

BUY

TP: IDR 19,370

▲ 48.7%

PT M Cash Integrasi Tbk

MCAS IJ

New partnerships bearing fruits

1Q22 Revenue and core PATMI were -7.4% and +43.5% YoY, forming 20%/33% of our FY22E forecasts. Led by SaaS and Cloud Advertising, gross profit share of high-margin products continued to expand by ~20pp YoY to 62% in 1Q22. We made some changes to our estimates after mix performances in existing segments and the addition of new revenue streams (Digital Wholesale, Audio Visual, etc.). MCAS is attractively trading at a 0.8x FY22E EV/Sales (~52% discount to peers) with ~64% core EPS CAGR from FY21-24E.

- 1Q22 saw robust performances:** Revenue was -7.4% YoY to IDR3,044bn in 1Q22, largely driven by -67% YoY decline in digital products & services (on the flip side, this segment saw 2pp expansion in GPM). Profit wise, 1Q22 PATMI was -11% YoY, but was up +43.5% YoY after adjusting for non-cash items, largely driven by high margin products (SaaS, Cloud Advertising, Audio Visual Solution), which saw their combined gross profit share rose by ~20pp YoY to 62% in 1Q22. 1Q22 Revenue and Core PATMI formed 20% and 33% of our FY22E forecasts, respectively.
- Streamlining top-line estimates:** We revised down our revenue estimates slightly by -0.5%/-2%/-4% to IDR15,044bn/IDR17,198bn/IDR19,135bn in FY22E/23E/24E, due to downward revisions for digital products and cloud advertising segments, offset by upward revisions for SaaS, Clean Energy, and the additional revenue streams from latest partnerships (E-wholesale, Audio Visual, and Content & Entertainment). Nevertheless, we still expect revenue to grow by ~15% CAGR from FY21-24E, largely driven by rising avg. sales/dist. point and number of dist. points (15% and 12% CAGR, respectively) as new partnerships (e.g., Clean Energy, Audio Visual, etc.) bear fruits.
- Improving PATMI margins from FY22-24E:** Our PATMI margin estimates have mostly remained the same and on upward trends at 0.3%/0.5%/0.7% (prior: 0.3%/0.4%/0.7%) in FY22E/23E/24E, respectively, as MCAS leverages on its dist. network and partners to sell its higher-margin products, such as SaaS (GPM ranges 25-60% for different types of services), Cloud advertising (19-86%), Electric vehicles and spare parts (16-30%), Audio Visual (~30-50%) and Content & Entertainment (~45%). We expect the gross profit share of high margin products to normalize on full year basis, rising from 35% in FY21 to 55% in FY24E.
- Reiterate BUY with higher TP of IDR19,370/share:** Based on our new FY22E sales estimate and EV/Sales multiple of 1.1x, we derive a TP of IDR19,370/share (previously at IDR19,170/share). MCAS is trading attractively at a ~52% discount to its peers (FY22E EV/Sales of 0.8x vs peers of 1.7x), with ~64% core EPS CAGR from FY21-24E.

Consolidated Financial highlights

Y/E 31 Dec (IDR'bn)	FY21A	FY22E	FY23E	FY24E	FY25E
Revenue	12,675	15,044	17,198	19,135	21,222
Revenue Growth	12%	19%	14%	11%	11%
Core PATMI	28	38	88	124	161
Outstanding shares (bn)	0.87	0.87	0.87	0.87	0.87
Core EPS (IDR)	32	44	101	143	185
Core EPS growth (%)	-3%	36%	130%	41%	29%
NPM (%)	0.2%	0.3%	0.5%	0.7%	0.8%
ROE (%)	12.5%	7.0%	13.9%	16.4%	17.5%
EV/Sales (x)	0.9	0.8	0.7	0.6	0.6

Source: Company, SCCM Research



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PRICE CLOSE (28 June 2022)

