

Mitra Adiperkasa Tbk (MAPI)

Membukukan Kinerja Luar Biasa

Company Report | Sept 05, 2018

Buy

Dec 2018 TP (IDR)	945
Consensus Price (IDR)	1,011
TP to Consensus Price	-6.5%
vs. Last Price	+16.0%

Shares data

Last Price (IDR)	815
Price date as of	Sept 04, 2018
52 wk range (Hi/Lo)	910 / 613
Free float	49.0%
Outstanding sh.(mn)	16,600
Market Cap (IDR bn)	13,529
Market Cap (USD mn)	902
Avg. Trd Vol - 3M (mn)	14.98
Avg. Trd Val - 3M (bn)	12.54
Foreign Ownership	24.8%

Trade, Services & Investment

Retail

Bloomberg	MAPI.IJ
Reuters	MAPI.JK

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Kontinuitas Peningkatan Kinerja

Pada 2Q18, MAPI mampu menjaga peningkatan kinerja dengan **mencatatkan pertumbuhan pendapatan dan laba bersih dua digit**. Pendapatan dan laba bersih 2Q18 tercatat masing-masing sebesar Rp4,8 triliun (+16,9% y-y) dan Rp140 miliar (+20,0% y-y). **Segmen penjualan ritel serta kafe dan restoran** mencatatkan angka pertumbuhan tertinggi sepanjang sejarah yang masing-masing sebesar 19,9% y-y dan 22,8% y-y. Selain itu, SSSG pada 1H18 juga tumbuh 8% y-y dengan pertumbuhan sebesar 10% di SSSG segmen *specialty stores*.

Akan Berlanjut Hingga 4Q18

Melihat tren porsi pendapatan 2H yang selalu lebih besar dari 1H dalam beberapa tahun terakhir serta strategi ekspansi organik sebesar 60.000 m² pada 2018, **kami memproyeksikan target pertumbuhan pendapatan FY18 sebesar 15% akan tercapai**. Belum lagi kinerja 3Q18 juga akan didongkrak oleh momentum Asian Games, Festival Jakarta Great Sale, dan Hari Belanja Diskon Indonesia.

Tantangan pelemahan rupiah pun sejauh ini belum berdampak signifikan terhadap pendapatan, terkait strategi MAPI untuk memberlakukan harga baru hanya pada produk baru. Namun, MAPI juga akan mewaspadai kebijakan pembatasan impor oleh pemerintah, yang salah satunya adalah pembatasan impor terhadap produk pakaian jadi.

Target Harga Rp945

Kami menggunakan estimasi *forward* P/E sebesar 16,4x (0,4SD di bawah rata-rata 2 tahun terakhir) sebagai basis metode valuasi. Target harga ini mengimplikasikan P/E 2018E sebesar 18,2x (vs. 15,7x saat ini).

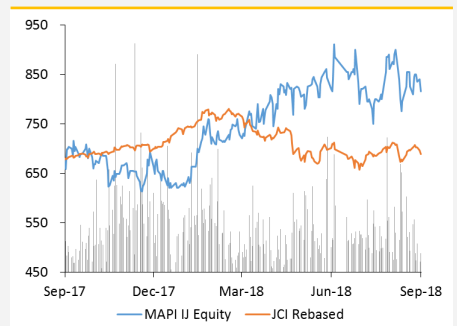
Mitra Adiperkasa Tbk | Summary (IDR bn)

	2016/12A	2017/12A	2018/12E	2019/12E
Revenue	14,150	16,306	18,974	21,303
<i>Revenue growth</i>	10.3%	15.2%	16.4%	12.3%
EBITDA	1,512	1,803	2,412	2,832
Net profit	209	335	863	958
EPS (IDR)	13	20	52	58
<i>EPS growth</i>	458.4%	60.5%	158.0%	11.0%
BVPS (IDR)	193	256	305	356
EBITDA Margin	10.7%	11.1%	12.7%	13.3%
Net Profit Margin	1.5%	2.1%	4.5%	4.5%
ROE	6.8%	9.0%	18.6%	17.5%
ROA	2.1%	3.0%	7.4%	8.0%
ROIC	7.1%	9.3%	14.6%	16.4%
P/E	43.0x	30.8x	15.7x	14.1x
P/BV	2.8x	2.4x	2.7x	2.3x
EV/EBITDA	2.7x	3.2x	4.3x	3.8x
DPS (IDR)	2	4	7	8
<i>Dividend yield</i>	0.5%	0.6%	0.9%	1.0%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	31.5%	-6.9%	-0.6%	20.2%
Rel. Ret.	38.5%	-3.6%	1.2%	18.6%

Sekilas tentang MAPI

MAPI merupakan salah satu perusahaan ritel di Indonesia dengan portfolio *brand* terbanyak, lebih dari 154 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.

