

Tuesday, 15 February 2022

Not Rated

## Autopedia Sukses Lestari(ASLC)

### Digitalizing the brick and mortar used car business

Last price (IDR)

264

#### Stock Statistics

Sector	Automotive
Bloomberg Ticker	ASLC
No of Shrs (mn)	12.7
Mkt. Cap (IDRbn/USDmn)	3,365/235
Avg. daily T/O (IDRbn/USDmn)	45.3/3.1

#### Major shareholders (%)

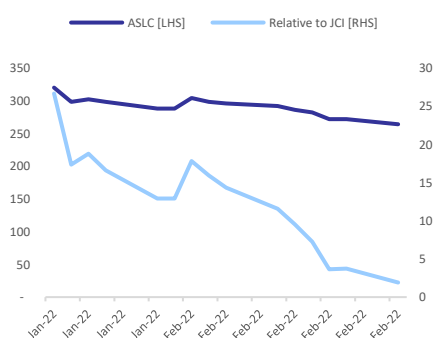
ASSA	77.6
Others	2.4
Estimated free float	20.0

**ASLC seeks to digitalize the brick and mortar secondhand vehicle business in Indonesia, wherein the market for this particular segment is very fragmented lacking transparency. With several digital initiatives and years of experience in handling secondhand vehicle transactions, ASLC expects to create an ecosystem that connects buyers and sellers of used vehicles in an effective and efficient manner. As ASLC went public, it has several initiatives which include expanding online and offline coverage and tapping other services.**

**Creating omnipresence and synergizing a scattered market.** ASLC seeks to create a better ecosystem to streamline the process of transactions so that both sellers and buyers can obtain fair prices through JBA, Caroline and Cartalogue. This goal is to address the current used vehicle market which is scattered and has limited transparency. In the current competitors' ecosystem, the digital presence serves as a "marketing tool" for sellers whereby the buyers need to handle the entire process, while ASLC seeks to enable clients to not only check the price and condition of the car but also handle the end-to-end purchase/sale of a used vehicle with transparent pricing using the ASLC omnichannel platform: 1) JBA – Auction platform, 2) Caroline – O2O Used car dealers and 3) Cartalogue – Price engine and listing.

**Strong infrastructure, experience and group synergy.** The auction business was established in 2014 under the name of Bidwin which then became the third largest auction company in Indonesia with more than 10 branches across Indonesia by 2019. ASLC itself is still one of the main pillars of the ASSA group which acts as vehicle recycling for ASSA's rental business. With this synergy, ASLC will have a secured used car supply as inventory. Currently, JBA has the largest wholesale auto marketplace in Indonesia holding 40% market share with 35 networks. Furthermore, the repeat active suppliers and buyers reached 119 and 30,000, respectively.

#### ASLC relative to JCI Index



Source : Bloomberg

**Huge potential market that can be digitalized.** The trading value of used 4W and 2W is estimated to be USD 20bn per annum with 99.8% traded by brick-and-mortar businesses. According to Redseer research, there are 2.7-3.3mn used cars sold per annum which suggests that the comparison between new cars and used car sales is roughly 1:3. It is also estimated there are 20,000 small and medium used vehicle dealers in Indonesia. The used vehicle business is highly fragmented, untransparent and scattered throughout regions leading to a range of prices for a similar type of used car.

**Aiming big post IPO.** Recently, the IPO funds were used for: 1) 64.7% for working capital and 2) loan repayment to the parent company. ASLC expects that the auction business will grow by around 17% per year and reach 100k units sold in 5 years. Caroline is expected to sell 2,000 units in 2022 and ASLC seeks to book revenues of IDR 500bn or 2.65x growth. In the long term, ASLC has four targets: 1) the pawn business – providing pawn loans for dealers working capital, 2) heavy equipment auctions – targeting higher ticket items, 3) the Automotive brokerage service – obtaining additional brokerage fees, and 4) an automotive appraisal service – offering an appraisals service to leasing companies and institutions.

