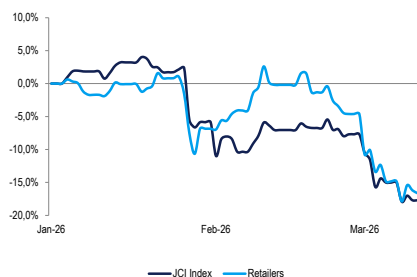


Sector Index Performance

	3M	6M	12M
Absolute	-14.9%	-20.8%	-33.9%
Relative to JCI	2.7%	-13.5%	-52.2%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
ACES IJ	7.9	7.0	6.3
AMRT IJ	15.9	14.6	13.3
MAPI IJ	8.3	7.1	6.5
EV/EBITDA (x)	2025F	2026F	2027F
ACES IJ	4.0	3.5	3.0
AMRT IJ	7.9	7.7	7.5
MAPI IJ	2.3	1.7	1.1
Div. Yield	2025F	2026F	2027F
ACES IJ	7.6%	9.5%	10.7%
AMRT IJ	3.6%	4.1%	4.5%
MAPI IJ	0.0%	0.0%	0.0%

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Prolonged higher oil prices could become a risk for Retailers' SSSG

- Our conversation with companies indicated a stronger FY26F Lebaran compared to FY25's.
- We view prolonged higher oil prices could negatively impact on retailers SSSG with MAPI being impacted the most.
- Maintain Neutral on the sector as we view downside risk from prolonged higher oil prices.

We saw a purchasing power improvement in FY26F Lebaran

Our conversation with ACES indicated its Feb26's indicative sales to grow by high single digit yoy, implying mid-single digit SSSG yoy as this was driven by higher traffic and higher average basket size. Thus, we estimate ACES' 1Q26F's SSSG to recover to mid-single digit yoy (vs. 1Q25's +2.2% yoy). Moreover, AMRT also shared that its Jan26's SSSG showed a yoy improvement despite a high base in 1Q25's at +8.6% yoy as they saw stronger sales in its RTD tea products. Overall, we view an improvement in purchasing power compared to last year's Lebaran.

Risk on prolonged higher oil prices on retailers

As most discretionary retailers in our coverage target the middle-upper class segment, we view prolonged higher fuel prices may impact their purchasing power. This was evident in 4Q22-1Q23, when MAPI/ACES recorded slower SSSG amid higher non-subsidized fuel prices (Pertamax) - Fig. 2-3. For AMRT, we view its SSSG could also be negatively impacted by higher subsidized fuel prices (Pertalite). To note, AMRT's 3Q22 SSSG was less impacted by higher Pertalite price as it was being fully offset by higher ASP from staple companies (Fig. 6). Our discussion with staples companies indicate that they currently have no plans to raise prices. As such, we view AMRT's SSSG may slow down if the government increases the Pertalite fuel price. Our sensitivity analysis shows that for every 1% decrease in SSSG; MAPI/ACES/AMRT's FY26F earnings may decline by -5/-3.8/-4.5%, assuming all else being equal (Fig. 7).

Maintain Neutral

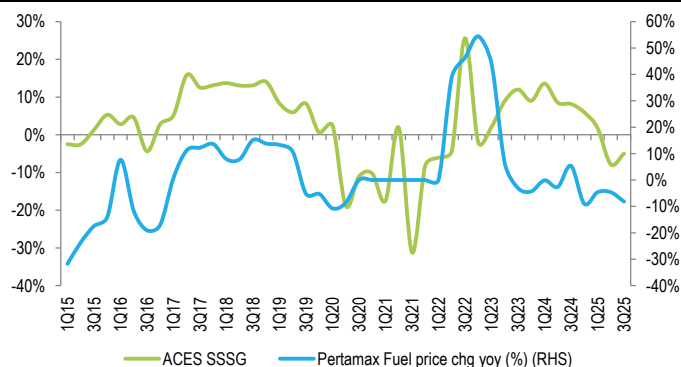
In terms of valuation, retailers fwd. 12M PE valuation has dropped to 11.6x (-2.0 s.d. from its 5yr avg), approaching levels seen during Covid period – Fig 14-17, suggesting a limited downside for the sector. In addition, most local funds are already well positioned in the sector; thus, incremental buyers are likely to come from foreign funds. Overall, we maintain Neutral call on the sector as we view the sustained higher oil prices could become a risk for retailers' SSSG. Our pecking order are as following: MAPI>ACES>AMRT. Key risks: softer than expected SSSG.

