

Tuesday, 16 November 2021

BUY
Maintain

Last price (IDR) 1,090
Target Price (IDR) 1,600
Upside/Downside +46.8%
Previous Target Price (IDR) 1,450

Stock Statistics

Sector Property
Bloomberg Ticker CTRA IJ
No of Shrs (mn) 15,425
Mkt. Cap (IDRbn/USDmn) 16,814/1,183
Avg. daily T/O (IDRbn/USDmn) 30.2/2.1

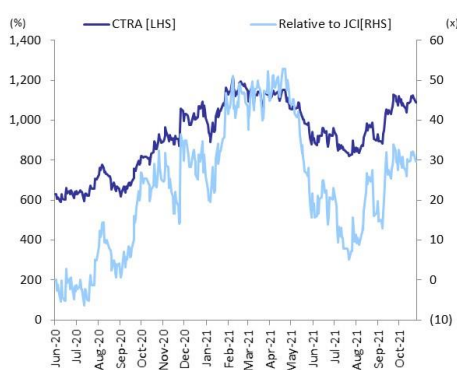
Major shareholders (%)

PT Sang Pelopor 30.6
Credit Suisse AG, Singapore 7.9
Estimated free float 46.7

EPS Consensus (IDR)

	2021F	2022F	2023F
Danareksa	65.6	64.3	53.4
Consensus	74.5	70.7	81.0
Danareksa/Cons	(11.9)	(9.0)	(34.1)

CTRA relative to JCI Index



Source : Bloomberg



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Ciputra Development(CTRA IJ)

Strong revenues recognition amid mobility restrictions

CTRA booked core net profits of IDR471bn in 3Q21 (+652% y-o-y. +63% q-o-q) thanks to the high revenues recognition from land lots and offices. This brings CTRA's 9M21 core net profits to IDR985bn forming 83% and 75% of our FY21 estimate and the consensus, i.e. above. We maintain our BUY call on the company with a positive outlook for marketing sales and the investment property business in 2022.

Higher revenues from development property but slightly lower revenues from investment property. CTRA booked revenues of IDR2.6tn in 3Q21 (+83% y-o-y, +21% q-o-q). The growth was mainly due to land lot revenues of IDR508bn which tripled q-o-q and more than 8-fold compared to the low base in 3Q20. Office sales revenues also continued to deliver decent revenues of IDR307bn (+607% y-o-y, +20% q-o-q). Revenues from investment property in 3Q21 were 7% higher y-o-y but slightly down by 2% from 2Q21 mainly due to its hotel business. Despite the spike in covid-19 cases, hospital business revenues dropped 3% q-o-q, but were still 33% higher y-o-y.

Contained opex and interest expenses. CTRA's opex were maintained flat q-o-q at IDR417bn in 3Q21 albeit 13% higher y-o-y. This results in relatively flat opex in 9M21 (+2% y-o-y) which are lower than our estimate. Interest expenses came in 8% q-o-q and 15% y-o-y lower, reflecting lower interest rates.

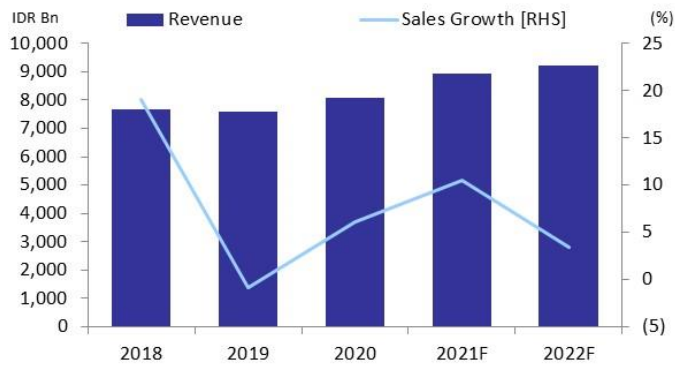
Slightly adjusted FY21F marketing sales estimate, FY22F marketing sales target at IDR7.5tn. We revise up our FY21F marketing sales forecast from IDR6.5tn to IDR6.6tn, now implying 21% y-o-y growth. Our FY22F marketing sales target is IDR7.5tn implying 13% growth because we believe demand for residential property will remain robust. Our net profits estimate is adjusted up by only 3% as we tweak our revenues up but this is offset by the new item, interest from contract liabilities, which we forecast at IDR496bn.

Maintain BUY with a TP of IDR 1,600. We roll forward our valuation to FY22F while maintaining our discount to RNAV at the 5-year average, thus resulting in a TP of IDR1,600 (from IDR1,450 previously). We maintain our BUY call noting a positive marketing sales outlook and the expected recovery of investment property in 2022.

