Recurring Income Cushions Cyclical Softness

6 May 2026

CTRA IJ	BUY
Sector	Property
Price at 5 May 2026 (IDR)	680
Price target (IDR)	1,000
Upside/Downside (%)	47.1

Stock Information

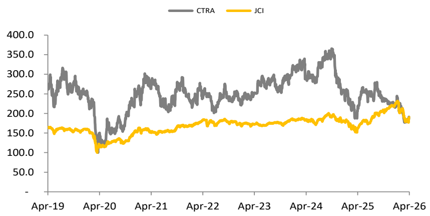
PT Ciputra Development Tbk develops and sells real estate including office spaces, shopping centers, and related facilities.

Market cap (IDR bn)	12,604
Shares outstanding (mn)	18,536
52-week range (IDR)	665-1,110
3M average daily vol. ('000)	31,883
3M average daily val. (IDR mn)	28,310

Shareholders (%)

Sang Pelopor	53.3
Public	46.7

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	-2.17	-21.97	-28.95

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CTRA's 1Q26 results came in weaker YoY/QoQ but broadly inline with expectations, with softness largely driven by timing differences in revenue recognition rather than any deterioration in underlying fundamentals. While the company continues to benefit from a rising recurring-income base, the higher-for-longer interest rate environment remains the key risk, given the sector's high sensitivity to borrowing costs, which could prolong demand softness. Maintain our BUY call with a TP of IDR1,000, using 5yrs DCF-based TP (WACC: 11.9%; LTG: 3%), implying 0.6x FY26F P/B and 80.8% discount to FY26F RNAV.

1Q26 results: weaker YoY/QoQ, but inline with run-rate

CTRA booked IDR2.6 tn revenue in 1Q26 (-6.4% YoY; -39.5% QoQ), tracking 24.8% of FY26F estimates. Property development revenue declined -9.2% YoY and -45.1% QoQ, but remained inline at a 25.0% run-rate. EBIT fell -27.8% YoY and -52.5% QoQ to IDR603.5 bn, at 24.2%/24.3% run-rate (ours/consensus), while net profit declined -21.5% YoY and -50.2% QoQ to IDR518.3 bn, also inline at 25.0%/25.1% run-rate.

FY26F: normalization on softer recognition cycle

With 1Q26 broadly tracking expectations, we maintain FY26F forecasts but expect revenue to normalize, declining -18.1% YoY to IDR10.3 tn. Property development revenue is projected to fall -23.2% YoY to IDR7.9 tn, driven by core segments (land lots, houses & shophouses; 74.6% of revenue) declining -23.5% YoY. Apartments and offices are also expected to moderate (-20.0% YoY and -19.2% YoY, respectively) after several years of strong sales. Development revenue remains on track at a 25.0% run-rate. Balance sheet indicators suggest softer forward demand, with short-term advances received down -8.8% YtD, although unearned revenue remains broadly stable (-0.2% YtD).

Recurring income: structural support continues to build

Recurring revenue remains a key stabilizer, expected to grow +4.0% YoY to IDR2.5 tn, lifting its contribution to 23.7% of total revenue (vs. 18.7% in FY25; 22.9% in 1Q26), broadly inline with a 23.9% run-rate. Growth is supported by malls (+2.2% YoY to IDR742.1 bn), driven by improving occupancy and retail footprint expansion, as well as hospitals (+14.0% YoY to IDR830.4 bn) on the back of full-year contributions from the Surabaya facility. This gradual mix shift continues to enhance earnings visibility amid cyclical weakness in development sales.

Margins: broadly stable, but earnings pressured by volume

Margins are expected to remain stable, with higher-margin core segments (49.0%) offsetting lower-margin apartments (34.3%) and recurring-income (42.8%), resulting in a FY26F gross margin of 47.4% (vs. 47.5% in FY25; 46.5% in 1Q26). However, lower revenue will weigh on earnings, with gross profit projected at IDR4.9 tn (-18.2% YoY) and net profit at IDR2.1 tn (-22.3% YoY), implying a 20.0% margin, following a high base in FY25.

