

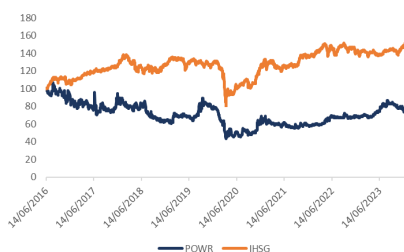


## Buy

Price (Jan 5 <sup>th</sup> , 24)	710
Target Price	970
Potential Upside	38.57%
Market Cap	11.42 T
Number of Shares	16.08 B
52w Lo/Hi	650 / 790

Source : IDX | Phintas Research | as of Jan 5<sup>th</sup>, 2024

### IHSG vs POWR



Source : IDX

Shareholder	%
PT. Udinda Wahanatama	30.48
PT Brasali Industri Pratama	26.64
PT Pentakencana Pakarperdana	26.64
Other	3.3
Public (<5%)	12.94

Source : Company | as of fin. statement 9M2023

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## PT Cikarang Listrindo Tbk

(POWR.JK /POWR.IJ)

### Reheating Indonesia's Industry after Covid-19

**Back to pre pandemic electricity level consumption.** POWR is the only one that produces electricity in the industrial estate. Industrial estate electricity consumption in this region exhibited a resilient growth trajectory from 2019 to 2022 despite a temporary setback in 2020. While a 2.06% CAGR over the three-year period paints a picture of steady progress, the 15% slump in 2020 underscores the vulnerability to external shocks like COVID-19. However, PLN's consumption still fall 50% of 2019's level to 959 GWh or 73% of the 150MW contract scheme after 2nd contract of 150MW is ended in 2020.

**The data center saw the biggest increase in energy consumption.** This sector's energy use nearly doubled from 2020 to 2022, growing from 98.68 GWh to 162.34 GWh. This reflects the increasing reliance on cloud computing and data storage. Especially with PP No. 71 of 2019 that *Penyelenggaraan Sistem dan Transaksi Elektronik* (PSE) need to store its data in Indonesia. The country's Gross Merchandise Value (Google, Temasek & Bain & Company, October 27, 2022. e-Conomy SEA 2022 Report) is projected to reach US\$130 billion by 2025 and US\$220-US\$360 billion by 2030, making it one of the most promising prospects among ASEAN countries.

**Green path to sustainable energy.** POWR's commitment to green energy since start their service in solar panel in 2019. Clean energy output rocketed from 1.6GWh in 2019 to 47.1 GWh in 2022, with a strategy of using biofuel from palm kernel shells as a substitute of coal in Babelan Coal Power Plant and existing solar panel that produce 12.5MW with the plan of installation 10MW rooftop solar panel yearly.

**Big spare of net capacity factor.** In 2022, POWR sold 4,413 GWh to the customer and still has 56% of net capacity factor that make this company can be consider that will not make a huge investment for new power plant in the short period.

**Long-term debt maturity in 2026.** POWR offers decent yield of \$550 million senior note with 4.95% coupon rate that will mature on 2026, but potential refinancing looms large as management actively pursues higher S&P (BB+) and Moody's (Ba1) ratings. Cleaner energy ambitions and robust dividend history underpin this push for improved creditworthiness, potentially lowering future interest costs. With a solid dividend stream and green growth trajectory, POWR presents a compelling case for both income and sustainable value creation.

**POWR has a stable Dividend Payout Ratio (DOPR).** POWR booked a solid average DPOR of 75% and dividend yield of 9.87% in 7 years with a 75% average dividend payout ratio. The company split the dividend into interim and final that investor have a possibility to get quicker cash flow through the interim dividend.

**We considered some recent conditions that probably affecting the company.** The company has supplied 96% of total industrial customer in the operated region. It will limit the potential revenue growth by acquiring new customer. That's why we consider that volume growth will come from additional power consumption from existing customers. Furthermore, POWR has a policy that surge of commodity prices can be transferred to the end customer, that can maintain company's gross margin.

**Using Discounted Free Cash Flow with Required Return as 6.80% and 4.7x EV/ EBITDA Multiple Exit as the terminal value.** We consider that POWR has potential upside 38%, that we attach buy rating for POWR.

