

Ciputra Development Tbk (CTRA IJ)

Fokus pada Proyek Eksisting

Company Update | Dec 17, 2020

Buy

| | |
|---------------------------|--------------|
| Target Price (IDR) | 1,220 |
| Consensus Price (IDR) | 1,032 |
| TP to Consensus Price | +18.2% |
| vs. Last Price | +35.6% |

Shares data

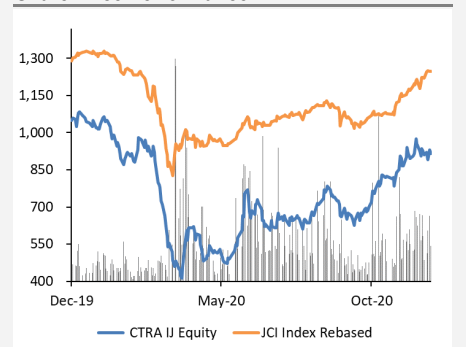
| | |
|------------------------|--------------|
| Last Price (IDR) | 900 |
| Price Date as of | Dec 16, 2020 |
| 52 wk Range (Hi/Lo) | 1,090/394 |
| Free Float (%) | 47.1 |
| Outstanding sh. (mn) | 18,560 |
| Market Cap. (IDR bn) | 16,983 |
| Market Cap. (USD mn) | 1,201 |
| Avg. Trd Vol - 3M (mn) | 35.58 |
| Avg. Trd Val - 3M (bn) | 29.64 |
| Foreign Ownership | 19.6% |

Property

Real Estate Owner & Developer

| | |
|-----------|---------|
| Bloomberg | CTRA IJ |
| Reuters | CTRA.IK |

Share Price Performance



Ajeng Kartika Hapsari

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Pada 3Q20, CTRA mencatatkan pendapatan sebesar Rp1,43 triliun (+11% QoQ, -4,9% YoY) atau berada 19,6% di atas estimasi kami. Namun GPM turun tipis menjadi 43% (vs 45,5% 2Q20) akibat beban pokok penjualan yang masih tinggi. Di sisi lain, perolehan marketing sales pada 3Q20 sebesar Rp1,75 triliun (+100,3% QoQ), melanjutkan tren positif pulihnya marketing sales. Pada tahun 2021, CTRA akan memfokuskan perolehan marketing sales dari penjualan proyek eksisting.

Kinerja 3Q20 di Atas Estimasi Kami

CTRA membukukan pendapatan sebesar Rp1,43 triliun (+11% QoQ, -4,9% YoY) pada 3Q20, berada 19,6% di atas estimasi kami. Segmen penjualan rumah dan ruko menyokong angka penjualan dengan kenaikan 22,6% YoY dan mencatatkan penjualan senilai Rp1,02 triliun. Sementara segmen penjualan lain seperti penjualan apartment, shopping malls, dan hotel turun masing-masingnya 20,6%, 33,5% dan 76,7% YoY. Di sisi lain, minimnya efisiensi beban pokok penjualan dan beban langsung yang dilakukan perusahaan, membuat GPM turun menjadi 43% (vs 45,5% 2Q20). Sementara meningkatnya penghasilan lain-lain sebesar 65% QoQ membuat OPM dan NPM naik 16,5% dan 4,4% (vs 9,4% dan 4,4% 2Q20). Laba CTRA tercatat sebesar Rp63 miliar (-44,4% YoY vs Rp113 miliar 3Q19), berada 0,6% di atas estimasi kami sebesar Rp62 miliar. Namun secara kuartal, laba membaik dari periode 2Q20 yang mencatatkan rugi bersih Rp8 miliar.

Optimis Tren Positif Marketing Sales Berlanjut

Meski terhantam PSBB, namun perolehan marketing sales CTRA tahun 2020 mengalami tren positif sejak Mei. Lebih lanjut, marketing sales pada 3Q20 diperoleh senilai Rp1,75 triliun (+0,5% YoY vs Rp1,74 triliun 3Q19). Sehingga total marketing sales hingga September sebesar Rp3,76 triliun atau 83% dari target. Kami melihat CTRA mampu memanfaatkan momentum pulihnya penjualan properti pada 3Q20 dengan mengoptimalkan penjualan klaster yang mulai diluncurkan pada semester-I 2020. Produk yang diluncurkan diantaranya berupa klaster pada proyek eksisting di CitraGarden Puri Jakarta Barat, Citra Maja Raya, CitraRaya Tangerang, Citra Sentul Raya dan City Losari Makassar. Mayoritas klaster yang diluncurkan menasar pada segmen menengah dan menengah ke bawah.

