



# MAP Aktif Adiperkasa (MAPA IJ)

Indonesia's leading sports retailer expecting higher foot traffic post-COVID



ASIAN  
CENTURY  
STOCKS

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# Summary

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1. MAP Aktif is the clear market leader in Indonesian sports retailing with a 63% market share. It's the crown jewel in the larger Mitra Adiperkasa group, with the highest sales per square metres and the highest margins of any group subsidiary.
2. Sports retailing is still under-penetrated in Indonesia, with Indonesian sports goods retail selling space only 1.3 sqm per 1,000 people compared with 10.1 in China and 11.5 in Singapore.
3. MAP Aktif is run by a professional management team, the stores have excellent customer feedback and the return on equity prior to the pandemic was consistently around 25-30%. Unit economics at the store level also confirm excellent return on capital.
4. COVID-19 hurt the Indonesian retail industry through large scale social restrictions, which included restricting the opening hours or even shutting down shopping malls temporarily. We're in the early innings of a wave of Omicron infections, which is likely to lead to short-term pain, but longer-term herd immunity and potentially, an end to the pandemic.
5. MAP Aktif trades at roughly 9.1x P/E and 7.1x EV/EBIT against pre-pandemic earnings. Historically, the stock has traded closer to 18x P/E. So the potential for a re-rating if and when Indonesian retail sales recovers from the pandemic.
6. The major risks include a potential market share loss in the shift to online retail. That said, stores such as the UK's JD Sports have done well despite strong competition from e-commerce websites. Customers may want to try out shoes in stores before buying. Other risks such as COVID-19 are temporary in nature and will most likely blow over, eventually.

# Capitalisation



- Share price: IDR 2,200\*
- Shares outstanding: 2,850 million
- Market cap: US\$438 million
- Net cash: US\$45 million
- Enterprise value: US\$482 million

US\$ million

600

500

400

300

200

100

0

438

45

482

Market cap  
(US\$m)

Net debt

EV

\* IDR = Indonesian Rupiah. IDR/USD = 14,332



# Business overview



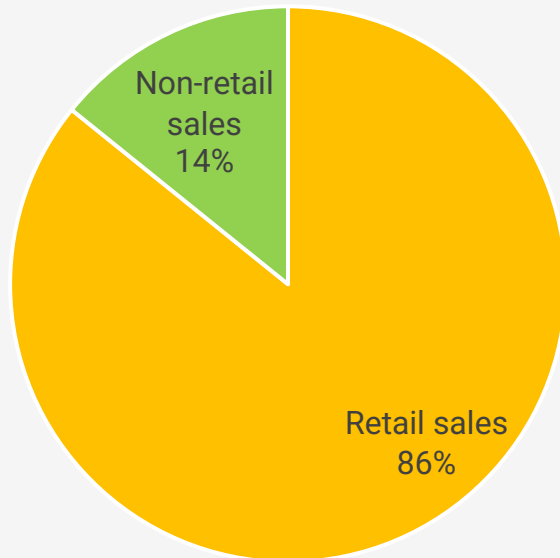
- MAP Aktif (“MAPA”) is the largest sports retailer in Indonesia with a 63% market share
- It helps foreign brands get a presence in region, taking care of distribution, merchandising, marketing and customer support.
- Today, MAP Aktif has exclusive rights to brands such as Skechers, Reebok, Converse, Crocs, New Balance etc. MAP Aktif also sells Nike Adidas and Puma, but without exclusivity agreements.
- The four key segments are sports, leisure, golf and kids
- The company has 1,121 stores across all brands, 70% of which are multi-brand:
  - Planet Sports, Golf House and The Athlete’s Foot in the premium segment
  - Sports Station, Kidz Station, Payless and RSH in the value segment
- The company was spun out of retail giant Mitra Adiperkasa (“MAPI”), which is also involved in Starbucks franchisee operations, fashion and department stores.



MAP Aktif is primarily engaged in retail sales in Indonesia. Non-retail sales includes wholesale, including to e-commerce distributors.



Revenues by segment

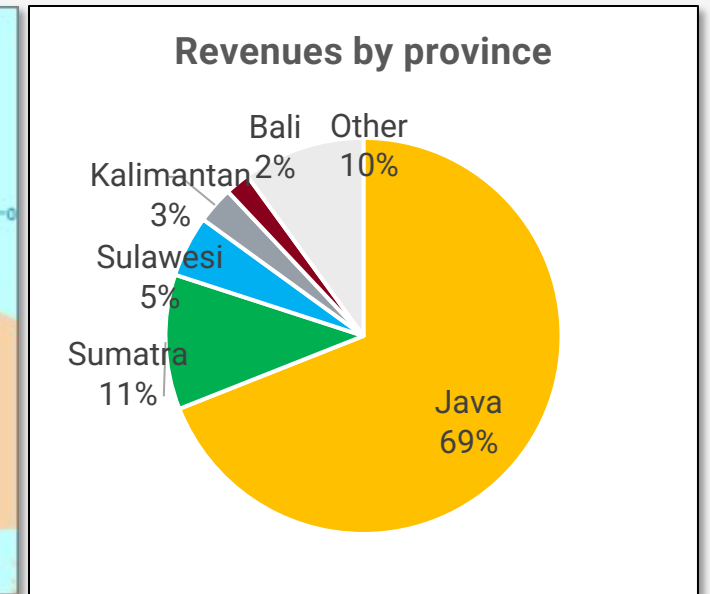


Revenues by geography





# The vast majority of MAP Aktif's stores are on Java





# Typical MAP Aktif stores

## SPORTS



### PLANET SPORTS.ASIA

Premium sports footwear, apparel, and equipment.



### SPORTS STATION

Big box value sports including racquets, balls, swimwear, golf, footwear & apparel.



### royal sporting house

Multibrand sports & leisure, apparel, & accessories merchandised by product category.



### the athlete's foot

Premium "athletic specialty" leisure, apparel & headwear.



### GOLF HOUSE

One stop resource for golf equipment & on course attire.

## LEISURE



### Payless

Value family footwear store for proprietary brands and labels.



### OGAAN

Big box fast fashion family footwear offering casual, office, kids, and active products.

## KIDS



### KIDZ STATION

Specialty retailer offering toys, early learning, and apparel.



### PLANET SPORTS KIDS

Premium sports footwear, apparel & accessories.



# MAP Aktif's brand portfolio

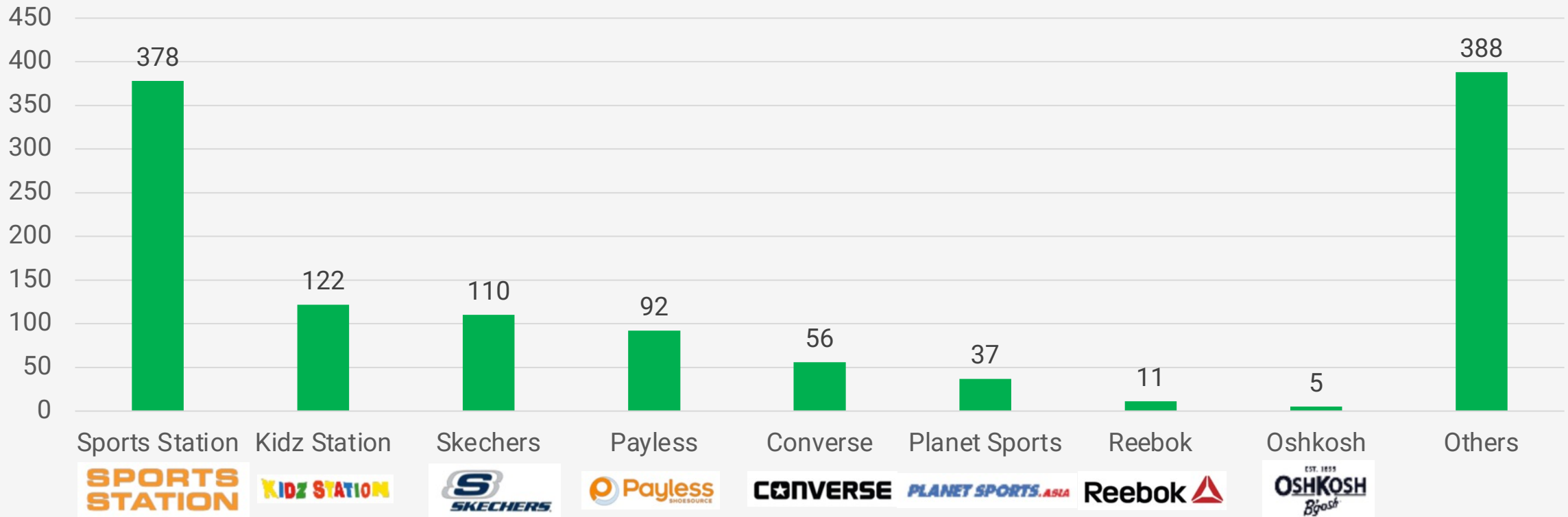


- Planet Sports, the athlete's foot and Golf House are positioned in the premium segment whereas Kidz Station and Sports Station are more of value offerings
- Sports (including Golf) is by far the largest segment, followed by Kids and then Leisure (mostly shoes)
- Most brands are exclusive to MAP Aktif, including Crocs, Ecco, New Balance, Taylor Made, Speedo, Reebok, Skechers, Oshkosh and Oakley. Three exceptions are Nike, Puma and Adidas, which are also sold in other third-party stores.

