

# M Cash Integrasi

## Expect improved performance in 2H20

## Flash Note

### What's new? Inline 2Q20 result

Revenue increased 9% QoQ and 26% YoY to IDR3.2tn, 42% of our estimate. All business segments grew on a QoQ basis but varying growth on a YoY basis. Despite good QoQ revenue growth, gross profit fell by 33% QoQ as gross margin fell from 2.1% in 1Q to 1.3% in 2Q20 – according to the company, this is due to company's efforts to protect its market share when Covid19 was rampant in the earlier part of 2Q. Company is optimistic of some margin recovery in 2H. Reported net profit grew by 302% QoQ due to gain on other investments. Core profit excluding gain on other investments (although to be fair, company reported gain from investment every year) is only IDR3bn in 2Q – we are optimistic core profit will rebound substantially in 2H along with gross margin recovery. Hence, although core profit is 21% of Trimegah full year estimate, we still deem this result to be inline.

### Continued expansion of distribution points in 2Q20; expect better 2H20 performance

MCAS continued the expansion of its distribution points in 2Q20. Digital product aggregator members increased to 115k users (+12% QoQ, +183% YoY), while digital product SME partners increased to 62k partners (+7% QoQ, +27% YoY). Under DMMX, digital cloud advertising sites also increased to 8k sites (+9% QoQ, +72% YoY). We expect these continued expansions would allow the company to come back on a higher growth trajectory in 2H20 as the economy gradually reopens.

### DigiResto soft-launched in East Indonesia, gaining >100 merchants

In July 2020, DigiResto, the company's food ordering solution under Redbean (30% owned by MCAS), began soft-launching in East Indonesia and gained valuable merchants such as Janji Jiwa. The platform has now gained more than 100 merchants, with each clocking 100-400 transactions per day.

### We have a BUY on MCAS with a TP of IDR3,500/share

MCAS is currently trading at a 2020F/21F PE of 23x/15x.



#### Sebastian Tobing

sebastian.tobing@trimegah.com  
021 - 2924 9105

#### Samuel Mailoa

samuel.mailoa@trimegah.com  
021 - 2924 9104

#### Stock Data & Indices

Bloomberg Code	MCAS.IJ
JCI Member	JAKTRAD
MSCI Indonesia	No
LQ45	No
Syariah	No

#### Key Data

Issued Shares (mn)	867.9
Free Float (est)	25.9
Mkt. Cap (IDRbn)	1,822.7
Mkt. Cap (USDmn)	124.9
ADTV 6 months (IDRbn)	2.3
52 Wk-range	3,640/600

#### Performance

(%)	YTD	1m	3m	12m
Absolute	-27.1	35.5	123.4	-40.5
Relative to JCI	-8.2	31.2	111.5	-21.7

#### Company Data

Year end Dec	2018	2019	2020F	2021F	2022F
Revenue (IDR bn)	6,359	11,090	14,591	16,559	18,412
Gross profit (IDR bn)	169	255	337	460	588
Net Profit (IDR bn)	228	152	79	120	163
Core Profit (IDR bn)	64	62	79	120	163
EPS (IDR)	74	71	91	138	188
EPS growth (%)	930%	-3%	28%	52%	36%
P/E (x)	28.5	29.4	23.1	15.2	11.2
P/BV (x)	2.8	2.7	2.4	2.1	1.7
ROAE (%)	43.1%	22.7%	11.0%	14.6%	17.0%

Figure 1. MCAS 2Q20 Result

**MCAS 2Q20 Result:**

(in IDR bn)	2Q19	1Q20	2Q20	%QoQ	YoY	6M19	6M20	%YoY	% TRIM
Revenue	2,528	2,943	3,194	9%	26%	4,560	6,140	35%	42%
<i>Digital Product Aggregator</i>	1,352	2,030	2,158	6%	60%	2,185	4,188	92%	48%
<i>Digital Products</i>	1,156	889	1,007	13%	-13%	2,342	1,896	-19%	33%
<i>Digital Cloud Advertising</i>	16	24	25	6%	61%	27	49	84%	46%
<i>IoT</i>	5	3	4	14%	-28%	6	7	21%	40%
Cost of goods sold	(2,450)	(2,881)	(3,152)	9%	29%	(4,416)	(6,033)	37%	42%
Operating expenses	(33)	(25)	(24)	-3%	-26%	(55)	(50)	-10%	34%
Gross profit	78	62	42	-33%	-47%	144	107	-26%	32%
Operating profit	45	37	17	-53%	-62%	89	57	-36%	30%
Net profit	55	11	43	302%	-23%	91	53	-41%	67%
Core profit	19	13	3	-75%	-83%	40	17	-59%	21%
Gross margin	3.1%	2.1%	1.3%			3.2%	1.7%		
Operating margin	1.8%	1.2%	0.5%			1.9%	0.9%		
Net margin	2.2%	0.4%	1.3%			2.0%	0.9%		
Cash	135	378	384						
Debt	153	128	176						
Equity	1,207	1,482	1,398						
Net Gearing	0.01	(0.17)	(0.15)						

