

**BUY**
**Target Price** **Rp1,110**

 Share Price Rp910  
 Upside (%) 22.0

**Description**

 Sector Consumer Non-Cyclical  
 Subsector Clothing and Textile Retailer  
 Shares Outstanding (bn) 16.54  
 Market Cap (Rpt) 13.4

**Shareholders Composition**

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

**Share Price Performance**

 52 week High/Low 910/620  
 1 month +6.4%  
 3 month +20.5%  
 6 month +15.2%  
 1 year +13.8%  
 YTD +28.2%

**Analyst**

 Raphon Prima  
 raphon.prima@sfsekuritas.co.id

 Roy Passtan  
 roy.passtan@sfsekuritas.co.id

## Mitra Adiperkasa (MAPI)

### Posts Profit in FY21; Major Play amid Rising Inflation Pressure

MAPI posted net profit of Rp439 billion in FY21, outperforming our estimate of Rp8 billion loss in FY21. The stronger-than-expected result indicates that spending recovery in 4Q21 accelerated due to controlled COVID-19 pandemic situation. For FY22 we expect MAPI to post 154% yoy net profit growth to Rp1.1 trillion. We like MAPI as a major play amid rising macroeconomic concern derived from rising inflation. We maintain BUY on MAPI with higher target price of Rp1,110 from Rp1,050.

### Net profit of Rp439 billion; higher than our estimate of Rp8 billion loss.

MAPI posted net profit of Rp439 billion in FY21 compared to Rp554 billion of loss in FY20. The net profit figure in FY21 was above our expectation of Rp8 billion of loss. MAPI showed strong jump in performance in 4Q21 thanks to relaxation in government measures leading to strong revenue performance. In FY21 MAPI posted revenue of Rp18.4 trillion which was also above our estimate of Rp17.3 trillion.

### 4Q21 revenue level had returned to pre-pandemic level; major play in rising inflation pressure.

In 4Q21 MAPI posted revenue of Rp6.4 trillion which was at similar level of revenue position of Rp6.5 trillion in 4Q19, just before COVID-19 pandemic hit Indonesia in 1Q20. The strong recovery in 4Q21 shows MAPI strong position in Indonesia middle-to-high consumer segment. Middle-to-high consumer segment are still having strong spending power even though currently rising inflation pressuring macroeconomic condition in Indonesia.

### Expecting 154% yoy net profit growth in FY22.

For FY22 we expect MAPI to post net profit of Rp1.1 trillion, or jumping by 154% yoy supported by 15% yoy revenue growth to Rp21.2 trillion. Condition in 2022 is much better than 2021. Hence we expect strong revenue recovery in 4Q21 to continue during the year of 2022.

### Maintain BUY with higher target price of Rp1,110.

We raise our target price from Rp1,050 to accommodate stronger-than-expected result in FY21. Since our last call, MAPI share price had risen by more than 17%. Our target price is based on 2022F 0.9x P/S. Currently MAPI still trades at 2022F 0.7x P/S level. In terms of P/E valuation, MAPI is still trading at 2022F 13.4x P/E level.

Rp billion	2020	2021	2022F	2023F	2024F
Sales	14,847	18,424	21,219	23,369	25,551
Gross Profit	6,181	7,692	9,337	10,750	11,754
Operating Profit	(57)	1,234	2,095	2,796	2,981
EBITDA	2,233	3,413	4,368	5,235	5,622
Net Profit	(554)	439	1,117	1,555	1,735
EPS	(33)	27	68	94	105
P/E (x)	N/A	26.8	13.5	9.7	8.7
P/B (x)	2.4	2.0	2.2	1.8	1.5
Gross Margin	41.6%	41.8%	44.0%	46.0%	46.0%
Net Margin	-3.7%	2.4%	5.3%	6.7%	6.8%
ROE (%)	-10.4%	7.5%	16.0%	18.7%	17.8%
ROA (%)	-3.1%	2.6%	5.9%	8.0%	7.8%

Sumber: Mitra Adiperkasa, SF Sekuritas

**PT SURYA FAJAR SEKURITAS**

 Satrio Tower Building Lt. 9, Jalan Prof. Dr. Satrio Blok C4/5, Kuningan, DKI Jakarta 12950, Indonesia  
 Phone : 021-2788-3989 | www.sfsekuritas.co.id

