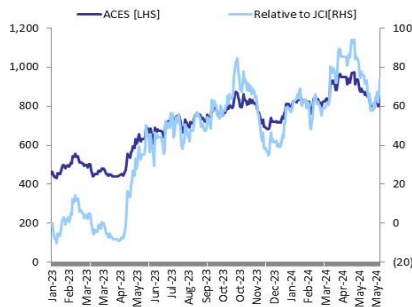


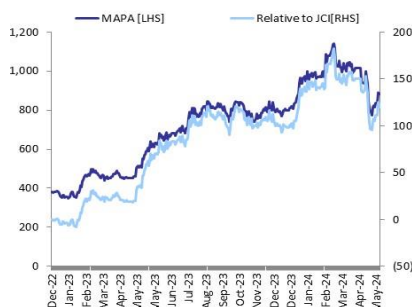
Overweight

(Maintained)

ACES relative to JCI Index



MAPA relative to JCI Index



Source: Bloomberg

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Retail

May24 channel check: sustaining decent traffic, higher promotions but in-line with seasonality

- Our retail channel checks in May24 show decent mall traffic at weekends and long weekends bodes well for promotions.
- MAPA offers broader brand promotions following the end-of-season sale, MAPA is offering selective promos on fashion brands.
- ACES is continuing its thematic and cashback promotions which will sustain SSSG at the mid-single digit level. Maintain Overweight.

Decent traffic in May24, albeit may be partly supported by holidays.

Our weekly retail channel check on week of 3-31 May24 indicates decent traffic in the major retail malls and shopping centers. We think this is an encouraging indication amidst concerns over purchasing power, although traffic may partly be supported by the extra long-weekends during the month. We particularly note strong traffic in ACES and as such, we expect ACES' SSSG to be sustained at around the mid-single digit level in May24 (Apr24: 6.8%). Other retailer i.e MIDI stated that its May's SSSG remains strong at double digit (Mar24: 13.7%).

More promos post the end-of-season sale, but still inline with seasonality.

We observed more promos across the brands under MAPA (e.g, discounts in Planet Sports, Sports Station and several key brands). Interestingly, this is matched by rival JD (under ERAA IJ) for several brands (e.g, New Balance, Nike, Converse, Puma, Adidas, Asics, and other brands). For MAPA fashion outlets, promotions are relatively unchanged over the past 2 weeks. On ACES, we noted continuing thematic promotions which may partly explain the strong May24 traffic. AMRT is promoting cooking oil, instant noodles, and other select items under promotion. Overall, we believe the recent promotional activities still fall inline with the seasonality post Idul Fitri holiday, approaching the school holidays/back to school month of Jul24. We also think the steady May24 traffic should translate into healthier inventory days for the retailers under our coverage (1Q24 MAPI: 133, MAPA: 196, ACES: 250 days, with expected improvement for MAPI and MAPA to FY24F 126 and 185 days).

2Q24 revenue will be in line with the seasonality

We believe our observation of steady May24 traffic is encouraging as it should translate into 2Q24 solid revenue that is in-line with trend post the led festivities season and supported by school holidays in Jun24. Within our coverage, we estimate ACES to book the best performances vs peer in 2Q24, supported by solid top line and higher margins. For MAPI & MAPA, concerns on opex/margin might hinder strong earnings growth.

Maintain Overweight amid on-track performances

Concerns on purchasing power and seasonality post Ramadhan have put pressure on the retail sector. We believe the decent May24 traffic should indicate on-track operating performance (FY24F EPS growth forecast of 13.5%). Maintain Overweight with our pecking order: ACES, MAPA and MAPI.

Ticker	Rec	TP (Rp)	Market Cap. (Rpbn)	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	EPS growth	
				2024F	2025F	2024F	2025F			2024F	2025F
MAPI	Buy	2,200	28,140	11.3	9.5	2.0	1.6	19.4	0.6	14.1%	18.5%
MAPA	Buy	1,100	26,650	15.4	12.6	3.4	2.7	24.4	0.6	13.0%	22.3%
ACES	Buy	1,200	15,780	16.7	15.2	2.2	2.1	13.6	3.0	13.4%	10.1%

May24 channel check: sustaining decent traffic, higher promotions but in-line with seasonality

Notes from our May24 channel check

We continue our weekly retail channel check to gauge the traffic in the major retail malls and shopping centers for the weekend / long weekend periods.

