

# Panorama Sentrawisata

## Not Rated

## Early Bird Proposition

### Pandu Anugrah

[pandu.anugrah@bcasekuritas.co.id](mailto:pandu.anugrah@bcasekuritas.co.id)

+6221 23587222 ext 11101

### Bryan Angelo Pudjanegara

[bryan.pudjanegara@bcasekuritas.co.id](mailto:bryan.pudjanegara@bcasekuritas.co.id)

+6221 23587222 ext 11103

Current Price: IDR149

### 12M PRICE PERFORMANCE



### STOCK PERFORMANCE

	YTD	1M	3M	12M
Absolute	-2.6%	12.0%	22.1%	52.0%
JCI Return	2.5%	-0.2%	0.8%	18.7%
Relative	-5.1%	12.2%	21.3%	33.3%

### FINANCIAL HIGHLIGHT

	EV/EBITDA (x)	EPSG (%)	P/E (x)	P/B (x)
2018	7.8	n.a.	(6.7)	0.1
2019	5.8	10.1	(7.5)	0.1
2020	(7.8)	(857.8)	(0.8)	0.2

### MARKET DATA

12M price range (IDR)	77 - 210
12M PE range (x)	0.0 - 0.0
Outstanding shares (mn)	1,200
Market cap (IDRbn)/(USDmn)	179 / 13
Avg daily turn. (IDRbn/USDmn)	25.5 / 1.8

### SHAREHOLDERS

PT Panorama Tirta Anugerah	64.3%
Public	35.8%

Source: Bloomberg, BCA Sekuritas

### Last lag of recovery play; Waiting for the runway to clear

We are led to understand that recovery of the tourism sector to a pre-pandemic level might not manifest until the very last cycle; while it is far too early to highlight, when the wave begins to swell, Panorama Sentrawisata (PANR IJ) might well be one of the key beneficiaries of a robust swing to recovery. Pent-up demand for travelling is definitely evident, with relaxation of restrictions typically followed by higher mobility for retail and recreation. On a separate note, Management has laid out several initiatives to strengthen its technological system, using its powerful database to offer customization tour products through potential collaboration with online travel agents (OTA) likely to expand the reach of the Company. Note that, the Company has identified 6.7m users, of whom 85% are in the domestic market. On such a scale, PANR's valuation proposition has always been on the tour & travel segment. We have noted an interesting development with the subsidiary of WEHA transportation as well, as it ventures into intercity food delivery to your door, with guaranteed same-day service.

### Strengthening digital capability

While the impact from the pandemic has been severe, PANR has customized its product offering to cope with the strange situation, with offerings such as "Family private escape", "Workcation from Bali + Free Vaccine" and "Marvelous Turkey", starting at IDR12.6mn, which includes a 7-day quarantine hotel stay upon returning. In addition, PANR expects further collaboration with OTA to unfold, selling potential tour & travel packages through their platform, as this has not been the strength of OTA. The great focus of OTA has been on airline tickets and hotel vouchers. Adding tour & travelling customization features would undoubtedly provide additional scale for PANR, furthering penetration. Tour and travel contribute 83% to PANR revenue in normal times but has dipped substantially in 1H21 to around 40%. On a separate note, border reopening and vaccination rate will potentially stand as the most critical factors for a recovery play proposition to manifest successfully.

### Reshaping capital for larger scale penetration

PANR 1H21 net gearing stood at 1.05x, acutely high, although the Company has obtained a degree of relaxation from lenders. PANR is in motion to tackle this issue, by potentially assessing asset divestment and a plan to raise funds through rights issue, recently approved by the shareholder. Assuming that EBITDA will recover to 60%-70% of pre-pandemic level in 2022, PANR is currently trading at an EV/EBITDA multiple of 3.41x-3.98x with current PBV at 0.26x, well below its historical average of 0.68x. 2021 earnings might continue to loiter in negative territory, but our simulation suggests that if revenue were to recover to 60% of Pre-Covid level, PANR should be able to deliver positive turnaround, partially supported by its cost transformation through digital systems, reducing opex by around 40% and is likely to push overhead costs to below 15% revenue from 20-21% previously. Note that on top of its rights issue plan, management is currently in discussion to potentially divest its portfolio business with an estimated value of USD20-25mn. At this stage of the cycle, full restoration might be highly dependent upon Covid-19 caseload; nevertheless, recent mobility of retail and recreation should be an early (or perhaps very early) indication of the Company finally reviving smooth growth.

