

Expansion continues with positive SSSG in 5M26

07 July 2026



ERAA IJ	BUY
Sector	Retail
Price at 06 July 2026 (IDR)	366
Price target (IDR)	500
Upside/Downside (%)	36.6

Stock Information

Erajaya Swasembada Tbk (ERAA) is the largest mobile telecommunication player in Indonesia that engages in the distribution and retail of mobile telecommunication devices such as mobile phones, tablets, Internet of Things (IoT) and etc.

Market cap (IDR bn)	5,710
Shares outstanding (mn)	15,950
52-week range (IDR)	314-585
3M average daily vol. ('000)	36,484
3M average daily val. (IDR mn)	13,921

Shareholders (%)

Eralink International	55.2
Treasury stocks	1.9
Public	42.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	1.1	1.7	(32.2)

Erajaya Swasembada' (ERAA) Same Store Sales Growth (SSSG) remained positive in 5M26 (+7.2% yoy), despite with lower SSSG in May'26 (-9.8% yoy) and Apr'26 (-22.8% yoy), due to lack of catalysts and high base effect yoy following the iPhone 16 launch in 2Q25. Moreover, ERAA will continue to expand its membership base via MyEraspace (owned online platform) and to open around 200 new stores (net) in 2026F to further drive sales. In 1Q26, ERAA opened 72 new stores (net) and added an additional 800k new members. As a result, ERAA' revenue and earnings reached IDR22.4 tn (+41.1% yoy/-7.5% qoq) and IDR453 bn (+122.7% yoy/+10.3% qoq), respectively in 1Q26, on the back of its 2,404 stores with 17.5 mn members amidst festive sales, which came above ours (26.8%/34.6%) and consensus' (27.7%/34.7%) expectation. At the same time, ERAA' 1Q26 net margin expanded to 2% (+70bps yoy/+30bps qoq) on better costs management. Thus, we maintain our '26F revenue and earnings for ERAA and expect them to grow by 9.3% yoy to IDR83.8 tn and IDR1.3 tn, respectively in '26F on the back of more stores, and higher sales contributions from members with better cost management. Maintain BUY on ERAA with adjusted TP of IDR500, which implies 6.1x '26F P/E. Currently, ERAA is trading at 4.5x '26F P/E or at its -1.5stdev of its 5 years' mean P/E.

Expansion continues with positive SSSG in 5M26

ERAA' SSSG remained positive in 5M26 (+7.2% yoy), despite with lower SSSG in Apr'26 (-22.8% yoy) and May'26 (-9.8% yoy) due to lack of catalysts and high base effect yoy following the iPhone 16 launch in 2Q25. Moreover, ERAA will surely continue with its initial plan for '26F to open around 200 new stores (net) and to further expand its membership base via MyEraspace to further support its sales growth. In 1Q26, ERAA opened 72 new stores (net) and added an additional 800k new members. As a result, ERAA has a total of 2,404 stores across Indonesia with 17.5 mn members as of 1Q26. Thus, we maintain our '26F revenue and earnings for ERAA and expect them to grow by 9.3% yoy to IDR83.8 tn and IDR1.31 tn, respectively in '26F on the back of more stores, and higher sales contributions from members with better cost management.

Jakarta' mid-year event could help ERAA' sales in 2Q26F

Jakarta' Fair has commenced since 11 Jun'26 till 12 Jul'26, which could help ERAA' sales mostly in 2Q26F amidst lack of catalysts and high base effect yoy following the iPhone 16 launch in 2Q25. Moreover, with the Fair, ERAA could sell its obsolete cellphone stocks and improve its inventory days further. We expect ERAA' average inventory days could improve to 46 days in 2Q26F (vs 48 days in 1Q26). Thus, we expect ERAA' revenue to reach IDR18.6 tn (-2.8% yoy/-16.9% qoq) in 2Q26F amidst lack of catalysts and high base effect yoy. As a result, we still expect ERAA' revenue to reach IDR41.1 tn (+17.1% yoy) in 1H26F, or around 49% of our '26F revenue (in-line). In 1Q26, ERAA' revenue from its business segments; a) Cellphones and tablets revenue reached IDR17.6 tn (+42.7% yoy/-8.3% qoq), contributing 78.6% of ERAA' total revenue, b) Accessories & others revenue reached IDR3.1 tn (+15.6% yoy/-18.3% qoq), contributing 13.7% of ERAA' total revenue, c) Computers & electronics revenue reached IDR1 tn (+56.7% yoy/+13.8% qoq), contributing 4.6% of ERAA' total revenue, and d) Active & lifestyle goods revenue reached IDR698 bn (+206.4% yoy/+86.5% qoq), contributing 3.1% of ERAA' total revenue. As a result, ERAA' revenue reached IDR22.4 tn (+41.1% yoy/-7.5% qoq) in 1Q26 on the back of more store numbers and higher members' participation amidst festivities, which came above ours' (26.8%) and cons' (27.7%) expectations.

