

# Pakuwon Jati Tbk (PWON)

## Pemulihan Ekonomi Dongkrak Recurring Income

Selama 3Q21, PWON mencatatkan laba sebesar Rp257 miliar (+117,8% YoY). Di sisi lain, penjualan *real estate* yang naik 102,5% YoY mendongkrak pendapatan PWON menjadi Rp1,32 triliun (+23,9% YoY). Apabila relaksasi PPKM berjalan lancar hingga memasuki 2022, maka posisi PWON akan diuntungkan, karena PWON memiliki kontribusi *recurring income* yang lebih besar pada pendapatannya, dibandingkan emiten properti lainnya.

### Penjualan Real Estate Menyokong Kenaikan Pendapatan

- Sepanjang 3Q21, PWON membukukan pendapatan sebesar Rp1,32 triliun (+23,9% YoY vs Rp1,07 triliun 3Q20).
- Penjualan *real estate* pada 3Q21 tercatat naik 102,5% YoY dan menyokong kenaikan pendapatan. Sementara penerapan PPKM Darurat menyebabkan *recurring income* terkontraksi 40,9% YoY. Membuat porsi *recurring income* PWON menjadi hanya 26,1% dari total pendapatan; terendah bagi PWON.
- Cost of revenue naik 45% YoY akibat kenaikan penyusutan, dan membuat GPM turun menjadi 41,8% (vs 50,3% pada 3Q20). Laba 3Q21 tercatat Rp257 miliar (+117,8% YoY, 12,9% QoQ) atau 13% di bawah estimasi kami.
- Memasuki 4Q21 seiring dengan pelonggaran PPKM, kami proyeksikan pendapatan FY21 dapat tumbuh sebesar 33,7% YoY, disokong oleh pendapatan 2Q21 yang naik hingga 315,2% YoY akibat *low-based effect* pada 2Q20. *Bottom line* pun kami estimasikan dapat naik 23,5% YoY.

### Unggul dengan Porsi Recurring Income yang Besar

- Apabila relaksasi PPKM berjalan maksimal pada 4Q21 hingga 2022, maka posisi PWON akan diuntungkan, karena PWON memiliki kontribusi *recurring income* yang lebih besar dibandingkan emiten properti lainnya. PWON sendiri memiliki 8 hotel yang tersebar di Jakarta, Surabaya dan Yogyakarta.
- Sementara, penerapan *Work from Home* (WFH) membuat okupansi Gedung kantor milik PWON turun sekitar 0.5%-17%. Tingkat okupansi beberapa mall pun sempat turun hingga 3%.
- Kemudian, aset baru yaitu; Hartono Mall Yogyakarta, Marriot Hotel Yogyakarta, dan Hartono Mall Solo, pada FY21E kami estimasikan dapat menyumbang pendapatan hingga 3%-4%.

### Menjaga Cash Flow dan Tingkat Okupansi pada 2022

- Pada 2022, secara total, sebanyak 27% retail mall akan memasuki masa habis sewa (*lease expiry profile*). Dalam hal ini PWON harus mampu mempertahankan tingkat okupansi dan mengembalikan skema pembayaran sewa kembali normal agar *cash flow* tidak terganggu.
- Sebelumnya, PWON menerapkan diskon sewa dan perpanjangan jangka waktu pembayaran sewa bagi tenant-tenant.

### Rekomendasi BUY dengan TP Rp690

- Kami mempertahankan rekomendasi BUY dengan merevisi naik TP menjadi Rp690 yang mencerminkan *discount to NAV* 60% (-1,3 std rata-rata 3 tahun terakhir) sebagai basis metode valuasi.
- Ke depannya, dengan meningkatnya tingkat mobilisasi, pulihnya daya beli, didukung konsep *superblock* yang dibangun PWON, kami meyakini penjualan kondominium mulai meningkat. Sementara segmen jual kantor, akan dihadapkan pada kemungkinan naiknya pasokan pada tahun depan, yang memberatkan pasar gedung perkantoran.

