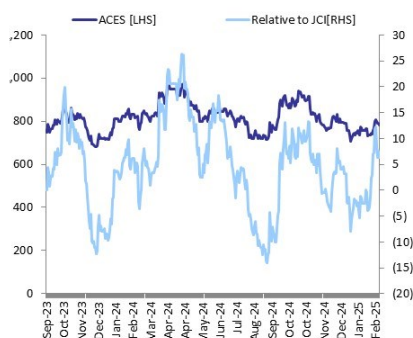


# Buy

(Maintained)

Last Price (Rp)	780
Target Price (Rp)	1,100
Previous Target Price (Rp)	1,100
Upside/Downside	+41.0%
No. of Shares (mn)	17,150
Mkt Cap (Rpbn/US\$mn)	13,377/819
Avg, Daily T/O (Rpbn/US\$mn)	30.0/1.8
Free Float (%)	40.0
Major Shareholder (%)	
PT Kawan Lama Sejahtera	60.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	49.5 55.8 66.3
Consensus	50.1 57.0 65.6
BRIDS/Cons (%)	(1.1) (2.0) 1.1

## ACES relative to JCI Index



Source: Bloomberg

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# Aspirasi Hidup Indonesia (ACES II)

## Solid Jan25 Sales Driven by New Stores, but soft SSSG at 3.4%

- ACES reported 1M25 sales growth of 9.5% yoy (FY25F: 11.9% yoy) with Jan25 SSSG of 3.4% (vs. our FY25F of 7.2%).
- AZKO stores continued to see strong foot traffic, especially on weekends, reinforcing the customer familiarity with the brand.
- We expect better sales and SSSG in the coming months leading up to the Eid Festive, Reiterate our Buy rating with TP of Rp1,100.

### Jan25 SSSG of 3.4% with 1M25 sales growth of 9.5% yoy

ACES recorded indicative sales of Rp727bn in 1M25 (+9.5% yoy), representing 7.6% of our FY25F of Rp9.5tr, i.e line. ACES reported a rather soft SSSG of 3.4% in Jan25 (Dec24: 7.0%, Jan24: 5.6%). Outside Java area remained the key driver with solid SSSG of 8.1%, followed by Java ex-Jakarta at 1.3%.

### A new store opened in Papua, bringing total AZKO stores to 246

On Feb 12<sup>th</sup>, 2025, ACES opened a new 2,700sqm store in Abepura, Papua, bringing the total number of AZKO stores to 246. In Jan25, ACES launched a campaign promoting its new brand and the New Year Theme #BerubahJadiLebih. With the introduction of AZKO, the company plans to complete the signage updates by the end of 1Q25.

### We expect SSSG to improve in the coming months, supported by the Eid Festive

Before the pandemic, between FY13-19, SSSG in January ranged from -4.7% (FY15) to 10.8% (FY19). With Jan25 SSSG at only 3.4% and yoy sales growth of 9.5%, this translates to soft growth for stores operating over 12 months, with sales growth primarily driven by new stores. While it is difficult to assess performance based on a single month, we expect to see SSSG improve in the coming months, supported by the Eid festive period.

### Undemanding valuation - Reiterate our Buy Rating

Based on our recent meeting with MDIY (at current price FY25 PE of 27.1x), we believe ACES and MDIY target different market segments, given the significant difference in spending basket size (Rp400k for ACES vs Rp80k for MDIY). While competition is inevitable, particularly from similar stores and online marketplaces, we believe ACES's proven track record, strong execution, and mid-to-upscale target market—offering greater convenience and better service for durable products intended for long-term use—will support sales growth going forward. At the current price, ACES trades at FY25F PE of 14x, below its avg 3y PE of 15.9x. Maintain Buy with an unchanged TP of Rp1,100 (FY25F PE of 19.6x).

