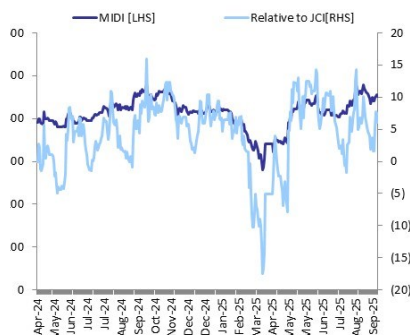


# Buy

(Re-initiated)

Last Price (Rp)	452
Target Price (Rp)	550
Previous Target Price (Rp)	540
Upside/Downside	+21.7%
No. of Shares (mn)	30,883
Mkt Cap (Rpbn/US\$mn)	13,959/848
Avg, Daily T/O (Rpbn/US\$mn)	5.7/0.3
Free Float (%)	22.2
Major Shareholder (%)	
PT Sumber Alfaria Trijaya	77.1
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	22.9 26.7 30.7
Consensus	22.4 26.1 29.1
BRIDS/Cons (%)	2.4 2.4 5.5

## MIDI relative to JCI Index



Source: Bloomberg

# Midi Utama Indonesia (MIDI IJ)

## Resilient Growth Prospect Despite Macro Headwinds

- MIDI should benefit from the rebound in ex-Java store's SSSG in May, as ~53% of its stores located in ex-Java.
- We maintain our positive growth outlook with +8.5% and +29.6% yoy revenue and net profit growth forecast in FY25F.
- We reinitiate with a Buy rating and TP of Rp550. Its curr. val of 19.7x PE FY25F seems premium yet we think remains warranted given the growth prospects.

### Weaker-than-expected Java island's performance, ex-Java rebounded

MIDI reported +6% yoy revenue growth in 1H25 (-2.9% yoy/ -12.3% qoq in 2Q25 due to the shift in Eid period), higher than the national modern trade (MT) sector of +0.1% yoy. Consistent with the industry data, the management noted that purchasing power was relatively soft in 2Q25, with Java's underperformance dragging overall results. Mgmt. indicated that Java's SSSG remain in negative territory up to Jul25, while ex-Java areas rebounded to positive territory in May25. We believe this is positive for MIDI, as approx. 53% of its stores located in ex-Java. In 1H25, MIDI achieved a net addition of 51 stores (Alfamidi 44 stores, Alfamidi super 8, Midi fresh -1), bringing its total stores to 2,486, slightly behind management's target of 200 stores.

### Resilient growth outlook amid weak purchasing power

Despite current macro backdrop, we remain optimistic on MIDI's growth potential as we expect the company to sustain its resilient sales performance. We project +8.5% revenue growth in FY25F, driven by 4.7% SSSG and a more conservative assumption of 170 new store openings. Additionally, with no expected losses from subsidiary in 3Q25 and 4Q25, we anticipate +29.6% yoy increase in net profit, with net margin standing at 3.3%. The management highlighted both personal care and frozen food products continue to deliver double digit growth, helping to support MIDI's SSSG. Meanwhile, categories such as cigarettes (downtrading to cheaper brands), beverages, snacks and biscuits remain under pressure. The company's latest initiative, "JA~DI" (Jajan di Alfamidi), introduced within Alfamidi stores, has yielded positive initial results. Currently available in 237 Alfamidi stores, the program has contributed ~2-3% uplift in sales at those stores. Mgmt is targeting to expand JA~DI to ~400 stores by year end.

### Resuming coverage with a Buy rating and a TP of Rp550

We resume our coverage on MIDI with a Buy rating supported by its resilient growth outlook amid a challenging macro environment with ongoing expansion plans. The company aims to achieve a more sustainable net margin of 4% next year post Lawson's divestment. Our TP of Rp550 is based on 22.2x PE target, reflecting the 3yr mean. While MIDI's current valuation at 19.7x PE FY25F is at premium relative to its peers, we believe this valuation remains warranted given the solid growth prospects.

### Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	17,351	19,888	21,581	23,593	25,646
EBITDA (Rpbn)	743	719	839	949	1,084
EBITDA Growth (%)	16.4	(3.2)	16.7	13.1	14.1
Net Profit (Rpbn)	517	546	708	824	949
EPS (Rp)	16.7	17.7	22.9	26.7	30.7
EPS Growth (%)	20.9	5.8	29.6	16.4	15.1
BVPS (Rp)	121.1	133.7	149.8	168.4	189.9
DPS (Rp)	5.0	6.9	8.0	9.2	11.0
PER (x)	27.0	25.5	19.7	16.9	14.7
PBV (x)	3.7	3.4	3.0	2.7	2.4
Dividend yield (%)	1.1	1.5	1.8	2.0	2.4
EV/EBITDA	19.2	19.8	17.0	14.9	12.4

Source: MIDI, BRIDS Estimates

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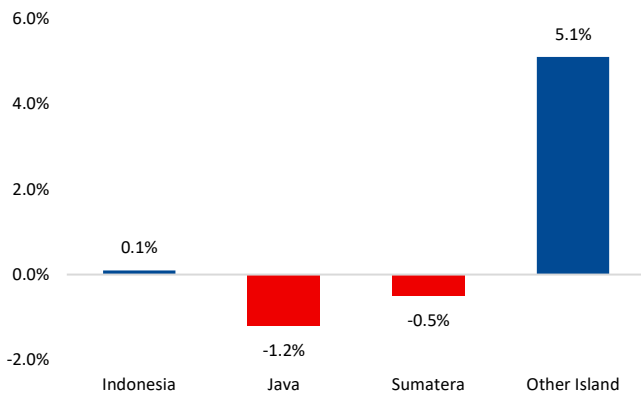
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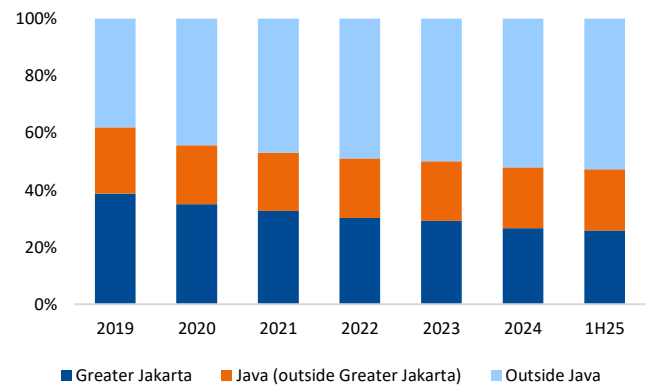
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**Exhibit 1. Indonesia Modern Trade Growth by Region, 1H25**


Source: Company

**Exhibit 2. Store Composition by Region, 2019–1H25**


Source: Company

**Exhibit 3. MIDI Earnings Estimate Revision**

MIDI U (Rpbn)	Previous			New			Changes		
	2025F	2026F	2027F	2025F	2026F	2027F	2025	2026	2027
Revenue	22,226	24,523	27,108	21,581	23,593	25,646	-2.9%	-3.8%	-5.4%
Gross profit	5,886	6,540	7,242	5,581	6,144	6,664	-5.2%	-6.1%	-8.0%
Operating profit	823	1,070	1,347	839	949	1,084	2.0%	-11.3%	-19.5%
Pretax profit	815	1,063	1,345	833	947	1,091	2.3%	-10.9%	-18.9%
Net profit	623	840	1,063	708	824	949	13.7%	-1.9%	-10.7%
Gross margin	26.5%	26.7%	26.7%	25.9%	26.0%	26.0%			
Operating margin	3.7%	4.4%	5.0%	3.9%	4.0%	4.2%			
Net margin	2.8%	3.4%	3.9%	3.3%	3.5%	3.7%			
<b>Key assumption</b>									
Total stores	2,942	2,738	2,888	2,912	2,708	2,858			
yoy growth	4.7%	-6.9%	5.5%	3.7%	-7.0%	5.5%			
Net additional stores	200	170	150	170	170	150			
Alfamidi	200	170	150	200	170	150			
Lawson	0	0	0	0	0	0			
Rev/store - yoy growth									
Alfamidi	11.0%	6.0%	4.8%	9.0%	5.0%	3.0%			
Lawson	4.0%	0.0%	0.0%	3.0%	0.0%	0.0%			
<b>Revenue contribution</b>									
Alfamidi (include Super and Fresh)	97.6%	100.0%	100.0%	97.6%	100.0%	100.0%			
Lawson	2.4%	0.0%	0.0%	2.4%	0.0%	0.0%			