Maintain BUY: diversification and recurring-income underpin resilience

We maintain our BUY call with an unchanged TP of IDR1,000, based on a 5yrs DCF (WACC: 11.9%, LTG: 3.0%), implying 0.6x FY26F P/BV and an 80.8% discount to RNAV. We continue to view CTRA's diversified footprint across 34 cities as a key mitigant to concentration-risk, while its expanding recurring-income base supports earnings resilience and preserves medium-term growth optionality amid cyclical normalization. Key downside risks: softer property demand amid cautious consumer sentiment, weakening purchasing power, and a higher-for-longer interest rate environment.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	11,188	12,617	10,331	12,169	13,150
Gross profit	5,263	5,995	4,902	5,815	6,102
EBITDA	3,370	3,859	2,902	3,661	3,714
Net Income	2,126	2,663	2,070	2,368	2,590
EPS growth	15.2%	25.2%	-22.3%	14.4%	9.4%
P/E	5.9	4.7	6.1	5.3	4.9
P/BV	0.5	0.5	0.4	0.4	0.4
EV/EBITDA	3.9	3.9	5.1	3.4	2.7
ROE	10.1	11.6	8.3	9.1	0.0
Dividend Yield	3.1	3.5	3.2	2.5	2.8
Net gearing (x)	(0.1)	(0.0)	(0.0)	(0.1)	2.4

Source: Company, KBVS Research

Exhibit 2: Financial summary

CTRA's 1Q26 Result *(IDR bn)*	1Q26	1Q25	YoY (%)	4Q25	QoQ (%)	2026F	% to '26F	Cons'	% of Cons'
Revenue	2,558	2,732	-6.4%	4,225	-39.5%	10,331	24.8%	10,300	24.8%
Land Lots, Residential and Shophouse	1,950	2,127	-8.3%	3,285	-40.6%				
Apartments	12	23	-48.5%	118	-89.9%				
Office	9	21	-57.0%	184	-95.1%				
Real Estate	1,971	2,171	-9.2%	3,586	-45.1%				
Shopping centers	188	187	0.5%	173	8.7%				
Hotels	113	123	-8.3%	170	-33.4%				
Office	27	40	-33.6%	28	-6.6%				
Golf courses	14	13	9.0%	15	-6.3%				
Rental	342	363	-5.9%	386	-11.5%				
Healthcare	208	167	24.6%	209	-0.4%				
Others	37	31	20.9%	43	-15.0%				
Others	245	198	24.0%	252	-2.9%				
COGS	(1,367)	(1,331)	2.8%	(2,256)	-39.4%				
Gross Profit	1,190	1,401	-15.0%	1,969	-39.5%	4,902	24.3%	4,887	24.4%
EBIT	604	835	-27.8%	1,271	-52.5%	2,494	24.2%	2,487	24.3%
Interest expense (loan)	(122)	(215)	-43.5%	(154)	-21.1%				
Other Income (exp)	61	39		(58)					
Associate & JV	11	14		39					
Pre-tax income	554	673		1,099					
Taxes	(5)	(4)		(32)					
Minorities	(31)	(8)		(26)					
Net Income	518	660	-21.5%	1,041	-50.2%	2,070	25.0%	2,064	25.1%
Margins (%)									
Gross Margin	46.5%	51.3%		46.6%					
EBIT Margin	23.6%	30.6%		30.1%					
Net Margin	20.3%	24.2%		24.6%					

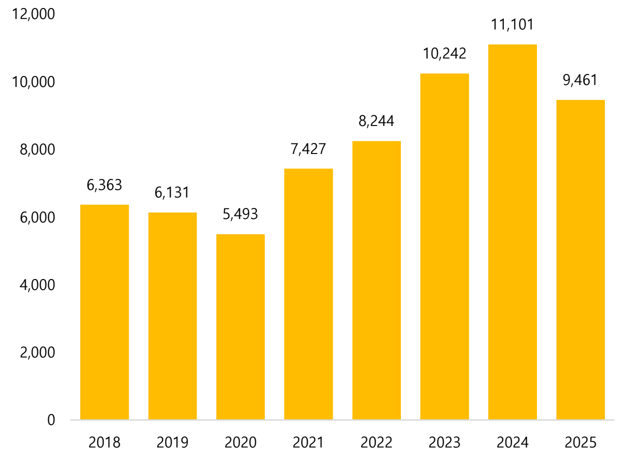
Source: Company, KBVS Research

Exhibit 3: CTRA's valuation summary

DCF Valuation	**2026**	**2027**	**2028**	**2029**	**2030**
Cash flow multiple	1	2	3	4	5
Net Profit	**2,070**	**2,368**	**2,590**	**2,622**	**2,537**
Interest expense (1-tax)	883	863	807	751	696
Depreciation	408	423	440	449	463
NWC	(53)	(415)	(300)	(301)	(299)
Capex	(651)	(668)	(686)	(705)	(725)
FCFF	**2,657**	**2,571**	**2,851**	**2,816**	**2,671**
Discount factor	1.1	1.3	1.4	1.6	1.7
Discounted Free Cash Flow	2,376	2,057	2,040	1,802	1,529
Terminal Value	**22,951**				
Discounted Terminal Value	13,136				
Enterprise Value	**22,940**				
Net debt	**(641)**				
Equity value	23,581				
Minority interest	(2,970)				
Fair value per share FY26F (rounded)	1,000				

