

# Pembangunan Perumahan Tbk (PTPP)

## Mengandalkan Realisasi Divestasi

Company Update | November 10, 2020

# BUY

<b>Target Price (IDR)</b>	<b>1,140</b>
Consensus Price (IDR)	1,156
TP to Consensus Price	-1.4%
vs. Last Price	+21.9%

### Shares data

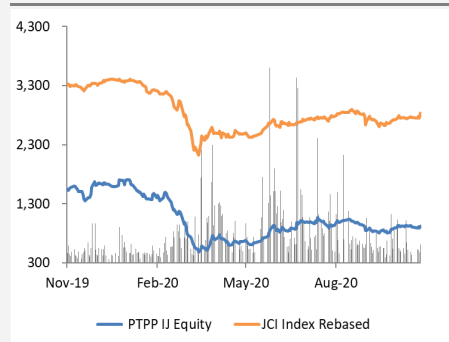
Last Price (IDR)	935
Price Date as of	November, 6 2020
52 wk Range (Hi/Lo)	1,945/484
Free Float (%)	49.0
Outstanding sh. (mn)	6,200
Market Cap. (IDR bn)	5,859
Market Cap. (USD mn)	416
Avg. Trd Vol - 3M (mn)	33.38
Avg. Trd Val - 3M (bn)	31.13
Foreign Ownership	21.7%

### Property

#### Construction

Bloomberg	<b>PTPP IJ</b>
Reuters	<b>PTPP.JK</b>

### Share Price Performance



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Kinerja PTPP pada 3Q20 berada di bawah ekspektasi kami. PTPP mencatatkan pendapatan sebesar Rp3,27 triliun (-38,7% YoY, -2% QoQ) dan laba sebesar Rp10 miliar (-94,2 YoY). Hingga bulan September, kontrak baru PTPP tercapai 46% dari target 2020. Namun perolehan kontrak melambat pada 3Q20. PTPP diharapkan dapat merealisasikan divestasi aset-aset potensial guna mendapat aliran dana segar dan mendorong kinerja FY20 dan FY21.

#### Pendapatan Masih Turun secara Tahunan dan Kuartalan

PTPP membukukan pendapatan sebesar Rp3,27 triliun pada 3Q20 (-38,7% YoY vs Rp5,33 triliun 3Q19), secara kuartalan pun pendapatan PTPP turuh tipis 2%. Segmen konstruksi dengan porsi pendapatan terbesar sebanyak 76,1% tercatat sebesar Rp2,49 triliun (-48% YoY, -5% QoQ), disusul properti dan realty dengan porsi 14% tercatat sebesar Rp458 miliar dan segmen EPC sebesar Rp262 miliar. Sementara GPM, OPM dan NPM masing-masingnya tercatat meningkat menjadi 13%, 9%, 0,3% dibandingkan dengan kuartal sebelumnya. Di sisi lain pada 3Q20, PTPP mencatatkan laba sebesar Rp10 miliar (-94,2% YoY vs Rp181 miliar 3Q19).

#### Kontrak Baru Capai 46% dari Target 2020

Hingga bulan September 2020, kontrak baru yang didapat PTPP mencapai Rp11,77 triliun atau memenuhi 46% target tahun ini sebesar Rp25,53 triliun. Kami melihat kontrak baru yang didapat PTPP masih belum optimal, di mana capaian tersebut lebih rendah dari estimasi kami sebesar Rp15 triliun. Selama periode 3Q19 saja, PTPP hanya mampu mendapatkan kontrak baru senilai Rp2,79 triliun atau lebih rendah dari perolehan dua kuartal sebelumnya.

#### Andalkan Divestasi Guna Dongkrak Kinerja

PTPP masih mencatatkan arus kas operasional (CFO) yang negatif hingga 3Q20. Penambahan nilai penerimaan kas dari pelanggan belum mampu mencatatkan CFO yang positif. Untuk menutup saldo negatif pada CFO, menaikkan laba dan memperbaiki kinerja tahun ini, PTPP memang harus merealisasikan sesegera mungkin rencana divestasi kepemilikan atas aset-asetnya. Ini mencakup; kepemilikan 14% aset konensi Tol Citra Karya Jabardan dan 25% saham di Prima Multi Terminal (PMT). Keduanya akan menghasilkan aliran dana segar mencapai Rp421 miliar bagi PTPP. Aset lain yang direncanakan PTPP akan di-divestasikan adalah Tol Cisumdawu, Pelabuhan Kuala Tanjung, Tol Pandaan-Malang serta Tol Medan Kuala Namu-Tebing Tinggi.

