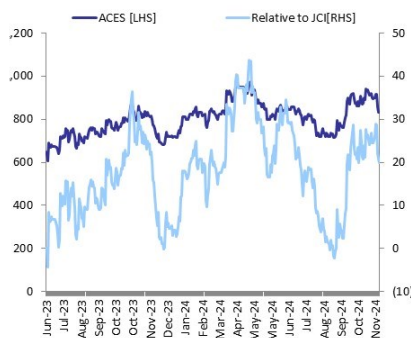


# Buy

(Maintained)

Last Price (Rp)	830
Target Price (Rp)	1,100
Previous Target Price (Rp)	1,100
Upside/Downside	+32.5%
No. of Shares (mn)	17,150
Mkt Cap (Rpbn/US\$mn)	14,235/902
Avg, Daily T/O (Rpbn/US\$mn)	36.6/2.3
Free Float (%)	40.0
Major Shareholder (%)	
PT Kawan Lama Sejahtera	60.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	48.4 54.8 65.2
Consensus	49.6 55.5 63.1
BRIDS/Cons (%)	(2.5) (1.3) 3.3

## ACES relative to JCI Index



Source: Bloomberg

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# Aspirasi Hidup Indonesia (ACES II)

## Expansion plans to drive store to double in 5-7 years

- Following ACES' strong 9M24 results, we expect the potential tax benefit from a lower rate to offset the Rp30bn investment loss in ODI.
- ACES aims to double its number of stores within 5-7 years, with plans to expand into an additional 100 cities.
- We maintain our Buy rating on ACES with an unchanged TP of Rp1,100 (implying 20x FY25 PE) with FY24-26F EPS CAGR of 16%.

### Solid 3Q24/9M24 rev. growth driven by a net 6 new stores and 9.8% SSSG

ACES reported strong 3Q24/9M24 rev. growth of 12.6%/13.4% yoy, supported by the addition of a net 6 new stores and 9.8% SSSG in 9M24. ACES booked higher freight costs due to the inventory buildup ahead of upcoming festive events (CNY and Ramadhan) as well as rebranding activities. Nonetheless, higher margins and strong rev. growth enabled ACES to post 3Q24/9M24 NP growth of 13.9%/18.2% yoy, representing 68.5%/67.0% of BRIDS/Cons. FY24 estimates, i.e in-line. ACES reported higher inventory days to 252 days in 9M24, which the company expects to increase to around 300 days by the end of 2024 due to the inventory stock up.

### Tax benefits will offset Rp30bn investment loss in ODI

Following the cancellation of Treasury shares in Jun24 EGMS, the company is confident in securing tax benefits by the end of FY24, through reduction in tax rate to 19% for FY24. In Jun24, ACES injected Rp30bn into Omni Digital Internusa (ODI – Rugarupa) to maintain its 30% stake (the remaining stake held by Kawan Lama group). Since FY16, ODI has managed ACES's digital transactions, including sales via the Rugarupa App and other e-commerce platforms. As of the end of Sept24, ODI had a cumulative loss of Rp130bn. Therefore, under IAS 28, mgmt. estimate that ACES will recognize Rp30bn loss in its associate investment by FY24.

### Projected FY24/25F net profit growth of 8.7%/13.2% yoy

Following the release of 9M24 results, we project a slightly higher sales/sqm growth to 8% (9M24: 9% yoy). We expect the combination of modest revenue growth, lower opex (with lower rental offsetting higher freight costs), and lower tax rate partially offset the additional Rp30bn loss, bringing our FY24 net profit growth to 8.7% yoy (down slightly from 9.8% yoy prev.). For FY25, we project revenue and net profit growth of 11.8% and 13.2% yoy, respectively.

### Maintain Buy with an unchanged TP of Rp1,100

ACES 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). It also aims to focus on smaller store formats (1,500 to 2,000sqm) designed for higher productivity. We maintain our Buy rating on ACES with an unchanged TP of Rp1,100 (implying 20x FY25 PE) with FY24-26F EPS CAGR of 16%.

## Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	6,763	7,612	8,536	9,547	10,499
EBITDA (Rpbn)	880	1,009	1,097	1,209	1,421
EBITDA Growth (%)	(4.6)	14.6	8.7	10.3	17.5
Net Profit (Rpbn)	665	763	830	939	1,118
EPS (Rp)	38.8	44.5	48.4	54.8	65.2
EPS Growth (%)	8.1	14.8	8.7	13.2	19.0
BVPS (Rp)	343.4	358.2	382.0	409.3	441.7
DPS (Rp)	19.5	22.4	24.3	27.5	32.7
PER (x)	21.7	18.9	17.4	15.3	12.9
PBV (x)	2.4	2.3	2.2	2.1	1.9
Dividend yield (%)	2.3	2.7	2.9	3.3	3.9
EV/EBITDA	14.7	12.9	11.6	10.3	8.6

Source: ACES, BRIDS Estimates

Exhibit 1. ACES' 3Q24/9M24 Earnings Result

ACES	Unit	9M23	9M24	% yoy	3Q23	2Q24	3Q24	% yoy	% qoq	FY24F	A/F	A/C
Net sales	Rpbn	5,494	6,228	13.4%	1,859	2,142	2,093	12.6%	-2.3%	8,536	73.0	73.6
Gross Profit	Rpbn	2,644	3,020	14.2%	885	1,041	1,012	14.3%	-2.7%	4,141	72.9	73.4
Operating profit	Rpbn	535	661	23.6%	195	164	260	33.2%	58.5%	946	69.9	64.0
PBT	Rpbn	586	711	21.3%	220	198	259	17.5%	30.9%	996	71.4	66.8
Net Profit	Rpbn	486	574	18.2%	183	160	209	13.9%	30.2%	830	69.2	67.0
Gross margin	(%)	48.1	48.5		47.6	48.6	48.4			48.5		
Operating margin	(%)	9.7	10.6		10.5	7.7	12.4			11.1		
PBT	(%)	10.7	11.4		11.9	9.2	12.4			11.7		
Net Profit	(%)	8.8	9.2		9.9	7.5	10.0			9.7		

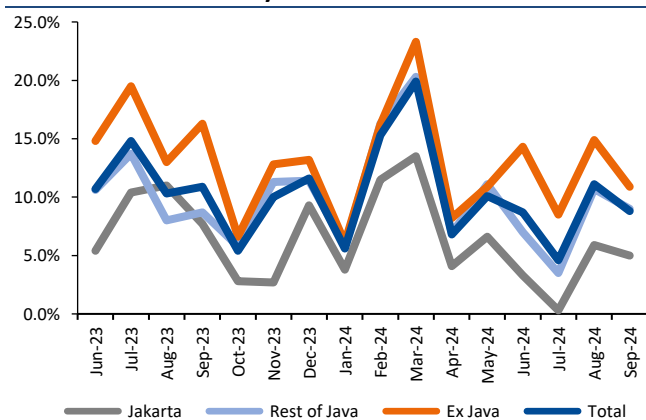
Source: Company, BRIDS Estimates

Exhibit 2. ACES' Earnings Estimate Revision

In Rpbn	Before			After			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024	2025	2026
Net Sales	8,497	9,472	10,369	8,536	9,547	10,499	0.5%	0.8%	1.2%
Gross profit	4,131	4,604	5,045	4,141	4,639	5,097	0.2%	0.8%	1.0%
Operating profit	943	1,032	1,171	946	1,048	1,248	0.4%	1.6%	6.6%
EBT	1,022	1,124	1,287	996	1,134	1,352	-2.5%	0.9%	5.1%
Net profits	838	920	1,054	830	939	1,118	-1.0%	2.1%	6.1%
<b>Margins (%)</b>									
Gross margin	48.6%	48.6%	48.7%	48.5%	48.6%	48.5%			
Operating margin	11.1%	10.9%	11.3%	11.1%	11.0%	11.9%			
Pretax	12.0%	11.9%	12.4%	11.7%	11.9%	12.9%			
Net Income	9.9%	9.7%	10.2%	9.7%	9.8%	10.6%			
<b>Key Assumptions</b>									
	2024F	Before 2025F	2026F	2024F	After 2025F	2026F			
Sales/Sqm/year - yoy	7.5%	6.5%	6.0%	8.0%	6.5%	6.0%			
Additional Area (000 sqm)	25,500	20,400	21,600	25,500	24,600	23,600			
Additional Stores	15	15	16	15	17	17			
opex/sales	37.5%	37.7%	37.4%	37.4%	37.6%	36.7%			

