

Pakuwon Jati Tbk (PWON)

Recurring Income Masih Menjadi Penopang

Per Semester I-2023, PWON mencatatkan laba sebesar IDR 1.1 triliun (+45.8% YoY). Peningkatan laba tersebut sejalan dengan pendapatan yang meningkat sebesar 5% YoY. Kontribusi dari recurring income masih mendominasi sebesar 76% dari total pendapatan selama 1H23. Selain pendapatan yang meningkat, efisiensi biaya juga menjadi salah satu faktor meningkatnya laba PWON; NPM 37.9% (vs 1H22: 27.4%).

Pertumbuhan Laba yang Solid

- Sepanjang 1H23, PWON berhasil mencatatkan laba sebesar IDR 1.1 triliun (+45.8% YoY vs IDR 754 miliar di 1H22).
- Peningkatan laba tersebut sejalan dengan meningkatnya pendapatan, PWON berhasil membukukan pendapatan sebesar IDR 2.9 triliun tumbuh sebesar 23.9% YoY (vs IDR 2.75 triliun 1H22).
- Selain pendapatan yang meningkat, PWON juga berhasil melakukan efisiensi biaya. Gross dan EBIT margin masing-masing naik menjadi 55.8% dan 37.5% (vs 51.5% dan 35.7% di 1H22). Kemudian NPM juga naik signifikan menjadi 37.9% (vs 27.4% di 1H22).

Recurring Income yang Terus Bertumbuh

- *Recurring income* pada 1H23 tercatat naik 24% YoY menjadi IDR 2.2 triliun (vs IDR 1.7 triliun di 1H22). Dengan kontribusi 76% dari total pendapatan, *recurring income* tumbuh didukung oleh 4.7% YoY kenaikan sewa dan jasa pemeliharaan, kemudian diikuti oleh pendapatan hotel dan pendapatan usaha lainnya yang masing-masing tumbuh 1.7% dan 1.3% YoY.
- Tingkat okupansi retail mall yang dimiliki PWON mulai kembali normal pasca pandemi Covid-19. Seluruh retail mall yang dimiliki PWON mengalami tren peningkatan sejak tahun 2021, kecuali Pakuwon Mall Solo Baru yang mengalami penurunan karena masih dalam tahap renovasi.
- Saat ini, hanya sebesar 6% dari *Net Leasable Area* (NLA) yang kosong. Pada tahun 2023, sebanyak 8% akan memasuki masa habis sewa. Sedangkan, sebesar 46% akan memasuki masa habis sewa pada tahun 2024 hingga 2026. Kemudian, sebesar 40% sisanya masih akan memasuki masa habis sewa pada tahun 2027 atau lebih. Hal ini menunjukkan bahwa *cash flow* PWON masih akan terjaga setidaknya hingga tahun 2027.
- Sementara, *development income* turun 29% YoY menjadi IDR 688 miliar (vs IDR 970 miliar di 1H22) yang disebabkan oleh penurunan penjualan kondominium dan kantor turun sebesar 61% YoY.

Marketing Sales yang Belum Sesuai Ekspektasi

- *Marketing sales* di 1H23 hanya berhasil memperoleh IDR 600 miliar, turun sebesar 25% YoY (vs IDR 800 miliar di 1H22). Angka tersebut hanya mencapai 37.5% dari total target *marketing sales* di tahun 2023
- Penurunan tersebut disebabkan oleh turunnya penjualan, baik high-rise maupun landed property, masing-masing turun sebesar 11.6% dan 37.5% YoY.

Rekomendasi BUY dengan TP Rp600

- Kami merekomendasikan BUY untuk PWON dengan TP di level Rp600 yang mencerminkan Forward P/E 14.4x FY23F. Saat ini, PWON diperdagangkan di 11.1x Forward P/E 23F yang berada sedikit di bawah -1 std rata-rata 3 tahun terakhir.
- Adapun risiko dari rekomendasi kami adalah melemahnya daya beli konsumen yang dapat mengakibatkan tidak tercapainya target *marketing sales* tahun 2023.