MAPA: More promos across its brands following the end of season sale

MAPA is continuing its promotions after long-weekend deals by offering:

- discounts of up to 50% for the second item for Planet Sports, Sports Station, and several brands (New Balance, Asics, Skechers, Puma, Reebok, 2XU, and New Era).
- Converse started a "Buy 1 Get 1 Free" promotion over the long weekend last week. This week, Converse is offering "Special Prices" ranging from Rp500k to Rp800k for footwear and an additional 20% off on accessories and apparel for buying two products. This week, the store appeared to have fewer visitors than other MAPA stores.
- Big deals are coming from Foot Locker, which offers a "Mid-Year sale of up to 50% + extra 20% for buying 2 products" from 31 May to 9 June, 2024, in its offline and online stores.

However, a competitor, JD (ERAA IJ), is offering similar discounts - a 50% off sale for several brands from May 30–June 7. The promotion looks more appealing with tags on the store's products.

We tried to purchase the New Balance shoes through the website of Foot Locker and JD and found that the final price for the same product is more attractive through Foot Locker (with additional 20% discounts for buying 2 products) – Exhibit 5.

Exhibit 1. Crowds at Converse B1G1 Promotion



Source: BRIDS Survey

Exhibit 2. 50% on 2nd item Promotion – Planet Sports



Source: BRIDS Survey

Exhibit 3. Mid-Year Sale – Foot Locker



Source: BRIDS Survey

Exhibit 4. 50% off Sale – JD



Source: BRIDS Survey

Exhibit 5. Price comparison for online purchases in Foot Locker and JD

Foot Locker

NEW ARRIVALS PRIA WANITA ANAK-ANAK RELEASES BRAND SALE

Car...

Mid-Year Sale
UP TO 50% + EXTRA 20%
12 May - 17 June 2024 | 09.00 - 20.00

Keranjang Belanja

ITEM	HARGA	JUMLAH	SUBTOTAL
<p>NEW BALANCE 550 Merits Sneakers Shoes - Navy Ukuran: US 9</p> <p>Ubah Hapus</p>	Rp. 1.469.300 (-30%) Rp. 2.099.000	1	Rp. 1.469.300
<p>NEW BALANCE 550 Merits Sneakers Shoes - Navy Ukuran: US 9.5</p> <p>Ubah Hapus</p>	Rp. 1.469.300 (-30%) Rp. 2.099.000	1	Rp. 1.469.300

Ringkasan Belanja

Subtotal Rp. 2.938.600

Discount (Buy 2 Get 20% OFF) Rp. 587.720

Total Rp. 2.350.880

Order anda tidak memenuhi syarat untuk COD

Masukkan Diskon Kode
Diskon Kode **Gunakan**

LANJUT KE CHECKOUT

Only at JD Men Women Kids Accessories Collections Brands Offers

Mid-Year Sale
GET DEALS UP TO 50% OFF

GRAB INSTANT DELIVERY
NOW AVAILABLE IN SELECTED AREA

SIGN UP NOW
GET 10% OFF

Keranjang Belanja

Alamat Pengiriman

USA

Metode Pengiriman

Ringkasan Pesanan

Subtotal Rp2.938.600

Biaya Pengiriman Rp0.000

Total Pesanan Rp2.938.600

LANJUT PEMESANAN

Source: BRIDS Survey

MAPI: Pull & Bear and Cotton On offer 40% and Buy 1 Get 1 half price promos

We continued our weekly retail channel check to gauge the traffic in the major retail malls and shopping centers particularly during the weekend/long weekend periods. We didn't observe any different offers for several MAPI outlets in the fashion segment (Zara, Marks & Spencer, Stradivarius, Bershka) compared to last week, while Pull & Bear offers a Mid Sale up to 40% off for selected items and Cotton On is continuing its promotions (up to 50% off) and "Buy 1 Get 1 Half Price."

