Bukit Asam Tbk (PTBA IJ)

Kesempatan untuk Masuk

Company Update | Sep 30, 2019

PTBA di 1H19 mencatatkan penurunan laba bersih walaupun total pendapatan meningkat tetapi naiknya biaya operasional melemahkan kinerja PTBA. Namun secara fundamental dan strategi bisnis, masih memiliki banyak potensi untuk tetap tumbuh. Dengan tingginya *dividend payout ratio*, PTBA wajib dipertimbangkan.

Performa 1H19 Melemah

Di 1H19, PTBA membukukan total pendapatan sebesar Rp10,6 triliun (+1,2% YoY) berkat penjualan domestik mencapai Rp6 triliun (+18% YoY) walaupun penjualan ekspor hanya membukukan Rp4,6 triliun (-115,6% YoY). Namun, PTBA mencatatkan EBITDA sebesar Rp3 triliun (-18,4% YoY), penurunan disebabkan meningkatnya biaya operasional menjadi Rp1 triliun (+9,1% YoY) yang berdampak pada laba bersih PTBA sebesar Rp2 triliun (-24,4% YoY). PTBA mengalami penurunan margin, GPM menjadi 34,4% (vs 41,5% di 1H18), OPM menjadi 24,4% (vs 32,2% di 1H18), dan NPM menjadi 18,9% (vs 25,3% di 1H19).

Dampak Positif dari Penambahan Kapasitas Pengangkutan

PTBA terus menggenjot ekspansi khususnya pada penambahan kapasitas pengangkutan, jalur Tanjung Enim-Kertapati akan ditingkatkan mencapai 5 Mtpa yang akan rampung di Q4. Kami yakin penambahan kapasitas Tanjung Enim-Kertapati akan mampu mengurangi biaya operasional sehingga PTBA bisa meningkatkan margin secara sehat dengan syarat PTBA harus tetap melakukan efisiensi biaya.

Transfer Kuota DMO sebagai Keuntungan

Mulai 2H19, PTBA akan melakukan transfer kuota DMO untuk perusahaan batu bara yang belum bisa memasok sesuai kebutuhan kalori PLN, dampak dari kebijakan tersebut dapat menstabilkan pendapatan PTBA. Kami memproyeksikan untuk 2019F, PTBA mampu membukukan pendapatan sebesar Rp21 triliun dengan basis asumsi total produksi yang mencapai 25,5-26 juta ton, volume penjualan senilai 27,2-28 juta ton (2,2-3 juta ton dari batu bara kalori tinggi), *stripping ratio* di rentang 4,7x-4,8x dan ASP yang stabil.

Rating BUY dengan Target Harga Rp2.900

Dibandingkan kompetitor, *P/E* dari PTBA menjadi yang paling atraktif dan memiliki *dividend payout ratio* yang tinggi (estimasi di 2019 sebesar 73,8%). Walaupun harga batu bara dunia berpotensi melemah tetapi strategi PTBA menahan eksplorasi dan meningkatkan produksi batu bara kalori tinggi akan memberikan prospek positif. Untuk itu kami memberikan rekomendasi BUY dengan target harga Rp2.900 atau potensi *upside* sebesar 25,5% berdasarkan metode *forward P/E* 6,4x (-0,5 SD). Saat ini, PTBA di perdagangkan dengan *P/E* 2019F 9,3x.

Bukit Asam Tbk | Summary

	2018A	2019F	2020F	2021F
Sales	21,167	21,186	21,236	21,293
Growth (%)	8.7%	0.1%	0.2%	0.3%
EBITDA	7,004	7,023	7,091	7,169
Net Profit	5,024	5,102	5,183	5,233
EPS (IDR)	436	443	450	454
Growth (%)	12.2%	1.6%	1.6%	1.0%
P/E	9.7x	9.3x	9.1x	9.0x
P/BV	3.0x	2.5x	2.4x	2.2x
EV/EBITDA	5.9x	5.8x	5.7x	5.6x
ROE (%)	33.4%	29.3%	27.2%	25.6%
DER (%)	5.1%	1.5%	5.5%	4.5%
Net Debt	-5,469	-5,678	-5,004	-5,549

