KB Valbury Sekuritas

PT Pembangunan Perumahan Tbk (PTPP)

Construction sector

Better outlook from mega IKN project

27 May 2022

Recommendations : BUY

Stock	
Price on 25/05/2022 (Rp)	905
12M target price (Rp)	1,150
Capital gain potential	26%

Stock Data	
Outstanding shares	6,185,341,454
Market cap (Rp)	5,641,906,592,140
Weight VS IHSG (%)	0.10

Shareholders	**(%)**
Government of Indonesia	51.00%
Employees	0.03%
Public	48.74%
Treasury share	0.23%
Outstanding Shares (unit)	6,185,341,454

Price Performance	
52-week high/low	Rp1,370 /Rp800

Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
0.00	*(4.71)*	*(30.00)*	*(18.39)*	*(8.08)*

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	16,764	20,184	22,805
Operating Income	1,010	1,326	1,680
OPM (%)	6.03%	6.57%	7.37%
EBITDA	1,587	2,702	3,126
EV to EBITDA (x)*	12.04	6.72	5.98
Net Income	266	519	724
NPM (%)	1.59%	2.57%	3.17%
EPS (Rp)	43	84	117
EPS Growth (%)	62.1%	95.1%	39.5%
Price Earnings (x)*	23.02	10.85	7.78
Price to Book (x)*	0.56	0.49	0.46
Price to Sales (x)*	0.37	0.28	0.25
Return on Equity (%)	2.45%	4.56%	5.90%
Return on Assets (%)	0.48%	0.89%	1.18%
Tot Debt/Equity (x)	1.80	1.76	1.75

**) based on market price (25/05/2022) at Rp905*
Sources :Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)
Devi Harjoto
Alfiansyah

Laba bersih PTPP berkurang 26,4% YoY pada 1Q22 menjadi Rp28,2 miliar
Pembangunan IKN dan divestasi dapat membantu performa tahun ini
Rekomendasi “BUY” dengan target harga Rp1.150 per saham

Penurunan laba bersih akibat kenaikan beban

Laba bersih PTPP pada 1Q22 turun 26,4% YoY menjadi Rp28,2 miliar (-79,4% QoQ). Penurunan laba bersih tersebut ditengah kenaikan beban dan juga kombinasi dari penurunan bagian laba bersih JV 50,2% YoY, kenaikan beban keuangan 19,9% YoY dan pajak final 31,7% YoY. Adapun, pendapatan meningkat 50,8% YoY pada 1Q22 menjadi Rp4,3 triliun (-22,9% QoQ). Tetapi, GPM turun dari 14,3% pada 1Q21 menjadi 12,7% pada 1Q22 ditengah kenaikan beban pokok lebih tinggi 53,5% YoY. Kemudian, beban operasional juga meningkat 8,6% YoY pada 1Q22 dari kenaikan beban pegawai, sehingga margin operasional sedikit berkurang dari 9,4% pada 1Q21 menjadi 9,2% pada 1Q22. Namun, PTPP mencatatkan penurunan impairment loss 24,1% YoY pada 1Q22. Dari segi neraca, net gearing PTPP meningkat menjadi 1,4x pada 1Q22.

Perolehan kontrak yang lebih optimistis tahun ini

Ditengah mobilitas yang meningkat, proyek yang tertunda tahun lalu dan perbaikan ekonomi, kami memproyeksikan perolehan kontrak baru PTPP dapat mencapai Rp27 triliun pada tahun 2022. Selain itu, kami juga memfaktorisasi potensi proyek baru terutama untuk pembangunan Gedung dan infrastruktur di pembangunan ibukota baru. Adapun, sepanjang 1Q22, proyek baru yang dibukukan oleh PTPP mencapai Rp3,1 triliun. Namun, kami memproyeksi perolehan kontrak baru akan lebih tinggi pada 2Q22 mencapai Rp10 triliun, terutama pada proyek EPC, infrastruktur darat dan air. Adapun, potensi proyek baru PTPP yakni tol Yogyakarta-Bawen, paket proyek di Kawasan Industri Terpadu Batang terutama untuk infrastruktur dan pembangunan pabrik di Kawasan tersebut.

Divestasi jadi katalis utama untuk memperbaiki performa

Kami memperkirakan perolehan pendapatan PTPP akan tumbuh 20% YoY pada 2022, dengan memfaktorisasi tender yang akan lebih banyak pada tahun ini dan optimisme pemulihan ekonomi. Adapun, PTPP juga akan melanjutkan divestasi terutama untuk divestasi jalan tol, yakni Pandaan-Malang, Medan-Kualanamu-Tebing Tinggi yang akan dilakukan pada 2Q22. Adapun, selain dari aset jalan tol, PTPP juga membidik divestasi 19 aset property termasuk yang dimiliki oleh anak usaha, salah satunya yakni Grand Kumala Lagoon di Bekasi. Divestasi juga akan dilakukan pada melepas kepemilikan PTPP dan anak usaha di sector property, pembangkit listrik dan minyak bumi. Kami menilai divestasi masih menjadi katalis utama PTPP karena akan berdampak positif terhadap likuiditas, penurunan beban utang dan beban bunga, memperkuat modal dan kesempatan untuk memperbesar kontrak baru dan laba bersih.

