

# Buy

(Re-initiated)

## Puradelta Lestari (DMAS IJ)

### Data Center Growth Proxy Amid its Cikarang Location

Last Price (Rp)	160
Target Price (Rp)	190
Previous Target Price (Rp)	n/a
Upside/Downside	+18.8%

No. of Shares (mn)	48,198
Mkt Cap (Rpbn/US\$mn)	7,712/495
Avg, Daily T/O (Rpbn/US\$mn)	4.0/0.3
Free Float (%)	17.6

Major Shareholder (%)	
Sumber Arusmulia	57.3
Sojitz Corporation	25.0

EPS Consensus (Rp)			
	2024F	2025F	2026F
BRIDS	29.1	31.1	33.3
Consensus	26.5	28.0	29.2
BRIDS/Cons (%)	9.8	10.9	13.9

- DMAS differentiation lies in its Cikarang location and infrastructure maturity to house global-scale data center providers.
- We expect lower dividend payout from FY24F earnings to be directed towards landbank replenishment capex.
- We reinitiate with Buy rating and RNAV-based TP of Rp190; expect FY24-26F EPS growth at a stable 7% CAGR, driven by data center growth.

#### Cikarang Continues to Offer Critical Differentiation for Industrial Estate

We believe DMAS's differentiation lies in its Cikarang location, which meets three critical factors for industrial estate land selection: 1) Product Market Orientation (positioned to support the demand from Greater Jakarta's population), 2) Transportation Infrastructure (the only estate with three direct toll-road accesses), and 3) Skilled Labor Availability. DMAS also stands out as the only estate in the country that houses 15 tier-IV data center (DC) providers, reflecting its infrastructure maturity and ability to attract global DC players. The rise of AI and structural growth in internet usage penetration in Indonesia (**exh.9**), which we believe will sustain DC demand, will stimulate land sales for DMAS, as one of the most prepared zones.

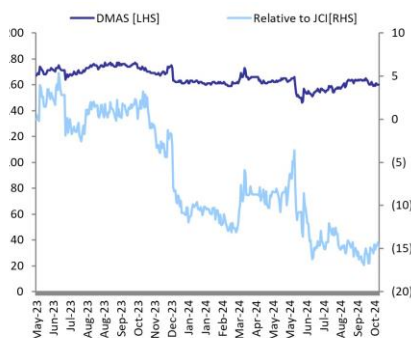
#### Expect Lower Dividend Payout from FY24F Net Profit

Observing the lower dividend payout ratio from FY23 net profit (48% vs. avg. historical at 95-100%), we view that the policy will be directed towards landbank replenishment capex. Thus, we conservatively forecast FY24F payout to be at a similar level of 50% of earnings, implying a potential 9% yield. This could give additional support of ~Rp700bn cash to DMAS' balance sheet, on top of the ~Rp650bn cash savings from the lower FY23 payout.

#### Remain a Proxy of Data Center, Reinitiate with a Buy and TP of Rp190

We reinitiate DMAS with a Buy rating and TP of Rp190, based on a 72% (+0.5SD to historical mean) disc. to our revised RNAV as we view DMAS' story as a proxy for data center demand to remain intact, with relatively low competition as it possesses infrastructure completeness, proven by its ability to serve tier-IV providers. We believe any future landbank replenishment could also offer upside to its valuation, considering Cikarang area land scarcity with the value-add of the data center ecosystem. Key risks: 1) potential lower pre-sales from sluggish data center demand, 2) slow FDI/corporate capex impeding industrial land demand, and 3) current space for DC only at 50-60 ha out of 198 ha industrial landbank.

#### DMAS relative to JCI Index



Source: Bloomberg

#### BRI Danareksa Sekuritas Analysts

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#### Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	1,932	1,921	2,162	2,190	2,315
EBITDA (Rpbn)	1,220	1,130	1,306	1,320	1,387
EBITDA Growth (%)	74.2	(7.4)	15.6	1.1	5.1
Net Profit (Rpbn)	1,217	1,210	1,402	1,498	1,605
EPS (Rp)	25.3	25.1	29.1	31.1	33.3
EPS Growth (%)	70.3	(0.6)	15.9	6.9	7.1
BVPS (Rp)	118.7	121.9	151.0	154.1	157.5
DPS (Rp)	25.0	12.0	14.5	29.5	31.6
PER (x)	6.3	6.4	5.5	5.1	4.8
PBV (x)	1.3	1.3	1.1	1.0	1.0
Dividend yield (%)	15.6	7.5	9.1	18.5	19.8
EV/EBITDA	5.7	5.9	3.6	2.9	2.2

