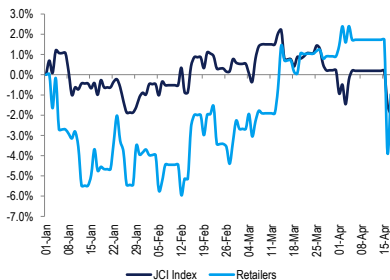


Sector Index Performance

	3M	6M	12M
Absolute	2.8%	0.4%	7.7%
Relative to JCI	4.4%	-2.4%	3.1%



Summary Valuation Metrics

P/E (x)	2024F	2025F	2026F
AMRT IJ	30.1	25.2	21.5
ACES IJ	19.2	17.3	15.9
MAPI IJ	12.6	10.9	10.1

EV/EBITDA (x)	2024F	2025F	2026F
AMRT IJ	15.2	13.4	12.0
ACES IJ	9.8	8.8	8.8
MAPI IJ	4.2	3.3	2.6

Div. Yield	2024F	2025F	2026F
AMRT IJ	1.1%	1.3%	1.6%
ACES IJ	3.6%	4.2%	4.6%
MAPI IJ	0.0%	0.0%	0.0%

1Q24F preview: expect ACES/AMRT to deliver another strong performance

- We expect ACES and AMRT to continue their strong 4Q23 trend into 1Q24F boosted by favorable base-effect and shift of Lebaran.
- On the other hand, we note the high base effect for MAPI/LPPF as 1Q23's SSSG of 18/10% may imply a more muted growth in 1Q24F.
- ACES and MAPI have the highest exposure to US\$-related merchandise imports but Rp weakness shall be manageable for them.

FY23 & 4Q23 recap: diverging mid-up and mid-low retailers' trend

In FY23, mid-up retailers (MAPI/ACES) along with AMRT booked +14.9% yoy aggregate earnings growth. On the other hand, it was LPPF/RALS's -51.2/-14.7% yoy earnings decline that dragged retailer's aggregate earnings to be flattish at 0.4% yoy. ACES and AMRT over delivered (Fig. 2 & 6) - for ACES its performance was due to better-than-expected SSSG of 8.1% (vs. target of 6.5%) and cost control; whereas AMRT was due to strong GPM achievement at 21.6% (+92bps yoy) which reflects its bargaining power toward FMCG suppliers. 4Q23's aggregate earnings declined -13.5% yoy weighed down by the reversal of employee benefit expenses reduction in 4Q22.

Expecting strong 1Q24F performance for ACES and AMRT

Looking into 1Q24F, we expect ACES to continue its strong yoy performance partly on the back of favourable base effect. 2M24 SSSG has registered 10.0% yoy and we expect Mar24F SSSG to sustain its double digit trajectory. Similarly, AMRT is likely to see a strong 1Q24F as the FMCG sales for Lebaran seasonality was brought forward by ten days from last year. We expect AMRT to register a high single-digit SSSG in 1Q24F. Coupled with MIDI's 1Q24 SSSG of 13.7%, this may indicate an improving top-line growth for consumer staples in general – possibly boosted by election spending.

Managing expectations for MAPI and LPPF in 1Q24F

On the other hand, we are managing our expectations for MAPI/LPPF with low single digit/flattish 1Q24F SSSG due to 1Q23's high base effect. Recall MAPI/LPPF's 1Q23 SSSG stood at 18/10%, partly driven by the pent up demand during the pandemic-endemic transition. MAPI has recently revised its FY24F sales growth guidance to >20%, from previously >25% on a more conservative MAPA store expansion target this year. Additionally, our channel checks suggest that MAPI's F&B arm (MAPB) have yet to fully recover from the boycott impact. MAPB contributes 12.9/6.9% to MAPI's revenue/EBIT in 9M23 (pre-boycott).

Assessing dollar exposure among retailers

In light of the Rupiah weakness (USDIDR has breached Rp16k), we analysed retailers' costs exposure to US\$. In Fig. 3, we highlight that ACES and MAPI import the majority of their merchandise. Although merchandise is sourced mostly from China and SE Asia, a significant portion of the transactions are denominated in US\$ when dealing with principals. Despite the Rupiah weakness, we note that ACES and MAPI shall be able to pass on cost increments to their mid-upper target consumers.