IDR 13,025

MARKET CAP

IDR 11.3 tn

USD 762 m

SHARES O/S

867.9 m

FREE FLOAT

30.1%

3M AVG DAILY VOLUME/VALUE

0.50m / IDR6.47bn

52 WK HIGH

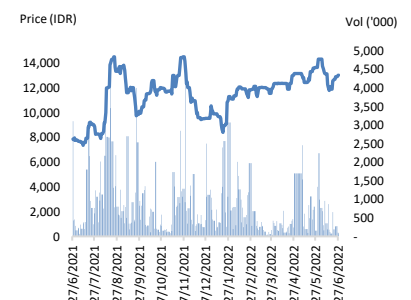
15,000

52 WK LOW

7,225

Target Price

IDR 19,370



Operational and Result Review

- FY21 Results below our estimates:** Revenue increased by ~12% YoY to IDR12,675bn in FY21, largely driven by SaaS (237% YoY), Cloud Advertising (~42%), and Digital Aggregator (16%) segments. Meanwhile, PATMI increased by 146% YoY to IDR63.1bn, largely due to non-cash gain on other investments. Excluding the non-cash items, Core PATMI declined slightly by -2.8% YoY to IDR28bn. FY21 Revenue/PATMI/Core PATMI formed 96%/94%/64% of our FY21E forecasts, respectively.
- 1Q22 Results:** 1Q22 Revenue and Core PATMI formed 20% and 33% of our FY22E forecasts, respectively. The details are broken down in Fig 1 and 2 below.

Fig 1 - 1Q22 results vs FY22E old estimates

In IDR'Bn	1Q22	1Q21	YoY (%)	FY22E	% of Old Est.	Remarks
Revenue	3,044.4	3,287.7	-7.4%	15,119.5	20.1%	Revenue declined in tandem with digital products & services segment
Gross Profit	71.6	55.7	28.5%	349.3	20.5%	Gross Profit increased at a faster pace due to higher contribution from high margin non-digital products.
Gross Profit Margin	2.35%	1.69%		2.31%		
EBITDA	34.1	32.4	5.2%	241.1	14.1%	
EBITDA Margin	1.12%	0.99%		1.59%		
Operating Profit	33.3	29.6	12.5%	188.7	17.6%	
Operating Profit Margin	1.09%	0.90%		1.25%		
PATMI	14.7	16.5	-11.0%	43.3	34.0%	PATMI declined due to lower non-cash gain in investments
PATMI Margin	0.48%	0.50%		0.29%		
Core PATMI	14.2	10.0	43.5%	43.3	33.3%	Excluding non-cash gain, Core PATMI rose by 43.5% YoY
Core PATMI Margin	0.47%	0.28%		0.29%		

Source: Company, SCCM Research, * Adjusted for one-off exceptional items

Fig 2 - 1Q22 Segmental results

In IDR'bn	1Q22	1Q21	YoY (%)	Remarks
Revenues				
Digital Products	375.2	1,141.4	-67.1%	Revenue declined significantly, while GP margin expanded by 2pp.
Digital Product Aggregator	2,504.3	2,087.3	20.0%	Member base expanded +37.5% YoY to 186,142 members, partially offset by lower average transaction value per member.
Digital Cloud Advertising	43.9	40.7	7.9%	Ad spot network grew +8% YoY to 12,190 advertising points. Number of screens deployed +21.8% YoY to 20,047 screens.
SaaS	28.0	18.3	53.1%	Number of clients rose 75.2% YoY to 191 in 1Q22 from 109 in 1Q21. New clients include a state-owned electricity company (PLN), Indofood (Promina), Alfamidi, Nestle (Carnation Indonesia), a state-owned postal company (Pos Indonesia) and Klik Indomaret.
Audio visual technology	16.5	-	n.m.	Revenue contribution from newly acquired subsidiary PT V2 Indonesia (V2) in Feb22, which provides audio-visual solutions for meeting rooms, shopping centers, MRT stations, airports, etc.
Clean energy	1.3	-	n.m.	Driven by sales of EVs to businesses (B2B channel)
Digital wholesale	73.9	-	n.m.	Newly launched E-wholesale solution platform (for physical good such as FMCG) saw robust demand driven by Unilever and Tropical
Content & entertainment	1.3	-	n.m.	Driven by gaming tuition fee and content licensing

Gross Profits

Digital Products & Services	13.4	18.4	-27.3%	GP margin +2pp to 3.6%, while revenue declined in during the same time.
Digital Product Aggregator	13.5	14.1	-4.7%	GP margin -0.14pp to 0.5%.
Digital Cloud Advertising	16.4	12.5	31.4%	GP margin rose to 37.2% from 30.6%.
SaaS	17.7	10.6	66.5%	GP margin expanded by +5.1% to 63.3%, as MCAS receives additional income for its notification service when it meets certain targets. Mgmt. expects this to be recurring income, going forward.
Audio visual technology	8.6	-	n.m.	Newly acquired subsidiary with gross margin at 52.5%. Mgmt. expects gross margin to normalize at ~30% in the long run
Clean energy	0.2	-	n.m.	GP margin of 18% in 1Q22
Digital wholesale	0.4	-	n.m.	Newly launched platform with GP margin of 0.6% in 1Q22. We expect gross margin to be at 1.4% in full year 2022
Content & entertainment	1.3	-	n.m.	Newly launched platform with GP margin of 96.5% in 1Q22.

