

Business expansion continues with adjustments in '26F

28 April 2026



ERAA IJ	BUY
Sector	Retail
Price at 27 April 2026 (IDR)	414
Price target (IDR)	500
Upside/Downside (%)	20.8

Stock Information

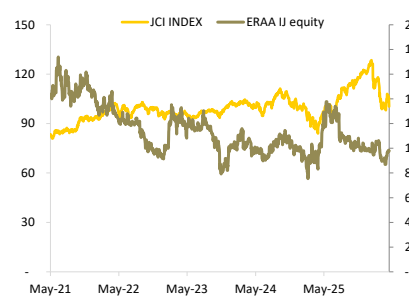
Erajaya Swasembada Tbk (ERAA) is the largest mobile telecommunication player in Indonesia that engages in the distribution and retail of mobile telecommunication devices such as mobile phones, tablets, Internet of Things (IoT) and etc.

Market cap (IDR bn)	6,444
Shares outstanding (mn)	15,950
52-week range (IDR)	350-590
3M average daily vol. ('000)	58,748
3M average daily val. (IDR mn)	23,757

Shareholders (%)

Eralink International	55.2
Treasury stocks	1.9
Public	42.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	11.3	(3.3)	(2.4)

Analyst

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Erajaya Swasembada' (ERAA) revenue grew by 17.4% yoy in FY25 to IDR76.6 tn backed by a total of 2,333 retail stores across Indonesia with a growing member base that reached 16.7 mn (+28% yoy). While, ERAA' earnings grew 15.8% yoy to IDR1.2 tn in FY25 on strong performance recovery in 4Q25 amidst festivities following the launch of iPhone 17. As a result, ERAA' FY25 earnings came above ours (101.4%) and consensus' (105.2%) expectation. This year, ERAA will continue to expand its business and grow its members base via MyEraspace (owned online platform). Moreover, ERAA plans to open around 200 new stores (net) in '26F, revising its initial target of 200-300 store openings as to account for current macroeconomic conditions amid heightened geopolitical tensions. Thus, we adjusted our ERAA '26F revenue and earnings to incorporate its solid FY25 results, and ERAA' strategy for this year. All in all, we still expect ERAA' revenue and earnings to grow by 9.3% yoy, respectively in '26F on the back of more stores, higher sales contributions from members with better costs management. Maintain BUY on ERAA with adjusted TP of IDR500, which implies 6.1x '26F P/E. Currently, ERAA is trading at 5.1x '26F P/E or at -1.25stdev of its 5 years' mean P/E.

Expansion continues in '26F with several adjustments

ERAA has adjusted their new store openings plan and expects to open 200 new stores (net) in '26F, revising its initial target of 200-300 store openings due to current macroeconomic conditions amidst heightened geopolitical tensions. Moreover, ERAA will continue to grow its member base in '26F via MyEraspace, following a 28% yoy increase to 16.7 mn members in FY25. Yet, heightened geopolitical tensions in the Middle East have pushed global oil prices higher and disrupted global supply chain (raw materials, etc), which may contribute to rising global inflation. Thankfully, ERAA has sufficiently restocked low to mid-tier cellphone units, despite continued increases in chipset prices. Thus, we adjusted our '26F revenue and earnings for ERAA to incorporate its solid FY25 results and strategy in '26F. As a result, we still expect both ERAA' revenue and earnings to grow by 9.3% yoy, to IDR83.8 tn (+6.6% from prior) and IDR1.31 tn (-5.7% from prior), respectively in '26F on the back of more stores and higher sales contributions from members, despite a challenging macroeconomic backdrop. Although with pressures from macroeconomic conditions, we still expect ERAA to be able to maintain its net margin at 1.6% due to better costs management.

A 15.8% yoy earnings growth in FY25, came above expectations

After weak 3Q25 earnings (-18.8% yoy/-40.5% qoq), ERAA' 4Q25 earnings significantly grew 70% yoy/88.9% qoq driven by higher sales during festivities and better costs management. As a result, ERAA' earnings grew 15.8% yoy to IDR1.2 tn in FY25, which came above ours (101.4%) and cons' (105.2%) expectation.

