

Mitra Adiperkasa Tbk (MAPI IJ)

Enthusiasm Amid Social Mobility Relaxation

Company Report | July 25, 2022

BUY

Target Price (IDR)	1,000
Consensus Price (IDR)	1,206
TP to Consensus Price	-17.1%
Potential Upside	+9.3%

Shares data

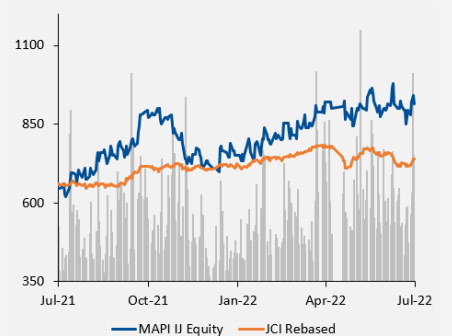
Last Price (IDR)	915
Price date as of	July 21, 2022
52 wk range (Hi/Lo)	990 / 610
Free float (%)	44.0
Outstanding sh.(mn)	16,600
Market Cap (IDR bn)	15,189
Market Cap (USD mn)	1,009
Avg. Trd Vol - 3M (mn)	26.1
Avg. Trd Val - 3M (bn)	23.8
Foreign Ownership	28.3%

Consumer Cyclical

Retail

Bloomberg	MAPI IJ
Reuters	MAPI.JK

Share Price Performance



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In 1Q22, MAPI booked a revenue performance growth of 30.6% YoY and net profit significantly jumped to IDR512.8 billion. We believe that MAPI's performance this year will be boosted by the relaxation of social mobility, supporting enthusiasm to shop. Meanwhile, digital sales for MAPI in 1Q22 successfully grew 31.9% YoY.

Significant Profit Growth in 1Q22

- In 1Q22, MAPI posted a 30.6% YoY increase in sales performance to IDR5.6 trillion (vs 1Q21: IDR4.3 trillion) driven by growth in all segments.
- The Retail Sales segment which contributed 74.1% to sales grew 29.4% in 1Q22 to IDR4.2 trillion (vs 1Q21: IDR3.2 trillion).
- The Department Stores, Cafes and Restaurants, and other segments grew in 1Q22 by 40.5% YoY, 28.6% YoY, and 23.9% YoY to IDR689.6 billion, IDR709.6 billion, and IDR150.5 billion (vs 1Q21: IDR490.8 billion, IDR551.6 billion, and IDR121.4 billion), respectively.
- 1Q22 net profit grew significantly to IDR512.8 billion (vs 1Q21: IDR26.1 billion) due to the partial divestment of PT Sari Burger Indonesia (Burger King Indonesia) which was realized earlier this year.
- Meanwhile, for 1Q22 margin, GPM, EBIT Margin, and NPM increased YoY by 42.9%, 8.7%, and 10.2% respectively (vs 1Q21: 41.7%, 4.4%, and 0.4%).

Social Mobility Recovery Boosts Performance

- We believe MAPI's performance this year will be driven by the relaxation of people's mobility that encourage the enthusiasm for shopping. Moreover, MAPI has a market segmentation of the upper middle class which is considered quite strong.
- In 1Q22, MAPI managed to open 84 new stores both domestically and in ASEAN countries. Meanwhile, 1Q22 performance growth was also driven by growth in the sports, digital devices, and F&B segments.
- In addition, MAPI in 1Q22 launched its first Foot Locker power store outlet in Senayan City, a new multi-brand device outlet Digipus, and an exclusive coffee experience center at Starbucks Dewata Bali.
- In terms of digitization, MAPI's 1Q22 digital sales contributed 10.3% to sales and was recorded at IDR580 billion in 1Q22 or grew 31.9% YoY (vs 1Q21: IDR440 billion) contributed by the Active segment (37%), Fashion (22%), F&B (19%), Department Stores (12%), and Digimap (11%).
- MAPI also continues to utilize the potential of MAP Club Rewards to support its performance. As of March 31, 2022, there are 5.2 million MAP Club members with an average value per transaction of IDR836.8 thousand and an average spending frequency of 1.6x per year.

Recommend OVERWEIGHT with TP IDR1,000

- We provide an OVERWEIGHT recommendation for MAPI with a TP of IDR1,000/share (P/E 14.6x or Average) and has a potential increase of 9.3%. The risks are suboptimal consumer purchasing power, inflation, and global uncertainty.

