INDOPREMIER

AKR Corporindo

BUY *(unchanged)*

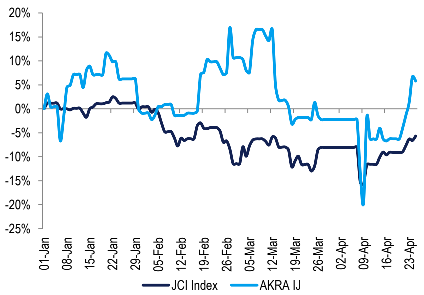
Company update | AKRA IJ | 28 April 2025

Stock Data

Target price	**Rp1,480**
Prior TP	*Rp1,480*
Current price	Rp1,185
Upside/downside	*+25%*
Shares outstanding (mn)	20,073
Market cap (Rp bn)	23,787
Free float	33%
Avg. 6m daily T/O (Rp bn)	26

Price Performance

	3M	6M	12M
Absolute	-3.7%	-16.5%	-31.7%
Relative to JCI	4.0%	-3.1%	-25.0%
52w low/high (Rp)		900 – 1,735	



Major Shareholders

Arthakencana Rayatama	62.5%

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1Q25 results: in-line on better trading & distribution margin

- AKRA reported 1Q25 NP of Rp565bn (-5% yoy), in-line with ours and consensus (24%/23% IPS/consensus) on higher T&D's ASP & margin.
- No land-sales recorded in 1Q25 as expected, but there will be at least 20ha land handover set to be recorded in 2Q25F from Golden Elephant.
- We fine-tuned our FY25F/26F/27F NP by +4%/0%/-2%, respectively, and kept our Buy rating and TP of Rp1,480/share unchanged.

1Q25 review: in-line on robust trading & distribution margin

AKRA reported 1Q25 NP of Rp565bn (-5% yoy/-25% qoq), which came in-line with ours/consensus (24% IPS/23% consensus). On yoy basis, revenue grew by +5% yoy, primarily driven by higher petroleum & chemicals ASP whilst volume slightly declined by -5%/-2% yoy. Utilities business also grew by 5x on yoy basis, albeit coming from a low-base. As expected, there were no land-sales that were booked in 1Q25, but higher utilities business contribution & higher T&D GPM (+70bps yoy) led to GP growing by +4%. No surprise below GP level as opex grew by +3% with no extraordinary items below operating line.

Segmental breakdown: highest trading & distribution GP

On segmental basis, 1Q25 petroleum revenue rose to Rp7.8tr (+5% yoy) on higher ASP, partly offset by lower trading volumes, due to higher number of holidays from Eid in 1Q25 vs. 1Q24. Mining segment now contributes c.47% of petroleum sales (vs. 35-38% in 3Q24/4Q24), leading to volume recovery from RKAB issues in FY24. On the chemicals side, management also expect to start seeing higher trading volume in 2Q25F as it has already secured additional supply from overseas, and maintaining its guidance of +15-20% in chemical sales volume in FY25F (vs. -2% yoy in 1Q25).

Key takeaways from earnings call

AKRA has indicated that it has completed the handover of ~20ha land to Golden Elephant (fertilizer & chemical plant) in Apr25 with additional of 20-25ha land is set to be finalized in 2Q25F. Management has also retained its FY25F guidance: Rp2.4-2.6tr NP, +5-7% core business growth, and +-100ha land sales. During earnings call, management remain confident that T&D volume is indeed growing, and investors should see higher trading volume in 1H25 vs. 1H24, stripping out Eid-holiday effects.

Maintain our Buy rating with an unchanged TP of Rp1,480/share

We fine-tuned our FY25F/26F/27F NP by +4%/0%/-2% and kept SOTP-based TP of Rp1,480/share unchanged. We re-iterate our Buy rating as we think market expectation on AKRA is already low, with higher utilities revenue in upcoming quarters, and land-sales upside to act as re-rating catalysts.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	42,087	38,729	43,110	50,214	55,515
EBITDA	3,951	3,025	3,555	4,504	5,076
Net profit	2,780	2,225	2,483	2,809	2,948
EPS growth	16%	-20%	12%	13%	5%
ROE	25%	19%	20%	21%	20%
PER (x)	8.5	10.6	9.5	8.4	8.0
EV/EBITDA (x)	5.4	7.6	6.5	5.1	4.5
Dividend yield	4%	10%	8%	7%	0%
IPS vs. consensus			98%	96%	91%

