

Buy

(Maintained)

Jasa Marga (JSMR IJ)

Normalization of revenue growth, yet healthier balance sheet is still underappreciated

Last Price (Rp)	3,850		
Target Price (Rp)	5,900		
Previous Target Price (Rp)	6,200		
Upside/Downside	+53.2%		
No. of Shares (mn)	7,258		
Mkt Cap (Rpbn/US\$m)	27,943/1,710		
Avg. Daily T/O (Rpbn/US\$m)	21.1/1.3		
Free Float (%)	30.0		
Major Shareholder (%)	Government 70.0		
EPS Consensus (Rp)	2025F	2026F	2027F
BRIDS	527.3	545.9	537.6
Consensus	528.2	605.1	655.5
BRIDS/Cons (%)	(0.2)	(9.8)	(18.0)

- We expect toll road revenue to grow by 9%/10% in FY25F/FY26F, driven by traffic growth of 1.6%/2.3% yoy, and fewer special tariff adjustments.
- We expect higher capex (~Rp11tr/yr) in FY25F-FY26F, yet leverage will remain at ~1x net DER; expect interest exp. to increase in FY26F.
- Market has not appreciated JSMR's healthier balance sheet (~1x net DER) post-JTT divestment. Reiterate Buy rating with a TP of Rp5,900.

Revenue growth is normalizing due to fewer special tariff adjustments

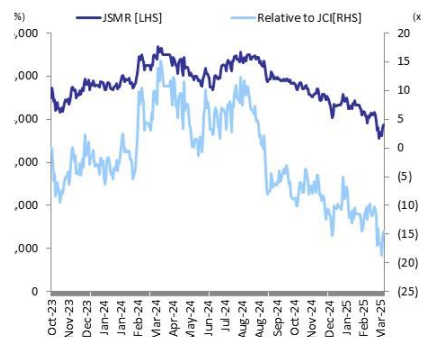
We expect JSMR to record growth in toll-road revenue by of 9%/ 10% in FY25F/ FY26F. This implies inevitable normalization of revenue growth, after a robust 23% yoy growth in FY24, due to: 1) traffic growth expectation of just 1.6%/ 2.3% in FY25F/ FY26F; 2) only 2 toll roads that are planned to gain special tariff adjustment in FY25F, both are non-mature toll roads (Semarang-Batang, Solo-Ngawi) vs adjustment of 35% for Cikampek (mature toll) in FY24. We estimate EBITDA margin will decline to 65%-66% in FY25F-FY26F (vs 67% in FY24) due to additional operation of new 142km toll road.

Slightly elevated capex in FY25F-FY26F, but not as high as FY17-FY19

We raise our capex est to ~Rp11tr in FY25F/FY26F, vs <Rp10tr previously, as we align our capex estimation to management guidance. Despite this, the future capex estimation is still significantly lower than Rp17tr-24tr/year in FY17-19. Thus, we expect leverage level to remain manageable at ~1x (net DER) in FY25F-FY26F, vs 1.4x-1.7x in FY17-FY19. The government's initiative to pause several toll roads construction is positive for JSMR, due to lower need for capex in the future, hence opening room for deleveraging. Such government initiative will affect the toll road that is scheduled for FY27F onwards. Meanwhile, due to more debt raised at project-level, we raise our interest exp. to Rp4.1tr/Rp4.5tr in FY25F/FY26F (+0%/+10% vs. our prev est).

Reiterate BUY for JSMR. Market has not appreciated JTT deleveraging JSMR' share price declined slightly during pre- and post-JTT deal (by -1% in Jul-Sep24, and -2% in Oct24), implying market has not appreciated its healthier balance sheet. Post JTT-divestment, we expect JSMR to be able to maintain a <1x net DER ratio for the next 2-3 years. We adjusted our FY25F/ 26F EPS est by 0%/ 0.4%, due to lower revenue (-1%/-2%), higher interest expense, yet higher EBITDA (+7%/+6%) due to higher-than-expected profitability from several toll roads. We reiterate our **Buy** rating with a slightly lower TP of **Rp5,900** (-3%). JSMR is trading at an EV/EBITDA of 8.8x (-1 std dev of 5-year mean). Downside risks: 1) Manado-Bitung impairment; 2) Continuation on slower traffic growth post-tariff adjustment.

