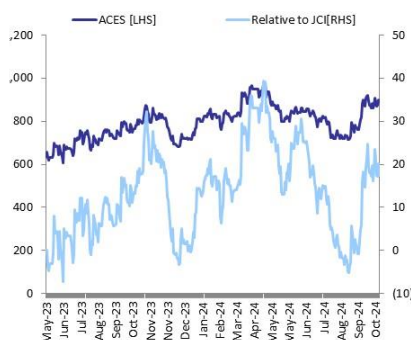


Buy

(Maintained)

Last Price (Rp)	890
Target Price (Rp)	1,100
Previous Target Price (Rp)	1,100
Upside/Downside	+23.6%
No. of Shares (mn)	17,150
Mkt Cap (Rpbn/US\$mn)	15,264/985
Avg, Daily T/O (Rpbn/US\$mn)	38.3/2.5
Free Float (%)	40.0
Major Shareholder (%)	
PT Kawan Lama Sejahtera	60.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	48.9 53.6 61.4
Consensus	50.1 56.8 64.9
BRIDS/Cons (%)	(2.5) (5.7) (5.4)

ACES relative to JCI Index



Source: Bloomberg

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Aspirasi Hidup Indonesia (ACES II)

Solid Sept24 SSSG; Expect strong 9M24 core profit of 13% yoy, in line with our FY24F

- We expect ACES' solid SSSG in Sep24 to support core profit growth of 9.5% yoy in 3Q24 and 13% yoy in 9M24.
- ACES plans to accelerate expansion starting in FY25, with ongoing rebranding efforts and a goal to double its store count within 5-7 years.
- We see greater flexibility for store formats and diversification post partnership termination with ACE US. Maintain Buy with a TP Rp1,100.

Solid 8.8% SSSG in Sept24, Led by Ex-Java regions

ACES reported a strong SSSG of 8.8% in Sep24 (Aug24: 11% vs Sep23: 10.9%). Regions outside Java delivered impressive SSSG of 10.9%, followed by Java ex Jakarta (9%). Jakarta also saw a positive trend of 5% SSSG. This contributed to 9M24 SSSG of 9.8% (vs 9M23: 7.4%), surpassing ACES's FY24 guidance of at least 7%, largely driven by the strong performance outside Java (12.3% yoy). The solid SSSG supported 9M24 sales of approximately Rp6.2tr (+14% YoY vs our FY24F: +11.1% yoy), which represents 72.8% of our FY24F, i.e., in line.

3Q24 Preview: Core profit growth of 9.5% yoy in 3Q24 and 13% yoy in 9M24

ACES reported 3Q24 revenue of approximately Rp2.1tr (+11.8% yoy but -3% qoq). Assuming a stable GPM of 48.5% and opex/revenue of 38%, we estimate 3Q24 core profit at Rp195bn, +9.5% yoy and 21% qoq. This brings the 9M24 core profit to Rp560bn, +13% yoy, still in line to achieve our FY24F and Consensus' expectation of 10% yoy and 12% yoy, respectively.

FY25: A new beginning with rebranding and accelerating expansion.

In our recent meeting, mgmt. indicated that, starting in FY25, ACES (under new company name AHI) will adopt a more accelerated expansion strategy, continuing its rebranding efforts to strengthen its market position. AHI aims to double its number of stores within 5 to 7 years, with plans to enter additional 100 cities (primarily in Indonesia's second- and third-tier cities). AHI will also focus on smaller store formats (1,500 to 2,000sqm) designed for higher productivity.