#### Mempertahankan Rating BUY dengan TP Rp1.140

Melihat kinerja 3Q20 yang berada di bawah proyeksi kami, kami menurunkan estimasi pendapatan FY20 dan FY21 masing-masingnya -4,8% dan -16,2% menjadi Rp15,56 triliun dan Rp17,57 triliun. Laba PTPP pun kami revisi -24,7% dan 11,1% menjadi Rp250 miliar dan Rp642 miliar. Hingga akhir tahun, kami perkirakan kinerja PTPP masih akan kurang memuaskan, terlebih jika divestasi tidak terealisasi. Untuk itu, kami menaikkan laba FY21 dengan estimasi divestasi akan berhasil dilakukan pada 2021. Kami pun mempertahankan rating buy dengan merevisi turun target harga menjadi Rp1.140 berdasarkan forward P/E 11x (-0,7 SD) dengan potensi return 21,9% dari harga saat ini.

#### Pembangunan Perumahan (PP) Tbk | Summary

	2019A	2020F	2021F	2022F
Revenue	24,660	15,560	17,567	20,770
Growth (%)	-1.8%	-36.9%	12.9%	18.2%
EBITDA	2,836	2,031	1,381	2,026
Net Profit	930	250	642	827
EPS (IDR)	150	40	104	133
Growth (%)	-38.1%	-73.2%	157.4%	28.8%
P/E	10.6x	28.3x	11.0x	8.5x
P/BV	10.6x	0.5x	0.5x	0.4x
EV/EBITDA	7.0x	9.9x	15.2x	11.6x
ROE (%)	5.8%	1.7%	4.3%	5.2%
DER (%)	105%	137%	142%	153%
Dividen Yield	3.1%	3.0%	1.1%	2.7%

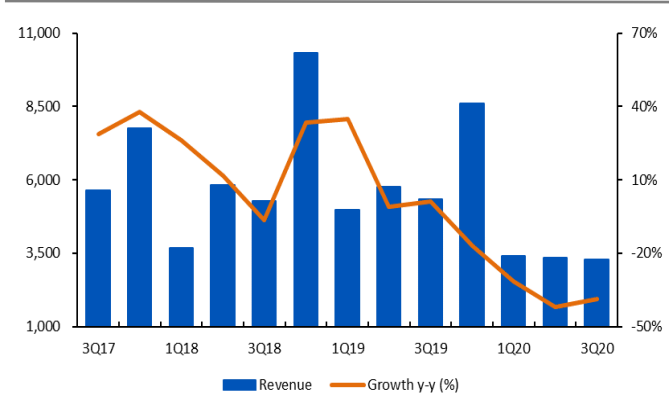
Unit: IDR bn, % x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

