

Flash Focus – Aspirasi Hidup Indonesia (ACES IJ)

Mirae Asset Sekuritas Indonesia Research

Abyan H. Yuntoharjo abyan.yuntoharjo@miraeasset.co.id

Monthly SSSG update - sales momentum intact

June 21, 2024

◆ **May SSSG solidifies at 10.1% YoY:** ACES' May SSSG exceeded expectations despite a post-Eid lull. Java ex-Jakarta and ex-Java regions led growth, while Jakarta region has room for improvement. YTD SSSG remains strong at 11.1% YoY. Management attributes success to new product launches, long weekends (Labor Day, Ascension Day, Vesak Day), and electrical product promotions. Overall, May and YTD performance are positive compared to historical post-Eid trends.

Figure 1. Indicative sales data

Sales	5M18	5M19	5M20	5M21	5M22	5M23	5M24 (Actual)	5M24F (MASI)	5M24F (Consensus)
Indctv. Sales (IDRbn)	2,626	3,181	3,011	2,848	2,775	2,974	3,427	3,494	3,428
Run rate (%)	36.8	39.5	40.4	43.6	41.5	39.6			
Growth (% YoY)	n/a	21.1	-5.3	-5.4	-2.6	7.2	15.2	17.5	15.3

Monthly sales	May-18	May-19	May-20	May-21	May-22	May-23	May-24	5-year avg	5-year avg (ex. 2021)
Indctv. Sales (IDRbn)	564	681	579	637	573	604	688	618	600
Monthly (% MoM)	10.6	5.4	32.9	22.3	0.0	-12.7	-9.8	9.6	7.2
Monthly (% YoY)	n/a	20.7	-14.9	9.9	-10.0	5.4	13.9	2.2	0.3

Source : Company data, Mirae Asset Sekuritas Indonesia Research

Figure 2. SSSG data

SSSG YTD (%)	5M18	5M19	5M20	5M21	5M22	5M23	5M24
Jakarta	9.6	8.5	-6.6	-9.3	-4.6	3.6	7.7
Java Ex-Jakarta	12.2	7.1	-6.5	-5.4	-5.6	0.3	11.6
Ex-Java	18.4	10.0	-9.7	-2.2	-2.8	8.4	12.5
Total	13.2	8.3	-7.6	-5.4	-2.8	3.5	11.1

SSSG Monthly (%)	May-18	May-19	May-20	May-21	May-22	May-23	May-24
Jakarta	10.2	12.3	-18.5	4.0	-10.6	1.1	6.6
Java Ex-Jakarta	15.3	10.2	-12.6	7.5	-14.3	0.8	11.1
Ex-Java	18.2	11.3	-25.5	10.7	-10.0	1.7	10.9
Total	14.6	11.1	-18.2	7.6	-12.2	1.1	10.1

SSSG (%)	May-24	5M24
Jakarta	6.6	7.7
Java Ex-Jakarta	11.1	11.6
Ex-Java	10.9	12.5
Total	10.1	11.1

SSSG (%)	11M23	12M23	1M24	2M24	3M24	4M24	5M24
Jakarta	5.5	6.3	3.8	7.3	9.4	7.9	7.7
Java Ex-Jakarta	5.2	5.8	5.9	10.7	13.7	11.7	11.6
Ex-Java	12.7	8.1	6.1	10.6	14.9	12.9	12.5
Total	7.6	8.1	5.6	10.0	13.2	11.4	11.1

Source : Company data, Mirae Asset Sekuritas Indonesia Research

◆ **Upside catalysts:** We anticipate a strong Q4 driven by year-end festivities, potential interest rate cuts, and ACES' focus on the resilient mid-to-upper income segment. Their store expansion, productivity improvements, and consistent promotions should further support sales growth.

◆ **Forecast maintained:** We maintain our FY24 forecast of sales growth >10% YoY, SSSG >7% YoY. ACES' marketing activities aim to sustain momentum and SSSG in June.

◆ **Limited Eid tailwind:** While the Eid Al-Adha long weekend (17-18 Jun) may provide a slight foot traffic bump, its impact is likely short-lived.

◆ **AGMS and EGMS last Friday:** 1) ACES shareholders approved a cash dividend of IDR33.5/share, translating to a 3.9% dividend yield and a 75% payout ratio; and 2) the company received approval to change its name from PT ACE Hardware Indonesia Tbk to PT Aspirasi Hidup Indonesia Tbk (PT. AHI). This shift signifies their move beyond hardware and towards a broader focus on home and lifestyle products, aiming to deliver life improvement solutions to customers.

