



Company Update 9M 2024

PT ERAJAYA SWASEMBADA TBK | IDX:ERAA



ERAJAYA TODAY



Vast grown retailer & distributor of mobile devices and lifestyle products



- Est. in 1996 as smartphone dealer
- ERAA IPO in 2011 and ERAL (subsidiary) IPO in 2023



- #1 retailer and distributor for handset and telco business in region wide omni-channel coverage



- Expansion to new business verticals: Digital, Active Lifestyle, Beauty & Wellness, also Food & Nourishment



- Included in several indices: JII 70, IDX 80, IDX ESG Leaders, MSCI and others.

ACCOLADES



FORTUNE
Southeast Asia 500

SWA
Top Best CEO 2023



Budiarto Halim

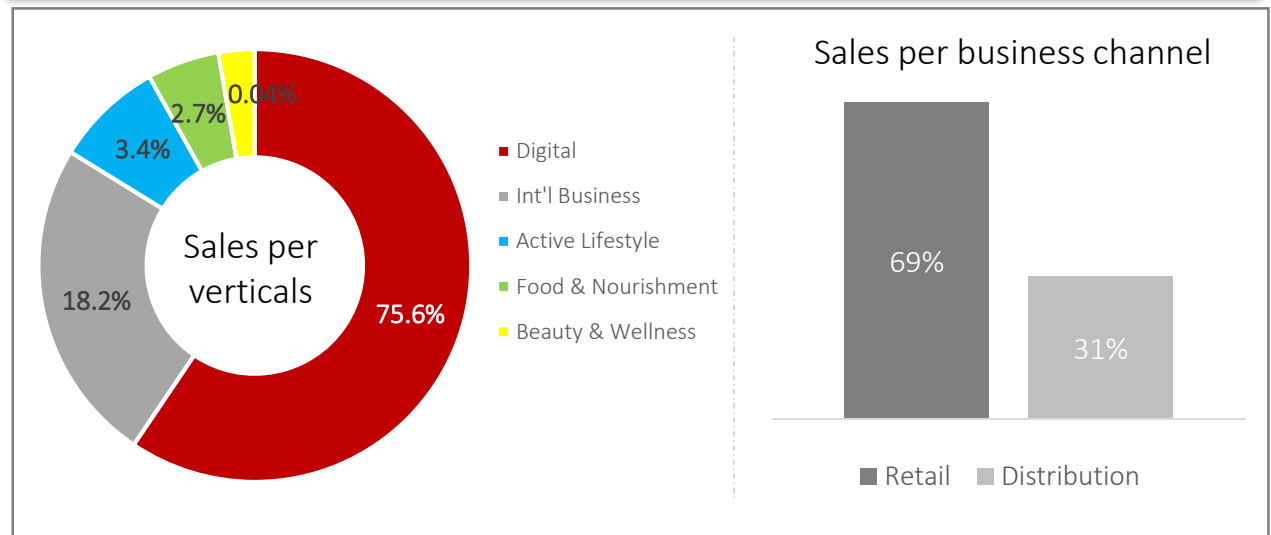
FORBES
Top 50 -Best of The Best Companies

FINANCEASIA
Asia's Best Companies (Consumer Cyclical Company)

TRENASIA ESG AWARD
TrenAsia ESG Excellence

FIRST INDONESIA MAGAZINE
Human Capital on Resilience Excellence Award

SALES HIGHLIGHT (9M24)

