

# Mitra Adiperkasa Tbk (MAPI)

## Menjaga Tren Pertumbuhan

Company Report | Apr 11, 2018

### Buy

<b>Dec 2018 TP (IDR)</b>	<b>9,450</b>
Consensus Price (IDR)	8,661
TP to Consensus Price	+9.1%
vs. Last Price	+19.6%

#### Shares data

Last Price (IDR)	7,900
Price date as of	Apr 09, 2018
52 wk range (Hi/Lo)	8,075 / 5,625
Free float	46.0%
Outstanding sh.(mn)	1,660
Market Cap (IDR bn)	13,114
Market Cap (USD mn)	953
Avg. Trd Vol - 3M (mn)	1.60
Avg. Trd Val - 3M (bn)	11.6
Foreign Ownership	24.1%

#### Trade, Services & Investment

##### Retail

Bloomberg	<b>MAPI.IJ</b>
Reuters	<b>MAPI.JK</b>

#### Michael Tjahjadi

+62 21 797 6202, ext:114  
michael@nhsec.co.id

#### Pertumbuhan di Berbagai Segmen

MAPI mencatatkan pertumbuhan laba bersih menjadi Rp334,65 miliar (+60,5% y-y) pada 2017. Kenaikan segmen penjualan ritel dan segmen kafe dan restoran yang masing-masing tumbuh +17,9% y-y dan +20,7% y-y mendorong pendapatan (+15,2% y-y). Segmen **departemen store yang sempat mengalami penurunan penjualan pada 2016 juga berhasil tumbuh 1,2% y-y pada 2017**. Selain itu, MAPI juga berhasil mengurangi *inventory days* dari 167 hari pada 4Q16 menjadi 137 hari pada 4Q17.

#### Kontribusi pasar Vietnam

**Bisnis MAPI di Vietnam yang dimulai pada 2016 pun sudah berkontribusi pendapatan** pada 2017 sebesar Rp707 miliar yang setara dengan 4,3% dari total pendapatan. Angka ini melebihi kontribusi pendapatan dari bisnis di Thailand yang hanya sebesar Rp322 miliar.

#### Strategi untuk Mengarungi 2018

Pada 2018, MAPI berencana untuk **memaksimalkan penjualan di gerai olahraga sehubungan dengan digelarnya Asian Games**. Selain penjualan ritel, MAPI juga fokus menggarap segmen makanan dan minuman dengan membuka 70 gerai baru pada 2018.

Seiring dengan **pulihnya daya beli konsumen menengah-atas** dan keberhasilan **strategi rasionalisasi merek dagang**, kami melihat bahwa pertumbuhan pendapatan dua digit dapat dipertahankan pada 2018.

#### Target Harga Rp9.450

Kami menggunakan estimasi *forward P/E* sebesar 25,5x (rata-rata dua tahun terakhir) sebagai basis metode valuasi. Target harga ini mengimplikasikan P/E 2018E sebesar 32,7x (vs 27,3x saat ini).

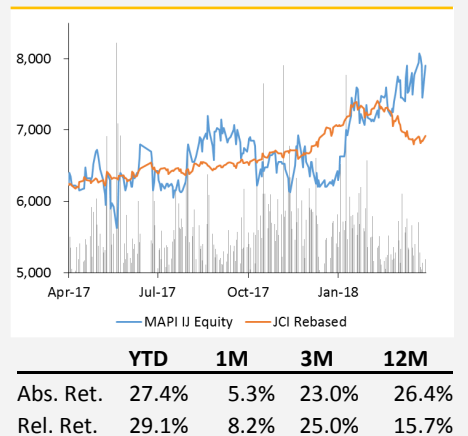
#### Mitra Adiperkasa Tbk | Summary (IDR bn)

