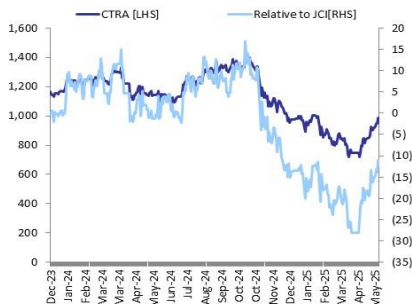


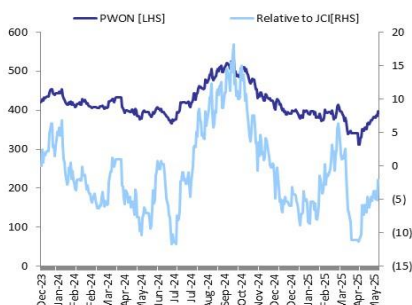
# Overweight

(Maintained)

## CTRA relative to JCI Index



## PWON relative to JCI Index



Source: Bloomberg

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# Property

## Picking Quality Names to Ride the Rate Cut Sentiment

- Property stocks tend to re-rate ahead of or during rate cuts, even though pre-sales remain more dependent on product mix and launches.
- Stronger IDR and weak consumption may pave the way for BI rate cut, with local funds already loading up on the property sector.
- Maintain OW in the sector; prefer quality names over deep discounts to support sustainable re-rate. Top Picks: CTRA>PWON>SMRA>BSDE.

### Rate Cut: Limited Impact to Pre-Sales, yet Highly Sensitive to Share Price

Our analysis shows property companies' discount to RNAV tends to narrow amid a series of rate cuts or a plateauing policy rate following a series of hikes (**Exhibit 1**). Share price performance also tends to improve starting 1mo. before the series of cuts, reflecting investors' tactical stance on the sector despite pre-sales performance being more related to new launches and product mix affordability. Mortgage rates are moving secularly from the policy rate, which has trended downward for the past 10-yrs., as we believe Indo banks see mortgages as key segment to meet target disbursements with a stable NPL profile. That said, several property developers still see a risk of a weaker mortgage market in FY25, as tight liquidity could lead to upward repricing despite a lower global rate environment.

### Strengthen IDR and Weak Macro Present a Case for Potential Rate-Cut

We see potential for BI to cut policy rates in the next meetings (May25; Jun25), given the stronger IDR and weak economic growth. **We believe the current condition could offer the window for BI to support household consumption. While domestic funds have slightly increased exposure into the sector in Apr25, the current weighting of 30bps is still well below the peak positioning of 128bps in Aug24 (Exhibit 24).**

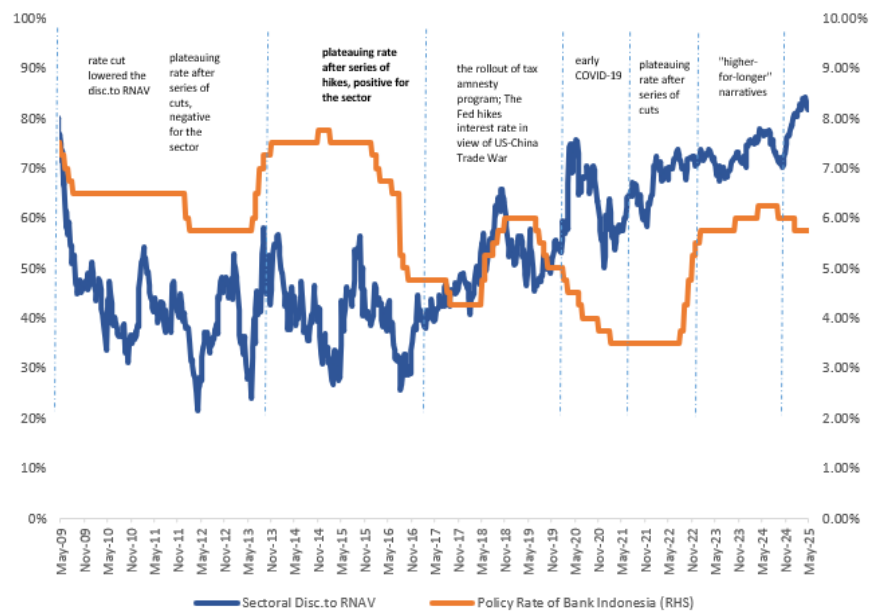
### Prefer Quality Over Steep Discount to RNAV for a Sustainable Re-Rating

Overall, we remain OW on the sector as all developers' valuations are trading at a steep discount vs. historical five years, despite showing improved profitability, pre-sales performance and balance sheet quality. Although Apr25 saw broad-based stock gains (CTRA/SMRA/BSDE/PWON: 33%/22%/9%/26% 1M return), we believe quality names, which include developers with strong product-market fit, diverse locations, balanced VAT pre-sales and a strategy to improve ROE, will have a more sustainable re-rate case. As most developers are already in a net cash position (**Exhibit 16**), rate-cut-driven interest savings are less material.

