

## PT Jasa Marga (Persero), Tbk

**BUY**

### Investment Consideration

#### Traffic Recovery

- In 1H2021, JSMR toll revenue increased +29.9% YoY to IDR 5.64 trillion in line with a total transaction volume increase of +15% YoY to 257.3 million vehicle transactions.
- The growth was due to the sharp decrease in total transaction volume which took place in 1H2020 from the start of PSBB. Traffic decreased again in May, -40% in line with restrictions during Lebaran (second week of April until mid of May).
- However, from the end of May until June 2021, the traffic and revenue recovered and even reached +12% higher than under normal conditions.
- Since June the traffic & revenue are down again -38% lower than normal due to the recent increase in Covid-19 cases.
- We expect lower traffic & revenue in 3Q2021 because of the emergency PPKM I in July – August 2021. But we expect a speedy recovery from an expect decline in PPKM and Covid-19 cases.

#### 1H2021 higher Margin

- In 1H2021, JSMR net income recorded a sharp increases of +709% YoY to IDR 855.6 billion due to a gain on divestment, resulting in a higher net profit margin of 15% from 2% in 1H2020.
- JSMR booked an IDR 788 billion divestment gain from the 14% stake in PT Marga Lingkar Jakarta (MLJ) the Jakarta Outer Ring Road to PT Jakarta Marga Jaya (Astra Infra) in 2Q2021.
- For 2Q2021, JSMR recorded a net income increase +244% YoY and +328% QoQ to IDR 693 billion after a loss in 2Q2020. NPM increased to 24% from 6% in 1Q2021.
- Operating income also increased +66% to IDR 3.46 trillion in 1H2021 with a higher operating margin of 61% from 48%.
- EBITDA increased +40.7% YoY to IDR 3.62 trillion and the EBITDA margin increased to 64% from 59%.
- We revise our JSMR 2021 forecast profit to IDR 1.19 trillion, which is +139% from 2020.

#### Valuation: TP 5,700, Maintain BUY

- Our target for JSMR share price is IDR 5,700, offering investors a potential return of 42%, we maintain our recommendation to BUY. This would translate to a 2022F PE of 26x. Buy.

Financial Highlights	2016A	2017A	2018A	2019A	2020A	2021F	2022F
Toll and other operating revenue (IDR Mn)	8.832.348	8.921.665	9.784.488	10.984.104	9.587.720	11.578.064	13.865.921
Operating Income (IDR Mn)	4.165.507	4.648.080	5.415.226	5.857.262	4.465.992	5.868.812	6.709.958
EBITDA (IDR Mn)	5.034.625	5.506.241	6.105.462	6.906.932	5.976.747	7.076.669	7.928.937
Net Income (IDR Mn)	1.889.313	2.200.257	2.202.600	2.207.117	501.047	1.196.727	1.585.290
EPS (IDR)	260	303	303	304	69	165	218
Operating Margin (%)	47%	52%	55%	53%	47%	51%	48%
EBITDA Margin (%)	57%	62%	62%	63%	62%	61%	57%
NPM (%)	21%	25%	23%	20%	5%	10%	11%
Tot. Deb / Equity (X)	2,7	4,0	3,7	4,1	4,2	4,2	3,9
Int. Coverage (x)	1,2	1,7	1,1	0,9	(0,0)	0,1	0,2

