

Pembangunan Perumahan Tbk (PTPP)

Optimisme Melampaui Estimasi

Pertumbuhan Kontrak Baru yang Konsisten dan Kuat

Dibandingkan dengan perusahaan konstruksi BUMN yang lain, PTPP memiliki **track record pertumbuhan kontrak baru yang paling stabil** di angka 20%-30% sejak 2015. Pada 11M17, PTPP berhasil membukukan kontrak baru sebesar Rp37,6 triliun, sedikit di bawah estimasi kami atas kontrak baru pada 2017 sebesar Rp40 triliun. Kami memperkirakan bahwa angka ini terlampaui sehingga **PTPP mencatat pertumbuhan di atas 23%**.

Konsistensi pertumbuhan dua digit pada kontrak baru ini justru ditopang oleh **kemampuan PTPP dalam hal diversifikasi jenis kontrak**. Hal ini berbeda dengan ADHI dan WIKA yang sangat didominasi oleh proyek raksasa, yakni LRT (light rail transit) dan HSR (high speed railway). Sementara itu, WSKT sangat terkonsentrasi pada proyek jalan tol.

Peningkatan Margin ditopang Segmen Property

Peningkatan porsi pendapatan dari segmen properti & investasi sangat krusial bagi PTPP dalam **menurunkan risiko ketika kontrak baru konstruksi mengalami kendala**. Selain itu, profitabilitas PTPP akan semakin baik mengingat segmen ini memiliki **gross margin di sekitar 40%-60%**, yang jauh melampaui gross margin 10%-20% yang dimiliki oleh segmen konstruksi dan EPC.

Target Harga Rp4.770

Kami menggunakan estimasi *forward* P/E sebesar 11,3x (1SD di bawah rata-rata 5 tahun terakhir yang sebesar 17,3x) sebagai basis metode valuasi kami untuk memperoleh target harga pada Desember 2018. Target harga ini mengimplikasikan P/E 2018E sebesar 13,8x. Saat ini, PTPP diperdagangkan pada P/E 2017E sebesar 8,6x.

Pembangunan Perumahan, Tbk | Summary (IDR bn)

	2016/12A	2017/12E	2018/12E	2019/12E
Revenue	16,459	22,423	27,565	32,967
<i>Revenue growth</i>	15.8%	36.2%	22.9%	19.6%
EBITDA	2,002	3,054	4,589	5,876
Net profit	1,023	1,761	2,146	2,607
EPS (IDR)	165	284	346	421
<i>EPS growth</i>	38.3%	72.1%	21.9%	21.5%
BVPS (IDR)	1,741	2,146	2,576	3,068
EBITDA margin	12.2%	13.6%	16.6%	17.8%
NPM	6.2%	7.9%	7.8%	7.9%
ROE	12.8%	14.6%	14.7%	14.9%
ROA	4.1%	4.9%	5.0%	5.3%
ROIC	10.3%	10.4%	10.6%	12.0%
P/E	23.1x	10.4x	8.6x	7.0x
P/BV	2.2x	1.4x	1.1x	1.0x
EV/EBITDA	10.4x	6.3x	4.9x	4.6x
DPS (IDR)	50	85	104	126
<i>Dividend yield</i>	1.3%	2.9%	3.5%	4.3%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Buy

Dec 2018 TP (IDR)	4,770
Consensus Price (IDR)	4,002
TP to Consensus Price	+19.2%
vs. Last Price	+61.1%

Shares data

Last Price (IDR)	2,960
Price date as of	Jan 19, 2018
52 wk range (Hi/Lo)	3,810 / 2,250
Free float (%)	48.9
Outstanding sh.(mn)	6,200
Market Cap (IDR bn)	18,104
Market Cap (USD mn)	1,356
Avg. Trd Vol - 3M (mn)	15.14
Avg. Trd Val - 3M (bn)	42.31
Foreign Ownership	20.6%

