Pakuwon Jati Tbk. (PWON)

Recurring Income Buoys Performance

Pakuwon Jati (PWON) reported flat revenue of IDR 3.37 trillion in 1H26 (+0.0% YoY), as recurring income rose 7.4% YoY to IDR 2.89 trillion while development revenue fell 29.3% YoY to IDR 480 billion. Gross margin improved to 56.9%, and EBITDA grew 3.1% YoY to IDR 1.65 trillion. Net profit declined 11.4% YoY to IDR 1.01 trillion and net profit margin narrowed to 29.8% from 33.7% in 1H25, as mark-to-market losses on the Company's managed fund portfolio reversed the gain booked a year earlier.

Retail leasing offsets declines in other segments

- 1H26 revenue from retail leasing increased by 6.8% YoY to IDR 2.06 trillion despite occupied retail area growing only by 1% YoY to 828k sqm. With minimal incremental space absorbed, growth was driven by rates rather than volume. That's a higher-quality source of growth than lease-up as it consumes no capital.
- We expect the reversion cycle to run further. Only 7% of retail NLA expires in 2026, with 18% in 2027 and 16% in 2028, spreading rather than concentrating the repricing opportunity, and the leases now rolling over were struck in a materially weaker rental market. With Kota Kasablanka at 100% and Tunjungan Plaza at 97%, PWON negotiates from a position where it can trade occupancy for rate. We forecast space rental growth of 6.0% in FY27F and 5.5% in FY28F.
- A secondary driver would be the hospitality segment, with revenue rising 14.7% YoY in 1H26 as three FY25 openings start contributing.
- 5-star hotel RevPAR jumped 5.3% YoY and 4-star hotel RevPAR increased by 3.4% YoY, showing robust demand for luxury and upper-middle hospitality offerings despite economic headwinds.

Marketing sales in-line with industry trend

- PWON's residential pre-sales slipped by 6.3% YoY to IDR 565 billion, with high-rise units making up 67% of this figure. 42% of total marketing sales are derived from premium units with prices above IDR 5 billion, dominated by the Eluna Tower launch in Kota Kasablanka Phase 4, as high-value product demand remains stable.
- Despite extension of the VAT subsidy program, property demand from middle class & budget conscious segments remains sluggish throughout the industry as low consumer confidence still lingers.
- We see PWON's marketing sales trend as not being a company-specific issue, and we view its growing recurring income segment as an offsetting factor & a catalyst for the company's short-medium term prospects.

BUY recommendation with a TP of IDR 400

- We maintain our **BUY** rating for PWON with an adjusted TP of **IDR 400**, implying FY26F PE of 8.5x and PBV of 0.68x. Price is currently trading at a TTM PE of 5.8x.
- Risks: 1) Prolonged residential softness 2) Regulatory risks 3) USD/IDR exchange rate

Pakuwon Jati Tbk. | Summary (IDR Billions)

	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	7,111	7,204	7,695	8,155
Growth (%y/y)	*6.6%*	*1.3%*	*6.8%*	*6.0%*
Net Profit	2,346	2,277	2,494	2,625
Growth (%y/y)	*13.1%*	*-2.9%*	*9.5%*	*5.2%*
Basic EPS (IDR)	48.7	47.3	51.8	54.5
Price / Earnings	6.94x	8.46x	7.72x	7.34x
EV / EBITDA	4.97x	5.75x	5.33x	5.12x
ROE	8.8%	8.1%	8.3%	8.2%
ROA	6.4%	5.9%	6.1%	6.1%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | 31st August 2026

Buy

Target Price (IDR)	**400**
Consensus Price	435
TP to Consensus Price	-8.0%
Potential Upside	+48.1%

Shares Data

Last Price (IDR)	270
Price date as of	28th Aug 2026
52 wk range (Hi/Lo)	440 / 236
Free Float (%)	31.3
Outstanding sh (mn)	48,159.6
Market Cap (IDR bn)	13,099
Market Cap (USD mn)	727.7
Avg. Trd Vol – 3M (mn)	47.9

Sector
Property
Sub-Sector
Real Estate Management & Development

Bloomberg	PWON IJ Equity
Reuters	PWON JK

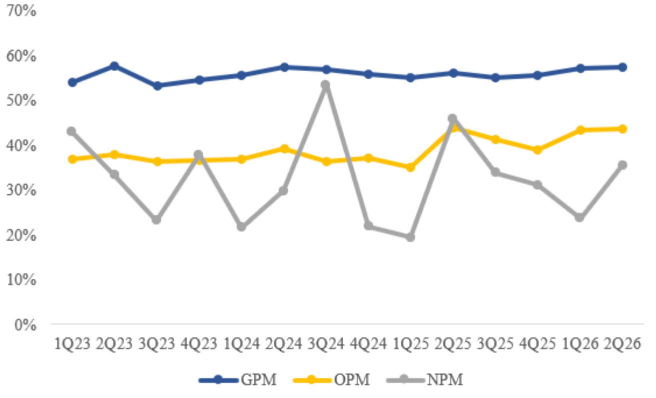
Share Price Performance

	YTD	1M	3M	12M
Abs. Ret.	-19.5%	3.8%	-6.8%	-28.0%
Rel. Ret.	5.1%	-2.5%	-13.2%	-10.0%

