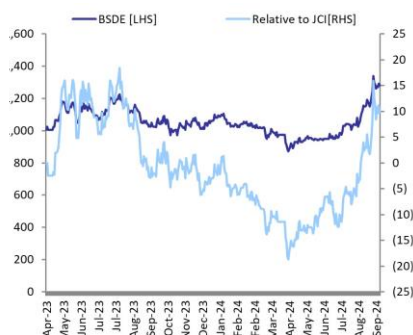


Buy

(Maintained)

Last Price (Rp)	1,280
Target Price (Rp)	1,550 ▲
Previous Target Price (Rp)	1,300
Upside/Downside	+21.1%
No. of Shares (mn)	19,247
Mkt Cap (Rpbn/US\$m)	24,636/1,603
Avg, Daily T/O (Rpbn/US\$m)	16.9/1.1
Free Float (%)	30.5
Major Shareholder (%)	
Paraga Artamida	31.4
Ekacentra Usahamaju	25.6
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	182.4 185.3 177.6
Consensus	142.2 140.1 148.7
BRIDS/Cons (%)	28.3 32.3 19.4

BSDE relative to JCI Index



Source: Bloomberg

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Bumi Serpong Damai (BSDE IJ)

Well-Connected Township Remains Key Selling Points to Support FY24F-26F Core Marketing Sales

- BSDE's projects boast the key value-add of strong connectivity, which we expect to support a 4% CAGR growth in FY24F-26F core pre-sales.
- Our channel check on the new launches indicates potential Rp188bn in pre-sales in 3Q24; this leads us to raise our FY24F target by 23%.
- We resume coverage with a Buy rating and RNAV-based TP of Rp1,550; Key risks are related to pre-sales growth and awaited ROE improvement.

Well-Connected Township will Remain BSDE's Key Selling Point

We believe BSD City's strong connectivity with Jakarta's major highways and proximity to transport hubs will remain the key distinctive selling points in the Indonesian property market, allowing BSDE to dominate its market segment (**exh.6**) by pioneering a well-designed township. Supported by other projects strategically located in Jakarta's suburb with interconnected transportation facilities (e.g. Grand Wisata Bekasi, where marketing sales have increased by ~Rp300bn/year post the effective operations of LRT Jabodebek), we believe these projects shall support BSDE's core marketing sales (excl. JV land sales) in FY24F-FY26F (our forecast of Rp7.9tr-Rp8.7tr).

3Q24 Product Launches to Contribute ~2-4% to FY24F Marketing Sales

Our channel check indicates that BSDE's newly launched products (**exh.5**) could contribute 2-4% to its FY24F marketing sales, with a relatively attractive take-up rate averaging ~32% in BSD City. This is despite the product being targeted at the Rp2-6bn market with a handover period of 18-24 months (and thus excluded from the VAT-exemptions). We maintain a positive view that BSDE can meet its FY24F target of Rp9.5tr. Incorporating the potential 4Q24 product launches and potential JV land lot in 2H24/FY25F, we raise our overall marketing sales fcst. by 23%/18% to Rp9.5tr/Rp9.7tr in FY24F/FY25F. This leads to an upward revision in our FY24F revenue/net profit by 33%/69% (**exh.1**).

Resuming Coverage with a Buy rating and a TP of Rp1,550

We resume our coverage on BSDE with a Buy rating and a higher TP of Rp1,550, based on a higher 67% disc. to our revised RNAV, implying 0.8/0.7x FY24F/FY25F P/BV. We incorporate the upcoming acquisition of SMDM into our RNAV calculation (~8% to total RNAV), by conservatively valuing the landbank at a ~70% discount to market value. We believe this could narrow in the future as we expect BSDE to implement a similar marketing strategy to SMDM's project, which may add another ~5% to BSDE's RNAV. Key risks are: 1) lower-than-expected marketing sales achievement 2) lower dividend payout (avg. peers' payout of 23%), deterring its ROE improvement to reclaim the 45-50% disc.to RNAV during FY14-FY15 property boom (**exh.8**).

