

Earnings normalize; recurring income offers stability

19 September 2025



SMRA IJ	BUY
Sector	Property.
Price at 18 Sep 2025 (IDR)	464
Price target (IDR)	520
Upside/Downside (%)	12.1

Stock Information

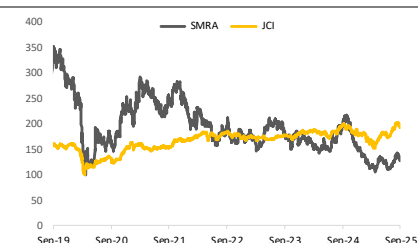
PT Summarecon Agung Tbk and its subsidiaries develop and invest in real estate. The Company develops and operates residential houses, apartments, shopping centres, recreational centres and office buildings.

Market cap (IDR bn)	6,042
Shares outstanding (mn)	16,509
52-week range (IDR)	340-730
3M average daily vol. ('000)	60,094
3M average daily val. (IDR mn)	24,735

Shareholders (%)

Semarop Agung	33.8
Public	66.2

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	0.87	20.21	-33.71

Analyst

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SMRA's 1H25 performance largely met both our and consensus expectations, arriving within a range of 49.5% to 52.7%. For '25F, total revenue is projected to decline 16.6% yoy, mainly due to a 25.4% drop in property development, while recurring revenue is expected to grow 4.6%, supported by new mall openings. EBITDA is on track to reach IDR2.6 tn, but net profit is forecast to fall 26.8% to IDR1.0 tn after strong growth in '24A. Maintain our BUY call with a target price of IDR520, using 5yrs DCF-based TP (WACC: 11.3%; LTG: 3%), implying 0.7x '25F P/B and 87.1% discount to '25F RNAV.

1H25 results normalize after high base in 1H24

SMRA booked IDR2.5 tn revenue in 2Q25 (+17.7% qoq), bringing 1H25 revenue to IDR4.6 tn (-19.3% yoy), or 51.7% of our full-year forecast. Property development, which contributed 64.8% of total revenue, declined 28.9% yoy to IDR3.0 tn, reflecting 53.1% of our FY target. The yoy drop was due to last year's high base from VAT-exemption-driven accelerated handovers.

Despite a 19.6% qoq increase in 2Q25 cost of sales, gross profit rose 15.9% qoq to IDR1.2 tn, lifting 1H25 gross profit to IDR2.3 tn (52.1% of our FY estimate). EBITDA fell 31.0% yoy to IDR1.3 tn but remained inline at 49.5% of our full-year forecast. Marketing sales reached IDR2.2 tn in 6M25 (+12.9% yoy), achieving 44.0% of the FY target, supported by strong demand for new clusters in Serpong, Bandung and Crown Gading.

Earnings normalize in '25F with resilient recurring income share

With results tracking inline, we maintain our '25F forecasts. A 16.4% ytd increase in short-term contract liabilities to IDR3.8 tn suggests lower full-year property development revenue recognition. We project property development, which surged 85.5% in '24, to decline 25.4% to IDR5.6 tn. Within this segment, house & shophouse sales are expected to fall 25.0% to IDR5.1 tn after strong gains of 91.8% in '24A and 34.3% in '23A. Following their near fourfold growth in '24A, apartment and office revenues are projected to drop 22.8% and 43.0%, respectively.

Conversely, supported by a 1.2% ytd increase in short-term unearned revenue to IDR656.1 bn, recurring revenue is forecast to grow 4.6% to IDR3.3 tn, led by a 2.4% rise in mall revenue to IDR2.1 tn, driven by the anticipated 4Q25 opening of Summarecon Mall Bekasi Phase 2.

Overall, we forecast total revenue to fall 16.6% yoy to IDR8.9 tn in '25F (vs. +59.5% in '24A), with recurring income contributing 36.8% (up from 35.2% in 1H25 and 29.4% in '24A), providing earnings stability amid macro headwinds. EBITDA is on track to meet our IDR2.6 tn target (49.5% of FY projection), while interest expenses remain manageable at our FY estimate of IDR982.4 bn. Net profit is expected to decline 26.8% to IDR1.0 tn, after surging 79.3% yoy in '24A.