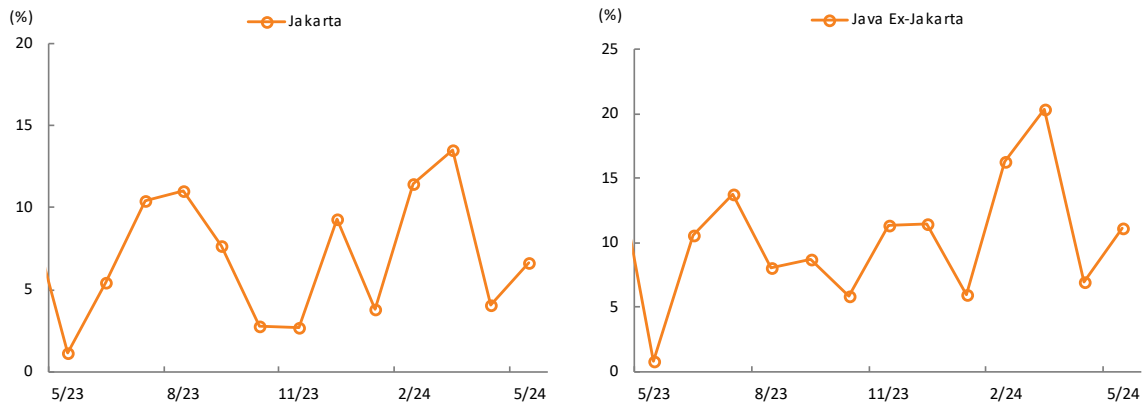
◆ **Valuations:** Our previously updated target price for ACES in **IDR1,100**, reflecting a 24F P/E ratio of 22.5x, which is approximately 0.5SD below its 5-year average. Upside/downside risk include 1) higher/lower SSSG; and 2) higher/lower people purchasing power.

Figure 3. Boom sale event in June to July as a traffic puller



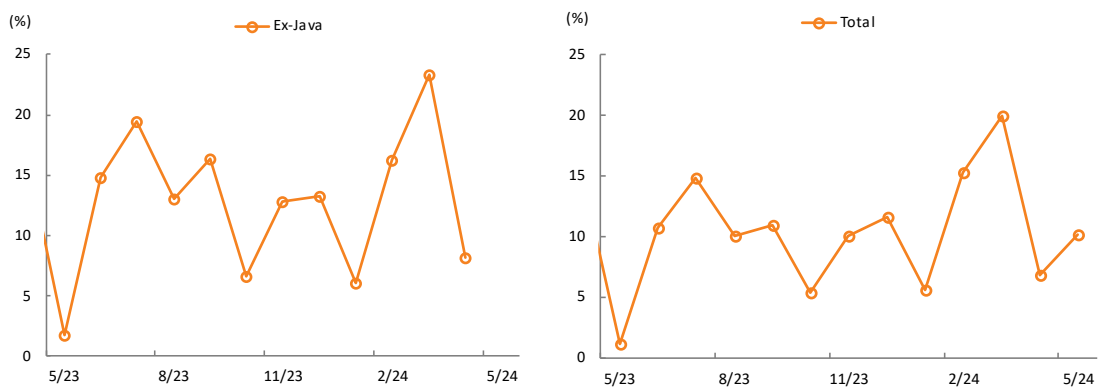
Source : Company data, Mirae Asset Sekuritas Indonesia Research

Figure 4. ACES monthly SSSG by region



Source : Company data, Mirae Asset Sekuritas Indonesia Research

Figure 5. ACES monthly SSSG total and Ex-Java



Source : Company data, Mirae Asset Sekuritas Indonesia Research

Important disclosures & disclaimers

Analyst certification

The research analysts who prepared this report (the "Analysts") are certified to the Indonesia Financial Services Authority and are subject to Indonesian Capital Market regulations. They are neither registered as research analysts in any other jurisdiction nor subject to the laws or regulations thereof. Each Analyst responsible for the preparation of this report certifies that (i) all views expressed in this report accurately reflect the personal views of the Analyst about any and all of the issuers and securities named in this report; (ii) no part of the compensation of the Analyst was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report; and (iii) The report does not contain any material non-public information. Except as otherwise specified herein, the Analysts have not received any compensation or any other benefits from the subject companies in the past 12 months and have not been promised the same in connection with this report. Like all employees of MASID, the Analysts receive compensation that is determined by overall firm profitability, which includes revenues from, among other business units, the institutional equities, investment banking, proprietary trading, and etc. At the time of publication of this report, the Analysts do not know or have reason to know of any actual, material conflict of interest of the Analyst or MASID except as otherwise stated herein.

