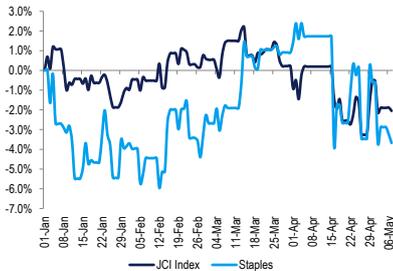


Sector Index Performance

	3M	6M	12M
Absolute	2.2%	-1.0%	-4.2%
Relative to JCI	3.2%	-4.5%	-9.3%



Summary Valuation Metrics

P/E (x)	2024F	2025F	2026F
AMRT IJ	29.2	24.8	21.0
ACES IJ	18.6	16.7	14.7
MAPI IJ	9.7	8.3	7.2
EV/EBITDA (x)	2024F	2025F	2026F
AMRT IJ	15.1	13.4	11.8
ACES IJ	9.8	8.8	8.8
MAPI IJ	3.6	2.8	2.1
Div. Yield	2024F	2025F	2026F
AMRT IJ	1.8%	2.2%	2.6%
ACES IJ	3.6%	4.2%	4.6%
MAPI IJ	0.0%	0.0%	0.0%

1Q24 recap: mixed results amid shift in Lebaran; ACES was the outperformer

- Accounting for earlier Lebaran seasonality which denotes higher GPM, RALS/MAPI's lower GPM -68/-161bps yoy came below expectations.
- Sustained low mall occupancy rate in mid-low tiered malls led to some stores' underperformance for retailers like LPPF and ACES.
- Retailers' base effect in 2Q23 are deemed to be less favorable compared to staples', in our view. Maintain sector Neutral call.

1Q24 recap: ACES was the outperformer

Although 1Q24 retailers' earnings were optically positive (Fig. 7), we note that the underlying performance of RALS/LPPF/MAPI may miss consensus and our estimates accounting for the earlier Lebaran. LPPF has also shared that its Lebaran festive SSSG of -2.4% is below management's expectations; and that the Lebaran's festive revenue would be somewhat evenly distributed between 1Q24 and 2Q24. On the other hand, despite the earlier Lebaran RALS/MAPI booked -68/-161bps yoy lower GPM in contrast of the typically higher GPM of +64/+44bps qoq for RALS/MAPI during the Lebaran quarters in the past 5yr ex-Covid (Fig 12). ACES was the clear outperformer in 1Q24, driven by their strong sales recovery momentum.

Low occupancy rate in mid-low tiered malls leading to some stores' underperformance for LPPF/ACES

One key factor on mid-lower class retailers' underperformance may be due to delayed recovery in mid-low tier mall's occupancy rate. According to Colliers' data, G. Jakarta mall occupancy levels in mid/low tiered malls stood at only c.70/50% as of 1Q24. Based on our channel checks, this trend may partially be attributed by consumers' rising adoption of e-commerce. This has led to a portion of LPPF's stores dragging down performance (29 under watchlist and 10 planned for closure – these 39 stores are c.25% of total stores). A similar trend (although far less significant) is being cited by ACES pertaining to their 10 underperforming stores (4.2 % of total stores) – these stores are located in 2nd tier malls in Jakarta/Java. From this standpoint, MAPI may be the most resilient as its stores' locations are focused in 1st tier malls.

Retailers' base effect for 2Q24 is less favourable compared to staples

Looking ahead, we note a general distinction between retailers and staples. While 2Q23 represents a low base effect for staples (report), 2Q23 were far more normalized for ACES/MAPI given their 2Q23 SSSG of 8.9/7.7%. Nonetheless, ACES recently shared that indicative Apr24 SSSG is positive despite Apr23's 15.0% SSSG. On the other hand, we expect AMRT to continue its strong SSSG for Apr24. In sum, we maintain our Neutral call on the sector with pecking order: ACES > MAPI > AMRT > RALS > LPPF.