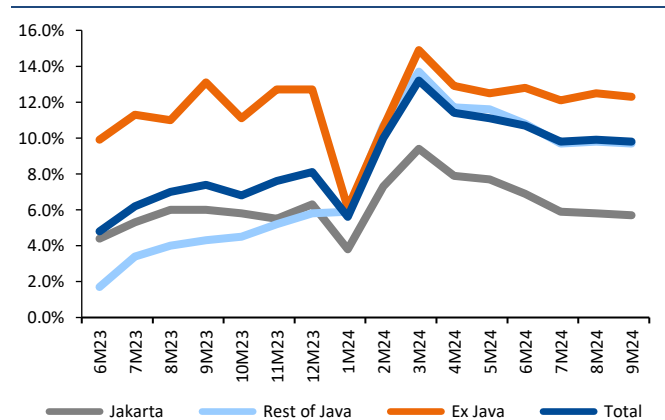
Source: BRIDS Estimates

Exhibit 3. ACES Monthly SSSG



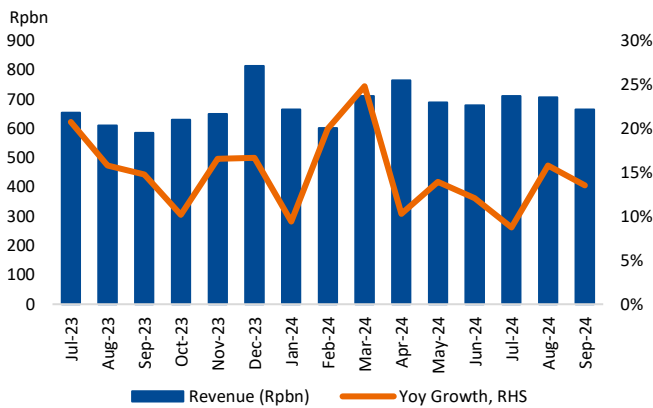
Source: Company, BRIDS

Exhibit 4. ACES Ytd SSSG



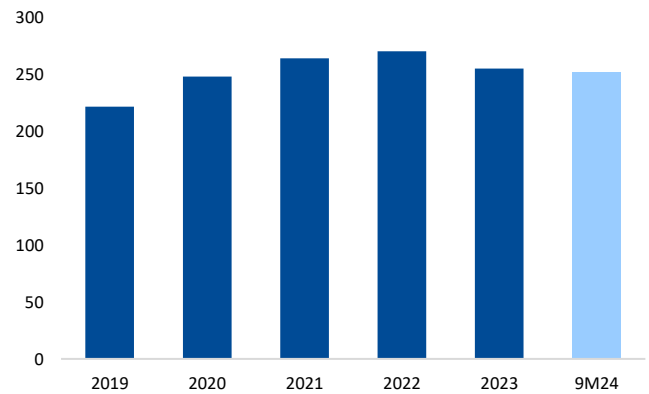
Source: Company, BRIDS

**Exhibit 5. ACES Monthly Revenue**



Source: Company, BRIDS

**Exhibit 6. ACES Inventory Days**



Source: Company, BRIDS

**Exhibit 7. ACES Promotion in Oct – 11<sup>th</sup> Nov24**



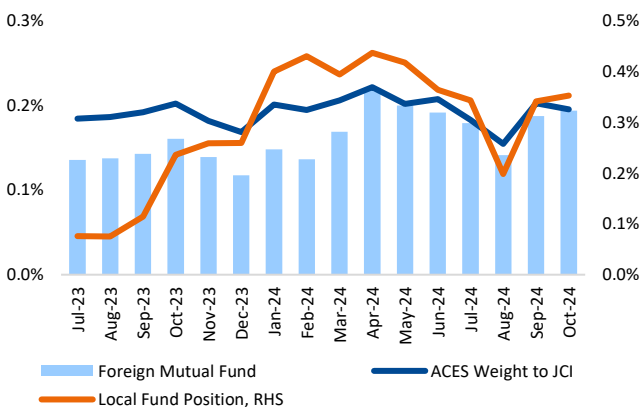
Source: BRIDS Survey

**Exhibit 8. ACES' Peers Comparison**

Ticker	Rec	Target Price	M.Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend yield (%)	EPS growth (%)		Consensus EPS growth	
		(Rp)	(Rpbn)	2024F	2025F	2024F	2025F	2024F	2024F	2024F	2025F	2024F	2025F
MAPI	Buy	2,000	24,320	12.3	10.2	2.0	1.7	17.9	0.6	4.4%	21.1%	3.7%	19.9%
MAPA	Buy	1,000	28,790	20.6	17.3	4.1	3.4	22.0	0.5	0.5%	19.2%	4.2%	27.0%
<b>ACES</b>	<b>Buy</b>	<b>1,100</b>	<b>14,210</b>	<b>17.2</b>	<b>15.2</b>	<b>2.2</b>	<b>2.0</b>	<b>13.1</b>	<b>2.9</b>	<b>8.7%</b>	<b>13.2%</b>	<b>11.6%</b>	<b>11.9%</b>
MIDI	Buy	600	14,580	22.4	18.4	3.2	2.9	15.2	1.8	16.3%	22.1%	7.8%	17.9%
<b>Sector</b>				<b>17.9</b>	<b>15.0</b>	<b>3.0</b>	<b>2.5</b>	<b>18.0</b>	<b>1.2</b>	<b>5.9%</b>	<b>19.2%</b>	<b>6.0%</b>	<b>20.6%</b>