Unit: IDR bn, %, x
Source: Company Data, Bloomberg, NHKS Research
Please consider the rating criteria & important disclaimer

Buy

Dec 2020 TP (IDR)	**2,900**
Consensus Price (IDR)	3,140
TP to Consensus Price	-7.6%
vs. Last Price	25.5%

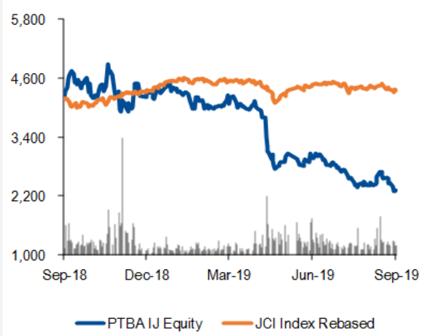
Shares data

Last Price (IDR)	2,310
Price Date as of	Sep 27, 2019
52 wk Range (Hi/Lo)	5,025 / 2,290
Free Float (%)	34.1
Outstanding sh.(mn)	11,521
Market Cap (IDR bn)	26,498
Market Cap (USD mn)	1,873
Avg. Trd Vol - 3M (mn)	25.13
Avg. Trd Val - 3M (bn)	67.69
Foreign Ownership	9.1%

Mining
Coal

Bloomberg	**PTBA IJ**
Reuters	**PTBA.JK**

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-46.5%	-4.5%	-22.0%	-44.5%
Rel. Ret.	-46.8%	-3.3%	-19.5%	-49.0%

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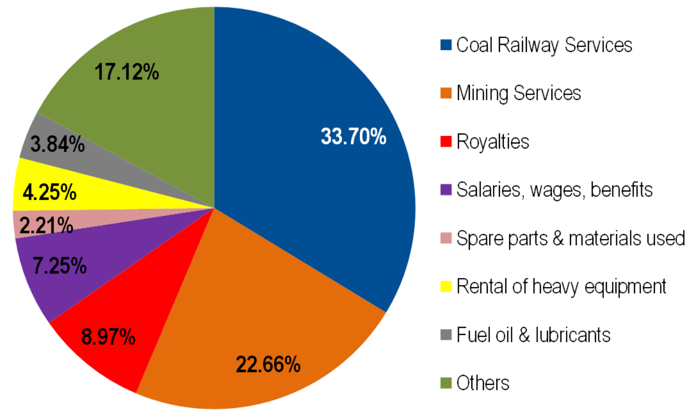
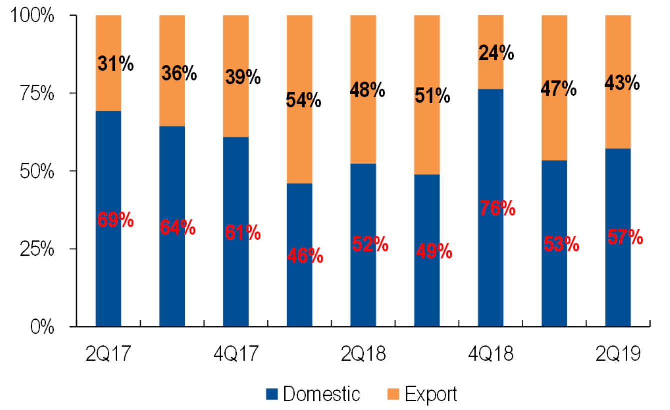
Performance Highlights in Charts

