Improving productivity and efficiency through expansions

24 July 2025

AMRT IJ	BUY
Sector	Retail
Price at 23 July 2025 (IDR)	2,250
Price target (IDR)	3,050
Upside/Downside (%)	36.0

Stock Information

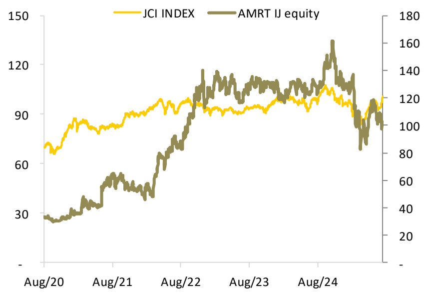
Sumber Alfaria Trijaya Tbk (AMRT) is one of Indonesia's leading minimarket players and has more than 20,000 stores spread out across Indonesia, such as; Alfamart, Alfamidi, Lawson, Dan-Dan and etc.

Market cap (IDR bn)	91,769
Shares outstanding (mn)	41,525
52-week range (IDR)	1,730-3,650
3M average daily vol. ('000)	38,298
3M average daily val. (IDR mn)	89,192

Shareholders (%)

Sigmantara Alfindo	53.2
Feny Djoko Susanto	0.64
Harryanto Susanto	0.46
Budiyanto Djoko Susanto	0.33
Public	45.4

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	0.9	12.5	(21.6)

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After a good 1Q25 results with a net addition of 361 new stores, Sumber Alfaria Trijaya (AMRT) will continue its stores' and distribution centers' (DC) expansions, with a IDR4.5 tn capex allocation for this year as the company still expects to have a total of 1,000 new stores with 2 new DCs in '25F. Moreover, AMRT expects its same store sales growth (SSSG) to be around 5%-6% yoy, amidst the anticipation of softer growth qoq in 2Q25F and 3Q25F due to current economic conditions. Thus, we expect AMRT' revenue to grow by 10.7% yoy in '25F as higher sales yoy on more store numbers and memberships. All in all, we still expect AMRT' net profit to grow by 15.3% yoy in '25F and net margin to expand by 10bps yoy, on improved efficiency and costs management, despite our adjustments. Maintain BUY on AMRT with adjusted TP of IDR3,050, which implies 34.9x '25F P/E or at +1stdev of its 5 years' mean P/E. Currently, AMRT is trading at 25.8x '25F P/E or slightly below its 5 years' mean P/E.

Store expansion continues

AMRT will surely continue its store expansions plan for the remaining quarters of 2025, as the company plans to have 1,000 new stores this year and has allocated around IDR4.5 tn for this year' capital expenditure (capex), which IDR3 tn will be used for store expansions and another IDR1 tn will be used for the expansion of DCs. AMRT will also be focusing more on opening new stores in outside Java area as the company still has less stores in the region and the competition is not as tight as in Greater Jakarta' and Java island' area, which offers more potential growth for the company. In 1Q25, AMRT already had a net addition of 361 new stores that made AMRT' total stores to reach 23,638 stores, which 76% of them are fully owned by the company and 35.5% of them are located in outside Java' area. Thus, aligning with the company' guidance of a mid-single digit (5%-6%) same store sales growth (SSSG) and albeit with our slight adjustment as to anticipate softer growth qoq in 2Q25F and 3Q25F due to current economic conditions, we still expect AMRT' revenue to grow by 10.7% yoy to IDR130.9 tn (-0.2% from previous) in '25F.

