

## BUY (from HOLD)

|                      |      |
|----------------------|------|
| Target Price (IDR)   | 550  |
| Potential Upside (%) | 19.0 |

### Price Comparison

|                          |      |
|--------------------------|------|
| Cons. Target Price (IDR) | 620  |
| SSI vs. Cons. (%)        | 88.7 |

### Stock Information

|                              |         |
|------------------------------|---------|
| Last Price (IDR)             | 462     |
| Shares Issued (Mn)           | 15,950  |
| Market Cap. (IDR Bn)         | 7,369   |
| 52-Weeks High/Low (IDR)      | 580/376 |
| 3M Avg. Daily Value (IDR Bn) | 30.8    |
| Free Float (%)               | 44.1    |

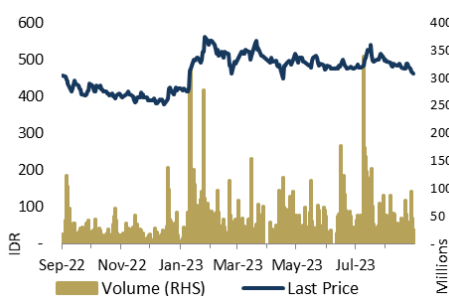
### Shareholder Structure:

|                              |      |
|------------------------------|------|
| PT Eralink International (%) | 54.5 |
| Public (%)                   | 44.1 |
| Other (%)                    | 1.4  |

### Stock Performance

| (%)        | YTD  | 1M    | 3M    | 12M   |
|------------|------|-------|-------|-------|
| Absolute   | 17.9 | (7.6) | (4.1) | 1.3   |
| JCI Return | 2.1  | 1.1   | 5.1   | (3.2) |
| Relative   | 15.8 | (8.7) | (9.2) | 4.5   |

### Stock Price & Volumes, 12M



### Company Background

Didirikan pada tahun 1996, PT Erajaya Swasembada Tbk. bergerak di bidang distribusi dan perdagangan ritel perangkat telekomunikasi selular, seperti telepon selular dan tablet, voucher isi ulang operator jaringan selular, aksesoris, serta computer dan peralatan elektronik lainnya.

Ashalia Fitri

+62 21 2854 8389

ashalia.fitri@samuel.co.id

Pebe Peresia

+62 21 2854 8339

Pebe.peresia@samuel.co.id

## Year of Aggressive Expansion

**Potensi peningkatan penjualan di akhir tahun.** Rilis iPhone 15 di akhir tahun 2023 dengan beberapa fitur baru seperti port USB type C, Dynamic Island di semua tipe (sebelumnya hanya ada di iPhone 14 Pro dan Pro Max), dan chipset A17 Pro (Pro/Pro Max) diperkirakan akan mendongkrak angka penjualan segmen cellular phone ERAA (yang menyumbang 81% pendapatan perseroan). Perlu diingat, kontribusi iPhone terhadap kinerja ERAA cukup signifikan, terlihat dari selalu naiknya angka penjualan cellular phone ERAA di 4Q (rerata 4Q/FY 5 tahun terakhir: 29%; model terbaru iPhone biasanya mulai dijual resmi di Indonesia pada 4Q) dan rasio COGS iPhone terhadap pendapatan ERAA yang mencapai 46.9% di 1H23 (1H22: 28.9%). Didukung faktor tersebut, kami memperkirakan segmen cellular phone ERAA akan membukukan pendapatan sebesar IDR 47.1 triliun di FY23F (+21.9% YoY), dengan proyeksi pendapatan konsolidasi sebesar IDR 58.2 triliun (+17.7% YoY).