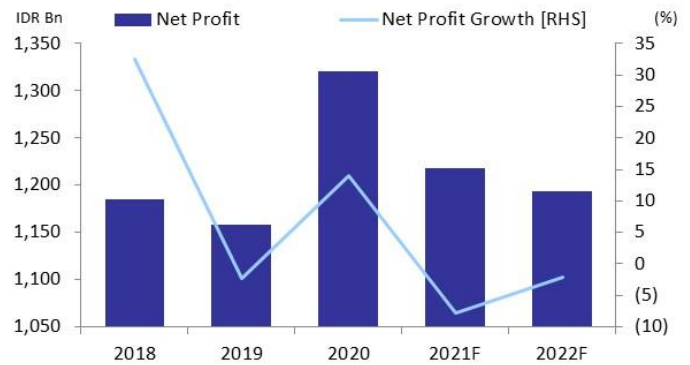
Key Financials

Year to 31 Dec	2019A	2020A	2021F	2022F	2023F
Revenue (IDRbn)	7,608	8,071	8,921	9,223	8,727
EBITDA (IDRbn)	2,442	2,868	3,155	3,267	3,113
EBITDA Growth (%)	3.7	17.4	10.0	3.5	(4.7)
Net profit (IDRbn)	1,158	1,321	1,218	1,193	991
EPS (IDR)	62.4	71.2	65.6	64.3	53.4
EPS growth (%)	(2.3)	14.1	(7.8)	(2.0)	(16.9)
BVPS (IDR)	827.2	826.1	882.6	938.4	983.6
DPS (IDR)	10.0	8.0	9.1	8.4	8.2
PER (x)	17.5	15.3	16.6	17.0	20.4
PBV (x)	1.3	1.3	1.2	1.2	1.1
Dividend yield (%)	0.9	0.7	0.8	0.8	0.8
EV/EBITDA (x)	10.3	8.7	8.1	7.8	8.6

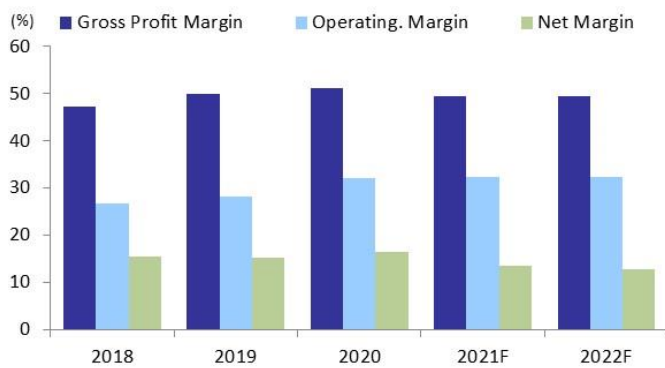
Source : CTRA, Danareksa Estimates

Exhibit 1. Revenues and Growth


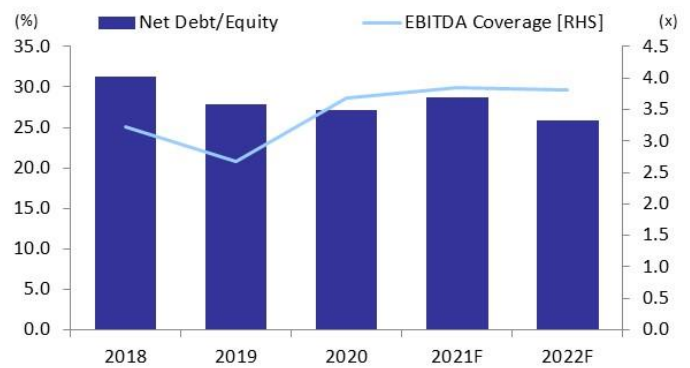
Source: Company, Danareksa Sekuritas estimates

Exhibit 2. Net Profits and Growth


Source: Company, Danareksa Sekuritas estimates

Exhibit 3. Margins


Source: Company, Danareksa Sekuritas estimates

Exhibit 4. Gearing Level


Source: Company, Danareksa Sekuritas estimates

Exhibit 5. CTRA 3Q21 results summary

CTRA (IDR bn)	3Q20	2Q21	3Q21	y-o-y	q-o-q	9M20	9M21	y-o-y	FY21F	FY21C	A/F	A/C
Revenue	1,436	2,170	2,628	83%	21%	4,240	6,649	57%	7,964	8,239	83%	81%
COGS	(818)	(1,138)	(1,291)	58%	13%	(2,326)	(3,351)	44%	(4,131)	(4,156)	81%	81%
Gross Profit	617	1,031	1,337	117%	30%	1,914	3,298	72%	3,833	4,083	86%	81%
Total Opex	(368)	(417)	(417)	13%	0%	(1,125)	(1,147)	2%	(1,608)	(1,777)	71%	65%
Operating Profit	249	615	920	269%	50%	790	2,151	172%	2,225	2,306	97%	93%
Pretax Profit	141	380	699	394%	84%	399	1,467	268%	1,672	1,832	88%	80%
Net Profit	63	240	531	747%	121%	232	1,014	337%	1,184	1,360	86%	75%
Core Net Profit	63	290	471	652%	63%	232	985	324%	1,184		83%	
Gross margin	43.0%	47.5%	50.9%	7.9%	3.3%	45.1%	49.6%	4.5%	48.1%	49.6%		
Operating margin	17.4%	28.3%	35.0%	17.6%	6.7%	18.6%	32.3%	13.7%	27.9%	28.0%		
Net margin	4.4%	11.1%	20.2%	15.8%	9.1%	5.5%	15.3%	9.8%	14.9%	16.5%		

