

# Panorama Sentrawisata

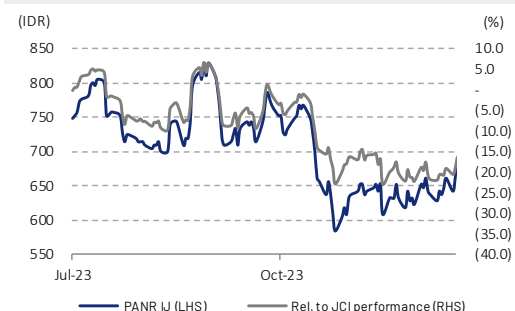
1 July 2024 | Equity Research | Travel Agencies

## Company Update

### Not Rated

Target Price	:	n.a
Current Price	:	390
Upside	:	n.a

#### 12M PRICE PERFORMANCE



Source: Bloomberg

#### STOCK PERFORMANCE

	YTD	1M	3M	12M
Absolute	-37.5%	-2.5%	-11.4%	-47.9%
JCI Return	-2.9%	-2.6%	-3.1%	5.5%
Relative	-34.6%	0.1%	-8.3%	-53.4%

Source: Bloomberg

#### MARKET DATA

12M price range (IDR)	364 - 840
12M PE range (x)	7.8 - 14.6
Outstanding shares (mn)	1,388
Market cap (IDRbn)/(USDmn)	541 / 38
Avg daily turn. (IDRbn/USDmn)	0.8 / 0.1

Source: Bloomberg

#### SHAREHOLDERS

Panorama Tirta Anugerah	44.3%
Satrio Tirtawisata	7.8%
Budijanto Tirtawisata	6.4%
Others	41.6%

Source: Bloomberg, BCA Sekuritas

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## Optimism for Sustainable Growth

### Indonesian integrated tourism company

Panorama Sentrawijaya (PANR IJ) is a trusted travel agency with more than 50 years of experience that provides various services: a) tour packages for international and domestic vacation (outbound), b) Inbound travel services (PDES IJ) for foreign tourists visiting Indonesia, Malaysia, Vietnam, and Thailand; and c) supporting services, including transportation (WEHA IJ) as well as media and hotel aggregator (Raja Kamar). After enjoying the post-pandemic pent-up demand, PANR relies on new strategies to achieve sustainable growth, targeting corporate incentives and taking advantage of spiking tourist traffic in Thailand. PANR is currently traded at 21.4x annualized 2024F P/E

### Sustainable growth of tourism

**'Revenge travel'**. After almost 3 years of COVID-19 travel restrictions, people started 'revenge travel' in 2H22 and 2023. Demand for PANR's outbound and inbound packages soar 46.9% yoy and 133% yoy, respectively. The phenomenon also boosted the company's numbers; it posted 87% yoy revenue and 415% yoy net profit growth in 2023.

**Normalizing pent-up demand**, PANR is confident in the sustainable growth of tourism in 2024 and onward, supported by: a) increased frequency and opening of domestic and international flight routes; b) emergence of trending destinations, c) various international events (sporting, cultural, and artistic) that may attract visitors; and China's (one of favorite destination) reopening.

PANR's 1Q24 revenue slipped 22% yoy due to a) 'travel revenge'-driven spike has started to normalize and b) the addition of pilgrimage tour services in 1Q23, the company serves churches that do ministry trips every two years. Despite lower 1Q24, management still targets 15-20% growth in 2024, supported by:

- A) **Corporate leisure**. PANR sees demand for incentive travel from the corporate segment has started to strengthen from 2024; as of early May 2024, the company has recorded +23% yoy growth in orders for corporate leisure travels in 2024.
- B) **Inbound tour: spiking tourist traffic in Thailand**. According to a Xinhua publication on 14 Jun 2024, the Thai government raised its inbound tourist target to 36.7 mn (+1 mn revision); Thailand welcomed 39.9 mn foreign arrivals in 2019 (pre-pandemic). As of 5M24, Thailand has received over 15 mn, while the Indonesian government set a target of 14.3 mn foreign arrival in 2024F, and as of 4M24, Indonesia's total foreign arrival had reached 28.7% of the target. PANR's inbound tour revenue grew 3.67% yoy in 1Q24.

In 1Q24, revenue from air tickets declined 32% yoy to IDR 223.7 bn; however, the figures should improve in 2Q24. According to BCA Intrabel trend in the past three months, airline tickets have shown strong growth from lower mass to higher mass customer spending. Moreover, each customer segment also shows positive growth in travel spending.

