

Bukit Asam Tbk (PTBA)

Volume Ekspor yang Lebih Besar pada 2018

Company Report | Apr 30, 2018

Ulasan Kinerja 1Q18

PTBA, pada 1Q18, membukukan **penjualan sebesar Rp5,7 triliun yang meningkat 26,4% y-y dan ditopang oleh lonjakan penjualan ekspor sebesar 61,6% y-y menjadi Rp3,1 triliun Vs. Rp1,9 triliun pada 1Q17**. ASP domestik dan ekspor masing-masing meningkat 7,5% y-y dan 6,6% y-y. Sementara itu, COGS hanya mengalami peningkatan sebesar 10,9% y-y sehingga **gross margin meningkat dari 37,2% pada 1Q17 menjadi 44,9% pada 1Q18**, dan laba bersih mampu melonjak 66,6% y-y menjadi Rp1,4 triliun.

Ekspektasi Ekspor yang Lebih Tinggi

PTBA mencatatkan penurunan volume penjualan domestik sebesar 8,5% y-y menjadi 2,9 juta ton dan peningkatan volume penjualan ekspor sebesar 49,0% y-y menjadi 3,4 juta ton. **PTBA menargetkan volume penjualan 2018 sebesar 25,88 juta ton** dengan porsi 53% ke pasar domestik dan sisanya ke pasar ekspor. Berdasarkan skema komposisi ini, **volume ekspor diperkirakan mencapai 12,2 juta ton yang naik 39,5%** dari realisasi 2017. Kami mengamati bahwa peningkatan ekspor ini akan menjadi sumber pertumbuhan baru untuk mengantisipasi efek skema DMO.

Konsistensi Peningkatan Margin

PTBA mencatatkan peningkatan margin yang cukup signifikan pada 1Q18. **Gross margin 1Q18 sebesar 45% yang meningkat dari 37% pada 1Q17**, sedangkan **net margin 1Q18 sebesar 25% yang meningkat dari 19% pada 1Q17**. Peningkatan margin ditopang oleh peningkatan harga batu bara yang meningkatkan harga jual batu bara PTBA. Kami melihat bahwa prestasi ini akan berlanjut pada periode berikutnya yang ditopang oleh **rencana peningkatan ekspor batu bara medium to high calories ke beberapa negara ASEAN** di mana terdapat beberapa PLTU Baru.

Bukit Asam Tbk | Summary (IDR bn)

	2016/12A	2017/12A	2018/12E	2019/12E
Sales	14,059	19,471	25,071	26,076
<i>Sales growth</i>	2.4%	38.5%	28.8%	4.0%
EBITDA	2,959	6,584	9,064	9,325
Net profit	2,006	4,476	6,159	6,341
EPS (IDR)	871	1,943	2,673	2,752
<i>EPS growth</i>	-1.5%	123.1%	37.6%	3.0%
BVPS (IDR)	4,580	5,989	7,153	8,583
EBITDA margin	21.0%	33.8%	36.2%	35.8%
NPM	14.3%	23.0%	24.6%	24.3%
ROE	20.2%	36.8%	40.7%	35.0%
ROA	11.3%	22.1%	27.0%	23.9%
ROIC	14.6%	37.7%	35.6%	0.0%
P/E	14.4x	6.4x	4.7x	4.5x
P/BV	2.7x	2.1x	1.7x	1.5x
EV/EBITDA	9.3x	4.0x	2.7x	2.6x
DPS (IDR)	265	261	1,457	1,403
<i>Dividend yield</i>	2.1%	2.1%	11.7%	11.2%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Buy

Dec 2018 TP (IDR)	3,950
Consensus Price (IDR)	3,675
TP to Consensus Price	+7.5%
vs. Last Price	+17.6%

