


COMPANY RESEARCH
Equity Update
Stock Rate Trading Buy

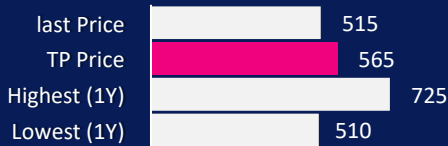
Industry Neutral

Fair Value 2024F vs. Last Price IDR 565 +9.71%

Stock Data

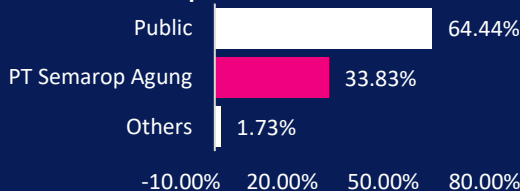
 Ticker Code SMRA
 SubSector Property & Real Estate
 Sector Property & Real Estate

 Market Cap (IDR.Tn) 8.58
 Shares Issued (Bn) 16.51

Price (IDR)

Revenue 2023F (IDR Tn)

Price Performance, 1Yr (%)


Source : Bloomberg

Shareholders Composition

Vicky Rosalinda
vicky.rosalinda@kiwoom.co.id
PT Summarecon Agung Tbk (SMRA)
Top Line and Bottom Line Growing & Potential to Continue.

In FY2023, SMRA's Revenue Increased. SMRA's FY2023 operating revenue increased by IDR 6.66 Tn / +16.42% (vs FY2022 IDR 5.72 Tn), while in terms of operating profit it increased by IDR765.97 Bn / +22.48% (vs FY2022 IDR 625.38 Bn).

SMRA is optimistic that performance will grow positively in 2024.

SMRA's operating income was supported by the property development sales segment amounting to IDR 4.04 Tn, as well as Investment Properties amounting to IDR 1.74 Tn. Therefore, SMRA is optimistic by targeting sales of IDR 5Tn.

Continued growth projections with positive top line and bottom line.

We see potential for revenue growth and profit improvement in 2024. SMRA will focus on the existing development areas of Jabodetabek, Karawang, Bandung, and Makassar. In line with the government's strategy, the PPN DTP incentive policy for the purchase of new homes is given on a maximum tax base of IDR 2 billion which is part of the maximum selling price of IDR 5 billion.

SMRA's debt ratio is low. SMRA's debt ratio is relatively low. The total debt to equity ratio (DER) in FY2023 amounted to 0.5x, in addition, the debt to asset ratio (DAR) of 0.2x is still below 1 so the company's assets financed by debt are still healthy.

Recommendation "Trading Buy"

Based on Multiple PE & PBV assessment: assuming the estimated top and bottom line performance grows positively, we maintain SMRA's fair value for 12M target at IDR 565 per share. This price reflect a P/E of 10.19x and PBV of 0.93x. Current price traded at Price to earning 8.9x which is still below 5Y AVG. In addition, the Price Book Value with a current price of 0.9x is also below the 5Y AVG. *Downside risks: market fluctuations, land availability, competition, regulations, natural disasters and interest rates.*

Figure 1. Financial Highlight

Year-end Dec	2020A	2021A	2022A	2023A	2024F	2025F
Revenue (IDR Tn)	5,030	5,568	5,719	6,659	7,239	7,859
Net Profit (IDR Bn)	177	323	624	765	914	1,137
EPS (Full amount)	12.08	20.82	37.88	46.40	55.38	68.89
EBITDA Margin	9.0%	17.7%	23.2%	28.3%	27.6%	28.7%
NPM	3.5%	5.8%	10.9%	11.5%	12.6%	14.5%
Div. Yield (%)	0.0%	0.7%	1.2%	8.1%	8.8%	10.1%
ROE	2.0%	2.9%	5.3%	6.2%	7.2%	8.9%
P/E (x)	64.6	40.11	15.97	12.39	10.19	8.90
P/BV (x)	1.70	1.59	1.09	0.97	0.93	1.00
EV/EBITDA (x)	42.9	18.30	9.64	7.10	6.77	6.61

