Perusahaan Gas Negara Tbk (PGAS IJ)

LNG Energi Masa Depan

NH KORINDO SEKURITAS

Company Update | Jun. 04, 2021

PGAS membukukan pertumbuhan laba bersih 28,9% yoy. Pengetatan efisiensi di segmen beban menjadi pendorong utama pertumbuhan meskipun pendapatan tercatat menurun 16,1% yoy di kuartal I-2021. Fokus pada fundamental bisnis yang kuat, membuat kami optimis kinerja bottom line di tahun ini akan positif.

Bottom Line Solid di Kuartal Pertama 2021.

- PGAS membukukan pendapatan USD733,2 juta di kuartal I-2021, turun 16,1% yoy (Vs USD873,8 juta di 1Q20).
- Penurunan pendapatan dari hampir semua segmen membuat pendapatan neto PGAS tertekan. Kontribusi terbesar pendapatan PGAS dari segmen Distribusi Gas 81,3% (-14,0% yoy) di kuartal I-2021.
- PGAS juga mencatatkan efisiensi segmen beban 14,0% yoy jadi USD145,6 juta (Vs USD169,3 juta di 1Q20) serta memperoleh laba selisih kurs sebesar USD8,9 juta di 1Q21.
- Laba bersih tumbuh 28,9% yoy jadi USD61,6 juta (Vs USD47,8 juta di 1Q20).

Fokus Bangun Infrastruktur untuk Jangka Panjang.

- Permintaan di segmen LNG (Liquefied Natural Gas) akan menjanjikan di 20 tahun kedepan, LNG ini akan menghasilkan pembakaran yang lebih bersih dan lebih efisien untuk di kirim. Infrastruktur akan dibangun PGAS untuk mengelola LNG. Permintaan diperkirakan mencapai 660 juta ton per tahun pada 2040.
- PGAS akan mendukung program RDMP kilang dengan membangun fasilitas *Small Land-Based LNG Regasification Terminal* di Cilacap.

Mempertahankan Rating BUY dengan Target Harga 1.770.

- Kami mempertahankan rating BUY dengan target harga di 1.770; mempertimbangkan kerugian yang terjadi di akhir tahun 2020 membuat kami menurunkan target harga kami sedikit lebih rendah dari target sebelumnya (-12,8%).
- PGAS tetap fokus perkuat fundamental bisnisnya dengan melakukan evaluasi pembiayaan serta melakukan pembangunan proyek untuk pendapatan jangka panjang.
- Target harga kami mencerminkan nilai EV/EBITDA di level 6,5x. Saat ini saham PGAS di perdagangkan di area –1SD dari rata-rata historis 10 tahun.

Perusahaan Gas Negara Tbk | Summary (USD bn)

	2019A	2020A	2021F	2022F
Revenue	3,849	2,886	2,819	3,430
Growth	*-0.6%*	*-25.0%*	*-2.3%*	*21.7%*
Net Profit	68	(265)	73	92
Growth	-80.0%	N/A	N/A	26.6%
EPS (USD)	0.0	(0.0)	0.0	0.0
P/E	55.0x	-10.2x	40.5x	32.7x
P/BV	1.2x	1.0x	0.9x	0.9x
EV/EBITDA	6.7x	8.5x	5.0x	5.1x
ROE	*2.1%*	*-8.6%*	*2.3%*	*2.6%*
DER	*1.3x*	*1.5x*	*1.4x*	*1.4x*
Dividend Yield	0.3%	0.3%	0.3%	0.3%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

BUY

Target Price (IDR)	**1,770**
Consensus Price (IDR)	1,547
TP to Consensus Price (%)	+14.4
vs. Last Price (%)	+50.0

Shares Data

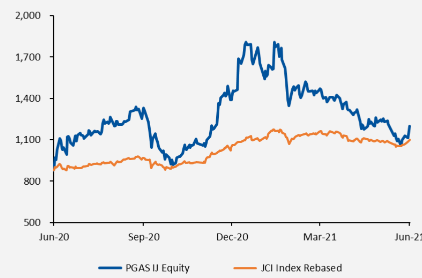
Last Price (IDR)	1,180
Price Date as of	Jun. 03, 2021
52 wk Range (Hi/Lo)	1,895/895
Free Float (%)	43.0
Outstanding Shares (mn)	24,242
Market Cap (IDR bn)	28,969
Market Cap (USD mn)	2,025
Avg. Trd Vol - 3M (mn)	108.8
Avg. Trd Val - 3M (bn)	125.4
Foreign Ownership (%)	12.3

