

December 7th 2012

PT MAYORA INDAH TBK

Company Visit

Apparently Cold Coffee Tastes Better

Overweight

Pertumbuhan penjualan Mayora kembali meningkat pada Q4 2012

Jika bulan lalu kami mengeluarkan laporan yang menyatakan kekhawatiran atas penurunan penjualan Mayora pada Q3 2012, sekarang kami bisa menyatakan bahwa kekhawatiran tersebut terbukti salah. Meskipun pada Q3 2012 penjualan Mayora menurun cukup signifikan, namun kemarin pihak perusahaan menyatakan bahwa penjualan telah kembali normal, bahkan meningkat cukup tinggi dalam dua bulan terakhir ini. Juga, secara historis, penjualan ekspor Mayora akan meningkat cukup pesat pada Q4 dan perusahaan mengharapkan bahwa lonjakan penjualan tersebut akan terjadi pada Q4 tahun ini yang akan ikut mendorong pertumbuhan penjualan. Oleh karena itu, kami menaikkan proyeksi tingkat penjualan 2012 menjadi 17%, dari sebelumnya 15.5%.

Dari sisi harga pokok penjualan, penurunan harga komoditas dalam bulan-bulan terakhir ini telah mendorong perusahaan untuk menambah stok bahan baku yang tahan lama, sehingga kami memperkirakan bahwa margin kotor perusahaan akan meningkat pada bulan-bulan ke depan. Dalam kunjungan terakhir ke Mayora, perusahaan mengirim berita baik mengenai penjualan ekspor mereka yang diprediksi akan meningkat cukup pesat tahun depan. Hal tersebut didorong oleh penambahan negara tujuan ekspor mereka, seperti India, Nigeria, dan Negara-Negara di Amerika Latin.

Secara valuasi, kami mempertahankan target harga Mayora pada level 24,500, dan tetap pada rekomendasi *overweight*. Katalisator utama lainnya adalah penambahan kapasitas produksi perusahaan sebesar 20% yang sesuai dengan rencana perusahaan dan penambahan pabrik pemrosesan coklat yang akan mengamankan kebutuhan coklat dan mengurangi *lead time*. Untuk tahun depan, kami mengharapkan pabrik biscuit perusahaan akan rampung dan menambah kapasitas produksi perusahaan sebanyak 20%

Christandi Rhea Mihardja

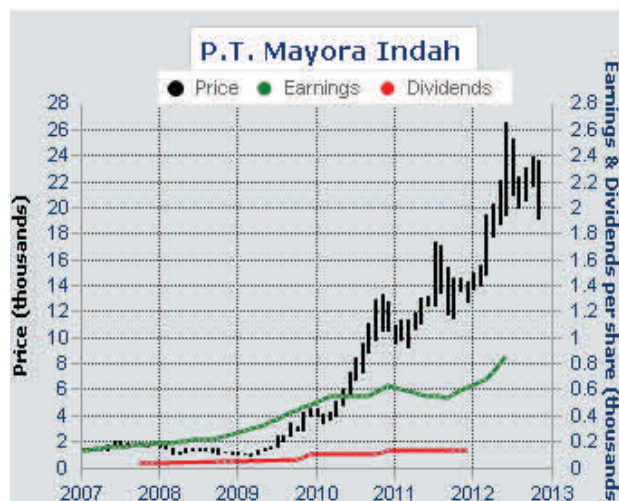
Research Associate

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Stock Data

Sector	Consumer Goods
Price	20,300
12-month Target Price 2012	24,500
12-month Rating	Hold
Prior	
Ticker	MYOR.IJ (BBG)
Market Cap	IDR 16,107 Bn
Shares Outstanding	767 mn

MYOR Performance



Source: www.corporateinformation.com

	2010	2011	2012E	2013F	2014F
Revenues	7,224	9,454	11,065	14,272	17,598
EBIT	774	758	1,195	1,266	1,549
Net Income	484	471	686	695	857
EPS	631	614	895	907	1,117
Net DPS	130	130	179	181	223

