

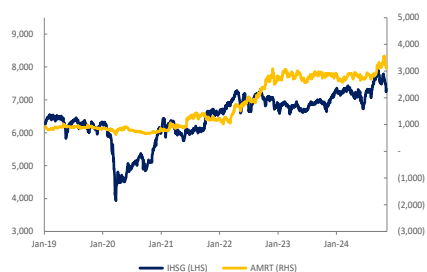
Wednesday, November 13th, 2024

Buy

Price (Nov 12 th , 24)	3150
Target Price	3650
Potential Upside	15.89%
Market Cap	130.86 T
Number of Share	41.54 B
52w Lo/Hi	2490 / 3650

Source : IDX | Phintraco Sekuritas Research
| as of Nov 12th, 2024

IHSG vs AMRT



Source : IDX

Shareholder	%
PT Sigmantara Alfindo	53.19
Public (<5%)	46.81

Source : Company | as of fin. statement 9M24

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	98.66	99.16	-0.51%
2025F	116.22	116.35	-0.11%

Source : *marketscreener | as of Nov 12th, 2024

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PT Sumber Alfaria Trijaya Tbk

(AMRT.JK / AMRT.IJ)

Continued Expansion Drives Financial Performance

AMRT recorded revenue of IDR88.21 trillion in 9M24, growing 10.24% YoY.

The revenue growth was driven by Food segment revenue, which grew 10.52% YoY to IDR62.37 trillion in 9M24 (vs. IDR56.43 trillion in 9M23), while Non-Food segment revenue grew 9.55% YoY to IDR25.85 trillion in 9M24 (vs. IDR23.59 trillion in 9M23). We observe that revenue growth in both segments aligns with the National Holiday celebrations from January to September 2024. By location, revenue excluding Java experienced significant growth of 15.9% YoY in 9M24, followed by revenue in Java (excluding Jabodetabek) at 8.62% YoY, and revenue in Jabodetabek grew by 5.67% YoY.

Better non-operating performance offsets higher operating expenses.

AMRT's operating expenses increased by 11.98% YoY to IDR14.45 trillion in 9M24 (vs. IDR12.9 trillion in 9M23), mainly due to an 11.44% YoY increase in selling and distribution expenses followed by an 8.41% YoY increase in general and administrative expenses. Meanwhile, AMRT's non-operating expenses decreased by 79.61% YoY to IDR16 billion in 9M24 (vs. IDR80 billion in 9M23), mainly driven by 49.56% YoY increase in finance income and 29.83% YoY decrease in finance expenses. This condition caused AMRT's net profit to grow 9.79% YoY to IDR2.48 trillion in 9M24 (vs. IDR2.26 trillion in 9M23).

Alfagift as an alternative for consumers to shop online, contributed 6.6% to revenue in 9M24.

AMRT continues to strive to increase customer loyalty, including by continuously developing Alfagift to adapt to changes in consumer behavior. Alfagift offers various promotions and special offers that are only available on the app to attract customers. Online sales generated from Alfagift in 9M24 grew by more than 45% YoY, signaling AMRT's efforts to increase revenue.

The store network continues to increase. From January to September 2024, AMRT added 945 stores, consisting of 652 company-owned stores and 293 Franchise stores, bringing the total to 23,255 stores across Indonesia. We see that AMRT continues to expand sustainably by adding new store networks in an effort to reach more consumers. We assess that these efforts can potentially improve AMRT's future financial performance.

Using the Discounted Cash Flow method with a Required Return of 8.94% and Terminal Growth of 7.02%, we estimate AMRT's fair value at IDR3,650 per share (Expected PE at 32.03x and EV/EBITDA at 18.58x in FY24). We give AMRT a Buy rating with a potential upside of 15.89%.