Source: Company, Trimegah Research

Figure 2. MCAS 2Q20 Segment Information

**MCAS 2Q20 Segment Information:**

	2Q19	1Q20	2Q20	QoQ	YoY
Revenue					
<i>Digital Product Aggregator</i>	1,529	2,030	2,158	6%	41%
<i>Digital Products</i>	975	885	1,007	14%	3%
<i>Digital Cloud Advertising</i>	21	23	25	7%	20%
<i>IoT</i>	5	3	4	14%	-28%
Gross Profit					
<i>Digital Product Aggregator</i>	24	15	18	19%	-24%
<i>Digital Products</i>	38	32	17	-49%	-56%
<i>Digital Cloud Advertising</i>	3	10	7	-29%	133%
<i>IoT</i>	1	3	3	5%	415%
Gross Margin					
<i>Digital Product Aggregator</i>	1.6%	0.8%	0.9%		
<i>Digital Products</i>	3.9%	3.7%	1.6%		
<i>Digital Cloud Advertising</i>	15.1%	44.4%	29.3%		
<i>IoT</i>	11.5%	89.3%	82.4%		

Source: Company, Trimegah Research

Figure 3. MCAS 2Q20 Operational

**MCAS 2Q20 Operational:**

	2Q19	1Q20	2Q20	QoQ	YoY	% TRIM
<b>Distribution points</b>	<b>94,130</b>	<b>167,675</b>	<b>184,710</b>	10%	96%	94%
<i>Digital Product Aggregator Members</i>	40,604	102,393	114,751	12%	183%	94%
<i>Digital Cloud Advertising Sites</i>	4,656	7,365	8,003	9%	72%	75%
<i>Digital Product SME Partners</i>	48,870	57,917	61,956	7%	27%	98%

Source: Company, Trimegah Research

Figure 4. NFCX 2Q20 Result

**NFCX 2Q20 Result:**

(in IDR bn)	2Q19	1Q20	2Q20	QoQ	YoY	6M19	6M20	YoY
Revenue	1,369.1	2,053.9	2,182.7	6%	59%	2,212.2	4,236.6	92%
<i>Digital product aggregator</i>	1,342.1	2,030.2	2,157.6	6%	61%	2,168.7	4,187.7	93%
<i>Digital cloud advertising</i>	20.9	23.7	25.1	6%	20%	31.8	48.8	53%
<i>Communication platform as a service</i>	6.1	0.0	0.0		-100%	11.8	0.0	-100%
Cost of goods sold	(1,335.8)	(2,028.0)	(2,156.9)	6%	61%	(2,151.5)	(4,184.9)	95%
Operating expenses	(7.9)	(10.9)	(9.8)	-9%	25%	(17.8)	(20.7)	16%
Gross profit	33.3	25.9	25.8	0%	-23%	60.7	51.7	-15%
Operating profit	25.4	15.0	15.9	6%	-37%	42.9	31.0	-28%
Net profit	18.3	15.6	14.8	-5%	-19%	33.2	30.4	-8%
Gross margin	2.4%	1.3%	1.2%			2.7%	1.2%	
Operating margin	1.9%	0.7%	0.7%			1.9%	0.7%	
Net margin	1.3%	0.8%	0.7%			1.5%	0.7%	
Cash	58.1	322.1	344.9					
Debt	102.7	45.4	74.3					
Equity	474.8	1,054.7	1,057.4					
Net Gearing	0.09	(0.26)	(0.26)					

Source: Company, Trimegah Research

Figure 5. DMMX 2Q20 Result

**DMMX 2Q20 Result:**

(in IDR Bn)	2Q19	1Q20	2Q20	QoQ	YoY	6M19	6M20	YoY	% of TRIM
Revenue	29.1	85.2	134.8	58%	364%	43.8	220.1	403%	31%
Cost of Revenue	(23.1)	(74.3)	(122.3)	65%	429%	(33.2)	(196.5)	492%	31%
Operating Expense	(3.6)	(5.9)	(5.2)	-12%	45%	(6.3)	(11.1)	77%	39%
Gross profit	6.0	11.0	12.6	15%	111%	0.0	0.0	123%	0%
Operating profit	2.4	5.1	7.4	46%	210%	(0.0)	(0.0)	77%	0%
Net profit	1.7	8.8	9.2	5%	439%	3.2	18.1	464%	35%
Gross margin	20.5%	12.9%	9.3%	-4%	-11%	0%	0%		
Operating margin	8.2%	6.0%	5.5%	0%	-3%	0%	0%		
Net margin	5.9%	10.3%	6.9%	-3%	1%	7%	8%		
Cash		304.0	325.1						
Debt		0.2	73.9						
Equity		670.1	670.7						
Net Gearing (%)		0%	11%						