### Stronger Capital after Rights Issue

On 26 Jan 2024, PANR completed its PMHMETD, issuing as many as 187,500,000 new shares with offering price of IDR 400 per share. The company recorded additional net paid-in capital of IDR 65.625 bn, which will be used for debt repayment (IDR 7.5 bn) and fund the company's operational expenses.

PANR's DER declined to 0.6x in Mar 2024 (vs 0.76x in Dec 2023). PANR targets to cut its debt ratio further, and one of the strategies is divesting non-productive assets and/or non-core business.

### Valuation and Risk

Looking at annualized 2024 numbers, PANR is traded at 21.4x PE; below its regional peers at an average of 30.9x PE.

Several risks should be anticipated, including a) depreciation of Rupiah, b) weakening purchasing power, and c) emergence of new competitors.

**PANR Financial Summary**

<b>Income Statement (IDR bn)</b>	<b>FY21</b>	<b>FY 22</b>	<b>FY23</b>	<b>1Q23</b>	<b>1Q24</b>
<b>Revenue</b>	<b>239</b>	<b>1,527</b>	<b>2,859</b>	<b>832</b>	<b>646</b>
Cost of revenue	(229)	(1,379)	(2,549)	(742)	(580)
<b>Gross profit</b>	<b>10</b>	<b>148</b>	<b>310</b>	<b>90</b>	<b>66</b>
<b>EBIT</b>	<b>(100)</b>	<b>22</b>	<b>144</b>	<b>49</b>	<b>20</b>
<b>EBITDA</b>	<b>(49)</b>	<b>56</b>	<b>174</b>	<b>78</b>	<b>25</b>
Net interest income	(51)	(41)	(46)	(11)	(12)
Forex gain (loss)	1	2	5	3	6
Other incomes/ (expenses)	(13)	47	55	5	6
<b>Income before Tax</b>	<b>(163)</b>	<b>31</b>	<b>158</b>	<b>45</b>	<b>20</b>
Tax Expenses	28	(2)	(35)	(9)	(2)
Minority Interests	(32)	17	62	20	12
<b>Net Income</b>	<b>(103)</b>	<b>12</b>	<b>61</b>	<b>16</b>	<b>6</b>
<b>EPS (Rp)</b>	<b>(86.1)</b>	<b>10.2</b>	<b>53.0</b>	<b>13.2</b>	<b>4.6</b>

<b>Balance Sheets (IDR bn)</b>	<b>FY21</b>	<b>FY 22</b>	<b>FY23</b>	<b>1Q23</b>	<b>1Q24</b>
Cash and cash equivalents	32	96	136	115	188
Account receivables	58	151	208	199	243
Other Current Assets	166	226	245	236	354
<b>Current Assets</b>	<b>255</b>	<b>474</b>	<b>589</b>	<b>551</b>	<b>786</b>
Fixed assets	601	562	543	556	542
Other LT assets	610	503	505	530	503
<b>Non-Current Assets</b>	<b>1,211</b>	<b>1,065</b>	<b>1,048</b>	<b>1,086</b>	<b>1,044</b>
<b>Total assets</b>	<b>1,466</b>	<b>1,538</b>	<b>1,636</b>	<b>1,637</b>	<b>1,830</b>
ST Debt	197	176	105	195	85
Other short term liabilities	160	281	377	327	464
<b>Current Liabilities</b>	<b>357</b>	<b>457</b>	<b>483</b>	<b>522</b>	<b>549</b>
LT Debt	506	457	431	458	425
Other long term liabilities	61	56	17	56	17
<b>Total liabilities</b>	<b>925</b>	<b>970</b>	<b>930</b>	<b>1,037</b>	<b>991</b>
Equity	430	431	515	443	597
Minority Interests	111	137	191	157	243
<b>Total equity</b>	<b>541</b>	<b>568</b>	<b>706</b>	<b>600</b>	<b>839</b>
<b>Total liabilities &amp; equity</b>	<b>1,466</b>	<b>1,538</b>	<b>1,636</b>	<b>1,637</b>	<b>1,830</b>

