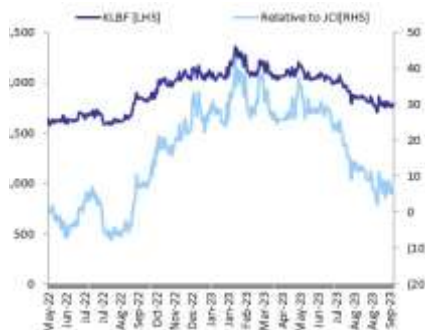


Buy

(Maintained)

Last Price (Rp)	2,470
Target Price (Rp)	3,350
Previous Target Price (Rp)	3,200
Upside/Downside	+35.6%
No. of Shares (mn)	22,359
Mkt Cap (Rpbn/US\$mn)	55,226/3,409
Avg. Daily T/O (Rpbn/US\$mn)	20.3/1.3
Free Float (%)	15.7
Major Shareholder (%)	
UNITA BRANINDO PT	32.9
MAYORA DHANA UTAMA PT	26.1
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	149.0 162.6 182.1
Consensus	147.7 163.6 168.6
BRIDS/Cons (%)	0.9 (0.6) 8.0

MYOR relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Natalia Sutanto

(62-21) 5091 4100 ext. 3508

natalia.sutanto@brids.co.id

Sabela Nur Amalina

(62-21) 5091 4100 ext. 4202

sabela.amalina@brids.co.id

Mayora Indah (MYOR IJ)

Expect solid 2Q24 volume growth to sustain in 2H24

- MYOR delivered +17% yoy 2Q24 revenue growth on strong domestic and export volumes, driving 13% yoy 1H24 core profit growth (inline).
- We expect higher volume but with lower margins, translating to minor revisions in our FY24/25F core profit est. (-1.8%/14% yoy growth).
- We reiterate our Buy rating with a higher TP of Rp3,350 (FY25F PE of 20.2x); expect strong seasonal performance in 2H24 as catalyst.

Strong 2Q24/1H24 revenue growth backed by positive market trends

MYOR reported solid 1H24 revenue growth of 9% yoy, supported by a 13% yoy increase in volume. In 2Q24, both domestic and export markets showed strong sales growth recovery of 20%/14% yoy compared to 9%/-5% yoy in 1Q24. In the export market, MYOR noted solid growth in Malaysia, China, and India in 2Q24, with the expectation for this positive trend to continue in the 2H24. In Jun24, MYOR's market share in the biscuit and wafer categories increased to 42.3%/24.8%, up from 39%/21% in 1Q24. This growth was driven by expanding market share and an enlarged market size in these categories.

More upbeat volume growth, but a more conservative margin outlook

Management now expects 10-12% yoy revenue growth (vs. <10% prev.). However, it now expects a lower gross margin at 25% due to higher cocoa and coffee prices, with plans to further adjust ASP in 2H24, following a ~3% ASP increase in Coffee and Chocolate in 2Q24. Post 2Q24 results, we lift our FY24/25F vol. growth assumptions to 9.8%/10.2% with higher ASP increases of 1.5%/1.2%, hence a 3%/6% upgrade in our FY24/25F revenue est. We trimmed our FY24/25F gross margin by 50bps, while maintaining the A&P/rev. ratio at 8.5%. These adjustments result in minor changes to our net/core profit estimates (Exhibit 2). We estimate the FY24/25F core profit to be Rp3.3tr/Rp3.7tr, translating to -1.8%/14% yoy growth.

