

PT Pakuwon Jati Tbk (PWON)

Property and Real Estate

Expecting strong recurring income growth

07 June 2022

Recommendations : BUY

Stock

Price on 06/06/2022 (Rp)	515
12M target price (Rp)	620
Capital gain potential	20%

Stock Data

Outstanding shares	48,159,602,400
Market cap (Rp)	24,561,397,224,000
Weight vs IHSG (%)	0.27

Shareholders (%)

Pakuwon Arthaniaga	68.68%
Alexander Tedja	0.02%
Public	31.30%

Outstanding Shares (unit)	48,159,602,400
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Price Performance

52-week high/low	Rp615/Rp342
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Capital gain/(loss) (in %)

1 month (8.04)	3 month 16.52	6 month 5.97	1 Year 5.10	YTD 10.99
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Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	5,713	5,797	5,944
Operating Income	1,981	2,273	2,611
OPM (%)	34.67%	39.21%	43.93%
EBITDA	2,627	2,948	3,271
EV to EBITDA (x)*	8.22	8.25	7.45
Net Income	1,383	1,693	1,957
NPM (%)	24.20%	29.20%	32.93%
EPS (Rp)	29	35	41
EPS Growth (%)	48.7%	22.4%	15.6%
Price Earnings (x)*	16.16	14.65	12.67
Price to Book (x)*	1.39	1.41	1.29
Price to Sales (x)*	3.91	4.28	4.17
Return on Equity (%)	8.62%	9.65%	10.17%
Return on Assets (%)	4.79%	5.44%	5.79%
Tot Debt/Equity (x)	0.36	0.34	0.32

*) based on market price (06/06/2022) at Rp515

Sources : Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)

Devi Harjoto
Alfiansyah

Laba bersih tumbuh 48,7% YoY pada 2021 menjadi Rp1,38 triliun. Peningkatan daya beli, mobilitas dan suku bunga rendah jadi modal utama. Rekomendasi "BUY" dengan target harga Rp620 per saham.

Margin yang membaik ditengah beban yang terkendali

Laba bersih PWON naik 56,6% YoY pada 1Q22 menjadi Rp370,6 miliar (-43,9% QoQ). Pendapatan tumbuh 17,1% YoY pada 1Q22 menjadi Rp1,31 triliun (-32,1% QoQ). GPM meningkat dari 46,5% pada 1Q21 menjadi 51,9% pada 1Q22 ditengah pertumbuhan beban pokok yang terkendali 5,4% YoY. Kemudian, beban operasional juga hanya tumbuh 1,1% YoY pada 1Q22 karena kenaikan beban penjualan utamanya dari beban gaji pegawai dan komisi & insentif. Sehingga, beban operasional juga meningkat dari 36,6% pada 1Q21 menjadi 43,3% pada 1Q22. PWON mencatatkan penurunan kerugian kurs 81,1% YoY. Adapun, perusahaan juga membukukan kerugian neto dari instrumen derivatif sebesar Rp21,6 miliar pada 1Q22 dibandingkan keuntungan Rp55,8 miliar pada tahun sebelumnya. Di sisi lain, beban keuangan meningkat 29,8% YoY pada 1Q22. PWON mempertahankan posisi net cash neraca pada 1Q22.

Penurunan pre-sales QoQ

Pertumbuhan pendapatan PWON pada 1Q22 ditengah penurunan pre-sales 11,0% YoY menjadi Rp380 miliar (-11,4% QoQ). Pre-sales tersebut utamanya dikontribusikan oleh Grand Pakuwon, Kota Kasablanka, dan Tunjungan City. Adapun, recurring income PWON meningkat dari 54,6% pada 1Q21 menjadi 64,4% pada 1Q22, ditengah kenaikan pendapatan dari space rental, pendapatan dari hotel dan service. Sedangkan, porsi dari pendapatan non-recurring menurun 8,1% YoY. Kami melihat adanya pelanggaran mobilitas terutama pada 4Q21 dibandingkan tahun sebelumnya mulai terlihat dari kenaikan Rev PAR untuk segmen hotel dari The Westin Surabaya, Sheraton Surabaya, Sheraton Grand Jakarta, dan Four Points Tunjungan.

