Buy

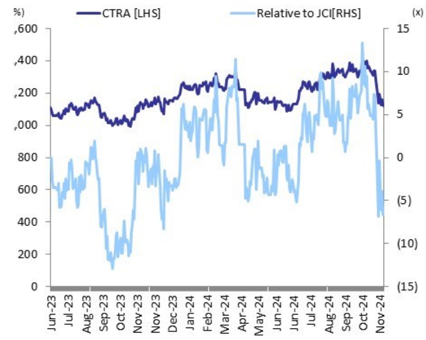
(Maintained)

Last Price (Rp)	1,120
Target Price (Rp)	1,700
Previous Target Price (Rp)	*1,700*
Upside/Downside	+51.8%
No. of Shares (mn)	18,560
Mkt Cap (Rpbn/US$mn)	20,788/1,311
Avg, Daily T/O (Rpbn/US$mn)	31.8/2.0
Free Float (%)	43.1
Major Shareholder (%)	
PT Sang Pelopor	53.3

EPS Consensus (Rp)

	2024F	2025F	2026F
BRIDS	106.0	121.6	142.0
Consensus	113.0	121.0	132.8
BRIDS/Cons (%)	**(6.2)**	**0.5**	**6.9**

CTRA relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Ismail Fakhri Suweleh
(62-21) 5091 4100 ext. 3505
ismail.suweleh@brids.co.id

Ciputra Development (CTRA IJ)

Stable Growth Outlook Despite Lag in Handover Timing Driving Weak 3Q24 Results

- **CTRA's weaker-than-expected 9M24 results were driven by a lag in its handover timing which led to lower accounting revenue bookings.**
- **We lowered our FY24F-26F pre-sales forecast by -4%, resulting in a conservative 5% CAGR (vs. 5-yrs. hist. avg. of 7%).**
- **We maintain our Buy rating on the expectation of steady pre-sales for the next 2-3yrs, with an unchanged TP of Rp1,700.**

Dynamics in Handover Schedule Drove Weak 3Q24 Accounting Revenue

CTRA's weaker-than-expected 9M24 results (net profit of Rp1.27tr, +8% yoy, forming only 56%/61% of our/cons. FY24F) have been driven by a lag in its handover timing, which led to lower accounting revenue bookings. Property development accounting revenue recorded at only Rp1.49tr (-30% qoq) in 3Q24, which we believe relates to weaker 2Q23 marketing sales (recorded at Rp1.64tr, -52% qoq/-19% yoy vs. the quarterly average range of Rp1.9-2.1tr). The qoq decline in 2Q23 pre-sales was partly driven by a higher base in 1Q23 (from the launch of CitraGarden Serpong, which booked Rp1.3tr marketing sales) but also slower results from launches during 2Q23 (shophouses and residentials in CitraGarden City Jakarta, CitraRaya Tangerang, and CitraLand City Losari, all combined only booked Rp355bn).

Adjusting Down our FY24F-26F Net Profit by 14-18%

Incorporating the 9M24 financial results and the risks of the 4Q24 launch pipeline being postponed to 1Q-2Q25F, we trimmed our FY24F-26F marketing sales forecast by 4% (new FY24F forecast of Rp11.0tr vs. co's guidance of Rp11.1tr). We also adjusted our recognition forecast schedule, therefore slashing our FY24F-26F revenue by 9%-11% and net profit by 14-18%. Our new forecast aligns with co's FY24F guidance of 8%yoy revenue growth to Rp10.0tr (ours Rp9.9tr) with 9% yoy growth in core profit to Rp2.0tr (ours Rp1.9tr). Meanwhile, our adjusted FY24F-26F pre-sales forecast implies a conservative 5% CAGR (vs. FY18-FY23 CAGR of 7%).