To improve efficiency and costs management further

Last year, AMRT opened 3 DCs, which 2 DCs are located in Sulawesi (Gorontalo and Luwu), while the other 1 DC is located in Central Java (Tegal). This year, AMRT plans to spend around IDR1 tn of this year' capex for opening 2 new DCs; 1 DC is going to be in Palangkaraya, Kalimantan and the other 1 DC is going to be in Bengkulu, Sumatera. As a result, AMRT expects to have a total of 38 DCs by the end of this year, that includes; 6 DCs in Greater Jakarta, 15 DCs in Java island and 17 DCs in outside Java' area. With a total of 38 DCs in 25F, AMRT expects to continue to improve its efficiency and costs management by reducing logistics costs and easing the time needed for the stores near the DCs to re-stock products, which also enable the stores to improve their product mix and boosts sales. All in all, we still expect AMRT' earnings to grow by 15.3% yoy in '25F and net margin to expand by 10bps yoy, despite our earnings adjustment (-24% from previous) due to lower than expected 4Q24 and FY24 results, amidst current economic conditions.

Solid revenue growth in 1Q25

AMRT' revenue grew 11.8% yoy/9.2% qoq to IDR32.77 tn in 1Q25 on Ramadan festivities with higher active members (+27% yoy), which came in-line with ours' (25%) and consensus' (25.2%) expectation. Note that, currently AMRT has a total of more than 21.3 mn members, which 68% of them are AMRT' active members and has contributed around 58% of its total revenue in 1Q25. Moreover, AMRT' SSSG was at 8.6% yoy in 1Q25, with its revenue from food/groceries' and non-food' segment reached IDR23.68 tn (+11% yoy/+13.2% qoq) and IDR9.1 tn (+13.7% yoy/+0% qoq), respectively in 1Q25. Based on area, AMRT' revenue from its Jabodetabek, Java (excluding Jabodetabek) and outside Java stores reached IDR9.11 tn (+12.4% yoy/+11% qoq), IDR12.11 tn (+7.7% yoy/+14.5% qoq), IDR11.55 tn (+15.7% yoy/+2.4% qoq), respectively in 1Q25.

A 9.5% yoy/30.1% qoq earnings growth in 1Q25 with sustained net margins yoy

AMRT' gross margin expanded to 21.9% (+10bps yoy/+30bps qoq) in 1Q25 on higher sales and better product mix. On operational side, AMRT' EBIT margin expanded 60bps qoq, but sustained yoy, at 3% in 1Q25, as AMRT paid the mandatory religious holiday allowances to its employees on Ramadan festivities. All in all, AMRT' net profit grew 9.5% yoy/30.1% qoq to IDR975 bn in 1Q25, with net margin expanded 50bps qoq, but sustained yoy at 3%. Moreover, AMRT' 1Q25 earnings still came in-line with ours (20.4%) and cons' (25.7%) expectation.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025F	2026F	2027F
Revenue (IDR bn)	106,945	118,227	130,877	145,274	161,544
EBITDA (IDR bn)	6,943	7,170	8,169	9,156	10,313
Net profit (IDR bn)	3,404	3,148	3,630	4,134	4,743
EPS (IDR)	82	76	87	99	114
EPS growth (%)	19.2	-7.5	15.3	13.9	14.8
ROE (%)	25.0	18.9	19.7	20.6	21.7
ROA (%)	10.5	8.6	9.3	10.1	10.6
PER (x)	27.5	29.7	25.8	22.6	19.7
PBV (x)	6.5	5.7	5.3	4.8	4.4
EV/EBITDA (x)	13.2	12.7	11.3	10.2	9.1
Div Yield (%)	1.3	2.5	2.4	2.7	3.1

