

PT Jasa Marga (Persero), Tbk

BUY

15 November 2021

Infrastructure, Toll Road

Price	IDR	4,270
Target Price	IDR	5,550
JKSE Index		6,651.054



Investment Consideration

Expecting higher volume in 4Q2021.

- In 3Q2021, JSMR toll and other operating revenue increased +4.7% YoY to IDR 2.6 trillion while total transaction volume decreased -14.7% YoY to 230 million vehicle transactions due to the increases in Covid-19 cases since the end of June and the impact of the restrictions on social mobility.
- As of 9M2021, JSMR's total transaction volume increased +4.5% YoY to 758.6 million. JSMR recorded a toll and other operating revenue increase of 21% YoY to IDR 8.2 trillion.
- We expect a higher volume of transactions in 4Q2021 as since September 2021 mobility started to increase and this continued into October 2021 due to the easing of PPKM to level 1.
- The traffic and revenue recovered from negative -38% in July to 8% in September. Traffic even reached +12% above normal conditions in early October and was stable until the end of October.

9M2021: Margin Increased

- In 3Q2021, JSMR recorded a net loss of IDR -106.2 billion which is a decrease of -304% YoY after significant growth in 2Q2021. The decrease in 3Q2021 is due to the increases in Covid-19 cases since the end of June and the impact of restrictions on social mobility.
- For 9M2021, JSMR's net income still recorded +375.5% growth to IDR 749.4 billion. NPM increased to 9% from 2% in 9M2020.
- Operating income also increased +36% YoY to IDR 4.6 trillion in 9M2021 with a higher operating margin of 56% from 50%.
- EBITDA increased +29.4% YoY to IDR 5.37 trillion and the EBITDA margin increased to 65% from 61%.
- As we expect better 4Q2021 traffic volume and revenue, we expect 2021 revenue to reach IDR 11.6 trillion or 21% YoY growth. JSMR's net profit will reach IDR 1.0 trillion or +101% YoY growth.

Valuation: TP 5,550, Maintain BUY

- Our target for JSMR share price is IDR 5,550, offering investors a potential return of 30%, we maintain our recommendation to BUY. This would translate to a 2022F PE of 29x. Buy.

Stock Information

Bloomberg Code	JSMR IJ
Market Cap (IDR bn)	30,990
52-week high (IDR)	4,990
52-week low (IDR)	3,250
Shares issued (mn)	7,257.9
6-m avg. daily Val (IDR)	3,905
Free float (%)	30%

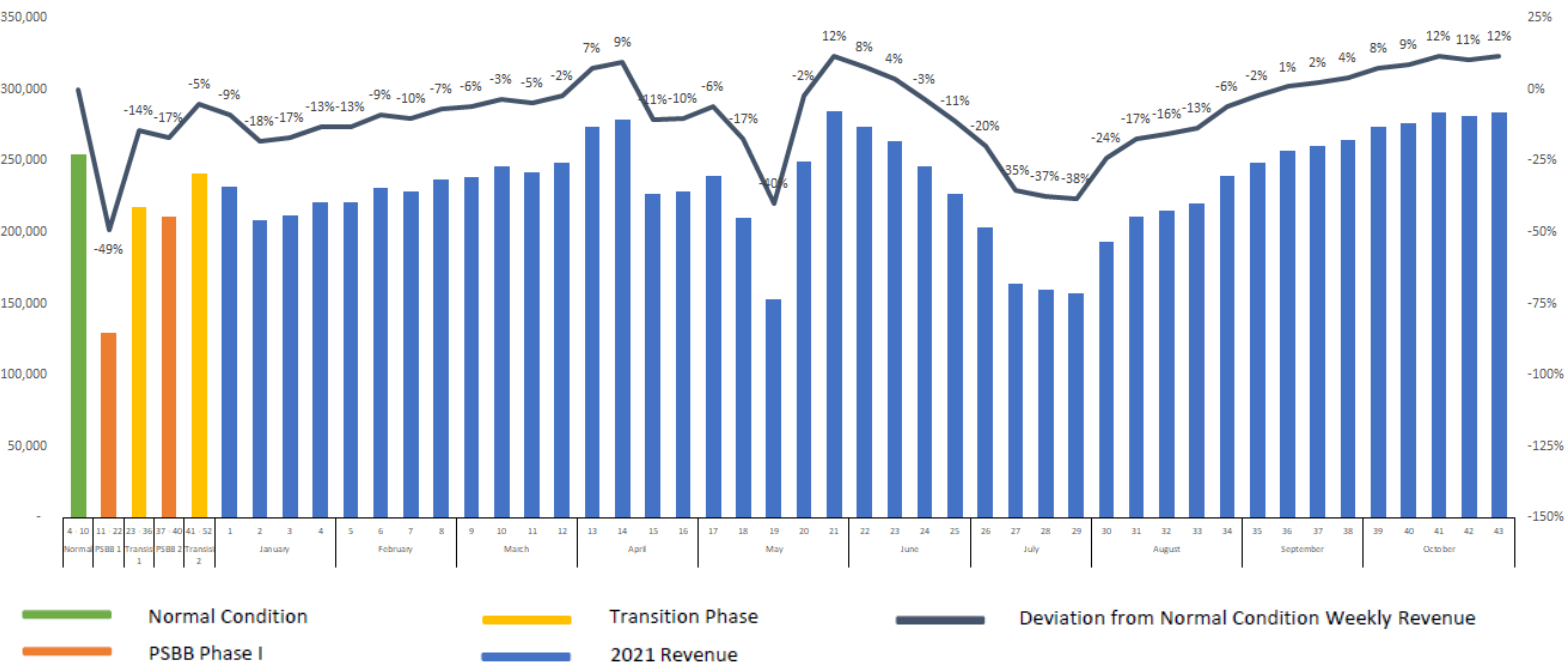
Major share holders	(%)
Government RI	70%
Public	30%

