

Buy

(Upgraded)

Aspirasi Hidup Indonesia (ACES IJ)

Setting a Low Base for FY26F Upside; Upgrade Rating to Buy

Last Price (Rp)	422
Target Price (Rp)	550
Previous Target Price (Rp)	500
Upside/Downside	+30.3%
No. of Shares (mn)	17,120
Mkt Cap (Rpbn/US\$mn)	7,225/433
Avg, Daily T/O (Rpbn/US\$mn)	27.0/1.6
Free Float (%)	39.8

Major Shareholder (%)	
PT Kawan Lama Sejahtera	60.0

EPS Consensus (Rp)			
	2025F	2026F	2027F
BRIDS	41.6	48.1	58.4
Consensus	44.3	50.6	56.6
BRIDS/Cons (%)	(6.0)	(4.9)	3.2

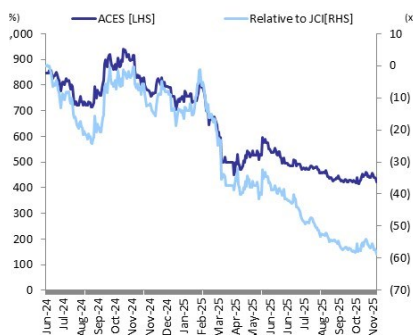
- Although we expect revenue to improve in 4Q25, the management expects FY25F revenue growth and SSSG to remain modest.
- We lowered our FY25F est. following 9M25 results but expect FY26 earnings recovery of +15.5% supported by cost optimization and a low-base effect.
- We upgrade our rating to Buy with a higher TP of Rp550, as the stock trades at a 3-year low 8.8x PE FY26F.

Expect some improvement in 4Q25, yet FY25F growth likely to remain modest
 Following the 9M25 achievement, the management is now anticipating FY25 revenue growth to be flattish to low single digit, with SSSG ranging from a slight decline to flat. New store opening target of 25-30 stores for this year remains intact, with 19 new stores launched as of 9M25. The management indicated that Oct25 SSSG is improving compared to Sep25, despite still in negative territory. We foresee some sales improvement in 4Q25, driven by the year-end festive demand, which has historically been AZKO's strongest performing quarter.

Recent AZKO's initiatives: new store concept & Neka

- AZKO has completed its **new concept stores** at Pondok Indah and Living Plaza Bintaro as part of its store rejuvenation program. These revamped stores offer a much-refreshed ambience with a curated product assortment tailored for higher-end customers and enhanced shopping experience. AZKO plans to replicate this concept to other stores located in A and A+ class malls.
- AZKO has also launched a **new brand, "Neka"**, aimed at the mid to lower segment. Neka stores feature a smaller footprint <700sqm and carry >10k SKUs of home and lifestyle essentials. The company has operated 4 pilot stores located in Serang, Bogor, Ciledug, and Ciputat currently, and aim to have total of 5-10 stores by year-end, with a faster rollout planned next year. Management noted that Neka's gross margin and productivity are broadly comparable to AZKO's current performance, while its BEP is expected to be within 1-2 years (vs. AZKO's 6 months).