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Fig. 1: Indonesia Retailers valuation summary

Ticker	Rating	Current Target		Earnings yoy growth		P/E		ROE	
		price (Rp)	price (Rp)	2024F	2025F	2024F	2025F	2024F	2025F
ACES	BUY	890	1,080	12.2%	12.7%	18.6	16.7	13.6%	14.6%
MAPI	BUY	1,405	2,550	26.6%	17.0%	9.7	8.3	20.9%	19.8%
AMRT	BUY	2,880	3,350	20.6%	17.9%	29.2	24.8	27.7%	27.5%
LPPF	BUY	1,585	2,750	18.4%	20.1%	3.5	3.0	373.1%	143.7%
RALS	BUY	468	660	13.9%	10.1%	7.8	7.1	8.8%	9.6%
Simple average				18.3%	15.6%	13.8	12.0	88.8%	43.0%

Source: Bloomberg, Indo Premier

Share price closes as 07 May 2024

Fig. 2: Indonesia' retailers 1Q24 net revenue summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ	IPS FY24F	% IPS	Cons FY24F	% Cons	5yr. Avg
ACES	1,993	1,702	17.0%	2,118	-5.9%	8,249	24%	8,371	24%	24%
MAPI	8,788	7,462	17.8%	9,526	-7.7%	37,727	23%	38,916	23%	22%
LPPF	1,973	1,443	36.7%	1,559	26.6%	7,081	28%	6,590	30%	23%
RALS	829	584	42.0%	604	37.2%	3,049	27%	2,853	29%	19%
AMRT	29,326	26,167	12.1%	26,920	8.9%	120,098	24%	121,378	24%	24%
Indo's retailers	42,908	37,359	14.9%	40,727	5.4%	176,204	24%	178,108	24%	

Source: Company, Bloomberg, Indo Premier

Fig. 3: Indonesia' Retailers 1Q24 gross profit summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	967	826	17.1%	1,054	-8.3%
MAPI	3,748	3,302	13.5%	4,235	-11.5%
LPPF	1,290	969	33.2%	980	31.7%
RALS	395	286	38.0%	297	33.0%
AMRT	6,389	5,695	12.2%	6,169	3.6%
Indo's retailers	12,789	11,079	15.4%	12,734	0.4%

Source: Company, Bloomberg, Indo Premier

Fig. 4: Indonesia' Retailers 1Q24 GPM summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	48.5%	48.5%	2 bps	49.7%	-124 bps
MAPI	42.6%	44.3%	-161 bps	44.5%	-181 bps
LPPF*	34.7%	35.4%	-68 bps	32.9%	180 bps
RALS*	28.2%	28.9%	-68 bps	28.8%	-61 bps
AMRT	21.8%	21.8%	3 bps	22.9%	-113 bps
Indo's retailers	29.8%	29.7%	16 bps	31.3%	-147 bps

Source: Company, Indo Premier

*Based on gross sales

Fig. 5: Indonesia' Retailers 1Q24 EBIT Margin summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	11.9%	10.8%	114 bps	15.5%	-360 bps
MAPI	8.1%	8.9%	-79 bps	10.8%	-270 bps
LPPF*	13.1%	7.0%	603 bps	6.8%	626 bps
RALS*	7.1%	1.8%	528 bps	-5.7%	1278 bps
AMRT	3.0%	2.9%	8 bps	4.7%	-170 bps
Indo's retailers	5.6%	4.9%	75 bps	6.8%	-117 bps

Source: Company, Bloomberg, Indo Premier

*Based on gross sales

Fig. 6: Indonesia' Retailers 1Q24 opex to sales summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	-36.6%	-37.7%	112 bps	-34.3%	-237 bps
MAPI	-34.5%	-35.4%	82 bps	-33.6%	-90 bps
LPPF*	-21.6%	-28.3%	671 bps	-26.1%	447 bps
RALS*	-21.1%	-27.0%	596 bps	-34.5%	1339 bps
AMRT	-18.8%	-18.8%	6 bps	-18.2%	-57 bps
Indo's retailers	-24.2%	-24.8%	60 bps	-24.5%	30 bps

Source: Company, Indo Premier

*Based on gross sales

Fig. 7: Indonesia' Retailers 1Q24 net profit summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ	IPS FY24F	% of IPS	Cons FY24F	% of Cons	5yr. avg
ACES	205	158	29.3%	274	-25.4%	857	24%	840	24%	22%
MAPI	414	391	5.9%	404	2.4%	2,361	18%	2,326	18%	16%
LPPF	326	101	221.9%	45	626.9%	800	41%	806	40%	7%
RALS	107	30	254.0%	46	133.9%	327	33%	307	35%	8%
AMRT	890	776	14.8%	1,213	-26.6%	3,845	23%	4,427	20%	25%
Indo's retailers	1,942	1,456	33.3%	1,983	-2.1%	8,190	24%	8,706	22%	

