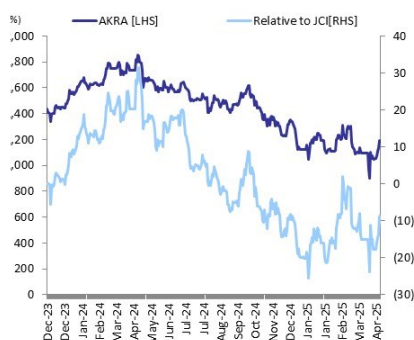


Buy

(Maintained)

Last Price (Rp)	1,185
Target Price (Rp)	1,500
Previous Target Price (Rp)	1,500
Upside/Downside	+26.6%
No. of Shares (mn)	20,074
Mkt Cap (Rpbn/US\$mn)	23,788/1,413
Avg, Daily T/O (Rpbn/US\$mn)	23.2/1.4
Free Float (%)	32.8
Major Shareholder (%)	
Arthakencana Rayatama	59.6
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	122.4 141.7 160.8
Consensus	124.9 140.6 155.8
BRIDS/Cons (%)	(2.1) 0.8 3.2

AKRA relative to JCI Index



Source: Bloomberg

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AKR Corporindo (AKRA IJ)

1Q25 Earnings In Line; Management Remains Cautiously Optimistic

- AKRA recorded net profit of Rp565bn (-5% yoy, 23% of our/cons, in line), driven by better petroleum margin and utilities revenue.
- Management reiterates its net profit target of Rp2.4-2.6tr and land sales of ~100 ha in FY25F, and is cautiously optimistic on this year's outlook.
- AKRA will propose final dividend of Rp50/share in the next AGM. Reiterate BUY with TP of Rp1,500.

1Q25 result: In line with our and consensus expectations

AKRA reported net profit of Rp565bn in 1Q25 (-25% qoq/-5% yoy, 23% of our/cons ests. or in line). Revenue improved by 1.4% qoq/4.5% yoy, as trading and distribution revenue expanded by 6% yoy, driven by better margin on the petroleum business despite still declining volume (-5% yoy). Trading & distribution margin improved by 70 bps yoy, despite being 180 bps qoq lower than 4Q24. AKRA recorded no land sales in 1Q25, yet utilities revenue surged by 600% yoy due to the ramp-up in usage by tenants (i.e., Freeport). Due to the early stage of utilities ramp-up and lack of land sales, margin on both segments declined by 10 bps qoq/140 bps yoy.

Management reiterates guidance, cautiously optimistic for rest of year

Management reiterates its guidance of ~100 ha land sales and a net profit of Rp2.4-2.6tr in FY25F. Management expects the general industry, which accounted for 53% of total petroleum sales in 1Q25 vs 37% in 1Q24, to still contribute significantly to the petroleum business. Thus, we think margin should recover, though not to the FY23 level. Despite the observed higher traction in the retail fuel business, with a BEP target at the end of FY24, the contribution is small at a single digit to total revenue. Chemical volume is expected to recover in 2Q25F, as AKRA will obtain additional supply from a new supplier. AKRA expects to record ~20ha of land sales in 2Q25F from Golden Elephant Indonesia, a JV of a fertilizer chemical company from China and 3 other companies. Additionally, it expects revenue contribution from utilities to improve further given the ramp-up in Freeport operations (mid-May25).

Reiterate BUY with TP of Rp1,500

AKRA will have its AGM on April 28th, and will propose final dividend of Rp50/share (~4% div yield), with an 88% payout. We reiterate Buy rating for AKRA on expectation of earnings recovery in FY25 and attractive valuation of P/E of 9x (-0.5 SD of 5-year mean). Downside risk: 1) Lower land sales; 2) Petroleum margin.

Key Financials

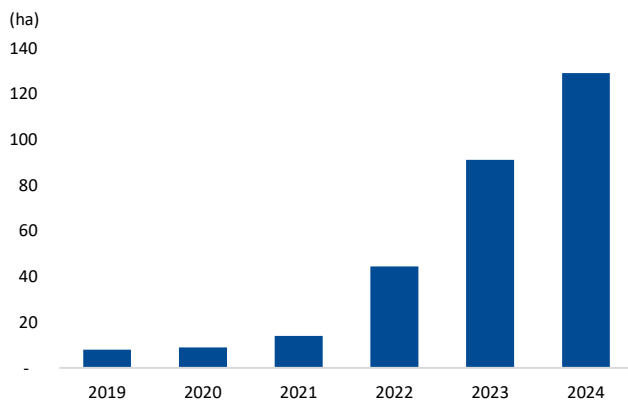
Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	42,087	38,729	43,018	45,814	48,742
EBITDA (Rpbn)	3,971	3,024	3,352	3,935	4,508
EBITDA Growth (%)	14.1	(23.9)	10.9	17.4	14.5
Net Profit (Rpbn)	2,780	2,225	2,457	2,844	3,227
EPS (Rp)	138.5	110.8	122.4	141.7	160.8
EPS Growth (%)	15.7	(20.0)	10.4	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)	8.6	10.7	9.7	8.4	7.4
PBV (x)	2.1	2.1	1.9	1.8	1.7
Dividen yield (%)	8.3	9.6	7.7	8.5	9.8
EV/EBITDA	5.4	7.7	6.8	5.7	4.9