Revenue grew significantly in 4Q25 on iPhone 17' launch amid festivities

ERAA' revenue reached IDR24.2 tn (+45.4% yoy/+40% qoq) in 4Q25 due to higher sales amidst festivities as the company launched iPhone 17 in Oct'25. Moreover, ERAA' 4Q25 revenue was supported by: cellphones segment at IDR19.2 tn (+47.6% yoy/+47.1% qoq), which contributed around 79.2% of ERAA' 4Q25 revenue, Computer & electronics segment at IDR906 bn (+31.6% yoy/+10.9% qoq) with 3.7% revenue contribution, and accessories & others at IDR3.76 tn (+47.4% yoy/+22.9% qoq) with 15.5% revenue contribution. While, ERAA' revenue from its operator products segment reached IDR374 bn (-11.9% yoy/-2.6% qoq) and only contributed around 1.5% of 4Q25 revenue. As a result, ERAA' revenue grew 17.4% yoy in FY25 to IDR76.6 tn, which came above ours (107.7%) and cons' (106.4%) expectation.

Net margin expanded in 4Q25

Thanks to higher sales amidst festivities, ERAA' gross profit grew 36.2% yoy/33.1% qoq in 4Q25. Yet, ERAA' gross margin only reached 10.3% (-70bps yoy/-60bps qoq) in 4Q25 dragged down by higher sales of low margin products. While, ERAA' EBIT significantly grew by 42.6% yoy/147.6% qoq in 4Q25 due to better costs management. All in all, ERAA' net margin expanded to 1.7% (+30bps yoy/+40bps qoq) in 4Q25 and maintained its net margin at 1.6% in FY25.

Maintain BUY with adjusted TP of IDR500

Maintain BUY on ERAA with adjusted TP of IDR 500/share (+23.8% upside), which implies 6.1x '26F P/E or at -0.75stdev 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 17 and several top tier Chinese cellphone brands (Huawei, Xiaomi, Oppo, etc). We also think that ERAA will surely continue to improve its productivity, efficiency and effectiveness. 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 5.1x '26F P/E or at -1.25stdev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025A	2026F	2027F
Revenue (IDR bn)	60,139	65,280	76,607	83,765	92,088
EBITDA (IDR bn)	2,535	2,850	3,121	3,456	3,899
Net profit (IDR bn)	826	1,033	1,196	1,307	1,534
EPS (IDR)	52	65	75	82	96
EPS growth (%)	-18.4%	25.0%	15.8%	9.3%	17.3%
ROE (%)	10.2%	11.4%	11.8%	12.6%	13.3%
ROA (%)	4.0%	4.7%	4.1%	5.5%	5.8%
PER (x)	8.0	6.4	5.5	5.1	4.3
PBV (x)	0.8	0.7	0.6	0.6	0.6
EV/EBITDA (x)	4.7	3.5	3.7	2.9	2.6
Div Yield (%)	0.7	4.1	4.7	5.1	6.0

Source: Company, KBVS Research

Exhibit 2: ERAA FY25 results

ERAA FY25 Results (IDRbn)	FY25	FY24	YoY	4Q25	4Q24	YoY	3Q25	QoQ to '25F to Cons'
Revenue	76,607	65,280	17.4%	24,243	16,672	45.4%	17,318	40.0% 107.7% 106.4%
COGS	(68,256)	(58,004)	17.7%	(21,737)	(14,832)	46.6%	(15,436)	40.8%
Gross profit	8,351	7,276	14.8%	2,505	1,840	36.2%	1,883	33.1% 104.8% 102.8%
Operating expenses	(6,619)	(5,570)	18.8%	(1,910)	(1,423)	34.3%	(1,642)	16.3%
EBIT	1,732	1,706	1.5%	595	417	42.6%	240	147.6% 90.7% 91.7%
Profit before tax	1,854	1,519	22.0%	673	379	77.4%	318	111.8%
Tax expense	(541)	(400)	35.3%	(209)	(113)	85.1%	(75)	179.3%
Minority interest	117	87	34.3%	54	25	113.0%	26	109.0%
Net profit	1,196	1,033	15.8%	410	241	70.0%	217	88.9% 101.4% 105.2%

Margins (%)

Gross margin	10.9	11.1	10.3	11.0	10.9
EBIT margin	2.3	2.6	2.5	2.5	1.4
Pretax margin	2.4	2.3	2.8	2.3	1.8
Net margin	1.6	1.6	1.7	1.4	1.3

