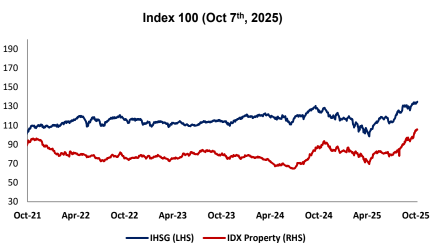
Overweight

Index (Oct 7th, 25)	961
Number of companies	92
Market Cap	635 T
52w Lo/Hi	626 / 970
6 Months Changes	41.19%
YTD Changes	26.05%

Source : *IDX | Phintraco Sekuritas Research | as of Oct 7th, 2025*

IHSG vs IDX Property



Source : *IDX*

Stock	Fair Value	Potential Upside
BSDE	1,185	+16.18%
CTRA	1,320	+45.86%
PWON	535	+46.98%
SMRA	600	+47.06%

as of Oct 7th, 2025

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Property Sector: Properties & Real Estate

Property Sales Growth Potential in 2H25

BI rate has potential to be lowered again in the remainder of 2025. Bank Indonesia cut BI rate by 25 bps to 4.75%, the Deposit Facility Rate by 50 bps to 3.75%, and the Lending Facility Rate by 25 bps to 5.50% in the BI RDG-BI on September 17, 2025. This decision is in line with the stability of the Rupiah exchange rate and aims to encourage economic growth. In the future, there is still room for BI rate cuts in the remainder of 2025. Given Indonesia's relatively solid macroeconomic conditions, where the inflation rate is in line with BI's assumptions (1.5%-3.5%) in 2025.

Residential property sales declined by 3.80% YoY and 16.72% QoQ in 2Q25. Residential property sales were pressured by three main factors: rising building material prices (19.97%), licensing/bureaucratic issues (15.13%), and mortgage interest rates (15.00%) in 6M25. Consequently, sales of small-type houses grew by 6.70% YoY, lower than +23.75% YoY in 1Q25. Furthermore, sales of large-type houses declined by 14.95% YoY, lower than the 11.69% YoY correction in 1Q25.

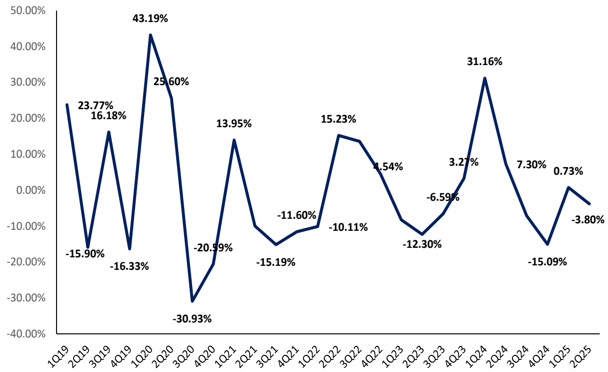
The rising trend in property prices and marketing sales. The Residential Property Price Index (IHPR) has continued to show growth over the past six years. According to data released by Bank Indonesia in 2Q25, the IHPR grew 0.90% YoY to 110.13. Furthermore, the accelerated realization of government spending in 2H25 has the potential to drive demand in the residential segment, which will increase marketing sales for all company within our coverage.

Several incentives from the government. The government will continue the Value Added Tax (VAT) Incentive program until 2026. The VAT incentive applies to houses priced between IDR 2 billion and IDR 5 billion, thus providing greater benefits to property company with larger portfolios priced between IDR 2 billion and IDR 5 billion and ready for handover in 2025. Furthermore, the government is also preparing a 2026 VAT incentive ceiling of IDR 3.4 trillion, targeting 40,000 new housing units.

The majority of property company in our coverage booked recurring income growth. Shopping centers became the revenue driver in the recurring income growth of issuers in our coverage, such as PWON and SMRA, which booked growth of 9.98% YoY and 7.69% YoY, respectively. PWON with the opening of Pakuwon Mall Bekasi with a net leasable area (NLA) of 45,000 sqm with an occupancy rate of 94% in 4Q24, PWON successfully booked an 11.99% YoY increase in mall segment revenue. SMRA with Summarecon Mall Kelapa Gading booked an increase in the mall segment of 9.19% YoY in 6M25.

