

PT. Summarecon Agung Tbk.

Still Loving You

Hingga September 2017, SMRA mencatatkan penjualan sebesar IDR 3.99 Triliun, naik sebesar 10.5% dibandingkan pada periode yang sama tahun sebelumnya atau sebesar 70% dari estimasi pendapatan SMRA kami di tahun 2017 yaitu di angka IDR 5.7 Triliun. Sedangkan dari sisi laba, SMRA mencetak laba sebesar IDR 119.5 Miliar, naik sebesar 107.32% dibandingkan laba tahun lalu di IDR 57.6 Miliar. Walau mencetak kenaikan yang cukup signifikan, angka tersebut hanya sebesar 23% estimasi laba SMRA 2017 kami di kisaran IDR 520 Miliar. Kami merevisi target harga SMRA untuk tahun 2018 menjadi IDR 1,060 per lembar saham dengan rekomendasi **Hold**.

Secara year on year, Pendapatan dan Laba Masing-Masing Naik 10.5% dan 107.3%. Dalam periode Januari hingga September 2017, SMRA mencatatkan pendapatan sebesar IDR 3.99 Triliun atau naik 10.5% year on year dari IDR 3.61 Triliun. Sedangkan dari sisi laba, SMRA meraup laba sebesar IDR 119.44 Miliar atau naik 107.32% year on year dari IDR 57.61 Miliar.

Pendapatan dan Laba Naik, Namun Masih Jauh dari Estimasi. Walau mencatatkan kenaikan yang cukup signifikan, namun angka tersebut masih jauh dari estimasi awal pendapatan dan laba bersih SMRA kami yaitu masing-masing sebesar IDR 5.74 Triliun (69% dari estimasi) dan IDR 520 Miliar (23% dari estimasi). Oleh karenanya, kami merevisi estimasi pendapatan dan laba bersih untuk tahun 2017 menjadi masing-masing IDR 5.62 Triliun dan IDR 338 Miliar.

Marketing Sales Baru Mencapai 66% dari Target 2017. Hingga bulan September 2017, SMRA mencatatkan marketing sales sebesar IDR 1.99 Triliun atau turun sebesar 9.6% dibandingkan periode yang sama tahun sebelumnya. Angka tersebut hanya mencerminkan sekitar 66% dari target marketing sales SMRA pada tahun 2017 yaitu sebesar IDR 3 Triliun.

Beberapa Proyek Baru Diharapkan Memperbaiki Kinerja Kuartal IV. Walau demikian, rencana perusahaan untuk meluncurkan beberapa proyek properti menjelang akhir tahun seperti peluncuran kawasan Symphonia di Serpong serta peluncuran kawasan komersial di Summarecon Bandung dapat memperbaiki kinerja SMRA pada kuartal IV, sehingga target SMRA dapat tercapai.

Valuasi & Rekomendasi. Kami merevisi target harga SMRA untuk tahun 2018 menjadi IDR 1,060 per lembar saham yang merefleksikan diskon 70% terhadap RNAV dan P/E FY2018F 49.80x. Dengan membandingkan harga penutupan SMRA pada (24/11) sebesar IDR 930 per lembar saham kami menurunkan rekomendasi untuk SMRA menjadi **Hold** dengan target *upside potential* sebesar 13.98%.

Key Metrics	2014	2015	2016	2017F	2018F	2019F
Revenue (IDR bn)	5,757	5,624	5,398	5,617	6,036	6,633
EBITDA (IDR bn)	2,155	2,000	1,651	1,767	1,983	2,197
Net Income (IDR bn)	1,385	855	312	338	406	363
EPS (IDR)	96.01	59.28	21.60	23.43	28.11	25.13
ROAA (%)	9.38%	4.94%	1.58%	1.56%	1.72%	1.38%
ROAE (%)	25.01%	12.26%	3.97%	4.01%	4.55%	3.86%
Current Ratio (x)	1.58	1.65	2.06	2.01	2.22	2.40
Gearing Ratio (x)	0.68	0.82	0.91	0.98	1.07	1.27
P/E (x)	15.83	27.84	61.33	45.26	49.80	60.48
P/BV (x)	3.42	3.16	2.34	1.76	2.21	2.27
EV/EBITDA (x)	11.39	14.25	14.82	12.56	14.44	14.45

