

PT Jasa Marga (Persero), Tbk

30 March 2022

Infrastructure, Toll Road

Price	IDR	3,830
Target Price	IDR	5,210
JKSE Index		7,011.689



Investment Consideration

BUY

Higher volumes in 4Q2021.

- With the decline in Covid-19 cases and the easing of PPKM, mobility is starting to rise leading to an increase in toll transaction volume and revenues in 4Q2021.
- JSMR transaction volume increased +22% YoY and 33.4% QoQ in 4Q2021. Toll revenues started to increase in mid November, 11% higher than normal conditions and reached a peak in mid December with a 22% increase compared to normal conditions.
- For 2021FY, JSMR's total transaction volume increased +9% YoY to 1.06 billion vehicle transactions. JSMR toll revenue increased +23% YoY to IDR 10.78 trillion, with subsidiaries recording double digit growth of +66.56% to IDR 2.79 trillion while the parent saw an increase of 12.8% YoY to IDR 7.99 trillion.
- In 2021, JSMR increased tariffs after delaying the increase in 2020. In February 2022, JSMR also increased tariffs for the Jakarta inner ring road, as well as for the Bali – Mandara, and Surabaya – Mojokerto toll roads. There will be further tariff adjustments later in 2022.
- We expect the higher volume of transactions will continue in 2022 as in February 2022 JSMR's consolidated revenue was 4% above normal conditions and public mobility continues to increase due to the easing of PPKM restrictions.

Higher quarterly Profit

- After a loss in 3Q2021, JSMR recorded a net profit of IDR 865.8 billion in the 4Q2021, +152% YoY. Apart from higher volumes & tariffs, the Increase in 4Q2021 also came from gains from divesting toll roads. In 2021, JSMR divested its shares in PT Marga Lingkar Jakarta (14%) with a gain on divestment of IDR 787 billion and PT Jasamarga Pandaan Malang (9%) with a gain on divestment of IDR 797 billion. For 2021, JSMR booked net income of IDR 1.62 trillion, 222.4% growth from a year earlier.
- EBITDA increased +31% YoY to IDR 7.8 trillion in 2021 and the EBITDA margin increased to 67% from 62%.
- We expect better 2022 traffic volume and revenue, with 2022 revenue expected to reach IDR 13.4 trillion or +14% YoY growth, which will result in a net profit of IDR 2.12 trillion, growth of +32% YoY.

Valuation: TP 5,210, Maintain BUY

- Our target for JSMR share price is IDR 5,210, offering investors a potential return of 36%, we maintain our recommendation to BUY. This would translate to a 2022F PE of 16x. Buy.

Stock Information

Bloomberg Code	JSMR IJ
Market Cap (IDR bn)	27,800
52-week high (IDR)	4,550
52-week low (IDR)	3,220
Shares issued (mn)	7,257.9
6-m avg. daily Val (IDR)	3,905
Free float (%)	30%

