Aldira | Equity Research

11 November 2026

Sumber Alfaria Trijaya Tbk · AMRT IJ · Consumer Staples Retail

Financial Highlights	2024A	2025A	2026F	2027F	2028F
(IDR tn unless stated)					
Revenue	118.2	126.7	136.3	146.6	158.6
Gross Profit	25.4	27.8	30.4	32.8	35.5
EBITDA	8.3	9.1	9.6	10.6	11.6
Operating Profit	4.1	4.6	4.9	5.4	6.0
Net Profit	3.1	3.4	3.7	4.1	4.6
EPS (IDR)	76	82	90	99	112
P/E (x)	12.3	11.3	10.4	9.4	8.3
EV/EBITDA (x)	4.4	4.1	3.9	3.4	3.0
P/BV (x)	2.36	2.13	2.04	1.82	1.63
Dividend Yield	3.7%	4.5%	4.8%	5.3%	6.0%
ROA	8.1%	8.0%	8.4%	8.4%	8.7%
ROE (%)	19.2	18.9	19.6	19.4	19.7
Gross Margin (%)	21.5	21.9	22.3	22.3	22.4
EBITDA Margin	7.0%	7.2%	7.1%	7.2%	7.3%
Op. Margin	3.4%	3.6%	3.6%	3.7%	3.8%
Net Margin	2.7%	2.7%	2.7%	2.8%	2.9%
Net Gearing (%)	-17	-10	-10	-15	-20

Stock Data	
Bloomberg Ticker	AMRT IJ
Last Price, 10-Nov-26 (IDR)	930
Target Price (IDR)	1,530
52-Week Range, closing (IDR)	855 – 2,000
Market Cap (IDR tn)	38.2
Shares Outstanding, ex-treasury (bn)	41.1
Free Float, 30-Sep-26 (%)	44.7
Foreign Ownership, 30-Oct-26 (%)	30.7
3M Avg Trading Value (bn)	60.0

Shareholders	(%)	Shares (bn)
Sigmantara Alfindo	38.9%	16.2
Amanda Cipta Persada	14.0%	5.8
Public Float	44.7%	18.6

All figures in local currency unless otherwise stated.

Analyst

Marlene
marlene@aldiracita.com

Initiating Coverage

AMRT IJ · Consumer Staples Retail

Compounding at a Discount

Earnings compound 12.5% a year to FY30F, yet the stock trades at a third of its five-year mean P/E.

Investment Highlights

Outside Java extends the runway

Alfamart reached 21,613 stores at end-September 2026 (+493 year to date), the outer islands rose to 37.3% of the network by June from 36.6% at end-2025, and Alfamart lifted its grocery share to 14.2% from 13.6%, so new stores add demand rather than cannibalize it. We expect 830 net Alfamart and Alfamidi openings in FY26F and 1,000 in FY27F.

3Q26: sales accelerate, wages bite

3Q26 revenue rose 8.7% y/y, the fastest quarter of 2026, and gross margin widened 55bp to 21.15%. But the wage bill rose 15.5% and cash opex reached 16.95% of revenue, so 3Q26 EBIT fell 13.5% and NPATMI 12.4%. We take FY26F NPATMI growth to 8.2% and keep the wage pressure in FY27F (cash opex 16.04% of revenue).

Self-funded growth at a reset multiple

Suppliers fund the inventory, and operating cash flow of IDR 9.2tn in FY26F covers capex, cash rent and IDR 2.3tn of dividends, including the IDR 14.5/share interim paid in October, with IDR 4.1tn of net cash left. At IDR 930 the stock trades at 10.9x trailing P/E, below the -2 SD level of its five-year band and 54% below its 52-week closing high.

Valuation & Recommendation

BUY (Initiation) | TP: IDR 1,530 (Current: IDR 930, Implied Upside: +64.5%)

We initiate coverage with a BUY and a TP of IDR 1,530, from a 70/30 blend of DCF (WACC 12.4%, TGR 5.0%; IDR 1,583) and 14.2x FY27F EPS of IDR 99.0 (IDR 1,405), the forward equivalent of 16.5x on the five-year trailing P/E band, about half its 31.3x mean. Our TP is 26% below the IDR 2,068 consensus TP, and our NPATMI is 4%–5% below consensus in FY26F–FY27F, so the TP does not rely on optimistic earnings. With 5.0% of dividends due in the next 12 months, total return is 69.5%.

Re-rating catalysts: store openings outside Java, a 4Q26 margin recovery, MIDI growth.

Key risks: wage inflation, weak purchasing power, village cooperatives, supplier income, related-party deals, MSCI reclassification.

Investment Thesis

Outside Java extends the growth runway

Outside Java is where the network grows. The outer islands rose to 37.3% of AMRT's stores by June 2026 from 36.6% at end-2025, while the Greater Jakarta share fell. Alfamart added 493 net stores in 9M26 to 21,613 (15,668 owned, 5,945 franchised). We forecast 650 net new Alfamart and 180 Alfamidi stores in FY26F and 800 and 200 in FY27F, taking the group network to about 26,264 stores by end-2027.

Share gains show new stores add demand rather than cannibalise it: Alfamart's share of Indonesian grocery rose to 14.2% from 13.6% a year earlier, or 16.8% including Alfamidi **(Exhibits 1, 2).**

Exhibit 1. Network mix by region (% of stores)

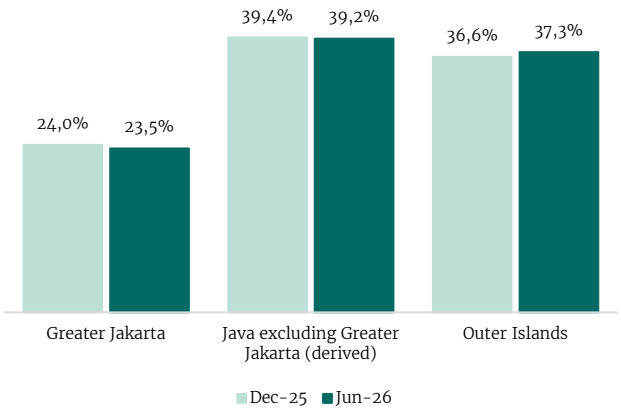
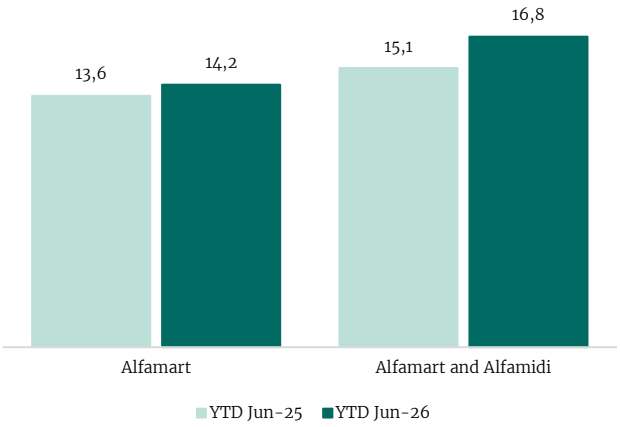


Exhibit 2. Share of Indonesian grocery market (%)



Source: Company, NielsenIQ, Aldiracita Sekuritas

Wages dent 2026, operating leverage resumes in 2027

Gross margin is rising; the cost line is the swing factor. 9M26 gross margin rose 43bp y/y to 21.92% on a richer non-food margin, but cash operating costs rose 9.8% against revenue growth of 7.2%, led by wages. We therefore forecast EBIT growth of 7.5% in FY26F, only in line with revenue growth of 7.6%, with cash opex at 16.14% of revenue against 15.70% in FY25A.

From FY27F the store base absorbs the higher wage level. With cash opex easing only to 16.04% of revenue, EBIT grows 9.6% in FY27F and 12.0% in FY28F. Operating margin moves from 3.60% in FY25A to 3.67% in FY27F and 4.12% by FY30F, an EBIT CAGR of 11.5% over FY26F–FY30F **(Exhibits 3, 4).**

Exhibit 3. Margins, FY23A–FY28F (%; gross margin on RHS)

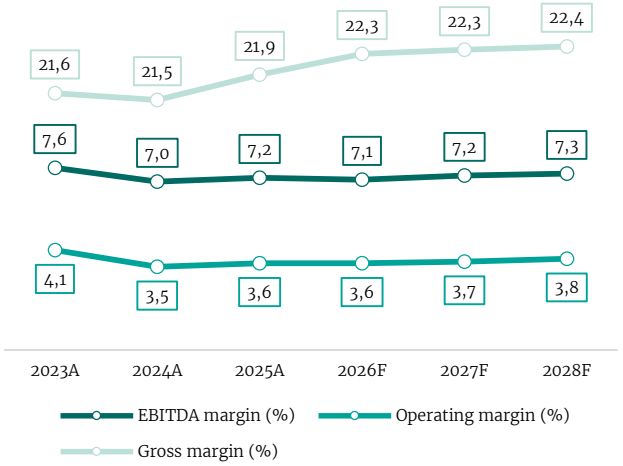
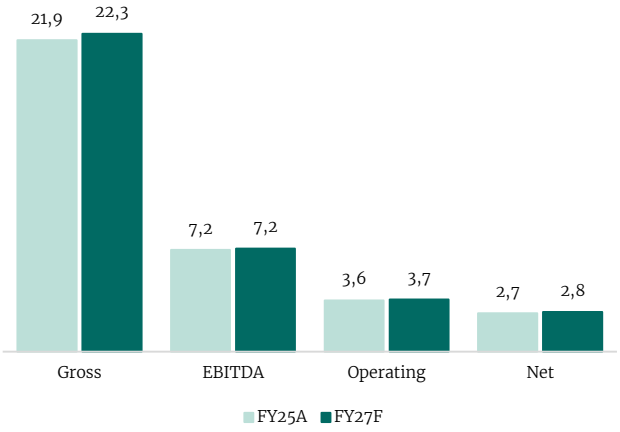


Exhibit 4. Margins, FY25A vs FY27F (%)