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	10,235	11,539	13,545	14,777	13,796
EBITDA (Rpbn)	4,453	3,740	6,300	6,387	5,309
EBITDA Growth (%)	46.1	(16.0)	68.4	1.4	(16.9)
Net Profit (Rpbn)	2,433	1,945	3,861	3,924	3,760
EPS (Rp)	114.9	91.9	182.4	185.3	177.6
EPS Growth (%)	80.4	(20.0)	98.5	1.6	(4.2)
BVPS (Rp)	1,588.8	1,722.6	1,928.2	2,113.5	2,291.1
DPS (Rp)	0.0	0.0	0.0	0.0	0.0
PER (x)	11.1	13.9	7.0	6.9	7.2
PBV (x)	0.8	0.7	0.7	0.6	0.6
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	6.6	7.9	4.5	3.6	3.7

See important disclosure at the back of this report

Exhibit 1. Key Forecast Changes

Rpbn	2023	2024F	Previous 2025F	2026F	2024F	New 2025F	2026F	2024F	Changes 2025F	2026F	2024F	Cons. 2025F	2026F	2024F	New BRIDS vs. Cons. 2025F	2026F
Marketing Sales	9,503	7,705	8,205	8,121	9,495	9,690	8,691	23%	18%	7%						
Core Marketing Sales	7,633	7,705	8,205	8,121	7,995	8,567	8,691	4%	4%	7%						
Revenue	11,539	10,193	9,430	9,713	13,545	14,777	13,796	33%	57%	42%	11,974	11,691	11,951	13%	26%	15%
Gross Profit	6,412	6,839	6,394	6,609	9,040	9,929	9,365	32%	55%	42%	7,812	7,556	7,811	16%	31%	20%
Operating Profit	3,299	3,800	3,382	3,473	5,789	5,822	5,309	52%	72%	53%	4,382	4,070	4,143	32%	43%	28%
Net Profit	1,945	2,285	1,980	2,068	3,861	3,924	3,760	69%	98%	82%	3,104	2,986	3,059	24%	31%	23%

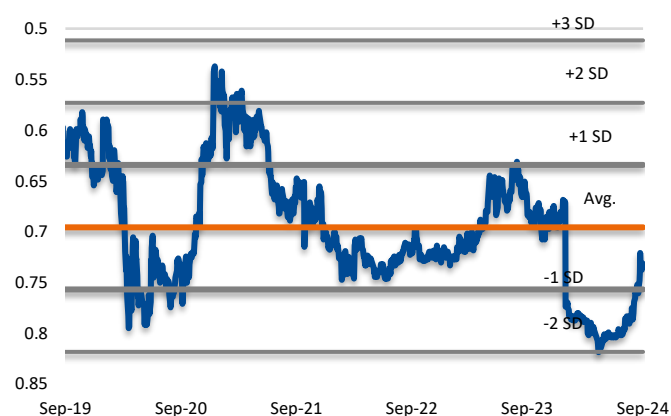
Source: BRIDS, Bloomberg

Exhibit 2. BSDE's RNAV Calculation

Valuation Summary	Method	RNAV (Rpbn)	%
Leased Office	DCF	2,199	2%
Malls	DCF	7,728	8%
Hotels	DCF	94	0%
Residentials	DCF	26,922	26%
Apartment	Est. Unsold Stock Value	588	1%
Land Bank	NAV/Cost	63,820	63%
Total		101,351	
Net Cash (Debt)		388	
RNAV		101,739	
Fully diluted share base (bn)		21	
RNAV per share		4,806	
Premium/(discount)		67%	
Target Price (Rp)		1,567	
Target Price (Rp) - Rounded		1,550	
Current Price		1,300	
Current Price disc. to RNAV		73%	
Upside Potential		19%	

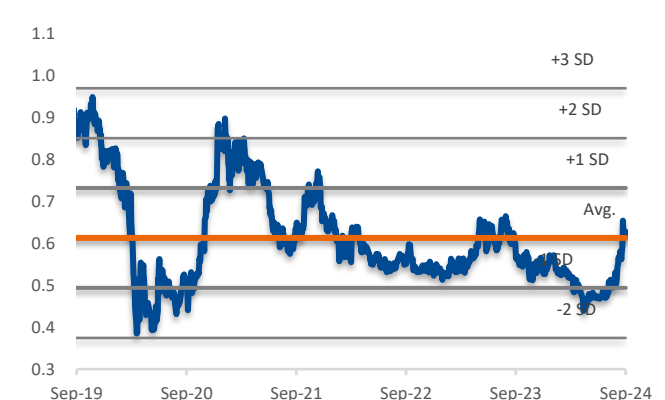
Source: BRIDS Estimates

Exhibit 3. Discount to RNAV Band Chart (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 4. Forward 12M PBV Band Chart (5-year)