### Pakuwon Jati Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	3,977	5,318	6,068	6,858
Growth	-44.8%	33.7%	14.1%	13.0%
Net Profit	930	1,148	1,578	1,921
Growth	-65.8%	23.5%	37.4%	21.7%
EPS (IDR)	19	24	33	40
P/E	26.4x	28.9x	21.1x	17.3x
P/BV	1.4x	1.8x	1.7x	1.5x
EV/EBITDA	14.2x	14.1x	11.2x	9.2x
ROE	0.1x	0.1x	0.1x	0.1x
DER	0.2x	0.3x	0.3x	0.3x
Dividend Yield	0.0%	0.0%	0.3%	0.6%

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research  
Please consider the rating criteria & important disclaimer

Company Update | Dec 01, 2021

## BUY

Target Price (IDR)	690
Consensus Price (IDR)	617
TP to Consensus Price	+11.8%
Potential Upside	+40.2%

### Shares data

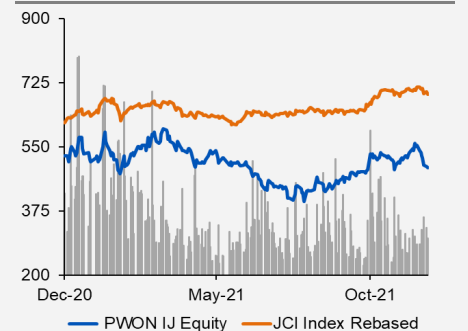
Last Price (IDR)	492
Price Date as of	Nov 30, 2021
52 wk Range (Hi/Lo)	615/400
Free Float (%)	31.3
Outstanding sh.(mn)	48,160
Market Cap (IDR bn)	23,160
Market Cap (USD mn)	1,665
Avg. Trd Vol - 3M (mn)	50
Avg. Trd Val - 3M (bn)	25.20
Foreign Ownership	14.8%

### Property

#### Real Estate Owner & Developer

Bloomberg	PWON IJ
Reuters	PWON.JK

### Share Price Performance



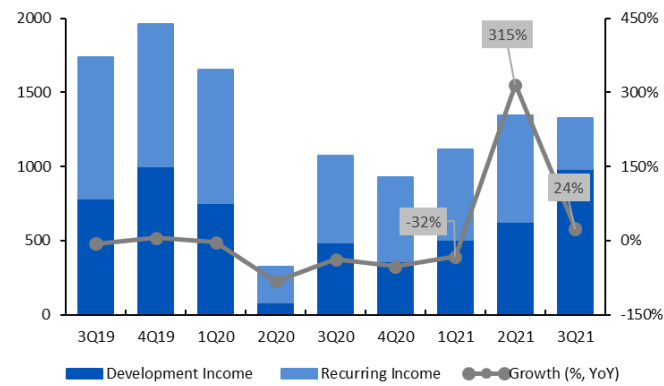
	YTD	1M	3M	12M
Abs. Ret.	-5.4%	-1.6%	8.8%	-1.6%
Rel. Ret.	-12.4%	-0.7%	2.5%	-18.0%

### Ajeng Kartika Hapsari

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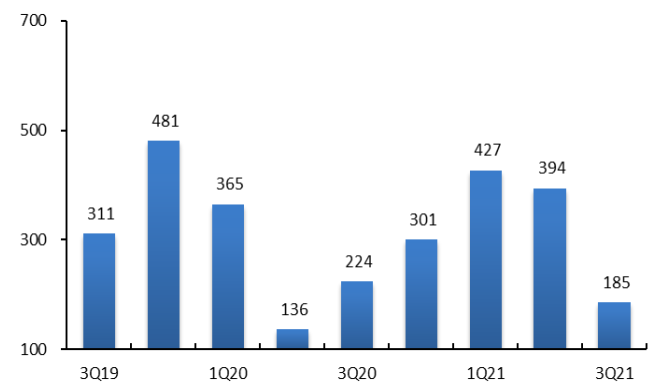
## Performance Highlights in Charts