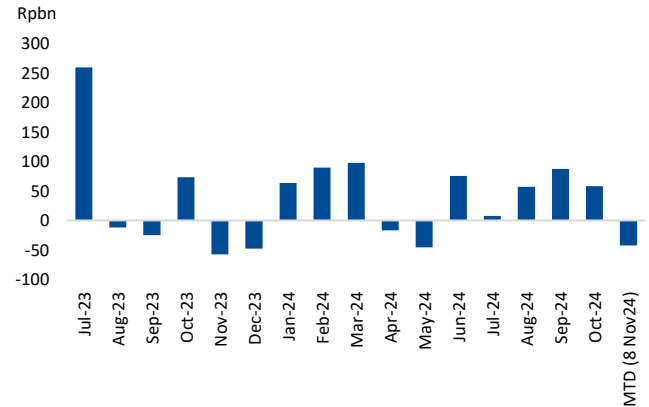
Source: Bloomberg, BRIDS Estimates

**Exhibit 9. ACES' Weighting and Fund Position**



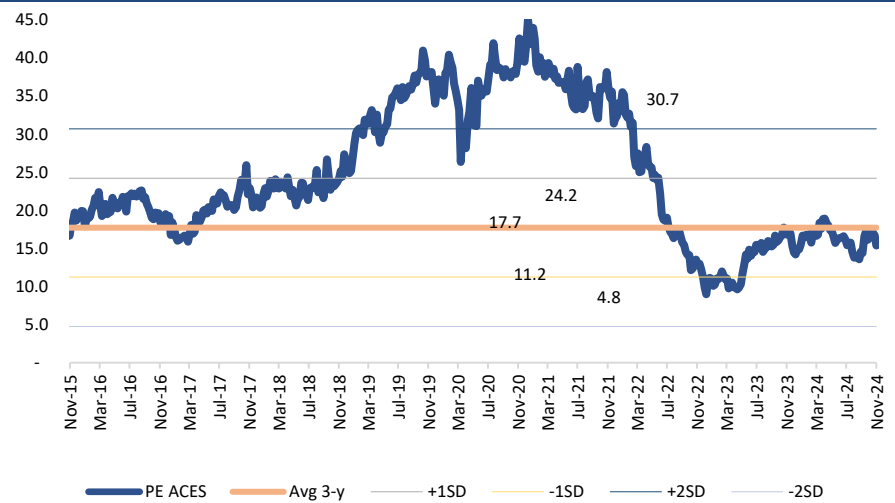
Source: KSEI, BRIDS

**Exhibit 10. ACES' Historical Foreign Flows (as of 8<sup>th</sup> Nov24)**



Source: IDX, BRIDS

Exhibit 11. ACES' PE Band



Source: Bloomberg, BRIDS Estimates

**Exhibit 12. Income Statement**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
<b>Revenue</b>	<b>6,763</b>	<b>7,612</b>	<b>8,536</b>	<b>9,547</b>	<b>10,499</b>
COGS	(3,495)	(3,914)	(4,395)	(4,908)	(5,402)
<b>Gross profit</b>	<b>3,268</b>	<b>3,698</b>	<b>4,141</b>	<b>4,639</b>	<b>5,097</b>
<b>EBITDA</b>	<b>880</b>	<b>1,009</b>	<b>1,097</b>	<b>1,209</b>	<b>1,421</b>
<b>Oper. profit</b>	<b>747</b>	<b>863</b>	<b>946</b>	<b>1,048</b>	<b>1,248</b>
Interest income	47	0	74	81	85
Interest expense	(97)	(43)	(129)	(128)	(127)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	(4)	(4)	(34)	(4)	(4)
Other Income (Expenses)	129	137	140	137	151
<b>Pre-tax profit</b>	<b>821</b>	<b>953</b>	<b>996</b>	<b>1,134</b>	<b>1,352</b>
Income tax	(147)	(189)	(175)	(200)	(241)
Minority interest	(9)	0	9	5	6
<b>Net profit</b>	<b>665</b>	<b>763</b>	<b>830</b>	<b>939</b>	<b>1,118</b>
<b>Core Net Profit</b>	<b>665</b>	<b>763</b>	<b>830</b>	<b>939</b>	<b>1,118</b>

**Exhibit 13. Balance Sheet**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	2,133	2,312	2,322	2,543	2,828
Receivables	86	199	223	249	274
Inventory	2,811	2,665	3,371	3,630	3,848
Other Curr. Asset	333	486	240	226	209
Fixed assets - Net	759	742	826	893	977
Other non-curr.asset	1,127	1,349	1,485	1,544	1,619
<b>Total asset</b>	<b>7,249</b>	<b>7,753</b>	<b>8,467</b>	<b>9,086</b>	<b>9,755</b>
ST Debt	258	274	0	0	0
Payables	144	126	141	158	173
Other Curr. Liabilities	267	364	417	468	511
Long Term Debt	450	601	601	601	601
Other LT. Liabilities	196	202	722	812	871
<b>Total Liabilities</b>	<b>1,315</b>	<b>1,567</b>	<b>1,882</b>	<b>2,039</b>	<b>2,157</b>