Pakuwon Jati Tbk | Summary

in IDR bn		2022/12A	2023/12E	2024/12E	2025/12E
Revenues		5,987	6,086	6,284	6,722
	<i>Revenues growth</i>	4.8%	1.7%	3.3%	7.0%
Net profit		1,539	1,963	2,025	2,210
	<i>Growth</i>	11.3%	27.6%	3.1%	9.1%
EPS (IDR)		32	41	42	46
P/E		14.3x	14.7x	14.3x	13.1x
P/BV		1.1x	1.3x	1.2x	1.1x
EV/EBITDA		7.1x	9.1x	8.2x	7.1x
ROE		0.1x	0.1x	0.1x	0.1x
DER		0.3x	0.3x	0.3x	0.3x
<i>Dividend yield</i>		0.9%	1.7%	0.7%	0.7%
BVPS (IDR)		430	463	492	534
EBITDA margin		49.2%	49.8%	50.9%	50.7%
NPM		25.7%	32.3%	32.2%	32.9%
ROA		5.2%	6.2%	6.2%	6.2%
ROIC		71.4%	70.4%	80.2%	66.8%
DPS (IDR)		4.0	10.5	4.1	4.2
Net Debt		-1,167	-1,303	-2,778	-4,526
EBITDA		2,944	3,028	3,196	3,409

Source: Company Data, Bloomberg, NIKSI Research

Please consider the rating criteria & important disclaimer

Company Update | Aug 22, 2023

BUY

Target Price (IDR)	600
Consensus Price (IDR)	596
TP to Consensus Price	+0.7%
Potential Upside	+30.4%

Shares data

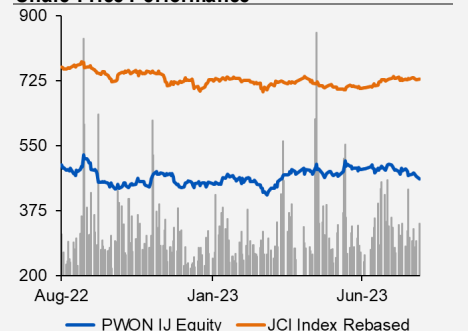
Last Price (IDR)	460
Price Date as of	Aug 21, 2023
52 wk Range (H/L)	525/418
Free Float (%)	31.3
Outstanding sh. (mn)	48,160
Market Cap (IDR bn)	22,153
Market Cap (USD mn)	1,446
Avg. Trd Vol - 3M (mn)	30
Avg. Trd Val - 3M (bn)	14.83
Foreign Ownership	16.5%

Property

Real Estate Owner & Developer

Bloomberg	PWON IJ
Reuters	PWON.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	1.3%	-8.0%	-4.2%	-8.0%
Rel. Ret.	0.9%	-7.9%	-6.4%	-4.8%

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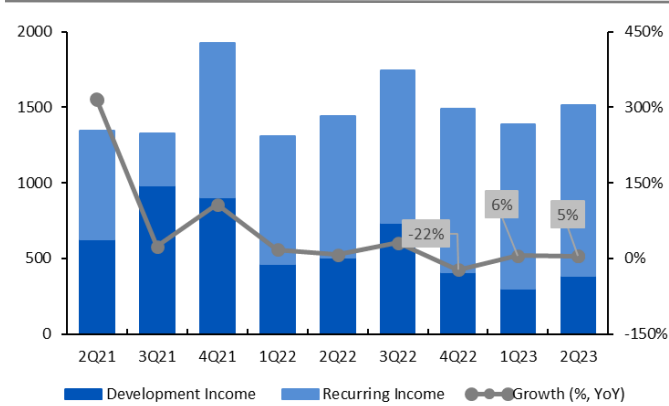
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Muhammad Aksan Putra Sunandar

(Intern)