Financial highlights	2018	2019	2020	6M20	6M21
Revenue	2,036.9	1,951.2	793.2	432.1	34.0
EBITDA	94.5	110.4	(78.9)	(51.6)	(30.3)
EV/EBITDA (x)	7.8	5.8	(7.8)	(6.1)	(13.3)
Net income	(25.0)	(22.5)	(215.7)	(94.5)	(63.9)
Net Profit Growth (%)	n.a.	10.1	(857.8)	56.2	32.4
EPS (IDR)	(20.9)	(18.8)	(179.7)	(78.8)	(53.3)
EPS Growth (%)	n.a.	10.1	(857.8)	56.2	32.4
PE (x)	(6.7)	(7.5)	(0.8)	(0.9)	(1.3)
BVPS	693	803	591	712	537
PB (x)	0.14	0.12	0.16	0.14	0.18
ROE (%)	(3.0)	(2.3)	(30.4)	(11.1)	(9.9)
Net Gearing	68.6	49.0	63.2	54.3	99.2

**Financial summary**

<b>Income Statement</b>					
<b>Year-end 31 Dec (IDRbn)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>6M20</b>	<b>6M21</b>
Revenue	2,036.9	1,951.2	793.2	432.1	34.0
Cost of revenue	1,667.5	1,594.6	728.9	382.0	34.5
Gross profit	369.5	356.5	64.3	50.1	(0.5)
EBITDA	94.5	110.4	(78.9)	(51.6)	(30.3)
EBIT	37.7	59.2	(126.0)	(72.7)	(47.9)
Interest income	6.2	3.5	11.5	5.3	3.2
Interest expenses	(67.0)	(65.5)	(67.7)	(26.1)	(27.8)
Other income (expenses)	(55.7)	(75.6)	(111.5)	(42.4)	(31.2)
Pre-tax profit	(18.0)	(16.4)	(237.5)	(115.1)	(79.1)
Taxes	7.0	6.2	(21.8)	(20.6)	(15.2)
Net income	(25.0)	(22.5)	(215.7)	(94.5)	(63.9)
EPS	(20.9)	(18.8)	(179.7)	(78.8)	(53.3)
<b>Balance Sheets</b>					
<b>Year-end 31 Dec (IDRbn)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>6M20</b>	<b>6M21</b>
Cash and cash equivalents	73.5	251.6	218.0	299.5	42.9
Receivables, net	332.6	331.3	133.8	197.4	144.4
Fixed, intangible, and right of use assets	746.7	918.3	876.8	908.5	854.0
Advances and prepaid taxes and expenses	214.9	263.5	198.4	262.8	209.1
Investment in associates and shares	229.1	178.5	135.5	156.9	124.6
Other assets	216.5	204.7	204.6	198.7	200.7
Total assets	1,813.3	2,147.8	1,767.0	2,023.6	1,575.7
S-T liabilities	199.7	150.8	185.3	180.5	167.5
Other S-T liabilities	259.2	361.6	220.3	318.1	177.2
L-T liabilities	444.7	572.4	480.2	583.1	514.6
Other L-T liabilities	77.7	99.8	72.6	87.0	71.7
Total liabilities	981.3	1,184.6	1,058.4	1,168.7	931.0
Total equities	832.0	963.2	708.6	855.0	644.6
Total liabilities & equities	1,813.3	2,147.8	1,767.0	2,023.6	1,575.7
<b>Cash Flow Statement</b>					
<b>Year-end 31 Dec (IDRbn)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>6M20</b>	<b>6M21</b>
Receipt from customers	3,904.7	4,240.2	1,298.3	1,207.6	129.3
Payment to employees, suppliers, and merchants	(4,264.2)	(4,049.1)	(1,296.3)	(1,190.4)	(174.5)
Other operating activities	(103.5)	(93.8)	(78.9)	(36.3)	(30.4)
Operating C/F	(463.0)	97.4	(76.9)	(19.1)	(75.6)
Capital expenditure	(31.7)	(0.3)	13.1	1.1	2.0
Other investing activities	148.1	(23.3)	27.1	23.3	(2.0)
Investing C/F	117.5	(23.6)	40.1	24.4	2.0
Net change in debt	(38.0)	94.3	23.6	43.5	(107.5)
Proceeds from additional capital contributions	(1.3)	(1.6)	(15.7)	0.0	0.0
Other financing activities	7.6	12.0	(5.1)	(3.7)	2.5
Financing C/F	(31.6)	104.7	2.9	39.7	(105.0)
Change in cash	(377.1)	178.4	(33.9)	45.1	(178.6)
Effects of foreign exchange rate changes on cash	0.7	(0.4)	0.3	36.4	(78.0)
Beginning cash flow	450.0	73.5	251.6	218.0	299.5
Ending cash flow	73.5	251.6	218.0	299.5	42.9
<b>Key metrics</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>6M20</b>	<b>6M21</b>
Gross Margin (%)	18.1	18.3	8.1	11.6	(1.5)
EBITDA Margin (%)	4.6	5.7	(10.0)	(11.9)	(89.3)
EBIT Margin (%)	1.8	3.0	(15.9)	(16.8)	(141.2)
Pretax margin (%)	(0.9)	(0.8)	(29.9)	(26.6)	(232.9)
Net Margin (%)	(1.2)	(1.2)	(27.2)	(21.9)	(188.2)
ROE (%)	(3.0)	(2.3)	(30.4)	(11.1)	(9.9)
ROA (%)	(1.4)	(1.0)	(12.2)	(4.7)	(4.1)
Net gearing (%)	68.6	49.0	63.2	54.3	99.2

