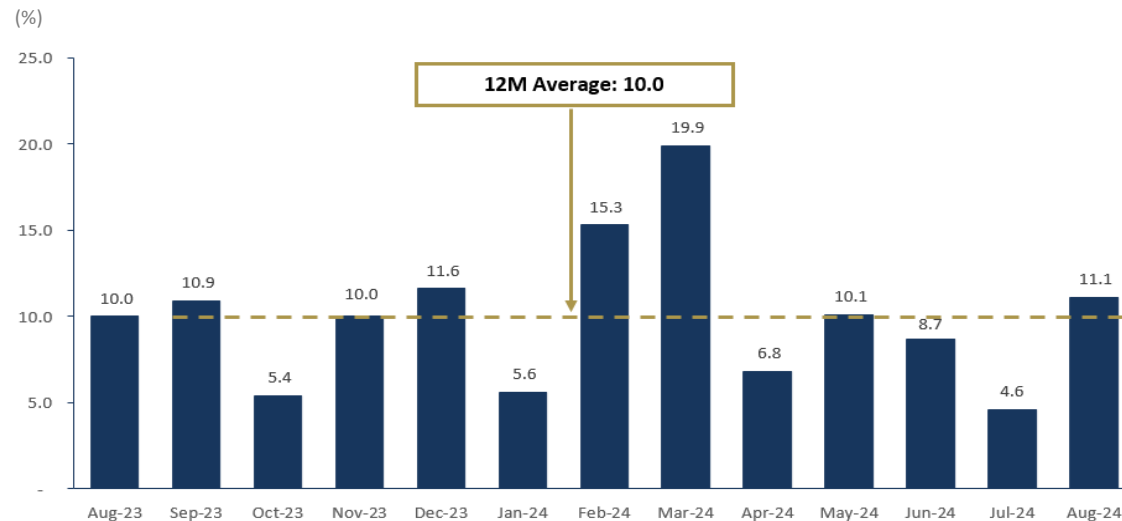


Ace Hardware Indonesia (ACES): IDR 820 — BUY, SSI TP: IDR 930; Cons. TP: IDR 957



Monthly SSSG, Sep '23 - Aug'24: YTD (10.0%), SSI's FY24 (8.9%)



Peer Comparables

Company Ticker	Rating	Market Cap (IDR Tn)	Last Price (IDR)	TP (IDR)	2024F				
					EPS Gwt (%)	P/E (x)	P/S (x)	Div. Yield (%)	ROE (%)
AMRT IJ	BUY	129.6	3,120	3,250	20.2	29.4	1.1	1.0	26.4
MAPI IJ	BUY	29.5	1,780	1,600	2.6	15.2	0.8	0.7	17.5
ACES IJ	BUY	14.1	820	930	12.3	16.4	1.7	3.5	13.5
MIDI IJ	BUY	15.2	454	560	23.1	19.1	0.7	1.3	16.2
ERAA IJ	BUY	7.2	454	500	18.8	6.6	0.1	4.5	10.4
Sector		195.6			17.1	24.7	1.0	1.3	22.7

SWOT Analysis of the Results

Strength

Robust 8M24 SSSG of ~9.9% (7M24: 9.8%; 8M23: 7.0%), thanks to 'boom sale' effect started in late July-24; ex-Java markets booked double-digit Aug-24 SSSG of ~14.9% (July-24: 8.5%; Aug-23: 13.0%), while Jakarta and Java delivered solid figures of 5.9% (July-24: 0.3%) and 9.8% (July-24: 3.5%)

Weakness

Considerable YoY decline in Jakarta's Aug-24 SSSG to 5.9% (Aug-23: 11.0%), which we attribute to highly saturated market; the most expensive P/S valuation in our sector coverage

Opportunity

We expect ex-Java markets to maintain their upbeat momentum; this, coupled with K-shaped economic recovery, should support sales going forward and potentially continued market outperformance

Threat

Worse-than-expected consumer spending (due to weak purchasing power, economic slowdown, and shrinking middle class) as well as potential Import tax on Chinese products may dampen ACES's profitability ahead

Relative YTD Performance vs JCI

