Buy

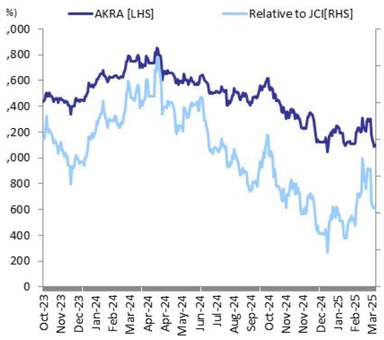
(Maintained)

Last Price (Rp)	**1,100**
Target Price (Rp)	**▼ 1,500**
Previous Target Price (Rp)	***1,600***
Upside/Downside	**+36.4%**
No. of Shares (mn)	**20,074**
Mkt Cap (Rpbn/US$mn)	**22,082/1,340**
Avg, Daily T/O (Rpbn/US$mn)	**27.8/1.7**
Free Float (%)	**32.8**
Major Shareholder (%)	
Arthakencana Rayatama	**59.6**

EPS Consensus (Rp)

	2025F	**2026F**	**2027F**
BRIDS	122.4	141.7	160.8
Consensus	130.4	145.1	143.6
BRIDS/Cons (%)	**(6.1)**	**(2.4)**	**12.0**

AKRA relative to JCI Index



Source: Bloomberg

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AKR Corporindo (AKRA IJ)

Inline FY24 result; Expect a Gradual Recovery on Petroleum and Land Sales in FY25F

- **AKRA recorded net profit of Rp2.2tr in FY24 (-20% yoy, 96% of our/cons est, in line), despite weaker land sales in FY24.**
- **We expect gradual recovery in petroleum vol. with flattish margin, and higher industrial land sales, accompanied by higher utilities income.**
- **We trim our FY25F/26F EPS by 6%/2%. Reiterate Buy rating with a lower SOTP-derived TP of Rp1,500.**

FY24 result: in line despite weak industrial land sales

AKRA recorded net profit of Rp2.2tr in FY24 (-20% yoy, 96% of our/cons estimate, in line). 4Q24 revenue reached Rp756bn (+62% qoq/-29% yoy). The higher net income was boosted by a lower final tax bracket (14.6% in FY24 vs. 16% in FY23). Meanwhile, revenue reached Rp38.7tr in FY24 (-8% yoy), 97%/100% of our/cons estimate, in line. 4Q24 revenue reached Rp10.1tr (+2% qoq/-16% yoy). Despite lower land sales in 4Q24, AKRA recorded revenue improvement on a qoq basis, implying better petroleum ASP in 4Q24.

Lowering our margin and earnings estimation, but we still expect recovery in petroleum and industrial estate

We upgrade our revenue assumption by 1%/1% in FY25F/FY26F, as we expect better vol. growth in petroleum and chemicals, upside in utilities income, and 72ha/90ha of industrial estate sales (our FY25F industrial sales are slightly lower than management guidance, as we expect more clients to purchase in stages instead of one-off bulk). As Freeport is ramping up its production, with expectations of full utilization by 2H25F, we expect this to enhance utilities income. However, we cut our GPM/EBIT margin assumption by 10-60bps/30-70bps in FY25F-FY26F, as we expect flattish margin on petroleum and normalization of chemical margin. Thus, we lower our EPS by 6%/2% in FY25F/FY26F, offset by higher associate income (from port operation). Nevertheless, our GPM/EBIT margin expectation still reflects gradual improvement in FY25F-FY27F vs low-base in FY24, with GPM in FY27F back to FY23 level (>10%).

We expect gradual recovery; reiterate BUY with a lower TP of Rp1,500.

