

### Investment Consideration

#### IDR1.89 trillion new contracts

As of 10M2022, TOTL new contracts were up to IDR 1.89 trillion or 95% of the 2022 new contract target of IDR 2 trillion. Most of the new contracts consist of School Buildings, Hotel, Shopping Centers, and Mixed Use Industrial, and Office projects. TOTL still remains focused on premium high rise projects. We expect the new contract target for 2022 can be achieved given that TOTL is participating in many project tenders.

#### Construction revenue +29% YoY

As of 9M22, TOTL booked revenue of IDR 1.74 trillion, up 28% YoY. TOTL's revenue is dominated by construction at IDR. 1.73 trillion, which is up by 28.6% from IDR 1.35 trillion in 9M21. Our revenue target for 2022F is IDR. 2.1 trillion. By managing costs and implementing direct contracts and lean construction techniques, TOTL is improving operating costs in order to maintain the company's margins while prices rise. We are targeting the company's 2022-2023F margins to be at an average of 4.7% slightly below 2021 in line with estimated increases in construction expenses which as of 9M22 increased 29% YoY due mainly to the impact of higher commodity prices.

#### Valuation: 31% upside

Our 2022-2023 EPS estimates are 28.9 and 31.5 rupiah respectively, we have a target price of IDR. 410/share, which is a 13x PER. With 31% potential upside, we initiate with a recommendation to BUY.

Financial highlight ratio	2018 A	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F
Sales growth (%)		-11%	-7%	-24%	20%	6%	3%
Net profit growth (%)		0%	-16%	-38%	-7%	-3%	9%
Current ratio (X)	1.37	1.42	1.49	1.58	1.51	1.50	1.50
Tot debt/ Equity	2.07	1.75	1.54	1.21	1.42	1.43	1.38
EPS	61.19	51.53	31.93	29.82	28.87	31.47	33.48

8 November 2022  
Precast, Equity

Price **IDR. 312**  
Target **IDR. 410**  
JKSE index **7073.76**



Stock Code **TOTL IJ**  
Bloomberg code **1880**  
Market cap (IDR.bn) **356**  
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  
2021A **14263**  
2022F **15737**

Key Indicators **2023F**  
Cash ratio (x) **0.53**  
Current ratio (x) **1.50**

Analyst: Revita Dhiah Anggrainy  
revita.anggrainy@binaartha.com

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

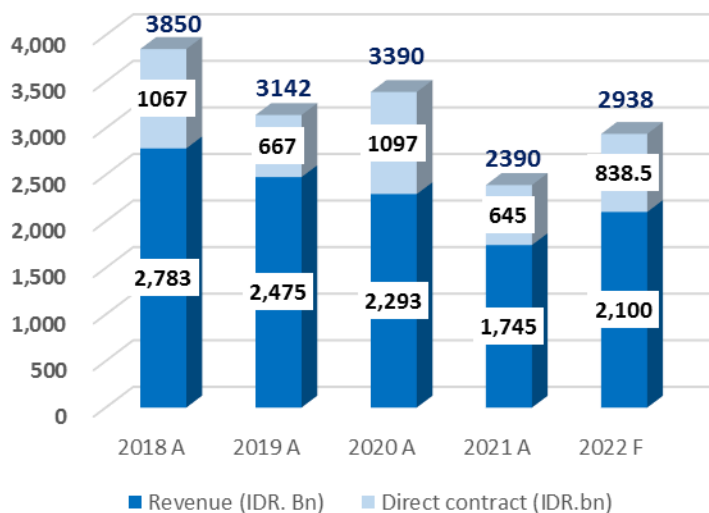


Chart: TOTL's new contract YoY (IDR.bn)

