

HOLD (Maintain)

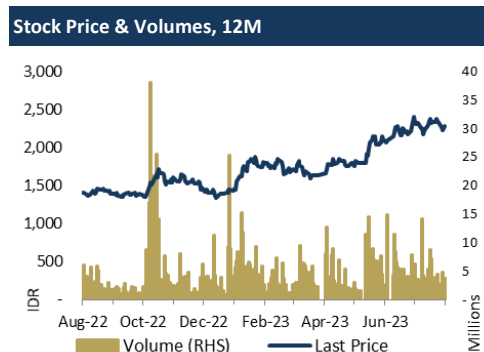
Target Price (IDR) **2,200 (from 2,000)**
Potential Upside (%) **(2.7)**

Price Comparison	
Cons. Target Price (IDR)	2,400
SSI vs. Cons. (%)	91.7

Stock Information	
Last Price (IDR)	2,260
Shares Issued (Mn)	2,502
Market Cap. (IDR Bn)	5,655
52-Weeks High/Low (IDR)	2,430/1,330
3M Avg. Daily Value (IDR Bn)	10.9
Free Float (%)	29.2

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	60.3	(3.0)	28.4	60.3
JCI Return	0.7	(0.0)	2.3	(4.1)
Relative	59.6	(3.0)	26.1	64.4



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

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Minimal Impact from Royalty Fee

BIRD posted solid numbers in 7M23, with both of its taxi segments recording positive ARPV growth (regular: +9.9% YoY; executive: +12.9% YoY), supported by fare adjustments made by the company in May-23 (+8.0% YoY). However, the change in the starting date of its royalty fee payments (Aug-23, prev: Nov-23) prompted us to cut BIRD's FY23F net profit projection by -3.5%. All in all, BIRD's performance up to 7M23 was still in line with our expectations, and we maintain our HOLD rating with a new TP of IDR 2,200 (5.2x FY24F EV/EBITDA).

Solid 7M23. After its relatively strong performance in 1H23, with revenue of IDR 2.1tn (+35.1% YoY) and net profit of IDR 259bn (+75.3% YoY), BIRD didn't show any sign of slowdown in Jul-23; the company reported positive ARPV growth, both from its regular taxis (IDR 692k; +3.9% MoM, -0.6% YoY) and executive taxis (IDR 1.46mn; +1.0 MoM, -7.8% YoY). The positive ARPV growth was mainly driven by fare adjustments made by the company in May-23 (+8.0% YoY to IDR 5,400/km). The company's utilization rate slipped a bit in Jul-23 (regular: 77.8%, -60bps MoM, -60bps YoY; executive: 90.3%, -220bps MoM, +3,360bps YoY), though we believe this is normal, given the fact that BIRD recently added new vehicles to its fleet (both regular and executive); even with the slip, BIRD still managed to post superb cumulative utilization rate growth in 7M23 (regular: 77.1%, +300bps YoY; executive: 89.6%, +3,670bps YoY).

Sooner-than-expected royalty fee. One risk on BIRD that needs to be considered is the sooner-than-expected royalty fee payment. BIRD's management stated that the company would start paying royalty fees in Aug-23, sooner than previously expected (Nov-23, in accordance with the company's agreement with Pusaka Citra Djokosoetono/PCD as the holder of the Blue Bird license). Considering the possible impact of the royalty fee, we decided to cut BIRD's FY23F net profit projection by -3.5% to IDR 370bn, though we made no changes to the FY24F projection (IDR 437bn). To help generate more revenue, BIRD has started a new initiative: LED adboards. BIRD has installed 150 LED adboards on its fleet, which should help bring additional revenue from advertisements. BIRD expects to have 400 LED adboards installed by the end of the year, which is projected to generate additional revenue of +1-6% in FY24F.

HOLD, TP IDR 2,200 (5.2x FY24F EV/EBITDA). We believe that BIRD's 7M23 performance and its future performance potential are in line with our estimates. Therefore, we decided to maintain our HOLD rating with a new TP of IDR 2,200, reflecting 5.2x FY24F EV/EBITDA. Upside Risks: 1) better-than-expected ARPV and utilization rate. Downside Risks: 1) fuel price hike. 2) tougher competition.

