Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52498.6	(0.3)	(1.1)	2.5	9.2
S&P 500	7515.3	(0.8)	(0.3)	1.1	9.8
FTSE 100	10498.3	0.0	(1.4)	0.3	5.7
AS30	9003.0	(0.0)	(0.4)	(0.0)	(0.2)
CSI 300	4695.4	(1.8)	(3.0)	(1.7)	1.4
FSSTI	5470.3	0.0	4.0	8.8	17.7
HSCEI	8066.0	0.3	3.2	(3.7)	(9.5)
HSI	24213.7	0.2	2.5	(2.0)	(5.5)
JCI	6037.8	1.9	2.1	0.5	(30.2)
KLCI	1698.4	0.4	0.9	0.9	1.1
KOSPI	6806.9	(8.9)	(15.5)	(16.2)	61.5
Nikkei 225	67242.7	(1.9)	(3.6)	1.9	33.6
SET	1627.9	0.4	0.7	2.2	29.2
TWSE	45380.5	0.1	(2.5)	2.7	56.7
BDI	2960.0	0.5	5.8	8.5	57.7
CPO (RM/mt)	4450.0	0.0	(0.5)	(0.4)	13.1
Brent Crude (US$/bbl)	83.3	9.6	15.7	(4.6)	36.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul
Virtual Post-Results Meeting with ASL Marine Holdings Ltd (ASL SP)	Singapore	21 Jul	21 Jul

Please click on the page number to move to the relevant pages

Top Stories

Company Update | Erajaya Swasembada (ERAA IJ/**BUY**/Rp350/Target: Rp450) Page 2

We maintain our BUY call with a lower target price of Rp450 as we expect ERAA's earnings to normalise following a strong 1Q26 and the exceptionally high comparison base from the iPhone 16 and 17 launches in 2025. While near-term headwinds persist from softer mid-range demand, supply constraints and forex, premium demand remains resilient. We also expect newer growth initiatives, including active lifestyle expansion and XPENG, to support long-term growth, although meaningful earnings contributions will require additional time.

Technical Analysis

Super Bank Indonesia | SUPA IJ Page 5

Trading Buy Range: We have a technical Buy at Rp590, and take profit at Rp675.

Bukit Asam | PTBA IJ Page 5

Trading Buy Range: We have a technical Buy at Rp2,400, and take profit at Rp2,560.

Disclaimer: *In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

Erajaya Swasembada (ERAA IJ)

Growth Normalises While Diversification Progresses

Highlights

- **Growth normalises after a strong 1Q26.** ERAA's 5M26 SSSG moderated to +7.2% as seasonal tailwinds faded and the company lapped a high base from the iPhone 16 and 17 launches, with management guiding for more normalised growth through the remainder of 2026.
- **Portfolio expansion continues.** Erablue remained a standout performer, while lifestyle expansion and XPENG continue to support long-term growth despite requiring further scale.
- **Maintain BUY with a lower target price of Rp450.** Target price is based on 5.9x PE multiple (-0.5SD from three-year average).

Analysis

- **Growth is expected to normalise through the remainder of 2026 following an exceptionally strong 1Q26.** Erajaya Swasembada (ERAA) reported 5M26 same-store sales growth (SSSG) of +7.2% yoy, moderating from +11.7% in 4M26, while Sinar Eka Selaras (ERAL) posted +10.8% versus +12.5% in 4M26. Performance after April remained below 1Q26 levels as the benefits from Chinese New Year and Ramadan faded. More importantly, the group is facing an unusually high comparison base created by the launches of the iPhone 16 in Apr 25 and iPhone 17 in Oct 25, which drove exceptionally strong demand throughout 2025. As these seasonal and product launch tailwinds fade, management expects SSSG to remain at more normalised levels for the remainder of 2026 while still tracking within its mid- to high single-digit full-year guidance.
- **Near-term headwinds persist, although premium demand remains resilient.** Management noted that demand for premium smartphone brands, particularly Apple and Samsung, continues to hold up well, while the mid-range segment remains softer amid weaker consumer spending. At the same time, global supply constraints affecting select iPhone 17 and MacBook models have limited product availability despite healthy demand, while a weaker rupiah has increased iPhone selling prices by around 8% as inventory costs are based on an exchange rate of approximately Rp17,500/USD. Although these factors could moderate near-term sales growth, management expects the impact to be temporary and continues to guide for resilient operating performance supported by premium products and ongoing store expansion.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	65,280	76,607	77,573	84,740	93,267
EBITDA	3,257	3,628	3,745	4,352	5,156
Operating profit	2,113	2,232	2,250	2,542	2,985
Net profit (rep./act.)	1,033	1,196	1,234	1,425	1,728
Net profit (adj.)	1,033	1,196	1,234	1,425	1,728
EPS (Rp)	65	69	77	89	108
PE (x)	5.4	5.1	4.5	3.9	3.2
P/B (x)	0.6	0.6	0.5	0.5	0.4
EV/EBITDA (x)	5.0	4.7	4.0	3.8	3.6
Dividend yield (%.)	3.8	5.0	7.1	7.3	7.6
Net margin (%)	1.6	1.6	1.6	1.7	1.9
Net debt/(cash) to equity (%)	52.3	71.4	43.4	46.5	34.8
Interest cover (x)	3.4	3.7	2.6	2.8	3.2
ROE (%)	13.4	13.8	12.3	12.8	12.8
Consensus net profit			1,303	1,462	1,680
UOBKH/Consensus (x)			0.95	0.98	1.03

