



Current Price, 05 September 2018

Rp. 6,725

Fair Value

Rp.8.100

Potential Upside

24%

BUY

Stock Information

Ticker Code LPPF
Market Cap (Rp) 19.7T
52-Week High (Rp) 11,975
52-Week Low (Rp) 5,525
Shares Issued (Bio) 2.92

Major Shareholders (%)

PT Multipolar Tbk 17.48%
Public (>5%) 82.52%

Price Performance (2017-2018)



Source : Bloomberg

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Update 1H18 : PT Matahari Department Store Tbk (LPPF IJ), (LPPF JK)

LPPF kerjasama dengan Manhattan Associates dalam pendistribusian versi terbaru Warehouse Management System (WMS) Manhattan Associates ke lima distribution centre(DC) di seluruh Indonesia. LPPF optimis kemitraan ini akan membawa perubahan positif bagi industri ritel untuk terus ter-update dengan tren pasar.

LPPF akan melakukan pembelian kembali (buyback) saham hingga Rp 1,25 triliun dengan harga maksimum Rp 13.330 per lembar. Rencana pembelian kembali, yang bertujuan untuk memperkuat posisi Matahari sebagai platform ritel terbesar di Indonesia, dapat menghasilkan pembelian hingga 7% dari saham perusahaan. Perusahaan berencana untuk meningkatkan investasi modal di anak perusahaannya PT Matahari Nusantara Logistik sekitar Rp 500 miliar (US \$ 34 juta).

Pada kuartal-II 2018 LPPF mencatatkan pendapatan menjadi Rp 3,9 triliun atau hanya tumbuh 2% dibandingkan periode yang sama tahun lalu. Laba kotor LPPF tercatat sebesar Rp 2,5 triliun atau tumbuh 2% yoy. Sedangkan laba bersih tercatat sebesar Rp 1,3 triliun atau hanya tumbuh 1% yoy.

Total utang LPPF turun sebesar 4% (yoy) menjadi Rp 4,3 triliun pada kuartal-II 2018. Utang lancar turun 6% (yoy) menjadi Rp 3,8 triliun sedangkan utang jangka panjang mengalami peningkatan sebesar 20% (yoy) menjadi Rp 515 miliar.

Total ekuitas LPPF mengalami pertumbuhan sebesar 31% menjadi Rp 2,3 triliun dari sebelumnya Rp 1,7 triliun. Peningkatan dikarenakan adanya pertumbuhan

Rekomendasi BUY

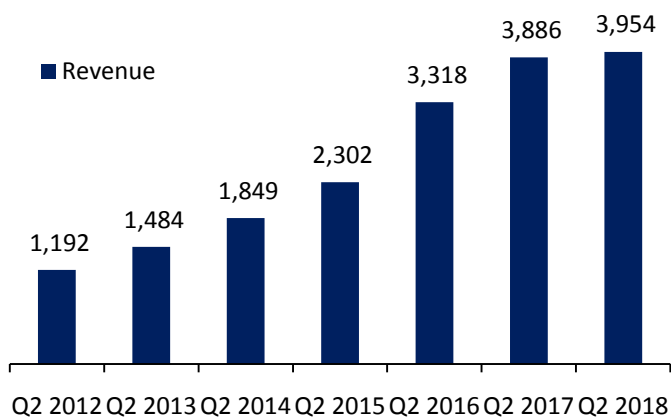
Kami memberikan rekomendasi Buy terhadap saham LPPF dengan target Price IDR 8.100,- dan potensial upside sebesar 24%, Kami menurunkan rating atas fair value LPPF sebesar 28% dari nilai sebelumnya. Kami menggunakan metode valuasi yaitu DCF (Discounted Cash Flow) dengan asumsi terminal growth sebesar 1%, beta 1.08 dan WACC 12%.

Financial Highlight

Year-end 31 Dec (Rp bn)	2015	2016	2017	2018F	2019F
Net Sales	9,007	9,897	10,024	10,186	10,285
Gross Profit	5,671	6,212	6,262	6,469	6,532
Net Income	1,798	1,996	1,887	1,719	1,736
EPS (Rp)	616	684	647	589	595
Earning Yield	4%	5%	6%	7%	7%
ROA	46%	41%	35%	26%	24%
ROE	163%	108%	81%	61%	46%
BVPS (Rp)	379	636	798	974	1,284
PE (x)	29	22	15	14	14
PBV (x)	46	24	13	8	6

