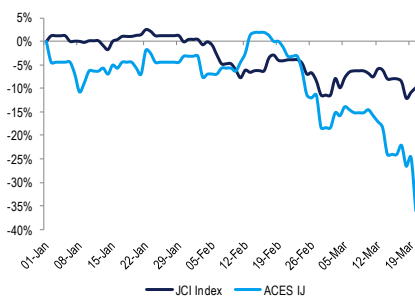


Stock Data

Target price	Rp810
Prior TP	Rp1,120
Current price	Rp505
Upside/downside	60%
Shares outstanding (mn)	17,120
Market cap (Rp bn)	8,646
Free float	40%
Avg. 6m daily T/O (Rp bn)	18

Price Performance

	3M	6M	12M
Absolute	-39.2%	-37.3%	-44.8%
Relative to JCI	-28.9%	-18.8%	-31.6%
52w low/high (Rp)	505 – 975		



Major Shareholders

PT Kawan Lama Sejahtera	60.0%
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Soft SSSG underpin our earnings cut

- We expect soft 2M25 SSSG was driven by weak macro backdrop and potentially due to rebranding program.
- We adjust FY25F EPS by -14% to account for negative operating leverage from soft SSSG assumption of 1%.
- Maintain BUY call with lower TP of Rp810/sh as the current valuation of 10x FY25F PE is attractive vs. home improvement peers avg of 14x.

Soft 2M25 SSSG was dragged down by Java's

ACES recorded -6.6% SSSG in Feb25, bringing 2M25 SSSG of -1.3%. The soft 2M25 SSSG was mainly due to Java's negative growth of -3.6% yoy, while ex-Java regions grew by 2.4% yoy. In addition, we expect soft 2M25 SSSG was driven by soft macro backdrop as reflected in Bank Indonesia's retail index which recorded a 5.3% yoy decline in Feb25 (Fig. 3). Based on our discussion with company, they view the consumer held the spending on discretionary product amid uncertainty macro outlook. In sum, we expect overall soft 2M25 SSSG was driven by soft macro and partly due to rebranding program.

Ex-Java store expansion to improve consolidated GPM

Based on our discussion with company, it plans to open at least 20 stores in FY25F (representing 8% of FY24 total store), with >50% FY25F total store opening in ex-Java regions. One key investor concern is whether ACES' aggressive expansion could negatively impact earnings, especially during a soft macro outlook. However, we expect ex-Java store openings to not be dilutive as ex-Java stores typically provide higher productivity compared with Java's. To note, ex-Java pricing is 5-12% higher than Java's. Thus, we estimate GPM to improve by 10bps yoy in FY25F.

We adjust our FY25F net profit by -14%

With a soft macro outlook in FY25F, we revised down our FY25F SSSG assumption to 1% (from 5% previously). Hence, this may result a higher opex to sales ratio of 38.1% (from 37.0% previously), reflecting negative operating leverage. Thus, we cut our FY25F earnings by -14% to Rp865bn or 12% lower than consensus estimate.

Maintain BUY with lower TP of Rp810/sh

In sum, we maintain our BUY rating with lower TP of Rp810/sh, based on 16.0x FY25F PE (-0.5 s.d. from its 5yr average). Despite cutting FY25F forecast, we believe that ACES's valuation still remains attractive at 10.0x FY25F PE compared to regional peers average of 13.9x FY25F PE and lower than Covid period at range of 10-12x FY23 PE. Risk our call: weaker-than-expected SSSG.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	6,763	7,612	8,640	9,143	9,976
EBITDA	894	1,006	1,171	1,143	1,349
EBITDA growth	-2.9%	12.5%	16.4%	-2.4%	18.0%
Net profit	702	764	891	865	1,028
EPS (Rp)	41	45	52	50	60
EPS growth	1.6%	8.8%	16.7%	-2.9%	18.8%
ROE	12.2%	12.6%	14.0%	13.1%	14.9%
PER (x)	12.3	11.3	9.7	10.0	8.4
EV/EBITDA (x)	7.3	6.3	5.3	5.4	4.4
Dividend yield	6.4%	6.4%	6.6%	7.7%	7.5%
Forecast change			0%	-14%	-15%
IPS vs. consensus			104%	88%	90%

