

Ciputra Development Tbk (CTRA IJ)

Upper Middle Segment Remains Solid

In 1Q22, CTRA managed to book a net profit of IDR 420.7 billion or grew 72.9% YoY, driven by a significant increase in revenue of 20.7% YoY to IDR 2.2 trillion. CTRA recorded marketing sales of IDR 1.9 trillion or grew 3.6% YoY, and reached 24.3% of the FY22 marketing sales target of IDR 7.8 trillion. This is the highest first-quarter marketing since 2013, mainly supported by strong organic sales.

NPM Grows 570 Bps

- CTRA's 1Q22 net sales grew 27.8% YoY to IDR 1.8 trillion. Meanwhile, plots, residential houses and shophouses, which contributes the largest to income with up to 67.4%, posted sales growth of 63.2% YoY to IDR 1.5 trillion.
- Meanwhile, recurring income was recorded at IDR 440.9 billion (-1.8% YoY). GPM was recorded to be depressed to 48.8% (Vs 50.2% 1Q21). The same thing happened to OPM which was recorded at 31.7% (Vs 33.7% 1Q21), due to the efficiency of G&A costs.
- Meanwhile, NPM grew to 18.8% (Vs. 13.1% 1Q21). CTRA managed to book a net profit of IDR 420.7 billion or grew 72.8% YoY.

Marketing Sales Reach 24,3% of Target

- Throughout 1Q22, CTRA managed to achieve marketing sales of IDR 1.9 trillion (+3.6% YoY) or 24.3% of the FY22 target.
- Sales of landed houses and land still support marketing sales with a contribution of 79.2%, followed by shop houses (14.7%); apartment (5.1%), and office (0.8%).
- NHKSI Research sees that the people are enthusiastic with the VAT subsidy provided by the government, and the interest rate is still low.
- It can be seen from the use of the financing method through mortgages recording 53.7%, valued at IDR 1.0 trillion or grew 1% YoY.

Solid Upper Middle Segment

- Marketing sales of the upper middle price segment, between IDR 2 billion-IDR 5 billion, grew solidly by 58% to IDR 876 billion.
- Meanwhile, the lower middle segment, between IDR 1 billion-IDR 2 billion, worth IDR 554 billion and grew 7% YoY.
- NHKSI Research projects that sales of this segment will improve, in line with hopes of improving people's purchasing power, and supported by the launch of new units and financing through mortgages.

Recommend BUY with TP IDR 1,500

- NHKSI Research maintains a BUY rating, with a TP of IDR 1,500 using an estimated discount to NAV of 78.24%. This target is supported by strong organic sales of housing stock, in line with the VAT exemption program incentives. Meanwhile, the risks to TP change are: 1) changes in government incentive policies, 2) increasing in interest rates, 3) declining people purchasing power.

Ciputra Development Tbk | Summary

	2021A	2022F	2023F	2024F
Revenue	9,730	9,486	9,536	9,590
Growth	20.6%	-2.5%	0.5%	0.6%
Net Profit	1,735	2,107	2,179	2,324
Growth	31.4%	21.4%	3.4%	6.7%
EPS (IDR)	93	113	117	125
P/E	10.4x	13.2x	15.5x	15.0x
P/BV	0.9x	1.3x	1.5x	1.4x
EV/EBITDA	6.0x	12.4x	11.3x	9.7x
ROA	4.3%	4.9%	4.5%	4.6%
ROE	9.4%	10.3%	9.7%	9.5%
DER	49.3%	56.0%	56.0%	55.0%

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | June 13, 2022

Buy

Target Price (IDR)	1,500
Consensus Price (IDR)	1,507
TP to Consensus Price	-0.4%
Potential Upside	+59.6%

Shares data

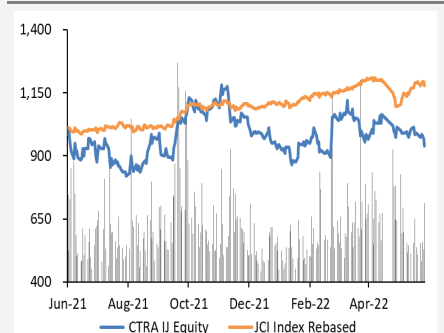
Last Price (IDR)	940
Price Date as of	June 10, 2022
52 wk Range (Hi/Lo)	1,200/815
Free Float (%)	46.7
Outstanding sh. (mn)	18,560
Market Cap. (IDR bn)	17,446
Market Cap. (USD mn)	1,193
Avg. Trd Vol - 3M (mn)	34.26
Avg. Trd Val - 3M (bn)	34.91
Foreign Ownership	17.1%

