

# Ciputra Development Tbk (CTRA IJ)

## Mengatur Strategi untuk Menarik Pembeli

Company Update | Sept 24, 2020

Kinerja CTRA pada 2Q20 disokong oleh pendapatan dari *development income* dengan porsi 89% di mana rumah tapak dan ruko menjadi segmen pendapatan satu-satunya yang tumbuh pada periode PSBB. Pendapatan 2Q20 dibukukan sebesar Rp1,29 triliun (-13,6 YoY), disusul catatan rugi bersih pertama CTRA sebesar Rp8 miliar. Saat ini, sedang dibahas penambahan segmen KPR ke program PEN. Jika terealisasi, hal tersebut dapat menjadi angin segar, namun CTRA tetap harus mengatur strategi guna menarik minat pembeli.

### Buy

<b>Target Price (IDR)</b>	<b>780</b>
Consensus Price (IDR)	881
TP to Consensus Price	-11.5%
vs. Last Price	+20.9%

#### Shares data

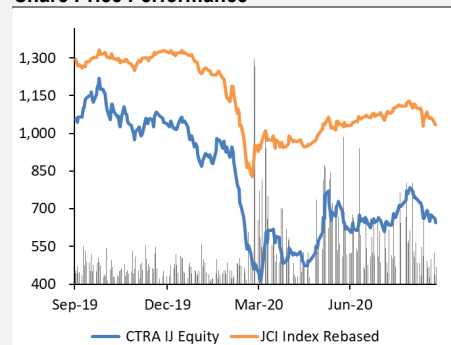
Last Price (IDR)	665
Price Date as of	Sept 23, 2020
52 wk Range (Hi/Lo)	1,220/412
Free Float (%)	47.1
Outstanding sh. (mn)	18,560
Market Cap. (IDR bn)	11,560
Market Cap. (USD mn)	777
Avg. Trd Vol - 3M (mn)	41.67
Avg. Trd Val - 3M (bn)	28.16
Foreign Ownership	20.1%

#### Property

##### Real Estate Owner & Developer

Bloomberg	CTRA IJ
Reuters	CTRA.IK

#### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-37.1%	-12.2%	0%	-39.7%
Rel. Ret.	-15.3%	-5.4%	0%	-19.8%

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#### Penjualan Segmen Rumah Tapak dan Ruko Masih Tumbuh

CTRA mencatatkan pendapatan 2Q20 sebesar Rp1,29 triliun atau turun 13,6% YoY (vs Rp1,49 triliun 2Q19). *Development* dan *recurring income* secara keseluruhan mencatatkan penurunan masing-masing -17% YoY dan -74% YoY. Namun pada 2Q20 di mana diberlakukannya PSBB, pendapatan dari penjualan rumah tapak dan ruko justru tercatat sebesar Rp749 miliar atau naik 11,05% YoY, saat semua segmen pendapatan turun lebih dari 30% YoY. Selain itu, meningkatnya beban umum dan administrasi membuat OPM turun menjadi 16,4% pada 2Q20 (vs 19,7% 2Q19). CTRA membukukan rugi bersih pada 2Q20 senilai Rp8 miliar atau di bawah estimasi laba kami sebesar Rp8 miliar, menjadikan catatan rugi pertama yang dialami CTRA. Sementara selama 1H20, laba dicatat sebesar Rp169,4 miliar (-43% YoY vs Rp296,3 miliar 1H19).

#### Lanjutkan Fokus Penjualan dengan Target End-User

Marketing sales CTRA pada 2020 direvisi turun menjadi Rp4,51 triliun. Sementara hingga 1H20, *marketing sales* CTRA sudah tercatat Rp2,02 triliun atau 44,6% dari target. Produk penjualan rumah dan tanah menyumbang 92% dari *marketing sales*, di mana porsi terbesar sebanyak 35% merupakan penjualan unit di bawah Rp1 miliar. CTRA saat ini memang fokus pada penjualan rumah tapak golongan menengah ke bawah dan rumah bersubsidi dengan menasar pada *end-user*. Dengan strategi tersebut, kami yakin CTRA mampu mencapai *marketing sales* tahun ini. Kami pun mempertimbangkan, jika CTRA memperbanyak produk rumah tapak untuk golongan menengah ke atas, ini akan sulit untuk mendorong penjualan karena masyarakat pada golongan tersebut cenderung membeli rumah untuk investasi, dan dalam kondisi seperti ini mereka cenderung menahan dananya.

