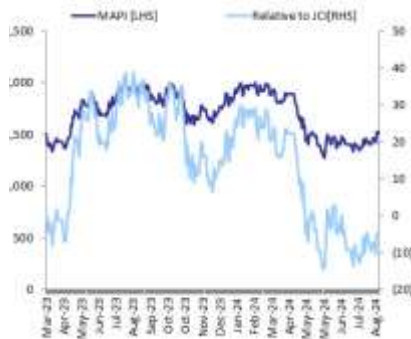


Buy

(Maintained)

Last Price (Rp)	1,505
Target Price (Rp)	2,000
Previous Target Price (Rp)	2,100
Upside/Downside	+32.9%
No. of Shares (mn)	16,600
Mkt Cap (Rpbn/US\$mn)	24,983/1,613
Avg, Daily T/O (Rpbn/US\$mn)	40.8/2.6
Free Float (%)	43.6
Major Shareholder (%)	
PT Satya Mulia Gema Gemilang	51.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	119.1 144.2 165.5
Consensus	122.4 136.5 145.9
BRIDS/Cons (%)	(2.7) 5.7 13.4

MAPI relative to JCI Index



Source: Bloomberg

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Mitra Adiperkasa (MAPI IJ)

FY24-25 estimates cut, but expect a stronger recovery in 2H24 and FY25

- MAPI's specialty segment drove 1H24 growth (+32% yoy), while Fashion/ Digimap's solid margins partially cushioned 1H24 EBIT margin.
- We lowered our FY24/25F net profit est. by 8.5%/6.5%, but expect a stronger 2H24 and continued recovery in FY25.
- Steady growth and profitable Fashion/Digimap businesses underscore strong value proposition; maintain Buy rating with lower TP of Rp2,000.

MAPI's Specialty segments drove growth amid margin challenges

With a net total of 228 new stores opening in 1H24 (vs 212 in 1H23), MAPI reported a solid 1H24 rev. growth of 15.4% yoy, driven by strong performances of Active (+32% yoy) and Fashion (+15% yoy) segments. The company acknowledged delays in store openings in Vietnam, which led to an inventory buildup. This, in turn, resulted in more promotional discounts in 2Q24, reducing the gross margin, particularly in the Active segment. Improved margins in the fashion/digital segment (exhibit 4) helped partially cushioned the EBIT margin. However, in 1H24, the EBIT margin contracted by 210bps to 9%, down from the high base in gross margin seen in 1H23. For the F&B sector, we assess that the impact of the boycott has eased. We, therefore, anticipate improved performance in 2H24.

FY24 growth moderated by margin pressure; FY25 recovery expected

Post 1H24 results, we have lowered our FY24/25F new store opening targets by 20% and 5%, primarily in the F&B segment, as MAPI shifts its focus to enhancing store productivity in major cities. While 2H24 revenue may be bolstered by new Fall and Winter collections in the Fashion segment, increased promotions to drive sales may result in a lower gross margin. Consequently, we have revised down our FY24/25F gross margin by 50/10bps. Despite ongoing efficiencies in opex, the pressure on gross margin and the high base in FY23 contribute to a modest FY24F net profit growth of 4% yoy. However, we anticipate a stronger NP growth in FY25F of 21% yoy, driven by solid revenue (+14% yoy) and a normalized gross margin of 44%. As a result, we have lowered our FY24/25F NP by 8.5%/6.5%.

