

## Solid 1H25 on track to meet '25F targets

13 August 2025



PWON IJ	BUY
Sector	Property.
Price at 13 August 2025 (IDR)	390
Price target (IDR)	480
Upside/Downside (%)	23.2

### Stock Information

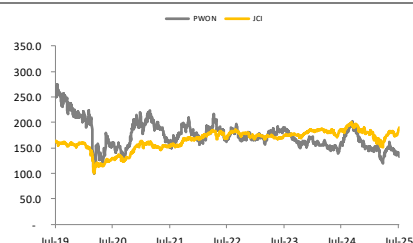
PT Pakuwon Jati Tbk owns, develops, and manages shopping centers, business complexes, real estate, and hotels.

Market cap (IDR bn)	18,493
Shares outstanding (mn)	48,160
52-week range (IDR)	304-530
3M average daily vol. ('000)	40,865
3M average daily val. (IDR mn)	15,617

### Shareholders (%)

Pakuwon Arthaniaga	68.7
Public	31.3

### Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	4.92	-1.54	-15.79

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PWON's 1H25 performance largely met both our and consensus expectations, arriving within a range of 49.1% to 52.6%. Revenue rose 3.4% yoy to IDR3.4 tn, driven by a 10.0% increase in recurring-income, offsetting weaker real-estate sales. '25F outlook remains unchanged, targeting revenue of IDR6.9 tn (+2.9% yoy), with 79% expected from recurring-income. Backed by a strong cash position, PWON is well-placed to pursue acquisitions and fund upcoming projects, offering notable upside to earnings growth. Maintain our BUY call with a target price of IDR480, using 5yrs DCF-based TP (WACC: 11.3%; LTG: 3%), implying 0.9x '25F P/B and 59.0% discount to '25F RNAV.

### Delivers solid 2Q25 with strong recurring-revenue growth

PWON booked revenue of IDR1.8 tn in 2Q25 (+16.9% qoq), bringing 1H25 revenue to IDR3.4 tn (+3.4% yoy). Recurring revenue rose 10.0% yoy to IDR2.7 tn, driven by a 12.4% increase in shopping center, office & serviced apartment revenues, while real-estate revenue fell 16.3% due to lower residential recognition. Despite a 14.1% qoq rise in 2Q25 cost of revenue and a 5.7% yoy increase in 1H25, EBITDA grew 18.5% qoq to IDR988.0 bn, lifting 1H25 EBITDA to IDR1.8 tn (+1.8% yoy), inline with our 50.1% full-year estimate. Interest-costs fell 11.5% qoq in 2Q25 and 3.3% yoy in 1H25, supporting a normalized net profit surge of 87.6% qoq to IDR787.4 bn, bringing 1H25 net profit to IDR1.2 tn (+5.5% yoy).

### Maintains '25F outlook on strong recurring-income

With results tracking inline, we maintain our '25F forecasts. A 3.3% ytd increase in short-term unearned income to IDR1.5 tn indicates stronger full-year recurring revenue recognition. We project shopping center, office & serviced apartment revenue to grow 5.4% yoy to IDR4.1 tn in '25F, with 1H25 already reaching 51.6% of the estimate. Shopping mall revenue is expected to rise 7.2% to IDR3.1 tn, driven by higher occupancy at Pakuwon City Mall and the opening of Pakuwon Mall Bekasi, which has achieved 52.0% of our IDR1.6 tn annual target. Following strong apartment and office sales of IDR5.0 tn during 2021-2024, this segment is projected to decline 10.3% to IDR676.9 bn in '25F, inline with stagnant short-term customer advances.

Overall, we forecast total revenue to grow 2.9% yoy to IDR6.9 tn in '25F, with recurring-income contributing 79%, ensuring earnings stability amid macro headwinds. EBITDA remains on-track toward our IDR3.6 tn target (50.1% of our FY target), while interest expenses are manageable at 49.7% of the full-year estimate of IDR371.6 bn. Net profit is projected to grow 4.1% to IDR2.2 tn, with a margin of 31.5%, slightly above '24A's 31.1%.

### Reiterate BUY with TP of IDR480

Maintain our BUY call with a target price of IDR480, using 5yrs DCF-based TP (WACC: 11.3%; LTG: 3%), implying 0.9x '25F P/B and 59.0% discount to '25F RNAV. Bank Indonesia's rate cuts since Sep-24, bringing BI rate down to 5.25%, are expected to boost the property sector, with further easing likely in '25F. However, the outlook is tempered by risks such as weak commercial property demand, rising construction costs and intensifying competition from nearby developments.

### Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	6,200	6,671	6,864	7,309	7,854
Gross profit	3,401	3,769	3,866	4,124	4,440
Operating profit	2,660	2,901	2,950	3,085	3,233
EBITDA	3,338	3,574	3,638	3,867	4,094
Net Income	2,105	2,075	2,160	2,245	2,343
EPS	43.7	43.1	44.8	46.6	48.6
PER (x)	8.8	8.9	8.6	8.2	7.9
PBV (x)	0.8	0.7	0.7	0.6	0.6
EV/EBITDA (x)	5.1	4.4	3.8	3.5	3.2
Dividend yield (%)	1.7	2.3	2.3	2.4	2.5

Source: Company, KBVS Research

### Exhibit 2: Financial Summary

PWON's 1H25 Result (IDR bn)	1H25	1H24	YoY (%)	2Q25	2Q24	YoY (%)	1Q25	QoQ (%)	25F KBVS	%	25F Cons	%
Revenue	3,373	3,261	3.4	1,818	1,731	5.1	1,555	16.9	6,864	49.1%	7,002	48.2%
Office, shopping center, and service apartment	2,113	1,880	12.4	1,078	952	13.2	1,035	4.2				
Real estate	679	811	(16.3)	446	482	(7.5)	233	91.1				
Hospitality	582	569	2.1	295	297	(0.7)	287	2.7				
COGS	(1,495)	(1,414)	5.7	(797)	(735)	8.4	(698)	14.1				
Gross Profit	1,878	1,847	1.7	1,022	996	2.6	857	19.2				
EBIT	1,226	1,245	(1.5)	682	679	0.5	544	25.4				
EBITDA	1,822	1,789	1.8	988	956	3.3	834	18.5	3,638	50.1%	3,782	48.2%
Interest expense (loan)	(185)	(191)	(3.3)	(87)	(94)	(7.8)	(98)	(11.5)				
Interest income	289	264		141	164		148					
Other income (exp.)	61	(266)		257	(119)		(195)					
Associate & JV	-	-		-	-		0					
Pre-tax income	1,391	1,052	32.2	993	630	57.7	398	149.4				
Taxes	(2.2)	(4.3)		(1)	(3)		(1)					
Minorities	(253)	(202)		(157)	(111)		(96)					
Reported net income (Parent)	1,136	846	34.2	834	515	61.9	302	176.7	2,160	52.6%	2,272	50.0%
Normalized net income (Parent)*	1,207	1,144	5.5	787	685	14.9	420	87.6				
<b>Margins (%)</b>												
Gross profit margin	55.7	56.6		56.2	57.5		55.1					
EBIT margin	36.4	38.2		37.5	39.2		35.0					
EBITDA margin	54.0	54.9		54.3	55.2		53.6					
Reported net margin	33.7	26.0		45.9	29.8		19.4					