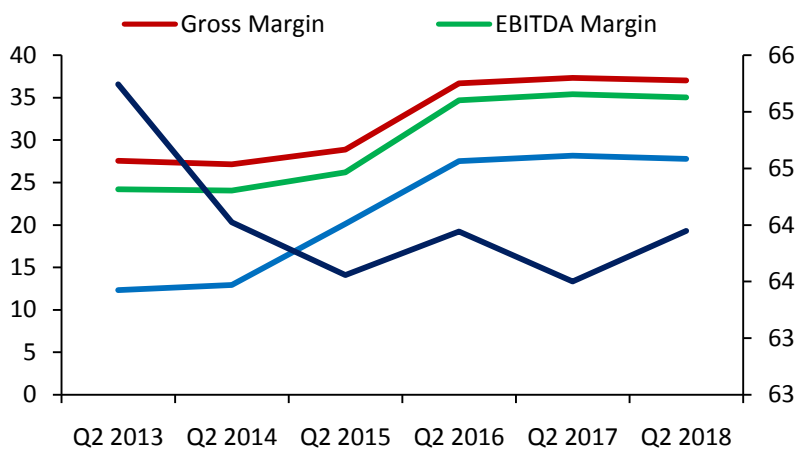
LPPF - Financial Results

Figure I : Revenue - 1H18 (in Bn of IDR)



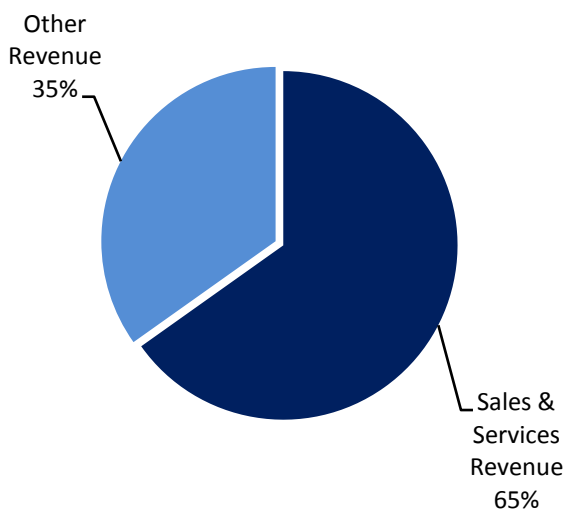
Source : Company and OSO Research

Figure II : Ratio Margin LPPF (%)



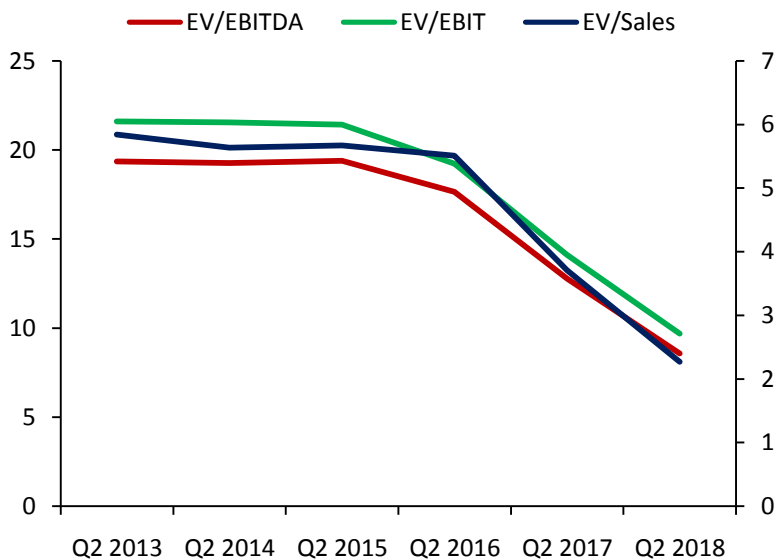
Source : Company and OSO Research

Figure III : Kontribusi Pendapatan LPPF (%)



