

HOLD (from BUY)

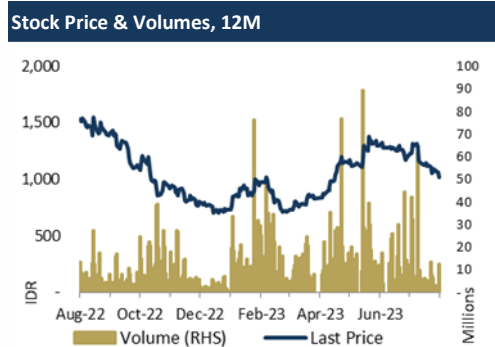
Target Price (IDR) 1,100 (from 1,200)
Potential Upside (%) 7.3

Price Comparison	
Cons. Target Price (IDR)	1,170
SSI vs. Cons. (%)	94.0

Stock Information	
Last Price (IDR)	1,025
Shares Issued (Mn)	3,398
Market Cap. (IDR Bn)	3,482
52-Weeks High/Low (IDR)	1,585/680
3M Avg. Daily Value (IDR Bn)	19.4
Free Float (%)	36.0

Shareholder Structure:	
Adi Dinamika Investindo (%)	48.31
Publik (%)	23.89
Daya Adicpta Mustik (%)	18.27

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	32.3	(16.3)	(12.8)	(33.0)
JCI Return	1.0	0.3	2.6	(3.8)
Relative	31.2	(16.6)	(15.4)	(29.2)



Company Background
Didirikan pada 2003 dan tercatat di BEI sejak 2012, PT Adi Sarana Armada Tbk (ASSA) menjalankan bisnis transportasi dan logistik terintegrasi. ASSA merupakan bagian dari Triputra Group, dan dipimpin oleh Projo Sunarjanto sebagai CEO. ASSA memiliki tim manajemen yang berpengalaman; mayoritas pernah mengisi posisi direksi di Astra International dan AUTO2000.

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Headwinds All Around

Kinerja 2Q23: Pendapatan turun, biaya tetap tinggi. ASSA membukukan pendapatan sebesar IDR 1.2 triliun di 2Q23 (-24% yoy, +8% qoq); penurunan YoY yang signifikan tersebut terutama disebabkan oleh anjloknya pendapatan layanan pengiriman (IDR 396 miliar; -60% yoy, -6% qoq) seiring dengan turunnya permintaan dari e-commerce pasar. Penurunan tersebut diperparah dengan kurangnya upaya efisiensi biaya dari ASSA; akibatnya, laba operasinya turun drastis (IDR 40 miliar; -43% yoy, -65% qoq, OPM: 3%), begitu pula dengan EBITDA (IDR 268 miliar; -5% yoy, -20% qoq) dengan EBITDA margin sebesar 22% (-780 bps qoq, +429 bps yoy). Laba bersih perseroan juga ikut turun, tercatat di IDR 18 miliar pada 2Q23 (-58% yoy, -66%), dengan NPM 1% (-113 bps yoy, -309 bps qoq). Secara kumulatif, ASSA mencetak pendapatan sebesar IDR 2.3 triliun pada 1H23 (-25% yoy), lebih rendah dari estimasi kami (37.6%), dengan laba bersih sebesar IDR 70 miliar (-39% yoy), mengalahkan estimasi kami (62.2%).

Potensi hambatan bagi Anteraja, bertaruh pada bisnis cold chain. Baru-baru ini, kontributor pendapatan terbesar ASSA, Anteraja, mencatatkan 'margin squeeze'; rasio OpEx-to-sales-nya mencapai 20.7% pada 1H23 (+790 bps yoy). Anteraja juga mencatatkan rata-rata pengiriman paket harian sebesar 500 ribu paket/hari, yang menyebabkan penurunan pendapatan. Untuk mendongkrak pendapatan, manajemen menyoroti bahwa ASSA akan mengandalkan bisnis cold chain, yang menawarkan margin yang lebih baik (karena sifat B2B-nya) dengan harapan dapat meningkatkan margin konsolidasinya. Meskipun masih dalam tahap awal, kami yakin bisnis cold chain dapat menjadi jawaban untuk membantu ASSA. Manajemen juga menyatakan bahwa Anteraja akan membukukan EBIT impas (breakeven) pada akhir FY23F; namun, kami tidak terlalu optimis mengenai hal tersebut, mengingat fakta bahwa Anteraja masih kesulitan untuk meningkatkan pendapatannya, terutama karena rendahnya permintaan dari e-commerce dan munculnya tren baru perusahaan e-commerce yang mendirikan jasa pengiriman last-mile mereka sendiri. Mengingat hal ini, ditambah dengan fixed costnya yang tinggi (untuk kurir), Anteraja perlu menemukan cara lain untuk meningkatkan pendapatan, baik dengan bermitra dengan layanan pengiriman lain untuk meningkatkan pengiriman paket harian atau melakukan efisiensi biaya.

