

# Adi Sarana Armada (ASSA): IDR 775 – BUY, SSI TP: IDR 1,200; Cons. TP: IDR 1,100



3Q24 Results: 29 October 2024										
(IDR Bn )	3Q23	2Q24	3Q24	QoQ (%)	YoY (%)	9M23	9M24	YoY (%)	9M24/ SSI (%)	9M24/ Cons. (%)
Revenue	1,071	1,186	1,274	7.4	18.9	3,460	3,641	5.2	76.4	76.6
Gross Profit	271	337	400	18.6	47.5	840	1,077	28.2	80.8	84.5
Operating Profit	75	155	217	40.2	188.1	273	544	99.4	96.8	99.5
EBITDA	263	365	409	11.9	55.3	853	1,155	35.4	136.0	104.9
Net Profit	49	57	84	46.7	73.0	118	213	79.8	76.5	79.6
Key Ratios										
GPM (%)	25.3	28.4	31.4	-	-	24.3	29.6	-	-	-
OPM (%)	7.0	13.1	17.1	-	-	7.9	14.9	-	-	-
EBITDA Margin (%)	24.6	30.8	32.1	-	-	24.7	31.7	-	-	-
NPM (%)	4.5	4.8	6.6	-	-	3.4	5.8	-	-	-

## Our take on the results (SSI: In-line, Cons: Above)

- Robust 3Q24 earnings of IDR 84 billion (+71.4% YoY, +47.4% QoQ), driven mainly by jumps in auction revenue (IDR 72 billion; +36.1% YoY, +12.8% QoQ) due to car buyers downtrading, and delivery service sales (IDR 420 bn; +30.6% YoY, +13.9% QoQ) on the back of initiation of cold storage business.
- Looking ahead, the company is optimizing its cold storage business through Coldspace and aims to further raise refrigerated delivery services. ASSA is improving its delivery service segment by adding first and mid-mile services, which could continue to boost overall top-line and margins.
- The expansion of EBIT margin to 17.1% (+890 bps YoY, +400 bps YoY), which we attribute to the shift in courier incentive policy from fixed salary to commission-based, was the factor that bolstered 3Q24 earnings.
- Thus, we maintain our BUY recommendation on ASSA with TP of IDR 1,200 (SOTP-based), reflecting 15.4x P/E 2025F. Risks to our call include fierce competition from other logistics service providers and high net gearing of 1.1x with 5.5% cost of debt.

## Peer Comparables

Ticker	Market Cap. (IDRTn)	Last Price (IDR)	Target Price (IDR)	Rating	2024F				
					EPS Growth (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	ROE (%)
WEHA	7.7	157	N.A	N.A	(9.1)	7.9	0.7	2.6	15.0
BIRD	5.2	2,060	2,240	BUY	16.0	9.8	0.7	3.3	8.4
MPMX	4.6	1,025	N.A	N.A	25.0	6.8	0.7	1.8	8.6
ASSA	2.9	775	1,200	BUY	161.5	10.8	1.2	4.4	6.0
<b>Sector</b>	<b>12.9</b>				<b>49.7</b>	<b>8.9</b>	<b>0.8</b>	<b>3.0</b>	<b>8.0</b>

## Relative Performance vs JCI