Source : Company and OSO Research

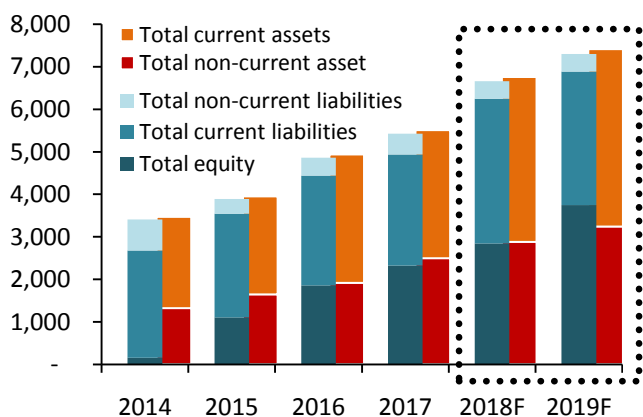
Figure IV : Breakdown Revenue



Source : Company and OSO Research

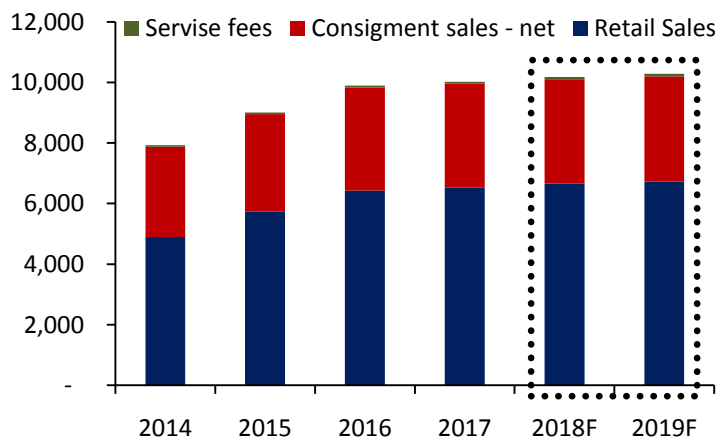
LPPF - Financial Projection

Figure V : Total Assets - LPPF (in Bn of IDR)



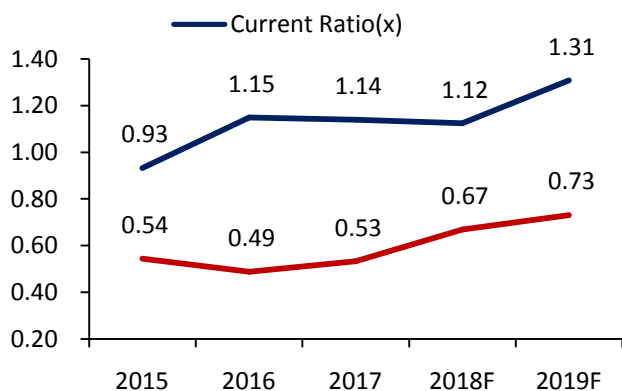
Source : Company and OSO Research

Figure VI : Revenue - LPPF (in Bn of IDR)



