

Buy

Price (Nov 29 th , 24)	414
Target Price	513
Potential Upside	24.00%
Market Cap	13.84 T
Number of Share	33.44 B
52w Lo/Hi	344 / 494

Source : IDX | Phintraco Sekuritas Research
| as of Nov 29th, 2024

IHSG vs MIDI



Source : IDX

Shareholder	%
PT Sumber Alfaria Trijaya Tbk	77.09
Rullyanto	0.42
Maria Theresia Velina Yulianti	0.23
Endang Mawarti	0.02
Public (<5%)	22.24

Source : Company | as of fin. statement 9M24

EPS Consensus vs Forecast			
	AT	Consensus*	%Diff
2024F	19.24	19.01	+1.22%
2025F	23.58	21.76	+8.38%

Source : *marketscreener | as of Nov 29th, 2024

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PT Midi Utama Indonesia Tbk

(MIDI.JK / MIDI.IJ)

Launching JA-DI to Increase Profitability

MIDI recorded revenue of Rp14.69 trillion in 9M24, growing 13.64% YoY (vs. Rp12.92 trillion in 9M23). The revenue growth was driven by revenue in all segments, which grew by double digits in 9M24. Revenue in Food segment grew 12.8% YoY to Rp8.85 trillion (vs. Rp7.85 trillion in 9M23), Fresh Food segment grew 16% YoY to Rp2.08 trillion (vs. Rp1.79 trillion in 9M23), and Non-Food segment grew 14.32% YoY to Rp3.74 trillion (vs. Rp3.27 trillion in 9M23). We assess that MIDI revenue can potentially grow in 4Q24 as the Christmas and New Year 2025 celebrations will potentially increase demand.

Non-operating performance improved in 9M24. MIDI's non-operating expenses decreased by 57% YoY to Rp36 billion in 9M24 (vs. Rp83 billion in 9M23). The decline was aligned with MIDI's Interest Expenses, which decreased by 55.7% YoY to Rp39 billion in 9M24 (vs. Rp88 billion in 9M23) due to the repayment of MIDI's short-term bank debt in 9M24. We assess that this condition can potentially improve MIDI's financial performance, especially in maximizing profitability in the future.

Expansion continues in 9M24. From January to September 2024, MIDI added 123 Alfamidi stores and 9 Alfamidi Super stores, indicating that MIDI continues to expand to increase revenue. At the same time, 3 Midi Fresh outlets were closed during 9M24, so the remaining outlets are only 5 outlets. In addition, MIDI also evaluated Lawson stores by closing 79 Lawson stores that had negative EBITDA or cash flow during 9M24 to reduce further losses. In the future, MIDI plans to close all Lawson outlets with a store-in-store format as it is considered less profitable and will focus on Lawson with a stand-alone format.

MIDI innovated by launching a pilot project called JA-DI (Jajan di Alfamidi) in August 2024. The innovation was carried out to satisfy customer demand and needs in the fresh food category. During 9M24, MIDI has opened 18 JA-DI booths focusing on fruit and vegetable juices, ice cream (scoop or cone), and added with several Ready-To-Drink (RTD) products and local snacks as complements. MIDI targets to open 50 JA-DI booths by the end of 2024. We believe that this innovation can potentially increase MIDI's sales and profitability in the future.

Using the Discounted Cash Flow method with a Required Return of 8.63% and Terminal Growth of 7.80%, we estimate MIDI's fair value at IDR513 per share (Expected PE at 24.94x and EV/EBITDA at 9.24x in FY24). We give MIDI a Buy rating with a potential upside of 24.00%.

Table 1. Financial Results in 9M24

		(in Billion Rupiah)				
INCOME STATEMENT	1Q24	2Q24	QoQ (%)	6M23	6M24	YoY (%)
Revenue	4,991	4,902	-1.78%	12,924	14,686	13.64%
Cost of Goods Sold	(3,663)	(3,591)	-1.96%	(9,559)	(10,780)	12.77%
Gross Profit	1,328	1,311	-1.28%	3,365	3,907	16.11%
EBITDA	449	424	-5.49%	1,174	1,309	11.47%
EBIT	216	184	-14.82%	572	609	6.38%
Profit Before Tax	205	171	-16.29%	489	573	17.16%
Net Profit	154	121	-21.68%	390	424	8.66%
Margin (%)						
Gross Profit Margin (%)	26.61%	26.74%		26.04%	26.60%	
Operating Profit Margin (%)	4.33%	3.75%		4.43%	4.15%	
Net Profit Margin (%)	3.09%	2.46%		3.02%	2.89%	