Source: DMAS, BRIDS Estimates

Exhibit 1. DMAS's Valuation Summary

	Location	Stakes	Area (ha) - est. FY24F	Plot ratio	Price per sqm (Rp/mn/sqm)	Method	RNAV (Rp bn)	% to RNAV
<b>Land bank</b>								
Industrial	Cikarang, West Java	100.0%	176.3	80%	2.2	NAV	3,115	10%
Residential	Cikarang, West Java	100.0%	169.3	60%	9.8	NAV	9,974	31%
Commercial	Cikarang, West Java	100.0%	358.7	60%	6.8	NAV	14,610	45%
Hotels, Rental, Estate Mgmt	Cikarang, West Java	100.0%				DCF	1,973	6%
<b>Total asset (IDR bn)</b>							<b>29,673</b>	
<b>Net debts (IDR bn) - end of FY24F</b>							<b>(3,038)</b>	
<b>Advance from customer (IDR bn) - end of FY24F</b>							<b>591</b>	
<b>Net asset value (IDR bn)</b>							<b>32,120</b>	
<b>Number of shares outstanding (bn shares)</b>							<b>48.2</b>	
<b>Discount to NAV</b>							<b>72%</b>	
<b>Target price</b>							<b>190</b>	
<b>NAV per share (IDR/share)</b>							<b>666</b>	
<b>Current price</b>							<b>160</b>	
<b>Current discount to NAV</b>							<b>76.0%</b>	
<b>Potential upside (downside)</b>							<b>18.8%</b>	

Source: BRIDS Estimates

Exhibit 2. Comparable Valuation

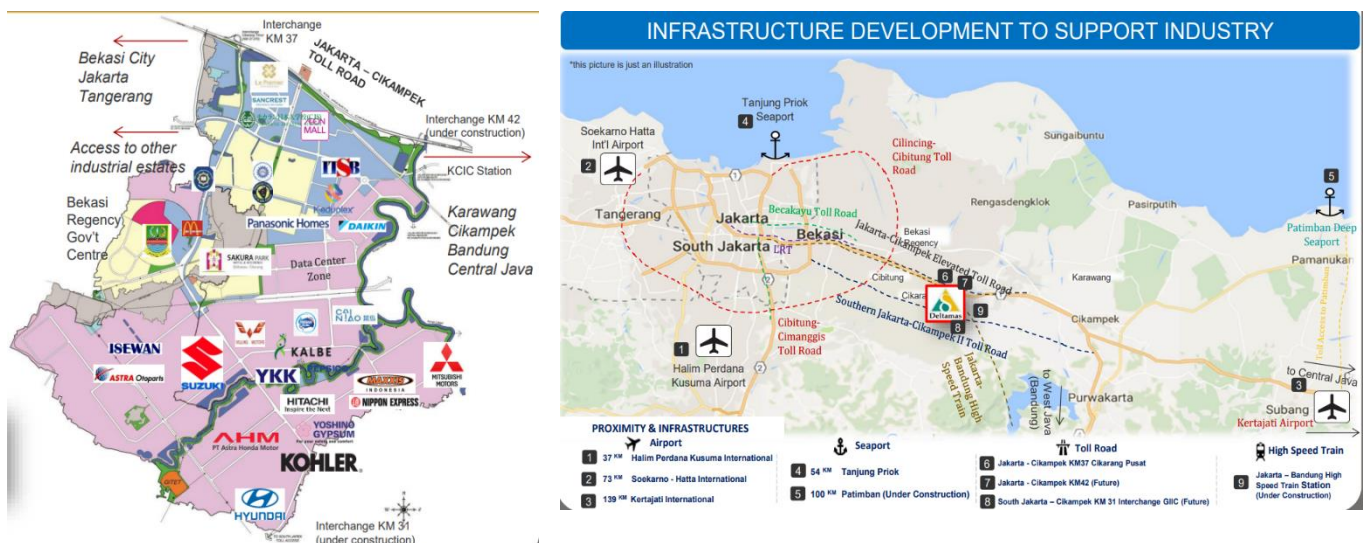
Company	Revenue (Rpbn)			Net Profit (Rpbn)			Net Profit Growth (%)			ROE (%)			Net Debt (Cash)		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F
CTRA	10,998	12,287	13,305	2,290	2,727	3,227	24.0	19.1	18.34	10.9	11.8	12.6	-21%	-34%	-46%
BSDE	13,545	12,936	13,292	3,861	3,297	3,453	98.5	(14.6)	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%