Property

Construction

Bloomberg

PTPP.IJ

Reuters

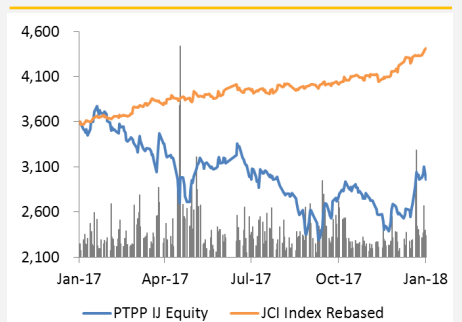
PTPP.JK

Raphon Prima

+62 21 797 6202, ext:214

raphon@nhsec.co.id

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	12.1%	11.7%	6.9%	-17.8%
Rel. Ret.	10.0%	6.5%	-3.0%	-40.3%

Peningkatan Porsi Properti

PTPP telah berhasil meningkatkan **kontribusi pendapatan segmen properti & investasi dari 5% pada 2014 menjadi 13% pada 2017**. Kami memperkirakan bahwa peningkatan porsi ditopang oleh agresifitas anak perusahaan di bidang properti, yakni PPRO.

Selain itu PTPP telah berhasil menjalin kerjasama dengan PT Kereta Api Indonesia untuk **mengembangkan hunian vertikal berbasis TOD (transit-oriented-development)** di beberapa stasiun utama di Jakarta.

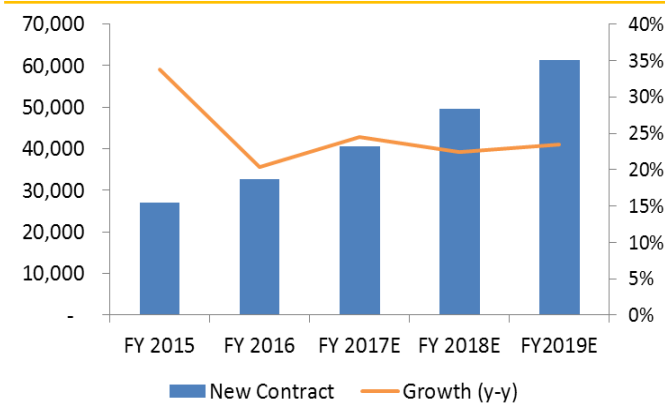
Target Fantastis Manajemen

Pada 2018, manajemen PTPP telah menetapkan target yang cukup meyakinkan, yang jauh di atas estimasi kami sebelumnya. **PTPP menargetkan pendapatan sebesar Rp28 triliun**, yang melebihi estimasi awal kami sebesar Rp24,5 triliun. **Laba bersih ditargetkan sebesar Rp2,1 triliun** (vs estimasi kami sebesar Rp1,6 triliun).

Kepercayaan diri ini didasarkan pada kinerja 2017 yang cukup meyakinkan. Manajemen PTPP mengindikasikan bahwa **laba bersih 2017 telah mencapai Rp1,7 triliun**, melebihi estimasi awal kami sebesar Rp1,3 triliun. Dengan kata lain, **laba bersih 2017 tumbuh 66,1% y-y** dibandingkan laba bersih sebesar Rp1,0 triliun pada 2016. Pertumbuhan laba ini jauh di atas rata-rata pertumbuhan 35% sejak 2013.

