

Pakuwon Jati Tbk (PWON)

Pemulihan Kinerja Terhambat PPKM Darurat

Company Update | July 01, 2021

BUY

Target Price (IDR)	585
Consensus Price (IDR)	609
TP to Consensus Price vs. Last Price	-3.9% +33.0%

Shares data

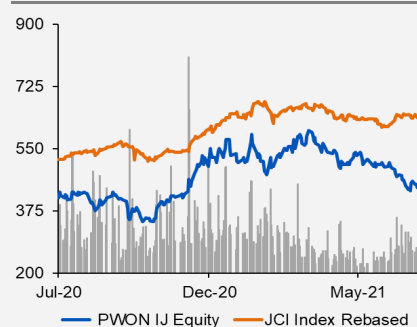
Last Price (IDR)	440
Price Date as of	June 30, 2021
52 wk Range (Hi/Lo)	615/332
Free Float (%)	31.3
Outstanding sh.(mn)	48,160
Market Cap (IDR bn)	21,190
Market Cap (USD mn)	1,458
Avg. Trd Vol - 3M (mn)	49
Avg. Trd Val - 3M (bn)	24.31
Foreign Ownership	14.3%

Property

Real Estate Owner & Developer

Bloomberg	PWON IJ
Reuters	PWON.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-15.4%	-12.0%	-18.5%	5.8%
Rel. Ret.	-13.4%	-12.6%	-18.5%	-16.2%

Ajeng Kartika Hapsari

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Pendapatan PWON pada 1Q21 turun 32,4% YoY. Sementara laba naik 254,5% YoY, karena penurunan kerugian kurs. Memasuki 2H21, PWON dihadapkan pada penerapan PPKM Darurat, seiring dengan naiknya kasus Covid-19. PWON harus mampu melakukan efisiensi dan menerapkan strategi bisnis yang tepat, guna memulihkan kinerja tahun ini.

Catatan Top Line di Bawah Estimasi Kami

- Pada 1Q21 PWON membukukan pendapatan sebesar Rp1,11 triliun (-32,4% YoY vs Rp1,65 triliun 1Q20) atau berada 25% di bawah estimasi kami.
- Development income tercatat sebesar Rp506 miliar (+40,8% QoQ, -32,7% YoY). Sementara recurring income sebesar Rp610 miliar (+6,8% QoQ, -32,1% YoY).
- Turunnya pendapatan 1Q21 dikarenakan kinerja 1Q20 belum terdampak pandemi.
- PWON berhasil mencatatkan laba sebesar Rp237 miliar (+254,5% YoY vs Rp67 miliar 1Q20), disebabkan oleh penurunan kerugian kurs (-80% YoY) dan keuntungan derivative sebesar Rp55 miliar (vs rugi Rp53 miliar 1Q20).

Optimis Marketing Sales akan Tumbuh

- PWON meraih marketing sales sebesar Rp427 miliar (+17% YoY) atau tercapai 30% dari target 2021 sebesar Rp1,4 triliun.
- PWON masih memiliki 5 proyek kondominium dengan saleable area hingga 30%, kami melihat ada ruang untuk marketing sales 2021 tumbuh sekitar 25%-28% YoY.
- Memasuki 2H21, PWON akan dihadapkan pada peraturan PPKM Darurat di mana pusat perbelanjaan tidak dapat beroperasi sementara.
- Kami melihat PWON harus kembali melakukan efisiensi, baik dalam penggunaan capex maupun beban operasional. Selain itu, perpanjangan masa pembayaran sewa tenant, juga dapat kembali diterapkan.

Rekomendasi BUY dengan TP Rp585

- Kami estimasi penjualan kondominium dan rumah tapak akan mendongkrak pendapatan, seiring dengan tingkat suku bunga yang masih rendah dan program subsidi PPN.
- Kami merevisi turun proyeksi pendapatan dan laba FY21 kami menjadi Rp4,46 triliun (-15,1%), dan Rp1,1 triliun (-19,4%).
- Kami mempertahankan rating buy dengan merevisi turun TP kami menjadi Rp585 mencerminkan discount to NAV 61,78% (-1SD rata-rata 3 tahun terakhir).
- Risiko perubahan TP kami adalah: 1) Masih tingginya angka kasus Covid-19, 2) PPKM yang semakin diperketat, 3) Realisasi target vaksinasi.

