

PT Ciputra Development Tbk (CTRA)

Property and Real Estate

Consumer optimism and supportive policies boost performance

22 June 2022

Recommendations : BUY

Stock

Price on 21/06/2022 (Rp)	850
12M target price (Rp)	1,070
Capital gain potential	26%

Stock Data

Outstanding shares	18,535,695,255
Market cap (Rp)	15,776,257,887,450
Weight vs IHSG (%)	0.27

Shareholders (%)

PT Sang Pelopor Management	53.31%
Public	0.09%
	46.60%

Outstanding Shares (unit)	18,535,695,255
Treasury stock	24,608,142

Price Performance

52-week high/low	Rp1,200/Rp815
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Capital gain/(loss) (in %)

1 month (14.14)	3 month (20.19)	6 month (14.14)	1 Year (10.53)	YTD (12.37)
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Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	9,730	10,508	11,559
Operating Income	3,098	3,545	3,764
OPM (%)	31.84%	33.74%	32.57%
EBITDA	3,391	2,963	3,400
EV to EBITDA (x)*	6.01	6.57	5.76
Net Income	1,735	1,825	1,974
NPM (%)	17.84%	17.37%	17.08%
EPS (Rp)	94	98	106
EPS Growth (%)	31.4%	5.2%	8.2%
Price Earnings (x)*	10.36	8.63	7.98
Price to Book (x)*	1.06	0.85	0.78
Price to Sales (x)*	1.85	1.50	1.36
Return on Equity (%)	10.23%	9.82%	9.74%
Return on Assets (%)	4.27%	4.22%	4.20%
Tot Debt/Equity (x)	0.56	0.54	0.52

*) based on market price (21/06/2022) at Rp850

Sources : Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)

Alfiansyah
Devi Harjoto

Laba bersih tumbuh 72,9% YoY pada 1Q22 menjadi Rp420,7 miliar. Kepercayaan konsumen yang meningkat dan suku bunga yang atraktif. Rekomendasi "BUY" dengan target harga Rp1.070 per saham

Bottom line membaik tetapi margin menurun

Laba bersih CTRA meningkat 72,9% YoY pada 1Q22 menjadi Rp420,7 miliar. Kenaikan laba bersih tersebut ditopang utamanya dari penurunan beban keuangan 18,4% YoY pada 1Q22 menjadi Rp284,2 miliar, disamping pendapatan yang tumbuh 20,7% YoY pada 1Q22 menjadi Rp2,23 triliun. Tetapi, GPM turun dari 50,2% pada 1Q21 menjadi 48,8% pada 1Q22 ditengah kenaikan beban pokok 24,1% YoY. Kemudian, beban operasional naik 28,2% YoY pada 1Q22 menjadi Rp324,8 miliar dari beban umum & administrasi dari beban pegawai dan jasa profesional. Sehingga, margin operasional CTRA menurun dari 36,5% pada 1Q21 menjadi 32,3% pada 1Q22. CTRA membukukan penurunan pendapatan keuangan 6,1% YoY pada 1Q22 seiring dengan suku bunga yang relatif rendah. Dari segi neraca, net gearing CTRA membaik dengan 0,08x pada 1Q22.

Kebijakan yang suportif mendorong performa presales

Kenaikan pendapatan CTRA pada 2021 disertai oleh pre-sales yang kuat pada 1Q22 yang meningkat 20,5% YoY mencapai Rp1,9 triliun ditengah insentif PPnDTP yang berlangsung juga suku bunga yang rendah terutama di Jabodetabek, Sumatra dan Surabaya. Adapun, penjualan rumah residensial dan lahan naik 63,3% YoY pada 1Q22 menjadi Rp1,50 triliun. Tetapi, kontribusi segmen tersebut naik dari 49,8% pada 1Q21 menjadi 67,4% pada 1Q22. Disusul, oleh pendapatan dari hotel yang naik 84,2% YoY pada 1Q22 menjadi Rp87,72 miliar ditengah normalisasi mobilitas. Seiring dengan kenaikan presales, kontribusi pendapatan dari recurring income CTRA menurun dari 24,3% pada 1Q21 menjadi 19,7% pada 1Q22 karena penurunan pendapatan RS.