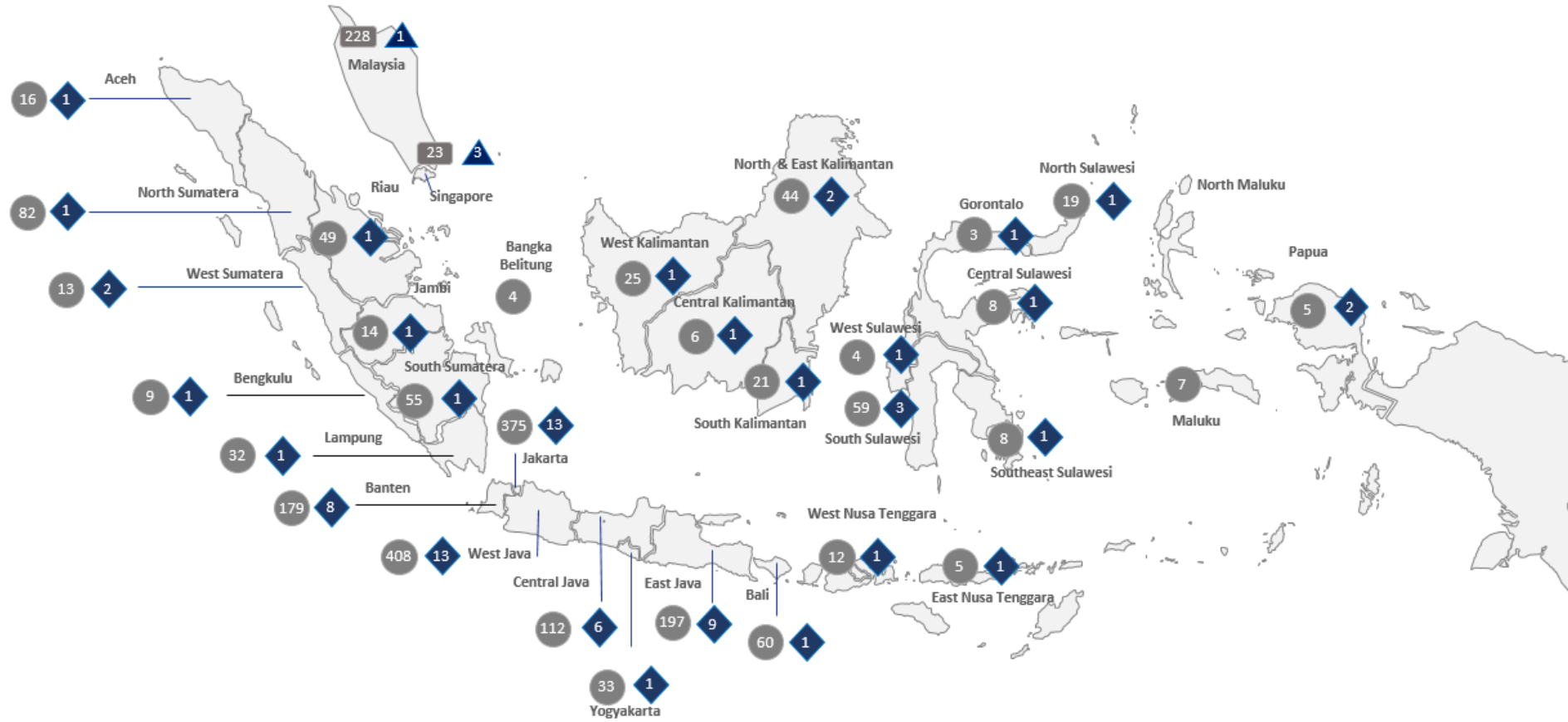


Extensive coverage across region

81 distribution centers

2,115 retail outlets

+/- 54,000 3rd Party billed Outlets



INVESTMENT HIGHLIGHTS



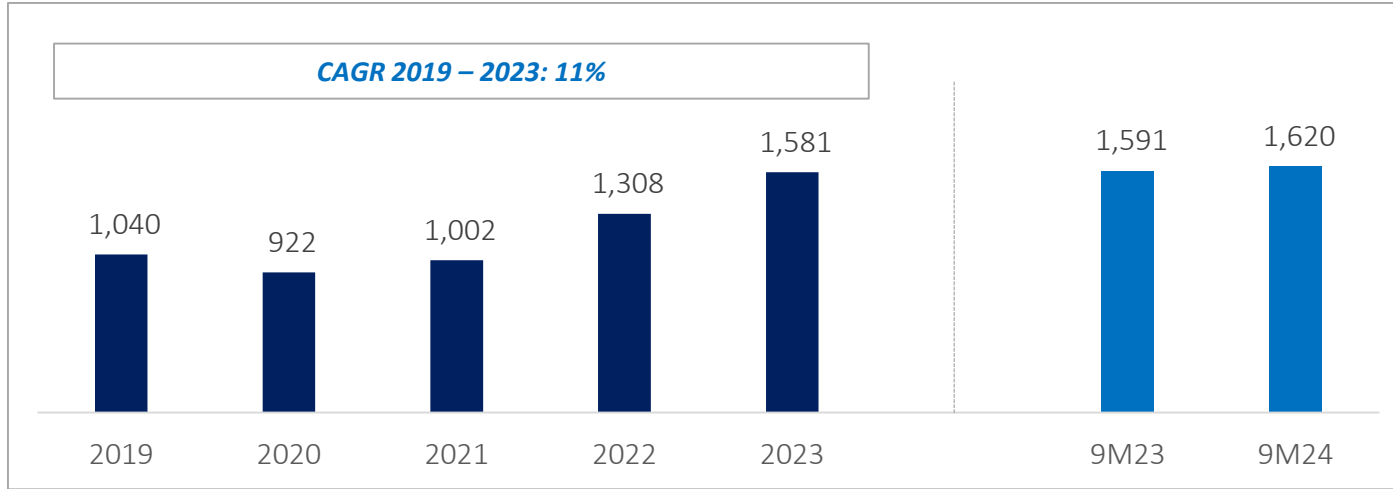


Key investment highlights:

1. The biggest single entity with more than 50% market share of handset business
2. Diversified business portfolio into higher margin businesses such as accessories, IoT, fashion, F&B, and beauty
3. Strong omni-channel infrastructure to create valuable synergy across all business verticals
4. ESG focus to create sustainable environment supporting business development

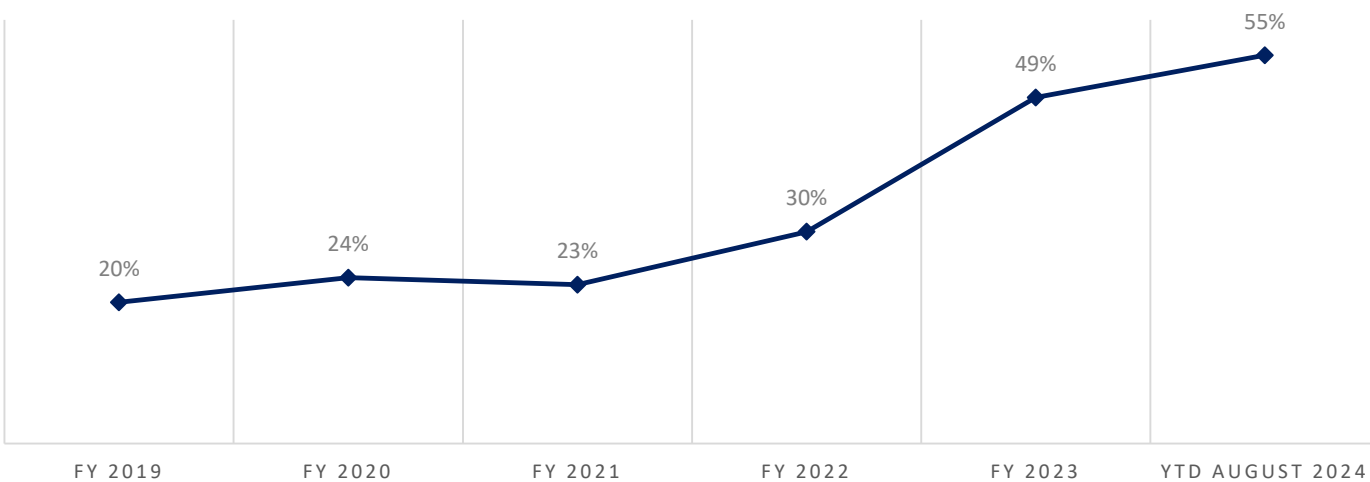
1. Erajaya Digital is the biggest single entity with more than 50% market share for handset business

Expediting Erajaya Digital retail business



Note: total stores for Erajaya Digital – domestic only

Market share based on sales value



Source: various source, Company

Note: sales value for market share combine sales from retail and distribution

- Store closure setback during early COVID-19 period due to lockdown .
- Momentum from WFH policy drives Erajaya to retain it’s retail market share.
- Recovery from lockdown has driven Erajaya Digital to focus on retail expansion phase through new stores opening **401 (2022)** and **479 (2023)**.
- Currently retail expansion has led Erajaya to 55% market shares based on sales value with majority comes from the retail business.

