

# MAP

Mitra Adiperkasa

**BUY**

**Target Price : IDR1,150**

## Stock Data

Current Price : 850  
 52w Range H-L : 610-990  
 Share Outstanding : 16.60 Bn  
 Free Float : 43.97%  
 Mkt Capitalization : IDR14.11tn

## Major Shareholders

PT Satya Mulia : 51.00%  
 Gema Gemilang  
 Public : 48.64%  
 Treasury : 0.36%



**Research Analyst**

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## PT Mitra Adiperkasa Tbk (MAPI IJ)

Apparel & Textile Retail

### Keep Calm at Some Alarming Threats

#### Chasing the Momentum This Year

- MAPI recorded revenue at IDR5.63tn in 1Q22 or grew +30.61% YoY, or exceeded the pre-pandemic level growth in 1Q19 with +20.37% YoY. The main driver of this positive performance was the robust sales growth across all business lines along with mobility recovery.
- Net income improved significantly to IDR512.82bn (+1,865.74% YoY) or stood at IDR230.07bn excluding the one-off gain after selling 16.72% share ownership of Burger King Indonesia from the previous 33.52% stake. We believe this year should be MAPI's momentum to recover with the main driver being: 1) solid omnichannel ecosystem; 2) consumption of the mid to high-income remains strong; and 3) ample expansion growth.

#### A Guide to Beef Up

- MAPI has an omnichannel ecosystem supporting online sales with an award-winning reward program called "MAPCLUB".
- In 1Q22, MAPCLUB had 5.2mn members with an average value per transaction of IDR836,000 and an average shopping frequency of 1.6x/year.
- Based on management, MAPCLUB's members had contributed about ~50-60% of revenues.
- More outlets expansion outside shopping mall such as Starbucks (~60%) and Subway (~55%) which are less sensitive to restrictions is expected to maintain its revenue. In 1Q22, FnB segments contributed 12.60% to the total revenues.
- CCI Jun-22 remained strong at 128.2 levels (vs 128.9 May-22). Interestingly, the expenditure proportion of consumption on >IDR5mn incomes category kept climbing up to 70.33 levels (vs 68.78 on May-22), indicating that mid-high consumers could be resilient to potential inflation.

#### Booster Will Achieve 80% in Oct-22, Good For The Retailer

- However, we considered the unrealized plan by the government to implement a booster vaccine for mall visitors due to increasing of daily covid19 cases and were still waiting for the final draft. Up to 9-Jul'22, the people who had been vaccinated with the 3rd doses or booster reached ~41% (target 1&2: 10.08mn) in Jakarta and ~25% of domestic target.
- If the restrictions affect the occupancy rate, we had built a model depicting when the booster vaccination would reach 80%-90% of total target for Jakarta as ~34% of MAPI's business located in shopping malls.
- We projected the vaccination rate of 80%-90% will occur in 1W-2W Oct-22 ([exhibit 06](#)).
- Last year, the government had imposed 1st doses vaccine as a requirement for mall visitors at 3-Aug'21 when the first dose vaccination rate reached 88.49% in Jakarta. Meanwhile, 3rd doses vaccination as of 9-Jul'22 had only reached 39.94% in Jakarta or less than half compared to the earlier policy. As a result, this could pressure for MAPI's 3Q22.
- Given that projection, we expected the restriction mandatory will not disrupt the festive season in 4Q22, whereas in FY17-FY21, the average contribution in 4Q had reached 29.98% of annual revenue.