Shares data

Last Price (IDR)	3,360
Price date as of	Apr, 25 2018
52 wk range (Hi/Lo)	3,480/1,845
Free float (%)	35.0
Outstanding sh.(mn)	11,521
Market Cap (IDR bn)	36,751
Market Cap (USD mn)	2,641
Avg. Trd Vol - 3M (mn)	33.04
Avg. Trd Val - 3M (bn)	105.88
Foreign Ownership	7.2%

Mining

Coal

Bloomberg

PTBA IJ

Reuters

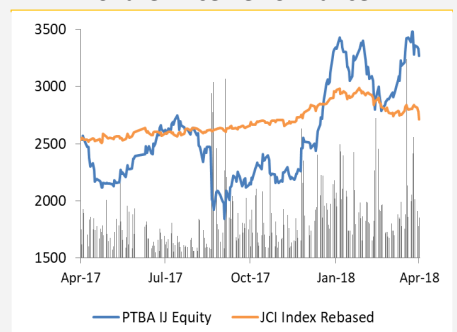
PTBA.JK

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Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	30.8%	13.1%	-2.1%	29.0%
Rel. Ret.	34.9%	15.3%	6.0%	22.0%

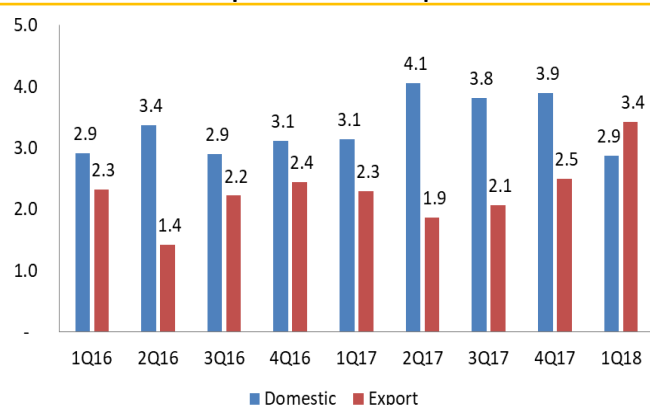
Target Harga Rp3,950

Kami mempertahankan rekomendasi beli dengan target harga Rp3,950 pada akhir 2018. Kami menggunakan estimasi *forward* P/E sebesar 7,2x (+2SD di atas rata-rata dua tahun terakhir sebesar 5,6x) sebagai basis metode valuasi untuk memperoleh target harga. Target harga ini mengimplikasikan P/E 2018E sebesar 7,4x (vs P/E 2018E 6,3x pada saat ini).

Sekilas tentang PTBA

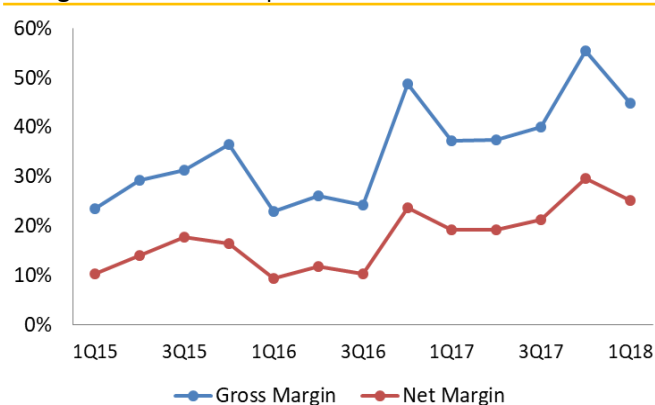
PT Bukit Asam (PTBA) adalah perusahaan milik negara yang bergerak di industri tambang batu bara. Konsesi tambang PTBA tersebar di wilayah Sumatera dan Kalimantan. PTBA memiliki total cadangan sekitar 11,5 miliar ton. Pada 29 November 2017, pemerintah membentuk *holding* pertambangan di bawah PT Asahan Aluminium (Inalum). Kemudian, pada 14 Desember 2017 PTBA melakukan *stock split* dengan rasio 1:5.

