

# Mayora Indah Tbk (MYOR)

## Export Sales Recorded Higher

MYOR managed to book 9M23 sales of IDR 22.9 trillion, an increase of 3.0% YoY. Domestic sales increased slightly by 0.7% YoY, while exports were able to grow higher by 6.1% YoY. Regarding the bottom line, 9M23 net profit increased 86.8% YoY to IDR2.0 trillion and brought NPM recorded up to 8.9% (vs 9M22: 4.9%). The Company initiated a partnership with Mayora Nigeria Ltd which is domiciled in Nigeria. This cooperation is carried out by selling MYOR's products to Nigeria, such as biscuits, wafers, candies, chocolates, and the like.

### All Segments Grow Altogether

- MYOR managed to book 9M23 sales of IDR 22.9 trillion, an increase of 3.0% YoY. All segments were up, led by the Packaged Beverages Processing segment growing 23.0% YoY to IDR11.0 trillion, and followed by the Packaged Food Processing segment up 2.7% YoY to IDR13.6 trillion. Domestic sales increased slightly by 0.7% YoY while exports grew by 6.1% YoY. On a quarterly basis, MYOR's sales in 3Q23 were able to grow both on a QoQ and YoY basis, at 26.8% and 2.8% respectively to IDR8.1 trillion.
- 9M23 gross profit grew 28.8% YoY to IDR6.1 trillion amid lower raw and packing material costs (-5.1% YoY). This brought 9M23 GPM expansion to a higher level of 26.7% (vs 9M22: 21.4%). While in 3Q23, gross profit was IDR2.2 trillion (+33.4% QoQ; +23.0% YoY) with 3Q23 GPM recorded higher to 26.9% (vs 3Q22: 22.5%).
- Amidst the increase in advertising and promotion expenses by 9.7% YoY, 9M23 operating profit managed to increase by 90.7% YoY to Rp2.8 trillion which was also reflected in its OPM increasing to 12.2% (vs 9M22: 6.6%). In 3Q23, operating profit was recorded at Rp1.1 trillion (+80.1% QoQ; +75.5% YoY), while 3Q23 OPM was able to expand to 13.1% (vs 3Q22: 7.7%).
- Regarding the bottom line, 9M23 net profit increased by 86.8% YoY to IDR2.0 trillion and brought the recorded NPM up to 8.9% (vs 9M22: 4.9%). In 3Q23, net profit managed to grow both QoQ and YoY by 64.2% and 87.1% respectively to IDR807.3 billion, with 3Q23 GPM also expanding to a higher level of 10.0% (vs 3Q22: 5.5%).
- By segment, the OPM of the Packaged Food Processing segment was higher in 9M23 at 11.9% (vs 9M22: 6.2%), with operating profit for this segment recorded at Rp1.6 trillion (vs 9M22: Rp821.9 billion). Meanwhile, the OPM of the Packaged Beverages Processing segment also increased to 10.6% (vs 9M22: 7.2%), where operating profit was recorded at Rp1.2 trillion (vs 9M22: Rp646.3 billion).

### Company Revises 2023 Guidelines

- The Company cooperates with Mayora Nigeria Ltd, which located in Nigeria. This cooperation is carried out in the form of sales of products produced by MYOR to Nigeria, such as biscuits, wafers, candies, chocolate, and the like. The transaction value of this cooperation is still on trial. As of September 30, 2023, the transaction value reached USD45,452 or around 0.002% of the 2023 revenue target.
- MYOR recorded an increase in market share in the biscuit category to 42% (vs 2Q23: 39%), this was partly supported by the launch of new products such as Roma Lavita and the new version of Roma Marie Gold. The wafer category also saw its market share increase to 23%, followed by the chocolate category market share to 33%. In addition, for the candy, coffee and breakfast categories, the Company was able to maintain its market share (based on Nielsen Data).
- Amidst weak purchasing power, the Company's sales growth guidance for 2023 was revised to 3%-5% YoY from 10%-12% YoY, followed by gross margin revised to 26%-27% (previously 25%-27%). Meanwhile, profit guidance was revised to IDR2.7 trillion-Rp2.9 trillion from IDR2.6 trillion, on the assumption of lower foreign exchange losses.

