

BUY (Maintain)

Target Price (IDR) 2,000 (Unchanged)
Potential Upside (%) 22.7

Price Comparison

Cons. Target Price (IDR)	2,183
SSI vs. Cons. (%)	91.6

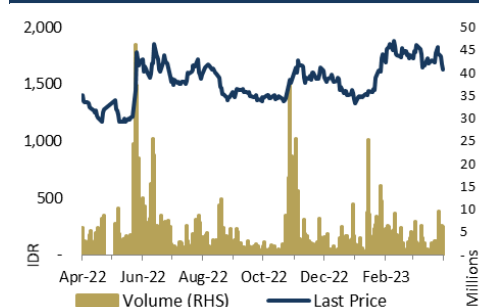
Stock Information

Last Price (IDR)	1,630
Shares Issued (Mn)	2,502
Market Cap. (IDR Bn)	4,179
52-Weeks High/Low (IDR)	1,950/1,140
3M Avg. Daily Value (IDR Bn)	7.9
Free Float (%)	29.4
Shareholder Structure:	
Pusaka Citra Djokosoetono (%)	28.3
Dr. Purnomo Prawiro (%)	11.4
Others Non-Public (%)	34.0
Public (%)	26.3

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	18.4	(3.5)	25.1	19.3
JCI Return	(0.1)	0.5	2.9	(4.2)
Relative	18.5	(3.9)	22.2	23.5

Stock Price & Volumes, 12M



Company Background

PT Blue Bird Tbk (BIRD) is the pioneer of meter-based taxi services in Indonesia. Today, BIRD operates six business lines with more than 20,000 fleets in 18 cities in Indonesia.

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Recovery is Just Around the Corner

4Q22 net profit growth: +32.2% yoy, FY22: +4,545.5% yoy. BIRD posted revenue growth of +40.2% yoy (+12.5% qoq) in 4Q22, driven mainly by its taxi revenue (+56.2% yoy, +10.4% qoq; ~77.6% of BIRD's total revenue), while its non-taxi revenue went up +8.3% yoy (+20.4% qoq). In FY22, BIRD owned 14,258 taxis, with a utilization rate of 76.6% (FY21: 57.2%). Its outstanding performance, combined with its efficiency and optimization efforts, enabled BIRD to book full-year revenue growth of +61.7% yoy to IDR 3.6 trillion in FY22, in line with SSI's FY22 target and consensus. The company's EBITDA grew +26.2% yoy in 4Q22 (FY22: +101.0% yoy) with an EBITDA margin of 24.2% (FY21: 19.4%). On its bottom line, BIRD booked net profit growth of +32.2% yoy in 4Q22, supported by holiday season and post-pandemic mobility recovery.

Additional revenue from ads. As part of its strategy to prioritize profitability, BIRD will install paid advertising boards on its fleet starting in FY24F. This year, BIRD plans to install those ad boards on 400 taxis as a test run. According to our calculations, those ad boards will bring additional revenue of +0.5 - +6.0% and additional net profit of +4.0% - +47.8% for BIRD, with the following assumptions: advertising rate card of IDR 0.5 - 2 million/month, percentage of fleet installed with ads: 25% - 75% (See Table 2 and 3).

2023 outlook. With its ongoing recovery, BIRD plans to continue its expansion by adding 6,000 new taxis to its fleet, with a Capex budget of IDR 170-180 million/unit. In addition, BIRD also has approximately 200 new EVs and 2,000 gas-powered vehicles that will be operational in June-23. Along with fleet expansion, BIRD also plans to boost its efficiency by increasing the utilization rate of its regular and executive taxis to 80% (FY22: regular taxi: 74.3 %, executive taxi: 75%). Taking its strategy and planned expansion into account, we forecast BIRD to book a revenue of IDR 4.1 trillion (+14.2% yoy) in FY23F.

BUY, TP IDR 2,000 (8.0x FY23F EV/EBITDA). Given its strategy and expansion plans, we are confident that BIRD will have another solid year in FY23F. Furthermore, the post-pandemic mobility recovery should positively impact the transportation industry and its players, including BIRD. Therefore, we reiterate our BUY rating on BIRD with a TP of IDR 2,000, reflecting 8.0x FY23F EV/EBITDA. Main risks: reemergence of Covid-19, fuel price hike.

