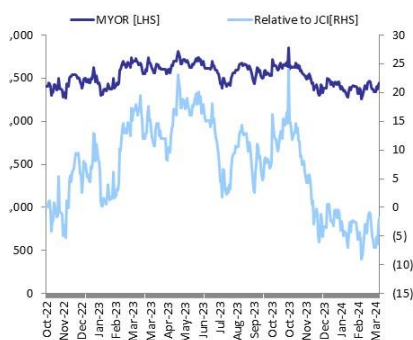


Buy

(Maintained)

Last Price (Rp)	2,440
Target Price (Rp)	3,200
Previous Target Price (Rp)	3,500
Upside/Downside	+31.1%
No. of Shares (mn)	22,359
Mkt Cap (Rpbn/US\$m)	54,555/3,477
Avg, Daily T/O (Rpbn/US\$m)	16.0/1.0
Free Float (%)	15.7
Major Shareholder (%)	
UNITA BRANINDO PT	32.9
MAYORA DHANA UTAMA PT	26.1
EPS Consensus (Rp)	
	2023F 2024F 2025F
BRIDS	143.7 158.3 183.7
Consensus	142.0 157.2 173.5
BRIDS/Cons (%)	1.2 0.7 5.9

MYOR relative to JCI Index



Source: Bloomberg

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Mayora Indah (MYOR IJ)

Counting on Ramadhan sales boost

- The Feb24 sales run rate grew by around 10% yoy, but not as briskly as MYOR had expected in Jan24.
- Higher cocoa and coffee prices threaten margins. We also lowered vol and ASP growth est. in FY24, resulting in tame earnings growth outlook.
- 1Q24 festivities may offer a positive catalyst for MYOR following YTD underperformance. Maintain Buy rating with a lower TP of Rp3,200.

2M24: not a strong start to the year

In the latest meeting, MYOR indicated that the Feb24 sales run rate grew by around 10% yoy, but not as briskly as it had expected in Jan24. With the China market remaining soft, the domestic market will likely be the company's backbone in FY24. Given the slow start to the year, the company has toned down its FY24 guidance to high single-digit growth at both the top and bottom lines with a cautious eye on raw material prices.

High Cocoa and coffee prices: a threat to margins

Cocoa prices reached their highest level of US\$8k/ton in mid-March24, pushed up by supply constraints due to dry weather which affected crops in West Africa. This led to lower volume with production also hit by structural issues (older plants and disease). Meanwhile, coffee prices remained high albeit off their peak in 2021. On the positive, the prices of other raw materials, namely wheat, sugar and palm oil remained subdued.

Unexciting FY24 EPS growth as we now expect lower top line and margins

In view of the latest developments, we lowered our FY24-25F ASP and volume assumptions to 0.9-1.2% and 6.9-7.4% respectively, and gross margin estimates to 26.3% and 26.5%. We maintain our FY24F core profit forecast at Rp3.2tr and slightly lowered FY25F forecast to Rp3.5tr, as we expect the A&P/revenue spending to be manageable at around 8.8-8.9% (9.5-9.6% previously). Nonetheless, the softer top line with a lower gross margin leads to unexciting FY24F net and core profit growth of 0.6% yoy and -3.9% yoy.

Maintain Buy rating but with a lower TP of Rp3,200

Compared to its peers, MYOR's shares have underperformed (-1.2% Ytd vs 2.8% to 8% Ytd for its peers). The momentum of growing demand during Ramadan will provide a positive catalyst for MYOR. As such, we maintain our BUY rating but with a lower TP of Rp3,200 (WACC 8.6% and Terminal growth of 4%) from Rp3,500 prev, taking into account our new forecast.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	30,669	31,485	33,946	36,904	40,594
EBITDA (Rpbn)	3,281	5,130	5,220	5,850	6,776
EBITDA Growth (%)	25.4	56.4	1.8	12.1	15.8
Net Profit (Rpbn)	1,942	3,194	3,214	3,539	4,107
EPS (Rp)	86.9	142.8	143.7	158.3	183.7
EPS Growth (%)	63.7	64.4	0.6	10.1	16.0
BVPS (Rp)	564.8	672.6	746.0	846.2	965.9
DPS (Rp)	21.0	35.1	71.4	58.1	64.0
PER (x)	28.1	17.1	17.0	15.4	13.3
PBV (x)	4.3	3.6	3.3	2.9	2.5
Dividend yield (%)	0.9	1.4	2.9	2.4	2.6
EV/EBITDA	17.3	10.7	10.6	9.2	7.8

