

Erajaya Swasembada Tbk (ERAA)

Average Selling Price Mengalami Kenaikan

Di tengah penurunan volume penjualan dan kenaikan ASP pada 1Q22, ERAA membukukan kinerja yang baik pada 1Q22. Penjualan dan laba bersih masing-masing tumbuh 5,8% YoY dan 6,1% YoY. Adapun hingga Maret 2022, ERAA berhasil membuka 53 toko baru.

Penjualan dan Laba 1Q22 Meningkat

- Sepanjang 1Q22, ERAA membukukan penjualan sebesar Rp11,5 triliun (+5,8% YoY). Dilihat dari tiap segmennya, segmen Telepon Selular dan Tablet serta segmen Aksesoris dan Lainnya tumbuh masing-masing 3,6% YoY dan 58,9% YoY sementara segmen Produk Operator serta segmen Komputer dan Peralatan Elektronik Lainnya mengalami penurunan masing-masing 12,7% YoY dan 2,8% YoY.
- Secara geografis, penjualan di Wilayah Tengah (Jabodetabek, Kalimantan, Singapura dan Malaysia) serta Wilayah Barat (Sumatera dan Jawa) tumbuh masing-masing menjadi Rp7,4 triliun (+26,3% YoY) dan Rp3,1 triliun (+1,8% YoY) sedangkan Wilayah Timur (di luar wilayah Barat dan Tengah) mengalami penurunan menjadi Rp917,0 miliar (-51,2% YoY).
- Laba kotor 1Q22 tumbuh 6,7% YoY menjadi Rp1,3 triliun (vs 1Q21: Rp1,2 triliun), laba operasi tumbuh 2,7% YoY menjadi Rp471,7 miliar (vs 1Q21: Rp459,3 miliar), diikuti kenaikan laba bersih 1Q22 6,1% YoY menjadi Rp295,1 miliar (vs 1Q21: Rp278,2 miliar). Kenaikan ini juga turut membuat margin 1Q22 tumbuh, di antaranya GPM dan NPM yang tercatat sebesar 11,1% dan 2,6% sementara OPM sedikit turun menjadi 4,1%.

Gencar Ekspansi Bisnis

- Dilihat dari tiap segmennya, hampir semua segmen mengalami penurunan GPM. Segmen Telepon Selular dan Tablet, Produk Operator, serta Aksesoris dan Lainnya mencatatkan GPM lebih rendah pada 1Q22 yaitu masing-masing 10,0%, 1,9%, dan 25,8% (vs 1Q21: 10,3%, 2,5%, dan 30,0%), sementara GPM untuk segmen Komputer dan Peralatan Elektronik Lainnya tumbuh menjadi 10,7% (vs 1Q21: 10,3%).
- Selain itu, pada 1Q22, volume penjualan turun 18,4% YoY menjadi 2,3 juta unit (vs 1Q21: 2,8 juta unit) namun *Average Selling Price* (ASP) naik 27,0% YoY menjadi Rp3,9 juta.
- Hingga Maret 2022, ERAA berhasil membuka 53 toko baru. Adapun, untuk tahun 2022 sendiri ERAA akan terus melakukan ekspansi pasar yang agresif dengan target pembukaan 500 toko baru. Kemudian, untuk mendukung rencana ekspansi toko, ERAA juga akan berkolaborasi dengan investor ritel melalui "Erafone Cloud Retail Partner".
- Sejalan dengan rencana ekspansi bisnis dalam usaha penjualan produk-produk konsumen elektronik, ERAA melalui anak usahanya PT Erafone Artha Retailindo (Erafone) membentuk *joint venture* bernama PT Era Blue Elektronik dengan The Gioi Di Dong yang merupakan anak usaha dari Mobile World Investment Corporation di Vietnam.

Rekomendasi BUY dengan TP Rp640/saham

- Kami memberikan rekomendasi BUY untuk ERAA dengan TP Rp640/saham (P/E 10,3x atau +1 STD) dengan potensi *upside* sebesar 26,7%. Adapun, risiko utama rekomendasi kami adalah: daya beli konsumen, rendahnya antusiasme pada peluncuran produk baru, adanya perubahan kebiasaan belanja konsumen, dan depresiasi mata uang Rupiah.