Source: SMRA and KSI Research

Compare Peers & Valuation

Figure 2. Peers Comparison (Last Date: 03 April 2024)

Ticker	M-Cap (Tn)	PBV (x)	P/S (x)	P/E (x)	P/EBITDA	GPM (%)	OPM (%)	NPM (%)	ROE (%)	DER (x)
SMRA	8.75T	0.87x	1.31x	11.10x	4.64x	49.92	18.28	7.16	8.05	1.92x
vs Peers		Underval.	Underval.	Overval.	Underval.	Below	Below	Below	Above	Above
AVG	5.9T	0.9x	3.1x	10.0x	6.4x	54.1x	28.2x	25.4x	6.9x	0.5x
JRPT	8.9T	0.93x	3.34x	8.33x	7.56x	58.24	40.53	38.84	11.6	0.44x
DUTI	8.4T	0.82x	2.18x	7.89x	6.36x	55.49	23.62	15.77	10.95	0.36x
DMAS	8.0T	1.35x	4.14x	6.57x	7.14x	69.15	59.45	64.16	20.86	0.14x
PLIN	9.7T	0.89x	7.43x	15.74x	16.12x	68.54	41.17	56.81	5.59	0.12x
RISE	10.6T	5.13x	38.04x	815.99x	129.96x	47.99	5.64	-8.38	1.71	0.22x
BKSL	7.0T	0.50x	8.31x	-	-	57.49	-126.66	225.86	-0.45	0.41x
INPP	11.0T	2.06x	9.92x	104.40x	-	66.72	21.95	4.24	2.28	0.61x
LPKR	4.8T	0.31x	0.28x	95.01x	0.94x	44.79	20.13	-16.34	0.33	1.96x
GMTD	4.6T	6.64x	11.00x	35.81x	28.90x	52.76	37.96	34.44	20.43	0.73x
RDTX	3.8T	1.26x	7.06x	12.39x	10.99x	65.82	48.23	61.47	10	0.13x
NIRO	3.1T	1.45x	2.84x	-	6.34x	47.63	27.02	4.18	-3.28	3.60x
ASRI	3.1T	0.28x	0.78x	4.91x	1.83x	55.5	45.4	28.72	5.83	0.98x
MTLA	3.0T	0.64x	1.75x	7.15x	5.31x	47.38	29.36	27.78	9.52	0.40x
APLN	2.6T	0.24x	0.56x	2.41x	1.58x	47.42	32.23	-26.45	8.77	1.37x
KIJA	2.6T	0.50x	0.80x	8.63x	2.39x	41.02	8.04	23.09	2.68	1.19x

Source: Bloomberg & KSI Research

Current price (last price 515) is trading at PBV (Est) 0.87x or below industry peers (Undervalued), PE (Est) 11.10x or above industry peers (Overvalued) and P/S 1.31x or below industry peers (Undervalued). While profitability ratios gross profit margin 49.92% or below peers, operating profit margin 18.28% or below peers, net profit margin 7.16% or below peers and return on equity 8.05% or above peers. meanwhile, total liabilities to equity ratio is at 1.92x or above peers.

Figure 3. Calculation Fair Value

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
PBV	10,027	0.9	9,315	100%	9,315
Total Value (Bn)					9,315
Share (Bn)					16.51
Target Price (IDR)					565
Current Price					515
Potential Upside (%)					9.71%