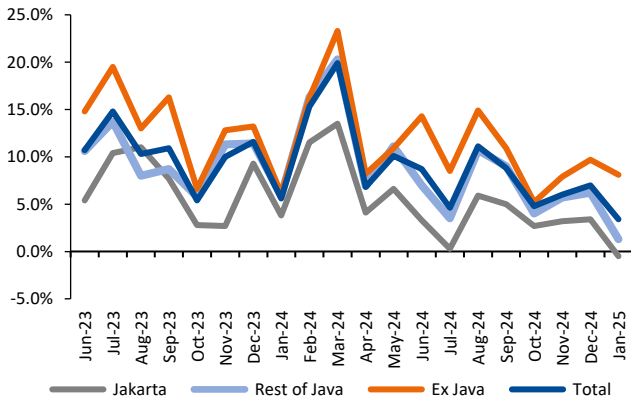
## Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	6,763	7,612	8,522	9,532	10,483
EBITDA (Rpbn)	880	1,009	1,112	1,227	1,440
EBITDA Growth (%)	(4.6)	14.6	10.3	10.3	17.4
Net Profit (Rpbn)	669	768	849	958	1,137
EPS (Rp)	39.0	44.8	49.5	55.8	66.3
EPS Growth (%)	8.7	14.8	10.6	12.8	18.8
BVPS (Rp)	343.4	358.2	382.5	410.3	443.3
DPS (Rp)	19.4	22.3	24.9	28.0	33.3
PER (x)	20.0	17.4	15.8	14.0	11.8
PBV (x)	2.3	2.2	2.0	1.9	1.8
Dividend yield (%)	2.5	2.9	3.2	3.6	4.3
EV/EBITDA	13.6	11.8	10.5	9.3	7.7

Source: ACES, BRIDS Estimates

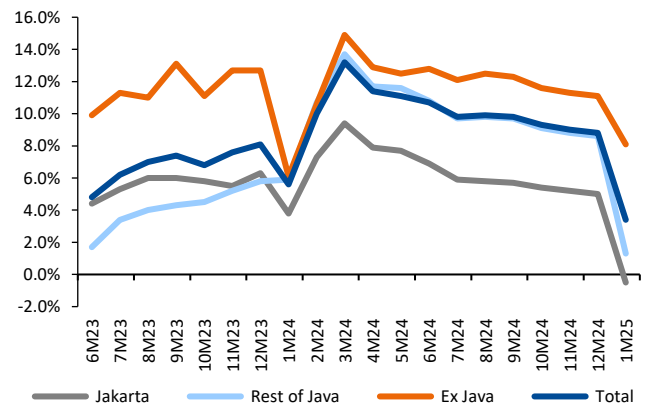
## Solid Jan25 Sales Driven by New Stores, but soft SSSG at 3.4%