Valuations (at closing price IDR 2,260 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	967	1,117	1,222
EV/EBITDA (x)	13.1	6.4	6.2	5.3	5.1
Net Profit (IDR Bn)	42	358	370	437	499
EPS (IDR)	3	143	148	175	199
EPS Growth (%)	n/a	4,545.5	3.4	17.9	14.3
P/E Ratio (x)	733.0	15.8	15.3	13.0	11.3
P/BV Ratio (x)	1.1	1.1	1.0	1.0	0.9
DPS (IDR)	36	60	43	44	52
Dividend Yield (%)	2.7	1.9	2.0	2.3	2.6
ROAE (%)	0.2	6.8	6.7	7.5	8.0
Net Gearing (x)	N.C	N.C	0.0	0.0	0.1

Table 1. 2Q23 Results

BIRD (IDR Bn)	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	1H22	1H23	YoY (%)	FY23/SSI	FY23/Cons
Revenue	874	1,046	1,046	0.0	19.7	1,548	2,092	35.1	50.2	51.4
Gross Profit	267	326	337	3.2	26.2	440	663	50.7	53.8	54.3
Operating Profit	119	145	150	3.8	26.5	154	295	92.0	58.6	51.6
EBITDA	228	276	284	2.8	24.6	371	560	51.1	56.9	59.2
Net Profit	101	123	136	10.5	35.1	148	259	75.3	67.7	57.5
Gross Margin	30.5%	31.2%	32.2%	1.0%	1.7%	28.4%	31.7%	3.3%		
Operating Margin	13.6%	13.9%	14.4%	0.5%	0.8%	9.9%	14.1%	4.2%		
EBITDA Margin	26.1%	26.4%	27.1%	0.7%	1.1%	23.9%	26.8%	2.8%		
Net Margin	11.5%	11.8%	13.0%	1.2%	1.5%	9.6%	12.4%	2.8%		
Sales Breakdown (IDR Bn)	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	1H22	1H23	YoY (%)		
Taxi	690	791	781	-1.3	13.2	1,203	1,573	30.7		
Non-Taxi	184	255	242	-5.0	31.6	345	497	44.0		
Operational Metrics	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	1H22	1H23	YoY (%)		
Regular Taxi ARPV (IDRk)	687	684	677	-1.0	-1.5	608	681	12.0		
Regular Taxi Utilization	76.4%	78.9%	75.0%	-3.9%	-1.4%	73%	77%	3.5%		
Executive Taxi ARPV (IDRk)	1,429	1,513	1,468	-3.0	2.7	1,272	1,491	17.2		
Executive Taxi ARPV (IDRk)	54.4%	90.1%	88.8%	-1.3%	34.4%	52%	89%	37.2%		

Source: Company, SSI Research

Table 2. 7M23 Operational Metrics

BIRD Operational Metrics	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	MoM	YoY	7M23	7M22	YoY
Regular Taxi												
Average Fleet (Unit)	14,289	14,556	14,880	15,050	15,223	15,180	15,248	0.4%	15.8%	14,918	13,127	13.6%
Average Operating Fleet (Unit)	11,107	11,686	11,695	10,467	11,727	11,896	11,869	-0.2%	14.9%	11,492	9,722	18.2%
Average Revenue per Fleet (IDRk)	660	698	695	661	704	666	692	3.9%	-0.6%	682	621	9.9%
Utilization Rate	77.7%	80.3%	78.6%	69.5%	77.0%	78.4%	77.8%	(60 bps)	(60 bps)	77.0%	74.1%	290 bps
Executive Taxi												
Average Fleet (Unit)	422	478	477	475	475	496	534	7.7%	-12.1%	480	648	-26.0%
Average Operating Fleet (Unit)	382	428	430	395	431	459	482	5.0%	39.9%	430	342	25.6%
Average Revenue per Fleet (IDRk)	1,478	1,534	1,528	1,440	1,519	1,445	1,459	1.0%	-7.8%	1,486	1,316	12.9%
Utilization Rate	90.5%	89.5%	90.1%	83.2%	90.7%	92.5%	90.3%	(220 bps)	3,360 bps	89.6%	52.7%	3,670 bps