Looking at 1Q25 financial results (**Exhibit 14**) and pre-sales (**Exhibit 5**), CTRA has so far outperformed its peers. We also assigned scorecard of catalysts to determine which developers can best seize the current active property market demand, based on pricing & product mixes, VAT contributions, project geographical profiles, as well as strategy to improve ROE, and found that higher scores gained by CTRA>PWON>SMRA>BSDE. (**Exhibit 15**). Key risks: delay in rate cut if BI still sees the priority to support IDR and weak pre-sales.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (Rp bn)	P/E (x)		P/BV (x)		ROE (%) 2026F
					2025F	2026F	2025F	2026F	
Ciputra Development	CTRA IJ	BUY	1,600	17,794.3	7.6	7.2	0.7	0.7	10.0
Pakuwon Jati	PWON IJ	BUY	640	18,878.6	8.0	8.5	0.8	0.8	9.6
Summarecon Agung	SMRA IJ	BUY	800	7,098.7	6.2	6.7	0.6	0.6	8.6
Bumi Serpong Damai	BSDE IJ	BUY	1,550	16,725.4	4.3	4.4	0.4	0.3	8.1

Exhibit 1. Discount to RNAV and Indonesia's Policy Rate Dynamics



Source: Bloomberg, BRIDS

Exhibit 2. Share Price Performance during Rate Cuts

	Dec'08 - Aug'09 (300 bps Cut)					Jan'12 - Feb'12 (75bps cut)				
	3 mo. before	1 mo. before	During	1 mo. After	3 mo. After	3 mo. before	1 mo. before	During	1 mo. After	3 mo. After
CTRA	-51.1%	-3.2%	315.6%	-2.7%	-17.1%	16.2%	5.5%	12.3%	12.6%	9.4%
SMRA	-42.0%	-17.5%	202.5%	16.1%	16.1%	2.5%	-3.3%	7.6%	21.8%	10.1%
BSDE	-68.3%	-9.3%	606.8%	-4.5%	10.5%	14.1%	7.1%	9.5%	12.2%	4.3%
PWON	-18.3%	42.0%	9.2%	12.1%	11.2%	-4.3%	5.3%	3.5%	0.0%	-8.3%
ASRI	-35.9%	0.0%	124.0%	1.8%	-2.7%	11.5%	5.4%	17.5%	8.8%	-5.3%
Average	-43.1%	2.4%	251.6%	4.6%	3.6%	8.0%	4.0%	10.1%	11.1%	2.1%

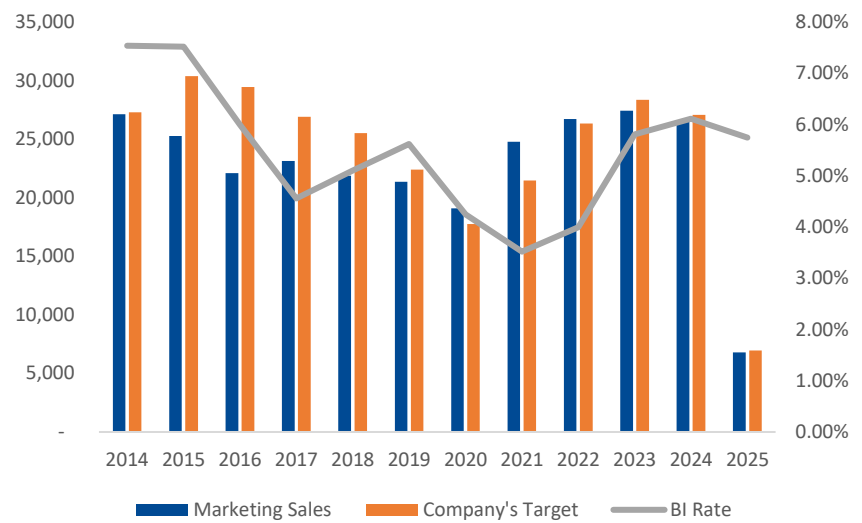
	Feb'15 - Sep'17 (350bps cut)					Jul'19 - Feb'21 (250bps cut)				
	3 mo. before	1 mo. before	During	1 mo. After	3 mo. After	3 mo. before	1 mo. before	During	1 mo. After	3 mo. After
CTRA	13.4%	3.1%	-18.2%	1.3%	-0.8%	9.3%	7.4%	-6.5%	-5.2%	-6.9%
SMRA	24.3%	10.0%	-41.3%	-2.8%	-11.2%	18.3%	8.6%	-37.8%	14.0%	14.0%
BSDE	25.4%	9.9%	-20.3%	-2.8%	-4.0%	-1.0%	-7.5%	-18.3%	-3.4%	-3.4%
PWON	6.8%	10.2%	10.9%	3.3%	12.3%	2.8%	0.7%	-25.2%	-1.8%	-9.1%
ASRI	19.6%	12.6%	-43.6%	7.4%	-5.8%	-1.2%	-2.4%	-28.9%	-10.2%	-23.3%
Average	17.9%	9.2%	-22.5%	1.3%	-1.9%	5.6%	1.4%	-23.3%	-1.3%	-5.8%

Avg. 4 Series	3 mo. before	1 mo. before	During	1 mo. After	3 mo. After
CTRA	-3.1%	3.2%	75.8%	1.5%	-3.9%
SMRA	0.8%	-0.6%	32.7%	12.3%	7.2%
BSDE	-7.5%	0.1%	144.4%	0.3%	1.8%
PWON	-3.3%	14.6%	-0.4%	3.4%	1.5%
ASRI	-1.5%	3.9%	17.3%	1.9%	-9.3%

