

Ciputra Development (CTRA)

Growth Remains Solid, Government Support Expected To Continue

Ciputra Development (CTRA) recorded 8% YoY increases for both revenue (IDR 7.12 trillion vs IDR 6.59 trillion) and net income (IDR 1.28 trillion vs IDR 1.18 trillion) for the period 9M24. This strong performance is caused by solid growth in both its recurring revenue segment and property development, which climbed by 14% and 6% YoY respectively.

Improvements across the board

- CTRA reported IDR 8.68 trillion in marketing sales for 9M24, up 11% YoY from IDR 7.79 trillion, and also reflecting 78% of the company's marketing sales target for FY24 of IDR 11.1 trillion.
- A huge reason for this robust marketing sales figures is the government tax incentive which extends to the end of FY24, with 26.3% of total marketing sales in 9M24, or around IDR 2.28 trillion, being VAT exempted.
- Despite a huge drop in both apartment and office sales (-46% and -52% respectively), overall revenue from the property development segment increased by 6.3% (IDR 5.40 trillion vs IDR 5.08 trillion).
- This is caused by the sale of houses, shophouses, and land lots which surged by 17.7% YoY (IDR 4.95 trillion vs IDR 4.21 trillion).
- Similarly, the recurring revenue segment soared by 13.9% YoY, with the main reasons being increased foot traffic & rental rates in shopping malls, and higher hotel occupancy rates & RevPAR.

Key projects launched & moving forward

- CTRA just launched a new premium residential area, CitraLand Gresik, in September 2024 which accounted for IDR 136 billion in marketing sales for 9M24.
- The company also launched new clusters in several existing projects in 3Q24 including at CitraLand Surabaya, CitraGarden City Jakarta, CitraGarden Bintaro, and CitraRaya Tangerang. CitraLand Surabaya contributed the largest amount of marketing sales in 9M24 at IDR 1.2 trillion.
- CTRA also continues to develop their projects at Tanjung Morawa & Sampali in Deli Serdang & Medan.

Government continues to support property sector

- The government's tax incentive has been very helpful for the property sector in FY24, with marketing sales across the board remaining robust despite high interest rates.
- Plans are now in talks to extend the incentive into FY25, with the government hoping that removing taxes on property sales would help combat the weakening consumer purchasing power.
- President Prabowo's three million homes program is also expected to give an additional boost to the property sector, with industry players hopeful of further incentives for the property sector.
- With inflation under control in most parts of the world, more interest rate cuts are also expected in the coming months, providing another catalyst for the industry.

Recommend BUY with TP of IDR 1,400

- We maintain our BUY rating for CTRA with an adjusted target price of IDR 1,400. This price reflects a PBV ratio of 1.25x, or approximately equivalent to CTRA's 5-Yr PBV SD+1 band. Price is currently trading at a PBV of 0.95x.
- Risks: 1) Purchasing power decline 2) Interest rate uncertainty due to Trump 3) Tax incentive continuation uncertainty

Ciputra Development Tbk | Summary

in IDR bn	2023A	2024E	2025F	2026F
Revenue	9,246	9,632	10,687	11,383
Revenue growth	1.3%	4.2%	11.0%	6.5%
Net profit	1,846	1,693	1,917	2,194
EPS (IDR)	100	91	103	118
Net Profit growth	-0.9%	-8.3%	13.2%	14.4%
NPM	20.0%	17.6%	17.9%	19.3%
ROE	8.5%	7.3%	7.7%	8.3%
ROA	4.3%	3.7%	4.0%	4.3%
P/E	11.7x	15.3x	13.5x	11.8x
P/BV	1.0x	1.1x	1.0x	1.0x
EV/EBITDA	7.1x	9.3x	8.0x	7.0x

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | Dec 02, 2024

Buy

Target Price (IDR)	1,400
Consensus Price (IDR)	1,617
TP to Consensus Price	-13.4%
Potential Upside	+31.6%

Shares data

Last Price (IDR)	1,070
Price Date as of	Nov 29, 2024
52 wk Range (Hi/Lo)	1,430 / 1,055
Free Float (%)	43.1
Outstanding sh.(mn)	18,536
Market Cap (IDR bn)	19,833
Market Cap (USD mn)	1,251
Avg. Trd Vol - 3M (mn)	29.8

Property

Real Estate Owner & Developer

Bloomberg	CTRA IJ
Reuters	CTRA.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-8.5%	-18.3%	9.7%	-8.5%
Rel. Ret.	-6.4%	-11.8%	10.0%	-9.7%

