

BUY | TP : IDR1,300
CTRA Stock Price Data

Last Price	:	IDR1,045
52wk High	:	IDR1,195
52wk Low	:	IDR865
Share Out	:	18.5bn
Market Cap	:	IDR19.4tn

CTRA Stock Price Performance

1-Day	:	-1.0%
1-Week	:	-7.5%
1-Month	:	-4.6%
3-Month	:	+2.3%
Year-to-Date	:	+11.2%

Shareholders

PT Sang Pelopor	:	53.31%
Public (<5%)	:	46.69%


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PT Ciputra Development Tbk (CTRA IJ)
Optimistic Marketing Sales Target in FY23E
Marketing sales grew 27.4% YoY in 1H23

CTRA's marketing sales reached a solid IDR5.1tn in 1H23 or grew 27.4% YoY (vsIDR3.9tn in 1H22), accomplishing 57% of management's target for FY23E. About 81% of the marketing sales came from house and land lots, whereby units with a price range of IDR1–5bn dominated the presales, driven by the middle-lower to middle-upper income bracket. CTRA managed to sell 3,383 units and 71 ha of area, with higher proportions of mortgage payments (accounting for 63% of payments) due to exposure to end-users coupled with the affordability of mortgages, focused within the area of Greater Jakarta (46%) and Greater Surabaya (21%).

CTRA aims for IDR9.8tn in marketing sales in FY23E

- CTRA has raised their marketing sales target to IDR9.8tn for FY23E (from its previous target of IDR8.9tn), supported by the launching of new clusters in 2H23.
- This target should be achievable if backed by optimal marketing sales performance, particularly within the Jabodetabek, Surabaya, Medan and Makassar regions.
- CTRA has launched additional clusters in Citra Garden Serpong with a masterplan covering 350 ha of area and as a result have accrued IDR1.4tn in 1H23. Price of settlements within this area averages up to IDR1.5bn per unit.
- Citra Sentul City is planned for launching in 2H23, and is poised to contribute an additional income of IDR400bn in 2H23. The cluster's market segment encompasses the mid-low and mid-high segment with a price range of IDR900mn – 1.5 bn per unit.
- CitraLand Sampali Kota Deli also holds potential increases in marketing sales as management optimistically anticipates IDR450bn of sales with each unit worth IDR1.4 – 3.8bn per unit.
- Another impetus that CTRA have in store includes the Citralake Villa premium cluster that just got launched, situated in Citra 6, Citra Garden City, West Jakarta. The cluster holds up to 28 exclusive units within a total area of 5.2 ha, with each unit composing of 4 storeys including a basement, a total land area of 135 sqm and building area of 336 sqm.
- Moreover, CTRA also anticipates recurring income growth, bolstered by rental tariff normalizations in May-22 which sent occupancy rates of mall tenants, offices and hotels to reach levels of 88%/80%/65% in 1H23.

IKN holds value creation potential in the long run

CTRA have plans of developing an integrated area within Ibu Kota Nusantara (IKN) which will cover an area of 300 ha. The initial phase of the integrated area construction will commence with the development of basic infrastructure which will take around 1 – 2 years ahead. Construction of hotels, settlements and other construction projects is expected to wrap up within 3 years' time. As of now, CTRA is awaiting definitive approval from the government in order to execute the development pipeline. We are of the view that the impending IKN projects would greatly benefit CTRA's earnings in the long run.

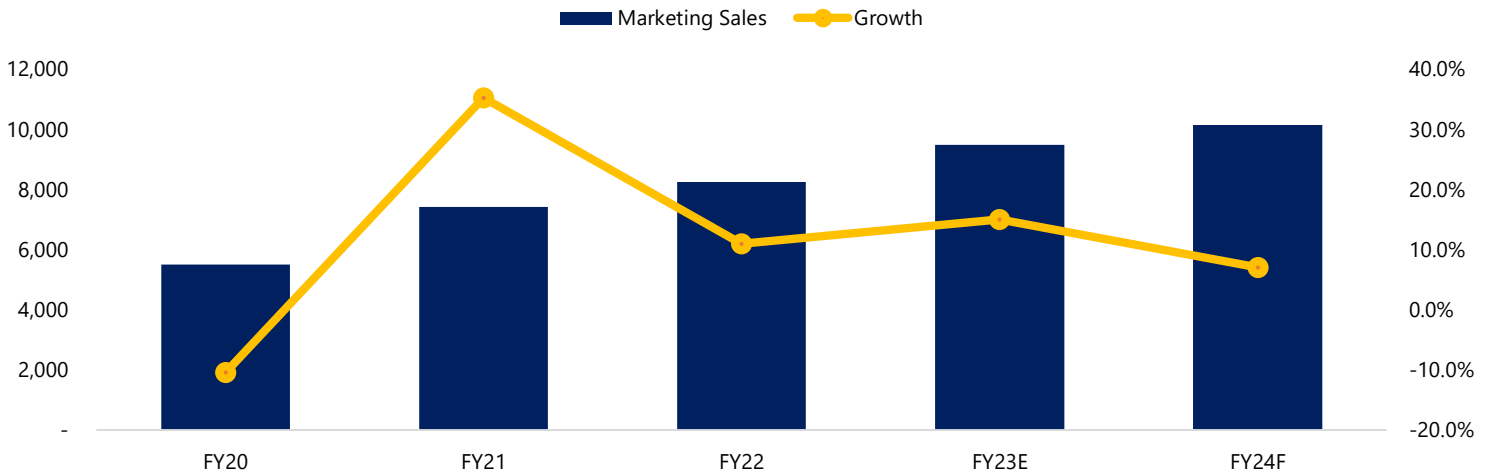
Valuation and Recommendation: BUY with a TP IDR1,300