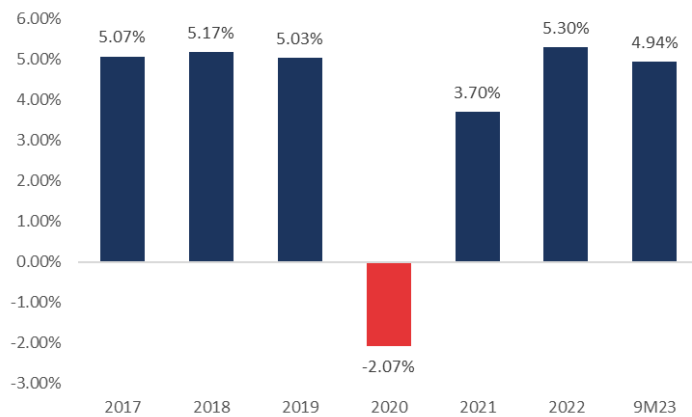
**PT Cikarang Litrindo Tbk**

(in Million USD)	FY21	FY22	YoY	9M22	9M23	YoY
Revenue	514.85	550.45	6.91%	407.85	408.19	0.08%
Cost Of Goods Sold	- 229.16	- 261.47	14.10%	- 189.70	- 198.21	4.48%
Gross Profit	285.69	288.98	1.15%	218.15	209.98	-3.74%
Operating Income	144.89	133.59	-7.80%	101.30	103.68	2.36%
Net Income	90.44	72.54	-19.80%	58.52	76.81	31.26%
EPS (USD)	0.0057	0.0046	-19.30%	0.0037	0.0049	32.43%
EPS (IDR)	81.23	71.60	-11.85%	56.33	75.71	34.39%
USD/IDR	14,250	15,565	9.23%	15,225	15,450	1.48%
Gross Profit Margin (%)	55.49%	52.50%	-299 bps	53.49%	51.44%	-204 bps
Operating Income Margin (%)	28.14%	24.27%	-387 bps	24.84%	25.40%	56 bps
Net Profit Margin (%)	17.57%	13.18%	-439 bps	14.35%	18.82%	447 bps

Source : Company | Phintraco Sekuritas Research

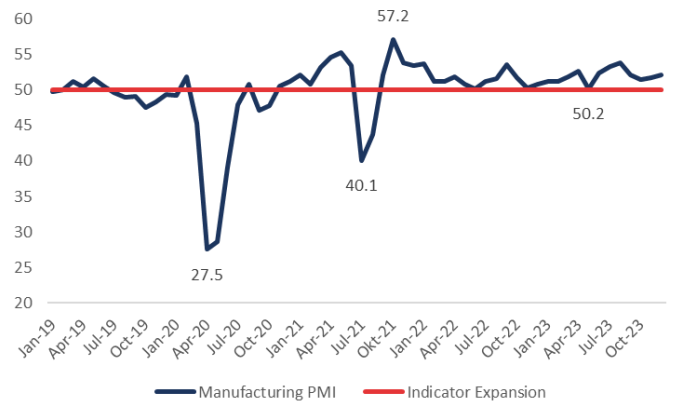
**Macro Economy Highlights**

Figure 1. Gross Domestic Product Growth (%)



Source : BPS | Trading Economics | Phintraco Sekuritas Research

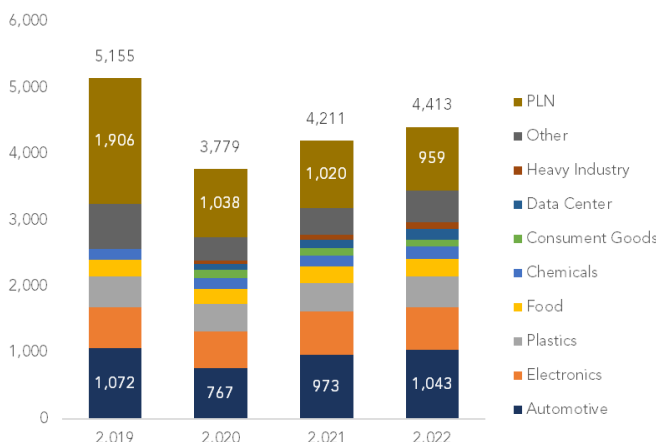
Figure 2. Indonesia's Manufacturing Index



