

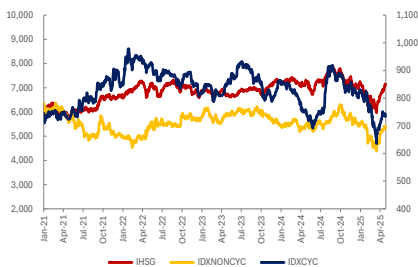


## Neutral

IDXCYC (May 22 <sup>nd</sup> , 25)	750
Number of companies	152
Market Cap	444.05 T
52w Lo/Hi	925 / 633
6 Months Changes	-9.81%
YTD Changes	-10.19%

Source : IDX | Phintraco Sekuritas Research

IHSG vs IDXNONCYC vs IDXCYC



Source : IDX

Stock	Fair Value	Potential Upside
ERAA	555	-1.77%
AMRT	2570	-1.15%
MIDI	428	-1.38%
ACES	685	15.13%

as of May 22<sup>nd</sup>, 2025

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## Consumer Sector: Retailers

## Strong Expansion Drives Retailers Sector Growth

**Public consumption tends to improve in April 2025.** Inflation in Indonesia was at 1.95% YoY in April 2025, higher than the previous realization of 1.03% YoY in March 2025. This condition indicates that the public purchasing power tends to improve in April 2025. On an annual basis, inflation in April 2025 occurred due to price increases of most expenditure group indices, with the food, beverage, and tobacco group experiencing the highest increase of 2.17% YoY. We assess that if the improvement in purchasing power tends to continue in the future, it will potentially positively impact the performance of retail issuers.

**Technological advances drive the digital transformation of retailers.** The strategy implemented by retail companies in adapting to the rapid advancement of technology is to provide e-commerce platforms to make it easier for modern consumers to reach products from the company. From the company's side, the digital transformation carried out has the potential to reach more consumers, especially in various regions that do not have physical outlets. We assess that this condition has the potential to positively impact the company's performance in the long term.

**Retailer store expansion still continues.** Since 2018, retailers have continued to expand their outlets ([Figure 6](#)). This condition indicates that the retail sector still has great potential in the long term. The expansion strategy undertaken by retailers can strengthen the industry's competitiveness. In addition, the expansion has the potential to reach more consumers, which will positively impact the company's growth in the long term.

**The revenue of retailers in our coverage tends to be solid.** Until 1Q25, the revenue performance of retail issuers was relatively increased compared to 1Q24, except for ERAA, which booked a revenue decrease of 4.6% YoY to IDR15.88 trillion in 1Q25. Meanwhile, other retailers such as AMRT posted revenue growth of 11.8% YoY to IDR32.77 trillion, MIDI grew 15.3% YoY to IDR5.52 trillion, and ACES grew 7.2% YoY to IDR2.13 trillion in 1Q25.

**Neutral rating on the Retailers Sector.** With various catalysts, such as continued pressure on the lower middle class and mixed performance of retailers issuers in 1Q25, we give a Neutral rating on the retailers sector. Retailers issuers in our coverage are ERAA, with an estimated fair value of IDR555 ([full report](#)); AMRT, with an estimated fair value of IDR2,570 ([full report](#)); MIDI, with an estimated fair value of IDR428 ([full report](#)); and ACES, with an estimated fair value of IDR685 ([full report](#)).

## Public consumption tends to improve in April 2025

Data from the Central Bureau of Statistics (BPS) showed that inflation in Indonesia was at 1.95% YoY in April 2025, lower than in April 2024, which was at 3% YoY. However, the inflation realization in April 2025 was higher than the previous realization of 1.03% YoY in March 2025. This condition indicates that public purchasing power tends to improve in April 2025. Previously, Indonesia experienced a deflation of 0.09% YoY, which was in line with the government's 50% electricity tariff incentive from January to February 2025, so the deflationary conditions that occurred were relatively reasonable. On an annual basis, inflation in April 2025 occurred due to price increases in most expenditure group indices, with the food, beverage, and tobacco group experiencing the highest increase of 2.17% YoY. We assess that if the improvement in purchasing power tends to continue in the future, it will potentially positively impact the performance of retail issuers.