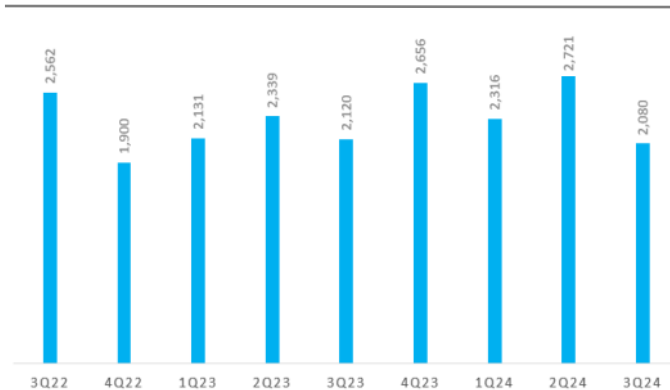
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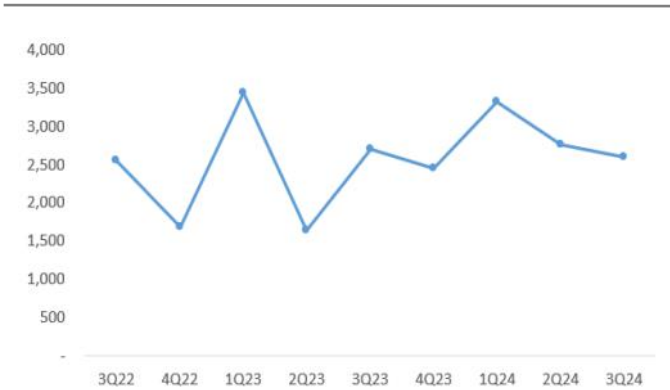
Performance Highlights in Charts