Source: Company, Indo Premier *Share price closing as of: 25 April 2025*

Fig. 1: 1Q25 financial result summary

AKRA 1Q25 results	1Q25	1Q24	yoy%	1Q25	1Q24	yoy%	4Q24	qoq%	IPS FY25F	% of IPS	Cons FY24F	% of cons
Revenue	10,256	9,811	5%	10,256	9,811	5%	10,117	1%	45,123	23%	38,598	27%
Cost of revenue	(9,329)	(8,917)	5%	(9,329)	(8,917)	5%	(8,961)	4%	(41,469)	22%	(34,851)	27%
Gross profit	**927**	**894**	**4%**	**927**	**894**	**4%**	**1,156**	**-20%**	**3,654**	**25%**	**3,747**	**25%**
Gross margin	9%	9%		9%	9%		11%		8%		10%	
Operating expenses	(249)	(241)	3%	(249)	(241)	3%	(289)	-14%	(1,004)	25%	(994)	25%
EBIT	**678**	**653**	**4%**	**678**	**653**	**4%**	**867**	**-22%**	**2,650**	**26%**	**2,753**	**25%**
EBIT margin	7%	7%		7%	7%		9%		6%		7%	
Depreciation & amortization	131	122	8%	131	122	8%	121	9%	569	23%	429	31%
EBITDA	**809**	**775**	**4%**	**809**	**775**	**4%**	**988**	**-18%**	**3,219**	**25%**	**3,182**	**25%**
EBITDA margin	8%	8%		8%	8%		10%		7%		8%	
Finance income	64	68	-7%	64	68	-7%	148	-57%	294	22%		
Finance costs	(15)	(15)	5%	(15)	(15)	5%	(36)	-57%	(86)	18%		
Profit from JV/asso	11	18		11	18		8		55	21%		
Other inc. (exp.)	8	39	-80%	8	39	-80%	19	-58%	0	#DIV/0!		
Pre-tax profit	**746**	**764**	**-2%**	**746**	**764**	**-2%**	**1,007**	**-26%**	**2,913**	**26%**	**2,950**	**25%**
Income tax	(141)	(110)	28%	(141)	(110)	28%	(161)	-12%	(408)	35%		
Minorities	(39)	(58)	-32%	(39)	(58)	-32%	(90)	-57%	(124)	32%		
Net profit	**565**	**596**	**-5%**	**565**	**596**	**-5%**	**756**	**-25%**	**2,381**	**24%**	**2,491**	**23%**
Net margin	6%	6%		6%	6%		7%		5%		6%	

Source: Bloomberg, Company data, Indo Permier estimates

Fig. 2: Old vs new forecast

AKRA	New forecast			Forecast change			Consensus			IPS vs consensus		
Rp bn	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Revenues	43,110	50,214	55,515	-4%	-5%	-5%	41,138	44,304	45,284	105%	113%	123%
Gross profit	3,990	4,928	5,499	9%	5%	4%	4,048	4,556	4,908	99%	108%	112%
Operating profit	2,986	3,894	4,434	13%	6%	5%	3,039	3,452	3,804	98%	113%	117%
EBITDA	3,555	4,504	5,076	10%	5%	4%	3,513	3,949	4,339	101%	114%	117%
NPAT	2,483	2,809	2,948	4%	0%	-2%	2,542	2,922	3,253	98%	96%	91%
%y-y												
Revenues	2%	16%	11%				-2%	8%	2%			
Gross profit	-11%	24%	12%				-10%	13%	na			
Operating profit	-15%	30%	14%				-13%	14%	na			
EBITDA	-10%	27%	13%				-11%	12%	na			
NPAT	-11%	13%	5%				-9%	15%	11%			
Gross margin	9.3%	9.8%	9.9%				9.8%	10.3%	10.8%	-0.6%	-0.5%	-0.9%
Operating margin	6.9%	7.8%	8.0%				7.4%	7.8%	8.4%	-0.5%	0.0%	-0.4%
EBITDA margin	8.2%	9.0%	9.1%				8.5%	8.9%	9.6%	-0.3%	0.1%	-0.4%
NPAT margin	5.8%	5.6%	5.3%				6.2%	6.6%	7.2%	-0.4%	-1.0%	-1.9%

Source: Bloomberg, Company data, Indo Permier estimates

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	42,087	38,729	43,110	50,214	55,515
Cost of sales	(37,613)	(35,220)	(39,120)	(45,286)	(50,017)
Gross profit	**4,473**	**3,509**	**3,990**	**4,928**	**5,499**
SG&A Expenses	(975)	(975)	(1,004)	(1,034)	(1,065)
Operating profit	**3,499**	**2,534**	**2,986**	**3,894**	**4,434**
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**	**3,249**	**4,162**	**4,611**
Income tax	(609)	(493)	(617)	(791)	(876)
Minority interest	(298)	(174)	(149)	(562)	(787)
Net income	**2,780**	**2,225**	**2,483**	**2,809**	**2,948**

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	6,536	5,366	5,395	5,491	5,625
Receivable	6,460	7,608	8,468	9,864	10,905
Inventory	3,134	3,463	3,846	4,452	4,917
Other current assets	1,992	4,562	4,937	5,351	5,805
Total current assets	**18,121**	**20,998**	**22,647**	**25,158**	**27,252**
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**	**35,137**	**38,157**	**40,599**
ST loans	5	7	0	0	0
Payable	9,869	10,392	11,542	13,361	14,757
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	1,974	2,104	2,168
Total current liab.	**12,533**	**13,454**	**13,516**	**15,465**	**16,925**
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**	**19,754**	**21,703**	**23,163**
Equity	1,689	1,703	1,703	1,703	1,703
Retained earnings	9,397	9,651	10,577	11,648	12,629
Minority interest	2,958	3,270	3,104	3,104	3,104
Total SHE + minority int.	**14,043**	**14,624**	**15,383**	**16,454**	**17,436**
Total liabilities & equity	**30,255**	**33,109**	**35,137**	**38,157**	**40,599**

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%	9%	10%	10%
Operating margin	8%	7%	7%	8%	8%
Pre-tax margin	9%	7%	8%	8%	8%
Net margin	7%	6%	6%	6%	5%
ROA	9%	7%	7%	7%	7%
ROE	25%	19%	20%	21%	20%
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	0.3
Interest coverage ratio (x)	57.7	35.6	41.4	52.4	59.1
Net gearing	(0.2)	(0.0)	(0.0)	(0.0)	(0.1)

Source: Company, Indo Premier