Pakuwon Jati Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	3,977	4,467	5,232	5,882
Growth	-44.8%	12.3%	17.1%	12.4%
Net Profit	930	1,101	1,523	1,636
Growth	-65.8%	-18.4%	38.3%	7.5%
EPS (IDR)	19	23	32	34
P/E	26.4x	25.6x	18.5x	17.2x
P/BV	1.4x	1.5x	1.4x	1.3x
EV/EBITDA	14.2x	13.5x	10.3x	9.4x
ROE	0.1x	0.1x	0.1x	0.1x
DER	0.2x	0.3x	0.3x	0.2x
Dividend Yield	0.0%	0.0%	0.5%	0.7%

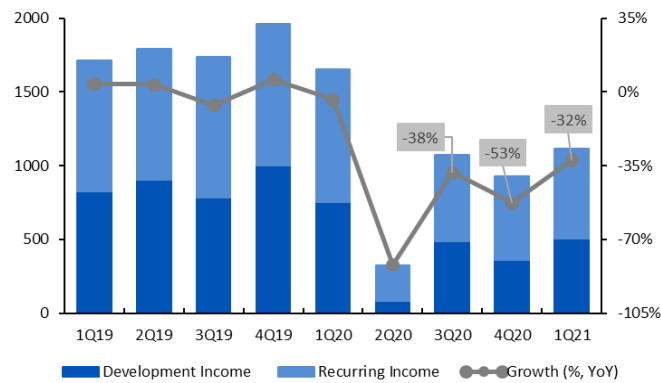
Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

