

Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	346
Target Price (Rp)	450
Previous TP (Rp)	550
Upside/Downside	+30.1%
No. of Shares (mn)	17,150
Mkt Cap (Rpbn/US\$m)	5,924/335
Avg, Daily T/O (Rpbn/US\$m)	16.3/0.9
Free Float (%)	40.0
Major Shareholder (%)	
PT Kawan Lama Sejahtera	60.0
EPS Consensus (Rp)	
	2026F 2027F 2028F
BRIDS	40.4 44.0 48.0
Consensus	48.6 54.0 53.9
BRIDS/Cons (%)	(16.8) (18.7) (11.0)

ACES relative to JCI Index



Source: Bloomberg

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Aspirasi Hidup Indonesia (ACES IJ)

Elevated input, freight & operating costs triggers earnings downgrade

- AZKO's 1Q26 sales showed some recovery (+10.1/2.1% yoy/ qoq), though Apr26 run rate soften expectedly due to Eid timing shifts.
- Mgmt implemented selective ASP hike across mass products to offset rising costs and support margin stability starting on Apr26.
- We trimmed our FY26-27F earnings estimates by -15.9/24.7% and reiterate Buy rating with lower TP of Rp450.

Topline recovery in 1Q26, though margins compressed on elevated costs

AZKO posted revenue improvement in 1Q26, rising 10.1% yoy and 2.1% qoq, exceeding management's FY26 sales growth guidance of 6-8%. Management noted that Eid-related demand during H-7 to H+7 period was stronger compared to last year, supported by a 5.9% yoy increase in conversion rates and 2.3% yoy rise in basket size. As expected, Apr26 SSSG of 2.4% was softer due to the timing shift of the Eid and holiday season, yet this is still within the 2-4% guidance. Meanwhile, gross margin contracted by 170bps yoy in 1Q26, primarily attributable to higher freight costs from China, 5-10% increase in raw material prices, and continued IDR depreciation against the CNY.

ASP hikes implemented across mass products to mitigate cost pressure

Management has begun adjusting prices to approximately 5k SKUs by around 10% starting in Apr26, with another 5k SKUs scheduled for price revisions in May, aimed at partially offsetting higher input costs and preserving margins. We expect the ASP adjustment cycle to be largely completed by the end of 2Q26. While there are concerns that higher prices could weigh on demand, management indicated that the impact has so far been limited, supported by selective pricing adjustments across different geographical areas. The price increases have also enabled AZKO to sustain its gross margin at a level broadly in line with last year, which remains management's key margin objective for FY26.

Earnings estimates revisions

We slightly revise our topline growth assumptions by -1.1/+0.6% in FY26/27F, implying revenue growth of 6.5/8.0% yoy, respectively. We believe the sales recovery this year will be driven by continued store expansion, ASP adjustments, and a lower base effect from last year. Our revised forecasts incorporate the addition of 25 new AZKO stores and FY26 SSSG of 1% (vs. -4.2% in FY25). We also anticipate gross margin to contract by 20bps in FY26F, as elevated input and logistics costs are partially offset by ASP hikes. Meanwhile, following its 1Q26 results, we raise our assumptions for A&P as well as salary and employee allowances, resulting in total opex accounting for 39.5% of total sales in FY26F. Consequently, we cut our FY26/27F earnings by 15.9/24.7%, respectively.

Maintain Buy with lower TP of Rp450

We maintain our Buy rating on AZKO as we expect earnings growth recovery this year following a softer performance last year, while valuations remain attractive. We lowered our TP to Rp450 post-earnings estimates revision, implying 11.1x PE FY26F (-1std of 3yr mean). AZKO is currently trading at 8.6x PE FY26F.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	8,583	8,639	9,202	9,935	10,717
EBITDA (Rpbn)	1,163	774	828	918	1,087
EBITDA Growth (%)	14.8	(33.4)	6.9	10.9	18.5
Net Profit (Rpbn)	892	669	692	753	822
EPS (Rp)	52.1	39.1	40.4	44.0	48.0
EPS Growth (%)	16.0	(25.0)	3.5	8.8	9.3
BVPS (Rp)	378.3	380.9	401.1	423.1	447.1
DPS (Rp)	32.3	19.5	20.2	22.0	24.0
PER (x)	6.7	8.9	8.6	7.9	7.2
PBV (x)	0.9	0.9	0.9	0.8	0.8
Dividend yield (%)	9.3	5.6	5.8	6.3	6.9
EV/EBITDA	4.3	6.1	5.8	5.0	4.1

