

PT Matahari Department Store Tbk (LPPF)

Retail Business

Expecting improved performance to sustain

13 May 2022

Recommendations : BUY

LPPF berhasil membukukan laba bersih Rp145,1 miliar pada 1Q22

Pembalikan performa terlihat namun ancaman inflasi membayangi performa

Rekomendasi "BUY" dengan target harga Rp6.300 per saham

Stock

Price on 12/05/2022 (Rp)	5,350
12M target price (Rp)	6,300
Capital gain potential	18%

Stock Data

Outstanding shares	2,626,148,780
Market cap (Rp)	14,049,895,973,000
Weight vs IHSG (%)	0.22

Shareholders (%)

Multipolar	19.42%
College Retirement Equities Fund	5.95%
Auric Digital Retail Pte Ltd	32.02%
Public	42.61%

Outstanding Shares (unit)	2,626,148,780
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Price Performance

52-week high/low	Rp6,550/Rp1,630
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Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
(10.83)	34.76	31.77	209.25	28.92

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	5,586	7,321	8,431
Operating Income	1,122	1,654	1,915
OPM (%)	20.09%	22.59%	22.72%
EBITDA	2,035	1,896	2,153
EV to EBITDA (x)*	6.03	7.91	6.94
Net Income	913	1,238	1,421
NPM (%)	16.34%	16.91%	16.85%
EPS (Rp)	358	486	557
EPS Growth (%)	(207.7%)	35.6%	14.7%
Price Earnings (x)*	11.10	11.01	9.60
Price to Book (x)*	10.08	7.29	5.95
Price to Sales (x)*	1.81	1.86	1.62
Return on Equity (%)	90.74%	66.20%	61.94%
Return on Assets (%)	15.60%	18.18%	19.50%

*) based on market price (12/05/2022) at Rp5,350

Sources : Company, Bloomberg and KB Valbury Sekuritas

Kembali ke performa positif

LPPF mencatatkan laba bersih Rp145,1 miliar pada 1Q22 dibandingkan dengan rugi bersih Rp95,4 miliar pada 1Q21 (-70,2% QoQ). Hal ini akibat efisiensi dan pertumbuhan net revenue sebesar 10,8% YoY pada 1Q22 menjadi Rp1,29 triliun (-14,3% QoQ). Kemudian, GPM tumbuh dari 59,3% pada 1Q21 menjadi 66,1% pada 1Q22 ditengah penurunan beban pokok 7,6% YoY. Kemudian, margin operasional mencapai 17,9% pada 1Q22 dibandingkan rugi operasional Rp69,7 miliar pada 1Q21 akibat penurunan beban operasional 11,1% karena penurunan beban sewa dan pegawai. Tetapi, LPPF mencatatkan kenaikan beban keuangan 33,5% YoY pada 1Q22. Sementara itu, net gearing LPPF meningkat dari 2,20x pada 2021 menjadi 4,62x pada 1Q22.

Optimisme konsumen dan pelanggaran restriksi membantu performa

Kenaikan performa LPPF diindikasikan oleh pertumbuhan SSSG yang mencapai 18,6% YoY kendati adanya kenaikan kasus Omicron pada Februari 2022. Hal ini akibat restriksi yang cenderung melonggar dengan normalisasi pembukaan mall dan terjaganya optimism konsumen. Kami melihat juga inflasi yang relative terjaga pada 1Q22 juga membantu daya beli. Penjualan pada 1Q22 banyak dikontribusikan oleh penjualan di Jawa yang meningkat 12,02% pada 1Q22. Kontribusi penjualan di Jawa-Bali-NT meningkat dari 57,5% pada 1Q21 menjadi 58,1% pada 1Q22. Di susul oleh penjualan Sumatera dan Kalimantan-Sulawesi-Maluku masing-masing 9,4% YoY dan 10,5% YoY. Dari segi profitabilitas, margin meningkat secara signifikan dengan margin Jawa-Bali-NT mencapai 25,1% pada 1Q22 dibandingkan rugi pada tahun sebelumnya. Kemudian, margin di Kalimantan-Sulawesi-Maluku juga naik menjadi 26,1% pada 1Q22 dibandingkan 7,0% pada 1Q21. Magin Sumatera juga meningkat dari 8,1% pada 1Q21 menjadi 26,1% pada 1Q22.