1. Erajaya Digital is the biggest single entity with more than 50% market share for handset business

Started with small store in 1996, now Erajaya turns into the biggest handset retail channel nationwide

RETAIL BRAND

DOMESTIC: 1,620 stores

ERAJAYA OWNED RETAIL BRAND STORE

Gadget multi-brand store

Apple premium partner

CE multi-brand store

RETAIL BRANDED STORE

Samsung store

Xiaomi store

Huawei store

INTERNATIONAL: 251 stores

ERAJAYA OWNED RETAIL BRAND STORE

Gadget multi-brand store

Apple authorized reseller

RETAIL BRANDED STORE

Samsung store

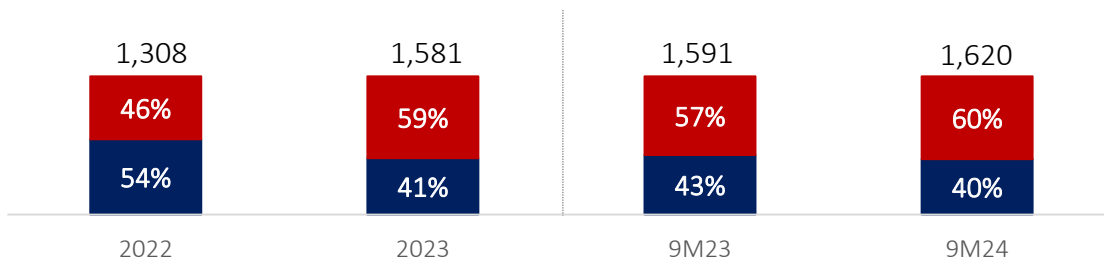
Network operator

Sony store

Xiaomi store

Huawei store

FOCUS ON DIRECT TO CONSUMER BUSINESS – ERAJAYA DIGITAL

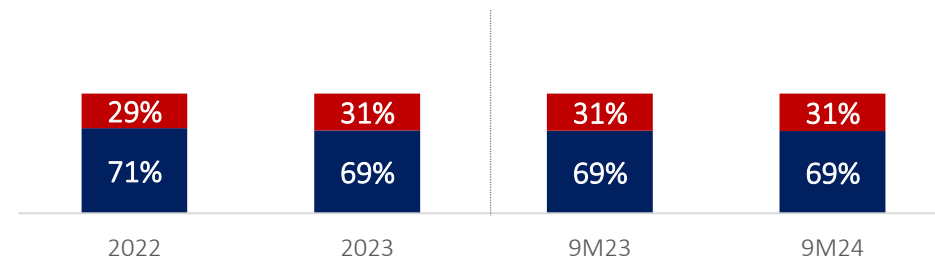


*only domestic store

■ Mall ■ Street Level

- Focus on improving and expanding our retail channel to widen retail market share. Compared to the mid upper segment in Mall, we've seen lot of potential for the mass market segment.
- Capture mass market segment through our stores on the street level.

ERAJAYA DIGITAL STORES – JAVA & EX JAVA SPLIT




■ Java ■ Ex-Java

- Most of our stores are still concentrated in Java island, we still have massive opportunity in Eastern Indonesia Region.





1. Erajaya Digital is the biggest single entity with more than 50% market share for handset business


Our strategy going forward...



BROADEN OUR TARGET AUDIENCE





- Cater all segments.
- Expand our retail channel to untapped market in tier 2 & 3 city outside Java area with prudence.
- Tap the mass market audience through street level stores.



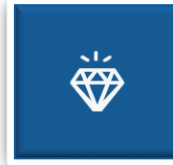
KEEP ON WIDENING BRAND PORTFOLIO

- Established good & long-term relationship with brand principals.
- Optimized our brand portfolio so we could expand product selection to improve store productivity.
- Adding brand that aligned with our target audience.

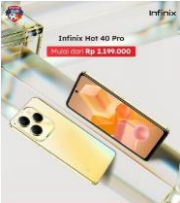





vivo Infinix TECNO

and many more...



PROVIDE ADDITIONAL RETAIL VALUE TO OUR CUSTOMERS

- More than handset, we try to provide connectivity ecosystem through our stores.
- Become a reliable partner to provide information and solution for our customers.

2. Diversified business portfolio into higher margin businesses such as IoT ecosystem, fashion, F&B, and beauty.

ERAJAYA ACTIVE LIFESTYLE

Focus on lifestyle related products such as IoT ecosystem, accessories, fashion, and active lifestyle with gross margin ~13%

BRAND SEGMENT

✓ SMART

Accessories & IoT

IT. **UR** GARMIN.
dji SHOKZ LOOPS
 Marshall logitech

✓ ACTIVE

Sports & outdoor activities

asics URBAN MSTGOLF

✓ LIFESTYLE

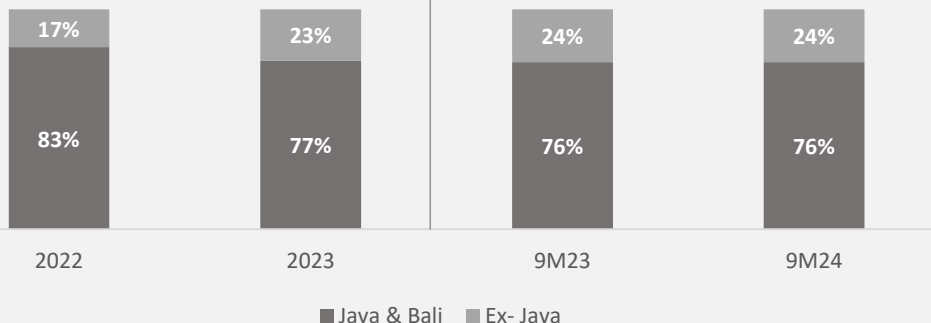
Sports & outdoor activities

JD SIXTY8IGHT

- We have been focusing to grow direct to consumer business through retail expansion and communities engagement



- Currently, we're still growing our network at Java with selective area for ex-Java



OUR STRATEGY

1. Focus on growing Monobrand retail channel & JDsports



18 monobrand gross stores opening by 9M24 (vs 15 in 9M23)

2. Focus on expanding retail brand portfolio



Introduced 2 new brands MST Golf & Sixty8ight and more will come..

