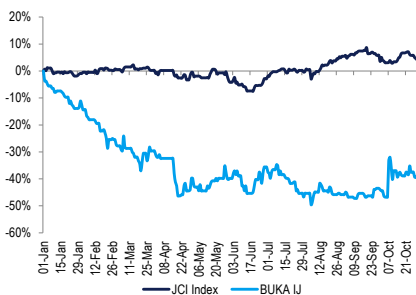


Stock Data

Target price	Rp130
Prior TP	Rp185
Current price	Rp130
Upside/downside	+61%
Shares outstanding (mn)	103,122
Market cap (Rp bn)	13,406
Free float	43%
Avg. 6m daily T/O (Rp bn)	57

Price Performance

	3M	6M	12M
Absolute	13.0%	0.0%	-38.1%
Relative to JCI	8.5%	-4.6%	-50.2%
52w low/high (Rp)	109 – 216		



Major Shareholders

PT Kreatif Media Karya	24%
API Investment Limited	13%

Ryan Winipta

PT Indo Premier Sekuritas
 ryan.winipta@ipc.co.id
 +62 21 5088 7168 ext. 718

Reggie Parengkuan

PT Indo Premier Sekuritas
 reggie.parengkuan@ipc.co.id
 +62 21 5088 7168 ext. 714

3Q24 results: widening adjusted EBITDA loss; downgrade to Hold

- BUKA reported adj. EBITDA loss of Rp168bn in 3Q24, driven by lower take-rate (-60bps qoq) and higher G&A expenses qoq (+37% qoq).
- Revenue declined by -15% yoy/-21%qoq to Rp987bn; 9M24 revenue of Rp3.4tr (flat yoy) was below our/consensus forecasts at 70%/67%.
- We adjusted our FY24F/25F/26F adj. EBITDA forecast (Fig. 3) and downgrade our rating to Hold with new TP of Rp130.

3Q24 review: widening adj. EBITDA loss to Rp168bn

BUKA recorded an adj. EBITDA loss of Rp168bn in 3Q24 (vs. Rp41bn adj. EBITDA loss in 2Q24), which we think is below market expectation despite no official consensus forecasts, as the loss widened from 2Q24. Revenue declined by -15% yoy/-21% qoq to Rp987bn driven by lower overall take-rate (-60bps qoq) as TPV remain flattish on yoy and qoq basis. 9M24 revenue of Rp3.4tr (flat yoy) was below ours and consensus forecast (70% IPS/67% consensus). On top of declining take-rate, G&A expenses (excl. SBC) grew by +15% yoy/37% qoq, leading to widening adj. EBITDA loss of 168bn in 3Q24. Overall 9M24 adj. EBITDA loss now stood at Rp193bn.

Segmental review: drop in take-rate & CM in both Mitra and marketplace

Overall TPV was flattish qoq & yoy at Rp41tr, with marketplace TPV performing better (+6% yoy/+12% qoq) vs. Mitra (-6% yoy/-12% qoq). However, both Mitra and marketplace take-rate declined by -23bps and -100bps on qoq basis to c.2.5% in 3Q24, resulting in the overall revenue decline to Rp987bn (-15% yoy/-21% qoq). As a result, overall CM stood at Rp61bn with Mitra CM at 0.09% of TPV & marketplace CM at 0.28% of TPV.

Key takeaways from 3Q24 earnings call

Management has guided for revenue to remain flattish in the upcoming 1-2 quarters following closure of its non-core business while maintaining its 4 core pillars business (i.e. Mitra, Gaming, Investment, and other retail). Nonetheless, TPV is set to decline as non-core businesses accounts for c.30-40% of TPV, albeit EBITDA and take-rate shall improve on the back of higher margin from its 4 core pillars. There is no adjusted EBITDA guidance until the conclusion of the monitoring period of these 4 core pillars.

Downgrade to Hold with a lower TP of Rp130/share

We lower our FY24F/25F/26F adj. EBITDA forecast (Fig. 3) and lower our TP to Rp130/share (from Rp185/share) as: 1) uncertainty on its restructuring plan & costs in upcoming quarters, 2) lack of visibility in achieving +ve adj. EBITDA in foreseeable future, and 3) limited plan to invest its current Rp19tr cash balance. One might argue that our TP is lower than cash level however, in all fairness, the cash which was raised during IPO hasn't been deployed effectively and has resulted in sub-par shareholder return.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	3,618	4,438	4,343	4,071	4,530
Adj. EBITDA	(1,327)	(475)	(365)	(427)	(342)
Adj. EBITDA growth	-8.5%	-64.2%	-23.1%	17.0%	-19.9%
Net profit	1,984	(1,365)	226	299	447
EPS (Rp)	19.2	(13.2)	2.2	2.9	4.3
EPS growth	-218.6%	-168.8%	-116.6%	32.1%	49.7%
ROE	7.9%	-5.3%	0.9%	1.2%	1.7%
PS (x)	4.1	3.3	3.4	3.6	3.3
EV/EBITDA (x)	1.0	0.7	0.9	1.6	3.3
Forecast change			na	na	na
IPS vs. consensus			na	na	na

