

Faces contraction in '25F after impressive '24

24 June 2025



SMRA IJ	BUY
Sector	Property.
Price at 24 June 2025 (IDR)	378
Price target (IDR)	470
Upside/Downside (%)	24.3

Stock Information

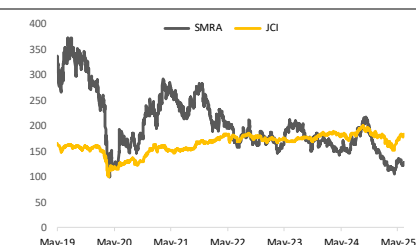
PT Summarecon Agung Tbk and its subsidiaries develop and invest in real estate. The Company develops and operates residential houses, apartments, shopping centres, recreational centres and office buildings.

Market cap (IDR bn)	6,802
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 (%)

Semarang Agung	33.8
Public	66.2

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	-9.09	0.53	-24.00

Analyst

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SMRA booked IDR877 bn in 3M25 marketing sales (+8.3% yoy), supported by strong demand in Serpong and Bogor. Management targets 14.5% yoy growth in '25F marketing sales (IDR5.0 tn) after a 3.4% drop in '24. Revenue is projected to decline 21.9% yoy to IDR8.3 tn in '25F, reflecting normalization after a high base. Maintain our BUY call with a target price of IDR470, using 5yrs DCF-based TP (WACC: 11.3%; LTG: 3%), implying 0.7x '25F P/B and 88.3% discount to '25F RNAV.

3M25 presales up, eyes IDR5.0 tn target for '25F

SMRA booked IDR877 bn in marketing sales in 3M25, up 8.3% yoy, driven by stronger market appetite, notably in Serpong and Bogor. The latest product launch in Serpong performed well, with the Louise residential project achieving a 64% take-up rate and Centeria Square shophouses 78% uptake. Further upside may come from the successful launches of Ivora (Summarecon Bandung), Vanica (Summarecon Crown Gading), and two projects in Summarecon Tangerang (Briza and Havena), which together contributed IDR356 bn.

However, presales fell 48.6% qoq from a high base of IDR1.7 tn in 4Q24, reflecting the concentration of product launches in that quarter, attributed to the finalization of the new presidential administration. Management targets 14.5% yoy growth in '25F marketing sales to IDR5.0 tn, after a 3.4% decline in '24. Summarecon Crown Gading is also expected to benefit from new infrastructure, including the Cibitung-Cilincing and Cimanggis-Cibitung toll roads (part of JORR 2), which connect to the Jagorawi and Jakarta-Cikampek toll roads, as well as to Summarecon Bekasi and Summarecon Bogor.

Projects 29.9% net profit fall in '25F as growth normalizes

The 2022-2024 period provided a high base for SMRA, so we forecast slower growth this year. The current 21.2% yoy decline in short-term contract liabilities to IDR4.6 tn suggests weaker revenue recognition in '25F, leading to a projected 21.9% yoy drop in revenue to IDR8.3 tn. Property development, which grew 85.5% in '24, is expected to decline 32.6% to IDR5.1 tn. Within this segment, house and shaplot revenue is projected to fall 33.0% to IDR4.5 tn after surging 91.8% in '24 and 34.3% in '23. Revenue from apartments and offices is also expected to drop by 22.8% and 43.0%, respectively, following their near fourfold increases in '24.

Conversely, recurring revenue is forecast to rise 3.9% to IDR3.2 tn, mainly driven by a 2.0% gain in the mall segment to IDR2.1 tn, driven by the anticipated 4Q25 operational start of Summarecon Mall Bekasi's phase 2. The weaker house and shaplot sales are expected to reduce the gross margin to 50.2%, down from 51.4% in '24 (-115.6bps), resulting in gross profit of IDR4.2 tn. Net profit is projected to decline 29.9% to IDR963.4 bn, or 1.9% below the '25F consensus, after growing 79.3% in '24.