JSMR relative to JCI Index



Source: Bloomberg

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Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	15,566	18,728	20,320	22,189	24,210
EBITDA (Rpbn)	9,658	12,600	13,355	14,349	15,585
EBITDA Growth (%)	15.4	30.5	6.0	7.4	8.6
Net Profit (Rpbn)	6,794	4,536	3,827	3,962	3,901
EPS (Rp)	936.0	624.9	527.3	545.9	537.6
EPS Growth (%)	147.5	(33.2)	(15.6)	3.5	(1.5)
BVPS (Rp)	3,842.9	4,690.5	5,070.2	5,563.4	6,046.3
DPS (Rp)	76.5	58.6	62.5	52.7	54.6
PER (x)	4.1	6.2	7.3	7.1	7.2
PBV (x)	1.0	0.8	0.8	0.7	0.6
Dividen yield (%)	2.0	1.5	1.6	1.4	1.4
EV/EBITDA	9.6	6.6	6.7	6.5	6.0

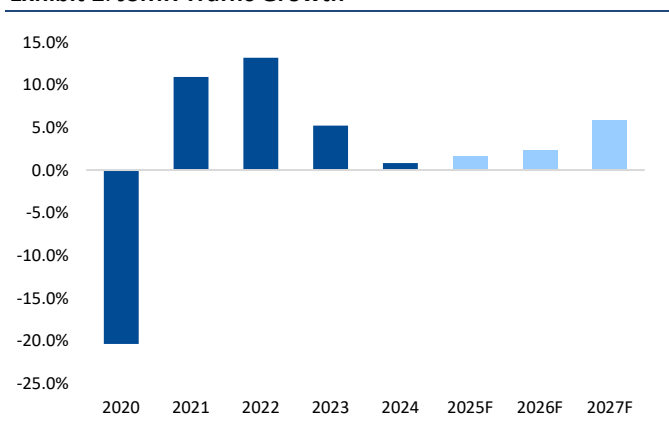
Source: JSMR, BRIDS Estimates

Exhibit 1. JSMR's Earnings Estimate Revision

Rpbn	Previous			New			Upgrade/Downgrade			Consensus			% Diff ours vs cons.		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue	20,568	22,553	21,939	20,320	22,189	24,210	-1%	-2%	10%	23,336	25,421	30,831	-13%	-13%	-21%
Gross profit	11,916	12,838	12,626	11,763	12,510	13,422	-1%	-3%	6%	12,530	13,641	14,830	-6%	-8%	-9%
EBIT	9,216	9,803	9,829	9,369	9,943	10,672	2%	1%	9%	9,426	10,330	11,043	-1%	-4%	-3%
EBITDA	12,518	13,474	13,201	13,355	14,349	15,585	7%	6%	18%	12,623	13,739	14,613	6%	4%	7%
Net profit	3,827	3,979	4,467	3,827	3,962	3,901	0%	0%	-13%	3,904	4,406	4,566	-2%	-10%	-15%
Core profit	3,827	3,979	4,467	3,827	3,962	3,901	0%	0%	-13%						
Gross Margin	57.9%	56.9%	57.5%	57.9%	56.4%	55.4%				53.7%	53.7%	48.1%			
EBIT Margin	44.8%	43.5%	44.8%	46.1%	44.8%	44.1%				40.4%	40.6%	35.8%			
EBITDA Margin	60.9%	59.7%	60.2%	65.7%	64.7%	64.4%				54.1%	54.0%	47.4%			
Net Margin	18.6%	17.6%	20.4%	18.8%	17.9%	16.1%				16.7%	17.3%	14.8%			