Table 1. Financial Results in 9M24

		(in Billion Rupiah)				
INCOME STATEMENT	2Q23	3Q24	QoQ (%)	9M23	9M24	YoY (%)
Revenue	29,894	28,998	-3.00%	80,025	88,217	10.24%
Cost of Goods Sold	(23,509)	(22,903)	-2.58%	(63,127)	(69,348)	9.85%
Gross Profit	6,385	6,095	-4.53%	16,897	18,869	11.67%
EBITDA	1,764	931	-47.24%	3,990	4,415	10.64%
EBIT	1,169	788	-32.63%	2,881	3,105	7.79%
Profit Before Tax	1,172	786	-32.92%	2,802	3,111	11.02%
Net Profit	939	616	-34.35%	2,255	2,476	9.79%
Margin (%)						
Gross Profit Margin (%)	21.36%	21.02%		21.12%	21.39%	
Operating Profit Margin (%)	3.91%	2.72%		3.60%	3.52%	
Net Profit Margin (%)	3.14%	2.12%		2.82%	2.81%	

Source : Company | Phintraco Sekuritas Research

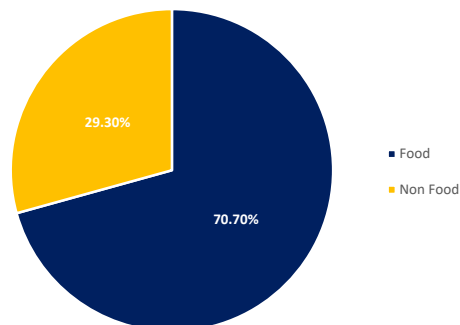
Table 2. Revenue by Location

		(in Billion Rupiah)				
Revenue by Location	2Q23	3Q24	QoQ (%)	9M23	9M24	YoY (%)
Jabodetabek	8,032	8,000	-0.40%	22,836	24,131	5.67%
Java (Excluding Jabodetabek)	11,154	10,352	-7.19%	30,149	32,747	8.62%
Excluding Java	10,708	10,647	-0.58%	27,040	31,340	15.90%

Source : Company | Phintraco Sekuritas Research

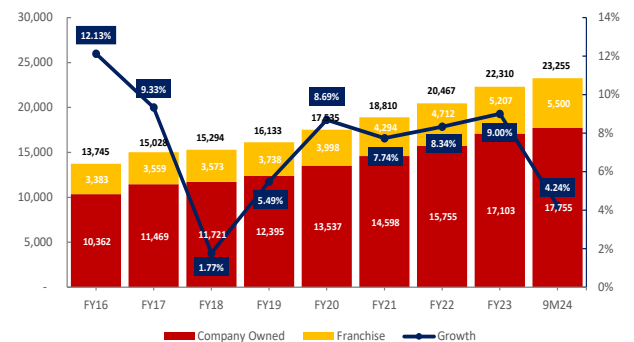
Performance Highlight

Figure 1. Revenue by Segment (9M24)



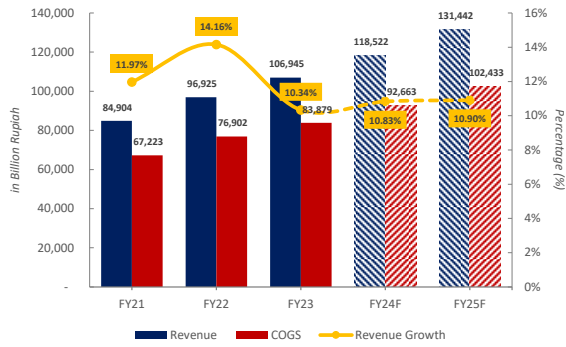
Source : Company | Phintraco Sekuritas Research

Figure 2. Company Owned & Franchise Stores (FY16-9M24)



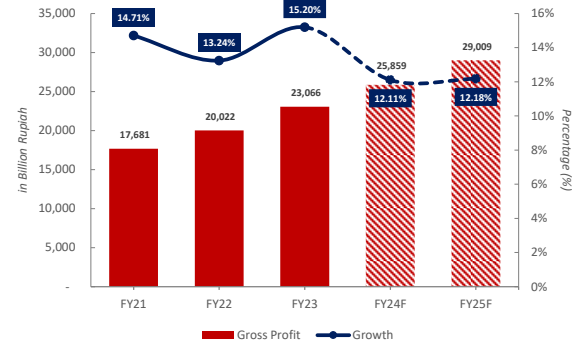
Source : Company | Phintraco Sekuritas Research

Figure 3. Revenue & COGS



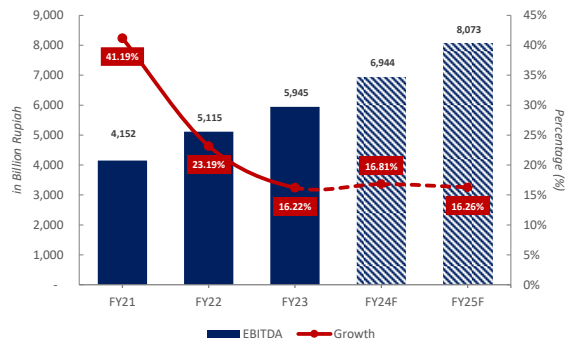
Source : Company | Phintraco Sekuritas Research

