

PT. Puradelta Lestari Tbk.

BUY

3 November 2020
Property And Real Estate

Price IDR 218

Target Price IDR 290

JKSE Index 5,115,128



Stock Information

Bloomberg Code DMAS IJ
Market Cap (IDR bn) 9,399
52-week high (IDR) 356
52-week low (IDR) 120
Shares issued (mn) 48,198.1
6-m avg. daily Val (IDR) 208
Free float 17.72%

Major share holders (%)
PT Sumber Arusmulia 57.28%
Sojitz Corporation 25.00%
Public 17.72%

USD/ IDR – YE (IDR)
2019 13,877
2020F (6m-avg) 14,611

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Investment Consideration

9M2020: lower than expected

- In 9M2020, DMAS booked revenue of IDR 655 billion compared to 9M2019's IDR 1.27 trillion. Revenues dropped due to the one-off commercial land sales in 9M2019. In the 4Q2020, there is a large sales backlog which is expected to be recorded as revenue.
- Industrial estate sales contributed the most with revenue of IDR 538 billion which is 82.1% of the total, commercial contributed IDR 65 billion, 9.9% of the total, and residential contributed 5.5% or IDR 36 billion.
- Gross profit dropped -48% YoY to IDR 427 billion from IDR 825 billion in 9M2019, but DMAS still maintained a stable GPM at 65.2% in 9M2020 compared to 65.0% in 9M2019.
- Operating profit dropped -58% YoY to IDR 285 billion compared to IDR 682 billion in 9M2019. The operating profit margin decreased to 43.5% from 54%.
- Net profit also dropped -60% YoY to IDR 302.4 billion with a net margin of 43.5%.
- Although there is still a large backlog for 4Q2020, We revise down our 2020 forecasts for DMAS. We now expect DMAS revenue to reach IDR 1.25 trillion.

Positive Omnibus Law sentiment

- The Omnibus law is expected to increase Foreign Direct Investment, especially for businesses that require large manufacturing activities within industrial estates.
- The law will therefore boost sentiment towards Indonesian industrial estate developers, including DMAS.
- Even in these difficult times, Indonesian Industrial estates have still managing to produce marketing sales, including DMAS.
- In the 9M2020, DMAS marketing sales were IDR 1.38 trillion, with most of the sales not yet recorded as revenue and expected to be recognized in the 4Q2020.
- DMAS is still targeting marketing sales in 2020 to reach IDR 2 trillion.

Valuation: Maintain BUY with 33% upside

- We maintain our target price of IDR 290 to be reached within one year. The target translates to 20x PE, and gives 33% potential upside. We recommend to BUY.

Financial Highlights	2016A	2017A	2018A	2019A	2020F	2021F
Revenue (IDR Bn)	1,594	1,336	1,036	2,650	1,246	1,607
EBITDA (IDR Bn)	795	713	554	1,431	679	807
Net Income (IDR Bn)	757	657	496	1,335	580	701
GPM (%)	56,21%	60,97%	56,05%	55,96%	65,00%	60,00%
OPM (%)	45,43%	46,70%	40,09%	46,55%	45,00%	40,00%
NPM (%)	47,51%	49,14%	47,89%	50,37%	46,55%	43,64%
ROA (%)	9,70%	8,79%	6,62%	17,53%	8,15%	9,82%
Current Ratio (X)	10,25%	9,38%	6,91%	20,56%	10,00%	11,46%

Income Statement YoY in IDR Billion

Income Statement (In IDR bn)	2016A	2017A	2018A	2019A	2020F	2021F
Revenues	1.593,8	1.336,4	1.036,2	2.650,3	1.245,9	1.606,9
Cost of Revenues	(697,9)	(521,5)	(455,4)	(1.167,2)	(436,1)	(642,8)
Gross Profit	895,9	814,9	580,8	1.483,1	809,8	964,2
Operating Expenses	(171,7)	(190,8)	(165,4)	(249,3)	(249,2)	(321,4)
Operating Income	724,1	624,1	415,4	1.233,8	560,7	642,8
Other Income	51,2	46,2	98,9	116,6	37,4	80,3
Profit Before Tax	775,4	670,2	514,4	1.350,3	598,0	723,1
Tax Expense	(17,8)	(13,1)	(18,0)	(14,9)	(17,9)	(21,7)
NIAT	757,5	657,1	496,4	1.335,4	580,1	701,4
Minority Interest	(0,3)	(0,4)	(0,1)	(0,5)	(0,2)	(0,2)
Net Income	757,2	656,7	496,3	1.334,9	579,9	701,2
EPS (IDR)	15,7	13,6	10,3	27,7	12,0	14,5
EBITDA	794,8	713,1	553,6	1.431,0	678,6	807,0