	2016/12A	2017/12A	2018/12E	2019/12E
Revenue	14,150	16,306	18,447	20,843
<i>Revenue growth</i>	10.3%	15.2%	13.1%	13.0%
EBITDA	1,512	1,803	2,051	2,385
Net profit	209	335	478	617
EPS (IDR)	126	202	289	373
<i>EPS growth</i>	460.0%	60.5%	42.9%	29.0%
BVPS (IDR)	1,930	2,556	2,730	3,066
EBITDA margin	10.7%	11.1%	11.1%	11.4%
Net Profit Margin	1.5%	2.1%	2.6%	3.0%
ROE	6.8%	9.0%	10.9%	12.8%
ROA	2.1%	3.0%	4.1%	5.0%
ROIC	7.1%	9.3%	9.9%	11.4%
P/E	42.8x	30.6x	27.3x	21.2x
P/BV	2.8x	2.4x	2.9x	2.6x
EV/EBITDA	2.7x	3.2x	4.4x	3.7x
DPS (IDR)	25	30	43	56
<i>Dividend yield</i>	0.5%	0.5%	0.5%	0.7%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

#### Share Price Performance



### Sekilas tentang MAPI

MAPI merupakan salah satu perusahaan ritel di Indonesia dengan portfolio *brand* terbanyak—lebih dari 150 merek global. MAPI didirikan pada tahun 1995 dengan berfokus pada produk alat olahraga. Kini, MAPI telah berkembang pesat dengan lini usaha berupa 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 beberapa 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 69 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.

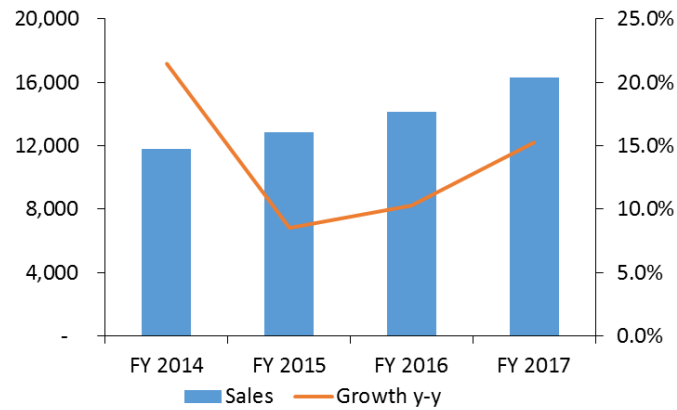
### ASEAN Retailers

Company	Market Cap (USD mn)	Total Asset (USD mn)	Sales Growth	Gross Margin	Operating Margin	ROE	P/E	P/BV	Dividend Yield
LPPF	2,375	399	1.28%	63%	23.7%	91.2%	17.1x	14.0x	4.3%
RALS	696	360	-4.00%	39%	6.7%	11.9%	22.3x	2.6x	2.7%
MAPI	953	789	15.24%	49%	6.3%	9.5%	38.9x	3.3x	0.3%
<b>Singapore</b>									
Metro Holdings	722	1,114	-15.12%	7%	-1%	13.6%	4.9x	0.6x	4.4%
<b>Malaysia</b>									
Parkson Holdings Bhd	108	2,270	2.07%	N/A	-3%	-7.7%	N/A	0.2x	N/A
<b>Thailand</b>									
Robinson PCL	2,221	846	-0.34%	25%	-1%	17.3%	25.3x	4.2x	2.0%
<b>Philippines</b>									
SM Investments Corp	22,609	19,205	8.63%	39%	16%	10.5%	35.7x	3.6x	0.8%