Mendekati masa endemic berpengaruh positif terhadap recurring income

Kami memperkirakan pertumbuhan pendapatan PWON tahun ini sebesar 2% YoY. Kami memperkirakan penjualan kenaikan pre-sales mencapai 10-15% YoY tahun ini. Penjualan property secara umum dari pemulihan ekonomi, iklim investasi kondusif, dan kebijakan suku bunga rendah hingga 1H22 dan diskon PPN property hingga 9M22. PWON akan meluncurkan sejumlah proyek baru seperti Pakuwon Bekasi dan Pakuwon Mall Surabaya. Kemudian, recurring income akan bertumbuh lebih tinggi, ditengah optimisme konsumen yang kembali ke masa pra-pandemi dan kebijakan mengarah kearah endemi, sehingga mendorong sector perhotelan yang positif terhadap Rev PAR dan kunjungan ke pusat perbelanjaan serta pengurangan diskon. Dengan peningkatan tersebut, kami memperkirakan porsi recurring income kembali tumbuh solid tahun ini. Akan tetapi, kami melihat adanya resiko tekanan suku bunga pada 2H22 seiring dengan pengetatan moneter The Fed yang dan kenaikan 7DRRR dan usainya insentif PPN Property pada 3Q22 dapat berpengaruh terhadap performa marketing sales tahun ini, juga pemulihan property untuk bangunan strata yang lebih lambat daripada landed house.

Rekomendasi BUY ditengah normalisasi pasca pandemic

Kami merekomendasikan BUY dengan target harga Rp620 per saham yang merefleksikan valuasi PE 2022 pada 14,65x. Adapun, pertimbangan atas rekomendasi kami antara lain 1) kedatangan ke mall yang meningkat seiring gencarnya vaksinasi 2) stimulus pemerintah dan suku bunga BI yang relative rendah; 3) kontribusi recurring income yang relative berimbang sehingga menjadi bantalan dan 4) negara yang solid. Namun, kami melihat resiko atas rekomendasi kami yakni 1) ketidakpastian pandemi; 2) perubahan perilaku belanja dan aktivitas sehingga menurunkan tingkat okupansi mall dan perkantoran, juga permintaan property residensial rumah tapak; 3) berakhirnya insentif PPN property dan 4) potensi kenaikan suku bunga pada 2H22.

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1CQ2021	1CQ2022	YoY Change	4Q2021	1Q2022	QoQ Change
Revenue	1,116	1,307	17.1%	1,925	1,307	(32.1%)
Cost of Revenue	(597)	(629)	5.4%	(888)	(629)	(29.1%)
Gross Profit	519	678	30.6%	1,037	678	(34.7%)
Gross Margin (%)	46.5%	51.9%		53.9%	51.9%	
Operating Expenses	(111)	(112)	11.6%	(140)	(112)	(24.1%)
Operating Profit	408	566	40.0%	784	566	(38.0%)
Operating Margin (%)	31.1%	37.2%		40.7%	37.2%	
Non-Operating Income (Losses)	(148)	(158)	(6.9%)	(146)	(158)	8.3%
Pretax Income	260	407	56.7%	752	407	(45.8%)
Income Tax (Expense)/ Benefit	(7)	1	(121.7%)	(1)	1	(233.2%)
Profit for This Year	253	409	61.5%	751	409	(45.5%)
Minority	(16)	(38)	132.9%	(90)	(38)	(57.5%)
Net Profit (Losses)	237	371	56.6%	661	371	(43.9%)
Profit Margin (%)	21.2%	28.4%		34.3%	28.4%	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	3,977	5,713	5,797	5,944	6,888
Revenue growth yoy	(44.8%)	43.7%	1.5%	2.5%	15.9%
- Cost of Goods Sold	(2,036)	(2,949)	(2,612)	(2,504)	(2,738)
Gross profit	1,941	2,764	3,186	3,440	4,150
- Operating Expenses	(681)	(783)	(912)	(829)	(990)
Operating Income	1,260	1,981	2,273	2,611	3,160
Op income growth yoy	(58.8%)	57.3%	14.7%	14.9%	21.0%
- Non Operating Gains (Losses)	(111)	(417)	(438)	(480)	(496)
EBITDA	1,810	2,627	2,948	3,271	4,118
Pretax Income	1,149	1,564	1,835	2,132	2,664
- Income Tax Expense	(30)	(14)	(104)	(130)	(174)
Profit for This Year	1,119	1,550	1,731	2,002	2,490
- Minority Interests	(189)	(168)	(39)	(44)	(130)
Net Income	930	1,383	1,693	1,957	2,360
Net income growth yoy	(65.8%)	48.7%	22.4%	15.6%	20.6%
EPS (IDR)	19	29	35	41	49
Dividends Per Share (IDR)	0	3*	4	5	6