Source: Bloomberg, BRIDS Estimates

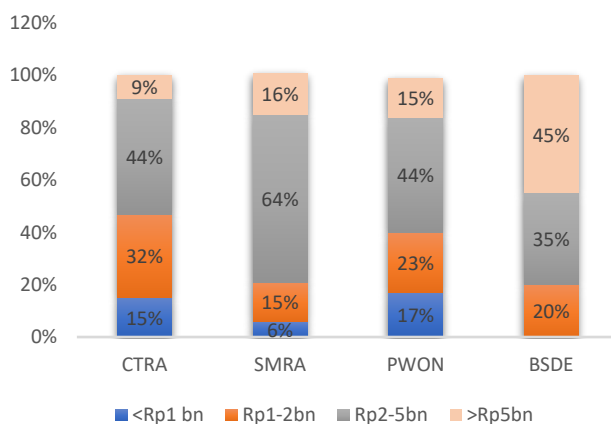
Exhibit 5. Estimation of Marketing Sales from New Launches

BSDE	Stages	Dimension (sqm)	Unit Sold	Total Unit	Take-Up Rate (%)	Price (Mortgage) Rpbn	Total Sold
Belova Classic BSD City	Launched Jul24	6 x 11	2	11	18%	2.04	4.09
		6 x 11	0	10	0%	2.04	-
		6 x 11	7	8	88%	2.04	14.30
		6 x 11	7	8	88%	2.04	14.30
		6 x 11	3	3	100%	2.04	6.13
			19	40	48%		38.82
Adora Luxe BSD City	Launched Jul24	8 x 14	0	10	0%	4.04	-
		8 x 14	7	10	70%	4.04	28.25
			7	20	35%		28.25
Wynyard at Hieria BSD City	Launched Aug24	7 x 14	4	47	9%	3.45	13.80
		8 x 18	6	31	19%	4.86	29.15
		9 x 20	9	12	75%	6.54	58.83
			10	78	13%		101.78
Richmond Kota Wisata Cibubur	Pre-Launch Sep24	10 x 20	0	11	0%	14.31	-
		12 x 20	2	13	15%	9.66	19.31
		15 x 26	0	9	0%	8.03	-
			2	33	6%		19.31
Total from New Launches (Rpbn)							188.17

2H24 Launching Schedule			
Project	Type	Location	Price Range
New Cluster @ Terravia Adora	Landed Residentials	BSD Phase III	Rp2-4bn
Next Phase @ Hieria	Landed Residentials	BSD Phase III	Rp3-6bn
Next Phase @ Nava Park	Landed Residentials	BSD Phase II	>Rp5bn
Next Phase @ West Village	Shophouses	BSD Phase II	Rp3-9bn
	Landed Residentials	Grand Wisata Bekasi	Rp3-7bn
	Shophouses	Grand City Balikpapan	~Rp2.5bn
	JV Land Sales	BSD City and Hieria	Rp1tr