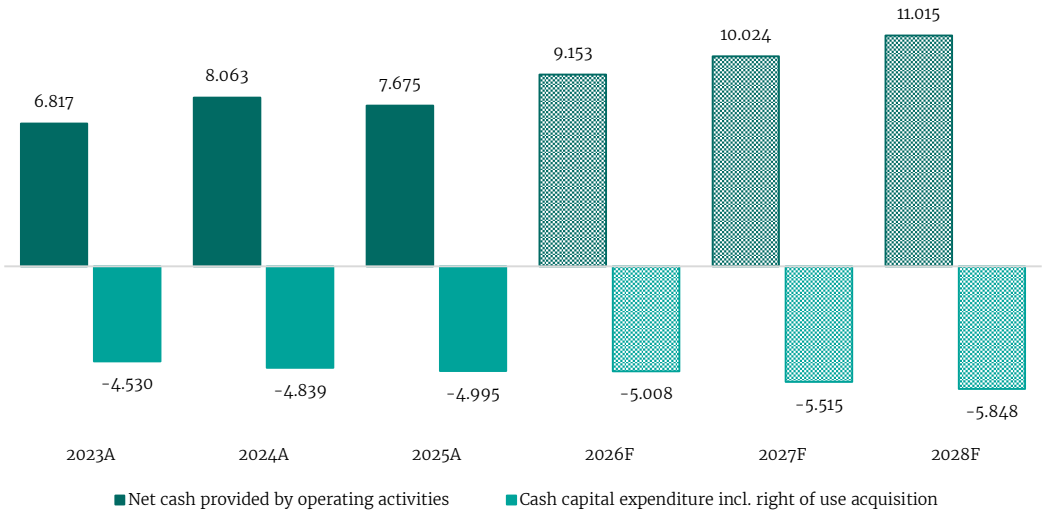
Source: Company, Aldiracita Sekuritas

Growth that funds itself

Suppliers and cash flow fund the expansion. Trade payables of IDR 14.5tn exceeded IDR 13.3tn of inventory at end-FY25A. In FY26F operating cash flow of IDR 9.2tn covers IDR 2.9tn of fixed-asset capex, IDR 3.2tn of cash rent (prepaid leases and lease payments) and IDR 2.3tn of dividends, which includes an interim of IDR 14.5 per share (IDR 595.8bn, paid on 27 October 2026). The IDR 0.76tn term loan was repaid in 9M26, leaving net cash of IDR 4.1tn at end-FY26F.

As stores mature, cash generation outgrows investment. Operating cash flow rises to IDR 11.0tn in FY28F and IDR 13.2tn by FY30F, while capex including prepaid store leases grows more slowly, from IDR 5.0tn in FY26F to IDR 5.8tn in FY28F and IDR 6.5tn in FY30F **(Exhibit 5).**

Exhibit 5. Operating cash flow and cash capex, FY23A–FY28F (IDR bn)



Source: Company, Aldiracita Sekuritas

BUY (Initiation) | TP: IDR 1,530 (Current: IDR 930, Implied Upside: +64.5%)

The multiple has de-rated far more than the earnings. AMRT's trailing P/E fell from close to 50x in late 2022 to 10.9x on 9M26 trailing EPS, below the -2 SD level of 15.3x and about a third of its five-year mean of 31.3x, while ROE stayed above 18%. Part of the fall is market-wide: on 16 October the stock dropped 14.9% as the IDX Composite fell 11.6% after MSCI proposed reclassifying Indonesia from Emerging to Standalone Market status. It fell a further 20.8% between 22 October and 3 November, a period that included the 3Q26 results, before recovering to IDR 930 at the 10 November

close. Our P/E leg applies 16.5x, 1.2x above the -2 SD, to trailing EPS, the equivalent of 14.2x FY27F EPS of IDR 99.0, still well below that history **(Exhibit 6).**

Exhibit 6. Trailing P/E band, Oct-21 to Nov-26 (x)



Source: Bloomberg, Aldiracita Sekuritas

Both legs of the valuation sit well above the price. Our DCF gives IDR 1,583, 70% above the price, and the P/E leg IDR 1,405. Even if new capital earns only its cost of capital, the TP would be IDR 1,215 (+30.6%). The price implies a perpetual growth rate of -3.2% after FY30F, against 5.0% in our DCF.

Company Overview

AMRT is Indonesia's second-largest minimarket operator. Founded in 1989 by Djoko Susanto and listed in 2009, it runs Alfamart, Alfamidi through listed subsidiary MIDI, Lawson and Dan+Dan, 24,434 stores in all at end-2025, rising to about 25,264 by end-2026 in our forecasts. The founding family controls it through PT Sigmantara Alfindo and PT Amanda Cipta Persada; market capitalisation was IDR 38.2tn at IDR 930 on 10 November 2026, on 41,092mn shares excluding treasury shares **(Exhibit 7).**

Exhibit 7. Shareholding structure, 30 September 2026

Shareholder	Shares (mn)	%
PT Sigmantara Alfindo	16,152	38.90
PT Amanda Cipta Persada	5,829	14.04
Board members (Djoko Susanto family and directors)	554	1.33
Treasury shares	433	1.04
Public (each below 5%)	18,557	44.69
Total issued shares	**41,525**	**100.00**

Source: Company (9M26 interim financial statements), Aldiracita Sekuritas

Capital allocation and governance

Shareholders are getting more of the cash. The payout rose from 35% in FY22–FY23 to 45% in FY24 and 50% in FY25 (DPS of IDR 41.50), and AMRT paid its first interim dividend, IDR 14.5 per share, in October 2026. Between December 2025 and March 2026 it bought back 432.7mn shares (1.04% of issued capital) for IDR 812bn, an average of IDR 1,878 a share, more than twice today's price; the programme, of up to IDR 1.5tn, ended on 6 March 2026.

The founding family chairs the board, and one related-party deal deserves scrutiny. Two of the four commissioners are independent; the President Commissioner, Feny Djoko Susanto, and Commissioner Budiyanto Djoko Susanto are

from the founding family, and board members hold 1.33% of the shares directly. The July 2026 restructuring of the international business moved control of the Singapore holding company to GWI, an affiliate, without a shareholder vote, as the deal was below the materiality threshold; AMRT obtained an independent fairness opinion. Related-party purchases are small, at 1.90% of net purchases in FY25A **(Exhibit 8).**

Exhibit 8. Capital allocation and governance

Item	Detail	Source
Dividend payout, FY22–FY25	35%, 35%, 45%, 50% (DPS IDR 24.06, 28.68, 34.11, 41.50)	Company presentation (June 2026)
Interim dividend	First interim: IDR 14.5 a share (IDR 595.8bn), paid 27-Oct-26	9M26 financial statements
Share buyback	432.7mn shares (1.04%) for IDR 812bn, average IDR 1,878; programme of up to IDR 1.5tn ended 6-Mar-26	9M26 FS, Notes 1 and 16
Board of commissioners	Four members, two independent; President Commissioner Feny Djoko Susanto	9M26 FS, Note 1d
Board of directors	Six members; President Director Anggara Hans Prawira	9M26 FS, Note 1d
Insider holdings	Board members hold 1.33% of issued shares	9M26 FS, Note 16
International holding (ARA)	51% issued to affiliate GWI for USD 40.6mn (17-Jul-26); AMRT 49%, deconsolidated; look-through 22% Philippines, 34% Bangladesh	9M26 FS, Notes 1c and 7
Related-party purchases	1.90% of net purchases in FY25A (1.51% in FY24A)	FY25 FS, Note 23

Source: Company (management presentation, June 2026; FY25 and 9M26 financial statements), Kontan (GWI board link, 18 June 2026), Aldiracita Sekuritas

Business Segmentation

Food is the defensive core

Food and groceries were 71.2% of 9M26 revenue. We expect food revenue of IDR 97.1tn in FY26F and IDR 104.4tn in FY27F, and non-food of IDR 39.3tn and IDR 42.2tn. Food purchases are frequent and low-ticket, so they hold up even when consumers are cautious.

Non-food carries the margin. Personal care, household and health products earned a 25.29% gross margin in 9M26 (+90bp y/y) against 20.56% for food. We take the non-food margin to 25.72% in FY26F and 25.82% in FY27F, and food to 20.88% and 20.93% **(Exhibits 9, 10).**

Exhibit 9. Revenue by category, FY26F vs FY27F (IDR tn)

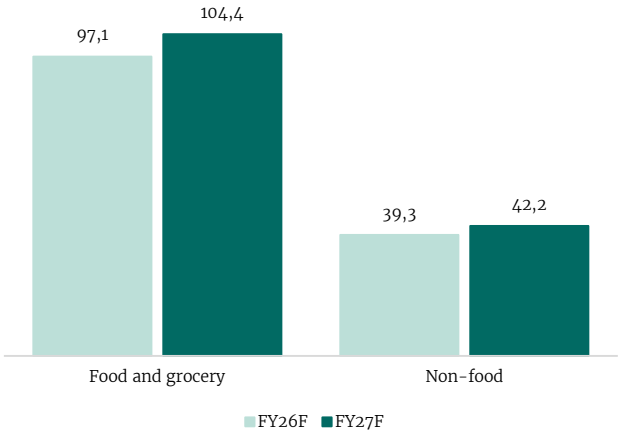
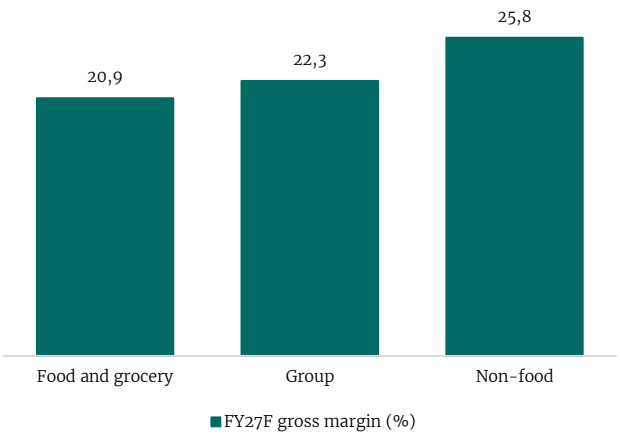


Exhibit 10. Gross margin by category, FY27F (%)



Source: Company, NielsenIQ, Aldiracita Sekuritas

One supply chain, several formats

Alfamart is the engine; Alfamidi and Lawson broaden the offer. Alfamart ended September 2026 with 21,613 stores, 27.5% of them franchised, so partners fund part of the expansion; we add 650 in FY26F and 800 in FY27F. Alfamidi,

run by listed subsidiary MIDI, adds fresh food and bakery in larger stores (180 and 200 openings), and Lawson ready-to-eat food.

