

# Ciputra Development Tbk (CTRA IJ)

## Subsidi PPN Mendongkrak Marketing Sales

Company Update | July 09, 2021

### Buy

<b>Target Price (IDR)</b>	<b>1,320</b>
Consensus Price (IDR)	1,343
TP to Consensus Price	-1.7%
Potential Upside	+36.1%

#### Shares data

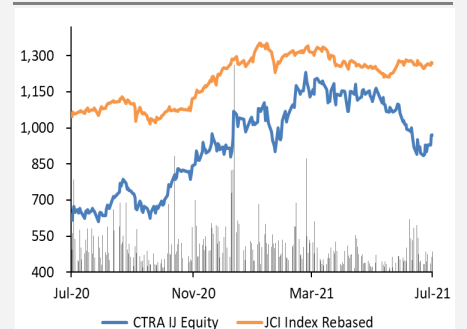
Last Price (IDR)	970
Price Date as of	Jul 07, 2021
52 wk Range (Hi/Lo)	1,350/570
Free Float (%)	46.7
Outstanding sh. (mn)	18,560
Market Cap. (IDR bn)	18,003
Market Cap. (USD mn)	1,238
Avg. Trd Vol - 3M (mn)	22.87
Avg. Trd Val - 3M (bn)	23.83
Foreign Ownership	18.1%

#### Property

##### Real Estate Owner & Developer

Bloomberg	CTRA IJ
Reuters	CTRA.JK

#### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-6.3%	-5.4%	-15.7%	57.7%
Rel. Ret.	-5.3%	-4.9%	-15.8%	36.5%

#### Ajeng Kartika Hapsari

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CTRA berhasil mencatatkan kinerja cemerlang pada 1Q21. Meskipun masih dalam kondisi pandemi, namun pendapatan dan laba CTRA tumbuh signifikan senilai 22,6% YoY dan 37,1% YoY. *Marketing Sales* 1Q21 pun telah tercapai 32% dari target. Dengan didukung oleh subsidi PPN yang ditanggung pemerintah dan lahan pengembangan yang masih luas, kami estimasi kenaikan *marketing sales* bisa mencapai 8%-9% untuk tahun ini.

#### Catatan Kenaikan Kinerja pada 1Q21

- Pada 1Q21 CTRA berhasil membukukan pendapatan senilai Rp1,85 triliun (+22,6% YoY vs Rp1,51 triliun 1Q20). Berada 0,6% di bawah estimasi kami.
- Development revenue* tumbuh 32,7% YoY. Di dalamnya, penjualan apartemen dan tanah menyumbang kenaikan tertinggi (1.109% YoY, dan 236% YoY). Sementara pendapatan segmen rumah tapak tumbuh tipis 0,4% YoY.
- Recurring income* tercatat turun 0,9% YoY. Pendapatan dari segmen *mall* dan hotel turun signifikan 26,8% YoY dan 51,2% YoY, dikarenakan kinerja 1Q20 belum terdampak pandemi.
- CTRA berhasil mencatatkan kenaikan pada semua margin. GPM, OPM, NPM naik menjadi 50,2%, 33,7%, dan 13,1% (vs 46,9%, 22,2%, dan 11,8% 1Q20).
- Sehingga laba 1Q21 tumbuh 37,1% YoY menjadi RP243 miliar (vs Rp178 miliar 1Q20).

#### Kembangkan Lahan Existing untuk Meraup Marketing Sales

- CTRA mencatatkan *marketing sales* sebesar Rp1,9 triliun (+67,2% YoY) atau tercapai 32% dari target tahun ini senilai Rp5,8 triliun.
- Tahun ini, CTRA memiliki dua produk baru yang sudah rilis. Yaitu rumah tapak di CitraLand Puncak Tidar Malang, dan apartemen Citra Landmark di Ciracas.
- CTRA juga masih akan membangun cluster/tower baru pada *existing project* dan tetap menyasar segmen *end-user*.
- Kami memproyeksikan *marketing sales* CTRA tahun ini dapat tumbuh hingga 8%-9% YoY.