Berharap pada perbaikan ekonomi

Kami memproyeksi pertumbuhan pendapatan dapat mencapai 31% YoY pada 2022, utamanya terbantu oleh pemulihan ekonomi dan normalisasi kegiatan. Kami menilai performa pada 2Q22 akan cukup kuat ditengah momentum idul fitri dan adanya mudik sehingga konsumsi akan cenderung tinggi. Selain itu, pembukaan gerai baru sepanjang tahun ini yang ditargetkan mencapai 10 gerai, dengan dua diantaranya telah dilakukan pada Maret-April 2022 yakni di Mall Ambarukmo, Yogyakarta dan Taman Anggrek di Jakarta Barat. Adapun, LPPF juga akan terus mendorong penjualan omnichannel. Adapun, kami mencatat tantangan untuk LPPF yakni tekanan inflasi yang kami perkirakan dapat mencapai lebih dari target pemerintah yakni diatas 4% YoY tahun ini, ditengah rencana kenaikan pertalite dan LPG pada 2H22, yang dapat berujung pada kenaikan suku bunga yang dapat memperberat posisi leverage LPPF.

Rekomendasi BUY ditengah ancaman inflasi

Kami merekomendasikan BUY dengan target harga Rp6.300 per saham, yang merepresentasikan valuasi PE 2022E yakni 11,01x. Kami mencatat beberapa faktor yang dapat memperberat performa LPPF tahun ini yakni 1) resiko kenaikan inflasi dari harga energy dan komoditas pangan menurunkan daya beli konsumen 2) resiko leverage LPPF; 3) persaingan penjualan dengan ritel dan e-commerce lain dan 4) potensi kenaikan suku bunga. Namun, kami melihat beberapa factor yang dapat menahan penurunan performa antara lain 1) optimism konsumen yang terjaga ditengah restriksi mobilitas yang terbatas; 2) pembukaan gerai baru dan penggunaan omnichannel; 3) efisiensi yang terus berlanjut dapat mendorong EBITDA.

Analyst(s)

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Alfiansyah

PT Matahari Department Store Tbk (LPPF)

Retail Business

FINANCIAL OVERVIEW

Income Statement (Rp bn)	1Q2021	1Q2022	YoY Change	4Q2021	1Q2022	QoQ Change
Net Sales	1,162	1,287	10.8%	1,501	1,287	(14.3%)
Cost of Revenue	(473)	(437)	(7.6%)	(522)	(437)	(16.3%)
Gross Profit	689	850	23.3%	979	850	(13.2%)
Gross Margin (%)	59.3%	66.1%		65.2%	66.1%	
Operating Expenses	(759)	(620)	(18.4%)	(426)	(620)	45.4%
Operating Profit	(70)	231	(431.2%)	533	231	(58.3%)
Operating Margin (%)	(6.0%)	17.9%		42.2%	17.9%	
Non-Operating Income (Losses)	(35)	(48)	(38.8%)	5	(48)	(1017.6%)
Pretax Income	(104)	183	(274.8%)	558	183	(67.3%)
Income Tax (Expense)/ Benefit	9	(38)	(512.1%)	(72)	(38)	(47.6%)
Profit for This Year	(95)	145	(252.1%)	487	145	(70.2%)
Net Profit (Losses)	(95)	145	(252.1%)	487	145	(70.2%)
Profit Margin (%)	(8.2%)	11.3%		32.4%	11.3%	

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	4,839	5,586	7,321	8,431	11,557
Revenue growth yoy	(52.9%)	15.4%	31.1%	15.2%	37.1%
- Cost of Goods Sold	(2,009)	(2,007)	(2,591)	(2,966)	(4,043)
Gross Income	2,830	3,579	4,731	5,464	7,514
- Operating Expenses	(3,700)	(2,457)	(3,077)	(3,549)	(5,290)
Operating Income	(870)	1,122	1,654	1,915	2,224
Op income growth yoy	(148.5%)	229.0%	47.4%	15.8%	16.1%
- Non Operating Gains (Losses)	(64)	(19)	(67)	(83)	(169)
EBITDA	90	2,035	1,896	2,153	2,496
Pretax Income	(934)	1,103	1,587	1,832	2,055
- Income Tax Expense	(61)	190	348	412	474
Profit for This Year	(873)	913	1,238	1,421	1,580
Net Income	(873)	913	1,238	1,421	1,580
Net income growth yoy	(163.9%)	(204.5%)	35.6%	14.7%	11.2%
EPS (IDR)	(332)	358	486	557	620
Dividends Per Share (IDR)	0	100	146	390	434