3. Focus on developing private label



Will focus on security, wearables, and audio products with newly launch audio products in 3Q24.

2. Diversified business portfolio into higher margin businesses such as IoT ecosystem, fashion, F&B, and beauty.

ERAJAYA BEAUTY & WELLNESS

Focus on health & beauty business, ~20% gross profit margin



RETAIL BRAND

B2B



OUR SERVICES

- + Medical Eq. Rental
- + Health Check
- + Medication review
- + Pharmacist Consultation
- + Medical Prescription
- + Free Delivery
- + Health Service Voucher
- + WA Order Center

OUR STRATEGY

1. Increase brand awareness through marketing and communities activities

SEHAT BERSAMA WELLINGS



Free medical checkup at public area

HEALTH TALK PROGRAMS



Actively engages with communities to give health education.

2. Offering new services, only at Wellings Apotek offline stores



Rent medical equipment



Medical checkup – Lab Diagnos

2. Diversified business portfolio into higher margin businesses such as IoT ecosystem, fashion, F&B, and beauty.

ERAJAYA FOOD & NOURISHMENT

Focus on F&B and groceries business, ~20% gross profit margin



RETAIL BRAND



OUR STRATEGY

1. Continue expansion to grow retail presence across Indonesia



Grand Lucky @ Udayana, Bali



Paris Baguette @ Surabaya



Grand Lucky @ KHI, Bekasi



Paris Baguette @ Medan

2. Expand retail brand portfolio, EFN brings new businesses to Indonesia market



3. Strong Omni-channel infrastructure to create valuable synergy across all business verticals



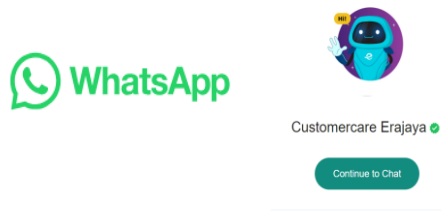
OUR PLATFORM

Synergizing our connected commerce to support business growth across verticals

INTEGRATED COMMERCE
through website & mobile app



CONVERSATIONAL COMMERCE



MARKETPLACE



OFFLINE STORES

2,115 retail stores

Through 4 verticals e.g. Erajaya Digital, Erajaya Active Lifestyle, Erajaya Food & Nourishment, Erajaya Beauty & Wellness

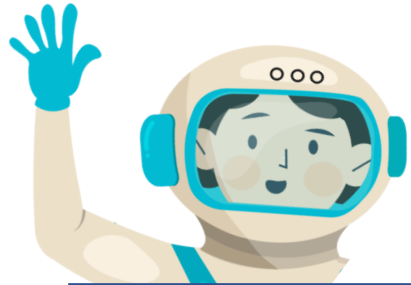
ONLINE RETAIL TRAFFIC RANKING

#1 iBox Traffic: 3.9mn **#3 eraspace** Traffic: 2.6mn

ONLINE SNEAKERS E-COMMERCE TRAFFIC RANKING

#2 JD Traffic: 476k

3. Strong Omni-channel infrastructure to create valuable synergy across all business verticals



My eraspace

is a customer loyalty program that provides the best experience in every transaction you make at Erajaya Group



Total members
12.2mn
(+37% vs. 9M23)

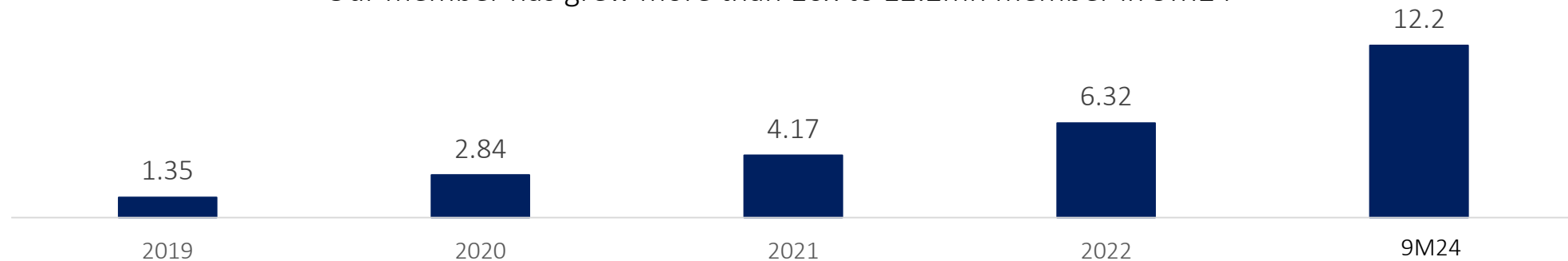


Avg. transaction value
IDR 5.8mn

Enhance customer experience to enjoy cross-synergies across Erajaya Group retail channel.
One platform for all channel



Our member has grew more than 10x to 12.2mn member in 9M24



Total Member (in million unit)

4. Focus on ESG to create sustainable environment supporting business development



Lentera Cerdas (Education)
Support business flow process and business needs through competency improvement of teachers and students in our core business

Lentera Sehat (Health)
Ensure healthy lives and promote the community well-being of all ages.

Lentera Kasih (People)
Encourage the empowerment of local community potential to generate income

Lentera Hijau (Environment)
Develop forest area as reforestation centers and environmental-based education models by involving the community



