

# Bumi Serpong Damai

**BUY** (upgrade)

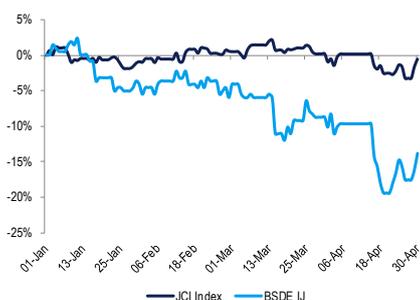
Company Update | Property | BSDE IJ | 30 April 2024

**Stock Data**

Target price	Rp1,130
Prior TP	Rp1,025
Current price	Rp930
Upside/downside	+22%
Shares outstanding (mn)	21,171
Market cap (Rp bn)	19,689
Free float	32%
Avg. 6m daily T/O (Rp bn)	13

**Price Performance**

	3M	6M	12M
Absolute	-9.7%	-7.5%	-12.3%
Relative to JCI	-10.8%	-14.9%	-17.7%
52w low/high (Rp)	870 – 1,225		



**Major Shareholders**

Paraga Arta Mida	36.5%
Ekacentra Usahamaja	25.6%

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## 1Q24 results: strong beat from faster revenue recognition and higher GPM

- BSDE booked a 1Q24 net profit of Rp1.4tr (+63% yoy/715% qoq) which was above ours/cons' at 65/57%.
- 1Q24 presales of Rp2.2tr (+3% yoy) and in-line with ours/company's target (at 24/23%).
- We upgrade our rating to Buy with a higher TP of Rp1,130 to reflect a higher revenue recognition and GPM due to product mix.

### 1Q24 results: beat on higher GPM and revenue recognition

BSDE reported 1Q24 net profit of Rp1.4tr (+63% yoy/+715% qoq), which was above ours/consensus estimates at 65/57% of FY24F, driven by a combination of change in product mix and sizable revenue recognition. 1Q24 gross profit of Rp2.7tr (+42% yoy/+52% qoq) also came above ours/consensus at 44/37% of FY24F. GPM improved to 70% in 1Q24 (+589bps yoy/+2,893bps qoq), given higher revenue contribution from housing (42% in 1Q24; vs. 33% in 1Q23). Meanwhile, revenue came in at Rp3.8tr (+31% yoy/-11% qoq), better than our/consensus estimates at 37/34%, due to revenue jump from the housing segment (+68% yoy) on sizable revenue recognition of VAT-exempt inventories from Grand Wisata Bekasi (Rp400bn), as well as handovers for Yuthica in BSD (Rp350bn).

### 1Q24 presales: in-line, driven by shophouse and apartment growth

1Q24 presales of Rp2.2tr (+3% yoy) met our/company's estimates, forming 24/23% of FY24F presales target. Shophouse/apartment presales reached Rp627/147bn (+75/44% yoy) in the quarter. Of note, the former presales were driven by sales of newly launched products, including Cascade Studio Loft in BSD City, as well as existing shophouse inventories. Meanwhile, apartment sales came from existing inventories of Southgate/Aerium/Akasa/Upper West, which contributed to 42/14/14/14% of 1Q24 presales. Housing presales reached Rp1.3tr (-16% yoy).

### Upgrade from Hold to Buy with a higher TP of 1,130

BSDE reported a strong set of 1Q24 results. We revised up our EPS forecasts by +13-19% in FY24-25F to incorporate 1Q24 data points. We upgrade our rating on BSDE from Hold to Buy, with a higher TP of Rp1,130 (vs. Rp1,025 previously) based on a blended-valuation of P/E multiple (unchanged target of 10.5x; -0.5 SD) and disc. to NAV at -83% (unchanged at -1 SD). BSDE is currently trading at 7.5x FY24F P/E and -83% disc. to NAV. Risk are weak presales and purchasing power.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	10,235	11,539	11,049	10,747	10,627
EBITDA	4,457	3,760	4,314	4,284	4,224
Net profit	2,433	1,945	2,642	2,466	2,560
EPS growth (%)	80%	-20%	36%	-7%	4%
ROE	7%	6%	7%	6%	6%
PER (x)	10.1	7.5	8.0	7.7	10.1
EV/EBITDA (x)	5.9	5.0	4.6	4.4	5.9
Dividend yield	1%	2%	2%	2%	2%
Forecast changes			+19%	+13%	+13%
IPS vs. consensus			104%	80%	82%

