Bukit Asam Tbk (PTBA IJ)

Kontrol Biaya dan Harga Batubara Jaga *Outlook* Tetap Cerah

NH KORINDO SEKURITAS INDONESIA

Company Update | October 15, 2021

Naiknya harga batubara menciptakan prospek kinerja operasional yang lebih baik di 6M-21. Secara keseluruhan, ekspor ke konsumen primer seperti China, India, dan Korea Selatan tumbuh dua digit dibandingkan periode sebelumnya, dengan persentase mencapai setengah dari total ekspor. Kenaikan ini juga mendongkrak ASP PTBA dari $54/mt di 6M-20 ke $66/mt di 6M-21. Kami memperkirakan kelangkaan di China sebagai konsumen batubara tertinggi, dan hubungan yang rapuh dengan Australia akan menguntungkan eksportir batubara dari Indonesia.

Harga Global Bantu Dorong Kinerja

- Di 6M-21, produksi PTBA naik ke 13,4 juta ton (6,9% YoY) karena kenaikan permintaan batubara termal untuk pembangkit listrik. Kami memprediksi produksi batubara termal akan naik dalam 6 bulan mendatang karena ekspor ke China dan India yang meningkat.
- Volume ekspor 6M-21 naik 9,7% YoY ke 5,6 juta ton karena batubara metalurgi untuk pabrik baja di India dan China. ASP juga naik ke IDR 787.118/ton (10,8% YoY) karena kenaikan harga batubara global.

Laba Bersih Lebih Tinggi Meskipun *Stripping Ratio* Naik

- Untuk *stripping ratio*, kami melihat PTBA membukukan *stripping ratio* 6M-21 yang lebih tinggi menjadi 4,8x dari periode sebelumnya sebesar 4,4x. Namun, perkiraan FY 2021 kami pertahankan di 4,6x karena kami melihat bahwa operasional PTBA diawasi ketat oleh manajemen agar tidak *overproduce*.
- Karena itu, pendapatan naik 11,9% YoY ke IDR 10,8 trillion. Pendapatan 6M21 PTBA mencapai 68,8% perkiraan konsensus.
- Dengan demikian, laba bersih 6M21 PTBA tumbuh menjadi Rp1,8 triliun (41,3% YoY). Hal ini karena komitmen manajemen dalam mengendalikan biaya *overburden removal* di sistem tambang terbukanya. Kami juga mencatat bahwa pengendalian COGS PTBA telah terbukti cukup berhasil dengan rata-rata peningkatan 0,8% QoQ dalam 8 kuartal terakhir.

Rekomendasi BUY dengan TP 3420

- Dengan tren kenaikan harga batubara, kami merevisi naik perkiraan pendapatan kami serta menaikkan target harga menjadi Rp 3.420. TP kami mengimplikasikan FY22 PE Ratio sebesar 7,6x.
- Kami juga yakin bahwa royalti 0% pemerintah bagi produsen batubara akan menguntungkan bisnis hulu PTBA.
- PTBA masih memiliki kinerja profitabilitas yang baik dengan ROE (27,6%) lebih tinggi dari perusahaan lain di industri yang sama (15,2%), serta Dividend Yield (11.4%) di atas rata-rata industri (6.2%).

Bukit Asam Tbk | Summary

	2019A	2020A	2021F	2022F
Revenue (IDR bn)	21,788	17,325	25,126	30,603
Growth (%)	2.9	-12.1	9.0	5.1
EBITDA (IDR bn)	5,894	2,715	6,202	6,906
Net Profit (IDR bn)	4,057	2,388	4,849	5,518
EPS (IDR)	352	207	421	479
Growth (%)	-19.2	-41.1	103.1	13.8
P/E (x)	7.6	12.9	8.3	7.6
P/BV (x)	1.7	1.8	2.1	2.1
EV/EBITDA (x)	4.5	10.1	5.7	5.4
ROE (%)	23.4	13.5	27.6	28.9
ROA (%)	16.1	9.5	19.0	19.3
Dividend Yield (%)	12.3	11.8	11.4	10.3

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Buy

Target Price (IDR)	**3,420**
Consensus Price (IDR)	3,177
TP to Consensus Price (%)	+7.6
Potential Upside (%)	+21.4

