

Pembangunan Perumahan Tbk (PTPP)

Gearing Ratio Rendah Memberi Fleksibilitas Pendanaan

Company Update | July 16, 2021

BUY

Target Price (IDR)	1,220
Consensus Price (IDR)	1,432
TP to Consensus Price	-14.8%
Potential Upside	+43.5%

Shares data

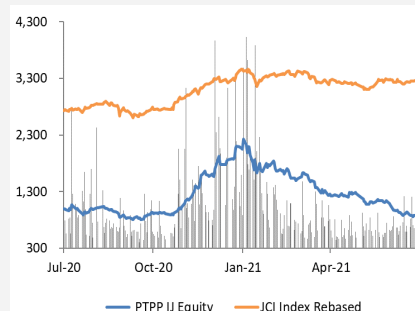
Last Price (IDR)	850
Price Date as of	July 14, 2021
52 wk Range (Hi/Lo)	2,360/785
Free Float (%)	48.9
Outstanding sh. (mn)	6,200
Market Cap. (IDR bn)	5,239
Market Cap. (USD mn)	361
Avg. Trd Vol - 3M (mn)	27.09
Avg. Trd Val - 3M (bn)	29.11
Foreign Ownership	14.2%

Infrastructure

Construction

Bloomberg	PTPP IJ
Reuters	PTPP.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-54.9%	-22.0%	-30.9%	-14.6%
Rel. Ret.	-53.4%	-20.9%	-32.3%	-33.3%

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Pada 1Q21, pendapatan PTPP turun hingga 16,7% YoY, namun beban pendapatan dan beban usaha yang rendah, mendorong kenaikan laba menjadi Rp38 miliar (+187,3% YoY). Kami optimis sektor konstruksi masih menjadi prioritas program Pemulihan Ekonomi Nasional (PEN). PTPP sendiri pun gencar menggarap Proyek Strategis Nasional (PSN) dan masih memiliki fleksibilitas pendanaan dengan *gearing ratio* yang rendah.

Top Line Tertekan, Namun Bottom Line Masih Tumbuh

- PTPP membukukan pendapatan 1Q21 sebesar Rp2,83 triliun (-16,7% YoY vs Rp3,4 triliun 1Q20).
- Pendapatan dari segmen konstruksi—sebagai porsi pendapatan terbesar (78,1% dari total pendapatan)—tercatat sebesar Rp2,21 triliun (-18% YoY). Di sisi lain, *gross margin* konstruksi mengalami kenaikan menjadi 12% (vs 4% 1Q20) di saat semua segmen mengalami penurunan.
- Secara keseluruhan, GPM OPM dan NPM naik menjadi 14,3%, 6,4%, dan 1,3%.
- PTPP mampu meminimalisir beban pendapatan terutama dari segmen konstruksi. Selain itu, beban usaha juga turun 17% YoY.
- PTPP berhasil mencatatkan laba sebesar Rp38 miliar (+187,3% YoY vs Rp13 miliar 1Q20)

Malanjutkan Divestasi Aset

- Sepanjang 1Q21, PTPP berhasil mencatatkan kontrak baru sebesar Rp2,5 triliun atau tercapai 8% dari target tahun ini.
- PTPP masih memiliki neraca yang kuat. Dibandingkan dengan BUMN Karya lain, PTPP memiliki *gross gearing* yang paling rendah, yaitu 1,36x.
- Kami menilai, PTPP masih memiliki ruang cukup luas untuk membiayai proyek pada *order book*. Di sisi lain, PTPP harus memperhatikan *cash flow* yang tercatat masih negatif.
- PTPP sedang mengerjakan pembangunan pabrik pertama di KIT Batang, yang merupakan salah satu Proyek Strategis Nasional (PSN).
- Pada 2H21, PTPP memiliki 2 aset yang sedang dalam tahap akhir proses divestasi, yaitu Jalan Tol Medan-Kualanamu dan Pelabuhan Kuala Tanjung senilai Rp800 miliar. Saat ini, PTPP juga dalam tahap awal proses divestasi Jalan Tol Padaan-Malang. Divestasi ini nantinya akan berdampak positif pada keuangan PTPP di tahun 2021.

Rating Buy dengan TP Rp1.220

- Di tengah revisi turun target pertumbuhan ekonomi Indonesia (fr. 4,3%-5,3%; to 3,7%-4,5%), kami tetap optimis bahwa sektor konstruksi masih menjadi prioritas dalam program Pemulihan Ekonomi Nasional (PEN).
- Terbukti dengan diberikannya dana segar melalui Penyertaan Modal Negara (PMN) pada 2021 dan 2022 ke beberapa perusahaan konstruksi untuk pengerjaan proyek pemerintah.
- Kami mempertahankan *rating BUY* dengan merevisi turun TP menjadi Rp1.220 berdasarkan forward P/E 9,7x (+0,9 SD rata-rata 3 tahun terakhir). TP kami mencerminkan potensi kenaikan 44,4% dari harga terakhir.

