



Big City. Big Opportunity

BUY

Target Price : IDR1,500

Stock Data

Current Price	: 940
52wk Range H-L	: 1,325 - 885
Share Outstanding	: 21.17 Bn
Free Float	: 39.62%
Mkt Capitalization (IDR bn)	: 19,480

Major Shareholders

PT Paraga Arta Mida	: 32.13%
PT Ekacentra Usahamaju	: 25.63%
Public	: 41.02%
Treasury Stock	: 1.22%



Research Analyst
 Muhamad Rudy Setiawan
 Muhamad.setiawan@mncgroup.com

PT Bumi Serpong Damai Tbk (BSDE IJ)

Property Sector

Ambitious With a Well-Defined Strategy

Marketing sales FY21 Exceeds Target

BSDE booked IDR7.7tn in FY21 marketing sales, grew by 19% YoY (vs IDR 6.5tn in FY20), or 10% above the company's and our target. This achievement was supported by the growing sales of landed houses by 24% and apartment sales by 38%. BSD City is still the main driver, including Nava Park and Zora, contributing 76% of the total marketing sales in FY21. This achievement was greatly helped by the "Wish for Home" company program and the government's VAT incentive program, which started on March 21, 2021. Meanwhile, the sales of shop-house fell by 10% YoY due to disturbed business activity caused by Covid-19 Delta variant, causing the customers to withheld purchase during that period.

The New Promotion of "Double Dream" be As Successful As Before?

- This outstanding achievement of "Wish for Home" proved to have a tremendous impact in FY21. BSDE has prepared "Double Dream" promotion which provides a 22%+6% save added with VAT incentive during the Feb-June 2022 period.
- BSDE continues to await a significant contribution of BSD City, supported by the development of the 10 km toll road passing through BSD City, which will bring positive performance for BSDE. According to management, the toll road would be built in two stages: 1) 5 km to connect The Green SD to Aeon Mall; 2) 5 km will connect Aeon Mall to Legok.
- BSDE will also seek to develop Grand Wisata Bekasi with the potential of Jakarta satellite area (besides Tangerang) through the Z Living region. Z living was built on 7 ha areas, with the first cluster is Z Sky Garden, consisting of two types of housing: 1) Lifestyle type with land area of 154 sqm or building area of 125 sqm starting at IDR2.6bn ; 2) Modern Type with land and building area of 88 sqm starting at IDR1.4bn.
- Along with the economic recovery, BSDE is confident to launch Latinos Business District in BSD City area. This office will carry the concept of the first boutique small office home office (Boutique SOHO) in BSD City. The first stage of Latinos Business District is marketed in two types, namely T91, which is built in three floors and T62, which is built in two floors with land area of 5x10 sqm for every unit.
- Latinos Business District can be accessed from Jabodetabek through Jakarta-Merak toll (Kebon Jeruk toll) and Jakarta-Serpong toll that is integrated with Kunciran-Serpong toll, JORR 2, Soekarno-Hatta Airport toll and Jagorawi toll.

Marketing Sales of IDR8.55 trillion in FY22E

With various business strategies and promotions planned, we estimate the marketing sales to be IDR8.55 trillion in FY22, supported by the high demand of the domino effect commodity boom, as well as the economic recovery that can help housing demand. Our FY22 marketing sales estimate implies a 22% YoY growth above our FY21F estimation and 11% YoY above BSDE's marketing sales achievement.

Valuation and Recommendation: BUY at Target Price IDR1,500

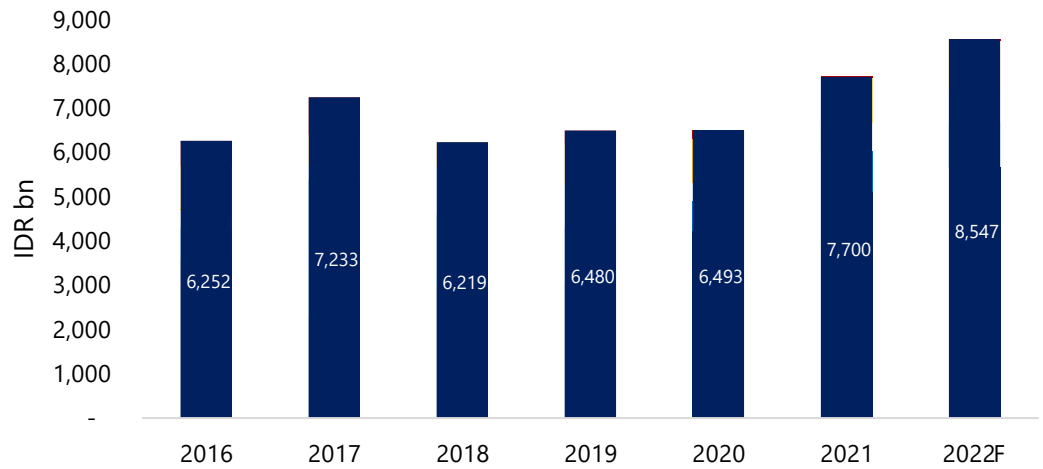
We recommend **BUY** for **BSDE**, with a **TP**: of **IDR1,500** which implies **PE/PBV 17.47x/0.94x** in FY22E. BSDE's valuation has become attractive as it is currently traded at a level of -1 STD (average 3-years PE) PBV at 0.60x. Risks to our call would include: 1) 3rd Wave Covid-19; 2) Low purchasing power; 3) Interest rate.