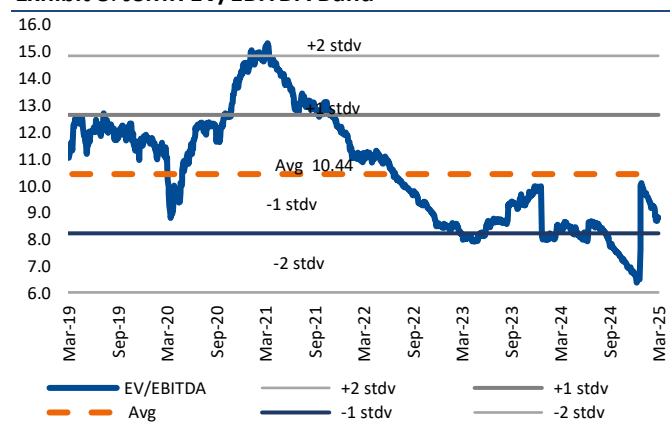
Source: Company, Bloombergs, BRIDS Estimates

Exhibit 2. JSMR Traffic Growth



Source: Company, BRIDS Estimates

Exhibit 3. JSMR EV/EBITDA Band



Source: Bloomberg, BRIDS Estimates

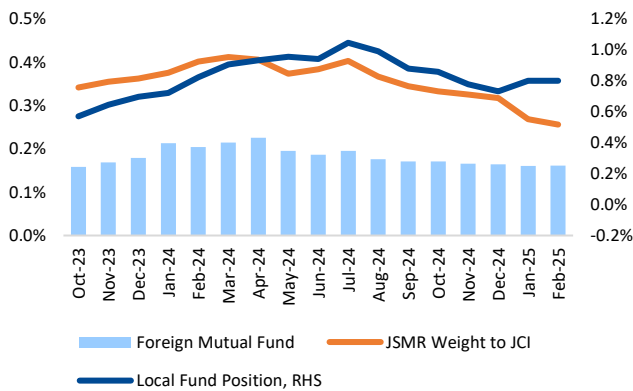
Exhibit 4. JSMR New Projects to be Completed

	Section	Length (km)
2024	Jogja - Solo (Section 1.1)	22.30
2025 (± 70 km)	Probolinggo - Banyuwangi (Phase 1)*	49.68
	Jogja - Solo (Section 1.2)	20.08
2026 (± 72 km)	Jakarta - Cikampek II South (Section II - III)	54.75
	Jogja - Bawen (Section 1 & 6)	13.78
	Jogja - Solo (Section 2.2B)	3.25
2027 (± 304 km)	Jakarta - Cikampek II South (Section I)	7.25
	Bogor Ring Road (Section IIIB)	1.01
	Probolinggo - Banyuwangi (Phase 2-3)*	126.22
	Ngawi - Kertasono (Section V)	20.3
	Jogja - Bawen (Section 2-5)	61.34
	Jogja - Solo (Phase 2 & Phase 3)	51.12
	Akses Patimban	37.05

* According to JSMR proposal to the Indonesian Toll Road Authority/Badan Pengatur Jalan Tol, for Probolinggo-Banyuwangi Section, first phase construction will be for Gending-Besuki Section for a total length of 49.68 km.

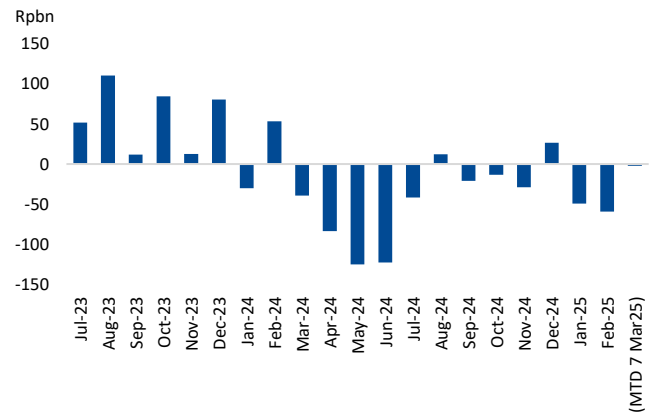
Source: Company

Exhibit 5. JSMR Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 6. JSMR Historical Foreign Flows (as of 7th Mar25)



