

Pertamina Geothermal Energy

HOLD (*unchanged*)

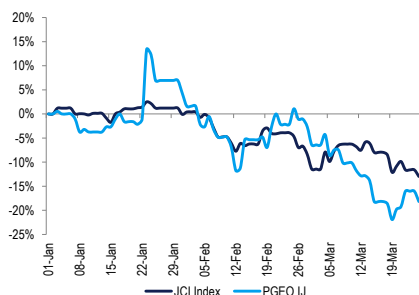
Company update | PGEO IJ | 25 March 2025

Stock Data

Target price	Rp850
Prior TP	Rp1,250
Current price	Rp780
Upside/downside	+9%
Shares outstanding (mn)	41,508
Market cap (Rp bn)	32,376
Free float	10%
Avg. 6m daily T/O (Rp bn)	13

Price Performance

	3M	6M	12M
Absolute	-18.8%	-32.2%	-34.5%
Relative to JCI	-6.6%	-12.4%	-19.0%
52w low/high (Rp)	730 – 1,335		



Major Shareholders

Pertamina Power Indonesia	68.8%
Masdar Indonesia Solar Holdings	15.0%
Pertamina Pedeve Indonesia	6.0%

Ryan Winipta

PT Indo Premier Sekuritas
 ryan.winipta@ipc.co.id
 +62 21 5088 7168 ext. 718

Reggie Parengkuan

PT Indo Premier Sekuritas
 reggie.parengkuan@ipc.co.id
 +62 21 5088 7168 ext. 714

4Q24 results: NP came in-line with consensus: EBITDA slightly below

- PGEO reported US\$161mn NP (-2% yoy) in FY24, in-line with ours and consensus forecast (at 100% IPS/consensus).
- In 4Q24, PGEO EBITDA stood at US\$70mn (flat yoy/-19% qoq) on flattish volume qoq & yoy and seasonally higher costs during 4Q.
- We revised our FY25F/26F NP by -18%/-16% following its guidance of flat volume growth in FY25. This also led to lower TP of Rp850/share.

FY24 review: NP in-line with consensus, EBITDA came slightly below

PGEO reported US\$161mn NP (-2% yoy) in FY24, which was in-line with ours and consensus forecast (at 100% IPS/consensus) while EBITDA stood at US\$324mn in FY24 (-3% yoy), slightly below ours/consensus forecast (96%/94% IPS/consensus). Revenue in FY basis saw limited ASP increase from steam & electricity sales, while on the volume side there were no additional plant that started operation in FY24, leading to only slight pick-up in volume (+2% yoy). 4Q24 NP stood at US\$27mn (-11% yoy/-29% qoq) on seasonally higher costs during 4Q while revenue remain relatively flattish (flat qoq/+4% yoy) at US\$101mn. There were costs reclassification in other income/expenses, COGS, and operating expenses, which made yoy & qoq comparison irrelevant on each cost item, but overall costs indeed trended higher qoq (+40%), albeit flat on yoy basis.

4Q24/FY24 operational review: in-line with guidance, no surprises

PGEO's steam & electricity production reached 4,827 GWh (+2% yoy) as steam sales grew by +4% yoy to 2,384 GWh while electricity sales came flattish on yoy basis at 2,444 GWh. On 4Q24, total production grew by +7% yoy primarily driven by higher steam sales (+15% yoy) while electricity sales were flattish on yoy basis. In FY25F, PGEO guided for volume to at least grow to 4,930 GWh (+2% yoy) with the increase from Lumut Balai Unit 2 that is expected to commence COD by May25, although the increase shall be partially offset by lower production volume from Kamojang area.

Maintain Hold rating with lower TP of Rp850/share

We revised our FY25F/26F NP forecast by -18%/-16% as PGEO's volume FY25F guidance came below our initial forecast. Our Hold rating on the company remain unchanged as we see limited NP/EPS growth in FY25F with potential downside risks from the commencement or COD timeline of Lumut Balai Unit 2. We introduced our FY27F NP forecast and we roll-forward our 10-year DCF model, which led to downward revision in our TP to Rp850/share (previously from Rp1,250/sh). Downside risks include slower than expected commencement in Lumut Balai Unit 2 (55MW) and execution risks on its upcoming co-generation projects.