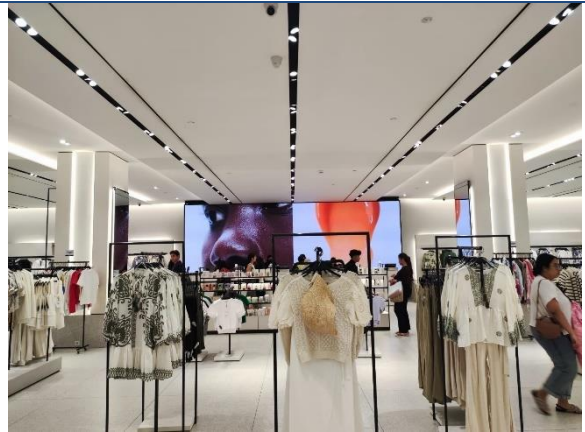
We also noticed that MAPI's competitor was undertaking attractive promotions. H&M was offering 30% off for all pants, collaborating with Bank BCA for a 25% off promo with a minimum purchase of Rp1mn, and providing easy 0% installment payments using Kredivo for customers. Uniqlo, in the same period (May 23–June 2), also held an interesting promotion in celebration of its 40th anniversary thereby providing customers with multiple shopping choices.

Exhibit 6. 40% off Promotion - Pull & Bear



Source: BRIDS Survey

Exhibit 7. ZARA store in Senayan City



Source: BRIDS Survey

Exhibit 8. MAPI Competitor Promotion – H&M



Source: BRIDS Survey

Exhibit 9. MAPI Competitor Promotion – Uniqlo



Source: BRIDS Survey

Alfamart and Indomaret: weekly promos within payday

AMRT is promoting cooking oil, instant noodles, and other select items under the “Gantung” (Gajian Untung Alfamart) promotion from May 27 to June 2 with an extra discount or cashback using GoPay or OVO with a minimum payment of Rp15k. Indomaret also includes cooking oil in the promotion list under the “Hemat Bangeet” promotion from May 30 to June 5 and an extra discount of Rp5k using certain debit or credit cards under the “Pasti Promo” promotion from May 31 to June 6 with a minimum payment of Rp150k.

