Ciputra Development Tbk (CTRA IJ)

Optimis Target *Marketing Sales* Akan Tercapai

Pada 2Q21 CTRA berhasil membukukan laba bersih Rp240 miliar (vs rugi bersih Rp8 milair 2Q20). Didorong oleh kenaikan signifikan dari pendapatan sebesar 67,6% YoY menjadi Rp2,17 triliun. Di sisi lain, sepanjang 1H21, CTRA berhasil mencapai 61% target *marketing sales* FY21. CTRA juga menyelenggarakan Ciputra Festival 4.0 sebagai upaya untuk meningkatkan penjualan.

Pertumbuhan Signifikan di Setiap Lini

- Pada 2Q21, CTRA membukukan *development income* sebesar Rp1,79 triliun (+67% YoY). Di dalamnya, pendapatan dari penjualan rumah tapak berhasil tumbuh 68% YoY.
- *Recurring Income* tercatat sebesar Rp380 miliar (+73% YoY). Kami perkirakan *recurring income* 3Q21 masih rendah dikarenakan CTRA menerapkan *discount* biaya sewa hingga 100% pada *tenant* di bisnis *shopping mall*-nya.
- Pendapatan 1H21 naik 43,4% YoY menjadi Rp4,02 triliun. Sementara, pendapatan 2Q21 tercatat sebesar Rp2,17 triliun (+67,6% YoY).
- GPM tercatat 47,5% (vs 45,5% 2Q20). OPM tercatat 27,07% (vs 9,4% 2Q20), karena efisiensi dari biaya G&A.
- CTRA berhasil membukukan laba bersih sebesar Rp240 miliar (vs rugi bersih Rp8 miliar 2Q20).

Subsidi PPN Efektif, *Marketing Sales* Capai 61% dari Target

- Sepanjang 1H21, CTRA berhasil meraih *marketing sales* sebesar Rp3,56 triliun (+89,5% YoY) atau tercapai 61% dari target FY21.
- Penjualan rumah tapak dan tanah masih menjadi penopang *marketing sales* dengan kontribusi 90%, disusul ruko (5%), apartment (3%), dan kantor (1%).
- Kami lihat masyarakat cukup antusias dengan adanya subsidi PPN yang diberikan oleh pemerintah, dan tren suku bunga rendah. Terlihat dari penggunaan metode KPR yang naik menjadi 56% (vs 50% FY20).
- CTRA berhasil menerapkan strategi berupa *discount* atau keringanan biaya sewa bagi tenant selama PPKM, yang membuat tingkat okupansi *mall* terjaga di atas level 90%.

Strategi Mendongkrak *Marketing Sales*

- Untuk mencapai target *marketing sales* tahun ini, pada 2H21 CTRA harus mampu memaksimalkan penjualan aset dari dua proyek baru: CitraLand Puncak Tidar di Malang dan Citra Landmark di Ciracas.
- Di sisi lain, CTRA menyelenggarakan Ciputra Festival 4.0 hingga akhir tahun ini dengan menyediakan berbagai promo untuk mendongkrak perolehan *marketing sales*.
- Untuk itu, kami optimis target *marketing sales* FY21 dapat tercapai, bahkan lebih (+11,9% YoY).

Rekomendasi BUY dengan TP Rp1.320

- Kami mempertahankan *rating* BUY, dengan TP sebesar Rp1.320 menggunakan estimasi *discount to NAV* 78,62% (-2,1 SD 3 tahun terakhir). Saat ini CTRA di diperdagangkan pada discount to NAV 85%.
- Risiko perubahan TP kami adalah 1) perubahan kebijakan insentif pemerintah, 2) kenaikan tingkat suku bunga, 3) munculnya varian baru Covid-19 yang menyebabkan kembali melambatnya mobilitas.

