Buy

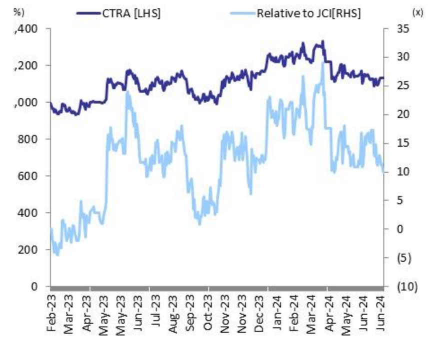
(Maintained)

Last Price (Rp)	1,130
Target Price (Rp)	1,700
Previous Target Price (Rp)	*1,600*
Upside/Downside	+50.4%
No. of Shares (mn)	18,560
Mkt Cap (Rpbn/US$mn)	20,973/1,284
Avg, Daily T/O (Rpbn/US$mn)	21.8/1.3
Free Float (%)	43.1
Major Shareholder (%)	
PT Sang Pelopor	53.3

EPS Consensus (Rp)

	2024F	2025F	2026F
BRIDS	123.4	147.6	175.4
Consensus	110.9	122.5	132.5
BRIDS/Cons (%)	**11.2**	**20.5**	**32.4**

CTRA relative to JCI Index



Source: Bloomberg

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Ciputra Development (CTRA IJ)

Expect Strong Marketing Sales Trend to Continue in 2H24 from Top-10 Key Projects

- **We believe CTRA will be able to maintain its strong pre-sales trend in 2H24 (1H24 est. +3% yoy), driven by its vast landed-residential projects.**
- **Our channel check on Elaia Serpong shows a potential Rp270-300bn pre-sales in 2Q24. We raise our overall FY24F est. by 17% to Rp11.5tr.**
- **We resume coverage with a Buy rating and RNAV-based TP of Rp1,700 (assuming slightly higher disc. to RNAV of 52%); CTRA is our sector pick.**

Non-VAT Exempted Products Pre-Sales Growth Remain Resilient

We believe CTRA's vast landbank size versus peers **(exh.1)** and its ability to leverage brand equity through Joint-Operation will remain the key competitive advantage to sustain pre-sales in FY24F-FY25F (our forecast of Rp11.5tr/Rp12.0tr). The landed-residential dominated portfolio is also well-suited with the current demand profile from end users-driven, supported by VAT and LTV incentives, with non-VAT-exempted products remain contributing competitively vs. peers, as shown in 3M24 pre-sales **(exh.12).**

Channel check on Elaia; raising our FY24F/FY25F pre-sales est. by 17%/25%

We estimate that the early launch of CGS Elaia, slated in Jun24, may yield Rp270-300bn pre-sales in 2Q24, bringing overall CGS project achievement in 1H24 to reach ~50% of its FY24F target **(exh.2).** Our conservative estimates suggest that aggregate CTRA's marketing sales achievement of 1H24 will remain in-line with the company's target at 47% to FY24F target **(exh.3).** Incorporating the 3M24 pre-sales and our channel checks, we raise our FY24F/FY25F pre-sales forecast by 17%/25% to Rp11.5tr/Rp12.0tr (4% above the company's target in FY24F), which we still deem as conservative considering there will still be potential product launching in 3Q24-4Q24 (e.g., CitraLand Gresik, CitraLand Losari Canal Drive Shophouses, etc.). As a result, we also adjusted our revenue recognition period and raised our FY24F revenue/net profit forecast by 3%/3% to Rp10.9tr/Rp12.2tr.

