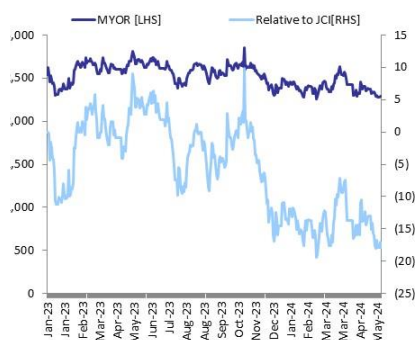


Buy

(Maintained)

Last Price (Rp)	2,290
Target Price (Rp)	3,200
Previous Target Price (Rp)	3,200
Upside/Downside	+39.7%
No. of Shares (mn)	22,359
Mkt Cap (Rpbn/US\$mn)	51,201/3,182
Avg, Daily T/O (Rpbn/US\$mn)	18.4/1.1
Free Float (%)	15.7
Major Shareholder (%)	
UNITA BRANINDO PT	32.9
MAYORA DHANA UTAMA PT	26.1
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	150.5 162.6 182.1
Consensus	148.2 163.8 183.8
BRIDS/Cons (%)	1.5 (0.7) (0.9)

MYOR relative to JCI Index



Source: Bloomberg

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Mayora Indah (MYOR IJ)

Expect 1Q24 sales momentum to continue

- We expect strong 2Q24 top line to continue (from low base in 2Q23); Apr24 YTD sales indicated to still see strong double-digit growth.
- Factoring in higher input costs, we lower our FY24-25F core profit by 3.3%/2.7% to Rp3.3tr (-0.7% yoy) and Rp3.6tr (+10.6% yoy).
- Expect a strong 2H24 on seasonal factors. Maintain Buy with an unchanged TP of Rp3,200 (implying FY24F PE of 21x).

Expect solid 2Q24 from low base, support from export in 2H24

Management is optimistic on 2Q24 prospect and indicated that Apr24 sales looked promising with 4M23 sales showing double-digit growth. However, management is cautiously optimistic on 2H24 outlook, considering the potential increase in input costs (e.g., Cocoa: +190% yoy, Coffee: +52% yoy) that may lead to further price adjustments and pose challenges to maintaining volume growth. We believe the expectation of a strong 2Q24 top line (vs. 2Q23 low base), significant exports contribution (45% of rev.) which could offset currency weakness and seasonal factors (i.e. Mooncake Festival in Oct24 and year-end festivities) should support FY24 earnings.

Lower GPM estimates offset by A&P efficiency and forex gains

We maintain our FY24-25F ASP and volume growth assumptions and expect the prices of major raw materials remain soft in FY24 i.e., Wheat (600cents/bu), CPO (MYR3,852/metric ton) and Sugar (23cents/lb), while we adjust upwards price estimates for Cocoa by 50% to US\$6,150/MT (prev US\$4,100/MT) and Coffee by 32% to US\$3,195/MT (prev US\$2,423/MT). With minimal ASP adjustments (0.9-1.2% yoy) and FY24-25F vol assumption of 6.9-7.4% yoy, we expect lower FY24-25 gross margins of 26/26.2%. We expect more conservative new product launches and priority spending on A&P to drive better opex efficiency hence, we forecast lower A&P and Opex/rev spending of 8.4% (prev: 8.8%) and 13.1% (prev: 13.6%) respectively. Overall, these lead to 3.3%/2.7% change in our FY24-25F core net profit to Rp3.3tr (-0.7% yoy) and Rp3.6tr (+10.6% yoy).

Maintain Buy rating on expectation of stronger 2H24.

MYOR's share price has underperformed JCI by 6.8% YTD, with domestic funds maintaining their overweight position (~+1%) at end of Apr24. We maintain Buy with an unchanged TP of Rp3,200 (implying FY24F PE of 21.3x, at -0.5x SD to the avg 5-y PE) as we see earnings support from greater exposure to export (45% to rev) versus peers (5-8%) to sustain sales volume ahead and offset potential downside from currency weakening.

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	5,317	5,961	6,721
EBITDA Growth (%)	25.4	56.4	3.6	12.1	12.8
Net Profit (Rpbn)	1,942	3,194	3,365	3,636	4,072
EPS (Rp)	86.9	142.8	150.5	162.6	182.1
EPS Growth (%)	63.7	64.4	5.3	8.1	12.0
BVPS (Rp)	564.8	672.6	752.8	854.5	970.9
DPS (Rp)	21.0	35.1	71.4	60.9	65.8
PER (x)	26.4	16.0	15.2	14.1	25.2
PBV (x)	4.1	3.4	3.0	2.7	3.0
Dividend yield (%)	0.9	1.5	3.1	2.7	1.4
EV/EBITDA	16.3	10.0	10.0	8.6	14.0

Source: MYOR, BRIDS Estimates

Expect 1Q24 sales momentum to continue

MYOR 1Q24 earnings summary

MYOR's 1Q24 volume growth reached 6.7% yoy in tonnage (12% yoy in terms of cartons), with domestic revenue increasing by +9% yoy. However, the export market (36% of revenue) faced challenges, with a 5% yoy decline attributable to weakness in some countries i.e., Vietnam (soft demand from CNY leading to the piling up of inventory) and the Philippines (a soft economy). In China, Mayora's management stated that it still reported double digit sales growth in 1Q24 (+~15% yoy) despite a weak economy overall.

