

PT Jasa Marga (Persero), Tbk

BUY

30 May 2024
Infrastructure, Toll Road

Price	IDR	4,860
Target Price	IDR	7,000
JKSE Index		7,140.229



Investment Consideration

More Tariff Adjustment

- JSMR's toll road revenue maintained double-digit growth of 29.9% during Q1 2024, reaching IDR 3.92 trillion. This growth was driven by tariff adjustments for four additional toll roads, higher traffic volume transactions, and the reconsolidation of three Trans Java toll roads (Semarang–Batang toll road, Solo–Ngawi toll road, and Ngawi–Kertosono–Kediri toll road) in Q1 2024.
- In terms of traffic volume transactions, subsidiary toll road transaction volumes rose by 5.7% YoY, while parent-level transaction volumes declined by -0.5% YoY.
- After adjusting tariffs for four toll roads in Q1 2024, JSMR also adjusted tariffs on the Bali Mandara toll road and the Gempol–Pandaan toll road in April 2024. JSMR also plans further tariff adjustments for the Surabaya–Mojokerto toll road, Jakarta–Tangerang toll road, and Cawang–Pluit toll road in Q2 2024.
- We expect traffic volume transactions in Q2 2024 to grow higher due to the long weekend and the Eid holiday. Based on sustained volume increases and more tariff adjustments, our target for JSMR's toll and operating revenues is IDR 18.26 trillion in 2024F.

Maintained growth in profit

- JSMR's net profit grew by 17.8% YoY to IDR 585.9 billion in Q1 2024, in line with the implementation of tariff adjustments and the re-consolidation of the Semarang–Batang, Solo–Ngawi, and Ngawi–Kertosono toll roads.
- Meanwhile the net profit margin (NPM) declined to 13.9% in Q1 2024 due to higher financial costs, which increased by 27.3% to IDR 1.02 trillion, and higher general and administrative (GA) expenses, which increased by 27.6%.
- In light of the higher BI 7-Day Reverse Repo Rate in April 2024, JSMR will manage the weighted average cost of debt (WACD) to stay below 7.5%. As of March 2024, JSMR's WACD was 6.67%. JSMR's fixed-rate and floating-rate composition was 45% and 55%, respectively, and has remained stable over the last three years, with the floating rate gradually decreasing year by year.

Valuation: TP 7,000, Maintain BUY

- Our target share price for JSMR stands at IDR 7,000, resulting in a projected 2024F price-to-earnings (PE) ratio of 7.5x. This offers investors a potential return of 44%. Considering these factors, we maintain our recommendation to BUY JSMR shares.

Financial Highlights	2021A	2022A	2023A	2024F	2025F
Toll and other operating revenue (IDR Mn)	11.776.401	13.782.558	15.565.981	18.268.734	20.608.841
Operating Income (IDR Mn)	6.719.673	7.383.007	11.318.319	8.897.688	10.007.269
EBITDA (IDR Mn)	7.674.837	9.075.346	10.138.923	12.735.875	13.110.561
Net Income (IDR Mn)	1.615.249	2.746.884	6.793.550	3.466.551	3.828.035
EPS (IDR)	223	378	936	478	527
EBITDA Margin (%)	65%	66%	65%	70%	64%
NPM (%)	14%	20%	44%	19%	19%
PBV (x)	1,4	1,1	1,2	1,8	1,5
PER (x)	17	9	5	15	13
Tot. Deb / Equity (X)	3,7	3,0	3,2	3,3	2,8
Int. Coverage (x)	0,2	0,6	1,9	0,6	0,7

Stock Information

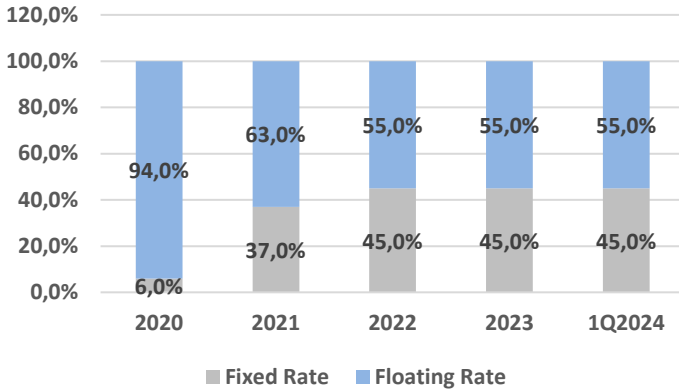
Bloomberg Code	JSMR IJ
Market Cap (IDR bn)	35,273.3
52-week high (IDR)	5,700
52-week low (IDR)	3,330
Shares issued (mn)	7,257.9
Free float (%)	30%