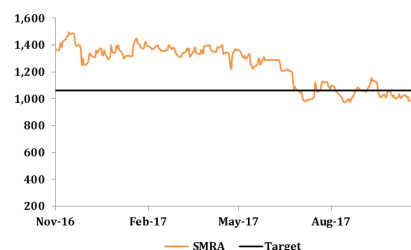
Sumber : SMRA, MCS Research

27 November 2017

Hold(+13.98%)

Price (24/11)	IDR 930
Target Price	IDR 1,060
Ticker	SMRA
Industry	Property

Adrian M. Priyatna
adrian@megasekuritas.id



Company Description:

PT. Summarecon Agung Tbk. (SMRA) adalah salah satu perusahaan properti terbesar di Indonesia dengan kepemilikan tanah pengembangan lebih dari 2,000 hektar. Sejak tahun 1990, SMRA telah mencatatkan sahamnya di Bursa Efek Indonesia. Saat ini proyek *township* SMRA sudah tersebar di sekitar kawasan Jakarta dan Bandung yaitu Kelapa Gading, Serpong, Bekasi, Bandung, dan Karawang. Dalam beberapa tahun mendatang SMRA juga akan mengembangkan proyek *township* baru di Bogor dan Makassar. Selain proyek *township*, SMRA juga memiliki kawasan wisata dan hospitality di Bali.

Stock Data

52-week Range (IDR)	865 - 1,500
Mkt Cap (IDR tn)	12.62
JCI Weight	0.19%
Shares O/S (bn)	14.43
YTD Change	-33.96%
Beta	1.23x

Share Holders:

PT. Semarop Agung	25.43%
PT. Sinarmegah Jayasentosa	6.60%
BNYM SA/NV Cust of Sticking	
Depository APG Strategic Real	
Estate Pool	5.61%
Harto Djojo Nagaria	0.14%
Public/Others (<5%)	62.22%