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



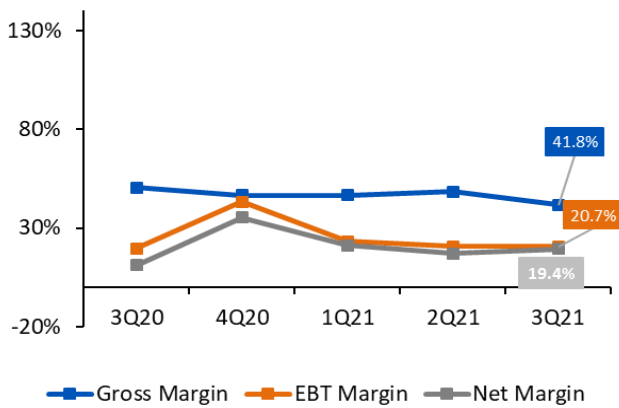
Source: Company Data, NHKSI Research

PWON Quarterly Marketing Sales (IDR bn) | 3Q19 - 3Q21



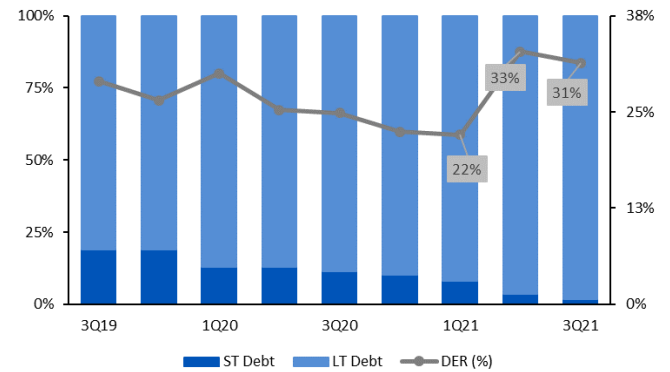
Source: Company Data, NHKSI Research

Margin Ratios | 3Q20 - 3Q21



Source: Company Data, NHKSI Research

PWON Debt Portion | 3Q19 - 3Q21



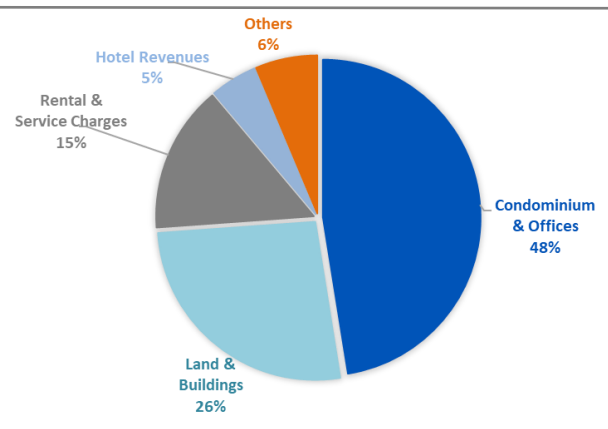
Source: Company Data, NHKSI Research

Occupancy Rate PWON Mall Portfolio | 2019 - 3Q21

	Occupancy	2019	2020	3Q21
Jakarta	Kota Kasablanka Mall	99%	99%	99%
	Gandaria City Mall	98%	92%	90%
	Blok M Plaza	97%	93%	87%
Surabaya	Tunjungan Plaza	96%	93%	91%
	Pakuwon Mall	96%	90%	89%
	Pakuwon Trade Center	92%	88%	88%
	Royal Plaza	94%	91%	90%
Central Java	Pakuwon City Mall	-	74%	76%
	Hartono Mall Yogyakarta	-	88%	64%
	Hartono Mall Solo	-	97%	95%

Source: Company Data, NHKSI Research

PWON Revenue Breakdown | 3Q21



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

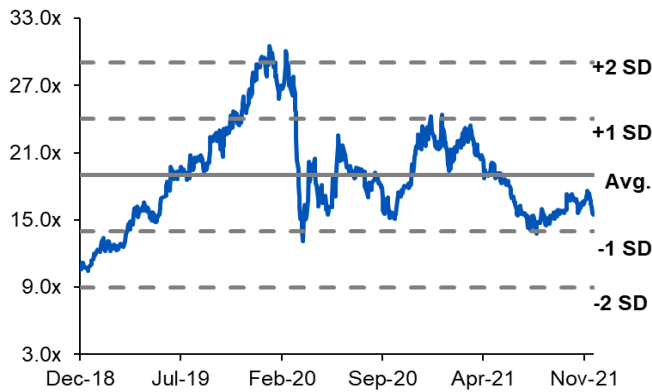
		Market Cap (USD mn)	Asset (USD mn)	Sales LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	Net Profit Margin	ROE LTM	P/E LTM	P/BV
<b>Indonesia</b>										
BSDE	BSDE IJ EQUITY	1,601	4,371	492	73	107.67%	14.8%	3.5%	21.7x	0.7x
CTRA	CTRA IJ EQUITY	1,359	2,819	731	147	116.03%	20.1%	13.6%	9.3x	1.2x
PWON	PWON IJ EQUITY	1,665	1,900	329	73	-10.16%	22.3%	7.1%	22.7x	1.6x
SMRA	SMRA IJ EQUITY	1,010	1,790	368	19	-26.05%	5.2%	3.9%	47.1x	1.9x
<b>Singapore</b>										
Capitaland Ltd	CAPL SP EQUITY	-	63,854	5,375	(556)	-	-10.3%	-3.19%	-	-
<b>Malaysia</b>										
SP Setia Bhd	SPSB MK EQUITY	1,210	7,556	932	53	-	5.6%	0.72%	60.3x	0.4x
IOI Properties Group Bhd	IOIPG MK EQUITY	1,429	8,057	548	164	26.22%	29.9%	3.52%	8.9x	0.3x
<b>Thailand</b>										
Land & Houses PUB Co Ltd	LH TB EQUITY	3,021	4,086	1,001	233	-18.52%	23.3%	15.23%	13.8x	2.1x
WHA Corp PCL	WHA TB EQUITY	1,485	2,754	233	64	-11.53%	27.6%	7.03%	24.9x	1.8x
<b>Philippines</b>										
Megaworld Corp	MEG PM EQUITY	1,987	7,825	872	218	-15.32%	25.0%	5.86%	9.4x	0.6x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