Source: Bloomberg & KSI Research

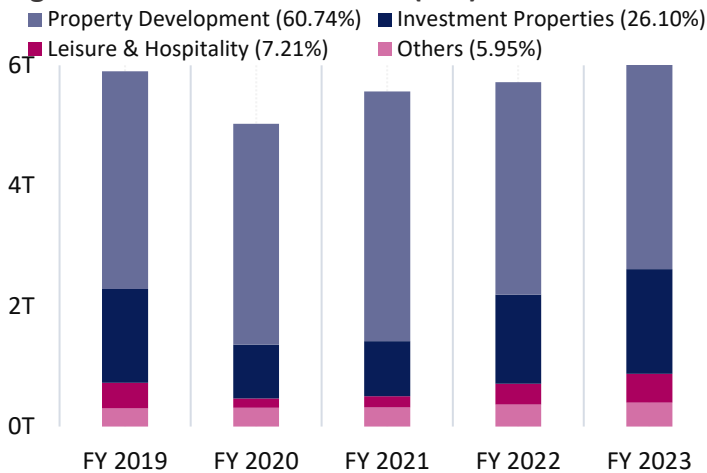
Figure 4. Based on PBV SMRA Undervalued



Source: Bloomberg & KSI Research

APPENDIX

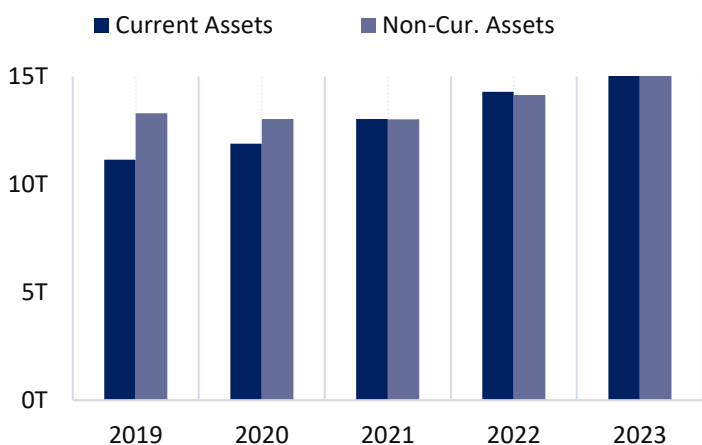
Figure 5. Revenue Breakdown (IDR)



Source: Bloomberg & KSI Research

In FY2023, revenue contributed from Property Development was IDR 4.04Tn (vs FY2022 3.53Tn), Investment Property was IDR 1.74Tn (vs FY2022 1.48Tn), Leisure & Hospitality was IDR 479.90Bn (vs FY2022 346.10Bn), and other revenue was IDR 396.20Bn (vs FY2022 363.70Bn).

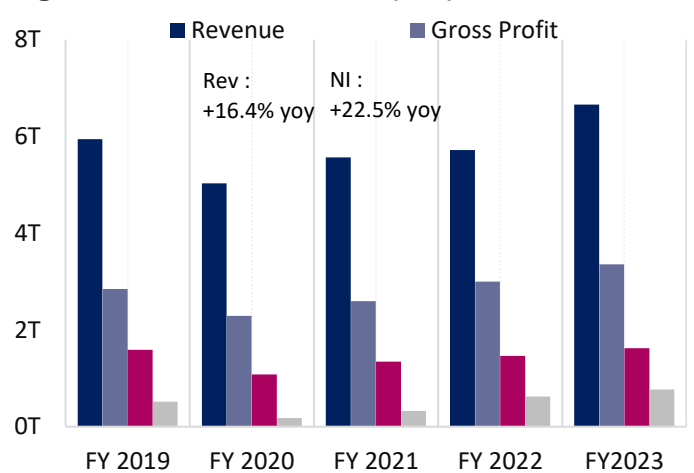
Figure 7. Activa Condition (IDR)



Source: Bloomberg & KSI Research

In FY2023, Current Asset IDR 15.56Tn (vs FY2022 IDR 14.29Tn) & Non Current Asset IDR 15.61Tn (vs FY2022 IDR 14.14Tn).

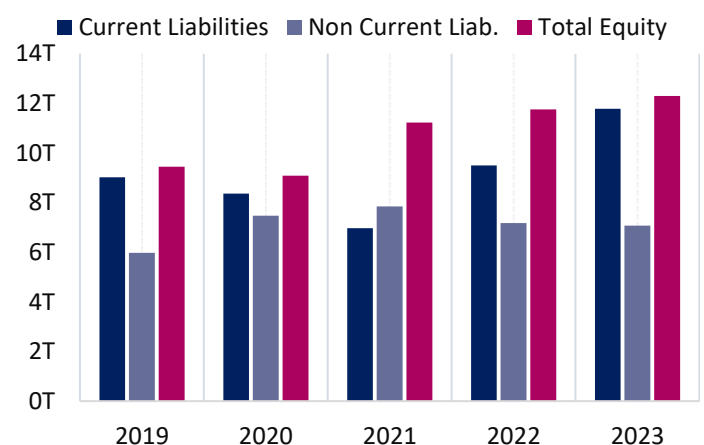
Figure 6. Income Statement (IDR)



Source: Bloomberg & KSI Research

In FY2023, Revenue managed to grow by +16.4% yoy / IDR 6.66Tn, Operating Profit by +10.9% yoy / 1.62Tn and Net Income by +22.5% yoy / 766Bn.