ACES relative to JCI Index



Source: Bloomberg

Upgraded to Buy with higher TP Rp550 on valuation & growth recovery

We trimmed our FY25/26F revenue and earnings estimates by -1.9%/ -1.9% and -13.0/-10.1%, respectively post 9M25 achievements. While the current macro situation remains challenging for AZKO's sales performance this year, we believe a more stable govt fiscal stimulus in FY26F should have a positive impact on sales. Therefore, our new revenue estimates imply a modest +2.1% yoy in FY25F before improving to +6.2% yoy in FY26F. And with the continuous efforts to maximize costs and opex, we project earnings to recover to +15.5% yoy in FY26F (from -20.1% in FY25F), supported by a low-base effect. We upgrade our rating to Buy with a higher TP of Rp550 as we roll over our valuation to FY26F, implying 12.6x PE. AZKO currently trades at a 3-year low 8.8x PE FY26F, suggesting limited downside risk from current level given the projected growth recovery, in our view.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	7,620	8,583	8,762	9,302	9,876
EBITDA (Rpbn)	1,013	1,163	1,003	1,142	1,362
EBITDA Growth (%)	15.0	14.8	(13.7)	13.8	19.3
Net Profit (Rpbn)	770	892	713	823	999
EPS (Rp)	44.9	52.1	41.6	48.1	58.4
EPS Growth (%)	16.0	16.0	(20.1)	15.5	21.4
BVPS (Rp)	358.6	378.3	399.1	423.1	452.3
DPS (Rp)	30.1	32.3	20.8	24.0	29.2
PER (x)	9.4	8.1	10.1	8.8	7.2
PBV (x)	1.2	1.1	1.1	1.0	0.9
Dividend yield (%)	7.1	7.7	4.9	5.7	6.9
EV/EBITDA	5.7	5.4	5.8	5.1	3.9

Source: ACES, BRIDS Estimates

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Setting a Low Base for FY26F Upside; Upgrade Rating to Buy

A soft 3Q25 performance

In line with our preview, the economic headwinds continue to weigh on AZKO's sales performance in 3Q25, resulting in soft topline growth of -1.4% qoq and -3.2% yoy with SSSG remained in negative territory of -3.6% as of Sep25. Nonetheless, its operating profit jumped +31.4% qoq with operating margin improving to 8.8% in 3Q25, thanks to the well-managed increase in opex and change in product mix, albeit still contracting yoy. Management noted demand was still weak overall but saw some improvement in its Oct25 SSSG, although still in negative territory.

Exhibit 1. ACES 3Q25/9M25 Earnings Result Summary

ACES (in Rpbn)	9M24	9M25	YoY	3Q24	2Q25	3Q25	YoY	QoQ	FY25F	A/F	A/C
Net sales	6,228	6,334	1.7%	2,093	2,133	2,065	-1.4%	-3.2%	8,933	70.9%	71.2%
Gross Profit	3,020	3,032	0.4%	1,012	996	1,012	-0.1%	1.6%	4,329	70.0%	71.8%
Operating profit	661	441	-33.3%	260	139	182	-29.9%	31.4%	1,017	43.4%	49.2%
PBT	711	578	-18.8%	259	181	230	-11.3%	27.2%	1,010	57.2%	63.0%
Net Profit	574	481	-16.2%	209	150	189	-9.3%	26.4%	820	58.7%	64.0%
Gross margin	48.5%	47.9%		48.4%	46.7%	49.0%			48.5%		
Operating margin	10.6%	7.0%		12.4%	6.5%	8.8%			11.4%		
PBT	11.4%	9.1%		12.4%	8.5%	11.1%			11.3%		
Net Profit	9.2%	7.6%		10.0%	7.0%	9.2%			9.2%		

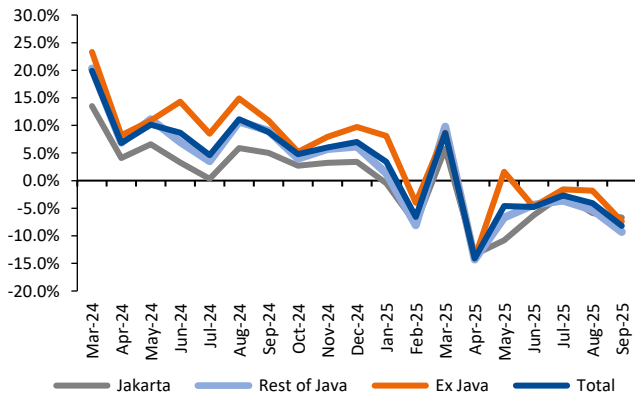
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. ACES Estimates Revision Summary