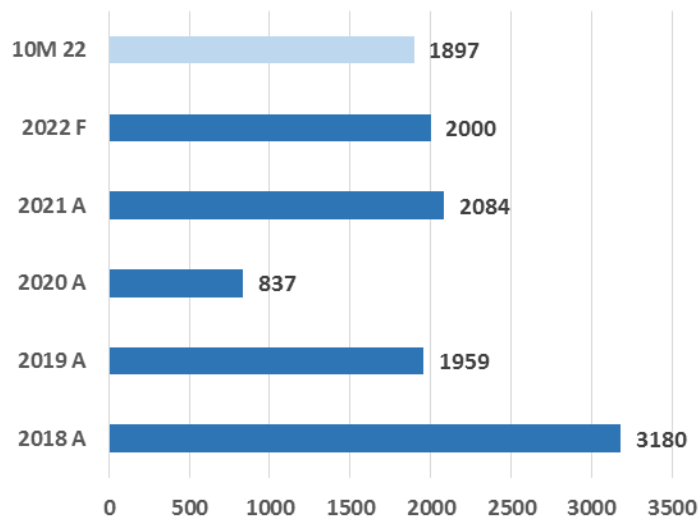


Chart: TOTL's GPM 9%) and NPM 9%) YoY

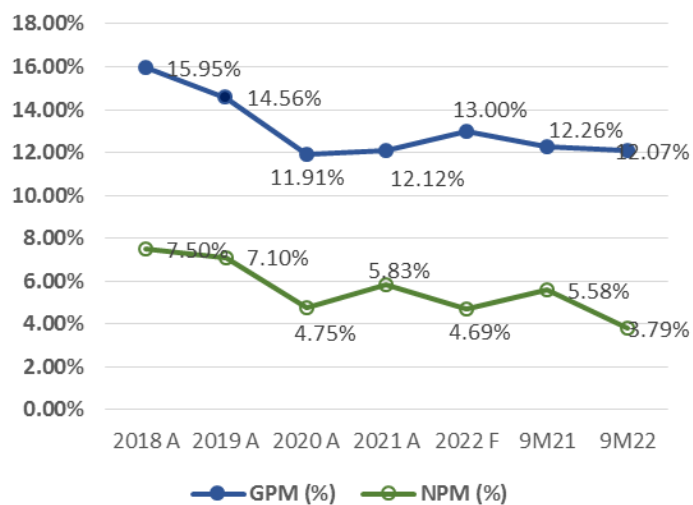
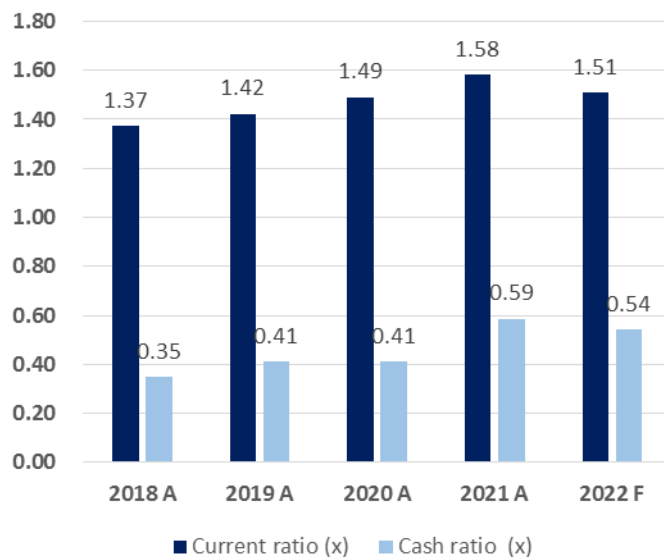