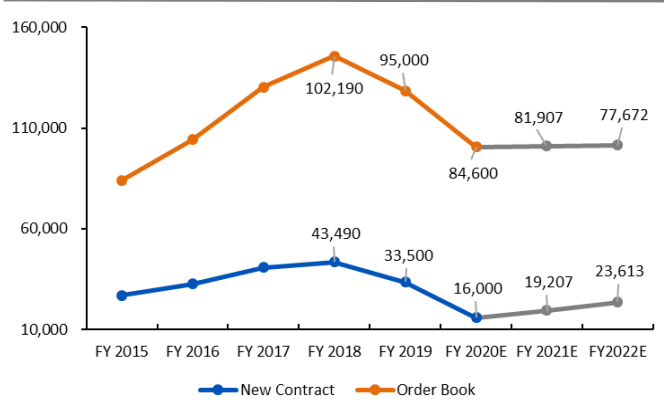
### Performance Highlights in Charts

PTPP Quarterly Revenue (IDR bn) | 3Q17 - 3Q20



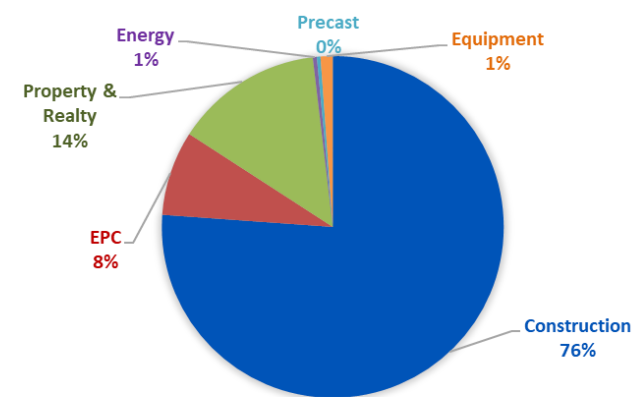
Source: Company Data, NHKSI Research

PTPP Order Book & New Contract



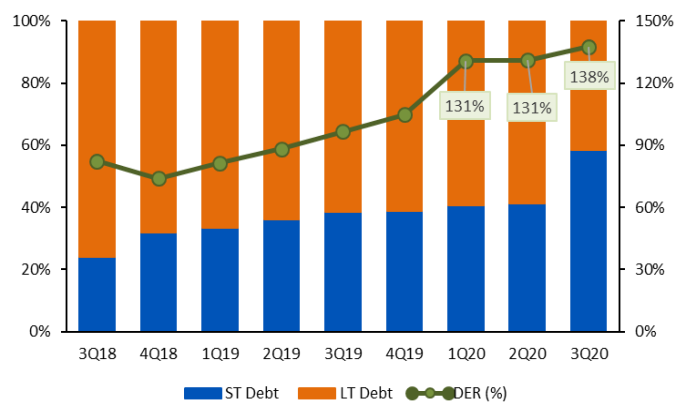
Source: Company Data, NHKSI Research

3Q20's Revenue Breakdown



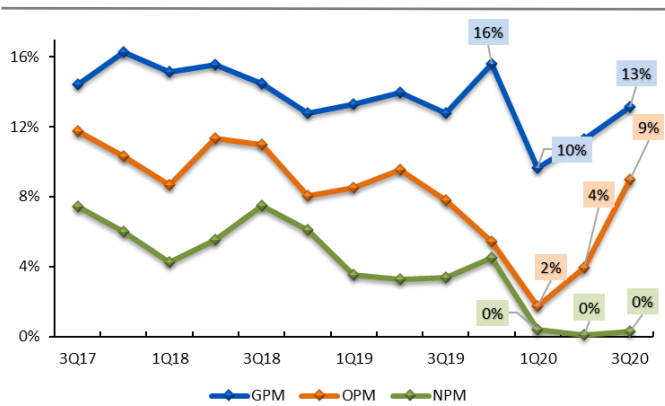
Source: Company Data, NHKSI Research

Debt Portion



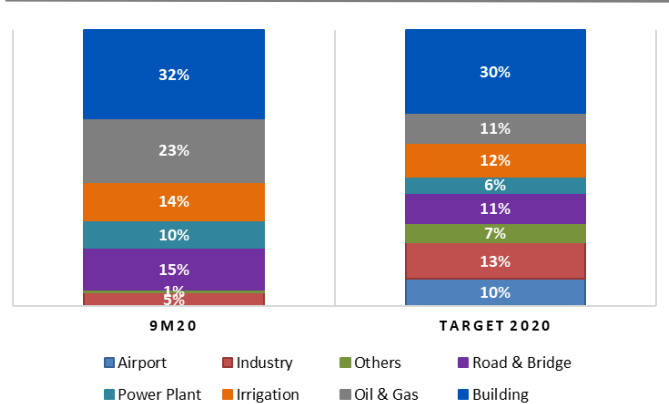
Source: Company Data, NHKSI Research

Margin Ratios



Source: Company Data, NHKSI Research

New Project based on Type of Project | 9M20 & FY20E



Source: Company Data, NHKSI Research

Quarterly Review

	3Q19	4Q19	1Q20	2Q20	3Q20					4Q20E
					Actual	Estimate	Y-Y	Q-Q	Surprise	
<b>Income statement</b>										
Revenue	5,339	8,579	3,409	3,336	3,274	3,833	-38.7%	-1.9%	-14.6%	5,540
Gross Profit	682	1,340	329	337	430	468	-37.0%	13.9%	-8.2%	704
EBIT	416	468	59	132	294	254	-29.2%	123.1%	16.0%	454
EBITDA	654	965	619	347	488	383	-25.4%	49.9%	27.4%	599
Net Profit	181	386	13	3	10	99	-94.2%	297.1%	-89.5%	223
<b>Margin (%)</b>										
