

Buy

(Re-initiated)

Mitra Adiperkasa (MAPI IJ)

Growth Recovery May Take Longer, but Valuation Looks Compelling

Last Price (Rp)	1,140
Target Price (Rp)	1,400
Previous Target Price (Rp)	2,000
Upside/Downside	+22.8%

No. of Shares (mn)	16,600
Mkt Cap (Rpbn/US\$m)	18,924/1,139
Avg, Daily T/O (Rpbn/US\$m)	31.9/1.9
Free Float (%)	48.6

Major Shareholder (%)	
PT Satya Mulia Gema Gemilang	51.0

EPS Consensus (Rp)	2025F	2026F	2027F
BRIDS	114.3	135.5	144.0
Consensus	117.3	137.8	161.4
BRIDS/Cons (%)	(2.6)	(1.7)	(10.8)

- Given 3Q's low seasonality and ongoing store consolidation, we expect MAPI to book a modest sales growth in 3Q25 with a stronger recovery in 4Q25.
- We lowered our FY25/26F earnings est. by 15.9% and 15.4%, forecasting 8.3% rev growth in FY25F led by Active and Fashion, while F&B remain weak.
- Current 10x PE FY25F post 15% YTD share price drop looks attractive, given robust EPS growth outlook. Reinitiate with a Buy rating and TP of Rp1,400.

Muted 3Q25 outlook, with improvement to be seen in 4Q25

MAPI posted 2Q25 revenue growth of +11.5% yoy, driven mainly by new store expansion with a net addition of 42 outlets, mostly in the Active segment. This growth came despite a decline in consolidated 2Q25 SSSG to -3.5% (vs. +0.1% in 1Q25). The management highlighted fashion segment performed reasonably well in Jul25, while Aug25 sales are expected to be driven by the successful 'Buy1Get1' promotion on selected Active brands. Given 3Q's historically low seasonality for MAPI and management's focus on consolidation, we expect modest growth in 3Q25, followed by a stronger recovery in 4Q25.

Recovery may take longer this time

MAPI's consolidated SSSG dropped into negative territory of -1.7% yoy in 1H25, still below the management target of low positive single digit. While MAPI may still deliver high single-digit topline growth this year, we believe the momentum will remain driven by new store openings rather than same-store performance. Our historical review shows that the only other period when SSSG across some of MAPI's business lines turned negative (excluding the pandemic in FY20) was in FY16 during BI's tightening cycle, with recovery not materializing until early FY18. This suggests that the current recovery may also take longer before MAPI achieves a full turnaround.

Earnings downgrade; reinitiate with a Buy and TP of Rp1,400

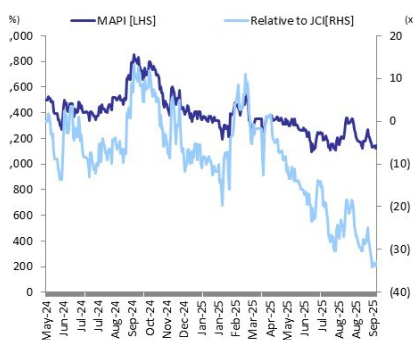
Following MAPI's soft 2Q25 results, we trimmed our FY25/26F earnings estimates by 15.9% and 15.4% respectively. We forecast SSSG of 1.7% with consolidated revenue growth of 8.3% yoy in FY25F, driven by the Active segment of +15.2% yoy (48% of MAPI's FY25 rev) and Fashion +4.4% yoy, while F&B is projected to remain under pressure with -4.3% yoy revenue decline. We also project 70bps yoy contraction in gross margin due to promotions and IDR weakness. Additionally, the slower recovery in F&B segment has led us to estimate lower EBIT margin of 8.8% in FY25F. Despite the earnings revisions, we view MAPI's current valuation of 10x PE FY25F, following 15% ytd share price correction, as reasonably attractive. Therefore, we reinitiate with a Buy rating and TP of Rp1,400, based on -1sd of 3yr mean of 12.3x.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	33,319	37,836	40,968	44,602	49,466
EBITDA (Rpbn)	4,505	4,482	4,784	5,541	8,674
EBITDA Growth (%)	15.9	(0.5)	6.7	15.8	56.5
Net Profit (Rpbn)	1,894	1,768	1,897	2,249	2,390
EPS (Rp)	114.1	106.5	114.3	135.5	144.0
EPS Growth (%)	(10.2)	(6.7)	7.3	18.6	6.3
BVPS (Rp)	602.3	704.9	829.1	975.3	1,131.8
DPS (Rp)	(10.1)	(10.6)	(9.9)	(10.7)	12.6
PER (x)	10.0	10.7	10.0	8.4	7.9
PBV (x)	1.9	1.6	1.4	1.2	1.0
Dividend yield (%)	(0.9)	(0.9)	(0.9)	(0.9)	1.1
EV/EBITDA	5.2	5.1	4.5	3.6	2.2