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

Profitability	5-yr avg	2011	2012E	2013F	2014F
Gross Margin%	20.7	17.5	21.8	20.7	20.1
EBIT Margin%	9.4	8	10.8	8.9	8.8
EBITDA Margin%	11.4	10.1	12.8	10.7	10.4
P/E x		33.1	22.7	22.4	18.2
Net Dividend Yield		21.2	20.0	20.0	20.0

Source: Bloomberg, Company data, Sinarmas Sekuritas Research

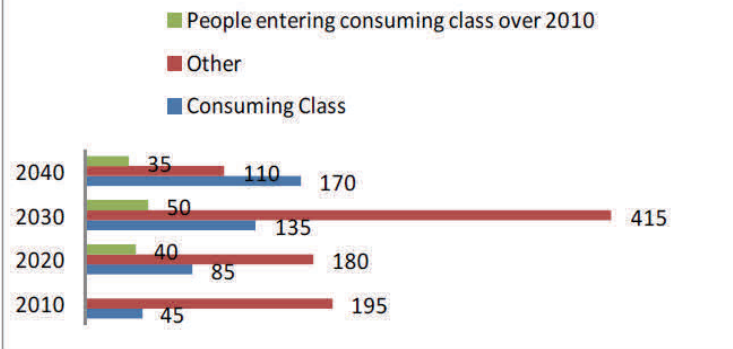
Top Holders

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

Source: Bloomberg

Based on data below, number of people entering consuming class will nearly doubling in 2020, so as the number of potential consumers.