#### Valuation and Recommendation: BUY MAPI with Target Price IDR1,150

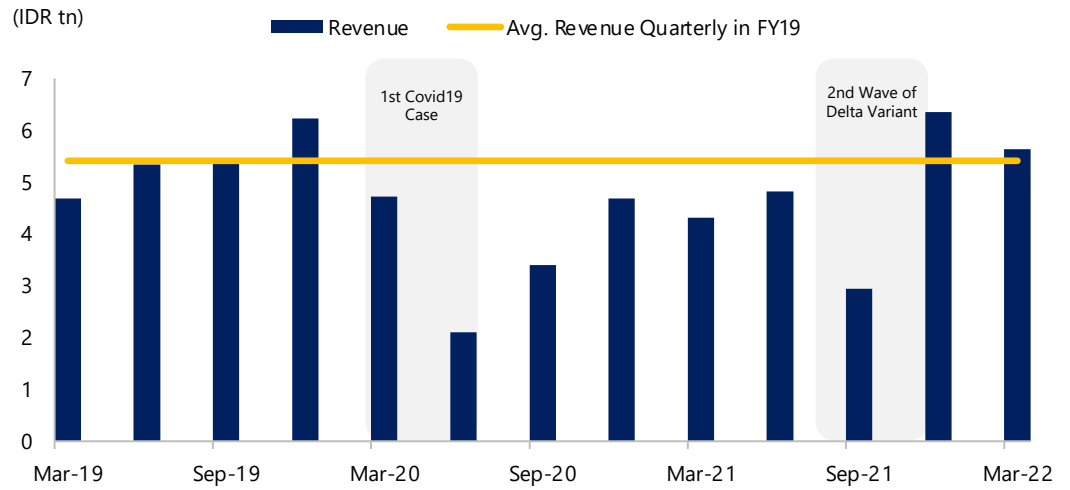
We transfer our coverage on MAPI IJ to from Rifqi Ramadhan to Raka Junico. We recommend BUY with target price of IDR1,150 (+28.49% upside) which implies PE/PBV of 13.01x/2.04x in FY22E. Given the catalyst above and put some risk due to potential of restrictions, we estimated MAPI's top-bottom line will outperform than pre-pandemic level with the revenue climbing up to IDR22.06tn (+19.73% YoY) and net income rising to IDR1.16tn (+164.53% YoY) mainly driven by: 1) solid omnichannel ecosystem; 2) mid to high consumers remained strong; 3) +2.00% SSSG in FY22E; 4) cost structure optimization. Key downside risks include: 1) unexpected mobility restrictions or covid19 vaccine policy; 2) fatigued mid-high consumers demand; 3) unintended consequences of a weakening USD/IDR.

Key Financial Highlight	FY19	FY20	FY21	FY22E	FY23F
Revenue (IDR Bn)	21,637.31	14,847.40	18,423.80	22,058.44	24,285.35
EBITDA (IDR Bn)	2,639.44	659.98	1,898.94	2,889.46	3,190.24
Net Income (IDR Bn)	933.49	(553.72)	438.91	1,161.04	1,318.57
ROA (%)	6.70	(3.14)	2.62	7.10	7.85
ROE (%)	12.67	(8.52)	6.19	15.67	15.44
PE (x)	15.12	(25.48)	32.15	12.15	10.70
PBV (x)	1.91	2.17	1.99	1.90	1.65
DER (x)	0.26	1.05	0.72	0.59	0.42

Source: Company, MNCS

Exhibit 01. MAPI's Revenue Trend on Quarterly Basis 1Q19-1Q22

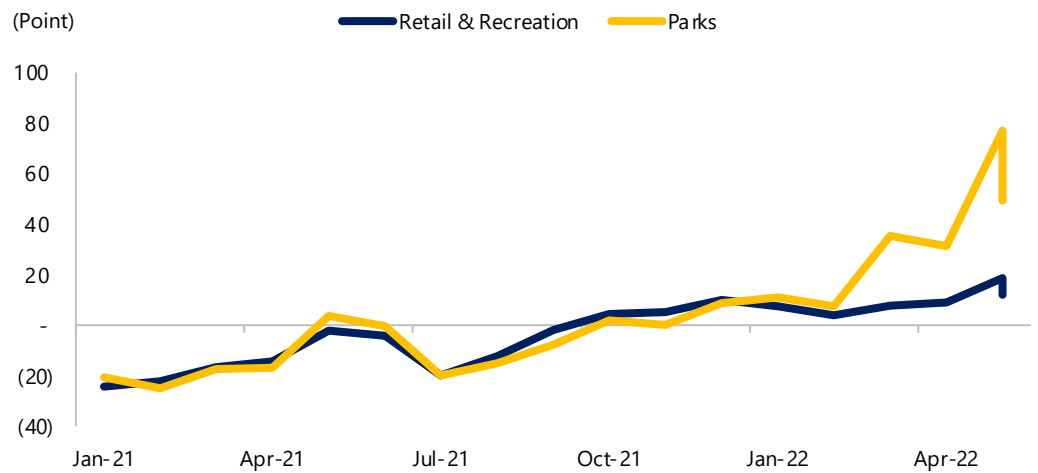
**1Q22 revenues exceeded the average revenue quarterly in FY19**



