

BUY (Initiation)

Target Price (IDR) 800
Potential Upside (%) 85.2

Price Comparison

Cons. Target Price (IDR) 544
SSI vs. Cons. (%) 146.9

Stock Information

Last Price (IDR) 432
Shares Issued (Mn) 15,950
Market Cap. (IDR Bn) 6,827
52-Weeks High/Low (IDR) 590/312
3M Avg. Daily Value (IDR Bn) 21.4
Free Float (%) 43.5

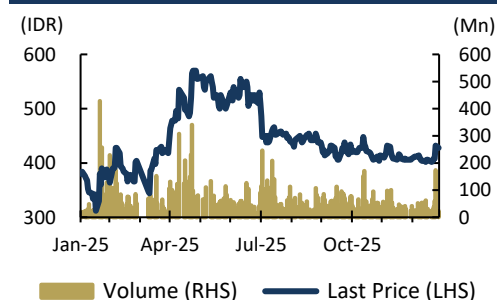
Shareholder Structure (%):

PT Eralink International 55.2
Treasury Shares 1.0
Others (>1%) 0.3
Public 43.5

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	3.4	3.9	(0.5)	7.1
JCI Return	4.6	6.0	9.4	26.2
Relative	(1.2)	(2.0)	(9.8)	(19.1)

Stock Price & Volumes, 12M



Company Background

Having established its core smartphone business with brands such as Apple and Samsung in 1996 (company listing 2011), ERAA has expanded its operations into multi-segmented retail platform spanning from Digital Electronics, Active Lifestyle (including XPENG) as well as Food & Nourishment. Today, ERAA operates across Indonesia, Malaysia, and Singapore with 77 distribution centers, 2,194 retail outlets, and 54,000+ third-party kiosks/ outlets.

Jonathan Guyadi
+62 21 2854 8322
jonathan.guyadi@samuel.co.id

Kenzie Keane
+62 21 2854 8325
kenzie.keane@samuel.co.id

Activating Growth

Mobile market leader expanding into higher-growth Active Lifestyle. PT Erajaya Swasembada Tbk (ERAA), the country's largest mobile retail player, is on track to accelerate its growth trajectory in 2026-27F on the back of store expansions coupled with continued brand acquisitions in the fast-growing segments of Active Lifestyle and others, including EV (XPENG). Number of stores increasing to 2,322, up 633 outlets or +37.5% since end-2022, will provide ERAA with a growth base over the next two years. On the segment front, the company has expanded into the EV segment by becoming the exclusive sole agent of XPENG in Indonesia and the first assembly line outside of china, while for its active lifestyle portfolio newly introduced brands are Wilson and Under Armour. The management is aiming for these fast-growing segments to contribute c.25–30% of total revenues in the next few years, up from 16.1% in 9M25. In 2025F, sales from active lifestyle & others amounted to IDR 11.3tn (+32.0% YoY), before reaching IDR 15.1tn (+34.0% YoY) in 2026F and IDR 19.4tn (+28.2% YoY) in 2027F.

100-150 store openings per annum & margin expansions to support growth. In the next several years, we expect ERAA's growth story to implementation of net store openings totalling to 100–150 outlets annually (ERAL: 50–60 stores per annum; FnR: 30–40 stores). On the profitability front, we project EBIT to expand at five-year CAGR of +18.0% over 2025–2030F, supported by: (1) continued uptrading in the handset business; (2) more favorable business mix over the medium term; and (3) improved operating leverage driven by opex efficiencies, particularly from street-level outlets, as the company plans to redesign stores and optimize operating hours. The above mentioned strategic business plans should pave the way for delivery robust profitability, with net profit projected to grow at a five-year CAGR of +18.4% over 2025–2030F, reaching approximately IDR 2.7tn by 2030F.

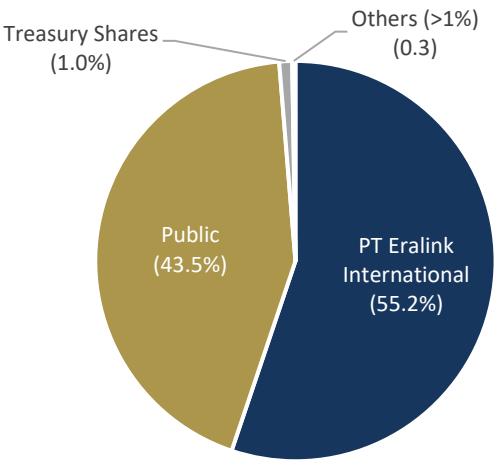
Undervaluation: Buy with TP of IDR 800 on attractive P/S multiple. Given ERAA's strong earnings growth in 2026-27F, the stock is undervalued with 2026F P/S of 0.1x, the lowest in the sector. Thus, we assign a BUY rating with TP of IDR 800, translating to +85% upside and P/S multiple of 0.2x, still at 67% discount to its peers ([figure 26](#)). We note that assuming adj-market cap augmentation to IDR 5.2tn or IDR 740 per share, ERAA could potentially qualify for inclusion in MSCI Small Cap Index, while eligibility for the MSCI Large Cap Index would require adj-market capitalization of around IDR 31.4tn, equivalent to IDR 4,500 share price. Key risks: 1) weaker-than-expected purchasing power and SSSG, 2) IDR depreciation, and 3) geopolitical risks to disrupt the company's product imports.

Key Data, Ratios & Valuations (at closing price IDR 432 per share)

Y/E Dec	23A	24A	25F	26F	27F
Revenue (IDR Bn)	60,139	65,280	69,956	76,816	84,216
Operating Profit (IDR Bn)	1,625	1,706	1,622	2,055	2,256
Net Profit (IDR Bn)	826	1,033	1,102	1,367	1,580
EPS (IDR)	52	65	70	87	100
EPS Growth (%)	(18.4)	25.0	6.7	24.1	15.6
P/S (x)	0.1	0.1	0.1	0.1	0.1
P/E (x)	8.3	6.6	6.2	5.0	4.3
P/BV (x)	0.9	0.8	0.8	0.7	0.6
Dividend Yield (%)	4.4	3.9	5.3	5.7	7.0
ROE (%)	11.7	13.4	13.0	14.6	15.2
Interest Coverage (x)	2.8	2.8	2.8	4.0	5.0
Net Gearing (%)	58.3	51.2	36.9	22.3	17.5

Company Profile

Figure 1. Ownership Structure



PT Eralink International acts as the controlling shareholder of ERAA, holding a 55.2% stake

Source: ERAA, SSI Research

Established in 1996, PT Erajaya Swasembada Tbk is Indonesia’s leading integrated distribution and retail company, specializing in mobile devices, digital products, and lifestyle-related goods. In December 2011, the company joined the Indonesian Stock Exchange under the ticker of “ERAA”. With over 25 years of experience, ERAA manages a broad distribution footprint spanning Indonesia, Malaysia, and Singapore, and maintains strong partnerships with globally renowned brands such as Apple, Samsung, Garmin, DJI, Huawei, etc. This extensive reach is supported by 77 distribution centers, 2,194 retail outlets, and over 54,000 third-party billed outlets across the region.

Indonesia’s leading integrated distributor and retailer of mobile devices and digital lifestyle products, partnering with globally recognized brands

Figure 2. Milestones

Year	Achievements
1996-1997	Erajaya Group was established as a distributor of mobile telecommunication devices in Indonesia. The Company's establishment was officially recorded in the State Gazette of the Republic of Indonesia.
2000-2009	Commenced full commercial operations, focusing on mobile phones, accessories, and operator products. Expanded nationwide distribution network and strengthened partnerships with major global handset brands.
2010-2011	Business scale expanded significantly, preparing the Company for capital market entry. Conducted an Initial Public Offering (IPO) on the Indonesia Stock Exchange (IDX) under ticker "ERAA", issuing 920mn shares.
2012-2015	Strengthened position as Indonesia's leading mobile device distributor. Expansion of erafone retail outlets across major cities in Indonesia.
2016-2018	Diversified from pure distribution into retail-led business models. Growth of branded retail concepts such as iBox and Samsung Experience Store.
2019-2020	Entered active lifestyle and consumer electronics retail, adding new international brands. Accelerated digital retail and omnichannel strategy during the pandemic period.
2020-2021	Formed 4 main verticals: Erajaya Digital, Active Lifestyle, Food & Nourishment, and Beauty & Wellness. Expanded into F&B and lifestyle retail, marking a shift toward a diversified consumer ecosystem.
2023	Continued expansion outside Java, reinforcing national retail coverage.
2024	Operated 2,194 retail outlets and 77 distribution points nationwide. Opened 278 new stores in one year. Launched new F&B brands such as Curry Up and Wetzel's Pretzels. Appointed sole distributor of XPENG electric vehicles in Indonesia.