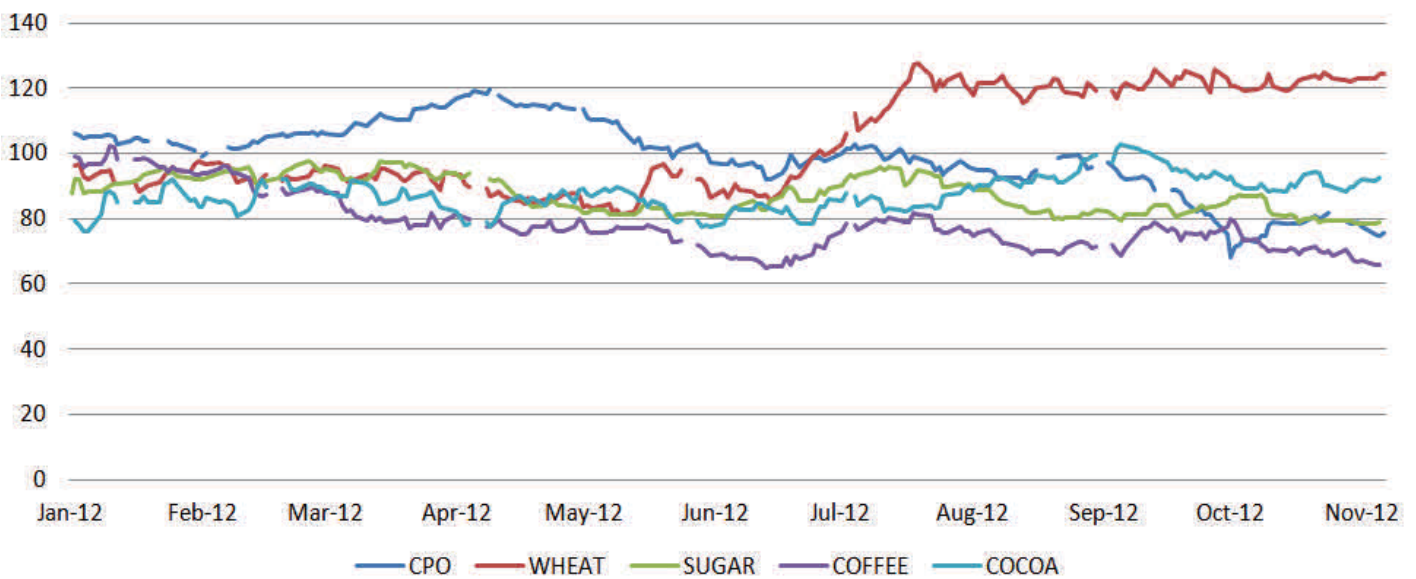
Indonesian population by income level



Source: McKinsey & Company

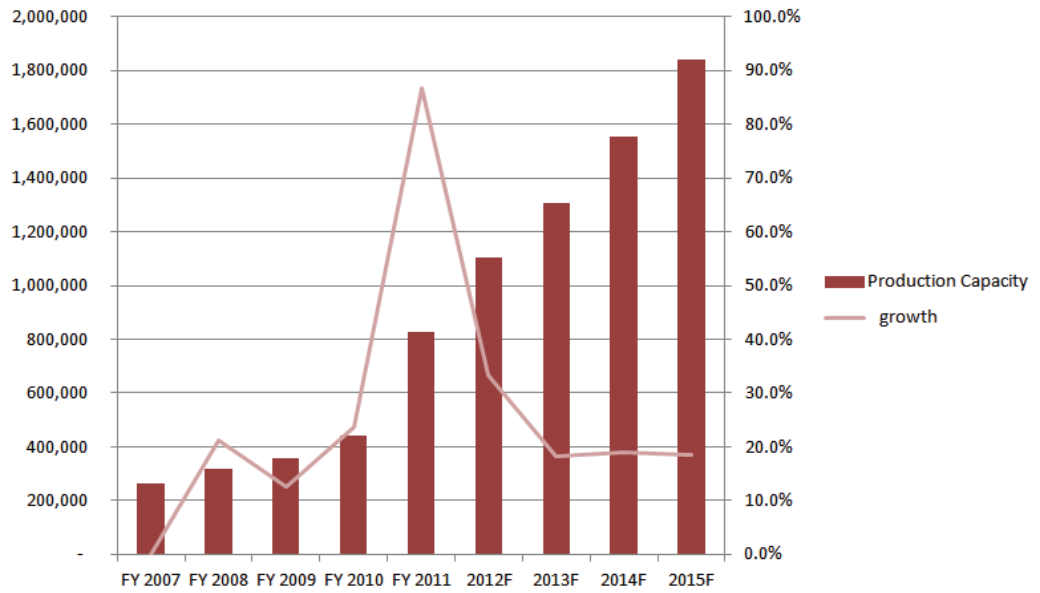
Commodity prices relatively stable during 9M12, relieved company to maintain gross margin.

Commodity Price Relative Graph



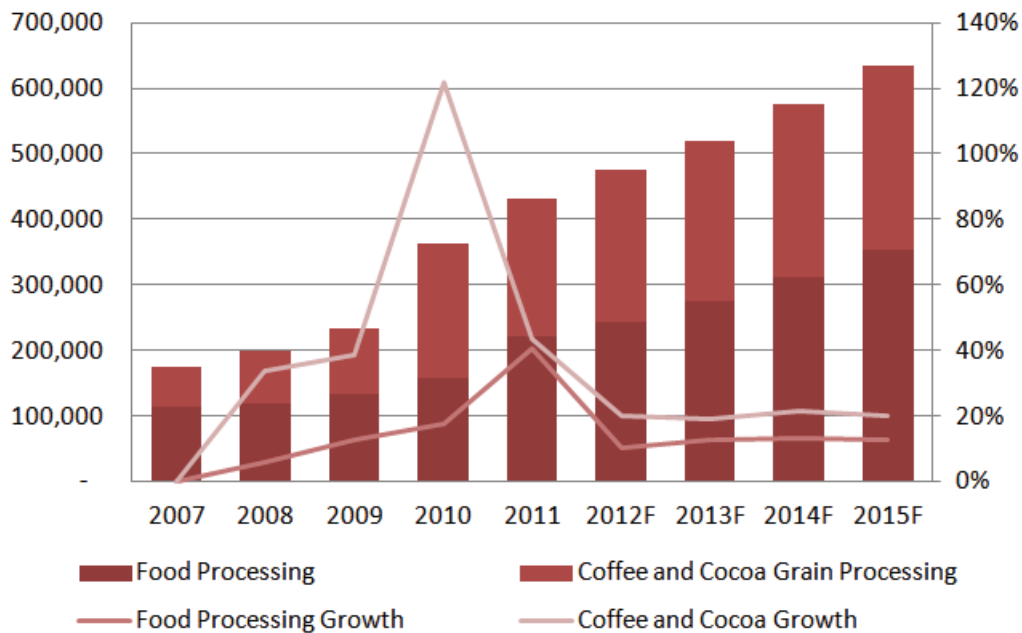
Source: Bloomberg

Production capacity rapidly growing through years, particularly in 2011. Yet we expect 20% growth per annum until 2015.



