

# M Cash Integrasi

## Smarter, Bigger, a Better Partner

### A collaborator, not a conqueror

The year 2021 has been the year of MCAS, which has continued to broaden its business wingspan by venturing into new business such as: 1) development of Influencer Marketplace with RANS Entertainment, 2) digitalization of Kios Warga in collaboration with Taspen and Bank BRI, 3) ventures into Electric Vehicle and Battery Exchange service in collaboration with SiCepat and Volta, and 4) launches DigiResto app with SiCepat. We believe that these new ventures will complement MCAS' existing businesses, while its EV 2W and battery exchange businesses have the potential to be significant future revenue drivers. Furthermore, MCAS now has an Open API system, allowing them to fully leverage its ecosystem in order to reach more customers in its transition to a more digital lifestyle. Moving forward, we anticipate that MCAS' Network will continue to expand, as will further integration with partners.

### Volta: the rising electric powered two-wheeler manufacturer

NFCX (owned 51% by MCAS) and SiCepat formed a joint venture (JV) company called PT Energi Selalu Baru (ESB), which owns 51% of Volta. ESB will focus on the distribution of electric motorcycles, battery exchange, and related services. SiCepat has ordered 10,000 Model 401s for their fleets in the first stage, while NFCX will provide and manage the digital platform for vehicle registration and management, payments, and rewards. Volta will also release ten new models in 2022, including a new model (1,200W) at a price (including battery) that will make it the cheapest product to enter the market aggressively. This year, Volta plans to expand its own battery swapping station network, known as the Sistem Ganti Baterai (SGB), to 2,500 locations across Java and Bali. We believe Volta has a bright future in the Indonesian ePTW market for its 1) competitive price, specifications, and quality, 2) customer financing support, and 3) expanding battery-swap networks. We believe, however, that additional government support in the form of regulations encouraging EV adoption in 2W is required. For more information on Volta, please see our [Electric Scooter Trip: Looking at the Electric 2W Potential in Indonesia](#) report.

### Expect revenue momentum to re-accelerate in 2022

We expect revenue growth momentum to accelerate next year from 11.1% in 2021 to 25.3% in 2022E, driven by stronger growth across its businesses, especially growth in digital transactions (+21.6% y-y) as well as growth in EV business (+3707% y-y) and cloud advertising business (+38.8% y-y). Gross profit should increase by +91.2% in 2022E, while GPM should increase to 2.4% compared to 1.6% in 2021 as margins recover across the business, particularly with a more favorable product mix. In addition, we factor in increasing takings from MCAS' EV business, which will be the biggest contributor to MCAS' gross profit in 2022E (28.5%). As we update our model forecast, our FY21E/22E/23E NPATMI forecasts change by +7%/-16%/-9% from our previous estimates.

### Reinitiate Buy with TP of IDR15,000/share

MCAS currently trades at 0.6x 2022F EV/Sales, which is a 50% discount compared to its peers' average of 1.2x. Our IDR15K target price is based on 0.9x 2022 EV/Sales, which represents a 25% discount to its peers. We raise our EV/Sales multiple to 0.9x (previously: 0.6x) in response to MCAS' expanding network, integration with partners, and entry into new EV business. Compared to its peers, MCAS has a superior FY20-23 EPS CAGR of 57.2% vs. peers' average of 37.6%. Risks to our call include softer field execution and slower-than-expected growth in digital transactions.

## BUY (Re-initiation)

Target Price IDR15,000 (+42.2% ups.)  
Current Price IDR10,550



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### Stock Data & Indices

Bloomberg Code	MCAS.IJ
JCI Group	IDXTECH
MSCI Indonesia	No
JII	No
LQ45	No
Kompas 100	No

### Key Data

Issued Shares (mn)	867.9
Free Float (est in %)	30.1
Mkt. Cap (IDRbn)	9,156.7
Mkt. Cap (USDmn)	638.3
52 Wk-range	15,000/3,800

### Performance (%)

	YTD	1m	3m	12m
Absolute	10.8	-12.1	-3.7	151.2
Relative to JCI	9.0	-14.5	-9.2	141.5