Maintain sector Neutral with preference for ACES

We continue to prefer mid-up targeting retailers over mid-low retailers. Institutional ownership trend remains largely similar with investors being well-positioned in AMRT/ACES/MAPI. In conclusion, we maintain our Neutral stance for the sector on lack of positive catalysts. Our pecking order is as follow: ACES > MAPI > AMRT > RALS > LPPF.

Lukito Supriadi

PT Indo Premier Sekuritas
lukito.supriadi@ipc.co.id
+62 21 5088 7168 ext. 716

Andrianto Saputra

PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 712

Fig. 1: Indonesia Retailers valuation summary

Ticker	Rating	Current price		Target price		Earnings yoy growth		P/E		ROE	
		(Rp)	(Rp)	(Rp)	(Rp)	2024F	2025F	2024F	2025F	2024F	2025F
ACES	BUY	920	1,080			12.2%	12.7%	19.2	17.3	13.6%	14.6%
MAPI	BUY	1,795	2,550			21.5%	15.8%	12.6	10.9	20.9%	19.8%
AMRT	BUY	2,790	2,900			12.9%	19.4%	30.1	25.2	27.7%	27.5%
LPPF	BUY	1,855	2,750			18.4%	20.1%	4.1	3.5	373.1%	143.7%
RALS	BUY	462	660			13.9%	10.1%	7.7	7.0	8.8%	9.6%
Simple average						15.8%	15.6%	14.7	12.8	88.8%	43.0%

Source: Bloomberg, Indo Premier

Share price closes as 17 April 2024

Fig. 2: Indonesia' Retailers guidance summary

Fig. 2: Indonesia Retailers guidance summary

	FY23 Guidance		FY23 Result	FY24F guidance
	Intial	latest		
AMRT				
SSSG	+mid single digit		6.1%	+mid single digit
Sales	+10-11%		10.3%	+10-11%
Store expansion	1,700		1,843	1,450
ACES				
SSSG	5.0%	6.5%	8.1%	7.0%
Sales	+8-10%	>10%	12.6%	>10%
Store expansion	13	13	13	15-20
MAPI				
SSSG	mid-single digit		7.1%	mid-single digit
Sales	>20%		23.7%	>20%
Gross store expansion	700		741	800

Source: Company, Indo Premier

Fig. 3: Indonesia' Retailers overseas currencies

Ticker	% of COGS transacted in foreign currencies	% of revenue in foreign currencies
MAPI	USD : 70-71% EUR : 18-21% GBP : 7-9% Remaining: other ccy countries origion: around 50% - China 30% - Southeast Asia 20% - Europe & Other countries	Overseas (regional) sales account for c.13% of total sales but denominated in respective currencies
ACES	Merchandise mainly sourced from China - 50/50 in USD/RMB	N/A
LPPF	mostly IDR - cotton px may be indirectly linked to US\$	N/A
RALS	mostly IDR - cotton px may be indirectly linked to US\$	N/A

Source: Company, Indo Premier

Fig. 4: Indonesia' retailers FY23 revenue summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY	IPS FY23F	% IPS	Cons FY23F	% Cons
ACES	2,118	1,868	13.4%	1,859	14.0%	7,612	6,763	12.6%	7,573	101%	7,468	102%
MAPI	9,526	8,116	17.4%	8,198	16.2%	33,319	26,937	23.7%	32,283	103%	33,204	100%
LPPF	1,559	1,490	4.6%	1,128	38.1%	6,539	6,455	1.3%	6,873	95%	6,674	98%
RALS	604	564	7.1%	476	27.0%	2,744	2,967	-7.5%	2,877	95%	2,688	102%
AMRT	26,920	24,786	8.6%	26,191	2.8%	106,945	96,925	10.3%	107,208	100%	109,557	98%
Indo's retailers	40,727	36,824	10.6%	37,851	7.6%	157,158	140,046	12.2%	156,814	100%	159,591	98%

Source: Company, Bloomberg, Indo Premier

Fig. 5: Indonesia' Retailers FY23 gross profit summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	1,054	903	16.7%	885	19.0%	3,698	3,268	13.2%
MAPI	4,235	3,541	19.6%	3,786	11.8%	15,094	12,029	25.5%
LPPF	980	1,035	-5.4%	738	32.8%	4,313	4,401	-2.0%
RALS	297	330	-9.9%	225	32.1%	1,392	1,512	-7.9%
AMRT	6,169	5,207	18.5%	5,461	13.0%	23,066	20,022	15.2%
Indo's retailers	12,734	11,017	15.6%	11,096	14.8%	47,563	41,233	15.4%