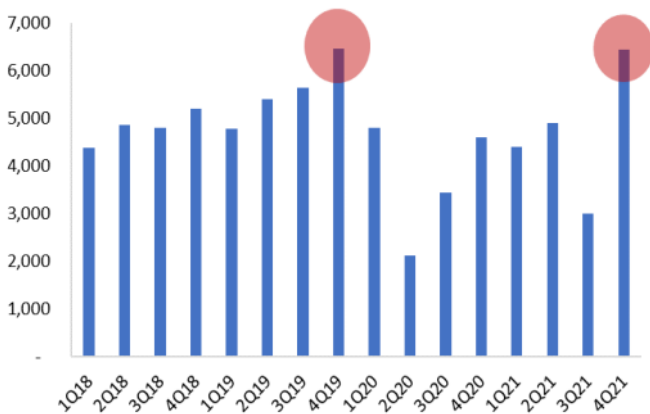
## FY21 Result

Rp billion	2021 Actual	2021 Forecast	%
Sales	18,424	17,263	6.7%
COGS	(10,731)	(9,667)	11.0%
Operating Profit	7,692	7,596	1.3%
Selling Expenses	(5,421)	(5,684)	-4.6%
G&A Expenses	(1,038)	(1,197)	-13.3%
Operating Profit	1,234	715	72.7%
Depreciation	2,179	2,303	-5.4%
EBITDA	3,413	3,018	13.1%
Pre-Tax Profit	692	(11)	-6557.4%
Net Profit	439	(8)	-5514.8%

Source: MAPI, SF Sekuritas Research

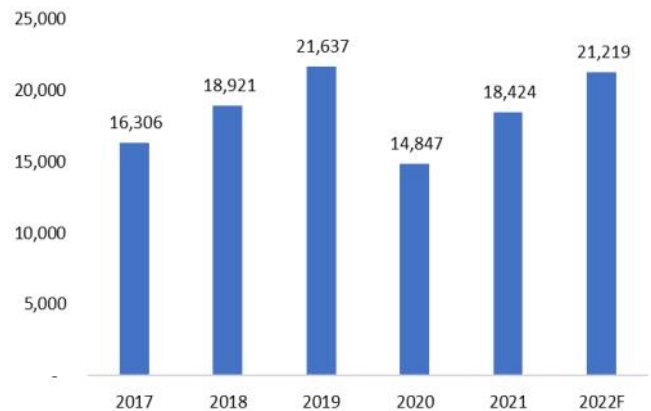
## Key Highlights

### Quarterly Sales (Rp billion)



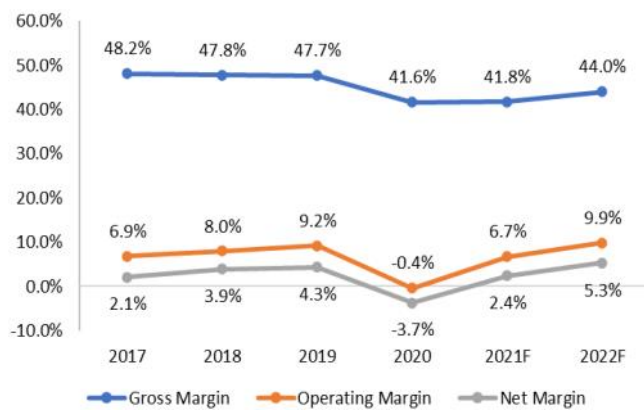
Source: MAPI, SF Sekuritas Research

### Penjualan di 2022 Berpotensi Mendekati Posisi 2019



Source: MAPI, SF Sekuritas Research

### Margin Ratios to Reach Pre-Pandemic Level



Source: MAPI, SF Sekuritas Research

### P/S Band Chart



Source: SF Sekuritas Research

## Financial Statement

Income Statement	2020	2021	2022F	2023F
<b>Sales</b>	14,847	18,424	21,219	23,369
Cost of Sales	(8,666)	(10,731)	(11,883)	(12,619)
<b>Gross Profit</b>	6,181	7,692	9,337	10,750
Sales & GA Expenses	(6,238)	(6,459)	(7,241)	(7,953)
<b>Operating Profit</b>	(57)	1,234	2,095	2,796
Depreciation	2,290	2,179	2,273	2,438
<b>EBITDA</b>	2,233	3,413	4,368	5,235
Finance Expenses	(552)	(500)	(510)	(542)
Other Income (Exp.)	(115)	(42)	(26)	(84)
<b>Pre-tax Profit</b>	(724)	692	1,559	2,171
Tax Expenses	139	(201)	(312)	(434)
Non-Controlling	32	(51)	(130)	(182)
<b>Net Profit</b>	(554)	439	1,117	1,555

