

Friday, 10 September 2021

BUY
Maintain

Last price (IDR) 2,660
Target Price (IDR) 3,400
Upside/Downside +27.8%

Stock Statistics

Sector Transportation
Bloomberg Ticker ASSA IJ
No of Shrs (mn) 3,398
Mkt. Cap (IDRbn/USDmn) 8,834/620
Avg. daily T/O (IDRbn/USDmn) 47.1/3.3

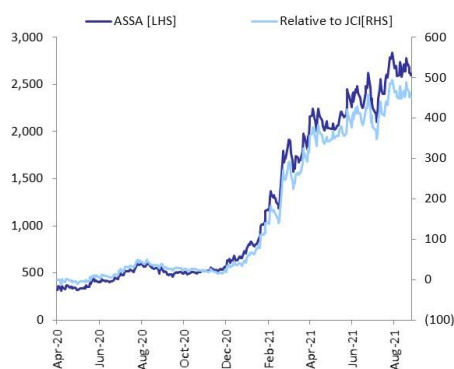
Major shareholders (%)

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

EPS Consensus (IDR)

	2021F	2022F	2023F
Danareksa	56.3	100.7	137.0
Consensus	48.5	81.7	123.2
Danareksa/Cons	16.1	23.3	11.2

ASSA relative to JCI Index



Source : Bloomberg



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Adi Sarana Armada (ASSA IJ)

Update post the 9.9 ecommerce shopping event

We had a meeting with ASSA's management post the 9.9 ecommerce shopping event in which most ecommerce platforms provided huge discounts that may boost the number of parcels delivered per day. During this event, Anteraja recorded 1.7mn parcels per day, higher than the peak of the Lebaran event (1mn to 1.2mn parcels per day) supported by 19,000 couriers per Aug21. The secondhand car business is also showing more traction and the Rental business also saw recovery as most clients delayed vehicle capex and moved toward rental cars. We reiterate our BUY call with a TP of IDR 3,400.

Better performance during the 9.9 shopping event than last year. Anteraja reported 2x growth reaching 1.7mn parcels per day in the 9.9 event compared to last year as the capacity has grown by ~3x yoy. With total couriers of 19,000, the total capacity and coverage has been widened to uncovered areas in tier 1 and tier 2 cities. Using the company's guidance of 50-80 points per day per courier, the total capacity of Anteraja has reached 850k-1.36mn parcels per day. To support the larger logistics ecosystem, Anteraja has added more trucks and service points to maintain its BEP level (350k parcels per day), while upgrading its sorting facility using a robotic system. Anteraja expects to post positive operating profits at the end of the year. Currently the ytd average parcels per day has reached 400-450k.

Integration with its own fulfillment center business, Titipaja. During the 9.9 event, the efulfillment center also saw more demand coming from FMCG although most of the orders still came from the ecommerce business. According to the management, this facility can reduce logistics costs for FMCG. As the warehouses are integrated with Anteraja's hub, Titipaja has better logistics management than a standalone e-fulfillment center. Currently, Titipaja is available in Jakarta, Bandung, Medan, Surabaya and Palembang. Titipaja is still assessing the demand volume before expanding to other cities. Thus, with larger coverage from Anteraja, Titipaja may get a better estimate of the demand and better position to build warehouses.

The Rental and Car Auction business has started to see traction. The rental and car auction business has seen better performance lately as the people's mobility has improved. ASSA still continues its pilot project of ShareCar, an online car sharing project, and expects to get more traction as social restrictions are eased further. Overall, from the discussions with the management, we still like ASSA's main philosophy of value creation based on integration with each business pillar. We reiterate our BUY call with a TP of IDR 3,400.

Key Financials

Year to 31 Dec	2019A	2020A	2021F	2022F	2023F
Revenue (IDRbn)	2,330	3,037	4,590	6,146	8,147
EBITDA (IDRbn)	873	922	1,035	1,380	1,611
EBITDA Growth (%)	10.5	5.6	12.3	33.4	16.7
Net profit (IDRbn)	110	87	191	342	465
EPS (IDR)	32.5	25.7	56.3	100.7	137.0
EPS growth (%)	(23.1)	(21.1)	119.5	78.9	36.0
BVPS (IDR)	350.8	377.8	434.1	534.9	883.7
DPS (IDR)	3.6	0.0	0.0	0.0	0.0
PER (x)	80.0	101.4	46.2	25.8	19.0
PBV (x)	7.4	6.9	6.0	4.9	2.9
Dividend yield (%)	0.1	0.0	0.0	0.0	0.0
EV/EBITDA (x)	13.2	12.6	11.2	8.3	6.6

