

# Hatten Bali Tbk (WINE IJ)

## Brewing Success For The End Of FY24

Cumulatively, 9M24 Revenue increased 12% YoY to IDR 209.57 bn, while 9M24 Operating Profit increased to 16% YoY to IDR 48.76 bn due to a higher operational efficiency of 23.3% from 22.5% in 2Q24. Nine-month Net Profit also rose 10.4% YoY to IDR 37.7 bn despite a slight slip in NPM to 17.99% from 18.25% in 9M24. On a quarterly basis, 3Q24 revenue grew 25% YoY to IDR 86.19 bn, and 3Q24 Gross Profit increased 30.1% QoQ to IDR 39.5 bn. 3Q24 Net Profit recovered from the lull of this year's second quarterly decline (-9.9% QoQ) with a 19.3% growth to IDR 16.63 bn.

### 3Q24 Anticipated Recovery From Lackluster 2Q24 Performance From Resilient Consumer Base, Bracing For An Outstanding 4Q24

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- On a quarterly basis, 3Q24 revenue grew 25% YoY to IDR 86.19 bn, and 3Q24 Gross Profit increased 30.1% QoQ to IDR 39.5 bn. 3Q24 Net Profit recovered from the lull of this year's second quarterly decline (-9.9% QoQ) with a 19.3% growth to IDR 16.63 bn.
- 3Q24 oversaw a hike in efficiency with GPM at 45.4% (from 43.8% in 2Q24); OPM at 25% (from 21.6% in 2Q24); EBIT margin at 25.2% (from 21.4% in 2Q24); and Net Profit at 19.3% (from 14.6% in 2Q24).
- While consumer purchasing power has been a headwind for most consumer sector companies, WINE is partly shielded from the impact as the significant portion of their consumer base mainly relies on foreign tourists in Bali (and once distribution channels are further established, other major cities in Indonesia) attempting to experience local wine and bring back local souvenirs.
- We anticipate a stronger growth rate in the upcoming 4Q24 in comparison to 3Q24, pushed by tourism reaching a high season in Bali and other Indonesian metropolitan cities as well as holiday end-of-year spending spree mainly from foreigners

### Forthcoming 4Q24 Seasonal Demand From Higher Tourism, Bali Still The Heavy-Hitter For Sales Numbers

- We anticipate higher tourism at the end-of-year holiday season will boost demand thus WINE's top-line volume since the company's products are marketed towards foreign tourists.
- Despite the company's on-going efforts to expand and market outside of Bali, 9M24 Sales has Bali contributing 86.69% followed by Jakarta with 5.01%, Lombok (3.71%), Surabaya (0.25%), Manado (0.32%), Bandung (0.35%), Papua (0.06%), Sumatera (0.83%), Banten (0.99%), and others (1.75%). This is a contrast to 9M23 when Bali contributed a lower 83.76%; 9M24 Bali Sales also experienced a 16.1% YoY to IDR 181.8 bn—compared to 9M24 Outside Bali Sales had a negative growth of 8.72% YoY.

### Maintaining BUY Recommendation with TP IDR414

- We are maintaining a BUY recommendation for WINE by maintaining the target price at IDR414/share with a potential upside of 17.7%. We also favor the company due to the increase in tourism in Bali for 4Q24. Meanwhile, the main risks of our recommendation are lower-than-anticipated tourism; decreased ability to service newly acquired long-term debts; and higher-than-anticipated inventory days turnover from lower sales volume.

