

## ANALISA SAHAM INDONESIA

AUGUST 10, 2020

- \* THE JCI TRADING RANGE: 5,075PT - 5,200PT (YESTERDAY CLOSE: 5,144PT)
- \* WALL STREET CLOSED MIXED WITH THE NASDAQ LOST OF TECH'S SHARES FALL
- \* THE JCI IS EXPECTED TO FLUCTUATE AND SUPPORTED BY STABLE USDIDR CLOSE

Morning,

The Jakarta Composite Index (JCI) today (10/8) is expected to fluctuate and be in the range of 5,075pt – 5,200pt by support of stable USDIDR. Meanwhile, Friday last week (7/8) in Wall Street the DJIA ended higher by 47 points or 0.2% at 27,434pt, while the S&P500 and the Nasdaq gained and lost by 0.1% and 0.9%, respectively.

### Indonesia Consumer Sector

#### Mitra Adiperkasa susceptible to activities recovery

- \* **Maintain our BUY call at a 12-M Target Price of IDR900 per share**
- \* **Registered operating loss during the 1H20**
- \* **Cost-cut and intensify on-line platform to thread current pandemic climate**

We maintain our BUY call of Mitra Adiperkasa (MAPI) by assumption of recovery to start in 2021. For this year, total net sales is estimated at IDR10.9tr with operating loss at IDR800bn. With business growth rates of 5% for the next 10 (ten) years being plugged-in to our DCF model with slightly lower profitability rates, we came up with equity value of IDR910 per share (WACC: 10.1%, LTG:2%).

Mitra Adiperkasa (MAPI) reported 1H20 sales at IDR6.8tr as compared to IDR10.0tr in 1H19, with 2Q20 total net sales amounted to IDR2.1tr as compared to IDR5.3tr. During the 2Q20 MAPI

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incurred operating loss at IDR492bn vs. operating profit of IDR239.2bn. MAPI, being a retail giant, clearly affected by the limited-down of the country in the 2Q20.

MAPI's retail businesses cover the basic- necessity and basic-entertainment of Indonesia aspiring middle class with its popular clothes brand and cafes (please see our Report dated November 27, 2019). Over the last decade, the company has been successful to have improved business platform as well as process. End of June's net gearing was at 17.9% vs. 1.1% end of last year.

2Q20 total net sales of MAPI contributed to around 6% of total Non car and non motorcycles sales and services in the economy (1Q20: 12%). This, among other, has made the company as one of the biggest sector movers, and will soonest benefit from full scale activities recovery.

At the other end, yesterday the WTI price closed lower by 1.6% to USD41.3/barrel on demand worries. Meanwhile the USDIDR closed at IDR14.647 vs. IDR14.587 the previous one.

We advise the following recommendation , for both trading and longer-time investment purpose. **AALI, LSIP (sector of Agri, allocation suggestion Underweight ), UNTR, ITMG, ADRO, PTBA (sector of Coal Mining, allocation suggestion Market-weight), GGRM, UNVR, ICBP (sector of Consumer, allocation suggestion Overweight ), ASII (sector of Automative, allocation suggestion Market-weight), and ACES, SCMA, MAPI (sector of Trade, allocation suggestion Overweight),and TKIM (sector of Basic Industry, allocation suggestion Market-weight).**

Cheers,

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