Sources: Company, Bloomberg and KB Valbury Sekuritas

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Retail Business

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	1,610	1,513	2,613	2,909	3,810
+ Cash & Near Cash Items	524	661	1,483	1,537	1,938
+ Accounts & Notes Receivable	61	26	34	42	57
+ Inventories	889	747	991	1,202	1,641
+ Other Current Assets	136	80	105	128	175
Total Long-Term Assets	4,709	4,338	4,197	4,375	4,236
+ Property, Plant & Equip, Net	3,534	3,250	3,079	3,196	2,989
Property, Plant & Equip	6,532	6,896	7,117	7,715	8,042
Accumulated Depreciation	2,998	3,646	4,038	4,519	5,053
+ Long Term Investments	192	192	192	192	192
+ Other Long Term Assets	983	897	926	987	1,055
Total Assets	6,319	5,851	6,810	7,283	8,046
Total Current Liabilities	2,856	2,070	2,130	2,160	2,325
+ Payables & Accruals	1,053	1,308	1,306	1,279	1,240
+ Short Term Borrowings	1,456	436	454	452	594
+ Other Short Term Liabilities	347	327	370	429	491
Total Long Term Liabilities	2,882	2,775	2,810	2,830	2,957
+ Long Term Borrowings	2,405	2,365	2,395	2,387	2,490
+ Other Long Term Borrowings	477	410	415	443	467
Total Liabilities	5,738	4,845	4,940	4,990	5,281
+ Share Capital & APIC	(3,327)	(3,327)	(3,327)	(3,327)	(3,327)
- Treasury Stock	0	200	200	200	200
+ Retained Earnings & Other Eq.	3,858	4,566	5,433	5,859	6,333
+ Other Equity	51	(33)	(35)	(38)	(41)
Total Equity	581	1,006	1,870	2,293	2,764
Total Liabilities & Equity	6,319	5,851	6,810	7,283	8,046
Book Value Per Share (IDR)	221	395	734	900	1,085

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	(873)	913	1,238	1,421	1,580
+ Depreciation & Amortization	960	913	592	681	934
+ Other Non-Cash Adjustments	(102)	563	365	420	576
Cash From Operating Activities	(15)	2,389	2,194	2,522	3,090
+ Disposal of Fixed Assets	66	2	2	2	2
+ Capital Expenditures	(111)	(128)	(283)	(326)	(447)
+ Other Investing Activities	(550)	(61)	(30)	(61)	(68)
Cash From Investing Activities	(595)	(187)	(310)	(384)	(512)
+ Dividends Paid	0	(255)	(771)	(1,494)	(1,606)
+ Change in long Term Borr.	298	(1,609)	(291)	(589)	(570)
+ Change in capital stock	337	200	0	0	0
Cash From Financing Activities	(39)	(2,064)	(1,063)	(2,084)	(2,177)
Net Changes in Cash	(649)	137	821	54	401

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	11.10	11.01	9.60	8.63
EV to EBIT	NM	10.94	11.50	10.15	9.46
EV to EBITDA	71.76	6.03	7.91	6.94	5.92
Price to Sales	0.65	1.81	1.86	1.62	1.18
Price to Book	5.39	10.08	7.29	5.95	4.93
Dividend Yield	0.0%	2.5%	2.7%	7.3%	8.1%
Profitability Ratios					
Gross Margin	58.49%	64.08%	64.61%	64.81%	65.01%
EBITDA Margin	1.86%	36.44%	25.90%	25.54%	21.60%
Operating Margin	-17.98%	20.09%	22.59%	22.72%	19.24%
Profit Margin	-18.04%	16.34%	16.91%	16.85%	13.67%
Return on Assets	-13.82%	15.60%	18.18%	19.50%	19.64%
Return on Equity	-150.26%	90.74%	66.20%	61.94%	57.16%
Leverage & Coverage Ratios					
Current Ratio	0.56	0.73	1.23	1.35	1.64
Quick Ratio	0.25	0.37	0.76	0.79	0.93
Interest Coverage Ratio (EBIT/I)	NM	56.96	63.32	68.34	69.35
Tot Debt/Capital	0.55	0.22	0.17	0.17	0.18
Tot Debt/Equity	6.64	2.78	1.52	1.24	1.12
Others					
Asset Turnover	0.77	0.95	1.08	1.16	1.44
Accounts Receivable Turnover	79.78	216.38	213.73	202.84	203.74
Accounts Payable Turnover	4.59	4.27	5.61	6.59	9.32
Inventory Turnover	5.44	7.48	7.39	7.01	7.04

*) based on market price (12/05/2022) at Rp5,350

Sources: Company, Bloomberg and KB Valbury Sekuritas

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