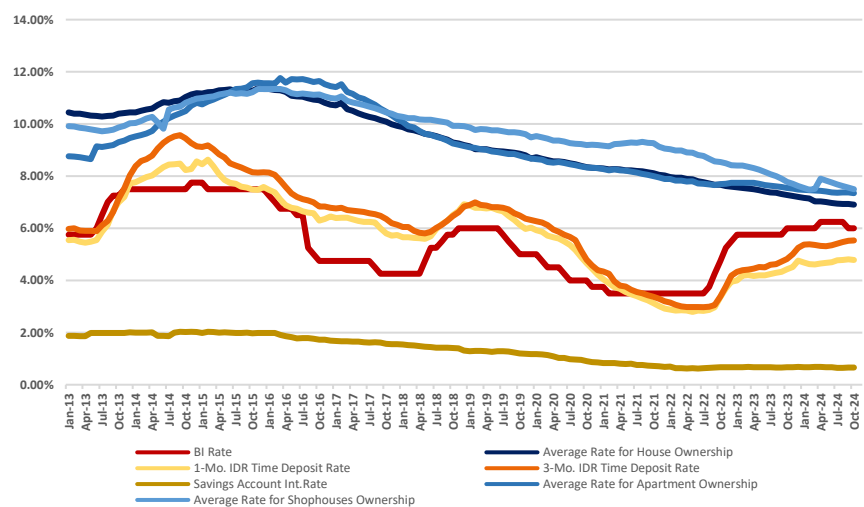
Source: Bloomberg, BRIDS

**Exhibit 3. Aggregate Marketing Sales and Indonesia's Policy Rate Dynamics**



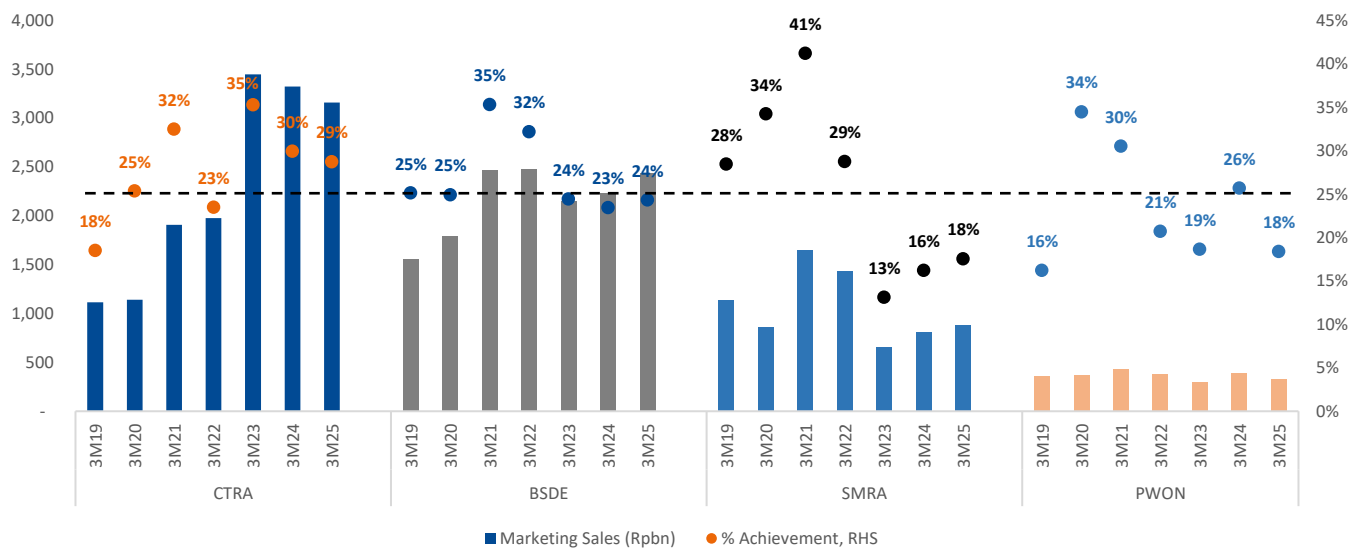
Source: Company, Bloomberg, BRIS

**Exhibit 4. The Declining Trend of Indonesia's Property-Related Loan Rate**



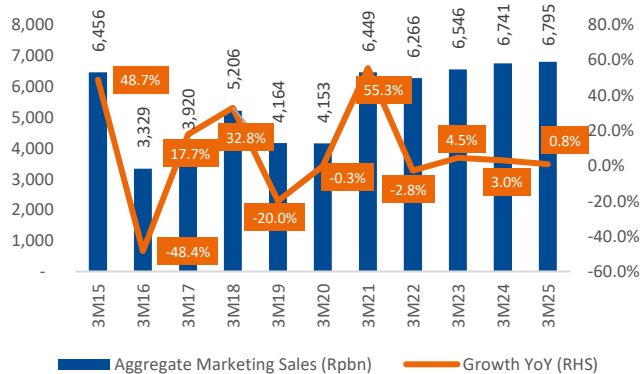
Source: OJK

Exhibit 5. Historical Achievement vs. Company's Target



