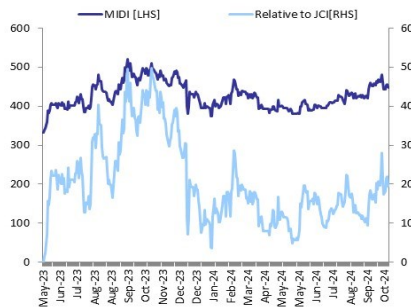


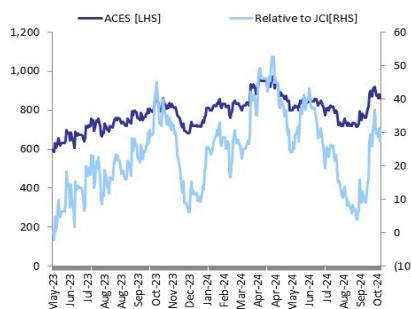
Overweight

(Maintained)

MIDI relative to JCI Index



ACES relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Natalia Sutanto

(62-21) 5091 4100 ext. 3508
natalia.sutanto@brids.co.id

Sabela Nur Amalina

(62-21) 5091 4100 ext. 4202
sabela.amalina@brids.co.id

Retail

3Q24 preview: Solid growth, normalized margins; expect strong results from ACES and MIDI

- We expect solid 3Q24 rev. growth (12.5% yoy) with normalized margins driving retailers to fetch 9M24 core profit growth of 3.9% yoy (in line).
- We expect ACES and MIDI to deliver strong 3Q24, with potential for an upgrade if margins exceed expectations and rev. momentum continues.
- MAPI carries significant weight in maintaining growth momentum in the Active and Fashion segments. Maintain Overweight rating.

Expect solid 3Q24 revenue, normalized margins; inline 9M24 core profit

We expect the retail sector to report 3Q24E revenue growth of 12.5% yoy, driven primarily by strong performances from MIDI (+15% yoy) and ACES (+13.5% yoy), supported by strong SSSG. ACES' SSSG for Jul-Aug24 was 4.6% and 11.1%, while Alfamidi's SSSG for 3Q24 was 11.1%. This brings the sector's 9M24 revenue growth to 13.8% yoy, on track to meet both our FY24 forecast and the consensus estimate of 14% yoy. On the margin front, we anticipate lower gross margins for 3Q24 and 9M24, reflecting normalized margins after last year's high base, especially for MAPA and MAPI. We expect opex to remain manageable, thus we project 9M24 core profit growth of 3.9% yoy, in line with our FY24F of 4.6% yoy and the consensus of 5.6% yoy.

ACES and MIDI to deliver strong 3Q24 result; MAPI faces risk from softer revenue in Active and Fashion segments

- **ACES** reported 8M24 rev. growth of 15.8% yoy with a SSSG of 9.9%. We expect this to support our 9M24E rev. growth of 13.7% yoy.
- **MIDI** also posted strong 9M24 SSSG of 10.1% along with a 13% yoy increase in net stores growth, aligning with our 9M24E rev. growth projection of 13.8% yoy.
- **MAPA**: Based on our observation of weekly mall traffic and promotional activity, we note fewer visitors in 3Q24 compared to 2Q24, alongside continued promotions, particularly for MAPA's brands. As a result, we estimate MAPA's 3Q24 rev. growth at 9% yoy (2Q24: 29% yoy) and 9M24 rev. growth of 23% yoy, still on track to achieve FY24F/consensus growth targets of 20%/25% yoy.
- **MAPI**: It is worth highlighting that we expect MAPB to record a deeper negative revenue growth in 3Q24 (-24% yoy vs 2Q24: -20% yoy) due to a high base from last year (the boycott began in late Oct23). To achieve our 9M24E rev. growth estimate of 14% yoy for MAPI (still in line with our FY24F and consensus), 9M24 fashion revenue should book strong +20% yoy growth (vs. 1H24: +15% yoy) and robust 3Q24 growth of 40% yoy (2Q24: 37% yoy).

Maintain Overweight rating; Pecking order: MIDI>ACES>MAPI>MAPA

Retailers' margins are largely influenced by product mix and promotional activities. Therefore, we see a risk on lower-than-expected margins in our 9M24 results preview. However, with solid expansion and strong SSSG, we continue to prefer MIDI (driven by strong earnings with potential upgrade if margins outperform expectations) and ACES (supported by strong revenue with margin improvement possible if revenue momentum continues). Our pecking order is MIDI>ACES>MAPI>MAPA.