We recommend BUY for CTRA, with a TP of: IDR1,300 which implies PE/PBV 9.8x/1.0x in FY23E. CTRA's valuation has become attractive as it is currently traded at a level of –0.5 STD (average 5-years PE) at 11.8x. Risks to our call would include: 1) Low purchasing power; 2) Higher interest rates; 3) Fluctuation USD/IDR.

Key Financial Highlight	FY20	FY21	FY22	FY23E	FY24F
Revenue (IDR Bn)	8,070.7	9,729.7	9,126.8	9,791.5	10,941.9
EBITDA (IDR Bn)	2,947.2	3,676.7	3,682.5	3,784.1	4,229.7
EBITDA Margin (%)	36.5	37.8	40.3	38.6	38.7
Net Income (IDR Bn)	1,320.8	1,735.3	1,863.4	2,112.9	2,504.4
ROA (%)	3.4	4.3	4.4	4.8	5.2
ROE (%)	7.6	8.9	8.9	9.3	10.0
PE (x)	15.7	12.0	11.1	9.8	8.3
PBV (x)	1.4	1.2	1.1	1.0	0.9

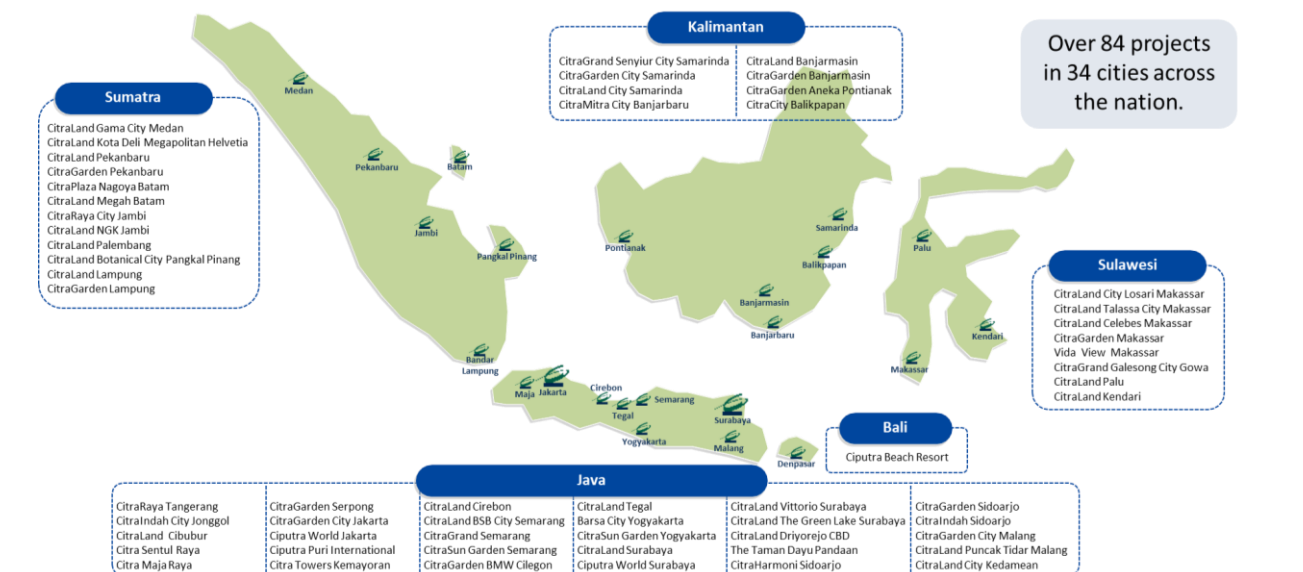
Sources : Bloomberg, MNCS Research

Exhibit 01. The Trend of Marketing Sales CTRA in FY20-FY24F (IDR bn)