We expect 10%/16%/13% EPS growth in FY25F/FY26F/FY27F, despite our lower estimate. We reiterate **BUY** rating with a 6% lower SOTP-derived TP of **Rp1,500**. AKRA is currently trading at 9x P/E at -1std, on par with its 5-year average. Downside risk: 1) Lower land sales execution; 2) Lower petroleum growth due to weak mining activity.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	42,087	38,729	43,018	45,814	48,742
EBITDA (Rpbn)	3,971	3,024	3,352	3,935	4,508
EBITDA Growth (%)	14.1	(23.9)	10.9	17.4	14.5
Net Profit (Rpbn)	2,780	2,225	2,457	2,844	3,227
EPS (Rp)	138.5	110.8	122.4	141.7	160.8
EPS Growth (%)	15.7	(20.0)	10.4	15.8	13.5
BVPS (Rp)	572.3	576.0	620.0	661.4	705.9
DPS (Rp)	98.3	113.7	90.9	100.3	116.2
PER (x)	7.9	9.9	9.0	7.8	6.8
PBV (x)	1.9	1.9	1.8	1.7	1.6
Dividen yield (%)	8.9	10.3	8.3	9.1	10.6
EV/EBITDA	5.0	7.1	7.9	6.6	5.7

Source: AKRA, BRIDS Estimates

Exhibit 1. AKRA's 4Q24/FY24 Result Summary

AKRA (in Rpbn)	4Q23	3Q24	4Q24	QoQ, %	YoY, %	2023	2024	YoY, %	FY24 (BRIDS)	A/F, %	FY24 (Cons)	A/C, %
Revenue	12,109	9,962	10,117	*1.6*	*(16.5)*	42,087	38,729	*(8.0)*	39,893	97	38,598	100
Gross profit	1,602	769	1,156	*50.4*	*(27.8)*	4,473	3,509	*(21.6)*	3,669	96	3,747	94
Operating income	1,363	543	843	*55.2*	*(38.2)*	3,560	2,534	*(28.8)*	2,755	92	2,753	92
EBITDA	1,433	664	977	*47.2*	*(31.9)*	4,013	3,025	*(24.6)*	3,192	95	3,182	95
Net income	1,070	467	756	*61.9*	*(29.4)*	2,780	2,225	*(20.0)*	2,329	96	2,314	96
Margins, %												
Gross margin	13.2	7.7	11.4	*3.7*	*(1.8)*	10.6	9.1	*(1.6)*	9.2		9.7	
Operating margin	11.3	5.4	8.3	*2.9*	*(2.9)*	8.5	6.5	*(1.9)*	6.9		7.1	
EBITDA margin	11.8	6.7	9.7	*3.0*	*(2.2)*	9.5	7.8	*(1.7)*	8.0		8.2	
Net margin	8.8	4.7	7.5	*2.8*	*(1.4)*	6.6	5.7	*(0.9)*	5.8		6.0	

Source: Company, BRIDS Estimates

Exhibit 2. AKRA's Earnings Estimates Revision

	2025F		2026F		2027F	Changes		vs Cons		
	Old	New	Old	New		2025F	2026F	2025F	2026F	2027F
Revenue	42,578	43,018	45,161	45,814	48,742	1.0%	1.4%	4.9%	4.8%	16.4%
Gross Profit	4,152	3,942	4,550	4,566	5,189	-5.1%	0.4%	-6.6%	-0.5%	10.5%
EBIT	3,173	2,900	3,509	3,454	4,003	-8.6%	-1.6%	-10.3%	-2.8%	5.6%
EBITDA	3,648	3,352	4,122	3,935	4,508	-8.1%	-4.5%	-9.2%	-2.8%	5.3%
Net profit	2,623	2,457	2,905	2,844	3,227	-6.3%	-2.1%	-5.2%	0.6%	9.1%
Gross margin	9.8%	9.2%	10.1%	10.0%	10.6%					
EBITDA margin	8.6%	7.8%	9.1%	8.6%	9.2%					
EBIT margin	7.5%	6.7%	7.8%	7.5%	8.2%					