In 1Q24, MYOR reported a high gross margin of 27.8%, supported by low raw material costs. Combined with lower opex/revenue of 12.8% (vs 13.8% in 1Q23) and Rp75bn of forex gains (vs forex losses of Rp184bn in 1Q23), MYOR reported 1Q24 net profit growth of 53% yoy. MYOR reported 1Q24 core net profit of approximately Rp1.1tr (+20% yoy and down 7% qoq) which accounts for 33% of our FY24F and the consensus, i.e., above.

Exhibit 1. 1Q24 result

MYOR	1Q23	4Q23	1Q24	yoy	qoq	2024F	A/F	A/C	F/C
Revenue, IDRbn	8,452	8,591	8,761	3.7%	2.0%	33,946	26%	26%	100.1%
COGS	6,137	6,296	6,326	3.1%	0.5%				
Gross profit	2,316	2,296	2,435	5.1%	6.1%	8,835	28%	27%	99.6%
Opex	1,163	791	1,121	-3.6%	41.7%	4,446			
Operating profit	1,152	1,505	1,314	14.0%	-12.7%	4,390	30%	30%	101.5%
Pretax profit	915	1,520	1,407	53.8%	-7.4%	4,314			
Net profit	727	1,168	1,112	52.9%	-4.8%	3,365	33%	35%	105.8%
Core profit	876	1,129	1,052	20.2%	-6.8%	3,288	32%	33%	
Gross margin	27.4%	26.7%	27.8%			26.0%			
Operating margin	13.6%	17.5%	15.0%			12.9%			
Opex to revenue	13.8%	9.2%	12.8%			13.1%			
Pretax margin	10.8%	17.7%	16.1%			12.7%			
Net margin	8.6%	13.6%	12.7%			9.9%			
	1Q23	4Q23	1Q24	yoy	qoq				
Revenue breakdown - IDR bn									
Packaged food	4,954	5,379	5,459	10.2%	1.5%				
Packaged Beverage	4,115	3,946	4,161	1.1%	5.4%				
Gross margin - by divisions									
Packaged food	25.0%	26.8%	25.8%						
Packaged Beverage	26.1%	21.7%	24.6%						
Operating margin - by divisions									
Packaged food	15.1%	17.3%	14.7%						
Packaged Beverage	9.8%	14.5%	12.3%						

Source: Company, BRIDS Estimates

Exhibit 2. Earnings estimate revision

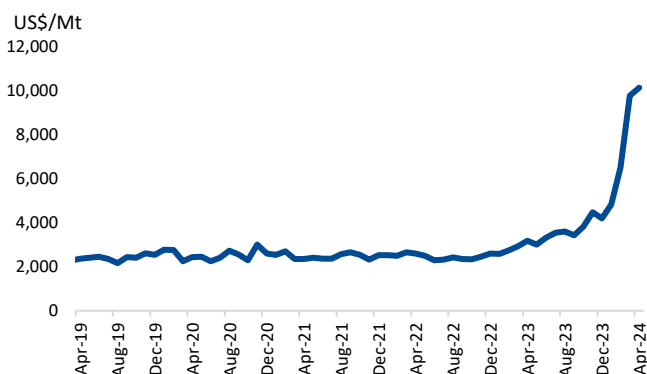
	Previous			New			Changes		
	2024F	2025	2026	2024F	2025F	2026F	2024	2025	2026
Revenue	33,946	36,904	40,594	33,946	36,904	40,594	0.0%	0.0%	0.0%
Gross profit	8,915	9,769	10,850	8,835	9,687	10,660	-0.9%	-0.8%	-1.8%
Operating profit	4,293	4,707	5,364	4,390	4,817	5,303	2.3%	2.3%	-1.1%
Net profit	3,214	3,539	4,107	3,365	3,636	4,072	4.7%	2.7%	-0.9%
Core profit	3,182	3,539	4,107	3,288	3,636	4,072	3.3%	2.7%	-0.9%
Gross margin	26.3%	26.5%	26.7%	26.0%	26.2%	26.3%			
Opex/revenue	13.6%	13.7%	13.5%	13.1%	13.2%	13.2%			
Operating margin	12.6%	12.8%	13.2%	12.9%	13.1%	13.1%			
Net margin	9.5%	9.6%	10.1%	9.9%	9.9%	10.0%			
Key assumptions									
ASP growth	0.9%	1.2%	3.0%	0.9%	1.2%	3.0%			
Volume growth	6.9%	7.4%	6.8%	6.9%	7.4%	6.8%			
A&P/revenue	8.8%	8.9%	8.7%	8.4%	8.5%	8.5%			

