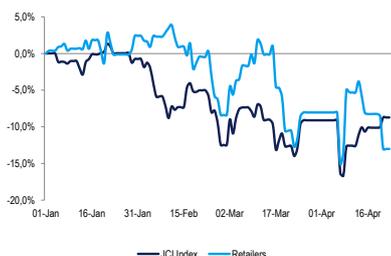


Sector Index Performance

	3M	6M	12M
Absolute	-12,9%	-27,8%	-22,2%
Relative to JCI	-4,1%	-12,7%	-13,5%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
AMRT IJ	18.8	16.0	13.6
ACES IJ	9.6	8.2	7.5
MAPI IJ	10.1	8.8	8.0

EV/EBITDA (x)	2025F	2026F	2027F
AMRT IJ	8.6	7.5	6.6
ACES IJ	5.6	4.6	4.1
MAPI IJ	5.3	4.7	4.3

Div. Yield	2025F	2026F	2027F
AMRT IJ	3.1%	3.5%	4.1%
ACES IJ	8.0%	7.8%	9.1%
MAPI IJ	0.6%	0.7%	0.8%

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1Q25F preview: potential miss amid high expectation from consensus

- 1Q25F retailers' revenue is estimated to be in-line with consensus. Meanwhile, GPM is likely to be impacted by shift in Lebaran quarter.
- We expect AMRT/ACES to experience negative operating leverage amid 3 new DCs opening in 3Q24, THR disbursement and higher A&P.
- Overall, we expect ACES/AMRT/MAPI 1Q25F earnings to be below. Maintain Neutral for the sector with MAPI as our pick.

1Q25F retailers' sales to be in-line with consensus

ACES's 1Q25F SSSG was at +2.2% yoy and this was in-line with management guidance of >1%. For AMRT, we expect its SSSG to grow at high-single digit yoy due to the shift in Lebaran towards Mar25 (vs. Mar-Apr24). Meanwhile, we conservatively estimate MAPI 1Q25F SSSG to grow at low single digit despite a low-base in 1Q24 (-1.1% yoy) coupled with shift in Lebaran to Mar25. In sum, we view ACES/MAPI's 1Q25F SSSG was relatively soft despite shift in Lebaran quarter. Nevertheless, overall 1Q25F retailers' sales growth to be in-line with consensus estimate (Fig. 2).

GPM to be impacted from shift in Lebaran quarter

Within our coverage, we expect ACES 1Q25F GPM to be stable at 48.5% and this is will be in-line with its 3yr avg of 48.4%. On the other hand, we expect AMRT 1Q25F GPM to drop by -33bps yoy to 21.5% (+10bps from 2Q24) due to shift in Lebaran quarter. At the same time, we expect MAPI 1Q25F GPM to drop by -21bps yoy to 42.4% as the Lebaran falls in Mar25 (vs. Mar-Apr24).

Negative operating leverage on ACES and AMRT

We expect ACES to book a higher opex to sales of 43.4% (+679bps yoy) in 1Q25F as the company to record THR disbursement in 1Q25 (vs. 2Q24 in previous year) coupled with higher net A&P (including royalty) to sales of 3.5% (+169bps yoy). In addition, we expect AMRT to record a higher opex to sales of 19.2% (+44bps yoy) amid higher cost from 3 new DCs in 3Q24 and 6.5% minimum wage growth. On the other hand, we estimate MAPI's 1Q25F opex to sales to improve by -47bps yoy to 34.1% due to a continued trend of opex improvement on its salary and rental (including RoU) (Fig. 8). Overall, negative operating leverage for AMRT may persist in FY25F as 3 news DCs opened in 3Q24 are expected to reach economic of scale in the next 5 quarters.

1Q25F net profit: ACES/AMRT/MAPI to be below

Overall, we expect ACES/AMRT/MAPI's 1Q25F net profit may be below consensus estimate (Fig. 6) as consensus has yet to revise down their earnings. Furthermore, we estimate consensus needs to downgrade ACES/AMRT/MAPI FY25F earnings by -7.9/-15.4/-9.6% to incorporate higher opex to sales from 6.5% minimum wage growth and softer SSSG outlook.

Maintain Neutral

As ACES/AMRT/MAPI's share price has corrected by -38.7/-33.0/-1.4% YTD, we view soft 1Q25F earnings has been priced-in. In sum, we maintain our Neutral call on the sector amid softer SSSG outlook coupled with higher opex from minimum wage growth of 6.5% (vs. FY24's 3.4%). Our pecking order: MAPI>ACES>AMRT>RALS>LPPF. Key risks: softer SSSG than expected, lead to negative operating leverage.

Fig. 1: Indonesia Retailers valuation summary

Ticker	Rating	Current price (Rp)	Target price (Rp)	Earnings yoy growth		P/E		ROE	
				2025F	2026F	2025F	2026F	2025F	2026F
Retailers									
ACES	BUY	484	810	-3.0%	21.5%	9.6	8.2	13.1%	15.2%
MAPI	BUY	1,380	1,950	28.3%	14.6%	10.1	8.8	11.7%	12.3%
AMRT	BUY	1,910	3,050	33.8%	17.4%	18.8	16.0	21.6%	24.0%
LPPF	BUY	1,685	2,750	6.0%	11.5%	4.3	3.9	110.2%	91.8%
RALS	BUY	374	650	11.1%	17.2%	7.6	6.5	9.6%	11.1%
Simple average				15.2%	16.4%	18.5	16.1	33.2%	30.9%