Sources: Company, Bloomberg and KB Valbury Sekuritas

*) Estimate

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	8,590	11,453	12,424	13,753	15,005
+ Cash & Near Cash Items	2,887	6,444	6,372	6,629	6,745
+ Accounts & Notes Receivable	102	106	128	151	175
+ Inventories	4,512	3,981	4,809	5,661	6,564
+ Other Current Assets	1,089	923	1,115	1,312	1,522
Total Long-Term Assets	17,869	17,413	18,666	20,051	22,188
+ Property, Plant & Equip, Net	14,722	17,073	18,325	19,731	21,908
Property, Plant & Equip	18,707	21,698	23,452	25,375	28,150
Accumulated Depreciation	3,985	4,624	5,128	5,644	6,242
+ Other Long Term Assets	3,146	340	341	320	280
Total Assets	26,459	28,866	31,090	33,805	37,193
Total Current Liabilities	4,337	3,019	3,369	3,604	3,752
+ Payables & Accruals	751	591	668	770	861
+ Short Term Borrowings	397	50	42	35	27
+ Other Short Term Liabilities	3,189	2,378	2,659	2,799	2,864
Total Long Term Liabilities	4,523	6,669	6,979	7,474	8,399
+ Long Term Borrowings	3,547	5,657	5,855	6,168	6,889
+ Other Long Term Borrowings	977	1,012	1,124	1,306	1,510
Total Liabilities	8,860	9,688	10,348	11,078	12,152
+ Share Capital & APIC	1,566	1,566	1,566	1,566	1,566
+ Retained Earnings & Other Eq.	13,049	14,432	15,921	17,630	19,689
+ Other Equity	20	49	54	56	59
Total Shareholders Equity	14,635	16,047	17,541	19,253	21,314
+ Minority/Non Controlling Int.	2,963	3,132	3,201	3,474	3,727
Total Equity	17,599	19,178	20,742	22,727	25,041
Total Liabilities & Equity	26,459	28,866	31,090	33,805	37,193
Book Value Per Share (IDR)	304	333	364	400	443

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	930	1,383	1,693	1,957	2,360
+ Depreciation & Amortization	550	646	504	516	598
+ Other Non-Cash Adjustments	(61)	210	163	167	194
Cash From Operating Activities	1,419	2,239	2,359	2,641	3,152
+ Disposal of Fixed Assets	6	1	6	7	7
+ Change in Investment	(701)	(282)	(628)	(644)	(746)
+ Other Investing Activities	(1,066)	(33)	(2)	21	40
Cash From Investing Activities	(1,761)	(314)	(623)	(616)	(699)
+ Dividends Paid	(0)	0	(204)	(248)	(301)
+ Change in long Term Borr.	(915)	1,743	(1,502)	(1,387)	(1,879)
+ Other Financing Activities	(166)	(115)	(102)	(133)	(158)
Cash From Financing Activities	(1,081)	1,628	(1,808)	(1,768)	(2,338)
Net Changes in Cash	(1,423)	3,553	(72)	257	116

Sources: Company, Bloomberg and KB Valbury Sekuritas

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RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	26.41	16.16	14.65	12.67	10.51
EV to EBIT*	20.34	10.91	9.95	8.85	7.10
EV to EBITDA*	14.16	8.22	8.25	7.45	6.07
Price to Sales*	6.18	3.91	4.28	4.17	3.60
Price to Book*	1.68	1.39	1.41	1.29	1.16
Dividend Yield*	0.0%	0.7%	0.8%	1.0%	1.2%
Profitability Ratios					
Gross Margin	48.80%	48.38%	54.95%	57.88%	60.25%
EBITDA Margin	45.50%	45.99%	50.85%	55.02%	59.78%
Operating Margin	31.67%	34.67%	39.21%	43.93%	45.88%
Profit Margin	23.38%	24.20%	29.20%	32.93%	34.26%
Return on Assets	3.51%	4.79%	5.44%	5.79%	6.35%
Return on Equity	6.35%	8.62%	9.65%	10.17%	11.07%
Leverage & Coverage Ratios					
Current Ratio	1.98	3.79	3.69	3.82	4.00
Quick Ratio	0.94	2.48	2.26	2.25	2.25
Interest Coverage Ratio (EBIT/I)	6.37	5.86	6.89	7.08	8.75
Tot Debt/Capital	0.14	0.20	0.19	0.20	0.22
Tot Debt/Equity	0.27	0.36	0.34	0.32	0.32
Others					
Asset Turnover	0.15	0.20	0.19	0.18	0.19
Accounts Receivable Turnover	39.02	53.99	45.34	39.49	39.47
Accounts Payable Turnover	5.30	9.66	8.68	7.72	8.00
Inventory Turnover	0.88	1.44	1.21	1.05	1.05

*) based on market price (06/06/2022) at Rp515

** Estimate

Sources: Company, Bloomberg and KB Valbury Sekuritas

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