Source: Company, SCCM Research

Adjusting revenue and margin forecasts

We revised down our revenue and GPM estimates, but they are still on upward trends from FY21-24E.

- **A slight downward adjustments to our top-line estimates:** We adjusted our revenue estimates slightly by -0.5%/-2%/-4% to IDR15,044bn/IDR17,198bn/IDR19,135bn in FY22E/23E/24E, largely due to downward revisions for digital products (digital products & services and digital product aggregator) and cloud advertising segments, offset by upward revisions for SaaS, Clean Energy, and new revenue streams from its latest offering (E-wholesale, Audio Visual, and Content & entertainment).
 - 1) **Digital Products & Services:** We revised down our revenue estimate because we expect avg. transaction value for kiosks and digital agents to be lower (growth in new members outpace revenue)
 - 2) **Digital Product Aggregator:** We expect lower number of members joining the network for this segment.
 - 3) **Digital Cloud Advertising:** Downward revision for FY23-25E is largely due to lower screen deployment expectation.
 - 4) **SaaS:** We revised up our revenue estimates, mainly due to rising number of notification volume.
 - 5) **Clean Energy:** Our upward revision is based on avg. selling price of IDR15.3m per unit and EV volume sales of 6,000/18,000/30,000/42,000 units in FY22E/23E/24E/25E, respectively. The accessories & spare part revenue will account for 0.4%/1.0%/5% of revenue in FY23E/24E/25E. We assume there is no accessories & spare part revenue in FY22E, as the EVs will still be brand new.
- **Downward revision of GPM for existing segments:** We also revised down our GPM estimates from FY22-24E for these segments: 1) Digital Products & Services (new: 2% vs. old: 2-4% from FY22-24E); 2) Digital Product Aggregator (new: 0.7-0.8% vs. old: 1-4%); 3) Digital Cloud Advertising (new: 39-44% vs. old: 50-53%), Clean Energy (new: 16-18% vs. old: 28-54%), and SaaS (new: 31-32% vs. old: 52-56%). Note that our new gross profit forecasts for SaaS segment during FY23-24E are higher than the

old forecasts, largely due to robust revenue growth, rather than GPM improvements.

- We revised down our GPM estimates for the Digital Products & Services and Digital Product Aggregator segments (these 2 segments combined accounts for 98% of revenue and 65% of gross profit in FY21, respectively) because we expect MCAS to focus more on boosting the sales of these fast-moving digital products (i.e., phone top-up credits, gaming vouchers, prepaid electricity vouchers, etc.) given the reopening of the economy, which could result in lower GPM. We are aware that MCAS is still trying to find the right balance between growth and GPM for these two segments.