Source: Bloomberg, NHKS research

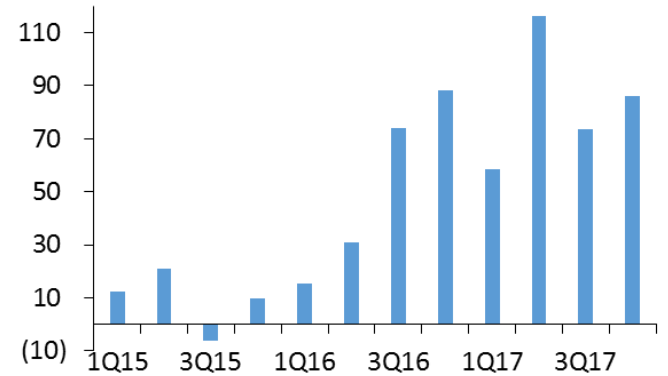
## Operational Performance

Revenue (IDR bn) | 2014 - 2017



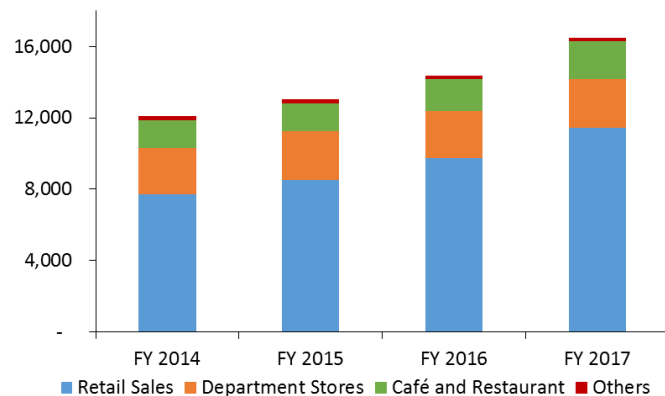
Source: Company, NHKS research

Net Profit (IDR bn) | 1Q15 - 4Q17



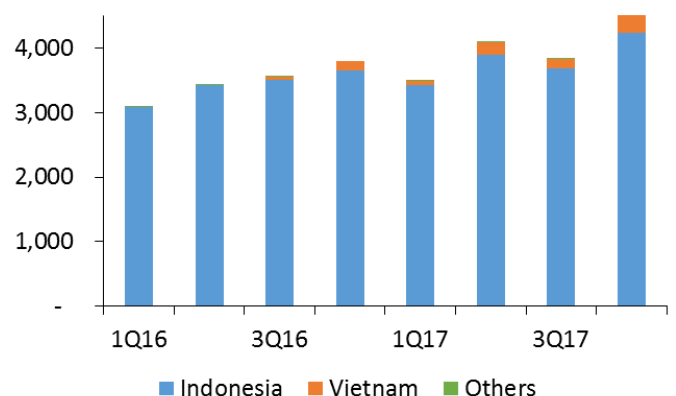
Source: Company, NHKS research

Revenue by Segment (IDR bn) | 2014 - 2017



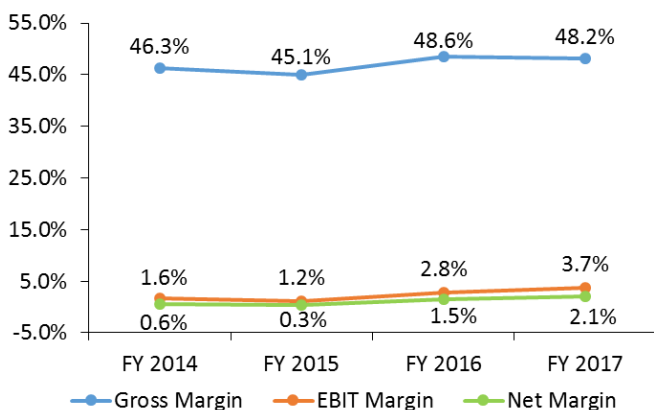
Source: Company, NHKS research

Revenue by Geography (IDR bn) | 1Q16 - 4Q17



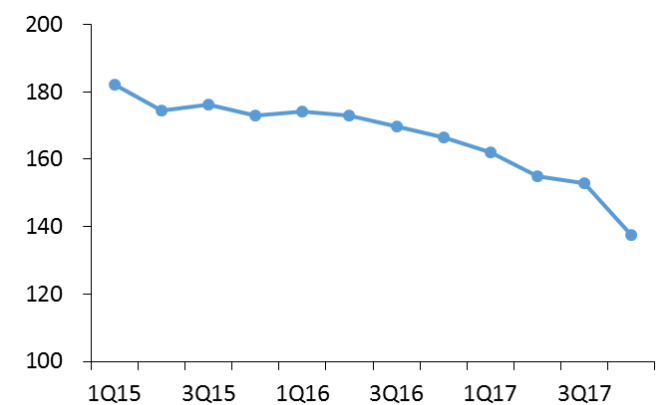
Source: Company, NHKS research

Gross, Net Profit & EBIT Margin | 2014 - 2017



Source: Company, NHKS research

