

Investment Consideration

104% growth in new contracts

As of 1Q23, TOTL secured new contracts amounting to IDR 592 billion, marking a significant increase of 104% compared to the new contracts worth IDR 290 billion in 1Q22. The majority of these contracts include high-rise residential projects (26%), utilities (25%), industrial developments (20%), shopping centers (16%), office buildings (7%), and educational facilities (6%). The majority of the new contracts are concentrated in Java-Bali (85%), with the remaining 6% and 5% in other regions and Sumatra, respectively. As of May 2023, the total value of TOTL's new contracts has reached IDR 619 billion. Given the company's active participation in various project tenders, we expect it to achieve its new contract target for 2023.

Flat Growth in Construction Revenue during 1Q23

During 1Q23, TOTL reported total revenue of IDR 618.9 billion, reflecting a 4% year-on-year increase. The construction revenue stood at IDR 612.5 billion, indicating a flat growth rate of +3.4% compared to IDR 512 billion in 1Q22. Through efficient cost management, direct contracts, and lean construction techniques, TOTL has been able to maintain its profit margins and even improve year-on-year performance during 1Q23. The net profit margin (NPM) slightly increased to 4.8% in 1Q23, surpassing the 4.58% recorded in 1Q22 and even exceeding 2022FY's 4.03%. We anticipate that the company's bottom line profit margins for 2023-2024F will average 4.9%, a slight improvement from 2022, in line with the slight increase in construction expenses, which rose by 2.3% YoY in 1Q23 primarily due to lower commodity prices compared to the previous year.

Valuation: 25% upside

We maintain our target price of IDR 410 per share, equivalent to a 10.7x PER. With a potential upside of 25%, we continue to recommend a BUY for TOTL.

Financial highlight ratio	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F	2025 F
Sales growth (%)	-11%	-7%	-24%	30%	4%	11%	8%
Net profit growth (%)	-16%	-38%	-7%	-10%	24%	15%	5%
Current ratio (X)	1,42	1,49	1,58	1,49	1,40	1,36	1,36
Tot Liabilities/Equity	1,75	1,54	1,21	1,41	1,65	1,70	1,70
EPS	51,53	31,93	29,82	26,89	33,30	38,21	39,95

16 June 2023
Precast, Equity

Price **IDR. 328**
Target **IDR. 410**
JKSE index **6690.135**



Stock Code **TOTL IJ**
Bloomberg code **1090**
Market cap (IDR.bn) **470**
52-Week High (IDR) **280**
52-Week Low (IDR) **298**
6-m Avg Daily. Val (IDR) **32.70**
Free Float (%) **56.50%**

Major Shareholders (%)
PT Total Inti Persada **8.97%**
Ir. Djadjang Tanuwidjaja **1.83%**
Pinarto Sutanto **32.70%**
Public

USD/IDR-YE
2022A **15573**
2023F **14862**

Key Indicators **2024F**
Cash ratio (x) **0.40**
Current ratio (x) **1.36**

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Chart: Revenue and new contract yoy (in IDR. Trillion)

