

Daya Intiguna Yasa

KTA from FY24 Earnings Call: Strong Growth Momentum Fueled by Aggressive Expansion

Strong revenue growth driven by aggressive store expansion

MDIY's revenue surged by 73.9% YoY from IDR3.9tr in FY23 to IDR6.8tr in FY24 (+39.6% YoY on pro forma basis). This robust growth was primarily driven by: 1) Aggressive store expansion, with 961 total stores in FY24 (+263 net additional stores), covering 97% of provinces (37 out of 38) and 75% of cities/regencies (389 out of 514) in Indonesia; 2) The consolidation of Mitra Indoguna Yasa (MIY), that contributing to overall revenue growth; 3) Increased marketing efforts, aimed at driving higher foot traffic. The expansion strategy has translated into higher transaction volume, which grew 37.6% YoY to 88.7mn transactions in FY24. Meanwhile, SSSG normalized to 5% in FY24, down from 30% in previous year. Management expects SSSG to stabilize at this level moving forward.

Margin expansion driving strong profit growth

MDIY reported a gross margin of 55.0% in FY24, expanding 13.0 p.p. from 42.0% in FY23 (53.0% on pro forma basis). This improvement could be attributed to: 1) Economies of scale, as a larger store network strengthened MDIY's bargaining power with suppliers; 2) Logistics optimization, with higher store density reducing overall distribution costs; 3) An improved product mix, enhancing operating leverage by aligning with consumer preferences. Operating margin increased to 23.3% from 14.6% in FY23 (21.5% on pro forma basis). Net profit grew 205.6% YoY to IDR 1.1tr, with net profit margin expanding to 15.9% from 9.0% in FY23 (13.6% on pro forma basis).

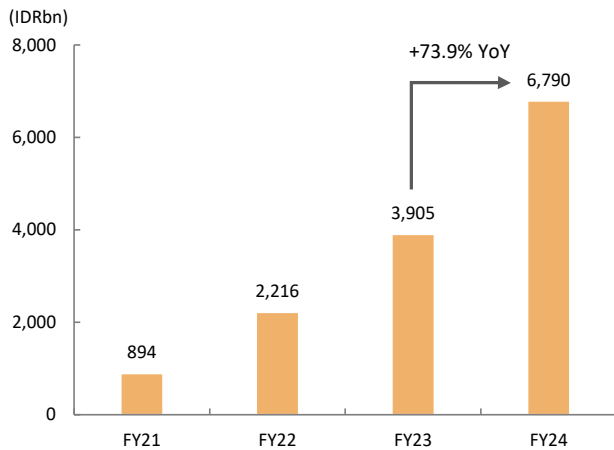
Healthy financial position with robust cash flow generation

MDIY's net debt declined 37.3% YoY to IDR849bn in FY24 (from IDR1.2tr in FY23). The gearing ratio improved to 0.5x from 1.7x, while net debt to EBITDA stood at 0.4x (down from 1.5x). The improvement was supported by strong cash flow generation, with CFO reaching IDR767.3bn in FY24 (+0.6% YoY). However, CCC lengthened from 114 days to 166 days, primarily due to an increase in inventory turnover days (rising from 117 days in FY23 to 169 days in FY24) following MIY's consolidation.

FY25F outlook: expansion strategy remains a key focus

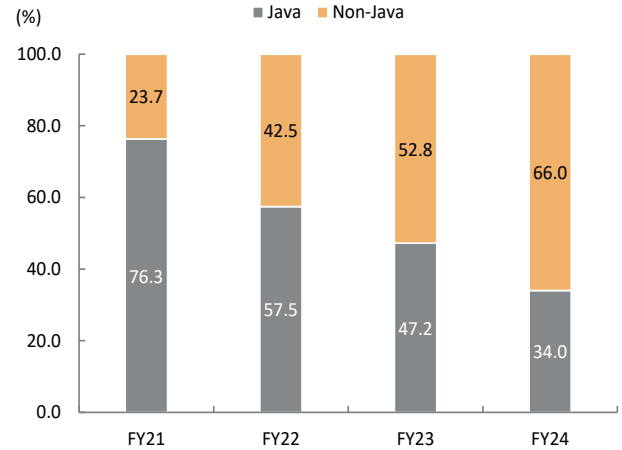
Management plans to open more than 270 additional stores in FY25F, reinforcing its long-term growth strategy. In the long run, company targets 120-150 store openings annually, while maintaining gross margins in the 54-55% range. Regarding potential macroeconomic risks, management stated that US tariffs on Chinese imports have not impacted operations, as the company continues to source products under existing quotas. MDIY remains focused on business optimization and enhancing customer experience to sustain growth momentum.

