

24 August 2012

PT MAYORA INDAH TBK

Margin Recovery as Commodity Prices Held Back

BUY

We continue to remain positive on the stock and maintain our BUY rating with target price of IDR 27,400

Sepanjang semester pertama 2012, Mayora berhasil meningkatkan Net Profit Margin menjadi 6.8%. Peningkatan ini terutama didorong oleh penurunan harga komoditas. Didukung peningkatan Net Profit Margin, pertumbuhan penjualan sebesar 29.2% YoY, serta penambahan 3%-5% ASP, MYOR mencatat pertumbuhan Net Profit yang signifikan sebesar 119% YoY melebihi ekspektasi kami semula.

Low commodity prices helped to lift net margin

Harga komoditas yang telah turun dari harga rata-rata 2011, seperti CPO dan gandum serta kopi yang menjadi bahan baku produksi perusahaan selama tahun 2012 telah mengembalikan Gross Profit Margin perusahaan kembali pada jalurnya di atas 20%. Kami memprediksi bahwa harga komoditas akan bertahan di bawah harga rata-rata tahun 2011 sehingga perusahaan dapat mempertahankan Gross Profit Margin pada level 20%.

Fresh Cash to Support Expansion Plan

Pada kuartal kedua 2012, MYOR mendapatkan dana segar sebesar 1 triliun rupiah dari hasil penjualan obligasi dan sukuk dengan tingkat suku bunga pada level 8.5%. Perusahaan akan menggunakan dana tersebut untuk menambah kapasitas produksi pabrik biscuit dan pengolahan cocoa sebesar 30% dan direncanakan dapat selesai pada tahun 2013 untuk menjaga tingkat supply coklat sebagai bahan baku produknya serta menaikkan kapasitas produksi sebesar 20% per tahun dalam 3 tahun mendatang. Saat ini, Mayora memiliki 7 pabrik di wilayah Jabodetabek dan 2 pabrik di Medan. Per 2011, kapasitas produksi terpasang perseroan untuk produk makanan olahan sejumlah 352 ribu ton, sedangkan kapasitas terpasang untuk segmen pengolahan kopi bubuk dan kopi instan mencapai 476 ribu ton.

Increased Penetration in Export Market

Sepanjang tahun 2012, Mayora Indah berhasil meningkatkan penjualan ekspor mereka, khususnya ke negara-negara di Asia dan Timur Tengah sebesar 61.9% YoY yang merupakan 32.4% dari total penjualan bersih. Dengan meningkatnya penjualan ekspor, akan menimbulkan *natural hedging* yang meminimalkan risiko rugi atas selisih kurs yang dialami perusahaan, khususnya atas impor bahan baku yang mencapai 40% dari COGS.

Upgrading our Valuation to Rp 27,400

Dengan pertumbuhan ekonomi Indonesia pada semester pertama 2012 di level 6.4% dan tingkat inflasi masih di bawah 5%, kami mempertahankan proyeksi pertumbuhan MYOR sebesar 25% yoy selama 3 tahun mendatang seiring penurunan COGS perusahaan, kenaikan ASP produk, dan penurunan risiko investasi di Indonesia, kami mengupgrade target harga MYOR menjadi Rp 27,400 dengan WACC 9.3%

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Stock Data

Sector	Consumer Goods
Price (24 August 2012)	IDR 20,700
12-month Target Price 2012	IDR 27,400
12-month Rating	BUY
Prior	BUY (TP IDR 27,400)
Ticker	MYOR.IJ (BBG)
Market Cap	IDR 16.367 Bn
Shares Outstanding	766.58 mn

MYOR Performance



Source: www.corporateinformation.com

	2010	2011	2012E	2013F	2014F
Revenues	7,224	9,454	11,817	14,772	18,465
EBIT	774	758	1,312	1,602	1,950
Net Income	484	471	744	945	1,186
EPS	631	614	971	1,233	1,547
Net DPS	130	130	154	243	308

In bn IDR except per share data; Source: Bloomberg, Company data, Sinarmas Sekuritas Research

Profitability	5-yr avg	2011	2012E	2013F	2014F
Gross Margin%	21.0%	17.5%	21.0%	21.2%	21.5%
EBIT Margin%	10.2%	8.0%	11.1%	10.8%	10.6%
EBITDA Margin%	12.3%	10.1%	13.1%	12.8%	12.4%
P/E x	24	43	21	17	13
Net Dividend Yield		0.63%	0.74%	1.12%	1.49%

