Volta 401 and Trendy (Virgo) models, along with the 3Ws in Figure 26. The Touring and Classic series are currently under production. Jakarta City government has also bought Volta's 3Ws to be used as garbage trucks. In FY21, Volta sold 506 units and has received 10k back orders from SiCepat this year as per company fillings. Besides SiCepat, MCAS received orders from the State Electricity Company (PLN), Paxel, and Pos Indonesia this year, as per 1H22 investor presentation.

Figure 25: Volta 2W and 3W models



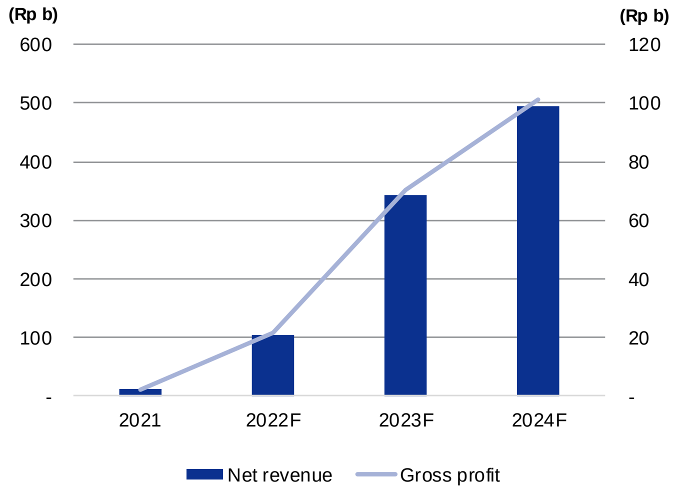
SOURCES: COMPANY REPORTS

Figure 26: Volta's battery swapping station (BSS/SGB)

SOURCES: COMPANY REPORTS

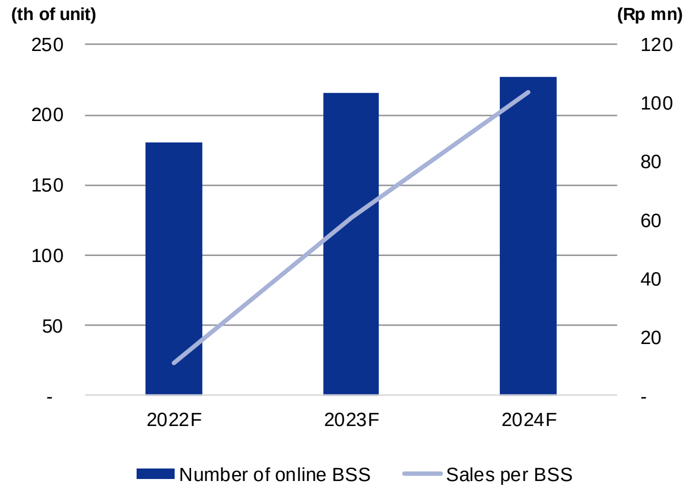
In the clean energy segment, the company generates revenue from BSS and sales of 2W EVS. We conservatively expect Volta to sell 7k 2W EVs in FY22F despite the 10k back orders from SiCepat, as per company filings. As of now, Volta has fulfilled ~2.3k of the orders and expects to fulfil c.7.5k during the rest of the year, in our view. In total, it has sold a total of ~3k units so far this year – 80% to SiCepat and B2B and the rest in the retail market. There are also verbal commitments for 40k-50k EV orders in FY23F, coming from SiCepat and state-owned enterprises (SOEs), management said during an interview with us, albeit we conservatively expect sales of only 20k units next year. We also expect a conservative ASP of Rp15m this year and expect an ASP increase of 10% each year in FY23F-24F. On the BSS side, we expect that Volta will have 180 online BSS units at the end of FY22F, 216 units next year, and 227 units in FY24F. We project the swap frequency to be ~1.3m swaps in FY22F, ~7.4m in FY23F, and ~13m swaps in FY24F; hence, we expect sales per BSS to increase significantly as use case increases with a flat swap fee of Rp10k/swap. With that, we forecast that clean energy and products and services will become MCAS's main gross profit contributor in FY24F (22% of total gross profit, 31% of non-telco segment).

Figure 27: Clean energy's net revenue and gross profit (FY21-24F)



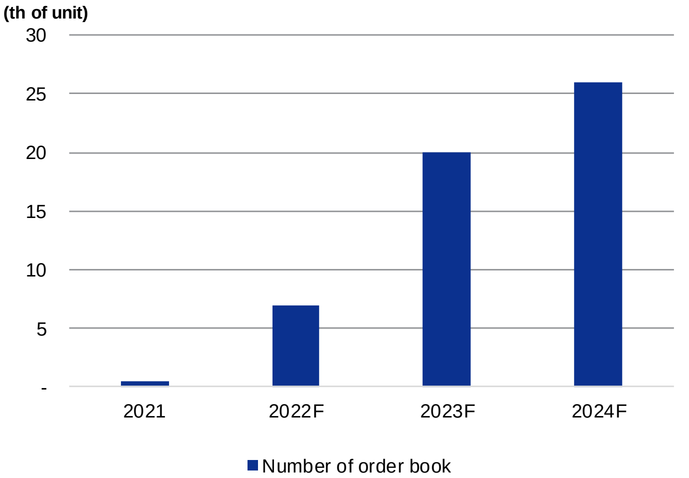
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 28: Number of online BSS and sales per BSS (FY22-24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 29: Volta's order book (FY21-24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Study case: Is it really more cost-efficient to use 2W EVs compared to Internal Combustion Engine (ICE) vehicles?

Pertamina, a government body that supplies and distributes energy, mainly fossil fuels, increased its prices on 3 Sep 2022, increasing household and business costs, especially transportation costs. With more and more companies entering the EV segment, 2W in particular, we conducted a study of several 2W EV players to see if 2W EV is more cost-efficient compared to conventional internal combustion engine (ICE) vehicles.

We divided the study into three separate scenarios: 1) If a consumer rents a 2W EV daily; 2) If a consumer buys a 2W EV and swaps battery every day; and 3) If a consumer buys a 2W EV and charges he EV battery at home (without battery swap).

[1]Fuel cost is based on RON 90's (Pertalite) price of Rp7,650/liter before the hike and Rp10,000/liter after the hike.

[2]We assume all 2W will be fully depreciated in 4 years using the straight-line method

Figure 30: Scenario 1 – 2W EV daily rent: 2W EV is more cost efficient if the travel is at least than 110km/day

IDR/day (unless stated otherwise)	Volta	Electrum/Gogoro	Gesits	Internal combustion engine (ICE) vehicle	
				Vario 150 before fuel hike (ceteris paribus)	Vario 150 post fuel hike (ceteris paribus)
Full 2W price (On the road)	-	-	-	24,565,000	24,565,000
Annual average maintenance cost	300,000	300,000	300,000	523,500	523,500
Annual tax (incentive)	50,000	50,000	50,000	491,300	491,300
Daily rental/fuel cost[1]	40,000	40,000	30,000	16,009	20,927
Depreciation cost[2]	-	-	-	17,059	17,059
Maintenance cost per day	-	-	-	1,454	1,454
Tax	-	-	-	1,365	1,365
KM	105	105	105	105	105
Cost per day (105 km)	**381**	**381**	**286**	**342**	**389**
KM	**Fixed**	**Fixed**	**Fixed**	**Variable**	**Variable**
30	40,000	40,000	30,000	10,253	11,658
40	40,000	40,000	30,000	13,671	15,545
50	40,000	40,000	30,000	17,089	19,431
60	40,000	40,000	30,000	20,507	23,317
70	40,000	40,000	30,000	23,925	27,203
80	40,000	40,000	30,000	27,342	31,089
90	40,000	40,000	30,000	30,760	34,975
100	40,000	40,000	30,000	34,178	38,862
110	40,000	40,000	30,000	37,596	42,748
120	40,000	40,000	30,000	41,013	46,634

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Based on our calculations, EV is more cost efficient if the lessee travels at least 110 km/day. This is mainly because 2W EV rental fee includes unlimited battery swapping; hence, the longer the distance, the cheaper the cost per km. Based on these results, assuming that the lessee is only seeking cost efficiency, it makes more sense to rent a 2W EV daily if their work demands travelling for long distances (i.e. express courier, ride-hailing, etc.). We believe that the right strategy is to target B2B companies such as ride-hailing and express courier companies in this scenario.

[1]Fuel cost is based on RON 90's (Pertalite) price of Rp7,650/liter before the hike and Rp10,000/liter after the hike.

