Matahari Department Store

Bloomberg: LPPF.IJ | Reuters: LPPF.JK

Retail Sector

1 March 2023

JCI Index: 6,843

BUY (Maintain)

Target Price (IDR)	**5,800**
Potential Upside (%)	**12.1**

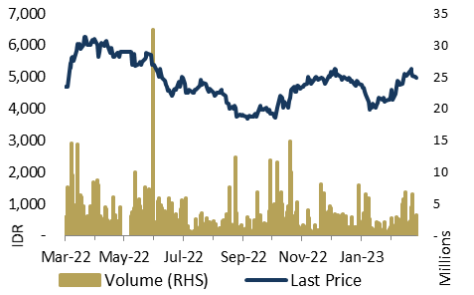
Price Comparison	
Cons. Target Price (IDR)	5,800
SSI vs. Cons. (%)	102.7

Stock Information	
Last Price (IDR)	5,175
Shares Issued (Mn)	2,364
Market Cap. (IDR Bn)	12,236
52-Weeks High/Low (IDR)	6,550/3,650
3M Avg. Daily Value (IDR Bn)	12.3
Free Float (%)	48.8
Shareholder Structure:	
Auric Digital Retail PTE LTD (%)	39.8
Multipolar Tbk, PT (%)	9.2
Public (%)	51.0

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	8.9	12.5	2.0	10.1
JCI Return	(0.1)	(0.3)	(2.5)	(1.1)
Relative	9.1	12.8	4.5	11.2

Stock Price & Volumes, 12M



Company Background

PT Matahari Department store merupakan perusahaan ritel di Indonesia yang memiliki target market kelas menengah. Model bisnis perusahaan terbagi menjadi penjualan barang secara beli putus dan konsinyasi.

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The Rising Sun

LPPF mencatatkan performa yang solid di FY22, dengan angka pendapatan sebesar IDR 6.5 triliun (+15.5% yoy) dan laba bersih sebesar IDR 1.4 triliun (+51.5% yoy), sekaligus melampaui level prapandemi (FY19) (+1.2% lebih tinggi dari FY19). Kami meyakini LPPF akan kembali membukukan pertumbuhan positif di FY23F, didukung oleh sejumlah strategi perseroan (salah satunya pembukaan sejumlah gerai baru jelang Lebaran). Kami mempertahankan rekomendasi BUY untuk LPPF dengan TP IDR 5,800 (-0.5 SD rata-rata PE tiga tahun terakhir di luar masa pandemi (2020-2021)).

Performa solid di FY22. Pada FY22, LPPF mencatatkan pertumbuhan pendapatan +15.5% yoy (SSSG: +20.8% yoy) menjadi IDR 6.5 triliun, sedikit di bawah ekspektasi (95.0% SSIF dan 93.4% konsensus). Namun, laba bersihnya (yang naik +51.5% menjadi IDR 1.4 triliun) berhasil melampaui ekspektasi kami (109.4% SSIF & 107.9% konsensus), sekaligus melampaui level prepandemi (+1.2% lebih tinggi dari FY19). Di 4Q22 saja, LPPF berhasil membukukan pertumbuhan pendapatan (+23.9% qoq) dan laba bersih (+142.5% qoq) yang cukup memuaskan, didukung momentum Natal dan Tahun Baru.

Strategi dan proyeksi 2023. Di tahun ini (FY23F), LPPF berencana membuka 12 – 15 gerai baru, terutama di wilayah Jawa (Jawa menyumbang ~58.0% pendapatan LPPF di FY22), Angka ini lebih banyak dari jumlah gerai baru yang dibuka pada FY22 (10 gerai). Untuk memanfaatkan momen Lebaran (berdasarkan data kami, dalam 5 tahun terakhir, momen Lebaran menjadi salah satu pendorong utama kinerja LPPF), LPPF akan membuka 7 gerai baru sebelum Lebaran; 2 di Jawa Barat (Revo Town Bekasi dan Pollux Mall Chadstone Cikarang), 3 di Jawa Tengah (Uptown BSB City Semarang, The Park Semarang dan Sleman City Hall Yogjakarta), dan 2 di luar Jawa (Discovery Mall Bali dan Plaza Balikpapan). Di samping itu, LPPF juga akan terus membuka gerai premium di wilayah tier 1 (target pembukaan 3 gerai di 2023) serta meluncurkan SUKO (gerai pakaian dengan target kelas menengah atas, dengan rata-rata harga produk IDR 149K – 599K) pada bulan Mei 2023. Didukung strategi tersebut, kami meyakini LPPF akan kembali mencatatkan kinerja positif di FY23F, dengan proyeksi pertumbuhan pendapatan +13.4% yoy dan laba bersih +3.6% yoy .