#### Rekomendasi BUY dengan TP Rp1.320

- Insentif pemerintah berupa subsidi PPN yang diperpanjang hingga akhir 2021 (sebelumnya hingga Agustus 2021), kami lihat dapat menjadi pendongkrak perolehan *marketing sales* tahun ini. Apalagi, target penjualan CTRA memang didominasi oleh kalangan menengah ke bawah.
- Kami merubah rekomendasi menjadi BUY, dengan mempertahankan TP sebesar Rp1.320 menggunakan estimasi *discount to NAV* 78,65% (-1,9 SD 3 tahun terakhir). Saat ini CTRA di diperdagangkan pada *discount to NAV* 84%.
- Risiko perubahan TP kami adalah; 1) perubahan kebijakan insentif pemerintah, 2) kenaikan tingkat suku bunga, 3) kenaikan kasus Covid-19 yang menyebabkan penurunan daya beli.

#### Ciputra Development Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	8,071	8,840	9,113	9,543
Growth	6.1%	9.5%	3.1%	4.7%
Net Profit	1,321	1,534	1,676	1,725
Growth	14.1%	16.2%	9.3%	2.9%
EPS (IDR)	71	83	90	93
P/E	13.8x	16.0x	14.6x	14.2x
P/BV	1.0x	1.3x	1.2x	1.1x
EV/EBITDA	8.5x	9.7x	8.4x	8.0x
ROE	7.5%	8.4%	8.5%	8.2%
DER	57.4%	56.0%	56.0%	55.0%
Net Debt	4,748	4,158	3,888	3,652

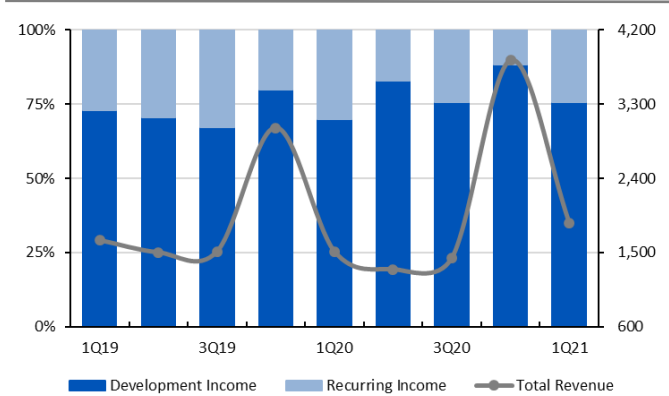
Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