1H26F earnings could still grow by 38% yoy

With continuous promotions & discount sales during the Fair amidst lack of catalysts and high base effect yoy, ERAA' 2Q26F gross and EBIT margin, yoy, could be negatively impacted. Yet, on quarterly basis, we still expect ERAA to maintain its 2Q26F gross and EBIT margin at 10.7% (-60bps yoy/+0bps qoq) and 2.1% (-90bps yoy/+0bps qoq), respectively, on better cost management qoq. All in all, we still expect ERAA' 1H26F earnings to reach IDR784 bn (+38% yoy) on better cost management, or ~60% of our '26F earnings. We also expect ERAA' 1H26F net margin to reach 1.9% (+30bps yoy). In 1Q26, ERAA' earnings reached IDR453 bn (+122.7% yoy/+10.3% qoq) on higher sales during festivities with better cost management, which came above ours (34.6%) and cons' (34.7%) expectation. While, ERAA' 1Q26 net margin reached 2% (+70bps yoy/+30bps qoq).

Maintain BUY with TP of IDR500

Maintain BUY on ERAA with TP of IDR 500/share (+36.6% upside from yesterday' closing price), which implies 6.1x '26F P/E or at -0.5stdev of its 5 years' mean P/E as per our view that ERAA will be able to grow its business further in '26F mainly driven by the sales of iPhone and several top tier Chinese cellphone brands (Huawei, Xiaomi, Oppo, etc) with better cost management. Risks to our call; a) weak purchasing power, b) IDR weakening vs USD, c) tighter competition from peers, and d) changes in government regulations for the sector. Currently, ERAA is trading at 4.5x '26F P/E or at its -1.5stdev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2024A	2025A	2026F	2027F	2028F
Revenue (IDR bn)	65,280	76,607	83,765	92,088	101,852
EBITDA (IDR bn)	2,850	3,121	3,456	3,899	4,394
Net profit (IDR bn)	1,033	1,196	1,307	1,534	1,854
EPS (IDR)	65	75	82	96	116
EPS growth (%)	25.0%	15.8%	9.3%	17.3%	20.9%
ROE (%)	11.4%	11.8%	12.6%	13.3%	14.3%
ROA (%)	4.7%	4.1%	5.5%	5.8%	6.4%
PER (x)	5.7	4.9	4.5	3.8	3.1
PBV (x)	0.6	0.6	0.6	0.5	0.5
EV/EBITDA (x)	3.2	3.4	2.7	2.4	2.1
Div Yield (%)	4.6	5.3	5.8	6.8	8.3

Source: Company, KBVS Research

Analyst

Andre Suntono

andre.suntono@kbvalbury.com

**Exhibit 2: ERAA 1Q26 results**

ERAA 1Q26 Results (IDRbn)	1Q26	1Q25	YoY	4Q25	QoQ % to '26F	to Cons'	
Revenue	22,413	15,882	41.1%	24,243	-7.5%	26.8%	27.7%
COGS	(20,025)	(14,088)	42.1%	(21,737)	-7.9%		
Gross profit	2,388	1,795	33.1%	2,505	-4.7%	26.2%	26.8%
Operating expenses	(1,923)	(1,473)	30.6%	(1,910)	0.7%		
EBIT	465	322	44.4%	595	-21.8%	23.6%	20.1%
Profit before tax	650	334	94.8%	673	-3.3%		
Tax expense	(155)	(121)	27.3%	(209)	-25.9%		
Minority interest	43	9	376.1%	54	-19.9%		
Net profit	453	203	122.7%	410	10.3%	34.6%	34.7%