Source: IDX, BRIDS

Exhibit 7. JSMR's DCF Valuation

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	-	1	2	3	4	5	6	7	8	9	10	
EBIT * (1-tax)	+	7,308	7,756	8,324	8,860	9,448	9,947	10,578	11,140	11,837	12,619	13,682
Depreciation	+	3,986	4,406	4,913	5,153	5,378	5,584	5,782	5,980	6,210	6,444	6,680
Change in working capital	+	290	(1,654)	(979)	(1,168)	(1,172)	(387)	(934)	(959)	(1,591)	(412)	(1,049)
Capex	-	11,911	11,911	9,715	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Minority interest	-	606	835	1,035	1,273	1,559	1,731	1,973	2,133	2,384	1,999	2,240
FCFF		(933)	(2,238)	1,507	3,372	3,896	5,212	5,253	5,828	5,873	8,452	8,873
Discount factor		1.00	1.08	1.16	1.26	1.36	1.46	1.58	1.70	1.84	1.98	2.14
Present value of FCFF		(933)	(2,074)	1,294	2,683	2,873	3,562	3,326	3,420	3,193	4,259	4,143
Terminal value												167,585
PV of terminal value												78,249
NPV		Rp bn	103,995									
Net debt (as of end 2025)		Rp bn	61,236									
Equity value		Rp bn	42,759									
Outstanding shares		bn sh	7.3									
Target price		Rp/sh	5,900									