Source: Company, KBVS Research

Exhibit 2: AMRT 1Q25 results

AMRT 1Q25 Results (IDRbn)	1Q25	1Q24	YoY	4Q24	QoQ	% to '25F	% to Cons'
Revenue	32,773	29,326	11.8%	30,010	9.2%	25.0%	25.2%
Food	23,677	21,325	11.0%	20,911	13.2%		
Non-food	9,096	8,001	13.7%	9,099	0.0%		
COGS	(25,600)	(22,937)	11.6%	(23,513)	8.9%		
Gross profit	7,172	6,389	12.3%	6,497	10.4%	24.5%	25.4%
Operating expenses	(6,187)	(5,513)	12.2%	(5,772)	7.2%		
EBIT	985	876	12.4%	724	36.1%	21.3%	21.9%
Other income	301	296	1.8%	299	0.8%		
Other expenses	(27)	(24)	12.1%	(50)	-46.8%		
Profit before tax	1,265	1,152	9.7%	955	32.4%		
Tax expense	(256)	(231)	11.1%	(211)	21.4%		
Minority interest	33	31	6.3%	(6)	-703.8%		
Net profit	975	890	9.5%	749	30.1%	20.4%	25.7%

Margins (%)			
Gross margin	*21.9*	*21.8*	*21.6*
EBIT margin	*3.0*	*3.0*	*2.4*
Pretax margin	*3.9*	*3.9*	*3.2*
Net margin	*3.0*	*3.0*	*2.5*

AMRT 1Q25 Results (IDRbn)	1Q25	1Q24	YoY	4Q24	QoQ
Jabodetabek					
Revenue	9,106	8,099	12.4%	8,205	11.0%
EBIT	299	268	11.6%	195	53.1%
EBIT margin	3.3%	3.3%		2.4%	
Java (excluding Jabodetabek)					
Revenue	12,112	11,241	7.7%	10,579	14.5%
EBIT	729	668	9.1%	634	14.9%
EBIT margin	6.0%	5.9%		6.0%	
Outside Java					
Revenue	11,554	9,985	15.7%	11,285	2.4%
EBIT	763	628	21.4%	621	23.0%
EBIT margin	6.6%	6.3%		5.5%	

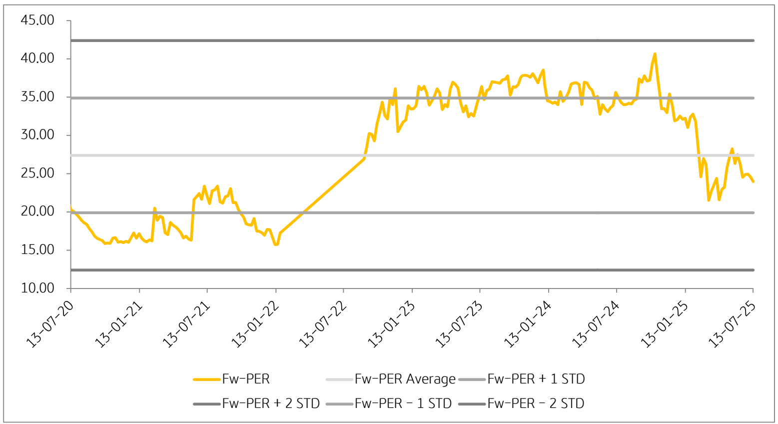
Source: Company, KBVS Research

Exhibit 3: adjustments for '25F

Earnings adjustments (IDR bn)	New (IDR bn)		Previous (IDR bn)		Changes (%)	
	25F	26F	25F	26F	25F	26F
Revenue	130,877	145,274	131,173	146,914	-0.2%	-1.1%
Gross profit	28,265	31,682	29,219	32,827	-3.3%	-3.5%
Operating profit	3,468	3,939	4,629	5,179	-25.1%	-23.9%
Net Profit	3,630	4,134	4,774	5,420	-24.0%	-23.7%