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

USD/ IDR – YE (IDR)	
2023	15,439
2024F (6m-avg)	15,761

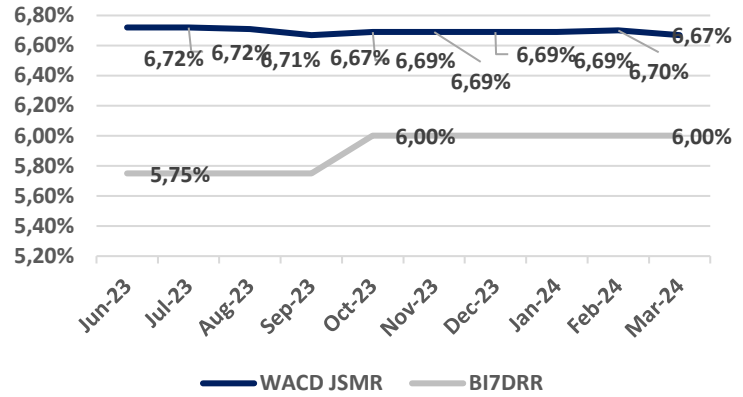
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JSMR Group Fixed Rate & Floating Rate Composition



Sources: Company

JSMR WACD Growth vs BI7DRR



Sources: Company

JSMR Tariff Adjustment Realization

No	Year	Toll Road	Implementation	Tariff Increase (%)
1	2023	Pandaan-Malang	Tuesday, January 3, 2023	3.20
2		Semarang ABC	Tuesday, January 31, 2023	5.56
3		Bogor Outer Ring Road	Sunday, March 12, 2023	7.14
4		Kunciran-Serpong	Sunday, March 19, 2023	5.24
5		Balikipapan-Samarinda	Wednesday, April 26, 2023	16.70
6		Cipularang	Monday, June 5, 2023	6.28
7		Padaleunyi	Monday, June 5, 2023	6.49
8		Palikanci	Friday, July 28, 2023	7.21
9		Jagorawi	Sunday, August 20, 2023	7.14
10		Sedyatmo	Sunday, August 20, 2023	5.90
11		Ngawi-Kertosono	Sunday, August 20, 2023	7.69
12		Gempol-Pasuruan	Sunday, September 3, 2023	16.80
13		Solo-Ngawi	Sunday, September 17, 2023	24.98
14		Belawan-Medan-Tanjung Morawa	Sunday, September 17, 2023	7.09
15	2023	Surabaya-Gempol	Saturday, September 30, 2023	Dupak-Porong: 12.30
				Porong-Gempol: 5.91
16	2024	Semarang-Batang	Monday, October 9, 2023	29.50
17		Medan-Kualanamu-Tebing Tinggi	Saturday, November 11, 2023	9.60
18		Semarang-Solo	Monday, November 27, 2023	23.0
19		JORR Section Non S	Monday, December 4, 2023	6.26
20		Pondok Aren -Bintaro Viaduct -Ulujami	Monday, December 4, 2023	6.26
21		Kebon Jeruk-Ulujami	Monday, December 4, 2023	6.26
22		Kunciran-Cengkareng	Saturday, January 13, 2024	6.80
23		Cinere-Serpong	Wednesday, February 21, 2024	7.55
24		Jakarta-Cikampek	Saturday, March 9, 2024	30
25		MBZ	Saturday, March 9, 2024	30
26		Bali Mandara	Saturday, April 27, 2024	7.69
27	Gempol - Pandaan	Saturday, April 27, 2024	9.91	