Figure 1. MDIY yearly sales



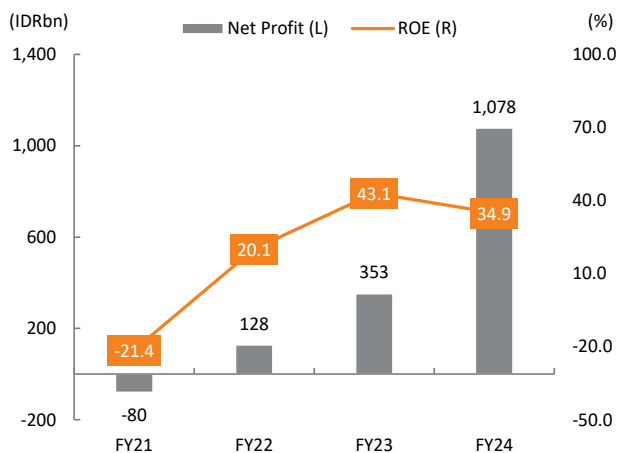
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 2. MDIY sales contribution breakdown



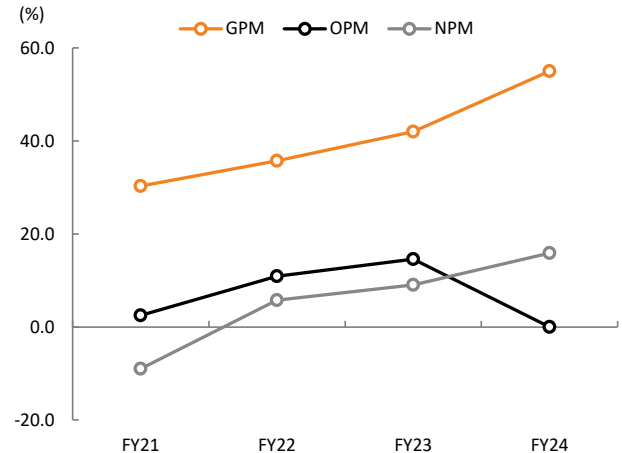
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 3. MDIY net profit and ROE



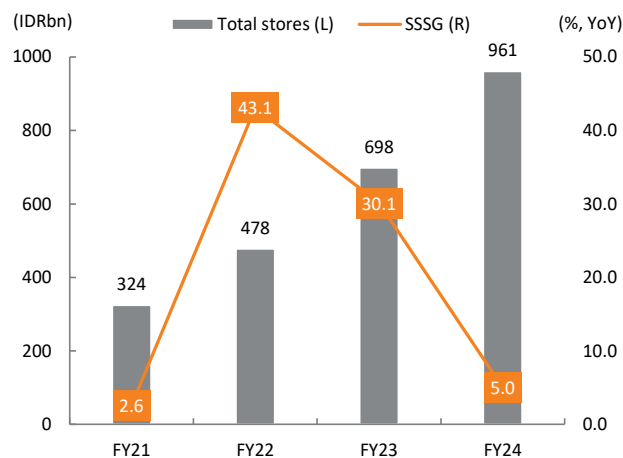
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 4. MDIY profit margin



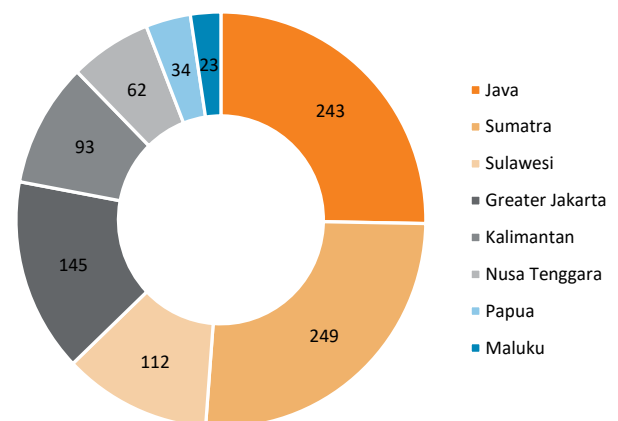
Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 5. MDIY total stores and SSSG



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Figure 6. MDIY stores geographical breakdown



Source: Company data, Mirae Asset Sekuritas Indonesia Research

Appendix 1

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