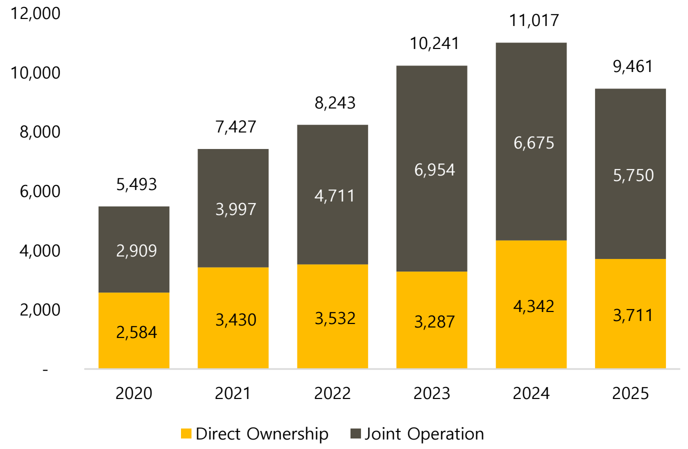
Source: KBVS Research

Exhibit 4: CTRA's marketing sales (IDR bn)



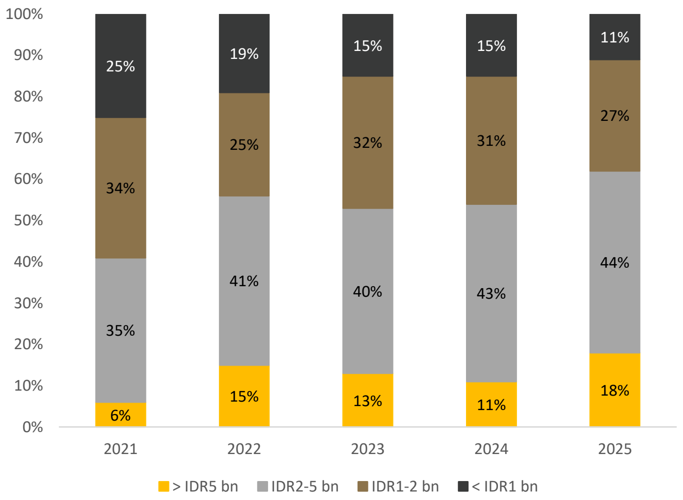
Source: Company, KBVS Research

Exhibit 5: CTRA's marketing sales



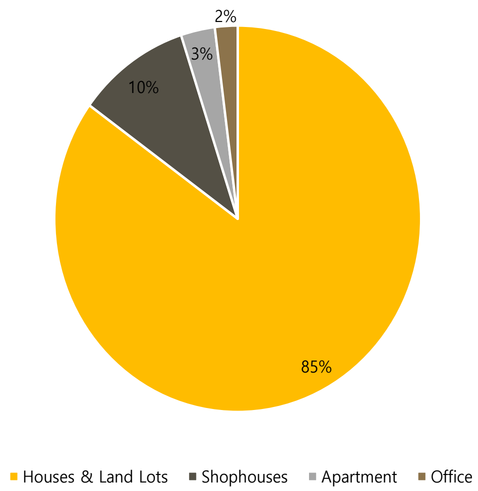
Source: Company, KBVS Research

Exhibit 6: CTRA's marketing sales based on price (IDR bn)



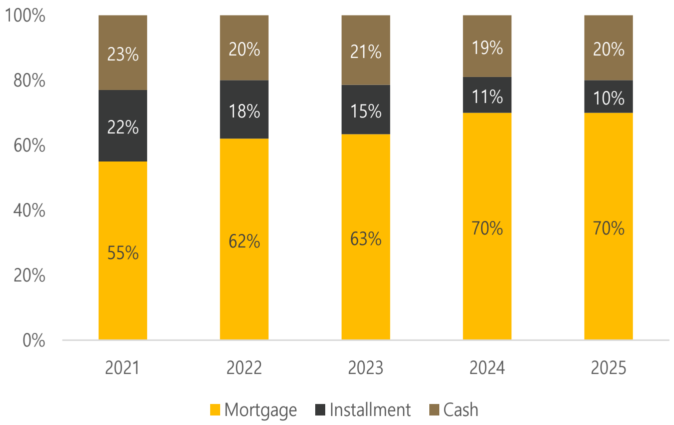
Source: Company, KBVS Research

Exhibit 7: CTRA's marketing sales based on products (FY25)