Upside terbatas, potensi kinerja yang cenderung lemah. Kami melihat bahwa upside untuk ASSA cenderung terbatas, dan kami memperkirakan ASSA akan membukukan kinerja kuartalan yang cenderung lemah. Kami juga meyakini bahwa persaingan pengiriman first mile dan last mile akan semakin ketat di masa depan, terutama dengan munculnya layanan logistik in-house e-commerce. Oleh karena itu, kami memperkirakan ASSA akan membukukan pendapatan sebesar IDR 4.5 triliun (-22% yoy) di FY23F, dengan EBITDA sebesar IDR 639 miliar dan laba bersih sebesar IDR 114 miliar, menyiratkan pertumbuhan EPS sebesar +10.4% yoy (karena low-base effect dari tahun lalu).

Downgrade ke HOLD, TP IDR 1,100. Dengan rollover valuasi kami ke FY24F, kami mendowngrade rating kami menjadi HOLD dengan TP berbasis SOTP sebesar IDR 1,100; mengingatnya belum adanya katalis signifikan dan potensi hambatan di masa depan. Risiko Utama: Meningkatnya biaya logistik, penurunan margin.

Forecast and Valuations (@ IDR 1,020 per share)					
Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	5,088	5,870	4,571	4,744	4,924
EBITDA (IDR Bn)	685	520	639	676	720
EV/EBITDA(x)	9.5	11.5	9.6	9.3	8.7
Net Profit (IDR Bn)	143	103	114	131	158
EPS (IDR)	42	30	34	39	46
EPS Growth (%)	63.6	(27.7)	10.4	15.1	20.4
P/E Ratio (x)	24.3	33.6	30.4	26.4	22.0
BVPS (IDR)	520	728	761	800	846
P/BV Ratio (x)	1.96	1.40	1.34	1.28	1.21
DPS (IDR)	-	-	-	-	-
Dividend Yield (%)	-	-	-	-	-
ROAE(%)	8.9	4.9	4.5	4.9	5.6
ROAA (%)	2.5	1.5	1.6	1.8	2.2
Interest Coverage (x)	2.0	1.0	1.2	1.3	1.5
Net Gearing (x)	2.0	1.4	1.3	1.2	1.1

Figure 1. 2Q23 Results

PT Adi Sarana Armada Tbk (ASSA IJ)									
(IDR Bn)	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	6M22	6M23	YoY (%)	FY23/SSI
Revenue	1,634	1,146	1,243	8%	-24%	3,170	2,389	-25%	37.6%
Operating Profit	69	115	40	-65%	-43%	233	155	-34%	44.8%
EBITDA	283	337	268	-20%	-5%	648	605	-6%	98.4%
Net Profit	42	52	18	-66%	-58%	115	70	-39%	62.2%
Operating Margin (%)	4%	10%	3%	-683 bps	-104 bps	20%	6%	-1,317 bps	
EBITDA Margin (%)	17%	29%	22%	-780 bps	429 bps	7%	25%	1,803 bps	
Net Margin (%)	3%	5%	1%	-309 bps	-113 bps	4%	3%	-71 bps	

Source: Company, SSI Research

Figure 2. Revenue Segmentation

Revenue Segmentation					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Car Rental	1,615	1,724	1,810	1,883	1,959
Sale of Used Vehicle	405	684	697	711	726
Logistics	136	181	190	199	209
Express (Anteraja)	2,766	3,152	1,736	1,806	1,879
Auctions	166	130	137	144	151
Growth (%)					
Car Rental	4.6	6.7	5.0	4.0	4.0
Sale of Used Vehicle	6.3	69.0	2.0	2.0	2.0
Logistics	(2.5)	32.8	5.0	5.0	5.0
Express (Anteraja)	248.0	14.0	(44.9)	4.0	4.0
Auctions	(6.5)	(21.7)	5.0	5.0	5.0