[2]We assume all 2W will be fully depreciated in 4 years using the straight-line method

Figure 31: Scenario 2 – Buys 2W EV and use battery swap every time: Volta and Gesits are more cost efficient as they offer cheaper on the road (OTR) price

IDR/day (unless stated otherwise)	Volta 401	Electrum/Gogoro	Gesits	Internal combustion engine (ICE) vehicle	
				Vario 150 before fuel hike (ceteris paribus)	Vario 150 post fuel hike (ceteris paribus)
Full 2W price (On the road)	16,000,000	35,000,000	28,000,000	24,565,000	24,565,000
Annual average maintenance cost	300,000	300,000	300,000	523,500	523,500
kWh needed for full 1 battery charging	1.5	3.2	1.4	-	-
Annual tax (incentive)	50,000	50,000	50,000	491,300	491,300
Battery swap/fuel cost	10,000	11,000	3,300	8,386	10,962
Depreciation cost[1]	11,111	24,306	19,444	17,059	17,059
Maintenance cost	833	833	833	1,454	1,454
Tax	139	139	139	1,365	1,365
KM	55	55	55	55	55
Cost per day (55 km)	**402**	**660**	**431**	**514**	**561**
Cost-saving versus 2W ICE (%)	**40%**	**-15%**	**30%**		
Annual cost-saving versus 2W ICE (IDR)	**57,313**	**(35,596)**	**46,622**		

NOTE: WE ASSUME RP3,300 OF BATTERY COST/SWAP FOR GESITS BASED ON THEIR PIPELINE
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

In the second scenario, we assume that the driver travels a distance of 55km/day. Based on the results, we found that it is more cost efficient to buy and use Volta and Gesits EVs compared to ICE vehicles. The battery swap costs for Volta and Gogoro are largely the same at Rp10k-11k/swap, compared to fuel costs per 55 km of Rp11k; hence, the key factors are the initial vehicle cost, maintenance costs and the battery swap price, especially for Gesits. We estimate that by using Volta or Gesits, a customer can save 40% and 30% of energy costs or Rp57k and RP47k per year, respectively. From only a cost-saving perspective, the cost difference between 2W EVs and ICE is not that significant in terms of IDR value.

[1]Fuel cost is based on RON 90's (Pertalite) price of Rp7,650/liter before the hike and Rp10,000/liter after the hike.

[2]We assume all 2W will be fully depreciated in 4 years using the straight-line method

Figure 32: Scenario 3 – Buys 2W EV and only charges using individual power outlet at home: 2W EV is more cost-efficient compared to ICE vehicle

IDR/day (unless stated otherwise)	Volta 401	Electrum/Gogoro	Gesits	Internal combustion engine (ICE) vehicle	
				Vario 150 before fuel hike (ceteris paribus)	Vario 150 post fuel hike (ceteris paribus)
Price (On the road)	16,000,000	35,000,000	28,000,000	24,565,000	24,565,000
Annual average maintenance cost	300,000	300,000	300,000	523,500	523,500
kWh needed for full 1 battery charging	1.5	3.2	1.4	-	-
Annual tax (incentive)	50,000	50,000	50,000	491,300	491,300
Charging cost/fuel cost	2,167	4,623	2,218	8,386	10,962
Depreciation cost[1]	11,111	24,306	19,444	17,059	17,059
Maintenance cost per day	833	833	833	1,454	1,454
Tax	139	139	139	1,365	1,365
KM	55	55	55	55	55
Cost per day (55 km)	**259**	**544**	**412**	**514**	**561**
Cost-saving versus 2W ICE (%)	**116%**	**3%**	**36%**		
Annual cost-saving versus 2W ICE (IDR)	**108,583**	**6,144**	**53,701**		

NOTE: WE ASSUME RP3,300 OF BATTERY COST/SWAP FOR GESITS BASED ON THEIR PIPELINE
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

In the third scenario, where a customer buys a 2W EV, we found that 2W EVs could become a cost-saving alternative for 2W users, especially after the latest increase in fuel prices. As Volta 401 price is already 35% cheaper vs. the ICE Vario 150, using either Volta, Electrum/Gogoro or Gesits, users' energy costs could come down by c.116%, 3%, and 36% per day (assuming a travel distance of 55 km/day).

So what are the main concerns over buying a 2W EV?

We think that the key concerns are: 1) whether it is actually cheaper and more cost efficient to use 2W EVs compared to 2W ICE; 2) limited infrastructure; and 3) limited initial incentives from the government.

We think that people are still unsure if the 2W EVs are more cost efficient versus 2W ICE. The answer is that it can be cheaper, subject to on-the-road price, maintenance costs, and battery swap price, based on our calculations above.

1) Based on our talks with several 2W EV players, one of the main concerns is the limited infrastructure as the battery swap stations are still limited, especially outside of Jakarta area. Hence, we think that Volta has an edge compared to other EV players as it has SiCepat's networks to install its BSS. Currently, Volta has ~250 BSS installed in Jakarta-Bali area and 180 are currently online as Volta is waiting for electricity connection from the State Electricity Company (PLN).

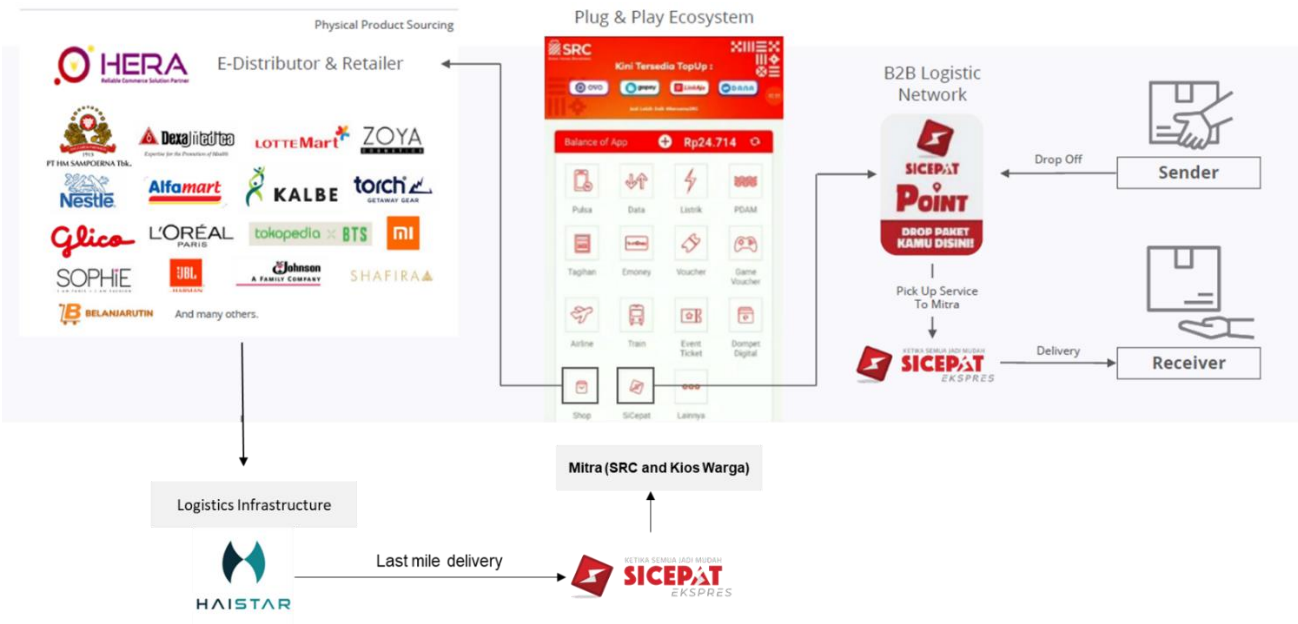
2) We believe further incentives from the government could enhance the willingness to buy 2W EVs. Based on our channel checks, currently the government offers a Rp1m discount on the on-the-road price of a 2W EV, a lower annual tax of only Rp50k (~US$3; vs. ICE 2W tax ~IDR400k), and an exemption from the odd-even plate restrictions under the Governor Regulation Number 88. These incentives are not attractive enough to boost the sales of 2W EVs given the limited infrastructure, in our opinion.

However, there is some hope, as to boost the use of EVs, the Ministry of State-Owned Enterprises in Sep 2022 mandated all 84 state-owned enterprises (SOEs) to use battery electric vehicles. It is also currently discussing further incentives for EV buyers.

- **Digital wholesale** business offers physical goods to general trade channels, mainly to wholesalers and existing MSMEs (i.e. SRC, Kiosk Warga) through an e-wholesale platform, “SIAP” made by DMMX. The SIAP platform offers an end-to-end product management service, including product ordering for principals (e-orders), warehouse management systems, vehicle management systems, e-payments, and financial reports for wholesale inventory. Digital wholesale has a margin of ~2**%** and we expect this to sustain at this level in the future.