Berkah dari kebijakan yang suportif dan perbaikan daya beli

Kami memperkirakan pertumbuhan pendapatan CTRA dapat mencapai 9% YoY pada tahun ini, ditengah perbaikan ekonomi, perpanjangan insentif PPn Properti hingga 9M22 dan juga suku bunga yang relative rendah setidaknya hingga 1H22. Kami memperkirakan marketing sales CTRA dapat tumbuh 21% YoY menjadi Rp9 triliun, didukung oleh beberapa proyek di Medan dengan peluncuran proyek baru yang berpusat di Deli Megapolitan, Jabodetabek, Surabaya dan Jawa Tengah. Kami juga memandang positif akuisisi lahan MTLA sebesar 600 Ha akan berdampak positif terhadap performa jangka panjang dan jumlah landbank MTLA yang cukup baik. Selain itu, kami memandang normalisasi mobilitas dan daya beli dapat berpengaruh terhadap pendapatan dari hotel dan shopping center. Akan tetapi, kami melihat adanya potensi kenaikan suku bunga pada 2H22 ditengah pengetatan suku bunga juga penghentian insentif PPn dapat berpengaruh terhadap performa CTRA, mengingat 54% pemebelian menggunakan KPR.

Mempertahankan rekomendasi BUY ditengah ekspansi proyek baru

Kami merekomendasikan "BUY" dengan target harga Rp1.070 per saham, yang merefleksikan PE 2022E pada 8,63x. Adapun, rekomendasi kami didasarkan pada 1) posisi likuiditas CTRA yang solid; 2) perolehan presales CTRA yang didominasi oleh property menengah, yang masih kuat permintaannya dan 3) suku bunga rendah dan stimulus pemerintah; 4) ekspansi property di kota besar dan 5) kesediaan land bank yang besar. Disisi lain, kami mencatat beberapa resiko atas rekomendasi kami yakni 1) daya beli konsumen yang lebih rendah dibandingkan proyeksi; 2) potensi kenaikan suku bunga pada 2H22; 3) stimulus pemerintah yang dihentikan karena tekanan fiskal dan 4) ketidakpastian dari adanya pengenaan PBG sebagai IMB.

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1CQ2021	1CQ2022	YoY Change	4Q2021	1Q2022	QoQ Change
Revenue	1,851	2,234	20.7%	3,081	2,234	(27.5%)
Cost of Revenue	(921)	(1,143)	24.1%	(1,539)	(1,143)	(25.8%)
Gross Profit	930	1,091	17.4%	1,542	1,091	(29.2%)
Gross Margin (%)	50.2%	48.8%		50.0%	48.8%	
Operating Expenses	(254)	(325)	28.2%	(437)	(325)	(25.7%)
Operating Profit	676	767	13.3%	1,104	767	(30.6%)
Operating Margin (%)	36.5%	34.3%		35.9%	34.3%	
Non-Operating Income (Losses)	(289)	(226)	(21.8%)	(175)	(226)	29.3%
Pretax Income	389	541	44.2%	930	541	(41.8%)
Income Tax (Expense)/ Benefit	(59)	(68)	10.0%	(111)	(68)	(38.8%)
Profit for This Year	334	473	43.9%	819	473	(42.2%)
Net Profit (Losses)	329	421	72.9%	721	421	(41.6%)
Profit Margin (%)	13.2%	18.8%		23.4%	18.8%	

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	8,071	9,730	10,508	11,559	12,946
Revenue growth yoy	6.1%	20.6%	8.0%	10.0%	12.0%
- Cost of Goods Sold	3,949	4,890	4,419	5,023	5,820
Gross profit	4,121	4,840	6,089	6,536	7,126
- Operating Expenses	2,153	2,283	2,544	2,772	3,018
Operating profit	2,417	3,098	3,545	3,764	4,109
Op income growth yoy	10.5%	28.2%	14.4%	6.2%	9.1%
- Non Operating Gains (Losses)	989	961	967	974	985
EBITDA	2,716	3,391	2,963	3,400	3,929
Pretax Income	1,428	2,137	2,578	2,791	3,124
- Income Tax Expense	57	49	368	416	458
Profit for This Year	1,371	2,088	2,210	2,375	2,666
- Minority Interests	50	352	385	401	450
Net Income	1,321	1,735	1,825	1,974	2,216
Net income growth yoy	14.1%	31.4%	5.2%	8.2%	12.2%
EPS (IDR)	71	94	98	106	120
Dividends Per Share (IDR)	8	9	12	16	24

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT Ciputra Development Tbk (CTRA)