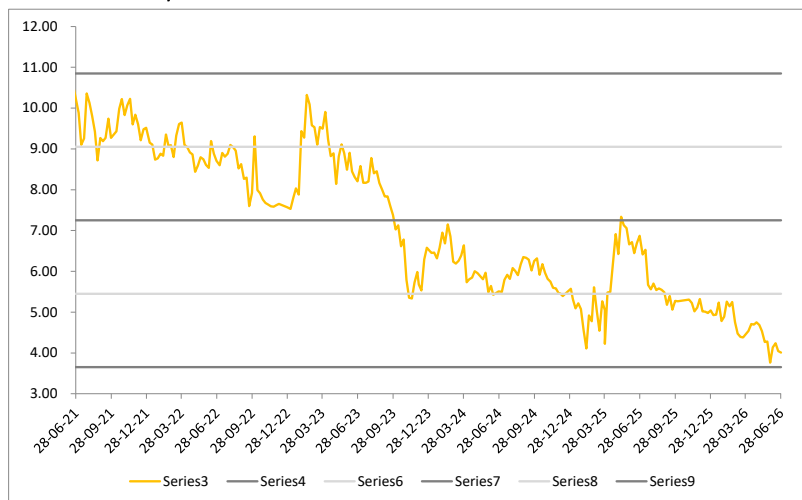
  

Margins (%)			
Gross margin	10.7	11.3	10.3
EBIT margin	2.1	2.0	2.5
Pretax margin	2.9	2.1	2.8
Net margin	2.0	1.3	1.7

ERAA 1Q26 Results (IDRbn)	1Q26	1Q25	YoY	4Q25	QoQ
<b>Cellphones and tablets</b>					
Revenue	17,611	12,340	42.7%	19,202	-8.3%
Gross profit	1,503	1,158	29.8%	1,569	-4.2%
Gross margin	8.5%	9.4%		8.2%	
<b>Active and lifestyle goods</b>					
Revenue	698	228	206.4%	374	86.5%
Gross profit	182	95	91.8%	31	486.4%
Gross margin	26.2%	41.8%		8.3%	
<b>Computer &amp; electronics</b>					
Revenue	1,031	658	56.7%	906	13.8%
Gross profit	111	42	166.6%	74	48.9%
Gross margin	10.8%	6.3%		8.2%	
<b>Accessories and others</b>					
Revenue	3,073	2,657	15.6%	3,760	-18.3%
Gross profit	592	500	18.3%	831	-28.8%
Gross margin	19.3%	18.8%		22.1%	