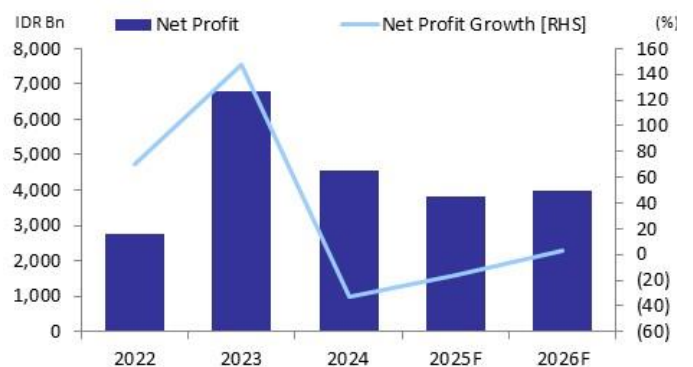
Source: Company, BRIDS Estimates

Exhibit 8. Revenues and Growth



Source: Company, BRIDS Estimates

Exhibit 9. Net Profits and Growth



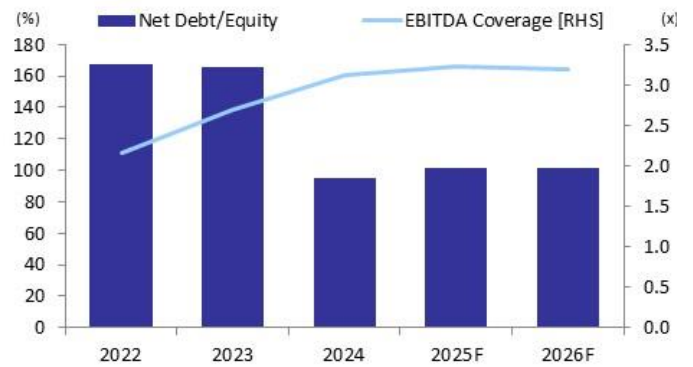
Source: Company, BRIDS Estimates

Exhibit 10. Margins



Source: Company, BRIDS Estimates

Exhibit 11. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 12. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	15,566	18,728	20,320	22,189	24,210
COGS	(6,643)	(7,482)	(8,623)	(9,715)	(10,794)
Gross profit	8,923	11,246	11,696	12,473	13,416
EBITDA	9,658	12,600	13,355	14,349	15,585
Oper. profit	6,951	9,006	9,369	9,943	10,672
Interest income	256	215	224	195	156
Interest expense	(3,592)	(4,026)	(4,142)	(4,494)	(4,646)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	200	269	269	269	269
Other Income (Expenses)	4,112	311	0	260	0
Pre-tax profit	7,926	5,774	5,720	6,174	6,451
Income tax	(1,177)	(154)	(1,286)	(1,376)	(1,514)
Minority interest	44	(1,084)	(606)	(835)	(1,035)
Net profit	6,794	4,536	3,827	3,962	3,901
Core Net Profit	6,794	4,536	3,827	3,962	3,901

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	4,439	4,810	3,255	3,209	3,117
Receivables	1,266	1,143	1,257	1,383	1,521
Inventory	119	148	148	148	148
Other Curr. Asset	789	730	737	750	768
Fixed assets - Net	474	507	517	504	468
Other non-curr.asset	120,863	133,365	141,592	149,432	154,602
Total asset	129,312	140,726	147,531	155,451	160,650
ST Debt	10,752	5,806	6,016	6,524	6,449
Payables	740	639	500	500	406
Other Curr. Liabilities	11,329	13,915	13,447	14,469	15,475
Long Term Debt	58,001	53,948	58,475	61,348	62,261
Other LT. Liabilities	9,578	8,876	8,796	8,734	8,678
Total Liabilities	90,401	83,185	87,234	91,574	93,268
Shareholder's Funds	27,891	34,043	36,799	40,378	43,884
Minority interests	11,020	23,498	23,498	23,498	23,498
Total Equity & Liabilities	129,312	140,726	147,531	155,451	160,650

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	6,794	4,536	3,827	3,962	3,901
Depreciation and Amort.	2,708	3,594	3,986	4,406	4,913
Change in Working Capital	2,202	3,906	(628)	863	737
Other Oper. Cash Flow	7,766	3,370	3,745	4,246	4,445
Operating Cash Flow	19,469	15,406	10,930	13,477	13,996
Capex	(47,088)	(15,326)	(11,911)	(11,911)	(9,715)
Others Inv. Cash Flow	3,415	706	(70)	(108)	(156)
Investing Cash Flow	(43,673)	(14,621)	(11,981)	(12,018)	(9,871)
Net change in debt	17,526	(8,993)	4,704	3,365	820
New Capital	0	0	0	0	0
Dividend payment	0	(425)	(454)	(383)	(396)
Other Fin. Cash Flow	2,862	9,127	(6,098)	(4,488)	(4,640)
Financing Cash Flow	20,388	(291)	(1,848)	(1,505)	(4,217)
Net Change in Cash	(3,816)	494	(2,899)	(46)	(92)
Cash - begin of the year	8,429	4,439	4,810	3,255	3,209
Cash - end of the year	4,439	4,810	3,255	3,209	3,117

Exhibit 15. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	12.9	20.3	8.5	9.2	9.1
EBITDA	15.4	30.5	6.0	7.4	8.6
Operating profit	26.8	29.6	4.0	6.1	7.3
Net profit	147.5	(33.2)	(15.6)	3.5	(1.5)
Profitability (%)					
Gross margin	57.3	60.0	57.6	56.2	55.4
EBITDA margin	62.0	67.3	65.7	64.7	64.4
Operating margin	44.7	48.1	46.1	44.8	44.1
Net margin	43.6	24.2	18.8	17.9	16.1
ROAA	6.2	3.4	2.7	2.6	2.5
ROAE	27.3	14.6	10.8	10.3	9.3
Leverage					
Net Gearing (x)	1.7	1.0	1.0	1.0	1.0
Interest Coverage (x)	1.9	2.2	2.3	2.2	2.3

Source: JSMR, BRIDS Estimates

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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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