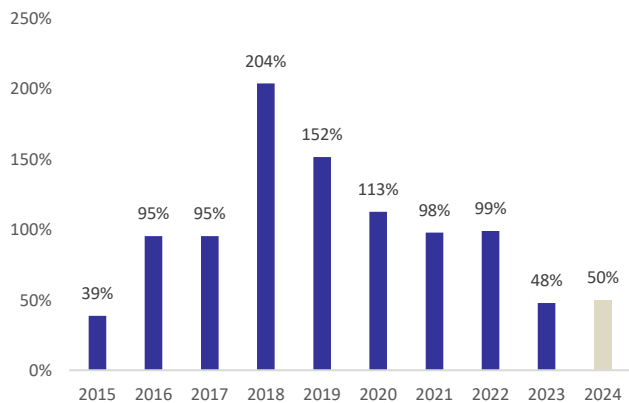
Source: BRIDS Estimates

Exhibit 3. DMAS's Location: Three Direct Toll-Road Accesses, with Bekasi Regency estimated to have a workforce population of 2 million (Sakernas Agustus 2022)



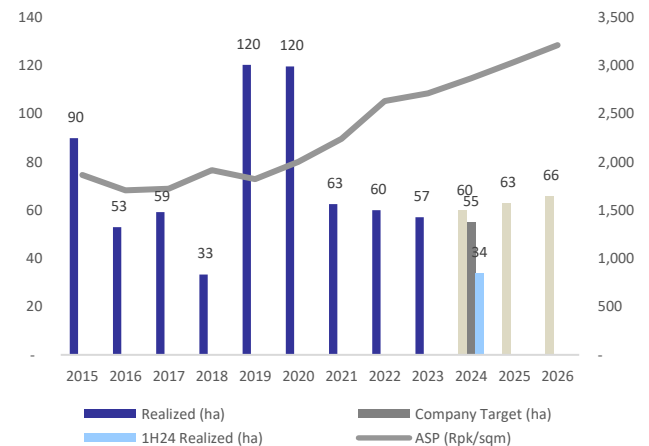
Source: Company

## Exhibit 4. DMAS's Dividend Payout Ratio



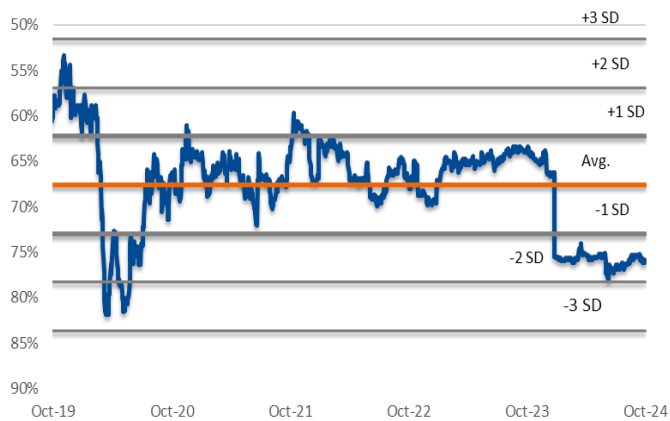
Source: Company, BRIDS Estimates

## Exhibit 5. DMAS's Industrial Land Sales Development



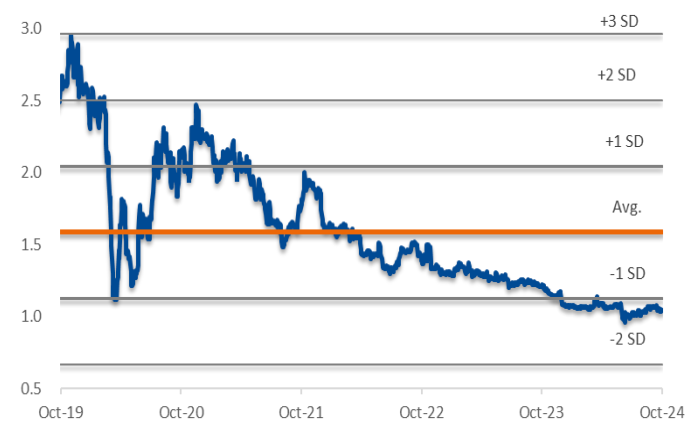
Source: Company, BRIDS Estimates

## Exhibit 6. DMAS's Disc. to RNAV



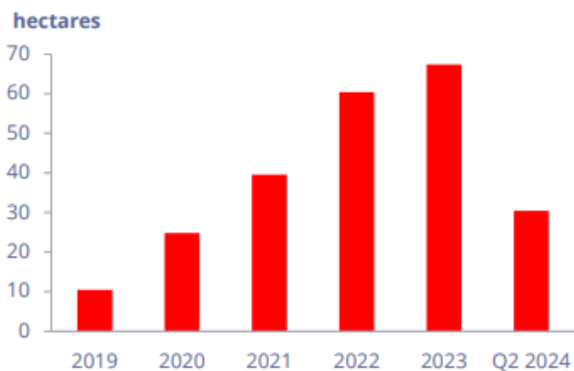
Source: Company, BRIDS Estimates

## Exhibit 7. DMAS's PBV Band



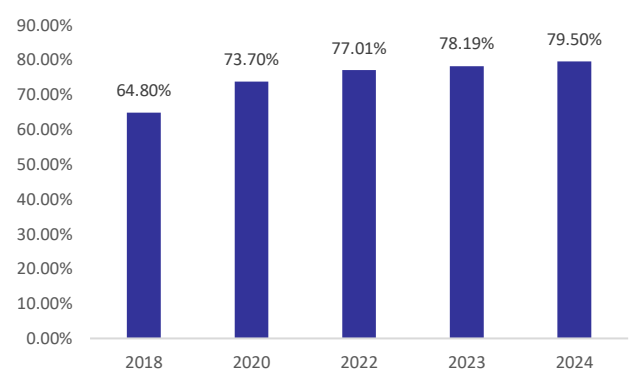
Source: Company, BRIDS Estimates

## Exhibit 8. Industrial Land Absorption by Data Center Sector



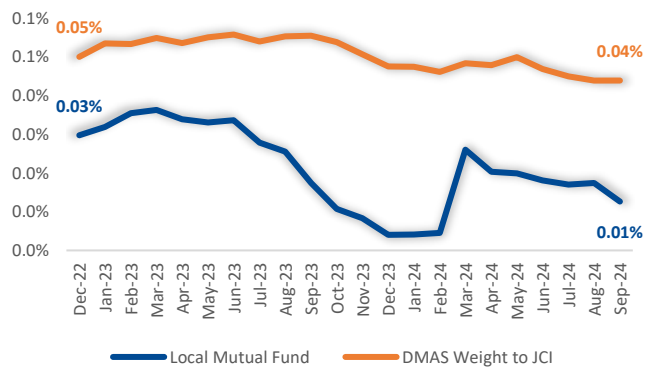
Source: Colliers

## Exhibit 9. Indonesia's Internet Usage Penetration



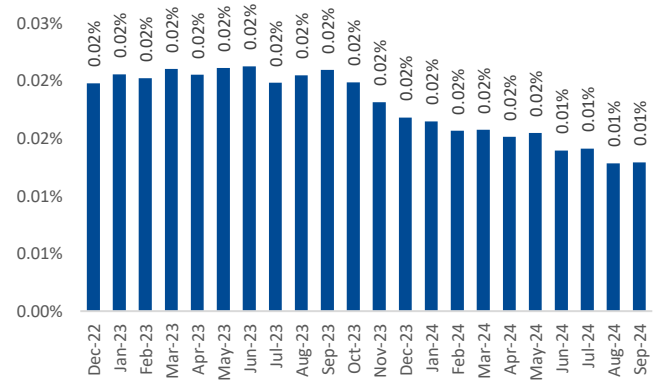
Source: APJII

Exhibit 10. DMAS's Domestic Fund Positioning



Source: KSEI, BRIDS

Exhibit 11. DMAS's Foreign Ownership



Source: KSEI, BRIDS

**Exhibit 12. Income Statement**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
<b>Revenue</b>	<b>1,932</b>	<b>1,921</b>	<b>2,162</b>	<b>2,190</b>	<b>2,315</b>
COGS	(557)	(596)	(683)	(691)	(739)
<b>Gross profit</b>	<b>1,375</b>	<b>1,326</b>	<b>1,479</b>	<b>1,499</b>	<b>1,576</b>
<b>EBITDA</b>	<b>1,220</b>	<b>1,130</b>	<b>1,306</b>	<b>1,320</b>	<b>1,387</b>