Erajaya Swasembada Tbk | Summary (IDR bn)

	2021A	2022F	2023F	2024F
Sales	43,467	48,024	52,121	56,692
Growth	27.4%	10.5%	-35.2%	45.1%
Net Profit	1,012	1,123	1,370	1,580
Growth	65.4%	10.9%	22.1%	15.3%
EPS (IDR)	63	70	86	99
P/E	9.5x	9.1x	7.5x	6.5x
P/BV	1.5x	1.8x	1.6x	1.4x
EV/EBITDA	6.1x	6.2x	5.1x	3.8x
ROE	16.7%	18.6%	22.9%	22.9%
DER	23.2%	41.3%	32.1%	31.8%
Dividend Yield	2.29%	3.01%	3.46%	3.89%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

BUY

Target Price (IDR)	640
Consensus Price (IDR)	859
TP to Consensus Price	-25.5%
vs. Last Price	+26.7%

Shares data

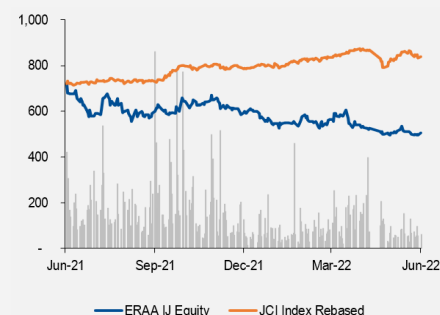
Last Price (IDR)	505
Price Date as of	June 20, 2022
52 wk Range (Hi/Low)	725/482
Free Float (%)	45.20
Outstanding sh.(mn)	15.95
Market Cap (IDR bn)	8,055
Market Cap (USD mn)	543
Avg. Trd Vol - 3M (mn)	56.18
Avg. Trd Val - 3M (bn)	30.12
Foreign Ownership	10.6%

Consumer Cyclical

Retail Trade

Bloomberg	ERAA IJ
Reuters	ERAA.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-15.8%	0.0%	-10.6%	-29.9%
Rel. Ret.	-20.5%	-0.8%	-10.9%	-46.2%

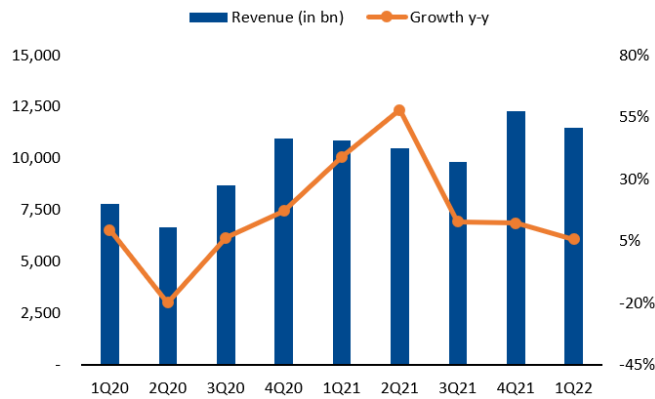
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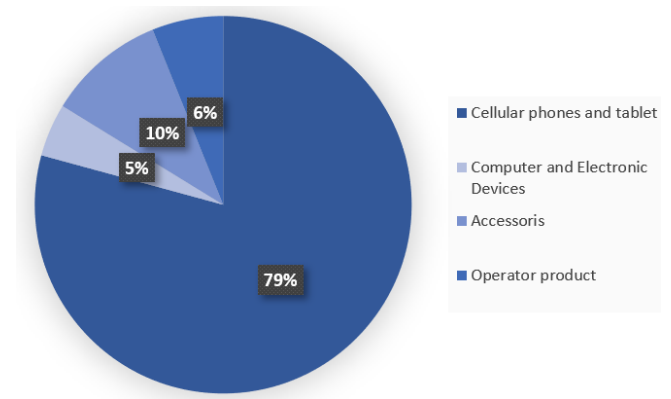
Performance Highlights