Valuations (at closing price IDR 1,630 per share)

Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	2,221	3,590	4,169	4,713	5,319
EBITDA (IDR Bn)	432	868	983	1,124	1,321
EV/EBITDA (x)	9.2	4.5	4.4	3.8	3.4
Net Profit (IDR Bn)	42	358	383	442	574
EPS (IDR)	3	143	153	177	230
EPS Growth (%)	n/a	4,545.5	6.9	15.4	29.9
P/E Ratio (x)	528.7	11.4	10.6	9.2	7.1
BVPS (IDR)	2,018	2,098	2,208	2,338	2,515
P/BV Ratio (x)	0.8	0.8	0.7	0.7	0.6
DPS (IDR)	36	60	43	46	53
Dividend Yield (%)	3.7	2.6	2.8	3.3	4.2
ROAE (%)	0.6	26.0	21.1	22.3	27.4
ROAA (%)	(0.5)	0.0	1.3	1.3	1.3
Interest Coverage (x)	(0.2)	8.9	4.8	5.4	6.7
Net Gearing (x)	n.c.	n.c.	0.0	0.0	0.1

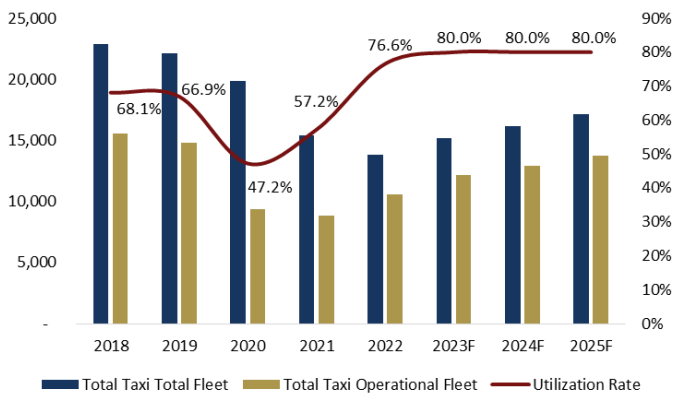
Table 1: FY22 Results

BIRD (IDR Bn)	4Q21	3Q22	4Q22	QoQ (%)	YoY (%)	FY21	FY22	YoY (%)	FY22/SSI	FY22/Cons
Revenue	771	961	1,081	12.5	40.2	2,221	3,590	61.7	108.6	102.0
Gross Profit	218	297	335	12.8	53.7	494	1,072	117.1	104.1	104.2
Operating Profit	93	133	133	-0.4	43.5	(16)	420	n/a	89.3	91.5
EBITDA	201	244	253	3.6	26.2	432	868	101.0	100.9	100.2
Net Profit	74	114	98	-14.6	32.2	8	358	4,545.5	89.4	97.7

Gross Margin	28.3%	30.9%	31.0%	0.1%	2.7%	22.2%	29.9%	7.6%		
Operating Margin	12.0%	13.9%	12.3%	-1.6%	0.3%	-0.7%	11.7%	12.4%		
Net Margin	26.0%	25.4%	23.4%	-2.0%	-2.6%	19.4%	24.2%	4.7%		

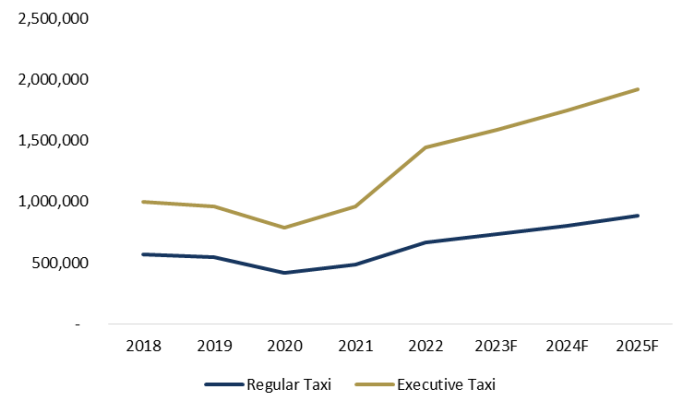
Source: Company, SSI Research

Figure 1. Taxi Utilization Rate



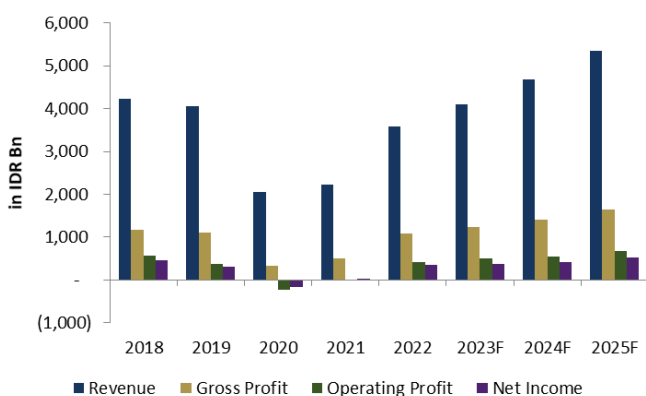
Source: Company, SSI Research

Figure 2. Regular and Executive Taxi's ARPV



Source: Company, SSI Research

Figure 3. Financial Performance



Source: Company, SSI Research

Figure 4. EV/EBITDA Band



Source: Bloomberg, Company, SSI Research

Promotional Ads Scenario

BIRD has started installing advertising boards on some of its fleet. The company plans to install ad boards on approx.. 400 taxis this year, with a target of booking ARPV growth of 10-15%. Below are the results of our calculation on the impact of advertising boards on BIRD's revenue.

