

Friday, 23 September 2022

**BUY**  
**Maintain**

Last price (IDR)	183
Target Price (IDR)	230
Upside/Downside	+25.7%
Previous Target Price (IDR)	230

**Stock Statistics**

Sector	Industrial Estate
Bloomberg Ticker	DMAS IJ
No of Shrs (mn)	48,198
Mkt. Cap (IDRbn/USDmn)	8,820/589
Avg. daily T/O (IDRbn/USDmn)	6.4/0.4

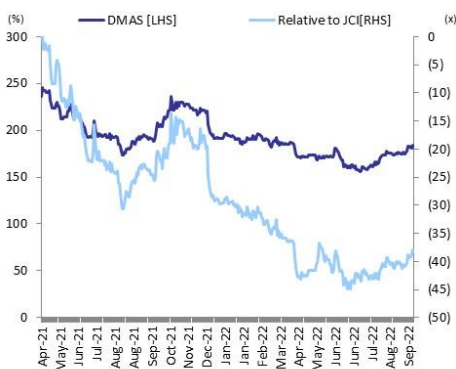
**Major shareholders (%)**

Sumber Arusmulia	57.3
Sojitz Corporation	25.0
Estimated free float	17.6

**EPS Consensus (IDR)**

	2022F	2023F	2024F
Danareksa	20.7	19.3	20.4
Consensus	21.9	23.4	24.0
Danareksa/Cons	(5.6)	(17.2)	(15.3)

**DMAS relative to JCI Index**



Source : Bloomberg



**Victor Stefano**  
(62-21) 5091 4100 ext.  
victor.stefano@brids.co.id

# Puradelta Lestari(DMAS IJ)

## Strong presence in data center industry

**We visited Deltamas industrial estate to gain insight of the current development of its property. We like the development of its industrial zone including the new data center zone, but the residential and commercial might need more time to bring more value. We maintain our BUY call on DMAS for its strong presence in data center and potential dividend yield.**

**A third to full occupancy.** Currently DMAS has sold 12 land plots in its data center zone. These tenants consists of several top global names, Telkom, and Ministry of Communication and Information. Land plot size varies for each tenant ranging between 5-10ha and for a combined total size of c. 70-75ha in the data center zone, a third of total land in the zone. This leave c. 150ha in the data center zone for sale. If it can be sold with ASP of IDR2.7mn/sqm, it could generate marketing sales of c. IDR4tn for DMAS. PLN has 990MW electricity to support DMAS which should be enough for the next 10 years.

**Strong infrastructure and facilities to support top tier data center.** Supported by its premium PLN services which only three industrial estates have, dedicated fiber optic, multiple (three) Internet Service Providers, and other facilities, DMAS has proven as one of the main choices for data center players. Currently, 12 data center tenant in Deltamas are all Tier IV and have global standards. Thus it should be able to cater requirements of other data center players as well, in our view.

**More time needed for residential and commercial land.** To unlock its residential and commercial value, we believe more time are needed as we have yet to see crowd in the area. We think this might be due to its strong presence of auto and data center industry, which typically has less labors. Positive short-term potential are coming from the development of high-speed train and AEON mall which is expected to finish in the next two years.

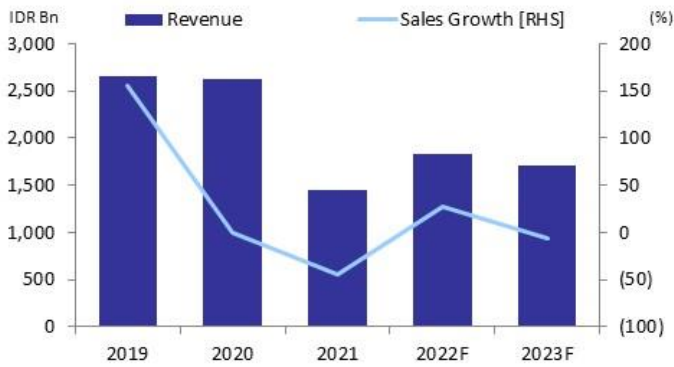
**Maintain BUY with TP of IDR230.** We like the stocks for its strong presence in data center sector as well as its potential dividend. We value the stock using 55% discount to NAV to arrive at TP of IDR230 and thus maintaining our BUY call with 26% upside and 10% potential dividend yield.