Pembangunan Perumahan (PP) Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	15,831	18,939	22,121	28,900
Growth	-35.8%	19.6%	16.8%	30.6%
Net Profit	129	417	784	1,148
Growth	-86.2%	223.9%	88.1%	46.4%
EPS (IDR)	21	67	127	185
P/E	89.8x	18.1x	9.6x	6.6x
P/BV	0.8x	0.5x	0.5x	0.4x
EV/EBITDA	17.0x	12.6x	12.5x	9.4x
ROE	0.9%	2.9%	5.2%	7.1%
DER	132%	157%	160%	161%
Dividend Yield	1.8%	0.0%	1.2%	2.2%

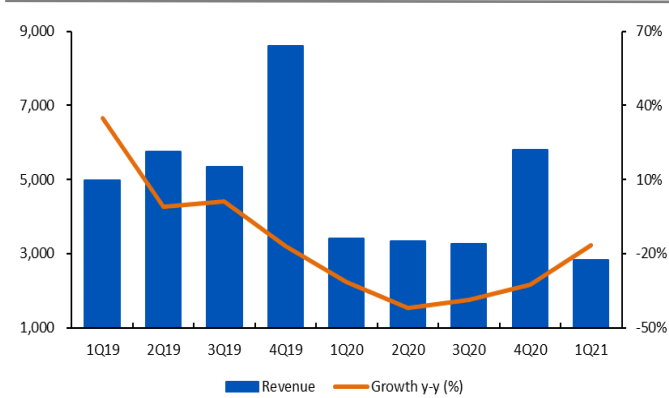
Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

