

# Pakuwon Jati (PWON): IDR 472 BUY - SSI TP: IDR 590; Cons. TP: IDR 575

## 3Q24 Results: 29 October 2024

(IDRbn)	3Q24	2Q24	3Q23	QoQ (%)	YoY (%)	9M24	9M23	YoY (%)	9M24/ SSI (%)	9M24/ Cons. (%)
Revenue	1,525	1,731	1,673	(11.9)	(8.8)	4,786	4,569	4.7	71.1	71.8
Gross Profit	869	996	893	(12.7)	(2.7)	2,716	2,511	8.2	73.7	73.9
Operating Profit	658	785	705	(16.2)	(6.6)	2,107	1,977	6.6	71.6	74.4
Net Profit	816	515	388	58.4	110.2	1,663	1,487	11.8	76.4	78.8
Core Profit	441	685	546	(35.7)	(19.2)	1,585	1,433	10.6	72.9	75.1
<b>Key Ratios</b>										
GPM (%)	57.0	57.5	53.4	-	-	56.8	55.0	-	-	-
OPM (%)	43.2	45.4	42.1	-	-	44.0	43.3	-	-	-
NPM (%)	53.5	29.8	23.2	-	-	34.7	32.5	-	-	-

## SWOT Analysis of The Results (In-line)

### Strength

Hospitality income (24% of top-line) jumped +21% QoQ/+10% YoY in 3Q24 on the back of seasonality, leading to +9% QoQ/+12% YoY increase in recurring revenue (89%) to IDR 1.3tn; IDR 375bn forex gain provided additional boost to net profit (2Q24: -IDR 170bn forex loss)

### Weakness

In 3Q24, development revenue (11% of sales) saw considerable decline of -65% QoQ/-63% YoY to IDR 170bn, driven mainly by low handover; VAT-exempted pre-sales fell -37% YoY to IDR 177bn in 3Q24 amid weak purchasing power

### Opportunity

PWON has high proportion of mortgage payers, c. 50%, and will therefore benefit from the anticipated rate cuts; unexciting Ytd market performance provides investors with buying opportunities

### Threat

Rupiah depreciation may hinder PWON's net profit growth, as forex gains account for 37% of the company's pre-tax profit; 6M market outperformance may lead to some profit-taking

## Peer Comparables

Ticker	Market Cap. (IDR Tn)	Last Price (IDR)	Target Price (IDR)	Disc. to NAV (%)	2024F				
					9M24 MS/Land (%)	P/B (x)	P/E (x)	EPS Gwt (%)	Div. Yield (%)
BSDE IJ	26.0	1,225	1,500	76.7	4.2	0.6	7.4	39.6	0.7
MKPI IJ	25.3	26,700	32,000	58.4	-	3.7	26.9	12.0	2.0
CTRA IJ	24.5	1,315	1,600	57.4	2.8	1.1	11.7	17.6	1.3
PWON IJ	23.1	472	590	51.9	7.9	1.1	11.0	6.2	1.8
SMRA IJ	10.9	645	800	85.7	0.9	1.0	9.6	32.5	1.4
<b>Sector</b>	<b>110</b>			<b>63.8</b>	<b>3.4</b>	<b>1.6</b>	<b>13.8</b>	<b>20.6</b>	<b>1.4</b>

## Relative Performance vs JCI

