

# Jasa Marga Tbk (JSMR)

## Eid Mobility Boosts Transaction Volume

JSMR recorded significant net profit growth, jumping 222.4% to IDR 1.6 trillion, in line with the divestment of the Jasamarga Pandaan Malang, and Marga Lingkar Jakarta toll roads. In addition to the reduced average cost of debt, the volume of toll road transactions, which grew by 9% YoY, boosted Jasa Marga's performance in 2021.

### Toll Road Sections Divestment worth IDR 1.6 Trillion

- JSMR has divested the Jasamarga Pandaan Malang and Marga Lingkar Jakarta toll roads, worth IDR 796.8 billion and IDR 786.5 billion, respectively.
- In total, the Company recorded a divestment gain of IDR 1.6 trillion. These gains pushed operating profit to grow 50.5% YoY to IDR 6.7 trillion.
- These operating profit increase also contributed to the growth of net income and earnings per share, to IDR 1.6 trillion and IDR 222.6 respectively.

### Purbaleunyi Toll Revenues Grows 15.2%

- JSMR recorded revenue of IDR 15.2 Trillion, growing 10.7% YoY in 2021. Toll revenue as the main contributor grew 23.1% YoY to IDR 10.8 trillion.
- Meanwhile, Purbaleunyi toll road contributed the largest revenue of 12.7%, growing 15.2% YoY. It is followed by the Jakarta-Cikampek toll road and the Cawang-Tomang-Cengkareng toll road which grew by 1% and 8.9% respectively.
- Furthermore, other operating revenues reached IDR 990.1 billion and construction revenues booked IDR 3.4 Trillion. The operation of a number of new toll roads, and the increased mobility of the community, will drive traffic volume in 2021.
- In addition to the Eid mobility, we see that Indonesia, which is moving towards endemicity, will push the toll road transactions volume.

### We Recommend a BUY with a Target Price of 5,300

- We recommend BUY for JSMR shares with a target price of 5,300, reflecting an EV/EBITDA value of 9.2x. Currently, JSMR is traded at the EV/EBITDA level of 8.2x.
- This target also reflects the divestments of some of the Company's shares which will boost its performance in the next 12 months.
- In addition, tariff adjustments for a number of toll road sections, such as Jagorawi, Kunciran-Serpong, and Gempol-Pandaan, will also boost the Company's performance.

### Jasa Marga Tbk | Summary (IDR bn)

	2021/12A	2022/12F	2023/12F	2024/12F
Revenue	15,170	16,687	18,522	20,745
Growth	10.0%	10.0%	11.0%	12.0%
Net Profit	1,615	1,689	2,026	2,267
Growth	222.4%	4.6%	20.0%	11.9%
EPS (IDR)	223	233	279	312
P/E	17.5x	22.8x	19.0x	17.0x
P/BV	1.1x	1.4x	1.3x	1.2x
EV/EBITDA	9.5x	9.2x	6.9x	6.1x
ROE	6.4%	6.3%	6.9%	7.2%
DER	2.4x	2.5x	2.4x	2.3x
Dividend Yield	0.1%	0.1%	0.1%	0.1%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

## BUY

<b>Target Price (IDR)</b>	<b>5,300</b>
Consensus Price (IDR)	4,973
TP to Consensus Price	+6.6%
Potential Upside	+38.4%

### Shares data

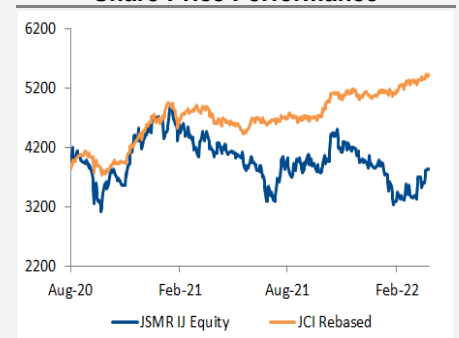
Last Price (IDR)	3,830
Price date as of	Mar. 30, 2022
52 wk range (Hi/Lo)	4,550 / 3,220
Free float	29.9%
Outstanding sh.(mn)	7,258
Market Cap (IDR bn)	27,652
Market Cap (USD mn)	1,925
Avg. Trd Vol - 3M (mn)	7.4
Avg. Trd Val - 3M (bn)	26.2
Foreign Ownership	6.3%

