

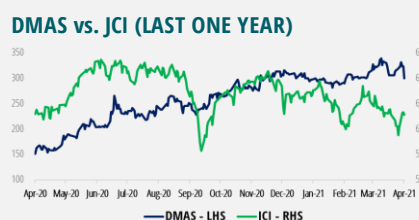
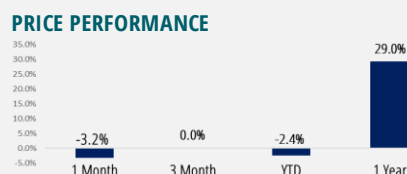


PT PURADELTA LESTARI, Tbk.

Ticker: DMAS
Last Price (16/04/21): 240
Shares (billion): 48.2
Market Cap (billion rupiah): 11,568

RECOMMENDATION **BUY**
12-Month Target Price: 325
Upside Potential: 35.42%

SHAREHOLDERS
Sojitz Corporation 25.00%
PT Sumber Arusmulia 57.28%
Public 17.72



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BEYOND EXPECTATION

DMAS in FY2020 managed to maintaining its performances in the middle of COVID-19 pandemic, with revenue recorded at Rp2.63 T or surpassed FY2020 estimate by +61.7%, due to upbeat company marketing sales realization of Rp2,39 T or +19% higher than 2020 marketing sales target of Rp2 T.

SUPPORTED BY INDUSTRIAL AREA

In 2020, industrial land sales were still the backbone of the Company' business and still dominated the Company's overall sales by Rp2.48 T or 94.1%, while the other business segments, namely commercial, residential, hotel, and rental segments, contributed 3.0%, 2.0%, 0.5%, and 0.3% respectively to the total revenues in 2020. In 2020 DMAS sold 199.5 Ha of industrial land, with a total of 30 Ha was contributed by the warehouse industry. From those 30 Ha, roughly 25 Ha came from automotive-related companies within the supply chain in 2020 as a positive impact from the arrival of a large Korean automotive company that acquired 77.7 Ha of industrial area in GILC in 2019. Furthermore, 20 Ha of marketing sales generated from land sales for data center locations, which came from local and overseas digital players. Demand for industrial land continued to grow with around 90 Ha already recorded by the end of 2020, which the Company will pursue in 2021.

GOING FORWARD

In 2021, DMAS will continuously pursue a land acquisition, especially for industrial land, given that the Company's land reserves have continued to decline in line with high sales in recent years. In order to increase industrial land bank reserve in GILC industrial estate for the coming years in line with increasing industrial land demand, DMAS is currently in the process of converting part of its residential land into industrial land. The conversion process is expected to be completed in 2021.

As of April 2021, DMAS notched around 75 Ha industrial land inquiries, from the data center, automotive, and other sectors being under negotiation. Furthermore in 1Q2021, DMAS had already recorded a marketing sales realization of Rp2.88 B, equal to 11.4% of the FY2021 marketing sales target of Rp2 T and mainly derived from the sale of 10.4 Ha of industrial land. Sales of industrial land mainly come from the data center sector, following the 20 Ha of industrial land sales in 2020 to data center customers.

BUY RECOMMENDATION WITH TP SET Rp325/SHARE (+35.4% UPSIDE)

We maintain our BUY recommendation with adjusted 12-month target price of Rp325/share (54% discount to RNAV at -2SD). TP reflects 12-month P/E and P/B of 7.1x and 1.9x, respectively. DMAS remains attractive given its massive land banks and still in a stable net cash position and does not have any loans. We also expect DMAS to remain debt-free at least for foreseeable future.

In Billion IDR	2018A	2019A	2020A	2021F	2022F	2023F	2024F
Revenues	1,036	2,650	2,629	2,789	2,967	3,162	3,378
EBITDA	419.1	1,237.5	1,325.0	1,423.6	1,525.3	1,628.5	1,741.9
Profit from Operation	415.4	1,233.8	1,321.8	1,401.6	1,490.2	1,587.6	1,695.6
Net Profit	496.2	1,334.9	1,347.6	1,595.2	1,740.5	1,867.8	2,004.8
EPS (Full IDR)	10.30	27.70	27.96	33.10	36.11	38.75	41.59
BVPS	149.1	134.8	114.7	125.5	135.1	145.0	155.7
P/E (x)	14.70	9.66	7.89	7.13	6.54	6.09	5.67
P/B (x)	0.94	2.20	2.14	1.91	1.78	1.65	1.54
EV/EBITDA (x)	22.47	7.67	6.63	5.82	5.26	4.79	4.33