6M19 COGS Breakdown



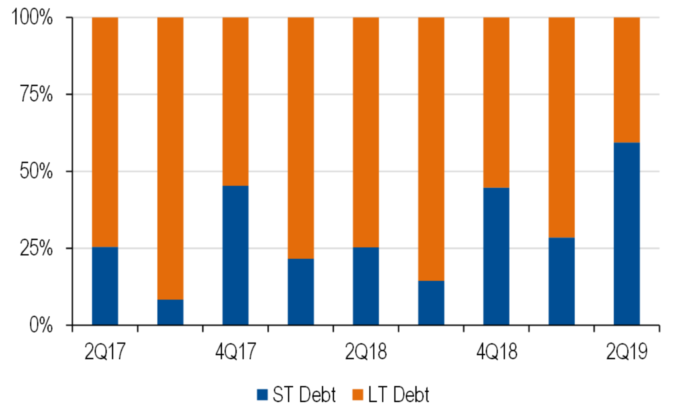
Source: Company Data, NHKS Research

Sales Contribution



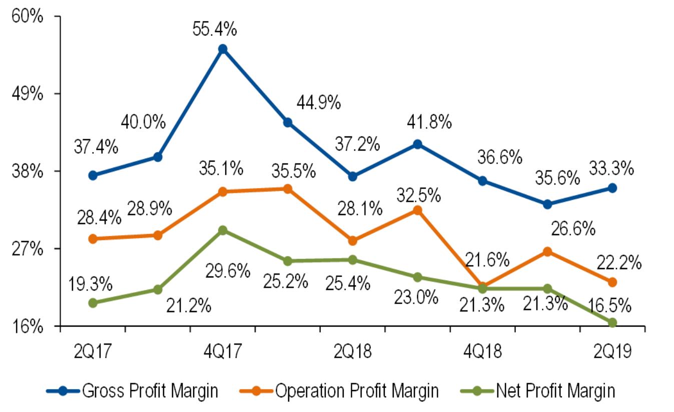
Source: Company Data, NHKS Research

ST Debt & LT Debt



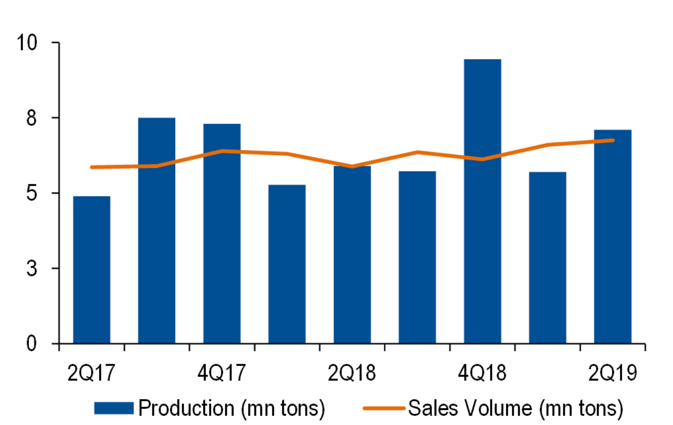
Source: Company Data, NHKS Research

Margin Ratio



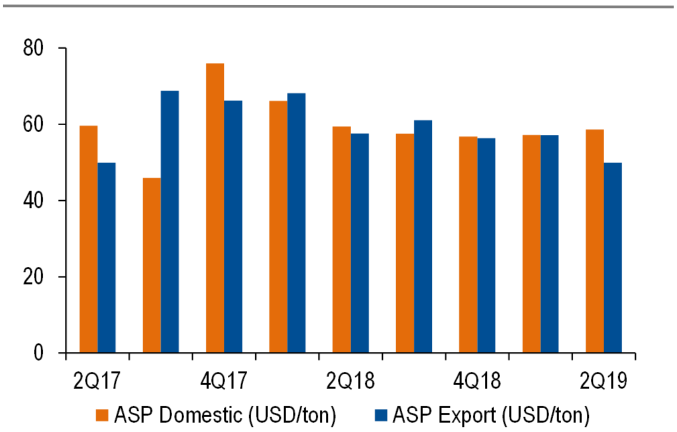
Source: Company Data, NHKS Research

Production & Sales Volume



Source: Company Data, NHKS Research

Average Selling Price



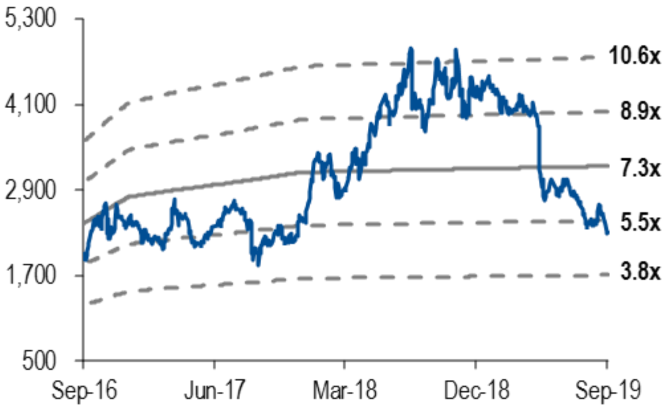
Source: Company Data, NHKS Research

Valuation Highlights in Charts

3-Year Forward P/E Band

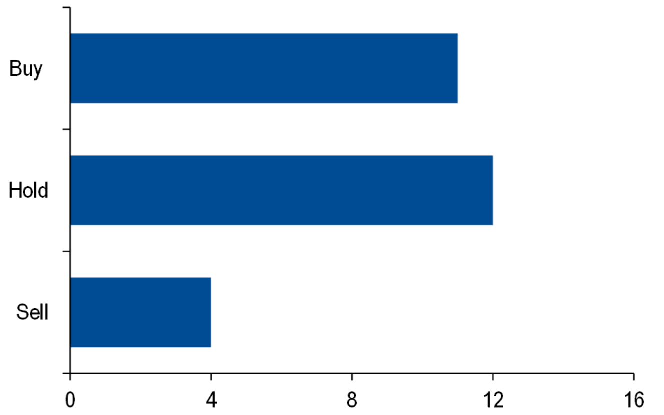
Source: Bloomberg, NHKS Research

3-Year Dynamic Forward P/E Band



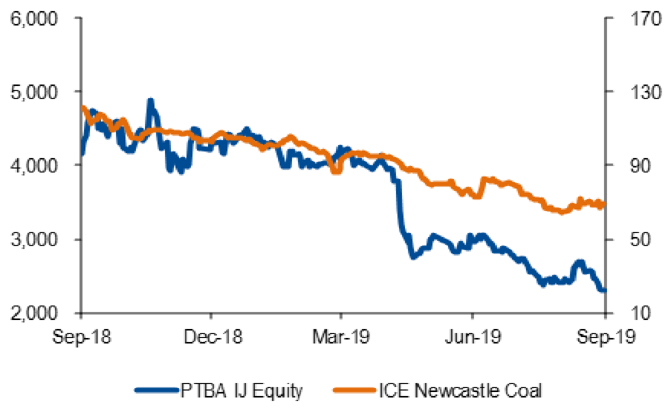
Source: Bloomberg, NHKS Research