Figure 4. Gross Profit & Growth



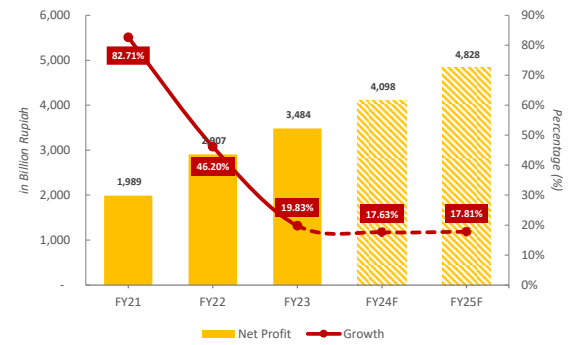
Source : Company | Phintraco Sekuritas Research

Figure 5. EBITDA & Growth



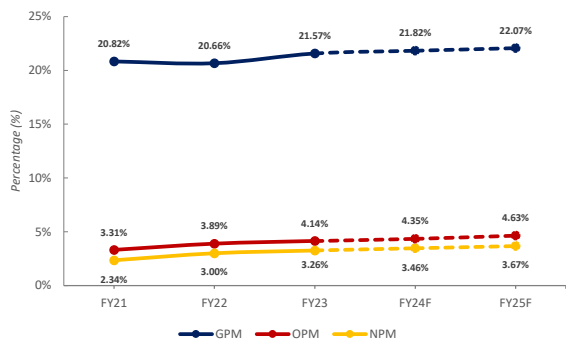
Source : Company | Phintraco Sekuritas Research

Figure 6. Net Profit & Growth



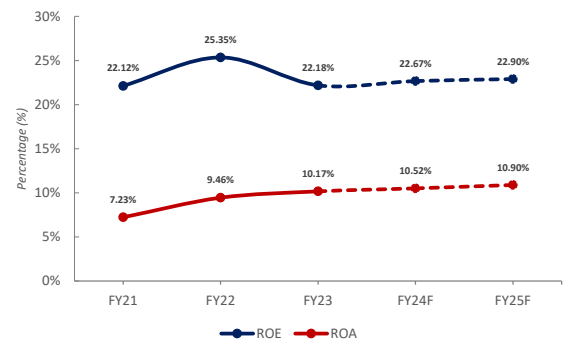
Source : Company | Phintraco Sekuritas Research

Figure 7. Profitability Margin



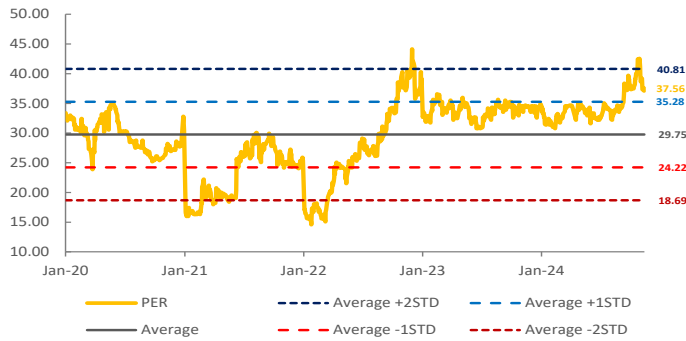
Source : Company | Phintraco Sekuritas Research

Figure 8. ROE & ROA



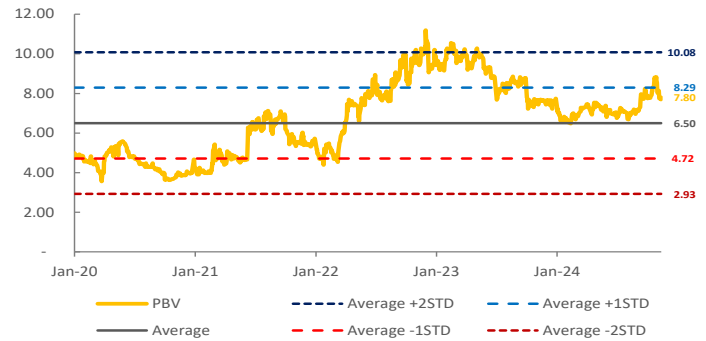
Source : Company | Phintraco Sekuritas Research

