

PT Malindo Feedmill Tbk (MAIN)

Animal Feeds

Better consumer spending, but inflation threat looms

24 May 2022

Recommendations : BUY

Laba bersih MAIN turun 88,2% YoY pada 1Q22 menjadi Rp10,5 miliar
Tantangan dari kenaikan harga soft commodities
Rekomendasi "BUY" dengan target harga Rp750 per saham

Stock

Price on 23/05/2022 (Rp)	595
12M target price (Rp)	750
Capital gain potential	26%

Stock Data

Outstanding shares	2,238,750,000
Market cap (Rp)	1,332,056,250,000
Weight VS IHSG (%)	0.02

Shareholders (%)

Dragon Amity Pte. Ltd.	57.27%
Public	42.73%
Outstanding Shares (unit)	2,238,750,000

Price Performance

52-week high/low	Rp935/Rp595
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Capital gain/(loss) (in %)

1 month (6.30)	3 month (9.85)	6 month (16.20)	1 Year (30.41)	YTD (11.19)
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Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	9,131	10,205	11,295
Operating Income	100	145	218
OPM (%)	1.10%	1.42%	1.93%
EBITDA	368	507	557
EV to EBITDA (x)*	10.14	7.87	7.96
Net Income	60	92	147
NPM (%)	0.66%	0.90%	1.30%
EPS (Rp)	27	41	66
EPS Growth (%)	-255.5%	51.6%	61.0%
Price Earnings (x)*	24.84	14.56	9.04
Price to Book (x)*	0.63	0.54	0.51
Price to Sales (x)*	0.16	0.13	0.12
Return on Equity (%)	2.53%	3.69%	5.62%
Return on Assets (%)	1.11%	1.53%	2.21%
Tot Debt/Equity (x)	1.01	1.14	1.25

*) based on market price (23/05/2022) at Rp595

Sources : Company, Bloomberg and KB Valbury Sekuritas

Kenaikan beban menggerus margin dan laba bersih

Laba bersih MAIN jatuh 88,2% YoY pada 1Q22 menjadi Rp10,47 miliar (-74,9% QoQ). Penurunan laba bersih akibat kenaikan beban, yakni dari beban pokok yang tumbuh 33,8% YoY pada 1Q22, sedangkan net revenue tumbuh lebih rendah 28,3% YoY (+14,0% QoQ). Sehingga, GPM turun dari 11,2% pada 1Q21 menjadi 7,4% pada 1Q22. Kemudian, beban operasional juga meningkat 9,7% YoY pada 1Q22 dari beban penjualan dari kenaikan beban distribusi. Sehingga, margin operasional menurun dari 5,1% pada 1Q21 menjadi 2,2% pada 1Q22. Kemudian, MAIN mencatatkan kerugian dari perubahan nilai aset biologis menjadi Rp9,52 miliar pada 1Q22, dibandingkan keuntungan Rp27,3 miliar pada 1Q21. Sementara itu, beban keuangan naik 34,5% YoY pada 1Q22 dari kenaikan utang bank. Dari segi neraca, *net gearing* mencapai 1,01x pada 1Q22.

Penurunan margin di seluruh segmen

Pendapatan MAIN pada 1Q22 didorong oleh segmen pakan ternak dan broiler yang masing-masing tumbuh 22,7% YoY dan 65,7% YoY. Akan tetapi pertumbuhan dari kedua segmen tersebut tidak didukung oleh pertumbuhan margin, dengan segmen pakan ternak jatuh dari 3,64% pada 1Q21 menjadi 1,30% pada 1Q22. Sedangkan, segmen broiler mencatatkan rugi pada 1Q22. Adapun, segmen DOC tumbuh 16,4% YoY pada 1Q22, juga menurun dari 12,9% pada 1Q21 menjadi 5,3% pada 1Q22. Kontribusi segmen pakan ternak menurun dari 60,1% pada 1Q22 dari 62,9% pada 1Q21. Sedangkan, kontribusi dari segmen broiler meningkat dari 1,27% pada 1Q21 menjadi 1,9% pada 1Q22. Sementara itu, segmen DOC berkurang dari 21,1% pada 1Q21 menjadi 18,9% pada 1Q22.