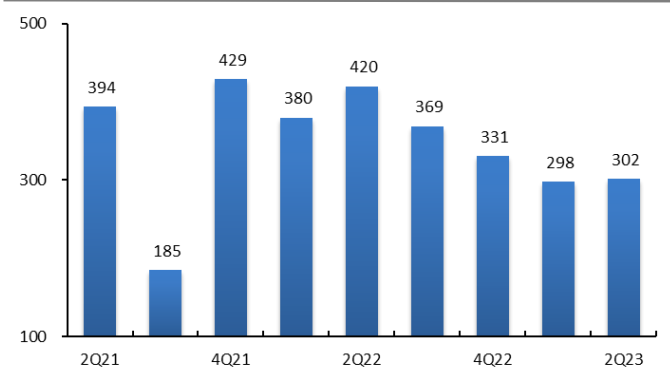
Performance Highlights

PWON Quarterly Revenue (IDR bn) | 2Q21 - 2Q23



Source: Company Data, NHKSI Research

PWON Quarterly Marketing Sales (IDR bn) | 2Q21 - 2Q23



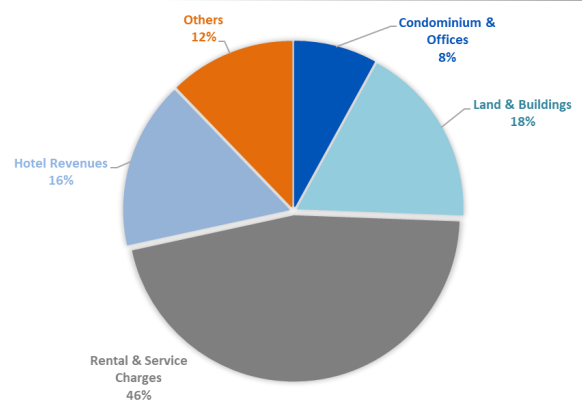
Source: Company Data, NHKSI Research

Occupancy Rate PWON Mall Portfolio | 2018 - 2Q23

Occupancy	2018	2019	2020	2021	2022	2Q23
Jakarta						
Kota Kasablanka Mall	99%	99%	99%	99%	100%	100%
Gandaria City Mall	94%	98%	92%	90%	96%	96%
Blok M Plaza	85%	97%	93%	88%	92%	92%
Surabaya						
Tunjungan Plaza	96%	96%	93%	91%	94%	96%
Pakuwon Mall	95%	96%	90%	89%	94%	95%
Pakuwon Trade Center	92%	92%	88%	87%	90%	91%
Royal Plaza	96%	94%	91%	90%	95%	95%
Pakuwon City Mall			74%	74%	80%	82%
Central Java						
Pakuwon Mall Yogyakarta			88%	65%	90%	92%
Pakuwon Mall Solo Baru			97%	89%	83%	83%

Source: Company Data, NHKSI Research

PWON Revenue Breakdown | 2Q23



Source: Company Data, NHKSI Research

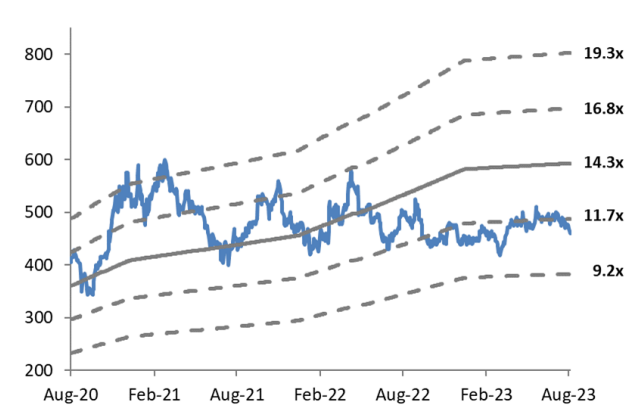
Valuation Highlights

3-Year Forward P/E Band



Source: Bloomberg, NHKSI Research

3-Year Dynamic Forward P/E Band



Source: Bloomberg, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Revenues	5,987	6,086	6,284	6,722
Growth (% y/y)	4.8%	1.7%	3.3%	7.0%
Cost of Revenues	(2,769)	(2,754)	(2,871)	(3,021)
Gross Profit	3,219	3,333	3,413	3,700
Gross Margin	53.8%	54.8%	54.3%	55.1%
Operating Expenses	(955)	(992)	(943)	(1,052)
EBIT	2,264	2,341	2,471	2,648
EBIT Margin	37.8%	38.5%	39.3%	39.4%
Depreciation	680	688	725	761
EBITDA	2,944	3,028	3,196	3,409
EBITDA Margin	49.2%	49.8%	50.9%	50.7%
Interest Expenses	(341)	(324)	(341)	(347)
EBT	1,840	2,261	2,306	2,531
Income Tax	(9)	(11)	(11)	(13)
Minority Interest	(292)	(286)	(270)	(308)
Net Profit	1,539	1,963	2,025	2,210
Growth (% y/y)	11.3%	27.6%	3.1%	9.1%
Net Profit Margin	25.7%	32.3%	32.2%	32.9%