#### Hatten Bali Tbk. | Summary (IDR bn)

	2023A	2024F	2025F	2026F
Sales	254	289	306	324
Growth	33.9%	13.6%	6.0%	6.0%
Net Profit	42	48	60	70
Growth	97.7%	13.6%	26.3%	16.0%
EPS (IDR)	16	18	22	26
P/E	27.0x	23.4x	18.6x	16.0x
P/BV	4.3x	3.6x	3.5x	3.4x
EV/EBITDA	0.6x	0.6x	0.5x	0.4x
ROE	15.8%	15.6%	18.9%	21.2%
ROA	11.0%	10.9%	13.2%	14.9%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer



Company Report | Nov. 12, 2024

## BUY

Target Price (IDR)	414
Consensus Price (IDR)	530
TP to Consensus Price	-21.9%
Potential upside	17.7%

### Shares data

Last Price (IDR)	352
Price date as of	Nov. 12, 2024
52 wk range (Hi/Lo)	540/250
Free float (%)	25.02
Outstanding sh.(mn)	2,710
Market Cap (IDR bn)	953.92
Market Cap (USD mn)	60.83
Avg. Trd Vol - 3M (mn)	1.07
Avg. Trd Val - 3M (bn)	0.37
Foreign Ownership	0.0%

### Consumer Non Cyclical

#### Alcoholic Beverage

Bloomberg	WINE IJ
Reuters	WINE.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-15.1%	-12.0%	17.3%	-29.6%
Rel. Ret.	-11.8%	-16.2%	16.6%	-23.8%

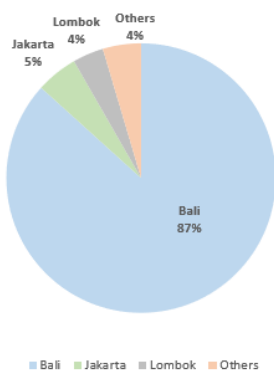
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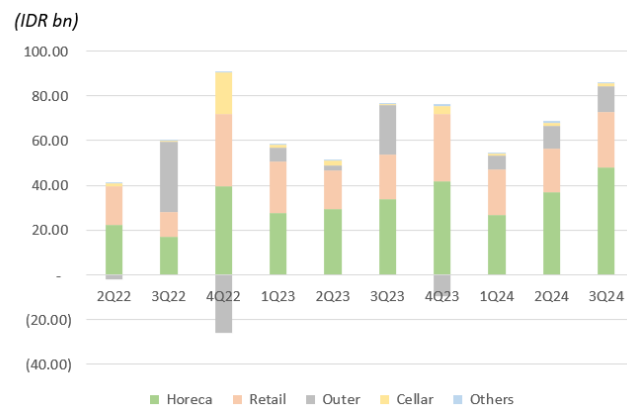
## Performance Highlights