Utilities

Energy

Bloomberg	**PGAS IJ**
Reuters	**PGAS.JK**

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-22.1%	-3.6%	-18.4%	35.6%
Rel. Ret.	-20.9%	-4.9%	-13.2%	11.2%

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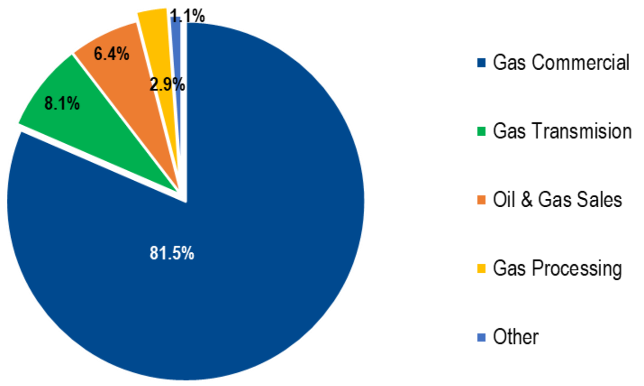
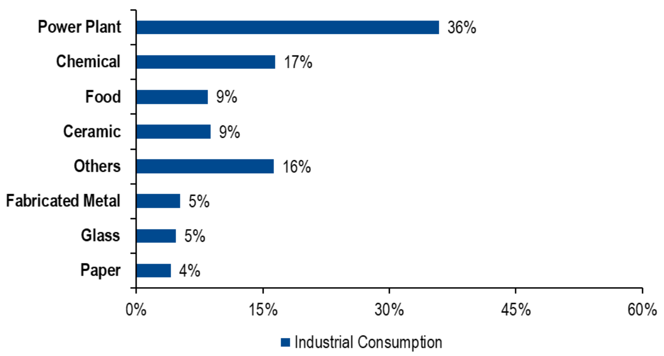
Performance Highlights