Source: ERAA, SSI Research

In December 2011, the company made its debut on the Indonesia Stock Exchange under the ticker "ERAA" and has partnered with globally renowned brands such as Apple, JD Sports, Garmin, XPENG, Chagee, GrandLucky, etc.

Figure 3. Network Coverage



Source: ERAA, SSI Research

Additionally, to adapt with the shift of consumer preferences, Erajaya has diversified its business through several verticals: Erajaya Digital (3C: Communication, Computer, and Consumer Electronics), Erajaya Active Lifestyle (ERAL), and Erajaya Food & Nourishment. Emphasizing a customer-first approach. ERAA integrates digital and physical retail through omnichannel services like Click N’ Pickup and EraXpress, offering an integrated seamless and convenient shopping experience. Headquartered in Jakarta, the Company continues to strengthen its market leadership through innovation, scale (robust store expansions), and strong brand alliances.

Figure 4. Erajaya Digital Brand Portfolio



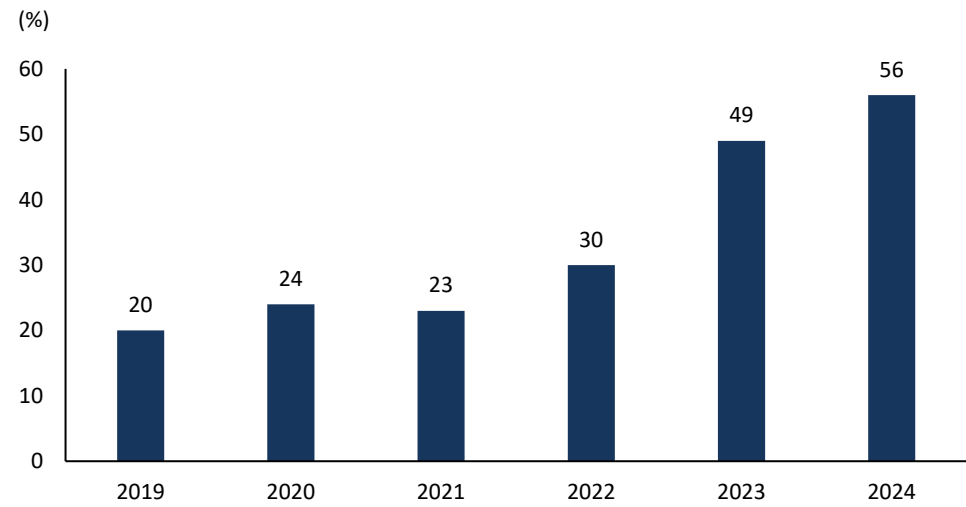
Source: ERAA, SSI Research

Operates a wide regional network across Indonesia, Malaysia, and Singapore, supported by 77 distribution centers, 2,194 retail outlets, and over 54,000 third-party kiosks/resellers/outlets across the region

The company operates across three verticals: Erajaya Digital (3C: Communication, Computer, and Consumer Electronics), Erajaya Active Lifestyle (ERAL), and Erajaya Food & Nourishment

Erafone is ERAA’s largest retail chain, comprising 62% of Erajaya outlets,...

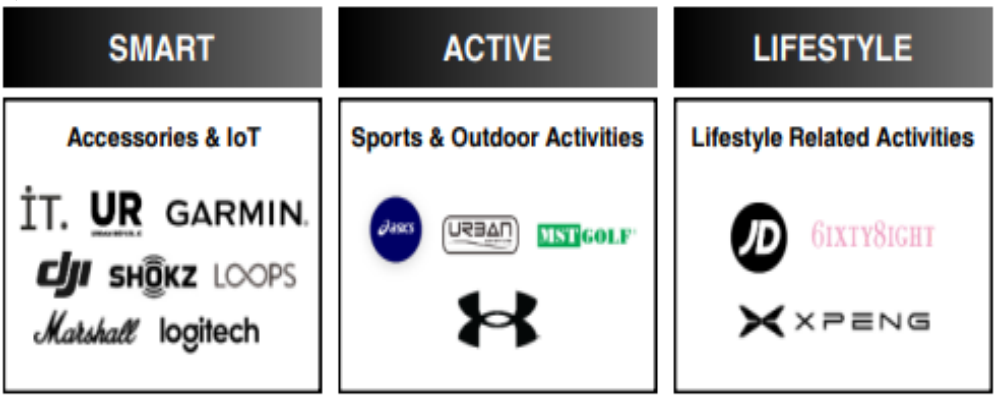
Figure 5. Market Share of Mobile Device – Erajaya Digital, by Value



Source: ERAA, SSI Research

...commanding around 56% market share in Indonesia’s mobile device retail segment

Figure 6. Erajaya Active Lifestyle Segment



Source: ERAA, SSI Research

In 2024, the company entered into a partnership with XPENG through ERAL, acting as the sole distributor for XPENG in Indonesia, with four dealerships currently operating across Java

Figure 7. Erajaya Food & Nourishment Ecosystem



Source: ERAA, SSI Research

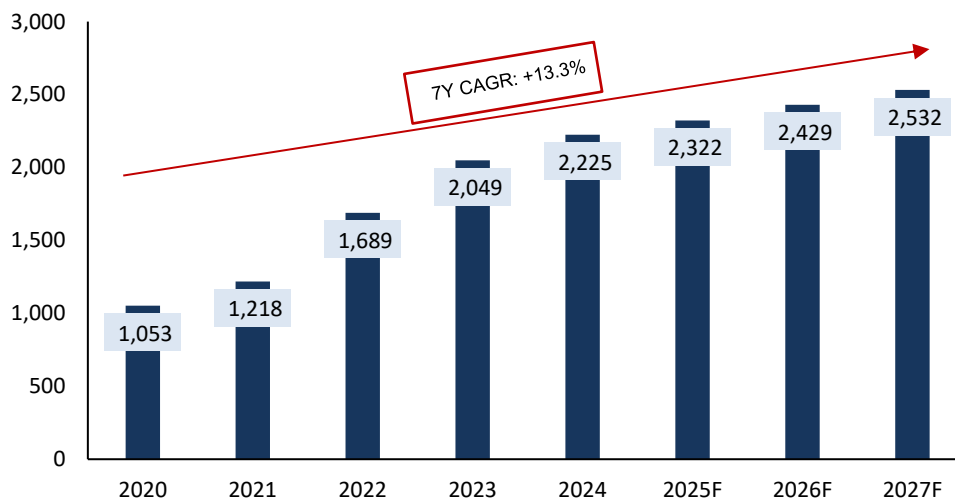
Established partnerships with several well-known global retail and F&B brands, including CHAGEE, which officially entered the Indonesian market in April 2025

