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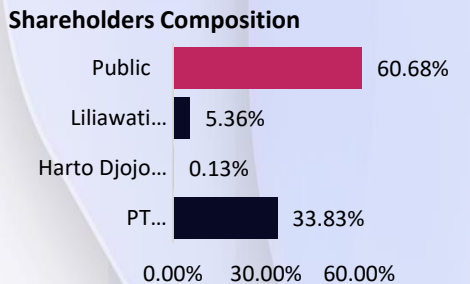
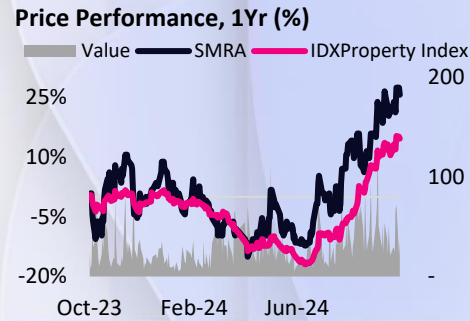
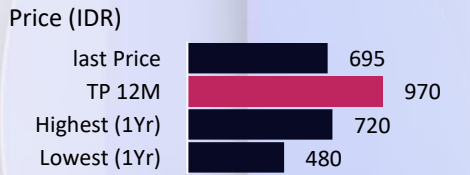


Stock Rate BUY
Industry Neutral

Fair Value IDR 970
vs. Last Price +39.6%

Stock Data
Ticker Code SMRA
Sub Sector Property & Real Estate
Sector Property & Real Estate

Market Cap (IDR.Tn) 11.9
Shares Issued (Bn) 16.5
AVG 3M Turnover (Bn) 48.5



PT Summarecon Agung Tbk (SMRA) Performance Improves, Growth Potential Continues

The top and bottom recorded growth. In 1H24 SMRA recorded revenue of IDR 5.7 Trillion or +91.4% y/y (vs 1H23 IDR 3 Trillion). Net profit grew to IDR 753.7 Billion or +73.7% y/y (vs 1H23 IDR 433.9 Billion). Net profit margin ratio declined to 13.3% (1H23 at 14.6%). 1H24 EBITDA amounted to IDR 2.3 Trillion or +140% y/y (vs 1H23 956.8 Billion).

Key Takeaways

- **Marketing Sales for the 1H24 period increased compared to 1H23 by IDR 1.72 Tn / +34% y/y** from the annual target of IDR 5 Trillion. the highest contribution during 1H24 was from Bekasi 114% and Karawang 105%. This increase was due to government incentives of PPN DTP 100% which increased the purchasing power of the housing segment. This October Summarecon Serpong launched its latest residential product, Cluster Louise in District Melody with a modern classic American design with 173 units on the market. The residential price starts from IDR 3.6 Billion - IDR 4.9 Billion. With these government incentives lasting until the end of the year, it can have a positive impact on residential sales.
- **The potential for a continued decline in interest rates could be a potential increase in demand in the property sector, especially the residential segment.** Then for 2025, the House Purchase Tax Elimination Plan, namely the 5% Land and Building Acquisition Duty (BPHTB) and 11% State Revenue Tax (PPN) which is temporary during the initial period of President-elect Prabowo Subianto taking office. This policy plan has the potential to restore the property sector.
- **Return on Equity Ratio:** Increased from 6.2% to 8.3% (vs Peers 7.7%), indicating improved profitability and efficiency in using its capital.

Recommendation "BUY"

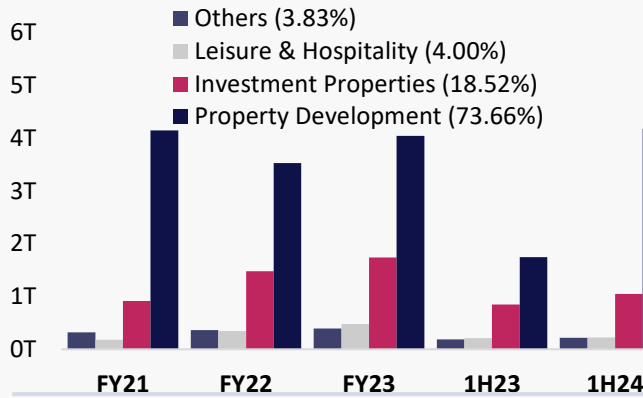
Based on blended valuation (Multiple PE, EV/Ebitda & DCF) and future opportunities, we upgrade SMRA's fair value for the next 12 months target at IDR 970 per share (Prev. IDR 695). This price reflects a P/E of 15.4x and PBV of 1.6x. The current price (IDR 695) trades at a PE Est. 12.9x (vs AVG Peers at 11.8x) and PBV est. 1.1x (vs AVG Peers at 0.89x). *Downside Risks: Global slowdown, changes in government regulations, rising prices of building materials, Rising Interest Rates and Inflation.*

