

**BUY | TP : IDR1,400**
**BSDE Stock Price Data**

Last Price	:	IDR1,020
52wk High	:	IDR1,235
52wk Low	:	IDR925
Share Out	:	21.17bn
Market Cap	:	IDR21.8tn

**BSDE Stock Price Performance**

1-Day	:	0.0%
1-Week	:	-0.5%
1-Month	:	-5.9%
3-Month	:	+6.2%
Year-to-Date	:	-4.6%

**Shareholders**

Paraga Arta Mida	:	39.7%
Ekacentra Usahamaju	:	25.6%
Public (<5%)	:	33.5%
Treasury	:	1.2%


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**PT Bumi Serpong Damai Tbk (BSDE IJ)**
**Escalating FY23 Marketing Sales Followed with Moderate FY24E**
**Marketing Sales in FY23 Beating the Estimated**

In FY23, BSDE achieved marketing sales of IDR9.5tn reflecting 108% of the company and MNCS FY23 target. Commercial which include commercial lots, apartments, and shop houses, contributed IDR2.6tn, or 28% of the overall marketing sales. Residential contributed IDR5.0tn or 53% of the total marketing sales, mostly supported by featured products in BSD City such as Nava Park, Hiera, Enchante, Eonna, and Tanakayu. Additionally, land sales to joint venture businesses totaled to IDR1.9tn, or ~20% of the entire marketing sales, contributed to the FY23 marketing performance.

**Flagship Project Remains Dominant in FY24E**

- BSDE is targeting IDR9.5tn marketing sales in FY24E, a moderate and conservative view for the overall property demand compared to FY23 performance. Sales from the residential segment is expected to contribute around 53% of the total marketing sales target, while commercial sales and JV land plot sales are expected to contribute around 31% and 16% respectively.
- As a flagship project, sales from properties in BSD City township are aimed to reach a 56% contribution to the overall marketing sales target, or approximately IDR5.3tn. This includes IDR 2.0tn from sales of commercial land, shophouses, shop-offices, business lofts, and existing apartment projects (Akasa and Upperwest), as well as IDR3.3tn from its residential launches supported by products of Eonna, Enchante, Terravia, Hiera, The Zora, and other potential launches.
- In order to carve out a niche for itself among Tangerang and Jakarta citizens, BSDE is producing more entertainment establishments. BSDE hopes to make its township a popular tourist destination with the addition of a city zoo, several amenities, and soon-to-be entertainment facilities. This value creation is expected to induce increasing prices and desirability of BSD City.
- Moreover, BSDE plans to increase sales from apartments in Jakarta and Surabaya, specifically Southgate, the Elements, Aerium, and Klaska, with the implementation of the VAT refund program.

**A Wider Outreach to Support Marketing Sales**

Even though BSD City is developing, the company believes that the demands in Grand Wisata and Kota Wisata, the company's township development in the relevant area, are growing primarily because of the industrial advancement east of Jakarta and the growing infrastructure connectivity south of Jakarta. Sales of residential and commercial products from Grand Wisata and Kota Wisata are anticipated to contribute a significant 16% to the overall marketing sales target. Furthermore, the Company is receptive towards opportunities from the development of IKN Nusantara - the new capital of Indonesia – which is believed to beneficially impact Balikpapan, the nearby large city, where BSDE is currently developing Grand City Balikpapan.

**Risk: Political Year and Delay Cut Rates**

Naturally, an unstable and blurry political outlook does not bode well for the sales performance in the property sector. This might imply a delayed onset of property purchasing by customers. Moreover, the paring of rate cut expectations might further discourage the entry to properties right now, accompanied by economic growth uncertainty and unresolved geopolitical risks. BSDE, however, has anticipated these risks and has set a moderate marketing sales in FY24E.