Source: Company, Trimegah Research

Figure 6. DIVA 2Q20 Result

**DIVA 2Q20 Result**

(IDR bn)	2Q19	1Q20	2Q20	% QoQ	% YoY	6M19	6M20	% YoY
<b>Revenue</b>	<b>851</b>	<b>861</b>	<b>920</b>	7%	8%	<b>1,697</b>	<b>1,781</b>	5%
<i>Digital Products and Services</i>	811	840	922	10%	14%	1,607	1,762	10%
<i>Tours and Travel</i>	38	19	(3)	-114%	-107%	87	17	-81%
<i>Digital Financial Services</i>	2	1	1	-35%	-67%	4	2	-43%
Cost of Revenues	(822)	(839)	(893)	6%	9%	(1,650)	(1,732)	5%
Operating Expenses	(17)	(16)	(17)	7%	-3%	(31)	(33)	7%
Gross Profit	29	21	27	28%	-5%	47	49	3%
Operating Profit	11	6	10	88%	-8%	17	16	-4%
Net Profit	20	7	9	21%	-56%	41	16	-61%
Gross Margin	3.4%	2.5%	3.0%					
Operating Margin	1.3%	0.6%	1.1%					
Net Margin	2.4%	0.9%	1.0%					
Cash	185	198	193					
Debt	95	175	157					
Equity	764	832	832					
Net Gearing (%)	(0.12)	(0.03)	(0.04)					

Source: Company, Trimegah Research

Figure 7. Digiresto soft-launch, in collaboration with Mandiri



Source: Company

## Research Team

<b>Sebastian Tobing</b>	Strategy, Digital, Telecom, and Commodities	sebastian.tobing@trimegah.com	+62-21 2924 9105
Willinoy Sitorus	Banks, Automotive and Small Caps	willinoy.sitorus@trimegah.com	+62-21 2924 9107
Fakhrul Fulvian	Economics, Fixed Income	fakhrul.fulvian@trimegah.com	+62-21 2924 9097
Darien Sanusi	Consumer Staples, Retail, Healthcare	darien.sanusi@trimegah.com	+62-21 2924 9106
Heribertus Ariando	Consumer Staples and Media	heribertus.ariando@trimegah.com	+62-21 2924 9060
Adi Prabowo	Cement, Property and Infrastructure	adi.prabowo@trimegah.com	+62-21 2924 9136
Farah Rahmi Oktaviani	Cement, Property and Infrastructure	farah.rahmi@trimegah.com	+62-21 2924 6325
Rifina Rahisa	Banks	rifina.rahisa@trimegah.com	+62-21 2924 9103
Hasbie	Small Caps & Automotive	hasbie@trimegah.com	+62-21 2924 6322
Aditya Nugraha	Commodities	aditya.nugraha@trimegah.com	+62-21 2924 9099
Kenny Vincent	Economics, Fixed Income	kenny.vincent@trimegah.com	+62-21 2924 6325
Samuel Mailoa	Commodities & Small Caps	samuel.mailoa@trimegah.com	+62-21 2924 9104

## Corporate Access

Marini	Corporate Access	marini@trimegah.com	+62-21 2924 9088
--------	------------------	---------------------	------------------

## Institutional Sales Team

<b>Beatrix Susanto</b>	<b>Head of Institutional Sales</b>	beatrix.susanto@trimegah.com	<b>+62-21 2924 9086</b>
Henry Sidarta, CFTe	Deputy Head of Institutional Sales	henry.sidarta@trimegah.com	+62-21 3043 6309
Dewi Yusnita	Equity Institutional Sales	dewi.yusnita@trimegah.com	+62-21 2924 9082
Meitawati	Equity Institutional Sales	meitawati.edianingsih@trimegah.com	+62-21 2924 9081
Raditya Andyono	Equity Institutional Sales	raditya.andyono@trimegah.com	+62-21 2924 9146
Calvina Karmoko	Equity Institutional Sales	calvina.karmoko@trimegah.com	+62-21 2924 9080

