

Bukit Asam

SELL (downgrade)

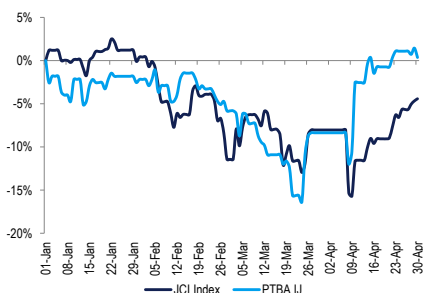
Company Update | Coal | PTBA IJ | 1 May 2025

Stock Data

Target price	Rp2,000
Prior TP	Rp2,000
Current price	Rp2,760
Upside/downside	-28%
Shares outstanding (mn)	11,521
Market cap (Rp bn)	31,797
Free float	34%
Avg. 6m daily T/O (Rp bn)	31

Price Performance

	3M	6M	12M
Absolute	2.2%	-3.2%	-8.9%
Relative to JCI	7.8%	7.9%	-2.4%
52w low/high (Rp)	2,300 – 3,140		



Major Shareholders

Indonesia Asahan Aluminium	65.9%
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Reggie Parengkuan

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

Ryan Winipta

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

1Q25 result: miss due to higher-than-expected inventory cost

- PTBA reported 1Q25 NP of Rp391bn (-16% yoy), which came below our/consensus estimates at 17/8% respectively.
- Positive surprise was on ASP (Rp951k/t; -7% qoq) after recording one-off DMO reversal in revenue last quarter, but was offset by inventory cost.
- We maintain our FY25-27F NP estimates for now, pending on further clarity from PTBA's earnings call; maintain Sell at Rp2,000 TP.

Soft 1Q25 due to volume and ASP coupled with high inventory cost

PTBA 1Q25 NP of Rp391bn (-79% qoq) came below ours/consensus FY25F estimates at 17/8% respectively, primarily attributed to higher-than-expected cash cost (116% IPS) and slight miss in sales volume (21% IPS), in addition to consensus lagging in updating PTBA's NP forecast. Significant qoq decline in NP was primarily driven by soft sales volume (-12% qoq) and ASP (-7% qoq). Below operating line, PTBA recorded a decline in income from associates to Rp93bn (-73% qoq) and other income of Rp98bn (vs. Rp20bn loss in 4Q24) primarily from forex gain.

Soft production was partly offset by inventory sales

Production volume declined significantly to 8.5Mt in 1Q25 (-18% qoq), along with stripping ratio (6.4x; -7% qoq), likely due to higher rainfall. Sales volume stood at 10.3Mt (-12% qoq), thanks to inventory sales. Overall, 1Q25 production/sales volume was below PTBA's FY25F guidance (at 17/21% respectively), though management plans to catch up in production during dry season in the upcoming quarters.

Positive surprise on ASP but was offset by higher cash cost

1Q25 ASP surprisingly remained elevated at Rp951k/t after recording one-off DMO reversal in revenue last quarter, and only declined by 7% qoq, in-line with ICI prices (-5% qoq). On the other hand, cash cost rose to Rp889k/t (+5% qoq) despite the drop in stripping ratio to 6.4x (-7% qoq), primarily driven by inventory movement coupled with higher mining and railway fee per ton (c.+20/+4% qoq). Excluding inventory movement, cash cost only declined by 2% qoq. Overall, 1Q25 production/sales volume was below our FY25F estimates (at 17/21%), while ASP and cash cost accounted for 112/116% of our estimates respectively.

Maintain Sell at unchanged TP of Rp2,000/sh

We maintain our FY25-27F NP estimates for now, pending further clarity from earnings call. Maintain Sell at an unchanged DCF-based TP of Rp2,000/sh as PTBA continues to trade at a rich valuation of 10x FY25F P/E. We think share price has been holding up well amid expectation of dividend (RUPST on 8th of May; c.12% yield, based on 75% DPR). Risks are execution risks from Keramasan railway and lower volumes.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	38,489	42,765	42,303	48,950	51,622
EBITDA	8,394	7,132	5,072	5,805	5,697
Net profit	6,106	5,104	3,063	3,622	3,552
EPS growth	-51%	-16%	-40%	18%	-2%
ROE	28%	23%	14%	16%	15%
PER (x)	5.2	6.2	10.4	8.8	9.0
EV/EBITDA (x)	3.4	4.0	6.0	5.2	5.3
Dividend yield	39.5%	14.4%	12.0%	7.2%	8.5%
IPS vs. consensus			65%	80%	80%