Coal Sales Volume Export & Domestic | 1Q16—1Q18



Source: Company

Margin Performances | 1Q15 - 1Q18



Source: Company

Industri Batu bara di Asia Pasifik

Indonesia, hingga saat ini, masih menjadi negara penghasil batu bara terbesar kedua di kawasan Asia Pasifik setelah China. Dibandingkan dengan beberapa perusahaan tambang batu bara di kawasan Asia lainnya, PTBA memiliki total aset dan nilai kapitalisasi pasar yang relatif kecil. Namun, secara fundamental PTBA lebih baik dibandingkan kompetitornya. Hal ini dibuktikan dengan net margin PTBA yang terbesar, yakni 23% dibandingkan net margin kompetitornya, sedangkan valuasi P/E PTBA masih paling murah dibandingkan valuasi PE kompetitornya. Di sisi lain, imbal hasil PTBA juga relatif besar, yakni 10%.

Asia Pasific Coal Mining Companies

Company	Market Cap	Total Asset	Net Profit	Net Profit	ROE	P/E	P/BV	Dividend
PTBA	2,641	1,618	98,7%	23,0%	38,7%	6.6X	2.2x	10.0%
China								
China Shenhua Energy Co Ltd	62,385	87,848	94.5%	19.2%	15.4%	8.6x	1.3x	14.4%
Yanzhou Coal Mining Co Ltd	9,273	30,325	181.0%	14.9%	16.5%	10.6x	1.5x	0.9%
Thailand								
Banpu Pcl	3,152	8,251	371.1%	8.1%	9.6%	12.5x	1.2x	3.4%
Phillipine								
Semirara Mining & Power Corp	2,906	3,437	16.4%	18.3%	20.5%	10.2x	2.0x	4.2%

Source: Bloomberg, NHKS research

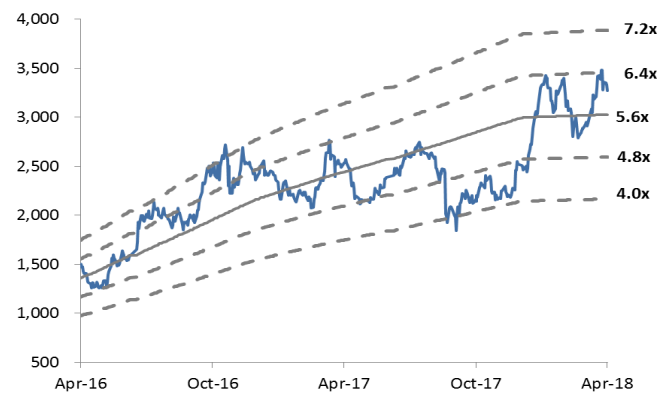
Multiple Valuation

Forward P/E band | Last 2 years



Source: NHKS research

Dynamic Forward P/E band | Last 2 years



Source: NHKS research

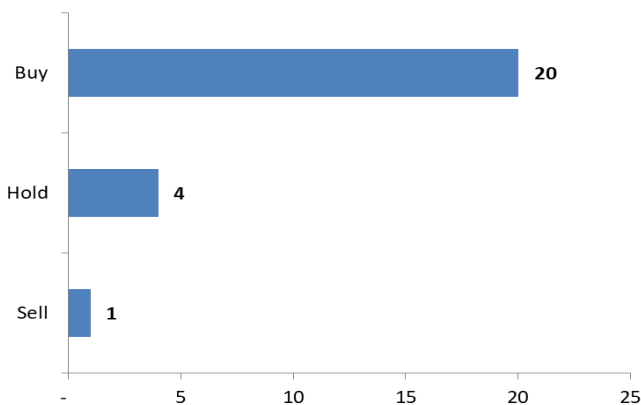
Rating and target price update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
10/25/2017	Buy	3,235 (Dec 2018)	2,360	2,912	+49,8%	+11,1%
04/25/2018	Buy	3,950 (Dec.2018)	3,360	3,675	+17,6%	+7.5%

