

Hariyanto Wijaya, CFA, CFP, CPA

Mandiri Sekuritas
Equity Analyst
Direct phone: (62-21) 5296 9553
Pin BB: 29EC6E72

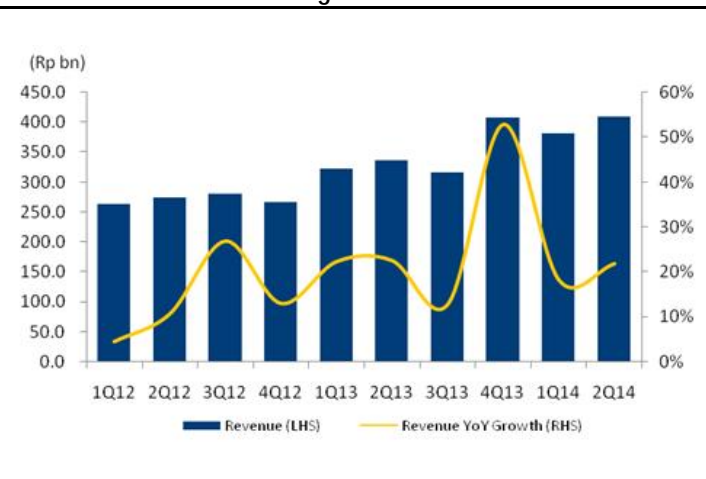
From: Hariyanto Wijaya
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Subject: Pelayaran Tempuran Emas: Key takeaways from meeting with management (TMAS; Rp815; Not Rated)

Pelayaran Tempuran Emas: Key takeaways from meeting with management
(TMAS; Rp815; Not Rated)

We meet with the management of Pelayaran Tempuran Emas (TMAS) Mr. Sutikno Khusumo (Director) and Mr. Ganny Zheng (Finance Director). TMAS is a fully containerized shipping line with focus on domestic sea logistics. TMAS is one of the beneficiaries of Jokowi's sea toll program and fuel subsidy cut because of higher domestic sea logistics volume ahead.

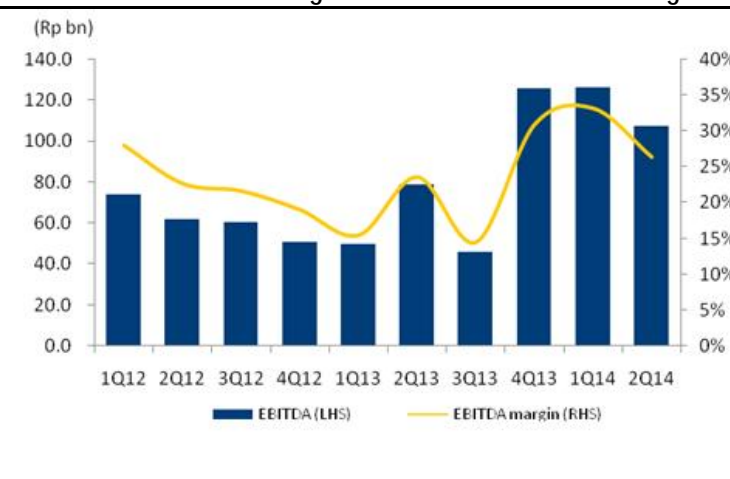
- Jokowi's sea toll program should boost sea logistics volume. Management think Jokowi's clean government policy should reduce the costs of loading and unloading at domestic ports, which currently are dominated by unofficial costs. Jokowi's sea toll program and plan to build 10 seaports should boost sea logistics volume ahead.
- Fuel subsidy cut should increase sea logistics volume. Jokowi's plan to reduce fuel subsidy would increase the cost of inland logistics, which should make some companies switch from inland logistics to sea logistics. Fuel subsidy cut should not increase fuel cost of shipping line because shipping line has already used fuel at market price.
- Cheap like chips. TMAS is traded at PE annualized FY14 of 4.6x. There is no coverage on TMAS and we also have no rating on TMAS. However, we think it's too cheap to ignore TMAS.

FIGURE . TMAS's revenue growth trend



Source: Bloomberg

FIGURE . TMAS's EBITDA growth trend and EBITDA margin



Source: Bloomberg

Best Regards,

Hariyanto Wijaya, CFA, CFP, CPA

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