

Bumi Serpong Damai

BUY (unchanged)

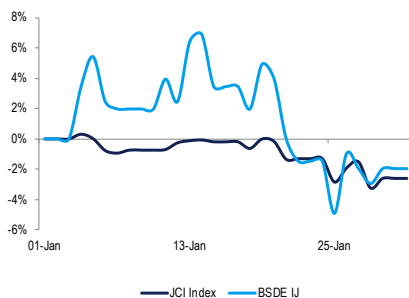
Company Update | Property | BSDE IJ | 1 February 2024

Stock Data

Target price	Rp1,130
Prior TP	Rp1,130
Current price	Rp1,035
Upside/downside	+9%
Shares outstanding (mn)	21,171
Market cap (Rp bn)	21,701
Free float	32%
Avg. 6m daily T/O (Rp bn)	14

Price Performance

	3M	6M	12M
Absolute	-14.1%	-5.6%	9.2%
Relative to JCI	-11.7%	-3.0%	13.8%
52w low/high (Rp)	885 – 1,225		


Major Shareholders

Paraga Arta Mida	36.5%
Ekacentra Usahamaju	25.6%

Ryan Dimitry

PT Indo Premier Sekuritas
 ryan.dimitry@ipc.co.id
 +62 21 5088 7168 ext. 717

Anthony

PT Indo Premier Sekuritas
 anthony@ipc.co.id
 +62 21 5088 7168 ext. 715

4Q23 presales: beat from commercial land; earnings may also come above

- BSDE posted FY23 presales of Rp9.5tr (+8% yoy) above ours/company's target (at 108%).
- Strong 4Q23 presales of Rp2.8tr (+32% yoy/+40% qoq) was due to sales to its JV entity of Rp1.9tr, as well as improving apartment sales.
- We reiterate our Buy rating with unchanged TP of Rp1,130.

4Q23 presales: strong presales due to JV land sales and high-rise sales

BSDE booked a solid presale figure of Rp2.8tr (+32% yoy/+40% qoq) in 4Q23, driven by a land bank sale to its JV for Rp1.9tr. However, residential segment was weaker in 4Q23 at Rp543bn (-56% yoy/-63% qoq), as it was BSDE's strategy to push residential sales in 9M23. 4Q23 launches are: from the residential clusters Vasya/Chava/Namee/Adora in BSD Phase III and shophouses Enchante/Iconix in BSD Phase II. In 4Q23, apartment sales reached Rp171bn (+78% yoy/+1,858% qoq), driven by majority South Gate apartment sales, supported by VAT incentives in Nov23.

Mortgage buyers

BSDE does not disclose its payment profile, but based on our recent discussions with BSDE, its payment profile was 75/15/10% for mortgage/cash instalment/cash in FY23 vs. 70/20/10% in FY22. A pick-up in mortgage payment was attributed to banks' aggressiveness in the segment as reflected in big 4 mortgage loan growth of 12% yoy in FY23.

FY23F and 4Q23F earnings preview: slightly above from better margin

BSDE posted a FY23 presales of Rp9.5tr (+8% yoy) above ours/company's target of FY23 at Rp8.8tr. We expect revenue recognition to be slightly higher compared to FY22, as JV land sale was recognized in 4Q23; we estimate Rp3tr revenue in 4Q23F (-3% yoy/+29% qoq) and Rp10.3tr in FY23F (+1% yoy). We believe gross margin may increase to 70% in 4Q23F (vs. 64% in 3Q23), as non-recurring revenue portion increased in the quarter. But, we expect FY23F gross margin to drop slightly to 66% from 67%, due to JV land sales (20% of presales in FY23 vs. 18% in FY22). All in, we expect BSDE's net profit to be Rp0.9tr in 4Q23F and Rp2.7tr in FY23F, slightly above at 108/106% of ours/cons full-year.

Reiterate Buy with unchanged TP

We reiterate our Buy call on BSDE with TP of Rp1,130 on the back of better than expected presales and earnings. Currently, BSDE trades at 81% discount to NAV (vs. 5Y average of -78%). We expect sales to remain stable in FY24F as development in BSD Phase III may keep demand elevated. Key downside risk is weak presales during election year.