  Key synergies for MCAS’s digital wholesale business come from SiCepat’s subsidiaries, Hera and Haistar. Hera is an e-distributor and retailer that is connected with many FMCG, grocery, health & beauty, fashion, electronic principals and SME brands all over the country. Haistar is a logistics infrastructure company that has 13 big warehouses, >100 small warehouses totalling >300k sqm in space. DMMX provides a B2B physical market platform that offers supplies/stock keeping units (SKUs) to SRC and Kios Warga. Additionally, DMMX’s distribution points could become a part of SiCepat’s logistics network as drop points.

Figure 33: B2B marketplace (digital wholesale) platform system

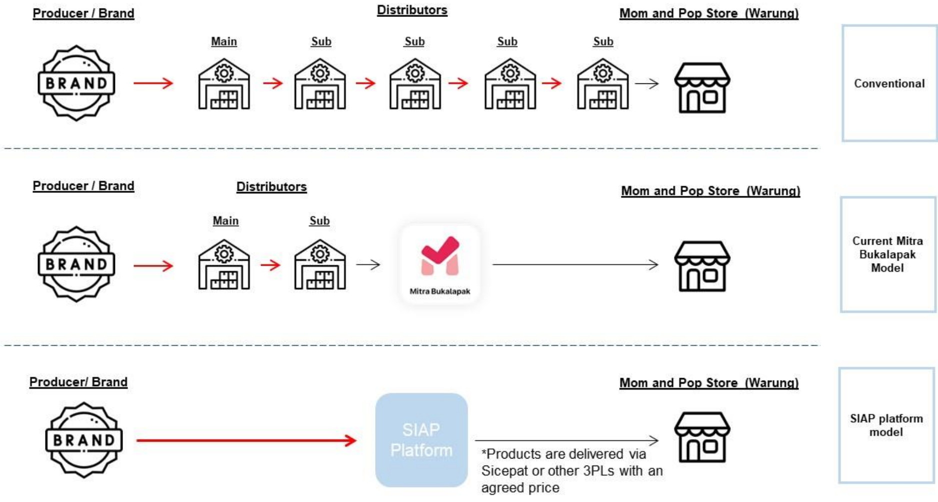


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Main difference vs. other Mitra players

Unlike other FMCG sourcing platforms, like Mitra Bukalapak, MCAS sources its supplies directly from principals (Unilever, Yoyic Dairy, etc.) and streamlines their products with a minimum selling price agreement; hence, MCAS purchases the supplies from principals at a cheaper price and sells with a margin at an agreed upon price range. DMMX delivers the products by using Sicepat and other 3PLs.

Figure 34: Difference between conventional, Mitra Bukalapak, and SIAP's model

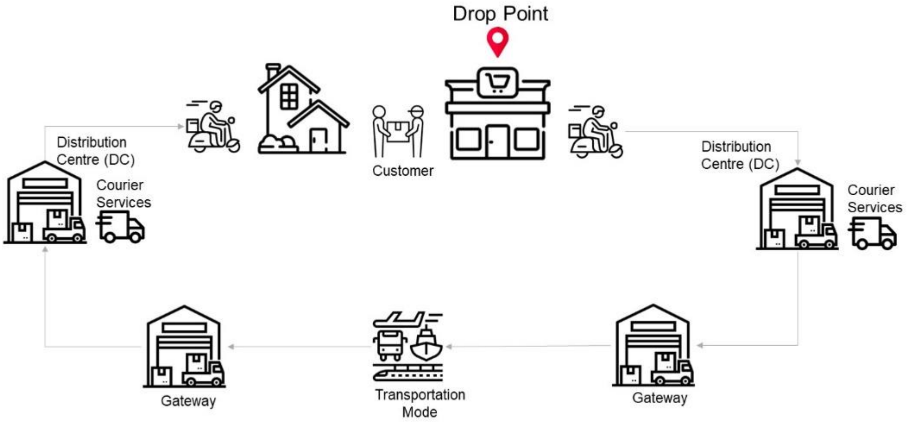


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Logistics drop point business

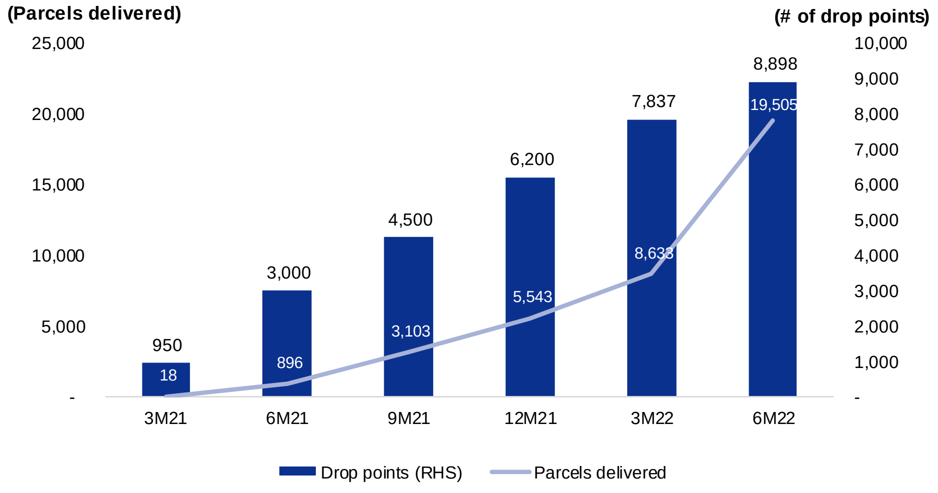
Other than the FMCG sourcing platform, another new business is the logistics drop point business which is growing at a fast pace, albeit revenue from the logistics drop point business has not been consolidated so far. MCAS and TFAS offer drop points for logistic pick-up and drop-off sites. As of 2Q22, MCAS had ~9k drop points in partnership mainly with Alfamart, in addition to Alfamidi, Shipper, Fastpay, SRC, Sentral Cargo. Third-party logistics partners that have integrated into the system are SiCepat, CKL Cargo, and Paxel, as per company filings. The drop point business generates revenue through a 10-15% commission of the delivery price per parcel, as per the company's disclosure.

Figure 35: Drop point scheme



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

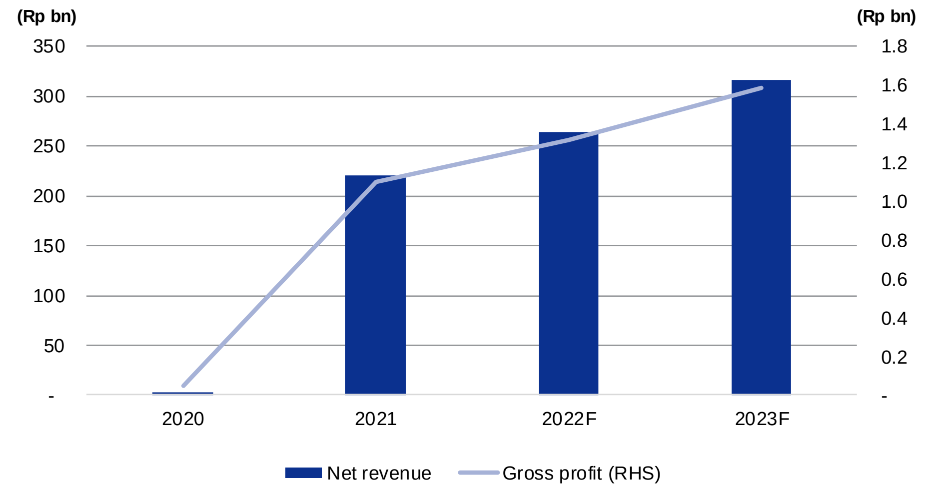
Figure 36: Parcels delivered through the drop points and the number of drop points



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

As of 1H22, digital wholesale's net revenue was at Rp131bn and we project it will generate c.Rp220bn in revenue by the end of FY22F and grow 20% each year until FY24F. Note that we have not included the drop point business in our projections.

Figure 37: Digital wholesale's net revenue and gross profit (FY21-24F)



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

- **Content and entertainment** business offers content licensing, comics, gaming, and merchandise sales under one umbrella brand, Bumilangit. Well-known content, comics, and merchandise include its cinematic universe characters, such as Gundala and Sri Asih, among others. In terms of its gaming platform, DMMX has developed a gaming platform that acts as a game creator and publisher. Entertainment wise, MCAS also has a stake in Close The Door podcast, one of the most famous podcast and YouTube content in Indonesia through DMMX.