Axell Ebenhaezer
Senior Research Analyst
Mining & Property
Axell.Ebenhaezer@nhsec.co.id

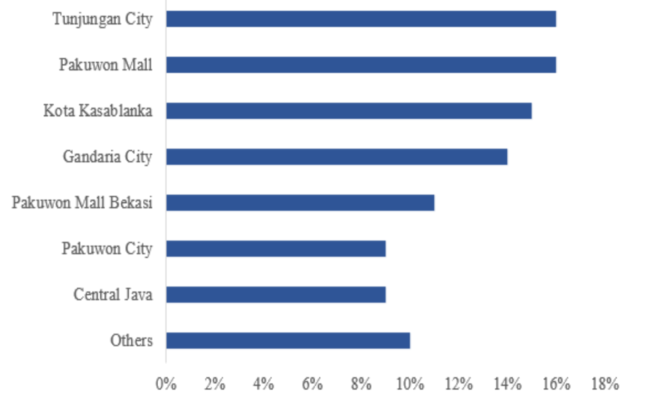
Performance Highlight

Exhibit 1. Quarterly Profit Margins (1Q24 – 2Q26)



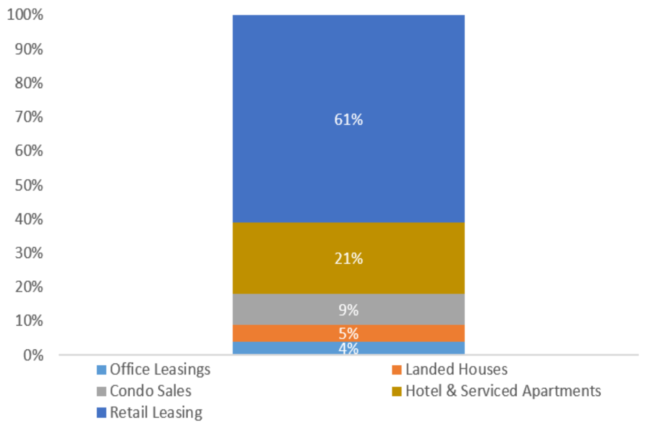
Source : Company, NHKSI Research

Exhibit 2. Revenue Breakdown by Project (1H26)



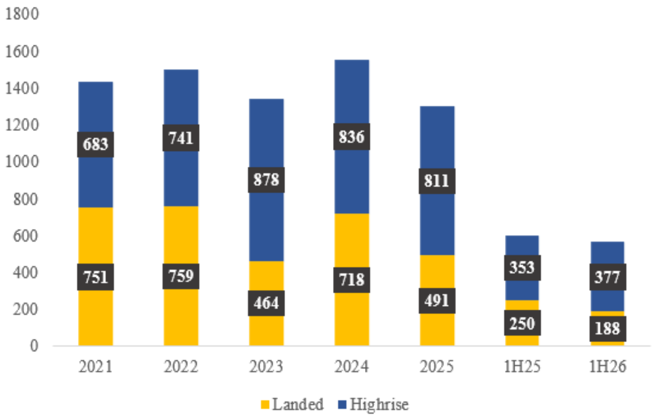
Source : Company, NHKSI Research

Exhibit 3. . Revenue Breakdown by Segment (1H26)



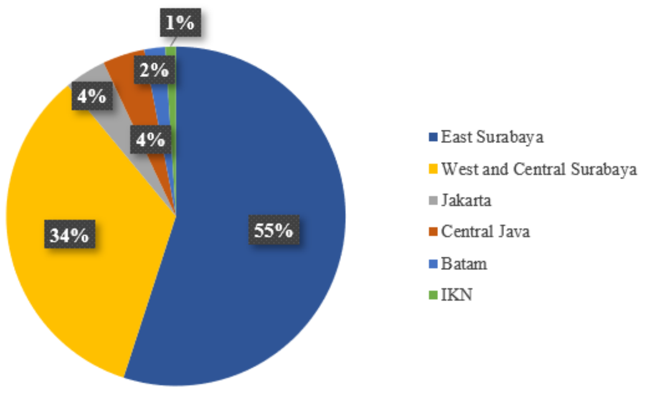
Source : Company, NHKSI Research

Exhibit 4. Residential Marketing Sales (IDR Bn, FY21 – 1H26)



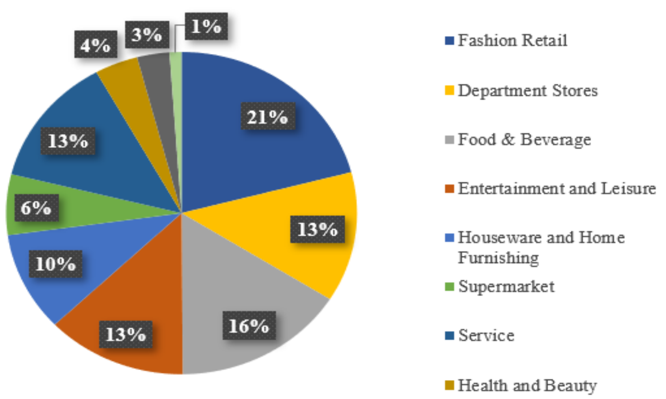
Source : Company, NHKSI Research

Exhibit 5. Land Bank Breakdown (1H26)



