

## BUY (Maintain)

**Target Price (IDR)** 1,900 (from 1,700)

**Potential Upside (%)** 33.3

### Price Comparison

Cons. Target Price (IDR)	1,694
SSI vs. Cons. (%)	112.2

### Stock Information

Last Price (IDR)	1,425
Shares Issued (Mn)	20,073
Market Cap. (IDR Bn)	29,408
52-Weeks High/Low (IDR)	1,580/865
3M Avg. Daily Value (IDR Bn)	45.5
Free Float (%)	37.3

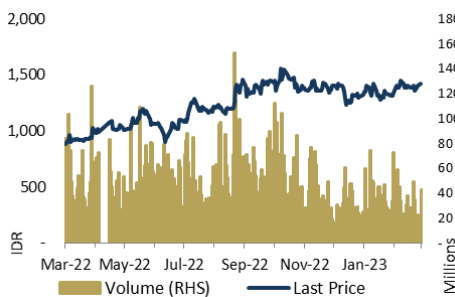
### Shareholder Structure:

Arthakencana Rayatama (%)	59.6
Publik (%)	38.7
Saham Treasuri (%)	1.7

### Stock Performance

(%)	YTD	1M	3M	12M
Absolute	4.6	4.6	4.6	66.5
JCI Return	(1.3)	(0.7)	(0.9)	(3.4)
Relative	5.9	5.3	5.5	69.8

### Stock Price & Volumes, 12M



### Company Background

AKR Corporindo (AKRA) merupakan distributor BBM dan bahan kimia dasar swasta terbesar di Indonesia, dengan jaringan yang tersebar di berbagai provinsi. Saat ini, AKRA juga mulai merambah sektor kawasan industri dengan pengembangan JIPE di wilayah Gresik, Jawa Timur.

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## Magnificent Year; Another One in 2023?

**Tahun yang spektakuler.** AKRA membukukan laba bersih sebesar IDR 840 miliar (+167% yoy, +38% qoq) di 4Q22, didukung oleh pertumbuhan pendapatan (IDR 12.9 triliun; +53.2% yoy, +3.9% qoq) dan margin yang kuat (EBITDA: +606 bps menjadi 10.2%, NPM: +276 bps menjadi 6.5%). Bisnis distribusi BBM dan perdagangan bahan kimia menjadi pendorong utama pertumbuhan pendapatan AKRA; distribusi BBM membukukan pendapatan sebesar IDR 9.9 triliun (+101.4% yoy, +7.1% qoq) dan perdagangan bahan kimia mencetak pendapatan hingga IDR 1.9 triliun (+71.9% yoy, -8.6% qoq). Lonjakan harga minyak dunia, ditambah dengan meningkatnya permintaan dari perusahaan pertambangan dan smelter, menyebabkan pertumbuhan pendapatan besar-besaran dari distribusi BBM. Didukung oleh margin yang memuaskan dari bisnis perdagangan dan distribusinya, AKRA berhasil membukukan EBITDA sebesar IDR 1.3 triliun (+280.5% yoy, +62.4% qoq) di FY22. Terkait laba bersih, AKRA berhasil membukukan laba bersih sebesar IDR 2.4 triliun di FY22, menyiratkan pertumbuhan EPS sebesar +116.2% yoy, sekaligus mengalahkan estimasi kami dan konsensus (SSI 119%, konsensus 107%).

**Tahun yang luar biasa lagi di 2023?** Kami memperkirakan AKRA mampu mempertahankan momentum pertumbuhannya, didukung oleh bisnis kawasan industri dan peningkatan margin dari bisnis perdagangan & distribusi. Kami memproyeksikan JIPE akan membukukan penjualan lahan seluas 70 ha tahun ini, terutama kepada perusahaan smelter dan pertambangan (baik domestik maupun luar negeri), berkat kemudahan berbisnis di Indonesia serta dukungan pemerintah. Namun, kami melihat potensi penurunan ASP distribusi BBM tahun ini, yang berpotensi memicu penurunan pendapatan dari bisnis perdagangan dan distribusi. Namun demikian, kami memperkirakan margin AKRA akan tetap kuat, dengan proyeksi sebesar 12% dan margin EBITDA sebesar 10%. Selain itu, AKRA menargetkan untuk membuka 50 SPBU baru (bermitra dengan BP) tahun ini, yang dapat memberikan kontribusi laba bersih tambahan untuk AKRA.

