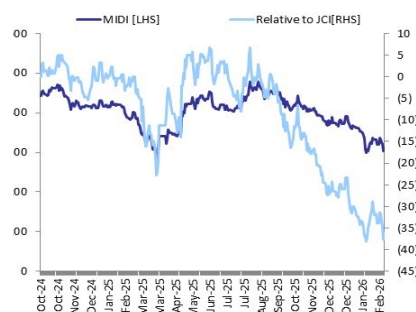


Overweight

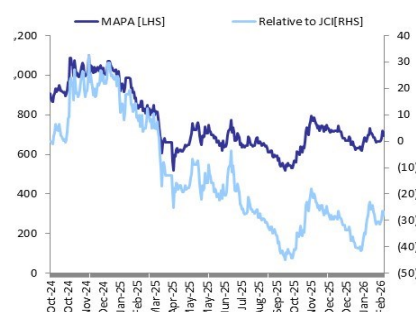
(Maintained)

Tactical (3M): N

MIDI relative to JCI Index



MAPA relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Christy Halim

(62-21) 5091 4100 ext. 3512

christy.halim@brids.co.id

Sabela Nur Amalina

(62-21) 5091 4100 ext. 4202

sabela.amalina@brids.co.id

Retail

Channel Check: Sustained Promotions into Ramadan; Festive Momentum Intact

- Most retailers ran promos through Jan-Feb26; MAPA rotated weekly offers, while MAPI eased fashion discounts after year-end.
- We expect festive sales momentum to hold on a low base & fiscal support, despite weak currency remaining a margin risk.
- Maintain Overweight on the sector; top picks are MIDI (Buy, TP Rp550) and MAPA (Buy, TP Rp800).

Ongoing promotional intensity across retailers in Jan-Feb26

Our weekly channel checks indicate that most retailers continued promotional activities through Jan and Feb26 ahead of the fasting Eid season, following the year-end promotions in 4Q25. **For MAPA**, majority of active/mono-brand stores have maintained continuous promotions since late last year, rotating weekly offers. These included Buy 1 Get 50% off on 2nd item in mid-Jan26, Cash Rebate Rp150-200k in late Jan26, CNY deals last week, and currently a Ramadan Sale offering discounts up to 70% through early Mar26. In contrast, **MAPI's** fashion brands offered deeper discounts toward end-Dec25 during the year-end holiday. Promotional intensity has tapered post the end-of-season sale, with markdowns now largely limited to remaining inventory, except for Marks & Spencer, which continues to provide a broader range of discounted items. **For AZKO**, promotions during Jan-early Feb26 were primarily centered on CNY campaigns, while they currently have shifted to its Ramadan promotions campaign, offering Cashback up to Rp1mn. Recurring monthly programs such as Payday Surprise and Super Online Deals remain in place.

Expect sustained sales momentum heading into the festive season

Despite some concerns over soft demand during Eid season, we believe retailers' revenue growth should remain supported by last year's relatively low base effect and the continuation of the Govt's fiscal stimulus measures. Encouragingly, we have seen some early signs of recovery in the SSSG of MIDI and ACES in Jan26, where MIDI's SSSG rebounded to positive mid-single-digit growth amid strong 1Q25 base and ACES stood at +1% yoy SSSG on higher conversion rate and basket size. Nonetheless, a weak currency remains key headwind for the sector, in our view, as they continue to pressure margins amid limited pricing power.

Fund flows and stock preference; Reiterate MIDI and MAPA as our picks!

Within the retail space, we observe that domestic funds have been reducing exposure since early last year, particularly in MIDI and ACES. Positioning in MAPI has also declined since mid-last year, although it remains above Jan25 levels, while domestic funds have continued to accumulate MAPA. From a foreign flow perspective, MAPI and ACES have recorded net foreign outflows from 2025 to YTD, meanwhile MIDI and MAPA continue to see net inflows. Indonesian retailers' valuation has derated to 10.5x FY26F PE (-1.5sd of its 3yr mean), which should suggest a limited downside risk. **Tactical (3M) view: N**, as we prefer to wait for more tangible evidence of a sustained SSSG recovery despite the expected uplift in traffic from the festive season. We maintain our Overweight rating on the sector, with MIDI (Buy, TP Rp550) and MAPA (Buy, TP Rp800) as our main picks!

