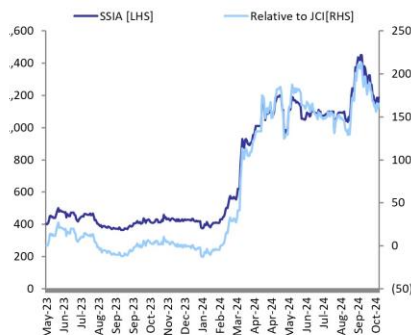


# Buy

(Re-Initiated)

Last Price (Rp)	1,185
Target Price (Rp)	1,400
Previous Target Price (Rp)	n/a
Upside/Downside	+18.1%
No. of Shares (mn)	4,750
Mkt Cap (Rpbn/US\$mn)	5,576/358
Avg, Daily T/O (Rpbn/US\$mn)	19.7/1.3
Free Float (%)	89.5
Major Shareholder (%)	
Arman Investments Utama	9.8
Persada Capital Investama	7.9
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	121.6 123.4 132.7
Consensus	116.0 138.3 219.0
BRIDS/Cons (%)	4.9 (10.8) (39.4)

## SSIA relative to JCI Index



Source: Bloomberg

## BRI Danareksa Sekuritas Analysts

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# Surya Semesta Internusa (SSIA IJ)

## Potential Future Hub of Indonesia's EV Ecosystem

- We believe SSIA's success in housing BYD could attract other players in the EV ecosystem, supported by the future main export port Patimban.
- We expect a 10% CAGR in net profit in FY25-29F, driven by 80-90ha sales in Subang and a 50% gross profit contribution from non-land business.
- We reinstate SSIA with a Buy rating on attractive growth profile; our TP of Rp1,400 is derived from 73% discount to our revised RNAV.

### Monetization of Subang Metropolitan Set to Drive Company's Value

We believe that the success of SSIA for housing BYD in its Subang Smartpolitan lies in the preparedness of its infrastructure, manpower availability, and ability to serve the product's market orientation. This could be a good precedent for other EV or EV component manufacturers to purchase land on the estate. While its location is slightly farther (~65 km or ~1-1.5hr. travel distance) than Suryacipta's Karawang/DMAS' Cikarang (exh.3), the future development of Patimban Seaport, which is expected to be the country's main port of export, could make Subang an attractive destination to house export-oriented high-value manufacturing companies. Thus, we believe that SSIA's key story will lie in its success in monetizing the potential of Subang to be the future hub of the EV ecosystem, with more ample land availability compared to the Cikarang area.

### Expect a 10% CAGR in FY25F-29F Net Profit from 80-90ha Subang Sales/year

SSIA's differentiation with other industrial estate peers are: 1) stable recurring revenue franchise, through network of hotels (e.g. Umana and Melia Bali, Gran Melia Jakarta), which account for 15% of revenue; 2) NRCA as one of the leading private-construction companies in Indonesia, thus providing cushion during any risks of weak marketing sales (exh.5). In terms of marketing sales, we believe the company will be able to meet its FY24F target of 164ha in Subang and 20ha in Karawang, which we estimate to reach Rp2.2tr in value. Management also indicated that BYD land sales of 108ha in 1H24 are on-track for handover in Dec24, thus, we expect this to translate into an FY24F net profit of Rp572bn (+224%yoy). For FY25-29F, we project the company to book a CAGR net profit of 10%, driven by a stable 80-90ha of land sales/year in Subang (with 5-7% ASP increases, post full-operation of Patimban Toll Road by ~FY27F), and a 50% portion of gross profit from its non-land business.

### Reinstate with a Buy and TP of Rp1,400; Top Pick in the Sector

We reinstate SSIA with a Buy rating on its attractive earnings growth profile from Subang's future value potentials to become EV-hub. Our TP of Rp1,400 is based on a 73% (+0.5SD of historical mean) disc.to our revised RNAV. We believe the key risk lies in the development of overall Subang infrastructure, especially the access road to Patimban Seaport, which involves other parties that could delay future land sales inquiries. The latest management update, however, shows that construction will begin in 4Q24 (exh.4).

### Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	3,615	4,538	6,150	5,711	5,906
EBITDA (Rpbn)	390	720	1,288	1,283	1,364
EBITDA Growth (%)	111.5	84.7	78.9	(0.3)	6.3
Net Profit (Rpbn)	176	177	572	581	624
EPS (Rp)	37.4	37.5	121.6	123.4	132.7
EPS Growth (%)	(187.8)	0.4	224.2	1.5	7.5
BVPS (Rp)	816.2	851.6	976.0	1,060.5	1,153.7
DPS (Rp)	0.0	0.0	12.0	38.9	39.5
PER (x)	31.7	31.6	9.7	9.6	8.9
PBV (x)	1.5	1.4	1.2	1.1	1.0
Dividend yield (%)	0.0	0.0	1.0	3.3	3.3
EV/EBITDA	17.9	9.6	2.9	2.8	2.5

Source: SSIA, BRIDS Estimates

See important disclosure at the back of this report

**Exhibit 1. SSIA's Valuation Summary**

Current portfolio	Adj. Value (Rpbn)	% of total
<b>Industrial estate &amp; Property Development</b>		
Suryacipta City of Industry	412	2%
Subang Smartpolitan	13,522	58%
<b>Construction</b>		
Nusa Raya Cipta	567	2%
<b>Hospitalities &amp; Others</b>		
Luxury Hotels	3,086	13%
BATIQA Hotels	514	2%
Travelio	314	1%
Glodok Plaza	313	1%
<b>Land Bank</b>		
Bogor & Bajo & Kasablanka	345	1%
Kuningan	2,145	9%
Total Asset (Rpbn)	21,219	
Net Debt (Cash)	-1,899	
RNAV	23,118	
No. of outstanding shares (bn)	4.7	
<b>RNAV/share</b>	<b>4,913</b>	
<b>TP discount to NAV</b>	<b>73%</b>	
<b>TP</b>	<b>1,400</b>	
<b>Current price</b>	<b>1,185</b>	
<b>Current price discount to NAV</b>	<b>76%</b>	
<b>Upside / downside</b>	<b>18%</b>	

Source: BRIDS Estimates

**Exhibit 2. Comparable Valuation**

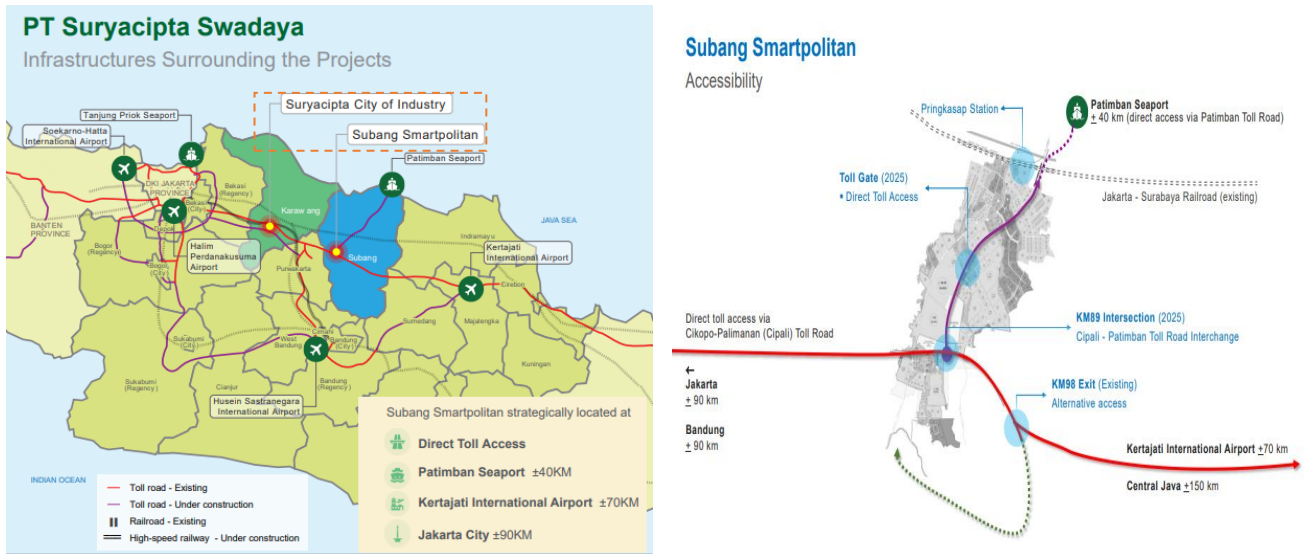
Company	Revenue (Rpbn)			Net Profit (Rpbn)			Net Profit Growth (%)			ROE (%)			Net Debt (Cash)		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F
CTRA	10,998	12,287	13,305	2,290	2,727	3,227	24.0	19.1	18.34	10.9	11.8	12.6	-21%	-34%	-46%
BSDE	13,545	12,936	13,292	3,861	3,297	3,453	98.5	(14.6)	4.74	10.0	7.8	7.5	2%	-3%	-10%
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%
DMAS	2,162	2,190	2,315	1,402	1,498	1,605	15.9	6.9	7.12	21.3	20.4	21.4	-42%	-42%	-42%
SSIA	6,150	5,711	5,906	572	581	624	224.2	1.5	7.49	13.3	12.1	12.0	-23%	-23%	-23%

