

Blue Bird Tbk (BIRD IJ)

Full Throttle: Sustaining Growth & Robust Performance

Solid results in Q3 2024, as the company's revenue reached IDR1.3 trillion, an increase of 11% QoQ and 17% YoY. Net profit also grew by 18% QoQ and 69% YoY, reaching Rp176 billion. Then the growth in operational metrics ARPV (Average Revenue Per Vehicle) of regular taxis per day increased by 2% YoY to Rp728 thousand which is the highest level ever, with BIRD's total operational fleet reaching 23.5 thousand units.

Solid Overall Performance & Margin Growth

- 9M-24 revenue was Rp 3.66 billion (+13% YoY), while on quarterly basis it reached Rp 1.3 trillion (+11% QoQ & +17% YoY). Operating Profit in 9M-24 reached Rp457 billion (+7% YoY), whereas it was recorded at Rp186 billion on quarterly basis in Q3-24 (vs: +18% QoQ & +42% YoY). Meanwhile, EBITDA for 9M-24 reached Rp 876 billion (+3% YoY), while on a quarterly basis it reached Rp 322 billion (vs: +8% QoQ & +17% YoY). Profit after tax in 9M-24 reached Rp 442 billion (+20% YoY), Rp 176 billion on a quarterly basis (vs: +18% QoQ & +69% YoY).
- In terms of margin, BIRD saw an increase in gross profit margin to 32.2% in 9M-24, up from 31.8% a year earlier. This reflected more efficient utilization, which improved the cost-to-income ratio, especially on the depreciation and maintenance aspects, which are fixed per fleet. For OPEX, with an 11% quarter-on-quarter increase in revenue, BIRD managed to limit the increase in operating expenses to only 8% quarter-on-quarter, which contributed to the improvement in operating profit margin to 13.9% (vs: 13.1%, Q2-24). Brand license fee (included in OPEX.) increased to Rp 23.69 billion (vs: +10% QoQ) in line with the increase in revenue.

Highest Growth in Segment Performance, & Operational Metrics

- The non-taxi segment experienced 20.7% YoY growth, with contribution to revenue reaching 26.7% in 9M-24, (vs: 25.1%, 9M-23). Meanwhile, the taxi segment recorded +11% YoY growth, with regular taxi utilization rate reaching 79.9% (vs: 77.9% in 9M '23). ARPV (average revenue per vehicle per day) of regular taxis in Q3-24 was recorded at IDR728 thousand, **setting a record high** and always growing every quarter of 2024. Thus, the cumulative ARPV for 9M-24 reached Rp703k (+4% YoY).
- This strengthening was supported by the company's strategy of expanding the implementation of dynamic fixed pricing to offer more competitive rates, which showed a significant increase in the contribution of fixed price usage to double digits, versus single digits last year. Initiatives such as Bluebird Rent (hourly charters) also showed good growth, especially in tourism cities.

Continued Expansion and Growth

- In 9M24, the company has successfully operated 23.5 thousand fleet units, an increase compared to 22.5 thousand units in the same period last year. To support the expansion and development of its fleet, the company has allocated a capital expenditure (CapEx) budget of Rp 917 billion during 9M-24 (out of a planned annual total of Rp2.5 trillion), with Rp396 billion of which was utilized in the first half of 2024.
- The company's strategy to continue growing is evident in its solid performance so far this year, starting from the company also expanding its shuttle operations in Balikpapan this Q3-24, which previously only offered car rental services. Then, there is the 3M strategy where one of the points is to continue collaborating with more efficient payment partners, and also the implementation of dynamic fixed pricing that makes the company able to compete more with competing ride-hailing apps or threats from new players. (Especially with the new competitor that will enter the ride hailing market in Indonesia, Xanh SM).

Overweight Recommendation with TP at Rp 2270

- We recommend Overweight for BIRD with a target price of IDR 2270/share, this TP implies a P/E ratio of 10.3x or equivalent to Multiple Average Forward PE in 2 years.
- Having achieved some of our conservative targets this year, we still recommend overweight on BIRD, as long as the company is still able to maintain good revenue growth and profitability despite royalty costs. The risks of our recommendation are 1) changing & counterproductive domestic regulations 2) rising costs & expenses including fuel 3) intense competition.