Figure 8. Brand Portfolio

Types of Products		Partnership with Erajaya
Erajaya Digital		
Erafone	Multi-brand mobile retail: smartphones, accessories, & digital products	1996
iBox	Apple authorized reseller: iPhone, iPad, Mac, & Apple accessories	2005
Samsung Store by Erafone	Samsung smartphones, wearables, tablets, & accessories	2014
Xiaomi Store	Xiaomi smartphones, smart devices, & accessories	2017
Huawei Store	Huawei smartphones, wearables, & ecosystem products	2021
Erablue	Consumer electronics: TVs, refrigerators, washing machines,	2022
Honor Store	Honor smartphones & smart devices	2025
Singtel	Telecom services: SIM cards, data plans, & devices	-
Switch+	Apple products & accessories	-
Sony Store	Sony electronics: TVs, cameras, audio, & gaming products	-
Erajaya Active Lifestyle		
IT Store / Immersive Tech	Gadget accessories, smart devices, & lifestyle electronics	2020
Marshall	Audio products: speakers & headphones	2023
Urban Republic	Multi-brand tech & lifestyle store: gadgets, wearables, & accessories	2019
DJI	Drones, cameras, & stabilizers	2019
Garmin	GPS devices, smartwatches, & fitness trackers	2018
Under Armour	Sportswear, shoes, & athletic apparel	2025
MST Golf	Golf equipment, apparel, accessories	2023
Urban Adventure	Outdoor gear & apparel	2023
Wilson	Sports equipment (tennis, golf, team sports)	2025
ANTA	Sportswear & athletic footwear	2025
ASICS	Running & sports shoes, apparel	2025
Shokz	Bone-conduction headphones	2024
JD Sports	Footwear, Apparel, & Accessories	2022
6IXTY8IGHT	Lingerie & casual fashion	2023
XPENG	Electric vehicles	2025
Erajaya Food & Nourishment		
Paris Baguette	Bakery café: bread, pastries, cakes, light meals, & coffee	2021
Bacha Coffee	Premium coffee: brewed drinks, packaged beans, & pastries	2024
GrandLucky	Premium supermarket: groceries, fresh produce, & imported foods	2021
Chagee	Tea beverages: milk tea & fruit tea	2025
Wetzel's Pretzels	Snack brand: fresh pretzels & frozen drinks	2024
Curry Up	Casual dining: curry dishes and rice bowls	2024

Source: SSI Research

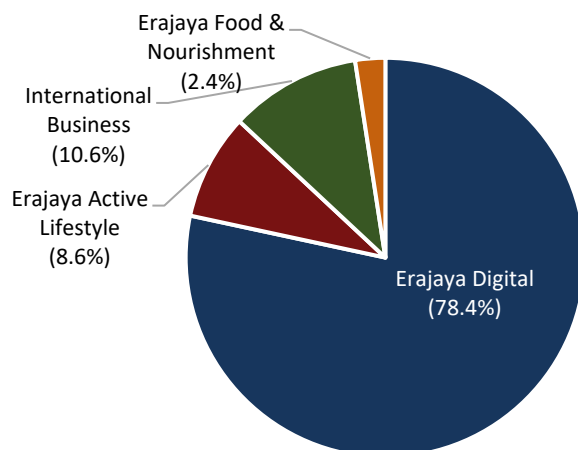
Figure 9. Number of Stores



The store network has expanded at a 7-year CAGR of 13.3%,

Source: ERAA, SSI Research

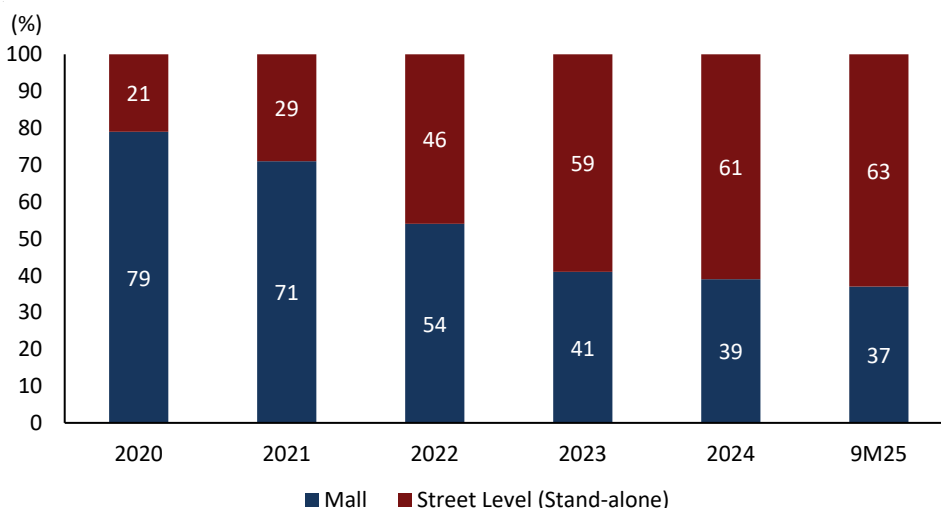
Figure 10. Store Breakdown, 9M25



...with Erajaya Digital accounting for 78.4% of the total store base as of 9M25. Management aims net openings of c.100 stores per annum going forward

Source: ERAA, SSI Research

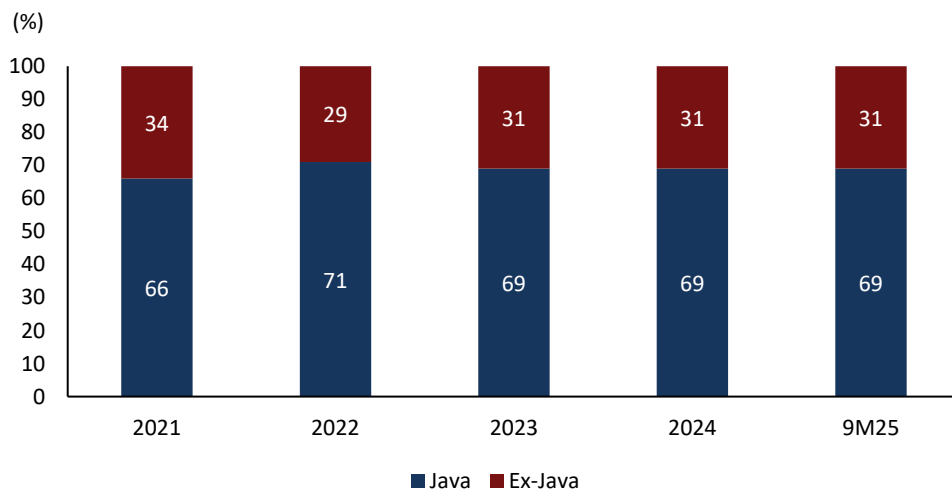
Figure 11. Erajaya Digital Store Mix, 9M25



Increasing its street-level footprint to broaden market coverage and capture incremental market share

Source: ERAA, SSI Research

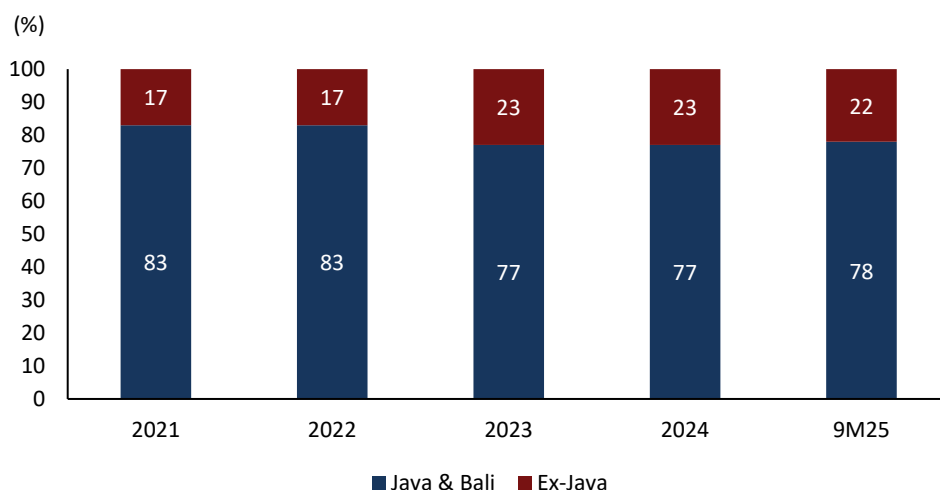
Figure 12. Erajaya Digital Stores by Region, 9M25



Given the company's focus on the premium segment,...

