

Recurring Income Anchors FY26F Stability

24 April 2026



PWON IJ	BUY
Sector	Property
Price at 23 April 2026 (IDR)	344
Price target (IDR)	400
Upside/Downside (%)	16.3

Stock Information

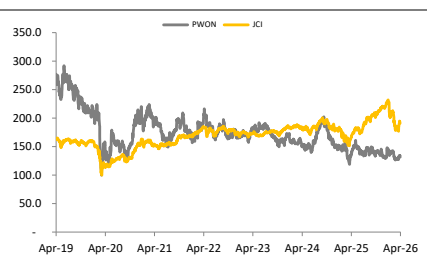
PT Pakuwon Jati Tbk owns, develops, and manages shopping centers, business complexes, real estate, and hotels.

Market cap (IDR bn)	16,567
Shares outstanding (mn)	48,160
52-week range (IDR)	328-440
3M average daily vol. ('000)	40,865
3M average daily val. (IDR mn)	15,617

Shareholders (%)

Pakuwon Arthaniaga	68.7
Public	31.3

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	2.37	-7.49	-4.95

Analyst

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PWON delivered a resilient FY25 on the back of strong recurring income, reinforcing its defensive earnings profile. While growth is set to moderate in FY26F, stable mall operations and a more recurring-driven mix should sustain earnings visibility. Maintain BUY with an unchanged TP of IDR400.

FY25: resilient earnings, recurring income leads

PWON posted solid FY25 results, with revenue reaching IDR7.1 tn (+6.6% YoY), slightly above expectations, supported by a strong 4Q25 rebound (+14.3% QoQ) driven by accelerated development handovers amid VAT incentives. Growth was primarily anchored by recurring income (+8.2% YoY to IDR5.6 tn), led by malls, offices & serviced apartments (+10.2% YoY; contributing 47.3% of total revenue), while development revenue remained broadly flat (+1.0% YoY), reinforcing a more defensive mix. Despite cost pressures (CoR +9.1% YoY; opex +15.3% YoY), profitability remained intact, with EBITDA at IDR3.7 tn (+3.0% YoY) and net profit rising 13.1% YoY to IDR2.3 tn, supported by margin stability and lower interest costs.

FY26F: recurring income underpins stability

Into FY26F, recurring income should remain the key earnings anchor, supported by stable operations across core assets and improving balance sheet indicators, with short-term unearned revenue rising 9.1% YoY to IDR1.6 tn. We forecast retail, office & serviced apartment revenue to grow +3.2% YoY to IDR4.4 tn, while mall revenue increases +2.0% YoY to IDR3.4 tn. Growth is driven by improving occupancy at Pakuwon City Mall and Pakuwon Mall Bekasi (87% to 90% and 94% to 96%, respectively), alongside resilient contributions from flagship assets such as Tunjungan Plaza and Kota Kasablanka, partly offset by softer performance at Gandaria City.

Development revenue: normalization post strong cycle

Development revenue is expected to decline -18.3% YoY to IDR864.0 bn, reflecting normalization following elevated handovers over FY21-FY25 (IDR6.1 tn cumulative). Leading indicators remain soft, with short-term customer advances declining -29.1% YoY, suggesting weaker near-term demand visibility and reinforcing the structural shift toward recurring income.

Margins: Stable, with cost headwinds contained

We forecast FY26F revenue growth of +4.4% YoY to IDR7.4 tn, with recurring income contributing ~78%, supporting earnings visibility. EBITDA is expected to rise +5.7% YoY to IDR3.9 tn (52.4% margin), driven by stable operations. However, higher capex, particularly for Pakuwon City Mall Phase 3 and Bekasi Superblock, is likely to push interest costs up +12.5% YoY, resulting in net profit of IDR2.4 tn (+3.8% YoY) and a slightly lower margin of 32.8%.