Figure 1. Inflation Rate (YoY)

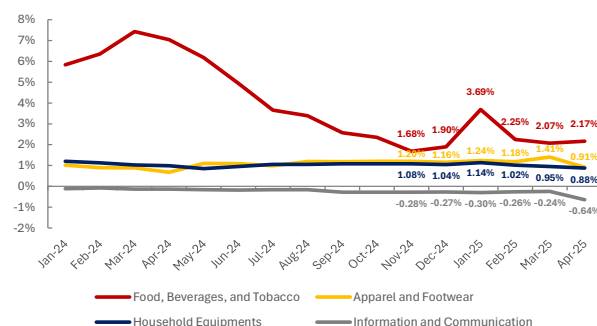


Source : BPS | Phintraco Sekuritas Research

## Inflation trends in each expenditure group are relatively mixed

In April 2025, inflation in the food, beverage, and tobacco group stood at 2.17% YoY. Although lower than April 2024, the realization was higher than the previous realization, which stood at 2.07% YoY in March 2025. This condition indicates that public consumption in this group has improved from the previous month, so we consider that this could potentially be a positive sentiment for retail issuers, especially those related to this group. In addition, the inflation of apparel, footwear, and household equipment was relatively stable at 4M25. Average inflation for apparel and footwear stood at 1.19% in 4M25 (vs. 0.87% in 4M24), while home equipment stood at 1% in 4M25 (vs. 1.09% in 4M25). The stability of inflation in both groups can potentially maintain public consumption in both groups.

Figure 2. Inflation by Expenditure



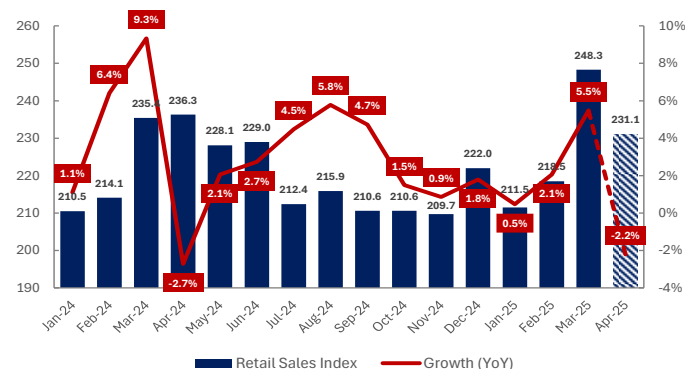
Source : BPS | Phintraco Sekuritas Research

Meanwhile, the information and communication group experienced another deflation of 0.64% YoY in April 2025, reaching its lowest level since early 2024. We assess that the deflation in this group is in line with the decrease in the price of products such as smartphones due to the release of new smartphones and intense competition within the sector related to this group, so the price of products is relatively affordable. This condition can potentially reduce the profitability of issuers related to this sector, but public consumption has the potential to increase along with affordable product prices.

## Retail Sales Index (RSI) relatively strengthened in 3M25

Based on a survey conducted by Bank Indonesia, the Real Sales Index (RSI) increased by 5.5% YoY to 248.3 in March 2025. This increase was in line with the momentum of Ramadan and Eid preparations in March 2025, so public consumption relatively increased in that period. This realization is the highest level since the beginning of 2024. On a monthly basis, RSI in March 2025 increased by 13.6% MoM, with food, beverages, and tobacco groups being the main contributors. Bank Indonesia expects RSI in April 2025 to experience a contraction of 6.9% MoM to a 231.1 level, which is in line with the potential decrease in retail sales, which is affected by the normalization of public demand after Ramadan and Eid. We consider this estimate reasonable, and if the realization of RSI can be stable in the future, then it has the potential to boost the performance of retail issuers in Indonesia.