Greater flexibility ahead, Maintain Buy with a TP of Rp1,100

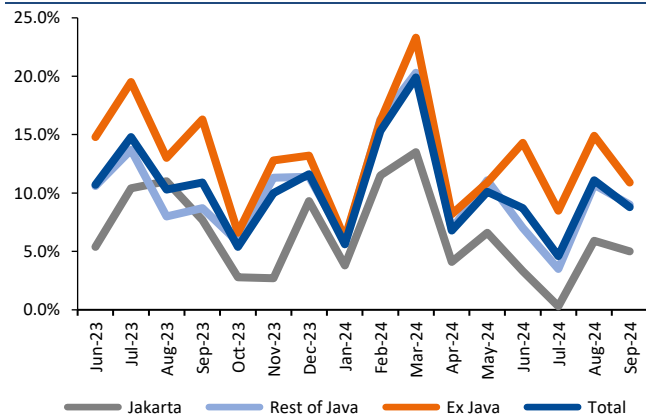
Following the termination of its partnership with ACE US, AHI now has the potential for further overseas expansion or product exports (though no specific timeline has been disclosed). With the end of this partnership, we believe AHI shall gain greater flexibility to open similar store formats targeting different income segments. This opens opportunities for broader store expansion and diversification of formats. We maintain our Buy rating on ACES with an unchanged TP of Rp1,100 (implying 20x FY25 PE, in line with the average 3yr PE) as we believe ACES' FY24-26F EPS CAGR of 11% is intact.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	6,763	7,612	8,497	9,472	10,369
EBITDA (Rpbn)	880	1,009	1,093	1,193	1,344
EBITDA Growth (%)	(4.6)	14.6	8.4	9.1	12.7
Net Profit (Rpbn)	665	763	838	920	1,054
EPS (Rp)	38.8	44.5	48.9	53.6	61.4
EPS Growth (%)	8.1	14.8	9.8	9.7	14.6
BVPS (Rp)	343.4	358.2	382.2	408.9	439.5
DPS (Rp)	19.5	22.4	24.5	26.9	30.9
PER (x)	23.0	20.0	18.2	16.6	14.5
PBV (x)	2.6	2.5	2.3	2.2	2.0
Dividend yield (%)	2.2	2.5	2.8	3.0	3.5
EV/EBITDA	15.7	13.7	12.0	10.9	9.5

