

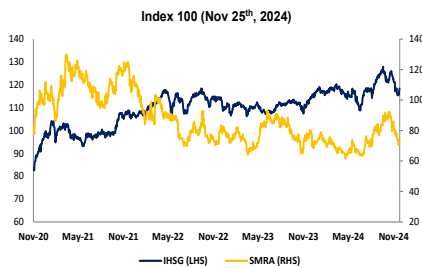


Buy

| | |
|-----------------------------------|-----------|
| Price (Nov 25 th , 24) | 565 |
| Target Price | 770 |
| Potential Upside | +35.62% |
| Market Cap | 9.07 T |
| Number of Share | 16.50 B |
| 52w Lo/Hi | 550 / 720 |

Source : IDX | Phintraco Sekuritas Research | as of Nov 25th, 2024

IHSG vs SMRA



Source : IDX

| | |
|---------------------|-------|
| Shareholder | % |
| Others (<5%) | 64.54 |
| PT. Semarop Agung | 33.83 |
| Lilawati Rahardjo | 1.50 |
| Harto Djojo Nagaria | 0.13 |

Source : Company | as of fin. Statement 3Q24

EPS Consensus vs Forecast

| | AT | Consensus* | %Diff |
|-------|----|------------|-------|
| 2024F | 89 | 82 | +8.5% |
| 2025F | 94 | 88 | +6.8% |

Source : *marketscreener | as of Nov 25th, 2024

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PT Summarecon Agung Tbk

(SMRA.JK / SMRA.IJ)

Potential for optimizing marketing sales in the remainder of 2024

SMRA's net profit grew 43% yoy to IDR933 billion in 9M24. This growth is in line with revenue growth to IDR7.5 trillion in 9M24. Property sales are still the main contributor to SMRA's revenue (69%) 9M24. House sales increased by 71% yoy, followed by commercial buildings by 30% yoy. In addition, SMRA's recurring income also increased by 28%. Cost of goods sold (COGS) was recorded at IDR3.6 trillion (+42% yoy) in 9M24. The increase in COGS is in line with the rise in house sales in 9M24.

Better funding potential. SMRA has a net gearing ratio of 31% in 9M24, higher than 28% in FY23, but still within safe limits (below 50%). SMRA made a non-cash deposit in the form of mall assets to its subsidiary PT Summarecon Investment Property (SMIP) on June 26, 2024. This restructuring is SMRA's effort to optimize the business units it manages. Thus, in terms of recurring income (especially from malls and hotels), it is more focused and makes it easier for SMRA to obtain additional capital for its business activities other than through loans. In the financial report as of September 2024, funds for the initial public offering have begun to be recorded.

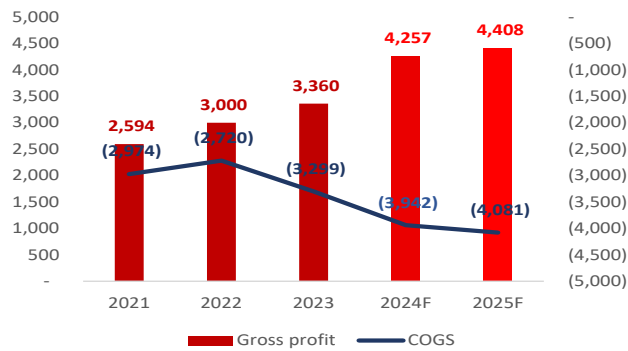
The government-borne VAT incentive (PPN DTP) can potentially optimize SMRA's marketing sales achievement in FY24F. SMRA targets marketing sales in FY24F to reach IDR 5 trillion. This target is an increase of 11% compared to FY23. Until 9M24, it recorded marketing sales of IDR 2.7 trillion (54% of SMRA's FY24F). This marketing sales achievement is still far from SMRA's FY24F target. Still, the launch of new clusters in the remainder of 2024, accompanied by the re-implementation of the VAT DTP incentive in September, can support SMRA's marketing sales in FY24 and achieve the marketing sales target. The units that have started to be sold are the Havena Lakes and Briza Lakes clusters (IDR 940 million to IDR 2.5 billion) in the Summarecon Tangerang area. Summarecon Tangerang has six lakes, quite large open spaces, and a water treatment circulation system that can minimize wastewater discharge, which is attractive to consumers.

Net profit is estimated to grow around 42% year over year in FY24F. The residential property segment is expected to continue contributing to this achievement, along with the potential stimulus from the government, the massive launch of new housing and clusters after the election, and high interest rates.

Using discounted cash flow and revalued net asset value methods, we estimate SMRA's fair value to be 770 (8.61x expected P/E FY24F and 50% discount to NAV). Considering SMRA's fair price, we give SMRA a buy rating with a potential upside of 35.62%.

