

15 Juli 2019

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BUY

 LP 1,565/Share
 TP 2,040/Share
 (+30.35% Upside)

General Information

Ticker	ADHI
52-week range	1,100 - 1,845
YTD Return (%)	-4.28%
VS JCI (%)	3.11%
Last Price (IDR per share)	1,565
Target Price	2,040
Share Outstanding (Mn shares)	3,561
Market Cap (Rp tn)	4.74
Sector	Infrastructure

Source: Company & Profindo estimates

Shareholder

Republic of Indonesia	51.00%
Public	49.00%

Source: Company

Year	Payment
2013	67.61
2014	35.98
2015	26.23
2017	28.95

Source: IDX

Stock Price


Source: Proclick

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Kinerja Q1 2019 Tumbuh 3%

PT Adhi Karya (Persero) mencatatkan pendapatan usaha Rp 2.328 triliun sepanjang kuartal I-2019. Jumlah ini menurun 25.90% jika dibandingkan kuartal I-2018 yang mencapai Rp 3.141 triliun. Kontributor utama pendapatan usaha ADHI adalah jasa konstruksi sebesar 77.90%. Perseroan mencetak laba bersih Q1 2019 sebesar Rp75.619 miliar, atau meningkat tipis 3.06% dibandingkan laba bersih Q1 2018 Rp73.376 miliar. Peningkatan laba bersih perseroan berkontribusi dari bagian laba ventura bersama sepanjang Q1 2019 sebesar Rp80.473 miliar. Jumlah aset perseroan menurun 1.0% menjadi Rp29,826 miliar seiring menurunnya utang sebesar 1.5% menjadi Rp23,465 miliar.

Target Kontrak Baru dan Katalis ADHI di 2019

ADHI menargetkan pencapaian kontrak baru sepanjang 2019 sebesar Rp30.5 triliun, meningkat 22.98% dibandingkan penerimaan kontrak baru di tahun 2018 sebesar Rp24.8 triliun. Seiring peningkatan target kontrak baru tersebut, pendapatan usaha sepanjang 2019 diproyeksikan sebesar Rp18.4 triliun dari *non-join operation*.

ADHI mencatatkan pencapaian kontak baru selama semester I 2019 sebesar Rp5.4 triliun, mencerminkan 18% dari total target kontrak baru. Penyelesaian proyek LRT fase I jabodetabek yang digarap oleh perseroan telah mencapai 63.127%. Dari proyek tersebut, pembayaran interim yang telah diterima perseroan hingga termin III sebesar Rp7.1 triliun.

Pembentukan Holding BUMN infrastruktur serta pemindahan Ibu Kota negara menjadi katalis positif bagi kinerja ADHI di semester II 2019. Kami menilai manfaat dari aksi holding tersebut akan memperkuat arus kas pendanaan dan investasi ADHI, memperkuat leverage, serta meningkatkan kapasitas ADHI dalam menggarap proyek-proyek infrastruktur. Sedangkan proyek pemindahan Ibu Kota memiliki potensi nilai mencapai Rp300 triliun untuk jangka panjang.

Valuasi

Berdasarkan metode FCFF, dengan asumsi WACC 12.34% dan terminal growth 3%, kami memproyeksikan target harga ADHI FY 2019 sebesar Rp2,040 dengan tingkat PBV 2019F sebesar 1.12x, lebih rendah dibandingkan dengan PBV industri sebesar 1.13x. Kami merekomendasikan *BUY* dengan potensial upside 30.35%.

Exhibit 1. Simplified Balance Sheet (in Billions of Rupiah)

	2017	2018	2019 F	2020 F
Cash and cash equivalents	4,131	3,263	7,197	7,593
Accounts receivable	2,923	3,355	3,962	4,149
Inventories	3,683	4,361	3,383	3,665
Gross amount due costumers	11,328	11,254	10,736	11,631
Other current asset	2,753	3,197	3,332	3,448
Total current asset	24,818	25,430	28,609	30,486
Fixed asset	1,521	1,573	1,858	2,013
Other non current asset	1,994	3,116	3,116	3,116
Total non current asset	3,515	4,689	4,974	5,129
Total asset	28,333	30,119	33,583	35,614
Account payables	11,611	6,784	8,108	8,784
Bank loans	3,537	3,664	4,379	4,695
Bond payables	125	250	250	250
Other current liabilities	2,360	8,267	8,267	8,267
Total current liabilities	17,633	18,964	21,004	21,996
Bank loans and MTN	925	1,147	1,371	1,391
Bond payables	3,740	3,492	4,174	4,630
Other non current liabilities	164	229	229	229
Total non current liabilities	4,830	4,869	5,775	6,251
Total Liabilities	22,463	23,833	26,778	28,247
Equity	5,870	6,285	6,804	7,367
Total liabilities and equity	28,333	30,119	33,582	35,614

Source: Company and Profindo estimates

Exhibit 2. Simplified Income Statement (in Billions of Rupiah)