Reiterate Buy rating; expect seasonal revenue growth as a catalyst in 2H24

In the past ten years, MYOR's 2H revenue and core profit have consistently contributed more than 1H's (at 52-55% for rev. and 54-58% for core profit). Similarly, we expect positive seasonality from exports in 3Q24 and end-of-year festivities to sustain steady volume growth in 2H24. Thus, we reiterate our Buy rating with a higher DCF-based TP of Rp3,350 (FY25F PE of 20.2x), as we roll over our valuation to FY25. Downside risks include lower-than-expected margins due to higher input costs and lower sales volume.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	30,669	31,485	35,073	39,114	43,346
EBITDA (Rpbn)	3,281	5,130	5,277	6,061	6,776
EBITDA Growth (%)	25.4	56.4	2.9	14.9	11.8
Net Profit (Rpbn)	1,942	3,194	3,331	3,706	4,102
EPS (Rp)	86.9	142.8	149.0	165.8	183.5
EPS Growth (%)	63.7	64.4	4.3	11.3	10.7
BVPS (Rp)	564.8	672.6	751.3	856.8	973.2
DPS (Rp)	21.0	35.1	71.4	60.2	67.0
PER (x)	28.4	17.3	16.6	14.9	13.5
PBV (x)	4.4	3.7	3.3	2.9	2.5
Dividend yield (%)	0.9	1.4	2.9	2.4	2.7
EV/EBITDA	19.2	18.5	15.4	15.7	21.9

Source: MYOR, BRIDS Estimates

Expect solid 2Q24 volume growth to sustain in 2H24

2Q24 result: Solid top line performance, but lower margins due to higher input cost

MYOR reported 2Q24 net profit of Rp606bn, up +23% yoy but down 46% qoq, leading to 1H24 net profit of Rp1.7tr, +13% yoy, supported by solid revenue (+9% yoy) lower opex/revenue despite lower gross margin by 80bps (25.8% vs 1H24: 25.8%). MYOR reported 1H24 core profit of Rp1.6tr, +13% yoy. In 1H24, Beverage's revenue increased by +15% yoy with improved operating margin of 12% (1H23: 10.5%), while Food' revenue also grew +13% yoy with a lower OP margin of 10.3% (1H23: 11.3%). We view the 1H24 result as still in line with our expectation of a stronger 2H24 performance.

Exhibit 1. MYOR's 2Q24 Earnings Result

MYOR	1H23	1H24	yoy	2Q23	1Q24	2Q24	yoy	qoq	2024F	A/F	A/C
Revenue, Rpbn	14,819	16,223	9%	6,367	8,761	7,462	17.2%	-14.8%	35,073	46%	48%
COGS	10,877	12,033	11%	4,740	6,326	5,707	20.4%	-9.8%			
Gross profit	3,942	4,190	6%	1,626	2,435	1,755	7.9%	-27.9%	8,943	47%	48%
Opex	2,203	2,182	-1%	1,040	1,121	1,061	2.0%	-5.4%	4,593		
Operating profit	1,739	2,008	16%	586	1,314	695	18.5%	-47.1%	4,349	46%	46%
Pretax profit	1,527	2,202	44%	612	1,407	795	30.0%	-43.5%	4,274		
Net profit	1,219	1,718	41%	492	1,112	606	23.2%	-45.5%	3,331	52%	52%
Core profit	1,403	1,581	13%	527	1,052	529	0.3%	-49.8%	3,251	49%	48%
Gross margin	26.6%	25.8%		25.5%	27.8%	23.5%			25.5%		
Operating margin	11.7%	12.4%		9.2%	15.0%	9.3%			12.4%		
Opex to revenue	14.9%	13.4%		16.3%	12.8%	14.2%			13.1%		
Pretax margin	10.3%	13.6%		9.6%	16.1%	10.7%			12.2%		
Net margin	8.2%	10.6%		7.7%	12.7%	8.1%			9.5%		
	1H23	1H24	yoy	2Q23	1Q24	2Q24	yoy	qoq			
Revenue breakdown - Rpbn											
Packaged food	8,631	9,712	13%	3,677	5,459	4,253	15.7%	-22.1%			
Packaged Beverages	7,299	8,386	15%	3,183	4,161	4,225	32.7%	1.5%			
Gross margin - by divisions											
Packaged food	23.3%	23.3%		21.0%	25.8%	20.0%					
Packaged Beverages	26.4%	23.0%		26.8%	24.6%	21.4%					
Operating margin - by divisions											
Packaged food	11.3%	10.3%		6.1%	14.7%	4.7%					
Packaged Beverages	10.5%	12.0%		11.4%	12.3%	11.7%					