Source: Company, BRIDS Estimates

Exhibit 3. AKRA's Valuation exclude JIIPE

		F	F	F	F	F	F	F	F	F	F	F
Free cash flow - AKRA ex JIIPE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating profit		2,899.59	3,453.92	4,003.07	4,008.02	3,919.90	3,559.78	3,778.56	3,942.71	4,078.72	4,209.00	4,338.12
(-) JIIPE		(1,695.42)	(2,182.86)	(2,546.67)	(2,005.50)	(1,403.85)	(1,474.04)	(1,547.74)	(1,625.13)	(1,706.39)	(1,791.71)	(1,881.29)
(-) Tax		(510.9)	(592.8)	(672.2)	(676.5)	(664.5)	(609.6)	(644.9)	(673.5)	(697.7)	(721.2)	(744.7)
Operating profit after tax		693.29	678.26	784.16	1,326.03	1,851.51	1,476.14	1,585.93	1,644.10	1,674.61	1,696.13	1,712.08
(+) Amortisation and depreciation		452.5	481.4	504.6	527.4	550.3	573.1	596.0	618.9	641.7	664.6	687.4
Gross CF		1,145.8	1,159.7	1,288.7	1,853.5	2,401.8	2,049.3	2,181.9	2,263.0	2,316.3	2,360.7	2,399.5
(-) Capital expenditure		(949.17)	(759.33)	(607.47)	(600.00)	(600.00)	(600.00)	(600.00)	(600.00)	(600.00)	(600.00)	(600.00)
(+) change working capital		(440.51)	(184.46)	(183.98)	(16.29)	12.55	89.75	(81.05)	(65.47)	(57.95)	(57.35)	(57.89)
Free cash flow		**(243.88)**	**215.89**	**497.28**	**1,237.17**	**1,814.35**	**1,539.04**	**1,500.88**	**1,597.49**	**1,658.38**	**1,703.36**	**1,741.63**
PV of FCF		**(243.88)**	**196.86**	**413.44**	**937.87**	**1,254.12**	**970.00**	**862.53**	**837.09**	**792.35**	**742.07**	**691.83**

DCF Valuation - exclude JIIPE		
Total PV of FCF	Rp bn	7,454
PV of terminal value	Rp bn	9,673
Corporate value	**Rp bn**	**17,127**
Equity value	Rp bn	17,127
(+) Cash	Rp bn	5,856
(-) Interest Bearing Debt	Rp bn	(4,968)
(-) Minority interest	Rp bn	(2,916)
Equity value	**Rp bn**	**15,099**

Source: Company, BRIDS Estimates

Exhibit 4. JIIPE & SOTP Valuation

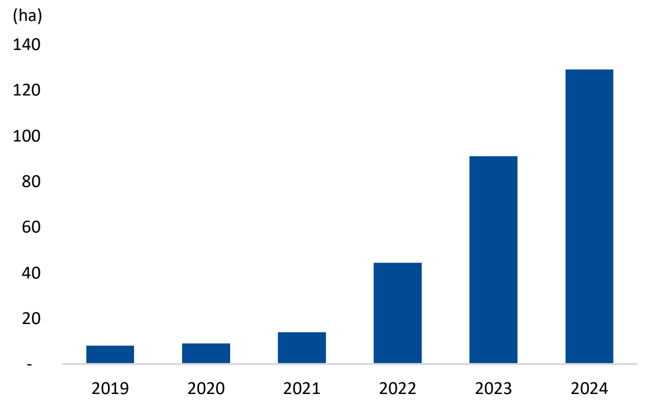
JIIPE Valuation

Land bank	Location	Area (ha)	Plot ratio	Price (US$/sqm)	Exchange rate	Price (Rp/sqm)	Method	RNAV (Rpbn)
BKMS - Industrial estate	Gresik	1,433.00	68%	144	16,400	2,354,753	NAV	22,946
Freeport (land rental)	Gresik	103.00		8	16,400	128,576	DCF	2,120
							TOTAL	**25,066**

SOTP	Method	Equity value (Rpbn)	Stake	
Trading and distribution	DCF	15,099	100%	15,099
JIIPE - Real estate	RNAV	25,066	60%	15,039
SOTP		**40,165**		**30,139**
Share outstanding				20,074
Target price				**1,500**