### BUY Recommendation with TP of IDR 3,200

- We provide a BUY recommendation for MYOR by maintaining a TP at IDR 3,200/share or P/E 23.6x, with an upside potential of 31.7%. Additionally, the main risks of our recommendation include: rising raw material prices, consumer purchasing power, and declining product demand.

### Mayora Indah Tbk | Summary (IDR bn)

	2022	2023F	2024F	2025F
Sales	30,669	32,099	35,053	38,070
Growth	9.9%	4.7%	9.2%	8.6%
Net Profit	1,942	2,888	3,097	3,393
Growth	63.7%	48.7%	7.2%	9.6%
EPS (IDR)	87	129	138	152
P/E	28.8x	24.8x	23.1x	21.1x
P/BV	4.4x	4.8x	4.2x	3.8x
EV/EBITDA	17.3x	14.7x	14.1x	13.0x
ROE	15.1%	19.3%	18.3%	17.9%
ROA	8.7%	11.2%	10.9%	10.7%
Dividend Yield	0.8%	1.1%	1.4%	1.5%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

## BUY

Target Price (IDR)	3,200
Consensus Price (IDR)	3,345
TP to Consensus Price	-4.3%
Potential Upside	31.7%

### Shares data

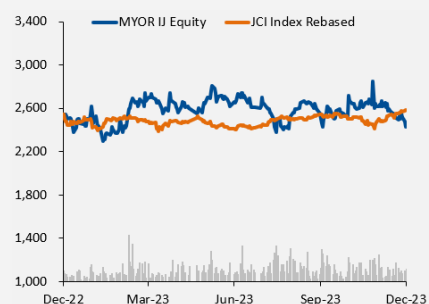
Last Price (IDR)	2,430
Price date as of	Dec 5, 2023
52 wk range (Hi/Lo)	2,900/2,270
Free float (%)	15.7
Outstanding sh.(mn)	22,359
Market Cap (IDR bn)	54,331
Market Cap (USD mn)	3,508
Avg. Trd Vol - 3M (mn)	6.50
Avg. Trd Val - 3M (bn)	16.79
Foreign Ownership	3.4%

### Consumer Non-Cyclicals

#### Food & Beverage

Bloomberg	MYOR.IJ
Reuters	MYOR.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-2.4%	-7.3%	-2.8%	-4.3%
Rel. Ret.	-6.1%	-10.5%	-4.4%	-6.0%

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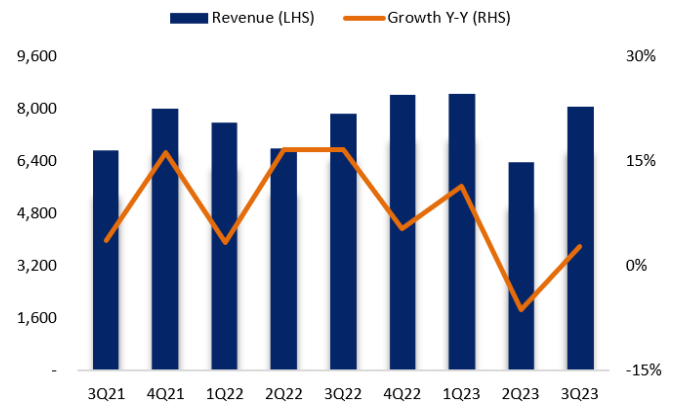
# Performance Highlights