#### KPR akan Masuk dalam Program PEN

Pemerintah mencanangkan wacana untuk menambah sektor property ke dalam program Pemulihan Ekonomi Nasional (PEN), di mana secara spesifik, salah satunya akan ada program *Payment Holiday* atau penundaan pembayaran angsuran pokok dan bunga, untuk Kredit Perumahan Rakyat (KPR) maksimal Rp500 juta. Jika program tersebut dapat terlaksana, kami nilai hal tersebut dapat menjadi sentimen positif bagi CTRA di mana porsi metode pembayaran pada 1H20 dengan menggunakan KPR termasuk tinggi yaitu sebesar 56%. Di sisi lain, guna mensukseskan program tersebut, CTRA pun harus memiliki strategi untuk meningkatkan minat pembeli yang masih minim akibat ancaman pelemahan ekonomi karena pandemi.

#### Maintain BUY dengan TP Rp780

Kami menurunkan estimasi kinerja CTRA untuk FY20, mengingat pelemahan kinerja 2Q20 berada di bawah ekspektasi kami. Pendapatan dan laba FY20 kami revisi turun masing-masingnya Rp5,51 triliun (-17,7%) dan Rp619 miliar (-46,5%). Kami mempertahankan rekomendasi BUY dengan menurunkan target harga menjadi Rp780 menggunakan estimasi *discount to NAV* 86% (0,7 SD di atas rata-rata 3 tahun terakhir). Kami mempertimbangkan bisnis rumah tapak yang masih memungkinkan untuk tumbuh hingga akhir tahun, terlebih jika program tambahan PEN pada KPR terealisasi.

#### Ciputra Development Tbk | Summary

	2019A	2020F	2021F	2022F
Revenue	7,608	5,509	7,218	6,359
Growth (%)	-0.8%	-27.6%	7.8%	8.9%
EBITDA	2,500	1,664	2,391	2,135
Net Profit	1,158	619	1,026	856
EPS (IDR)	62	33	55	46
Growth (%)	-2.3%	-46.5%	27.0%	8.9%
P/E	16.7x	23.4x	18.4x	16.9x
P/BV	1.1x	0.8x	0.8x	0.8x
EV/EBITDA	9.7x	11.4x	9.1x	8.7x
ROE (%)	6.7%	3.5%	4.4%	4.6%
DER (%)	51.7%	56.0%	56.0%	58.5%
Net Debt	4,938	4,533	4,249	4,056

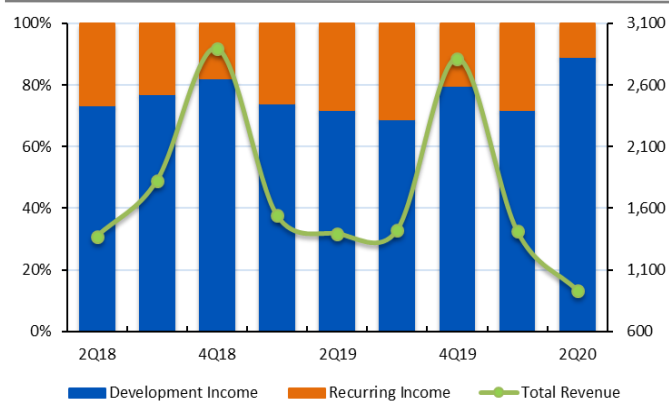
Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

