

Ciputra Development Tbk (CTRA IJ)

1Q20: Pendapatan dan Margin Rendah Menekan Laba

Development dan *recurring income* CTRA melemah masing-masingnya 11% dan 2%, membuat pendapatan CTRA pada 1Q20 turun 8,3% YoY. Selain itu, rendahnya margin akibat meningkatnya beban operasional pun menekan laba CTRA menjadi Rp178 miliar atau turun 37,3% YoY. Di sisi lain, *marketing sales* CTRA tumbuh 2,3% YoY menjadi Rp1,14 triliun didukung strategi peluncuran *online*. Meredanya pandemi kami estimasikan dapat meningkatkan pendapatan FY20 hingga 12%-14%. Kami memberikan rating BUY dengan target harga Rp810.

Dua Segmen Pendapatan Masih Tertekan

CTRA membuka kuartal-I 2020 dengan mencatatkan pendapatan sebesar Rp1,51 triliun atau turun 8,3% YoY (vs Rp1,67 triliun 1Q19). *Development income* yang menyumbang 72% dari pendapatan pun turun 11% YoY menjadi Rp1,01 triliun dengan segmen penjualan *apartment* menjadi pemberat (-89,4%). Sementara *recurring income* dengan porsi 28% dari pendapatan tercatat Rp397 miliar, pun turun 2% YoY ditekan oleh pendapatan sewa hotel (-10,9%).

Margin Ratio Kompak Menurun

Laba CTRA pada 1Q20 tercatat Rp178 miliar turun 37,3% YoY (vs Rp283 miliar 1Q19). Selain pendapatan, penurunan margin turut menjadi penekan pertumbuhan laba. GPM, Operating Margin, dan NPM menurun masing-masing sebesar 500bps menjadi 46,9%, 640bps menjadi 25,6% dan 540bps menjadi 11,8% yang disebabkan oleh meningkatnya beban pokok penjualan, beban umum dan beban penjualan. Kami yakin bahwa kinerja perusahaan pada 2020 akan tetap mengandalkan penjualan rumah tapak golongan menengah ke bawah dengan harga di bawah Rp2 miliar, sementara penjualan atau pun sewa apartemen masih akan tertekan kurang lebih hingga kuartal-III akibat pandemi dan menurunnya daya beli masyarakat.

Terapkan Strategi Peluncuran Online, Marketing Sales 1Q20 Tumbuh Positif

CTRA berhasil mencatatkan hasil positif berupa kenaikan *marketing sales* 1Q20 sebesar Rp1,14 triliun (+2,3% YoY vs Rp1,11 triliun 1Q19). Peluncuran klaster baru pada 3 proyek *existing* CTRA menyumbang 19% *marketing sales* 1Q20 atau sebesar Rp211 miliar. Selain itu, di tengah pandemi Covid-19 yang mulai mewabah pada akhir Maret, CTRA berhasil mengembangkan metode peluncuran *online* yang menjadi kekuatan atas naiknya *marketing sales*. Sepanjang 2020, CTRA menargetkan capaian *marketing sales* sebesar Rp6,7 triliun atau 1,2% lebih tinggi dari perkiraan kami sebesar Rp6,06 triliun.

Rating BUY dengan TP Rp810

Tahun 2020 kami perkirakan masih menjadi masa yang sulit bagi sektor properti karena mewabahnya Covid-19. Namun dengan berakhirnya masa PSBB per kuartal-II dan penerapan *new normal*, kami yakin pembukaan ekonomi dan daya beli masyarakat akan membaik. Kami merekomendasikan BUY untuk CTRA dengan TP Rp810 menggunakan estimasi *discount to NAV* 87% (1 SD di atas rata-rata 3 tahun terakhir) sebagai basis metode valuasi kami. Kami estimasi akan terjadi penurunan kinerja CTRA pada kuartal-II akibat berlakunya PSBB yang masih ketat, namun proyek yang sedang digarap dapat diluncurkan pada kuartal-III guna menstimulasi pertumbuhan kinerja CTRA pada FY20.