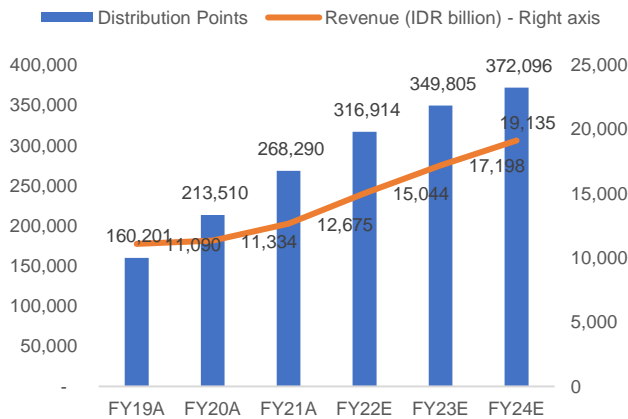
Fig 3 - Old vs New segmental forecasts

Old vs New Forecasts (IDR'b)	Old Forecasts				New Forecasts				Difference (%)			
	FY22E	FY23E	FY24E	FY25E	FY22E	FY23E	FY24E	FY25E	FY22E	FY23E	FY24E	FY25E
Revenue	15,119	17,553	19,981	24,093	15,044	17,198	19,135	21,222	0%	-2%	-4%	-12%
Digital products & services	4,623	5,818	6,015	7,003	4,161	4,556	4,951	5,346	-10%	-22%	-18%	-24%
Digital product aggregator	10,241	11,305	13,390	16,344	9,491	9,951	10,243	10,523	-7%	-12%	-23%	-36%
Digital cloud advertising	186	268	309	395	190	209	233	257	2%	-22%	-25%	-35%
SaaS	56	83	101	110	90	166	216	225	62%	101%	115%	104%
Audio visual technology	-	-	-	-	82	107	139	181	nm	nm	nm	nm
Clean energy product & services	14	80	167	241	92	276	462	673	577%	246%	177%	179%
Digital wholesale	-	-	-	-	933	1,926	2,880	4,004	nm	nm	nm	nm
Content & entertainment	-	-	-	-	4.4	7.1	9.3	12.4	nm	nm	nm	nm
Gross Profit	349	587	892	1,335	311	427	528	642	-11%	-27%	-41%	-52%
Digital products & services	116	174	196	238	83	91	99	107	-28%	-48%	-49%	-55%
Digital product aggregator	100	196	395	710	70	75	77	79	-30%	-62%	-80%	-89%
Digital cloud advertising	98	137	159	198	74	86	99	112	-24%	-37%	-38%	-43%
SaaS	31	44	52	58	29	53	68	70	-7%	20%	30%	22%
Audio visual technology	-	-	-	-	25	32	42	54	nm	nm	nm	nm
Clean energy product & services	4	36	91	131	15	46	78	117	304%	28%	-14%	-10%
Digital wholesale	-	-	-	-	13.1	40.4	60.5	96.1	nm	nm	nm	nm
Content & entertainment	-	-	-	-	2.0	3.4	4.4	6.0	nm	nm	nm	nm

Source: SCCM Research

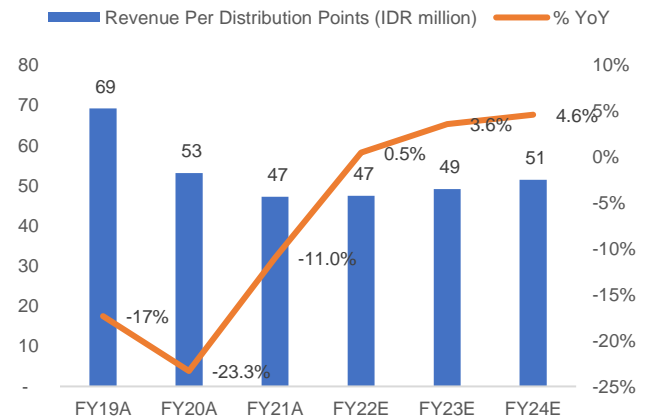
- Revenue still grows by ~15% CAGR from FY21-24E, despite downward revision:** We expect avg. sales/dist. point and number of distribution points to grow by 15% and 12% CAGRs from FY21-24E, respectively, boosting revenue by ~15% CAGR during the same period. The avg. sales/dist. point should trend upward with the additions of new partnerships (e.g., Clean Energy, Audio Visual, etc.).
- The avg. sales/dist. point is computed based on total revenue of all segments and the total number of distribution points. We use this metric to measure the effectiveness of MCAS's vast distribution and plug-and-play digital infrastructure network in cross-selling digital products and promoting the use of higher margin non-digital products and services (e.g., Clean Energy, Content, Audio Visual and SaaS).

