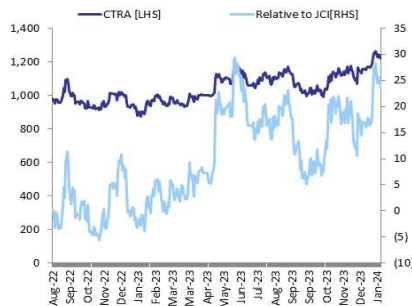


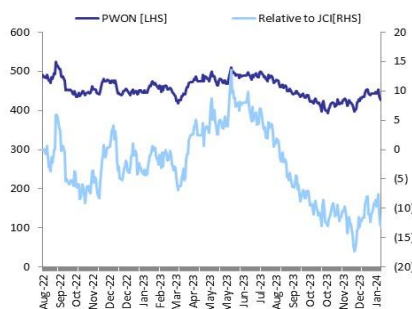
Overweight

(Maintain)

CTRA relative to JCI Index



PWON relative to JCI Index



Source: Bloomberg

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Property

Stable 4Q23 Marketing Sales Growth

- Majority of property developers’ marketing sales showed stable growth of 0-2% yoy in 4Q23, with CTRA showing the strongest at 45% yoy.
- We expect a brighter sales outlook for FY24 (at +8-12% yoy), supported by a continuation in VAT and LTV stimulus.
- We currently have an OW rating on the sector; possible downside risks might come from postponement of commercial property purchases.

PWON: In-Line Performance, Positive Growth in Condo Marketing Sales

PWON booked marketing sales of Rp339bn in 4Q23 (-16%qoq, +2%yoy), bringing its FY23 marketing sales to Rp1.34tr (-11%yoy), in-line with our estimate of Rp1.4tr (96%), and slightly above the company’s revised target of Rp1.3tr (103%). We note that condo marketing sales in 4Q23 (Rp254bn) continued to deliver positive growth (+3%qoq), in contrast to a contraction in office and residential marketing sales. PWON provides guidance for FY24F marketing sales of Rp1.54tr (+15% yoy), derived from 60% high-rise and 40% landed projects.

CTRA: Above-target, Positive Traction from CitraGarden Bintaro

CTRA booked marketing sales of Rp2.4tr in 4Q23 (-10%qoq, +45%yoy), bringing its FY23 marketing sales to a historical high of Rp10.2tr (+24%yoy), beating our estimate of Rp9.6tr (107%) and the management’s target of Rp9.7tn (105%). The 4Q23 launch of CitraGarden Bintaro recorded higher-than-expected sales of Rp720bn, while Citra City Sentul booked Rp685bn of pre-sales (vs. the company’s target of Rp400bn). CTRA also generated strong marketing sales of Rp844bn in Jan24 at CitraLand Sampali, a joint operation with PTPN II. The management anticipates pre-sales of Rp121bn from CitraLand City Losari Makassar and Rp600bn from Cluster Eurya at Citra Garden Serpong in 1Q24.

SMRA: In-Line Performance, Recovery of its Serpong Project in Dec23

SMRA booked marketing sales of Rp1.4tr in 4Q23 (flat qoq and yoy), bringing its FY23 marketing sales to Rp4.5tr (-9%yoy), broadly in-line (96%) with our estimate of Rp4.7tr, though below the company’s target of Rp5.0tr (90%). Only three of eight SMRA projects reached their FY23 targets, namely Bekasi (163%), Bogor (122%), and Crown Gading (128%). We note that SMRA’s Serpong project booked Rp242bn of sales in Dec23 alone, contributing 5.3% to FY23 sales. The highest marketing sales in 4Q23 were recorded by the Serpong project (Rp374bn), followed by Crown Gading (Rp324bn), and Bekasi (Rp291bn). SMRA guided FY24F pre-sales to be at similar level of Rp5.0tr (+11% yoy).

Maintain OW Rating with Positive Catalysts from Lower Rates and Stimulus

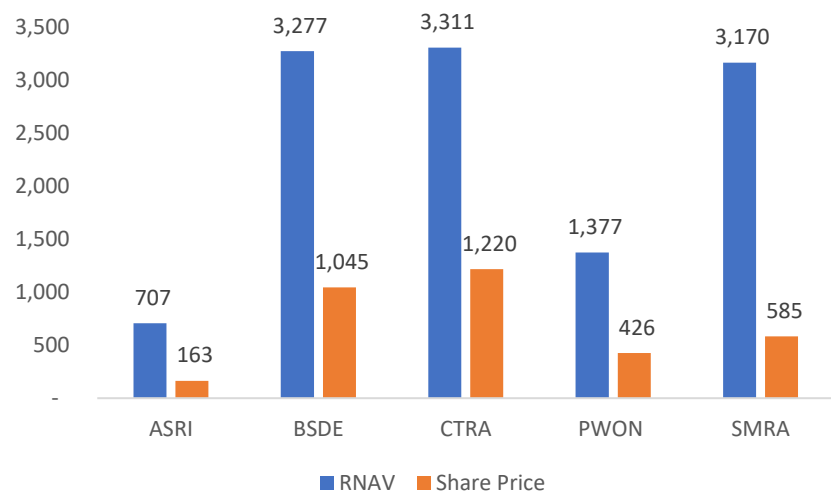
We deem the stable marketing sales in 4Q23 as positive amid challenges from tight liquidity and generally soft purchasing power. We foresee a brighter outlook for FY24, supported by continuation of the government’s LTV and VAT stimulus. Possible downside risks might come from the postponement of commercial property purchases due to election year “wait-and-see” behavior. We currently have an OW rating on the sector with our current top picks being CTRA (63% disc. to RNAV) and PWON (69% disc. to RNAV).

Company	Ticker	Rec	Target	Market	P/E (x)		P/BV (x)		ROE (%)
			Price (Rp)	Cap. (Rp bn)	2023F	2024F	2023F	2024F	2024F
Ciputra Development	CTRA IJ	BUY	1,600	22,613.5	13.8	10.2	1.1	1.0	10.7
Pakuwon Jati	PWON IJ	BUY	610	20,516.0	9.6	9.4	1.1	1.0	10.8
Alam Sutera	ASRI IJ	BUY	240	3,202.9	4.4	8.1	0.3	0.3	3.5
Bumi Serpong Damai	BSDE IJ	BUY	1,300	22,124.1	10.9	9.7	0.6	0.6	6.1
Summarecon Agung	SMRA IJ	BUY	1,000	9,657.5	17.0	12.6	1.0	0.9	7.8

PANI (Non-Rated): Above-Target with Stable Commercial Products

PT Pantai Indah Kapuk Dua Tbk (PANI) reported marketing sales of Rp2.4tr in FY23, 10% above its target of Rp2.1tr and +24% yoy. The 4Q23 sales reached Rp608bn (flat qoq), with positive growth for its commercial lots (+31%qoq), while residential sales contracted (-25%qoq) and with relatively stable commercial products (-1%). Overall pre-sales received a 47% contribution from commercial products such as shophouses, SOHO and warehouses; followed by commercial lots with a 36% contribution. PANI targets its FY24 marketing sales to grow by 134%yoy to Rp5.5tn.

BRIDS RNAV per Share



Source: Bloomberg, BRIDS

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INVESTMENT RATING

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

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