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	11.4	9.6	8.1	1.2	1.1	1.0	11,508	12,032	12,579	2.3	2.2	2.1	59%	62%	-2%
BSDE	7.0	8.2	7.8	0.7	0.6	0.6	9,495	9,690	9,859	2.8	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	13.8	13.4	14.2	1.1	1.1	1.0	4,588	4,948	5,338	2.6	2.4	2.2	81%	76%	5%
DMAS	5.5	5.1	4.8	1.1	1.0	1.0	1,831	2,038	2,267	4.2	3.8	3.4	76%	68%	8%
SSIA	9.7	9.6	8.9	1.2	1.1	1.0	2,286	1,867	1,981	2.4	3.0	2.8	76%	79%	-2%

Source: BRIDS Estimates

**Exhibit 3. SSIA's Location: Connected to The Main Toll Roads of Java, Ample Labour Supply in Subang Smartpolitan (909k in 2023), and Future Direct Access to Patimban Seaport**



Source: Company

**Exhibit 4. Patimban Toll Road Access, Targeted to Operate in 1Q26**

Significant Event Jan 2023

smartpolitan.com

**Jalan Tol Akses Patimban akan Terkoneksi dengan Subang Smartpolitan**

PERJANJIAN PERJANJIAN PENJAMINAN JALAN TOL  
PERJANJIAN TERKAIT PENJAMINAN PROYEK

**JALAN TOL AKSES PATIMBAN**

Jakarta, 24 Januari 2023

JASAMARGA

PENJAMINAN & INFRASTRUKTUR

JASAMARGA

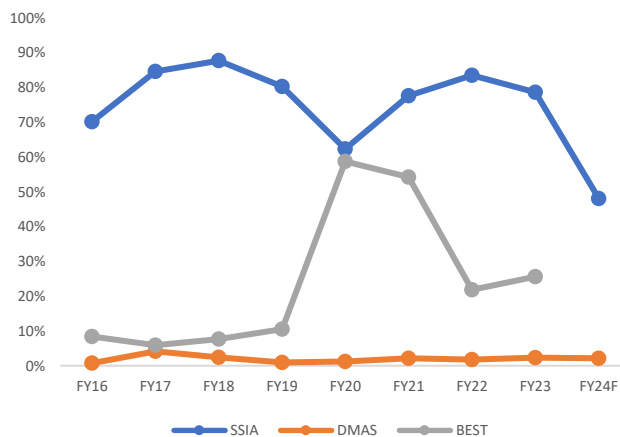
PT BRI



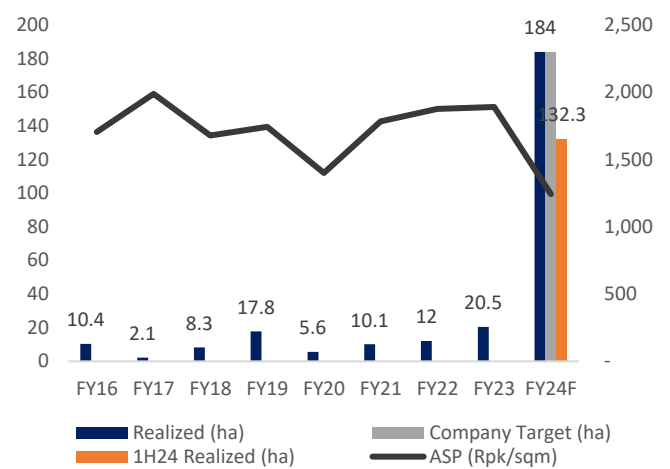
**Toll Road Patimban Access - National Strategic Project**

- Project Scheme**
  - Private-Public Partnership (PPP) with Supported Build Operate Transfer (BOT) scheme
  - Total length: 37.05 km (5 Sections), construction part:
    - Section 1 & 2 (14 km) : PT Jasamarga Akses Patimban
    - Sections 3, 4, & 5 (23 km) : Government
  - Concession Period : 50 years
- Project Timeline**
  - 2023 Q1 : Signing of the Toll Road Concession Agreement
  - 2024 Q4 : Construction begin
  - 2026 Q1 : Target of toll road operations
- Investment Costs (PT Jasamarga Akses Patimban)**
  - Rp 5.026 trillion
- Shareholders (PT Jasamarga Akses Patimban)**
  - Jasa Marga : 55%
  - NRCA : 22%
  - PP, Adhi, Wika: 6% each
  - Subang Sejahtera : 5%