Source: Company, BRIDS Estimates

Exhibit 2. MYOR's Earnings Revision

	Previous			New			Changes		
	2024F	2025	2026	2024F	2025F	2026F	2024	2025	2026
Revenue	33,946	36,904	40,594	35,073	39,114	43,346	3.3%	6.0%	6.8%
Gross profit	8,835	9,687	10,660	8,943	10,079	11,078	1.2%	4.0%	3.9%
Operating profit	4,390	4,817	5,303	4,349	4,917	5,358	-0.9%	2.1%	1.0%
Net profit	3,365	3,636	4,072	3,331	3,706	4,102	-1.0%	1.9%	0.7%
Core profit	3,288	3,636	4,072	3,251	3,706	4,102	-1.1%	1.9%	0.7%
Gross margin	26.0%	26.2%	26.3%	25.5%	25.8%	25.6%			
Opex/revenue	13.1%	13.2%	13.2%	13.1%	13.2%	13.2%			
Operating margin	12.9%	13.1%	13.1%	12.4%	12.6%	12.4%			
Net margin	9.9%	9.9%	10.0%	9.5%	9.5%	9.5%			
Key assumptions									
ASP growth	0.9%	1.2%	3.0%	1.5%	1.2%	1.5%			
Volume growth	6.9%	7.4%	6.8%	9.8%	10.2%	9.2%			
A&P/revenue	8.4%	8.5%	8.5%	8.4%	8.5%	8.5%			

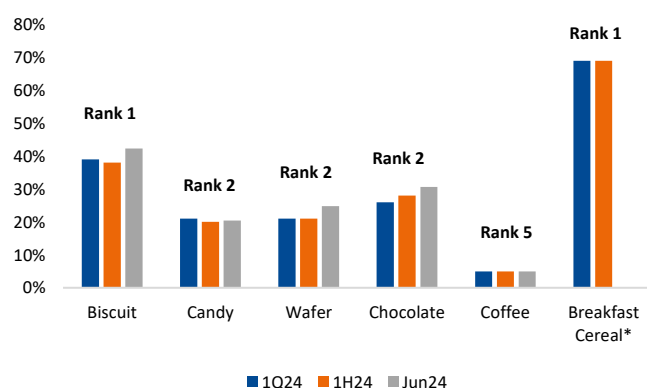
Source: BRIDS Estimates

Strong 2Q24/1H24 volume outperforms FMCG markets

Based on Nielsen data (Exhibit 4), the FMCG market has experienced negative volume growth over the past 12, 6, and 3 months. However, in the past month, it started to show positive volume growth. Despite these trends, MYOR reported impressive double-digit volume growth of 22%/13% yoy in 2Q24/1H24.

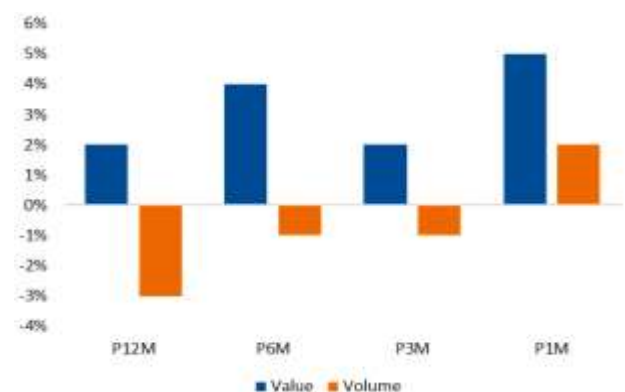
We estimate that stronger sales will continue in 2H24, given MYOR's indication of continued double-digit yoy growth in Jul24 sales. Additionally, MYOR offers customized products for several export markets, such as Malkist Tom Yum for the Thai market and Malkist Double Choco for the Indian market.