Source : Company, MNCS

Exhibit 02. Google Community Mobility Reports in Monthly Averages

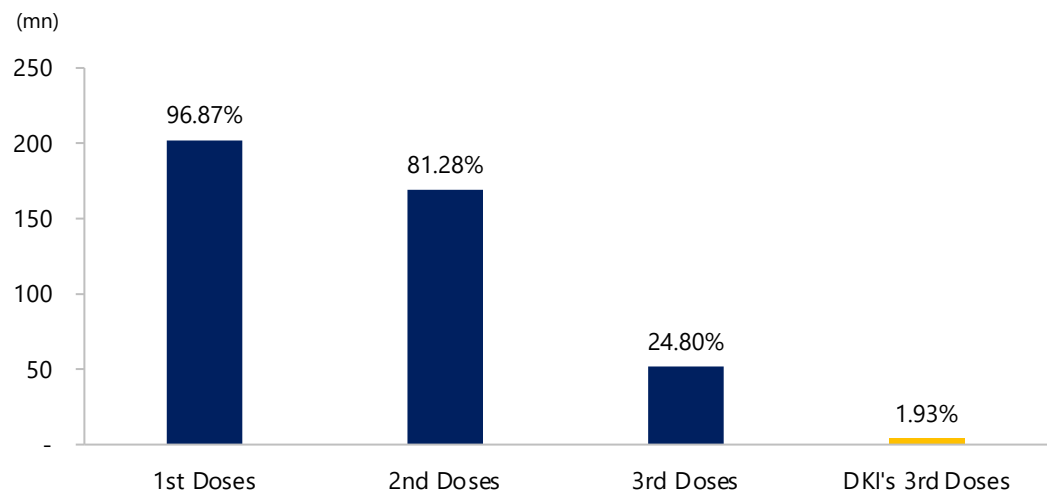
**Despite the dropped of daily average in June-22, mobility recovery keep on-track**



Source : Google, MNCS

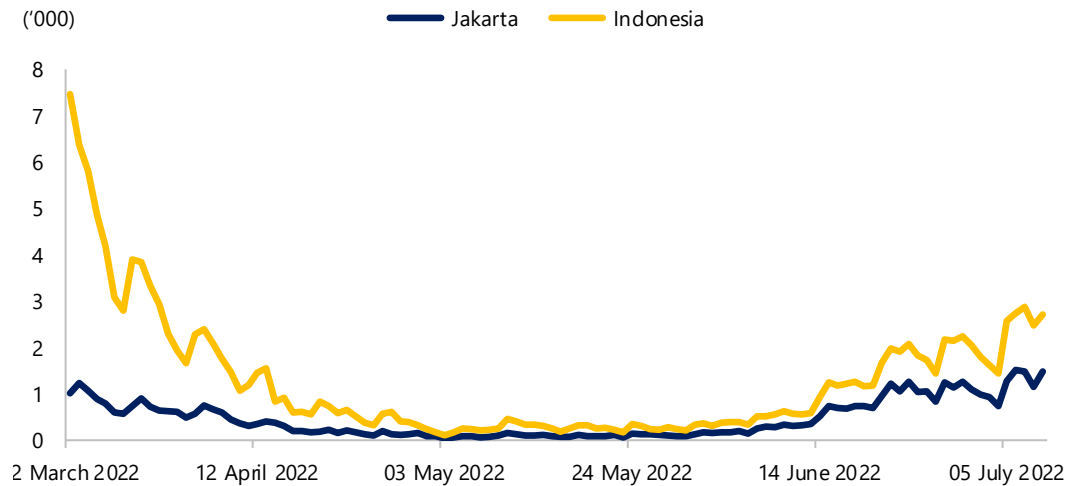
Exhibit 03. Total Vaccination for 1,2 and 3 Doses Including DKI Jakarta as of 9-Jul'22