Pemulihan menghadapi resiko kenaikan bahan baku

Kami memproyeksikan pertumbuhan laba bersih MAIN akan tumbuh 12% YoY pada 2022, yang ditopang secara umum dari pemulihan mobilitas yang mendorong permintaan baik dari ritel maupun industri kuliner. Kami memandang positif langkah pemerintah untuk menambah subsidi energy dapat mengendalikan inflasi dan menjaga daya beli. Namun, kami melihat secara QoQ, tren harga ayam kemungkinan dapat menurun namun lebih dipengaruhi oleh factor seasonal setelah lebaran. Selain itu, kami memandang tantangan masih berat terutama terkait dengan harga soft commodities, yang terimbas dari kenaikan harga gandum akibat konflik Rusia-Ukraina, sehingga dapat berdampak negative terhadap perolehan margin pada 2022. Kemudian, kebijakan pemerintah yang berkonsentrasi untuk mempertahankan inflasi dapat berisiko terhadap pengendalian supply DoC, sehingga kenaikan ASP cenderung akan terbatas. Sebagai diversifikasi, MAIN telah berekspansi dengan membuka restoran ayam goreng, Sunny's Chick yang mencapai 19 gerai di Jabodetabek dengan memanfaatkan ekosistem MAIN.

Rekomendasi "BUY" ditengah harapan terkendalinya inflasi

Kami mempertahankan rekomendasi BUY saham MAIN dengan target harga Rp750, yang merefleksikan valuasi PER pada 14,56x. Rekomendasi kami ini didasari dengan pertimbangan sebagai berikut: 1) kondisi makro ekonomi yang membaik setelah adanya proses vaksinasi sehingga dapat mendorong permintaan; 2) langkah MAIN untuk mendorong volume penjualan via e-commerce dan ekspor. Namun, kami masih mencatat beberapa resiko yakni 1) inflasi energy dan harga komoditas pangan, berdampak negatif terhadap margin dan juga daya beli konsumen; 2) depresiasi Rupiah terhadap dolar AS setelah peningkatan suku bunga The Fed; 3) permintaan yang lebih lemah daripada proyeksi; 4) harga daging ayam yang turun karena naiknya supply.

Analyst(s)

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1Q2021	1Q2022	YoY Change	4Q2021	1Q2022	QoQ Change
Net Sales	2,146	2,754	28.3%	2,416	2,754	14.0%
Cost of Revenue	(1,906)	(2,550)	33.8%	(2,298)	(2,550)	11.0%
Gross Profit	240	204	(15.0%)	118	204	72.9%
Gross Margin (%)	11.2%	7.4%		4.8%	7.4%	
Operating Expenses	(131)	(144)	9.7%	(79)	(144)	82.2%
Operating Profit	109	60	(44.7%)	39	60	54.1%
Operating Margin (%)	5.1%	2.2%		1.6%	2.2%	
Non-Operating Income (Losses)	3	(44)	(1380.4%)	7	(44)	(759.0%)
Pretax Income	112	16	(85.8%)	46	16	(65.3%)
Income Tax (Expense)/ Benefit	(23)	(5)	(76.9%)	(4)	(5)	32.1%
Profit for This Year	89	10	(88.2%)	42	10	(74.9%)
Net Profit (Losses)	89	10	(88.2%)	42	10	(74.9%)
Profit Margin (%)	4.1%	0.4%		1.7%	0.4%	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	7,001	9,131	10,205	11,295	11,948
Revenue growth yoy	(6.1%)	30.4%	11.8%	10.7%	5.8%
- Cost of Goods Sold	(6,347)	(8,573)	(9,374)	(10,353)	(10,927)
Gross Income	654	558	831	943	1,021
- Operating Expenses	(438)	(457)	(687)	(725)	(738)
Operating Income	216	100	145	218	282
Op income growth yoy	(45.0%)	(53.5%)	43.9%	50.5%	29.9%
- Non Operating Gains (Losses)	(196)	(24)	(26)	(26)	(28)
EBITDA	478	368	507	557	616
Pretax Income	20	76	119	191	255
- Income Tax Expense	(59)	(16)	(27)	(44)	(59)
Profit for This Year	(39)	60	91	147	195
Net Income	(39)	60	92	147	195
Net income growth yoy	(125.5%)	(255.5%)	51.6%	61.0%	32.6%
EPS (IDR)	(17)	27	41	66	87
Dividends Per Share (IDR)	0	0*	8	16	26