Source : Company, NHKSI Research

Exhibit 6. Retail Tenant Breakdown by Leased Area (1H26)



Source : Company, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Revenue	**7,111**	**7,204**	**7,695**	**8,155**
Growth (% y/y)	*6.6%*	*1.3%*	*6.8%*	*6.0%*
Cost of Revenue	(3,167)	(3,123)	(3,386)	(3,604)
Gross Profit	**3,944**	**4,080**	**4,309**	**4,550**
Gross Margin	*55.5%*	*56.6%*	*56.0%*	*55.8%*
Operating Expenses	(1,435)	(1,462)	(1,562)	(1,655)
EBIT	**2,510**	**2,618**	**2,747**	**2,895**
EBIT Margin	*35.3%*	*36.3%*	*35.7%*	*35.5%*
Depreciation	764	820	870	922
EBITDA	**3,274**	**3,439**	**3,617**	**3,817**
EBITDA Margin	*46.0%*	*47.7%*	*47.0%*	*46.8%*
EBT	**2,812**	**2,771**	**3,012**	**3,170**
Income Tax	(54)	(25)	(36)	(38)
Minority Interest	(412)	(469)	(482)	(507)
Net Profit	**2,346**	**2,277**	**2,494**	**2,625**
Growth (% y/y)	*13.1%*	*-2.9%*	*9.5%*	*5.2%*
Net Profit Margin	*33.0%*	*31.6%*	*32.4%*	*32.2%*

BALANCE SHEET

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Cash	5,595	5,474	6,057	5,838
Receivables	147	128	143	156
Inventories	4,533	5,049	5,473	5,876
Total Current Assets	**11,142**	**11,647**	**12,684**	**12,902**
Net Fixed Assets	18,241	18,490	19,180	20,734
Other Non Current Assets	7,083	8,407	8,820	9,249
Total Non Current Assets	**25,324**	**26,898**	**27,999**	**29,983**
Total Assets	**36,466**	**38,545**	**40,683**	**42,885**
Payables	901	873	946	1,007
ST Debt	6	7	7	7
LT Debt	5,575	5,980	6,050	6,120
Total Liabilities	**9,843**	**10,322**	**10,582**	**10,833**
Capital Stock + APIC	1,566	1,566	1,566	1,566
Retained Earnings	20,932	22,583	24,416	26,318
Shareholders' Equity	**26,623**	**28,223**	**30,101**	**32,052**

CASH FLOW STATEMENT

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Operating Cash Flow	3,029	3,014	3,582	3,798
Investing Cash Flow	(4,981)	(2,394)	(1,971)	(2,905)
Financing Cash Flow	(2,013)	(741)	(1,027)	(1,112)
Net Changes in Cash	**(3,960)**	**(121)**	**583**	**(219)**

PROFITABILITY & STABILITY

	2025/12A	2026/12E	2027/12F	2028/12F
ROE	8.8%	8.1%	8.3%	8.2%
ROA	6.4%	5.9%	6.1%	6.1%
Inventory Turnover	0.70x	0.62x	0.62x	0.61x
Receivables Turnover	48.21x	56.15x	53.68x	52.14x
Payables Turnover	3.52x	3.58x	3.58x	3.58x
Dividend Yield	3.8%	3.3%	3.4%	3.8%
Dividend Payout Ratio	26.6%	27.5%	26.5%	27.6%
DER	0.37x	0.37x	0.35x	0.34x
DAR	0.27x	0.27x	0.26x	0.25x
Equity Multiplier	1.37x	1.37x	1.35x	1.34x
Current Ratio	3.52x	3.60x	3.73x	3.62x
Quick Ratio	2.09x	2.04x	2.12x	1.97x
Total Shares (bn)	48.16	48.16	48.16	48.16
Share Price (IDR)	338	400	400	400
Market Cap (IDR tn)	16.3	19.3	19.3	19.3

VALUATION INDEX

	2025/12A	2026/12E	2027/12F	2028/12F
Price / Earnings	6.94x	8.46x	7.72x	7.34x
Price / Book Value	0.61x	0.68x	0.64x	0.60x
EV / EBITDA	4.97x	5.75x	5.33x	5.12x
EV (IDR bn)	16,264	19,777	19,264	19,553
Basic EPS (IDR)	49	47	52	55
BVPS (IDR)	553	586	625	666

OWNERSHIP

By Geography*	%
Indonesia	84.04
United States	5.94
Luxembourg	4.81

Shareholders	%
PT Pakuwon Arthaniaga	68.68
Public	31.32

**based on publicly reported holdings, not total shares outstanding*

Source : Bloomberg, 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%

Disclaimer