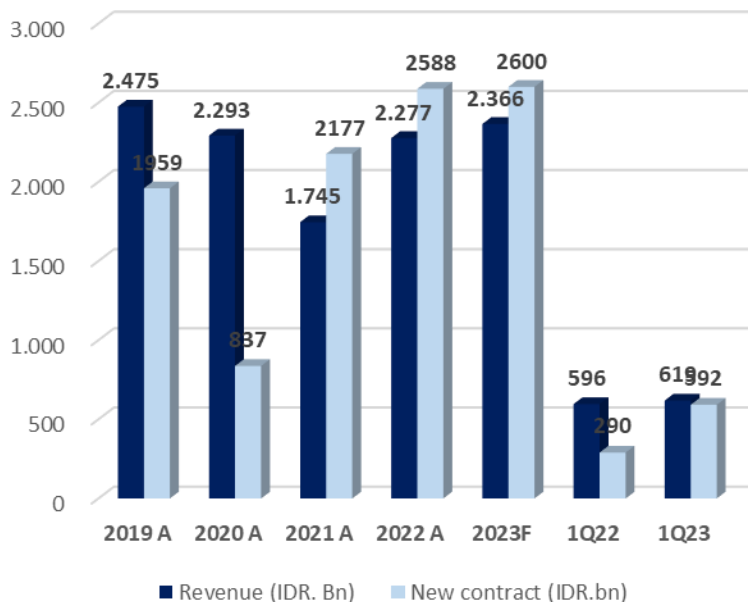


Chart: TOTL's GPM 9% and NPM 9% YoY

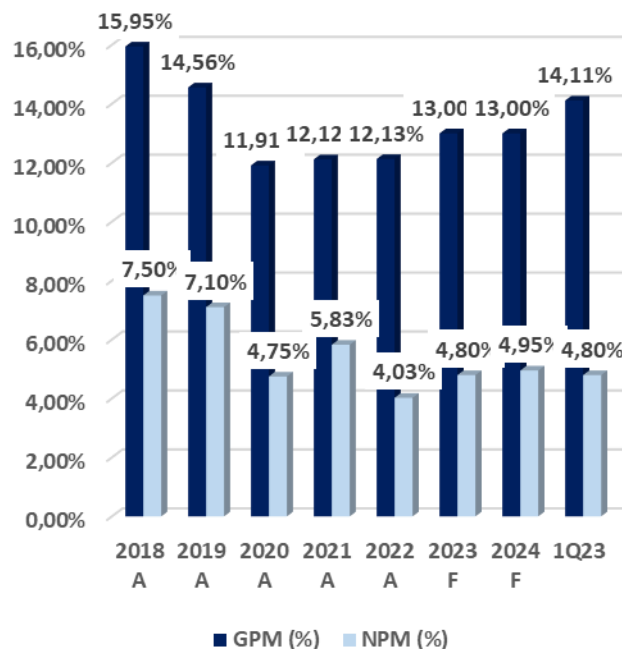


Chart: TOTL's current ratio and cash ratio (x) YoY

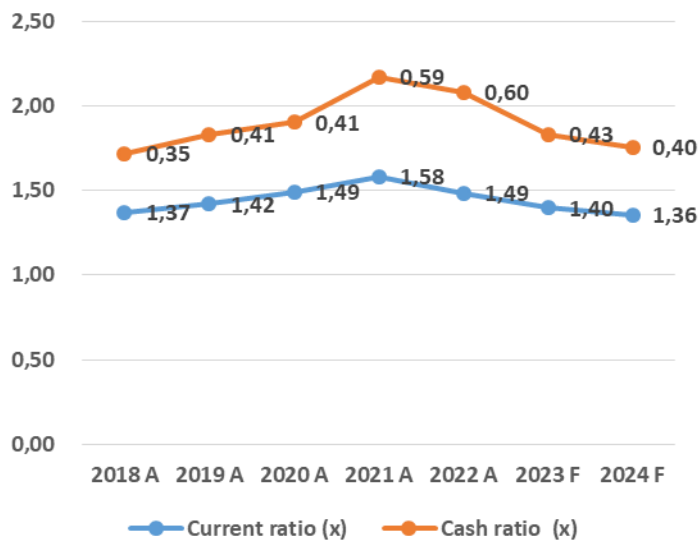
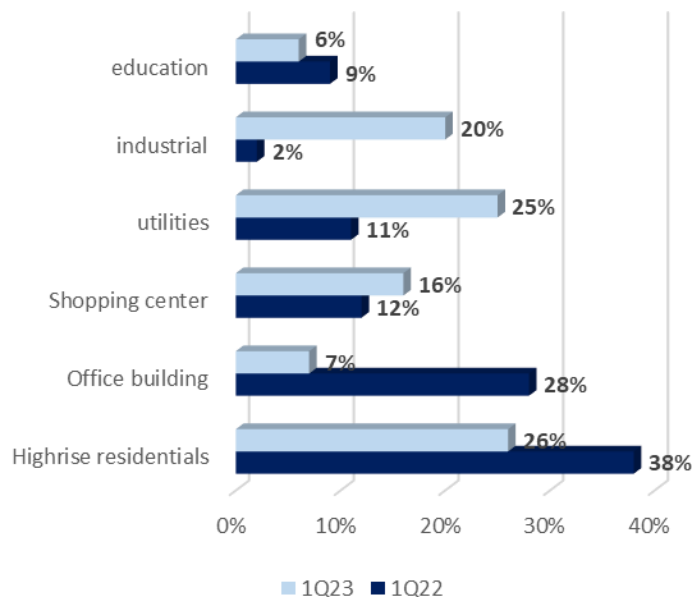


Chart: TOTL's project classification YoY



Profit and Loss

Profit and Loss (IDR.bn)	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F	2025 F
Revenue	2.475	2.293	1.745	2.277	2.366	2.631	2.831
Cost of Revenue	-2.115	-2.020	-1.534	-2.001	-2.059	-2.289	-2.463
Gross Profit	360	273	211	276	308	342	368
Income from join operations	36	33	46	23	47	56	56
Gross profit after income from join operations	396	306	257	299	354	398	424
Operating expense	-192	-151	-126	-140	-142	-158	-170
Operating Profit	204	155	131	159	212	241	254
Other income	47	25	24	-66	-25	-29	-31
PBT	251	180	155	93	187	212	224
taxes	-76	-72	-54	-2	-73	-82	-88
Net Profit	176	109	102	92	114	130	136
EPS	51,5	31,9	29,8	26,9	33,3	38,2	40,0
EBITDA	280	208	173	172	228	257	271