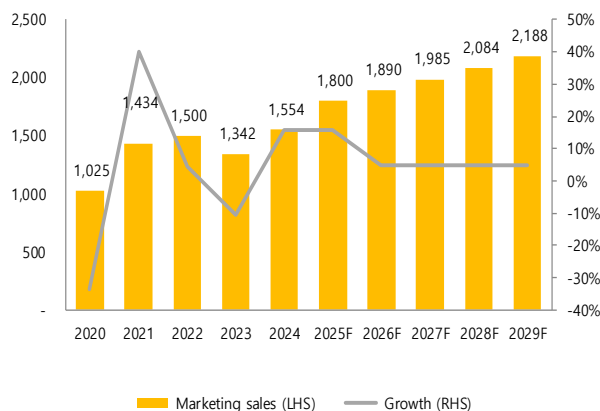
\*exclude the forex loss

### Exhibit 3: PWON's valuation summary

DCF Valuation	2025	2026	2027	2028	2029
Cash flow multiple	1	2	3	4	5
Net Profit	2,160	2,245	2,343	2,571	2,547
Interest expense (1-tax)	295	295	295	123	127
Depreciation	688	782	861	946	1,003
NWC	(119)	(327)	(321)	(323)	(340)
Capex	(1,000)	(2,089)	(2,189)	(2,289)	(933)
<b>FCFF</b>	<b>2,024</b>	<b>906</b>	<b>989</b>	<b>1,027</b>	<b>2,404</b>
Discount factor	1.1	1.2	1.4	1.5	1.7
Discounted Free Cash Flow	1,818	731	716	668	1,405
Terminal Value	<b>29,680</b>				
Discounted Terminal Value	17,343				
Enterprise Value	<b>22,681</b>				
Net debt	<b>(4,700)</b>				
Equity value	27,381				
Minority interest	(4,247)				
<b>Fair value per share 2025F (rounded)</b>	<b>480</b>				