Source: MYOR, BRIDS Estimates

Exhibit 2. Earnings revision and key assumption

	Previous			New			Changes		
	2023F	2024F	2025	2023A	2024F	2025F	2023	2024	2025
Revenue	31,717	35,127	38,949	31,485	33,946	36,904	-0.7%	-3.4%	-5.2%
Gross profit	8,494	9,434	10,417	8,408	8,915	9,769	-1.0%	-5.5%	-6.2%
Operating profit	3,872	4,350	4,820	4,299	4,293	4,707	11.0%	-1.3%	-2.3%
Net profit	2,853	3,090	3,584	3,194	3,214	3,539	11.9%	4.0%	-1.2%
Core profit	2,809	3,173	3,584	3,310	3,182	3,539	17.8%	0.3%	-1.2%
Gross margin	26.8%	26.9%	26.7%	26.7%	26.3%	26.5%			
Opex/revenue	14.6%	14.5%	14.4%	13.0%	13.6%	13.7%			
Operating margin	12.2%	12.4%	12.4%	13.7%	12.6%	12.8%			
Net margin	9.0%	8.8%	9.2%	10.1%	9.5%	9.6%			
Key assumptions									
ASP growth	6.1%	1.5%	3.0%	8.7%	0.9%	1.2%			
Volume growth	-2.5%	9.1%	7.7%	-3.6%	6.9%	7.4%			
A&P/revenue	9.5%	9.6%	9.5%	8.1%	8.8%	8.9%			

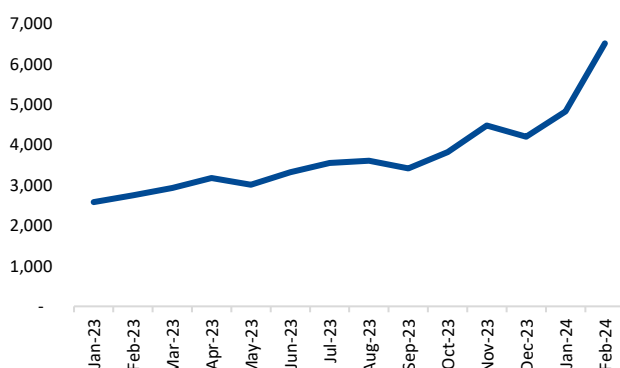
Source: Company, BRIDS Estimates

Exhibit 3. Commodity price - assumption

	2023	2024	2025	Changes					
	2023	2024F	2025F	2023	2024F	2025F			
CPO (MYR/Ton)	3,852.3	3,650.0	3,380.0	3,852.3	3,650.0	3,380.0	0.0%	0.0%	0.0%
Wheat (Cents/Bush)	641.5	600.0	619.0	641.5	600.0	619.0	0.0%	0.0%	0.0%
Milk	20.9	21.3	21.8	20.9	21.3	21.8	0.0%	0.0%	0.0%
Sugar	24.2	23.2	19.4	24.2	23.2	19.4	0.0%	0.0%	0.0%
Crude oil	84.0	85.0	82.9	84.0	85.0	82.9	0.0%	0.0%	0.0%
Cocoa	3,160.0	3,100.0	2,750.0	4,196.0	4,100.0	3,725.0	32.8%	32.3%	35.5%
Coffee robusta	2,450.0	2,423.0	2,100.0	3,046.0	2,423.0	2,100.0	24.3%	0.0%	0.0%

