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PT Bumi Serpong Damai Tbk develops real estate including housing infrastructure, commercial, and industrial estates, golf courses, and public facilities.

Current Price: IDR 1,800

52-Week Target Price: IDR 2,200

Previous Target Price: IDR 1,800



Share Price Performance

Price (IDR)	1,800
52-Week High (2/27/15)	2,230
52-Week Low (09/29/15)	1,235
YTD Change/%	0 / 0%

Stock Information

Market Cap (IDR)	34,644.1 B
Shares Out/Float (M)	19,246.7 / 6,817

Company Update

PT Bumi Serpong Damai Tbk (BSDE)

Ready to Step On the Gas

BUY

We upgrade our recommendation to BUY with upgraded target price to IDR 2,200/share (+22% potential upside) on the back of our expectation on tax amnesty bill, which will be discussed in the Parliament soon, is going to be ratified which it will bring back property in demand, if this can be successfully implemented. Moreover, even though company's marketing sales achievement of IDR 6.76tn last year was only reached 90% of FY15 target, but the achievement showed us a positive growth (+4% YoY), the strongest among its peers.

February Launching Plan

In order to pursue FY16F marketing sales target of IDR 6.8tn, which relatively flat to last year achievement, the company is ready to start launching its new projects soon. The company plans to launch two projects, which are Sevilla Park on February 21st and Vanya Park "Anarta Park" on February 27th. Sevilla Park is located in the first phase development of BSD City, next to Stella Maris School, with selling price ranging from IDR 1.1bn to IDR 1.6bn. Vanya Park "Anarta House" is a new cluster located in the second phase development of BSD City which consists of 239 unit. The Anarta House is dedicated for dormitory on the back of its location surrounding by Q-Big Mall, Court Mega Store, IPEKA Christian School, and direct connected to Indonesia Convention and Exhibition (ICE). Price per unit is the range of IDR 994mn-IDR 1bn.

FY15 Marketing Sales Achieved IDR 6.76tn (+4% YoY)

BSDE's FY15 marketing sales reached IDR 6.76tn (+4% YoY), or equal to 90% of its annual target of IDR 7.5tn due to its Aerium and Tanjung Barat projects postponed. The biggest contributor by value to total presales was coming from residential which amounted to IDR 4.4tn, an increase by 39% YoY.

I/S (IDR bn)	2013	2014	2015E	2016F	2017F
Revenue	5,741	5,571	6,955	7,671	7,986
Gross profit	4,165	4,131	5,148	5,740	5,955
Operating profit	2,909	2,631	3,451	3,771	3,956
Net profit	2,905	3,996	2,843	3,145	3,326
EPS - full amount	153.82	211.31	147.95	163.66	173.10



Image of Sevilla Park neighborhood



Image of Location Map, Anarta House in Vanya Park



Image of Anarta House neighborhood

Marketing Sales	FY15			FY14			+/- (IDR)
	Unit	IDR	%	Unit	IDR	%	
Housing	2,287	4,356,907	64%	1,603	3,139,607	48%	39%
Land Plots	9	608,979	9%	17	2,023,493	31%	-70%
Strata Title	406	655,089	10%	577	317,322	5%	106%
Industrial	5	22,083	0%	23	102,920	2%	-79%
Shophouse	943	1,114,150	16%	201	664,371	10%	68%
Subtotal	3,650	6,757,209	100%	2,421	6,247,713	96%	8%
Land Plots - JV	-	-	0%	1	259,995	4%	-100%
Total	3,650	6,757,209	100%	2,422	6,507,708	100%	4%