Source: Company and Binaartha

Cash Flow YoY in IDR Billion

Cash Flow (in IDR.bn)	2016A	2017A	2018A	2019A	2020F	2021F
+ Net Income	757	657	496	1.335	580	701
+Depreciation	9,64	19,15	19,94	22,20	20,97	23,04
- Change in WC	392	-213	-231	281	280	-239
Cash From Operating Activities	1.159	463	286	1.638	881	485
capex	-588	136	-17	302	-68	-61
cash from investing activities	-588	136	-17	302	-68	-61
Long term liabilities	-17	0	0	0	0	0
Other Long term liabilities	20	7	5	9	-1	0
Equity	-529	-1.039	-314	-2.028	-1.274	-379
cash from financing activities	-527	-1.032	-309	-2.019	-1.275	-378
Net Changes in Cash	44	-434	-40	-78	-462	45
Beginning Balance	1.175	1.219	785	745	667	205
Ending balance	1.219	785	745	667	205	251

Source: Company and Binaartha

Statement of Financial Position YoY in IDR Billion

Statement of Financial Position (In IDR bn)	2016A	2017A	2018A	2019A	2020F	2021F
Current Asset						
Cash and cash equivalent	1.219	785	745	667	205	251
Advances	0	50	83	1.090	723	562
Inventory	2.380	2.602	2.679	2.176	2.305	2.410
Other current asset	115	99	61	76	224	225
Current Asset	3.714	3.536	3.568	4.009	3.457	3.448
Non Current Asset						
Net Fixed Asset	3.755	3.517	3.411	3.054	3.075	3.098
Investment Properties	16	113	208	244	249	241
Total non current Asset	4.090	3.935	3.932	3.608	3.655	3.693
Total Asset	7.804	7.471	7.500	7.617	7.112	7.141
Current Liabilities						
Trade accounts payable	39	18	2	31	11	12
Sales advances	163	272	165	820	1.121	803
Other Current liabilities	193	148	113	230	137	161
Total current liabilities	395	438	279	1.080	1.270	976
Non Current Liabilities						
Long-term non current liabilities	0	0	0	0	0	0
Other Long-term non current liabilities	20	27	32	41	40	40
Total long term/ non current liabilities	20	27	32	41	40	40
Total Liabilities	415	465	312	1.121	1.310	1.017
Non controlling Interest	3	4	4	3	3	4
Total Equities	7.385	7.002	7.185	6.492	5.799	6.120
Total Liabilities and equity	7.804	7.471	7.500	7.617	7.112	7.141

Source: Company and Binaartha

Ratio Highlights YoY

Growth (% YoY)	2016A	2017A	2018A	2019A	2020F	2021F
Sales	-30,28%	-16,15%	-22,46%	155,76%	-52,99%	28,98%
OP	-38,86%	-13,82%	-33,43%	196,99%	-54,56%	14,65%
EBITDA	-43,38%	-10,28%	-22,36%	158,47%	-52,58%	18,91%
NP	-44,64%	-13,27%	-24,43%	169,00%	-56,56%	20,91%
EPS	-44,64%	-13,27%	-24,43%	169,00%	-56,56%	20,91%

Profitability (%)	2016A	2017A	2018A	2019A	2020F	2021F
Operating Margin	45,43%	46,70%	40,09%	46,55%	45,00%	40,00%
EBITDA margin	49,87%	53,36%	53,43%	53,99%	54,47%	50,22%
NET Profit margin	47,51%	49,14%	47,89%	50,37%	46,55%	43,64%
ROA	9,70%	8,79%	6,62%	17,53%	8,15%	9,82%
ROE	10,25%	9,38%	6,91%	20,56%	10,00%	11,46%

Stability	2016A	2017A	2018A	2019A	2020F	2021F
Current Ratio (X)	5,42	9,39	8,08	12,77	3,71	2,72
Total debt/ Total equity (x)	0,12	0,06	0,07	0,04	0,17	0,23
int. & ST debt coverage (x)	0,000	0,000	0,000	0,000	0,000	0,000

Per Share data (Rp)	2016A	2017A	2018A	2019A	2020F	2021F
EPS	15,71	13,63	10,30	27,70	12,03	14,55
BVPS	153,22	145,28	149,07	134,70	120,31	126,98
SPS	33,07	27,73	21,50	54,99	25,85	33,34
Ebitda/share	16,49	14,80	11,49	29,69	14,08	16,74

Source: Company and Binaartha

Stock Ratings:

Buy : a recommendation to purchase the security with upside potential of **20% or greater**

Hold : a recommendation to neither buy nor sell a security with upside potential of **0-19%**.

Sel : a recommendation to close out a long position in a security with upside potential **below 0% or negative**.

RESEARCH TEAM
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