**Pembukaan dan optimalisasi gerai.** Kami meyakini target pembukaan gerai handset baru ERAA untuk tahun ini (400 gerai) dapat dipenuhi, mengingat bahwa hingga akhir 1H23, ERAA telah berhasil membuka 292 gerai baru (73% dari target FY23F), yang mayoritas berada di kota tier 2 dan tier 3. Melihat pencapaian tersebut, kami meyakini ERAA akan memperlambat laju pembukaan gerai baru dan lebih fokus pada peningkatan produktivitas gerai di 2H23F, yang akan membantu memperlambat peningkatan beban bunga dan hutang yang sempat naik cukup signifikan di 1H23 (masing-masing +134.1% YoY dan +50.7% YoY). Mengingat perlu waktu sekitar 10-12 bulan sampai gerai-gerai baru ERAA dapat mencetak kinerja optimal, kami menilai 'buah' dari ekspansi besar-besaran ERAA di 1H23 baru akan terlihat di FY24F, sehingga kami memperkirakan laba bersih ERAA akan turun tipis di FY23F (proyeksi: -2.2% YoY, salah satunya akibat kenaikan beban utang dan bunga) sebelum naik kembali di FY24F (proyeksi: IDR 1.1 triliun, +15.9% YoY).

**BUY, TP IDR 550.** Didukung oleh sejumlah faktor yang kami jabarkan di atas, kami mengupgrade rating ERAA menjadi BUY (dari HOLD) dengan TP IDR 550, merefleksikan 7.6x PE FY24F. Saat ini, harga saham ERAA telah turun -4.5% MTD, dan saat ini ERAA berada di valuasi yang menarik (di bawah -1SD rata-rata PE 5 tahun terakhir).

### Forecasts and Valuations (at closing price IDR 462 per share)

| Y/E Dec             | 20A    | 21A    | 22A    | 23F    | 24F    |
|---------------------|--------|--------|--------|--------|--------|
| Revenue (IDR Bn)    | 34,113 | 43,467 | 49,469 | 58,212 | 66,074 |
| EBITDA (IDR Bn)     | 1,218  | 1,740  | 1,983  | 2,321  | 2,680  |
| EV/EBITDA(X)        | 6.3    | 5.2    | 5.6    | 5.0    | 4.3    |
| Net Profit (IDR Bn) | 612    | 1,012  | 1,013  | 991    | 1,148  |
| EPS (IDR)           | 38     | 63     | 64     | 62     | 72     |
| EPS Growth (%)      | 107.4  | 65.4   | 0.0    | -2.2   | 15.9   |
| P/E Ratio (x)       | 12.0   | 7.3    | 7.3    | 7.4    | 6.4    |
| BVPS (IDR)          | 357    | 405    | 452    | 503    | 570    |
| P/BV Ratio (x)      | 1.3    | 1.1    | 1.0    | 0.9    | 0.8    |

**Potensi ERAL.** Salah satu faktor yang kami yakini akan menjadi pendorong utama kinerja ERAA di masa depan adalah ERAL (PT Sinar Eka Selaras Tbk, anak usaha ERAA di bidang *active lifestyle* yang telah resmi melantai di Bursa Efek Indonesia pada Agustus 2023). Hingga akhir 1H23, ERAL telah memiliki 86 gerai yang menaungi beberapa segmen, diantaranya IoT (Urban Republic, Garmin, IT, Marshall), serta sportswear, fashion & outdoors (JD, Asiscs, Urban Adventure), dan ERAL berencana untuk membuka 500 gerai dalam 5 tahun ke depan. Meskipun kontribusi ERAL terhadap pendapatan keseluruhan ERAA masih cenderung kecil (~2.8%). Perlu diingat bahwa margin laba ERAL (OPM FY22: 8.0%) lebih tinggi dibandingkan ERAA (3.6%), Artinya, jika ERAL berhasil mengembangkan bisnisnya dan meningkatkan kontribusinya, dampaknya terhadap kinerja keuangan ERAA akan cukup signifikan.