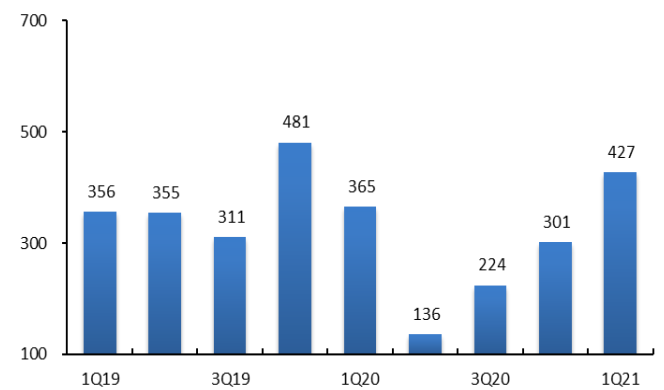
Performance Highlights in Charts

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



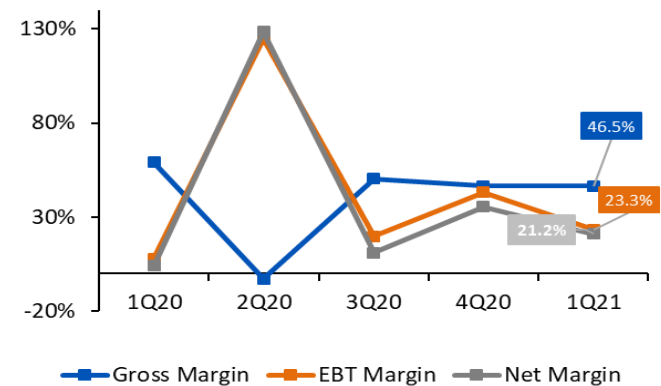
Source: Company Data, NHKSI Research

PWON Quarterly Marketing Sales (IDR bn) | 1Q19 - 1Q21



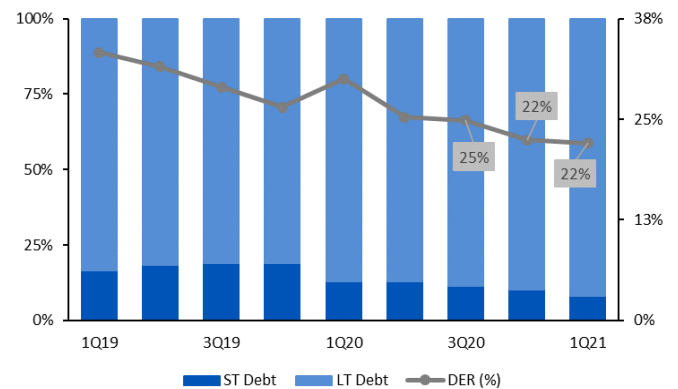
Source: Company Data, NHKSI Research

Margin Ratios | 1Q20 - 1Q21



Source: Company Data, NHKSI Research

PWON Debt Portion | 1Q20 - 1Q21



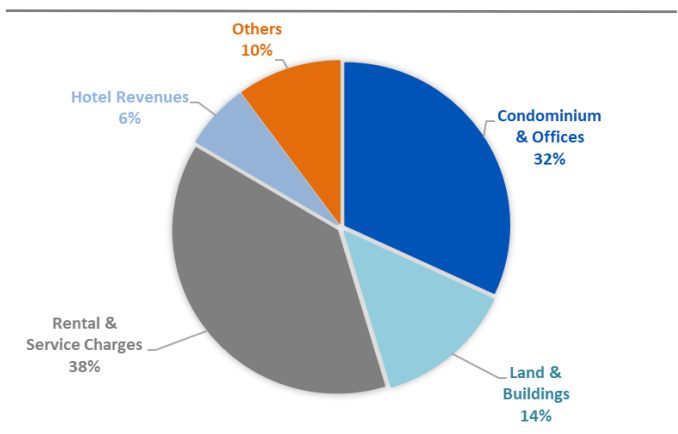
Source: Company Data, NHKSI Research

Occupancy Rate PWON Mall Portfolio | 2019 - 1Q21

	Occupancy	2019	2020	1Q21
Jakarta	Kota Kasablanka Mall	99%	99%	99%
	Gandaria City Mall	98%	92%	92%
	Blok M Plaza	97%	93%	88%
Surabaya	Tunjungan Plaza	96%	93%	92%
	Pakuwon Mall	96%	90%	89%
	Pakuwon Trade Center	92%	88%	89%
	Royal Plaza	94%	91%	91%
	Pakuwon City Mall	-	74%	76%
Central Java	Hartono Mall Yogyakarta	-	88%	85%
	Hartono Mall Solo	-	97%	97%

Source: Company Data, NHKSI Research

PWON Revenue Breakdown | 1Q21



Source: Company Data, NHKSI Research

Company Overview

PWON merupakan salah satu pengembang properti yang berfokus di segmen pusat perbelanjaan, kondominium, perkantoran, maupun kombinasi ketiganya (superblok). Proyek-proyek yang digarap PWON tersebar di dua kota besar, yaitu Jakarta (42,4%) dan Surabaya (57,6%). Proyek-proyek tersebut berada di lokasi strategis dan mengincar segmen menengah atas.



PT. Pakuwon Jati Tbk

PWON memiliki berbagai portofolio superblok, seperti Kota Kasablanka, Blok M Plaza, dan Gandaria City di Jakarta; Tunjangan City dan Pakuwon Mall di Surabaya. Selain itu, di area superblok juga masih terdapat persediaan tanah untuk rencana ekspansi mendatang.

PWON pun mengandalkan proyek *mixed use* berupa kondominium yang dibangun di atas kawasan superblok milik perusahaan. PWON berhasil menyeimbangkan rasio pendapatan berulang dari sewa menyewa hotel dan apartemen dengan pendapatan pengembangan dari penjualan lahan dan properti.

