KayHian Sekuritas

Country Daily | Indonesia

Friday, 4 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53686.1	1.2	0.2	1.0	11.7
S&P 500	7747.7	1.1	0.2	1.9	13.2
FTSE 100	10831.5	0.7	(0.4)	(0.2)	9.1
AS30	9198.3	0.4	(0.5)	(1.2)	2.0
CSI 300	4552.6	0.1	(1.7)	(1.1)	(1.7)
FSSTI	5747.7	0.1	1.1	2.4	23.7
HSCEI	8385.2	(0.8)	(1.2)	(2.2)	(5.9)
HSI	25213.3	(0.4)	(1.4)	(3.1)	(1.6)
JCI	6667.9	1.1	2.2	5.5	(22.9)
KLCI	1715.1	0.4	(1.9)	(1.0)	2.1
KOSPI	6579.5	0.3	(4.8)	3.5	56.1
Nikkei 225	64214.5	(0.2)	(2.9)	0.4	27.6
SET	1576.9	0.1	(1.5)	(2.5)	25.2
TWSE	45857.7	(0.7)	(0.3)	5.8	58.3
BDI	3488	4.7	14.1	22.7	85.8
CPO (RM/mt)	4660	(0.2)	1.4	3.6	18.5
Brent Crude (US$/bbl)	96	(0.1)	6.5	14.0	57.0

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep

Top Stories

Company Update | Erajaya Swasembada (ERAA IJ/**BUY**/Rp595/Target: Rp800)

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- Maintain BUY with a higher target price of Rp800 based on our upgraded earnings outlook. We see Erablue as a key growth driver, supported by strong SSSG and rapid store expansion, while ERAL, XPENG and new concepts broaden ERAA's growth beyond smartphones. We expect 2027 earnings to increasingly benefit from the stores and businesses developed in 2026, supporting stronger growth as these newer segments scale up.

Technical Analysis

Astra International | ASII IJ

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- Trading Buy Range: We have a technical Buy at Rp5,025, and take profit at Rp5,300.

Bangun Kosambi Sukses | CBDK IJ

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- Trading Buy Range: We have a technical Buy at Rp4,100, and take profit at Rp4,500.

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)

Building New Growth Engines

Highlights

- **Erablue drives growth.** Strong SSSG and rapid store expansion should support continued growth.
- **Building new businesses.** ERAL, XPENG and new concepts such as Chagee highlight ERAA's ability to develop new growth platforms**.**
- **Maintain BUY** with a higher target price of Rp800.

Analysis

- **Erablue expands beyond smartphones.** Erablue, Erajaya Swasembada's (ERAA) home appliance and consumer electronics retail business, delivered 15.9% same-store sales growth (SSSG) in 7M26, while sales revenue grew 89% yoy in 1H26. The network reached 283 stores by July, with 102 stores added ytd. Rapid store expansion alongside strong SSSG should keep Erablue on a strong growth trajectory, while expanding its exposure beyond ERAA's traditional smartphone business.
- **ERAA continues to demonstrate its ability to build new consumer businesses.** Sinar Eka Selaras (ERAL) delivered 7.7% SSSG in 7M26, led by Urban Republic, DJI and JD Sports, while Levi's provides another established brand for further expansion. XPENG is a further example, having booked 1,682 units in 7M26 after only around a year in the Indonesian market, with monthly sales already ahead of BYD's. The upcoming Mona L03 and GX models should broaden XPENG's addressable market next year, particularly with Mona targeting a lower price segment. We see XPENG's rapid ramp-up as evidence that ERAA can scale up new brands effectively, while upcoming F&B concepts such as Oriental Kopi and I'm Donut provide further optionality beyond electronics.
- **Smartphone demand appears to be stabilising after the recent slowdown.** ERAA's July SSSG improved to -8.6% yoy from -11.6% in June, while management expects Aug-Sep 26 SSG to remain moderate ahead of new product launches. We expect the product cycle to support 4Q26 sales, with benefits potentially spilling into 2027. Global memory shortages could constrain iPhone 18 availability, but we see this mainly as a timing issue as deferred purchases could support demand once supply improves.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	65,280	76,607	81,269	88,791	97,368
EBITDA	3,257	3,628	3,944	4,576	5,306
Operating profit	2,113	2,232	2,438	2,753	3,116
Net profit (rep./act.)	1,033	1,196	1,381	1,580	1,830
Net profit (adj.)	1,033	1,196	1,381	1,580	1,830
EPS (Rp)	65.4	75.7	87	99	115
PE (x)	9.1	7.9	6.9	6.0	5.2
P/B (x)	1.2	1.0	0.9	0.8	0.7
EV/EBITDA (x)	5.4	4.9	4.8	4.5	3.8
Dividend yield	3.2	3.2	3.3	3.8	4.3
Net margin (%)	1.6	1.6	1.7	1.8	1.9
Net debt/(cash) to equity (%)	52.3	71.4	42.7	43.1	34.1
Interest cover (x)	3.4	3.7	2.9	3.1	3.4
ROE (%)	13.4	13.8	12.4	12.7	13.1
Consensus net profit	-	-	1391	1557	1831
UOBKH/Consensus (x)	-	-	0.97	1.03	1.07