### Infrastructures

#### Transportation Infrastructure

Bloomberg	JSMR IJ
Reuters	JSMR.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-1.5%	13.3%	-0.8%	-8.2%
Rel. Ret	-8.7%	11.0%	-7.6%	-22.5%

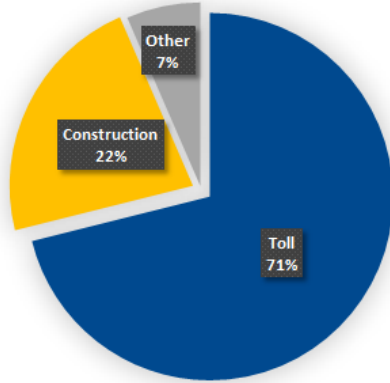
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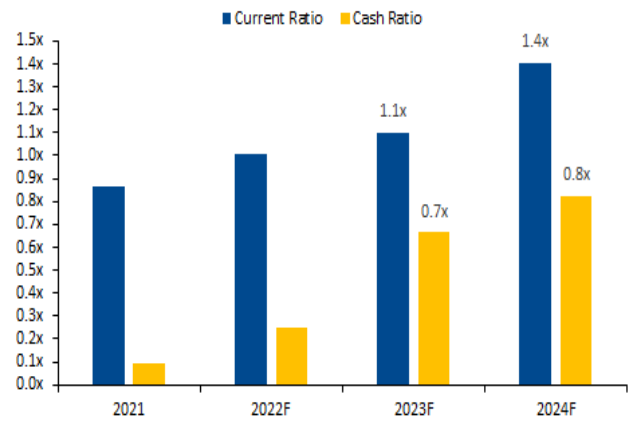
# Performance Highlights