3M21 Revenue Breakdown



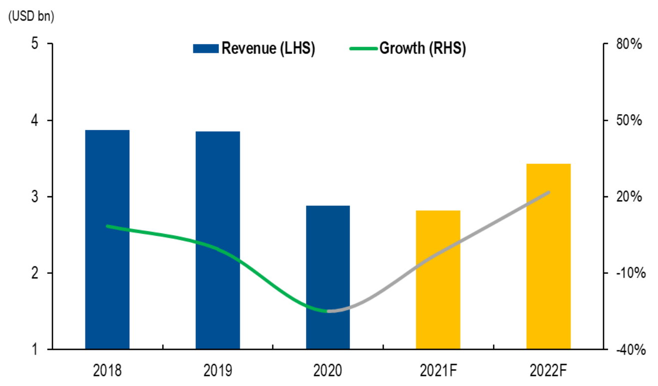
Source: Company Data, NHKSI Research

3M21 Industrial Consumption



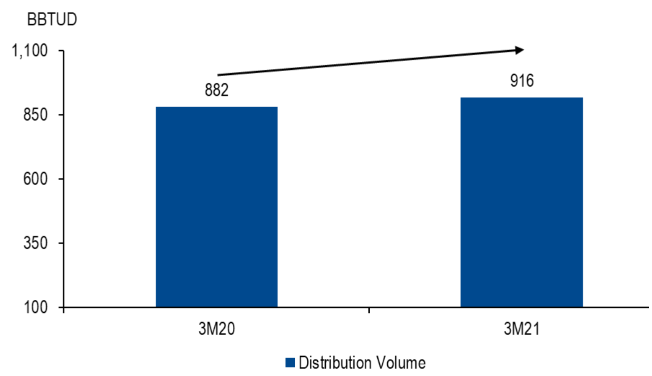
Source: Company Data, NHKSI Research

Revenue & Growth Movement



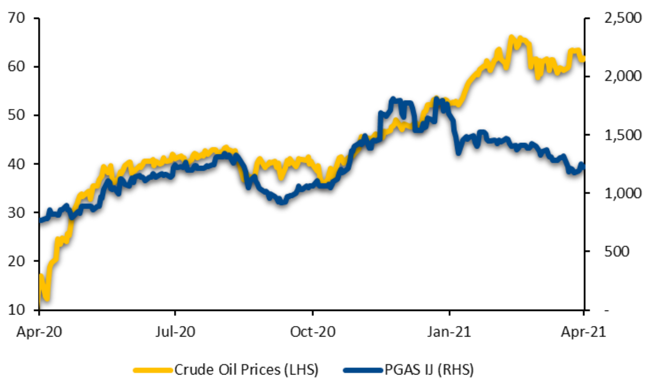
Source: Company Data, NHKSI Research

Distribution Volume (+3.9% YoY)



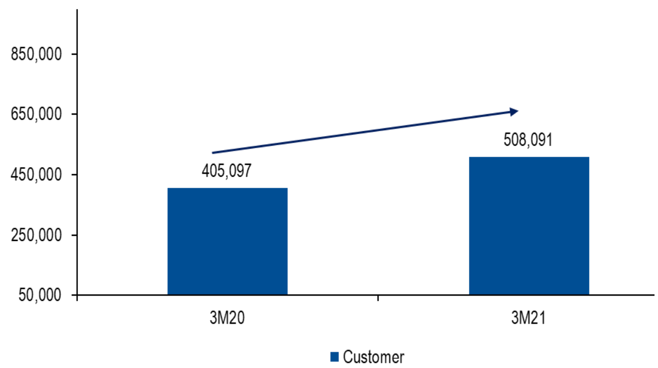
Source: Company Data, NHKSI Research

PGAS & Crude Oil Prices Movement



Source: Bloomberg, NHKSI Research

No of Customers (+25.4%)



Source: Bloomberg, NHKSI Research

Company Profile

PT Perusahaan Gas Negara Tbk (PGAS) sebagai Subholding Gas, mengintegrasikan infrastruktur gas bumi di Indonesia dan mengupayakan peningkatan akses energi di area Indonesia dengan penggunaan moda infrastruktur pipa maupun non pipa. Saat ini, PGAS telah beroperasi di 66 kabupaten/kota, di 17 provinsi di Indonesia dan terus melakukan ekspansi. Segmen pengguna end user gas bumi yang menerima layanan energi baik gas bumi PGN mulai dari rumah tangga, transportasi (SPBG), pelanggan kecil, komersial, industri dan pembangkit listrik. Portofolio pengelolaan infrastruktur hilir gas bumi PGAS hingga 2019 mencakup 96% dari infrastruktur hilir gas bumi yang sudah terbangun dan beroperasi. Adapun untuk pengelolaan jaringan gas bumi rumah tangga dan pelanggan kecil sesuai penugasan Pemerintah dan Program Sayang Ibu mencakup 49 Kabupaten/Kota di seluruh Indonesia dengan panjang pipa jargas yang dikelola sekitar 3.000 Km.

Asia Peers Comparison

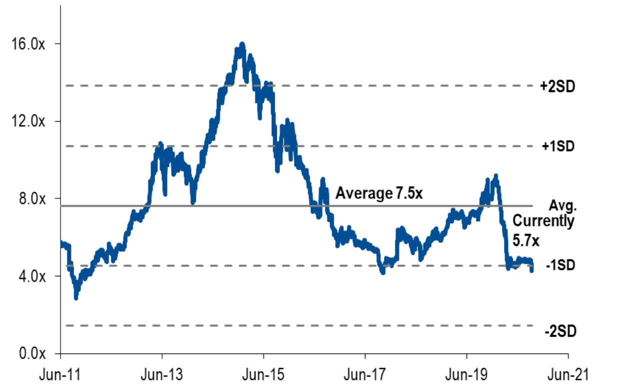
	Market Cap (USD mn)	Total Asset (USD mn)	Sal. Growth* (%)	NP Growth* (%)	Div. Yield (%)	ROE* (%)	EV/EBITDA (x)	P/BV (x)
Indonesia								
PERUSAHAAN GAS NEGARA TBK	2,024	7,534	-25.03%	N/A	N/A	-10.3%	7.6x	0.9x
China								
CHINA GAS HOLDINGS LTD	20,914	14,458	0.26%	5.2%	1.7%	23.2%	10.3x	3.4x
ENN ENERGY HOLDINGS LTD	0,497	13,795	2.04%	10.7%	1.7%	22.3%	11.8x	4.3x
CHINA RESOURCES GAS GROUP LTD	14,392	12,107	-1.95%	2.1%	1.9%	16.3%	9.8x	3.1x
KUNLUN ENERGY CO LTD	7,500	23,745	7.33%	9.2%	42.5%	11.7%	6.4x	0.9x
Japan								
TOKYO GAS CO LTD	107	378	-1.65%	-35.9%	3.3%	3.8%	6.9x	0.5x
South Korea								
KOREA GAS CORP	2,869	32,981	-16.61%	N/A	N/A	-2.4%	12.1x	0.4x
India								
GAIL INDIA LTD	9,699	9,939	-4.63%	43.9%	3.1%	19.8%	4.6x	1.5x
INDRAPRASTHA GAS LTD	5,104	1,001	12.50%	48.3%	0.5%	25.8%	16.4x	7.0x
GUJARAT GAS LTD	5,375	1,159	-2.14%	6.6%	0.2%	32.6%	18.4x	8.7x