Still attractive value proposition despite revised targets; Maintain Buy rating

We believe that 3Q24 will be pivotal for determining MAP Group's overall performance in FY24 and setting the stage for FY25. While we have revised our forecasts for both MAPA and MAPI post 2Q24 results, we see greater value in MAPI due to its: 1) attractive valuation (10.5x FY25F PE) and 2) steady, profitable Fashion and Digimap business. We have rolled over our valuation to FY25 using the SOTP method, resulting in a lower TP of Rp2,000, which still reflects an undemanding FY25F PE of 13.9x.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	26,937	33,319	37,954	43,123	48,299
EBITDA (Rpbn)	3,887	4,505	4,618	5,575	8,684
EBITDA Growth (%)	89.3	15.9	2.5	20.7	55.8
Net Profit (Rpbn)	2,110	1,894	1,977	2,394	2,747
EPS (Rp)	127.1	114.1	119.1	144.2	165.5
EPS Growth (%)	394.4	(10.2)	4.4	21.1	14.8
BVPS (Rp)	487.8	602.3	730.4	884.1	1,061.1
DPS (Rp)	0.0	10.1	9.1	9.5	0.0
PER (x)	11.8	13.2	12.6	10.4	9.1
PBV (x)	3.1	2.5	2.1	1.7	1.4
Dividend yield (%)	0.0	0.7	0.6	0.6	0.0
EV/EBITDA	6.9	6.6	6.1	5.0	3.1

Source: MAPI, BRIDS Estimates

Revised profit forecasts; Expecting stronger recovery in 2H24 and 2025

MAPI 2Q24 result: Below estimates on lower margins due to aggressive promotions

In 2Q24, MAPI reported revenue growth of +5% qoq/+13% yoy (vs. 2Q23: 23% yoy) and net profit growth of +17% qoq/-26% yoy (2Q23: +12% yoy). This resulted in revenue growth of +15% yoy in 1H24 (46%/47% of BRIDS/Cons FY24F), while the net profit contracted by -14.4% yoy, below our and cons estimates of 42%/44%.

Revenue in 1H24 and 2Q24 showed positive growth, driven by Specialty (1H24: 23.6% yoy, 2Q24: 21.2% yoy) and Dept stores (1H24: 4.8% yoy, 2Q24: -2.7% yoy). MAPI's gross margin was partially supported by the fashion segment, which postponed its "End-of-Season Sales" to Jul24 (historically held in June). For F&B revenue, 2Q24 showed a growth of 6.4% qoq. The management remains cautious regarding the impact of boycotts and plans to maximize Starbucks operations in major cities with less boycott impact. Overseas revenue, contributing 16% to 1H24, continued its robust growth of 88% yoy in 1H24 (vs. 36% in 1H23), while domestic (84% to rev.) reported an 8% yoy growth (vs. 26% yoy in 1H23).

Gross and EBIT margins showed a declining trend in 1H24/2Q24 compared to the same period last year. Gross margins in 1H24/2Q24 declined to 43.3%/44.0%, down from 45.4%/46.4% in 1H23/2Q23, respectively. Similarly, the EBIT margin declined to 9.0%/10% (1H24: 11.1% and 2Q23: 13%). 1H24 Aging inventory for MAPA and MAPI increased to 26% (FY23: 21%) and 28% (FY23: 23%), respectively. We believe aggressive promotions and store expansions, especially under MAPA in 2Q24, led to lower EBIT margins for Specialty stores (83% contribution to 1H24 revenue).

Despite these challenges, MAPI and MAPA maintain their FY24 guidance and are focusing on continuing opex efficiency, with hopes for a better 2H24 performance. The company stated that July sales are encouraging and remain strong, while a stronger Rupiah and the new collection for Fall and Winter starting Jul24 should support 2H24 performance. The management is optimistic about managing inventory levels, better than FY11-12 condition, thanks to more support from data analytics and a better system to streamline the sales process.