Tetap Fokus pada Proyek Eksisting Hingga 2021

Tahun 2021, CTRA akan fokus pada pengembangan proyek eksisting, salah satunya di Surabaya dan Medan. Total luas lahan yang dikerjakan di Medan mencapai 8.000 hektare, sedangkan di Surabaya 700 hektare. Selain itu, penjualan properti highrise di Ciracas juga masih menjadi andalan CTRA dengan mengedepankan konsep Transit Oriented Development (TOD). CTRA menganggarkan capex untuk tahun 2021 sebesar Rp1,5 triliun atau sama dengan 2019 dengan harapan pandemi mereda dan ekonomi kembali normal. Di dalam Omnibus Law pun dicanangkan akselerasi pembangunan rumah untuk Masyarakat Berpenghasilan Rendah (MBR). Hal tersebut dapat menguntungkan CTRA sebagai pengembang yang fokus pada segmen menengah ke bawah.

Maintain BUY dengan TP Rp1,220

Kami mempertahankan rekomendasi BUY dengan menaikkan target harga menjadi Rp1.220 menggunakan estimasi discount to NAV 79% (0,7 SD di atas rata-rata 3 tahun terakhir). Pergerakan harga akan bergantung pada risiko: 1) kenaikan kasus covid, yang menyebabkan PSBB kembali diperketat, 2) penurunan suku bunga KPR yang belum maksimal, 3) minimnya minat beli masyarakat. Saat ini, CTRA diperdagangkan pada discount to NAV 84%.

Ciputra Development Tbk | Summary

| | 2019A | 2020F | 2021F | 2022F |
|------------|-------|--------|-------|-------|
| Revenue | 7,608 | 6,185 | 6,596 | 7,210 |
| Growth (%) | -0.8% | -18.7% | 6.6% | 9.3% |
| EBITDA | 2,500 | 1,466 | 2,264 | 2,354 |
| Net Profit | 1,158 | 540 | 894 | 1,065 |
| EPS (IDR) | 62 | 29 | 48 | 57 |
| Growth (%) | -2.3% | -53.4% | 65.5% | 19.2% |
| P/E | 16.7x | 26.8x | 24.1x | 20.2x |
| P/BV | 1.1x | 0.8x | 1.2x | 1.1x |
| EV/EBITDA | 9.7x | 13.0x | 11.5x | 10.9x |
| ROE (%) | 6.7% | 3.1% | 5.0% | 5.7% |
| DER (%) | 51.7% | 56.0% | 56.0% | 58.5% |
| Net Debt | 4,938 | 4,639 | 4,416 | 4,097 |

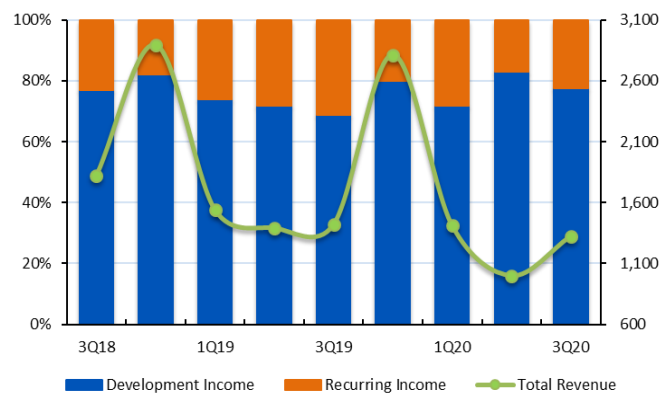
Unit: IDR bn, % x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

