

Bukit Asam Tbk (PTBA IJ)

Kinerja Kurang Memuaskan

Kinerja 1Q20 kurang memuaskan karena pendapatan dan laba turun 4% YoY dan 20,6% YoY. Asumsi untuk 2020F/2021F: 1) produksi batubara 28,4 juta metrik ton untuk 2020F dan 28,8 juta metrik ton untuk 2021F; 2) strip ratio 4,8x untuk 2020F dan 5,1x untuk 2021F; 3) volume penjualan 28 juta metrik ton untuk 2020F dan 28,9 juta metrik ton untuk 2021F; 4) ASP di IDR693.971/metrik ton untuk 2020F dan IDR742.341/metrik ton untuk 2021F.

Kinerja Kurang Memuaskan

Pada 1Q20, PTBA membukukan laba bersih sebesar Rp903 miliar (-20,6% YoY) karena ASP yang lebih rendah menjadi Rp741.800/metrik ton (-3,9% YoY) alhasil pendapatan hanya sebesar Rp5,1 triliun (-4% YoY). Pendapatan dan laba bersih pada 1Q20 sudah mencapai 27% dan 25% dari target kami pada 2020F.

Estimasi untuk Kinerja PTBA

Kami memperkirakan produksi batubara 28,4 juta metrik ton untuk 2020F dan 28,8 juta metrik ton untuk 2021F dengan *stripping ratio* 4,8x untuk 2020F dan 5,1x untuk 2021F. Konsumsi akan turun di 2Q20 karena kondisi pandemi COVID-19 dan mempengaruhi volume penjualan, kami memperkirakan volume penjualan 28 juta metrik ton untuk 2020F dan volume penjualan 28,9 juta metrik ton untuk 2021F. ASP akan lebih rendah di 2020, jadi kami memperkirakan ASP sebesar Rp693.971/metrik ton untuk 2020F dan ASP sebesar Rp742.341/metrik ton untuk 2021F.

Konsumsi Batu Bara Domestik Kemungkinan Meleset dari Target Pemerintah

Saat ini penggunaan batu bara untuk PLTU berkontribusi sekitar 60% bagi konsumsi batu bara domestik. Beberapa pembangkit listrik yang dimiliki oleh PLN telah melakukan penyesuaian pada kapasitas minimum karena penggunaan listrik yang lebih rendah di Jawa-Bali selama pandemi, hal tersebut membuat konsumsi batu bara menurun. Kemungkinan target konsumsi batu bara domestik yang dicanangkan Pemerintah sebesar 155 juta metrik ton akan meleset di 2020. Kami mengestimasi konsumsi batu bara domestik untuk 2020F sebesar 140 juta metrik ton.

Mempertahankan Rating BUY dengan Target Harga Lebih Tinggi di Rp2.900

Meskipun kinerja keuangan PTBA 1Q20 tidak memuaskan, kami masih merekomendasikan BUY dan meningkatkan target harga kami menjadi Rp2.900 (dari sebelumnya Rp2.800) karena: 1) prospek jangka panjang dari diversifikasi bisnis; 2) konsumsi batu bara domestik pada tahun 2020 dapat lebih tinggi dari tahun 2019. Target harga baru kami berdasarkan forward P/E sebesar 8,6x (+0,5 SD dari rata-rata historis 5 tahun) dengan potensi *upside* 17,4% dari harga terakhir, target harga mengimplikasikan P/E 2020F sebesar 9,4x. PTBA saat ini diperdagangkan pada P/E sebesar 7,3x (di atas -1 SD dari rata-rata historis 5 tahun).

Bukit Asam Tbk | Summary

	2019A	2020F	2021F	2022F
Revenue (IDR bn)	21,788	19,156	20,877	21,943
Growth (%)	2.9	-12.1	9.0	5.1
EBITDA (IDR bn)	5,894	4,829	5,421	5,762
Net Profit (IDR bn)	4,057	3,553	3,909	4,166
EPS (IDR)	352	308	339	362
Growth (%)	-19.2	-12.4	10.0	6.6
P/E (x)	7.6	9.4	8.5	8.0
P/BV (x)	1.7	1.9	1.8	1.8
EV/EBITDA (x)	4.5	6.3	5.6	5.3
ROE (%)	23.4	19.6	21.6	22.3
DER (%)	41.7	60.0	61.4	61.9
Net Debt (IDR bn)	-4,126	-1,819	-1,426	-1,079