Ciputra Development Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	8,071	8,595	9,128	9,590
Growth	*6.1%*	6.5%	6.2%	5.1%
Net Profit	1,321	1,409	1,620	1,766
Growth	*14.1%*	6.7%	15.0%	9.0%
EPS (IDR)	71	76	87	95
P/E	13.8x	17.4x	15.1x	13.9x
P/BV	1.0x	1.3x	1.2x	1.1x
EV/EBITDA	8.5x	9.6x	8.4x	7.8x
ROE	*7.5%*	7.7%	8.3%	8.4%
DER	*57.4%*	56.0%	56.0%	55.0%
Net Debt	4,748	3,912	3,805	3,821

Unit: IDR bn, %, x
Source: Company Data, Bloomberg, NHKSI Research
Please consider the rating criteria & important disclaimer

NH KORINDO SEKURITAS INDONESIA

Company Update | Sept 14, 2021

Buy

Target Price (IDR)	**1,320**
Consensus Price (IDR)	1,322
TP to Consensus Price	-0.2%
Potential Upside	+36.8%

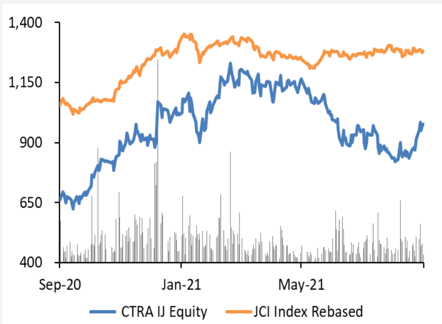
Shares data

Last Price (IDR)	965
Price Date as of	Sept 13, 2021
52 wk Range (Hi/Lo)	1,350/620
Free Float (%)	46.7
Outstanding sh. (mn)	18,560
Market Cap. (IDR bn)	18,096
Market Cap. (USD mn)	1,271
Avg. Trd Vol - 3M (mn)	28.58
Avg. Trd Val - 3M (bn)	26.09
Foreign Ownership	18.1%

Property
Real Estate Owner & Developer

Bloomberg	**CTRA IJ**
Reuters	**CTRA.JK**

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-5.8%	16.8%	-3.9%	46.6%
Rel. Ret.	-5.6%	17.3%	-3.7%	22.0%

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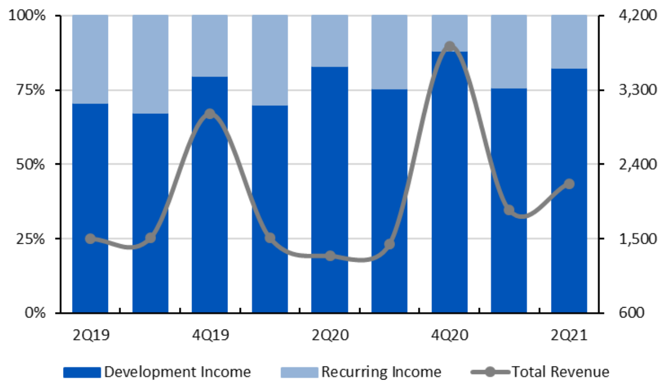
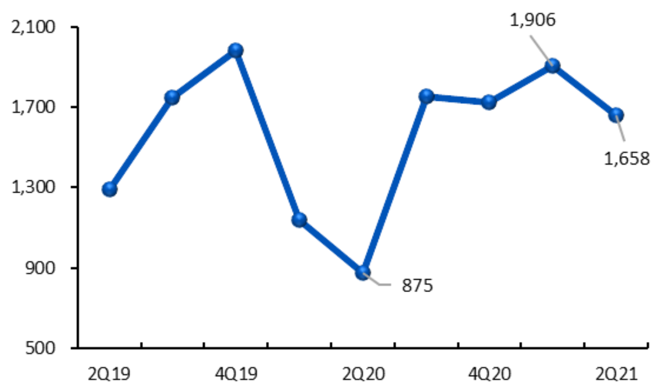
Performance Highlights in Charts