However, disappointed Q3 2012 result made us trim our forecasted sales growth to 10.1% CAGR 2011-2015F.

Sales Volume Growth



Source: Company Data, Sinarmas Sekuritas Research

Field	FQ3 2011	FQ3 2012	CQ3 2011	CQ3 2012
Revenue	2,431,851	2,243,699	6,643,124	7,685,944
<i>% of FY</i>			25.7%	20.6%
<i>cumulative</i>			70.3%	70.4%
<i>% growth yoy</i>	34.3%	-7.7%	29.7%	15.7%
<i>% growth qoq</i>	8.1%	-22.0%		
Instant Coffee and Cocoa Processing	1,357,250	1,178,782	3,458,036	4,008,320
<i>% growth yoy</i>	43.2%	-21.7%	29.1%	15.9%
<i>% growth qoq</i>	15.3%	-30.3%		
Food Processing	1,075,601	1,062,671	3,186,088	3,675,379
<i>% growth yoy</i>	24.7%	-1.2%	30.4%	15.4%
<i>% growth qoq</i>	0.2%	-21.3%		
Cost of Revenue	2,086,206	1,705,489	5,548,506	6,027,333
Gross Profit	345,645	538,210	1,094,618	1,658,611
<i>% gross margin</i>	14.2%	24.0%	16.5%	21.6%
Instant Coffee and Cocoa Processing	164,579	257,347	536,307	749,417
<i>% growth yoy</i>		56.4%		
<i>% growth qoq</i>		-8.7%		
<i>% gross margin</i>	12.1%	21.8%	15.5%	18.7%
Food Processing	181,066	278,617	558,311	906,949
<i>% gross margin</i>	16.8%	26.2%	17.5%	24.7%
Operating Expenses	167,052	238,696	642,907	851,941
Selling Expenses	124,023	182,128	515,280	694,573
<i>% of sales</i>	5.1%	8.1%	7.8%	9.0%
General and Administrative Expenses	43,460	56,569	128,392	157,368
<i>% of GP</i>	12.6%	10.5%	11.7%	9.5%
Operating Income	178,593	299,514	451,711	806,670
<i>% EBIT margin</i>	7.3%	13.3%	6.8%	10.5%
Net Income	97,239	171,556	250,362	507,791
<i>% of FY</i>	1.0%	1.6%		
<i>cumulative</i>	2.6%	4.7%		
<i>% growth yoy</i>	-12.2%	76.4%	-22.3%	102.8%
<i>% growth qoq</i>	55.3%	-13.0%		
<i>% net margin</i>	4.0%	7.6%	3.8%	6.6%