Gross Margin	12.8%	15.6%	9.6%	11.3%	13.1%	12.2%	0.3%	1.8%	7.5%	12.7%
EBIT Margin	7.8%	5.4%	1.7%	4.0%	9.0%	6.6%	1.2%	5.0%	35.8%	8.2%
EBITDA Margin	12.3%	11.2%	18.2%	10.4%	14.9%	10.0%	2.6%	5.1%	49.2%	10.8%
Net Profit Margin	3.4%	4.5%	0.4%	0.1%	0.3%	2.6%	-3.1%	0.2%	-87.7%	4.0%

Unit: IDR bn, %

Source: Company Data, NHKSI Research

Revisions to Earnings

		2020F	2021F	2022F
<b>Income Statement</b>				
Revenue	-Revised	15,560	17,567	20,770
	-Previous	16,342	20,960	25,443
	-Change	-4.8%	-16.2%	-18.4%
Gross Profit	-Revised	1,839	2,275	2,576
	-Previous	1,845	2,517	3,264
	-Change	-0.3%	-9.6%	-21.1%
EBIT	-Revised	939	1,187	1,290
	-Previous	829	1,173	1,633
	-Change	13.3%	1.2%	-21.0%
EBITDA	-Revised	2,031	1,381	2,026
	-Previous	1,878	1,388	2,387
	-Change	8.2%	-0.5%	-15.1%
Net Profit	-Revised	250	642	827
	-Previous	332	579	855
	-Change	-24.7%	11.1%	-3.2%
<b>Margin</b>				
Gross Margin	-Revised	11.8%	13.0%	12.4%
	-Previous	11.3%	12.0%	12.8%
EBIT Margin	-Revised	6.0%	6.8%	6.2%
	-Previous	5.1%	5.6%	6.4%
EBITDA Margin	-Revised	13.1%	7.9%	9.8%
	-Previous	11.5%	6.6%	9.4%
Net Profit Margin	-Revised	1.6%	3.7%	4.0%
	-Previous	2.0%	2.8%	3.4%