Exhibit 1. ACES Monthly SSSG



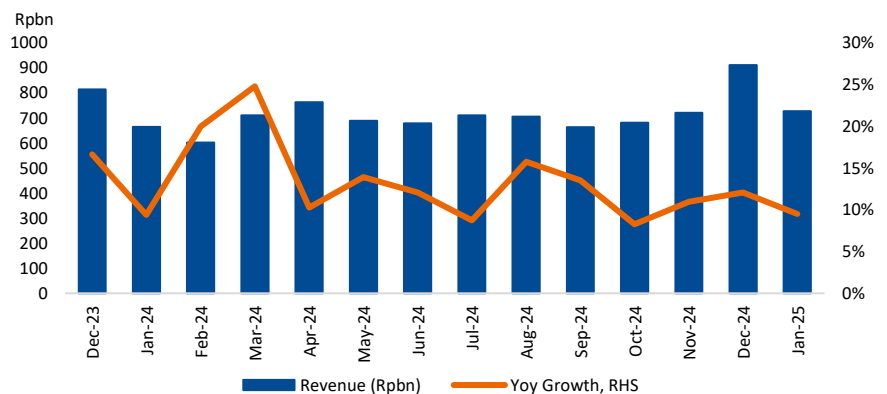
Source: Company, BRIDS

Exhibit 2. ACES Ytd SSSG



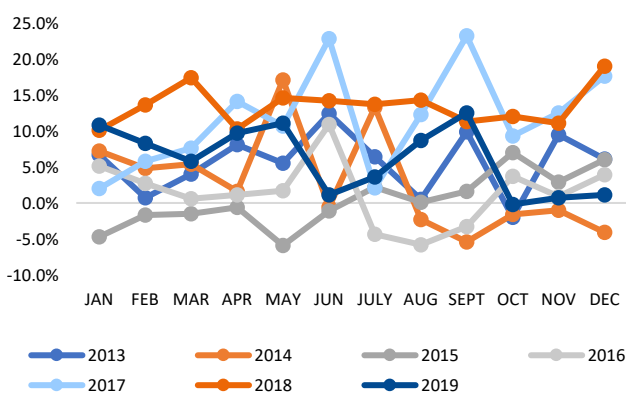
Source: Company, BRIDS

Exhibit 3. ACES' Monthly Revenue



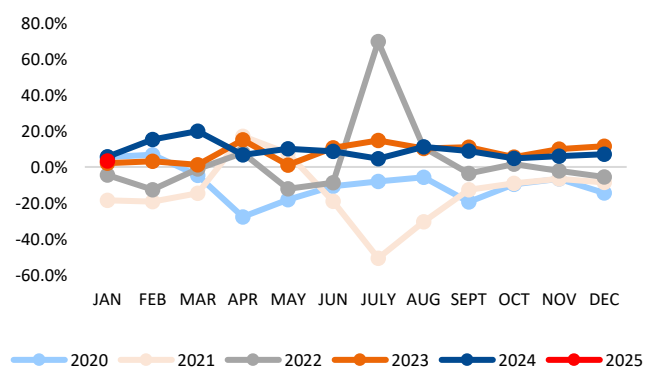
Source: Company, BRIDS

Exhibit 4. Monthly SSSG – Pre-Pandemic



Source: Company, BRIDS

Exhibit 5. Monthly SSSG – 2020-Jan25



Source: Company, BRIDS

### Channel Check: Continue promotion to increase brand awareness

In the third week of Jan25, ACES is offering “**Fortune Surprise**” promotion, which provides discount up to 65% and cashback up to Rp888k for selected items on ruparupa apps, valid until 2<sup>nd</sup> Feb25. Additionally, ACES continues its long running online promotion with cashback up to Rp2.5mn on the app and regular live shopping session (i.e., Shopee Live) at specific times.

Aside from the Chinese New Year long weekend, we also observed queues of over five people during our channel check on the first weekend of February. Customers appear familiar with AZKO's concept despite its redesigned layout, which features a simpler display with signs like “Best Product of the Month” and “Special Offer.”

Exhibit 6. Channel Check on AZKO’s Store in Jan25



Source: BRIDS Survey

## MDIY: Rapid store expansion, catering to different target markets with ACES

We had the opportunity to speak with MDIY in early Feb25. In 2024, MDIY added 270 new stores, bringing its total store count to 961 by the end of the year. Amidst a downtrading market, where customers are seeking value products, MDIY offers many items at prices up to 30% lower under its one-price policy across Indonesia. MDIY also benefits from stronger growth in outer Java areas, as the company stated that its stores outside Java reported higher sales and SSSG compared to those in Java, where competition is more intense.

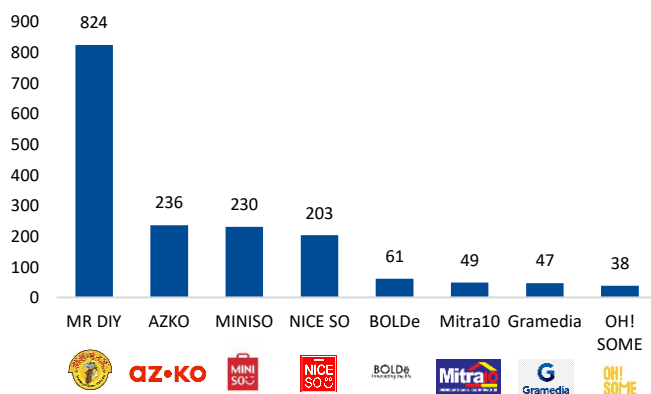
In mid-Feb25, the company opened its 1,000th store in Bulukumba, South Sulawesi. For 2025, MDIY plans to open at least the same number of new stores as in 2024 (around 270 outlets). SSSG is expected to normalize to a mid-to-high single-digit range this year.

MDIY's offers several product categories (that overlap with ACES) at lower prices. Additionally, competition from e-commerce for certain products or categories available at lower prices will pose a challenge for ACES.

While we believe the competition is inevitable, the significant difference in spending basket size—around Rp400k for ACES versus Rp80k for MDIY—indicates that they cater to different target markets.

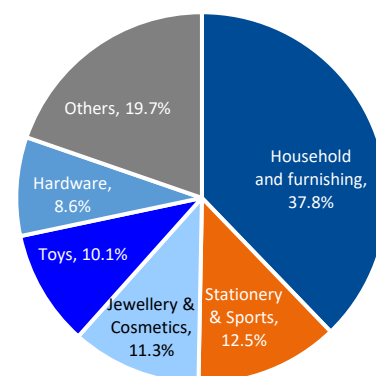
Therefore, we believe ACES's proven track record, strong execution, and mid-to-upscale target market—offering greater convenience and better service for durable products intended for long-term use—will support sales growth going forward.