#### Key Financials

	2018	2019	2020	1H20	1H20
Revenue (IDRbn)	58	154	188	85	92
EBITDA (IDRbn)	19	36	53	13	25
EBITDA Growth (%)	nm	84.8	48.0	nm	92.3
Net profit (IDRbn)	15	16	21	5	8

Source : ASLC






Ignatius Teguh Prayoga

(62-21) 5091 4100 ext. 3511

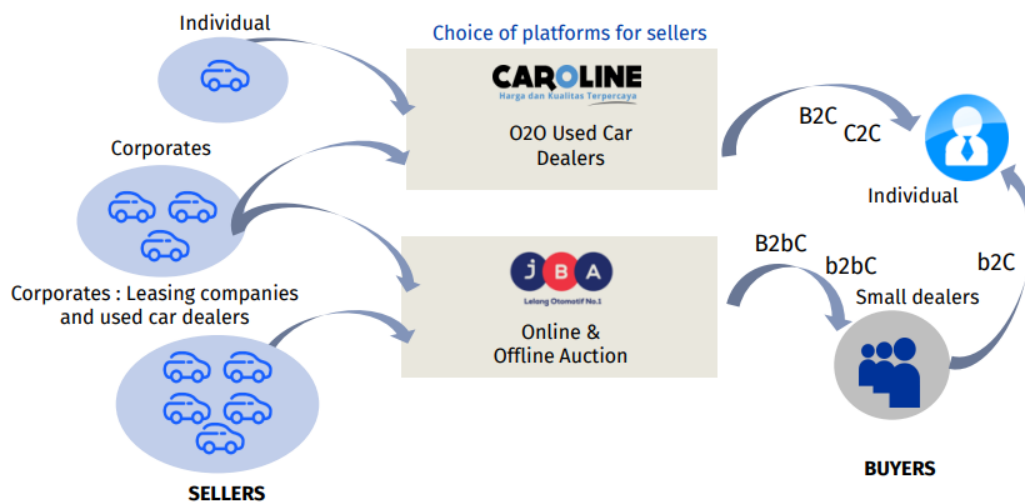
ignatius.prayoga@bridanareksasekurit

**Exhibit 1. ASLC platforms**

 <p><b>Online and Offline Automotive Marketplace</b></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><b>Revenue model:</b></p> <ul style="list-style-type: none"> <li>• Success fees from seller</li> <li>• Administration fees from buyer</li> <li>• Administration support fees from seller and buyer for longer terms of payment</li> </ul>	 <p><b>Online to Offline Used Car Dealers</b></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><b>Revenue model:</b></p> <ul style="list-style-type: none"> <li>• Sale of inventory to end customers and also through auction channel</li> <li>• Other income from financing and insurance partners</li> <li>• Other income from additional services</li> </ul>	 <p><b>Price Engine &amp; Listing</b></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>
--	--	--

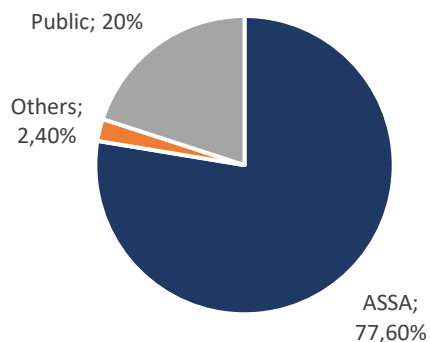
Source: Company, BRI Danareksa Sekuritas estimates

**Exhibit 2. Business model and inventory flow**



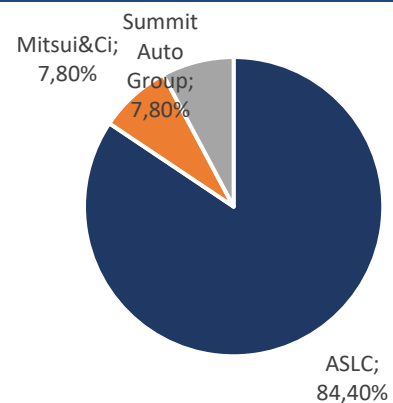
Source: Company, BRI Danareksa Sekuritas estimates

**Exhibit 3. ASLC Ownership**



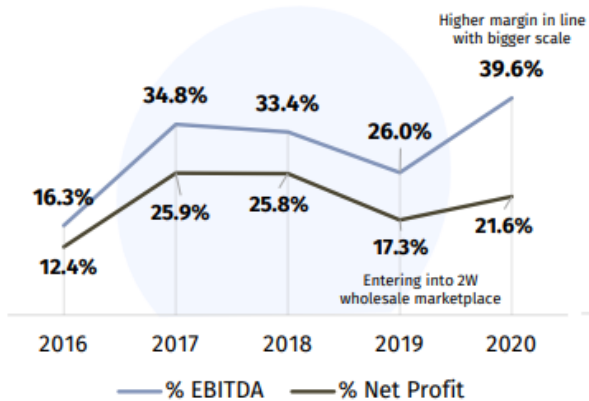
Source: Company, BRI Danareksa Sekuritas estimates