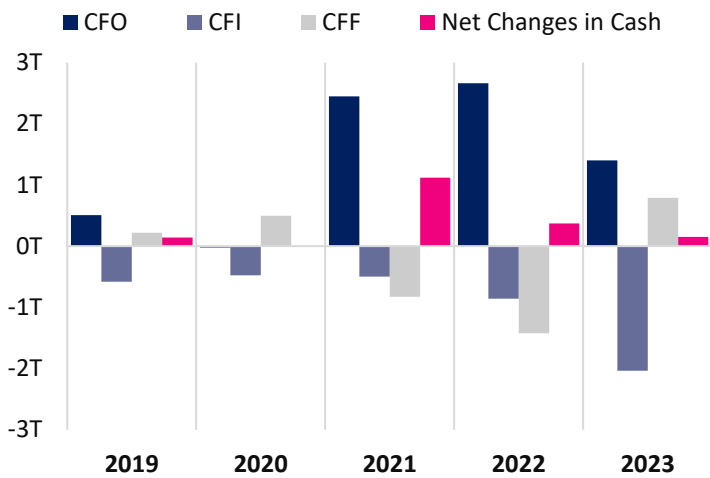
Figure 8. Passiva Condition (IDR)



Source: Bloomberg & KSI Research

In FY2023, Current Liabilities IDR 11.79Tn (vs FY2022 IDR 9.50Tn), Non Current Liabilities IDR 7.08Tn (vs FY2022 IDR 7.18Tn) & Total Equity IDR 12.30Tn (vs FY2022 IDR 11.75Tn).

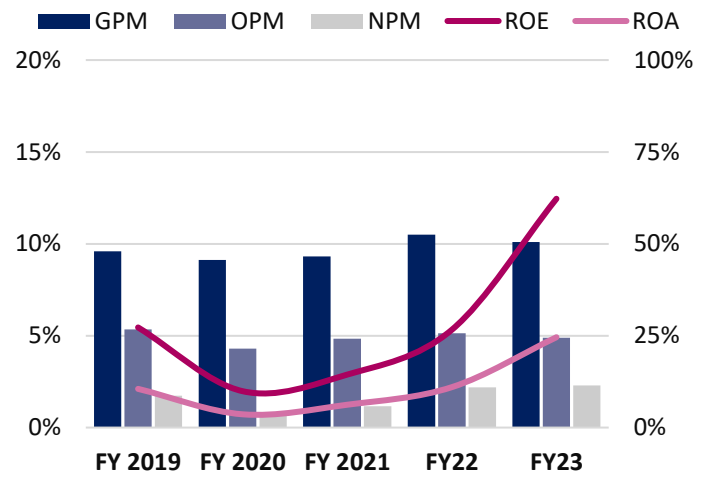
Figure 9. Cashflow Condition is Positive (IDR)



Source: Bloomberg & KSI Research

In FY2023, CFO was IDR 1.40Tn (vs FY2022 IDR 2.66Tn). CFI IDR -2.04Tn (vs FY2022 IDR -860.90Bn), CFF IDR 789.60Bn (vs FY2022 IDR -1.43Tn) & Net cash flow IDR 150.30Bn (vs FY2022 IDR 368.60Bn).

