

Sumber Alfaria Trijaya

BUY (unchanged)

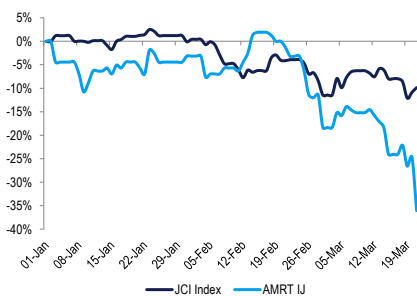
Company Update / Consumer Discretionary / AMRT IJ / 21 March 2025

Stock Data

Target price	Rp3,050
Prior TP	Rp3,050
Current price	Rp1,940
Upside/downside	+57%
Shares outstanding (mn)	41,525
Market cap (Rp bn)	80,558
Free float	36%
Avg. 6m daily T/O (Rp bn)	87

Price Performance

	3M	6M	12M
Absolute	-31.0%	-37.8%	-33.1%
Relative to JCI	-20.7%	-17.1%	-18.3%
52w low/high (Rp)	1,940 - 3,570		



Major Shareholders

PT Sigmantara Alfindo	53.2%
-----------------------	-------

Andrianto Saputra

PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 712

Nicholas Bryan

PT Indo Premier Sekuritas
nicholas.bryan@ipc.co.id
+62 21 5088 7168 ext. 722

4Q24: soft profit amid weak GPM and higher opex

- FY24 net profit of Rp3.1tr (-7.5% yoy) came below our/consensus at 83/81%. FY24 revenue of Rp118.2tr (+10.5% yoy) was in-line.
- 4Q24 net profit dropped to Rp750bn (-38.2% yoy) amid soft GPM (-127bps yoy) coupled with higher opex to sales (+102bps yoy)
- We maintain BUY with unchanged TP as we await details from earnings calls.

FY24 earnings was below our/consensus estimate

FY24 net profit declined to Rp3.1tr (-7.5% yoy) was below our/consensus estimate at 83/81%. Revenue achievement of Rp118.2tr (+10.5% yoy) was in-line with our/consensus estimate. FY24 GPM declined by -11bps yoy to 21.5% and this was below company guidance of +20bps yoy. In addition, opex to sales increased to 18.9% (+44bps yoy), resulting in lower EBIT margin of 2.5%. Fee-based income grew by 6.7% yoy, reaching Rp731bn (18% of PBT). In sum, NPM declined to 2.7% (-52bps yoy).

Soft 4Q24 earnings amid weak GPM and higher opex to sales

4Q24 sales grew by 11.5% yoy to Rp30.1tr was attributed from food/non-food's yoy growth of 8.8/18.3%. However, 4Q24 GPM declined to 21.6% (-127bps yoy vs. 5yr avg of +49bps yoy) which may due to lower back margin (rebate from supplier in 4Q). On the costs side, depreciation of fixed assets/rental expenses grew significantly at +21%/15% yoy as the sharp increase in depreciation expense came from 3 new DCs opening in 3Q24. Furthermore, transportation/supplies expenses growth spiked in 4Q24 at +34.6/+123.5% yoy. This brings a higher opex to sales ratio of +102bps yoy to 19.2%; and along with lower other income (-3.8% yoy), 4Q24 NPM declined by -201bps yoy to 2.5%.

Maintain BUY with unchanged TP as we await details from earnings call

Currently, we are reviewing our forecast as we await details from earnings call with management. For now, we maintain our BUY rating with unchanged TP of Rp3,050/sh which is based on 30.0x FY25F P/E (+0.5 s.d from its 5yr mean). In FY25F, we expect the company may experience negative operating leverage from higher minimum wage growth of 6.5% (vs. 3.5% in FY24) and depreciation expense from 2 new DCs opening in 2H25F. Key risks are decelerating SSSG, lower back margin and rising opex.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	106,945	118,227	133,889	149,200	165,707
EBITDA	6,913	7,170	9,010	10,344	11,815
EBITDA growth	14.0%	3.7%	25.7%	14.8%	14.2%
Net profit	3,404	3,148	4,213	4,945	5,814
EPS (Rp)	82	76	101	119	140
EPS growth	19.2%	-7.5%	33.8%	17.4%	17.6%
ROE	26.5%	20.4%	25.9%	27.1%	28.2%
PER (x)	23.7	25.6	22.3	19.0	16.1
EV/EBITDA (x)	12.2	11.9	11.1	9.9	8.8
Dividend yield	1.2%	1.5%	2.5%	3.1%	3.8%
Forecast change			-21%	-18%	N/A
IPS vs. consensus			85%	87%	N/A