Asia Pacific Companies Peers Analysis

		Market Cap (USD mn)	Asset (USD mn)	Sales LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	Net Profit Margin	ROE LTM	P/E LTM	P/BV
Indonesia										
BSDE	BSDE IJ EQUITY	1,406	4,371	437	42	-74.91%	9.6%	2.1%	35.5x	0.7x
CTRA	CTRA IJ EQUITY	1,188	2,819	578	95	31.76%	16.5%	9.2%	12.5x	1.1x
PWON	PWON IJ EQUITY	1,458	1,900	237	76	-46.75%	31.9%	7.7%	19.3x	1.4x
SMRA	SMRA IJ EQUITY	963	1,790	348	12	-64.65%	3.6%	2.6%	70.2x	1.8x
Singapore										
Capitaland Ltd	CAPL SP EQUITY	14,359	63,854	4,739	(1,142)	#VALUE!	-24.1%	-6.89%	#N/A N/A	0.9x
Malaysia										
SP Setia Bhd	SPSB MK EQUITY	1,036	7,556	858	(66)	#VALUE!	-7.7%	-2.84%	#N/A N/A	0.4x
IOI Properties Group Bhd	IOIPG MK EQUITY	1,486	7,679	585	141	2.99%	24.2%	3.08%	10.4x	0.3x
Thailand										
Land & Houses PUB Co Ltd	LH TB EQUITY	2,964	4,086	1,006	243	-20.93%	24.2%	14.64%	12.5x	1.8x
WHA Corp PCL	WHA TB EQUITY	1,492	2,754	222	82	-12.41%	37.2%	8.97%	18.7x	1.6x
Philippines										
Megaworld Corp	MEG PM EQUITY	2,107	7,825	699	179	-50.34%	25.6%	4.95%	12.3x	0.6x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

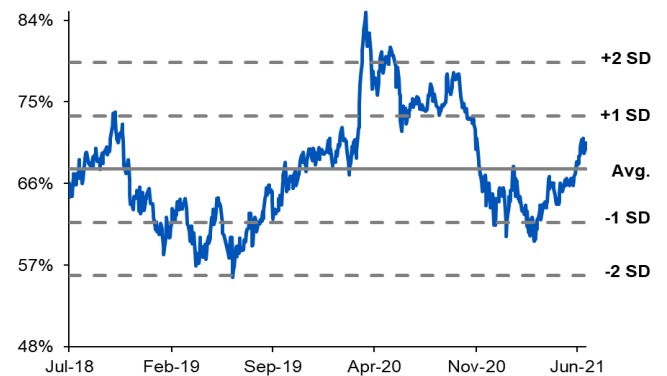
Valuation Highlights in Charts

3-Year Forward P/E Band



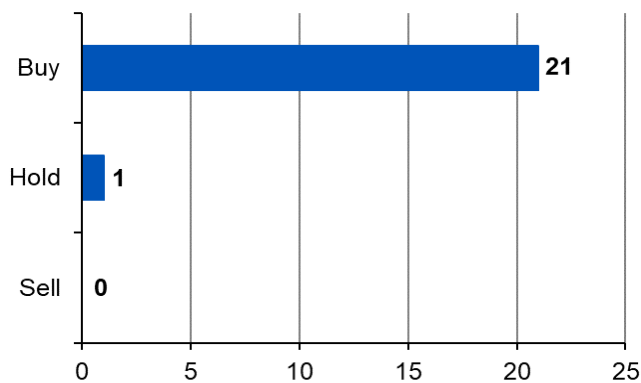
Source: Bloomberg, NHKS Research

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	vs Last Price	vs Consensus
30/12/2019	Buy	750	570	709	31.6%	5.8%
30/06/2020	Buy	545	416	546	31.0%	-0.2%
16/09/2020	Buy	440	374	533	17.6%	-17.4%
20/11/2020	Buy	615	494	531	24.5%	15.8%
23/04/2021	Buy	645	505	636	27.7%	1.4%
01/07/2021	Buy	585	440	609	33.0%	-3.9%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Revenues	3,977	4,467	5,232	5,882
Growth (% y/y)	-44.8%	12.3%	17.1%	12.4%
Cost of Revenues	(2,036)	(2,239)	(2,423)	(2,756)
Gross Profit	1,941	2,228	2,808	3,125
Gross Margin	48.8%	49.9%	53.7%	53.1%
Operating Expenses	(681)	(724)	(786)	(946)
EBIT	1,260	1,504	2,022	2,180
EBIT Margin	31.7%	33.7%	38.7%	37.1%
Depreciation	550	596	629	650
EBITDA	1,810	2,101	2,651	2,830
EBITDA Margin	45.5%	47.0%	50.7%	48.1%
Interest Expenses	(198)	(203)	(232)	(248)
EBT	1,149	1,360	1,882	2,022
Income Tax	(30)	(26)	(42)	(42)
Minority Interest	(189)	(234)	(317)	(344)
Net Profit	930	1,101	1,523	1,636
Growth (% y/y)	-65.8%	18.4%	38.3%	7.5%
Net Profit Margin	23.4%	24.6%	29.1%	27.8%