Chart: TOTL's current ratio and cash ratio (x) YoY



## Profit and Loss

Profit and Loss (IDR.bn)	2018 A	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F
<b>Revenue</b>	<b>2,783</b>	<b>2,475</b>	<b>2,293</b>	<b>1,745</b>	<b>2,100</b>	<b>2,237</b>	<b>2,305</b>
Cost of Revenue	(2,340)	(2,115)	(2,020)	(1,534)	(1,827)	(1,946)	(2,005)
<b>Gross Profit</b>	<b>444</b>	<b>360</b>	<b>273</b>	<b>211</b>	<b>273</b>	<b>291</b>	<b>300</b>
<b>Income from join operations</b>	<b>9</b>	<b>36</b>	<b>33</b>	<b>46</b>	<b>39</b>	<b>44</b>	<b>49</b>
<b>Gross profit after income from join operations</b>	<b>452</b>	<b>396</b>	<b>306</b>	<b>257</b>	<b>312</b>	<b>335</b>	<b>349</b>
Operating expense	(194)	(192)	(151)	(126)	(126)	(134)	(138)
<b>Operating Profit</b>	<b>259</b>	<b>204</b>	<b>155</b>	<b>131</b>	<b>186</b>	<b>201</b>	<b>211</b>
Other income	30	47	25	24	(22)	(24)	(25)
<b>PBT</b>	<b>289</b>	<b>251</b>	<b>180</b>	<b>155</b>	<b>163</b>	<b>176</b>	<b>185</b>
taxes	(85)	(76)	(72)	(54)	(65)	(69)	(71)
<b>Net Profit</b>	<b>209</b>	<b>176</b>	<b>109</b>	<b>102</b>	<b>98</b>	<b>107</b>	<b>114</b>
EPS	61.2	51.5	31.9	29.8	28.9	31.5	33.5
<b>EBITDA</b>	<b>324</b>	<b>280</b>	<b>208</b>	<b>173</b>	<b>202</b>	<b>217</b>	<b>228</b>

## Cash Flow

Cash Flow (IDR. bn)	2019A	2020A	2021A	2022F	2023F	2024F
+ Net Income	175.73	108.87	101.68	98.43	107.32	114.15
+Depreciation	28.11	27.88	19.01	16.51	16.04	17.00
- Change in WC	27.79	(96.05)	120.98	49.79	(4.44)	(3.41)
<b>Cash From Operating Activities</b>	<b>231.62</b>	<b>40.70</b>	<b>241.67</b>	<b>164.73</b>	<b>118.92</b>	<b>127.74</b>
capex	(26.23)	(9.43)	(0.59)	(12.91)	(23.42)	(24.82)
Other non current asset	(123.65)	(25.52)	(7.54)	(29.45)	(37.49)	(48.94)
<b>cash from investing activities</b>	<b>(149.89)</b>	<b>(34.95)</b>	<b>(8.13)</b>	<b>(42.36)</b>	<b>(60.90)</b>	<b>(73.76)</b>
Long term loans, retention payable	29.10	(8.02)	(16.36)	(3.78)	(2.88)	(2.74)
rental deposits	0.66	(0.41)	(0.12)	0.95	0.27	0.14
Other Long term liabilities	20.59	0.10	(56.16)	31.58	12.45	2.93
Equity	(150.93)	(46.61)	(8.96)	(29.94)	(34.31)	(34.29)
<b>cash from financing activities</b>	<b>(100.58)</b>	<b>(54.94)</b>	<b>(81.61)</b>	<b>(1.18)</b>	<b>(24.48)</b>	<b>(33.96)</b>
Net Changes in Cash	(18.85)	(49.19)	151.94	121.19	33.54	20.02
<b>Beginning Balance</b>	<b>675.97</b>	<b>657.12</b>	<b>607.94</b>	<b>759.87</b>	<b>881.07</b>	<b>914.61</b>
<b>Ending balance</b>	<b>657.12</b>	<b>607.94</b>	<b>759.87</b>	<b>881.07</b>	<b>914.61</b>	<b>934.63</b>