## Retail Sales Team

<b>Andrew Jatmiko</b>	Head of Retail Equity Sales	andrew.jatmiko@trimegah.com	+62-21 3043 6310
Hasbie Sukaton	Deputy Head of Retail of Sales	hasbie.sukaton@trimegah.com	+62-21 2924 9088
<b>Jakarta Area</b>			
Ignatius Candra Perwira	Kelapa Gading, Jakarta	ignatius.perwira@trimegah.com	+62-21 3043 6387
Ariffianto	BSD, Tangerang	ariffianto@trimegah.com	+62-21 3043 6394
<b>Sumatera</b>			
Juliana Effendy	Medan, Sumatera Utara	juliana.effendi@trimegah.com	+62-61 4520 336
<b>East Indonesia</b>			
Pandu Wibisono	Surabaya, Jawa Timur	pandu.wibisono@trimegah.com	+62-31-5623 720
Carlo Ernest Frits Coutrier	Makasar, Sulawesi Selatan	carlo.coutrier@trimegah.com	+62-411-850 222
<b>Central Java, Area</b>			
Mariana Kusuma Wati	Semarang, Jawa Tengah	mariana.kusuma@trimegah.com	+62-24-8452 333
Antonius Santoso	Solo, Jawa Tengah	jogi.huxany@trimegah.com	+62-27 1733 328
<b>West Java</b>			
Asep Saepudin	Bandung, Jawa Barat	asep.saepudin@trimegah.com	+62-22 42679 29
Renny Nurhayati Hidayat	Cirebon, Jawa Barat	Renny.nurhayanti@trimegah.com	+62-23 1829 1155

## Disclaimer

This report has been prepared by PT Trimegah Sekuritas Indonesia Tbk on behalf of itself and its affiliated companies and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy. This report has been produced independently and the forecasts, opinions and expectations contained herein are entirely those of PT Trimegah Sekuritas Indonesia Tbk.

While all reasonable care has been taken to ensure that information contained herein is not untrue or misleading at the time of publication, PT Trimegah Sekuritas Indonesia Tbk makes no representation as to its accuracy or completeness and it should not be relied upon as such. This report is provided solely for the information of clients of PT Trimegah Sekuritas Indonesia Tbk who are expected to make their own investment decisions without reliance on this report. Neither PT Trimegah Sekuritas Indonesia Tbk nor any officer or employee of PT Trimegah Sekuritas Indonesia Tbk accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. PT Trimegah Sekuritas Indonesia Tbk and/or persons connected with it may have acted upon or used the information herein contained, or the research or analysis on which it is based, before publication. PT Trimegah Sekuritas Indonesia Tbk may in future participate in an offering of the company's equity securities.

This report is not intended for media publication. The media is not allowed to quote this report in any article whether in full or in parts without permission from PT Trimegah Sekuritas Indonesia Tbk. For further information, the media can contact the head of research of PT Trimegah Sekuritas Indonesia Tbk.

This report was prepared, approved, published and distributed by PT Trimegah Sekuritas Indonesia Tbk located outside of the United States (a "non-US Group Company"). Neither the report nor any analyst who prepared or approved the report is subject to U.S. legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other regulatory requirements pertaining to research reports or research analysts. No non-US Group Company is registered as a broker-dealer under the Exchange Act or is a member of the Financial Industry Regulatory Authority, Inc. or any other U.S. self-regulatory organization.

### **INVESTMENT RATING RULE:**

- Buy : Share price is expected to exceed more than 10% over the next 12 months
- Neutral : Share price is expected to trade within the range of 0%-10% over the next 12 months
- Sell : Share price is expected to trade below 0% over the next 12 months
- Not Rated : The company is not within Trimegah research coverage

## Analysts Certification

The research analyst(s) of PT Trimegah Sekuritas Indonesia Tbk. primarily responsible for the content of this research report, in whole or in part, certifies that with respect to the companies or relevant securities that the analyst(s) covered in this report: (1) all of the views expressed accurately reflect his or her personal views on the company or relevant securities mentioned herein; (2) no part of his or her remuneration was, is, or will be, directly or indirectly, connected with his or her specific recommendations or views expressed in the research report; and (3) the report does not contain any material non-public information. The disclosure column in the following table lists the important disclosures applicable to each company that has been rated and/or recommended in this report:

Company Ticker	Disclosure (as applicable)
MCAS	-

## Trimegah Disclosure Data

Trimegah represents that:

1. Within the past year, it has managed or co-managed a public offering for this company, for which it received fees.
2. It had an investment banking relationship with this company in the last 12 months.
3. It received compensation for investment banking services from this company in the last 12 months.
4. It expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the next 3 months.
5. It beneficially owns 1% or more of any class of common equity securities of the subject company.
6. It makes a market in securities in respect of this company.
7. The analyst(s) or an individual who assisted in the preparation of this report (or a member of his/her household) has a financial interest position in securities issued by this company. The financial interest is in the common stock of the subject company, unless otherwise noted.
8. The analyst (or a member of his/her household) is an officer, director, employee or advisory board member of this company or has received compensation from the company.