PROFITABILITY & STABILITY

	2022/12A	2023/12E	2024/12E	2025/12E
ROE	7.7%	9.1%	8.8%	8.9%
ROA	5.2%	6.2%	6.2%	6.2%
Inventory Turnover	0.7x	0.7x	0.8x	0.7x
Receivables Turnover	57.7x	50.9x	54.1x	52.5x
Payables turnover	12.9x	12.5x	9.4x	9.3x
Dividend Yield	0.9%	1.7%	0.7%	0.7%
Payout Ratio	12.5%	25.7%	9.7%	9.2%
DER	0.30x	0.27x	0.27x	0.27x
Net Gearing	-5.6%	-5.8%	-11.7%	-17.6%
Equity Ratio	67.7%	68.9%	72.2%	66.7%
Debt Ratio	0.21x	0.19x	0.20x	0.18x
Financial Leverage	149.1%	146.4%	141.7%	144.4%
Current Ratio	465.3%	399.5%	607.3%	359.2%
Quick Ratio	321.8%	270.9%	466.4%	244.9%
Par Value (IDR)	25	25	25	25
Total Shares (mn)	48,160	48,160	48,160	48,160
Share Price (IDR)	456	600	600	600
Market Cap (IDR tn)	22.0	28.9	28.9	28.9

BALANCE SHEET

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Cash	7,444	7,428	9,245	11,581
Receivables	102	138	95	162
Inventories	3,779	4,044	3,113	5,938
Total Current Assets	12,253	12,557	13,417	18,657
Net Fixed Assets	14,227	15,157	15,437	15,617
Other Non Current Assets	4,122	4,651	3,948	4,240
Total Non Current Assets	18,349	19,807	19,385	19,857
Total Assets	30,602	32,365	32,802	38,514
Payables	213	227	386	267
ST Debt	4	8	33	20
Total Current Liabilities	2,634	3,143	2,209	5,194
LT Debt	6,273	6,117	6,435	7,035
Total Liabilities	9,884	10,081	9,105	12,811
Capital Stock + APIC	1,566	1,566	1,566	1,566
Retained Earnings	15,778	17,236	19,065	21,072
Shareholders' Equity	20,718	22,284	23,697	25,704

CASH FLOW STATEMENT

(IDR bn)	2022/12A	2023/12E	2024/12E	2025/12E
Operating Cash Flow	2,720	2,481	2,750	3,063
Investing Cash Flow	(1,574)	(2,348)	(663)	(1,112)
Financing Cash Flow	(247)	(122)	(270)	385
Net Changes in Cash	898	11	1,818	2,336

VALUATION INDEX

	2022/12A	2023/12E	2024/12E	2025/12E
Price /Earnings	14.3x	14.7x	14.3x	13.1x
PE/EPS Growth	1.3x	0.5x	4.5x	1.4x
Price /Book Value	1.1x	1.3x	1.2x	1.1x
EV/EBITDA	7.1x	9.1x	8.2x	7.1x
EV (IDR bn)	20,793	27,593	26,118	24,370
Revenues CAGR (3-Yr)	-5.4%	-5.5%	16.5%	5.6%
Net Income CAGR (3-Yr)	-15.4%	-10.3%	29.6%	16.9%
Basic EPS (IDR)	32	41	42	46
BVPS (IDR)	430	463	492	534
DPS (IDR)	4.0	10.5	4.1	4.2

OWNERSHIP

By Geography	%
Indonesia	83.5
United States	7.7
Luxembourg	5.6
Others	3.3
Shareholders	%
PT Pakuwon A	68.7
Goldman Sachs Group Inc	2.0
Vanguard Group Inc	1.7
Fil Ltd	1.3
Others	26.2

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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