CTRA Quarterly Income (IDR bn) | 2Q19 - 2Q21



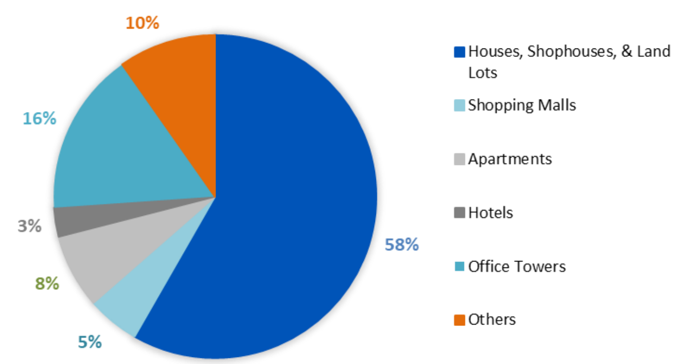
Source: Company Data, NHKSI Research

CTRA Quarterly Marketing Sales| 2Q19 - 2Q21



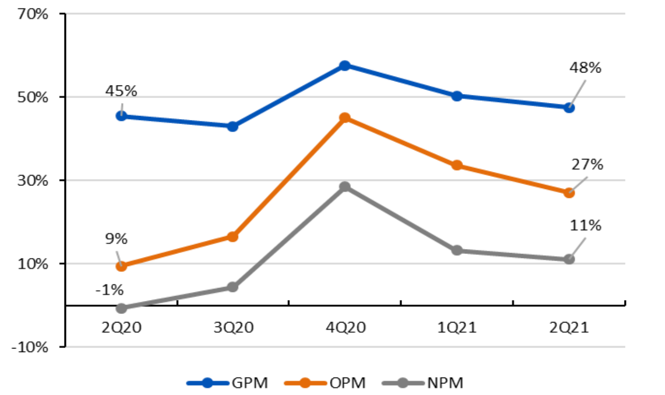
Source: Company Data, NHKSI Research

6M21's Revenue Breakdown



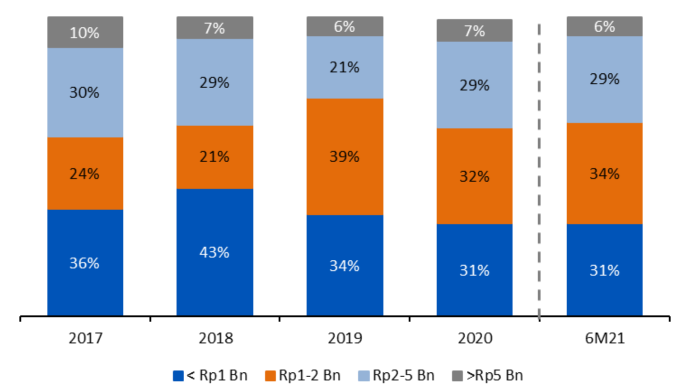
Source: Company Data, NHKSI Research

Margin Ratio



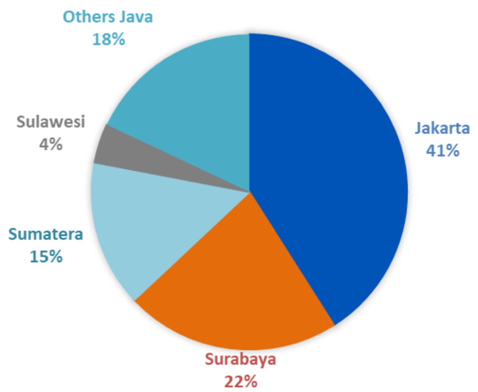
Source: Company Data, NHKSI Research

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 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.

Analysis of Asia-Pacific Peers

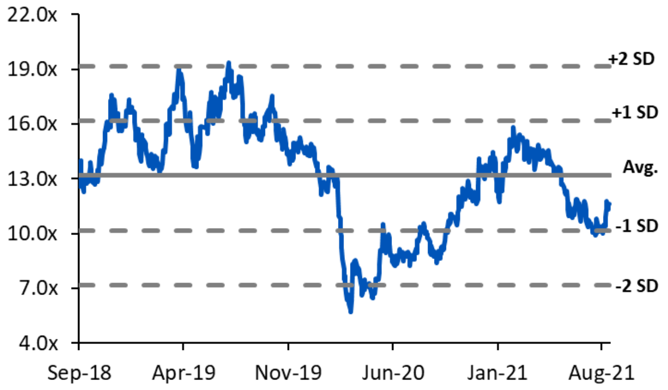
	Market Cap (USD mn)	Asset (USD mn)	Sales Growth	Gross Margin	Operating Margin	Net Profit Growth	ROE (LTM)	P/E (LTM)	P/BV
Indonesia									
PT Bumi Serpong Damai Tbk	1,472	4,371	-12.76%	68.8%	32.1%	107.7%	3.5%	19.8x	0.7x
PT Ciputra Development Tbk	1,271	2,819	6.08%	51%	29.9%	58.6%	10.7%	11.1x	1.1x
PT Pakuwon Jati Tbk	1,576	1,900	-44.78%	49%	31.7%	-50.4%	6.2%	24.6x	1.5x
PT Summarecon Agung Tbk	1,018	1,790	-15.34%	46%	21.5%	-26.1%	3.9%	46.7x	1.8x
Singapore									
Capitaland Ltd	15,525	63,854	4.78%	45%	1%	-	-3.2%	-	0.9x
Malaysia									
SP Setia Bhd	1,190	7,556	-17.84%	20%	10%	-	-1.0%	-	0.4x
IOI Properties Group Bhd	1,704	8,057	17.59%	48%	34%	37.3%	3.4%	10.7x	0.3x
Thailand									
Land & Houses PUB Co Ltd	2,923	4,086	-0.3%	30.1%	21.8%	-11.7%	16.4%	11.8x	1.9x
WHA Corp PCL	1,417	2,754	-33.92%	44%	38%	-5.6%	7.9%	20.3x	1.7x
Philippines									
Megaworld Corp	1,914	7,825	-36.62%	62%	32%	-36.9%	5.3%	10.1x	0.5x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

