UOBKayHian

Country Daily | Indonesia

Wednesday, 19 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53343.4	(0.2)	(0.8)	2.3	11.0
S&P 500	7691.8	(0.7)	(0.5)	3.1	12.4
FTSE 100	10728.0	0.1	(1.1)	1.2	8.0
AS30	9274.2	(0.1)	(1.8)	3.3	2.8
CSI 300	4725.8	(0.3)	1.3	4.3	2.1
FSSTI	5701.4	(1.2)	(0.9)	3.5	22.7
HSCEI	8453.2	0.2	(0.9)	3.9	(5.2)
HSI	25471.2	0.1	(0.7)	3.7	(0.6)
JCI	6449.8	0.7	1.3	4.4	(25.4)
KLCI	1733.4	0.4	0.1	0.1	3.2
KOSPI	6869.8	(1.5)	9.1	0.7	63.0
Nikkei 225	67460.7	(2.5)	0.7	5.2	34.0
SET	1621.6	(0.3)	(0.2)	(1.1)	28.7
TWSE	45308.7	(1.2)	0.4	6.2	56.4
BDI	2815	(2.2)	(7.6)	2.3	50.0
CPO (RM/mt)	4527	0.0	(0.1)	0.7	15.1
Brent Crude (US$/bbl)	91	0.2	2.4	3.3	49.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep

Top Stories

Small/Mid Cap Highlights | Superior Prima Sukses (BLES IJ/**NOT RATED**/Rp202) Page 2 →

- BLES, Indonesia's largest Autoclaved Aerated Concrete (AAC) block manufacturer, is emerging from a low-margin phase as ASPs recover 50% yoy, lifting gross margin to 37.8% and annualised ROE to 27.7% in 1H26. With the heavy capex cycle now behind it, net gearing has nearly halved to 0.25x. Backed by tycoon Hermanto Tanoko's building-materials expertise, BLES is positioned to capture AAC's long growth runway beyond Java, priced at a discount of around 6.2x 1H26 annualised PE.

Technical Analysis

Solusi Sinergi Digital | WIFI IJ Page 5 →

- Trading Buy Range: We have a technical Buy at Rp2,100, and take profit at Rp2,250.

Harum Energy | HRUM IJ Page 5 →

- Trading Buy Range: We have a technical Buy at Rp880, and take profit at Rp950.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Superior Prima Sukses (BLES IJ)

Higher ASPs Drive Record Earnings

Highlights

- **Margin recovery is underway.** Gross margin rebounded from 25.9% in 2025 to 37.8% in 1H26, with 6M26 net profit already exceeding 2025 profit.
- **Heavy capex cycle is over.** Capex fell from Rp327b in 2025 to Rp13b in 6M26, cutting net gearing from 0.49x to 0.25x in six months.
- **Long growth runway with support from Tanoko.** AAC block adoption is growing exponentially nationwide, with tycoon Hermanto Tanoko (~18% ownership) looking to replicate his building-materials success through BLES.

Analysis

- **AAC blocks are structurally replacing traditional red bricks.** Superior Prima Sukses (BLES) is Indonesia's leading Autoclaved Aerated Concrete (AAC) block manufacturer, known locally as bata ringan, with an estimated 20% national market share. AAC offers clear advantages over conventional red brick: It is about 70% lighter, installs roughly 3x faster, and cheaper to build with. National adoption remains concentrated in Java, where it has already reached 80-90% penetration in the more mature Jakarta/West Java market, versus around 40% in Central and East Java. Outside Java, demand is still largely confined to major cities such as Medan, Makassar, and Banjarmasin. This points to a clear runway ahead, positioning bata ringan for a continued, scalable growth into secondary cities and regions beyond Java.
- **The low-ASP, low-margin period is over.** ASP fell from about Rp522,000/m³ in 2023 to around Rp402,000/m³ in 2025, a decline compounded by a period when the government shifted national priority away from infrastructure. Against this weaker backdrop, BLES aggressively lowered ASP to undercut competitors and gain market share, prioritising volume growth over profitability. Gross margin fell to 25.9% in 2025 from 32.1% in 2024, and ROE dropped to about 7.5%, the weakest year in recent history. As of 1H26, pricing has moved the other way, with ASPs up roughly 50% yoy, lifting gross margins to 37.8% (vs 1H25's 21.4%) and ROE to 27.7% annualised during the period.
- **The heavy capex cycle is behind the company, for now.** BLES recently established its new Banjarnegara plant, adding around 1.0m m³/year of capacity and bringing total installed capacity to about 5.6m m³/year across its six plants. Capex has since fallen sharply to Rp13b in 6M26, from Rp553b in 2024 and Rp327b in 2025. Plant utilisation currently sits at about 70%, with management noting that historically it can reach around 90%, leaving the company not needing additional plants for at least two years. That said, management also said it continuously monitors ex-Java markets for potentially new investments, so this is better read as a pause in heavy capex, not a multi-year commitment against further plant construction.