Revenue Breakdown | 9M23



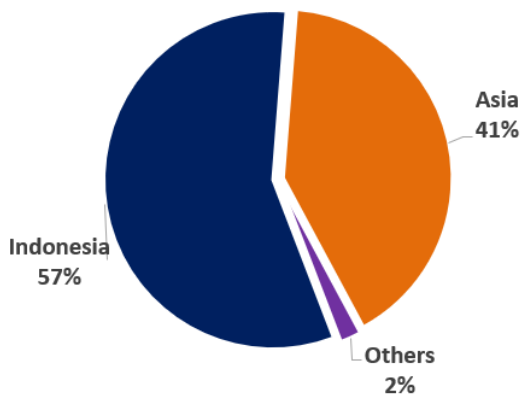
Source: Company, NHKSI Research

Revenue (IDR Bn) | 3Q21 - 3Q23



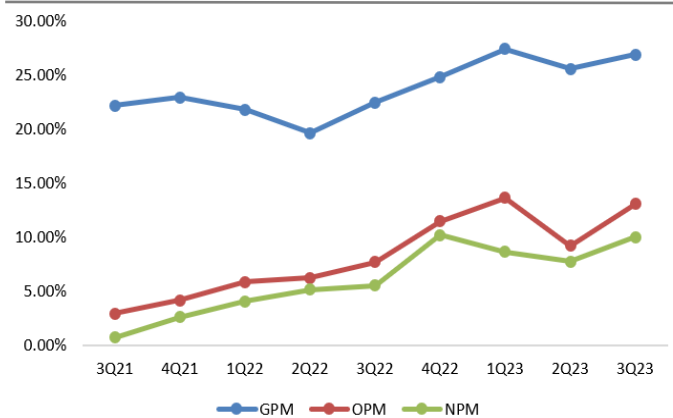
Source: Company, NHKSI Research

Geographic Revenue Breakdown | 9M23



Source: Company, NHKSI Research

Margin Ratio | 3Q21 - 3Q23



Source: Company, NHKSI Research

Forward P/E band | Last 3 years



Source: Company, NHKSI Research

Dynamic Forward P/E band | Last 3 years



Source: Bloomberg, NHKSI Research

## Summary of Financials

### INCOME STATEMENT

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
<b>Net Sales</b>	<b>30,669</b>	<b>32,099</b>	<b>35,053</b>	<b>38,070</b>
Growth	9.9%	4.7%	9.2%	8.6%
COGS	(23,830)	(23,584)	(25,877)	(28,051)
<b>Gross Profit</b>	<b>6,839</b>	<b>8,514</b>	<b>9,176</b>	<b>10,019</b>
Gross Margin	22.3%	26.5%	26.2%	26.3%
Operating Expenses	(4,406)	(4,587)	(5,009)	(5,441)
<b>EBIT</b>	<b>2,433</b>	<b>3,927</b>	<b>4,167</b>	<b>4,578</b>
EBIT Margin	7.9%	12.2%	11.9%	12.0%
Depreciation	927	911	894	911
<b>EBITDA</b>	<b>3,361</b>	<b>4,838</b>	<b>5,061</b>	<b>5,489</b>
EBITDA Margin	11.0%	15.1%	14.4%	14.4%
Interest Expenses	(389)	(346)	(329)	(372)
<b>EBT</b>	<b>2,506</b>	<b>3,692</b>	<b>3,959</b>	<b>4,338</b>
Income Tax	(592)	(850)	(912)	(999)
Minority Interest	28	46	50	55
<b>Net Profit</b>	<b>1,942</b>	<b>2,888</b>	<b>3,097</b>	<b>3,393</b>
Growth	63.7%	48.7%	7.2%	9.6%
Net Profit Margin	6.3%	9.0%	8.8%	8.9%