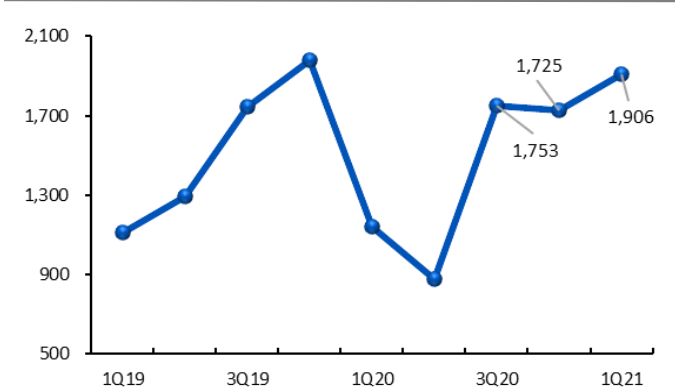
## Performance Highlights in Charts

CTRA Quarterly Income (IDR bn) | 1Q19 - 1Q21



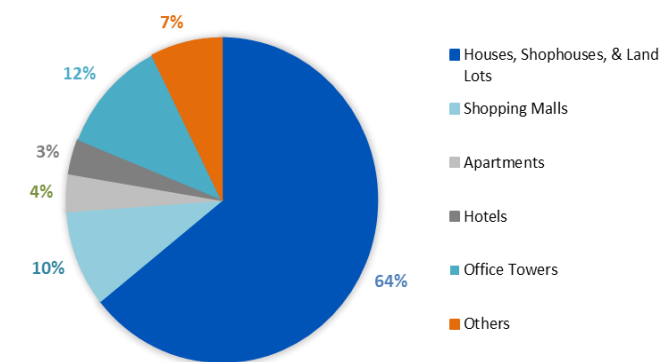
Source: Company Data, NHKSI Research

CTRA Quarterly Marketing Sales | 1Q19 - 1Q21



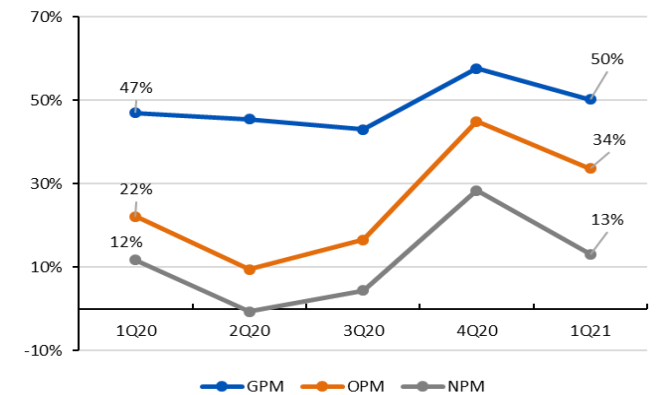
Source: Company Data, NHKSI Research

3M21's Revenue Breakdown



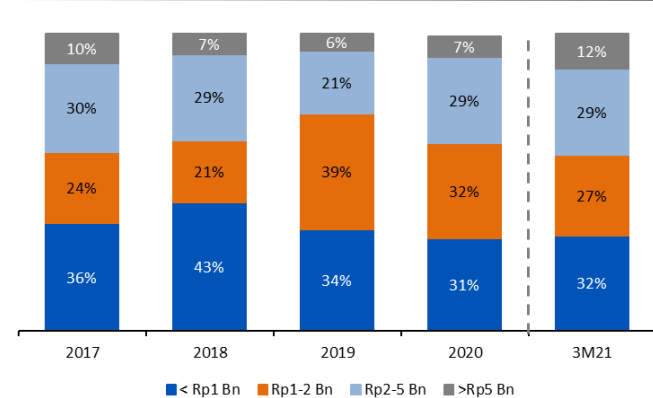
Source: Company Data, NHKSI Research

Margin Ratio



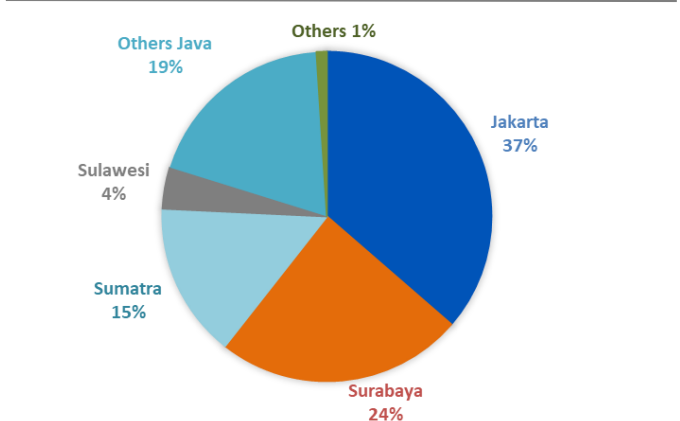
Source: Company Data, NHKSI Research

Pre Sales per Unit Price



Source: Company Data, NHKSI Research

Pre Sales per Location



Source: Company Data, NHKSI Research

## 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 properti 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.

### Analysis of Asia-Pacific Peers

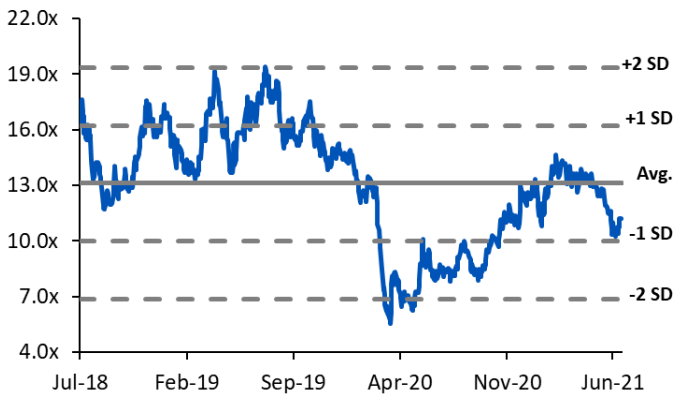
	Market Cap (USD mn)	Asset (USD mn)	Sales Growth	Gross Margin	Operating Margin	Net Profit Growth	ROE (LTM)	P/E (LTM)	P/BV