Financial Summary (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Revenue	406	407	432	502	541
EBITDA	330	323	312	344	372
Net profit	164	160	155	176	193
EPS growth	28%	-2%	-4%	14%	9%
ROE	8%	8%	8%	8%	9%
PER (x)	12.4	12.6	13.1	11.5	10.5
EV/EBITDA (x)	6.3	6.5	7.2	6.4	5.8
Dividend yield	1%	6%	6%	6%	0%
IPS vs. consensus			92%	98%	na

Source: Company, Indo Premier

Share price closing as of: 25 March 2025

Fig. 1: 4Q24/FY24 financial results summary

P GEO FY24 results	FY24	FY23	yoy%	4Q24	4Q23	yoy%	3Q24	qoq%	IPS FY24F	% of IPS	Cons FY24F	% of cons
Revenue	407	406	0%	101	97	4%	102	-1%	405	100%	412	99%
Cost of revenue	(165)	(179)	-8%	(33)	(53)	-38%	(44)	-26%	(179)	92%	(177)	93%
Gross profit	242	227	7%	68	45	53%	58	17%	227	107%	235	103%
Gross margin	59%	56%		67.7%	45.8%		57.0%		56%		57%	
Operating expenses	(32)	(6)	470%	(29)	(3)	879%	0	na	(6)	554%	(3)	942%
EBIT	211	222	-5%	40	42	-5%	58	-32%	221	95%	232	91%
EBIT margin	52%	55%		39%	43%		57%		55%		56%	
Depreciation & Amortization	113	111	2%	30	30	1%	28	8%	117	97%	111	102%
EBITDA	324	332	-3%	70	71	-2%	86	-19%	337	96%	343	94%
EBITDA margin	80%	82%		69%	73%		84%		83%		83%	
Finance income	34	22	51%	9	9	-5%	5	82%	20	168%		
Finance costs	(32)	(24)	33%	(15)	(6)	159%	(6)	172%	(24)	133%		
Other inc. (exp.)	16	21	-23%	2	(2)	-227%	(3)	-182%	20	82%		
Pre-tax profit	229	241	-5%	35	43	-18%	55	-35%	237	97%	239	96%
Income tax	(68)	(77)	-12%	(9)	(13)	-35%	(17)	-50%	(76)	89%		
Minorities	0	0	-4%	0	0	#DIV/0!	0	-100%	0	#DIV/0!		
Net profit	161	164	-2%	27	30	-11%	38	-29%	161	100%	160	100%
Net margin	39%	40%		26%	31%		37%		40%		39%	

Source: Bloomberg, Indo Premier

Fig. 2: Change to our forecast

P GEO		New forecast			Forecast change			Consensus			IPS vs Consensus		
US\$ m n	2024A	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Revenues	407	432	502	541	-1%	1%	na	443	482	617	98%	104%	88%
Gross profit	242	221	249	273	-9%	-8%	na	252	274	na	88%	91%	na
Operating profit	211	189	215	238	-20%	-18%	na	248	270	337	76%	80%	71%
EBITDA	323	312	344	372	-13%	-12%	na	370	404	494	84%	85%	75%
NPAT	160	155	176	193	-18%	-16%	na	169	179	na	92%	98%	na
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Revenues		6%	16%	8%				9%	9%	28%			
Gross profit		-9%	12%	10%				4%	9%	na			
Operating profit		-10%	14%	11%				18%	9%	25%			
EBITDA		-3%	10%	8%				15%	9%	22%			
NPAT		-4%	14%	9%				5%	6%	na			
Gross margin	59.5%	51.2%	49.5%	50.4%				56.8%	56.8%	na	-5.6%	-7.3%	na
Operating margin	51.8%	43.7%	42.8%	44.0%				56.0%	55.9%	54.6%	-12.3%	-13.1%	-10.6%
EBITDA margin	79.2%	72.3%	68.5%	68.7%				83.6%	83.8%	80.1%	-11.3%	-15.3%	-11.4%
NPAT margin	39.4%	35.8%	35.1%	35.6%				38.1%	37.2%	na	-2.3%	-2.1%	na