Shares Data

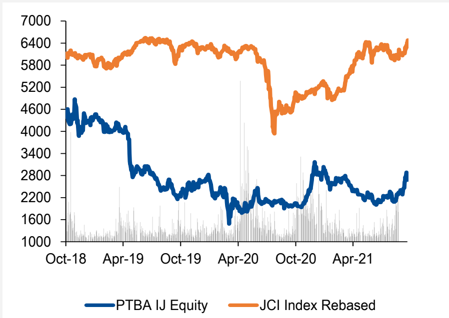
Last Price (IDR)	2,820
Price Date as of	Oct 14 2021
52 wk Range (Hi/Lo)	3,180/1,935
Free Float (%)	31.2
Outstanding Shares (mn)	11,521
Market Cap (IDR bn)	30
Market Cap (USD mn)	2,175
Avg. Trd Vol - 3M (mn)	37.1
Avg. Trd Val - 3M (bn)	93.4
Foreign Ownership (%)	7.1

Mining

Coal

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

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	1.8%	16.5%	33.3%	34.7%
Rel. Ret.	-2.2%	11.5%	26.3%	10.7%

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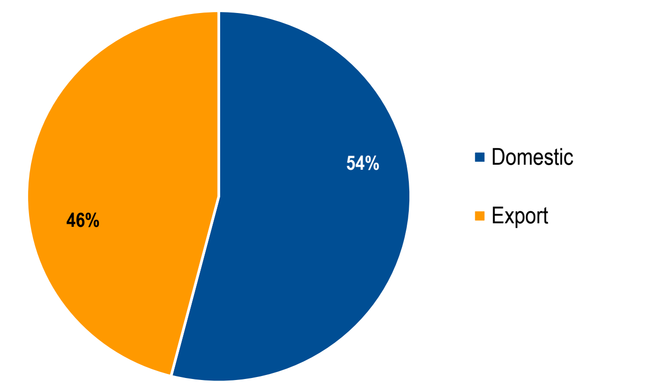
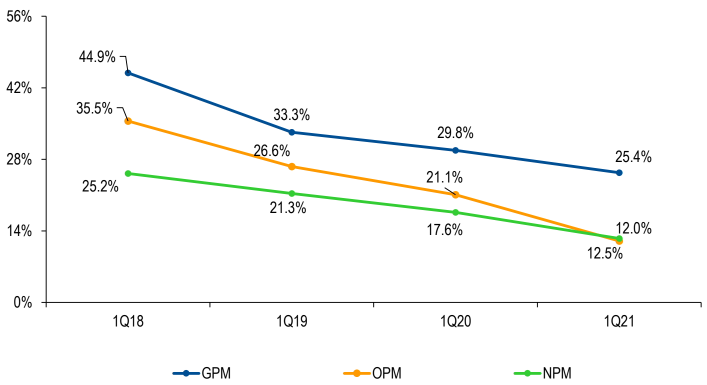
Performance Highlights in Charts