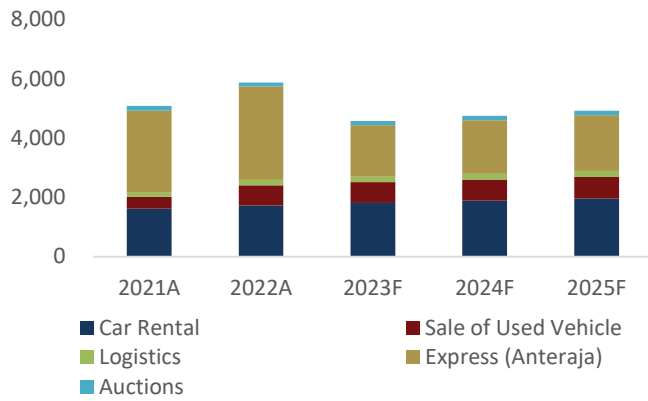
Source: Company, SSI Research

Figure 3. SOTP Valuation

Segment	Method	Stake	Fair Value
Car Rental & Others	DCF + 20% holding discount	100%	1,167
ASLC	SOTP EV/Sales + 20% holding discount	77.6%	1,758
Anteraja	EV/Sales	50%	3,746
Enterprise Value			6,670
Net Debt			(2,796)
Equity Value			3,874
Shares Outstanding			4
Value per Share (Rounded)			1,100

