

PT Jasa Marga (Persero), Tbk

BUY

Investment Consideration

Transaction volume continue to grow

- JSMR's traffic or toll transaction volume has shown strong growth, increasing by +8.3% YoY in 1Q2023. Subsidiary toll road transaction volumes have increased by +12.3% YoY, primarily driven by the Nusa Dua – Bena toll road's remarkable growth of +121.3%. Additionally, the parent-level transaction volumes have grown by +7.7% YoY, with significant growth from the Cawang – Cengkareng toll road at +16.2%.
- JSMR's consolidated toll and other operating revenue reached IDR 3.38 trillion, a +6% YoY growth in 1Q2023. JSMR's subsidiaries contributed to this growth with a +20% YoY increase to IDR 706.2 billion, while the parent company achieved +14.4% YoY growth to IDR 2.31 trillion.
- Revenue from new toll roads has also increased from IDR 1.76 trillion in 1Q2022 to IDR 1.91 trillion in 1Q2023, representing an +8.4% YoY growth.
- During the Lebaran period, JSMR achieved another record with transaction volume growth of +1.4% and record revenue of IDR 907.6 billion. With this accomplishment, we expect higher revenue for 2Q2023.
- Given the continued volume increase and expected tariff adjustments, our target is for JSMR toll and other operating revenues to grow by +8.7% YoY to IDR 14.98 trillion.

1Q2023: Margin improvement

- After a strong performance in 4Q2022 due to a one-off gain from the divestment of the MBZ toll road, JSMR has shown a margin improvement YoY, primarily driven by a tariff adjustment in early 2023.
- JSMR's net profit for 1Q2023 grew by +26.7% YoY to IDR 497 billion, resulting in a higher net profit margin (NPM) of 14.7%.
- The company's operating income increased by +2.5% YoY to IDR 1.58 trillion, aligning with higher general and administration expenses (+37% YoY), particularly in salaries and allowances, which increased by +44% YoY, leading to a slightly lower operating profit margin (OPM) of +46.8%.
- JSMR's finance costs decreased by -16% YoY, positively impacting the higher NPM of 14.7% in 1Q2023.
- Moreover, JSMR achieved an EBITDA of IDR 2.18 trillion in 1Q2023, which is +0.1% YoY growth. The management is targeting EBITDA growth of >10% in 2023, with an EBITDA margin range of 60%-65%.

Valuation: TP 5,440, Maintain BUY

- Our target share price for JSMR is IDR 5,440, which would mean a 2024F PE of 16x, and offers investors a potential return of 42%. We maintain our recommendation to BUY.

Financial Highlights	2020A	2021A	2022A	2023F	2024F
Toll and other operating revenue (IDR Mn)	9.587.720	11.776.401	13.782.558	14.976.562	16.466.557
Operating Income (IDR Mn)	4.465.992	6.719.673	7.383.007	7.287.210	8.311.589
EBITDA (IDR Mn)	5.976.747	7.869.243	10.039.389	9.910.487	10.327.484
Net Income (IDR Mn)	501.047	1.615.249	2.746.884	2.427.777	3.023.984
EPS (IDR)	69	223	378	335	417
EBITDA Margin (%)	62%	67%	73%	66%	63%
NPM (%)	5%	14%	20%	16%	18%
PBV (x)	2	1	1	1	1
PER (x)	67	17	9	16	13
Tot. Deb / Equity (X)	4,2	3,7	3,0	2,3	1,6
Int. Coverage (x)	(0,0)	0,2	0,6	0,5	0,7

Sources: Company and Binaartha

5 July 2023
Infrastructure, Toll Road

Price	IDR	3,830
Target Price	IDR	5,440
JKSE Index		6,681.750



Stock Information

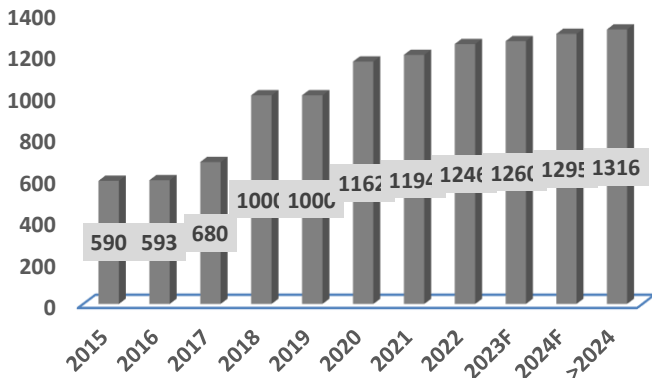
Bloomberg Code	JSMR IJ
Market Cap (IDR bn)	27,797.6
52-week high (IDR)	3,960
52-week low (IDR)	2,770
Shares issued (mn)	7,257.9
Free float (%)	30%