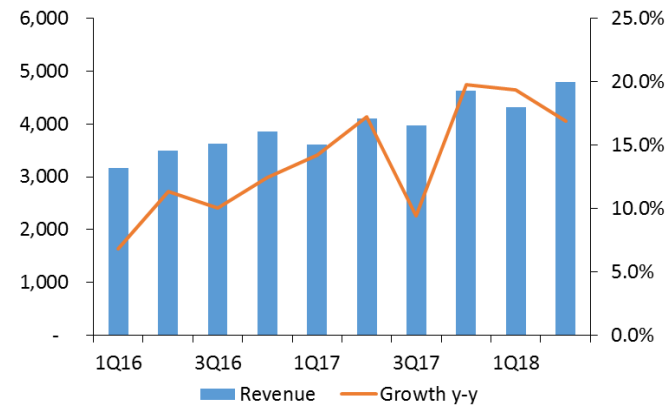
ASEAN Retailers

Company	Market Cap (USD mn)	Total Asset (USD mn)	Sales Growth	Gross Margin	Operating Margin	ROE	P/E	P/BV	Dividend Yield
LPPF	1,376	399	1.28%	62.5%	23.7%	93.0%	10.8x	8.8x	6.5%
RALS	584	360	-4.00%	39%	6.7%	14.6%	15.8x	2.2x	3.2%
MAPI	902	841	15.24%	48%	6.9%	15.5%	23.1x	3.0x	0.5%
Singapore									
Metro Holdings	671	1,299	3.89%	6%	11%	10.5%	6.1x	0.6x	4.5%
Malaysia									
Parkson Holdings Bhd	112	2,219	0.48%	N/A	0%	-4.5%	N/A	0.2x	N/A
Thailand									
Robinson PCL	2,200	846	-0.34%	25%	-1%	18.3%	24.9x	4.4x	1.9%
Philippines									
SM Investments Corp	21,804	19,205	8.63%	39%	16%	10.7%	34.0x	3.5x	0.8%