Disclaimers

This report was prepared by MASID, a broker-dealer registered in the Republic of Indonesia and a member of the Indonesia Stock Exchange; on behalf of MASID and its affiliated companies and is provided for information purposes only. Information and opinions contained herein have been compiled in good faith and from sources believed to be reliable, but such information has not been independently verified and MASID (including but not limited to the Analyst, respective employees who owns the expertise) makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein or of any translation into English from the Indonesia language or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof. In case of an English translation of a report prepared in the Indonesia language, the original Indonesian language report may have been made available to investors in advance of this report.

The intended recipients of this report are sophisticated institutional investors who have substantial knowledge of the local business environment, its common practices, laws, and accounting principles, and no person whose receipt or use of this report would violate any laws or regulations or subject MASID or any of its affiliates to registration or licensing requirements in any jurisdiction shall receive or make any use hereof.

This report is for general information purposes only and is not and shall not be construed as an offer or a solicitation of an offer to effect transactions in any securities or other financial instruments. The report does not constitute investment advice to any person, and such person shall not be treated as a client of MASID by virtue of receiving this report. This report does not take into account the particular investment objectives, financial situations, or needs of individual clients. The report is not to be relied upon in substitution for the exercise of independent judgment. Information and opinions contained herein are as of the date hereof and are subject to change without notice. The price and value of the investments referred to in this report and the income from them may depreciate or appreciate, and investors may incur losses on investments. Past performance is not a guide to future performance. Future returns are not guaranteed, and a loss of original capital may occur. Please note that the graphs, charts, formulae, or other devices set out or referred to in this document cannot, in and of itself, be used to determine in deciding which securities to buy or sell, or when to buy or sell a securities. MASID, its affiliates, and their directors, officers, employees, and agents do not accept any liability (express or implied) for any loss arising out of the use hereof and howsoever arising (including, but not limited for any claims, proceeding, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report.

MASID may have issued other reports that are inconsistent with, and reach different conclusions from, the opinions presented in this report. The reports may reflect different assumptions, views, and analytical methods of the analysts who prepared them. MASID may make investment decisions that are inconsistent with the opinions and views expressed in this research report. MASID, its affiliates, and their directors, officers, employees, and agents may have long or short positions in any of the subject securities at any time and may make a purchase or sale, or offer to make a purchase or sale, of any such securities or other financial instruments from time to time in the open market or otherwise, in each case either as principals or agents. MASID and its affiliates may have had, or may be expecting to enter into, business relationships with the subject companies to provide investment banking, market-making, or other financial services as are permitted under the applicable laws and regulations. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advisors. Should you choose not to seek such advice, you should consider carefully whether the securities is suitable for you.

No part of this document may be copied or reproduced in any manner or form or redistributed or published, in whole or in part, without the prior written consent of MASID. The media is not allowed to quote this report in any article whether in full or in parts without permission from MASID. For further information regarding company-specific information as it pertains to the representations and disclosures in this Appendix 1, please contact researchteam@miraesaset.co.id or +62 (21) 5088-7000.

Distribution

United Kingdom: This report is being distributed by Mirae Asset Securities (UK) Ltd. in the United Kingdom only to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (ii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(A) to (E) of the Order (all such persons together being referred to as "Relevant Persons"). This report is directed only at Relevant Persons. Any person who is not a Relevant Person should not act or rely on this report or any of its contents.

United States: MASID is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This report is distributed in the U.S. by Mirae Asset Securities (USA) Inc., a member of FINRA/SIPC, to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6(b)(4) under the U.S. Securities Exchange Act of 1934, as amended. All U.S. persons that receive this document by their acceptance hereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to MASID or its affiliates. Any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Mirae Asset Securities (USA) Inc. Mirae Asset Securities (USA) Inc. accepts responsibility for the contents of this report in the U.S., subject to the terms hereof, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through MASID. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. persons absent registration or an applicable exemption from the registration requirements.

Hong Kong: This report is distributed in Hong Kong by Mirae Asset Securities (HK) Limited, which is regulated by the Hong Kong Securities and Futures Commission. The contents of this report have not been reviewed by any regulatory authority in Hong Kong. This report is for distribution only to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571, Laws of Hong Kong) and any rules made thereunder and may not be redistributed in whole or in part in Hong Kong to any person.

India: This report is being distributed by Mirae Asset Capital Markets (India) Private Limited ("MACM") in India to the customers based in India and is personal information only for those authorised recipient(s). MACM is inter alia a Securities and Exchange Board of India ("SEBI") registered Research Analyst in India and is not registered outside India. MACM and Mirae Asset, Korea are group entities. MACM makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained herein. The user assumes the entire risk of any use made of this information. This report has been provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipient must read the entire Appendix 1 to the report carefully for Important Disclosures & Disclaimers.

All other jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact MASID or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject MASID and its affiliates to any registration or licensing requirement within such jurisdiction.