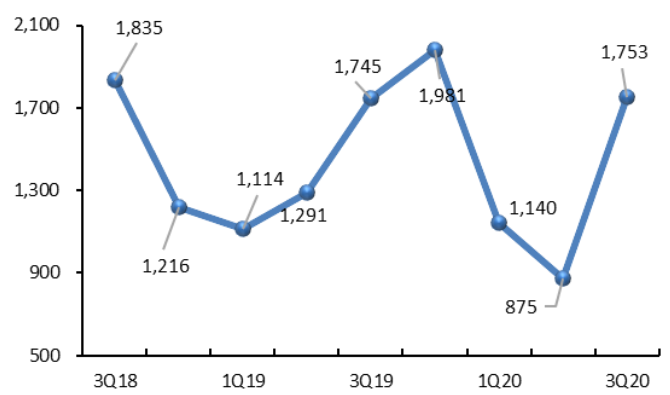
Performance Highlights in Charts

CTRA Quarterly Income (IDR bn) | 3Q18 - 3Q20



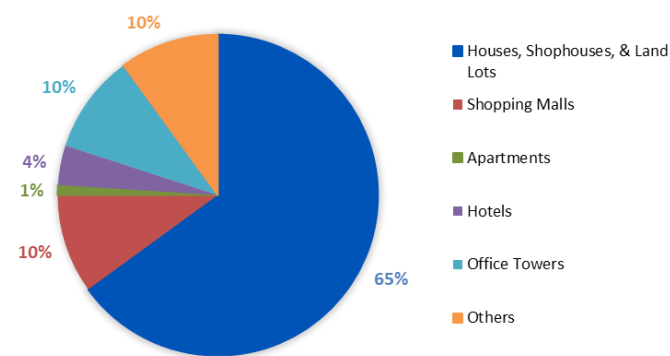
Source: Company Data, NHKSI Research

CTRA Quarterly Marketing Sales | 3Q18 - 3Q20



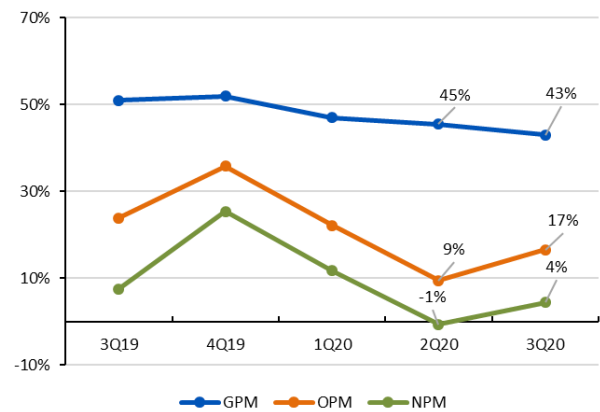
Source: Company Data, NHKSI Research

9M20's Revenue Breakdown



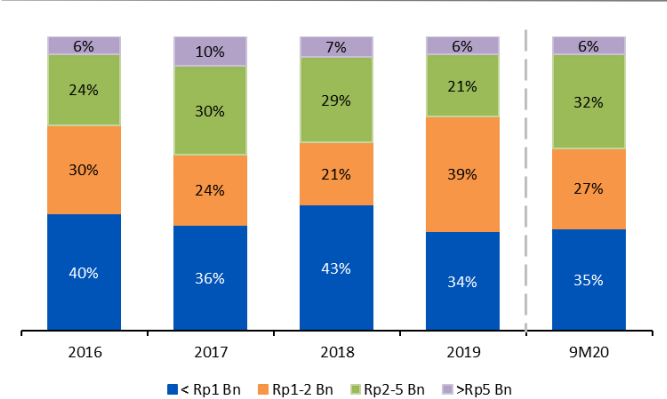
Source: Company Data, NHKSI Research

Margin Ratio



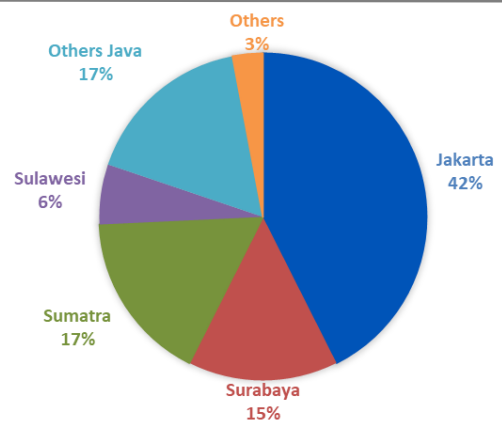
Source: Company Data, NHKSI Research

Pre Sales per Unit Price



Source: Company Data, NHKSI Research

Pre Sales per Location



Source: Company Data, NHKSI Research

Quarterly Review

| | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | | | | | 4Q20E |
|-------------------------|-------|-------|-------|-------|--------|----------|--------|-------|----------|-------|
| | | | | | Actual | Estimate | Y-Y | Q-Q | Surprise | |
| Income statement | | | | | | | | | | |
| Revenue | 1,510 | 2,953 | 1,510 | 1,295 | 1,436 | 1,201 | -4.9% | 10.9% | 19.6% | 1,945 |
| Gross Profit | 769 | 1,534 | 705 | 589 | 617 | 580 | -19.7% | 4.9% | 6.5% | 989 |
| EBIT | 360 | 1,058 | 335 | 122 | 237 | 255 | -34.2% | 94.5% | -7.0% | 481 |
| EBITDA | 433 | 1,129 | 410 | 195 | 314 | 332 | -27.4% | 60.8% | -5.2% | 545 |
| Net Profit | 113 | 749 | 178 | -8 | 63 | 62 | -44.4% | | 0.6% | 308 |
| Margin (%) | | | | | | | | | | |
| Gross Margin | 50.9% | 51.9% | 46.9% | 45.5% | 43.0% | 48.3% | -7.9% | -2.5% | -11.0% | 50.9% |