AMRT PER Band (5 Years)



Source : IDX | Company | Phintraco Sekuritas Research

AMRT PBV Band (5 Years)



Source : IDX | Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24F	FY25F
Revenue	84,904	96,925	106,945	88,217	118,522	131,442
<i>Growth</i>	11.97%	14.16%	10.34%	0.00%	10.83%	10.90%
Cos of Goods Sold	(67,223)	(76,902)	(83,879)	(69,348)	(92,663)	(102,433)
Gross Profit	17,681	20,022	23,066	18,869	25,859	29,009
<i>GPM</i>	20.82%	20.66%	21.57%	21.39%	21.82%	22.07%
EBITDA	4,152	5,115	5,945	4,415	6,944	8,073
<i>EBITDA Margin</i>	4.89%	5.28%	5.56%	5.00%	5.86%	6.14%
EBIT	2,811	3,770	4,429	3,105	5,155	6,089
<i>EBIT Margin</i>	3.31%	3.89%	4.14%	3.52%	4.35%	4.63%
Other Income/Charge:						
Interest Income	61	38	75	75	100	87
Interest Expense	(322)	(183)	(163)	(92)	(151)	(164)
Net Interest Income (Expenses)	(261)	(145)	(87)	(16)	(51)	(77)
Non Operating Income (Expenses)	(81)	(8)	(9)	22	(10)	(11)
Profit Before Tax	2,469	3,617	4,333	3,111	5,094	6,002
<i>EBT Margin</i>	2.91%	3.73%	4.05%	3.53%	4.30%	4.57%
Net Profit After Tax	1,989	2,907	3,484	2,476	4,098	4,828
<i>NPM</i>	2.34%	3.00%	3.26%	2.81%	3.46%	3.67%

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24F	FY25F
Asset						
Cash	3,270	3,819	4,075	4,161	4,697	5,209
Accounts Receivable	1,761	2,163	2,571	2,420	2,893	3,087
Inventories	8,755	9,128	10,094	11,043	11,484	12,631
Total Current Assets	14,212	15,664	17,326	18,385	19,777	21,718
Fixed Assets	12,054	13,507	15,290	16,375	17,333	20,533
Long-term Investments	352	784	767	781	896	990
Other Assets	875	790	863	1,097	953	1,054
Total Non Current Assets	13,282	15,082	16,920	18,253	19,182	22,577
Total Asset	27,494	30,746	34,246	36,638	38,959	44,295
Liabilities						
Short-term Debt	779	446	63	-	69	77
Accounts Payable	9,754	10,489	10,983	11,557	12,702	14,194
Accrued Payroll	974	1,221	1,147	1,223	1,238	1,369
Total Current Liabilities	16,376	17,389	17,263	18,423	19,439	21,665
Long-term Debt	1,047	1,244	669	687	718	771
Provision for Risks & Charges	1,081	642	609	744	723	771
Total Non Current Liabilities	2,128	1,886	1,278	1,431	1,441	1,542
Total Liabilities	18,504	19,276	18,541	19,854	20,880	23,207
Equity	8,990	11,471	15,705	16,785	18,079	21,088

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY24F	FY25F
Cash Flow from Operating						
Net Income	1,951	2,855	3,404	2,399	4,006	4,719
Depreciation & Amortization	1,485	1,103	2,939	1,198	1,789	1,984
Working Capital	55	206	(954)	(148)	98	282
Others	607	(398)	(351)	312	110	362
Net-CFFO	4,098	3,767	5,038	3,761	6,003	7,347
Cash Flow from Investing						
CAPEX	(2,187)	(2,988)	(4,704)	(2,297)	(3,960)	(5,279)
Others	(168)	85	(73)	(234)	(90)	(100)
Net-CFFI	(2,355)	(2,903)	(4,777)	(2,530)	(4,050)	(5,379)
Cash Flow from Financing						
Chg. in Long-term liabilities	(1,828)	499	(802)	40	188	206
Chg. in other non-current liabilities	74	(439)	(33)	135	114	48
Equity	(598)	(374)	831	(1,319)	(1,633)	(1,710)
Net-CFFF	(2,351)	(315)	(4)	(1,145)	(1,330)	(1,456)
Net Cash Flow	(608)	549	256	86	622	512

