

PT. Puradelta Lestari Tbk.

BUY

09 May 2019
Property And Real Estate

Price	IDR	246
Target Price	IDR	295
JKSE Index		6,270.202



Stock Information

Bloomberg Code	DMAS IJ
Market Cap (IDR bn)	11,182.0
52-week high (IDR)	278
52-week low (IDR)	117
Shares issued (mn)	48,198.1
6-m avg. daily Val (IDR)	198
Free float	17.72%

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

USD/ IDR – YE (IDR)	
2018	14,390
2019F (6m-avg)	14,274

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Investment Consideration

Optimistic on Marketing Sales

- As of 1Q2019, DMAS has achieved marketing sales of IDR 914 billion, or 73% of their marketing sales target for 2019 of IDR 1.25 trillion.
- The marketing sales achievement in 1Q2019 is higher than 2018 marketing sales of IDR 884 billion. This is also a higher achievement compared to peers.
- The Industrial Estate segment and commercial segment still dominates marketing sales in 1Q2019.
- While the marketing sales has not been booked as revenues in the 1Q2019 result, it will be recognized in the following quarters this year.
- We expect 2019 revenue to reach IDR 1.18 trillion with double digit growth of 13% on the strong marketing sales.

1Q2019: Weak Results

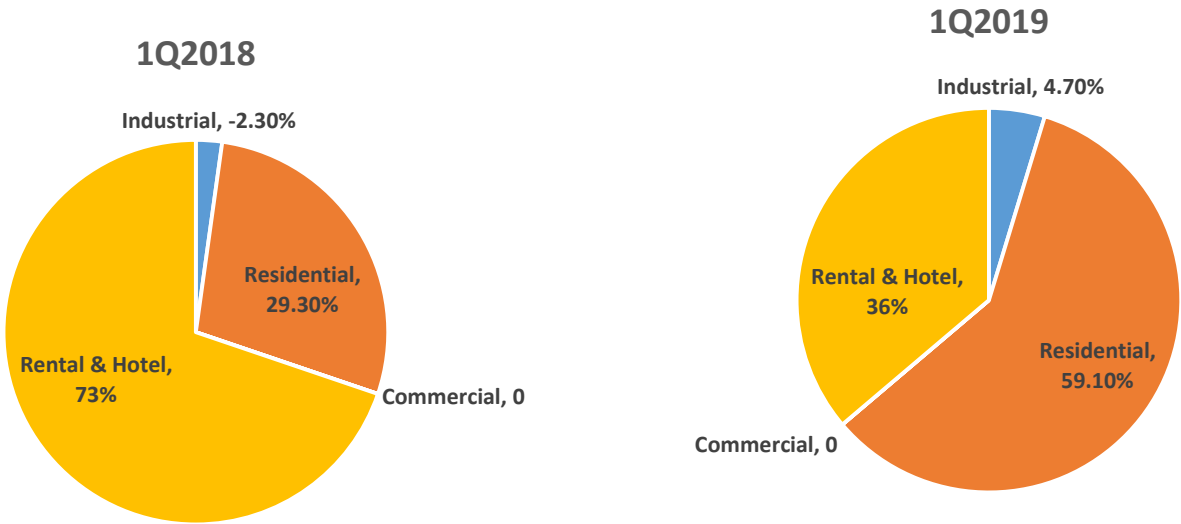
- In first Quarter of 2019, DMAS posted revenue of IDR 6.4 billion which fell -48% compared to 1Q2018's IDR 12.2 billion. Most of 1Q2019 revenue came from the residential segment at 59.1% of revenue, higher compared to 1Q2018's contribution at 29.3% of revenue.
- Gross profit also fell -62% YoY to IDR 4 billion and operating profit was a worse negative IDR -27 billion compared to IDR -14 billion in 1Q2018.
- Net profit grew 128.5% to IDR 8 billion on a boost from water and estate management income which grew 51% to IDR 44.8 billion.
- We assume the weak 1Q2019 results are from the postponed marketing sales.

Valuation: TP 295, 20% upside

- Because of the strong marketing sales and an expected better result in the second quarter, We maintain our recommendation to BUY.
- We target DMAS to trade at 23x 2019F PE, which gives a target share price of IDR 295 or 20% potential upside.