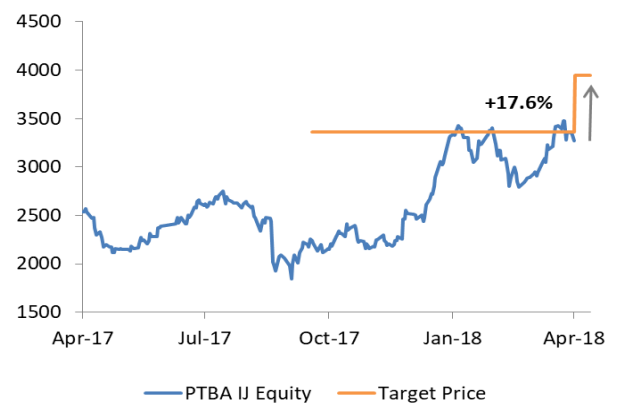
Source: NHKS research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKS research

NH Korindo Sekuritas Indonesia (NHKS) stock ratings

1. Period: End of year target price
2. Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%

Summary of Financials

PTBA Summary		
Last Price (IDR)	April 20, 2018	3,360
Target Price (IDR)	Dec 2018	3,950
Analyst: Yuni	Rating:	Buy

INCOME STATEMENT

in IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Sales	14,059	19,471	25,071	26,076
Growth (% y/y)	2.4%	38.5%	28.8%	4.0%
COGS	(9,657)	(10,965)	(13,840)	(14,600)
Gross Profit	4,401	8,507	11,230	11,476
Gross Margin	31.3%	43.7%	44.8%	44.0%
Operating Expenses	(1,871)	(2,608)	(2,954)	(3,072)
EBIT	2,531	5,899	8,276	8,404
EBIT Margin	18.0%	30.3%	33.0%	32.2%
Depreciation	428	686	788	922
EBITDA	2,959	6,584	9,064	9,325
EBITDA Margin	21.0%	33.8%	36.2%	35.8%
Interest Expenses	(149)	(178)	(94)	(56)
EBT	2,697	6,102	8,604	8,859
Income Tax	(673)	(1,554)	(2,350)	(2,420)
Minority Interest	(18)	(71)	(95)	(98)
Net Profit	2,006	4,476	6,159	6,341
Growth (% y/y)	-1.5%	123.1%	37.6%	3.0%
Net Profit Margin	14.3%	23.0%	24.6%	24.3%

BALANCE SHEET

in IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Cash	3,675	3,555	5,574	5,955
Receivables	2,285	5,344	3,169	6,366
Inventories	1,102	1,156	1,426	1,298
Other Current Assets	1,288	1,063	820	1,057
Total Current Assets	8,350	11,118	10,989	14,676
Net Fixed Assets	6,361	7,699	9,381	12,354
Other Non Current Assets	3,866	3,171	3,326	2,962
Total Assets	18,577	21,987	23,696	29,992
Payables	539	886	869	1,006
ST Debt	1,618	441	148	183
Other Current Liab.	2,886	3,186	2,624	5,009
LT Debt	751	533	538	664
Other Non Current Liab.	2,231	3,142	3,036	2,803
Total Liabilities	8,024	8,187	7,216	9,664
Shareholders' Equity	10,552	13,800	16,481	20,327

CASH FLOW STATEMENT

in IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Net Income	2,006	4,476	6,159	6,341
Deprec & Amortization	428	686	788	922
Chg. In Working Capital	(587)	(2,747)	1,039	(784)
CFO	1,847	2,415	7,986	6,478
Capex	(293)	(677)	(2,508)	(3,894)
CFI	(315)	(536)	(2,671)	(3,764)
Dividends Paid	(611)	(602)	(3,357)	(2,683)
Net Borrowing (PMT)	(400)	(1,395)	56	160
CF	(972)	(2,007)	(3,301)	(2,335)
Net Changes in Cash	559	(128)	2,013	380

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	92.8	Republic of Indonesia
United States	4.6	Vanguard
Luxembourg	1.4	Dimensional Fund
Ireland	0.4	Blackrock