Source: Company Data, SinarMas Sekuritas Research

Income Statement

IDR in millions, year end Dec	FY 10	FY 11	FY 12E	FY 13E	FY 14E
Revenues	7,224	9,454	11,065	14,272	17,598
<i>growth</i>	<i>51.2%</i>	<i>30.9%</i>	<i>17.0%</i>	<i>29.0%</i>	<i>23.3%</i>
EBITDA	945	956	1,421	1,521	1,826
<i>growth</i>	<i>26.73%</i>	<i>1.16%</i>	<i>48.59%</i>	<i>6.99%</i>	<i>20.11%</i>
EBIT	774	758	1,195	1,266	1,549
<i>growth</i>	<i>26.1%</i>	<i>-2.1%</i>	<i>57.7%</i>	<i>6.0%</i>	<i>22.3%</i>
<i>EBIT Margin</i>	<i>10.7%</i>	<i>8.0%</i>	<i>10.8%</i>	<i>8.9%</i>	<i>8.8%</i>
Net Interest	116	124	270	330	400
Earnings before tax	658	626	925	936	1,149
<i>growth</i>	<i>30.6%</i>	<i>-4.8%</i>	<i>47.6%</i>	<i>1.2%</i>	<i>22.7%</i>
Tax	159	143	219	220	268
<i>tax rate</i>	<i>24.1%</i>	<i>22.8%</i>	<i>23.7%</i>	<i>23.5%</i>	<i>23.3%</i>
Net income	484	471	686	695	857
<i>growth</i>	<i>30.1%</i>	<i>-2.7%</i>	<i>45.7%</i>	<i>1.4%</i>	<i>23.2%</i>
Shares Outstanding	767	767	767	767	767
EPS	631	614	895	907	1,117
<i>growth</i>	<i>30.1%</i>	<i>-2.7%</i>	<i>45.7%</i>	<i>1.4%</i>	<i>23.2%</i>

Balance Sheet

IDR in millions, year end Dec	FY 10	FY 11	FY 12E	FY 13E	FY 14E
Cash & cash equivalents	472	325	413	370	630
Account Receivables	1,295	1,673	1,820	2,299	2,810
Inventories	498	1,336	1,508	1,454	1,808
Others	415	761	443	618	852
Current assets	2,685	4,095	4,184	4,741	6,100
Net fixed assets	1,490	2,038	2,769	3,369	3,747
Others	225	466	453	625	738
Total Assets	4,399	6,600	7,407	8,736	10,586
Short term Liabilities	1,040	1,846	1,096	1,778	1,838
Long term Liabilities	1,319	2,329	3,318	3,387	4,468
Total Liabilities	2,359	4,175	4,413	5,166	6,306
Shareholders' Equity	1,991	2,363	2,912	3,469	4,154
Minority Interest	49	61	81	101	125
Total Equity	2,040	2,425	2,993	3,570	4,279
Total Equity & Liabilities	4,399	6,600	7,407	8,736	10,586

Cash Flow Statement

IDR in millions, year end Dec	FY 10	FY 11	FY 12E	FY 13E	FY 14E
Net Income	484	471	686	695	857
Adjustments	184	206	246	275	302
Change in Net Working Capital	(450)	(1,256)	(67)	(218)	(740)
Cash From Operations	218	(579)	865	753	418
Net Change in Capex	(382)	(766)	(957)	(854)	(655)
Proceeds from sales of FA	6	23	-	-	-
Net change in investments	8	5	-	-	-
Changes in minority interest	(0)	(0)	-	-	-
Changes in other assets	(11)	(241)	13	(172)	(113)
Cash from Investing Activities	(379)	(979)	(944)	(1,026)	(768)
Capital Issues	-	-	-	-	-
Dividends Paid	(100)	(100)	(137)	(139)	(171)
Net Change in Gross Debt	375	1,485	192	300	700
Other Financing Activities	19	25	112	70	81
Cash from Financing Activities	19	25	112	70	81
Cash at beginning of period	322	472	325	413	370
Net Changes in Cash	133	(147)	88	(43)	259
Cash at end of period	455	325	413	370	630

Ratio Analysis

	FY 10	FY 11	FY 12E	FY 13E	FY 14E
EBITDA Margin	13.1%	10.1%	12.8%	10.7%	10.4%
Operating Margin	10.7%	8.0%	10.8%	8.9%	8.8%
Net Margin	6.7%	5.0%	6.2%	4.9%	4.9%
Sales growth	51.2%	30.9%	17.0%	29.0%	23.3%
Net profit growth	30.1%	-2.7%	45.7%	1.4%	23.2%
EPS growth	30.1%	-2.7%	45.7%	1.4%	23.2%
Net debt to equity	1.16	1.72	1.47	1.45	1.47
Sales/assets	1.64	1.43	1.49	1.63	1.66
Assets/equity	2.16	2.72	2.47	2.45	2.47
ROE	23.7%	19.4%	22.9%	19.5%	20.0%

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
8 Oct 12	Update	Buy	27,400
7 Nov 12	Update	Overweight	24,500

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