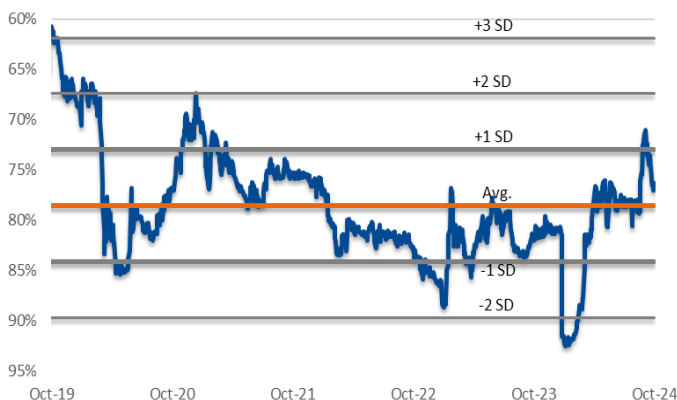
Source: Company

**Exhibit 5. Gross Profit Contribution from Non-Land Business**


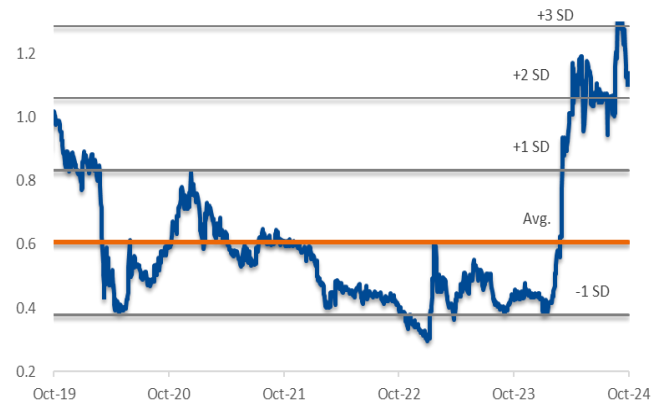
Source: Company, BRIDS Estimates

**Exhibit 6. SSIA's Industrial Land Sales Development**


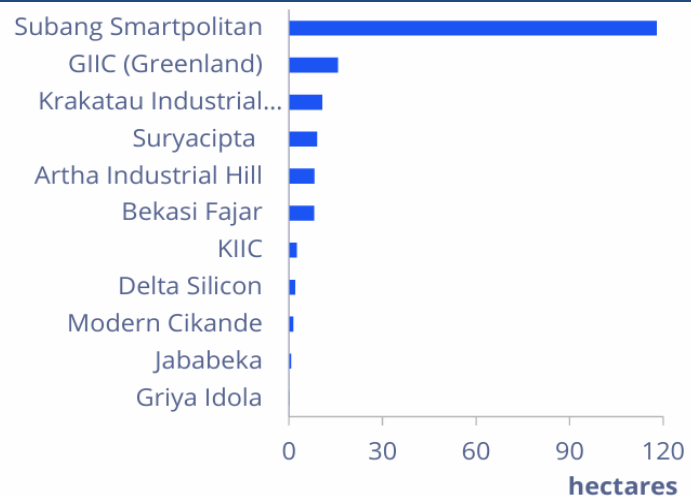
Source: Company, BRIDS Estimates

**Exhibit 7. SSIA's Disc. to RNAV**


Source: Company, BRIDS Estimates

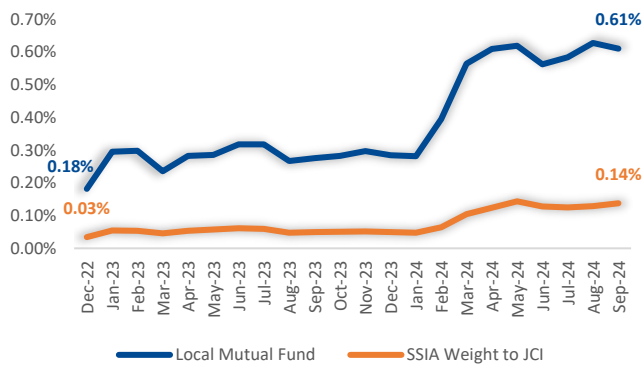
**Exhibit 8. SSIA's PBV Band**


Source: Company, BRIDS Estimates

**Exhibit 9. Sales performance of industrial estates during Q2 2024**


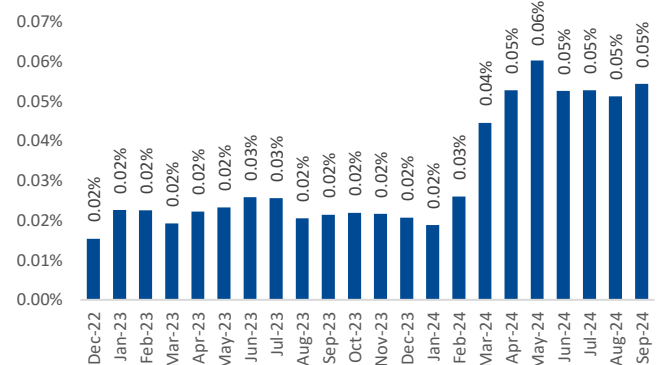
Source: Colliers

Exhibit 10. SSIA's Domestic Fund Positioning



Source: KSEI, BRIDS

Exhibit 11. SSIA's Foreign Ownership



Source: KSEI, BRIDS

**Exhibit 12. Income Statement**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
<b>Revenue</b>	<b>3,615</b>	<b>4,538</b>	<b>6,150</b>	<b>5,711</b>	<b>5,906</b>
COGS	(2,697)	(3,210)	(4,003)	(3,648)	(3,740)
<b>Gross profit</b>	<b>918</b>	<b>1,327</b>	<b>2,147</b>	<b>2,063</b>	<b>2,166</b>
<b>EBITDA</b>	<b>390</b>	<b>720</b>	<b>1,288</b>	<b>1,283</b>	<b>1,364</b>
<b>Oper. profit</b>	<b>338</b>	<b>595</b>	<b>1,154</b>	<b>1,141</b>	<b>1,212</b>
Interest income	22	26	36	33	34
Interest expense	(234)	(207)	(203)	(189)	(195)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	(9)	(10)	(13)	(13)	(13)
Other Income (Expenses)	189	(31)	17	16	16
<b>Pre-tax profit</b>	<b>306</b>	<b>372</b>	<b>990</b>	<b>989</b>	<b>1,055</b>
Income tax	(98)	(141)	(183)	(173)	(180)
Minority interest	(32)	(55)	(235)	(235)	(250)
<b>Net profit</b>	<b>176</b>	<b>177</b>	<b>572</b>	<b>581</b>	<b>624</b>
<b>Core Net Profit</b>	<b>176</b>	<b>177</b>	<b>572</b>	<b>581</b>	<b>624</b>