**Key Financials**

Year to 31 Dec	2020A	2021A	2022F	2023F	2024F
Revenue (IDRbn)	2,629	1,441	1,829	1,708	1,782
EBITDA (IDRbn)	1,383	701	1,025	956	998
EBITDA Growth (%)	7.3	(49.4)	46.3	(6.7)	4.4
Net profit (IDRbn)	1,348	715	999	933	981
EPS (IDR)	28.0	14.8	20.7	19.3	20.4
EPS growth (%)	1.0	(47.0)	39.7	(6.6)	5.2
BVPS (IDR)	114.6	111.0	112.0	113.0	114.0
DPS (IDR)	31.5	14.5	19.7	18.4	19.3
PER (x)	6.5	12.3	8.8	9.4	8.9
PBV (x)	1.6	1.6	1.6	1.6	1.6
Dividend yield (%)	17.3	8.0	10.8	10.1	10.6
EV/EBITDA (x)	5.3	11.7	7.7	7.7	6.7

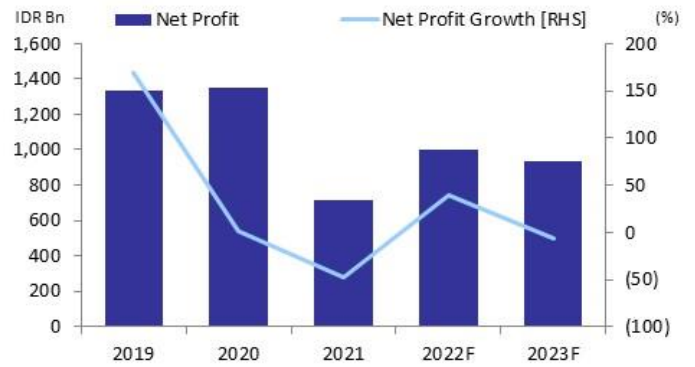
Source : DMAS, Danareksa Estimates

**Exhibit 1. Revenues and Growth**



Source: Company, BRI Danareksa Sekuritas estimates

**Exhibit 2. Net Profits and Growth**



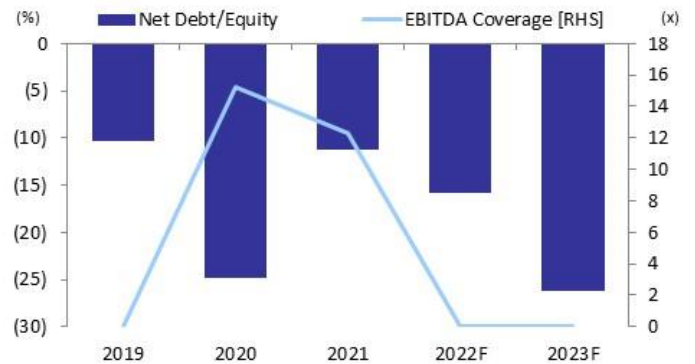
Source: Company, BRI Danareksa Sekuritas estimates

**Exhibit 3. Margins**



Source: Company, BRI Danareksa Sekuritas estimates

**Exhibit 4. Gearing Level**



Source: Company, BRI Danareksa Sekuritas estimates

Photo of Hyundai industrial estate



Construction progress of data center in the data center zone



### Construction progress of AEON mall



### Entrance view of Panahome



Current situation in one of the commercial area in DMAS



### Exhibit 5. Income Statement

Year to 31 Dec (IDRbn)	2020A	2021A	2022F	2023F	2024F
<b>Revenue</b>	<b>2,629</b>	<b>1,441</b>	<b>1,829</b>	<b>1,708</b>	<b>1,782</b>
COGS	(1,014)	(594)	(697)	(645)	(670)
<b>Gross profit</b>	<b>1,615</b>	<b>847</b>	<b>1,132</b>	<b>1,063</b>	<b>1,112</b>
<b>EBITDA</b>	<b>1,383</b>	<b>701</b>	<b>1,025</b>	<b>956</b>	<b>998</b>
<b>Oper. profit</b>	<b>1,383</b>	<b>701</b>	<b>966</b>	<b>891</b>	<b>932</b>
Interest income	71	38	0	0	0
Interest expense	(91)	(57)	0	0	0
Forex Gain/(Loss)	4	0	7	7	7
Income From Assoc. Co's	(5)	4	0	0	0
Other Income (Expenses)	60	80	73	80	90
<b>Pre-tax profit</b>	<b>1,423</b>	<b>766</b>	<b>1,047</b>	<b>978</b>	<b>1,029</b>
Income tax	(74)	(51)	(48)	(45)	(47)
Minority interest	(1)	0	(1)	(1)	(1)
<b>Net profit</b>	<b>1,348</b>	<b>715</b>	<b>999</b>	<b>933</b>	<b>981</b>
<b>Core Net Profit</b>	<b>1,343</b>	<b>715</b>	<b>991</b>	<b>926</b>	<b>974</b>