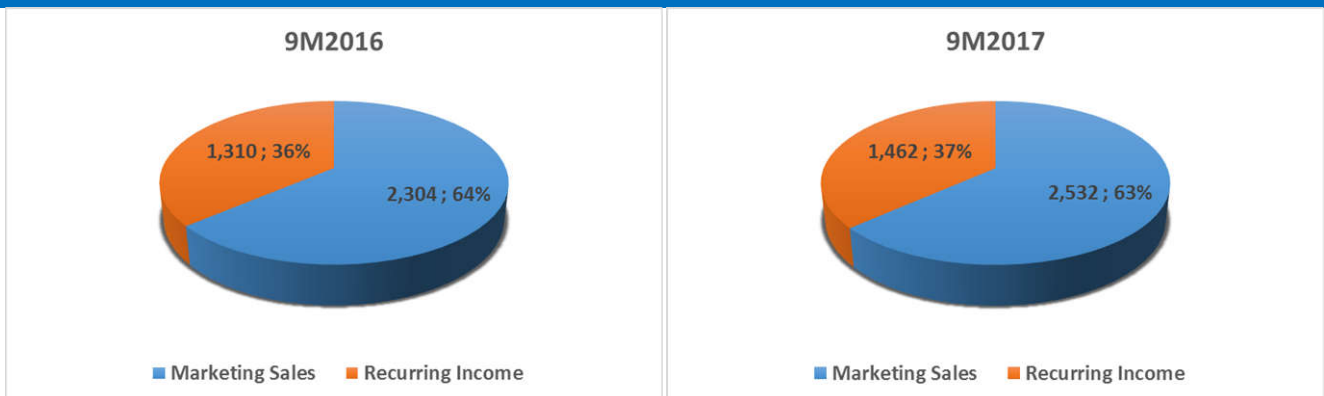
Financial Highlights

Komparasi Kinerja Periodik SMRA

	9M2016	9M2017	YoY%	2Q2017	3Q2017	QoQ%	E2017
<i>(in billion IDR)</i>							
Revenue	3,614	3,994	10.5%	1,455	2,539	74.5%	5,740
Gross Profit	1,644	1,723	4.8%	582	1,142	96.2%	2,987
EBITDA	1,037	1,066	2.8%	265	801	201.9%	1,897
Net Profit	58	119	107.3%	(23)	143	-710.4%	520
Gross Profit Margin (%)	45.5%	43.2%		40.0%	45.0%		52.04%
EBITDA Margin (%)	28.7%	26.7%		18.2%	31.5%		33.05%
Net Profit Margin (%)	1.6%	3.0%		-1.6%	5.6%		9.06%
Total Asset	19,880	20,987	5.6%	21,205	20,987	-1.0%	22,945
Total Liabilities	12,167	12,730	4.6%	12,901	12,730	-1.3%	14,130
Total Equity	7,713	8,257	7.1%	8,304	8,257	-0.6%	8,815
Return on Assets (%)	0.3%	0.6%		-0.1%	0.7%		2.27%
Return on Equity (%)	0.7%	1.4%		-0.3%	1.7%		5.90%

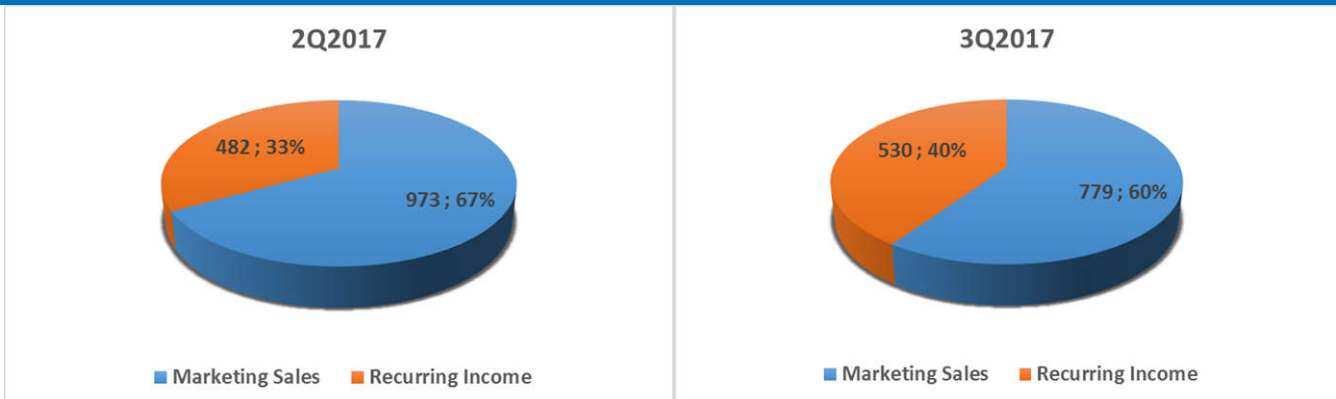
Sumber : SMRA, MCS Research

Proporsi Sumber Pendapatan SMRA (year on year)



Sumber : SMRA, MCS Research

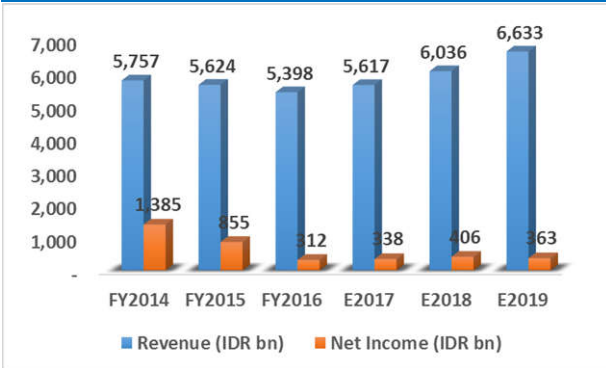
Proporsi Sumber Pendapatan SMRA (quarter on quarter)