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Buy

Dec 2020 TP (IDR)	2,900
Consensus Price (IDR)	2,258
TP to Consensus Price (%)	+28.4
vs. Last Price (%)	+17.4

Shares Data

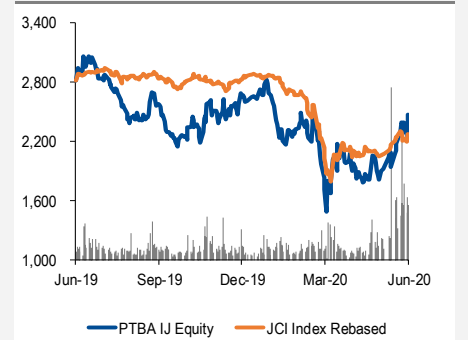
Last Price (IDR)	2,470
Price Date as of	Jun 17, 2020
52 wk Range (Hi/Lo)	3,150/1,385
Free Float (%)	31.2
Outstanding Shares (mn)	11,521
Market Cap (IDR bn)	28
Market Cap (USD mn)	1,981
Avg. Trd Vol - 3M (mn)	54.1
Avg. Trd Val - 3M (bn)	112.4
Foreign Ownership (%)	8.1

Mining

Coal

Bloomberg	PTBA IJ
Reuters	PTBA.JK

Share Price Performance

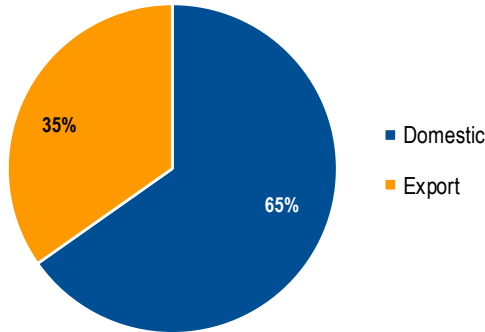


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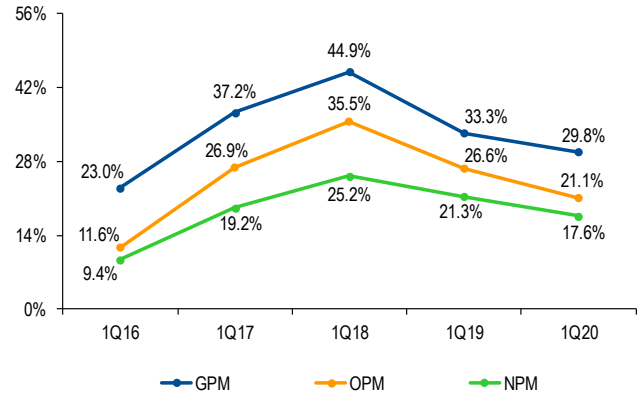
Performance Highlights in Charts