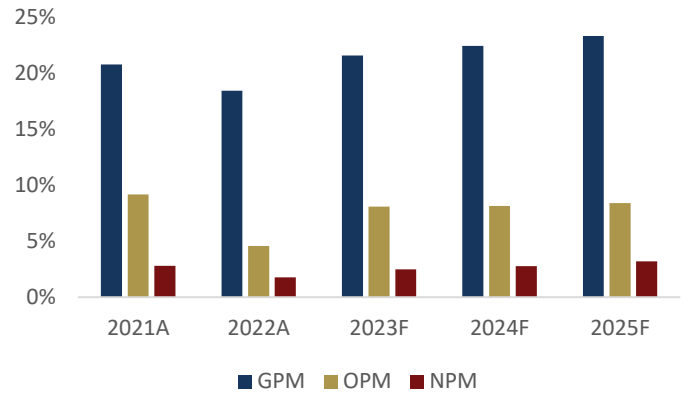
Source: SSI Research

Figure 4. On-Demand Gross and Net Take Rate



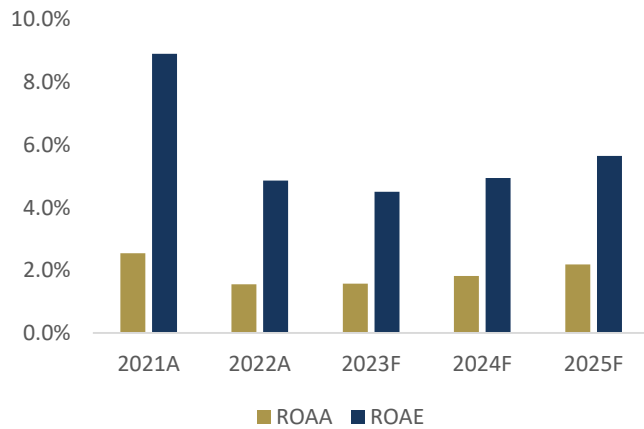
Source: Company, SSI Research

Figure 5. Profitability Margins



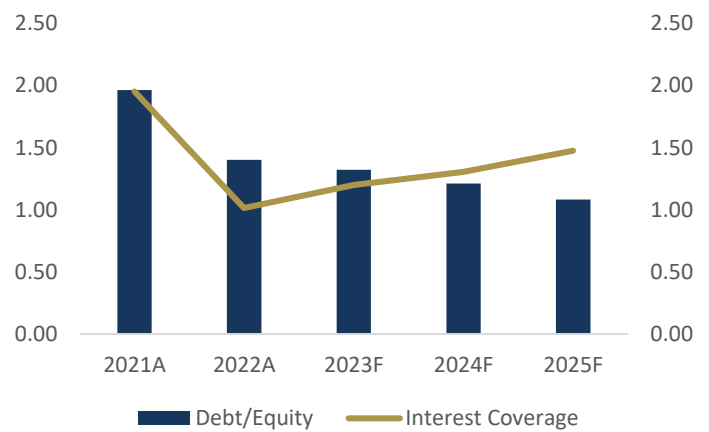
Source: Company, SSI Research

Figure 6. ROAA & ROAE



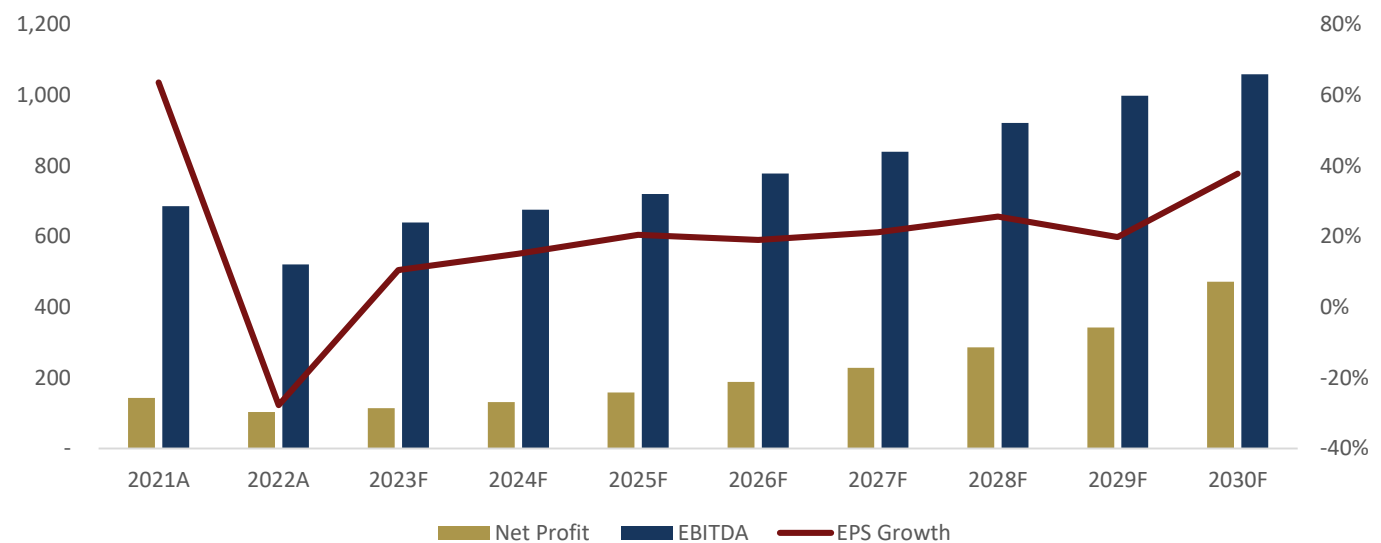
Source: Company, SSI Research

Figure 7. Gearing Ratio



Source: Company, SSI Research

Figure 7. 10-Year Net Profit and EBITDA forecast



Company, SSI Research

Source:

Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenues	5,088	5,870	4,571	4,744	4,924
Cost of goods sold	(4,031)	(4,788)	(3,584)	(3,679)	(3,775)
Gross Profit	1,057	1,082	986	1,065	1,149
SGA Expense	(590)	(814)	(617)	(678)	(736)
Operating Profit	466	268	369	387	413
EBITDA	685	520	639	676	720
Finance Income	9	31	33	25	17
Finance Expenses	(239)	(264)	(308)	(296)	(280)
Pre-tax profit	223	7	76	97	131
Income Tax	(64)	(4)	(22)	(28)	(37)
Profit for Period	160	4	54	69	94
Minority Interest	(17)	99	59	62	64
Net Profit	143	103	114	131	158

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash & equivalents	447	932	727	496	296
Receivables	337	330	303	314	326
Others	278	283	231	237	244
Total Current Assets	1,062	1,545	1,261	1,048	865
Net Fixed Asset	4,405	5,042	5,257	5,487	5,657
Other Non-Current Asset	565	681	681	681	681
Total Assets	6,032	7,268	7,199	7,216	7,203
ST. Bank loan	698	1,259	1,241	1,196	1,130
Payables	453	533	399	410	420
Other current Liabilities	32	-	-	-	-
Total Current Liabilities	1,183	1,792	1,640	1,605	1,550
LT. Debt	2,768	2,207	2,176	2,096	1,981
Other LT Liabilities	315	798	798	798	798
Total Liabilities	4,266	4,798	4,614	4,500	4,330
Minority Interest	245	853	853	853	853
Total Equity	1,766	2,471	2,585	2,716	2,873