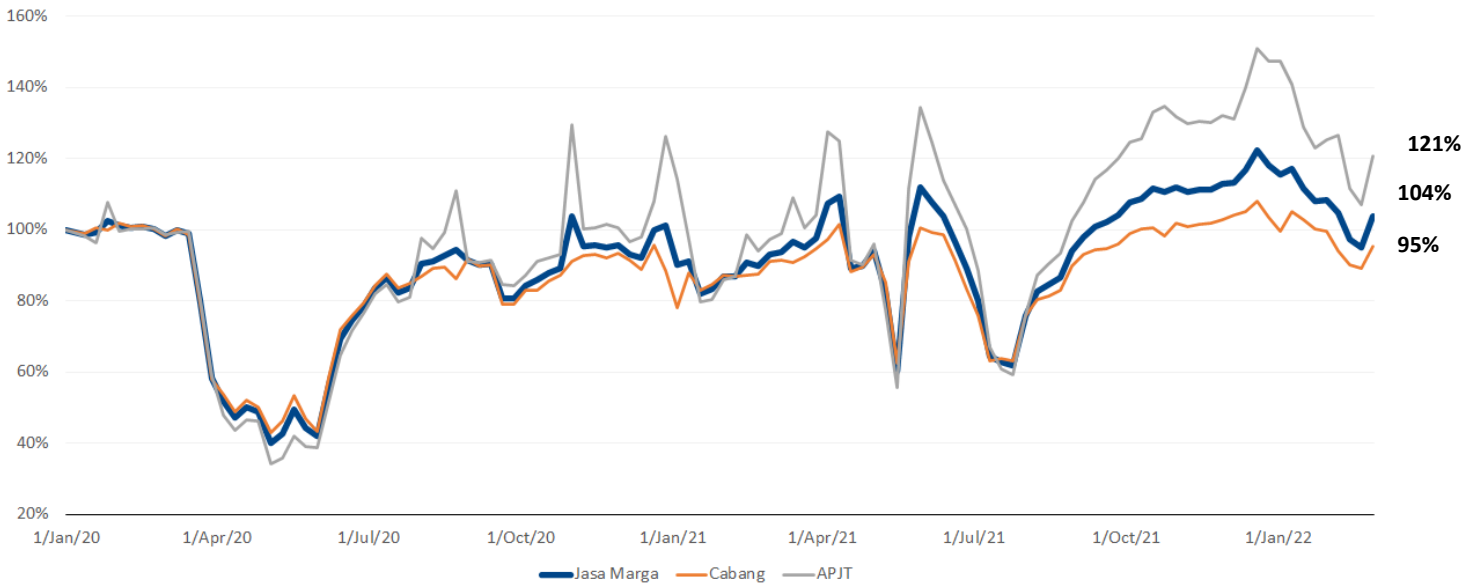
Major share holders (%)	
Government RI	70%
Public	30%

USD/ IDR – YE (IDR)	
2021	14,300
2022F (6m-avg)	14,426

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

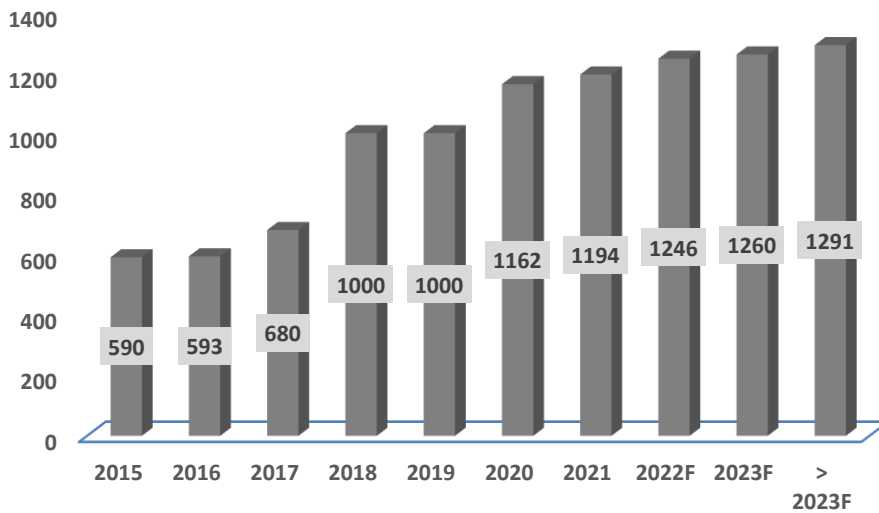
Financial Highlights	2018A	2019A	2020A	2021A	2022F	2023F
Toll and other operating revenue (IDR Mn)	9.784.488	10.984.104	9.587.720	11.776.401	13.486.408	14.937.153
Operating Income (IDR Mn)	5.415.226	5.857.262	4.465.992	6.719.673	7.805.334	8.681.699
EBITDA (IDR Mn)	6.105.462	6.906.932	5.976.747	7.869.243	8.755.114	9.444.579
Net Income (IDR Mn)	2.202.600	2.207.117	501.047	1.615.249	2.129.290	2.358.521
EPS (IDR)	303	304	69	223	293	325
Operating Margin (%)	55%	53%	47%	57%	58%	58%
EBITDA Margin (%)	62%	63%	62%	67%	65%	63%
NPM (%)	23%	20%	5%	14%	16%	16%
Tot. Deb / Equity (X)	3,7	4,1	4,2	3,7	3,3	2,6
Int. Coverage (x)	1,1	0,9	(0,0)	0,2	0,3	0,3