Revival mode

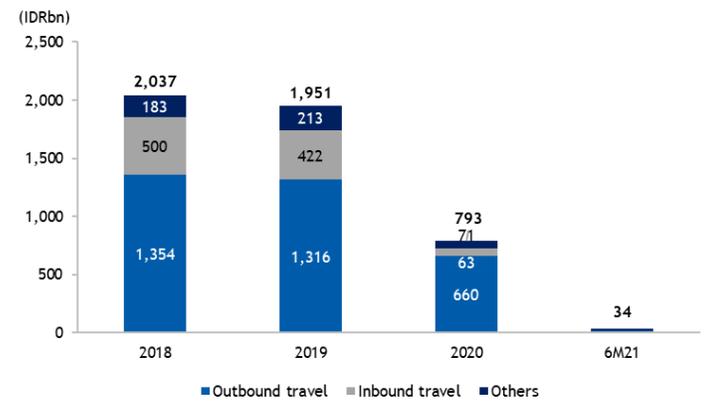
Severe impact for the inbound; Outbound demand has slowly and selectively recovered

The pandemic has undoubtedly had severe damage to the tourism sector, with outbound tour and travel typically account for around 80% of total revenue. The close border policy adopted by several countries has exacerbated the uncertainty on the recovery of PANR. On a more positive note, management has highlighted that the customization of products, such as “Marvelous Turkey” has attracted positive traction, with early indication on the return of corporate outbound customers to an open country destination, such as New York, USA. This will likely unfold toward the end of Oct-21 with key customers typically stem from incentive-based corporates such as insurance or MLM. Note that corporates clients normally contribute ~80% of travel & leisure revenue (Outbound) with gross margin of around 13-15%.

