

# Pembangunan Perumahan Tbk (PTPP)

## Bidik Kontrak Proyek Strategis Nasional (PSN)

Pada 3Q21, PTPP membukukan kenaikan pendapatan sebesar +45,2% YoY. Di sisi lain, laba tercatat naik 316% YoY. PTPP merevisi turun kontrak baru menjadi Rp27,8 triliun, di mana saat ini PTPP sudah memperoleh kontrak baru Rp13,48 triliun atau 48,4% dari target. Ke depannya, PTPP akan membidik proyek Proyek Strategis Nasional (PSN) di bidang infrastruktur dan EPC dengan target kontrak sebesar Rp5,9 triliun.

### Membukukan Top Line Sejalan dengan Estimasi Kami

- Sepanjang 3Q21, PTPP mencatatkan top line sebesar Rp4,75 triliun (+45,2% YoY vs Rp3,27 triliun 3Q20) atau 0,8% lebih tinggi dari estimasi kami.
- Segmen konstruksi pada 3Q21 tercatat sebesar Rp3,94 triliun atau naik 58% YoY. Kontribusi konstruksi pada pendapatan pun naik menjadi 83% (vs 69% 3Q20).
- Di sisi lain, meskipun cost of revenue naik 45%, namun GPM masih cenderung flat di 13,1%.
- Selanjutnya, PTPP membukukan laba 3Q21 sebesar Rp43 miliar (+316% YoY vs Rp10 miliar 3Q20) atau 4,7% lebih rendah dari estimasi kami.

### Revisi Kontrak Baru FY21

- PTPP membukukan kontrak baru Rp13,48 triliun sepanjang 9M21 atau tumbuh 15% YoY. PTPP sendiri merevisi target kontrak baru menjadi Rp27,8 triliun (sebelumnya Rp30,19 triliun).
- PT PP Presisi Tbk (PPRE) sebagai anak usaha, menyumbang 30% kontrak baru, disusul bisnis konstruksi sebesar 58%.
- Kami melihat target revisi tersebut lebih sesuai, mengingat ada PPKM Darurat pada 3Q21 yang menyebabkan terhambatnya proses tender. Kami pun mengestimasi kontrak baru FY21 sebesar Rp25,95 triliun atau naik 16,6% YoY.

### Bidik Proyek PSN di Bidang Infrastruktur dan EPC

- Untuk tahun depan, PTPP masih melanjutkan proyek pada Proyek Strategis Nasional (PSN) diantaranya; Jalan Tol Kisanan-Tebing Tinggi (target selesai kuartal II-2022, Dermaga Terminal Berlian di Tanjung Perak, Surabaya (target selesai kuartal III-2022), dan Jalan Tol Semarang-Demak (target selesai kuartal I-2022).
- Hal tersebut nantinya dapat mendongkrak top line PTPP yang kami estimasi tumbuh 18% YoY pada FY22.
- Selain itu, ke depannya, PTPP akan membidik proyek PSN di bidang infrastruktur dan EPC dengan target kontrak sebesar Rp5,9 triliun.

### Rating Buy dengan TP Rp1.700

- Kami menurunkan proyeksi pendapatan dan laba FY21 masing-masing -0,1% dan -3,7%. Kami lihat bahwa divestasi akan terfinalisasi pada tahun 2022.
- Kami mempertahankan rating BUY dengan TP menjadi Rp1.700 berdasarkan forward P/E 13,0x (-0,70 SD rata-rata 3 tahun terakhir). TP kami mencerminkan potensial kenaikan 36,0% dari harga terakhir.