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 2022 (13 km)

	Section	Length (km)
1	Danowudu - Bitung	13,40

Sources: Company

Table: Additional Operated Toll Road 2023 (32 km)

	Section	Length (km)
1	Jakarta - Cikampek II South (Section III)	27.85
2	JORR2: Cinere - Serpong Section II	3,64

Sources: Company

Table: Additional Operated Toll Road >2023 (517 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	Gedebage - Cilacap	206,65
5	Ngawi - Kertosono (Section V)	27,90
6	Jogja - Bawen	75,83

Table: Income Statement in IDR Million QoQ & YoY

Income Statement (IDR. Mn)	1Q2021	2Q2021	3Q2021	4Q2021	QoQ	4Q2020	YoY
Toll and other operating revenues	2.756.187	2.888.561	2.614.739	3.516.914	34,5%	2.747.698	28,0%
Construction revenue	736.735	501.309	1.134.341	1.020.766	-10,0%	409.207	149,4%
Total Revenue	3.492.922	3.389.870	3.749.080	4.537.680	21,0%	3.156.905	43,7%
Toll and other operating expenses	-1.108.229	-1.454.087	-1.286.480	-1.456.824	13,2%	-1.305.025	11,6%
Construction expenses	-730.281	-497.127	-1.123.578	-1.010.837	-10,0%	-402.416	151,2%
Total Cost of revenue	-1.838.510	-1.951.214	-2.410.058	-2.467.661	2,4%	-1.707.441	44,5%
Gross Profit	1.654.412	1.438.656	1.339.022	2.070.019	54,6%	1.449.464	42,8%
Operating Expense	-123.990	498.525	-188.594	31.623		-371.003	-108,5%
Operating Income	1.530.422	1.937.181	1.150.428	2.101.642	82,7%	1.078.461	94,9%
Other Income	-1.243.404	-1.141.031	-1.111.299	-1.151.486	3,6%	-734.351	56,8%
Profit Before Tax	287.018	796.150	39.129	950.156	2328,3%	344.110	176,1%
Taxes	-304.048	-271.686	-325.325	-300.158	-7,7%	-166.083	80,7%
NIAT	-17.030	524.464	-286.196	649.998		178.027	265,1%
Non-controlling Interest	178.947	169.251	179.980	215.835	19,9%	165.419	30,5%
Net Income	161.917	693.715	-106.216	865.833		343.446	152,1%
EPS (in IDR)	22	96	-15	119		47	152,1%