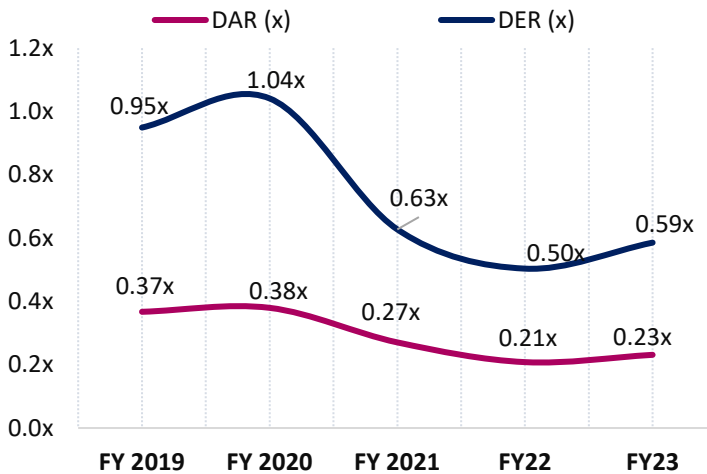
Figure 10. Profitability Ratio is Increase



Source: Bloomberg & KSI Research

In FY2023, Return on Equity 12.5% (vs FY2022 5.3%) and Return on Asset 4.9% (vs FY2022 2.2%). GPM 50.5% (vs FY2022 52.5%), OPM 24.4% (vs FY2022 25.6%) & NPM 11.5% (vs FY2022 10.9%).

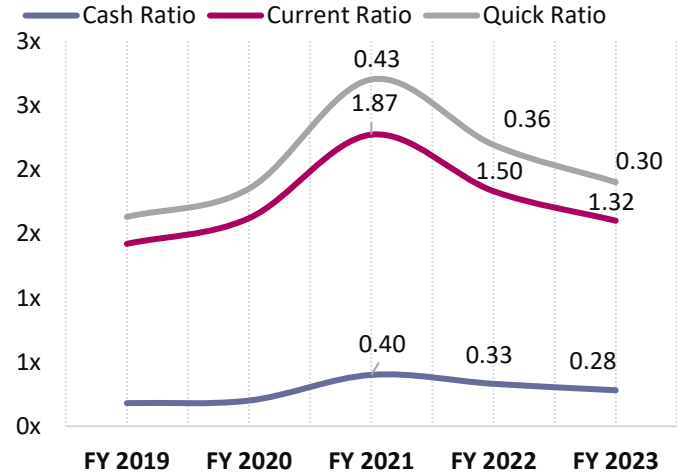
Figure 11. Solvability Ratio is Increase



Source: Bloomberg & KSI Research

In FY2023, Debt to Asset Ratio at 0.23x (vs FY2022 0.21x), While Debt to Equity Ratio is 0.50x (vs FY2022 0.59x).