Source: ERAA, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Rp595
Target Price	Rp800
Upside	+34.4%
Previous TP	Rp450

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	ERAA IJ
Shares issued (m)	15,950
Market cap (Rpb)	9,490
Market cap (US$m)	537
3-mth avg daily t'over (US$m)	1.9

Price Performance (%)

52-week high/low				Rp610/Rp314
1mth	**3mth**	**6mth**	**1yr**	**YTD**
39.7	64.4	37.7	38.4	45.8

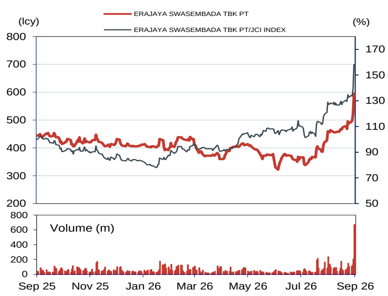
Major Shareholders (%)

Eralink	55.2

Balance Sheet Metrics

FY26 NAV/Share (Rp)	700
FY26 Net Debt/Share (Rp)	299

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, etc.

- **ERAA resumes share buyback.** ERAA has just completed its previous Rp100b share buyback, which ran from Jun to Sep 26 and accumulated 236.3m shares, bringing the total shares repurchased under the two 2026 programmes to 601.6m. The company will now launch a new buyback of up to Rp500b from 4 Sep 26 to 4 Dec 26, potentially repurchasing up to 797.5m shares or 5% of outstanding shares. The programme will be funded through internal cash while maintaining sufficient liquidity for operations and expansion.

ERAA July Store Data

Total Stores	Jun 26	Opening	Closure	Nett	July 26
Erajaya Digital	1,920	48	12	36	1,956
ERAL	256	7	1	6	262
International Business	240	4	1	3	243
Erajaya Food & Nourishment	90	5	2	3	93
Total	**2,506**	**64**	**16**	**48**	**2,554**

Source: ERAA

Valuation/Recommendation

- **Maintain BUY with a higher target price of Rp800 (previously Rp450) as we upgrade our earnings outlook.** Our target price is based on 7.9x 2027F PE, or +0.5SD to its five-year mean. Notably, this multiple is broadly in line with ERAA's recent trading range before the recent de-rating, making our target multiple less aggressive despite the higher target price. We expect ERAA to increasingly benefit from store expansions completed in 2026, including Erablue, Chagee and other new concepts, while continued Erablue growth and stronger contributions from its newer businesses should support earnings growth and a re-rating.

Earnings Revision/Risk

- **Earnings revision.** We revise our earnings estimates upward to better reflect management's outlook and stronger contributions from the group's expanding businesses.

Earnings Revision

	------------- New	-------------	------------- Old	-------------	-------------- (%)	--------------
	2026F	2027F	2026F	2027F	2026F	2027F
Revenue (Rpb)	81,269	88,791	77,573	84,740	5%	5%
Operating Profit (Rpb)	2,438	2,753	2,250	2,542	8%	8%
Net Profit (Rpb)	1,381	1,580	1,234	1,425	12%	11%

Source: UOB Kay Hian

- **Downside risks:** a) Weaker-than-expected macroenvironment, and b) unfavourable changes in regulation.

Share Price Catalyst

- Release of flagship products, b) successful expansion of Erablue.

