Company Update

PT Elnusa Tbk (ELSA)

Mining contraction

KB Valbury Sekuritas

Boosted by normalized mobility

14 June 2022

Recommendations : BUY

Stock	
Price on 13/06/2022 (Rp)	302
12M target price (Rp)	378
Capital gain potential	25%

Stock Data	
Outstanding shares	7,298,500,000
Market cap (Rp)	2,204,147,000,000
Weight VS IHSG (%)	0.04

Shareholders	(%)
PT Pertamina Hulu Energi	51,10%
Public	48,90%
Outstanding Shares (unit)	7.298.500.000

Price Performance	
52-week high/low	Rp360/Rp240

Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
7.86	*5.59*	*5.59*	*(6.21)*	*9.42*

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	8,137	9,559	10,486
Operating Income	287	465	534
OPM (%)	3.53%	4.86%	5.09%
EBITDA	907	1,149	1,284
EV to EBITDA (x)*	2.21	1.93	1.70
Net Income	109	269	311
NPM (%)	1.34%	2.81%	2.96%
EPS (Rp)	15	37	43
EPS Growth (%)	-56.3%	147.1%	15.6%
Price Earnings (x)*	18.52	8.20	7.10
Price to Book (x)*	0.53	0.55	0.52
Price to Sales (x)*	0.25	0.23	0.21
Return on Equity (%)	2.88%	6.76%	7.39%
Return on Assets (%)	1.50%	3.57%	3.89%
Tot Debt/Equity (x)	0.30	0.29	0.28

**) based on market price (13/06/2022) at Rp302*
Sources :Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)
Devi Harjoto
Alfiansyah

Laba bersih ELSA mencapai Rp74,93 miliar pada 1Q22
Terbentuk subholding hulu migas dan kenaikan moblitas jadi katalis utama
Rekomendasi “BUY” dengan target Rp378 per saham

Kenaikan laba bersih diikuti oleh margin yang naik

Laba bersih ELSA naik 4.563,0% YoY pada 1Q22 menjadi Rp74,93 miliar (+5,3% QoQ). Kenaikan pendapatan ditopang oleh kenaikan pendapatan 34,4% YoY pada 1Q22 menjadi Rp2,45 triliun (+1,2% QoQ). GPM meningkat dari 6,6% pada 1Q21 menjadi 8,2% pada 1Q22 ditengah kenaikan beban pokok 32,1% YoY pada 1Q22 akibat meningkatnya biaya subkontraktor. Kemudian, beban operasional naik 21,2% YoY pada 1Q22 ditengah kenaikan beban umum dan administrasi dari gaji pegawai. Namun, margin operasional tetap meningkat dari 2,7% pada 1Q21 menjadi 4,6% pada 1Q22. ELSA mencatatkan keuntungan forex netto Rp9,3 miliar pada 1Q22 dibandingkan kerugian Rp5,23 miliar pada tahun sebelumnya. Adapun, beban bunga juga berhasil turun 31,5% YoY pada 1Q22 dari penurunan beban bunga pinjaman. ELSA berhasil mempertahankan *net cash* pada 1Q22.

Peningkatan segmen distribusi mendorong performa

Pendapatan ELSA pada 1Q22 ditopang oleh segmen distribusi dan logistik yang meningkat 38,7% YoY, disusul oleh jasa hulu migas terintegrasi yang juga tumbuh 22,9% YoY. Namun, GPM untuk segmen logistik dan distribusi migas turun dari 9,9% pada 1Q21 menjadi 7,8% pada 1Q22. Sedangkan, GPM untuk segmen jasa hulu migas terintegrasi mencapai 5,7% pada 1Q22 dibandingkan rugi kotor pada tahun sebelumnya. Sementara itu, GPM untuk segmen pendukung migas, yang tumbuh 15,5% YoY pada 1Q22, cenderung stabil pada 13,1%. Secara kontribusi, pendapatan ELSA pada 1Q22 masih didominasi oleh segmen logistik dan distribusi migas yang mencapai 53,5% pada 1Q22, naik dibandingkan dengan 50,1% pada tahun sebelumnya. Kontribusi jasa hulu migas terintegrasi turun dari 36,0% pada 1Q21 menjadi 34,1% pada tahun 1Q22. Sepanjang 1Q22, ELSA mencatatkan kontrak sebesar Rp6 triliun, terutama dari jasa logistic dan distribusi.