Financial Summary (Rp bn)	2021A	2022A	2023F	2024F	2025F
Revenue	7,655	10,235	9,832	9,983	10,358
EBITDA	3,052	4,457	4,131	4,217	4,433
Net profit	1,349	2,433	2,455	2,578	2,588
EPS growth (%)	379%	80%	1%	5%	0%
ROE	4%	7%	7%	7%	7%
PER (x)	15.8	8.7	8.7	8.3	8.2
EV/EBITDA (x)	8.4	5.3	5.5	5.6	4.8
Dividend yield	1%	1%	2%	2%	2%
Forecast changes			-17%	-13%	-12%
IPS vs. consensus			99%	103%	99%

Source: Company, Indo Premier

Share price closing as of: 31 January 2024

Fig. 1: BSDE FY23 presales

Presales (Rp bn)	FY23	FY22	%YoY	4Q23	4Q22	%YoY	3Q23	%QoQ
Housing	5,012	5,120	-2%	543	1,246	-56%	1,452	-63%
Commercial	1,420	1,041	36%	145	114	27%	356	-59%
Land lots	2,630	2,154	22%	1,893	632	199%	143	1222%
Strata Title	441	489	-10%	171	96	78%	9	1858%
Total presales	9,503	8,805	8%	2,752	2,089	32%	1,961	40%

Source: Company, Indo Premier

Fig. 2: BSDE FY23 presales

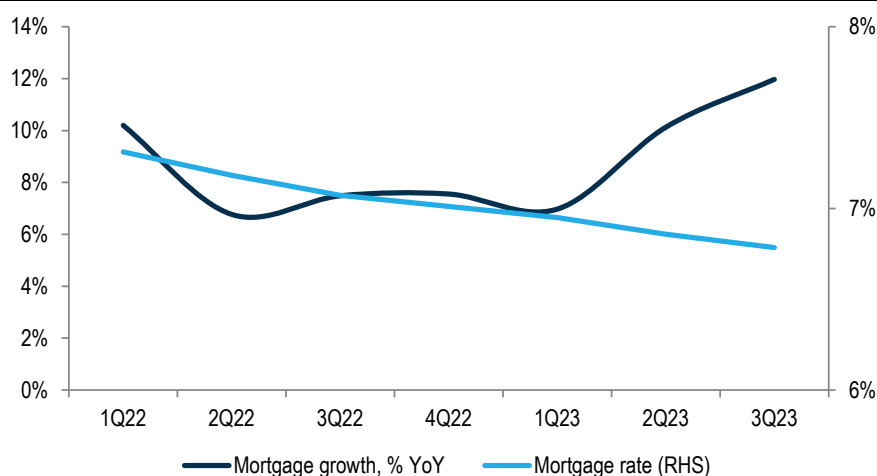
Launch date	Location	Cluster/tower	Type	Unit size (sqm)	Price range (Rp bn)	Take-up rate (during initial launch)	Total marketing sales (Rp bn)	Latest take-up rate (based on channel checks)	Estimated marketing sales until 9M23 (Rp bn)
BSDE									
4Q22	Grand City Balikpapan	Nordville	Landed houses	88-172	1.7-3.2	44%	112	72%	212
1Q23	Kota Wisata Cibubur	Vermont	Landed houses	110-114	2.1-3.5	50%	34	85%	64
1Q23	BSD City Phase II	Delrey	Shop houses	190-276	4.1-7.1	56%	197	89%	343
1Q23	BSD City Phase II	Nava Park "Layton"	Landed houses	463-635	18-32	67%	489	92%	1,400
1Q23	Hiera	Welton	Landed houses	118-227	2.9-5.7	84%	224	84%	796
2Q23	Kota Wisata Cibubur	Front Row	Shop houses	171-214	3.4-4.3	100%	201	100%	201
3Q23	Grand Wisata Bekasi	Tanamas	Landed houses	73	1.4-1.8	73%	35	78%	67
3Q23	BSD City Phase III	Tanakayu "Vasya"	Landed houses	137	3.3-5.1	72%	90	64%	191
3Q23	BSD City Phase III	Terravia "Adora"	Landed houses	93	2.1-2.7	69%	60	65%	129
3Q23	BSD City Phase III	Enchante Business Park	Shop houses	146-190	3.2-4.9	100%	250	100%	250
3Q23	BSD City Phase II	Iconix	Shop houses	346-348	8.1-8.4			100%	214
3Q23	Kota Wisata Cibubur	Lumbizz	Shop houses	146	2.3			68%	48
3Q23	BSD City Phase III	Eonna "Namee"	Landed houses	192	5.3-7.6	63%	52	63%	77
3Q23	Kota Wisata Cibubur	Devant	Shop houses	370-487	7.3-10			83%	87
4Q23	BSD City Phase III	Ruko Vanya	Shop houses	80	2.4			70%	9
4Q23	BSD City Phase II	Cascade	Shop houses	48-90	3-6			68%	59
4Q23	BSD City Phase III	Tanakayu "Chava"	Landed houses	126	3.5			31%	88
4Q23	BSD City Phase III	Terravia "Adora Prime"	Landed houses	84	2.2-3.3			17%	11
1Q24	BSD City Phase II	Ruko Akasa	Shop houses	32-56.25	0.9-1.7				
Presales from new launches until 9M23									4,244
Recurring sales									3,388
Total FY23 presales									7,632