Property

Real Estate Owner & Developer

Bloomberg	CTRA IJ
Reuters	CTRA.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-3.1%	-5.5%	-10.9%	-7.4%
Rel. Ret.	-10.8%	-9.4%	-13.2%	-23.4%

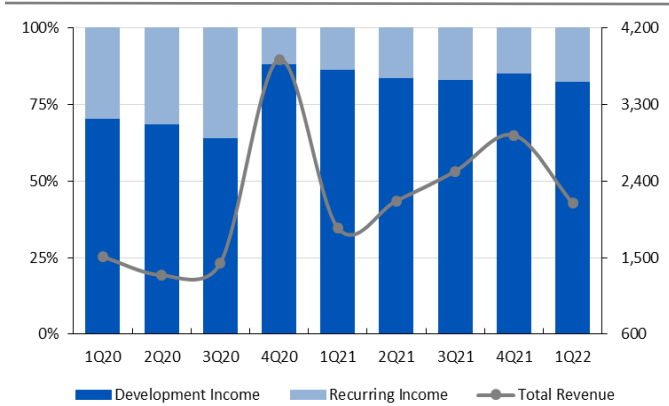
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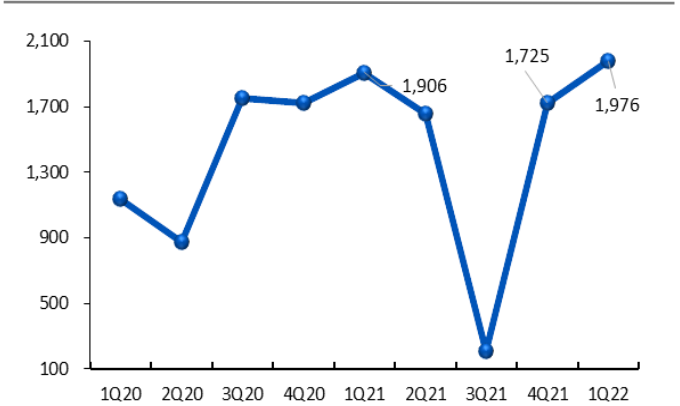
Performance Highlights in Charts