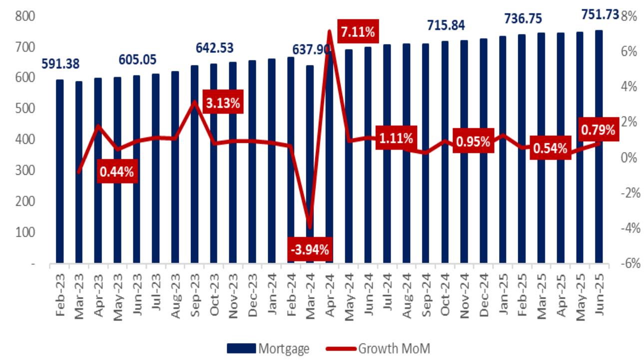
With the various catalysts above, as well as the performance of each issuer in the property sector, we make **our top picks CTRA** with a potential fair value of Rp1,320 *(full report)* **and PWON** with a potential fair value of Rp535 *(full report)*.

Figure 1. Property Sales Growth



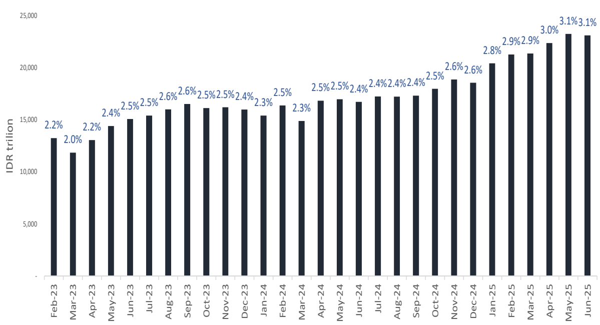
Source : BI | Phintraco Sekuritas Research

Figure 2. Mortgage Distribution (IDR Trillion)



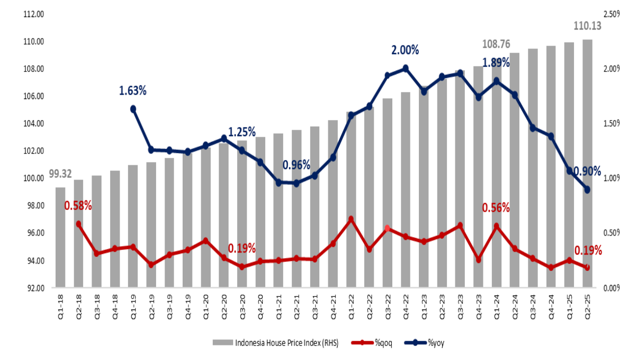
Source : OJK | Phintraco Sekuritas Research

Figure 3. Persentase NPL to Total Mortgage Loan



Source : OJK | Phintraco Sekuritas Research

Figure 4. Indonesia House Price Index



Source : BI | Phintraco Sekuritas Research

Mortgage growth is still overshadowed by worsening asset quality

According to a BI survey, home purchases in the primary market are still dominated by mortgages, accounting for 73.06% of total financing in 6M25. Annually, total mortgages grew 7.81% YoY in 6M25, down from 13.97% YoY in 6M24. Quarterly growth remained in line with the annual growth rate, with total mortgages growing 1.32% QoQ, down from 2.54% QoQ in 3M25.

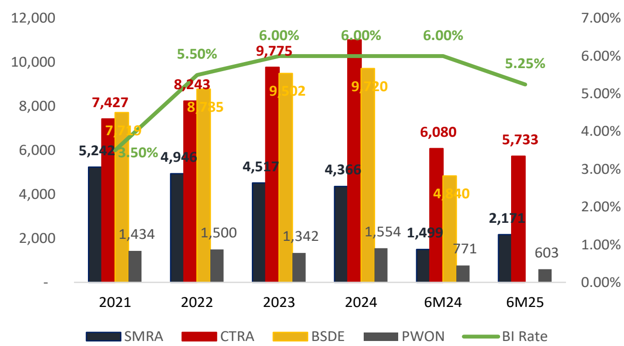
In terms of asset quality, the number of Non Performing Loan to total mortgages on a monthly basis remained stable at 3.1% in June 2025. On an annual basis, NPL booked an increase of 70 bps YoY in June 2025. This increase was in line with the rise in inflation of 27 bps MoM and 84 bps QoQ in June 2025. In addition, the Residential Property Price Index (IHPR) showed a slowdown in growth, where in 2Q25 the IHPR only booked growth of 0.90% YoY, the lowest growth in the last 5 years.

