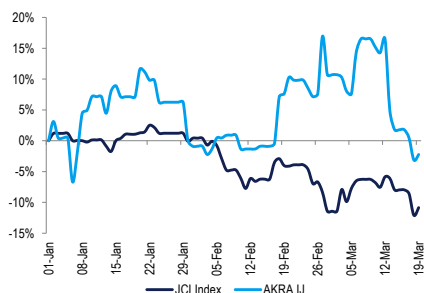


Stock Data

Target price	Rp1,480
Prior TP	Rp1,700
Current price	Rp1,095
Upside/downside	+35%
Shares outstanding (mn)	20,073
Market cap (Rp bn)	21,980
Free float	33%
Avg. 6m daily T/O (Rp bn)	23

Price Performance

	3M	6M	12M
Absolute	-10.6%	-26.0%	-38.7%
Relative to JCI	1.2%	-6.6%	-24.7%
52w low/high (Rp)	1,045 – 1,850		



Major Shareholders

Arthakencana Rayatama	62.5%
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4Q24 results: below consensus but was well expected

- AKRA reported FY24 NP of Rp2.2tr (-20% yoy), below consensus (95/96% of IPS/consensus) on lower land sales achievement from JIPE.
- 4Q24 NP stood at Rp756bn (-29% yoy/+62% qoq) with qoq improvement mainly driven by recovery in trading & distribution volume.
- We downgrade our TP to Rp1,480/share as we lower our assumptions on land sales in FY25F, but maintain our Buy rating on its LT prospect.

4Q24 review: trading & distribution volume recovered qoq

AKRA reported FY24 NP of Rp2.2tr (-20% yoy), below consensus forecast (95%/96% IPS/consensus), driven by soft distribution volume on FY basis due to RKAB delay in 1H24 and limited land sales from JIPE (37ha in FY24F; -59% yoy). Nevertheless, FY24 NP achievement was in-line with AKRA's indicative NP of Rp2.2tr. 4Q24 NP stood at Rp756bn (-29% yoy/+62% qoq) with significant improvement on qoq basis particularly in the trading & distribution business as chemical sales volume improved on qoq/yoy basis with resilient demand coming from higher-margin mining sector. However, AKRA also only recorded 5ha land sales in 4Q24.

Segmental breakdown: distribution margin declined yoy

On segmental basis, 4Q24 petroleum revenue declined by -16% yoy to Rp7.5tr, mainly driven by significantly lower petroleum ASP while volume was relatively flattish. This was partially cushioned by growth in chemical revenue to Rp1.8tr (+26% yoy with double-digit yoy growth in both ASP & volume). As a result, overall distribution revenue stood at Rp9.2tr (-10% yoy) while trading & distribution GP margin improved on qoq basis to 9.7% in 4Q24 (from 6.7% in 3Q24) but are still lower by 50bps on yoy basis.

Lower our FY25F/26F NP forecast from lower land sales assumption

We lower our FY25F/26F NP forecast by -20%/-15% and introduced our FY27F NP forecast (Fig. 2). Our downward adjustment in FY25F/26F NP is mainly driven by lowering our land sales assumptions to only 50ha in FY25F vs. AKRA's guidance of 100ha (80-110ha inquiries) as we take into account recent policy uncertainties that could resulted in delay for land sales in addition to timeline shift in utilities business due to Freeport's smelter incident. As a result, our FY25F NP forecast of Rp2.4tr is conservatively lower vs. AKRA's NP guidance of Rp2.4-2.6tr (+9-18% yoy growth vs. FY24).