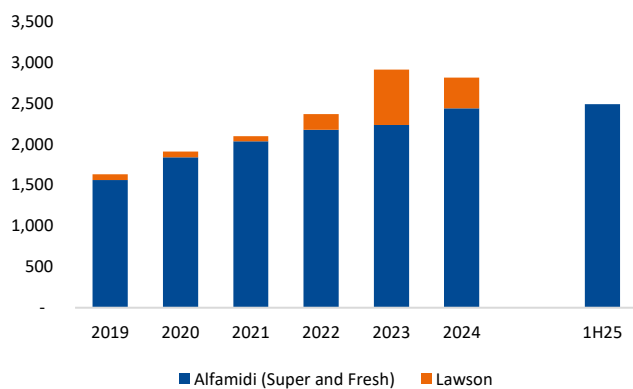
Source: Company, BRIDS Estimates

Exhibit 4. MIDI 2Q25/1H25 Earnings Summary

MIDI IJ (Rpbn)	1H24	1H25	YoY	2Q24	1Q25	2Q25	YoY	QoQ	A/F	A/C
Revenue	9,784	10,370	6.0%	4,991	5,525	4,846	-2.9%	-12.3%	47%	48%
Gross profit	2,596	2,635	1.5%	1,328	1,451	1,184	-10.8%	-18.4%	45%	47%
Opex	2,273	2,231	-1.9%	1,158	1,254	977	-15.6%	-22.1%	43%	
Operating profit	425	509	19.8%	216	245	264	22.4%	7.8%	58%	62%
Pretax profit	396	443	11.8%	202	231	212	5.2%	-8.0%	54%	49%
Net profit	325	391	20.3%	166	190	200	20.6%	5.1%	59%	54%
Gross margin	26.5%	25.4%		26.6%	26.3%	24.4%				
Opex to revenue	23.2%	21.5%		23.2%	22.7%	20.2%				
Operating margin	4.3%	4.9%		4.3%	4.4%	5.5%				
Net margin	3.3%	3.8%		3.3%	3.4%	4.1%				

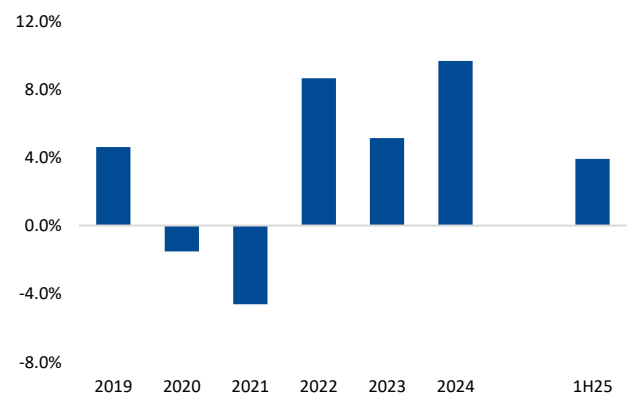
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 5. No. of Store (Alfamidi and Lawson), 2019–1H25