USD/ IDR – YE (IDR)	
2020	14,175
2021F (6m-avg)	14,426

Financial Highlights	2017A	2018A	2019A	2020A	2021F	2022F
Toll and other operating revenue (IDR Mn)	8.921.665	9.784.488	10.984.104	9.587.720	11.578.064	13.865.921
Operating Income (IDR Mn)	4.648.080	5.415.226	5.857.262	4.465.992	6.168.946	7.665.343
EBITDA (IDR Mn)	5.506.241	6.105.462	6.906.932	5.976.747	7.243.879	8.705.780
Net Income (IDR Mn)	2.200.257	2.202.600	2.207.117	501.047	1.007.819	1.374.951
EPS (IDR)	303	303	304	69	139	189
Operating Margin (%)	52%	55%	53%	47%	53%	55%
EBITDA Margin (%)	62%	62%	63%	62%	63%	63%
NPM (%)	25%	23%	20%	5%	9%	10%
Tot. Deb / Equity (X)	4,0	3,7	4,1	4,2	4,3	3,9
Int. Coverage (x)	1,7	1,1	0,9	(0,0)	0,1	0,1

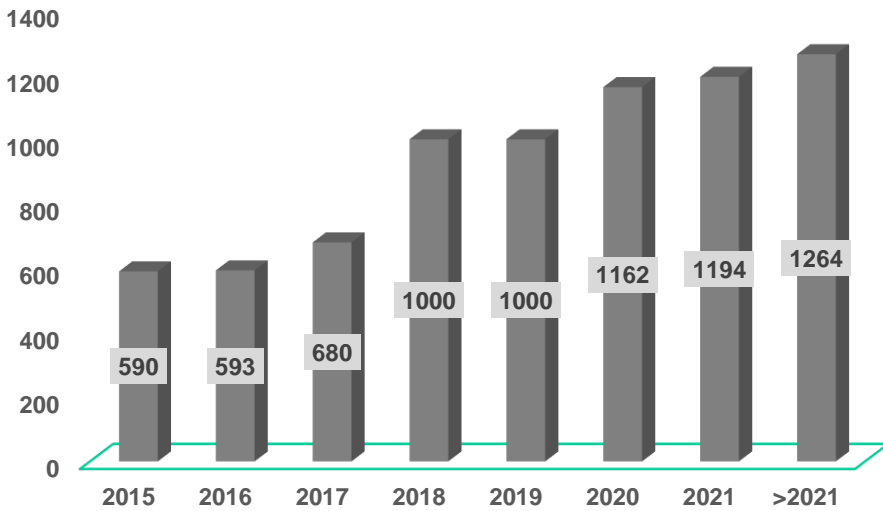
Analyst: Eka Rahmawati R
eka.rahmah@binaartha.com