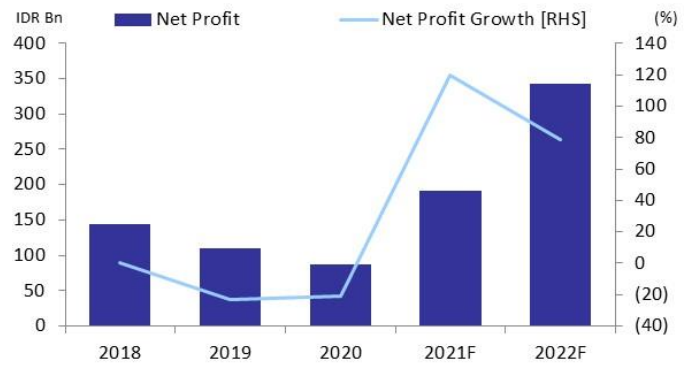
Source : ASSA, Danareksa Estimates

Exhibit 1. Revenues and Growth



Source: Company, Danareksa Sekuritas estimates

Exhibit 2. Net Profits and Growth



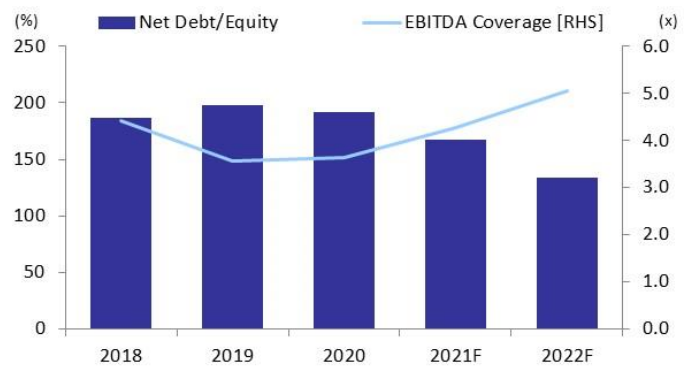
Source: Company, Danareksa Sekuritas estimates

Exhibit 3. Margins



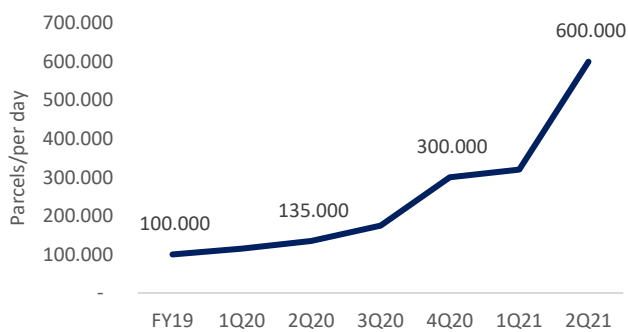
Source: Company, Danareksa Sekuritas estimates

Exhibit 4. Gearing Level



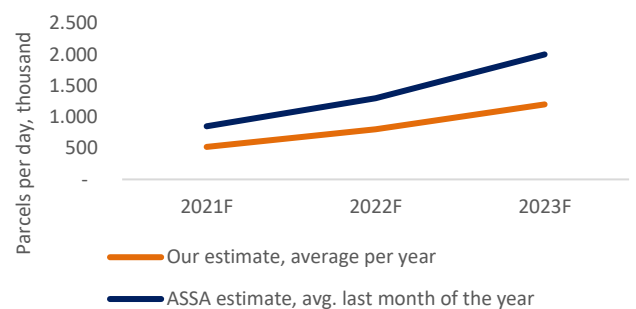
Source: Company, Danareksa Sekuritas estimates

Exhibit 5. Parcels per day delivered at the end of quarters



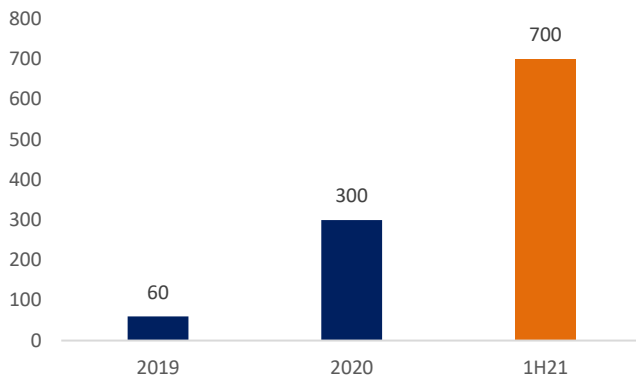
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 6. Our estimate and management guidance