Commodity price assumption

	2024	2025	2026	2024F	2025F	2026F	Changes		
	2024	2025	2026	2024F	2025F	2026F	2024	2025	2026
CPO (MYR/Ton)	3,650.0	3,380.0	3,025.0	3,650.0	3,380.0	3,025.0	0.0%	0.0%	0.0%
Wheat (Cents/Bush)	600.0	619.0	590.0	600.0	619.0	590.0	0.0%	0.0%	0.0%
Milk	21.3	21.8	21.8	21.3	21.8	21.8	0.0%	0.0%	0.0%
Sugar	23.2	19.4	19.8	23.2	19.4	19.8	0.0%	0.0%	0.0%
Crude oil	85.0	82.9	77.3	85.0	82.9	77.3	0.0%	0.0%	0.0%
Cocoa	4,100.0	3,725.0	4,350.0	6,149.5	4,931.5	4,350.0	50.0%	32.4%	0.0%
Coffee robusta	2,423.0	2,100.0	2,680.0	3,195.0	2,894.0	2,894.0	31.9%	37.8%	8.0%

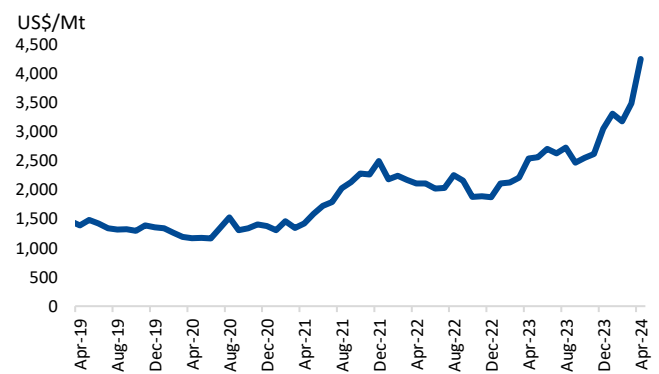
Source: Company, BRIDS Estimates

Exhibit 3. Cocoa price



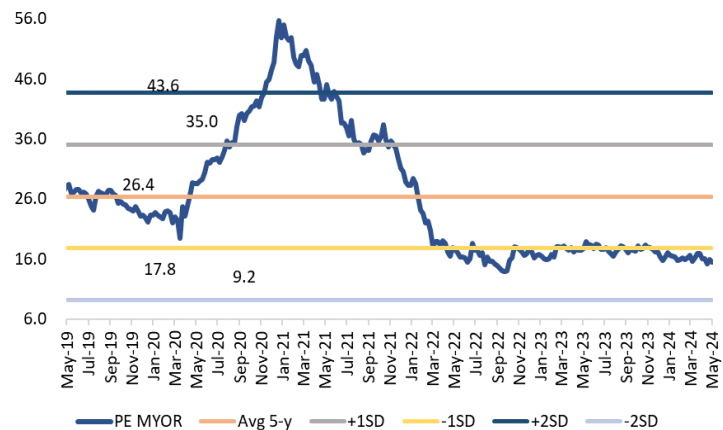
Source: Bloombergs

Exhibit 4. Coffee price



Source: Bloombergs

Exhibit 5. PE band



Source: Bloombergs, BRIDS Estimates

Exhibit 6. Peers' comparison

Ticker	Rec	Target	Market Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend yield (%)	EPS growth (%)	
		(Rp)	(RpBn)	2024F	2025F	2024F	2025F	2024F	2024F	2024F	2025F
UNVR IJ	Sell	2,300	114,831	25.3	25.0	33.8	33.6	133.8	3.9	(5.5)	1.1
ICBP IJ	Buy	12,900	121,573	12.4	11.1	2.6	2.3	22.3	3.9	40.3	11.7
KLBF IJ	Buy	1,600	71,015	24.9	23.0	3.1	2.9	12.9	2.1	3.0	8.3
INDF IJ	Buy	8,000	53,780	5.5	5.0	0.8	0.7	15.5	5.4	19.0	11.4
MYOR IJ	Buy	3,200	51,201	15.2	14.1	3.0	2.7	21.1	3.1	5.3	8.1
SIDO IJ	Hold	710	21,000	19.2	17.7	6.0	5.9	31.8	4.8	15.0	8.5
Sector - weighted				17.6	16.6	10.8	10.6	19.4	3.8	14.1	7.8