Source: Erajaya Swasembada, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	Rp350
Target Price	Rp450
Upside	+28.6%
Previous TP	Rp600

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Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	ERAA IJ
Shares issued (m):	15,950
Market cap (Rpb):	5,551
Market cap (US$m):	307
3-mth avg daily t'over (US$m):	0.8

Price Performance (%)

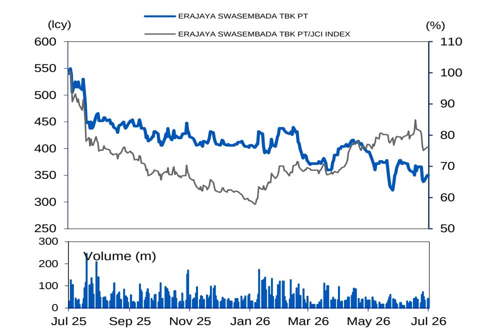
52 week high/low				Rp585/Rp314
1mth	3mth	6mth	1yr	YTD
(4.4)	(10.3)	(13.9)	(35.6)	(14.7)

Major Shareholders	%
Eralink International	54.5

Balance Sheet Metrics

FY25 NAV/Share (Rp)	596
FY25 Net Cash/Share (Rp)	303

Price Chart



Source: Bloomberg

Company Description

Erajaya Swasembada is Indonesia's largest handset retailer and distributor, offering products from leading brands such as Apple, Samsung, Xiaomi, Oppo, and Vivo. The company is also expanding their verticals outside of handset retailer business partnering with brands like Xpeng, Chagee, Paris Baguette, etc.

5M26 Store Data

May 2026

Total Stores	Apr-26	Opening	Closing	Nett	May-26
Erajaya Digital	1,876	41	18	23	1,899
ERAL	220	10	0	10	230
International Business	242	4	9	-5	237
Erajaya Food & Nourishment	85	4	0	4	89
Total	**2,423**	**59**	**27**	**32**	**2,455**

Source: ERAA, UOB Kay Hian

- **Business portfolio expansion continues to progress.** Erablue remained one of the group's fastest-growing businesses, delivering 5M26 same-store sales growth (SSSG) of +19.2%, while ERAL recorded cumulative SSSG of +10.8%, supported by JD Sports, Urban Republic and DJI. Meanwhile, the group continues to expand newer concepts such as Gentlewoman, Chagee and MST Golf, although these businesses are still in the early stages of expansion and are likely to require further scale before making a meaningful contribution to profitability. XPENG also continues to build momentum with around 150-200 purchase orders per month, and management plans to introduce a new model priced at Rp700m-800m to bridge the gap between the G6 and X9, broadening its addressable market. Separately, ERAA commenced a Rp100b share buyback programme on 2 Jun 26, which will run until 2 Sep 26.

Valuation/Recommendation

- **We maintain our BUY call with a lower target price of Rp450,** based on a target PE of 5.9x, representing 0.5SD below the company's three-year historical mean. The lower target multiple reflects the gradual de-rating in ERAA's trading multiple over the past five years, earnings normalisation following a strong 1Q26, and a longer ramp-up period for its active lifestyle expansion to translate into earnings.

Earnings Revision/Risk

- **Earnings revision:** None.
- **Downside risks:** a) Weaker-than-expected macroenvironment, and b) unfavourable changes in regulation.