Performa diproyeksi semakin kuat pada 2022

Kami menaikkan proyeksi pendapatan ELSAA pada 2022 menjadi Rp10 triliun, dengan laba bersih yang mencapai Rp269 miliar, yang ditopang dari segmen hulu, ditengah pembentukan SHU dan synergy dengan Pertamina, dan hilir ditengah mobilitas yang meningkat ditambah dengan pembangun infrastruktur TBBM dan LPG. Kami menilai kenaikan harga minyak, yang bergerak diatas USD110 per barrel pada 2Q22. Kami memperkirakan sepanjang tahun ini, harga Brent dapat terus berada diatas USD100 per barrel, dengan mempertimbangkan konflik geopolitik setidaknya hingga 3Q22 dan juga kapasitas yang terbatas dari negara OPEC+. Sehingga, realisasi penambahan produksi belum tentu dapat terealisasi. Kenaikan harga minyak tersebut akan atraktif untuk mendorong realisasi proyek terutama untuk segmen hulu.

Rekomendasi “BUY” focus untuk mendorong investasi migas

Kami mempertahankan rekomendasi BUY dengan target harga Rp378 per saham, yang merefleksikan valuasi PE 2022E 8,20x. Kami memproyeksi performa ELSA akan terbantu oleh 1) kenaikan moblitas dari ritel; 2) investasi migas yang meningkat ditengah insentif fiscal pemerintah; dan kenaikan harga minyak; 3) performa dari jasa logistic dan distribusi yang cenderung lebih stabil; dan 4) dukungan dari parent company Pertamina yang mengelola blok yang dialihkan. Namun, kami mencatat beberapa resiko dari 1) perolehan kontrak yang lebih lambat dari perkiraan 2) koreksi harga minyak dunia karena adopsi sumber energy non-fosil; 3) fluktuasi nilai tukar dan 4) perubahan kebijakan migas

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Mining contraction

FINANCIAL OVERVIEW

Income Statement (Rp bn)	1CQ2021	1CQ2022	YoY Change	4Q2021	1Q2022	QoQ Change
Revenue	**1,819**	**2,445**	*34.4%*	**2,417**	**2,445**	*1.2%*
Cost of Revenue	(1,699)	(2,245)	*32.1%*	(2,191)	(2,245)	*2.5%*
Gross Profit	**120**	**200**	*66.8%*	**226**	**200**	*(11.3%)*
Gross Margin (%)	***6.6%***	***8.2%***		***9.3%***	***8.2%***	
Operating Expenses	(72)	(87)	*21.2%*	(92)	(87)	*(5.3%)*
Operating Profit	**48**	**113**	*134.4%*	**134**	**113**	*(15.4%)*
Operating Margin (%)	***2.7%***	***4.6%***		***5.5%***	***4.6%***	
Non-Operating Income (Losses)	(29)	(7)	*(74.9%)*	(22)	(7)	*(66.9%)*
Pretax Income	**20**	**106**	*440.9%*	**112**	**106**	*(5.3%)*
Income Tax (Expense)/ Benefit	(18)	(31)	*72.4%*	(41)	(31)	*(23.7%)*
Profit for This Year	**2**	**75**	*4563.0%*	**72**	**75**	*5.1%*
Net Profit (Losses)	**2**	**75**	*4563.0%*	**72**	**75**	*5.3%*
Profit Margin (%)	***0.1%***	***3.1%***		***2.9%***	***3.1%***	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	**7,727**	**8,137**	**9,559**	**10,486**	**11,173**
Revenue growth yoy	*(7.8%)*	*5.3%*	*17.5%*	*9.7%*	*6.6%*
- Cost of Goods Sold	(6,984)	(7,491)	(8,790)	(9,621)	(10,230)
Gross Income	**742**	**645**	**769**	**865**	**944**
- Operating Expenses	(341)	(358)	(305)	(331)	(390)
Operating Income	**401**	**287**	**465**	**534**	**553**
Op income growth yoy	*(24.8%)*	*(28.4%)*	*61.8%*	*14.9%*	*3.7%*
- Non Operating Gains (Losses)	*(56)*	*(84)*	*(96)*	*(105)*	*(112)*
EBITDA	**1,063**	**907**	**1,149**	**1,284**	**1,353**
Pretax Income	**345**	**203**	**368**	**429**	**441**
- Income Tax Expense	(96)	(94)	(99)	(118)	(123)
Profit for This Year	**249**	**109**	**269**	**311**	**318**
Net Income	249	109	269	311	318
Net income growth yoy	*(30.1%)*	*(56.3%)*	*147.1%*	*15.6%*	*2.5%*
EPS (Rp)	**34**	**15**	**37**	**43**	**44**
Dividends Per Share (Rp)	**10**	**4***	**9**	**11**	**11**