Recommendations by Analysts



Source: Bloomberg, NHKS Research

Stock and Coal Prices Correlated Positively



Source: Bloomberg, NHKS Research

Quarterly Review

	2Q18	3Q18	4Q18	1Q19	2Q19					3Q19E
					Actual	Estimate	Y-Y	Q-Q	Surprise	
Income statement										
Sales	4,743	5,544	5,131	5,337	5,278		111.3%	-1.1%		5,302
Gross Profit	1,766	2,319	1,878	1,777	1,880		106.4%	5.8%		2,460
EBIT	1,334	1,800	1,109	1,419	1,174		88.0%	-17.2%		1,808
EBITDA	1,523	1,991	1,286	1,752	1,288		84.6%	-26.5%		1,946
Net Profit	1,206	1,273	1,094	1,137	871		72.2%	-23.4%		1,507
Margin										
Gross Margin	37.2%	41.8%	36.6%	33.3%	35.6%		95.6%	2.3%		46.4%
EBIT Margin	28.1%	32.5%	21.6%	26.6%	22.2%		79.1%	-4.3%		34.1%
EBITDA Margin	32.1%	35.9%	25.1%	32.8%	24.4%		76.0%	-8.4%		36.7%
Net Profit Margin	25.4%	23.0%	21.3%	21.3%	16.5%		64.9%	-4.8%		28.4%