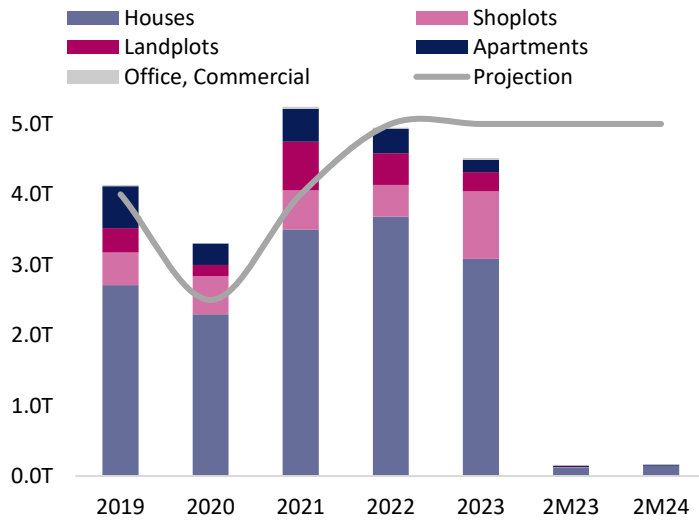
Figure 12. Maintained liquidity ratio



Source: Bloomberg & KSI Research

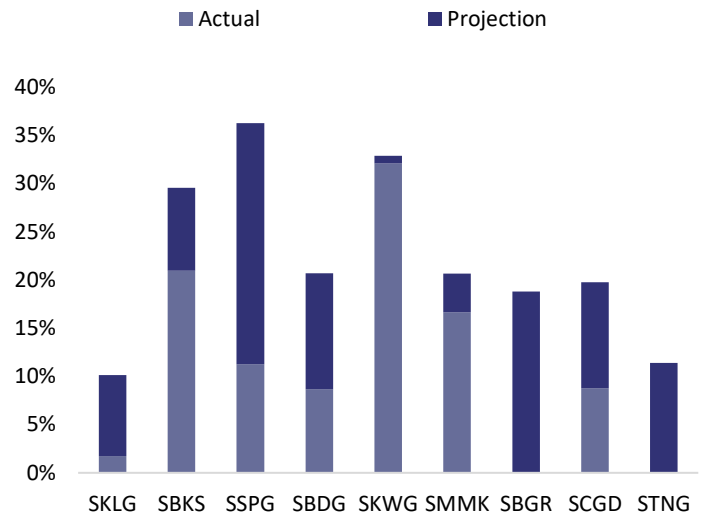
In FY2023, Cash Ratio 0.28x (vs FY2022 0.33x), Current Ratio 1.32x (vs FY2022 1.50x) and Quick Ratio 0.30x (vs FY2022 0.36x).

Figure 13. Actual vs Projection Marketing Sales 2M24



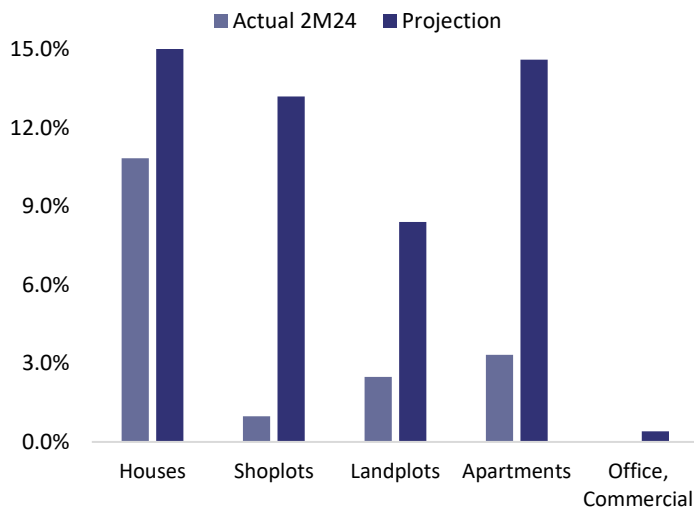
Source: SMRA & KSI Research

Figure 14. Actual vs Projection Marketing Sales 1M24



Source: SMRA & KSI Research

Figure 15. Actual vs Projection Product Type 2M24



Source: SMRA & KSI Research

Financial Exhibits

Company Profile

PT Summarecon Agung Tbk (SMRA) is engaged in property development and management, established in 1975. It started its commercial operations in 1976, then successfully transformed Kelapa Gading into a residential and commercial district in Jakarta. The company conducted its IPO in 1990. Currently its business units are divided into 3 namely property development, property investment and management, and recreation, hospitality and others.

SMRA Marketing Sales Highlights

SMRA's Marketing Sales grew in 2M24 by IDR 159.10Bn (vs 2M23 146.26Bn) against SMRA's target of IDR 5Tn.

The marketing sales were contributed by Serpong IDR 65.07Bn / 5% of the annual target of IDR 1.25Tn, Bekasi IDR 28.75Bn / 7% of the annual target, Crown Gading IDR 26.78Bn / 5% of the annual target of IDR 550Bn, Bandung IDR 19.42Bn / 3% of the annual target of IDR 600Bn, Makassar IDR 8.46Bn / 4% of the annual target of IDR 200Bn, Karawang IDR 5.91Bn / 15% of the annual target of IDR 40Bn, and Kelapa Gading IDR 4.70Bn / 1% of the annual target of IDR 420Bn.

2M24 Marketing Sales by Product Type.

SMRA's product type contribution in 2M24, namely Houses became the largest contribution with growth of IDR 146.78Bn / 5% of the annual target of IDR 3.17Tn (vs 2M23 IDR 116.36Bn / 4% of the annual target of IDR 2.81Tn).

