

Buy

Price (Oct 29 th , 24)	480
Target Price	595
Potential Upside	24.09%
Market Cap	23.02 T
Number of Share	48.15 B
52w Lo/Hi	426 / 530

Source : IDX | Phintraco Sekuritas Research
| as of Oct 29th, 2024

IHSG vs PWON



Source : IDX

Shareholder	%
PT Pakuwon Arthaniaga	68.68
Public	21.28
Alexander Tedja	0.02
PT Pakuwon Dharma	0.01

Source : Company | as of fin. statement 3Q24

EPS Consensus vs Forecast			
	AT	Consensus*	%Diff
2024F	65.55	53.35	+23%
2025F	69.49	56.77	+22%

Source : *marketscreener | as of Oct 29th, 2024

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Diverse Business Portfolio Maintains Profit Growth

PWON's revenue increased by 4.74% year over year to IDR4.79 trillion in 9M24. This revenue was primarily driven by space rental revenue, which contributed 31.35% of total revenue and grew 8.41% year over year to IDR1.5 trillion in 9M24. The revenue growth was also accompanied by the maintained cost of goods sold, which only increased by 0.57% yoy to IDR2.07 trillion in 9M24. As a result, PWON's Net Profit Margin (NPM) increased from 37.38% in 9M23 to 40.92% in 9M24.

PWON's diverse property business portfolio minimizes performance fluctuations due to high interest rates. Residential properties, shopping centers, hotels, and offices are PWON's portfolio, and PWON's recurring income contribution reached 31.35% in 9M24. The Net Leasable Area (NLA) of PWON malls reached 804 thousand m², increasing by 2.55% yoy with an average occupancy rate of 94% in 9M24 and is the largest compared to peers (figure 4). Meanwhile, the Net Leasable Area (NLA) of PWON offices reached 288 thousand m² with an average occupancy rate of 75% in 9M24.

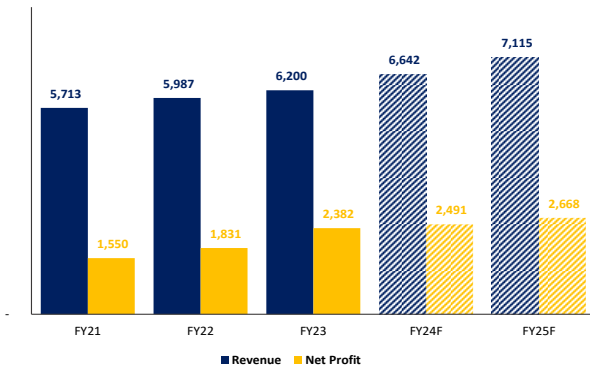
PWON continues to expand its products and actively acquires its landbank. PWON has completed the construction of three apartment towers, namely Amor, Bella, and Dolce Vita, from Pakuwon Residences Bekasi, which will be integrated with Pakuwon Mall Bekasi. The handover of the Amor Tower apartment units will begin at the end of 2024. Each unit purchased in December 2024 will receive 50% DTP VAT. Meanwhile, Pakuwon Mall Bekasi will be opened to the public in November 2024. Regarding the landbank, PWON completed the purchase of phase II land in Semarang, covering an area of 5.2 hectares, on June 6, 2024, with a transaction value of IDR 121.7 billion.

PWON targets revenue growth in marketing sales and NLA in FY24. PWON projects a 34% increase in shopping center NLA in 2023-2029. Then, office space grew 7% in 2023-2027, and a substantial increase in hotel room capacity of 75% in 2023-2030. Meanwhile, PWON has set a 15% yoy growth for marketing sales to IDR1.5 trillion in FY24. PWON has achieved 75% of the FY24 marketing sales target in 9M24. Supported by various government incentives, PWON's revenue can grow by around 7% in 2024F.

Using discounted cash flow and revalued net asset value methods, we estimate PWON's fair value to be 595 (11.52x expected P/E FY24F and 68% discount to NAV). Considering PWON's fair price, we give PWON a buy rating with a potential upside of 24.09%.