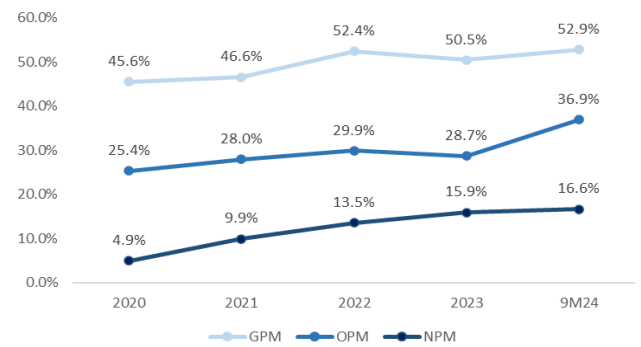
Performance Highlight

Figure 1. Financial Performance (IDR Billion)



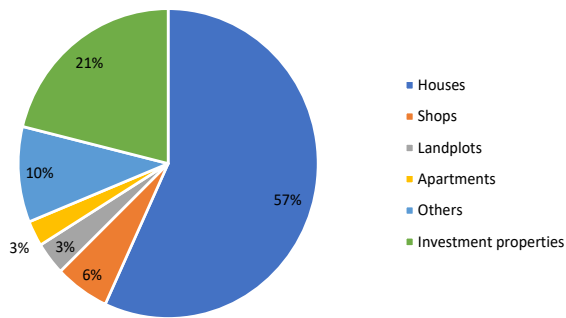
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



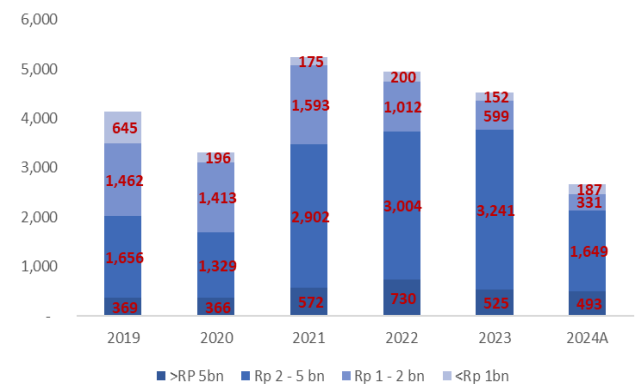
Source : Company | Phintraco Sekuritas Research

Figure 3. Revenue Breakdown 9M24



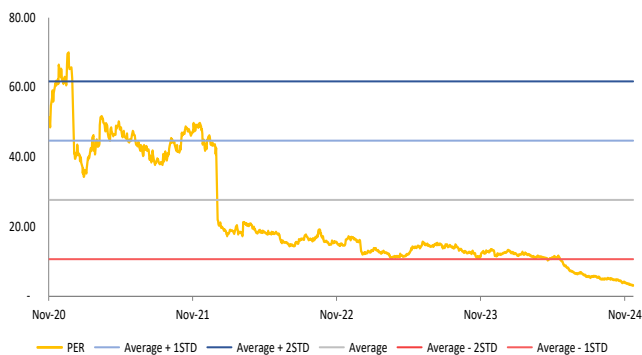
Source : Company | Phintraco Sekuritas Research

Figure 4. Marketing Sales by Price Range 9M24 (IDR Bn)



Source : Company | Phintraco Sekuritas Research

Figure 5. PER Band (5 year)



Source : IDX | Company | Phintraco Sekuritas Research

Figure 6. PBV Band (5 year)