Apartments decreased to IDR 12.32Bn / 2% of the annual target of IDR 730Bn (vs 2M23 IDR 17.52Bn / 4% of the annual target of IDR 450Bn).

Figure 16. Financial Statement (IDR Bn)

Income Statement	2022A	2023A	2024F	2025F
Revenue	5,719	6,659	7,239	7,859
Costs of revenue	2,720	3,299	3,632	3,858
Gross profit	3,000	3,360	3,607	4,001
Operating profit	1,464	1,624	1,700	1,930
EBITDA	1,324	1,887	2,000	2,256
Income before tax	774	1,057	1,232	1,482
Tax expenses	2.9	0.5	0.6	0.7
Minority interests	146.4	291.7	317.1	344.3
Net income	624	765	914	1,137
EPS (IDR)	37.88	46.40	55.38	68.89
Balance Sheet	2022A	2023A	2024F	2025F
Cash and equivalents	3,143	3,293	3,505	3,792
Account receivables	294	236	362	393
Inventories	9,960	10,906	11,033	11,869
Fixed assets	11,705	13,119	14,275	15,535
Other assets	3,287	3,565	4,293	4,660
Total assets	28,434	31,168	33,521	36,308
S-T liabilities	2,625	3,759	4,184	5,123
Other S-T liabilities	6,876	8,027	9,360	10,823
L-T liabilities	3,290	3,445	3,550	3,458
Other L-T liabilities	3,893	3,635	3,746	4,098
Total liabilities	16,684	18,865	20,841	23,502
Equity	11,750	12,303	12,680	12,807
BVPS (IDR)	557.13	595.25	607.36	613.42
Cash Flow	2022A	2023A	2024F	2025F
Net Income	624	765	914	1,137
Depreciation	258	264	300	326
Change In W/C	758	134	212	(32)
CFO	1,641	1,163	1,426	1,431
Capital Expenditure	(839)	(2,047)	(1,448)	(1,572)
Others	(107)	(92)	(649)	(265)
CFI	(1,124)	(1,463)	(1,809)	(1,529)
Dividend Paid	(116)	-	(823)	(1,024)
Net Change In Debt	(836)	155	106	(92)
Others	803	295	1,311	1,502
CFF	(149)	450	594	386
Change In Cash	369	150	212	288
Beginning	2,774	3,143	3,293	3,505
Ending Cash Flow	3,143	3,293	3,505	3,792
Key Ratios	2022A	2023A	2024F	2025F
Gross margin (%)	52%	50%	50%	51%
EBITDA margin (%)	23%	28%	28%	29%
Pretax margin (%)	14%	16%	17%	19%
Net margin (%)	10.9%	11.5%	13%	14%
ROE (%)	5%	6%	7%	9%
Current ratio (x)	1.32	1.19	1.09	1.02
Gearing (%)	50%	59%	61%	67%
Net gearing (%)	142%	153%	164%	184%
AR turnover (days)	19	13	18	18
Inventory TO (days)	1,337	1,207	1,109	1,123
AP turnover (days)	199	186	203	207

Source: SMRA & KSI Research

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT : Sector & Industry Outlook has potential and good condition
 NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant
 UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOTE RATE	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)



OTHER DISCLOSURES

All Kiwoom's research reports made available to clients are simultaneously available on our own website <http://www.kiwoom.co.id/>. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research reports available on a particular stock, please contact your sales representative. Any data discrepancies in this report could be the result of different calculations and/or adjustments.

DISCLAIMER This report has been prepared and issued by PT Kiwoom Sekuritas. Information has been obtained from sources believed to be reliable but PT Kiwoom Sekuritas do not warrant its completeness or accuracy. Forward-looking information or statements in this report contain information that is based on forecast of future results, estimates of amounts not yet determinable, assumptions, and therefore involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

To the fullest extent allowed by law, PT Kiwoom Sekuritas shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by any person or organization arising from reliance on or use of any information contained on this report. The information that we provide should not be construed in any manner whatsoever as, personalized advice.

No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person. This report is being supplied to you solely for your information and may not be reproduced by, further distributed to or published