<b>Indonesia</b>									
PT Bumi Serpong Damai Tbk	1,420	4,371	-12.76%	68.8%	32.1%	-74.9%	2.1%	35.8x	0.7x
PT Ciputra Development Tbk	1,238	2,819	6.08%	51%	29.9%	31.7%	9.2%	13.0x	1.2x
PT Pakuwon Jati Tbk	1,471	1,900	-44.78%	49%	31.7%	-46.7%	7.7%	19.4x	1.4x
PT Summarecon Agung Tbk	963	1,790	-15.34%	46%	21.5%	-64.6%	2.6%	70.2x	1.8x
<b>Singapore</b>									
Capitaland Ltd	14,395	63,854	4.78%	45%	1%	-	-6.9%	-	0.9x
<b>Malaysia</b>									
SP Setia Bhd	1,069	7,556	-17.84%	20%	10%	-	-2.8%	-	0.4x
IOI Properties Group Bhd	1,491	7,679	-3.69%	56%	38%	3.0%	3.1%	10.5x	0.3x
<b>Thailand</b>									
Land & Houses PUB Co Ltd	2,929	4,086	-0.3%	30.1%	21.8%	-20.9%	14.6%	12.5x	1.8x
WHA Corp PCL	1,429	2,754	-33.92%	44%	38%	-12.4%	9.0%	18.1x	1.6x
<b>Philippines</b>									
Megaworld Corp	2,067	7,825	-36.62%	62%	32%	-50.3%	5.0%	12.3x	0.6x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