<b>Cash Flows Statement (IDR Bn)</b>	<b>FY21</b>	<b>FY 22</b>	<b>FY23</b>	<b>1Q23</b>	<b>1Q24</b>
Net income	(103.3)	11.7	61.1	15.9	6.3
Depreciations and Amortization	51.1	34.0	29.5	29.5	5.5
Change in working capital	(70.5)	110.9	52.9	(47.9)	11.4
<b>Cash flows from operating activities</b>	<b>(122.6)</b>	<b>156.6</b>	<b>143.4</b>	<b>(2.6)</b>	<b>23.2</b>
Capex	(1.1)	(59.7)	(11.5)	-	(25.0)
<b>Cash flows from investing activities</b>	<b>45.8</b>	<b>(58.0)</b>	<b>10.8</b>	<b>(0.4)</b>	<b>(21.0)</b>
Dividend Paid	-	-	-	-	-
<b>Cash flows from financing activities</b>	<b>(109.5)</b>	<b>(35.4)</b>	<b>(119.8)</b>	<b>18.9</b>	<b>44.1</b>
Net increase/(decrease) in Cash	(186.3)	63.2	34.4	15.9	46.3
<b>Cash and cash equi. at the end of the year</b>	<b>31.5</b>	<b>96.5</b>	<b>135.7</b>	<b>115.1</b>	<b>187.9</b>

<b>Key Ratios</b>	<b>FY21</b>	<b>FY 22</b>	<b>FY23</b>	<b>1Q23</b>	<b>1Q24</b>
Gross Margin (%)	4.3%	9.7%	10.8%	10.8%	10.2%
EBITDA Margin (%)	-20.3%	3.7%	6.1%	9.4%	3.9%
EBIT Margin (%)	-41.6%	1.4%	5.0%	5.9%	3.0%
Pretax margin (%)	-68.0%	2.0%	5.5%	5.4%	3.1%
Net Margin (%)	-43.2%	0.8%	2.1%	1.9%	1.0%
ROA (%)	-7.0%	0.8%	3.7%	1.0%	0.3%
ROE (%)	-24.0%	2.7%	11.9%	3.6%	1.1%

Exhibit 1. Brands and product category



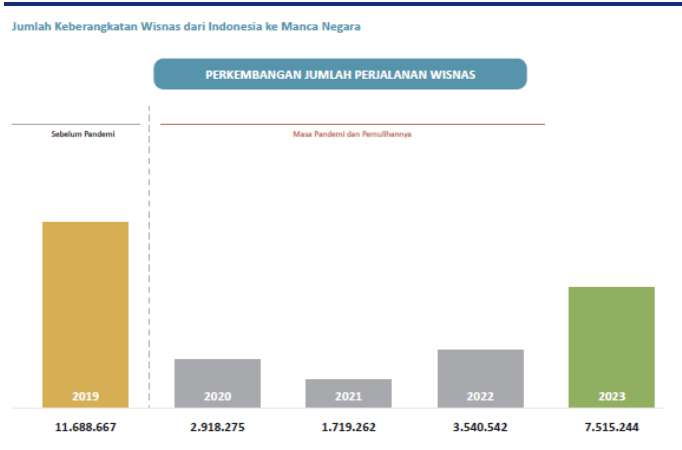
Sources: Company, BCA Sekuritas

Exhibit 2. Share ownership structure

Shareholders	Before Rights Issue		After Rights Issue	
	# of shares	%	# of shares	%
Panorama Tirta Anugerah	530,964,423	44.2%	613,927,623	44.2%
Satrijanto Tirtawisata	93,765,500	7.8%	108,416,300	7.8%
Budijanto Tirtawisata	75,000,000	6.3%	88,218,700	6.4%
Ramajanto Tirtawisata	72,476,500	6.0%	83,800,953	6.0%
Public (<5%)	427,793,577	35.6%	493,136,424	35.5%
<b>Total</b>	<b>1,200,000,000</b>	<b>100.0%</b>	<b>1,387,500,000</b>	<b>100.0%</b>