BUY, TP IDR 5,800. Mempertimbangkan sejumlah faktor yang dijabarkan di atas, serta sejumlah aksi korporasi yang direncanakan perseroan (akan dibahas di halaman berikutnya), kami mempertahankan rekomendasi BUY untuk LPPF dengan TP IDR 5,800, yang merefleksikan 9.2x PE'23F dan -0.5 SD rata-rata PE tiga tahun terakhir di luar masa pandemi (2020-2021).

Forecasts and Valuations (at closing price IDR 5,175 per share)

Y/E Dec	20A	21A	22A	23F	24F
Revenue (IDR Bn)	4,839	5,586	6,455	7,321	7,788
EBITDA (IDR Bn)	(749)	1,153	1,947	2,109	2,316
Net Profit (IDR Bn)	(873)	913	1,383	1,433	1,545
EPS (IDR)	(369)	386	585	606	653
EPS Growth (%)	(156.8)	(204.5)	51.5	3.6	7.8
P/E Ratio (x)	(14.0)	13.4	8.8	8.5	7.9
BVPS (IDR)	246	426	245	325	433
P/BV Ratio (x)	21.1	12.2	21.1	15.9	12.0

Rencana aksi korporasi. LPPF berencana membagikan dividen untuk tahun buku 2022 sebesar IDR 525 per saham (angka dividen tertinggi perseroan pasca pandemi), dengan angka dividend payout ratio sebesar 89.7%. Jika dihitung berdasarkan harga penutupan LPPF di 28 Februari (IDR 5,175), angka dividend yield akan mencapai 10.1%. Di samping itu, LPPF juga berencana melanjutkan rencana buyback saham (maksimal 10% dari modal ditempatkan dan disetor) dengan anggaran maksimal senilai IDR 1 triliun, pada 29 Maret 2023 – 28 September 2024.

Table 1. LPPF FY22 Results

LPPF FY22 (IDR Bn)	4Q21	3Q22	4Q22	QoQ	YoY	FY21	FY22	YoY	% SSI	% Cons'
Revenue	1,501	1,203	1,490	23.9%	-0.7%	5,586	6,455	15.5%	94.9%	93.4%
Gross Profit	979	804	1,035	28.8%	5.7%	3,579	4,401	23.0%		
Operating Profit	553	216	377	74.4%	-31.8%	1,122	1,848	64.6%		
Net Profit	474	136	329	142.5%	-30.6%	913	1,383	51.5%	109.4%	107.9%
Gross Profit Margin	65.2%	66.8%	69.5%			64.1%	68.2%	411 bps		
Operating Profit Margin	36.8%	18.0%	25.3%			20.1%	28.6%	854 bps		
Net Profit Margin	31.6%	11.3%	22.1%			16.3%	21.4%	509 bps		

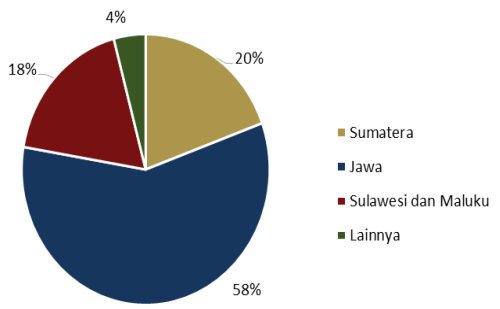
Source: Company, SSI Research

Table 2. LPPF FY22 Results (Segments)

Segment (IDR Bn)	4Q21	3Q22	4Q22	QoQ	YoY	FY21	FY22	YoY
Sumatera	125	223	290	30.2%	132.6%	1,088	1,252	15.1%
Jawa	219	690	804	16.6%	267.8%	3,183	3,750	17.8%
Sulawesi dan Maluku	139	227	307	35.1%	121.1%	1,074	1,171	9.0%
Lainnya	31	59	84	41.3%	169.1%	229	267	16.7%
Jasa	1	3	4	42.4%	213.8%	11	15	30.8%