### Pembangunan Perumahan (PP) Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	15,831	18,485	21,742	26,649
Growth	-35.8%	16.8%	17.6%	22.6%
Net Profit	129	415	816	947
Growth	-86.2%	222.5%	96.6%	16.0%
EPS (IDR)	21	67	132	153
P/E	89.8x	25.4x	12.9x	11.1x
P/BV	0.8x	0.7x	0.7x	0.6x
EV/EBITDA	17.0x	16.0x	13.5x	11.8x
ROE	0.9%	2.9%	5.5%	5.9%
DER	1.3x	1.4x	1.5x	1.5x
Dividend Yield	1.8%	0.0%	0.8%	1.6%

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

## BUY

Target Price (IDR)	1,700
Consensus Price (IDR)	1,337
TP to Consensus Price	+27.2%
Potential Upside	+36.0%

### Shares data

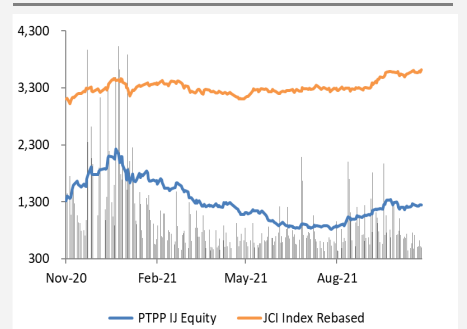
Last Price (IDR)	1,250
Price Date as of	Nov 19, 2021
52 wk Range (Hi/Lo)	2,360/800
Free Float (%)	48.9
Outstanding sh. (mn)	6,200
Market Cap. (IDR bn)	7,750
Market Cap. (USD mn)	544
Avg. Trd Vol - 3M (mn)	39.00
Avg. Trd Val - 3M (bn)	43.52
Foreign Ownership	11.8%

### Infrastructure

#### Construction

Bloomberg	PTPP IJ
Reuters	PTPP.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-33.7%	-6.7%	51.5%	6.4%
Rel. Ret.	-43.8%	-7.7%	39.4%	-13.7%

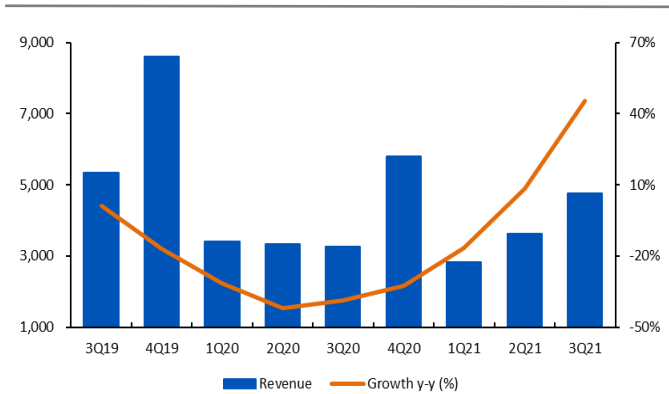
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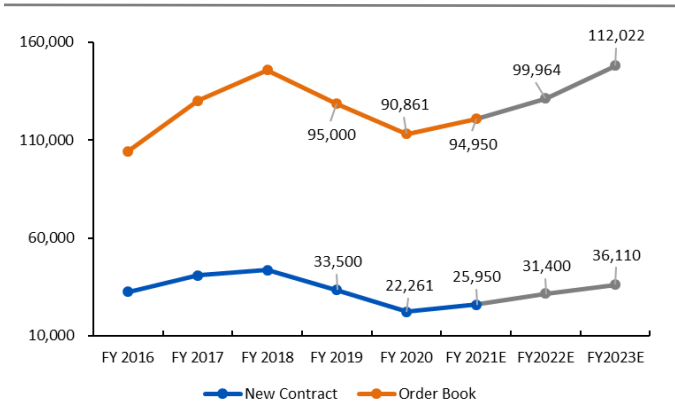
### Performance Highlights in Charts