Property and Real Estate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	20,646	21,895	23,260	26,077	28,510
+ Cash & Near Cash Items	5,276	7,162	6,258	6,752	6,964
+ Accounts & Notes Receivable	937	867	1,001	1,137	1,268
+ Inventories	12,240	11,578	13,361	15,186	16,932
+ Other Current Assets	2,192	2,288	2,641	3,001	3,347
Total Long-Term Assets	18,610	18,774	19,951	20,872	22,087
+ Property, Plant & Equip, Net	15,681	15,721	16,238	16,738	17,594
Property, Plant & Equip	18,352	17,369	18,279	19,011	20,351
Accumulated Depreciation	2,671	1,648	2,041	2,273	2,757
+ Long Term Investments	151	0	154	161	168
+ Other Long Term Assets	2,777	3,053	3,559	3,973	4,325
Total Assets	39,255	40,668	43,211	46,948	50,597
Total Current Liabilities	11,609	10,963	11,277	12,640	13,522
+ Payables & Accruals	1,985	2,243	2,318	2,815	3,038
+ Short Term Borrowings	3,152	1,352	1,428	1,809	2,010
+ Other Short Term Liabilities	6,472	7,369	7,532	8,017	8,473
Total Long Term Liabilities	10,188	10,311	10,827	11,354	12,128
+ Long Term Borrowings	6,872	8,203	8,540	8,781	9,132
+ Other Long Term Borrowings	3,316	2,108	2,287	2,573	2,996
Total Liabilities	21,798	21,274	22,104	23,994	25,649
+ Share Capital & APIC	8,210	8,210	8,210	8,210	8,210
- Treasury Stock	33	33	33	33	33
+ Retained Earnings & Other Eq.	7,135	8,713	10,319	11,997	13,770
+ Other Equity	20	81	93	96	103
Total Shareholders Equity	15,332	16,971	18,589	20,270	22,050
+ Minority/Non Controlling Int.	2,125	2,424	2,518	2,685	2,899
Total Equity	17,458	19,394	21,106	22,954	24,948
Total Liabilities & Equity	39,255	40,668	43,211	46,948	50,597
Book Value Per Share (IDR)	827	916	1,003	1,094	1,190

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	1,321	1,735	1,825	1,974	2,216
+ Depreciation & Amortization	299	292	393	432	484
+ Other Non-Cash Adjustments	(406)	1,620	2,177	2,394	2,682
Cash From Operating Activities	1,214	3,647	4,394	4,801	5,382
+ Disposal of Fixed Assets	25	84	88	92	96
+ Capital Expenditures	(744)	(644)	(1,369)	(1,506)	(1,686)
+ Other Investing Activities	(119)	(540)	(506)	(413)	(352)
Cash From Investing Activities	(838)	(1,100)	(1,788)	(1,827)	(1,943)
+ Dividends Paid	(148)	(158)	(219)	(296)	(443)
+ Change in long Term Borr.	770	(466)	(3,213)	(2,160)	(2,749)
+ Change in capital stock	7	21	0	0	0
+ Other Financing Activities	49	(31)	(79)	(23)	(35)
Cash From Financing Activities	663	(676)	(3,511)	(2,479)	(3,227)
Net Changes in Cash	1,038	1,871	(904)	495	212

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*	13.68	10.36	8.63	7.98	7.11
EV to EBIT*	9.44	6.58	7.57	6.60	5.79
EV to EBITDA*	8.40	6.01	6.57	5.76	5.07
Price to Sales*	2.24	1.85	1.50	1.36	1.22
Price to Book*	1.18	1.06	0.85	0.78	0.71
Dividend Yield*	0.8%	0.9%	1.4%	1.9%	2.8%
Profitability Ratios					
Gross Margin	51.07%	49.74%	57.95%	56.55%	55.05%
EBITDA Margin	33.65%	34.85%	28.20%	29.42%	30.35%
Operating Margin	29.94%	31.84%	33.74%	32.57%	31.74%
Profit Margin	16.36%	17.84%	17.37%	17.08%	17.12%
Return on Assets	3.36%	4.27%	4.22%	4.20%	4.38%
Return on Equity	8.61%	10.23%	9.82%	9.74%	10.05%
Leverage & Coverage Ratios					
Current Ratio	1.78	2.00	2.06	2.06	2.11
Quick Ratio	0.72	0.94	0.88	0.86	0.86
Tot Debt/Capital	0.36	0.35	0.39	0.40	0.41
Tot Debt/Equity	0.65	0.56	0.54	0.52	0.51
Others					
Asset Turnover	0.21	0.24	0.24	0.25	0.26
Accounts Receivable Turnover	8.61	11.22	10.50	10.16	10.21
Accounts Payable Turnover	4.07	4.34	4.53	4.11	4.26
Inventory Turnover	0.66	0.84	0.79	0.76	0.76

*) based on market price (21/06/2022) at Rp850

Sources: Company, Bloomberg and KB Valbury Sekuritas

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