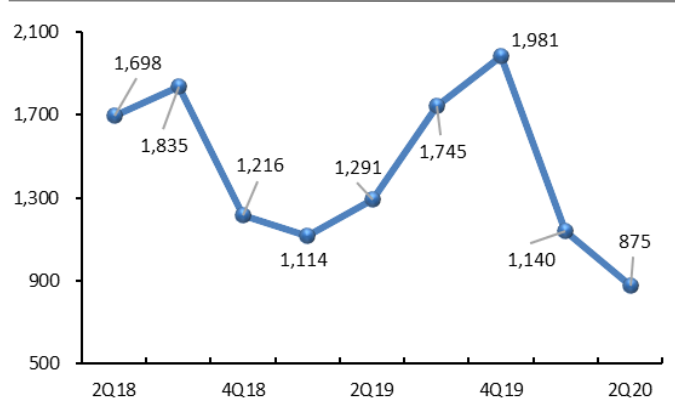
## Performance Highlights in Charts

CTRA Quarterly Income (IDR bn) | 2Q18 - 2Q20



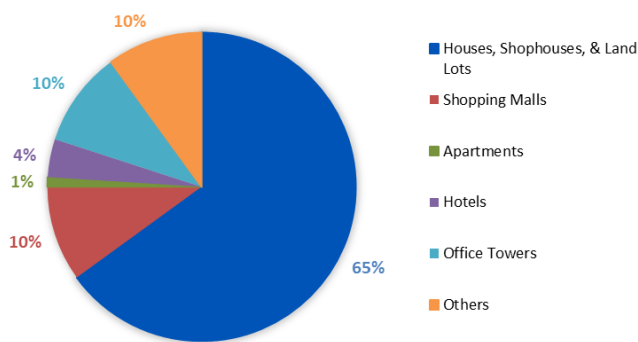
Source: Company Data, NHKSI Research

CTRA Quarterly Marketing Sales | 2Q18 - 2Q20



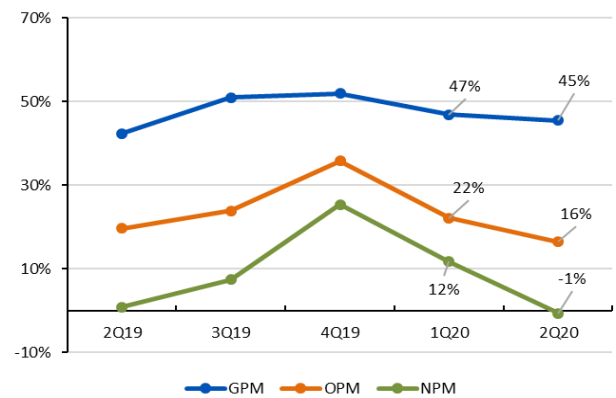
Source: Company Data, NHKSI Research

6M20's Revenue Breakdown



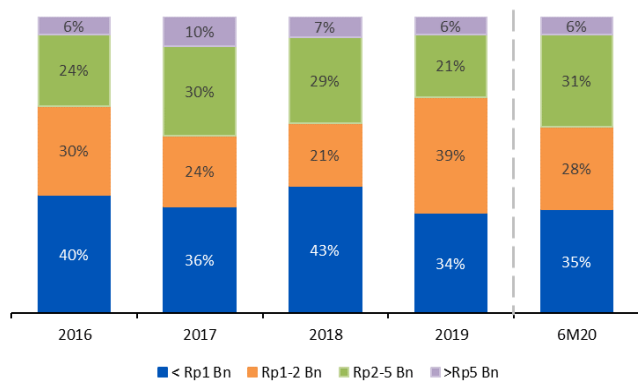
Source: Company Data, NHKSI Research

Margin Ratio



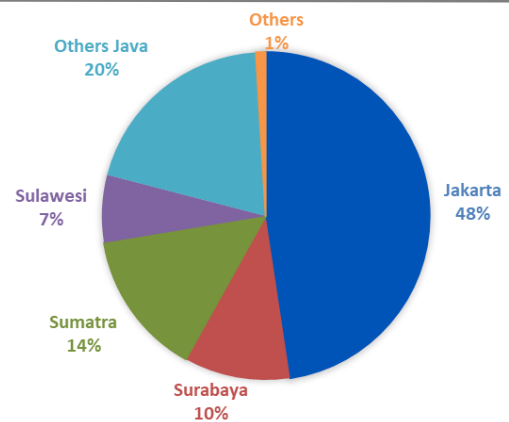
Source: Company Data, NHKSI Research

Pre Sales per Unit Price



Source: Company Data, NHKSI Research

Pre Sales per Location



Source: Company Data, NHKSI Research

## Quarterly Review

	2Q19	3Q19	4Q19	1Q20	2Q20					3Q20E
					Actual	Estimate	Y-Y	Q-Q	Surprise	
<b>Income statement</b>										
Revenue	1,499	1,510	2,953	1,510	1,295	1,264	-13.6%	-14.3%	2.4%	1,201
Gross Profit	635	769	1,534	705	589	617	-7.3%	-16.9%	-4.6%	580
EBIT	295	360	1,058	335	231	260	-27.9%	-36.5%	-18.2%	255
EBITDA	378	433	1,129	410	289	340	-24.4%	-30.3%	-15.7%	332
Net Profit	13	113	749	178	-8	8				62
<b>Margin (%)</b>										
Gross Margin	42.4%	50.9%	51.9%	46.9%	45.5%	48.8%	3.1%	-1.5%	-6.9%	48.3%