Ciputra Development Tbk | Summary

	2019A	2020F	2021F	2022F
Revenue	7,608	6,695	7,218	7,635
Growth (%)	-0.8%	-12.0%	7.8%	5.8%
EBITDA	2,500	2,191	2,391	2,479
Net Profit	1,158	961	1,026	1,069
EPS (IDR)	62	52	55	58
Growth (%)	-2.3%	-17.0%	6.8%	4.2%
P/E	16.7x	28.8x	27.0x	25.9x
P/BV	1.1x	1.6x	1.5x	1.4x
EV/EBITDA	9.7x	15.0x	13.8x	13.3x
ROE (%)	6.7%	5.4%	5.7%	5.6%
DER (%)	51.7%	56.0%	56.0%	58.5%
Net Debt	5,212	4,938	5,273	5,273

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Buy

Dec. 2020 TP (IDR)	810
Consensus Price (IDR)	871
TP to Consensus Price	-7.0%
vs. Last Price	+21.8%

Shares data

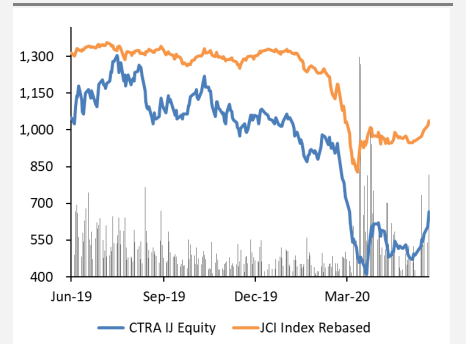
Last Price (IDR)	665
Price Date as of	June 3, 2020
52 wk Range (Hi/Lo)	1,350/412
Free Float (%)	47.1
Outstanding sh. (mn)	18,560
Market Cap. (IDR bn)	11,229
Market Cap. (USD mn)	781
Avg. Trd Vol - 3M (mn)	42.42
Avg. Trd Val - 3M (bn)	22.81
Foreign Ownership	20.1%

Property

Real Estate Owner & Developer

Bloomberg	CTRA IJ
Reuters	CTRA.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-34.5%	29.1%	-29.6%	-36.4%
Rel. Ret.	-19.6%	21.8%	-17.1%	-14.9%

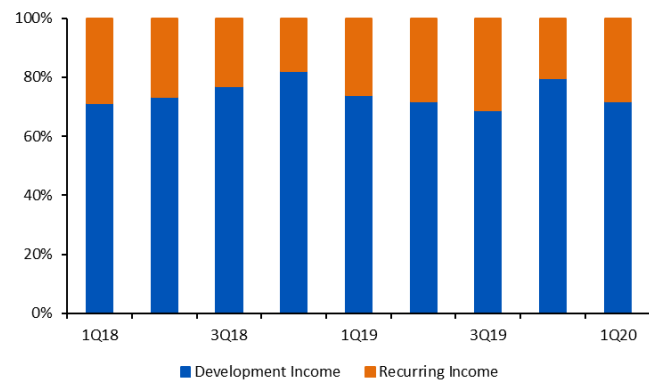
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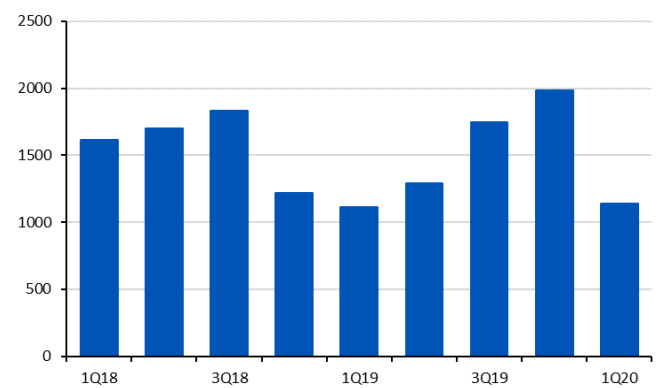
Performance Highlights in Charts