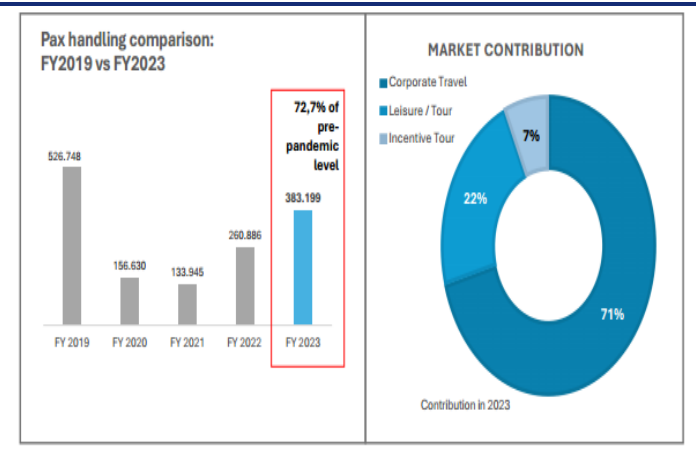
Sources: Company, BCA Sekuritas

Exhibit 3.- Number of tourist departures from Indonesia to other countries



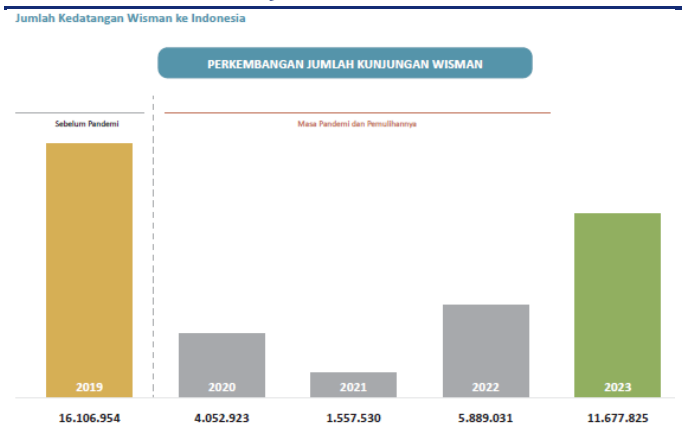
Sources: Company, BCA Sekuritas

Exhibit 4. Outbound/ Travel & Leisure – Pax Handling



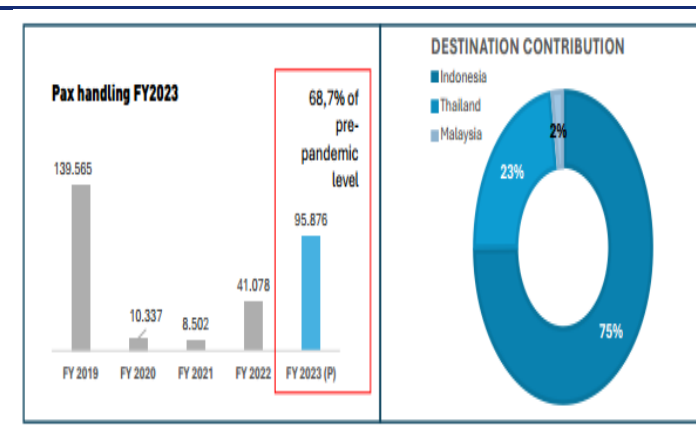
Sources: Company, BCA Sekuritas

Exhibit 5. Number of foreign tourist visits to Indonesia



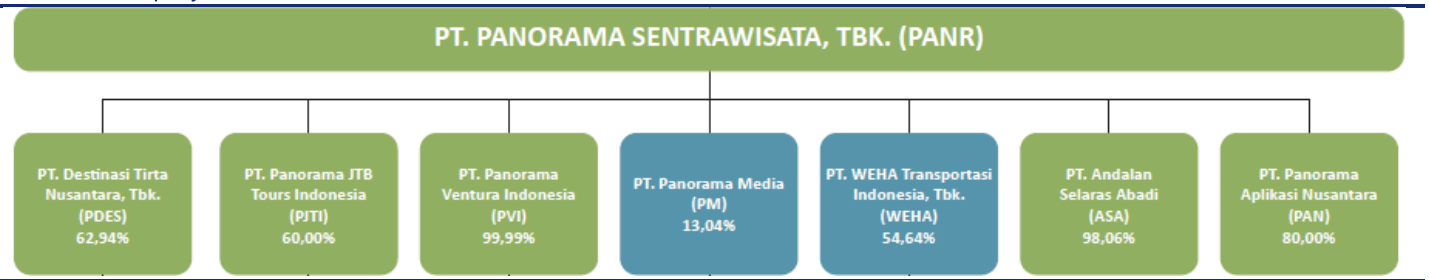
Sources: Company, BCA Sekuritas

Exhibit 6. Inbound Pax Handling



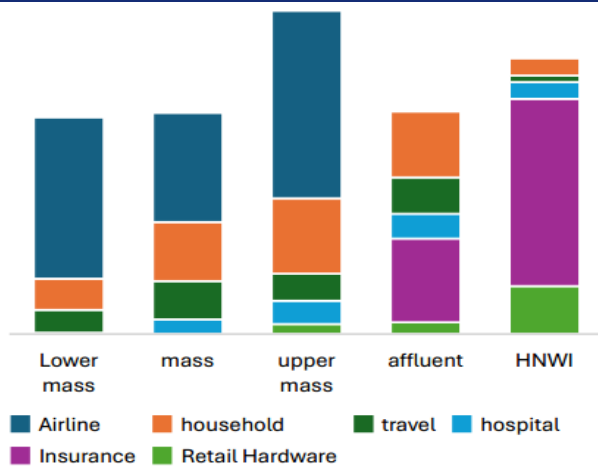
Sources: Company, BCA Sekuritas

Exhibit 7. Company Structure



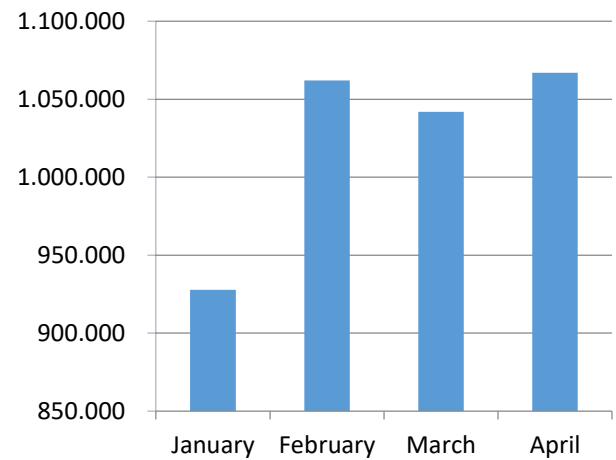
Sources: Company, BCA Sekuritas

Exhibit 8. Intrabel trend in the past three months (top spend)



Sources: BCA Economist

Exhibit 9. Number of foreign tourist visits to Indonesia in 4M24



Sources: BPS, BCA Sekuritas

Exhibit 10. Peers Comparison

Ticker	Name	Currency	Price	Stock Exch	Current PE	PE Ratio 2023	PE Ratio 2024	Current PB	Return on Assets	Return on Equity
Average:					30.79	75.56	26.05	3.24	5.34	11.61
PANR IJ	Panorama Sentrawisata Tbk PT	IDR	390.00	Indonesia	9.49	n.a	n.a	0.78	3.09	10.31