Fig 4 - Revenue and distribution network to expand further from FY21-24E



Source: Company, SCCM Research

Fig 5 - Sales/dist. point to rise from FY21-24E



Source: Company, SCCM Research

- PATMI margin to improve from FY22-24E, despite downward adjustments in GPM:** We expect PATMI margin to improve to 0.3%/0.5%/0.7% (prior: 0.3%/0.4%/0.7%) in FY22E/23E/24E, respectively, as MCAS expands its distribution network and partners further to sell its higher-margin products, such as SaaS, Cloud advertising, Electric vehicles and spare parts, Audio Visual solution, and Content & Entertainment. We expect the gross profit share of these high margin products to rise from 35% in FY21 to 55% in FY24E.
- In 1Q22, the combined gross profit share of high margin products increased by 20pp to ~62% YoY, largely driven by SaaS and Cloud Advertising segments, as well as its investment in V2 (a provider of Audio-Visual solution). However, we expect the share of high-margin products to normalize to 47% on full-year basis in FY22E because the SaaS segment received a lump sum payment in 1Q22 for meeting volume target of its notification service. Mgmt. expects this to be recurring income for years ahead, as it expects to continuously meet the target sets for the notification service.
- Robust Core EPS growth from FY21-24E:** With growing revenue and improvement in PATMI margin, we expect Core EPS to grow robustly by 64% CAGR from FY21-24E.
- 1Q22 Revenue and Core PATMI formed 20% and 38% of our revised FY22E forecasts. We expect higher share of profit to be distributed to minority interest until the end of FY22E, which should bring the full-year figure to be in line with our FY22E forecast. Note that our new forecast assumes share of profit attributable to minority interest to be lower at 55% from FY22-24E (vs 70% previously), cushioning the impact of downward revision in GPM on its PATMI (i.e., the impacts of downward revisions on PATMI from FY22-24E are lesser relative to other profit metrics above it).

Fig 6 - Old vs New forecasts

Old vs New Forecasts (IDR'bn)	Old Forecasts				New Forecasts				Difference (%)			
	FY22E	FY23E	FY24E	FY25E	FY22E	FY23E	FY24E	FY25E	FY22E	FY23E	FY24E	FY25E
Revenue	15,119	17,553	19,981	24,093	15,044	17,198	19,135	21,222	0%	-2%	-4%	-12%
Gross Profit	349	587	892	1,335	311	427	528	642	-11%	-27%	-41%	-52%
Gross Profit Margin	2.3%	3.3%	4.5%	5.5%	2.1%	2.5%	2.8%	3.0%				
EBITDA	241	383	653	1,048	146	244	321	397	-40%	-36%	-51%	-62%
EBITDA Margin	1.6%	2.2%	3.3%	4.3%	1.0%	1.4%	1.7%	1.9%				
Operating Profit	189	313	567	955	118	250	350	449	-38%	-20%	-38%	-53%

BUY

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Operating Profit Margin	1.2%	1.8%	2.8%	4.0%	0.8%	1.5%	1.8%	2.1%				
Profit Before Tax	185	313	575	976	109	251	354	458	-41%	-20%	-38%	-53%
Profit Before Tax Margin	1.2%	1.8%	2.9%	4.1%	0.7%	1.5%	1.9%	2.2%				
Net Profit	144	244	448	761	85	195	276	357	-41%	-20%	-38%	-53%
Net Profit Margin	1.0%	1.4%	2.2%	3.2%	0.6%	1.1%	1.4%	1.7%				
PATMI	43	73	134	228	38	88	124	161	-12%	20%	-7%	-30%
PATMI Margin	0.3%	0.4%	0.7%	0.9%	0.3%	0.5%	0.7%	0.8%				

Source: SCCM Research

Continues to deliver new initiatives for the past 6mo

User interface and sales platform

- **Developing a Moslem Travel Platform:** MCAS has collaborated with ABBA and Surprise Indonesia to develop a Moslem Travel Platform (expected to complete in 2Q22). This platform will focus on network of Muslim communities managed by ABBA via Harian Republika. Meanwhile, Surprise Indonesia (a part of the Smailing Tour Group and DIVA) will focus on Umrah travel in this collaboration.
- **Launching innovative platform that meets daily worship needs of Muslims:** MCAS has collaborated with ABBA to launch Inaya, which is a platform that is specifically designed to meet the daily worship needs of Muslims in Indonesia. The variety of features include prayer schedules based on users' locations, a Qibla direction, a digital Al-Quran with translation, as well as Islamic studies. Going forward, Inaya will be developed further to become a Travel and Umrah Platform that is equipped with relevant features.