| EBIT Margin | 23.9% | 35.8% | 22.2% | 9.4% | 16.5% | 21.2% | -7.4% | 7.1% | -22.2% | 24.7% |
| EBITDA Margin | 28.7% | 38.2% | 27.2% | 15.1% | 21.9% | 27.6% | -6.8% | 6.8% | -20.7% | 28.0% |
| Net Profit Margin | 7.5% | 25.4% | 11.8% | -0.6% | 4.4% | 5.2% | -3.1% | 5.0% | -15.9% | 15.8% |

Unit: IDR bn, %

Source: Company Data, NHKSI Research

Revisions to Earnings

| | | 2020F | 2021F | 2022F |
|-------------------------|-----------|--------|-------|-------|
| Income Statement | | | | |
| Revenue | -Revised | 6,185 | 6,596 | 7,210 |
| | -Previous | 5,509 | 5,840 | 6,359 |
| | -Change | 12.3% | 12.9% | 13.4% |
| Gross Profit | -Revised | 2,903 | 3,250 | 3,455 |
| | -Previous | 2,683 | 2,886 | 3,068 |
| | -Change | 8.2% | 12.6% | 12.6% |
| EBIT | -Revised | 1,175 | 1,942 | 2,025 |
| | -Previous | 1,374 | 1,728 | 1,807 |
| | -Change | -14.5% | 12.4% | 12.1% |
| EBITDA | -Revised | 1,466 | 2,264 | 2,354 |
| | -Previous | 1,664 | 2,049 | 2,135 |
| | -Change | -11.9% | 10.5% | 10.3% |
| Net Profit | -Revised | 540 | 894 | 1,065 |
| | -Previous | 619 | 787 | 856 |
| | -Change | -12.8% | 13.6% | 24.3% |
| Margin | | | | |
| Gross Margin | -Revised | 46.9% | 49.3% | 47.9% |
| | -Previous | 48.7% | 49.4% | 48.3% |
| EBIT Margin | -Revised | 19.0% | 29.4% | 28.1% |
| | -Previous | 24.9% | 29.6% | 28.4% |
| EBITDA Margin | -Revised | 23.7% | 34.3% | 32.7% |
| | -Previous | 30.2% | 35.1% | 33.6% |
| Net Profit Margin | -Revised | 8.7% | 13.5% | 14.8% |
| | -Previous | 11.2% | 13.5% | 13.5% |