EBIT Margin	19.7%	23.9%	35.8%	22.2%	16.4%	20.6%	-3.3%	-5.8%	-20.1%	21.2%
EBITDA Margin	25.3%	28.7%	38.2%	27.2%	22.1%	26.9%	-3.1%	-5.1%	-17.7%	27.6%
Net Profit Margin	0.9%	7.5%	25.4%	11.8%	-0.6%	0.6%	-1.5%	-12.4%	-195.4%	5.2%

Unit: IDR bn, %

Source: Company Data, NHKSI Research

## Revisions to Earnings

		2020F	2021F	2022F
<b>Income Statement</b>				
Revenue	-Revised	5,509	5,840	6,359
	-Previous	6,695	7,218	7,635
	-Change	-17.7%	-19.1%	-16.7%
Gross Profit	-Revised	2,683	2,886	3,068
	-Previous	3,354	3,590	3,783
	-Change	-20.0%	-19.6%	-18.9%
EBIT	-Revised	1,374	1,728	1,807
	-Previous	1,896	2,068	2,147
	-Change	-27.5%	-16.4%	-15.8%
EBITDA	-Revised	1,664	2,049	2,135
	-Previous	1,191	2,391	2,479
	-Change	-24.1%	-14.3%	-13.9%
Net Profit	-Revised	619	787	856
	-Previous	1,158	961	1,026
	-Change	-46.5%	-18.1%	-16.5%
<b>Margin</b>				
Gross Margin	-Revised	48.7%	49.4%	48.3%
	-Previous	50.1%	49.7%	49.6%
EBIT Margin	-Revised	24.9%	29.6%	28.4%
	-Previous	28.3%	28.6%	28.1%
EBITDA Margin	-Revised	30.2%	35.1%	33.5%
	-Previous	32.7%	33.1%	32.5%
Net Profit Margin	-Revised	11.2%	13.5%	13.5%
	-Previous	17.3%	13.3%	13.4%