Source: Company, Bloomberg, Indo Premier

Fig. 8: Indonesia' Retailers 1Q24 NPM summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	10.3%	9.3%	98 bps	13.0%	-268 bps
MAPI	4.7%	5.2%	-53 bps	4.2%	47 bps
LPPF*	8.8%	3.7%	507 bps	1.5%	726 bps
RALS*	7.6%	3.0%	459 bps	4.4%	320 bps
AMRT	3.0%	3.0%	8 bps	4.5%	-148 bps
Indo's retailers	4.5%	3.9%	63 bps	4.9%	-35 bps

Source: Company, Indo Premier

*Based on gross sales

Fig. 9: Indonesia' Retailers 1Q24 SSSG summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	13.2%	2.9%	10.3%	11.8%	1.4%
MAPI	-1.1%	18.7%	-19.8%	-0.9%	-0.2%
LPPF	-2.4%	2.4%	-4.8%	-2.9%	0.5%
AMRT	7.3%	6.1%	1.2%	4.5%	2.8%

Source: Company, Indo Premier

Fig. 10: Indonesia' Retailers 1Q24 Salary summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	321	295	9.0%	323	-0.7%
MAPI	963	887	8.6%	982	-1.9%
LPPF	276	266	3.7%	219	25.6%
RALS	106	82	29.9%	95	12.0%
AMRT	2,960	2,712	9.2%	2,569	15.2%
Indo's retailers	4,627	4,242	9.1%	4,189	10.5%

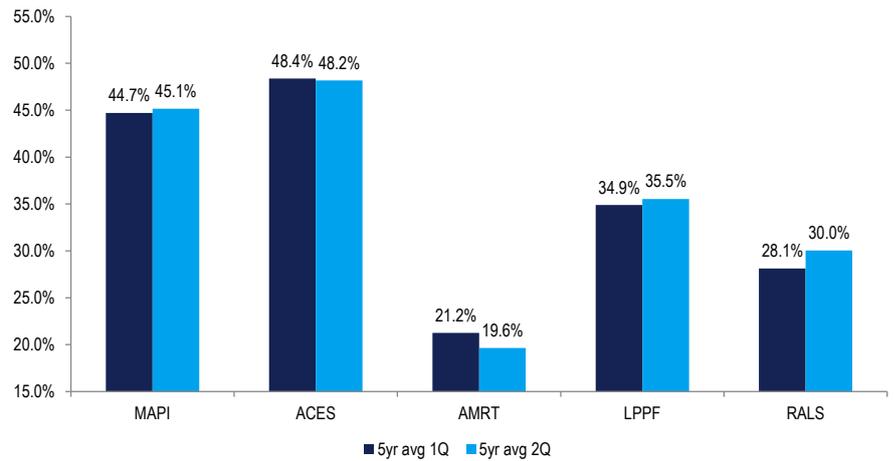
Source: Company, Indo Premier

Fig. 11: Indonesia' Retailers 1Q24 Rental + RoU summary

Ticker	1Q24	1Q23	% YoY	4Q23	% QoQ
ACES	84	79	6.0%	80	5.1%
MAPI	869	742	17.1%	836	4.0%
LPPF	282	271	4.0%	268	5.2%
RALS	58	65	-11.0%	47	22.8%
AMRT	716	624	14.8%	653	9.7%
Indo's retailers	2,009	1,782	12.8%	1,883	6.7%

