



**NOT RATED**

## Stock Data

Current Price	: IDR133
52wk Range H-L	: IDR121-161
Share Outstanding	: 74,079 mn
Free Float (%)	: 79.27
Mkt Capitalization (IDR bn)	: 9,852

## Major Shareholders

PT MNC Investama Tbk	: 18.57%
HT Investment Development Ltd	: 11.85%
UOB Kay Hian Hongkong Ltd	: 10.00%
MNC Media Investment Ltd	: 7.41%
Public	: 52.16%



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## PT MNC LAND Tbk (KPIG)

Tourism, Restaurant and Hotel Sector

### Revealing the Big Picture

#### The Pre-launch Trump Residences: World's most Prestigious Brand

Since its success in renovating the Commodore Hotel and the facade of Grand Central Terminal in 1976, Trump has become the ultimate luxury brand in residential, hotels, mixed use and golf course properties with finest amenities for more than four decades. Sharing the same vision of redefining and elevating the standard of luxury living, KPIG collaborated with Trump in developing Trump Residences Bali and Trump Residences Lido, by emphasizing on 3 success factors including strategic location, service and luxury. Trump Residences Bali plans to build a 224-unit condominium and 144 villas with luxurious designs, offering a panoramic view of the Indian Ocean as well as Pura Tanah Lot, an ancient Hindu Temple and one of the most historic landmarks of Bali. Trump Residences Lido, a place for today's discerning homeowners who appreciate beauty in all of its forms and perfection, will culminate in 281 villas and mansions and a 180-unit condominium. Both project offer residents 24/7 white-glove services and world-class privileges such as an Exclusive Membership at Trump International Golf Club to be constructed later in FY19E. On August 13<sup>th</sup>, 2019, KPIG together with The Trump Organization and Donald Trump Jr. successfully held a pre-launch event to promote Trump Residences Indonesia.

#### Lido Lake Resort is Expanding!

Envisioned as a Live, Work and Play destination, MNC Lido City project progresses with Lido Lake Resort being one of the most recent developments. Operating since November 2018, the resort has reached an average occupancy rate of more than 50% in such short period of time. Seeing such good performance, KPIG plans to construct a new building adjacent to the hotel with 125 rooms, a ballroom and MICE venues in order to accommodate growing demand. The plan will be implemented in 4Q19E.

#### Adapting the Concept of Co-working

As technology progresses, the number of entrepreneurs in Indonesia has been increasing. As the cost of renting office buildings is relatively expensive, there has been a lot of demand for co-working spaces. The Company took advantage of the opportunity by building co-working spaces in Park Tower Jakarta and BEI Building Surabaya, providing a total co-working space area of around 5,800 sqm.

#### Finalizing Ongoing Project

Several KPIG's projects have reached a stage of finalization, including Park Hyatt Jakarta as the first and the only Park Hyatt in Indonesia which is currently in the interior finalization stage with soft opening planned in 4Q19E. Meanwhile in MNC Lido City, the company continues to develop macro infrastructure around the area and its supporting facilities including national park and the largest outbound facilities in Indonesia. Furthermore, an 18-hole PGA standard golf course designed by Ernie Els has reached 70% completion while MNC Park is currently in the process of selecting rides and site preparation.

**Financial Performance in 1H19: Rocketing Up!**

KPIG recorded a 19.59% YoY increase in revenue amounting to IDR528.45 billion in 1H19. The hotel, resort and golf division which held the Company's main business with the largest contribution of around 41.83% showed an increase of 12.20% YoY to IDR221.08 billion (vs IDR197.04 billion in 1H18). The Property and Security Management Services generated the highest growth of 59.50% YoY or IDR187.19 billion, while the office space rental division also grew by 4.75% YoY or worth IDR91.48 billion in 1H19. Weakening purchasing power and the rise of inflation to 16.31% YTD led to a reduction in property demand which could be seen from a 28.50% YoY decline in the Company's non-recurring income in 1H19. However in the Company's bottom line, net profit showed an increase to IDR313.72 billion (vs IDR5,70 billion in 1H18) which kept the Net Profit Margin (NPM) stable at 59.37% in 1H19. This overall improvement is expected to continue as a result of several completions and operations of KPIG's project in 4Q19E. **Recommendation: Not Rated.**

Exhibit 01. Donald Trump Jr attends the Pre-launch of Trump Residences (August 12<sup>th</sup>, 2019)