BUY maintained: defensive earnings, attractive valuation

Maintain our BUY call with an unchanged TP of IDR400, based on a 5yrs DCF (WACC: 11.7%; LTG: 3%), implying 0.7x FY26F P/B and 65.9% discount to RNAV. PWON's high recurring income contribution (~78%) provides a structural buffer against cyclical property demand, positioning it more defensively relative to peers with greater exposure to development revenue. While macro headwinds - such as cautious consumer sentiment, softer commercial property demand, inflation, and a more hawkish rate environment - may weigh on near-term demand, but, the company's diversified portfolio and strong mall assets should support stable cash flows. Key risks: 1). rising construction costs (e.g., steel, concrete, and labor); 2). execution risks on large-scale developments. That said, we view the risk-reward profile as compelling, supported by resilient earnings visibility and an undemanding valuation.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	6,671	7,111	7,424	7,852	8,141
Gross profit	3,769	3,944	4,167	4,445	4,624
Operating profit	2,901	2,944	3,121	3,310	3,405
EBITDA	3,574	3,682	3,894	4,117	4,244
Net Income	2,075	2,346	2,435	2,508	2,542
EPS	43.1	48.7	50.6	52.1	52.8
PER (x)	8.0	7.1	6.8	6.6	6.6
PBV (x)	0.7	0.6	0.6	0.5	0.5
EV/EBITDA (x)	3.9	4.6	4.7	4.8	5.0
Dividend yield (%)	2.6	3.8	4.2	4.4	4.5
Net Gearing (%)	(11.0)	1.5	5.8	9.9	13.3

Source: Company, KBVS Research

Exhibit 2: Financial Summary

PWON's FY25 Result (IDR bn)	FY25	FY24	YoY (%)	4Q25	4Q24	YoY (%)	3Q25	QoQ (%)	25F KBVS	%	25F Cons	%
Revenue	7,111	6,671	6.6	1,993	1,885	5.8	1,744	14.3	6,864	103.6%	6,991	101.7%
Office, shopping center & service apartement	4,278	3,883	10.2	1,091	1,006	8.5	1,074	1.5				
Real estate	1,494	1,480	1.0	474	499	(5.0)	341	38.8				
Hospitality	1,339	1,308	2.4	429	381	12.6	329	30.5				
COGS	(3,167)	(2,902)	9.1	(887)	(832)	6.6	(785)	13.0				
Gross Profit	3,944	3,769	4.6	1,106	1,053	5.1	960	15.3	3,866	102.0%	3,899	101.2%
EBIT	2,944	2,901	1.5	1,105	699	58.1	612	80.5	2,950	99.8%	2,975	98.9%
EBITDA	3,682	3,574	3.0	944	958	(1.5)	916	3.1	3,638	101.2%	3,774	97.6%
Interest expense (loan)	(362)	(376)	(3.6)	(93)	(94)	(1.2)	(85)	9.5				
Interest income	603	558		157	127		158					
Other income (exp.)	196	(27)		83	(42)		52					
Associate & JV	-	-		-	-		-					
Pre-tax income	3,381	2,654	27.4	1,252	689	81.6	737	69.8				
Taxes	(54)	(31)		(50)	(25)		(2)					
Minorities	(412)	(347)		(14)	(51)		(145)					
Reported net income (Parent)	2,346	2,075	13.1	620	412	50.3	591	4.9	2,285	102.7%	2,311	101.5%
Normalized net income (Parent)*	2,915	2,276	28.1	1,031	614	68.0	676	52.5				
Margins (%)												
Gross profit margin	55.5	56.5		55.5	55.9		55.0					
EBIT margin	41.4	43.5		55.4	37.1		35.1					
EBITDA margin	51.8	53.6		47.4	50.9		52.5					
Reported net margin	33.0	31.1		31.1	21.9		33.9					