PTPP Quarterly Revenue (IDR bn) | 3Q19 - 3Q21



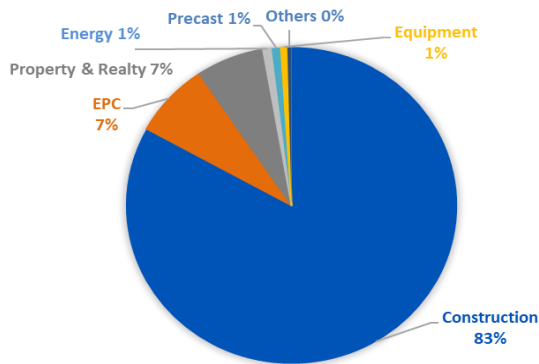
Source: Company Data, NHKSI Research

PTPP Order Book & New Contract



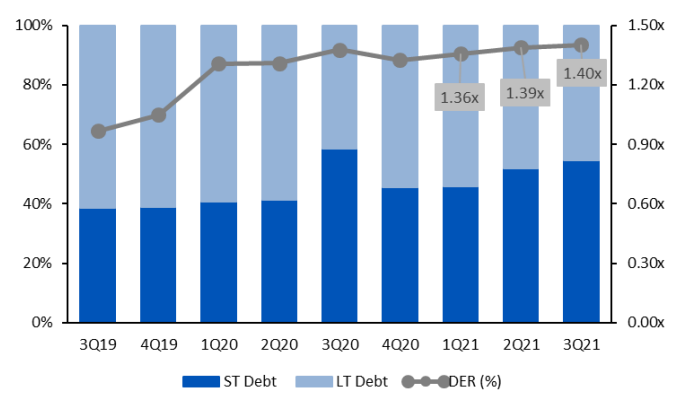
Source: Company Data, NHKSI Research

3Q21's Revenue Breakdown



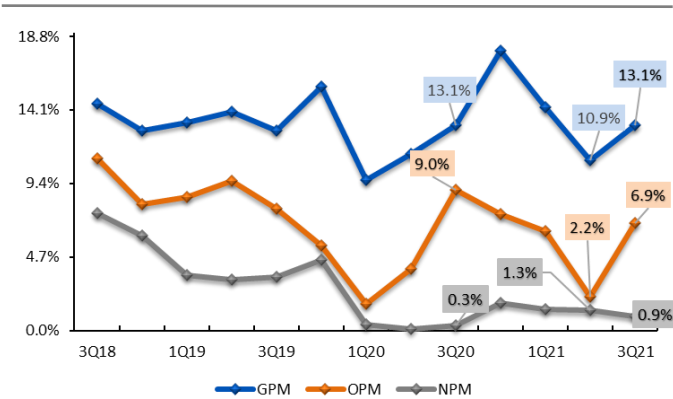
Source: Company Data, NHKSI Research

Debt Portion



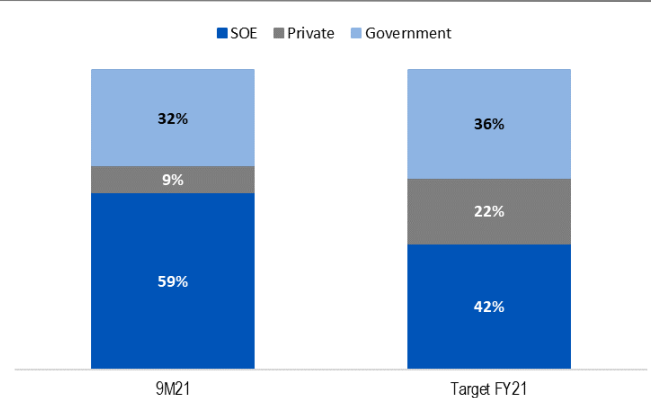
Source: Company Data, NHKSI Research

Margin Ratios



Source: Company Data, NHKSI Research

New Project based on Ownership | 9M21 & 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