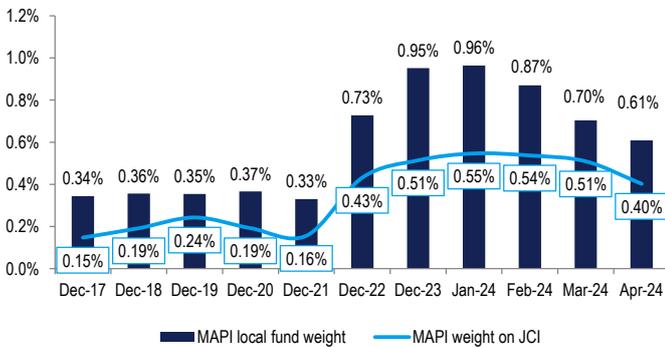
Source: Company, Indo Premier

Fig. 12: Indonesia' Retailers 5yr avg. 1Q and 2Q GPM



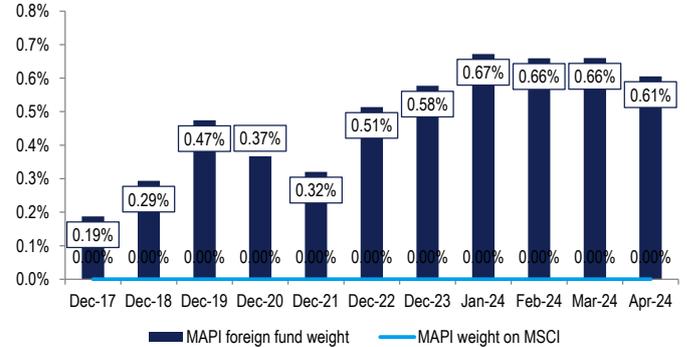
Source: Company, Indo Premier

Fig. 13: MAPI' local fund weight vs. JCI



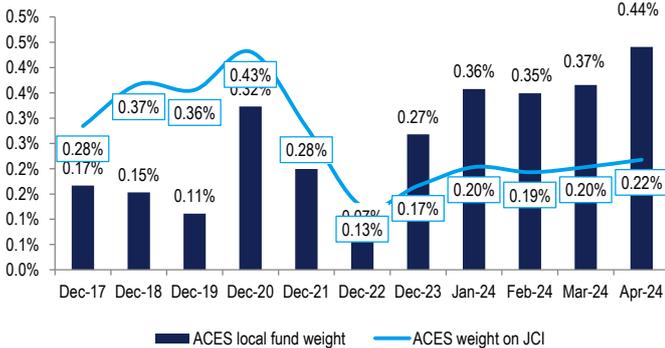
Source: KSEI, Indo Premier

Fig. 14: MAPI' foreign fund weight vs. MSCI



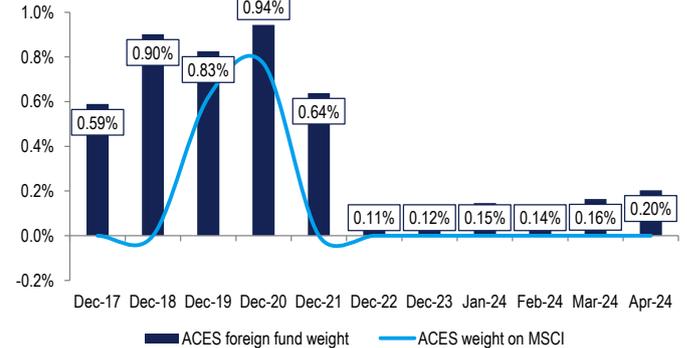
Source: MSCI, Indo Premier

Fig. 15: ACES' local fund weight vs. JCI



Source: KSEI, Indo Premier

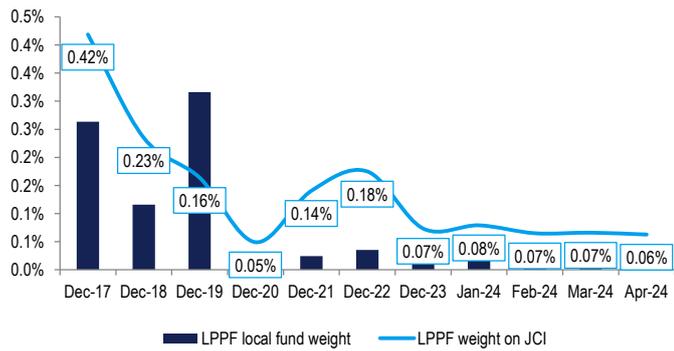
Fig. 16: ACES' foreign fund weight vs. MSCI