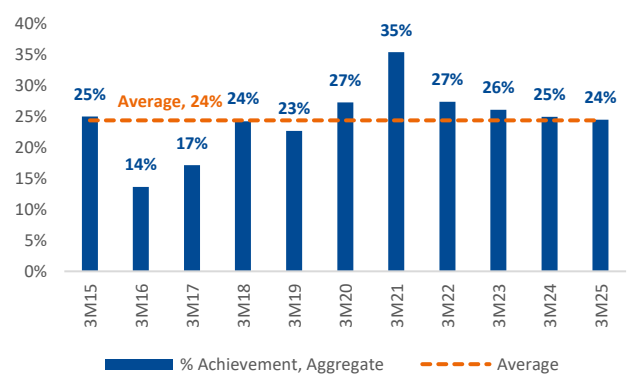
Source: Company, BRIDS

Exhibit 6. Aggregate Pre-Sales 3M15-25



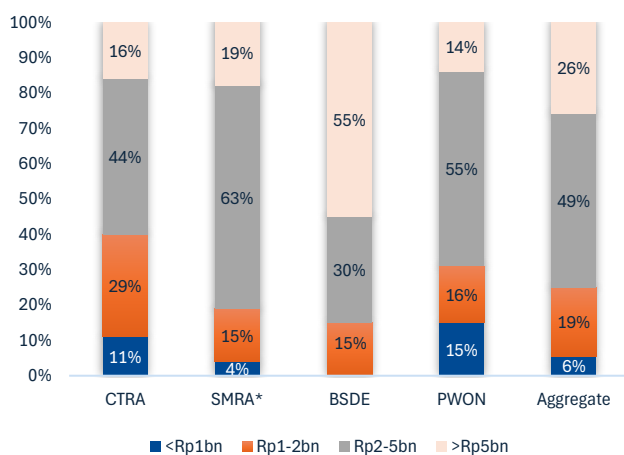
Source: Company, BRIDS

Exhibit 7. Historical Achievement vs. Company's Target



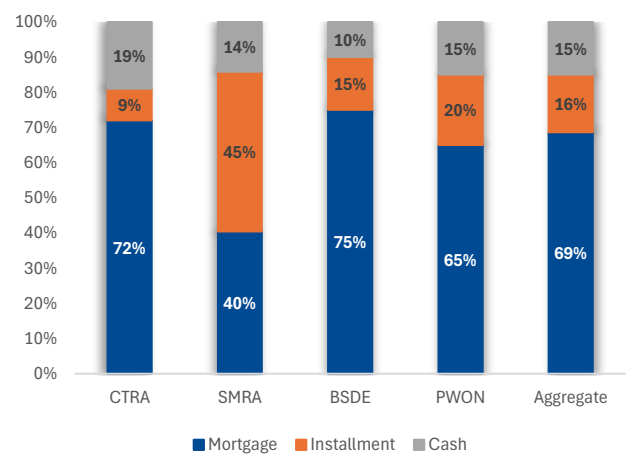
Source: Company, BRIDS

Exhibit 8. 3M25 Marketing Sales Pricing Mix



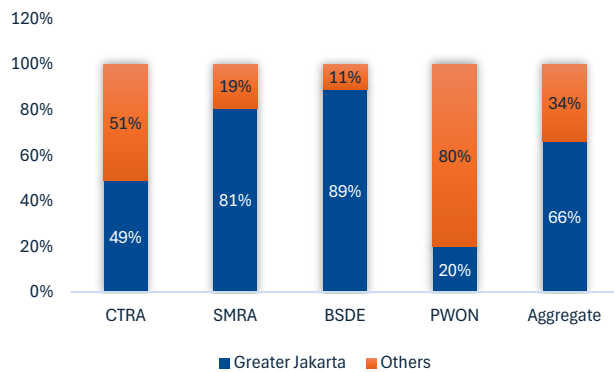
Source: Company, BRIDS, \*SMRA as of FY24