<b>Oper. profit</b>	<b>1,220</b>	<b>1,130</b>	<b>1,269</b>	<b>1,282</b>	<b>1,348</b>
Interest income	23	38	36	107	136
Interest expense	(54)	(27)	0	0	0
Forex Gain/(Loss)	1	(1)	2	2	2
Income From Assoc. Co's	(1)	2	0	0	0
Other Income (Expenses)	93	152	165	179	195
<b>Pre-tax profit</b>	<b>1,282</b>	<b>1,295</b>	<b>1,472</b>	<b>1,570</b>	<b>1,680</b>
Income tax	(64)	(84)	(69)	(70)	(74)
Minority interest	(1)	(1)	(1)	(1)	(1)
<b>Net profit</b>	<b>1,217</b>	<b>1,210</b>	<b>1,402</b>	<b>1,498</b>	<b>1,605</b>
<b>Core Net Profit</b>	<b>1,216</b>	<b>1,210</b>	<b>1,400</b>	<b>1,497</b>	<b>1,603</b>

**Exhibit 13. Balance Sheet**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	763	1,027	3,030	3,827	4,704
Receivables	0	0	0	0	0
Inventory	2,669	3,067	2,667	2,263	1,830
Other Curr. Asset	366	248	270	274	289
Fixed assets - Net	378	403	384	364	344
Other non-curr.asset	2,447	1,974	1,762	1,549	1,319
<b>Total asset</b>	<b>6,623</b>	<b>6,719</b>	<b>8,113</b>	<b>8,276</b>	<b>8,486</b>
ST Debt	0	0	0	0	0
Payables	11	28	32	32	35
Other Curr. Liabilities	778	700	773	783	827
Long Term Debt	0	0	0	0	0
Other LT. Liabilities	110	110	26	28	31
<b>Total Liabilities</b>	<b>899</b>	<b>838</b>	<b>830</b>	<b>844</b>	<b>893</b>
Shareholder's Funds	5,721	5,877	7,279	7,429	7,590
Minority interests	3	3	3	3	3
<b>Total Equity &amp; Liabilities</b>	<b>6,623</b>	<b>6,719</b>	<b>8,113</b>	<b>8,276</b>	<b>8,486</b>

**Exhibit 14. Cash Flow**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	1,217	1,210	1,402	1,498	1,605
Depreciation and Amort.	24	35	37	39	39