Source: Company, Indo Premier

Share price closing as of: 30 April 2024

Fig. 1: BSDE 1Q24 results summary

BSDE FY23 results (Rp bn)	1Q24	1Q23	%YoY	4Q23	%QoQ	IPS FY24F	% of IPS	Cons. FY24F	%of Cons
Revenue	3,774	2,876	31%	4,231	-11%	10,086	37%	11,052	34%
COGS	(1,124)	(1,025)	10%	(2,484)	-55%	(4,012)	28%		
<b>Gross Profit</b>	<b>2,651</b>	<b>1,850</b>	<b>43%</b>	<b>1,747</b>	<b>52%</b>	<b>6,074</b>	44%	<b>7,184</b>	<b>37%</b>
<i>GP margin (%)</i>	<i>70%</i>	<i>64%</i>		<i>41%</i>		<i>60%</i>		<i>65%</i>	
Opex	(859)	(652)	32%	(976)	-12%	(2,721)	32%		
<b>EBIT</b>	<b>1,792</b>	<b>1,198</b>	<b>50%</b>	<b>772</b>	<b>132%</b>	<b>3,353</b>	53%	<b>3,721</b>	<b>48%</b>
Interest expense	(335)	(397)	-15%	(417)	-20%	(1,677)	20%		
Interest & invt inc	112	114	-2%	141	-21%	497	23%		
Others (include forex)	82	162	-49%	(105)	-178%	718	11%		
<b>Pretax profit</b>	<b>1,651</b>	<b>1,078</b>	<b>53%</b>	<b>390</b>	<b>324%</b>	<b>2,892</b>	57%	<b>3,081</b>	<b>54%</b>
Tax	(110)	(91)	21%	(136)	-19%	(402)	27%		
Minority interests	(103)	(103)	1%	(77)	33%	(268)	39%		
<b>Net profit</b>	<b>1,437</b>	<b>884</b>	<b>63%</b>	<b>176</b>	<b>715%</b>	<b>2,221</b>	65%	<b>2,530</b>	<b>57%</b>

Source: Company, Indo Premier

Fig. 2: BSDE 1Q24 results breakdown

Revenue breakdown (Rp bn)	1Q24	1Q23	%YoY	4Q23	%QoQ
House + Landplots	3,201	2,082	54%	3,581	-11%
Strata	157	382	-59%	210	-25%
<b>Non recurring</b>	<b>3,359</b>	<b>2,464</b>	<b>36%</b>	<b>3,791</b>	<b>-11%</b>
<b>Recurring revenue</b>	<b>416</b>	<b>411</b>	<b>1%</b>	<b>440</b>	<b>-5%</b>
<b>Total</b>	<b>3,774</b>	<b>2,876</b>	<b>31%</b>	<b>4,231</b>	<b>-11%</b>

Gross margin breakdown	1Q24	1Q23	YoY (bp)	4Q23	QoQ (bp)
House + landplots	73%	71%	248	40%	3,319
Strata	37%	36%	47	34%	244
<b>Non-recurring magin</b>	<b>72%</b>	<b>66%</b>	<b>614</b>	<b>40%</b>	<b>3,180</b>
<b>Recurring margin</b>	<b>58%</b>	<b>57%</b>	<b>122</b>	<b>53%</b>	<b>502</b>
<b>Overall margin</b>	<b>70%</b>	<b>64%</b>	<b>589</b>	<b>41%</b>	<b>2,893</b>

Source: Company, Indo Premier

Fig. 3: BSDE 1Q24 presales

Presales (Rp bn)	1Q24	1Q23	%YoY	4Q23	%QoQ	IPS FY24F	% target	Company's FY24F target	% target
Housing	1,256	1,488	-16%	543	131%				
Shophouse	627	359	75%	145	331%				
Land lots	191	200	-5%	1,893	-90%				
Apartment	147	102	44%	171	-14%				
<b>Total presales</b>	<b>2,220</b>	<b>2,149</b>	<b>3%</b>	<b>2,752</b>	<b>-19%</b>	<b>9,400</b>	<b>24%</b>	<b>9,500</b>	<b>23%</b>

Source: Company, Indo Premier

Fig. 4: Forecast changes

	Old			New			Changes		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Net revenue	10,086	10,135	9,998	11,049	10,747	10,627	10%	6%	6%
Cost of sales	(4,012)	(3,922)	(3,909)	(4,251)	(4,065)	(4,041)	6%	4%	3%
<b>Gross profit</b>	<b>6,074</b>	<b>6,213</b>	6,089	<b>6,797</b>	<b>6,682</b>	<b>6,586</b>	<b>12%</b>	<b>8%</b>	<b>8%</b>
<b>GP margin (%)</b>	<b>60%</b>	<b>61%</b>	<b>61%</b>	<b>62%</b>	<b>62%</b>	<b>62%</b>			
SG&A Expenses	(2,721)	(2,734)	(2,697)	(2,981)	(2,899)	(2,867)	10%	6%	6%
<b>Operating profit</b>	<b>3,353</b>	<b>3,479</b>	3,391	<b>3,817</b>	<b>3,783</b>	<b>3,719</b>	<b>14%</b>	<b>9%</b>	<b>10%</b>
Net interest	(1,180)	(1,361)	(1,241)	(1,184)	(1,365)	(1,245)	0%	0%	0%
Forex gain (loss)	-	-	-	-	-	-	N/A	N/A	N/A
Others	718	749	779	729	756	786	2%	1%	1%
<b>Pre-tax income</b>	<b>2,892</b>	<b>2,866</b>	2,929	<b>3,363</b>	<b>3,174</b>	<b>3,260</b>	<b>16%</b>	<b>11%</b>	<b>11%</b>
Income tax	(402)	(407)	(401)	(426)	(422)	(417)	6%	4%	4%
Minority interest	(268)	(270)	(266)	(294)	(286)	(283)	10%	6%	6%
<b>Net income</b>	<b>2,221</b>	<b>2,190</b>	2,262	<b>2,642</b>	<b>2,466</b>	<b>2,560</b>	<b>19%</b>	<b>13%</b>	<b>13%</b>