PROFITABILITY & STABILITY

	2016/12A	2017/12A	2018/12E	2019/12E
ROE	20.2%	36.8%	40.7%	34.5%
ROA	11.3%	22.1%	27.0%	23.6%
ROIC	14.6%	37.7%	35.6%	0.0%
EBITDA/Equity	29.8%	54.1%	59.9%	50.7%
EBITDA/Assets	16.7%	32.5%	39.7%	34.7%
Cash Dividend (IDR bn)	611	602	3,357	2,683
Dividend Yield (%)	2.1%	2.1%	8.7%	5.9%
Payout Ratio (%)	30.4%	13.4%	54.5%	42.3%
DER	22.4%	7.1%	4.2%	4.2%
Net Gearing	18.9%	6.2%	3.7%	3.8%
LT Debt to Equity	7.1%	3.9%	3.3%	3.3%
Capitalization Ratio	18.3%	6.6%	4.0%	4.0%
Equity Ratio	56.8%	62.8%	69.5%	67.8%
Debt Ratio	12.7%	4.4%	2.9%	2.8%
Financial Leverage	178.8%	166.6%	150.9%	145.9%
Current Ratio	165.6%	246.3%	301.8%	236.8%
Quick Ratio	118.2%	197.2%	240.1%	198.8%
Cash Ratio	72.9%	78.8%	153.1%	96.1%
Cash Conversion Cycle	62.7	85.4	72.9	77.3
Par Value (IDR)	500	500	500	500
Total Shares (mn)	11,521	11,521	11,521	11,521
Share Price (IDR)	2,500	2,460	3,360	3,950
Market Cap (IDR tn)	28.8	28.3	38.7	45.5

VALUATION INDEX

	2016/12A	2017/12A	2018/12E	2019/12E
Price /Earnings	14.4x	6.3x	6.3x	7.2x
Price /Book Value	2.7x	2.1x	2.3x	2.2x
Price/Sales	2.0x	1.5x	1.5x	1.7x
PE/EPS Growth	-9.8x	0.1x	0.2x	2.4x
EV/EBITDA	9.3x	3.9x	3.8x	4.4x
EV/EBIT	10.9x	4.4x	4.1x	4.8x
EV (IDR bn)	27,627	25,951	34,036	40,635
Sales CAGR (3-Yr)	7.8%	14.2%	22.2%	22.9%
EPS CAGR (3-Yr)	3.2%	35.5%	44.6%	46.8%
Basic EPS (IDR)	174	389	535	550
Diluted EPS (IDR)	174	389	535	550
BVPS (IDR)	916	1,198	1,431	1,764
Sales PS (IDR)	1,220	1,690	2,176	2,263
DPS (IDR)	53	52	291	233

DCF, RIM & EVA

	2016/12A	2017/12A	2018/12E	2019/12E
DCF (IDR bn)				
NOPAT	1,900	4,396	6,016	6,109
+Depr./Amor.	428	686	788	922
-CAPEX	(293)	(677)	(2,508)	(3,894)
-Incr. (Decr.) in Working Cap.	(587)	(2,747)	1,039	(784)
(Unlevered) FCFF	1,447	1,658	5,335	2,351
WACC				
Cost of Debt (Tax Adj.)	6.8%	6.9%	6.9%	6.8%
Cost of Equity (COE)	11.4%	10.0%	10.0%	9.5%
WACC (%)	11.3%	9.9%	9.9%	9.5%
RIM				
Spread (FROE-COE) (%)	10.2%	32.5%	34.7%	28.9%
Residual Income (IDR bn)	945	3,426	4,786	4,769
Equity Charge	1,062	1,050	1,373	1,573
EVA				
Invested Capital (IDR bn)	11,310	12,921	14,773	17,167
ROIC-WACC (%)	5.5%	24.1%	30.8%	26.1%
EVA (USD mn)	624	3,117	4,554	4,479

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