ERAA Revenue



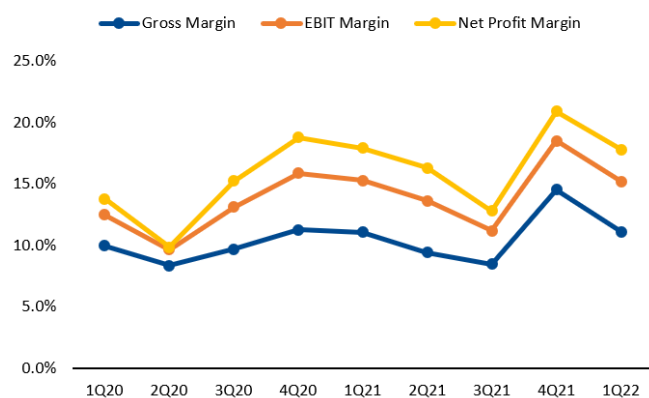
Source: Company, NHKSI Research

ERAA Revenue Breakdown



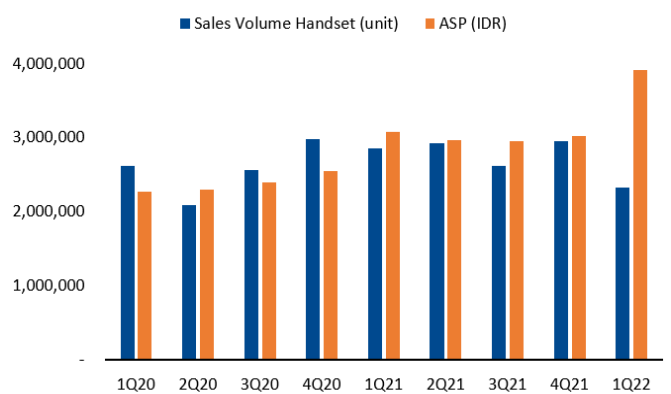
Source: Company, NHKSI Research

ERAA Margin Ratios



Source: Company, NHKSI Research

ERAA ASP and Volume Handset



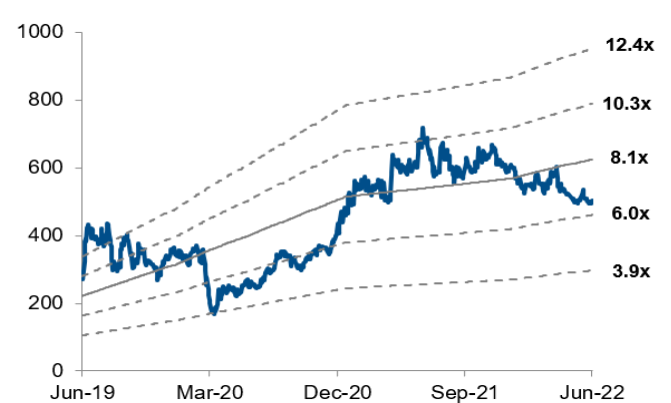
Source: Company, NHKSI Research

Forward P/E band | Last 3 years



Source: Company, NHKSI Research

Dynamic Forward P/E band | Last 3 years



Source: Bloomberg, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F
Sales	43,467	48,024	52,121	56,692
<i>Growth</i>	27.4%	10.5%	-35.2%	45.1%
COGS	(38,661)	(42,714)	(46,358)	(50,424)
Gross Profit	4,806	5,310	5,763	6,268
<i>Gross Margin</i>	11.1%	11.1%	11.1%	11.1%
Operating Expenses	(3,320)	(3,898)	(4,040)	(4,336)
EBIT	1,659	1,719	2,028	2,239
<i>EBIT Margin</i>	3.8%	3.6%	3.9%	3.9%
Depreciation	127	128	216	245
EBITDA	1,786	1,847	2,244	2,484
Interest Expenses	(195)	(193)	(194)	(193)
EBT	1,495	1,547	1,855	2,069
Income Tax	(377)	(312)	(344)	(328)
Minority Interest	(106)	(113)	(140)	(160)
Net Profit	1,012	1,123	1,370	1,580
<i>Growth</i>	65.4%	10.9%	22.1%	15.3%
<i>Net Profit Margin</i>	2.3%	2.3%	2.6%	2.8%