Balance Sheet	2020	2021	2022F	2023F
Cash	2,788	2,778	4,062	3,345
Receivables	342	404	421	488
Inventories	3,715	3,731	3,860	3,851
Other Current Assets	1,320	1,299	1,364	1,432
<b>Total Current Assets</b>	8,165	8,214	9,708	9,117
Net Fixed Assets	3,365	3,034	3,789	4,556
Intangible Assets	79	79	79	79
Other Non-Current Assets	6,041	5,456	5,447	5,614
<b>Total Non-Current Assets</b>	9,485	8,569	9,315	10,250
Trade Payables	1,621	1,757	2,204	1,301
ST Bank Loan	2,497	1,142	1,245	741
Curr. Portion of LT Debt	-	404	188	112
Other Current Liabilities	3,227	3,358	3,525	3,699
<b>Total Current Liabilities</b>	7,345	6,661	7,162	5,853
LT Debt	376	-	253	150
Other Non-Current Liabilities	3,430	3,026	3,177	3,336
<b>Total Non-Curr. Liab.</b>	3,806	3,026	3,430	3,486
Share Capital	830	830	830	830
Add. Paid in Capital	503	503	503	503
Retained Earnings	2,905	3,344	4,461	5,793
Other Equity	1,131	1,218	1,207	1,197
<b>Shareholders Equity</b>	5,349	5,875	6,980	8,303
Minority Interest	1,151	1,221	1,450	1,725

Cash Flow	2020	2021	2022F	2023F
Net Profit	(554)	439	1,117	1,555
Depreciation	2,290	2,179	2,273	2,438
Chg in Working Capital	(170)	57	302	(961)
Others	(219)	263	40	42
<b>CFO</b>	1,347	2,938	3,732	3,074
Capex	(1,216)	(1,643)	(2,978)	(3,280)
Other	971	(415)	172	130
<b>CFI</b>	(245)	(2,058)	(2,806)	(3,150)
Debt Issuance (Repayment)	980	(1,327)	140	(683)
Dividend	-	-	-	(223)
Others	(1,090)	158	218	266
<b>CCF</b>	(111)	(1,169)	358	(641)
<b>Net Cash Increase (Decrease)</b>	991	(289)	1,284	(717)

Ratios	2020	2021	2022F	2023F
Gross Margin	42%	42%	44%	46%
Operating Margin	-0.4%	6.7%	9.9%	12.0%
EBITDA Margin	15.0%	18.5%	20.6%	22.4%
<b>Net Margin</b>	-3.7%	2.4%	5.3%	6.7%
<b>Return on Equity</b>	-10%	7%	16%	19%
Return on Asset	-3%	3%	6%	8%
Receivable Turnover	39.6x	49.4x	51.4x	51.4x
Inventory Turnover	2.4x	2.9x	3.1x	3.3x
Payable Turnover	5.1x	6.4x	6.0x	7.2x
Days in Receivable	9.1	7.3	7.0	7.0
Days in Inventory	152.3	124.9	115.0	110.0
Days in Payable	70.2	56.7	60.0	50.0
<b>Cash Conversion Cycle</b>	91.2	75.5	62.0	67.0
<b>Current Ratio</b>	111.2%	123.3%	135.5%	155.8%
Quick Ratio	42.6%	47.8%	62.6%	65.5%
Interest Coverage Ratio	10.3%	-246.9%	-411.0%	-516.4%
<b>Debt/Equity</b>	53.7%	26.3%	24.2%	12.1%
Asset/Equity	330.0%	285.7%	272.5%	233.3%
<b>EPS</b>	(33)	27	68	94
BVPS	323	355	422	502
<b>P/E</b>	N/A	26.8	13.5	9.7
P/B	2.4x	2.0	2.2	1.8
EV/EBITDA	8.9x	5.1	5.1	4.0



# SEKURITAS

## PT SURYA FAJAR SEKURITAS

Satrio Tower Building Lt. 9  
Jalan Prof. Dr. Satrio Blok C4/5  
Kuningan, DKI Jakarta 12950, Indonesia  
Phone : 021-2788-3989 | [www.sfsekuritas.co.id](http://www.sfsekuritas.co.id)

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