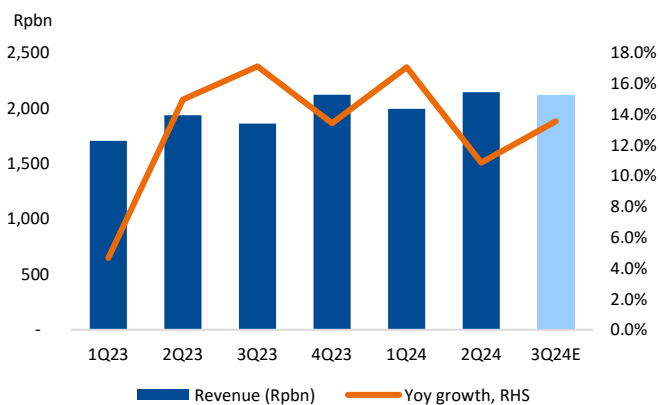
Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	EPS Growth (%)	
				2024F	2025F	2024F	2025F	2024F	2024F	2024F	2025F
ACES IJ	BUY	1,100	15,006.3	18.5	16.9	2.4	2.2	13.2	2.7	9.8	9.7
MIDI IJ	BUY	600	13,835.6	23.0	18.8	3.3	2.9	15.2	1.8	16.3	22.1
MAPA IJ	BUY	1,000	24,370.9	19.0	15.9	3.8	3.1	22.0	0.5	0.5	19.2
MAPI IJ	BUY	2,000	24,983.0	14.2	11.8	2.3	1.9	17.9	0.5	4.4	21.1
Sector				18.1	15.3	3.0	2.5	17.8	1.2	6.3	18.5

Exhibit 1. Retail Sector - 3Q24E and 9M24E Preview

Retail (in Rpbn)	3Q23	2Q24	3Q24E	yoy	qoq	9M23	9M24E	yoy	% to FY24F	% to Cons	FY23	FY24F	Yoy
Revenue	14,332	16,338	16,127	12.5%	-1.3%	42,210	48,040	13.8%	72%	72%	58,282	66,586	14.2%
Gross profit	5,793	6,416	6,330	9.3%	-1.3%	16,868	18,729	11.0%	72%	72%	23,300	25,954	11.4%
Operating	1,208	1,283	1,348	11.6%	5.0%	3,673	3,791	3.2%	72%	72%	5,202	5,269	1.3%
Net profit	753	821	873	16.0%	6.4%	2,365	2,463	4.1%	72%	72%	3,173	3,415	7.6%
Core profit	784	877	873	11.4%	-0.4%	2,424	2,518	3.9%	73%	73%	3,286	3,439	4.6%
Gross margin	40.4%	39.3%	39.3%			40.0%	39.0%				40.0%	39.0%	
Operating margin	8.4%	7.9%	8.4%			8.7%	7.9%				8.9%	7.9%	
Net margin	5.3%	5.0%	5.4%			5.6%	5.1%				5.4%	5.1%	