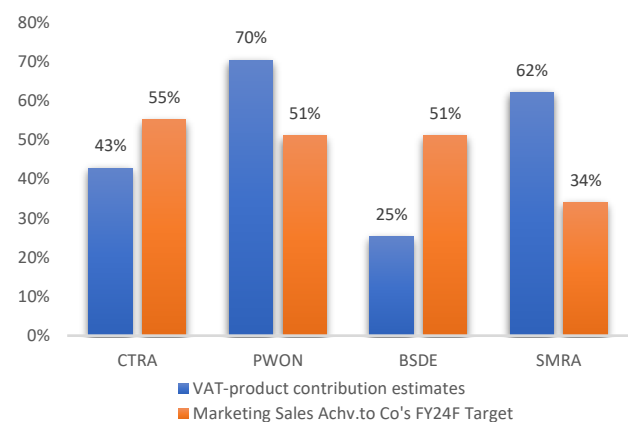
Source: BRIDS Estimates

Exhibit 6. BSDE Dominating in the Upper-Middle Class Property Market

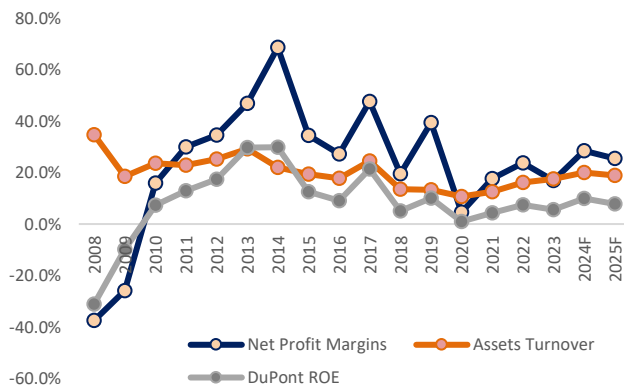


Source: Company, BRIDS

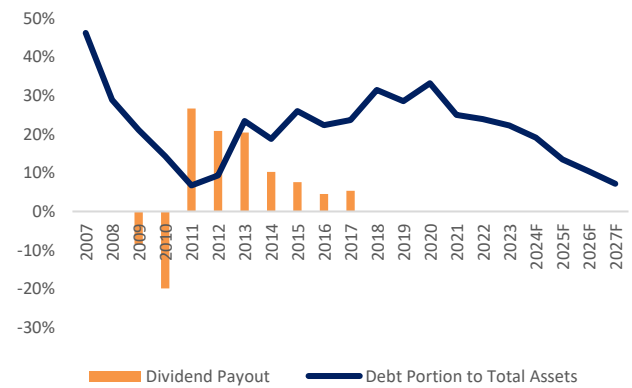
Exhibit 7. Less-Dependency on the VAT Incentives, BSDE remain on-track to its FY24F marketing sales target



Source: Company, BRIDS

Exhibit 8. BSDE's DuPont Analysis: Lower margins post-property boom, with asset-turnover only grew steadily..


Source: Company, BRIDS Estimates

Exhibit 9. ...coupled with continuous deleveraging and lower dividend payout, increasing the equity base


Source: Company, BRIDS Estimates

Exhibit 10. Peers Comparison

Company	Revenue (Rpbn)			Net Profit (Rpbn)			Net Profit Growth (%)			ROE (%)			Net Debt (Cash)		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F
CTRA	10,998	12,287	13,305	2,290	2,727	3,227	24.0	19.1	18.34	10.9	11.8	12.6	-21%	-34%	-46%
BSDE	13,545	14,777	13,796	3,861	3,924	3,760	85.8	1.7	-4.67	10.0	9.2	8.1	2%	-7%	-13%
PWON	6,370	6,938	6,678	2,154	2,360	2,218	2.3	9.6	-6.01	10.8	11.0	9.6	-8%	-11%	-12%
SMRA	7,451	7,499	7,754	863	885	837	12.7	2.6	-5.47	8.5	8.1	7.2	26%	29%	29%

Company	P/E (x)			P/BV (x)			Mkt. Sales (Rpbn)			Price/Mkt. Sales			Disc.to RNAV		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	Current	Avg.5-Yr.	Diff.%
CTRA	10.9	9.1	7.7	1.1	1.0	0.9	11,508	12,032	12,579	2.2	2.1	2.0	61%	61%	0%
BSDE	7.0	6.9	7.2	0.7	0.6	0.6	9,495	9,690	9,859	2.9	2.8	2.7	73%	70%	4%
PWON	11.3	10.3	11.0	1.2	1.1	1.0	1,456	1,535	1,312	16.7	15.8	18.5	67%	62%	5%
SMRA	12.1	11.7	12.4	1.0	0.9	0.9	4,588	4,948	5,338	2.3	2.1	1.9	83%	75%	8%
Average	10.3	9.5	9.6	1.0	0.9	0.8	6,762	7,051	7,272	6.0	5.7	6.3	71%	67%	4%
Median	11.1	9.7	9.3	1.1	1.0	0.9	7,042	7,319	7,598	2.6	2.4	2.4	70%	66%	5%