Source: ERAA, SSI Research

Figure 13. Erajaya Active Lifestyle Network Distribution, 9M25



...most of its stores remain heavily concentrated in the Java region

Source: ERAA, SSI Research

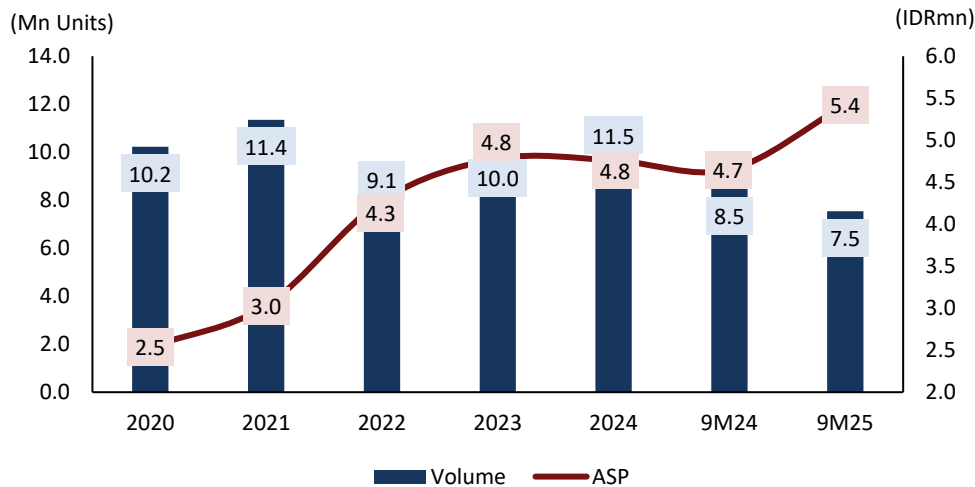
Figure 14. 3Q25 Results

ERAA 3Q25 Results: (IDR Bn)	3Q25	2Q25	3Q24	QoQ (%)	YoY (%)	9M25	9M24	YoY (%)	9M25/SSI (%)	9M25/Cons. (%)
Revenue	17,318	19,164	15,491	(9.6)	11.8	52,364	48,608	7.7	74.9	73.6
Gross Profit	1,883	2,169	1,860	(13.2)	1.2	5,846	5,436	7.5	73.3	72.8
Operating Profit	240	574	404	(58.2)	(40.4)	1,137	1,289	(11.8)	70.1	59.5
Net Profit	217	365	268	(40.5)	(18.8)	786	791	(0.7)	71.3	68.1
Key Ratios										
GPM (%)	10.9	11.3	12.0	-	-	11.2	11.2	-	-	-
OPM (%)	1.4	3.0	2.6	-	-	2.2	2.7	-	-	-
NPM (%)	1.3	1.9	1.7	-	-	1.5	1.6	-	-	-

Source: ERAA, SSI Research

In 3Q25, ERAA recorded revenue of IDR 17.3tn (+11.8% YoY; -9.6% QoQ), supported by solid performance across all product segments

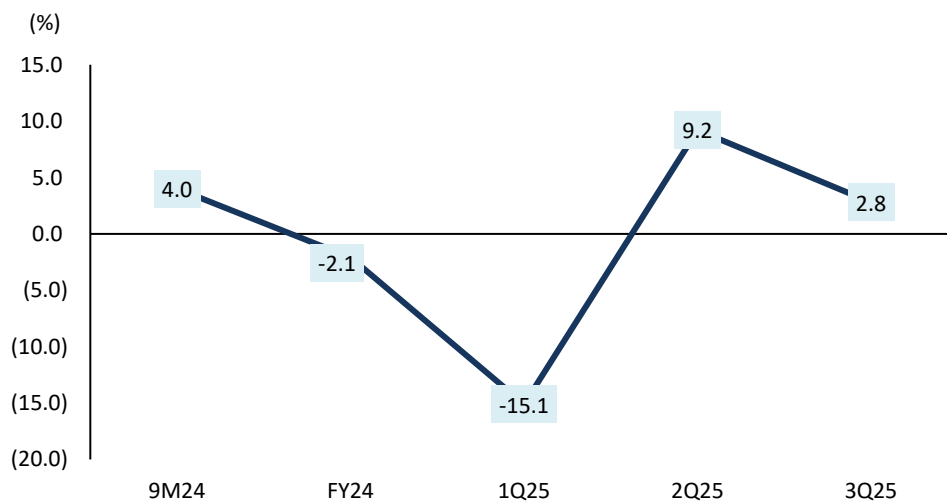
Figure 15. Smartphone Volumes vs. ASP Trends



9M25 volume slipped to 7.5mn units (-11.0% YoY), mainly due to the delayed iPhone 16 launch

Source: ERAA, SSI Research

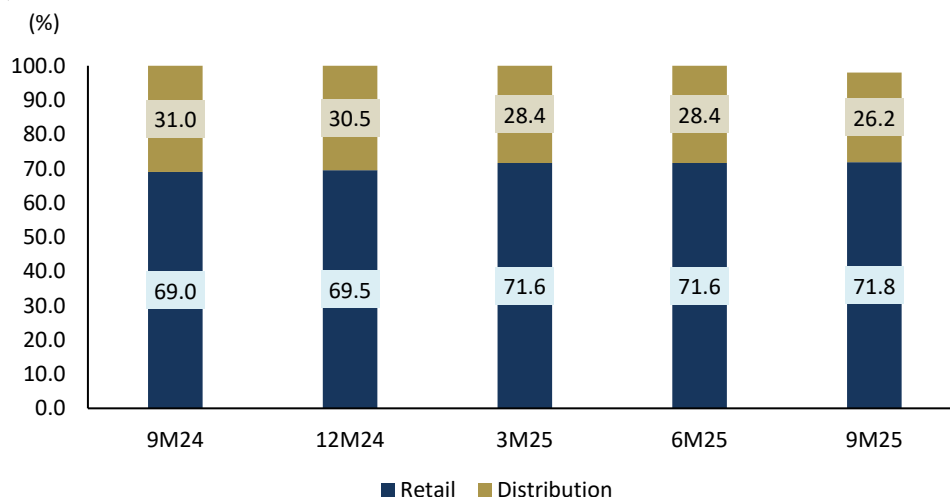
Figure 16. SSSG Trends



SSSG was relatively subdued at 2.8% in 3Q25 amid seasonal headwinds

Source: ERAA, SSI Research

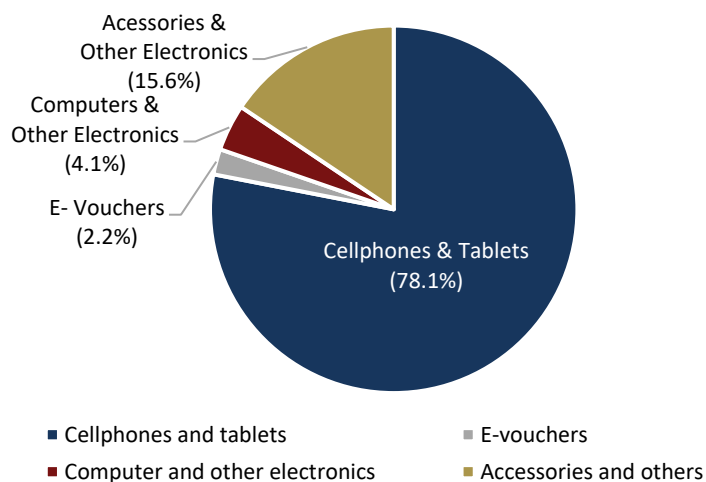
Figure 17. Sales by Business Channels, 9M25



Originally a distribution-focused business, ERAA has increasingly shifted its contribution toward the higher-margin retail segment...