Resuming Coverage with a Buy rating and TP of Rp1,700

We resume our coverage on CTRA with a Buy rating and TP of Rp1,700, based on a higher 52% disc. to our revised RNAV, implying 1.4/1.3x FY24F/FY25F P/BV. The stock currently trades at 68% disc.to RNAV (vs. FY12-15 at 31%), which we believe is unwarranted given its resilient pre-sales trend aided by the vast landed portfolios. Key risks are; 1) lower pre-sales traction out of Top10 key projects, 2) lack of stock liquidity (6-mo. avg. turnover of Rp22.9bn/day, despite of CTRA better than the peers avg. at Rp13.0bn/day) 3) discontinuation of gov't incentive decelerate property demand.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	9,127	9,245	10,998	12,287	13,305
EBITDA (Rpbn)	3,382	3,133	3,679	4,076	4,387
EBITDA Growth (%)	(1.6)	(7.4)	17.4	10.8	7.6
Net Profit (Rpbn)	1,862	1,846	2,290	2,740	3,255
EPS (Rp)	100.3	99.5	123.4	147.6	175.4
EPS Growth (%)	7.3	(0.9)	24.0	19.7	18.8
BVPS (Rp)	998.9	1,080.0	1,182.4	1,304.0	1,448.3
DPS (Rp)	14.0	15.0	21.0	26.0	31.2
PER (x)	11.3	11.4	9.2	7.7	6.4
PBV (x)	1.1	1.0	1.0	0.9	0.8
Dividend yield (%)	1.2	1.3	1.9	2.3	2.8
EV/EBITDA	6.2	5.9	4.2	2.7	1.4

Source: CTRA, BRIDS Estimates

Exhibit 1. 1H24 Land Bank Comparison

BSDE		CTRA		PWON		PANI		SMRA	
Project	Area (ha)	Project	Area (ha)	Project	Area (ha)	Project	Area (ha)	Project	Area (ha)
BSD City	2,179	**CTRA's Directly Owned**		Kota Kasablanka	4	MAS	452	Summarecon Serpong	338
Bale Tirtawana - Rumpin	433	Total Greater Jakarta	1,107	Gandaria City	2	BMW	221	Summarecon Bekasi	67
Legenda Wisata	1	Total Greater Surabaya	912	Simatupang	5	CIS	202	Summarecon Bandung	293
Taman Permata Buana	1	Total Others	181	Daan Mogot	11	CGIC	164	Summarecon Karawang	6
Grand Wisata	566	**Rights from JO**		Bekasi	4	BKS	126	Summarecon Makassar	313
Kota Wisata	321	Total Greater Jakarta	598	Tunjungan City	2	SHM	107	Summarecon Bogor	366
Banjar Wijaya	1	Total Greater Surabaya	341	Pakuwon City Township	237	JIS	103	Summarecon Crown Gading	286
Grand City	159	Total Java Ex-Jakarta Ex-Surabaya	1,083	Outside Pakuwon City	22	KUS	100	Others	245
Kota Bunga	11	Total Sumatra	879	Grand Pakuwon Township	158	SCU	51		
		Total Kalimantan	668	Pakuwon Mall	3	PET	41		
Jakarta CBD	3	Total Sulawesi	488	Royal Plaza	0	KKU	32		
Central Jakarta	19			Outside Grand Pakuwon	9				
South Jakarta	0			Batam	12				
Bekasi	11			Semarang - Phase 1	13				
Makassar	5								
Total Land Bank	**3,709**	**Total Land Bank**	**6,257**	**Total Land Bank**	**480**	**Total Land Bank**	**1,599**	**Total Land Bank**	**1,914**

Source: Company, BRIDS

Exhibit 2. Estimates of Citra Garden Serpong Elaia Pre-Sales Figures

Estimates Pre Sales Citra Garden Serpong - Standard Type							
Tipe	**Land Dimension**	**Unit Sold**	**Hard Cash Price (Rpbn)**	**Cash Installment (Rpbn)**	**Mortgage Average Price (Rpbn)**	**Wgt. Avrg. Price (Rpbn)**	**Est. Pre-Sales (Rpbn)**
CLARITY	4 x 10	24	1.00	1.10	1.16	1.12	27
FRESH	5 x 10	53	1.18	1.29	1.36	1.32	70
HARMONY	5 x 12	51	1.41	1.54	1.63	1.58	81
LUMINOUS	6 x 12	44	1.63	1.78	1.88	1.83	80
PURE	7 x 12	48	1.86	2.04	2.16	2.10	101
PRIME	8 x 12	66	2.10	2.30	2.43	2.36	156
Total		**286**					**514**
						3M24 pre-sales overall CGS	**188**
						2Q pre-sales Elaia only (estimates)	326
Payment Term Assumption						Launching Price Discount Average	17%
Mortgage	71%					**Estimates Elaia Pre-Sales**	**271**
Installment	13%					**Target PreSales CGS Elaia FY24**	**600**
Cash	16%					**%Achv.**	**45.2%**