PT Blue Bird Tbk. | Summary (IDR Bn)

in IDR bn	2023A	2024F	2025F	2026F
Revenue	4,422	4,725	5,291	5,895
Revenue growth	23.2%	6.8%	12.0%	10.0%
Net profit	463	550	594	635
EPS (IDR)	185	220	237	254
NPM	10.1%	11.3%	11.2%	10.8%
ROE	8.2%	9.2%	9.4%	9.5%
ROA	6.1%	6.9%	7.1%	7.4%
P/E	9.7x	10.3x	9.6x	8.9x
P/BV	0.8x	1.0x	0.9x	0.9x
EV/EBITDA	4.0x	5.2x	4.9x	4.6x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Company Report | Nov 12, 2024

Overweight

Price Target (IDR)	2270
Consensus Price (IDR)	2,330
TP to Consensus Price	-5.58%
Potential Upside	12.4%

Shares data

Last Price (IDR)	2,020
Price Date as of	11-Nov-24
52 wk Range (Hi/Lo)	2210/1450

Free Float (%)	26.40
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Outstanding sh.(mn)	2,502
Market Cap (IDR bn)	5,054
Market Cap (USD mn)	322

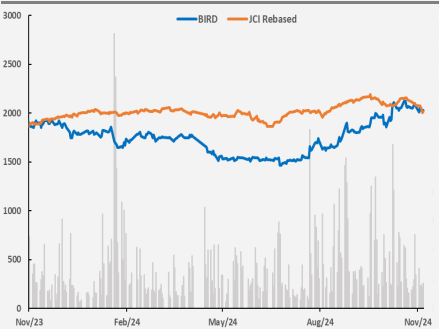
Avg. Trd Vol - 3M (mn)	3.51
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Avg. Trd Val - 3M (IDR bn)	6.71
Foreign Ownership (%)	7.79

Transportation & Logistics

Transportation	
Bloomberg	BIRD IJ
Reuters	BIRD.JK

Share Price Performance



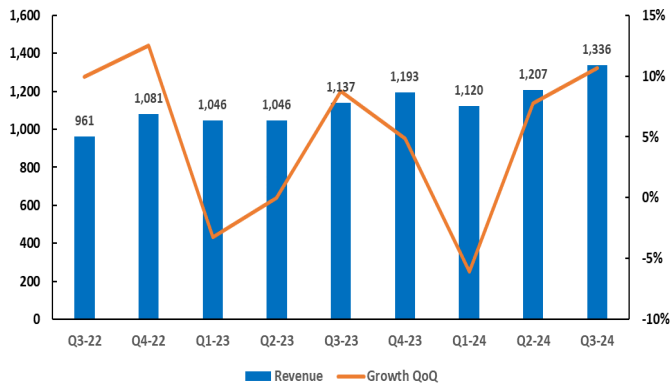
	YTD	1M	3M	12M
Abs. Ret.	11.0%	-4.3%	23.2%	6.3%
Rel. Ret.	11.8%	-0.9%	23.0%	-0.4%

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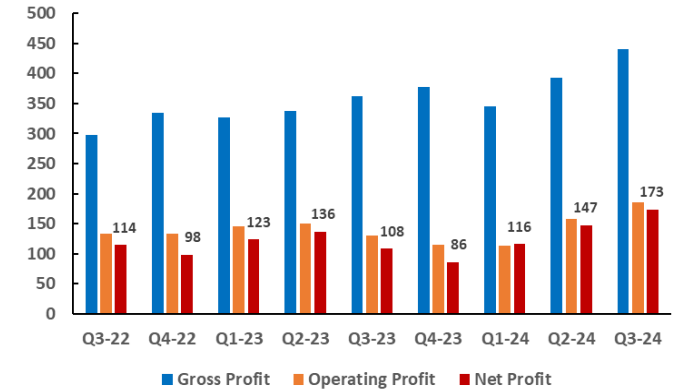
Performance Highlights

BIRD's Revenue Growth (IDR Bn)