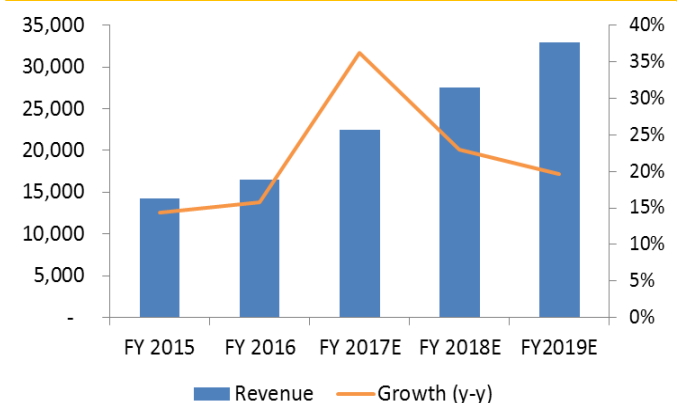
Performance Highlights

New Contract (IDR bn) | FY 2015 - FY 2019E



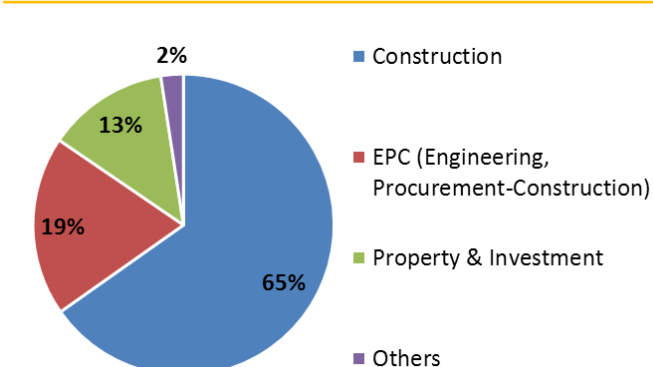
Source: Company, NHKS Research

Revenue (IDR bn) | FY 2015 - FY 2019E



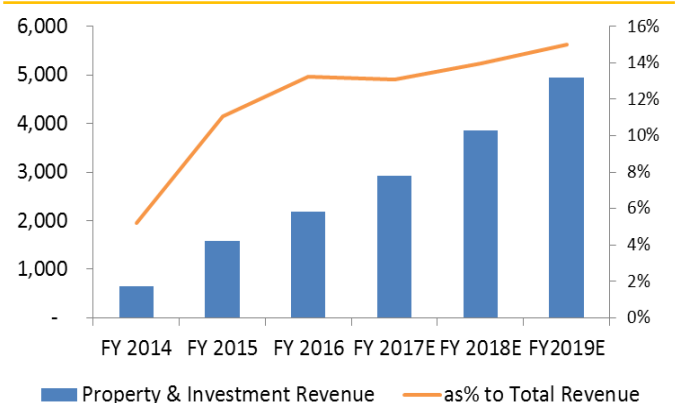
Source: Company, NHKS Research

Revenue Breakdown | FY 2017E



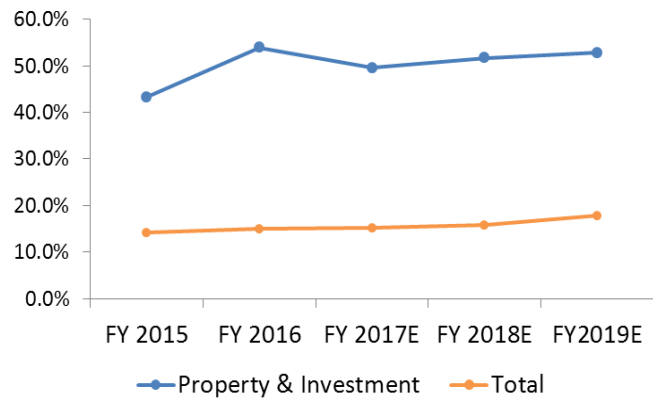
Source: Company, NHKS Research

Property & Investment Revenue (IDR bn) | FY 2014 - FY 2019E



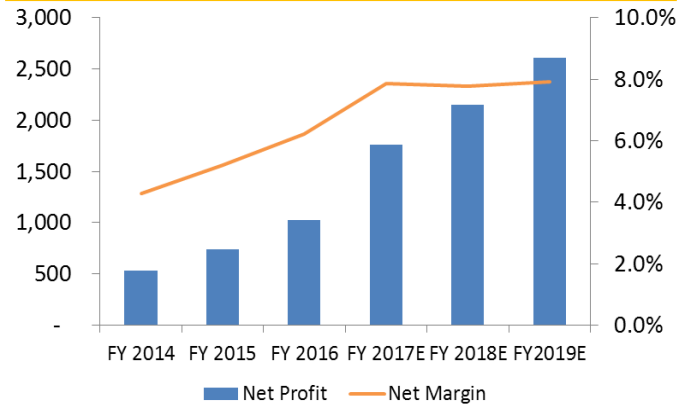
Source: Company, NHKS Research

Gross Margin | FY 2015 - FY 2019E