Reiterate BUY with TP of IDR470

Maintain our BUY call with a target price of IDR470, using 5yrs DCF-based TP (WACC: 11.3%; LTG: 3%), implying 0.7x '25F P/B and 88.3% discount to '25F RNAV. The expected continuing BI rate cuts in '25, along with the proposed extension of the full VAT discount through Dec-25, should positively boost the industry.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	6,659	10,623	8,301	8,730	9,273
Gross profit	3,360	5,461	4,171	4,399	4,696
Operating profit	1,613	3,176	2,236	2,360	2,539
EBITDA	1,865	3,484	2,566	2,706	2,896
Net income	766	1,373	963	1,047	1,200
EPS growth (%)	22.5	79.3	(29.9)	8.7	14.6
PER (x)	7.9	4.4	6.3	5.8	5.0
PBV (x)	0.6	0.5	0.5	0.5	0.4
EV/EBITDA (x)	3.6	3.0	4.5	4.1	3.4
Net gearing (x)	0.4	0.7	0.7	0.6	0.4

Source: Company, KBVS Research

Exhibit 2: SMRA's 1Q25 result

SMRA 1Q25 Results (IDR bn)	1Q25	1Q24	YoY (%)	4Q24	QoQ (%)	FY24	FY23	YoY (%)
Revenue	2,104	2,134	-1.4	3,082	(31.7)	10,623	6,659	59.5
Property Development	1,333	1,442	-7.6	2,267	(41.2)	7,504	4,045	85.5
Investment Property	552	480	15.1	554	(0.3)	2,152	1,738	23.8
Leisure, Hospitality, Other	219	212	3.1	261	(16.0)	967	876	10.4
COGS	(1,039)	(1,034)	0.5	(1,608)	(35.4)	(5,162)	(3,299)	56.5
Gross Profit	1,065	1,100	-3.2	1,474	(27.7)	5,461	3,360	62.5
EBIT	539	629	-14.4	888	(39.3)	3,176	1,613	96.9
Interest expense (loan)	(185)	(120)	53.4	(176)	4.8	(587)	(353)	66.1
Interest income	42	50	-17.4	43	(2.8)	181	181	0.3
Other income (exp.)	(83)	(118)	-30.2	(151)	(45.3)	(919)	(392)	134.5
Associate & JV	3	5	-28.7	3	25.7	12	10	24.4
Pre-tax income	317	446	-29.0	607	(47.8)	1,864	1,058	76.2
Taxes	(1)	(0)	153.2	(18)	(95.8)	(22)	(0)	4272.7
Minorities	(78)	(4)	1720.5	(149)	(47.7)	(469)	(292)	60.7
Net income (Parent)	238	441	-46.0	440	(45.8)	1,373	766	79.3
Margins (%)								
Gross Profit Margin	50.6	51.6		47.8		51.4	50.5	
EBIT margin	25.6	29.5		28.8		29.9	24.2	
Net Margin	11.3	20.7		14.3		12.9	11.5	

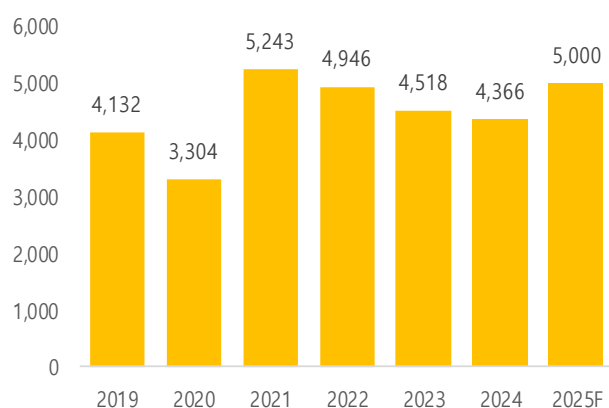
Source: Company, KBVS Research

Exhibit 3: SMRA's valuation summary

DCF Valuation	2025	2026	2027	2028	2029
Cash flow multiple	1	2	3	4	5
Net Profit	963	1,047	1,200	1,453	1,552
Depreciation	330	346	357	368	379
Interest expense (1-tax)	654	618	580	529	457
NWC	23	(207)	(209)	(212)	(209)
Capex	(716)	(516)	(317)	(322)	(327)
FCFF	1,254	1,288	1,612	1,816	1,852
Discount factor	1.1	1.2	1.4	1.5	1.7
Discounted Free Cash Flow	1,127	1,040	1,171	1,186	1,086
Terminal Value	22,490				
Discounted Terminal Value	13,196				
Enterprise Value	18,806				
Net debt	8,021				
Equity value	10,784				
Minority interest	(3,001)				
Fair value per share '25F (rounded)	470				

