

23 Agustus 2019

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BUY

LP 368/Share
TP 690/Share
(+87.50% Upside)

General Information

Ticker	ALDO
52-week range	256 - 2,520
YTD Return (%)	-9.43%
VS JCI (%)	1.71%
Last Price (IDR per share)	368
Target Price	690
Share Outstanding	1,100,000,000
Market Cap	404,800,000,000
Subsector	Pulp & Paper

Source: Company & Profindo estimates

Shareholder

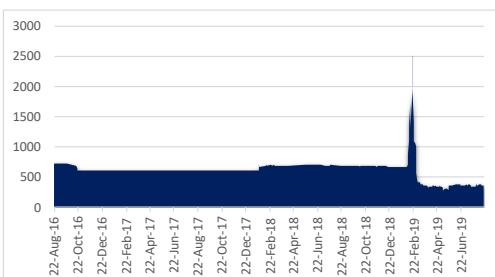
PT Golden Arista Internasional	77.81%
Lili Mulyadi Sutanto	3.83%
Herwanto Sutanto	2.24%
Erik Sutanto	1.09%
Irene Sastromijoyo	2.49%
Public	12.54%

Source: Company

Year	Dividen Payment
2019	1.10
2018	1.60
2017	-
2016	-
2015	-

Source: IDX

Stock Price



Source: Proclick

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ALDO Bukukan Pertumbuhan Laba Bersih 1H 2019

PT. Alkindo Naratama Tbk (ALDO) mencatatkan pendapatan usaha Rp 33.7 miliar sepanjang 1H 2019. Jumlah tersebut meningkat signifikan 137% dibandingkan laba 1H 2018 sebesar Rp 14.2 miliar. Capaian tersebut mencerminkan net profit margin sebesar 5.98%. Peningkatan ini terdorong peningkatan other income perseroan 115% menjadi Rp2.5 M serta penurunan signifikan dari other expenses 98.4% menjadi Rp 89.5 juta.

Katalis

Penjualan terbanyak ALDO saat ini berasal dari industri makanan dan minuman serta tekstil. Berdasarkan data Kementerian Perindustrian, industri makanan dan minuman mengalami pertumbuhan hingga 7.91% sepanjang tahun 2018. Sektor makanan dan minuman masih menjadi kontribusi terbesar bagi industri kemasan hingga 68%. Hingga tahun 2022 diprediksi industri ini akan terus meningkat seiring tren *ready to eat*. Kenaikan dalam industri ini diharapkan dapat meningkatkan permintaan produk *papercore* yang diproduksi ALDO.

ALDO merupakan market leader dalam memproduksi *Papertube*. Perseroan memasok *Papertube* ke industri tekstil sebagai gulungan pada benang polyester. Industri tekstil mencatatkan pertumbuhan 10.82% YoY di kuartal IV 2018. Dengan peningkatan industri ini, permintaan *Papertube* akan mengalami peningkatan.

Akuisisi Eco Paper Indonesia (EPI) oleh ALDO akan menambah kapasitas produksi segmen paper converting sebesar 68,840 ton di tahun ini. Dengan akuisisi tersebut, segmen paper converting diproyeksi berkontribusi 46% terhadap total revenue di tahun ini. Kapasitas produksi akan terus diperbesar mencapai 72,750 ton hingga tahun 2022.

Valuasi : Value Stock

Berdasarkan metode *Free Cash Flow to Firm (FCFF)*, kami memproyeksi target harga ALDO Rp 690 per lembar saham dengan tingkat PER dan PBV FY 2019 masing – masing sebesar 20.64x dan 2.46x. Kami merekomendasikan *buy* ALDO dengan potensial upside +87.50%.

