

HOLD (from BUY)

Target Price (IDR) 2,000 (Unchanged)
 Potential Upside (%) (7.0)

Price Comparison

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

Stock Information

Last Price (IDR)	2,150
Shares Issued (Mn)	2,502
Market Cap. (IDR Bn)	5,405
52-Weeks High/Low (IDR)	2,200/1,330
3M Avg. Daily Value (IDR Bn)	7.8
Free Float (%)	29.3

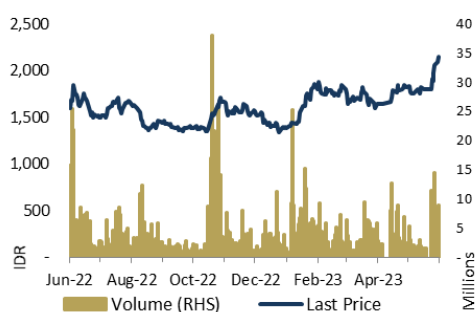
Shareholder Structure:

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	53.2	18.0	22.7	35.4
JCI Return	(1.9)	0.2	(0.9)	(3.9)
Relative	55.1	17.8	23.7	39.3

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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Better ARPV and Utilization Rate

BIRD booked solid numbers in 5M23, driven by the growth of its taxi business (BIRD's regular taxi ARPV went up to IDR 683.5k [+15.2% YoY] with a utilization rate of 76.6% [+530 bps YoY]). We are confident that BIRD will post even better numbers in the upcoming months, supported by the fare adjustment in May-23 and the addition of new fleets (projected EPS growth: +6.8% YoY). However, considering the fact that BIRD's share price had spiked +46.2% since our initiation report, we decided to downgrade our rating to HOLD (from BUY) with a TP of IDR 2,000/share (5.5x FY23F EV/EBITDA).

Solid ARPV and utilization rate. After the Eid holiday-driven decline in April, BIRD bounced back in May-23; the average number of its operating regular taxi fleet went up to 11.7k (+12.0 MoM, 26.3% YoY), with an average revenue per vehicle (ARPV) of IDR 704k (+6.6% MoM, -5.9% YoY), which brought the company's 5M23 average operating fleet and ARPV to 11.3k units (+20.7% YoY) and IDR 683.5k (+15.2% YoY) respectively. It should be noted that its regular taxi utilization rate also rose to 76.6% in 5M23 (vs. 5M22: 71.3%).

Optimism for a solid year. Even though we expect to see some decline in BIRD's numbers in 2Q23 (due to the Eid holiday and fleet rebalancing), we are confident that BIRD will post positive EPS growth in FY23F (projection: +6.8% YoY), even with the upcoming royalty fee (in Nov-23), thanks to recent fare adjustment (the company raised the fare per km on regular taxis by +8.0% to IDR 5,400/km). In addition, BIRD intends to procure 6,000 new fleets in FY23F for fleet rejuvenation and expansion. (BIRD added 1,100 new fleets in 1Q23).

Non-taxi businesses. Aside from its taxi business, BIRD will continue developing its other businesses, including travel, car and bus rentals, which are projected to grow 10-20% YoY in FY23F. For its car rental business, BIRD will focus on increasing the number of corporate clients in big cities, taking advantage of the recovery in demand. As for its travel business (Cititrans), the company will focus on increasing flexibility by adding new pick-up points and departure schedules.

HOLD, TP of IDR 2,000 (5.5x FY23F EV/EBITDA). We are optimistic that BIRD will book strong numbers in FY23F, supported by the fare adjustment in May-23 and the addition of new fleets. However, considering the fact that BIRD's share price had spiked +46.2% (6/6 closing price: IDR 2,090) since our initiation report, we decided to downgrade our rating on BIRD to HOLD (from BUY) with a TP of IDR 2,000/share, implying 5.5x FY23F EV/EBITDA. Upside risk(s): 1) better-than-expected ARPV and utilization rate. Downside risk(s): 1) fuel price hike, 2) tighter competition in the industry.

