

# Ramayana Lestari

BUY (unchanged)

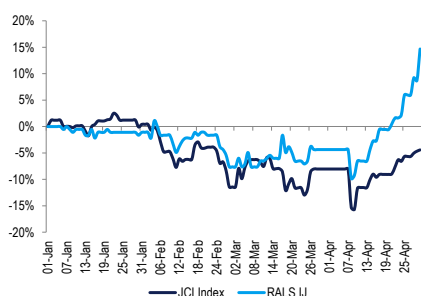
Company Update / Consumer Discretionary / RALS IJ / 30 April 2025

## Stock Data

Target price (Rp)	Rp650
Prior TP (Rp)	Rp650
Current price (Rp)	Rp422
Upside/downside	54%
Shares outstanding (mn)	7,096
Market cap (Rp bn)	2,995
Free float	23%
Avg. 6m daily T/O (Rp bn)	2

## Price Performance

	3M	6M	12M
Absolute	15.9%	7.1%	-10.2%
Relative to JCI	21.5%	18.1%	-5.3%
52w low/high (Rp)	332 – 480		



## Major Shareholders

PT Ramayana Makmur Sentosa	55.9%
Treasury shares	16.4%
Paulus Tumewu	3.7%

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## 1Q25: stellar earnings from robust sales growth amid the shift in Lebaran

- 1Q25 net profit of Rp218bn (+104% yoy) was above ours/consensus estimate at 62/71% vs. 5yr Lebaran quarter of 43%.
- RALS to experience positive operating leverage as its gross sales growth of +43.1% yoy, outpacing opex at 13.9% yoy.
- Maintain our BUY call with unchanged TP of 650/sh.

### 1Q25 profit beat from earlier Lebaran seasonality

1Q25 net profit stood at Rp218bn (+104% yoy/+255% qoq) and this was above our/consensus estimate at 62/71% (vs. 5yr Lebaran quarter of 43%) due to robust sales growth. Gross sales of Rp2.0tr (+43.1% yoy) was driven by the shift of Lebaran to Mar25 (vs. Mar-Apr in FY24).

### EBIT margin improvement due to operating leverage

GPM slightly improved by +28bps yoy to 28.5% was partly driven by Fashion consignment GPM improvement of 27.2% (vs. 1Q24's 25.3%). Opex to sales declined to 16.8% (vs. 1Q24's 21.1%) as gross sales growth of 43.1% outpaced the opex growth of +13.9% yoy. This leads to a much improved EBIT margin of 11.7% in 1Q25 (vs. 1Q24's 7.1%). Below the operating line, finance income remained stable at Rp32bn (+14.8% yoy). Hence, NPM improved to 10.9% (+325bps yoy).

### Lebaran peak seasonality has shifted into 1Q25

While a strong 1Q25 is anticipated due to the earlier timing of the Lebaran festive season, investors should exercise caution when evaluating 2Q25 performance, as the seasonal boost will no longer be present. As such, RALS' 1H performance should be viewed together to assess the true run-rate following the festive period. Inferring from LPPF's result (link to [note](#)), we expect RALS' 2025 Lebaran' SSSG could be soft, given a similar business model and target market.

### Maintain BUY call with unchanged TP of Rp650/sh

In sum, we fine tune our forecast and maintain our BUY with TP of Rp650/sh, based on 11.0x FY25F PE (its 3yr avg). In addition, we note that RALS' cash balance of Rp1.7tr as of Mar25 shall allow to maintain c.100% DPR (12.5% yield). Key risk is RALS' business model losing relevance amidst changing consumer behaviour.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	2,744	2,761	2,913	3,088	3,273
EBITDA	290	343	335	407	479
EBITDA growth	-0.3%	17.9%	-2.2%	21.3%	17.9%
Net profit	300	314	349	409	470
EPS	50	53	59	69	79
EPS growth	-11.1%	5.2%	11.0%	17.3%	15.0%
ROE	8.2%	8.8%	9.7%	11.2%	12.7%
PER (x)	8.4	8.0	7.2	6.1	5.3
Dividend yield	12.2%	11.8%	12.5%	13.9%	16.3%
Forecast change			0%	0%	0%
IPS vs. consensus			114%	124%	132%