ERAA FY25 Results (IDRbn)	FY25	FY24	YoY	4Q25	4Q24	YoY	3Q25	QoQ
<b>Cellphones</b>								
Revenue	60,074	52,431	14.6%	19,202	13,007	47.6%	13,057	47.1%
Gross profit	5,292	4,985	6.2%	1,569	1,198	30.9%	1,107	41.7%
Gross margin	8.8%	9.5%	8.2%	9.2%	8.5%			
<b>Operator products</b>								
Revenue	1,550	1,672	-7.3%	374	424	-11.9%	384	-2.6%
Gross profit	89	61	46.0%	31	16	94.7%	23	33.0%
Gross margin	5.7%	3.6%	8.3%	3.8%	6.1%			
<b>Computer &amp; electronics</b>								
Revenue	3,054	2,638	15.7%	906	689	31.6%	818	10.9%
Gross profit	211	204	3.6%	74	46	61.9%	53	40.5%
Gross margin	6.9%	7.7%	8.2%	6.7%	6.5%			
<b>Accessories and others</b>								
Revenue	11,929	8,538	39.7%	3,760	2,551	47.4%	3,060	22.9%
Gross profit	2,759	2,026	36.2%	851	579	43.4%	699	18.8%
Gross margin	23.1%	23.7%	22.1%	22.7%	22.8%			

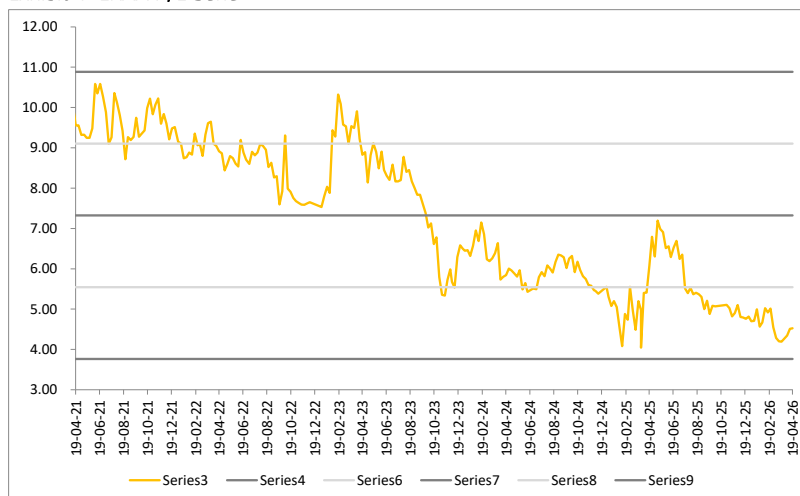
Source: Company, KBVS Research

Exhibit 3: Adjustments

Earnings adjustments (IDR bn)	New (IDR bn)		Previous (IDR bn)		Changes (%)	
	26F	27F	26F	27F	26F	27F
Revenue	83,765	92,088	78,546	86,734	6.6%	6.2%
Gross profit	9,132	10,130	8,797	9,714	3.8%	4.3%
Operating profit	1,971	2,264	2,186	2,540	-9.9%	-10.8%
Net Profit	1,307	1,534	1,386	1,578	-5.7%	-2.8%

