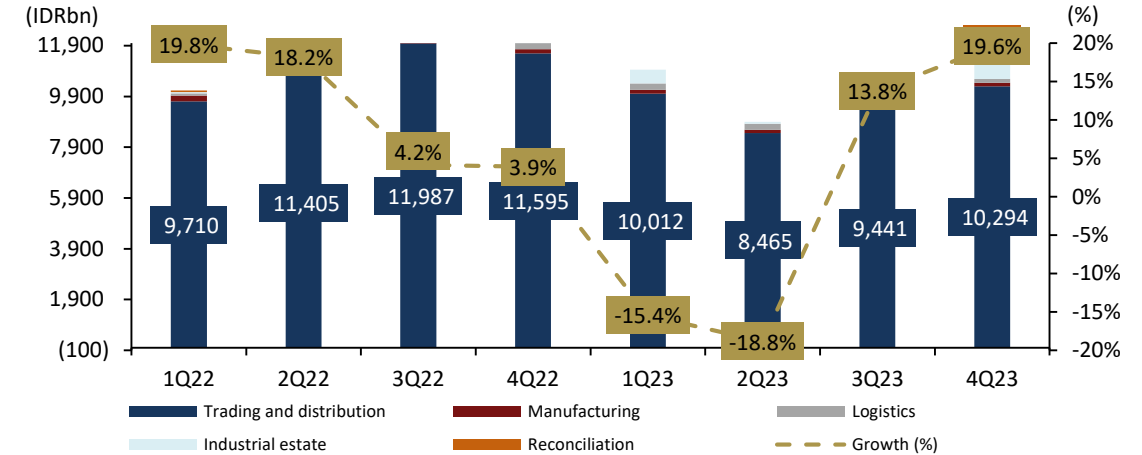


AKR Corporindo (AKRA) 4Q23 Results

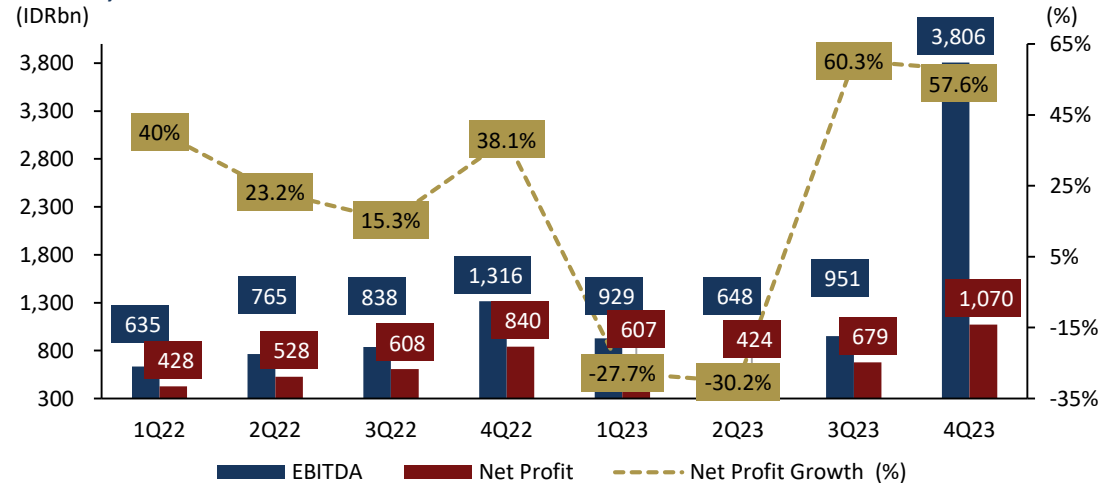
- AKRA reported positive QoQ revenue growth in 4Q23 of +19.6% QoQ to IDR 12.1tn. However, the 4Q23 figure is lower than 4Q22 (-6.5% YoY); the slip was mainly caused by lower ASP in AKRA's T&D business, leading to the drop in the company's T&D revenue (-11.2% YoY to IDR 10.3tn; 86.9% of revenue).
- AKRA's industrial estate business generated IDR 1.2tn of revenue for the quarter, 8.7% of the company's 4Q23 consolidated revenue (3Q23: 2.8%, 4Q22: 6.5%), thanks in part to the additional sales volume of 61ha. Aside from generating massive revenue, the business also booked substantial gross profit of IDR 661bn, 30.7% of AKRA's consolidated 4Q23 gross profit (3Q23: 10.3%)
- 4Q23 marked the highest profitability margin since 2022, attributed to lower COGS (-15.9% YoY); with T&D business which contributed 88% of COGS was down -15.3% YoY, resulting in GPM of 13.2%, OPM of 11.3% and NPM 8.8%.
- AKRA's top-line cumulative numbers were in-line with consensus: revenue of IDR 42.1tn (-11.5% YoY) (SSI: 92.7%, cons: 100.1%), while net profit of IDR 2.8tn (+15.7% yoy) was higher than expectations (SSI: 106%, cons: 107.1%).
- We expect AKRA to carry its growth momentum into 2024, supported by its T&D business on the back of higher demand from Eastern Indonesia and its successful logistic business. Given AKRA's higher than expected 4Q23 results, we are likely to raise our 2024F earnings by 5-10% which will also result in higher TP (Our old TP was 1,900 implying an FY24F P/E of 12.2x). That said, we currently maintain our positive view and BUY rating on AKRA.

