

Buy

(Maintained)

Last Price (Rp)	1,020
Target Price (Rp)	1,300
Previous Target Price (Rp)	1,400
Upside/Downside	+27.5%
No. of Shares (mn)	4,705
Mkt Cap (Rpbn/US\$mn)	4,799/295
Avg, Daily T/O (Rpbn/US\$mn)	26.7/1.6
Free Float (%)	97.7
Major Shareholder (%)	
Arman Investments Utama	8.5
Persada Capital Investama	7.9
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	61.5 62.4 93.0
Consensus	114.3 99.8 151.8
BRIDS/Cons (%)	(46.2) (37.4) (38.7)

SSIA relative to JCI Index



Source: Bloomberg

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Surya Semesta Internusa (SSIA IJ)

FY24 Pre-Sales Miss, But Potential as EV Ecosystem Hub Remains Intact

- SSIA missed its pre-sales target by 22ha in FY24 and lowered its FY24 net profit guidance by 40% to Rp300bn; FY25 expected at Rp304bn.
- Incorporating FY24 results and FY25 guidance, we trimmed our FY24F/FY25F net profit forecasts by -49%/-49% to Rp289bn/294bn.
- Despite weaker-than-expected FY24 results, we believe SSIA's potential as EV ecosystem hub remains intact. Maintain Buy with a TP of Rp1,400.

FY24 Land Pre-Sales Misses Expectations, Net Profit Guidance Revised Down
SSIA booked 162ha in land (Subang 141ha+Karawang 21ha) pre-sales for FY24, below our/ company's previous estimates of 184ha. Marketing sales totaled Rp2tr, forming 87% of our prior estimate of Rp2.2tr. The performance was primarily due to the land sales miss in Subang from a Chinese-based garment manufacturer. The company has lowered its FY24F net profit guidance to Rp300bn, from Rp500bn prev. (9M24 net profit was Rp228bn) – see **Exhibit 1**. This adjustment reflects the overall pre-sales shortfall, the recognition of a 19ha pre-sales now slated for FY25F, and, in our view, also indicates a potential for lower margins in Subang, likely due to BYD status as an anchor tenant.

Adjusting our FY24F/FY25F Net Profit by -49%/-49%

SSIA targets 120ha in land sales from Subang and 20ha from Karawang for FY25F. Its hospitality business expects Rp601bn in revenue (-36%yoy) as Melia Bali (494 rooms, historically contributing 53% of total hotel revenues) will close for renovation and reopen by year-end FY25. The construction business targets Rp3.5tr in revenue (+9%yoy), exceeding our previous estimate of Rp2.3tr, driven by significant new contract wins. Incorporating FY24 results and FY25 guidance, we trimmed our FY24F/FY25F net profit forecasts by -49%/-49% to Rp289bn/294bn (**Exhibit 2**). The adjustments include a slightly lower land pre-sales margin and revised Karawang pre-sales to 17ha. The overall net profit decline stems from lower margins in industrial land sales and the Melia Bali closure, which cannot be fully offset by higher construction revenue (a lower-margin segment by nature), based on our forecast

Maintain Buy with a Slightly Lower TP of Rp1,300 (73% disc. to RNAV)

Despite the weaker-than-expected FY24 results, we believe SSIA's potential as Indonesia's EV ecosystem hub remains intact (**Exhibit 11**), supported by its stable recurring revenue franchise (**Exhibit 7**). We rolled forward our RNAV valuation assumption to FY25F and maintained our Buy rating with a slightly lower TP of Rp1,300 (73% disc. to RNAV), as we forecast an overall lower FY25 net cash position due to Rp1.4tr debt and capex addition for Melia Bali. Risks include competition, delays in toll-road completion, and macro risks from Indonesia's ability to attract FDI.