Sumber : SMRA, MCS Research

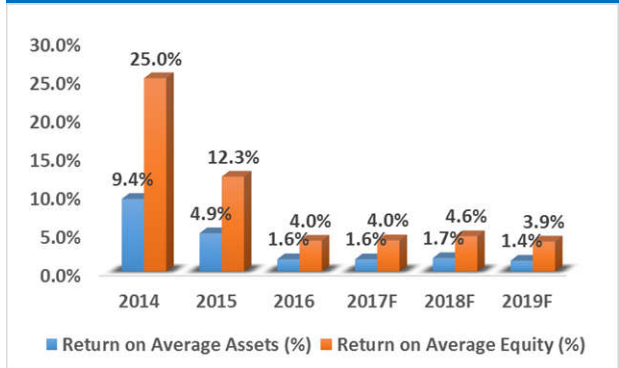
Financial Projections

Proyeksi Revenue dan Net Income SMRA



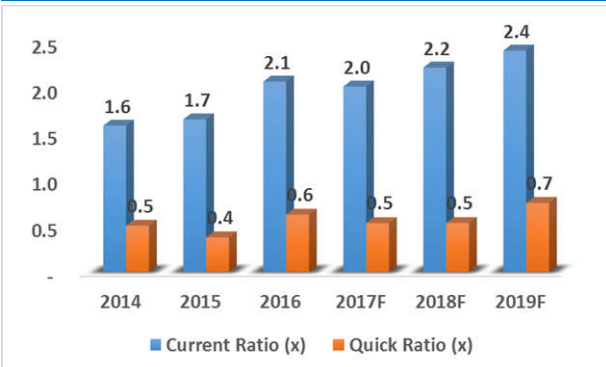
Sumber : SMRA, MCS Research

Proyeksi Profitability Ratio SMRA



Sumber : SMRA, MCS Research

Proyeksi Liquidity Ratio SMRA



Sumber : SMRA, MCS Research

Proyeksi Solvency Ratio SMRA



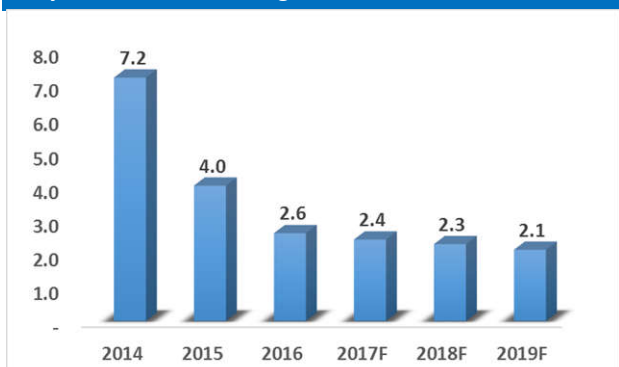
Sumber : SMRA, MCS Research

Proyeksi EV/EBITDA SMRA



Sumber : SMRA, MCS Research

Proyeksi Interest Coverage Ratio SMRA



Sumber : SMRA, MCS Research

Financial Highlights

RNAV	Gross Area (ha)	AFS Land (ha)	Net ASP/sqm (IDR mn)	Value (IDR bn)	Stake	Effective Value (IDR bn)
Land Bank						
Summarecon Kelapa Gading	8.00	6.40	48.00	3,072	100%	3,072
Summarecon Serpong	485.00	339.50		23,436	88%	20,735
<i>Owned Land</i>	305.00	213.50	7.20	15,372	100%	15,372
<i>Joint Operation with PT. JBC</i>	138.00	96.60	6.40	6,182	70%	4,328
<i>Joint Operation for The Spring</i>	42.00	29.40	6.40	1,882	55%	1,035
Summarecon Bekasi	393.00	255.45		13,496	72%	9,658
<i>Owned Land</i>	121.00	78.65	7.20	5,663	100%	5,663
<i>Joint Venture with PT. DSA</i>	272.00	108.80	7.20	7,834	51%	3,995
Summarecon Bandung	336.00	201.60	4.80	9,677	100%	9,677
Summarecon Bali	20.00	8.00	13.44	1,075	100%	1,075
Summarecon Bogor	415.00	83.00	2.91	2,417	51%	1,233
Summarecon Makassar	363.00	108.90		3,171	73%	2,311
<i>Owned Land</i>	162.00	48.60	2.91	1,415	100%	1,415
<i>Land under PT. SMC</i>	201.00	60.30	2.91	1,756	51%	896
Summarecon Karawang	34.00	20.40	4.00	816	100%	816
Others	201.00	60.30	1.54	926	100%	926
Total	2,255					49,502