Maintain Buy rating with an unchanged TP of Rp1,700

We maintain our Buy rating on CTRA with an unchanged 52% disc. to RNAV-based TP of Rp1,700 (implying 1.3x FY25F P/BV), as we believe the company's pre-sales outlook will remain steady for the next 2-3 yrs. We expect this to be driven by CTRA's landed-residential-dominated portfolio vs. peers **(exh.6)**, which is well-suited to the current demand profile driven by end users, supported by VAT and LTV incentives. Key risks are: 1) lower pre-sales achv., 2) discontinuation of gov't incentives decelerating property demand.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	9,127	9,245	9,966	10,977	11,797
EBITDA (Rpbn)	3,382	3,133	3,368	3,691	3,953
EBITDA Growth (%)	(1.6)	(7.4)	7.5	9.6	7.1
Net Profit (Rpbn)	1,862	1,846	1,967	2,257	2,636
EPS (Rp)	100.3	99.5	106.0	121.6	142.0
EPS Growth (%)	7.3	(0.9)	6.6	14.7	16.8
BVPS (Rp)	998.9	1,080.0	1,165.1	1,264.3	1,380.7
DPS (Rp)	14.0	15.0	21.0	22.4	25.7
PER (x)	12.8	12.9	12.1	10.6	9.0
PBV (x)	1.3	1.2	1.1	1.0	0.9
Dividend yield (%)	1.1	1.2	1.6	1.7	2.0
EV/EBITDA	7.0	6.8	6.1	4.9	4.0

Source: CTRA, BRIDS Estimates

Potential Improvement in 4Q24F Accounting Sales

Our new FY24F pre-sales forecast implies a 4Q24F potential achievement at Rp2.3tr (-10% qoq; -5% yoy), with net profit at Rp690bn (+4% yoy). Going forward, we see a potential improvement in accounting sales, as 3Q23 pre-sales recovered to Rp2.7tr (+65% qoq). Using recognition estimates similar to 3Q24 (at 91% of pre-sales), this potentially yields accounting sales of up to Rp2.45tr. With a 20% net margin profile, this could bring 4Q24 net profit to Rp491bn, bringing CTRA's potential cumulative FY24F net profit to Rp1.72tr (88%/83% of our/cons. forecasts). This scenario has not taken into consideration the VAT-inventory sales during FY24F, which are scheduled to be handed over by year-end (total 9M24 amounted to Rp2.2tr, contributing 25% to total pre-sales). Thus, we believe our new FY24F forecast remains conservative, reflecting only potential pre-sales booking.

Exhibit 1. 9M24 Results Summary

CTRA (in Rpbn, unless stated)	3Q23	2Q24	3Q24	qoq, %	yoy, %	9M23	9M24	yoy, %	FY24F BRIDS Old	A/BRIDS.,%	FY24F Cons.	A/Cons.,%
Sales	**2,120**	**2,722**	**2,080**	**(23.6)**	**(1.9)**	**6,589**	**7,117**	**8.0**	**10,998**	**65%**	**10,407**	**68%**
COGS	(1,107)	(1,451)	(1,106)	(23.7)	(0.0)	(3,469)	(3,696)	6.5	(5,402)	68%	(5,242)	70%
Gross profit	**1,013**	**1,271**	**973**	**(23.4)**	**(3.9)**	**3,121**	**3,422**	**9.7**	**5,596**	**61%**	**5,165**	**66%**
Operating expenses	(441)	(478)	(526)	10.2	19.4	(1,297)	(1,448)	11.7	(2,268)	64%	(2,000)	72%
Operating profit	**572**	**793**	**447**	**(43.6)**	**(21.9)**	**1,824**	**1,973**	**8.2**	**3,328**	**59%**	**3,165**	**62%**
Other income/(expenses)	(87)	(103)	(107)	4.0	22.9	(372)	(344)	(7.4)	(517)	67%	(647)	53%
Pre-tax profit	**485**	**690**	**340**	**(50.7)**	**(29.9)**	**1,452**	**1,629**	**12.2**	**2,811**	**58%**	**2,518**	**65%**
Net profit	**402**	**546**	**248**	**(54.7)**	**(38.5)**	**1,181**	**1,277**	**8.1**	**2,290**	**56%**	**2,086**	**61%**
Core net profit	525	647	379	(41.4)	(27.7)	1,517	1,656	9.1	2,858	58%		
Net gearing (%)	(6.7)	(14.5)	(9.3)									
Gearing (%)	36.8	34.5	33.6									
Gross margin (%)	47.8	46.7	46.8			47.4	48.1		50.9		49.6	
Opex to sales (%)	(20.8)	(17.6)	(25.3)			(19.7)	(20.4)		(20.6)		(19.2)	
Operating margin (%)	27.0	29.1	21.5			27.7	27.7		30.3		30.4	
Net margin (%)	19.0	20.1	11.9			17.9	17.9		20.8		20.0	

