



# Investor Gathering

28 August 2019



**PT Erajaya Swasembada Tbk.**

# Agenda



**Erajaya Today**

**Financial Performance 1H 2019**

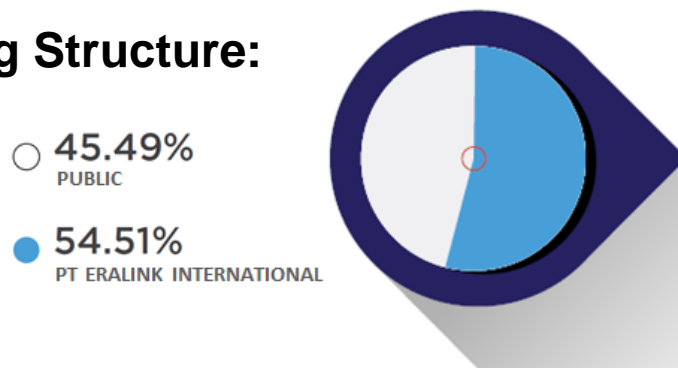
**Status of Action Items**

# Erajaya Profile

## Highlights

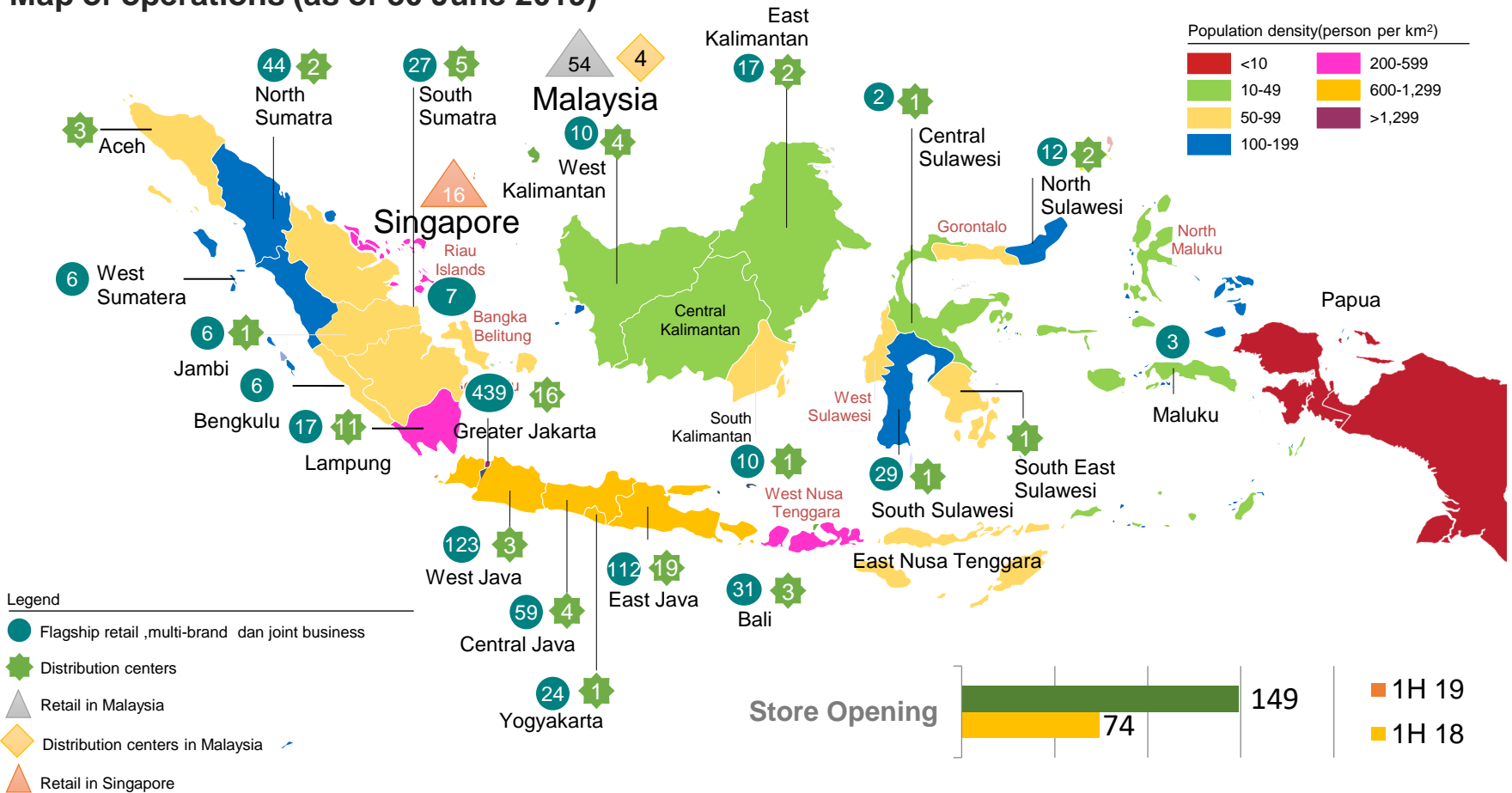
- **Leading Retailer and Distributor** of mobile communication devices, IOT, gadgets, accessories, content and value added services
- **Market Leader** with approximately 35%\* market share in Indonesia
- **Regionwide Coverage** with more than 1,000 retail stores, more than 80 distribution centers and more than 50,000 third party outlets as channels
- Included in **Various Indices of JSX** such as LQ-45, Jakarta Islamic Index, IDX30, IDXValue30 and IDXGrowth30