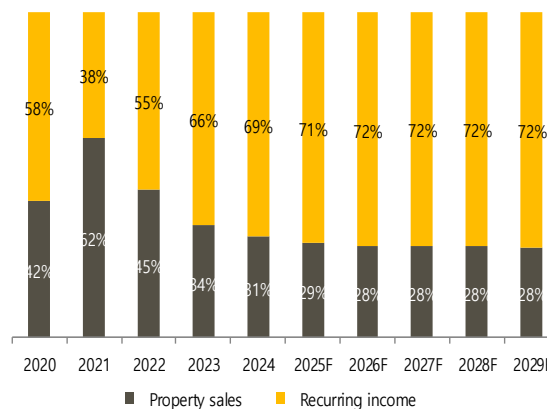
Source: KBVS Research

### Exhibit 4: PWON's marketing sales (IDR bn)



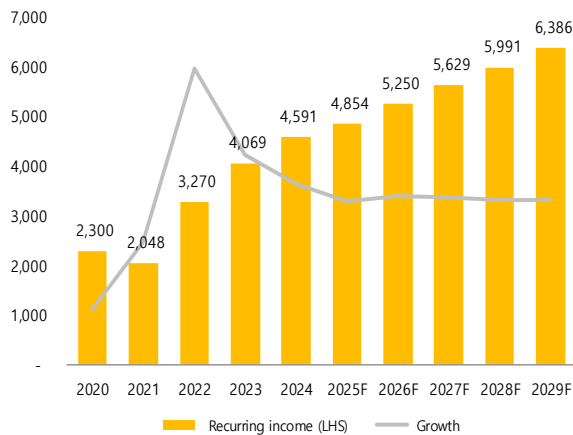
Source: Company, KBVS Research

### Exhibit 5: PWON's revenue breakdown



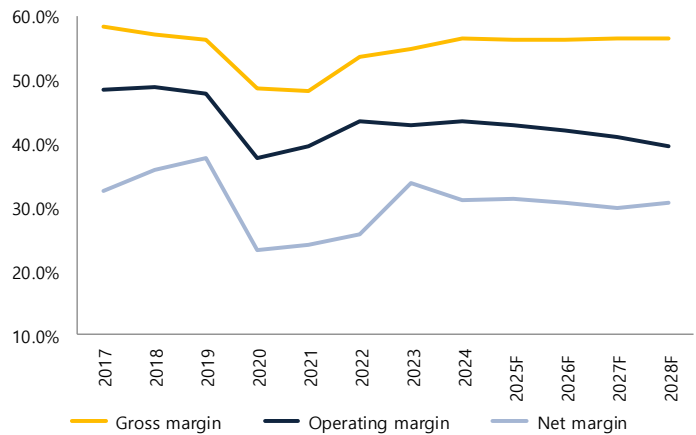
Source: Company, KBVS Research

**Exhibit 6: PWON's recurring income growth (IDR bn)**



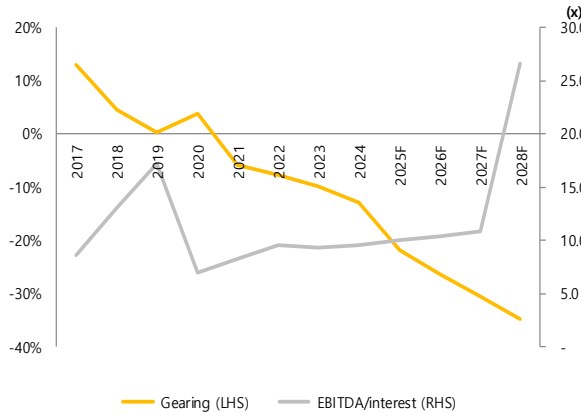
Source: Company, KBVS Research

**Exhibit 7: PWON's profitability level**



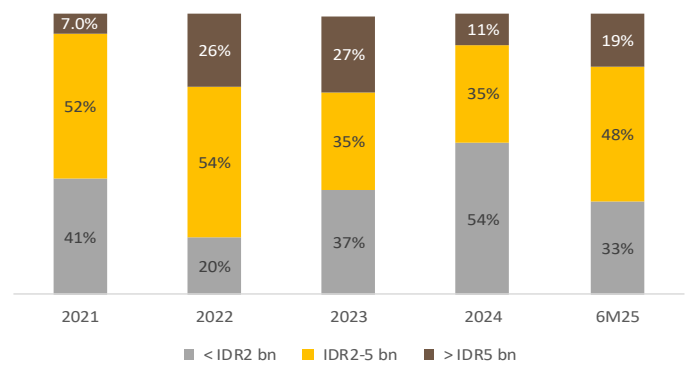
Source: Company, KBVS Research

**Exhibit 8: PWON's net gearing**



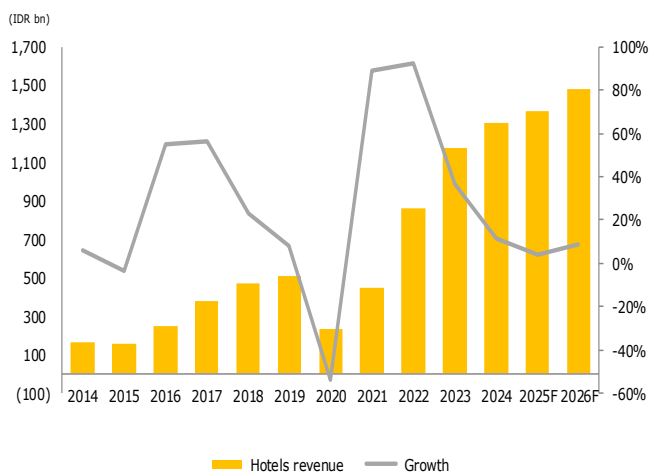
Source: Company, KBVS Research

**Exhibit 9: PWON's presales by price range**



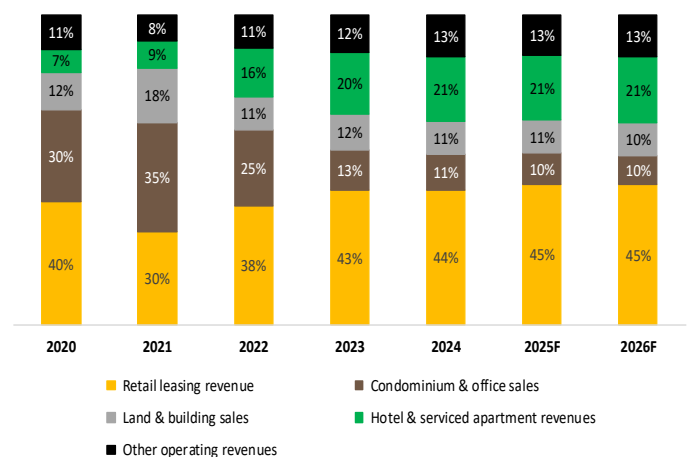
Source: Company, Bloomberg

**Exhibit 10: PWON's hotel segment revenue**



Source: Company, KBVS Research

**Exhibit 11: PWON's revenue by product category**



Source: Company, Bloomberg

## FINANCIAL TABLES

## Exhibit 12: Profit &amp; Loss summary

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>6,200</b>	<b>6,671</b>	<b>6,864</b>	<b>7,309</b>	<b>7,854</b>
Cost of revenue	(2,800)	(2,902)	(2,998)	(3,185)	(3,414)
<b>Gross profit</b>	<b>3,401</b>	<b>3,769</b>	<b>3,866</b>	<b>4,124</b>	<b>4,440</b>
Selling expenses	(224)	(306)	(326)	(415)	(536)
G&A expenses	(517)	(562)	(590)	(625)	(672)
<b>Operating profit</b>	<b>2,660</b>	<b>2,901</b>	<b>2,950</b>	<b>3,085</b>	<b>3,233</b>
<b>EBITDA</b>	<b>3,338</b>	<b>3,574</b>	<b>3,638</b>	<b>3,867</b>	<b>4,094</b>
Other op. income/exp	55	(228)	-	-	-
Finance income	412	558	410	408	409
Finance expense	(358)	(376)	(372)	(372)	(372)
Inc/loss from assoc.	-	-	-	-	-
Pre-tax profit	2,769	2,854	2,988	3,121	3,270
Tax expense	(388)	(433)	(447)	(480)	(514)
Minority interest	(277)	(347)	(381)	(396)	(413)
<b>Net profit</b>	<b>2,105</b>	<b>2,075</b>	<b>2,160</b>	<b>2,245</b>	<b>2,343</b>
EPS (IDR)	44	43	45	47	49