Source: BRIDS Estimates

Exhibit 3. Conservative Estimates of 1H24 CTRA's Pre-Sales; Product Launching Schedule

1H24 Estimates Top 10 Key Projects				
Project	**1Q24**	**2Q24**	**1H24**	**Assumption**
CitraLand Sampali KDM	856	77	933	50% of Stock Avail
CitraLand Surabaya	493	444	937	-10% from 1Q24
CitraGarden City Jakarta	255	230	485	-10% from 1Q24
CitraLand Tj.Morawa KDM	237	-	237	Based on Stock Avail
CitraCity Sentul	204	97	301	50% from Corvina Cluster Launch Target
CitraGarden Serpong	188	271	459	BRIDS Estimates
CitraRaya Tangerang	185	167	352	-10% from 1Q24
CitraGarden Bintaro	140	126	266	-10% from 1Q24
CitraLand City Losari Makassar	74	37	111	50% of Stock Avail (Azure)
CitraLand Gama City Medan	66	120	186	50% from Sentosa Cove Phase 2 Launch Target
Total from Top 10	**2,698**	**1,567**	**4,265**	
Contribution from Other Projects	623	362		
Total Pre Sales	**3,321**	**1,929**	**5,250**	
FY24 Target	11,101			
Achv. as% of FY24 Target	**30%**	**17%**	**47%**	

Product	Launch Period	Price Range (Rpbn)	Target Pre-Sales (Rpbn)
Citra Garden Serpong - Elaia	Apr-24	1.0-2.2	600
CitraLand Gama City Medan - Sentosa Cove Phase 2	2Q24	3.7-6.4	239
CitraCity Sentul - Corvina Cluster	2Q24	0.8-2.0	193
CitraLand City Losari Makassar - Canal Drive Shophouses	2H24	8.4-14.0	196
CitraLand Gresik - New Project	4Q24	1.0-4.0	250

Source: BRIDS Estimates, Company

Exhibit 4. CTRA's Key Forecast Changes

in Rpbn	FY23	Previous FY24F	Previous FY25F	New FY24F	New FY25F	Changes FY24F	Changes FY25F	Cons FY24F	Cons FY25F	New BRIDS vs. Cons FY24F	New BRIDS vs. Cons FY25F
Marketing sales	10,242	9,843	9,843	11,508	12,032	16.9%	22.2%				
Revenue	9,245	10,735	10,689	10,998	12,287	2.5%	15.0%	10,176.0	11,007.0	8%	12%
Gross profit	4,559	5,389	5,380	5,596	6,259	3.8%	16.3%	5,122.9	5,464.9	9%	15%
Net profit	1,846	2,225	2,202	2,290	2,740	2.9%	24.4%	2,057.0	2,270.0	11%	21%

Source: BRIDS Estimates, Company

Exhibit 5. CTRA's RNAV Calculation

Valuation Summary	Method	RNAV (Rpbn)
Landbank (1)		**46,575**
Direct Ownership & JV	DCF	21,985
JO	DCF	24,590
Apartment Assets (2)		**1,827**
Direct	NAV	1,179
JV	NAV	443
JO Revenue	NAV	9
JO Profit	NAV	196
Strata Title Office (3)		**779**
Direct	NAV	275
JV	NAV	478
JO Revenue	NAV	-
JO Profit	NAV	26
Recurring Revenue (4)		**9,826**
Malls	DCF	3,706
Office Leased	DCF	1,629
Hotel	DCF	2,479
Hospitals	DCF	2,013
Total RNAV (1)+(2)+(3)+(4)		**59,007**
Net Debt (Cash)		(5,549)
Fully diluted share base (bn shares)		19
RNAV per share		**3,478**
Disc.		52%
Target Price		**1,700**
Current Price		1,125
Current Price premium (disc.) to RNAV		**-68%**