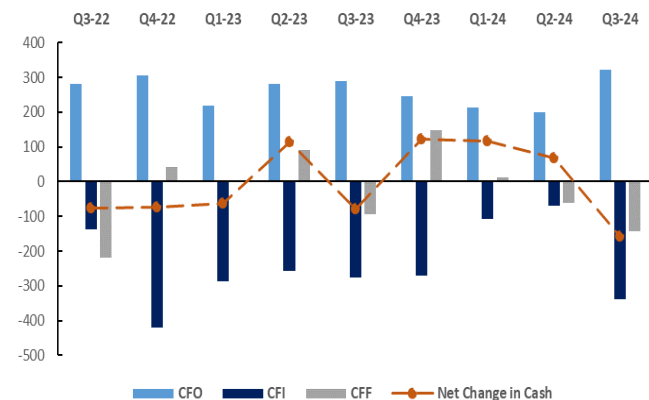
Source: Company Data, NHKSI Research

BIRD's Profitability (IDR Bn)



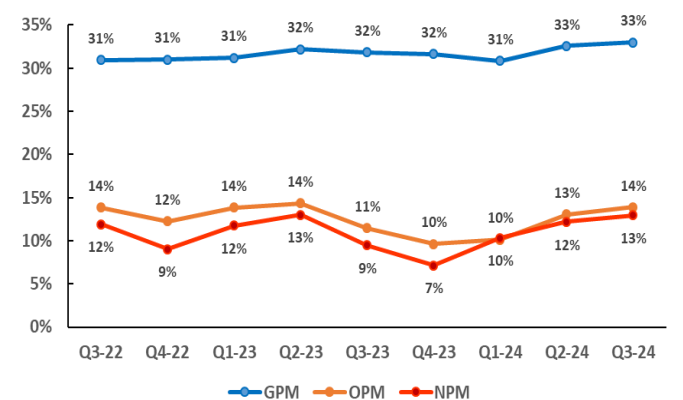
Source: Company Data, NHKSI Research

BIRD's Cashflow (IDR Bn)



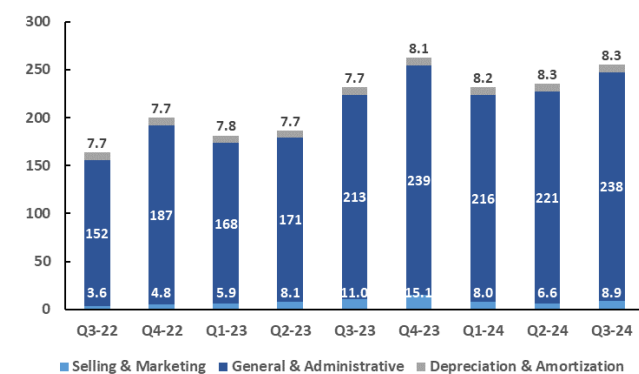
Source: Company Data, NHKSI Research

BIRD's Margin Ratio



Source: Company Data, NHKSI Research

BIRD's OPEX (IDR Bn)



