



BUY

Target Price : IDR1,500

Stock Data

Current Price	: 905
52wk Range H-L	: 1,225 - 885
Share Outstanding	: 21.17 Bn
Free Float	: 38.35%
Mkt Capitalization (IDR bn)	: 19,160.09

Major Shareholders

PT Paraga Arta Mida	: 32.86%
PT Ekacentra Usahamaju	: 25.63%
Public	: 40.29%
Treasury Stock	: 1.22%



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PT Bumi Serpong Damai Tbk (BSDE IJ)

Property Sector

The Strategy is Running Well: Marketing Sales Hit 32% of Target

Solid 1Q22 Result Across All Segments, but Net Profit Decreased

- Consolidated net revenue increased in all segments by 21.43% YoY, translated to IDR2.03tn in 1Q22; in-line with consensus/ours estimate, implies 25.66%/24.53% of FY22E target.
- Land and buildings strata title segment recorded a 20.11% YoY growth, while recurring income and other grew by 27.03% YoY, thanks to the Government VAT incentives (PPN DTP) program and the opening of community mobility is gradually loosened.
- Furthermore, cost of revenues grew by 71.77% YoY to IDR767.38bn and advertising, promotions and commissions was up 231.97% YoY to IDR167.74bn, while other expenses recorded IDR233.83bn in 1Q22.
- Net profit decreased by 42.01% YoY to IDR347.90bn, below with consensus/ours expectation implying 22.40%/20.13% of FY22E target.
- Moving forward, we believe that amidst the current uncertain and challenging situation, BSDE should maintain a positive performance throughout the year.

Marketing Sales Hit 32.21% of FY22E Target

- BSDE booked IDR2.48tn in 1Q22 marketing sales, grew by 50.45%/0.24% QoQ/YoY, or implies 32.21%/29.02% with consensus/ours expectation. Residential contribute 64.12% and commercial 38% in 1Q22.
- The management estimate the marketing sales to be IDR7.7tn or moderate case in FY22E, but we estimate potentially to IDR8.55tn supported by the high demand of the domino effect commodity boom, as well as the economic recovery that can help housing demand.
- BSD City is still the main driver, with "Double Dream 22" promotion, which provides a 27% plus IDR50mn save added with VAT incentive during the FY22 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 BSD 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.
- However, we remain concerned about mortgage rate during The Fed aggressively raises the benchmark interest rate as inflation in the US has the potential to be followed by BI in the future.

Valuation and Recommendation: BUY at Target Price IDR1,500

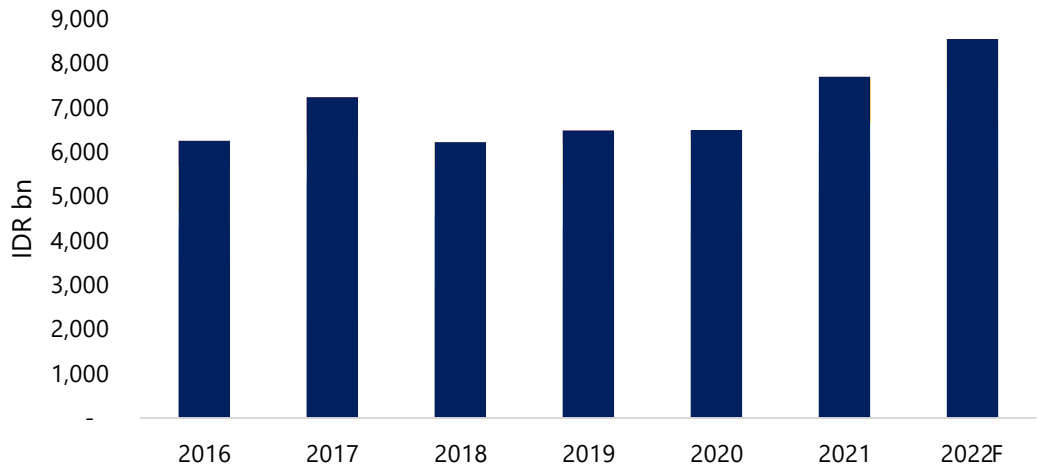
We recommend **BUY** for **BSDE**, with a **TP**: of **IDR1,500** which implies **PE/PBV 18.38x/0.95x** in FY22E. BSDE's valuation has become attractive as it is currently traded at a level of -1 STD (average 3-years PE) PBV at 0.60x. Risks to our call would include: 1) 4th Wave Covid-19; 2) Lower purchasing power; 3) Interest rate hike.

