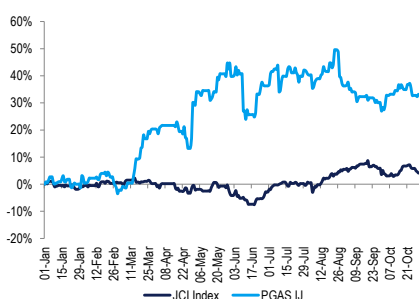


Stock Data

Target price	Rp1,500
Prior TP	Rp1,500
Current price	Rp1,505
Upside/downside	0%
Shares outstanding (mn)	24,242
Market cap (Rp bn)	36,483
Free float	43%
Avg. 6m daily T/O (Rp bn)	74

Price Performance

	3M	6M	12M
Absolute	-6.2%	2.4%	19.9%
Relative to JCI	-10.8%	-2.3%	7.8%
52w low/high (Rp)	1,065 – 1,690		



Major Shareholders

PT Pertamina	56.9%
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3Q24 results: in-line as operational volume improved

- PGAS reported US\$263mn NP (+33% yoy) in 9M24, above ours but in-line with consensus forecast (87%/74% IPS/consensus).
- In 3Q24, NP stood at US\$78mn (+21% qoq/+46% yoy) as operational volume improved following latest 8M24 data disclosures.
- We fine-tuned our FY24F forecast by +5% but maintain our Hold rating and kept our TP of Rp1,500/share. PGAS is trading at 7.3x FY24F P/E.

3Q24 review: robust distribution & transmission volume lifted NP

PGAS reported US\$263mn NP (+33% yoy) in 9M24, above our forecast but in-line with consensus (87%/74% IPS/consensus), the result is above our NP forecast as actual distribution volume YTD has been better than our assumption, but was in-line with consensus forecast. In 3Q24, NP stood at US\$78mn (+21% qoq/+46% yoy) on robust operational volume across businesses as revenue improved by +10% qoq, albeit gross profit declined by 8% qoq. Opex optically declined significantly in 3Q24 to US\$24mn, but this was mainly driven by opex item (allowance for impairment losses) that is being reclassified into other expenses. Aside from that, there were no extraordinary item below operating line; effective tax rate also stood at 22%.

Revenue: decline in Saka & transmission, robust gas trading sales

In 3Q24, gas trading revenue grew by +19% qoq to US\$680mn, while transmission and Saka Energi reporting -44%/-14% qoq decline in revenue due to lower toll fee and lacklustre upstream volume (~11% qoq), as per our estimates. On distribution side, albeit yet to be disclosed, we estimated +7% qoq volume increase to c.880bbtud in 3Q24 due to additional arrival from 1 LNG cargo in Sep24 while transmission volume was relatively flattish on qoq basis. Relatively strong distribution volume qoq is driving the revenue growth in gas trading, in our view. On other businesses, LNG trading revenue stood out at US\$68mn (from US\$31mn in 2Q24), following two LNG cargoes delivery from Petronas Malaysia to Chinese buyers.

Maintain Hold rating with unchanged Rp1,500/share TP

We fine-tuned our FY24F NP forecast by 5% as we take into account potentially strong distribution revenue & volume, especially with additional LNG cargo arriving in 4Q24F to cushion the decline from piped-gas. Moreover, we also adjusted down our assumptions on Saka Energi, following lower upstream volume up until 8M24. Our TP is kept unchanged at Rp1,500/share and maintain our Hold rating as overall result was already in-line with market/consensus expectation.