Figure 1. Financial Highlight

End 31 Dec (IDR Bn)	2021A	2022A	2023A	2024F	2025F	2026F
Revenue (IDR Tn)	5,568	5,719	6,659	7,654	8,084	8,489
Net Profit (IDR Bn)	324	625	766	1,037	1,098	1,130
EPS (Full amount)	20.8	37.9	46.4	62.8	66.5	68.4
EBITDA Margin	7.4%	13.5%	13.2%	14.4%	14.4%	14.1%
NPM	5.8%	10.9%	11.5%	13.5%	13.6%	13.3%
Div. Yield (%)	0.7%	1.2%	1.3%	1.0%	1.1%	1.1%
ROE	2.9%	5.3%	6.2%	8.3%	8.7%	8.7%
P/E (x)	40.1	16.07	12.4	15.4	14.6	14.2
P/BV (x)	1.6	1.1	1.0	1.6	1.6	1.6
EV/EBITDA (x)	44.0	16.5	15.3	17.5	16.6	15.8

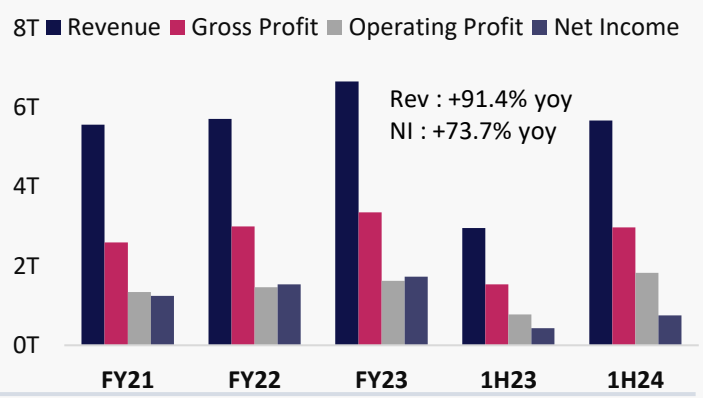
Source : Company & Bloomberg

Figure 2. Revenue Breakdown (IDR)



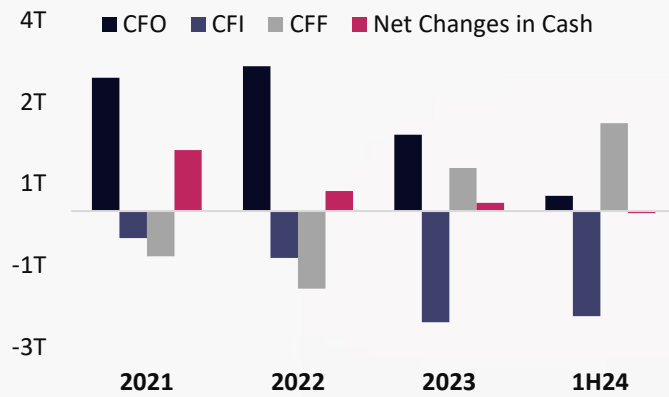
Source : Company & Bloomberg

Figure 3. Financial Highlight



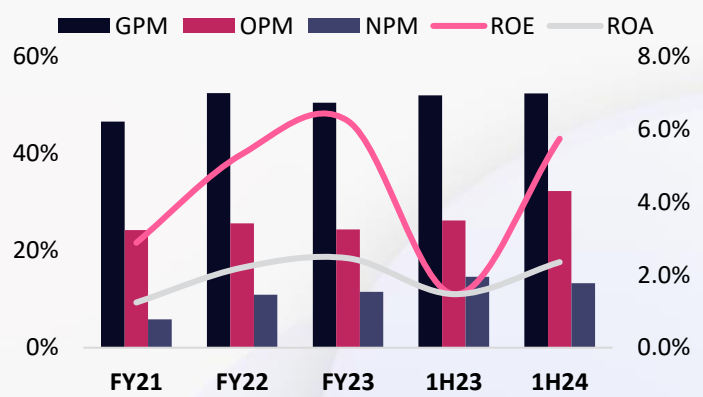
Source : Company & Bloomberg

Figure 4. Cashflow Activities (IDR)