Key Financial Highlight

Billion IDR	FY19	FY20	FY21	FY22E	FY23F
Revenue	7,084.86	6,180.59	7,654.80	8,261.42	8,726.03
Net Income	2,791.42	281.70	1,348.62	1,727.98	1,852.11
EPS (IDR)	131.85	13.31	63.70	81.62	87.48
PE (x)	11.38	112.73	23.55	18.38	17.15
BVS (IDR)	1,376.83	1,422.64	1,485.76	1,579.50	1,666.98
PBV (x)	1.09	1.05	1.01	0.95	0.90
ROA (%)	5.13%	0.46%	2.19%	2.67%	2.71%
ROE (%)	8.32%	0.82%	3.76%	4.56%	4.66%
DER (x)	0.40	0.50	0.33	0.34	0.35

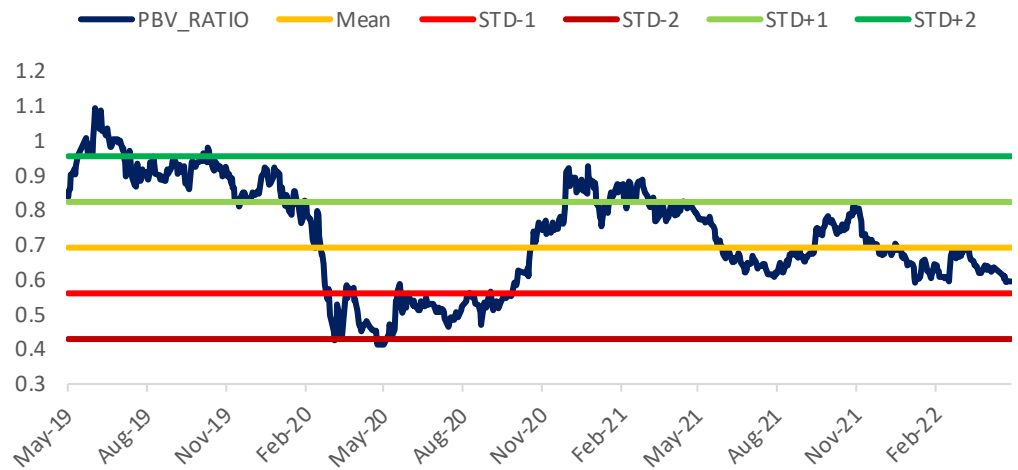
Sources: Bloomberg, MNCS

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

Source : Company

Exhibit 4. Financial Projections

Income Statement						Balance Sheet					
IDRBillion	FY19	FY20	FY21	FY22E	FY23F	IDR Billion	FY19	FY20	FY21	FY22E	FY23F
Revenues	7,084.86	6,180.59	7,654.80	8,261.42	8,726.03	Current Assets	24,256.71	28,364.29	28,397.86	31,541.10	33,754.75
Cost of Revenue	2,018.80	1,928.75	2,914.75	2,313.20	2,443.29	Cash & Cash Equivalents	6,860.25	10,916.97	7,766.94	10,007.79	11,066.56
Gross Profit	5,066.07	4,251.84	4,740.05	5,948.22	6,282.74	Accounts & Notes Receiv	542.61	244.89	1,048.60	1,131.70	1,195.35
Operating Expense	2,536.62	2,269.58	2,347.79	2,574.83	2,719.63	Inventories	10,176.88	10,697.40	11,857.05	11,407.55	12,049.09
Operating Profit	2,529.45	1,982.27	2,392.26	3,373.39	3,563.11	Other ST Assets	6,676.97	6,505.03	7,725.28	8,994.05	9,443.76
Interest Expense	(1,043.35)	(1,781.52)	(1,644.71)	(1,779.08)	(1,913.46)	Non-Current Assets	30,188.14	32,498.64	33,071.85	33,256.81	34,578.62
Other	1,679.00	295.47	799.46	345.06	429.05	Land for Development	12,068.74	12,428.84	14,472.14	15,855.08	17,238.01
Profit Before Tax	3,165.10	496.22	1,547.01	1,939.37	2,078.69	Other Non-Current Assets	18,119.40	20,069.80	18,599.71	17,401.74	17,340.61
Tax Expense	35.02	15.89	8.17	19.39	20.79	TOTAL ASSETS	54,444.85	60,862.93	61,469.71	64,797.91	68,333.37
Minority Interest	338.66	204.56	190.22	192.00	205.79	Current Liabilities	6,159.44	11,965.63	10,967.89	11,394.41	12,029.67
Net Income	2,791.42	281.70	1,348.62	1,727.98	1,852.11	Account Payable	695.30	933.98	1,231.10	977.02	1,031.97