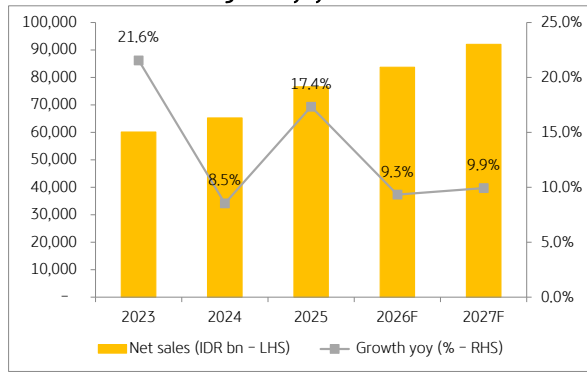
Source: Company, KBVS Research

Exhibit 4: ERAA P/E Band



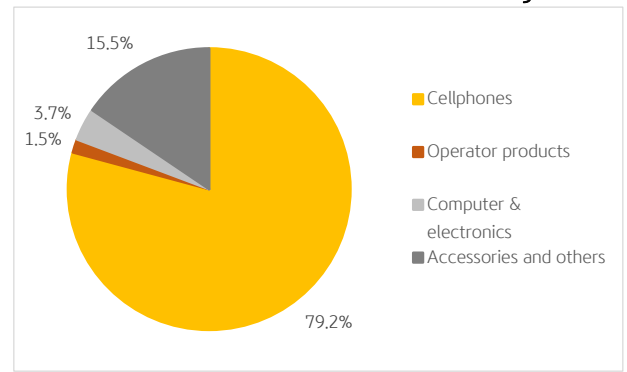
Source: Company, KBVS Research

Exhibit 5: Revenue and growth yoy



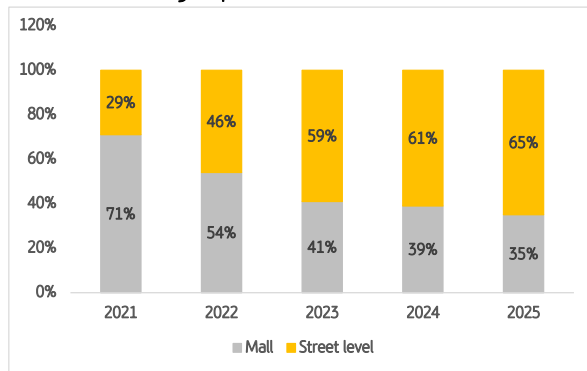
Source: Company, KBVS Research

Exhibit 6: Revenue contribution from ERAA' business segment in 4Q25



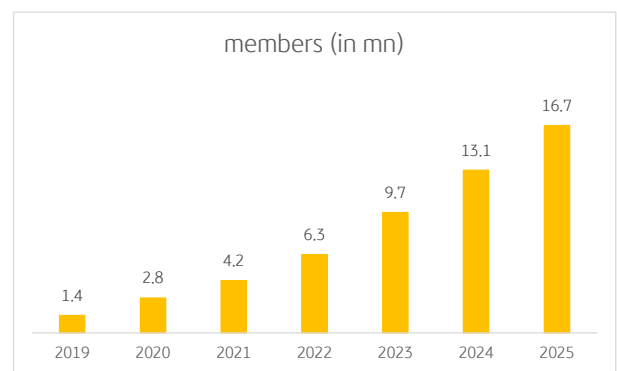
Source: Company, KBVS Research

Exhibit 7: ERAA' digital presence in malls and standalone



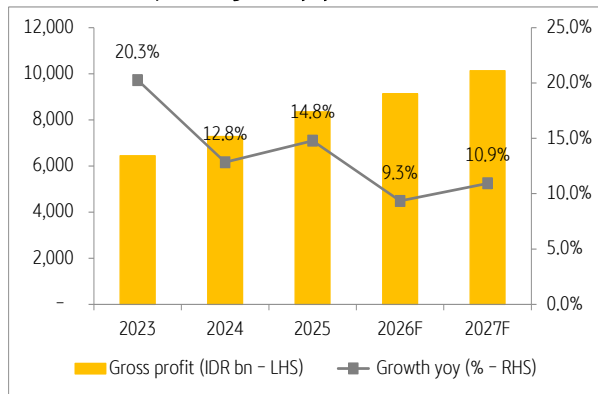
Source: Company, KBVS Research

Exhibit 8: ERAA' total members



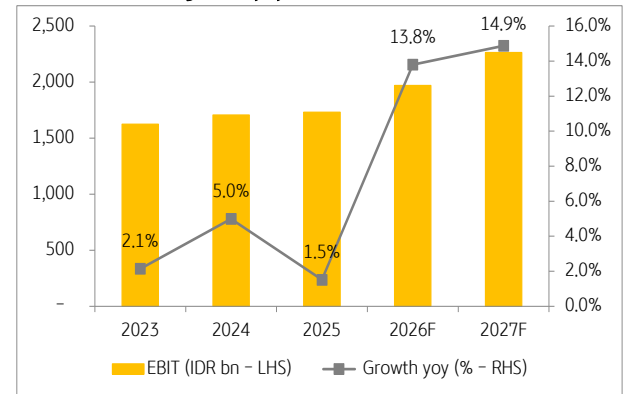
Source: Company, KBVS Research

Exhibit 9: Gross profit & growth yoy



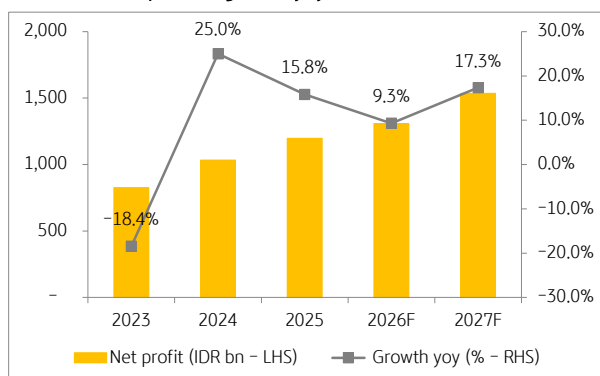
Source: Company, KBVS Research

Exhibit 10: EBIT & growth yoy



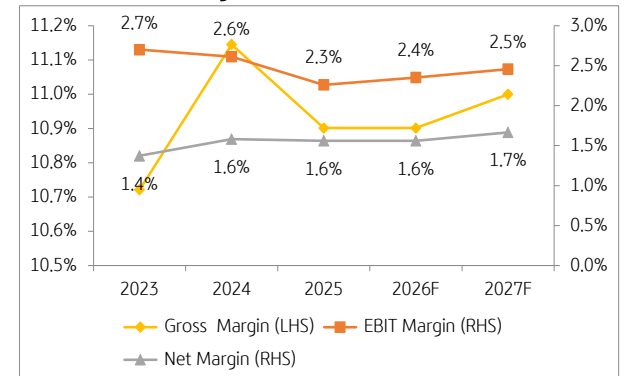