Shareholder's Funds	5,890	6,143	6,551	7,019	7,575
Minority interests	44	43	34	29	23
<b>Total Equity &amp; Liabilities</b>	<b>7,249</b>	<b>7,753</b>	<b>8,467</b>	<b>9,086</b>	<b>9,755</b>

**Exhibit 14. Cash Flow**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	665	763	830	939	1,118
Depreciation and Amort.	133	146	151	161	173
Change in Working Capital	(444)	14	(715)	(269)	(226)
Other Oper. Cash Flow	(270)	26	771	168	131
<b>Operating Cash Flow</b>	<b>84</b>	<b>950</b>	<b>1,036</b>	<b>1,000</b>	<b>1,195</b>
Capex	(84)	(129)	(234)	(229)	(257)
Others Inv. Cash Flow	40	(2)	39	77	81
<b>Investing Cash Flow</b>	<b>(44)</b>	<b>(131)</b>	<b>(195)</b>	<b>(152)</b>	<b>(176)</b>
Net change in debt	(126)	167	(274)	0	0
New Capital	81	(128)	(5)	0	0
Dividend payment	(334)	(383)	(417)	(472)	(561)
Other Fin. Cash Flow	(97)	(43)	(129)	(128)	(127)
<b>Financing Cash Flow</b>	<b>(476)</b>	<b>(387)</b>	<b>(825)</b>	<b>(600)</b>	<b>(688)</b>
<b>Net Change in Cash</b>	<b>(436)</b>	<b>432</b>	<b>16</b>	<b>248</b>	<b>330</b>
Cash - begin of the year	2,544	2,133	2,312	2,322	2,543
Cash - end of the year	2,133	2,312	2,322	2,543	2,828

**Exhibit 15. Key Ratio**

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
<b>Growth (%)</b>					
Sales	3.4	12.6	12.1	11.8	10.0
EBITDA	(4.6)	14.6	8.7	10.3	17.5
Operating profit	(5.2)	15.5	9.7	10.8	19.0
Net profit	8.1	14.8	8.7	13.2	19.0
<b>Profitability (%)</b>					
Gross margin	48.3	48.6	48.5	48.6	48.5
EBITDA margin	13.0	13.3	12.8	12.7	13.5
Operating margin	11.0	11.3	11.1	11.0	11.9
Net margin	9.8	10.0	9.7	9.8	10.6
ROAA	9.2	10.2	10.2	10.7	11.9
ROAE	11.7	12.7	13.1	13.8	15.3
<b>Leverage</b>					
Net Gearing (x)	(24.0)	(23.2)	(26.1)	(27.5)	(29.3)
Interest Coverage (x)	7.7	20.1	7.3	8.2	9.8

Source: ACES, BRIDS Estimates



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<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

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