EPS (full amount)	131.85	13.31	63.70	81.62	87.48	Short Term Debt	640.66	5,512.27	2,152.60	2,328.47	2,504.34
						Other current liabilities	4,823.48	5,519.37	7,584.20	8,088.91	8,493.36
						Non-Current Liabilities	14,737.90	14,426.20	14,608.10	15,525.29	16,573.37
						Long-term Liabilities-Net	12,766.47	11,608.78	9,842.03	10,646.15	11,450.28
						Other Non-Current Liabilities	1,971.43	2,817.41	4,766.08	4,879.13	5,123.09
						TOTAL EQUITY	33,547.51	34,471.10	35,893.72	37,878.22	39,730.33
						TOTAL LIABILITIES & EQUITY	54,444.85	60,862.93	61,469.71	64,797.91	68,333.37

Cash Flow						Ratios					
IDR Billion	FY19	FY20	FY21	FY22E	FY23F	IDR Billion	FY19	FY20	FY21	FY22E	FY23F
Net Income	2,791.42	281.70	1,348.62	1,727.98	1,852.11	Growth					
Depreciation	355.76	374.15	417.76	418.41	419.05	Revenue Growth (%)	6.88	(12.76)	23.85	7.92	5.62
Change in Working Capital	(1,618.24)	15.89	(1,004.06)	(549.86)	(650.24)	Operating Profit Growth (%)	16.82	(21.63)	20.68	41.01	5.62
Change in others	(2,092.95)	(239.38)	3,208.60	807.81	(142.16)	Net Profit Growth (%)	115.74	(89.91)	378.74	28.13	7.18
CFO Total	(564.02)	432.36	3,970.92	2,404.34	1,478.77	Liquidity					
Change in Investment	-	-	-	-	-	Cash Ratio (x)	1.11	0.91	0.71	0.88	0.92
Capex	(633.09)	(715.40)	(2,068.51)	(1,400.00)	(1,400.00)	Quick Ratio (x)	2.29	1.48	1.51	1.77	1.80
Change in Others	-	-	-	-	-	Current Ratio (x)	3.94	2.37	2.59	2.77	2.81
CFI Total	(633.09)	(715.40)	(2,068.51)	(1,400.00)	(1,400.00)	Gearing Ratio (x)	0.20	0.18	0.12	0.08	0.07
Net Change in Debt	(551.16)	3,713.92	(5,126.44)	980.00	980.00	Margin					
Net Change in Equity	489.55	1,187.69	28.45	256.52	-	Gross Profit Margin (%)	71.51	68.79	61.92	72.00	72.00
Dividend payment	-	-	-	-	-	Net Profit Margin (%)	39.40	4.56	17.62	20.92	21.23
Others	(20.36)	(561.86)	45.55	-	-	ROA (%)	5.13	0.46	2.19	2.67	2.71
CFE Total	(81.97)	4,339.75	(5,052.45)	1,236.52	980.00	ROE (%)	8.32	0.82	3.76	4.56	4.66
Beginning Cash	8,139.32	6,860.25	10,916.97	7,766.94	10,007.79						
Ending Cash	6,860.25	10,916.97	7,766.94	10,007.79	11,066.56						

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

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