Source: Company, Indo Premier

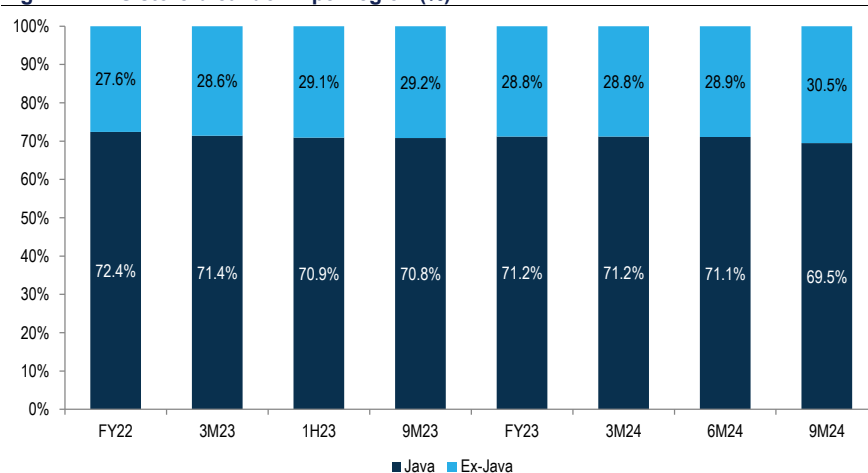
Share price closing as of: 20 March 2025

Fig. 1: ACES forecast changes

	Previous			Current			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Key Driver									
SSSG (%)	8.0%	5.0%	5.0%	8.0%	1.0%	5.0%	0.0%	-4.0%	0.0%
Financial Performance									
Net Sales (Rp bn)	8,640	9,747	10,834	8,640	9,143	9,976	0.0%	-6.2%	-7.9%
Gross profit (Rp bn)	4,206	4,757	5,298	4,206	4,458	4,874	0.0%	-6.3%	-8.0%
EBIT (Rp bn)	1,018	1,152	1,391	1,018	977	1,168	0.0%	-15.2%	-16.0%
Net profit (Rp bn)	891	1,004	1,205	891	865	1,028	0.0%	-13.8%	-14.7%
Margins (%)									
Gross margin	48.7%	48.8%	48.9%	48.7%	48.8%	48.9%	0.0%	0.0%	0.0%
Operating margin	11.8%	11.8%	12.8%	11.8%	10.7%	11.7%	0.0%	-1.1%	-1.1%
Net profit margin	10.3%	10.3%	11.1%	10.3%	9.5%	10.3%	0.0%	-0.8%	-0.8%

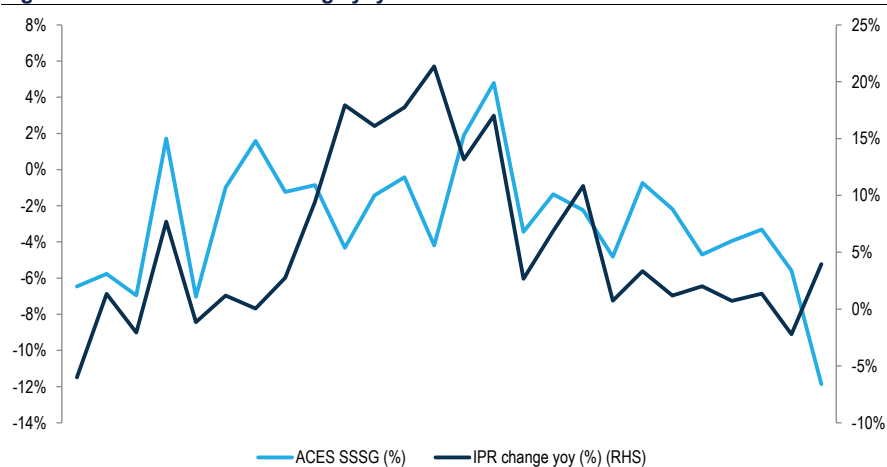
Sources: Indo Premier

Fig. 2: ACES store breakdown per region (%)