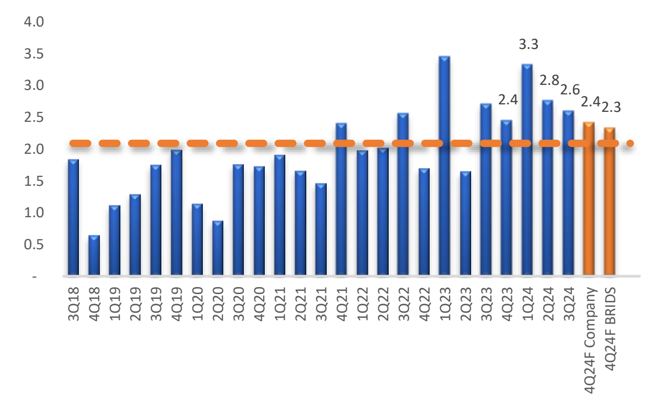
Source: BRIDS, Bloomberg

Exhibit 2. Forecast Revision Summary

		Previous			New			Changes			Cons			New BRIDS vs. Cons		
in Rpbn	FY23	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Marketing sales	10,242	11,508	12,032	12,579	11,013	11,515	12,038	-4.3%	-4.3%	-4.3%						
Revenue	9,245	10,998	12,287	13,305	9,966	10,977	11,797	-9.4%	-10.7%	-11.3%	10,407	10,702	11,259	-4.2%	2.6%	4.8%
Gross profit	4,559	5,596	6,259	6,779	5,072	5,592	6,012	-9.4%	-10.6%	-11.3%	5,172	5,310	5,591	-1.9%	5.3%	7.5%
Net profit	1,846	2,290	2,727	3,227	1,967	2,257	2,636	-14.1%	-17.2%	-18.3%	2,086	2,293	2,464	-5.7%	-1.5%	7.0%

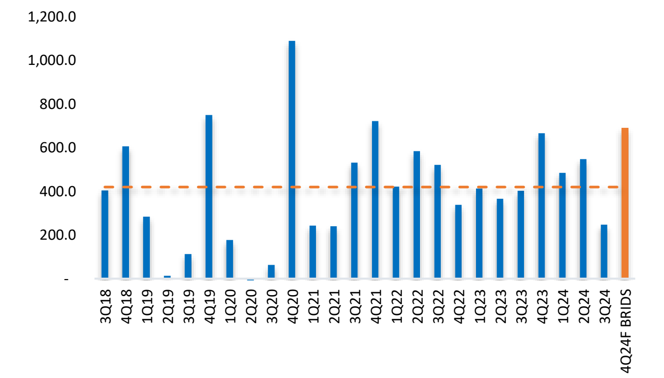
Source: BRIDS Estimates

Exhibit 3. CTRA's Quarterly Marketing Sales (Rptr)



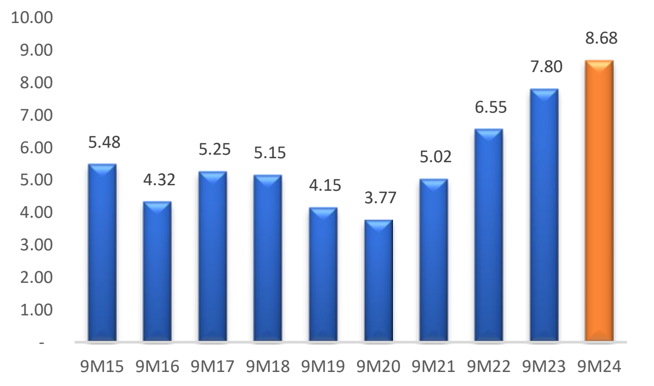
Source: Company, BRIDS

Exhibit 4. CTRA's Quarterly Net Profit (Rpbn)



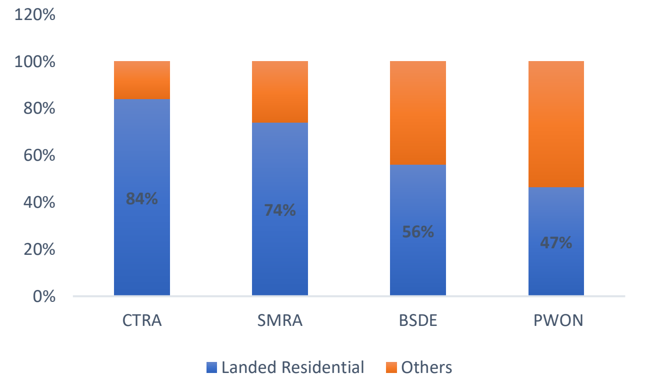
Source: Company, BRIDS

Exhibit 5. 9M24 Marketing Sales Achievement (Rptr)