Source: MAPI, BRIDS Estimates

MAPI relative to JCI Index



Source: Bloomberg

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Tapping into home improvement segment

We view MAPI's recent move to diversify into home improvement through Ace Hardware as a bold step, especially considering this is its first venture into that category. While MAPI could benefit from its strong retail ecosystem and Ace's well-established brand recognition and loyalty, it is likely to face stiff competition from existing players like AZKO and MR DIY. Additionally, Ace Hardware may have longer shelf lives which may extend MAPI's inventory days. Potential product cannibalization among players remains one of the key risks, especially since the market, particularly in Greater Jakarta and certain areas of Java, has become crowded.

Ongoing promotional activity in 3Q25

Our channel checks indicated ongoing promotional activity throughout 3Q24 following the start of Mid-Season sale in Jul25. Several Inditex brands (Zara, Stradivarius, Bershka, Pull & Bear) as well as Forever New offered discounts ranging from 50-70%, meanwhile Marks and Spencer promoted bundle deals such as Buy 3 get 15% off or Buy 4 get 20% off.

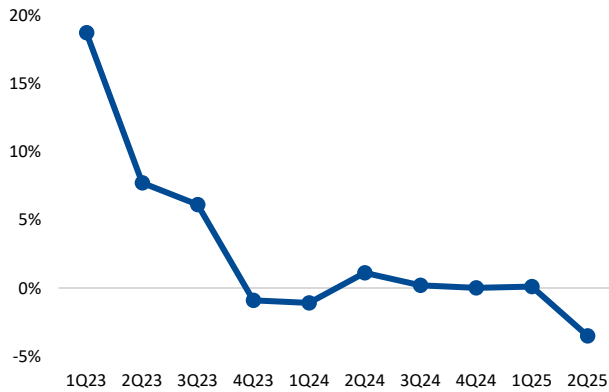
We noticed most of these promotions were concentrated in Jul and Aug25, with a noticeable decline in Sep25.

Exhibit 1. MAPI's Earnings Estimates Revision

MAPI	Before		After		Changes	
	2025F	2026F	2025F	2026F	2025	2026
Revenue	44,819	50,196	40,968	44,602	-8.6%	-11.1%
Gross profit	19,310	21,759	17,197	19,134	-10.9%	-12.1%
Operating profit	4,065	4,722	3,607	4,149	-11.3%	-12.1%
EBT	3,626	4,263	3,070	3,651	-15.3%	-14.4%
Net profits	2,255	2,658	1,897	2,249	-15.9%	-15.4%
Margins (%)						
Gross profit	43.1%	43.3%	42.0%	42.9%		
EBIT	9.1%	9.4%	8.8%	9.3%		
Opex/rev	34.0%	33.9%	33.2%	33.6%		
Pretax	8.1%	8.5%	7.5%	8.2%		
Net Income	5.0%	5.3%	4.6%	5.0%		
Key Assumptions						
	Before		After			
	2025F	2026F	2025F	2026F		
SSSG	3.2%	4.3%	1.7%	1.3%		
Gross additional stores	658	610	570	673		
Total net stores	3,749	3,984	3,927	4,207		