Sources: Company

Income Statement In IDR Million

Income Statement (IDR. Mn)	1Q2023	1Q2024	YoY	4Q2023	QoQ
Toll and other operating revenues	3.388.134	4.213.251	24,4%	4.564.129	-7,7%
Construction revenue	1.057.351	1.831.560	73,2%	2.673.968	-31,5%
Total Revenue	4.445.485	6.044.811	36,0%	7.238.097	-16,5%
Toll and other operating expenses	-1.466.738	-1.813.408	23,6%	-1.742.454	4,1%
Construction expenses	-1.049.067	-1.820.457	73,5%	-2.656.063	-31,5%
Total Cost of revenue	-2.515.805	-3.633.865	44,4%	-4.398.517	-17,4%
Gross Profit	1.929.680	2.410.946	24,9%	2.839.580	-15,1%
Operating Expense	-344.569	-442.197	28,3%	-583.927	-24,3%
Operating Income	1.585.111	1.968.749	24,2%	2.255.653	-12,7%
Other Income	-770.480	-1.009.313	31,0%	-1.124.596	-10,3%
Profit Before Tax	814.631	959.436	17,8%	1.131.057	-15,2%
Taxes	-388.661	-353.384	-9,1%	-228.582	54,6%
NIAT	425.970	606.052	42,3%	902.475	-32,8%
Non-controlling Interest	71.590	-20.129	-128,1%	-83.415	-75,9%
Net Profit	497.560	585.923	17,8%	819.060	-28,5%
Core Profit	497.560	585.923	17,8%	849.060	-31,0%
EPS (in IDR)	69	81	17,8%	113	-28,5%
GPM	57,0%	57,2%		62,2%	
OPM	46,8%	46,7%		49,4%	
Core NPM	14,7%	13,9%		18,6%	
NPM	14,7%	13,9%		17,9%	

Income Statement In IDR Million

Income Statement (IDR. Mn)	2021A	2022A	2023A	2024F	2025F
Toll and other operating revenues	11.776.401	13.782.558	15.565.981	18.268.734	20.608.841
Construction revenue	3.393.151	2.800.291	5.752.623	7.766.041	9.319.249
Total Revenue	15.169.552	16.582.849	21.318.604	26.034.775	29.928.090
Toll and other operating expenses	-5.305.620	-6.391.616	-6.643.256	-7.855.556	-8.861.802
Construction expenses	-3.361.823	-2.773.136	-5.716.823	-7.719.445	-9.263.334
Total Cost of revenue	-8.667.443	-9.164.752	-12.360.079	-15.575.001	-18.125.135
Gross Profit	6.502.109	7.418.097	8.958.525	10.459.775	11.802.955
Operating Expense	217.564	-35.090	2.359.794	-1.562.087	-1.795.685
Operating Income	6.719.673	7.383.007	11.318.319	8.897.688	10.007.269
Other Income	-4.647.220	-3.657.212	-3.391.895	-3.905.216	-4.489.214
Profit Before Tax	2.072.453	3.725.795	7.926.424	4.992.472	5.518.056
Taxes	-1.201.217	-1.402.087	-1.176.936	-1.447.817	-1.600.236
NIAT	871.236	2.323.708	6.749.488	3.544.655	3.917.820
Non-controlling Interest	744.013	423.176	44.062	-78.104	-89.784
Net Income	1.615.249	2.746.884	6.793.550	3.466.551	3.828.035
EPS (in IDR)	222,6	378,5	936,0	477,6	527,4
EBITDA	7.674.837	9.075.346	10.138.923	12.735.875	13.110.561