Source: Company, Indo Premier

Notes:

- For estimated marketing sales until 1H23, we used the take-up rate from our channel checks on early-Jul23 and the average unit selling price to calculate the estimated marketing sales for the undisclosed number from BSDE (Nordville, Vermont and Delrey).
- For "Layton" Nava Park, "Welton" Hiera and "Front Row" Kota Wisata, the estimated marketing sales until 1H23 numbers are from the company's disclosure.

Fig. 3: Mortgage growth vs Mortgage rate



Source: Company, Indo Premier

Fig. 4: BSDE FY23F result preview

BSDE FY23F results (Rp bn)	FY23F	FY22	%YoY	4Q23F	4Q22	%YoY	3Q23	%QoQ	IPS FY23F	% of IPS	Cons	% of Cons
Revenue	10,293	10,235	1%	2,985	3,090	-3%	2,310	29%	9,832	105%	10,145	101%
COGS	(3,542)	(3,409)	4%	(898)	(751)	20%	(823)	9%	(3,424)	103%		
Gross Profit	6,751	6,826	-1%	2,087	2,339	-11%	1,487	40%	6,408	105%	6,710	101%
GP margin (%)	66%	67%		70%	76%	-8%	64%	9%	65%		66%	
Opex	(2,820)	(2,787)	1%	(683)	(710)	-4%	(723)	-6%	(2,694)	105%		
EBIT	3,930	4,039	-3%	1,403	1,629	-14%	764	84%	3,714	106%	3,653	108%
Interest expense	(1,537)	(1,668)	-8%	(336)	(409)	-18%	(405)	-17%	(1,541)	100%		
Interest & invt inc	375	332	13%	19	83	-77%	135	-86%	375	100%		
Others (include forex)	570	292	95%	(16)	428	-104%	262	-106%	570	100%		
Pretax profit	3,339	2,996	11%	1,070	1,731	-38%	754	42%	3,119	107%	3,131	107%
Tax	(414)	(339)	22%	(151)	(96)	57%	(102)	48%	(402)	103%		
Minority interests	(274)	(224)	22%	(37)	(121)	-69%	(84)	-56%	(262)	105%		
Net profit	2,651	2,433	9%	882	1,515	-42%	568	55%	2,456	108%	2,497	106%
Core profit	2,405	2,407	0%	724	1,296	-44%	538	35%				

Source: Company, Indo Premier

Fig. 5: BSDE P/E band



Source: Company, Bloomberg, Indo Premier

Fig. 6: BSDE discount to NAV



Source: Company, Bloomberg, Indo Premier

Fig. 7: Peers comparison

Ticker	Current Price	Target Price	Upside	P/E (x)		ROE (%)		Discount to NAV	5yr ave. discount to NAV
				FY23F	FY24F	FY23F	FY24F		
BSDE	1035	1130	9%	8.8	8.4	7%	7%	81%	78%
CTRA	1250	1200	-4%	13.8	11.2	9%	10%	63%	63%
PWON	420	645	54%	10.4	9.3	10%	10%	72%	58%
SMRA	560	805	44%	10.9	8.8	9%	10%	83%	78%