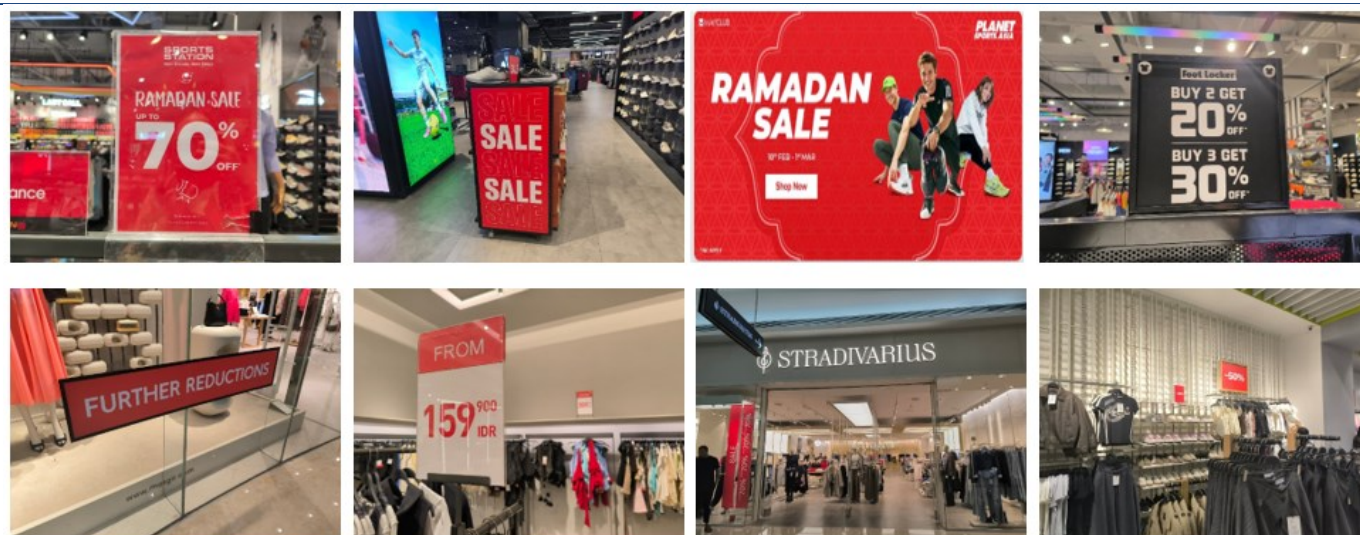
Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%) 2026F
					2025F	2026F	2025F	2026F	
Midi Utama Indonesia	MIDI IJ	BUY	550	10,298.1	14.3	12.3	2.2	2.0	17.1
MAP Aktif Adiperkasa	MAPA IJ	BUY	800	19,952.8	13.0	10.9	2.4	2.0	19.8
Mitra Adiperkasa	MAPI IJ	BUY	1,400	22,244.0	11.7	9.9	1.6	1.4	15.0
Ace Hardware Indonesia	ACES IJ	BUY	550	6,848.2	9.6	8.3	1.0	0.9	11.7

Exhibit 1. Summary on Promotion in MAPI, MAPA, and AZKO Store

Brands	Dec 2025	Jan-Feb 2026
MAPI		
Zara	- SALE: ALL AT Rp159k-659k	- SALE: ALL AT Rp159k-659k
Marks & Spencer	- Sale up to 50% off	- Chinese New Year: Buy 1 Get 1 - Ramadan Kareem: Buy 2 Enjoy 10% off, Buy 3 or more Enjoy 15% off
Stradivarius, Bershka, Pull & Bear, Mango	- End of Season sale: 50-70% off	- Further Reduction - Sale: 50-70% off
MAPA		
Foot Locker	- Sale up to 50% off	- Sale up to 60% off
Planet Sports, Sport Station, and Mono brands (Converse, Skechers, Reebok, and New Balance)	- End of Season Sale: Buy 2 Get 1 Free - Cash Rebate Rp150-300k - Sale up to 40% off - Buy 2 Get 20% off	- Buy 1 Get 50% off on 2nd item - Cash Rebate Rp150-300k - Buy More Save More: 20% off min purchase of Rp1mn, 30% off min purchase of Rp1.5mn, 40% off min purchase Rp2mn - CNY Deals: Get 30% off 2nd item, Get 40% off on 3rd item - Ramadan Sale up to 70% off
ACES		
AZKO	- Pilihan terbaik untuk rumah sehatmu (cashback up to Rp600k) - Shopping Rp1mn, get cashback coin 5-10% - Lunar Prosperity, save up to 70% off - Prosperity 88: Add Rp88k get selected products - Payday Surprise	- Shopping Rp1mn, get cashback coin 5-10% - Lunar Prosperity, save up to 70% off - Prosperity 88: Add Rp88k get selected products - Cerita di setiap langkah Ramadan (cashback up to Rp1mn) - Kejutan Special Berbuka (every day at 16.00-21.00) - Payday Surprise - Diskon Kaget/Super Online Deals, save up to 50%