Rekomendasi BUY, prospek peningkatan kontrak baru

Kami merekomendasikan BUY dengan target harga Rp1.150 per saham, yang merefleksikan valuasi PE2022E pada 10,85x. Kami optimistis terhadap performa PTPP tahun ini yang didorong oleh 1) pemulihan ekonomi yang terus berjalan 2) focus pemerintah pada infrastruktur 3) kontinyuitas program asset recycling yang berdampak pada likuiditas, penurunan utang dan beban bunga juga laba bersih; dan 4) potensi dari proyek-proyek strategis nasional yang masih berjalan. Namun, kami menilai adany resiko dari 1) ketidakpastian yang masih tinggidan potensi realokasi anggaran; 2) kenaikan leverage dan beban keuangan; 3) divestasi yang lebih lambat dibandingkan ekspektasi 4) anggaran infrastruktur yang lebih kecil dan 5) kenaikan suku bunga dapat menambah beban keuangan.

FINANCIAL OVERVIEW

Income Statement (Rp bn)	1CQ2021	1CQ2022	YoY Change	4Q2021	1Q2022	QoQ Change
Revenue	**2,839**	**4,281**	*50.8%*	**5,552**	**4,281**	*(22.9%)*
Cost of Revenue	(2,434)	(3,736)	*53.5%*	(4,799)	(3,736)	*(22.1%)*
Gross Profit	**405**	**544**	*34.5%*	**753**	**544**	*(27.7%)*
Gross Margin (%)	***14.3%***	***12.7%***		***13.6%***	***12.7%***	
Operating Expenses	(138)	(149)	*8.6%*	(193)	(149)	*(22.4%)*
Operating Profit	**267**	**395**	*55.4%*	**561**	**395**	*(29.6%)*
Operating Margin (%)	***9.4%***	***9.2%***		***10.1%***	***9.2%***	
Non-Operating Income (Losses)	(214)	(332)	*(24.1%)*	(432)	(332)	*(23.2%)*
Pretax Income	**54**	**63**	*17.7%*	**129**	**63**	*(51.1%)*
Income Tax (Expense)/ Benefit	(7)	(10)	*49.0%*	0.5	(10)	*(1911.3%)*
Profit for This Year	**47**	**53**	*13.4%*	**129**	**53**	*(58.7%)*
Minority	(9)	(25)	*185.9%*	7	(25)	*(448.0%)*
Net Profit (Losses)	**38**	**28**	*(26.4%)*	**137**	**28**	*(79.4%)*
Profit Margin (%)	***1.3%***	***0.7%***		***2.5%***	***0.7%***	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	**15,831**	**16,764**	**20,184**	**22,805**	**24,933**
Revenue growth yoy	*(32.8%)*	*5.9%*	*20.4%*	*13.0%*	*9.3%*
- Cost of Goods Sold	(13,594)	(14,589)	(17,064)	(19,181)	(20,858)
Gross Income	**2,237**	**2,175**	**3,120**	**3,625**	**4,076**
- Operating Expenses	1,050	1,164	1,793	1,945	2,233
Operating Income	**1,187**	**1,010**	**1,326**	**1,680**	**1,843**
Op income growth yoy	*(31.8%)*	*(14.9%)*	*31.3%*	*26.7%*	*9.7%*
- Non Operating Gains (Losses)	852	633	641	724	742
EBITDA	**1,707**	**1,587**	**2,702**	**3,126**	**3,514**
Pretax Income	**335**	**377**	**686**	**957**	**1,101**
- Income Tax Expense	(23)	(16)	(27)	(38)	(45)
Profit for This Year	**312**	**361**	**659**	**919**	**1,056**
- Minority Interests	(148)	(95)	(140)	(195)	(198)
Net Income	**164**	**266**	**519**	**724**	**858**
Net income growth yoy	*(80.0%)*	*62.1%*	*95.1%*	*39.5%*	*18.6%*
EPS (IDR)	**27**	**43**	**84**	**117**	**139**
Dividends Per Share (IDR)	**0**	**0**	**17**	**29**	**35**