**The national vaccination target of 208,265,720.**



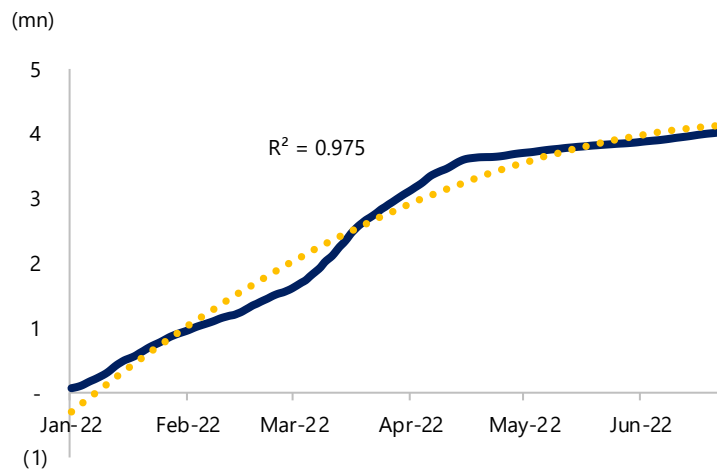
Source : Corona Jakarta, MNCS

Exhibit 04. Daily Cases Covid19 in Jakarta and Total Domestic



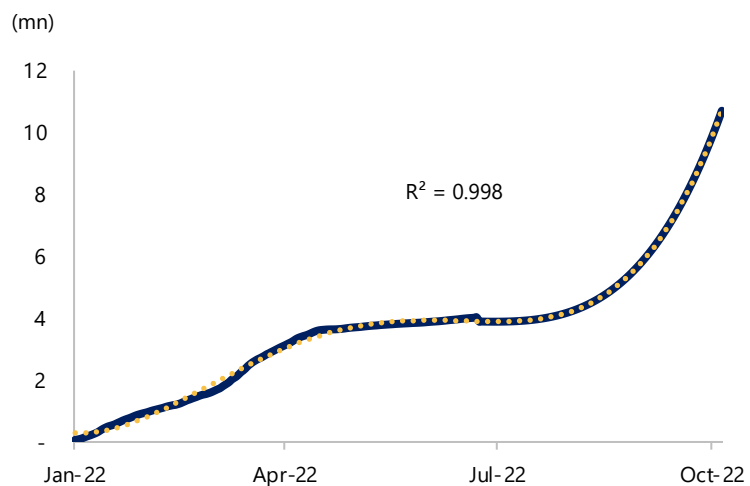
Source : Corona Jakarta, MNCS

Exhibit 05. Smoothed Total Vaccination 3rd Doses (Booster) in Jakarta



Source : Corona Jakarta, MNCS

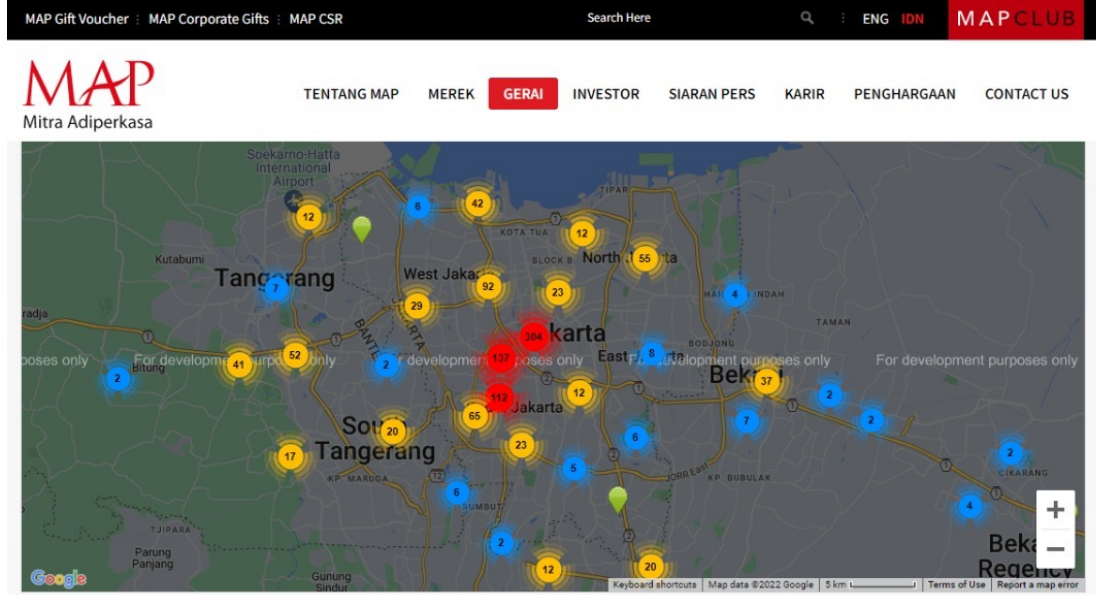
Exhibit 06. Polynomial Growth Model of Total Vaccination 3rd Doses



