

BUY

Last price	Rp 905
Target price	Rp 1,050
Upside potential	16.0 %

(in IDR, mn.)

General Information	
Ticker	ARNA:J
Sector	Consumer discretionary
52-week range	760 - 1,120
Year-to-date return	13.13 %
Last price (4 Nov 2022)	905
Target price	1,050
Shares outstanding	7,271,198,676
Market cap.	6,580,434,801,780
Free float	3,494,024,276
Earnings per share (Dec 2021)	44.35

Source: company, Profindo research

(in IDR, mn.)

Shareholder structure	
Tandean Rustandy	37.68 %
PT Suprakreasi Eradinamika	14.26 %
Public (each below 5% ownership)	48.06 %
Total	100.00 %

Source: company, Profindo research

Research analyst:

Setya Pambudi

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Company Overview

PT Arwana Citramulia Tbk (ARNA) merupakan perusahaan yang bergerak di bidang industri keramik dan porselen. Perseroan mulai beroperasi secara komersial pada tanggal 23 Juni 1995 dengan beroperasinya pabrik Plant I perseroan di Pasar Kemis, Tangerang. Pada awal beroperasi, kapasitas terpasang Plant I Perseroan adalah sebesar 2.88 juta meter persegi per tahun. Saat ini, Perseroan mengoperasikan lima pabrik dengan total kapasitas terpasang sebesar 64.37 juta meter persegi.

Dalam hal pemasaran, Perseroan menggunakan anak perusahaan, PT Primagraha Keramindo, sebagai distributor tunggal bagi produk-produk perseroan yang dijual dengan merk Arwana, UNO, dan ARNA. Saat ini, PT Primagraha Keramindo terhubung dengan 44 sub-distributor dan 33 ribu toko yang tersebar di seluruh Indonesia.

Financial Performance

Perseroan mencatatkan total penjualan sebesar Rp 2,003.1 miliar pada kuartal III tahun 2022. Jumlah ini meningkat sebesar 6.2% dibanding periode yang sama tahun sebelumnya.

EBITDA Perseroan pada periode ini mengalami peningkatan sebesar 27.6%. Pada periode ini, EBITDA perseroan tercatat sebesar Rp 664.7 miliar dengan EBITDA margin sebesar 33.2%

Perseroan mencatatkan laba bersih sebesar Rp 463.0 miliar pada periode ini, dimana nilai tersebut meningkat 31.8% dibanding periode yang sama tahun sebelumnya.

Valuation

Dengan metode perbandingan usaha sejenis, Perseroan memperoleh rekomendasi BUY dengan target harga Rp 1,050. Rekomendasi ini didasarkan pada Price to Earnings growth (PEG), dengan 3 tahun earnings forecast Perseroan sebesar 16.91x.

(in ldr. mn.)	2019A	2020A	3Q21	2021A	3Q22
Simplified income statement					
Net sales	Rp 2,151,801.13	Rp 2,211,743.59	Rp 1,885,434.09	Rp 2,554,880.98	Rp 2,003,055.15
Cost of goods sold	(1,583,142.04)	(1,508,736.42)	(1,208,429.17)	(1,635,752.53)	(1,181,014.98)
Gross profit	568,659.09	703,007.17	677,004.92	919,128.45	822,040.17
Selling expenses	(219,137.23)	(208,604.40)	(163,570.02)	(228,569.27)	(161,268.54)
General and administrative expenses	(66,940.36)	(78,439.42)	(73,951.89)	(94,318.91)	(68,937.41)
EBITDA	393,355.00	523,780.16	520,841.29	700,644.75	664,677.64
Depreciation expenses	(110,773.49)	(107,816.82)	(81,358.28)	(104,404.48)	(72,843.41)
EBITA	282,581.50	415,963.34	439,483.01	596,240.27	591,834.23
Amortization expenses	-	-	-	-	-
EBIT	282,581.50	415,963.34	439,483.01	596,240.27	591,834.23
Interest expenses and other income & expenses	9,025.86	4,663.07	10,350.13	13,413.34	2,878.12
EBT	291,607.37	420,626.41	449,833.14	609,653.61	594,712.34
Tax expenses	(73,932.13)	(94,384.90)	(98,564.43)	(133,670.24)	(131,699.87)
EAT	Rp 217,675.24	Rp 326,241.51	Rp 351,268.70	Rp 475,983.37	Rp 463,012.47

(in ldr. mn.)	2019A	2020A	3Q21	2021A	3Q22
Profit Margin					
Gross profit margin	26.4 %	31.8 %	35.9 %	36.0 %	41.0 %
EBITDA margin	18.3 %	23.7 %	27.6 %	27.4 %	33.2 %
EBIT margin	13.1 %	18.8 %	23.3 %	23.3 %	29.5 %
Net profit margin	10.1 %	14.8 %	18.6 %	18.6 %	23.1 %

(in ldr. mn.)	2019A	2020A	3Q21	2021A	3Q22
Simplified balance sheet					
Assets					
Current assets					
Cash and cash equivalents	Rp 348,977.79	Rp 435,881.79	Rp 511,571.32	Rp 602,550.38	Rp 516,274.87
Trade receivables					
Related party	494,132.69	577,258.94	691,146.03	645,746.21	734,050.15
Third party - net	28,044.82	37,334.73	44,675.97	35,752.01	44,650.41
Inventories	93,726.56	122,126.02	139,824.99	158,724.78	221,335.44
Other current assets components	10,973.37	10,563.43	8,303.90	8,177.21	17,127.64
Total current assets	975,855.22	1,183,164.90	1,395,522.21	1,450,950.59	1,533,438.51
Non-current assets					
Fixed assets - net	799,758.12	767,222.50	782,157.47	766,149.63	782,963.05
Other non-current assets components	23,523.73	19,952.88	12,091.58	26,422.85	54,383.39
Total non-current assets	823,281.85	787,175.38	794,249.05	792,572.48	837,346.44
Total assets	1,799,137.07	1,970,340.29	2,189,771.26	2,243,523.07	2,370,784.95
Liabilities					
Current liabilities					
Trade payable to third parties	230,149.29	295,373.76	294,214.12	283,642.99	301,604.31
Short-term debts:					
Bank loan	46,447.56	29,703.55	33,178.15	19,606.30	43,164.41
Other current liabilities components	285,407.46	277,495.07	334,580.37	301,196.82	246,062.76
Total current liabilities	562,004.32	602,572.38	661,972.64	604,446.11	590,831.48
Non-current liabilities					
Non-current liabilities components	60,350.99	62,829.26	78,966.49	65,907.08	71,327.85
Total non-current liabilities	60,350.99	62,829.26	78,966.49	65,907.08	71,327.85
Total liabilities	622,355.31	665,401.64	740,939.13	670,353.19	662,159.34
Equity					
Equity components	1,176,781.76	1,304,938.65	1,448,832.13	1,573,169.88	1,708,625.61
Total equity	1,176,781.76	1,304,938.65	1,448,832.13	1,573,169.88	1,708,625.61
Total liabilities & equity	Rp 1,799,137.07	Rp 1,970,340.29	Rp 2,189,771.26	Rp 2,243,523.07	Rp 2,370,784.95

(in ldr. mn.)	2019A	2020A	3Q21	2021A	3Q22
Current & Debt to Equity Ratios					
Current ratio	1.74 x	1.96 x	2.11 x	2.40 x	2.60 x
Debt to equity ratio	0.04 x	0.02 x	0.02 x	0.01 x	0.03 x

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