Valuations (at closing price IDR 2,150 per share)

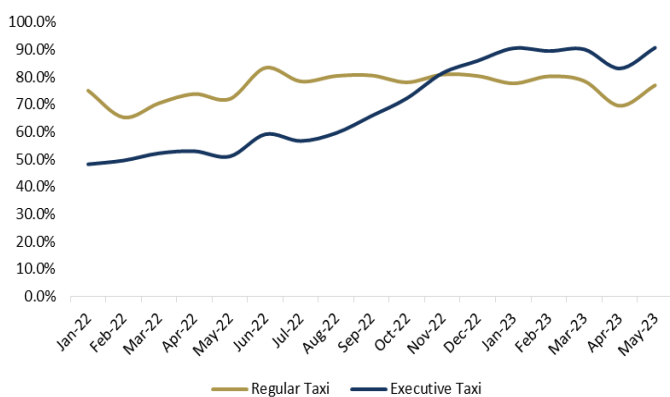
Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	2,221	3,590	4,169	4,713	5,319
EBITDA (IDR Bn)	432	868	983	1,117	1,222
EV/EBITDA (x)	12.5	6.1	5.8	5.1	4.8
Net Profit (IDR Bn)	42	358	384	439	503
EPS (IDR)	3	143	153	175	200
EPS Growth (%)	n/a	4,545.5	6.8	14.1	14.3
P/E Ratio (x)	697.4	15.0	14.1	12.3	10.8
BVPS (IDR)	2,018	2,098	2,208	2,336	2,483
P/BV Ratio (x)	1.1	1.0	1.0	0.9	0.9

Table 1: 5M23 Operational Metrics

BIRD Operational Metrics	Jan-23	Feb-23	Mar-23	Apr-23	May-23	MoM	YoY	5M23	5M22	YoY
Regular Taxi										
Average Fleet (Unit)	14,289	14,556	14,880	15,050	15,223	1.1%	18.1%	14,800	13,161	12.5%
Average Operating Fleet (Unit)	11,107	11,686	11,695	10,467	11,727	12.0%	26.3%	11,336	9,390	20.7%
Average Revenue per Fleet (IDR)	659,579	698,124	695,033	660,671	704,204	6.6%	-5.9%	683,522	593,271	15.2%
Utilization Rate	77.7%	80.3%	78.6%	69.5%	77.0%	1,080 bps	690 bps	76.6%	71.3%	530 bps
Executive Taxi										
Average Fleet (Unit)	422	478	477	475	475	0.0%	-25.9%	465	662	-29.7%
Average Operating Fleet (Unit)	382	428	430	395	431	9.1%	31.6%	413	337	22.8%
Average Revenue per Fleet (IDR)	1,477,592	1,534,436	1,527,563	1,440,373	1,519,209	5.5%	-3.4%	1,499,835	1,228,294	22.1%
Utilization Rate	90.5%	89.5%	90.1%	83.2%	90.7%	910 bps	7,760 bps	88.8%	50.8%	3,800 bps