Support UMKM through expo and bazaar



Social donation for Qurban Idul Adha and for Waisak Day



Wana Erajaya II

E-Waste Station

Erajaya vocation program

SUSTAINALYTICS
ESG SCORE **14.36***

Achieved 10 SDG goals

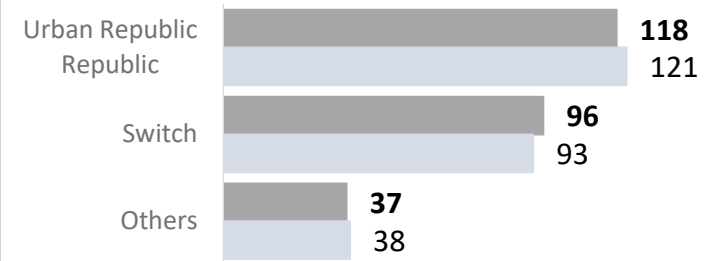
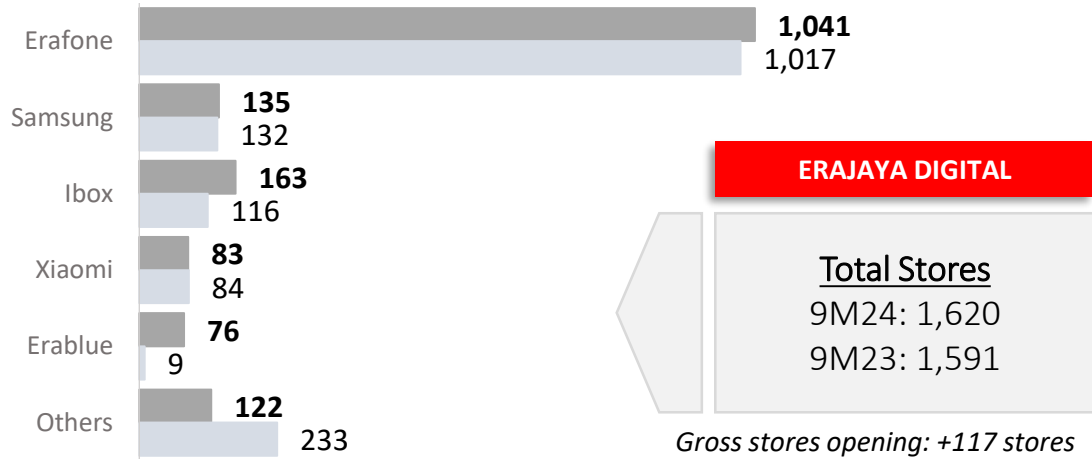


*based on 13 November 2024 update

OPERATIONAL UPDATE



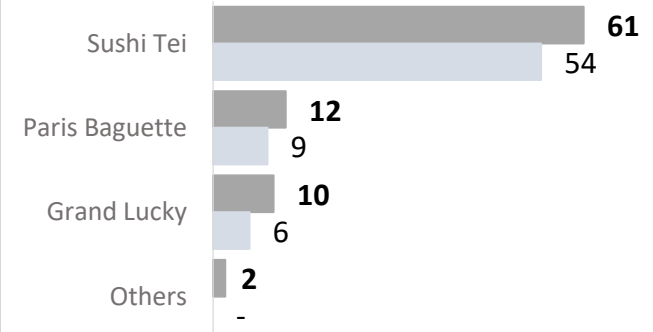
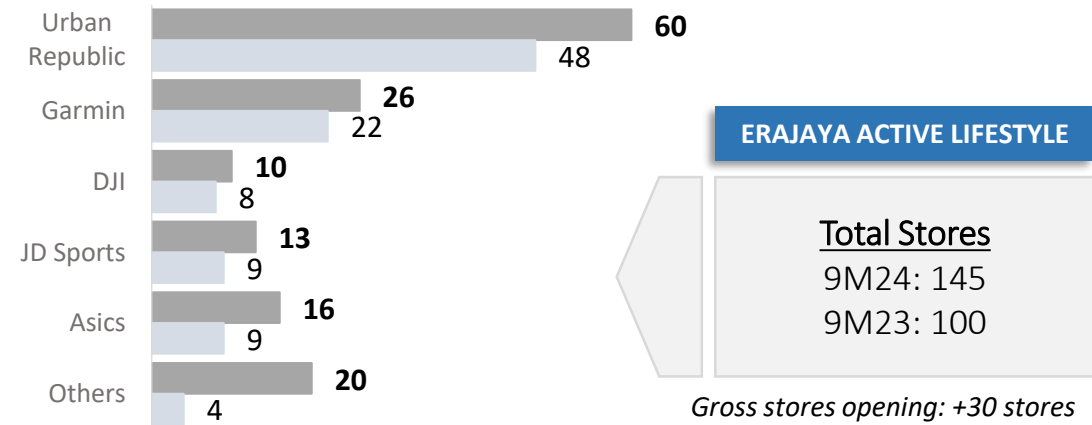
List of stores by verticals – Total 177 new stores opening in 9M24



INTERNATIONAL BUSINESS

Total Stores
9M24: 251
9M23: 252

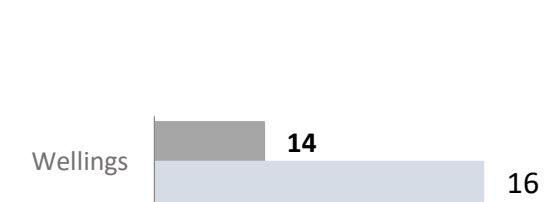
Gross stores opening: +19 stores



ERAJAYA FOOD & NOURISHMENT

Total Stores
9M24: 85
9M23: 69

Gross stores opening: +11 stores



ERAJAYA BEAUTY & WELLNESS

Total Stores
9M24: 14
9M23: 16

Increasing channel awareness through various attractive events



GO Erafone & More Papua



Erafone Gadget Festival



URMazing Run 2024



GO Grandlucky Citraland Surabaya



iBoxing Week 2024



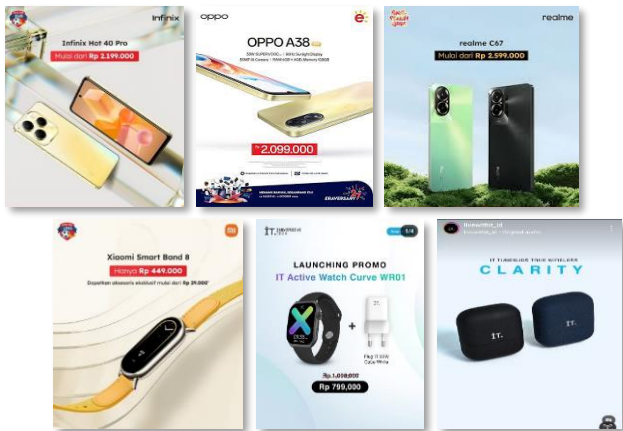
PRJ 2024

Productivity improvement of new stores led to positive SSSG

Implementation of initiative strategies into action to boost retail store productivity

- ✓ **Widen and improve product portfolio, focusing on the mass market product (affordable price range)**
- ✓ **Improve the service quality and front-liners in the retail outlets**
- ✓ **Various promotion program from product bundling, discount, and other marketing events**

