

Jonathan Mardjuki

jonathan.mardjuki@cls.com
+62 21 5088 7815

Aimee Garibaldi

+62 21 5088 7837

Sarina Lesmina, CFA

+62 21 5088 7820

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Indonesia Autos



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Online auction giant

Insights from automotive auction giant Autopedia (ASLC IJ)

Autopedia has seen growing traction in hybrid auctions in Indonesia amid Covid-19. Seizing the opportunity to be a market leader, management believes the ecosystem of its three business pillars – JBA, Caroline, and Cartalog – will be one of its key advantages to compete in the auction industry. The company believes that Caroline, the O2O marketplace for new and used cars, is set to be the future growth driver to double its sales in 2022.

Background of Autopedia

- Autopedia Sukses is an automotive auction company. Started in 2014 by providing offline car and motorcycle auctions through JBA BIDWIN, it has expanded into online car buying marketplace in 2019 amid Covid-19.
- Autopedia was recently listed on the IDX, raising c.Rp650bn of proceeds to be used for working capital and debt payment. The company is a subsidiary of Adi Sarana (ASSA IJ), which owns a 77.6% stake in Autopedia.

Autopedia business ecosystem

- One of Autopedia's key advantages is the ecosystem of its three business pillars: JBA BidWin Auction, Caroline, and Cartalog. It is the first company to have such integration.
- JBA is a hybrid auction with both offline and online marketplaces, for buying and selling used vehicles in major cities in Indonesia. There were 44k (+20% YoY) of 4W and 73k (+60% YoY) 2W sold in 2020. JBA is the largest auction player in Indonesia, with management stating it had 40% market share. The closest competitors is IBID, which is owned by conglomerate Astra Group.
- Management sees Caroline as set to be a future growth driver for Autopedia. It is an O2O automotive marketplace for both new and used cars. Users can buy and sell via its platform, Caroline.id. Caroline targets to sell 2,000 units in 2022.
- Cartalog is a car price engine with AI technology to provide fair pricing for all players in the automotive industry.

From offline to online and business model

- Management still sees domination of 'brick and mortar' or offline conventional auction in Indonesia. However, Covid-19 has led the way for a more hybrid auction model, in part due to social restrictions imposed by the government.
- Autopedia had its first online auction in 2020 under the JBAI application. There were 140k auction participants, with 50% already coming from online. This figure grew to 65% in 1H21.
- Autopedia could cater to various type of clients: individuals for Caroline; corporates (leasing companies and used car dealers) for Caroline and JBA; and sellers for JBA.
- There are about 10 auctions held every week, and 75% of the supply comes from corporate, with most buyers coming from dealers (B2B).

Expansion strategy

- Autopedia currently owns 35 networks of JBA nationwide from Java, Sumatra, and Kalimantan to Sulawesi, one of the largest in Indonesia.
- Caroline would be the next focus for expansion. The company plans to increase offline network of Caroline from 15 to 20 by the end of 2022.




Growth prospects in 2022

- Management is confident on growth prospect for auction business in Indonesia, with Caroline as the main growth driver for the company. It guides sales to reach Rp500bn in 2022, doubled from 2021. Auction business is expected to grow around 17% per year and Autopedia hopes to reach 100k units sold in five years.
- The company targets 10-15% sales growth in 2021, after +22% in 2020. Its 9M21 revenue came at Rp135bn, +3% YoY and 9M21 profit at Rp11bn (+40% YoY).
- Margins for Autopedia are 84% gross, 20% Ebit, and 8% net margin in 9M21. This is already the highest across other Adi Sarana's business segments – ie, vehicle lease, logistics, or Anteraja.