Source : Company | Phintraco Sekuritas Research

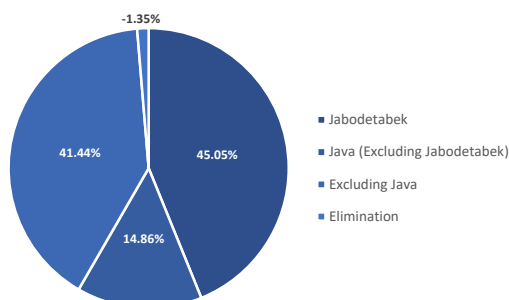
Table 2. Revenue by Segment

		(in Billion Rupiah)				
Revenue by Segment	2Q24	3Q24	QoQ (%)	9M23	9M24	YoY (%)
Food	3,014	2,861	-5.06%	7,854	8,859	12.80%
Fresh Food	699	741	5.99%	1,798	2,087	16.06%
Non-Food	1,278	1,300	1.73%	3,273	3,741	14.32%

Source : Company | Phintraco Sekuritas Research

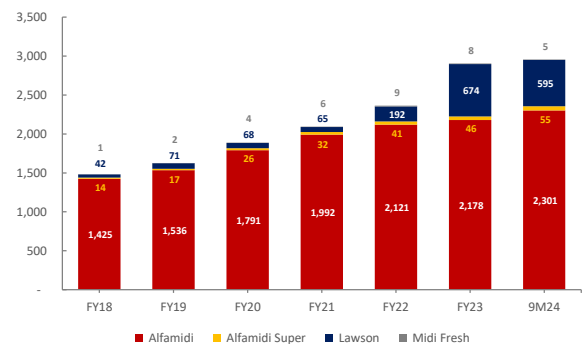
Performance Highlight

Figure 1. Revenue by Location (9M24)



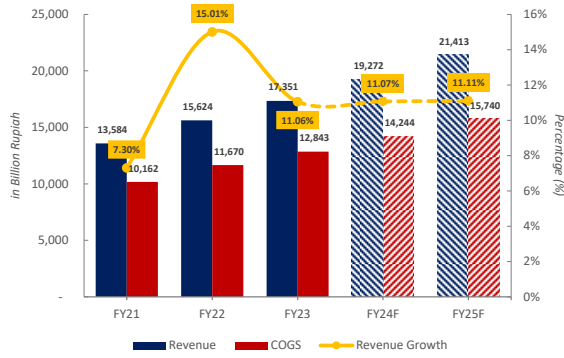
Source : Company | Phintraco Sekuritas Research

Figure 2. Number of Stores (FY18-9M24)



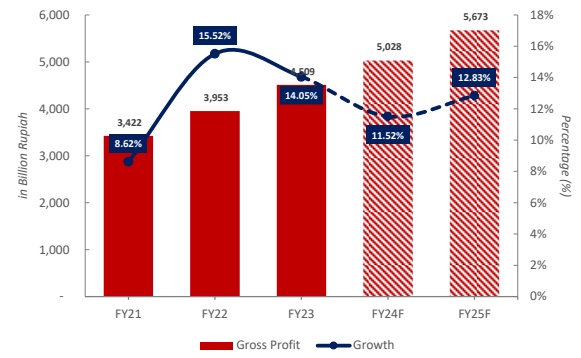
Source : Company | Phintraco Sekuritas Research

Figure 3. Revenue & COGS



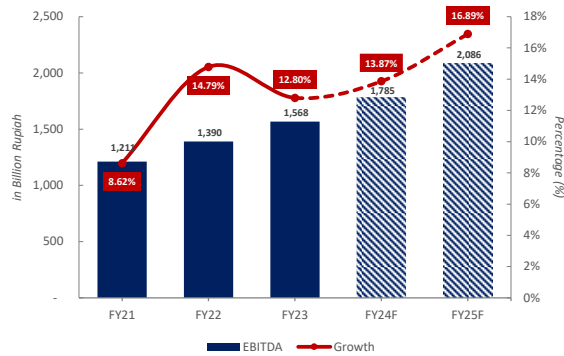
Source : Company | Phintraco Sekuritas Research