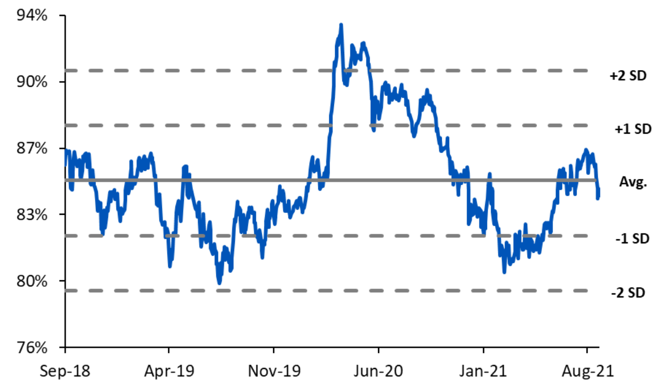
Valuation Highlights in Charts

3-Year Forward P/E Band



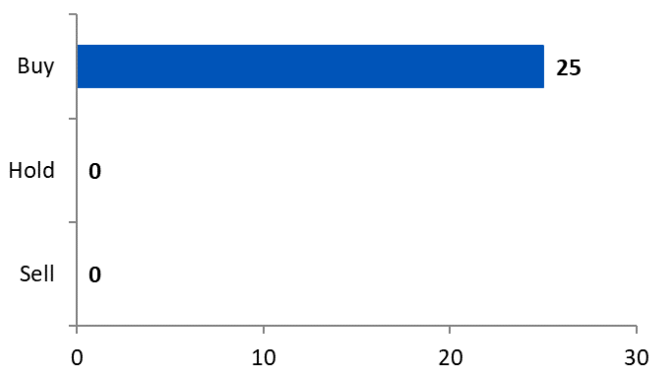
Source: Bloomberg, NHKSI Research

3-Year Discount to NAV Band



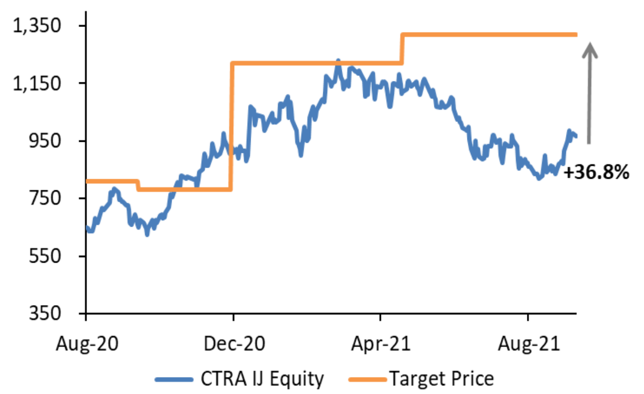
Source: Bloomberg, NHKSI Research

Recommendations by Analysts



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
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%
14/09/2021	Buy	1,320	965	1,322	36.8%	-0.2%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Revenues	**8,071**	**8,595**	**9,128**	**9,590**
Growth (% y/y)	*6.1%*	*6.5%*	*6.2%*	*5.1%*
COGS	(3,949)	(4,191)	(4,134)	(4,267)
Gross Profit	**4,121**	**4,404**	**4,994**	**5,323**
Gross Margin	*51.1%*	*51.2%*	*54.7%*	*55.5%*
Operating Expenses	(1,705)	(1,724)	(1,895)	(1,975)
EBIT	**2,417**	**2,680**	**3,100**	**3,348**
EBIT Margin	*29.9%*	*31.2%*	*34.0%*	*34.9%*
Depreciation	299	286	287	302
EBITDA	**2,716**	**2,966**	**3,386**	**3,650**
EBITDA Margin	*33.6%*	*34.5%*	*37.1%*	*38.1%*
Interest Expenses	(1,235)	(1,222)	(1,358)	(1,416)
EBT	**1,428**	**1,703**	**2,011**	**2,210**
Income Tax	(57)	(69)	(230)	(268)
Minority Interest	(50)	(225)	(161)	(176)
Net Profit	**1,321**	**1,409**	**1,620**	**1,766**
Growth (% y/y)	*14.1%*	*6.7%*	*15.0%*	*9.0%*
Net Profit Margin	*16.4%*	*16.4%*	*17.7%*	*18.4%*

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	7.5%	7.7%	8.3%	8.4%
ROA	3.5%	3.5%	3.8%	4.0%
Inventory Turnover	0.3x	0.3x	0.3x	0.3x
Receivables Turnover	7.6x	10.1x	10.1x	8.7x
Payables Turnover	2.1x	2.6x	3.5x	3.8x
Dividend Yield (%)	0.8%	0.7%	0.8%	0.8%
Payout Ratio (%)	11.2%	11.8%	12.4%	11.7%
DER	57%	56%	56%	55%
Net Gearing	122%	129%	138%	146%
Equity Ratio	44%	47%	46%	49%
Debt Ratio	26%	26%	26%	27%
Financial Leverage	161%	219%	215%	210%
Current Ratio	1.78	2.19	2.16	2.40