Key charts

Figure 1

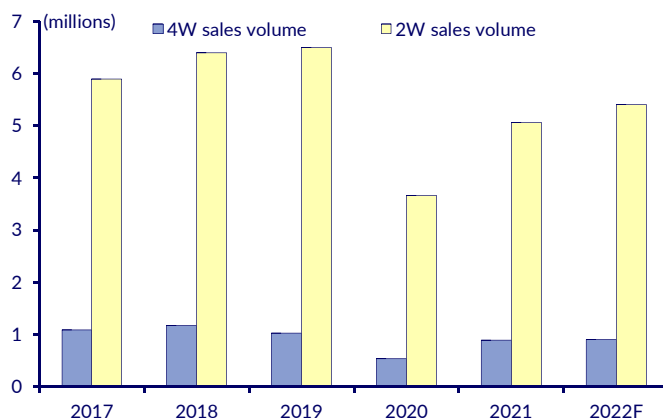
Autopedia business portfolio

 <p>Online and Offline Automotive Marketplace</p> <p>ASLC established a used car auction business in mid 2014 called Bidwin. In 2019, the Company acquired 51% stake in JBA Indonesia and merged Bidwin's operation into the new the JBA Bidwin Auction ("JBA"). In 2021, the Company increased its stake to 84.4%.</p> <p>Revenue model:</p> <ul style="list-style-type: none"> • Success fees from seller • Administration fees from buyer • Administration support fees from seller and buyer for longer terms of payment 	 <p>Online to Offline Used Car Dealers</p> <p>Caroline engages in the buying and selling of used cars and new cars. It operates using both physical showrooms and online sales channels.</p> <p>Revenue model:</p> <ul style="list-style-type: none"> • Sale of inventory to end customers and also through auction channel • Other income from financing and insurance partners • Other income from additional services 	 <p>Price Engine & Listing</p> <p>A car price engine that uses artificial intelligence technology to provide fair price to all players in the industry. Cartalog also provides listing service for used car dealers through its Cartalog Garage.</p>
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Source: ASLC

Figure 2

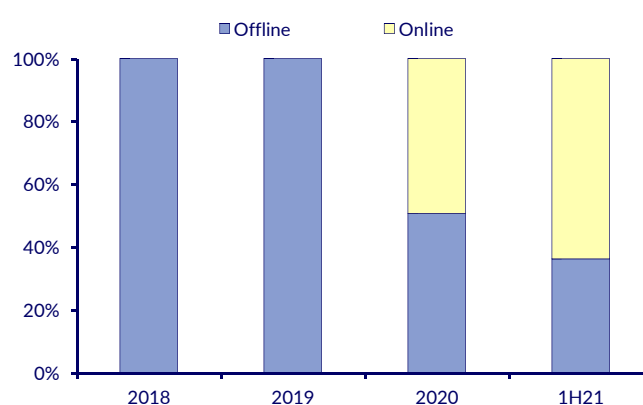
2W and 4Q sales trend in Indonesia



Source: Gaikindo, AISI

Figure 3

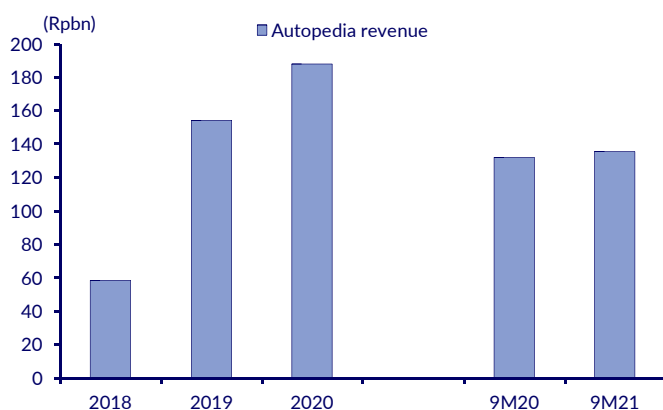
Autopedia's offline and online participants