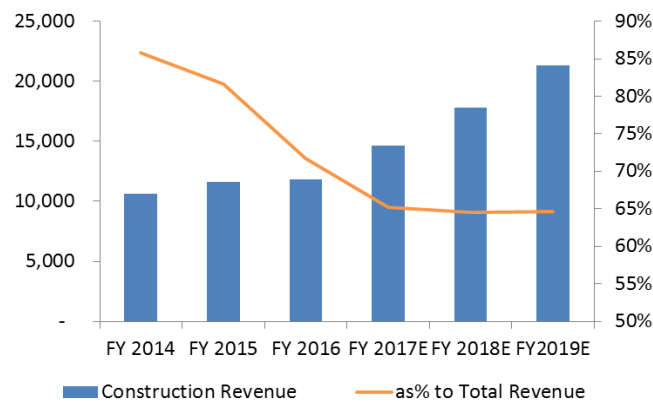
Source: Company, NHKS Research

Net Profit (IDR bn) | FY 2014 - FY 2019E



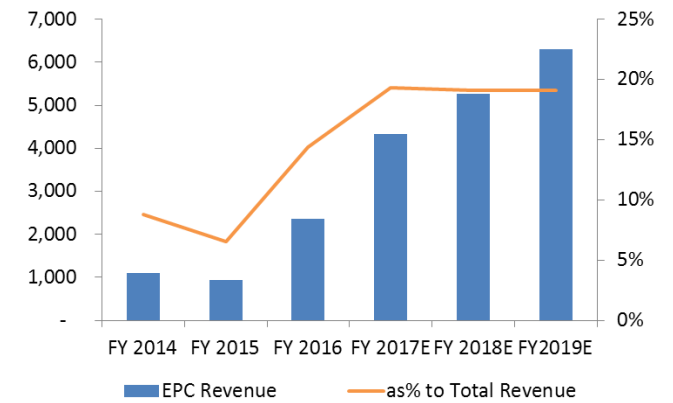
Source: Company, NHKS Research

Construction Revenue (IDR bn) | FY 2014 - FY 2019E



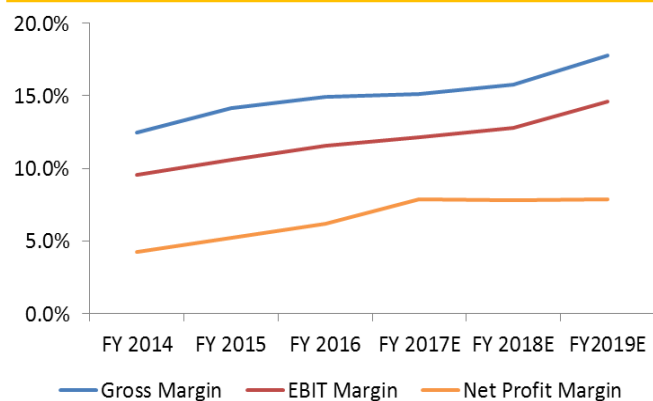
Source: Company, NHKS Research

EPC Revenue (IDR bn) | FY 2014 - FY 2019E



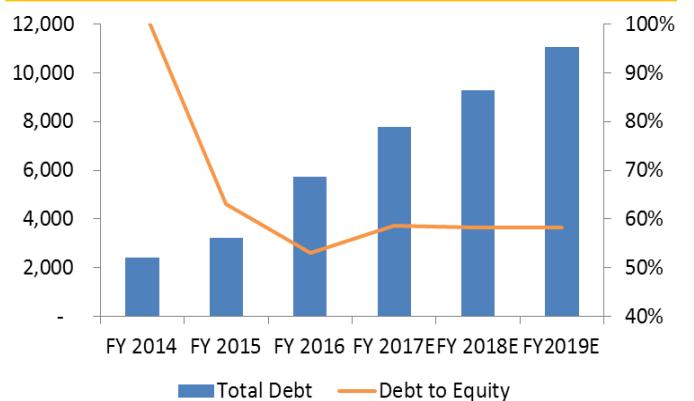
Source: Company, NHKS Research

Margin Ratios | FY 2014 - FY 2019E



Source: Company, NHKS Research

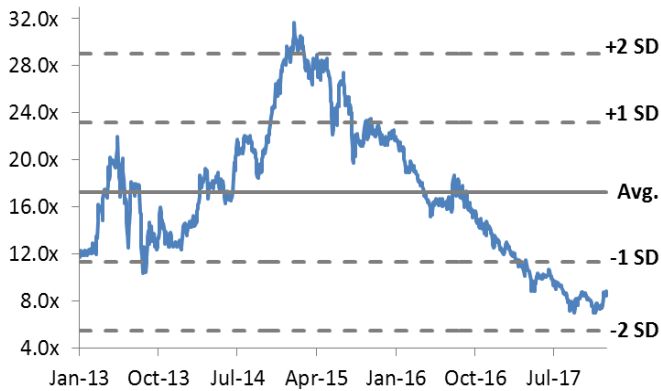
Total Debt (IDR bn) | FY 2014 - FY 2019E