Source: BRIDS Estimates

Exhibit 6. Discount to RNAV Band Chart (10-year)

Source: Bloomberg, BRIDS Estimates, Company

Exhibit 7. Forward 12M PBV Band Chart (10-year)

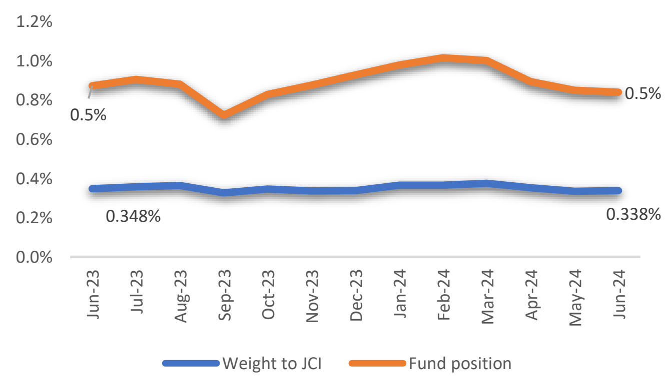
Source: Bloomberg, BRIDS Estimates, Company

Exhibit 8. Peers Comparison

Company	Mkt.Cap (Rpbn)	Revenue (Rpbn)		Net Profit (Rpbn)		ROE (%)		P/E (x)		P/BV (x)		Net Debt (Cash) (x)		Current Price disc. to RNAV
		24F	25F	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F	
CTRA	21,038	10,998	12,287	2,290	2,740	10.9	11.9	9.1	7.6	1.0	0.9	(0.2)	(0.4)	68%
BSDE	20,325	10,193	9,430	2,285	1,980	6.1	5.0	8.9	10.3	0.5	0.5	0.0	0.0	71%
PWON	18,204	6,671	7,518	2,177	2,554	10.3	10.9	8.3	7.1	0.9	0.8	(0.2)	(0.3)	73%
SMRA	8,502	7,451	7,499	863	885	8.2	7.9	9.8	9.6	0.8	0.8	0.3	0.3	86%