Source: Company, Indo Premier

Share price closing as of: 30 October 2024

Fig. 1: BUKA 9M24/3Q24 financial result

BUKA 9M24 results	9M24	9M23	% yoy	3Q24	3Q23	% yoy	2Q24	% qoq	IPS FY24F	% IPS	Cons FY24F	% Cons
TPV	124,077	122,623	1%	41,084	41,060	0%	41,203	0%	166,924	74%	172,798	72%
Net revenues	3,400	3,339	2%	987	1,158	-15%	1,244	-21%	4,872	70%	5,091	67%
Cost of revenues	(2,800)	(2,494)	12%	(849)	(863)	-2%	(993)	-15%	(3,751)	75%	(3,759)	74%
Gross profit	600	845	-29%	138	295	-53%	251	-45%	1,120	54%	1,332	45%
Gross margin (%)	18%	25%	-30%	14%	25%	-45%	20%	-31%	23%	77%	26%	67%
S&M expenses	(252)	(435)	-42%	(77)	(113)	-31%	(90)	-14%	(337)	75%		N/A
Contribution Margin	347	410	-15%	61	182	-67%	162	-62%	784	44%		N/A
G&A expenses	(868)	(1,025)	-15%	(367)	(343)	7%	(292)	26%	(1,062)	82%		N/A
EBIT	(521)	(615)	-15%	(306)	(160)	91%	(131)	134%	(279)	187%	(559)	93%
Other income (expenses)	(60)	(140)	-57%	462	(223)	-307%	(572)	-181%	1,015	-6%	375	-16%
Pre-tax income (loss)	(581)	(755)	-23%	155	(383)	-141%	(703)	-122%	736	-79%	86	-671%
Income tax benefits (expenses)	(13)	(29)	-57%	(1)	(7)	-87%	(6)	-84%	(162)	8%		N/A
Minorities	(4)	8	-152%	(0)	3	-100%	(2)	-100%	2	-211%		N/A
Net income	(597)	(776)	-23%	155	(387)	-140%	(710)	-122%	576	-104%	230	-260%
Net margin (%)	-18%	-23%	-24%	16%	-33%	-147%	-57%	-127%	12%	-149%		N/A
Core NPAT	243	(71)	-441%	(50)	56	-188%	120	-141%	576	42%		N/A
Adj. EBITDA	(193)	(429)	-55%	(168)	(95)	77%	(41)	310%	12	-1665%		

Source: Bloomberg, Indo Premier

Fig. 2: BUKA 9M24/3Q24 segmental breakdown

BUKA IJ	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	QoQ %	YoY %
TPV									
Mitra	18,746	18,447	19,618	20,729	20,195	20,984	18,446	-12%	-6%
Marketplace	21,704	22,666	21,442	21,028	21,595	20,219	22,638	12%	6%
Total TPV	40,450	41,113	41,060	41,757	41,790	41,203	41,084	0%	0%
Revenue									
Mitra	515	521	561	597	640	571	459	-20%	-18%
Marketplace	517	684	635	546	560	708	563	-20%	-11%
Overall	1,006	1,175	1,158	1,099	1,169	1,244	987	-21%	-15%
Take rate (%)									
Mitra	2.75%	2.82%	2.86%	2.88%	3.17%	2.72%	2.49%		
Marketplace	2.38%	3.02%	2.96%	2.59%	2.59%	3.50%	2.49%		
Overall	2.49%	2.86%	2.82%	2.63%	2.80%	3.02%	2.40%		
Contribution Margin (%)									
Mitra	-0.10%	-0.05%	-0.02%	0.04%	0.13%	0.13%	0.09%		
Marketplace	0.69%	0.70%	1.03%	0.69%	0.57%	0.77%	0.28%		
Total	0.26%	0.30%	0.44%	0.29%	0.30%	0.39%	0.15%		
Adjusted EBITDA % TPV	-0.5%	-0.3%	-0.2%	-0.1%	0.0%	-0.1%	-0.4%		
Contribution Margin									
Mitra	-19	-9	-4	8	26	27	17		
Marketplace	150	159	221	145	123	156	63		
Total	104	123	181	121	125	162	61		