Fig. 1: Indonesia Retailers valuation summary

Ticker	Rating	Current price (Rp)	Target price (Rp)	Earnings yoy growth		P/E		ROE	
				2026F	2027F	2026F	2027F	2026F	2027F
ACES	BUY	392	660	16.5%	12.5%	7.9	7.0	12.5%	13.4%
MAPI	BUY	1,140	1,600	19.9%	17.5%	8.3	7.1	15.4%	15.5%
AMRT	BUY	1,450	2,600	14.4%	9.3%	15.9	14.6	21.3%	21.3%

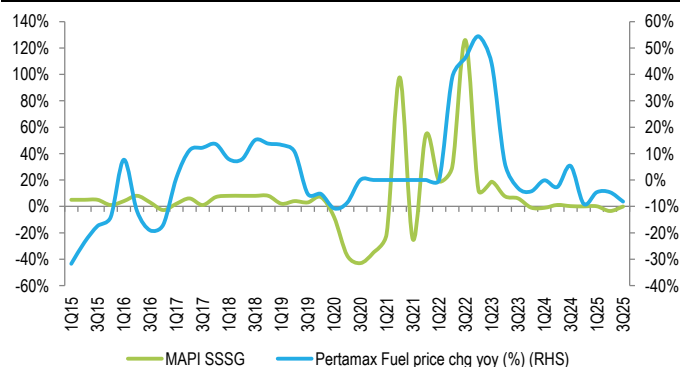
Source: Company, Bloomberg, Indo Premier

Fig. 2: ACES SSSG against Pertamina fuel prices



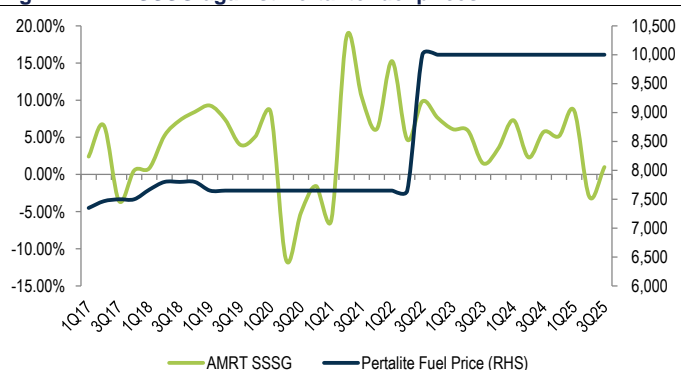
Source: CEIC, Company, Indo Premier

Fig. 3: MAPI SSSG against Pertamina fuel prices



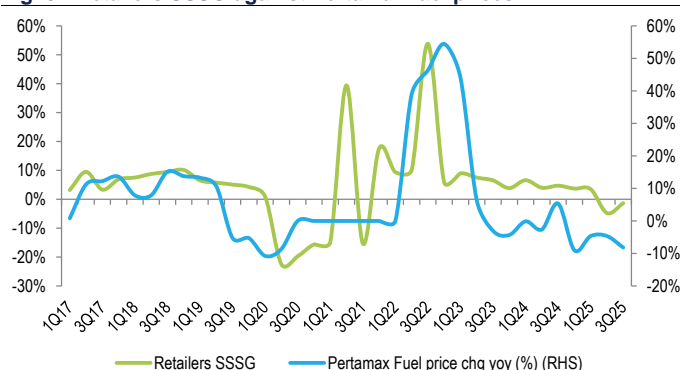
Source: CEIC, Company, Indo Premier

Fig. 4: AMRT SSSG against Peralite fuel prices



Source: CEIC, Company, Indo Premier

Fig. 5: Retailers SSSG against Pertamina fuel prices



Source: CEIC, Company, Indo Premier

Fig. 6: Staples' ASP increase during FY22 amid higher raw material prices

Company/segment	FY22 ASP adjustment
ICBP	+10%
Noodles	+11%
INDF	
Bogasari	+33%
UNVR	+11%
SIDO	+3-4%
KLBF	+2% in avg.
MYOR	+18-20%