Source: Company, NHKS Research

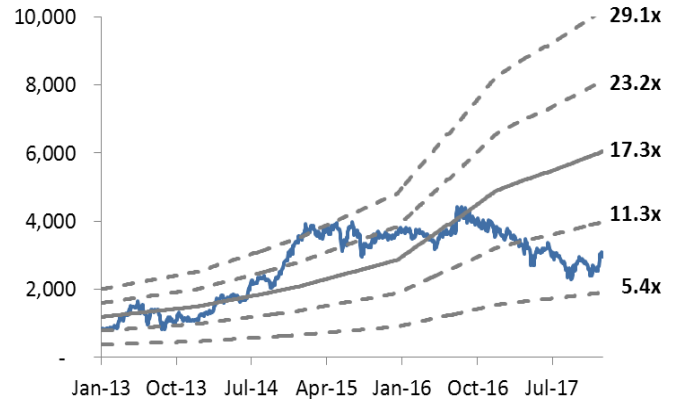
Multiple Valuation

Forward P/E band | Last 5 years



Source: NHKS research

Dynamic Forward P/E band | Last 5 years



Source: NHKS research

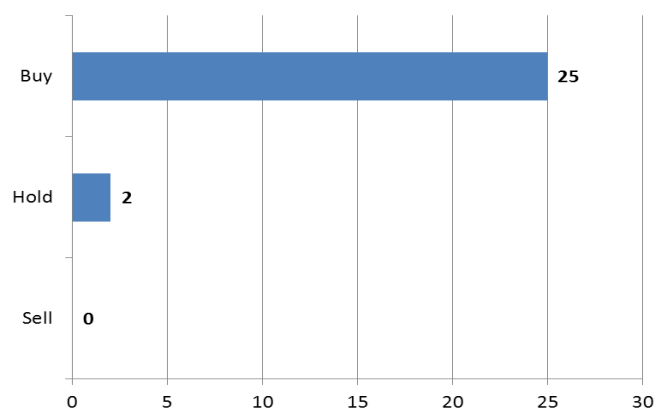
Rating and target price update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
04/13/2017	Buy	4,960 (Dec 2017)	3,380	4,846	+46.7%	+2.4%
09/01/2017	Buy	4,060 (Dec 2018)	2,770	4,374	+46.6%	-7.2%
11/15/2017	Buy	4,770 (Dec 2018)	2,750	4,131	+73.5%	+15.5%
1/23/2018	Buy	4,770 (Dec 2018)	2,960	4,002	+61.1%	+19.2%