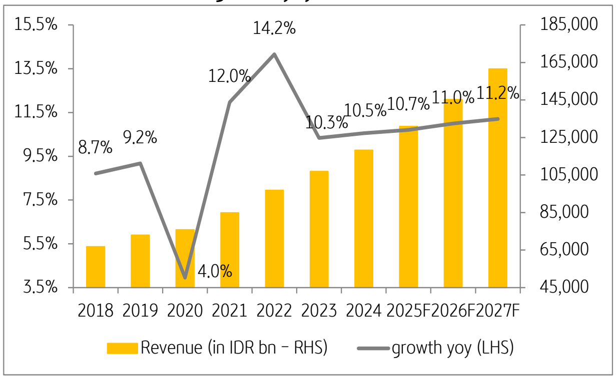
Source: Company, KBVS Research

Exhibit 4: AMRT P/E Band



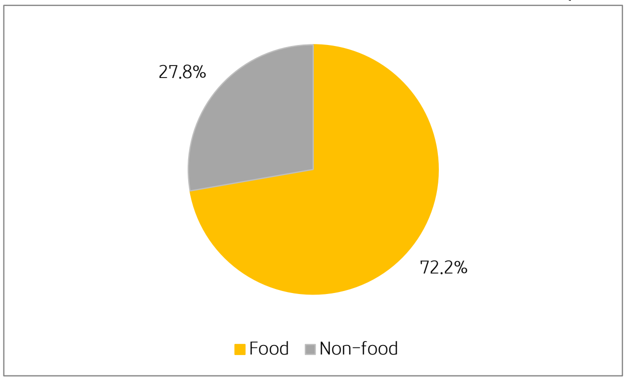
Source: Company, KBVS Research

Exhibit 5: Revenue and growth yoy



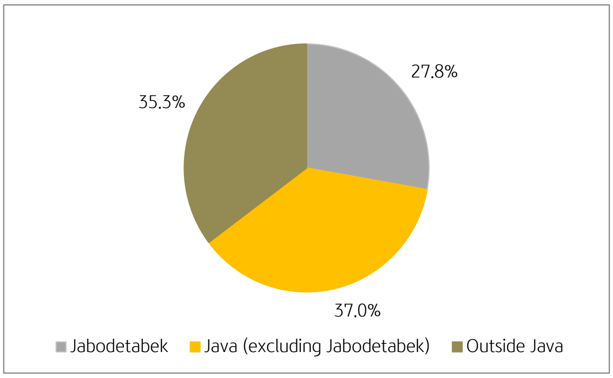
Source: Company, KBVS Research

Exhibit 6: Revenue contribution from food and non-food in 1Q25



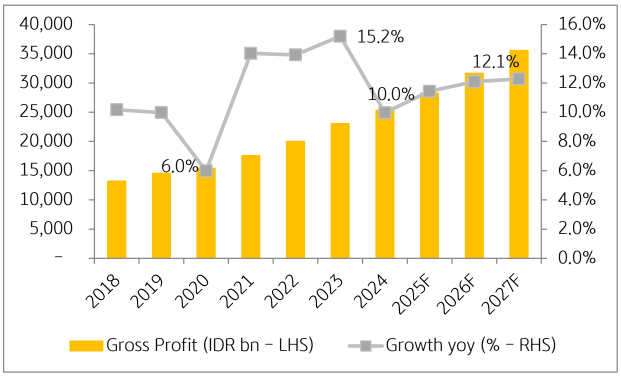
Source: Company, KBVS Research

Exhibit 7: Revenue contribution based on area in 1Q25



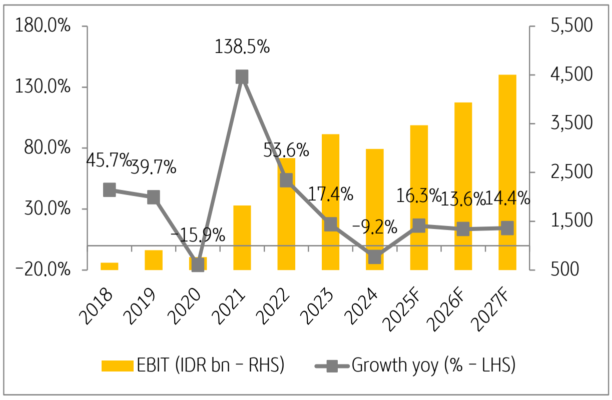
Source: Company, KBVS Research

Exhibit 8: Gross profit & growth yoy



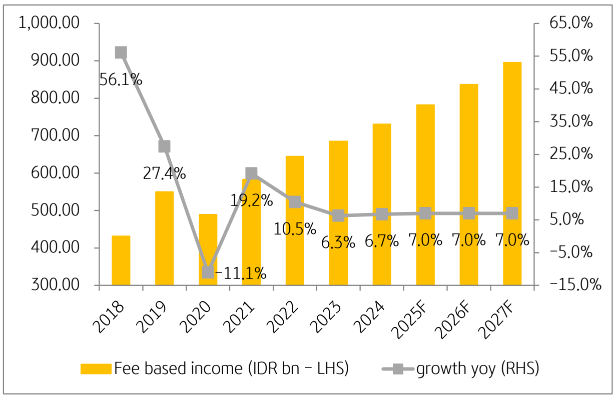
Source: Company, KBVS Research

Exhibit 9: EBIT & growth yoy



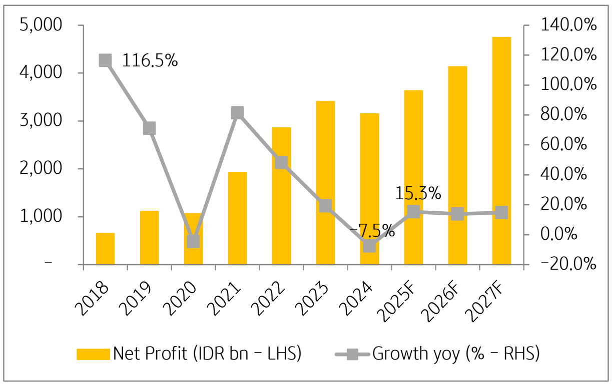
Source: Company, KBVS Research