Reiterate BUY with TP of IDR520

Maintain our BUY call with a target price of IDR520, using 5yrs DCF-based TP (WACC: 11.3%; LTG: 3%), implying 0.7x '25F P/B and 87.1% discount to '25F RNAV. While BI rate cuts should support the property industry, key risks remain, including weak demand, rising material costs, and intensifying competition.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	6,659	10,623	8,861	9,303	9,716
Gross profit	3,360	5,461	4,417	4,687	4,918
Operating profit	1,613	3,176	2,267	2,423	2,540
EBITDA	1,865	3,484	2,596	2,769	2,897
Net income	766	1,373	1,006	1,128	1,235
EPS growth (%)	22.5	79.3	(26.8)	12.1	9.5
PER (x)	10.0	5.6	7.6	6.8	6.2
PBV (x)	0.8	0.7	0.6	0.6	0.5
EV/EBITDA (x)	3.6	3.0	4.3	3.8	3.3
Net gearing (x)	0.4	0.7	0.6	0.5	0.4

Source: Company, KBVS Research

Exhibit 2: SMRA's 1H25 result

SMRA 1H25 Results (IDR bn)	1H25	1H24	YoY (%)	2Q25	2Q24	YoY (%)	1Q25	QoQ (%)	2025F	% to '25F	Cons'	% of Cons'
Revenue	4,580	5,673	-19.3	2,476	3,539	(30.0)	2,104	17.7	8,861	51.7%	8,340	54.9%
Property Development	2,970	4,178	-28.9	1,637	2,737	(40.2)	1,333	22.9				
Investment Property	1,153	1,050	9.7	600	571	5.2	552	8.6				
Leisure, Hospitality, Other	458	444	3.1	239	232	3.1	219	9.2				
COGS	(2,281)	(2,699)	-15.5	(1,242)	(1,665)	(25.4)	(1,039)	19.6				
Gross Profit	2,300	2,974	-22.7	1,234	1,874	(34.1)	1,065	15.9				
EBIT	1,241	1,824	-32.0	702	1,195	(41.3)	539	30.2				
EBITDA	1,286	1,864	-31.0	726	1,215	(40.3)	560	29.6	2,596	49.5%	2,885	44.6%
Interest expense (loan)	(401)	(273)	46.8	(216)	(153)	41.6	(185)	17.2				
Interest income	92	100		50	50		42					
Other income (exp.)	(233)	(641)		(151)	(523)		(83)					
Associate & JV	5	6		2	2		3					
Pre-tax income	703	1,017		387	571		317					
Taxes	(5)	(4)		(4)	(4)		(1)					
Minorities	(195)	(259)		(117)	(254)		(78)					
Net income (Parent)	504	754	-33.2	265	312	(15.1)	238	11.4	1,006	50.1%	955	52.7%
Margins (%)												
Gross Profit Margin	50.2	52.4		49.8	52.9		50.6					
EBIT margin	27.1	32.2		28.3	33.8		25.6					
Net Margin	11.0	13.3		10.7	8.8		11.3					

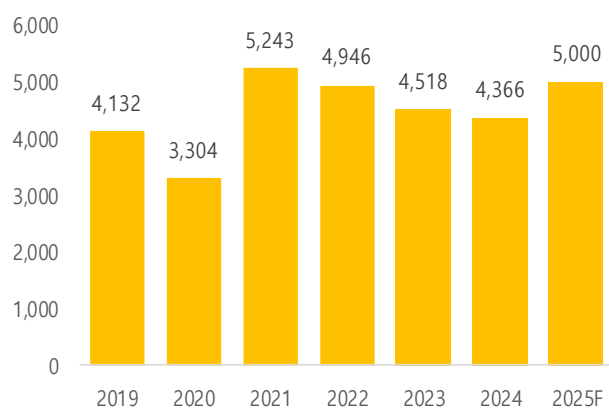
Source: Company, KBVS Research

Exhibit 3: SMRA's valuation summary

DCF Valuation	2025	2026	2027	2028	2029
Cash flow multiple	1	2	3	4	5
Net Profit	1,006	1,128	1,235	1,476	1,575
Depreciation	330	346	357	368	379
Interest expense (1-tax)	606	570	537	527	455
NWC	15	(208)	(207)	(214)	(209)
Capex	(716)	(516)	(317)	(322)	(327)
FCFF	1,240	1,320	1,606	1,836	1,872
Discount factor	1.2	1.3	1.5	1.8	2.1
Discounted Free Cash Flow	1,115	1,067	1,166	1,198	1,098
Terminal Value	23,360				
Discounted Terminal Value	13,704				
Enterprise Value	19,349				
Net debt	7,723				
Equity value	11,625				
Minority interest	(3,011)				
Fair value per share '25F (rounded)	520				