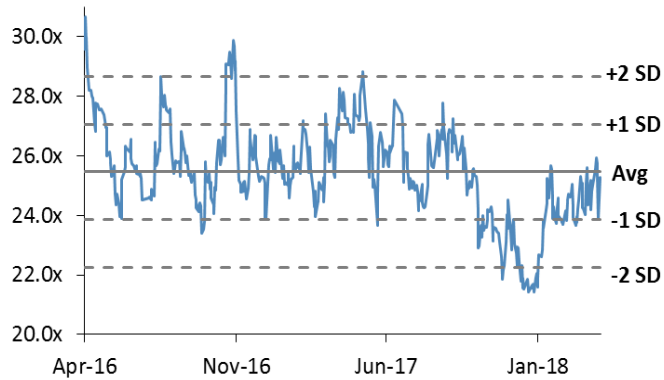
Days of Inventories | 2014 - 2017



Source: Company, NHKS research

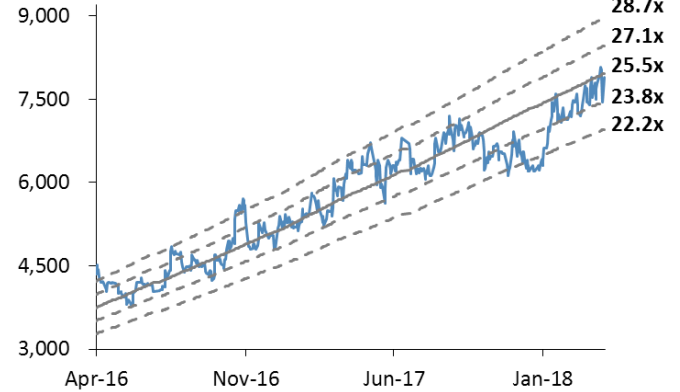
## Multiple Valuation

Forward P/E band | Last 2 years



Source: NHKS research

Dynamic Forward P/E band | Last 2 years



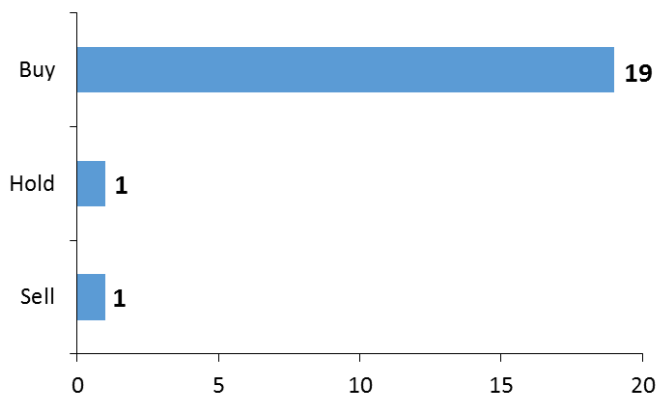
Source: NHKS research

## Rating and target price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
04/09/2018	Buy	9,450	7,900	8,661	+19.6%	+9.1%

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)	April 9, 2018	7,900
Target Price (IDR)	Dec 2018	9,450
Analyst: Michael Tjahjadi	Rating:	Buy