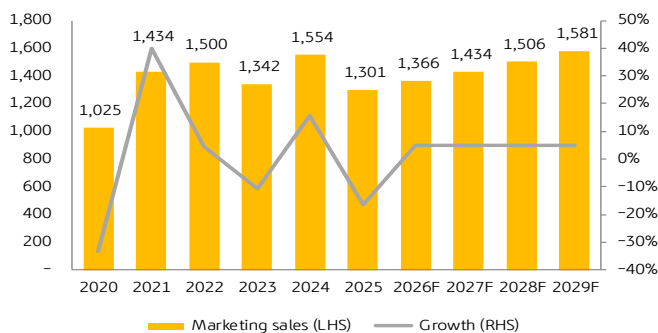
Source: KBVS Research

Exhibit 3: PWON's valuation summary

DCF Valuation	2026	2027	2028	2029	2030
Cash flow multiple	1	2	3	4	5
Net Profit	2,435	2,508	2,542	2,620	2,659
Interest expense (1-tax)	323	357	389	440	496
Depreciation	773	807	839	870	901
NWC	(232)	(161)	(244)	(290)	(322)
Capex	(983)	(953)	(756)	(876)	(796)
FCFF	2,315	2,559	2,769	2,764	2,938
Discount factor	1.1	1.2	1.4	1.6	1.7
Discounted Free Cash Flow	2,073	2,051	1,988	1,777	1,691
Terminal Value	25,096				
Discounted Terminal Value	14,445				
Enterprise Value	24,026				
Net debt	389				
Equity value	23,637				
Minority interest	(4,153)				
Fair value per share FY26F (rounded)	400				

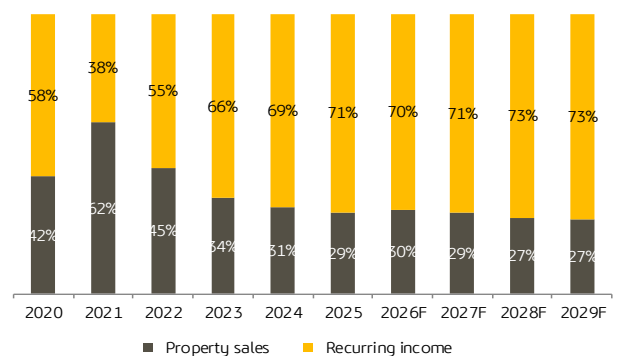
Source: KBVS Research

Exhibit 4: PWON's marketing sales (IDR bn)



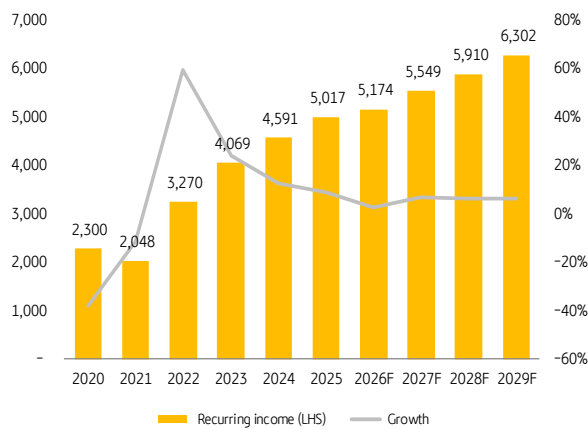
Source: Company, KBVS Research

Exhibit 5: PWON's revenue breakdown



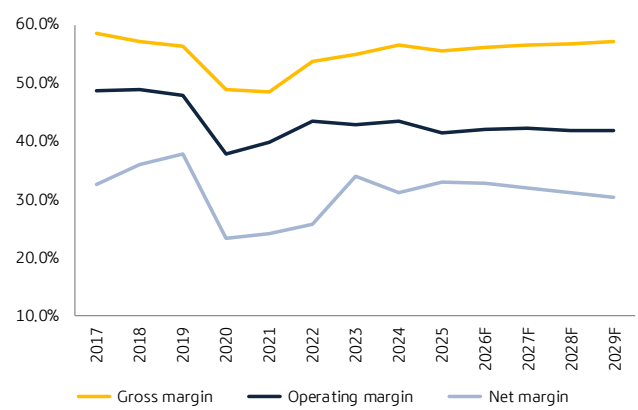
Source: Company, KBVS Research

Exhibit 6: PWON's recurring income growth (IDR bn)