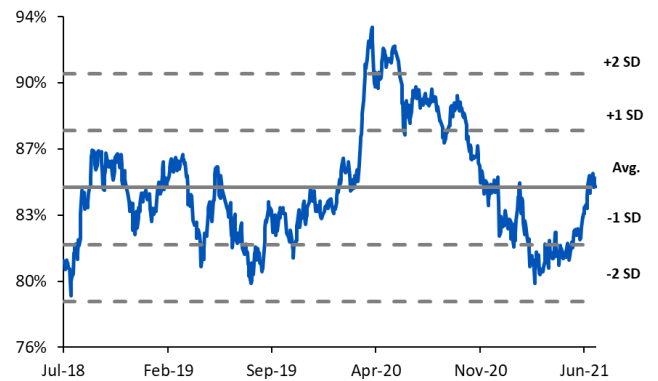
## Valuation Highlights in Charts

### 3-Year Forward P/E Band



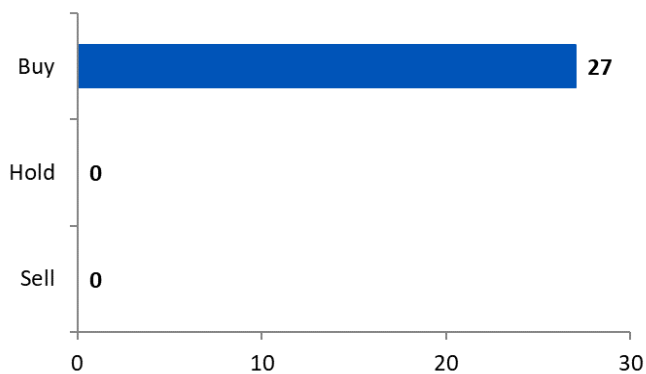
Source: Bloomberg, NHKS Research

### 3-Year Discount to NAV Band



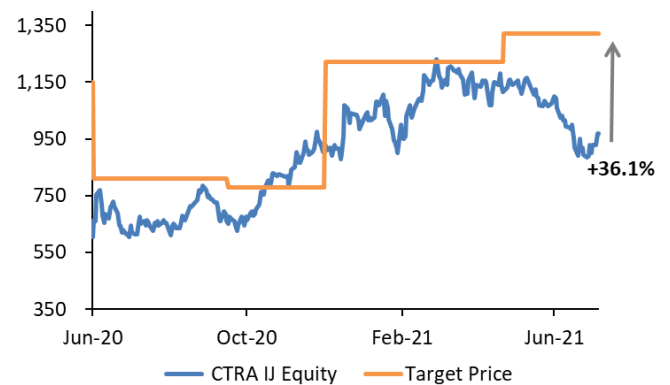
Source: Bloomberg, NHKS Research

### Recommendations by Analysts



Source: Bloomberg, NHKS Research

### Closing and Target Price Update



Source: Bloomberg, NHKS Research

## Rating and Target Price Update

### Target Price

Date	Rating	Target Price	Last Price	Consensus	Potential Upside	vs Consensus
03/06/2020	Buy	810	665	871	21.8%	-7.0%
24/09/2020	Buy	780	645	881	20.9%	-11.5%
11/12/2020	Buy	1,220	900	1,032	35.6%	18.2%
29/04/2021	Overweight	1,320	1,160	1,313	13.8%	0.5%
09/07/2021	Buy	1,320	970	1,343	36.1%	-1.7%

Source: NHKSI Research, Bloomberg

## Summary of Financials

## INCOME STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
<b>Revenues</b>	<b>8,071</b>	<b>8,840</b>	<b>9,113</b>	<b>9,543</b>
Growth (% y/y)	6.1%	9.5%	3.1%	4.7%
COGS	(3,949)	(4,250)	(4,134)	(4,292)
<b>Gross Profit</b>	<b>4,121</b>	<b>4,590</b>	<b>4,979</b>	<b>5,251</b>
Gross Margin	51.1%	51.9%	54.6%	55.0%
Operating Expenses	(1,705)	(1,930)	(1,892)	(2,049)
<b>EBIT</b>	<b>2,417</b>	<b>2,660</b>	<b>3,087</b>	<b>3,202</b>
EBIT Margin	29.9%	30.1%	33.9%	33.5%
Depreciation	299	287	290	307
<b>EBITDA</b>	<b>2,716</b>	<b>2,947</b>	<b>3,377</b>	<b>3,508</b>
EBITDA Margin	33.6%	33.3%	37.1%	36.8%
Interest Expenses	(1,235)	(1,112)	(1,306)	(1,333)
<b>EBT</b>	<b>1,428</b>	<b>1,815</b>	<b>2,058</b>	<b>2,158</b>
Income Tax	(57)	(118)	(235)	(288)
Minority Interest	(50)	(163)	(146)	(145)
<b>Net Profit</b>	<b>1,321</b>	<b>1,534</b>	<b>1,676</b>	<b>1,725</b>
Growth (% y/y)	14.1%	16.2%	9.3%	2.9%
Net Profit Margin	16.4%	17.4%	18.4%	18.1%