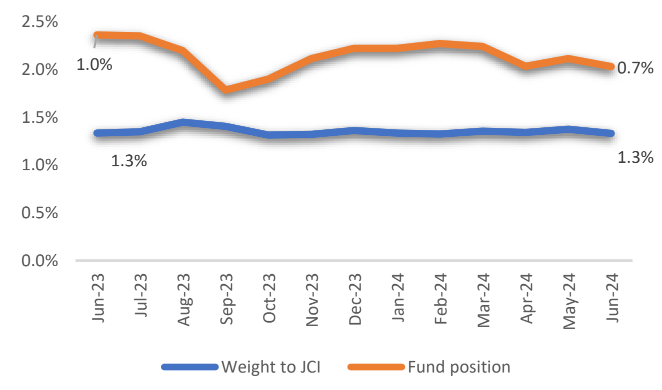
Source: BRIDS, Bloomberg, Company

Exhibit 9. Fund Ownership CTRA



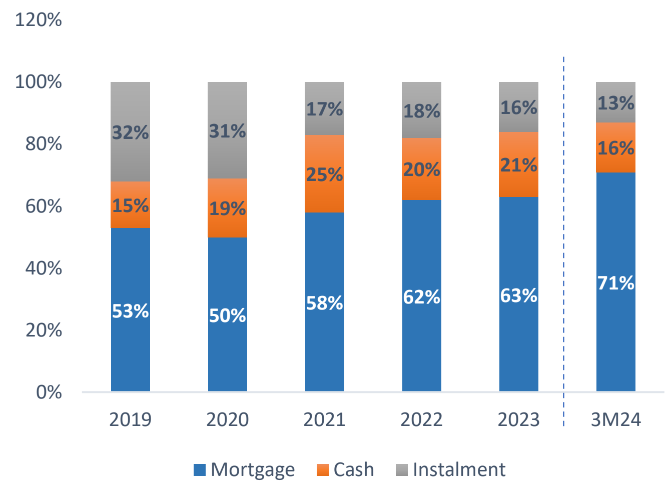
Source: KSEI, BRIDS

Exhibit 10. Fund Ownership Property Sector



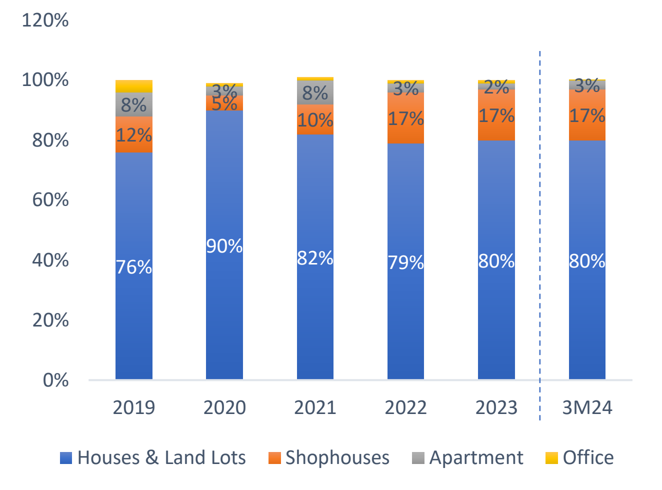
Source: KSEI, BRIDS

Exhibit 11. 3M24 Pre-Sales Review: Mortgage Payment Term increasing boosted by LTV Incentives..



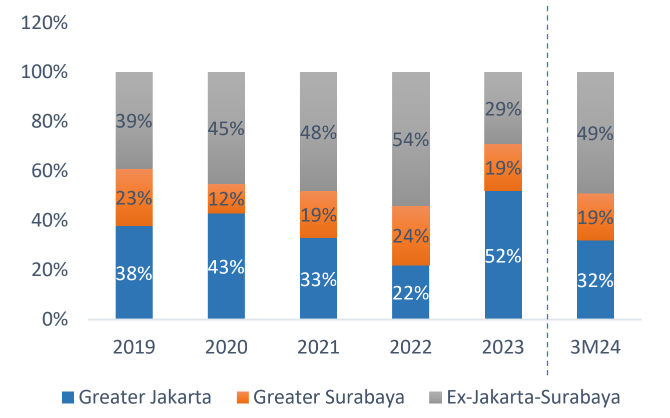
Source: Company, BRIDS

Exhibit 12. ..landed-residential remain highest contributor vs. pre-pandemic depicting end-users driven demand.



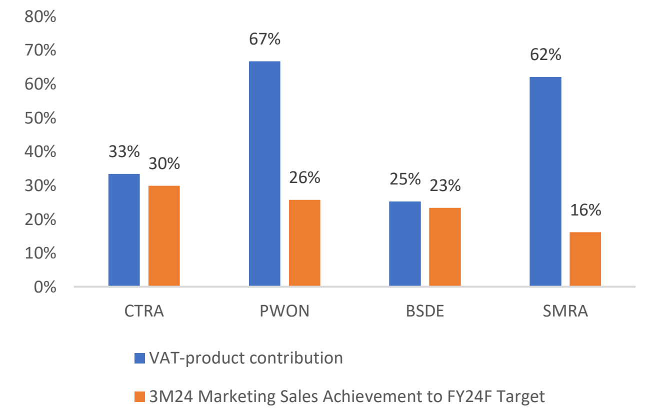
Source: Company, BRIDS

Exhibit 13. Ex-Jakarta-Surabaya contribution higher in 3M24 showing CTRA's resiliency through vast landbank locations



Source: Company, BRIDS

Exhibit 14. With moderate VAT-product contribution vs. peers, CTRA is still able to print higher achv. of pre-sales