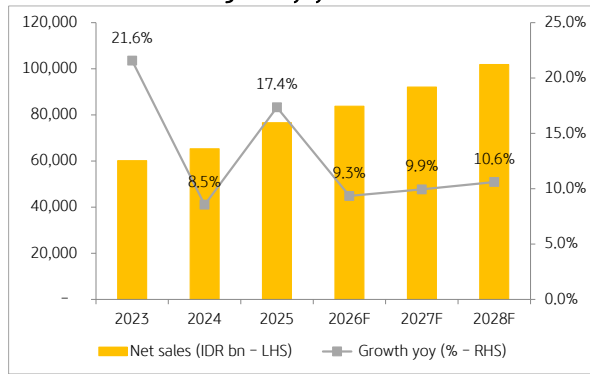
Source: Company, KBVS Research

**Exhibit 3: ERAA P/E Band**



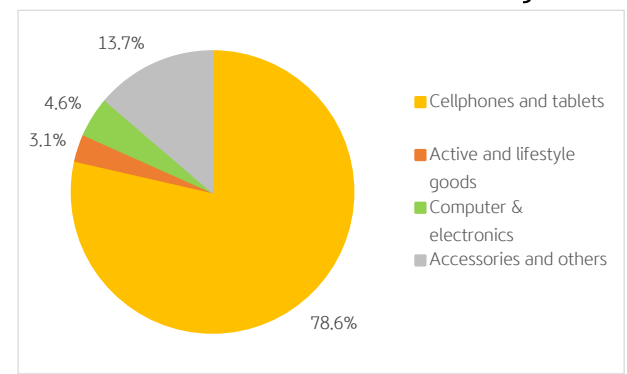
Source: Company, KBVS Research

Exhibit 4: Revenue and growth yoy



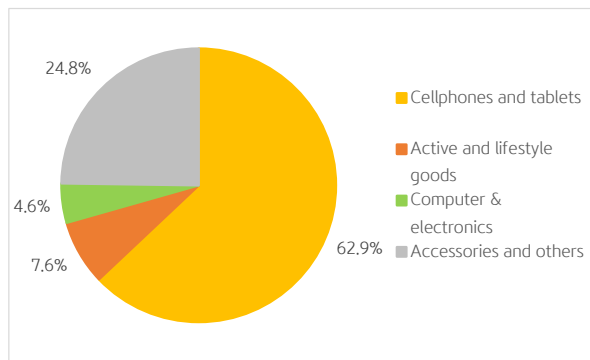
Source: Company, KBVS Research

Exhibit 5: Revenue contribution from ERAA' business segment in 1Q26



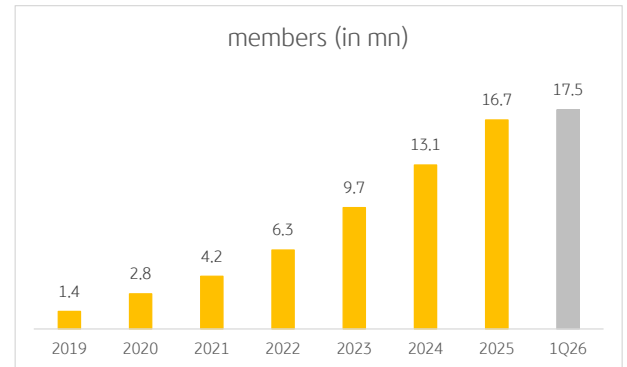
Source: Company, KBVS Research

Exhibit 6: GP contribution from ERAA' business segment in 1Q26



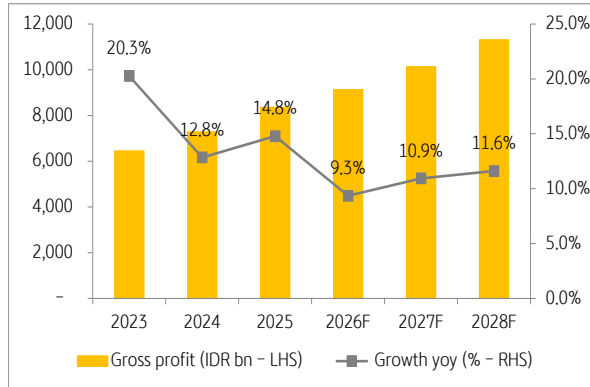
Source: Company, KBVS Research

Exhibit 7: ERAA' total members



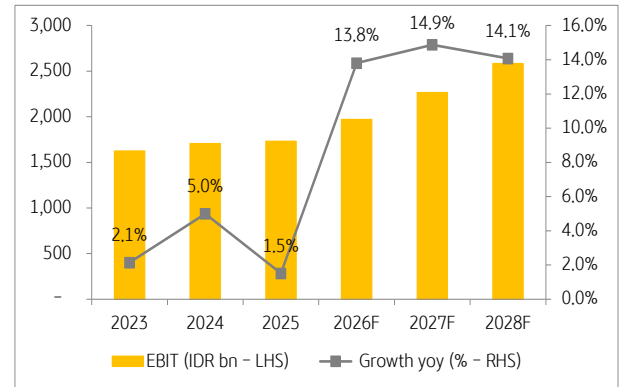
Source: Company, KBVS Research

Exhibit 8: Gross profit & growth yoy



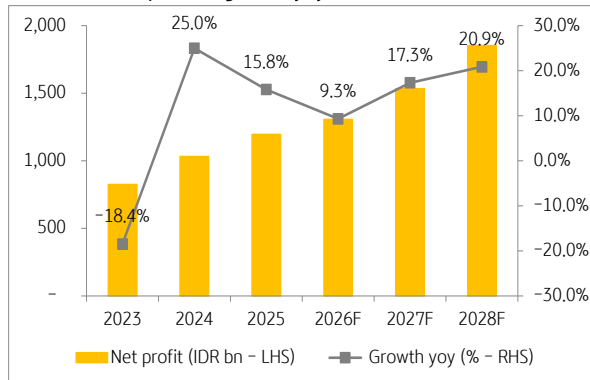
Source: Company, KBVS Research

Exhibit 9: EBIT & growth yoy



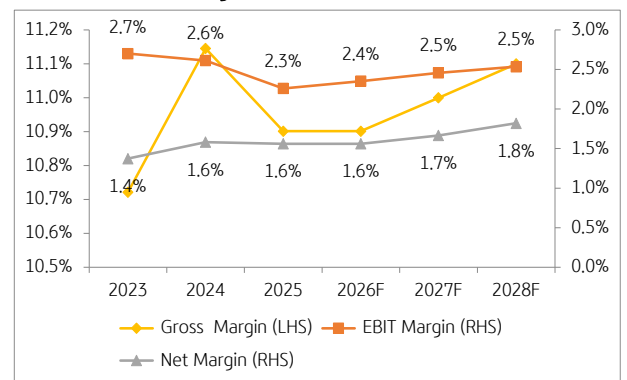
Source: Company, KBVS Research

Exhibit 10: Net profit & growth yoy



Source: Company, KBVS Research

Exhibit 11: ERAA' margins



Source: Company, KBVS Research

Exhibit 12: Profit & loss summary

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	65,280	76,607	83,765	92,088	101,852
COGS	(58,004)	(68,256)	(74,634)	(81,959)	(90,546)
Gross profit	7,276	8,351	9,132	10,130	11,306
Operating expenses	(5,570)	(6,619)	(7,161)	(7,866)	(8,723)
EBIT	1,706	1,732	1,971	2,264	2,583
EBITDA	2,850	3,121	3,456	3,899	4,394
Pre-tax profit	1,519	1,854	2,029	2,355	2,878
Net profit	1,033	1,196	1,307	1,534	1,854
EPS	65	75	82	96	116
EPS growth	25%	16%	9%	17%	21%

Source: Company, KBVS Research