6M-21 Composition of Revenue



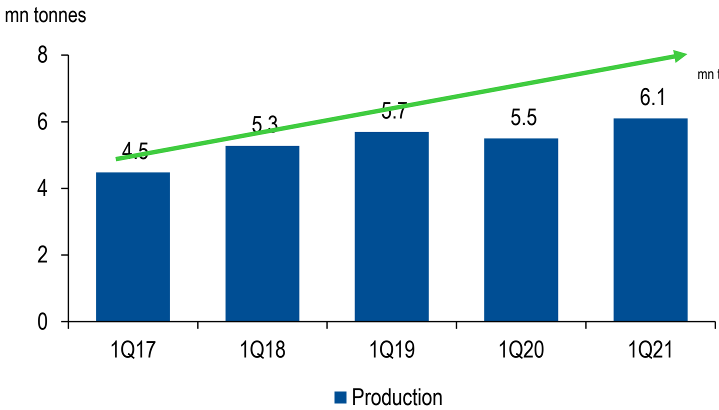
Source: Company Data, NHKSI Research

Margin Ratios



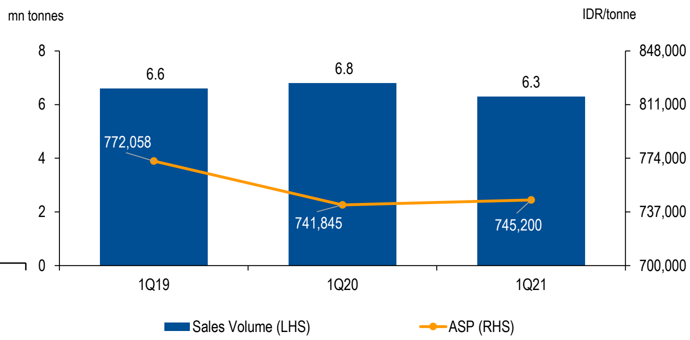
Source: Company Data, NHKSI Research

Coal Production



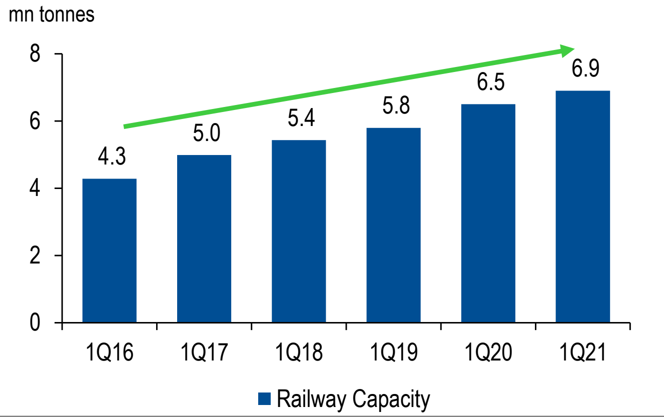
Source: Company Data, NHKSI Research

Sales Volume & ASP



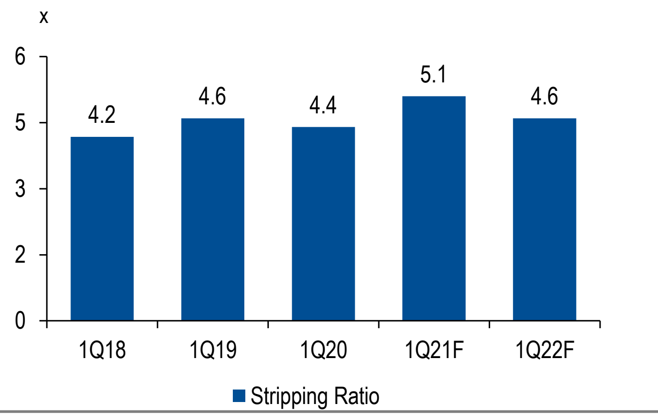
Source: Company Data, NHKSI Research

Railway Capacity



Source: Company Data, NHKSI Research

Stripping Ratio



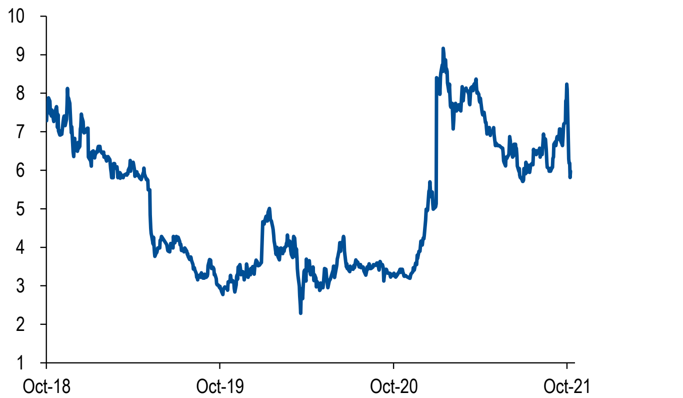
Source: Company Data, NHKSI Research

Valuation & Other Highlights in Charts

3-Year Forward P/E Band