Exhibit 1. MAPI's 1H24/2Q24 Earnings Result

MAPI IJ	1H23	1H24	yoy	2Q23	1Q24	2Q24	qoq	yoy	2024F	A/F	A/C
Revenue (Rpbn)	15,595	17,993	15.4%	8,132	8,788	9,205	5%	13.2%	39,346	45.7%	47.1%
COGS	8,522	10,198	19.7%	4,362	5,041	5,157	2%	18.2%	22,062		
Gross profit	7,073	7,795	10.2%	3,771	3,748	4,048	8%	7.3%	17,284	45.1%	46.1%
Opex	5,339	6,179	15.7%	2,701	3,035	3,144	4%	16.4%	13,507		
Operating profit	1,734	1,616	-6.8%	1,069	713	903	27%	-15.5%	3,778	42.8%	43.5%
Pretax profit	1,601	1,351	-15.6%	969	608	744	22%	-23.3%	3,423		
Net profit	1,051	899	-14.4%	660	414	485	17%	-26.4%	2,161	41.6%	44.1%
Gross margin	45.4%	43.3%		46.4%	42.6%	44.0%			43.9%		
Opex to revenue	34.2%	34.3%		33.2%	34.5%	34.2%			34.3%		
Operating margin	11.1%	9.0%		13.2%	8.1%	9.8%			9.6%		
Pretax margin	10.3%	7.5%		11.9%	6.9%	8.1%			8.7%		
Net margin	6.7%	5.0%		8.1%	4.7%	5.3%			5.5%		
Revenue (Rpbn)											
Specialty stores	12,045	14,892	23.6%	6,259	7,305	7,587	4%	21.2%			
F&B	1,999	1,626	-18.7%	1,042	788	838	6%	-19.6%			
Dept stores	1,262	1,323	4.8%	722	621	703	13%	-2.7%			
EBIT Margin											
Specialty stores	11.9%	9.7%		14.9%	8.3%	11.1%					
F&B	4.5%	-3.0%		5.6%	-3.4%	-2.6%					
Dept stores	17.0%	13.6%		14.3%	16.3%	11.3%					
Others	-1.7%	24.8%		-21.1%	43.8%	6.3%					

Source: Company, BRIDS Estimates

Exhibit 2. MAPI's Earnings Revision Estimate

MAPI IJ (In Rpbn)	Before			After			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024	2025	2026
Revenue	39,346	45,248	50,598	37,954	43,123	48,299	-3.5%	-4.7%	-4.5%
Gross profit	17,284	19,961	22,273	16,502	18,964	21,189	-4.5%	-5.0%	-4.9%
Operating profit	3,778	4,444	4,923	3,467	4,174	4,746	-8.2%	-6.1%	-3.6%
EBT	3,423	4,077	4,541	3,058	3,746	4,305	-10.7%	-8.1%	-5.2%
Net profits	2,161	2,560	2,832	1,977	2,394	2,747	-8.5%	-6.5%	-3.0%
Margins (%)									
Gross profit	43.9%	44.1%	44.0%	43.5%	44.0%	43.9%			
EBIT	9.6%	9.8%	9.7%	9.1%	9.7%	9.8%			
Pretax	8.7%	9.0%	9.0%	8.1%	8.7%	8.9%			
Net Income	5.5%	5.7%	5.6%	5.2%	5.6%	5.7%			
Key Assumptions									
	2024F	2025F	2026F	2024F	2025F	2026F			
Gross additional stores	607	604	550	487	572	536			
Total net stores	3,442	3,702	3,882	3,322	3,562	3,742			

Source: BRIDS Estimates

Still attractive value proposition despite revised targets; Maintain our Buy rating with lower TP of Rp2,000

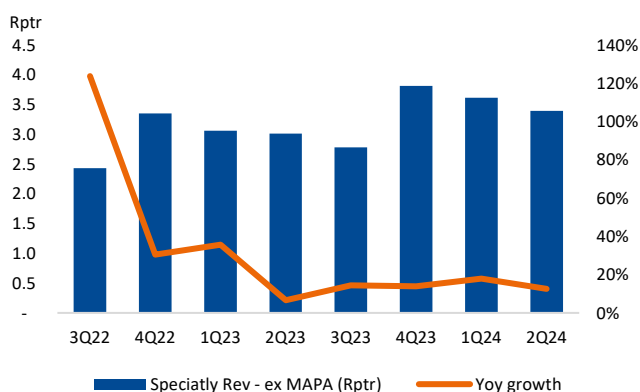
We believe that 3Q24 will be pivotal for determining MAP Group's overall performance in FY24 and setting the stage for 2025. While we have revised our forecasts for both MAPA and MAPI post 2Q24 results, we see greater value in MAPI due to its: 1) attractive valuation (10.5x FY25F PE) and 2) steady, profitable Fashion and Digimap businesses. We have rolled over our valuation to 2025 using the SOTP method, resulting in a lower TP of Rp2,000, which still reflects an undemanding FY25F PE of 13.9x. The downside risks to our valuation include weaker-than-expected 3Q24 sales for Fashion/Digimap segments, along with continued delays in the opening of Active's stores.