Source : Corona Jakarta, MNCS

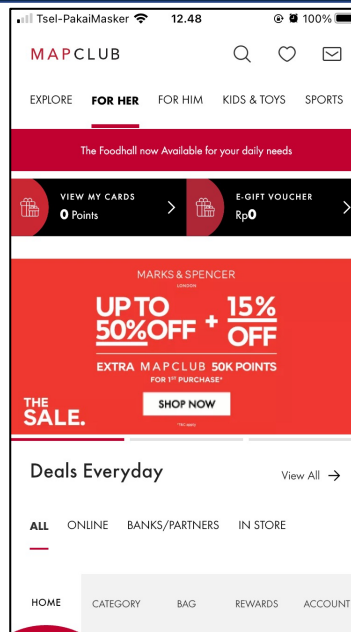
**We used polynomial regression growth after taking consideration on the previous trend. Based on our calculation, the vaccination rate of 80%-90% will occur in 1W-2W Oct-22**

Exhibit 07. MAPI's Outlets Around Jakarta



Source : Company

Exhibit 08. MAPCLUB by MAPI



Source : Company

Exhibit 09. Financial Summary

Income Statement						Balance Sheet					
in Billion IDR	FY19	FY20	FY21	FY22E	FY23F	in Billion IDR	FY19	FY20	FY21	FY22E	FY23F
<b>Revenue</b>	<b>21,637.31</b>	<b>14,847.40</b>	<b>18,423.80</b>	<b>22,058.44</b>	<b>24,285.35</b>	Cash & Equivalents	1,816.66	2,788.10	2,788.42	2,250.82	1,972.68
COGS	(11,322.63)	(8,666.45)	(10,731.34)	(12,392.92)	(13,498.23)	Trade Receivables	407.85	341.57	365.59	416.66	458.72
<b>Gross Profit</b>	<b>10,314.68</b>	<b>6,180.94</b>	<b>7,692.46</b>	<b>9,665.52</b>	<b>10,787.12</b>	Inventory	3,615.40	3,715.20	3,731.44	3,442.48	3,861.99
Selling Expenses	(7,051.65)	(5,186.12)	(5,420.63)	(6,339.84)	(7,047.77)	Other Current Assets	2,320.27	1,320.46	1,328.17	1,590.19	1,750.73
G&A Expenses	(1,273.71)	(1,051.69)	(1,037.89)	(1,276.24)	(1,473.46)	<b>Total Current Asset</b>	<b>8,160.17</b>	<b>8,165.34</b>	<b>8,213.62</b>	<b>7,700.15</b>	<b>8,044.12</b>
<b>Operating Income</b>	<b>1,989.32</b>	<b>(56.86)</b>	<b>1,233.95</b>	<b>2,049.44</b>	<b>2,265.89</b>	Fixed Assets-net	3,784.81	3,364.59	3,034.18	3,275.01	3,443.50
Finance Cost	(212.42)	(552.21)	(499.86)	(422.03)	(326.54)	Other Non-Current Assets	1,992.14	6,120.52	5,535.25	5,369.19	5,315.50
Finance Income	46.46	69.82	60.62	83.90	58.33	<b>Total Non-Current Assets</b>	<b>5,776.94</b>	<b>9,485.12</b>	<b>8,569.43</b>	<b>8,644.21</b>	<b>8,759.00</b>
Other Income (Expenses)	(197.85)	(184.56)	(103.10)	(73.07)	(137.18)	<b>TOTAL ASSETS</b>	<b>13,937.12</b>	<b>17,650.45</b>	<b>16,783.04</b>	<b>16,344.35</b>	<b>16,803.13</b>
<b>Profit Before Tax</b>	<b>1,625.50</b>	<b>(723.81)</b>	<b>691.61</b>	<b>1,638.23</b>	<b>1,860.49</b>	Trade Payables	1,757.91	1,621.06	1,756.74	1,962.21	2,137.22
Income Tax (Expenses)	(462.00)	138.50	(201.45)	(477.18)	(541.92)	Short-Term Debt	1,902.04	3,831.13	2,770.03	2,367.10	1,927.59
Minority Interest	(230.01)	31.59	(51.24)	-	-	Other Current Liabilities	2,013.64	1,892.65	2,134.74	1,882.99	1,810.32
<b>Net Income</b>	<b>933.49</b>	<b>(553.72)</b>	<b>438.91</b>	<b>1,161.04</b>	<b>1,318.57</b>	<b>Total Current Liabilities</b>	<b>5,673.59</b>	<b>7,344.84</b>	<b>6,661.50</b>	<b>6,212.30</b>	<b>5,875.13</b>
EPS (IDR)	56.23	(33.36)	26.44	69.94	79.43	Long-Term Debt	5.53	2,968.54	2,328.18	1,989.53	1,620.12
						Other Non-Current Liabilities	887.45	837.67	697.46	732.46	767.46
						<b>Total Non-Current Liabilities</b>	<b>892.99</b>	<b>3,806.22</b>	<b>3,025.64</b>	<b>2,721.98</b>	<b>2,387.58</b>
						<b>Total Equity</b>	<b>7,370.55</b>	<b>6,499.40</b>	<b>7,095.91</b>	<b>7,410.07</b>	<b>8,540.42</b>
						<b>TOTAL LIABILITY AND EQUITY</b>	<b>13,937.12</b>	<b>17,650.45</b>	<b>16,783.04</b>	<b>16,344.35</b>	<b>16,803.13</b>