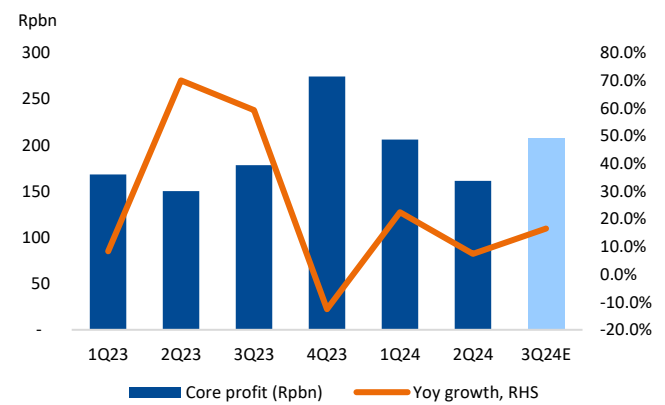
Source: Company, BRIDS Estimates

Exhibit 2. ACES – Quarterly Revenue and Yoy Growth



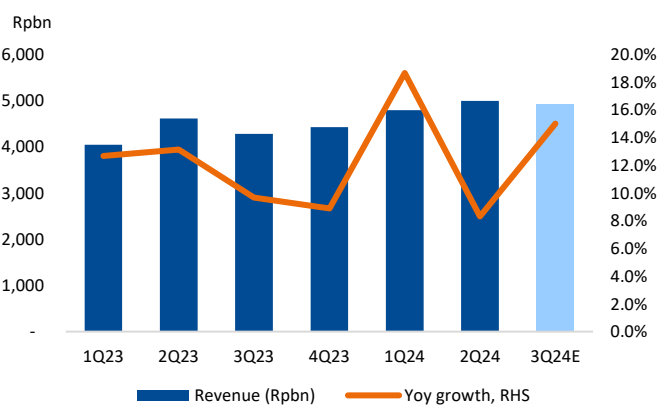
Source: Company, BRIDS Estimates

Exhibit 3. ACES – Quarterly Core Profit and Yoy Growth



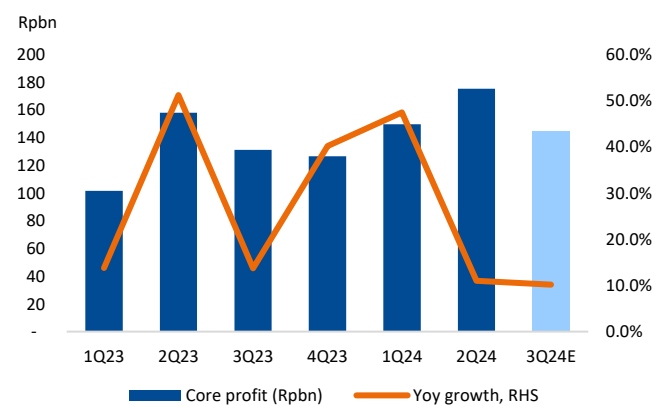
Source: Company, BRIDS Estimates

Exhibit 4. MIDI – Quarterly Revenue and Yoy Growth



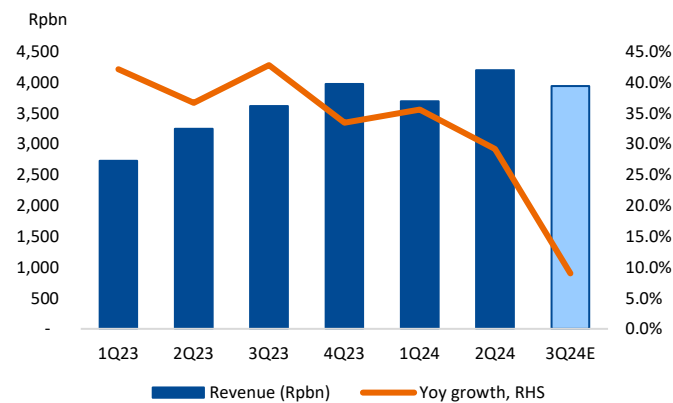
Source: Company, BRIDS Estimates

Exhibit 5. MIDI – Quarterly Core Profit and Yoy Growth



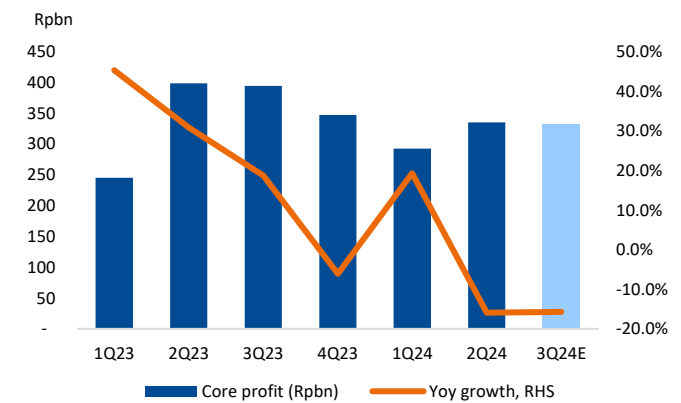
Source: Company, BRIDS Estimates