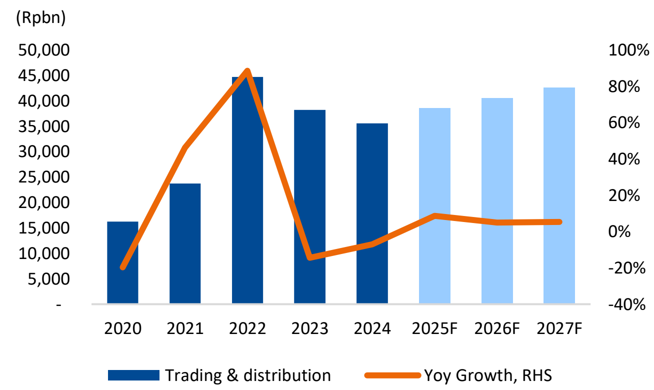
Source: Company, BRIDS Estimates

Exhibit 5. AKRA's JIIPE Land Sales



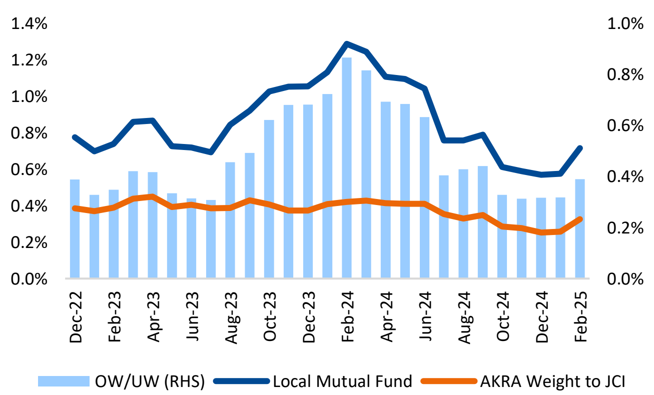
Source: Company, BRIDS

Exhibit 6. AKRA's Trading and Distribution Revenue



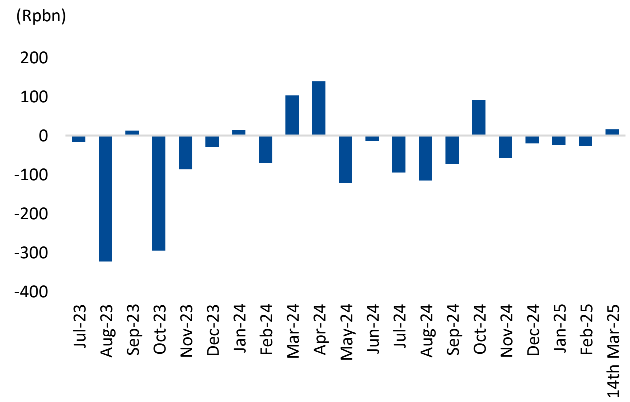
Source: Company, BRIDS Estimates

