

NOT RATED
Price: IDR535 (Ytd: -14.4%)
Close 22 Nov, 2017

Market cap	USD47.5 mn
6M avg. daily turnover	USD0.1 mn
Outstanding shares	1,200 mn
Free float	34.7%
Major shareholders	PT Panorama Tirta Anugerah, 64.25%
9M17 (Annualized):	
Net debt/equity	41.2%
BVPS	IDR623
P/B	0.9x
P/E	13.2x

Financial outlook

Year to	2015	2016	9M17
Sales	1,923	2,133	1,467
Net income	49	(17)	27
EPS (IDR)	41	(14)	30
Div. yield (%)	1.5	1.1	0.8
ROE (%)	21.8	(5.1)	4.5

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Bloomberg code: YUTA

Panorama Sentrawisata (PANR IJ)

Proxy of leisure economy

PANR is one of the largest integrated tourism company in Indonesia, operating in five business pillars: Inbound, Travel & Leisure, Media, Hospitality and Transportation. Throughout the years, PANR posted an excellent sales growth at 17.2% CAGR over the last 11 years. Currently, the company is undergoing some transformation efforts in order to capture the opportunities in Indonesia's fast-growing tourism industry. Our key takeaways from the meeting are as follows:

Beneficiary of pro-tourism government. In 2000–2016, foreign tourist visits grew steadily at 5% CAGR from 5mn in 2000 to 11mn visits in 2016. Going forward, government targets the visits to reach 15mn this year before up to 20mn visitors in 2019. Government's commitment to tourism sector is also reflected in 2018 state budget which reaches IDR7.5tn for tourism sector, a 41.5% CAGR since 2014. This is a positive catalyst for tourism industry players such as PANR.

Strategic partnership: Leveraging 100 years' experience of JTB Corp... In Mar-17, PANR announced a collaboration with JTB Corp (Japan Tourist Bureau), a leading Japanese travel agency established in 1912 and currently one of the largest in the world. JTB acquired 40% stakes in Panorama Tours Indonesia (PTI), which is a PANR's subsidiary handling outbound tours and airline tickets. This partnership is expected to bring synergy with PANR local expertise and further enhancing PANR position to capture the growing Japanese tourists market share as well as JTB global network.

... as well as Northstar expertise. Beside JTB, PANR also partnered with Northstar in its bedbank business. Northstar subscribed to the first round of Raja Kamar International's (RKI) rights issue, effectively acquired 11% stake in RKI for USD10mn. RKI is PANR's subsidiary which engages in bedbank (hotel room wholesaler) business under the brand MG Holiday Group. MG comprised of six major distribution channels: MG Bedbank, RoomDeal, Rajakamar.com, myhotelfinder.com, Corporate RoomDeal and MG Destinations. In 9M17, gross sales of hotel vouchers posted a strong growth of +21.6% YoY. Going forward, Northstar will subscribe for the second round of rights issue to further enhance the growth in South East Asia. The fund will be used for expansion, working capital and IT infrastructures to expand its business in South East Asia.

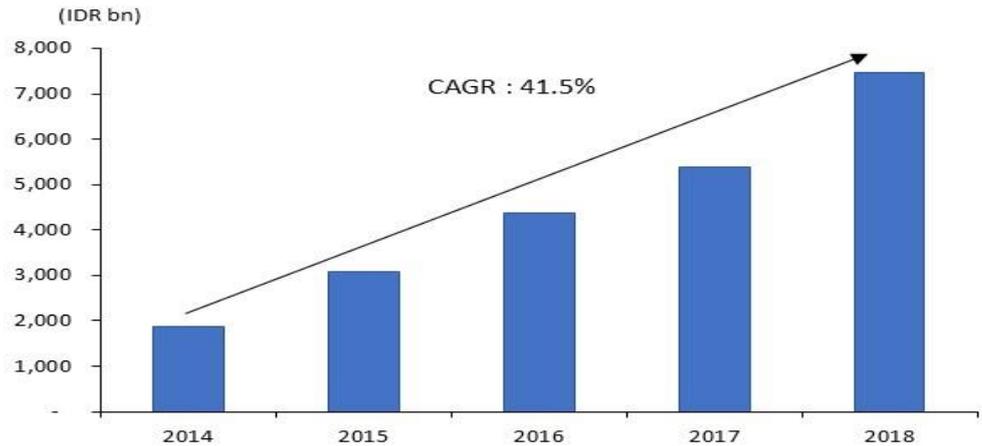
Valuations: trading at significant discount vs Asian peers. PANR is trading at 0.9 PBV as well as 13.2x of its 2017 annualized P/E. At the current price, PANR is also trading 10.3x/5.8x of 2017F/18F consensus EPS forecast. This is a 70%–75% discount vs its peers in China and Korea which are trading at their 2017F/18F P/E multiple of 33x/23x.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