Maintain our Buy rating with a lower TP of Rp1,480/share

Our DCF-based TP is revised to Rp1,480/share (from previously Rp1,700/share) but we maintain our Buy rating driven by its recurring income growth, more stable ROE, and normalization in trading & distribution volume starting FY25F. AKRA is currently trading at 9x FY25F P/E. Downside risks include limited JIPE land sales, and lower trading & distribution margin.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	42,087	38,729	45,123	52,659	58,164
EBITDA	3,951	3,025	3,219	4,269	4,879
Net profit	2,780	2,225	2,381	2,816	3,009
EPS growth	16%	-20%	7%	18%	7%
ROE	25%	19%	19%	21%	21%
PER (x)	7.8	9.8	9.1	7.7	7.2
EV/EBITDA (x)	4.9	7.0	6.7	5.0	4.3
Dividend yield	4%	11%	9%	7%	0%
IPS vs. consensus			92%	99%	104%

Source: Company, Indo Premier

Share price closing as of: 19 March 2025

Fig. 1: FY24 financial result summary

AKRA FY24 results	FY24	FY23	yoy%	4Q24	4Q23	yoy%	3Q24	qoq%	IPS FY24F	% of IPS	Cons FY24F	% of cons
Revenue	38,729	42,087	-8%	10,117	12,109	-16%	9,962	2%	39,927	97%	38,598	100%
Cost of revenue	(35,220)	(37,613)	-6%	(8,961)	(10,508)	-15%	(9,193)	-3%	(36,249)	97%	(34,851)	101%
Gross profit	3,509	4,473	-22%	1,156	1,602	-28%	769	50%	3,678	95%	3,747	94%
Gross margin	9%	11%		11%	13%		8%		9%		10%	
Operating expenses	(975)	(975)	0%	(289)	(266)	9%	(233)	24%	(985)	99%	(994)	98%
EBIT	2,534	3,499	-28%	867	1,336	-35%	536	62%	2,693	94%	2,753	92%
EBIT margin	7%	8%		9%	11%		5%		7%		7%	
Depreciation & amortization	490	452	8%	121	122	-1%	125	-4%	483	101%	429	114%
EBITDA	3,025	3,951	-23%	988	1,458	-32%	661	49%	3,176	95%	3,182	95%
EBITDA margin	8%	9%		10%	12%		7%		8%		8%	
Finance income	353	161	119%	148	74	99%	87	70%	287	123%		
Finance costs	(85)	(68)	24%	(36)	(14)	162%	(16)	121%	(66)	130%		
Profit from JV/asso	46	35		8	11		7		47	99%		
Other inc. (exp.)	44	62	-29%	19	27	-29%	7	172%	25	176%		
Pre-tax profit	2,893	3,687	-22%	1,007	1,434	-30%	621	62%	2,987	97%	2,950	98%
Income tax	(493)	(609)	-19%	(161)	(169)	-5%	(153)	5%	(448)	110%		
Minorities	(174)	(298)	-42%	(90)	(195)	-54%	(2)	4624%	(204)	85%		
Net profit	2,225	2,780	-20%	756	1,070	-29%	466	62%	2,334	95%	2,314	96%
Net margin	6%	7%		7%	9%		5%		6%		6%	

Source: Bloomberg, Company data, Indo Premier estimates

Fig. 2: Old vs new forecast

AKRA	New forecast			Old forecast			Forecast change			IPS vs consensus		
Rp bn	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Revenues	45,123	52,659	58,164	48,986	53,540	na	-8%	-2%	na	110%	120%	145%
Gross profit	3,654	4,694	5,301	4,704	5,265	na	-22%	-11%	na	86%	102%	na
Operating profit	2,651	3,660	4,236	3,690	4,221	na	-28%	-13%	na	82%	103%	na
EBITDA	3,219	4,269	4,879	4,207	4,778	na	-23%	-11%	na	87%	105%	na
NPAT	2,381	2,816	3,009	2,970	3,297	na	-20%	-15%	na	92%	99%	104%
%-y												
Revenues	7%	17%	10%	16%	9%	na						
Gross profit	-18%	28%	13%	5%	12%	na						
Operating profit	-24%	38%	16%	5%	14%	na						
EBITDA	-19%	33%	14%	6%	14%	na						
NPAT	-14%	18%	7%	7%	11%	na						
Gross margin	8.1%	8.9%	9.1%	9.6%	9.8%	na				-2.2%	-1.6%	na
Operating margin	5.9%	7.0%	7.3%	7.5%	7.9%	na				-2.0%	-1.2%	na
EBITDA margin	7.1%	8.1%	8.4%	8.6%	8.9%	na				-1.8%	-1.2%	na
NPAT margin	5.3%	5.3%	5.2%	6.1%	6.2%	na				-1.0%	-1.1%	-2.0%