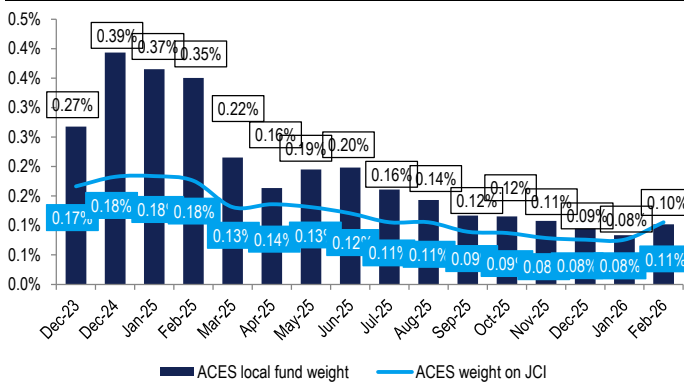
Source: Company, Indo Premier

Fig. 7: Retailers' FY26F earnings sensitivity analysis from lower SSSG

FY26F Earnings	SSSG change				
	-2%	-1%	Base Case	+1%	+2%
ACES					
FY26F Net Profit (Rp bn)	789	821	854	887	919
chg from base case	-7.6%	-3.8%	0.0%	3.8%	7.6%
AMRT					
FY26F Net Profit (Rp bn)	3,444	3,613	3,782	3,952	4,121
chg from base case	-9.0%	-4.5%	0.0%	4.5%	9.0%
MAPI					
FY26F Net Profit (Rp bn)	2,052	2,163	2,276	2,385	2,496
chg from base case	-9.9%	-5.0%	0.0%	4.8%	9.7%