CTRA Quarterly Income as per Segment (IDR bn) | 1Q18 - 1Q20



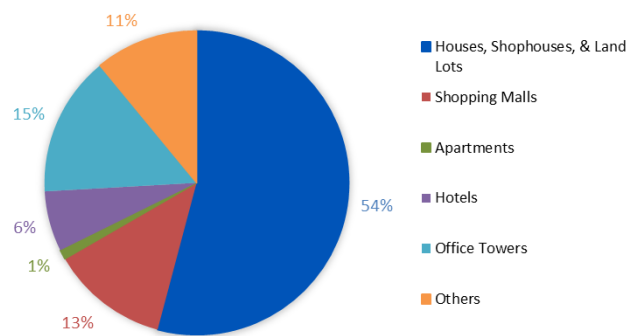
Source: Company Data, NHKSI Research

CTRA Quarterly Marketing Sales | 1Q18 - 1Q20



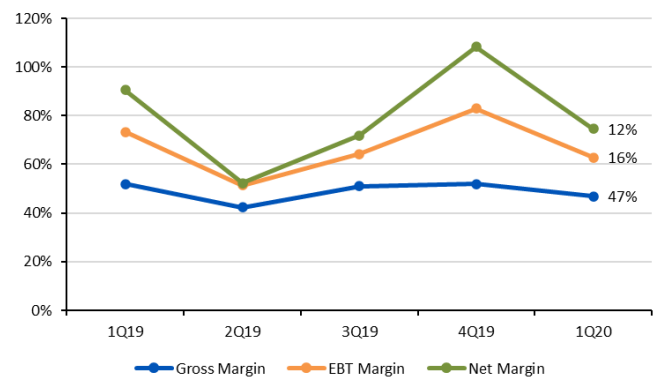
Source: Company Data, NHKSI Research

3M20's Revenue Breakdown



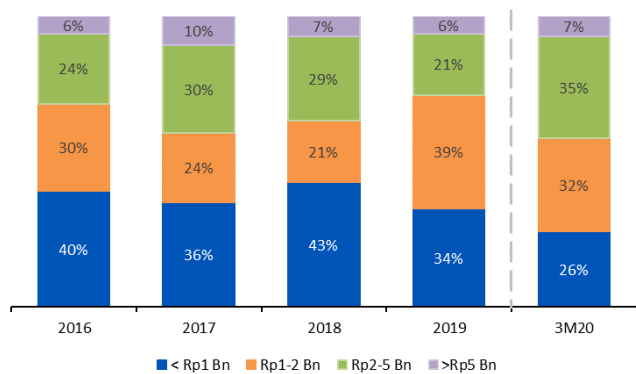
Source: Company Data, NHKSI Research

Margin Ratio



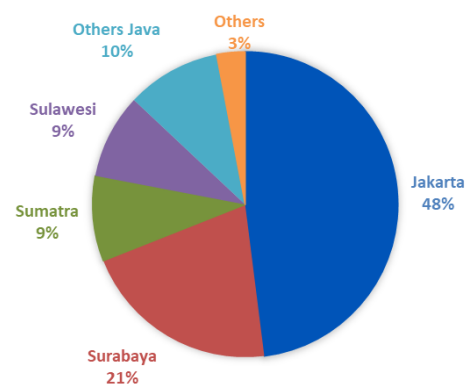
Source: Company Data, NHKSI Research

Pre Sales per Unit Price



Source: Company Data, NHKSI Research

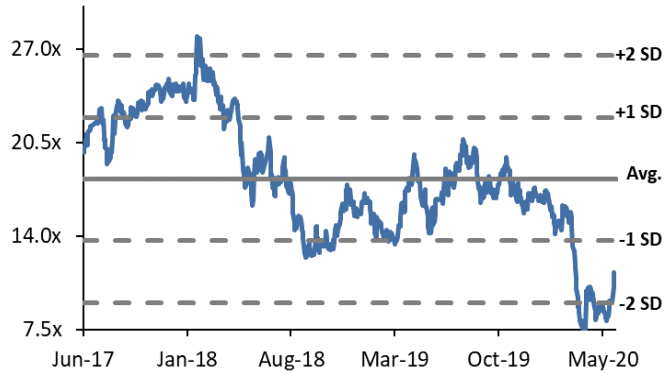
Pre Sales per Location



Source: Company Data, NHKSI Research

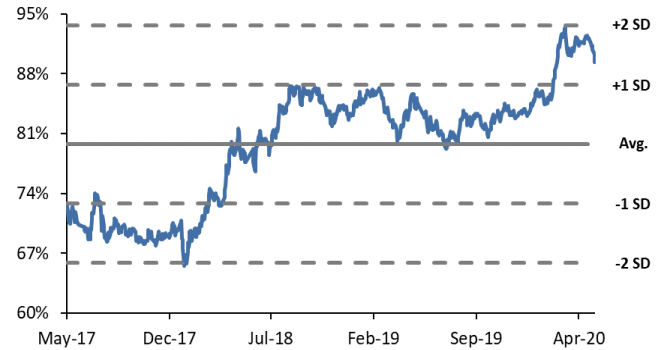
Valuation Highlights in Charts

3-Year Forward P/E Band



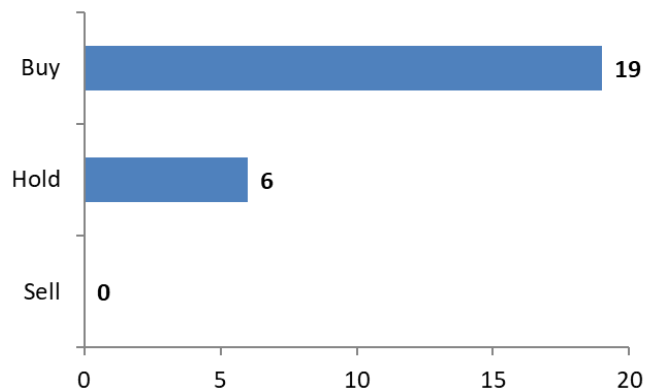
Source: Bloomberg, NHKSI Research

3-Year Discount to NAV Band



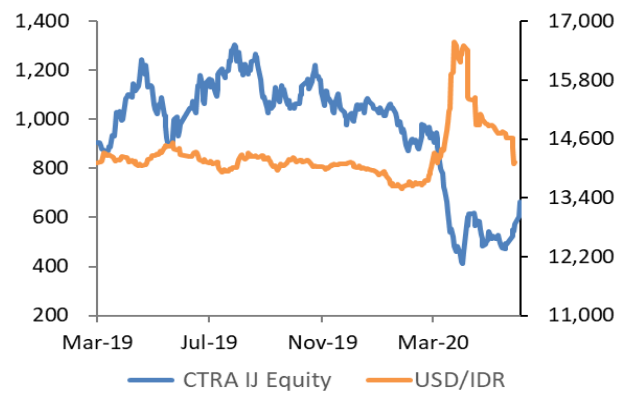
Source: Bloomberg, NHKSI Research

Analysts' Recommendation



Source: Bloomberg, NHKSI Research

Correlation between CTRA and USD/IDR



Source: Bloomberg, NHKSI Research

Quarterly Review

	1Q19	2Q19	3Q19	4Q19	1Q20				2Q20E
					Actual	Estimate	Y-Y	Q-Q	
Income statement									