Source: Company, KBVS Research

Exhibit 11: Net profit & growth yoy



Source: Company, KBVS Research

Exhibit 12: ERAA' margins



Source: Company, KBVS Research

Exhibit 13: Profit & loss summary

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
<b>Revenue</b>	<b>60,139</b>	<b>65,280</b>	<b>76,607</b>	<b>83,765</b>	<b>92,088</b>
COGS	(53,692)	(58,004)	(68,256)	(74,634)	(81,959)
<b>Gross profit</b>	<b>6,448</b>	<b>7,276</b>	<b>8,351</b>	<b>9,132</b>	<b>10,130</b>
Operating expenses	(4,823)	(5,570)	(6,619)	(7,161)	(7,866)
<b>EBIT</b>	<b>1,625</b>	<b>1,706</b>	<b>1,732</b>	<b>1,971</b>	<b>2,264</b>
<b>EBITDA</b>	<b>2,535</b>	<b>2,850</b>	<b>3,121</b>	<b>3,456</b>	<b>3,899</b>
Pre-tax profit	1,242	1,519	1,854	2,029	2,355
<b>Net profit</b>	<b>826</b>	<b>1,033</b>	<b>1,196</b>	<b>1,307</b>	<b>1,534</b>
EPS	52	65	75	82	96
EPS growth	-18%	25%	16%	9%	17%