Levi's Grand Opening

Source: ERAA

XPENG L03 Model

Source: ERAA

Samsung Foldable Phones

Source: ERAA

Erablue Store

Source: ERAA

Profit & loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	76,607	81,269	88,791	97,368
EBITDA	3,628	3,944	4,576	5,306
Deprec. & amort.	1,396	1,505	1,824	2,191
EBIT	2,232	2,438	2,753	3,116
Total other non-operating income	(378)	325	355	389
Associate contributions		(6)	(6)	(7)
Net interest income/(expense)	0	(788)	(836)	(875)
Pre-tax profit	1,854	1,969	2,266	2,623
Tax	(541)	(492)	(566)	(656)
Minorities	(117)	(96)	(119)	(138)
Net profit	1,196	1,381	1,580	1,830

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	4,447	3,844	4,502	5,161
Other LT assets	4,515	8,340	9,732	11,347
Cash/ST investment	2,131	2,642	2,298	3,214
Other current assets	17,763	12,361	13,438	13,893
Total assets	28,857	27,187	29,970	33,614
ST debt	8,366	6,858	7,132	7,418
Other current liabilities	8,790	6,855	7,596	8,854
LT debt	1,033	546	542	560
Other LT liabilities	489	1,768	2,233	2,797
Shareholders' equity	9,142	10,226	11,447	12,866
Minority interest	1,036	934	1,020	1,118
Total liabilities & equity	28,857	27,187	29,970	33,614

Cash flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	1,674	2,102	2,015	3,255
Net profit	1,196	1,381	1,580	1830
Other operating cashflows	478	721	435	1,425
Investing	(1,785)	(1,755)	(1,857)	(2,379)
Capex (growth)	(1,125)	(1,129)	(1,130)	(1,528)
ROU	-	-	-	-
Others	(660)	(626)	(727)	(712)
Financing	268	86	226	30
Dividend payments	(268)	(212)	(358)	(424)
Proceeds & repay borrowings	586	413	369	365
Others	(50)	134	215	190
Net cash inflow (outflow)	342	682	284	1025
Beginning cash & cash equivalent	1766	2131	2,275	2,220
Change due to forex impact	23			
Ending cash & cash equivalent	2,131	2,813	2,559	3,245

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin (%)	4.2	4.9	5.2	5.4
Pre-tax margin (%)	2.2	2.4	2.6	2.7
Net margin (%)	1.6	1.7	1.8	1.9
ROA (%)	4.9	5.1	5.3	5.4
ROE (%)	13.1	13.5	13.8	14.2
Growth				
Turnover (%)	16.5	6.9	9.3	9.7
EBITDA (%)	14.4	23.1	16.0	15.9
Pre-tax profit (%)	2.3	2.2	2.4	2.6
Net profit (%)	12.2	15.6	15.0	15.8
Core profit (%)	12.2	15.6	15.0	15.8
Leverage				
Debt to equity (x)	26.5	26.1	24.7	22.8
Net debt/(cash) to equity (x)	71.0	69.3	64.7	59.6
Interest coverage (x)	52.3	45.5	42.7	43.1

Technical Analysis

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Source: Tradingview

Astra International
ASII IJ

Technical BUY with 5.5% potential return

Resistance:	Rp5,175, Rp5,300
Support:	Rp4,870, Rp4,720
Stop-loss:	Rp4,860

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we see potential for more rallies ahead and challenge the resistance at Rp5,175 and Rp5,300. The RSI is sloping upwards and back above its midline, while the MACD has just issued a bullish signal. Buy at Rp5,025 and take profit at Rp5,300.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp7,100.

Source: Tradingview

Bangun Kosambi Sukses
CBDK IJ

Technical BUY with 9% potential return

Resistance:	Rp4,350, Rp4,500
Support:	Rp3,990, Rp3,890
Stop-loss:	Rp3,980

Share price closed higher and formed a bullish candlestick. Price broke above its Rp3,990 and Rp4,100 resistance level; hence, it could trigger more rallies ahead and challenge the resistance at Rp4,350 and Rp4,500. The RSI is sloping upwards and it is approaching its overbought zone, while the MACD has just issued a bullish signal. Buy at Rp4,100 and take profit at Rp4,500.

Approximate timeframe: 2-4 weeks.