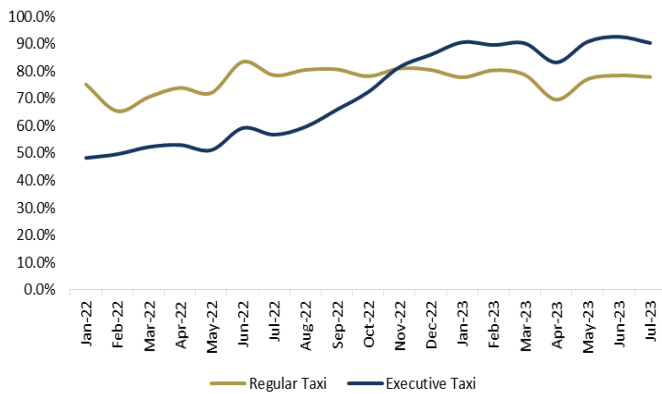
Source: Company, SSI Research

Table 3. Forecast Changes

IDR Bn	OLD		NEW		OLD vs NEW	
	2023F	2024F	2023F	2024F	2023F	2024F
Revenue	4,169	4,713	4,169	4,713	0.0%	0.0%
Gross Profit	1,232	1,429	1,232	1,429	0.0%	0.0%
Operating Profit	505	568	488	568	-3.4%	0.0%
Net Profit	384	439	370	439	-3.5%	0.0%
Growth	OLD		NEW			
	2023F	2024F	2023F	2024F		
Revenue	16.1%	13.1%	16.1%	13.1%		
Gross Profit	14.9%	16.0%	14.9%	16.0%		
Operating Profit	20.3%	12.6%	16.1%	16.2%		
Net Profit	7.1%	14.4%	3.4%	17.9%		

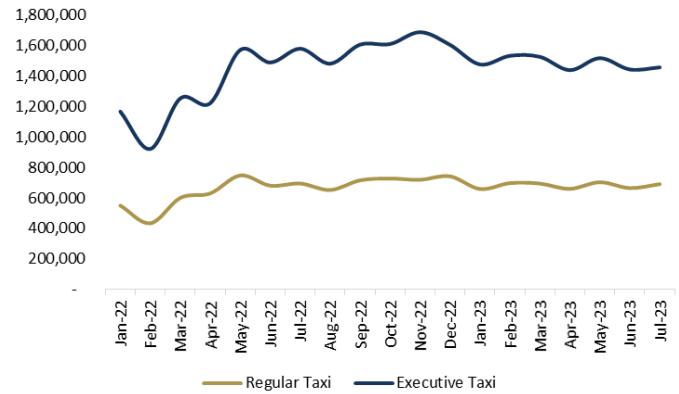
Source: SSI Research

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 Operational 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	-	-	(27)	(75)	(85)
Operating Profit	(16)	420	489	568	656
EBITDA	432	868	967	1,117	1,222
Interest Income	20	20	27	37	40
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	501	591	675
Taxes	17	120	(124)	(146)	(167)
Minority Interest	(1)	(6)	(6)	(6)	(6)
Net Profit	42	358	371	439	503

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash	946	891	1,245	1,350	1,169
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	1,800	1,966	2,010
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	8,096	8,474	8,950
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	5,608	5,928	6,290

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	42	358	371	439	503
D&A	(219)	34	65	136	569
Changes in Working Capital	(105)	141	48	(27)	(188)
Operating CF	(283)	533	484	548	884
Capital Expenditure	999	(315)	(848)	(348)	(1,000)
Others	-	-	-	-	-
Investing CF	999	(315)	(848)	(348)	(1,000)
Dividend Paid	(90)	(150)	(108)	(111)	(131)
Net Borrowing	(408)	(162)	831	22	72
Others	(64)	60	(6)	(6)	(6)
Financing CF	(562)	(252)	718	(95)	(65)
Net - Cash flow	154	(35)	354	104	(180)
Adjustment	(7)	(20)	-	-	-
Cash at Beginning	799	946	891	1,245	1,350
Cash at Ending	946	891	1,245	1,350	1,169

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	11.7	12.1	12.3
Pretax Margin (%)	1.2	13.5	12.0	12.5	12.7
Net Profit Margin (%)	1.9	10.0	8.9	9.3	9.5
Revenue Growth (%)	8.5	61.7	16.1	13.1	12.9
EBITDA Margin (%)	19.4	24.2	23.2	23.7	23.0
EBITDA Growth (%)	43.4	101.0	11.4	15.5	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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