

Pakuwon Jati Tbk (PWON)

Tantangan dari Penurunan Tingkat Okupansi

PWON membukukan pendapatan sebesar Rp1,34 triliun (+315,2% YoY) sepanjang 2Q21, dengan *Development* dan *recurring income* tumbuh 676,1% YoY dan 195,5% YoY. Meski *marketing sales* juga mengalami kenaikan signifikan, namun perusahaan mendapatkan tantangan dari penurunan tingkat okupansi pada beberapa mall yang dikelola.

Low Based Effect, Pendapatan 2Q21 Tumbuh Signifikan

- Pendapatan PWON pada 2Q21 tercatat sebesar Rp1,34 triliun (+315,2% YoY, +20% QoQ), atau 77,3% di atas estimasi kami. Sehingga untuk 1H21, total pendapatan menjadi Rp2,46 triliun (+25% YoY).
- Development income* 2Q21 tercatat Rp625 miliar (+676,1% YoY, +23,5% QoQ), sementara *Recurring income* sebesar Rp718 miliar (+195,5% YoY, +17,8% QoQ). Kenaikan signifikan ini merupakan *low based effect* di mana pendapatan 2Q20 terdampak pandemi.
- GPM, dan OPM kembali pulih pada 2Q21 menjadi sebesar 48,5%; dan 34,1%.
- Namun, karena terdapat *early repayment* utang obligasi, PWON perlu membayar denda sebesar Rp99,43 miliar. Hal tersebut membuat laba 2Q21 turun menjadi Rp228 miliar (-45,2% YoY, -3,8% QoQ), diikuti NPM yang turun menjadi 17% (-420bps QoQ).

Perlu Menjaga Tingkat Okupansi Mall

- Marketing sales* 1H21 tercatat sebesar Rp821 miliar atau telah tercapai 59% dari target tahun 2021.
- Melihat kenaikan *marketing sales* pada 2Q21 (+189,7% YoY), kami perkirakan *marketing sales* selama FY21 pun dapat tumbuh hingga 40% YoY.
- Di sisi lain, PWON harus mampu menjaga tingkat okupansi mall. Beberapa mall seperti Blok M Plaza, Pakuwon Mall dan Pakuwon Trade Center mengalami penurunan tingkat okupansi hingga ke level 80%.

Terbitkan Obligasi Global

- PWON, menerbitkan obligasi senilai USD400 juta (jatuh tempo 2028) yang digunakan untuk *refinancing* utang obligasi sebesar USD250 juta, kemudian sisanya digunakan untuk keperluan korporasi umum.
- Hingga akhir tahun, kami estimasikan DER masih berada pada level yang rendah di 0,33x. Adapun posisi *net debt* PWON tercatat sebesar Rp147 miliar (-80% QoQ).

Rekomendasi BUY dengan TP Rp585

- Secara kuartalan, kami melihat kinerja 3Q21 akan melemah dikarenakan penerapan PPKM level 3-4 di wilayah bisnis PWON. Namun tingkat vaksinasi di Indonesia yang saat ini sudah mencapai 32% (dosis 1) dari sasaran vaksinasi, memberikan optimisme bahwa mobilitas masyarakat dapat berangsur normal.
- Untuk itu, kami merevisi naik estimasi pendapatan dan laba FY21 dan FY22 masing-masing sebesar 14.6% dan 14,2% dari proyeksi sebelumnya.
- Kami mempertahankan rekomendasi BUY dengan TP Rp585 yang mencerminkan discount to NAV 61,97% (-1 std rata-rata 3 tahun terakhir).

Pakuwon Jati Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	3,977	5,120	5,977	6,633
Growth	-44.8%	28.7%	16.7%	11.0%
Net Profit	930	1,200	1,619	1,839
Growth	-65.8%	29.0%	34.9%	13.6%
EPS (IDR)	19	25	34	38
P/E	26.4x	23.5x	17.4x	15.3x
P/BV	1.4x	1.5x	1.4x	1.3x
EV/EBITDA	14.2x	11.7x	9.2x	7.9x
ROE	0.1x	0.1x	0.1x	0.1x
DER	0.2x	0.3x	0.3x	0.3x
Dividend Yield	0.0%	0.0%	0.4%	0.7%

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | Sept 07, 2021

BUY

Target Price (IDR)	585
Consensus Price (IDR)	594
TP to Consensus Price	-1.5%
Potential Upside	+26.1%