Source: Bloomberg, NHKS research

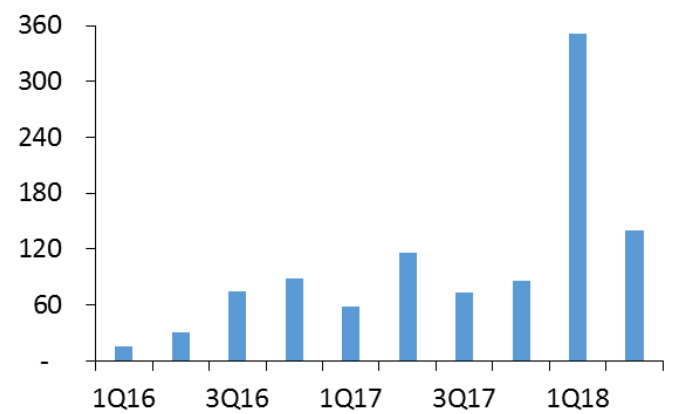
Operational Performance

Quarterly Revenue (IDR bn) | 1Q16 - 2Q18



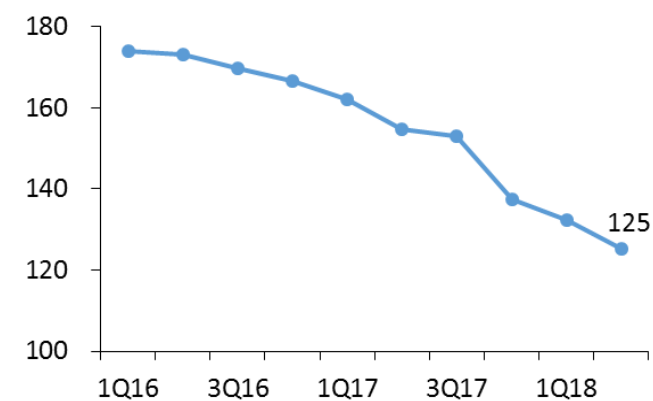
Source: Company, NHKS research

Quarterly Net Profit (IDR bn) | 1Q16 - 2Q18



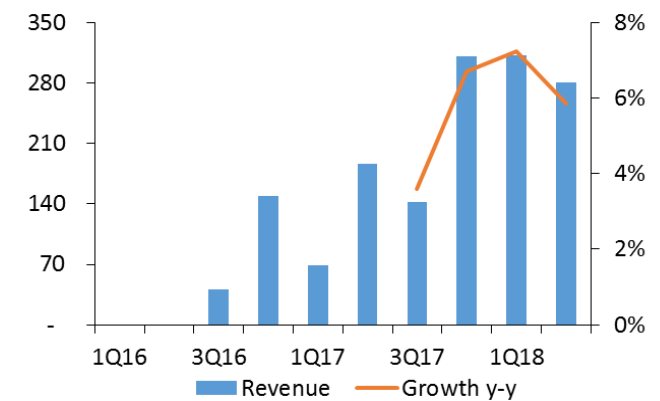
Source: Company, NHKS research

Days of Inventory | 1Q16 - 2Q18



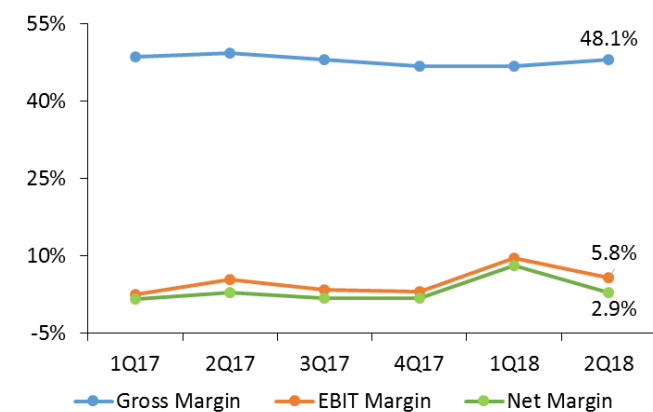
Source: Company, NHKS research

Revenue in Vietnam (IDR bn) | 1Q16 - 2Q18



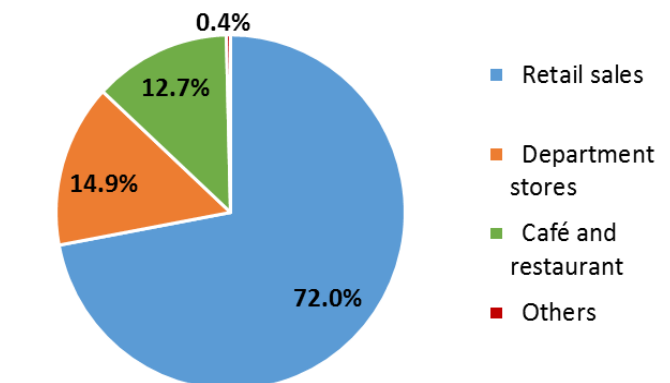
Source: Company, NHKS research

Margin Ratios | 1Q17 - 2Q18



Source: Company, NHKS research

Revenue Breakdown | 2Q18



Source: Company, NHKS research

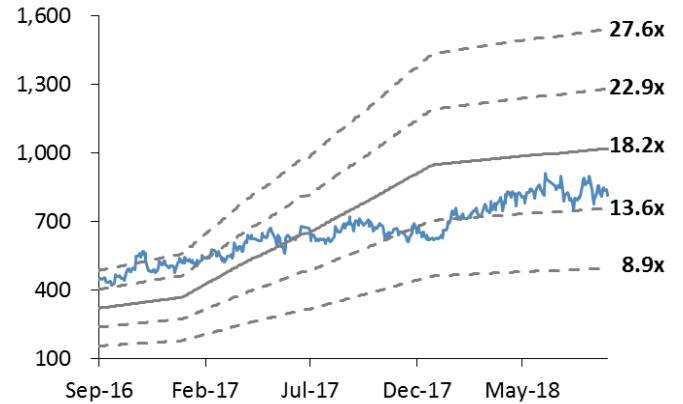
Multiple Valuation

Forward P/E band | Last 2 years



Source: NHKS research

Dynamic Forward P/E band | Last 2 years



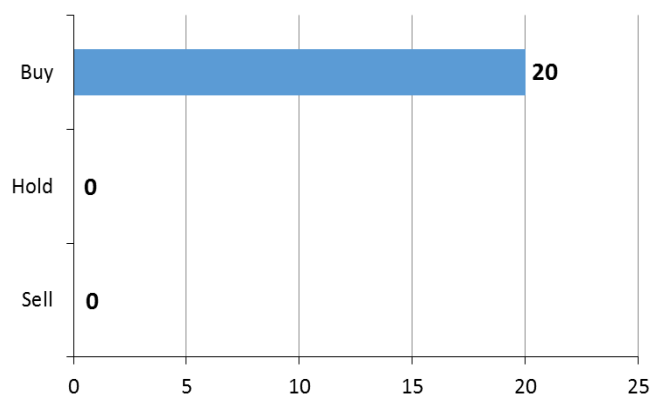
Source: NHKS research

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%
09/04/2018	Buy	945	815	1,011	+16.0%	-6.5%

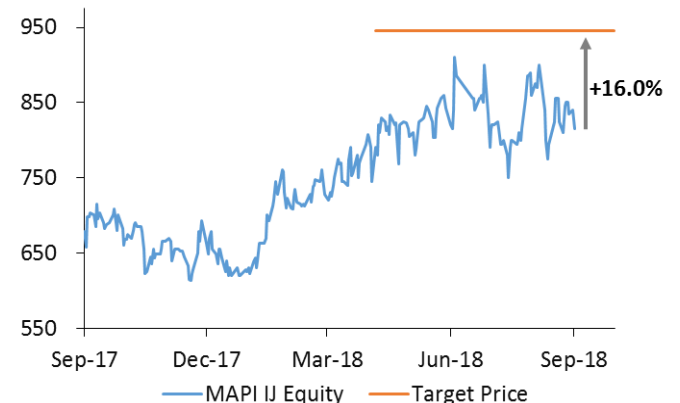
Source: Bloomberg, NHKS research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKS research

NH Korindo Sekuritas Indonesia (NHKS) stock ratings

- Period: End of year target price
- 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)	September 4, 2018	815