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24F	FY25F
Profitability Ratio (%)						
<i>GPM</i>	20.82%	20.66%	21.57%	21.39%	21.82%	22.07%
<i>OPM</i>	3.31%	3.89%	4.14%	3.52%	4.35%	4.63%
<i>NPM</i>	2.34%	3.00%	3.26%	2.81%	3.46%	3.67%
<i>ROA</i>	7.23%	9.46%	10.17%	6.76%	10.52%	10.90%
<i>ROE</i>	22.12%	25.35%	22.18%	14.75%	22.67%	22.90%
Activity Ratio (X)						
<i>Inventory Turnover</i>	7.68	8.42	8.31	6.28	8.07	8.11
<i>Receivables Turnover</i>	48.22	44.82	41.59	36.46	40.97	42.58
<i>Payables Turnover</i>	6.89	7.33	7.64	6.00	7.30	7.22
<i>Days of Inventory</i>	47.54	43.33	43.92	58.12	45.24	45.01
<i>Days of Receivables</i>	7.57	8.14	8.78	10.01	8.91	8.57
<i>Days of Payables</i>	52.96	49.78	47.79	60.83	50.03	50.58
<i>Cash Operating Cycle</i>	2.15	1.69	4.91	7.31	4.11	3.00
Leverage Ratio (%)						
<i>Debt to Asset Ratio</i>	11.78%	11.07%	6.48%	6.00%	6.20%	5.93%
<i>Debt to Equity Ratio</i>	36.04%	29.69%	14.13%	13.09%	13.35%	12.46%
<i>Liabilities to Asset Ratio</i>	67.30%	62.69%	54.14%	54.19%	53.60%	52.39%
<i>Liabilities to Equity Ratio</i>	205.83%	168.04%	118.06%	118.28%	115.50%	110.05%
<i>Interest Rate</i>	9.94%	5.38%	7.32%	4.18%	6.24%	6.24%
Liquidity Ratio (X)						
<i>Current Ratio</i>	0.95	1.00	1.10	1.09	1.11	1.09
<i>Quick Ratio</i>	0.36	0.42	0.46	0.43	0.47	0.46
<i>Cash Ratio</i>	0.22	0.24	0.26	0.25	0.26	0.26
Price Ratio						
<i>Share Price (IDR)</i>	1,215	2,930	2,650	3,160	3,160	3,160
<i>Outstanding Shares (in Billion)</i>	41.54	41.54	41.54	41.54	41.54	41.54
<i>EPS (IDR) (annualized)</i>	48	70	84	60	99	116
<i>BVPS (IDR)</i>	216	276	378	404	435	508
<i>Sales Per Share (IDR)</i>	2,044	2,333	2,574	2,124	2,853	3,164
<i>PER (X)</i>	25.38	41.86	31.60	53.01	32.03	27.19
<i>PBV (X)</i>	5.61	10.61	7.01	7.82	7.26	6.23
<i>PSR (X)</i>	0.59	1.26	1.03	1.49	1.11	1.00
<i>EV/EBITDA (annualized)</i>	12.15	23.72	18.21	29.29	18.58	15.94
Dividends						
<i>DPS</i>	19	24	29	-	40	48
<i>DPR</i>	39.23%	34.38%	34.20%	-	40.19%	41.13%
<i>Div. Yield</i>	1.55%	0.82%	1.08%	-	1.25%	1.51%

Source : Company | Phintraco Sekuritas Research

Glossarium

BVPS	: <i>Book Value per Share</i>
CFFF	: <i>Cash Flow from Financing</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFO	: <i>Cash Flow from Operating</i>
DPR	: <i>Dividend Payout Ratio</i>
DPS	: <i>Dividend per Share</i>
EBIT	: <i>Earning Before Interest & Tax</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBT	: <i>Earning Before Tax</i>
EPS	: <i>Earning per Share</i>
EV	: <i>Enterprise Value</i>
NPM	: <i>Net Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
OPM	: <i>Operating Profit Margin</i>
PBV	: <i>Price to Book Value</i>
PER	: <i>Price to Earning Ratio</i>
PSR	: <i>Price to Sales Ratio</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>



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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"

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Kantor Cabang & Mitra GI BEI



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