Source: NHKS research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKS research

NH Korindo Sekuritas Indonesia (NHKS) stock ratings

- Period: End of year target price
- Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%
 - Hold : -15% to +15%
 - Sell : Less than -15%

Summary of Financials

PTPP Summary		
Last Price (IDR)	January 19, 2018	2,960
Target Price (IDR)	Dec 2018	4,770
Analyst: Raphon Prima	Rating:	Buy

INCOME STATEMENT

In IDR bn	2016/12A	2017/12E	2018/12E	2019/12E
Revenue	16,459	22,423	27,565	32,967
Growth (% y/y)	15.8%	36.2%	22.9%	19.6%
Cost of Revenue	(14,003)	(19,036)	(23,220)	(27,114)
Gross Profit	2,456	3,387	4,345	5,853
Gross Margin	14.9%	15.1%	15.8%	17.8%
Operating Expenses	(556)	(662)	(823)	(1,039)
EBIT	1,899	2,725	3,521	4,814
EBIT Margin	11.5%	12.2%	12.8%	14.6%
Depreciation	103	329	1,068	1,062
EBITDA	2,002	3,054	4,589	5,876
EBITDA Margin	12.2%	13.6%	16.6%	17.8%
Interest Expenses	(409)	(342)	(467)	(929)
EBT	1,704	2,747	3,457	4,279
Income Tax	(552)	(771)	(1,046)	(1,338)
Minority Interest	(128)	(215)	(265)	(334)
Net Profit	1,023	1,761	2,146	2,607
Growth (% y/y)	38.3%	72.1%	21.9%	21.5%
Net Profit Margin	6.2%	7.9%	7.8%	7.9%

BALANCE SHEET

In IDR bn	2016/12A	2017/12E	2018/12E	2019/12E
Cash	9,424	8,882	8,134	6,723
Receivables	4,776	6,870	6,739	8,498
Inventories	2,656	4,357	4,194	6,071
Total Current Assets	24,344	27,519	28,812	29,697
Net Fixed Assets	5,527	11,035	15,815	21,746
Other Non Current Assets	1,362	1,679	1,521	1,263
Total Assets	31,233	40,233	46,147	52,706
Payables	10,237	12,994	15,344	17,717
ST Debt	2,635	3,649	4,315	5,312
Other Current Liab.	3,006	3,974	3,490	3,127
LT Debt	3,083	4,144	4,974	5,754
Other Non Current Liab.	1,475	2,168	2,054	1,774
Total Liabilities	20,437	26,930	30,178	33,684
Shareholders' Equity	10,796	13,304	15,970	19,023

CASH FLOW STATEMENT

In IDR bn	2016/12A	2017/12E	2018/12E	2019/12E
Net Income	1,023	1,761	2,146	2,607
Deprec & Amortization	103	329	1,068	1,062
Chg. In Working Capital	(81)	2,066	(175)	(286)
CFO	1,045	4,155	3,039	3,383
Capex	(1,052)	(4,879)	(5,848)	(6,994)
CFI	(1,867)	(5,500)	(5,804)	(7,015)
Dividends Paid	(177)	(377)	(528)	(644)
Net Borrowing (PMT)	3,073	602	1,497	1,776
CFF	6,939	804	2,017	2,221
Net Changes in Cash	6,117	(541)	(748)	(1,411)

OWNERSHIP

By Geography	% Shareholders	%	
Indonesia	79.4	Republic of Indonesia	51.0
United States	5.8	Norges Bank	2.9
Norway	4.4	Vanguard Group	1.3
Luxembourg	3.0	Dimensional Fund	1.2