Major share holders	(%)
Government RI	70%
Public	30%

USD/ IDR – YE (IDR)	
2022	15,592
2023F (6m-avg)	15,054

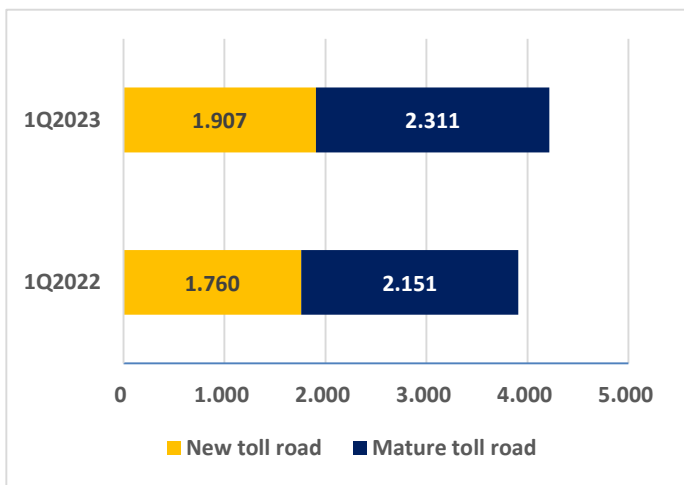
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Chart: Operated Toll Road (in KM)



Sources: Company

Chart: Toll Revenue Mature vs New Toll in IDR Billion



Sources: Company

Chart: Total traffic JSMR Group on Lebaran Festive (from H-7 untin H+7) in million transaction

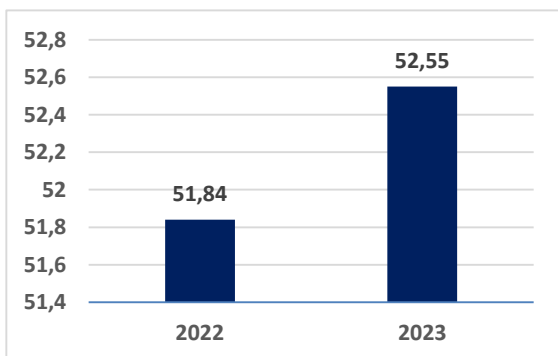


Table: Additional Operated Toll Road in 2023 (35 km)

Section	Length (km)
1 Jakarta - Cikampek II South (Section III)	31,25
2 JPRR2: Cinere - Serpong Section II	3,64

Table: Additional Operated Toll Road 2024 (43 km)

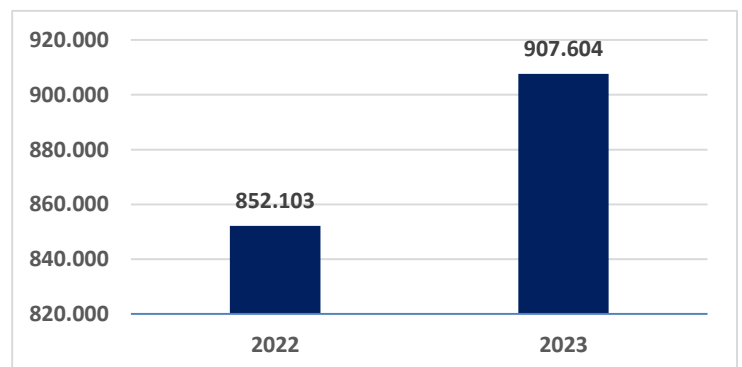
Section	Length (km)
1 Jakarta - Cikampek II South (Section IIB)	12,45
2 Jogja - Bawen (Section I)	8,25
3 Jogja - Solo (Section IA)	22,3

Table: Additional Operated Toll Road >2024 (398 km)

Section	Length (km)
1 Bogor Ring Road (Section IIIB)	1,01
2 Jakarta - Cikampek II South (Section I-IIA)	18,30
3 Probolinggo - Banyuwangi (I-III)	171,50
4 Ngawi - Kertosono (Section V)	27,90
5 Jogja - Bawen (Section II - VI)	67,57
6 Jogja - Solo (Section IB - III)	74,27
7 Akses Patimban	37,05

Sources: Company

Chart: Total revenue JSMR Group on Lebaran Festive (from H-7 untin H+7) in million IDR