Revenue Mix and Growth



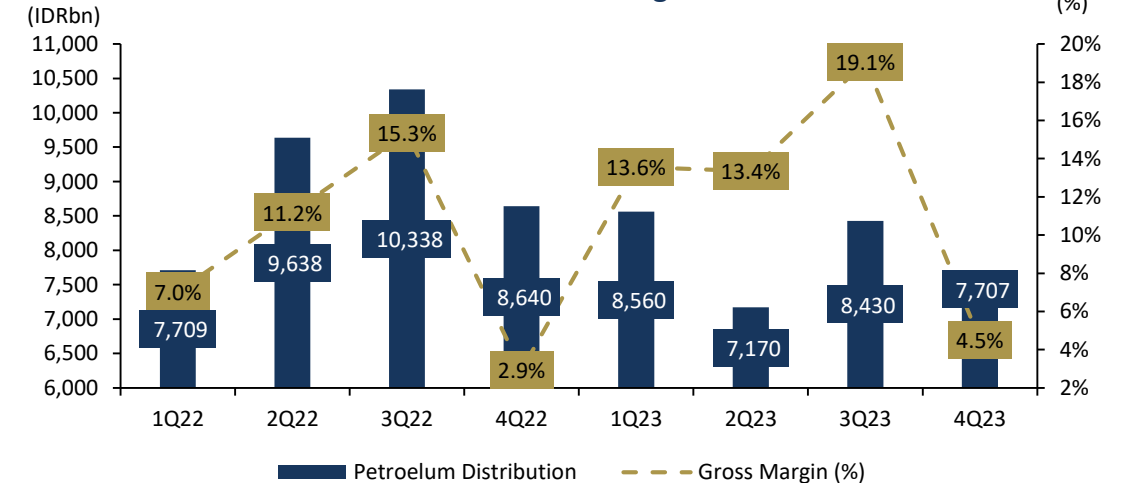
Source: Company, SSI Research

EBITDA, Net Profit & Net Profit Growth



Source: Company, SSI Research

Petroleum Distribution Revenue and Gross Margins



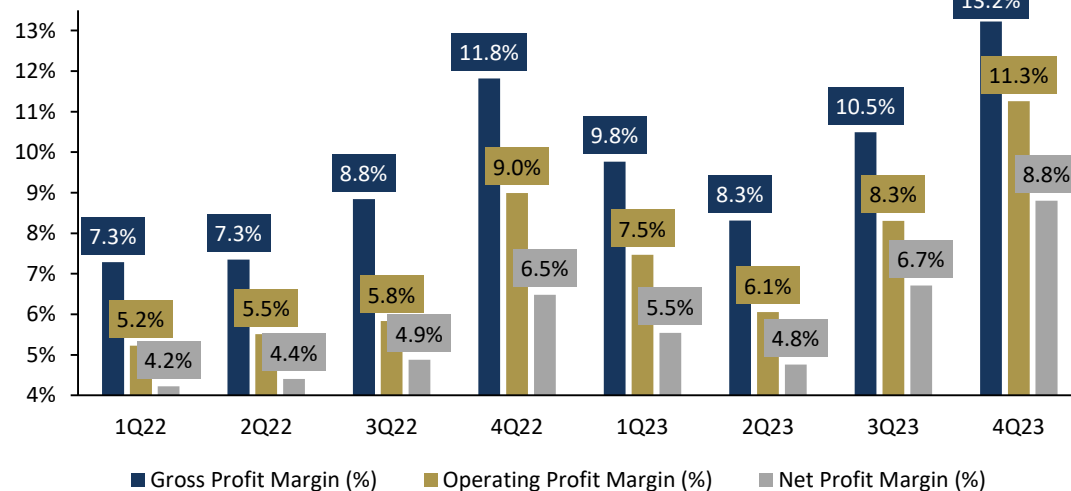
Source: Company, SSI Research

AKR Corporindo (AKRA) 4Q23 Results

PT AKR Corporindo Tbk (AKRA.IJ)										
(IDRbn)	4Q22	3Q23	4Q23	QoQ (%)	YoY (%)	12M22	12M23	YoY (%)	12M23/SSI	12M23/Cons
Revenue	12,958	10,123	12,109	19.6%	-6.5%	47,540	42,087	-11.5%	92.7%	100.1%