Source: Company, Bloomberg, Indo Premier

Fig. 2: Indonesia' retailers 1Q25F net revenue summary

Ticker	1Q25F	1Q24	% yoy	4Q24	% qoq	IPS FY25F	% IPS	Cons FY25F	% Cons	3yr avg
MAPI	10,005	8,788	13.8%	10,220	-2.1%	44,182	23%	43,067	23%	24.0%
ACES	2,170	1,993	8.9%	2,354	-7.8%	9,139	24%	9,255	23%	25.0%
AMRT	33,141	29,326	13.0%	30,010	10.4%	133,889	25%	131,249	25%	24.0%
Indo's Retailers	45,316	40,107	13.0%	42,584	6.4%	187,210	27%	183,571	27%	

Source: Company, Bloomberg, Indo Premier

Fig. 3: Indonesia' Retailers 1Q25F GPM summary

Ticker	1Q25F	1Q24	% yoy	4Q24	% qoq
MAPI	42.4%	42.6%	-21 bps	42.2%	20 bps
ACES	48.5%	48.5%	1 bps	49.4%	-88 bps
AMRT	21.5%	21.8%	-33 bps	21.6%	-20 bps
Indo's Retailers	27.4%	27.7%	-31 bps	28.1%	-74 bps

Source: Company, Indo Premier

Fig. 4: Indonesia' Retailers 1Q25F EBIT margin summary

Ticker	1Q25F	1Q24	% yoy	4Q24	% qoq
MAPI	8.4%	8.1%	26 bps	10.4%	-203 bps
ACES	5.1%	11.9%	-678 bps	15.4%	-1027 bps
AMRT	2.2%	3.0%	-77 bps	2.4%	-18 bps
Indo's Retailers	3.7%	4.6%	-84 bps	5.0%	-132 bps

Source: Company, Indo Premier

Fig. 5: Indonesia' Retailers 1Q25F Opex-to-Sales ratio summary

Ticker	1Q25F	1Q24	% yoy	4Q24	% qoq
MAPI	34.1%	34.5%	-47 bps	31.8%	223 bps
ACES	43.4%	36.6%	679 bps	34.0%	939 bps
AMRT	19.2%	18.8%	44 bps	19.2%	-3 bps
Indo's Retailers	23.7%	23.1%	54 bps	23.1%	58 bps

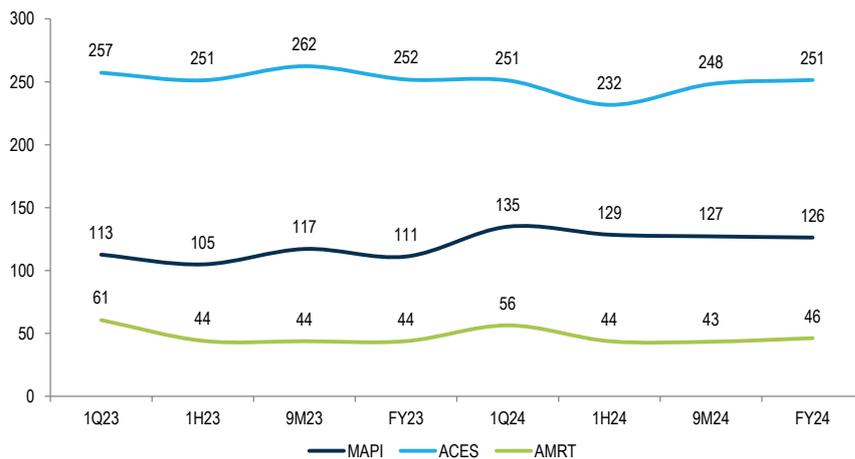
Source: Company, Indo Premier

Fig. 6: Indonesia' retailers 1Q25F net profit summary

Ticker	1Q25F	1Q24	% yoy	4Q24	% qoq	IPS FY25F	% IPS	Cons FY25F	% Cons	3yr avg
MAPI	496	414	19.9%	468	6.2%	2,268	22%	2,200	23%	30%
ACES	112	205	-45.3%	318	-64.7%	866	13%	951	12%	17%
AMRT	754	890	-15.4%	750	0.5%	4,213	18%	3,999	18%	25%
Indo's Retailers	1,362	1,509	-9.7%	1,536	-11.3%	7,347	22%	7,150	22%	

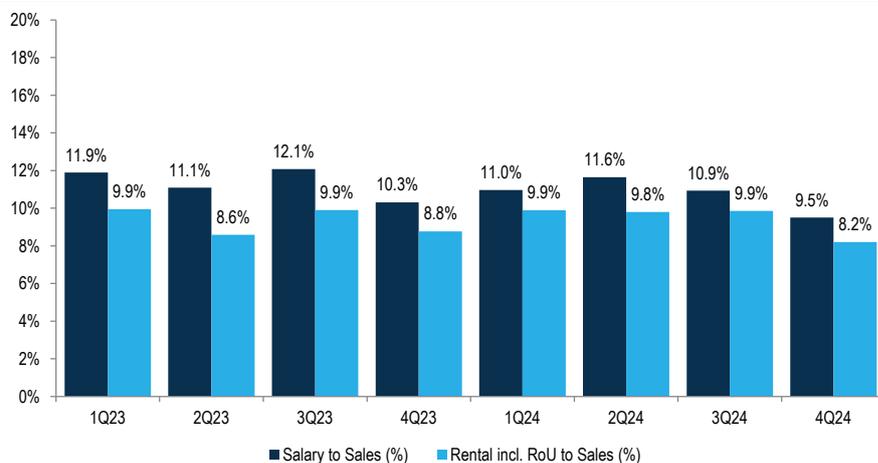
Source: Company, Bloomberg, Indo Premier

Fig. 7: Indonesia' Retailers inventory days



Source: Company, Indo Premier

Fig. 8: MAPI's salary and rental (including RoU) to sales trend



Source: Company, Indo Premier

SECTOR RATINGS

- 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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