Chart: Impact on JSMR's Revenue due to Covid-19 Outbreak



Sources: Company

Chart: Operated Toll Road (in KM)



Sources: Company

Table: Additional Operated Toll Road in 2021 (73 km)

	Section	Length (km)
1	Balikpapan - Samarinda (Section I&V)	33,12
2	JORR2: Cinere - Serpong	10,14
3	JORR2: Kunciran - Cengkareng	14,19
4	Danowudu - Bitung	12,65
5	Bogor Ring Road (Section III A)	2,65

Sources: Company

Table: Additional Operated Toll Road in 2022 (31 km)

	Section	Length (km)
1	Jakarta - Cikampek II South (Section I-II)	27,85
2	JORR2: Cinere-Serpong Section II	3,64

Sources: Company

Table: Additional Operated Toll Road >2022 (309 km)

	Section	Length (km)
1	Bogor Ring Road (Section IIIB)	1,01
2	Jakarta - Cikampek II South (Section II-III)	34,15
3	Probolinggo - Banyuwangi (Section I-III)	171,50
4	Ngawi - Kertosono (Section V)	27,90
5	Jogja - Bawen	75,83

Table: Income Statement in IDR Million QoQ & YoY

Income Statement (IDR. Mn)	1Q2021	2Q2021	3Q2021	QoQ	9M2020	9M2021	YoY
Toll and other operating revenues	2.756.187	2.888.561	2.614.739	-9%	6.840.022	8.259.487	21%
Construction revenue	736.735	501.309	1.134.341	126%	3.707.094	2.372.385	-36%
Total Revenue	3.492.922	3.389.870	3.749.080	11%	10.547.116	10.631.872	1%
Toll and other operating expenses	-1.108.229	-1.454.087	-1.286.480	-12%	-2.969.924	-3.848.796	30%
Construction expenses	-730.281	-497.127	-1.123.578	126%	-3.672.123	-2.350.986	-36%
Total Cost of revenue	-1.838.510	-1.951.214	-2.410.058	24%	-6.642.047	-6.199.782	-7%
Gross Profit	1.654.412	1.438.656	1.339.022	-7%	3.905.069	4.432.090	13%
Operating Expense	-123.990	498.525	-188.594	-138%	-517.538	185.941	-136%
Operating Income	1.530.422	1.937.181	1.150.428	-41%	3.387.531	4.618.031	36%
Other Income	-1.243.404	-1.141.031	-1.111.299	-3%	-3.035.190	-3.495.734	15%
Profit Before Tax	287.018	796.150	39.129	-95%	352.341	1.122.297	219%
Taxes	-304.048	-271.686	-325.325	20%	-571.997	-901.059	58%
NIAT	-17.030	524.464	-286.196	-155%	-219.656	221.238	-201%
Non-controlling Interest	178.947	169.251	179.980	6%	377.257	528.178	40%
Net Income	161.917	693.715	-106.216	-115%	157.601	749.416	376%
EPS (in IDR)	22	96	-15	-115%	22	103	376%

