

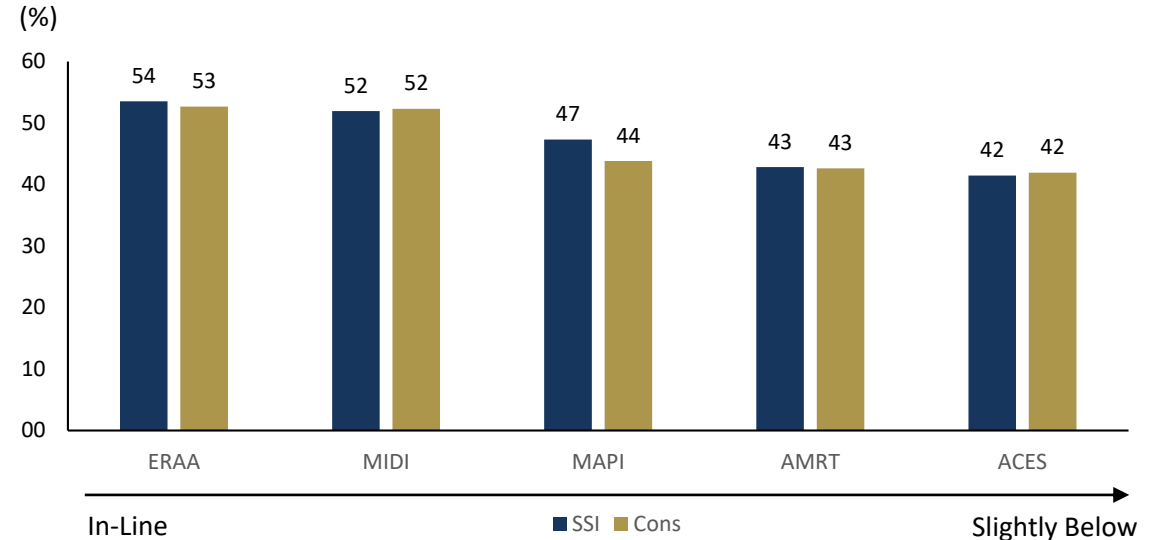
## Our Take on the Sector

- ❑ Retailers under our coverage posted consolidated 1H24 top-line growth of +12.3% YoY. MAPI posted the highest growth (+15.4% YoY), followed by ERAA (+14.6% YoY) and ACES (+13.9% YoY), with overall SSSG at mid-high single digit. On the bottom line, our retail coverage booked consolidated growth of +7.1% YoY, with MIDI and ACES delivering strong growth of +25.2% YoY and +20.9% YoY on the back of ex-Java momentum. However, MAPI reported net profit decline of -11.4% YoY, primarily due to the opening of new stores, which affected the company's profitability.
- ❑ We expect strong performance from retailers in the second part of the year, driven by robust demand from the middle-up segment and the upcoming government aid in 2H, which is expected to boost demand from the lower-end segment. However, the potential imposition of 200% import tax on Chinese products may hurt retailers with high exposure to Chinese inventory, including ACES, RALS, and MAPI (above 50%), while AMRT and MIDI are likely to see minimal impact.
- ❑ At this juncture, we maintain our OW rating on the retail sector with pecking order of ERAA>ACES>MIDI>AMRT>MAPI. We believe retailers focusing on the middle-up segment are well-positioned to benefit from robust demand, especially given the K-shaped economic recovery; additionally, we believe ERAA's undemanding valuation is quite attractive at the moment. Downside risks: 1) lower-than-expected purchasing power, 2) USD rebound.

## Peer Comparables

Company	Market		Last Target		2024F				
	Cap	Rating	Price	Price	P/S	P/E	Div. Yield	EPS Gwt	ROE
Ticker	(IDR Tn)		(IDR)	(IDR)	(x)	(x)	(%)	(%)	(%)
AMRT IJ	120.0	BUY	2,840	3,250	1.0	29.4	1.1	20.2	26.4
MAPI IJ	14.2	BUY	1,520	1,600	0.7	12.6	0.9	5.5	17.6
ACES IJ	12.3	BUY	730	930	2.0	14.3	4.1	12.5	13.5
MIDI IJ	7.0	BUY	428	560	0.7	19.1	1.4	23.1	16.2
ERAA IJ	25.2	BUY	444	570	0.1	6.6	4.5	18.8	10.4
<b>Sector</b>	<b>178.8</b>				<b>0.9</b>	<b>23.4</b>	<b>1.8</b>	<b>18.4</b>	<b>22.2</b>

## 1H24 Net Profit / SSI & Cons



## YTD Relative Performance vs JCI