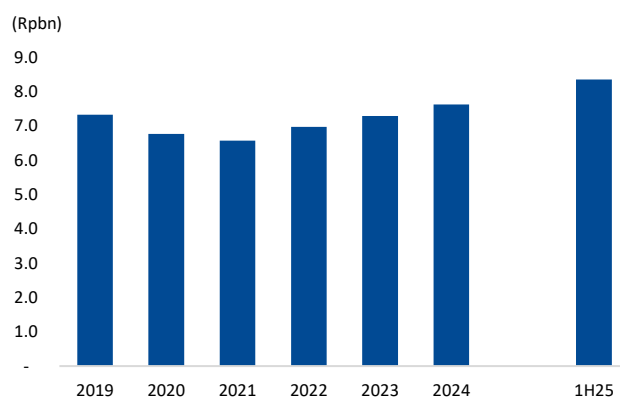
Source: Company

Exhibit 6. SSSG Consolidated, 2019–1H25



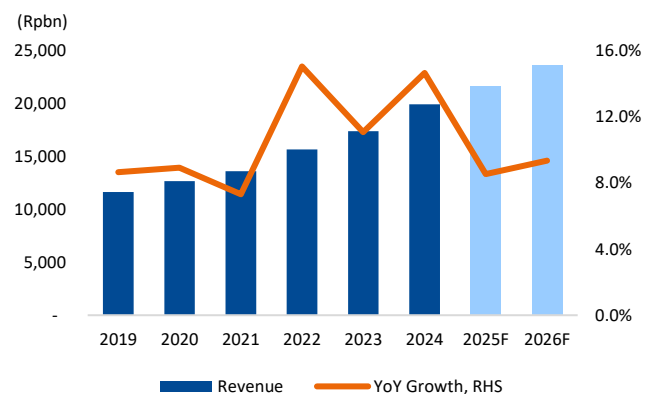
Source: Company

Exhibit 7. Alfamidi's Revenue per Store, 2019–1H25



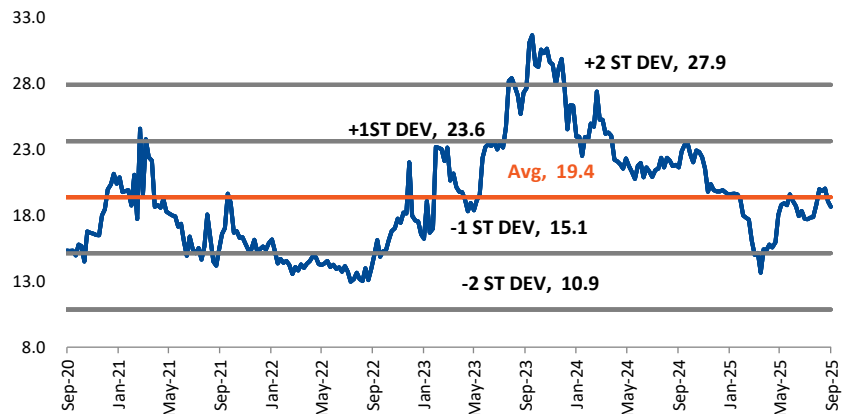
Source: Company, BRIDS

Exhibit 8. Annual Revenue Growth, 2019–26F



Source: Company, BRIDS Estimates

Exhibit 9. MIDI's PE Band



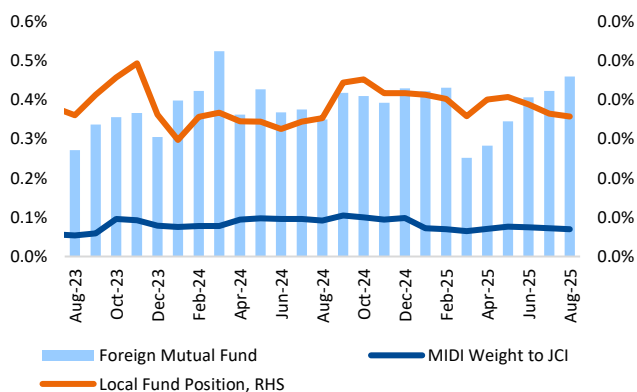
Source: Bloomberg, BRIDS Estimates

Exhibit 10. MIDI's Peers Comparison

		Target Price	M.Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	EPS Growth (%)	
Ticker	Rec	(Rp)	(Rpbn)	2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F
MAPI	Buy	2,000	19,505	10.3	9.1	1.4	1.2	14.9	0.8	2.5%	13.1%
MAPA	Buy	800	16,817	11.0	8.9	2.0	1.7	20.0	0.8	13.3%	23.1%
ACES	Hold	500	7,430	9.1	8.1	1.1	1.0	12.3	5.5	-8.1%	11.7%
MIDI	Buy	550	13,959	19.7	16.9	3.0	2.7	16.2	2.4	74.9%	16.4%
Sector				12.6	10.8	1.9	1.7	16.4	1.8	21.8%	16.6%

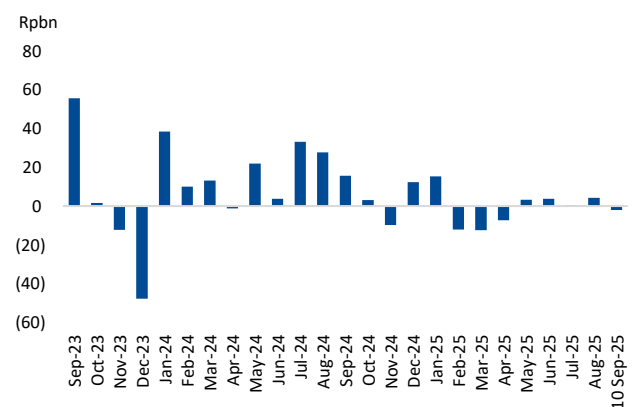
Source: Bloomberg, BRIDS Estimates

Exhibit 11. MIDI's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 12. MIDI's Historical Foreign Flow