Mitra Adiperkasa Tbk | Summary (IDR bn)

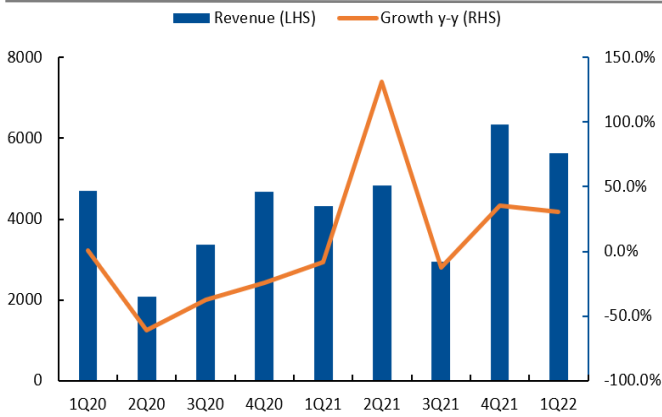
	2021	2022F	2023F	2024F
Revenue	18,424	22,400	24,926	27,337
Growth	24.1%	21.6%	11.3%	9.7%
Net Profit	439	1,226	1,396	1,606
Growth	179.3%	179.1%	13.9%	15.1%
EPS (IDR)	26	74	84	97
P/E	26.8x	13.5x	11.9x	10.3x
P/BV	2.0x	2.2x	2.0x	1.8x
EV/EBITDA	3.1x	4.3x	5.2x	5.2x
ROE	6.2%	14.0%	14.8%	15.0%
DER	37.7%	43.8%	57.6%	50.2%
Dividend Yield	0.0%	1.4%	2.2%	2.5%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

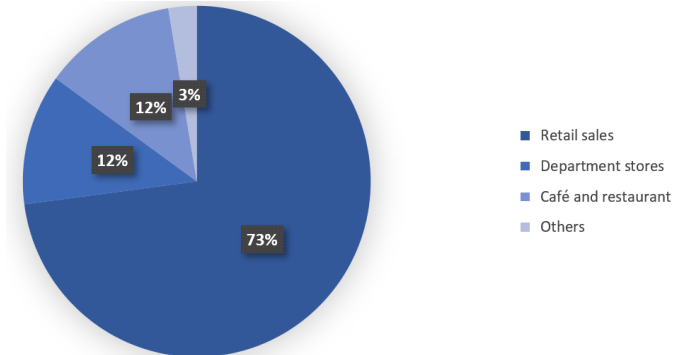
Performance Highlights

MAPI Net Revenues (IDR Bn) | 1Q20 - 1Q22



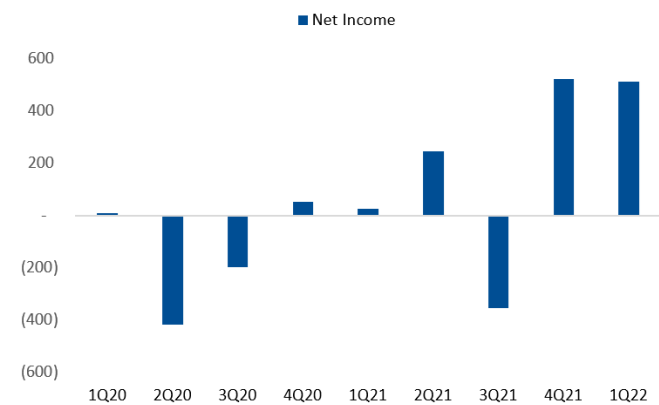
Source: Company, NHKSI Research

MAPI Revenue Breakdown | 1Q22



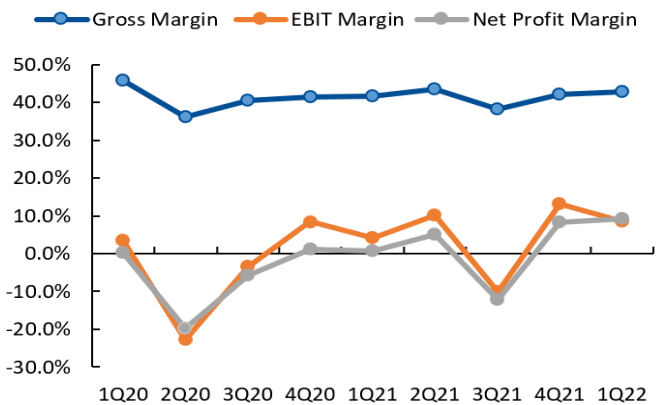
Source: Company, NHKSI Research

MAPI Net Income (IDR Bn) | 1Q20 - 1Q22



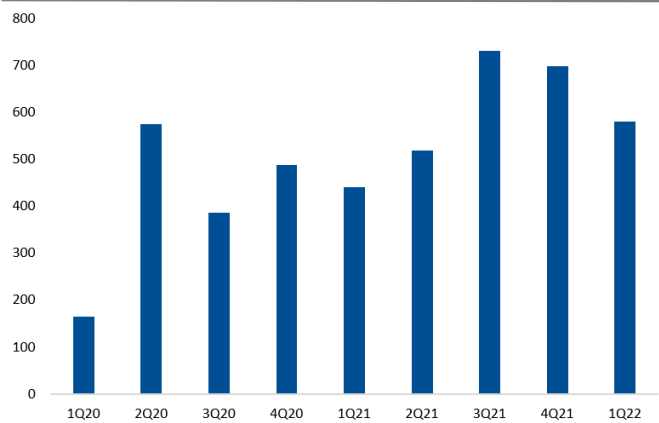
Source: Company, NHKSI Research

Margin Ratios | 1Q20 - 1Q22



Source: Company, NHKSI Research

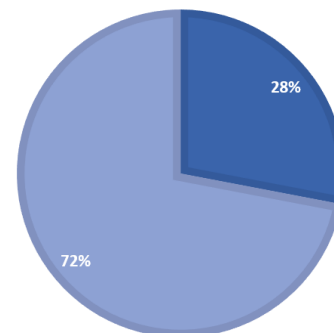
Digital Sales Performance (IDR Bn) | 1Q20 - 1Q22