Change in Working Capital	(380)	(342)	455	411	464
Other Oper. Cash Flow	244	465	178	109	97
<b>Operating Cash Flow</b>	<b>1,106</b>	<b>1,369</b>	<b>2,072</b>	<b>2,057</b>	<b>2,205</b>
Capex	(109)	(69)	(18)	(19)	(19)
Others Inv. Cash Flow	23	38	36	107	136
<b>Investing Cash Flow</b>	<b>(87)</b>	<b>(31)</b>	<b>18</b>	<b>89</b>	<b>116</b>
Net change in debt	0	0	0	0	0
New Capital	(844)	(476)	701	75	80
Dividend payment	0	(578)	(701)	(1,423)	(1,525)
Other Fin. Cash Flow	(54)	(27)	0	0	0
<b>Financing Cash Flow</b>	<b>(897)</b>	<b>(1,081)</b>	<b>0</b>	<b>(1,348)</b>	<b>(1,444)</b>
<b>Net Change in Cash</b>	<b>122</b>	<b>257</b>	<b>2,090</b>	<b>797</b>	<b>877</b>
Cash - begin of the year	599	763	1,027	3,030	3,827
Cash - end of the year	763	1,027	3,030	3,827	4,704

**Exhibit 15. Key Ratio**

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
<b>Growth (%)</b>					
Sales	34.1	(0.6)	12.5	1.3	5.7
EBITDA	74.2	(7.4)	15.6	1.1	5.1
Operating profit	74.2	(7.4)	12.3	1.0	5.2
Net profit	70.3	(0.6)	15.9	6.9	7.1
<b>Profitability (%)</b>					
Gross margin	71.2	69.0	68.4	68.5	68.1
EBITDA margin	63.1	58.8	60.4	60.3	59.9
Operating margin	63.1	58.8	58.7	58.5	58.3
Net margin	63.0	63.0	64.9	68.4	69.3
ROAA	19.1	18.1	18.9	18.3	19.2
ROAE	22.0	20.9	21.3	20.4	21.4
<b>Leverage</b>					
Net Gearing (x)	(0.1)	(0.2)	(0.4)	(0.5)	(0.6)
Interest Coverage (x)	22.8	42.4	0.0	0.0	0.0

Source: DMAS, 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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