Exhibit 3. Market Share 1Q24 vs Jun24



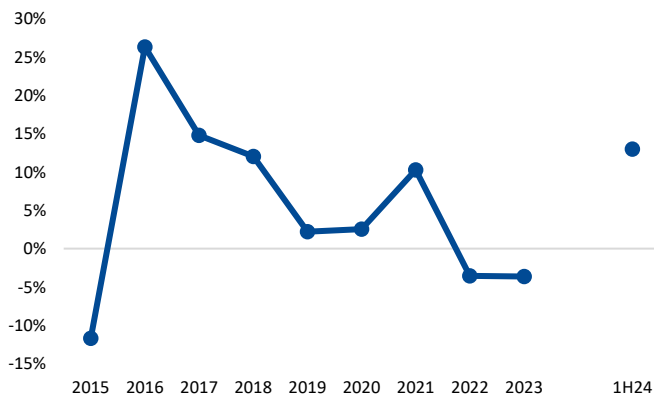
Source: Nielsen 1H2024 *Retail Value FY2021 Data

Exhibit 4. FMCG Volume and Value, Past 1M to Past 12M



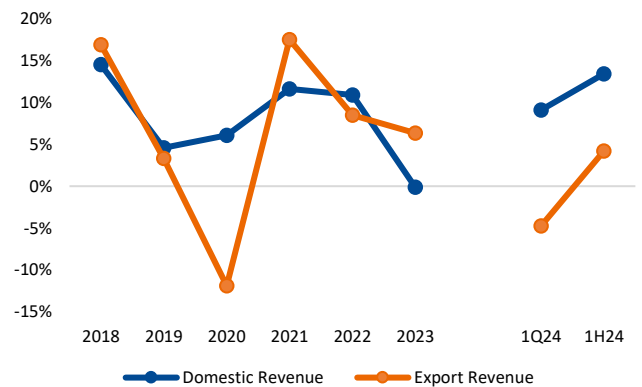
Source: Nielsen

Exhibit 5. Volume Growth Yoy, FY15-1H24



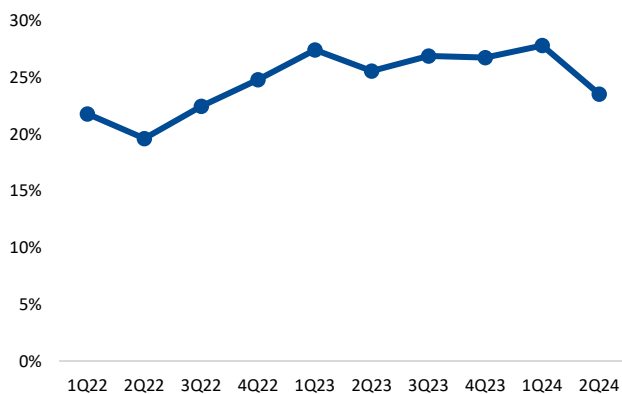
Source: Company, BRIDS

Exhibit 6. Export and Domestic Rev Growth Yoy, FY18-1H24



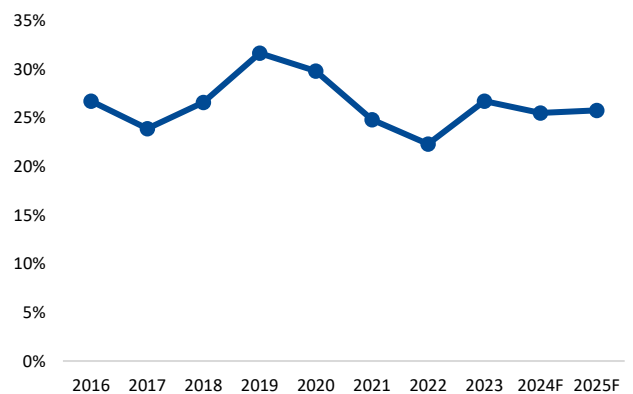
Source: Company, BRIDS

Exhibit 7. Gross Profit Margin, 1Q22-2Q24



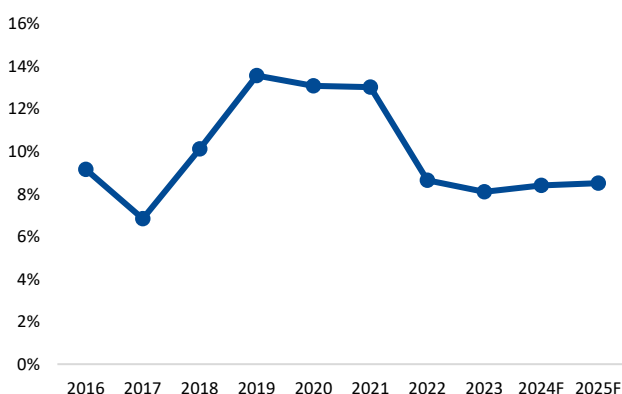
Source: Company, BRIDS

Exhibit 8. Gross Profit Margin, FY16-25F



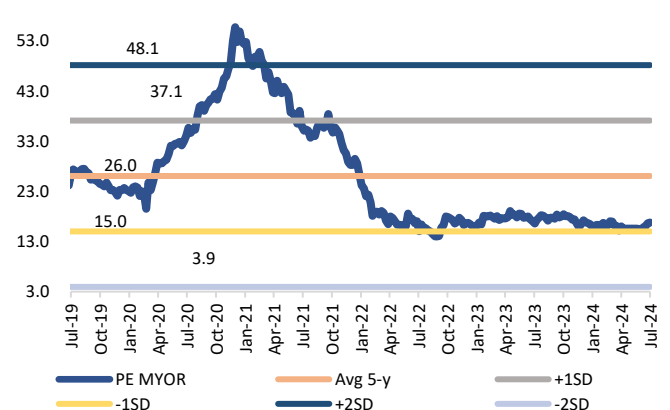
Source: Company, BRIDS Estimates

Exhibit 9. A&P to Revenue, FY16-25F



Source: Company, BRIDS

Exhibit 10. MYOR's PE Band



Source: Bloomberg, BRIDS Estimates

Exhibit 11. MYOR Peers Comparison