CTRA Quarterly Revenue (IDR bn) | 3Q22 - 3Q24



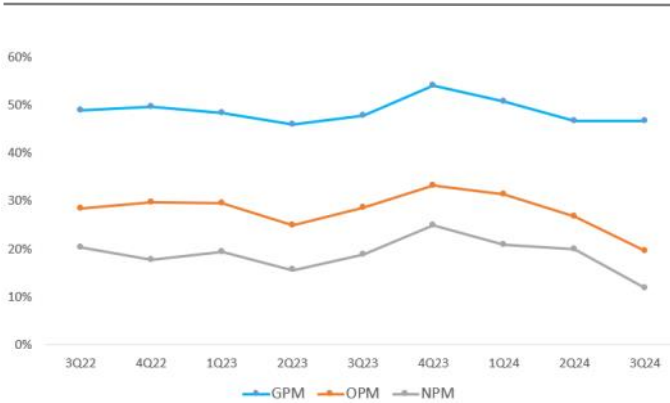
Source: Company Data, NHKSI Research

CTRA Quarterly Marketing Sales (IDR bn) | 3Q22 - 3Q24



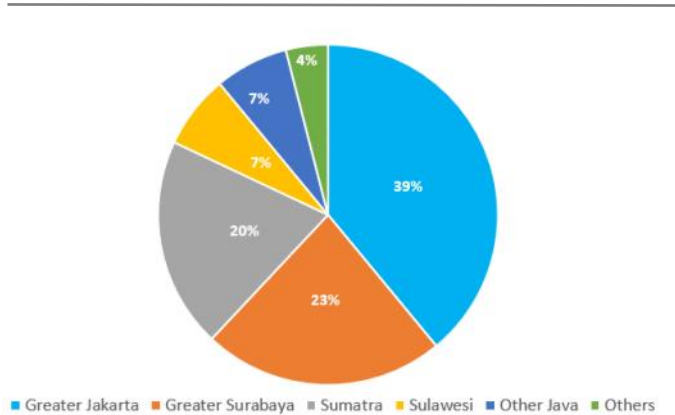
Source: Company Data, NHKSI Research

CTRA Margin Ratios | 3Q22 - 3Q24



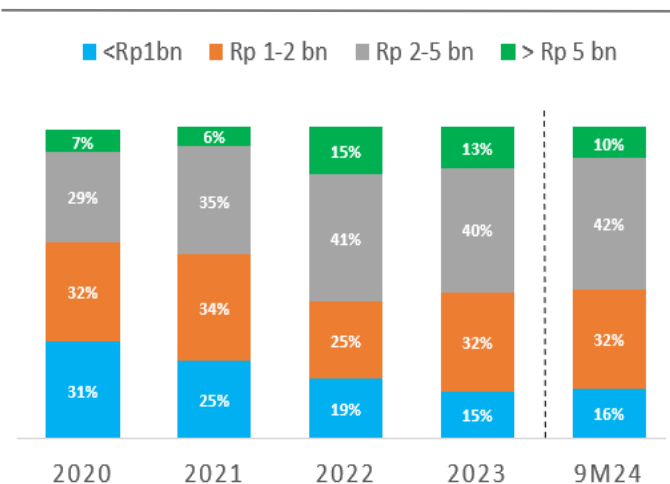
Source: Company Data, NHKSI Research

CTRA Presales per Location | 9M24



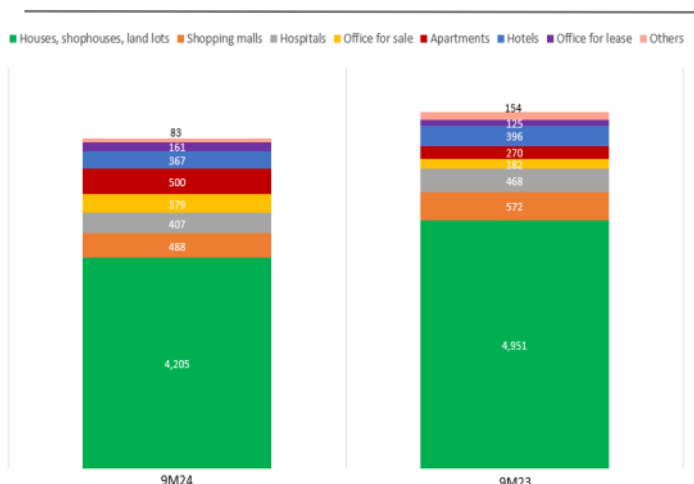
Source: Company Data, NHKSI Research

CTRA Presales per Unit Price | 2020 - 9M24



Source: Company Data, NHKSI Research

CTRA Revenue Breakdown | 9M23 vs 9M24



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2023/12A	2024/12F	2025/12F	2026/12F
Revenue	9,246	9,632	10,687	11,383
Growth	1.3%	4.2%	11.0%	6.5%
COGS	4,686	5,035	5,447	5,841
Gross Profit	4,560	4,597	5,240	5,543
Gross Margin	49.3%	47.7%	49.0%	48.7%
Operating Expenses	(1,856)	(2,125)	(2,400)	(2,451)
EBIT	2,703	2,472	2,840	3,092
EBIT Margin	29.2%	25.7%	26.6%	27.2%
Depreciation	356	348	359	396
EBITDA	3,059	2,820	3,199	3,488
EBITDA Margin	33.1%	29.3%	29.9%	30.6%
EBT	1,968	1,886	2,113	2,412
Income Tax	59	37	36	36
Minority Interest	62	155	160	183
Net Profit	1,846	1,693	1,917	2,194
Growth	-0.9%	-8.3%	13.2%	14.4%
Net Profit Margin	20.0%	17.6%	17.9%	19.3%

BALANCE SHEET

(IDR bn)	2023/12A	2024/12F	2025/12F	2026/12F
Cash	10,601	10,272	10,316	11,309
Receivables	734	815	904	967
Inventories	12,120	13,120	13,931	14,666
Total Current Assets	25,748	27,009	28,180	30,044
Net Fixed Assets	15,577	17,396	18,782	19,111
Other Non Current Assets	2,790	2,791	2,753	2,534
Total Assets	44,115	47,196	49,715	51,689
Payables	2,130	2,524	2,607	2,741
ST Debt	622	799	705	751
LT Debt	7,469	6,994	6,344	6,077
Total Liabilities	21,490	23,290	24,082	24,375
Capital Stock	4,634	4,634	4,634	4,634
Retained Earnings	11,885	13,188	14,658	16,316
Shareholders' Equity	22,625	23,906	25,634	27,314

CASH FLOW STATEMENT

(IDR bn)	2023/12A	2024/12F	2025/12F	2026/12F
Operating Cash Flow	3,865	2,905	3,328	3,037
Investing Cash Flow	(1,176)	(2,478)	(2,075)	(1,257)
Financing Cash Flow	(1,140)	(856)	(1,213)	(792)
Net Changes in Cash	1,551	(429)	44	993

PROFITABILITY & STABILITY

	2023/12A	2024/12F	2025/12F	2026/12F
ROE	8.5%	7.3%	7.7%	8.3%
ROA	4.3%	3.7%	4.0%	4.3%
Inventory Turnover	0.8	0.7	0.8	0.8
Days Inventory Outstanding	478.5	497.2	475.8	470.3
Receivables Turnover	13.1	11.8	11.8	11.8
Account Receivable Days	27.8	30.9	30.9	31.0
Dividend Yield (%)	1.3%	1.5%	1.7%	2.1%
Payout Ratio (%)	15.1%	23.0%	23.3%	24.4%
DER	35.8%	32.6%	27.5%	25.0%
Current Ratio	2.4	2.0	1.9	1.9
Quick Ratio	2.1	1.8	1.7	1.7
DAR	18%	17%	14%	13%
Total Shares (mn)	18,536	18,536	18,536	18,536
Share Price (IDR)	1,170	1,400	1,400	1,400
Market Cap (IDR tn)	21.7	26.0	26.0	26.0

VALUATION INDEX

	2023/12A	2024/12F	2025/12F	2026/12F
Price/Earnings	11.7x	15.3x	13.5x	11.8x
Price/Book Value	1.0x	1.1x	1.0x	1.0x
EV/EBITDA	7.1x	9.3x	8.0x	7.0x
EV (IDR bn)	21,756	26,086	25,494	24,308
BVPS (IDR)	1,221	1,290	1,383	1,474
Basic EPS (IDR)	100	91	103	118

TOP OWNERSHIP

Shareholders	%
PT Sang Pelopor	53.31
Public	46.69

By Geography	%
Indonesia	74.54
United States	6.36
Luxembourg	6.02

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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