**Table 1. ERAA's 1H23 Results**

| (IDR Bn)            | 2Q22   | 1Q23   | 2Q23   | QoQ     | YoY     | 1H22   | 1H23   | YoY     |
|---------------------|--------|--------|--------|---------|---------|--------|--------|---------|
| Revenue             | 11,920 | 14,793 | 14,104 | -4.7%   | 18.3%   | 23,400 | 28,897 | 23.5%   |
| Gross Profit        | 1,135  | 1,584  | 1,494  | -5.6%   | 31.6%   | 2,414  | 3,078  | 27.5%   |
| Operating Profit    | 350    | 469    | 482    | 2.8%    | 37.9%   | 822    | 952    | 15.8%   |
| Net Profit          | 212    | 235    | 223    | -5.2%   | 5.1%    | 508    | 459    | -9.6%   |
| Gross Profit Margin | 9.5%   | 10.7%  | 10.6%  | -11 bps | 107 bps | 10.3%  | 10.7%  | 34 bps  |
| Operating Margin    | 2.9%   | 3.2%   | 3.4%   | 25 bps  | 49 bps  | 3.5%   | 3.3%   | -22 bps |
| Net Margin          | 1.8%   | 1.6%   | 1.6%   | -1 bps  | -20 bps | 2.5%   | 1.6%   | -58 bps |

Source: Company, SSI Research

**Table 2. ERAA's 1H23 Results (by Segment)**

| Revenue (IDR Bn)                    | 2Q22  | 1Q23   | 2Q23   | QoQ    | YoY    | 1H22   | 1H23   | YoY    |
|-------------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|
| Cellular Phone                      | 9,398 | 11,977 | 11,397 | -4.8%  | 21.3%  | 18,492 | 23,375 | 26.4%  |
| Voucher                             | 683   | 742    | 694    | -6.4%  | 1.7%   | 1,384  | 1,436  | 3.8%   |
| Computer & Other Electronic Devices | 480   | 420    | 443    | 5.3%   | -7.8%  | 1,000  | 863    | -13.8% |
| Accessories & Others                | 1,360 | 1,654  | 1,570  | -5.1%  | 15.5%  | 2,524  | 3,224  | 27.8%  |
| Gross Profit (IDR Bn)               |       |        |        |        |        |        |        |        |
| Cellular Phone                      | 732   | 1,178  | 1,055  | -10.5% | 44.1%  | 1,642  | 2,233  | 36.0%  |
| Voucher                             | 24    | 22     | 26     | 20.5%  | 10.3%  | 37     | 48     | 30.4%  |
| Computer & Other Electronic Devices | 47    | 42     | 38     | -10.4% | -19.3% | 103    | 80     | -21.8% |
| Accessories & Others                | 332   | 341    | 375    | 9.9%   | 13.0%  | 632    | 716    | 13.3%  |