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	720	1,115	1,363	1,463	1,503
EBITDA	165	187	321	329	280
Operating profit	98	98	222	219	134
Net profit (rep./act.)	78	66	147	160	84
EPS (Rp)	n.a.	n.a.	n.a.	20.0	9.4
PE (x)	n.a.	n.a.	n.a.	10.2	21.6
P/B (x)	n.a.	n.a.	n.a.	1.7	1.6
EV/EBITDA (x)	13.4	11.8	6.9	6.7	7.9
Dividend yield (%)	n.a.	n.a.	n.a.	1.8	0.9
Net margin (%)	10.9	5.9	10.8	11.0	5.6
Net debt/(cash) to equity (%)	100.7	115.4	38.1	39.8	47.9
Interest cover (x)	5.6	3.0	6.2	6.9	3.2
ROE (%)	21.6	18.1	26.4	17.7	7.7

Source: BLES, Bloomberg, UOB Kay Hian

Analyst(s)

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NOT RATED

Share Price	Rp202
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Materials
Bloomberg ticker	BLES IJ
Shares issued (m)	8,890
Market cap (Rpb)	1,831
Market cap (US$m)	103
3-mth avg daily t'over (US$m)	0.1

Price Performance (%)

52-week high/low				Rp230/Rp115
1mth	3mth	6mth	1yr	YTD
47.1	32.9	33.8	29.6	28.8

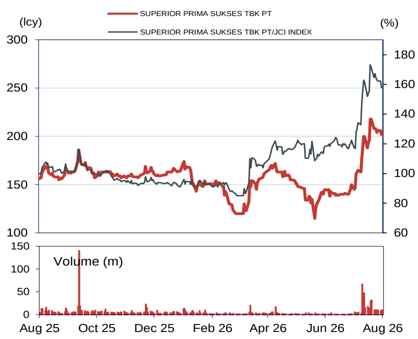
Major Shareholders (%)

Global Base Universal	40.8
Tata Utama Gemilang	29.7
Tancorp Investama Mulia	18.1

Balance Sheet Metrics

FY26 NAV/Share	n.a.
FY26 Net Debt/Share	n.a.

Price Chart



Source: Bloomberg

Company Description

Superior Prima Sukses is Indonesia's largest producer of autoclaved aerated concrete (AAC) bricks, headquartered in Surabaya. Founded in 2011, the company operates six production plants across Java with total capacity of 5.6m m³/year, distributing through a nationwide network of branches and retail outlets.

- **Tancorp brings capital and building-materials experience.** Indonesian Tycoon Hermanto Tanoko's investment holds an estimated 18% of BLES through its investment vehicle, Tancorp Investama Mulia. In addition, Tanoko's daughter, Belinda Natalia, sits as the company's commissioner. Beyond BLES, Tancorp's portfolio includes Depo Bangunan, which pioneered the building-material supermarket concept in Indonesia, and Avian, one of Indonesia's leading paint manufacturers, which gives the group direct experience on both the distribution and manufacturing sides of building materials. The company noted the involvement of Tanoko himself in advising and visioning the business, as well as his long-standing friendship with the company's ultimate owner.
- **6M26 results support the recovery.** Net profit was Rp147b in 6M26, up about 17x yoy, and already above full-year 2025 profit of Rp84b. Within that, 2Q26 alone delivered Rp100b, the highest single-quarter net profit the company has ever recorded. Operating cash flow remained steady, consistently above Rp165b annually since 2022, even through the 2024-25 setbacks. Net debt fell by Rp204b over six months, taking net gearing from 0.49x to 0.25x. Management said improvements in margins and ASPs became visible in 2H25 and even more so in 1H26, with the trend expected to extend into 2H26, mirroring the company's performance pattern in 2018.

Valuation

- **BLES currently trades at around 6.2x 1H26 annualised PE, a notable discount to the domestic peer average of 11.6x.** The company guided for 3Q26 and 4Q26 results to track similar to 2Q26's Rp100b in earnings, on the back of higher ASPs and better margins. If this holds, BLES's 2026E P/E would fall to around 5.2x, offering an even steeper discount to peers.

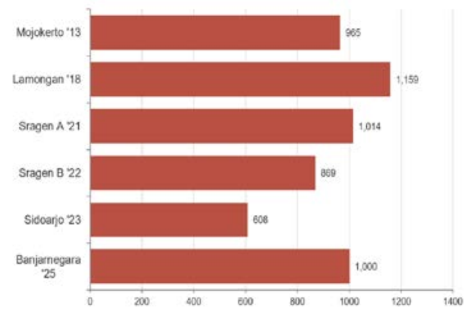
Risk/Catalyst

- BLES has consistently paid out about 20% of its profit as dividends in both 2024 and 2025 which, per the company, is expected to increase for 2026 (both payout and in absolute terms) as their capex for the upcoming years will be lower.
- The company acknowledged their free float of under 8%, which is lower than the current regulation of 15%. However, the company remains confident that they will refloat it to the threshold before the deadline in 2028.