Source: Company, Indo Premier

Income Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net revenue	7,655	10,235	9,832	9,983	10,358
Cost of sales	(2,915)	(3,409)	(3,424)	(3,450)	(3,510)
Gross profit	4,740	6,826	6,408	6,533	6,848
SG&A Expenses	(2,111)	(2,787)	(2,694)	(2,735)	(2,838)
Operating profit	2,629	4,039	3,714	3,797	4,010
Net interest	(1,251)	(1,336)	(1,166)	(1,149)	(1,371)
Forex gain (loss)	(10)	(111)	-	-	-
Others	416	403	570	604	646
Pre-tax income	1,784	2,996	3,119	3,252	3,285
Income tax	(245)	(339)	(402)	(409)	(422)
Minority interest	(190)	(224)	(262)	(266)	(276)
Net income	1,349	2,433	2,455	2,578	2,588

Balance Sheet (Rp bn)	2021A	2022A	2023F	2024F	2025F
Cash & equivalent	7,767	9,734	13,778	13,033	15,080
Receivable	135	182	152	154	160
Inventory	11,857	12,610	12,284	12,378	12,593
Other current assets	8,639	7,061	7,061	7,061	7,061
Total current assets	28,398	29,587	33,276	32,627	34,895
Fixed assets	8,488	8,286	7,970	7,651	7,327
Other non-current assets	24,584	27,126	29,210	31,347	33,542
Total non-current assets	33,072	35,413	37,180	38,998	40,869
Total assets	61,470	64,999	70,456	71,625	75,764

ST loans	-	33	24	-	-
Payable	1,182	979	1,098	1,108	1,128
Other payables	9,786	10,321	10,468	9,713	10,731
Total current liab.	10,968	11,333	11,591	10,821	11,860
Long term loans	1,745	4,775	7,210	7,325	7,388
Other LT liab.	12,863	10,846	11,355	10,803	11,466
Total liabilities	25,576	26,954	30,156	28,948	30,714

Equity	9,036	8,803	8,803	8,803	8,803
Retained earnings	22,420	24,834	26,827	28,938	31,036
Minority interest	4,438	4,408	4,670	4,935	5,211
Total SHE + minority int.	35,894	38,045	40,300	42,677	45,050
Total liabilities & equity	61,470	64,999	70,456	71,625	75,764

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
EBIT	2,629	4,039	3,714	3,797	4,010
Depr. & amortization	423	418	416	420	423
Changes in working capital	(1,455)	(1,288)	409	(1,404)	1,463
Others	1,709	(78)	(998)	(954)	(1,147)
Cash flow from operating	3,306	3,092	3,542	1,858	4,750
Capital expenditure	(2,069)	(827)	(2,183)	(2,238)	(2,295)
Others	2,437	1,279	-	-	-
Cash flow from investing	369	451	(2,183)	(2,238)	(2,295)
Loans	(5,120)	(35)	3,148	101	81
Equity	-	-	-	-	-
Dividends	(124)	(261)	(462)	(466)	(490)
Others	(1,241)	(1,453)	-	(0)	0
Cash flow from financing	(6,486)	(1,748)	2,686	(366)	(408)
Changes in cash	(2,811)	1,795	4,044	(745)	2,047

Key Ratios	2021A	2022A	2023F	2024F	2025F
Gross margin	62%	67%	65%	65%	66%
Operating margin	34%	39%	38%	38%	39%
Pre-tax margin	23%	29%	32%	33%	32%
Net margin	18%	24%	25%	26%	25%
ROA	2%	4%	4%	4%	4%
ROE	4%	7%	7%	7%	7%
ROIC	3%	5%	5%	5%	5%
Acct. receivables TO (days)	7	6	6	6	6
Inventory TO (days)	1,412	1,310	1,310	1,310	1,310
Payable TO (days)	128	108	108	108	108
Debt to equity	33%	31%	37%	36%	34%
Interest coverage ratio (x)	1.6	2.4	2.4	2.5	2.3
Net gearing	12%	6%	3%	5%	0%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

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