Source: ERAA, SSI Research

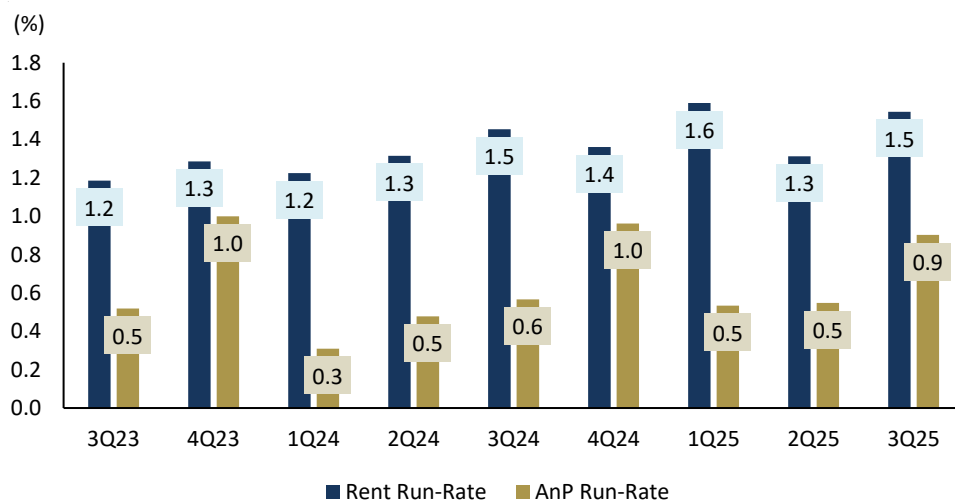
Figure 18. Sales by Segments, 9M25



...with accessories & others segment reaching 15.6% in 9M25 (9M24: 12.3%)

Source: ERAA, SSI Research

Figure 19. Rent vs. AnP Run-Rates



AnP run-rate remains steady at ~1.5%, reflecting its disciplined cost management

Source: ERAA, SSI Research

Figure 20. Management Profile

Board of Commissioners		Position	Years of Experience	(%) Ownership
	Alexander Halim Kusuma (50 years old) holds a Bachelor's degree from Boston University and completed an executive program at Harvard Business School. He currently serves as CEO of Agung Sedayu Real Estate Indonesia and Vice President Director of PT Pantai Indah Kapuk Dua Tbk, and is affiliated with the Company's major shareholders and board members.	President Commissioner	25+	0.04
	Richard Halim Kusuma (45 years old) earned his Bachelor's degree of Science in Management Studies from Northeastern University (2004). He previously served as the Director for ERAA and currently serves as the Commissioner for PT Erajaya Swasembada Tbk. He also serves as the President Commissioner for PT Era Inovasi Industri Otomotif.	Commissioner	20	0.04
	Andreas Harun Djumadi (70 years old) has been contributing for PT Erajaya Swasembada Tbk since 2011. He previously served as the Director and currently serves as the Commissioner for the company. He graduated from his Bachelor's degree of Accounting from the University of Indonesia.	Commissioner	25+	0.04
	Lim Bing Tjay (74 years old) has 29 years of experience in various strategic positions as President Director in various world class multinational companies. He was first appointed as the Commissioner for the ERAA in 2011 and was reappointed in 2022. He obtained a Bachelor's degree from the Institute of Computer Science, Amsterdam (1971).	Independent Commissioner	30	-
	I Gusti Putu Suryawirawan (66 years old) has various professional background, including Director of Electronics and Telematics Industry (2000), Director of Metal Industry (2005), President Commissioner of PT Krakatau Engineering (2007), etc. He was appointed as the Independent Commissioner of ERAA in 2022.	Independent Commissioner	25+	-



Richard M. Harjani (53 years old) was the previous Director of PT Rimo Catur Lestari Tbk (1994), Commisioner of PT Truba Alam Manunggal Engineering (2008), Director of PT Truba Jaya Engineering (2012), etc. He was assigned as the Commisioner for ERAA in 2024.

Commisioner

30+

-

Board of Directors

Position

Years of
Experience

(%)
Ownership



Budiarto Halim (58 years old) is the current President Director of ERAA. He obtained a Bachelor of Business Administration from San Francisco State University in 1990. He currently also serves as the President Director of PT Era Sukses Abadi. He previously served as the Commisioner of PT Multi Media Selular (2008) Director of Prima Pesona Prakarsa (2012), and Commisioner of PT Erafone Artha Retailindo (2012).

President
Director

30

0.04



Hasan Aula (60 years old) was first appointed as the Director of PT Erajaya Swasembada in 2012 and was reappointed in 2022. He has various background experiences, including President Director of PT Citra Anugrah Sukses Abadi, President Commisioner of PT Era Maju Terus, Director of PT Era Boga Nusantara and Commisioner of PT Era Prima Indonesia.

Director

25+

0.04



Joy Wahjudi (53 years old) earned his Bachelor's degree of Science in Finance from California State University in 1991 and claimed his Master's degree in Business Administration from the California State University in 1992. He was appointed as the Director of PT Erajaya Swasembada Tbk in 2020. He currently also serves as the President Director of PT Erafone Artha Retailindo.

Director

30+

-



Sintawati Halim (63 years old) currently also serves as the Director for Erajaya Holding Pte.Ltd. and Commisioner for PT Erafone Artha Retailindo. He previously served as the Senior VP Finance PT Mobile-8 Telecom and Director of Finance and Administration of Compaq Computer Indonesia and she currently serves as the Director for ERAA.

Director

25

0.05



Djohan Sutanto (52 years old) was first appointed as the Director of PT Erajaya Swasembada Tbk in 2014 and was reappointed in 2022. He currently also holds several positions, including President Director of PT Sinar Eka Selaras Tbk and President Commissioner of PT Era Gaya Distribusi.

Director 30+ 0.00



Sim Chee Ping (55 years old) obtained his Bachelor's degree of Accountancy from the NUS in 1992. He was first appointed as the Director of ERAA in 2010 and was reappointed in 2022. Throughout his career, he has various professional background, including the Business Director at Arthur Andersen (1998).

Director 25+ 0.04



Jong Woon Kim (57 years old) previously served as Chief Executive Officer of Mega Matric System and Sales (2000) and Marketing Director of PT LG Electronics Indonesia (1995). He currently is the Director of ERAA and President Director of PT Satera Manajemen Persada Indonesia.

Director 35+ -



Patrick Adhiatmadja (59 years old) was appointed as Director of ERAA. He holds degrees from Parahyangan Catholic University and INSEAD Business School and has extensive leadership experience across the technology, energy, automotive, and investment sectors, including roles at Lucent Technologies, Motorola Networks, ExxonMobil Lubricants Indonesia, and Electrum.

Director 30+ 0.01

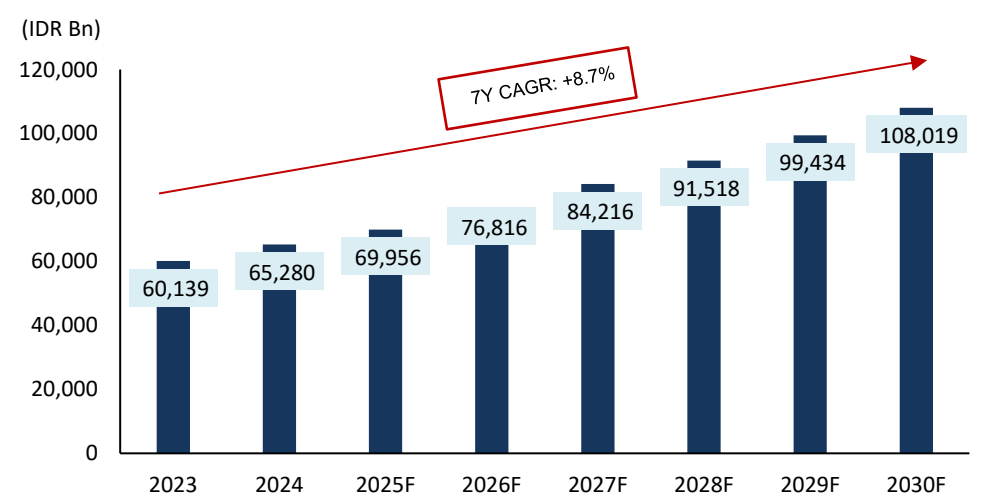
Source: Company, SSI Research

Financial Overview

We project ERAA to deliver solid growth over 2026–2030F, with revenue expanding at a CAGR of +9.1%, underpinned by: 1) continued outlet expansion and strategic store relocations, 2) potential uptrading in handset products, and 3) robust topline contributions from its sub-pillar businesses (e.g., active sportswear, EV-related segments, etc.). The company targets to sustain SSSG at ~mid- to high-single-digit levels per annum and achieve net store openings of 100–150 outlets annually (ERAL: 50–60 stores per annum; FnR: 30–40 stores). Beyond the solid growth in the handset pillar—expected to expand at a c. mid-single-digit CAGR over 2025–2030F—growth is further supported by ongoing product premiumization driven by innovation and higher-value models, such as foldable smartphones. These devices, which carry an average selling price of c. 3x that of standard smartphones, are projected to grow at a five-year CAGR (2024–2029F) of +17% and are expected to contribute c. 10% of total smartphone value by 2029F. We believe that amid the current domestic macroeconomic backdrop of uneven recovery and increasing polarization pressures (figure 27, figure 28)—particularly affecting the middle-income segment (figure 29, figure 30)—ERAA’s diversified handset portfolio and strong market leadership should provide a buffer to sustain handset sales performance. Beyond the handset pillar, ERAA’s other business segments under SES (Ticker: ERAL) also offer ample growth potential, particularly within the active and lifestyle categories, which continue to post solid performance with mid-teens SSSG. Management aims for these segments to contribute c. 25–30% of total revenue over the mid- to long-term horizon (9M25 contribution: 16.1%).