Source: Company, BRIDS

Exhibit 6. Landed-Residential Drives CTRA's 9M24 Pre-Sales



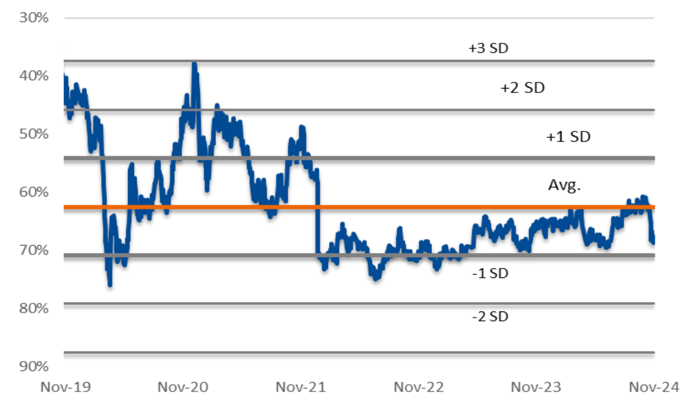
Source: Company, BRIDS

Exhibit 7. CTRA's RNAV Calculation

Valuation Summary	Method	RNAV (Rpbn)
Landbank (1)		**42,402**
Direct Ownership & JV	DCF	20,151
JO	DCF	22,251
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)		**15,593**
Malls	DCF	4,423
Office Leased	DCF	2,649
Hotel	DCF	5,287
Hospitals	DCF	3,234
Total RNAV (1)+(2)+(3)+(4)		**60,601**
Net Debt (Cash)		(5,680)
Fully diluted share base (bn shares)		19
RNAV per share		**3,571**
Disc.		52%
Target Price		**1,700**
Current Price		1,120
Current Price premium (disc.) to RNAV		**-69%**

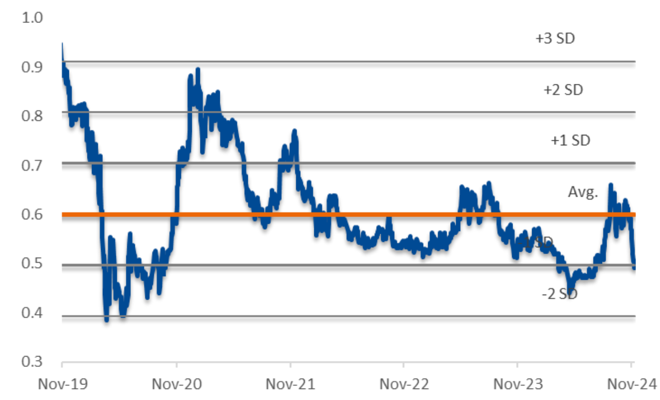
Source: BRIDS Estimates

Exhibit 8. Discount to RNAV Band Chart (5-year)



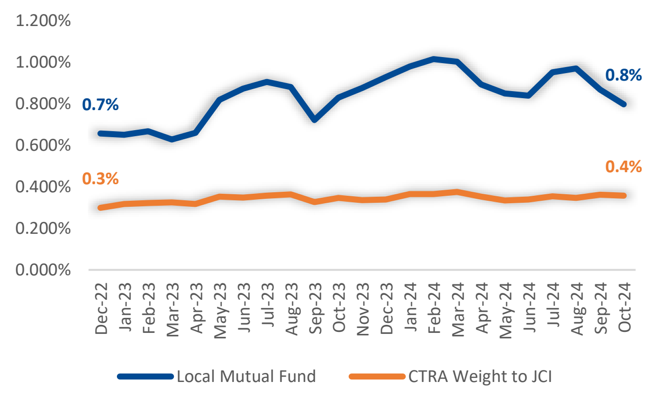
Source: Bloomberg, BRIDS Estimates

Exhibit 9. Forward 12M PBV Band Chart (5-year)