Statement of Financial Position In IDR Million

Statement of Financial Position (In IDR Mn)	2021A	2022A	2023A	2024F	2025F
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	6.279.089	8.429.118	4.438.951	3.600.900	3.963.970
Trade Accounts Receivable	2.032.306	1.339.992	1.266.347	1.825.128	1.937.911
Inventories	139.402	98.627	119.490	154.843	167.746
Others Current Assets	1.911.079	2.619.475	2.149.987	2.603.478	2.992.809
Total Current Assets	10.361.876	12.487.212	7.974.775	8.184.348	9.062.436
NONCURRENT ASSETS					
Fixed Assets	833.394	360.716	474.401	599.377	757.277
Intangible Assets	79.256.534	66.979.662	111.246.294	113.282.240	115.355.446
Other Noncurrent Assets	10.791.080	11.311.592	9.616.519	10.283.736	10.474.832
Total Noncurrent Assets	90.881.008	78.651.970	121.337.214	124.165.353	126.587.555
TOTAL ASSETS	101.242.884	91.139.182	129.311.989	132.349.701	135.649.991
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Bank Loans	1.057.861	1.853.174	4.499.415	6.499.415	6.599.415
Contractors Payable	1.290.243	457.783	560.316	684.271	786.599
Account Payable	433.025	134.728	179.230	218.880	251.612
Current maturities of long term liabilities	2.781.255	1.460.527	5.072.042	2.872.042	1.872.042
Others Current Liabilities	6.452.199	8.236.776	12.510.160	13.277.735	13.467.641
Total Current Liabilities	12.014.583	12.142.988	22.821.163	23.552.343	22.977.308
NONCURRENT LIABILITIES					
Long-term contractors payable	362.814	213.454	488.130	596.116	685.261
Long-term liabilities - net of current liabilities	56.451.902	47.583.513	57.943.798	59.943.798	58.071.756
Others Noncurrent Liabilities	6.913.270	5.577.838	9.147.692	9.964.240	9.576.989
Total Noncurrent Liabilities	63.727.986	53.374.805	67.579.620	70.504.154	68.334.005
TOTAL LIABILITIES	75.742.569	65.517.793	90.400.783	94.056.497	91.311.314
Non-controlling interest	4.894.464	3.795.786	11.019.769	9.708.457	11.160.288
EQUITY	20.605.851	21.825.603	27.891.437	28.584.747	33.178.390
TOTAL LIABILITIES & EQUITY	101.242.884	91.139.182	129.311.989	132.349.701	135.649.991

Cash Flow In IDR Million

Cash Flow (In IDR Mn)	2021A	2022A	2023A	2024F	2025F
Net Income	1.615.249	2.746.884	6.793.550	3.466.551	3.828.035
Depreciation	129.188	179.629	124.976	124.976	157.900
Change in WC	-888.100	153.098	11.200.445	-316.444	-1.090.053
Cash From Operating Activities	856.337	3.079.611	18.118.971	3.275.083	2.895.882
Change in Non-Current Asset	2.370.455	12.049.409	-42.810.220	-2.953.115	-2.580.101
Cash From Investing Activities	2.370.455	12.049.409	-42.810.220	-2.953.115	-2.580.101
Long-term contractors payable	-392.019	-149.360	274.676	107.986	89.145
Long-term liabilities - net of current liabilities	181.516	-8.868.389	10.360.285	2.000.000	-1.872.042
Others Noncurrent Liabilities	-443.855	-1.335.432	3.569.854	816.548	-387.251
Equity	-890.549	-2.625.810	6.496.267	-4.084.552	2.217.438
Cash From Financing Activities	-1.544.907	-12.978.991	20.701.082	-1.160.019	47.289
Net Changes in Cash	1.681.885	2.150.029	-3.990.167	-838.051	363.070
Beginning Balance	4.597.204	6.279.089	8.429.118	4.438.951	3.600.900
Ending Balance	6.279.089	8.429.118	4.438.951	3.600.900	3.963.970

Ratio Highlights YoY

Growth (% YoY)		2021A	2022A	2023A	2024F	2025F
	Revenue	11%	9%	29%	22%	15%
	GP	21%	14%	21%	17%	13%
	OP	50%	10%	53%	-21%	12%
	EBITDA	28%	18%	12%	26%	3%
	NP	222%	70%	147%	-49%	10%
	EPS	28%	18%	12%	26%	3%
Profitability						
	Operating Margin(%)	57%	54%	73%	49%	49%
	EBITDA margin(%)	65%	66%	65%	70%	64%
	NET Profit margin(%)	14%	20%	44%	19%	19%
	ROA(%)	2%	3%	5%	3%	3%
	ROE(%)	8%	13%	24%	12%	12%
Stability						
	Tot debt/ equity (x)	3,7	3,0	3,2	3,3	2,8
	Int. Coverage (x)	0,2	0,6	1,9	0,6	0,7
	Current Ratio (X)	0,9	1,0	0,3	0,3	0,4
Per Share data						
	EPS (IDR)	223	378	936	478	527
	PBV (x)	1,4	1,1	1,2	1,8	1,5
	PER (x)	17	9	5	15	13
	EBITDA/share	1.057	1.250	1.397	1.755	1.806

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
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