Quick Ratio	39%	44%	46%	51%
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

BALANCE SHEET

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Cash	5,276	6,677	7,520	8,188
Receivables	937	758	1,043	1,157
Inventories	12,240	11,934	13,332	12,517
Total Current Assets	**20,646**	**21,517**	**24,067**	**24,060**
Net Fixed Assets	15,681	16,095	16,948	17,858
Other Non Current Assets	2,929	2,863	2,797	2,731
Total Non Current Assets	18,610	18,957	19,745	20,589
Total Assets	**39,255**	**40,474**	**43,812**	**44,649**
Payables	1,985	1,235	1,120	1,135
ST Debt	3,152	2,492	2,666	2,827
Total Current Liabilities	11,609	9,811	11,141	10,006
LT Debt	6,872	8,096	8,659	9,183
Total Liabilities	**21,798**	**21,566**	**23,589**	**22,814**
Capital Stock + APIC	8,210	8,210	8,210	8,210
Retained Earnings	7,135	8,378	9,797	11,357
Shareholders' Equity	**17,458**	**18,908**	**20,223**	**21,835**

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	13.8x	17.4x	15.1x	13.9x
PE/EPS Growth	1.0x	2.6x	1.0x	1.5x
Price /Book Value	1.0x	1.3x	1.2x	1.1x
EV/EBITDA	8.5x	9.6x	8.4x	7.8x
EV (IDR bn)	23,030	28,411	28,305	28,321
Revenue CAGR (3-Yr)	7.8%	3.9%	6.3%	5.9%
Net Income CAGR (3-Yr)	13.9%	5.9%	11.8%	10.2%
Basic EPS (IDR)	71	76	87	95
BVPS (IDR)	941	1,019	1,090	1,176
DPS (IDR)	7.99	8.98	10.80	11.10

CASH FLOW STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	1,214	2,601	1,356	1,447
Investing Cash Flow	(838)	(1,594)	(945)	(1,309)
Financing Cash Flow	658	389	432	530
Net Changes in Cash	**1,034**	**1,396**	**843**	**668**

OWNERSHIP

Shareholders	**%**
PT Sang Pelopor	53.2
Vanguard Group Inc	2.9
Norgers Bank	2.5
Dimensional Fund Adv.	1.4
Others	40.0
By Geography	**%**
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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