Exhibit 9. 3M25 Marketing Sales Payment Profile



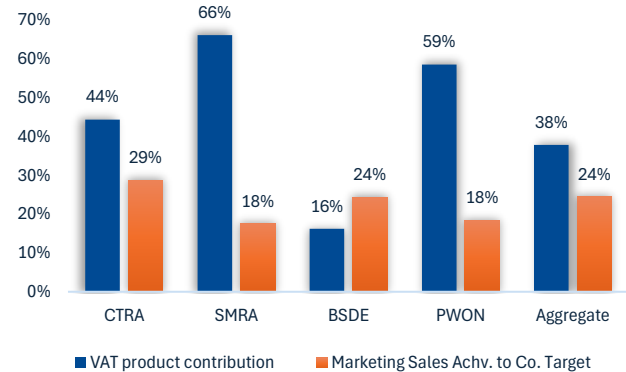
Source: Company, BRIDS

Exhibit 10. 3M25 Marketing Sales Location Concentration



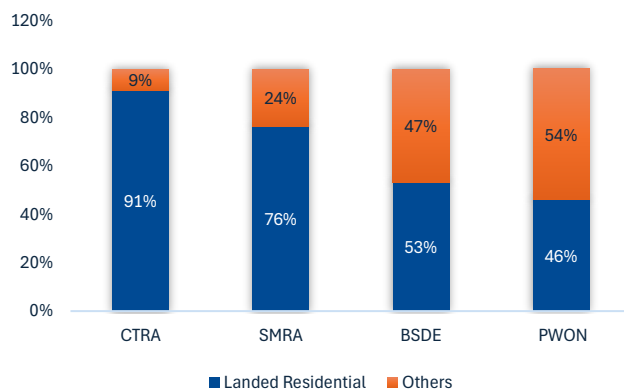
Source: Company, BRIDS

Exhibit 11. VAT Contribution to Marketing Sales



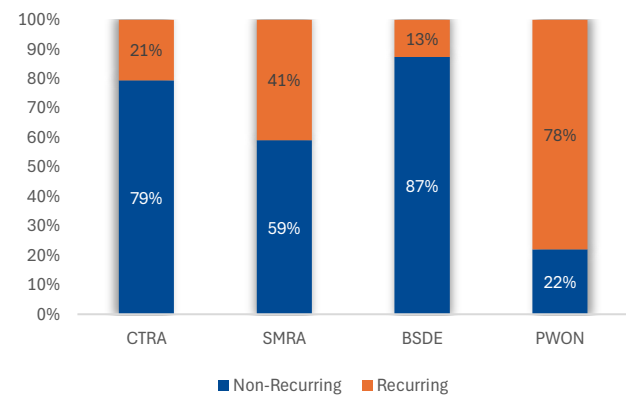
Source: Company, BRIDS

Exhibit 12. 3M25 Marketing Sales Product Mix



Source: Company, BRIDS

Exhibit 13. FY25F Revenue Contribution



Source: Company, BRIDS

Exhibit 14. 1Q25 Financial Results Summary

Revenue (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	3M24	3M25	yoy, %	FY25F BRIDS	Achv.	FY25F Cons.	Achv.
CTRA	2,316	4,070	2,732	(32.9)	17.9	2,316	2,732	17.9	10,985	25%	11,904	23%
PWON	1,530	1,885	1,555	(17.5)	1.6	1,530	1,555	1.6	6,938	22%	7,199	22%
SMRA	2,134	3,082	2,104	(31.7)	(1.4)	2,134	2,104	(1.4)	8,673	24%	9,268	23%
Property	5,980	9,037	6,391	(29.3)	6.9	5,980	6,391	6.9	26,596	24%	28,371	23%
Operating Profit (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	3M24	3M25	yoy, %	FY25F BRIDS	Achv.	FY25F Cons.	Achv.
CTRA	733	1,333	907	(32.0)	23.6	733	907	23.6	3,330	27%	3,578	25%
PWON	663	794	646	(18.7)	(2.7)	663	646	(2.7)	3,074	21%	3,075	21%
SMRA	717	1,002	628	(37.4)	(12.4)	717	628	(12.4)	2,651	24%	2,991	21%
Property	2,113	3,129	2,180	(30.3)	3.1	2,113	2,180	3.1	9,054	24%	9,644	23%
Net Profit (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	3M24	3M25	yoy, %	FY25F BRIDS	Achv.	FY25F Cons.	Achv.
CTRA	483	849	660	(22.2)	36.6	483	660	36.6	2,259	29%	2,365	28%
PWON	332	412	302	(26.8)	(9.1)	332	302	(9.1)	2,360	13%	2,420	12%
SMRA	441	440	238	(45.8)	(46.0)	441	238	(46.0)	1,141	21%	1,147	21%
Property	1,256	1,701	1,200	(29.4)	(4.5)	1,256	1,200	(4.5)	5,760	21%	5,932	20%

Source: Company, Bloomberg, BRIDS Estimates

Exhibit 15. Property Developers Scorecard of Catalysts

Perspective	Metrics to See	CTRA	SMRA	BSDE	PWON
Aspired Pricing Range of End-Users as Demand Driver	Rp1-5bn Product Contribution	4	4	2	3
Tapping the Customer Base who utilize Wider Mortgage Access	Mortgage Payment Term	3	2	4	2
Location within Indo Major Cities	High Greater Jakarta Presence but Overall Well-Diversified Location (Max 50% Greater Jakarta is Ideal, to avoid overconcentration risks)	4	3	2	1
Managing Risks of Discontinued Gov't Incentives	Moderate Contribution of VAT pre-sales (30% contribution is ideal), yet Marketing Sales remain beating Target, Higher Number of Product Launchings	4	1	3	2
Best Product Mix	Prefer Landed Houses, second choice on One-stop Living High-Rise	4	3	2	2
Healthy Recurring Revenue to Mitigate Weak Pre-sales	Strong Retail Portfolios	2	3	1	4
Potential for Premium Valuation	Strategy to Improve ROE	4	1	2	3
Total Points		25	17	16	17
Stock Pick Order		CTRA --> PWON --> SMRA --> BSDE			

Source: BRIDS Estimates

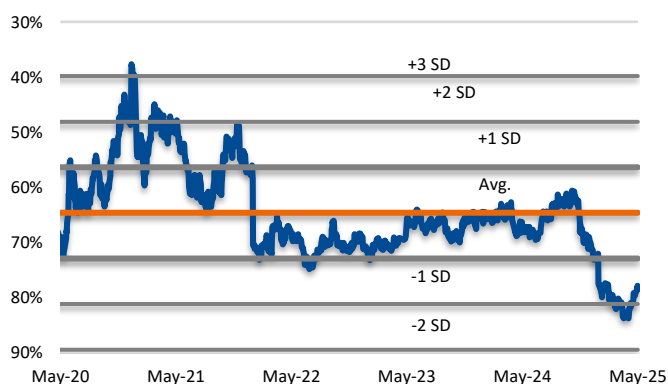
Exhibit 16. Valuation Overview

Company	Revenue (Rpbn)		Net Profit (Rpbn)		Net Profit Growth (%)		ROE (%)		Net Debt (Cash)	
	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F
CTRA	11,697	11,730	2,337	2,471	9.9	5.7	10.2	10.0	-10%	-12%
BSDE	14,777	13,796	3,924	3,760	1.6	(4.2)	9.2	8.1	-7%	-13%
PWON	6,938	6,678	2,360	2,218	9.6	(6.0)	11.0	9.6	-11%	-12%
SMRA	8,673	8,747	1,141	1,058	(16.9)	(7.3)	9.9	8.6	53%	44%
Average					1.0	(2.9)	10.1	9.0	6%	2%
Growth Aggr.	1%	-3%	3%	-3%						

Company	P/E (x)		P/BV (x)		Mkt. Sales (Rpbn)		Price/Mkt. Sales		Disc.to RNAV		
	25F	26F	25F	26F	25F	26F	25F	26F	Current	Avg.5-Yr.	Diff.%
CTRA	7.6	7.2	0.7	0.7	11,018	11,463	1.6	1.6	79%	65%	14%
BSDE	4.3	4.4	0.4	0.3	9,690	8,691	1.7	1.9	84%	71%	12%
PWON	8.0	8.5	0.8	0.8	1,535	1,312	12.3	14.4	74%	65%	10%
SMRA	6.2	6.7	0.6	0.6	4,054	4,190	1.8	1.7	90%	78%	12%
Average	6.5	6.7	0.6	0.6	6,574	6,414	4.3	4.9	82%	70%	12%
Median	6.9	7.0	0.7	0.6	6,872	6,441	1.7	1.8	81%	68%	12%
Growth Aggr.					0%	-2%					