Sources: Company, Bloomberg and KB Valbury Sekuritas
**) Estimate*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	**30,952**	**33,732**	**35,440**	**37,376**	**40,237**
+ Cash & Near Cash Items	7,376	6,603	7,543	8,364	9,403
+ Short Term Investments	604	408	420	437	464
+ Accounts & Notes Receivable	3,543	5,385	5,538	5,759	6,121
+ Inventories	7,964	10,915	11,224	11,672	12,406
+ Other Current Assets	11,467	10,420	10,715	11,144	11,844
Total Long-Term Assets	**22,457**	**21,842**	**22,668**	**24,206**	**25,061**
+ Property, Plant & Equip, Net	14,116	12,745	13,762	14,838	15,967
Property, Plant & Equip	16,421	15,565	17,026	18,605	20,283
Accumulated Depreciation	2,305	2,820	3,265	3,767	4,317
+ Long Term Investments	3,238	2,292	2,594	2,713	2,904
+ Other Long Term Assets	5,102	6,805	6,312	6,655	6,191
Total Assets	**53,409**	**55,574**	**58,108**	**61,582**	**65,299**
Total Current Liabilities	**27,043**	**30,146**	**31,406**	**33,382**	**35,333**
+ Payables & Accruals	16,441	17,154	18,075	18,817	18,911
+ Short Term Borrowings	8,442	11,119	11,229	12,146	13,872
+ Other Short Term Liabilities	2,159	1,873	2,102	2,419	2,550
Total Long Term Liabilities	**12,460**	**11,098**	**11,730**	**12,210**	**12,704**
+ Long Term Borrowings	10,114	8,462	8,857	9,269	9,701
+ Other Long Term Borrowings	2,346	2,636	2,873	2,940	3,003
Total Liabilities	**39,503**	**41,244**	**43,136**	**45,592**	**48,037**
+ Share Capital & APIC	5,330	5,330	5,330	5,330	5,330
- Treasury Stock	8	8	8	8	8
+ Retained Earnings & Other Eq.	3,124	3,390	3,805	4,348	4,992
+ Other Equity	2,107	2,141	2,262	2,587	2,960
Total Shareholders Equity	**10,554**	**10,853**	**11,390**	**12,257**	**13,274**
+ Minority/Non Controlling Int.	3,352	3,477	3,583	3,733	3,988
Total Equity	**13,906**	**14,330**	**14,972**	**15,990**	**17,262**
Total Liabilities & Equity	**53,409**	**55,574**	**58,108**	**61,582**	**65,299**
Book Value Per Share (IDR)	**1,706**	**1,755**	**1,841**	**1,982**	**2,146**

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	164	266	519	724	858
+ Depreciation & Amortization	520	577	445	503	550
+ Other Non-Cash Adjustments	(764)	(238)	(183)	(207)	(226)
Cash From Operating Activities	**(80)**	**605**	**781**	**1,019**	**1,181**
+ Disposal of Fixed Assets	13	20	21	22	23
+ Capital Expenditures	(1,425)	(1,413)	(1,963)	(2,218)	(2,425)
+ Change in Investment	(409)	511	302	119	191
+ Other Investing Activities	(1,751)	(1,333)	493	(343)	464
Cash From Investing Activities	**(3,572)**	**(2,215)**	**(1,146)**	**(2,419)**	**(1,747)**
+ Dividends Paid	(209)	0	(104)	(181)	(215)
+ Change in long Term Borr.	2,287	327	1,394	2,313	1,732
+ Change in capital stock	22	0	0	0	0
+ Other Financing Activities	21	510	15	89	87
Cash From Financing Activities	**2,075**	**837**	**1,306**	**2,221**	**1,604**
Net Changes in Cash	**(1,577)**	**(772)**	**940**	**821**	**1,039**

Sources: Company, Bloomberg and KB Valbury Sekuritas

RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	70.32	23.02	10.85	7.78	6.56
EV to EBIT*	19.13	18.91	8.05	7.12	6.68
EV to EBITDA*	13.31	12.04	6.72	5.98	5.63
Price to Sales*	0.73	0.37	0.28	0.25	0.23
Price to Book*	1.09	0.56	0.49	0.46	0.42
Dividend Yield*	0.0%	0.0%	1.8%	3.2%	3.8%
Profitability Ratios					
Gross Margin	14.13%	12.97%	15.46%	15.89%	16.35%
EBITDA Margin	10.78%	9.47%	13.39%	13.71%	14.09%
Operating Margin	7.50%	6.03%	6.57%	7.37%	7.39%
Profit Margin	1.04%	1.59%	2.57%	3.17%	3.44%
Return on Assets	0.31%	0.48%	0.89%	1.18%	1.31%
Return on Equity	1.55%	2.45%	4.56%	5.90%	6.46%
Leverage & Coverage Ratios					
Current Ratio	1.14	1.12	1.13	1.12	1.14
Quick Ratio	0.85	0.76	0.77	0.77	0.79
Tot Debt/Capital	0.62	0.76	0.78	0.79	0.81
Tot Debt/Equity	1.76	1.80	1.76	1.75	1.78
Others					
Asset Turnover	0.30	0.30	0.35	0.37	0.38
Accounts Receivable Turnover	4.47	3.11	3.64	3.96	4.07
Accounts Payable Turnover	0.96	0.98	1.12	1.21	1.32
Inventory Turnover	1.99	1.54	1.80	1.95	2.01

