

Ciputra Development

BUY (unchanged)

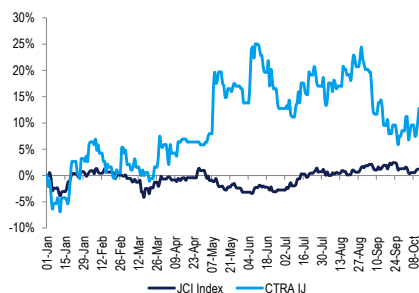
Company Update | Property | CTRA IJ | 13 October 2023

Stock Data

Target price	Rp1,200
Prior TP	Rp1,200
Current price	Rp1,060
Upside/downside	+13%
Shares outstanding (mn)	18,536
Market cap (Rp bn)	19,462
Free float	43%
Avg. 6m daily T/O (Rp bn)	25

Price Performance

	3M	6M	12M
Absolute	-2.8%	6.0%	15.2%
Relative to JCI	-4.6%	4.0%	14.1%
52w low/high (Rp)	875 – 1,175		



Major Shareholders

Sang Pelopor	53%
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9M23 presales: beat from strong launches YTD

- 9M23 presales of Rp7.8tr (+19% yoy), forming 89/80% of ours/company's FY23F presales target.
- 3Q23 presales of Rp2.7tr (+6% yoy/ +65% qoq) mainly from Serpong
- We reiterate our Buy rating with unchanged TP of Rp1,200. CTRA remains as our top pick in the property sector.

9M23 presales: above ours and company's upgraded target

CTRA booked 9M23 presales of Rp7.8tr (+19% yoy) which came above ours/cons' estimate at 89/80% of FY23F presales target. YTD, CTRA has successfully launched 2 new townships in Serpong (4 clusters and 1 shop house) and Sentul (3 clusters) and 8 products from existing projects. In 9M23, CTRA reported Rp3.6tr from these new launches. Furthermore, we noticed that the demand in 9M23 remained in product priced at Rp2-5bn with 40% contribution to presales.

3Q23 presales: new launches driven the stellar qoq growth in presales

In 3Q23, CTRA posted presales of Rp2.7tr (+6% yoy/ +65% qoq) where CTRA launched a shop house and a cluster in Citra Garden Serpong and a shop house in CitraLand Gama City Medan which resulted in total presales of Rp1.1tr. Citra Garden Serpong was the key driver to the presales where it contributed by 38% to 3Q23 presales. In early-Oct23, CTRA launched a new township development called Citra City Sentul with total presales of Rp685bn (c.70% take-up rate) which will be included in 4Q23F presales. For the upcoming launching, CTRA to launch a new township development called Citra Garden Bintaro (Alstonia and Bischofia clusters) on Nov23 with price range of Rp1.2-4.5bn (current take-up rate at c.70% based on NUP registration) where CTRA targets Rp400bn of presales. Furthermore, CTRA still has another new township development in Medan called CitraLand Sampali KDM which might be launch in the next 1-2mos where CTRA targets Rp450bn of presales.

Reiterate Buy with unchanged TP

We upgraded our presales forecast by 13-16% in FY23-25F as CTRA has booked Rp7.8tr in 9M23 (vs. our initial forecast by Rp8.7tr in FY23F). However, we cut our EPS by -18/-4/+7% in FY23/24/25F as we adjust our gross margin assumption due to lower 1H GPM realization and increased our opex to sales assumption to reflect opex normalization. We reiterate our Buy rating on CTRA with unchanged TP of Rp1,200 based on 5Y average disc to NAV at 63% (vs. currently at 66%). Risk is slow presales due to election.

Financial Summary (Rp bn)	2021A	2022A	2023F	2024F	2025F
Revenue	9,730	9,127	9,251	10,106	10,762
EBITDA	3,570	3,254	3,143	3,437	3,621
Net profit	1,735	1,863	1,678	2,076	2,354
EPS growth	31%	7%	-10%	24%	13%
ROE	11%	11%	9%	10%	10%
PER (x)	11.3	10.5	11.7	9.5	8.3
EV/EBITDA (x)	6.2	6.0	3.9	2.8	1.9
Dividend yield	1%	1%	1%	1%	2%
Forecast changes			-18%	-4%	7%
IPS vs. consensus			87%	91%	98%

Source: Company, Indo Premier

Share price closing as of: 12 October 2023

Fig. 1: CTRA 9M23 presales by product type

CTRA 9M23 presales (Rp bn)	9M23	9M22	yoy%	3Q23	3Q22	%YoY	2Q23	%QoQ
Houses & land lots	5,903	5,239	13%	1,764	2,127	-17%	1,264	40%
Shophouses	1,624	1,007	61%	904	381	137%	280	223%
Apartments	171	257	-33%	35	46	-24%	24	46%
Offices	97	49	98%	4	5	-20%	75	-95%
Total	7,795	6,553	19%	2,707	2,560	6%	1,643	65%

Source: Company, Indo Premier

Fig. 2: CTRA 9M23 presales by region

CTRA 9M23 presales (Rp bn)	9M23	9M22	yoy%	3Q23	3Q22	%YoY	2Q23	%QoQ
Greater Jakarta	3,819	1,433	167%	1,502	422	256%	646	133%
Greater Surabaya	1,505	1,735	-13%	433	934	-54%	229	89%
Other Java	633	758	-16%	198	234	-15%	234	-15%
Total Java	5,957	3,926	52%	2,133	1,590	34%	1,109	92%
Sumatera	916	1,461	-37%	273	661	-59%	281	-3%
Sulaw esi	823	1,005	-18%	292	268	9%	214	36%
Others	99	161	-39%	9	41	-78%	39	-77%
Ex Java	1,838	2,627	-30%	574	970	-41%	534	7%
Total	7,795	6,553	19%	2,707	2,560	6%	1,643	65%