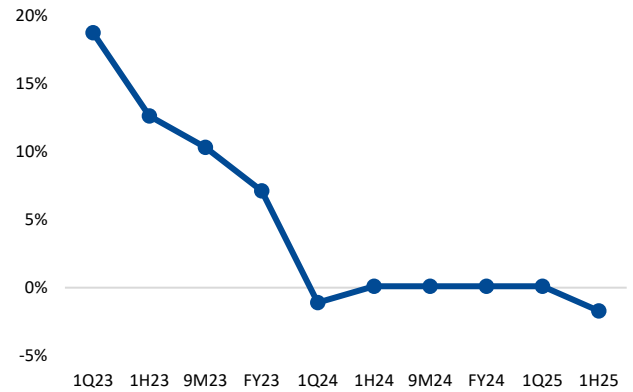
Source: Company, BRIDS Estimates

Exhibit 2. MAPI's Quarterly SSSG, 1Q23-2Q25



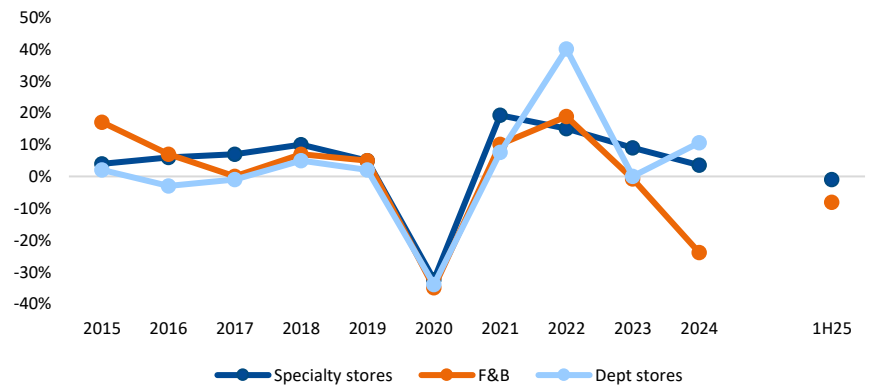
Source: Company, BRIDS

Exhibit 3. MAPI's Cumulative SSSG, 1Q23-1H25



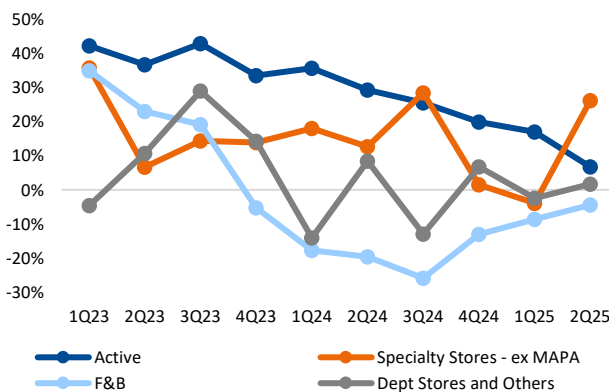
Source: Company, BRIDS

Exhibit 4. MAPI's Yearly SSSG by Segment, 2015-1H25



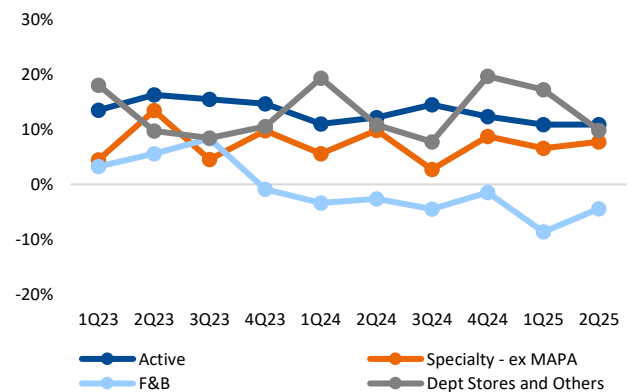
Source: Company, BRIDS

Exhibit 5. Revenue Growth by Segment, 1Q23-2Q25



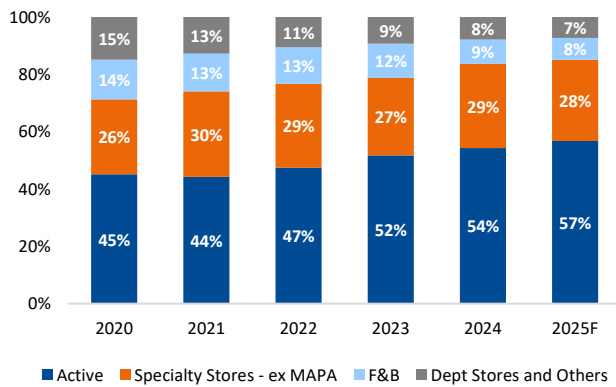
Source: Company, BRIDS

Exhibit 6. Quarterly EBIT Margin by Segment, 1Q23-2Q25



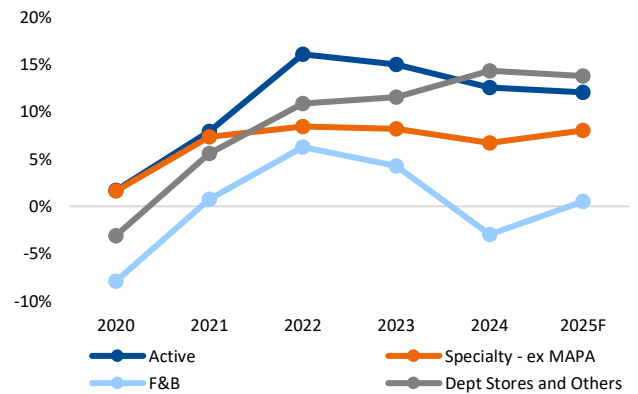
Source: Company, BRIDS

Exhibit 7. Revenue Contribution by Segment, 2020-25F



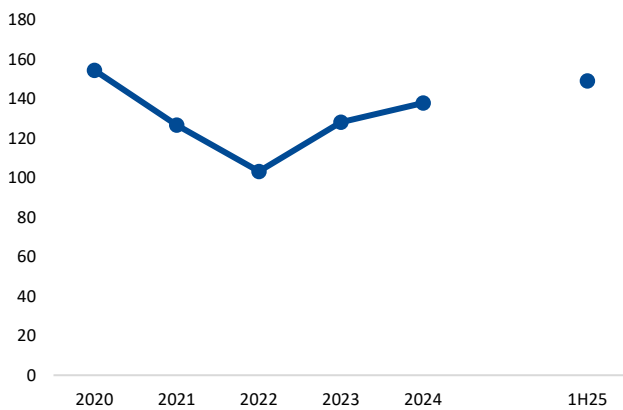
Source: Company, BRIDS

Exhibit 8. EBIT Margin by Segment, 2020-25F



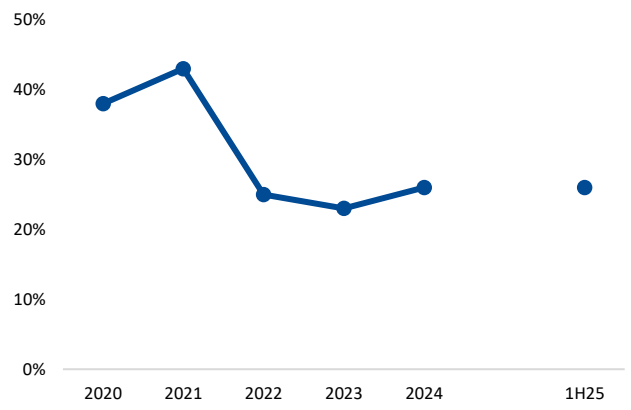
Source: Company, BRIDS

Exhibit 9. Inventory Days, 2020-1H25



Source: Company, BRIDS

Exhibit 10. Aging Inventory, 2020-1H25



Source: Company, BRIDS

Exhibit 11. MAPI's 2Q25/1H25 Earnings Summary

MAPI IJ (Rpbn)	1H24	1H25	YoY	2Q24	1Q25	2Q25	YoY	QoQ	2025F	A/F	A/C	2025 Cons
