

EXECUTIVE SUMMARY

Company Profile

PT. Polytiles Indonesia is a manufacturing company located in Balaraja, Banten. PT. Polytiles Indonesia engaged in the production of plastic and silica sand roof tiles that named PolyTiles.

The Company's vision is to become a major producer in the roof tile manufacturing industry and distribution of the building materials sector throughout Indonesia.

Our Mission:

- Creating innovative product
- Enhance efficiency and productivity
- Ensuring availability
- Continuous improvement

Business

This business provides alternative products in the construction industry, especially roofing with polypropylene (PP) plastic as a binding material. The silica sand powder will be used as an aggregate, therefore will be mixed with PP plastic that has been chopped and heated to the previous melting temperature so that it can be mixed in the extruder machine.

Market

Our market focused on middle customer that has total market share of 43% or 43,899 houses which need 58,427,932 pieces of roof tiles in total (year 1). In the first year, we expect to grab 5% of total market share or 2,194 houses which generate a requirement of 2,921,396 roof tiles. Our company expect sales to grow by 4.3% in the next five years to 9.3% of total market share. In total, we will deliver 5,804,899 pieces of roof tiles in year 5 of financial year.

Competition

We are competing with other companies such as Kanmuri and M1 Class that produces common roof tiles. Our product will be marketed as a substitute of our competitor's product, because our roof tiles is lighter and cheaper total cost in constructing a house. our competitive advantage are we have a better process in the production of our product and we invest in automated machine that creates efficiency and more productivity which eliminates error in productivity. Also, we are the first company to use plastic as roof tiles, therefore we will have a first mover advantage in this Industry.

Risk

Our biggest risk related to the company are competition among existing competitors, supplier's power of bargain, and buyer's power of bargain. To overcome those risks, our company will do massive marketing to introduce our product to future customer, secondly is our raw material is 30% of plastic that are massively available in Indonesia as we could use used plastic as our raw material. To overcome with buyer's power of bargain, we believe that Polytiles' attribute or features such as lighter and stronger than existing product will win the competition.

Management Team

Our Management team is led by President Director, Operation Director, Finance and HR Director, Marketing Director, and Supply Chain Management Director.

Operations

Our head office and factory located in Balaraja, Banten. Polytiles will perform in house production and looking for raw materials from suppliers around Balaraja to enhance efficiency. Our total full-time staff is 64 in year one and will be 96 in year five. Polytiles will use third party vendors such as Deliveree and others logistics company as delivery partner. PolyTiles will focus selling on Banten area for the first year, then expands the sales territory to Greater Jakarta, Bogor, and so on.

Capital Requirement

In terms of initial investment, Polytiles will need Rp 28.6 billion for capital expenditure and operation expenditure which is invested from shareholders. We expect to provide an exit or payback period in three years.

Financial Snapshot

In the fifth year, Polytiles expect to have sales of Rp 100 billion which grown by more than 100% compared to year 1 of Rp 49 billion.

Deskripsi	Y0	Y1	Y2	Y3	Y4	Y5	Terminal Value
Investasi awal	-Rp 34,785,957,104						
Arus kas operasi		Rp 28,632,800,805	Rp 33,823,307,454	Rp 40,222,599,124	Rp 46,332,027,003	Rp 49,875,546,782	
Arus kas investasi		-Rp 16,942,800,000	-Rp 3,631,760,000	-Rp 5,556,936,000	-Rp 5,326,129,600	-Rp 6,863,042,560	
Arus kas pendanaan		Rp 224,441,406	Rp 5,407,941,984	Rp 1,935,909,441	Rp 3,017,787,238	Rp 4,731,281,583	
Terminal Value							Rp 671,547,180,337
Free Cash Flow to the Equity	(34,785,957,104)	11,914,442,211	35,599,489,437	36,601,572,565	44,023,684,641	47,743,785,805	671,547,180,337
PV of FCFE (year 1) @WACC	Rp 10,376,350,578						
PV of FCFE (year 2)	Rp 27,407,714,452						
PV of FCFE (year 3)	Rp 24,890,677,252						
PV of FCFE (year 4)	Rp 26,654,701,179						
PV of FCFE (year 5)	Rp 26,028,964,906						
PV of FCFE (year 6/TV)	\$324,283,299,870.84						
NPV	404,855,751,134						
IRR	98.98%						
MIRR	71.13%						
PI	12.64						
Cash Flow/ Net Investment							

tax rate	25%	sumber	http://www.market-risk-premia.com/id.html			
market risk premium	2.75%	failure rate	5%			
market return	9.68%	(NPV <0)				
Risk free rate	6.93%					
	0	1	2	3	4	5
Risk Free Rate	6.930%	6.930%	6.930%	6.930%	6.930%	6.930%
RAW Beta	1.067	1.067	1.067	1.067	1.067	1.067
market return	9.680%	9.680%	9.680%	9.680%	9.680%	9.680%
ke	14.864%	14.864%	14.864%	14.864%	14.864%	14.864%
kd	11.250%	11.250%	11.250%	11.250%	11.250%	11.250%
asumsi bunga	15%	15%	15%	15%	15%	15%
equity	Rp 34,785,957,104	Rp 34,785,957,104	Rp 34,785,957,104	Rp 34,785,957,104	Rp 34,785,957,104	Rp 34,785,957,104
debt	Rp -	Rp 224,441,405	Rp 5,407,941,983	Rp 1,935,909,441	Rp 3,017,787,237	Rp 4,731,281,582
	Rp -	Rp 224,441,405	Rp 5,632,383,388	Rp 7,568,292,829	Rp 10,586,080,066	Rp 15,317,361,648
	Rp 34,785,957,104	Rp 35,010,398,509	Rp 40,418,340,492	Rp 42,354,249,933	Rp 45,372,037,170	Rp 50,103,318,752
we	100%	99.3589%	86.0648%	82.1310%	76.6683%	69.4284%
wd	0	0.6411%	13.9352%	17.8690%	23.3317%	30.5716%
	1	1	1	1	1	1
WACC	14.8643%	14.8230%	13.9687%	13.7159%	13.3648%	12.8995%