Sources: Company and Binaartha

Table: Income Statement in IDR Million YoY

Income Statement (IDR. Mn)	2017A	2018A	2019A	2020A	2021A	2022F	2023F
Toll and other operating revenues	8.921.665	9.784.488	10.984.104	9.587.720	11.776.401	13.486.408	14.937.153
Construction revenue	26.170.528	27.189.585	15.361.156	4.116.301	3.393.151	4.071.781	4.886.137
Total Revenue	35.092.193	36.974.074	26.345.260	13.704.021	15.169.552	17.558.189	19.823.290
Toll and other operating expenses	-3.772.061	-4.052.643	-4.634.241	-4.274.949	-5.305.620	-6.068.883	-6.497.661
Construction expenses	-26.012.247	-27.003.921	-15.266.376	-4.074.539	-3.361.823	-4.035.135	-4.842.162
Total Cost of revenue	-29.784.308	-31.056.564	-19.900.617	-8.349.488	-8.667.443	-10.104.019	-11.339.824
Gross Profit	5.307.885	5.917.510	6.444.643	5.354.533	6.502.109	7.454.170	8.483.466
Operating Expense	-659.805	-502.284	-587.381	-888.541	217.564	351.164	198.233
Operating Income	4.648.080	5.415.226	5.857.262	4.465.992	6.719.673	7.805.334	8.681.699
Other Income	-1.397.627	-2.204.919	-2.759.659	-3.769.541	-4.647.220	-5.267.457	-5.946.987
Profit Before Tax	3.250.453	3.210.306	3.097.603	696.451	2.072.453	2.537.877	2.734.712
Taxes	-1.156.796	-1.173.815	-1.023.715	-738.080	-1.201.217	-1.268.939	-1.367.356
NIAT	2.093.657	2.036.491	2.073.888	-41.629	871.236	1.268.939	1.367.356
Non-controlling Interest	106.600	166.109	133.229	542.676	744.013	860.351	991.164
Net Income	2.200.257	2.202.600	2.207.117	501.047	1.615.249	2.129.290	2.358.521
EPS (in IDR)	303,2	303,5	304,1	69,0	222,6	293,3	324,9
EBITDA	5.506.241	6.105.462	6.906.932	5.976.747	7.869.243	8.755.114	9.444.579

Sources: Company and Binaartha

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

Statement of Financial Position (In IDR Mn)	2017A	2018A	2019A	2020A	2021A	2022F	2023F
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	6.873.021	5.942.954	4.341.601	4.597.204	6.279.089	5.562.301	5.486.964
Trade Accounts Receivable	11.547.364	5.550.282	6.270.361	4.418.103	2.032.306	2.633.728	2.973.493
Inventories	134.245	40.949	61.136	137.744	139.402	175.582	198.233
Others Current Assets	432.435	279.671	939.468	1.552.944	1.911.079	2.106.983	2.378.795
Total Current Assets	18.987.065	11.813.857	11.612.566	10.705.995	10.361.876	10.478.594	11.037.485
NONCURRENT ASSETS							
Fixed Assets	1.035.922	754.806	714.262	746.237	833.394	962.582	1.111.796
Intangible Assets	56.089.017	63.453.029	78.620.143	83.443.064	79.256.534	80.403.777	81.851.045
Other Noncurrent Assets	3.080.768	6.396.909	8.732.599	9.191.350	10.791.080	11.943.991	13.484.831
Total Noncurrent Assets	60.205.707	70.604.744	88.067.004	93.380.651	90.881.008	93.310.350	96.447.672
TOTAL ASSETS	79.192.772	82.418.601	99.679.570	104.086.647	101.242.884	103.788.944	107.485.157
LIABILITIES AND EQUITY							
LIABILITIES							
CURRENT LIABILITIES							
Bank Loans	1.278.659	2.347.571	5.245.935	3.694.263	1.057.861	1.557.861	1.757.861
Contractors Payable	1.289.211	1.098.460	551.612	1.883.433	1.290.243	1.198.952	1.249.397
Account Payable	350.924	321.811	404.235	325.160	433.025	335.012	429.654
Current maturities of long term liabilities	4.150.882	6.430.596	11.885.400	1.976.842	2.781.255	3.560.124	3.560.124
Others Current Liabilities	17.928.265	20.883.037	23.439.235	7.048.989	6.452.199	8.249.825	8.325.782
Total Current Liabilities	24.997.940	31.081.475	41.526.417	14.928.687	12.014.583	14.901.775	15.322.818
NONCURRENT LIABILITIES							
Long-term contractors payable	496.700	266.024	568.239	754.833	362.814	588.593	743.511
Long-term liabilities - net of current liabilities	31.063.085	28.804.315	29.389.974	56.270.386	56.451.902	52.891.778	51.111.716
Others Noncurrent Liabilities	4.275.608	2.067.801	5.009.203	7.357.125	6.913.270	6.922.193	5.946.987
Total Noncurrent Liabilities	35.835.393	31.138.140	34.967.416	64.382.344	63.727.986	60.402.564	57.802.214
TOTAL LIABILITIES	60.833.333	62.219.615	76.493.833	79.311.031	75.742.569	75.304.339	73.125.032
Non-controlling interest	3.261.786	3.290.481	4.503.057	5.701.126	4.894.464	5.323.606	6.010.380
EQUITY	15.097.653	16.908.505	18.682.680	19.074.489	20.605.851	23.160.999	28.349.745
TOTAL LIABILITIES & EQUITY	79.192.772	82.418.601	99.679.570	104.086.646	101.242.884	103.788.944	107.485.157