- **Audio visual as a Service,** MCAS's new business line that was formed through an investment in V2 Indonesia in Feb 2022. V2 is an audio-visual technology solutions company that serves blue-chip clients and has partnered exclusively with various high-end and leading audio-visual brands (i.e. KEF, Bluesound, Devialet, etc., as per company filings).

  MCAS through V2 offers its technological ability and initiatives, such as 1) House of Future which is an audio-visual technology solution using extended reality (XR) and virtual reality (VR); 2) a digital tech experience gallery that includes augmented reality

(AR), VR, artificial intelligence (AI), XR; and 3) technology centre. V2 has carried out a number of projects in the government and corporate sectors for audio-visual needs, such as for the G20 command centre, airports, and also MRT stations, among others. In addition, V2 also sells high-end audio visual products (speakers, LED, etc.) and acts as an official retailer. Note that V2 has exclusive contracts with the brands.

V2 generated a high gross profit margin of ~49% in 1H22 and contributed 18% of 1H22's total gross profit. We expect a revenue of Rp115bn in FY24F and gross profit of Rp46bn (~9% to total gross profit in FY24F).

Figure 38: V2 launched the first XR studio in Indonesia

SOURCES: COMPANY REPORTS

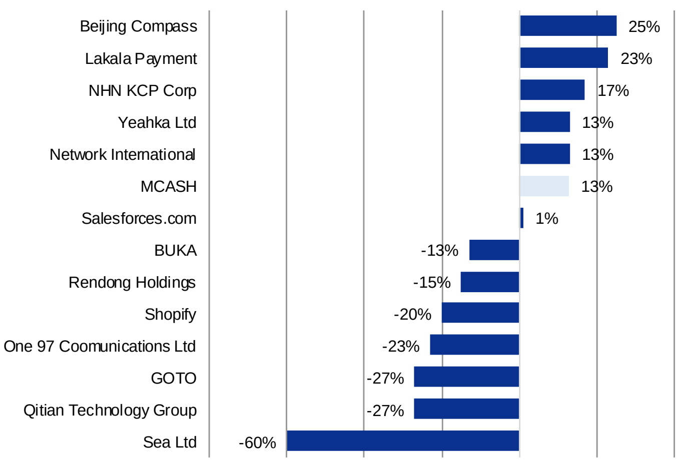
Figure 39: One of V2's official stores located in one of the high-end malls in Central Jakarta

SOURCES: COMPANY REPORTS

Profitable techonology infrastructure – an attractive long-term investment proposition

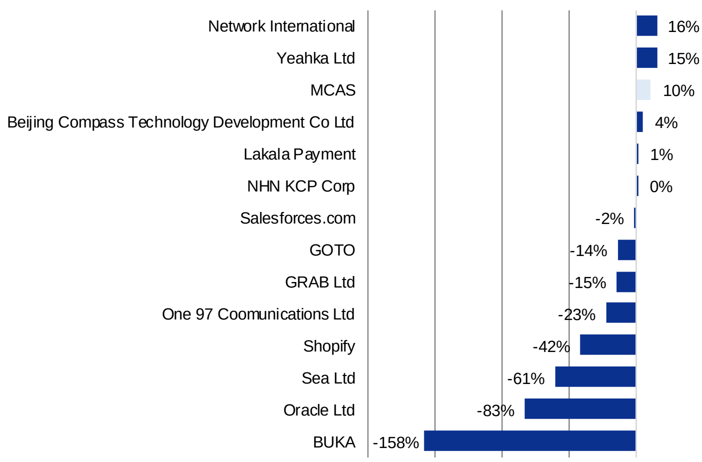
Globally, there are many tech-infrastructure companies that are already profitable with a promising growth outlook, such as Beijing Compass, a software developer company that operates in China with a 25% FY21 ROE. Several other tech infrastructure-related companies, such as Lakala Payment from China, NHN KCP Corp from South Korea, and Network International from UK are merchant solution companies that provide payment enablement, that were also ROE positive in FY21.

Figure 40: MCAS and peers' ROE as of FY21



NOTE: LAST 12 MONTHS ROE FOR MCAS
SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

Figure 41: MCAS and peers' FY24F ROE growth



SOURCES: CGS-CIMB RESEARCH, BLOOMBERG CONSENSUS

Yeahka Ltd, which is similar to MCAS, is a China-based investment holding company, which through its subsidiaries, provides one-stop technology solutions for retailers and consumers. These include one-stop payment services, third-party e-wallets, SaaS for gamification, marketing solutions, and financial technology solutions, such as loan facilitation services and insurance referral services. It generated 13% ROE in FY21 and Bloomberg consensus expects it to generate 15% ROE in FY24F.

MCAS's sales and ROE growth are similar to tech-infrastructure companies' in Asia that were already profitable in FY21 (i.e. Beijing Compass, Yeahka Ltd). We project c.10% ROE in FY24F, relatively higher compared to those in more developed markets (i.e. the US and South Korea), which should make it an attractive profitable tech-company investment.

Financials

Unlocking the value through non-telco businesses

MCAS's telco segments include: 1) digital product aggregator; and 2) digital products and services. Non-telco segments include: 1) digital cloud advertising; 2) software as a service (SaaS); 3) clean energy products and services (Volta); 4) digital wholesale; 5) content & entertainment; and 6) audio visual as a service (V2).

Below are some key variables that we use in our forecasts. As for the newer businesses, such as SaaS, digital wholesale, content & entertainment, and audio visual as a service segments, we derive our projections based on management guidance, quarterly progress, and conservative growth assumptions.

Figure 42: Revenue drivers for digital products and services, digital product aggregator, digital cloud advertising, and clean energy products and services

Revenue drivers	Unit of metrics	2020	2021	2022F	2023F	2024F
Digital infrastructure (telco) segments						
Digital product and services sales						
Digital distribution point	'000 unit	67	75	84	90	94
Sales per distribution point	IDR mn	56	50	45	42	41
Gross profit margin	% of revenue	2.9%	2.3%	2.3%	2.3%	2.3%
Digital product aggregator						
Digital product exchange members	'000 unit	135	178	199	219	237
Sales per members	IDR mn	55	49	48	47	46
Gross profit margin	% of revenue	0.8%	0.7%	0.6%	0.5%	0.5%
Customer engagements (non-telco) segments						
Digital cloud advertising						
Advertising points (sites)	'000 unit	9	12	14	16	18
Sales per advertising points	IDR mn	12	13	15	15	15
Gross profit margin	% of revenue	39%	38%	37%	36%	36%
Clean energy products and services						
Number of online BSS	unit	-	-	180	216	227
Sales per BSS	IDR mn	-	-	11	61	104
Number of 2W EV sold	'000 unit	-	-	7	20	26
ASP for 2W EV	IDR mn	-	-	15	17	18

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

We believe that the aggregator segment will grow stronger compared to the digital products and services segment, similar to historical trends. It also shows the strong relationships MCAS has with its enterprise clients. As for the gross margin, we believe it will remain flat at 2.3% for the digital products and services segment and decrease slightly to ~0.6% for the aggregator segment in FY22F, similar to the performance in 1H22 and ~0.5% in FY23-FY24F.

We forecast the non-telco product segment's yoy revenue growth to be as high as 224% in FY22F, and forecast a 84% FY21-24F revenue CAGR, mainly driven by the company's focus on higher-margin segments, including the new businesses (i.e. clean energy products and services, digital wholesale, and audio visual as a service). *Kindly refer to page 6 for more details on each segments' forecasts*.

We believe the key to unlock the company's value is to grow the non-telco segment, especially key businesses that are mainly from NFCX, which include DMMX (digital product aggregator, digital wholesale, digital cloud advertising, clean energy products and services, and content & entertainment).