Sources: Company and Binaartha

Table: Income Statement in IDR Million YoY

Income Statement (IDR. Mn)	2016A	2017A	2018A	2019A	2020A	2021F	2022F
Toll and other operating revenues	8.832.348	8.921.665	9.784.488	10.984.104	9.587.720	11.578.064	13.865.921
Construction revenue	7.829.055	26.170.528	27.189.585	15.361.156	4.116.301	1.714.301	2.057.161
Total Revenue	16.661.403	35.092.193	36.974.074	26.345.260	13.704.021	13.292.365	15.923.083
Toll and other operating expenses	-4.022.857	-3.772.061	-4.052.643	-4.634.241	-4.274.949	-5.557.471	-6.378.324
Construction expenses	-7.782.154	-26.012.247	-27.003.921	-15.266.376	-4.074.539	-1.698.873	-2.038.647
Total Cost of revenue	-11.805.012	-29.784.308	-31.056.564	-19.900.617	-8.349.488	-7.256.343	-8.416.971
Gross Profit	4.856.391	5.307.885	5.917.510	6.444.643	5.354.533	6.036.022	7.506.112
Operating Expense	-690.884	-659.805	-502.284	-587.381	-888.541	132.924	159.231
Operating Income	4.165.507	4.648.080	5.415.226	5.857.262	4.465.992	6.168.946	7.665.343
Other Income	-1.515.828	-1.397.627	-2.204.919	-2.759.659	-3.769.541	-4.519.404	-5.413.848
Profit Before Tax	2.649.679	3.250.453	3.210.306	3.097.603	696.451	1.649.541	2.251.495
Taxes	-846.625	-1.156.796	-1.173.815	-1.023.715	-738.080	-1.319.633	-1.688.621
NIAT	1.803.054	2.093.657	2.036.491	2.073.888	-41.629	329.908	562.874
Non-controlling Interest	86.258	106.600	166.109	133.229	542.676	677.911	812.077
Net Income	1.889.313	2.200.257	2.202.600	2.207.117	501.047	1.007.819	1.374.951
EPS (in IDR)	260,3	303,2	303,5	304,1	69,0	138,9	189,4
EBITDA	5.034.625	5.506.241	6.105.462	6.906.932	5.976.747	7.243.879	8.705.780

Sources: Company and Binaartha

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

Statement of Financial Position (In IDR Mn)	2016A	2017A	2018A	2019A	2020A	2021F	2022F
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	4.124.886	6.873.021	5.942.954	4.341.601	4.597.204	5.973.526	5.177.959
Trade Accounts Receivable	8.278.539	11.547.364	5.550.282	6.270.361	4.418.103	4.652.328	5.573.079
Inventories	86.975	134.245	40.949	61.136	137.744	132.924	159.231
Others Current Assets	475.484	432.435	279.671	939.468	1.552.944	1.595.084	1.910.770
Total Current Assets	12.965.884	18.987.065	11.813.857	11.612.566	10.705.995	12.353.861	12.821.038
NONCURRENT ASSETS							
Fixed Assets	884.666	1.035.922	754.806	714.262	746.237	891.902	1.066.001
Intangible Assets	36.898.892	56.089.017	63.453.029	78.620.143	83.443.064	84.929.746	86.342.540
Other Noncurrent Assets	2.750.881	3.080.768	6.396.909	8.732.599	9.191.350	8.905.885	8.757.696
Total Noncurrent Assets	40.534.438	60.205.707	70.604.744	88.067.004	93.380.651	94.727.533	96.166.236
TOTAL ASSETS	53.500.323	79.192.772	82.418.601	99.679.570	104.086.647	107.081.394	108.987.274
LIABILITIES AND EQUITY							
LIABILITIES							
CURRENT LIABILITIES							
Bank Loans	4.590.849	1.278.659	2.347.571	5.245.935	3.694.263	2.994.263	3.494.263
Contractors Payable	1.279.575	1.289.211	1.098.460	551.612	1.883.433	1.063.389	1.273.847
Account Payable	134.772	350.924	321.811	404.235	325.160	203.373	243.623
Current maturities of long term liabilities	4.198.390	4.150.882	6.430.596	11.885.400	1.976.842	2.717.000	3.560.124
Others Current Liabilities	8.423.404	17.928.265	20.883.037	23.439.235	7.048.989	6.646.183	7.961.541
Total Current Liabilities	18.626.989	24.997.940	31.081.475	41.526.417	14.928.687	13.624.208	16.533.398
NONCURRENT LIABILITIES							
Long-term contractors payable	394.470	496.700	266.024	568.239	754.833	664.618	796.154
Long-term liabilities - net of current liabilities	16.722.160	31.063.085	28.804.315	29.389.974	56.270.386	61.553.386	57.993.262
Others Noncurrent Liabilities	1.417.864	4.275.608	2.067.801	5.009.203	7.357.125	6.646.183	6.369.233
Total Noncurrent Liabilities	18.534.494	35.835.393	31.138.140	34.967.416	64.382.344	68.864.187	65.158.649
TOTAL LIABILITIES	37.161.483	60.833.333	62.219.615	76.493.833	79.311.031	82.488.395	81.692.047
Non-controlling interest	2.659.715	3.261.786	3.290.481	4.503.057	5.701.126	5.316.946	6.369.233
EQUITY	13.679.125	15.097.653	16.908.505	18.682.680	19.074.489	19.276.053	20.925.994
TOTAL LIABILITIES & EQUITY	53.500.323	79.192.772	82.418.601	99.679.570	104.086.646	107.081.394	108.987.275