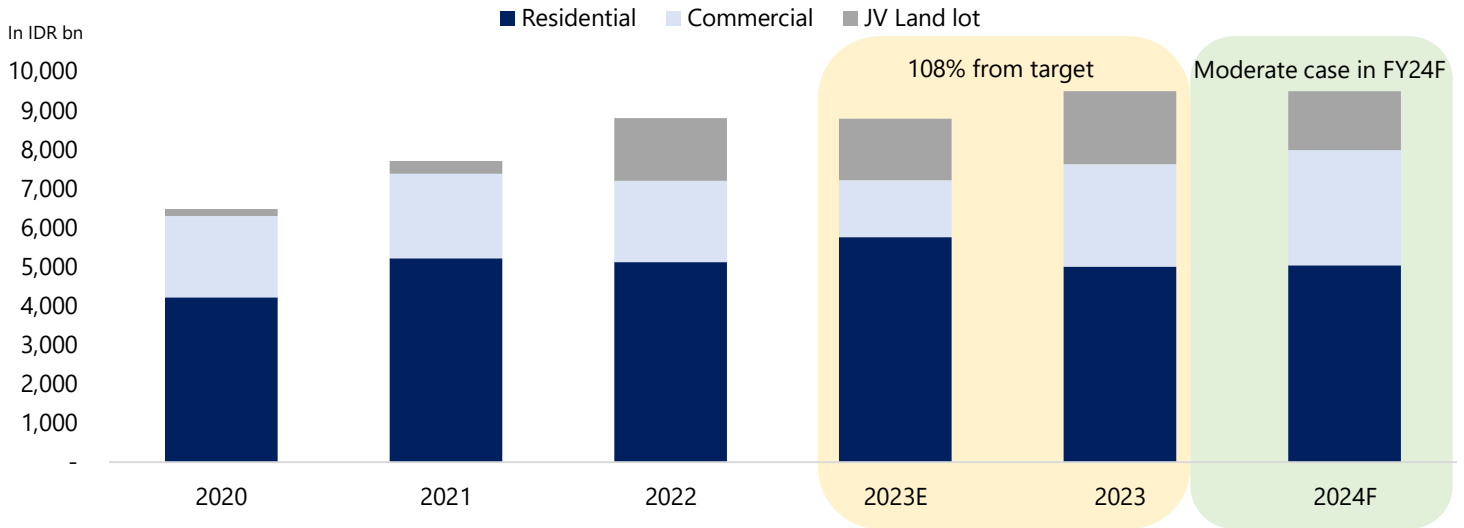
**Valuation and Recommendation: BUY with a TP IDR1,400**

We recommend BUY for BSDE, with a TP of: IDR1,400 which implies PE/PBV 10.6x/0.8x in FY24E. 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	FY24E
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 FY23 marketing sales results was above management/MNCS estimates



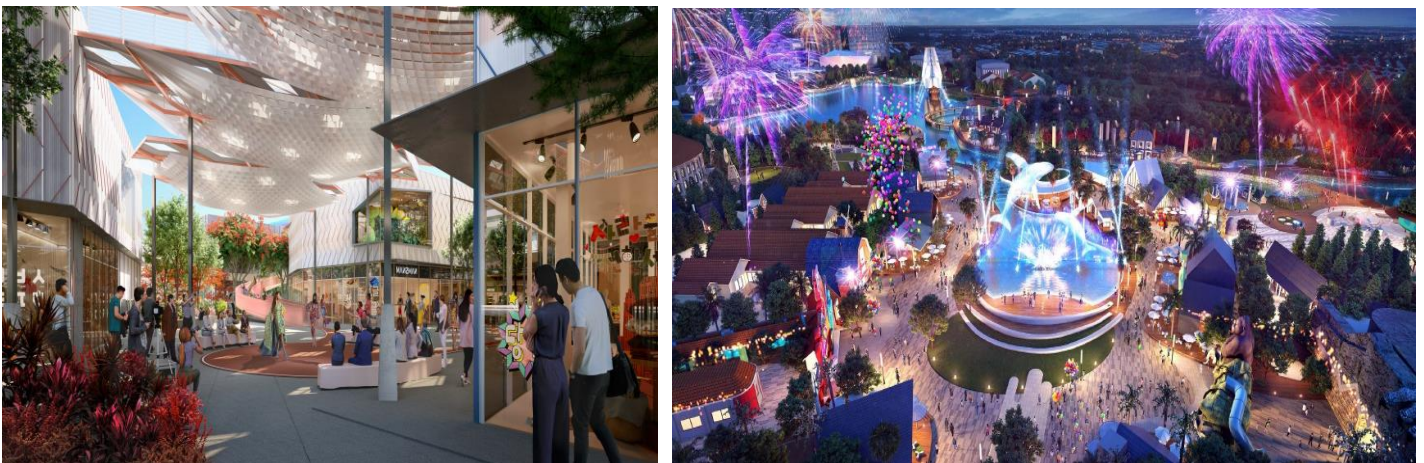
Sources : Company, MNCS

Exhibit 02. Accelerate marketing sales in FY24E with BSD City Phase III



Sources : Company, MNCS

Exhibit 03. Ongoing Amenities Projects: Eastvara Mall (4.9 ha) and BSD City Park (with Jatim park, Cimory, and HeHa Group)