## Revenue Contributions | FY21



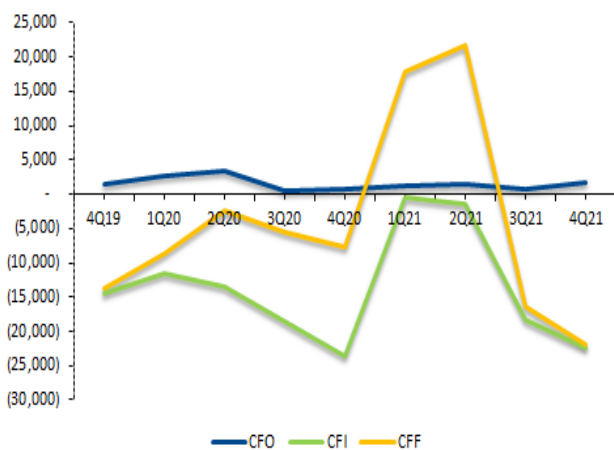
Source: Company, NHKSI Research

## Liquidity | 2021 - 2024F



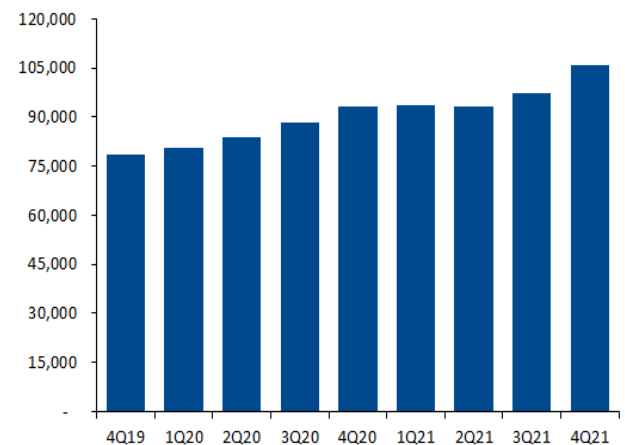
Source: Company, NHKSI Research

## Cash Flow Position (bn) | 4Q19 - 4Q21



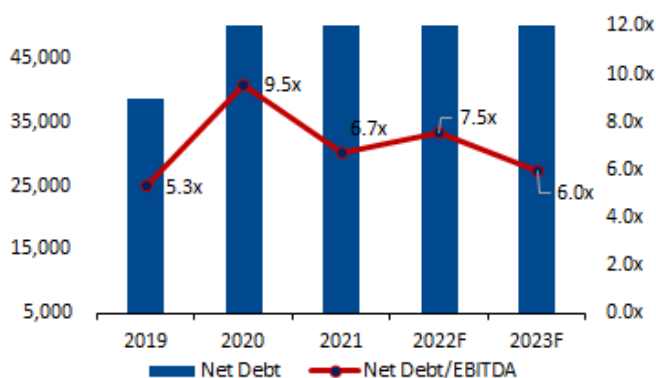
Source: Company, NHKSI Research

## Toll Road Concessions Rights (bn) | 4Q19 - 4Q21



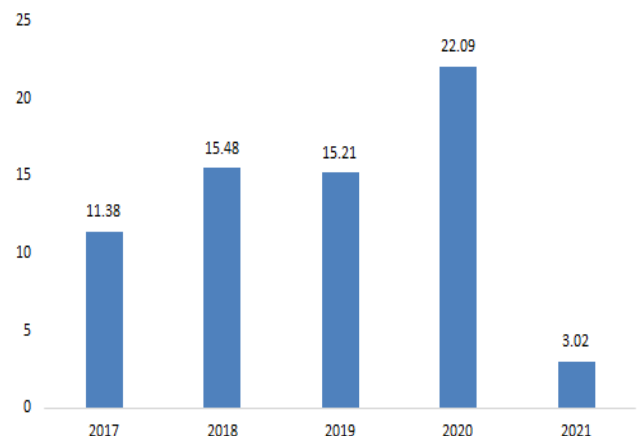
Source: Company, NHKSI Research

## Net Debt (IDR Bn) | 2019 - 2023F



Source: Company, NHKSI Research

## Capital Expenditure (IDR Trn) | 2017 - 2021



Source: Company, NHKSI Research

## Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F		2021/12A	2022/12F	2023/12F	2024/12F
Revenue	15,170	16,687	18,522	20,745	ROE	6.4%	6.3%	6.9%	7.2%
Growth	10.0%	10.0%	11.0%	12.0%	ROA	1.6%	1.6%	1.8%	2.0%
COGS	(8,667)	(8,754)	(8,842)	(9,018)	Inventory Turnover	62.18x	108.19x	108.19x	92.36x
<b>Gross Profit</b>	<b>6,502</b>	<b>7,932</b>	<b>9,680</b>	<b>11,726</b>	Receivables Turnover	7.5x	4.7x	4.7x	4.5x
Gross Margin	42.9%	47.5%	52.3%	56.5%	Payables Turnover	25.7x	20.0x	33.5x	33.5x
Operating Expenses	218	(441)	(194)	(307)	Dividend Yield	0.1%	0.1%	0.1%	0.1%
<b>Operating Income</b>	<b>6,720</b>	<b>7,491</b>	<b>9,487</b>	<b>11,419</b>	Payout Ratio	1.6%	1.2%	1.7%	1.5%
Operating Income Margin	44.3%	44.9%	51.2%	55.0%	DER	2.4x	2.5x	2.4x	2.3x
Depreciation	(2,061)	(3,703)	(5,538)	(5,850)	Net Gearing	4.8x	4.7x	4.3x	0.0x
<b>EBITDA</b>	<b>8,781</b>	<b>11,194</b>	<b>15,024</b>	<b>17,269</b>	Equity Ratio	25.2%	25.6%	26.6%	28.0%
EBITDA Margin	57.9%	67.1%	81.1%	83.2%	Debt Ratio	0.6x	0.7x	0.6x	0.7x
Interest Expenses	(4,520)	(2,477)	(2,230)	(1,981)	Financial Leverage	4.1x	3.9x	3.8x	3.7x
<b>EBT</b>	<b>2,072</b>	<b>2,248</b>	<b>3,049</b>	<b>3,622</b>	Current Ratio	0.9x	1.0x	1.1x	1.4x
Income Tax	(1,201)	(1,303)	(1,767)	(2,099)	Quick Ratio	0.9x	1.0x	1.1x	1.4x
Minority Interest	(744)	(744)	(744)	(744)	Par Value (IDR)	500	500	500	500
<b>Net Profit</b>	<b>1,615</b>	<b>1,689</b>	<b>2,026</b>	<b>2,267</b>	Total Shares (mn)	7,258	7,258	7,258	7,258
Growth	222.4%	4.6%	20.0%	11.9%	Share Price (IDR)	3,890	5,300	5,300	5,300
Net Profit Margin	10.6%	10.1%	10.9%	10.9%	Market Cap (IDR tn)	28.2	38.5	38.5	38.5

