

# Mitra Adiperkasa Tbk (MAPI IJ)

## Bottom Line Successfully Turned Positive



Company Report | Apr 27, 2022

### BUY

<b>Target Price (IDR)</b>	<b>1,100</b>
Consensus Price (IDR)	1,088
TP to Consensus Price	+1.1%
Potential Upside	+19.6%

#### Shares data

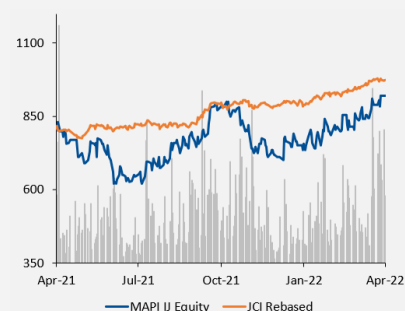
Last Price (IDR)	920
Price date as of	Apr 26, 2022
52 wk range (Hi/Low)	935 / 610
Free float (%)	44.0%
Outstanding sh.(mn)	16,600
Market Cap (IDR bn)	15,272
Market Cap (USD mn)	1,063
Avg. Trd Vol - 3M (mn)	19.78
Avg. Trd Val - 3M (bn)	16.6
Foreign Ownership	29.9%

#### Consumer Cyclical

##### Retail

Bloomberg	MAPI IJ
Reuters	MAPI.JK

#### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	31.4%	8.9%	21.9%	13.6%
Rel. Ret.	22.9%	5.6%	12.3%	-6.6%

**Cindy Alicia Ramadhania**

+62 21 5088 9129

cindy.alicia@nhsec.co.id

MAPI successfully overturned the net profit in FY21 to positive after booking a negative in FY20. Sales of all segments recorded growth in all channels, both offline and online. The company's digital sales also grew 48.1% YoY supported by the sport, fashion, and gadget products.

#### Demand Recovery Boosts Revenue Growth

- MAPI booked revenue growth of 115.3% QoQ to IDR6.3 trillion in 4Q21 (vs 3Q21: IDR2.9 trillion). Cumulatively, FY21 revenue was recorded at IDR18.4 trillion or jumped 24.1%.
- Sales of all segments grew, with Retail Sales (sales contribution of 74.1%) grew 27.5% in FY21 to IDR13.6 trillion (vs FY20: IDR10.7 trillion).
- Department Store, Café and Restaurant, as well as Other segments grew 8.0%, 18.9%, and 49.2% to IDR2.1 trillion, IDR2.4 trillion, and IDR495.0 billion in FY21.
- We see the recovery in consumer demand boosted the growth in all segments, supported by the relaxation of Greater Jakarta PPKM to Level 1 on November to December 2021.
- MAPI's net profit both in 4Q21 and FY21 turned to positive at IDR522.4 billion (vs 3Q21: -IDR355.2 billion) and IDR438.9 billion (vs FY20: -IDR 553.7 billion).
- As for profitability margin, GPM, EBIT Margin, and NPM FY21 booked a higher ratio compared to the previous year at 41.8%, 6.7%, and 2.7% (vs FY20: 41.6%, -0.4%, and -3.9%).

#### Takes Advantage of MAP Club Potential

- MAPI's digital sales continued to develop, as in 4Q21 MAPI launched a new digital channel for Lacoste, Converse, Bershka, and Mango, so the number of online sites owned by MAPI as of December 2021 reach 21.
- Meanwhile, digital sales in FY21 contributes 13.0% and booked at IDR2.4 trillion or grew 48.1% YoY (vs FY20: IDR1.6 trillion), on the back of sport, fashion, and gadget products.
- To support its performance, MAPI also continued to take advantage of the MAP Club Rewards potentials. MAP Club member as of December 31 2021 has reached 4.8 million, with average value per transaction of IDR797.5 thousands, and yearly shopping frequency of 1.9x.
- MAPI also widens its reach to the ASEAN markets such as the Philippines, Thailand, Vietnam, as well as continuing to invest in new businesses and brands.