Minorities take a rising share. As MIDI is not fully owned and its profit grows faster than the group's, minority interests rose to 6.1% of 9M26 net profit from 4.4% a year earlier. We forecast IDR 236bn in FY26F, up from IDR 148bn in FY25A, and IDR 299bn in FY28F **(Exhibit 11).**

Exhibit 11. Store network by banner, FY2025A–FY2027F (end of period)

Banner	FY2025A	FY2026F	FY2027F	Format
Alfamart	21,120	21,770	22,570	Minimarket, below 400 sqm
Alfamidi incl. Alfamidi Super	2,587	2,767	2,967	Mini-supermarket, supermarket
Dan+Dan	374	374	374	Health and beauty
Lawson	353	353	353	Convenience, ready-to-eat
AMRT total	**24,434**	**25,264**	**26,264**	
Memo: Indomaret	23,866	n.a.	n.a.	Main competitor

Source: Company, MIDI, NielsenIQ (Indomaret), Aldiracita Sekuritas (forecasts; Dan+Dan and Lawson held flat)

International is option value, not in our numbers. In July 2026 AMRT's Singapore holding company, Alfamart Retail Asia (ARA), issued 51% of its enlarged capital to Glory Worldwide Investments (GWI), an affiliate whose directors include AMRT commissioner Budiyanto Djoko Susanto, for USD 40.6mn, and used the money to buy 10% of Alfamart Trading Philippines and 70% of Alfamart Trading Bangladesh from GWI. AMRT lost control of ARA, which is now a 49% associate, so its look-through stakes are about 22% in the Philippines (35% before) and 34% in Bangladesh. We include only a small associate loss in FY26F–FY27F (IDR 40bn and IDR 20bn, against IDR 134bn in FY25A) and no upside from either market.

Store economics: a new Alfamart pays back in about two years

A new store is cheap to open. Alfamart's franchise package puts the fit-out of a store at IDR 300mn–500mn excluding property, or IDR 450mn for a typical 80 sqm store, and AMRT prepays about IDR 0.50bn of rent per new store, covering roughly five years. Suppliers fund the stock: at end-2025 trade payables were IDR 0.61bn per store against IDR 0.56bn of inventory. On FY25A group averages, an Alfamart store sells IDR 5.1bn a year and earns 4.55% of sales after cash rent, about IDR 0.23bn, fully loaded with distribution-centre and head-office costs.

It also pays back quickly. With first-year sales at 75% of a mature store, the fit-out pays back in about 2.2 years, or 2.8 years including the prepaid lease, and a mature store earns a 52% pre-tax cash return on its fit-out; the 42% after-tax return is more than three times our 12.4% WACC. With sales per store 20% lower, the payback is 2.7 years. AMRT does not disclose store-level profit, so these are estimates on group averages; total fixed-asset capex of IDR 2.3bn per net new store in FY25A is higher because it also funds distribution centres, renovations and IT for the existing network **(Exhibit 12).**

Exhibit 12. New Alfamart store economics, FY25A basis (estimate)

Item	Value	Basis
Fit-out per store, excluding property	IDR 0.45bn	Franchise package, 80 sqm (range IDR 0.30bn–0.50bn)
Prepaid lease per new store	IDR 0.50bn	About five years of rent, paid up front
Inventory less trade payables per store	-IDR 0.05bn	Suppliers fund the stock (Dec-25)
Sales per average Alfamart store	IDR 5.1bn	FY25A
EBITDA after cash rent, % of sales	4.55%	Group EBITDA 7.15% less cash rent 2.60%
EBITDA after cash rent per mature store	IDR 0.23bn	Fully loaded with DC and head-office costs
First-year sales vs a mature store	75%	Our assumption
Payback on fit-out	2.2 years	Pre-tax, rent paid as an annual cost
Payback including the prepaid lease	2.8 years	Return before rent
Cash return on fit-out, mature store	52% pre-tax / 42% after tax	Against a 12.4% WACC
Payback if sales per store are 20% lower	2.7 years	Margin held

Source: Company (FY25 audited financial statements, Notes 9, 11, 18 and 25), Alfamart franchise packages, CNBC Indonesia (21 March 2026), Aldiracita Sekuritas estimates

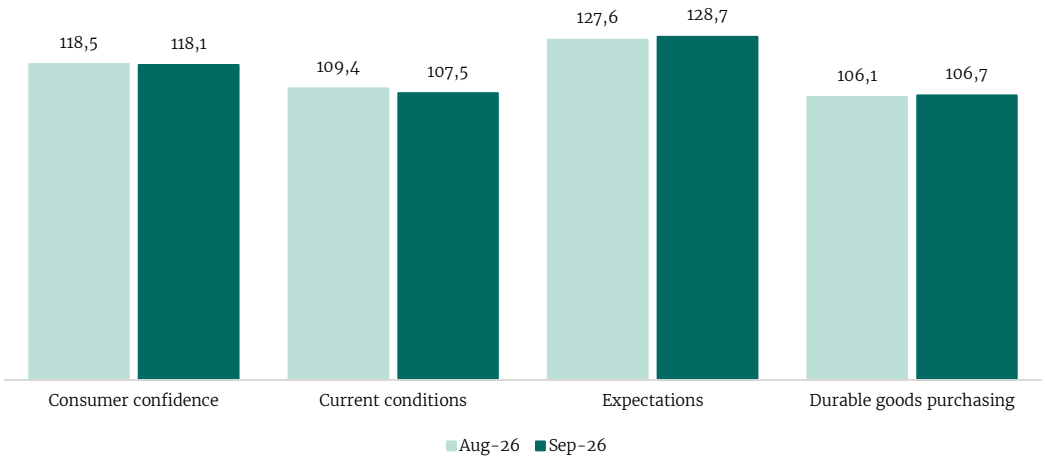
Industry Outlook

A gradual recovery favours daily needs

Retail demand is recovering, but slowly. Bank Indonesia's real sales index rose 1.3% y/y in August 2026, led by food, beverages and tobacco (+2.6%), and the survey points to 1.4% in September. Consumers stay selective, which favours retailers selling essentials.

Confidence is holding, with expectations firmer than current conditions. The consumer confidence index eased to 118.1 in September from 118.5 in August as the current-conditions index fell to 107.5, but expectations rose to 128.7, durable-goods purchasing to 106.7, and the share of income consumed rose to 74.9% from 74.2% **(Exhibit 13).**

Exhibit 13. Consumer confidence indices, Aug-26 vs Sep-26 (index)



Source: Bank Indonesia Consumer Survey (8 October 2026) and Retail Sales Survey (9 October 2026), Aldiracita Sekuritas

Scale and regulation protect the duopoly

Two chains own the minimarket format. On NielsenIQ's census, AMRT's Alfamart and Alfamidi and Indomaret ran 48,370 of the 49,256 measured minimarkets in June 2026, or 98.2%. Matching their procurement, logistics and store density would take a new entrant years and substantial capital.

Regulation reinforces the moat: Perpres 10/2021 reserves self-service stores below 400 sqm for domestic investors, keeping foreign chains out of the core format. The newest entrant, the government-backed Koperasi Merah Putih, is still a fraction of the duopoly's scale **(Exhibit 14).**

Exhibit 14. Competitive position: Alfamart, Indomaret and Koperasi Merah Putih

Metric	Alfamart (AMRT)	Indomaret	Koperasi Merah Putih
Stores	21,442 (Jun-26); 21,613 (Sep-26)	24,351 (Jun-26)	10,070 operating (15-Oct-26); target 35,000 by end-2026
Net additions planned, FY26F	+650 (our forecast)	Not disclosed	About 25,000 to reach the target
Sales per store	IDR 5.1bn a year (FY25A; Alfamart revenue per average store)	Not disclosed	About IDR 21mn of transactions per outlet (2026 to 15-Oct)
Main products	Grocery, fresh, ready-to-eat, non-food	Grocery, fresh, ready-to-eat, non-food	SPHP rice, cooking oil, LPG
Larger format	Alfamidi 2,577 and Alfamidi Super 85 (Jun-26)	Indomaret Point, Superindo	None
Modern-trade minimarket share, Jun-26	36.4%	Not disclosed	Not measured
Distribution centres	51	Not disclosed	Relies on Bulog, Pertamina and Agrinas
Loyalty members (registered / active)	26.4mn / 17.5mn	Not disclosed	None seen
Store format (our visit, South Jakarta)	Street-front, lit, air-conditioned	Street-front, lit, air-conditioned	KKMP Pulo: basement canteen down a narrow, steep stair
Listed	Yes (AMRT IJ)	No	No (cooperative)

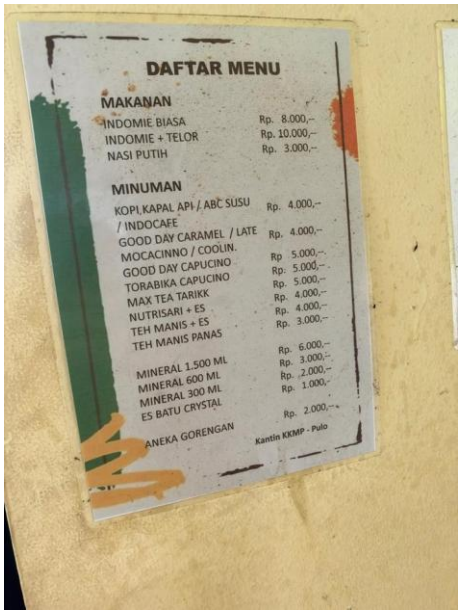
Source: NielsenIQ, Company, Simkopdes and the KDKMP task force via TIMES Indonesia (16 October 2026), Coordinating Ministry for Food, Katadata, Aldiracita Sekuritas (site visit to KKMP Pulo, Jl. Prapanca Raya, South Jakarta)

Koperasi Merah Putih: a policy risk, not yet a store rival

The cooperatives are still small. 10,070 Koperasi Desa/Kelurahan Merah Putih outlets were operating on 15 October 2026, against a government target of 35,000 by end-2026, and 28,402 buildings had been completed through Agrinas at about IDR 3bn each. Recorded transactions in 2026 total IDR 208.6bn, led by SPHP rice and cooking oil: about IDR 21mn per operating outlet, against about IDR 5.1bn of annual sales per Alfamart store. Supply is the bottleneck: outside rice and 3kg LPG, cooperatives struggle to source goods cheaply, and many shelves are still empty.