Balance sheet

Balance sheet (IDR.in bn)	2018 A	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F
<b>Cash and cash equivalent</b>	675.97	657.12	607.94	759.87	881.07	914.61	934.63
<b>short term investment</b>	158.62	197.77	166.96	209.24	240.00	252.00	264.60
Trade Account Receivable	669.41	342.62	626.36	428.93	569.72	612.75	631.45
Other current asset	1,166.40	1,085.40	800.65	652.98	756.18	805.15	829.73
<b>Total current Asset</b>	<b>2,670.41</b>	<b>2,282.90</b>	<b>2,201.90</b>	<b>2,051.03</b>	<b>2,446.97</b>	<b>2,584.51</b>	<b>2,660.41</b>
Net Fixed Asset	165.73	163.85	145.40	126.99	123.38	130.76	138.58
other long term asset	392.58	516.24	541.75	549.29	578.74	616.22	665.17
<b>Total non current Asset</b>	<b>558.31</b>	<b>680.09</b>	<b>687.16</b>	<b>676.28</b>	<b>702.12</b>	<b>746.99</b>	<b>803.75</b>
<b>Total Asset</b>	<b>3,228.72</b>	<b>2,962.99</b>	<b>2,889.06</b>	<b>2,727.31</b>	<b>3,149.09</b>	<b>3,331.50</b>	<b>3,464.16</b>
Trade account payable	213.87	162.14	133.85	110.24	170.23	175.92	181.29
Advances from customer	706.70	645.16	0.00	0.00	0.00	0.00	0.00
Other short term liabilities	1,025.02	797.42	1,343.01	1,184.79	1,449.34	1,543.21	1,590.31
<b>Total current liabilities</b>	<b>1,945.59</b>	<b>1,604.72</b>	<b>1,476.86</b>	<b>1,295.03</b>	<b>1,619.56</b>	<b>1,719.13</b>	<b>1,771.60</b>
Long term loans, retention payable	56.71	85.80	77.79	61.42	57.64	54.76	52.02
rental deposits	3.12	3.78	3.37	3.25	4.20	4.47	4.61
Other Long term liabilities	171.19	191.78	191.88	135.72	167.30	179.75	182.69
<b>Total non current liabilities</b>	<b>231.02</b>	<b>281.37</b>	<b>273.04</b>	<b>200.39</b>	<b>229.15</b>	<b>238.99</b>	<b>239.32</b>
<b>Total Liabilities</b>	<b>2,176.61</b>	<b>1,886.09</b>	<b>1,749.90</b>	<b>1,495.42</b>	<b>1,848.71</b>	<b>1,958.12</b>	<b>2,010.91</b>
<b>Total Equities</b>	<b>1,052.11</b>	<b>1,076.90</b>	<b>1,139.16</b>	<b>1,231.88</b>	<b>1,300.38</b>	<b>1,373.38</b>	<b>1,453.24</b>
<b>Total Liabilities and equity</b>	<b>3,228.72</b>	<b>2,962.99</b>	<b>2,889.06</b>	<b>2,727.31</b>	<b>3,149.09</b>	<b>3,331.50</b>	<b>3,464.16</b>

## Financial Ratio Highlights

Ratio Highlights	2018 A	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F
<b>Growth (% YoY)</b>							
Sales		-11%	-7%	-24%	20%	6%	3%
OP		-21%	-24%	-15%	42%	8%	5%
EBITDA		-14%	-26%	-16%	17%	7%	5%
NP		-16%	-38%	-7%	-3%	9%	6%
EPS		-16%	-38%	-7%	-3%	9%	6%
<b>Profitability</b>							
Operating Margin(%)	9.3%	8.3%	6.8%	7.5%	8.8%	9.0%	9.1%
EBITDA margin(%)	11.6%	11.3%	9.1%	9.9%	9.6%	9.7%	9.9%
NET Profit margin(%)	7.5%	7.1%	4.7%	5.8%	4.7%	4.8%	5.0%
ROA(%)	6.5%	5.9%	3.8%	3.7%	3.1%	3.2%	3.3%
ROE(%)	19.8%	16.3%	9.6%	8.3%	7.6%	7.8%	7.9%
<b>Stability</b>							
Total Liabilities/ tot.equity (X)	2.07	1.75	1.54	1.21	1.42	1.43	1.38
Current ratio (X)	1.37	1.42	1.49	1.58	1.51	1.50	1.50
Total liabilities/ total asset (x)	0.67	0.64	0.61	0.55	0.59	0.59	0.58
cash ratio (X)	0.35	0.41	0.41	0.59	0.54	0.53	0.53
<b>Per Share data (Rp)</b>							
EPS	61.19	51.53	31.93	29.82	28.87	31.47	33.48
BVS	308.54	315.81	334.07	361.26	381.34	402.75	426.17

**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**  
**(62-21) 520-6678 ext.612**

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