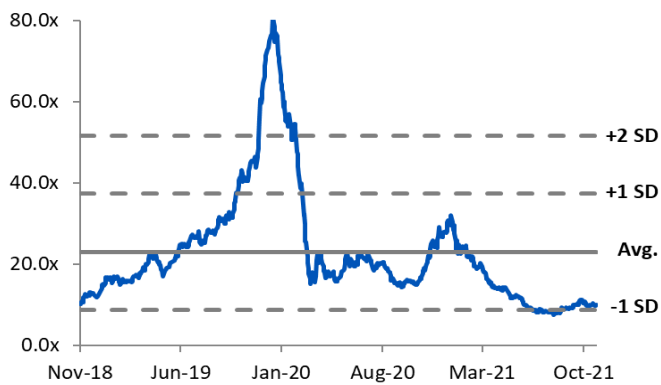
	Market Cap (USD mn)	Asset (USD mn)	Net Profit Growth (LTM)	Net Profit Margin	DER	ROE (LTM)	P/E	P/BV
<b>Indonesia</b>								
PT PP PERSERO TBK	544	3,840	222%	2.2%	143%	2.9%	10.5x	0.6x
PT WASKITA KARYA PERSERO TBK	777	7,583	-440.6%	-45.6%	376.2%	-55.4%	-	1.4x
PT WIJAYA KARYA PERSERO TBK	816	4,891	-98.9%	1.1%	157.8%	1.1%	62.5x	0.7x
PT ADHI KARYA PERSERO TBK	279	2,736	-92.1%	0.2%	175.3%	0.5%	152.8x	0.7x
<b>Thailand</b>								
CH. KARNCHANG PUBLIC CO LTD	1,152	2,760	-29.9%	3.7%	161.9%	2.6%	53.9x	1.5x
SINO THAI ENGR & CONSTR PCL	672	1,468	-34.4%	3.0%	16.8%	6.3%	27.3x	1.5x
UNIQUE ENGINEERING & CON PCL	222	1,119	-93.2%	2.0%	190.8%	0.3%	255.2x	0.9x
<b>Philippines</b>								
MEGAWIDE CONSTRUCTION CORP	240	1,694	-!	-3.1%	223.8%	-2.8%	-	0.9x
EEI CORPORATION	132	560	-32.9%	-14.7%	173.7%	-	-3.3x	-
HOUSE OF INVESTMENTS	59	1,081	-73.4%	-3.9%	76.2%	0.6%	6.9x	0.2x
<b>Vietnam</b>								
FLC FAROS CONSTRUCTION JSC	182	454	-!	0.0%	11.0%	3.1%	22.5x	0.7x
HO CHI MINH CITY INFRASTRUCT	312	1,279	-	4.7%	213.0%	0.1%	2495.5x	1.5x
HOA BINH CONSTRUCTION GROUP	261	673	-59.1%	0.8%	123.4%	2.8%	58.2x	1.6x
<b>Malaysia</b>								
GAMUDA BHD	1,824	4,370	58.3%	16.7%	54.9%	6.6%	12.9x	0.8x
IJM CORP BHD	1,539	5,667	157.8%	7.7%	56.1%	5.1%	13.2x	0.7x
SUNWAY CONSTRUCTION GROUP BHD	485	474	5.2%	4.7%	48.0%	12.6%	25.9x	3.2x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