Source: Company, Indo Premier

Share price closing as of: 30 April 2025

Fig. 1: 1Q25 financial summary

PTBA 3M25 results	1Q25	1Q24	% yoy	4Q24	% qoq	IPS FY25F	% of IPS	Cons FY25F	% of cons
Revenue	9,958	9,410	6%	12,109	-18%	42,485	23%	47,471	21%
COGS	(8,911)	(7,990)	12%	(9,515)	-6%	(36,983)	24%	(38,187)	23%
Gross profit	1,047	1,419	-26%	2,594	-60%	5,502	19%	9,284	11%
Gross profit margin (%)	11%	15%		21%		13%		20%	
Opex	(702)	(657)	7%	(842)	-17%	(2,593)	27%	(3,968)	18%
EBIT	345	763	-55%	1,752	-80%	2,497	14%	5,316	6%
EBIT margin (%)	3%	8%		14%		6%		11%	
Depreciation & amortization	471	398	18%	510	-7%	1,625	29%	2,716	17%
EBITDA	816	1,161	-30%	2,262	-64%	4,122	20%	8,032	10%
EBITDA margin (%)	8%	12%		19%		10%		17%	
Interest income	50	66	-24%	68	-26%	151	33%		
Interest expense	(67)	(52)	29%	(82)	-18%	(324)	21%		
Income from associates	93	109	-15%	348	-73%	640	14%		
Others	98	185	-47%	(20)	-602%	0	N/A		
Profit before tax	518	1,070	-52%	2,066	-75%	2,963	17%	5,816	9%
Income tax	(121)	(268)	-55%	(185)	-34%	(652)	19%		
Tax rate (%)	23%	25%		9%		22%			
Minority interest	(5)	(12)	-55%	(7)	-27%	(41)	13%		
Net profit	391	791	-51%	1,873	-79%	2,270	17%	4,708	8%
Net margin (%)	4%	8%		15%		5%			
Core profit	316	652	-51%	1,891	-83%	2,270	14%	4,708	7%

Source: Company, Indo Premier

Fig. 2: 1Q25 operational summary

Operational summary	1Q25	1Q24	% yoy	4Q24	% qoq	IPS FY25F	% of IPS	PTBA FY25F	% of PTBA
Production volume (Mt)	8.5	7.3	16%	10.3	-18%	50.0	17%	50.1	17%
Sales volume (Mt)	10.3	9.7	7%	11.6	-12%	50.0	21%	50.1	21%
Domestic portion	0.0	5.9	-100%	5.7	-100%	27.5	0%	26.5	0%
Export portion	0.0	3.8	-100%	5.9	-100%	22.5	0%	23.5	0%
Railway volume (Mt)	9.4	8.4	12%	11.8	-20%	43.0	22%	43.3	22%
ASP (Rp k/t)	951	963	-1%	1,018	-7%	850	112%		
Cash cost (Rp k/t)	889	855	4%	847	5%	767	116%		
Stripping ratio (x)	6.4	6.3	2%	6.9	-7%	6.2	104%	6.5	99%

Source: Company, Indo Premier

Fig. 3: DCF valuation

DCF valuation summary	
Sum of FCFF PV	20,970
Cash	2,359
Debt	853
Equity value	22,476
Outstanding shares	11.5
Target price (Rp/sh)	2,000
Current price	2,760
Upside/downside	-28%
Implied FY25F P/E	7.3

Source: Company, Indo Premier

Fig. 4: Peers comparison table

Ticker	Company	Rating	Target price (Rp/share)	P/E			EV/EBITDA			Dividend yield (%)		
				25F	26F	27F	25F	26F	27F	25F	26F	27F
AADI IJ	Adaro Andalan Indonesia	Buy	10,000	3.3	3.2	2.8	2.5	1.8	1.1	13.4%	14.1%	8.0%
ITMG IJ	Indo Tambangraya Megah	Hold	21,000	7.9	15.0	15.5	2.4	4.3	4.2	14.5%	6.3%	4.3%
PTBA IJ	Bukit Asam	Sell	2,000	10.5	8.9	9.0	6.0	5.3	5.3	11.9%	7.1%	8.5%
UNTR IJ	United Tractors	Buy	33,000	6.0	5.3	5.3	1.6	1.3	N/A	10.8%	11.1%	N/A