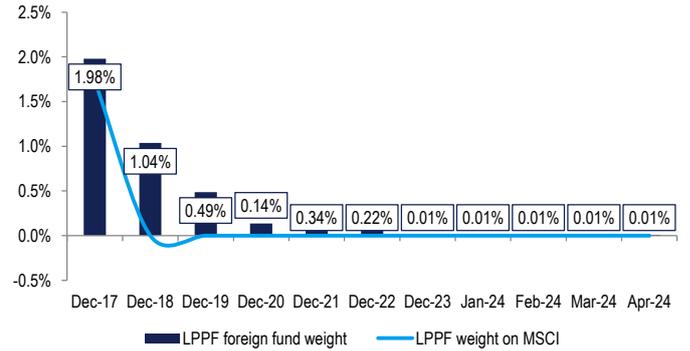
Source: MSCI, Indo Premier

Fig. 17: LPPF' local fund weight vs. JCI

Fig. 18: LPPF' foreign fund weight vs. MSCI

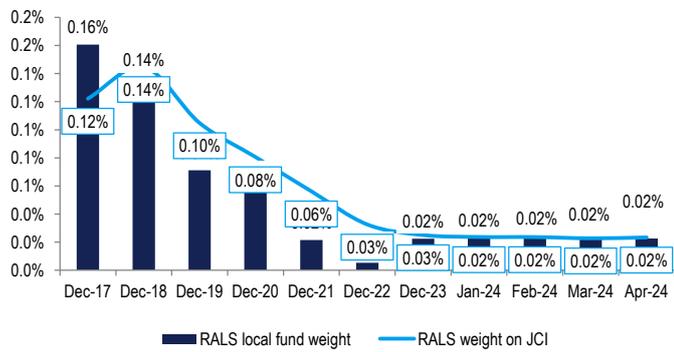


Source: KSEI, Indo Premier



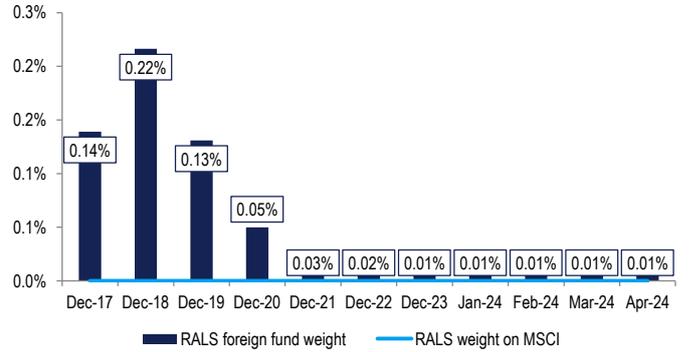
Source: MSCI, Indo Premier

Fig. 19: RALS' local fund weight vs. JCI



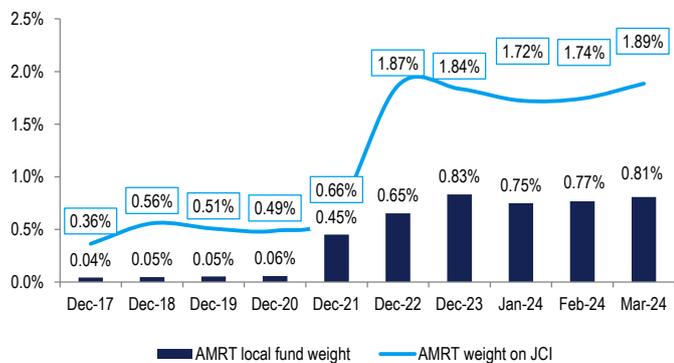
Source: KSEI, Indo Premier

Fig. 20: RALS' foreign fund weight vs. MSCI



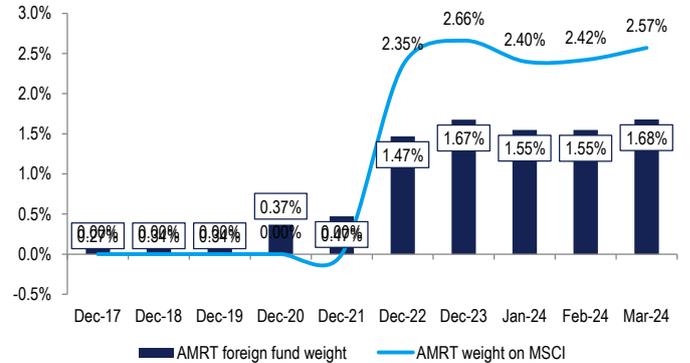
Source: MSCI, Indo Premier

Fig. 21: AMRT' local fund weight vs. JCI



Source: KSEI, Indo Premier

Fig. 22: AMRT' foreign fund weight vs. MSCI



Source: MSCI, Indo Premier

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- OVERWEIGHT** : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL** : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT** : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY** : Expected total return of 10% or more within a 12-month period
- HOLD** : Expected total return between -10% and 10% within a 12-month period
- SELL** : Expected total return of -10% or worse within a 12-month period

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