Source: Company, BRIDS Estimates

Exhibit 7. New products from MYOR



Kopiko Volcanic Drip - China

Java, Mandheling & Toraja Premium Coffee



Roma Biskuit Durian

The most favorite coconut biscuit mixed with the authentic flavor of durian



Fruta Gummy

Gummy with Mix Fruit Extract & vitamins

Source: Company

Exhibit 8. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 9. Net Profit and Growth



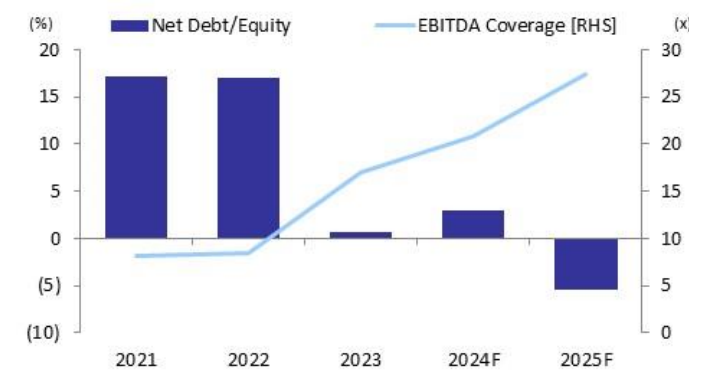
Source: Company, BRIDS Estimates

Exhibit 10. Margins



Source: Company, BRIDS Estimates

Exhibit 11. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 12. 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)	(25,111)	(27,217)	(29,934)
Gross profit	6,839	8,408	8,835	9,687	10,660
EBITDA	3,281	5,130	5,317	5,961	6,721
Oper. profit	2,433	4,299	4,390	4,817	5,303
Interest income	31	85	84	64	84
Interest expense	(389)	(303)	(256)	(218)	(167)
Forex Gain/(Loss)	360	(147)	97	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	4,314	4,662	5,220
Income tax	(536)	(849)	(895)	(967)	(1,082)
Minority interest	(28)	(51)	(55)	(60)	(66)
Net profit	1,942	3,194	3,365	3,636	4,072
Core Net Profit	1,582	3,341	3,268	3,636	4,072

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	3,262	4,157	3,137	3,722	4,092
Receivables	6,605	6,197	7,299	7,935	8,728
Inventory	3,870	3,557	4,079	4,421	4,862
Other Curr. Asset	959	828	893	971	1,068
Fixed assets - Net	6,645	8,160	8,844	8,897	9,860
Other non-curr.asset	859	972	1,052	1,067	1,181
Total asset	22,276	23,870	25,304	27,013	29,791
ST Debt	2,629	729	1,067	731	473
Payables	2,016	2,063	2,124	2,302	2,532
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	8,211	7,622	7,771
Shareholder's Funds	12,628	15,039	16,831	19,106	21,708
Minority interests	206	243	262	284	313
Total Equity & Liabilities	22,276	23,870	25,304	27,013	29,791

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	1,942	3,194	3,365	3,636	4,072
Depreciation and Amort.	848	831	928	1,144	1,418
Change in Working Capital	(805)	1,082	(1,467)	(686)	(862)
Other Oper. Cash Flow	196	376	182	166	97
Operating Cash Flow	2,181	5,483	3,006	4,260	4,725
Capex	(1,427)	(2,442)	(1,661)	(1,204)	(2,484)
Others Inv. Cash Flow	(45)	161	84	64	84
Investing Cash Flow	(1,472)	(2,281)	(1,577)	(1,140)	(2,400)
Net change in debt	475	(1,262)	(615)	(979)	(346)
New Capital	(28)	29	19	23	28
Dividend payment	(470)	(786)	(1,597)	(1,361)	(1,470)
Other Fin. Cash Flow	(433)	(290)	(256)	(218)	(167)
Financing Cash Flow	(456)	(2,308)	(2,449)	(2,535)	(1,954)
Net Change in Cash	253	894	(1,020)	585	370
Cash - begin of the year	3,009	3,262	4,157	3,137	3,722
Cash - end of the year	3,262	4,157	3,137	3,722	4,092

Exhibit 15. 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	3.6	12.1	12.8
Operating profit	37.3	76.7	2.1	9.7	10.1
Net profit	63.7	64.4	5.3	8.1	12.0
Profitability (%)					
Gross margin	22.3	26.7	26.0	26.2	26.3
EBITDA margin	10.7	16.3	15.7	16.2	16.6
Operating margin	7.9	13.7	12.9	13.1	13.1
Net margin	6.3	10.1	9.9	9.9	10.0
ROAA	9.2	13.8	13.7	13.9	14.3
ROAE	16.4	23.1	21.1	20.2	20.0
Leverage					
Net Gearing (x)	0.2	0.0	0.0	(0.1)	(0.1)
Interest Coverage (x)	6.3	14.2	17.1	22.1	31.8

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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