

BUY (Maintain)

Target Price (IDR) 310 (from 400)
Potential Upside (%) 43.5

Price Comparison

Cons. Target Price (IDR)	342
SSI vs. Cons. (%)	90.8

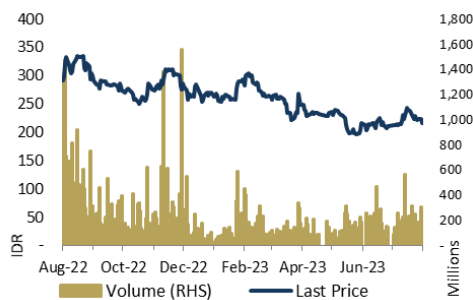
Stock Information

Last Price (IDR)	216
Shares Issued (Mn)	103,080
Market Cap. (IDR Bn)	22,678
52-Weeks High/Low (IDR)	354/193
3M Avg. Daily Value (IDR Bn)	39.4
Free Float (%)	53.2
Shareholder Structure:	
Kreatif Media Karya (%)	24.63
Publik (%)	52.87

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(16.0)	3.8	(6.8)	(24.7)
JCI Return	0.8	3.6	(0.2)	(0.9)
Relative	(16.8)	0.2	(6.6)	(23.7)

Stock Price & Volumes, 12M



Company Background

Bukalapak was founded by Achmad Zaky, Muhamad Fajrin Rasyid, and Nugroho Herucahyono in 2010, and became a limited liability company on September 9, 2011. The company provides web portals and commercial digital platforms, and was one of the pioneers of Indonesian e-commerce industry. In 2017, Bukalapak became one of Indonesia's unicorn.

Muhammad Farras Farhan

+62 21 2854 8346

farras.farhan@samuel.co.id

Laurencia Hiemas

+62 21 2854 8392

laurencia.hiemas@samuel.co.id

Blue Skies Ahead

Marketplace-driven results. BUKA booked revenue of IDR 1.2 trillion in 2Q23 (+17% qoq, +30% yoy); the growth was driven mainly by its marketplace (IDR 1.2 trillion, +21% qoq, +254% yoy) and O2O businesses (IDR 1.0 trillion, +13% qoq, -21% yoy). The same marketplace-driven growth happened with both its TPV and take rate; BUKA booked a consolidated TPV of IDR 41 trillion (+2% qoq, +13% yoy), supported by the increase in its marketplace TPV (IDR 44.3 trillion, +4% qoq, +20% yoy). BUKA's overall take rate also rose to 2.86% in 2Q23 (+0.37 bps qoq, +0.39 bps yoy), driven by the increase in its marketplace take rate (+93 bps yoy, +64 bps qoq to 3.02%). Cumulatively, BUKA posted revenue of IDR 2.2 trillion in 1H23 (SSI: 45.8%, Cons: 47.1%) with a net loss of -IDR 389 billion.

Gearing towards positive adjusted EBITDA. One thing that caught our eye from BUKA's FY22 results was its CM; BUKA managed to post positive CMs for three consecutive quarters, allowing the company to book a positive full-year CM of IDR 228 billion. Should this trend continues, we believe BUKA might be able to book a positive adjusted EBITDA in 4Q23, though its full-year adjusted EBITDA might still be negative (FY23F projection: -IDR 134 billion). BUKA will also boost its remittance business line and is hopeful of gaining a lot of traction to boost its Mitra revenue in 2H23. Regarding its specialty stores initiative, BUKA has made plans to amplify its OEM initiative, which is projected to have a relatively higher take rate than its e-commerce business. Bear in mind that specialty vertical, despite contributing only 10-15% of marketplace TPV, has a high take rate nature due to its 1P nature, providing room for further monetization and improving profitability.