Table: Cash Flow in IDR Million YoY

Cash Flow (In IDR Mn)	2017A	2018A	2019A	2020A	2021A	2022F	2023F
Net Income	2.200.257	2.202.600	2.207.117	501.047	1.615.249	2.129.290	2.358.521
Depreciation	183.720	84.104	96.833	145.665	129.188	129.188	149.214
Change in WC	3.097.906	12.326.677	9.044.879	-25.435.556	-888.100	2.053.686	-213.185
Cash From Operating Activities	5.481.883	14.613.381	11.348.829	-24.788.844	856.337	4.312.164	2.294.550
Change in Non-Current Asset	-19.854.989	-10.483.141	-17.559.093	-5.459.312	2.370.455	-2.558.530	-3.286.535
Cash From Investing Activities	-19.854.989	-10.483.141	-17.559.093	-5.459.312	2.370.455	-2.558.530	-3.286.535
Long-term contractors payable	102.230	-230.676	302.215	186.594	-392.019	225.779	154.918
Long-term liabilities - net of current liabilities	14.340.925	-2.258.770	585.659	26.880.412	181.516	-3.560.124	-1.780.062
Others Noncurrent Liabilities	2.857.744	-2.207.807	2.941.402	2.347.922	-443.855	8.923	-975.206
Equity	-179.658	-363.054	779.634	1.088.831	-890.549	855.000	3.516.999
Cash From Financing Activities	17.121.242	-5.060.307	4.608.911	30.503.759	-1.544.907	-2.470.422	916.649
Net Changes in Cash	2.748.135	-930.067	-1.601.353	255.603	1.681.885	-716.788	-75.337
Beginning Balance	4.124.886	6.873.021	5.942.954	4.341.601	4.597.204	6.279.089	5.562.301
Ending Balance	6.873.021	5.942.954	4.341.601	4.597.204	6.279.089	5.562.301	5.486.964

Table: Ratio Highlights YoY

Growth (% YoY)	2017A	2018A	2019A	2020A	2021A	2022F	2023F
Revenue	111%	5%	-29%	-48%	11%	16%	13%
GP	9%	11%	9%	-17%	21%	15%	14%
OP	12%	17%	8%	-24%	50%	16%	11%
EBITDA	9%	11%	13%	-13%	32%	11%	8%
NP	16%	0%	0%	-77%	222%	32%	11%
EPS	9%	11%	13%	-13%	32%	11%	8%
Profitability							
Operating Margin(%)	52%	55%	53%	47%	57%	58%	58%
EBITDA margin(%)	62%	62%	63%	62%	67%	65%	63%
NET Profit margin(%)	25%	23%	20%	5%	14%	16%	16%
ROA(%)	3%	3%	2%	0%	2%	2%	2%
ROE(%)	15%	13%	12%	3%	8%	9%	8%
Stability							
Tot debt/ equity (x)	4,0	3,7	4,1	4,2	3,7	3,3	2,6
Int. Coverage (x)	1,7	1,1	0,9	(0,0)	0,2	0,3	0,3
Current Ratio (X)	0,8	0,4	0,3	0,7	0,9	0,7	0,7
Per Share data (IDR)							
EPS	303	303	304	69	223	293	325
BV	2.080	2.330	2.574	2.628	2.839	3.191	3.905
EBITDA/share	759	841	952	823	1.084	1.206	1.301

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

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