Investment Property						
Mall Kelapa Gading					Cap Rate 9%	6,295
Summarecon Mall Serpong					Cap Rate 9%	2,634
Summarecon Digital Center					Cap Rate 9%	176
Summarecon Mall Bekasi					Cap Rate 9%	1,470
Total						10,575
Leisure and Hospitality						
Harris Hotel Kelapa Gading					Cap Rate 9%	788
Pop! Hotel Kelapa Gading					Cap Rate 9%	253
Harris Hotel Bekasi					Cap Rate 9%	443
Movenpick Resort and Spa					Cap Rate 9%	563
Total						2,047
Gross Asset Value (IDR bn)	62,124					
Cash (IDR bn)	1,377					
Debt (IDR bn)	(9,823)					
Cash Advances (IDR bn)	(1,994)					
Net Asset Value (IDR bn)	51,684					
Shares Outstanding (bn)	14.43					
NAV per Share	3,582					
Discount to NAV	70%					
Target Price	1,060					

Sumber : SMRA, MCS Research

Financial Highlights

Income Statement	FY2014	FY2015	FY2016	E2017	E2018	E2019
<i>(in billion IDR)</i>						
Revenue (IDR bn)	5,757	5,624	5,398	5,617	6,036	6,633
- Cost of Revenue	(2,700)	(2,717)	(2,800)	(2,813)	(3,040)	(3,573)
Gross Profit	3,057	2,907	2,598	2,803	2,996	3,060
- Operating Expenses	(961)	(1,115)	(1,188)	(1,305)	(1,376)	(1,296)
Operating Income	2,096	1,791	1,410	1,498	1,620	1,764
- Interest Expense	(291)	(448)	(543)	(623)	(713)	(838)
- Net Non-Operating Gains (Losses)	(187)	(278)	(250)	(238)	(255)	(248)
Pretax Income	1,618	1,066	617	638	652	679
- Income Tax Expense	(1)	(2)	(12)	(53)	(36)	(22)
Income Before XO Items	1,617	1,064	605	585	616	657
- Minority Interests	(232)	(209)	(293)	(247)	(210)	(294)
Net Income (IDR bn)	1,385	855	312	338	406	363
EBITDA	2,155	2,000	1,651	1,767	1,983	2,197
Earning per Share	96	59	22	23	28	25