Source: ASLC

Figure 4

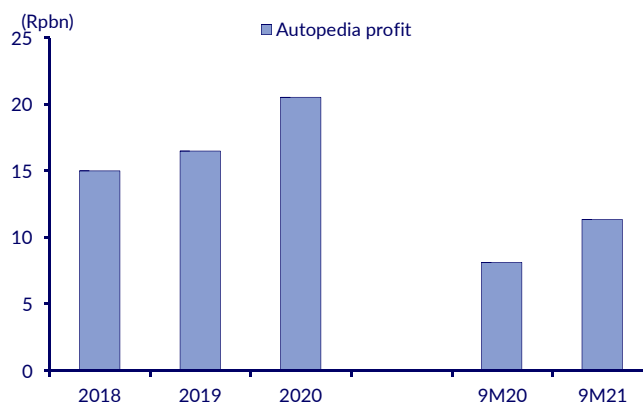
Autopedia revenue



Source: ASLC

Figure 5

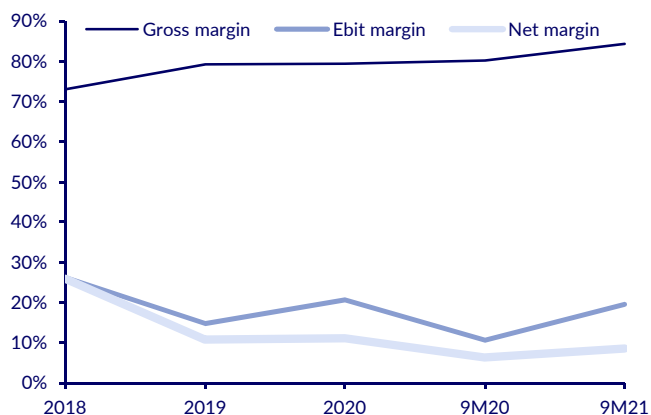
Autopedia profit



Source: ASLC

Figure 6

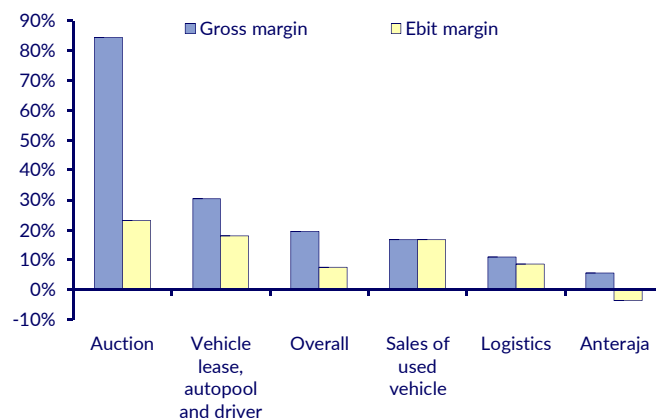
Autopedia margins trend



Source: ASLC

Figure 7

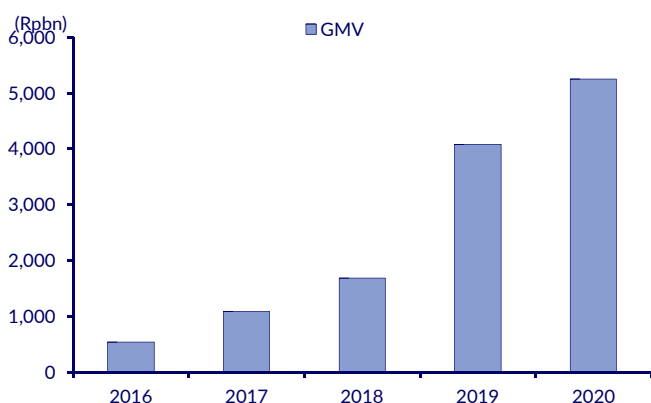
Adi Sarana's gross and Ebit margins by segment