Shares data

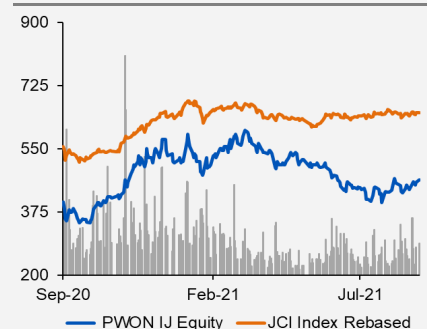
Last Price (IDR)	464
Price Date as of	Sept 06, 2021
52 wk Range (Hi/Lo)	615/332
Free Float (%)	31.3
Outstanding sh.(mn)	48,160
Market Cap (IDR bn)	22,442
Market Cap (USD mn)	1,580
Avg. Trd Vol - 3M (mn)	56
Avg. Trd Val - 3M (bn)	24.73
Foreign Ownership	13.9%

Property

Real Estate Owner & Developer

Bloomberg	PWON IJ
Reuters	PWON.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-10.8%	7.9%	-6.5%	14.3%
Rel. Ret.	-11.1%	7.5%	-7.5%	-2.6%

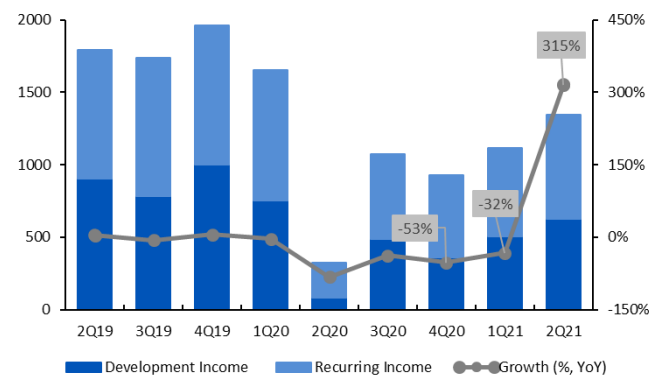
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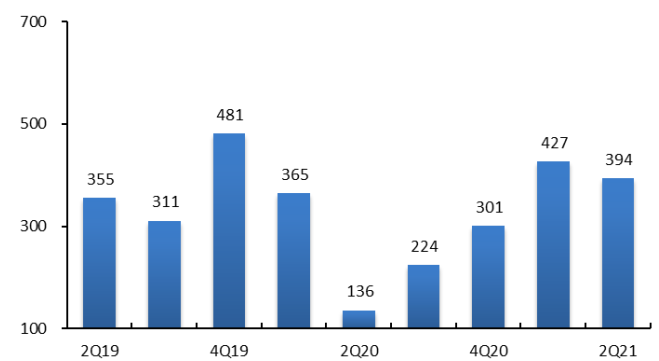
Performance Highlights in Charts

