

Mitra Adiperkasa Tbk (MAPI)

Berlanjutnya Peningkatan Kinerja

Kinerja Top Line 1Q18 Cemerlang

MAPI berhasil mencatatkan pendapatan sebesar Rp4,3 triliun (+19,3% y-y) pada 1Q18. Adapun segmen penjualan ritel yang merupakan segmen utama juga tumbuh menjadi Rp3,1 triliun (+23,9% y-y). Peningkatan ini akan berlanjut hingga 2Q18 seiring dengan **kinerja penjualan selama Lebaran 2018 yang berhasil tumbuh 20%** dibandingkan periode Lebaran 2017. Selain itu, pertumbuhan SSSG 1Q18 pun mencapai 8%, serta kontribusi penjualan di pasar Vietnam terus meningkat menjadi 7,2% pada 1Q18.

Cemerlangnya kinerja *top line* diikuti oleh pertumbuhan laba bersih menjadi Rp351 miliar (+499,1% y-y). Namun, kenaikan drastis ini berasal dari keuntungan atas penjualan tanah sebesar Rp233 miliar.

Ekspansif pada Merek Utama

Untuk mencapai target 2018, MAPI akan terus **menambah gerai baru yang berfokus pada beberapa merek utama**. Sedangkan untuk mendongkrak kinerja segmen kafe dan restoran hingga 20% , MAPI akan menambah 70 gerai baru.

Merampungkan Stock Split dengan Rasio 1:10 dan IPO Anak Usaha

MAPI telah melancarkan dua aksi korporasi pada 2Q18. Sejak 4 Juni, jumlah saham MAPI menjadi 16,6 miliar saham dengan nominal Rp50. Selain itu pada 5 Juli, anak usaha PT MAP Aktif Adiperkasa Tbk juga telah melakukan IPO dan berhasil memperoleh dana Rp898 miliar.

Target Harga Rp945

Kami menggunakan estimasi *forward* P/E sebesar 17,9x (0,4SD di bawah rata-rata 2 tahun terakhir) sebagai basis metode valuasi. Target harga ini mengimplikasikan P/E 2018E sebesar 19,9x (vs 16,8x saat ini).

Mitra Adiperkasa Tbk | Summary (IDR bn)

	2016/12A	2017/12A	2018/12E	2019/12E
Revenue	14,150	16,306	18,721	21,469
<i>Revenue growth</i>	10.3%	15.2%	14.8%	14.7%
EBITDA	1,512	1,803	2,159	2,455
Net profit	209	335	790	882
EPS (IDR)	13	20	48	53
<i>EPS growth</i>	458.4%	60.5%	136.1%	11.6%
BVPS (IDR)	193	256	348	395
EBITDA Margin	10.7%	11.1%	11.5%	11.4%
Net Profit Margin	1.5%	2.1%	4.2%	4.1%
ROE	6.8%	9.0%	15.8%	14.3%
ROA	2.1%	3.0%	6.6%	6.8%
ROIC	7.1%	9.3%	12.2%	13.0%
P/E	43.0x	30.8x	16.8x	15.1x
P/BV	2.8x	2.4x	2.3x	2.0x
EV/EBITDA	2.7x	3.2x	4.3x	3.9x
DPS (IDR)	2	4	6	7
<i>Dividend yield</i>	0.5%	0.6%	0.8%	0.9%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Buy

Dec 2018 TP (IDR)	945
Consensus Price (IDR)	818
TP to Consensus Price	+15.5%
vs. Last Price	+18.1%

Shares data

Last Price (IDR)	800
Price date as of	Jul 19, 2018
52 wk range (Hi/Lo)	910 / 605
Free float	48.5%
Outstanding sh.(mn)	16,600
Market Cap (IDR bn)	13,031
Market Cap (USD mn)	898
Avg. Trd Vol - 3M (mn)	15.79
Avg. Trd Val - 3M (bn)	13.03
Foreign Ownership	24.5%

Trade, Services & Investment

Retail

Bloomberg	MAPI.IJ
Reuters	MAPI.JK

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Share Price Performance



Sekilas tentang MAPI

MAPI merupakan salah satu perusahaan ritel di Indonesia dengan portfolio *brand* terbanyak, lebih dari 110 merek global. MAPI didirikan pada tahun 1995 dengan berfokus pada produk alat olahraga. Kini, MAPI telah berkembang pesat dengan lini usaha di produk olahraga, *fashion*, *department stores*, makanan & minuman, produk anak-anak dan gaya hidup, dengan target konsumen menengah-atas.