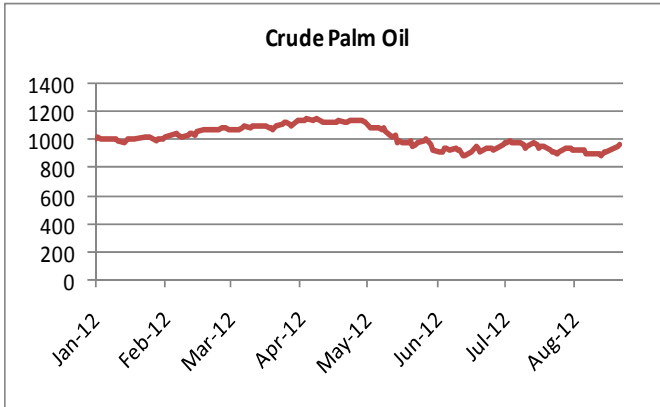
Source: Bloomberg, Company data, Sinarmas Sekuritas Research

Top Holders

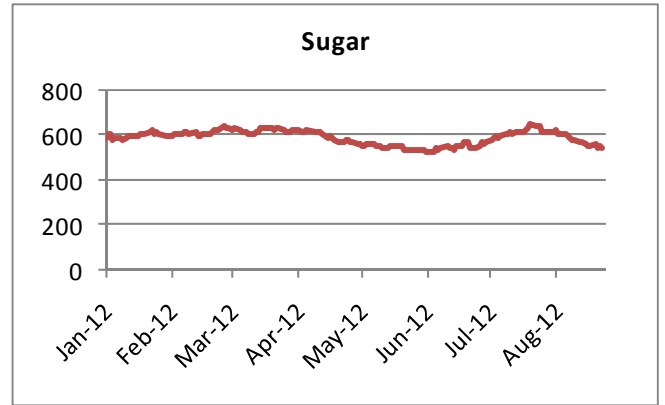
PT Unita Branindo	32.93%
Public (< 5%)	67.07%

Source: Bloomberg (as of 8 August 2012)