Source: AKRA, BRIDS Estimates

Exhibit 1. AKRA's 1Q25 Result Summary

AKRA (in Rpbn)	1Q24	4Q24	1Q25	QoQ, %	YoY, %	FY25 (BRIDS)	A/F, %	FY25 (Cons)	A/C, %
Revenue	9,811	10,117	10,256	1.4	4.5	43,018	24	41,138	25
Gross profit	894	1,156	927	(19.9)	3.6	3,942	24	4,048	23
Operating income	700	886	686	(22.6)	(2.0)	2,900	24	3,039	23
EBITDA	822	1,020	806	(21.0)	(1.9)	3,352	24	3,513	23
Net income	595	755	565	(25.2)	(5.1)	2,457	23	2,491	23
Margins, %									
Gross margin	9.1	11.4	9.0	(2.4)	(0.1)	9.2		9.8	
Operating margin	7.1	8.8	6.7	(2.1)	(0.4)	6.7		7.4	
EBITDA margin	8.4	10.1	7.9	(2.2)	(0.5)	7.8		8.5	
Net margin	6.1	7.5	5.5	(2.0)	(0.6)	5.7		6.1	
Revenue Breakdown									
Trading & distribution	9,023	9,232	9,575	4%	6%				
Manufacturing	161	153	128	-16%	-20%				
Logistic	218	336	294	-12%	35%				
Industrial estates & utilities	410	397	258	-35%	-37%				
GPM Breakdown									
Trading & distribution	7.1	9.7	7.8	(1.8)	0.7				
Manufacturing	43.4	43.9	41.5	(2.4)	(1.9)				
Logistic	(16.4)	(3.2)	(3.7)	(0.5)	12.7				
Industrial estates & utilities	52.8	51.5	51.4	(0.1)	(1.4)				

Source: Company, Bloomberg, BRIDS Estimates

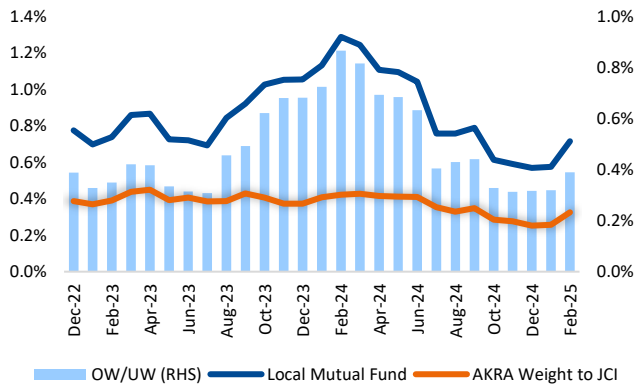
Exhibit 2. AKRA's JIPE Land Sales


Source: Company, BRIDS

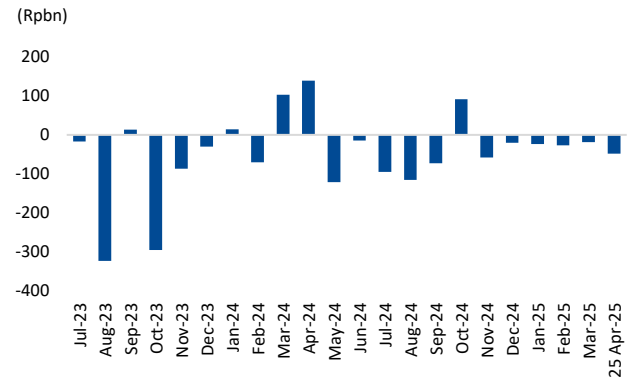
Exhibit 3. AKRA's Trading and Distribution Revenue


Source: Company, BRIDS Estimates

Exhibit 4. AKRA's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 5. AKRA's Historical Foreign Flows as of 25th Apr25


Source: IDX, BRIDS

Exhibit 6. Forward P/E Band



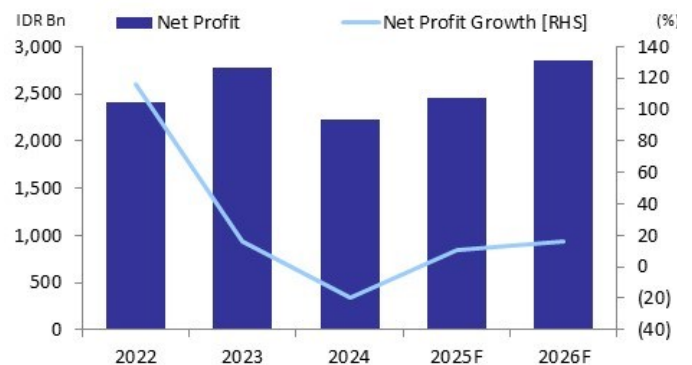
Source: Bloomberg, Company, BRIDS Estimates

Exhibit 7. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 8. Net Profit and Growth



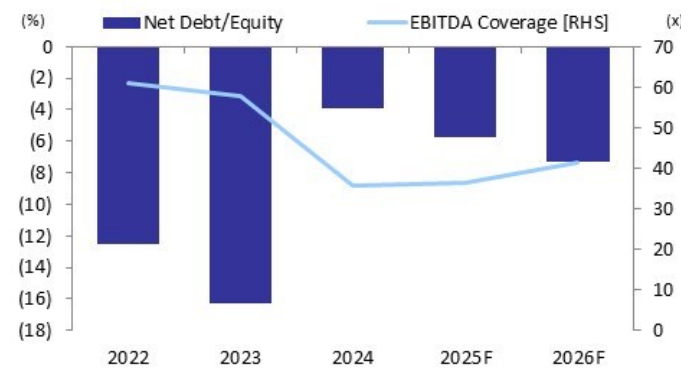
Source: Company, BRIDS Estimates

Exhibit 9. Margins



Source: Company, BRIDS Estimates

Exhibit 10. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 11. 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 12. 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's Funds	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 13. 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)
Other Oper. 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 14. 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

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