- **Shareholding Structure:**



# Nationwide Omnichannel Network

Map of operations (as of 30 June 2019)



★ 1,054 retail outlets

★ 84 distribution centers

★ +/- 52,000+ 3<sup>rd</sup> party billed outlets

# Highlights of Recent Events 2019

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## 1. Major Product Launches:

- Samsung Note 10 Series
- Xiaomi Redmi 7A
- Oppo Reno
- Vivo S1 & Z1 Pro

## 2. Expansion of IOT and Lifestyle Portfolio:

- JUUL: appointed as an exclusive partner in Indonesia
- Garmin: introduced new line of products (MARQ series)

## 3. Exhibitions:

- Samsung Galaxy Land, first initiative event by Samsung
- Pekan Raya Jakarta Fair, 40-day event in Jakarta

# Flagship Product Launch

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**Samsung  
Note 10/10+**



# Lifestyle Product Expansion

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**JUUL Appointed Erajaya  
as an Exclusive Partner  
in Indonesia**



# Continuous Brand Awareness Campaigns

## Brand Development Program Through Events

### Samsung Galaxy Land (Lippo Mall Puri)





# Continuous Brand Awareness Campaigns

## Brand Development Program Through Events

### Jakarta Fair (PRJ Kemayoran)



Positive performance during the 40-day event with **40%** higher sales YoY, reached **Rp 94 billion**

# Agenda



**Erajaya Today**

**Financial Performance 1H 2019**

**Status of Action Items**

# 1H 2019 Financial Performance

Income Statement (in IDR billion)	1H 19	1H 18	Growth
Sales	15,429	17,092	-9.7%
Cost of Goods Sold	14,176	15,401	-8.0%
Gross Profit	1,253	1,692	-26.0%
Gross Margin	8.1%	9.9%	
Operating Expenses	989	1,061	-6.8%
Income From Operations	361	715	-49.6%
Finance Costs	188	139	35.5%
Net Income	109	435	-74.9%
Net Margin	0.7%	2.5%	

# 2Q 2019 Financial Performance

Income Statement (in IDR billion)	2Q 19	1Q 19	Growth
Sales	8,305	7,123	16.6%
Cost of Goods Sold	7,699	6,476	18.9%
Gross Profit	606	647	-6.4%
Gross Margin	7.3%	9.1%	
Operating Expenses	490	498	-1.5%
Income From Operations	186	174	7.1%
Finance Costs	87	100	-12.8%
Net Income	62	47	31.9%
Net Margin	0.7%	0.7%	