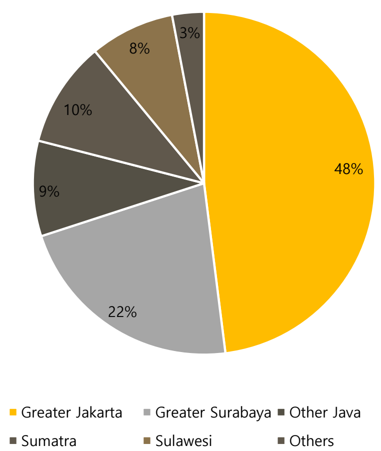
Source: Company, KBVS Research

Exhibit 8: CTRA's customer payment profile



Source: Company, KBVS Research

Exhibit 9: CTRA's marketing sales based on geography (FY25)



Source: Company, KBVS Research

FINANCIAL TABLES

Exhibit 10: Profit & Loss summary

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	11,188	12,617	10,331	12,169	13,150
Cost of revenue	(5,925)	(6,622)	(5,429)	(6,354)	(7,048)
Gross profit	5,263	5,995	4,902	5,815	6,102
Selling expenses	(1,800)	(2,032)	(1,985)	(2,080)	(2,290)
G&A expenses	(469)	(516)	(422)	(498)	(538)
Operating profit	2,994	3,447	2,494	3,238	3,274
EBITDA	3,370	3,859	2,902	3,661	3,714
Other op. income/exp	225	136	145	(218)	(172)
Finance income	534	480	488	407	508
Finance expense	(1,359)	(1,197)	(899)	(878)	(821)
Inc/loss from assoc.	-				
Pre-tax profit	2,394	2,867	2,228	2,550	2,789
Tax expense	(66)	(50)	(39)	(44)	(48)
Minority interest	(202)	(154)	(120)	(137)	(150)
Net profit	2,126	2,663	2,070	2,368	2,590
EPS (IDR)	115	144	112	128	140

Source: Company, KBVS Research

Exhibit 11: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash and equivalents	10,195	10,362	8,645	10,774	12,707
Trade receivables	2,314	2,336	1,913	2,253	2,434
Inventories	12,538	13,060	13,310	13,560	13,810
Net- Fixed assets	3,042	3,255	3,321	3,375	3,417
Other assets	18,933	18,901	18,823	19,325	19,755
Total Assets	47,023	47,913	46,012	49,287	52,123
Trade payables	2,467	2,355	1,931	2,259	2,506
Short-term debt + CMLTD	915	4,040	2,309	2,309	2,309
Long-term debt	7,041	5,795	5,695	5,195	4,695
Other liabilties	11,984	8,880	7,368	8,619	9,323
Total Liabilities	22,407	21,070	17,303	18,383	18,833
Minority interest	2,754	2,850	2,970	3,107	3,258
Paid capital	8,173	8,173	8,173	8,173	8,173
Retained earnings	13,689	15,896	17,566	19,624	21,859
Other equities	0	0	0	1	2
Total Equity	24,615	26,919	28,709	30,904	33,289

Source: Company, KBVS Research

Exhibit 12: Cash flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net income	2,126	2,663	2,070	2,368	2,590
Depreciation & amortization	376	412	408	423	440
Change in working capital	(294)	(4,040)	(1,700)	581	166
Cash flow from operations	2,208	(965)	778	3,372	3,196
Capex	(2,554)	(702)	(651)	(668)	(686)
Others	(55)	(141)	146	(39)	(23)
Cash flow from investments	(2,609)	(844)	(505)	(707)	(709)
Changes in debt	(135)	1,878	(1,831)	(500)	(500)
Changes in equity	-	-	-	-	-
Dividends paid	(389)	(445)	(399)	(310)	(355)
Others	254	85	120	137	150
Cash flow from financing	(271)	1,519	(2,110)	(673)	(705)
Net Cash Flow	(671)	(290)	(1,837)	1,992	1,783

Source: Company, KBVS Research

Exhibit 13: Ratio analysis

Year End Dec	2024A	2025A	2026F	2027F	2028F
Revenue growth	21.0	12.8	(18.1)	(3.6)	4.2
EBIT growth	17.7	15.1	(27.6)	29.8	1.1
EBITDA growth	16.3	14.5	(24.8)	(5.1)	(3.7)
Net profit growth	15.2	25.2	(22.3)	(11.1)	(2.7)
Gross margin	47.0	47.5	47.4	47.8	46.4
EBIT margin	26.8	27.3	24.1	26.6	24.9
EBITDA margin	30.1	30.6	28.1	30.1	28.2
Net margin	19.0	21.1	20.0	19.5	19.7
ROA	4.7	5.6	4.4	4.9	5.2
ROE	10.1	11.6	8.3	9.1	9.6
Net gearing (x)	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)
Net debt/EBITDA (x)	(0.7)	(0.1)	(0.2)	(0.9)	(1.5)
Interest coverage ratio (x)	4.1	5.4	7.1	7.8	11.8

Source: Company, KBVS Research

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