Figure 3. Retail Sales Index

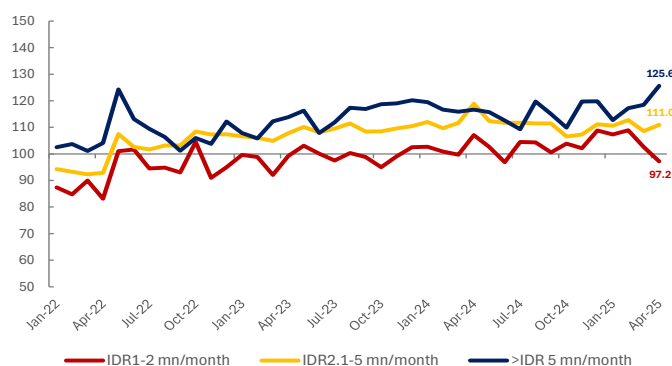


Source : BI | Phintraco Sekuritas Research

## Pressure on the lower middle class continues in April 2025

High-income consumers continued to lead durable goods spending in April 2025 and recorded the highest since early 2022 at 125.6. In addition, durable goods spending by middle-income consumers increased to 111.0 in April 2025 (vs. 108.6 in March 2025). This indicates that middle to high-income consumers have relatively high consumption levels and, therefore, tend to increase durable goods purchases. Meanwhile, spending on durable goods by lower-middle-income consumers continued to decrease at 97.2 in April 2025 (vs. 102.6 in March 2025). This indicates that middle to lower-income consumers tend to postpone or reduce durable goods purchases in the past two months.

Figure 4. Durable Goods Purchasing Index



Source : BI | Phintraco Sekuritas Research

## Technological advances drive the digital transformation of retailers

The rapid advancement of technology in recent years has encouraged retail companies to adapt by transforming to a digital system. The strategy applied by retail companies in this adaptation is to provide e-commerce platforms to help modern consumers reach products from the company. The mid-2000s marked the emergence of various e-commerce platforms provided by retailers in Indonesia that allowed consumers to shop online. This condition gives consumers an easier, more practical, and more flexible shopping experience. From the company's perspective, digital transformation can potentially reach more consumers, especially in areas that do not have physical outlets. We assess that this condition has the potential to positively impact the company's performance in the long term.

Figure 5. Various E-Commerce Platform of Retailers

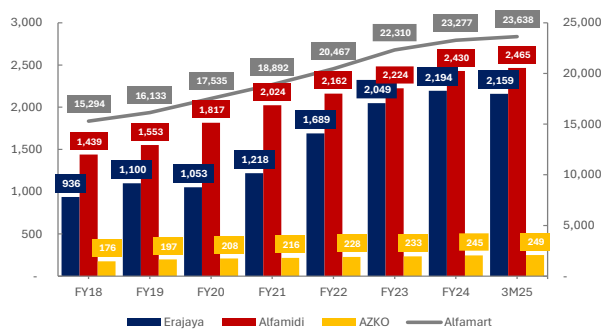


Source : Company

## Retailer store expansion still continues

Since 2018 until now, retailers have continued to expand their outlets (Figure 6). This condition indicates that the retail sector still has great potential in the long term. The expansion strategy undertaken by retailers can strengthen competitiveness in the industry. In addition, the expansion also has the potential to reach more consumers, which will positively impact the company's growth in the long term. We assess that the expansion of retail outlets still has the potential to continue in the future, along with Indonesia's large coverage area and population, which continues to grow yearly. This also has the potential to boost retailers' financial performance in the future.

Figure 6. Store Expansion of Retailers

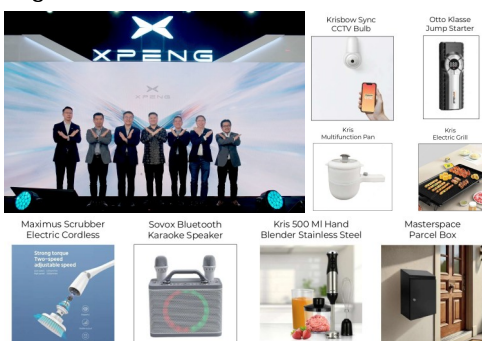


Source : Company | Phintraco Sekuritas Research

## Product innovation and business portfolio expansion drive growth

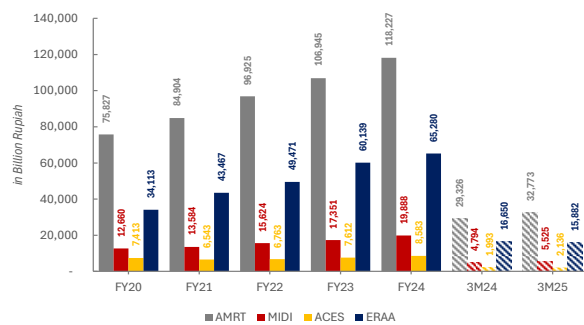
Product innovations developed by retailers, especially in the household appliances category, have the potential to add appeal to consumers. This step can potentially encourage consumer loyalty to the company to drive the company's performance in the long run. In addition, the expansion of business portfolios carried out by retailers such as ERAA is a strategic step to capitalize on the lifestyle trends of modern society. Currently, ERAA has expanded its business portfolio to the Smart EV sector as a step to keep up with the development or changes in public lifestyles in this modern era. This has the potential to drive the company's long-term growth and add new sources of revenue.