**Exhibit 4. JBA Ownership**



Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 5. EBITDA and Net Profit Margins



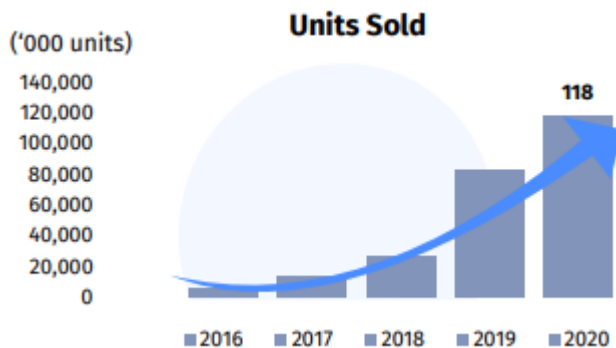
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 6. EBITDA and Net Profit



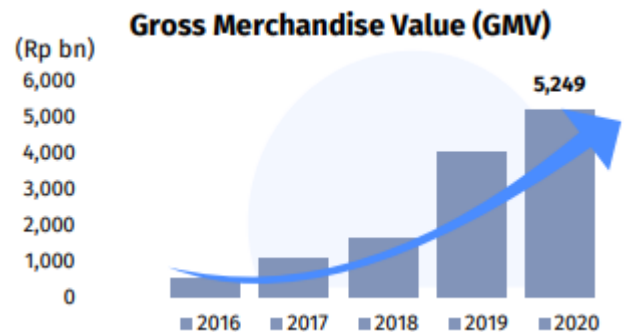
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 7. Units sold



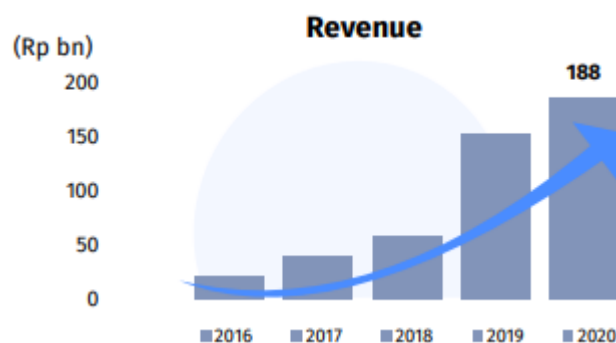
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 8. Gross merchandise value



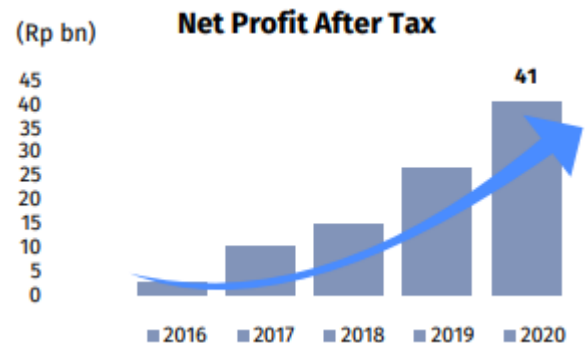
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 9. Revenues



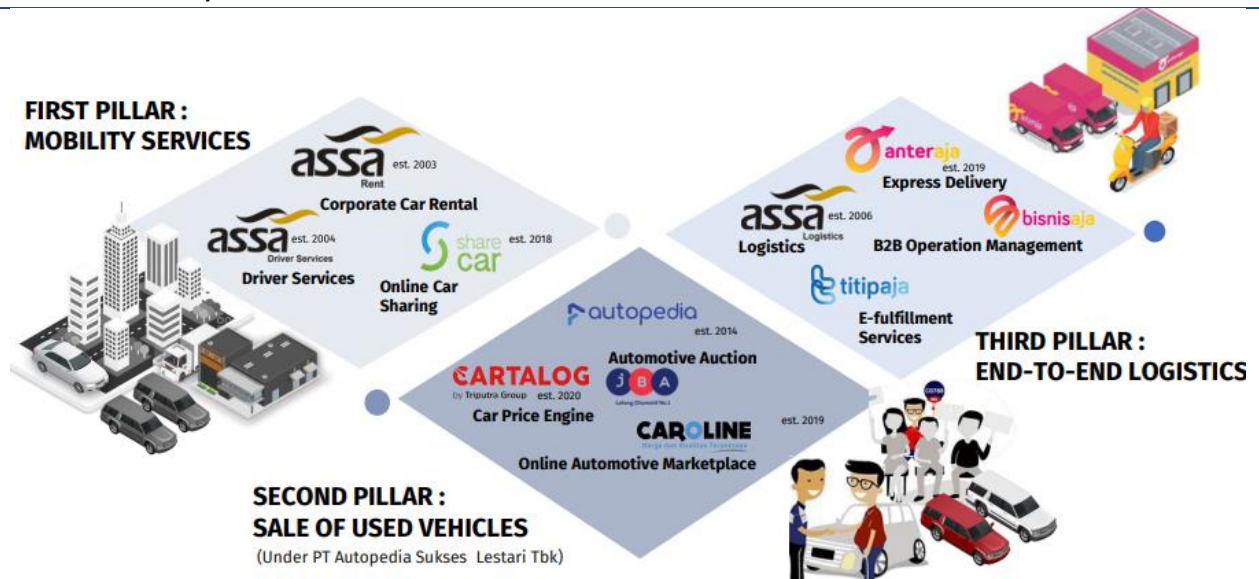
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 10. Net profits after tax