Revenue	17,993	19,562	8.7%	9,205	9,300	10,262	11.5%	10.3%	44,480	44%	48%	40,933
Gross profit	7,795	8,319	6.7%	4,048	4,085	4,234	4.6%	3.7%	19,166	43%	48%	17,504
Opex	6,179	6,698	8.4%	3,144	3,316	3,383	7.6%	2.0%	15,199	44%		
Operating profit	1,616	1,620	0.2%	903	769	851	-5.8%	10.7%	3,967	41%	44%	3,678
Pretax profit	1,351	1,469	8.7%	744	678	791	6.3%	16.6%	3,528	42%	47%	3,157
Net profit	899	961	6.8%	485	472	489	0.7%	3.5%	2,188	44%	49%	1,950
Gross margin	43.3%	42.5%		44.0%	43.9%	41.3%			43.1%			42.8%
Opex to revenue	34.3%	34.2%		34.2%	35.7%	33.0%			34.2%			33.8%
Operating margin	9.0%	8.3%		9.8%	8.3%	8.3%			8.9%			9.0%
Pretax margin	7.5%	7.5%		8.1%	7.3%	7.7%			7.9%			7.7%
Net margin	5.0%	4.9%		5.3%	5.1%	4.8%			4.9%			4.8%
Revenue (Rpbn)												
Specialty stores	14,892	16,544	11.1%	7,587	7,791	8,754	15.4%	12.4%				
F&B	1,626	1,521	-6.5%	838	719	801	-4.4%	11.3%				
Dept stores	1,323	1,366	3.2%	703	727	638	-9.2%	-12.3%				
EBIT Margin												
Specialty stores	9.7%	9.1%		11.1%	8.9%	9.3%						
F&B	-3.0%	-6.4%		-2.6%	-8.6%	-4.4%						
Dept stores	13.6%	15.8%		11.3%	19.4%	11.7%						