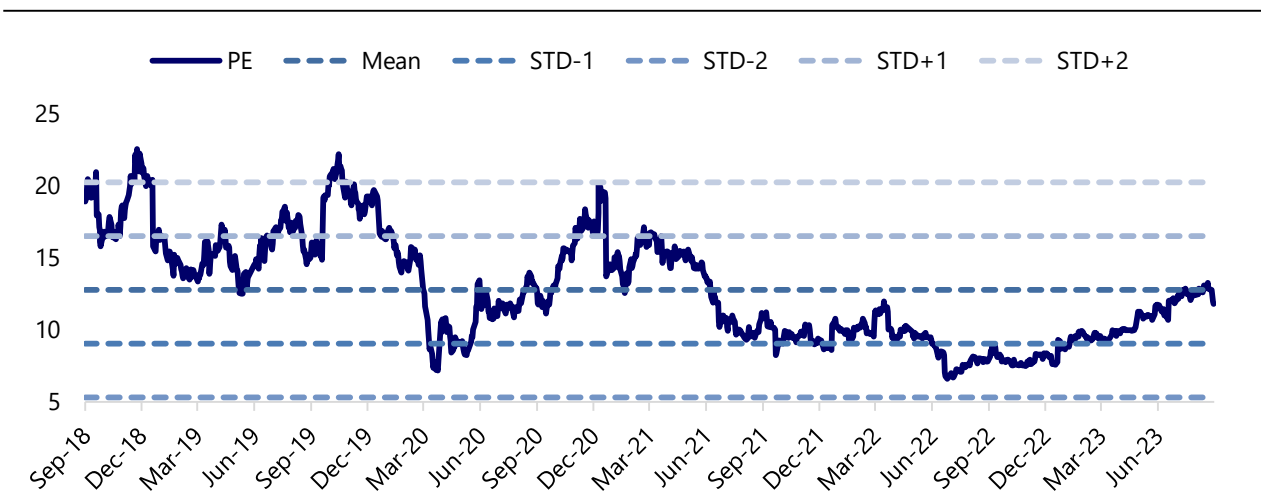
Sources : Company, MNCS

Exhibit 02. Geographically Diversified Project Portfolio



Sources : Company, MNCS

Exhibit 03. CTRA's Currently Trading Near at -0.5 STD (5-Year Average) at 11.8x PE band



Sources : Bloomberg, MNCS

Exhibit 04. Financial Projections

In Billion IDR	Income Statement				
	FY20	FY21	FY22	FY23E	FY24F
Revenue	8,070.7	9,729.7	9,126.8	9,791.5	10,941.9
COGS	(3,949.4)	(4,889.8)	(4,559.2)	(4,744.0)	(5,274.4)
Gross Profit	4,121.3	4,839.8	4,567.6	5,047.5	5,667.4
Selling Expense	(356.6)	(367.6)	(383.2)	(399.4)	(428.9)
G&A Expense	(1,166.2)	(1,177.6)	(1,256.7)	(1,275.6)	(1,459.4)
Other Income (Expenses)	49.5	73.1	135.9	80.1	100.4
Operating Profit	2,648.1	3,367.7	3,063.6	3,452.6	3,879.6
Finance Income (Expenses)	(985.4)	(1,012.4)	(821.9)	(864.3)	(814.5)
Other Income (Expenses)	(235.0)	(218.4)	(181.7)	(243.8)	(263.6)
Profit Before Tax	1,427.6	2,136.9	2,059.9	2,344.5	2,801.5
Tax Income (Expense)	(56.9)	(49.1)	(56.9)	(64.8)	(77.4)
Minority Interest	(49.9)	(352.4)	(139.7)	(166.8)	(219.6)
Net Income	1,320.8	1,735.3	1,863.4	2,112.9	2,504.4

