

# Bumi Serpong Damai Tbk (BSDE IJ)

## Incentives Support Marketing Sales



BSDE recorded a net profit of IDR 347.9 billion in 1Q22, compared to 1Q21 of IDR 599.9 billion. This pressure was influenced by the Company not recording other significant other income as in 2021. In 1Q21, BSDE recorded interest and investment income of IDR 105.2 billion, as well as gains from the acquisition of subsidiary shares of IDR 153.9 billion.

### Maintain Performance Growth

- BSDE posted 1Q22 revenue of IDR 2.0 trillion (+21.4% YoY Vs. IDR 1.7 trillion 1Q21). Total revenue was contributed by the sale of landed houses such as: BSD City, Grand Wisata Bekasi, Kota Wisata Cibubur. The increase occurred in all income lines, both real estate and recurring income.
- Real estate sales grew 20.1% YoY to IDR 1.6 trillion, supported by land and building which grew 7.6% YoY to IDR 1.4 trillion. Meanwhile, land and strata title recorded a significant growth of 260.2% YoY to IDR 240 billion. Meanwhile, recurring income grew 27.3% YoY to IDR 398 billion.

### COGS Pressing Effort

- Even though the annual margin was depressed, on a quarterly basis, BSDE was able to record an increase in all margins, GPM, OPM and NPM went up to 62.1%; 31.1%; and 17.2% from 4Q21. Driven by the success of the Company in suppressing the total COGS down 10.0%; with real estate COGS down 26.9%.
- At the start of 2022, BSDE recorded a profit of IDR 347.9 billion in 1Q22, compared to the same period of the previous year with a profit of IDR 599.9 billion. NHKSI Research believes BSDE still has a strong balance sheet with an estimated FY22 DER at 0.3x level.

### Incentives support Marketing Sales

- During 1Q22, BSDE recorded marketing sales of IDR 2.0 trillion, up 21.6% YoY. This achievement is 25.9% of marketing sales in 2022 which is targeted at IDR 7.7 trillion. The residential segment is still the largest contributor to total marketing sales, obtained from existing projects such as BSD City.
- In addition to internal programs, the marketing sales target will be supported by incentives such as: Government Borne Value Added Tax (PPN DTP) incentives, Loan To Value (LTV) relaxation, as well as the elimination of the provision for gradual property disbursement.

### Recommend BUY with TP IDR 1,300

- In addition to the internal promotion program, the restoration of property sales for BSDE this year is also supported by VAT incentives for DTP between 25%-50%. Thus, we estimate the increase in FY22E revenue to be able to reach IDR 7.8 trillion or grow 2.8% YoY.
- NHKSI Research maintains its BUY rating with a TP of IDR 1,300. Meanwhile, risk that affect our TP projection is: rising interest rates, which will affect people's purchasing power to buy property.

### Bumi Serpong Damai Tbk | Summary

		2021A	2022E	2023E	2024E
Revenue		7,655	7,872	8,459	8,962
	Growth	23.8%	2.8%	7.4%	5.9%
Net Profit		1,349	1,706	2,098	2,755
	Growth	389.0%	26.5%	23.0%	31.3%
EPS (IDR)		70	89	109	143
P/E		14.4x	14.7x	14.7x	14.7x
P/BV		0.5x	0.7x	0.8x	1.0x
EV/EBITDA		6.8x	7.7x	8.6x	10.3x
ROE		3.8%	4.5%	5.4%	6.7%
DER		0.3x	0.3x	0.3x	0.4x

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | June 9, 2022

## Buy

<b>Target Price (IDR)</b>	<b>1,300</b>
Consensus Price (IDR)	1,374
TP to Consensus Price	-5.3%
vs. Last Price	+39.0%

### Shares data

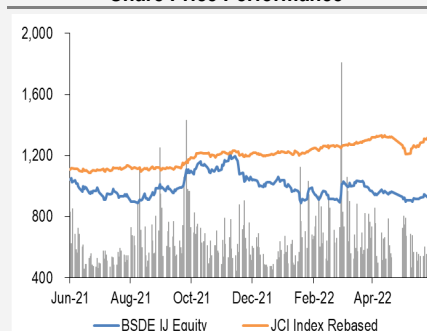
Last Price (IDR)	935
Price Date as of	June 8, 2021
52 wk Range (Hi/Low)	1,225/880
Free Float (%)	37.9
Outstanding sh. (mn)	21,171
Market Cap. (IDR bn)	19,795
Market Cap. (USD mn)	1,369
Avg. Trd Vol - 3M (mn)	33.39
Avg. Trd Val - 3M (bn)	32.46
Foreign Ownership	53.7%

### Property

#### Real Estate Owner & Developer

Bloomberg	BSDE IJ
Reuters	BSDE.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-6.4%	1.6%	-3.1%	-14.9%
Rel. Ret.	-14.3%	-1.1%	-3.0%	-31.9%