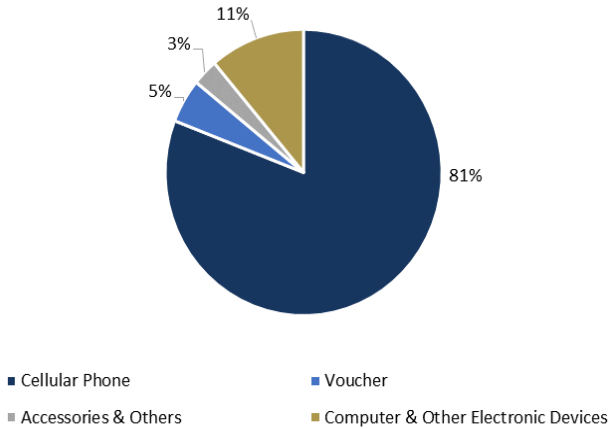
Source: Company, SSI Research

**Table 3. Comparison between iPhone models**

|                | iPhone 12 Pro Max  | iPhone 13 Pro Max  | iPhone 14 Pro Max   | iPhone 15 Pro Max   |
|----------------|--|--|---|---|
| Launching      | 2020   | 2021   | 2022  | 2023  |
| Dimension (mm) | 160.8 x 78.1 x 7.4   | 160.8 x 78.1 x 7.7   | 160.7 x 77.6 x 7.85   | 159.9 x 76.7 x 8.25   |
| Weight (gram)  | 228  | 240  | 240   | 221   |
| Screen         | Layar Super retina XDR Display 6.7 inci<br>Resolution 2,778x 1,284 pixel   | Layar Super retina XDR Display 6.7 inci<br>Resolution 2,778 x 1,284 pixel  | Layar Super retina XDR Display 6.7 inci<br>Resolution 2,796 x 1,290 pixel   | Layar Super retina XDR Display 6.7 inci<br>Resolution 2,796 x 1,290 pixel   |
| Chipset        | Apple 14 Bionic  | Apple 15 Bionic  | Apple 16 Bionic   | Apple A17 Pro   |
| Camera (Front) | 12 MP (f/1.5)  | 12 MP (f/1.5)  | 12 MP (f/1.9)   | 12 MP (f/1.9)   |
| Camera (Rear)  | Wide: 12 MP (f/1.5)<br>Ultrawide: 12 MP (f/1.8)<br>Telefoto: 12 MP (f/2.8) | Wide: 12 MP (f/1.5)<br>Ultrawide: 12 MP (f/1.8)<br>Telefoto: 12 MP (f/2.8) | Main: 48 MP (f/1.78)<br>Ultrawide: 12 MP (f/2.2)<br>Telefoto: 12 MP (f/2.8) | Main: 48 MP (f/1.78)<br>Ultrawide: 12 MP (f/2.2)<br>Telefoto: 12 MP (f/2.8) |
| Other Features | 5G (sub-6 GHz)   | Baterai 4,373 mAh  | Optical zoom 3x dan spatial video<br>Dynamic Island                         | Optical zoom5x dan spatial video<br>Port USB C                              |

