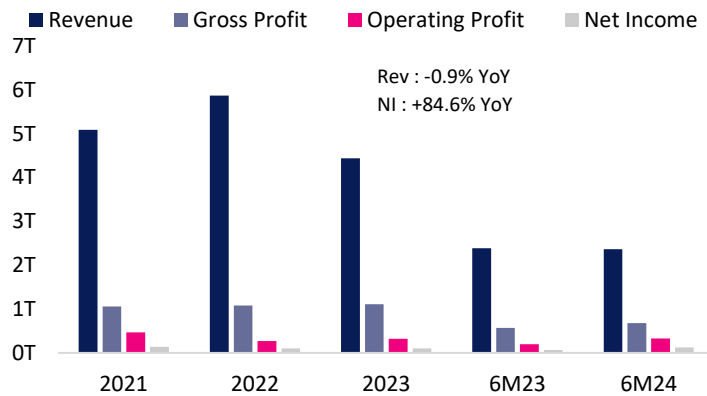
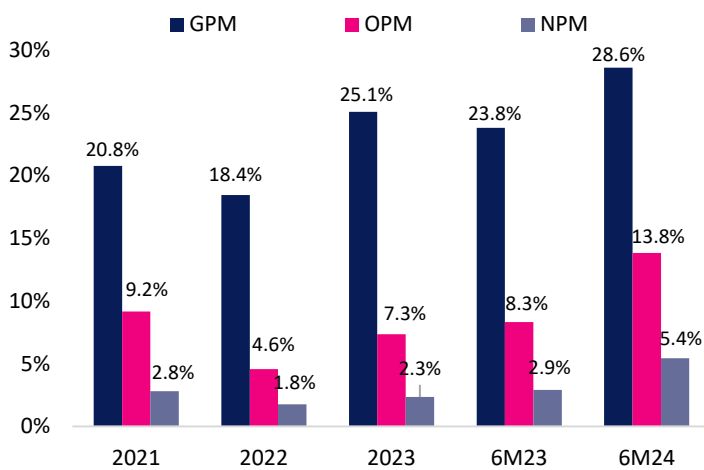


Figure 1. Income Statement (IDR Tn)



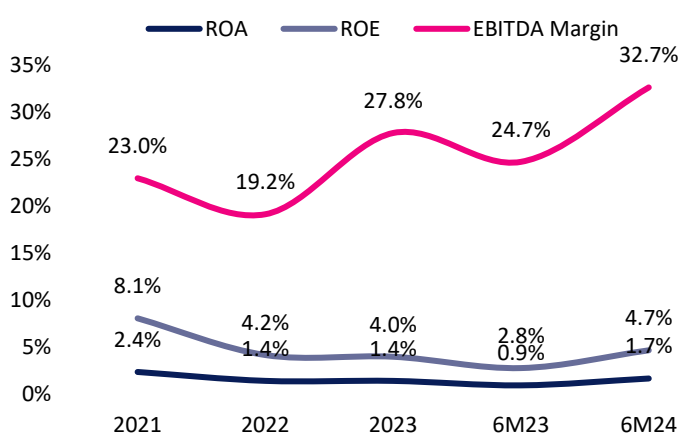
Source: Company & KSI Research

Figure 2. ASSA's Margins Figure



Source: Company & KSI Research

Figure 4. Profitability Ratio is Increase



Source: Company & KSI Research

ASSA 6M24 Highlights

ASSA recorded a -0.9% YoY decline in revenue / IDR 2.37Tn in 6M24 (vs 6M23 IDR 2.39Tn), and an 84.6% YoY increase in net profit / IDR 128.4Bn (vs 6M23 IDR 69.6Bn). This positive profit was driven by efficiency efforts and improvements in the express business. Anteraja's operating profit rose to IDR 53.2Bn from net loss, auction business operating profit grew 99% YoY / IDR 46.6Bn, followed by vehicle sales grew 26.9% YoY / IDR 80.4Bn, while transportation business slightly decreased.

In 6M24 ASSA had improved margin ratios and returns, GPM 28.6% (vs 6M23 23.8%), OPM 13.8% (vs 6M23 8.3%), NPM 5.4% (vs 6M23 2.9%), ROA 1.7% (vs 6M23 0.9%) and ROE 4.7% (vs 6M23 2.8%). This increase was due to significantly improved net profit with efficiency measures reducing cost of revenue by 7.1% YoY / IDR 1.7Tn, G&A expenses down 8.40% YoY / IDR 350.5Bn resulting in a significant increase in net profit.

2024 Target

ASSA maintain its conservative target of double-digit net profit growth and revenue growth of around 5-10% YoY. CAPEX absorption amounted to Rp577.6 Bn as of 1H24 (out of a total target of IDR 1.3-1.5 Tn), the majority of which was used for rejuvenation and purchase of vehicles for which demand continues to grow.

Comment

We see ASSA has the potential for performance recovery and revenue growth by the end of 2024 by further developing the logistics division, ASSA is also consistently developing the B2B vehicle rental business by following market demand, and ASSA has allocated capital expenditure of IDR1.3-1.5 Tn which is used for fleet rejuvenation. ASSA is currently trading at Rp760, has a fair value of Rp990 with a P/E of 11.5x (vs 2Y Avg 13.1x) and has a PBV of 1.4x (vs 2Y Avg 2.0x).

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