#### Recommend BUY with TP of IDR1,100

- We recommend BUY for MAPI with TP of IDR1,100/share, from Price to Sales Ratio with a potential upside of 19.6%.
- Risks faced by the company includes uncertainty of Covid-19 cases which will influence supply chain and business momentum. That risk may also potentially weaken the people's purchasing power again.

#### Mitra Adiperkasa Tbk | Summary (IDR bn)

	2021	2022F	2023F	2024F
Revenue	18,424	20,727	23,442	27,357
Growth	24.1%	12.5%	13.1%	16.7%
Net Profit	439	754	1,005	1,386
Growth	179.3%	71.6%	33.3%	38.0%
EPS (IDR)	26	45	61	84
P/E	26.8x	24.2x	18.2x	13.2x
P/BV	2.0x	2.6x	2.3x	2.0x
EV/EBITDA	3.2x	7.4x	6.8x	6.0x
ROE	6.2%	9.2%	11.0%	13.3%
DER	32.2%	48.7%	54.9%	46.0%
Dividend Yield	0.0%	0.3%	0.5%	0.5%

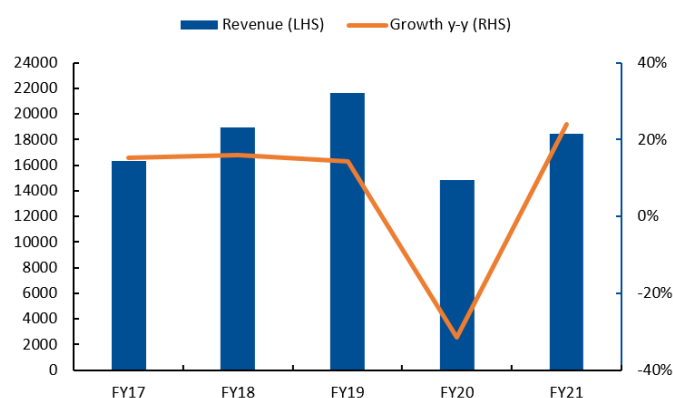
Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

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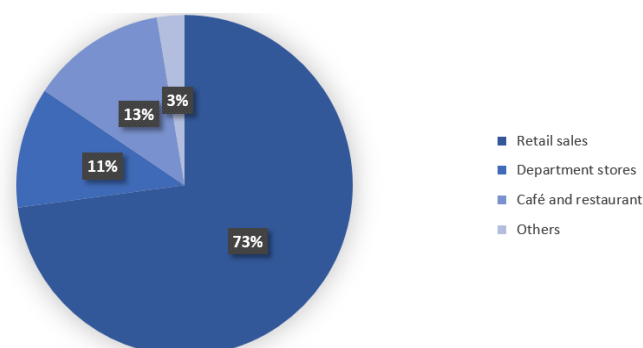
## Performance Highlights

