

Ciputra Development Tbk (CTRA)

Peningkatan Kinerja hingga Akhir Tahun

Company Report | Jul 06, 2018

Membukukan Kinerja Positif

Pertumbuhan di segmen *property development* — rumah hunian dan toko, serta kantor — mengerek kinerja penjualan 1Q18 menjadi Rp1,36 triliun (+6,8% y-y). Kenaikan beban pokok penjualan akibat perubahan *product mix* menekan kinerja *gross margin* 1Q18. Namun turunnya laba 1Q18 menjadi Rp125 miliar (-42,1% y-y) lebih disebabkan oleh adanya pengakuan keuntungan divestasi aset pada 1Q17.

Di sisi lain, peningkatan *marketing sales* pada 1Q18 juga terus berlanjut hingga Mei, yang merupakan realisasi tertinggi sejak awal tahun. Proyek-proyek yang bernilai di bawah Rp2 miliar per unit masih mendominasi realisasi *marketing sales*.

Akan Lebih Cemerlang pada 2H18

Kami memproyeksi bahwa kinerja CTRA akan lebih bersinar pada 2H18. Pengakuan pendapatan dari penjualan periode-periode sebelumnya dan lebih banyaknya peluncuran proyek baru dibandingkan dengan 1H18 akan mendorong kinerja 2H18. CTRA juga menambah proyek perumahan, yang akan diluncurkan pada akhir 2018 di Sentul, ke dalam *pipeline*. Terlebih, kebijakan relaksasi *loan-to-value* (LTV) oleh Bank Indonesia (BI) juga akan berdampak positif terhadap kinerja penjualan CTRA di mana konsumen CTRA masih didominasi oleh *end-user*.

Target Harga Rp1.130

Kami menggunakan estimasi *discount to RNAV* sebesar 71,0% (1SD di atas rata-rata 3 tahun terakhir) sebagai basis metode valuasi. Saat ini, saham CTRA diperdagangkan dengan *discount to RNAV* 2018F sebesar 75%.

Ciputra Development Tbk | Summary (IDR bn)

	2016/12A	2017/12A	2018/12E	2019/12E
Revenues	6,739	6,443	7,802	7,418
Revenues growth	-10.3%	-4.4%	21.1%	-4.9%
EBITDA	2,097	1,725	2,591	2,433
Net profit	933	894	1,310	1,233
EPS (IDR)	61	48	71	66
EPS growth	-27.3%	-4.2%	46.5%	-5.8%
BVPS (IDR)	927	832	905	972
EBITDA margin	31.1%	26.8%	33.2%	32.8%
Net Profit Margin	13.9%	13.9%	16.8%	16.6%
ROE	6.8%	6.0%	8.1%	7.1%
ROA	3.4%	2.9%	4.1%	3.8%
ROIC	8.4%	5.8%	7.8%	6.8%
P/E	22.1x	24.6x	13.4x	14.2x
P/BV	1.4x	1.4x	1.0x	1.0x
EV/EBITDA	15.4x	18.3x	10.4x	11.1x
DPS (IDR)	5.7	9.5	10.3	9.7
Dividend yield	0.4%	0.8%	1.1%	1.0%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Buy

Dec 2018 TP (IDR)	1,130
Consensus Price (IDR)	1,423
TP to Consensus Price vs. Last Price	-20.6% +19.6%

Shares data

Last Price (IDR)	945
Price date as of	Jul 05, 2018
52 wk range (Hi/Lo)	1,380 / 880
Free float	53.0%
Outstanding sh.(mn)	18,560
Market Cap (IDR bn)	17,447
Market Cap (USD mn)	1,210
Avg. Trd Vol - 3M (mn)	18.12
Avg. Trd Val - 3M (bn)	19.05
Foreign Ownership	25.8%

Property

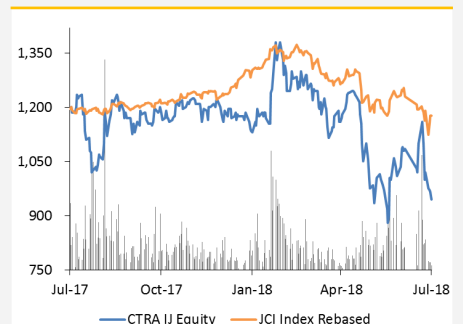
Real Estate Owner & Developer

Bloomberg	CTRA.IJ
Reuters	CTRA.JK

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Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-20.3%	-12.9%	-19.2%	-20.9%
Rel. Ret.	-10.6%	-7.2%	-12.1%	-19.4%

Sekilas tentang CTRA

CTRA merupakan salah satu perusahaan pengembang properti di Indonesia dengan portfolio proyek yang paling terdiversifikasi, meliputi perumahan, apartemen, pusat perbelanjaan, lapangan golf, hotel, rumah sakit dan perkantoran. CTRA memulai usahanya pada 1981 melalui pengembangan CitraGarden City Jakarta. Kini, CTRA telah mengembangkan 75 proyek yang tersebar di 33 kota di seluruh Indonesia.