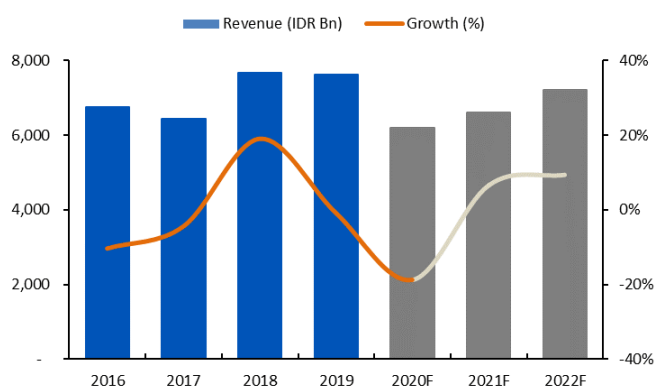
Unit: IDR bn, %

Source: Company Data, NHKSI Research

Company Overview

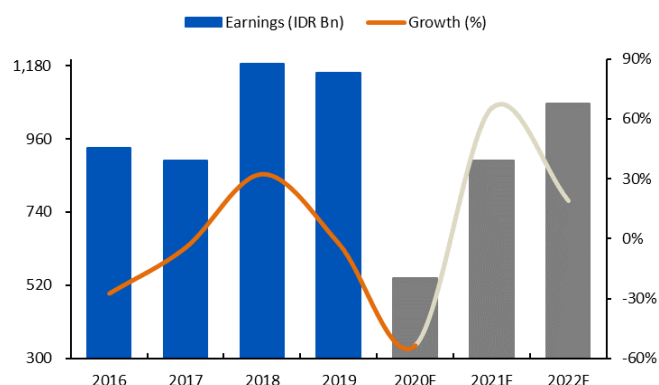
- Pada 22 Oktober 1981 didirikan perusahaan dengan nama PT Citra Habitat Indonesia yang berubah nama menjadi PT Ciputra Development (CTRA) pada tahun 1990.
- CTRA kemudian tercatat di Bursa Efek Indonesia (BEI) pada tahun 1994.
- Perusahaan memiliki 3 (tiga) anak perusahaan yang bergerak dibidang properti residensial dan 6 (enam) anak perusahaan dibidang properti komersial.
- CTRA bergerak dalam bisnis pengembangan porperti untuk dijual, pengembangan dan manajemen properti komersial.
- CTRA telah menggarap lebih dari 75 proyek di 33 kota di Indonesia. Proyek terbesar CTRA yang ada di Jakarta dan sekitarnya diantaranya Citra Garden City, Ciputra International, Mall & Hotel Ciputra, Citra Tower Kemayoran, Ciputra World Jakarta, CitraRaya Tangerang, dan Citra Maja Raya.