1Q20 Composition of Revenue



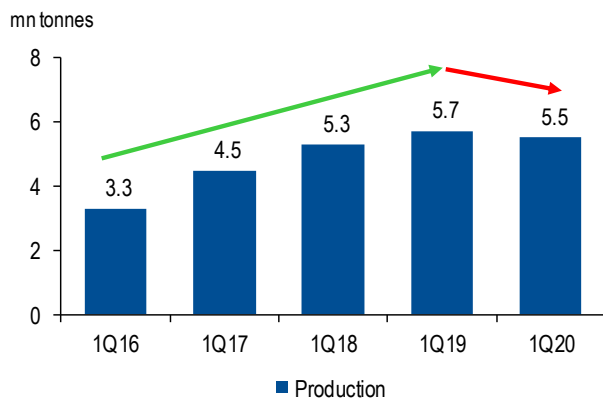
Source: Company Data, NHKSI Research

Margin Ratios



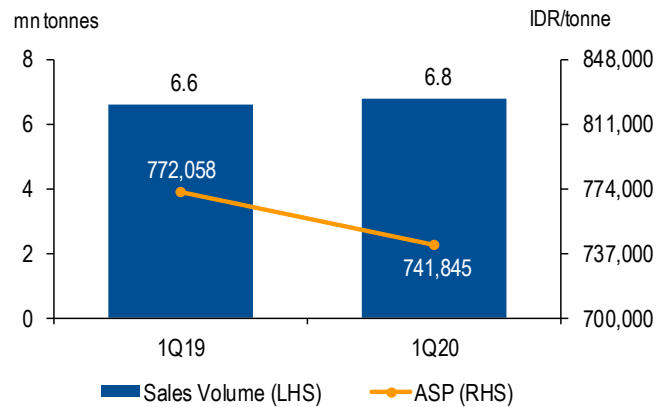
Source: Company Data, NHKSI Research

Coal Production



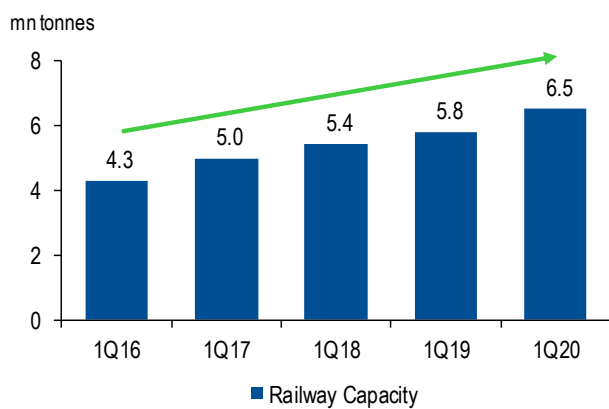
Source: Company Data, NHKSI Research

Sales Volume & ASP



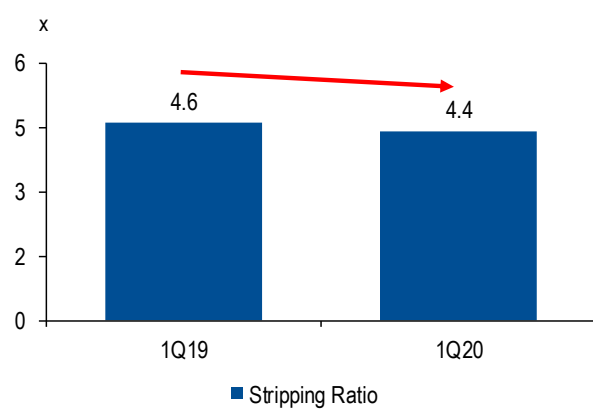
Source: Company Data, NHKSI Research

Railway Capacity



Source: Company Data, NHKSI Research

Stripping Ratio



Source: Company Data, NHKSI Research

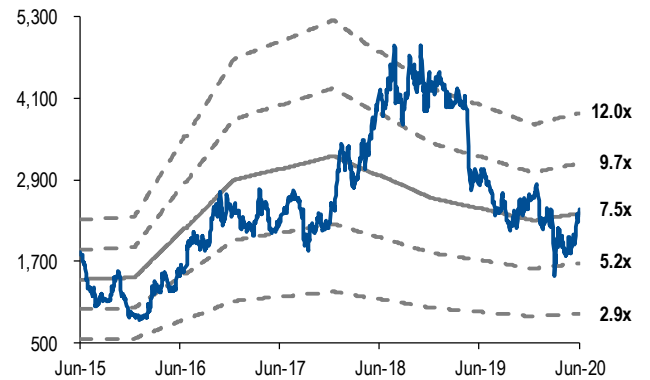
Valuation & Other Highlights in Charts

5-Year Forward P/E Band



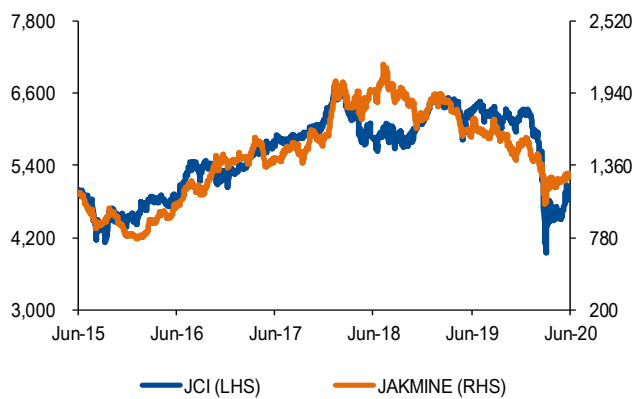
Source: Bloomberg, NHKSI Research

5-Year Dynamic Forward P/E Band



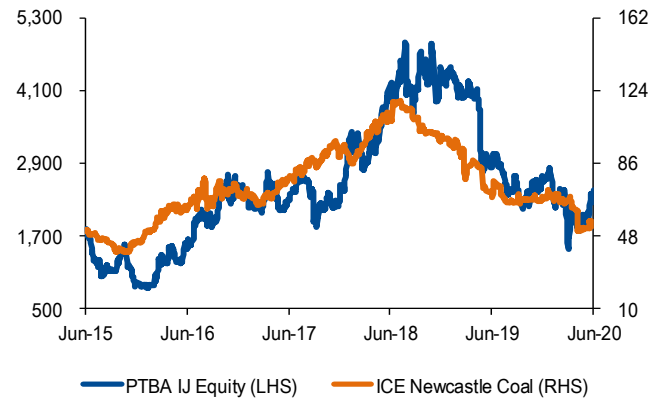
Source: Bloomberg, NHKSI Research

JCI & JAKMINE Movement



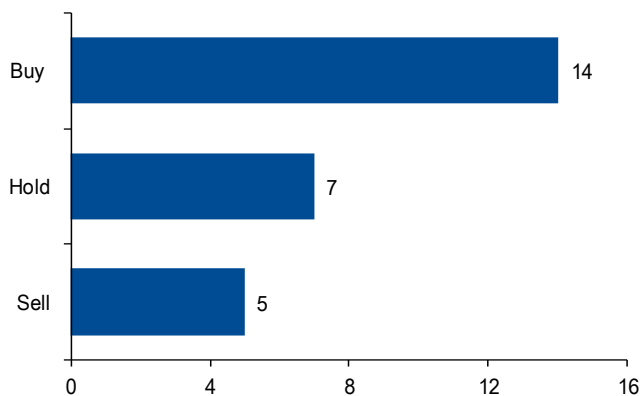
Source: Bloomberg, NHKSI Research