Source: Company, Bloomberg, Indo Premier

Fig. 6: Indonesia' Retailers FY23 GPM summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	49.7%	48.4%	139 bps	47.6%	211 bps	48.6%	48.3%	27 bps
MAPI	44.5%	43.6%	83 bps	46.2%	-174 bps	45.3%	44.7%	65 bps
LPPF	62.9%	69.5%	-662 bps	65.4%	-254 bps	66.0%	68.2%	-222 bps
RALS	49.2%	58.5%	-932 bps	47.3%	191 bps	50.7%	51.0%	-25 bps
AMRT	22.9%	21.0%	191 bps	20.9%	207 bps	21.6%	20.7%	92 bps
Indo's retailers	31.3%	29.9%	135 bps	29.3%	196 bps	30.3%	29.4%	83 bps

Source: Company, Bloomberg, Indo Premier

Fig. 7: Indonesia' Retailers FY23 EBIT summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	328	388	-15.4%	195	67.8%	863	747	15.6%
MAPI	1,030	891	15.6%	832	23.8%	3,596	3,070	17.2%
LPPF	203	383	-47.2%	9	2089.3%	1,204	1,592	-24.4%
RALS	(58)	(60)	-2.6%	(39)	-50.5%	155	194	-19.8%
AMRT	1,265	1,185	6.7%	435	190.8%	3,286	2,798	17.4%
Indo's retailers	2,767	2,787	-0.7%	1,433	93.1%	9,105	8,400	8.4%

Source: Company, Bloomberg, Indo Premier

Fig. 8: Indonesia' Retailers FY23 EBIT Margin summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	15.5%	20.8%	-527 bps	10.5%	497 bps	11.3%	11.0%	30 bps
MAPI	10.8%	11.0%	-17 bps	10.2%	67 bps	10.8%	11.4%	-61 bps
LPPF	13.0%	25.7%	-1273 bps	0.8%	1218 bps	18.4%	24.7%	-626 bps
RALS	-9.6%	-10.6%	97 bps	-8.1%	-151 bps	5.7%	6.5%	-87 bps
AMRT	4.7%	4.8%	-9 bps	1.7%	304 bps	3.1%	2.9%	19 bps
Indo's retailers	6.8%	7.6%	-78 bps	3.8%	301 bps	5.8%	6.0%	-21 bps

Source: Company, Bloomberg, Indo Premier

Fig. 9: Indonesia' Retailers FY23 opex to sales summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	-34.3%	-27.6%	-665 bps	-37.1%	287 bps	-37.2%	-37.3%	4 bps
MAPI	-33.6%	-32.7%	-99 bps	-36.0%	240 bps	-34.5%	-33.3%	-125 bps
LPPF	-49.9%	-43.7%	-612 bps	-64.6%	1471 bps	-47.6%	-43.5%	-404 bps
RALS	-58.8%	-69.1%	1029 bps	-55.4%	-342 bps	-45.1%	-44.4%	-63 bps
AMRT	-18.2%	-16.2%	-199 bps	-19.2%	98 bps	-18.5%	-17.8%	-73 bps
Indo's retailers	-24.5%	-22.3%	-213 bps	-25.5%	106 bps	-24.5%	-23.4%	-103 bps

Source: Company, Indo Premier

Fig. 10: Indonesia' Retailers FY23 net profit summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY	IPS FY23F	% of IPS	Cons FY23F	% of Cons
ACES	274	313	-12.2%	187	47.0%	764	664	14.9%	706	108%	721	106%
MAPI*	404	494	-18.1%	445	-9.1%	1,894	1,754	7.9%	2,009	94%	2,139	89%
LPPF	45	329	-86.4%	(53)	N/A	675	1,383	-51.2%	925	73%	834	81%
RALS	46	54	-15.2%	8	468.7%	300	352	-14.7%	328	92%	298	101%
AMRT	1,213	1,104	9.9%	578	110.1%	3,404	2,855	19.2%	3,203	106%	3,368	101%
Indo's retailers	1,983	2,294	-13.5%	1,164	70.4%	7,036	7,009	0.4%	7,171	98%	7,360	96%