Operating Profit	1,165	841	1,363	62.0%	17.0%	3,087	3,561	15.3%	109.1%	105.0%
EBITDA	1,316	951	3,806	300%	189%	3,528	3,971	12.6%	108.0%	104.6%
Net Profit	840	679	1,070	57.6%	27.4%	2,403	2,780	15.7%	106.0%	107.1%
Operating Margin (%)	9.0%	8.3%	11.3%	3 bps	2 bps	6.5%	8.5%	2 bps		
EBITDA Margin (%)	10.2%	9.4%	31.4%	22 bps	21 bps	7.4%	9.4%	2 bps		
Net Margin (%)	6.5%	6.7%	8.8%	2 bps	2 bps	5.1%	6.6%	2 bps		

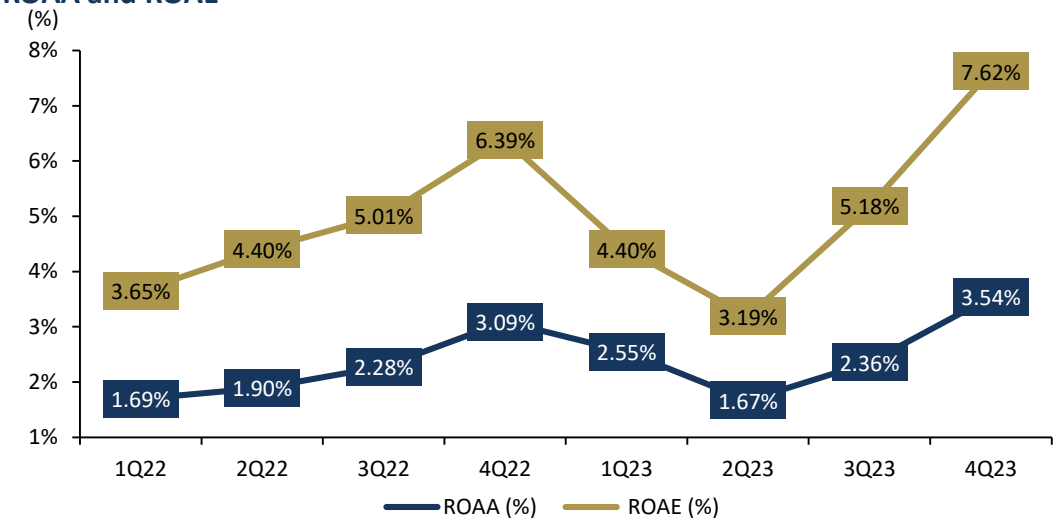
Source: Company, SSI Research

Profitability Margin (%)



Source: Company, SSI Research

ROAA and ROAE (%)