Exhibit 7. AKRA's Weighting and Fund Position



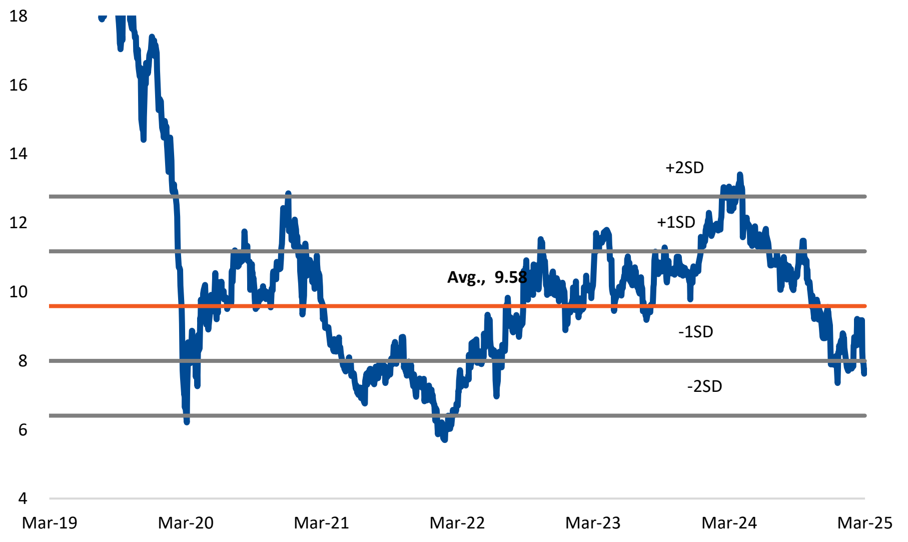
Source: KSEI, BRIDS

Exhibit 8. AKRA's Historical Foreign Flows as of 14th Mar25



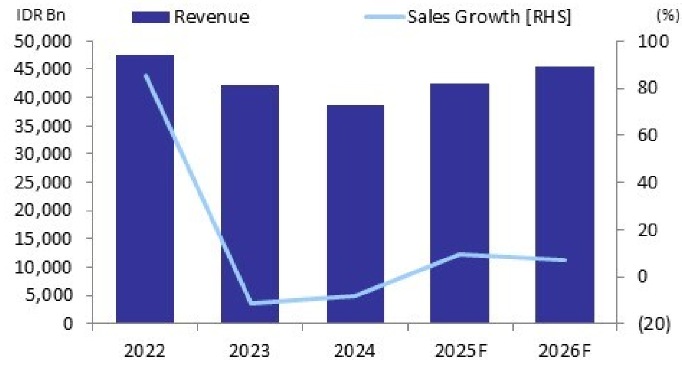
Source: IDX, BRIDS

Exhibit 9. Forward P/E Band



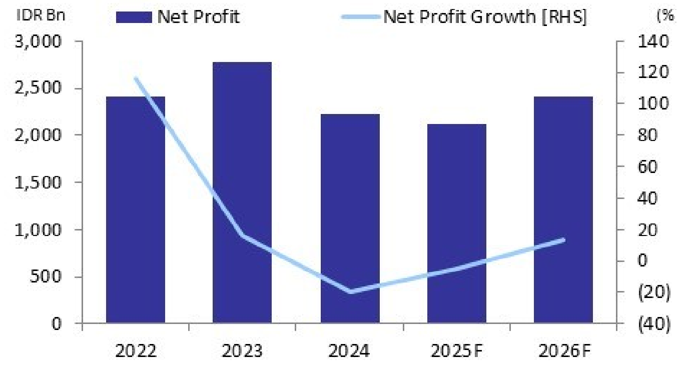
Source: Bloomberg, Company, BRIDS Estimates