Looking ahead, there is still room for BI rate cuts in 2025. This estimate is based on the inflation rate in line with BI's assumptions (2.5% + -1% or 1.5% - 3.5%) in 2025 and the Rupiah exchange rate remaining stable in the range of Rp16,500-16,900/USD in June 2025. Along with the potential for BI rate cuts, economic growth has the potential to increase, so that mortgage growth can be higher with better asset quality.

2025 Marketing Sales Target Potentially Achievable

On a quarterly basis, residential property unit sales in the primary market declined 16.72% QoQ in 2Q25, particularly in small-house sales, which declined 26.98% QoQ. Consequently, the majority of company under our coverage showed a decline in marketing sales compared to the previous period. Meanwhile, the government's plan to extend the VAT incentive and Loan to Value discount policy until 2026 will be a positive catalyst to drive marketing sales growth in the following period.

Figure 5. Marketing Sales Vs. BI Rate



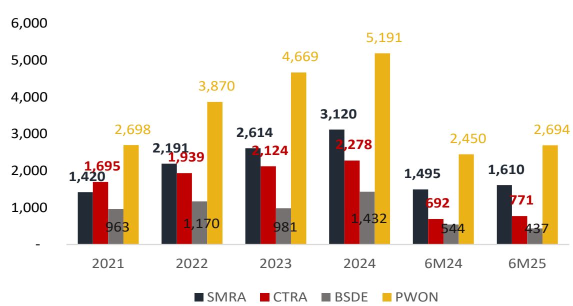
Source : BI | Phintraco Sekuritas Research

On an annual basis, SMRA achieved its best performance, with marketing sales growth of 11.45% to Rp2.1 trillion in 6M25 (compared to Rp1.5 trillion in 6M24). By diversifying its portfolio, SMRA managed to optimize marketing sales growth from Shophouse sales with an increase of 497.98% YoY to Rp592 billion in 6M25 (89.70% of the FY25F target). Based on 6M25 performance, CTRA posted the most significant marketing sales of Rp 5.73 trillion, with a realization of 51.65% of the FY25F target. Meanwhile, PWON booked a decline in marketing sales of 21.79% YoY with a realization of 40.20% of the FY25F target.

Recurring income growth trend

The majority of property company under our coverage continued to experience an increase in recurring income in 6M25. PWON successfully maintained its position as the issuer with the largest portion of recurring income, while also leading the largest increase in recurring income, which grew by 9.98% YoY to Rp2.69 trillion in 6M25. This increase was still driven by the space rental segment, originating from shopping centers, which remained the largest contributor to total recurring income. Revenue from space rental grew 11.31% YoY to Rp1.11 trillion in 6M25, with a contribution of 42.72% of total recurring income in 6M25. This revenue growth was in line with the growth in NLA from several shopping centers owned by PWON, namely Pakuwon City Mall 3 and Pakuwon Mall Bekasi, which recently began operating in 4Q24.

Figure 6. Recurring Income (In Trillion Rp)



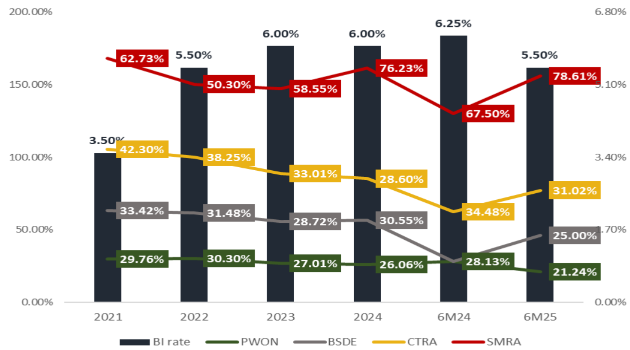
Source : Company | Phintraco Sekuritas Research

SMRA had the second highest growth position in 6M25, with Recurring income growing 7.69% YoY to Rp1.6 trillion (vs. Rp1.5 trillion in 6M24). This growth was driven by shopping centers, which rose 9.15% YoY to Rp1.08 trillion and contributed 67.13% to total recurring income. This revenue growth was driven by an increase in the average rent price of the majority of SMRA shopping centers, especially at Summarecon Vilaggio Outlet and Summarecon Mall Bandung, which began offering normal rental rates six months after opening.