### Company data

Year end Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Revenue (IDR bn)	11,090	11,334	12,592	15,775	18,219
Net Profit (IDR bn)	92	26	75	72	100
EPS (IDR)	106	30	86	83	115
EPS Growth (%)	-59%	-72%	191%	-4%	39%
P/E (x)	99.2	357.1	122.8	127.7	91.9
P/BV (x)	13.68	19.16	16.58	14.67	12.65

### Income Statement

Year end Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Revenue	11,090	11,334	12,592	15,775	18,219
Gross profit	255	223	199	380	502
Operating profit	144	116	98	162	236
EBITDA	153	132	131	203	282
Interest income (expense)	(2)	(1)	1	15	10
Other income (expense)	44	(19)	85	-	-
Pretax profit	186	95	184	177	246
Income tax expense	(34)	(23)	(18)	(18)	(25)
Minority interest	60	47	91	88	122
Net profit	92	26	75	72	100
Core profit	47	37	(2)	72	100

### Balance Sheet

Year end Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Cash	516	315	402	272	315
Other current asset	1,459	1,089	1,060	1,304	1,493
Net fixed asset	153	295	326	335	346
Other non-current asset	102	136	137	149	162
<b>Total assets</b>	<b>2,230</b>	<b>1,835</b>	<b>1,924</b>	<b>2,061</b>	<b>2,317</b>
Short-term debt	152	179	86	69	55
Long-term debt	44	88	73	5	5
Other liabilities	316	236	268	330	378
<b>Total liabilities</b>	<b>512</b>	<b>503</b>	<b>427</b>	<b>404</b>	<b>439</b>
Minority interest	1,049	854	945	1,033	1,155
<b>Shareholder's equity</b>	<b>1,718</b>	<b>1,332</b>	<b>1,498</b>	<b>1,657</b>	<b>1,878</b>
Net debt (cash)	(343)	(66)	(261)	(217)	(273)

### Cash Flow

Year end Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Net profit	92	26	75	72	100
Depreciation	8	15	34	41	46
Changes in working capital	(234)	319	(33)	(183)	(141)
<b>Operating cash flow</b>	<b>(134)</b>	<b>360</b>	<b>75</b>	<b>(71)</b>	<b>5</b>
Capital expenditure	(54)	(164)	(75)	(61)	(70)
Others	(38)	(25)	11	(0)	0
<b>Investing cash flow</b>	<b>(92)</b>	<b>(189)</b>	<b>(64)</b>	<b>(62)</b>	<b>(70)</b>
Net change in debt	(18)	40	(14)	(85)	(13)
Others	614	(412)	91	88	122
<b>Financing cash flow</b>	<b>595</b>	<b>(372)</b>	<b>77</b>	<b>2</b>	<b>109</b>
Net cash flow	369	(201)	87	(130)	43
Cash at BoY	147	516	315	402	272
<b>Cash at EoY</b>	<b>516</b>	<b>315</b>	<b>402</b>	<b>272</b>	<b>315</b>
Free cash flow	(80)	524	150	(9)	75

### Ratio Analysis

Year end Dec	2019A	2020A	2021F	2022F	2023F
<b>Profitability</b>					
Gross margin	2.3%	2.0%	1.6%	2.4%	2.8%
Operating margin	1.3%	1.0%	0.8%	1.0%	1.3%
EBITDA margin	1.4%	1.2%	1.0%	1.3%	1.5%
Net margin	1.4%	0.6%	1.3%	1.0%	1.2%
ROE	14.3%	4.5%	14.5%	12.2%	14.8%
ROA	8.4%	3.6%	8.8%	8.0%	10.1%
<b>Stability</b>					
Net debt to equity (x)	(0.2)	(0.0)	(0.2)	(0.1)	(0.1)
Net debt to EBITDA (x)	(2.2)	(0.5)	(2.0)	(1.1)	(1.0)
Interest coverage (x)	9	6	7	26	46
<b>Efficiency</b>					
Receivable days	11	8	8	8	8
Inventory days	10	16	14	14	14
Payable days	9	6	6	6	6

### Company Background

MCAS is a holding company for many digital-based businesses. It owns platforms offering top up vouchers, transportation tickets, payment points, and others. Other lines of businesses include a food-delivery app (DigiResto), digitalized Kios Warga, an influencer marketplace, EV business, etc.