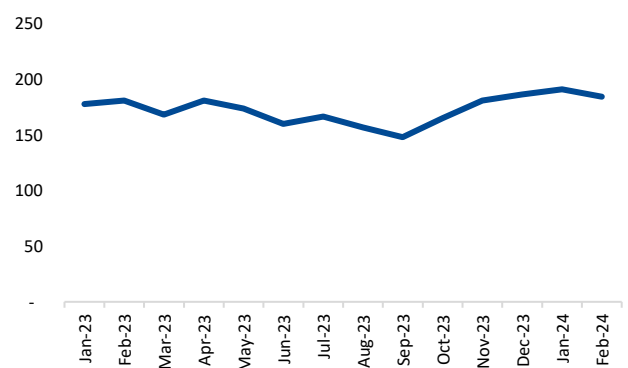
Source: Bloomberg

Exhibit 4. Cocoa price



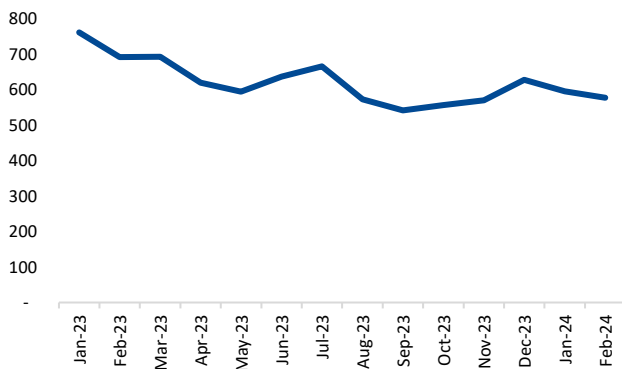
Source: Bloomberg

Exhibit 5. Coffee price



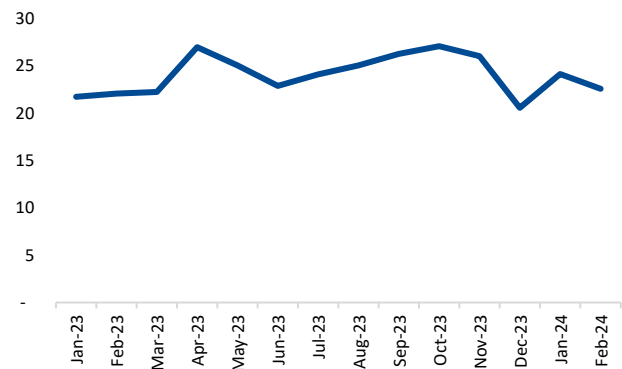
Source: Bloomberg

Exhibit 6. Wheat price



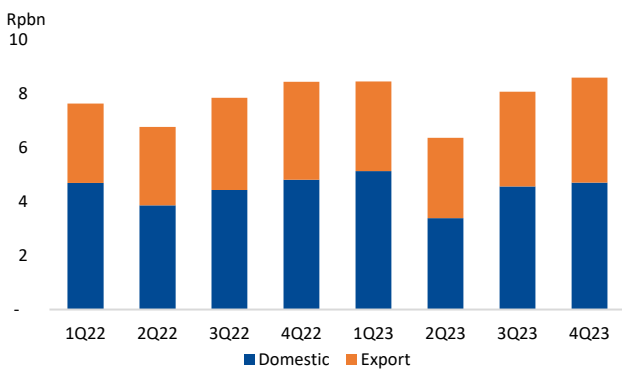
Source: Bloomberg

Exhibit 7. Sugar



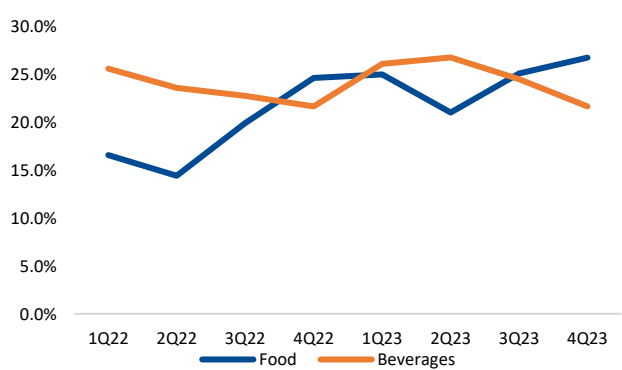
Source: Bloomberg

Exhibit 8. MYOR quarterly revenue



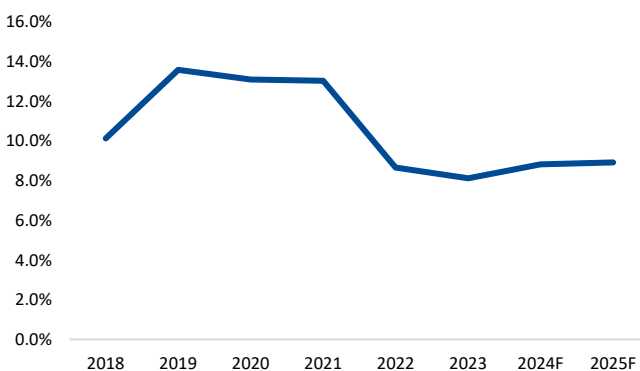
Source: Company, BRIDS Estimates