# 1H 2019 Financial Performance

in IDR Billion	30-Jun-19	31-Mar-19	%
<b>Current Assets</b>			
Cash and Cash Equivalent	386	331	16.6%
Accounts Receivable	2,357	2,285	3.2%
Inventories	4,632	6,063	-23.6%
Other Current Asset	1,391	1,232	12.9%
<b>Total Current Asset</b>	<b>8,766</b>	<b>9,911</b>	<b>-11.6%</b>

## Non Current Asset

Fixed Assets - net	602	563	6.9%
Estimated Claim for Tax Refund	626	701	-10.7%
Intangible Assets	712	713	-0.1%
Other Non - Current Asset	434	401	8.2%
<b>Total Non Current Assets</b>	<b>2,374</b>	<b>2,378</b>	<b>-0.2%</b>

<b>Total Assets</b>	<b>11,140</b>	<b>12,289</b>	<b>-9.3%</b>
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in IDR Billion	30-Jun-19	31-Mar-19	%
<b>Current Liabilities</b>			
Short-term bank loans	3,062	4,123	-25.7%
Accounts payable	3,017	2,910	3.7%
Taxes payable	28	102	-72.5%
Other Current Asset	100	142	-29.6%
<b>Total Current Liabilities</b>	<b>6,207</b>	<b>7,276</b>	<b>-14.7%</b>

## Non Current Liabilities

Lease payables	0.9	1.0	-10.0%
Deferred Tax Liabilities	0.5	-	N/A
Long-term Employee Benefits	129.0	119	8.4%
Consumer Financing Payable	-	-	-
<b>Total Non Current Liabilities</b>	<b>131</b>	<b>120</b>	<b>9.2%</b>

<b>Total Liabilities</b>	<b>6,338</b>	<b>7,396</b>	<b>-14.3%</b>
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## EQUITY

Share capital	1,595	1,595	0.0%
Additional paid-in-capital	594	594	0.0%
Retained earnings	2,435	2,532	-3.8%
Others	178	171	4.1%
<b>Total Equity</b>	<b>4,802</b>	<b>4,892</b>	<b>-1.8%</b>

<b>Total Liabilities &amp; Equity</b>	<b>11,140</b>	<b>12,289</b>	<b>-9.3%</b>
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# 1H 2019 Financial Performance

Description	1H 19	1H 18
Net Debt (IDR billion)	2,679	3,188
Net Working Capital (IDR billion)	2,559	2,227
Net Debt/Equity	0.6	0.7
Net Working Capital/Net Sales	17%	13%
ROCE*	4%	11%