Solid growth outlook underpinned by store expansion, handset premiumization, and rising contribution from higher-growth active and lifestyle segments...

Figure 21. Revenue Trends



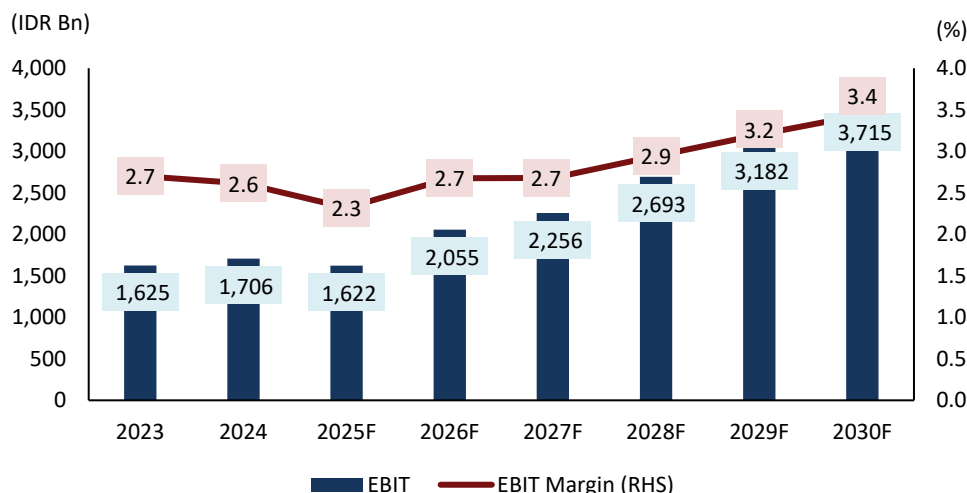
Source: ERAA, SSI Research

...with revenue expected to expand at a +9.1% CAGR over 2026–2030F

On the profitability front, we project EBIT to expand at a five-year CAGR of +18.0% over 2025–2030F, supported by: 1) continued uptrading in the handset business (contributing c.78% of total 9M25 revenue), 2) a more favorable business mix over the longer term. Notably, SES EBIT margin stood at 3.9% in 9M25 (ERAA 9M25 EBIT margin: 2.2%), and 3) improved operating leverage driven by opex efficiencies, particularly from street-level outlets, as the company plans to redesign and optimize store operating hours.

EBIT is set to compound strongly,...

Figure 22. EBIT vs. EBIT Margin Trends



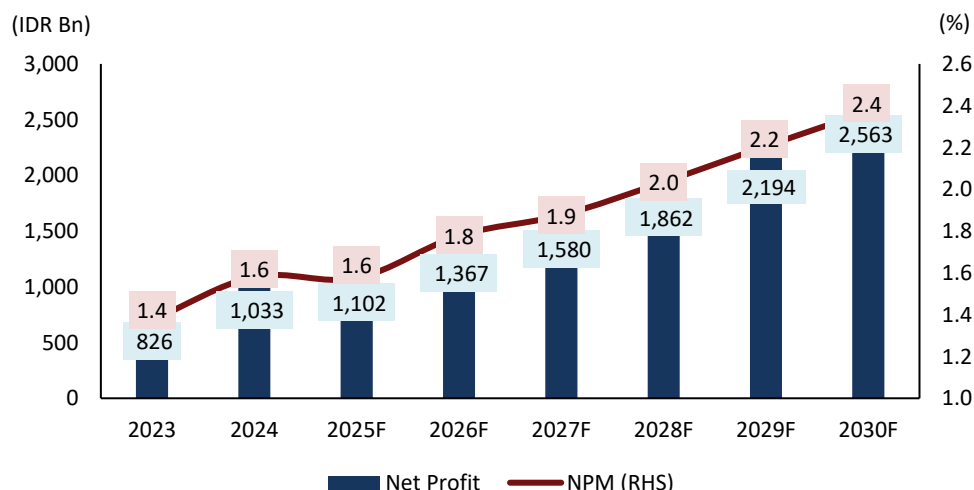
...driven by handset uptrading, an improving business mix, and opex efficiencies from optimized store operations

Source: ERAA, SSI Research

Accordingly, ERAA is expected to deliver robust profitability, with net profit projected to grow at a five-year CAGR of +18.4% over 2025–2030F, reaching approximately IDR 2.6tn by 2030F. This performance will be driven by: (1) rising store productivity as new outlets mature and are strategically relocated; (2) potential uptrading within the handset business; and (3) an increasingly favorable business mix. Collectively, these catalysts are expected to sustain profitability and reinforce the company's long-term growth path and potentially uplift overall ROE to 16.4% by 2030F (Industry: 20.7%).

Net profit is poised to expand at a CAGR of +18.4% over 2025–2030F,...

Figure 23. Net Profit Margin vs. Net Profit Margin Trends



...backed by rising store productivity, ongoing handset premiumization, and an increasingly favorable structural business mix

Source: ERAA, SSI Research

Valuation

Given ERAA's strong earnings growth in 2026-27F, the stock is undervalued with 2026F P/S of 0.1x, the lowest in the sector. Thus, we assign a BUY rating with TP of IDR 800, translating to +85% upside and P/S multiple of 0.2x, still at 67% discount to its peers ([figure 26](#)). We note that assuming adj-market cap augmentation to IDR 5.2tn or IDR 740 per share, ERAA could potentially qualify for inclusion in MSCI Small Cap Index, with potential inflow of IDR 298bn-IDR 498Bn, while eligibility for the MSCI Large Cap Index would require adj-market capitalization of around IDR 31.4tn, equivalent to IDR 4,500 share price, which could translate into potential inflows of IDR 3.0tn-IDR 5.0tn. Key risks: 1) weaker-than-expected purchasing power and SSSG, 2) IDR depreciation, and 3) geopolitical risks to disrupt the company's product imports.

We assign BUY on ERAA, supported by potential multiples re-rating...

Figure 24. P/S Multiple

P/S Multiple	
Sales/Share 2026F	4,867
Target Price (IDR)	800
Implied P/S (x)	0.2

Source: Company, SSI Research

...as valuation approaches regional peers

Figure 25. Target Price

Blended TP	
Target Price	800
Up(Down)side	85.2%

Source: Company, SSI Research

Using 0.2x 2026F P/S multiple, we derive target price of IDR 800

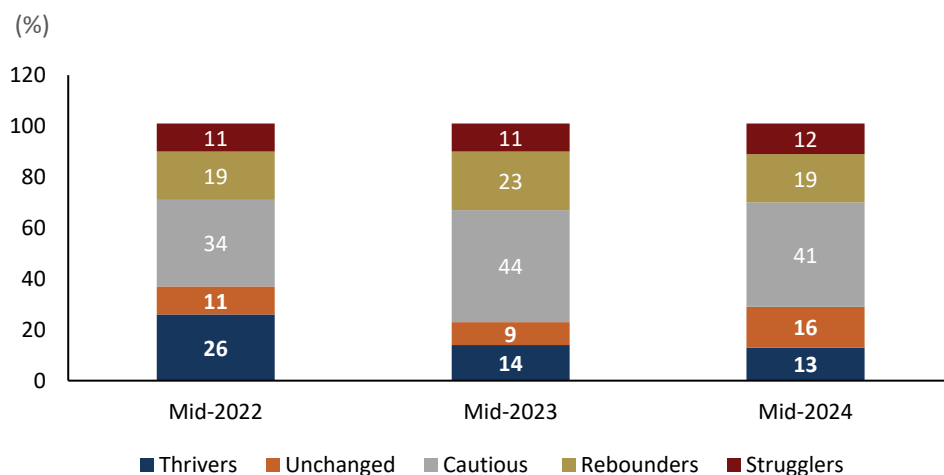
Figure 26. Peer Comparables

Company Ticker	Rating	Market Cap (IDR Tn)	Last Price (IDR)	TP (IDR)	EPS Gwt (%)	P/E (x)	2026F P/S (x)	Div. Yield (%)	ROE (%)
AMRT IJ	BUY	80.3	1,935	3,000	18.5	15.5	0.5	2.5	23.7
MAPI IJ	BUY	20.8	1,255	-	16.6	8.6	0.4	1.3	15.7
MIDI IJ	BUY	11.7	350	580	25.8	17.0	0.6	1.4	16.6
ACES IJ	BUY	7.1	414	680	27.8	8.5	0.8	6.9	12.4
ERAA IJ	BUY	6.9	432	800	24.1	5.0	0.1	5.7	14.6
Sector		126.9			19.7	13.5	0.5	2.6	20.6