# Sports Station remains the biggest retail concept for MAP Aktif



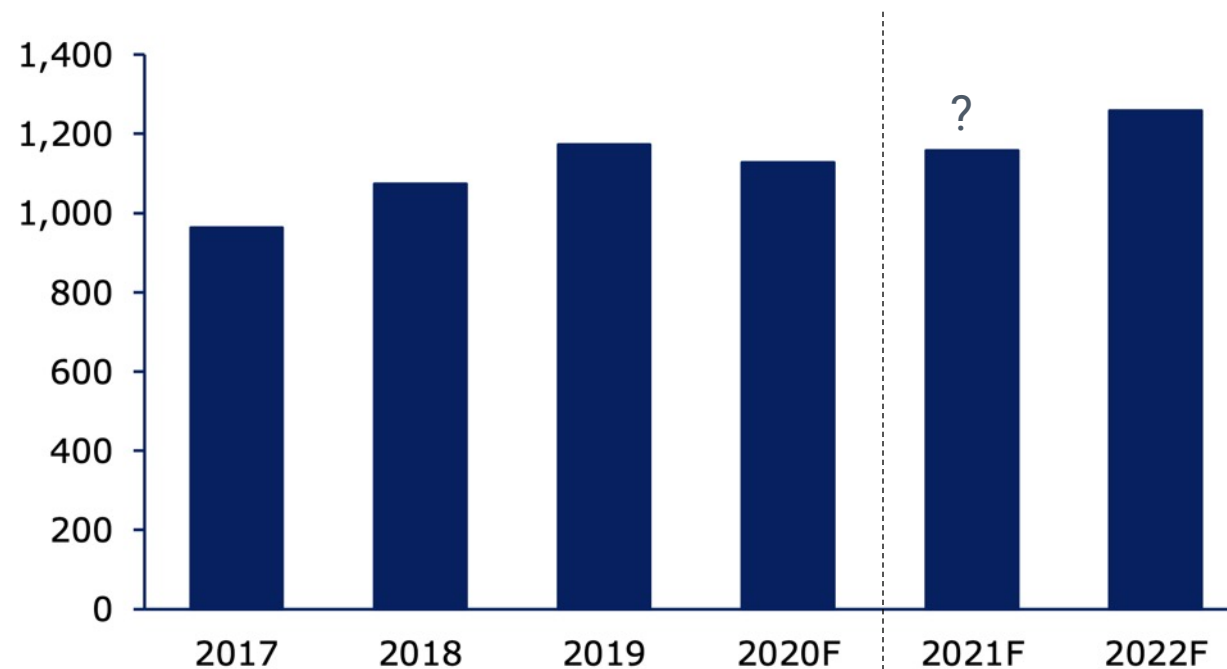
Number of outlets per brand



The company's store count grew ~10% per year prior to COVID



Figure 02: Total Outlets Year by Year

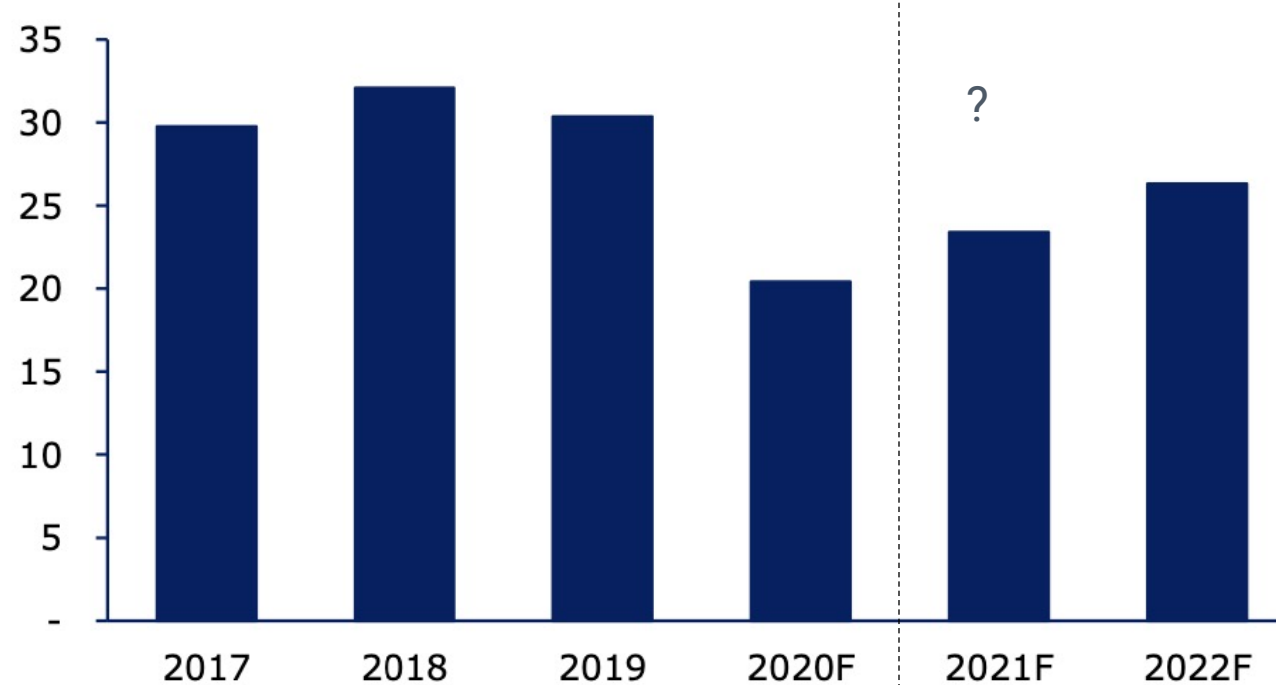


Source: Company, HPS Research

# MAP Aktif's sales per square meter kept steady before the pandemic



Figure 10: MAPA's Sales per Square Meter (in IDR mn)



Source: Company, Bloomberg , HPS Research





# The overseas expansion and the garment manufacturing arm

## MAP Aktif's overseas expansion

- MAP Aktif ventured into Vietnam in 2016, but the business has remained small.
- In 2020, MAP Aktif acquired Planet Sports in the Philippines as well as Map Active Adiperkasa (Thailand), both from the parent company at market terms.
- The plan is to roll out the MAP Club loyalty app into other ASEAN markets with the aim of expanding across the ASEAN region. MAP Aktif positions itself as being able to serve foreign brands across several markets in the region – not just Indonesia.

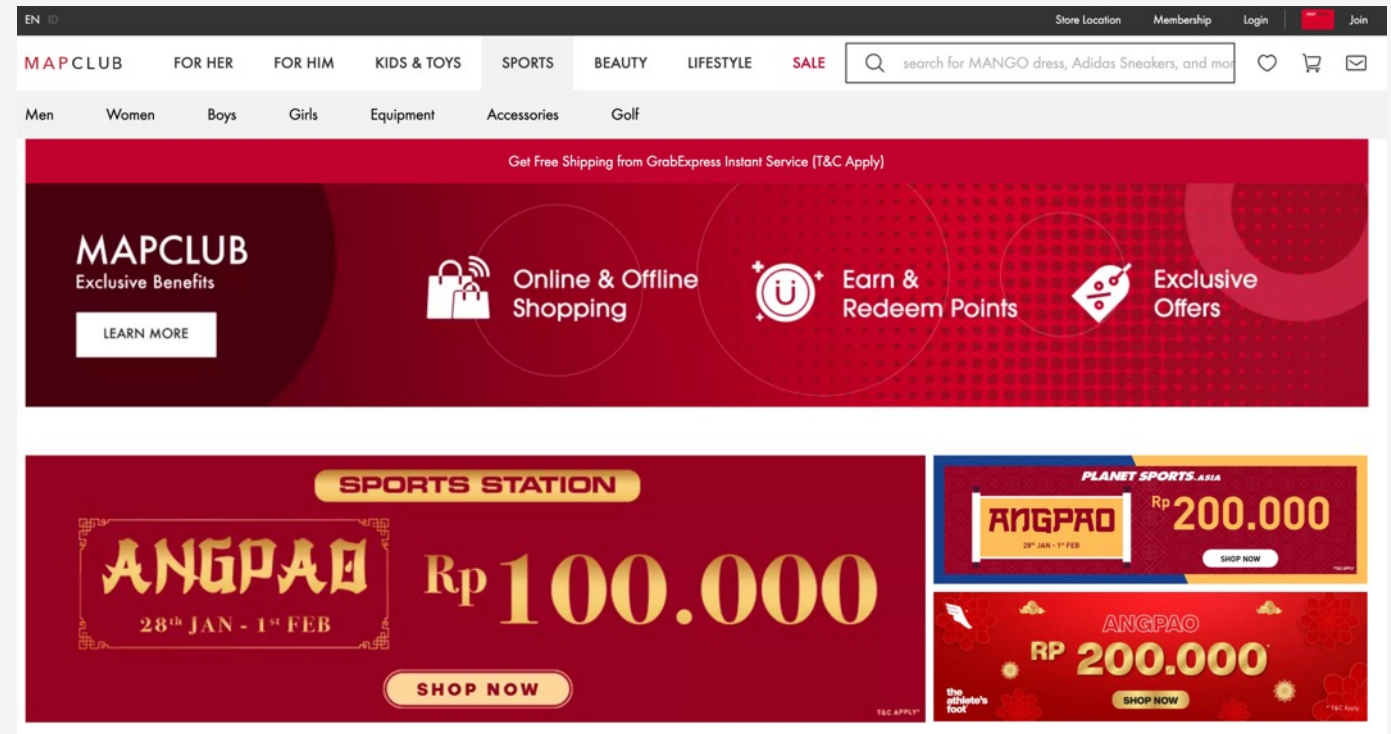
## Garment manufacturing

- MAP Aktif owns a garment manufacturing business PT Mitra Garindo Perkasa, which started under parent ownership in 2001
- The factory manufactures sports apparel clothing to supply for MAP Aktif's sports stores, including private label products
- There are also ten international brands that use the garment manufacturing plant, within sports (e.g. Reebok, Converse) and kids (e.g. Oshkosh) categories.
- It's a small part of the business and does not contribute materially of earnings

# Map Aktif's online business



- The flagship e-commerce is called MAP Club, which is run together with the broader Mitra Adiperkasa Group.
- Since 2018, MAP Aktif has also started individual websites for some of its key brand names, including:
  - Kidzstation.asia
  - Planetsport.asia
- In some cases, MAP Aktif works together with foreign brands to help them set up flagship stores on the larger e-commerce platforms such as Zalora, Tokopedia and Shopee.