Clean energy product and services (i.e., Electric Vehicles/EVs)

- **Launching new models of EVs:** In collaboration with Bumilangit, Volta launched the Virgo and the Sparklings electric motorcycle on 1Apr22.
- **Promoting its EVs via "Video Creation" competition in Bali:** With a regional company in Bali (Perusda Bali), the group launched a competition to create video review content, photos, and captions for Volta electric motorcycles. Through this, the group hopes to convince the younger generation and a wider range of audiences in Bali to switch to environmentally friendly EVs.
- **Expanding the network of EVs and Battery Swap System:** The group has collaborated with a state-owned postal company Pos Indonesia to expand the network of Volta's EVs and Battery Swap System via Pospay application (a mobile application with over than 2m downloads).

Payment

- **Blending its digital products with payment system of cleaning service application:** In Mar22, DMMX has collaborated with Angkasa Pura Suport (a subsidiary of a state-owned airport manager Angkasa Pura I) to develop a digital payment solution that offers its digital products (top-up credits, data, prepaid electricity, e-money refills, etc.) in "Panggilaja" application (a provider of an affordable cleaning services, which is owned by Angkasa Pura Suport). Consequently, this system enables users of Panggilaja to pay various bills and cleaning services in a single platform.

- **Offering top-up service for OVO digital payment at Transjakarta Bus Station:** In this collaboration with TransJakarta, regular users of OVO and TransJakarta could top-up their OVO accounts using cash via “Kasirku” vending machine.

Distribution network

- **Investing in digital podcast to engage more audiences for its partners:** In Jan22, DMMX and SiCepat invested in Dektos Digital Corbuzier (established by Indonesia’s leading podcaster Deddy Corbuzier), which develops the ecosystem for digital podcast & entertainment in Indonesia and has 17m loyal subscribers viewing its “Close The Door” and “Somasi” programs. DMMX expects Dektos Digital Corbuzier to complement its digital content and offer its partners (e.g., advertisers/brands) with larger target audiences and additional way of marketing trade marketing products (e.g., via product bundling).
- **Partnering with Mengniu Dairy Indonesia for distributing its products:** In Jan22, through its subsidiary Anugerah Wicaksana Digital, the group has collaborated with Mengniu Dairy Indonesia (a subsidiary of Mengniu Dairy Company Limited) to distribute dairy products to consumers in Indonesia.
- **Ensuring effortless distribution of products and services between Telkomsel and BNI:** Using its digital infrastructure, the group will help to create seamless distribution of products and service between Telkomsel and BNI.

Value-added services

- **Partnering with KONI to develop Esports community:** In Jan22, DMMX has formed collaboration with KONI (Indonesian National Sports Committee) and Garena (a leading online game developer) to launch Esports education program called “Esports for All”. DMMX hopes to create a robust esports community and turn them into loyal users of its game, comic, and other content & entertainment offerings.
- **Expanding into High-Tech Audio-Visual Solutions:** In Feb22, MCAS bought 50% stake in V2 Indonesia (V2), which offers high technology audio-visual solutions for corporations, modern retailers, shopping centres, airports, government and MRT stations. V2 also offers consumer electronic services such as high-end audio, home cinema, portable audio, home audio systems, wireless & portable audio, etc. V2 already has customer base, including those in media sector (Trans TV, Kompas TV, CNBC), transportation (MRT Jakarta, Soekarno-Hatta Airport) and many more.
- For the past 6mo, V2 has delivered several initiatives such as 1) signing distribution agreement with Analog Way, which is a leading manufacturer and designer of innovative image processing systems, 2) collaborating with a leading electronic producer from China to release the latest model of interactive digital boards and offer a digital signage line via System as a Service (SaaS), 3) entering into MoU with a State Film Production Corporation (Perum Produksi Film Negara/PFN) to launch the first Immersive Extended Reality (XR) Studio, 4) launching the “House of Future” (an experience creative gallery store for technologies such as IoT, AI, VR, XR, AR, Metaverse & Robotics) so customers can try out the technologies and see if these tech can meet their business needs.
- **InfiCom Group to help in identifying growth opportunities across India and Southeast Asia:** In 27Apr22, Infi Commerce Group purchase a ~11% stake in MCAS for strategic reason. InfiCom Group plans to help the group by: 1) identifying growth

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opportunities outside Indonesia, such as in India and Southeast Asia, 2) identifying opportunities for upselling and cross-selling within the ecosystem.

- **Investing in AI technology:** The group bought 40% stake in Sinergi Digital Teknologi (Lenna.ai), which focused on AI technology development. Lenna.ai has developed several products that features advanced AI powered Chatbot technology.