Revenue	1,647	1,499	1,510	2,953	1,510		-8.3%	-48.9%	1,264
Gross Profit	854	635	769	1,534	708		-17.1%	-53.8%	617
EBIT	527	295	360	1,058	386		-26.8%	-63.5%	260
EBITDA	559	378	433	1,129	462		-17.4%	-59.1%	340
Net Profit	283	13	113	749	178		-37.3%	-76.3%	8
Margin (%)									
Gross Margin	51.9%	42.4%	50.9%	51.9%	46.9%		-5.0%	-5.0%	48.8%
EBIT Margin	32.0%	19.7%	23.9%	35.8%	25.6%		-6.4%	-10.2%	20.6%
EBITDA Margin	34.0%	25.3%	28.7%	38.2%	30.6%		-3.4%	-7.6%	26.9%
Net Profit Margin	17.2%	0.9%	7.5%	25.4%	11.8%		-5.4%	-13.6%	0.6%

Unit: IDR bn, %

Source: Company Data, NHKSI Research

Revisions to Earnings

		2020F	2021F	2022F
Income Statement				
Revenue	-Revised	6,695	7,218	7,635
	-Previous			
	-Change			
Gross Profit	-Revised	3,354	3,590	3,783
	-Previous			
	-Change			
EBIT	-Revised	1,896	2,068	2,147
	-Previous			
	-Change			
EBITDA	-Revised	2,191	2,391	2,479
	-Previous			
	-Change			
Net Profit	-Revised	1,158	961	1,026
	-Previous			
	-Change			
Margin				
Gross Margin	-Revised	50.1%	49.7%	49.6%
	-Previous			
EBIT Margin	-Revised	28.3%	28.6%	28.1%
	-Previous			
EBITDA Margin	-Revised	32.7%	33.1%	32.5%
	-Previous			
Net Profit Margin	-Revised	17.3%	13.3%	13.4%
	-Previous			