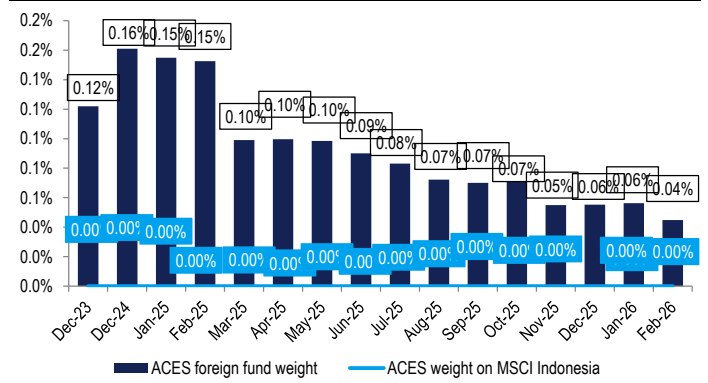
Source: Company, Indo Premier

Fig. 8: ACES' local fund weight vs. JCI



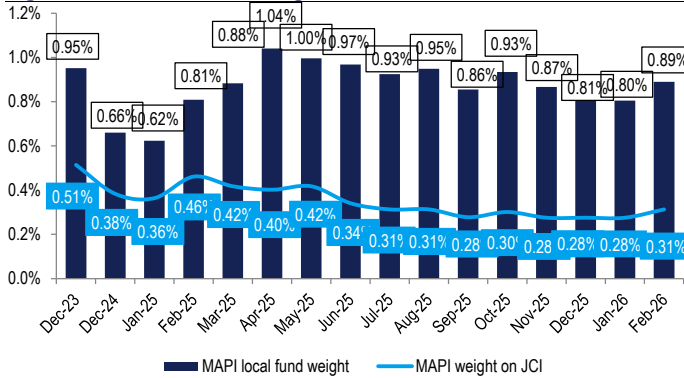
Source: KSEI, Indo Premier

Fig. 9: ACES' foreign fund weight vs. MSCI



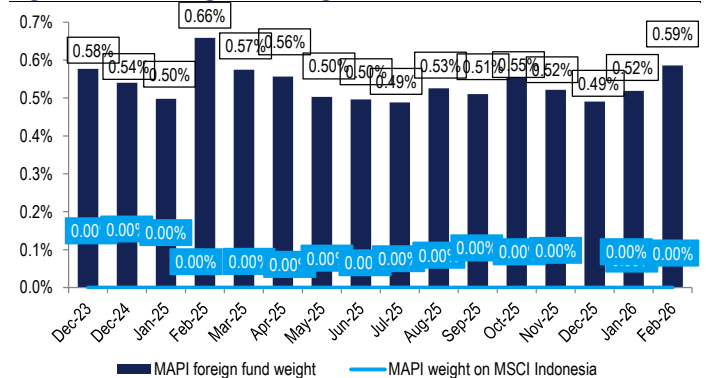
Source: KSEI, MSCI, Indo Premier

Fig. 10: MAPI' local fund weight vs. JCI



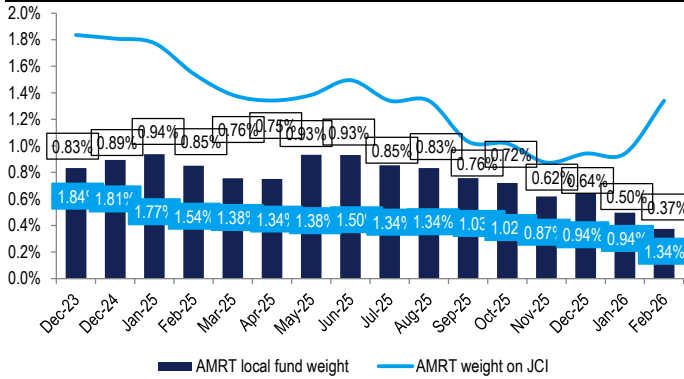
Source: KSEI, Indo Premier

Fig. 11: MAPI' foreign fund weight vs. MSCI



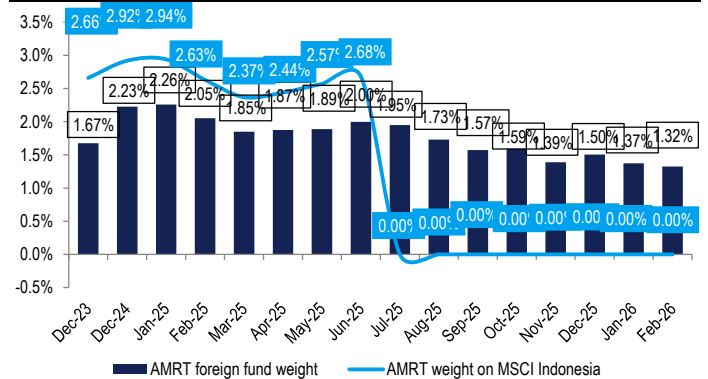
Source: MSCI, Indo Premier

Fig. 12: AMRT' local fund weight vs. JCI



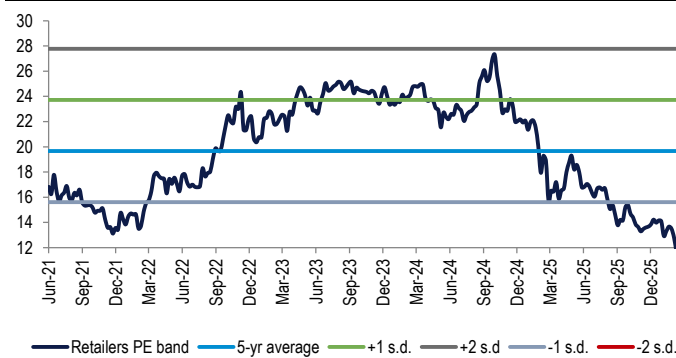
Source: KSEI, Indo Premier

Fig. 13: AMRT' foreign fund weight vs. MSCI



Source: MSCI, Indo Premier

Fig. 14: Retailers is traded at 11.6x fwd. 12M PE (-2.0 s.d. its 5yr mean)



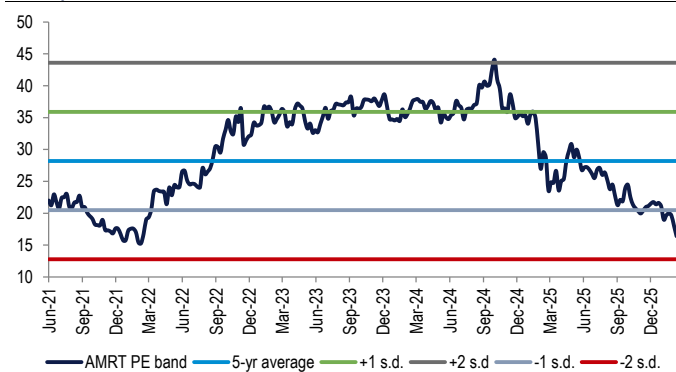
Source: Bloomberg, Indo Premier

Fig. 15: ACES is traded at 7.8x fwd. 12M PE (-1.5 s.d. from its 5yr mean)



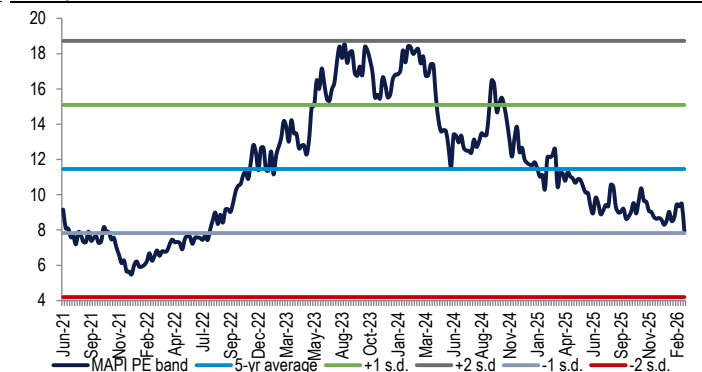
Source: Bloomberg, Indo Premier

Fig. 16: AMRT is traded at 16.4x fwd. 12M PE (-1.5 s.d. from its 5yr mean)



Source: Bloomberg, Indo Premier

Fig. 17: MAPI is traded at 7.9x fwd. 12M PE (-1.0 s.d. from its 5yr mean)



Source: Bloomberg, Indo Premier

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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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