Source: Company, Bloomberg, Indo Premier

*Core profit

Fig. 11: Indonesia' Retailers FY23 NPM summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	13.0%	16.7%	-379 bps	10.0%	292 bps	10.0%	9.8%	21 bps
MAPI*	4.2%	6.1%	-185 bps	5.4%	-119 bps	5.7%	6.5%	-83 bps
LPPF	2.9%	22.1%	-1921 bps	-4.7%	761 bps	10.3%	21.4%	-1111 bps
RALS	7.6%	9.6%	-200 bps	1.7%	587 bps	10.9%	11.9%	-93 bps
AMRT	4.5%	4.5%	6 bps	2.2%	231 bps	3.2%	2.9%	24 bps
Indo's retailers	4.9%	6.2%	-136 bps	3.1%	180 bps	4.5%	5.0%	-53 bps

Source: Company, Indo Premier

*Core profit margin

Fig. 12: Indonesia' Retailers FY23 SSSG summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	9.0%	-2.0%	11.0%	12.0%	-3.0%	8.1%	0.9%	7.2%
MAPI	-0.9%	12.0%	-12.9%	6.1%	-7.0%	7.1%	36.0%	-28.9%
LPPF	-2.9%	2.4%	-5.3%	-2.3%	-0.6%	-2.4%	20.8%	-23.2%
AMRT	3.5%	7.6%	-4.1%	1.5%	2.0%	4.3%	9.1%	-4.8%

Source: Company, Indo Premier

Fig. 13: Indonesia' Retailers FY23 Salary summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	306	292	4.8%	417	-26.7%	1,017	995	2.3%
MAPI	982	785	25.1%	990	-0.8%	3,762	2,923	28.7%
LPPF	219	161	36.0%	223	-1.6%	971	846	14.8%
RALS	117	116	1.1%	82	43.6%	199	203	-2.0%
AMRT	2,569	2,014	27.5%	2,680	-4.2%	10,623	9,205	15.4%
Indo's retailers	4,193	3,368	24.5%	4,393	-4.5%	16,573	14,172	16.9%

Source: Company, Indo Premier

Fig. 14: Indonesia' Retailers FY23 Rental + RoU summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	93	85	8.5%	91	1.4%	272	251	8.2%
MAPI	836	771	8.3%	812	3.0%	3,088	2,455	25.8%
LPPF	268	257	4.6%	269	-0.1%	1,112	1,081	2.8%
RALS	76	77	-1.5%	65	16.7%	141	120	17.5%
AMRT	653	603	8.3%	694	-6.0%	2,606	2,337	11.5%
Indo's retailers	1,925	1,793	7.4%	1,931	-0.3%	7,218	6,245	15.6%

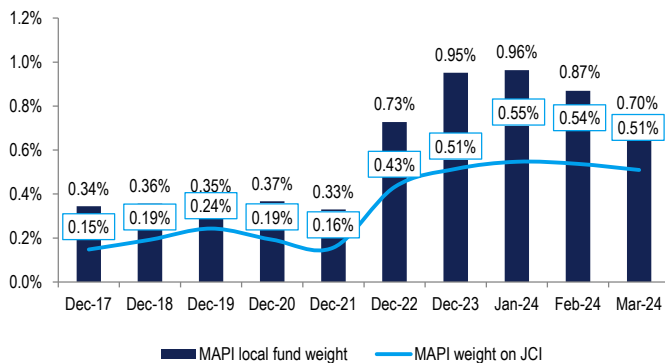
Source: Company, Indo Premier

Fig. 15: Indonesia' Retailers FY23 number of store summary

Ticker	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY
ACES	234	225	4.0%	233	0.4%	234	225	4.0%
MAPI	3,150	2,660	18.4%	3,008	4.7%	3,150	2,660	18.4%
LPPF	154	148	4.1%	156	-1.3%	154	148	4.1%
RALS	103	104	-1.0%	103	0.0%	103	104	-1.0%
AMRT	22,310	20,467	9.0%	21,828	2.2%	22,310	20,467	9.0%
Indo's retailers	25,951	23,604	9.9%	25,328	2.5%	25,951	23,604	9.9%