PTBA & Coal Prices Movement



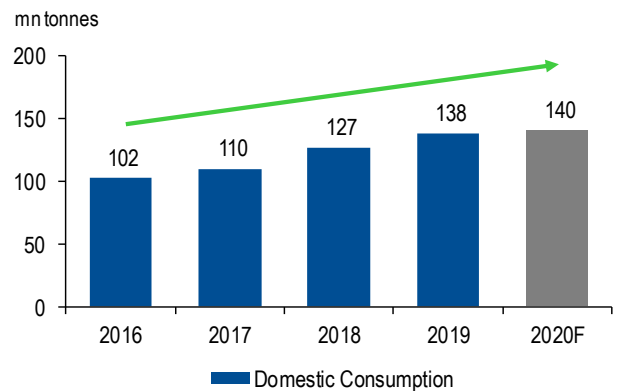
Source: Bloomberg, NHKSI Research

Recommendation by Analysts



Source: Bloomberg, NHKSI Research

Indonesia's Coal Consumption



Source: The Global Economy, APBI-ICMA, NHKSI Research

Financial Review

Quarterly Review

	1Q19	2Q19	3Q19	4Q19	1Q20			2Q20E	
					Actual	Estimate	YoY %		QoQ %
Income Statement									
Revenue	5,337	5,278	5,639	5,534	5,122		-4.0	-7.4	4,590
Gross Profit	1,777	1,880	2,049	1,906	1,525		-14.2	-20.0	1,469
EBIT	1,419	1,174	1,489	932	1,080		-23.9	15.8	987
EBITDA	1,752	1,288	1,715	1,139	1,331		-24.1	16.8	1,142
Net Profit	1,137	871	1,093	956	903		-20.6	-5.5	815
Margin									
Gross Margin	33.3	35.6	36.3	34.5	29.8		-3.5	-4.7	32.0
EBIT Margin	26.6	22.2	26.4	16.9	21.1		-5.5	4.2	21.5
EBITDA Margin	32.8	24.4	30.4	20.6	26.0		-6.9	5.4	24.9
Net Profit Margin	21.3	16.5	19.4	17.3	17.6		-3.7	0.4	17.8