**Proyeksi 2023.** Melihat rencana dan potensi AKRA ke depan, kami merevisi proyeksi EBITDA dan laba bersih AKRA di FY23F masing-masing menjadi IDR 3.8 triliun (+9% yoy) dan IDR 2.7 triliun, menyiratkan pertumbuhan EPS sebesar +14.3%. Kami juga memperkirakan akan ada pertumbuhan positif pada GPM (+160 bps) dan margin EBITDA (+100 bps), didukung peningkatan efisiensi. Terakhir, kami meyakini AKRA dapat mempertahankan DPR di 57.6% dan net gearing pada level yang relatif rendah (FY22: -0.1x), mempertahankan statusnya sebagai net cash company.

**BUY, TP IDR 1,900.** Kami mempertahankan rating BUY kami untuk AKRA dengan TP yang lebih tinggi sebesar IDR 1.900, menyiratkan P/E FY23F sebesar 12.2x. Risiko penurunan: Volume distribusi lebih rendah dari perkiraan, penjualan lahan industri yang lebih rendah dari perkiraan.

### Forecast and Valuations (@ IDR 1,425 per share)

Y/E Dec	21A	22F	23F	24F	25F
Revenue (IDR Bn)	25,707	47,540	45,767	48,244	49,846
EBITDA (IDR Bn)	1,813	3,528	3,845	4,313	4,848
EV/EBITDA (x)	17.1	8.4	7.2	6.0	4.9
Net Profit (IDR Bn)	1,112	2,403	2,750	3,123	3,547
EPS (IDR)	56	122	139	158	180
EPS Growth (%)	20.2	116.2	14.4	13.5	13.6
P/E Ratio (x)	25.3	11.7	10.2	9.0	7.9
BVPS (IDR)	466	546	619	667	721
P/BV Ratio (x)	3.1	2.6	2.3	2.1	2.0
DPS (IDR)	27	42	70	80	91
Dividend Yield (%)	1.4	1.9	2.9	4.9	5.6
ROAE (%)	12.3	23.7	23.5	24.2	25.4
ROAA (%)	5.4	9.8	10.4	11.5	12.5
Interest Coverage (x)	24.7	54.8	62.9	75.6	92.2
Net Gearing (x)	0.04	(0.10)	(0.22)	(0.34)	(0.44)

Figure 1. 4Q22 Results

PT AKR Corporindo Tbk. (AKRA IJ) (IDR Bn)	4Q21	3Q22	4Q22	QoQ (%)	YoY (%)	12M21	12M22	YoY
Revenue	8,458	12,472	12,958	3.9	53.2	25,707	47,540	84.9
Operating Profit	376	730	1,211	65.8	221.7	1,455	3,133	115
EBITDA	346	810	1,316	62.4	280.5	1,716	3,528	105.6
Net Profit	315	608	840	38.0	166.8	1,112	2,403	116.2
EPS	16	31	43	38.0	166.8	56	122	116.2
EBITDA Margin (%)	4.1	6.5	10.2	366 bps	606 bps	6.7	7.4	75 bps
Operating Margin (%)	4.4	5.9	9.3	349 bps	489 bps	5.7	6.6	93 bps
Net Margin (%)	3.7	4.9	6.5	160 bps	276 bps	4.3	5.1	73 bps

Source: Company, SSI Research

Figure 2. Forecast Changes

	New		Old		Change (%)	
	23F	24F	23F	24F	23F	24F
Revenue (IDR Bn)	45,767	44,927	45,490	46,227	0.6	(2.8)
Operating Profit (IDR Bn)	3,699	4,035	2,869	3,335	28.9	21.0
EBITDA (IDR Bn)	4,115	4,491	3,283	3,772	25.4	19.1
Net Profit (IDR Bn)	2,683	2,945	2,269	2,643	18.2	11.4
EPS (IDR)	136	149	115	134	18.2	11.3
BVPS (IDR)	591	638	602	678	(1.9)	(5.9)
P/E Ratio (x)	10.7	9.7	12.6	10.8	(15.3)	(10.0)
P/BV Ratio (x)	2.5	2.3	2.4	2.1	2.3	8.3