Note: * = Last 12 Month (LTM

Source: Bloomberg, NHKSI Research

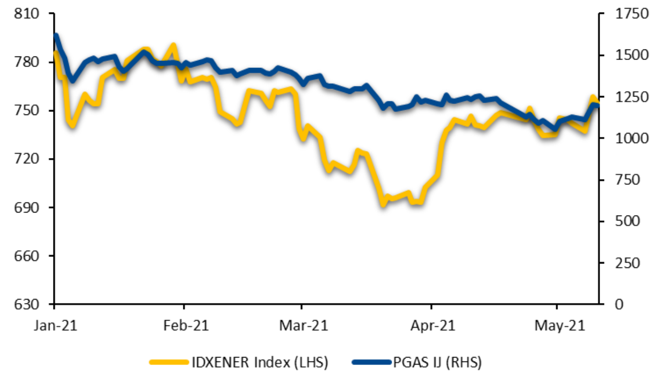
Valuation & Other Highlight in Charts

10-Year Forward EV/EBITDA Band



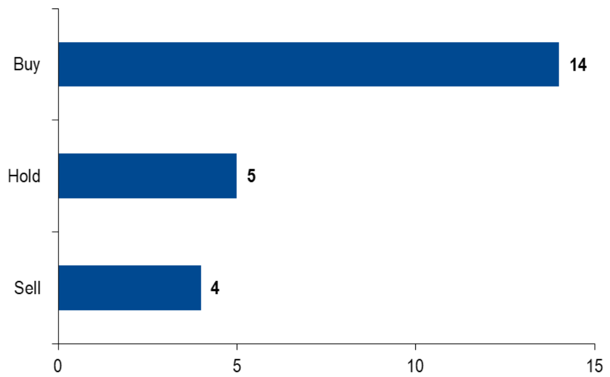
Source: Bloomberg, NHKSI Research

PGAS & IDXENER INDEX



Source: Bloomberg, NHKSI Research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price

Source: NHKSI Research

Rating and Target Price Update

Target Price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
01/22/2021	Buy	2,030 (12 Month)	1,735	1,726	+17.0%	+17.6%
06/04/2021	Buy	1,770 (12 Month)	1,180	1,547	+50.0%	+14.4%

Source: NHKSI Research, Bloomberg

Summary of Financial's

INCOME STATEMENT

(USD mn)	2019A	2020A	2021F	2022F
Revenue	**3,849**	**2,886**	**2,819**	**3,430**
Growth	*-0.6%*	*-25.0%*	*-2.3%*	*21.7%*
COGS	(2,621)	(2,031)	(1,622)	(2,060)
Gross Profit	**1,227**	**854**	**1,197**	**1,370**
Gross Margin	*31.9%*	*29.6%*	*42.5%*	*39.9%*
Operating Expenses	(709)	(595)	(592)	(755)
EBIT	**518**	**259**	**605**	**615**
EBIT Margin	*13.5%*	*9.0%*	*21.5%*	*17.9%*
Depreciation	522	423	546	518
EBITDA	**1,040**	**682**	**1,151**	**1,134**
EBITDA Margin	27.0%	23.6%	40.8%	33.1%
Interest Expenses	(210)	(171)	(180)	(189)
EBT	**280**	**(175)**	**169**	**221**
Income Tax	(167)	(40)	(47)	(62)
Minority Interest	(45)	(49)	(49)	(67)
Net Profit	**68**	**(265)**	**73**	**92**
Growth	*-80.0%*	*N/A*	*N/A*	*26.6%*
Net Profit Margin	*1.8%*	*-9.2%*	*2.6%*	*2.7%*