Revenue and Growth Movement



Source: Company Data, NHKSI Research

Earnings and Growth Movement



Source: Company Data, NHKSI Research

Analysis of Asia-Pacific Peers

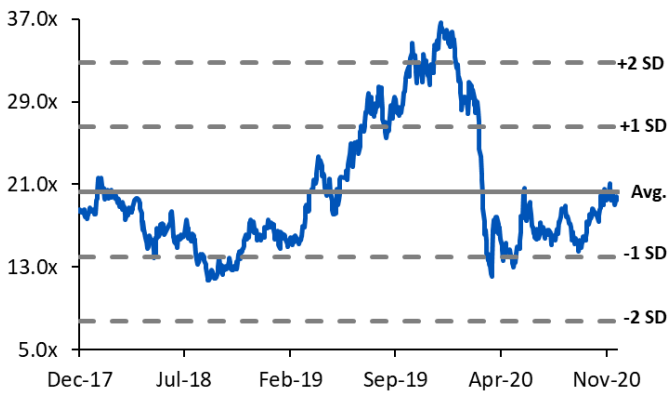
| | Market Cap (USD mn) | Asset (USD mn) | Sales Growth | Gross Margin | Operating Margin | Net Profit Growth | ROE (LTM) | P/E (LTM) | P/BV |
|----------------------------|---------------------|----------------|--------------|--------------|------------------|-------------------|-----------|-----------|------|
| Indonesia | | | | | | | | | |
| PT Bumi Serpong Damai Tbk | 1,035 | 3,932 | 6.88% | 71.5% | 35.7% | -68.4% | 3.3% | 23.2x | 0.8x |
| PT Ciputra Development Tbk | 777 | 2,614 | -0.81% | 50% | 28.7% | -4.0% | 6.7% | 17.2x | 1.2x |
| PT Pakuwon Jati Tbk | 1,116 | 1,885 | 1.71% | 56% | 42.5% | -59.8% | 8.1% | 22.4x | 1.8x |
| PT Summarecon Agung Tbk | 498 | 1,765 | 4.95% | 48% | 26.7% | -66.4% | 2.6% | 61.7x | 1.6x |
| Singapore | | | | | | | | | |
| Capitaland Ltd | 10,095 | 1,242 | 11.29% | 48% | 64% | -20.8% | 5.9% | 12.2x | 0.7x |
| Malaysia | | | | | | | | | |
| SP Setia Bhd | 711 | 7,345 | 9.33% | 26% | 19% | -81.2% | -3.1% | 25.1x | 0.3x |
| IOI Properties Group Bhd | 1,216 | 7,679 | -3.69% | 56% | 38% | -25.5% | 2.7% | 17.5x | 0.5x |
| Thailand | | | | | | | | | |
| Land & Houses PUB Co Ltd | 2,648 | 3,802 | -12.4% | 32.2% | 30.0% | 9.6% | 18.5% | 11.4x | 2.1x |
| WHA Corp PCL | 1,335 | 2,765 | 24.42% | 39% | 27% | -34.9% | 7.8% | 20.4x | 1.7x |
| Philippines | | | | | | | | | |
| Megaworld Corp | 1,952 | 6,896 | 15.13% | 60% | 38% | -25.1% | 7.0% | 10.7x | 0.7x |