Source: Company, BRIDS

Exhibit 15. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	**9,127**	**9,245**	**10,998**	**12,287**	**13,305**
COGS	(4,559)	(4,686)	(5,402)	(6,029)	(6,526)
Gross profit	**4,568**	**4,559**	**5,596**	**6,259**	**6,779**
EBITDA	**3,382**	**3,133**	**3,679**	**4,076**	**4,387**
Oper. profit	**2,927**	**2,791**	**3,328**	**3,725**	**4,036**
Interest income	247	396	424	524	672
Interest expense	(668)	(703)	(656)	(607)	(486)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	68	77	92	103	112
Other Income (Expenses)	136	160	190	213	230
Pre-tax profit	**2,710**	**2,721**	**3,379**	**3,957**	**4,564**
Income tax	(307)	(307)	(429)	(479)	(518)
Minority interest	(140)	(63)	(93)	(145)	(169)
Net profit	**1,862**	**1,846**	**2,290**	**2,740**	**3,255**
Core Net Profit	**2,264**	**2,352**	**2,858**	**3,334**	**3,876**

Exhibit 16. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	9,050	10,601	13,094	16,806	19,340
Receivables	781	734	993	1,109	1,201
Inventory	11,641	12,120	11,896	11,151	10,087
Other Curr. Asset	2,260	2,293	2,728	3,048	3,300
Fixed assets - Net	8,040	8,024	7,673	7,322	6,970
Other non-curr.asset	10,260	10,343	11,015	11,546	11,995
Total asset	**42,033**	**44,115**	**47,398**	**50,982**	**52,894**
ST Debt	879	622	659	640	621
Payables	868	837	1,071	1,195	1,293
Other Curr. Liabilities	10,976	12,276	13,824	15,444	16,723
Long Term Debt	8,038	7,469	6,886	6,304	3,979
Other LT. Liabilities	256	286	341	380	412
Total Liabilities	**21,018**	**21,490**	**22,780**	**23,962**	**23,028**
Shareholder'sFunds	18,540	20,046	21,946	24,203	26,880
Minority interests	2,475	2,579	2,671	2,816	2,985
Total Equity & Liabilities	**42,033**	**44,115**	**47,398**	**50,982**	**52,894**

Exhibit 17. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	1,862	1,846	2,290	2,740	3,255
Depreciation and Amort.	455	341	351	351	351
Change in Working Capital	446	804	1,312	2,053	2,097
OtherOper. Cash Flow	(26)	(62)	(289)	(540)	(186)
Operating Cash Flow	**2,738**	**2,929**	**3,663**	**4,604**	**5,518**
Capex	(185)	(468)	(142)	(142)	0
Others Inv. Cash Flow	489	589	42	319	672
Investing Cash Flow	**304**	**121**	**(100)**	**177**	**672**
Net change in debt	(638)	(826)	(546)	(602)	(2,343)
New Capital	0	(37)	0	0	0
Dividend payment	(260)	(278)	(390)	(483)	(578)
Other Fin. Cash Flow	(703)	(728)	(656)	(607)	(486)
Financing Cash Flow	**(1,600)**	**(1,869)**	**(1,592)**	**(1,692)**	**(3,407)**
Net Change in Cash	**1,441**	**1,181**	**1,971**	**3,089**	**2,783**
Cash - begin of the year	7,162	9,050	10,601	13,094	16,806
Cash - end of the year	9,050	10,601	13,094	16,806	19,340

Exhibit 18. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	(6.2)	1.3	19.0	11.7	8.3
EBITDA	(1.6)	(7.4)	17.4	10.8	7.6
Operating profit	(11.1)	(4.6)	19.2	11.9	8.3
Net profit	7.3	(0.9)	24.0	19.7	18.8
Profitability (%)					
Gross margin	50.0	49.3	50.9	50.9	51.0
EBITDA margin	37.1	33.9	33.5	33.2	33.0
Operating margin	32.1	30.2	30.3	30.3	30.3
Net margin	20.4	20.0	20.8	22.3	24.5
ROAA	4.5	4.3	5.0	5.6	6.3
ROAE	10.5	9.6	10.9	11.9	12.7
Leverage					
Net Gearing (x)	0.0	(0.1)	(0.2)	(0.4)	(0.5)
Interest Coverage (x)	4.4	4.0	5.1	6.1	8.3

Source: CTRA, BRIDS Estimates

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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