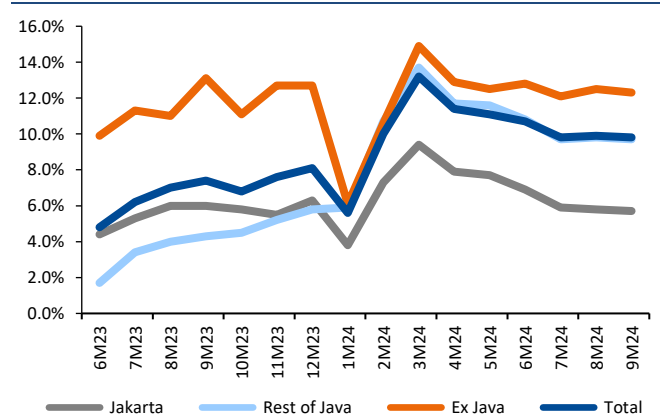
Source: ACES, BRIDS Estimates

Exhibit 1. ACES Monthly SSSG



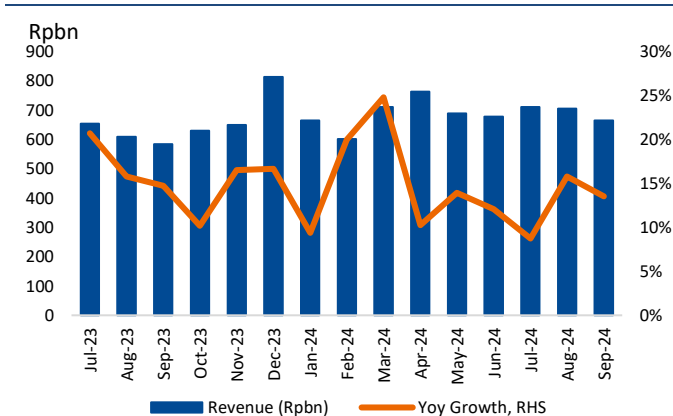
Source: Company, BRIDS

Exhibit 2. ACES Ytd SSSG



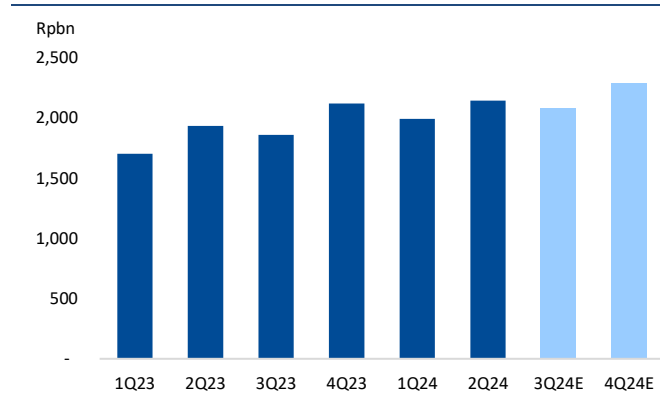
Source: Company, BRIDS

Exhibit 3. ACES Monthly Revenue



Source: Company, BRIDS

Exhibit 4. ACES Quarterly Estimate Revenue



Source: Company, BRIDS Estimates

Exhibit 5. ACES' 3Q24 and 9M24 result preview

ACES (Rpb)	3Q23	2Q24	3Q24E	yoy	qoq	9M23	9M24E	yoy	% to FY24F	% to Cons
Revenue	1,859	2,142	2,078	11.8%	-3.0%	5,494	6,213	13%	73%	73%
Gross profit	885	1,041	1,008	13.8%	-3.2%	2,644	3,015	14%	73%	73%
Operating	195	164	219	12.0%	33.3%	535	620	16%	66%	59%
Net profit	183	160	195	6.2%	21.4%	486	560	15%	67%	65%
Core profit	178	161	195	9.5%	20.9%	496	560	13%	66%	65%
Gross margin	47.6%	48.6%	48.5%			48.1%	48.5%			
Operating margin	10.5%	7.7%	10.5%			9.7%	10.0%			
Opex/revenue	37.1%	40.9%	38.0%			38.4%	38.6%			
Net margin	9.9%	7.5%	9.4%			8.8%	9.0%			

Source: BRIDS Estimates

Exhibit 6. ACES Promotion in Sep24



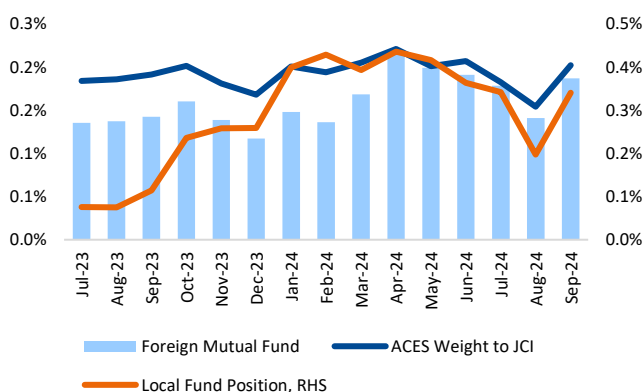
Source: BRIDS Survey

Exhibit 7. ACES Peers Comparison

		Target Price	M.Cap	P/E (x)		P/BV (x)	ROE (%)	Dividend yield (%)	EPS growth (%)		
Ticker	Rec	(Rp)	(Rpbn)	2024F	2025F	2024F	2025F	2024F	2024F	2024F	2025F
MAPI	Buy	2,000	29,130	14.9	12.3	2.4	2.0	17.9	0.5	4.4%	21.1%
MAPA	Buy	1,000	26,220	18.8	15.8	3.8	3.1	22.0	0.5	0.5%	19.2%
ACES	Buy	1,100	16,180	18.2	16.6	2.3	2.2	13.2	2.8	9.8%	9.7%
MIDI	Buy	600	15,650	23.6	19.3	3.4	3.0	15.2	1.8	16.3%	22.1%
Sector				18.2	15.4	3.0	2.5	17.8	1.2	6.3%	18.6%