Internal Funding Composition Remains Significant

According to the BI Residential Property Price Survey, internal financing remains the primary source of funding for property development among property companies. In 6M25, property issuers in Indonesia used internal funding for 78.36% of their property development, a significant increase from 77.28% in 1Q25. Other financing sources, such as bank loans and consumer payments, contributed 15.68% and 5.96%, respectively. Therefore, in terms of financing, property issuers are more resilient to interest rate fluctuations and have ample room to finance their operations through external sources.

Figure 7. Debt to Equity Ratio & BI Rate



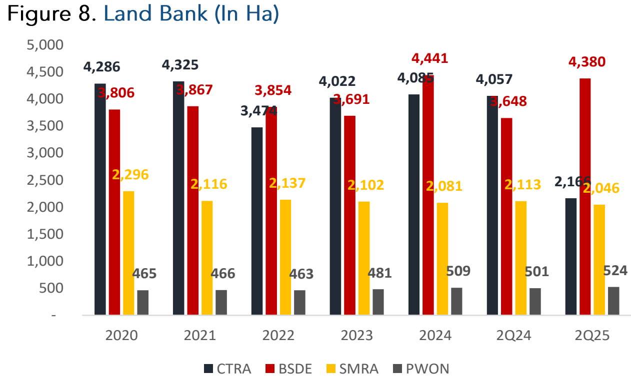
Source : BI | Company| Phintraco Sekuritas Research

All company in our coverage have debt ratios below 1 and have had a net cash position for the past three years. PWON booked the largest decline in its Debt to Equity Ratio (DER), falling 6.89% YoY to 21.24% in 6M25, its lowest level in the past five years and the lowest in our coverage. CTRA followed, recording a DER improvement, declining 3.45% YoY to 31.02% in 6M25.

Strategy in Land Bank management

Land bank management strategies vary for each property company. This is evident in the annual increases and decreases in the number of land banks over the past year. In 2Q25, BSDE and PWON booked land bank growth of 20.06% YoY and 4.55% YoY, respectively, to 4,380 ha (vs. 3,648 ha) and 524 ha (vs. 501 ha). Conversely, CTRA and SMRA booked land bank declines of 46.61% YoY and 3.17% YoY, respectively, to 2,166 ha (vs. 4,057 ha) and 2,046 ha (vs. 2,113 ha). Property issuers such as BSDE and PWON are expanding to maintain land bank availability in the future, with BSDE adding 106 ha of land for the Cibubur and Tangerang projects. However, on the other hand, property company such as CTRA and SMRA have chosen to develop their available land banks to create new sources of revenue in the future. For instance, SMRA has started developing a 100 ha land bank from the Summarecon Bandung project.

Figure 8. Land Bank (In Ha)



Source : Company | Phintraco Sekuritas Research

Financial Summary

Financial Performance		FY22	FY23	FY24	6M24	6M25
Revenue	BSDE	10,235	11,539	13,797	7,347	6,391
	CTRA	9,127	9,245	11,188	5,037	5,882
	SMRA	5,719	6,659	10,623	5,673	4,580
	PWON	5,987	6,200	6,671	3,261	3,373
COGS	BSDE	(3,409)	(5,127)	(4,980)	(2,483)	(2,332)
	CTRA	(4,559)	(4,686)	(5,925)	(2,589)	(3,085)
	SMRA	(2,720)	(3,299)	(5,162)	(2,699)	(2,281)
	PWON	(2,769)	(2,800)	(2,902)	(1,414)	(1,495)
Net Income	BSDE	2,657	2,259	4,918	2,644	1,352
	CTRA	2,002	1,909	2,328	1,132	1,321
	SMRA	772	1,058	1,842	1,012	698
	PWON	1,831	2,382	2,422	1,048	1,389
Asset	BSDE	64,999	66,828	76,023	67,863	76,641
	CTRA	42,033	44,115	47,023	46,289	47,198
	SMRA	28,432	31,168	33,534	32,053	35,377
	PWON	30,602	32,711	35,371	34,243	35,562
Liabilitas	BSDE	26,954	25,626	28,704	24,311	25,905
	CTRA	21,018	21,490	22,407	23,085	21,734
	SMRA	16,684	18,865	19,702	18,922	20,630
	PWON	9,884	9,915	10,629	10,892	10,080
Ekuitas	BSDE	38,045	41,202	47,319	43,552	50,736
	CTRA	21,015	22,625	24,615	23,203	25,464
	SMRA	11,750	12,303	13,833	13,131	14,747
	PWON	20,718	22,795	24,742	23,351	25,483
Recurring Rev	BSDE	1,170	981	1,432	544	437
	CTRA	1,939	2,124	2,278	1,130	1,137
	SMRA	2,191	2,614	3,120	1,495	1,610
	PWON	3,870	4,669	5,191	2,450	2,694