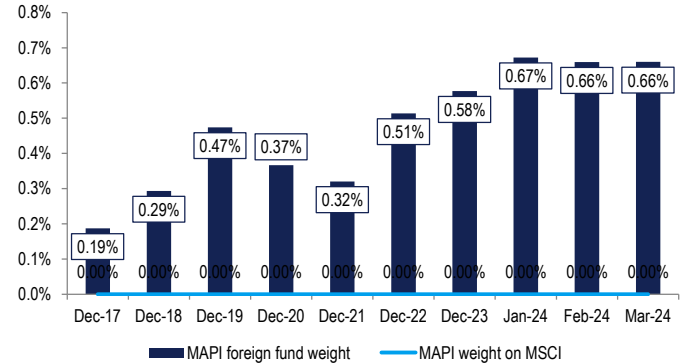
Source: Company, Indo Premier

Fig. 16: MAPI' local fund weight vs. JCI



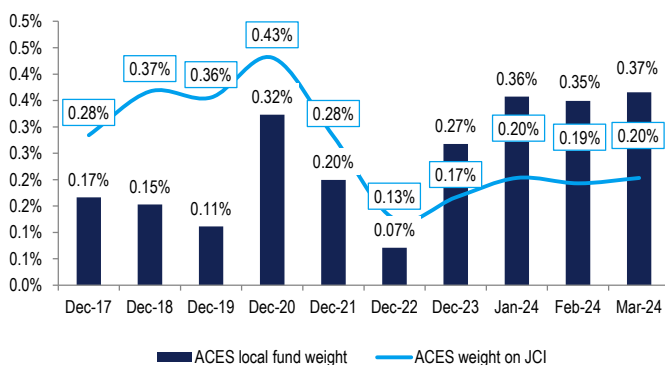
Source: KSEI, Indo Premier

Fig. 17: MAPI' foreign fund weight vs. MSCI



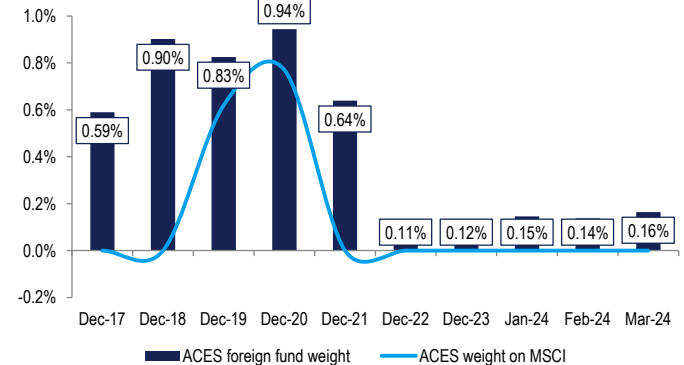
Source: MSCI, Indo Premier

Fig. 18: ACES' local fund weight vs. JCI



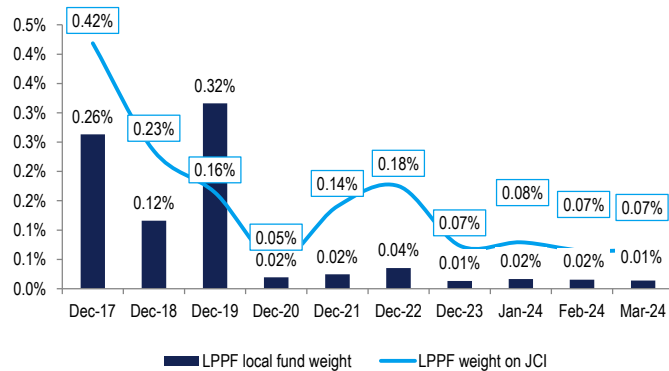
Source: KSEI, Indo Premier

Fig. 19: ACES' foreign fund weight vs. MSCI



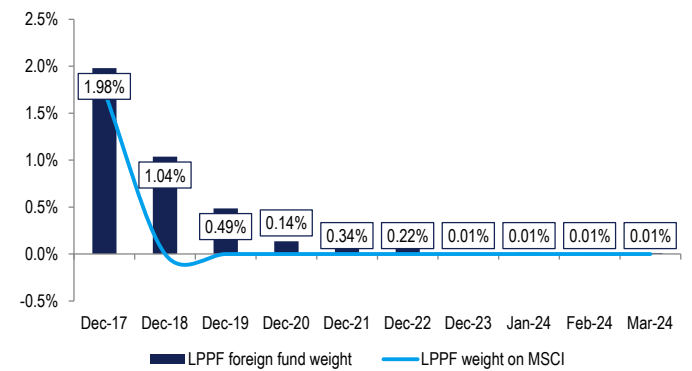
Source: MSCI, Indo Premier

Fig. 20: LPPF' local fund weight vs. JCI



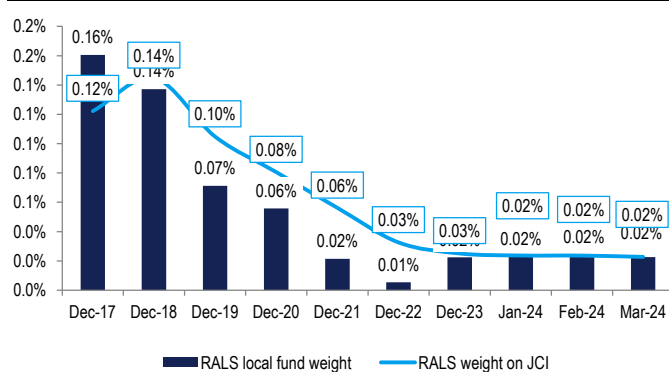