PROFITABILITY & STABILITY

	2016/12A	2017/12E	2018/12E	2019/12E
ROE	12.8%	14.6%	14.7%	14.9%
ROA	4.1%	4.9%	5.0%	5.3%
ROIC	10.3%	10.4%	10.6%	12.0%
EBITDA/Equity	25.1%	25.3%	31.4%	33.6%
EBITDA/Assets	7.9%	8.5%	10.6%	11.9%
Cash Dividend (IDR bn)	307	528	644	782
Dividend Yield (%)	1.3%	2.9%	3.5%	4.3%
Payout Ratio (%)	30%	30%	30%	30%
DER	53%	59%	58%	58%
Net Gearing	161%	156%	140%	129%
LT Debt to Equity	29%	31%	31%	30%
Capitalization Ratio	35%	37%	37%	37%
Equity Ratio	35%	33%	35%	36%
Debt Ratio	18%	19%	20%	21%
Financial Leverage	316%	297%	295%	283%
Current Ratio	153%	133%	124%	114%
Quick Ratio	89%	76%	64%	58%
Cash Ratio	59%	43%	35%	26%
Cash Conversion Cycle	(76.9)	(60.7)	(65.4)	(69.1)
Par Value (IDR)	100	100	100	100
Total Shares (mn)	6,200	6,200	6,200	6,200
Share Price (IDR)	3,810	2,960	2,960	2,960
Market Cap (IDR tn)	23.6	18.4	18.4	18.4

VALUATION INDEX

	2016/12A	2017/12E	2018/12E	2019/12E
Price /Earnings	23.1x	10.4x	8.6x	8.6x
Price /Book Value	2.2x	1.4x	1.1x	1.0x
Price/Revenue	1.4x	0.8x	0.7x	0.6x
PE/EPS Growth	0.6x	0.1x	0.4x	0.4x
EV/EBITDA	10.4x	6.3x	4.9x	4.6x
EV/EBIT	11.0x	7.1x	6.4x	5.6x
EV (IDR bn)	20,916	19,338	22,659	26,922
Revenue CAGR (3-Yr)	12.2%	21.7%	24.7%	26.1%
EPS CAGR (3-Yr)	34.5%	48.9%	42.6%	36.6%
Basic EPS (IDR)	165	284	346	346
Diluted EPS (IDR)	207	284	346	346
BVPS (IDR)	1,741	2,146	2,576	3,068
Revenue PS (IDR)	2,655	3,617	4,446	5,317
DPS (IDR)	50	85	104	126

DCF, RIM & EVA

	2016/12A	2017/12E	2018/12E	2019/12E
DCF (IDR bn)				
NOPAT	1,284	1,960	2,456	3,309
+Depr./Amor.	103	329	1,068	1,062
-CAPEX	(1,052)	(4,879)	(5,848)	(6,994)
-Incr. (Decr.) in Working Cap.	(81)	2,066	(175)	(286)
(Unlevered) FCFF	253	(525)	(2,499)	(2,909)
WACC				
Cost of Debt (Tax Adj.)	7.0%	5.6%	6.0%	6.4%
Cost of Equity (COE)	9.5%	12.5%	13.1%	13.6%
WACC (%)	9.0%	10.4%	10.7%	10.9%
RIM				
Spread (FROE-COE) (%)	10.4%	3.8%	3.0%	2.8%
Residual Income (IDR bn)	534	411	401	443
Equity Charge (IDR bn)	489	1,350	1,745	2,164
EVA				
Invested Capital (IDR bn)	8,388	16,515	21,097	25,260
ROIC-WACC (%)	6.3%	1.4%	0.9%	2.2%
EVA (IDR bn)	527	235	190	566

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entity of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information here is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, respective employees, and agents disclaim any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents liable for errors, omissions, misstatements, negligence, inaccuracy arising herefrom.

All rights reserved by PT NH Korindo Sekuritas Indonesia