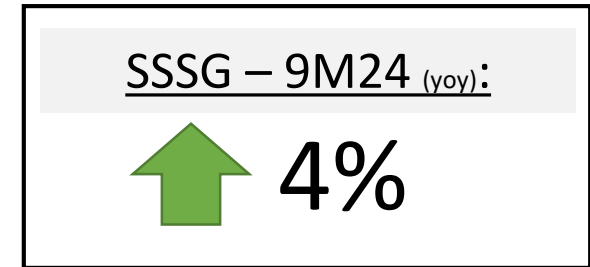
New product introduction for handset and accessories



Quality of services improvement



Various promotion and strategic marketing event



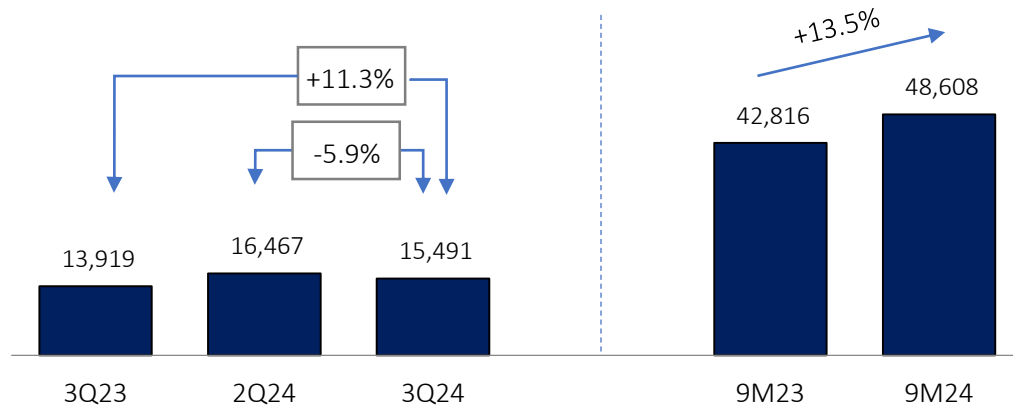
- ✓ **Decent SSSG in Digital business and strong SSSG in new business verticals**

FINANCIALS

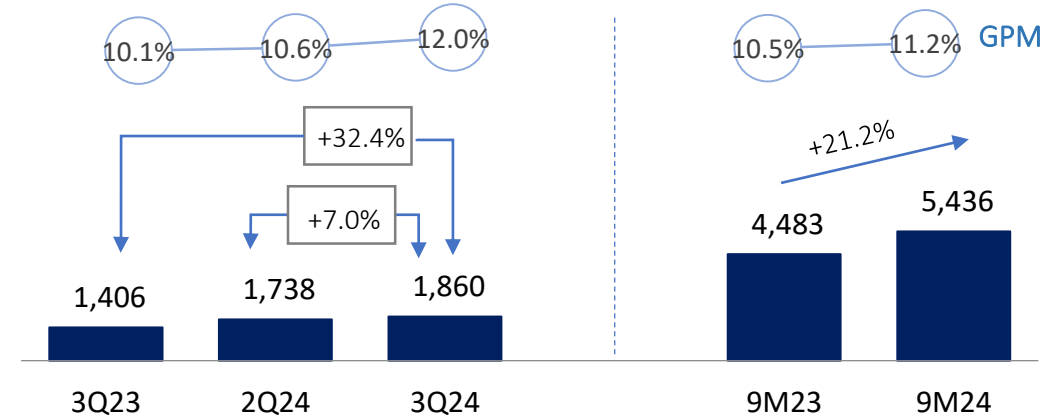


P&L Highlights

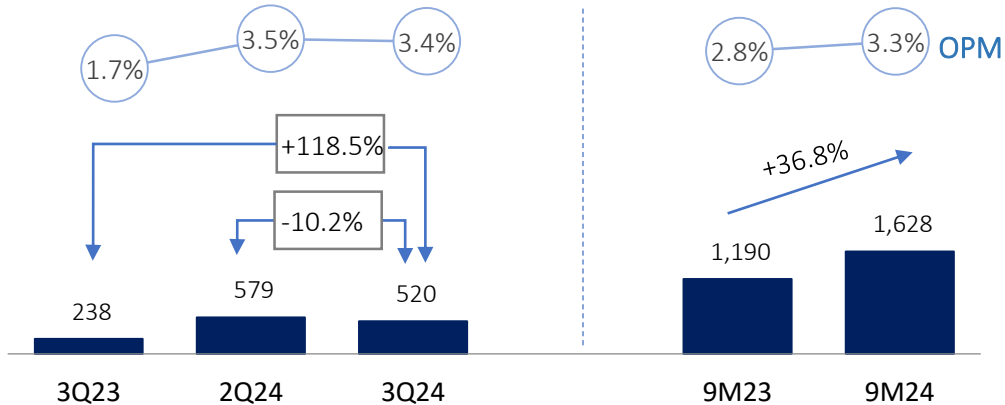
Net Sales (in Rp Billion)



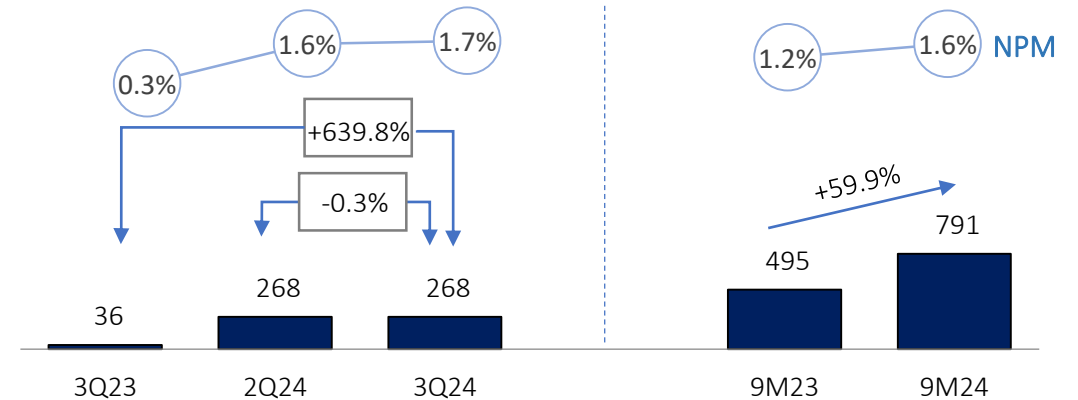
Gross Profit (in Rp Billion)