Ticker	Rec	Target	Market Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend yield (%)	EPS growth (%)		Core profit growth (%)	
		(Rp)	(Rpbn)	2024F	2025F	2024F	2025F	2024F	2024F	2024F	2025F	2024F	2025F
ICBP IJ	Buy	13,400	130,320	12.6	11.5	2.7	2.4	23.3	3.8	47.4	9.7	13.6	7.0
UNVR IJ	Sell	2,200	92,700	20.4	20.3	27.3	27.1	134.2	4.9	(5.2)	0.5	(5.2)	0.5
KLBF IJ	Buy	1,600	76,880	27.0	24.9	3.4	3.2	12.9	1.9	3.0	8.3	(2.1)	9.5
INDF IJ	Buy	8,000	53,560	5.5	5.0	0.8	0.7	15.5	5.4	19.0	11.4	19.3	6.3
MYOR IJ	Buy	3,350	55,230	16.6	14.9	3.3	2.9	20.9	2.9	4.3	11.3	(3.3)	14.7
SIDO IJ	Buy	810	22,050	18.4	16.7	6.3	6.1	34.8	5.0	25.9	10.0	9.4	8.8
Sector - weighted				16.8	15.6	8.1	7.8	44.2	3.9	18.0	8.1	5.2	7.2

Source: Bloomberg, BRIDS Estimates

Exhibit 12. MYOR's product, starting at Rp2,000/pack i.e Apetito, Better to Rp20,000/pack (Dark Wonder, Malkist cheese)

Affordable price products			Higher-priced products		
					
					
					