Reiterate BUY; Higher TP of IDR19,370/share

- At TP of IDR19,370/share or 1.1x FY22E EV/Sales, we price MCAS at c.52% discount to its peers. MCAS currently offers FY21-24E core EPS CAGR of ~64%. We continue to like MCAS for its superior business model, attractive valuation, healthy balance sheet (net cash of IDR83bn), and robust growth. Reiterate BUY.

Fig 7 - Peer Comparison Table

Company Name	FYE	Mkt Cap	Ent Value	EV/Sales			EV/EBITDA		
				FY21	FY22E	FY23E	FY21	FY22E	FY23E
M CASH INTEGRASI	12/2021	762	818	0.9	0.8	0.7	88.2	81.3	48.5
Median				4.5	2.4	1.7	17.5	7.6	6.3
Median (ex-outliers)				3.7	2.1	1.5	19.7	6.7	5.8
Bukalapak.com PT Tbk	12/2021	1,889	503	11.6	2.7	1.8			
GoTo Gojek Tokopedia Tbk PT	12/2021	31,283	29,435		48.0	28.3			
Median (Indonesian Peers)				11.6	25.4	15.1			
Yeahka Ltd	12/2021	1,405	1,269	4.7	2.0	1.5	15.1	17.6	12.8
Lakala Payment Co Ltd	12/2021	2,281	1,514	3.3	1.4	1.2	14.6	6.6	5.8
Kginicis Co Ltd	12/2021	303	413	0.7	0.5	0.4	4.9	3.8	3.4
NHN KCP Corp	12/2021	408	246	1.1	0.4	0.3	20.7	6.7	5.3
GMO Payment Gateway Inc	09/2021	5,480	4,764	24.2	13.0	10.6	68.5	35.2	28.8
Median (Asian Peers)				3.3	1.4	1.2	15.1	6.7	5.8
Pagseguro Digital Ltd	12/2021	3,589	3,271	4.5	1.2	1.0	15.3	4.5	3.3
Shift4 Payments Inc	12/2021	3,158	3,855	4.0	5.5	3.7	89.1	15.5	11.4
Network International Holdings PLC	12/2021	1,334	1,554	6.9	3.5	2.9	19.7	8.6	6.9
Median (Western Peers)				4.5	3.5	2.9	19.7	8.6	6.9

Source: SCCM Research, Bloomberg

BUY

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Appendix: Financial Statements**Fig 8 - Consolidated P&L**

Y/E 31 Dec (IDR bn)	FY21A	FY22E	FY23E	FY24E	FY25E
Total Gross Revenue	12,675	15,044	17,198	19,135	21,222
<i>Gross Revenue Growth</i>	11.8%	18.7%	14.3%	11.3%	10.9%
COGS	(12,454)	(14,733)	(16,771)	(18,607)	(20,579)
Gross Profit	222	311	427	528	642
<i>Gross Margin</i>	1.8%	2.1%	2.5%	2.8%	3.0%
Other Operating Expenses	(88)	(166)	(183)	(207)	(246)
EBITDA	134	146	244	321	397
<i>EBITDA Margin</i>	1.1%	1.0%	1.4%	1.7%	1.9%
Depreciation Expense	(35)	(66)	(87)	(106)	(123)
EBIT	99	80	158	215	274
<i>EBIT Margin</i>	0.8%	0.5%	0.9%	1.1%	1.3%
Interest Income	8	11	17	19	24
Interest Expense	(19)	(17)	(15)	(13)	(12)
Other Income/(Expenses)	70	36	90	133	173
EBT	158	109	251	354	458
Tax	(17)	(24)	(55)	(78)	(101)
Net Income	141	85	195	276	357
Minority Interests	78	47	108	152	197
PATMI	63	38	88	124	161
<i>PATMI Margin</i>	0.5%	0.3%	0.5%	0.7%	0.8%
Shares Outstanding in Billions	0.868	0.868	0.868	0.868	0.868
EPS (IDR)	73	44	101	143	185
Core EPS (IDR)	32	44	101	143	185
<i>EPS Growth</i>	146.0%	-39.3%	129.9%	41.4%	29.3%
<i>Core EPS Growth</i>	-2.8%	36.2%	129.9%	41.4%	29.3%

Source: Company, SCCM Research; **Note:** There were investment loss of IDR18.1bn in FY20 and investment gain of IDR79bn in FY21