Source: BRIDS Survey

Exhibit 2. Current Promotion on MAPI and MAPA Store



Source: BRIDS Survey

Exhibit 3. Current Promotion on AZKO Store



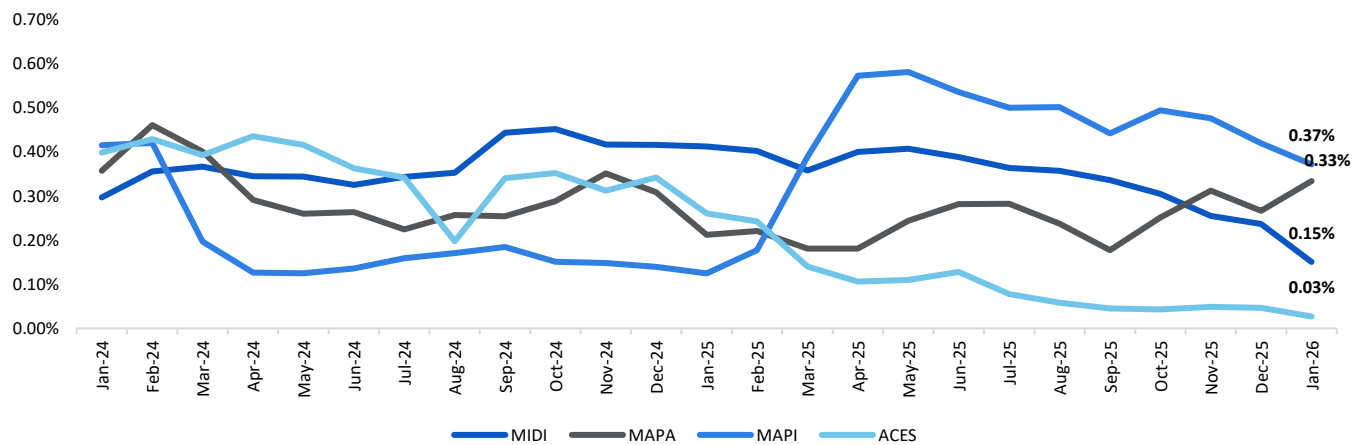
Source: BRIDS Survey

Exhibit 4. Retail Sector Valuation Table

Ticker	Rec	Target Price (Rp)	M.Cap (Rpbn)	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	EPS Growth (%)	
				2025F	2026F	2025F	2026F	2025F		2025F	2025F
MAPI	Buy	1,400	22,244.0	11.7	9.9	1.6	1.4	14.9	0.7	7.3	18.6
MAPA	Buy	800	19,952.8	13.0	10.9	2.4	2.0	20.0	0.7	13.3	18.8
ACES	Buy	550	6,848.2	9.6	8.3	1.0	0.9	10.7	5.2	(20.1)	15.5
MIDI	Buy	550	10,298.1	14.3	12.3	2.2	2.0	16.4	3.3	31.7	16.8
Sector				12.4	10.5	1.9	1.6	16.4	1.7	10.4	18.0