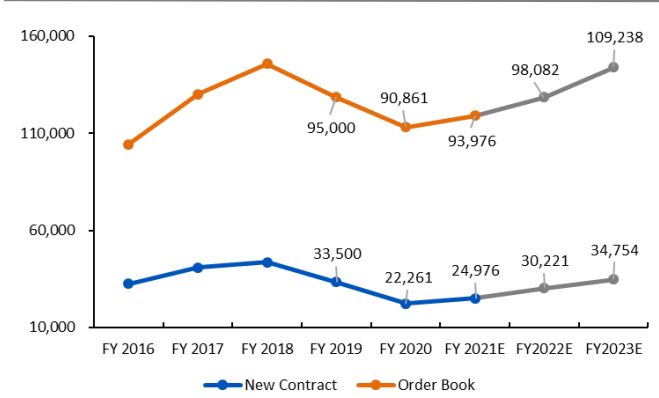
Performance Highlights in Charts

PTPP Quarterly Revenue (IDR bn) | 1Q19 - 1Q21



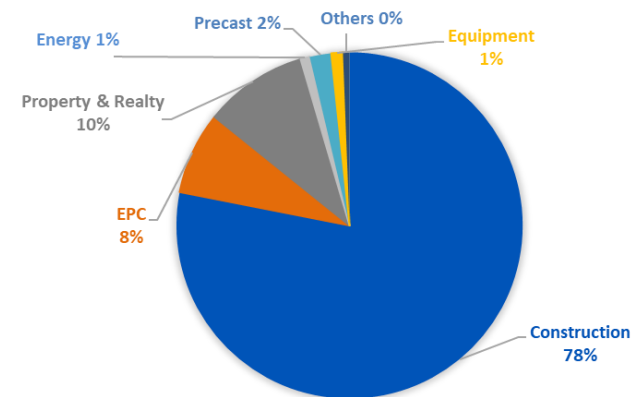
Source: Company Data, NHKSI Research

PTPP Order Book & New Contract



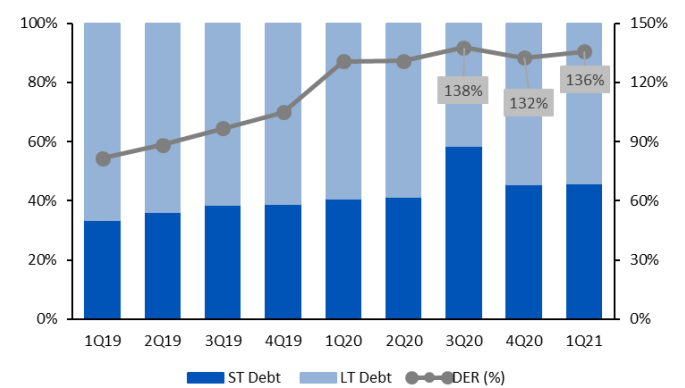
Source: Company Data, NHKSI Research

1Q21's Revenue Breakdown



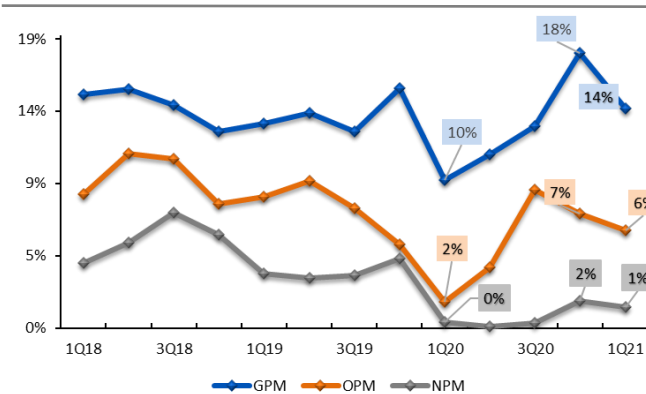
Source: Company Data, NHKSI Research

Debt Portion



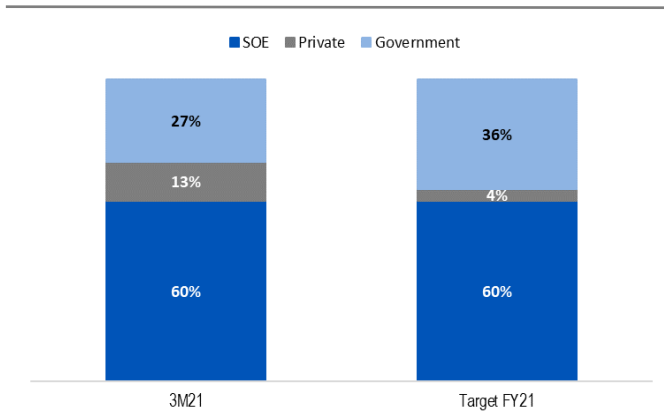
Source: Company Data, NHKSI Research

Margin Ratios



Source: Company Data, NHKSI Research

New Project based on Ownership | 3M21 & Target FY21



Source: Company Data, NHKSI Research

Company Overview



CONSTRUCTION & INVESTMENT

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.

PTPP 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.

Analysis of Asia-Pacific Peers

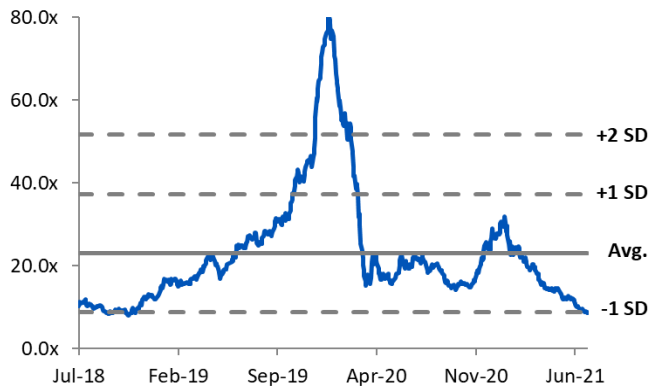
	Market Cap (USD mn)	Asset (USD mn)	Net Profit Growth (LTM)	Net Profit Margin	DER	ROE (LTM)	P/E	P/BV
Indonesia								
PT PP PERSERO TBK	361	3,840	224%	2.2%	157%	2.9%	9.6x	0.5x