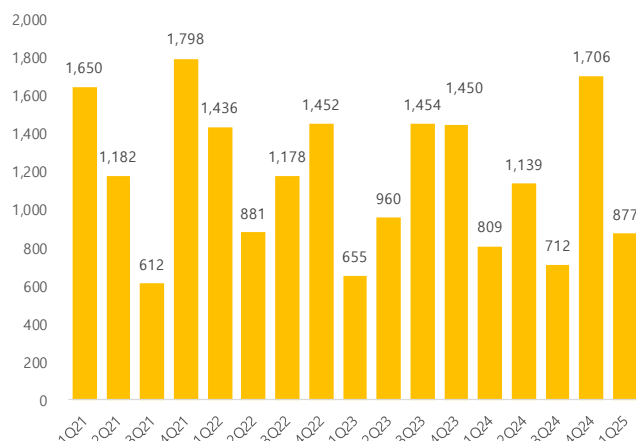
Source: KBVS Research

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



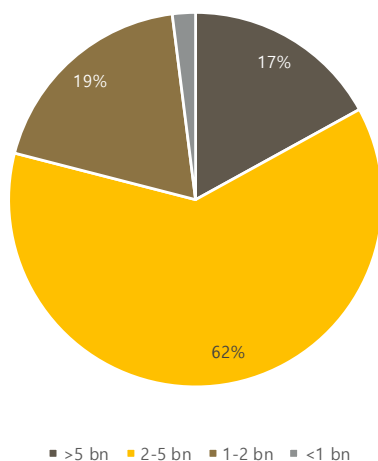
Source: Company, KBVS Research

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



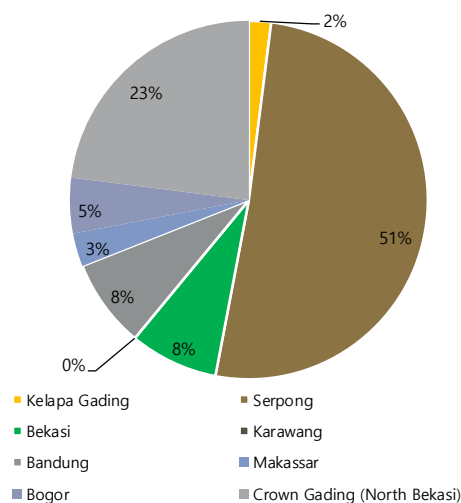
Source: Company, KBVS Research

Exhibit 6: SMRA's marketing sales based on price range (1Q25)



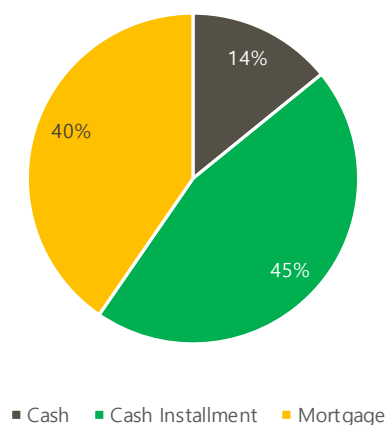
Source: Company, KBVS Research

Exhibit 7: SMRA's revenue based on geography (1Q25)