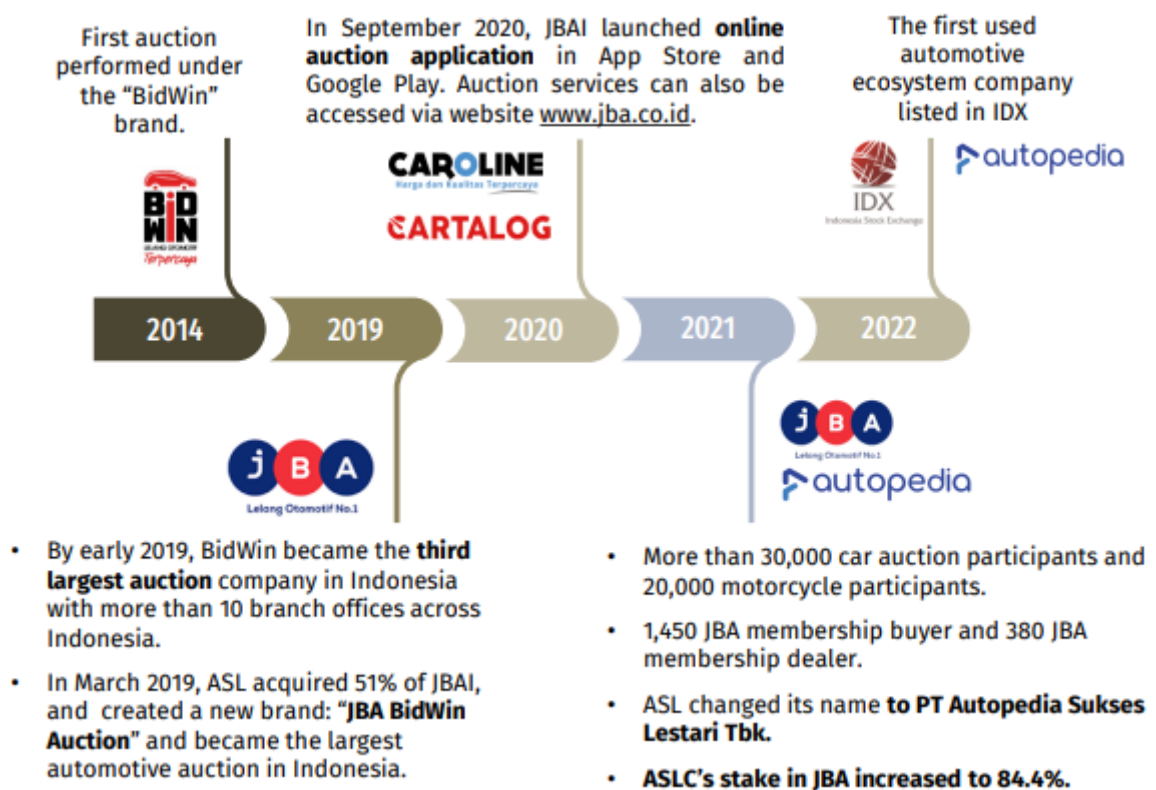
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 11. Part of ASSA's Ecosystem



Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 12. Major milestones



Source: Company, BRI Danareksa Sekuritas estimates

### Exhibit 13. Income Statement

(IDRbn)	2018	2019	2020	1H20	1H21
<b>Revenue</b>	<b>58</b>	<b>154</b>	<b>188</b>	<b>85</b>	<b>92</b>
COGS	(16)	(32)	(39)	(19)	(15)
<b>Gross profit</b>	<b>43</b>	<b>122</b>	<b>149</b>	<b>66</b>	<b>77</b>
<b>EBITDA</b>	<b>19</b>	<b>36</b>	<b>53</b>	<b>13</b>	<b>25</b>
<b>Oper. profit</b>	<b>18</b>	<b>33</b>	<b>47</b>	<b>10</b>	<b>22</b>
Interest income	2	9	9	5	2
Interest expense	0	0	(2)	(1)	(1)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	0	0	0	0	0
<b>Pre-tax profit</b>	<b>20</b>	<b>40</b>	<b>53</b>	<b>13</b>	<b>22</b>
Income tax	(5)	(14)	(12)	(4)	(6)
Minority interest	0	(10)	(20)	(5)	(8)
<b>Net profit</b>	<b>15</b>	<b>16</b>	<b>21</b>	<b>5</b>	<b>8</b>
<b>Core Net Profit</b>	<b>15</b>	<b>16</b>	<b>21</b>	<b>5</b>	<b>8</b>

### Exhibit 14. Balance Sheet

(IDRbn)	2018	2019	2020	1H21
Cash & cash equivalent	53	142	118	86
Receivables	1	39	45	29
Inventory	0	0	0	0
Other Curr. Asset	9	21	8	16
Fixed assets - Net	9	27	31	141
Other non-curr.asset	5	100	211	118
<b>Total asset</b>	<b>77</b>	<b>330</b>	<b>413</b>	<b>390</b>
ST Debt	0	0	0	0
Payables	1	0	0	0
Other Curr. Liabilities	22	84	133	88
Long Term Debt	0	0	0	0
Other LT. Liabilities	2	11	17	19
<b>Total Liabilities</b>	<b>30</b>	<b>103</b>	<b>171</b>	<b>129</b>
Shareholder's Funds	47	156	164	173
Minority interests	0	71	79	88
<b>Total Equity &amp; Liabilities</b>	<b>77</b>	<b>330</b>	<b>413</b>	<b>390</b>

**Exhibit 15. Cash Flow**

(IDRbn)	2018	2019	2020	1H20	1H21
Net income	15	16	21	5	8
Depreciation and Amort.	1	3	6	3	3
Change in Working Capital	0	(39)	(45)	(29)	(29)
Other Oper. Cash Flow	(19)	46	140	64	11
<b>Operating Cash Flow</b>	<b>(3)</b>	<b>26</b>	<b>122</b>	<b>43</b>	<b>(6)</b>
Capex	(8)	(20)	(109)	(9)	(14)
Others Inv. Cash Flow	0	(10)	(2)	(2)	(2)
<b>Investing Cash Flow</b>	<b>(8)</b>	<b>(31)</b>	<b>(110)</b>	<b>(11)</b>	<b>(16)</b>
Net change in debt	0	0	(11)	(5)	(10)
New Capital	11	94	0	0	0
Dividend payment	0	0	(25)	0	0
Other Fin. Cash Flow	0	0	0	0	0
<b>Financing Cash Flow</b>	<b>11</b>	<b>94</b>	<b>(36)</b>	<b>(5)</b>	<b>(10)</b>
<b>Net Change in Cash</b>	<b>0</b>	<b>89</b>	<b>(24)</b>	<b>28</b>	<b>(32)</b>
Cash - begin of the year	53	53	142	142	118
Cash - end of the year	53	142	118	170	86

**Exhibit 16. Key Ratios**

(IDRbn)	2019	2020	1H21
<b>Growth (%)</b>			
Sales	165.1	21.7	8.0
EBITDA	84.8	48.0	92.3
Operating profit	81.7	43.5	118.5
Net profit	9.8	24.7	73.5
<b>Profitability (%)</b>			
Gross margin	73.1	21.5	24.2
EBITDA margin	33.4	23.7	25.6
Operating margin	31.1	13.7	17.8
Net margin	25.8	9.9	13.5
ROAA	9.9	5.7	10.0
ROAE	20.2	10.1	16.7
<b>Leverage</b>			
Net Gearing (x)	0.0	(0.1)	(0.2)
Interest Coverage (x)	7.1	5.4	10.8

Source : ASLC



---

#### Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.