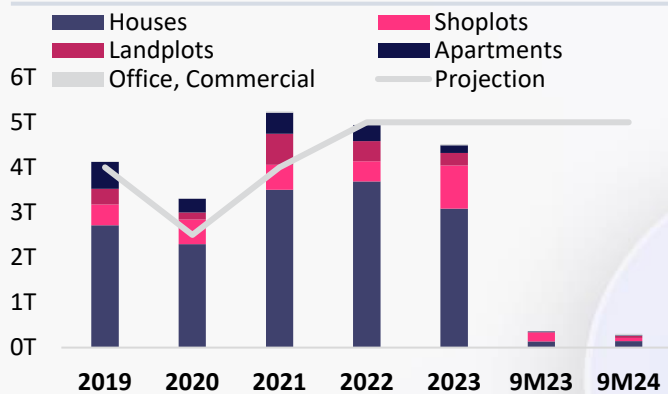
Source : Company & Bloomberg

Figure 5. Profitability Ratio is increase



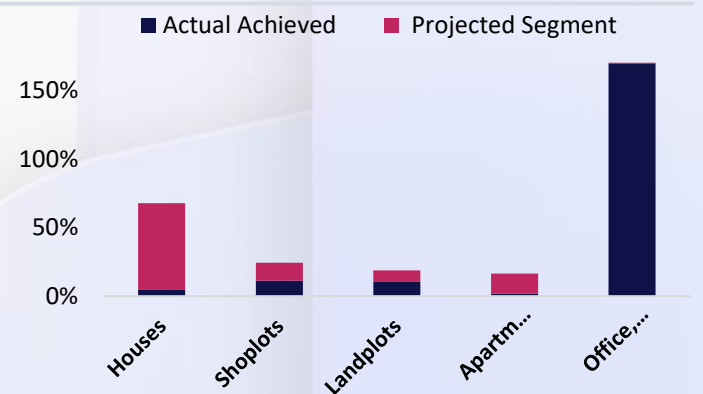
Source : Company & Bloomberg

Figure 6. Marketing Sales 9M24 Vs Projection by Product Type



Source : Company & Bloomberg

Figure 7. Actual Vs Projection Marketing Sales 9M24 By Product Type



Source : Company & Bloomberg

Financial Exhibits

Year-end 31 Dec (IDR Bn)	2021A	2022A	2023A	2024F	2025F	2026F
Revenue	5,568	5,719	6,659	7,654	8,084	8,489
Costs of revenue	2,974	2,720	3,299	3,769	3,940	4,181
Gross profit	2,594	3,000	3,360	3,885	4,144	4,309
Operating profit	1,348	1,464	1,624	1,858	2,004	2,061
EBITDA	410	773	878	1,102	1,164	1,201
Income before tax	547	775	1,058	1,373	1,453	1,503
Tax expenses	(2.7)	2.9	0.5	0.6	0.7	0.7
Minority interests	226.0	146.4	291.7	335.3	354.1	371.9
Net income	324	625	766	1,037	1,098	1,130
EPS (IDR)	20.82	37.88	46.40	62.80	66.52	68.44