Source: Company, KBVS Research

## Exhibit 13: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash and equivalents	7,600	9,154	10,910	11,338	11,758
Trade receivables	262	258	262	279	300
Inventories	3,943	4,494	4,580	4,913	5,241
Net- Fixed assets	2,576	2,776	2,782	3,311	3,898
Other assets	18,329	18,688	18,681	19,755	20,917
<b>Total Assets</b>	<b>32,711</b>	<b>35,371</b>	<b>37,215</b>	<b>39,596</b>	<b>42,114</b>
Trade payables	201	270	230	245	262
Short-term debt + CMLTD	-	-	-	-	-
Long-term debt	6,130	6,436	6,210	6,210	6,210
Other liabilities	3,585	3,923	4,091	4,378	4,720
<b>Total Liabilities</b>	<b>9,915</b>	<b>10,629</b>	<b>10,532</b>	<b>10,833</b>	<b>11,192</b>
Minority interest	3,699	4,039	4,247	4,526	4,805
Paid capital	1,566	1,566	1,566	1,566	1,566
Retained earnings	17,570	19,211	20,944	22,745	24,625
Other equities	(40)	(74)	(74)	(74)	(74)
<b>Total Equity</b>	<b>22,795</b>	<b>24,742</b>	<b>26,683</b>	<b>28,763</b>	<b>30,922</b>

Source: Company, KBVS Research

**Exhibit 14: Cash flow**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net income	2,105	2,075	2,160	2,245	2,343
Depreciation & amortization	677	673	688	782	861
Change in working capital	(748)	366	123	(70)	(78)
<b>Cash flow from operations</b>	<b>2,035</b>	<b>3,113</b>	<b>2,971</b>	<b>2,957</b>	<b>3,126</b>
Capex	(1,229)	(839)	(1,000)	(2,089)	(2,189)
Others	(754)	(730)	91	(378)	(452)
<b>Cash flow from investments</b>	<b>(1,984)</b>	<b>(1,569)</b>	<b>(909)</b>	<b>(2,468)</b>	<b>(2,642)</b>
Changes in debt	(119)	306	(226)	-	-
Changes in equity	285	305	209	279	279
Dividends paid	(313)	(433)	(427)	(445)	(462)
Others	252	(168)	138	104	120
<b>Cash flow from financing</b>	<b>105</b>	<b>10</b>	<b>(306)</b>	<b>(62)</b>	<b>(63)</b>
<b>Net Cash Flow</b>	<b>156</b>	<b>1,554</b>	<b>1,756</b>	<b>428</b>	<b>420</b>

Source: Company, KBVS Research

**Exhibit 15: Ratio analysis**

Year End Dec	2023A	2024A	2025F	2026F	2027F
Revenue growth	3.6	7.6	2.9	6.5	7.5
EBIT growth	2.2	9.0	1.7	4.6	4.8
EBITDA growth	2.7	7.1	1.8	6.3	5.9
Net profit growth	36.8	(1.4)	4.1	3.9	4.3
Gross margin	54.8	56.5	56.3	56.4	56.5
EBIT margin	42.9	43.5	43.0	42.2	41.2
EBITDA margin	53.8	53.6	53.0	52.9	52.1
Net margin	34.0	31.1	31.5	30.7	29.8
ROA	6.4	5.9	5.8	5.7	5.6
ROE	9.2	8.4	8.1	7.8	7.6
Net gearing (x)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Net debt/EBITDA (x)	(0.4)	(0.8)	(1.3)	(1.3)	(1.4)
Interest coverage ratio (x)	9.3	9.5	9.8	10.4	11.0

Source: Company, KBVS Research

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