### BALANCE SHEET

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Cash	3,338	5,748	6,267	7,239
Receivables	6,489	6,003	6,821	7,408
Inventories	3,870	3,963	4,298	4,659
<b>Total Current Assets</b>	<b>14,773</b>	<b>16,891</b>	<b>18,474</b>	<b>20,439</b>
Net Fixed Assets	6,725	7,391	7,827	8,442
Other Non Current Assets	778	1,431	2,084	2,736
<b>Total Non Current Assets</b>	<b>7,504</b>	<b>8,822</b>	<b>9,911</b>	<b>11,178</b>
<b>Total Assets</b>	<b>22,276</b>	<b>25,714</b>	<b>28,385</b>	<b>31,617</b>
Payables	1,659	2,330	2,188	2,372
ST Bank Loan	2,718	2,258	2,735	2,972
<b>Total Current Liabilities</b>	<b>5,637</b>	<b>6,725</b>	<b>7,257</b>	<b>7,879</b>
LT Debt	2,811	3,001	3,204	3,708
<b>Total Liabilities</b>	<b>9,441</b>	<b>10,759</b>	<b>11,494</b>	<b>12,620</b>
Capital Stock & APIC	448	448	448	448
Retained Earnings	12,187	14,293	16,228	18,335
<b>Shareholders' Equity</b>	<b>12,835</b>	<b>14,955</b>	<b>16,891</b>	<b>18,998</b>

### CASH FLOW STATEMENT

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Operating Cash Flow	1,650	5,664	2,982	3,696
Investing Cash Flow	(1,577)	(2,156)	(2,133)	(2,381)
Financing Cash Flow	(49)	(1,003)	(330)	(343)
<b>Net Changes in Cash</b>	<b>24</b>	<b>2,505</b>	<b>519</b>	<b>972</b>

Source: NHKSI research, Bloomberg

### PROFITABILITY & STABILITY

	2022/12A	2023/12E	2024/12E	2025/12E
ROE	15.1%	19.3%	18.3%	17.9%
ROA	8.7%	11.2%	10.9%	10.7%
Inventory Turnover	6.9x	6.0x	6.0x	6.0x
Receivable Turnover	4.9x	5.1x	5.1x	5.1x
Payables Turnover	13.9x	11.8x	11.8x	11.8x
Dividend Yield	0.8%	1.1%	1.4%	1.5%
Payout Ratio	39.6%	40.3%	35.0%	35.0%
DER	0.4x	0.4x	0.4x	0.4x
Net Gearing	0.4x	0.4x	0.4x	0.4x
Equity Ratio	57.6%	58.2%	59.5%	60.1%
Debt Ratio	24.8%	20.5%	20.9%	21.1%
Financial Leverage	99.0%	99.1%	97.7%	99.0%
Current Ratio	2.6x	2.5x	2.5x	2.6x
Quick Ratio	1.9x	1.9x	2.0x	2.0x
Par Value (IDR)	10	10	10	10
Total Shares (mn)	22,358	22,358	22,359	22,360
Share Price (IDR)	2,500	3,200	3,200	3,200
Market Cap (IDR tn)	55.9	71.5	71.5	71.6

### VALUATION INDEX

	2022/12A	2023/12E	2024/12E	2025/12E
Price /Earnings	28.8x	24.8x	23.1x	21.1x
Price /Book Value	4.4x	4.8x	4.2x	3.8x
PE/EPS Growth	0.5x	0.5x	3.2x	2.2x
EV/EBITDA	17.3x	14.7x	14.1x	13.0x
EV/EBIT	24.0x	18.1x	17.1x	15.6x
EV (IDR bn)	58,286	71,271	71,436	71,208
Sales CAGR (3-Yr)	7.0%	9.5%	7.9%	7.5%
Net Income CAGR (3-Yr)	-0.8%	11.9%	37.7%	20.4%
Basic EPS (IDR)	87	129	138	152
BVPS (IDR)	574	669	755	850
DPS (IDR)	21	35	45	48

### OWNERSHIP

Shareholders	%
Unita Branindo PT	32.9
PT Mayora Dhana Utama	26.1
Atmadja Jogi Hendra	25.2
Norges Bank	1.2
By Geography	%
Unknown	94.1
Indonesia	2.2
Norway	1.4
United States	0.9

## 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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