Exhibit 10. Weekly promotion – AMRT



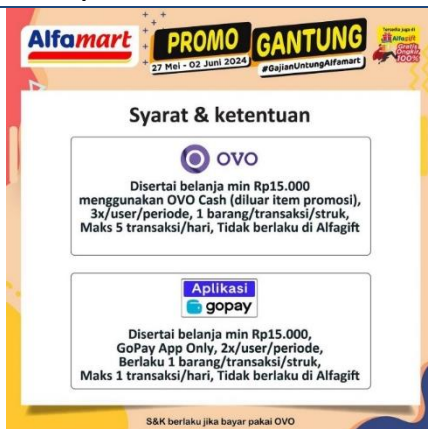
Source: BRIDS Survey

Exhibit 11. Weekly promotion – DNET



Source: BRIDS Survey

Exhibit 12. Detail promotion - AMRT



Source: Company

Exhibit 13. Detail promotion - DNET



Source: Company

Exhibit 14. Cashier queue - ACES



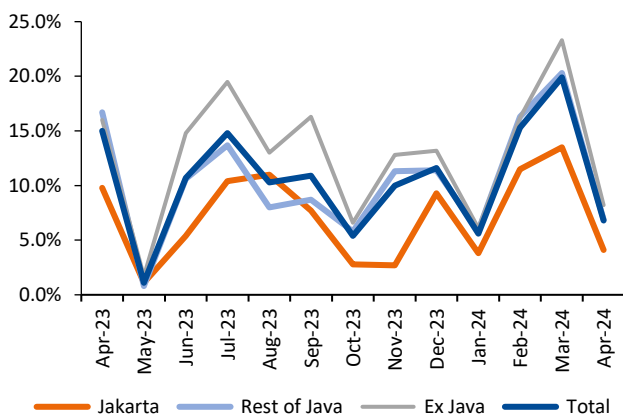
Source: BRIDS Survey

Exhibit 15. Payday Surprise - ACES



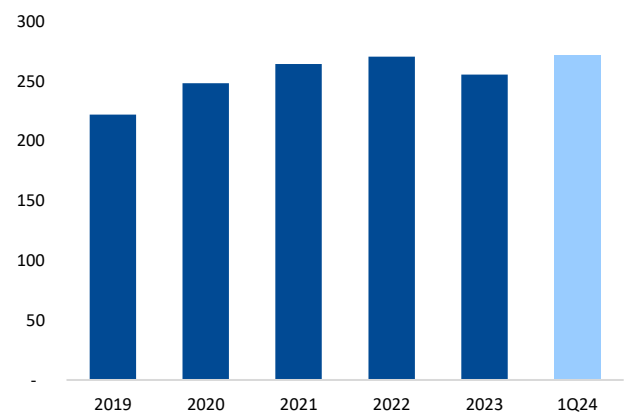
Source: BRIDS Survey

Exhibit 16. SSSG - ACES



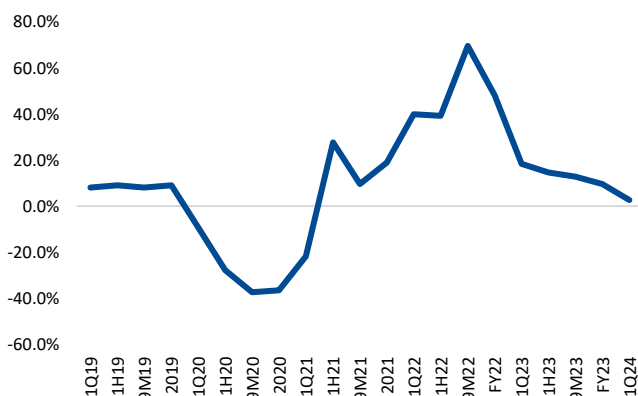
Source: Company

Exhibit 17. Inventory days - ACES



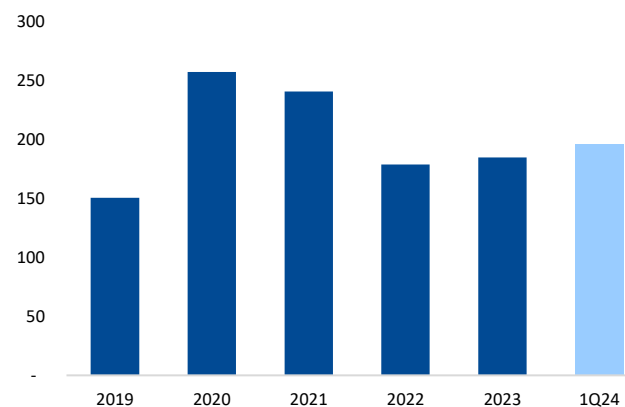
Source: Company

Exhibit 18. SSSG - MAPA



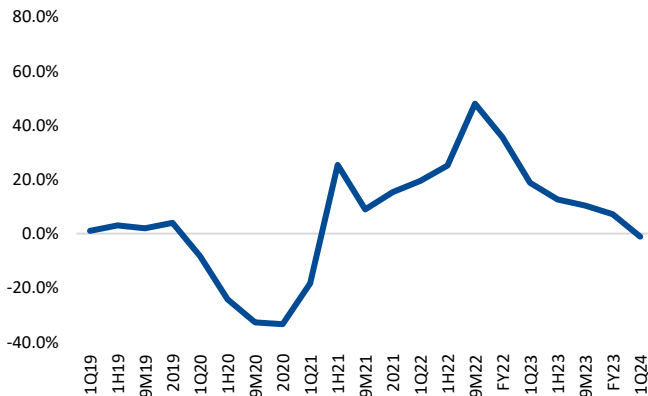
Source: Company

Exhibit 19. Inventory days - MAPA



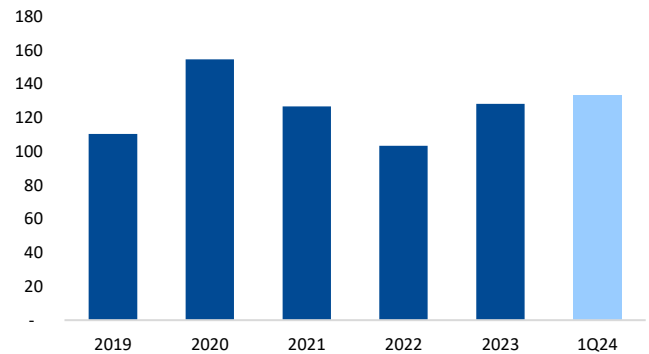
Source: Company