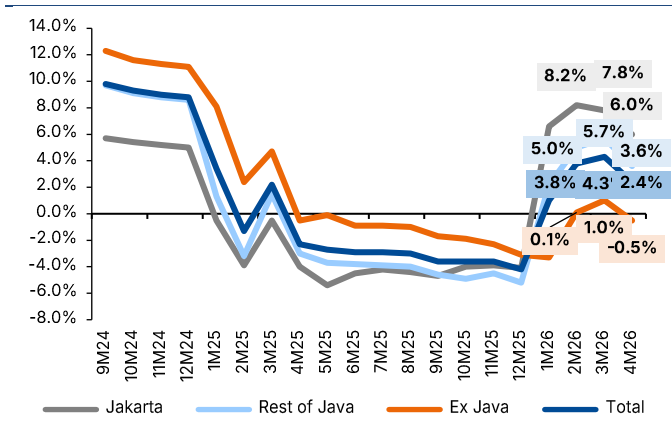
Source: ACES, BRIDS Estimates

Exhibit 1. ACES Earnings Estimates Revision

ACES IJ (In Rpbn)	Before			After			Changes		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Net Sales	9,302	9,876	10,717	9,202	9,935	10,717	-1.1%	0.6%	0.0%
Gross profit	4,418	4,835	4,987	4,360	4,734	5,125	-1.3%	-2.1%	2.8%
Operating profit	1,002	1,217	970	722	806	873	-27.9%	-33.8%	-10.0%
EBT	1,018	1,250	937	827	904	988	-18.7%	-27.6%	5.5%
Net profits	823	999	673	692	753	822	-15.9%	-24.7%	22.2%
Margins (%)									
Gross margin	47.5%	49.0%	46.5%	47.4%	47.7%	47.8%			
Operating margin	10.8%	12.3%	9.1%	7.8%	8.1%	8.1%			
Pretax	10.9%	12.7%	8.7%	9.0%	9.1%	9.2%			
Net Income	8.8%	10.1%	6.3%	7.5%	7.6%	7.7%			