Source: KSEI, Indo Premier

Fig. 21: LPPF' foreign fund weight vs. MSCI



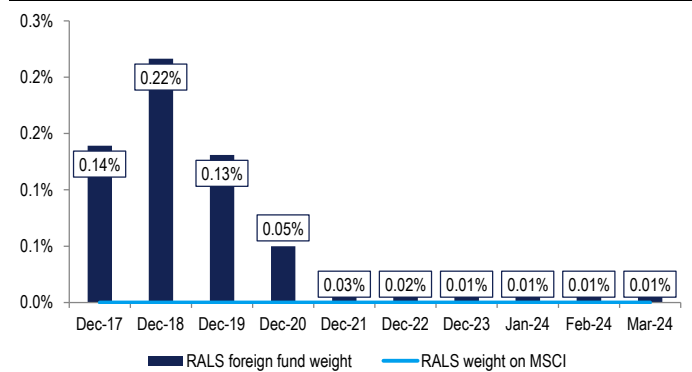
Source: MSCI, Indo Premier

Fig. 22: RALS' local fund weight vs. JCI



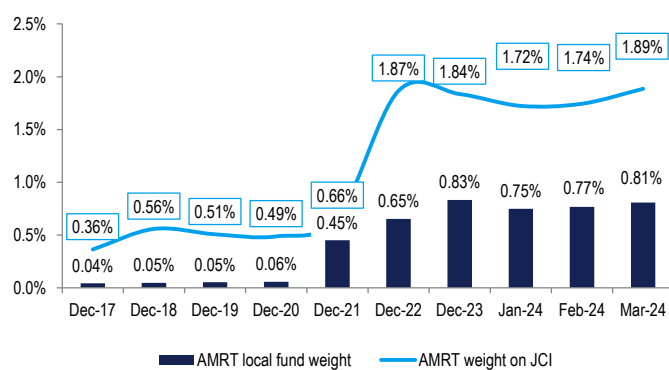
Source: KSEI, Indo Premier

Fig. 23: RALS' foreign fund weight vs. MSCI



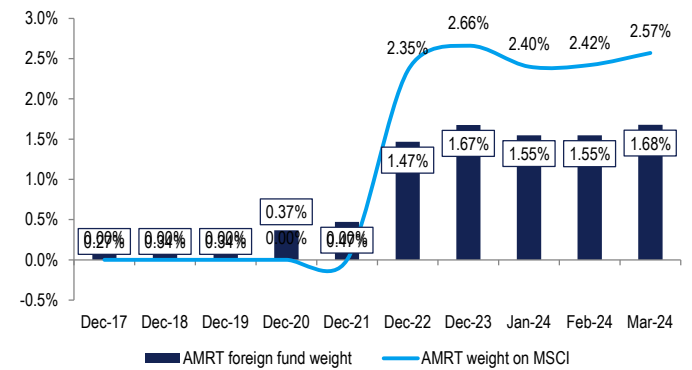
Source: MSCI, Indo Premier

Fig. 24: AMRT' local fund weight vs. JCI



Source: KSEI, Indo Premier

Fig. 25: AMRT' foreign fund weight vs. MSCI



Source: MSCI, 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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