Source: IDX, BRIDS

**Exhibit 13. Income Statement**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>17,351</b>	<b>19,888</b>	<b>21,581</b>	<b>23,593</b>	<b>25,646</b>
COGS	(12,843)	(14,656)	(15,999)	(17,449)	(18,982)
<b>Gross profit</b>	<b>4,509</b>	<b>5,232</b>	<b>5,581</b>	<b>6,144</b>	<b>6,664</b>
<b>EBITDA</b>	<b>743</b>	<b>719</b>	<b>839</b>	<b>949</b>	<b>1,084</b>
<b>Oper. profit</b>	<b>743</b>	<b>719</b>	<b>839</b>	<b>949</b>	<b>1,084</b>
Interest income	5	4	6	10	19
Interest expense	(101)	(53)	0	0	0
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(11)	(12)	(12)	(12)	(12)
<b>Pre-tax profit</b>	<b>636</b>	<b>658</b>	<b>833</b>	<b>947</b>	<b>1,091</b>
Income tax	(120)	(183)	(125)	(123)	(142)
Minority interest	0	71	0	0	0
<b>Net profit</b>	<b>517</b>	<b>546</b>	<b>708</b>	<b>824</b>	<b>949</b>
<b>Core Net Profit</b>	<b>517</b>	<b>546</b>	<b>708</b>	<b>824</b>	<b>949</b>

**Exhibit 14. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	327	378	405	594	1,332
Receivables	430	442	476	520	566
Inventory	2,330	2,701	2,746	2,995	3,258
Other Curr. Asset	99	104	104	113	124
Fixed assets - Net	2,462	2,820	3,203	3,572	3,511
Other non-curr.asset	2,139	2,287	2,528	2,675	2,789
<b>Total asset</b>	<b>7,786</b>	<b>8,733</b>	<b>9,463</b>	<b>10,469</b>	<b>11,580</b>
ST Debt	244	231	250	274	298
Payables	2,822	3,287	3,422	3,735	4,062
Other Curr. Liabilities	297	346	376	411	447
Long Term Debt	391	433	470	514	559
Other LT. Liabilities	119	145	157	172	187
<b>Total Liabilities</b>	<b>3,874</b>	<b>4,442</b>	<b>4,676</b>	<b>5,105</b>	<b>5,552</b>
Shareholder's Funds	3,740	4,129	4,625	5,202	5,866
Minority interests	173	162	162	162	162
<b>Total Equity &amp; Liabilities</b>	<b>7,786</b>	<b>8,733</b>	<b>9,463</b>	<b>10,469</b>	<b>11,580</b>

**Exhibit 15. Cash Flow**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	517	546	708	824	949
Depreciation and Amort.	856	987	1,082	1,140	1,250
Change in Working Capital	119	130	77	43	42
Other Oper. Cash Flow	30	140	56	55	46
<b>Operating Cash Flow</b>	<b>1,522</b>	<b>1,803</b>	<b>1,923</b>	<b>2,062</b>	<b>2,287</b>
Capex	(1,167)	(1,345)	(1,465)	(1,509)	(1,190)
Others Inv. Cash Flow	(249)	(123)	(218)	(118)	(75)
<b>Investing Cash Flow</b>	<b>(1,417)</b>	<b>(1,468)</b>	<b>(1,684)</b>	<b>(1,626)</b>	<b>(1,265)</b>
Net change in debt	(1,503)	(63)	0	0	0
New Capital	1,311	(2)	0	0	0
Dividend payment	(120)	(155)	(212)	(247)	(285)
Other Fin. Cash Flow	117	(64)	0	0	0
<b>Financing Cash Flow</b>	<b>(195)</b>	<b>(283)</b>	<b>(212)</b>	<b>(247)</b>	<b>(285)</b>
<b>Net Change in Cash</b>	<b>(90)</b>	<b>51</b>	<b>27</b>	<b>189</b>	<b>738</b>
Cash - begin of the year	417	327	378	405	594
Cash - end of the year	327	378	405	594	1,332

**Exhibit 16. Key Ratio**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth (%)</b>					
Sales	11.1	14.6	8.5	9.3	8.7
EBITDA	16.4	(3.2)	16.7	13.1	14.1
Operating profit	16.4	(3.2)	16.7	13.1	14.1
Net profit	29.5	5.8	29.6	16.4	15.1
<b>Profitability (%)</b>					
Gross margin	26.0	26.3	25.9	26.0	26.0
EBITDA margin	4.3	3.6	3.9	4.0	4.2
Operating margin	4.3	3.6	3.9	4.0	4.2
Net margin	3.0	2.7	3.3	3.5	3.7
ROAA	7.0	6.6	7.8	8.3	8.6
ROAE	18.0	13.9	16.2	16.8	17.1
<b>Leverage</b>					
Net Gearing (x)	0.1	0.1	0.1	0.0	(0.1)
Interest Coverage (x)	7.3	13.6	0.0	0.0	0.0

Source: MIDI, BRIDS Estimates

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## INVESTMENT RATING

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

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