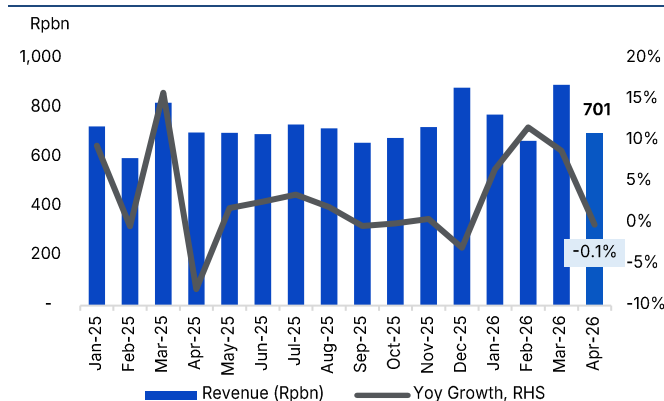
Source: BRIDS Estimates

Exhibit 2. AZKO's YTD SSSG



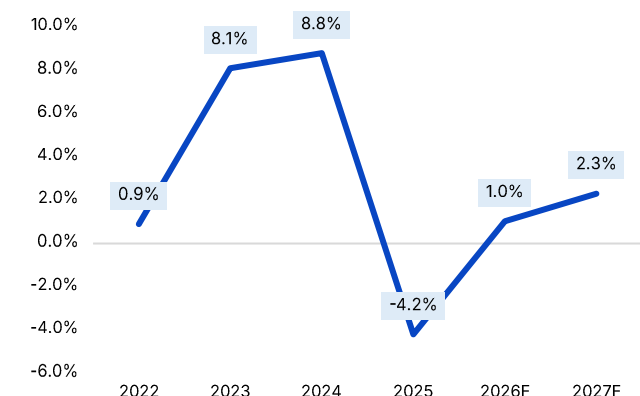
Source: Company, BRIDS

Exhibit 3. Monthly Revenue and YoY Growth



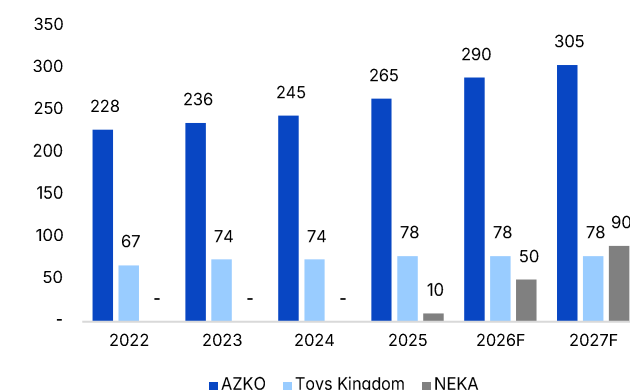
Source: Company, BRIDS

Exhibit 4. AZKO's Yearly SSSG, 2022-27F



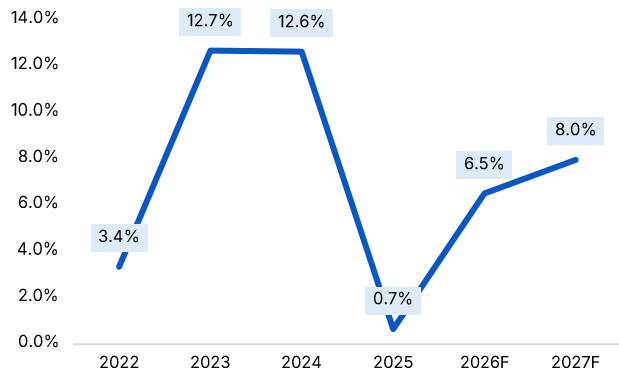
Source: Company, BRIDS Estimates

Exhibit 5. Number of Stores, 2022-27F



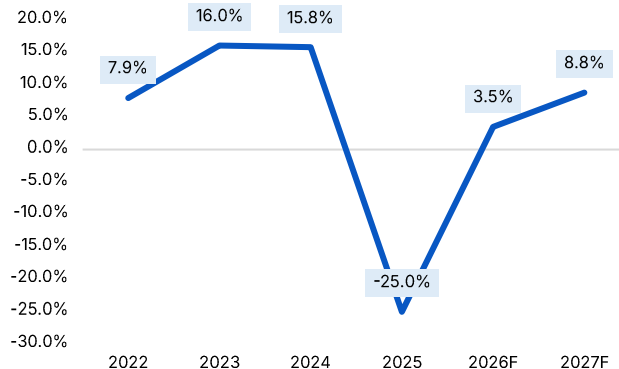
Source: Company, BRIDS Estimates

Exhibit 6. Revenue Growth, 2022-27F



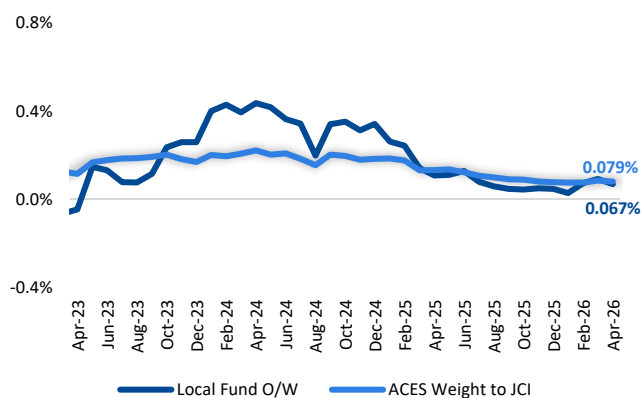
Source: Company, BRIDS Estimates

Exhibit 7. Earnings Growth, 2022-27F



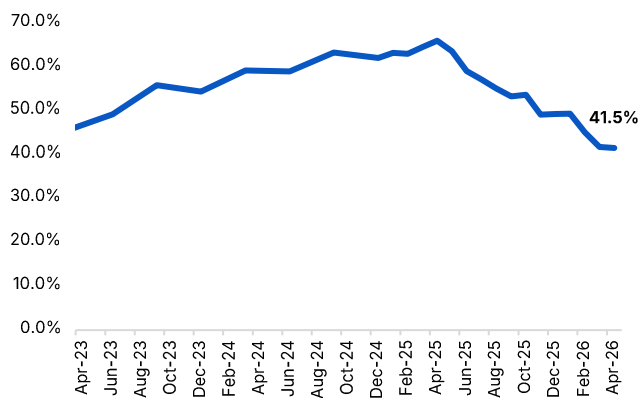
Source: Company, BRIDS Estimates

Exhibit 8. ACES' Weighting and Local Fund Position



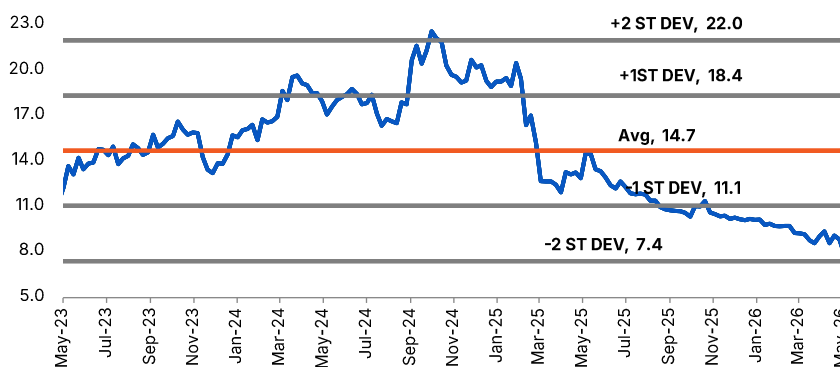
Source: KSEI, BRIDS

Exhibit 9. ACES' Foreign Ownership (Ex-Corporate)