Unit: IDR bn, %

Source: Company Data, NHKS Research

Earnings Revision

		2019F	2020F	2021F
Income Statement				
Sales	-Revised	21,186	21,236	21,293
	-Previous	23,403	27,033	
	-Change	-9.5%	-21.4%	
Gross Profit	-Revised	8,560	8,592	8,609
	-Previous	9,638	11,063	
	-Change	-11.2%	-22.3%	
EBIT	-Revised	6,291	6,318	6,329
	-Previous	7,221	8,271	
	-Change	-12.9%	-23.6%	
EBITDA	-Revised	7,023	7,091	7,169
	-Previous	8,081	9,180	
	-Change	-12.4%	-22.8%	
Net Profit	-Revised	5,102	5,183	5,233
	-Previous	5,611	6,471	
	-Change	-9.1%	-19.9%	
Margin				
Gross Margin	-Revised	40.4%	40.5%	40.4%
	-Previous	41.2%	40.9%	
EBIT Margin	-Revised	29.7%	29.8%	29.7%
	-Previous	30.9%	30.6%	
EBITDA Margin	-Revised	33.2%	33.4%	33.7%
	-Previous	34.3%	34.0%	
Net Profit Margin	-Revised	24.1%	24.4%	24.6%
	-Previous	24.0%	23.9%	

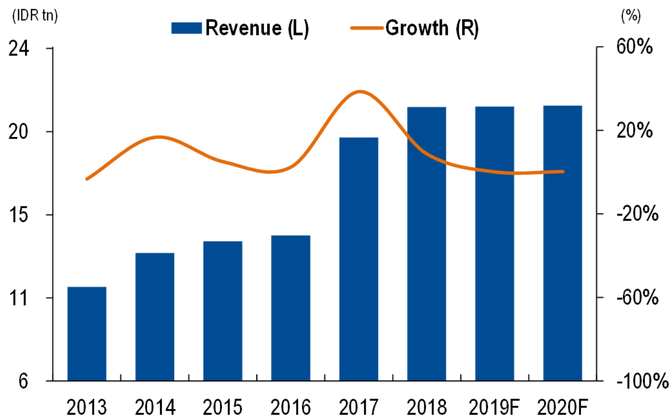
Unit: IDR bn, %

Source: Company Data, NHKS Research

Company Overview

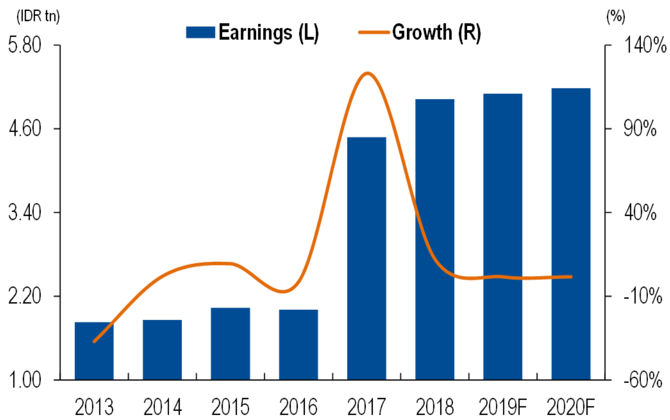
- PT Bukit Asam (PTBA IJ) adalah perusahaan milik negara yang bergerak di industri tambang batu bara berkalori mid to low (4.800kcal/kg hingga kalori 6.700kcal/kg) dan PTBA memiliki konsesi tambang dengan total cadangan sekitar 11,5 miliar ton mayoritas berada di wilayah Sumatera Selatan.
- Pembentukan holding pertambangan dibawah PT Asahan Aluminium (Inalum) oleh pemerintah pada 29 November 2017, diikuti aksi stock split dengan rasio 1:5 oleh PTBA pada 14 Desember 2017 dan PTBA saat ini tergabung bersama PT Timah Tbk dan PT Aneka Tambang Tbk dalam satu holding.
- Saat ini PTBA akan menambah lini bisnis di segmen hilirisasi batu bara, yaitu gasifikasi batu bara. Ada beberapa proyek gasifikasi yang dijalankan PTBA diantaranya: 1) Kerja sama proyek dengan PT Pertamina dan Air products yang menghasilkan Dimethyl Ether (DME); 2) Kerja sama proyek dengan PT Pupuk Indonesia dan PT Chandra Asri Petrochemicals Tbk yang menghasilkan urea untuk pupuk dan polypropylene untuk bahan baku plastik.