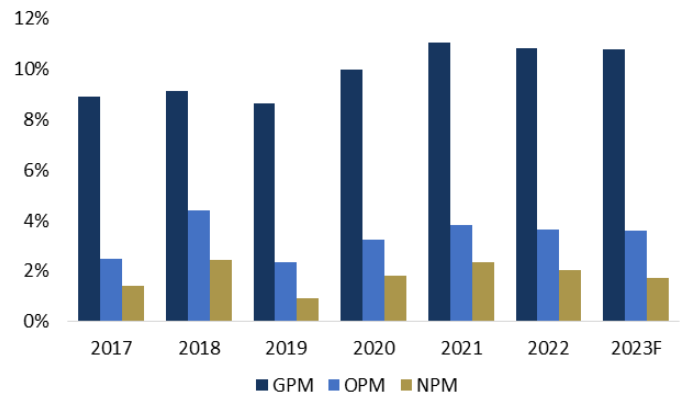
Source: SSI Research

**Figure 1. Revenue Mix 1H23**



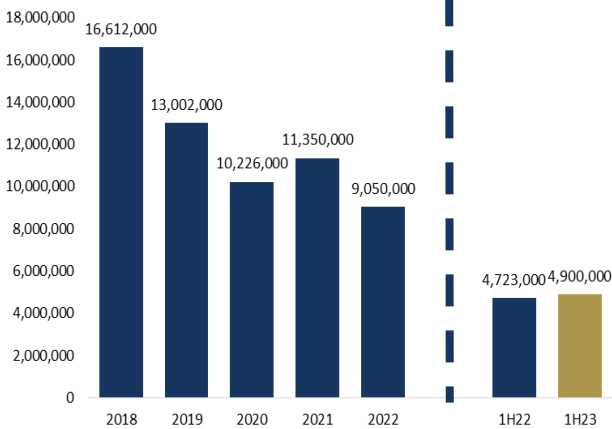
Source: Company, SSI Research

**Figure 2. Profitability Margin**



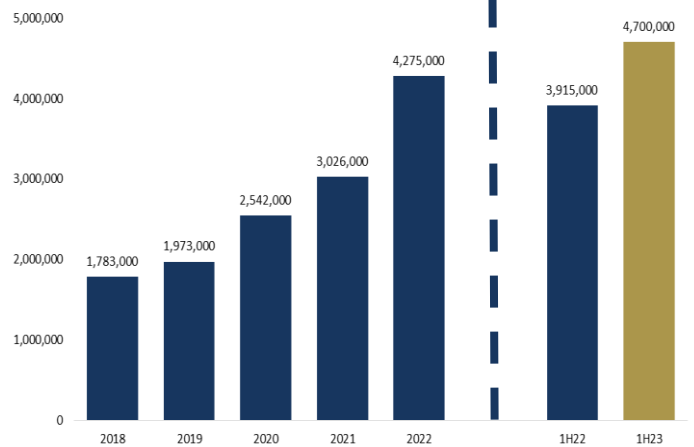
Source: Company, SSI Research

**Figure 3. Handset Volume**



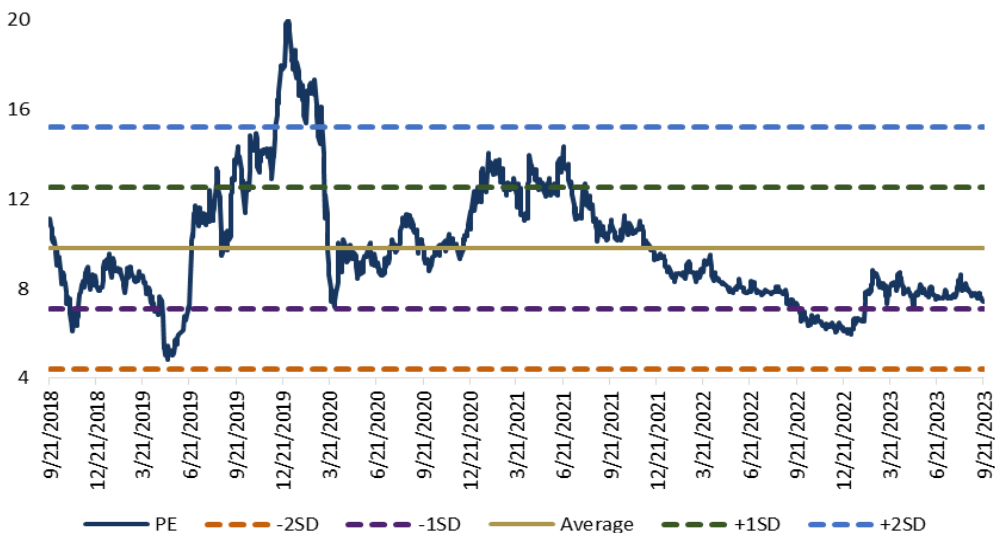
Source: Company

**Figure 4. Handset ASP**



Source: Company

**Figure 5. P/E Band**



Source: Bloomberg, SSI Research

| Research Team                   |  |                                |                 |
|---------------------------------|--|--------------------------------|-----------------|
| Prasetya Gunadi                 | Head of Equity Research, Strategy, Banking, Digital Banks    | prasetya.gunadi@samuel.co.id   | +6221 2854 8320 |
| Lionel Priyadi                  | Macro Equity Strategist                                      | lionel.priyadi@samuel.co.id    | +6221 2854 8854 |
| Muhamad Alfatih, CSA, CTA, CFTe | Senior Technical Analyst                                     | m.alfatih@samuel.co.id         | +6221 2854 8129 |
| Yosua Zisokhi                   | Cement , Cigarette, Paper, Plantation,Telco Infra, Chemicals | yosua.zisokhi@samuel.co.id     | +6221 2854 8387 |
| M. Farras Farhan                | Media, Poultry, Oil & Gas, Technology                        | farras.farhan@samuel.co.id     | +6221 2854 8346 |
| Pebe Peresia                    | Automotive, Consumer Staples, Retail                         | pebe.peresia@samuel.co.id      | +6221 2854 8339 |
| Juan Oktavianus Harahap         | Coal, Metal Mining   | juan.oktavianus@samuel.co.id   | +6221 2854 8846 |
| Jonathan Guyadi                 | Banking, Healthcare, Telco                                   | jonathan.guyadi@samuel.co.id   | +6221 2854 8321 |
| Adolf Richardo                  | Editor   | adolf.richardo@samuel.co.id    | +6221 2854 8397 |
| Ashalia Fitri Yuliana           | Research Associate   | ashalia.fitri@samuel.co.id     | +6221 2854 8389 |
| Daniel Aditya Widjaja           | Research Associate   | daniel.aditya@samuel.co.id     | +6221 2854 8322 |
| Laurencia Hiemas                | Research Associate   | laurencia.hiemas@samuel.co.id  | +6221 2854 8392 |
| Brandon Boedhiman               | Research Associate   | brandon.boedhiman@samuel.co.id | +6221 2854 8392 |
| Haikal Putra Samsul             | Research Associate   | haikal.putra@samuel.co.id      | +6221 2854 8353 |