Source: SSI Research

Appendix

Figure 27. Nielsen's Financial Situation Survey (1H22-1H24)



The number of “Thrivers”—consumers who feel financially secure—declined in 1H24

Source: Nielsen, SSI Research

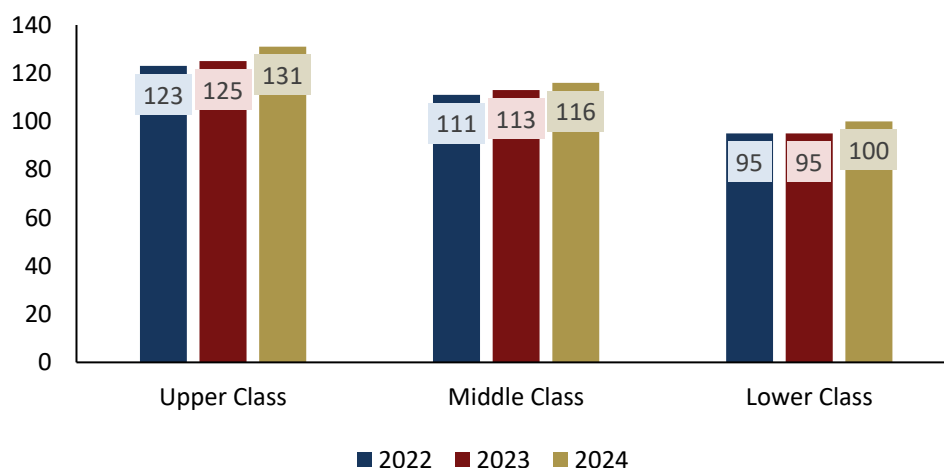
Figure 28. Consumer Saving Strategies (Indonesia, 2024)



Better deals and value have become top priorities for Indonesian consumers when making purchase decisions, outweighing brand loyalty and brand preference

Source: ERAA, SSI Research

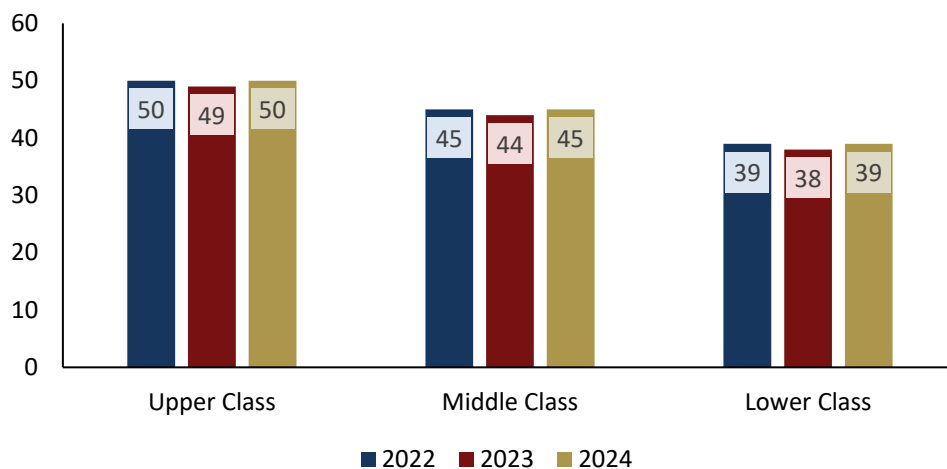
Figure 29. Average Number of Brands Purchased by Shopper Groups



Middle-class shoppers are less experimental due to tighter spending constraints,...

Source: Kantar, SSI Research

Figure 30. Average Number of Categories Purchased by Shopper Groups



...while upper- and lower-income consumers tend to be more explorative in seeking better value-for-money options

Source: Kantar, SSI Research

Figure 31. Survey on Indonesian Brand Purchases, 2022- 2024

% of HH buy ≤ 2 brands per category	YoY 22	YoY 23	YoY 24
Cooking Oil	16.8	26.0	28.9
Cooking Milk	83.4	84.9	84.4
Sweetened Condensed Milk	84.0	84.7	85.7
Snack	15.4	15.7	17.6
Noodle	22.0	21.7	24.3
RTD Tea	60.5	60.4	60.9
Breakfast Cereal	91.0	90.9	91.9
Liquid Milk	42.4	42.4	41.9
Water (non galon)	70.0	70.1	69.7
Moisturizer	84.5	81.7	80.0
Cleanser	76.8	76.3	74.9

Source: Nielsen, SSI Research

More consumers are moving away from expensive, well-known brands...

Figure 32. Survey on Promotional Product Purchases in Indonesia, 2022-2024

Category (%)	YoY 22	YoY 23	YoY 24
Breakfast Cereal	14.0	14.0	20.0
Cooking Milk	14.0	16.0	18.0
Cooking Oil	22.0	33.0	39.0
Noodle	9.0	10.0	12.0
Liquid Milk	14.0	18.0	23.0
Mineral Water	6.0	6.0	9.0
Snack	14.0	17.0	18.0
Sweetened Condensed Milk	15.0	20.0	29.0
RTD Tea	14.0	17.0	20.0
Moisturizer	15.0	19.0	20.0
Cleanser	17.0	19.0	22.0

Source: Nielsen, SSI Research

...and increasingly relying on promotions to keep their shopping baskets at manageable level

Figure 33. Survey on Reasons for Brand Switching, 2024



Source: PWC, SSI Research

Value for money is now the leading driver of brand switching, as consumers prioritize affordability and perceived benefits over brand loyalty amid rising living costs

Figure 34. Indonesia's In-Home FMCG Segment Growth, FY22-24

Metric	Sector	YTD Oct 23 Vs 22	YTD Oct 24 Vs LY
Value Growth	FMCG in Home	4%	7%
	Personal Care	7%	2%
	Home Care	4%	4%
	Pantry Essentials	6%	5%
	Baby	-2%	2%
	Beauty	15%	16%
	Snacking	3%	13%
	Dairy	-2%	9%
	Beverages	6%	10%
Unit Growth	FMCG in Home	0%	2%
	Personal Care	9%	-3%
	Home Care	5%	2%
	Pantry Essentials	0%	2%
	Baby	-5%	10%
	Beauty	6%	6%
	Snacking	-5%	11%
	Dairy	-7%	7%
	Beverages	-2%	0%
Price / Unit Growth	FMCG in Home	4%	4%
	Personal Care	-1%	5%
	Home Care	-1%	2%
	Pantry Essentials	6%	2%
	Baby	3%	-7%
	Beauty	9%	10%
	Snacking	9%	2%
	Dairy	5%	2%
	Beverages	8%	10%

Source: Kantar, SSI Research

Beauty segment maintained strong momentum in FY24, leaving room for further premiumization, while most other categories were driven by value-for-money purchases, limiting opportunities for basket uptrading

Figure 35. Consumer Spending on in-home café-products, FY22-24

Sector	Value to IH FMCG (%)	YoY 23 Value	YoY 24 Value	YoY 23 Volume	YoY 24 Volume
Liquid Milk	2.8	-2.9%	22.7%	-3.9%	22.7%
RTD Tea	1.1	6.7%	14.7%	0.5%	11.4%
Instant Coffee	5.7	6.0%	10.4%	-2.2%	-2.0%
RTD Coffee	0.2	14.7%	41.0%	8.4%	31.8%
Instant Tea	0.1	15.0%	17.7%	10.8%	4.6%