Sources: Company

Table: Income Statement in IDR Million QoQ & YoY

Income Statement (IDR. Mn)	1Q2022	1Q2023	YoY	4Q2022	QoQ
Toll and other operating revenues	3.195.969	3.388.134	6,0%	3.568.993	-5,1%
Construction revenue	472.905	1.057.351	123,6%	1.292.970	-18,2%
Total Revenue	3.668.874	4.445.485	21,2%	4.861.963	-8,6%
Toll and other operating expenses	-1.388.368	-1.466.738	5,6%	-1.717.138	-14,6%
Construction expenses	-467.260	-1.049.067	124,5%	-1.283.593	-18,3%
Total Cost of revenue	-1.855.628	-2.515.805	35,6%	-3.000.731	-16,2%
Gross Profit	1.813.246	1.929.680	6,4%	1.861.232	3,7%
Operating Expense	-267.132	-344.569	29,0%	1.339.869	-125,7%
Operating Income	1.546.114	1.585.111	2,5%	3.201.101	-50,5%
Other Income	-908.467	-770.480	-15,2%	-975.983	-21,1%
Profit Before Tax	637.647	814.631	27,8%	2.225.118	-63,4%
Taxes	-358.390	-388.661	8,4%	-619.490	-37,3%
NIAT	279.257	425.970	52,5%	1.605.628	-73,5%
Non-controlling Interest	113.547	71.590	-37,0%	135.091	-47,0%
Net Income	392.804	497.560	26,7%	1.740.719	-71,4%
EPS (in IDR)	54	69	26,7%	240	-71,4%
	GPM	56,7%	57,0%	52,2%	
	OPM	48,4%	46,8%	89,7%	
	NPM	12,3%	14,7%	48,8%	

Sources: Company and Binaartha

Table: Income Statement in IDR Million YoY

	2019A	2020A	2021A	2022A	2023F	2024F
Toll and other operating revenues	10.984.104	9.587.720	11.776.401	13.782.558	14.976.562	16.466.557
Construction revenue	15.361.156	4.116.301	3.393.151	2.800.291	4.200.437	5.040.524
Total Revenue	26.345.260	13.704.021	15.169.552	16.582.849	19.176.998	21.507.081
Toll and other operating expenses	-4.634.241	-4.274.949	-5.305.620	-6.391.616	-6.484.851	-7.130.019
Construction expenses	-15.266.376	-4.074.539	-3.361.823	-2.773.136	-4.158.432	-4.990.119
Total Cost of revenue	-19.900.617	-8.349.488	-8.667.443	-9.164.752	-10.643.283	-12.120.138
Gross Profit	6.444.643	5.354.533	6.502.109	7.418.097	8.533.715	9.386.943
Operating Expense	-587.381	-888.541	217.564	-35.090	-1.246.505	-1.075.354
Operating Income	5.857.262	4.465.992	6.719.673	7.383.007	7.287.210	8.311.589
Other Income	-2.759.659	-3.769.541	-4.647.220	-3.657.212	-3.835.400	-4.301.416
Profit Before Tax	3.097.603	696.451	2.072.453	3.725.795	3.451.810	4.010.173
Taxes	-1.023.715	-738.080	-1.201.217	-1.402.087	-1.311.688	-1.523.866
NIAT	2.073.888	-41.629	871.236	2.323.708	2.140.122	2.486.307
Non-controlling Interest	133.229	542.676	744.013	423.176	287.655	537.677
Net Income	2.207.117	501.047	1.615.249	2.746.884	2.427.777	3.023.984
EPS (in IDR)	304,1	69,0	222,6	378,5	334,5	416,7
EBITDA	6.906.932	5.976.747	7.869.243	10.039.389	9.910.487	10.327.484
Shares	7.258	7.258	7.258	7.258	7.258	7.258