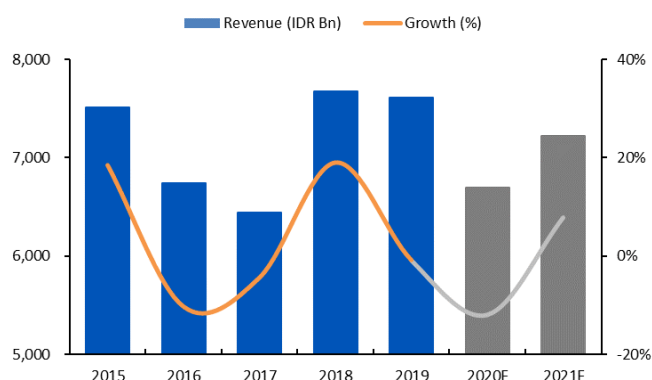
Unit: IDR bn, %

Source: Company Data, NHKSI Research

Company Overview

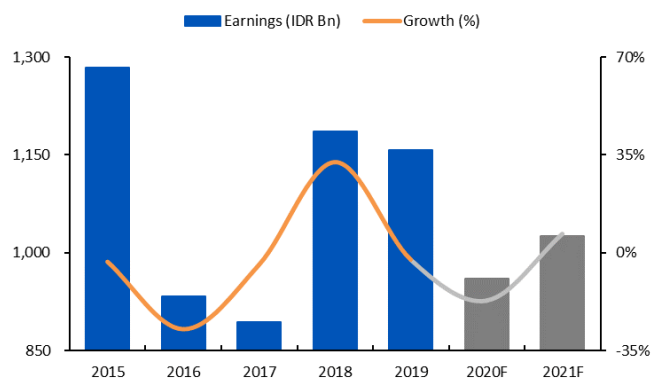
- Pada 22 Oktober 1981 didirikan perusahaan dengan nama PT Citra Habitat Indonesia yang berubah nama menjadi PT Ciputra Development (CTRA) pada tahun 1990.
- CTRA kemudian tercatat di Bursa Efek Indonesia (BEI) pada tahun 1994.
- Perusahaan memiliki 3 (tiga) anak perusahaan yang bergerak dibidang properti 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	897	3,932	6.88%	71.5%	35.7%	61.7%	8.9%	5.2x	0.5x
PT Ciputra Development Tbk	781	2,614	-0.81%	50%	28.7%	-21.7%	7.2%	10.6x	0.8x
PT Pakuwon Jati Tbk	1,286	1,885	1.71%	56%	42.5%	6.9%	19.7%	6.8x	1.2x
PT Summarecon Agung Tbk	480	1,765	4.95%	48%	26.7%	14.8%	7.2%	13.4x	0.9x
Singapore									
Capitaland Ltd	11,319	61,242	11.29%	48%	64%	21.2%	10.1%	6.8x	0.7x
Malaysia									
SP Setia Bhd	870	7,345	9.33%	26%	19%	-49.7%	2.3%	25.1x	0.3x
IOI Properties Group Bhd	1,403	7,908	17.66%	54%	43%	-29.5%	2.9%	11.0x	0.3x
Thailand									
Land & Houses PUB Co Ltd	2,897	3,802	-	-	-	-3.0%	18.3%	9.6x	1.8x
WHA Corp PCL	1,516	2,765	24.42%	39%	27%	11.1%	11.4%	14.4x	1.6x
Philippines									
Megaworld Corp	1,947	6,896	15.13%	360%	38%	17.9%	10.5%	5.4x	0.6x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

Summary of Financials

INCOME STATEMENT

In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Revenues	7,608	6,695	7,218	7,635
Growth (% y/y)	-0.8%	-12.0%	7.8%	5.8%
COGS	(3,816)	(3,341)	(3,629)	(3,851)
Gross Profit	3,792	3,354	3,590	3,783
Gross Margin	49.8%	50.1%	49.7%	49.6%
Operating Expenses	(1,551)	(1,458)	(1,522)	(1,636)
EBIT	2,240	1,896	2,068	2,147
EBIT Margin	29.4%	28.3%	28.6%	28.1%
Depreciation	259	295	323	332
EBITDA	2,500	2,191	2,391	2,479
EBITDA Margin	32.9%	32.7%	33.1%	32.5%
Interest Expenses	(923)	(902)	(963)	(1,018)
EBT	1,608	1,285	1,399	1,451
Income Tax	(325)	(241)	(273)	(278)
Minority Interest	(125)	(83)	(100)	(105)
Net Profit	1,158	961	1,026	1,069
Growth (% y/y)	-2.3%	-17.0%	6.8%	4.2%
Net Profit Margin	15.2%	14.3%	14.2%	14.0%