Meskipun sebagian besar proyek yang dikembangkan ditujukan pada konsumen kelas menengah, namun CTRA juga memiliki proyek bagi segmen kelas bawah (Citra Maja Raya) hingga segmen kelas atas (Ciputra World). Disamping itu, CTRA juga mempunyai landbank sebesar 1.411 hektare yang dimiliki secara langsung dan 5.063 hektare melalui skema *joint-operation*.

Industri Pengembang Properti Indonesia di ASEAN

Indonesia merupakan negara terluas yang memiliki persediaan tanah dan jumlah penduduk terbanyak di ASEAN. Hal tersebut menjadikan Indonesia sebagai lokasi yang baik bagi bisnis pengembang properti. Pengembang properti Indonesia memiliki persediaan tanah yang lebih besar daripada pengembang di negara ASEAN. Seperti BKSL, mempunyai persediaan lahan 14.666 hektare dan BSDE 3.966 hektare.

Sektor properti di Indonesia dan Filipina menjadi yang paling bersaing di antara negara ASEAN. Pengembang-pengembang properti di negara tersebut mencatatkan *gross margin* yang lebih baik walaupun mempunyai total aset yang lebih rendah dari negara-negara lainnya.

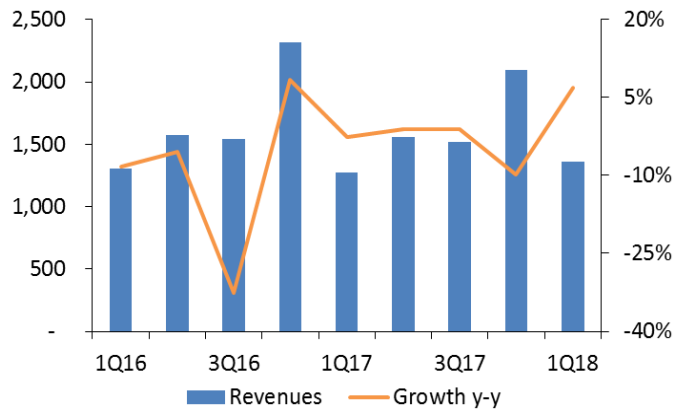
ASEAN Property Developer

Company	Market Cap (USD mn)	Total Asset (USD mn)	Sales Growth	Gross Margin	Operating Margin	Net Profit Growth	ROE	P/E	Dividend Yield
BSDE	1,936	3,382	56.71%	73.4%	48.9%	102.4%	19.5%	6.0x	0.3%
CTRA	1,210	2,333	-4.40%	47%	25.2%	-23.2%	6.1%	21.6x	1.5%
PWON	1,821	1,719	18.10%	59%	48.9%	41.5%	21.0%	12.6x	1.1%
SMRA	831	1,594	4.50%	46%	23.8%	-6.5%	5.2%	35.9x	0.6%
Singapore									
Capitaland Ltd	9,255	45,972	-12.23%	40%	47%	8.7%	8.1%	8.7x	4.0%
Malaysia									
SP Setia Bhd	2,856	6,826	-20.86%	33%	22%	-13.6%	7.5%	13.8x	5.2%
IOI Properties Group Bhd	2,178	7,823	38.36%	44%	32%	-12.2%	4.8%	10.5x	3.7%
Thailand									
Land & Houses PUB Co Ltd	4,133	3,362	16.76%	34%	30%	32.9%	21.6%	12.3x	6.5%
WHA Corp Ltd	1,603	2,260	-46.72%	47%	39%	38.7%	16.7%	13.8x	3.8%
Philippines									
Megaworld Corp	2,648	6,212	8.65%	62%	41%	12.6%	9.4%	10.8x	1.4%