In Billion IDR	Balance Sheet				
	FY20	FY21	FY22	FY23E	FY24F
Cash & Equivalents	5,275.7	7,161.6	9,042.2	10,346.1	11,647.2
Trade Receivables	937.5	867.0	780.6	826.7	911.9
Inventory	12,240.1	11,577.8	11,641.1	12,216.9	13,712.9
Others Current Assets	2,192.3	2,310.5	2,108.1	2,227.8	2,435.1
Total Current Assets	20,645.6	21,916.8	23,572.0	25,617.5	28,707.0
Fixed Assets-net	2,595.0	2,503.9	2,568.7	2,560.3	2,540.5
Other Non-Current Assets	16,014.6	16,247.7	15,761.7	16,292.7	16,961.4
Total Non-Current Assets	18,609.6	18,751.6	18,330.4	18,853.0	19,501.9
TOTAL ASSETS	39,255.2	40,668.4	41,902.4	44,470.5	48,209.0
Trade Payables	875.6	939.1	868.0	908.4	1,030.2
Short-term Debt	3,152.1	1,351.8	879.3	865.9	865.2
Other Current Liabilities	7,581.7	8,672.5	9,033.5	9,691.4	10,830.0
Total Current Liabilities	11,609.4	10,963.4	10,780.8	11,465.7	12,725.4
Long-term Debt	6,871.9	8,203.3	8,037.7	7,915.3	7,909.0
Other Long-term Liabilities	3,316.3	2,107.6	2,170.9	2,329.0	2,602.6
Total LT-Liabilities	10,188.2	10,310.8	10,208.6	10,244.3	10,511.6
Total Equity	17,457.5	19,394.2	20,912.9	22,760.5	24,971.9
TOTAL LIABILITY AND EQUITY	39,255.2	40,668.4	41,902.4	44,470.5	48,209.0

In Billion IDR	Cash Flow				
	FY20	FY21	FY22	FY23E	FY24F
Net Income	1,320.8	1,735.3	1,863.4	2,112.9	2,504.4
D&A	299.1	309.1	618.9	331.5	350.1
Changes in WC	(1,246.2)	796.3	(48.0)	(581.6)	(1,459.4)
Others	143.1	938.8	548.4	538.2	931.4
Operating CF	516.7	3,779.5	2,982.6	2,401.1	2,326.5
Capex	(1,216.3)	(429.3)	(202.0)	(635.5)	(620.8)
Others	338.5	12.2	19.3	(218.6)	(378.3)
Investing CF	(877.8)	(417.1)	(182.7)	(854.1)	(999.1)
Dividend Paid	(148.3)	(157.6)	(259.5)	(265.4)	(293.0)
Net Change in Debt	848.1	(469.0)	(638.0)	(135.9)	(7.0)
Equity Fund Raised	-	-	-	-	-
Others	699.0	(849.9)	(21.8)	158.1	273.6
Financing CF	1,398.9	(1,476.4)	(919.3)	(243.1)	(26.4)
Cash at Beginning	4,237.9	5,275.7	7,161.6	9,042.2	10,346.1
Cash at Ending	5,275.7	7,161.6	9,042.2	10,346.1	11,647.2

	Ratios				
	FY20	FY21	FY22	FY23E	FY24F
Revenue Growth (%)	6.1	20.6	(6.2)	7.3	11.7
Operating Profit Growth (%)	21.1	27.2	(9.0)	12.7	12.4
Net Profit Growth (%)	14.1	31.4	7.4	13.4	18.5
Current Ratio (%)	177.8	199.9	218.6	223.4	225.6
Quick Ratio (%)	72.4	94.3	110.7	116.9	117.8
Receivable Days (x)	42.4	32.5	31.2	30.8	30.4
Inventory Days (x)	1,131.2	864.2	932.0	940.0	949.0
Payable Days (x)	80.9	70.1	69.5	69.9	71.3
Net Gearing Ratio (x)	0.3	0.1	(0.0)	(0.1)	(0.1)
DER (x)	0.6	0.5	0.4	0.4	0.4
Dividend Yield (%)	0.7	0.0	0.0	0.0	0.0
Gross Profit Margin (%)	51.1	49.7	50.0	51.5	51.8
Operating Profit Margin (%)	32.8	34.6	33.6	35.3	35.5
EBITDA Margin (%)	36.5	37.8	40.3	38.6	38.7
Net Income Margin (%)	16.4	17.8	20.4	21.6	22.9
BVPS (IDR)	827.2	915.6	994.7	1,094.4	1,213.7

Sources : Company, MNCS

MNC Research Industry Ratings Guidance

- **OVERWEIGHT** : Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months
- **NEUTRAL** : Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months
- **UNDERWEIGHT** : Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

MNC Research Investment Ratings Guidance

- **BUY** : Share price may exceed 10% over the next 12 months
- **HOLD** : Share price may fall within the range of +/- 10% of the next 12 months
 - **SELL** : Share price may fall by more than 10% over the next 12 months
 - **Not Rated** : Stock is not within regular research coverage

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