Source: Company, MPIS Research



VALUATION

Figure 1

DMAS RNAV

	Ownership (%)	Available Landbank Gross (m)	Market Value (in millions Rp)
Industrial	100%	3,540,000	6,239,250
Commercial	100%	4,940,000	24,082,500
Residential	100%	3,760,000	12,220,000
Total Landbank		12,240,000	42,541,750
Marketing, Development, and Tax (20%)			(8,508,350)
TOTAL NAV LANDBANK			34,033,400
Total Shares Outstanding (in million)			48,198
NAV/share			706
Discount to NAV			54%
TARGET PRICE			325

Sources: Company, MPIS Research

Figure 2

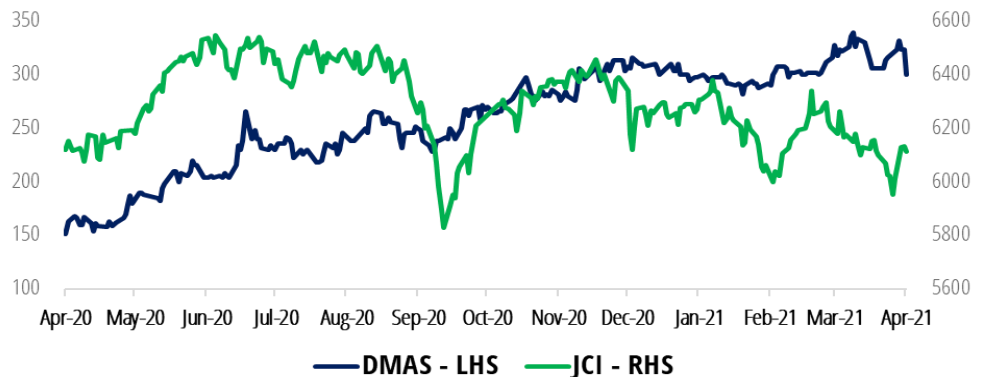
DMAS Stock Price Discount to RNAV



Sources: Company, MPIS Research

Figure 3

DMAS Stock Price vs. JCI (Last One Year)



Sources: Company, MPIS Research

APPENDIX**Figure A – 1**

INCOME STATEMENT (Million)	2019A	2020A	2021F	2022F	2023F
NET REVENUE					
Industrial	2,011,926	2,475,226	2,613,751	2,762,902	2,921,026
Residences	19,834	54,156	72,635	97,499	130,891
Commercial	603,028	78,534	80,612	83,111	85,812
Hotel	7,246	12,838	13,344	13,891	14,464
Rental	8,221	8,546	8,882	9,246	9,627
TOTAL NET REVENUES	2,650,255	2,629,300	2,789,223	2,966,650	3,161,821
COST OF REVENUES					
Industrial	993,485	970,791	1,025,121	1,083,619	1,145,635
Residences	7,704	21,294	28,560	38,337	51,466
Commercial	161,068	15,915	16,336	16,842	17,390
Hotel	978	822	855	890	926
Rental	3,919	5,268	5,475	5,700	5,935
TOTAL COST OF REVENUES	1,167,154	1,014,090	1,076,346	1,145,387	1,221,352
Industrial	1,018,441	1,504,435	1,588,630	1,679,284	1,775,391
Residences	12,130	32,862	44,075	59,162	79,425
Commercial	441,960	62,619	64,276	66,269	68,423
Hotel	6,268	12,016	12,489	13,001	13,537
Rental	4,302	3,278	3,407	3,547	3,693
GROSS PROFIT	1,483,101	1,615,210	1,712,877	1,821,263	1,940,469
OPERATING EXPENSES	249,338	293,436	311,284	331,085	352,866
Profit from Operation	1,233,762	1,321,775	1,401,593	1,490,178	1,587,602
Interest Income	58,464	71,375	147,342	201,556	228,356
Financial Charge	-	(90,731)	-	-	-
Other Income (Charges) - Net	58,117	58,882	62,463	66,436	70,807
PROFIT BEFORE INCOME TAX (EBT)	1,350,343	1,361,300	1,611,398	1,758,171	1,886,766
Income tax	(14,922)	(12,725)	(15,062)	(16,434)	(17,636)
Minority interest	483	927	1,098	1,198	1,285
NET PROFIT	1,334,938	1,347,648	1,595,238	1,740,538	1,867,844