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	18,974	21,303
Growth (% y/y)	10.3%	15.2%	16.4%	12.3%
COGS	(7,277)	(8,450)	(10,096)	(11,187)
Gross Profit	6,873	7,856	8,879	10,116
Gross Margin	48.6%	48.2%	46.8%	47.5%
Operating Expenses	(5,985)	(6,736)	(7,245)	(8,135)
EBIT	888	1,121	1,633	1,981
EBIT Margin	6.3%	6.9%	8.6%	9.3%
Depreciation	624	682	779	851
EBITDA	1,512	1,803	2,412	2,832
EBITDA Margin	10.7%	11.1%	12.7%	13.3%
Interest Cost	(421)	(404)	(432)	(302)
EBT	402	598	1,358	1,607
Income Tax	(193)	(247)	(450)	(599)
Net Profit	209	335	863	958
Growth (% y/y)	457.4%	60.5%	157.8%	11.0%
Net Profit Margin	1.5%	2.1%	4.5%	4.5%

BALANCE SHEET

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Cash	1,526	1,286	823	853
Other Current Assets	5,091	5,512	6,035	5,789
Total Current Assets	6,616	6,799	6,858	6,642
Net Fixed Assets	2,637	3,103	3,390	3,601
Other Non Current Assets	1,430	1,524	1,656	1,887
Total Assets	10,683	11,425	11,904	12,130
Trade Payables	1,054	1,251	1,294	1,180
Other Current Liabilities	2,374	1,850	2,500	2,508
Total Current Liabilities	4,181	4,565	5,319	4,997
LT Debt	2,609	1,842	787	534
Other Non Current Liab.	690	776	737	698
Total Liabilities	7,480	7,183	6,843	6,229
Shareholders' Equity	3,204	4,242	5,061	5,904