Source : IDX | Company | Phintraco Sekuritas Research

Key Financial Figures

| (in Billion Rupiah) | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|--------------------------------|----------|----------|----------|----------|---------|---------|
| INCOME STATEMENT | FY21 | FY22 | FY23 | 9M24 | FY24F | FY25F | RATIOS | FY21 | FY22 | FY23 | 9M24 | FY24F | FY25F |
| Revenue | 5,568 | 5,719 | 6,659 | 7,541 | 8,199 | 8,489 | Profitability Ratio (%) | | | | | | |
| <i>Growth</i> | 10.69% | 2.72% | 16.42% | 48.43% | 23.13% | 3.55% | GPM | 46.59% | 52.45% | 50.45% | 52.87% | 51.92% | 51.92% |
| Cost of Goods Sold | (2,974) | (2,720) | (3,299) | (3,554) | (3,942) | (4,081) | OPM (EBITDA Margin) | 27.98% | 29.87% | 28.71% | 36.90% | 35.47% | 35.93% |
| Gross Profit | 2,594 | 3,000 | 3,360 | 3,987 | 4,257 | 4,408 | NPM | 9.87% | 13.49% | 15.88% | 16.63% | 17.91% | 18.24% |
| <i>GPM</i> | 46.59% | 52.45% | 50.45% | 52.87% | 51.92% | 51.92% | ROA | 1.24% | 2.20% | 2.46% | 2.79% | 3.09% | 3.16% |
| EBIT | 1,558 | 1,708 | 1,912 | 2,783 | 2,908 | 3,050 | ROE | 2.88% | 5.32% | 6.23% | 7.01% | 7.98% | 7.64% |
| <i>EBIT Margin</i> | 27.98% | 29.87% | 28.71% | 36.90% | 35.47% | 35.93% | ROIC | 2.80% | 5.16% | 6.01% | 6.76% | 7.69% | 7.38% |
| Other Income/(Charge) | | | | | | | Activity Ratio (X) | | | | | | |
| Interest Income | 192 | 157 | 181 | 138 | 238 | 247 | Inventory Turnover | 0.32 | 0.27 | 0.30 | 0.34 | 0.37 | 0.38 |
| Interest Expense | (1,002) | (857) | (757) | (786) | (1,086) | (1,125) | Receivables Turnover | 22.35 | 19.46 | 28.23 | 25.13 | 22.74 | 22.74 |
| Net Interest Income (Expenses) | (810) | (700) | (576) | (648) | (848) | (878) | Payables Turnover | 41.97 | 31.11 | 36.09 | 41.64 | 44.76 | 46.35 |
| Profit Before Tax | 756 | 1,018 | 1,345 | 1,742 | 2,071 | 2,184 | Days of Inventory | 1,135.76 | 1,336.67 | 1,206.54 | 1,066.15 | 985.64 | 951.88 |
| <i>EBT Margin</i> | 13.58% | 17.80% | 20.20% | 23.11% | 0.00% | 0.00% | Days of Receivables | 16.33 | 18.75 | 12.93 | 14.52 | 16.05 | 16.05 |
| Net Profit After Tax | 550 | 772 | 1,058 | 1,254 | 1,468 | 1,548 | Days of Payables | 8.70 | 11.73 | 10.11 | 8.77 | 8.15 | 7.88 |
| <i>NPM</i> | 9.87% | 13.49% | 15.88% | 16.63% | 17.91% | 18.24% | Leverage Ratio (X) | | | | | | |
| Source : Company Phintraco Sekuritas Research | | | | | | | Debt to Asset Ratio | 21.94% | 18.67% | 19.93% | 26.88% | 25.63% | 24.87% |
| | | | | | | | Debt to Equity Ratio | 50.90% | 45.17% | 50.48% | 67.50% | 66.11% | 60.06% |
| | | | | | | | Liabilities to Asset Ratio | 56.89% | 58.68% | 60.53% | 60.18% | 61.23% | 58.59% |
| | | | | | | | Liabilities to Equity Ratio | 131.96% | 141.99% | 153.34% | 151.15% | 157.90% | 141.51% |
| | | | | | | | Interest Rate | 17.54% | 16.15% | 12.19% | 8.75% | 12.08% | 12.51% |