Signs of traction on the outbound corporate customers, potentially departing to open border country of US

Exhibit 1 Revenue segmentation: far from the pre-pandemic level, as tourism is considered as the last cycle of recovery play

Exhibit 2. Revenue trend: outbound travel has been mostly driven by the border policy



Sources: Company, BCA Sekuritas

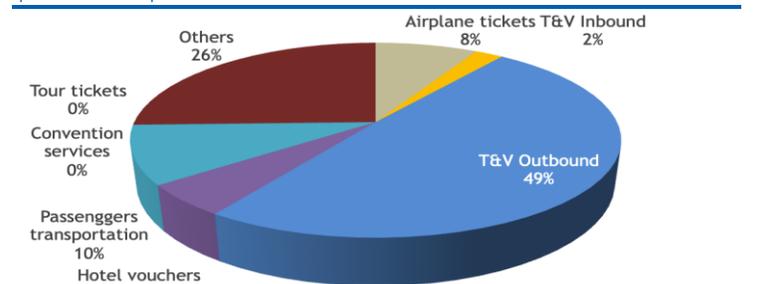
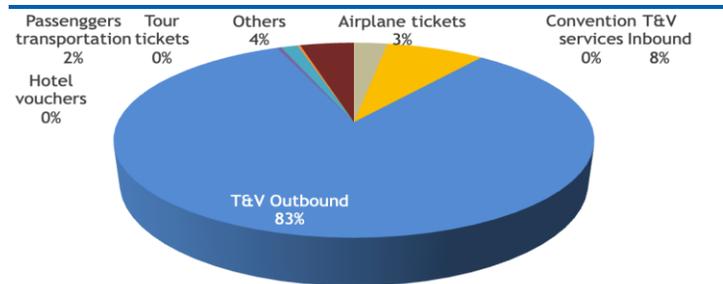
Sources: Company, BCA Sekuritas

Likely to be a slow recovery for the inbound, given border restriction and quarantine requirement

It is more likely that the inbound segment recovery would only materialize in a more longer-term than the outbound, given requirement of 7 days quarantine with potential lifting of this policy might not unfold anytime soon or being altered constantly, not to mention the policy on the international hub airport such as Singapore. The prerequisite for sustain recovery therefore would hinge on the synchronization of global border policy. Note that as of July 2021, tourist arrival has not exhibited a sign of recovery with monthly arrival dropping to only around 139k people, 90.5% below pre-covid level. The upside risk, therefore, would hinge on either open border policy or potential removal of 7-days quarantine, although it might escalate to risk of further Covid transmission. Historically, inbound segment provides better margin of around 20%, partly due to the foreign currency transaction-based.

Exhibit 3. 2020 revenue contribution: outbound revenue mostly driven by corporate segment, account for 80% of travel and leisure revenue

Exhibit 4. 1H21 revenue: severe across all segments, given close border policy in several popular destination countries, international hub, and 7-days quarantine requirement for domestic arrival



Sources: Company, BCA Sekuritas

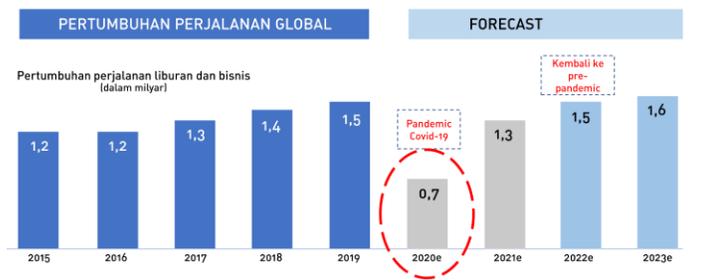
Sources: Company, BCA Sekuritas

The pandemic has encouraged management to structurally reformed its cost structure through digital adoption, allowing 40% overhead cost reduction

60% revenue recovery to the pre-pandemic might reverse operational income and earnings to positive territory

Management highlighted that revenue restoration will likely need to reach around 60% to the pre-covid level before operational or even earnings turnaround will manifest. This is likely in 2022, with the company is striving to push more revenue from the tour & leisure segment, aiming to offer US tour, for example. On separate note, the pandemic has encouraged structural reform on the cost structure through digitalization, which according to the management will likely allow around 40% operational cost efficiency, paving the way for potential swing of margin above pre-covid level should the travelling condition resume to normal.

Exhibit 5. Recovery to the pre-covid level will manifest in 2022



Sources: Company, BCA Sekuritas

Exhibit 6. Unseen recovery so far on tourists arrival



Sources: Company, BCA Sekuritas

OTA in the making?