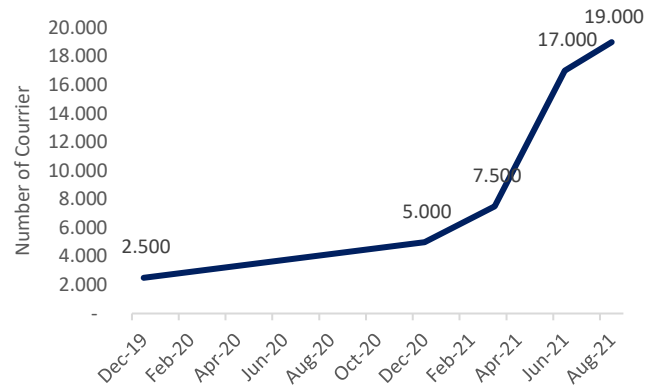
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 7. Number of service points



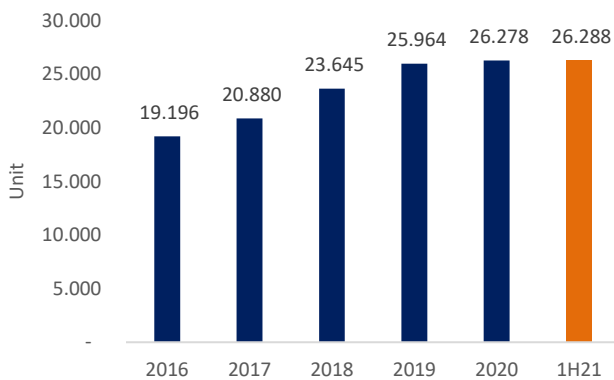
Source: Company, Danareksa Sekuritas estimates

Exhibit 8. Number of courriers



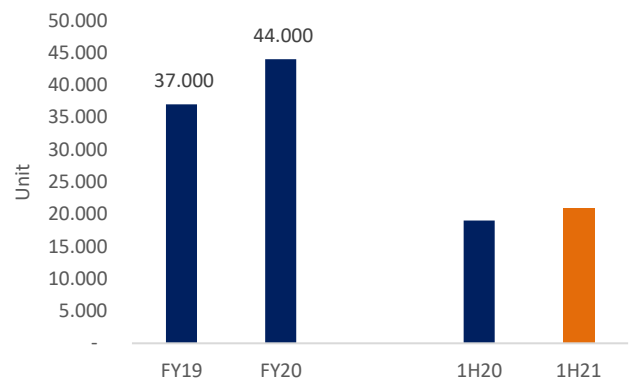
Source: Company, Danareksa Sekuritas estimates

Exhibit 9. Number of car rental fleet



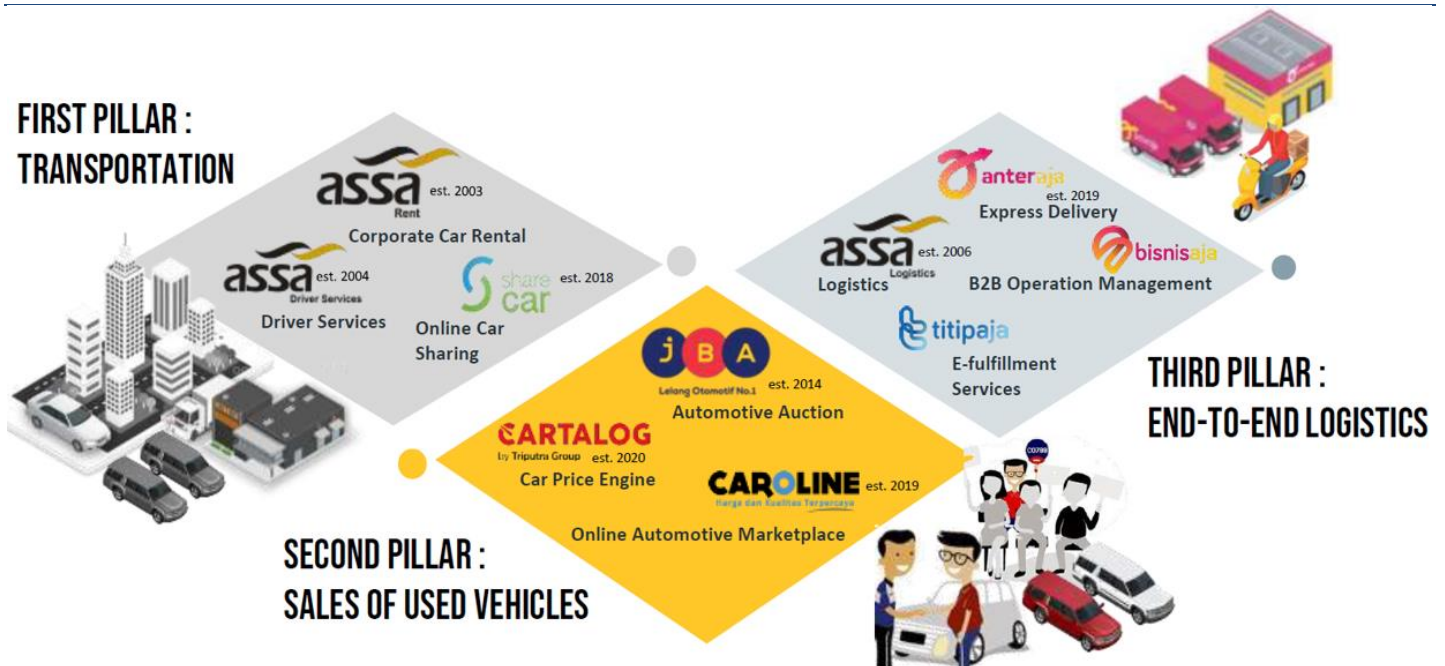
Source: Company, Danareksa Sekuritas estimates