Revenue and Growth Movements



Source: Company Data, NHKS Research

Earnings and Growth Movements



Source: Company Data, NHKS Research

Asia Pacific Companies Peers Analysis

	Market Cap (USD mn)	Asset (USD mn)	Sales Growth LTM	Gross Margin LTM	Operating Margin LTM	Net Profit Growth LTM	ROE LTM	P/E LTM	Dividend Yield
Indonesia									
BUKIT ASAM TBK	2,033	1,676	8.7%	40.4%	29.7%	-20.1%	29.7%	6.0x	13.7%
ADARO ENERGY TBK	3,141	7,061	11.1%	33.4%	24.8%	13.8%	14.2%	6.1x	6.5%
INDO TAMBANGRAYA MEGAH TBK	1,033	1,443	18.8%	29.1%	21.5%	-8.2%	25.7%	4.4x	27.0%
China									
SHANXI XISHAN COAL CO.	2,708	9,458	12.9%	28.7%	12.8%	10.7%	9.9%	9.8x	4.9%
SHANXI LU'AN ENVIRONTMENTAL CO.	3,215	9,488	6.6%	34.9%	17.2%	-8.5%	11.6%	8.2x	3.5%
INNER MONGOLIA COAL CO.	2,746	13,746	6.1%	27.8%	19.1%	-23.5%	12.9%	5.2x	7.8%
Thailand									
BANPU PUBLIC CO.	1,978	8,485	15.9%	35.3%	12.3%	-27.9%	6.1%	12.1x	6.0%
Phillipines									
SEMINARA MINING	1,915	1,357	-4.5%	50.3%	31.8%	-31.6%	24.5%	10.1x	9.6%
DMCI HOLDING	2,270	3,483	2.7%	37.4%	23.3%	-27.3%	15.2%	9.9x	10.8%

Unit: USD mn, %, X

Source: Bloomberg, NHKS Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2018/12A	2019/12F	2020/12F	2021/12F
Sales	**21,167**	**21,186**	**21,236**	**21,293**
Growth	*8.7%*	*0.1%*	*0.2%*	*0.3%*
COGS	(12,621)	(12,625)	(12,644)	(12,683)
Gross Profit	**8,546**	**8,560**	**8,592**	**8,609**
Gross Margin	*40.4%*	*40.4%*	*40.5%*	*40.4%*
Operating Expenses	(2,263)	(2,269)	(2,274)	(2,280)
EBIT	**6,283**	**6,291**	**6,318**	**6,329**
EBIT Margin	*29.7%*	*29.7%*	*29.8%*	*29.7%*
Depreciation	721	732	773	840
EBITDA	**7,004**	**7,023**	**7,091**	**7,169**
EBITDA Margin	33.1%	33.2%	33.4%	33.7%
Interest Expenses	(111)	(81)	(27)	(38)
EBT	**6,799**	**6,816**	**6,898**	**6,900**
Income Tax	(1,677.9)	(1,682.0)	(1,683.2)	(1,635.4)
Minority Interest	(97.2)	(31.7)	(32.2)	(32.5)
Net Profit	**5,024**	**5,102**	**5,183**	**5,233**
Growth	*12.2%*	*1.6%*	*1.6%*	*1.0%*
Net Profit Margin	*23.7%*	*24.1%*	*24.4%*	*24.6%*