Financial Summary (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Revenue	3,569	3,646	3,617	3,496	3,521
EBITDA	739	707	719	621	589
Net profit	326	278	324	286	267
EPS growth	7%	-15%	16%	-12%	-7%
ROE	12%	10%	11%	10%	9%
PER (x)	7.0	8.5	7.3	8.2	8.8
EV/EBITDA (x)	4.0	3.8	3.5	3.9	3.9
Dividend yield	9%	10%	8%	10%	9%
IPS vs. consensus			91%	83%	84%

Source: Company, Indo Premier

Share price closing as of: 30 October 2024

Fig. 1: 3Q24/9M24 financial summary

PGAS 9M24 results	9M24	9M23	% yoy	3Q24	3Q23	% yoy	2Q24	% qoq	IPS FY24F	% of IPS	Cons FY24F	% of cons
Revenue	2,817	2,691	5%	978	907	8%	890	10%	3,504	80%	3,679	77%
Cost of revenue	(2,229)	(2,168)	3%	(798)	(752)	6%	(694)	15%	(2,820)	79%	(2,905)	77%
Gross profit	587	523	12%	180	155	16%	195	-8%	700	84%	774	76%
Gross profit margin (%)	21%	19%		18%	17%		22%		22%		21%	
Operating expenses	(144)	(140)	3%	(24)	(50)	-53%	(75)	-68%	(252)	57%	(223)	65%
EBIT	443	383	16%	156	105	49%	120	30%	509	87%	552	80%
EBIT margin (%)	16%	14%		16%	12%		14%		15%		15%	
Depreciation	133	123	8%	45	37	24%	44	3%	174	76%	465	29%
EBITDA	576	506	14%	202	141	43%	164	23%	683	84%	1,016	57%
EBITDA margin (%)	20%	19%		21%	16%		18%		20%		28%	
Finance income	44	36	23%	13	11	19%	15	-10%	50	88%		N/A
Finance costs	(61)	(79)	-22%	(21)	(22)	-5%	(20)	3%	(69)	88%		N/A
Profit from JV/Asso	57	50	14%	19	13	48%	18	10%	65	88%		N/A
Other inc. (exp.)	(18)	(23)	-20%	(24)	(15)	65%	3	-844%	(20)	91%		N/A
Profit before tax	465	368	26%	144	92	56%	136	6%	570	81%	584	80%
Income tax	(120)	(94)	28%	(31)	(18)	72%	(50)	-37%	(160)	75%		N/A
Tax rate (%)	26%	26%		22%	19%		37%		28%			
Minorities	(81)	(75)	8%	(35)	(21)	65%	(22)	61%	(86)	94%		N/A
Net profit	263	198	33%	78	53	46%	64	21%	304	87%	357	74%
Net margin (%)	9%	7%		8%	6%		7%		9%			

Source: Company data, Bloomberg, Indo Premier

Fig. 2: Old vs new forecast

PGAS	New forecast			Forecast change			Consensus			Indo Premier vs Consensus		
	2024F	2025F	2026F	2023F	2024F	2025F	2024F	2025F	2026F	2024F	2025F	2026F
Revenues	3,617	3,496	3,521	3%	0%	0%	3,679	3,662	3,654	98%	95%	96%
Gross profit	797	700	668	5%	0%	0%	774	878	717	103%	80%	93%
Operating profit	545	443	406	7%	0%	0%	552	503	486	99%	88%	84%
EBITDA	719	621	589	5%	0%	0%	1,016	989	949	71%	63%	62%
NPAT	324	286	267	5%	0%	0%	345	327	316	94%	87%	85%
%y-y												
Revenues	-1%	-3%	1%				1%	0%	0%			
Gross profit	9%	-12%	-4%				6%	13%	-18%			
Operating profit	2%	-19%	-8%				4%	-9%	-3%			
EBITDA	2%	-14%	-5%				44%	-3%	-4%			
NPAT	16%	-12%	-7%				24%	-5%	-4%			
Gross margin	22.0%	20.0%	19.0%				21.0%	24.0%	19.6%	1.0%	-4.0%	-0.6%
Operating margin	15.1%	12.7%	11.5%				15.0%	13.7%	13.3%	0.1%	-1.1%	-1.8%
EBITDA margin	19.9%	17.8%	16.7%				27.6%	27.0%	26.0%	-7.7%	-9.2%	-9.2%
NPAT margin	9.0%	8.2%	7.6%				9.4%	8.9%	8.6%	-0.4%	-0.8%	-1.1%