Share Price Catalyst

- Turnaround for active lifestyle subsidiaries.

iPhone 17 Models

Source: ERAA, Apple

MST Golf Semarang Grand Opening

Source: ERAA, ERAL

Chagee New Flagship Store

Source: ERAA

XPENG New Dealership In BSD

Source: ERAA

Profit & Loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	76,607	77,573	84,740	93,267
EBITDA	3,628	3,745	4,352	5,156
Deprec, & amort	1,396	-1,496	-1,810	-2,171
EBIT	2,232	2,250	2,542	2,985
Associate Contributions	(378)	310	339	373
Net interest income/(expense)		(6)	(6)	(7)
Pre-tax profit	0	(795)	(832)	(874)
Tax	1,854	1,760	2,043	2,477
Minorities	(541)	(440)	(511)	(619)
Net profit	(117)	(86)	(107)	(130)
Net turnover	76,607	77,573	84,740	93,267

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	4,447	3,745	4,360	4,980
Other LT assets	4,515	8,340	9,732	11,347
Cash/ST investment	2,131	2,805	2,332	3,263
Other current assets	17,763	12,009	12,675	13,365
Total assets	28,857	26,899	29,098	32,955
ST debt	8,366	6,858	7,132	7,418
Other current liabilities	8,790	6,829	7,108	8,641
LT debt	1,033	546	542	560
Other LT liabilities	489	1,768	2,233	2,797
Shareholders' equity	9,142	10,006	11,110	12,467
Minority interest	1,036	891	973	1,071
Total liabilities & equity	28,857	26,899	29,098	32,955

Cash Flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	225	2,427	1,669	3,315
Net profit	1,854	1,234	1,425	1,728
Deprec, & amort,	(541)	526	631	745
Working capital changes	1,396	667	(386)	842
Other operating cashflows	(2,774)	-	-	-
Investing	291	(1,772)	(1,973)	(2,217)
Capex (growth)	(1,284)	(1,146)	(1,246)	(1,366)
ROU	(98)	(1)	-	-
Others	11	(626)	(727)	(851)
Financing	(1,198)	95	31	32
Dividend payments	1,416	(287)	(321)	(370)
Proceeds & repay borrowings	(300)	313	269	305
Others	35	69	82	98
Net cash inflow (outflow)	3,992	750	(273)	1,131
Beginning cash & cash equivalent	1,628	1,517	2,267	1,994
Change due to forex impact	134	538	338	138
Ending cash & cash equivalent	2,119	2,805	2,332	3,263

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	4.7	4.8	5.1	5.5
Pre-tax margin	2.4	2.3	2.4	2.7
Net margin	1.6	1.6	1.7	1.9
ROA	4.7	4.6	4.9	5.2
ROE	13.8	12.3	12.8	13.9
Growth				
Turnover	17.4	8.4	9.2	10.1
EBITDA	11.4	21.5	16.2	18.5
Pre-tax profit	22.0	2.2	2.3	2.4
Net profit	15.8	12.5	16.1	21.2
EPS	15.7	12.5	16.1	21.2
Leverage				
Debt to total capital (x)	48.0	26.4	25.4	23.3
Debt to equity (x)	92.4	70.9	66.6	61.5
Net debt/(cash) to equity (x)	71.4	48.9	42.2	44.2
Interest cover (x)	3.7	2.6	2.9	3.2

Source: ChartGenie

Super Bank Indonesia (SUPA IJ)

Technical BUY with 6% potential return

Resistance: Rp610, Rp675

Support: Rp535, Rp505

Stop-loss: Rp530

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead and challenge the resistance level at Rp610 and Rp675. The RSI is sloping upwards and approaching its midline, while the MACD remains on a bullish crossover. Buy at Rp590 and take profit at Rp675.

Approximate timeframe: 2-4 weeks.

Source: ChartGenie

Bukit Asam (PTBA IJ)

Technical BUY with 6.5% potential return

Resistance: Rp2,460, Rp2,560

Support: Rp2,320, Rp2,250

Stop-loss: Rp2,320

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead and challenge the resistance level at Rp2,460 and Rp2,560. The RSI is sloping upwards and approaching its midline, while the MACD has just issued a bullish signal. Buy at Rp2,400 and take profit at Rp2,560.

Approximate timeframe: 2-4 weeks.

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