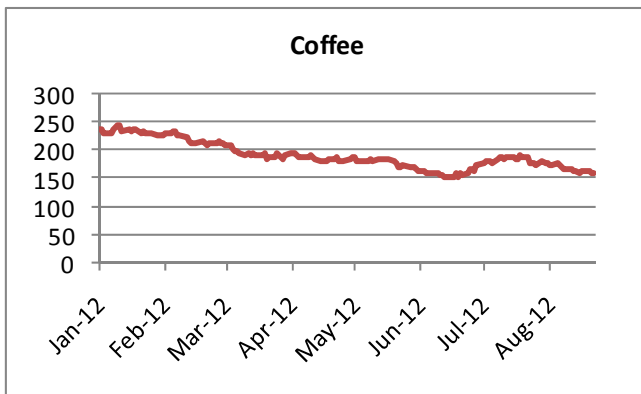
Crude Palm Oil : -4.1%YTD in USD



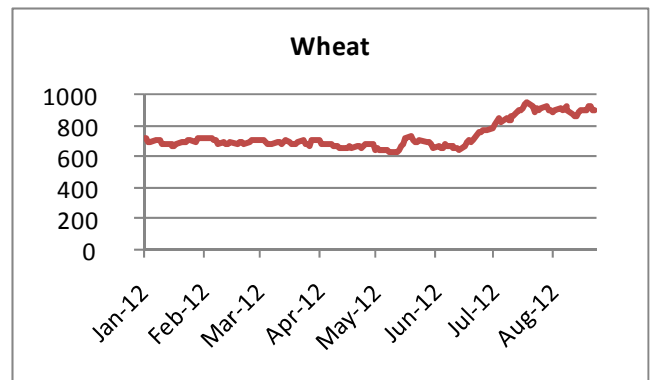
Sugar : -6.8% YTD in USD



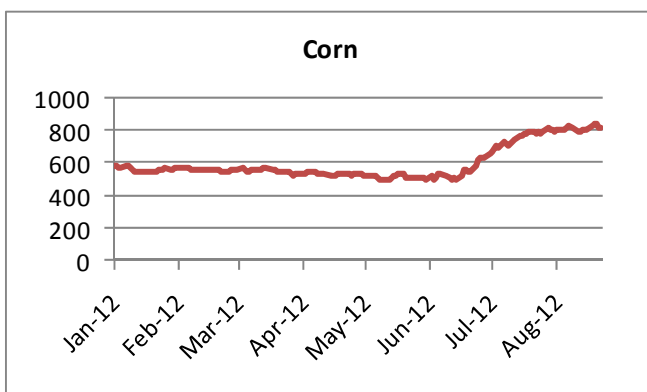
Coffee : -31.4% YTD in USD



Wheat : 23.8% YTD in USD



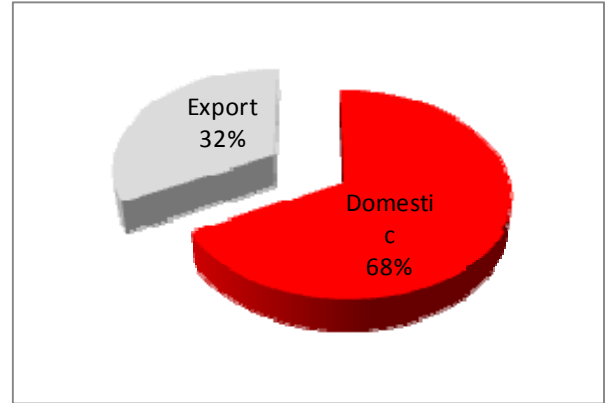
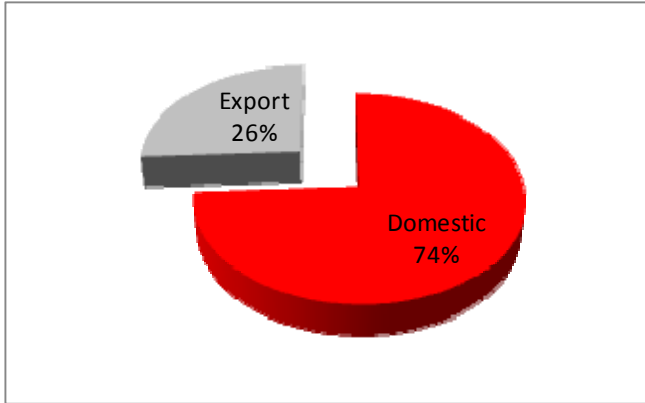
Corn :38.5% YTD in USD



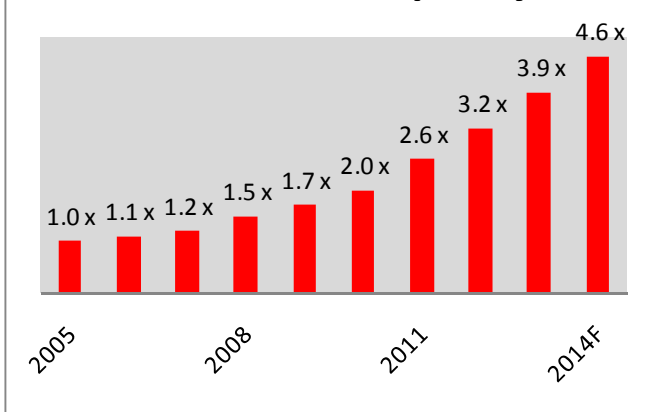
Source: Bloomberg

Mayora terus memperbesar pangsa pasar exportnya.