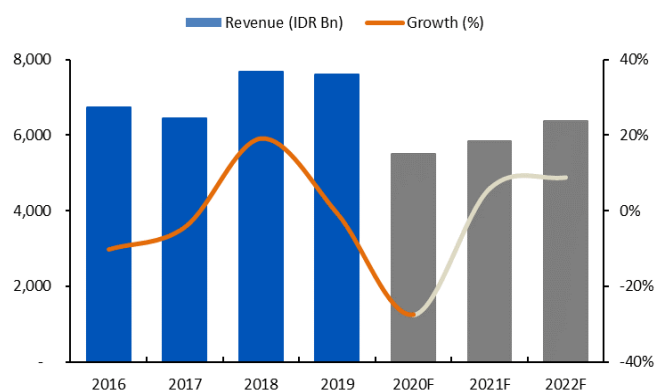
Unit: IDR bn, %

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

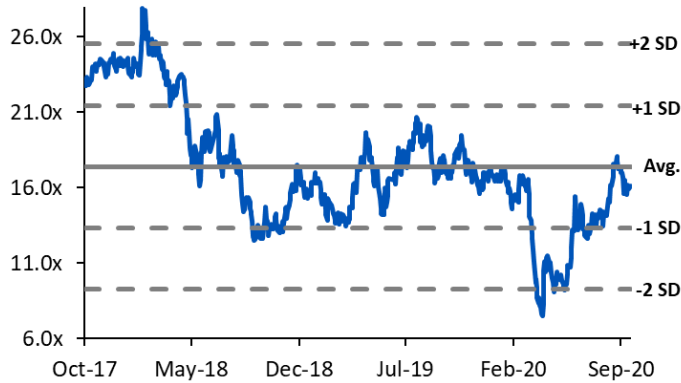
	Market Cap (USD mn)	Asset (USD mn)	Sales Growth	Gross Margin	Operating Margin	Net Profit Growth	ROE (LTM)	P/E (LTM)	P/BV
<b>Indonesia</b>									
PT Bumi Serpong Damai Tbk	1,035	3,932	6.88%	71.5%	35.7%	-79.5%	2.1%	22.7x	0.5x
PT Ciputra Development Tbk	777	2,614	-0.81%	50%	28.7%	-21.0%	7.0%	11.2x	0.8x
PT Pakuwon Jati Tbk	1,116	1,885	1.71%	56%	42.5%	-33.9%	13.2%	9.1x	1.2x
PT Summarecon Agung Tbk	498	1,765	4.95%	48%	26.7%	-27.6%	5.3%	19.7x	1.0x
<b>Singapore</b>									
Capitaland Ltd	10,095	61,242	11.29%	48%	64%	-20.8%	5.9%	9.9x	0.6x
<b>Malaysia</b>									
SP Setia Bhd	711	7,345	9.33%	26%	19%	-81.2%	0.0%	25.1x	0.2x
IOI Properties Group Bhd	1,216	7,908	-3.69%	54%	38%	-31.1%	2.4%	11.1x	0.3x
<b>Thailand</b>									
Land & Houses PUB Co Ltd	2,648	3,802	-12.4%	32.2%	30%	10.0%	18.4%	9.2x	1.7x
WHA Corp PCL	1,335	2,765	24.42%	39%	27%	-26.4%	8.5%	17.3x	1.5x
<b>Philippines</b>									
Megaworld Corp	1,952	6,896	15.13%	60%	38%	-8.0%	8.6%	6.4x	0.5x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