Source: Company Data, NHKSI Research

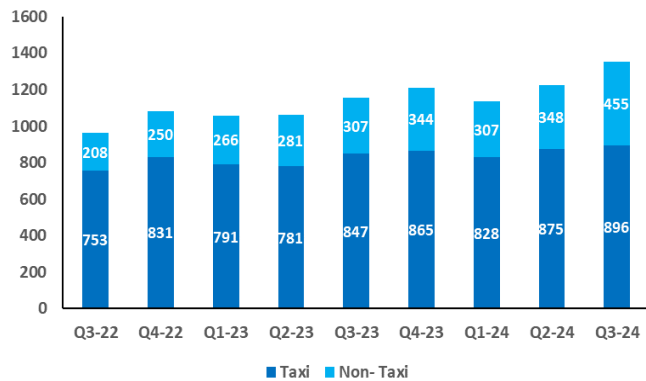
BIRD's Forward PE | 2 Year



Source: NHKSI Research

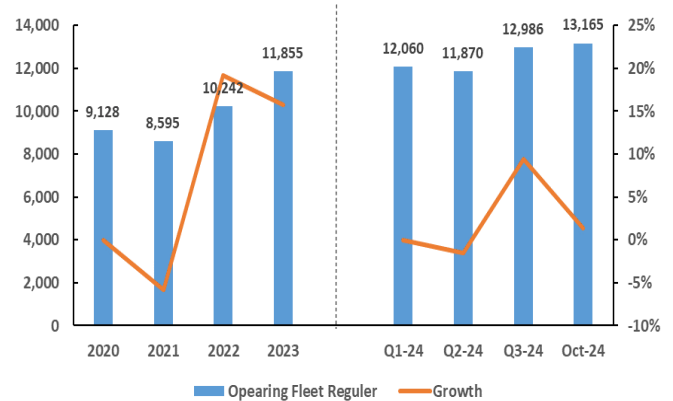
Performance Highlights

BIRD's Revenue by Segment (IDR Bn)



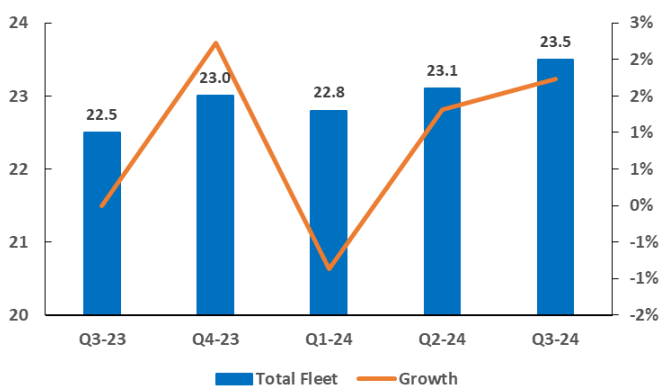
Source: Company Data, NHKSI Research

BIRD's Average Operating Fleet / Day (In Unit)



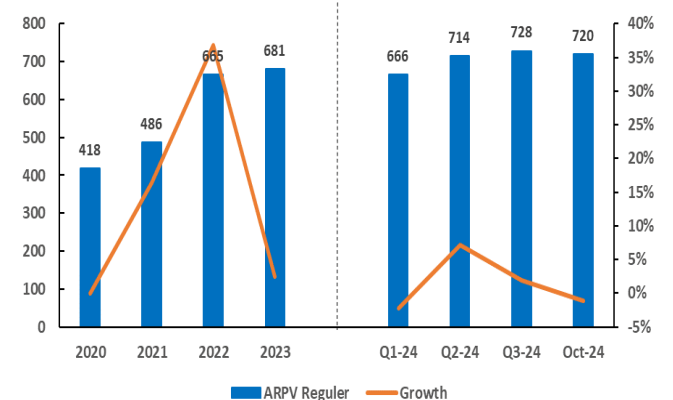
Source: Company Data, NHKSI Research

BIRD's Total Fleet Movement (in Thousand)



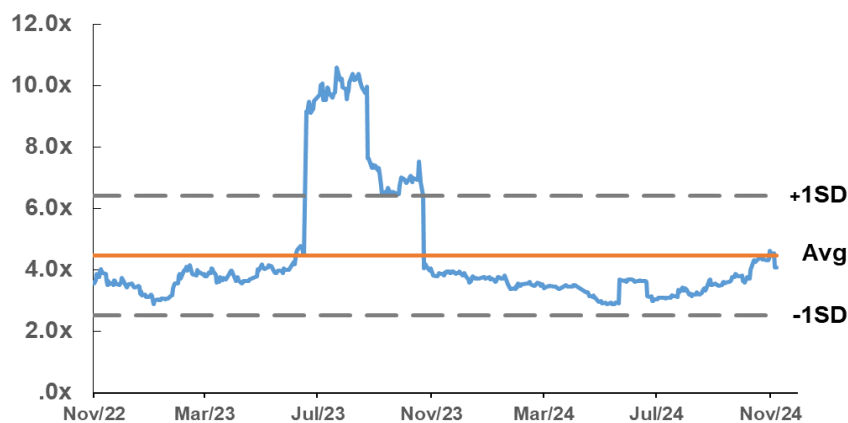
Source: Company Data, NHKSI Research

Average Revenue Per Vehicle / Day Regular Taxi (IDR Thousand)