Our site visit found a canteen in a basement, not a shop. We visited Koperasi Kelurahan Merah Putih (KKMP) Pulo on Jl. Prapanca Raya in South Jakarta. It sells cooked Indomie (IDR 8,000, or IDR 10,000 with egg), rice, sachet coffee (IDR 4,000–5,000), tea (IDR 3,000–4,000), mineral water (IDR 1,000–6,000) and fried snacks (IDR 2,000), with no household or personal-care goods, so it competes with warung, not minimarkets. Convenience is the bigger gap: the outlet sits in a basement that is hard to find from the street, reached by a narrow, steep staircase, and the room is small, dark, untidy and does not look like a shop. Alfamart and Indomaret stores are street-front, lit and air-conditioned. One outlet is not the network, but it shows how far the cooperatives are from minimarket standards **(Exhibit 15).**

Exhibit 15. KKMP Pulo, South Jakarta: the menu of a basement canteen



Source: Aldiracita Sekuritas site visit to Koperasi Kelurahan Merah Putih (KKMP) Pulo, Jl. Prapanca Raya, South Jakarta

The risk to AMRT is policy, not the shelf. In February 2026 the Cooperatives Minister, Ferry Juliantono, urged Alfamart and Indomaret to stop opening stores in villages, and the Minister of Villages, Yandri Susanto, proposed halting new village permits (Pasardana, 23 February 2026; Infobanknews, 25 February 2026). It is a request, not a regulation, and store permits are issued by local governments; Alfamart still added 493 net stores in 9M26. If it became binding, our 800 net Alfamart openings a year from FY27F, weighted to outside Java, would be at risk: each 100 fewer openings a year cuts revenue by roughly 0.2%–0.3%. Cheap SPHP rice and cooking oil could also take part of the staples basket in villages. Supply is also an opening: cooperatives lack the sourcing and logistics that AMRT's 51 distribution centres provide, so a supply partnership is possible, although none has been announced.

Financial Forecast and Outlook

9M26: sales accelerated, wages squeezed in 3Q26

Revenue is accelerating. 9M26 revenue rose 7.2% y/y to IDR 101.3tn, and 3Q26 rose 8.7%, up from 6.5% in 1H26. Gross profit grew faster, 9.4% in 9M26 and 11.6% in 3Q26, as gross margin widened 55bp y/y to 21.15% in the quarter.

Costs grew faster still. The wage bill rose 15.5% y/y in 3Q26 after 9.1% in 1H26, while permanent headcount rose only 0.2% from December 2025, so the increase is pay per head rather than more staff. Cash opex reached 16.95% of revenue in 3Q26 (+91bp y/y), 3Q26 EBIT fell 13.5% and NPATMI 12.4%. 9M26 NPATMI rose 3.8%, held back also by a higher minority share and an associate loss **(Exhibit 16).**

Exhibit 16. 9M26 and 3Q26 results (IDR bn)

IDR bn	9M25A	9M26A	y/y	3Q25A	3Q26A	y/y
Revenue	94,476	101,288	+7.2%	30,663	33,333	+8.7%
Gross profit	20,304	22,203	+9.4%	6,318	7,051	+11.6%
Gross margin	21.49%	21.92%	+43bp	20.61%	21.15%	+55bp
*Wage bill	9,815	10,913	+11.2%	3,240	3,743	+15.5%
*Cash opex	14,927	16,395	+9.8%	4,918	5,650	+14.9%
Cash opex, % of revenue	15.80%	16.19%	+39bp	16.04%	16.95%	+91bp
EBITDA	6,290	6,759	+7.5%	1,725	1,718	-0.4%
Operating profit	2,958	3,192	+7.9%	592	512	-13.5%
Operating margin	3.13%	3.15%	+2bp	1.93%	1.54%	-39bp
Pre-tax profit	2,943	3,155	+7.2%	581	515	-11.4%
NPATMI	2,315	2,403	+3.8%	431	378	-12.4%

Source: Company (9M26 unaudited and 1H26 reviewed financial statements; 3Q = 9M less 1H), Aldiracita Sekuritas.

**Cash opex = selling, distribution and G&A expenses excluding ROU and fixed-asset depreciation. Wage bill = salaries, wages and employee benefits (Notes 19-20).*

Our FY26F assumes 4Q26 costs ease only partly. 9M26 delivered 74% of our FY26F revenue, 65% of EBIT and 65% of NPATMI, against 75%, 65% and 68% of the FY25A totals in 9M25. The implied 4Q26F has revenue up 8.6%, close to the 3Q26 pace, gross margin up 20bp y/y and cash opex up 59bp y/y against 91bp in 3Q26, so EBIT rises 6.8% and the 4Q EBIT margin slips 8bp to 4.89%. NPATMI rises 17.5% because 4Q25 carried an associate loss of IDR 137bn. If 4Q26 cash opex rose as much as in 3Q26, FY26F NPATMI would be about IDR 85bn (2.3%) lower.

What drives sales: stores and same-store growth. AMRT does not publish same-store sales, ticket size or traffic, so we derive them. Revenue rose 7.5% in 1Q26, 5.4% in 2Q26 and 8.7% in 3Q26 as Alfamart added 167, 155 and 171 net stores. Our network build adds about 3.5pp to FY26F revenue growth, so 9M26 growth of 7.2% implies same-store growth of about 3.8%, below the 4.2% Alfamart SSSG in our FY26F: 4Q26 needs revenue growth close to the 3Q26 pace. Online sales through Alfagift were 8.4% of revenue in 1H26 (+11% y/y), and loyalty members, 17.5mn of them active, generated 60% of revenue **(Exhibit 17).**

Exhibit 17. Quarterly sales drivers, 2026

	1Q26	2Q26	3Q26	9M26
Revenue (IDR bn)	35,240	32,715	33,333	101,288
Revenue growth, y/y	+7.5%	+5.4%	+8.7%	+7.2%
Gross margin	21.77%	22.86%	21.15%	21.92%
Gross margin change, y/y	-9bp	+91bp	+55bp	+43bp
Alfamart net store additions	167	155	171	493
Alfamart stores, end of period	21,287	21,442	21,613	21,613
Online sales, % of revenue	8.6%	8.4% (1H26)	n.a.	n.a.

Source: Company (management presentations, March and June 2026; 9M26 financial statements), NielsenIQ, Aldiracita Sekuritas.

Same-store sales, ticket and traffic are not disclosed.

Our view for FY26F and FY27F

FY26F: faster sales, higher costs. We forecast revenue up 7.6% to IDR 136.3tn, from 830 net new Alfamart and Alfamidi stores and Alfamart same-store sales growth of 4.2% (Alfamidi 3.7%). Gross margin rises 37bp to 22.27%, but cash opex rises to 16.14% of revenue, so EBIT grows 7.5% to IDR 4.90tn. NPATMI grows 8.2% to IDR 3.69tn, helped by a smaller associate loss (IDR 40bn against IDR 134bn) and held back by minorities rising to 6.0% of net profit.

FY27F: same-store sales recover and openings accelerate. We expect 1,000 net new stores and Alfamart same-store sales growth of 4.5% (Alfamidi 4.0%), lifting revenue 7.5% to IDR 146.6tn. Gross margin edges up to 22.34% and cash opex eases only to 16.04%; EBIT grows 9.6% to IDR 5.37tn and NPATMI 10.3% to IDR 4.07tn, or EPS of IDR 99.0, the base for our P/E leg.

What would change our view. Costs and same-store sales matter most. Each 10bp of FY27F cash opex or gross margin is about IDR 112bn of NPATMI (2.7%), and each 1pp of FY27F revenue growth about IDR 232bn with costs unchanged. If wages keep cash opex 25bp above our FY27F forecast, NPATMI is IDR 279bn (6.9%) lower; faster non-food and fresh-food growth would lift margins above our forecast **(Exhibit 18).**

Exhibit 18. FY26F and FY27F forecast summary (IDR bn)

IDR bn	FY24A	FY25A	FY26F	y/y	FY27F	y/y
Revenue	118,227	126,737	136,336	+7.6%	146,619	+7.5%
Gross profit	25,365	27,756	30,367	+9.4%	32,752	+7.9%
Gross margin	21.45%	21.90%	22.27%	+37bp	22.34%	+6bp
EBITDA	8,267	9,064	9,637	+6.3%	10,613	+10.1%
Operating profit	4,079	4,562	4,905	+7.5%	5,374	+9.6%
Operating margin	3.45%	3.60%	3.60%	0bp	3.67%	+7bp
NPATMI	3,148	3,411	3,690	+8.2%	4,069	+10.3%

Source: Company (FY24A–FY25A), Aldiracita Sekuritas (forecasts)

Wages and UMP 2027: the swing factor for FY27F

Pay has been rising faster than the minimum wage. AMRT's wage bill rose 11.2% in FY25A and again in 9M26, against UMP increases of 6.5% for 2025 and 6.17% in Jakarta for 2026, while permanent headcount grew 3.0% in FY25A and only 0.2% in 9M26. Pay per permanent employee therefore rose about 10.5%, to an annualised IDR 148mn in 9M26 from IDR 133mn in FY25A, and the wage bill reached 10.8% of revenue from 9.9% in FY24A. Wages are two-thirds of cash opex (66.6% in 9M26), so they drive our cost forecast; FY26F holds the wage bill at that share, implying 13.1% growth for the year.