Exhibit 20. SSSG - MAPI



Source: Company

Exhibit 21. Inventory days - MAPI

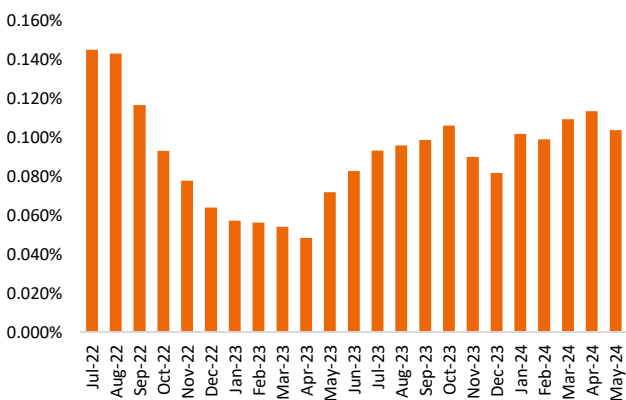


Source: Company

Funds flows: no significant changes in domestic fund ownership, more selling pressure from foreign by end of May-24

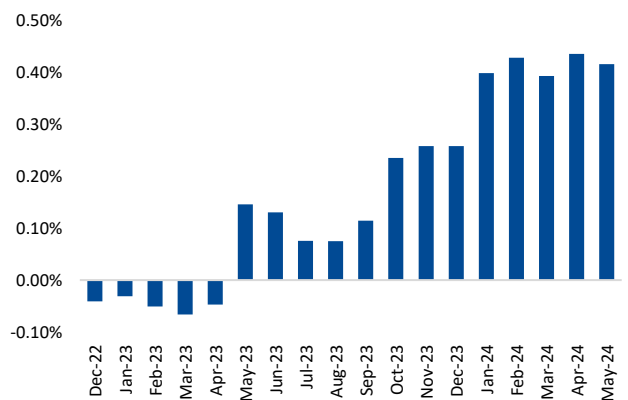
By the end of May24, domestic funds had added positions by 10bps to 0.5% overweight in the retail sector while foreign funds reduced positions by 0.2% (mostly in AMRT). Within our coverage, domestic funds maintained an overweight position in May24 (similar to Apr24) while foreign funds slowly accumulated MAPA. The lack of catalysts in 2Q24 and the seasonality of a soft quarter after Ramadan combined with concerns on purchasing power, a weaker currency and foreign outflows put pressure on the share prices of the retail companies we cover.