Balance sheet

Year-end 31 Dec (IDR Bn)	2021A	2022A	2023A	2024F	2025F	2026F
Cash and equivalents	2,774	3,143	3,293	3,970	4,014	4,512
Account receivables	249	294	236	354	353	381
Inventories	9,254	9,960	10,906	11,033	11,869	12,251
Fixed assets	10,745	11,705	13,119	13,384	13,976	14,621
Other assets	2,940	3,287	3,562	4,580	4,651	4,736
Total assets	26,050	28,434	31,168	33,376	34,921	36,563
S-T liabilities	2,919	2,625	3,759	3,766	3,804	3,880
Other S-T liabilities	4,050	6,876	8,027	9,607	10,828	12,033
L-T liabilities	4,126	3,290	3,445	3,515	3,550	3,621
Other L-T liabilities	3,725	3,893	3,635	3,934	4,058	4,096
Total liabilities	14,820	16,684	18,865	20,822	22,240	23,630
Equity	11,230	11,750	12,303	12,554	12,680	12,933
BVPS (IDR)	524.65	557.13	595.25	601.31	607.37	619.48

Cash Flows Statement

Year-end 31 Dec (IDR Bn)	2021A	2022A	2023A	2024F	2025F	2026F
Net Income	324	625	766	1,037	1,098	1,130
Depreciation	264	258	264	333	348	367
Change in working capital	(2,003)	757	134	(155)	(905)	(536)
Operating cash flow	(1,415)	1,641	1,163	1,215	541	961
Capital expenditure	(521)	(839)	(2,047)	(765)	(808)	(849)
Others	(234)	(107)	(92)	(886)	(187)	(176)
Investing cash flow	14	(1,124)	(1,463)	(1,158)	(782)	(824)
Dividend paid	(99)	(116)	(149)	(166)	(176)	(181)
Net change in debt	(1,362)	(836)	155	70	35	71
Others	3,979	803	444	716	426	472
Financing cash flow	2,518	(149)	450	620	286	362
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	1,117	369	150	677	44	498
Beginning cash flow	1,657	2,774	3,143	3,293	3,970	4,014
Ending cash flow	2,774	3,143	3,293	3,970	4,014	4,512

Source : Company & Bloomberg

Key Ratios

Key Ratios	2021A	2022A	2023A	2024F	2025F	2026F
Revenue Growth (%)	11%	3%	16%	15%	6%	5%
Gross Profit Growth (%)	13%	16%	12%	16%	7%	4%
Operating Profit Growth (%)	25%	9%	11%	14%	8%	3%
EBITDA Growth (%)	47%	89%	14%	26%	6%	3%
Net Profit Growth (%)	80%	93%	23%	35%	6%	3%
EPS Growth (%)	72%	82%	22%	35%	6%	3%
Gross Margin (%)	47%	52%	50%	51%	51%	51%
EBITDA Margin (%)	7%	14%	13%	14%	14%	14%
EBIT Margin (%)	24%	26%	24%	24%	25%	24%
Pretax Margin (%)	10%	14%	16%	18%	18%	18%
Net Margin (%)	6%	11%	12%	14%	14%	13%
ROA (%)	1%	2%	2%	3%	3%	3%
ROE (%)	3%	5%	6%	8%	9%	9%
Current Ratio (x)	1.9x	1.5x	1.3x	1.2x	1.2x	1.1x
Quick Ratio (x)	0.5x	0.5x	0.4x	0.4x	0.4x	0.4x
LT D/Equity (x)	0.4x	0.3x	0.3x	0.3x	0.3x	0.3x
DER (x)	1.3x	1.4x	1.5x	1.7x	1.8x	1.8x
DAR (x)	0.6x	0.6x	0.6x	0.6x	0.6x	0.6x
AR Turnover (days)	16.33	18.76	12.93	16.90	15.92	16.40
Inventory Turnover (days)	1,135.77	1,336.69	1,206.53	1,068.39	1,099.65	1,069.58
AP Turnover (days)	158.81	198.97	164.00	190.05	193.07	191.07
Cash Ratio	40%	33%	28%	30%	27%	28%
Sustainable Growth (%)	1%	2%	6%	5%	5%	5%
Earning Yield (%)	2%	6%	8%	6%	7%	7%
Dividend Yield (%)	1%	1%	1%	1%	1%	1%
PE (x)	40.1x	16.0x	12.4x	15.4x	14.6x	14.2x
PBV (x)	1.6x	1.1x	1.0x	1.6x	1.6x	1.6x
P/Sales	2.5x	1.7x	1.4x	2.1x	2.0x	1.9x
EV/Ebitda	44.0x	16.5x	15.3x	17.5x	16.6x	15.8x

Source : Company & Bloomberg

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)

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