| Equity Institutional Team |                                    |                                 |                 |
|---------------------------|------------------------------------|---------------------------------|-----------------|
| Benny Bambang Soebagjo    | Head of Institutional Equity Sales |                                 | +6221 2854 8312 |
| Ronny Ardianto            | Institutional Equity Sales         | ronny.ardianto@samuel.co.id     | +6221 2854 8399 |
| Anthony Yunus             | Institutional Equity Sales         | anthony.yunus@samuel.co.id      | +6221 2854 8314 |
| Widya Meidrianto          | Institutional Equity Sales         | widya.meidrianto@samuel.co.id   | +6221 2854 8317 |
| Fachruly Fiater           | Institutional Sales Trader         | fachruly.fiater@samuel.co.id    | +6221 2854 8325 |
| Lucia Irawati             | Institutional Sales Trader         | lucia.irawati@samuel.co.id      | +6221 2854 8173 |
| Alexander Tayus           | Institutional Equity Dealer        | alexander.tayus@samuel.co.id    | +6221 2854 8319 |
| Leonardo Christian        | Institutional Equity Dealer        | leonardo.christian@samuel.co.id | +6221 2854 8147 |

| Equity Retail Team  |                              |                                |                 |
|---------------------|------------------------------|--------------------------------|-----------------|
| Joseph Soegandhi    | Head of Equity               | joseph.soegandhi@samuel.co.id  | +6221 2854 8872 |
| Damargumilang       | Head of Equity Retail        | damargumilang@samuel.co.id     | +6221 2854 8309 |
| Clarice Wijana      | Head of Equity Sales Support | clarice.wijana@samuel.co.id    | +6221 2854 8395 |
| Gitta Wahyu Retnani | Equity Sales & Trainer       | gitta.wahyu@samuel.co.id       | +6221 2854 8365 |
| Vincentius Darren   | Equity Sales                 | darren@samuel.co.id            | +6221 2854 8348 |
| Michael Alexander   | Equity Sales                 | michael.alexander@samuel.co.id | +6221 2854 8369 |
| Sylviawati          | Equity Sales                 | sylviawati@samuel.co.id        | +6221 2854 8112 |
| Wandha Ahmad        | Equity Sales                 | wandha.ahmad@samuel.co.id      | +6221 2854 8316 |
| Handa Sandiawan     | Equity Sales                 | handa.sandiawan@samuel.co.id   | +6221 2854 8302 |
| Denzel Obaja        | Equity Sales                 | denzel.obaja@samuel.co.id      | +6221 2854 8342 |
| Wahyudi Budiyo      | Dealer                       | wahyudi.budiyo@samuel.co.id    | +6221 2854 8152 |

| Fixed Income Sales Team  |                      |                               |                 |
|--------------------------|----------------------|-------------------------------|-----------------|
| R. Virine Tresna Sundari | Head of Fixed Income | virine.sundari@samuel.co.id   | +6221 2854 8170 |
| Rudianto Nugroho         | Fixed Income Sales   | rudianto.nugroho@samuel.co.id | +6221 2854 8306 |
| Sany Rizal Keliobas      | Fixed Income Sales   | sany.rizal@samuel.co.id       | +6221 2854 8337 |
| Safitri                  | Fixed Income Sales   | safitri@samuel.co.id          | +6221 2854 8376 |
| Khairanni                | Fixed Income Sales   | khairanni@samuel.co.id        | +6221 28548104  |
| Saldy Achmad Yanuar      | Fixed Income Sales   | saldy.achmad@samuel.co.id     | +6221 28548384  |
| Nadya Attahira           | Fixed Income Sales   | nadya.attahira@samuel.co.id   | +6221 2854 8305 |

**DISCLAIMER:** Analyst Certification: The views expressed in this research accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. This document is for information only and for the use of the recipient. It is not to be reproduced or copied or made available to others. Under no circumstances is it to be considered as an offer to sell or solicitation to buy any security. Any recommendation contained in this report may not be suitable for all investors. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights reserved by PT Samuel Sekuritas Indonesia.