### MAPI Net Revenues (IDR Bn) | FY17 - FY21



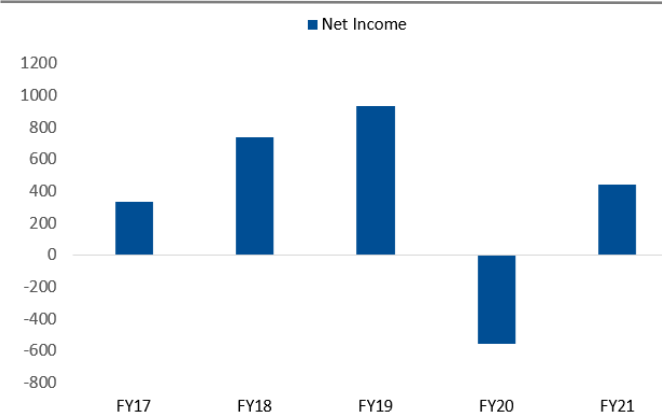
Source: Company, NHKSI Research

### MAPI Revenue Breakdown | FY21



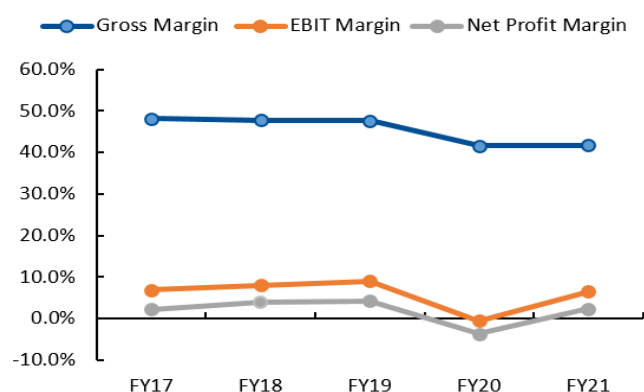
Source: Company, NHKSI Research

### MAPI Net Income (IDR Bn) | FY17 - FY21



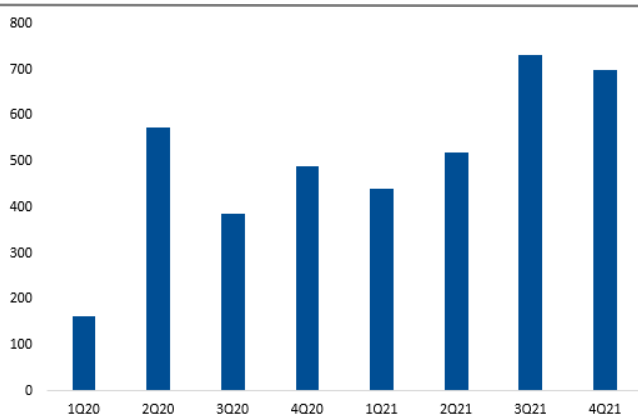
Source: Company, NHKSI Research

### Margin Ratios | FY17 - FY21



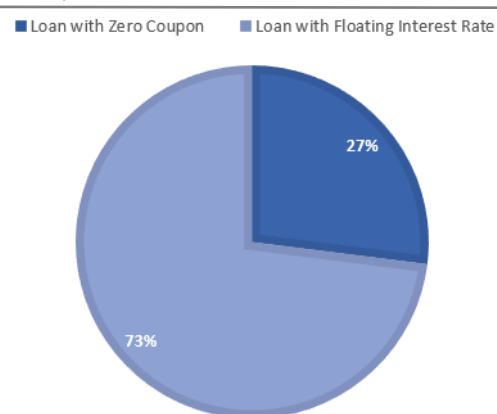
Source: Company, NHKSI Research

### Digital Sales Performance | 1Q21 - 4Q21



Source: Company, NHKSI Research

### Debt Profile | FY21



Source: Company, NHKSI Research

## Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
<b>Sales</b>	<b>18,424</b>	<b>20,727</b>	<b>23,442</b>	<b>27,357</b>	ROE	6.2%	9.2%	11.0%	13.3%
<i>Growth</i>	24.1%	12.5%	13.1%	16.7%	ROA	2.6%	3.9%	4.6%	5.9%
Cost of Good Sold	(10,731)	(11,682)	(13,213)	(15,419)	Inventory Turnover	2.9x	2.8x	2.7x	2.8x
<b>Gross Profit</b>	<b>7,693</b>	<b>9,045</b>	<b>10,229</b>	<b>11,938</b>	Receivable Turnover	49.4x	46.9x	44.9x	47.0x
<i>Gross Margin</i>	41.8%	43.6%	43.6%	43.6%	Payables Turnover	6.4x	6.1x	5.8x	6.1x
Operating Expenses	(6,476)	(14,250)	(15,901)	(9,337)	Dividend Yield	0.0%	0.3%	0.5%	0.5%
<b>EBIT</b>	<b>1,216</b>	<b>1,605</b>	<b>1,997</b>	<b>2,600</b>	Payout Ratio	0.0%	7.9%	8.7%	6.8%
<i>EBIT Margin</i>	6.6%	7.7%	8.5%	9.5%	DER	32.2%	48.7%	54.9%	46.0%
Depreciation	2,208	899	936	1,013	Net Gearing	0.0%	30.6%	21.9%	16.0%
<b>EBITDA</b>	<b>3,424</b>	<b>2,504</b>	<b>2,933</b>	<b>3,613</b>	Equity Ratio	42.3%	42.3%	42.2%	44.6%
<i>EBITDA Margin</i>	18.6%	12.1%	12.5%	13.2%	Debt Ratio	0.1x	0.2x	0.2x	0.2x
Interest Expenses	(471)	(512)	(450)	(541)	Financial Leverage	2.5x	2.4x	2.4x	2.3x
<b>EBT</b>	<b>692</b>	<b>949</b>	<b>1,363</b>	<b>1,843</b>	Current Ratio	1.2x	1.5x	1.5x	1.7x
Income Tax	(201)	(276)	(397)	(536)	Quick Ratio	0.7x	0.9x	0.9x	1.1x
Minority Interest	(51)	81	39	80	Par Value (IDR)	50	50	50	51
<b>Net Profit</b>	<b>439</b>	<b>754</b>	<b>1,005</b>	<b>1,386</b>	Total Shares (mn)	16,600	16,600	16,600	16,600
<i>Growth</i>	179.3%	71.6%	33.3%	38.0%	Share Price (IDR)	710	1,100	1,100	1,100
<i>Net Profit Margin</i>	2.4%	3.6%	4.3%	5.1%	Market Cap (IDR tn)	11.8	18.3	18.3	18.3