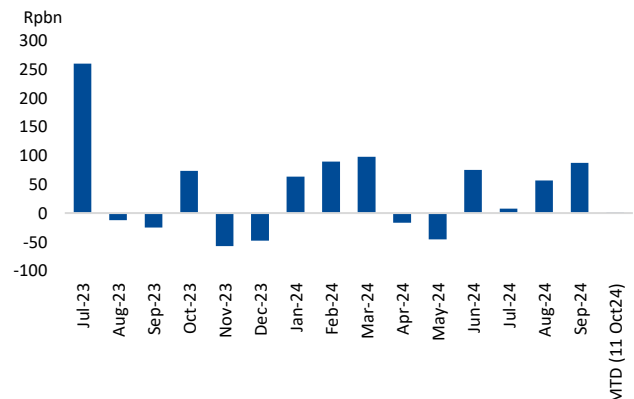
Source: Bloomberg, BRIDS Estimates

Exhibit 8. ACES's Weighting and Fund Position



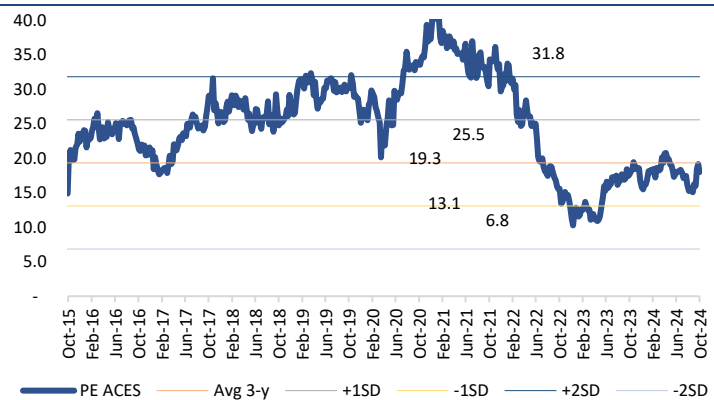
Source: KSEI, BRIDS

Exhibit 9. ACES's Historical Foreign Flows (as of 11 Oct24)



Source: KSEI, BRIDS

Exhibit 10. ACES's PE Band



Source: Bloomberg, BRIDS Estimates

Exhibit 11. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	6,763	7,612	8,497	9,472	10,369
COGS	(3,495)	(3,914)	(4,366)	(4,869)	(5,324)
Gross profit	3,268	3,698	4,131	4,604	5,045
EBITDA	880	1,009	1,093	1,193	1,344
Oper. profit	747	863	943	1,032	1,171
Interest income	47	0	74	88	99
Interest expense	(97)	(43)	(129)	(128)	(127)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	(4)	(4)	(4)	(4)	(4)
Other Income (Expenses)	129	137	139	136	149
Pre-tax profit	821	953	1,022	1,124	1,287
Income tax	(147)	(189)	(178)	(199)	(228)
Minority interest	(9)	0	(5)	(5)	(5)
Net profit	665	763	838	920	1,054
Core Net Profit	665	763	838	920	1,054

Exhibit 12. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	2,133	2,312	2,747	2,902	3,127
Receivables	86	199	222	247	271
Inventory	2,811	2,665	2,994	3,339	3,651
Other Curr. Asset	333	486	222	215	200
Fixed assets - Net	759	742	825	891	973
Other non-curr.asset	1,127	1,349	1,472	1,502	1,530
Total asset	7,249	7,753	8,482	9,096	9,752
ST Debt	258	274	0	0	0
Payables	144	126	140	156	171
Other Curr. Liabilities	267	364	416	465	507
Long Term Debt	450	601	601	601	601
Other LT. Liabilities	196	202	721	808	876
Total Liabilities	1,315	1,567	1,878	2,030	2,156
Shareholder's Funds	5,890	6,143	6,555	7,013	7,538
Minority interests	44	43	48	54	59
Total Equity & Liabilities	7,249	7,753	8,482	9,096	9,752

Exhibit 13. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	665	763	838	920	1,054
Depreciation and Amort.	133	146	150	161	173
Change in Working Capital	(444)	14	(338)	(354)	(321)
Other Oper. Cash Flow	(270)	26	771	162	136
Operating Cash Flow	84	950	1,421	889	1,041
Capex	(84)	(129)	(234)	(227)	(255)
Others Inv. Cash Flow	40	(2)	69	84	95
Investing Cash Flow	(44)	(131)	(164)	(143)	(160)
Net change in debt	(126)	167	(274)	0	0
New Capital	81	(128)	(5)	0	0
Dividend payment	(334)	(383)	(421)	(462)	(529)
Other Fin. Cash Flow	(97)	(43)	(129)	(128)	(127)
Financing Cash Flow	(476)	(387)	(829)	(590)	(656)
Net Change in Cash	(436)	432	428	156	225
Cash - begin of the year	2,544	2,133	2,312	2,747	2,902
Cash - end of the year	2,133	2,312	2,747	2,902	3,127

Exhibit 14. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	3.4	12.6	11.6	11.5	9.5
EBITDA	(4.6)	14.6	8.4	9.1	12.7
Operating profit	(5.2)	15.5	9.3	9.4	13.5
Net profit	8.1	14.8	9.8	9.7	14.6
Profitability (%)					
Gross margin	48.3	48.6	48.6	48.6	48.7
EBITDA margin	13.0	13.3	12.9	12.6	13.0
Operating margin	11.0	11.3	11.1	10.9	11.3
Net margin	9.8	10.0	9.9	9.7	10.2
ROAA	9.2	10.2	10.3	10.5	11.2
ROAE	11.7	12.7	13.2	13.6	14.5
Leverage					
Net Gearing (x)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Interest Coverage (x)	7.7	20.1	7.3	8.1	9.2

Source: ACES, 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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