Remain confident, though slight adjustments are needed. We still pick BUKA as our clear favorite in the tech sector due to its abundant cash reserves and its efforts to look for organic and anorganic growth. We still maintain our confidence that BUKA will book a positive adjusted EBITDA in 4Q23, even though our overall EBITDA projection for FY23F still shows a loss (-IDR 134 billion). Nevertheless, due to slower TPV growth and lack of plans for further acquisition that might help boost its specialty stores initiative, we lower our revenue and net loss projections for FY23F and FY24F to IDR 4.5/5.4 trillion and -IDR 255/-174 trillion, respectively.

BUY, TP IDR 310. As we roll over our valuation to FY24F, we reiterate our BUY rating on BUKA, albeit with a lower TP of IDR 310, implying 3.5x FY24F EV/Sales. BUKA is currently trading at 1.7x FY24F EV/Sales (62% discount to its global and regional peers). **Main Risks:** Lower-than-expected TPV and execution risk.

Forecast and Valuations (@ IDR 216 per share)

Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	1,869	3,618	4,509	5,462	6,599
EBITDA (IDR Bn)	(1,798)	1,853	(789)	(503)	101
EV/TPV(x)	(0.0)	0.0	0.1	0.0	0.0
Net Profit (IDR Bn)	(1,673)	1,984	(255)	(174)	345
EPS (IDR)	(16)	19	(2)	(2)	3
EPS Growth (%)	-24%	na	na	na	na
P/Sales (x)	12.1	6.3	5.0	4.2	3.4
BVPS (IDR)	228	257	255	253	256
P/BV Ratio (x)	1.0	0.9	0.9	0.9	0.9
P/TPV	0.2	0.1	0.1	0.1	0.1
EV/Sales	(1.1)	1.8	2.0	1.7	1.4
ROAE(%)	(13.3)	7.9	(1.0)	(0.7)	1.3
ROAA (%)	(11.5)	7.3	(0.9)	(0.6)	1.3
EV/EBITDA	1.1	3.5	(11.5)	(18.7)	92.0
Take Rate (%)	1.5	2.4	2.7	2.9	3.0

Figure 1. 2Q23 Results

PT Bukalapak.com (BUKA IJ) (IDR Bn)	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	6M22	6M23	YoY (%)	6M23/SSI	6M23/Cons
TPV	36,541	40,450	41,113	2%	13%	70,655	81,563	15%	44.2%	N/A
Revenue	903	1,006	1,175	17%	30%	1,691	2,181	29%	45.8%	47.1%
Contribution Margin	-24	104	124	19%	-617%	-74	228	-408%	37.1%	N/A
Adjusted EBITDA	-360	-209	-125	-40%	-65%	-732	-334	-54%	37.6%	N/A
Take Rate (%)	2.5%	2.5%	2.9%	0 bps	0 bps	2.4%	2.7%	0 bps		
Contribution Margin-to-TPV	-0.1%	0.3%	0.3%	0 bps	-6 bps	-0.1%	0.3%	-4 bps		
EBITDA-to-TPV	-15.8%	-2.9%	1.2%	4 bps	-1 bps	12.3%	-0.8%	-1 bps		

Source: Company, SSI Research

Figure 2. Forecast Changes

	New		Old		Change (%)	
	23F	24F	23F	24F	23F	24F
Revenue (IDR Bn)	4,509	5,462	4,757	6,276	(5.2)	(13.0)
Take Rate	2.7	2.9	2.6	2.4	6.3	22.3
EBITDA (IDR Bn)	(789)	(503)	2,006	2,882	(139.4)	(117.5)
Net Profit (IDR Bn)	(255)	(174)	2,176	2,772	(111.7)	(106.3)
EPS (IDR)	(2)	(2)	21	27	(111.7)	(106.2)
TPV (IDRbn)	164,501	189,176	184,487	265,895	(10.8)	(28.9)
EV/Sales	2.0	1.7	1.7	1.7	21.9	4.2