Source: Company Data, NHKSI Research

BIRD's Blended Forward EV/EBITDA | 2 Years



Source: Company Data, NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT				
(IDR bn)	2023/12A	2024/12F	2025/12F	2026/12F
Revenue	4,422	4,725	5,291	5,895
<i>Growth</i>	23.2%	6.8%	12.0%	10.0%
COGS	2,518	3,229	3,796	4,190
Gross Profit	1,403	1,495	1,495	1,705
<i>Gross Margin</i>	29.9%	29.3%	28.3%	28.9%
Operating Expenses	(653)	(904)	(899)	(1,061)
EBIT	420	591	596	644
<i>EBIT Margin</i>	11.7%	12.5%	11.3%	10.9%
Depreciation	448	551	533	560
EBITDA	1,150	1,095	1,129	1,204
<i>EBITDA Margin</i>	24.2%	22.4%	21.3%	20.4%
EBT	484	700	704	752
Income Tax	120	147	106	113
Minority Interest	6	3	4	4
Net Profit	463	550	594	635
<i>Growth</i>	27.2%	48.7%	8.1%	6.9%
<i>Net Profit Margin</i>	10.1%	11.3%	11.2%	10.8%

BALANCE SHEET				
(IDR bn)	2023/12A	2024/12F	2025/12F	2026/12F
Cash	1,003	1,190	1,306	1,140
Receivables	244	316	323	377
Inventories	21	23	27	30
Total Current Assets	1,497	1,839	1,981	1,887
Net Fixed Assets	5,855	5,936	6,166	6,474
Other Non Current Assets	228	216	206	236
Total Assets	7,580	7,991	8,353	8,597
Payables	165	176	207	228
ST Debt	419	454	455	376
LT Debt	603	633	617	490
Total Liabilities	1,949	2,037	2,046	1,942
Capital Stock	250	250	250	250
Retained Earnings	2,757	3,079	3,431	3,780
Shareholders' Equity	5,631	5,955	6,306	6,656

CASH FLOW STATEMENT				
(IDR bn)	2023/12A	2024/12F	2025/12F	2026/12F
Operating Cash Flow	1,035	925	1,083	1,158
Investing Cash Flow	(1,093)	(555)	(708)	(830)
Financing Cash Flow	150	(182)	(259)	(494)
Net Changes in Cash	92	187	116	(167)

PROFITABILITY & STABILITY				
	2023/12A	2024/12F	2025/12F	2026/12F
ROE	8.2%	9.2%	9.4%	9.5%
ROA	6.1%	6.9%	7.1%	7.4%
Inventory Turnover	140.59	140.59	140.59	140.59
Days Inventory Outstanding	2.60	2.60	2.60	2.60
Receivables Turnover	18.14	14.96	16.40	15.65
Account Receivable Days	20.12	24.39	22.26	23.32
Dividend Yield (%)	4.0%	4.0%	4.3%	5.0%
Payout Ratio (%)	39%	41%	41%	45%
DER	18%	18%	17%	13%
Current Ratio	1.71	1.92	1.97	1.96
Quick Ratio	1.17	1.27	1.33	1.21
DAR	0.13	0.14	0.13	0.10
Total Shares (mn)	2502	2502	2502	2502
Share Price (IDR)	1790	2270	2270	2270
Market Cap (IDR tn)	4.48	5.68	5.68	5.68

VALUATION INDEX				
	2023/12A	2024/12F	2025/12F	2026/12F
Price/Earnings	9.7x	10.3x	9.6x	8.9x
Price/Book Value	0.80x	0.95x	0.90x	0.85x
EV/EBITDA	4.0x	5.2x	4.9x	4.6x
EV (IDR bn)	4,609	5,689	5,558	5,518
BVPS (IDR)	2,251	2,380	2,520	2,660
Basic EPS (IDR)	185	220	237	254

TOP OWNERSHIP	
Shareholders	%
PT PUSAKA CITRA DJOKOSOETONO	28.37
PURNOMO PRAWIRO	12.08
KRESNA PRIAWAN DJOKOSOETONO	6.20
SIGIT PRIAWAN DJOKOSOETONO	6.13
DJOKOSOETONO INDRA PRIAWAN	5.96

By Geography	
Unknown	58.55
Indonesia	36.89
Japan	2.53

Source: Company Data, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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