Key Financials

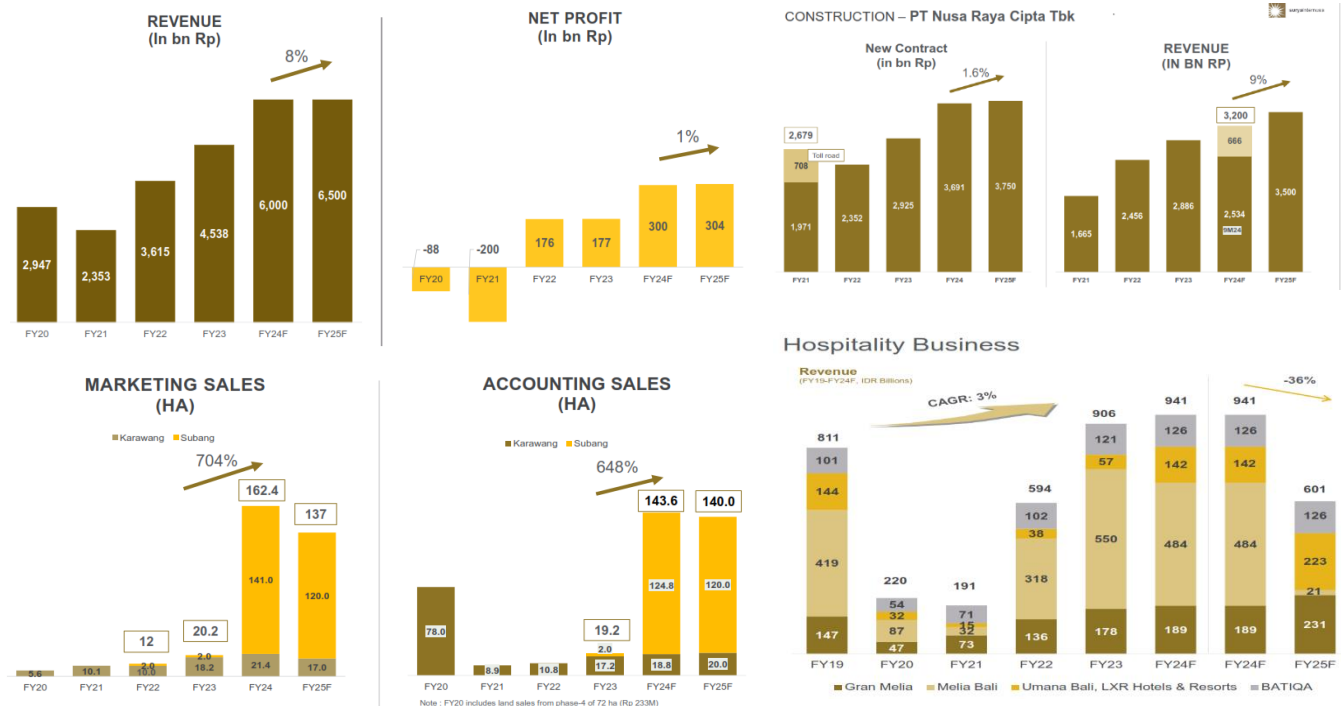
Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	3,615	4,538	6,071	6,117	6,890
EBITDA (Rpbn)	390	720	922	919	1,181
EBITDA Growth (%)	111.5	84.7	28.2	(0.4)	28.6
Net Profit (Rpbn)	176	177	289	294	438
EPS (Rp)	37.4	37.5	61.5	62.4	93.0
EPS Growth (%)	(187.8)	0.4	63.9	1.5	49.0
BVPS (Rp)	816.2	851.6	915.9	958.6	1,031.7
DPS (Rp)	0.0	0.0	12.0	19.7	20.0
PER (x)	27.3	27.2	16.6	16.3	11.0
PBV (x)	1.2	1.2	1.1	1.1	1.0
Dividend yield (%)	0.0	0.0	1.2	1.9	2.0
EV/EBITDA	15.9	8.5	3.3	4.5	3.4

Source: SSIA, BRIDS Estimates

Fire Incidents at Glodok Plaza

Glodok Plaza, a trade center that the company built in the late '70s, has recently suffered from a fire incident. However, the company stated that this will not affect much of the company's rental revenue (our estimates at a 1% contribution to FY25F) or overall RNAV (1% of total RNAV).