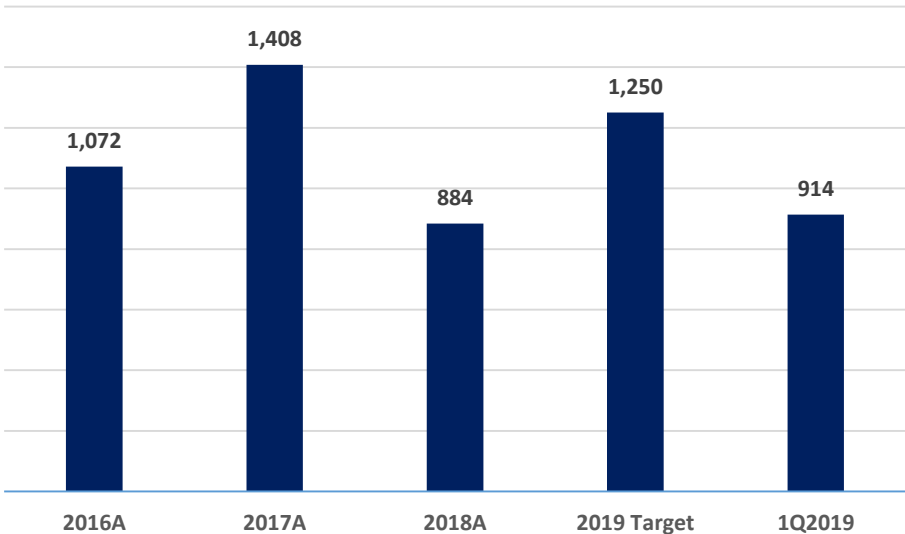
Financial Highlights	2014A	2015A	2016A	2017A	2018A	2019F	2020F
Revenue (IDR Bn)	1,538	2,286	1,594	1,336	1,036	1,176	1,581
EBITDA (IDR Bn)	999	1,404	795	713	554	696	934
Net Income (IDR Bn)	964	1,368	757	657	496	616	827
GPM (%)	69.96%	63.39%	56.21%	60.97%	56.05%	63.00%	63.00%
OPM (%)	60.25%	51.82%	45.43%	46.70%	40.09%	44.00%	44.00%
NPM (%)	62.68%	59.84%	47.51%	49.14%	47.89%	52.35%	52.35%
ROA (%)	12.68%	17.08%	9.70%	8.79%	6.62%	7.86%	10.00%
Current Ratio (X)	15.08%	19.11%	10.25%	9.38%	6.91%	8.30%	10.70%

Chart: Revenue By Segment QoQ



Source: Company

Chart: Marketing Sales YoY (in IDR Billion)



Source: Company

Income Statement YoY in IDR Billion

Income Statement (In IDR bn)	2014A	2015A	2016A	2017A	2018A	2019F	2020F
Revenues	1,538.3	2,285.9	1,593.8	1,336.4	1,036.2	1,176.0	1,580.5
Cost of Revenues	(462.0)	(836.8)	(697.9)	(521.5)	(455.4)	(435.1)	(584.8)
Gross Profit	1,076.2	1,449.0	895.9	814.9	580.8	740.9	995.7
Operating Expenses	(149.5)	(264.6)	(171.7)	(190.8)	(165.4)	(223.4)	(300.3)
Operating Income	926.7	1,184.5	724.1	624.1	415.4	517.5	695.4
Other Income	44.1	196.2	51.2	46.2	98.9	129.4	173.9
Profit Before Tax	970.8	1,380.7	775.4	670.2	514.4	646.8	869.3
Tax Expense	(6.2)	(12.5)	(17.8)	(13.1)	(18.0)	(31.0)	(41.7)
NIAT	964.6	1,368.2	757.5	657.1	496.4	615.8	827.6
Minority Interest	(0.5)	(0.3)	(0.3)	(0.4)	(0.1)	(0.1)	(0.2)
Net Income	964.1	1,367.9	757.2	656.7	496.3	615.7	827.4
EPS (IDR)	22.2	28.4	15.7	13.6	10.3	12.8	17.2
EBITDA	999.1	1,403.7	794.8	713.1	553.6	695.6	933.9

