INDOPREMIER

Aspirasi Hidup Indonesia

BUY *(unchanged)*

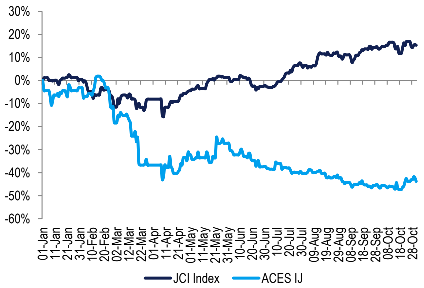
Company Update | Consumer Discretionary | ACES IJ | 31 October 2025

Stock Data

Target price	**Rp660**
Prior TP	*Rp660*
Current price	Rp444
Upside/downside	*48.6%*
Shares outstanding (mn)	17,120
Market cap (Rp bn)	7,807
Free float	40%
Avg. 6m daily T/O (Rp bn)	24

Price Performance

	3M	6M	12M
Absolute	-5.5%	-17.0%	-50.7%
Relative to JCI	-14.6%	-37.7%	-59.4%
52w low/high (Rp)			416 – 915



Major Shareholders

PT Kawan Lama Sejahtera	60.0%

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3Q25 result: in-line performance despite a soft top-line growth

- 9M25 net profit of Rp481bn (-16.2% yoy) was in-line with our/consensus estimates at 66/64% (vs. 3yr avg of 66%).
- Soft 3Q25 net profit of Rp188bn (-9.7% yoy) was driven by a higher opex-to-sales of +360bps yoy amid negative operating leverage.
- Maintain BUY with an unchanged TP of Rp660/sh

9M25 net profit was in-line with our/consensus estimates

ACES recorded 9M25 net profit of Rp481bn (-16.2% yoy) and this was in-line with our/consensus estimates at 66/64% (vs. 3yr avg of 66%). 9M25 net sales of Rp6.3tr (+1.7% yoy) was in-line with our/consensus estimates at 70/71% (vs. 3yr avg of 73%). 9M25 GPM dropped to 47.9% (-62bps yoy) while opex-to-sales increased to 40.9% (+304bps yoy), resulting in lower EBIT margin of 7.0% (-365bps yoy). Overall, 9M25 revenue growth of 1.7% yoy trailed the company's FY25F guidance of >+5% yoy.

Soft 3Q25 earnings from opex pressure amid soft sales growth

3Q25 net sales declined by -1.4% yoy to Rp2.1tr as new store opening (+6.5% yoy) were insufficient to offset soft 3Q25 SSSG of -5.0% yoy. 3Q25 GPM improved to 49.0% (+63bps yoy) due to a favourable product mix. However, 3Q25 opex-to-sales rose to 40.2% (+360bps yoy) amid higher salary-to-sales (+166bps yoy), reflecting negative operating leverage. Thus, EBIT margin dropped to 8.8% (-360bps yoy). Below the operating line, other income surged to Rp71bn (+184% yoy), mainly supported by higher commission income from insurance protection services. In sum, 3Q25 net profit declined to Rp188bn (-9.7% yoy) with NPM of 9.1% (-84bps yoy).

Store expansion to boost 4Q25F sales

Given the soft macro outlook, we expect 4Q25F SSSG to remain at around -3%, similar to 9M25's trend. Hence, sales growth should primarily come from new store openings. The company plans to open 14 new stores in 4Q25F (representing 5.7% of FY24's total store base), which could contribute roughly 6% to sales growth. In addition, the company introduced the new "Neka" brand, targeting the lower-income segment with an average basket size of ~Rp80k (vs. Azko's ~Rp500k). We view this initiative positively as it demonstrates strategic flexibility and aligns with its broader rebranding efforts initiated in FY25F.