Exhibit 3. SOTP Valuation

	M.Cap Rp/r	% MAPI ownership on subsidiary/segment	Effective Ownership Rp/r	% contribution	Method
MAPA	28.5	68.8%	19.6	40%	Based on our TP of Rp1,000/share
MAPB	4.5	71.9%	3.2	7%	Market cap
Fashion		100.0%	23.2	45%	EV/sales 1.5x
Dept stores		100.0%	3.3	6%	EV/sales 1.2x
Net debt - FY25			2.7	5%	
Total EV			52.1		
Minus Holding company discount		30%	36.5		
Equity value/share (Rp)			2,000		

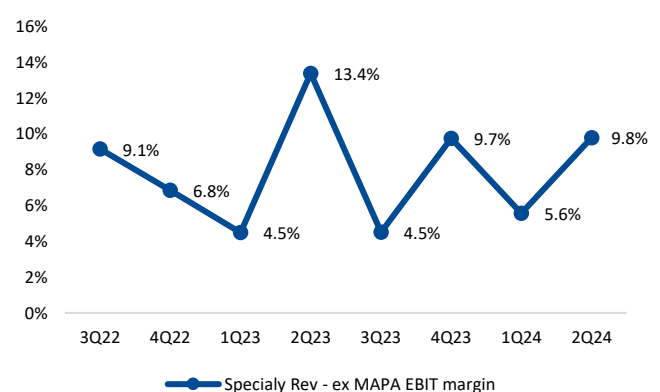
Source: BRIDS Estimates

Exhibit 4. Quarterly Rev. Specialty (Ex-MAPA) and Yoy Growth, 3Q22-2Q24



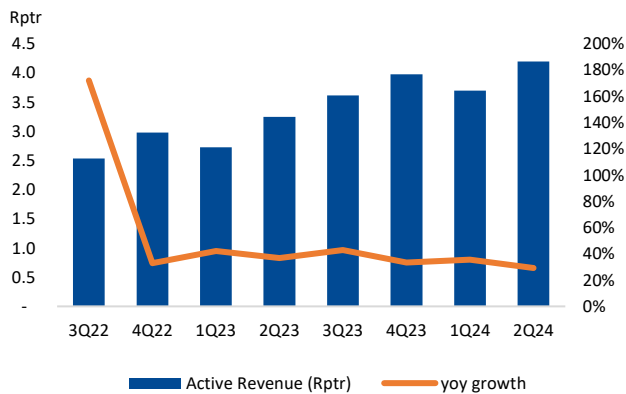
Source: Company, BRIDS

Exhibit 5. Quarterly EBIT Margin Specialty (Ex-MAPA), 3Q22-2Q24



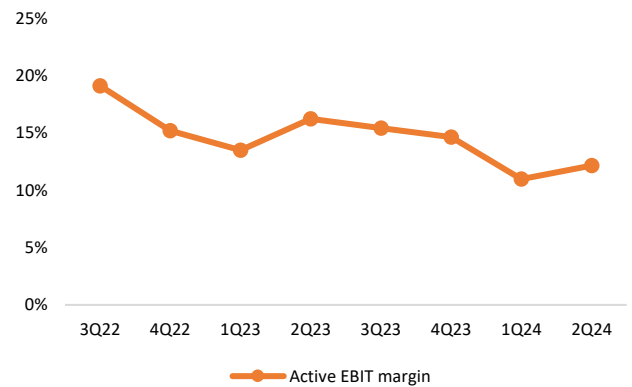