Figure 43: Segments' gross profit margins

Gross profit margin	2018	2019	2020	2021	2022F	2023F	2024F
Digital infrastructure (telco) segments							
Digital product and services sales	2.1%	2.1%	2.9%	2.3%	2.3%	2.3%	2.3%
Digital product aggregator	0.9%	1.4%	0.8%	0.7%	0.6%	0.5%	0.5%
Telco products gross margin	**1.7%**	**1.8%**	**1.5%**	**1.2%**	**1.1%**	**1.0%**	**1.0%**
Customer engagements (non-telco) segments							
Digital cloud advertising	54.4%	43.2%	38.5%	37.6%	37.0%	36.0%	35.5%
Software as a service	n.a	n.a	61.0%	32.2%	41.0%	41.0%	41.0%
Clean energy products and services	n.a	n.a	n.a	20.5%	20.5%	20.5%	20.5%
Digital wholesale	n.a	95.6%	51.7%	2.2%	0.5%	0.5%	0.5%
Content and entertainment	n.a	n.a	n.a	46.7%	70.0%	46.7%	46.7%
Audio visual as a service	n.a	n.a	n.a	n.a	48.5%	48.5%	48.5%
non telco products gross margin	**54.4%**	**49.5%**	**41.3%**	**35.1%**	**25.2%**	**24.2%**	**23.9%**
Average overall margin	**2.7%**	**2.3%**	**2.0%**	**1.8%**	**2.2%**	**2.7%**	**3.1%**

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

We forecast the digital product and services sales GPM to sustain at 2.3% until FY24F, similar to FY21's GPM and 1H22. On the other hand, digital product aggregator segment's GPM slightly declined in 1H22 and we forecast that it will decrease to ~0.5% in FY23F and FY24F due to enterprises buying digital products with bigger total transaction values, giving them leverage to negotiate commission fees. The digital cloud advertising's GPM is projected to be at ~37% in FY22F, mirroring the 1H22 results, albeit decreasing by 50-100bps in FY23F-24F similar to the decrease in historical numbers, in addition to competition. We use 1H22 GPM to project GPM level of SaaS, digital wholesale, content and entertainment, and audiovisual as a service as margins are still fluctuating and will adjust subject to execution, although we think that GPM will go back, at least to FY21 level for content and entertainment. We forecast a sustainable 20.5% GPM for clean energy segment as we forecast costs increase of their EV assembly can be pass through to the customers by increasing the selling price.

We can see that MCAS has a negative core NPAT of -Rp13bn (NPAT minus minority interest and unrealized gain) due to the lower margin of telco segment and SaaS business. There is also an increase in selling expenses due to the marketing of new businesses in FY21. In FY22F, we see that they will likely have a positive core NPAT again at Rp45bn in FY22F as company has starting to ramped up their new businesses and given the improvement in gross profit contribution coming from the non-telco segment.

Figure 44: We forecast relatively more conservative compared to consensus

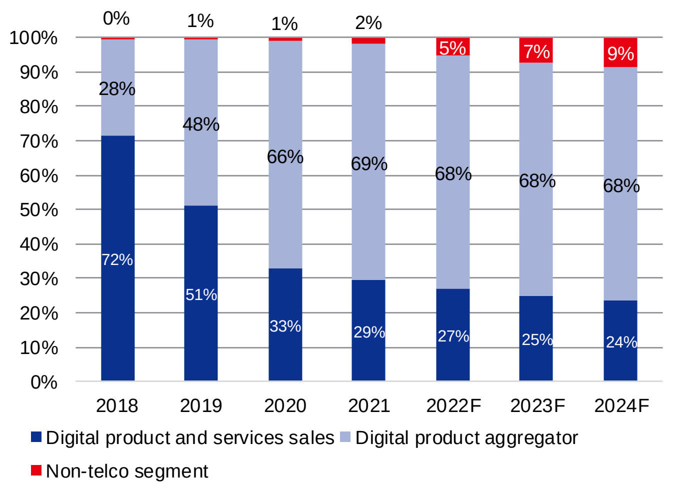
MCAS		New			Consensus			CGS-CIMB vs Consensus		
Rp bn	2021A	2022F	2023F	2024F	2022F	2023F	2024F	2022F	2023F	2024F
Net Revenues	12,675	13,951	15,187	16,167	15,117	18,339	21,036	92%	83%	77%
Gross profit	222	323	405	471	333	458	610	97%	88%	77%
Operating profit	97	128	178	221	207	321	453	62%	55%	49%
Core NPAT	(13)	45	62	77	na	196	309	na	31%	25%
%yoy										
Revenues		10%	9%	6%	19%	21%	15%			
Gross profit		46%	25%	16%	50%	38%	33%			
Operating profit		32%	39%	25%	114%	55%	41%			
NPAT		na	37%	25%	na	na	58%			
Gross margin		2.3%	2.7%	2.9%	2.20%	2.50%	2.90%			
Operating margin		0.9%	1.2%	1.4%	1.4%	1.8%	2.2%			
NPAT margin		0.3%	0.4%	0.5%	na	1.1%	1.5%			

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG CONSENSUS

We forecast the non-telco segment to contribute 8.5% of MCAS's net revenue and 70% of total gross profit in FY24F

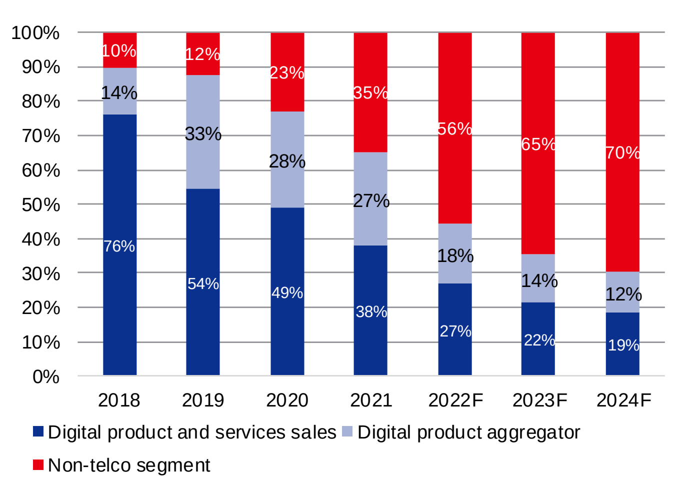
As of FY21, the non-telco segment only contributed 1.7% of MCAS's total net revenue but 35% of MCAS's gross profit, mainly driven by digital cloud advertising. In FY24F, we forecast the company's net revenue contribution from the non-telco segment will stand at c.8.5% which would lead to a gross profit contribution of c.70%. In FY22F, we expect the non-telco segment to contribute up to 5.1% of net revenue and 56% of gross profit.

Figure 45: Net revenue contribution from telco and non-telco segments (FY18-24F)



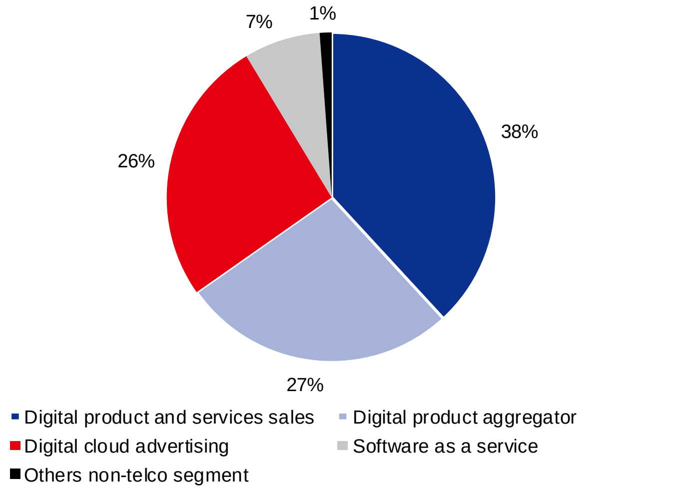
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 46: Projected gross profit contribution from telco and non-telco segments (FY18-24F)



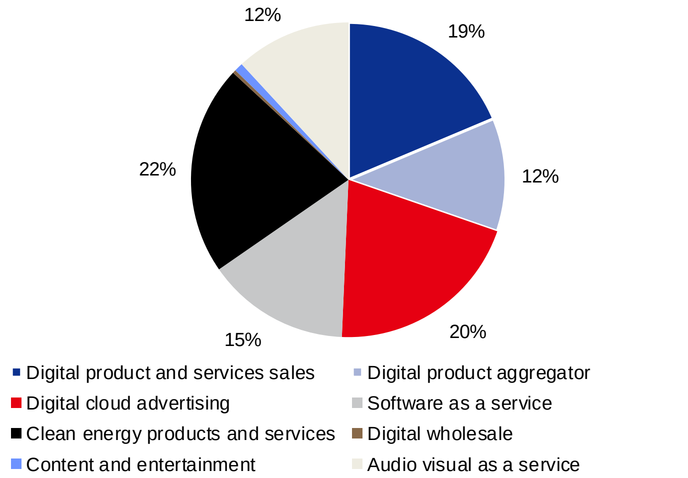
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 47: Gross profit contribution from telco and non-telco segments as of FY21



NOTE:DIGITAL PRODUCTS AND SERVICES SALES AND DIGITAL PRODUCT AGGREGATOR ARE INCLUDED IN THE TELCO SEGMENT, WHILE THE REST ARE IN NON-TELCO SEGMENT
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 48: FY24F projected gross profit contribution from telco and non-telco segments

