

Wednesday, 13 October 2021

HOLD Downgrade

Last price (IDR)	3,970
Target Price (IDR)	3,750
Upside/Downside	-5.5%
Previous Target Price (IDR)	3,400

Stock Statistics

Sector	Transportation
Bloomberg Ticker	ASSA IJ
No of Shrs (mn)	3,398
Mkt. Cap (IDRbn/USDmn)	13,488/949
Avg. daily T/O (IDRbn/USDmn)	46.5/3.3

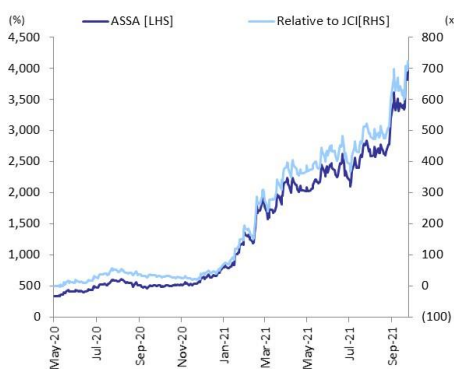
Major shareholders (%)

Adi Dinamika Investindo	25.1
Daya Adicipta Mustika	19.2
Estimated free float	35.7

EPS Consensus (IDR)

	2021F	2022F	2023F
Danareksa	64.6	118.1	176.8
Consensus	52.5	93.5	131.2
Danareksa/Cons	23.1	26.4	34.8

ASSA relative to JCI Index



Source : Bloomberg



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Adi Sarana Armada (ASSA IJ)

Fresh preview on 10.10 ecommerce shopping event

We discussed Anteraja performance post 10.10 ecommerce event. The estimated parcels per day improved to ~2mn from 1.7mn in last month (+17.6%). Anteraja also saw progress in its partnership with Grab and Gojek in fulfilling orders from 10.10 event and exploring possibility to expand its collaboration strategy to other partners. With new improvement information we obtained from the call, we raise our PPD expectation by +25% in FY21 and FY22 increasing our TP to IDR 3,750 and downgrade our call to HOLD.

10.10 was better performance than 9.9. Anteraja estimate that 10.10 grew to ~2mn parcels per day from 1.7mn in 9.9, although the final number is not complete due to inactivity of stores in ecommerce on Sunday. The improvement of flow is also driven by logistics price discount in several ecommerce platforms. Overall, the company expects that the monthly parcels per day improved by 10%mom. The company has delivered more than 130mn parcels ytd, with average parcels per day reached 800k in last three months.

Progress in collaboration strategy. In 10.10, Anteraja sees progress in collaborating with Gojek and Grab through channeling the order to the drivers in peak season. The collaboration strategy was initiated to anticipate sudden peak season including double date without adding more capacity to courier formation. As per Sep21, the number of couriers reached 19,000 which may translate to max capacity of 1.4mn parcels per day in our estimate. With the collaboration Anteraja may fill the gap. Anteraja is now exploring the possibility to expand its collaboration strategy to other logistics partners by strengthening its ecosystem.

Raising our TP, downgrade to HOLD. Recently the stock has soared by ~45% since our last call with management in 9.9, which we think mainly stemmed by 1) improving Anteraja's performance 2) improving rental and car auction business 3) speculation on second pillar expansion plan. Seeing the progress of Anteraja in 10.10 which may exceed our initial expectation, we revise our parcels delivered per day assumption to 650,000 and 1,000,000 for FY21 and FY22 consecutively (all +25%). Thus, we arrive with new target price of 3,750 implying EV/EBITDA FY22 of 10.0x and downgrade our call to HOLD.