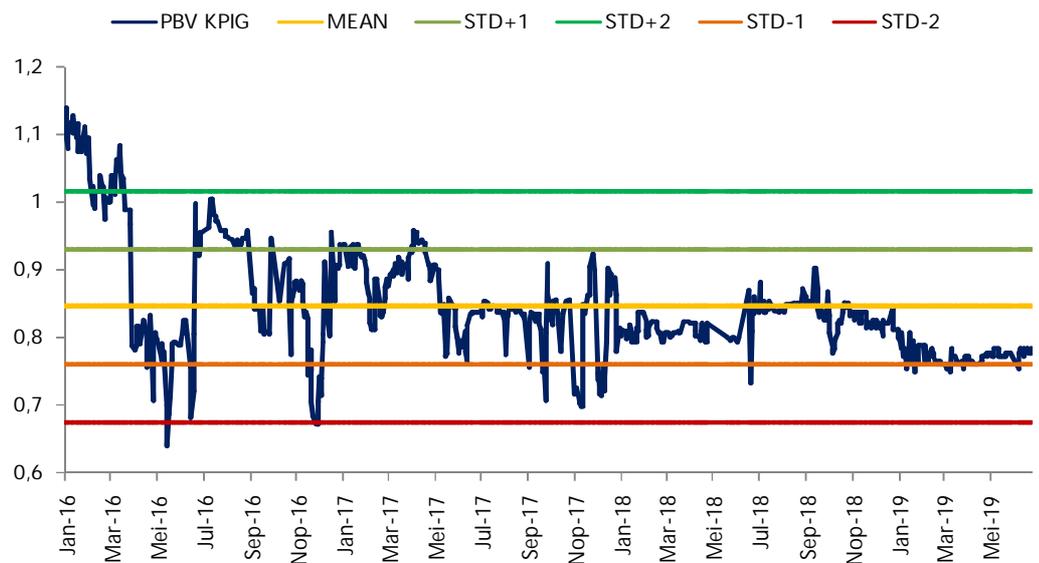


Sumber: Bloomberg, MNCS

Key Financial Highlight					
In Billion IDR	2015	2016	2017	2018	1H19
Revenue	1,139.37	946.47	938.27	992.45	528.45
EBITDA	372.39	204.00	157.15	154.58	94.92
EBITDA Margin (%)	32.68	21.55	16.75	15.58	17.96
Net Profit	228.24	1,770.79	1,295.32	619.84	313.73
Net Profit Margin (%)	20.03	187.09	138.05	62.46	59.37
ROA (%)	2.05	12.51	8.45	3.54	1.26
ROE (%)	2.57	15.72	10.48	4.79	1.54

Sumber: Bloomberg, MNCS

**Exhibit 02. KPIG is Currently Trading at Level -1 STD PBV Ratio (3-Year average PBV)**



Sumber: Bloomberg, MNCS

**Exhibit 03. Financial Summary**

Income Statement						Balance Sheet					
IDR Billion	FY15	FY16	FY17	FY18	1H19	IDR Billion	FY15	FY16	FY17	FY18	1H19
<b>Revenue</b>	<b>1,139.37</b>	<b>946.47</b>	<b>938.27</b>	<b>992.45</b>	<b>528.45</b>	Cash and cash equivalents	330.11	192.62	196.36	289.24	167.05
Cost of sales	600.76	585.14	573.18	566.37	330.87	Trade Receivables	90.84	115.86	108.00	179.45	230.86
<b>Gross Profit</b>	<b>538.62</b>	<b>361.34</b>	<b>365.09</b>	<b>426.08</b>	<b>197.58</b>	Inventory	947.76	975.56	1,031.27	1,153.05	1,307.69
Operating Expenses	336.22	325.69	356.86	356.51	145.68	Other Current Assets	894.32	4,082.81	2,537.37	2,481.80	1,718.15
<b>Operating Profit</b>	<b>202.40</b>	<b>35.65</b>	<b>8.23</b>	<b>69.57</b>	<b>51.90</b>	<b>Total Current Assets</b>	<b>2,263.03</b>	<b>5,366.86</b>	<b>3,873.00</b>	<b>4,103.54</b>	<b>3,423.75</b>
Interest Income	6.81	31.76	6.33	8.05	1.11	Fixed Assets - net	6,814.04	7,745.93	10,245.59	12,094.47	20,205.69
Interest Expenses	70.83	86.86	129.16	164.04	64.22	Other Non-Current Assets	2,050.24	1,044.64	1,208.57	1,323.35	1,341.59
Other Income (expenses)-net	123.56	1,809.11	1,424.56	782.60	329.80	<b>Total Non-Current Assets</b>	<b>8,864.29</b>	<b>8,790.57</b>	<b>11,454.16</b>	<b>13,417.83</b>	<b>21,547.28</b>
<b>Profit Before Tax</b>	<b>261.94</b>	<b>1,789.65</b>	<b>1,309.96</b>	<b>696.18</b>	<b>318.59</b>	<b>TOTAL ASSETS</b>	<b>11,127.32</b>	<b>14,157.43</b>	<b>15,327.16</b>	<b>17,521.36</b>	<b>24,971.02</b>
Tax Expenses-net	22.25	(11.17)	(5.27)	30.70	1.44	Trade Payables	65.16	113.02	200.49	207.54	232.51
Minority Interest	11.45	30.04	19.91	45.64	3.42	Short-term Debt	284.31	553.93	194.68	419.33	602.70
<b>Net Income</b>	<b>228.24</b>	<b>1,770.79</b>	<b>1,295.32</b>	<b>619.84</b>	<b>313.73</b>	Other current liabilities	283.74	325.56	168.41	421.32	414.48
EPS (full amount)	<b>33.12</b>	<b>256.97</b>	<b>174.86</b>	<b>8.37</b>	<b>4.24</b>	<b>Total Current Liabilities</b>	<b>633.21</b>	<b>992.52</b>	<b>563.59</b>	<b>1,048.19</b>	<b>1,249.69</b>
						Long-term Debt	1,444.24	1,662.98	2,187.54	3,325.56	3,167.09
						Other Long-term liabilities	174.58	238.31	212.04	208.26	211.92
						<b>Total Long-term Liabilities</b>	<b>1,618.83</b>	<b>1,901.28</b>	<b>2,399.58</b>	<b>3,533.81</b>	<b>3,379.01</b>
						<b>Total Equity</b>	<b>8,875.28</b>	<b>11,263.63</b>	<b>12,363.99</b>	<b>12,939.36</b>	<b>20,342.33</b>