Key Financial Highlight

Billion IDR	FY18	FY19	FY20	FY21E	FY22F
Revenue	6,628.78	7,084.86	6,180.59	7,790.98	8,350.90
Net Income	1,293.85	2,791.42	281.70	1,561.71	1,817.76
EPS (IDR)	61.11	131.85	13.31	73.77	85.86
PE (x)	24.54	11.38	112.73	20.33	17.47
BVS (IDR)	1,233.26	1,376.83	1,422.64	1,505.79	1,591.65
PBV (x)	1.22	1.09	1.05	1.00	0.94
ROA (%)	2.48%	5.13%	0.46%	2.41%	2.67%
ROE (%)	4.27%	8.32%	0.82%	4.31%	4.78%
DER (x)	0.46	0.40	0.50	0.52	0.52

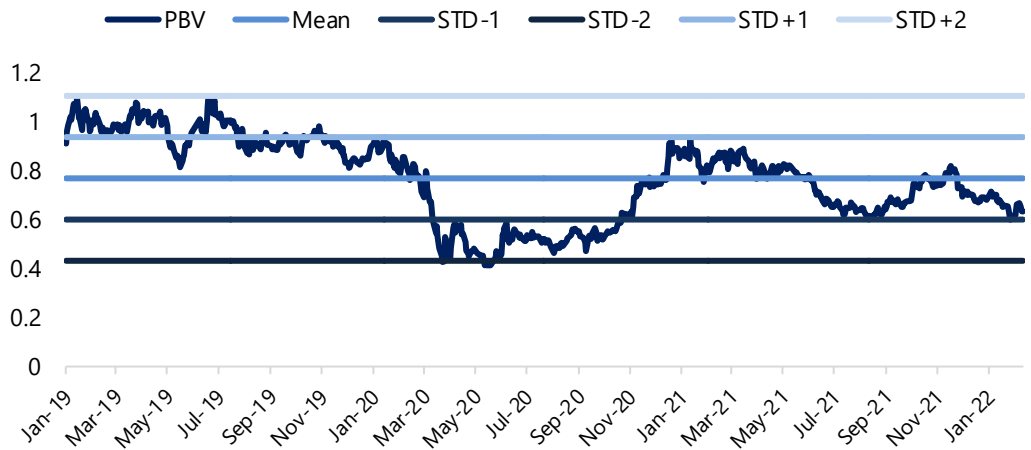
Sources: Bloomberg, MNCS

Exhibit 01. Trend of Marketing Sales BSDE in FY16-FY22F



Sources : Company, MNCS

Exhibit 02. BSDE is currently trading at -1 STD (3-year average) at 0.60x PBV



Sources : Bloomberg, MNCS

Exhibit 03. Double Dream Program BSDE

DOUBLE DREAM
Dua Mimpi Sekaligus Jadi Kenyataan

Grand Prize*
1 unit studio Apartemen Southgate Altuera*
PLUS FREE Lainnya*

SAVE UP TO 22% + 6%*

Periode 1 22 Februari - 30 Juni 2022

021 5315 9000
www.sinarmasland.com/doubledream

sinarmas land
Building for a better future

Source : Company

Exhibit 4. Financial Projections

Income Statement						Balance Sheet					
IDR Billion	2018	2019	2020	2021F	2022F	IDR Billion	2018	2019	2020	2021F	2022F
Revenues	6,628.78	7,084.86	6,180.59	7,790.98	8,350.90	Current Assets	20,948.68	24,256.71	28,364.29	29,865.10	31,616.81
Cost of Revenue	1,874.27	2,018.80	1,928.75	2,304.85	2,157.52	Cash & Cash Equivalents	8,139.32	6,860.25	10,916.97	10,560.26	12,618.28
Gross Profit	4,754.51	5,066.07	4,251.84	5,486.13	6,193.38	Accounts & Notes Receiv	524.20	542.61	244.89	1,067.26	1,143.96
Operating Expense	2,589.33	2,536.62	2,269.58	2,850.78	3,055.66	Inventories	9,044.39	10,176.88	10,697.40	11,366.39	10,639.81
Operating Profit	2,165.17	2,529.45	1,982.27	2,635.35	3,137.72	Other ST Assets	3,240.76	6,676.97	6,505.03	6,871.20	7,214.76
Interest Expense	(912.71)	(1,043.35)	(1,781.52)	(1,934.28)	(2,034.73)	Non-Current Assets	31,152.81	30,188.14	32,498.64	34,964.51	36,386.01
Other	507.95	1,679.00	295.47	1,091.53	937.14	Land for Development	11,913.37	12,068.74	12,428.84	13,687.24	14,391.94
Profit Before Tax	1,760.42	3,165.10	496.22	1,792.59	2,040.13	Other Non-Current Assets	19,239.44	18,119.40	20,069.80	21,277.27	21,994.07
Tax Expense	58.60	35.02	15.89	57.36	20.40	TOTAL ASSETS	52,101.49	54,444.85	60,862.93	64,829.61	68,002.82
Minority Interest	407.97	338.66	204.56	173.52	201.97	Current Liabilities	6,231.23	6,159.44	11,965.63	12,844.53	13,387.59
Net Income	1,293.85	2,791.42	281.70	1,561.71	1,817.76	Account Payable	1,162.64	695.30	933.98	973.50	911.27
EPS (full amount)	61.11	131.85	13.31	73.77	85.86	Short Term Debt	827.07	640.66	5,512.27	6,075.70	6,391.22
						Other current liabilities	4,241.53	4,823.48	5,519.37	5,795.34	6,085.10
						Non-Current Liabilities	15,583.36	14,737.90	14,426.20	15,753.64	16,566.04