Figure 4. Gross Profit & Growth



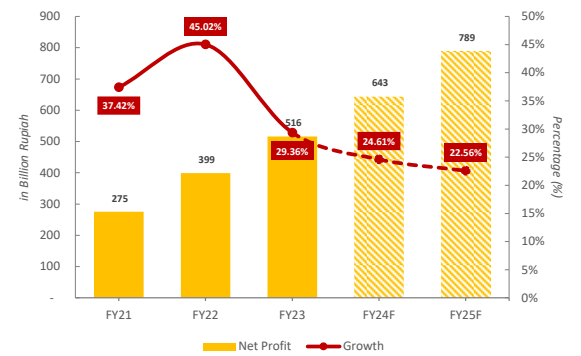
Source : Company | Phintraco Sekuritas Research

Figure 5. EBITDA & Growth



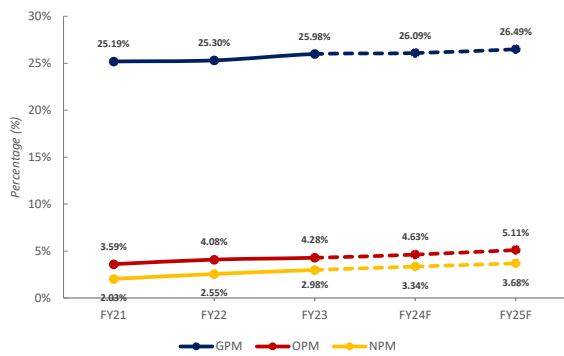
Source : Company | Phintraco Sekuritas Research

Figure 6. Net Profit & Growth



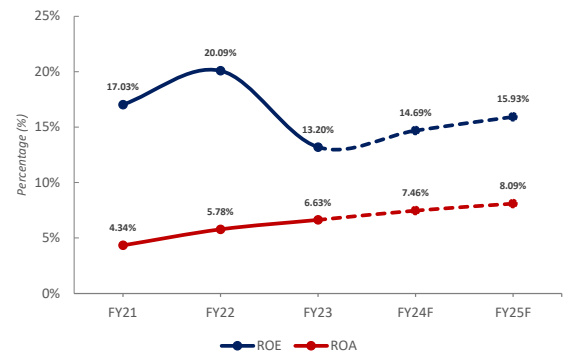
Source : Company | Phintraco Sekuritas Research

Figure 7. Profitability Margin



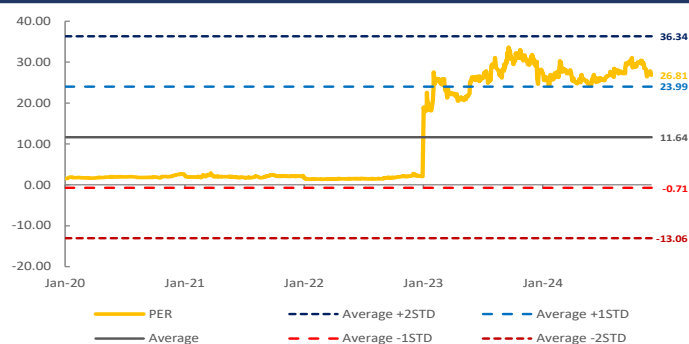
Source : Company | Phintraco Sekuritas Research

Figure 8. ROE & ROA



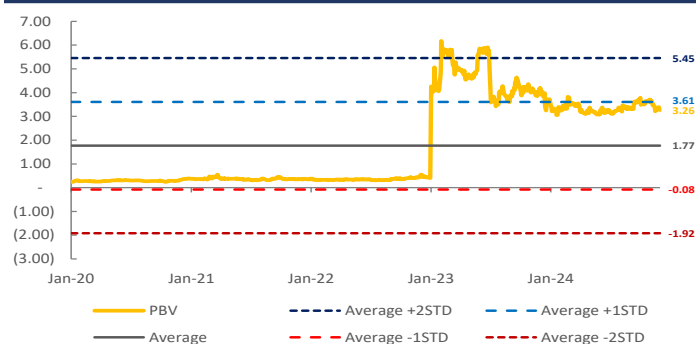
Source : Company | Phintraco Sekuritas Research

MIDI PER Band (5 Years)