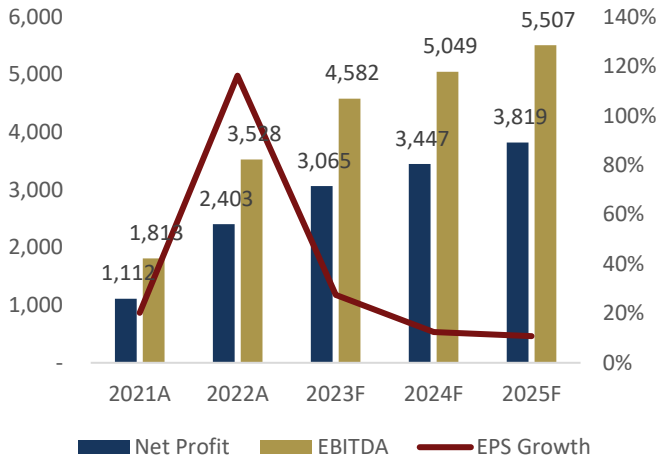
Source: Company, SSI Research

Figure 3. Revenue Segmentation

Y/E Dec (IDRbn)	2021A	2022A	2023A	2024A	2025A
Petroleum Distribution	18,953	36,327	33,068	31,275	30,595
Basic chemical	3,354	4,759	8,371	9,053	9,696
Manufacturing - Third parties	684	800	832	865	900
Port operations and transportation	513	575	603	633	665
Storage tanks rental	125	162	170	178	187
Others	30	58	61	64	67
Industrial estate land	644	1,248	1,981	2,215	2,450
<b>Growth</b>					
Petroleum Distribution	47%	92%	-9%	-5%	-2%
Basic chemical	0%	0%	0%	0%	0%
Manufacturing - Third parties	82%	17%	4%	4%	4%
Port operations and transportation	7%	12%	5%	5%	5%
Storage tanks rental	-23%	29%	5%	5%	5%
Others	-45%	95%	5%	5%	5%
Industrial estate land	51%	94%	59%	12%	11%