Selain di Indonesia, MAPI juga beroperasi di berbagai negara tetangga, seperti Singapura, Malaysia, Thailand, Australia dan lainnya. Pada 2016, MAPI juga melebarkan sayapnya ke Vietnam melalui pembukaan gerai Zara pertama. Di Indonesia sendiri, terdapat lebih dari 2,200 gerai ritel MAPI yang tersebar di 70 kota besar.

Industri Ritel Indonesia di ASEAN

Indonesia merupakan negara dengan jumlah penduduk terbesar di ASEAN. Hal ini menjadikan **Indonesia sebagai tempat yang menguntungkan bagi bisnis ritel**. Pasar ritel Indonesia dikuasai oleh LPPF, RALS, MAPI dengan gerai yang tersebar di seluruh Indonesia. Pada 2018, Aprindo menargetkan pertumbuhan bisnis ritel sebesar 9%. Kebijakan pemerintah yang mengunci tarif listrik dan harga BBM hingga 2019 pun bisa menjadi katalis pulihnya daya beli masyarakat hingga tahun depan.

Industri ritel di pasar ASEAN cenderung lesu, sebagai contoh angka pertumbuhan penjualan negatif di Singapura dan Thailand. Hal ini membuat para pelaku industri ritel di ASEAN harus **lebih ketat menekan beban operasional** untuk mengimbangi pasar. Namun pada 2017, mayoritas pelaku industri ritel tetap membukukan *price-earnings ratio* yang tinggi dan ROE dua digit. Di sisi margin, pelaku **industri ritel di Indonesia mampu membukukan margin yang lebih tinggi** dibanding kompetitornya di ASEAN.

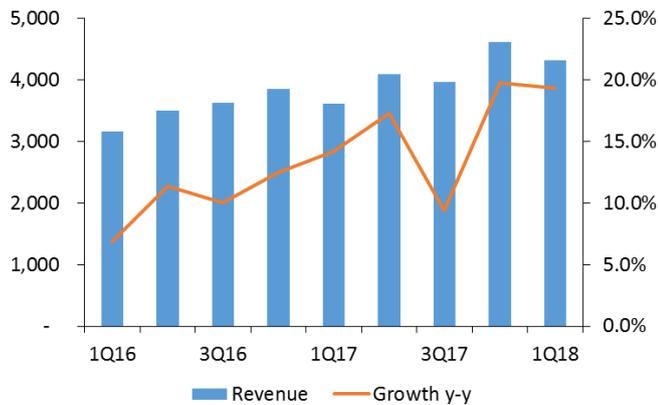
ASEAN Retailers

Company	Market Cap (USD mn)	Total Asset (USD mn)	Sales Growth	Gross Margin	Operating Margin	ROE	P/E	P/BV	Dividend Yield
LPPF	1,709	399	1.28%	62.5%	23.7%	81.7%	13.0x	9.6x	5.4%
RALS	692	360	-4.00%	39%	6.7%	12.2%	22.7x	2.7x	2.8%
MAPI	898	841	15.24%	48%	6.9%	16.4%	20.7x	2.9x	0.5%
Singapore									
Metro Holdings	716	1,299	3.89%	6%	11%	11.1%	6.2x	0.7x	4.2%
Malaysia									
Parkson Holdings Bhd	150	2,270	2.07%	N/A	-3%	-5.3%	N/A	0.3x	N/A
Thailand									
Robinson PCL	1,940	846	-0.34%	25%	-1%	16.9%	23.2x	3.8x	2.1%
Philippines									
SM Investments Corp	19,878	19,205	8.63%	39%	16%	10.4%	31.6x	3.2x	0.9%