Source : IDX | Company | Phintraco Sekuritas Research

MIDI PBV Band (5 Years)



Source : IDX | Company | Phintraco Sekuritas Research

Key Financial Figures

		(in Billion Rupiah)					
INCOME STATEMENT		FY21	FY22	FY23	9M24	FY24F	FY25F
Revenue		13,584	15,624	17,351	14,686	19,272	21,413
	<i>Growth</i>	7.30%	15.01%	11.06%	0.00%	11.07%	11.11%
Cos of Goods Sold		(10,162)	(11,670)	(12,843)	(10,780)	(14,244)	(15,740)
Gross Profit		3,422	3,953	4,509	3,907	5,028	5,673
	<i>GPM</i>	25.19%	25.30%	25.98%	26.60%	26.09%	26.49%
EBITDA		1,211	1,390	1,568	1,309	1,785	2,086
	<i>EBITDA Margin</i>	8.91%	8.89%	9.03%	8.91%	9.26%	9.74%
EBIT		488	638	743	609	892	1,095
	<i>EBIT Margin</i>	3.59%	4.08%	4.28%	4.15%	4.63%	5.11%
Other Income/Charge:							
Interest Income		2	4	5	3	5	6
Interest Expense		(156)	(135)	(101)	(39)	(87)	(107)
Net Interest Income (Expenses)		(155)	(131)	(96)	(36)	(82)	(102)
Non Operating Income (Expenses)		-	-	-	-	-	-
Profit Before Tax		333	506	646	573	810	993
	<i>EBT Margin</i>	2.45%	3.24%	3.73%	3.90%	4.20%	4.64%
Net Profit After Tax		275	399	516	424	643	789
	<i>NPM</i>	2.03%	2.55%	2.98%	2.89%	3.34%	3.68%

Source : Company | Phintraco Sekuritas Research

		(in Billion Rupiah)					
BALANCE SHEET		FY21	FY22	FY23	9M24	FY24F	FY25F
Asset							
Cash		243	417	327	308	409	454
Accounts Receivable		413	369	406	512	446	501
Inventories		1,811	2,008	2,330	2,381	2,525	2,784
Total Current Assets		2,536	2,874	3,186	3,324	3,526	3,899
Fixed Assets		3,567	3,779	4,299	4,644	4,760	5,475
Long-term Investments		-	-	-	-	-	-
Other Assets		241	252	301	408	336	371
Total Non Current Assets		3,808	4,031	4,600	5,052	5,096	5,846
Total Asset		6,344	6,905	7,786	8,376	8,622	9,746
Liabilities							
Short-term Debt		779	446	63	-	-	-
Accounts Payable		1,534	1,706	2,050	1,959	2,207	2,443
Accured Payroll		115	163	183	210	201	223
Total Current Liabilities		3,692	3,767	3,363	3,581	3,648	4,103
Long-term Debt		881	1,049	398	423	469	553
Provision for Risks & Charges		154	102	113	131	125	138
Total Non Current Liabilities		1,036	1,152	511	554	594	692
Total Liabilities		4,728	4,918	3,874	4,135	4,242	4,795
Equity		1,616	1,987	3,912	4,241	4,380	4,951

Source : Company | Phintraco Sekuritas Research

		(in Billion Rupiah)					
CASH FLOW		FY21	FY22	FY23	9M24	FY24F	FY25F
Cash Flow from Operating							
Net Income		275	399	517	467	644	789
Depreciation & Amortization		662	1,369	738	636	892	992
Working Capital		(154)	68	5	(222)	(61)	(56)
Others		159	(242)	(347)	193	10	79
Net-CFFO		942	1,594	913	1,074	1,486	1,804
Cash Flow from Investing							
CAPEX		(715)	(1,581)	(1,258)	(981)	(1,354)	(1,706)
Others		(37)	(11)	(49)	(107)	(35)	(35)
Net-CFFI		(752)	(1,592)	(1,307)	(1,088)	(1,388)	(1,742)
Cash Flow from Financing							
Chg. in Long-term liabilities		(127)	252	(1,115)	115	149	189
Chg. in other non-current liabilities		(1)	(52)	10	18	12	13
Equity		(58)	(29)	1,409	(138)	(176)	(218)
Net-CFFF		(185)	171	304	(5)	(15)	(17)
Net Cash Flow		5	173	(90)	(18)	82	45