Exhibit 6. MAPA – Quarterly Revenue and Yoy Growth



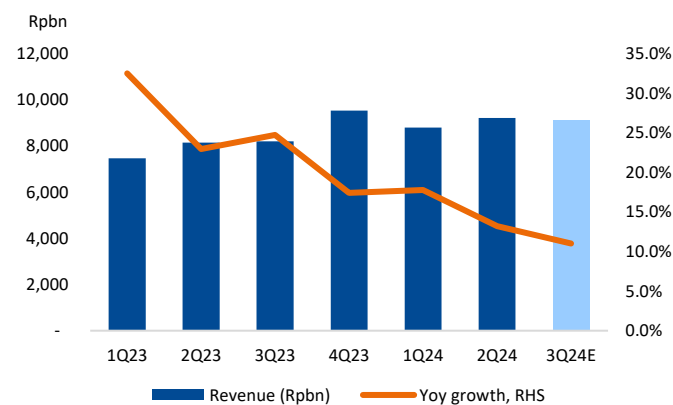
Source: Company, BRIDS Estimates

Exhibit 7. MAPA – Quarterly Core Profit and Yoy Growth



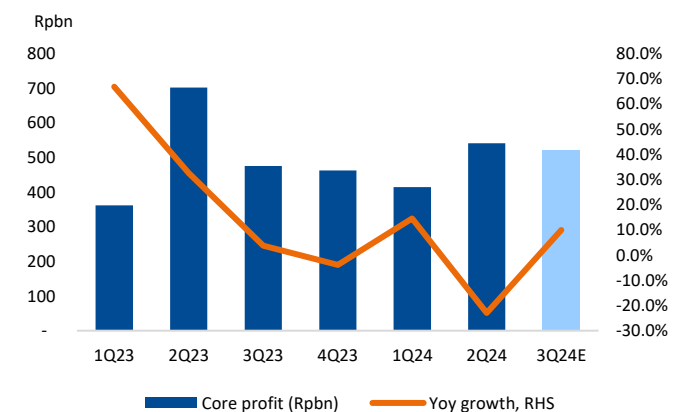
Source: Company, BRIDS Estimates

Exhibit 8. MAPI – Quarterly Revenue and Yoy Growth



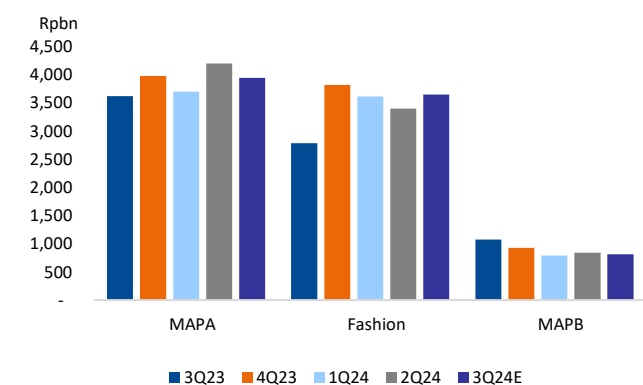
Source: Company, BRIDS Estimates

Exhibit 9. MAPI – Quarterly Core Profit and yoy Growth



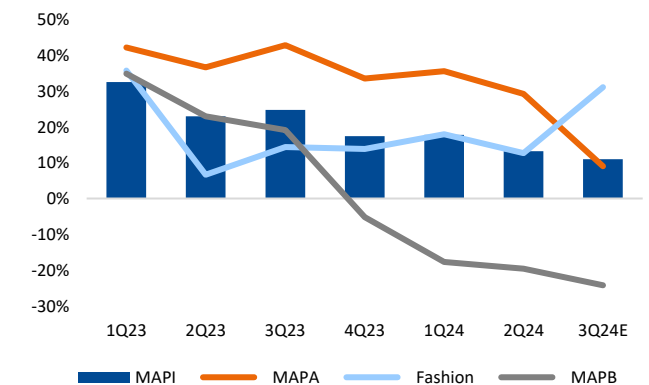
Source: Company, BRIDS Estimates

Exhibit 10. Active, Fashion and MAPB 3Q24E Revenue



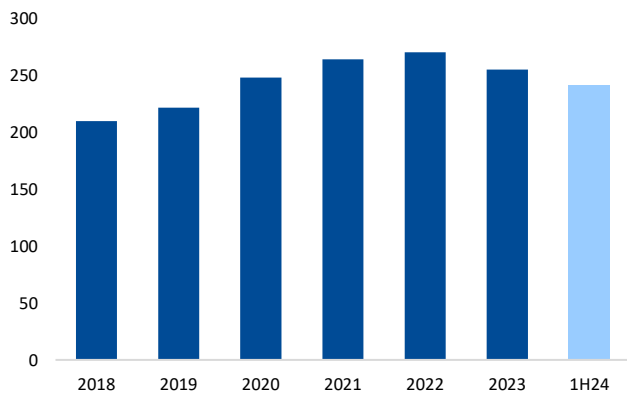