Sources: Company and Binaartha

2 August 2021

Infrastructure, Toll Road

Price	IDR	4,020
Target Price	IDR	5,700
JKSE Index		6,096.543



### Stock Information

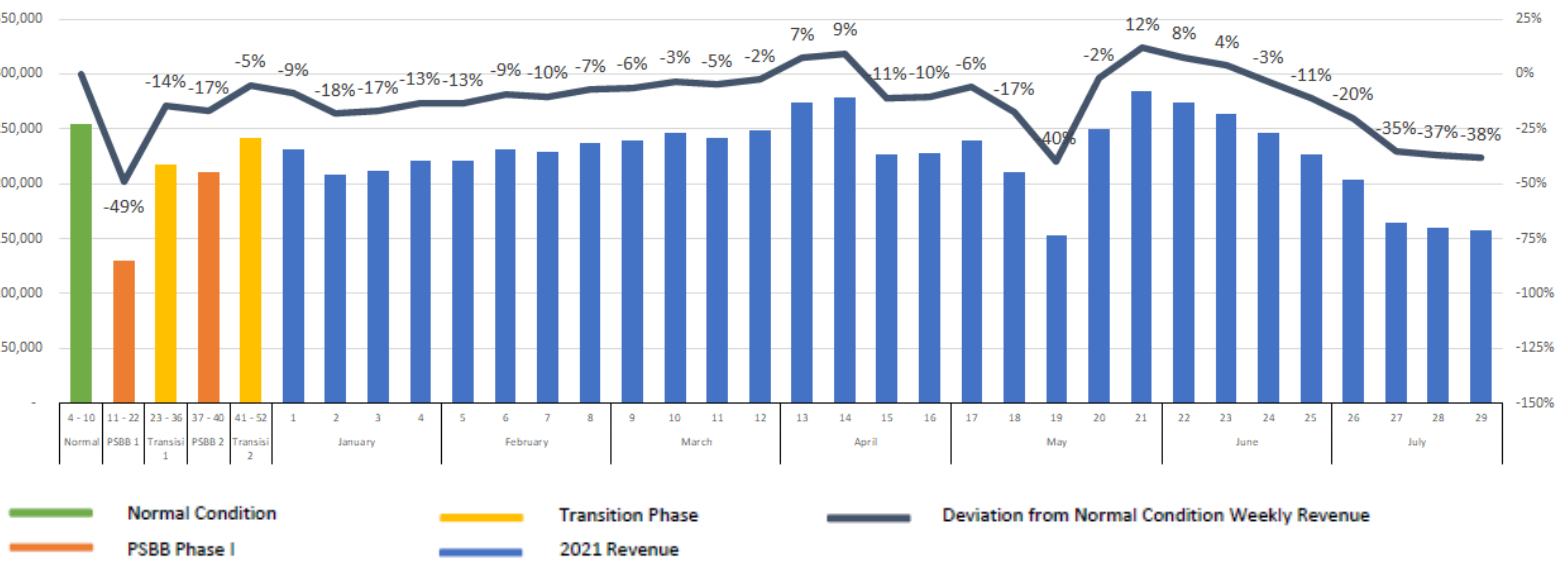
Bloomberg Code	JSMR IJ
Market Cap (IDR bn)	29,180
52-week high (IDR)	4,990
52-week low (IDR)	3,050
Shares issued (mn)	7,257.9
6-m avg. daily Val (IDR)	4,042
Free float (%)	30%

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

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

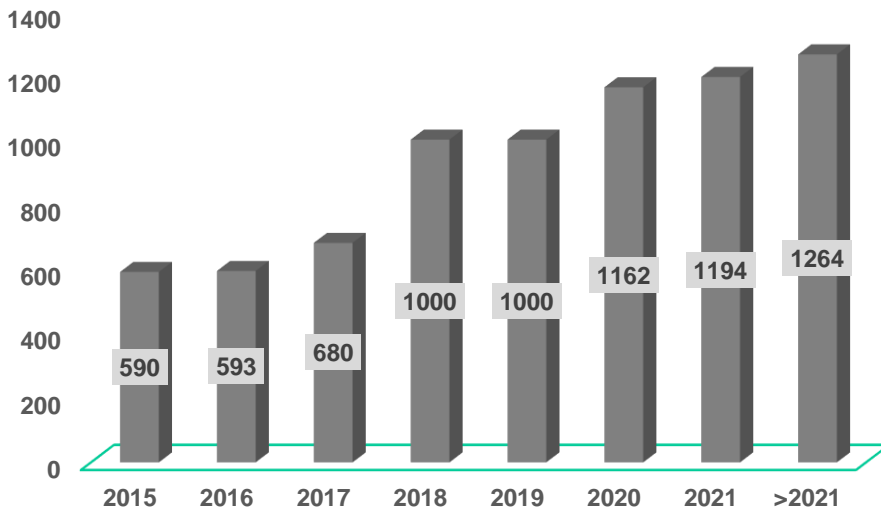
Analyst: Eka Rahmawati R  
eka.rahmah@binaartha.com