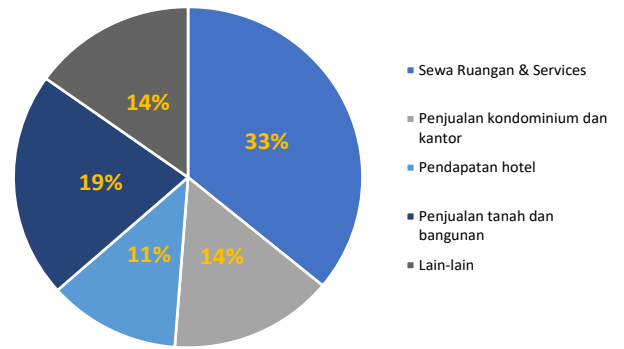
Performance Highlight

Figure 1. Financial Performance



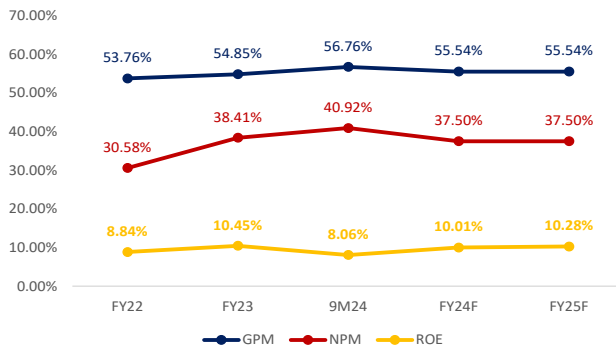
Source : Company | Phintraco Sekuritas Research

Figure 2. Revenue Breakdown PWON 9M24



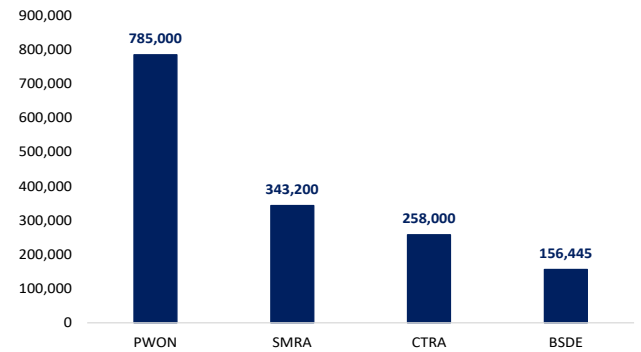
Source : Company | Phintraco Sekuritas Research

Figure 3. Profitability Ratio



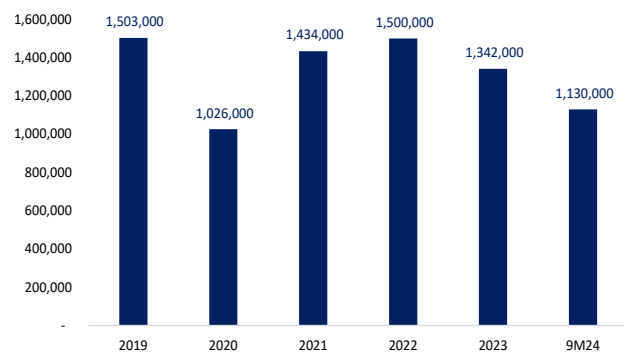
Source : Company | Phintraco Sekuritas Research

Figure 4. Property emiten Malls Net Leasable Area 6M24



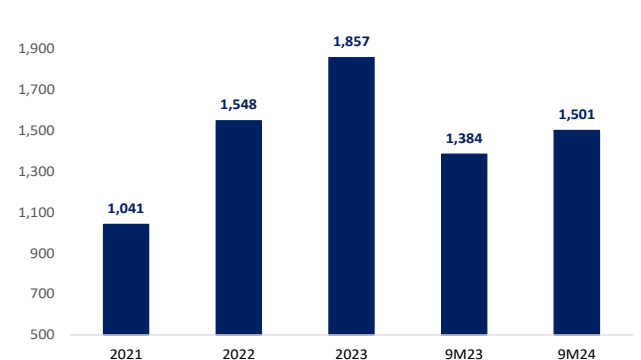
Source : Company | Phintraco Sekuritas Research

Figure 5. PWON Marketing Sales



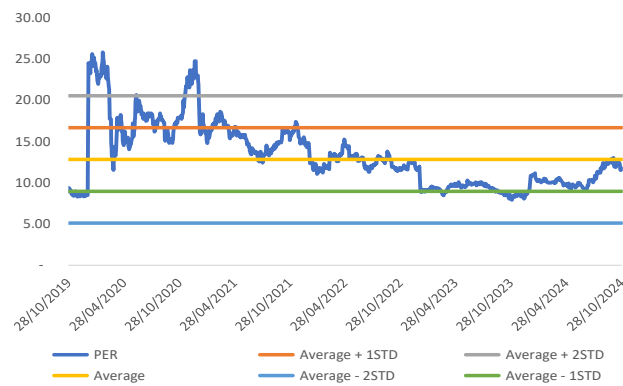
Source : Company | Phintraco Sekuritas Research