Source: Company, Indo Premier

Fig. 3: ACES SSSG vs IPR change yoy



Source: Company, Indo Premier

Ticker	Name	Region	Cur. Mkt cap USD mn	P/E		EV/EBITDA		EPS Growth		ROE	
				FY24F	FY25F	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
ACES U Equity	Aspirasi Hidup Indonesia	Indonesia	524	9.7	10.0	5.3	5.4	16.7%	-2.9%	14.0%	15.6%
GLOBAL TB Equity	Siam Global House PCL	Thailand	1,152	15.1	13.5	10.8	9.9	-0.9%	12.0%	10.4%	10.6%
HIMPRO TB Equity	Home Products Center PCL	Thailand	3,078	15.1	14.0	9.2	8.8	10.4%	7.4%	25.8%	25.5%
MDIY U Equity	Daya Intiguna Yasa	Indonesia	1,993	29.2	19.9	11.6	11.8	222.8%	47.0%	53.0%	44.2%
MRDIY MK Equity	MR. DIY Group	Malaysia	2,888	20.1	18.1	10.8	9.9	16.9%	11.0%	33.0%	30.7%
WLCON PM Equity	Wilcon Depot	Phillipine	516	10.5	9.9	4.3	4.3	-21.9%	6.6%	11.2%	11.1%
Simple Average				14.1	13.1	8.1	7.7	4.2%	6.8%	18.9%	18.7%
Regional Average (ex-ACES)				15.2	13.9	8.8	8.2	1.1%	9.2%	20.1%	19.5%

Fig. 5: ACES is traded at 9.6x fwd. 12M PE (-1.2s.d. from its 5yr avg)



Refer to Important disclosures in the last page of this report

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	6,763	7,612	8,640	9,143	9,976
Cost of sales	(3,495)	(3,914)	(4,434)	(4,685)	(5,101)
Gross profit	3,268	3,698	4,206	4,458	4,874
SG&A Expenses	(2,521)	(2,835)	(3,188)	(3,482)	(3,706)
Operating profit	747	863	1,018	977	1,168
Net interest	47	74	46	47	48
Forex gain (loss)	15	(5)	(3)	0	0
Others	49	21	37	42	49
Pre-tax income	858	953	1,098	1,065	1,265
Income tax	(147)	(189)	(207)	(200)	(237)
Net income	702	764	891	865	1,028

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	2,133	2,312	2,428	2,508	2,679
Receivable	86	199	120	127	138
Inventory	2,811	2,665	2,655	2,741	2,915
Other current assets	333	486	683	718	774
Total current assets	5,363	5,662	5,886	6,094	6,506
Fixed assets	426	406	436	457	471
Other non-current assets	0	0	0	0	0
Total non-current assets	1,886	2,073	2,218	2,241	2,256
Total assets	7,249	7,753	8,105	8,334	8,761
ST loans	0	0	0	0	0
Payable	144	126	206	218	237
Other payables	7	15	65	69	75
Current portion of LT loans	0	0	0	0	0
Total current liab.	670	764	787	810	847
Long term loans	0	0	0	0	0
Other LT liab.	196	202	212	222	233
Total liabilities	1,315	1,567	1,601	1,633	1,681
Equity	612	612	612	612	612
Retained earnings	5,312	5,565	5,884	6,081	6,460
Minority interest	44	43	43	43	43
Total SHE + minority int.	5,934	6,186	6,504	6,701	7,081
Total liabilities & equity	7,249	7,753	8,105	8,335	8,762

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net income	702	764	891	865	1,028
Depr. & amortization	105	109	153	167	181
Changes in working capital	(718)	(30)	(85)	(95)	(195)
Others	530	514	0	0	0
Cash flow from operating	619	1,356	959	936	1,013
Capital expenditure	(70)	(89)	(183)	(188)	(194)
Others	(32)	(41)	(105)	0	0
Cash flow from investing	(102)	(131)	(288)	(188)	(194)
Loans	0	1	0	0	0
Equity	12	(1)	0	0	0
Dividends	(550)	(550)	(573)	(668)	(649)
Others	(401)	(491)	0	0	0
Cash flow from financing	(939)	(1,042)	(573)	(668)	(649)
Changes in cash	(423)	184	98	80	170

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	48.3%	48.6%	48.7%	48.8%	48.9%
Operating margin	11.0%	11.3%	11.8%	10.7%	11.7%
Pre-tax margin	12.7%	12.5%	12.7%	11.7%	12.7%
Net margin	10.4%	10.0%	10.3%	9.5%	10.3%
ROA	9.7%	10.2%	11.2%	10.5%	12.0%
ROE	12.2%	12.6%	14.0%	13.1%	14.9%
Acct. receivables TO (days)	4.1	6.8	6.7	4.9	4.9
Inventory TO (days)	270.4	255.3	219.0	210.2	202.3
Payable TO (days)	14.2	12.6	13.7	16.5	16.3
Debt to equity	0.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage ratio (x)	N/A	N/A	N/A	N/A	N/A
Net gearing	-36.2%	-37.6%	-37.6%	-37.7%	-38.1%

Source: Company, Indo Premier

INVESTMENT 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

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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