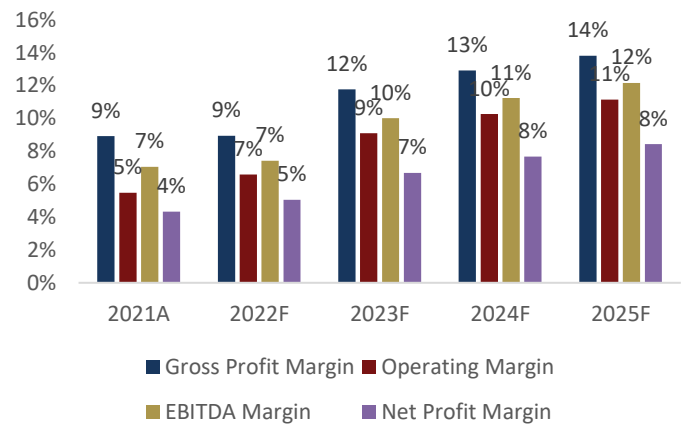
Source: Company, SSI Research

**Figure 4. EBITDA & EPS growth projection**



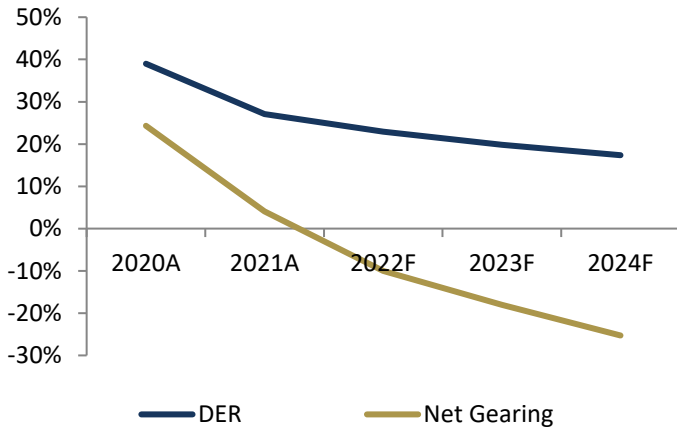
Source: Company, SSI Research

**Figure 5. Profitability Margins**



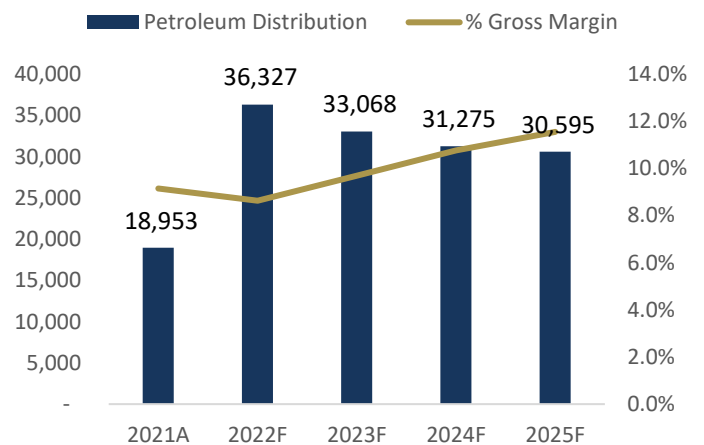
Source: Company, SSI Research

**Figure 6. Gearing Ratio**



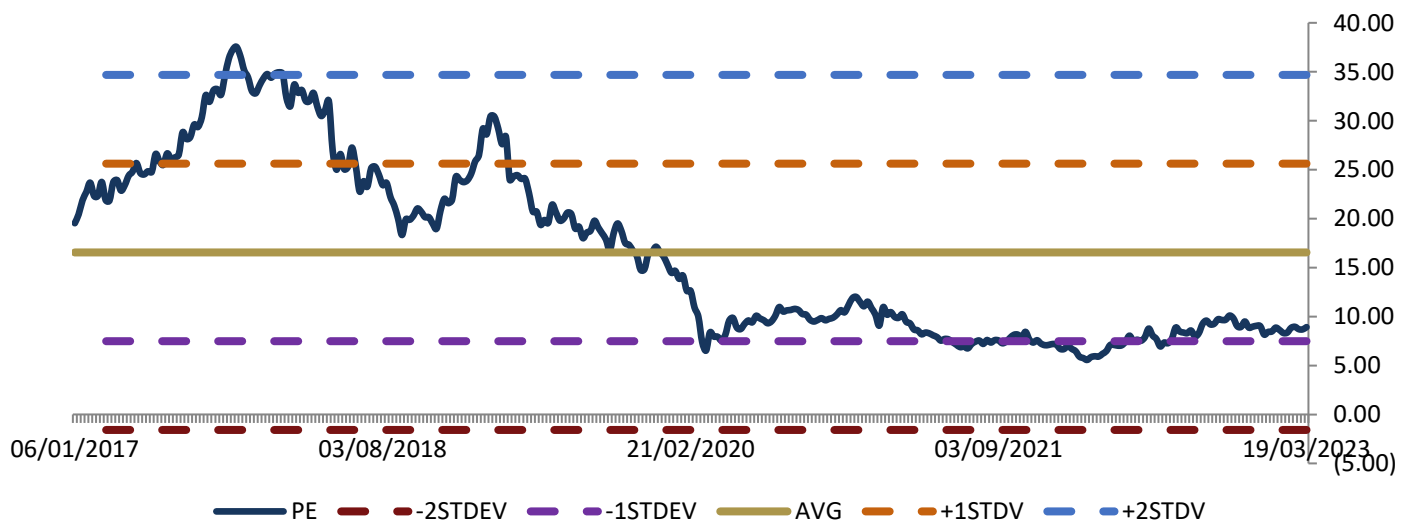
Source: Company, SSI Research

**Figure 7. Petroleum Distribution Revenue and Margins**



Source: Company, SSI Research

**Figure 8. 5-Year P/E Band**



Source: Bloomberg, SSI Research

## Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenue	25,707	47,540	45,767	48,244	49,846
COGS	(23,414)	(43,288)	(40,888)	(42,840)	(43,875)
Gross profit	2,293	4,252	4,879	5,404	5,971
SG&A	(704)	(1,129)	(1,465)	(1,544)	(1,595)
Depreciations	(40)	-	-	-	-
Operating Profit	1,409	3,133	3,429	3,876	4,391
EBITDA	1,813	3,528	3,845	4,313	4,848
Interest Expense	(57)	(57)	(55)	(51)	(48)
Interest Income	37	49	98	132	168
Pre-Tax Profit	1,395	3,024	3,637	4,130	4,690
Income Tax	(260)	(545)	(800)	(909)	(1,032)
Extraordinary Gain/(Loss)	-	-	-	-	-
Profit Incl. Minority	1,135	2,479	2,837	3,221	3,658
Minority Interest	(23)	(76)	(87)	(98)	(112)
Net Profit	1,112	2,403	2,750	3,123	3,547

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Profit Incl. Minority	1,135	2,479	2,837	3,221	3,658
Depreciation & Amort.	405	395	416	437	457
Working capital chg	1,696	(320)	553	843	826
Operating Cash Flow	2,945	2,629	3,599	4,492	4,938
Capital Expenditure	(208)	(9)	(370)	(306)	(283)
Others	-	169	(5)	(5)	(6)
Investing Cash Flow	(208)	(276)	(375)	(311)	(288)
Dividend Paid	(533)	(829)	(1,289)	(2,154)	(2,465)
Net Borrowing	(1,268)	(42)	(142)	(171)	(193)