**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)**

	<b>Section</b>	<b>Length (km)</b>
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)**

	<b>Section</b>	<b>Length (km)</b>
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)**

	<b>Section</b>	<b>Length (km)</b>
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	QoQ	1H2020	1H2021	YoY
Toll and other operating revenues	2.756.187	2.888.561	5%	4.343.738	5.644.748	30%
Construction revenue	736.735	501.309	-32%	2.430.962	1.238.044	-49%
<b>Total Revenue</b>	<b>3.492.922</b>	<b>3.389.870</b>	<b>-3%</b>	<b>6.774.700</b>	<b>6.882.792</b>	<b>2%</b>
Toll and other operating expenses	-1.108.229	-1.454.087	31%	-1.882.789	-2.562.316	36%
Construction expenses	-730.281	-497.127	-32%	-2.408.524	-1.227.408	-49%
<b>Total Cost of revenue</b>	<b>-1.838.510</b>	<b>-1.951.214</b>	<b>6%</b>	<b>-4.291.313</b>	<b>-3.789.724</b>	<b>-12%</b>
<b>Gross Profit</b>	<b>1.654.412</b>	<b>1.438.656</b>	<b>-13%</b>	<b>2.483.387</b>	<b>3.093.068</b>	<b>25%</b>
Operating Expense	-123.990	498.525	302%	-390.840	374.535	-4%
<b>Operating Income</b>	<b>1.530.422</b>	<b>1.937.181</b>	<b>27%</b>	<b>2.092.547</b>	<b>3.467.603</b>	<b>66%</b>
Other Income	-1.243.404	-1.141.031	-8%	-1.939.118	-2.384.435	23%
<b>Profit Before Tax</b>	<b>287.018</b>	<b>796.150</b>	<b>177%</b>	<b>153.429</b>	<b>1.083.168</b>	<b>606%</b>
Taxes	-304.048	-271.686	-11%	-268.100	-575.734	115%
<b>NIAT</b>	<b>-17.030</b>	<b>524.464</b>	<b>2980%</b>	<b>-114.671</b>	<b>507.434</b>	<b>343%</b>
Non-controlling Interest	178.947	169.251	-5%	220.403	348.198	58%
<b>Net Income</b>	<b>161.917</b>	<b>693.715</b>	<b>328%</b>	<b>105.732</b>	<b>855.632</b>	<b>709%</b>
<b>EPS (in IDR)</b>	<b>22</b>	<b>96</b>	<b>329%</b>	<b>15</b>	<b>118</b>	<b>709%</b>