Unit: IDR bn, %

Source: Company Data, NHKSI Research

Earnings Revisions

		2020F	2021F	2022F
Income Statement				
Revenue	-Revised	19,156	20,877	21,943
	-Previous	21,420	21,490	
	-Change %	-10.6	-2.9	
	-Consensus	19,759	21,067	22,007
Gross Profit	-Revised	6,017	6,708	7,095
	-Previous	8,127	8,128	
	-Change %	-26.0	-17.5	
	-Consensus	6,366	6,677	6,656
EBIT	-Revised	4,099	4,641	4,922
	-Previous	5,837	6,001	
	-Change %	-29.8	-22.7	
	-Consensus	3,915	4,131	3,708
EBITDA	-Revised	4,829	5,421	5,762
	-Previous	6,565	6,733	
	-Change %	-20.6	-15.5	
	-Consensus	4,548	4,749	4,811
Net Profit	-Revised	3,553	3,909	4,166
	-Previous	4,476	4,626	
	-Change %	-20.6	-15.5	
	-Consensus	3,129	3,257	3,407
Margin				
Gross Margin	-Revised	31.4	32.1	32.3
	-Previous	37.9	37.8	
EBIT Margin	-Revised	21.4	22.2	22.4
	-Previous	27.3	27.9	
EBITDA Margin	-Revised	25.2	26.0	26.3
	-Previous	30.6	31.3	
Net Profit Margin	-Revised	18.5	18.7	19.0
	-Previous	20.9	21.5	

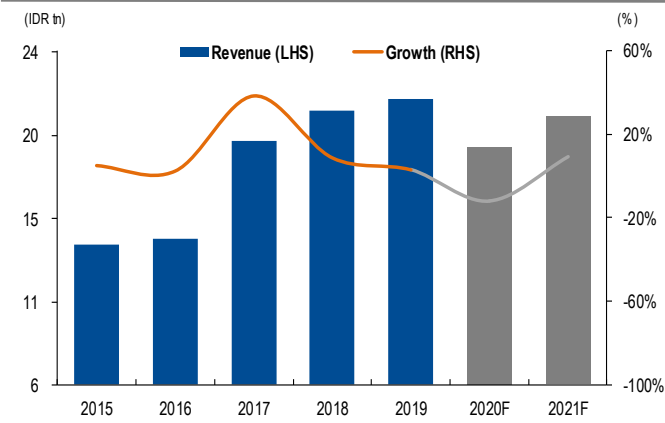
Unit: IDR bn, %

Source: Company Data, 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 (UPE) 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

	Market Cap (USD mn)	Total Asset (USD mn)	Sales Growth LTM (%)	Gross Margin LTM (%)	Operating Margin LTM (%)	Net Profit LTM (%)	Growth LTM (%)	ROE LTM (%)	P/E LTM (x)	Dividend Yield (%)
Indonesia										
BUKIT ASAM TBK	2,003	1,885	2.9	34.9	23.0	-18.8	20.6	7.1	13.8	
ADARO ENERGY TBK	2,409	7,217	-4.5	27.9	17.9	-17.0	10.2	6.3	10.2	
INDO TAMBANGRAYA MEGAH TBK	622	1,209	-14.5	19.0	10.5	-56.9	12.2	5.8	16.3	
China										
SHANXI XISHAN COAL CO.	2,165	9,351	2.1	31.9	11.7	-12.4	7.9	9.3	6.2	
SHANXI LU'AN ENVIRONMENTAL CO.	2,334	10,664	0.4	38.7	15.8	-13.2	8.6	7.6	4.8	
INNER MONGOLIA COAL CO.	2,078	13,559	4.5	30.2	18.1	-19.7	9.5	4.4	7.9	
Thailand										
BANPU PUBLIC CO.	1,040	8,657	-24.0	25.6	6.6	-97.2	0.3	145.0	9.4	
Phillipines										
SEMINARA MINING	1,107	1,424	5.4	39.8	23.1	-12.7	22.2	6.5	9.6	
DMCI HOLDING	1,143	3,960	N/A	N/A	N/A	-33.4	10.5	6.9	11.1	

Source: Bloomberg, NHKSI Research

Financial Summary

INCOME STATEMENT

(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F
Revenue	21,788	19,156	20,877	21,943
<i>Growth</i>	2.9%	-12.1%	9.0%	5.1%
COGS	(14,176)	(13,139)	(14,169)	(14,849)
Gross Profit	7,612	6,017	6,708	7,095
<i>Gross Margin</i>	34.9%	31.4%	32.1%	32.3%
Operating Expenses	(2,597)	(1,918)	(2,067)	(2,172)
EBIT	5,014	4,099	4,641	4,922
<i>EBIT Margin</i>	23.0%	21.4%	22.2%	22.4%
Depreciation	880	730	780	840
EBITDA	5,894	4,829	5,421	5,762
<i>EBITDA Margin</i>	27.1%	25.2%	26.0%	26.3%
Interest Expenses	(28)	(105)	(240)	(220)
EBT	5,455	4,670	5,139	5,477
Income Tax	(1,415)	(1,095)	(1,205)	(1,284)
Minority Interest	16	(23)	(25)	(26)
Net Profit	4,057	3,553	3,909	4,166
<i>Growth</i>	-19.2%	-12.4%	10.0%	6.6%
<i>Net Profit Margin</i>	18.6%	18.5%	18.7%	19.0%