Quarterly Income (IDR bn) | 1Q20 - 1Q22



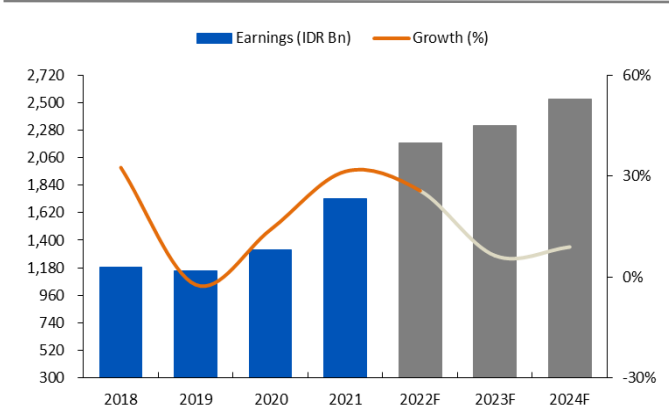
Source: Company Data, NHKSI Research

Quarterly Marketing Sales | 1Q20 - 1Q22



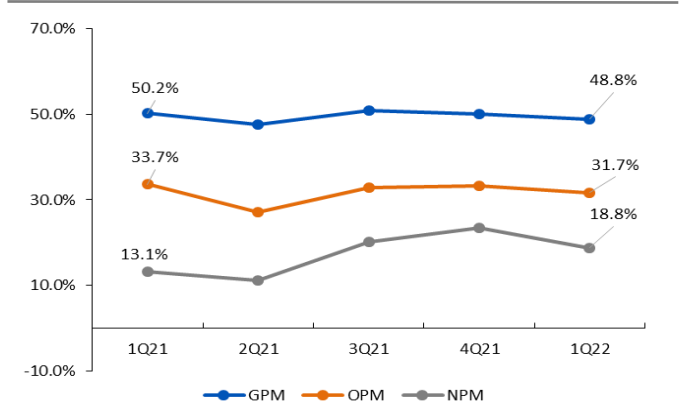
Source: Company Data, NHKSI Research

Earnings and Growth Movement



Source: Company Data, NHKSI Research

Margin Ratio



Source: Company Data, NHKSI Research

3-Year Forward P/E Band



Source: Company Data, NHKSI Research

3-Year Discount to NAV Band



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
In IDR bn	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
Revenues	9,730	9,486	9,536	9,590	ROE	9.4%	10.3%	9.7%	9.5%
Growth (% y/y)	20.6%	-2.5%	0.5%	0.6%	ROA	4.3%	4.9%	4.5%	4.6%
COGS	(4,890)	(4,942)	(4,491)	(4,560)	Inventory Turnover	0.4x	0.4x	0.4x	0.4x
Gross Profit	4,840	4,544	5,045	5,030	Receivables Turnover	10.8x	11.9x	11.9x	9.8x
Gross Margin	49.7%	47.9%	52.9%	52.5%	Payables Turnover	2.3x	2.3x	3.5x	3.8x
Operating Expenses	(1,741)	(1,834)	(1,979)	(1,865)	Dividend Yield (%)	0.0%	0.0%	0.9%	0.3%
EBIT	3,098	2,711	3,066	3,165	Payout Ratio (%)	0.0%	0.0%	13.7%	4.0%
EBIT Margin	31.8%	28.6%	32.1%	33.0%	DER	49%	56%	56%	55%
Depreciation	292	(382)	78	592	Net Gearing	116%	148%	159%	172%
EBITDA	3,391	2,328	3,144	3,757	Equity Ratio	48%	47%	47%	51%
EBITDA Margin	34.8%	24.5%	33.0%	39.2%	Debt Ratio	23%	26%	26%	28%
Interest Expenses	(1,653)	(1,259)	(1,212)	(1,303)	Financial Leverage	166%	161%	165%	159%
EBT	2,137	2,411	2,499	2,671	Current Ratio	2.00	1.93	2.01	2.41
Income Tax	(49)	(57)	(79)	(85)	Quick Ratio	48%	57%	55%	65%
Minority Interest	(352)	(247)	(241)	(263)	Par Value (IDR)	250	250	250	250
Net Profit	1,735	2,107	2,179	2,324	Total Shares (mn)	18,560	18,560	18,560	18,560
Growth (% y/y)	31.4%	21.4%	3.4%	6.7%	Share Price (IDR)	970	1,500	1,821	1,883
Net Profit Margin	17.8%	22.2%	22.8%	24.2%	Market Cap (IDR tn)	18.0	27.8	33.8	35.0

BALANCE SHEET					VALUATION INDEX				
In IDR bn	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
Cash	7,162	10,972	11,389	12,456	Price /Earnings	10.4x	13.2x	15.5x	15.0x
Receivables	867	656	946	1,020	PE/EPS Growth	0.3x	0.6x	4.5x	2.3x
Inventories	11,578	11,733	13,658	11,873	Price /Book Value	0.9x	1.3x	1.5x	1.4x
Total Current Assets	21,895	25,592	28,334	27,798	EV/EBITDA	6.0x	12.4x	11.3x	9.7x
Net Fixed Assets	15,721	17,244	18,424	19,098	EV (IDR bn)	20,397	28,984	35,439	36,595
Other Non Current Assets	3,053	3,089	3,249	3,410	Revenue CAGR (3-Yr)	8.2%	7.6%	5.7%	-0.5%
Total Non Current Assets	18,774	20,333	21,674	22,508	Net Income CAGR (3-Yr)	13.5%	22.1%	18.2%	10.2%
Total Assets	40,668	45,925	50,008	50,306	Basic EPS (IDR)	93	113	117	125
Payables	2,243	2,285	274	2,137	BVPS (IDR)	1,045	1,166	1,254	1,381
ST Debt	1,352	3,672	3,949	4,271	DPS (IDR)	-	-	16.14	5.01
Total Current Liabilities	10,963	13,283	14,078	11,549					
LT Debt	8,203	8,444	9,083	9,823					
Total Liabilities	21,274	24,287	26,739	24,682					
Capital Stock + APIC	8,210	8,210	8,210	8,210					
Retained Earnings	8,713	10,820	12,699	14,930					
Shareholders' Equity	19,394	21,638	23,269	25,624					

CASH FLOW STATEMENT					OWNERSHIP				
In IDR bn	2021/12A	2022/12E	2023/12E	2024/12E					
Operating Cash Flow	3,647	2,486	450	1,668	Shareholders				%
Investing Cash Flow	(1,100)	(1,326)	(400)	(1,695)	PT Sang Pelopor				53.2
Financing Cash Flow	(678)	2,649	367	1,093	Vanguard Group Inc				2.7
Net Changes in Cash	1,869	3,810	417	1,066	Norgers Bank				2.6
					Schroder Investment				1.4
					Others				40.2
					By Geography				%
					Indonesia				82.9
					United States				8.1
					Norway				3.9
					Others				5.2

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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