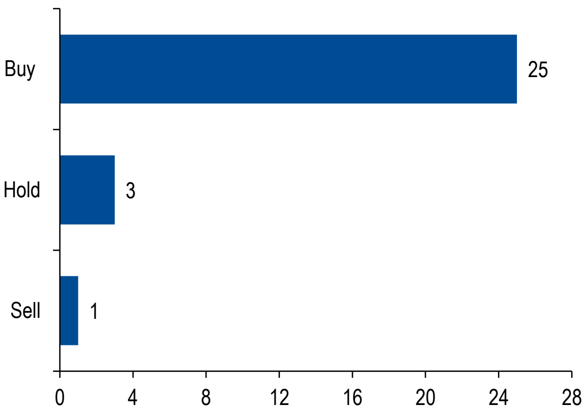
Source: Bloomberg, NHKSI Research

3-Year EV/EBITDA Band



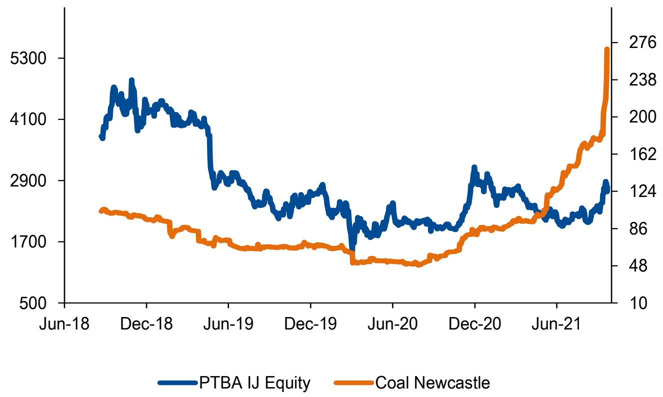
Source: Bloomberg, NHKSI Research

Recommendation by Analysts



Source: Bloomberg, NHKSI Research

PTBA & Coal Prices Movement



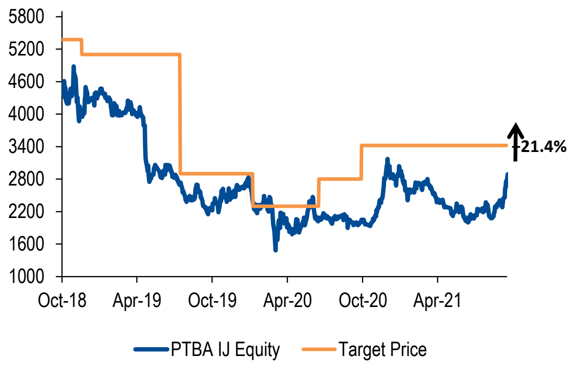
Source: Bloomberg, NHKSI Research

Rating & Target Price Update

Date	Rating	Target Price	Consensus
2019.10.30	Buy	IDR2,900	IDR3,140
2019.11.04	Hold	IDR2,300	IDR2,834
2020.02.28	Buy	IDR2,800	IDR2,860
2020.06.18	Buy	IDR2,900	IDR2,258
2021.06.30	Overweight	IDR 2,250	IDR 2,858
2021.10.15	Buy	IDR 3,420	IDR 3,177