PROFITABILITY & STABILITY

	2019/12A	2020/12F	2021/12F	2022/12F
ROE	23.4%	19.6%	21.6%	22.3%
ROA	16.1%	13.0%	13.5%	13.8%
ROIC	19.5%	15.3%	16.8%	17.3%
Cash Dividend (IDR bn)	3,768	3,200	2,665	3,518
Dividend Yield	12.3%	9.6%	8.0%	10.5%
Payout Ratio	92.9%	90.1%	68.2%	84.4%
DER	41.7%	60.0%	61.4%	61.9%
Net Gearing	3%	14%	14%	14%
LT Debt to Equity	1.7%	8.8%	8.6%	8.7%
Capitalization Ratio	3.3%	13.0%	13.0%	13.0%
Equity Ratio	70.6%	62.5%	61.9%	61.7%
Debt Ratio	2.4%	9.4%	9.3%	9.3%
Financial Leverage	150.7%	160.7%	161.7%	161.9%
Current Ratio	249.0%	170.1%	156.1%	149.1%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	11,521	11,521	11,521	11,521
Share Price (IDR)	2,660	2,900	2,900	2,900
Market Cap (IDR tn)	30.6	33.4	33.4	33.4

BALANCE SHEET

(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F
Cash	4,757	4,486	4,181	3,927
Receivables	2,483	2,765	2,954	3,178
Inventories	1,383	1,432	1,596	1,658
Total Current Assets	11,680	10,134	10,558	10,694
Net Fixed Assets	9,212	10,665	11,138	11,614
Other Non Current Asset	5,207	7,650	7,950	8,450
Total Assets	26,098	28,448	29,646	30,758
Payables	1,020	1,068	1,261	1,301
ST Bank Loan	322	1,110	1,184	1,205
LT Debt	309	1,558	1,570	1,644
Total Liabilities	7,675	10,665	11,282	11,765
Capital Stock + APIC	1,183	1,434	1,434	1,434
Retained Earnings	17,309	17,379	18,623	19,271
Shareholders' Equity	18,423	17,783	18,364	18,993

VALUATION INDEX

	2019/12A	2020/12F	2021/12F	2022/12F
Price/Earnings	7.6x	9.4x	8.5x	8.0x
Price/Book Value	1.7x	1.9x	1.8x	1.8x
Price/Sales	1.4x	1.7x	1.6x	1.5x
PE/EPS Growth	-0.4x	-0.8x	0.9x	1.2x
EV/EBITDA	4.5x	6.3x	5.6x	5.3x
EV/EBIT	5.2x	7.4x	6.5x	6.2x
EV (IDR bn)	26,286	30,391	30,093	30,441
Sales CAGR (3-Yr)	15.7%	-0.5%	-0.5%	0.2%
EPS CAGR (3-Yr)	21.7%	-7.4%	-8.0%	0.9%
Basic EPS (IDR)	352	308	339	362
Diluted EPS (IDR)	352	308	339	362
BVPS (IDR)	1,599	1,544	1,594	1,649
Sales PS (IDR)	1,891	1,663	1,812	1,905
DPS (IDR)	327	278	231	305

CASH FLOW STATEMENT

(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F
Operating Cash Flow	4,296	3,895	4,689	5,006
Investing Cash Flow	(3,785)	(1,142)	(1,753)	(1,817)
Financing Cash Flow	(2,033)	(3,087)	(3,241)	(3,443)
Net Changes in Cash	(1,521)	(334)	(305)	(254)

Source: Company Data, NHKSI Research

TOP OWNERSHIP

By Geography	% Shareholders	%
Indonesia	91.9 Inalum	65.9
United States	5.5 Bukit Asam Tbk	2.9
Luxembourg	1.1 Dimensional Fund	1.3
United Kingdom	0.5 Blackrock	0.5

Closing & Target Price Update



Source: Bloomberg, NHKSI Research

Rating & Target Price Update

Date	Rating	Target Price	Consensus
2018.04.30	Buy	IDR3,950	IDR3,675
2018.07.08	Buy	IDR5,375	IDR4,600
2019.03.26	Buy	IDR5,100	IDR4,538
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

Source: NHKSI Research

NHKSI 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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