

BUY | TP : IDR1,400
BSDE Stock Price Data

Last Price	:	IDR1,020
52wk High	:	IDR1,235
52wk Low	:	IDR880
Share Out	:	21.17bn
Market Cap	:	IDR20.9tn

BSDE Stock Price Performance

1-Day	:	+0.9%
1-Week	:	-1.5%
1-Month	:	-3.4%
3-Month	:	-17.6%
Year-to-Date	:	+7.1%

Shareholders

Paraga Arta Mida	:	39.4%
Ekacentra Usahamaju	:	25.6%
Public (<5%)	:	33.7%
Treasury	:	1.2%


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PT Bumi Serpong Damai Tbk (BSDE IJ)
Marketing Sales Stood In-Line, Carried by Residential Sales
Revenue was lower than expected but profits remained on track

- BSDE booked a revenue of IDR7.3tn (+2.3% YoY), implying 70.5/70.7% of MNCS/cons, predominantly coming from residential sales (41%), amounting IDR3.0tn or grew +11% YoY. Revenues from landed houses mainly came from BSD City township, accompanied by sales in other major township projects such as Grand Wisata at Bekasi and Kota Wisata at Cibubur.
- Meanwhile, commercial sales (aparts and shophouses) stood at IDR 2.3tn or contributed 31% to the total revenue. Shophouses primarily consisted of sales from Foresta Business Loft, TabeSpots, and 91 District, while revenue from apartments was largely generated by Southgate Residence and Aerium.
- On the other hand, non-development sales (excluding construction revenues) delivered a 1% YoY growth to reach IDR1.1tn. Since 4Q22, the new business unit of toll road operating services (Serpong-Balaraja section 1A) has been contributing to the top line, amounting to IDR41bn in the 9M23. This business unit is expected to contribute more once phase 1B commences operating in FY24F.
- Thus, net profit increased by 93% YoY to IDR1.8tn, reflecting 72.8%/68.3% of the consensus and MNCS FY23E target, this is due to: 1) a slight 1% YoY decrease in interest expenses in 9M23; 2) a robust 42.8% growth in interest and investment income; 3) a reduction in foreign exchange losses attributed to currency fluctuations.

BSDE Booked IDR6.8tn Pre-sales in 9M23

- In 9M23 the pre-sales figures amounted to IDR6.8tn, approximately 76.7% of the pre-sales target of IDR8.8tn for FY23 or grew by 1% YoY (vs IDR6.7tn in 9M22).
- Within the pre-sales contributions, residential pre-sales accounted for IDR4.7tn, constituting a substantial 58% share of the total pre-sales achieved. Meanwhile, commercial pre-sales, encompassing commercial lots, apartments, and shop houses, contributed IDR2.3tn, making up 42% of the overall pre-sales figures.
- The robust performance in 9M23 was primarily fueled by the successful residential and commercial offerings in BSD City. The pre-sales from the BSD City area accounted for approximately 75% of the total pre-sales achieved by BSDE in the 9M23. The strong residential pre-sales achievement of IDR4.5tn was mostly supported by rapid sales of prominent products in BSD City such as Nava Park, Hiera, Enchante, Eonna, and Tanakayu. Alongside BSD City, other highlighted townships such as Grand Wisata in Bekasi and Kota Wisata in Cibubur also made significant contributions to the 9M23 performance. These two townships contributed 11% and 7%, respectively, to the overall pre-sales figures for the mentioned period.
- BSDE maintains a positive outlook in reaching its FY23E target of Rp8.8tn. The company intends to continue its commitment to developing and introducing attractive new products in both BSD City and other key locations. As a strategic move, BSDE has kicked off a nationwide promotional campaign called "Smart Move," scheduled to run from February to December 2023.

Valuation and Recommendation: BUY with a TP IDR1,400

We recommend BUY for BSDE, with a TP of: IDR1,400 which implies PE/PBV 12.2x/0.8x in FY23E. BSDE's valuation has become attractive as it is currently traded at a level of -1 STD (average 5-years PBV) at 0.6x. Risks to our call would include: 1) Low purchasing power; 2) Interest rate; 3) USD/IDR.

Key Financial Highlight	FY20	FY21	FY22	FY23E	FY24F
Revenue (IDR bn)	6,180.6	7,654.8	10,235.5	10,370.2	11,590.6
Net Income (IDR bn)	281.7	1,348.6	2,433.1	2,430.4	2,796.8
EPS (IDR)	13.3	63.7	114.9	114.8	132.1
PE (x)	74.0	15.5	8.6	8.6	7.5
BVS (IDR)	1,422.6	1,485.8	1,588.8	1,703.3	1,832.9
PBV (x)	0.7	0.7	0.6	0.6	0.5
ROA (%)	0.5%	2.2%	3.7%	3.6%	3.9%
ROE (%)	0.9%	4.3%	7.2%	6.7%	7.2%

Sources : Bloomberg, MNCS Research

Exhibit 01. BSDE's 9M23 net income results was in-line MNCS estimates

IDR bn	9M22	9M23	% YoY	% MNCS	% Consensus
Revenue	7,145.6	7,308.3	2.3%	70.5%	70.7%
COGS	2,658.4	2,643.9	-0.5%		
Gross Profit	4,487.1	4,664.4	4.0%		
Gross Margin	62.8%	63.8%			
Operating Profit	2,410.2	2,527.3	4.9%	77.4%	65.0%
Operating Margin	33.7%	34.6%			
Net Profit	918.3	1,769.0	92.6%	72.8%	68.3%
Net Margin	12.9%	24.2%			