Source: Bloomberg, NHKSI Research

Closing & Target Price Update

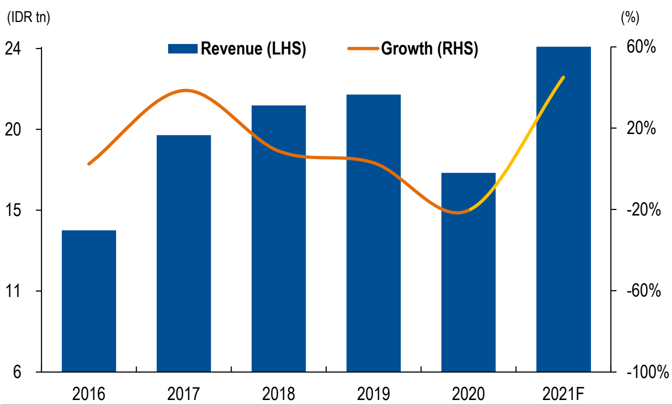


Source: Bloomberg, NHKSI Research

Company Overview

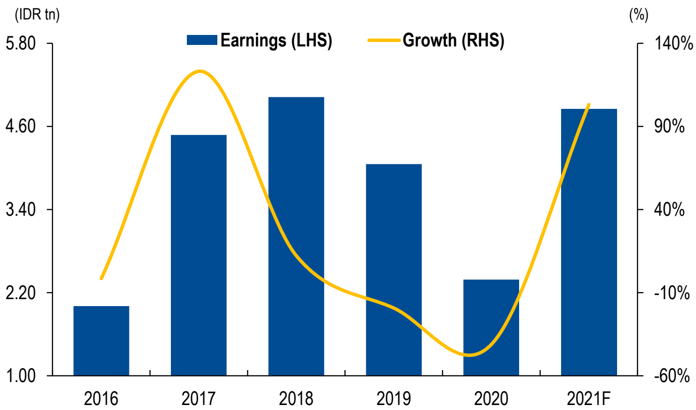
PT Bukit Asam Tbk (PTBA) adalah perusahaan milik negara yang bergerak di industri tambang batu bara berkalori *mid to low* (4.800kcal/kg hingga kalori 6.700kcal/kg) dan memiliki konsesi tambang dengan total cadangan sekitar 11,5 miliar ton yang sebagian besar berada di wilayah Sumatera Selatan. Pembentukan holding pertambangan di bawah PT Asahan Aluminium (Inalum) oleh pemerintah pada 29 November 2017, diikuti aksi *stock split* dengan rasio 1:5 oleh PTBA pada 14 Desember 2017 sedangkan PTBA saat ini tergabung dengan 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, yaitu 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. Pada 2020, PTBA kembali menerima penghargaan Proper kategori Emas untuk Unit Pertambangan Tanjung Enim (UPTE) PT Bukit Asam Tbk (PTBA) dan kategori Hijau untuk Unit Pelabuhan Tarahan (Peltar) PTBA dari Kementerian Lingkungan Hidup dan Kehutanan (KLHK) Republik Indonesia.

Revenue & Growth Movement



Source: Company Data, NHKSI Research

Earnings & Growth Movement



Source: Company Data, NHKSI Research

Asia Pacific Peers Comparison

Company	Market Cap (USD mn)	Total Asset (USD mn)	Sales Growth (LTM)	Gross Margin (LTM)	Operating Margin (LTM)	Net Profit Growth (LTM)	ROE (LTM)	P/E (LTM)	EV/EBITDA
Indonesia									
BUKIT ASAM Tbk	2,159	1,858	61.9%	40.9%	28.0%	231.8%	17.6%	10.5x	5.8x
ADARO ENERGY Tbk	4,748	6,721	42.5%	35.9%	24.9%	73.0%	4.2%	24.3x	5.1x
INDO TAMBANGRAYA Tbk	1,688	1,309	36.5%	36.0%	29.5%	426.9%	14.2%	13.8x	4.5x
China									
SHANXI COKING COAL ENERGY Co Ltd	4,759	10,818	27.1%	29.9%	16.7%	-12.4%	13.2%	15.3x	7.2x
Australia									
WHITEHAVEN COAL Co Ltd	3,128	3,591	0.2%	0.2%	-4.1%	-2190.7%	-19.5%	NA	NA
Thailand									
BANPU PUBLIC Co Ltd	8,040	9,657	52.0%	33.6%	9.2%	16.0%	3.1%	45.0x	9.4x
Philippine									
SEMINARA MINING Ltd	2,295	1,464	175.4%	45.8%	29.1%	272.7%	17.2%	14.5x	7.6x
DMCI HOLDING Ltd	3,243	4,395	153.0%	31.0%	21.0%	263.4%	16.5%	7.9x	6.5x

Source: Bloomberg, NHKSI Research

Financial Summary

INCOME STATEMENT

(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F
Revenue	**21,788**	**17,325**	**25,126**	**30,603**
Growth	*2.9%*	*-20.5%*	*45.0%*	*21.8%*
COGS	(14,176)	(12,758)	(17,211)	(21,514)
Gross Profit	**7,612**	**4,567**	**7,915**	**9,089**
Gross Margin	*34.9%*	*26.4%*	*31.5%*	*29.7%*
Operating Expenses	(2,597)	(2,054)	(2,487)	(3,030)
EBIT	**5,014**	**2,513**	**5,427**	**6,059**
EBIT Margin	*23.0%*	*14.5%*	*21.6%*	*19.8%*
Depreciation	880	202	775	847
EBITDA	**5,894**	**2,715**	**6,202**	**6,906**
EBITDA Margin	27.1%	15.7%	24.7%	22.6%
Interest Expenses	(28)	(132)	(98)	(95)
EBT	**5,455**	**3,231**	**6,562**	**7,466**
Income Tax	(1,415)	(838)	(1,702)	(1,936)
Minority Interest	16	(5)	(10)	(12)
Net Profit	**4,057**	**2,388**	**4,849**	**5,518**
Growth	*-19.2%*	*-41.1%*	*103.1%*	*13.8%*
Net Profit Margin	*18.6%*	*13.8%*	*19.3%*	*18.0%*