PWON Quarterly Revenue (IDR bn) | 2Q19 - 2Q21



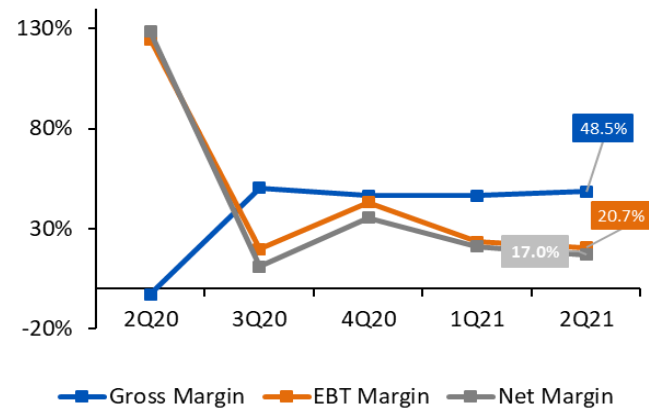
Source: Company Data, NHKSI Research

PWON Quarterly Marketing Sales (IDR bn) | 2Q19 - 2Q21



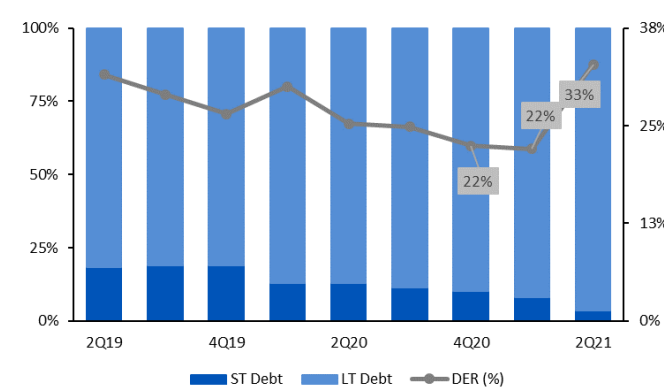
Source: Company Data, NHKSI Research

Margin Ratios | 2Q20 - 2Q21



Source: Company Data, NHKSI Research

PWON Debt Portion | 2Q19 - 2Q21



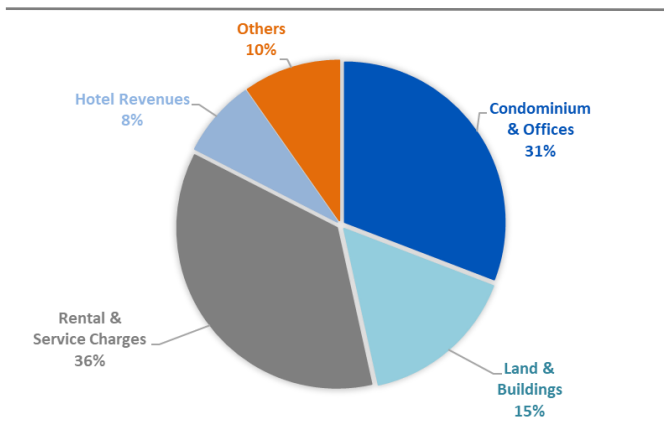
Source: Company Data, NHKSI Research

Occupancy Rate PWON Mall Portfolio | 2019 - 1H21

Occupancy		2019	2020	1H21
Jakarta	Kota Kasablanka Mall	99%	99%	99%
	Gandaria City Mall	98%	92%	91%
	Blok M Plaza	97%	93%	88%
Surabaya	Tunjungan Plaza	96%	93%	92%
	Pakuwon Mall	96%	90%	89%
	Pakuwon Trade Center	92%	88%	88%
	Royal Plaza	94%	91%	91%
Central Java	Pakuwon City Mall	-	74%	77%
	Hartono Mall Yogyakarta	-	88%	67%
	Hartono Mall Solo	-	97%	95%

Source: Company Data, NHKSI Research

PWON Revenue Breakdown | 2Q21



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	1,490	4,371	492	73	107.67%	14.8%	3.5%	20.0x	0.7x
CTRA	CTRA IJ EQUITY	1,267	2,819	644	113	58.55%	17.6%	10.7%	11.0x	1.1x
PWON	PWON IJ EQUITY	1,580	1,900	310	63	-50.35%	20.4%	6.2%	24.6x	1.5x
SMRA	SMRA IJ EQUITY	1,014	1,790	368	19	-26.05%	5.2%	3.9%	46.5x	1.8x
Singapore										
Capitaland Ltd	CAPL SP EQUITY	15,693	63,854	5,375	(556)	-!	-10.3%	-3.19%	-	0.9x
Malaysia										
SP Setia Bhd	SPSB MK EQUITY	1,216	7,556	1,049	(14)	-!	-1.3%	-1.03%	-	0.4x
IOI Properties Group Bhd	IOIPG MK EQUITY	1,739	8,057	603	160	37.31%	26.5%	3.42%	10.9x	0.4x
Thailand										
Land & Houses PUB Co Ltd	LH TB EQUITY	2,959	4,086	1,053	260	-11.73%	24.7%	16.35%	11.9x	1.9x
WHA Corp PCL	WHA TB EQUITY	1,444	2,754	231	74	-5.58%	31.9%	7.93%	20.6x	1.7x
Philippines										
Megaworld Corp	MEG PM EQUITY	1,850	7,825	772	196	-36.87%	25.4%	5.32%	9.8x	0.5x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