Exhibit 13: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent	1,766	2,131	2,077	2,718	3,124
Accounts receivables	1,582	2,208	2,390	2,627	2,906
Inventories	7,131	11,645	9,122	10,017	11,067
Others	2,829	3,911	2,513	2,763	3,056
<b>Total current assets</b>	<b>13,308</b>	<b>19,894</b>	<b>16,101</b>	<b>18,124</b>	<b>20,152</b>
Fixed assets - Net	2,493	2,518	2,518	2,518	2,519
Others	5,974	6,444	5,238	5,682	6,202
<b>Total non-current assets</b>	<b>8,466</b>	<b>8,962</b>	<b>7,757</b>	<b>8,199</b>	<b>8,721</b>
<b>Total assets</b>	<b>21,774</b>	<b>28,857</b>	<b>23,858</b>	<b>26,324</b>	<b>28,873</b>
ST borrowing	2,734	4,977	3,466	3,807	4,205
Current maturities of LT borrowings	2,307	3,390	1,441	1,522	1,616
Accounts payable	3,870	5,965	3,973	4,675	5,112
Others	1,965	2,825	2,256	2,306	2,365
<b>Total current liabilities</b>	<b>10,876</b>	<b>17,157</b>	<b>11,137</b>	<b>12,309</b>	<b>13,298</b>
LT bank loan	1,463	1,033	1,858	1,938	2,033
Others non-current liabilities	378	489	479	524	579
<b>Total non-current liabilities</b>	<b>1,841</b>	<b>1,523</b>	<b>2,338</b>	<b>2,463</b>	<b>2,612</b>
<b>Total liabilities</b>	<b>12,717</b>	<b>18,679</b>	<b>13,474</b>	<b>14,772</b>	<b>15,911</b>
Shareholders equity	598	618	618	618	618
Minority interests	923	1,036	286	318	357
Retained earnings	5,945	6,841	7,798	8,933	10,306
Others	1,591	1,682	1,682	1,682	1,682
<b>Total Equity</b>	<b>9,057</b>	<b>10,177</b>	<b>10,384</b>	<b>11,552</b>	<b>12,963</b>
<b>Total Liabilities &amp; Equity</b>	<b>21,774</b>	<b>28,857</b>	<b>23,858</b>	<b>26,324</b>	<b>28,873</b>