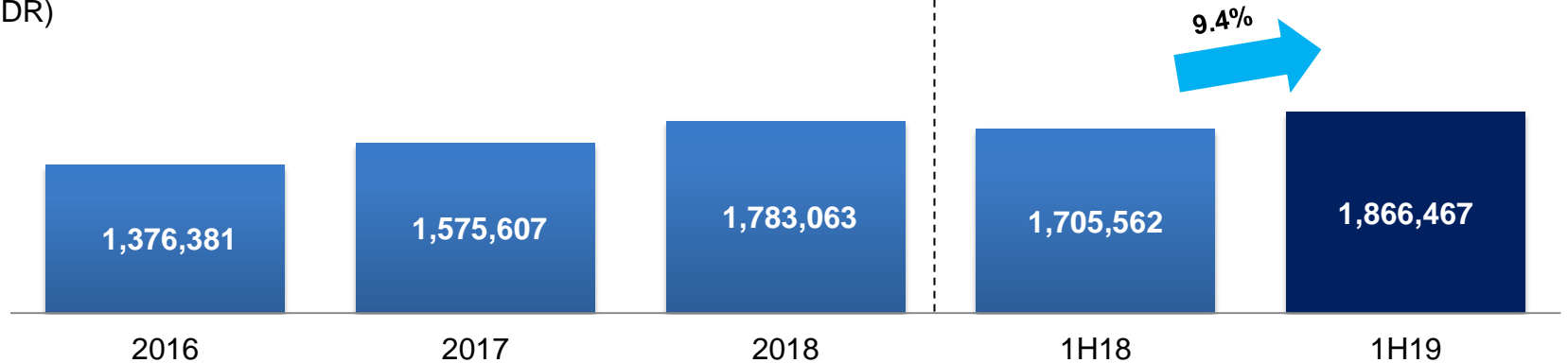
\* 6 months period

Average Inventory days	73	51
Average Trade Receivable days	16	17
Average Trade Payable days	33	32
Cash Conversion Cycle (CCC)	55	36

# 1H 2019 Financial Performance

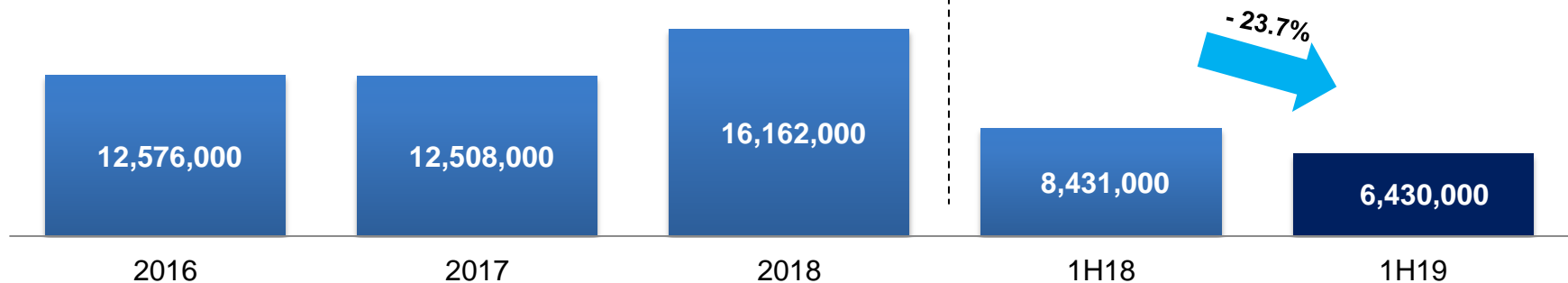
## Average Selling Price (mobile handsets)

(IDR)



## Sales Volume (mobile handsets)

(unit)



# Agenda



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**Status of Action Items**



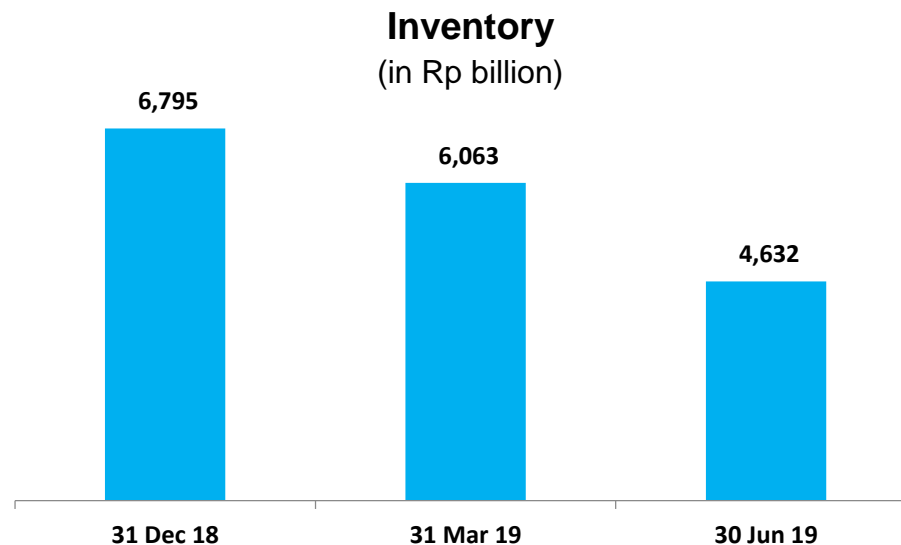
# Improvement in Working Capital

## Actions:

- 1) No parts/components importation starting April 2019 for Xiaomi
- 2) Support from Principals to resolve inventory issue
- 3) Speed-up inventory clearance