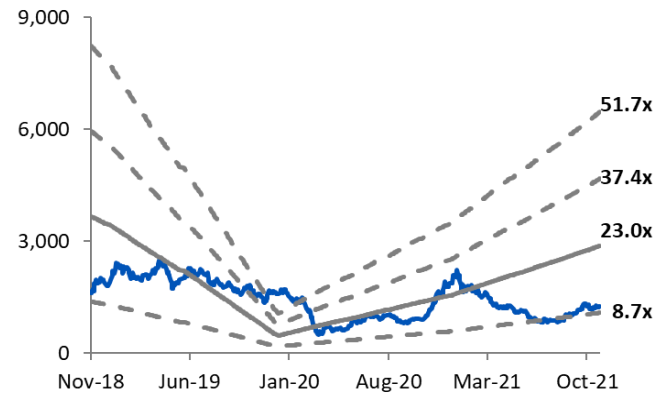
## Valuation Highlights in Charts

3-Years Forward P/E Band



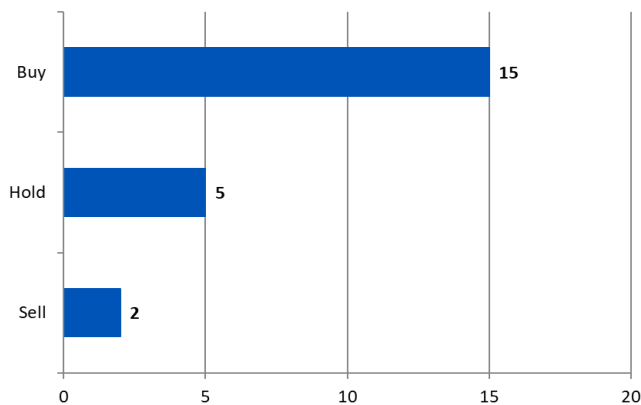
Source: Bloomberg, NHKSI Research

3-Years Dynamic Forward P/E band



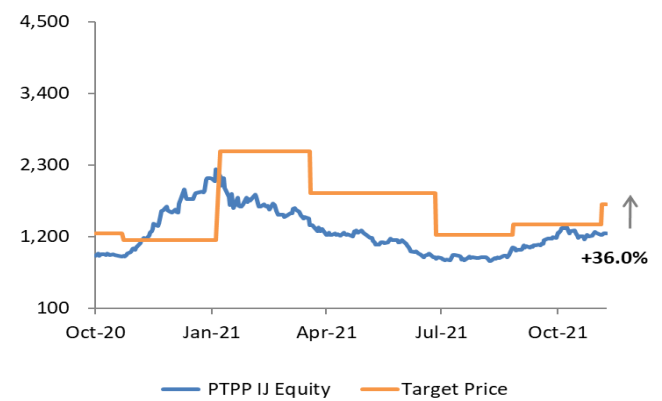
Source: Bloomberg, NHKSI Research

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%
20/09/2021	Buy	1,380 (12 Month)	1,050	1,251	+31.4%	+10.3%
22/11/2021	Buy	1,700 (12 Month)	1,250	1,337	+36.0%	+27.2%

Source: NHKSI Research, Bloomberg

## Summary of Financials

## INCOME STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
<b>Revenue</b>	<b>15,831</b>	<b>18,485</b>	<b>21,742</b>	<b>26,649</b>
Growth (% y/y)	-35.8%	16.8%	17.6%	22.6%
Cost of Revenue	(13,658)	(15,890)	(18,660)	(22,708)
<b>Gross Profit</b>	<b>2,173</b>	<b>2,596</b>	<b>3,082</b>	<b>3,941</b>
Gross Margin	13.7%	14.0%	14.2%	14.8%
Operating Expenses	(1,257)	(1,416)	(1,609)	(2,044)
<b>EBIT</b>	<b>916</b>	<b>1,179</b>	<b>1,473</b>	<b>1,898</b>
EBIT Margin	5.8%	6.4%	6.8%	7.1%
Depreciation	580	591	767	871
<b>EBITDA</b>	<b>1,496</b>	<b>1,770</b>	<b>2,239</b>	<b>2,769</b>
EBITDA Margin	9.4%	9.6%	10.3%	10.4%
Interest Expenses	(7)	(8)	(10)	(12)
<b>EBT</b>	<b>290</b>	<b>600</b>	<b>1,127</b>	<b>1,268</b>
Income Tax	(23)	(34)	(64)	(36)
Minority Interest	(138)	(150)	(246)	(285)
<b>Net Profit</b>	<b>129</b>	<b>415</b>	<b>816</b>	<b>947</b>
Growth (% y/y)	-86.2%	222.5%	96.6%	16.0%
Net Profit Margin	0.8%	2.2%	3.8%	3.6%