Source: Company, Indo Premier

Fig. 3: Forecast changes

In Rp bn	Old			New			Changes		
	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
Net revenue	9,473	9,599	9,805	9,251	10,106	10,762	-2%	5%	10%
Cost of sales	(4,650)	(4,703)	(4,791)	(4,692)	(5,100)	(5,457)	1%	8%	14%
Gross profit	4,823	4,896	5,014	4,558	5,006	5,305	-5%	2%	6%
GP margin (%)	51%	51%	51%	49%	50%	49%			
SG&A Expenses	(1,610)	(1,632)	(1,667)	(1,755)	(1,917)	(2,042)	9%	18%	22%
Operating profit	3,212	3,264	3,347	2,803	3,089	3,263	-13%	-5%	-3%
Net interest	(686)	(619)	(662)	(794)	(662)	(533)	16%	7%	-19%
Others	106	107	108	206	218	228	94%	104%	110%
Pre-tax income	2,632	2,752	2,794	2,215	2,645	2,958	-16%	-4%	6%
Income tax	(400)	(409)	(419)	(398)	(418)	(443)	0%	2%	6%
Minority interest	(176)	(179)	(183)	(139)	(152)	(161)	-21%	-15%	-12%
Net income	2,056	2,164	2,192	1,678	2,076	2,354	-18%	-4%	7%
Presales	8,740	8,977	9,217	10,096	10,136	10,490	16%	13%	14%

Source: Company, Indo Premier

Fig. 4: CTRA P/E band



Source: Company, Bloomberg, Indo Premier

Fig. 5: CTRA discount to NAV



Source: Company, Bloomberg, Indo Premier

Income Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net revenue	9,730	9,127	9,251	10,106	10,762
Cost of sales	(4,890)	(4,559)	(4,692)	(5,100)	(5,457)
Gross profit	14,619	13,686	13,943	15,207	16,219
SG&A Expenses	(1,545)	(1,640)	(1,755)	(1,917)	(2,042)
Operating profit	3,295	2,928	2,803	3,089	3,263
Net interest	(1,251)	(1,069)	(1,044)	(912)	(833)
Forex gain (loss)	-	-	-	-	-
Others	353	451	456	468	528
Pre-tax income	2,397	2,310	2,215	2,645	2,958
Income tax	(309)	(307)	(398)	(418)	(443)
Minority interest	(352)	(140)	(139)	(152)	(161)
Net income	1,735	1,863	1,678	2,076	2,354

Balance Sheet (Rp bn)	2021A	2022A	2023F	2024F	2025F
Cash & equivalent	7,162	9,042	14,975	16,253	17,842
Receivable	867	781	835	912	971
Inventory	11,578	11,641	11,948	12,987	13,895
Other current assets	2,310	2,260	2,260	2,260	2,260
Total current assets	21,917	23,724	30,018	32,413	34,968
Fixed assets	8,032	7,918	7,928	7,880	7,823
Other non-current assets	10,720	10,260	10,760	11,260	11,760
Total non-current assets	18,752	18,178	18,689	19,140	19,583
Total assets	40,668	41,902	48,707	51,553	54,551
ST loans	1,352	879	286	222	162
Payable	1,052	991	1,051	1,142	1,222
Other payables	8,560	8,911	13,364	14,928	16,391
Total current liab.	10,963	10,781	14,702	16,293	17,775
Long term loans	6,651	6,311	5,576	4,332	3,156
Other LT liab.	3,659	3,898	5,978	6,500	6,987
Total liabilities	21,274	20,989	26,255	27,125	27,919
Equity	8,257	8,121	8,121	8,121	8,121
Retained earnings	8,713	10,317	11,717	13,541	15,585
Minority interest	2,424	2,475	2,614	2,765	2,927
Total SHE + minority int.	19,394	20,913	22,451	24,428	26,633
Total liabilities & equity	40,668	41,902	48,707	51,553	54,551

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
EBIT	3,295	2,928	2,803	3,089	3,263
Depr. & amortization	275	326	340	348	357
Changes in working capital	1,778	452	6,233	1,060	1,063
Others	(1,723)	54	(986)	(861)	(748)
Cash flow from operating	3,625	3,759	8,390	3,636	3,936
Capital expenditure	(315)	66	(850)	(800)	(800)
Others	(763)	(788)	-	-	-
Cash flow from investing	(1,078)	(722)	(850)	(800)	(800)
Loans	1,202	(638)	(1,328)	(1,307)	(1,236)
Equity	-	-	-	-	-
Dividends	158	260	279	251	310
Others	(2,038)	(791)	(557)	(502)	(621)
Cash flow from financing	(678)	(1,170)	(1,607)	(1,558)	(1,547)
Changes in cash	1,869	1,867	5,933	1,278	1,589

Key Ratios	2021A	2022A	2023F	2024F	2025F
Gross margin	50%	50%	49%	50%	49%
Operating margin	34%	32%	30%	31%	30%
Pre-tax margin	25%	25%	24%	26%	27%
Net margin	18%	20%	18%	21%	22%
ROA	4%	5%	4%	4%	4%
ROE	11%	11%	9%	10%	10%
ROIC	12%	10%	9%	10%	10%
Acct. receivables TO (days)	33.8	32.9	32.9	32.9	32.9
Inventory TO (days)	888.9	929.4	929.4	929.4	929.4
Payable TO (days)	67.7	72.3	72.3	72.3	72.3
Debt to equity	56%	48%	38%	29%	21%
Interest coverage ratio (x)	2.9	3.0	3.0	3.8	4.3
Net gearing	14%	-1%	-37%	-46%	-54%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

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