PROFITABILITY & STABILITY

	2019A	2020A	2021F	2022F
ROE	2.1%	-8.6%	2.3%	2.6%
ROA	0.9%	-3.6%	0.9%	1.1%
Inventory Turnover	35.1x	29.1x	36.5x	38.4x
Receivables Turnover	7.3x	5.9x	5.7x	5.7x
Payables Turnover	11.1x	8.5x	10.4x	9.9x
Dividend Yield	0.3%	0.3%	0.3%	0.3%
Payout Ratio	1.8%	3.1%	-5.9%	5.9%
DER	128.0%	154.9%	136.8%	141.7%
Net Gearing	90%	110%	106%	111%
Equity Ratio	43.9%	39.2%	42.2%	41.4%
Debt Ratio	37.3%	40.1%	39.8%	38.7%
Financial Leverage	240.8%	245.2%	239.3%	240.2%
Current Ratio	2.0x	1.7x	2.3x	2.1x
Quick Ratio	1.9x	1.6x	2.3x	2.1x
Par Value (IDR)	100	100	100	100
Total Shares (mn)	24,242	24,242	24,242	24,242
Share Price (IDR)	2,170	1,655	1,770	1,770
Market Cap (IDR tn)	52.6	40.1	42.9	42.9

BALANCE SHEET

(USD mn)	2019A	2020A	2021F	2022F
Cash	1,040	1,179	1,700	1,886
Receivables	510	473	516	687
Inventories	71	69	20	87
Total Current Assets	**2,209**	**2,006**	**2,672**	**3,021**
Net Fixed Assets	4,250	4,614	4,480	4,477
Other Non Current Asset	915	914	922	930
Total Non Current Ass	**5,165**	**5,528**	**5,403**	**5,406**
Total Assets	**7,374**	**7,534**	**8,075**	**8,708**
Payables	260	215	96	322
ST Bank Loan	221	64	164	121
Total Current Liabilities	1,123	1,183	1,149	1,409
LT Debt	2,529	2,958	3,053	3,246
Total Liabilities	**4,139**	**4,579**	**4,665**	**5,105**
Capital Stock + APIC	344	344	344	344
Retained Earnings	2,729	2,396	2,677	2,696
Shareholder' Equity	**3,234**	**2,955**	**3,410**	**3,603**

VALUATION INDEX

	2019A	2020A	2021F	2022F
Price/Earnings	55.0x	-10.2x	40.5x	32.7x
Price/Book Value	1.2x	1.0x	0.9x	0.9x
PE/EPS Growth	-0.7x	N/A	N/A	1.2x
EV/EBITDA	6.7x	8.5x	5.0x	5.1x
EV (IDR bn)	6,926	5,815	5,798	5,762
Sales CAGR (3-Yr)	9.5%	-6.9%	-10.0%	-3.8%
Net Income CAGR (3-Yr)	-42.2%	-211.7%	-40.1%	10.9%
Basic EPS (IDR)	39	(162)	44	54
BVPS (IDR)	1,868	1,707	1,969	2,081
DPS (IDR)	6	5	6	6

CASH FLOW STATEMENT

(USD mn)	2019A	2020A	2021F	2022F
Operating Cash Flow	893	494	340	750
Investing Cash Flow	(1,736)	(36)	(453)	(814)
Financing Cash Flow	762	(289)	634	251
Net Changes in Cash	**(81)**	**169**	**521**	**186**

TOP OWNERSHIP

Top Shareholders	**%**
Pertamina	57.0
Vanguard Group	1.5
Norges Bank	1.3
Blackrock	0.9
By Geography	**%**
Indonesia	87.7
United States	5.4
Norway	2.1
Luxembourg	1.6
Others	3.3

Source: Company Data, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
   - Buy : Greater than +15%
   - Overweight : +5% to +15%
   - Hold : -5% to +5%
   - Underweight : -5% to -15%
   - Sell : Less than -15%

DISCLAIMER