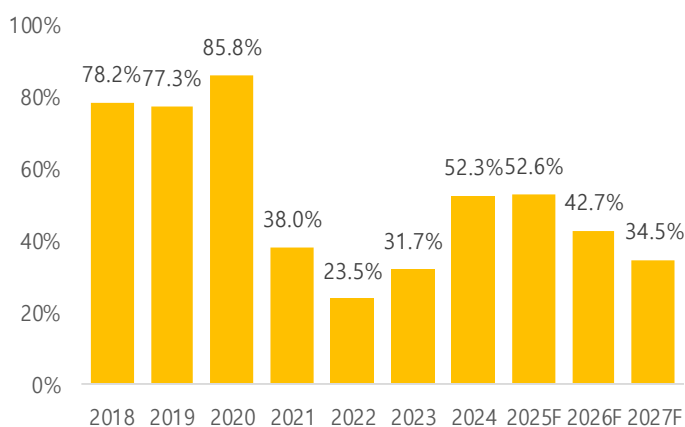
Source: Company, KBVS Research

Exhibit 8: SMRA's customer payment profile (1Q25)



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	8,301	8,730	9,273
Cost of revenue	(3,299)	(5,162)	(4,130)	(4,330)	(4,577)
Gross profit	3,360	5,461	4,171	4,399	4,696
Selling expenses	(708)	(1,109)	(689)	(724)	(769)
G&A expenses	(1,039)	(1,176)	(1,246)	(1,315)	(1,387)
Operating profit	1,613	3,176	2,236	2,360	2,539
EBITDA	1,865	3,484	2,566	2,706	2,896
Other op. income/exp	12	(458)	(218)	(218)	(218)
Finance income	181	181	181	145	144
Finance expense	(757)	(1,048)	(1,005)	(988)	(975)
Inc/loss from assoc.	10	12	13	13	13
Pre-tax profit	1,058	1,864	1,207	1,312	1,503
Tax expense	(0)	(22)	(18)	(20)	(23)
Minority interest	(292)	(469)	(225)	(245)	(281)
Net profit	766	1,373	963	1,047	1,200
EPS (IDR)	46	83	58	63	73

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	2,642	2,623	3,298
Trade receivables	324	340	321	338	359
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	18,736	18,996	19,085
Total Assets	31,168	33,534	33,123	33,681	34,757
Trade payables	329	370	296	310	328
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	7,255	7,331	7,813
Total Liabilities	18,865	19,702	18,215	17,604	17,330
Minority interest	2,476	2,785	3,001	3,237	3,517
Paid capital	1,651	1,651	1,651	1,651	1,651
Retained earnings	8,176	9,397	10,256	11,190	12,260
Other equities	0	0	0	0	0
Total Equity	12,303	13,833	14,908	16,077	17,428

Source: Company, KBVS Research

Exhibit 12: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net income	766	1,373	963	1,047	1,200
Depreciation & amortization	252	308	330	346	357
Change in working capital	(782)	(2,893)	(1,148)	(466)	(117)
Cash flow from operations	236	(1,211)	145	927	1,439
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)	(104)	(113)	(130)
Others	(97)	298	217	235	281
Cash flow from financing	1,076	3,486	242	(578)	(623)
Net Cash Flow	(186)	(554)	(392)	(280)	376

Source: Company, KBVS Research

Exhibit 13: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Revenue growth	16.4	59.5	(21.9)	5.2	11.7
EBIT growth	8.8	96.9	(29.6)	5.5	7.6
EBITDA growth	9.1	86.8	(26.4)	5.5	12.9
Net profit growth	22.5	79.3	-29.9	8.7	14.6
Gross margin	50.5	51.4	50.2	50.4	50.6
EBIT margin	24.2	29.9	26.9	27.0	27.4
EBITDA margin	28.0	32.8	30.9	31.0	31.2
Net margin	11.5	12.9	11.6	12.0	12.9
ROA	2.6	4.2	2.9	3.1	3.5
ROE	8.1	13.2	8.4	8.5	9.3
Net gearing (x)	0.4	0.7	0.7	0.6	0.4
Net debt/EBITDA (x)	2.0	0.0	0.0	0.0	0.0
Interest coverage ratio (x)	3.2	4.0	3.1	3.2	3.5

Source: Company, KBVS Research

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