

Wednesday, 28 September 2022

BUY
Maintain

Last price (IDR)	3,470
Target Price (IDR)	5,400
Upside/Downside	+55.6%
Previous Target Price (IDR)	5,400

Stock Statistics

Sector	Toll Road
Bloomberg Ticker	JSMR IJ
No of Shrs (mn)	7,258
Mkt. Cap (IDRbn/USDmn)	25,185/1,665
Avg. daily T/O (IDRbn/USDmn)	20.8/1.4

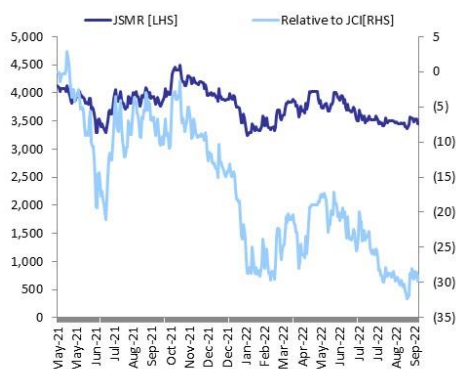
Major shareholders (%)

Government	70.0
Public	30.0
Estimated free float	30.0

EPS Consensus (IDR)

	2022F	2023F	2024F
Danareksa	209.1	281.1	351.6
Consensus	239.3	275.8	350.1
Danareksa/Cons	(12.6)	1.9	0.4

JSMR relative to JCI Index



Source : Bloomberg



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Jasa Marga (JSMR IJ)

Inline result

JSMR 1H22 result is pretty much inline with our forecast and consensus. The company booked higher operating revenue due to the combination of tariff adjustment as well as improvement in traffic volume during Lebaran holiday. As such, we maintain our FY22 net profit estimate. Maintain BUY.

1H22 highlight: Inline result. JSMR booked IDR735bn of net profit in 1H22, pretty much inline with our expectation (48%). This figure is extraordinarily higher vs 1H21 excluding gain on divestment which was only at IDR67bn. Operating revenue grew by 19.7% yoy in 2Q22 (+18% yoy in 1H22), which is derived from combination of toll tariff adjustment as well as high traffic growth mainly in Lebaran holiday. For 2Q22, the gross and operating profit grew by double digit, and the core profit turned into positive from IDR95bn loss in last year.

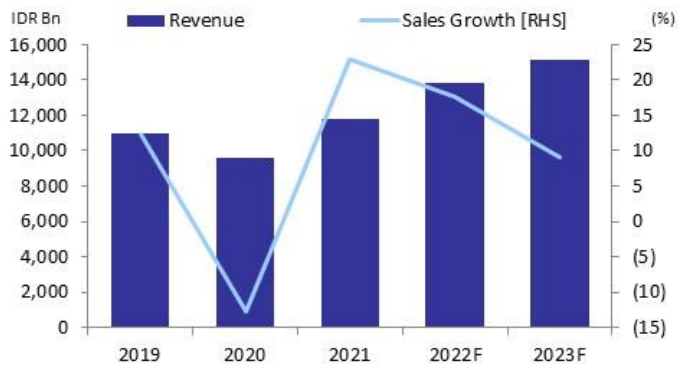
JSMR has done some tariff adjustments in this year: Inner City Toll Road (26 February), Surabaya-Mojokerto (19 March), and Bali Mandara (26 February). Next year, JSMR sees to make another tariff increase in Surabaya-Gempol toll road. As the result of tariff adjustment, we have seen the highest revenue growth from parent toll road comes from **Cawang-Tomang-Cengkareng** toll road which is part of Inner City Toll Road at 21.2% yoy. While on the subsidiary level, we also see significantly higher revenue growth from several new toll roads such as **Balikipapan-Samarinda** (+137%yoy), and **Serpong-Cinere** (+744%yoy). From our analysis, should we exclude the deconsolidated toll road as of 1H22, the toll revenue growth would reach 22% in 1H22 with 15% growth in traffic volume. These imply ~6% increase of effective tariff per vehicle as of 1H22, which is higher than the YTD national inflation rate at 3.2% as of June'22.