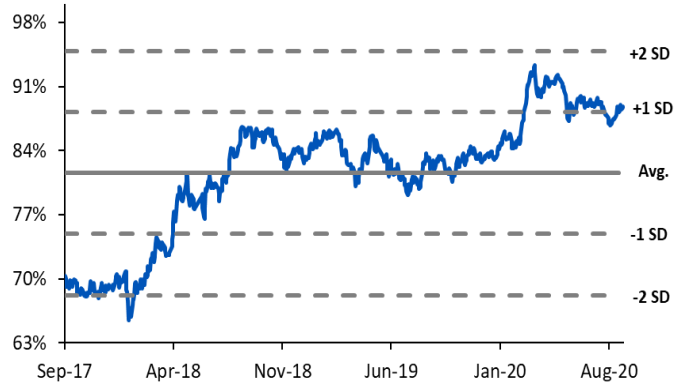
## Valuation Highlights in Charts

### 3-Year Forward P/E Band



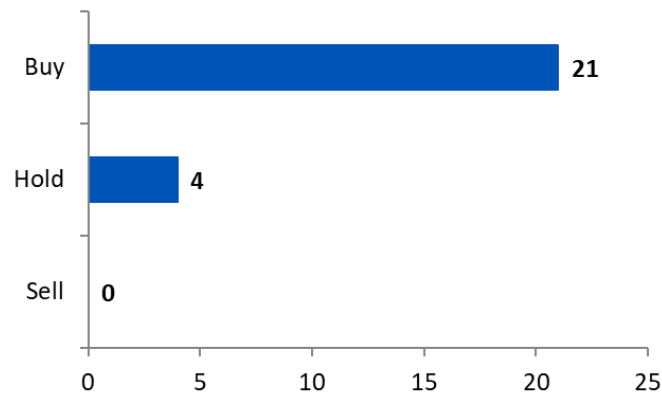
Source: Bloomberg, NHKSI Research

### 3-Year Discount to NAV Band



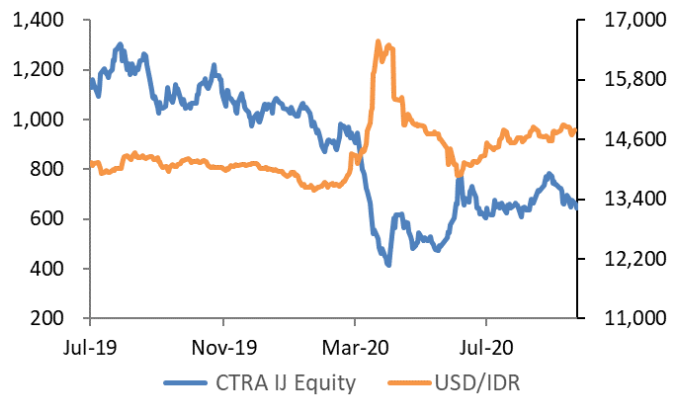
Source: Bloomberg, NHKSI Research

### Analysts' Recommendation



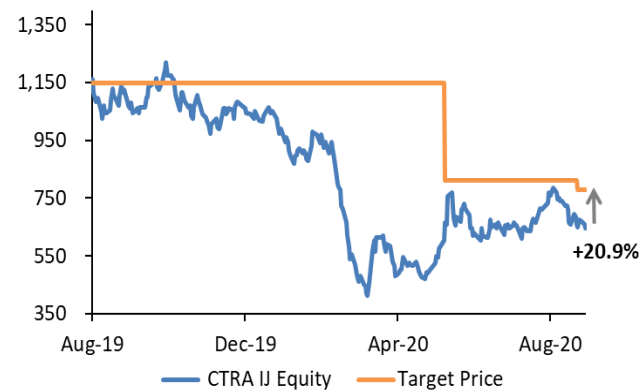
Source: Bloomberg, NHKSI Research

### 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

Source: NHKSI Research

### NHKSI 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%.

## Summary of Financials

### INCOME STATEMENT

In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Revenues	7,608	5,509	5,840	6,359
Growth (% y/y)	-0.8%	-27.6%	6.0%	8.9%
COGS	(3,816)	(2,827)	(2,954)	(3,290)
<b>Gross Profit</b>	<b>3,792</b>	<b>2,683</b>	<b>2,886</b>	<b>3,068</b>
Gross Margin	49.8%	48.7%	49.4%	48.3%
Operating Expenses	(1,551)	(1,309)	(1,158)	(1,261)
<b>EBIT</b>	<b>2,240</b>	<b>1,374</b>	<b>1,728</b>	<b>1,807</b>
EBIT Margin	29.4%	24.9%	29.6%	28.4%
Depreciation	259	290	322	328
<b>EBITDA</b>	<b>2,500</b>	<b>1,664</b>	<b>2,049</b>	<b>2,135</b>
EBITDA Margin	32.9%	30.2%	35.1%	33.6%
Interest Expenses	(923)	(795)	(895)	(909)
<b>EBT</b>	<b>1,608</b>	<b>817</b>	<b>1,071</b>	<b>1,165</b>
Income Tax	(325)	(164)	(216)	(234)
Minority Interest	(125)	(34)	(68)	(74)
<b>Net Profit</b>	<b>1,158</b>	<b>619</b>	<b>787</b>	<b>856</b>
Growth (% y/y)	-2.3%	-46.5%	27.0%	8.9%
Net Profit Margin	15.2%	11.2%	13.5%	13.5%