| (in Billion Rupiah) | | | | | | | | | | | | | |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---|-------|-------|------|------|-------|-------|
| BALANCE SHEET | FY21 | FY22 | FY23 | 9M24 | FY24F | FY25F | Liquidity Ratio (X) | FY21 | FY22 | FY23 | 9M24 | FY24F | FY25F |
| Asset | | | | | | | Current Ratio | 2.42 | 1.91 | 1.73 | 1.71 | 1.83 | 1.95 |
| Cash | 2,774 | 3,143 | 3,293 | 2,801 | 3,901 | 4,899 | Quick Ratio | 0.70 | 0.58 | 0.52 | 0.54 | 0.66 | 0.74 |
| Accounts Receivable | 249 | 294 | 236 | 300 | 361 | 373 | Cash Ratio | 0.52 | 0.42 | 0.37 | 0.32 | 0.43 | 0.56 |
| Inventories | 8,514 | 9,187 | 9,254 | 9,960 | 10,644 | 10,644 | Price Ratio | | | | | | |
| Total Current Assets | 13,031 | 14,291 | 15,562 | 15,215 | 16,642 | 17,174 | Share Price (IDR) | 835 | 605 | 575 | 530 | 530 | 530 |
| Fixed Assets | 318 | 370 | 442 | 493 | 507 | 529 | Average Share Price (IDR) | 860 | 652 | 607 | 547 | 547 | 547 |
| Total Non Current Assets | 13,019 | 14,143 | 15,606 | 18,241 | 18,437 | 18,982 | Outstanding Shares (in Billion) | 17 | 17 | 17 | 17 | 17 | 17 |
| Total Asset | 26,050 | 28,434 | 31,168 | 33,456 | 35,079 | 36,156 | EPS (IDR) (annualized) | 33 | 47 | 64 | 226 | 89 | 94 |
| Liabilities | | | | | | | BVPS (IDR) | 681 | 712 | 746 | 807 | 824 | 907 |
| Short Term Debt | 1,590 | 2,018 | 2,766 | 4,827 | 4,827 | 4,827 | RPS (IDR) | 337 | 347 | 404 | 457 | 497 | 515 |
| Accounts Payable | 71 | 87 | 91 | 85 | 88 | 88 | PER(X) | 25.06 | 12.93 | 8.97 | 2.34 | 5.96 | 5.65 |
| Accrued Expense | 816 | 1,104 | 1,082 | 804 | 909 | 943 | PBV(X) | 1.23 | 0.85 | 0.77 | 0.66 | 0.64 | 0.58 |
| Total Current Liabilities | 6,969 | 9,501 | 11,786 | 13,710 | 13,937 | 13,637 | P/R(X) | 2.47 | 1.75 | 1.42 | 1.16 | 1.07 | 1.03 |
| Long-Term Debt | 4,126 | 3,290 | 3,445 | 4,165 | 4,165 | 4,165 | Dividends | | | | | | |
| Contract Liabilities | 3,329 | 3,473 | 3,113 | 1,757 | 2,918 | 2,918 | DPS | 6.00 | 7.00 | 9.00 | - | - | - |
| Total Non Current Liabilities | 7,851 | 7,182 | 7,080 | 6,424 | 7,541 | 7,548 | DPR | 18% | 15% | 0.14 | - | - | - |
| Total Liabilities | 14,819 | 16,684 | 18,865 | 20,135 | 21,477 | 21,186 | Div. Yield | 1% | 1% | 0.02 | - | - | - |
| Equity | 11,230 | 11,750 | 12,303 | 13,321 | 13,602 | 14,971 | Source : Company Phintraco Sekuritas Research | | | | | | |

| (in Billion Rupiah) | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| CASH FLOW | FY21 | FY22 | FY23 | 9M24 | FY24F | FY25F |
| Cash Flow from Operating | | | | | | |
| Net Income | 324 | 625 | 766 | 934 | 1,085 | 1,144 |
| Depreciation & Amortization | (10) | 3 | 4 | (70) | (2) | (1) |
| Working Capital | 7 | (446) | (906) | 176 | (39) | 21 |
| Others | (1,421) | 2,087 | 2,069 | 1,605 | 1,730 | 27 |
| Net-CFFO | (1,101) | 2,269 | 1,933 | 2,644 | 2,775 | 1,190 |
| Cash Flow from Investing | | | | | | |
| CAPEX | 17 | (65) | (84) | 9 | (83) | (24) |
| Others | 8 | (1,062) | (1,383) | (2,574) | (2,746) | (519) |
| Net-CFFI | 25 | (1,127) | (1,467) | (2,565) | (2,830) | (544) |
| Cash Flow from Financing | | | | | | |
| Ch. in Lt liab. | (1,362) | (836) | 155 | 721 | 721 | - |
| Ch. in other non-current liab. | 1,821 | (106) | (213) | 85 | 213 | 225 |
| Equity | 1,821 | (106) | (213) | 85 | 213 | 225 |
| Net-CFFF | 2,194 | (774) | (316) | (571) | 674 | 233 |
| NET CASH FLOW | 1,117 | 369 | 150 | (491) | 620 | 880 |

Source : Company | Phintraco Sekuritas Research

Glossarium

| | |
|--------|--|
| FLPP | : Pembiayaan perumahan kepada masyarakat berpenghasilan rendah |
| PPN | : Pajak Pertambahan Nilai |
| NAV | : <i>Net Asset Value</i> |
| BVPS | : <i>Book Value per Share</i> |
| CFFF | : <i>Cash Flow from Financing</i> |
| CFFI | : <i>Cash Flow from Investing</i> |
| CFFO | : <i>Cash Flow from Operating</i> |
| DPR | : <i>Dividend Payout Ratio</i> |
| DPS | : <i>Dividend per Share</i> |
| EBIT | : <i>Earning Before Interest & Tax</i> |
| EBITDA | : <i>Earning Before Interest, Tax, Depreciation & Amortization</i> |
| EBT | : <i>Earning Before Tax</i> |
| EPS | : <i>Earning per Share</i> |
| EV | : <i>Enterprise Value</i> |
| NPM | : <i>Net Profit Margin</i> |
| NPM | : <i>Net Profit Margin</i> |
| OPM | : <i>Operating Profit Margin</i> |
| PBV | : <i>Price to Book Value</i> |
| PER | : <i>Price to Earning Ratio</i> |
| ROA | : <i>Return on Asset</i> |
| ROE | : <i>Return on Equity</i> |



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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