### Geographical Sales Breakdown | 9M24



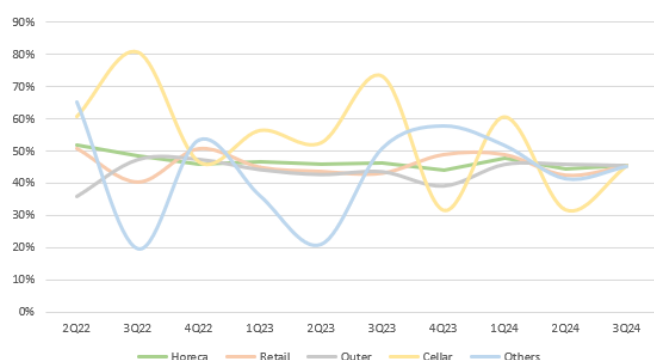
Source: Company, NHKSI Research

### Revenue Segments | 2Q22–3Q24



Source: Company, NHKSI Research

### Quarterly Gross Margin | 2Q22-3Q24



Source: Company, NHKSI Research

### Sales and QoQ Growth | 1Q22-4Q24F



Source: Company, NHKSI Research

### Forward P/E Band | Since IPO



Source: Company, NHKSI Research

### GPM, OPM, NPM | 2Q22-3Q24



Source: Company, NHKSI Research

## Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2023/12A	2024/12E	2025/12E	2026/12E		2023/12A	2024/12E	2025/12E	2026/12E
Sales	254	289	306	324	ROE	15.8%	15.6%	18.9%	21.2%
Growth	33.9%	13.8%	6.0%	6.0%	ROA	11.0%	10.9%	13.2%	14.9%
COGS	(138)	(142)	(146)	(151)	Inventory Turnover	1.3x	1.0x	0.9x	0.8x
Gross Profit	116	147	160	174	Receivable Turnover	4.7x	7.7x	9.5x	8.6x
Gross Margin	45.6%	50.8%	48.2%	49.5%	Payables Turnover	13.7x	11.7x	11.6x	12.1x
Operating Expenses	(62)	(72)	(89)	(102)	Dividend Yield	0.6%	0.0%	0.0%	0.0%
EBIT	55	53	62	63	Payout Ratio	14.7%	15.4%	15.1%	15.2%
EBIT Margin	22%	19%	20%	19%	DER	0.3x	0.3x	0.3x	0.3x
Depreciation	8	10	11	12	Net Gearing	19%	23%	20%	18%
EBITDA	162	209	223	252	Equity Ratio	69.4%	69.7%	70.2%	70.4%
EBITDA Margin	64.1%	72.2%	72.9%	77.6%	Debt Ratio	17.9%	19.2%	18.9%	18.8%
Interest Expenses	(2)	(2)	(2)	(2)	Financial Leverage	70.6%	99.5%	99.4%	99.6%
EBT	55	53	62	63	Current Ratio	421.7%	323.2%	326.9%	327.6%
Income Tax	(13)	(10)	(13)	(13)	Quick Ratio	119%	98%	106%	110%
Net Profit	42	48	60	70	Total Shares (mn)	2,710	2,710	2,710	2,710
Growth	97.7%	13.6%	26.3%	16.0%	Share Price (IDR)	420	414	414	414
Net Profit Margin	16.6%	16.6%	19.8%	21.6%	Market Cap (IDR tn)	1.14	1.12	1.12	1.12

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2023/12A	2024/12E	2025/12E	2026/12E		2023/12A	2024/12E	2025/12E	2026/12E
Cash	17	15	22	27	Price /Earnings	27.0x	23.4x	18.6x	16.0x
Account Receivables	31	38	40	41	Price /Book Value	4.3x	3.6x	3.5x	3.4x
Inventories	155	177	179	181	PE/EPS Growth	0.3x	1.7x	0.7x	1.0x
Total Current Assets	217	256	267	275	EV/EBITDA	0.6x	0.6x	0.5x	0.4x
Net Fixed Assets	150	164	169	174	EV/EBIT	1.8x	2.2x	1.9x	1.8x
Other Non Current Assets	0	0	0	0	EV (IDR bn)	102	120	115	113
Total Non Current Asset	167	185	190	196	Sales CAGR (3-Yr)	0.6%	19.7%	10.4%	5.8%
Total Assets	384	441	457	471	Net Income CAGR (3-Yr)	159.2%	23.6%	11.3%	11.9%
Account Payables	12	13	12	12	Basic EPS (IDR)	16	18	22	26
ST Bank Loan	22	50	51	53	BVPS (IDR)	98	113	118	122
Total Current Liabilities	52	79	82	84	DPS (IDR)	2			
LT Debt	47	35	35	35					
Total Liabilities	118	133	136	139					
Capital Stock	136	136	136	136					
Retained Earnings	59	90	101	111					
Shareholders' Equity	267	308	321	332					

CASH FLOW STATEMENT					OWNERSHIP	
(IDR bn)	2023/12A	2024/12E	2025/12E	2026/12E		%
Operating Cash Flow	(14.04)	88.07	86.10	96.15	Shareholders	
Investing Cash Flow	(7.71)	(20.18)	(7.95)	(8.07)	Ida Bagus Rai Budarsa	37.5
Financing Cash Flow	29.50	(69.74)	(71.05)	(82.91)	PT Gotama Putra	37.5
Net Changes in Cash	7.75	(1.85)	7.10	5.17	UOB Kay Hian Pte Ltd	6.5
					Public	18.5
					By Geography	%
					Indonesia	93.50
					Singapore	6.5

Source: Company Data, Bloomberg

**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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