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	143	103	114	131	158
D&A	219	252	270	289	306
Changes in Working Capital	(241)	96	(55)	(7)	(8)
Operating Cash Flow	108	(146)	329	413	457
Capital Expenditure	(564)	(890)	(485)	(519)	(476)
Others	244	1,328	-	-	-
Investing Cash Flow	(320)	438	(485)	(519)	(476)
Net - Borrowing	480	(0)	(49)	(125)	(181)
Other Financing	65	(7)	-	-	-
Financing Cash Flow	466	193	(49)	(125)	(181)
Net - Cash Flow	254	485	(205)	(231)	(201)
Cash at beginning	192	447	932	727	496
Cash at ending	447	932	727	496	296

Key Ratios					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Gross Profit Margin (%)	20.8	18.4	21.6	22.4	23.3
Operating Margin (%)	9.2	4.6	8.1	8.2	8.4
EBITDA Margin (%)	13.5	8.9	14.0	14.2	14.6
Pre-Tax Margin (%)	4.4	0.1	1.7	2.0	2.7
Net Profit Margin (%)	2.8	1.8	2.5	2.8	3.2
Debt to Equity (%)	196.4	140.3	132.2	121.2	108.3
Net Gearing (%)	57.5	47.7	47.5	45.6	43.2

Major Assumptions					
	21A	22A	23F	24F	25F
Fleet Rental	27,188	28,874	30,029	30,930	31,858
Avg Parcel per year (millions)	365	402	219	226	232
Logistic Revenue Growth	-3%	33%	5%	5%	5%
Auctions Revenue Growth	-6%	-22%	5%	5%	5%

Peers Comparison

Name	Ticker	Mkt Cap (USDmn)	EV/EBITDA (x)		EV/Sales		P/E (x)		P/BV (x)		Sales Growth (%)
			2023	2024	2023	2024	2023	2024	2023	2024	
SF HOLDING CO LTD	002352 CH	29,734	9.1	7.7	0.8	0.7	24.9	19.2	2.3	2.1	29.1
Yunda Holding	002120 CH	3,928	6.1	5.3	0.7	0.6	12.5	9.6	1.5	1.3	13.7
YTO Express Group Co Ltd	600233 CH	6,773	5.6	4.7	0.7	0.6	11.4	9.6	1.6	1.4	18.6
ZTO Express Cayman Inc	ZTO US	19,230	9.2	7.8	3.1	2.7	15.9	13.2	2.3	2.0	16.3
Sinotrans Ltd H Share	598 HK	4,292	8.2	7.5	0.3	0.3	5.7	5.4	0.5	0.5	-12.5
Kerry Logistics	636 HK	1,815	4.6	3.9	0.3	0.3	9.5	7.4	0.7	0.7	9.7
C.H Robinson Worldwide	CHRW US	10,889	17.4	15.5	0.7	0.7	25.4	21.1	8.2	6.8	6.9
XPO Logistics	XPO US	8,152	11.3	9.4	1.4	1.4	29.1	21.1	6.6	5.1	7.2
UPS Supply Chain Solutions	UPS US	143,966	10.9	10.1	1.7	1.6	17.5	15.7	7.0	6.2	3.1
Expeditors	EXPD US	16,949	13.9	14.7	1.6	1.6	21.4	22.4	6.2	5.8	3.3
DHL	DHL GR	58,507	6.5	6.2	0.9	0.8	13.0	11.9	2.2	2.1	15.5
Fedex	FDX US	65,378	7.6	6.8	1.1	1.0	14.9	12.1	2.4	2.1	-3.6
Ryder System	R US	4,388	3.9	3.8	1.0	0.9	7.6	8.2	1.4	1.2	24.3
Hub Group	HUBG US	2,582	6.1	5.6	0.6	0.6	13.2	11.9	1.6	1.4	26.2
Average			9.4	8.7	1.4	1.3	17.0	14.7	4.5	4.0	7.5

Source: Bloomberg, SSI Research

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