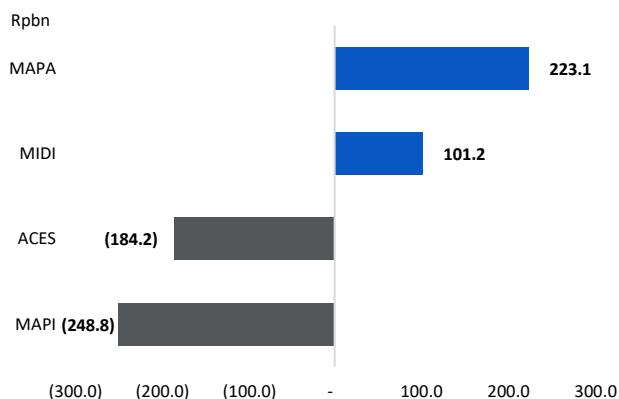
Source: Bloomberg, BRIDS Estimates

Exhibit 5. Domestic Fund Positioning in Retail Sector



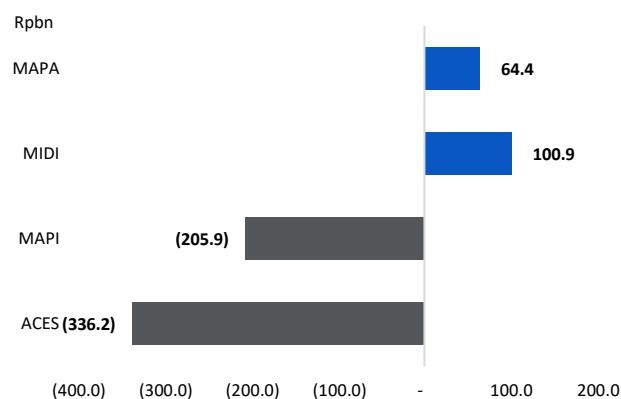
Source: KSEI, BRIDS

Exhibit 6. Foreign Flow Position (2024-25)



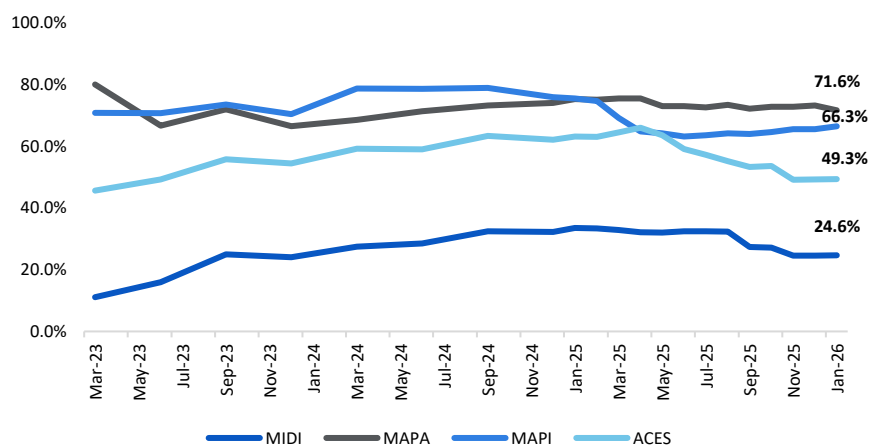
Source: IDX, BRIDS

Exhibit 7. Foreign Flow Position (2024-YTD)



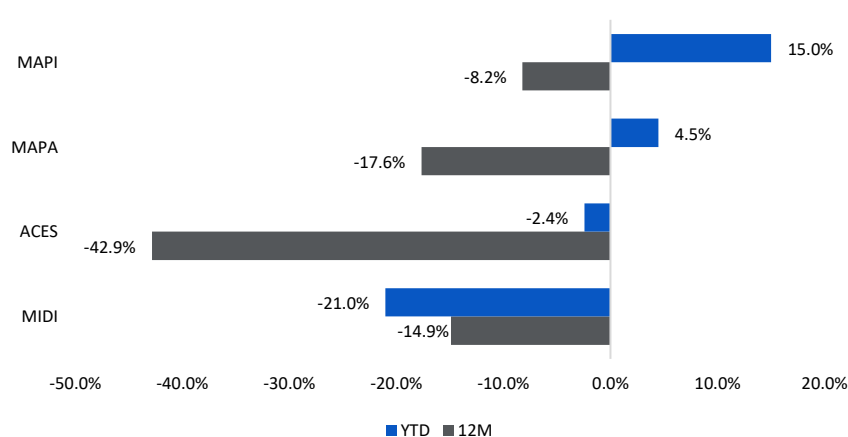
Source: IDX, BRIDS

Exhibit 8. Foreign Ownership in Retail Sector (Ex-Corporate)



Source: KSEI, BRIDS

Exhibit 9. Share Price Performance in Retail Sector



Source: Bloomberg

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@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

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuhu Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlich Suhartono	Institutional Sales Associate	ehrlich@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@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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