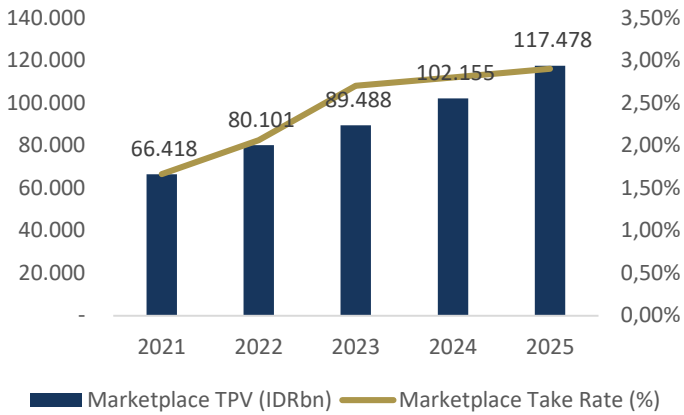
Source: SSI Research

Figure 3. Valuation Method

BUKA's Valuation Method	
Sales FY24F	5,462
EV/Sales Target	3.5
Enterprise Value	19,181
Debt	0
Cash	13,243
Equity Value	32,425
Shares Outstanding	103.06
Value per Share	310

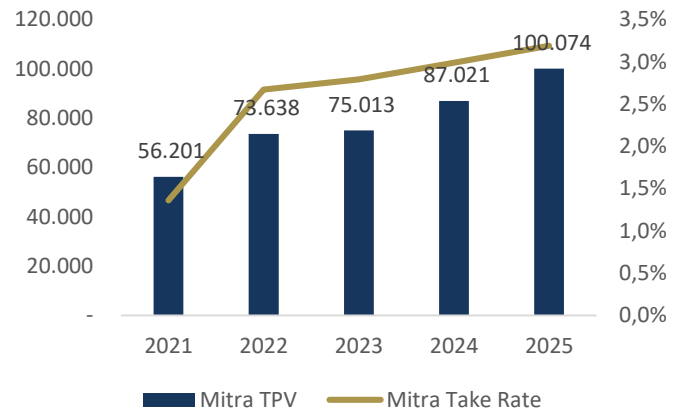
Source: Bloomberg, SSI Research

Figure 4. E-commerce TPV & Take Rate



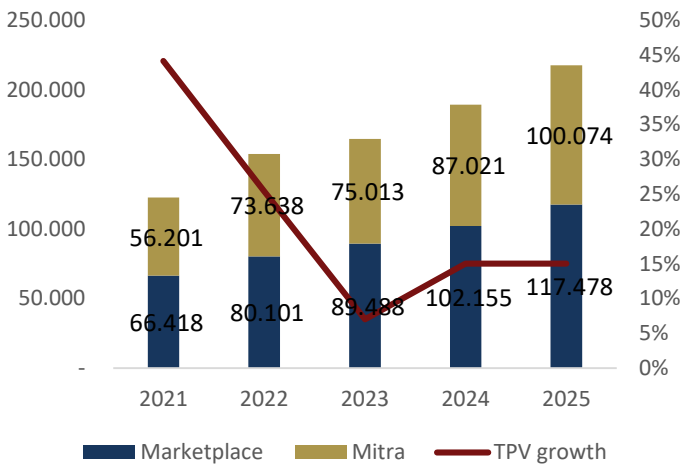
Source: Company, SSI Research

Figure 5. Mitra TPV & Take Rate



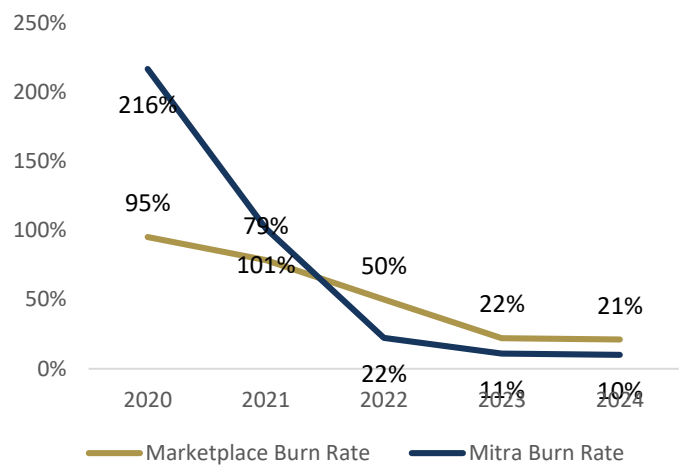
Source: Company, SSI Research

Figure 6. E-Commerce and Mitra TPV Breakdown



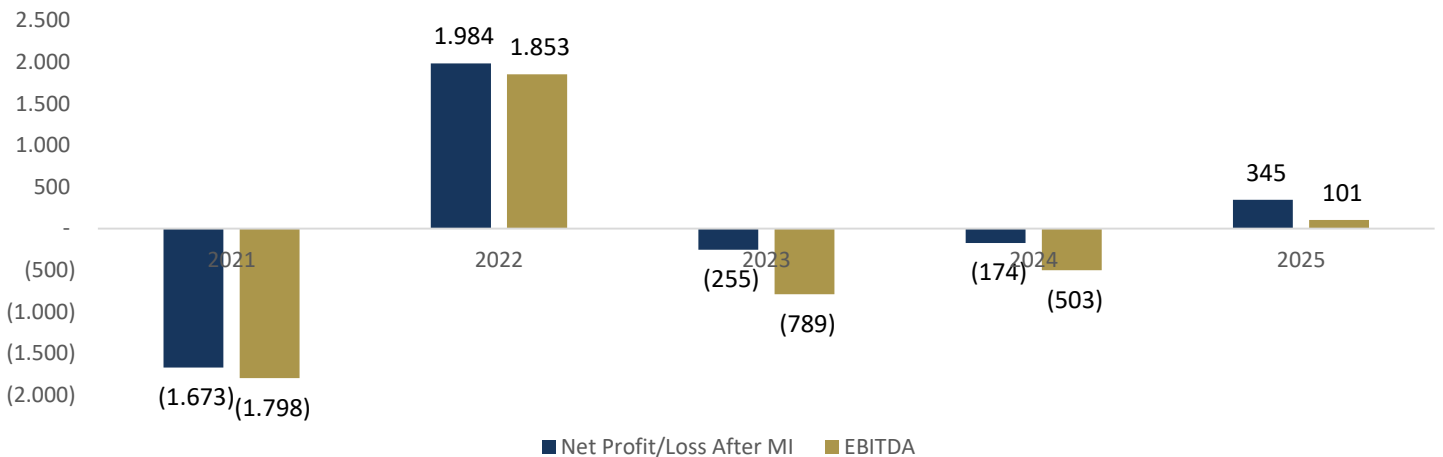
Source: Company, SSI Research

Figure 7. E-commerce and Mitra Burn Rate



Source: Company, SSI Research

Figure 7. Net Profit and EBITDA Forecast



Source: Company, SSI Research

Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenues	1,869	3,618	4,509	5,462	6,599
Cost of goods sold	(441)	(2,560)	(3,212)	(3,512)	(3,608)
Gross Profit	1,428	1,058	1,297	1,951	2,991
SGA Expense	(3,137)	(3,234)	(2,270)	(2,654)	(3,110)
Operating Profit	(1,709)	1,760	(873)	(603)	(19)
EBITDA	(1,798)	1,853	(789)	(503)	101
Finance Income	227	541	667	439	366
Finance Expenses	(18)	(7)	(7)	(7)	(7)
Pre-tax profit	(1,501)	2,270	(244)	(171)	340
Income Tax	(175)	(293)	(2)	(2)	3
Profit for Period	(1,676)	1,978	(246)	(173)	344
Minority Interest	(3)	(6)	9	1	(1)
Net Profit	(1,673)	1,984	(255)	(174)	345