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Government's budget for tourism sector grew at 41.5% under President Jokowi's administration

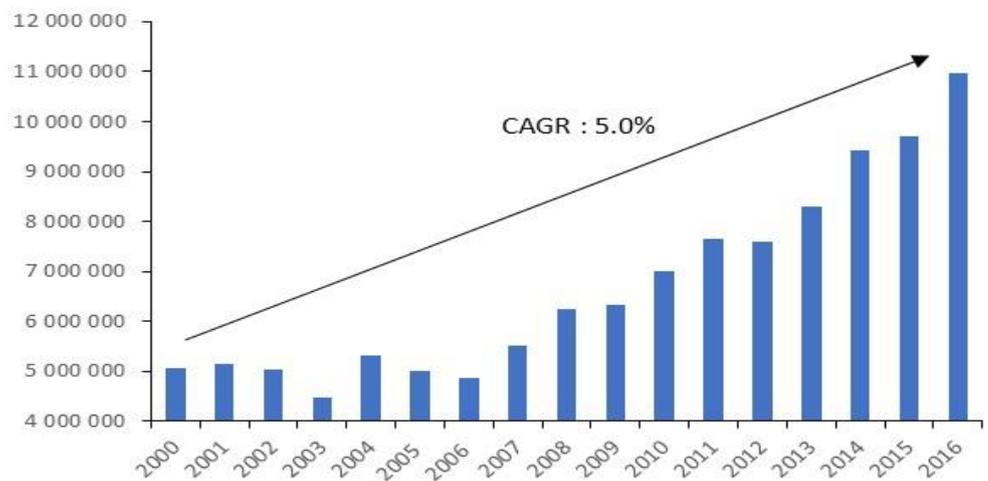
Figure 1. State Budget for Tourism Sector



Source: Finance Ministry

Foreign tourist visits to Indonesia steadily grew over 2000-2016 and is targeted by government to reach 20mn in 2019

Figure 2. Foreign tourist visits to Indonesia



Source: BPS

10 tourism destinations to be the new "Bali"

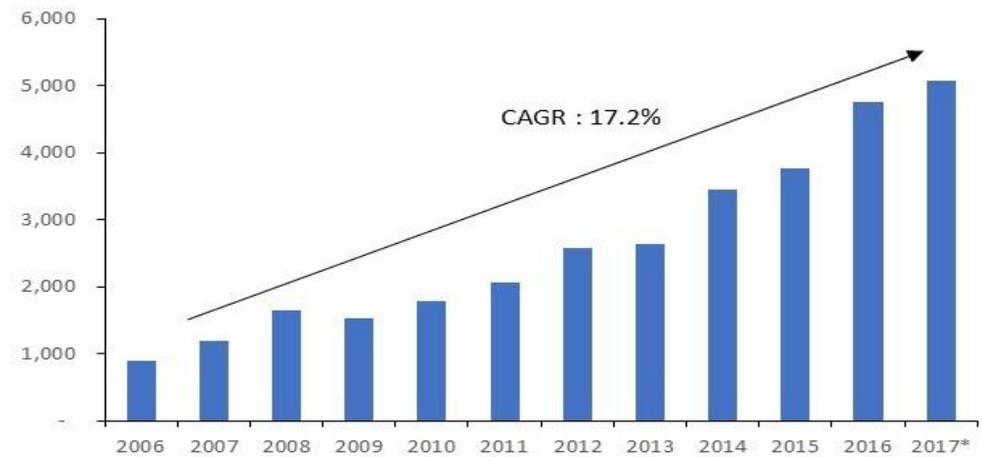
Figure 3. 10 new tourism destinations



Source: Tourism Ministry, Company

PANR gross revenue has grown at 17.2% CAGR since 2006

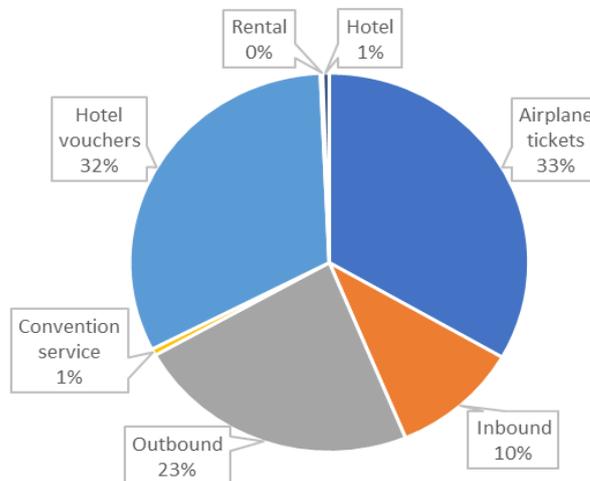
Figure 4. PANR Gross Revenue Growth



Source: Company, *) annualized

Airplane tickets and hotel vouchers are the biggest contributors to gross revenue