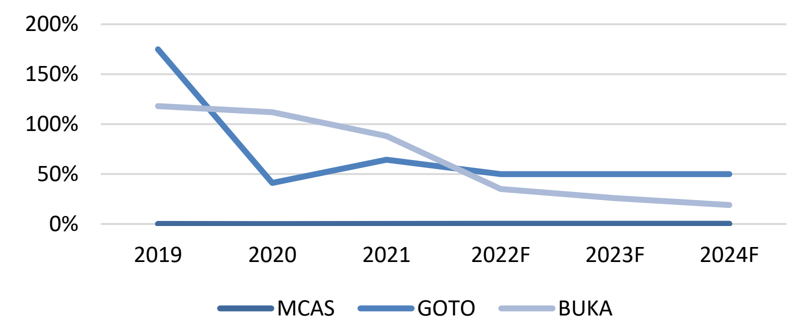


NOTE:DIGITAL PRODUCTS AND SERVICES SALES AND DIGITAL PRODUCT AGGREGATOR ARE INCLUDED IN THE TELCO SEGMENT, WHILE THE REST ARE IN NON-TELCO SEGMENT
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Operating the business with minimum cash burn

MCAS's business is different from other well-known tech companies in Indonesia. The plug-and-play system does not require high cash burn from sales and marketing expenses; hence, these do not burden the operating cash flow and bottomline. MCAS has remained profitable since 2014 with limited cash burn. MCAS's marketing and promotion expenses as a % of its revenue have remained below 1% throughout the years and we expect this to continue.

Figure 49: MCAS, GOTO, BUKA sales and marketing expenses as % of revenue as of FY19 – FY24F



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Valuation

Our target price of RP18,300/share is derived by applying sum-of-parts (SOP) based valuation as we think that MCAS's businesses that are already listed should be valued separately, along with the rest of MCAS's businesses. We value NFCX at 2.3x FY23F EV/Sales, a ~10% discount to global peers' multiple, as NFCX operates less mature businesses compared to its peers. We value TFAS at 2x FY23F EV/Sales, a ~15% discount to global tech-enabler peers' FY23F EV/Sales due to its slower revenue growth compared to NFCX; however, TFAS maintains backbone infrastructure for telco B2B apps (MSME focused) and part of its value is its existing connections/relationships with MSMEs. The rest of the businesses (SaaS and V2) are less proven, and generate high but volatile gross profit margins. These businesses are valued at 1.5x FY23F EV/Sales, a ~35% discount to global tech-enabler peers' multiple.

Figure 50: Minority adjusted net revenue estimation (FY22F-24F)

Rp bn	2021	2022F	2023F	2024F	Subsidiary	Weighted % effective ownership	2021	2022F	2023F	2024F
Telco segment	Pre-minority adjusted						Post-minority adjusted			
Digital product and services sales	3,738	3,768	3,790	3,820	TFAS	42%	1,577	1,590	1,599	1,612
Digital product aggregator	8,718	9,471	10,314	10,972	NFCX	51%	4,446	4,830	5,260	5,596
Telco segment	**12,456**	**13,239**	**14,104**	**14,792**			**6,023**	**6,420**	**6,859**	**7,207**
Non-telco segment										
Digital cloud advertising	154	213	246	270	DMMX	15%	23	32	37	41
Software as a service	52	93	130	169	DKD	80%	41	74	104	135
Clean energy products and services	12	105	343	495	VIS	9%	1	10	31	45
Digital wholesale	2	220	264	317	DMMX	15%	0	33	40	48
Content and entertainment	0	2	5	9	BLDX	7%	0	0	0	1
Audio visual as a service	-	80	96	115	V2	25%	-	20	24	29
Non-telco segment	**220**	**713**	**1,083**	**1,375**			**66**	**169**	**236**	**298**
Total net revenue	**12,675**	**13,951**	**15,187**	**16,167**		**Minority adjusted net revenue**	**6,089**	**6,589**	**7,095**	**7,505**
Minority adjusted net revenue to total net revenue							***48%***	***47%***	***47%***	***46%***

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

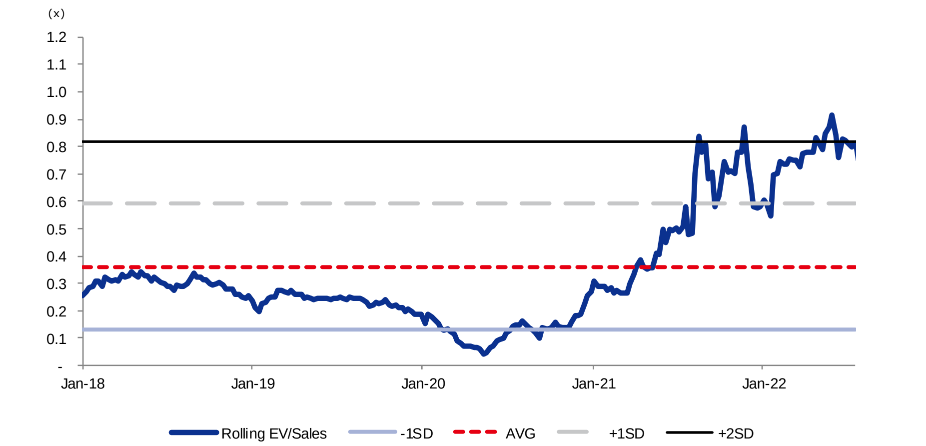
Figure 51: MCAS's valuation method

Listed subsidiaries	Basis	Target multiple (x)	Minority adjusted sales (MCAS's stake)	Enterprise value
NFCX	FY23F EV/Sales	2.3	5,368	12,588
TFAS	FY23F EV/Sales	2.0	1,599	3,198
Rest of businesses	FY23F EV/Sales	1.5	128	192
Enterprise value (IDR b)			**7,095**	**15,978**
Net debt				(5)
Minority interest				(91)
Equity value				**15,882**
TP				**18,300**
% upside/downside				**58%**

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

MCAS is currently trading at 0.8x 1-year forward EV/Sales, 2 s.d. above its 5-year average EV/Sales band as the share price has rallied significantly from a low base in 2020. Since 2021, the company has been growing aggressively and we believe that the company's differentiated plug-and-play model would help it remain strong in the tech-infra industry. Additionally, the higher gross profit contribution by its non-telco segment should unlock more value.

Figure 52: MCAS's 1-year forward EV/Sales



SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

Figure 53: MCAS's peers

Ticker	Company Name	Currency	Rating	Target price	Price	Market Cap (US$ bn)	EV (US$ bn)	EV/Gross profit (x)			EV/Revenue (x)			ROE		
								FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
MCAS IJ	M Cash Integrasi	IDR	ADD	18,300	11,625	0.7	0.7	32.9	25.5	19.9	0.7	0.6	0.5	12%	17%	19%
Global average (excluding MCAS and GOTO)								**7.1**	**4.9**	**4.4**	**3.4**	**2.6**	**2.1**	**9%**	**10%**	**11%**
Indonesia																
BUKA IJ	Bukalapak.com	IDR	ADD	350	284	1.9	0.6	5.5	3.8	3.0	2.9	2.1	1.5	16%	-2%	1%
GOTO IJ	GoTo Gojek Tokopedia	IDR	HOLD	396	250	19.4	17.1	107.0	41.2	22.0	29.1	17.9	11.5	-19%	-18%	-15%
Average								**56.2**	**22.5**	**12.5**	**16.0**	**10.0**	**6.5**	**-2%**	**-10%**	**-7%**
Asia																
060250 KS	NHN KCP Corp	KRW	NR	na	10,650	0.3	0.1	1.5	1.3	1.1	0.2	0.2	0.2	20%	20%	20%
035600 KS	Kginicis Co Ltd	CNY	NR	na	12,100	0.2	0.4	2.2	1.9	n.a.	0.5	0.5	0.4	12%	14%	11%
PAYTM IN	One 97 Coomunications I	INR	NR	na	659	5.2	4.6	14.6	6.9	5.0	7.5	4.9	3.7	-22%	-15%	-12%
300773 CH	Lakala Payment	CNY	NR	na	14	1.6	1.5	4.6	3.9	3.2	1.5	1.3	1.1	18%	18%	19%
9923 HK	Yeahka Ltd	CNY	NR	na	18	1.0	0.9	5.6	4.1	3.2	1.8	1.4	1.1	8%	12%	14%
Average								**5.7**	**3.6**	**3.1**	**2.3**	**1.7**	**1.3**	**7%**	**10%**	**11%**
United States																
SHOP US	Shopify	USD	NR	na	28	35.4	29.6	10.7	8.7	7.1	5.4	4.4	3.5	-2%	-2%	-2%
U US	Unity Software	USD	NR	na	33	9.9	9.9	10.1	7.8	6.3	7.5	5.9	4.7	-22%	-14%	-10%
PAGS US	Pagseguro Digital	USD	NR	na	13	4.3	4.1	2.7	2.4	2.2	1.4	1.2	1.0	14%	14%	16%
FOUR US	Shift4 Payments	USD	NR	na	44	3.6	4.4	18.1	9.9	9.0	6.2	3.4	2.9	40%	47%	40%
MGI US	Moneygram Internationa	USD	NR	na	10	1.0	1.7	2.8	3.6	n.a.	1.3	1.7	na	9%	9%	na
Average								**8.9**	**6.5**	**6.1**	**4.4**	**3.3**	**3.0**	**8%**	**11%**	**11%**
United Kingdom																
NETW LN	Network International	GBP	NR	na	298	1.8	2.0	n.a.	n.a.	n.a.	4.4	3.8	3.2	14%	17%	20%