The capex spending over the next three years will be mostly deployed for digital enhancement. It is worth noting that PANR has one of the most integrated business chains with sufficient scale allowing the company to secure ticket/hotel vouchers sales at more attractive price point. In fact, its hotel aggregator subsidiary, MG Bedbank, has a substantial scale, of which 20% are sold to the usual OTA such as Agoda. In the near-term, PANR is likely to launch its full online platform, but likely to adopt the conventional-based model with no cash burning. Unlike most OTA, with initially cash-burning business model, PANR's strength in providing tour and travel services and expansions in the OTA-like business model might offer a strong proposition for profitability to stay intact.

6.7m users in the ecosystem as per 2019

Exhibit 7. PANR business value chain: most integrated



Sources: Company, BCA Sekuritas

More on WEHA – “On Demand Service” on the spotlight

“Same day” delivery service to your door

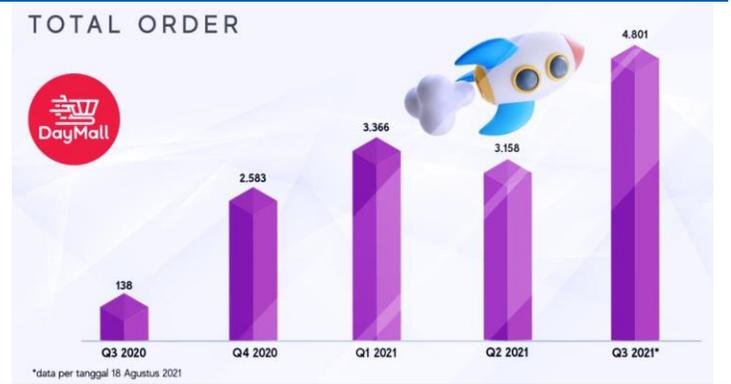
WEHA Transportasi Indonesia (WEHA) is **40%-owned** by PANR and has initiated transformation through its “DayTrans” digital platform, which originally started as a shuttle transportation provider. The “DayMall” feature on its platform enables users to place a food delivery order (PO) direct to your door in major Javanese cities, such as Bandung, Semarang, and Surabaya. Our observation suggests that it would cost around IDR15k-IDR20k to place an order from Bandung, with delivery direct to your door: quite an affordable fare.

Exhibit 8. More than 2.4k merchants onboard



Sources: Company, BCA Sekuritas

Exhibit 9. Total order value of DayMall

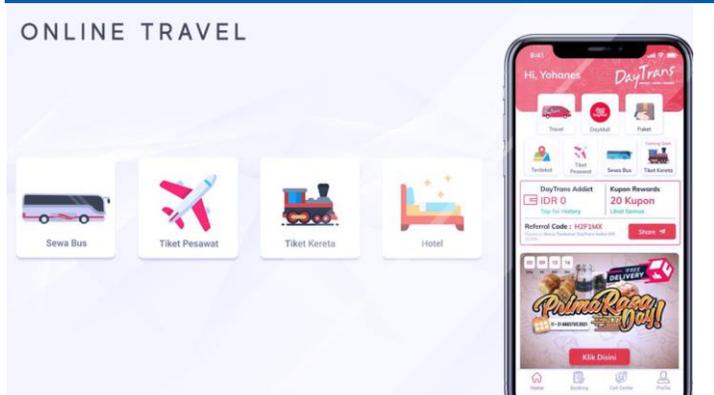


Sources: Company, BCA Sekuritas

Alternative parcel delivery is being adopted to provide a cushion of income from falling passenger numbers during the pandemic. As of this writing, DayMall has 2,400++ merchants with familiar names like Prima Rasa, Kartika Sari and Kingsley Batagor. Management highlights the fact that in 3Q21, “DayMall” has managed to deliver 4,801 orders, an increase of close to 35x from the initial launch of just 138 in 3Q20.

