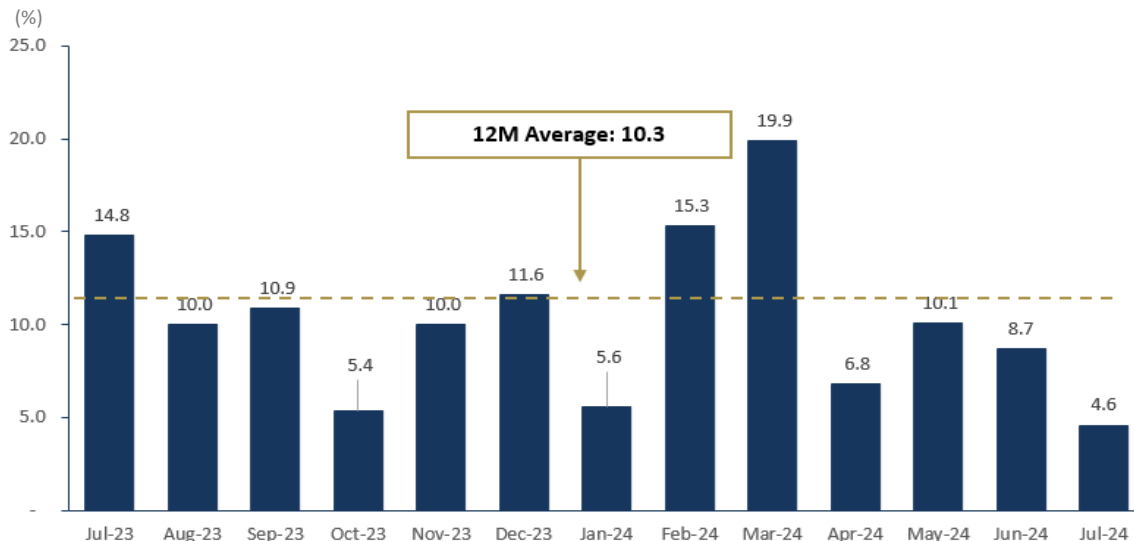


Ace Hardware Indonesia (ACES): IDR 720 — BUY, SSI TP: IDR 930; Cons. TP: IDR 961



Monthly SSSG, July '23 - July '24: YTD (10.1%), SSI's FY24 (8.9%)



SWOT Analysis of the Results

Strength

Robust 7M24 SSSG of ~9.8% (7M23: 6.2%), despite the absence of 'Boom Sale' effect (projected to peak in August); Ex-Java markets booked double-digit 7M24 SSSG of ~12.1% (6M24: 12.8%; 7M23: 11.3%), while Jakarta and Java delivered solid numbers of 5.9% (7M23: 5.3%) and 9.7% (7M23: 3.4%)

Weakness

Soft July SSSG (4.6%) but not YoY apple-to-apple comparison due to timing difference of 'Boom Sale'; Considerable decline in Jakarta's Jul-24 SSSG to 0.3% (Jun-24: 3.3%; Jul-23: 10.4%), which we attribute to the highly saturated market

Opportunity

Strong 8M24 SSSG to fully materialize on the effect of 'Boom Sale', which started 31st July – Mid August; K-shaped economic recovery and positive momentum from ex-Java markets to support sales; market underperformance should provide buying opportunities

Threat

Potential impositions of additional VAT to 12% and Import tax duty on Chinese products may dampen ACES's sales; Worse-than-expected consumer spending (due to weak purchasing power and economic slowdown)

Peer Comparables

Company Ticker	Current	Market	2024F				
	Price (IDR)	Cap (IDR Tn)	P/S (x)	P/E (x)	Div. Yield (%)	EPS Gwt (%)	ROE (%)
AMRT IJ	2.860	118.8	1.0	29.4	1.1	20.2	26.4
MAPI IJ	1,420	14.0	0.7	11.4	1.0	7.9	18.0
ACES IJ	720	12.3	2.0	14.3	4.1	12.5	13.6
MIDI IJ	420	6.8	0.7	19.1	1.4	23.1	16.2
ERAA IJ	428	23.6	0.1	6.6	4.5	18.8	10.4
Sector		176	0.9	23.3	1.8	17.0	22.2

Relative YTD Performance vs JCI