Exhibit 9. MYOR quarterly gross margin



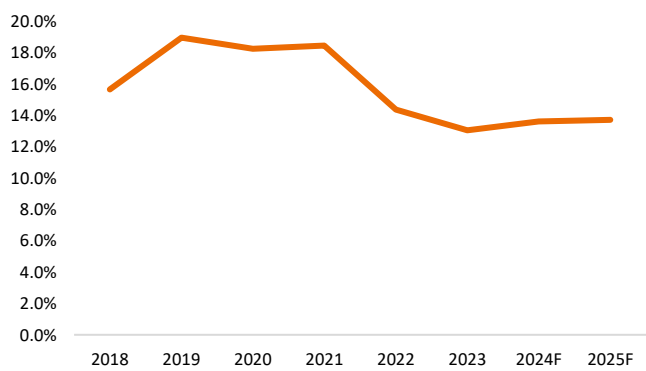
Source: Company, BRIDS Estimates

Exhibit 10. A&P/revenue spending, 2018-25F



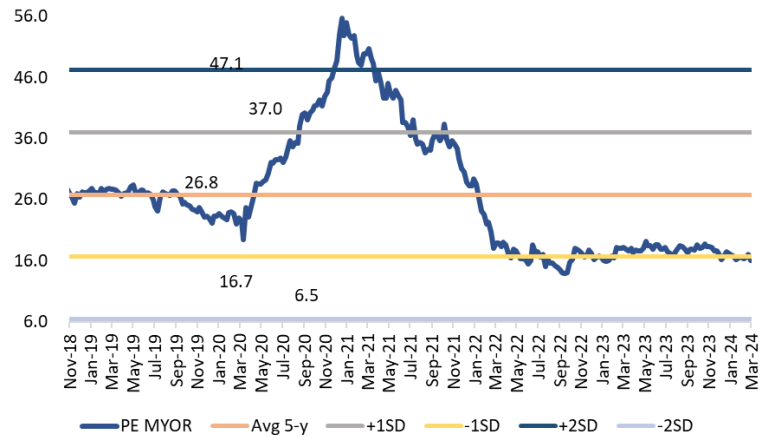
Source: Company, BRIDS Estimates

Exhibit 11. Opex/revenue, 2018-25F



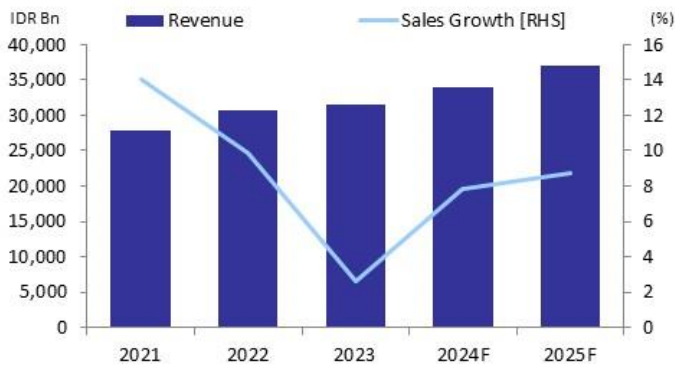
Source: Company, BRIDS Estimates

Exhibit 12. PE band



Source: Bloombergs, BRIDS Estimates

Exhibit 13. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 14. Net Profit and Growth