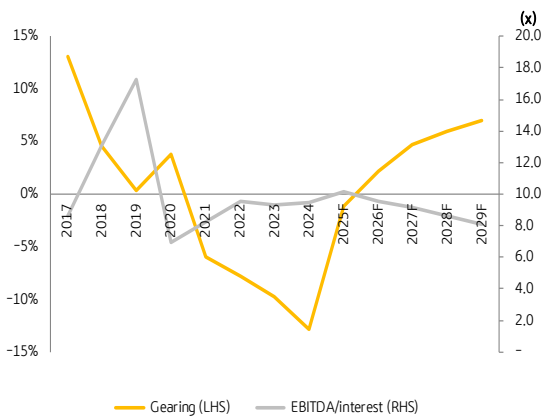
Source: Company, KBVS Research

Exhibit 7: PWON's profitability level



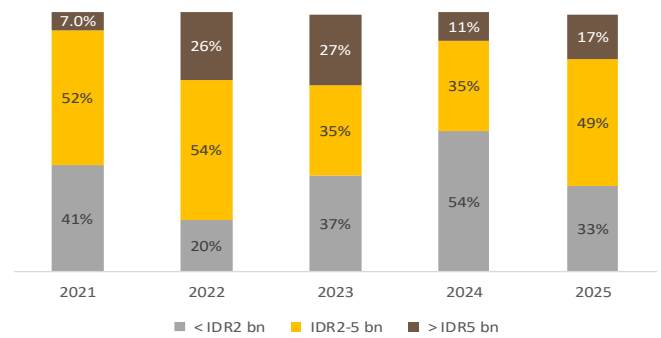
Source: Company, KBVS Research

Exhibit 8: PWON's net gearing



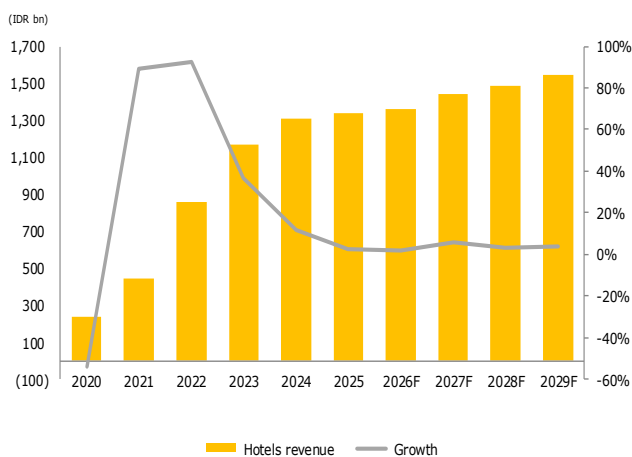
Source: Company, KBVS Research

Exhibit 9: PWON's presales by price range



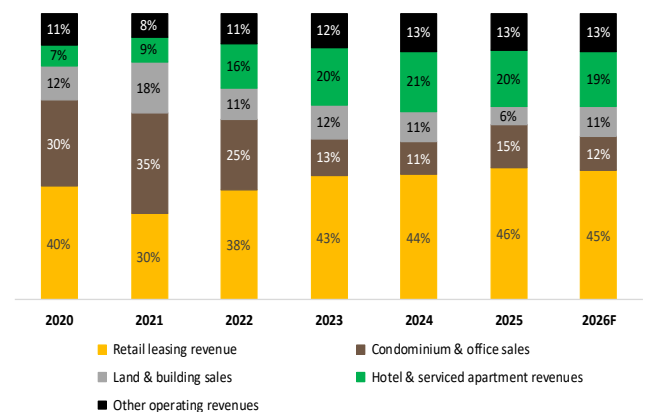
Source: Company, Bloomberg

Exhibit 10: PWON's hotel segment revenue



Source: Company, KBVS Research

Exhibit 11: PWON's revenue by product category



Source: Company, Bloomberg

FINANCIAL TABLES

Exhibit 12: Profit & Loss summary

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	6,671	7,111	7,424	7,852	8,141
Cost of revenue	(2,902)	(3,167)	(3,258)	(3,407)	(3,518)
Gross profit	3,769	3,944	4,167	4,445	4,624
Selling expenses	(306)	(359)	(382)	(409)	(434)
G&A expenses	(562)	(642)	(664)	(726)	(784)
Operating profit	2,901	2,944	3,121	3,310	3,405
EBITDA	3,574	3,682	3,894	4,117	4,244
Other op. income/exp	(228)	62	-	-	-
Finance income	558	603	654	629	641
Finance expense	(376)	(362)	(408)	(451)	(491)
Inc/loss from assoc.	-	-	-	-	-
Pre-tax profit	2,854	3,246	3,368	3,487	3,556
Tax expense	(433)	(488)	(505)	(538)	(567)
Minority interest	(347)	(412)	(428)	(441)	(447)
Net profit	2,075	2,346	2,435	2,508	2,542
EPS (IDR)	43	49	51	52	53

Source: Company, KBVS Research

Exhibit 13: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Balance Sheet (IDR bn)	2024	2025	2026F	2027F	2028F
Cash and equivalents	9,154	5,186	4,859	4,272	3,819
Trade receivables	258	292	302	315	331
Inventories	4,494	4,533	4,704	4,893	5,147
Net- Fixed assets	2,776	2,923	3,075	3,229	3,386
Other assets	18,688	23,532	26,726	30,143	33,421
Total Assets	35,371	36,466	39,665	42,853	46,104
Trade payables	270	307	284	315	324