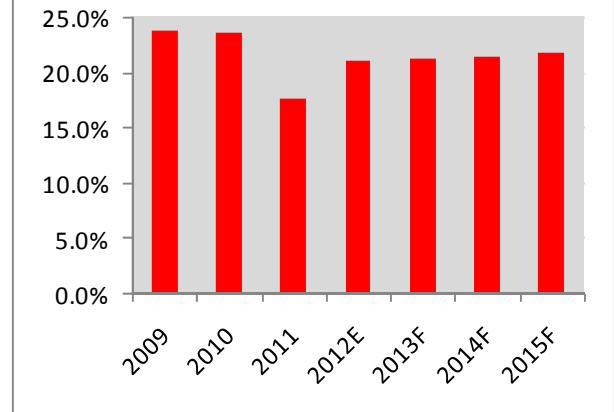
2011 vs 2012



Production Capacity

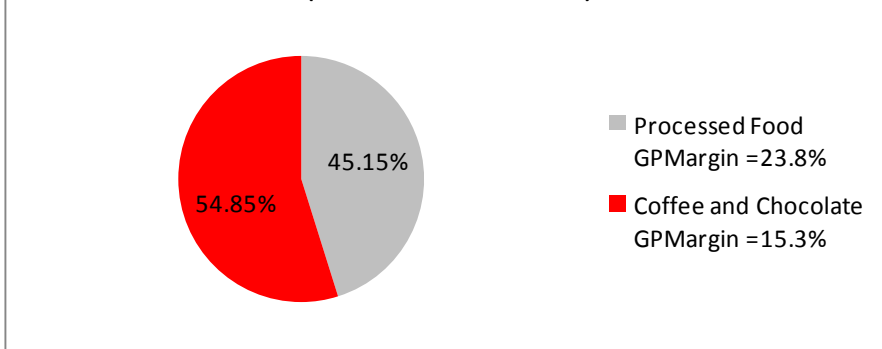


Gross Profit Margin



Sales Breakdown

(include internal transaction)



Source: Company Data

Mayora Products

Biscuit: Marie Roma, Slai O'lai, Better, and Sari Gandum



Candy: Kopiko, Kis, and Tamarin



Wafer & Chocolate: Astor, Beng-beng, and Choki-choki



Coffee: Torabika



Mayora Nutrition: Energen



Torabika Café & Corner

(Franchise) ± 350 outlet



Source: Company Data

Ticker	Name	EV/EBITDA T12M	EV/Sales T12M
MYOR IJ Equity	MAYORA INDAH PT	15.09	1.72
ICBP IJ Equity	INDOFOOD CBP SUKSES MAKMUR T	11.36	1.72
ROTI IJ Equity	NIPPON INDOSARI CORPINDO TBK	25.78	5.03
ULTJ IJ Equity	ULTRAJAYA MILK IND & TRADING	7.19	1.19

Fiscal Year End					
Income Statement (IDR bn)	2010	2011	2012E	2013F	2014F
Sales Revenue	7,224	9,454	11,817	14,772	18,465
Gross Profit	1,706	1,658	2,482	3,137	3,965
Operating Income	774	758	1,312	1,602	1,950
Depreciation & Amortization	172	198	231	294	342
EBITDA	946	956	1,543	1,896	2,292
Profit before tax	658	626	1,028	1,305	1,637
Tax expenses	159	143	260	330	414
Minority Interests	16	12	24	30	37
Net Profit	484	471	744	945	1,186
EPS	631	614	971	1,233	1,547
Cash Flow (IDR bn)					
Operating Cash Flow	248	(600)	1,031	631	769
Capex	(378)	(747)	(743)	(810)	(970)
Other Investing Items	(11)	(241)	(66)	(59)	(55)
Free Cash Flow	(141)	(1,588)	222	(238)	(258)
Dividends Paid	(100)	(100)	(100)	(186)	(236)
Other Financing Items	384	1,490	282	74	342
Share Capital increase	0	0	0	0	0
Net debt (cash)	151	(147)	404	(350)	(152)
Balance Sheet (IDR bn)					
Cash & cash equivalents	472	325	730	380	228
Account Receivables	1,295	1,673	2,118	2,645	3,303
Inventories	498	1,336	1,162	1,467	1,852
Other Current assets	420	761	685	865	1,092
Net fixed assets	1,490	2,038	2,551	3,066	3,695
Other non-current assets	225	466	532	591	646
Total Assets	4,399	6,600	7,777	9,014	10,817
Short term Liabilities	1,040	1,846	1,389	1,763	2,488
Long term Liabilities	1,319	2,329	3,295	3,369	3,462
Total Liabilities	2,359	4,175	4,685	5,132	5,949
Shareholders' Equity	2,040	2,425	3,092	3,881	4,867
Minority Interest	49	61	85	115	151
Total Equity & Liabilities	4,399	6,600	7,777	9,014	10,817
Key Ratio					
Revenue Growth (%)	51.22%	30.86%	25.00%	25.00%	25.00%
EPS Growth (%)	30.08%	-2.70%	57.95%	27.04%	25.44%
EBITDA Margin (%)	13.09%	10.11%	13.06%	12.83%	12.41%
Payout Ratio (%)	20.59%	21.16%	21.2%	25.0%	25.0%
ROE (%)	23.73%	19.43%	24.06%	24.35%	24.36%
Quick Ratio (x)	2.1	1.5	2.5	2.2	1.9
Debt/Equity (%)	64.85%	115.82%	97.01%	77.30%	66.77%

Date	Coverage	Recommendation	Valuation
14-Jul-10	Initiation	Buy	8,900
31-Dec-10	Update	Buy	13,400
4-Feb-12	Update	Overweight	16,300
24-Aug-12	Update	Buy	27,400

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