Source: Company, KBVS Research

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
Cash & equivalent	1,178	1,766	2,131	2,077	2,718
Accounts receivables	2,037	1,582	2,208	2,390	2,627
Inventories	8,047	7,131	11,645	9,122	10,017
Others	1,703	2,829	3,911	2,513	2,763
<b>Total current assets</b>	<b>12,965</b>	<b>13,308</b>	<b>19,894</b>	<b>16,101</b>	<b>18,124</b>
Fixed assets - Net	2,217	2,493	2,518	2,518	2,518
Others	5,266	5,974	6,444	5,238	5,682
<b>Total non-current assets</b>	<b>7,483</b>	<b>8,466</b>	<b>8,962</b>	<b>7,757</b>	<b>8,199</b>
<b>Total assets</b>	<b>20,447</b>	<b>21,774</b>	<b>28,857</b>	<b>23,858</b>	<b>26,324</b>
ST borrowing	3,963	2,734	4,977	3,466	3,807
Current maturities of LT borrowings	912	2,307	3,390	1,441	1,522
Accounts payable	3,671	3,870	5,965	3,973	4,675
Others	1,784	1,965	2,825	2,256	2,306
<b>Total current liabilities</b>	<b>10,330</b>	<b>10,876</b>	<b>17,157</b>	<b>11,137</b>	<b>12,309</b>
LT bank loan	1,713	1,463	1,033	1,858	1,938
Others non-current liabilities	273	378	489	479	524
<b>Total non-current liabilities</b>	<b>1,986</b>	<b>1,841</b>	<b>1,523</b>	<b>2,338</b>	<b>2,463</b>
<b>Total liabilities</b>	<b>12,317</b>	<b>12,717</b>	<b>18,679</b>	<b>13,474</b>	<b>14,772</b>
Shareholders equity	598	598	618	618	618
Minority interests	807	923	1,036	286	318
Retained earnings	5,181	5,945	6,841	7,798	8,933
Others	1,544	1,591	1,682	1,682	1,682
<b>Total Equity</b>	<b>8,131</b>	<b>9,057</b>	<b>10,177</b>	<b>10,384</b>	<b>11,552</b>
<b>Total Liabilities &amp; Equity</b>	<b>20,447</b>	<b>21,774</b>	<b>28,857</b>	<b>23,858</b>	<b>26,324</b>

Source: Company, KBVS Research

**Exhibit 15: Cash flow**

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
Net profit	826	1,033	1,196	1,307	1,534
D&A	911	1,144	1,389	1,485	1,635
Changes in working capital	(854)	63	(2,360)	(1,365)	(1,203)
<b>Operating cash flow</b>	<b>882</b>	<b>2,239</b>	<b>225</b>	<b>1,427</b>	<b>1,966</b>
Capital expenditures	(601)	(1,070)	(588)	(838)	(921)
Others	(606)	67	(696)	1,229	(416)
<b>Investing cash flow</b>	<b>(1,208)</b>	<b>(1,003)</b>	<b>(1,284)</b>	<b>391</b>	<b>(1,337)</b>
Changes in debt	1,199	(1,479)	1,813	(686)	421
Changes in equity	4	-	19	-	-
Cash dividends paid	(45)	(268)	(311)	(340)	(399)
Others	(472)	929	(105)	(847)	(10)
<b>Financing cash flow</b>	<b>685</b>	<b>(819)</b>	<b>1,416</b>	<b>(1,872)</b>	<b>12</b>
<b>Net change in cash</b>	<b>360</b>	<b>418</b>	<b>357</b>	<b>(54)</b>	<b>641</b>
Cash in beginning of the year	825	1,178	1,766	2,131	2,077
<b>Cash at the end of the year</b>	<b>1,178</b>	<b>1,766</b>	<b>2,131</b>	<b>2,077</b>	<b>2,718</b>

Source: Company, KBVS Research

**Exhibit 16: Ratio analysis**

Year End Dec	2023A	2024A	2025A	2026F	2027F
<b>Growth</b>					
Revenue	21.6%	8.5%	17.4%	9.3%	9.9%
Gross profit	20.3%	12.8%	14.8%	9.3%	10.9%
Operating profit	2.1%	5.0%	1.5%	13.8%	14.9%
EBITDA	49.7%	12.4%	9.5%	10.7%	12.8%
Net profit	-18.4%	25.0%	15.8%	9.3%	17.3%
<b>Profitability (%)</b>					
Gross margin	10.7	11.1	10.9	10.9	11.0
Operating margin	2.7	2.6	2.3	2.4	2.5
EBITDA margin	4.2	4.4	4.1	4.1	4.2
Net margin	1.4	1.6	1.6	1.6	1.7
ROA	4.0	4.7	4.1	5.5	5.8
ROE	10.2	11.4	11.8	12.6	13.3
<b>Solvency (x)</b>					
Current ratio	1.3	1.2	1.2	1.4	1.5
Quick ratio	0.5	0.6	0.5	0.6	0.7
Debt to equity	0.9	0.8	1.0	0.7	0.6
Interest coverage	2.7	2.6	2.7	3.0	3.2
Net gearing	0.6	0.3	0.4	0.3	0.3

Source: Company, KBVS Research

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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 50265  
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