Source: ASSA

Figure 8

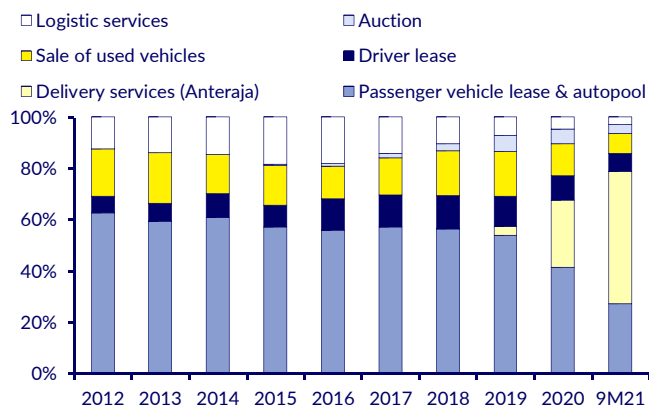
Autopedia GMV



Source: ASLC

Figure 9

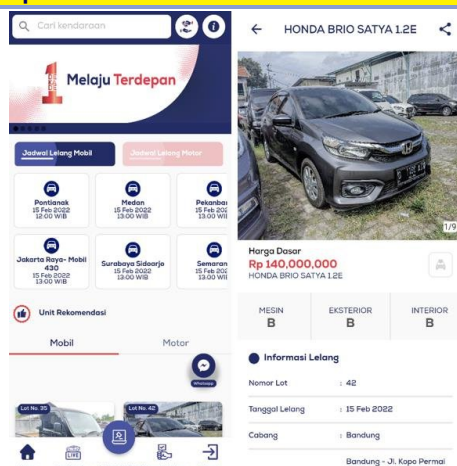
Adi Sarana revenue breakdown



Source: ASSA

Figure 10

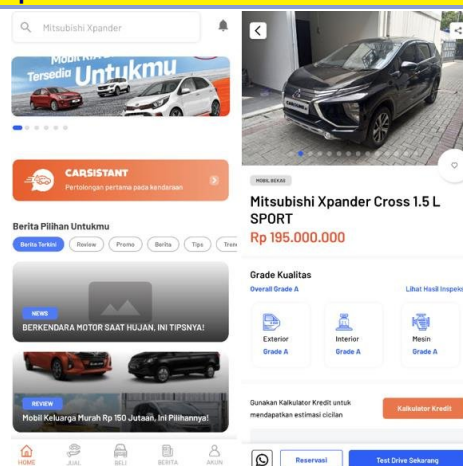
JBA auction platform



Source: JBA

Figure 11

Caroline.id platform



Source: Caroline.id



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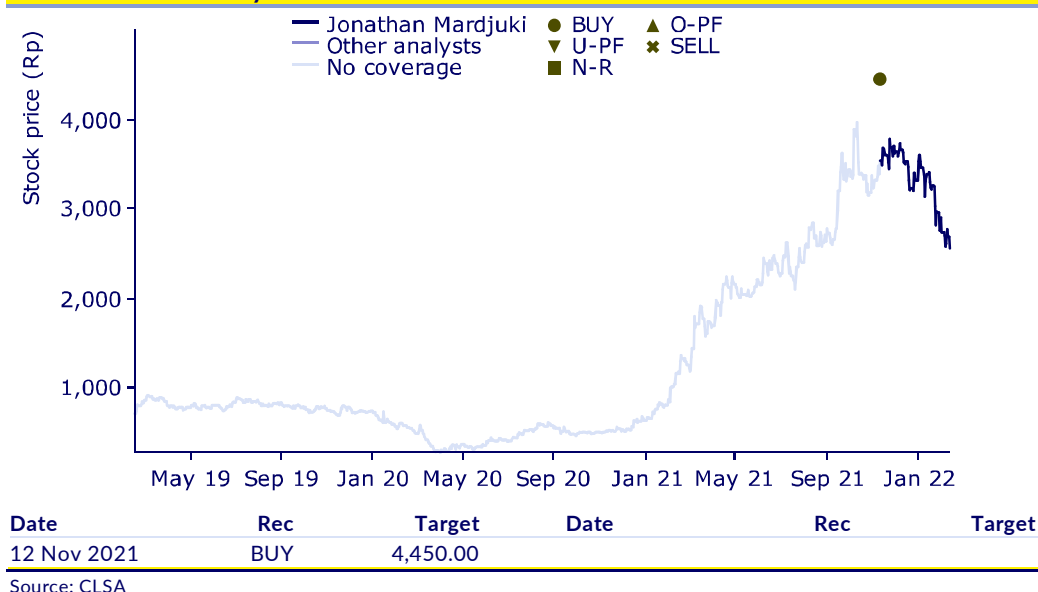
Adi Sarana (ASSA IJ - RP2,560 - BUY)
 Anteraja (N-R)
 Astra (ASII IJ - RP5,300 - O-PF)
 Autopedia (N-R)
 Bursa Efek Indonesia (N-R)
 Caroline.id (N-R)
 Cartalog (N-R)
 Ibid (N-R)
 JBA (N-R)

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Recommendation history of Astra International Tbk ASII IJ



Date	Rec	Target	Date	Rec	Target
02 Nov 2021	O-PF	6,900.00	28 Apr 2020	U-PF	3,980.00
09 Aug 2021	BUY	6,100.00	02 Mar 2020	BUY	6,700.00
30 Nov 2020	O-PF	6,100.00	05 Aug 2019	O-PF	7,780.00
29 Jul 2020	SELL	4,500.00	06 Mar 2019	O-PF	8,100.00
10 Jun 2020	SELL	3,980.00			

Source: CLSA

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Overall rating distribution for CLST only Universe: Overall rating

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