Cash Flow

Cash Flow (IDR. bn)	2019A	2020A	2021A	2022A	2023F	2024F	2025F
+ Net Income	175,73	108,87	101,68	91,68	113,55	130,31	136,24
+Depreciation	28,11	27,88	19,01	13,26	15,68	15,99	16,94
- Change in WC	27,79	(96,05)	120,98	168,84	(103,67)	23,16	12,83
Cash From Operating Activities	231,62	40,70	241,67	273,78	25,55	169,45	166,02
capex	(26,23)	(9,43)	(0,59)	(6,86)	(18,08)	(23,34)	(24,74)
Other non current asset	(123,65)	(25,52)	(7,54)	2,01	(104,70)	(107,32)	(33,07)
cash from investing activities	(149,89)	(34,95)	(8,13)	(4,85)	(122,78)	(130,66)	(57,81)
Long term loans, retention payable	29,10	(8,02)	(16,36)	(6,33)	(2,75)	(2,62)	(2,49)
rental deposits	0,66	(0,41)	(0,12)	0,43	1,06	0,53	0,40
Other Long term liabilities	20,59	0,10	(56,16)	(8,25)	62,71	18,36	17,27
Equity	(150,93)	(46,61)	(8,96)	(83,39)	(104,32)	(34,33)	(34,29)
cash from financing activities	(100,58)	(54,94)	(81,61)	(97,54)	(43,31)	(18,06)	(19,11)
Net Changes in Cash	(18,85)	(49,19)	151,94	171,39	(140,54)	20,74	89,11
Beginning Balance	675,97	657,12	607,94	759,87	931,27	790,72	811,46
Ending balance	657,12	607,94	759,87	931,27	790,72	811,46	900,57

Balance sheet

Balance sheet (IDR.in bn)	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F	2025 F
Cash and cash equivalent	657,12	607,94	759,87	931,27	790,72	811,46	900,57
short term investment	197,77	166,96	209,24	237,77	249,66	262,15	275,25
Trade Account Receivable	342,62	626,36	428,93	450,52	648,31	720,81	783,38
Other current asset	1.085,40	800,65	652,98	703,00	851,87	947,14	1.019,17
Total current Asset	2.282,90	2.201,90	2.051,03	2.322,56	2.540,57	2.741,55	2.978,38
Net Fixed Asset	163,85	145,40	126,99	120,59	122,99	130,34	138,14
other long term asset	516,24	541,75	549,29	547,28	651,98	759,30	792,36
Total non current Asset	680,09	687,16	676,28	667,87	774,97	889,64	930,50
Total Asset	2.962,99	2.889,06	2.727,31	2.990,43	3.315,54	3.631,20	3.908,88
Trade account payable	162,14	133,85	110,24	153,42	186,13	206,94	229,43
Advances from customer	645,16	0,00	0,00	0,00	0,00	0,00	0,00
Other short term liabilities	797,42	1.343,01	1.184,79	1.410,59	1.632,76	1.815,35	1.953,42
Total current liabilities	1.604,72	1.476,86	1.295,03	1.564,01	1.818,89	2.022,30	2.182,85
Long term loans, retention payable	85,80	77,79	61,42	55,09	52,34	49,72	47,24
rental deposits	3,78	3,37	3,25	3,68	4,73	5,26	5,66
Other Long term liabilities	191,78	191,88	135,72	127,47	190,18	208,54	225,81
Total non current liabilities	281,37	273,04	200,39	186,24	247,25	263,52	278,70
Total Liabilities	1.886,09	1.749,90	1.495,42	1.750,25	2.066,14	2.285,82	2.461,55
Total Equities	1.076,90	1.139,16	1.231,88	1.240,18	1.249,40	1.345,38	1.447,33
Total Liabilities and equity	2.962,99	2.889,06	2.727,31	2.990,43	3.315,54	3.631,20	3.908,88

Financial Ratio Highlights

Ratio Highlights	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F	2025 F
Growth (% YoY)							
Sales		-7%	-24%	30%	4%	11%	8%
OP		-24%	-15%	21%	33%	13%	6%
EBITDA		-26%	-16%	-1%	32%	13%	6%
NP		-38%	-7%	-10%	24%	15%	5%
EPS		-38%	-7%	-10%	24%	15%	5%
Profitability							
Operating Margin(%)	8,3%	6,8%	7,5%	7,0%	9,0%	9,1%	9,0%
EBITDA margin(%)	11,3%	9,1%	9,9%	7,6%	9,6%	9,8%	9,6%
NET Profit margin(%)	7,1%	4,7%	5,8%	4,0%	4,8%	5,0%	4,8%
ROA(%)	5,9%	3,8%	3,7%	3,1%	3,4%	3,6%	3,5%
ROE(%)	16,3%	9,6%	8,3%	7,4%	9,1%	9,7%	9,4%
Stability							
Total Liabilities/ tot.equity (X)	1,75	1,54	1,21	1,41	1,65	1,70	1,70
Current ratio (X)	1,42	1,49	1,58	1,49	1,40	1,36	1,36
Total liabilities/ total asset (x)	0,64	0,61	0,55	0,59	0,62	0,63	0,63
cash ratio (X)	0,41	0,41	0,59	0,60	0,43	0,40	0,41
Per Share data (Rp)							
EPS	51,53	31,93	29,82	26,89	33,30	38,21	39,95
BVS	315,81	334,07	361,26	363,69	366,39	394,54	424,44

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%.

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

**RESEARCH TEAM
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