NOTE: AS OF 27 SEPTEMBER 2022, ESTIMATES FOR NOT RATED COMPANIES ARE BASED ON BLOOMBERG CONSENSUS ESTIMATES
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG CONSENSUS

Investment risks

New business risks

MCAS has several new businesses that have started recently, such as the EV business. There is a risk that sales of 2W and 3W EVs could be below our current assumptions, which could lead to risks of losses and a downturn compared to the more mature and established business lines.

Share price liquidity risks

As MCAS has a relatively small market capitalisation (~US$700), share price liquidity may decline should MCAS record negative operational and financial performance.

Cyber security risk

As a tech-infra player, MCAS is heavily reliant on technology and its platform, which can be attacked by cyber criminals. A breach of customer data may jeopardise MCAS's reputation and valuable data.

Government policy risk

Currently, the government is offering several incentives for the EV industry to boost demand. There is a risk that the government may not continue these incentives which may hurt the demand going forward, and sales of 2W and 3W EV could fall below our current assumptions. This could result in lower-than-expected revenue and net profit.

SWOT analysis

Figure 54: MCAS's SWOT analysis

Strengths	Opportunities
MCAS has a well differentiated plug-and-play model that is hard to copy by other companies or new entrants. Its relationships with its clients and SOEs (i.e. PLN) are key to MCAS's success. MCAS's has a strong foundation with many distribution points that could pave the way for new businesses and will support these businesses to succeed.	The EV industry has a sizeable total addressable market. The Indonesia Battery Corporation (IBC) forecasts that c.1.2m 2W EV units will be on the road in Indonesia by FY25F. Additionally, Indonesia's mobile data TAM will grow up to >US$9bn with an increasing mobile data spending per capita.
Weaknesses	**Threats**
MCAS mostly acts has a sizeable minority interest and volatility in earnings due to margin fluctuations at new businesses and from the gains/losses from other investments.	Cyber security risks and government policy risks could have a negative impact on MCAS's businesses.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Key Management personnel

Figure 55: MCAS's board of commissioner as of 1H22

Name	Posititon	Details
Himawan Leenardo	President Commissioner	Holds the position as Independent Commissioner of the Company since 2017 until now. Has experience at PT Kafahteh Abadi as Director (1992–present).
Ipung Kurnia	Commissioner	Obtained a Bachelor's degree in Business Administration from Simon Fraser University, British Columbia, Canada in 1986 and a Master of Business Administration (MBA) from City University, British Columbia, Canada in 1988. Has attended the Advanced Management Program at Harvard Business School in 1999. Served as Commissioner of the Company since 2017 until now. Currently, he also serves as President Commissioner of PT Hero Supermarket since 2008 and as Director of PT Hero Intiputra since 1992. Has career experience at PT Hero Supermarket as CEO (1992–2008).
Diaz Hendropriyono	Commissioner	Obtained a Bachelor of Science (BSc) in Management from Norwich Military University, Master of Business Administration (MBA) in International Business and Master of Arts (MA) in Global Leadership from Hawaii Pacific University, Master of Public Administration (MPA) from Virginia Tech University, and a Government Leadership Certificate from the National Resilience Institute (Lemhannas). Has experience as a Commissioner at PT Telekomunikasi Seluler (2015 - 2018). He currently serves as Commissioner at Pertamina Gas (2021 - present) and SiCepat Ekspres since 2022 and sits on the Board of Trustees of the Indonesian eSports Association, PBeSI and IeSPA. He was appointed as Commissioner of the Company in 2022.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 56: MCAS's board of director as of 1H22

Name	Posititon	Details
Martin Suharlie	President Director	Obtained a Bachelor's degree in Management from Tarumanagara University in Jakarta in 1996. He has held the position of President Director of the Company since 2017 until now. He is the President Commissioner of PT Distribution Voucher Nusantara Tbk (2018–present), and Commissioner of PT NFC Indonesia Tbk (2018–present). Previously served as CEO of PT Agapindo Sukses Sejati (1996–2007), and CEO of PT Mitra Communication Nusantara (2008–2013).
Suryandy Jahja	Director	Obtained a Bachelor's degree in Communication & Computer Engineering from the University of New South Wales in 1993 and a Master's degree in General Management and Information Technology from Bina Nusantara University in 1996. He has held the position of Director of the Company since 2017 until now. He is the President Commissioner of PT NFC Indonesia Tbk (2018–present), Commissioner of PT Distribution Voucher Nusantara Tbk (2018–present), President Commissioner of PT Digital Mediatama Maxima Tbk (2019–present), and Commissioner of PT Bumilangit Entertainment (2020–present). Previously served as Corporate Account Executive at OGCI, Houston, United States (1994–1995), Marketing Manager at PT Barata Nusatama Prima – OGCI (1995–1997), Director at PT Kresna Cakra Unika (1997–1999), Director at PT Kresna Graha Sekurindo Tbk (1999–2015), and Director at PT Kresna Graha Investama Tbk (2015–July 2022).
Rachel Stephanie M. Siagian	Director and Corporate Secretary	Obtained a Bachelor's degree in Visual Communication Design from Trisakti University in Jakarta in 2010 and a Master's degree in Management from Trisakti University in Jakarta in 2016. He has held the position as Director of the Company since 2017 until now. Served as President Director of PT Anugerah Teknologi Mandiri (2018-present). Previously worked in the Marketing Division at Lowe Indonesia (2013–2014), as well as CEO and Co-Founder at Livi. Pte. Ltd (2014–2017). In addition, he has received several certifications including, the "6th Indonesian Finance Association (IFA) International Conference "Covid-19, Current Challenges, and the Future of Financial Market" certification (17-18 September 2020) and the AEI webinar certification "Restructuring Corporate, Financial & Legal Strategy" (13 & 20 August 2021).
M. Anis Yunianto	Director	Obtained a Bachelor's degree in Agricultural Industrial Technology from the Bogor Agricultural Institute in 1990. He has held the position of Director of the Company since 2017 until now. Previously served as Head of Marketing & Operations Division at PT Smart Telecom (2011–2012), Director of Operations at PT Mitra Communication Nusantara (2012–2014), Deputy Director of Sales & Channel Management at PT Bakrie Telecom Tbk (2014–2015), and Director Commercial & Operational at PT Bakrie Telecom Tbk (2015–2016).

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

ESG in a nutshell

As a tech-infra player, MCAS has been empowering hundred thousands of MSMEs, to digitalise their operations and enabling them to have additional revenue streams through MCAS's systems and platform. Additionally, MCAS also has a stake in the 2W EV industry through its subsidiary, NFCX where it said it has saved c.3m kg of CO_2. Its digital cloud advertising also contributes to less paper-based advertising.

Keep your eye on	Implications
1) Government targets and incentives towards EVs as it promotes people to use more electric-based vehicles; 2) SiCepat's participation in EV-based courier services.	1) Our view on the current government incentives towards EV are still limited; hence, we have not factored these in our growth calculations. We will monitor further government developments in this space. 2) SiCepat's participation in EV-based courier services will boost the company's ESG as many of MCAS's operations rely on fuel-based logistics transport.

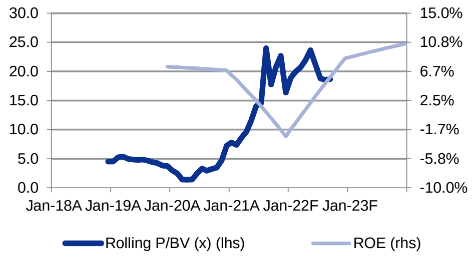
ESG highlights	Implications
The company has the most number of battery swap stations in the country – 250 units of which 180 are already online.	As the number of battery swap stations increases, it will contribute to even more CO_2 reduction and revenue.