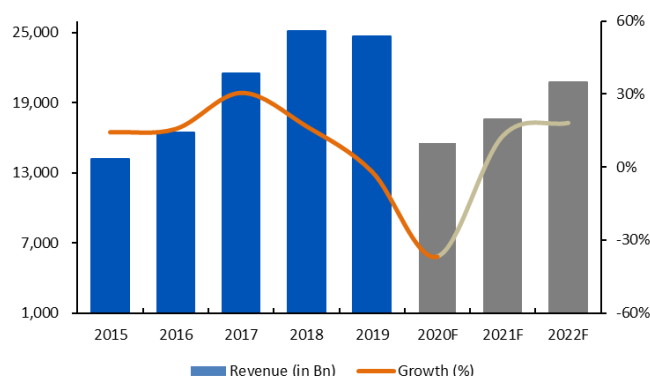
Unit: IDR bn, %

Source: Company Data, NHKSI Research

## Company Overview

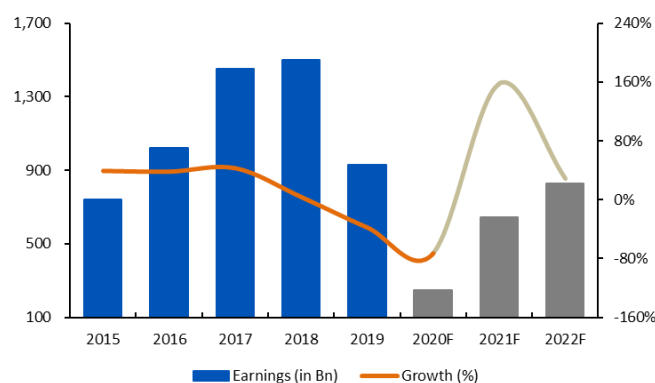
- PT Pembangunan Perumahan (PP) Tbk (PTPP) didirikan pada tahun 1953 dengan nama NV Pembangunan Perumahan
- PTPP resmi melantai di Bursa Efek Indonesia (IDX) pada 9 February 2010.
- Memiliki 5 (lima) anak perusahaan yaitu; PP Property, PP Infrastructure, PP Energy, PP Urban, PP Presisi.
- Memiliki dua pilar bisnis: Construction (Building, Civil, EPC, Specialist, Plant, and Equipment), Investment
- Sebanyak 51,00% pemegang saham merupakan Pemerintah, 0.03% oleh Shareholder Employee Cooperative, sementara sisanya 48,97% dipegang oleh publik.
- Proyek infrastruktur nasional yang sedang digarap PTPP adalah Jalan Tol Medan – Kualanamu – Tebingtinggi, Jalan Tol North Sumatera, Serang – Panimbang, Jalan Tol Semarang – Demak, Konstruksi Tower dari BPJS Ketenagakerjaan.

### Revenue and Growth Movement



Source: Company Data, NHKSI Research

### Earnings and Growth Movement



Source: Company Data, NHKSI Research

## Analysis of Asia-Pacific Peers

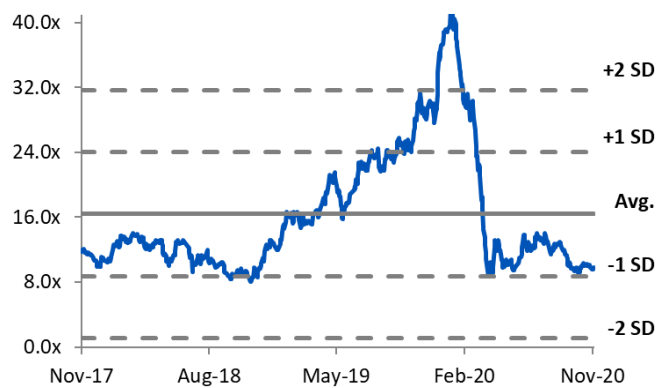
	Market Cap (USD mn)	Asset (USD mn)	Net Profit Growth (LTM)	Net Profit Margin	DER	ROE (LTM)	P/E	P/BV
<b>Indonesia</b>								
PT PP PERSERO TBK	416	4,058	-73%	1.6%	137%	1.7%	11.0x	0.5x
PT WASKITA KARYA PERSERO TBK	747	8,853	-92%	3.0%	238%	-7.0%	35.1x	0.7x
PT WIJAYA KARYA PERSERO TBK	797	4,486	-56%	8.4%	78%	11.9%	4.9x	0.6x
PT ADHI KARYA PERSERO TBK	158	2,637	-50%	4.3%	154%	5.4%	6.8x	0.4x
<b>Thailand</b>								
CH. KARNCHANG PUBLIC CO LTD	882	2,775	-86.1%	7.7%	133.0%	5.1%	67.2x	1.0x
SINO THAI ENGR & CONSTR PCL	556	1,654	-22.6%	4.5%	11.2%	9.6%	13.3x	1.2x
UNIQUE ENGINEERING & CON PCL	158	1,103	-27.2%	6.1%	139.4%	7.3%	8.3x	0.6x
<b>Philippines</b>								
MEGAWIDE CONSTRUCTION CORP	303	1,593	-	4.3%	265.3%	-2.5%	-	1.1x
EEL CORPORATION	161	553	-	4.9%	107.9%	-0.4%	6.7x	1.1x
HOUSE OF INVESTMENTS	55	1,026	-50.3%	2.9%	62.2%	2.2%	6.3x	0.2x
<b>Vietnam</b>								
FLC FAROS CONSTRUCTION JSC	56	460	-	3.7%	27.5%	-0.8%	-	0.2x
HO CHI MINH CITY INFRASTRUCT	174	1,262	-94.1%	10.8%	159.1%	0.5%	148.1x	0.8x
HOA BINH CONSTRUCTION GROUP	107	722	-29.3%	2.2%	125.3%	7.1%	10.0x	0.7x
<b>Malaysia</b>								
GAMUDA BHD	2,238	4,386	-47.4%	10.1%	68.6%	4.5%	24.4x	1.1x
IJM CORP BHD	1,277	5,435	-53.7%	3.8%	59.6%	2.0%	27.4x	0.5x
SUNWAY CONSTRUCTION GROUP BHD	577	466	-39.0%	7.3%	47.6%	13.9%	28.4x	4.0x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