Sources : Company, Bloomberg, MNCS

Exhibit 02. "Smart Move" to accelerate marketing sales in FY23



Sources : Company, MNCS

Exhibit 03. BSDE's Currently Trading Near at -0.5 STD (5-Year Average) at 0.6x PBV band



Sources : Bloomberg, MNCS

Exhibit 04. Financial Projections

Income Statement					
in Billion IDR	FY20	FY21	FY22	FY23E	FY24F
Revenues	6,180.6	7,654.8	10,235.5	10,370.2	11,590.6
Cost of Revenue	-1,928.7	-2,914.8	-3,409.4	-3,751.5	-4,196.7
Gross Profit	4,251.8	4,740.1	6,826.0	6,618.8	7,394.0
Operating Expense	-2,269.6	-2,347.8	-3,121.0	-3,352.8	-3,710.7
Operating Profit	1,982.3	2,392.3	3,705.0	3,265.9	3,683.2
Interest Expense	-1,781.5	-1,644.7	-1,668.0	-1,455.2	-1,469.9
Other	295.5	799.5	624.7	839.8	795.5
Profit Before Tax	496.2	1,547.0	2,661.7	2,650.6	3,008.9
Tax Expense	-10.0	-8.2	-4.8	-14.0	-5.4
Minority Interest	-204.6	-190.2	-223.7	-206.2	-206.7
Net Income	281.7	1,348.6	2,433.1	2,430.4	2,796.8
EPS (full amount)	13.3	63.7	114.9	114.8	132.1

Cash Flow					
in Billion IDR	FY20	FY21	FY22	FY23E	FY24F
Net Income	281.7	1,348.6	2,433.1	2,430.4	2,796.8
Depreciation	441.0	513.9	527.2	531.9	533.1
Change in Working Capital	-239.8	-978.0	-1,009.7	-1,666.4	-1,331.4
Change in others	16.8	1,893.2	917.6	111.3	1,007.9
CFO Total	499.8	2,777.7	2,868.3	1,407.2	3,006.3
Capex	-673.4	-2,162.6	-1,350.1	-1,500.0	-1,600.0
Change in Others	-1,984.9	-74.0	355.4	-5.0	-45.5
CFI Total	-2,658.3	-2,236.6	-994.7	-1,505.0	-1,645.5
Net Change in Debt	3,713.9	-5,126.4	-16.7	-502.8	-538.4
Net Change in Equity	1,120.1	86.3	-30.0	0.0	0.0
Dividend payment	0.0	0.0	0.0	0.0	0.0
Others	968.6	1,757.8	140.5	61.6	558.2
CFF Total	5,802.6	-3,282.3	93.8	-441.1	19.8
Beginning Cash	6,864.0	10,508.1	7,766.9	9,734.4	9,195.4
Ending Cash	10,508.1	7,766.9	9,734.4	9,195.4	10,576.1

Balance Sheet					
in Billion IDR	FY20	FY21	FY22	FY23E	FY24F
Current Assets	28,364.3	28,397.8	29,586.7	31,030.5	33,821.1
Cash & Cash					
Equivalents	10,508.1	7,766.9	9,734.4	9,195.4	10,576.1
Accounts & Notes Receiv	138.9	134.9	181.5	199.9	211.1
Inventories	10,697.4	11,857.0	12,609.6	14,567.6	15,908.8
Other	7,019.9	8,638.9	7,061.1	7,067.5	7,125.1
Non-Current Assets	32,498.6	33,072.0	35,412.7	36,385.9	37,498.2
Land for Development	12,428.8	14,472.2	15,501.3	16,647.1	17,891.5
Other	20,069.8	18,599.7	19,911.4	19,738.7	19,606.8
TOTAL ASSETS	60,862.9	61,469.7	64,999.4	67,416.3	71,319.3
Current Liabilities	11,832.7	10,967.9	11,332.9	11,697.7	12,716.9
Account Payable	934.0	1,111.6	901.0	1,211.0	1,231.9
Short Term Debt	5,512.3	2,152.6	1,495.7	1,432.9	1,365.7
Other	5,386.4	7,703.7	8,936.1	9,053.8	10,119.3
Non-Curr. Liabilities	14,559.1	14,608.1	15,621.1	15,248.8	15,390.4
Long-term Debt	11,608.8	9,842.0	10,482.3	10,042.3	9,571.1
Other	2,950.4	4,766.1	5,138.9	5,206.5	5,819.2
TOTAL EQUITY	34,471.1	35,893.7	38,045.4	40,469.8	43,212.1
TOTAL LIA & EQUITY	60,862.9	61,469.7	64,999.4	67,416.3	71,319.3

Ratios					
	FY20	FY21	FY22	FY23E	FY24F
Growth					
Revenue Growth (%)	-12.8	23.9	33.7	1.3	11.8
Operating Profit Growth (%)	-21.6	20.7	54.9	-11.9	12.8
Net Profit Growth (%)	-89.9	378.7	80.4	-0.1	15.1
Liquidity					
Cash Ratio (x)	88.8	70.8	85.9	78.6	83.2
Quick Ratio (x)	149.3	150.8	149.8	140.7	140.9
Current Ratio (x)	239.7	258.9	261.1	265.3	266.0
Gearing Ratio (x)	0.2	0.1	0.1	0.1	0.0
Margin					
Gross Profit Margin (%)	68.8	61.9	66.7	63.8	63.8
Net Profit Margin (%)	4.6	17.6	23.8	23.4	24.1
ROA (%)	0.5	2.2	3.7	3.6	3.9
ROE (%)	0.9	4.3	7.2	6.7	7.2

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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