PT Jasa Marga (Persero) Tbk (JSMR)

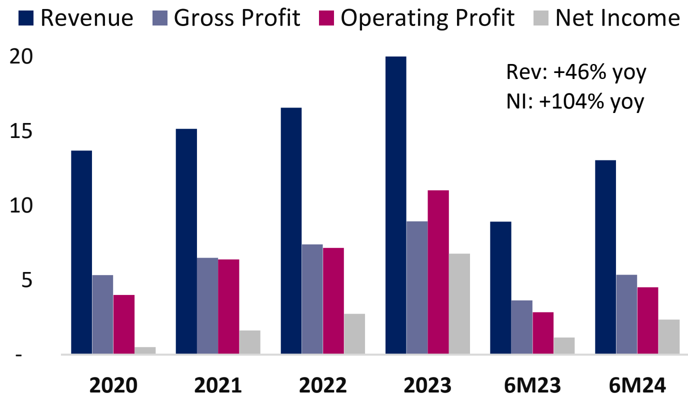
JSMR's 6M2024 performance continued to improve. On a top line basis, JSMR booked revenue of IDR 13 T +46% yoy. Revenue was contributed by toll revenue of IDR 8.4 T +37% yoy (64% to revenue), construction business revenue of IDR 3.9 T +104% yoy (30% to revenue), other business revenue of IDR 732 B / -14% yoy (6% to revenue).

Margin ratios are showing signs of improvement. The 6M24 GPM 41.1% (vs 6M23 40.7%), OPM 34.6% (vs 6M23 33.2%) and NPM 17.9% (vs 12.9%). The increase in performance was due to the implementation of tariff adjustments for 21 toll road sections in 2023 and tariff adjustments for 4 toll road sections in the first quarter of 2024. Furthermore, the execution of the buyback option in 1H2023 so that the three Transjawa toll roads (JSB, JSN, JNK) have been consolidated again.

Debt Up, Ratio Down: JSMR Improves Leverage Profile. In the 1H2024, interest-bearing debt increased by 2% vs FY2023. Despite the increase in interest-bearing debt, the interest-bearing debt ratio decreased to 1.63x (vs FY2023 at 1.7x), an improvement in the debt ratio due to an increase in capital after a significant increase in net profit.

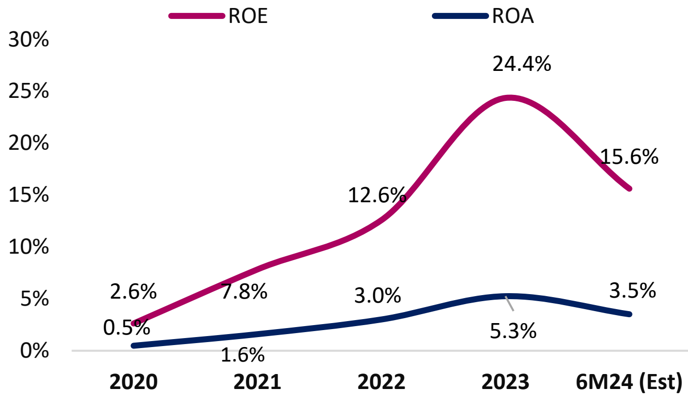
Valuation & Commentary
Last price (IDR 5,500) is trading at forward PE Forward of 8.47x vs Avg 5Y 12x (Undervalued) and PBV of 1.32x vs Avg 5Y 1.45x (Undervalued). The current price is still very attractive because it is undervalued, besides that JSMR has just re-entered the LQ45 index for the period August 1 - October 31, 2024). *We should anticipate short-term profit taking amid positive sentiment (Sell on news).* ***Downside risks****: economy, fuel prices, emergence of alternative modes of transportation, natural disasters, maintenance and upkeep, congestion, debt levels, exchange rate fluctuations.*

Figure 1. Financial Highlight (IDR Tn)



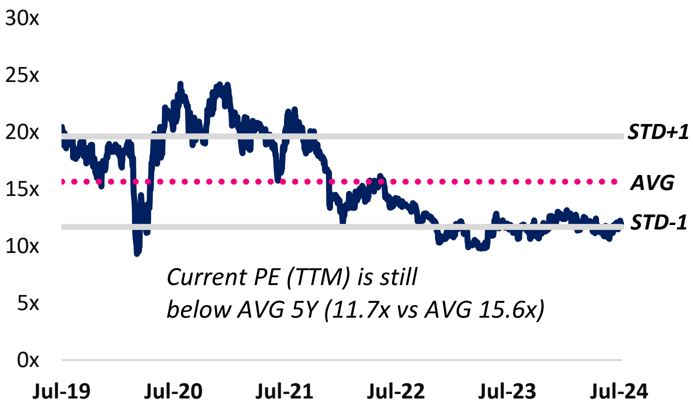
Source: Company and Kiwoom Research

Figure 2. ROE vs ROA



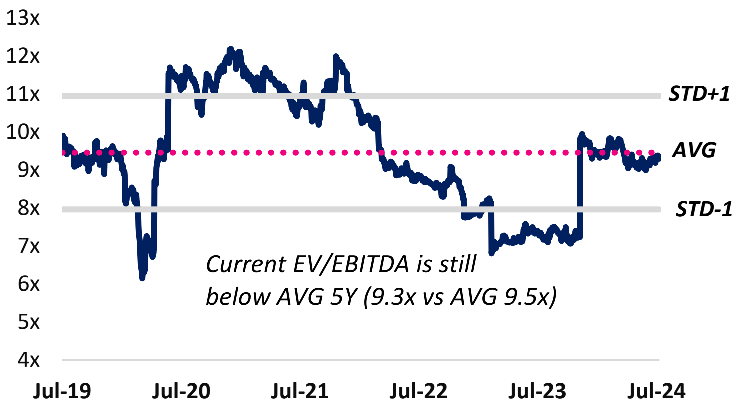
Source: Company and Kiwoom Research

Figure 4. PE Band



Source: Bloomberg and Kiwoom Research

Figure 5. EV/EBITDA Band



Source: Bloomberg and Kiwoom Research

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT	: Sector & Industry Outlook has potential and good condition
NEUTRAL	: Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT	: Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOTE RATE	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)

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