Source: Bloomberg, NHKS research

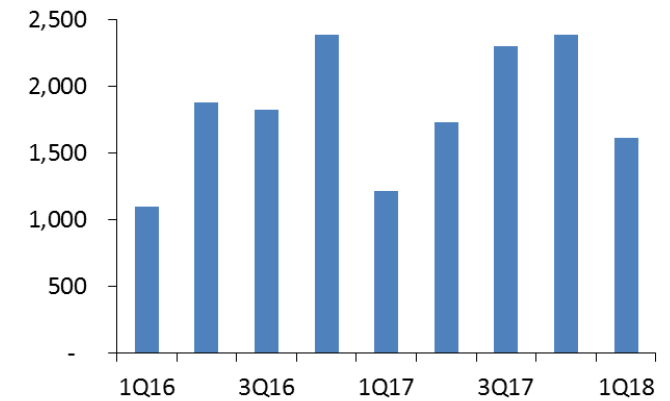
Operational Performance

Quarterly Revenue (IDR bn) | 1Q16 - 1Q18



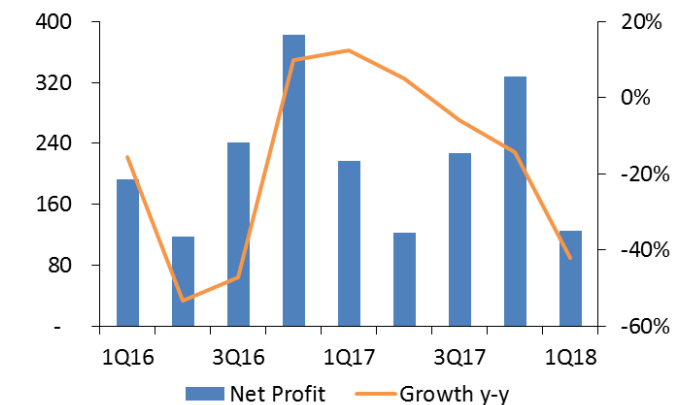
Source: Company, Bloomberg, NHKS research

Marketing Sales (IDR bn) | 1Q16 - 1Q18



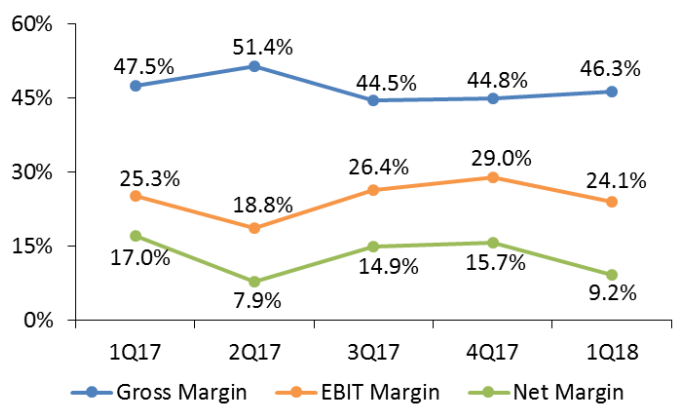
Source: Company, NHKS research

Quarterly Net Profit (IDR bn) | 1Q16 - 1Q18



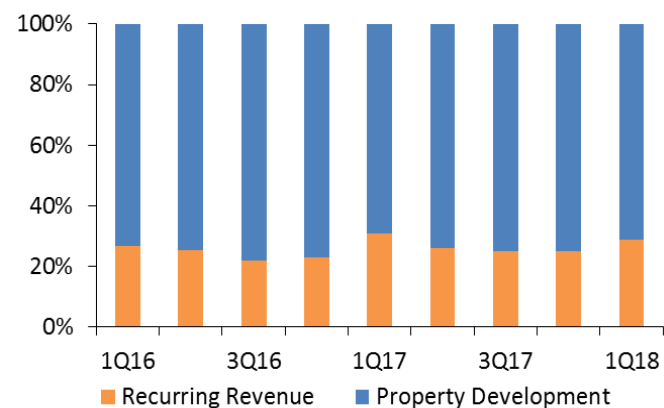
Source: Company, Bloomberg, NHKS research

Margin Ratios | 1Q17 - 1Q18



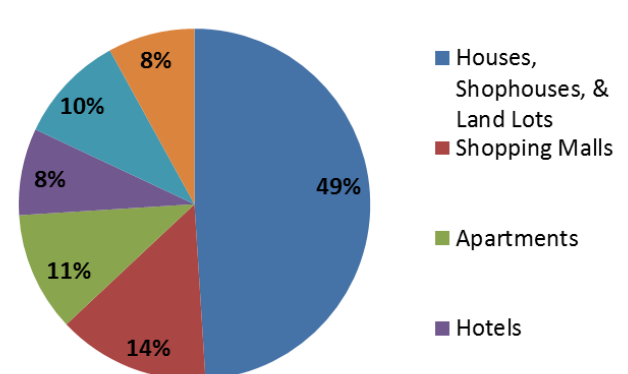
Source: Company, Bloomberg, NHKS research