Exhibit 22. Foreign ownership in ACES



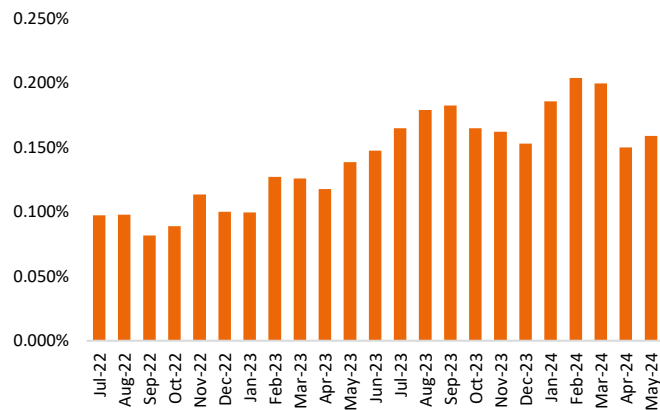
Source: Bloomberg, BRIDS Estimates

Exhibit 23. Domestic funds' weighting in ACES



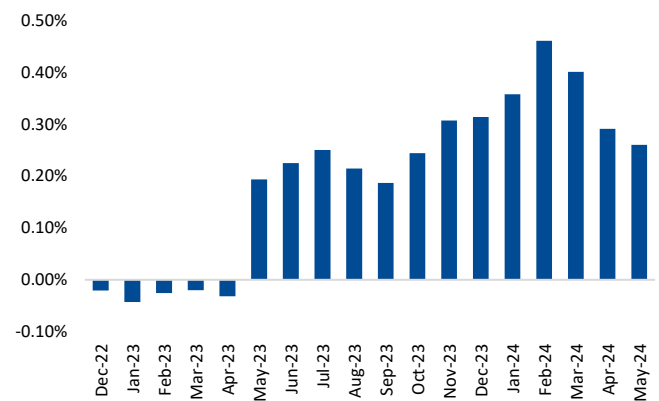
Source: Bloomberg, BRIDS Estimates

Exhibit 24. Foreign ownership in MAPA



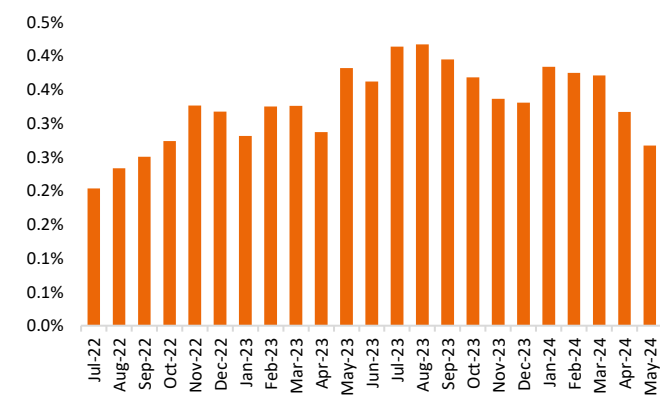
Source: Bloomberg, BRIDS Estimates

Exhibit 25. Domestic funds' weighting in MAPA



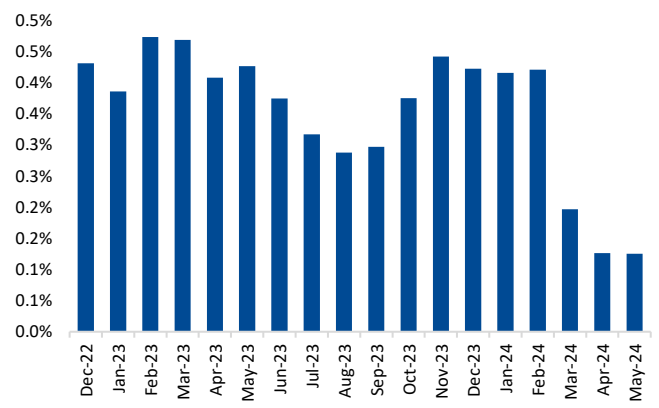
Source: Bloomberg, BRIDS Estimates

Exhibit 26. Foreign ownership in MAPI



Source: Bloomberg, BRIDS Estimates

Exhibit 27. Domestic funds' weighting in MAPI



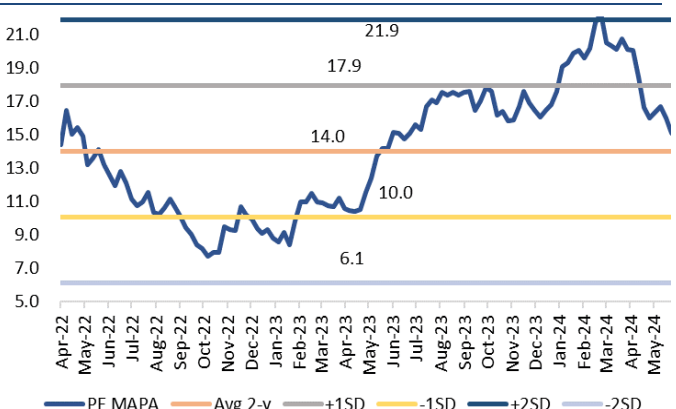
Source: Bloomberg, BRIDS Estimates

Exhibit 28. PE band – ACES



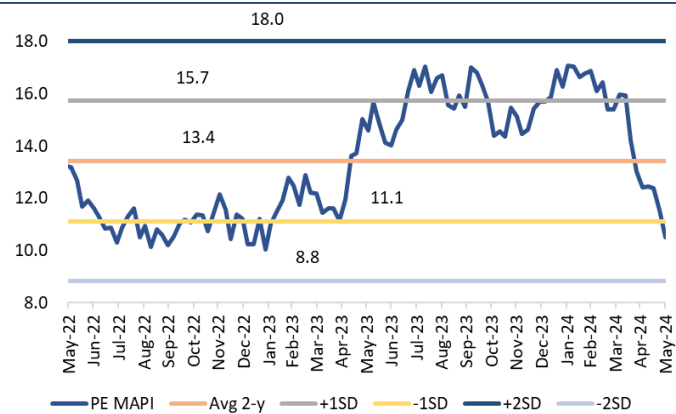
Source: Bloomberg, BRIDS Estimates

Exhibit 29. PE band – MAPA



Source: Bloomberg, BRIDS Estimates

Exhibit 30. PE band - MAPI



Source: Bloomberg, BRIDS Estimates

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INVESTMENT RATING

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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