ACES IJ (In Rpbn)	Before		After		Changes	
	2025F	2026F	2025F	2026F	2025	2026
Net Sales	8,933	9,484	8,762	9,302	-1.9%	-1.9%
Gross profit	4,329	4,614	4,162	4,418	-3.9%	-4.3%
Operating profit	1,017	1,131	868	1,002	-14.7%	-11.5%
EBT	1,010	1,130	878	1,018	-13.0%	-9.9%
Net profits	820	916	713	823	-13.0%	-10.1%
Margins (%)						
Gross margin	48.5%	48.6%	47.5%	47.5%		
Operating margin	11.4%	11.9%	9.9%	10.8%		
Pretax	11.3%	11.9%	10.0%	10.9%		
Net Income	9.2%	9.7%	8.1%	8.8%		

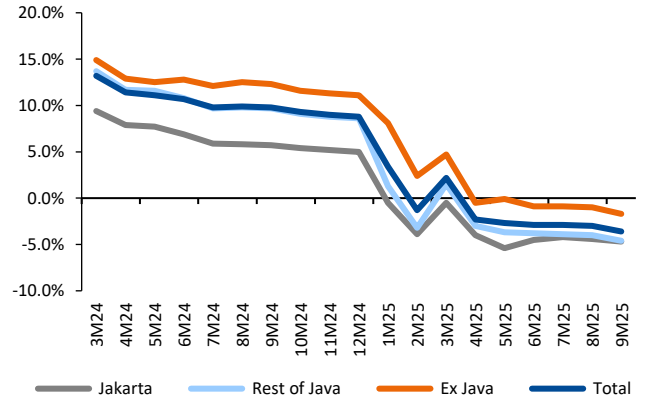
Source: BRIDS Estimates

Exhibit 3. ACES' Monthly SSSG



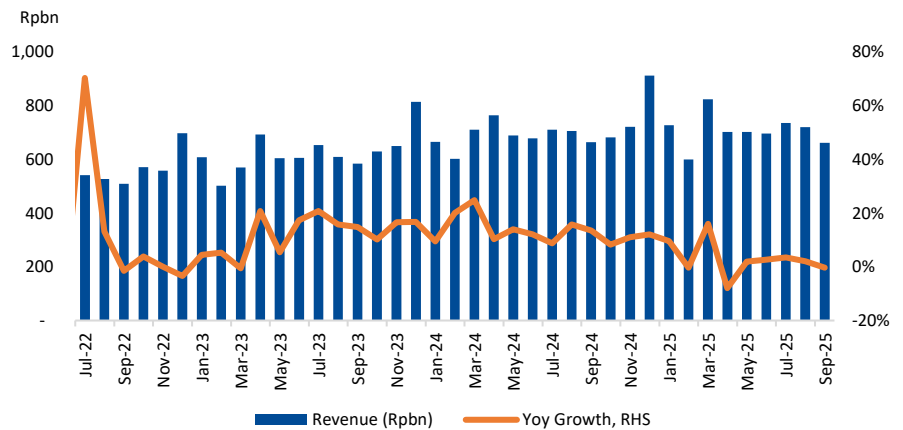
Source: Company

Exhibit 4. ACES' YTD SSSG



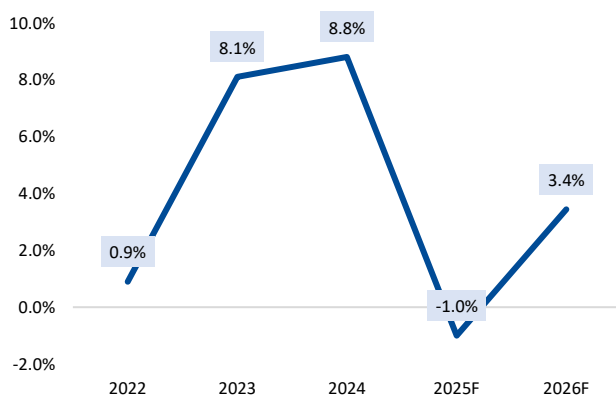
Source: Company

Exhibit 5. Monthly Revenue and YoY Growth



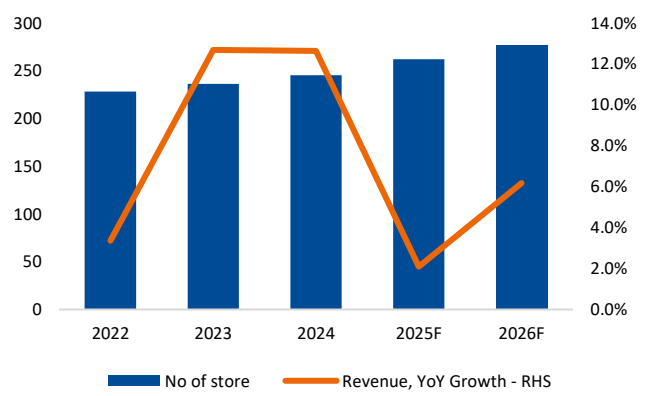
Source: Company, BRIDS

Exhibit 6. Yearly SSSG, 2022-26F



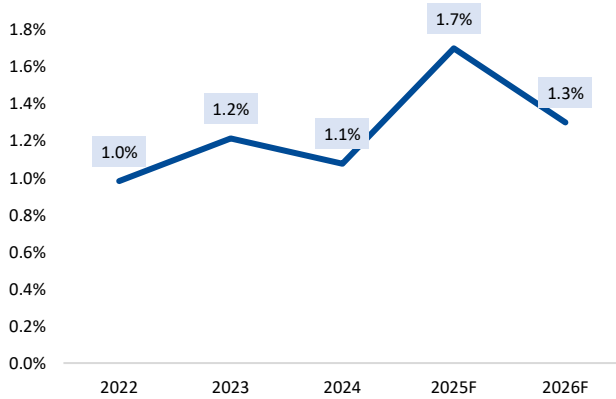
Source: Company, BRIDS Estimates

Exhibit 7. Revenue Growth and No. of Store, 2022-26F



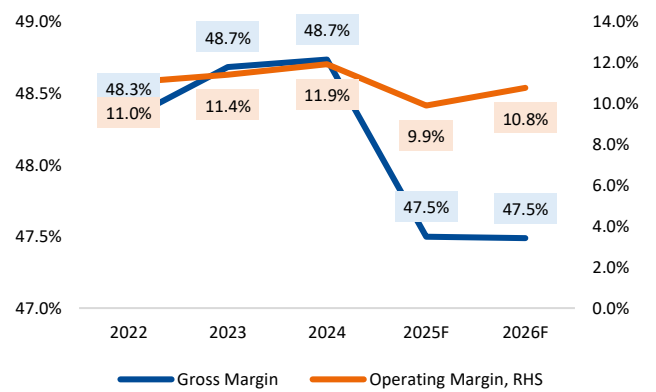
Source: Company, BRIDS Estimates

Exhibit 8. A&P as % of Revenue, 2022-26F



Source: Company, BRIDS Estimates

Exhibit 9. Gross Margin and Operating Margin, 2022-26F



Source: Company, BRIDS Estimates

Exhibit 10. ACES New Store Concept

PIM

LP Bintaro

Live Streaming Studio

- AZKO Store reopens at Pondok Indah Mall and LP Bintaro with a refreshed concept, offering a curated product selection designed for the local customer profile and delivering an elevated shopping experience.
- Launching a live streaming studio, this initiative is aligned with the omnichannel strategy to boost overall business performance across all channels

Source: Company

Exhibit 11. Neka Store



- Strategic expansion post AHI's transformation to complete the business portfolio, tapping middle to low segment with value-driven mindset
- Focus on outskirts Jakarta and ex-Java
- Store size of <700 sqm with MPP structures <10 employees
- Offering >10k SKUs of home and lifestyle essentials, with avg. basket size of IDR 80k – 100k
- Competitive pricing strategy designed to win over and grow customer base