Source: Company, BRIDS Estimates

Exhibit 11. Active, Fashion and MAPB Yoy Revenue Growth



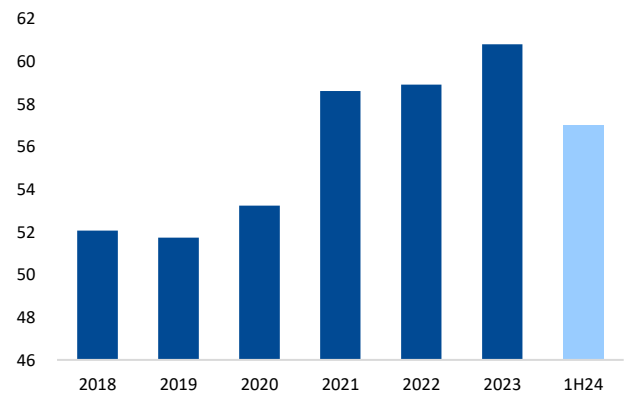
Source: Company, BRIDS Estimates

Exhibit 12. ACES's Inventory Days



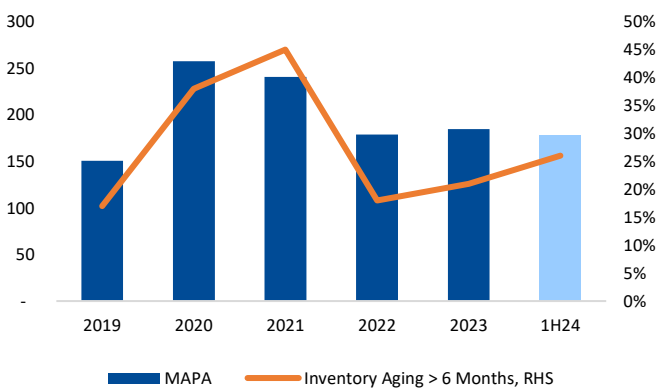
Source: Company

Exhibit 13. MIDI's Inventory Days



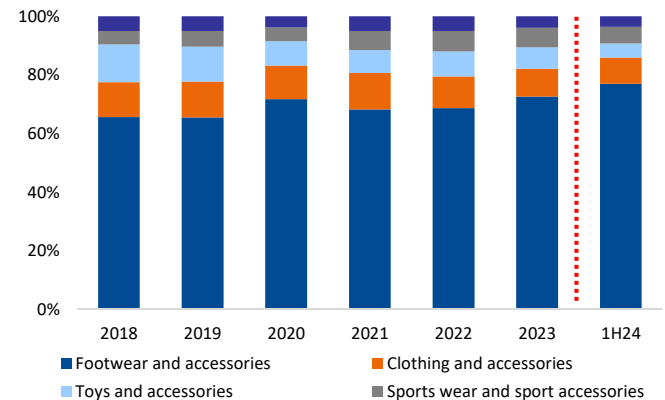
Source: Company

Exhibit 14. MAPA's Inventory Days and Aging Inventory



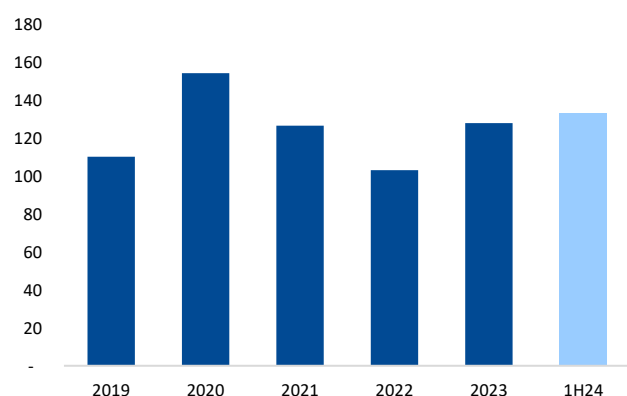
Source: Company

Exhibit 15. MAPA's Inventory Breakdown



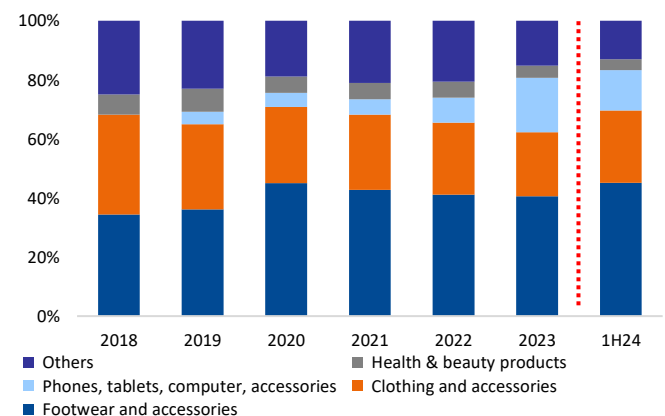
Source: Company

Exhibit 16. MAPI's Inventory Days