Source : Company | Phintraco Sekuritas Research

		(in Billion Rupiah)					
RATIOS		FY21	FY22	FY23	9M24	FY24F	FY25F
Profitability Ratio (%)							
	<i>GPM</i>	25.19%	25.30%	25.98%	26.60%	26.09%	26.49%
	<i>OPM</i>	3.59%	4.08%	4.28%	4.15%	4.63%	5.11%
	<i>NPM</i>	2.03%	2.55%	2.98%	2.89%	3.34%	3.68%
	<i>ROA</i>	4.34%	5.78%	6.63%	5.06%	7.46%	8.09%
	<i>ROE</i>	17.03%	20.09%	13.20%	10.00%	14.69%	15.93%
Activity Ratio (X)							
	<i>Inventory Turnover</i>	5.61	5.81	5.51	4.53	5.64	5.65
	<i>Receivables Turnover</i>	32.87	42.40	42.75	28.67	43.18	42.77
	<i>Payables Turnover</i>	6.62	6.84	6.26	5.50	6.45	6.44
	<i>Days of Inventory</i>	65.06	62.79	66.22	80.63	64.69	64.57
	<i>Days of Receivables</i>	11.11	8.61	8.54	12.73	8.45	8.53
	<i>Days of Payables</i>	55.11	53.35	58.27	66.32	56.55	56.64
	<i>Cash Operating Cycle</i>	21.06	18.05	16.49	27.05	16.60	16.46
Leverage Ratio (%)							
	<i>Debt to Asset Ratio</i>	35.84%	31.75%	8.92%	8.92%	9.86%	10.73%
	<i>Debt to Equity Ratio</i>	140.68%	110.36%	17.75%	17.61%	19.41%	21.13%
	<i>Liabilities to Asset Ratio</i>	74.52%	71.23%	49.75%	49.37%	49.20%	49.20%
	<i>Liabilities to Equity Ratio</i>	292.50%	247.56%	99.01%	97.50%	96.86%	96.86%
	<i>Interest Rate</i>	6.88%	6.18%	14.57%	5.19%	10.27%	10.27%
Liquidity Ratio (X)							
	<i>Current Ratio</i>	0.82	0.94	1.02	1.02	1.06	1.06
	<i>Quick Ratio</i>	0.24	0.28	0.27	0.29	0.30	0.30
	<i>Cash Ratio</i>	0.08	0.14	0.10	0.09	0.12	0.12
Price Ratio							
	<i>Share Price (IDR)</i>	2,210	2,970	430	480	480	480
	<i>Outstanding Shares (in Billion)</i>	2.88	28.82	33.44	33.44	33.44	33.44
	<i>EPS (IDR) (annualized)</i>	95	14	15	13	19	24
	<i>BVPS (IDR)</i>	561	69	117	127	131	148
	<i>Sales Per Share (IDR)</i>	4,713	542	519	439	576	640
	<i>PER (X)</i>	23.15	214.49	27.85	37.85	24.94	20.35
	<i>PBV (X)</i>	3.94	43.09	3.67	3.78	3.66	3.24
	<i>PSR (X)</i>	0.47	5.48	0.83	1.09	0.83	0.75
	<i>EV/EBITDA (annualized)</i>	6.94	62.88	9.41	12.60	9.24	7.98
Dividends							
	<i>DPS</i>	29	4	5	-	6	7
	<i>DPR</i>	30.00%	30.04%	30.11%	-	30.06%	30.08%
	<i>Div. Yield</i>	1.30%	0.14%	1.08%	-	1.20%	1.48%

Source : Company | Phintraco Sekuritas Research

Glossarium

BVPS	: <i>Book Value per Share</i>
CFFF	: <i>Cash Flow from Financing</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFO	: <i>Cash Flow from Operating</i>
DPR	: <i>Dividend Payout Ratio</i>
DPS	: <i>Dividend per Share</i>
EBIT	: <i>Earning Before Interest & Tax</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBT	: <i>Earning Before Tax</i>
EPS	: <i>Earning per Share</i>
EV	: <i>Enterprise Value</i>
NPM	: <i>Net Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
OPM	: <i>Operating Profit Margin</i>
PBV	: <i>Price to Book Value</i>
PER	: <i>Price to Earning Ratio</i>
PSR	: <i>Price to Sales Ratio</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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