Source: KSEI, BRIDS

Exhibit 10. ACES' PE Band



Source: Company, BRIDS

Exhibit 11. Retail Peers Valuation Table

Ticker	Rec	Target Price (Rp)	Market Cap (Rpbn)	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	EPS Growth (%)	
				2026F	2027F	2026F	2027F	2026F	2026F	2026F	2027F
MAPI	Buy	1,400	24,568	10.9	10.3	1.5	1.3	15.0	0.7	18.6	6.3
MAPA	Buy	800	16,960	9.3	8.0	1.7	1.4	19.8	0.9	18.8	16.2
ACES	Buy	450	5,924	8.6	7.9	0.9	0.8	10.3	5.8	3.5	8.8
MIDI	Buy	500	10,566	11.8	10.4	2.1	1.9	18.7	5.2	13.2	13.4
Sector				10.4	9.4	1.6	1.4	16.6	2.1	16.1	10.7

Source: Bloomberg, BRIDS Estimates

Exhibit 12. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Revenue	8,583	8,639	9,202	9,935	10,717
COGS	(4,400)	(4,524)	(4,842)	(5,201)	(5,592)
Gross profit	4,183	4,115	4,360	4,734	5,125
EBITDA	1,163	774	828	918	1,087
Oper. profit	1,024	626	722	806	873
Interest income	84	74	84	91	95
Interest expense	(132)	(141)	(197)	(199)	(201)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	108	242	219	206	221
Pre-tax profit	1,083	800	827	904	988
Income tax	(199)	(138)	(141)	(145)	(160)
Minority interest	7	6	6	(7)	(7)
Net profit	892	669	692	753	822
Core Net Profit	892	669	692	753	822

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	1,875	2,308	2,266	2,482	2,588
Receivables	45	147	156	169	181
Inventory	3,396	3,172	3,497	3,612	3,883
Other Curr. Asset	633	430	427	406	400
Fixed assets - Net	793	824	920	1,042	1,174
Other non-curr.asset	1,449	1,641	1,671	1,672	1,665
Total asset	8,191	8,522	8,938	9,380	9,892
ST Debt	292	393	413	433	455
Payables	191	161	172	185	199
Other Curr. Liabilities	390	410	439	464	494
Long Term Debt	628	677	677	677	677
Other LT. Liabilities	177	283	299	301	329
Total Liabilities	1,679	1,924	2,000	2,060	2,154
Shareholder's Funds	6,476	6,522	6,868	7,244	7,655
Minority interests	36	75	70	76	83
Total Equity & Liabilities	8,191	8,522	8,938	9,380	9,892

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	892	669	692	753	822
Depreciation and Amort.	139	148	101	106	208
Change in Working Capital	(504)	92	(323)	(114)	(270)
Other Oper. Cash Flow	(106)	363	108	144	157
Operating Cash Flow	421	1,272	577	888	917
Capex	(190)	(179)	(197)	(227)	(340)
Others Inv. Cash Flow	84	74	84	91	95
Investing Cash Flow	(106)	(105)	(113)	(136)	(245)
Net change in debt	45	150	20	21	22
New Capital	(43)	(243)	0	0	0
Dividend payment	(554)	(334)	(346)	(376)	(411)
Other Fin. Cash Flow	(132)	(141)	(197)	(199)	(201)
Financing Cash Flow	(684)	(569)	(523)	(555)	(590)
Net Change in Cash	(369)	598	(59)	197	82
Cash - begin of the year	2,319	1,875	2,308	2,266	2,482
Cash - end of the year	1,875	2,308	2,266	2,482	2,588

Exhibit 15. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	12.6	0.7	6.5	8.0	7.9
EBITDA	14.8	(33.4)	6.9	10.9	18.5
Operating profit	17.8	(38.9)	15.4	11.7	8.3
Net profit	15.8	(25.0)	3.5	8.8	9.3
Profitability (%)					
Gross margin	48.7	47.6	47.4	47.7	47.8
EBITDA margin	13.5	9.0	9.0	9.2	10.1
Operating margin	11.9	7.2	7.8	8.1	8.1
Net margin	10.4	7.7	7.5	7.6	7.7
ROAA	11.2	8.0	7.9	8.2	8.5
ROAE	14.1	10.3	10.3	10.7	11.0
Leverage					
Net Gearing (x)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Interest Coverage (x)	7.7	4.4	3.7	4.0	4.4

Source: ACES, BRIDS Estimates

Equity Research – Company Update

Wednesday, 20 May 2026

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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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