

# Erajaya Swasembada (ERAA): IDR 424 – BUY, SSI TP: IDR 560; Cons. TP: IDR 520

3Q24 Results: (IDR Bn)	3Q24	3Q23	QoQ (%)	YoY (%)	9M24	9M23	YoY (%)	9M24/ SSI (%)	9M24/ Cons. (%)
Revenue	15,491	13,919	(5.9)	11.3	48,608	42,816	13.5	69.4	73.3
Gross Profit	1,860	1,406	7.0	32.4	5,436	4,483	21.2	74.8	75.7
Operating Profit	404	220	(4.4)	83.1	1,289	1,068	20.7	63.7	69.7
Net Profit	268	36	(0.3)	639.5	791	495	59.9	83.7	80.5
<b>Key Ratios</b>									
GPM (%)	12.0	10.1	-	-	11.2	10.5	-	-	-
OPM (%)	2.6	1.6	-	-	2.7	2.5	-	-	-
NPM (%)	1.7	0.3	-	-	1.6	1.2	-	-	-

## SWOT Analysis of the Results (Above)

### Strength

3Q24 gross margin expanded to 12.0% (2Q24: 10.6%; 3Q23: 10.1%), supported by favorable product mix, featuring high-margin items like Samsung Z Fold and Flip

### Weakness

Opex run-rate saw QoQ increase to -9.4% in 3Q24 (2Q24: -8.0%; 3Q23: -8.5%), which we attribute to the opening of new stores; ERAA's 9M24 bottom line growth of 59.9% YoY was primarily driven by one-off surge in promotion support (+196% YoY)

### Opportunity

Strong purchasing power of middle-upper class should provide support to sales volumes; recent market underperformance may provide buying opportunities, especially given undemanding valuation of P/S 0.1x

### Threat

IDR depreciation may exert pressure on sales volumes; weakening purchasing power amid sticky inflation and high interest rates could adversely affect demand and sales mix

## Peer Comparables

Company	Rating	Market Cap (IDR Tn)	Last Price (IDR)	TP (IDR)	2024F				
					EPS Gwt (%)	P/E (x)	P/S (x)	Div. Yield (%)	ROE (%)
AMRT IJ	BUY	130.8	3,150	4,300	20.2	41.5	1.1	1.1	20.9
MAPI IJ	BUY	24.3	1,465	1,600	1.4	12.6	0.6	0.8	17.2
ACES IJ	BUY	14.2	830	1,200	15.5	23.3	2.5	3.4	13.3
MIDI IJ	BUY	14.6	436	580	23.1	19.1	0.7	1.4	16.2
<b>ERAA IJ</b>	<b>BUY</b>	<b>6.8</b>	<b>424</b>	<b>560</b>	<b>18.8</b>	<b>6.6</b>	<b>0.1</b>	<b>4.5</b>	<b>10.4</b>
<b>Sector</b>		<b>190.7</b>			<b>17.6</b>	<b>33.5</b>	<b>1.1</b>	<b>1.4</b>	<b>19.1</b>

## Relative Performance vs JCI