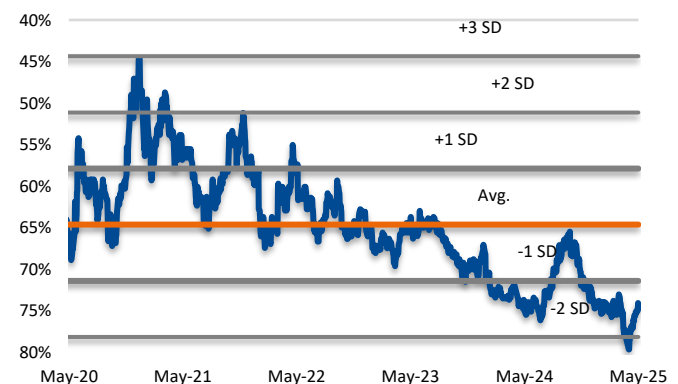
Source: Bloomberg, BRIDS Estimates

Exhibit 17. Disc. to RNAV CTRA



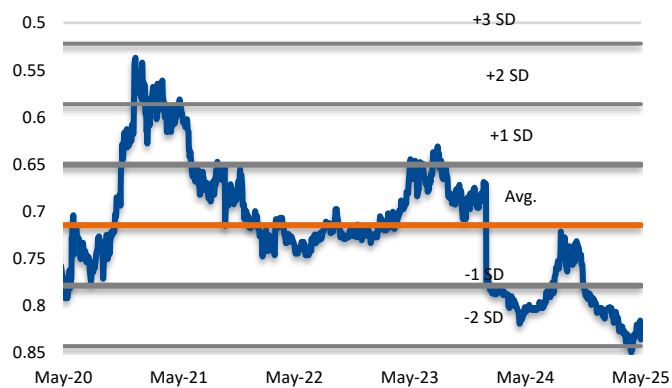
Source: Bloomberg, BRIDS Estimates

Exhibit 18. Disc. to RNAV PWON



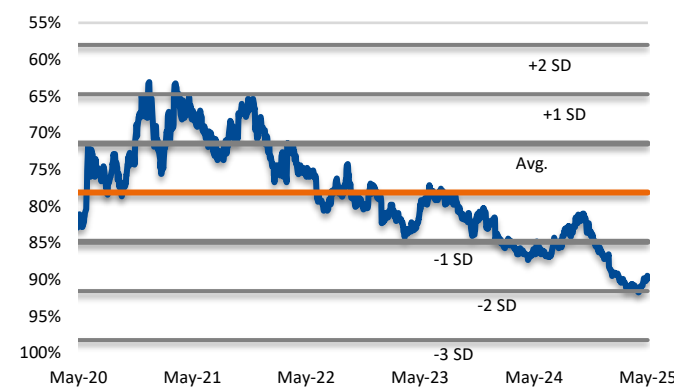
Source: Bloomberg, BRIDS Estimates

Exhibit 19. Disc. to RNAV BSDE



Source: Bloomberg, BRIDS Estimates

Exhibit 20. Disc. to RNAV SMRA



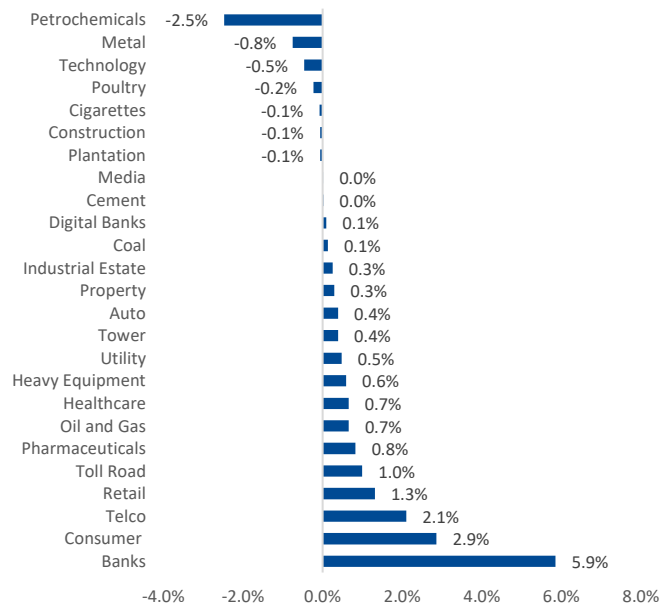
Source: Bloomberg, BRIDS Estimates

Exhibit 21. Regional Peers

Ticker	Company	Mkt. Cap (US\$m)	PER (x)		PBV (x)		Net Debt to Equity (x)	
			25F	26F	25F	26F	25F	26F
Indonesia								
CTRA IJ*	CIPUTRA DEVELOPMENT TBK PT	1,079	7.6	7.2	0.7	0.7	(0.1)	(0.1)
BSDE IJ*	BUMI SERPONG DAMAI PT	1,014	4.3	4.4	0.4	0.3	(0.1)	(0.1)
PWON IJ*	PAKUWON JATI TBK PT	1,145	8.0	8.5	0.8	0.8	(0.1)	(0.1)
SMRA IJ*	SUMMARECON AGUNG TBK PT	431	6.2	6.7	0.6	0.6	0.5	0.4
Regional								
SDPR MK	SIME DARBY PROPERTY BHD	2,273	17.4	16.4	0.9	0.9	0.3	0.3
SPSB MK	SP SETIA BHD	1,345	12.4	12.6	0.4	0.4	0.4	0.3
CIT SP	CITY DEVELOPMENTS LTD	3,328	15.4	11.6	0.5	0.5	1.0	1.0
FPL SP	FRASERS PROPERTY LTD	2,452	18.0	18.4	0.3	0.3	n.a	n.a
CLI SP	CAPITALAND INVESTMENT LTD/SI	9,654	17.8	16.3	0.9	0.9	0.5	0.5
ALI PM	AYALA LAND INC	6,157	10.9	9.8	1.1	1.0	0.8	0.8
VHM VN	VINHOMES JSC	9,839	7.9	7.6	1.1	1.0	0.2	0.2
000002 CH	CHINA VANKE CO LTD -A	10,757	n.a	n.a	0.4	0.5	2.1	1.5
8802 JP	MITSUBISHI ESTATE CO LTD	22,160	18.3	16.6	1.3	1.2	1.3	1.4
8830 JP	SUMITOMO REALTY & DEVELOPMEN	18,009	13.5	12.7	1.2	1.1	1.9	1.8
1113 HK	CK ASSET HOLDINGS LTD	14,682	8.4	8.2	0.3	0.3	0.0	0.0
Indonesia								
Median		1,047	6.9	7.0	0.7	0.6	(0.1)	(0.1)
Simple Average		917	6.5	6.7	0.6	0.6	0.1	0.0
Weighted Average		1,006	6.6	6.8	0.7	0.6	(0.0)	(0.1)
Regional								
Median		9,654	14.5	12.7	0.9	0.9	0.6	0.7
Simple Average		9,151	14.0	13.0	0.8	0.7	0.9	0.8
Weighted Average		13,895	12.3	11.4	0.9	0.9	1.0	0.9