Source: [mapclub.com](http://mapclub.com)

# Parent Mitra Adiperkasa's business model

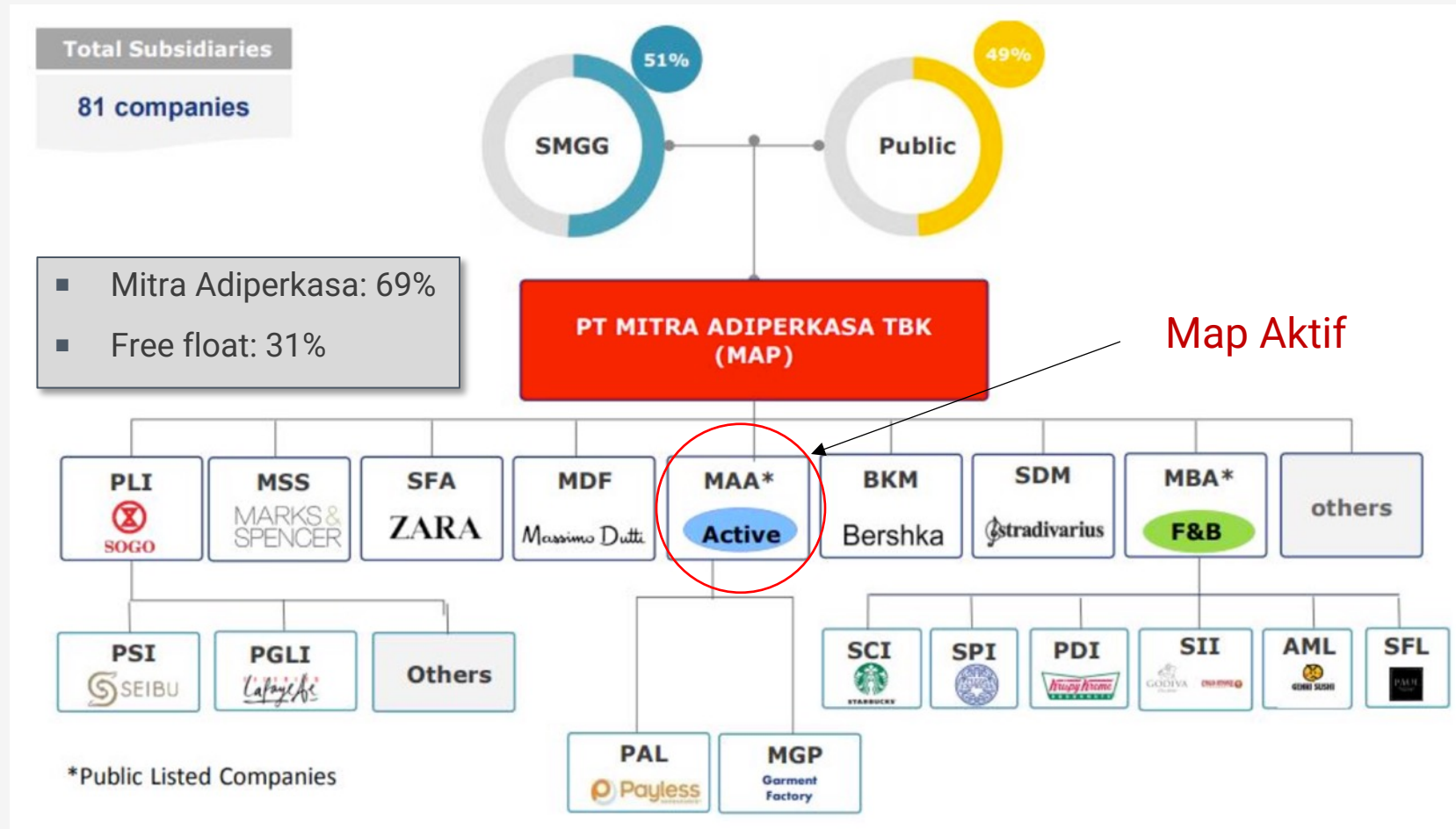


- Each subsidiary decide on:
  - The interior design, product portfolio, prices and range of services offered
  - Its value proposition and positioning
  - Each store is remodeled every five years
- MAPA has partnerships with department stores such as Ramayana, which MAPA leases stores from and gets to enjoy Ramayana's decent foot traffic (lured in by related grocery stores)
- Mitra Adiperkasa negotiates rents on a group-wide basis
- The loyalty program is also shared across the specific sub-divisions





# MAP Aktif is part of the larger Mitra Adiperkasa group





# History of parent Mitra Adiperkasa and MAP Aktif



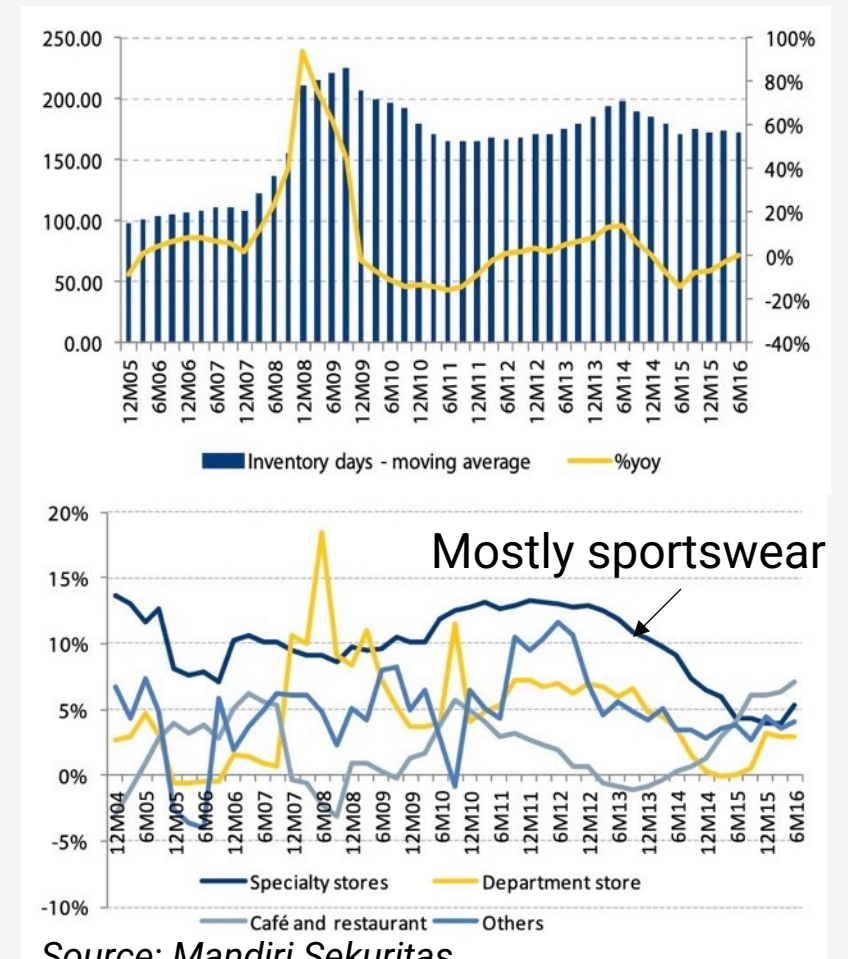
- Parent Mitra Adiperkasa is a Jakarta-based retailer that was only formed in 1995
- The company did its IPO in 2004
- In 2005, it won the award “Best managed company in Indonesia (small-cap)” from Asia Money magazine
- Today Mitra Adiperkasa has 2,000 retail outlets in total, including Starbucks, Zara, Marks & Spencer, Sogo, Seibu, Oshkosh, Reebok, Burger King, Domino’s Pizza, Subway, etc.
- In 2015, Mitra Adiperkasa won the award “Most admired companies in Indonesia (retail)” by the Warta Ekonomi magazine
- In 2015, Mitra Adiperkasa sold 30% of its sports-related business to CVC for IDR 1.5 trillion, structured as a convertible bond. Part of the reason for the CVC investment was to reduce interest-bearing debt.
- Two of Mitra Adiperkasa’s business units were separately listed in 2017-18:
  - MAP Actif Adiperkasa (MAPA): Speedo, Spalding, Wilson, Reebok, Puma, Nike, Adidas, Sketchers, Converse, Aasics, Mizuno, New Balance, Diadora, Travelogue, Rockport, Airwalk, Osh Kosh, Payless, Bandai, and Hasbro.
  - MAP Boga Adiperkasa (MAPB): Franchisees for Domino’s Pizza, Burger King, Starbucks, Krispy Kreme, Pizza Express, Cold Stone, Godiva and Subway





# MAP Aktif's 2008-2015 inventory problems

- Prior to the sale of 30% of MAPA to CVC, it suffered from poor inventory turnover – a problem that had lasted since the 2008 financial crisis.
- During the 2011-13 retail sector boom, MAPA grew its top-line 25%. But inventory days remained high – almost 200 days vs an average of about 160 for the industry.
- The issues were allegedly related to a weak IT system and poor budgeting practices. MAPA had an SAP system in place but at the time, but the company failed to properly use it for budget and order size planning.
- Heavy discounting ensued to right-size the inventory and EBIT dropped temporarily in 2015.
- Thanks to CVC's involvement, MAPA's inventory days have now come down to less than 150 in 2019. The company's estimate of a reasonable level for the sportswear industry is about 170 days and UK's JD Sports has an inventory turnover of 90 days.



Source: Mandiri Sekuritas

# MAP Aktif's 2016 corporate restructuring



British private equity firm CVC lent IDR 1.5 trillion (~US\$114 million) to MAP Aktif in 2015 to reduce debt and restructure the business. The agreement included an option to convert into a 30% stake in MAP Aktif at its IPO in 2019. Some of the initiatives that CVC spearheaded included:

1. **Store layout:** Store productivity improved by resizing stores and tailoring the product mix based on the brand potential within each location
2. **Private label:** One of CVC's initiatives was to introduce more private label products. MAP Aktif obtained the licensing rights for Airwalk and Diadora, and then produced products locally in Indonesia, boosting margins in the process.
3. **Loyalty cards:** In 2016, Mitra Adiperkasa launched its first ever loyalty card "MAP Club", which now has 4.3 million members. This compares favorably to Ace Hardware's 1.3 million and Matahari's 1.3 million. MAP Club offers reward points, with direct cashback value that can be used for the next purchase. It also enabled MAPA to gather data on its customers, including their shopping behaviours.
4. **Cost efficiencies:** Following CVC's suggestions, MAP Aktif outsourced logistics to third parties to save money and gain flexibility.
5. **E-commerce:** In 2016, Mitra Adiperkasa launched its first ever e-commerce site "MAPeMall.com", but was still managed under the offline business. The MAPeMall has now turned into MAP Club at the website URL "mapclub.com".

CVC has sold down a large portion of its holdings but retains 7.5% of MAP Aktif's shares outstanding



Source: Bloomberg

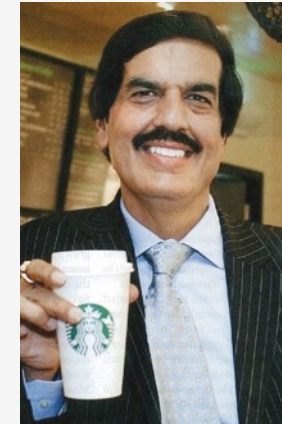


# MAP Aktif is run by a professional management team



**Michael  
David  
Capper**

- The head of MAP Aktif is **Michael David Capper**, a former British athlete turned marketing executive.
- He graduated from Providence College in 1986, worked at Reebok for 6 years, then Royal Sporting House, and Dr Martens before joining Mitra Adiperkasa in 2002.
- Michael owns 5.2 million shares in MAP Aktif, currently.