**Exhibit 13. Balance Sheet**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	1,136	1,219	4,382	4,324	4,574
Receivables	431	311	503	467	483
Inventory	376	314	334	355	376
Other Curr. Asset	1,381	1,391	1,392	1,394	1,396
Fixed assets - Net	1,620	1,739	1,866	2,002	2,147
Other non-curr.asset	3,345	3,443	3,748	4,083	4,451
<b>Total asset</b>	<b>8,290</b>	<b>8,417</b>	<b>12,226</b>	<b>12,625</b>	<b>13,426</b>
ST Debt	633	375	508	472	488
Payables	534	531	664	605	620
Other Curr. Liabilities	665	615	585	587	606
Long Term Debt	1,915	2,151	1,975	1,834	1,896
Other LT. Liabilities	284	301	301	301	301
<b>Total Liabilities</b>	<b>4,030</b>	<b>3,973</b>	<b>4,033</b>	<b>3,799</b>	<b>3,912</b>
Shareholder's Funds	3,840	4,007	4,592	4,990	5,428
Minority interests	419	436	3,601	3,835	4,086
<b>Total Equity &amp; Liabilities</b>	<b>8,290</b>	<b>8,417</b>	<b>12,226</b>	<b>12,625</b>	<b>13,426</b>

**Exhibit 14. Cash Flow**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	176	177	572	581	624
Depreciation and Amort.	51	125	134	143	152
Change in Working Capital	(41)	58	(91)	(22)	16
Other Oper. Cash Flow	0	0	0	0	0
<b>Operating Cash Flow</b>	<b>186</b>	<b>360</b>	<b>615</b>	<b>701</b>	<b>792</b>
Capex	(182)	(379)	(586)	(634)	(686)
Others Inv. Cash Flow	47	160	3,200	268	285
<b>Investing Cash Flow</b>	<b>(134)</b>	<b>(219)</b>	<b>2,614</b>	<b>(366)</b>	<b>(401)</b>
Net change in debt	244	(21)	(43)	(177)	79
New Capital	0	3	0	0	0
Dividend payment	0	0	(57)	(183)	(186)
Other Fin. Cash Flow	83	3	0	0	0
<b>Financing Cash Flow</b>	<b>327</b>	<b>(15)</b>	<b>(100)</b>	<b>(361)</b>	<b>(107)</b>
<b>Net Change in Cash</b>	<b>378</b>	<b>125</b>	<b>3,129</b>	<b>(25)</b>	<b>284</b>
Cash - begin of the year	782	1,136	1,219	4,382	4,324
Cash - end of the year	1,136	1,219	4,382	4,324	4,574

**Exhibit 15. Key Ratio**

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
<b>Growth (%)</b>					
Sales	53.6	25.5	35.5	(7.1)	3.4
EBITDA	111.5	84.7	78.9	(0.3)	6.3
Operating profit	450.3	75.7	94.1	(1.1)	6.2
Net profit	(187.8)	0.4	224.2	1.5	7.5
<b>Profitability (%)</b>					
Gross margin	25.4	29.2	34.9	36.1	36.7
EBITDA margin	10.8	15.9	20.9	22.5	23.1
Operating margin	9.4	13.1	18.8	20.0	20.5
Net margin	4.9	3.9	9.3	10.2	10.6
ROAA	2.2	2.1	5.5	4.7	4.8
ROAE	4.7	4.5	13.3	12.1	12.0
<b>Leverage</b>					
Net Gearing (x)	0.3	0.3	(0.2)	(0.2)	(0.2)
Interest Coverage (x)	1.4	2.9	5.7	6.0	6.2

Source: SSIA, BRIDS Estimates



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**INVESTMENT RATING**

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

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