Sumber : SMRA, MCS Research

Balance Sheet	FY2014	FY2015	FY2016	E2017	E2018	E2019
<i>(in billion IDR)</i>						
Assets						
+ Cash & Near Cash Items	1,771	1,504	2,076	1,639	1,377	2,454
+ Accounts & Notes Receivable	77	146	539	695	834	980
+ Inventories	3,341	4,925	5,531	5,975	6,486	7,041
+ Other Current Assets	666	715	552	566	554	545
Total Current Assets	5,855	7,290	8,699	8,875	9,250	11,019
+ LT Investments & LT Receivables	-	-	40	40	40	40
+ Net Fixed Assets	8,709	10,470	11,096	12,477	14,179	15,693
+ Other Long-Term Assets	1,308	999	976	1,074	1,166	1,194
Total Long-Term Assets	10,018	11,469	12,112	13,591	15,385	16,926
Total Assets	15,873	18,758	20,810	22,466	24,636	27,945
Liabilities & Shareholders' Equity						
+ Accounts Payable	71	63	58	56	53	53
+ Short-Term Borrowings	506	983	1,402	1,661	1,479	1,961
+ Other Short-Term Liabilities	3,117	3,363	2,757	2,701	2,644	2,580
Total Current Liabilities	3,694	4,410	4,217	4,418	4,176	4,594
+ Long-Term Borrowings	3,876	5,214	6,024	6,865	8,344	10,305
+ Other Long-Term Liabilities	1,886	1,604	2,403	2,506	2,975	3,383
Total Long-Term Liabilities	5,762	6,819	8,427	9,371	11,319	13,689
Total Liabilities	9,456	11,229	12,645	13,789	15,495	18,282
+ Minority Interest	993	1,517	1,923	2,177	2,323	2,554
+ Share Capital & APIC	1,466	1,466	1,466	1,466	1,466	1,466
+ Retained Earnings & Other Equity	3,958	4,547	4,777	5,033	5,352	5,644
Total Equity	6,416	7,530	8,166	8,676	9,140	9,663
Total Liabilities & Equity	15,873	18,758	20,810	22,466	24,636	27,946
Book Value per Share	445	522	566	601	634	670

Sumber : SMRA, MCS Research

Financial Highlights

Cash Flow	2014	2015	2016	2017F	2018F	2019F
<i>(in billion IDR)</i>						
Cash From Operations	131	(21)	71	270	(251)	(85)
Cash From Investing Activities	(2,800)	(1,907)	(799)	(1,828)	(1,690)	(1,618)
Cash from Financing Activities	1,621	1,660	1,301	1,121	1,679	2,780
Net Changes in Cash	(1,048)	(267)	573	(437)	(262)	1,077
Beginning Cash	2,545	1,771	1,504	2,076	1,639	1,377
Ending Cash	1,771	1,504	2,076	1,639	1,377	2,454

Sumber : SMRA, MCS Research

Ratio	2014	2015	2016	2017F	2018F	2019F
Liquidity Ratios						
Current Ratio (x)	1.6	1.7	2.1	2.0	2.2	2.4
Quick Ratio (x)	0.5	0.4	0.6	0.5	0.5	0.7
Leverage Ratios						
Interest Coverage Ratio (x)	7.2	4.0	2.6	2.4	2.3	2.1
Debt to Assets (x)	0.3	0.3	0.4	0.4	0.4	0.4
Debt to Equity (x)	0.7	0.8	0.9	1.0	1.1	1.3
Growth						
Revenue (%)	40.6%	-2.3%	-4.0%	4.1%	7.5%	9.9%
Operating Income (%)	55.6%	-14.5%	-21.3%	6.3%	8.1%	8.9%
Net Income (%)	25.7%	-38.3%	-63.6%	8.4%	20.0%	-10.6%
Profitability Ratio						
Gross Profit Margin (%)	53.1%	51.7%	48.1%	49.9%	49.6%	46.1%
EBITDA Margin (%)	37.4%	35.6%	30.6%	31.5%	32.9%	33.1%
Operating Profit Margin (%)	36.4%	31.9%	26.1%	26.7%	26.8%	26.6%
Net Profit Margin (%)	24.1%	15.2%	5.8%	6.0%	6.7%	5.5%
Return on Average Assets (%)	9.4%	4.9%	1.6%	1.6%	1.7%	1.4%
Return on Average Equity (%)	25.0%	12.3%	4.0%	4.0%	4.6%	3.9%
Valuation Ratios						
Price to Earning Ratio (x)	15.8	27.8	61.3	45.3	49.8	60.5
Price to Book Ratio (x)	3.4	3.2	2.3	1.8	2.2	2.3
EV/EBITDA (x)	11.4	14.2	14.8	12.6	14.4	14.4
Other Ratio						
Asset Turnover (x)	0.4	0.3	0.3	0.3	0.1	0.3
Account Receivable Turnover (x)	45.0	50.4	15.8	9.1	3.0	7.3
Account Payable Turnover (x)	40.2	40.6	46.4	49.7	55.8	67.2
Inventory Turnover (x)	0.8	0.7	0.5	0.5	0.5	0.5

