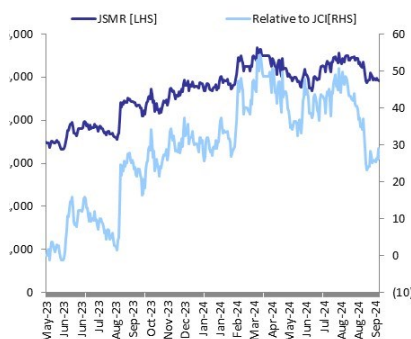


Buy

(Maintained)

Last Price (Rp)	4,900
Target Price (Rp)	6,500
Previous Target Price (Rp)	6,500
Upside/Downside	+32.7%
No. of Shares (mn)	7,258
Mkt Cap (Rpbn/US\$mn)	35,564/2,340
Avg, Daily T/O (Rpbn/US\$mn)	33.0/2.2
Free Float (%)	30.0
Major Shareholder (%)	
Government	70.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	548.5 585.4 615.5
Consensus	481.9 537.4 582.8
BRIDS/Cons (%)	13.8 8.9 5.6

JSMR relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Richard Jerry, CFA

(62-21) 5091 4100 ext. 3511

richard.jerry@brids.co.id

Christian Sitorus

(62-21) 5091 4100 ext. 3506

christian.sitorus@brids.co.id

Jasa Marga (JSMR II)

JTT divestment is signed and sealed

- JSMR has signed SPA on JTT divestment, with expected total proceeds of Rp15.3tr, to be paid in two terms (Sep24 and Dec24).
- The proceeds should enable JSMR to deleverage, thus our FY25E core NP expectation of Rp4.2tr and Rp8tr deleveraging are not stretched.
- The signed agreement should remove JTT divestment overhang. Reiterate Buy on JSMR with a TP of Rp6,500.

JSMR signed SPA on JTT divestment

JSMR officially signed SPA on JTT divestment on 27th Sep, 2024. This agreement also includes the issuance of 1.2bn new shares at the JTT level. After the completion of this transaction, JTT's final ownership will be as follows: 65% JSMR, 24.5% Metro Pacific Tollways (Salim) through 2 vehicles (Metro Pacific Tollways Indonesia Services and Margautama Nusantara), and 10.5% Warrington Investment Pte Ltd (GIC).

Proceeds amount of Rp 15.3tr, to be paid in two terms

JTT divestment proceeds will be Rp12.8tr (before tax, ~Rp11tr after tax), which will go to JSMR at the parent level and, therefore, could be used for deleveraging. The proceeds from JTT divestment will be paid in two terms: Rp6.7tr for 1st term (Sep24), and Rp6.1tr for 2nd term (Dec24). In addition, there will be Rp2.5tr proceeds from the issuance of new JTT shares (received immediately by Sep24), which will go to the JTT level and be used to pay JTT bridging loan in acquiring RDPT-MIET and KIK-DINFRA back in FY23 and early FY24. Thus, total proceeds will be Rp15.3tr (~Rp14tr after tax), implying ~2x PBV transaction value.

Deleveraging should go as expected, reiterate Buy on JSMR

Overall, this event is in line with our expectation and should be positive for JSMR through the removal of overhang on JTT divestment. We think our FY25F core net profit expectation at Rp4.2tr is far from stretched, with assumptions of 10bps lower cost of debt in FY25F and total Rp8tr deleveraging in FY24F-FY25F. The latest capex schedule also shows delay in Jogja-Bawen (Section 1 & 6, ~14km) completion target from FY25 to FY26, reducing pressure in FY25-26F interest expense. Furthermore, we are also surprised by the quicker tariff hike implementation for Cawang-Tomang-Pluit route (which contributes to 16% of total JSMR traffic) by 7% in Sep24. We reiterate our **Buy** rating on JSMR with a TP of **Rp6,500**. Downside risks: 1) Mandate to purchase toll road beyond the current capex schedule; 2) Delay on tariff hike.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	13,783	15,566	18,761	20,452	21,939
EBITDA (Rpbn)	8,302	9,584	11,525	12,381	13,201
EBITDA Growth (%)	12.0	15.4	20.3	7.4	6.6
Net Profit (Rpbn)	2,745	6,783	3,981	4,248	4,467
EPS (Rp)	378.3	934.5	548.5	585.4	615.5
EPS Growth (%)	70.0	147.1	(41.3)	6.7	5.2
BVPS (Rp)	3,021.0	3,842.9	5,461.0	5,936.6	6,435.1
DPS (Rp)	0.0	76.5	35.1	109.7	117.1
PER (x)	13.0	5.2	8.9	8.4	8.0
PBV (x)	1.6	1.3	0.9	0.8	0.8
Dividen yield (%)	0.0	1.6	0.7	2.2	2.4
EV/EBITDA	9.4	10.4	7.6	7.0	6.6