BUY

TP: IDR 19,370

▲ 48.7%

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Fig 9 - Consolidated Balance Sheet

Y/E 31 Dec (IDR bn)	FY21A	FY22E	FY23E	FY24E	FY25E
Cash	360	575	642	791	994
Short Term Investments	261	261	261	261	261
Trade & Other Receivables	193	198	244	316	421
Inventories	433	402	498	642	852
Other Current Assets	379	418	453	485	519
Current Assets	1,625	1,854	2,098	2,494	3,047
Net Fixed Assets	330	388	398	387	361
Net Intangible Assets	22	19	15	10	3
Other Non-Current Assets	157	153	149	144	142
Total Assets	2,135	2,414	2,660	3,036	3,554
Trade & Other Payables	163	369	431	530	681
OD & ST Debt	94	93	78	68	59
Other ST Liabilities	295	316	336	353	371
Lt Debt	54	24	8	1	0
Other LT Liabilities	10	10	10	10	10
Total Liabilities	618	812	863	962	1,122
Shareholder's Capital	87	87	87	87	87
APIC	313	313	313	313	313
Retained Earnings	428	466	554	679	839
Other Reserves	(322)	(322)	(322)	(322)	(322)
Minority Interest	1,011	1,058	1,165	1,317	1,514
Total Equity	1,517	1,602	1,798	2,074	2,431
Total Liabilities and Equity	2,135	2,414	2,660	3,036	3,554

Source: SCCM Research

BUY

TP: IDR 19,370

▲ 48.7%

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Fig 10 - Cashflow Statement

Y/E 31 Dec (IDR bn)	FY21A	FY22E	FY23E	FY24E	FY25E
Profit before income tax	158	109	251	354	458
Cash generated from operations	272	397	241	325	391
Cashflow from Operations	244	366	188	254	302
Purchase of PPE	-42	-119	-91	-88	-91
Other investing activities	-268	0	1	1	2
Cashflow from Investments	-310	-119	-90	-87	-90
Proceeds from bank loans	653	-31	-31	-17	-9
Other financing activities	-570	0	0	0	0
Cashflow from Financing	83	-32	-31	-18	-9
Net increase/(decrease) in cash and cash eq.	47	215	67	149	204
Cash and cash eq., beginning	315	360	575	642	791
Cash and cash eq., end	360	575	642	791	994

Source: SCCM Research

BUY

TP: IDR 19,370

▲ 48.7%

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Fig 11 - Key financial ratios

Growth Ratios	FY21A	FY22E	FY23E	FY24E	FY25E
Revenue Growth (%)	12%	19%	14%	11%	11%
EBIT Growth (%)	46%	-19%	98%	36%	27%
EBT Growth (%)	66%	-31%	130%	41%	29%
PATMI Growth (%)	146%	-39%	130%	41%	29%
Profitability Ratios					
Gross Margin (%)	2%	2%	2%	3%	3%
EBITDA Margin (%)	1%	1%	1%	2%	2%
Operating Margin (%)	1%	1%	1%	1%	1%
EBT Margin (%)	1%	1%	1%	2%	2%
Core Net Income Margin (%)	0%	0%	1%	1%	1%
Tax Rate (%)	11%	22%	22%	22%	22%
Balance Sheet Ratios					
ROE (%)	12%	7%	14%	16%	18%
ROA (%)	7%	4%	7%	9%	10%
Net Gearing (%)	-5%	-21%	-24%	-29%	-32%
Net Debt/(Cash) (IDR bn)	-83	-330	-428	-595	-770
Working Capital (As % Of Revenue)	8%	7%	7%	8%	9%
Cash Conversion Cycle	28	20	7	8	10
Inventory Days	13	10	11	13	15
Receivable Days	20	19	5	6	7
Payable Days	-5	-9	-9	-10	-12
Cashflow Ratios					
Net Cash from Operations (IDR bn)	244.1	366.1	188.2	253.8	302.0
Net Capex (IDR bn)	(42.3)	(119.4)	(91.3)	(88.2)	(91.3)
Free Cashflow (IDR bn)	201.8	246.7	96.9	165.6	210.7
FCF Per Share (IDR)	232	284	112	191	243
FCF Yield (%)	2%	2%	1%	1%	2%

Source: SCCM Research

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