### Major Shareholders

PT 1 Inti Dot Com	16.76%
Martin Suhariie	9.65%
PT Kresna Graha Investama Tbk	8.68%
Bank of Singapore Ltd	7.24%
PT Hero Intiputra	7.06%
PT Karya Karunia Persada	6.33%
Public	44.28%

### SWOT Analysis

Strength	Weakness
Synergy within subsidiaries and ability to secure strong partners	Execution risk with the company's newer ventures
Opportunity	Threat
Customers seeking for offline-to-online experience in the digital era	A large retail chain may develop its own offline-to-online system

**Figure 1. Earnings revision**

Financial Figures (IDRbn)	Current			Previous			Changes		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
Revenue	12,592	15,775	18,219	14,263	16,052	17,823	-12%	-2%	2%
Gross profit	199	380	502	318	402	480	-38%	-6%	5%
Operating profit	98	162	236	183	234	284	-47%	-31%	-17%
Net profit	75	72	100	70	85	109	7%	-16%	-9%
Gross margin	1.6%	2.4%	2.8%	2.2%	2.5%	2.7%	-0.7%	-0.1%	0.1%
Operating margin	0.8%	1.0%	1.3%	1.3%	1.5%	1.6%	-0.5%	-0.4%	-0.3%
Net margin	0.6%	0.5%	0.5%	0.5%	0.5%	0.6%	0.1%	-0.1%	-0.1%
Digital Product Aggregator members	189,476	213,848	233,637	145,372	154,433	160,373	30%	38%	46%
Distribution Points - MCAS Only	75,692	79,477	83,450	79,473	92,166	96,774	-5%	-14%	-14%
Advertising Points	15,908	20,068	23,812	na	na	na	na	na	na

Revenue	Current			Previous			Changes		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
Digital product aggregator	8,387	10,412	11,945	9,375	10,122	17,823	-11%	3%	-33%
Digital products	4,002	4,622	5,338	470	5,633	10,914	751%	-18%	-51%
Digital cloud advertising	145	201	263	108	118	6,325	34%	71%	-96%
SaaS	46	69	103	37	70	118	24%	-2%	-12%
Clean energy product and services	12	470	570	-	-	-	na	na	na

GP	Current			Previous			Changes		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
Digital product aggregator	59	83	108	103	121	131	-43%	-31%	-18%
Digital products	68	83	107	122	146	164	-44%	-43%	-35%
Digital cloud advertising	51	71	92	73	96	116	-30%	-27%	-21%
SaaS	18	34	52	19	35	59	-3%	-2%	-12%
Clean energy product and services	3	108	144	-	-	-	na	na	na

GPM	Current			Previous			Changes		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
Digital product aggregator	0.7%	0.8%	0.9%	1.1%	1.2%	0.7%	-0.4%	-0.4%	0.2%
Digital products	1.7%	1.8%	2.0%	26.0%	2.6%	1.5%	-24.3%	-0.8%	0.5%
Digital cloud advertising	35.0%	35.0%	35.0%	67.6%	81.4%	1.8%	-32.6%	-46.4%	33.2%
SaaS	40.0%	50.0%	50.0%	51.4%	50.0%	50.0%	-11.4%	0.0%	0.0%
Clean energy product and services	22.0%	23.0%	25.2%	-	-	-	na	na	na