Source: JSMR, BRIDS Estimates

Exhibit 1. Tarif Adjustment in 2024

Toll Road	Implementation	Tarif Increase (%)
Kunciran - Cengkareng	Saturday, January 13, 2024	6.8
Cinere Serpong	Wednesday, February 21, 2024	Serpong-Pamulang: 7.55% Pamulang-Cinere: New tarif implementation
Jakarta-Cikampek	Saturday, March 9, 2024	35.0
Jakarta-Cikampek Elevated	Saturday, March 9, 2024	35.0
Bali Mandara	Saturday, April 27, 2024	7.69
Gempol-Pandaan	Saturday, April 27, 2024	9.91
Surabaya-Mojokerto	Tuesday, July 9, 2024	10.16
Cawang-Tomang-Pluit	Sunday, September 22, 2024	7.04

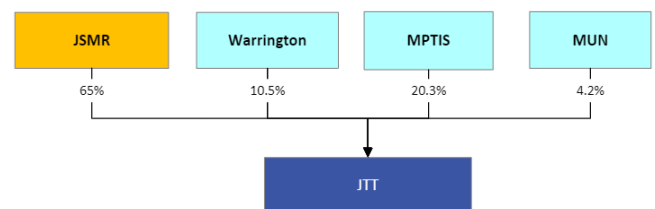
Source: Company

Exhibit 2. New Projects to be Completed

	Section	Length (Km)
2024	Jogja - Solo (Section 1.1)	22.30
2025 (+/- 101 km)	Jakarta-Cikampek II South (Section III)	31.25
	Probolinggo-Banyuwangi (Phase 1)	49.68
	Jogja-Solo (Section 1.2)	20.08
2026+ (+/- 48 km)	Jogja-Bawen (Section 1 & 6)	13.78
	Jogja-Solo (Section 2.2B)	3.25
	Jakarta-Cikampek II South (Section I-II)	30.80

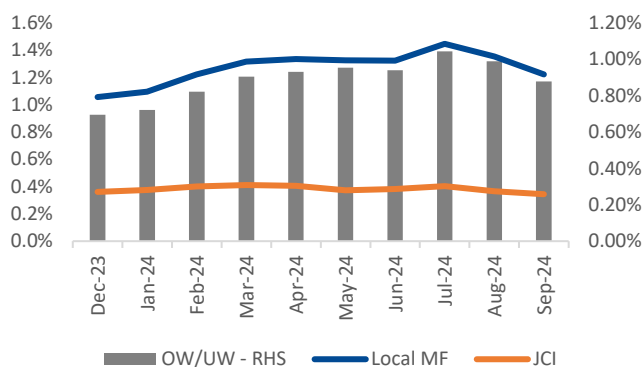
Source: Company

Exhibit 3. Final Structure (After Divestment & Right Issue)