Exhibit 10: AMRT' Fee based income and growth yoy



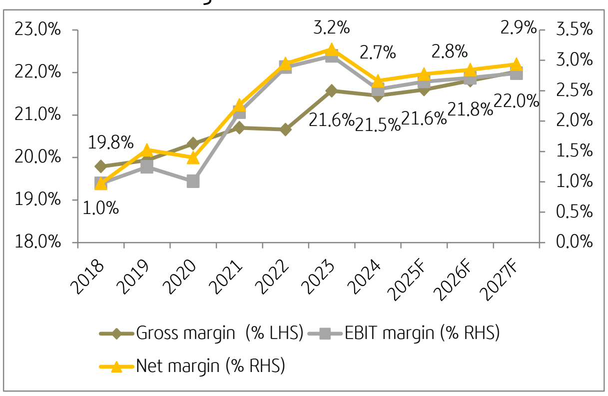
Source: Company, KBVS Research

Exhibit 11: Net profit & growth yoy



Source: Company, KBVS Research

Exhibit 12: AMRT' margins



Source: Company, KBVS Research

Exhibit 13: Profit & loss summary

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	106,945	118,227	130,877	145,274	161,544
COGS	83,879	92,862	102,612	112,591	125,973
Gross profit	23,066	25,365	28,265	31,682	35,572
Operating expenses	19,780	22,384	24,797	27,743	31,067
EBIT	3,286	2,982	3,468	3,939	4,505
EBITDA	6,943	7,170	8,169	9,156	10,313
Pre-tax profit	4,333	4,066	4,674	5,310	6,081
Net profit	3,404	3,148	3,630	4,134	4,743
EPS	82	76	87	99	114
EPS growth	19%	-8%	15%	14%	15%