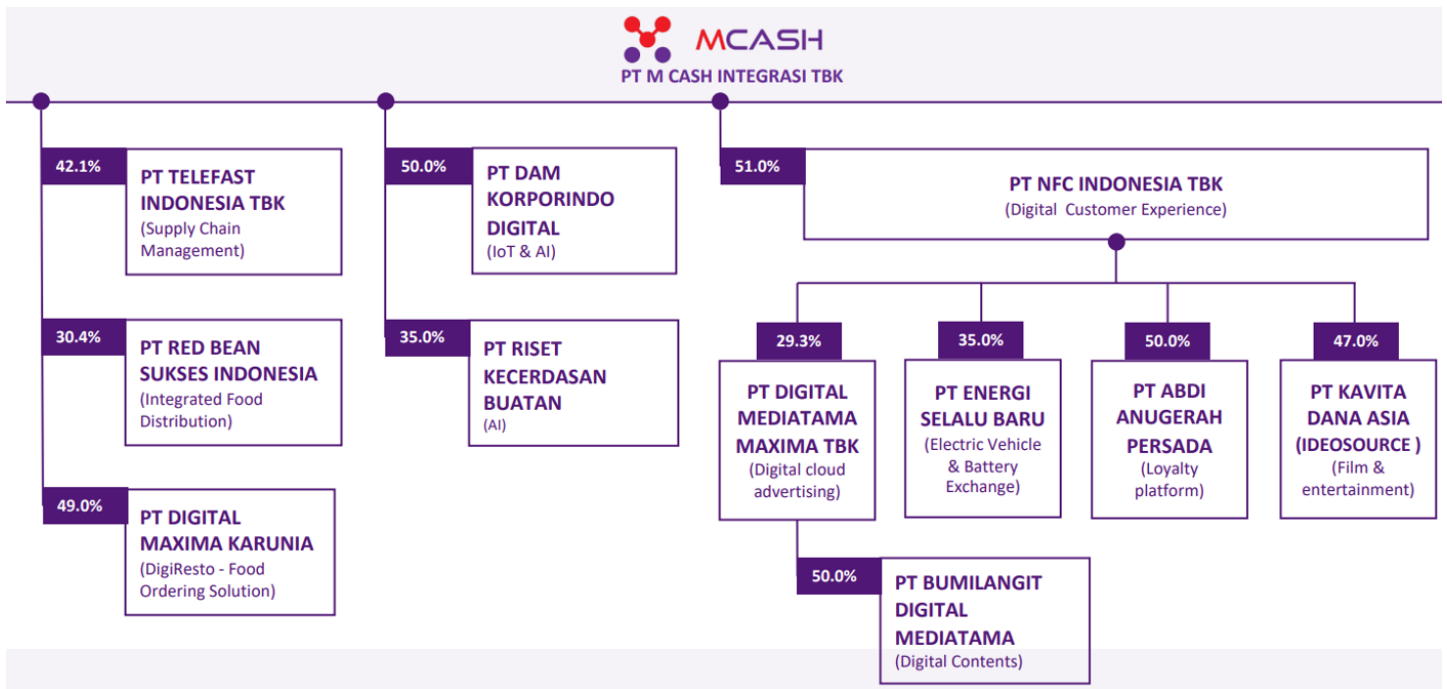
Source: Company, Trimegah Research

**Figure 2. Peers valuation comparison**

Company name	Ticker	Country	Market cap (USDmn)	Enterprise value (USDmn)	EV/Sales			EV/EBITDA		
					2021	2022	2023	2021	2022	2023
Lakala Payment Co Ltd	300773 CH Equity	China	3,597.3	2,618.2	2.5	2.0	1.7	10.8	8.9	7.5
Yeahka Ltd	9923 HK Equity	China	1,428.3	1,145.9	2.4	1.6	1.2	14.1	12.6	8.7
NHN Corp	181710 KS Equity	Korea	1,407.9	1,025.8	0.6	0.6	0.5	6.8	5.4	4.7
Kginicis Co Ltd	035600 KS Equity	Korea	480.3	652.8	0.8	0.7	0.6	6.1	5.4	4.9
<b>Average</b>					<b>1.6</b>	<b>1.2</b>	<b>1.0</b>	<b>9.5</b>	<b>8.1</b>	<b>6.5</b>

Source: Bloomberg, Trimegah Research

Figure 3. MCAS' corporate structure



Source: Company

Figure 4. MCAS' expanding businesses

### MCAS Growth Story

Expansion and Diversification of Product/Service Suite



Source: Company

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Company Ticker	Disclosure (as applicable)
MCAS	-

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