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

	2017	2018	2019 F	2020 F
Cash	9,115	12,090	26,692	45,868
Trade receivable	192,426	203,140	224,186	238,882
Inventories - Net	131,016	144,343	163,567	173,345
Other current assets	16,106	13,772	22,619	33,849
Total Current Assets	348,662	373,344	437,065	491,944
Fixed assets - net	147,610	149,709	147,266	143,742
Other non-current asset	2,429	3,076	3,690	4,059
Total Non-Current Assets	150,039	152,785	150,956	147,801
Total Asset	498,702	526,129	588,021	639,746
Trade payable	158,995	146,728	166,270	177,170
Other payables	993	282	254	229
Short-term bank loans	68,512	72,337	75,954	78,233
Other current liabilities	13,552	12,106	12,106	12,106
Total Current Liabilities	242,051	231,454	254,584	267,737
Long term liabilities	18,310	14,056	16,149	17,097
Other non-current liability	8,917	9,029	9,029	9,029
Total Non-Current Liabilities	27,228	23,085	25,178	26,126
Total Liabilities	269,279	254,539	279,762	293,864
Equity	229,423	271,590	308,258	345,882
Total Liabilities and equity	498,702	526,129	588,021	639,746

Source: Company and Profindo estimates

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

	2017	2018	2019 F	2020 F
Net revenues	708,741	789,644	871,453	928,580
Cost of revenues	(588,936)	(638,295)	(723,306)	(770,722)
Gross Profit	119,805	151,349	148,147	157,859
Selling expenses	(23,628)	(28,705)	(30,366)	(33,056)
G&A expenses	(46,493)	(49,449)	(52,287)	(56,932)
Other operating expenses	(1,669)	(4,635)	(3,761)	(4,108)
Operating Expenses	48,014	68,559	61,733	63,762
Finance income	28	29	39	85
Finance cost	(9,421)	(11,380)	(11,047)	(11,940)
Income Before Final Tax	38,622	57,208	50,725	51,907
Income tax expense	(9,586)	(14,702)	(12,847)	(13,147)
Income For The Year	29,035	42,506	37,878	38,760

Source: Company and Profindo estimates

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

	2017	2018	2019 F	2020 F
Cash Flow from Operating	12,706	17,371	20,717	27,454
Cash Flow from Investing	(47,210)	(9,722)	(10,614)	(10,369)
Cash Flow from Financing	34,590	4,725	4,500	2,091

Source: Company and Profindo estimates

Exhibit 4. ALDO's Financial Ratios

Liquidity Ratio	2017	2018	2019F	2020F
Current Ratio	1.4	1.6	1.7	1.8
Quick Ratio	0.9	1.0	1.1	1.2
Solvabilitas Ratio	2017	2018	2019F	2020F
Debt Ratio	54.00%	48.38%	47.58%	45.93%
Debt to Equity	117.37%	0.00%	0.00%	0.00%
Equity Multiplier	217%	194%	191%	185%
Profitabilitas Ratio	2017	2018	2019F	2020F
GPM	16.90%	19.17%	17.00%	17.00%
OPM	6.77%	8.68%	7.08%	6.87%
NPM	4.10%	5.38%	4.35%	4.17%
Return on Asset (ROA)	5.82%	8.08%	6.44%	6.06%
Return on Equity (ROE)	12.66%	15.65%	12.29%	11.21%
Market Ratio	2017	2018	2019F	2020F
Earning Per Share	26	39	34	35
Price to Earning Ratio	0.00	10.51	20.04	19.58
Book Value per share	209	247	280	314
Price to Book Value	0.00	1.64	2.46	2.19
Activity Ratio	2017	2018	2019 F	2020F
Inventory Turnover	4.50	4.42	4.42	4.45
Receivables Turnover	3.68	3.89	3.89	3.89
Fixed Asset Turnover	4.80	5.27	5.92	6.46
Total Asset Turnover	1.42	1.50	1.48	1.45

Source: Company and Profindo estimates

Exhibit 5. Major Assumption (Ton)

Tahun	B-Kraft	Grey Board	Core Board
Okt-Des 2018	1,803	3,697	9,101
2019	40,078	11,213	17,550
2020 - 2022	43,988	11,213	17,550
Utilization	85%	65%	90%

Source : Company and Profindo estimates

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