Cash Flow						Ratios					
in Billion IDR	FY19	FY20	FY21	FY22E	FY23F		FY19	FY20	FY21	FY22E	FY23F
Net Income	933.49	(553.72)	438.91	1,161.04	1,318.57	Revenue Growth (%)	14.36	(31.38)	24.09	19.73	10.10
Depreciation	650.11	716.84	664.99	840.02	924.35	Operating Profit Growth (%)	32.14	(102.86)	2,270.04	66.09	10.56
Change in Working Capital	14.43	(170.38)	95.42	443.37	(286.57)	Net Profit Growth (%)	26.86	(159.32)	179.27	164.53	13.57
Change in Others	241.09	700.62	234.38	(513.77)	(233.20)	Current Ratio (%)	143.83	111.17	123.30	123.95	136.92
<b>CFOTotal</b>	<b>1,839.12</b>	<b>693.37</b>	<b>1,433.71</b>	<b>1,930.67</b>	<b>1,723.14</b>	Quick Ratio (%)	80.10	60.59	67.28	68.54	71.18
Capital Expenditure	(963.66)	(296.63)	(334.58)	(1,080.86)	(1,092.84)	Receivable Days (x)	6.79	8.28	7.14	6.80	6.80
Change in Others	(143.52)	(4,128.39)	585.27	166.06	53.69	Inventory Days (x)	114.95	154.33	125.18	100.00	103.00
<b>CFI Total</b>	<b>(1,107.18)</b>	<b>(4,425.01)</b>	<b>250.70</b>	<b>(914.81)</b>	<b>(1,039.15)</b>	Payable Days (x)	55.89	67.34	58.93	57.00	57.00
Net Change in Debt	(862.59)	4,892.10	(1,701.46)	(741.58)	(808.92)	DER (x)	0.26	1.05	0.72	0.59	0.42
Net Change in Equity	567.50	(47.54)	71.72	(719.17)	(31.99)	DAR (x)	0.14	0.39	0.30	0.27	0.21
Dividend Payment	(165.40)	-	-	(127.71)	(158.23)	Interest Coverage (x)	9.36	(0.10)	2.47	4.86	6.94
Others	133.07	(141.48)	(54.34)	35.00	37.00	Gross Profit Margin (%)	47.67	41.63	41.75	43.82	44.42
<b>CFE Total</b>	<b>(327.42)</b>	<b>4,703.09</b>	<b>(1,684.09)</b>	<b>(1,553.46)</b>	<b>(962.14)</b>	Operating Profit Margin (%)	9.19	(0.38)	6.70	9.29	9.33
<b>Beginning Cash</b>	<b>1,412.14</b>	<b>1,816.66</b>	<b>2,788.10</b>	<b>2,788.42</b>	<b>2,250.82</b>	EBITDA Margin (%)	12.20	4.45	10.31	13.10	13.14
<b>Ending Cash</b>	<b>1,816.66</b>	<b>2,788.10</b>	<b>2,788.42</b>	<b>2,250.82</b>	<b>1,972.68</b>	Net Income Margin (%)	4.31	(3.73)	2.38	5.26	5.43
						BVPS (IDR)	444.01	391.53	427.46	446.39	514.48

Sources : Company, MNCS

### MNC Research Industry Ratings Guidance

**OVERWEIGHT:** Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months

**NEUTRAL:** Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months

**UNDERWEIGHT:** Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

### MNC Research Investment Ratings Guidance

**BUY :** Share price may exceed 10% over the next 12 months

**HOLD :** Share price may fall within the range of +/- 10% of the next 12 months

**SELL :** Share price may fall by more than 10% over the next 12 months

**Not Rated :** Stock is not within regular research coverage

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