Source: Company, KBVS Research

**Exhibit 14: Cash flow**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net profit	1,033	1,196	1,307	1,534	1,854
D&A	1,144	1,389	1,485	1,635	1,811
Changes in working capital	63	(2,360)	(1,365)	(1,203)	(1,769)
<b>Operating cash flow</b>	<b>2,239</b>	<b>225</b>	<b>1,427</b>	<b>1,966</b>	<b>1,896</b>
Capital expenditures	(1,070)	(588)	(838)	(921)	(1,019)
Others	67	(696)	1,229	(416)	(488)
<b>Investing cash flow</b>	<b>(1,003)</b>	<b>(1,284)</b>	<b>391</b>	<b>(1,337)</b>	<b>(1,507)</b>
Changes in debt	(1,479)	1,813	(686)	421	493
Changes in equity	-	19	-	-	-
Cash dividends paid	(268)	(311)	(340)	(399)	(482)
Others	929	(105)	(847)	(10)	6
<b>Financing cash flow</b>	<b>(819)</b>	<b>1,416</b>	<b>(1,872)</b>	<b>12</b>	<b>18</b>
<b>Net change in cash</b>	<b>418</b>	<b>357</b>	<b>(54)</b>	<b>641</b>	<b>407</b>
Cash in beginning of the year	1,178	1,766	2,131	2,077	2,718
<b>Cash at the end of the year</b>	<b>1,766</b>	<b>2,131</b>	<b>2,077</b>	<b>2,718</b>	<b>3,124</b>

Source: Company, KBVS Research

**Exhibit 15: Ratio analysis**

Year End Dec	2024A	2025A	2026F	2027F	2028F
<b>Growth</b>					
Revenue	8.5%	17.4%	9.3%	9.9%	10.6%
Gross profit	12.8%	14.8%	9.3%	10.9%	11.6%
Operating profit	5.0%	1.5%	13.8%	14.9%	14.1%
EBITDA	12.4%	9.5%	10.7%	12.8%	12.7%
Net profit	25.0%	15.8%	9.3%	17.3%	20.9%
<b>Profitability (%)</b>					
Gross margin	11.1	10.9	10.9	11.0	11.1
Operating margin	2.6	2.3	2.4	2.5	2.5
EBITDA margin	4.4	4.1	4.1	4.2	4.3
Net margin	1.6	1.6	1.6	1.7	1.8
ROA	4.7	4.1	5.5	5.8	6.4
ROE	11.4	11.8	12.6	13.3	14.3
<b>Solvency (x)</b>					
Current ratio	1.2	1.2	1.4	1.5	1.5
Quick ratio	0.6	0.5	0.6	0.7	0.7
Debt to equity	0.8	1.0	0.7	0.6	0.6
Interest coverage	2.6	2.7	3.0	3.2	4.4
Net gearing	0.3	0.4	0.3	0.3	0.2

Source: Company, KBVS Research

## Our Analysts

**Fikri C Permana**  
Head of Equity Research  
Strategy and Economics  
fikri.permana  
@kbvalbury.com

**Adolf R B Setiadi**  
Equity Analyst  
Coal, Renewables, Plantation, Pulp  
adolof.setiadi  
@kbvalbury.com

**Akhmad Nurcahyadi**  
Senior Equity Analyst  
Banks, Consumer, Cigarettes, Auto  
akhmad.nurcahyadi  
@kbvalbury.com

**Andre Suntono**  
Senior Equity Analyst  
Retail, Poultry, Healthcare  
andre.suntono  
@kbvalbury.com

**Ashalia Fitri Yuliana**  
Equity Analyst  
Metal Mining, H-Equipment, Cement,  
Media, Chemicals  
ashalia.yuliana  
@kbvalbury.com