Source : BPS | Trading Economics | Phintraco Sekuritas Research

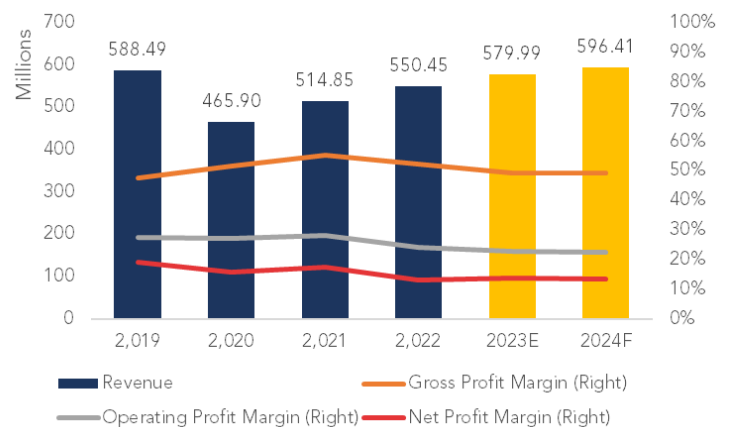
**Performance Highlights**

Figure 3. Contribution of Sales Volume by Sector (GWh)



Source : Company | Phintraco Sekuritas Research

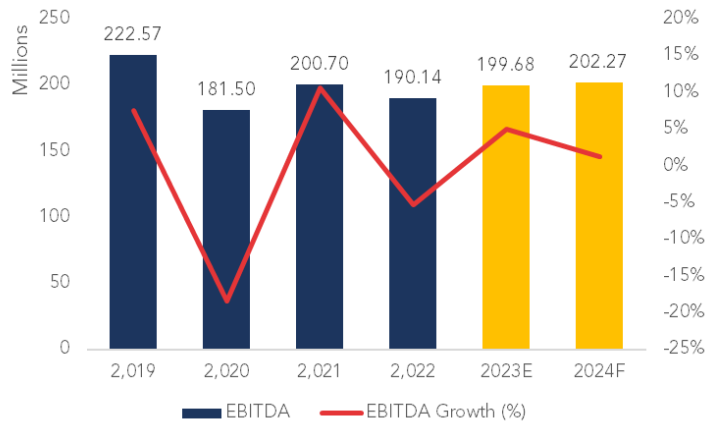
Figure 4. Profitability



Source : Company | Phintraco Sekuritas Research

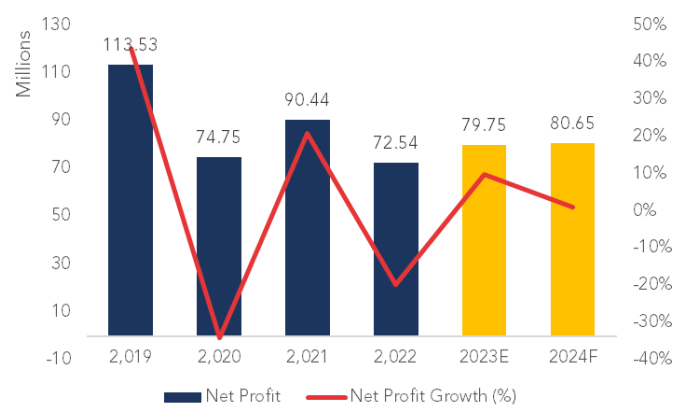
**Performance Highlights**

Figure 5. EBITDA's Performance



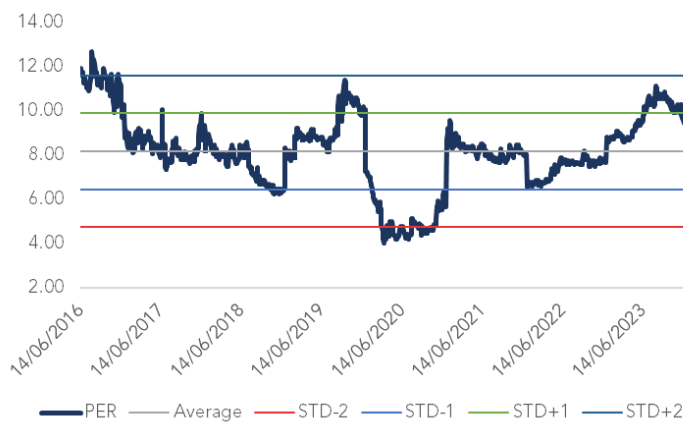
Source : Company | Phintraco Sekuritas Research