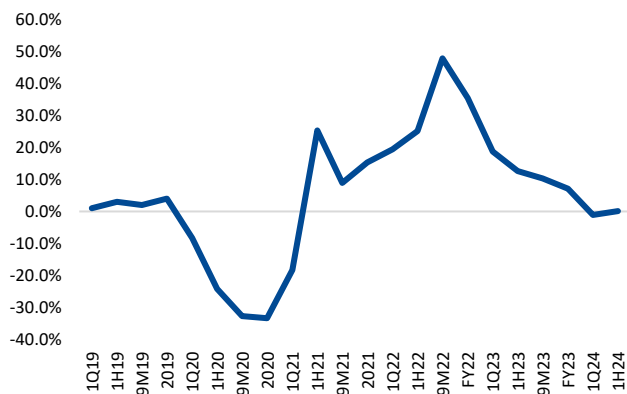
Source: Company

Exhibit 17. MAPI's Inventory Breakdown



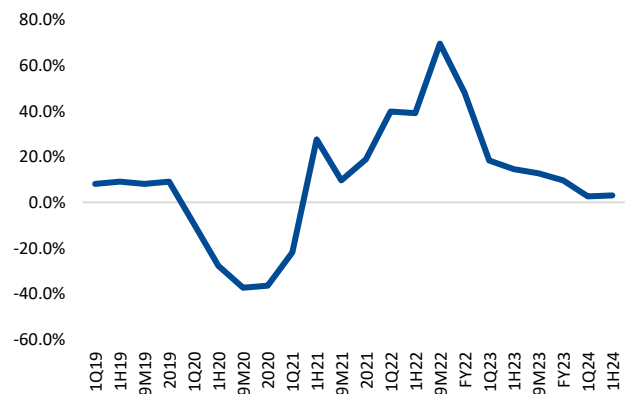
Source: Company

Exhibit 18. MAPI's SSSG



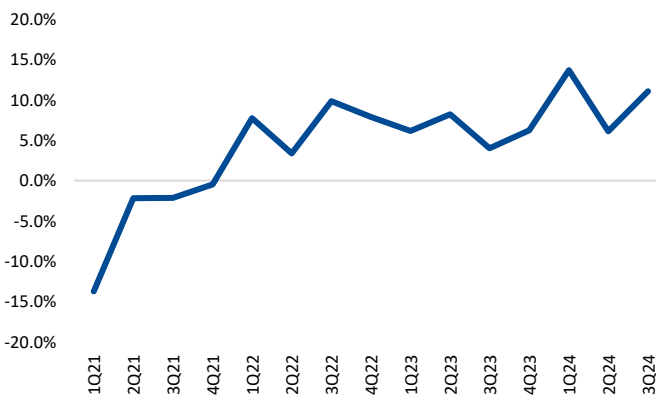
Source: Company, BRIDS

Exhibit 19. MAPA's SSSG



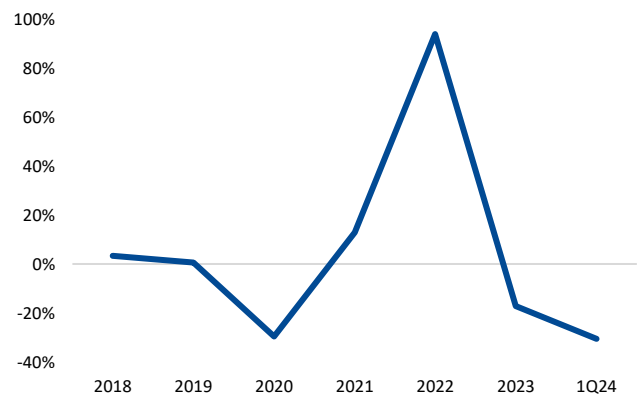
Source: Company, BRIDS

Exhibit 20. Alfamidi's SSSG



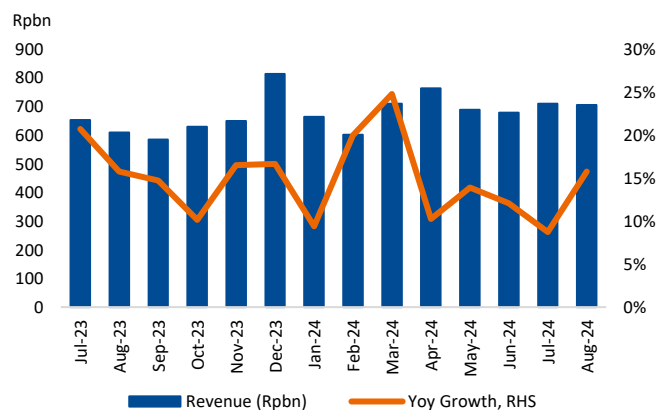
Source: Company, BRIDS

Exhibit 21. Lawson's SSSG



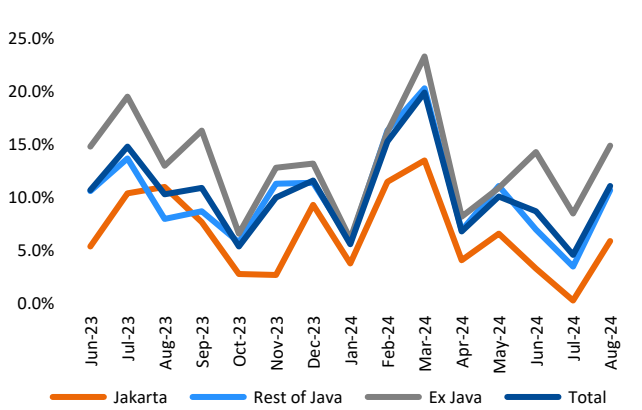
Source: Company, BRIDS

Exhibit 22. ACES's Monthly Revenue and Yoy Growth

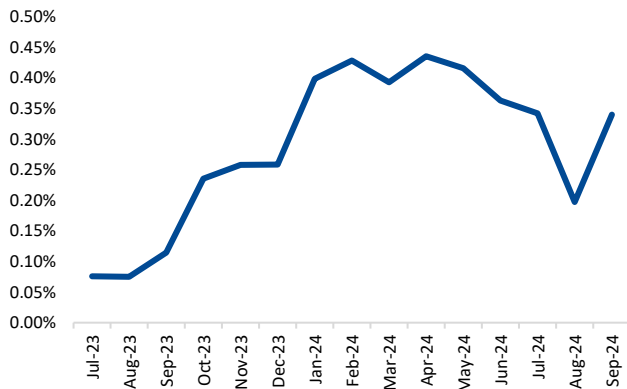