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

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	10,235	11,539	11,049	10,747	10,627
Cost of sales	(3,409)	(5,127)	(4,251)	(4,065)	(4,041)
<b>Gross profit</b>	6,826	6,412	6,797	6,682	6,586
SG&A Expenses	(2,787)	(3,113)	(2,981)	(2,899)	(2,867)
<b>Operating profit</b>	4,039	3,299	3,817	3,783	3,719
Net interest	(1,336)	(1,122)	(1,184)	(1,365)	(1,245)
Forex gain (loss)	(111)	(497)	-	-	-
Others	403	978	729	756	786
<b>Pre-tax income</b>	2,996	2,658	3,363	3,174	3,260
Income tax	(339)	(399)	(426)	(422)	(417)
Minority interest	(224)	(314)	(294)	(286)	(283)
<b>Net income</b>	2,433	1,945	2,642	2,466	2,560

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	9,734	9,426	10,007	11,838	10,335
Receivable	182	262	212	206	204
Inventory	12,610	14,308	11,159	10,669	10,607
Other current assets	7,061	5,380	5,380	5,380	5,380
<b>Total current assets</b>	29,587	29,375	26,758	28,093	26,525
Fixed assets	8,286	9,748	9,351	8,950	8,545
Other non-current assets	27,126	27,705	29,843	32,037	34,292
<b>Total non-current assets</b>	35,413	37,453	39,193	40,987	42,837
<b>Total assets</b>	64,999	66,828	65,951	69,080	69,362
ST loans	33	20	-	-	-
Payable	979	1,033	852	817	812
Other payables	10,321	10,845	8,547	9,007	9,132
<b>Total current liab.</b>	11,333	11,898	9,399	9,825	9,944
Long term loans	4,775	7,804	6,686	6,752	6,068
Other LT liab.	10,846	5,924	6,026	6,316	4,695
<b>Total liabilities</b>	26,954	25,626	22,110	22,892	20,708
Equity	8,803	9,699	9,699	9,699	9,699
Retained earnings	24,834	26,772	29,117	31,179	33,362
Minority interest	4,408	4,731	5,025	5,311	5,593
<b>Total SHE + minority int.</b>	38,045	41,202	43,841	46,188	48,654
<b>Total liabilities &amp; equity</b>	64,999	66,828	65,951	69,080	69,362

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
EBIT	4,039	3,299	3,817	3,783	3,719
Depr. & amortization	418	461	497	501	504
Changes in working capital	(1,288)	(889)	(426)	1,184	756
Others	(78)	(2,030)	(880)	(1,031)	(876)
<b>Cash flow from operating</b>	<b>3,092</b>	<b>840</b>	<b>3,008</b>	<b>4,437</b>	<b>4,104</b>
Capital expenditure	(827)	(426)	(2,238)	(2,295)	(2,354)
Others	1,279	111	-	-	-
<b>Cash flow from investing</b>	<b>451</b>	<b>(315)</b>	<b>(2,238)</b>	<b>(2,295)</b>	<b>(2,354)</b>
Loans	(35)	(147)	108	94	(2,877)
Equity	-	-	-	-	-
Dividends	(261)	(372)	(297)	(404)	(377)
Others	(1,453)	206	-	-	-
<b>Cash flow from financing</b>	<b>(1,748)</b>	<b>(313)</b>	<b>(189)</b>	<b>(310)</b>	<b>(3,253)</b>
<b>Changes in cash</b>	<b>1,795</b>	<b>213</b>	<b>581</b>	<b>1,832</b>	<b>(1,504)</b>

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	67%	56%	62%	62%	62%
Operating margin	39%	29%	35%	35%	35%
Pre-tax margin	29%	23%	30%	30%	31%
Net margin	24%	17%	24%	23%	24%
ROA	4%	3%	4%	4%	4%
ROE	7%	6%	7%	6%	6%
ROIC	5%	4%	5%	5%	5%
Acct. receivables TO (days)	6	7	7	7	7
Inventory TO (days)	1,310	958	958	958	958
Payable TO (days)	108	66	66	66	66
Debt to equity	31%	29%	27%	26%	19%
Interest coverage ratio (x)	2.4	2.0	2.3	2.0	2.1
Net gearing	6%	6%	4%	0%	-3%

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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