**Virendra  
Prakesh  
("VP")  
Sharma**

- The founder of parent Mitra Adiperkasa is **VP Sharma**, an Indian citizen who graduated from Rajahstan University and founded the group in Jakarta in 1991.
- He won the Ernst & Young entrepreneur of the year award in 2007
- Widely seen as a driving force of modern Indonesian retail. He is avid golfer and badminton fan.



# Capital allocation and corporate governance

- Both MAP Aktif and Mitra Adiperkasa's share counts have been flat through history. No dilution except through the IPO, when CVC became entitled to a significant amount of shares as a reward for its prior loan.
- MAP Aktif and its parent Mitra Adiperkasa have some overlap, primarily in the way that it negotiates rents with landlords and mall operators on a group basis, rather than individually. In addition, related party transactions as a percentage of revenues represents ~1.5%, which in my view is insignificant.
- MAP Aktif does not pay out any dividends. Historically, the company has justified this view through an optimistic view on the company's expansion potential with 25-30% ROEs. Since COVID, the company has been in survival mode and therefore avoided paying out dividends.
- The only M&A transaction that stands out is MAP Aktif's acquisition of NEW Golden Heritage Pte Ltd in 2020 for US\$4 million. It's a Singapore-based holding company that owns Planet Sports Philippines. The company will be used for an international expansion effort, starting with the Philippine market. It's unclear who the seller was

MAPA IJ Equity		Actions ▾	Export	Corporate Actions		
Actions for		Company ▾	● Announced ● Effective	11/28/10	-	12/31/22
Filter Actions		■ Dividends	■ Splits	☑ M & A	■ IPO / ADDL	■ Listings
				Asset Types		Action Types (5)
						1 Result 🔍
		Effective	Action Type	Ticker / ID		Summary
1)	09/03/20	Acquisition	MAPA IJ		Target: NEW Golden Heritage Pte Ltd	

Source: Bloomberg



# Competitive advantage

- **Barriers to entry for international companies:** Foreigners cannot own stores less than 400sqm, can own between 33-66% of stores between 400-2000sqm and can fully own stores above 2000sqm. A typical store is less than 400sqm. That's the main reason that MAP Aktif is able to reel in foreign international brands and act as a distributor for them.
- **Decent execution:** Compared to other domestic retailers, MAP Aktif's execution appears to be better with excellent return on capital at the store level (see table on the right-hand side). Mitra Adiperkasa has won many awards, including:
  - Best managed company in Indonesia – *AsiaMoney*
  - Best managed company in Indonesia – *FinanceAsia*
  - Retailer of the year (emerging markets) – *World Retail Congress*
  - Most admired companies in Indonesia – *Warta Ekonomi*

Unit Economics	2017	2018	2019
Sales per sqm	29,768	32,050	30,604
GPM	44%	45%	45%
GP	13,162	14,510	13,683
Maintenance capex per sqm	(738)	(753)	(724)
SG&A per sqm	(2,776)	(2,748)	(2,689)
Rent per sqm	(3,085)	(3,237)	(3,123)
Wages per sqm	(3,150)	(3,336)	(3,144)
<b>EBIT per sqm</b>	<b>3,413</b>	<b>4,437</b>	<b>4,003</b>
% of sales	11%	14%	13%
Store Size	181	181	207
EBIT (IDR m) (store size* EBIT per sqm)	619	804	830
Total Investments IDRm	2,365	1,989	1,481
capex per sqm, new store	4,701	4,224	3,016
Operational WC per sqm, new store	8,348	6,752	4,124
<b>ROCE</b>	<b>26.2%</b>	<b>40.4%</b>	<b>56.1%</b>

Source: Credit Suisse

# MAPA customer reviews on Google are excellent across the board



## Sports Station (4.4/5.0)

- *"Complete and extensive ... there are always discounts"*
- *"Good service is still serving even though I came at 20:40 just before the shop closed. Cool!"*
- *"The contents are simple, the second layer products. but the price is still MAP Price, not cheap"*
- *"Good and large place sport station. Many product of sport tools. The price is reasonable. There are many discount on shoes product."*



## Kidz station (4.4/5.0)

- *"Good toys selection. A bit pricey of course."*
- *"Kids heaven.. many toys for children"*
- *"Quite a complete selection, especially the [Star Wars] collection. The staff are also knowledgeable and helpful. Fast service. Unfortunately the shop is too small."*
- *"The staff is friendly, and the place is clean."*
- *"Best place to find kids toys"*



## Planet Sports (4.4/5.0)

- *"Great place for [your] sports equipment. Many choices from variant brands"*
- *"Best place for finding shoes and sandals for sports"*
- *"One of the best sport shops you can have. You can try any running shoes by running at the track. The services are great too except the cashier who discard salesgirl's barcode."*
- *"Clean, spacious place and good service."*



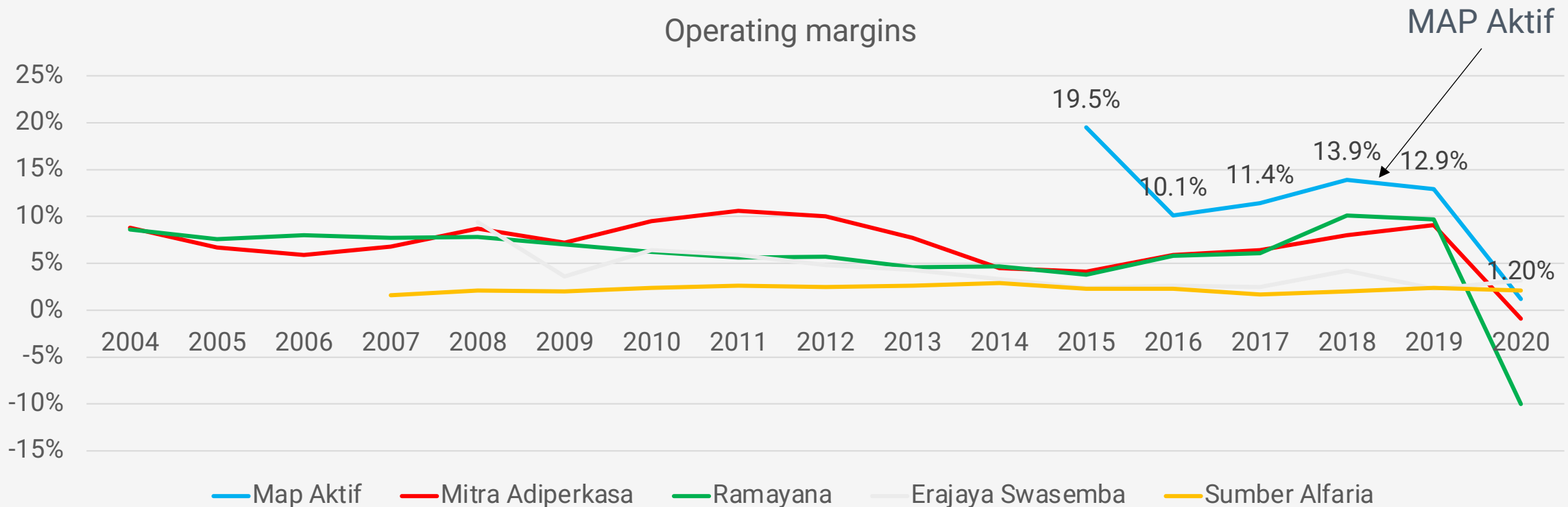
## Golf House (4.1/5.0)

- *"Many discounted apparels, even the golf bag is also cheap"*
- *"Decent collections of golf related apparatus"*
- *"The service is friendly and the collection is new"*
- *"Services need to be improved."*
- *"Friendly, and complete staff service"*
- *"A paradise for golf lovers"*