Table: Cash Flow in IDR Million YoY

Cash Flow (In IDR Mn)	2016A	2017A	2018A	2019A	2020A	2021F	2022F
Net Income	1.889.313	2.200.257	2.202.600	2.207.117	501.047	1.007.819	1.374.951
Depreciation	157.781	183.720	84.104	96.833	145.665	145.665	174.099
Change in WC	2.648.405	3.097.906	12.326.677	9.044.879	-25.435.556	-1.576.023	1.646.446
Cash From Operating Activities	4.695.498	5.481.883	14.613.381	11.348.829	-24.788.844	-422.539	3.195.495
Capex	-7.696.283	-19.854.989	-10.483.141	-17.559.093	-5.459.312	-1.492.547	-1.612.802
Cash From Investing Activities	-7.696.283	-19.854.989	-10.483.141	-17.559.093	-5.459.312	-1.492.547	-1.612.802
Long-term contractors payable	194.094	102.230	-230.676	302.215	186.594	-90.215	131.536
Long-term liabilities - net of current liabilities	788.989	14.340.925	-2.258.770	585.659	26.880.412	5.283.000	-3.560.124
Others Noncurrent Liabilities	738.504	2.857.744	-2.207.807	2.941.402	2.347.922	-710.942	-276.949
Equity	2.080.863	-179.658	-363.054	779.634	1.088.831	-1.190.435	1.327.277
Cash From Financing Activities	3.802.450	17.121.242	-5.060.307	4.608.911	30.503.759	3.291.408	-2.378.260
Net Changes in Cash	801.665	2.748.135	-930.067	-1.601.353	255.603	1.376.322	-795.567
Beginning Balance	3.323.221	4.124.886	6.873.021	5.942.954	4.341.601	4.597.204	5.973.526
Ending Balance	4.124.886	6.873.021	5.942.954	4.341.601	4.597.204	5.973.526	5.177.959

Table: Ratio Highlights YoY

Growth (% YoY)	2016A	2017A	2018A	2019A	2020A	2021F	2022F
Revenue	69%	111%	5%	-29%	-48%	-3%	20%
GP	18%	9%	11%	9%	-17%	13%	24%
OP	20%	12%	17%	8%	-24%	38%	24%
EBITDA	20%	9%	11%	13%	-13%	21%	20%
NP	29%	16%	0%	0%	-77%	101%	36%
EPS	20%	9%	11%	13%	-13%	21%	20%
Profitability							
Operating Margin(%)	47%	52%	55%	53%	47%	53%	55%
EBITDA margin(%)	57%	62%	62%	63%	62%	63%	63%
NET Profit margin(%)	21%	25%	23%	20%	5%	9%	10%
ROA(%)	4%	3%	3%	2%	0%	1%	1%
ROE(%)	14%	15%	13%	12%	3%	5%	7%
Stability							
Tot debt/ equity (x)	2,7	4,0	3,7	4,1	4,2	4,3	3,9
Int. Coverage (x)	1,2	1,7	1,1	0,9	(0,0)	0,1	0,1
Current Ratio (X)	0,7	0,8	0,4	0,3	0,7	0,9	0,8
Per Share data (IDR)							
EPS	260	303	303	304	69	139	189
BV	1.885	2.080	2.330	2.574	2.628	2.656	2.883
EBITDA/share	694	759	841	952	823	998	1.199

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
(62 21) 520 6678 ext. 611

Disclaimer; PT Binaartha Sekuritas has compiled this report in good faith, using information believed to be reliable. PT Binaartha Sekuritas and its analysts take no responsibility for the accuracy of the information contained in this report. This report has been produced for distribution to clients of PT Binaartha Sekuritas only. This report is not an invitation to buy or sell any security. PT Binaartha Sekuritas may have used the information in this report prior to publication. The company or its clients may have positions in or may from time to time buy or sell the securities mentioned in this report or other related securities.