Source: Company data, 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	12.0	9.4	8.5	8.9	6.7	5.9	8.8%	7.0%	5.8%
MEDC IJ	Medco Energi Internasional	Buy	1,700	5.0	5.6	5.3	3.7	3.3	3.1	3.2%	3.3%	4.0%
PGEO IJ	Pertamina Geothermal	Hold	1,250	15.6	15.1	13.5	8.3	7.6	6.9	4.5%	4.8%	5.0%
PGAS IJ	Perusahaan Gas Negara	Hold	1,500	7.3	8.2	8.8	3.5	3.9	3.9	8.3%	9.6%	8.5%

Source: Bloomberg, Indo Premier

Income Statement (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Net revenue	3,569	3,646	3,504	3,496	3,521
Cost of sales	(2,788)	(2,913)	(2,742)	(2,796)	(2,852)
Gross profit	781	734	761	700	668
SG&A Expenses	(199)	(202)	(252)	(257)	(262)
Operating profit	582	532	509	443	406
Net interest	(106)	(49)	(19)	(10)	(6)
Income from associates	81	65	65	65	65
Others	(14)	(24)	(20)	0	0
Pre-tax income	543	524	535	497	465
Income tax	(141)	(147)	(150)	(140)	(131)
Minority interest	(75)	(99)	(81)	(71)	(67)
Net income	326	278	304	286	267

Balance Sheet (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	1,448	1,245	843	944	1,045
Receivable	568	448	445	430	433
Inventory	60	71	69	68	70
Other current assets	137	129	129	129	129
Total current assets	2,212	1,892	1,485	1,571	1,675
Fixed assets	303	307	307	307	307
Other non-current assets	4,680	4,400	4,376	4,347	4,314
Total non-current assets	4,982	4,707	4,683	4,654	4,621
Total assets	7,195	6,599	6,168	6,225	6,297
ST loans	0	3	0	0	0
Payable	236	245	237	235	240
Other payables	175	117	117	117	117
Current portion of LT loans	48	75	0	0	0
Other current liabilities	534	1,023	470	470	470
Total current liab.	993	1,462	825	823	828
Long term loans	2,101	916	993	993	993
Other LT liab.	659	681	681	681	681
Total non-current liabilities	2,761	1,596	1,673	1,673	1,673
Total liabilities	3,753	3,059	2,498	2,496	2,501
Equity	(124)	(124)	(124)	(124)	(124)
Retained earnings	2,821	2,870	2,999	3,059	3,126
Minority interest	745	794	794	794	794
Total SHE + minority int.	3,442	3,540	3,670	3,729	3,796
Total liabilities & equity	7,195	6,599	6,168	6,225	6,297

Source: Company, Indo Premier

Cash Flow Statement (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Net income	430	289	324	286	267
Depr. & amortization	158	175	174	179	183
Changes in working capital	(4)	17	(2)	13	0
Others	0	0	0	0	0
Cash flow from operating	584	481	496	478	451
Capital expenditure	139	60	(150)	(150)	(150)
Others	190	73	0	0	0
Cash flow from investing	329	133	(150)	(150)	(150)
Loans	(751)	(604)	(553)	0	0
Equity	(11)	15	0	0	0
Dividends	(206)	(228)	(195)	(227)	(200)
Others	0	0	0	0	0
Cash flow from financing	(968)	(817)	(748)	(227)	(200)
Changes in cash	(56)	(203)	(402)	101	100

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	22%	20%	22%	20%	19%
Operating margin	16%	15%	15%	13%	12%
Pre-tax margin	15%	14%	16%	14%	13%
Net margin	9%	8%	9%	8%	8%
ROA	5%	4%	5%	5%	4%
ROE	12%	10%	11%	10%	9%
Acct. receivables TO (days)	6.3	8.1	8.1	8.1	8.1
Inventory TO (days)	46.8	41.0	41.0	41.0	41.0
Payable TO (days)	11.8	11.9	11.9	11.9	11.9
Debt to equity	0.8	0.6	0.4	0.3	0.3
Interest coverage ratio (x)	5.6	7.2	10.3	9.6	9.1
Net gearing	0.3	0.1	0.1	0.0	(0.0)

Source: Company, Indo Premier