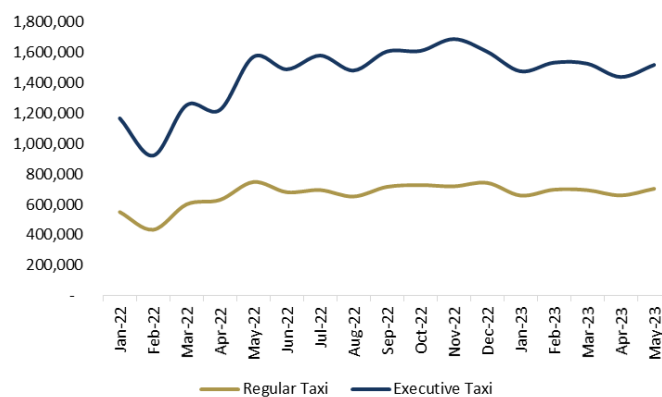
Source: Company, SSI Research

Figure 1. Regular and Executive Taxis' Utilization Rate



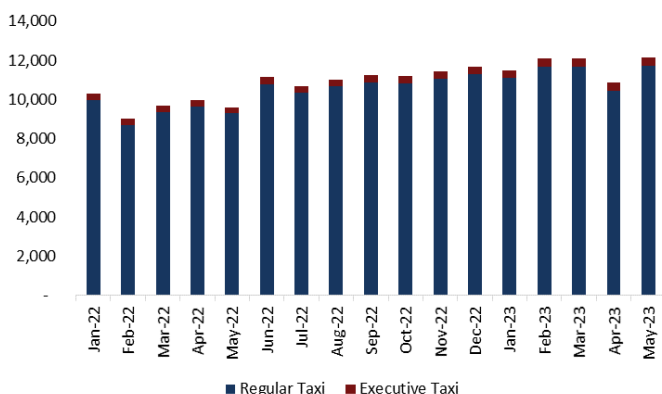
Source: Company, SSI Research

Figure 2. Regular and Executive Taxis' ARPV (IDR)



Source: Company, SSI Research

Figure 3. Average Operating Fleet (unit)



Source: Company, SSI Research

Figure 4. EV/EBITDA Band



Source: Bloomberg, Company, 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)	(3,284)	(3,693)
Gross Profit	494	1,072	1,232	1,429	1,626
Operating Expense	(510)	(653)	(716)	(786)	(885)
G&A Expense	(500)	(639)	(702)	(771)	(871)
Selling & Marketing Expense	(10)	(13)	(14)	(14)	(15)
Royalty Fee	-	-	(11)	(75)	(85)
Operating Profit	(16)	420	505	568	656
EBITDA	432	868	983	1,117	1,222
Interest Income	20	20	27	38	41
Interest Expense	(77)	(47)	(106)	(107)	(113)
Gain (Loss) on Disposal	67	37	37	37	37
Other Income (Expense)	31	54	54	54	54
Pre-tax Profit	26	484	518	591	676
Taxes	17	120	(129)	(146)	(167)
Minority Interest	(1)	(6)	(6)	(6)	(6)
Net Profit	42	358	384	439	503

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash	946	891	1,258	1,359	1,178
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	1,975	2,019
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	8,483	8,959
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	5,937	6,299

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	42	358	384	439	503
D&A	(219)	34	65	136	569
Changes in Working Capital	(105)	141	48	(27)	(188)
Operating CF	(283)	533	496	548	885
Capital Expenditure	999	(315)	(848)	(348)	(1,000)
Others	-	-	-	-	-
Investing CF	999	(315)	(848)	(348)	(1,000)
Dividend Paid	(90)	(150)	(108)	(115)	(131)
Net Borrowing	(408)	(162)	831	22	72
Others	(64)	60	(6)	(6)	(6)
Financing CF	(562)	(252)	718	(99)	(65)
Net - Cash flow	154	(35)	367	101	(180)
Adjustment	(7)	(20)	-	-	-
Cash at Beginning	799	946	891	1,258	1,359
Cash at Ending	946	891	1,258	1,359	1,178

Key Ratios					
Y/E Dec	21A	22A	23F	24F	25F
Gross Profit Margin (%)	22.2	29.9	29.6	30.3	30.6
Operating Margin (%)	(0.7)	11.7	12.1	12.1	12.3
Pretax Margin (%)	1.2	13.5	12.4	12.5	12.7
Net Profit Margin (%)	1.9	10.0	9.2	9.3	9.5
Revenue Growth (%)	8.5	61.7	16.1	13.1	12.9
EBITDA Margin (%)	19.4	24.2	23.6	23.7	23.0
EBITDA Growth (%)	43.4	101.0	13.3	13.6	9.4
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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