Source: Google Maps reviews

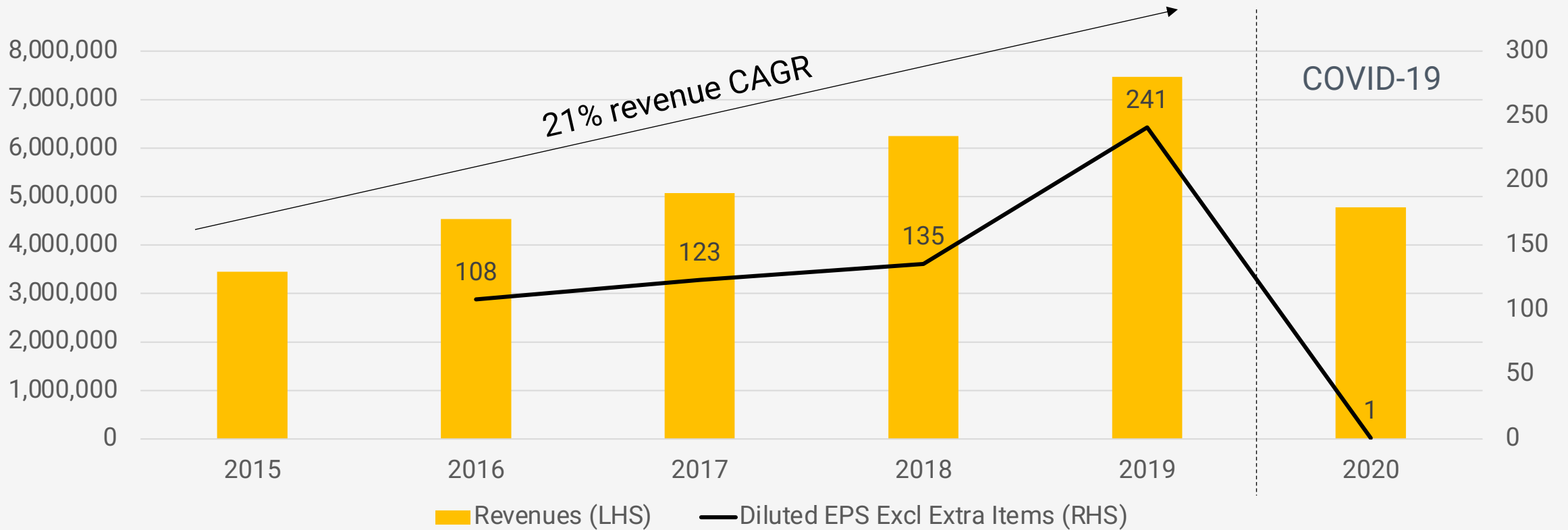


# Most Indonesian retail peers have had mid-single digit margins but MAP Aktif has outperformed the broader industry



Source: TIKR

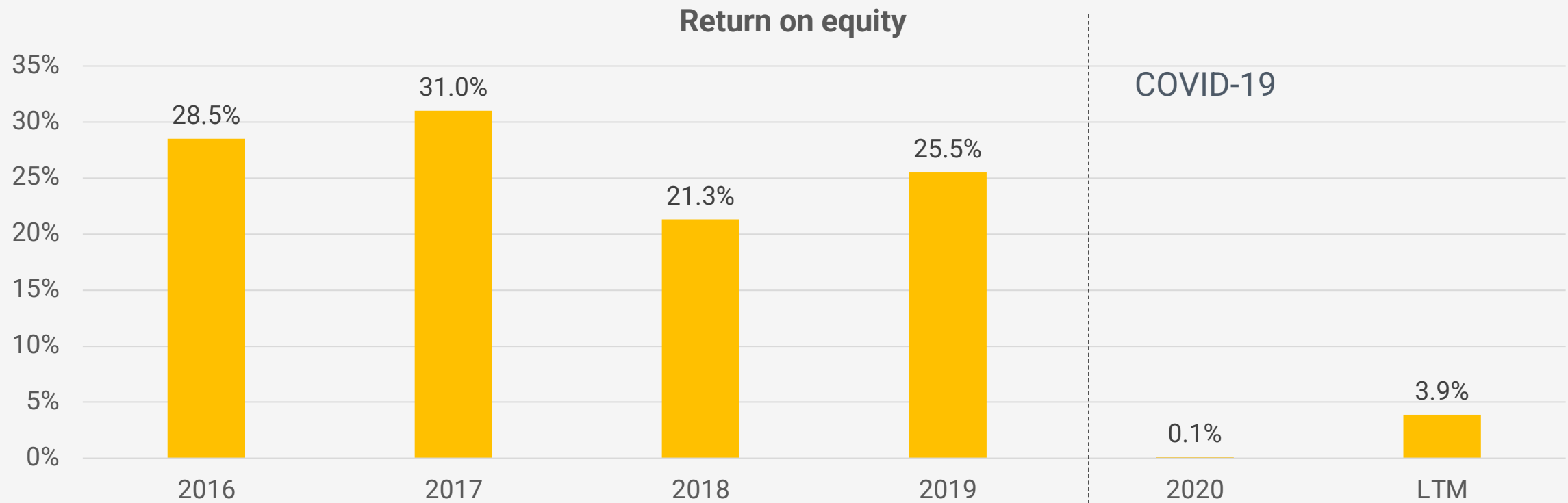
MAP Aktif enjoyed steady 10%+ growth prior to the pandemic at 25-30% return on equity



Source: TIKR

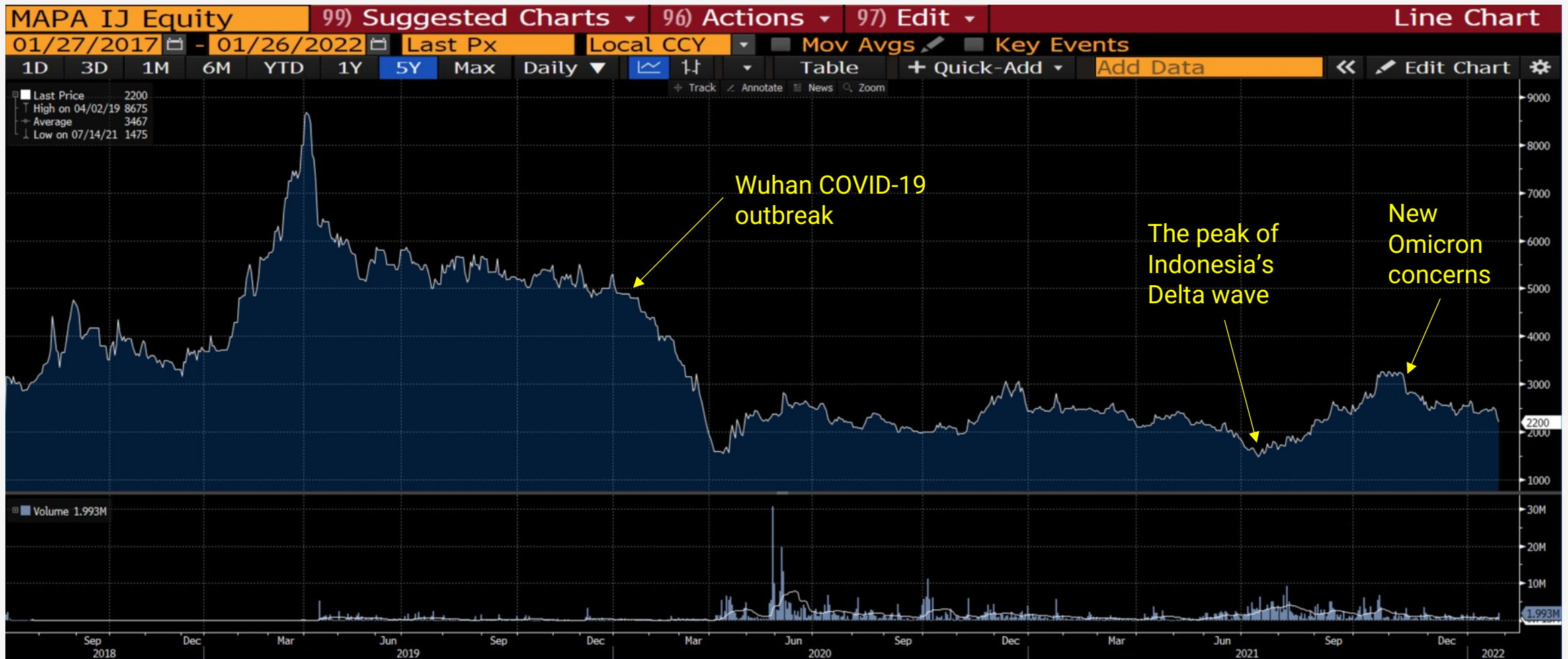


## MAP Aktif's pre-pandemic return on equity was decent



Source: TIKR

# Map Aktif's stock price hasn't yet recovered from the post-COVID-slump



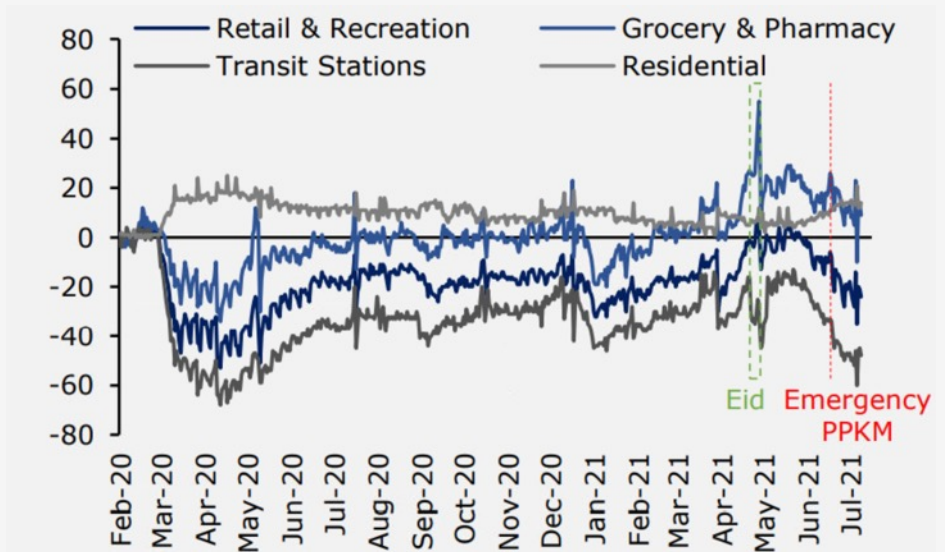
Source: Bloomberg



## Reasons for a weaker share price

- The main reason for a weaker share price is Indonesia's large scale social restrictions imposed in March 2020 ("PSBB") followed by
- The retail segment saw overall 2020 revenues drop -36% and net income drop to zero. The company's online sales grew +418% but was not enough to counter-act the negative effect from weaker foot traffic to the company's retail stores.
- Rental discounts were received from landlords as support during the pandemic. But those were temporary in nature and gradually phased out.

### Retail & recreation mobility weakened during COVID







## Long-term industry trends

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1. Indonesia's retail sector boomed until around 2014, when economic growth started to weaken, partly due to currency depreciation against the US Dollar. But the potential remains.
2. Indonesia's standard of living and disposable income is likely increasing gradually.
3. Consumers are likely to buy more international brands such as Nike as incomes grow.
4. There's an underlying trend towards healthy lifestyles. Sports play a key role in this lifestyle.
5. The sportswear retail market penetration rate is low in Indonesia compared to Singapore and developed markets.