Others	116	392	-	-	-
Financing Cash Flow	(1,685)	(479)	(1,432)	(2,325)	(2,658)
Net Changes	1,051	1,874	1,792	1,856	1,992
Cash at Beginning	1,549	2,600	4,338	6,130	7,986
Cash at Ending	2,600	4,474	6,130	7,986	9,977

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash & Equivalents	2,600	4,338	6,130	7,986	9,977
Receivables	4,489	6,020	5,169	4,788	4,264
Inventories	4,508	5,221	4,717	4,475	4,168
Other Curr. Assets	426	262	249	261	267
Total Current Asset	12,023	15,841	16,265	17,509	18,676
Net Fixed Assets	8,113	8,563	8,510	8,371	8,190
Other Non-Curr. Assets	3,373	2,783	2,794	2,809	2,823
Total Asset	23,509	27,188	27,569	28,689	29,689
Payables	8,362	10,286	9,484	9,704	9,699
ST. Debt	590	573	546	513	477
Other Curr. Liabilities	355	422	195	195	195
Total Current Liability	9,307	11,280	10,225	10,412	10,370
LT. Debt	2,468	2,443	2,328	2,189	2,033
Other LT. Liabilities	435	309	314	318	323
Total Liability	12,210	14,033	12,866	12,920	12,726
Minority Interest	1,954	2,186	2,273	2,371	2,483
Total Equity	11,299	13,155	14,702	15,770	16,963

Key Ratios					
Y/E Dec (%)	21A	22A	23F	24F	25F
Gross Profit Margin	8.9	8.9	10.7	11.2	12.0
Operating Margin	5.5	6.6	7.5	8.0	8.8
EBITDA Margin	7.1	7.4	8.4	8.9	9.7
Net Profit Margin	4.3	5.1	6.0	6.5	7.1
Revenue Growth	45.1	84.9	(3.7)	5.4	3.3
EBITDA Growth	11.3	94.6	9.0	12.2	12.4
Net Profit Growth	20.2	116.2	14.4	13.5	13.6
Debt to Equity	55.1	50.5	47.5	44.5	41.5

Major Assumptions					
Y/E Dec	21A	22A	23F	24F	25F
Petro. Vol. ('000 T)	2,494	2,840	2,982	3,131	3,288
Chem. Vol. ('000 T)	1,588	1,747	1,834	1,926	2,023
Brent Price (USD/bbl)	74	96	86	86	86
Petro. ASP (IDR/litre)	7,599	12,791	11,089	11,013	10,671
Chem. ASP (IDR '000 T)	2,996	4,791	4,935	5,034	5,134