Sources: Company, Bloomberg and KB Valbury Sekuritas

*) Estimate

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	1,990	2,664	2,998	3,374	3,809
+ Cash & Near Cash Items	178	180	168	175	190
+ Accounts & Notes Receivable	401	505	576	651	736
+ Inventories	1,302	1,774	2,021	2,284	2,584
+ Other Current Assets	109	205	234	264	299
Total Long-Term Assets	2,684	2,773	2,998	3,282	3,540
+ Property, Plant & Equip, Net	2,448	2,472	2,634	2,838	3,020
Property, Plant & Equip	4,337	4,624	5,046	5,447	5,849
Accumulated Depreciation	1,889	2,153	2,412	2,609	2,829
+ Other Long Term Assets	237	302	364	443	520
Total Assets	4,674	5,437	5,997	6,656	7,349
Total Current Liabilities	1,660	2,121	2,505	2,876	3,253
+ Payables & Accruals	337	428	457	504	542
+ Short Term Borrowings	1,258	1,617	1,967	2,290	2,627
+ Other Short Term Liabilities	65	76	80	82	83
Total Long Term Liabilities	869	928	1,012	1,159	1,301
+ Long Term Borrowings	713	788	857	988	1,115
+ Other Long Term Borrowings	156	140	155	170	186
Total Liabilities	2,529	3,048	3,516	4,035	4,554
+ Share Capital & APIC	809	810	810	810	810
+ Retained Earnings & Other Eq.	1,177	1,240	1,313	1,424	1,560
+ Other Equity	162	340	359	389	427
Total Shareholders Equity	2,148	2,391	2,482	2,623	2,798
+ Minority/Non Controlling Int.	(2)	(2)	(2)	(2)	(2)
Total Equity	2,145	2,389	2,480	2,621	2,795
Total Liabilities & Equity	4,674	5,437	5,997	6,656	7,349
Book Value Per Share (IDR)	959	1,068	1,109	1,172	1,250

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	(39)	60	92	147	195
+ Depreciation & Amortization	263	267	359	397	420
+ Other Non-Cash Adjustments	61	(601)	83	91	97
Cash From Operating Activities	285	(274)	533	636	712
+ Disposal of Fixed Assets	10	2	2	2	2
+ Capital Expenditures	(323)	(335)	(539)	(597)	(631)
Cash From Investing Activities	(313)	(333)	(537)	(595)	(629)
+ Dividends Paid	0	0	(18)	(37)	(59)
+ Change in long Term Borr.	(376)	(313)	(327)	(342)	(358)
+ Other Financing Activities	380	581	338	345	348
Cash From Financing Activities	76	594	(8)	(34)	(69)
Net Changes in Cash	47	(13)	(12)	8	14

Sources: Company, Bloomberg and KB Valbury Sekuritas

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RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings	NM	24.84	14.56	9.04	6.82
EV to EBIT	15.98	37.09	27.01	27.69	24.89
EV to EBITDA	7.21	10.14	7.87	7.96	7.93
Price to Sales	0.24	0.16	0.13	0.12	0.11
Price to Book	0.77	0.63	0.54	0.51	0.48
Dividend Yield	0.0%	0.0%**	1.4%	2.8%	4.4%
Profitability Ratios					
Gross Margin	9.34%	6.11%	8.15%	8.35%	8.55%
EBITDA Margin	6.83%	4.03%	4.96%	4.93%	5.16%
Operating Margin	3.08%	1.10%	1.42%	1.93%	2.36%
Profit Margin	NM	0.66%	0.90%	1.30%	1.63%
Return on Assets	NM	1.11%	1.53%	2.21%	2.66%
Return on Equity	NM	2.53%	3.69%	5.62%	6.98%
Leverage & Coverage Ratios					
Current Ratio	1.20	1.26	1.20	1.17	1.17
Quick Ratio	0.41	0.42	0.39	0.38	0.38
Interest Coverage Ratio (EBIT/I)	1.19	0.63	0.87	0.92	1.07
Tot Debt/Capital	0.54	0.62	0.68	0.71	0.74
Tot Debt/Equity	0.92	1.01	1.14	1.25	1.34
Others					
Asset Turnover	1.50	1.68	1.70	1.70	1.63
Accounts Receivable Turnover	17.45	18.08	17.73	17.36	16.23
Accounts Payable Turnover	20.76	21.36	22.31	22.43	22.05
Inventory Turnover	5.38	5.15	5.05	4.95	4.62

*) based on market price (23/05/2022) at Rp595

**) Estimate

Sources: Company, Bloomberg and KB Valbury Sekuritas

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