## BALANCE SHEET

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Cash	8,012	6,204	6,339	6,620
Receivables	5,211	6,438	7,043	7,341
Inventories	9,525	7,452	7,169	7,762
<b>Total Current Assets</b>	<b>33,925</b>	<b>32,595</b>	<b>33,073</b>	<b>35,104</b>
Fixed Assets	12,597	16,277	18,120	19,913
Other Non Current Assets	6,951	7,630	7,843	8,232
Total Non Current Assets	19,548	23,907	25,962	28,146
<b>Total Assets</b>	<b>53,472</b>	<b>56,502</b>	<b>59,036</b>	<b>63,250</b>
Payables	15,526	15,914	15,411	15,955
ST Debt	8,442	9,976	10,803	12,073
Total Current Liabilities	27,987	29,996	30,407	32,307
LT Debt	10,114	10,679	11,753	13,029
<b>Total Liabilities</b>	<b>39,465</b>	<b>42,058</b>	<b>43,586</b>	<b>46,736</b>
Capital Stock + APIC	5,308	5,330	5,330	5,330
Retained Earnings	3,149	3,564	4,293	5,066
<b>Shareholders' Equity</b>	<b>14,007</b>	<b>14,444</b>	<b>15,449</b>	<b>16,514</b>

## CASH FLOW STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	(80)	(531)	822	698
Investing Cash Flow	(3,573)	(2,233)	(2,779)	(3,080)
Financing Cash Flow	2,067	960	2,091	2,663
<b>Net Changes in Cash</b>	<b>(1,586)</b>	<b>(1,804)</b>	<b>135</b>	<b>281</b>

## PROFITABILITY &amp; STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	0.9%	2.9%	5.5%	5.9%
ROA	0.2%	0.8%	1.4%	1.5%
Inventory Turnover	1.4x	1.9x	2.6x	3.0x
Receivables Turnover	3.3x	3.2x	3.2x	3.7x
Payables Turnover	0.8x	1.0x	1.2x	1.4x
Dividend Yield (%)	1.8%	0.0%	0.8%	1.6%
Payout Ratio (%)	163%	0%	11%	18%
DER	1.3x	1.4x	1.5x	1.5x
Net Gearing	75%	100%	105%	112%
Equity Ratio	26%	26%	26%	26%
Debt Ratio	35%	37%	38%	40%
Financial Leverage	350%	387%	386%	383%
Current Ratio	121%	109%	109%	109%
Quick Ratio	87%	84%	85%	85%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	6,200	6,200	6,200	6,200
Share Price (IDR)	1,865	1,700	1,700	1,700
Market Cap (IDR tn)	11.6	10.5	10.5	10.5

## VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	89.8x	25.4x	12.9x	11.1x
PE/EPS Growth	-1.0x	0.1x	0.1x	0.7x
Price /Book Value	0.8x	0.7x	0.7x	0.6x
EV/EBITDA	17.0x	16.0x	13.5x	11.8x
EV (IDR bn)	25,489	28,395	30,332	32,775
Revenue CAGR (3-Yr)	-9.7%	-9.7%	-4.1%	19.0%
Net Profit CAGR (3-Yr)	-55.4%	-34.9%	-4.3%	94.5%
Basic EPS (IDR)	21	67	132	153
BVPS (IDR)	2,259	2,330	2,492	2,664
DPS (IDR)	33.8	-	14.2	28.0

## OWNERSHIP

Shareholders	%
Republic of Indonesia	51.0
Norges Bank	2.8
Vanguard Group Inc	1.1
Schroder Investment Management	1.0
Others	42.8
<b>By Geography</b>	<b>%</b>
Indonesia	88.2
United States	5.5
Norway	4.7
Luxembourg	1.0

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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