Source: Company, BRIDS

Exhibit 6. Quarterly Rev. Active and Yoy Growth, 3Q22-2Q24



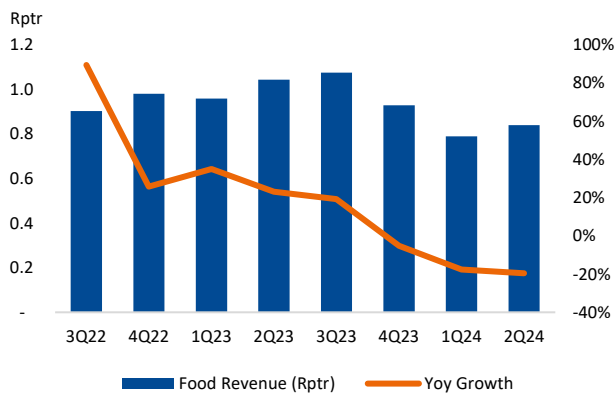
Source: Company, BRIDS Estimates

Exhibit 7. Quarterly EBIT Margin Active, 3Q22-2Q24



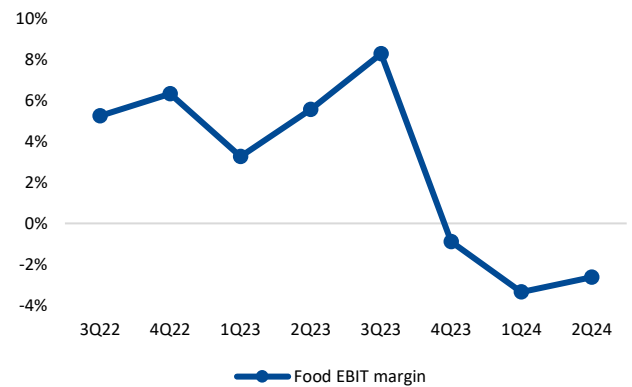
Source: Company, BRIDS

Exhibit 8. Quarterly Rev. F&B and Yoy Growth, 3Q22-2Q24



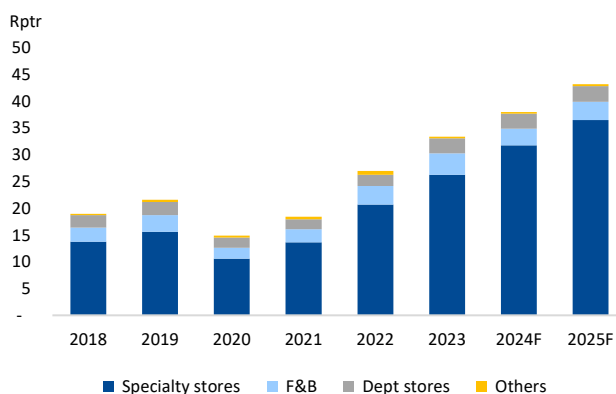
Source: Company, BRIDS

Exhibit 9. Quarterly EBIT Margin F&B, 3Q22-2Q24



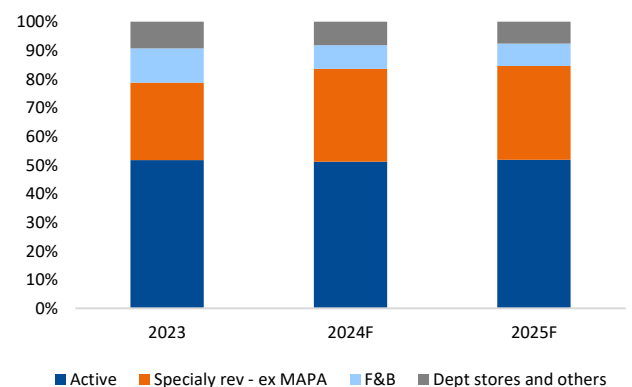
Source: Company, BRIDS

Exhibit 10. Historical and Forecast of Revenue, Specialty, Active, and F&B



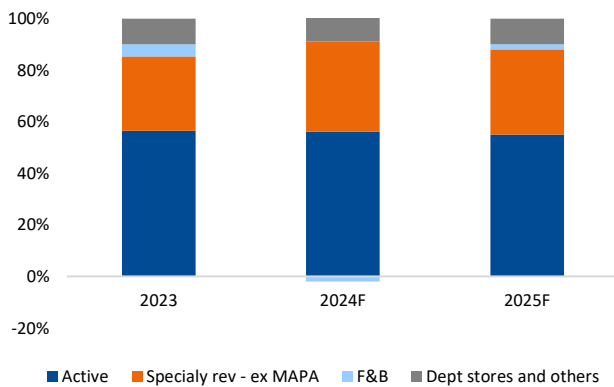
Source: Company, BRIDS Estimates