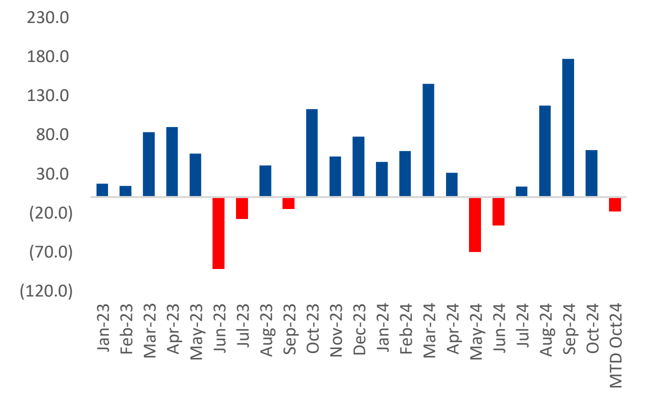
Source: Bloomberg, BRIDS Estimates

Exhibit 10. CTRA's Domestic Fund Positioning



Source: KSEI, Bloomberg, BRIDS

Exhibit 11. CTRA's Foreign Flow (Rpbn)



*Source: IDX, BRIDS, *MTD as of 8 Oct24*

Exhibit 12. Peers Comparison

Company	Revenue (Rpbn)			Net Profit (Rpbn)			Net Profit Growth (%)			ROE (%)			Net Debt (Cash)		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F
CTRA	9,966	10,977	11,797	1,967	2,257	2,636	6.6	14.7	16.8	9.4	10.0	10.7	-14%	-22%	-29%
BSDE	13,545	14,777	13,796	3,861	3,924	3,760	98.5	1.6	(4.2)	10.0	9.2	8.1	2%	-7%	-13%
PWON	6,370	6,938	6,678	2,154	2,360	2,218	2.3	9.6	(6.0)	10.8	11.0	9.6	-8%	-11%	-12%
SMRA	7,451	7,499	7,754	863	885	837	12.7	2.6	(5.5)	8.5	8.1	7.2	26%	29%	29%

Company	P/E (x)			P/BV (x)			Mkt. Sales (Rpbn)			Price/Mkt. Sales			Disc.to RNAV		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	Current	Avg.5-Yr.	Diff.%
CTRA	10.6	9.2	7.9	1.0	0.9	0.8	11,013	11,515	12,038	1.9	1.8	1.7	69%	62%	6%
BSDE	5.6	6.5	6.2	0.5	0.5	0.5	9,495	9,690	8,691	2.3	2.2	2.5	79%	70%	9%
PWON	9.7	8.8	9.4	1.0	0.9	0.9	1,456	1,535	1,312	14.3	13.6	15.9	72%	63%	9%
SMRA	11.2	10.9	11.5	0.9	0.9	0.8	4,588	4,948	5,338	2.1	2.0	1.8	84%	76%	8%

Source: Bloomberg, BRIDS Estimates

Exhibit 13. CTRA's 9M24 Launching Results and Next Launching Schedule

No	Project	Types	Take-Up Rate	3Q24 Pre-Sales (Rpbn)
1	CitraLand Gresik - New Project	Landed House	40%	136
2	CitraLand Surabaya - Northwest Boulevard	Shophouses	100%	99
3	CitraGarden Bintaro - Allerton Lane	Shophouses	45%	78
4	CitraGarden Bintaro - Clivia & Magnolia	Landed House	25%	70
5	CitraLand Surabaya - Northwest Hill	Landed House	88%	56

No	Project	Types	Price Range (Rpbn)	Exp. Pre-Sales (Rpbn)
1	CitraGarden Serpong - Lake Villa Cluster	Landed House	3.0-4.2	500
2	CitraGarden Serpong - Elaia Phase 2	Landed House	0.9-1.6	385
3	CitraLand Surabaya - Emerald Stone & Stone Gate	Landed House	2.6-6.1	381
4	CitraLand Gama City Medan - Sentosa Cove Phase 2	Landed House	3.7-6.4	239
5	CitraLand City CPI Makassar - The Venetian	Shophouses	8.4-14.0	196
6	CitraCity Sentul - Chianti Cluster	Landed House	0.9-1.5	136
7	CitraGarden City Jakarta - Aero Prime Phase 2	Landed House	3.4-4.2	100
	CTRA Target Pre-Sales from Upcoming New Launches			*1,500-1800*