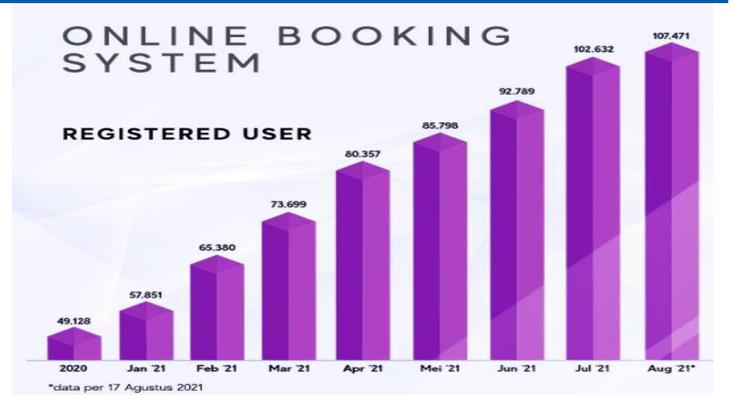
On a separate note, WEHA online booking system has registered 107,471 users, selling a variety of transportation tickets including air, train, shuttle bus rental and hotel voucher ones.

Exhibit 10. Products offered by DayTrans



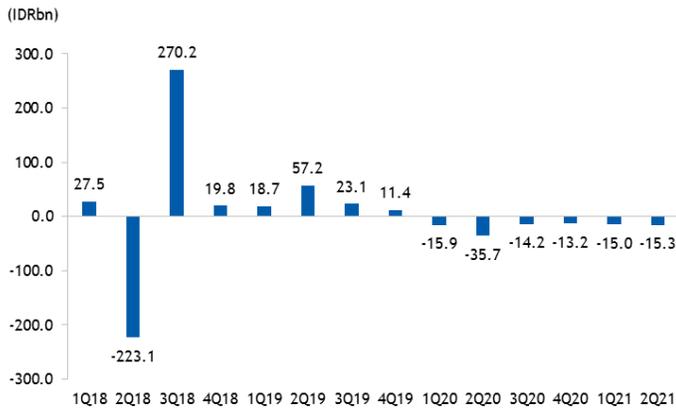
Sources: Company, BCA Sekuritas

Exhibit 11. Numbers of registered users



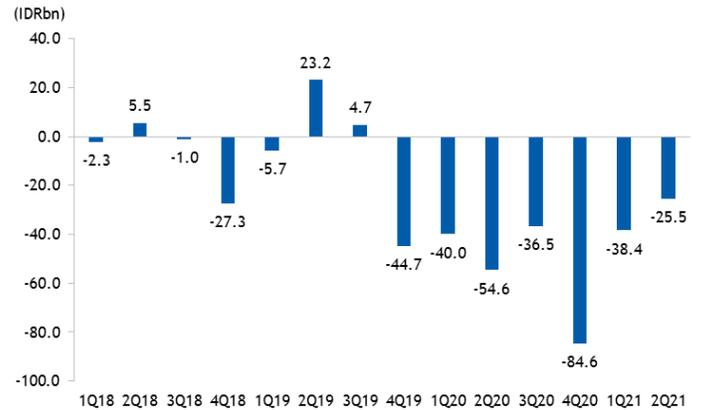
Sources: Company, BCA Sekuritas

Exhibit 12. EBITDA trend



Sources: Company, BCA Sekuritas

Exhibit 13. Net income trend



Sources: Company, BCA Sekuritas

Exhibit 14. Product adjustment to adapt to the pandemic



Sources: Company, BCA Sekuritas

Exhibit 15. Product adjustments to adapt to the new regulations



Sources: Company, BCA Sekuritas

Exhibit 16. PANR EV/EBITDA



Sources: Company, BCA Sekuritas

Exhibit 17. PANR P/B – PANR is currently trading at 0.24x P/B



Sources: Company, BCA Sekuritas

**Equity Research Division**  
[research@bcasekuritas.co.id](mailto:research@bcasekuritas.co.id)

**Institutional Equity Market Division**  
[ecm@bcasekuritas.co.id](mailto:ecm@bcasekuritas.co.id)

**Sales Equity Market Division**  
[sales@bcasekuritas.co.id](mailto:sales@bcasekuritas.co.id)



Menara BCA – Grand Indonesia, 41<sup>st</sup> Floor  
Jl. MH Thamrin No. 1, Jakarta 10310  
Tel. +62 21 2358 7222  
Fax. +62 21 2358 7250/300/290



## DISCLAIMER

By receiving this research report ("Report"), you confirm that: (i) you have previously requested PT BCA Sekuritas to deliver this Report to you and you are legally entitled to receive the Report in accordance with Indonesian prevailing laws and regulations, and (ii) you have fully read, understood and agreed to be bound by and comply with the terms of this Report as set out below. Your failure to comply with the terms below may constitute a violation of law.