### PROFITABILITY & STABILITY

	2019/12A	2020/12E	2021/12E	2022/12E
ROE	6.7%	3.5%	4.4%	4.6%
ROA	3.3%	1.6%	1.9%	2.0%
ROIC	6.6%	4.0%	4.9%	4.8%
Cash Dividend (IDR bn)	185	149	59	115
Dividend Yield (%)	1.0%	1.0%	0.4%	0.8%
Payout Ratio (%)	16.0%	24.1%	7.5%	13.4%
DER	52%	56%	56%	59%
Net Gearing	111%	118%	124%	134%
LT Debt to Equity	44%	46%	46%	46%
Capitalization Ratio	34%	36%	36%	37%
Equity Ratio	49%	44%	44%	43%
Debt Ratio	25%	25%	25%	25%
Financial Leverage	153%	215%	227%	232%
Current Ratio	2.17	2.30	2.32	2.28
Par Value (IDR)	250	250	250	250
Total Shares (mn)	18,560	18,560	18,560	18,560
Share Price (IDR)	1,040	780	780	780
Market Cap (IDR tn)	19.3	14.5	14.5	14.5

### BALANCE SHEET

In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Cash	4,238	5,215	5,939	7,004
Receivables	1,173	942	980	1,162
Inventories	10,661	12,248	12,686	13,359
<b>Total Current Assets</b>	<b>18,195</b>	<b>20,541</b>	<b>21,753</b>	<b>23,685</b>
Net Fixed Assets	15,189	15,602	16,105	16,589
Other Non Current Assets	2,812	3,242	3,672	4,102
<b>Total Assets</b>	<b>36,196</b>	<b>39,385</b>	<b>41,530</b>	<b>44,376</b>
Payables	1,838	855	1,114	1,329
ST Debt	1,434	1,708	1,785	2,323
LT Debt	7,742	8,041	8,403	8,737
<b>Total Liabilities</b>	<b>18,434</b>	<b>21,976</b>	<b>23,339</b>	<b>25,470</b>
Capital Stock + APIC	8,232	8,232	8,232	8,232
Retained Earnings	7,146	6,903	7,631	8,374
<b>Shareholders' Equity</b>	<b>17,762</b>	<b>17,408</b>	<b>18,192</b>	<b>18,906</b>

### VALUATION INDEX

	2019/12A	2020/12E	2021/12E	2022/12E
Price /Earnings	16.7x	23.4x	18.4x	16.9x
Price /Book Value	1.1x	0.8x	0.8x	0.8x
Price/Revenue	2.5x	2.6x	2.5x	2.3x
PE/EPS Growth	-7.2x	-0.5x	0.7x	1.9x
EV/EBITDA	9.7x	11.4x	9.1x	8.7x
EV/EBIT	10.8x	13.8x	10.8x	10.3x
EV (IDR bn)	24,241	19,010	18,726	18,533
Revenue CAGR (3-Yr)	4.1%	-5.1%	-8.7%	-5.8%
EPS CAGR (3-Yr)	7.4%	-11.5%	-12.8%	-9.6%
Basic EPS (IDR)	62	33	42	46
Diluted EPS (IDR)	62	33	42	46
BVPS (IDR)	957	938	980	1,019
Revenue PS (IDR)	410	297	315	343
DPS (IDR)	10	8	3	6

### CASH FLOW STATEMENT

In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Operating Cash Flow	980	1,058	1,017	794
Investing Cash Flow	(582)	(567)	(729)	(460)
Financing Cash Flow	604	478	435	731
<b>Net Changes in Cash</b>	<b>1,001</b>	<b>968</b>	<b>723</b>	<b>1,065</b>

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	79.9	PT Sang Pelopor 52.8
United States	10.6	Norges Bank 2.8
Norway	4.1	Vanguard Group Inc 2.1
Luxembourg	3.3	Dimensional Fund 2.0

Source: Company Data, NHKSI Research

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