PROFITABILITY & STABILITY

	2018/12A	2019/12F	2020/12F	2021/12F
ROE	33.4%	29.3%	27.2%	25.6%
ROA	21.8%	20.4%	19.1%	17.9%
ROIC	27.7%	25.2%	23.2%	21.6%
Cash Dividend (IDR bn)	3,357	3,768	3,470	3,213
Dividend Yield	6.9%	8.0%	7.3%	6.8%
Payout Ratio	66.8%	73.8%	66.9%	61.4%
DER	5.1%	1.5%	5.5%	4.5%
Net Gearing	5%	1%	5%	4%
LT Debt to Equity	2.8%	0.8%	3.1%	2.5%
Capitalization Ratio	4.9%	1.5%	5.2%	4.3%
Equity Ratio	67.3%	71.5%	69.2%	70.5%
Debt Ratio	3.4%	1.1%	3.8%	3.2%
Financial Leverage	143.9%	142.2%	144.4%	141.9%
Current Ratio	237.8%	253.3%	242.5%	256.4%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	11,521	11,521	11,521	11,521
Share Price (IDR)	4,220	4,100	4,100	4,100
Market Cap (IDR tn)	48.6	47.2	47.2	47.2

BALANCE SHEET

(IDR bn)	2018/12A	2019/12F	2020/12F	2021/12F
Cash	6,301	5,956	6,079	6,510
Receivables	2,782	2,524	3,295	3,846
Inventories	1,551	1,154	1,562	1,809
Total Current Assets	**11,739**	**11,084**	**12,504**	**13,992**
Net Fixed Assets	8,427	10,041	10,543	10,981
Other Non Current Asset	4,007	4,802	5,179	5,330
Total Assets	**24,173**	**25,927**	**28,226**	**30,303**
Payables	1,048	626	759	631
ST Bank Loan	372	122	477	425
LT Debt	460	156	598	536
Total Liabilities	**7,903**	**7,381**	**8,683**	**8,943**
Capital Stock + APIC	1,183	1,183	1,183	1,183
Retained Earnings	16,815	18,112	19,826	21,845
Shareholders' Equity	**16,270**	**18,546**	**19,543**	**21,360**

VALUATION INDEX

	2018/12A	2019/12F	2020/12F	2021/12F
Price/Earnings	9.7x	9.3x	9.1x	9.0x
Price/Book Value	3.0x	2.5x	2.4x	2.2x
Price/Sales	2.3x	2.2x	2.2x	2.2x
PE/EPS Growth	0.8x	5.9x	5.8x	9.4x
EV/EBITDA	5.9x	5.8x	5.7x	5.6x
EV/EBIT	6.6x	6.5x	6.4x	6.3x
EV (IDR bn)	41,166	40,609	40,551	39,795
Sales CAGR (3-Yr)	15.5%	14.6%	2.9%	0.2%
EPS CAGR (3-Yr)	32.2%	31.3%	5.0%	1.4%
Basic EPS (IDR)	436	443	450	454
Diluted EPS (IDR)	436	443	450	454
BVPS (IDR)	1,412	1,610	1,696	1,854
Sales PS (IDR)	1,837	1,839	1,843	1,848
DPS (IDR)	291	327	301	279

CASH FLOW STATEMENT

(IDR bn)	2018/12A	2019/12F	2020/12F	2021/12F
Operating Cash Flow	7,201	5,604	5,084	5,368
Investing Cash Flow	(1,324)	(2,869)	(1,572)	(1,408)
Financing Cash Flow	(3,115)	(3,065)	(3,389)	(3,529)
Net Changes in Cash	2,763	(330)	123	432

TOP OWNERSHIP

By Geography	%	Shareholders	%
Indonesia	90.9	Republic of Indonesia	65.9
United States	5.0	Vanguard Group	1.3
Luxembourg	1.6	Dimensional Fund	0.7
Canada	0.7	Blackrock	0.7

Source: Company Data, NHKS Research

Closing and target price update

Source: Bloomberg, NHKS Research

Rating and target price update

Date	Rating	Target price	Consensus
2018.30.04	Buy	IDR3,950	IDR3,675
2018.08.07	Buy	IDR5,375	IDR4,600
2019.26.03	Buy	IDR5,100	IDR4,538
2019.10.30	Buy	IDR2,900	IDR3,140

Source: NHKS Research

NHKS stock ratings

- Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
- Buy: greater than +15%, Hold: -15% to +15%, Sell: less than -15%.
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