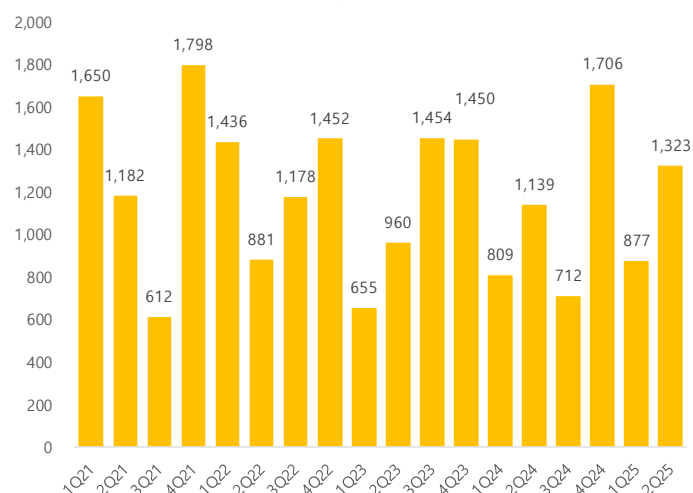
Source: KBVS Research

Exhibit 4: SMRA's marketing sales (IDR bn)



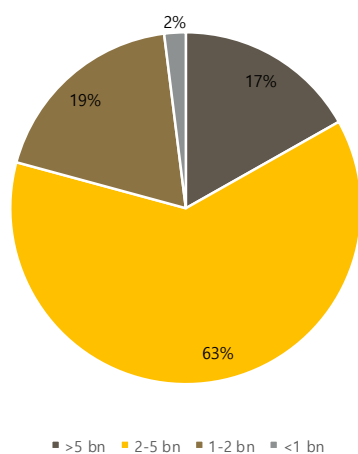
Source: Company, KBVS Research

Exhibit 5: SMRA's quarterly marketing sales (IDR bn)



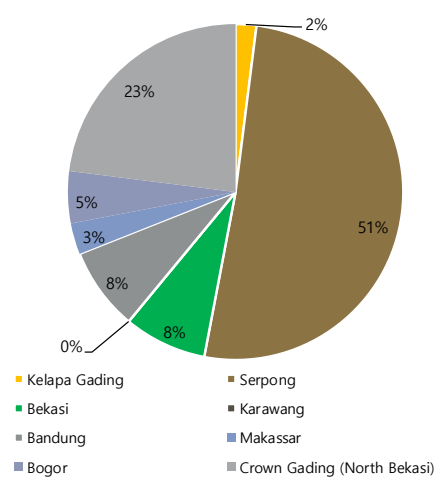
Source: Company, KBVS Research

Exhibit 6: SMRA's marketing sales based on price range (2Q25)



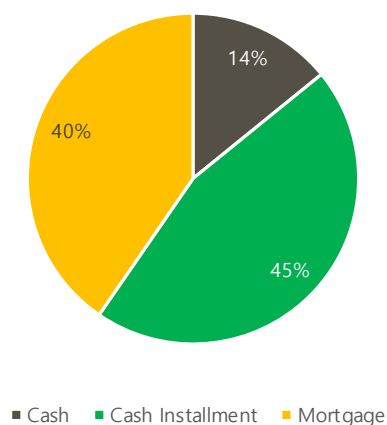
Source: Company, KBVS Research

Exhibit 7: SMRA's revenue based on geography (Est. 2Q25)



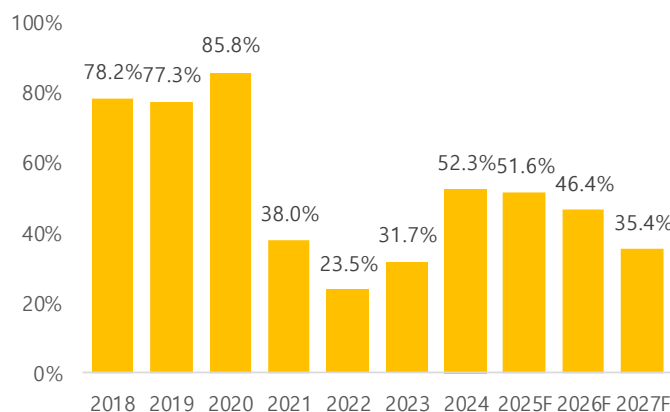
Source: Company, KBVS Research

Exhibit 8: SMRA's customer payment profile (2Q25)