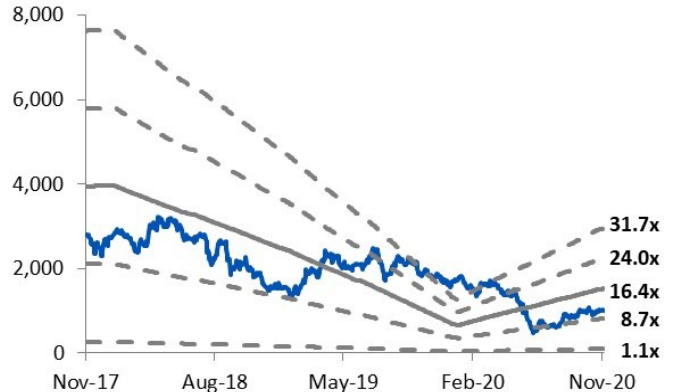
### Valuation Highlights in Charts

3-Years Forward P/E Band



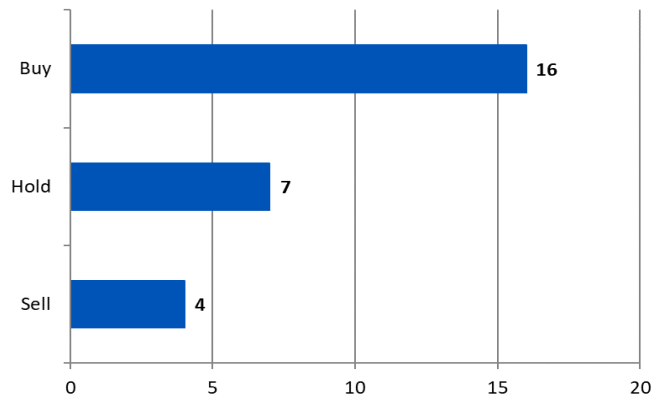
Source: Bloomberg, NHKSI Research

3-Years Dynamic Forward P/E band



Source: Bloomberg, NHKSI Research

Analysts' Recommendation



Source: Bloomberg, NHKSI Research

Correlation between PTPP and Jakarta Property Index



Source: Bloomberg, NHKSI Research

Closing and Target Price Update



Source: Bloomberg, NHKSI Research

Rating and Target Price Update

Date	Rating	Target Price	Consensus
12-04-2018	Buy	IDR3,850	IDR3,971
28-08-2020	Buy	IDR1,250	IDR1,131
10-11-2020	Buy	IDR1,140	IDR1,156

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
Revenue	24,660	15,560	17,567	20,770
Growth (% y/y)	-1.8%	-36.9%	12.9%	18.2%
Cost of Revenue	(21,175)	(13,721)	(15,292)	(18,194)
<b>Gross Profit</b>	<b>3,485</b>	<b>1,839</b>	<b>2,275</b>	<b>2,576</b>
Gross Margin	14.1%	11.8%	13.0%	12.4%
Operating Expenses	(1,628)	(900)	(1,088)	(1,286)
<b>EBIT</b>	<b>1,857</b>	<b>939</b>	<b>1,187</b>	<b>1,290</b>
EBIT Margin	7.5%	6.0%	6.8%	6.2%
Depreciation	979	1,092	194	737
<b>EBITDA</b>	<b>2,836</b>	<b>2,031</b>	<b>1,381</b>	<b>2,026</b>
EBITDA Margin	11.5%	13.1%	7.9%	9.8%
Interest Expenses	(4)	(6)	(2)	(6)
<b>EBT</b>	<b>1,240</b>	<b>491</b>	<b>831</b>	<b>1,170</b>
Income Tax	(31)	(54)	(21)	(30)
Minority Interest	(278)	(188)	(167)	(313)
<b>Net Profit</b>	<b>930</b>	<b>250</b>	<b>642</b>	<b>827</b>
Growth (% y/y)	-38.1%	-73.2%	157.4%	28.8%
Net Profit Margin	3.8%	1.6%	3.7%	4.0%