Source: Bloomberg, NHKS research

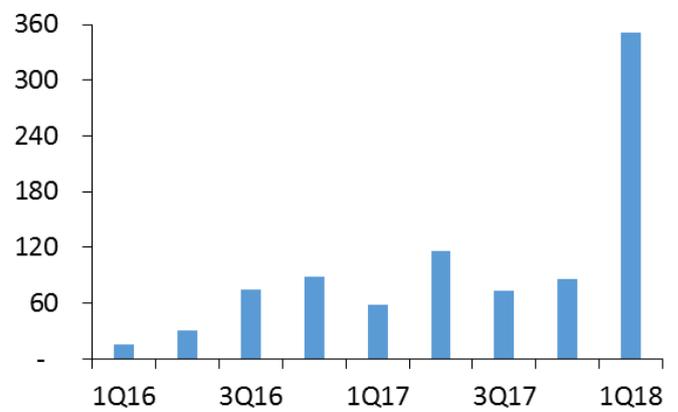
Operational Performance

Quarterly Revenue (IDR bn) | 1Q16 - 1Q18



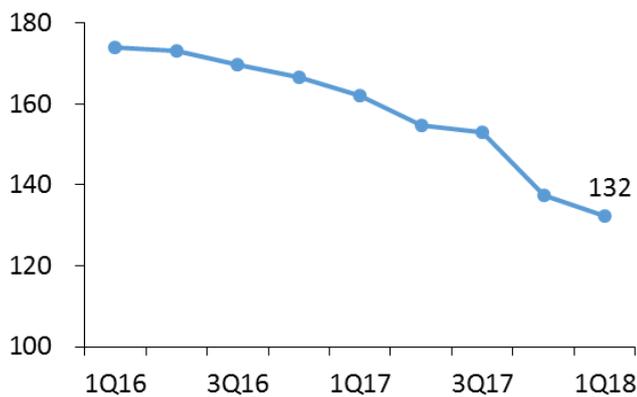
Source: Company, NHKS research

Quarterly Net Profit (IDR bn) | 1Q16 - 1Q18



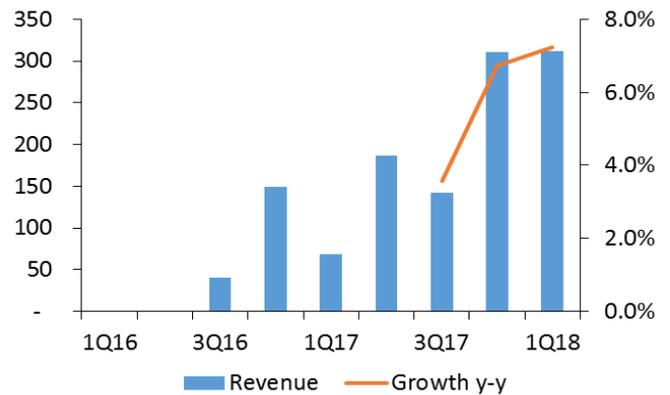
Source: Company, NHKS research

Days of Inventory | 1Q16 - 1Q18



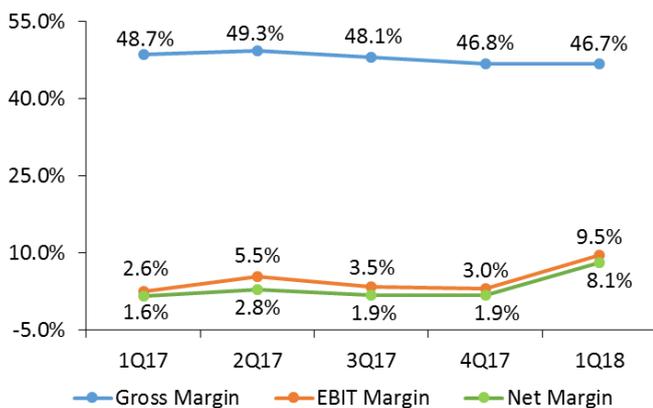
Source: Company, NHKS research

Revenue in Vietnam (IDR bn) | 1Q16 - 1Q18



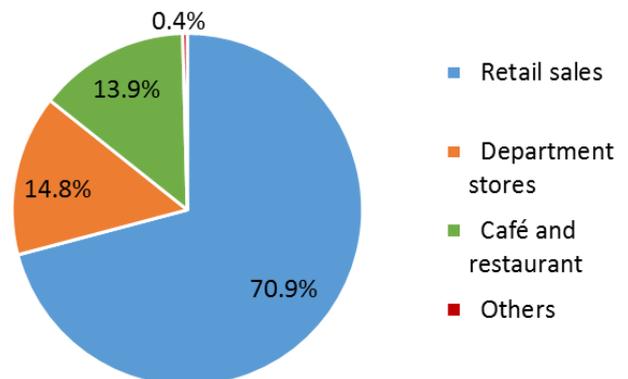
Source: Company, NHKS research

Margin Ratios | 1Q17 - 1Q18



Source: Company, NHKS research

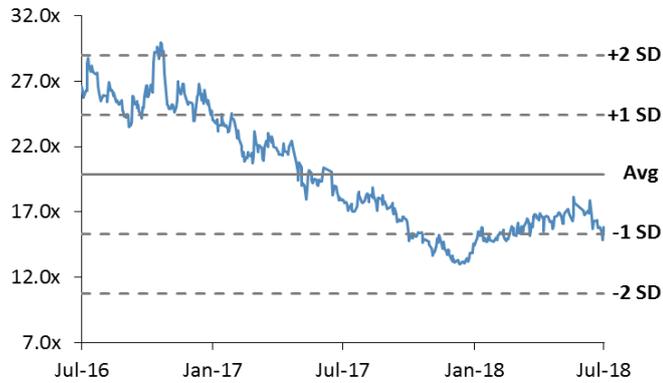
Revenue Breakdown | 1Q18



Source: Company, NHKS research

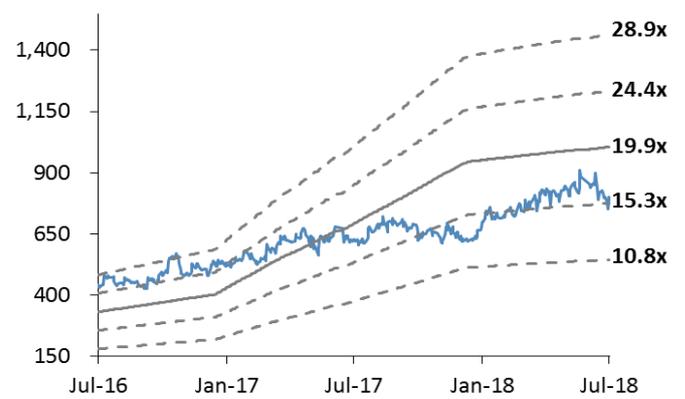
Multiple Valuation

Forward P/E band | Last 2 years



Source: NHKS research

Dynamic Forward P/E band | Last 2 years



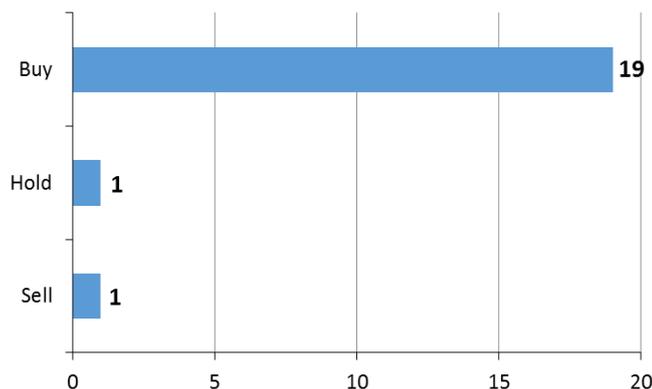
Source: NHKS research

Rating and target price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
04/09/2018	Buy	945	790	866	+19.6%	+9.1%
07/19/2018	Buy	945	800	818	+18.1%	+15.5%

Source: Bloomberg, NHKS research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKS research

NH Korindo Sekuritas Indonesia (NHKS) stock ratings

1. Period: End of year target price
2. Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%
 - Hold : -15% to +15%
 - Sell : Less than -15%