Source: Bloomberg, Company data, Indo Premier estimates

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	42,087	38,729	45,123	52,659	58,164
Cost of sales	(37,613)	(35,220)	(41,469)	(47,965)	(52,863)
Gross profit	4,473	3,509	3,654	4,694	5,301
SG&A Expenses	(975)	(975)	(1,004)	(1,034)	(1,065)
Operating profit	3,499	2,534	2,651	3,660	4,236
Net interest	92	268	208	213	90
Income from associates	35	46	55	55	87
Others	62	44	0	0	0
Pre-tax income	3,687	2,893	2,913	3,928	4,413
Income tax	(609)	(493)	(408)	(550)	(618)
Minority interest	(298)	(174)	(124)	(562)	(787)
Net income	2,780	2,225	2,381	2,816	3,009

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	6,536	5,366	5,203	5,333	5,503
Receivable	6,460	7,608	8,864	10,344	11,425
Inventory	3,134	3,463	4,077	4,716	5,197
Other current assets	1,992	4,562	4,937	5,351	5,805
Total current assets	18,121	20,998	23,081	25,744	27,930
Fixed assets	5,466	6,365	6,620	6,985	7,167
Other non-current assets	6,667	5,746	5,870	6,014	6,180
Total non-current assets	12,134	12,111	12,490	12,999	13,346
Total assets	30,255	33,109	35,571	38,743	41,277

ST loans	5	7	0	0	0
Payable	9,869	10,392	12,235	14,152	15,597
Other payables	0	0	0	0	0
Current portion of LT loans	1,126	1,141	0	0	0
Other current liabilities	1,533	1,915	1,817	1,924	1,975
Total current liab.	12,533	13,454	14,052	16,075	17,571
Long term loans	3,117	3,645	4,852	4,852	4,852
Other LT liab.	561	1,385	1,385	1,385	1,385
Total non-current liabilities	3,678	5,030	6,238	6,238	6,238
Total liabilities	16,212	18,485	20,290	22,313	23,809

Equity	1,689	1,703	1,703	1,703	1,703
Retained earnings	9,397	9,651	10,475	11,624	12,661
Minority interest	2,958	3,270	3,104	3,104	3,104
Total SHE + minority int.	14,043	14,624	15,281	16,430	17,468
Total liabilities & equity	30,255	33,109	35,571	38,743	41,277

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	3,385	2,509	2,118	2,922	3,060
Depr. & amortization	452	490	569	609	643
Changes in working capital	585	(1,009)	(403)	(616)	(572)
Others	0	0	0	0	0
Cash flow from operating	4,423	1,990	2,284	2,916	3,130
Capital expenditure	(1,393)	(2,658)	(948)	(1,118)	(990)
Others	98	882	0	0	0
Cash flow from investing	(1,295)	(1,776)	(948)	(1,118)	(990)
Loans	1,554	545	59	0	0
Equity	(9)	45	0	0	0
Dividends	(2,476)	(1,974)	(1,558)	(1,667)	(1,971)
Others	0	0	0	0	0
Cash flow from financing	(931)	(1,384)	(1,498)	(1,667)	(1,971)
Changes in cash	2,198	(1,170)	(163)	131	169

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	11%	9%	8%	9%	9%
Operating margin	8%	7%	6%	7%	7%
Pre-tax margin	9%	7%	6%	7%	8%
Net margin	7%	6%	5%	5%	5%
ROA	9%	7%	7%	7%	7%
ROE	25%	19%	19%	21%	21%
Acct. receivables TO (days)	6.5	5.1	5.1	5.1	5.1
Inventory TO (days)	12.0	10.2	10.2	10.2	10.2
Payable TO (days)	3.8	3.4	3.4	3.4	3.4
Debt to equity	0.4	0.4	0.4	0.4	0.0
Interest coverage ratio (x)	57.7	35.6	37.5	49.7	0.0
Net gearing	(0.2)	(0.0)	(0.0)	(0.0)	0.0

Source: Company, Indo Premier