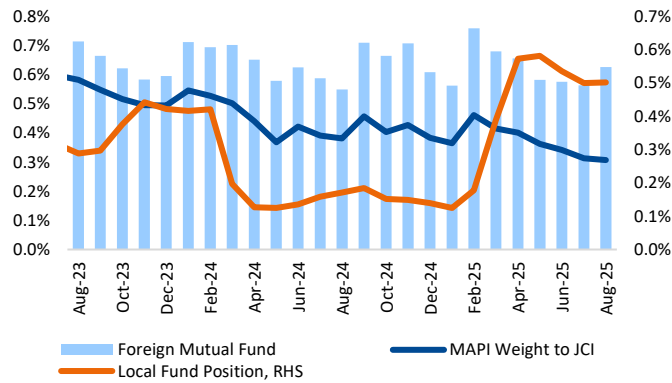
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 12. Several MAPI's 3Q25 Promotion



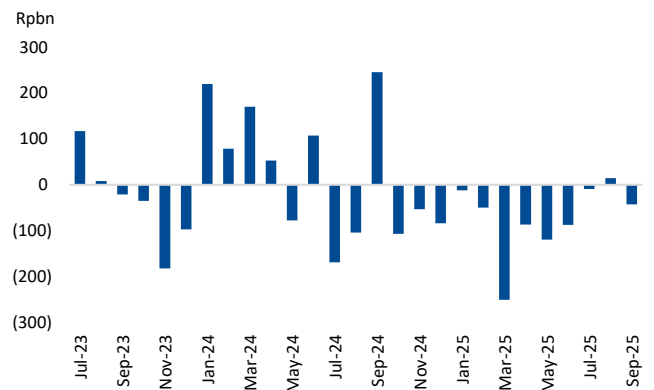
Source: BRIDS Survey

Exhibit 13. MAPI's Weighting and Fund Position



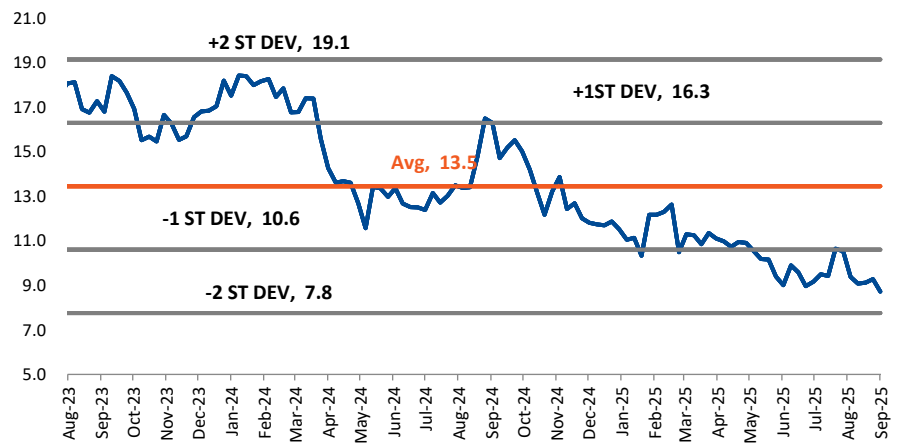
Source: KSEI, BRIDS

Exhibit 14. MAPI's Historical Foreign Flow



Source: IDX, BRIDS

Exhibit 15. MAPI's PE Band



Source: Bloomberg, BRIDS Estimates

Exhibit 16. MAPI's Peers Comparison

Ticker	Rec	Target Price	M.Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	EPS Growth (%)	
		(Rp)	(Rpbn)	2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F
MAPI	Buy	1,400	18,924	10.0	8.4	1.4	1.2	14.9	0.9	7.3	18.6
MAPA	Buy	800	15,820	10.3	8.4	1.9	1.6	20.0	0.9	13.3	23.1
ACES	Hold	500	7,225	8.8	7.9	1.0	1.0	12.3	5.7	(8.1)	11.7
MIDI	Buy	550	12,786	18.1	15.5	2.8	2.5	16.2	2.7	29.6	16.4
Sector				11.8	10.0	1.8	1.6	16.3	1.9	12.2	18.5