Apetito			Malkist		
Better			Dark Wonder		
			Malkist Cheese		

Source: Company

Exhibit 13. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	30,669	31,485	35,073	39,114	43,346
COGS	(23,830)	(23,077)	(26,131)	(29,036)	(32,268)
Gross profit	6,839	8,408	8,943	10,079	11,078
EBITDA	3,281	5,130	5,277	6,061	6,776
Oper. profit	2,433	4,299	4,349	4,917	5,358
Interest income	31	85	80	57	73
Interest expense	(389)	(303)	(256)	(218)	(167)
Forex Gain/(Loss)	360	(147)	100	-	-
Income From Assoc. Co's	-	-	-	-	-
Other Income (Expenses)	71	159	-	-	-
Pre-tax profit	2,506	4,094	4,274	4,756	5,264
Income tax	(536)	(849)	(886)	(986)	(1,092)
Minority interest	(28)	(51)	(57)	(63)	(70)
Net profit	1,942	3,194	3,331	3,706	4,102
Core Net Profit	1,582	3,341	3,230	3,706	4,102

Exhibit 14. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	3,338	4,157	2,838	3,266	3,509
Receivables	6,605	6,197	7,541	8,410	9,320
Inventory	3,870	3,557	4,244	4,716	5,241
Other Curr. Asset	959	828	923	1,029	1,140
Fixed assets - Net	6,645	8,160	8,844	8,897	9,860
Other non-curr.asset	859	972	1,056	1,073	1,189
Total asset	22,276	23,870	25,446	27,392	30,259
ST Debt	2,629	729	1,067	731	473
Payables	2,016	2,063	2,210	2,456	2,729
Other Curr. Liabilities	992	1,221	1,360	1,517	1,681
Long Term Debt	2,811	3,533	2,581	1,937	1,848
Other LT. Liabilities	994	1,042	1,161	1,294	1,434
Total Liabilities	9,441	8,588	8,378	7,935	8,166
Shareholder's Funds	12,628	15,039	16,797	19,156	21,760
Minority interests	206	243	270	301	334
Total Equity & Liabilities	22,276	23,870	25,446	27,392	30,259

Exhibit 15. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	1,942	3,194	3,331	3,706	4,102
Depreciation and Amort.	848	831	928	1,144	1,418
Change in Working Capital	(805)	1,082	(1,746)	(939)	(998)
Other Oper. Cash Flow	196	376	189	177	110
Operating Cash Flow	2,181	5,483	2,702	4,088	4,633
Capex	(1,427)	(2,442)	(1,661)	(1,204)	(2,484)
Others Inv. Cash Flow	(45)	161	80	57	73
Investing Cash Flow	(1,472)	(2,281)	(1,580)	(1,147)	(2,412)
Net change in debt	475	(1,262)	(615)	(979)	(346)
New Capital	(28)	29	28	31	33
Dividend payment	(470)	(786)	(1,597)	(1,347)	(1,499)
Other Fin. Cash Flow	(433)	(290)	(256)	(218)	(167)
Financing Cash Flow	(456)	(2,308)	(2,440)	(2,513)	(1,979)
Net Change in Cash	253	894	(1,319)	428	242
Cash - begin of the year	3,009	3,262	4,157	2,838	3,266
Cash - end of the year	3,262	4,157	2,838	3,266	3,509

Exhibit 16. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	9.9	2.7	11.4	11.5	10.8
EBITDA	25.4	56.4	2.9	14.9	11.8
Operating profit	37.3	76.7	1.2	13.1	9.0
Net profit	63.7	64.4	4.3	11.3	10.7
Core profit	44.2	99.5	(1.8)	14.0	10.7
Profitability (%)					
Gross margin	22.3	26.7	25.5	25.8	25.6
EBITDA margin	10.7	16.3	15.0	15.5	15.6
Operating margin	7.9	13.7	12.4	12.6	12.4
Net margin	6.3	10.1	9.5	9.5	9.5
ROAA	9.2	13.8	13.5	14.0	14.2
ROAE	16.4	23.1	20.9	20.6	20.1
Leverage					
Net Gearing (x)	0.2	0.0	0.0	(0.0)	(0.1)
Interest Coverage (x)	6.3	14.2	17.0	22.5	32.2

Source: MYOR, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Christian Immanuel Sitorus	Research Associate	christian.sitorus@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlicch Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.