Source: Company, BRIDS

Exhibit 14. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	**9,127**	**9,245**	**9,966**	**10,977**	**11,797**
COGS	(4,559)	(4,686)	(4,894)	(5,385)	(5,785)
Gross profit	**4,568**	**4,559**	**5,072**	**5,592**	**6,012**
EBITDA	**3,382**	**3,133**	**3,368**	**3,691**	**3,953**
Oper. profit	**2,927**	**2,791**	**3,017**	**3,329**	**3,579**
Interest income	247	396	424	437	504
Interest expense	(668)	(703)	(655)	(606)	(485)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	68	77	83	92	99
Other Income (Expenses)	136	160	111	122	131
Pre-tax profit	**2,710**	**2,721**	**2,980**	**3,374**	**3,829**
Income tax	(307)	(307)	(388)	(428)	(460)
Minority interest	(140)	(63)	(80)	(121)	(139)
Net profit	**1,862**	**1,846**	**1,967**	**2,257**	**2,636**
Core Net Profit	**1,727**	**1,686**	**1,857**	**2,136**	**2,505**

Exhibit 15. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	9,050	10,601	10,926	12,607	12,757
Receivables	781	734	900	991	1,065
Inventory	11,641	12,120	12,587	12,863	13,117
Other Curr. Asset	2,260	2,293	2,472	2,723	2,926
Fixed assets - Net	8,040	8,024	8,030	0	8,063
Other non-curr.asset	10,260	10,343	10,703	11,151	11,540
Total asset	**42,033**	**44,115**	**45,618**	**48,377**	**49,468**
ST Debt	879	622	644	624	605
Payables	868	837	970	1,067	1,147
Other Curr. Liabilities	10,976	12,276	12,526	13,797	14,828
Long Term Debt	8,038	7,469	6,886	0	3,979
Other LT. Liabilities	256	286	309	340	365
Total Liabilities	**21,018**	**21,490**	**21,335**	**0**	**20,924**
Shareholder'sFunds	18,540	20,046	21,624	23,466	25,626
Minority interests	2,475	2,579	2,659	0	2,919
Total Equity & Liabilities	**42,033**	**44,115**	**45,618**	**0**	**49,468**

Exhibit 16. **Cash Flow**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	1,862	1,846	1,967	2,257	2,636
Depreciation and Amort.	455	341	351	362	373
Change in Working Capital	446	804	(429)	750	579
OtherOper. Cash Flow	(26)	(62)	(237)	(380)	(19)
Operating Cash Flow	**2,738**	**2,929**	**1,652**	**2,990**	**3,569**
Capex	(185)	(468)	(499)	(517)	0
Others Inv. Cash Flow	489	589	309	284	504
Investing Cash Flow	**304**	**121**	**(190)**	**(233)**	**504**
Net change in debt	(638)	(826)	(561)	(603)	(2,343)
New Capital	0	(37)	0	0	0
Dividend payment	(260)	(278)	(390)	(415)	(476)
Other Fin. Cash Flow	(703)	(728)	(655)	(606)	(485)
Financing Cash Flow	**(1,600)**	**(1,869)**	**(1,606)**	**(1,624)**	**(3,305)**
Net Change in Cash	**1,441**	**1,181**	**(144)**	**1,133**	**769**
Cash - begin of the year	7,162	9,050	10,601	10,926	12,607
Cash - end of the year	9,050	10,601	10,926	12,607	12,757

Exhibit 17. **Key Ratio**

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	(6.2)	1.3	7.8	10.1	7.5
EBITDA	(1.6)	(7.4)	7.5	9.6	7.1
Operating profit	(11.1)	(4.6)	8.1	10.3	7.5
Net profit	7.3	(0.9)	6.6	14.7	16.8
Profitability (%)					
Gross margin	50.0	49.3	50.9	50.9	51.0
EBITDA margin	37.1	33.9	33.8	33.6	33.5
Operating margin	32.1	30.2	30.3	30.3	30.3
Net margin	20.4	20.0	19.7	20.6	22.3
ROAA	4.5	4.3	4.4	4.8	5.4
ROAE	10.5	9.6	9.4	10.0	10.7
Leverage					
Net Gearing (x)	0.0	(0.1)	(0.1)	(0.2)	(0.3)
Interest Coverage (x)	4.4	4.0	4.6	5.5	7.4

Source: CTRA, BRIDS Estimates

BRI Danareksa Equity Research Team		
Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Kafi Ananta Azhari	Research Associate	kafi.azhari@brids.co.id

BRI Danareksa Economic Research Team		
Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team		
Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	Jason.joseph@brids.co.id

BRI Danareksa Sales Traders		
Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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