UMP 2027 is the next test. Unions are asking for 7.5%–9.5%, and the government aims to settle the 2027 minimum wage in late November 2026, with governors setting provincial rates. Our FY27F cash opex of 16.04% of revenue implies wage bill growth of about 6.9%, close to a mid-range UMP. A 9.5% UMP passed through in full would cut FY27F NPATMI by IDR 292bn (7.2%); if the wage bill keeps growing at the 9M26 pace of 11.2%, the cut is IDR 481bn (11.8%), the cost assumption in our bear case **(Exhibits 19, 20).**

Exhibit 19. Wage bill, headcount and pay per employee

IDR bn	FY24A	FY25A	9M25A	9M26A	FY27F (implied)
Wage bill	11,656	12,957	9,815	10,913	15,655
Growth, y/y	–	+11.2%	–	+11.2%	+6.9%
*Wage bill, % of revenue	9.86%	10.22%	10.39%	10.77%	10.68%
*Wage bill, % of cash opex	64.1%	65.1%	65.8%	66.6%	66.6%
Permanent employees, end of period	95,648	98,515	n.a.	98,731	–
Pay per permanent employee (IDR mn, annualised)	–	133.5	–	147.5	–
UMP increase for the year	–	6.5%	–	6.17% (Jakarta)	7.5%–9.5% proposed

Source: Company (FY25 and 9M26 financial statements, Notes 1, 19 and 20), Government (UMP 2025, 29 November 2024), Jakarta Provincial Government (UMP 2026), CNBC Indonesia (21 and 30 October 2026), Aldiracita Sekuritas.

**Wage bill = salaries, wages and employee benefits*

Exhibit 20. FY27F NPATMI sensitivity to wage growth

Scenario	FY27F wage bill growth	NPATMI impact (IDR bn)	% of FY27F NPATMI
Our forecast	6.9%	–	–
UMP 9.5%, passed through in full	9.5%	(292)	-7.2%
Wage bill grows at the 9M26 pace	11.2%	(481)	-11.8%

Source: Aldiracita Sekuritas

Beyond FY27F: earnings keep compounding

Revenue compounds on new stores and recovering same-store sales. After FY27F we expect revenue growth of 8.2% in FY28F on 1,000 net openings a year and Alfamart same-store sales growth of 5.0%; our revenue is 0.6%–2.2% below consensus over FY26F–FY29F.

Earnings growth accelerates as the wage step is absorbed. NPATMI rises 13.3% in FY28F to IDR 4.61tn, taking EPS to IDR 112.2, and compounds 12.5% a year over FY26F–FY30F **(Exhibits 21, 22).**

Exhibit 21. Revenue (IDR tn) and growth (% y/y, RHS)

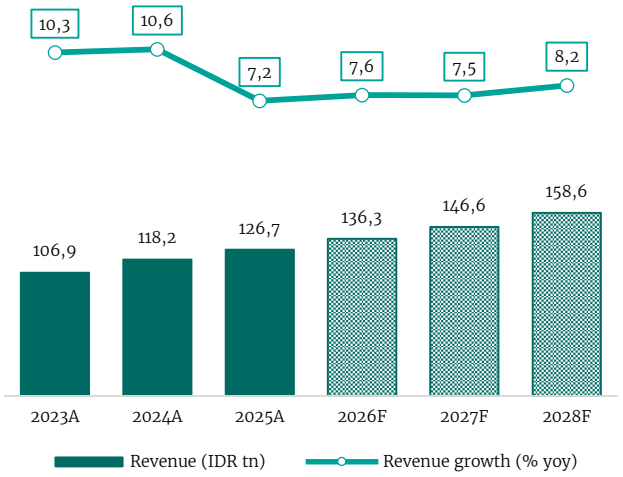
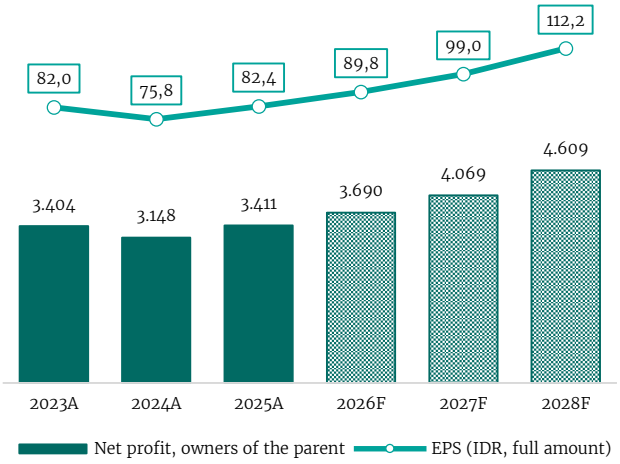


Exhibit 22. NPATMI (IDR bn) and EPS (IDR, RHS)



Source: Company, Aldiracita Sekuritas

Street: in line on operations, below on net profit

Our operating forecasts sit close to consensus; our net profit is lower. Our revenue is 0.6%–2.0% below consensus in FY26F–FY28F and our EBIT within 2%, but our NPATMI is 3.9% lower in FY26F, 5.0% in FY27F and 4.5% in FY28F. The gap sits below EBIT: consensus pre-tax profit exceeds EBIT by IDR 64bn–262bn a year, while AMRT reported net

non-operating costs in FY25A (IDR 177bn) and 9M26 (IDR 37bn). Our TP is 26% below the IDR 2,068 consensus TP (23 October 2026), most of it set before the 16 October sell-off and the 3Q26 results **(Exhibit 23).**

Exhibit 23. Aldiracita vs Bloomberg consensus (IDR bn)

IDR bn	FY26F ours	FY26F cons.	FY27F ours	FY27F cons.	FY28F ours	FY28F cons.
Net revenue	136,336	137,157	146,619	148,190	158,640	161,833
Operating profit	4,905	4,979	5,374	5,269	6,016	5,906
Net non-operating items	(58)	64	(27)	262	43	232
Pre-tax profit	4,847	5,043	5,347	5,531	6,059	6,138
NPATMI	**3,690**	**3,841**	**4,069**	**4,282**	**4,609**	**4,828**
NPATMI vs consensus (%)	-3.9		-5.0		-4.5	

Source: Bloomberg consensus, Aldiracita Sekuritas

Suppliers fund the inventory

Negative working capital keeps growth cash-generative. Trade payables grow from IDR 14.5tn in FY25A to IDR 17.9tn in FY28F, ahead of inventory, which rises from IDR 13.3tn to IDR 16.0tn, so suppliers finance the stock while cash rises to IDR 7.3tn. AMRT paid an interim dividend of IDR 14.5 per share (IDR 595.8bn) on 27 October 2026; we forecast full-year FY26F DPS of IDR 44.9, a 50% payout, with the final paid in 2027.

Returns are high without leverage: ROE on year-end equity stays at 19.4%–19.7% in FY26F–FY28F, and ROIC on a cash-rent basis rises from 46% in FY26F to 52% in FY28F, with net cash throughout **(Exhibits 24, 25).**

Exhibit 24. Inventories, trade payables and cash (IDR tn)

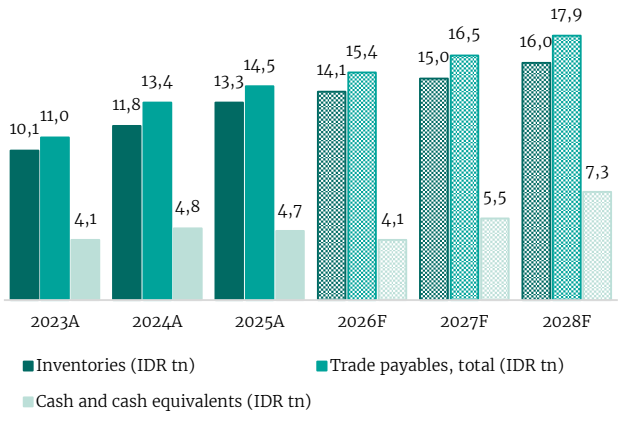
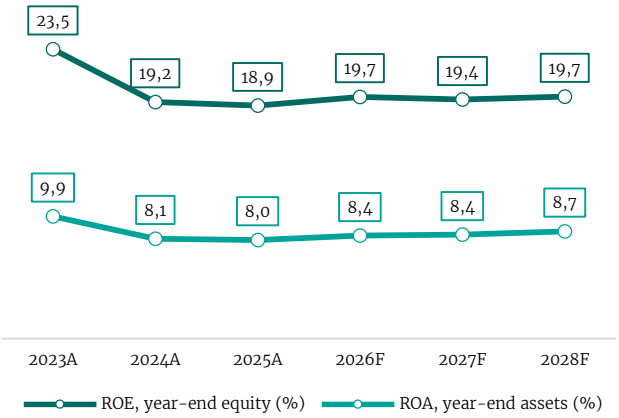


Exhibit 25. ROE and ROA on year-end equity and assets (%)



Source: Company, Aldiracita Sekuritas

The cycle is short, and suppliers carry most of it. Payable days of 53.3 covered inventory days of 49.2 in FY25A; including receivables the trade cash cycle was 5.2 days, and other payables and accruals take net working capital excluding cash to -1.8% of revenue. Payables dip seasonally in the year: at September 2026 payable days were 47.7 against 47.0 inventory days. We hold payable days at 53 and let inventory days ease by 0.5 a year as distribution centres are optimised, so the cycle shortens to 3.5 days by FY28F. The supplier-finance programme run with six banks lets suppliers take early payment without changing AMRT's terms; its balance is not disclosed **(Exhibit 26).**

Exhibit 26. Working-capital cycle (days)

Days	FY24A	FY25A	Sep-26A	FY26F	FY27F	FY28F
Receivable days (on revenue)	9.3	9.3	7.3	9.0	9.0	9.0
Inventory days (on cost of revenue)	46.3	49.2	47.0	48.5	48.0	47.5
Payable days (on cost of revenue)	52.5	53.3	47.7	53.0	53.0	53.0
Trade cash cycle	3.1	5.2	6.5	4.5	4.0	3.5
*Net working capital excl. cash, % of revenue	-2.5%	-1.8%	n.a.	-1.9%	-2.0%	-2.1%

Source: Company, Aldiracita Sekuritas. Sep-26 on 9M26 flows (273 days).

**Net working capital = receivables, inventories and other current assets less trade payables and other current liabilities.*

Earnings quality: suppliers pay for the shelf

Supplier income is larger than operating profit. Suppliers pay AMRT for shelf, gondola and floor-display space and for joint promotions under one-year agreements. This income, booked in revenue, was IDR 6.0tn in FY25A: 4.75% of revenue, 21.7% of gross profit and 1.32x EBIT. With franchise fees and other income, non-merchandise income was 1.73x EBIT. It carries almost no cost of revenue, so a 10% fall in FY27F would cut NPATMI by about IDR 523bn (12.8%).