PROFITABILITY & STABILITY

	2021/12A	2022/12F	2023/12F	2024/12F
ROE	16.7%	18.6%	22.9%	22.9%
ROA	9.0%	9.6%	11.1%	11.3%
Inventory Turnover	10.8x	11.4x	11.4x	11.4x
Receivable Turnover	53.4x	66.3x	66.3x	66.3x
Payable Turnover	21.5x	21.3x	21.3x	21.3x
Dividend Yield	2.29%	3.01%	3.46%	3.89%
Payout Ratio	35%	30%	31%	29%
DER	23.2%	41.3%	32.1%	31.8%
Net Gearing	0.3x	0.5x	0.4x	0.4x
Equity Ratio	56.8%	46.9%	50.0%	48.5%
Financial Leverage	1.86x	1.93x	2.06x	2.03x
Current Ratio	1.55x	1.30x	1.42x	1.44x
Quick Ratio	0.63x	0.68x	0.61x	0.86x
Par Value (IDR)	100	100	100	100
Total Shares (mn)	15,950	15,950	15,950	15,950
Share Price (IDR)	600	640	640	640
Market Cap (IDR tn)	9.6	10.2	10.2	10.2

BALANCE SHEET

(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F
Cash	521	1,332	923	3,327
Receivables	616	832	740	970
Inventories	3,932	3,537	4,569	4,248
Total Current Assets	6,624	7,447	8,068	10,425
Net Fixed Assets	852	1,107	899	895
Other Non Current Asset	3,896	3,425	3,717	4,043
Total Non Current Asset	4,748	4,532	4,616	4,938
Total Assets	11,372	11,979	12,684	15,362
Payables	1,514	2,495	1,856	2,877
ST Bank Loan	1,288	2,071	1,804	2,130
Total Curent Liabilities	4,279	5,728	5,693	7,218
LT Debt	214	248	231	240
Total Liabilities	4,910	6,364	6,346	7,916
Capital Stock + APIC	2,193	2,193	2,193	2,193
Retained Earnings	4,004	3,138	3,991	5,098
Shareholders' Equity	6,462	5,614	6,338	7,446

CASH FLOW STATEMENT

(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F
Operating Cash Flow	22	1,903	789	3,072
Investing Cash Flow	(516)	116	(562)	(604)
Financing Cash Flow	455	509	(637)	(63)
Net Changes in Cash	(39)	2,528	(409)	2,404

Source: NHKSI research, Bloomberg

VALUATION INDEX

	2021/12A	2022/12F	2023/12F	2024/12F
Price/Earnings	9.5x	9.1x	7.5x	6.5x
Price/Book Value	1.5x	1.8x	1.6x	1.4x
PE/EPS Growth	0.1x	0.8x	0.3x	0.4x
EV/EBITDA	6.1x	6.2x	5.1x	3.8x
EV/EBIT	6.6x	6.7x	5.7x	4.2x
EV (IDR bn)	10,874	11,532	11,528	9,460
Sales CAGR (3-Yr)	9.7%	12.1%	6.2%	5.7%
Net Income CAGR (3-Yr)	6.0%	56.1%	30.8%	16.0%
Basic EPS (IDR)	63	70	86	99
BVPS (IDR)	405	352	397	467
DPS (IDR)	14	19	22	25

TOP OWNERSHIP

Shareholders	%
PT Eralink International	54.5
Dimensional Fund	1.2
Norges Bank	0.8
POWER CORP OF CANADA	0.6
By Geography	%
Indonesia	89.4
United States	3.5
Luxembourg	2.5
Norway	1.3

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1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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