Source: Company, BRIDS

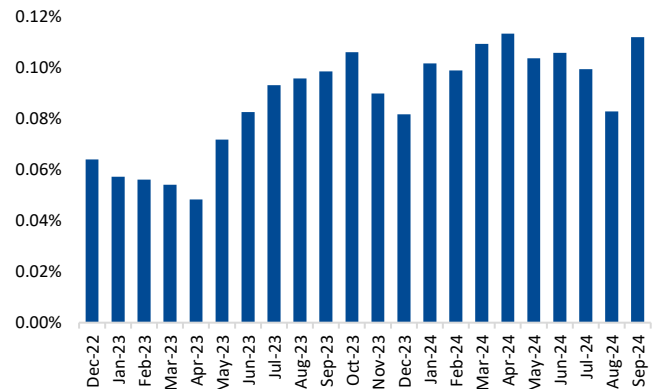
Exhibit 23. ACES's Monthly SSSG



Source: Company, BRIDS

Exhibit 24. ACES's Local Mutual Fund OW/UW Position


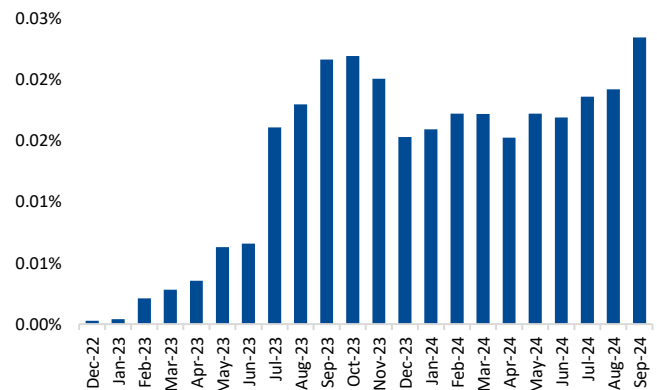
Source: KSEI, BRIDS

Exhibit 25. ACES's Foreign Fund Positioning


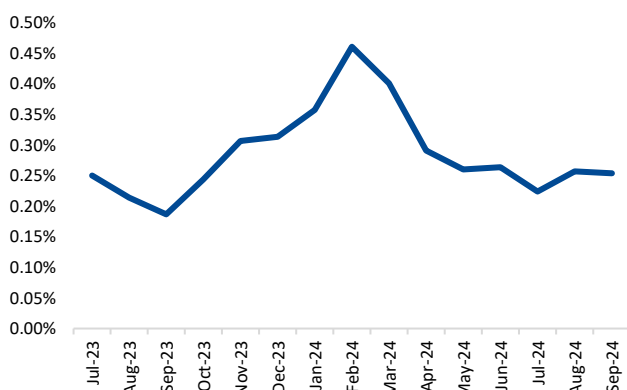
Source: KSEI, BRIDS

Exhibit 26. MIDI's Local Mutual Fund OW/UW Position

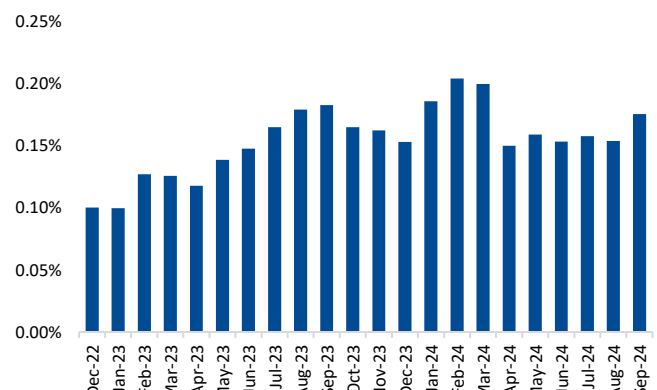

Source: KSEI, BRIDS

Exhibit 27. MIDI's Foreign Fund Positioning


Source: KSEI, BRIDS

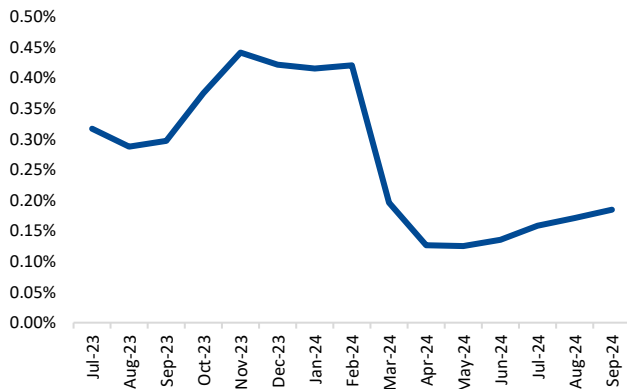
Exhibit 28. MAPA's Local Mutual Fund OW/UW Position