Source: Company, KBVS Research

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	4,075	4,895	2,305	409	105
Accounts receivables	2,571	2,999	3,083	3,422	3,806
Inventories	10,094	11,775	11,805	12,774	13,854
Others	586	672	717	796	885
Total current assets	17,326	20,341	17,910	17,401	18,650
Fixed assets - Net	8,053	9,002	11,242	13,527	15,474
Others	8,868	9,456	10,278	11,477	12,553
Total non-current assets	16,920	18,458	21,520	25,004	28,028
Total assets	34,246	38,798	39,430	42,405	46,678
ST borrowing	63	-	-	-	-
Current maturities of LT borrowings	1,488	1,291	271	-	-
Accounts payable	10,983	13,352	13,445	14,883	16,506
Others	4,730	4,826	5,279	5,844	6,481
Total current liabilities	17,263	19,469	18,995	20,728	22,987
LT bank loan	669	968	505	-	-
Others non-current liabilities	609	666	737	818	910
Total non-current liabilities	1,278	1,634	1,242	818	910
Total liabilities	18,541	21,102	20,237	21,546	23, 897
Shareholders equity	2,895	2,895	2,895	2,895	2,895
Minority interests	1,232	1,318	1,390	1,462	1,534
Retained earnings	11,159	13,116	14,542	16,135	17,985
Others	419	366	366	366	366
Total Equity	15,705	17,696	19,194	20,859	22,781
Total Liabilities & Equity	34,246	38,798	39,430	42,405	46,678

Source: Company, KBVS Research

Exhibit 15: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
EBIT	3,286	2,982	3,468	3,939	4,505
D&A	3,657	4,188	4,700	5,217	5,808
Changes in working capital	(1,303)	328	459	697	798
Interest & taxes	(87)	(19)	(19)	(19)	(19)
Others	209	1,097	1,216	1,380	1,582
Operating cash flow	**4,913**	**7,730**	**8,852**	**10,109**	**11,409**
Capital expenditures	(4,505)	(5,138)	(6,941)	(7,501)	(7,755)
Changes in ST investment	8	(7)	0	0	0
Others	862	(21)	167	(79)	(89)
Investing cash flow	**(4,570)**	**(5,719)**	**(7,755)**	**(8,690)**	**(8,819)**
Changes in LT borrowings	(454)	102	(1,484)	(775)	-
Changes in ST borrowings	(383)	(63)	-	-	-
Cash dividends paid	(1,192)	(2,383)	(2,204)	(2,541)	(2,893)
Others	1,750	(38)	(0)	0	0
Financing cash flow	**(87)**	**(1,190)**	**(3,688)**	**(3,316)**	**(2,893)**
Net change in cash	**256**	**821**	**(2,590)**	**(1,897)**	**(304)**
Cash in beginning of the year	3819	4075	4895	2305	409
Cash at the end of the year	4,075	4,895	2,305	409	105

Source: Company, KBVS Research

Exhibit 16: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Growth					
Revenue	10.3%	10.5%	10.7%	11.0%	11.2%
Gross profit	15.2%	10.0%	11.4%	12.1%	12.3%
Operating profit	17.4%	-9.2%	16.3%	13.6%	14.4%
EBITDA	14.5%	3.3%	13.9%	12.1%	12.6%
Net profit	19.2%	-7.5%	15.3%	13.9%	14.8%
Profitability					
Gross margin	21.6%	21.5%	21.6%	21.8%	22.0%
Operating margin	3.1%	2.5%	2.7%	2.7%	2.8%
EBITDA margin	6.5%	6.1%	6.2%	6.3%	6.4%
Net margin	3.2%	2.7%	2.8%	2.8%	2.9%
ROA	10.5%	8.6%	9.3%	10.1%	10.6%
ROE	25.0%	18.9%	19.7%	20.6%	21.7%
Solvency (x)					
Current ratio	1.00	1.04	0.94	0.84	0.81
Quick ratio	0.42	0.44	0.32	0.22	0.21
Debt to equity	0.15	0.14	0.04	-	-
Interest coverage	42.71	56.07	63.88	71.60	80.65
Net gearing	(0.23)	(0.24)	(0.10)	(0.02)	(0.00)

Source: Company, KBVS Research

Disclaimer

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