## Result:

**24% reduction in inventory level to IDR 4.6 trillion by end of June 2019**



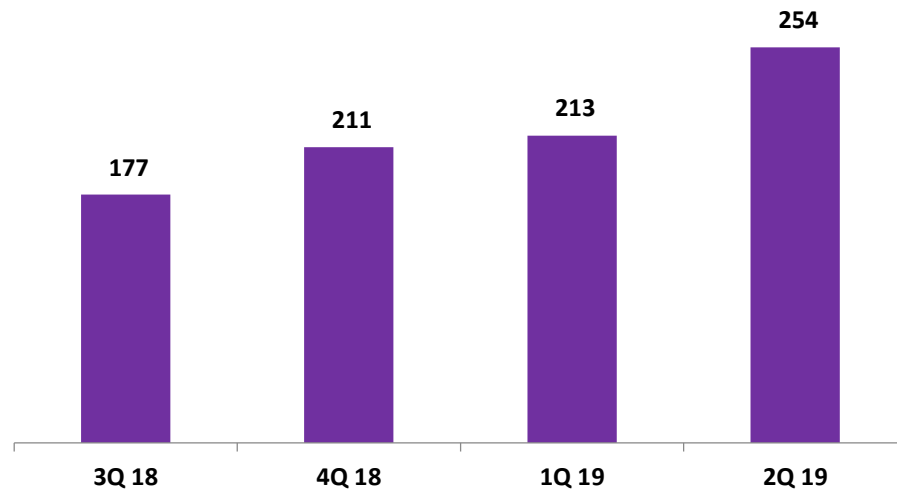
# Enhance Product Portfolio

## Grow Value Added Products, IoT and Lifestyle Products

### Value Added, IoT and Lifestyle Products Portfolio:



### Value Added, IoT and Lifestyle Sales Performance: (in Rp billion)



# Increase Market Share

Sustained retail expansion in the 2<sup>nd</sup> and 3<sup>rd</sup> tier cities to grab market share



Currently with 1,054 stores across the region

# Action Plan 2019

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- 1) Improve Working Capital and Cash to Cash Cycle
- 2) Expand Territories and Product Portfolio
- 3) Grow IoT and Other Non-Core Products
- 4) Focus on Operational Efficiency with IT Investment
- 5) Enhance Customer Relationship Management (CRM)
- 6) Improve Customer Journey in Retail by New Innovations

# Thank you



**Business Company**

Invoice # 123456789

Customer # 987654321

Date: 2016-10-27

Amount: \$1,234.56

Region	2015	2016	% Growth
Product A - Europe	12,345	15,678	+27%
Product A - Asia	8,765	10,987	+25%
Product A - North America	5,432	7,654	+41%
Product A - Australia	3,210	4,567	+42%
Product A - Other	1,098	1,543	+40%
Product B - Europe	2,109	2,876	+37%
Product B - Asia	1,543	2,109	+37%
Product B - North America	987	1,345	+36%
Product B - Australia	654	876	+34%
Product B - Other	321	432	+35%
Product C - Europe	1,234	1,678	+36%
Product C - Asia	876	1,123	+28%
Product C - North America	543	765	+41%
Product C - Australia	321	432	+35%
Product C - Other	154	210	+36%
Product D - Europe	987	1,345	+37%
Product D - Asia	654	876	+34%
Product D - North America	321	432	+35%
Product D - Australia	154	210	+36%
Product D - Other	76	109	+43%
Total	45,678	56,789	+24%

**Contract**

Signature \_\_\_\_\_

Other's Signature \_\_\_\_\_