Source: Company, Indo Premier

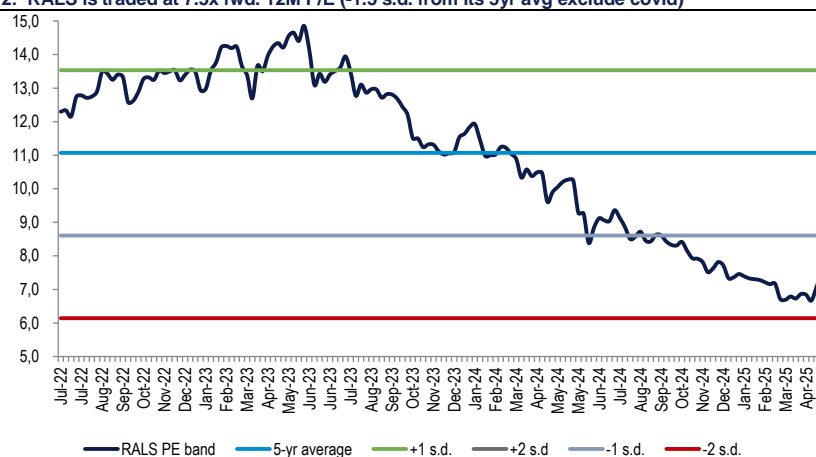
Share price closing as of: 30 April 2025

Fig. 1: RALS' 1Q25 result

(Rp bn)	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% IPS	Cons FY25F	%Cons	5yr avg ex covid
<b>Gross sales</b>	<b>2,004</b>	<b>1,400</b>	<b>43.1%</b>	<b>1,154</b>	<b>73.5%</b>					
<b>Net sales</b>	<b>1,146</b>	<b>829</b>	<b>38.2%</b>	<b>647</b>	<b>77.1%</b>	<b>2,913</b>	<b>39%</b>	<b>N/A</b>	<b>N/A</b>	<b>32%</b>
COGS	(1,433)	(1,005)	42.5%	(829)	72.8%					
<b>Gross profit</b>	<b>571</b>	<b>395</b>	<b>44.5%</b>	<b>325</b>	<b>75.6%</b>					
Opex	(336)	(295)	13.9%	(363)	-7.3%					
<b>EBIT</b>	<b>235</b>	<b>100</b>	<b>135.2%</b>	<b>(38)</b>	<b>N/A</b>					
Finance income	32	28	14.8%	32	0.5%					
Other income (charges)	6	6		(0)						
<b>PBT</b>	<b>266</b>	<b>127</b>	<b>108.4%</b>	<b>69</b>	<b>286.9%</b>					
Tax benefit (expense)	(48)	(21)		(7)						
<b>Net profit</b>	<b>218</b>	<b>107</b>	<b>104.0%</b>	<b>61</b>	<b>255.4%</b>	<b>349</b>	<b>62%</b>	<b>306</b>	<b>71%</b>	<b>43%</b>
<b>Margin (%)</b>										
Gross margin	28.5%	28.2%	0.28%	28.2%						
EBIT margin	11.7%	7.1%	4.58%	-3.3%						
Net profit margin	10.9%	7.6%	3.25%	5.3%						
Opex to Sales	16.8%	21.1%	-4.31%	31.4%						
<i>*margin as % of gross sales</i>										
<b>Segment information</b>										
<b>Gross Revenue</b>	<b>2,004</b>	<b>1,400</b>	<b>43.1%</b>	<b>1,154</b>	<b>73.5%</b>					
Fashion outright	630	434	44.9%	352	78.7%					
Fashion consignment	1,150	747	53.9%	657	74.9%					
Supermarket outright	201	204	-1.3%	132	52.8%					
Supermarket consignment	23	15	53.9%	13	74.9%					
<b>Gross profit</b>	<b>571</b>	<b>395</b>	<b>44.5%</b>	<b>312</b>	<b>83.2%</b>					
Fashion outright	231	184	25.8%	146	58.8%					
Fashion consignment	313	189	65.3%	149	109.9%					
Supermarket outright	25	21	20.6%	17	47.8%					
Supermarket consignment	2	1	41.1%	0	1608.5%					
<b>Sales composition</b>										
Fashion outright	31.4%	31.0%		30.5%						
Fashion consignment	57.4%	53.3%		56.9%						
Supermarket outright	10.1%	14.6%		11.4%						
Supermarket consignment	1.1%	1.1%		1.1%						
<b>Gross margin</b>										
Fashion outright	36.7%	42.3%	-5.57%	41.3%						
Fashion consignment	27.2%	25.3%	1.87%	22.7%						
Supermarket outright	12.5%	10.2%	2.26%	12.9%						
Supermarket consignment	8.9%	9.7%	-0.81%	0.9%						
Rental	53	58	-7.67%	42	25.81%					
Salary	127	106	19.33%	93	36.83%					
Rental to sales	2.67%	4.13%	-1.47%	3.68%	-1.01%					
Salary to sales	6.33%	7.59%	-1.26%	8.03%	-1.70%					

Source: Company, Bloomberg, Indo Premier

Fig. 2: RALS is traded at 7.5x fwd. 12M P/E (-1.5 s.d. from its 5yr avg exclude covid)



Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net Revenue	4,740	4,809	5,075	5,380	5,702
Cost of Sales	(3,349)	(3,417)	(3,588)	(3,776)	(3,974)
<b>Gross Profit</b>	<b>1,392</b>	<b>1,393</b>	<b>1,487</b>	<b>1,603</b>	<b>1,728</b>
SG&A Expenses	(1,236)	(1,221)	(1,298)	(1,342)	(1,394)
<b>Operating Profit</b>	<b>155</b>	<b>172</b>	<b>190</b>	<b>261</b>	<b>334</b>
Net Interest	92	101	123	123	123
Forex Gain (Loss)	0	0	0	0	0
Others-Net	92	83	89	92	94
<b>Pre-Tax Income</b>	<b>339</b>	<b>356</b>	<b>401</b>	<b>475</b>	<b>551</b>
Income Tax	(38)	(42)	(53)	(67)	(81)
Minorities	0	0	0	0	0
<b>Net Income</b>	<b>300</b>	<b>314</b>	<b>349</b>	<b>409</b>	<b>470</b>

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & Equivalent	1,199	1,034	1,382	1,575	1,769
Receivable	16	8	8	9	9
Inventory	583	478	502	529	557
Other Current Assets	1,456	1,730	1,752	1,778	1,804
<b>Total Current Assets</b>	<b>3,254</b>	<b>3,251</b>	<b>3,645</b>	<b>3,890</b>	<b>4,139</b>
Fixed Assets - Net	882	918	773	627	482
Goodwill	0	0	0	0	0
<b>Non Current Assets</b>	<b>1,002</b>	<b>1,029</b>	<b>884</b>	<b>738</b>	<b>593</b>
<b>Total Assets</b>	<b>4,256</b>	<b>4,280</b>	<b>4,528</b>	<b>4,628</b>	<b>4,732</b>
ST Loans	0	0	0	0	0
Payable	593	613	644	677	713
Other Payables	61	59	63	67	70
Current Portion of LT Loans	0	0	0	0	0
<b>Total Current Liab.</b>	<b>872</b>	<b>900</b>	<b>762</b>	<b>802</b>	<b>844</b>
Long Term Loans	0	0	0	0	0
Other LT Liab.	160	155	155	155	155
<b>Total Liabilities</b>	<b>1,317</b>	<b>1,380</b>	<b>917</b>	<b>957</b>	<b>999</b>
Equity	355	355	355	355	355
Retained Earnings	3,924	3,942	3,976	4,037	4,098
Minority Interest	0	0	0	0	0
<b>Total SHE + Minority Int.</b>	<b>3,577</b>	<b>3,577</b>	<b>3,611</b>	<b>3,672</b>	<b>3,733</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,895</b>	<b>4,956</b>	<b>4,528</b>	<b>4,628</b>	<b>4,732</b>

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net Income	155	172	190	261	334
Depr. & Amortization	111	118	145	145	145
Changes in Working Capital	(877)	(133)	(185)	(12)	(13)
Others	145	142	159	148	136
<b>Cash Flow From Operating</b>	<b>(466)</b>	<b>299</b>	<b>309</b>	<b>542</b>	<b>603</b>
Capital Expenditure	(157)	(155)	0	0	0
Others	(756)	59	352	0	0
<b>Cash Flow From Investing</b>	<b>(912)</b>	<b>(96)</b>	<b>352</b>	<b>0</b>	<b>0</b>
Loans	0	0	0	0	0
Equity	0	0	0	0	0
Dividends	(307)	(297)	(314)	(349)	(409)
Others	0	0	0	0	0
<b>Cash Flow From Financing</b>	<b>(307)</b>	<b>(297)</b>	<b>(314)</b>	<b>(349)</b>	<b>(409)</b>
<b>Changes in Cash</b>	<b>(1,685)</b>	<b>(93)</b>	<b>347</b>	<b>194</b>	<b>194</b>

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross Margin	29.4%	29.0%	29.3%	29.8%	30.3%
Operating Margin	3.3%	3.6%	3.7%	4.9%	5.9%
Pre-Tax Margin	7.1%	7.4%	7.9%	8.8%	9.7%
Net Margin	6.3%	6.5%	6.9%	7.6%	8.2%
ROA	7.0%	7.4%	7.9%	8.9%	10.0%
ROE	8.2%	8.8%	9.7%	11.2%	12.7%
Acct. Receivables TO (days)	1.2	0.6	0.6	0.6	0.6
Inventory TO (days)	62.7	50.4	50.4	50.4	50.4
Payable TO (days)	63.8	64.6	64.6	64.6	64.6
Debt to Equity	N/A	N/A	N/A	N/A	N/A
Interest Coverage Ratio (x)	5.5	5.5	N/A	N/A	N/A
Net Gearing	-33.5%	-28.9%	-38.3%	-42.9%	-47.4%

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

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