Source: Company, MPIS Research

Figure A – 2

CASH FLOW (Million)	2019A	2020A	2021F	2022F	2023F
Net Cash Used in Operating Activities	2,014,165	3,029,259	1,586,654	1,528,552	1,632,027
Net Cash Used in Investing Activities	(64,527)	(3,924)	(3,924)	(3,924)	(3,924)
Financing Cash Flow	(2,027,599)	(2,315,462)	(1,076,118)	(1,274,190)	(1,390,431)
Net Change in Cash	(77,961)	709,873	506,611	250,437	237,672

Source: Company, MPIS Research

Figure A – 3

ASSETS (Million)	2019A	2020A	2021F	2022F	2023F
Cash and cash equivalents	666,968	1,376,841	1,883,452	2,133,889	2,371,561
Account Receivables	1,090,422	39,221	41,606	44,253	47,164
Inventories	2,175,573	2,079,427	2,205,773	2,347,258	2,502,935
Advances	33,200	204,473	29,604	31,487	33,558
Other Current Assets	43,126	43,452	46,095	49,027	52,253
Total Current Assets	4,009,288	3,743,414	4,206,530	4,605,915	5,007,472
Investment properties	152,731	148,518	144,269	139,985	135,667
Fixed assets	309,630	290,466	271,301	251,980	232,503
Other non current assets	3,145,424	2,569,808	2,726,112	2,899,524	3,090,279
Total Noncurrent Assets	3,607,786	3,008,791	3,141,682	3,291,490	3,458,449
TOTAL ASSETS	7,617,074	6,752,205	7,348,212	7,897,405	8,465,921
LIABILITIES (Million)	2019A	2020A	2021F	2022F	2023F
Account Payables	31,093	9,743	12,765	13,658	14,615
Other Current Liabilities	1,049,188	1,157,236	1,227,623	1,305,713	1,391,614
Total Current Liabilities	1,080,281	1,166,978	1,240,387	1,319,372	1,406,229
Other Non-Current Liabilities	40,951	57,198	60,677	64,537	68,782
Total Noncurrent Liabilities	40,951	57,198	60,677	64,537	68,782
TOTAL LIABILITIES	1,121,231	1,224,176	1,301,064	1,383,908	1,475,012
EQUITY (Million)	2019A	2020A	2021F	2022F	2023F
Capital Stock	4,819,811	4,819,811	4,819,811	4,819,811	4,819,811
Paid-in Capital	379,730	379,730	379,730	379,730	379,730
Retained Earnings - Appropriated	8,000	10,000	12,000	14,000	16,000
Retained Earnings - Unappropriated	1,284,792	314,979	832,098	1,296,446	1,771,859
Minority Interest	3,509	3,509	3,509	3,509	3,509
Total Equity	6,495,843	5,528,029	6,047,148	6,513,496	6,990,910
TOTAL LIABILITIES AND EQUITY	7,617,074	6,752,205	7,348,212	7,897,405	8,465,921

Source: Company, MPIS Research

Figure A – 4

(IDR Million)	2019A	2020A	Y/Y	2020F	% of forecast
Revenues	2,650,255	2,629,300	-0.8%	1,626,513	61.7%
Cost of Revenues	1,167,154	1,014,090	-13.1%	782,071	
Gross Profit	1,483,101	1,615,210	8.9%	844,442	91.3%
Operating Expenses	249,338	293,436	17.7%	153,024	
Profit from Operation	1,233,762	1,321,775	7.1%	691,418	91.2%
Interest Income	58,464	71,375	22.1%	52,368	
Other	58,117	58,882	1.3%	124,976	
Pre-tax Profit	1,350,343	1,361,300	0.8%	868,762	56.7%
Tax	(14,922)	(12,725)	-14.7%	(9,600)	
Minority interest	483	927	92.0%	311	
Net Profit	1,334,938	1,347,648	1.0%	858,851	56.9%

Source: Company, MPIS Research



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