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash & equivalents	24,700	16,256	13,567	13,243	13,388
Receivables	108	69	86	105	126
Others	1,039	5,609	5,609	5,609	5,609
Total Current Assets	25,849	22,005	19,351	19,054	19,223
Net Fixed Asset	69	23	152	307	493
Other Non-Current Asset	698	5,378	7,717	7,717	7,717
Total Assets	26,616	27,406	27,220	27,078	27,433
ST. Bank loan	2,000	-	-	-	-
Payables	412	271	339	370	381
Other current Liabilities	595	538	538	538	538
Total Current Liabilities	3,007	809	877	909	919
LT. Debt	-	-	-	-	-
Other LT Liabilities	112	99	99	99	99
Total Liabilities	3,120	908	976	1,008	1,018
Minority Interest	26	11	11	11	11
Total Equity	23,496	26,498	26,244	26,070	26,415

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	(1,673)	1,984	(255)	(174)	345
D&A	89	51	(84)	(100)	(120)
Changes in Working Capital	(738)	(4,799)	33	5	(14)
Operating Cash Flow	(1,409)	(632)	(305)	(269)	210
Capital Expenditure	(291)	(97)	(45)	(55)	(66)
Others	(950)	(4,680)	(2,339)	-	-
Investing Cash Flow	(659)	(6,008)	(2,384)	(55)	(66)
Net - Borrowing	2,000	(2,000)	-	-	-
Other Financing	23,271	1,034	-	-	-
Financing Cash Flow	25,271	(2,010)	-	-	-
Net - Cash Flow	23,203	(8,650)	(2,689)	(324)	144
Cash at beginning	1,484	24,700	16,256	13,567	13,243
Cash at ending	24,700	16,256	13,567	13,243	13,388

Key Ratios					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Gross Profit Margin (%)	76.4	29.3	28.8	35.7	45.3
Operating Margin (%)	(91.4)	48.6	(19.4)	(11.0)	(0.3)
EBITDA Margin (%)	(96.2)	51.2	(17.5)	(9.2)	1.5
Pre-Tax Margin (%)	(80.3)	62.7	(5.4)	(3.1)	5.2
Net Profit Margin (%)	(89.5)	54.8	(5.7)	(3.2)	5.2
Debt to Equity (%)	-	-	-	-	-
Net Gearing (%)	-	-	-	-	-

Major Assumption					
	21A	22A	23F	24F	25F
Blended TPV Growth	44%	25%	7%	15%	15%
Blended Take Rate	1.5%	2.4%	2.7%	2.9%	3.0%
Blended Burn Rate	-88%	-29%	-17%	-16%	-15%
Mitra TPV Growth	146%	31%	2%	16%	15%
Marketplace TPV Growth	7%	21%	12%	14%	15%

Peers Comparison

Ticker	Name	Market Cap (USDmn)	EV/Sales (x)		P/Sales (x)	
			FY23F	FY24F	FY22F	FY23F
JD US	JD.COM INC-ADR	63,791	0.4	0.3	0.4	0.4
SE US	SEA LTD-ADR	36,114	2.6	2.2	2.7	2.4
PDD US	PINDUODUO INC-ADR	112,973	3.7	3.0	4.5	3.7
VIPS US	VIPSHOP HOLDINGS LTD - ADR	10,304	0.5	0.5	0.7	0.6
JMIA US	JUMIA TECHNOLOGIES AG-ADR	430	1.1	1.0	2.1	2.1
MELI US	MERCADOLIBRE INC	61,505	4.6	3.8	4.5	3.7
CPNG US	COUPANG INC	32,037	1.3	1.1	1.4	1.2
SHOP US	SHOPIFY INC - CLASS A	84,612	12.1	10.2	12.6	10.6
ALE PW	ALLEGRO.EU SA	9,323	4.0	3.5	3.4	3.0
EBAY US	EBAY INC	23,952	2.7	2.6	2.4	2.3
603613 CH	BEIJING UNITED INFORMATION-	3,869	0.4	0.3	0.4	0.3
2678 JP	ASKUL CORP	1,364	0.4	0.3	0.4	0.4
8454 TT	MOMO.COM INC	4,167	1.1	0.9	1.1	1.0
4385 JP	MERCARI INC	4,122	3.2	2.9	3.4	3.1
OSTK US	OVERSTOCK.COM INC	1,582	0.8	0.7	1.0	0.9
ETSY US	ETSY INC	12,290	5.0	4.5	4.5	4.1
Weighted Average			5.2	4.4	5.5	4.6