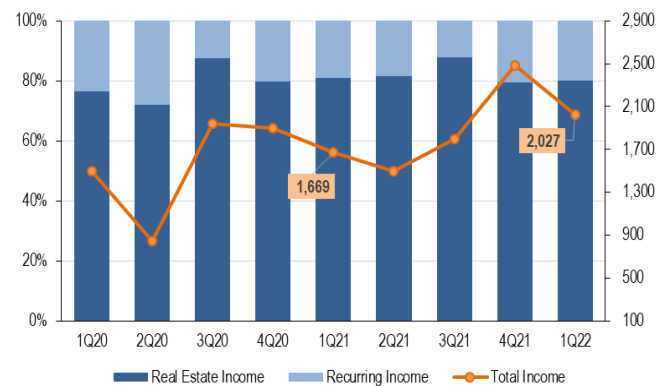
### Arief Machrus

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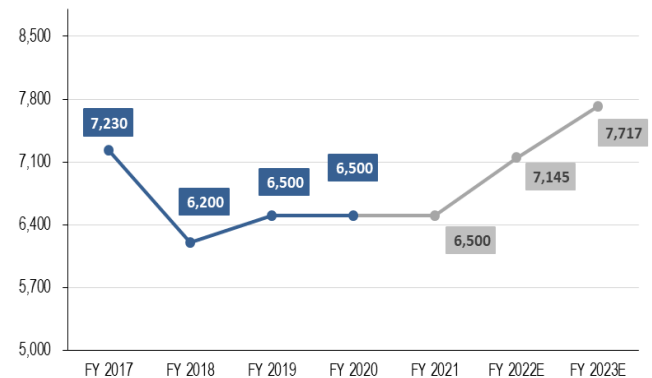
## Performance Highlights in Charts