BAYU IJ	Bayu Buana Tbk PT	IDR	1,345.00	Indonesia	6.28	n.a	n.a	1.07	9.15	17.99
1992 HK	Fosun Tourism Group	HKD	3.62	Hong Kong	49.42	12.43	11.95	1.82	0.80	12.92
002707 CH	UTour Group Co Ltd	CNY	5.74	Shenzhen	65.90	191.33	39.59	7.23	4.32	13.37
600749 CH	Tibet Tourism Co Ltd	CNY	12.93	Shanghai	n.a	n.a	n.a	2.93	0.23	0.34
603099 CH	Changbai Mountain Tourism Co Ltd	CNY	22.26	Shanghai	38.50	39.54	30.83	5.65	13.41	15.66
TBOTEK IN	Tbo Tek Ltd	INR	1,902.90	Natl India	n.a	n.a	n.a	n.a	7.53	50.42
696 HK	TravelSky Technology Ltd	HKD	9.16	Hong Kong	18.87	15.42	12.72	1.22	5.31	7.05
TC IN	Thomas Cook India Ltd	INR	241.38	Natl India	43.83	241.38	49.77	5.52	4.28	13.74
603136 CH	Jiangsu Tianmu Lake Tourism Co Ltd	CNY	10.93	Shanghai	21.14	18.88	16.14	2.20	8.34	10.89
300859 CH	Western Regions Tourism Development Cc	CNY	30.63	Shenzhen	44.53	n.a	39.27	6.73	15.31	16.34
900942 CH	Huangshan Tourism Development Co Ltd	USD	0.71	Shanghai	9.89	9.92	8.12	0.83	7.05	8.86
000430 CH	Zhangjiajie Tourism Group Co Ltd	CNY	5.88	Shenzhen	n.a	n.a	n.a	2.89	-9.44	-26.90

Sources: Bloomberg, BCA Sekuritas

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