Exhibit 10. Number of second hand car sales



Source: Company, Danareksa Sekuritas estimates

Exhibit 11. ASSA business pillars



Source: Company, BRI Danareksa Sekuritas

Exhibit 12. Income Statement

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Revenue	2,330	3,037	4,590	6,146	8,147
COGS	(1,590)	(2,247)	(3,468)	(4,637)	(6,130)
Gross profit	740	790	1,122	1,509	2,017
EBITDA	873	922	1,035	1,380	1,611
Oper. profit	349	313	507	779	986
Interest income	15	12	9	43	68
Interest expense	(244)	(254)	(243)	(272)	(306)
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	275	552	751
Income tax	(26)	(5)	(60)	(121)	(165)
Minority interest	19	23	(23)	(88)	(120)
Net profit	110	87	191	342	465
Core Net Profit	111	86	191	342	465

Exhibit 13. Balance Sheet

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Cash & cash equivalent	255	192	900	1,419	2,718
Receivables	299	355	322	431	571
Inventory	25	6	59	79	104
Other Curr. Asset	75	75	96	128	170
Fixed assets - Net	3,894	4,060	4,273	4,471	4,708
Other non-curr.asset	303	483	452	459	466
Total asset	4,849	5,171	6,101	6,987	8,737
ST Debt	847	873	139	893	804
Payables	207	253	255	266	295
Other Curr. Liabilities	187	311	361	466	607
Long Term Debt	2,064	2,077	3,499	3,172	3,656
Other LT. Liabilities	207	218	218	218	218
Total Liabilities	3,511	3,732	4,470	5,014	5,579
Shareholder's Funds	1,192	1,284	1,475	1,817	3,003
Minority interests	146	156	156	156	156
Total Equity & Liabilities	4,849	5,171	6,101	6,987	8,737

Exhibit 14. Cash Flow

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Net income	110	87	191	342	465
Depreciation and Amort.	524	609	528	601	625
Change in Working Capital	(36)	(6)	(17)	(118)	(137)
Other Oper. Cash Flow	27	53	28	73	99
Operating Cash Flow	625	743	731	898	1,053
Capex	(994)	(860)	(710)	(806)	(869)
Others Inv. Cash Flow	(156)	(8)	0	0	0
Investing Cash Flow	(1,149)	(868)	(710)	(806)	(869)
Net change in debt	440	42	687	427	395
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	687	427	1,115
Net Change in Cash	27	(63)	708	519	1,299
Cash - begin of the year	228	255	192	900	1,419
Cash - end of the year	255	192	900	1,419	2,718

Exhibit 15. Key Ratios

Year to 31 Dec	2019A	2020A	2021F	2022F	2023F
Growth (%)					
Sales	25.0	30.4	51.1	33.9	32.6
EBITDA	10.5	5.6	12.3	33.4	16.7
Operating profit	(2.0)	(10.4)	61.8	53.8	26.6
Net profit	(23.1)	(21.1)	119.5	78.9	36.0
Profitability (%)					
Gross margin	31.8	26.0	24.4	24.6	24.8
EBITDA margin	37.5	30.3	22.5	22.5	19.8
Operating margin	15.0	10.3	11.0	12.7	12.1
Net margin	4.7	2.9	4.2	5.6	5.7
ROAA	2.5	1.7	3.4	5.2	5.9
ROAE	9.7	7.0	13.9	20.8	19.3
Leverage					
Net Gearing (x)	2.0	1.9	1.7	1.3	0.6
Interest Coverage (x)	1.4	1.2	2.1	2.9	3.2

Source : ASSA, Danareksa Estimates

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