Source: KSEI, BRIDS

Exhibit 29. MAPA's Foreign Fund Positioning


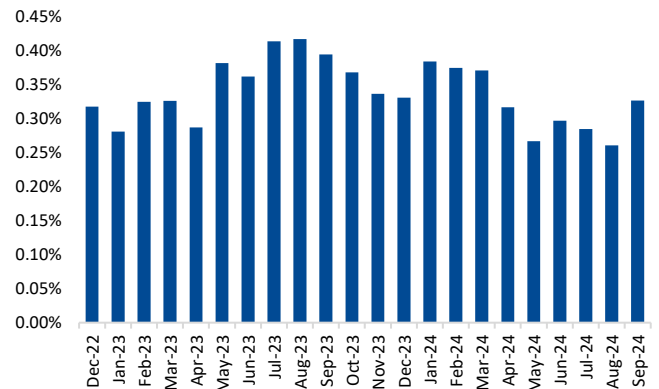
Source: KSEI, BRIDS

Exhibit 30. MAPI's Local Mutual Fund OW/UW Position



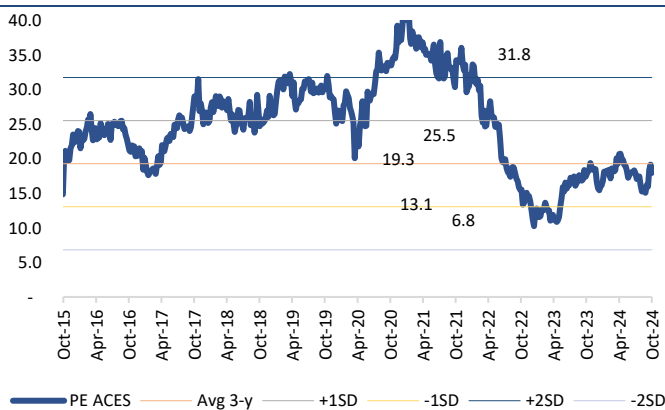
Source: KSEI, BRIDS

Exhibit 31. MAPI's Foreign Fund Positioning



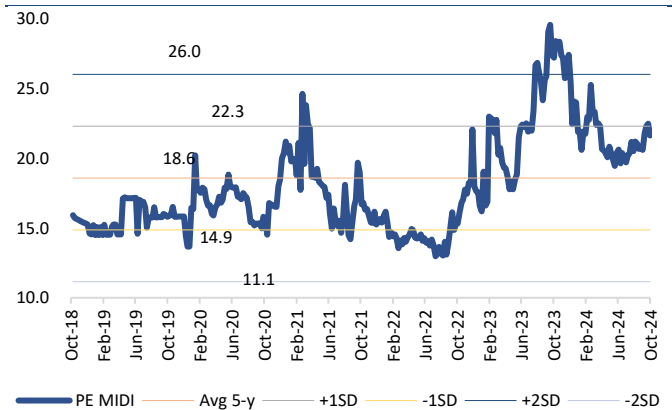
Source: KSEI, BRIDS

Exhibit 32. ACES's PE Band



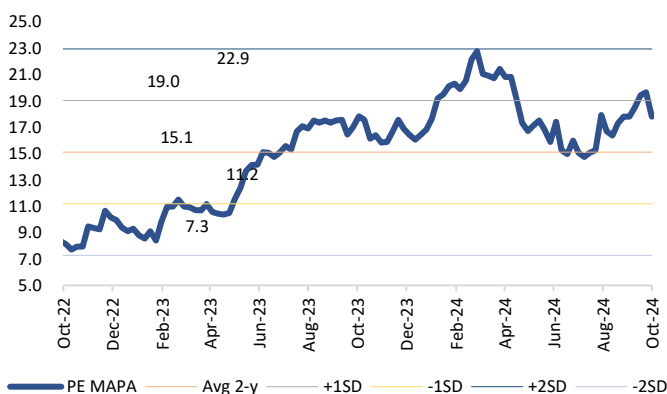
Source: Bloomberg, BRIDS Estimates

Exhibit 33. MIDI's PE Band



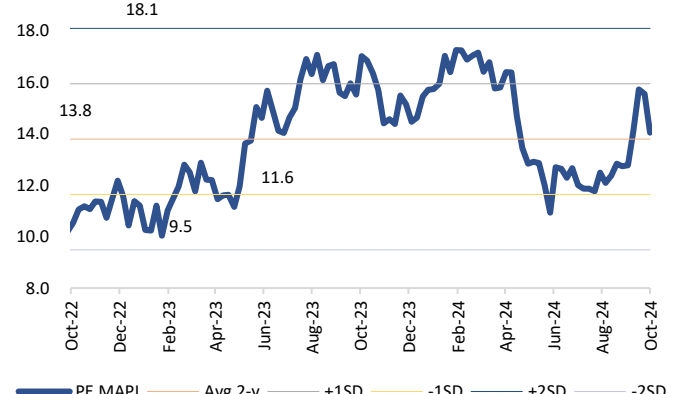
Source: Bloomberg, BRIDS Estimates

Exhibit 34. MAPA's PE Band



Source: Bloomberg, BRIDS Estimates

Exhibit 35. MAPI's PE Band



Source: Bloomberg, BRIDS Estimates

Exhibit 36. Retail Sector Peers Comparison

2024F	ACES	MIDI	MAPA	MAPI	Sector
Growth (%)					
Sales	11.6	16.0	19.7	13.9	15.7
EBITDA	8.4	15.7	(0.2)	2.5	5.1
Operating profit	9.3	15.7	(5.1)	(3.6)	1.7
Net profit	9.8	16.3	0.5	4.4	6.3
Core profit	9.8	16.3	0.5	0.9	5.1
Profitability (%)					
Gross margin	48.6	26.4	46.0	43.5	42.1
EBITDA margin	12.9	4.3	14.3	12.2	11.5
Operating margin	11.1	4.3	11.9	9.1	9.5
Net margin	9.9	3.0	8.6	5.2	6.7
ROAA	10.3	7.2	11.9	6.6	9.0
ROAE	13.2	15.2	22.0	17.9	17.8
Leverage and yield					
Net Gearing (x)	(32.5)	0.1	23.7	21.2	
Interest coverage (x)	7.3	17.2	n/a	5.8	

Source: BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement, Infrastructure	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Christian Immanuel Sitorus	Research Associate	christian.sitorus@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlich Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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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