Source: Company, NHKSI Research

Debt Profile | 1Q22

Legend: Loan with Zero Coupon, Loan with Floating Interest Rate



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
Sales	18,424	22,400	24,926	27,337	ROE	6.2%	14.0%	14.8%	15.0%
<i>Growth</i>	24.1%	21.6%	11.3%	9.7%	ROA	2.6%	6.4%	6.6%	6.5%
Cost of Good Sold	(10,731)	(12,710)	(13,859)	(15,199)	Inventory Turnover	2.9x	2.5x	2.6x	2.7x
Gross Profit	7,693	9,690	11,068	12,138	Receivable Turnover	49.4x	56.2x	47.4x	50.7x
<i>Gross Margin</i>	41.8%	43.3%	44.4%	44.4%	Payables Turnover	6.4x	6.7x	6.0x	6.3x
Operating Expenses	(6,476)	(14,762)	(16,506)	(9,619)	Dividend Yield	0.0%	1.4%	2.2%	2.5%
EBIT	1,216	1,946	2,240	2,519	Payout Ratio	0.0%	34.5%	22.1%	23.0%
<i>EBIT Margin</i>	6.6%	8.7%	9.0%	9.2%	DER	37.7%	43.8%	57.6%	50.2%
Depreciation	2,208	1,515	1,237	1,332	Net Gearing	29.1%	34.4%	38.1%	34.6%
EBITDA	3,424	3,461	3,477	3,851	Equity Ratio	42.3%	46.2%	44.6%	43.3%
<i>EBITDA Margin</i>	18.6%	15.5%	13.9%	14.1%	Debt Ratio	0.2x	0.2x	0.3x	0.2x
Interest Expenses	(471)	(538)	(462)	(447)	Financial Leverage	2.5x	2.3x	2.2x	2.3x
EBT	692	1,661	1,817	2,078	Current Ratio	1.2x	1.5x	1.6x	1.6x
Income Tax	(201)	(301)	(329)	(376)	Quick Ratio	0.7x	0.6x	1.1x	1.0x
Minority Interest	(51)	(134)	(92)	(95)	Par Value (IDR)	50	50	50	51
Net Profit	439	1,226	1,396	1,606	Total Shares (mn)	16,600	16,600	16,600	16,600
<i>Growth</i>	179.3%	179.1%	13.9%	15.1%	Share Price (IDR)	710	1,000	1,000	1,000
<i>Net Profit Margin</i>	2.4%	5.5%	5.6%	5.9%	Market Cap (IDR tn)	11.8	16.6	16.6	16.6

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	2,488	7,097	8,860	Price /Earnings	26.8x	13.5x	11.9x	10.3x
Receivables	404	393	659	419	Price /Book Value	2.0x	2.2x	2.0x	1.8x
Inventories	3,731	6,243	4,495	6,922	PE/EPS Growth	-0.1x	0.1x	0.9x	0.7x
Total Current Assets	8,214	10,540	13,609	17,587	EV/EBITDA	3.1x	4.3x	5.2x	5.2x
Net Fixed Assets	3,034	2,994	2,165	1,789	EV/EBIT	8.7x	7.6x	8.1x	7.9x
Other Non Current Assets	870	886	785	744	EV (IDR bn)	10,593	14,754	18,179	19,993
Total Non Current Asset	8,569	8,470	7,539	7,121	Revenue CAGR (3-Yr)	-0.9%	1.3%	18.9%	14.1%
Total Assets	16,783	19,010	21,148	24,708	Net Income CAGR (3-Yr)	-15.8%	9.5%	-236.1%	54.1%
Payables	1,757	2,016	2,610	2,180	Basic EPS (IDR)	26	74	84	97
ST Bank Loan	1,142	1,323	2,458	2,455	BVPS (IDR)	355	454	494	570
Total Current Liabilities	6,661	7,247	8,564	10,821	DPS (IDR)	-	14	22	25
LT Debt	1,530	2,517	2,967	2,916					
Total Liabilities	9,687	10,232	11,726	14,002					
Capital Stock	830	830	830	830					
Retained Earnings	3,344	4,977	5,640	6,905					
Shareholders' Equity	7,096	8,778	9,423	10,705					

CASH FLOW STATEMENT					OWNERSHIP				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E					
Operating Cash Flow	3,666	157	4,355	2,984	Shareholders				%
Investing Cash Flow	(647)	(614)	(544)	(769)	Satya Mulia Gema				51.0
Financing Cash Flow	(5,027)	166	798	(451)	Employees Provident Fund				5.0
Net Changes in Cash	(2,009)	(291)	4,609	1,763	E Ohman Jor Fonder AB				2.6
					BlackRock Inc				1.9
					By Geography				%
					Indonesia				71.7
					Malaysia				7.0
					United States				6.8
					Sweden				3.9

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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