Figure 7. XPENG Launch and AZKO Innovation Products



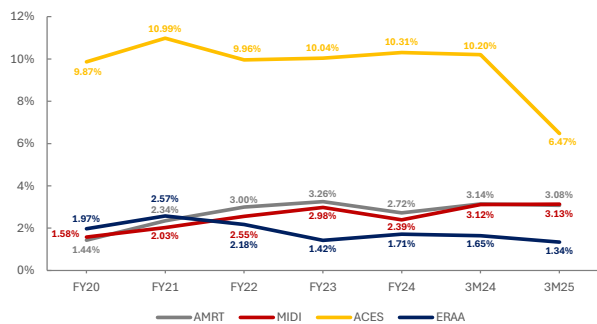
Source : Company

Figure 8. Revenue Performance



Source : Company | Phintraco Sekuritas Research

Figure 9. Net Profit Margin



Source : Company | Phintraco Sekuritas Research

Table 1. Fair Value of Retailers in Our Coverage

Stock	Market Price*	Fair Value	Potential Upside
ERAA	565	555	-1.77%
AMRT	2,600	2,570	-1.15%
MIDI	434	428	-1.38%
ACES	595	685	15.13%

\*as of closing price May 22nd, 2025

Source : Company | Phintraco Sekuritas Research

## The revenue of retailers in our coverage tends to be solid

Historically, in the last 5 years, the revenue of retail issuers in our coverage tends to increase yearly. Until 1Q25, the revenue performance of retail issuers had increased relatively compared to 1Q24, except for ERAA, which booked a revenue decrease of 4.6% YoY to IDR15.88 trillion in 1Q25. The decrease in ERAA's revenue was in line with the operator product segment sales, which decreased significantly by 28.23% YoY, followed by the cellular phone and tablet segment as the largest contributor to ERAA's revenue, which decreased by 9.15% YoY. Meanwhile, other retailers such as AMRT booked revenue growth of 11.8% YoY to IDR32.77 trillion, MIDI grew 15.3% YoY to IDR5.52 trillion, and ACES grew 7.2% YoY to IDR2.13 trillion in 1Q25. Revenue growth in these issuers is in line with the increase in sales in each segment with a large revenue contribution.

## The net profit margin of retailers tends to be mixed in 1Q25

In the last 5 years, the net profit margin (NPM) trend of retailers in the food and beverage category, such as AMRT and MIDI, tends to stabilize. This trend continued until 1Q25, where the NPM gains of these retailers were relatively stable compared to 1Q24. Meanwhile, other retailers such as ACES and ERAA tend to have fluctuating NPM trends in the last 5 years. In 1Q25, ACES' NPM experienced a significant decline of around 370 bps to 6.47%. This decline was in line with the pressure on operating expenses due to rebranding and seasonal THR payments. Meanwhile, ERAA's NPM also decreased by around 30 bps to 1.34% in 1Q25, which aligns with the decline in revenue and increased operating expenses.

## Neutral rating on the Retailers Sector

With various catalysts, such as continued pressure on the lower middle class and mixed performance of retailers issuers in 1Q25, we give a Neutral rating to the retailers sector. However, we assess that the improvement in public consumption in April 2025 and the continued expansion of retailers' outlets will potentially drive retailers' sector growth. In addition, the seasonal decrease in ACES' NPM and the decrease in ERAA's NPM due to the ban on the iPhone 16 series in Indonesia, which caused a decrease in revenue in 1Q25, still have the potential to recover in the future. Retailers issuers in our coverage are ERAA, with an estimated fair value of IDR555 ([full report](#)); AMRT, with an estimated fair value of IDR2,570 ([full report](#)); MIDI, with an estimated fair value of IDR428 ([full report](#)); and ACES, with an estimated fair value of IDR685 ([full report](#)).