Exhibit 1. Operational Results and FY25F Guidance



Source: BRIDS Estimates

Exhibit 2. Forecast Changes Summary: Consensus have yet to bake in the FY24 pre-sales miss

in Rpbp	FY24F	Previous FY25F	FY26F	FY24F	New FY25F	FY26F	FY24F	Changes FY25F	FY26F	FY24F	Cons FY25F	FY26F	FY24F	New BRIDS vs Cons FY25F	FY26F
Industrial Land Pre-Sales	2,286	1,867	1,981	2,000	1,806	1,916	-13%	-3%	-3%						
Revenue	6,150	5,711	5,906	6,071	6,117	6,890	-1%	7%	17%						
Industrial Land	2,283	1,856	1,969	1,752	1,940	2,110	-23%	5%	7%						
Construction	2,467	2,388	2,401	3,055	3,326	3,502	24%	39%	46%						
Hotel	923	976	1,030	900	535	915	-3%	-45%	-11%						
Gross Profit	2,147	2,063	2,166	1,769	1,764	2,108	-18%	-15%	-3%						
Industrial Land	1,115	999	1,060	758	975	1,042	-32%	-2%	-2%						
Construction	252	244	246	312	339	357	23%	39%	45%						
Hotel	592	626	661	577	343	587	-3%	-45%	-11%						
Net Profit	572	581	624	289	294	438	-49%	-49%	-30%						

Source: BRIDS Estimates

Exhibit 3. SSIA's Valuation Summary

Current portfolio	Adj. Value (Rpbn)	% of total
Industrial estate & Property Development		
Suryacipta City of Industry	430	2%
Subang Smartpolitan	14,143	65%
Construction		
Nusa Raya Cipta	781	4%
Hospitalities & Others		
Luxury Hotels	3,007	14%
BATIQA Hotels	543	2%
Travelio	314	1%
Glodok Plaza	220	1%
Land Bank		
Bogor & Bajo & Kasablanka	345	2%
Kuningan	1,348	6%
Total Asset (Rpbn)	21,131	
Net Debt (Cash)	-638	
RNAV	21,769	
No. of outstanding shares (bn)	4.7	
RNAV/share	4,627	
TP discount to NAV	73%	
TP	1,300	

Source: BRIDS Estimates

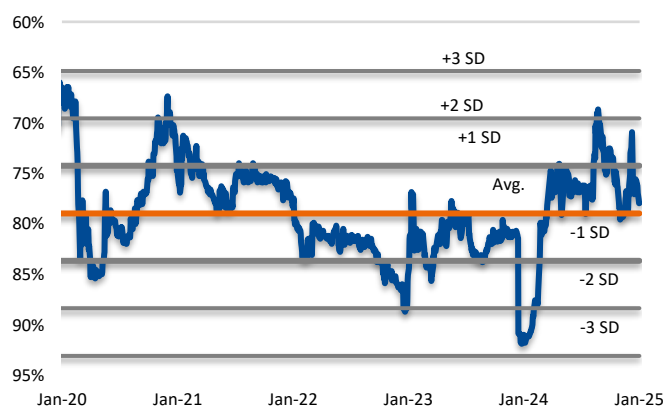
Exhibit 4. Comparable Valuation

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	9,966	10,977	11,797	1,967	2,257	2,636	6.6	14.7	16.8	9.4	10.0	10.7	-14%	-22%	-29%
BSDE	13,545	14,777	13,796	3,861	3,924	3,760	98.5	1.6	(4.2)	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	(6.0)	10.8	11.0	9.6	-8%	-11%	-12%
SMRA	9,660	7,329	7,380	1,203	853	792	57.0	(29.1)	(7.1)	11.6	7.6	6.7	33%	33%	33%
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	6,071	6,117	6,890	289	294	438	63.9	1.5	48.99	7.0	6.7	9.3	-22%	-8%	-8%
Average							40.7	0.9	9.3	11.7	10.8	11.0	-8%	-9%	-12%
Growth Aggr.	19%	1%	1%	35%	3%	2%									