Exhibit 7. MDIY vs ACES and Other Retail Store (1H24)



Source: Company

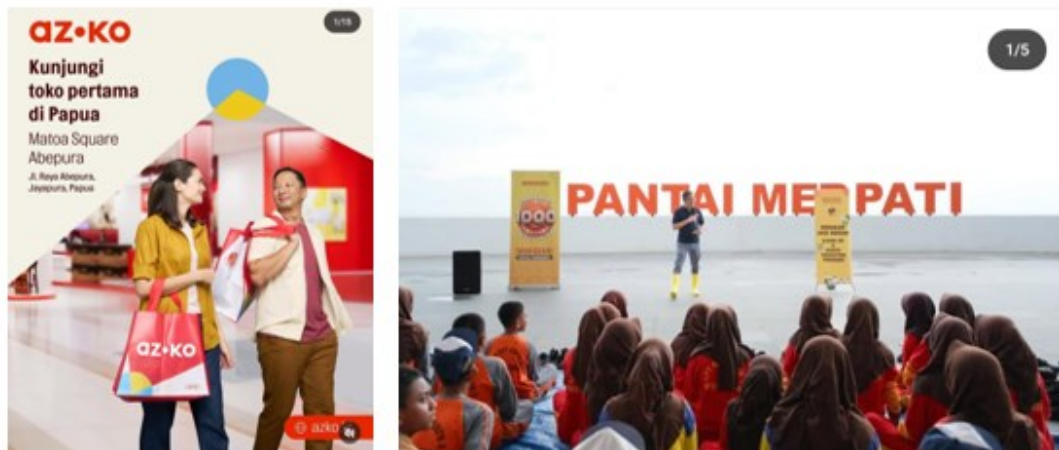
Exhibit 8. MDIY Category Products



Source: Company

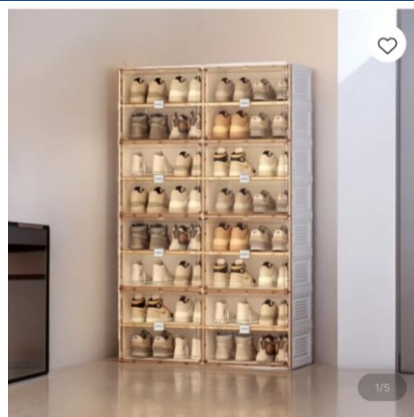


## Exhibit 9. ACES and MDIY Expand Stores to Eastern Indonesia



Source: Company

## Exhibit 10. ACES' Product – Rp1.5mn



Stora Lemari Sepatu Lipat 16 Tingkat – Putih

Rp1.699.000 10%

Rp1.529.100

S&amp;K Berlaku

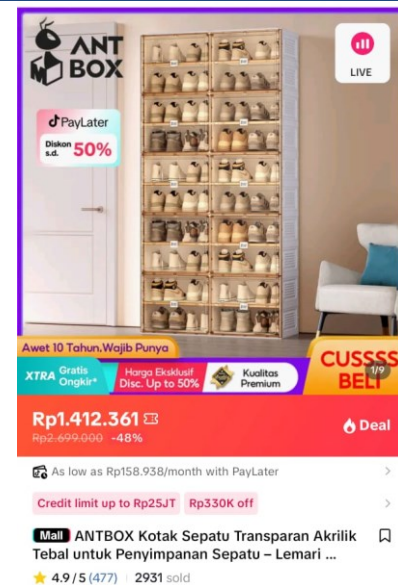
★ 5

48 Ulasan

Brand: STORA

Source: ruparupa

## Exhibit 11. E-commerce Product – Rp1.4mn



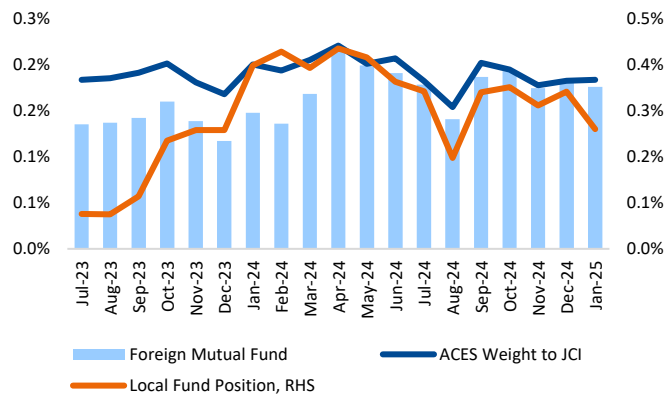
Source: Tiktok Shop

## Exhibit 12. ACES' Peers Comparison

Ticker	Rec	Target Price	M.Cap Cap.	P/E (x)		P/BV (x)		ROE (%)	Dividend yield (%)	EPS growth (%)	
		(Rp)	(Rpbn)	2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F
MAPI	Buy	2,000	23,406	10.5	9.1	1.6	1.3	16.5	0.7	13.3%	16.4%
MAPA	Buy	1,250	30,214	13.0	11.2	2.7	2.2	22.6	0.7	14.9%	15.6%
ACES	Buy	1,100	13,377	14.0	11.8	1.9	1.8	14.1	3.6	12.8%	18.8%
MIDI	Buy	540	13,280	17.9	15.8	2.6	2.3	15.4	2.1	30.0%	12.9%
Sector				13.2	11.4	2.2	1.9	18.2	1.4	16.6%	15.9%