## Financial Performance

(in Billion Rupiah)

Financial Performance		FY22	FY23	FY24	3M25	FY25F	FY26F
Revenue	AMRT	96,925	106,945	118,227	32,773	130,909	144,953
	MIDI	15,624	17,351	19,888	5,525	22,060	24,476
	ACES	6,763	7,612	8,583	2,136	9,497	10,513
	ERAA	49,471	60,139	65,280	15,882	71,182	77,837
Cost of Goods Sold	AMRT	(76,902)	(83,879)	(92,862)	(25,600)	(102,119)	(112,293)
	MIDI	(11,670)	(12,843)	(14,656)	(4,074)	(16,319)	(18,174)
	ACES	(3,495)	(3,914)	(4,400)	(1,111)	(4,934)	(5,456)
	ERAA	(44,110)	(53,692)	(58,004)	(14,088)	(63,280)	(69,179)
Gross Profit	AMRT	20,022	23,066	25,365	7,172	28,790	32,660
	MIDI	3,953	4,509	5,232	1,451	5,741	6,302
	ACES	3,268	3,698	4,183	1,025	4,563	5,057
	ERAA	5,362	6,448	7,276	1,795	7,902	8,658
EBIT	AMRT	3,770	4,429	4,079	1,260	5,529	6,941
	MIDI	638	743	719	245	910	943
	ACES	876	1,000	1,167	192	1,199	1,333
	ERAA	1,793	1,846	2,132	432	2,340	2,576
Net Profit	AMRT	2,907	3,484	3,220	1,008	4,395	5,517
	MIDI	399	516	476	173	654	672
	ACES	674	764	885	138	943	1,055
	ERAA	1,077	857	1,119	212	1,227	1,380

Source : Company | Phintraco Sekuritas Research

## Profitability Ratio

(in Billion Rupiah)

Profitability Ratio		FY22	FY23	FY24	3M25	FY25F	FY26F
GPM	AMRT	20.66%	21.57%	21.45%	21.88%	21.99%	22.53%
	MIDI	25.30%	25.98%	26.31%	26.26%	26.02%	25.75%
	ACES	48.32%	48.58%	48.74%	47.97%	48.05%	48.10%
	ERAA	10.84%	10.72%	11.15%	11.30%	11.10%	11.12%
OPM	AMRT	3.89%	4.14%	3.45%	3.85%	4.22%	4.79%
	MIDI	4.08%	4.28%	3.62%	4.43%	4.13%	3.85%
	ACES	12.95%	13.14%	13.60%	8.97%	12.62%	12.68%
	ERAA	3.62%	3.07%	3.27%	2.72%	3.29%	3.31%
NPM	AMRT	3.00%	3.26%	2.72%	3.08%	3.36%	3.81%
	MIDI	2.55%	2.98%	2.39%	3.13%	2.96%	2.74%
	ACES	9.96%	10.04%	10.31%	6.47%	9.93%	10.03%
	ERAA	2.18%	1.42%	1.71%	1.34%	1.72%	1.77%
ROA	AMRT	9.46%	10.17%	8.30%	2.17%	10.01%	11.14%
	MIDI	5.78%	6.63%	5.45%	1.82%	6.84%	6.32%
	ACES	9.29%	9.85%	10.80%	1.64%	10.81%	11.41%
	ERAA	6.31%	4.19%	5.14%	0.75%	5.26%	5.48%
ROE	AMRT	25.35%	22.18%	18.20%	5.40%	21.53%	23.24%
	MIDI	20.09%	13.20%	11.08%	3.88%	13.85%	12.93%
	ACES	11.35%	12.35%	13.59%	2.08%	13.81%	14.67%
	ERAA	14.95%	10.54%	12.36%	2.28%	12.33%	12.61%

Source : Company | Phintraco Sekuritas Research





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## Rating for Sectors :

Overweight : The sector is expected to do better than the market.

Equal Weight : The sector is expected to do an average performance compared to the market.

Underweight : The sector is expected to do worse than the market.

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**Kantor Cabang & Mitra GI BEI**



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