Table 2: Projected FY24F Revenue

Revenue Changes (%) in FY24F		% of Total Fleet		
		25%	50%	75%
Rate Card/Years/ Fleet	6,000,000	+0.5%	+1.0%	+1.5%
	12,000,000	+1.0%	+2.0%	+3.0%
	18,000,000	+1.5%	+3.0%	+4.5%
	24,000,000	+2.0%	+4.0%	+6.0%

Source: SSI Research

Table 3: Projected FY24F Net Profit

Net Income Changes (%) in FY24F		% of Total Fleet		
		25%	50%	75%
Rate Card/Years/ Fleet	6,000,000	+4.0%	+8.0%	+12.0%
	12,000,000	+8.0%	+15.9%	+23.9%
	18,000,000	+12.0%	+23.9%	+35.9%
	24,000,000	+15.9%	+31.9%	+47.8%

Source: SSI Research

Figure 5. BIRD's Fleet with Ads



Source: SSI Research

Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenue	2,221	3,590	4,169	4,713	5,319
Cost of Revenue	(1,727)	(2,518)	(2,937)	(3,277)	(3,617)
Gross Profit	494	1,072	1,232	1,436	1,702
Operating Expense	(510)	(653)	(717)	(788)	(866)
G&A Expense	(500)	(639)	(703)	(773)	(851)
Selling & Marketing Expense	(10)	(13)	(14)	(14)	(15)
Royalty Fee	-	-	(11)	(75)	(85)
Operating Profit	(16)	420	504	573	751
EBITDA	432	868	983	1,124	1,321
Interest Income	20	20	27	38	41
Interest Expense	(77)	(47)	(106)	(107)	(112)
Gain (Loss) on Disposal	67	37	37	37	37
Other Income (Expense)	31	54	54	54	54
Pre-tax Profit	26	484	517	596	772
Taxes	17	120	(129)	(148)	(192)
Minority Interest	(1)	(6)	(6)	(6)	(6)
Net Profit	42	358	383	442	574

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash	946	891	1,258	1,364	1,258
Receivables	308	393	456	516	739
Inventory	11	14	16	18	20
Others	102	82	82	82	82
Total Current Asset	1,367	1,380	1,812	1,980	2,098
Net Fixed Asset	4,938	5,281	6,064	6,276	6,707
Other Assets	293	232	232	232	232
Total Asset	6,598	6,893	8,109	8,489	9,038
Payables	50	169	281	317	358
ST. Debt and CMLTD	348	491	624	633	663
Other Current Liabilities	167	248	248	248	248
Current Liability	565	908	1,153	1,198	1,269
LT. Debt	494	189	886	899	941
Other LT. Liabilities	391	445	449	449	449
Total Liability	1,451	1,542	2,488	2,547	2,659
Minority Interest	98	102	97	91	85
Total Equity	5,148	5,351	5,620	5,942	6,378

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	42	358	383	442	574
D&A	(219)	34	65	136	569
Changes in Working Capital	(105)	141	49	(25)	(184)
Operating CF	(283)	533	496	553	960
Capital Expenditure	999	(315)	(848)	(348)	(1,000)
Others	-	-	-	-	-
Investing CF	999	(315)	(848)	(348)	(1,000)
Dividend Paid	(90)	(150)	(108)	(115)	(133)
Net Borrowing	(408)	(162)	831	22	72
Others	(64)	60	(6)	(6)	(6)
Financing CF	(562)	(252)	718	(99)	(67)
Net - Cash flow	154	(35)	367	106	(106)
Adjustment	(7)	(20)	-	-	-
Cash at Beginning	799	946	891	1,258	1,364
Cash at Ending	946	891	1,258	1,364	1,258

Key Ratios					
Y/E Dec	21A	22A	23F	24F	25F
Gross Profit Margin (%)	22.2	29.9	29.6	30.5	32.0
Operating Margin (%)	(0.7)	11.7	12.1	12.2	14.1
Pretax Margin (%)	1.2	13.5	12.4	12.6	14.5
Net Profit Margin (%)	1.9	10.0	9.2	9.4	10.8
Revenue Growth (%)	8.5	61.7	16.1	13.1	12.9
EBITDA Margin (%)	19.4	24.2	23.6	23.8	24.8
EBITDA Growth (%)	43.4	101.0	13.3	14.3	17.6
Debt to Equity (x)	0.2	0.1	0.3	0.3	0.3

Key Assumption					
Y/E Dec	21A	22A	23F	24F	25F
Total Taxi Fleet (Unit)	15,414	14,258	15,166	16,133	17,162
Regular Taxi Utilization	58.6%	74.3%	80.0%	80.0%	80.0%
Executive Taxi Utilization	29.4%	75.0%	80.0%	80.0%	80.0%
Regular Taxi ARPV Growth (%)	16.3%	36.7%	9.0%	7.0%	7.0%
Executive Taxi ARPV Growth (%)	21.9%	50.5%	10.0%	10.0%	10.0%

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