Quarterly Income (IDR bn) | 1Q20 - 1Q22



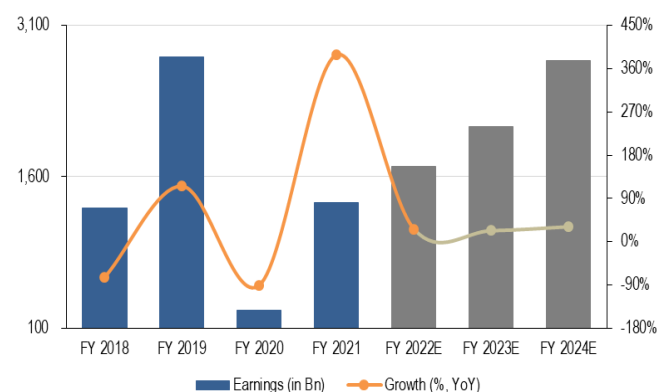
Source: Company Data, NHKSI Research

Marketing Sales | 2017 - 2023E



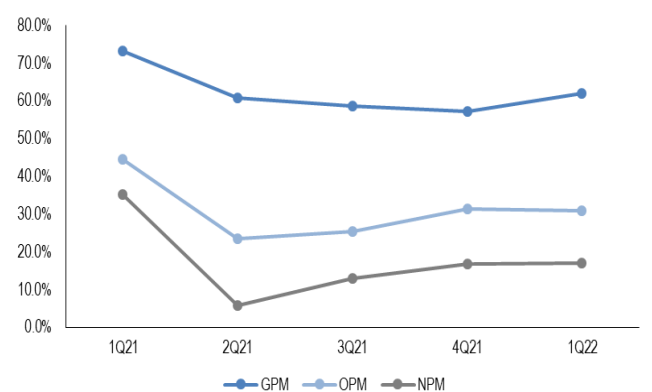
Source: Company Data, NHKSI Research

Net Profit



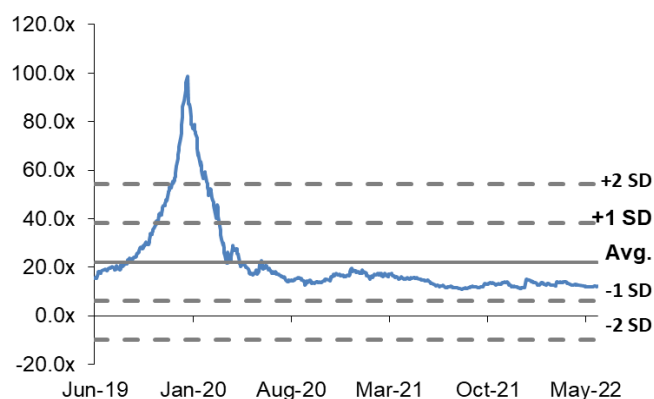
Source: Company Data, NHKSI Research

Margin Ratio



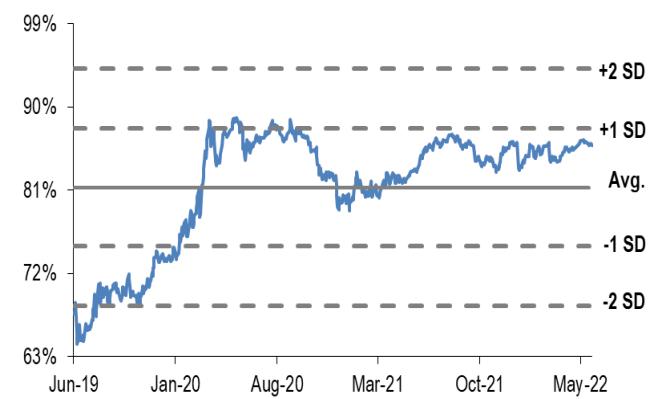
Source: Company Data, NHKSI Research

3-Year Forward P/E Band



Source: Company Data, NHKSI Research

3-Year Discount to NAV Band



Source: Company Data, NHKSI Research

## Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
Revenue	7,655	7,872	8,459	8,962	ROE	3.8%	4.5%	5.4%	6.7%
Growth	23.8%	2.8%	7.4%	5.9%	ROA	2.2%	2.7%	3.1%	3.9%
Cost of Revenues	(2,915)	(2,758)	(2,696)	(2,957)	Inventory Turnover	0.3x	0.3x	0.2x	0.2x
Gross Profit	4,740	5,115	5,763	6,005	Receivables Turnover	54.5x	60.1x	57.1x	58.6x
Gross Margin	61.9%	65.0%	68.1%	67.0%	Payables Turnover	2.8x	3.6x	2.6x	3.2x
Operating Expenses	(2,348)	(2,564)	(2,972)	(2,740)	Dividend Yield	0.0%	0.0%	0.0%	0.0%
EBIT	2,392	2,551	2,791	3,265	Payout Ratio	0.0%	0.0%	0.0%	0.0%
EBIT Margin	31.2%	32.4%	33.0%	36.4%	DER	0.3x	0.3x	0.3x	0.4x
Depreciation	495	426	468	489	Net Gearing	0.00x	-0.06x	-0.07x	-0.04x
EBITDA	2,887	2,976	3,258	3,753	Equity Ratio	58.4%	59.1%	56.2%	59.3%
EBITDA Margin	37.7%	37.8%	38.5%	41.9%	Debt Ratio	19.5%	19.8%	18.8%	20.7%
Interest Expenses	(1,645)	(1,335)	(1,206)	(1,027)	Financial Leverage	166.9%	172.7%	173.6%	173.1%
EBT	1,547	1,791	2,203	2,893	Current Ratio	258.9%	303.0%	273.5%	277.2%
Income Tax	(8)	(10)	(13)	(17)	Quick Ratio	150.8%	192.0%	174.9%	173.8%
Minority Interest	(190)	(75)	(92)	(121)	Par Value (IDR)	100	100	100	100
Net Profit	1,349	1,706	2,098	2,755	Total Shares (mn)	19,247	19,247	19,247	19,247
Growth	389.0%	26.5%	23.0%	31.3%	Share Price (IDR)	1,010	1,300	1,599	2,099
Net Profit Margin	17.6%	21.7%	24.8%	30.7%	Market Cap (IDR tn)	19.4	25.0	30.8	40.4

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
Cash	11,841	14,790	15,949	16,615	Price /Earnings	14.4x	14.7x	14.7x	14.7x
Receivables	142	123	173	133	PE/EPS Growth	0.2x	0.2x	0.1x	0.1x
Inventories	11,857	11,266	11,667	12,685	Price /Book Value	0.5x	0.7x	0.8x	1.0x
Total Current Assets	28,398	30,770	32,363	34,015	EV/EBITDA	6.8x	7.7x	8.6x	10.3x
Net Fixed Assets	22,965	24,676	25,725	26,597	EV (IDR bn)	19,593	22,788	27,998	38,634
Other Non Current Assets	10,107	8,129	12,045	10,978	Revenue CAGR (3-Yr)	5.1%	-8.7%	8.5%	8.1%
Total Non Current Assets	33,072	32,805	37,770	37,575	Net Profit CAGR (3-Yr)	-9.4%	-29.9%	17.5%	-0.4%
Total Assets	61,470	63,575	70,134	71,591	Basic EPS (IDR)	70	89	109	143
Payables	1,112	601	1,484	376	BVPS (IDR)	1,865	1,952	2,049	2,204
ST Debt	2,153	2,714	3,558	3,210	DPS (IDR)	-	-	-	-
Total Current Liabilities	10,968	10,156	11,833	12,271					
LT Debt	9,842	9,843	9,620	11,639					
Total Liabilities	25,576	25,998	30,699	29,166					
Capital Stock + APIC	8,336	8,336	8,336	8,336					
Retained Earnings	22,420	24,124	26,220	28,973					
Shareholders' Equity	35,894	37,577	39,435	42,425					

CASH FLOW STATEMENT					OWNERSHIP				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E					
Operating Cash Flow	2,576	1,786	2,964	3,044	Shareholders				%
Investing Cash Flow	(205)	585	(2,186)	(4,284)	PT Paraga Artamida				33.3
Financing Cash Flow	(5,494)	478	383	1,908	PT Ekacentra Usahamaju				25.6
Net Changes in Cash	(3,122)	2,848	1,161	668	PT Sereasi Niaga Sakti				2.8
					Norges Bank				1.9
					Others				36.3
					By Geography				%
					United States				49.3
					United States				46.3
					Norway				2.6
					Others				1.8

Source: Company Data, NHKSI Research

**NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings**

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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