Sumber : SMRA, MCS Research

Research Division

Danny Eugene	Strategist, Construction, Cement,	danny.eugene@megasekuritas.id	+62 21 7917 5599	62431
Helen Vincentia	Consumer Goods, Retail	helen.vincentia@megasekuritas.id	+62 21 7917 5599	62035
Fikri Syaryadi	Banking	fikri@megasekuritas.id	+62 21 7917 5599	62035
Adrian M. Priyatna	Property, Hospital	adrian@megasekuritas.id	+62 21 7917 5599	62425
Novilya Wiyatno	Mining, Media, Plantation	novilya@megasekuritas.id	+62 21 7917 5599	62425
Dhian Karyantono	Economist	dhian@megasekuritas.id	+62 21 7917 5599	62134
Fadlillah Qudsi	Technical Analyst	fadlillah.qudsi@megasekuritas.id	+62 21 7917 5599	62035

Retail Equity Sales Division

Hendry Kuswari	Head of Sales, Trading & Dealing	hendry@megasekuritas.id	+62 21 7917 5599	62038
Dewi Suryani	Retail Equity Sales	dewi.suryani@megasekuritas.id	+62 21 7917 5599	62441
Brema Setyawan	Retail Equity Sales	brema.setyawan@megasekuritas.id	+62 21 7917 5599	62126
Ety Sulistyowati	Retail Equity Sales	ety.sulistyowati@megasekuritas.id	+62 21 7917 5599	62408
Fadel Muhammad Iqbal	Retail Equity Sales	fadel@megasekuritas.id	+62 21 7917 5599	62164
Andri Sumarno	Retail Equity Sales	andri@megasekuritas.id	+62 21 7917 5599	62045
Harini Citra	Retail Equity Sales	harini@megasekuritas.id	+62 21 7917 5599	62161
Syaifathir Muhamad	Retail Equity Sales	fathir@megasekuritas.id	+62 21 7917 5599	62179

Corporate Equity Sales Division

Rachmadian Iskandar Z	Corporate Equity Sales	rachmadian@megasekuritas.id	+62 21 7917 5599	62402
Ratna Wijayanti	Corporate Equity Sales	ratna.wijayanti@megasekuritas.id	+62 21 7917 5599	62055
Reza Mahendra	Corporate Equity Sales	reza.mahendra@megasekuritas.id	+62 21 7917 5599	62409

Fixed Income Sales & Trading

Tel. +62 7917 5559-62 Fax. +62 21 7917 5965

Investment Banking

Tel. +62 21 7917 5599 Fax. +62 21 7919 3900

Kantor Pusat

Menara Bank Mega Lt. 2
Jl. Kapt P. Tendean, Kav 12-14 A
Jakarta Selatan 12790

Pondok Indah

Plaza 5 Pondok Indah Blok D No. 15 Lt. 2
Jl. Margaguna Raya Pondok Indah
Jakarta Selatan

Kelapa Gading

Ruko Gading Bukit Indah Lt.2
Jl. Bukit Gading Raya Blok A No. 26, Kelapa Gading
Jakarta Utara - 14240

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