Revenue by Segment | 1Q16 - 1Q18



Source: Company, Bloomberg, NHKS research

Revenue Breakdown | 1Q18



Source: Company, NHKS research

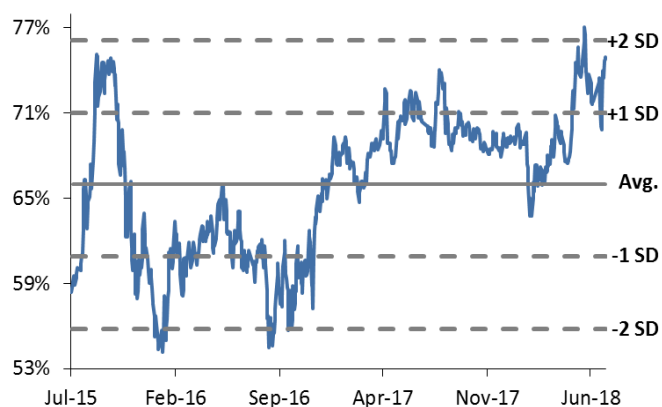
Multiple Valuation

Forward P/E band | Last 3 years



Source: NHKS research

Discount to NAV band | Last 3 years



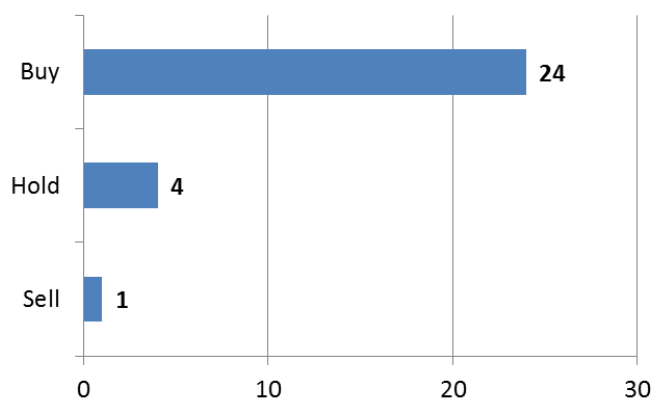
Source: NHKS research

Rating and target price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
04/25/2018	Buy	1,370	1,155	1,449	+18.6%	-5.4%
07/05/2018	Buy	1,130	945	1,423	+19.6%	-20.6%

Source: Bloomberg, NHKS research

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

CTRA Summary		
Last Price (IDR)	July 5, 2018	945
Target Price (IDR)	Dec 2018	1,130
Analyst: Michael Tjahjadi	Rating:	Buy

INCOME STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Revenues	6,739	6,443	7,802	7,418
Growth (% y/y)	-10.3%	-4.4%	21.1%	-4.9%
COGS	(3,454)	(3,423)	(4,034)	(3,827)
Gross Profit	3,285	3,019	3,768	3,591
Gross Margin	48.7%	46.9%	48.3%	48.4%
Operating Expenses	(1,435)	(1,397)	(1,422)	(1,480)
EBIT	1,850	1,623	2,347	2,111
EBIT Margin	27.5%	25.2%	30.1%	28.5%
Depreciation	246	103	244	322
EBITDA	2,097	1,725	2,591	2,433
EBITDA Margin	31.1%	26.8%	33.2%	32.8%
Interest Expenses	(566)	(551)	(581)	(534)
EBT	1,501	1,298	1,984	1,812
Income Tax	(155)	(279)	(433)	(380)
Minority Interest	(237)	(124)	(241)	(199)
Net Profit	933	894	1,310	1,233
Growth (% y/y)	-27.3%	-4.2%	46.5%	-5.8%
Net Profit Margin	13.9%	13.9%	16.8%	16.6%

BALANCE SHEET

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Cash	3,468	3,229	2,460	1,996
Receivables	938	958	910	933
Inventories	7,945	9,480	9,816	10,068
Total Current Assets	13,711	15,167	14,690	14,506
Net Fixed Assets	12,743	13,756	14,963	15,918
Other Non Current Assets	2,619	2,783	2,797	2,849
Total Assets	29,072	31,706	32,450	33,273
Payables	829	839	960	896
ST Debt	1,686	1,170	1,083	1,090
Other Current Liab.	4,796	5,774	5,396	5,189
LT Debt	4,976	6,388	6,117	5,947
Other Non Current Liab.	2,487	2,085	2,099	2,110
Total Liabilities	14,774	16,255	15,655	15,231
Shareholders' Equity	14,298	15,451	16,796	18,041