PT WASKITA KARYA PERSERO TBK	813	7,583	-	-45.6%	376%	-58.1%	-	1.6x
PT WIJAYA KARYA PERSERO TBK	602	4,891	-92%	1.1%	158%	1.1%	47.1x	0.5x
PT ADHI KARYA PERSERO TBK	167	2,736	-97%	0.2%	175%	0.3%	146.4x	0.4x
Thailand								
CH. KARNCHANG PUBLIC CO LTD	959	2,760	-28.8%	3.7%	161.9%	3.6%	33.7x	1.2x
SINO THAI ENGR & CONSTR PCL	626	1,468	-19.9%	3.0%	16.8%	7.9%	19.0x	1.4x
UNIQUE ENGINEERING & CON PCL	233	1,119	-90.0%	2.0%	190.8%	0.9%	108.0x	0.9x
Philippines								
MEGAWIDE CONSTRUCTION CORP	265	1,694	-	-3.1%	223.8%	-5.5%	-	0.8x
EEI CORPORATION	169	560	-	-14.7%	173.7%	-27.8%	-4.2x	1.3x
HOUSE OF INVESTMENTS	64	1,081	-	-3.9%	76.2%	-5.0%	-	0.2x
Vietnam								
FLC FAROS CONSTRUCTION JSC	131	454	-84.4%	0.0%	11.0%	0.3%	166.3x	0.5x
HO CHI MINH CITY INFRASTRUCT	164	1,279	-96.7%	4.7%	213.0%	0.2%	284.0x	0.8x
HOA BINH CONSTRUCTION GROUP	133	673	-70.8%	0.8%	123.4%	2.5%	34.7x	0.9x
Malaysia								
GAMUDA BHD	1,666	4,370	-37.8%	10.1%	61.0%	4.1%	19.6x	0.8x
IJM CORP BHD	1,503	5,667	72.3%	7.7%	56.2%	4.4%	14.7x	0.6x
SUNWAY CONSTRUCTION GROUP BHD	492	474	-33.1%	4.7%	48.3%	11.8%	26.9x	3.1x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