						Long-term Liabilities - Net	13,131.23	12,766.47	11,608.78	12,795.36	13,459.84
						Other Non-Current	2,452.13	1,971.43	2,817.41	2,958.28	3,106.20
						Liabilities					
						TOTAL EQUITY	30,286.90	33,547.51	34,471.10	36,231.43	38,049.19
						TOTAL LIABILITIES & EQUITY	52,101.49	54,444.85	60,862.93	64,829.61	68,002.82
Cash Flow						Ratios					
IDR Billion	2018	2019	2020E	2021F	2022F	IDR Billion	2018	2019	2020	2021F	2022F
Net Income	1,293.85	2,791.42	281.70	1,561.71	1,817.76	Revenue Growth (%)	(35.94)	6.88	(12.76)	26.06	7.19
Depreciation	384.07	355.76	374.15	411.72	432.75	Operating Profit Growth (%)	(57.23)	16.82	(21.63)	32.95	19.06
Change in Working Capital	(1,617.41)	(1,618.24)	15.89	(1,451.84)	587.64	Net Profit Growth (%)	(73.70)	115.74	(89.91)	454.39	16.40
Change in others	(591.23)	(2,092.95)	(239.38)	(342.98)	(360.13)	Current Ratio (%)	3.36	39.38	23.70	23.25	23.62
CFO Total	(530.71)	(564.02)	432.36	178.60	2,478.02	Quick Ratio (%)	1.91	120.19	93.28	90.52	102.80
Change in Investment	-	-	-	-	-	Receivable Days	28.86	27.95	14.46	50.00	50.00
Capex	(1,792.64)	(633.09)	(715.40)	(2,500.00)	(1,400.00)	Inventory Days	1,761.32	1,839.99	2,024.40	1,800.00	1,800.00
Change in Others	-	-	-	-	-	Payable Days	226.41	125.71	176.75	154.16	154.16
CFI Total	(1,792.64)	(633.09)	(715.40)	(2,500.00)	(1,400.00)	Debt to Equity (x)	0.46	0.40	0.50	0.52	0.52
Net Change in Debt	4,873.44	(551.16)	3,713.92	1,750.00	980.00	Gross Profit Margin (%)	71.73	71.51	68.79	70.42	74.16
Net Change in Equity	(260.62)	489.55	1,187.69	198.62	-	Operating Profit Margin (%)	32.66	35.70	32.07	33.83	37.57
Dividend payment	-	-	-	-	-	Net Profit Margin (%)	19.52	39.40	4.56	20.05	21.77
Others	56.82	(20.36)	(561.86)	16.06	-	ROA (%)	2.48	5.13	0.46	2.41	2.67
CFE Total	4,669.64	(81.97)	4,339.75	1,964.69	980.00	ROE (%)	4.27	8.32	0.82	4.31	4.78
Beginning Cash	5,793.03	8,139.32	6,860.25	10,916.97	10,560.26						
Ending Cash	8,139.32	6,860.25	10,916.97	10,560.26	12,618.28						

Sources : Company, MNCS

MNC Research Industry Ratings Guidance

OVERWEIGHT: Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months

NEUTRAL: Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months

UNDERWEIGHT: Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

MNC Research Investment Ratings Guidance

BUY : Share price may exceed 10% over the next 12 months

HOLD : Share price may fall within the range of +/- 10% of the next 12 months

SELL : Share price may fall by more than 10% over the next 12 months

Not Rated : Stock is not within regular research coverage

PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16

Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340

Telp : (021) 2980 3111

Fax : (021) 3983 6899

Call Center : 1500 899

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