Operating Profit (in Rp Billion)



Net Profit (in Rp Billion)

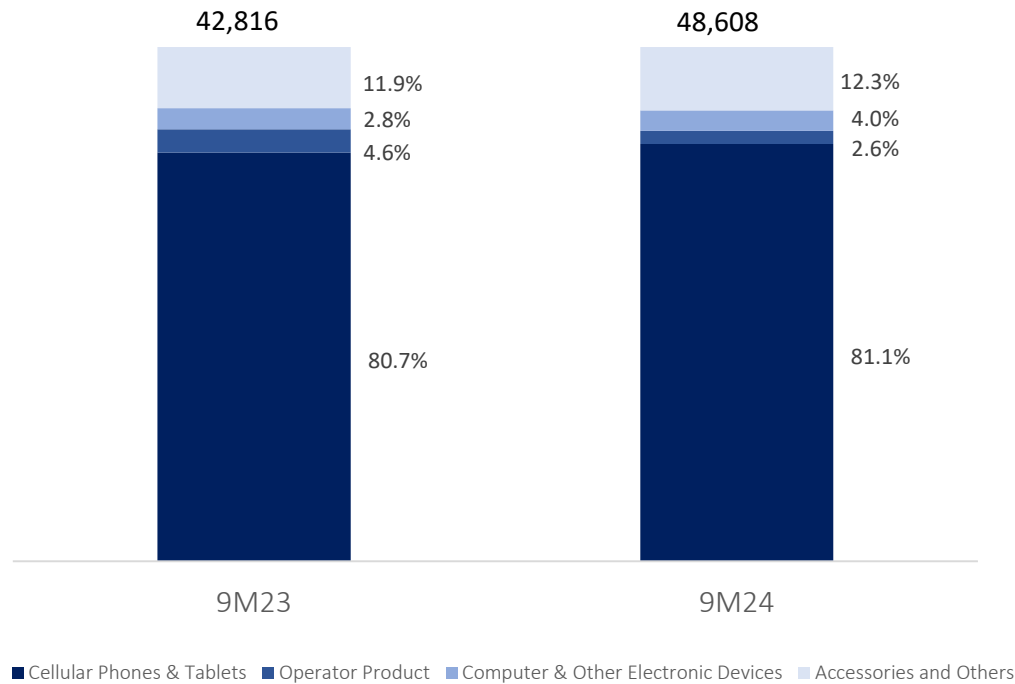


- Net sales in 9M24 grew 13.5% YoY due to stronger growth coming from all product segments except operator products.
- Gross profit in 9M24 also grew by 21.2% YoY due to better margin coming from new product introduction and retail-focused businesses from other verticals with GPM was at 11.2% (9M24) compared to 10.5% (9M23).
- Operating profit in 9M24 grew by 36.8% YoY due to manageable level of opex net off by promotion support.
- Overall, net profit in 9M24 grew by 59.9% YoY and comparatively stable on quarterly basis amid weak seasonality during 3Q.

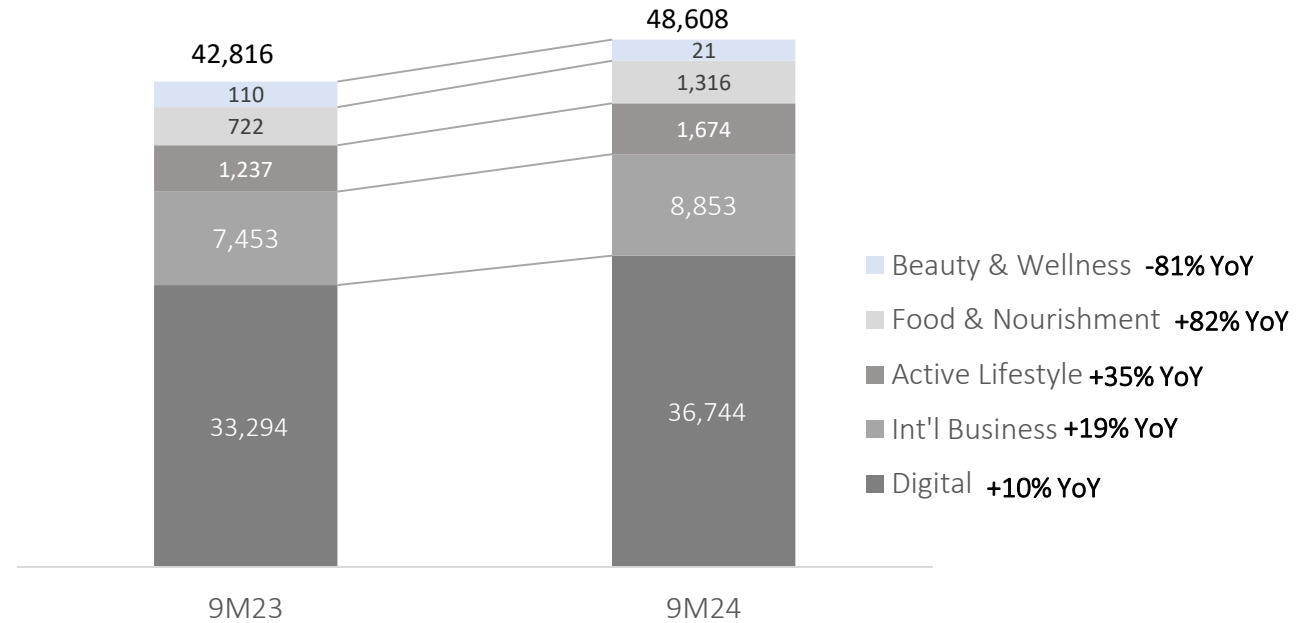
Segmented sales breakdown – 9M24

Records double digit growth of 13.5% still supported by handset business, however most of other verticals are giving a potential sales uptrend on yearly basis.