Summary of Financials

MAPI Summary		
Last Price (IDR)	July 19, 2018	800
Target Price (IDR)	Dec 2018	945
Analyst: Michael Tjahjadi	Rating:	Buy

INCOME STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Revenue	14,150	16,306	18,721	21,469
Growth (% y/y)	10.3%	15.2%	14.8%	14.7%
COGS	(7,277)	(8,450)	(9,775)	(11,210)
Gross Profit	6,873	7,856	8,946	10,259
Gross Margin	48.6%	48.2%	47.8%	47.8%
Operating Expenses	(5,985)	(6,736)	(7,567)	(8,639)
EBIT	888	1,121	1,379	1,621
EBIT Margin	6.3%	6.9%	7.4%	7.5%
Depreciation	624	682	780	835
EBITDA	1,512	1,803	2,159	2,455
EBITDA Margin	10.7%	11.1%	11.5%	11.4%
Interest Cost	(421)	(404)	(302)	(248)
EBT	402	598	1,189	1,330
Income Tax	(193)	(247)	(345)	(386)
Net Profit	209	335	790	882
Growth (% y/y)	457.4%	60.5%	136.0%	11.6%
Net Profit Margin	1.5%	2.1%	4.2%	4.1%

BALANCE SHEET

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Cash	1,526	1,286	1,255	1,092
Other Current Assets	5,091	5,512	6,070	6,317
Total Current Assets	6,616	6,799	7,325	7,409
Net Fixed Assets	2,637	3,103	3,563	4,016
Other Non Current Assets	1,430	1,524	1,758	1,952
Total Assets	10,683	11,425	12,646	13,377
Trade Payables	1,054	1,251	1,213	1,266
Other Current Liabilities	2,374	1,850	2,156	2,109
Total Current Liabilities	4,181	4,565	4,483	4,458
LT Debt	2,609	1,842	1,602	1,571
Other Non Current Liab.	690	776	784	792
Total Liabilities	7,480	7,183	6,869	6,820
Shareholders' Equity	3,204	4,242	5,777	6,556