The 9M26 margin gain came from merchandise, not suppliers. Supplier income grew only 2.3% in 9M26 and fell to 4.68% of revenue from 4.91%, while the merchandise margin (gross profit less supplier and franchise income, on merchandise sales) rose 66bp to 17.71%, more than the 43bp rise in the reported gross margin. Margin is coming from the better-quality source, but supplier budgets are tightening, which we will watch in 4Q26.

Related-party trading is small. Purchases from companies under common control, mainly PT Atri Distribusindo and PT Yamazaki Indonesia, were IDR 1.9tn in FY25A, 1.90% of net purchases (1.51% in FY24A), and related parties supplied 5.3% of fixed-asset additions. AMRT also runs a supplier-finance programme with six banks; the company says it does not change payment terms, but the balance is not disclosed, so part of the supplier funding of inventory may rest on it **(Exhibit 27).**

Exhibit 27. Non-merchandise income and margin quality (IDR bn)

IDR bn	FY24A	FY25A	9M25A	9M26A
Supplier space rental and promotion income	5,681	6,023	4,640	4,745
% of revenue	4.81%	4.75%	4.91%	4.68%
Franchise income	519	548	414	440
Other income	1,224	1,334	981	1,053
Non-merchandise income / EBIT (x)	1.82	1.73	2.04	1.95
Reported gross margin	21.45%	21.90%	21.49%	21.92%
*Merchandise margin	17.11%	17.63%	17.05%	17.71%
Purchases from related parties, % of net purchases	1.51%	1.90%	n.a.	n.a.

Source: Company (FY25 audited and 9M26 interim financial statements, Notes 18, 21, 23, 25 and 29), Aldiracita Sekuritas

**Merchandise margin = (gross profit - supplier and franchise income) / (revenue - supplier and franchise income).*

Valuation

TP of IDR 1,530 from a 70/30 DCF and P/E blend

We value AMRT on a 70/30 blend of DCF and P/E, the house method for retailers with large lease books. The DCF treats rent as a cash cost (pre-IFRS 16) and discounts FY27F–FY30F free cash flow to 31 December 2026 at a 12.4% WACC (risk-free rate 7.7%, the 10-year government bond yield at the 4 November close; Bloomberg adjusted beta 0.72; house equity risk premium 6.56%; no debt in the weights as AMRT is net cash) with 5.0% terminal growth, giving IDR 1,583. The P/E leg takes 16.5x, 1.2x above the -2 SD (15.3x) of the five-year trailing band and about half its 31.3x mean, and converts it to a forward multiple: 16.5x trailing EPS of IDR 85.1 equals 14.2x FY27F EPS of IDR 99.0, giving IDR 1,405. The blend of IDR 1,530 is our TP, 64.5% above the price. Adding IDR 46.4 of dividends due in the next 12 months (the FY26F final and the FY27F interim; 5.0%), total return is 69.5% (Exhibits 28, 29).

Exhibit 28. Target price derivation

Item	Value
DCF value, 70% weight (IDR)	1,583
P/E value: 14.2x FY27F EPS of IDR 99.0, 30% (IDR)	1,405
Blended value (IDR)	1,530
Target price (IDR, rounded)	**1,530**
Current price, 10-Nov-26 (IDR)	930
Capital upside	+64.5%
Dividends due in 12 months	5.0%
Expected total return	**+69.5%**

Source: Aldiracita Sekuritas

Exhibit 29. Target value sensitivity, 70/30 blend (IDR/share)

TGR \ WACC	11.4%	12.4%	13.4%
4.5%	1,621	1,475	1,361
5.0%	**1,696**	**1,530**	**1,403**
5.5%	1,784	1,593	1,450

The BUY does not hinge on our method choices. A 100% DCF gives IDR 1,585, a 100% P/E IDR 1,405, while a target multiple of 2x lower or higher on the trailing band will give estimated TP of around IDR 1,480–1,580, and a WACC one percentage point higher IDR 1,405. Every case is at least 40% above the current price **(Exhibit 30).**

Exhibit 30. Target price under alternative method choices

Method choice	Setting	TP (IDR)	Upside
Base case	**70% DCF / 30% P/E at 14.2x forward**	**1,530**	**+64.5%**
Target P/E (-2x on the band)	14.5x trailing (12.5x forward)	1,480	+59.1%
Target P/E (+2x on the band)	18.5x trailing (16.3x forward)	1,580	+69.9%
Method weight	100% DCF	1,585	+70.4%
Method weight	100% P/E (14.2x forward)	1,405	+51.1%
Beta 1.00 instead of 0.72	WACC 14.3%	1,320	+41.9%
Cost of capital +1pp	WACC 13.4%	1,405	+51.1%

Source: Aldiracita Sekuritas. All cases are a BUY (expected total return above 10%; capital upside shown).

The DCF alone supports a BUY. It values AMRT at IDR 1,583, 70% above the price, with terminal value 78% of enterprise value. The price implies -3.2% perpetual growth after FY30F, or an 18.0% WACC instead of our 12.4%. Because suppliers fund the inventory, ROIC is far above WACC; even if new capital earns only its cost of capital, so that growth adds no value, the TP is IDR 1,215 (+30.6%), and with no growth at all after FY30F IDR 1,180 (+26.9%) (Exhibits 31, 32).

Exhibit 31. DCF valuation and equity bridge (IDR bn)

Free cash flow build	FY27F	FY28F	FY29F	FY30F
Operating profit (EBIT, after ROU depreciation)	5,374	6,016	6,809	7,578
Add back ROU depreciation, less cash rent	(616)	(654)	(690)	(708)
NOPAT (EBIT after cash rent, less tax)	3,854	4,344	4,956	5,565
Add: fixed-asset depreciation	2,292	2,445	2,602	2,761
Add: working capital and other	434	507	555	576
Less: fixed-asset capex incl. advances	(3,006)	(3,173)	(3,343)	(3,497)
Free cash flow to the firm	**3,575**	**4,123**	**4,770**	**5,405**
Present value (end-year, from 31-Dec-26)	3,180	3,262	3,357	3,383
Sum of PV of FCF, FY27F–FY30F				13,182
PV of terminal value (TV IDR 76,452bn)				47,859
Enterprise value				**61,041**
Add: net cash (cash less bank loans), FY26F				4,080
Add: investments and associates, FY26F				1,439
Less: non-controlling interests (book), FY26F				(1,494)
Equity value				**65,067**
DCF value per share (IDR)				**1,583**

Source: Company, Aldiracita Sekuritas

Exhibit 32. Terminal value scenarios (TP at the 70/30 blend)

Scenario	TV % of EV	DCF (IDR)	TP (IDR)	Upside
Base: Gordon growth on FCFF, g = 5.0%	78%	1,583	1,530	+64.5%
Lower growth: g = 4.0%	76%	1,435	1,425	+53.2%
New capital earns the FY30F ROIC	77%	1,522	1,485	+59.7%
New capital earns only WACC (growth adds no value)	69%	1,135	1,215	+30.6%
No growth after FY30F (g = 0%)	67%	1,082	1,180	+26.9%

Source: Aldiracita Sekuritas. Rating BUY in every scenario (total return above 10% with the 5.0% of dividends due in 12 months).

Peers comparison

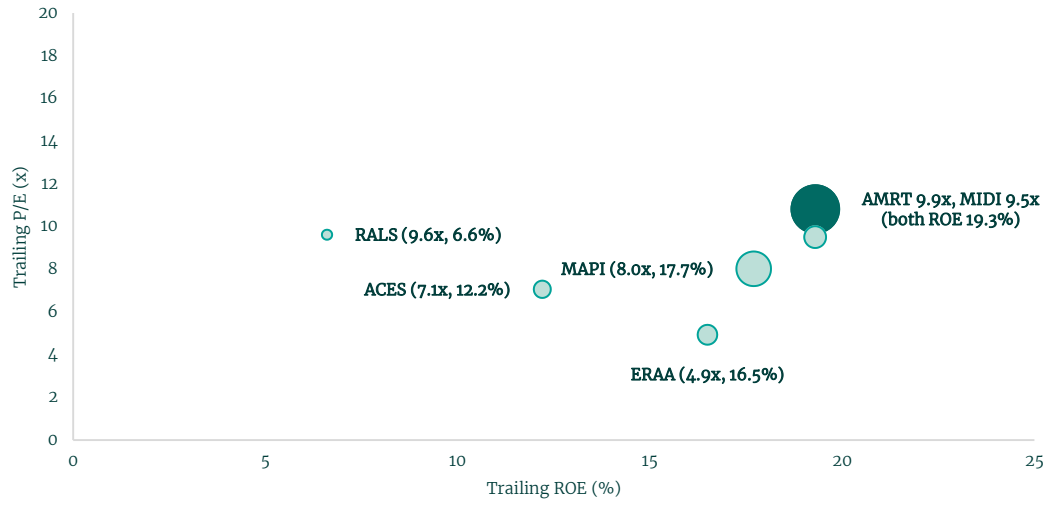
AMRT trades at a premium to local retailers, mostly on book value. At its 10 November close AMRT traded at 10.82x trailing P/E against a 7.54x median for six listed retailers (peers at 3 November prices; +44%) and 2.10x P/BV against 0.95x (+121%), with a 19.3% ROE against 17.1%. MIDI, the closest format, trades at 9.5x; the others are discretionary retailers **(Exhibits 33, 34).**

Exhibit 33. Indonesian listed retail peers (trailing; AMRT at 10 November 2026, peers at 3 November 2026)

Company	Ticker	Market cap (IDR bn)	P/E (x)	P/BV (x)	EV/EBITDA (x)	ROE (%)
Sumber Alfaria	AMRT	38,220	10.82	2.10	4.27	19.3
Midi Utama	MIDI	8,630	9.51	1.78	4.21	19.3
Mitra Adiperkasa	MAPI	20,670	8.02	1.06	3.22	17.7
Ramayana	RALS	2,230	9.62	0.64	0.90	6.6
Aspirasi Hidup	ACES	5,580	7.06	0.84	3.96	12.2
Erajaya	ERAA	7,180	4.93	0.64	3.61	16.5
Matahari (MDS)	LPPF	3,570	4.60	9.92	3.77	286.2
Median ex-AMRT		**6,380**	**7.54**	**0.95**	**3.69**	**17.1**
AMRT vs peers			**+44%**	**+121%**	**+16%**	**+2.2ppt**