Maintain BUY with an unchanged TP of Rp660/sh

In sum, we maintain our BUY rating with an unchanged TP of Rp660 based on 15.5x FY25F PE (-0.5s.d. from its 5yr avg). Risk to our call: softer-than-expected SSSG.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	7,620	8,583	9,025	9,804	10,559
EBITDA	1,012	1,163	950	1,090	1,229
Net profit	770	892	733	854	961
EPS (Rp)	45	52	43	50	56
EPS growth	9.8%	15.8%	-17.8%	16.5%	12.5%
ROE	12.7%	14.0%	11.1%	12.5%	13.4%
PER (x)	9.9	8.5	10.4	8.9	7.9
EV/EBITDA (x)	5.2	4.9	5.6	4.8	4.2
Dividend yield	7.0%	7.5%	7.6%	6.7%	8.4%
Forecast change			0%	0%	0%
IPS vs. consensus			98%	99%	99%

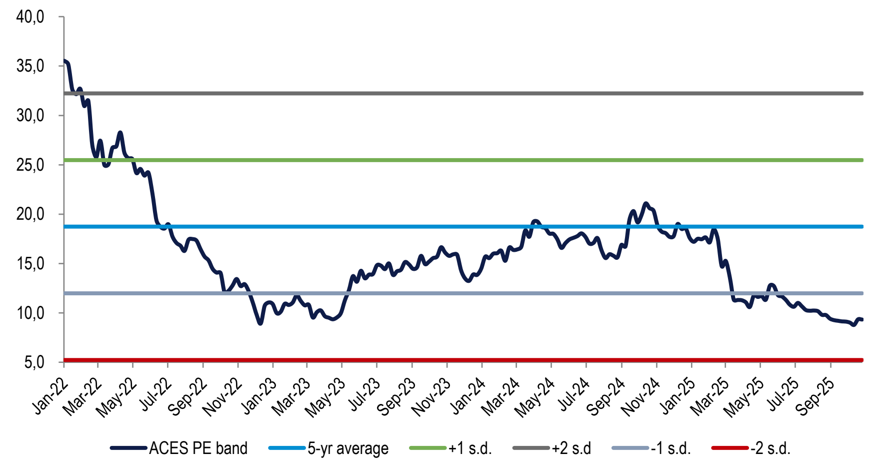
Source: Company, Indo Premier *Share price closing as of: 31 October 2025*

Fig. 1: ACES's 3Q25 Result summary

(Rp bn)	3Q25	3Q24	% YoY	2Q25	% QoQ	9M25	9M24	% YoY	IPS FY25F	% IPS	Cons FY25F	% Cons	3yr avg
Net sales	**2,065**	**2,093**	**-1.4%**	**2,133**	**-3.2%**	**6,334**	**6,228**	**1.7%**	**9,025**	**70%**	**8,895**	**71%**	**73%**
COGS	(1,053)	(1,081)	-2.6%	(1,137)	-7.4%	(3,302)	(3,208)	2.9%					
Gross profit	**1,012**	**1,012**	**-0.1%**	**996**	**1.6%**	**3,032**	**3,020**	**0.4%**	**4,247**	**71%**	**4,221**	**72%**	**72%**
Opex	(829)	(752)	10.3%	(857)	-3.3%	(2,591)	(2,358)	9.9%					
EBIT	**182**	**260**	**-29.9%**	**139**	**31.4%**	**441**	**661**	**-33.3%**	**798**	**55%**	**897**	**49%**	**65%**
Other income (charges)	47	(1)	######	42	13.2%	137	50	174.3%					
PBT	**230**	**259**	**-11.3%**	**181**	**27.2%**	**578**	**711**	**-18.8%**					
Tax benefit (expense)	(42)	(53)	-19.5%	(29)	44.1%	(101)	(143)	-29.5%					
Net profit	**188**	**208**	**-9.7%**	**151**	**24.4%**	**481**	**574**	**-16.2%**	**733**	**66%**	**751**	**64%**	**66%**
Margin (%)													
Gross margin	49.0%	48.4%	0.63%	46.7%	2.30%	47.9%	48.5%	-0.62%					
EBIT margin	8.8%	12.4%	-3.60%	6.5%	2.33%	7.0%	10.6%	-3.65%					
Net profit margin	9.1%	10.0%	-0.84%	7.1%	2.02%	7.6%	9.2%	-1.62%					
Opex to sales	-40.2%	-35.9%	-4.23%	-40.2%	0.03%	-40.9%	-37.9%	-3.04%					