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	5.2%	6.1%	7.9%	8.0%
ROA	3.5%	3.9%	5.0%	5.2%
Inventory Turnover	0.5x	0.5x	0.5x	0.5x
Receivables Turnover	8.7x	20.9x	11.4x	14.8x
Payables turnover	6.0x	6.1x	6.8x	6.2x
Dividend Yield	0.0%	0.0%	0.5%	0.7%
Payout Ratio	0.0%	0.0%	9.4%	12.1%
DER	0.22x	0.27x	0.26x	0.25x
Net Gearing	6.0%	0.8%	-4.5%	-7.3%
Equity Ratio	66.5%	63.2%	64.3%	66.2%
Debt Ratio	0.15x	0.17x	0.16x	0.16x
Financial Leverage	147.2%	154.4%	156.8%	153.2%
Current Ratio	198.1%	213.8%	221.6%	258.6%
Quick Ratio	94.0%	120.2%	134.9%	153.5%
Par Value (IDR)	25	25	25	25
Total Shares (mn)	48,160	48,160	48,160	48,160
Share Price (IDR)	510	585	585	585
Market Cap (IDR tn)	24.6	28.2	28.2	28.2

BALANCE SHEET

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Cash	2,887	4,865	5,968	6,801
Receivables	102	326	591	206
Inventories	4,512	4,893	4,926	5,553
Total Current Assets	8,590	11,180	12,587	13,667
Net Fixed Assets	14,722	14,885	15,035	15,092
Other Non Current Assets	3,146	3,524	3,287	3,319
Total Non Current Assets	17,869	18,408	18,322	18,411
Total Assets	26,459	29,588	30,909	32,078
Payables	348	390	322	574
ST Debt	397	464	716	634
Total Current Liabilities	4,337	5,229	5,679	5,285
LT Debt	3,547	4,549	4,353	4,607
Total Liabilities	8,860	10,886	11,027	10,857
Capital Stock + APIC	1,566	1,566	1,566	1,566
Retained Earnings	13,049	14,150	15,529	16,968
Shareholders' Equity	17,599	18,703	19,882	21,221

CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	1,419	1,803	2,044	1,727
Investing Cash Flow	(1,761)	(765)	(656)	(769)
Financing Cash Flow	(1,084)	935	(286)	(126)
Net Changes in Cash	(1,426)	1,973	1,103	833

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	26.4x	25.6x	18.5x	17.2x
PE/EPS Growth	-0.4x	1.4x	0.5x	2.3x
Price /Book Value	1.4x	1.5x	1.4x	1.3x
EV/EBITDA	14.2x	13.5x	10.3x	9.4x
EV (IDR bn)	25,619	28,321	27,276	26,614
Revenues CAGR (3-Yr)	-6.3%	-7.9%	-9.6%	-6.5%
Net Income CAGR (3-Yr)	-17.7%	-16.2%	-15.7%	-15.6%
Basic EPS (IDR)	19	23	32	34
BVPS (IDR)	365	388	413	441
DPS (IDR)	-	-	3.0	4.1

OWNERSHIP

By Geography	%
Indonesia	85.7
United States	7.2
Luxembourg	3.6
Others	3.5
Shareholders	%
PT Pakuwon A	68.6
Vanguard Group Inc	1.9
Invesco Ltd	1.5
Fil Ltd	1.1
Others	26.9

Source: Company Data, NHKS 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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