Source: Bloomberg, Aldiracita Sekuritas

Exhibit 34. Trailing ROE vs trailing P/E (bubble = market cap)



Source: Bloomberg, Aldiracita Sekuritas

Against regional grocery retailers, AMRT is cheap for its returns. Seven listed convenience and grocery peers in Thailand, Taiwan, Japan, Korea and the Philippines trade at a median 12.8x trailing P/E with an 11.9% ROE, and Bloomberg's supermarket peer set at 26.1x with a 3.1% ROE. AMRT trades at 10.9x with a 19.3% ROE and a 6.0% trailing dividend yield, against 3.2%–3.4% for the two groups. The peers closest in returns, President Chain Store (28.2% ROE), Philippine Seven (30.8%) and Coles (28.2%), trade at 20.3x, 12.8x and 26.1x **(Exhibit 35).**

Exhibit 35. Regional convenience and grocery retail peers (trailing)

Company	Market	Format	P/E (x)	ROE (%)	Div. yield (%)	Date
CP ALL	Thailand	Convenience	12.8	10.4	3.8	14-Oct-26
President Chain Store	Taiwan	Convenience	20.3	28.2	4.0	16-Oct-26
Seven & i Holdings	Japan	Convenience	16.3	8.1	2.9	14-Aug-26
BGF Retail	Korea	Convenience	11.7	17.2	2.8	14-Aug-26
GS Retail	Korea	Convenience	14.1	4.5	2.6	18-Sep-26
Philippine Seven	Philippines	Convenience	12.8	30.8	3.2	23-Oct-26
Puregold	Philippines	Grocery	9.5	11.9	4.9	28-Aug-26
Median, convenience and grocery			**12.8**	**11.9**	**3.2**	
Coles Group	Australia	Supermarket	26.1	28.2	3.7	BI Peers, Nov-26
Woolworths Group	Australia	Supermarket	43.4	23.4	2.4	BI Peers, Nov-26
Metcash	Australia	Grocery wholesale	12.7	15.7	5.6	BI Peers, Nov-26
Endeavour Group	Australia	Liquor retail	121.2	1.4	3.4	BI Peers, Nov-26
E-Mart	Korea	Hypermarket	72.6	-3.1	3.4	BI Peers, Nov-26
Daikokutenbussan	Japan	Discount grocery	18.0	4.7	1.0	BI Peers, Nov-26
Arcs	Japan	Supermarket	15.7	6.6	2.4	BI Peers, Nov-26
Sun Art Retail	Hong Kong	Hypermarket	n.m.	-0.2	15.2	BI Peers, Nov-26
Yonghui Superstores	China	Supermarket	n.m.	-54.8	n.a.	BI Peers, Nov-26
Zhongbai Holdings	China	Supermarket	n.m.	-100.8	n.a.	BI Peers, Nov-26
Median, Bloomberg supermarket peers			**26.1**	**3.1**	**3.4**	
Sumber Alfaria	**Indonesia**	**Minimarket**	**10.9**	**19.3**	**6.0**	**At IDR 930, 10-Nov-26**

Source: Bloomberg BI Peers screen (supermarkets, November 2026), Aldiracita Sekuritas

At our TP the premium stays moderate. AMRT would trade at 15.5x FY27F P/E and 3.0x FY27F P/BV, still far below its own history, while the dividend yield at the current price rises from 4.8% in FY26F to 6.0% in FY28F **(Exhibit 36).**

Exhibit 36. AMRT valuation metrics

	FY24A	FY25A	FY26F	FY27F	FY28F
EPS (IDR)	75.8	82.4	89.8	99.0	112.2
EPS growth (%)	(7.5)	8.7	9.0	10.3	13.3
P/E (x)	12.3	11.3	10.4	9.4	8.3
BVPS (IDR)	394	436	457	510	570
P/BV (x)	2.36	2.13	2.04	1.82	1.63
ROE (%, year-end equity)	19.2	18.9	19.6	19.4	19.7
EV/EBITDA (x)	4.4	4.1	3.9	3.4	3.0
DPS (IDR)	34.1	41.5	44.9	49.5	56.1
Dividend yield (%)	3.7	4.5	4.8	5.3	6.0

Source: Company, Aldiracita Sekuritas

Index status, free float and liquidity

The MSCI downgrade has already happened for AMRT. MSCI moved AMRT from its Global Standard index to the Small Cap index in the May 2026 review (announced 12 May, effective 1 June 2026), so the passive selling by standard-index funds is behind it. A reclassification of Indonesia to Standalone status by June 2027 would still affect Small Cap and active funds. With a 44.7% free float and average daily trading of about IDR 60bn over three months, AMRT remains one of the more liquid consumer stocks on the IDX. Foreign investors held 30.72% of the shares on 30 October 2026 (KSEI), about two-thirds of the free float, so foreign flows still set the price at the margin **(Exhibit 37).**

Exhibit 37. Index status, ownership and liquidity

Item	Value	Date and source
MSCI index	Small Cap (from Global Standard)	Announced 12-May-26, effective 1-Jun-26 (The Jakarta Post)
MSCI market classification	Consultation on Standalone status	Decision by 30-Jun-27 (MSCI)
Free float (public, each holder below 5%)	44.7%	30-Sep-26 (Note 16)
Founding-family holding companies	52.9%	30-Sep-26 (Note 16)
Treasury shares	1.04%	30-Sep-26 (Note 16)
Foreign ownership	30.72% (about 69% of the free float)	30-Oct-26 (KSEI)
3M average daily trading value	About IDR 60.0bn	Bloomberg

Source: MSCI, The Jakarta Post (13 May 2026), Company (9M26 financial statements, Note 16), KSEI (foreign ownership), Bloomberg, Aldiracita Sekuritas

Bull, base and bear: limited downside at IDR 930

Even our bear case sits above the price. In the bear case (25% probability), Alfamart same-store sales grow 2.5% a year from FY27F, village permits cut openings to 600 a year, gross margin is 20bp lower and the wage bill keeps rising at the 9M26 pace, adding 40bp to cash opex. FY27F NPATMI falls 12% to IDR 3.25tn and, at 10.3x FY27F EPS (12.0x on the trailing band), the value is IDR 1,065, 15% above the price. In the bull case (20%), same-store sales grow 1pp faster, the wage step is absorbed (cash opex 25bp lower) and the market pays 17.2x FY27F EPS (20.0x on the trailing band, still below its -1 SD), for IDR 1,875. The probability-weighted value is IDR 1,485, 60% above the price **(Exhibit 38).**

Exhibit 38. Bull, base and bear scenarios

	Bear	Base	Bull
Probability	25%	55%	20%
Alfamart same-store sales growth, FY27F	2.5%	4.5%	5.5%
Net new Alfamart stores a year, FY27F–FY30F	600	800	800
Gross margin, FY27F	22.14%	22.34%	22.49%
Cash opex, % of revenue, FY27F	16.44%	16.04%	15.79%
Revenue, FY27F (IDR bn)	143,403	146,619	148,023
NPATMI, FY27F (IDR bn)	3,251	4,069	4,596
EPS, FY27F (IDR)	79.1	99.0	111.9
Target P/E on FY27F EPS (x)	10.3	14.2	17.2
DCF value (IDR)	1,170	1,583	1,854
Value per share, 70/30 blend (IDR)	**1,065**	**1,530**	**1,875**
Upside	+14.5%	+64.5%	+101.6%
Probability-weighted value (IDR)		**1,485 (+59.7%)**	

Source: Aldiracita Sekuritas (full model re-run at a 12.4% WACC; Alfamidi same-store sales move with Alfamart; target multiples are the forward equivalents of 12.0x, 16.5x and 20.0x on the trailing band)

Four debates decide the call. Exhibit 39 sets out the bull and bear arguments on each, and what will settle them and when.

Exhibit 39. The key debates

Debate	Bull view	Bear view	What settles it, and when
Wages	The store base absorbs the wage step; cash opex returns below 16% of revenue	UMP 2027 at 9.5% and pay per head keeps rising above 10%	UMP 2027 decision (late Nov-26); 4Q26 cash opex (results in 1Q27)
Supplier income	Merchandise margin keeps rising (+66bp in 9M26)	Supplier promotion budgets shrink (income +2.3% in 9M26)	4Q26 results and FY26 notes (1Q27)
Village cooperatives	Cooperatives sell staples, not a minimarket offer; permits stay with local governments	The request to stop village openings becomes binding	Village permit policy; quarterly store openings
MSCI and foreign flows	Reforms keep Indonesia in Emerging Markets and the risk premium eases	Standalone status and further foreign selling	MSCI decision by 30 June 2027

Source: Aldiracita Sekuritas

If we are wrong in 12 months, the likely reason is costs, not sales. Revenue has held up through 2026, so the most likely way the BUY fails is that the 2027 minimum wage and tighter supplier-promotion budgets hit at the same time, so that the EBIT margin falls instead of recovering while same-store sales slow towards the 2.5% of our bear case. The UMP 2027 decision and the 4Q26 results are the first checks.

What could close the gap, and what could widen it

Re-rating catalysts: revenue growth holding near the 3Q26 pace of 8.7% with cash opex back below 16% of revenue in 4Q26 (results due in 1Q27), steady openings outside Java, gross-margin gains from fresh food and private label, faster growth at MIDI, and progress on the market reforms MSCI is looking for before its June 2027 decision (Exhibit 40).