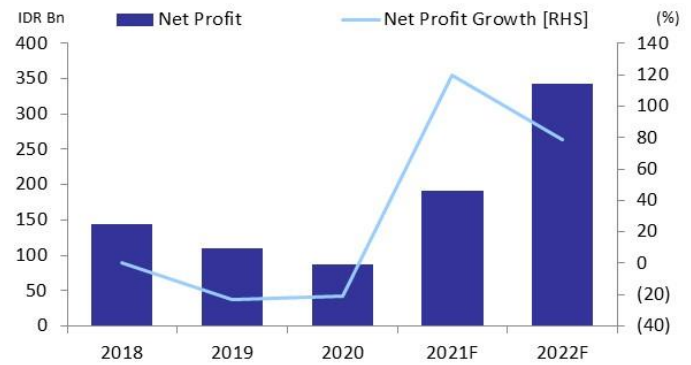
Key Financials

Year to 31 Dec	2019A	2020A	2021F	2022F	2023F
Revenue (IDRbn)	2,330	3,037	4,946	7,036	8,592
EBITDA (IDRbn)	873	922	1,062	1,460	1,805
EBITDA Growth (%)	10.5	5.6	15.2	37.5	23.6
Net profit (IDRbn)	110	87	219	401	601
EPS (IDR)	32.5	25.7	64.6	118.1	176.8
EPS growth (%)	(23.1)	(21.1)	151.7	83.0	49.7
BVPS (IDR)	350.8	377.8	442.4	560.5	949.2
DPS (IDR)	3.6	0.0	0.0	0.0	0.0
PER (x)	122.2	154.8	61.5	33.6	22.5
PBV (x)	11.3	10.5	9.0	7.1	4.2
Dividend yield (%)	0.1	0.0	0.0	0.0	0.0
EV/EBITDA (x)	18.5	17.6	15.3	11.0	8.3

Source : ASSA, Danareksa Estimates

Exhibit 1. Revenues and Growth

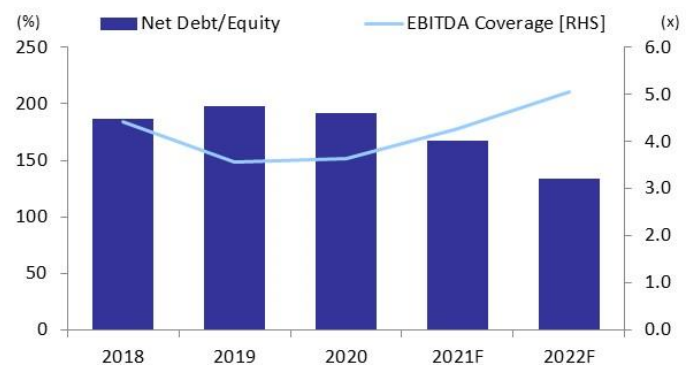

Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 2. Net Profits and Growth


Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 3. Margins


Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 4. Gearing Level


Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 5. Changes in valuation

		Before	After	diff%
FY21 parcels per day	PPD	520,000	650,000	25.0%
FY22 parcels per day	PPD	800,000	1,000,000	25.0%
Anteraja revenue FY22	IDR bn	3,714	4,446	19.7%
EV/rev	x	2.3	2.3	
Anteraja value	IDR bn	8,030	10,225	27.3%
ASSA ownership (55%)	IDR bn	4,417	5,624	27.3%
Non delivery business valuation	IDR bn	7,192	7,192	
ASSA SOTP	IDR bn	11,609	12,816	10.4%
No of shares	bn	3.40	3.40	
Target price	IDR/sh	3,400	3,750	10.3%

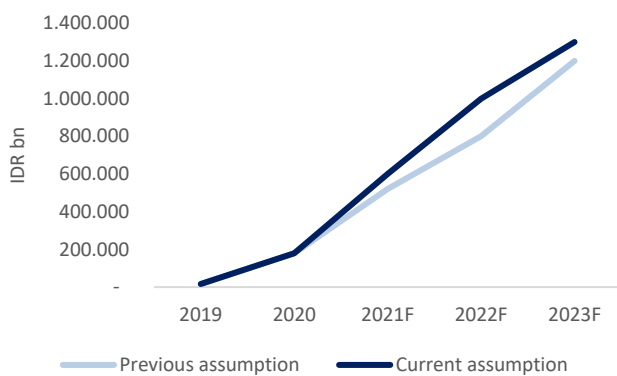
Source: BRI Danareksa Sekuritas estimates

Exhibit 6. Changes in financial forecasts

		FY21			FY22		
		Prev.	After.	Change	Prev.	After.	Change
Revenue	IDR bn	4,590	4,946	7.8%	6,146	7,036	14.5%
Gross profit	IDR bn	1,122	1,157	3.1%	1,509	1,624	7.6%
Operating profit	IDR bn	507	533	5.1%	779	859	10.3%
EBITDA	IDR bn	1,035	1,062	2.6%	1,380	1,460	5.8%
Pretax profit	IDR bn	275	311	13.1%	552	647	17.2%
Net profit	IDR bn	191	219	14.7%	342	401	17.3%
GPM	%	24%	22%		25%	23%	
OPM	%	11%	10%		13%	12%	
EBITDA-M	%	23%	21%		22%	21%	
NPM	%	4%	4%		6%	6%	