★ Belanja HEPI Gak Mikir LAGI ★

Started with 2 stores in outskirts Jakarta area, in Sep'25





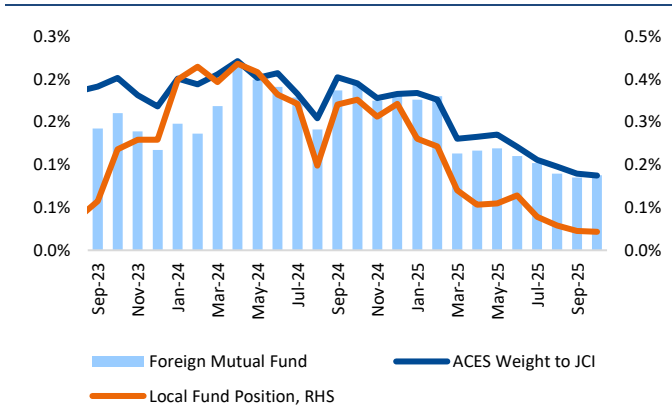






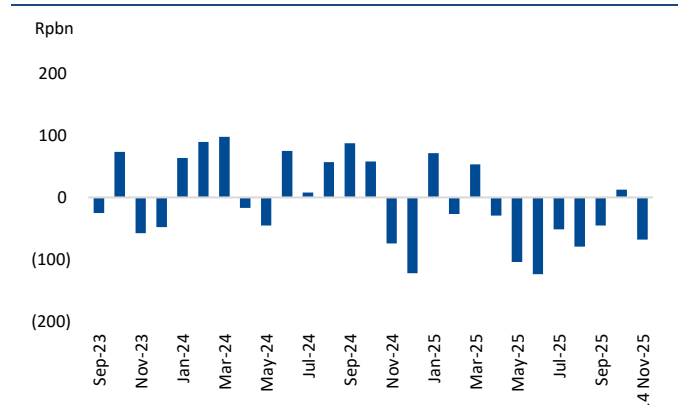
Source: Company

Exhibit 12. Weighting and Fund Position



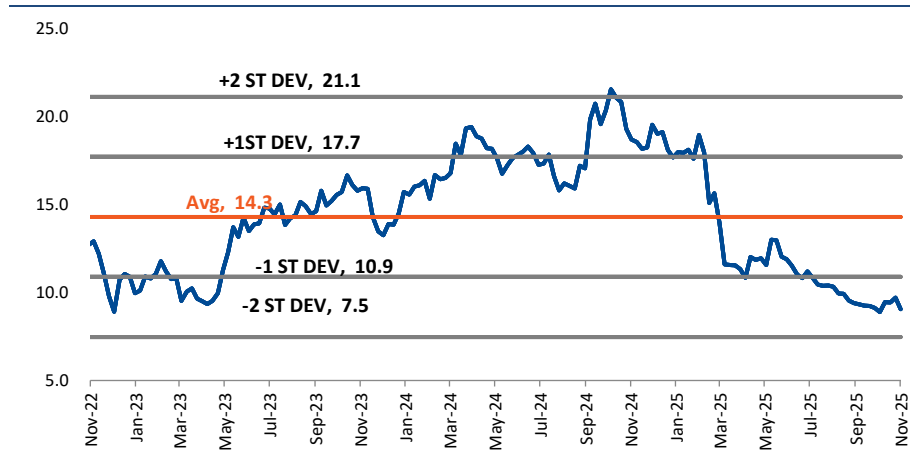
Source: KSEI, BRIDS

Exhibit 13. Historical Foreign Flows



Source: IDX, BRIDS

Exhibit 14. ACES' PE Band



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 15. Retail Peers Valuation

Ticker	Rec	Target Price	M.Cap	P/E (x)		P/BV (x)		ROE (%)		Dividend Yield (%)		EPS Growth (%)	
		(Rp)		2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F		
MAPI	Buy	1,400	21,580.0	11.4	9.6	1.6	1.3	14.9	0.8	7.3	18.6		
MAPA	Buy	800	20,807.9	13.6	11.0	2.5	2.1	20.0	0.7	13.3	23.1		
ACES	Buy	550	7,224.8	10.1	8.8	1.1	1.0	10.7	4.9	(20.1)	15.5		
MIDI	Buy	550	12,476.7	17.6	15.1	2.7	2.4	16.2	2.7	29.6	16.4		
Sector				13.2	11.1	2.0	1.8	16.4	1.6	10.6	19.3		