Sources : Company, MNCS

**Exhibit 04. Financial Projections**

Income Statement					
in Billion IDR	FY20	FY21	FY22	FY23E	FY24E
<b>Revenues</b>	<b>6,180.6</b>	<b>7,654.8</b>	<b>10,235.5</b>	<b>10,370.2</b>	<b>11,590.6</b>
Cost of Revenue	-1,928.7	-2,914.8	-3,409.4	-3,751.5	-4,196.7
<b>Gross Profit</b>	<b>4,251.8</b>	<b>4,740.1</b>	<b>6,826.0</b>	<b>6,618.8</b>	<b>7,394.0</b>
Operating Expense	-2,269.6	-2,347.8	-3,121.0	-3,352.8	-3,710.7
<b>Operating Profit</b>	<b>1,982.3</b>	<b>2,392.3</b>	<b>3,705.0</b>	<b>3,265.9</b>	<b>3,683.2</b>
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
<b>Profit Before Tax</b>	<b>496.2</b>	<b>1,547.0</b>	<b>2,661.7</b>	<b>2,650.6</b>	<b>3,008.9</b>
Tax Expense	-10.0	-8.2	-4.8	-14.0	-5.4
Minority Interest	-204.6	-190.2	-223.7	-206.2	-206.7
<b>Net Income</b>	<b>281.7</b>	<b>1,348.6</b>	<b>2,433.1</b>	<b>2,430.4</b>	<b>2,796.8</b>
EPS (full amount)	13.3	63.7	114.9	114.8	132.1

Cash Flow					
in Billion IDR	FY20	FY21	FY22	FY23E	FY24E
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
<b>CFO Total</b>	<b>499.8</b>	<b>2,777.7</b>	<b>2,868.3</b>	<b>1,407.2</b>	<b>3,006.3</b>
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
<b>CFI Total</b>	<b>-2,658.3</b>	<b>-2,236.6</b>	<b>-994.7</b>	<b>-1,505.0</b>	<b>-1,645.5</b>
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
<b>CFF Total</b>	<b>5,802.6</b>	<b>-3,282.3</b>	<b>93.8</b>	<b>-441.1</b>	<b>19.8</b>
<b>Beginning Cash</b>	<b>6,864.0</b>	<b>10,508.1</b>	<b>7,766.9</b>	<b>9,734.4</b>	<b>9,195.4</b>
<b>Ending Cash</b>	<b>10,508.1</b>	<b>7,766.9</b>	<b>9,734.4</b>	<b>9,195.4</b>	<b>10,576.1</b>

Balance Sheet					
in Billion IDR	FY20	FY21	FY22	FY23E	FY24E
<b>Current Assets</b>	<b>28,364.3</b>	<b>28,397.8</b>	<b>29,586.7</b>	<b>31,030.5</b>	<b>33,821.1</b>
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
<b>Non-Current Assets</b>	<b>32,498.6</b>	<b>33,072.0</b>	<b>35,412.7</b>	<b>36,385.9</b>	<b>37,498.2</b>
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
<b>TOTAL ASSETS</b>	<b>60,862.9</b>	<b>61,469.7</b>	<b>64,999.4</b>	<b>67,416.3</b>	<b>71,319.3</b>
<b>Current Liabilities</b>	<b>11,832.7</b>	<b>10,967.9</b>	<b>11,332.9</b>	<b>11,697.7</b>	<b>12,716.9</b>
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
<b>Non-Curr. Liabilities</b>	<b>14,559.1</b>	<b>14,608.1</b>	<b>15,621.1</b>	<b>15,248.8</b>	<b>15,390.4</b>
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
<b>TOTAL EQUITY</b>	<b>34,471.1</b>	<b>35,893.7</b>	<b>38,045.4</b>	<b>40,469.8</b>	<b>43,212.1</b>
<b>TOTAL LIA &amp; EQUITY</b>	<b>60,862.9</b>	<b>61,469.7</b>	<b>64,999.4</b>	<b>67,416.3</b>	<b>71,319.3</b>

Ratios					
	FY20	FY21	FY22	FY23E	FY24E
<b>Growth</b>					
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
<b>Liquidity</b>					
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
<b>Margin</b>					
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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