CASH FLOW STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Net Income	933	894	1,310	1,233
Deprec & Amortization	246	103	314	322
Chg. In Working Capital	(1,139)	(525)	(550)	(550)
CFO	41	472	1,075	1,006
Capex	(347)	(1,381)	(1,521)	(1,278)
CFI	(1,053)	(1,761)	(1,521)	(1,318)
Dividends Paid	(123)	(176)	(176)	(191)
Net Borrowing (PMT)	1,384	872	(358)	(163)
CCF	1,446	1,050	(323)	(151)
Net Changes in Cash	433	(238)	(770)	(464)

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	74.2	PT Sang Pelopor 47.0
United States	12.4	Norges Bank 3.0
Norway	4.7	Vanguard Group Inc 2.9
Luxembourg	4.1	Dimensional Fund 2.4

PROFITABILITY & STABILITY

	2016/12A	2017/12A	2018/12E	2019/12E
ROE	6.8%	6.0%	8.1%	7.1%
ROA	3.4%	2.9%	4.1%	3.8%
ROIC	8.4%	5.8%	7.8%	6.8%
EBITDA/Equity	15.3%	11.6%	16.1%	14.0%
EBITDA/Assets	7.6%	5.7%	8.1%	7.4%
Cash Dividend (IDR bn)	88	176	191	180
Dividend Yield (%)	0.4%	0.8%	1.1%	1.0%
Payout Ratio (%)	9.4%	19.7%	14.6%	14.6%
DER	47%	49%	43%	39%
Net Gearing	81%	77%	66%	59%
LT Debt to Equity	35%	41%	36%	33%
Capitalization Ratio	32%	33%	30%	28%
Equity Ratio	49%	49%	52%	54%
Debt Ratio	23%	24%	22%	21%
Financial Leverage	202%	204%	199%	189%
Current Ratio	188%	195%	197%	202%
Quick Ratio	60%	54%	45%	41%
Cash Ratio	47%	41%	33%	28%
Cash Conversion Cycle	747.2	893.7	835.3	905.0
Par Value (IDR)	250	250	250	250
Total Shares (mn)	15,425	18,560	18,560	18,560
Share Price (IDR)	1,335	1,185	945	945
Market Cap (IDR tn)	20.6	22.0	17.5	17.5

VALUATION INDEX

	2016/12A	2017/12A	2018/12E	2019/12E
Price /Earnings	22.1x	24.6x	13.4x	14.2x
Price /Book Value	1.4x	1.4x	1.0x	1.0x
Price/Revenue	3.1x	3.4x	2.2x	2.4x
PE/EPS Growth	-0.8x	-5.9x	0.3x	-2.4x
EV/EBITDA	15.4x	18.3x	10.4x	11.1x
EV/EBIT	17.5x	19.5x	11.5x	12.8x
EV (IDR bn)	32,375	31,625	27,043	27,082
Sales CAGR (3-Yr)	9.9%	0.5%	1.3%	3.3%
EPS CAGR (3-Yr)	-1.5%	-12.3%	0.7%	9.7%
Basic EPS (IDR)	61	48	71	66
Diluted EPS (IDR)	61	48	71	66
BVPS (IDR)	927	832	905	972
Revenue PS (IDR)	437	347	420	400
DPS (IDR)	6	9	10	10

DCF, RIM & EVA

	2016/12A	2017/12A	2018/12E	2019/12E
DCF (IDR bn)				
NOPAT	1,659	1,273	1,835	1,668
+Depr./Amor.	246	103	314	322
-CAPEX	(347)	(1,381)	(1,521)	(1,278)
-Incr. (Decr.) in Working Cap.	(1,139)	(525)	(550)	(550)
(Unlevered) FCFF	419	(530)	79	163
WACC				
Cost of Debt (Tax Adj.)	8.3%	6.7%	8.3%	7.6%
Cost of Equity (COE)	10.5%	9.9%	11.0%	11.0%
WACC (%)	10.0%	9.1%	10.2%	10.0%
RIM				
Spread (FROE-COE) (%)	-3.4%	-3.6%	-2.5%	-3.7%
Residual Income (IDR bn)	(441)	(519)	(384)	(615)
Equity Charge (IDR bn)	1,374	1,413	1,694	1,848
EVA				
Invested Capital (IDR bn)	18,328	20,960	23,009	23,995
ROIC-WACC (%)	-0.9%	-3.0%	-2.2%	-3.1%
EVA (IDR bn)	(170)	(625)	(507)	(741)

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