Exhibit 11. Revenue Contribution, in FY23-25F



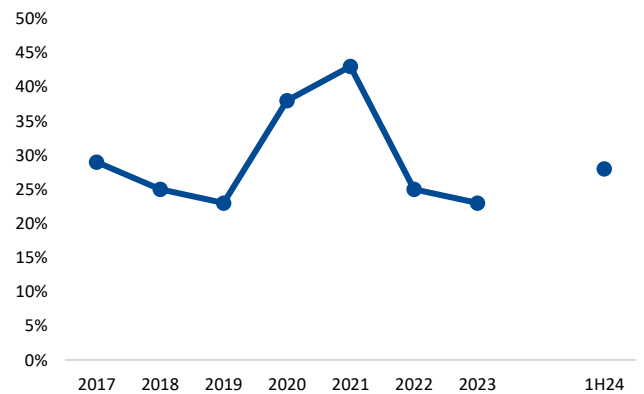
Source: Company, BRIDS Estimates

Exhibit 12. EBIT Contribution, in FY23-25F



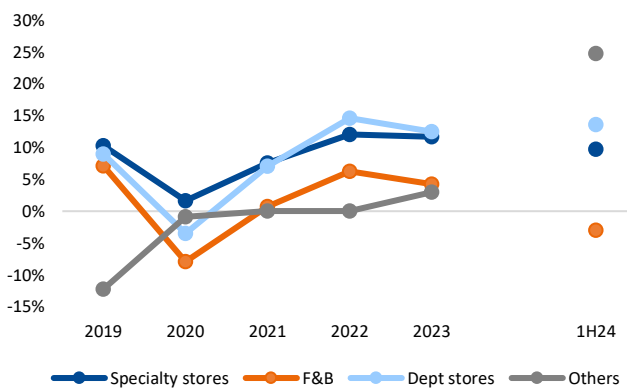
Source: Company, BRIDS Estimates

Exhibit 13. MAPI's Aging Inventory, FY19-1H24



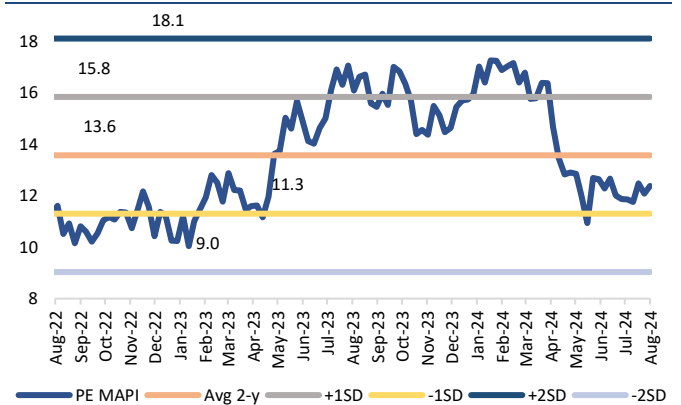
Source: Company, BRIDS

Exhibit 14. MAPI's EBIT Margin by Segment, FY19-1H24



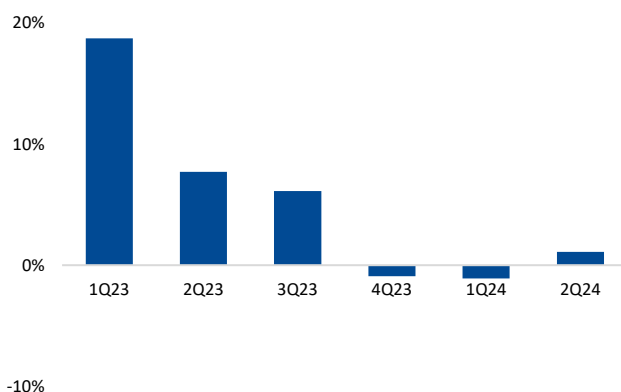
Source: Company, BRIDS

Exhibit 15. MAPI's PE Band



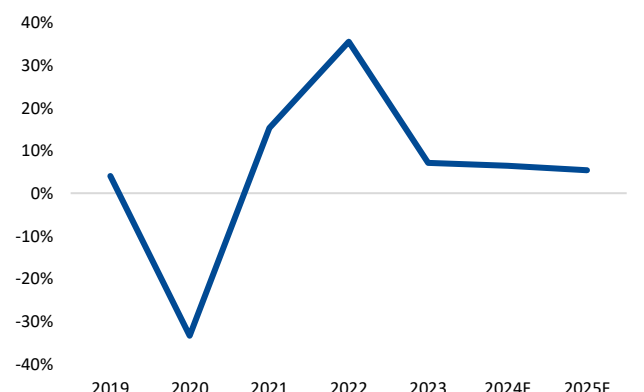
Source: Bloomberg, BRIDS Estimates

Exhibit 16. MAPI's SSSG, 1Q23-2Q24



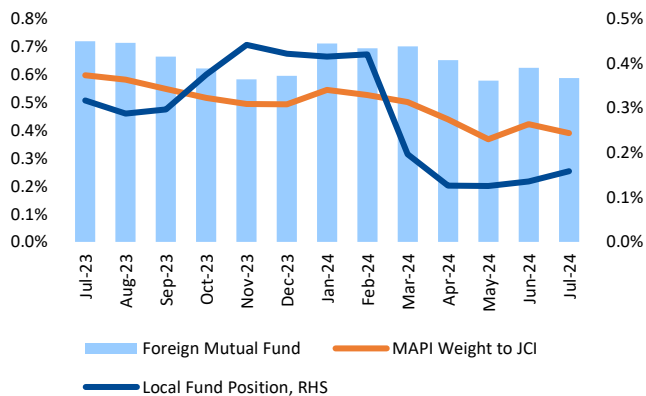
Source: Company, BRIDS

Exhibit 17. MAPI's 2019-25F