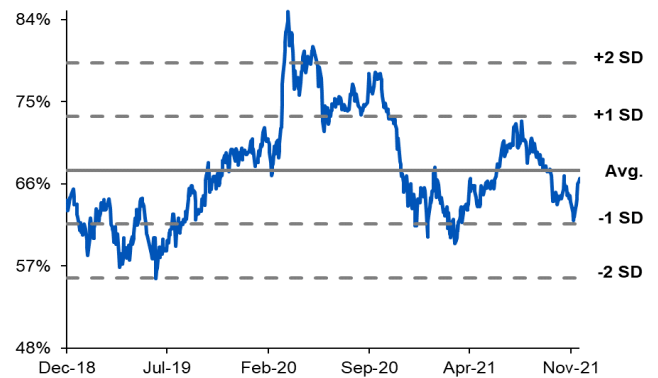
## Valuation Highlights in Charts

3-Year Forward P/E Band



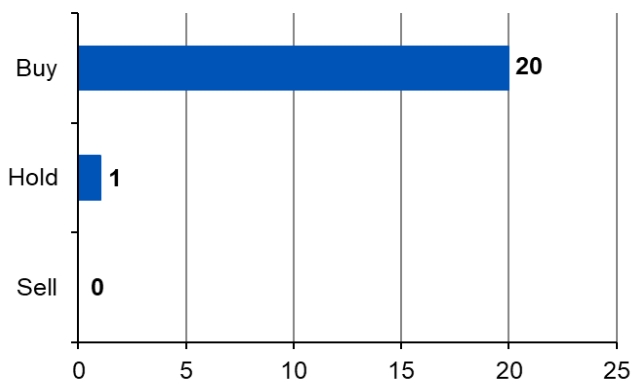
Source: Bloomberg, NHKSI Research

3-Year Discount to NAV Band



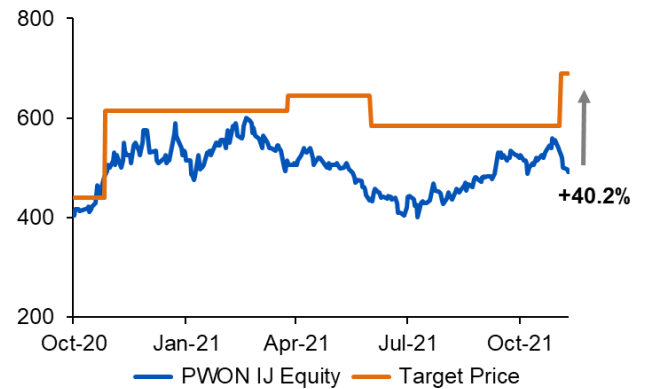
Source: Bloomberg, NHKSI Research

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%
01/12/2021	Buy	690	492	617	40.2%	11.8%

Source: NHKSI Research, Bloomberg

## Summary of Financials

## INCOME STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
<b>Revenues</b>	<b>3,977</b>	<b>5,318</b>	<b>6,068</b>	<b>6,858</b>
Growth (% y/y)	-44.8%	33.7%	14.1%	13.0%
Cost of Revenues	(2,036)	(2,826)	(2,974)	(3,131)
<b>Gross Profit</b>	<b>1,941</b>	<b>2,493</b>	<b>3,094</b>	<b>3,727</b>
Gross Margin	48.8%	46.9%	51.0%	54.3%
Operating Expenses	(681)	(801)	(877)	(1,012)
<b>EBIT</b>	<b>1,260</b>	<b>1,692</b>	<b>2,217</b>	<b>2,715</b>
EBIT Margin	31.7%	31.8%	36.5%	39.6%
Depreciation	550	640	646	686
<b>EBITDA</b>	<b>1,810</b>	<b>2,332</b>	<b>2,863</b>	<b>3,401</b>
EBITDA Margin	45.5%	43.8%	47.2%	49.6%
Interest Expenses	(198)	(272)	(342)	(398)
<b>EBT</b>	<b>1,149</b>	<b>1,354</b>	<b>1,905</b>	<b>2,292</b>
Income Tax	(30)	(24)	(41)	(45)
Minority Interest	(189)	(182)	(285)	(326)
<b>Net Profit</b>	<b>930</b>	<b>1,148</b>	<b>1,578</b>	<b>1,921</b>
Growth (% y/y)	-65.8%	23.5%	37.4%	21.7%
Net Profit Margin	23.4%	21.6%	26.0%	28.0%