CASH FLOW STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Net Income	208	335	790	882
Deprec & Amortization	624	682	780	835
Chg. In Working Capital	396	(833)	(289)	(241)
CFO	1,228	184	1,281	1,475
Capex	(898)	(1,273)	(1,242)	(1,288)
CFI	(973)	283	(1,468)	(1,474)
Dividends Paid	-	(41)	(66)	(104)
Net Borrowing	(0)	(0)	(590)	(62)
CCF	755	(775)	155	(164)
Net Changes in Cash	1,010	(308)	(33)	(163)

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	75.6	PT Satya Mulia Gema 51.5
United States	10.3	Schroder Investment 2.9
Luxembourg	4.0	Norges Bank 2.8
Norway	3.9	City National Rochdale 2.0

PROFITABILITY & STABILITY

	2016/12A	2017/12A	2018/12E	2019/12E
ROE	6.8%	9.0%	15.8%	14.3%
ROA	2.1%	3.0%	6.6%	6.8%
ROIC	7.1%	9.3%	12.2%	13.0%
EBITDA/Equity	48.9%	48.4%	43.1%	39.8%
EBITDA/Assets	15.0%	16.3%	17.9%	18.9%
Cash Dividend (IDR bn)	41	66	104	116
Dividend Yield (%)	0.5%	0.6%	0.8%	0.9%
Payout Ratio (%)	19.8%	19.8%	13.2%	13.2%
DER	104.9%	77.9%	47.0%	40.5%
Net Gearing	316.8%	223.7%	194.6%	190.7%
LT Debt to Equity	81.4%	43.4%	27.7%	24.0%
Capitalization Ratio	51.2%	43.8%	32.0%	28.8%
Equity Ratio	30.0%	37.1%	45.7%	49.0%
Debt Ratio	31.5%	28.9%	21.5%	19.8%
Financial Leverage	326.4%	296.9%	240.2%	211.0%
Current Ratio	158.2%	148.9%	163.4%	166.2%
Quick Ratio	86.3%	81.8%	89.7%	90.5%
Cash Ratio	36.5%	28.2%	28.0%	24.5%
Par Value (IDR)	50	50	50	50
Total Shares (mn)	16,600	16,600	16,600	16,600
Share Price (IDR)	540	620	800	800
Market Cap (IDR tn)	9.0	10.3	13.3	13.3

VALUATION INDEX

	2016/12A	2017/12A	2018/12E	2019/12E
Price /Earnings	43.0x	30.8x	16.8x	15.1x
Price /Book Value	2.8x	2.4x	2.3x	2.0x
Price/Sales	0.6x	0.6x	0.7x	0.6x
PE/EPS Growth	0.1x	0.5x	0.1x	1.3x
EV/EBITDA	2.7x	3.2x	4.3x	3.9x
EV/EBIT	10.2x	9.5x	7.8x	7.2x
EV (IDR bn)	4,077	5,700	9,309	9,534
Sales CAGR (3-Yr)	13.3%	11.3%	13.4%	14.9%
EPS CAGR (3-Yr)	-14.0%	65.3%	176.6%	61.7%
Basic EPS (IDR)	13	20	48	53
Diluted EPS (IDR)	13	20	48	53
BVPS (IDR)	193	256	348	395
Sales PS (IDR)	852	982	1,128	1,293
DPS (IDR)	2.5	4.0	6.3	7.0

DCF, RIM & EVA

	2016/12A	2017/12A	2018/12E	2019/12E
DCF (IDR bn)				
NOPAT	461	657	978	1,150
+Depr./Amor.	624	682	780	835
-CAPEX	(898)	(1,273)	(1,242)	(1,288)
-Incr. (Decr.) in Working Cap.	396	(833)	(289)	(241)
(Unlevered) FCFF	584	(767)	227	456
WACC				
Cost of Debt (Tax Adj.)	5.4%	4.7%	7.2%	6.8%
Cost of Equity (COE)	9.7%	9.9%	10.4%	10.4%
WACC (%)	8.6%	8.6%	9.9%	9.8%
RIM				
Spread (FROE-COE) (%)	-3.2%	-2.0%	3.3%	3.1%
Residual Income (IDR)	(81)	18	348	284
Equity Charge	290	317	442	598
EVA				
Invested Capital (IDR bn)	6,485	6,565	7,548	8,493
ROIC-WACC (%)	-1.4%	1.4%	3.1%	3.8%
EVA (IDR bn)	(93)	91	234	321

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