Sources: Company, Bloomberg, Indo Premier

Fig. 2: ACES is traded at 9.3x fwd. 12M PE (-1.4s.d. from its 5yr avg)



Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	7,620	8,583	9,025	9,804	10,559
Cost of sales	(3,910)	(4,400)	(4,778)	(5,140)	(5,515)
Gross profit	**3,710**	**4,183**	**4,247**	**4,664**	**5,044**
SG&A Expenses	(2,841)	(3,159)	(3,449)	(3,745)	(4,003)
Operating profit	**869**	**1,024**	**798**	**919**	**1,041**
Net interest	74	84	75	92	95
Forex gain (loss)	(5)	(1)	0	0	0
Others	23	(24)	23	30	37
Pre-tax income	**961**	**1,083**	**896**	**1,041**	**1,172**
Income tax	(190)	(199)	(163)	(187)	(211)
Net income	**770**	**892**	**733**	**854**	**961**

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	2,312	1,875	2,282	2,357	2,427
Receivable	199	45	125	136	147
Inventory	2,665	3,396	2,795	2,937	3,076
Other current assets	486	633	679	732	783
Total current assets	**5,662**	**5,950**	**5,882**	**6,162**	**6,432**
Fixed assets	424	491	602	704	796
Other non-current assets	0	0	0	0	0
Total non-current assets	**2,091**	**2,242**	**2,460**	**2,563**	**2,656**
Total assets	**7,753**	**8,191**	**8,342**	**8,725**	**9,089**
ST loans	0	0	0	0	0
Payable	126	191	222	239	256
Other payables	15	16	70	76	81
Current portion of LT loans	0	0	0	0	0
Total current liab.	**764**	**873**	**862**	**895**	**929**
Long term loans	0	0	0	0	0
Other LT liab.	202	177	186	195	205
Total liabilities	**1,567**	**1,679**	**1,676**	**1,718**	**1,762**
Equity	612	572	572	572	572
Retained earnings	5,565	5,904	6,057	6,398	6,718
Minority interest	43	36	36	36	36
Total SHE + minority int.	**6,186**	**6,512**	**6,666**	**7,007**	**7,327**
Total liabilities & equity	**7,753**	**8,191**	**8,342**	**8,725**	**9,089**

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F

Net income	770	892	733	854	961
Depr. & amortization	109	83	153	170	189
Changes in working capital	(30)	(699)	486	(164)	(158)
Others	507	537	0	0	0
Cash flow from operating	**1,356**	**813**	**1,371**	**860**	**991**
Capital expenditure	(107)	(150)	(264)	(272)	(280)
Others	(23)	(75)	(121)	0	0
Cash flow from investing	**(131)**	**(224)**	**(385)**	**(272)**	**(280)**
Loans	1	(2)	0	0	0
Equity	(1)	(47)	0	0	0
Dividends	(532)	(574)	(580)	(513)	(641)
Others	(510)	(408)	0	0	0
Cash flow from financing	**(1,042)**	**(1,030)**	**(580)**	**(513)**	**(641)**
Changes in cash	**184**	**(442)**	**407**	**75**	**70**

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	48.7%	48.7%	47.1%	47.6%	47.8%
Operating margin	11.4%	11.9%	8.8%	9.4%	9.9%
Pre-tax margin	12.6%	12.6%	9.9%	10.6%	11.1%
Net margin	10.1%	10.4%	8.1%	8.7%	9.1%
ROA	10.3%	11.2%	8.9%	10.0%	10.8%
ROE	12.7%	14.0%	11.1%	12.5%	13.4%
Acct. receivables TO (days)	6.8	5.2	3.4	4.9	4.9
Inventory TO (days)	255.6	251.4	236.5	203.5	199.0
Payable TO (days)	12.6	13.1	15.8	16.4	16.4
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	-37.6%	-29.0%	-34.4%	-33.8%	-33.3%

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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