Source: Bloomberg, SSI Research

Research Team			
Prasetya Gunadi	Head of Equity Research, Strategy, Banking, Digital Banks	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Lionel Priyadi	Macro Equity Strategist	lionel.priyadi@samuel.co.id	+6221 2854 8854
Muhamad Alfatih, CSA, CTA, CFTe	Senior Technical Analyst	m.alfatih@samuel.co.id	+6221 2854 8129
William Mamudi, CFTe, CMT, CCT	Senior Technical Analyst	william.mamudi@samuel.co.id	+6221 2854 8382
Yosua Zisokhi	Cement , Cigarette, Paper, Plantation, Telco Infra, Chemicals	yosua.zisokhi@samuel.co.id	+6221 2854 8387
M. Farras Farhan	Media, Poultry, Oil & Gas, Technology	farras.farhan@samuel.co.id	+6221 2854 8346
Pebe Peresia	Automotive, Consumer Staples, Retail	pebe.peresia@samuel.co.id	+6221 2854 8339
Juan Oktavianus Harahap	Coal, Metal Mining	juan.oktavianus@samuel.co.id	+6221 2854 8846
Jonathan Guyadi	Banking, Healthcare, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8321
Adolf Richardo	Editor	adolf.richardo@samuel.co.id	+6221 2864 8397
Ashalia Fitri Yuliana	Research Associate	ashalia.fitri@samuel.co.id	+6221 2854 8389
Daniel Aditya Widjaja	Research Associate	daniel.aditya@samuel.co.id	+6221 2854 8322
Laurencia Hiemas	Research Associate	laurencia.hiemas@samuel.co.id	+6221 2854 8392
Brandon Boedhiman	Research Associate	brandon.boedhiman@samuel.co.id	+6221 2854 8392

Equity Institutional Team			
Benny Bambang Soebagjo	Head of Institutional Equity Sales	benny.soebagjo@samuel.co.id	+6221 2854 8312
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Anthony Yunus	Institutional Equity Sales	anthony.yunus@samuel.co.id	+6221 2854 8314
Widya Meidrianto	Institutional Equity Sales	widya.meidrianto@samuel.co.id	+6221 2854 8317
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team			
Joseph Soegandhi	Head of Equity	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Damargumilang	Head of Equity Retail	damargumilang@samuel.co.id	+6221 2854 8309
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Michael Alexander	Equity Sales	michael.alexander@samuel.co.id	+6221 2854 8369
Sylviawati	Equity Sales	sylviawati@samuel.co.id	+6221 2854 8112
Wandha Ahmad	Equity Sales	wandha.ahmad@samuel.co.id	+6221 2854 8316
Handa Sandiawan	Equity Sales	handa.sandiawan@samuel.co.id	+6221 2854 8302
Denzel Obaja	Equity Sales	denzel.obaja@samuel.co.id	+6221 2854 8342
Wahyudi Budiyo	Dealer	wahyudi.budiyo@samuel.co.id	+6221 2854 8152

Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Rudianto Nugroho	Fixed Income Sales	rudianto.nugroho@samuel.co.id	+6221 2854 8306
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Safitri	Fixed Income Sales	safitri@samuel.co.id	+6221 2854 8376
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 28548104
Saldy Achmad Yanuar	Fixed Income Sales	saldy.achmad@samuel.co.id	+6221 28548384
Nadya Attahira	Fixed Income Sales	nadya.attahira@samuel.co.id	+6221 2854 8305

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