PROFITABILITY & STABILITY

	2019/12A	2020/12E	2021/12E	2022/12E
ROE	6.7%	5.4%	5.7%	5.6%
ROA	3.3%	2.6%	2.6%	2.7%
ROIC	6.6%	5.6%	5.7%	5.7%
Cash Dividend (IDR bn)	185	205	185	216
Dividend Yield (%)	1.0%	0.7%	0.7%	0.8%
Payout Ratio (%)	16.0%	21.3%	18.0%	20.2%
DER	52%	56%	56%	59%
Net Gearing	111%	120%	126%	138%
LT Debt to Equity	44%	46%	46%	46%
Capitalization Ratio	34%	36%	36%	37%
Equity Ratio	49%	46%	48%	48%
Debt Ratio	25%	26%	27%	28%
Financial Leverage	153%	211%	214%	209%
Current Ratio	2.17	2.29	2.59	2.61
Par Value (IDR)	250	250	250	250
Total Shares (mn)	18,560	18,560	18,560	18,560
Share Price (IDR)	1,040	1,490	1,490	1,490
Market Cap (IDR tn)	19.3	27.7	27.7	27.7

BALANCE SHEET

In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Cash	4,238	4,601	5,083	5,934
Receivables	1,173	826	1,318	1,309
Inventories	10,661	12,678	11,547	11,709
Total Current Assets	18,195	20,212	20,039	21,024
Net Fixed Assets	15,189	15,489	16,038	16,501
Other Non Current Assets	2,812	2,851	2,889	2,928
Total Assets	36,196	38,552	38,966	40,453
Payables	1,838	1,344	1,570	1,235
ST Debt	1,434	1,730	1,821	2,379
LT Debt	7,742	8,144	8,573	8,951
Total Liabilities	18,434	20,920	20,407	21,084
Capital Stock + APIC	8,232	8,232	8,232	8,232
Retained Earnings	7,146	7,189	8,030	8,883
Shareholders' Equity	17,762	17,632	18,559	19,369

VALUATION INDEX

	2019/12A	2020/12E	2021/12E	2022/12E
Price /Earnings	16.7x	28.8x	27.0x	25.9x
Price /Book Value	1.1x	1.6x	1.5x	1.4x
Price/Revenue	2.5x	4.1x	3.8x	3.6x
PE/EPS Growth	-7.2x	-1.7x	4.0x	6.2x
EV/EBITDA	9.7x	15.0x	13.8x	13.3x
EV/EBIT	10.8x	17.4x	15.9x	15.4x
EV (IDR bn)	24,241	32,927	32,965	33,052
Revenue CAGR (3-Yr)	4.1%	1.3%	-2.0%	0.1%
EPS CAGR (3-Yr)	7.4%	2.4%	-4.7%	-2.6%
Basic EPS (IDR)	62	52	55	58
Diluted EPS (IDR)	62	52	55	58
BVPS (IDR)	957	950	1,000	1,044
Revenue PS (IDR)	410	361	389	411
DPS (IDR)	10	11	10	12

CASH FLOW STATEMENT

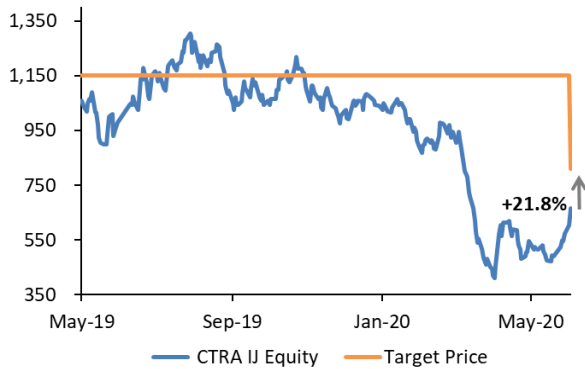
In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Operating Cash Flow	980	818	845	1,010
Investing Cash Flow	(582)	(907)	(783)	(838)
Financing Cash Flow	604	405	420	679
Net Changes in Cash	1,001	316	482	850

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	79.9	PT Sang Pelopor
United States	10.6	Norges Bank
Norway	4.1	Vanguard Group Inc
Luxembourg	3.3	Dimensional Fund
		2.0

Source: Company Data, 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

Source: NHKSI Research

NHKS stock ratings

- Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
- Buy: greater than +15%, Hold: -15% to +15%, Sell: less than -15%.
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