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
<b>Total Revenue</b>	<b>16.661.403</b>	<b>35.092.193</b>	<b>36.974.074</b>	<b>26.345.260</b>	<b>13.704.021</b>	<b>13.292.365</b>	<b>15.923.083</b>
Toll and other operating expenses	-4.022.857	-3.772.061	-4.052.643	-4.634.241	-4.274.949	-5.325.909	-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
<b>Total Cost of revenue</b>	<b>-11.805.012</b>	<b>-29.784.308</b>	<b>-31.056.564</b>	<b>-19.900.617</b>	<b>-8.349.488</b>	<b>-7.024.782</b>	<b>-8.416.971</b>
<b>Gross Profit</b>	<b>4.856.391</b>	<b>5.307.885</b>	<b>5.917.510</b>	<b>6.444.643</b>	<b>5.354.533</b>	<b>6.267.583</b>	<b>7.506.112</b>
Operating Expense	-690.884	-659.805	-502.284	-587.381	-888.541	-398.771	-796.154
<b>Operating Income</b>	<b>4.165.507</b>	<b>4.648.080</b>	<b>5.415.226</b>	<b>5.857.262</b>	<b>4.465.992</b>	<b>5.868.812</b>	<b>6.709.958</b>
Other Income	-1.515.828	-1.397.627	-2.204.919	-2.759.659	-3.769.541	-4.386.481	-4.776.925
<b>Profit Before Tax</b>	<b>2.649.679</b>	<b>3.250.453</b>	<b>3.210.306</b>	<b>3.097.603</b>	<b>696.451</b>	<b>1.482.332</b>	<b>1.933.033</b>
Taxes	-846.625	-1.156.796	-1.173.815	-1.023.715	-738.080	-963.516	-1.159.820
<b>NIAT</b>	<b>1.803.054</b>	<b>2.093.657</b>	<b>2.036.491</b>	<b>2.073.888</b>	<b>-41.629</b>	<b>518.816</b>	<b>773.213</b>
Non-controlling Interest	86.258	106.600	166.109	133.229	542.676	677.911	812.077
<b>Net Income</b>	<b>1.889.313</b>	<b>2.200.257</b>	<b>2.202.600</b>	<b>2.207.117</b>	<b>501.047</b>	<b>1.196.727</b>	<b>1.585.290</b>
EPS (in IDR)	260,3	303,2	303,5	304,1	69,0	164,9	218,4
<b>EBITDA</b>	<b>5.034.625</b>	<b>5.506.241</b>	<b>6.105.462</b>	<b>6.906.932</b>	<b>5.976.747</b>	<b>7.076.669</b>	<b>7.928.937</b>

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
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	4.124.886	6.873.021	5.942.954	4.341.601	4.597.204	5.147.304	6.706.994
Trade Accounts Receivable	8.278.539	11.547.364	5.550.282	6.270.361	4.418.103	4.253.557	5.095.387
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	1.462.160	1.751.539
<b>Total Current Assets</b>	<b>12.965.884</b>	<b>18.987.065</b>	<b>11.813.857</b>	<b>11.612.566</b>	<b>10.705.995</b>	<b>10.995.944</b>	<b>13.713.150</b>
<b>NONCURRENT ASSETS</b>							
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	8.972.347	9.155.773
<b>Total Noncurrent Assets</b>	<b>40.534.438</b>	<b>60.205.707</b>	<b>70.604.744</b>	<b>88.067.004</b>	<b>93.380.651</b>	<b>94.793.995</b>	<b>96.564.313</b>
<b>TOTAL ASSETS</b>	<b>53.500.323</b>	<b>79.192.772</b>	<b>82.418.601</b>	<b>99.679.570</b>	<b>104.086.647</b>	<b>105.789.939</b>	<b>110.277.463</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Bank Loans	4.590.849	1.278.659	2.347.571	5.245.935	3.694.263	2.994.263	4.494.263
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	4.717.000	5.560.124
Others Current Liabilities	8.423.404	17.928.265	20.883.037	23.439.235	7.048.989	5.316.946	6.369.233
<b>Total Current Liabilities</b>	<b>18.626.989</b>	<b>24.997.940</b>	<b>31.081.475</b>	<b>41.526.417</b>	<b>14.928.687</b>	<b>14.294.972</b>	<b>17.941.090</b>
<b>NONCURRENT LIABILITIES</b>							
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	59.553.386	55.993.262
Others Noncurrent Liabilities	1.417.864	4.275.608	2.067.801	5.009.203	7.357.125	6.646.183	7.961.541
<b>Total Noncurrent Liabilities</b>	<b>18.534.494</b>	<b>35.835.393</b>	<b>31.138.140</b>	<b>34.967.416</b>	<b>64.382.344</b>	<b>66.864.187</b>	<b>64.750.958</b>
<b>TOTAL LIABILITIES</b>	<b>37.161.483</b>	<b>60.833.333</b>	<b>62.219.615</b>	<b>76.493.833</b>	<b>79.311.031</b>	<b>81.159.158</b>	<b>82.692.047</b>
Non-controlling interest	2.659.715	3.261.786	3.290.481	4.503.057	5.701.126	5.316.946	6.369.233
<b>EQUITY</b>	<b>13.679.125</b>	<b>15.097.653</b>	<b>16.908.505</b>	<b>18.682.680</b>	<b>19.074.489</b>	<b>19.313.834</b>	<b>21.216.183</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>53.500.323</b>	<b>79.192.772</b>	<b>82.418.601</b>	<b>99.679.570</b>	<b>104.086.646</b>	<b>105.789.939</b>	<b>110.277.464</b>