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
Cash	2,778	4,927	6,756	8,337	Price /Earnings	26.8x	24.2x	18.2x	13.2x
Receivables	404	479	565	599	Price /Book Value	2.0x	2.6x	2.3x	2.0x
Inventories	3,731	4,619	5,310	5,793	PE/EPS Growth	-0.1x	0.3x	0.5x	0.3x
<b>Total Current Assets</b>	<b>8,214</b>	<b>11,335</b>	<b>13,936</b>	<b>16,037</b>	EV/EBITDA	3.2x	7.4x	6.8x	6.0x
Net Fixed Assets	3,034	2,534	2,069	1,704	EV/EBIT	9.0x	11.5x	10.0x	8.3x
Other Non Current Assets	870	831	898	913	EV (IDR bn)	10,981	18,541	19,925	21,653
<b>Total Non Current Asset</b>	<b>8,569</b>	<b>8,053</b>	<b>7,677</b>	<b>7,349</b>	Revenue CAGR (3-Yr)	-0.9%	-1.3%	16.4%	14.1%
<b>Total Assets</b>	<b>16,783</b>	<b>19,388</b>	<b>21,613</b>	<b>23,386</b>	Net Income CAGR (3-Yr)	-15.8%	-6.9%	-222.0%	46.7%
Payables	1,757	2,053	2,487	2,573	Basic EPS (IDR)	26	45	61	84
ST Bank Loan	1,142	1,797	2,357	2,290	BVPS (IDR)	355	424	480	558
<b>Total Current Liabilities</b>	<b>6,661</b>	<b>7,675</b>	<b>9,139</b>	<b>9,664</b>	DPS (IDR)	-	3	5	6
LT Debt	1,142	2,204	2,649	2,503					
<b>Total Liabilities</b>	<b>9,687</b>	<b>11,179</b>	<b>12,493</b>	<b>12,956</b>					
Capital Stock	830	830	830	830					
Retained Earnings	3,344	4,483	5,405	6,699					
<b>Shareholders' Equity</b>	<b>7,096</b>	<b>8,209</b>	<b>9,120</b>	<b>10,430</b>					

CASH FLOW STATEMENT					OWNERSHIP				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E					
Operating Cash Flow	3,666	1,040	2,073	2,471	<b>Shareholders</b>				%
Investing Cash Flow	(647)	(601)	(852)	(898)	Satya Mulia Gema				51.0
Financing Cash Flow	(5,027)	980	351	(222)	Employees Provident Fund				5.0
<b>Net Changes in Cash</b>	<b>(2,009)</b>	<b>1,419</b>	<b>1,573</b>	<b>1,352</b>	E Ohman Jor Fonder AB				2.9
					Schroder Investment				2.8
					<b>By Geography</b>				%
					Indonesia				70.1
					United States				6.7
					Malaysia				6.6
					United Kingdom				4.3

Source: NHKSI Research

**NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings**

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to 15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

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