# Indonesian sportswear retail is still heavily underpenetrated



Source: Euromonitor



# What will change for MAP Aktif in the future?

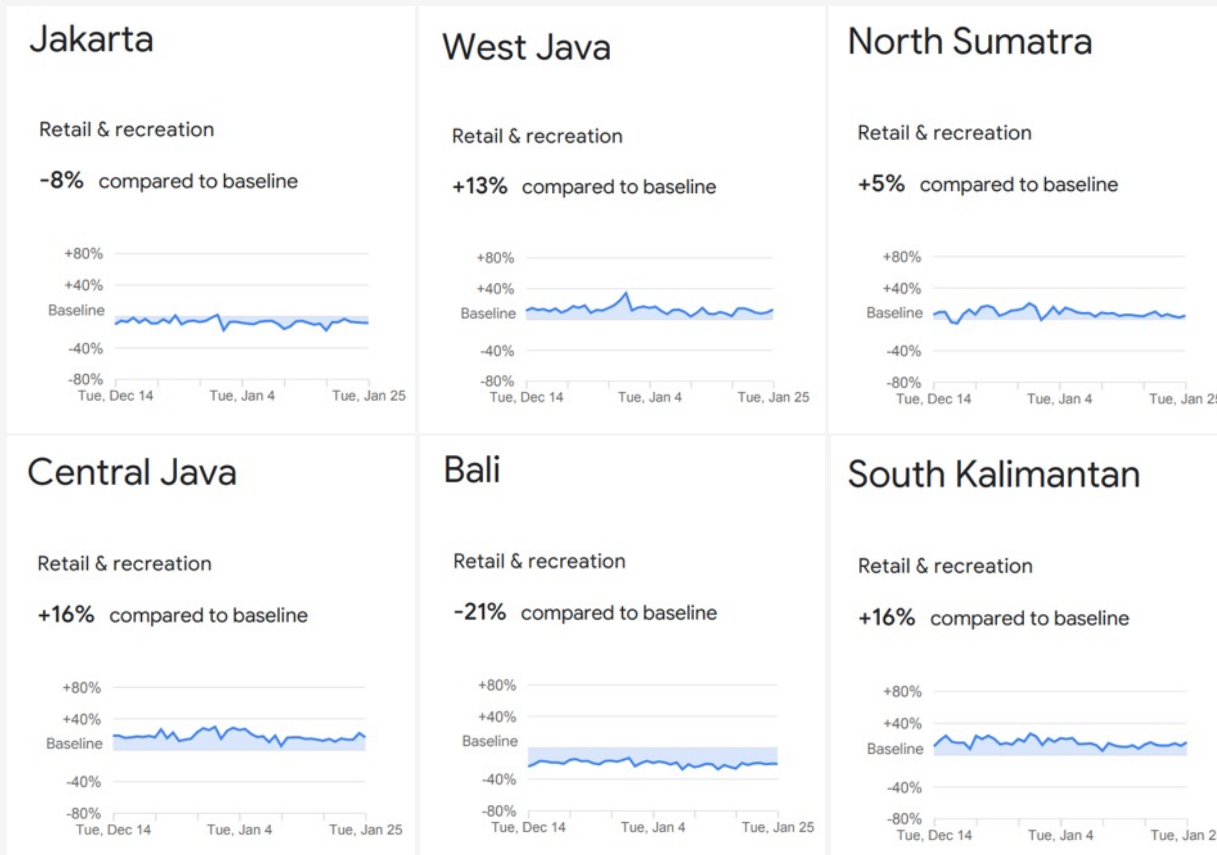
- **E-commerce:** The contribution from online e-commerce is likely to increase over time, though not necessarily in the short-term as the economy recovers from COVID-19. In 2020, MAPA launched the online platform for its flagship retail chain “Sports Station” and there will be more to come in terms of online ordering and fulfilment.
- **COVID-19:** Restrictions of COVID-19 related restrictions seems likely, including for shopping malls and sports facilities. MAP Aktif’s latest guidance is positive.
- **Renewed expansion post-pandemic:** Prior to the pandemic, MAP Aktif planned to increase its floor space by about 10-15% per year. Growth came from both mono-brand stores and multi-brand stores such as Planet Sports and Sports Station.
- **Decathlon:** Competition from French sportswear retailer Decathlon will be heating up in the next few years. However, MAPA has a 64% market share in the Indonesian sportswear retail industry compared with only 4% for Decathlon. MAP Aktif also has a different niche, focusing on Western brand names rather than private label.
- **New initiatives:** In September 2021, MAP Aktif signed an exclusive licensing agreement with US-based Foot Locker to open stores in Indonesia, starting with two physical stores and an online interface in late 2021. Also, Sports Station is now in over 90 Ramayana stores (nearly half of the total). This business is profitable and will expand over time.

# MAP Aktif's guidance is mostly positive... though the effects of Omicron are yet to be seen

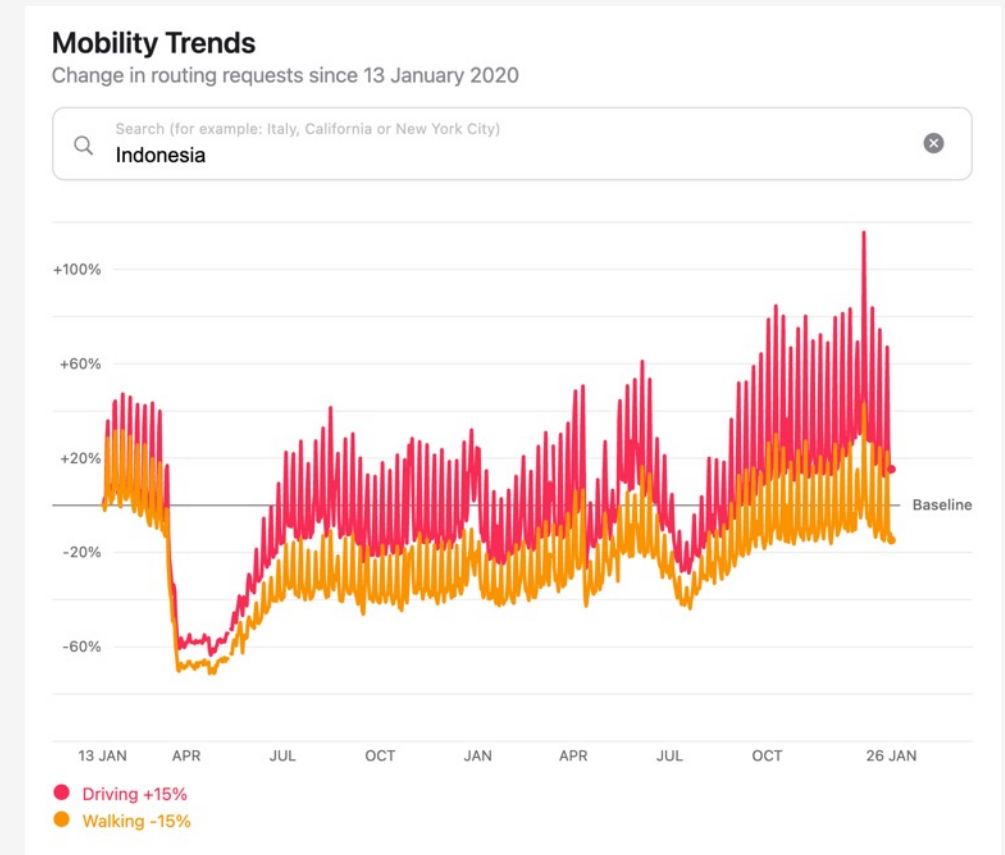


- *"However, September unveiled a slow but sure re-opening of malls across its territories of Indonesia, Vietnam, Thailand, and the Philippines, amid **visible signs that the worst of the Covid-19 pandemic may be easing.**"*
- *"**Sales and margins in September improved markedly** across all territories versus 2020, as there was strong recovery in consumption immediately after stores re-opened with semi regular operating hours versus prior months. The gains were apparent across all its three core segments of Sports, Leisure, and Kids."*
- *"**We anticipate a gradual improvement** across all markets as the pandemic eases, but we remain guarded against all eventualities. However, we continue to build our business from a long-term perspective, and are confident we have the resources to offset any unpredictability resulting from the virus."*
- *"**MAPA will continue to invest with its preferred partners across ASEAN** as the markets improve. "Working closely together, we can maximize MAPA's prowess in Unified Retail with our partners' expertise in brand and marketing. As a team, we can grow all channels whether online, offline, marketplace or traditional wholesale channels. And all linked with our loyalty and data analytics platforms to provide our partners with the best direct data on who their shoppers are, where they shop, and what they want to purchase."*

# Retail mobility across Indonesia appears to be back to normal... the problem is government-mandated shopping mall restrictions



Source: Google



Source: Apple

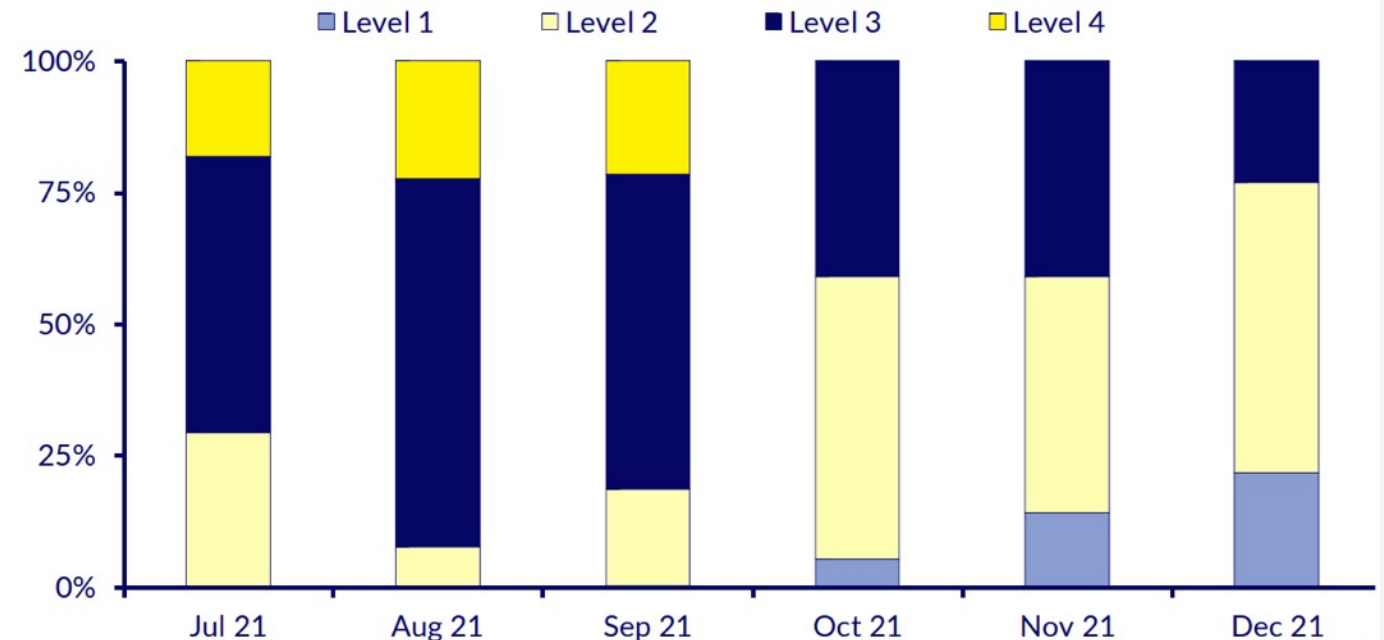


# The Delta-related emergency lockdown (PPKM) has been relaxed gradually - and more to come



- New restrictions were imposed across Indonesia in early 2021, through the centrally planned PPKM program (CARE = Community Activities Restrictions Enforcement, in English).
- These replaced the regional large-scale social restrictions that had been in place since early 2020.
- Restrictions were imposed based on a ranking from 1 (lax) to 4 (strict). Specifically, the measures introduced include:
  - Level 1: limiting workplace patronage, home-based learning, lower capacity for restaurants, shopping centres closed by 7pm, etc.
  - Level 2: Shopping malls closed by 8pm
  - Level 3: 50% working from home, crowds no more than 3 people, closure of houses of worship, playgrounds, etc.
  - Level 4: 100% work from home, no restaurant dining in, shopping malls closed, etc.
- The government has increased the PPKM level in several regions. However, Jakarta's level increased from level 1 to level 2 in early December to reduce the risk of Omicron transmission.