## BALANCE SHEET

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Cash	5,276	6,484	7,520	8,409
Receivables	937	908	995	1,249
Inventories	12,240	13,174	12,533	13,919
<b>Total Current Assets</b>	<b>20,646</b>	<b>22,698</b>	<b>23,191</b>	<b>25,729</b>
Net Fixed Assets	15,681	16,158	17,041	17,944
Other Non Current Assets	2,929	2,969	3,009	3,049
<b>Total Non Current Assets</b>	<b>18,610</b>	<b>19,127</b>	<b>20,050</b>	<b>20,993</b>
<b>Total Assets</b>	<b>39,255</b>	<b>41,825</b>	<b>43,241</b>	<b>46,722</b>
Payables	1,985	1,281	1,075	1,194
ST Debt	3,152	2,505	2,685	2,839
<b>Total Current Liabilities</b>	<b>11,609</b>	<b>11,257</b>	<b>10,313</b>	<b>11,482</b>
LT Debt	6,872	8,137	8,723	9,222
<b>Total Liabilities</b>	<b>21,798</b>	<b>22,822</b>	<b>22,868</b>	<b>24,794</b>
Capital Stock + APIC	8,210	8,210	8,210	8,210
Retained Earnings	7,135	8,503	9,961	11,473
<b>Shareholders' Equity</b>	<b>17,458</b>	<b>19,004</b>	<b>20,373</b>	<b>21,929</b>

## CASH FLOW STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	1,214	1,561	1,386	1,396
Investing Cash Flow	(838)	(874)	(808)	(992)
Financing Cash Flow	658	512	459	484
<b>Net Changes in Cash</b>	<b>1,034</b>	<b>1,199</b>	<b>1,037</b>	<b>888</b>

## PROFITABILITY &amp; STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	7.5%	8.4%	8.5%	8.2%
ROA	3.5%	3.8%	3.9%	3.8%
Inventory Turnover	0.3x	0.3x	0.3x	0.3x
Receivables Turnover	7.6x	9.6x	9.6x	8.5x
Payables Turnover	2.1x	2.6x	3.5x	3.8x
Dividend Yield (%)	0.8%	0.7%	0.9%	0.9%
Payout Ratio (%)	11.2%	10.9%	13.0%	12.4%
DER	57%	56%	56%	55%
Net Gearing	122%	130%	139%	147%
Equity Ratio	44%	45%	47%	47%
Debt Ratio	26%	25%	26%	26%
Financial Leverage	161%	222%	216%	213%
Current Ratio	1.78	2.02	2.25	2.24
Quick Ratio	39%	42%	47%	48%
Par Value (IDR)	250	250	250	250
Total Shares (mn)	18,560	18,560	18,560	18,560
Share Price (IDR)	985	1,320	1,320	1,320
Market Cap (IDR tn)	18.3	24.5	24.5	24.5

## VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	13.8x	16.0x	14.6x	14.2x
PE/EPS Growth	1.0x	1.0x	1.6x	4.9x
Price /Book Value	1.0x	1.3x	1.2x	1.1x
EV/EBITDA	8.5x	9.7x	8.4x	8.0x
EV (IDR bn)	23,030	28,658	28,388	28,152
Revenue CAGR (3-Yr)	7.8%	4.8%	6.2%	5.7%
Net Income CAGR (3-Yr)	13.9%	9.0%	13.1%	9.3%
Basic EPS (IDR)	71	83	90	93
BVPS (IDR)	941	1,024	1,098	1,181
DPS (IDR)	7.99	8.98	11.76	11.48

## OWNERSHIP

Shareholders	%
PT Sang Pelopor	53.2
Vanguard Group Inc	2.9
Norgers Bank	2.5
Dimensional Fund Adv.	1.4
Others	40.0
<b>By Geography</b>	<b>%</b>
Indonesia	81.9
United States	8.4
Norway	3.8
Luxembourg	2.9

Source: Company Data, NHKSI Research

**NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings**

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. 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%

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