Cash Flow						Ratios					
IDR Billion	FY15	FY16	FY17	FY18	1H19	Ratio	FY15	FY16	FY17	FY18	1H19
Cash Receipt from Customers	1,159.43	894.82	883.86	945.07	482.59	<b>Growth Year on Year</b>					
Cash Receipt from Interest and Dividend Income	6.81	31.76	6.33	8.04	1.11	Revenue Growth (%)	12.46%	-16.93%	-0.87%	5.77%	19.59%
Cash Paid to Suppliers and Employees	(783.92)	(678.63)	(861.70)	(841.86)	(433.40)	Gross Profit Growth (%)	11.52%	-32.91%	1.04%	16.71%	6.56%
Others	(108.36)	(149.79)	(173.57)	(198.72)	(95.38)	EBITDA Growth (%)	6.49%	-45.22%	-22.96%	-1.64%	12.63%
<b>CFO Total</b>	<b>273.96</b>	<b>98.16</b>	<b>(145.08)</b>	<b>(87.47)</b>	<b>(45.09)</b>	Net Income Growth (%)	-41.05%	675.83%	-26.85%	-52.15%	5404.76%
Capital Expenditure	(1,020.60)	(1,299.91)	(1,121.32)	(1,131.51)	(617.99)	Current Ratio (x)	3.57	5.41	6.87	3.91	2.74
Others	(253.25)	631.66	312.00	(60.70)	528.07	Quick Ratio (x)	2.08	4.42	5.04	2.81	1.69
<b>CFI</b>	<b>(1,273.85)</b>	<b>(668.26)</b>	<b>(809.31)</b>	<b>(1,192.21)</b>	<b>(89.92)</b>	Asset/Liabilities (x)	6.44	6.39	6.43	4.68	6.62
Dividend Paid	(76.32)	(46.51)	(1.46)	(9.34)	(23.01)	Liabilities/Equity (x)	0.19	0.20	0.19	0.29	0.19
Net Change in Debt	453.92	562.27	164.09	879.65	84.37	GPM (%)	47.27	38.18	38.91	42.93	37.39
Equity Fund Raised	557.05	-	747.36	-	-	OPM (%)	17.76	3.77	0.88	7.01	9.82
Others	121.31	(82.41)	47.91	502.15	(48.56)	EBITDA Margin(%)	32.68	21.55	16.75	15.58	17.96
<b>CFF</b>	<b>1,055.96</b>	<b>433.34</b>	<b>957.90</b>	<b>1,372.46</b>	<b>12.81</b>	NPM( %)	20.03	187.09	138.05	62.46	59.37
Net Cash Increase	<b>56.07</b>	<b>(136.76)</b>	<b>3.50</b>	<b>92.78</b>	<b>(122.20)</b>	ROA (%)	2.05	12.51	8.45	3.54	1.26
Closing Balance	<b>330.11</b>	<b>192.62</b>	<b>196.36</b>	<b>289.24</b>	<b>167.05</b>	ROE (%)	2.57	15.72	10.48	4.79	1.54

Sumber: Company, MNCS

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### MNC Research Investment Ratings Guidance

**BUY** : Share price may exceed 10% over the next 12 months

**HOLD** : Share price may fall within the range of +/- 10% of the next 12 months

**SELL** : Share price may fall by more than 10% over the next 12 months

**Not Rated** : Stock is not within regular research coverage

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