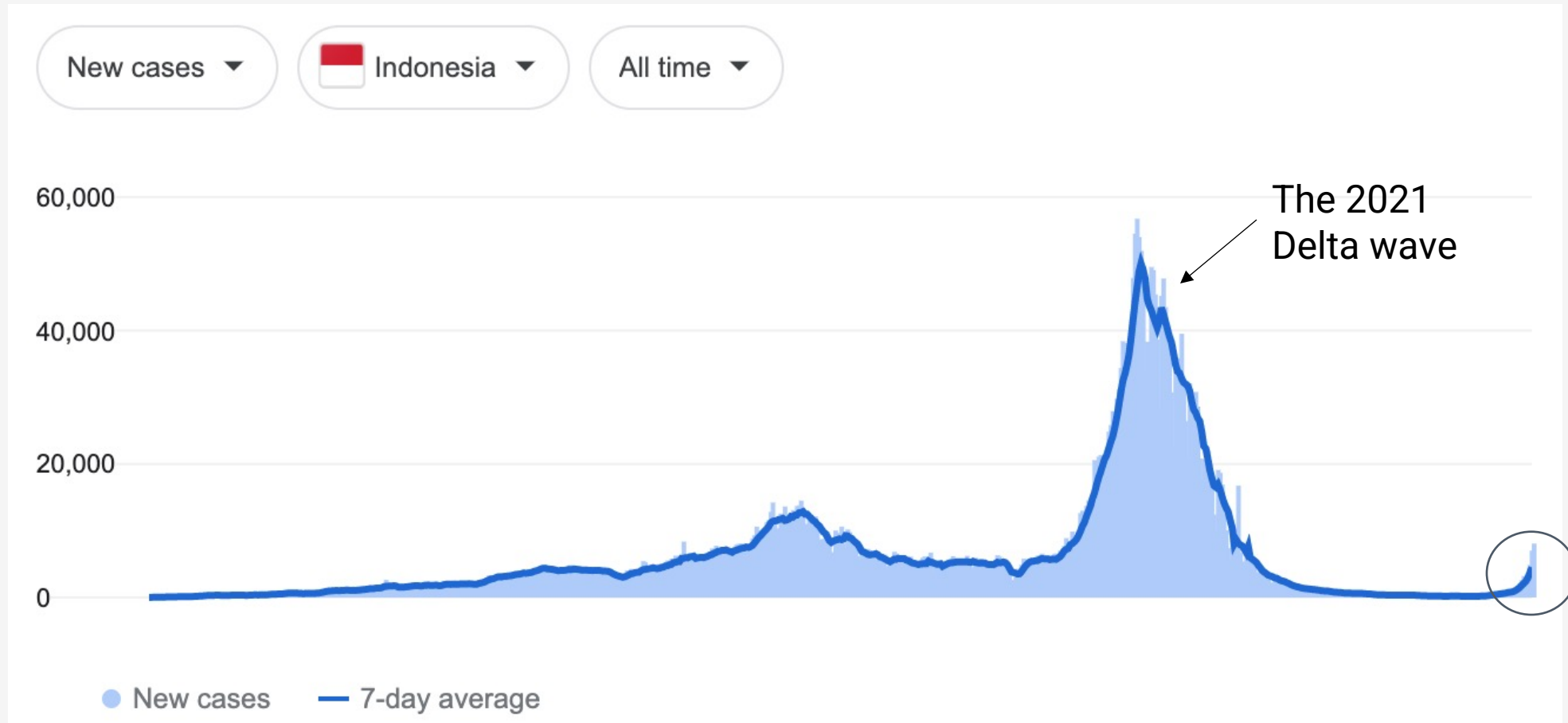
**PPKM level in cities/regencies in Indonesia**



Source: CLSA, Ministry of Health

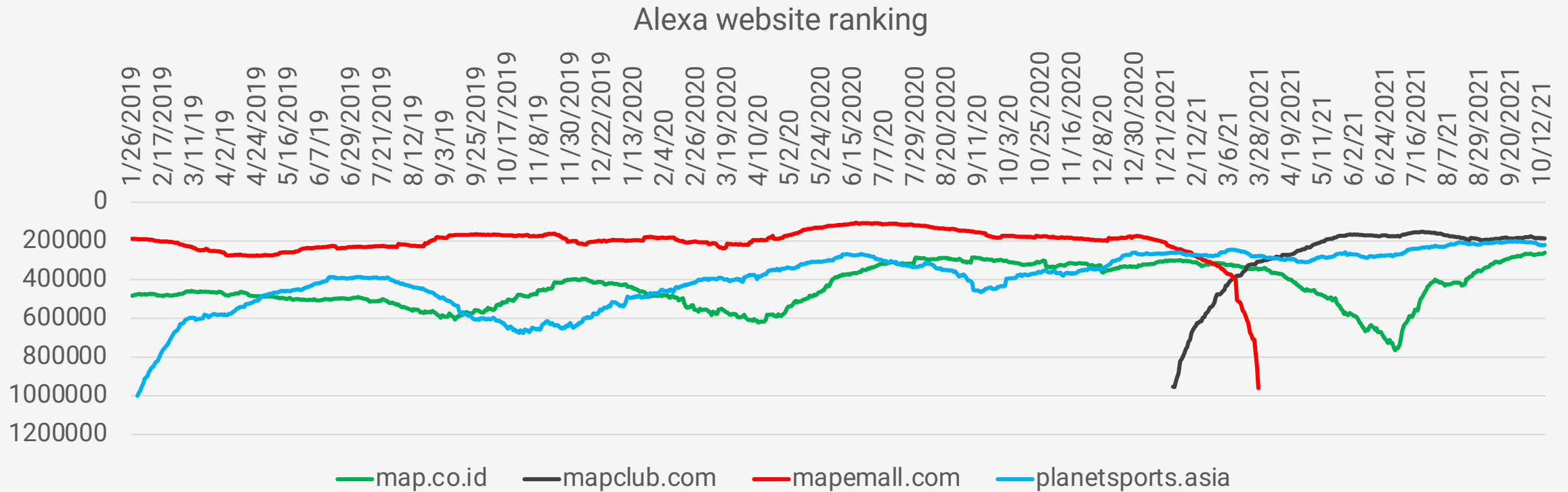
Source: CLSA

# A new Omicron wave is coming, causing short-term nervousness among investors

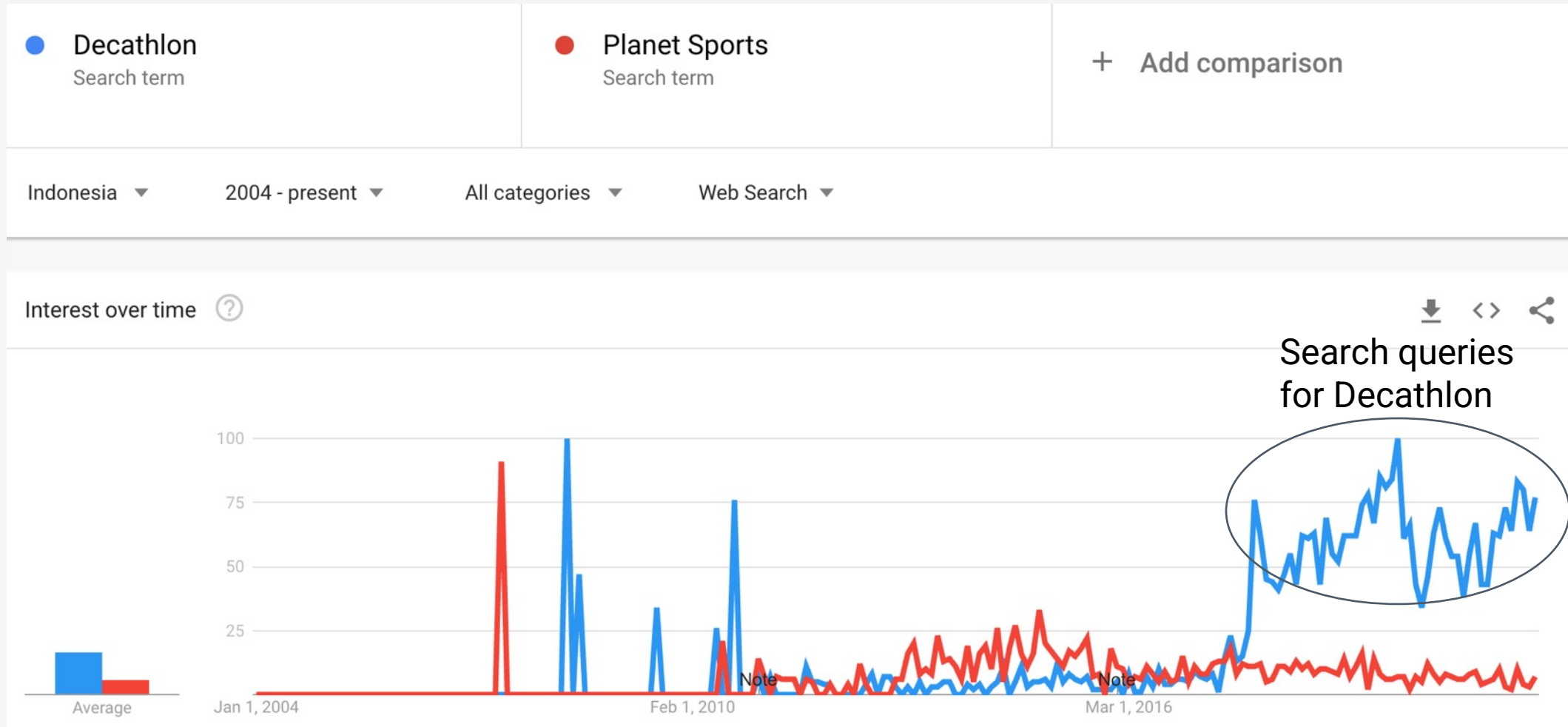


Source: Our World in Data

Gradual improvement in website traffic rankings for key brands.  
Note that “mapemall.com” turned into “mapclub.com” recently.



