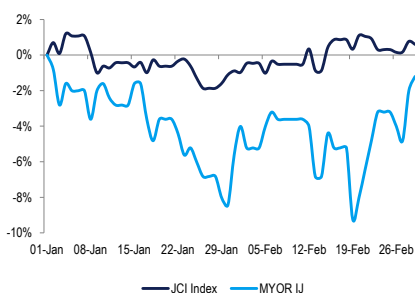


Stock Data

Target price	Rp3,650
Prior TP	Rp3,650
Current price	Rp2,460
Upside/downside	48%
Shares outstanding (mn)	22,359
Market cap (Rp bn)	55,002
Free float	16%
Avg. 6m daily T/O (Rp bn)	15

Price Performance

	3M	6M	12M
Absolute	-1.6%	-6.8%	-6.1%
Relative to JCI	-5.6%	-11.8%	-13.0%
52w low/high (Rp)	2,260-2,850		



Major Shareholders

PT Unita Branindo	32.9%
PT Mayora Dhana Utama	26.1%
Jogi Hendra Atmadja	25.2%

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4Q23 results: earnings beat from improving margin and lower opex

- MYOR's FY23 net profit of Rp3.2tr (+64.4% yoy) came above our/consensus estimate at 113/112% despite in-line sales.
- 4Q23 revenue growth of +1.8% yoy trend remained soft vs. 9M23's sales growth of +3.0% yoy as 4Q23 domestic sales declined by -2.2% yoy.
- Reiterate our BUY call with unchanged TP of Rp3,650

FY23 results was a beat

MYOR printed FY23 net profit of Rp3.2tr (+64.4% yoy) driven by GPM expansion (+440bps yoy), as domestic wheat price continued to decline (-14 to -16% yoy in FY23). Additionally, opex to sales ratio declined by 132bps yoy to 13.0% from 14.4% in FY22 as A&P spend declined to 8.1% (vs. FY22's 8.6%). This leads operating margin to expand to 13.7% in FY23 from 7.9% in FY22. Finance expense also declined by -22.3% yoy as outstanding bank loan dropped from Dec22's Rp2.5tr to Rp1.8tr in Dec23. In sum, this was a beat against their FY23 earnings guidance of Rp2.7-2.9tr despite in-line top-line i.e. at lower end of their sales guidance (FY23: 3-5% yoy growth).

Soft revenue growth trend in 4Q23 dragged by weak domestic sales

4Q23 registered only +1.8% yoy revenue growth, as domestic sales declined -2.2% yoy while export sales grew 7.0% yoy which reflects the weakness in domestic buying power. On the other hand, export was mainly boosted by Malaysia, Thailand and Philippines as China and Vietnam remained soft. GPM remained stable in 4Q23 at 26.7%, while A&P declined sharply to 4.6% of sales (-351bps yoy). Freight costs remained quite stable at 1.5% of sales despite disruption in shipping lines through the Suez Canal, as we note that c.80% of MYOR's export is to Southeast Asia and China – hence MYOR is largely unaffected. We view that opex/sales ratio of 9.2% in 4Q23 is unusually low and expects normalization going forward (3Y average at 15.3% of sales). Overall 4Q23's net profit jumped 36.2% yoy as net profit margin expanded to 13.6% from 4Q22's 10.2%.

Maintain BUY with unchanged TP of Rp3,650

Thus far, market did not seem to fully appreciate MYOR's stellar net profit delivery (MYOR share price 3M/6M at -1.6/-6.8%) as revenue growth remained sluggish. Nonetheless, we note that FY24F domestic buying power may be aided by election spending in 1Q24 although rice price hike remains a risk. Previously, MYOR aimed for double digit top line growth whilst maintaining margin in FY24F. We await further details from their earnings call next week. For now, we maintain our BUY call for MYOR as with unchanged TP of Rp3,650 is based on FY24F PE multiple of 25.0x (-0.5 s.d. from its 5yr mean).

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	30,669	31,485	35,160	38,708	42,222
EBITDA	3,281	5,130	5,547	6,254	6,716
Net profit	1,942	3,194	3,254	3,764	4,085
EPS (Rp)	87	143	146	168	183
EPS growth	63.7%	64.4	1.8%	15.7%	8.5%
ROE	13.5%	23.0%	21.0%	21.9%	21.5%
PER (x)	28.3	17.2	16.9	14.6	13.5
Dividend yield	0.9%	0.9%	3.1%	3.6%	4.1%
Forecast change			0%	0%	0%
IPS vs. consensus			106%	108%	122%