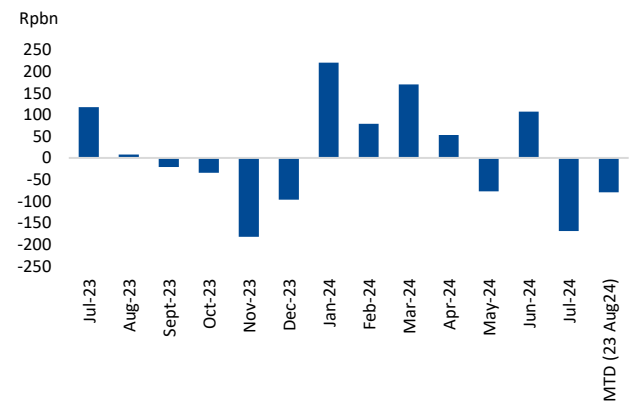
Source: Bloomberg, BRIDS Estimates

Exhibit 18. MAPI's Weighting and Fund Position



Source: IDX, BRIDS

Exhibit 19. MAPI's Historical Foreign Flows (as of 23 Aug24)



Source: IDX, BRIDS

Exhibit 20. MAPI's Peers Comparison

Ticker	Rec	Target Price	M.Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend yield (%)	EPS growth (%)	
		(Rp)	(Rpbm)	2024F	2025F	2024F	2025F	2024F	2024F	2024F	2025F
MAPI	Buy	2,000	24,983	12.6	10.4	2.1	1.7	17.9	0.6	4.4%	21.1%
MAPA	Buy	1,000	24,086	17.3	14.5	3.5	2.8	22.0	0.6	0.5%	19.2%
ACES	Buy	1,100	12,605	14.8	13.5	1.9	1.8	13.2	3.4	9.8%	9.7%
MIDI	Buy	600	13,575	21.8	17.9	3.1	2.8	15.2	1.8	16.3%	22.1%
Sector				16.1	13.6	2.7	2.3	17.9	1.3	6.2%	18.8%