## Peers Comparison

Ticker	Company	Market Cap (USDmn)	EV(USD mn)	PE (x)		PBV (x)		EV/EBITDA (x)		ROA (%)		ROE (%)	
				2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
<b>Midstream O&amp;G Average</b>				<b>19.22</b>	<b>13.11</b>	<b>2.47</b>	<b>2.34</b>	<b>5.14</b>	<b>5.06</b>	<b>1.69</b>	<b>1.70</b>	<b>5.43</b>	<b>5.54</b>
ENB US	Enbridge Inc.	81,398	200,716	19.04	17.58	1.98	1.96	12.95	12.47	2.04	2.00	3.54	3.95
EPD US	Enterprise Products Partners L.P.	54,280	84,373	9.99	9.74	2.05	1.97	1.50	1.47	0.97	0.95	8.04	7.78
KMI US	Kinder Morgan, Inc.	40,841	73,478	15.65	15.70	1.33	1.32	3.75	3.76	2.09	2.09	4.03	3.32
ET US	Energy Transfer LP	37,988	100,221	7.96	7.93	1.20	1.12	1.10	1.09	0.42	0.41	4.79	4.95
MPLX US	MPLX LP	34,180	55,929	10.17	9.96	2.85	2.78	5.30	5.18	3.24	3.17	6.17	7.41
OKE US	ONEOK, Inc.	27,148	40,985	15.99	14.13	4.43	4.25	1.89	2.07	1.25	1.37	6.96	8.24
PBA US	Pembina Pipeline Corporation	18,797	38,396	16.21	16.27	2.11	2.02	3.36	4.16	2.23	2.76	7.37	5.46
TRGP US	Targa Resources Corp.	15,930	26,487	16.42	12.60	6.60	4.72	1.05	0.94	0.63	0.57	2.51	4.04
WDC US	Western Midstream Partners, LP	11,258	16,585	168.76	9.88	0.96	0.90	1.23	1.02	0.83	0.69	0.76	0.19
MMP US	Magellan Midstream Partners, L.P.	10,575	15,730	10.03	10.64	7.17	7.51	5.04	5.16	3.39	3.47	13.84	12.12
<b>Upstream O&amp;G Average</b>				<b>9.98</b>	<b>11.17</b>	<b>3.70</b>	<b>3.24</b>	<b>2.47</b>	<b>2.78</b>	<b>2.40</b>	<b>2.70</b>	<b>20.44</b>	<b>15.92</b>
ARAMCO AB	Saudi Aramco	2,039,855	7,816,025	12.12	13.31	5.11	4.44	3.55	4.05	3.49	3.97	26.44	20.89
XOM US	ExxonMobil	462,526	484,490	8.36	10.27	2.47	2.24	1.17	1.24	1.12	1.18	15.12	10.05
CVX US	Chevron	354,668	363,825	9.72	10.90	2.25	2.10	1.51	1.62	1.47	1.58	14.81	10.23
SHELL NA	Shell	203,347	253,068	5.35	5.63	1.07	0.95	0.63	0.66	0.50	0.53	9.23	8.39
601857 CH	PetroChina	122,109	1,257,437	6.75	7.95	0.69	0.66	0.39	0.39	0.27	0.27	5.17	4.10
TTE US	TotalEnergies	150,443	168,689	4.05	4.79	1.17	1.01	0.57	0.59	0.51	0.53	9.67	8.13
GAZP RX	Gazprom	63,872	6,953,756	1.51	2.00	0.40	0.36	0.63	0.68	0.36	0.39	14.10	15.51
COP US	ConocoPhillips	164,880	171,419	9.34	10.22	3.33	2.82	2.20	2.53	2.12	2.43	20.45	14.78
BP US	BP	103,719	143,437	3.86	5.17	1.46	1.24	0.62	0.64	0.45	0.46	5.09	6.04
MEDC IJ	Medco Energi International	1,930	5,176	3.84	3.84	1.35	1.08	2.17	2.10	0.81	0.78	7.21	6.99

Source: Bloomberg, SSI Research

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