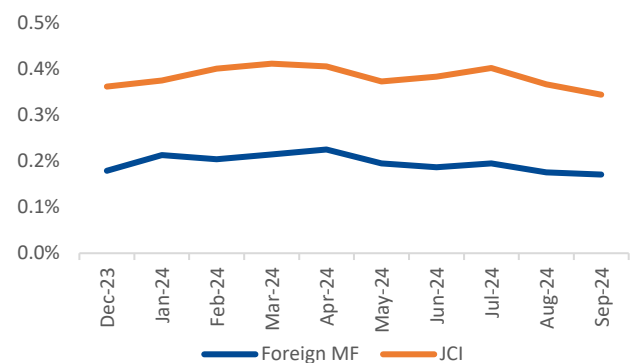
Source: Company

Exhibit 4. Local Fund Ownership



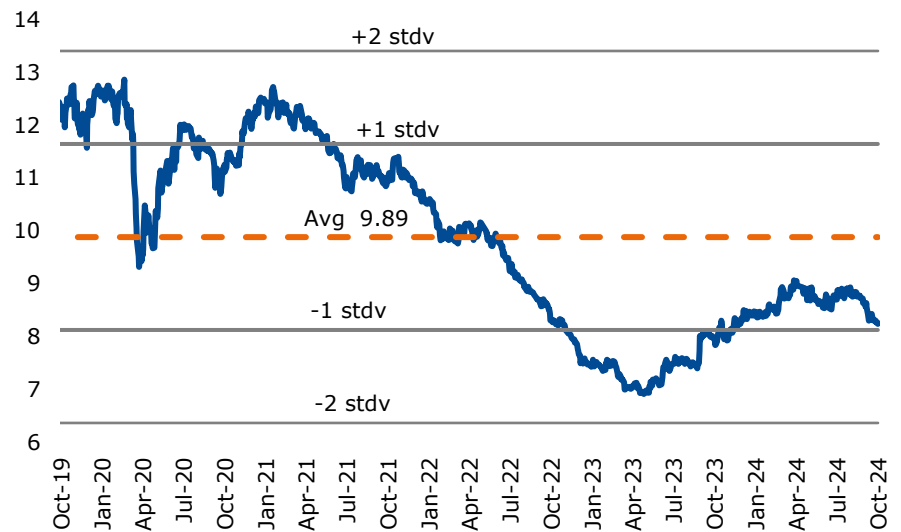
Source: KSEI, BRIDS

Exhibit 5. Foreign Fund Ownership



Source: KSEI, BRIDS

Exhibit 6. Historical EV/EBITDA Band



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 8. Net Profit and Growth



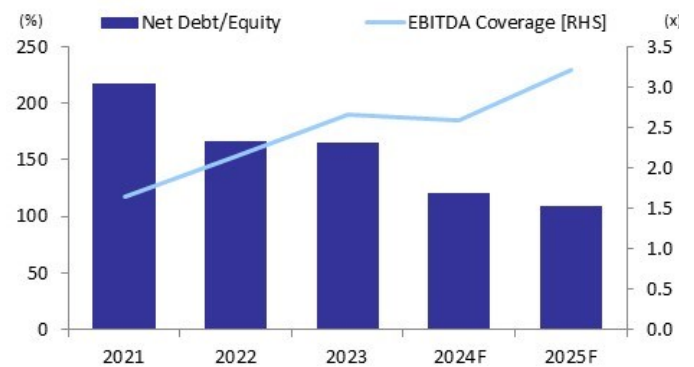
Source: Company, BRIDS Estimates

Exhibit 9. Margins



Source: Company, BRIDS Estimates

Exhibit 10. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 11. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	13,783	15,566	18,761	20,452	21,939
COGS	(6,392)	(6,643)	(7,851)	(8,597)	(9,313)
Gross profit	7,391	8,923	10,910	11,855	12,626
EBITDA	8,302	9,584	11,525	12,381	13,201
Oper. profit	5,483	6,951	8,559	9,229	9,829
Interest income	152	256	400	483	396
Interest expense	(3,885)	(3,592)	(4,463)	(3,848)	(3,807)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	228	200	221	243	267
Other Income (Expenses)	1,747	4,112	0	(200)	(200)
Pre-tax profit	3,726	7,926	4,716	5,906	6,484
Income tax	(1,402)	(1,177)	(720)	(1,372)	(1,524)
Minority interest	422	33	(15)	(286)	(493)
Net profit	2,745	6,783	3,981	4,248	4,467
Core Net Profit	770	2,471	3,160	4,206	4,401

Exhibit 12. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	8,429	4,439	6,898	7,916	14,026
Receivables	1,340	1,266	1,304	1,343	1,182
Inventory	99	119	96	76	61
Other Curr. Asset	225	789	838	905	992
Fixed assets - Net	361	474	482	465	422
Other non-curr.asset	78,291	120,863	134,754	139,731	145,882
Total asset	91,139	129,312	144,372	150,436	162,565
ST Debt	3,343	10,752	8,743	8,503	9,438
Payables	593	740	109	89	110
Other Curr. Liabilities	8,207	11,329	16,367	17,289	18,104
Long Term Debt	47,875	58,001	50,604	50,835	55,737
Other LT. Liabilities	5,500	9,578	9,571	9,891	10,441
Total Liabilities	65,518	90,401	85,393	86,606	93,831
Shareholder's Funds	21,826	27,891	39,635	43,087	46,705
Minority interests	3,796	11,020	19,344	20,311	21,327
Total Equity & Liabilities	91,139	129,312	144,372	150,436	162,565

Exhibit 13. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	2,745	6,783	3,981	4,248	4,467
Depreciation and Amort.	2,819	2,633	2,966	3,152	3,373
Change in Working Capital	2,710	2,202	4,239	652	747
Other Oper. Cash Flow	4,538	7,766	4,007	3,669	3,945
Operating Cash Flow	12,812	19,384	15,193	11,721	12,533
Capex	9,931	(47,014)	(7,303)	(6,020)	(7,397)
Others Inv. Cash Flow	(3,503)	3,415	(137)	(301)	(505)
Investing Cash Flow	6,428	(43,599)	(7,439)	(6,321)	(7,902)
Net change in debt	(10,536)	17,526	(9,419)	(24)	5,822
New Capital	0	0	0	0	0
Dividend payment	0	0	(255)	(796)	(850)
Other Fin. Cash Flow	(5,046)	2,872	(3,587)	(3,561)	(3,493)
Financing Cash Flow	(15,582)	20,398	(13,262)	(4,381)	1,479
Net Change in Cash	3,658	(3,816)	(5,508)	1,019	6,110
Cash - begin of the year	6,279	8,429	4,439	6,898	7,916
Cash - end of the year	8,429	4,439	6,898	7,916	14,026

Exhibit 14. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	17.0	12.9	20.5	9.0	7.3
EBITDA	12.0	15.4	20.3	7.4	6.6
Operating profit	7.7	26.8	23.1	7.8	6.5
Net profit	76.8	220.8	27.9	33.1	4.6
Profitability (%)					
Gross margin	53.6	57.3	58.2	58.0	57.6
EBITDA margin	60.2	61.6	61.4	60.5	60.2
Operating margin	39.8	44.7	45.6	45.1	44.8
Net margin	19.9	43.6	21.2	20.8	20.4
ROAA	2.9	6.2	2.8	2.8	2.7
ROAE	12.9	27.2	10.0	9.8	9.4
Leverage					
Net Gearing (x)	1.7	1.7	1.2	1.1	1.0
Interest Coverage (x)	1.4	1.9	1.9	2.4	2.6

Source : JSMR, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement, Infrastructure	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Christian Immanuel Sitorus	Research Associate	christian.sitorus@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlich Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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