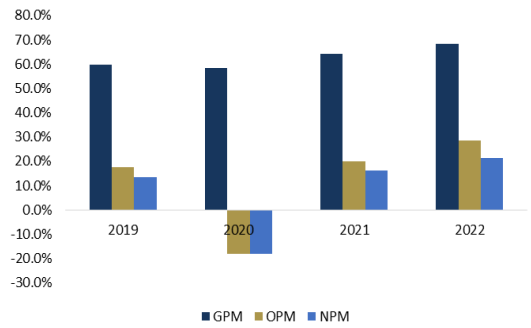
Source: Company, SSI Research

Figure 1. Revenue Mix FY22



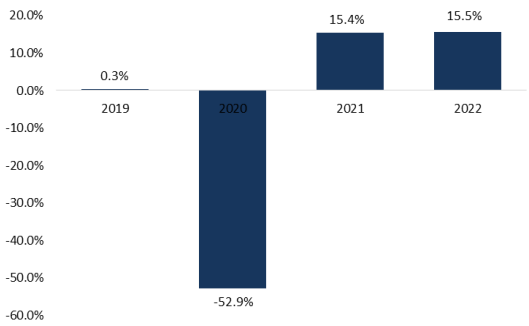
Source: Company, SSI Research

Figure 2. Profitability Margin FY22



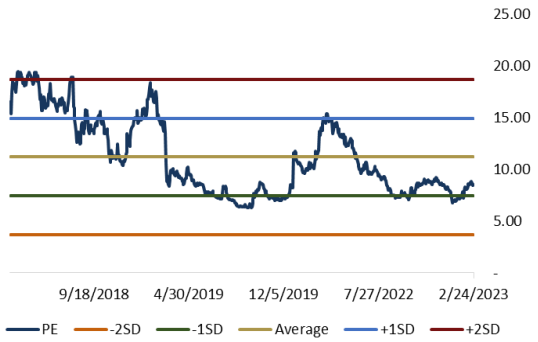
Source: Company, SSI Research

Figure 3. Revenue Growth



Source: Company, SSI Research

Figure 4. PE Band



Source: Company, SSI Research

Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	**20A**	**21A**	**22A**	**23F**	**24F**
Revenue	**4,839**	**5,586**	**6,455**	**7,321**	**7,788**
Cost of Revenue	(2,009)	(2,007)	(2,053)	(2,319)	(2,453)
Gross Profit	**2,830**	**3,579**	**4,401**	**5,002**	**5,335**
Opex	(3,457)	(2,542)	(2,809)	(3,180)	(3,383)
Other Operating Income	(243)	85	256	73	78
Operating Profit	**(870)**	**1,122**	**1,848**	**1,895**	**2,030**
EBITDA	**(749)**	**1,153**	**1,947**	**2,109**	**2,316**
Finance Income	36	17	7	9	8
Finance Cost	(82)	(37)	(219)	(191)	(191)
Pre-tax Profit	**(934)**	**1,103**	**1,637**	**1,713**	**1,847**
Income Tax	61	(190)	(254)	(280)	(302)
Profit for Period	**(873)**	**913**	**1,383**	**1,433**	**1,545**
Net Profit	**(873)**	**913**	**1,383**	**1,433**	**1,545**

Balance Sheet					
Y/E Dec (IDR Bn)	**20A**	**21A**	**22A**	**23F**	**24F**
Cash & Equivalents	524	661	354	340	686
Receivables	61	26	64	73	78
Inventory	889	747	896	1,012	1,070
Others	136	80	131	131	131
Total Current Asset	**1,610**	**1,513**	**1,446**	**1,556**	**1,965**
Total Non Current Asset	4,709	4,338	4,304	4,463	4,472
Total Asset	**6,319**	**5,851**	**5,750**	**6,018**	**6,437**
Payables	348	730	1,210	1,288	1,443
ST. Debt and CMLTD	1,456	436	462	462	464
Other Current Liabilities	1,052	904	683	683	683
Total Current Liabilities	**2,856**	**2,070**	**2,356**	**2,434**	**2,590**
LT. Debt	2,405	2,365	2,471	2,473	2,480
Other LT. Liabilities	477	410	343	343	343
Total Liabilities	**5,738**	**4,845**	**5,170**	**5,250**	**5,414**
Total Equity	**581**	**1,006**	**580**	**768**	**1,023**

Cash Flow					
Y/E Dec (IDR Bn)	**20A**	**21A**	**22A**	**23F**	**24F**
Net Profit	(873)	913	1,383	1,433	1,545
D&A	121	31	99	214	286
Changes in Working Capital	(888)	560	292	(47)	91
Operating CF	**90**	**2,408**	**2,331**	**1,600**	**1,923**
Capital Expenditure	(437)	(173)	(137)	(446)	(367)
Others	(536)	20	(71)	73	71
Investing CF	**(595)**	**(187)**	**(278)**	**(372)**	**(296)**
Change in Debt	3,861	(1,060)	133	2	9
Dividend Payment	-	(255)	(596)	(1,245)	(1,290)
Net Changes in Cash	**(649)**	**137**	**(307)**	**(15)**	**346**
Cash at Beginning	1,173	524	661	354	340
Cash at Ending	**524**	**661**	**354**	**340**	**686**

Key Ratios					
Y/E Dec	**20A**	**21A**	**22A**	**23F**	**24F**
Gross Profit Margin (%)	58.5	64.1	68.2	68.3	68.5
Operating Margin (%)	-18.0	20.1	28.6	25.9	26.1
Pretax Margin (%)	-19.3	19.7	25.4	23.4	23.7
Net Profit Margin (%)	-18.0	16.3	21.4	19.6	19.8
EBITDA Margin (%)	-15.5	20.6	30.2	28.8	29.7
Net Gearing (x)	5.7	2.1	4.4	3.4	2.2

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