Source: Bloomberg, BRIDS Estimates

Exhibit 17. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	33,319	37,836	40,968	44,602	49,466
COGS	(18,225)	(21,695)	(23,771)	(25,468)	(28,203)
Gross profit	15,094	16,140	17,197	19,134	21,262
EBITDA	4,505	4,482	4,784	5,541	8,674
Oper. profit	3,596	3,450	3,607	4,149	4,432
Interest income	87	91	126	168	216
Interest expense	(473)	(607)	(515)	(536)	(562)
Forex Gain/(Loss)	(33)	(37)	(13)	0	0
Income From Assoc. Co's	93	105	0	0	0
Other Income (Expenses)	(67)	(169)	(136)	(131)	(133)
Pre-tax profit	3,203	2,834	3,070	3,651	3,953
Income tax	(858)	(686)	(706)	(840)	(909)
Minority interest	(452)	(380)	(467)	(562)	(654)
Net profit	1,894	1,768	1,897	2,249	2,390
Core Net Profit	1,972	1,886	2,045	2,380	2,524

Exhibit 18. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	3,675	4,040	5,313	7,165	8,841
Receivables	1,085	1,086	1,126	1,202	1,304
Inventory	8,088	8,290	8,792	9,071	9,659
Other Curr. Asset	1,700	1,804	2,169	2,361	2,619
Fixed assets - Net	4,741	5,645	5,685	6,058	6,390
Other non-curr.asset	7,784	8,034	8,726	9,741	10,437
Total asset	27,517	29,525	32,488	36,336	40,066
ST Debt	5,107	4,668	4,668	4,794	4,933
Payables	4,095	4,373	4,462	4,804	5,322
Other Curr. Liabilities	1,849	1,934	2,093	2,276	2,522
Long Term Debt	3,218	3,161	3,349	3,557	3,785
Other LT. Liabilities	835	937	937	937	937
Total Liabilities	15,105	15,074	15,509	16,368	17,499
Shareholder's Funds	9,998	11,702	13,763	16,189	18,788
Minority interests	2,414	2,749	3,216	3,778	3,778
Total Equity & Liabilities	27,517	29,525	32,488	36,336	40,066

Exhibit 19. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	1,894	1,768	1,897	2,249	2,390
Depreciation and Amort.	909	1,031	1,177	1,392	1,626
Change in Working Capital	(3,247)	284	(556)	(131)	(330)
Other Oper. Cash Flow	(55)	(14)	(501)	(690)	(422)
Operating Cash Flow	(500)	3,069	2,017	2,819	3,264
Capex	(2,358)	(1,934)	(1,246)	(1,796)	(1,990)
Others Inv. Cash Flow	(717)	(320)	(270)	(271)	216
Investing Cash Flow	(3,075)	(2,254)	(1,516)	(2,066)	(1,774)
Net change in debt	2,631	(494)	188	334	368
New Capital	1,410	828	1,264	1,478	1,073
Dividend payment	(168)	(177)	(165)	(177)	210
Other Fin. Cash Flow	(473)	(607)	(515)	(536)	(562)
Financing Cash Flow	3,400	(449)	772	1,100	1,089
Net Change in Cash	(176)	366	1,272	1,853	2,580
Cash - begin of the year	3,851	3,675	4,040	5,313	7,165
Cash - end of the year	3,675	4,040	5,313	7,165	8,841

Exhibit 20. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	23.7	13.6	8.3	8.9	10.9
EBITDA	15.9	(0.5)	6.7	15.8	56.5
Operating profit	17.2	(4.1)	4.5	15.0	6.8
Net profit	(10.2)	(6.7)	7.3	18.6	6.3
Profitability (%)					
Gross margin	45.3	42.7	42.0	42.9	43.0
EBITDA margin	13.5	11.8	11.7	12.4	17.5
Operating margin	10.8	9.1	8.8	9.3	9.0
Net margin	5.7	4.7	4.6	5.0	4.8
ROAA	7.8	6.2	6.1	6.5	6.3
ROAE	20.9	16.3	14.9	15.0	13.7
Leverage					
Net Gearing (x)	0.4	0.3	0.2	0.1	0.0
Interest Coverage (x)	7.6	5.7	7.0	7.7	7.9

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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