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	9.1	7.9	6.8	0.8	0.8	0.7	11,013	11,515	12,038	1.6	1.5	1.5	73%	64%	10%
BSDE	5.1	5.0	5.3	0.5	0.4	0.4	9,495	9,690	8,691	2.1	2.0	2.3	81%	71%	10%
PWON	8.7	8.0	8.5	0.9	0.8	0.8	1,456	1,535	1,312	12.9	12.2	14.3	75%	64%	11%
SMRA	6.4	9.0	9.7	0.7	0.7	0.6	4,333	4,543	4,765	1.8	1.7	1.6	88%	77%	11%
DMAS	5.1	4.8	4.4	1.0	1.0	0.9	1,831	2,038	2,267	3.9	3.5	3.1	78%	69%	9%
SSIA	16.6	16.3	11.0	1.1	1.1	1.0	2,000	1,806	1,916	2.4	2.7	2.5	78%	79%	-1%
Average	8.5	8.5	7.6	0.8	0.8	0.7	5,022	5,188	5,165	4.1	3.9	4.2	79%	70%	8%
Median	7.5	7.9	7.6	0.8	0.7	0.7	6,914	7,117	6,728	1.9	1.9	1.9	78%	67%	10%
Growth Aggr.							8%	3%	0%						

Source: Bloomberg, BRIDS Estimates

Exhibit 5. SSIA's Disc. to RNAV



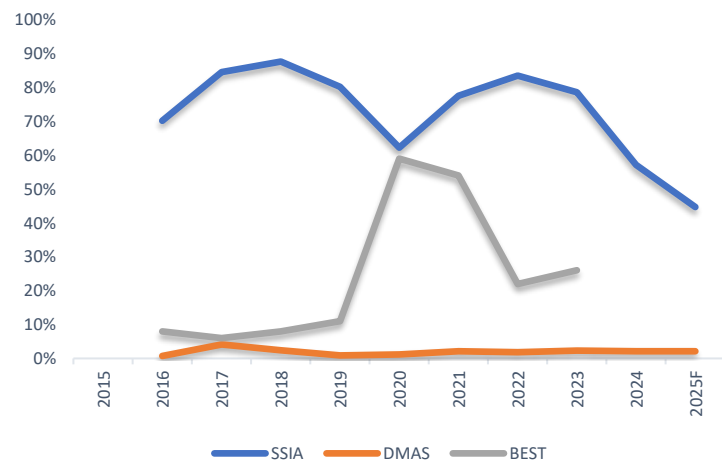
Source: Bloomberg, BRIDS Estimates

Exhibit 6. SSIA's PBV Band



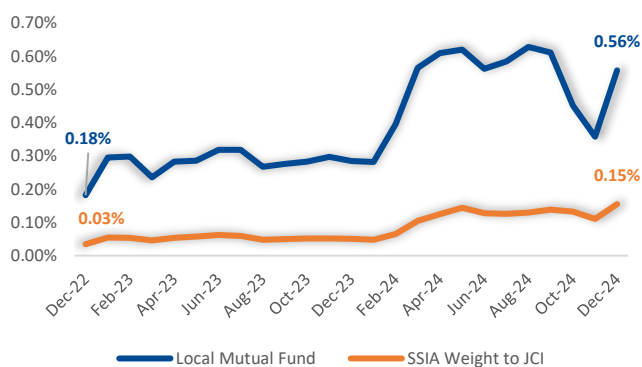
Source: Bloomberg, BRIDS Estimates

Exhibit 7. Gross Profit Contribution from Non-Land Business



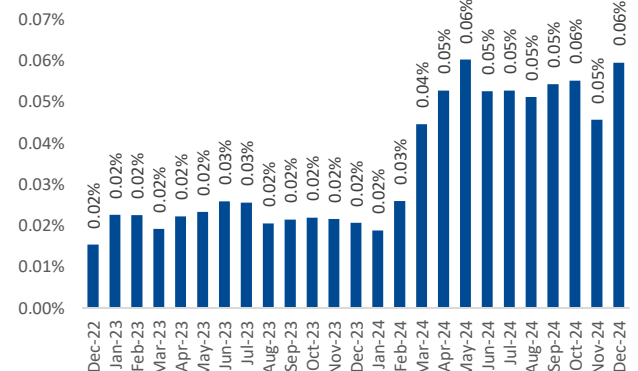
Source: Company, BRIDS Estimates

Exhibit 8. SSIA's Domestic Fund Positioning



Source: KSEI, BRIDS

Exhibit 9. SSIA's Foreign Ownership



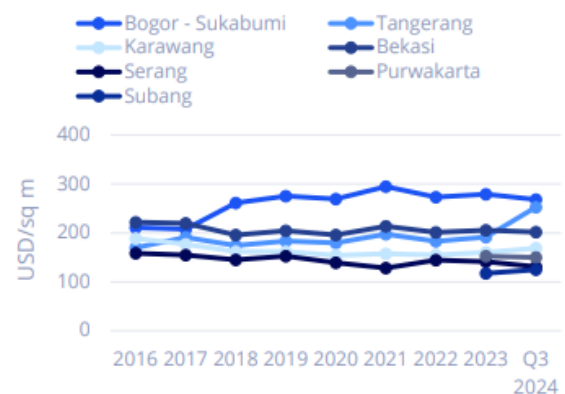
Source: KSEI, BRIDS

Exhibit 10. Sales performance of industrial estates during 3Q24

Sales performance of industrial estates during Q3 2024

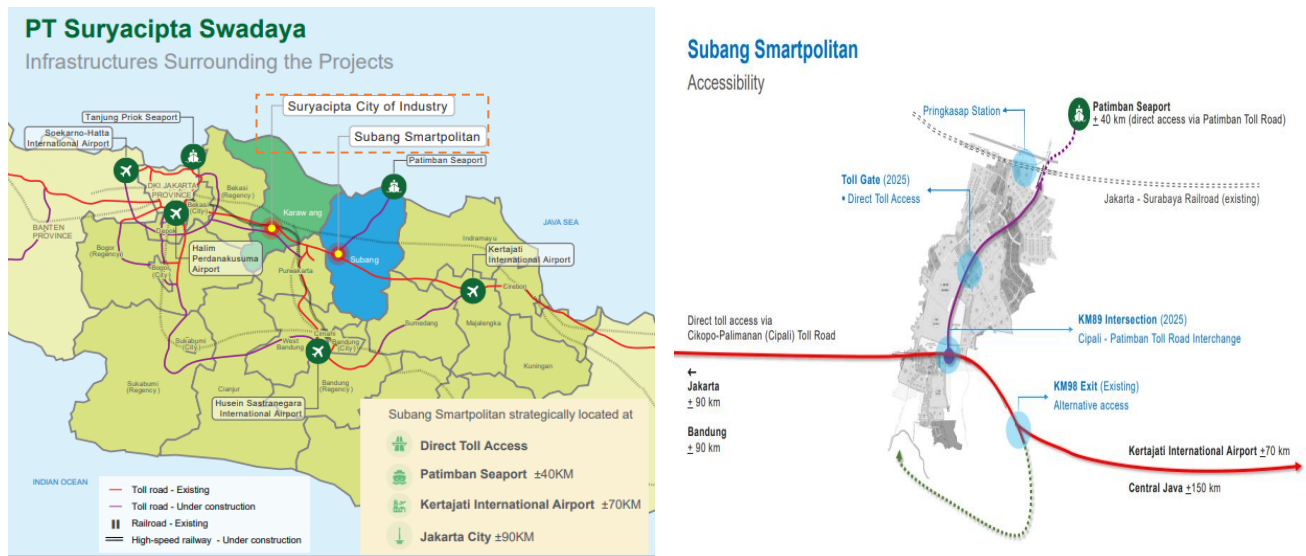


Average land prices in several regions