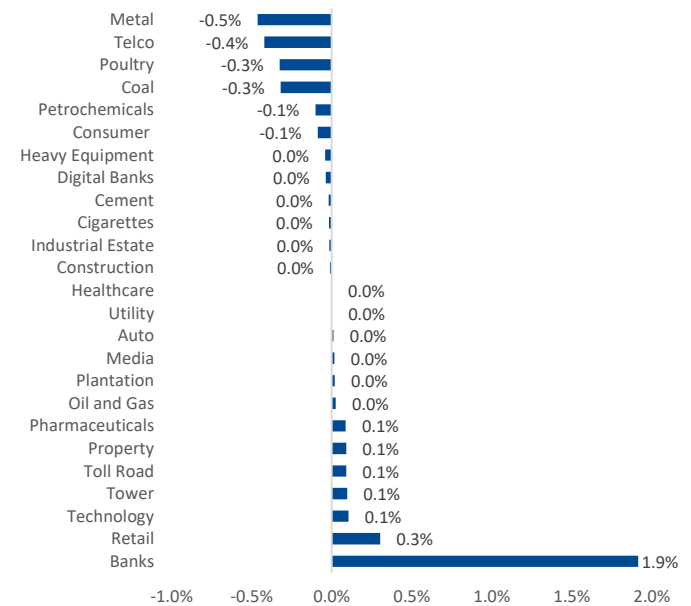
Source: Bloomberg, \*BRIDS Estimates

**Exhibit 22. Domestic Fund Positioning Apr25**



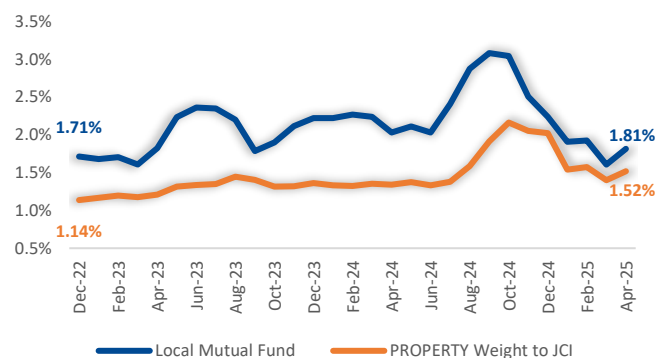
Source: KSEI, Bloomberg, BRIDS

**Exhibit 23. Domestic Fund Positioning Apr25–MoM Changes**



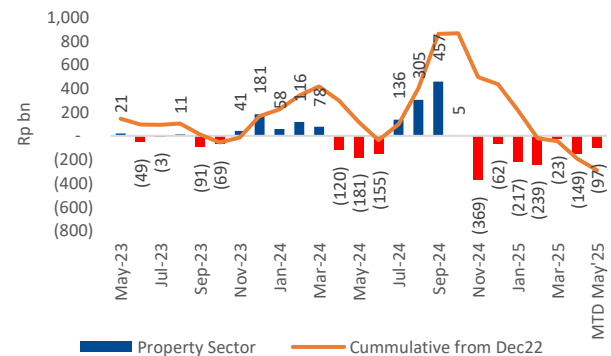
Source: KSEI, Bloomberg, BRIDS

**Exhibit 24. Property Sector Domestic Fund Positioning**



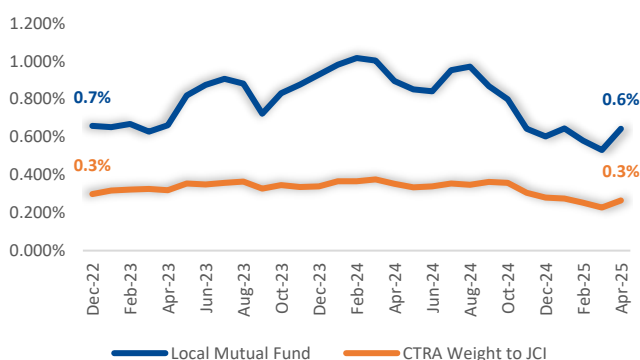
Source: KSEI, Bloomberg, BRIDS

**Exhibit 25. Property's Foreign Flow Movement**



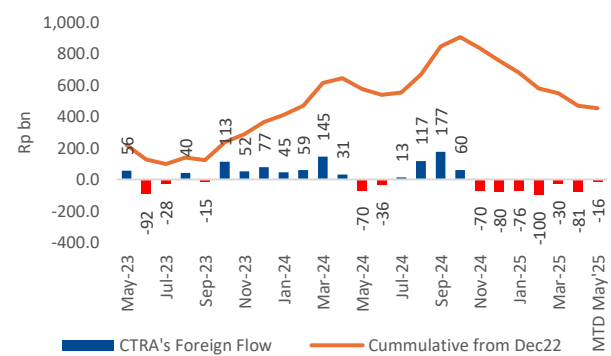
Source: IDX, BRIDS, MTD as of 8 May25

**Exhibit 26. CTRA's Domestic Fund Positioning**



Source: KSEI, Bloomberg, BRIDS

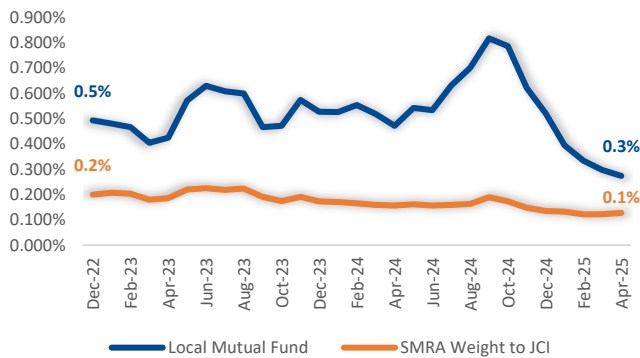
**Exhibit 27. CTRA's Foreign Flow Movement**



Source: IDX, BRIDS, MTD as of 8 May25

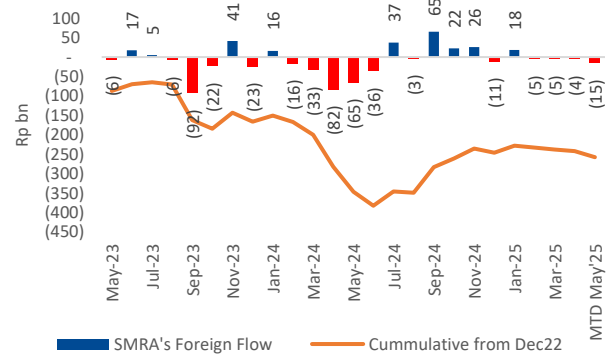