NAV	Saleable Area ha	Price IDR '000/sqm	Ownership %	Net Value IDR bn
<u>DEVELOPED LAND</u>				
BSD City - Serpong: Phase II	480	13,000	100%	59,280
Kota Wisata - Cibubur	71	3,000	85%	1,720
Grand Wisata - Bekasi	323	4,000	46%	5,646
Taman Permata Buana - West Jakarta	3	14,000	85%	339
Taman Banjar Wijaya - Tangerang	13	1,500	85%	157
Legenda Wisata - Cibubur	5	2,500	85%	101
Grand City Balikpapan	130	1,500	55%	1,019
Grand City Samarinda	35	100	55%	18
Kota Bunga - Bogor	7	1,000	85%	57
<u>VACANT LAND</u>				
BSD City - Serpong: Phase III	2,450	400	100%	9,310
MT Haryono	1	14,000	100%	133
Kuningan Rasuna	5	17,000	100%	808
Duri Pulo	16	9,000	85%	1,163
Lenteng Agung	5	20,000	85%	808
Bale Tirta Warna - Bogor	319	200	100%	606
Lakasanri	40	1,500	100%	570
Cibubur	160	200	85%	258
Bekasi	83	200	85%	134
Benowo Industrial Estate	260	100	85%	210
Tanjung Sari	2	5,500	100%	105
Karawang	107	100	55%	56
Jatiasih				
SUBTOTAL	4,583			82,497
Recurring Income				10,943
TOTAL				93,440
Less Debt and Advances				6,665
Add Cash				2,967
NAV				89,741
No. of Shares (bn shares)				18
NAV/share				4,885
Discount to NAV				55%
Target Price				2,200

Appendix I: Financial Statements

Balance Sheet (in million of IDR)	2013	2014	2015E	2016F	2017F
Cash and cash equivalents	4,331,624	2,966,814	4,622,727	4,459,789	5,762,652
Short-term investments	1,129,454	695,399	807,970	1,119,188	1,029,855
Inventories	3,796,776	5,239,017	5,812,298	6,231,983	6,890,189
Advances	1,712,187	2,018,471	1,928,317	2,397,766	2,534,458
Investment in shares	523,022	4,803,698	5,996,673	6,613,489	6,885,164
Land for development	7,247,149	8,038,298	8,979,402	9,661,667	10,328,844
Property and equipment	437,868	607,790	694,888	775,986	851,084
Investment properties	2,503,358	2,714,951	2,788,782	2,857,613	2,921,444
TOTAL ASSETS	22,572,159	28,134,725	32,143,028	34,637,028	37,686,372
Short-term bank loans	1,330,000	1,420,000	1,420,000	1,420,000	1,420,000
Advances received - current	2,513,349	3,021,635	3,847,116	4,106,105	4,695,739
Advances received - noncurrent	1,211,468	756,640	2,052,266	1,705,538	1,862,043
Bonds payable	2,730,274	2,649,518	2,665,000	2,186,000	436,000
TOTAL LIABILITIES	9,156,861	9,661,295	11,437,121	11,332,182	11,652,348
Capital stock	1,749,700	1,837,185	1,924,670	1,924,670	1,924,670
Additional paid-in capital	3,167,990	4,694,643	4,694,643	4,694,643	4,694,643
Retained earnings					
Appropriated	29,813	31,813	33,813	35,813	37,813
Unappropriated	5,339,072	8,882,046	11,025,038	13,621,977	16,349,155
TOTAL EQUITY	13,415,298	18,473,430	20,705,907	23,304,846	26,034,024
Income Statement (in million of IDR)	2013	2014	2015E	2016F	2017F
Revenues	5,741,264	5,571,872	6,955,619	7,671,072	7,986,192
Cost of Revenues	1,575,447	1,440,361	1,806,653	1,930,719	2,030,902
Gross Profit	4,165,817	4,131,511	5,148,966	5,740,353	5,955,290
Total Operating Expenses	1,256,190	1,499,935	1,697,164	1,968,384	1,998,933
Income from Operations	2,909,627	2,631,576	3,451,802	3,771,969	3,956,357
Other Income - net	322,188	8,170	(388,130)	(383,030)	(371,830)
Income Before Tax	3,278,954	4,306,326	3,063,672	3,388,939	3,584,527
Current Tax Expense	373,306	309,862	220,446	243,851	257,925
Net Income	2,905,648	3,996,464	2,843,225	3,145,088	3,326,602

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