Source : Company | Phintraco Sekuritas Research

Financial Ratio

Financial Ratio		FY22	FY23	FY24	6M24	6M25
Current Ratio (X)	BSDE	2.62	2.47	2.16	2.19	2.52
	CTRA	2.20	2.42	1.99	2.20	1.70
	SMRA	1.50	1.32	1.20	1.27	1.18
	PWON	4.65	5.16	4.77	4.89	3.38
NPM	BSDE	25.96%	19.58%	31.60%	35.99%	21.15%
	CTRA	21.94%	20.65%	19.00%	22.48%	22.45%
	SMRA	13.49%	15.88%	17.00%	17.84%	15.25%
	PWON	30.58%	38.41%	36.30%	32.14%	41.18%
ROA	BSDE	4.09%	3.38%	6.47%	3.90%	1.76%
	CTRA	4.43%	4.18%	4.50%	2.45%	2.80%
	SMRA	2.20%	2.46%	5.00%	3.16%	1.97%
	PWON	5.98%	7.28%	6.85%	3.06%	3.91%
ROE	BSDE	6.98%	5.48%	10.39%	6.07%	2.66%
	CTRA	8.86%	8.16%	10.10%	4.88%	5.19%
	SMRA	5.32%	6.23%	13.00%	7.71%	4.74%
	PWON	8.84%	10.45%	9.79%	4.49%	5.45%
DER (X)	BSDE	0.13	0.19	0.19	-	0.25
	CTRA	0.40	0.34	0.32	0.34	0.31
	SMRA	0.45	0.50	0.76	0.68	0.79
	PWON	0.48	0.43	0.28	0.28	0.21
PER (X)	BSDE	0.14	0.10	0.25	0.13	0.08
	CTRA	8.71	11.36	7.80	18.33	13.40
	SMRA	12.94	8.97	4.39	8.15	8.98
	PWON	11.99	9.18	7.91	16.82	12.97
PBV (X)	BSDE	1.95	1.80	2.37	2.15	3.05
	CTRA	1.20	1.04	1.36	1.12	1.44
	SMRA	2.10	2.38	3.04	2.81	4.06
	PWON	0.94	1.04	1.29	1.32	1.41

Source : Company | Phintraco Sekuritas Research

Glossarium

CFFO	: Cash generated or used by a company's core business activities.
CFFI	: Cash inflows and outflows resulting from transactions related to the company's financing activities.
CFFF	: Cash inflows and outflows related to a company's financial activities, such as issuing or repurchasing shares, borrowing, or repaying loans.
EBITDA	: Company's profitability by excluding interest, taxes, depreciation, and amortization.
EBIT	: Company's profitability from its core operations, excluding interest expenses and taxes.
EBT	: Company's profit before accounting for income tax expenses.
OPM	: Financial ratio that measures the percentage of profit a company makes from its core operations, relative to its revenue.
NPM	: Financial ratio that shows the percentage of profit a company retains from its total revenue after all expenses, are deducted.
ROA	: Financial ratio that measures a company's ability to generate profit from its assets.
ROE	: Financial ratio that measures a company's profitability in relation to shareholders' equity.
EPS	: Portion of a company's profit allocated to each outstanding share of common stock
BVPS	: Value of a company's equity on a per-share basis.
RPS	: Amount of revenue generated for each outstanding share of a company's stock.
PER	: Financial ratio that compares a company's market price per share to its earnings per share (EPS).
PBV	: Financial ratio that compares a company's market price per share to its book value per share.
DPS	: Amount of dividend a company pays to its shareholders for each outstanding share.
DPR	: Financial ratio that shows the proportion of a company's earnings paid out as dividends to shareholders.
EV	: Total value of a company, including its market capitalization, debt, and excluding cash and cash equivalents.
NAV	: Value of a company's assets minus its liabilities, typically used to assess the value of investment funds or companies.

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Rating for Sectors :

Overweight : The sector is expected to do better than the market.

Equal Weight : The sector is expected to do an average performance compared to the market.

Underweight : The sector is expected to do worse than the market.

PHINTRACO SEKURITAS

Kantor Cabang & Mitra GI BEI