CASH FLOW STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Net Income	208	335	863	958
Deprec & Amortization	624	682	779	851
Chg. In Working Capital	396	(833)	170	141
CFO	1,228	184	1,811	1,951
Capex	(898)	(1,273)	(1,064)	(1,065)
CFI	(973)	283	(1,236)	(1,335)
Dividends Paid	-	(41)	(66)	(118)
Net Borrowing	(0)	(0)	(994)	(470)
CFF	755	(775)	(1,038)	(586)
Net Changes in Cash	1,010	(308)	(462)	30

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	75.2	PT Satya Mulia Gema 51.0
United States	10.3	Schroder Investment 2.9
Luxembourg	4.4	Norges Bank 2.8
Norway	4.0	City National Rochdale 2.0

PROFITABILITY & STABILITY

	2016/12A	2017/12A	2018/12E	2019/12E
ROE	6.8%	9.0%	18.6%	17.5%
ROA	2.1%	3.0%	7.4%	8.0%
ROIC	7.1%	9.3%	14.6%	16.4%
EBITDA/Equity	48.9%	48.4%	51.8%	51.7%
EBITDA/Assets	15.0%	16.3%	20.7%	23.6%
Cash Dividend (IDR bn)	41	66	118	131
Dividend Yield (%)	0.5%	0.6%	0.9%	1.0%
Payout Ratio (%)	19.8%	19.8%	13.7%	13.7%
DER	104.9%	77.9%	45.7%	31.2%
Net Gearing	316.8%	223.7%	95.6%	64.9%
LT Debt to Equity	81.4%	43.4%	15.5%	9.0%
Capitalization Ratio	51.2%	43.8%	31.4%	23.8%
Equity Ratio	30.0%	37.1%	42.5%	48.7%
Debt Ratio	31.5%	28.9%	19.4%	15.2%
Financial Leverage	326.4%	296.9%	250.8%	219.2%
Current Ratio	158.2%	148.9%	128.9%	132.9%
Quick Ratio	86.3%	81.8%	62.9%	69.9%
Cash Ratio	36.5%	28.2%	15.5%	17.1%
Par Value (IDR)	50	50	50	50
Total Shares (mn)	16,600	16,600	16,600	16,600
Share Price (IDR)	540	620	815	815
Market Cap (IDR tn)	9.0	10.3	13.5	13.5

VALUATION INDEX

	2016/12A	2017/12A	2018/12E	2019/12E
Price /Earnings	43.0x	30.8x	15.7x	14.1x
Price /Book Value	2.8x	2.4x	2.7x	2.3x
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	3.8x
EV/EBIT	10.2x	9.5x	7.7x	6.7x
EV (IDR bn)	4,077	5,700	10,394	10,834
Sales CAGR (3-Yr)	13.3%	11.3%	13.9%	14.6%
EPS CAGR (3-Yr)	-14.0%	65.3%	184.9%	66.3%
Basic EPS (IDR)	13	20	52	58
Diluted EPS (IDR)	13	20	52	58
BVPS (IDR)	193	256	305	356
Sales PS (IDR)	852	982	1,143	1,283
DPS (IDR)	2.5	4.0	7.1	7.9

DCF, RIM & EVA

	2016/12A	2017/12A	2018/12E	2019/12E
DCF (IDR bn)				
NOPAT	461	657	1,092	1,242
+Depr./Amor.	624	682	779	851
-CAPEX	(898)	(1,273)	(1,064)	(1,065)
-Incr. (Decr.) in Working Cap.	396	(833)	170	141
(Unlevered) FCFF	584	(767)	976	1,170
WACC				
Cost of Debt (Tax Adj.)	5.4%	4.7%	7.5%	6.5%
Cost of Equity (COE)	9.7%	9.9%	10.0%	10.4%
WACC (%)	8.6%	8.6%	9.6%	9.9%
RIM				
Spread (FROE-COE) (%)	-3.2%	-2.0%	7.1%	5.9%
Residual Income (IDR)	(81)	18	439	434
Equity Charge	290	317	424	524
EVA				
Invested Capital (IDR bn)	6,485	6,565	7,548	7,373
ROIC-WACC (%)	-1.4%	1.4%	4.8%	7.0%
EVA (IDR bn)	(93)	91	365	513

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