# Strong search interest for competitor “Decathlon” started in 2018



Source: Google Trends

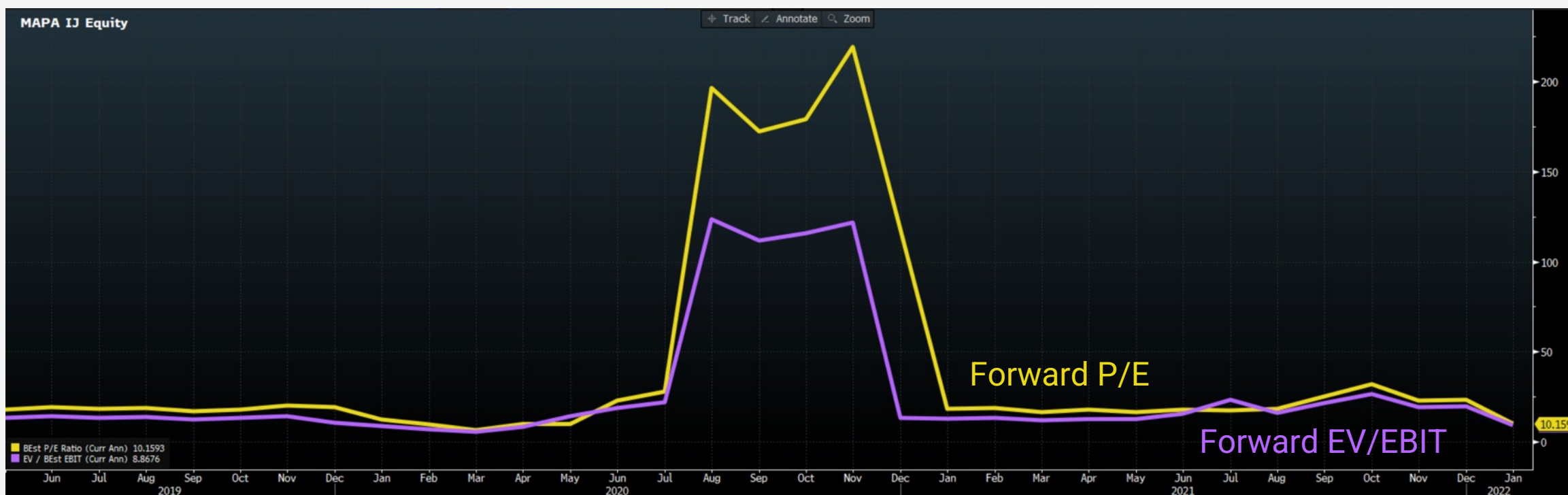
The peer group trades at 11x P/E and 8x EV/EBIT... but its American peers enjoyed one-time boost from COVID-19 related cash handouts



2023e	Ticker	Region	Mkt cap (US\$m)	EV/Sales	EV/EBIT	P/E	Div yield
Map Aktiv	MAPA IJ	Indonesia	437	0.81x	7.2x	8.0x	5.2%
Mitra Adiperkasa	MAPI IJ	Indonesia	862	0.74x	8.8x	12.1x	1.6%
Matahari Department Store	LPPF IJ	Indonesia	650	1.41x	8.7x	8.6x	5.3%
Ramayana	RALS IJ	Indonesia	319	0.53x	7.3x	10.0x	6.5%
Erajaya Swasemba	ERAA IJ	Indonesia	606	0.19x	4.7x	6.0x	4.5%
Sumber Alfaria	AMRT IJ	Indonesia	3,127	0.44x	13.9x	16.9x	3.6%
JD Sports	JD/ LN	United Kingdom	12,721	1.15x	10.4x	14.5x	0.4%
Big 5 Sporting Goods	BGFV US	United States	433	0.55x	6.2x	6.0x	5.2%
Hibbett	HIBB US	United States	863	0.62x	0.4x	5.8x	1.9%
Xebio Holdings	8281 JP	Japan	374	0.10x	4.6x	20.8x	n.a.
Grupo SBF	SBFG3 BZ	Brazil	1,020	1.00x	11.2x	15.5x	1.5%
Average ex-MAPA			2,098	0.67x	7.6x	11.6x	3.4%
Median ex-MAPA			756	0.59x	8.0x	11.0x	3.6%



Map Aktif has historically traded at 18.0x P/E and 13.5x EV/EBIT



Source: Bloomberg

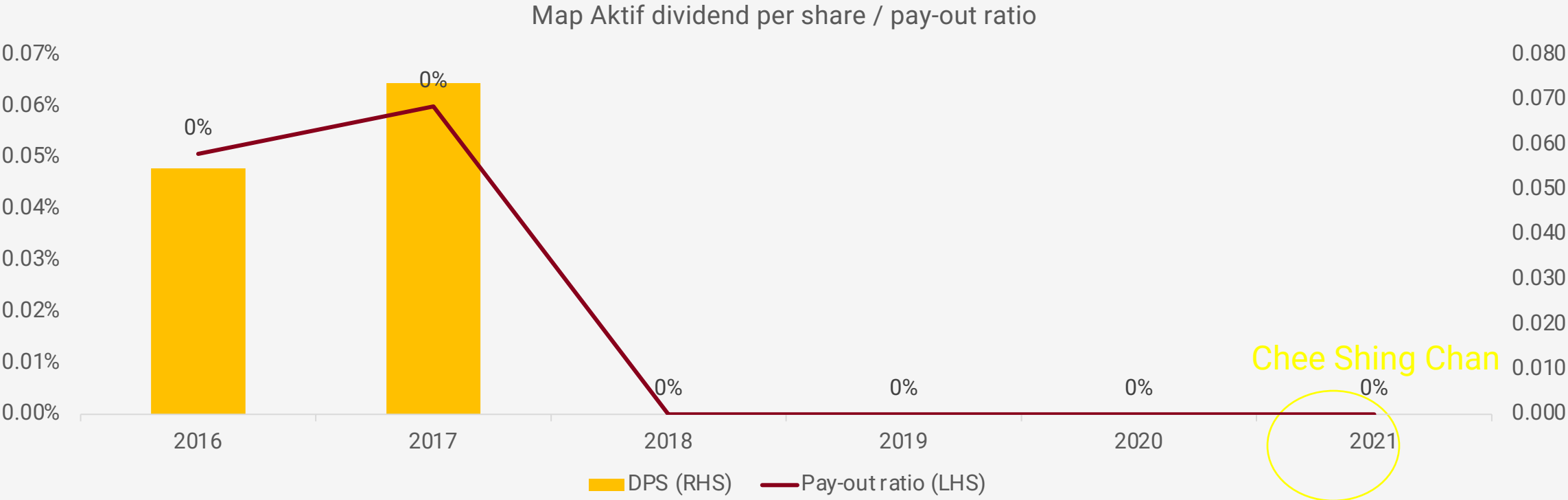
In a recovery, Map Aktif will almost certainly trade at a single-digit P/E.  
The 2018 financial expense dropped due to CVC's conversion to equity.



Map Aktif	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	6246	7447	4781	5881	7234	7957	8753	9628
Cost of sales	-3418	-4118	-2869	-3529	-4196	-4377	-4814	-5296
Gross profit	<u>2828</u>	<u>3330</u>	<u>1912</u>	<u>2352</u>	<u>3038</u>	<u>3581</u>	<u>3939</u>	<u>4333</u>
Selling expenses	-1738	-2094	-1576	-1734	-2025	-2228	-2451	-2696
General & administrative	-223	-262	-256	-282	-310	-341	-375	-412
Operating profit	<u>867</u>	<u>974</u>	<u>80</u>	<u>337</u>	<u>703</u>	<u>1012</u>	<u>1113</u>	<u>1224</u>
Interest income	13	10	17	9	9	9	9	9
Financial expense	-313	-21	-97	-79	-79	-79	-79	-79
Other gains & losses	19	-6	-8	0	0	0	0	0
Pretax profit	<u>586</u>	<u>958</u>	<u>-9</u>	<u>266</u>	<u>632</u>	<u>941</u>	<u>1042</u>	<u>1154</u>
Income tax	-232	-264	13	-67	-158	-235	-261	-288
Net profit	<u>353</u>	<u>693</u>	<u>4</u>	<u>200</u>	<u>474</u>	<u>706</u>	<u>782</u>	<u>865</u>
EPS (IDR)	124	243	2	70	166	248	274	304
P/E	<u>17.7x</u>	<u>9.0x</u>	<u>1445.6x</u>	<u>31.4x</u>	<u>13.2x</u>	<u>8.9x</u>	<u>8.0x</u>	<u>7.2x</u>
EV/EBIT	<u>8.0x</u>	<u>7.1x</u>	<u>86.3x</u>	<u>20.5x</u>	<u>9.8x</u>	<u>6.8x</u>	<u>6.2x</u>	<u>5.6x</u>
Div yield	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>2.1%</u>



# The lack of dividends is a question mark



# Potential downside risks



- **Decathlon:** Competition from French sportswear goods store Decathlon. But it only has 4 stores in entire Indonesia and a limited market share so far. But they are MAP Aktif's largest competitor and competition may heat up eventually. However, the niches are somewhat different: Decathlon focuses on in-house brands while MAP Aktif offers international brand names.
- **E-commerce:** Despite the rapid growth of e-commerce over the past few years, JD Sports has been able to generate 10%+ SSSG in their UK retail stores from 2015-2017, telling me that if a retailer is able to offer a differentiated product, customers will still visit your stores.
- **Corporate governance:** Although there are no major related party transactions to speak of, it is a subsidiary to Mitra Adiperkasa and one cannot rule out related party transactions in the future. They share the loyalty program MAP Club together, and also negotiate with landlords and mall operators together.
- **Import duties:** It's possible that changes to import duties might affect MAP Aktif's business, not only for imports from Western brands but also between RCEP members.
- **FX movements:** MAPA benefits from a strong Rupiah, and might suffer in a scenario of Rupiah depreciation.
- **Selling pressure:** CVC retains an ownership of MAPA of 7.5% through its holding company Montage Company Limited. They will most likely offload their shares at some point.

# Catalysts



- Easing of COVID-19 restrictions following the end of Indonesia's current Omicron-related wave of infections
- Dividend initiation? Parent Mitra Adiperkasa has historically paid out 15-20% of earnings as dividends. It's possible that MAP Aktif will eventually start paying out dividends as well.