Source: Company, Danareksa Sekuritas estimates

Exhibit 6. Income Statement

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Revenue	7,608	8,071	8,921	9,223	8,727
COGS	(3,816)	(3,949)	(4,518)	(4,662)	(4,408)
Gross profit	3,792	4,121	4,403	4,561	4,319
EBITDA	2,442	2,868	3,155	3,267	3,113
Oper. profit	2,155	2,599	2,888	2,995	2,837
Interest income	347	250	226	198	205
Interest expense	(910)	(778)	(822)	(859)	(914)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	(11)	(4)	6	6	6
Other Income (Expenses)	32	49	99	104	109
Pre-tax profit	1,613	2,116	2,398	2,444	2,243
Income tax	(330)	(288)	(303)	(313)	(296)
Minority interest	(125)	(50)	(380)	(377)	(322)
Net profit	1,158	1,321	1,218	1,193	991
Core Net Profit	1,158	1,778	1,715	1,755	1,625

Exhibit 7. Balance Sheet

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Cash & cash equivalent	4,238	5,276	3,350	4,205	3,618
Receivables	1,173	937	1,166	1,206	1,141
Inventory	10,661	12,240	13,444	14,491	15,840
Other Curr. Asset	2,124	1,830	2,013	2,214	2,436
Fixed assets - Net	8,462	8,118	8,029	7,947	7,872
Other non-curr.asset	9,539	10,854	11,222	11,604	12,039
Total asset	36,196	39,255	39,225	41,668	42,945
ST Debt	1,434	3,152	1,145	1,086	1,026
Payables	778	876	946	976	923
Other Curr. Liabilities	8,181	10,594	10,325	10,638	10,122
Long Term Debt	7,742	6,872	7,619	8,365	9,111
Other LT. Liabilities	300	304	304	304	304
Total Liabilities	18,434	21,798	20,338	21,368	21,486
Shareholder's Funds	15,352	15,332	16,381	17,418	18,256
Minority interests	2,409	2,125	2,506	2,882	3,204
Total Equity & Liabilities	36,196	39,255	39,225	41,668	42,945

Exhibit 8. Cash Flow

Year to 31 Dec (IDRbn)	2019A	2020A	2021F	2022F	2023F
Net income	1,158	1,321	1,218	1,193	991
Depreciation and Amort.	287	269	267	272	276
Change in Working Capital	(1,019)	1,461	(1,815)	(944)	(2,074)
Other Oper. Cash Flow	108	190	(88)	(29)	90
Operating Cash Flow	535	3,241	(418)	491	(717)
Capex	(719)	(761)	(217)	(210)	(237)
Others Inv. Cash Flow	1,093	(509)	277	213	129
Investing Cash Flow	374	(1,271)	60	3	(108)
Net change in debt	721	848	(1,260)	686	686
New Capital	(22)	0	0	0	0
Dividend payment	(186)	(148)	(169)	(156)	(153)
Other Fin. Cash Flow	(883)	(788)	(822)	(859)	(914)
Financing Cash Flow	(369)	(88)	(2,251)	(329)	(380)
Net Change in Cash	540	1,882	(2,608)	165	(1,205)
Cash - begin of the year	3,243	4,238	5,276	3,350	4,205
Cash - end of the year	4,238	5,276	3,350	4,205	3,618

Exhibit 9. Key Ratios

Year to 31 Dec	2019A	2020A	2021F	2022F	2023F
Growth (%)					
Sales	(0.8)	6.1	10.5	3.4	(5.4)
EBITDA	3.7	17.4	10.0	3.5	(4.7)
Operating profit	5.4	20.6	11.1	3.7	(5.3)
Net profit	(2.3)	14.1	(7.8)	(2.0)	(16.9)
Profitability (%)					
Gross margin	49.8	51.1	49.4	49.5	49.5
EBITDA margin	32.1	35.5	35.4	35.4	35.7
Operating margin	28.3	32.2	32.4	32.5	32.5
Net margin	15.2	16.4	13.7	12.9	11.4
ROAA	3.3	3.5	3.1	2.9	2.3
ROAE	7.8	8.6	7.7	7.1	5.6
Leverage					
Net Gearing (x)	0.3	0.3	0.3	0.3	0.3
Interest Coverage (x)	2.4	3.3	3.5	3.5	3.1

Source : CTRA, Danareksa Estimates

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