Source: Company, Indo Premier

Share price closing as of: 21 March 2025

Fig. 1: AMRT 4Q24 Result

(Rp bn)	4Q24	4Q23	% YoY	3Q24	% QoQ	12M24	12M23	% YoY	IPS FY24F	% IPS	Cons FY24F	% Cons
Net sales	30,010	26,920	11.5%	28,998	3.5%	118,227	106,945	10.5%	119,863	99%	119,311	99%
COGS	(23,513)	(20,751)	-13.3%	(22,903)	-2.7%	(92,862)	(83,879)	-10.7%				
Gross profit	6,497	6,169	5.3%	6,095	6.6%	25,365	23,066	10.0%	26,101	97%	26,024	97%
Opex	(5,772)	(4,904)	-17.7%	(5,594)	3.2%	(22,384)	(19,780)	-13.2%				
EBIT	724	1,265	-42.7%	501	44.6%	2,982	3,286	-9.2%				
Other income (charges)	231	266	-13.1%	286	-19.2%	1,084	1,047	3.6%				
PBT	955	1,530	-37.6%	786	21.4%	4,066	4,333	-6.2%				
Tax benefit (expense)	(211)	(302)	30.0%	(170)	-24.1%	(846)	(848)	0.3%				
Minority	6	(15)	N/A	(12)	N/A	(72)	(80)	10.8%				
Net profit	750	1,213	-38.2%	605	24.0%	3,148	3,404	-7.5%	3,797	83%	3,886	81%
Margin (%)												
Gross margin	21.6%	22.9%	-1.27%	21.0%	0.63%	21.5%	21.6%	-0.11%				
EBIT margin	2.4%	4.7%	-2.28%	1.7%	0.69%	2.5%	3.1%	-0.55%				
Net profit margin	2.5%	4.5%	-2.01%	2.1%	0.41%	2.7%	3.2%	-0.52%				
Opex to sales	-19.2%	-18.2%	-1.02%	-19.3%	0.06%	-18.9%	-18.5%	-0.44%				
Fee based income	185	176	5.4%	186	-0.5%	731	685	6.7%				
Rental and promotional participants income	1,582	1,065	48.5%	1,359	16.4%	5,681	5,216	8.9%				

Source: Bloomberg, Indo Premier

Fig. 2: AMRT is traded at 18.3x fwd. 12M PE (-1.3 s.d of its 5Y mean)



Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	106,945	118,227	133,889	149,200	165,707
Cost of sales	(83,879)	(92,862)	(104,520)	(116,171)	(128,700)
Gross profit	23,066	25,365	29,370	33,029	37,007
SG&A Expenses	(19,780)	(22,384)	(25,196)	(28,012)	(30,980)
Operating profit	3,286	2,982	4,174	5,017	6,028
Net interest	(87)	(19)	70	70	70
Forex gain (loss)	0	0	0	0	0
Others	1,134	1,103	1,226	1,334	1,450
Pre-tax income	4,333	4,066	5,471	6,421	7,549
Income tax	(848)	(846)	(1,071)	(1,257)	(1,478)
Net income	3,404	3,148	4,213	4,945	5,814

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	4,075	4,845	6,056	8,077	10,714
Receivable	2,812	3,231	3,331	3,712	4,122
Inventory	10,094	11,775	11,976	13,311	14,747
Other current assets	346	490	346	346	346
Total current assets	17,326	20,341	21,709	25,446	29,929
Fixed assets	8,053	9,002	9,920	10,632	11,180
Other non-current assets	8,868	9,456	8,356	7,624	6,574
Total non-current assets	16,920	18,458	18,276	18,257	17,754
Total assets	34,246	38,798	39,985	43,703	47,683
ST loans	63	0	446	446	446
Payable	10,983	13,352	13,378	14,869	16,472
Other payables	3,582	3,312	4,425	4,918	5,448
Current portion of LT loans	0	0	0	0	0
Total current liab.	17,263	19,469	20,359	21,997	23,597
Long term loans	0	0	0	0	0
Other LT liab.	1,278	1,634	1,271	1,130	895
Total liabilities	18,541	21,102	21,630	23,127	24,492
Equity	415	415	415	415	415
Retained earnings	11,159	13,116	13,784	15,990	18,590
Minority interest	1,232	1,318	1,232	1,232	1,232
Total SHE + minority int.	15,705	17,696	18,355	20,576	23,190
Total liabilities & equity	34,246	38,798	39,985	43,703	47,683

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	3,404	3,148	4,213	4,945	5,814
Depr. & amortization	1,210	1,312	2,021	2,197	2,362
Changes in working capital	1,532	39	(105)	77	246
Others	(2,971)	(303)	925	1,114	1,298
Cash flow from operating	3,175	4,196	7,054	8,334	9,720
Capital expenditure	(2,059)	(2,261)	(2,909)	(2,909)	(2,909)
Others	(505)	(46)	0	0	0
Cash flow from investing	(2,564)	(2,307)	(2,909)	(2,909)	(2,909)
Loans	(1,119)	0	0	0	0
Equity	0	0	0	0	0
Dividends	999	0	2,468	2,739	3,214
Others	(234)	73	(5,288)	(6,142)	(7,388)
Cash flow from financing	(355)	73	(2,820)	(3,404)	(4,174)
Changes in cash	256	1,962	1,325	2,021	2,636

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	21.6%	21.5%	21.9%	22.1%	22.3%
Operating margin	3.1%	2.5%	3.1%	3.4%	3.6%
Pre-tax margin	4.1%	3.4%	4.1%	4.3%	4.6%
Net margin	3.2%	2.7%	3.1%	3.3%	3.5%
ROA	10.5%	8.6%	11.0%	11.8%	12.7%
ROE	26.5%	20.4%	25.9%	27.1%	28.2%
Acct. receivables TO (days)	8.1	8.6	8.1	8.1	8.1
Inventory TO (days)	41.8	43.0	41.8	41.8	41.8
Payable TO (days)	46.7	47.8	46.7	46.7	46.7
Debt to equity	0.4%	0.0%	2.4%	2.2%	1.9%
Interest coverage ratio (x)	20.2	23.3	73.5	88.4	106.2
Net gearing	-25.5%	-27.4%	-30.6%	-37.1%	-44.3%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.