This Report is strictly confidential and is for private circulation only to clients of PT BCA Sekuritas. This Report is being supplied to you strictly on the basis that it will remain confidential and that you will maintain its confidentiality at all times. Without the prior written consent of PT BCA Sekuritas authorized representative(s), no part of this Report may be (i) copied or reproduced in any form by any means, (ii) redistributed or delivered, directly or indirectly, to any person other than you, or (iii) used for any other purpose that is not in line with the terms of the Report..

PT BCA Sekuritas, its affiliates and related companies, their directors, associates, connected parties and/or employees (excluding the individual analysts who prepare this Report) may own or have positions in securities of the company(ies) covered in this Report and may from time to time buy or dispose, or may have material interest in, those securities.

Further, PT BCA Sekuritas, its affiliates and its related companies do and seek to do business with the company(ies) covered in this Report and may from time to time: (i) act as market maker or have assumed an underwriting commitment in the securities of such company(ies), (ii) sell to or buy those securities from other investors for its own account, (iii) perform or seek to perform significant investment banking, advisory or underwriting services for or relating to such company(ies), or (iv) solicit any investment, advisory or other services from any entity covered in this Report. Furthermore, the personnel involved in the preparation of this Report may also participate in the solicitation of the businesses as described above.

The views expressed in this Report reflect the personal views of the individual analyst(s) at PT BCA Sekuritas about the securities or companies mentioned in the Report and the compensation of the individual analyst(s), is, or will be directly or indirectly related to the performance of PT BCA Sekuritas' activities. PT BCA Sekuritas prohibits the individual analyst(s) who prepared this Report from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company (including those covered in the Report). However, the individual analyst(s) may receive compensation based on the scope of his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this Report, you should be aware that any or all of the above activities of PT BCA Sekuritas, its affiliates and related companies, their directors, associates, connected parties and/or employees, among other things, may give rise to real or potential conflicts of interest between them and you.

The content of this Report is prepared based on data believed to be correct and reliable on the date of this Report. However, this Report: (i) is not intended to contain all necessary information that a prospective investor may need, (ii) is not and should not be considered as an investment advice in any way, and (iii) cannot be relied as a basis for making an informed investment decision. Accordingly, PT BCA Sekuritas does not guarantee the adequacy, accuracy, completeness, reliability or fairness of any content of this Report and PT BCA Sekuritas, its affiliates and related companies, their directors, associates, connected parties and/or employees (including the analysts) will not be liable in any way for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) arising from or relating to any reliance on or use of the content of this Report by any person (including you).

This Report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst PT BCA Sekuritas' clients only and does not consider any specific investment objectives, financial situation and the particular needs of any specific person who may receive this Report. The entire content of this Report is not and cannot not be construed or considered as an offer, recommendation, invitation or solicitation to enter into any transaction (including trading and hedging) relating to the securities, other financial instruments, and other form of investments issued or offered by the company(ies) covered in this Report.

It is your own responsibility to: (i) independently evaluate the content of this Report, (ii) consider your own individual investment objectives, financial situation and particular needs, and (iii) consult your own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this Report.

Please note that the securities of the company(ies) covered in this Report might not be eligible for sale in all jurisdictions or to all categories of investors. The availability of those securities and your eligibility to invest in those securities will be subject to, among others, the prevailing laws of the relevant jurisdiction covering those securities. Furthermore, the value and income of any of the securities covered in this Report can fall as well as rise and an investor (including you) may get back less than invested. Future returns are not guaranteed, and a loss of original capital may be incurred. Foreign-currency denominated securities are subject to fluctuation in exchange rates that could have a positive or adverse effect on the value, price or income of such securities and financial instruments. Past performance is not indicative of comparable future results and no guarantee regarding future performance is provided in this Report.

This Report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulation of such jurisdiction.