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

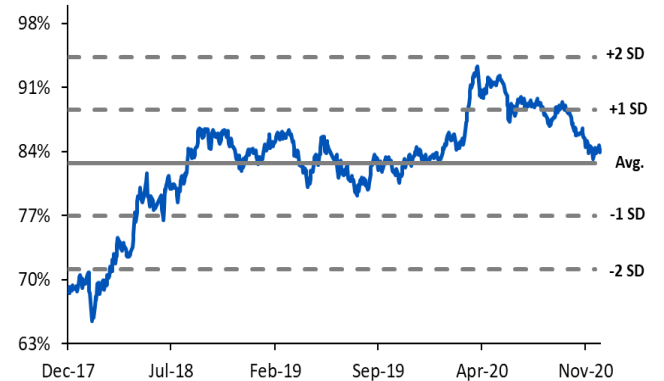
Valuation Highlights in Charts

3-Year Forward P/E Band



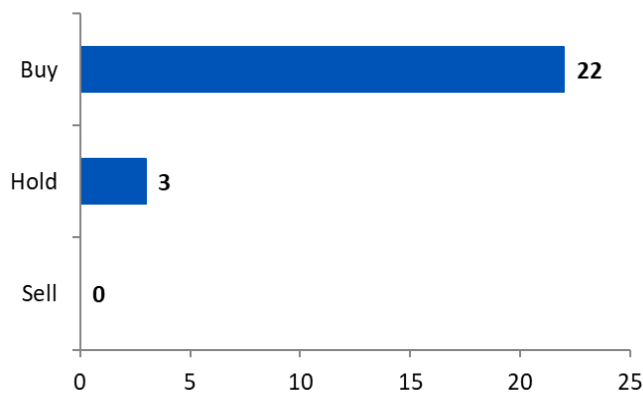
Source: Bloomberg, NHKSI Research

3-Year Discount to NAV Band



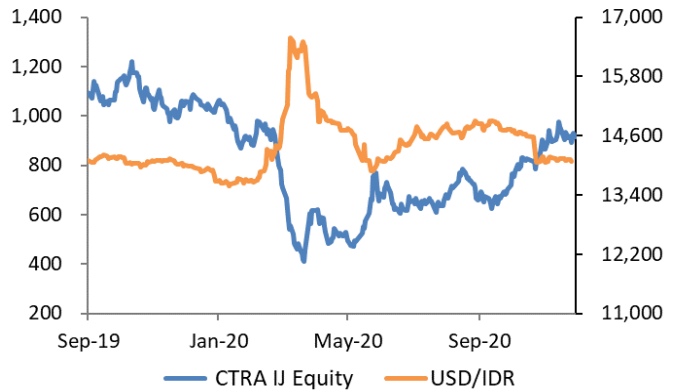
Source: Bloomberg, NHKSI Research

Analysts' Recommendation



Source: Bloomberg, NHKSI Research

Correlation between CTRA and USD/IDR



Source: Bloomberg, NHKSI Research

Closing and Target Price Update



Source: Bloomberg, NHKSI Research

Rating and Target Price Update

| Date | Rating | Target Price | Consensus |
|------------|--------|--------------|-----------|
| 25/04/2018 | Buy | 1,370 | 1,449 |
| 05/07/2018 | Buy | 1,130 | 1,423 |
| 04/10/2018 | Buy | 1,050 | 1,339 |
| 29/11/2018 | Buy | 1,250 | 1,188 |
| 07/02/2019 | Buy | 1,150 | 1,259 |
| 03/06/2020 | Buy | 810 | 871 |
| 24/09/2020 | Buy | 780 | 881 |
| 11/12/2020 | Buy | 1,220 | 1,032 |

Source: NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

- Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
- Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

Summary of Financials

INCOME STATEMENT

| In IDR bn | 2019/12A | 2020/12E | 2021/12E | 2022/12E |
|---------------------|--------------|--------------|--------------|--------------|
| Revenues | 7,608 | 6,185 | 6,596 | 7,210 |
| Growth (% y/y) | -0.8% | -18.7% | 6.6% | 9.3% |
| COGS | (3,816) | (3,282) | (3,345) | (3,755) |
| Gross Profit | 3,792 | 2,903 | 3,250 | 3,455 |
| Gross Margin | 49.8% | 46.9% | 49.3% | 47.9% |
| Operating Expenses | (1,551) | (1,729) | (1,308) | (1,430) |
| EBIT | 2,240 | 1,175 | 1,942 | 2,025 |
| EBIT Margin | 29.4% | 19.0% | 29.4% | 28.1% |
| Depreciation | 259 | 291 | 322 | 329 |
| EBITDA | 2,500 | 1,466 | 2,264 | 2,354 |
| EBITDA Margin | 32.9% | 23.7% | 34.3% | 32.7% |
| Interest Expenses | (923) | (788) | (1,057) | (992) |
| EBT | 1,608 | 638 | 1,145 | 1,321 |
| Income Tax | (325) | (58) | (167) | (156) |
| Minority Interest | (125) | (41) | (84) | (100) |
| Net Profit | 1,158 | 540 | 894 | 1,065 |
| Growth (% y/y) | -2.3% | -53.4% | 65.5% | 19.2% |
| Net Profit Margin | 15.2% | 8.7% | 13.5% | 14.8% |

PROFITABILITY & STABILITY

| | 2019/12A | 2020/12E | 2021/12E | 2022/12E |
|------------------------|----------|----------|----------|----------|
| ROE | 6.7% | 3.1% | 5.0% | 5.7% |
| ROA | 3.3% | 1.4% | 2.1% | 2.4% |
| ROIC | 6.6% | 4.0% | 5.8% | 5.9% |
| Cash Dividend (IDR bn) | 185 | 148 | 79 | 158 |
| Dividend Yield (%) | 1.0% | 1.0% | 0.3% | 0.7% |
| Payout Ratio (%) | 16.0% | 27.5% | 8.8% | 14.8% |
| DER | 52% | 56% | 56% | 59% |
| Net Gearing | 111% | 118% | 124% | 135% |
| LT Debt to Equity | 44% | 46% | 46% | 46% |
| Capitalization Ratio | 34% | 36% | 36% | 37% |
| Equity Ratio | 49% | 40% | 44% | 39% |
| Debt Ratio | 25% | 22% | 25% | 23% |
| Financial Leverage | 153% | 226% | 238% | 243% |
| Current Ratio | 2.17 | 1.91 | 2.33 | 1.92 |
| Par Value (IDR) | 250 | 250 | 250 | 250 |
| Total Shares (mn) | 18,560 | 18,560 | 18,560 | 18,560 |
| Share Price (IDR) | 1,040 | 780 | 1,220 | 1,220 |
| Market Cap (IDR tn) | 19.3 | 14.5 | 22.6 | 22.6 |