Short-term debt + CMLTD	-	-	-	-	-
Long-term debt	6,436	5,575	6,515	7,305	8,190
Other liabilities	3,923	3,961	4,143	4,458	4,750
Total Liabilities	10,629	9,843	10,943	12,078	13,265
Minority interest	4,039	4,153	4,526	4,805	5,084
Paid capital	1,566	1,566	1,566	1,566	1,566
Retained earnings	19,211	20,932	22,658	24,432	26,217
Other equities	(74)	(28)	(28)	(28)	(28)
Total Equity	24,742	26,623	28,722	30,775	32,839

Source: Company, KBVS Research

Exhibit 14: Cash flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net income	2,075	2,346	2,435	2,508	2,542
Depreciation & amortization	673	738	773	807	839
Change in working capital	366	(236)	(517)	(584)	(988)
Cash flow from operations	3,113	2,848	2,690	2,732	2,393
Capex	(839)	(943)	(983)	(953)	(756)
Others	(730)	(4,567)	(2,766)	(2,865)	(2,682)
Cash flow from investments	(1,569)	(5,511)	(3,749)	(3,818)	(3,438)
Changes in debt	306	(861)	940	790	885
Changes in equity	305	161	373	279	279
Dividends paid	(433)	(626)	(708)	(735)	(757)
Others	(168)	20	128	166	184
Cash flow from financing	10	(1,306)	733	500	591
Net Cash Flow	1,554	(3,968)	(327)	(587)	(453)

Source: Company, KBVS Research

Exhibit 15: Ratio analysis

Year End Dec	2024A	2025A	2026F	2027F	2028F
Revenue growth	7.6	6.6	4.4	5.8	3.7
EBIT growth	9.0	1.5	6.0	6.0	2.9
EBITDA growth	7.1	3.0	5.7	5.7	3.1
Net profit growth	(1.4)	13.1	3.8	3.0	1.3
Gross margin	56.5	55.5	56.1	56.6	56.8
EBIT margin	43.5	41.4	42.0	42.1	41.8
EBITDA margin	53.6	51.8	52.4	52.4	52.1
Net margin	31.1	33.0	32.8	31.9	31.2
ROA	5.9	6.4	6.1	5.9	5.5
ROE	8.4	8.8	8.5	8.2	7.7
Net gearing (x)	(0.1)	0.0	0.1	0.1	0.1
Net debt/EBITDA (x)	(0.8)	0.1	0.4	0.7	1.0
Interest coverage ratio (x)	9.5	10.2	9.6	9.1	8.7

Source: Company, KBVS Research

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