**) based on market price (25/05/2022) at Rp905*

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT Pembangunan Perumahan Tbk (PTPP)

Construction sector

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KB Valbury Sekuritas

Headquarters
Menara Karya, 9th Floor
Jl. H.R. Rasuna Said Blok X-5 Kav 1-2
Jakarta 12950, Indonesia
T +62 21 255 33 600
F +62 21 255 33 778

Branch Office

Jakarta - Kelapa Gading
Rukan Plaza Pasifik
Jl. Raya Boulevard Barat Blok A1 No. 10
Jakarta 11620
T +62 21 - 29451577

Jakarta - Puri Indah
Rukan Grand Aries Niaga
Blok E.1 No. 1 V Jl. Taman Aries, Kembangan,
Jakarta 14450
T +62 21 - 22542390
F +62 21 - 29264310

Jakarta - Pluit
Jl. Pluit Putra Raya No. 2
Jakarta 14240
T +62 21 - 29264300
F +62 21 - 22542391

Bandung
Jl. HOS Cokroaminoto No. 82
Bandung 40171
T +62 22 - 87255888
T +62 22 - 87255800
F +62 22 - 87255811

Semarang
Candi Plaza Building Lt. Dasar
Jl. Sultan Agung No. 90-90A
Semarang 50252
T +62 24 - 3521888
T +62 24 - 8501122
F +62 24 - 8507450

Yogyakarta
Jl. Magelang KM 5.5 no. 75
Yogyakarta 55284
T +62 274 - 4469500
T +62 274 - 623111
F +62 274 - 623222

Surabaya
Pakuwon Center Tunjungan Plaza Lantai 21
Jl. Embong Malang No.1
Surabaya 60261
T +62 31 - 2955777
T +62 31 - 2955788
F +62 31 - 2955716

Denpasar
Komplek Ibis Styles Hotel
Jl. Teuku Umar No. 177
Denpasar Bali 80114
T +62 361 - 255888
T +62 361 - 225229
F +62 361 - 225339

Banjarmasin
Jl.Gatot Subroto No.33 Kel. Kebun Bunga
Kec. Banjarmasin Timur
Kalimantan Selatan 70235
T +62 511 - 3265918
F +62 511 - 3253432

Solo
Jl. Ronggo Warsito no. 34
Solo 57118
T +62 271 632888
F +62 271 656988

Makasar
Ratulangi Points Lt. 3
Jl. Dr Sam Ratulangi No. 2 Kunjungmae, Mariso
Makassar, Sulawesi Selatan 90125
T +62 411 8955999

Malang
Jl. Pahlawan Trip no. 7
Malang 65112
T +62 341 - 585888
F +62 341 - 560056

Medan
Komplek Jati Junction No. P5-5A
Jl. Perintis Kemerdekaan
Medan 20218
T +62 61 - 88816222
F 62 61 - 88816333

Pekanbaru
Jl. Tuanku Tambusai
Komplek CNN Blok A No.3 Pekanbaru 28291
T +62 761 - 839393
Galeri Investasi

Padang
Jl. Kampung Nias II no. 10,
Kel. Belakang Pondok,
Kec. Padang Selatan
T +62 751 8955747

Manado
Kawasan Megamas, Ruko Megaprofit
Blok IF2 No. 38 Manado. 95254
T +62 431 7917 836
F +62 431 880 2129

Solo
Jl. Ronggowarsito No. 34
Surakarta 57118
T +62 271 - 632888

Palembang
Komp. PTC Mall Blok I No. 7 Jl. R. Sukamto Kel. 8 Ilir
Kec. Ilir Timur II Palembang 30114
T 07115700281

Galeri Investasi

Padang
Jl. Kampung Nias II no. 10,
Kel. Belakang Pondok,
Kec. Padang Selatan
T +62 751 8955747

Manado
Kawasan Megamas, Ruko Megaprofit
Blok IF2 No. 38 Manado. 95254
T +62 431 7917 836
F +62 431 880 2129

Solo
Jl. Ronggowarsito No. 34
Surakarta 57118
T +62 271 - 632888

Palembang
Komp. PTC Mall Blok I No. 7 Jl. R. Sukamto Kel. 8 Ilir
Kec. Ilir Timur II Palembang 30114
T 07115700281

Galeri Investasi BEI - KBVS

Yogyakarta
Universitas Kristen Duta Wacana
T +62 274 - 544032

Manado
Universitas Prisma Manado
T 0431 8800850

Jakarta
Universitas Gunadarma
T +62 21 - 8727541