### PROFITABILITY & STABILITY

	2019/12A	2020/12E	2021/12E	2022/12E
ROE	5.8%	1.7%	4.3%	5.2%
ROA	1.7%	0.4%	1.1%	1.3%
ROIC	5.7%	2.4%	3.1%	3.0%
Cash Dividend (IDR bn)	300	209	75	193
Dividend Yield (%)	3.1%	3.0%	1.1%	2.7%
Payout Ratio (%)	32%	84%	12%	23%
DER	105%	137%	142%	153%
Net Gearing	42%	66%	67%	77%
LT Debt to Equity	64%	81%	84%	90%
Capitalization Ratio	51%	58%	59%	60%
Equity Ratio	28%	26%	26%	26%
Debt Ratio	29%	35%	37%	40%
Financial Leverage	341%	374%	387%	386%
Current Ratio	132%	127%	128%	128%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	6,200	6,200	6,200	6,200
Share Price (IDR)	1,585	1,140	1,140	1,140
Market Cap (IDR tn)	9.8	7.1	7.1	7.1

### BALANCE SHEET

In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Cash	9,712	10,362	11,552	12,371
Receivables	4,445	4,933	4,142	4,962
Inventories	9,566	9,756	8,679	8,269
<b>Total Current Assets</b>	<b>38,568</b>	<b>36,953</b>	<b>38,090</b>	<b>39,331</b>
Fixed Assets	12,689	13,782	15,872	18,060
Other Non Current Assets	4,933	5,923	5,567	5,883
<b>Total Assets</b>	<b>56,190</b>	<b>56,658</b>	<b>59,529</b>	<b>63,274</b>
Payables	18,100	15,732	15,271	14,637
ST Debt	6,325	8,203	8,998	10,279
LT Debt	9,980	11,791	12,933	14,775
<b>Total Liabilities</b>	<b>40,638</b>	<b>42,063</b>	<b>44,085</b>	<b>46,899</b>
Capital Stock + APIC	5,330	5,330	5,330	5,330
Retained Earnings	4,653	3,616	4,183	4,817
<b>Shareholders' Equity</b>	<b>15,552</b>	<b>14,594</b>	<b>15,444</b>	<b>16,375</b>

### VALUATION INDEX

	2019/12A	2020/12E	2021/12E	2022/12E
Price /Earnings	10.6x	28.3x	11.0x	8.5x
Price /Book Value	0.6x	0.5x	0.5x	0.4x
Price/Revenue	0.4x	0.5x	0.4x	0.3x
PE/EPS Growth	-0.3x	-0.4x	0.1x	0.3x
EV/EBITDA	7.0x	9.9x	15.2x	11.6x
EV/EBIT	10.7x	21.4x	17.7x	18.2x
EV (IDR bn)	19,789	20,132	21,049	23,533
Revenue CAGR (3-Yr)	14.4%	-10.2%	-11.2%	-5.6%
EPS CAGR (3-Yr)	-3.0%	-44.4%	-24.7%	-3.8%
Basic EPS (IDR)	150	40.26	104	133
Diluted EPS (IDR)	150	40.26	104	133
BVPS (IDR)	2,508	2,354	2,491	2,641
Revenue PS (IDR)	3,977	2,510	2,833	3,350
DPS (IDR)	48	34	12	31

### CASH FLOW STATEMENT

In IDR bn	2019/12A	2020/12E	2021/12E	2022/12E
Operating Cash Flow	564	274	734	816
Investing Cash Flow	(3,289)	(1,780)	(1,688)	(3,222)
Financing Cash Flow	3,195	2,219	2,144	3,226
<b>Net Changes in Cash</b>	<b>470</b>	<b>713</b>	<b>1,190</b>	<b>819</b>

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	78.3	Republic of Indonesia
Norway	7.7	Norges Bank
United States	6.4	Value Partners Limited
Luxembourg	3.3	Dimensional Fund Advi

Source: Company Data, NHKSI Research

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