Source: Colliers

Exhibit 11. 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 12. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	3,615	4,538	6,071	6,117	6,890
COGS	(2,697)	(3,210)	(4,302)	(4,353)	(4,782)
Gross profit	918	1,327	1,769	1,764	2,108
EBITDA	390	720	922	919	1,181
Oper. profit	338	595	789	776	996
Interest income	22	26	35	35	40
Interest expense	(234)	(207)	(205)	(204)	(192)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	(9)	(10)	(13)	(13)	(15)
Other Income (Expenses)	189	(31)	17	17	19
Pre-tax profit	306	372	622	611	847
Income tax	(98)	(141)	(185)	(172)	(208)
Minority interest	(32)	(55)	(148)	(145)	(201)
Net profit	176	177	289	294	438
Core Net Profit	176	177	289	294	438

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	1,136	1,219	2,623	2,901	2,873
Receivables	431	311	497	500	564
Inventory	376	314	334	355	376
Other Curr. Asset	1,381	1,391	1,421	1,422	1,429
Fixed assets - Net	1,620	1,739	1,866	2,962	3,045
Other non-curr.asset	3,345	3,443	3,748	4,083	4,451
Total asset	8,290	8,417	10,489	12,223	12,737
ST Debt	633	375	304	306	344
Payables	534	531	714	722	793
Other Curr. Liabilities	665	615	741	768	793
Long Term Debt	1,915	2,151	607	1,957	1,791
Other LT. Liabilities	284	301	301	301	301
Total Liabilities	4,030	3,973	2,666	4,054	4,023
Shareholder's Funds	3,840	4,007	4,309	4,511	4,854
Minority interests	419	436	3,514	3,659	3,860