Sources: Company and Binaartha

Table: Statement of Financial Position of JSMR in IDR Million YoY

Statement of Financial Position (In IDR Mn)	2019A	2020A	2021A	2022A	2023F	2024F
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	4.341.601	4.597.204	6.279.089	8.429.118	8.639.111	9.385.703
Trade Accounts Receivable	6.270.361	4.418.103	2.032.306	1.339.992	1.549.615	1.737.899
Inventories	61.136	137.744	139.402	98.627	114.056	127.914
Others Current Assets	939.468	1.552.944	1.911.079	2.619.475	2.539.447	2.848.000
Total Current Assets	11.612.566	10.705.995	10.361.876	12.487.212	12.842.228	14.099.515
NONCURRENT ASSETS						
Fixed Assets	714.262	746.237	833.394	360.716	540.345	809.425
Intangible Assets	78.620.143	83.443.064	79.256.534	66.979.662	69.228.285	71.552.398
Other Noncurrent Assets	8.732.599	9.191.350	10.791.080	11.311.592	12.656.758	14.194.605
Total Noncurrent Assets	88.067.004	93.380.651	90.881.008	78.651.970	82.425.388	86.556.429
TOTAL ASSETS	99.679.570	104.086.647	101.242.884	91.139.182	95.267.616	100.655.944
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Bank Loans	5.245.935	3.694.263	1.057.861	1.853.174	1.853.174	1.953.174
Contractors Payable	551.612	1.883.433	1.290.243	457.783	529.397	593.720
Account Payable	404.235	325.160	433.025	5.224.379	547.420	613.934
Current maturities of long term liabilities	11.885.400	1.976.842	2.781.255	1.460.527	1.960.527	2.460.527
Others Current Liabilities	23.439.235	7.048.989	6.452.199	3.147.125	8.156.721	7.527.478
Total Current Liabilities	41.526.417	14.928.687	12.014.583	12.142.988	13.047.239	13.148.834
NONCURRENT LIABILITIES						
Long-term contractors payable	568.239	754.833	362.814	213.454	246.846	276.839
Long-term liabilities - net of current liabilities	29.389.974	56.270.386	56.451.902	47.583.513	45.622.986	41.162.459
Others Noncurrent Liabilities	5.009.203	7.357.125	6.913.270	5.577.838	4.794.250	4.301.416
Total Noncurrent Liabilities	34.967.416	64.382.344	63.727.986	53.374.805	50.664.081	45.740.714
TOTAL LIABILITIES	76.493.833	79.311.031	75.742.569	65.517.793	63.711.321	58.889.547
Non-controlling interest	4.503.057	5.701.126	4.894.464	3.795.786	4.389.582	4.922.934
EQUITY	18.682.680	19.074.489	20.605.851	21.825.603	27.166.713	36.843.463
TOTAL LIABILITIES & EQUITY	99.679.570	104.086.646	101.242.884	91.139.182	95.267.616	100.655.944

Table: Cash Flow in IDR Million YoY

Cash Flow (In IDR Mn)	2020A	2021A	2022A	2023F	2024F
Net Income	501.047	1.615.249	2.746.884	2.427.777	3.023.984
Depreciation	145.665	129.188	179.629	179.629	269.080
Change in WC	-25.435.556	-888.100	153.098	759.228	-409.101
Cash From Operating Activities	-24.788.844	856.337	3.079.611	3.366.635	2.883.963
Change in Non-Current Asset	-5.459.312	2.370.455	12.049.409	-3.953.047	-4.400.121
Cash From Investing Activities	-5.459.312	2.370.455	12.049.409	-3.953.047	-4.400.121
Long-term contractors payable	186.594	-392.019	-149.360	33.392	29.993
Long-term liabilities - net of current liabilities	26.880.412	181.516	-8.868.389	-1.960.527	-4.460.527
Others Noncurrent Liabilities	2.347.922	-443.855	-1.335.432	-783.588	-492.833
Equity	1.088.831	-890.549	-2.625.810	3.507.129	7.186.117
Cash From Financing Activities	30.503.759	-1.544.907	-12.978.991	796.406	2.262.749
Net Changes in Cash	255.603	1.681.885	2.150.029	209.993	746.592
Beginning Balance	4.341.601	4.597.204	6.279.089	8.429.118	8.639.111
Ending Balance	4.597.204	6.279.089	8.429.118	8.639.111	9.385.703

Table: Ratio Highlights YoY

Growth (% YoY)	2020A	2021A	2022A	2023F	2024F
Revenue	-48%	11%	9%	16%	12%
GP	-17%	21%	14%	15%	10%
OP	-24%	50%	10%	-1%	14%
EBITDA	-13%	32%	28%	-1%	4%
NP	-77%	222%	70%	-12%	25%
EPS	-13%	32%	28%	-1%	4%
Profitability					
Operating Margin(%)	47%	57%	54%	49%	50%
EBITDA margin(%)	62%	67%	73%	66%	63%
NET Profit margin(%)	5%	14%	20%	16%	18%
ROA(%)	0%	2%	3%	3%	3%
ROE(%)	3%	8%	13%	9%	8%
Stability					
Tot debt/ equity (x)	4,2	3,7	3,0	2,3	1,6
Int. Coverage (x)	(0,0)	0,2	0,6	0,5	0,7
Current Ratio (X)	0,7	0,9	1,0	1,0	1,1
Per Share data					
EPS (IDR)	69	223	378	335	417
PBV (x)	2	1	1	1	1
PER (x)	67	17	9	16	13
EBITDA/share	823	1.084	1.383	1.365	1.423

Stock Ratings:

Buy : a recommendation to purchase the security with upside potential of **20% or greater**

Hold : a recommendation to neither buy nor sell a security with upside potential of **0-19%**.

Sel : a recommendation to close out a long position in a security with upside potential **below 0% or negative**.

RESEARCH TEAM
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