### INCOME STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
<b>Revenue</b>	<b>14,150</b>	<b>16,306</b>	<b>18,447</b>	<b>20,843</b>
Growth (% y/y)	10.3%	15.2%	13.1%	13.0%
COGS	(7,277)	(8,450)	(9,595)	(10,883)
<b>Gross Profit</b>	<b>6,873</b>	<b>7,856</b>	<b>8,851</b>	<b>9,960</b>
Gross Margin	48.6%	48.2%	48.0%	47.8%
Operating Expenses	(5,985)	(6,736)	(7,579)	(8,452)
<b>EBIT</b>	<b>888</b>	<b>1,121</b>	<b>1,272</b>	<b>1,508</b>
EBIT Margin	6.3%	6.9%	6.9%	7.2%
Depreciation	624	682	779	877
<b>EBITDA</b>	<b>1,512</b>	<b>1,803</b>	<b>2,051</b>	<b>2,385</b>
EBITDA Margin	10.7%	11.1%	11.1%	11.4%
Interest Cost	(421)	(404)	(397)	(353)
<b>EBT</b>	<b>402</b>	<b>598</b>	<b>814</b>	<b>1,049</b>
Income Tax	(193)	(247)	(337)	(434)
<b>Net Profit</b>	<b>209</b>	<b>335</b>	<b>478</b>	<b>617</b>
Growth (% y/y)	457.4%	60.5%	42.9%	29.0%
Net Profit Margin	1.5%	2.1%	2.6%	3.0%

### BALANCE SHEET

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Cash	1,526	1,286	1,183	1,260
Other Current Assets	5,091	5,512	5,880	6,105
<b>Total Current Assets</b>	<b>6,616</b>	<b>6,799</b>	<b>7,063</b>	<b>7,364</b>
Net Fixed Assets	2,637	3,103	3,629	4,137
Other Non Current Assets	1,430	1,524	1,310	1,368
<b>Total Assets</b>	<b>10,683</b>	<b>11,425</b>	<b>12,002</b>	<b>12,870</b>
Trade Payables	1,054	1,251	1,273	1,470
Other Current Liabilities	2,374	1,850	2,394	2,390
<b>Total Current Liabilities</b>	<b>4,181</b>	<b>4,565</b>	<b>4,969</b>	<b>5,175</b>
LT Debt	2,609	1,842	1,638	1,655
Other Non Current Liab.	690	776	863	949
<b>Total Liabilities</b>	<b>7,480</b>	<b>7,183</b>	<b>7,470</b>	<b>7,779</b>
<b>Shareholders' Equity</b>	<b>3,204</b>	<b>4,242</b>	<b>4,533</b>	<b>5,090</b>

### CASH FLOW STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Net Income	208	335	478	617
Deprec & Amortization	624	682	779	877
Chg. In Working Capital	396	(833)	198	(31)
<b>CFO</b>	<b>1,228</b>	<b>184</b>	<b>1,455</b>	<b>1,463</b>
Capex	(898)	(1,273)	(1,305)	(1,385)
<b>CFI</b>	<b>(973)</b>	<b>283</b>	<b>(1,005)</b>	<b>(1,356)</b>
Dividends Paid	-	(41)	(50)	(72)
Net Borrowing	(0)	(0)	(365)	30
<b>CCF</b>	<b>755</b>	<b>(775)</b>	<b>(554)</b>	<b>(30)</b>
<b>Net Changes in Cash</b>	<b>1,010</b>	<b>(308)</b>	<b>(104)</b>	<b>77</b>

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	75.9	PT Satya Mulia Gema 54.0
United States	9.8	Norges Bank 2.8
Norway	4.0	Rochdale Investment 1.9
Luxembourg	3.8	Fil Limited 1.8