Exhibit 10. Revenue and Growth



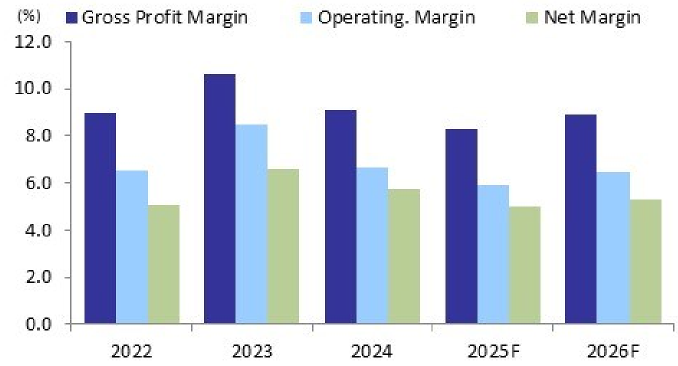
Source: Company, BRIDS Estimates

Exhibit 11. Net Profit and Growth



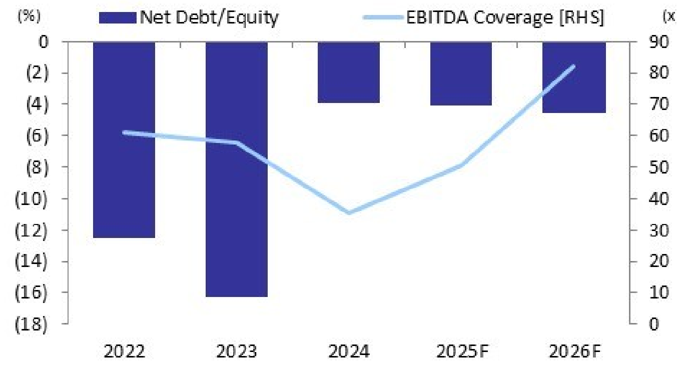
Source: Company, BRIDS Estimates

Exhibit 12. Margins



Source: Company, BRIDS Estimates

Exhibit 13. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 14. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	**42,087**	**38,729**	**43,018**	**45,814**	**48,742**
COGS	(37,613)	(35,220)	(39,077)	(41,247)	(43,553)
Gross profit	**4,473**	**3,509**	**3,942**	**4,566**	**5,189**
EBITDA	**3,971**	**3,024**	**3,352**	**3,935**	**4,508**
Oper. profit	**3,561**	**2,578**	**2,900**	**3,454**	**4,003**
Interest income	197	353	289	257	215
Interest expense	(68)	(85)	(92)	(95)	(99)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	35	46	70	70	70
Other Income (Expenses)	(36)	(54)	(54)	(54)	(54)
Pre-tax profit	**3,687**	**2,839**	**3,113**	**3,632**	**4,135**
Income tax	(609)	(439)	(511)	(593)	(672)
Minority interest	(298)	(174)	(146)	(195)	(235)
Net profit	**2,780**	**2,225**	**2,457**	**2,844**	**3,227**
Core Net Profit	**2,780**	**2,225**	**2,457**	**2,844**	**3,227**

Exhibit 15. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	6,536	5,366	5,856	6,329	7,030
Receivables	6,460	7,608	8,450	8,999	9,575
Inventory	3,134	3,463	4,193	4,465	4,750
Other Curr. Asset	1,992	4,562	4,587	4,601	4,616
Fixed assets - Net	5,466	6,365	6,862	7,140	7,242
Other non-curr.asset	6,667	5,746	5,974	6,014	6,037
Total asset	**30,255**	**33,109**	**35,921**	**37,548**	**39,250**
ST Debt	1,131	1,148	1,149	1,149	1,150
Payables	9,869	10,801	11,977	12,699	13,458
Other Curr. Liabilities	1,533	1,506	2,220	2,299	2,381
Long Term Debt	3,117	3,645	3,827	4,019	4,220
Other LT. Liabilities	561	1,385	1,385	1,385	1,385
Total Liabilities	**16,212**	**18,485**	**20,559**	**21,551**	**22,594**
Shareholder'sFunds	11,489	11,563	12,447	13,276	14,171
Minority interests	2,554	3,061	2,916	2,721	2,485
Total Equity & Liabilities	**30,255**	**33,109**	**35,921**	**37,548**	**39,250**

Exhibit 16. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	2,780	2,225	2,457	2,844	3,227
Depreciation and Amort.	411	445	453	481	505
Change in Working Capital	1,171	(3,126)	295	(35)	(34)
OtherOper. Cash Flow	(517)	86	(34)	(22)	(23)
Operating Cash Flow	**3,845**	**(370)**	**3,169**	**3,268**	**3,675**
Capex	(881)	(1,344)	(949)	(759)	(607)
Others Inv. Cash Flow	(456)	825	(194)	(18)	0
Investing Cash Flow	**(1,337)**	**(519)**	**(1,144)**	**(777)**	**(607)**
Net change in debt	1,582	1,363	183	192	201
New Capital	0	14	0	0	0
Dividend payment	(1,974)	(2,283)	(1,825)	(2,014)	(2,332)
Other Fin. Cash Flow	82	625	106	(195)	(235)
Financing Cash Flow	**(310)**	**(281)**	**(1,535)**	**(2,018)**	**(2,366)**
Net Change in Cash	**2,198**	**(1,170)**	**490**	**473**	**701**
Cash - begin of the year	4,338	6,536	5,366	5,856	6,329
Cash - end of the year	6,536	5,366	5,856	6,329	7,030

Exhibit 17. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	(11.5)	(8.0)	11.1	6.5	6.4
EBITDA	14.1	(23.9)	10.9	17.4	14.5
Operating profit	15.3	(27.6)	12.5	19.1	15.9
Net profit	15.7	(20.0)	10.4	15.8	13.5
Profitability (%)					
Gross margin	10.6	9.1	9.2	10.0	10.6
EBITDA margin	9.4	7.8	7.8	8.6	9.2
Operating margin	8.5	6.7	6.7	7.5	8.2
Net margin	6.6	5.7	5.7	6.2	6.6
ROAA	9.7	7.0	7.1	7.7	8.4
ROAE	24.5	19.3	20.5	22.1	23.5
Leverage					
Net Gearing (x)	(0.2)	0.0	(0.1)	(0.1)	(0.1)
Interest Coverage (x)	52.0	30.4	31.6	36.3	40.5

Source: AKRA, BRIDS Estimates

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INVESTMENT RATING	
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