Total Equity & Liabilities	8,290	8,417	10,489	12,223	12,737

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	176	177	289	294	438
Depreciation and Amort.	51	125	134	143	185
Change in Working Capital	(41)	58	93	30	25
Other Oper. Cash Flow	0	0	0	0	0
Operating Cash Flow	186	360	516	467	648
Capex	(182)	(379)	(586)	(1,594)	(657)
Others Inv. Cash Flow	47	160	3,112	181	241
Investing Cash Flow	(134)	(219)	2,526	(1,413)	(416)
Net change in debt	244	(21)	(1,616)	1,353	(127)
New Capital	0	3	0	0	0
Dividend payment	0	0	(57)	(93)	(94)
Other Fin. Cash Flow	83	3	0	0	0
Financing Cash Flow	327	(15)	(1,672)	1,260	(221)
Net Change in Cash	378	125	1,370	314	11
Cash - begin of the year	782	1,136	1,219	2,623	2,901
Cash - end of the year	1,136	1,219	2,623	2,901	2,873

Exhibit 15. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)	53.6	25.5	33.8	0.8	12.6
Sales	111.5	84.7	28.2	(0.4)	28.6
EBITDA	450.3	75.7	32.7	(1.6)	28.3
Operating profit	(187.8)	0.4	63.9	1.5	49.0
Net profit					
Profitability (%)	25.4	29.2	29.1	28.8	30.6
Gross margin	10.8	15.9	15.2	15.0	17.1
EBITDA margin	9.4	13.1	13.0	12.7	14.5
Operating margin	4.9	3.9	4.8	4.8	6.4
Net margin	2.2	2.1	3.1	2.6	3.5
ROAA	4.7	4.5	7.0	6.7	9.3
ROAE					
Leverage	0.3	0.3	(0.2)	(0.1)	(0.1)
Net Gearing (x)	1.4	2.9	3.8	3.8	5.2
Interest Coverage (x)	53.6	25.5	33.8	0.8	12.6

Source: SSIA, 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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