Figure 6. Net Profit Performance



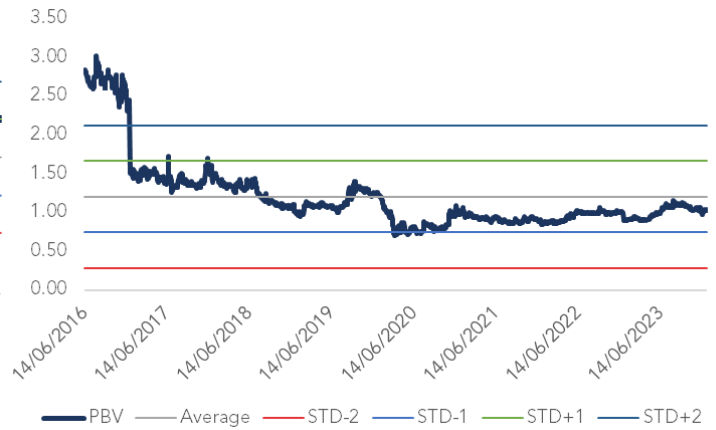
Source : Company | Phintraco Sekuritas Research

Figure 7. POWR's PER Band



Source : Company | Phintraco Sekuritas Research

Figure 8. POWR's PBV Band



Source : Company | Phintraco Sekuritas Research



## Key Financial Figures

(in Million USD)

INCOME STATEMENT		FY20	FY21	FY22	9M23	FY23E	FY24F	RATIOS		FY20	FY21	FY22	9M23	FY23E	FY24F
Revenue		466	515	550	408	580	596	Profitability Ratio (%)							
	<i>Growth</i>	-20.83%	10.51%	6.91%	0.00%	5.37%	2.83%	GPM	51.90%	55.49%	52.50%	51.44%	49.54%	49.54%	
Cost of Goods Sold		(224)	(229)	(261)	(198)	(293)	(301)	OPM (EBITDA Margin)	27.43%	28.14%	24.27%	25.40%	22.95%	22.53%	
Gross Profit		242	286	289	210	287	295	NPM	16.04%	17.57%	13.18%	18.82%	13.75%	13.52%	
	<i>GPM Margin</i>	51.90%	55.49%	52.50%	51.44%	49.54%	49.54%	ROA	5.57%	6.66%	5.33%	5.72%	5.76%	5.72%	
EBITDA		182	201	190	147	200	202	ROE	11.15%	12.95%	10.37%	10.49%	11.02%	10.78%	
	<i>EBITDA Margin</i>	38.96%	38.98%	34.54%	36.07%	34.43%	33.91%	ROIC	2.39%	2.81%	2.19%	2.25%	2.31%	2.24%	
EBIT		128	145	134	104	133	134	Activity Ratio (X)							
	<i>EBIT Margin</i>	27.43%	28.14%	24.27%	25.40%	22.95%	22.53%	Inventory Turnover	5.25	4.87	4.12	2.94	4.49	4.49	
Other Income/(Charge)								Receivables Turnover	8.08	9.11	9.61	6.80	8.46	8.48	
Interest Income		7	5	7	11	8	9	Payables Turnover	9.27	7.59	7.81	7.64	8.81	8.66	
Interest Expense		(29)	(29)	(29)	(21)	(29)	(29)	Days of Inventory	69.73	75.00	88.54	92.88	81.30	81.56	
Net Interest Income (Expenses)		(23)	(24)	(22)	(10)	(21)	(21)	Days of Receivables	45.32	40.07	37.96	40.13	43.13	43.16	
Profit Before Tax		105	121	111	94	113	114	Days of Payables	39.47	48.07	46.74	35.72	41.41	42.24	
	<i>EBT Margin</i>	22.56%	23.45%	20.22%	23.00%	19.40%	19.08%	Cash Operating Cycle	75.57	67.00	79.77	97.28	83.02	82.48	
Net Profit After Tax		75	90	73	77	80	81	Leverage Ratio (%)							
	<i>NPM Margin</i>	16.04%	17.57%	13.18%	18.82%	13.75%	13.52%	Debt to Asset Ratio	40.31%	39.93%	39.96%	36.90%	39.27%	38.56%	