BALANCE SHEET					VALUATION INDEX				
In IDR bn	2021/12A	2022/12F	2023/12F	2024/12F		2021/12A	2022/12F	2023/12F	2024/12F
Cash	6,279	7,624	8,892	9,503	Price/Earnings	17.5x	22.8x	19.0x	17.0x
Receivables	2,032	1,849	1,764	2,380	Price/Book Value	1.1x	1.4x	1.3x	1.2x
Other Current Assets	762	265	281	273	PE/EPS Growth	1.6x	2.3x	1.7x	1.6x
<b>Total Current Assets</b>	<b>10,362</b>	<b>11,090</b>	<b>12,357</b>	<b>13,647</b>	EV/EBITDA	9.5x	9.2x	6.9x	6.1x
Net Fixed Assets	833	523	411	203	EV (IDR bn)	82,987	102,595	103,540	104,836
Other Non Current Assets	10,425	11,486	12,945	14,425	Revenue CAGR (3-Yr)	10.0%	-1.0%	-2.2%	-3.2%
<b>Total Non Current Assets</b>	<b>90,881</b>	<b>99,709</b>	<b>102,255</b>	<b>103,031</b>	Net Incomes CAGR (3-Yr)	-5.1%	-8.4%	-2.7%	0.9%
<b>Total Assets</b>	<b>101,243</b>	<b>110,799</b>	<b>114,612</b>	<b>116,678</b>	Basic EPS (IDR)	223	233	279	312
Payables	1,723	889	1,876	1,104	BVPS (IDR)	3,513	3,914	4,198	4,506
ST Borrowing	4,080	6,525	6,742	6,899	DPS (IDR)	3.5	2.8	4.6	4.6
<b>Total Current Liabilities</b>	<b>12,015</b>	<b>11,005</b>	<b>11,243</b>	<b>9,721</b>					
LT Debt	57,650	65,647	67,595	69,296					
<b>Total Liabilities</b>	<b>75,743</b>	<b>82,391</b>	<b>84,143</b>	<b>83,974</b>					
Capital Stock	3,629	3,629	3,629	3,629					
Retained Earnings	13,678	14,725	16,447	18,350					
<b>Shareholders' Equity</b>	<b>25,500</b>	<b>28,408</b>	<b>30,469</b>	<b>32,704</b>					

CASH FLOW STATEMENT					OWNERSHIP				
In IDR bn	2021/12A	2022/12F	2023/12F	2024/12F					
Operating Cash Flow	726	2,553	7,586	5,758	<b>Top Shareholders</b>				%
Investing Cash Flow	(4,624)	(10,546)	(8,518)	(6,974)	Republic of Indonesia				70.0
Financing Cash Flow	4,964	12,010	2,200	1,827	Norges Bank				1.7
<b>Net Changes in Cash</b>	<b>1,066</b>	<b>4,018</b>	<b>1,268</b>	<b>611</b>	Vanguard Group				1.0
					Others				27.3
					<b>By Geography</b>				%
					Indonesia				93.7
					United States				2.6
					Norway				2.3
					Ireland				0.3
					Others				1.1

Source: Company Data, NHKSI Research

## NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to +15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

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