Figure 6. Recurring Income PWON



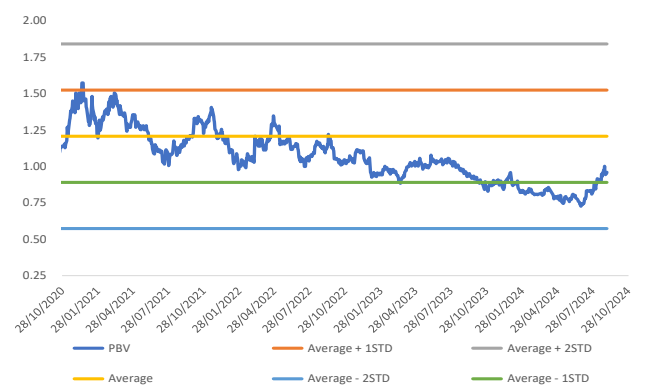
Source : Company | Phintraco Sekuritas Research

Figure 7. PWON P/E Band (5 Years)



Source : IDX | Phintraco Sekuritas Research

Figure 8. PWON P/B Band (5 Years)



Source : IDX | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24F	FY25F
Revenue	5,713	5,987	6,200	4,786	7,340	8,688
<i>Growth</i>	43.65%	4.80%	3.56%	46.76%	18.37%	18.37%
Cost of Goods Sold	(2,949)	(2,769)	(2,800)	(2,070)	(3,263)	(3,863)
Gross Profit	2,764	3,219	3,401	2,716	4,076	4,825
<i>GPM</i>	48.38%	53.76%	54.85%	56.76%	0.00%	0.00%
EBIT	1,970	2,014	2,352	1,841	2,931	3,470
<i>EBIT Margin</i>	34.47%	33.64%	37.94%	38.46%	39.94%	39.94%
Other Income/(Charge)						
Finance Income	39	165	408	406	269	318
Finance Cost	(452)	(339)	(358)	(282)	(413)	(489)
Profit Before Tax	1,564	1,840	2,402	1,965	2,783	3,295
<i>EBT Margin</i>	27.38%	30.73%	38.74%	41.05%	37.92%	37.92%
Net Profit After Tax	1,550	1,831	2,382	1,959	2,752	3,258
<i>NPM</i>	27.14%	30.58%	38.41%	40.92%	37.50%	37.50%

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24F	FY25F
Asset						
Cash	6,444	7,444	7,600	8,771	9,256	9,923
Accounts Receivable	106	102	110	182	305	361
Inventories	3,981	3,779	3,943	4,547	4,701	5,564
Total Current Assets	11,453	12,253	13,055	14,534	15,680	17,529
Fixed Assets	2,318	2,327	2,576	12,141	2,760	3,267
Total Non Current Assets	17,413	18,349	19,655	13	19,877	21,486
Total Asset	28,866	30,602	32,711	14,547	35,557	39,015
Liabilities						
Accounts Payable	215	213	201	244	210	210
Accrued Expense	186	209	229	54	235	278
Total Current Liabilities	3,019	2,634	2,532	2,760	2,570	3,003
Long-Term Debt	98	123	191	145	159	188
Contract Liabilities	332	226	355	145	241	286
Total Non Current Liabilities	6,669	7,250	7,383	260	7,722	9,141
Total Liabilities	9,688	9,884	9,915	3,021	10,291	12,144
Equity	19,178	20,718	22,795	24,298	25,266	26,871

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY25F	FY25F
Cash Flow from Operating						
Net Income	1,383	1,539	2,105	1,663	2,394	2,834
Depreciation & Amortization	163	181	186	150	29	282
Working Capital	388	226	(165)	(556)	(937)	(877)
Others	(1,012)	(412)	(583)	476	5	130
Net-CFO	922	1,534	1,543	1,733	1,491	2,369
Cash Flow from Investing						
CAPEX	218	(66)	(738)	(161)	54	(939)
Others	(126)	(189)	(435)	(223)	(212)	(789)
Net-CFI	293	(1,117)	(1,492)	(475)	(250)	(1,891)
Cash Flow from Financing						
Ch. in Lt liab.	2,107	592	(116)	(108)	483	1,216
Ch. in other non-current liab.	38	(10)	249	181	(145)	203
Equity	197	1	(28)	(160)	76	(1,229)
Net-CFF	2,342	583	105	(87)	415	190
NET CASH FLOW	3,557	1,001	156	1,171	1,656	668