### Exhibit 6. Balance Sheet

Year to 31 Dec (IDRbn)	2020A	2021A	2022F	2023F	2024F
Cash & cash equivalent	1,375	599	853	1,424	2,085
Receivables	0	0	0	0	0
Inventory	2,079	2,283	2,104	1,821	1,541
Other Curr. Asset	287	284	330	327	349
Fixed assets - Net	290	309	406	376	325
Other non-curr.asset	2,720	2,640	2,586	2,312	2,041
<b>Total asset</b>	<b>6,752</b>	<b>6,114</b>	<b>6,279</b>	<b>6,261</b>	<b>6,340</b>
ST Debt	0	0	0	0	0
Payables	10	31	37	34	35
Other Curr. Liabilities	1,157	669	821	763	795
Long Term Debt	0	0	0	0	0
Other LT. Liabilities	57	62	20	17	14
<b>Total Liabilities</b>	<b>1,224</b>	<b>763</b>	<b>878</b>	<b>814</b>	<b>844</b>
Shareholder's Funds	5,525	5,348	5,398	5,445	5,494
Minority interests	4	3	3	3	3
<b>Total Equity &amp; Liabilities</b>	<b>6,752</b>	<b>6,114</b>	<b>6,279</b>	<b>6,261</b>	<b>6,340</b>

### Exhibit 7. Cash Flow

Year to 31 Dec (IDRbn)	2020A	2021A	2022F	2023F	2024F
Net income	1,348	715	999	933	981
Depreciation and Amort.	27	0	0	65	67
Change in Working Capital	1,062	0	0	225	292
Other Oper. Cash Flow	582	0	0	292	291
<b>Operating Cash Flow</b>	<b>3,019</b>	<b>170</b>	<b>1,530</b>	<b>1,515</b>	<b>1,631</b>
Capex	(4)	(47)	0	(58)	(38)
Others Inv. Cash Flow	71	38	0	0	0
<b>Investing Cash Flow</b>	<b>67</b>	<b>(9)</b>	<b>(289)</b>	<b>(58)</b>	<b>(38)</b>
Net change in debt	0	0	0	0	0
New Capital	(98)	0	0	0	0
Dividend payment	(2,217)	0	949	(886)	(932)
Other Fin. Cash Flow	(91)	(57)	0	0	0
<b>Financing Cash Flow</b>	<b>(2,406)</b>	<b>(948)</b>	<b>(949)</b>	<b>(886)</b>	<b>(932)</b>
<b>Net Change in Cash</b>	<b>681</b>	<b>(787)</b>	<b>293</b>	<b>571</b>	<b>661</b>
Cash - begin of the year	667	1,375	599	853	1,424
Cash - end of the year	1,375	599	853	1,424	2,085

### Exhibit 8. Key Ratios

Year to 31 Dec	2020A	2021A	2022F	2023F	2024F
<b>Growth (%)</b>					
Sales	(0.8)	(45.2)	27.0	(6.6)	4.3
EBITDA	7.3	(49.4)	46.3	(6.7)	4.4
Operating profit	7.3	(49.4)	37.9	(7.8)	4.5
Net profit	1.0	(47.0)	39.7	(6.6)	5.2
<b>Profitability (%)</b>					
Gross margin	61.4	58.8	61.9	62.2	62.4
EBITDA margin	52.6	48.6	56.0	56.0	56.0
Operating margin	52.6	48.6	52.8	52.2	52.3
Net margin	51.3	49.6	54.6	54.6	55.1
ROAA	18.8	11.1	16.1	14.9	15.6
ROAE	22.4	13.1	18.6	17.2	17.9
<b>Leverage</b>					
Net Gearing (x)	(0.2)	(0.1)	(0.2)	(0.3)	(0.4)
Interest Coverage (x)	15.2	12.3	0.0	0.0	0.0

Source : DMAS, Danareksa Estimates



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