BALANCE SHEET

(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F
Cash	4,757	4,340	4,782	5,268
Receivables	2,483	1,578	1,731	1,898
Inventories	1,383	805	778	751
Total Current Assets	**11,680**	**8,362**	**9,407**	**10,653**
Net Fixed Assets	9,212	9,753	10,867	12,108
Other Non Current Ass	5,271	5,893	6,655	7,516
Total Assets	**26,162**	**24,008**	**26,929**	**30,277**
Payables	1,020	2,391	3,672	5,639
ST Bank Loan	322	532	483	439
LT Debt	309	560	569	577
Total Liabilities	**7,675**	**7,116**	**8,506**	**10,549**
Capital Stock + APIC	1,434	1,434	1,434	1,434
Retained Earnings	17,057	15,520	16,918	18,441
Shareholders' Equity	**18,486**	**16,892**	**18,424**	**19,728**

CASH FLOW STATEMENT

(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F
Operating Cash Flow	4,724	3,335	6,169	7,459
Investing Cash Flow	(3,783)	113	(1,508)	(1,836)
Financing Cash Flow	(2,033)	(4,061)	(4,253)	(4,500)
Net Changes in Cash	**(1,092)**	**(613)**	**409**	**1,123**

PROFITABILITY & STABILITY

	2019/12A	2020/12A	2021/12F	2022/12F
ROE	23.3%	13.5%	27.5%	28.9%
ROA	16.1%	9.5%	19.0%	19.3%
ROIC	19.4%	10.3%	20.6%	21.6%
Cash Dividend (IDR bn)	3,768	3,651	4,486	4,364
Dividend Yield	12.3%	11.8%	11.4%	10.3%
Payout Ratio	92.9%	152.9%	92.5%	79.1%
DER	41.5%	42.1%	46.2%	53.5%
Net Gearing	3%	7%	6%	5%
LT Debt to Equity	1.7%	3.3%	3.1%	2.9%
Equity Ratio	70.7%	70.4%	68.4%	65.2%
Debt Ratio	29.3%	29.6%	31.6%	34.8%
Financial Leverage	141.8%	144.2%	149.9%	153.5%
Current Ratio	249.0%	216.0%	189.2%	157.1%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	11,521	11,521	11,521	11,521
Share Price (IDR)	2,660	2,680	3,420	3,663
Market Cap (IDR tn)	30.6	30.9	39.4	42.2

VALUATION INDEX

	2019/12A	2020/12A	2021/12F	2022/12F
Price/Earnings	7.6x	12.9x	8.3x	7.6x
Price/Book Value	1.7x	1.8x	2.1x	2.1x
Price/Sales	1.4x	1.8x	1.6x	1.4x
PE/EPS Growth	-0.4x	-0.3x	0.1x	0.6x
EV/EBITDA	4.5x	10.1x	5.7x	5.4x
EV/EBIT	5.3x	10.9x	6.6x	6.2x
EV (IDR bn)	26,350	27,395	35,549	37,581
Sales CAGR (3-Yr)	15.7%	-3.8%	5.9%	12.0%
EPS CAGR (3-Yr)	21.7%	-18.9%	-1.2%	10.8%
Basic EPS (IDR)	352	207	421	479
Diluted EPS (IDR)	352	207	421	479
BVPS (IDR)	1,605	1,466	1,599	1,712
Sales PS (IDR)	1,891	1,504	2,181	2,656
DPS (IDR)	327	317	389	379

TOP OWNERSHIP

By Geography	%	Shareholders	%
Indonesia	92.9	Inalum	66%
United States	4.5	Bukit Asam Tbk	2.9%
Ireland	0.9	Vanguard Group	1.2%
Luxemborg	0.7	Blackrock	1.8%

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