Source: Company, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	38,489	42,765	42,303	48,950	51,622
Cost of sales	(29,332)	(34,563)	(35,861)	(41,370)	(43,989)
Gross profit	9,157	8,202	6,442	7,581	7,633
SG&A Expenses	(2,593)	(2,867)	(2,994)	(3,407)	(3,573)
Operating profit	6,564	5,335	3,447	4,174	4,060
Net interest	380	(34)	(90)	(87)	(64)
Forex gain (loss)	571	640	640	640	640
Others	638	317	0	0	0
Pre-tax income	8,154	6,259	3,998	4,727	4,637
Income tax	(1,862)	(1,120)	(879)	(1,040)	(1,020)
Minority interest	(187)	(36)	(56)	(66)	(64)
Net income	6,106	5,104	3,063	3,622	3,552

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	4,139	4,133	2,359	2,398	2,654
Receivable	3,797	5,030	4,700	5,439	5,736
Inventory	5,500	4,869	5,977	6,895	7,332
Other current assets	1,713	1,201	1,201	1,201	1,201
Total current assets	15,148	15,234	14,237	15,933	16,922
Fixed assets	8,566	8,736	8,749	8,761	8,771
Other non-current assets	15,051	17,816	17,928	18,035	18,137
Total non-current assets	23,617	26,552	26,677	26,796	26,908
Total assets	38,765	41,786	40,914	42,729	43,830

ST loans	2,082	2,920	2,759	3,182	3,384
Payable	792	816	816	816	816
Other payables	490	485	485	485	485
Current portion of LT loans	6,604	7,754	7,754	7,754	7,754
Total current liab.	9,968	11,975	11,813	12,237	12,439
Long term loans	744	368	368	368	368
Other LT liab.	6,490	6,799	6,799	6,799	6,799
Total non-current liabilities	7,234	7,167	7,167	7,167	7,167
Total liabilities	17,202	19,142	18,980	19,404	19,606

Equity	1,152	1,152	1,152	1,152	1,152
Retained earnings	19,019	19,599	18,834	20,158	20,994
Minority interest	1,392	1,893	1,948	2,014	2,078
Total SHE + minority int.	21,563	22,644	21,934	23,324	24,225
Total liabilities & equity	38,765	41,786	40,914	42,729	43,830

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	6,106	5,104	3,063	3,622	3,552
Depr. & amortization	1,829	1,797	1,625	1,631	1,637
Changes in working capital	(1,803)	235	(939)	(1,233)	(532)
Others	(3,027)	(2,087)	56	66	64
Cash flow from operating	3,105	5,049	3,804	4,086	4,722
Capital expenditure	(2,402)	(2,092)	(1,750)	(1,750)	(1,750)
Others	9,651	1,147	0	0	0
Cash flow from investing	7,249	(944)	(1,750)	(1,750)	(1,750)
Loans	2	491	0	0	0
Equity	(129)	(380)	0	0	0
Dividends	(12,568)	(4,579)	(3,828)	(2,297)	(2,716)
Others	(541)	329	0	0	0
Cash flow from financing	(13,235)	(4,139)	(3,828)	(2,297)	(2,716)
Changes in cash	(2,891)	(6)	(1,774)	39	256

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	24%	19%	15%	15%	15%
Operating margin	17%	12%	8%	9%	8%
Pre-tax margin	21%	15%	9%	10%	9%
Net margin	16%	12%	7%	7%	7%
ROA	16%	12%	7%	8%	8%
ROE	28%	23%	14%	16%	15%
Acct. receivables TO (days)	10.1	8.5	9.0	9.0	9.0
Inventory TO (days)	5.3	7.1	6.0	6.0	6.0
Payable TO (days)	14.1	11.8	13.0	13.0	13.0
Debt to equity	0.1	0.0	0.0	0.0	0.0
Interest coverage ratio (x)	41.1	25.1	15.6	17.9	17.6
Net gearing	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)

Source: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

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