Source: Company data, Indo Premier

Fig. 3: Old vs New forecast

BUKA IJ Rp bn	New			Old			Change			Consensus			IPS vs Consensus		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Net Revenues	4,343	4,071	4,530	4,872	5,304	5,734	-11%	-23%	-21%	5,225	5,976	6,860	83%	68%	66%
Gross Profit	825	896	997	1,120	1,273	1,376	-26%	-30%	-28%	1,584	1,918	2,138	52%	47%	47%
Operating profit	(726)	(676)	(534)	(279)	(131)	(33)	160%	417%	1509%	(492)	186	428	147%	-363%	-125%
Adjusted EBITDA	(365)	(427)	(342)	12	67	159	na	-735%	-316%	na	na	na	na	na	na
NPAT	226	299	447	576	725	839	-61%	-59%	-47%	264	439	1,029	86%	68%	43%
%growth yoy															
Revenues	-2%	-6%	11%	10%	9%	8%				18%	14%	15%			
Gross profit	-21%	9%	11%	7%	14%	8%				51%	21%	11%			
Operating profit	na	na	na	na	na	na				-40%	-138%	130%			
Core NPAT	-117%	32%	50%	-142%	na	na				-119%	66%	134%			
Gross margin	19.0%	22.0%	22.0%	23.0%	24.0%	24.0%	-4.0%	-2.0%	-2.0%	30.3%	32.1%	31.2%			
Operating margin	-16.7%	-16.6%	-11.8%	-5.7%	-2.5%	-0.6%	-11.0%	-14.1%	-11.2%	-9.4%	3.1%	6.2%			
NPAT margin	5.2%	7.3%	9.9%	11.8%	13.7%	14.6%	-6.6%	-6.3%	-4.8%	5.1%	7.3%	15.0%			

Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	3,618	4,438	4,343	4,071	4,530
Cost of sales	(2,560)	(3,388)	(3,518)	(3,176)	(3,533)
Gross profit	1,058	1,051	825	896	997
SG&A Expenses	(3,572)	(1,867)	(1,551)	(1,571)	(1,531)
Operating profit	(2,514)	(816)	(726)	(676)	(534)
Net interest	534	817	1,044	1,086	1,134
Others	4,250	(1,344)	0	0	0
Pre-tax income	2,270	(1,343)	318	411	600
Income tax	(293)	(35)	(64)	(84)	(126)
Net income	1,984	(1,365)	226	299	447

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	16,256	15,180	15,205	15,566	15,994
Receivable	316	305	301	293	306
Inventory	71	106	355	321	357
Other current assets	5,362	4,498	4,498	4,498	4,498
Total current assets	22,005	20,089	20,358	20,677	21,155
Fixed assets	5,092	5,796	5,756	5,728	5,706
Other non-current assets	309	240	240	240	240
Total non-current assets	5,401	6,036	5,996	5,967	5,946
Total assets	27,406	26,125	26,354	26,645	27,100
ST loans	0	0	0	0	0
Payable	79	79	82	74	82
Other payables	206	220	220	220	220
Current portion of LT loans	39	30	0	0	0
Total current liab.	809	714	687	679	687
Long term loans	26	8	39	39	39
Other LT liab.	73	70	70	70	70
Total liabilities	908	792	795	787	795
Equity	33,832	34,018	34,018	34,018	34,018
Retained earnings	(7,344)	(8,710)	(8,483)	(8,185)	(7,737)
Minority interest	11	24	24	24	24
Total SHE + minority int.	26,498	25,333	25,559	25,858	26,305
Total liabilities & equity	27,406	26,125	26,354	26,645	27,100

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net income	2,240	(1,302)	226	299	447
Depr. & amortization	149	80	60	48	42
Changes in working capital	(314)	729	(273)	34	(41)
Others	0	0	0	0	0
Cash flow from operating	2,075	(493)	14	381	448
Capital expenditure	(4,989)	(650)	(20)	(20)	(20)
Others	(106)	(51)	0	0	0
Cash flow from investing	(5,095)	(701)	(20)	(20)	(20)
Loans	(1,955)	(67)	30	0	0
Equity	(3,470)	186	0	0	0
Dividends	0	0	0	0	0
Others	0	0	0	0	0
Cash flow from financing	(5,424)	119	30	0	0
Changes in cash	(8,444)	(1,076)	24	361	428

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	29.3%	23.7%	19.0%	22.0%	22.0%
Operating margin	-69.5%	-18.4%	-16.7%	-16.6%	-11.8%
Pre-tax margin	62.7%	-30.3%	7.3%	10.1%	13.3%
Net margin	54.8%	-30.8%	5.2%	7.3%	9.9%
ROA	7.3%	-5.1%	0.9%	1.1%	1.7%
ROE	7.9%	-5.3%	0.9%	1.2%	1.7%
Acct. receivables TO (days)	13.0	10.2	10.2	10.2	10.2
Inventory TO (days)	0.0	24.2	36.4	36.4	36.4
Payable TO (days)	13.6	8.4	8.4	8.4	8.4
Debt to equity	0%	0%	0%	0%	0%
Interest coverage ratio (x)	-187.5	-86.4	-66.4	-77.8	-62.3
Net gearing	-61.2%	-59.9%	-59.3%	-60.0%	-60.7%

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.

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