**Atikah Tri Adriyanti**  
Equity Analyst  
Small-Mid Caps  
atikah.adriyanti  
@kbvalbury.com

**Steven Gunawan**  
Senior Equity Analyst  
Telco, Tower, Property  
steven.gunawan  
@kbvalbury.com

**Khairunnisa N Syahfiraputri**  
Associate Economist  
khairunnisa.syahfiraputri  
@kbvalbury.com

**Michael Handisurya**  
Technical Analyst  
michael.handisurya  
@kbvalbury.com

## Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.

## KB Valbury Sekuritas Head Office

Sahid Sudirman Center 41st Floor Unit A-C  
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,  
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia  
T. (021) 25098300  
F. (021) 25098400

## Branch Office

### Jakarta - Kelapa Gading

Rukan Plaza Pasifik  
Jl. Boulevard Barat Raya Blok A1 No. 10  
Jakarta Utara 14240  
T. (021) 29451577

### Denpasar

Jl. Teuku Umar No. 177  
Komplek Ibis Styles Hotel  
Denpasar Bali 80114  
T. (0361) 3538080

### Palembang

Komplek PTC Mall Blok I No. 7  
Jl. R. Sukanto  
Palembang 30114  
T. (0711) 2005050

### Semarang

Jl. Gajahmada 23A,  
Kecamatan Semarang Tengah,  
Kelurahan Kembang Sari 50241  
T. (024) 40098080

### Pontianak

Jl. Prof. M Yamin No. 14  
Kotabaru, Pontianak Selatan  
Kalimantan Barat 78116  
T. (0561) 8069000

### Pekanbaru

Jl. Tuanku Tambusai, Komplek CNN  
Blok A No. 3 Pekanbaru 28291  
T. (0761) 839393

### Jakarta - Puri Indah

Rukan Grand Aries Niaga Blok E1 No. IV  
Jl. Taman Aries, Kembangan  
Jakarta Barat 11620  
T. (021) 22542390

### Bandung

Jl. Abdul Rivai No. 1A,  
Kel. Pasirkaliki, Kec. Cicendo  
Bandung 40171  
T. (022) 3003133

### Yogyakarta

Jl. Magelang KM 5.5 No. 75  
Yogyakarta 55000  
T. (0274) 8099090

### Surabaya

Pakuwon Center Lt 21  
Jl. Embong Malang No.1  
Surabaya 60261  
T. (031) 21008080

### Makassar

Komplek Ruko Citraland City Losari  
Business Park, Blok B2 No. 09  
Jl. Citraland Boulevard Makassar 90111  
T. (0411) 6000818

### Jakarta - Pluit

Jl. Pluit Putra Raya No. 2  
Jakarta Utara 14450  
T. (021) 6692119

### Malang

Jl. Pahlawan Trip No. 7  
Malang 65112  
T. (0341) 585888

### Banjarmasin

Jl. Gatot Subroto No. 33  
Banjarmasin 70235  
T. (0511) 3265918

### Padang

Jl. Proklamasi No. 60A  
Padang Timur 25121  
T. (0751) 8688080

### Medan

Komplek Golden Trade Center  
Jl. Jenderal Gatot Subroto No. 18-19  
Medan 20112  
T. (061) 50339090

## Investment Gallery

### Jakarta

Citra Garden 6 Ruko Sixth Avenue  
Blok J.1 A/18, Cengkareng  
Jakarta Barat 11820  
T. (021) 52392181

### Semarang

Jl. Jati Raya No. D6,  
Srandol Wetan, Banyumanik,  
Semarang 50263  
T. (024) 8415195

### Salatiga

Jl. Diponegoro No. 68  
Salatiga 50711  
T. (0298) 313007

### Jambi

Jl. Orang Kayo Hitam  
No. 48 B  
Jambi Timur 36123  
T. (0741) 3068533