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY25F	FY25F
Profitability Ratio (%)						
GPM	48.38%	53.76%	54.85%	56.76%	55.54%	55.54%
OPM (EBITDA Margin)	34.47%	33.64%	37.94%	38.46%	39.94%	39.94%
NPM	27.14%	30.58%	38.41%	40.92%	37.50%	37.50%
ROA	5.37%	5.98%	7.28%	5.67%	7.28%	7.42%
ROE	8.08%	8.84%	10.45%	8.06%	10.01%	10.28%
ROIC	6.43%	6.68%	8.30%	6.17%	7.91%	8.10%
Activity Ratio (X)						
Inventory Turnover	0.74	0.73	0.71	0.46	0.69	0.69
Receivables Turnover	53.99	58.95	56.15	26.30	24.04	24.04
Payables Turnover	13.70	13.01	13.94	8.47	14.09	15.09
Days of Inventory	492.66	498.25	514.09	801.94	525.74	525.74
Days of Receivables	6.76	6.19	6.50	13.88	15.18	15.18
Days of Payables	26.65	28.06	26.18	43.08	25.91	24.19
Leverage Ratio (%)						
Debt to Asset Ratio	23.10%	23.69%	22.57%	21.60%	20.42%	20.82%
Debt to Equity Ratio	34.77%	35.00%	32.39%	30.68%	28.09%	28.83%
Liabilities to Asset Ratio	33.56%	32.30%	30.31%	29.60%	27.28%	27.77%
Liabilities to Equity Ratio	50.51%	47.71%	43.50%	42.05%	37.51%	38.45%
Interest Rate	7.99%	5.43%	5.85%	4.68%	6.25%	6.25%
Liquidity Ratio (X)						
Current Ratio	3.79	4.65	5.16	5.27	6.43	6.47
Quick Ratio	2.17	2.87	3.04	3.24	4.07	4.10
Cash Ratio	2.13	2.83	3.00	3.18	3.96	3.98
Price Ratio						
Share Price (IDR)	464.00	456.00	454.00	455.00	455.00	455.00
Average Share Price (IDR)	487.00	460.00	455.00	454.50	227.50	455.00
Outstanding Shares (in Billion)	48.16	48.16	48.16	48.16	48.16	48.16
EPS (IDR) (annualized)	32.19	38.02	49.46	40.67	51.71	55.40
BVPS (IDR)	398.23	430.20	473.33	504.53	516.59	539.11
RPS (IDR)	118.63	124.32	128.75	99.38	137.91	147.73
PER(X)	14.41	11.99	9.18	11.19	8.80	8.21
PBV(X)	1.17	1.06	0.96	0.90	0.88	0.84
P/R(X)	3.91	3.67	3.53	4.58	3.30	3.08
Dividends						
DPS	-	3.99	6.49	6.49	6.49	6.49
DPR	-	0.11	0.13	0.16	0.13	0.12
Div. Yield	-	0.01	0.01	0.01	0.01	0.01

Source : Company | Phintraco Sekuritas Research

Glossarium

FLPP	: Pembiayaan perumahan kepada masyarakat berpenghasilan rendah
PPN	: Pajak Pertambahan Nilai
NAV	: <i>Net Asset Value</i>
BVPS	: <i>Book Value per Share</i>
CFFF	: <i>Cash Flow from Financing</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFO	: <i>Cash Flow from Operating</i>
DPR	: <i>Dividend Payout Ratio</i>
DPS	: <i>Dividend per Share</i>
EBIT	: <i>Earning Before Interest & Tax</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBT	: <i>Earning Before Tax</i>
EPS	: <i>Earning per Share</i>
EV	: <i>Enterprise Value</i>
NPM	: <i>Net Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
OPM	: <i>Operating Profit Margin</i>
PBV	: <i>Price to Book Value</i>
PER	: <i>Price to Earning Ratio</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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