Valuation Highlights in Charts

3-Year Forward P/E Band



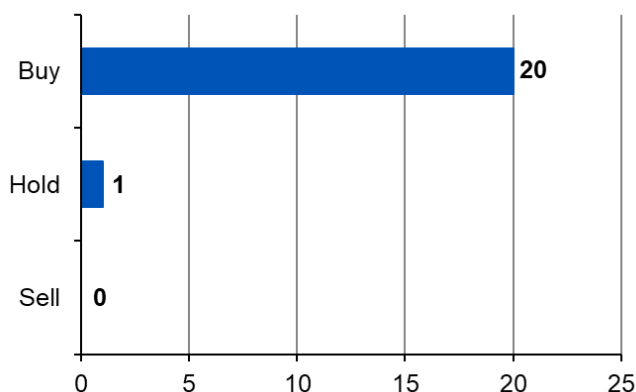
Source: Bloomberg, NHKSI Research

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
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%
07/09/2021	Buy	585	464	594	26.1%	-1.5%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Revenues	3,977	5,120	5,977	6,633
Growth (% y/y)	-44.8%	28.7%	16.7%	11.0%
Cost of Revenues	(2,036)	(2,560)	(2,807)	(2,973)
Gross Profit	1,941	2,560	3,169	3,660
Gross Margin	48.8%	50.0%	53.0%	55.2%
Operating Expenses	(681)	(786)	(872)	(993)
EBIT	1,260	1,774	2,297	2,666
EBIT Margin	31.7%	34.7%	38.4%	40.2%
Depreciation	550	618	639	672
EBITDA	1,810	2,392	2,936	3,339
EBITDA Margin	45.5%	46.7%	49.1%	50.3%
Interest Expenses	(198)	(304)	(367)	(438)
EBT	1,149	1,501	2,013	2,294
Income Tax	(30)	(30)	(46)	(49)
Minority Interest	(189)	(272)	(348)	(406)
Net Profit	930	1,200	1,619	1,839
Growth (% y/y)	-65.8%	29.0%	34.9%	13.6%
Net Profit Margin	23.4%	23.4%	27.1%	27.7%

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	5.2%	6.6%	8.3%	8.8%
ROA	3.5%	4.1%	4.9%	5.4%
Inventory Turnover	0.5x	0.5x	0.5x	0.5x
Receivables Turnover	8.7x	20.9x	11.4x	14.8x
Payables turnover	6.0x	6.3x	6.9x	6.3x
Dividend Yield	0.0%	0.0%	0.4%	0.7%
Payout Ratio	0.0%	0.0%	7.4%	11.4%
DER	0.22x	0.33x	0.32x	0.31x
Net Gearing	6.0%	-0.5%	-5.1%	-7.9%
Equity Ratio	66.5%	58.1%	59.8%	63.1%
Debt Ratio	0.15x	0.19x	0.19x	0.19x
Financial Leverage	147.2%	161.6%	169.6%	162.7%
Current Ratio	198.1%	212.4%	228.7%	267.1%
Quick Ratio	94.0%	117.8%	138.7%	165.3%
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	6,301	7,460	8,311
Receivables	102	388	659	240
Inventories	4,512	6,241	5,969	5,929
Total Current Assets	8,590	14,016	15,169	15,558
Net Fixed Assets	14,722	14,873	15,190	15,446
Other Non Current Assets	3,146	3,518	3,285	3,317
Total Non Current Assets	17,869	18,392	18,475	18,763
Total Assets	26,459	32,407	33,644	34,321
Payables	348	465	348	601
ST Debt	397	435	579	793
Total Current Liabilities	4,337	6,599	6,632	5,824
LT Debt	3,547	5,780	5,858	5,812
Total Liabilities	8,860	13,574	13,528	12,667
Capital Stock + APIC	1,566	1,566	1,566	1,566
Retained Earnings	13,049	14,249	15,748	17,377
Shareholders' Equity	17,599	18,834	20,117	21,654

CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	1,419	2,025	2,151	1,953
Investing Cash Flow	(1,761)	(694)	(879)	(967)
Financing Cash Flow	(1,084)	2,077	(114)	(135)
Net Changes in Cash	(1,426)	3,408	1,159	851

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	26.4x	23.5x	17.4x	15.3x
PE/EPS Growth	-0.4x	0.8x	0.5x	1.1x
Price /Book Value	1.4x	1.5x	1.4x	1.3x
EV/EBITDA	14.2x	11.7x	9.2x	7.9x
EV (IDR bn)	25,619	28,087	27,151	26,467
Revenues CAGR (3-Yr)	-6.3%	-3.6%	-5.5%	-2.7%
Net Income CAGR (3-Yr)	-17.7%	-13.8%	-13.9%	-12.2%
Basic EPS (IDR)	19	25	34	38
BVPS (IDR)	365	391	418	450
DPS (IDR)	-	-	2.5	4.4

OWNERSHIP

By Geography	%
Indonesia	86.1
United States	7.1
Luxembourg	3.6
Others	3.2
Shareholders	%
PT Pakuwon A	68.6
Vanguard Group Inc	1.7
Invesco Ltd	1.4
Fil Ltd	1.0
Others	27.3

Source: Company Data, NHKSI Research

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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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