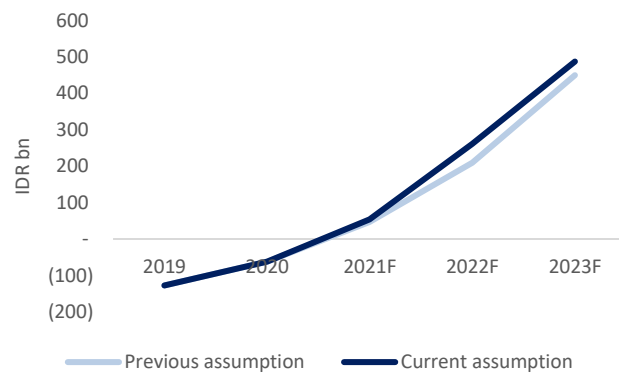
Source: BRI Danareksa Sekuritas estimates

Exhibit 7. Parcels per day changes



Source: BRI Danareksa Sekuritas estimates

Exhibit 8. Operating profit changes



Source: BRI Danareksa Sekuritas estimates

Exhibit 9. Income Statement

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Revenue	2,330	3,037	4,946	7,036	8,592
COGS	(1,590)	(2,247)	(3,788)	(5,412)	(6,506)
Gross profit	740	790	1,157	1,624	2,086
EBITDA	873	922	1,062	1,460	1,805
Oper. profit	349	313	533	859	1,179
Interest income	15	12	9	39	61
Interest expense	(244)	(254)	(234)	(253)	(273)
Forex Gain/(Loss)	(1)	1	0	0	0
Income From Assoc. Co's	(1)	(3)	0	0	0
Other Income (Expenses)	(1)	0	2	2	2
Pre-tax profit	117	68	311	647	969
Income tax	(26)	(5)	(68)	(142)	(213)
Minority interest	19	23	(23)	(104)	(155)
Net profit	110	87	219	401	601
Core Net Profit	111	86	219	401	601

Exhibit 10. Balance Sheet

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Cash & cash equivalent	255	192	815	1,255	2,532
Receivables	299	355	347	493	602
Inventory	25	6	64	92	111
Other Curr. Asset	75	75	103	147	179
Fixed assets - Net	3,894	4,060	4,273	4,471	4,708
Other non-curr.asset	303	483	452	460	467
Total asset	4,849	5,171	6,055	6,918	8,598
ST Debt	847	873	139	864	749
Payables	207	253	256	269	283
Other Curr. Liabilities	187	311	391	540	643
Long Term Debt	2,064	2,077	3,393	2,968	3,326
Other LT. Liabilities	207	218	218	218	218
Total Liabilities	3,511	3,732	4,396	4,858	5,217
Shareholder's Funds	1,192	1,284	1,503	1,904	3,225
Minority interests	146	156	156	156	156
Total Equity & Liabilities	4,849	5,171	6,055	6,918	8,598

Exhibit 11. Cash Flow

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Net income	110	87	219	401	601
Depreciation and Amort.	524	609	528	601	625
Change in Working Capital	(36)	(6)	(47)	(160)	(114)
Other Oper. Cash Flow	27	53	52	105	70
Operating Cash Flow	625	743	752	947	1,182
Capex	(994)	(860)	(710)	(807)	(869)
Others Inv. Cash Flow	(156)	(8)	0	0	0
Investing Cash Flow	(1,149)	(868)	(710)	(807)	(869)
Net change in debt	440	42	581	300	243
New Capital	89	26	0	0	720
Dividend payment	0	(12)	0	0	0
Other Fin. Cash Flow	22	7	0	0	0
Financing Cash Flow	551	62	581	300	963
Net Change in Cash	27	(63)	624	440	1,276
Cash - begin of the year	228	255	192	815	1,255
Cash - end of the year	255	192	815	1,255	2,532

Exhibit 12. Key Ratios

Year to 31 Dec	2019A	2020A	2021F	2022F	2023F
Growth (%)					
Sales	25.0	30.4	62.8	42.3	22.1
EBITDA	10.5	5.6	15.2	37.5	23.6
Operating profit	(2.0)	(10.4)	70.4	61.0	37.4
Net profit	(23.1)	(21.1)	151.7	83.0	49.7
Profitability (%)					
Gross margin	31.8	26.0	23.4	23.1	24.3
EBITDA margin	37.5	30.3	21.5	20.7	21.0
Operating margin	15.0	10.3	10.8	12.2	13.7
Net margin	4.7	2.9	4.4	5.7	7.0
ROAA	2.5	1.7	3.9	6.2	7.7
ROAE	9.7	7.0	15.7	23.6	23.4
Leverage					
Net Gearing (x)	2.0	1.9	1.6	1.3	0.5
Interest Coverage (x)	1.4	1.2	2.3	3.4	4.3

Source : ASSA, Danareksa Estimates

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