**Exhibit 28. SMRA's Domestic Fund Positioning**



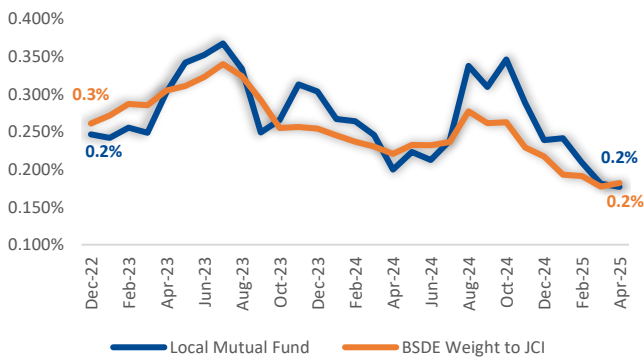
Source: KSEI, Bloomberg, BRIDS

**Exhibit 29. SMRA's Foreign Flow Movement**



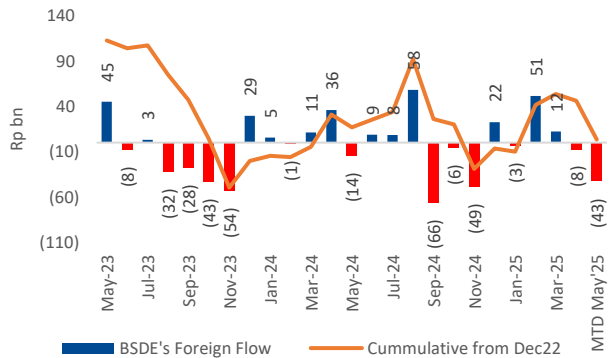
Source: IDX, BRIDS, MTD as of 8 May25

**Exhibit 30. BSDE's Domestic Fund Positioning**



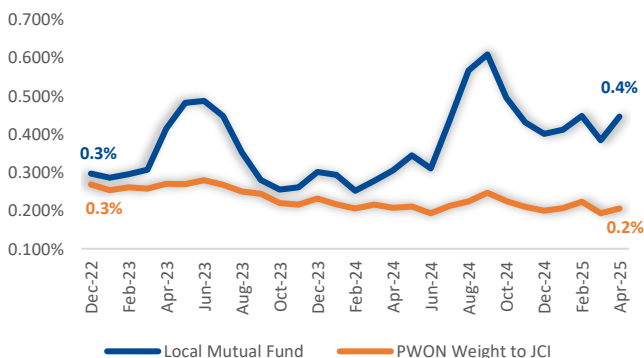
Source: KSEI, Bloomberg, BRIDS

**Exhibit 31. BSDE's Foreign Flow Movement**



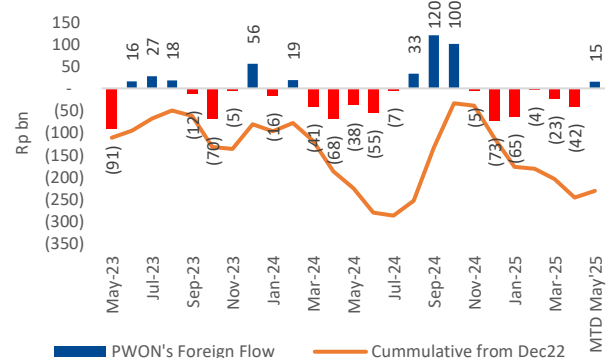
Source: IDX, BRIDS, MTD as of 8 May25

**Exhibit 32. PWON's Domestic Fund Positioning**



Source: KSEI, Bloomberg, BRIDS

**Exhibit 33. PWON's Foreign Flow Movement**



Source: IDX, BRIDS, MTD as of 8 May25

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**INVESTMENT RATING**

<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

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