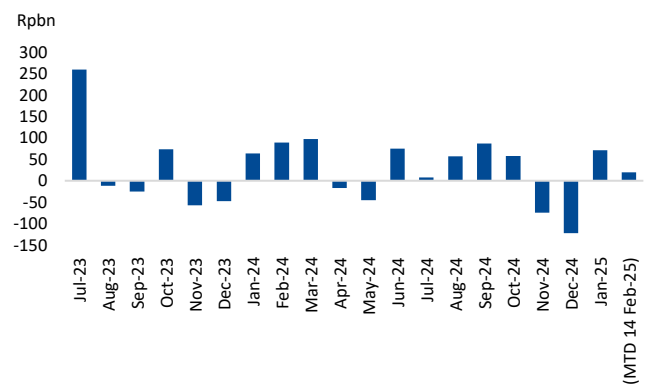
Source: Bloomberg, BRIDS Estimates

**Exhibit 13. ACES' Weighting and Fund Position**



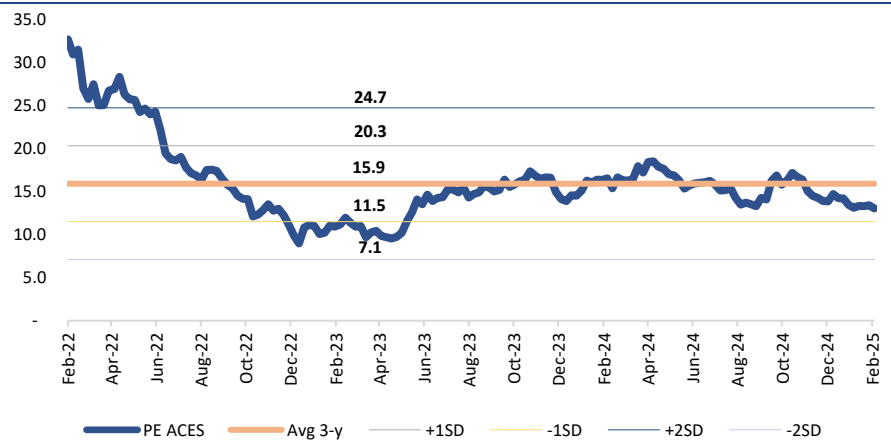
Source: KSEI, BRIDS

**Exhibit 14. ACES' Historical Foreign Flows (as of 14<sup>th</sup> Feb25)**



Source: IDX, BRIDS

**Exhibit 15. ACES' PE Band**



Source: Bloomberg, BRIDS Estimates

**Exhibit 16. Income Statement**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
<b>Revenue</b>	<b>6,763</b>	<b>7,612</b>	<b>8,522</b>	<b>9,532</b>	<b>10,483</b>
COGS	(3,495)	(3,914)	(4,388)	(4,900)	(5,393)
<b>Gross profit</b>	<b>3,268</b>	<b>3,698</b>	<b>4,134</b>	<b>4,632</b>	<b>5,089</b>
<b>EBITDA</b>	<b>880</b>	<b>1,009</b>	<b>1,112</b>	<b>1,227</b>	<b>1,440</b>
<b>Oper. profit</b>	<b>747</b>	<b>863</b>	<b>962</b>	<b>1,066</b>	<b>1,267</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	0	0	(30)	0	0
Other Income (Expenses)	129	137	139	137	150
<b>Pre-tax profit</b>	<b>825</b>	<b>957</b>	<b>1,016</b>	<b>1,156</b>	<b>1,376</b>
Income tax	(147)	(189)	(176)	(203)	(244)
Minority interest	(9)	0	9	5	6
<b>Net profit</b>	<b>669</b>	<b>768</b>	<b>849</b>	<b>958</b>	<b>1,137</b>
<b>Core Net Profit</b>	<b>669</b>	<b>768</b>	<b>849</b>	<b>958</b>	<b>1,137</b>

**Exhibit 17. Balance Sheet**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	2,133	2,312	2,330	2,554	2,842
Receivables	86	199	222	249	274
Inventory	2,811	2,665	3,366	3,625	3,842
Other Curr. Asset	333	486	239	226	209
Fixed assets - Net	759	742	825	893	977
Other non-curr.asset	1,127	1,349	1,487	1,550	1,632
<b>Total asset</b>	<b>7,249</b>	<b>7,753</b>	<b>8,470</b>	<b>9,097</b>	<b>9,775</b>
ST Debt	258	274	0	0	0
Payables	144	126	141	157	173
Other Curr. Liabilities	267	364	416	467	510
Long Term Debt	450	601	601	601	601
Other LT. Liabilities	196	202	717	806	865
<b>Total Liabilities</b>	<b>1,315</b>	<b>1,567</b>	<b>1,876</b>	<b>2,032</b>	<b>2,150</b>
Shareholder's Funds	5,890	6,143	6,560	7,037	7,603