Source: Company, SSI Research

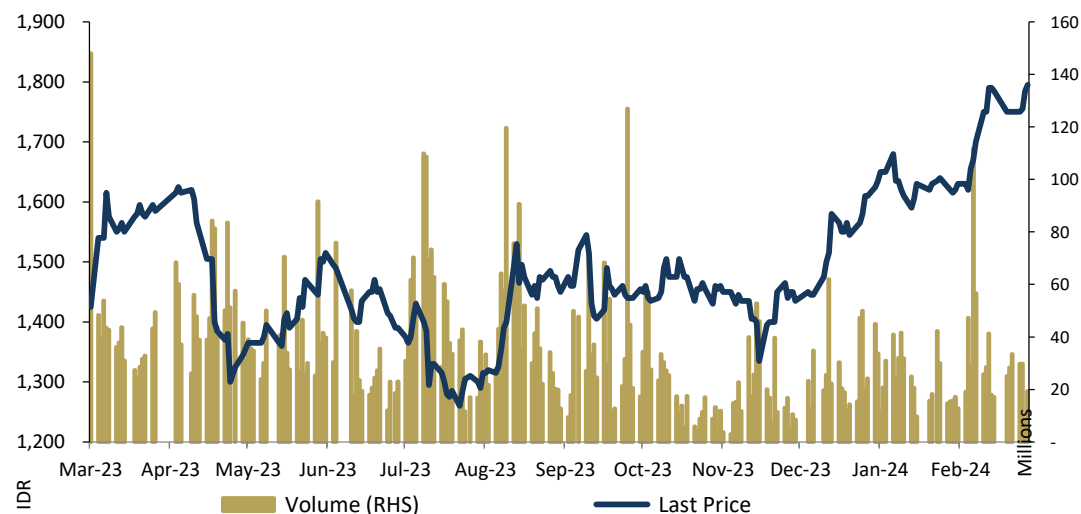
AKR Corporindo (AKRA) 4Q23 Results

Pers Comparison Table

Ticker	Company	Market Cap (USDmn)	EV (USDmn)	PE (x)		PBV (x)		EV/EBITDA (x)		ROA (%)		ROE (%)	
				24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
	Midstream O&G Average		123,745.6	13.2	12.4	1.9	1.8	9.6	9.1	5.3	5.6	14.9	15.8
ENB US	Enbridge Inc	76,712	151,195	17.2	16.1	1.8	1.8	10.8	10.0	3.5	3.7	10.3	11.7
EPD US	Enterprise Products Partners LP	62,857	92,937	10.8	10.3	2.2	2.1	9.5	9.1	7.7	7.6	20.5	20.5
ET US	Energy Transfer LP	52,739	120,539	10.3	9.6	1.6	1.5	8.0	7.8	5.0	5.9	15.1	16.2
	Upstream O&G Average		1,779,461	16.2	16.0	4.2	4.0	7.7	7.6	16.2	16.4	26.2	25.3
ARAMCO AB	Saudi Arabian Oil Co	2,013,333	2,071,197	17.0	16.9	4.7	4.5	8.1	8.0	17.9	18.1	28.4	27.3
XOM US	Exxon Mobil Corp	448,327	469,342	12.6	11.7	2.0	1.9	6.2	5.8	8.5	8.8	16.0	16.1
	Domestic O&G Average		2,643	5.8	4.9	0.8	0.7	2.7	2.5	3.1	3.6	9.2	10.1
MEDC IJ	Medco Energi Internasional Tbk PT	2,303	5,354	7.6	6.5	1.3	1.3	3.9	3.7	4.9	5.4	18.0	18.9
ENRG IJ	Energi Mega Persada Tbk PT	361	369	6.9	5.7	0.6	0.6	1.8	1.9	4.8	5.3	11.1	11.9
PGAS IJ	Perusahaan Gas Negara Tbk PT	2,058	3,387	7.1	6.5	0.7	0.6	3.4	3.3	3.9	4.5	8.7	10.0
RAJA IJ	Rukun Raharja Tbk	363	-	21.5	14.3	2.5	2.3	8.5	6.1	5.9	7.8	11.9	15.8
AKRA IJ	AKR Corporindo Tbk PT	2,268	515	16.0	15.2	1.9	1.7	6.3	5.8	7.1	6.7	13.0	11.8

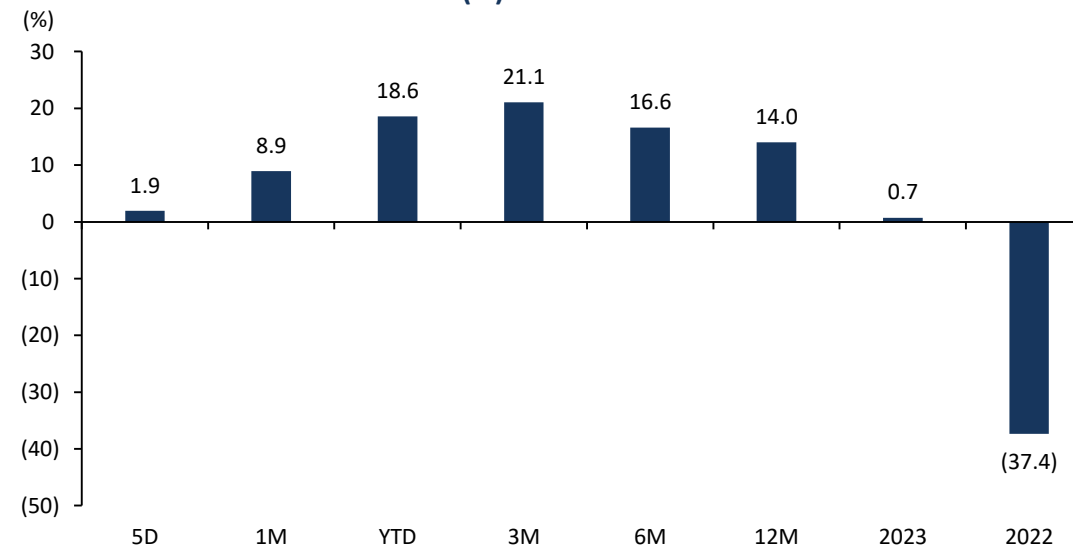
Source: Bloomberg, SSI Research

AKRA Relative Performance to JCI (%)



Source: Bloomberg, SSI Research

AKRA Relative Performance to JCI (%)



Source: Bloomberg, SSI Research