Leading Products

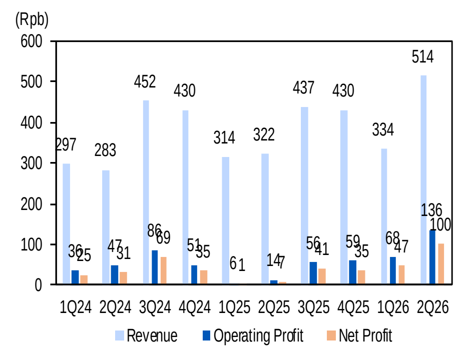
Source: UOB Kay Hian

Installed Capacity By Plant



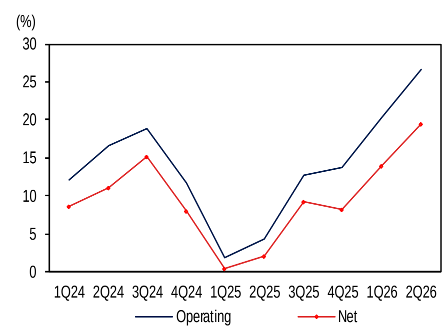
Source: UOB Kay Hian

Earnings



Source: UOB Kay Hian

Margins



Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Net turnover	1,115	1,363	1,463	1,503
EBITDA	187	321	329	280
Deprec. & amort.	89	99	110	146
EBIT	98	222	219	134
Total other non-op. income	4	7	16	15
Associate contributions	n.a.	n.a.	n.a.	n.a.
Net interest income/(expense)	-33	-36	-32	-42
Pre-tax profit	69	193	203	107
Tax	(3)	(42)	(42)	(23)
Minorities	(1)	(4)	(1)	0
Net profit	66	147	160	84
Net profit (adj.)	66	147	160	84

Balance Sheet

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Fixed assets	823	1,129	1,508	1,726
Other LT assets	22	26	56	23
Cash/ST investment	21	195	41	67
Other current assets	159	178	233	223
Total assets	1,024	1,529	1,838	2,038
ST debt	122	111	162	127
Other current liabilities	182	255	271	275
LT debt	330	371	305	477
Other LT liabilities	16	40	31	38
Shareholders' equity	370	745	1,069	1,120
Minority interest	4	7	0	0
Total liabilities & equity	1,024	1,529	1,838	2,038

Cash Flow

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Operating	165	324	243	236
Pre-tax profit	69	193	203	107
Tax	(3)	(42)	(42)	(23)
Deprec. & amort.	89	99	110	146
Working capital changes	(14)	42	(39)	(23)
Non-cash items	24	32	11	30
Investing	(81)	(220)	(586)	(259)
Capex (growth)	(76)	(213)	(544)	(264)
Investments	1	1	2	11
Others	(5)	(8)	(43)	(6)
Financing	(94)	88	168	66
Dividend payments	(50)	(60)	(30)	(32)
Issue of shares	0	140	262	0
Proceeds from borrowings	97	135	215	660
Loan repayment	(97)	(121)	(249)	(560)
Others/interest paid	(44)	(6)	(30)	(2)
Net cash inflow (outflow)	(10)	193	(175)	43
Beginning cash & cash equivalent	15	21	195	41
Ending cash & cash equivalent	5	213	20	85

Key Metric

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Profitability				
EBITDA margin	17	24	22	19
Pre-tax margin	6	14	14	7
Net margin	6	11	11	6
ROA	7	12	10	4
ROE	18	26	18	8
Growth (% yoy)				
Turnover	55	22	7	3
EBITDA	13	72	2	(15)
Pre-tax profit	(19)	180	6	(47)
Net profit	(16)	125	9	(48)
Net profit (adj.)	(16)	125	9	(48)
EPS	n.a.	n.a.	n.a.	(53)
Leverage				
Debt to total capital	55	39	30	35
Debt to equity	121	64	44	54
Net debt/(cash) to equity	115	38	40	48
Interest cover (x)	3	6	7	3

Technical Analysis

Analyst(s)

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Source: ChartGenie

Solusi Sinergi Digital
WIFI IJ

Technical BUY with 7% potential return

Resistance:	Rp2,250, Rp2,350
Support:	Rp2,080, Rp1,990
Stop-loss:	Rp1,990

Share price closed significantly higher and formed a bullish candlestick. Price broke above several resistance levels; hence, more rallies could be triggered and price could challenge the resistance at Rp2,250 and Rp2,350. Technical indicator RSI is sloping upwards and above its midline, while the Stochastic has just given a bullish signal. Buy at Rp2,100 and take profit at Rp2,250.

Approximate timeframe: 2-4 weeks.

Source: ChartGenie

Harum Energy
HRUM IJ

Technical BUY with 8% potential return

Resistance:	Rp910, Rp960
Support:	Rp865, Rp820
Stop-loss:	Rp850

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we expect more bullish pressure to take place and price could challenge the resistance at Rp910 and Rp960. Technical indicator RSI is sloping upwards and above its midline, while the Stochastic has just formed a bullish signal. Buy at Rp880 and take profit at Rp950.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp1,260.