Source: Company and Binaartha

Cash Flow YoY in IDR Billion

Cash Flow (in IDR.bn)	2014A	2015A	2016A	2017A	2018A	2019F	2020F
+ Net Income	964	1,368	757	657	496	616	827
+Depreciation	2.64	3.63	9.64	19.15	19.94	19.78	21.12
- Change in WC	(760)	(1,115)	392	(213)	(231)	126	(83)
Cash From Operating Activities	207	257	1,159	463	286	761	765
capex	558	420	(588)	136	(17)	(67)	(123)
cash from investing activities	558	420	-588	136	-17	-67	-123
Long term liabilities	1	5	-17	0	0	0	0
Other Long term liabilities	(671)	(286)	20	7	5	4	13
Equity	0.45	(603)	(529)	(1,039)	(314)	(380)	(510)
cash from financing activities	(669)	(884)	(527)	(1,032)	(309)	(376)	(497)
Net Changes in Cash	96	(206)	44	(434)	(40)	318	145
Beginning Balance	1,285	1,381	1,175	1,219	785	745	1,063
Ending balance	1,381	1,175	1,219	785	745	1,063	1,207

Source: Company and Binaartha

Statement of Financial Position YoY in IDR Billion

Statement of Financial Position (IDR.in bn)	2014A	2015A	2016A	2017A	2018A	2019F	2020F
Current Asset							
Cash and cash equivalent	1,381	1,175	1,219	785	745	1,063	1,207
Advances	32	770	0	50	83	46	82
Inventory	2,236	2,428	2,380	2,602	2,679	2,665	2,801
Other current asset	18	124	115	99	61	78	99
Current Asset	3,667	4,495	3,714	3,536	3,568	3,852	4,189
Non Current Asset							
Net Fixed Asset	3,792	3,310	3,755	3,517	3,411	3,411	3,411
Investment Properties	10	19	16	113	208	236	317
Total non current Asset	3,936	3,512	4,090	3,935	3,932	3,980	4,082
Total Asset	7,603	8,007	7,804	7,471	7,500	7,832	8,271
Current Liabilities							
Trade accounts payable	5	54	39	18	2	29	40
Sales advances	521	636	163	272	165	213	269
Other Current liabilities	384	140	193	148	113	129	173
Total current liabilities	909	829	395	438	279	371	481
Non Current Liabilities							
Long-term non current liabilities	12	17	0	0	0	0	0
Other Long-term non current liabilities	286	0	20	27	32	36	49
Total long term/ non current liabilities	298	17	20	27	32	36	49
Total Liabilities	1,207	847	415	465	312	408	530
Non controlling Interest	3	3	3	4	4	4	5
Total Equities	6,393	7,158	7,385	7,002	7,185	7,420	7,736
Total Liabilities and equity	7,603	8,007	7,804	7,471	7,500	7,832	8,271

Source: Company and Binaartha

Ratio Highlights YoY

Growth (% YoY)	2014A	2015A	2016A	2017A	2018A	2019F	2020F
Sales	-15.78%	48.60%	-30.28%	-16.15%	-22.46%	13.49%	34.40%
OP	0.45%	27.81%	-38.86%	-13.82%	-33.43%	24.56%	34.40%
EBITDA	-6.99%	40.49%	-43.38%	-10.28%	-22.36%	25.64%	34.26%
NP	2.42%	41.88%	-44.64%	-13.27%	-24.43%	24.06%	34.40%
EPS	2.42%	27.70%	-44.64%	-13.27%	-24.43%	24.06%	34.40%
Profitability (%)							
Operating Margin	60.25%	51.82%	45.43%	46.70%	40.09%	44.00%	44.00%
EBITDA margin	64.95%	61.41%	49.87%	53.36%	53.43%	59.15%	59.09%
NET Profit margin	62.68%	59.84%	47.51%	49.14%	47.89%	52.35%	52.35%
ROA	12.68%	17.08%	9.70%	8.79%	6.62%	7.86%	10.00%
ROE	15.08%	19.11%	10.25%	9.38%	6.91%	8.30%	10.70%
Stability							
Current Ratio (X)	2.49	4.03	5.42	9.39	8.08	12.77	10.37
Total debt/ Total equity (x)	0.41	0.19	0.12	0.06	0.07	0.04	0.05
int. & ST debt coverage (x)	0.003	0.002	0.000	0.000	0.000	0.000	0.000
Per Share data (Rp)							
EPS	22.23	28.38	15.71	13.63	10.30	12.77	17.17
BVPS	147.37	148.50	153.22	145.28	149.07	153.95	160.51
SPS	35.46	47.43	33.07	27.73	21.50	24.40	32.79
Ebitda/share	23.03	29.12	16.49	14.80	11.49	14.43	19.38

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**.

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