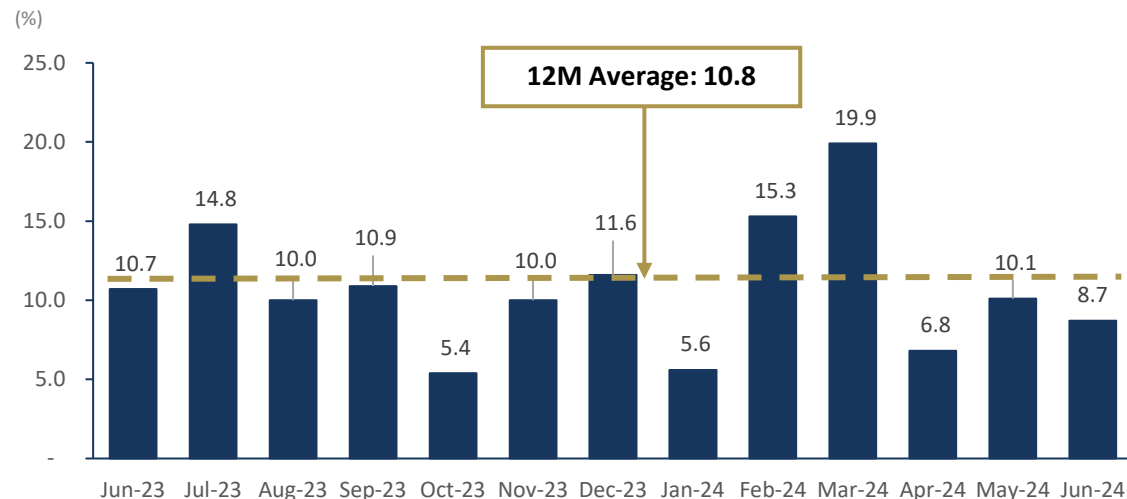


Ace Hardware Indonesia (ACES): IDR 810 — BUY, SSI TP: IDR 930; Cons. TP: IDR 1,010



Monthly SSSG, June '23 - June '24: YTD (10.7%), SSI's FY24 (8.9%)



Peer Comparables

| Company Ticker | Last Price (IDR) | Market Cap (IDR Tn) | P/S (x) | P/E (x) | 2024F | | |
|-------------------|---------------------|------------------------|------------|-------------|-------------------|----------------|-------------|
| | | | | | Div. Yield (%) | EPS Gwt (%) | ROE (%) |
| AMRT IJ | 2,880 | 120 | 1.0 | 29.4 | 1.0 | 20.7 | 26.4 |
| MAPI IJ | 1,400 | 23 | 0.7 | 13.5 | 1.0 | 27.4 | 20.3 |
| ACES IJ | 810 | 14 | 2.0 | 19.2 | 2.7 | 10.6 | 13.2 |
| MIDI IJ | 410 | 14 | 0.7 | 19.1 | 1.4 | 23.1 | 16.2 |
| ERAA IJ | 392 | 6 | 0.1 | 6.7 | 3.8 | 25.5 | 13.1 |
| Sector | | 177.0 | 1.0 | 24.9 | 1.3 | 21.1 | 23.3 |

SWOT Analysis of the Results

Strength

Strong momentum from Java (ex-Jakarta) and ex-Java markets allowed 6M24 SSSG to reach 10.7% (6M23: 10.7%), slightly above our FY24F SSSG forecast of ~8.9%, mainly due to seasonality (religious holidays and long weekends led to temporary outflow of Jakarta residents to other regions)

Weakness

Jakarta stores continued to drag down ACES' overall SSSG, with only single-digit SSSG in June-24 of 3.3% (June-23: 5.4%); we expect the performance of ACES' stores to remain relatively unchanged, considering the somewhat saturated market in the capital

Opportunity

Given the K-shaped economic recovery for ACES due to its middle-up target market and positive momentum from ex-Java markets, ACES' earnings should remain relatively upbeat for the rest of the year

Threat

Worse-than-expected consumer spending due to weak purchasing power and economic slowdown, IDR depreciation, and potential margin pressure from the 200% import duties for Chinese products.

Relative YTD Performance vs JCI