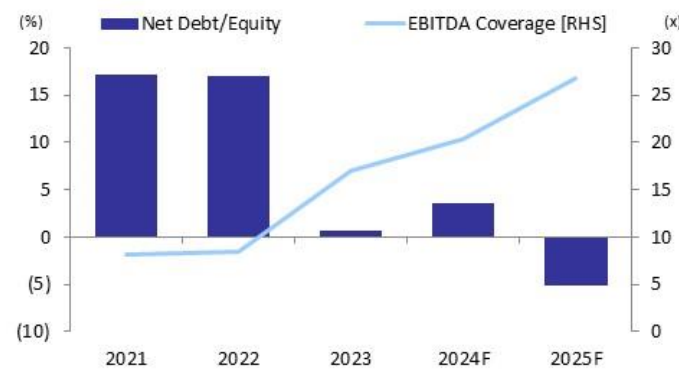
Source: Company, BRIDS Estimates

Exhibit 15. Margins



Source: Company, BRIDS Estimates

Exhibit 16. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 17. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	30,669	31,485	33,946	36,904	40,594
COGS	(23,830)	(23,077)	(25,031)	(27,135)	(29,743)
Gross profit	6,839	8,408	8,915	9,769	10,850
EBITDA	3,281	5,130	5,220	5,850	6,776
Oper. profit	2,433	4,299	4,293	4,707	5,364
Interest income	31	85	47	51	67
Interest expense	(389)	(303)	(256)	(218)	(167)
Forex Gain/(Loss)	360	(147)	40	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	71	159	0	0	0
Pre-tax profit	2,506	4,094	4,124	4,540	5,264
Income tax	(536)	(849)	(855)	(941)	(1,092)
Minority interest	(28)	(51)	(55)	(60)	(66)
Net profit	1,942	3,194	3,214	3,539	4,107
Core Net Profit	1,582	3,341	3,174	3,539	4,107

Exhibit 18. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	3,262	4,157	3,056	3,652	4,192
Receivables	6,605	6,197	7,299	7,935	8,728
Inventory	3,870	3,557	4,066	4,407	4,831
Other Curr. Asset	959	828	893	971	1,068
Fixed assets - Net	6,645	8,160	8,787	8,798	9,681
Other non-curr.asset	859	972	1,046	1,056	1,162
Total asset	22,276	23,870	25,146	26,819	29,663
ST Debt	2,629	729	1,067	731	473
Payables	2,016	2,063	2,117	2,295	2,516
Other Curr. Liabilities	992	1,221	1,316	1,431	1,574
Long Term Debt	2,811	3,533	2,581	1,937	1,848
Other LT. Liabilities	994	1,042	1,123	1,221	1,343
Total Liabilities	9,441	8,588	8,204	7,615	7,755
Shareholder's Funds	12,628	15,039	16,680	18,920	21,595
Minority interests	206	243	262	284	313
Total Equity & Liabilities	22,276	23,870	25,146	26,819	29,663

Exhibit 19. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	1,942	3,194	3,214	3,539	4,107
Depreciation and Amort.	848	831	927	1,143	1,412
Change in Working Capital	(805)	1,082	(1,461)	(686)	(854)
Other Oper. Cash Flow	196	376	218	178	113
Operating Cash Flow	2,181	5,483	2,898	4,175	4,778
Capex	(1,427)	(2,442)	(1,597)	(1,156)	(2,389)
Others Inv. Cash Flow	(45)	161	47	51	67
Investing Cash Flow	(1,472)	(2,281)	(1,550)	(1,104)	(2,322)
Net change in debt	475	(1,262)	(615)	(979)	(346)
New Capital	(28)	29	19	23	28
Dividend payment	(470)	(786)	(1,597)	(1,300)	(1,431)
Other Fin. Cash Flow	(433)	(290)	(256)	(218)	(167)
Financing Cash Flow	(456)	(2,308)	(2,449)	(2,474)	(1,915)
Net Change in Cash	253	894	(1,101)	596	541
Cash - begin of the year	3,009	3,262	4,157	3,056	3,652
Cash - end of the year	3,262	4,157	3,056	3,652	4,192

Exhibit 20. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	9.9	2.7	7.8	8.7	10.0
EBITDA	25.4	56.4	1.8	12.1	15.8
Operating profit	37.3	76.7	(0.1)	9.7	13.9
Net profit	63.7	64.4	0.6	10.1	16.0
Profitability (%)					
Gross margin	22.3	26.7	26.3	26.5	26.7
EBITDA margin	10.7	16.3	15.4	15.9	16.7
Operating margin	7.9	13.7	12.6	12.8	13.2
Net margin	6.3	10.1	9.5	9.6	10.1
ROAA	9.2	13.8	13.1	13.6	14.5
ROAE	16.4	23.1	20.3	19.9	20.3
Leverage					
Net Gearing (x)	0.2	0.0	0.0	(0.1)	(0.1)
Interest Coverage (x)	6.3	14.2	16.7	21.6	32.2

Source: MYOR, BRIDS Estimates

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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