Source: Bloomberg, BRIDS Estimates

Exhibit 21. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	26,937	33,319	37,954	43,123	48,299
COGS	(14,908)	(18,225)	(21,453)	(24,159)	(27,110)
Gross profit	12,029	15,094	16,502	18,964	21,189
EBITDA	3,887	4,505	4,618	5,575	8,684
Oper. profit	3,070	3,596	3,467	4,174	4,746
Interest income	61	87	121	167	192
Interest expense	(482)	(473)	(600)	(661)	(700)
Forex Gain/(Loss)	(14)	(33)	3	0	0
Income From Assoc. Co's	70	93	104	104	104
Other Income (Expenses)	468	(67)	(38)	(38)	(38)
Pre-tax profit	3,173	3,203	3,058	3,746	4,305
Income tax	(667)	(858)	(673)	(824)	(947)
Minority interest	(396)	(452)	(409)	(528)	(611)
Net profit	2,110	1,894	1,977	2,394	2,747
Core Net Profit	1,655	1,993	2,011	2,431	2,785

Exhibit 22. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	3,851	3,675	6,796	7,611	8,983
Receivables	842	1,085	1,149	1,262	1,375
Inventory	4,699	8,088	7,406	8,273	9,284
Other Curr. Asset	1,031	1,700	1,937	2,430	2,721
Fixed assets - Net	3,290	4,741	5,681	6,438	7,178
Other non-curr.asset	6,941	7,784	8,701	9,823	11,268
Total asset	20,968	27,517	32,427	36,699	41,775
ST Debt	2,660	5,107	6,336	6,350	6,575
Payables	3,309	4,095	4,580	5,108	5,728
Other Curr. Liabilities	1,595	1,849	2,103	2,387	2,671
Long Term Debt	3,014	3,218	3,625	3,991	4,390
Other LT. Liabilities	662	835	835	835	835
Total Liabilities	11,240	15,105	17,479	18,672	20,200
Shareholder's Funds	8,098	9,998	12,125	14,676	17,614
Minority interests	1,630	2,414	2,823	3,351	3,961
Total Equity & Liabilities	20,968	27,517	32,427	36,699	41,775

Exhibit 23. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	2,110	1,894	1,977	2,394	2,747
Depreciation and Amort.	818	909	1,151	1,401	0
Change in Working Capital	(623)	(3,247)	896	(684)	(504)
Other Oper. Cash Flow	(9)	(55)	94	(482)	508
Operating Cash Flow	2,295	(500)	4,118	2,630	2,751
Capex	(1,072)	(2,358)	(2,119)	(2,190)	0
Others Inv. Cash Flow	(1,100)	(717)	(881)	(558)	192
Investing Cash Flow	(2,172)	(3,075)	(3,001)	(2,747)	192
Net change in debt	567	2,631	1,635	381	0
New Capital	864	1,074	817	1,056	0
Dividend payment	0	168	151	157	0
Other Fin. Cash Flow	(482)	(473)	(600)	(661)	(700)
Financing Cash Flow	949	3,400	2,003	933	(700)
Net Change in Cash	1,072	(176)	3,121	815	2,243
Cash - begin of the year	2,778	3,851	3,675	6,796	7,611
Cash - end of the year	3,851	3,675	6,796	7,611	8,983

Exhibit 24. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	46.2	23.7	13.9	13.6	12.0
EBITDA	89.3	15.9	2.5	20.7	55.8
Operating profit	151.3	17.2	(3.6)	20.4	13.7
Net profit	394.4	(10.2)	4.4	21.1	14.8
Profitability (%)					
Gross margin	44.7	45.3	43.5	44.0	43.9
EBITDA margin	14.4	13.5	12.2	12.9	18.0
Operating margin	11.4	10.8	9.1	9.7	9.8
Net margin	7.8	5.7	5.2	5.6	5.7
ROAA	11.2	7.8	6.6	6.9	7.0
ROAE	30.1	20.9	17.9	17.9	17.0
Leverage					
Net Gearing (x)	18.7	37.5	21.2	15.2	9.2
Interest Coverage (x)	6.4	7.6	5.8	6.3	6.8

Source: MAPI, 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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