## PROFITABILITY &amp; STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	5.2%	6.3%	8.1%	9.2%
ROA	3.5%	4.0%	5.0%	5.7%
Inventory Turnover	0.5x	0.6x	0.6x	0.6x
Receivables Turnover	8.7x	20.9x	11.4x	14.8x
Payables turnover	6.0x	7.4x	7.3x	6.7x
Dividend Yield	0.0%	0.0%	0.3%	0.6%
Payout Ratio	0.0%	0.0%	7.3%	10.7%
DER	0.22x	0.33x	0.32x	0.31x
Net Gearing	6.0%	-2.2%	-6.0%	-9.2%
Equity Ratio	66.5%	61.7%	61.1%	63.5%
Debt Ratio	0.15x	0.20x	0.20x	0.19x
Financial Leverage	147.2%	156.3%	162.9%	160.5%
Current Ratio	198.1%	267.8%	248.5%	282.6%
Quick Ratio	94.0%	175.3%	158.7%	179.8%
Par Value (IDR)	25	25	25	25
Total Shares (mn)	48,160	48,160	48,160	48,160
Share Price (IDR)	510	690	690	690
Market Cap (IDR tn)	24.6	33.2	33.2	33.2

## BALANCE SHEET

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Cash	2,887	6,613	7,607	8,610
Receivables	102	407	656	273
Inventories	4,512	4,262	5,251	5,646
<b>Total Current Assets</b>	<b>8,590</b>	<b>12,335</b>	<b>14,535</b>	<b>15,526</b>
Net Fixed Assets	14,722	14,713	15,038	15,312
Other Non Current Assets	3,146	3,400	3,246	3,264
<b>Total Non Current Assets</b>	<b>17,869</b>	<b>18,113</b>	<b>18,284</b>	<b>18,576</b>
<b>Total Assets</b>	<b>26,459</b>	<b>30,448</b>	<b>32,819</b>	<b>34,102</b>
Payables	348	411	402	530
ST Debt	397	434	577	793
<b>Total Current Liabilities</b>	<b>4,337</b>	<b>4,606</b>	<b>5,848</b>	<b>5,494</b>
LT Debt	3,547	5,770	5,835	5,815
<b>Total Liabilities</b>	<b>8,860</b>	<b>11,648</b>	<b>12,781</b>	<b>12,435</b>
Capital Stock + APIC	1,566	1,566	1,566	1,566
Retained Earnings	13,049	14,198	15,661	17,377
<b>Shareholders' Equity</b>	<b>17,599</b>	<b>18,800</b>	<b>20,038</b>	<b>21,667</b>

## CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	1,419	2,089	2,117	2,048
Investing Cash Flow	(1,761)	(494)	(992)	(950)
Financing Cash Flow	(1,084)	2,128	(132)	(96)
<b>Net Changes in Cash</b>	<b>(1,426)</b>	<b>3,723</b>	<b>994</b>	<b>1,003</b>

## VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	26.4x	28.9x	21.1x	17.3x
PE/EPS Growth	-0.4x	1.2x	0.6x	0.8x
Price /Book Value	1.4x	1.8x	1.7x	1.5x
EV/EBITDA	14.2x	14.1x	11.2x	9.2x
EV (IDR bn)	25,619	32,821	32,035	31,229
Revenues CAGR (3-Yr)	-6.3%	-2.4%	-5.0%	-1.6%
Net Income CAGR (3-Yr)	-17.7%	-15.0%	-14.7%	-10.9%
Basic EPS (IDR)	19	24	33	40
BVPS (IDR)	365	390	416	450
DPS (IDR)	-	-	2.4	4.3

## OWNERSHIP

By Geography	%
Indonesia	85.2
United States	7.4
Luxembourg	3.6
Others	3.7
Shareholders	%
PT Pakuwon A	68.7
Vanguard Group Inc	1.9
Invesco Ltd	1.5
Fil Ltd	1.0
Others	26.9

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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