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	1.196.727	1.585.290
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	-373.565	2.488.603
<b>Cash From Operating Activities</b>	<b>4.695.498</b>	<b>5.481.883</b>	<b>14.613.381</b>	<b>11.348.829</b>	<b>-24.788.844</b>	<b>968.827</b>	<b>4.247.992</b>
Capex	-7.696.283	-19.854.989	-10.483.141	-17.559.093	-5.459.312	-1.559.009	-1.944.417
<b>Cash From Investing Activities</b>	<b>-7.696.283</b>	<b>-19.854.989</b>	<b>-10.483.141</b>	<b>-17.559.093</b>	<b>-5.459.312</b>	<b>-1.559.009</b>	<b>-1.944.417</b>
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	3.283.000	-3.560.124
Others Noncurrent Liabilities	738.504	2.857.744	-2.207.807	2.941.402	2.347.922	-710.942	1.315.359
Equity	2.080.863	-179.658	-363.054	779.634	1.088.831	-1.341.561	1.369.345
<b>Cash From Financing Activities</b>	<b>3.802.450</b>	<b>17.121.242</b>	<b>-5.060.307</b>	<b>4.608.911</b>	<b>30.503.759</b>	<b>1.140.282</b>	<b>-743.884</b>
<b>Net Changes in Cash</b>	<b>801.665</b>	<b>2.748.135</b>	<b>-930.067</b>	<b>-1.601.353</b>	<b>255.603</b>	<b>550.100</b>	<b>1.559.690</b>
<b>Beginning Balance</b>	<b>3.323.221</b>	<b>4.124.886</b>	<b>6.873.021</b>	<b>5.942.954</b>	<b>4.341.601</b>	<b>4.597.204</b>	<b>5.147.304</b>
<b>Ending Balance</b>	<b>4.124.886</b>	<b>6.873.021</b>	<b>5.942.954</b>	<b>4.341.601</b>	<b>4.597.204</b>	<b>5.147.304</b>	<b>6.706.994</b>

**Table: Ratio Highlights YoY**

<b>Growth (% YoY)</b>	<b>2016A</b>	<b>2017A</b>	<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021F</b>	<b>2022F</b>
Revenue	69%	111%	5%	-29%	-48%	-3%	20%
GP	18%	9%	11%	9%	-17%	17%	20%
OP	20%	12%	17%	8%	-24%	31%	14%
EBITDA	20%	9%	11%	13%	-13%	18%	12%
NP	29%	16%	0%	0%	-77%	139%	32%
EPS	20%	9%	11%	13%	-13%	18%	12%
<b>Profitability</b>							
Operating Margin(%)	47%	52%	55%	53%	47%	51%	48%
EBITDA margin(%)	57%	62%	62%	63%	62%	61%	57%
NET Profit margin(%)	21%	25%	23%	20%	5%	10%	11%
ROA(%)	4%	3%	3%	2%	0%	1%	1%
ROE(%)	14%	15%	13%	12%	3%	6%	7%
<b>Stability</b>							
Tot debt/ equity (x)	2,7	4,0	3,7	4,1	4,2	4,2	3,9
Int. Coverage (x)	1,2	1,7	1,1	0,9	(0,0)	0,1	0,2
Current Ratio (X)	0,7	0,8	0,4	0,3	0,7	0,8	0,8
<b>Per Share data (IDR)</b>							
EPS	260	303	303	304	69	165	218
BV	1.885	2.080	2.330	2.574	2.628	2.661	2.923
EBITDA/share	694	759	841	952	823	975	1.092

---

**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.*