BALANCE SHEET

| In IDR bn | 2019/12A | 2020/12E | 2021/12E | 2022/12E |
|-----------------------------|---------------|---------------|---------------|---------------|
| Cash | 4,238 | 5,044 | 5,764 | 7,046 |
| Receivables | 1,173 | 1,201 | 984 | 1,468 |
| Inventories | 10,661 | 15,730 | 12,496 | 17,210 |
| Total Current Assets | 18,195 | 24,115 | 21,399 | 27,895 |
| Net Fixed Assets | 15,189 | 15,642 | 16,223 | 16,773 |
| Other Non Current Assets | 2,812 | 3,318 | 3,824 | 4,330 |
| Total Assets | 36,196 | 43,075 | 41,445 | 48,998 |
| Payables | 1,838 | 1,288 | 1,023 | 1,902 |
| ST Debt | 1,434 | 1,696 | 1,783 | 2,340 |
| LT Debt | 7,742 | 7,987 | 8,396 | 8,803 |
| Total Liabilities | 18,434 | 25,785 | 23,268 | 29,949 |
| Capital Stock + APIC | 8,232 | 8,232 | 8,232 | 8,232 |
| Retained Earnings | 7,146 | 6,818 | 7,633 | 8,540 |
| Shareholders' Equity | 17,762 | 17,291 | 18,177 | 19,049 |

VALUATION INDEX

| | 2019/12A | 2020/12E | 2021/12E | 2022/12E |
|---------------------|----------|----------|----------|----------|
| Price /Earnings | 16.7x | 26.8x | 25.3x | 21.3x |
| Price /Book Value | 1.1x | 0.8x | 1.2x | 1.2x |
| Price/Revenue | 2.5x | 2.3x | 3.4x | 3.1x |
| PE/EPS Growth | -7.2x | -0.5x | 0.4x | 1.1x |
| EV/EBITDA | 9.7x | 13.0x | 12.0x | 11.4x |
| EV/EBIT | 10.8x | 16.3x | 13.9x | 13.2x |
| EV (IDR bn) | 24,241 | 19,116 | 27,059 | 26,741 |
| Revenue CAGR (3-Yr) | 4.1% | -1.4% | -4.9% | -1.8% |
| EPS CAGR (3-Yr) | 7.4% | -15.5% | -9.0% | -2.8% |
| Basic EPS (IDR) | 62 | 29 | 48 | 57 |
| Diluted EPS (IDR) | 62 | 29 | 48 | 57 |
| BVPS (IDR) | 957 | 932 | 979 | 1,026 |
| Revenue PS (IDR) | 410 | 333 | 355 | 388 |
| DPS (IDR) | 10 | 8 | 4 | 9 |

CASH FLOW STATEMENT

| In IDR bn | 2019/12A | 2020/12E | 2021/12E | 2022/12E |
|----------------------------|--------------|------------|------------|--------------|
| Operating Cash Flow | 980 | 1,127 | 1,107 | 1,004 |
| Investing Cash Flow | (582) | (681) | (876) | (492) |
| Financing Cash Flow | 604 | 342 | 489 | 771 |
| Net Changes in Cash | 1,001 | 788 | 720 | 1,283 |

OWNERSHIP

| By Geography | % Shareholders | % |
|---------------|----------------|--------------------|
| Indonesia | 80.4 | PT Sang Pelopor |
| United States | 8.7 | Norges Bank |
| Norway | 4.2 | Vanguard Group Inc |
| Canada | 2.4 | Dimensional Fund |

Source: Company Data, NHKSI Research

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