### PROFITABILITY & STABILITY

	2016/12A	2017/12A	2018/12E	2019/12E
ROE	6.8%	9.0%	10.9%	12.8%
ROA	2.1%	3.0%	4.1%	5.0%
ROIC	7.1%	9.3%	9.9%	11.4%
EBITDA/Equity	48.9%	48.4%	46.7%	49.6%
EBITDA/Assets	15.0%	16.3%	17.5%	19.2%
Cash Dividend (IDR bn)	41	50	72	92
Dividend Yield (%)	0.5%	0.5%	0.5%	0.7%
Payout Ratio (%)	19.8%	15.0%	15.0%	15.0%
DER	104.9%	77.9%	64.9%	58.3%
Net Gearing	316.8%	223.7%	199.0%	201.0%
LT Debt to Equity	81.4%	43.4%	36.1%	32.5%
Capitalization Ratio	51.2%	43.8%	39.3%	36.8%
Equity Ratio	30.0%	37.1%	37.8%	39.6%
Debt Ratio	31.5%	28.9%	24.5%	23.1%
Financial Leverage	326.4%	296.9%	267.0%	258.5%
Current Ratio	158.2%	148.9%	142.1%	142.3%
Quick Ratio	86.3%	81.8%	75.9%	78.3%
Cash Ratio	36.5%	28.2%	23.8%	24.3%
Par Value (IDR)	500	500	500	500
Total Shares (mn)	1,660	1,660	1,660	1,660
Share Price (IDR)	5,400	6,200	7,900	7,900
Market Cap (IDR tn)	9.0	10.3	13.1	13.1

### VALUATION INDEX

	2016/12A	2017/12A	2018/12E	2019/12E
Price/Earnings	42.8x	30.6x	27.3x	21.2x
Price/Book Value	2.8x	2.4x	2.9x	2.6x
Price/Sales	0.6x	0.6x	0.7x	0.6x
PE/EPS Growth	0.1x	0.5x	0.6x	0.7x
EV/EBITDA	2.7x	3.2x	4.4x	3.7x
EV/EBIT	10.2x	9.5x	11.1x	8.5x
EV (IDR bn)	4,077	5,700	8,991	8,885
Sales CAGR (3-Yr)	13.3%	11.3%	12.9%	13.8%
EPS CAGR (3-Yr)	-13.9%	65.5%	134.2%	43.6%
Basic EPS (IDR)	126	202	289	373
Diluted EPS (IDR)	126	202	289	373
BVPS (IDR)	1,930	2,556	2,730	3,066
Sales PS (IDR)	8,524	9,823	11,112	12,556
DPS (IDR)	24.9	30.2	43.2	55.7

### DCF, RIM & EVA

	2016/12A	2017/12A	2018/12E	2019/12E
<b>DCF (IDR bn)</b>				
NOPAT	461	657	745	884
+Depr./Amor.	624	682	779	877
-CAPEX	(898)	(1,273)	(1,305)	(1,385)
-Incr. (Decr.) in Working Cap.	396	(833)	198	(31)
(Unlevered) FCFF	584	(767)	417	345
<b>WACC</b>				
Cost of Debt (Tax Adj.)	5.4%	4.4%	5.2%	5.2%
Cost of Equity (COE)	9.7%	10.0%	10.1%	10.4%
WACC (%)	8.6%	8.7%	9.2%	9.4%
<b>RIM</b>				
Spread (FROE-COE) (%)	-3.2%	-2.1%	0.5%	1.8%
Residual Income (IDR)	(81)	13	50	148
Equity Charge	290	322	428	469
<b>EVA</b>				
Invested Capital (IDR bn)	6,485	6,565	7,548	7,473
ROIC-WACC (%)	-1.4%	1.3%	0.7%	2.4%
EVA (IDR bn)	(93)	87	51	182

### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entity of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information here is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, respective employees, and agents disclaim any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents liable for errors, omissions, misstatements, negligence, inaccuracy arising herefrom.

All rights reserved by PT NH Korindo Sekuritas Indonesia