Source: Company, KBVS Research

Exhibit 9: SMRA's net gearing



Source: Company, Bloomberg

FINANCIAL TABLES

Exhibit 10: Profit & Loss summary

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	6,659	10,623	8,861	9,303	9,716
Cost of revenue	(3,299)	(5,162)	(4,444)	(4,616)	(4,797)
Gross profit	3,360	5,461	4,417	4,687	4,918
Selling expenses	(708)	(1,109)	(875)	(918)	(959)
G&A expenses	(1,039)	(1,176)	(1,275)	(1,345)	(1,419)
Operating profit	1,613	3,176	2,267	2,423	2,540
EBITDA	1,865	3,484	2,596	2,769	2,897
Other op. income/exp	12	(458)	(218)	(218)	(218)
Finance income	181	181	181	162	165
Finance expense	(757)	(1,048)	(982)	(967)	(952)
Inc/loss from assoc.	10	12	13	13	13
Pre-tax profit	1,058	1,864	1,260	1,413	1,548
Tax expense	(0)	(22)	(19)	(21)	(23)
Minority interest	(292)	(469)	(235)	(264)	(289)
Net profit	766	1,373	1,006	1,128	1,235
EPS (IDR)	46	83	61	68	75

Source: Company, KBVS Research

Exhibit 11: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash and equivalents	3,293	3,293	2,940	2,998	3,639
Trade receivables	324	340	343	360	376
Inventories	10,906	10,741	10,756	10,956	11,156
Net- Fixed assets	442	522	667	768	860
Other assets	16,203	18,638	18,948	19,207	19,273
Total Assets	31,168	33,534	33,654	34,289	35,304
Trade payables	329	370	319	331	344
Short-term debt + CMLTD	3,759	6,243	6,443	6,211	6,211
Long-term debt	3,439	4,291	4,220	3,752	2,978
Other liabilities	11,338	8,798	7,717	7,780	8,165
Total Liabilities	18,865	19,702	18,699	18,074	17,698
Minority interest	2,476	2,785	3,011	3,264	3,553
Paid capital	1,651	1,651	1,651	1,651	1,651
Retained earnings	8,176	9,397	10,294	11,300	12,402
Other equities	0	0	0	0	0
Total Equity	12,303	13,833	14,956	16,215	17,606

Source: Company, KBVS Research

Exhibit 12: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net income	766	1,373	1,006	1,128	1,235
Depreciation & amortization	252	308	330	346	357
Change in working capital	(782)	(2,893)	(908)	(498)	(200)
Cash flow from operations	236	(1,211)	428	976	1,392
Capex	(1,675)	(2,849)	(726)	(526)	(327)
Others	177	21	(53)	(103)	(113)
Cash flow from investments	(1,498)	(2,828)	(779)	(629)	(440)
Changes in debt	1,289	3,336	129	(700)	(774)
Changes in equity	-	-	-	-	-
Dividends paid	(116)	(149)	(109)	(122)	(134)
Others	(97)	298	226	254	289
Cash flow from financing	1,076	3,486	247	(568)	(619)
Net Cash Flow	(186)	(554)	(104)	(222)	334

Source: Company, KBVS Research

Exhibit 13: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Revenue growth	16.4	59.5	(16.6)	5.0	9.6
EBIT growth	8.8	96.9	(28.6)	6.9	4.8
EBITDA growth	9.1	86.8	(25.5)	6.6	11.6
Net profit growth	22.5	79.3	-26.8	12.1	9.5
Gross margin	50.5	51.4	49.8	50.4	50.6
EBIT margin	24.2	29.9	25.6	26.0	26.1
EBITDA margin	28.0	32.8	29.3	29.8	29.8
Net margin	11.5	12.9	11.4	12.1	12.7
ROA	2.6	4.2	3.0	3.3	3.6
ROE	8.1	13.2	8.7	9.1	9.5
Net gearing (x)	0.4	0.7	0.6	0.5	0.4
Net debt/EBITDA (x)	2.0	0.0	0.0	0.0	0.0
Interest coverage ratio (x)	3.2	4.0	3.2	3.4	3.7

Source: Company, KBVS Research

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