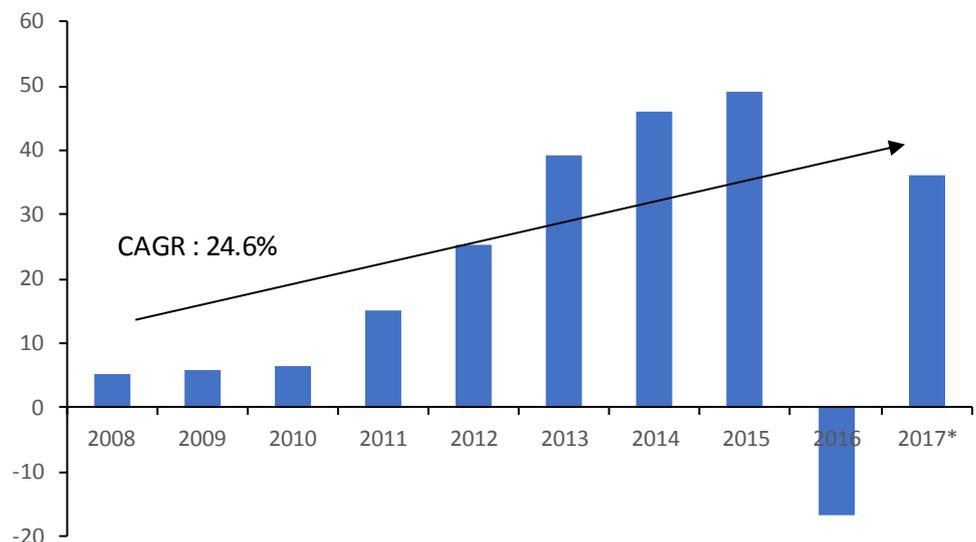
Figure 5. PANR 9M17 Gross Revenue Breakdown



Source: Company

PANR Net income grew at 24.6% CAGR since 2008, with a slight hiccup in 2015-2016 due to its transportation division restructuring process

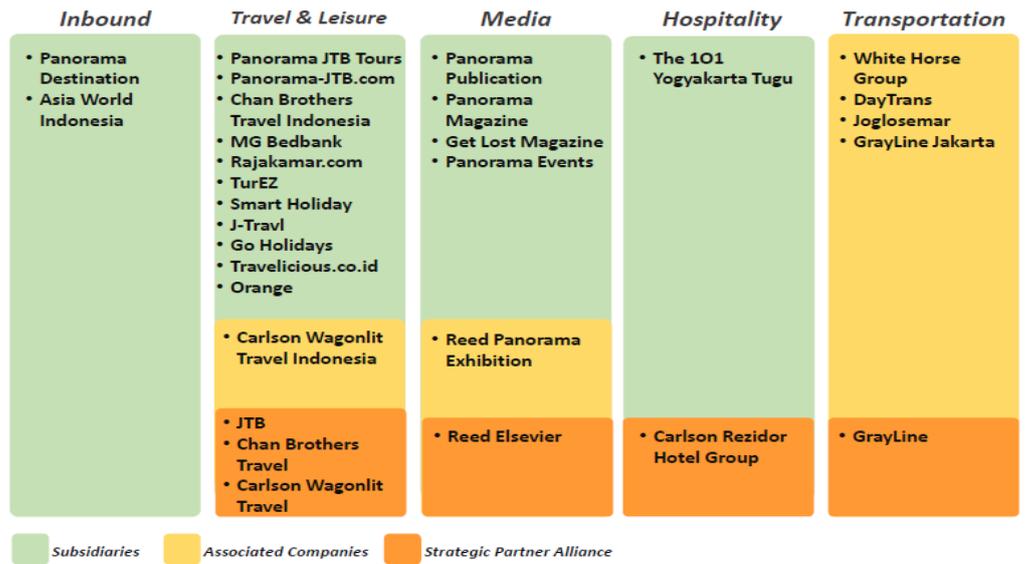
Figure 6. PANR Net Income Growth



Source: Company, *) annualized

PANR has developed many strategic partnerships to leverage their position in Tourism Sector