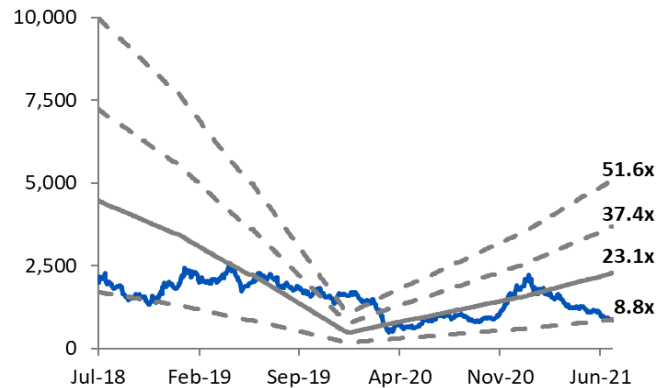
Valuation Highlights in Charts

3-Years Forward P/E Band



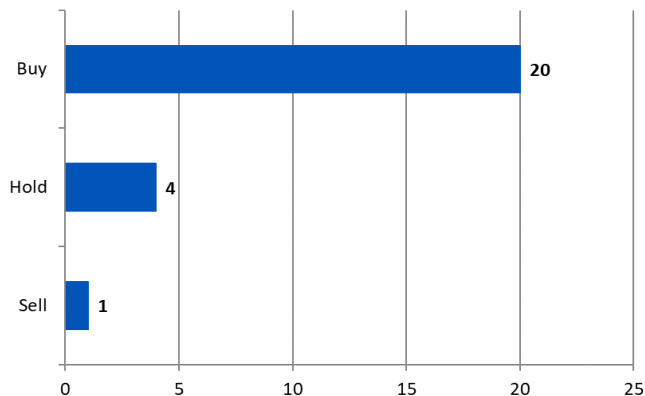
Source: Bloomberg, NHKSI Research

3-Years Dynamic Forward P/E band



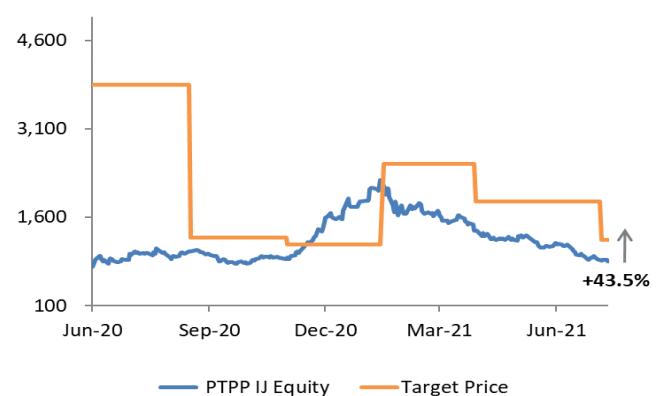
Source: Bloomberg, NHKSI Research

Analysts' Recommendation



Source: Bloomberg, NHKSI Research

Closing and Target Price Update



Source: Bloomberg, NHKSI Research

Rating and Target Price Update

Target Price

Date	Rating	Target Price	Last Price	Consensus	Potential Upside	vs Consensus
28/08/2020	Buy	1,250 (12 Month)	1,005	1,131	+24.4%	+10.5%
10/11/2020	Buy	1,140 (12 Month)	935	1,156	+21.9%	-1.4%
18/01/2021	Overweight	2,510 (12 Month)	2,230	1,859	+12.6%	+35.0%
05/04/2021	Buy	1,870 (12 Month)	1,375	2,077	+36.0%	-10.0%
16/07/2021	Buy	1,220 (12 Month)	850	1,432	+43.5%	-14.8%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Revenue	15,831	18,939	22,121	28,900
<i>Growth (% y/y)</i>	-35.8%	19.6%	16.8%	30.6%
Cost of Revenue	(13,658)	(16,144)	(19,036)	(24,432)
Gross Profit	2,173	2,795	3,086	4,467
<i>Gross Margin</i>	13.7%	14.8%	13.9%	15.5%
Operating Expenses	(1,257)	(1,430)	(1,629)	(2,202)
EBIT	916	1,365	1,457	2,266
<i>EBIT Margin</i>	5.8%	7.2%	6.6%	7.8%
Depreciation	580	608	690	796
EBITDA	1,496	1,972	2,146	3,062
<i>EBITDA Margin</i>	9.4%	10.4%	9.7%	10.6%
Interest Expenses	(7)	(6)	(8)	(8)
EBT	290	754	1,107	1,538
Income Tax	(23)	(59)	(86)	(44)
Minority Interest	(138)	(161)	(237)	(346)
Net Profit	129	417	784	1,148
<i>Growth (% y/y)</i>	-86.2%	223.9%	88.1%	46.4%
<i>Net Profit Margin</i>	0.8%	2.2%	3.5%	4.0%

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	0.9%	2.9%	5.2%	7.1%
ROA	0.2%	0.7%	1.2%	1.7%
Inventory Turnover	1.4x	1.7x	1.9x	2.4x
Receivables Turnover	3.3x	3.2x	3.2x	4.1x
Payables Turnover	0.8x	1.0x	1.0x	1.3x
Dividend Yield (%)	1.8%	0.0%	1.2%	2.2%
Payout Ratio (%)	163%	0%	11%	15%
DER	1.3x	1.6x	1.6x	1.6x
Net Gearing	75%	95%	100%	104%
Equity Ratio	26%	24%	24%	25%
Debt Ratio	35%	37%	38%	40%
Financial Leverage	350%	401%	418%	412%
Current Ratio	121%	121%	118%	118%
Quick Ratio	87%	90%	90%	90%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	6,200	6,200	6,200	6,200
Share Price (IDR)	1,865	1,220	1,220	1,220
Market Cap (IDR tn)	11.6	7.6	7.6	7.6

BALANCE SHEET

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Cash	8,012	9,098	9,269	9,593
Receivables	5,211	6,723	6,993	7,023
Inventories	9,525	9,936	9,882	10,199
Total Current Assets	33,925	39,615	40,797	42,225
Fixed Assets	12,597	14,397	16,361	18,455
Other Non Current Assets	6,951	7,086	7,618	7,895
Total Non Current Assets	19,548	21,483	23,979	26,351
Total Assets	53,472	61,098	64,776	68,576
Payables	15,526	18,187	18,637	18,861
ST Debt	8,442	10,496	11,617	12,535
Total Current Liabilities	27,987	32,823	34,514	35,776
LT Debt	10,114	12,401	13,277	14,566
Total Liabilities	39,465	46,513	49,217	51,743
Capital Stock + APIC	5,308	5,308	5,308	5,308
Retained Earnings	3,149	3,706	4,402	5,383
Shareholders' Equity	14,007	14,585	15,559	16,833

CASH FLOW STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	(80)	605	1,033	1,185
Investing Cash Flow	(3,573)	(2,938)	(3,049)	(3,193)
Financing Cash Flow	2,067	3,208	2,186	2,332
Net Changes in Cash	(1,586)	875	170	325

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	89.8x	18.1x	9.6x	6.6x
PE/EPS Growth	-1.0x	0.1x	0.1x	0.1x
Price /Book Value	0.8x	0.5x	0.5x	0.4x
EV/EBITDA	17.0x	12.6x	12.5x	9.4x
EV (IDR bn)	25,489	24,768	26,765	28,826
Revenue CAGR (3-Yr)	-9.7%	-9.0%	-3.6%	22.2%
Net Profit CAGR (3-Yr)	-55.4%	-34.8%	-5.5%	107.4%
Basic EPS (IDR)	21	67	127	185
BVPS (IDR)	2,259	2,352	2,510	2,715
DPS (IDR)	33.8	-	14.3	26.9

OWNERSHIP

Shareholders	%
Republic of Indonesia	51.0
Norges Bank	2.8
Vanguard Group Inc	1.3
Value Partners Ltd	1.3
Others	42.4
By Geography	%
Indonesia	85.8
United States	5.6
Norway	4.6
Hong Kong	2.1

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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