Source: Bloomberg, Indo Premier

Fig. 3: Peers comparison table

Ticker	Company	Rating	Target price (Rp/share)	P/E			EV/EBITDA			Dividend yield (%)		
				24F	25F	26F	24F	25F	26F	24F	25F	26F
AKRA IJ	AKR Corporindo	Buy	2,000	10.6	10.6	9.5	6.9	7.7	6.5	1.8%	2.8%	8.4%
MEDC IJ	Medco Energi Internasional	Buy	1,700	5.2	6.1	6.1	3.8	3.6	3.6	3.3%	3.4%	3.9%
PGEO IJ	Pertamina Geothermal	Hold	1,250	16.2	15.6	14.0	8.6	7.9	7.1	4.4%	4.6%	4.8%
PGAS IJ	Perusahaan Gas Negara	Hold	1,675	6.4	7.0	7.4	3.3	3.4	3.4	8.3%	10.9%	9.9%

Source: Bloomberg, Indo Premier

Income Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net revenue	406	407	432	502	541
Cost of sales	(158)	(165)	(211)	(254)	(269)
Gross profit	248	242	221	249	273
SG&A Expenses	(26)	(32)	(32)	(33)	(34)
Operating profit	222	211	189	215	238
Net interest	(2)	1	11	16	16
Others	21	16	20	20	20
Pre-tax income	241	228	220	251	274
Income tax	(77)	(68)	(66)	(75)	(82)
Minority interest	0	0	0	0	0
Net income	164	160	155	176	193

Balance Sheet (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	678	655	518	555	614
Receivable	136	128	136	158	170
Inventory	23	18	24	28	30
Other current assets	27	27	27	27	27
Total current assets	863	829	704	768	841
Fixed assets	1,941	2,025	2,221	2,242	2,239
Other non-current assets	160	144	132	132	132
Total non-current assets	2,101	2,169	2,353	2,374	2,371
Total assets	2,964	2,997	3,057	3,143	3,212

ST loans	0	0	0	0	0
Payable	83	97	124	149	158
Other payables	26	10	10	10	10
Current portion of LT loans	16	17	0	0	0
Other current liabilities	119	104	104	104	104
Total current liab.	244	227	238	263	272
Long term loans	316	331	744	744	744
Other LT liab.	433	431	32	32	32
Total non-current liabilities	749	761	777	777	777
Total liabilities	993	989	1,014	1,039	1,048

Equity	1,654	1,663	1,663	1,663	1,663
Retained earnings	298	332	366	427	487
Minority interest	19	14	14	14	14
Total SHE + minority int.	1,971	2,009	2,043	2,104	2,164
Total liabilities & equity	2,964	2,997	3,057	3,143	3,212

Source: Company, Indo Premier

Cash Flow Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net income	164	154	155	176	193
Depr. & amortization	108	112	123	129	134
Changes in working capital	(31)	19	14	(2)	(5)
Others	0	0	0	0	0
Cash flow from operating	241	285	292	304	321
Capital expenditure	(157)	(198)	(308)	(150)	(130)
Others	(6)	1	0	0	0
Cash flow from investing	(164)	(197)	(308)	(150)	(130)
Loans	(214)	15	(1)	0	0
Equity	582	4	0	0	0
Dividends	(30)	(128)	(120)	(116)	(132)
Others	0	0	0	0	0
Cash flow from financing	338	(110)	(122)	(116)	(132)
Changes in cash	415	(22)	(138)	37	59

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	61%	59%	51%	49%	50%
Operating margin	55%	52%	44%	43%	44%
Pre-tax margin	59%	56%	51%	50%	51%
Net margin	40%	39%	36%	35%	36%
ROA	6%	5%	5%	6%	6%
ROE	8%	8%	8%	8%	9%
Acct. receivables TO (days)	3.0	3.2	3.2	3.2	3.2
Inventory TO (days)	7.0	8.9	8.9	8.9	8.9
Payable TO (days)	1.9	1.7	1.7	1.7	1.7
Debt to equity	0.4	0.4	0.4	0.4	0.3
Interest coverage ratio (x)	13.6	10.0	9.7	10.7	11.6
Net gearing	0.0	0.0	0.1	0.1	0.1

Source: Company, Indo Premier