Source: Company, Bloomberg, BRIDS Estimates

Exhibit 16. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	7,620	8,583	8,762	9,302	9,876
COGS	(3,910)	(4,400)	(4,600)	(4,885)	(5,042)
Gross profit	3,710	4,183	4,162	4,418	4,835
EBITDA	1,013	1,163	1,003	1,142	1,362
Oper. profit	869	1,024	868	1,002	1,217
Interest income	0	84	88	89	99
Interest expense	(43)	(132)	(208)	(214)	(221)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	134	108	130	142	154
Pre-tax profit	961	1,083	878	1,018	1,250
Income tax	(190)	(199)	(171)	(201)	(246)
Minority interest	0	7	5	6	(5)
Net profit	770	892	713	823	999
Core Net Profit	770	892	713	823	999

Exhibit 17. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	2,319	1,875	2,367	2,360	2,854
Receivables	199	45	46	49	52
Inventory	2,671	3,396	3,195	3,528	3,501
Other Curr. Asset	515	633	597	624	603
Fixed assets - Net	742	793	877	969	1,051
Other non-curr.asset	1,350	1,449	1,514	1,525	1,540
Total asset	7,795	8,191	8,596	9,055	9,600
ST Debt	274	292	306	322	338
Payables	123	191	200	212	219
Other Curr. Liabilities	369	390	408	427	445
Long Term Debt	602	628	628	628	628
Other LT. Liabilities	202	177	190	197	197
Total Liabilities	1,570	1,679	1,732	1,786	1,827
Shareholder's Funds	6,150	6,476	6,832	7,244	7,743
Minority interests	75	36	31	25	30
Total Equity & Liabilities	7,794	8,191	8,596	9,055	9,600

Exhibit 18. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	770	892	713	823	999
Depreciation and Amort.	143	139	135	140	145
Change in Working Capital	28	(504)	209	(323)	30
Other Oper. Cash Flow	6	(106)	115	107	151
Operating Cash Flow	948	421	1,172	747	1,326
Capex	(126)	(190)	(219)	(233)	(227)
Others Inv. Cash Flow	0	84	88	89	99
Investing Cash Flow	(126)	(106)	(131)	(143)	(128)
Net change in debt	167	45	15	15	16
New Capital	(46)	(43)	0	0	0
Dividend payment	(517)	(554)	(356)	(412)	(500)
Other Fin. Cash Flow	(43)	(132)	(208)	(214)	(221)
Financing Cash Flow	(439)	(684)	(549)	(611)	(704)
Net Change in Cash	382	(369)	491	(7)	494
Cash - begin of the year	2,190	2,319	1,875	2,367	2,360
Cash - end of the year	2,319	1,875	2,367	2,360	2,854

Exhibit 19. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	12.7	12.6	2.1	6.2	6.2
EBITDA	15.0	14.8	(13.7)	13.8	19.3
Operating profit	16.4	17.8	(15.2)	15.4	21.5
Net profit	16.0	15.8	(20.1)	15.5	21.4
Profitability (%)					
Gross margin	48.7	48.7	47.5	47.5	49.0
EBITDA margin	13.3	13.5	11.4	12.3	13.8
Operating margin	11.4	11.9	9.9	10.8	12.3
Net margin	10.1	10.4	8.1	8.8	10.1
ROAA	10.2	11.2	8.5	9.3	10.7
ROAE	12.8	14.1	10.7	11.7	13.3
Leverage					
Net Gearing (x)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)
Interest Coverage (x)	20.3	7.7	4.2	4.7	5.5

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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