Sources: Company, Bloomberg and KB Valbury Sekuritas

**) Estimate*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	**4,217**	**4,447**	**4,640**	**4,965**	**5,294**
+ Cash & Near Cash Items	1,232	1,145	1,139	1,205	1,258
+ Accounts & Notes Receivable	2,150	2,288	2,426	2,605	2,797
+ Inventories	273	323	342	367	394
+ Other Current Assets	562	691	733	787	845
Total Long-Term Assets	**3,345**	**2,788**	**2,885**	**3,023**	**3,218**
+ Property, Plant & Equip, Net	2,149	1,900	1,944	2,057	2,237
Property, Plant & Equip	5,892	6,138	6,666	7,229	7,909
Accumulated Depreciation	3,743	4,238	4,722	5,173	5,672
+ Long Term Investments	377	51	52	54	56
+ Other Long Term Assets	819	837	889	912	925
Total Assets	**7,563**	**7,235**	**7,525**	**7,988**	**8,512**
Total Current Liabilities	**2,573**	**2,561**	**2,592**	**2,765**	**2,972**
+ Payables & Accruals	1,759	2,036	2,104	2,305	2,520
+ Short Term Borrowings	653	383	369	363	374
+ Other Short Term Liabilities	161	142	119	98	77
Total Long Term Liabilities	**1,248**	**895**	**958**	**1,019**	**1,104**
+ Long Term Borrowings	1,100	749	785	816	858
+ Other Long Term Borrowings	148	147	173	203	246
Total Liabilities	**3,822**	**3,457**	**3,550**	**3,784**	**4,075**
+ Share Capital & APIC	1,166	1,166	1,166	1,166	1,166
+ Retained Earnings & Other Eq.	2,625	2,659	2,860	3,092	3,329
+ Other Equity	(51)	(48)	(52)	(56)	(60)
Total Shareholders Equity	**3,739**	**3,777**	**3,974**	**4,202**	**4,434**
+ Minority/Non Controlling Int.	2	2	2	2	2
Total Equity	**3,741**	**3,778**	**3,976**	**4,204**	**4,436**
Total Liabilities & Equity	**7,563**	**7,235**	**7,525**	**7,988**	**8,512**
Book Value Per Share (IDR)	**512**	**517**	**544**	**576**	**608**

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	249	109	269	311	318
+ Depreciation & Amortizatior	662	620	684	750	800
+ Other Non-Cash Adj.	17	276	305	334	356
Cash From Operating Activities	**928**	**1,005**	**1,257**	**1,395**	**1,474**
+ Disposal of Fixed Assets	4	1	1	1	2
+ Capital Expenditures	(429)	(331)	(611)	(670)	(714)
+ Other Investing Activities	(58)	(32)	(52)	(21)	(11)
Cash From Investing Activities	**(483)**	**(362)**	**(661)**	**(690)**	**(723)**
+ Dividends Paid	(89)	(75)	(68)	(79)	(81)
+ Change in long Term Bor.	23	(668)	(544)	(539)	(628)
+ Other Financing Activities	(3)	13	10	(22)	11
Cash From Financing Activities	**(69)**	**(730)**	**(602)**	**(640)**	**(698)**
Net Changes in Cash	**376**	**(87)**	**(6)**	**66**	**53**

Sources: Company, Bloomberg and KB Valbury Sekuritas

RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	9.93	18.52	8.20	7.10	6.93
EV to EBIT*	7.47	6.97	4.77	4.08	3.94
EV to EBITDA*	2.82	2.21	1.93	1.70	1.61
Price to Sales*	0.32	0.25	0.23	0.21	0.20
Price to Book*	0.66	0.53	0.55	0.52	0.50
Dividend Yield*	3.0%	1.3%**	3.1%	3.6%	3.7%
Profitability Ratios					
Gross Margin	9.61%	7.93%	8.05%	8.25%	8.45%
EBITDA Margin	13.76%	11.15%	12.02%	12.25%	12.11%
Operating Margin	5.19%	3.53%	4.86%	5.09%	4.95%
Profit Margin	3.22%	1.34%	2.81%	2.96%	2.85%
Return on Assets	3.29%	1.50%	3.57%	3.89%	3.74%
Return on Equity	6.66%	2.88%	6.76%	7.39%	7.17%
Leverage & Coverage Ratios					
Current Ratio	1.64	1.74	1.79	1.80	1.78
Quick Ratio	1.53	1.61	1.66	1.66	1.65
Interest Coverage Ratio (EBIT/I)	4.18	2.79	3.95	4.17	4.05
Tot Debt/Capital	0.41	0.36	0.34	0.35	0.36
Tot Debt/Equity	0.47	0.30	0.29	0.28	0.28
Others					
Asset Turnover	1.02	1.12	1.27	1.31	1.31
Accounts Receivable Turnover	3.59	3.56	3.94	4.03	4.00
Accounts Payable Turnover	4.39	4.00	4.54	4.55	4.43
Inventory Turnover	28.25	25.22	27.94	28.54	28.33

**) based on market price (13/06/2022) at Rp302*
***) Estimate*

Sources: Company, Bloomberg and KB Valbury Sekuritas

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