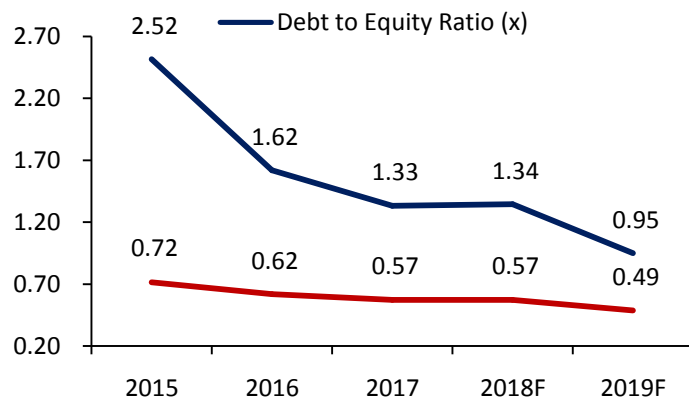
Source : Company and OSO Research

Figure VII : Liquidity Ratio



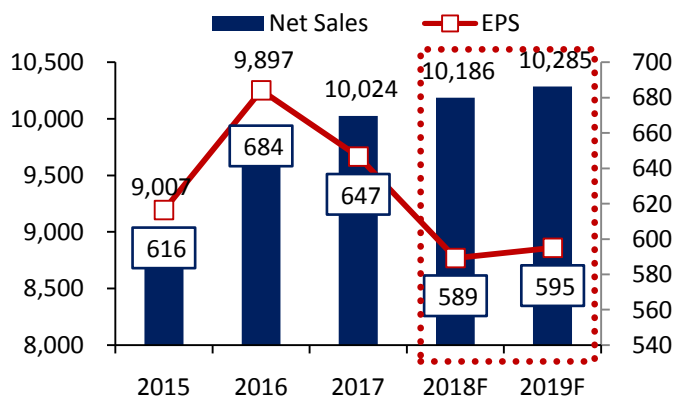
Source : Company and OSO Research

Figure VIII : Solvability Ratio



Source : Company and OSO Research

Figure IX : Net Sales (in Bn of IDR) & EPS



Source : Company and OSO Research

Figure X : Net Sales (in Bn of IDR) & EPS



Balance sheet					
Year-end 31 Dec (Rp bn)	2015	2016	2017	2018F	2019F
Cash and Cash Equivalents	947	1,713	1,583	1,550	1,813
Short Term investment	-	-	-	-	-
Accounts Receivable	76	95	152	170	172
Inventory	1,008	995	1,005	1,533	1,548
Other Current Assets	242	171	233	572	577
Total Current Assets	2,273	2,974	2,974	3,825	4,110
Fixed Assets	877	980	974	1,143	1,484
Other Non Current Assets	740	905	1,480	1,693	1,710
Total Non Current Assets	1,616	1,885	2,454	2,836	3,194
Total Assets	3,889	4,859	5,427	6,660	7,304
Accounts Payable	1,704	1,791	1,760	1,938	1,957
Other Current Liabilities	735	797	851	1,465	1,185
Total Current Liabilities	2,439	2,588	2,611	3,404	3,142
Longterm Debt / Borrowings	344	415	489	415	415
Other Longterm Liabilities	-	-	-	-	-
Total Non Current Liabilities	344	415	489	415	415
Total Liabilities	2,783	3,004	3,099	3,819	3,557
Minority Interest	-	-	-	-	-
Total Shareholder Equity	1,106	1,855	2,328	2,841	3,747
BVPS (Rp)	379	636	798	974	1,284

Source : Company and OSO Research

Cash Flow					
Yr-end Dec (Rp bn)	2015	2016	2017	2018F	2019F
EBIT	2,338	2,534	2,377	2,521	2,545
Depreciation & Amortization	234	256	278	325	245
Others	(397)	(44)	(548)	(235)	(173)
Working Capital change	74	(214)	107	735	(5)
Operating Cash Flow	2,249	2,531	2,214	3,346	2,612
Net - Capital Expenditure	385	360	405	325	245
Investing Cash Flow	(463)	(507)	(914)	(1,007)	(1,101)
Net - Borrowings	(391)	71	73	(73)	0
Others	(1,234)	(1,330)	(1,503)	(2,298)	(1,248)
Financial Cash Flow	(1,625)	(1,259)	(1,429)	(2,372)	(1,248)
Net - Cash Flow	161	766	(130)	(33)	263
Cash at beginning	786	947	1,713	1,583	1,550
Cash at ending	947	1,713	1,583	1,550	1,813

Source : Company and OSO Research

Income Statement					
Year-end 31 Dec (Rp bn)	2015	2016	2017	2018F	2019F
Net Sales	9,007	9,897	10,024	10,186	10,285
Cost of Goods Sold	(3,336)	(3,685)	(3,762)	(3,717)	(3,754)
Gross Profit	5,671	6,212	6,262	6,469	6,532
Other Operating Expenses	(3,678)	(3,885)	(3,948)	(3,987)	(4,026)
Operating Income	1,993	2,326	2,314	2,482	2,506
Pre-tax Profit	(93)	(1)	20	(211)	(213)
Income Tax Expense	(464)	(513)	(489)	(586)	(592)
Minority Interests	-	-	-	-	-
Net Income	1,798	1,996	1,887	1,719	1,736
EPS	616	684	647	589	595

Source : Company and OSO Research

Finance ratio					
Year-end 31 Des	2015	2016	2017	2018F	2019F
Liquidity Ratio					
Current Ratio(x)	0.93	1.15	1.14	1.12	1.31
Quick Rasio(x)	0.54	0.49	0.53	0.67	0.73
Net Working Capital(Rp.Bn)	(166)	386	363	421	968
Activity Ratio					
Asset Turn Over(x)	2.3	2.0	1.8	1.5	1.4
Inventory Turn Over(x)	3.3	3.7	3.7	2.4	2.4
Receivable Turn Over(x)	118	105	66	60	60
Inventory Turnover (Days)	110	99	98	151	151
Raceivable Turnover (Days)	3	3	6	6	6
Solvability Ratio					
Debt to Equity Ratio (x)	2.52	1.62	1.33	1.34	0.95
Debt to Asset Ratio (x)	0.72	0.62	0.57	0.57	0.49
Profitability Ratio					
Gross Profit Margin	63%	63%	62%	64%	64%
Operating Profit Margin	22%	24%	23%	24%	24%
Net Profit Margin	20%	20%	19%	17%	17%
ROA	46%	41%	35%	26%	24%
ROE	163%	108%	81%	61%	46%
Growth Rates					
EPS Growth Rate		11%	-5%	-9%	1%
Sales Growth Rate		10%	1%	2%	1%
EBIT Growth Rate		17%	-1%	7%	1%
Net Income Growth Rate		11%	-5%	-9%	1%
Balance Ratio					
EDR	40%	62%	75%	74%	105%
EER	2100%	388%	272%	237%	212%
EAR	28%	38%	43%	43%	51%

Source : Company and OSO Research

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