Exhibit 40. Catalyst calendar

Timing	Event	What to watch
Late Nov-26	UMP 2027 set by provinces	Unions ask 7.5%–9.5%; our FY27F implies wage bill growth of about 6.9%
Feb–Mar 2027	Ramadan and Lebaran	Seasonal peak in minimarket sales (1Q27)
Feb-27	MSCI quarterly index review	AMRT's Small Cap status; Indonesian weights
By end-Mar-27	4Q26 and FY2026 results	4Q cash opex (+59bp y/y in our forecast); supplier income
30-Apr-27	MSCI consultation feedback deadline	Evidence of free-float and disclosure reforms
By end-Apr-27	1Q27 results	First quarter with UMP 2027
May–Jul 2027	AGM and FY2026 final dividend	Final DPS of about IDR 30
By 30-Jun-27	MSCI market-classification decision	Emerging vs Standalone status
Oct-27	FY2027 interim dividend	About IDR 16 a share

Source: Company, MSCI, CNBC Indonesia, IDX reporting deadlines, Aldiracita Sekuritas (expected timing)

Key risks: wage and logistics inflation running ahead of sales, as in 3Q26; weaker purchasing power in the core lower-middle-income cohort; lower supplier promotion budgets, which fund shelf and display income worth 1.3x EBIT; limits on village minimarket permits as cooperatives scale up; competition from Indomaret and quick-commerce; losses at Lawson and the overseas associates; related-party transactions such as the July 2026 transfer of control of the international holding to an affiliate; and foreign outflows if MSCI reclassifies Indonesia (Key Risks section).

SWOT Analysis

Exhibit 41. SWOT analysis

Strengths	Weaknesses
Duopoly in the minimarket format: AMRT and Indomaret run 98.2% of measured minimarkets (NielsenIQ, Jun-26) Suppliers fund the inventory: trade payables exceed inventory, so working capital is negative Net cash and ROIC well above WACC on a cash-rent basis	Thin margins: NPATMI margin of 2.7% in FY25A leaves little room for cost shocks Wage-heavy cost base: 3Q26 wage bill +15.5% y/y, cash opex 16.95% of revenue Minorities leak profit: MIDI is not fully owned (NCI IDR 236bn in FY26F) Losses at Lawson and the Philippine associate Related-party deals: control of the international holding moved to an affiliate (Jul-26)
Opportunities	**Threats**
Outside Java: outer islands rising as a share of the network Non-food and fresh food lift gross margin (non-food margin 25.3% in 9M26 vs 24.4% in 9M25) Philippines and Bangladesh (now held through a 49% associate) add option value, not in our numbers	Weak purchasing power in the lower-middle-income core Village cooperatives competing for minimarket permits Wage and logistics inflation; quick-commerce MSCI reclassification of Indonesia (decision by 30 June 2027)

Source: Aldiracita Sekuritas

Key Risks

Earnings are most sensitive to costs, same-store sales and gross margin. Each risk below is run on our FY27F forecast with other lines held, using our FY27F tax rate (19%) and minority share (6.05%); valuation risks are run on the 70/30 blend **(Exhibit 42).**

Exhibit 42. Key risk sensitivities

Risk	Assumption tested	Impact (other lines unchanged)
Wage pressure persists	Cash opex 25bp of revenue above our FY27F 16.04%	NPATMI -IDR 279bn (6.9%)
4Q26 costs repeat 3Q26	4Q26 cash opex +91bp y/y instead of +59bp	FY26F NPATMI -IDR 85bn (2.3%)
Weaker same-store sales	1pp lower revenue growth in FY27F	NPATMI -IDR 232bn (5.7%)
Gross-margin pressure	10bp lower gross margin in FY27F	NPATMI -IDR 112bn (2.7%)
Supplier income falls	Supplier space and promotion income 10% lower in FY27F	NPATMI -IDR 523bn (12.8%)
UMP 2027 at 9.5%	Wage bill +9.5% in FY27F instead of 6.9%	NPATMI -IDR 292bn (7.2%)
Higher cost of capital	WACC +1pp (TGR 5.0%)	TP IDR 1,405 vs IDR 1,530
Lower terminal growth	TGR 4.0%	TP IDR 1,425 (+53.2%)
Related-party transactions	Further transfers of assets or contracts to affiliates	Not quantified; the ARA deal was below the materiality threshold and had a fairness opinion
MSCI reclassification	Indonesia moved to Standalone Market	Small Cap and active-fund outflows; not quantified

Source: Aldiracita Sekuritas

Financial Statements

Income Statement

Income Statement (IDR bn)	FY24A	FY25A	FY26F	FY27F	FY28F
Revenue	**118,227**	**126,737**	**136,336**	**146,619**	**158,640**
Cost of revenue	(92,862)	(98,981)	(105,968)	(113,867)	(123,100)
Gross profit	**25,365**	**27,756**	**30,367**	**32,752**	**35,540**
Operating expenses, net	(21,287)	(23,194)	(25,463)	(27,378)	(29,523)
EBIT	**4,079**	**4,562**	**4,905**	**5,374**	**6,016**
EBITDA	**8,267**	**9,064**	**9,637**	**10,613**	**11,617**
Net finance income / (cost), incl. lease interest	(19)	11	40	54	110
Share of associates and final tax	(47)	(188)	(97)	(82)	(67)
Pre-tax profit	**4,012**	**4,385**	**4,847**	**5,347**	**6,059**
Tax	(792)	(826)	(921)	(1,016)	(1,151)
Minority interests	(72)	(148)	(236)	(262)	(299)
Net profit to owners (NPATMI)	**3,148**	**3,411**	**3,690**	**4,069**	**4,609**
NPATMI growth (%)	(7.5)	8.3	8.2	10.3	13.3
EPS (IDR)	75.8	82.4	89.8	99.0	112.2
DPS (IDR)	34.1	41.5	44.9	49.5	56.1

Source: Company, Aldiracita Sekuritas

Balance Sheet

Balance Sheet (IDR bn)	FY24A	FY25A	FY26F	FY27F	FY28F
Cash and cash equivalents	4,845	4,680	4,080	5,528	7,319
Trade receivables	2,999	3,214	3,362	3,615	3,912
Inventories	11,775	13,347	14,081	14,974	16,020
Other current assets	722	673	724	779	843
Fixed assets	9,245	9,895	10,660	11,374	12,101
Other non-current assets (incl. right-of-use)	9,213	10,769	11,231	11,915	12,658
Total assets	**38,798**	**42,579**	**44,138**	**48,185**	**52,853**
Lease liabilities, current	977	1,034	1,053	1,134	1,214
Trade payables and other current liabilities	18,491	19,479	20,789	22,344	24,161
Lease liabilities, non-current, and bank loans	896	1,676	934	1,005	1,077
Other long-term liabilities	738	1,006	1,083	1,164	1,260
Total liabilities	**21,102**	**23,196**	**23,859**	**25,647**	**27,711**
Total equity (incl. MI)	**17,696**	**19,383**	**20,279**	**22,538**	**25,141**
o/w minority interests	1,318	1,362	1,494	1,591	1,707
Net debt / (cash), incl. leases	(2,972)	(1,969)	(2,093)	(3,389)	(5,028)

Source: Company, Aldiracita Sekuritas

Cash Flow

Cash Flow (IDR bn)	FY24A	FY25A	FY26F	FY27F	FY28F
Net income (incl. MI)	3,220	3,559	3,926	4,331	4,908
Depreciation and amortisation	4,188	4,501	4,733	5,239	5,600
Cash flow from operations	**8,063**	**7,675**	**9,153**	**10,024**	**11,015**
Capex incl. prepaid right-of-use assets	(4,839)	(4,995)	(5,008)	(5,515)	(5,848)
FCF after capex	**3,224**	**2,680**	**4,145**	**4,509**	**5,167**
Net debt / (cash), incl. leases	(2,972)	(1,969)	(2,093)	(3,389)	(5,028)

Source: Company, Aldiracita Sekuritas

Key Ratios

Key Ratios	FY24A	FY25A	FY26F	FY27F	FY28F
Profitability (%)					
Gross margin	21.5%	21.9%	22.3%	22.3%	22.4%
EBITDA margin	7.0%	7.2%	7.1%	7.2%	7.3%
EBIT margin	3.4%	3.6%	3.6%	3.7%	3.8%
Net margin (NPATMI)	2.7%	2.7%	2.7%	2.8%	2.9%
Return on assets (year-end)	8.1%	8.0%	8.4%	8.4%	8.7%
Return on equity (year-end)	19.2%	18.9%	19.6%	19.4%	19.7%
ROIC (pre-IFRS 16, cash-rent basis)	n.a.	45.2%	46.4%	48.2%	52.2%
Stability					
Net debt incl. leases / equity (x)	(0.17)	(0.10)	(0.10)	(0.15)	(0.20)
Net debt incl. leases / EBITDA (x)	(0.36)	(0.22)	(0.22)	(0.32)	(0.43)
Payout ratio (DPS / EPS)	45.0%	50.3%	50.0%	50.0%	50.0%
Growth (%)					
Revenue growth	+10.5%	+7.2%	+7.6%	+7.5%	+8.2%
EBITDA growth	+2.2%	+9.6%	+6.3%	+10.1%	+9.5%
NPATMI growth	-7.5%	+8.3%	+8.2%	+10.3%	+13.3%
Multiples (x)					
P/E	12.3	11.3	10.4	9.4	8.3
P/BV	2.36	2.13	2.04	1.82	1.63
EV/EBITDA	4.4	4.1	3.9	3.4	3.0
Dividend yield	3.7%	4.5%	4.8%	5.3%	6.0%

Source: Company, Aldiracita Sekuritas. Multiples at IDR 930 (10 November 2026).

IMPORTANT DISCLOSURES & DISCLAIMERS

Analyst Certification

The research analyst(s) who prepared this report certify that all views expressed in this report accurately reflect their personal views about the subject companies and securities. No part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst(s) do not hold securities in the subject company(ies) except as disclosed.

Rating Definitions

BUY	Expected 12-month total return of >+10%
HOLD	Expected 12-month total return of -10% to +10%
SELL	Expected 12-month total return of < -10%

General Disclaimer

This report is prepared by PT Aldiracita Sekuritas Indonesia ("Aldira"), a licensed broker-dealer and member of the Indonesia Stock Exchange. This report is intended for general informational purposes only and does not constitute an offer or solicitation to buy or sell any securities or financial instruments. Information and opinions contained herein have been compiled in good faith from sources believed to be reliable; however, Aldira makes no representation, warranty, or guarantee as to their accuracy or completeness. Aldira and its affiliates, directors, officers, employees, and agents accept no liability for any loss or damage arising from the use of this report. Investors should seek independent professional advice before making any investment decision. Past performance is not indicative of future results. The value of investments and the income derived may fluctuate and investors may not recover the full amount invested. This report may not be reproduced, distributed, or published in any form without the prior written consent of PT Aldiracita Sekuritas Indonesia.