Trends	Implications
There is notable yoy increase in the number of EVs sold, battery swap stations, along with the number of mitras becoming MCAS's partners.	As environmental pillar is one of the most challenging aspect for transport-based companies, further improvement in EV sales could drive MCAS's environmental and social pillar ratings going forward.

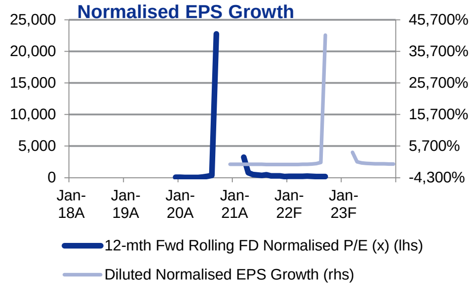
SOURCES: CGS-CIMB RESEARCH, REFINITIVE

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Normalised P/E vs FD Normalised EPS Growth



Profit & Loss

(Rpb)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	**11,334**	**12,675**	**13,951**	**15,187**	**16,167**
Gross Profit	**223**	**222**	**323**	**405**	**471**
Operating EBITDA	**132**	**133**	**191**	**253**	**309**
Depreciation And Amortisation	(17)	(36)	(63)	(75)	(88)
Operating EBIT	**116**	**97**	**128**	**178**	**221**
Financial Income/(Expense)	(3)	(13)	(4)	(6)	(5)
Pretax Income/(Loss) from Assoc.	(4)	(2)	(1)	(1)	(1)
Non-Operating Income/(Expense)	(13)	76	0	0	0
Profit Before Tax (pre-EI)	**95**	**158**	**123**	**171**	**215**
Exceptional Items					
Pre-tax Profit	**95**	**158**	**123**	**171**	**215**
Taxation	(23)	(17)	(13)	(18)	(23)
Exceptional Income - post-tax					
Profit After Tax	**72**	**141**	**110**	**153**	**192**
Minority Interests	(47)	(78)	(65)	(91)	(115)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	13	(76)	0	0	0
Preference Dividends (Australia)					
Net Profit	**39**	**(13)**	**45**	**62**	**77**
Normalised Net Profit	72	141	110	153	192
Fully Diluted Normalised Profit	**39**	**(13)**	**45**	**62**	**77**

Cash Flow

(Rpb)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	132.3	133.3	190.6	252.9	309.2
Cash Flow from Invt. & Assoc.	(3.9)	(2.0)	(1.4)	(1.4)	(1.4)
Change In Working Capital	185.7	(22.2)	(38.8)	(30.8)	0.0
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(78.3)	(65.0)	(90.9)	(115.2)	0.0
Other Operating Cashflow	8.5	(11.8)	0.0	0.0	0.0
Net Interest (Paid)/Received	(11.2)	(1.0)	(3.6)	(5.5)	(5.0)
Tax Paid	(19.1)	(13.1)	(18.1)	(22.8)	0.0
Cashflow From Operations	**214.0**	**18.3**	**37.8**	**77.2**	**302.9**
Capex	(166.2)	(65.1)	(100.0)	(100.0)	(100.0)
Disposals Of FAs/subsidiaries	0.0	(0.3)	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.8	0.0	0.0	0.0
Other Investing Cashflow	(6.1)	(38.2)	(14.5)	(14.5)	(14.5)
Cash Flow From Investing	**(172.3)**	**(102.8)**	**(114.5)**	**(114.5)**	**(114.5)**
Debt Raised/(repaid)	71.2	51.7	0.0	0.0	0.0
Proceeds From Issue Of Shares	(408.2)	(6.7)	(0.1)	0.0	0.0
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow					
Cash Flow From Financing	**(337.0)**	**45.0**	**(0.1)**	**0.0**	**0.0**
Total Cash Generated	(295.3)	(39.5)	(76.9)	(37.3)	188.4
Free Cashflow To Equity	**112.9**	**(32.8)**	**(76.8)**	**(37.3)**	**188.4**
Free Cashflow To Firm	**60.7**	**(65.2)**	**(57.5)**	**(18.0)**	**207.7**

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS… cont'd

Balance Sheet

(Rpb)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	349	621	592	575	595
Total Debtors	256	193	208	222	234
Inventories	475	433	454	493	523
Total Other Current Assets	323	379	379	379	379
Total Current Assets	**1,404**	**1,625**	**1,633**	**1,669**	**1,731**
Fixed Assets	295	330	377	413	437
Total Investments	83	113	113	113	113
Intangible Assets	40	41	46	50	52
Total Other Non-Current Assets	13	25	25	25	25
Total Non-current Assets	**432**	**509**	**561**	**600**	**627**
Short-term Debt	52	60	92	92	92
Current Portion of Long-Term Debt	33	35	0	0	0
Total Creditors	184	163	178	192	203
Other Current Liabilities	139	295	296	296	296
Total Current Liabilities	**408**	**553**	**565**	**579**	**590**
Total Long-term Debt	84	53	53	53	53
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	12	11	14	14	14
Total Non-current Liabilities	**96**	**64**	**67**	**67**	**67**
Total Provisions	0	0	0	0	0
Total Liabilities	**503**	**617**	**632**	**646**	**657**
Shareholders' Equity	478	506	551	613	690
Minority Interests	854	1,011	1,011	1,011	1,011
Total Equity	**1,332**	**1,517**	**1,562**	**1,624**	**1,700**

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	2.2%	11.8%	10.1%	8.9%	6.5%
Operating EBITDA Growth	(13.2%)	0.7%	43.0%	32.7%	22.3%
Operating EBITDA Margin	1.17%	1.05%	1.37%	1.67%	1.91%
Net Cash Per Share (Rp)	202.7	540.7	507.0	488.1	510.6
BVPS (Rp)	550.5	583.1	634.9	705.9	794.5
Gross Interest Cover	6.08	5.02	6.64	9.20	11.47
Effective Tax Rate	24.1%	10.6%	10.6%	10.6%	10.6%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	9.10	5.57	4.09	4.11	4.17
Inventory Days	12.84	13.30	11.88	11.69	11.84
Accounts Payables Days	7.19	4.81	4.23	4.24	4.30
ROIC (%)	17.2%	9.9%	15.0%	19.3%	22.4%
ROCE (%)	6.5%	12.1%	8.5%	11.0%	13.0%
Return On Average Assets	4.39%	4.00%	5.27%	7.11%	8.54%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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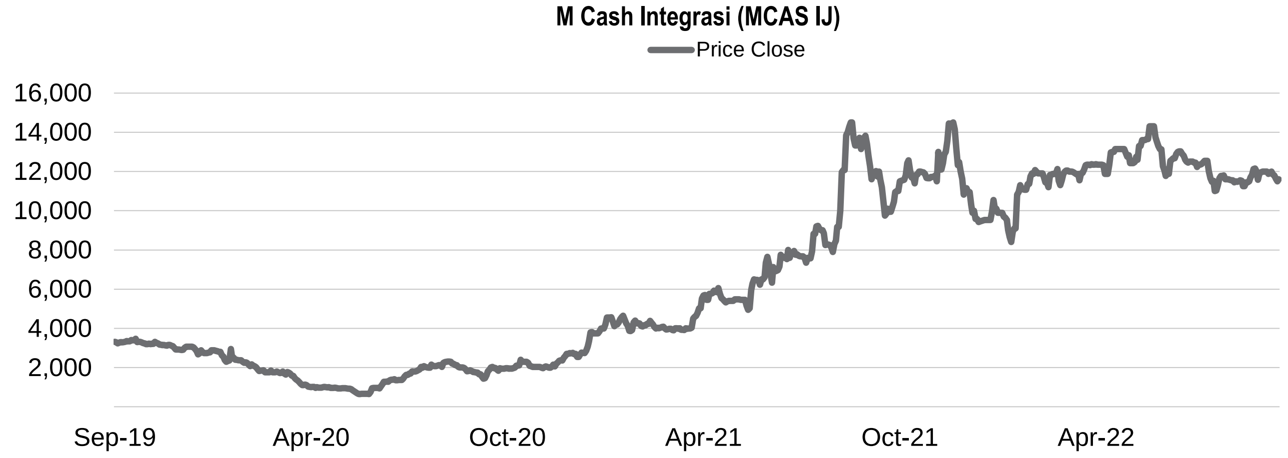
Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022		
643 companies under coverage for quarter ended on 30 June 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%
Reduce	7.0%	0.2%

Spitzer Chart for stock being researched (2 year data)



Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.