Sales by Segment



Sales by Vertical



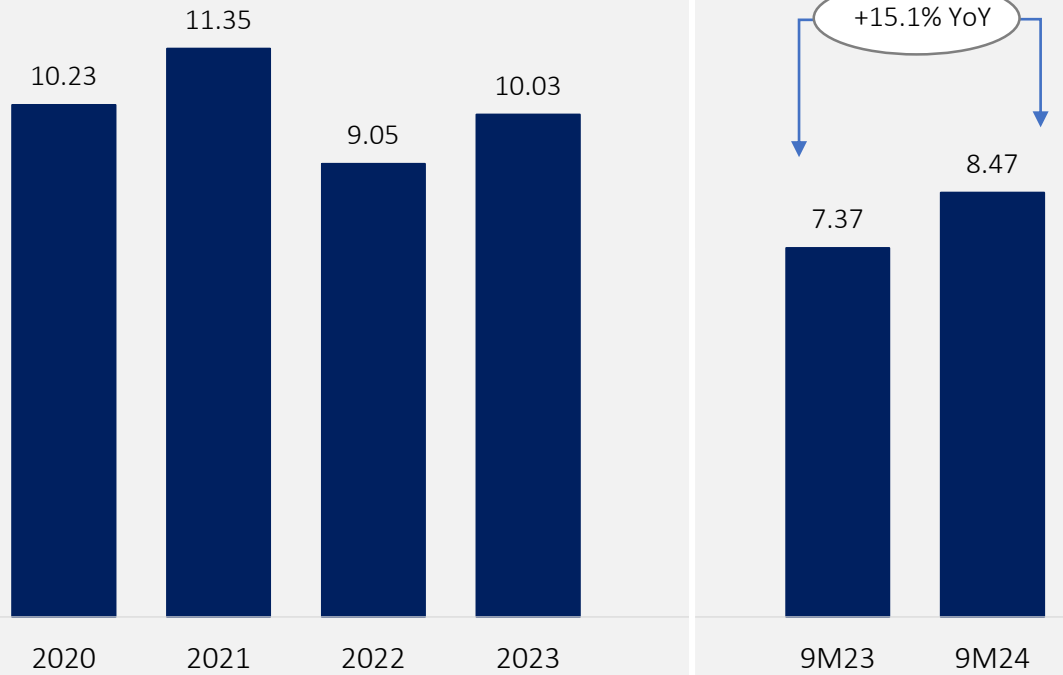
- Total sales mostly driven by handset business with more than 80% contribution, however other verticals also starts to grow their proportion through accessories & others segmentation (11.9% in 9M23 vs 12.3% in 9M24) aligned with the Group’s strategy to grow other business verticals.
- Verticals wise, Erajaya Digital (including international business) has a double digit growth of 11.9% YoY, while other verticals such as Active Lifestyle and Food & Nourishment also booked an upward sales trend due to retail channel expansion and NPIs (Active Lifestyle).
- Erajaya Beauty & Wellness sales decreased 81% YoY due to business closure.

Consolidated key ratios

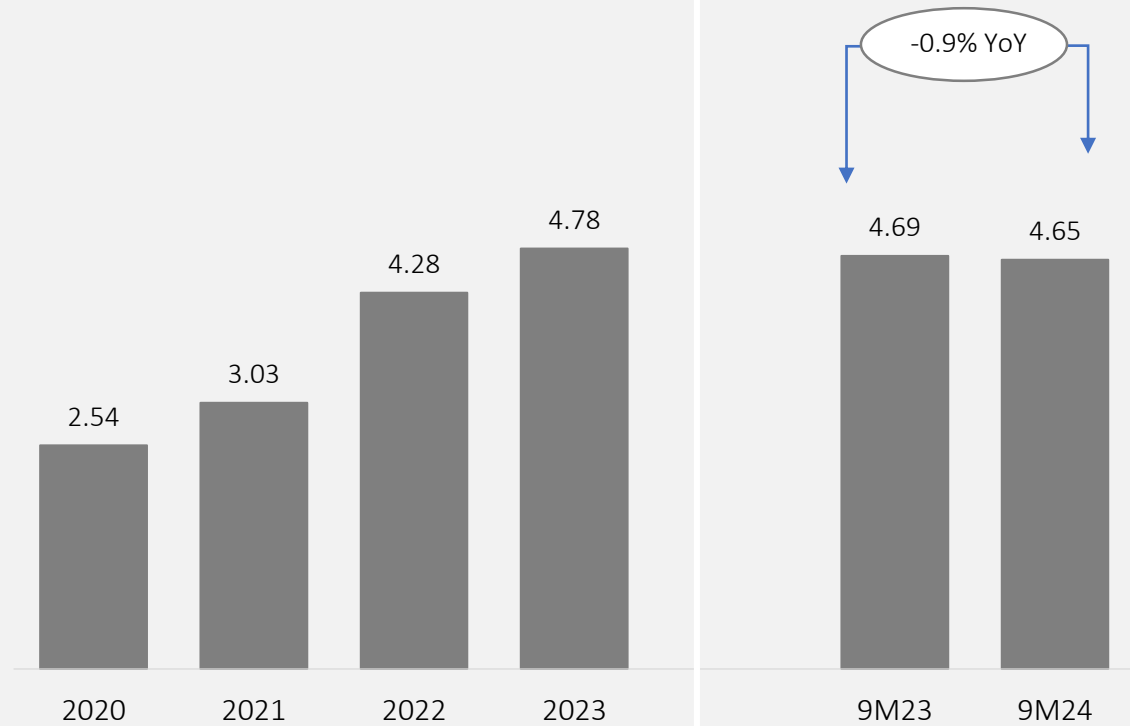
Description	9M 2023	9M 2024
CAPEX (IDR billion)	712	491
Inventories (IDR billion)	8,043	8,722
Net Debt (IDR billion)	6,758	6,958
Net Working Capital (IDR billion)	1,385	2,504
Net Debt/Equity (x)	0.87	0.79
Net Working Capital/Net Sales*annualized (%)	2.4%	3.9%
ROCE*annualized (%)	11.3%	13.5%
Average Inventory days	50	52
Average Trade Receivable days	7	7
Average Trade Payable days	22	23
Cash Conversion Cycle (CCC)	35	36

Volume & average selling price - Handset

Volume
(in Mn units)



Avg. Selling Price
(in Mn IDR)





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