Source : Company | Phintraco Sekuritas Research

(in Million USD)

BALANCE SHEET		FY20	FY21	FY22	9M23	FY23E	FY24F	Liquidity Ratio (X)		FY20	FY21	FY22	9M23	FY23E	FY24F
Asset								Current Ratio	7.74	9.28	9.90	11.23	10.66	11.07	
Cash		272	278	305	236	331	366	Quick Ratio	6.99	8.40	8.74	9.84	9.46	9.88	
Accounts Receivable		58	57	57	60	69	70	Cash Ratio	4.82	5.19	5.57	4.87	6.07	6.54	
Inventories		43	47	63	67	65	67	Price Ratio							
Total Current Assets		437	497	542	545	581	620	Share Price	535	505	596	750	710	1,117	
Fixed Assets		828	787	775	753	760	747	Outstanding Shares (in Billion)	15.76	15.76	15.77	16.09	15.77	15.77	
Total Non Current Assets		905	862	820	797	805	791	EPS (IDR) (annualized)	67	82	72	66	78	78	
Total Asset		1,343	1,359	1,362	1,342	1,385	1,411	BVPS (IDR)	600	632	698	628	711	747	
Liabilities								RPS (IDR)	417	466	549	350	570	596	
Accounts Payable		24	30	33	26	33	35	PER(X)	8.00	6.17	8.24	9.06	13.87	14.24	
Total Current Liabilities		56	54	55	49	54	56	PBV(X)	0.89	0.80	0.85	1.19	1.00	1.50	
Long-Term Debt		541	543	544	495	544	544	P/R(X)	1.28	1.08	1.09	2.14	1.25	1.88	
Customer Deposits		45	45	43	45	43	43	EV/EBITDA (annualized)	4.78	4.10	4.40	5.77	4.69	6.41	
Total Non Current Liabilities		616	607	607	561	607	607	Dividends							
Total Liabilities		672	660	662	610	662	663	DPS	53	60	68	-	55	56	
Equity		671	698	700	732	724	748	DPR	79%	73%	94%	0%	70%	70%	
								Div. Yield	9.87%	11.83%	11.41%	0.00%	7.73%	5.05%	

Source : Company | Phintraco Sekuritas Research

(in Million USD)

CASH FLOW		FY20	FY21	FY22	9M23	FY23E	FY24F
Cash Flow from Operating							
Net Income		75	90	73	77	80	81
Depreciation & Amortization		54	53	54	42	67	68
Working Capital		6	3	(14)	(12)	(13)	(2)
Others		(41)	(60)	(3)	(66)	-	-
Net-CFFO		94	87	109	41	133	146
Cash Flow from Investing							
CAPEX		(21)	(12)	(42)	(20)	(52)	(54)
Others		15	2	31	0	32	-
Net-CFFI		(6)	(10)	(11)	(20)	(54)	(56)
Cash Flow from Financing							
Ch. in Long-term liabilities		1	1	1	(49)	-	-
Ch. in other non-current liab.		5	(10)	(1)	3	-	-
Equity		(64)	(63)	(71)	(44)	(56)	(56)
Net-CFFF		(58)	(71)	(71)	(90)	(56)	(56)
NET CASH FLOW		30	5	27	(69)	23	34

Source : Company | Phintraco Sekuritas Research



# PHINTRACO SEKURITAS

## Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of  $> +10\%$  over the next 12 months.
- Hold : The stock is expected to give total return of  $> 0\%$  to  $\leq +10\%$  over the next 12 months.
- Sell : The stock is expected to give total return of  $< 0\%$  over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

**PHINTRACO SEKURITAS**

**Kantor Cabang & Mitra GI BEI**



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