Going forward strategy. As the consequence of recent policy rate hike, JSMR sees that there could be a manageable increase in the cost of debt, from currently at 6.5% to somewhere between 7-8%. JSMR targets to see 60% fixed rate loan next year, from currently ~40%, which it aims to negotiate the interest from its investment loan. JSMR also still maintain the plan for equity fundraising of its subsidiary (PT JTT) which has effectively managed the Transjawa toll road since spin-off. Initial scenario of the equity fundraising will be around 30% of stake divestment to the public and strategic investors.

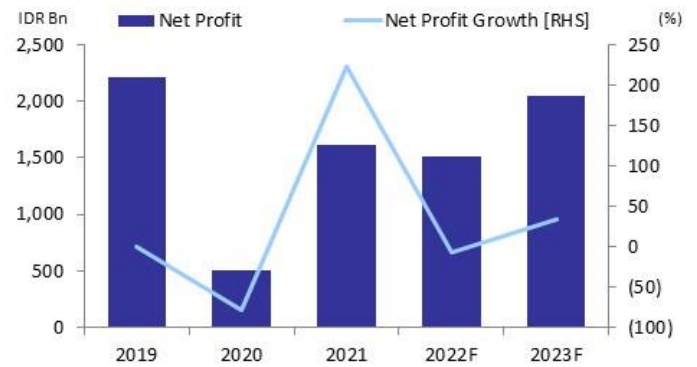
Key Financials

Year to 31 Dec	2020A	2021A	2022F	2023F	2024F
Revenue (IDRbn)	9,588	11,776	13,858	15,110	16,414
EBITDA (IDRbn)	6,436	7,090	8,265	10,505	11,508
EBITDA Growth (%)	(7.5)	10.2	16.6	27.1	9.5
Net profit (IDRbn)	501	1,615	1,517	2,041	2,552
EPS (IDR)	69.0	222.6	209.1	281.1	351.6
EPS growth (%)	(77.3)	222.4	(6.1)	34.5	25.1
BVPS (IDR)	2,628.1	2,839.1	3,007.4	3,225.8	3,493.1
DPS (IDR)	15.2	0.0	44.5	62.7	84.3
PER (x)	50.3	15.6	16.6	12.3	9.9
PBV (x)	1.3	1.2	1.2	1.1	1.0
Dividend yield (%)	0.4	0.0	1.3	1.8	2.4
EV/EBITDA (x)	13.1	11.4	10.7	8.7	8.3

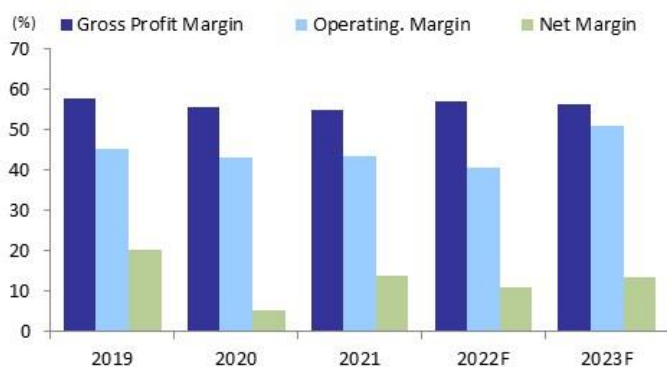
Source : JSMR, Danareksa Estimates

Exhibit 1. Revenues and Growth


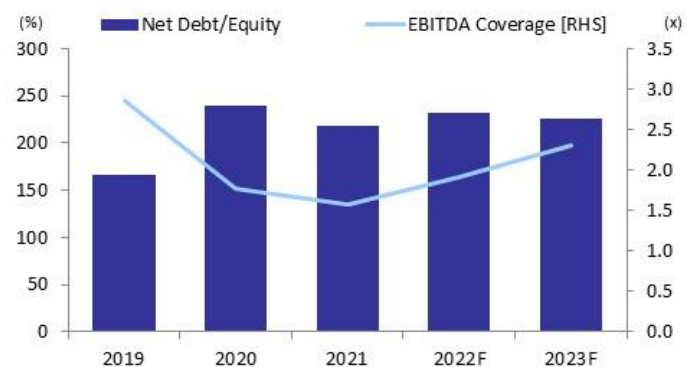
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 2. Net Profits and Growth


Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 3. Margins


Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 4. Gearing Level


Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 5. Result note 1H22

IDRbn	2Q21	1Q22	2Q22	2Q22		1H22	BRIDS FY22	1H22/BRIDS	FY22 Cons	1H22/Cons
				QoQ Chg %	YoY Chg %					
Operating Revenue*	2,889	3,196	3,458	8.2%	19.7%	6,654	13,858	48.0%		
Revenue	3,390	3,669	3,871	5.5%	14.2%	7,540	16,572	45.5%	15,302	49.3%
Gross Profit	1,439	1,813	1,813	0.0%	26.0%	3,626	8,156	44.5%	8,471	42.8%
Operating profit	1,086	1,529	1,399	-8.5%	28.8%	2,928	5,632	52.0%	6,406	45.7%
Net profit	694	393	342	-12.9%	-50.7%	735	1,517	48.4%	1,777	41.3%
Core profit**	(95)	393	342	-12.9%	n/a	735	1,517	48.4%		
GPM (%)	49.8	56.7	52.4			54.5				
OPM (%)	37.6	47.8	40.5			44.0				
NPM (%)	24.0	12.3	9.9			11.0				

*Toll and other operating revenue

**Excluding gain on divestment

Source: Company, BRI Danareksa Sekuritas

Exhibit 6. Toll revenue and traffic breakdown

Branch/Subsidiaries	1H21		1H22		Growth	
	Revenue (IDRbn)	Traffic (mn)	Revenue (IDRbn)	Traffic (mn)	Revenue	Traffic
Parent Level						
Jagorawi	452.5	64.9	496.4	70.4	9.7%	8.5%
Jakarta-Tangerang	393.7	59.6	458.5	65.5	16.5%	9.9%
Cawang-Tomang-Cengkareng	581.7	106.8	705.3	123.1	21.2%	15.2%
Purbaleunyi	665.1	35.0	774.6	38.7	16.5%	10.6%
Surabaya-Gempol	343.6	43.3	389.3	48.8	13.3%	12.8%
Semarang	96.5	16.2	110.9	18.6	14.9%	15.4%
Belmera	70.7	12.8	81.1	13.9	14.7%	8.6%
Palikanci	116.5	7.7	136.4	7.2	17.1%	-5.9%
JORR*	520.6	35.5	585.0	40.4	12.4%	13.8%
Total Parent	3,240.9	381.7	3,737.5	426.6	15.3%	11.8%
Subsidiary Level						
Bogor Ring Road	105.1	7.7	121.7	8.5	15.8%	10.9%
Surabaya-Mojokerto	212.5	10.2	265.7	13.3	25.0%	30.8%
Nusa Dua-Ngurah Rai-Benoa	18.8	1.9	32.9	3.1	75.0%	62.2%
Gempol-Pasuruan	116.0	1.2	153.4	1.4	32.2%	17.2%
Medan-Kualanamu-Tebing Tinggi	195.3	3.4	247.5	4.2	26.7%	23.9%
Kunciran-Serpong	50.5	3.6	93.7	9.0	85.5%	149.0%
Balikpapan-Samarinda	51.4	0.6	121.6	1.4	136.6%	119.0%
Manado-Bitung	17.1	0.8	23.6	0.9	38.0%	25.3%
Serpong-Cinere	3.2	0.9	27.0	2.3	743.8%	144.6%
Cengkareng-Batuceper-Kunciran	-	-	156.4	9.3	n/a	n/a
Total Subsidiary	769.9	30.3	1,243.5	53.4	61.5%	76.4%
Jakarta-Cikampek + MBZ	969.9	74.2	1,096.3	80.2	13.0%	8.2%
Grand Total	4,980.7	486.1	6,077.3	560.3	22.0%	15.3%

*JORR = JORR Non S + Ulujami-Pondok Aren

Implying effective tariff per vehicle:

1H21	10,245
1H22	10,846
%growth	5.9%

Source: Company, BRI Danareksa Sekuritas

Exhibit 7. Income Statement

Year to 31 Dec (IDRbn)	2020A	2021A	2022F	2023F	2024F
Revenue	9,588	11,776	13,858	15,110	16,414
COGS	(4,275)	(5,306)	(5,991)	(6,597)	(7,202)
Gross profit	5,313	6,471	7,867	8,514	9,212
EBITDA	6,436	7,090	8,265	10,505	11,508
Oper. profit	4,118	5,090	5,632	7,670	8,417
Interest income	415	323	440	89	(97)
Interest expense	(3,648)	(4,520)	(4,331)	(4,573)	(4,420)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	(122)	(127)	(127)	(127)	(127)
Other Income (Expenses)	(67)	1,307	0	0	0
Pre-tax profit	696	2,072	1,614	3,060	3,773
Income tax	(738)	(1,201)	(323)	(498)	(579)
Minority interest	543	744	226	(521)	(642)
Net profit	501	1,615	1,517	2,041	2,552
Core Net Profit	501	1,615	1,517	2,041	2,552

Exhibit 8. Balance Sheet

Year to 31 Dec (IDRbn)	2020A	2021A	2022F	2023F	2024F
Cash & cash equivalent	4,597	6,279	993	(1,079)	(843)
Receivables	4,418	2,032	2,093	2,156	2,221
Inventory	138	139	88	70	56
Other Curr. Asset	730	623	825	864	914
Fixed assets - Net	746	833	1,145	1,685	2,179
Other non-curr.asset	92,634	90,048	102,850	109,282	115,685
Total asset	104,087	101,243	108,990	114,075	121,417
ST Debt	6,269	4,135	4,741	4,798	5,028
Payables	2,209	1,723	700	1,120	1,120
Other Curr. Liabilities	6,451	6,156	10,812	11,259	11,947
Long Term Debt	57,702	57,613	59,215	60,407	63,972
Other LT. Liabilities	6,680	6,115	6,311	7,156	7,482
Total Liabilities	79,311	75,743	81,779	84,740	89,550
Shareholder's Funds	19,074	20,606	21,827	23,412	25,352
Minority interests	5,701	4,894	5,384	5,922	6,515
Total Equity & Liabilities	104,087	101,243	108,990	114,075	121,417

Exhibit 9. Cash Flow

Year to 31 Dec (IDRbn)	2020A	2021A	2022F	2023F	2024F
Net income	501	1,615	1,517	2,041	2,552
Depreciation and Amort.	2,319	2,001	2,632	2,835	3,091
Change in Working Capital	(16,448)	1,801	3,775	774	580
Other Oper. Cash Flow	2,620	3,775	3,643	5,066	4,531
Operating Cash Flow	(11,008)	9,192	11,567	10,715	10,754
Capex	(7,174)	2,099	(15,487)	(8,850)	(8,893)
Others Inv. Cash Flow	(344)	(2,181)	575	(664)	(948)
Investing Cash Flow	(7,518)	(82)	(14,913)	(9,514)	(9,841)
Net change in debt	20,414	(1,718)	1,687	1,238	3,785
New Capital	0	0	0	0	0
Dividend payment	(110)	0	(323)	(455)	(612)
Other Fin. Cash Flow	(2,163)	(5,089)	(3,842)	(4,056)	(3,851)
Financing Cash Flow	18,141	(6,808)	(2,478)	(3,273)	(678)
Net Change in Cash	(385)	2,302	(5,823)	(2,072)	236
Cash - begin of the year	4,342	4,597	6,279	993	(1,079)
Cash - end of the year	4,597	6,279	993	(1,079)	(843)

Exhibit 10. Key Ratios

Year to 31 Dec	2020A	2021A	2022F	2023F	2024F
Growth (%)					
Sales	(12.7)	22.8	17.7	9.0	8.6
EBITDA	(7.5)	10.2	16.6	27.1	9.5
Operating profit	(17.1)	23.6	10.7	36.2	9.7
Net profit	(77.3)	222.4	(6.1)	34.5	25.1
Profitability (%)					
Gross margin	55.4	54.9	56.8	56.3	56.1
EBITDA margin	67.1	60.2	59.6	69.5	70.1
Operating margin	42.9	43.2	40.6	50.8	51.3
Net margin	5.2	13.7	11.0	13.5	15.5
ROAA	0.5	1.6	1.4	1.8	2.2
ROAE	2.7	8.1	7.2	9.0	10.5
Leverage					
Net Gearing (x)	2.4	2.2	2.3	2.3	2.2
Interest Coverage (x)	1.1	1.1	1.3	1.7	1.9

Source : JSMR, Danareksa Estimates

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