Source: Kantar, SSI Research

Consumers are recreating café-style experiences at home with RTD beverages and ready-to-eat snacks as economic pressures persist

Financial Highlights

Figure 36. Profit and Loss

Y/E Dec (IDR Bn)	23A	24A	25F	26F	27F
Revenue	60,139	65,280	69,956	76,816	84,216
Cost of Revenues	(53,692)	(58,004)	(61,983)	(67,874)	(74,294)
Gross Profit	6,448	7,276	7,973	8,943	9,922
Operating Expenses	(4,823)	(5,570)	(6,351)	(6,888)	(7,666)
Operating Profit	1,625	1,706	1,622	2,055	2,256
D&A	285	435	517	608	707
EBITDA	1,910	2,141	2,139	2,663	2,963
Finance Income	18	38	53	44	73
Finance Costs	(601)	(650)	(638)	(557)	(520)
Other Incomes (Expenses)	171	410	369	299	295
FX Gain/(Loss)	29	15	210	164	214
Pretax Profit	1,242	1,519	1,616	2,005	2,318
Income Tax	(385)	(400)	(425)	(528)	(610)
Non-controlling Interest	(31)	(87)	(89)	(111)	(128)
Net Income	826	1,033	1,102	1,367	1,580

Source: ERAA, SSI Research

Robust top-line growth outlook supported by store expansion, handset uptrading, and increasing exposure to higher-growth lifestyle segments

Figure 37. Balance Sheet

Y/E Dec (IDR Bn)	23A	24A	25F	26F	27F
Cash & equivalents	1,766	1,766	2,936	2,734	3,564
Receivables	2,037	1,582	1,484	1,462	1,768
Inventories	8,047	7,131	6,454	7,678	7,791
Others	1,115	2,829	2,798	3,073	3,369
Total Current Assets	12,965	13,308	13,673	14,947	16,492
Fixed Assets	2,217	2,493	2,745	2,982	3,202
Intangible Assets	821	826	856	889	925
RoU	1,594	1,797	1,783	1,678	1,477
Other Non-Current Assets	2,851	3,351	2,798	3,073	3,369
Total Assets	20,447	21,774	21,855	23,569	25,464
ST. Bank Loans	3,963	2,734	2,863	2,271	2,525
Payables	5,076	5,527	4,077	5,819	5,756
Other current Liabilities	1,292	2,615	3,816	3,453	3,816
Total Current Liabilities	10,330	10,876	10,756	11,543	12,097
LT. Bank Loans	1,713	1,463	932	739	822
Other LT Liabilities	273	378	280	307	337
Total Liabilities	12,317	12,717	11,968	12,590	13,256
Total Equity	8,131	9,057	9,887	10,979	12,208

Source: ERAA, SSI Research

Maintaining a solid balance sheet with net gearing remain at 17.5% in 26F on the back of...

Figure 38. Cash Flow

Y/E Dec (IDR Bn)	23A	24A	25F	26F	27F
Net Profit	826	1,033	892	1,203	1,366
D&A	285	435	517	608	707
Changes in Working Capital	(477)	1,822	(675)	540	(482)
Change in Others	105	(1,786)	1,122	(137)	(148)
Operating Cash Flow	739	1,503	1,856	2,213	1,443
Capital Expenditures	(1,082)	(918)	(785)	(773)	(762)
Others	(844)	(500)	552	(274)	(296)
Investing Cash Flow	(1,926)	(1,418)	(233)	(1,047)	(1,058)
Net - Borrowings	1,755	(84)	(292)	(1,284)	551
Dividend	(300)	(268)	(361)	(386)	(478)
Other Financing	454	267	(9)	138	158
Financing Cash Flow	1,909	(85)	(662)	(1,532)	230
Net - Cash Flow	722	0	961	(366)	616
Cash at beginning	1,044	1,766	1,766	2,726	2,360
Cash at ending	1,766	1,766	2,726	2,360	2,976

Source: ERAA, SSI Research

...solid cash flow generations

Figure 39. Key Ratios

Y/E Dec	23A	24A	25F	26F	27F
Gross Profit Margin (%)	10.7	11.1	11.4	11.6	11.8
Operating Margin (%)	2.7	2.6	2.3	2.7	2.7
Pre-Tax Margin (%)	2.1	2.3	2.0	2.4	2.5
Net Profit Margin (%)	1.4	1.6	1.3	1.6	1.6
Return on Equity (%)	11.7	13.4	10.5	12.8	13.1
Debt to Equity (%)	82.4	72.9	70.0	50.0	50.0
Net Gearing (%)	58.3	51.2	36.9	22.3	17.5

Source: ERAA, SSI Research

Expecting favorable margin trends on the back of favorable business mix onwards

Research Team			
Harry Su	Managing Director of Research	harry.su@samuel.co.id	+6221 2854 8100
Prasetya Gunadi	Head of Equity Research, Strategy, Banking	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Fithra Faisal Hastiadi, Ph.D	Senior Macro Strategist	fithra.hastiadi@samuel.co.id	+6221 2854 8100
Juan Harahap	Coal, Metals, Mining Contracting, Oil & Gas, Plantations	juan.oktavianus@samuel.co.id	+6221 2854 8392
Jonathan Guyadi	Consumer, Retail, Healthcare, Cigarettes, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8846
Ahnaf Yassar	Research Associate; Property	ahnaf.yassar@samuel.co.id	+6221 2854 8392
Ashalia Fitri Yuliana	Research Associate; Macro Economics, Coal	ashalia.fitri@samuel.co.id	+6221 2854 8389
Brandon Boedhiman	Research Associate; Banking, Strategy, Metals	brandon.boedhiman@samuel.co.id	+6221 2854 8392
Fadhlan Banny	Research Associate; Cement, Media, Mining Contracting, Oil & Gas, Plantations, Poultry, Technology	fadhlan.banny@samuel.co.id	+6221 2854 8325
Jason Sebastian	Research Associate; Automotive, Telco, Tower	jason.sebastian@samuel.co.id	+6221 2854 8392
Kenzie Keane	Research Associate; Cigarettes, Consumer, Healthcare, Retail	kenzie.keane@samuel.co.id	+6221 2854 8325
Digital Production Team			
Sylvanny Martin	Creative Production Lead & Graphic Designer	sylvanny.martin@samuel.co.id	+6221 2854 8100
M. Indra Wahyu Pratama	Video Editor & Videographer	muhammad.indra@samuel.co.id	+6221 2854 8100
M. Rifaldi	Video Editor	m.rifaldi@samuel.co.id	+6221 2854 8100
Raflyyan Rizaldy	SEO Specialist	raflyyan.rizaldy@samuel.co.id	+6221 2854 8100
Ahmad Zupri Ihsyan	Team Support	ahmad.zupri@samuel.co.id	+6221 2854 8100
Equity			
Joseph Soegandhi	Director of Equity Sales	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Equity Institutional Team			
Widya Meidrianto	Head of Institutional Equity Sales	anto@samuel.co.id	+6221 2854 8317
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
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			
Damargumilang	Head of Equity Retail	atmaji.damargumilang@samuel.co.id	+6221 2854 8309
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Denzel Obaja	Equity Retail Chartist	denzel.obaja@samuel.co.id	+6221 2854 8342
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
Sylviawati	Equity Sales Support	sylviawati@samuel.co.id	+6221 2854 8113
Handa Sandiawan	Equity Sales Support	handa.sandiawan@samuel.co.id	+6221 2854 8302
Yonathan	Equity Dealer	yonathan@samuel.co.id	+6221 2854 8347
Reza Fahlevi	Equity Dealer	reza.fahlevi@samuel.co.id	+6221 2854 8359
Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 2854 8104
Dina Afrilia	Fixed Income Sales	dina.afrilia@samuel.co.id	+6221 2854 8100
Muhammad Alfizar	Fixed Income Sales	muhammad.alfizar@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 his 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 Source believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights reserved by PT Samuel Sekuritas Indonesia