	2017	2018	2019F	2020F
Revenues	15,156	15,655	18,489	20,031
growth (%)		3%	18%	8%
Cost of Revenues	(13,098)	(13,149)	(15,715)	(17,026)
Gross profit	2,058	2,507	2,773	3,005
Adm and general expense	(554)	(674)	(732)	(796)
Selling expense	(27)	(34)	(37)	(40)
Income from operation	1,477	1,799	2,004	2,169
Share of profit of construction JV	231	134	159	172
Other income (Expenses) net	(306)	(242)	(286)	(309)
Beban Pajak Penghasilan Final	(438)	(518)	(612)	(663)
Financial charges	(445)	(524)	(610)	(658)
Profit/loss before tax	519	649	655	711
Income tax	(2)	(4)	(6.55)	(7.11)
Profit/loss for the year	517	645	649	703

Source: Company and Profindo estimates

Exhibit 3. Simplified Cash Flow (in Billions of Rupiah)

	2017	2018	2019 F	2020 F
Cash Flow from Operating	(2,191)	732	3,313	75
Cash Flow from Investing	(270)	(1,174)	(285)	(155)
Cash Flow from Financing	3,227	(426)	906	476

Source :Company and profindo estimates

Exhibit 4. Financial Ratio

	2017	2018	2019 F	2020 F
Profitability Ratio				
Return on assets (ROA)	1.8%	2.1%	1.9%	2.0%
Return on equity (ROE)	8.8%	10.3%	9.5%	9.5%
Gross profit margin	13.6%	16.0%	15.0%	15.0%
Net operating margin	9.7%	11.5%	10.8%	10.8%
Net profit margin	3.4%	4.1%	3.5%	3.5%
Liquidity Ratio				
Current Ratio	1.4	1.3	1.4	1.4
Quick Ratio	1.2	1.1	1.2	1.2
Working Capital (Million)	7,184	6,465	7,605	8,490
Solvability Ratio				
Debt to equity	383%	379%	394%	383%
Debt ratio	79%	79%	80%	79%
Time interest earning ratio (TIER)	3.32	3.43	3.28	3.30
Activity Ratio				
Inventory Days	103	121	79	79
Trade Receivables (Debtor) Days	70	78	78	76
Creditors Days	324	188	188	188
Fixed Asset Turnover	9.97	9.95	10.0	10.0
Asset Turnover	0.5	0.5	0.6	0.6

Source: Profindo estimates

Exhibit 5. Order Book (in trillion Rupiah)

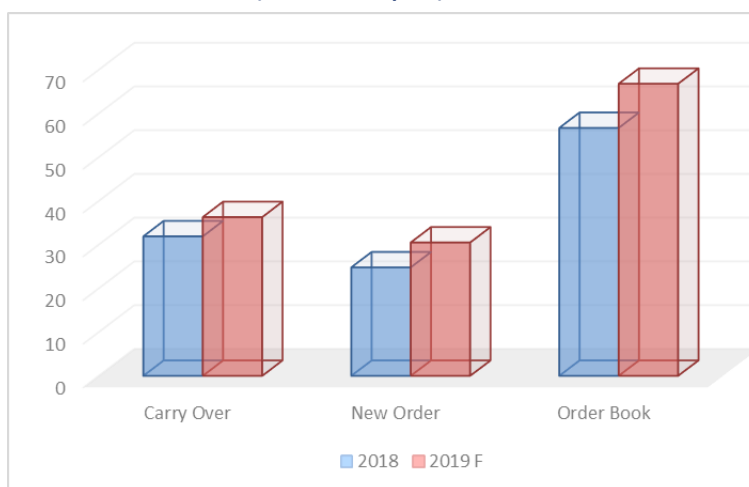
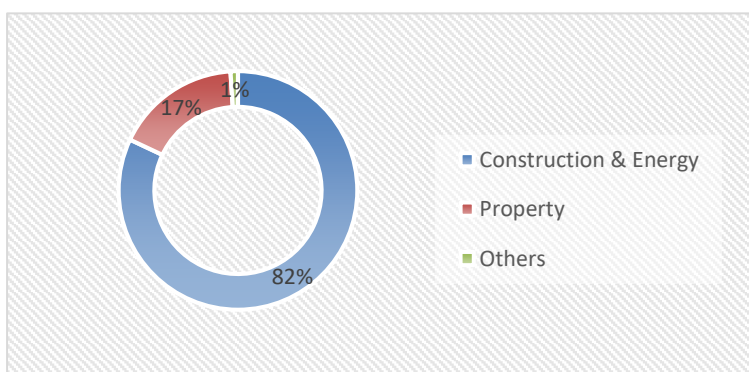


Exhibit 5. Business Line in New Contract Achievement



Source : Company

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PERWAKILAN SERANG

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Profindo Stock Rating

BUY : The share price is expected to increase by 20% or more
ACCUMULATE: The share price is expected to increase at least by 10%
HOLD : The share price is expected to move within range of +/- 10%
REDUCE: The Share price is expected to decline within range of 10% - 20%
SELL : The share price is expected to decline by more than 20%

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