Source: BRIDS Estimates, Bloomberg

Exhibit 11. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	10,235	11,539	13,545	14,777	13,796
COGS	(3,409)	(5,127)	(4,505)	(4,848)	(4,431)
Gross profit	6,826	6,412	9,040	9,929	9,365
EBITDA	4,453	3,740	6,300	6,387	5,309
Oper. profit	4,039	3,299	5,789	5,822	5,309
Interest income	332	497	499	547	628
Interest expense	(822)	(841)	(846)	(707)	(544)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	263	843	409	447	417
Other Income (Expenses)	102	201	159	132	123
Pre-tax profit	3,915	4,000	6,011	6,240	5,933
Income tax	(339)	(399)	(406)	(511)	(477)
Minority interest	(224)	(314)	(655)	(665)	(638)
Net profit	2,433	1,945	3,861	3,924	3,760
Core Net Profit	3,352	3,287	4,950	5,064	4,819

Exhibit 12. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	9,734	9,426	9,922	11,580	13,501
Receivables	182	262	260	284	265
Inventory	12,610	14,308	14,268	13,973	13,786
Other Curr. Asset	4,856	3,998	3,998	3,998	3,998
Fixed assets - Net	8,286	9,748	10,737	11,671	12,051
Other non-curr.asset	27,126	27,705	27,768	27,776	27,808
Total asset	64,999	66,828	68,335	70,664	72,791
ST Debt	1,490	1,630	3,208	1,268	2,028
Payables	901	1,030	823	882	785
Other Curr. Liabilities	13,514	12,269	9,852	10,679	10,017
Long Term Debt	10,448	10,162	7,709	6,503	4,231
Other LT. Liabilities	600	535	535	535	535
Total Liabilities	26,954	25,626	22,127	19,867	17,596
Shareholder's Funds	33,637	36,471	40,822	44,746	48,506
Minority interests	4,408	4,731	5,386	6,051	6,689
Total Equity & Liabilities	64,999	66,828	68,335	70,664	72,791

Exhibit 13. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	2,433	1,945	3,861	3,924	3,760
Depreciation and Amort.	414	441	511	566	620
Change in Working Capital	726	(2,036)	(2,582)	1,157	(553)
Other Oper. Cash Flow	0	0	0	0	0
Operating Cash Flow	3,573	351	1,790	5,646	3,827
Capex	(1,241)	(453)	(1,073)	(1,508)	(1,031)
Others Inv. Cash Flow	(1,947)	(1,770)	655	665	638
Investing Cash Flow	(3,188)	(2,224)	(418)	(843)	(394)
Net change in debt	(35)	(147)	(875)	(3,146)	(1,512)
New Capital	0	0	0	0	0
Dividend payment	0	0	0	0	0
Other Fin. Cash Flow	(232)	896	0	0	0
Financing Cash Flow	(267)	749	(875)	(3,146)	(1,512)
Net Change in Cash	118	(1,124)	497	1,658	1,921
Cash - begin of the year	7,767	9,734	9,426	9,922	11,580
Cash - end of the year	9,734	9,426	9,922	11,580	13,501

Exhibit 14. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	33.7	12.7	17.4	9.1	(6.6)
EBITDA	46.1	(16.0)	68.4	1.4	(16.9)
Operating profit	53.6	(18.3)	75.5	0.6	(8.8)
Net profit	80.4	(20.0)	98.5	1.6	(4.2)
Profitability (%)					
Gross margin	66.7	55.6	66.7	67.2	67.9
EBITDA margin	43.5	32.4	46.5	43.2	38.5
Operating margin	39.5	28.6	42.7	39.4	38.5
Net margin	23.8	16.9	28.5	26.6	27.3
ROAA	3.8	3.0	5.7	5.6	5.2
ROAE	7.5	5.5	10.0	9.2	8.1
Leverage					
Net Gearing (x)	0.1	0.1	0.0	(0.1)	(0.1)
Interest Coverage (x)	4.9	3.9	6.8	8.2	9.8

Source: BSDE, BRIDS Estimates

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INVESTMENT RATING

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

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