Figure 7. PANR Corporate Structure



Source: Company

Partnership with JTB is expected to create synergy with PANR's local expertise

Figure 8. Panorama and JTB partnership

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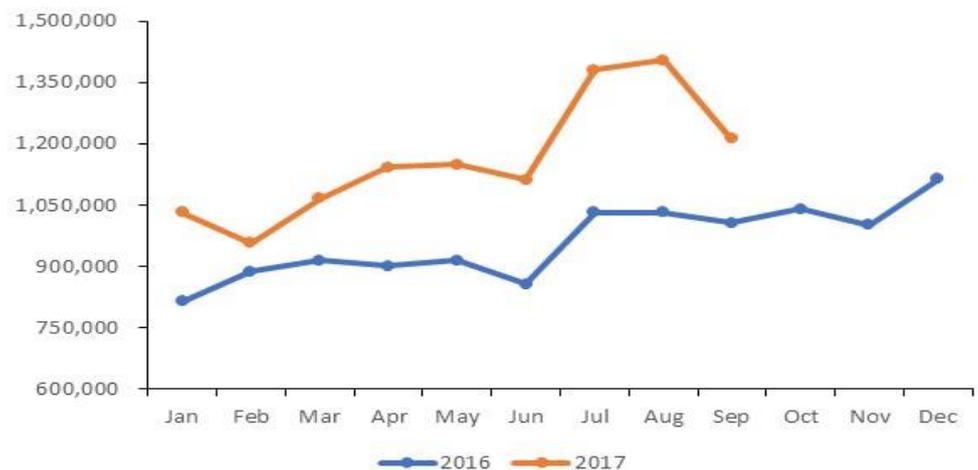
アジア&リゾート

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Source: Company

Figure 9. Japan tourist visits to Indonesia is growing rapidly



Source: BPS

RKI adopts B2B2C model to caters to its customer under six distribution channels

Figure 10. Raja Kamar International's (RKI) Distribution Channels



Source: Company

Figure 11. Peers comparison

Company	Ticker	Market cap (USD mn)	Price (Local) cur	PB (x)			PE (x)			ROE (%)		
				2016	2017F	2018F	2016	2017F	2018F	2016	2017F	2018F
CHANGBAI MOUNTAIN TOURISM -A	603099 CH	530	13	3.9	3.7	3.4	48.7	47.3	38.3	8.1	7.9	8.9
UTOUR GROUP CO LTD-A	002707 CH	1,398	11	5.1	4.4	3.8	42.5	34.4	27.7	12.8	12.9	14.4
EMEI SHAN TOURISM CO-A	000888 CH	787	10	2.5	2.3	2.1	27.2	25.5	21.7	9.6	9.3	10.1
LIJIANG YULONG TOURISM CO-A	002033 CH	723	9	2.2	1.8	1.7	21.4	21.2	19.0	10.6	9.4	9.8
AL TAYYAR TRAVEL GROUP	ALTAYYAR AB	1,320	24	0.9	0.8	0.7	5.9	6.9	6.8	17.4	12.0	10.6
HANA TOUR SERVICE INC	039130 KS	1,183	111,000	6.5	6.4	5.6	152.7	63.1	27.2	4.2	10.7	22.6
PANORAMA SENTRAWISATA TBK PT	PANR IJ	48	535	1.4	na	na	(38.5)	10.3	5.8	(5.0)	6.2	9.8
SIMPLE AVERAGE				3.2	3.2	2.9	37.1	29.8	20.9	8.2	9.8	12.3
Company	Ticker	Market cap (USD mn)	Price (Local) cur	Div Yield (%)			EPS Gwth (%)			EWEBITDA (x)		
				2016	2017F	2018F	2016	2017F	2018F	2016	2017F	2018F
CHANGBAI MOUNTAIN TOURISM -A	603099 CH	530	13	0.9	0.6	0.7	(28.9)	3.0	23.4	40.5	24.1	19.6
UTOUR GROUP CO LTD-A	002707 CH	1,398	11	0.2	0.2	0.7	10.4	23.5	24.3	38.8	20.3	15.9
EMEI SHAN TOURISM CO-A	000888 CH	787	10	1.0	0.8	1.2	(2.6)	6.9	17.3	15.8	12.3	11.1
LIJIANG YULONG TOURISM CO-A	002033 CH	723	9	0.9	0.9	1.4	13.4	0.7	12.0	12.9	10.1	9.4
AL TAYYAR TRAVEL GROUP	ALTAYYAR AB	1,320	24	-	-	4.2	(31.3)	(14.6)	2.6	6.8	6.4	6.5
HANA TOUR SERVICE INC	039130 KS	1,183	111,000	1.4	1.4	1.3	(74.7)	142.0	131.7	16.6	18.4	13.2
PANORAMA SENTRAWISATA TBK PT	PANR IJ	48	535	1.1	0.8	na	nm	nm	76.9	10.5	5.1	4.2
SIMPLE AVERAGE				0.8	0.7	1.6	(19.0)	26.9	41.2	20.3	13.8	11.4

Source: Bloomberg

Appendix A: Important Disclosures

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