Minority interests	44	43	34	29	23
<b>Total Equity &amp; Liabilities</b>	<b>7,249</b>	<b>7,753</b>	<b>8,470</b>	<b>9,097</b>	<b>9,775</b>

**Exhibit 18. Cash Flow**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	669	768	849	958	1,137
Depreciation and Amort.	133	146	151	161	173
Change in Working Capital	(444)	14	(709)	(269)	(226)
Other Oper. Cash Flow	(274)	22	761	163	126
<b>Operating Cash Flow</b>	<b>84</b>	<b>950</b>	<b>1,051</b>	<b>1,013</b>	<b>1,210</b>
Capex	(84)	(129)	(234)	(228)	(257)
Others Inv. Cash Flow	44	3	44	81	85
<b>Investing Cash Flow</b>	<b>(40)</b>	<b>(126)</b>	<b>(190)</b>	<b>(147)</b>	<b>(172)</b>
Net change in debt	(126)	167	(274)	0	0
New Capital	81	(128)	(6)	0	0
Dividend payment	(333)	(383)	(426)	(481)	(571)
Other Fin. Cash Flow	(97)	(43)	(129)	(128)	(127)
<b>Financing Cash Flow</b>	<b>(476)</b>	<b>(387)</b>	<b>(835)</b>	<b>(609)</b>	<b>(699)</b>
<b>Net Change in Cash</b>	<b>(431)</b>	<b>436</b>	<b>26</b>	<b>256</b>	<b>340</b>
Cash - begin of the year	2,544	2,133	2,312	2,330	2,554
Cash - end of the year	2,133	2,312	2,330	2,554	2,842

**Exhibit 19. Key Ratio**

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
<b>Growth (%)</b>					
Sales	3.4	12.6	12.0	11.9	10.0
EBITDA	(4.6)	14.6	10.3	10.3	17.4
Operating profit	(5.2)	15.5	11.5	10.8	18.9
Net profit	8.7	14.8	10.6	12.8	18.8
<b>Profitability (%)</b>					
Gross margin	48.3	48.6	48.5	48.6	48.6
EBITDA margin	13.0	13.3	13.1	12.9	13.7
Operating margin	11.0	11.3	11.3	11.2	12.1
Net margin	9.9	10.1	10.0	10.0	10.8
ROAA	9.3	10.2	10.5	10.9	12.1
ROAE	11.8	12.8	13.4	14.1	15.5
<b>Leverage</b>					
Net Gearing (x)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Interest Coverage (x)	7.7	20.1	7.4	8.3	9.9

Source: ACES, BRIDS Estimates



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**INVESTMENT RATING**

<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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