Source: Company, Indo Premier

Share price closing as of: 29 February 2024

Fig. 1: MYOR 4Q23 Result

(Rp bn)	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY	IPS FY23F	% IPS	Cons. FY23F	% Cons	Comment
Net sales	8,591	8,440	1.8%	8,075	6.4%	31,485	30,669	2.7%	31,938	99%	31,971	98%	In-line
COGS	(6,296)	(6,347)	-0.8%	(5,905)	6.6%	(23,077)	(23,830)	-3.2%					
Gross profit	2,296	2,093	9.7%	2,170	5.8%	8,408	6,839	22.9%					
Operating expenses	(791)	(1,125)	-29.7%	(1,114)	-29.0%	(4,108)	(4,406)	-6.8%					
EBIT	1,505	967	55.6%	1,056	42.5%	4,299	2,433	76.7%	3,894	110%	3,946	109%	Above
Net interest income/(expense)	(40)	(100)	-60.4%	(53)	-24.6%	(218)	(358)	-39.2%					
Others	55	237	-76.9%	44	24.8%	12	431	N/A					
PBT	1,520	1,104	37.7%	1,047	45.1%	4,094	2,506	63.4%					
Tax	(335)	(240)	39.7%	(228)	46.9%	(849)	(536)	58.4%					
Minorities	17	7	152.3%	12	45.5%	51	28	83.4%					
Net profit	1,168	858	36.2%	807	44.6%	3,194	1,942	64.4%	2,835	113%	2,853	112%	Above
Margin (%)													
Gross margin	26.7%	24.8%		26.9%		26.7%	22.3%						
EBIT margin	17.5%	11.5%		13.1%		13.7%	7.9%						
Net margin	13.6%	10.2%		10.0%		10.1%	6.3%						
Opex to sales	-9.2%	-13.3%		-13.8%		-13.0%	-14.4%						
Sales breakdown													
Domestic	4,705	4,812	-2.2%	4,563	3.1%	17,780	17,802	-0.1%					
Export	3,889	3,633	7.0%	3,513	10.7%	13,713	12,894	6.4%					
Segment information													
Revenue													
Food processing	5,368	5,320	0.9%	4,981	7.8%	18,966	18,578	2.1%					
Beverage processing	3,223	3,119	3.3%	3,093	4.2%	12,519	12,092	3.5%					
Gross profit													
Food processing	1,440	1,314	9.6%	1,253	14.9%	4,708	3,600	30.7%					
Beverage processing	855	778	9.9%	917	-6.7%	3,700	3,239	14.3%					
GPM													
Food processing	26.8%	24.7%		25.2%		24.8%	19.4%						
Beverage processing	26.5%	25.0%		29.6%		29.6%	26.8%						

Source: Company, Indo Premier

Fig. 2: MYOR is traded at 16.1x fwd. 12M PE (-1.5 s.d. of its 5Y mean)



Source: Company, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	30,669	31,485	35,160	38,708	42,222
Cost of sales	(23,830)	(23,077)	(25,805)	(28,265)	(30,839)
Gross profit	6,839	8,408	9,355	10,443	11,384
SG&A Expenses	(4,406)	(4,108)	(4,895)	(5,334)	(5,877)
Operating profit	2,433	4,299	4,460	5,109	5,507
Net interest	(358)	(218)	(228)	(213)	(193)
Forex gain (loss)	360	(147)	0	0	0
Others	71	159	0	0	0
Pre-tax income	2,146	4,241	4,232	4,896	5,313
Income tax	(536)	(849)	(931)	(1,077)	(1,169)
Net income	1,942	3,194	3,254	3,764	4,085
Core profit	1,603	3,184	3,254	3,764	4,085

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	3,262	4,157	3,095	4,081	4,889
Receivable	6,605	6,197	7,666	8,353	8,973
Inventory	3,870	3,557	4,031	4,283	4,603
Other current assets	1,035	828	1,035	1,035	1,035
Total current assets	14,773	14,739	15,827	17,753	19,501
Fixed assets	6,645	8,160	8,016	7,839	7,686
Other non-current assets	859	972	859	859	859
Total non-current assets	7,504	9,131	8,875	8,698	8,545
Total assets	22,276	23,870	24,703	26,451	28,046
ST loans	1,029	85	1,529	1,529	1,529
Payable	1,659	1,895	2,081	2,262	2,441
Other payables	1,601	644	245	411	55
Current portion of LT loans	1,349	1,389	1,349	1,349	1,349
Total current liab.	5,637	4,013	5,204	5,551	5,373
Long term loans	2,811	3,533	2,051	1,640	1,586
Other LT liab.	994	1,042	994	994	994
Total liabilities	9,441	8,588	8,248	8,185	7,953
Equity	441	434	441	441	441
Retained earnings	12,187	14,605	15,807	17,618	19,445
Minority interest	206	243	206	206	206
Total SHE + minority int.	12,835	15,282	16,454	18,266	20,093
Total liabilities & equity	22,276	23,870	24,703	26,451	28,046

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net income	2,433	4,299	4,460	5,109	5,507
Depr. & amortization	848	831	1,087	1,145	1,209
Changes in working capital	(1,649)	958	(869)	(758)	(762)
Others	146	(878)	(1,206)	(1,345)	(1,421)
Cash flow from operating	1,778	5,210	3,472	4,151	4,533
Capital expenditure	(1,120)	(2,350)	(879)	(968)	(1,056)
Others	(267)	(89)	0	0	0
Cash flow from investing	(1,388)	(2,439)	(879)	(968)	(1,056)
Loans	477	(1,178)	(1,524)	(245)	(410)
Equity	(176)	77	0	0	0
Dividends	(439)	(776)	(1,701)	(1,953)	(2,259)
Others	0	0	0	0	0
Cash flow from financing	(138)	(1,876)	(3,225)	(2,198)	(2,669)
Changes in cash	253	895	(632)	986	808

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	22.3%	26.7%	26.6%	27.0%	27.0%
Operating margin	7.9%	13.7%	12.7%	13.2%	13.0%
Pre-tax margin	8.2%	13.0%	12.0%	12.6%	12.6%
Net margin	6.3%	10.1%	9.3%	9.7%	9.7%
ROA	9.2%	13.8%	13.2%	14.7%	15.0%
ROE	13.5%	23.0%	21.0%	21.9%	21.5%
Acct. receivables TO (days)	74.5	37.1	79.6	78.8	77.6
Inventory TO (days)	52.9	29.4	57.0	55.3	54.5
Payable TO (days)	26.3	14.0	29.4	29.2	28.9
Debt to equity	43.1%	28.3%	23.5%	19.8%	15.9%
Interest coverage ratio (x)	-6.3	-14.2	-14.5	-19.6	-23.6
Net gearing	17.2%	0.7%	4.5%	-2.8%	-8.6%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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