

**QUICK REVIEW (PTBA)
BUKIT ASAM TBK.**

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RESEARCH TEAM

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Recommendation

Recommendation : **HOLD**

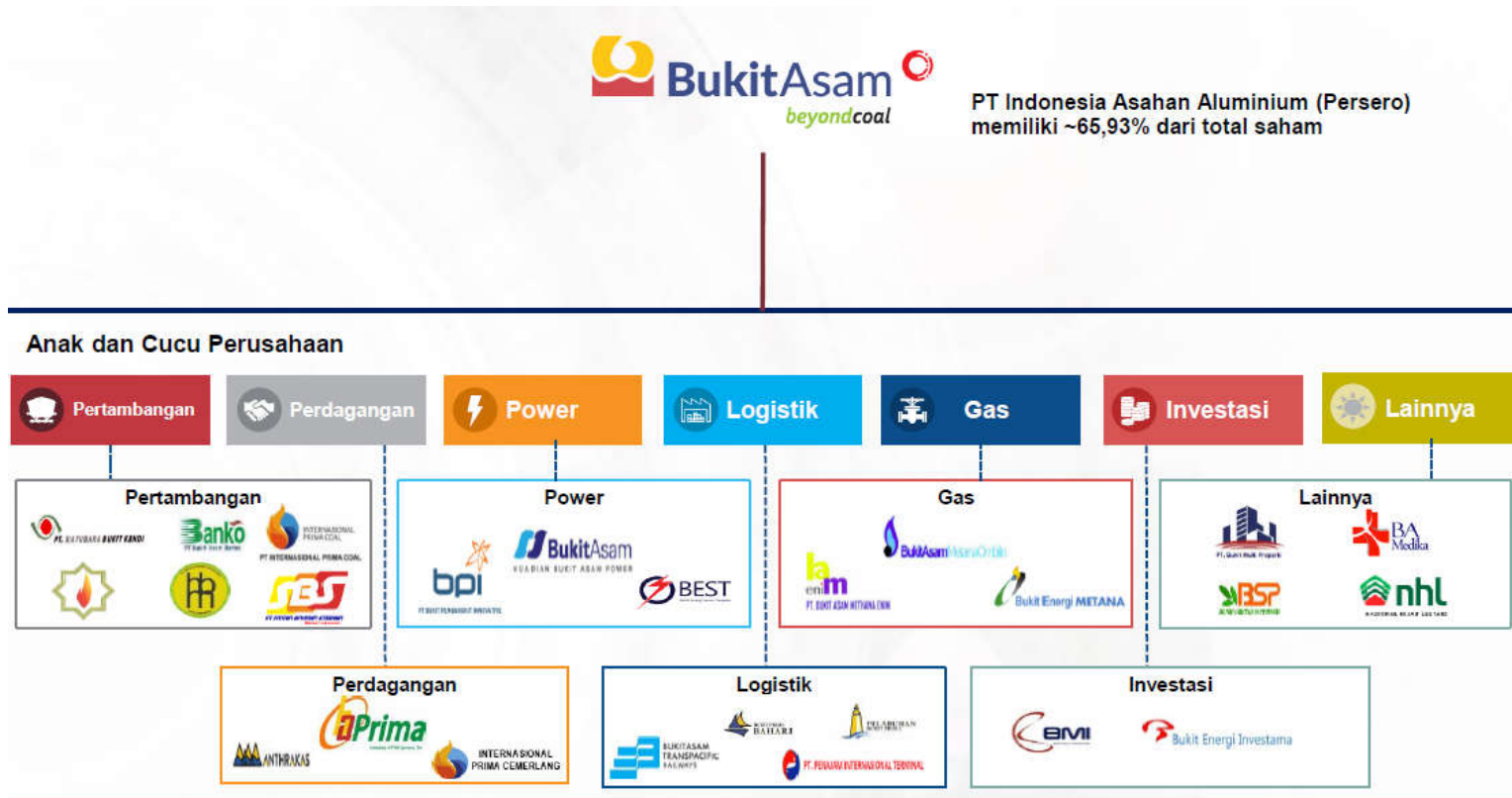
Fair Value : **IDR 2,790**

Current Price (07/12) : **IDR 2,680**

Company Description

PT Bukit Asam Tbk provides coal mining services. The Company offers general surveying, exploration, exploitation, production, transportation, and marketing of coal. The Company serves customers in Indonesia.

Business Model



Source: Company

Mine Location & Railway Transport



Source: Company

Power Plant Project

Rooftop Solar PV AP-II 241 Kwp

Lokasi:	Bandara Soekarno Hatta
COD:	2020
Porsi PTBA:	50%
Investasi:	USD 194.400

PLTU Sumsel-8 2x620 MW

Lokasi:	Banko Tengah
Konsumsi Batu bara:	5,4 Jt ton/thn
COD:	Q1 2022
Porsi PTBA:	45%
Investasi:	USD 1,68 miliar

PLTU Banjarsari 2x110 MW

Lokasi:	Banjarsari, Lahat
Konsumsi Batu bara:	1,0 Jt ton/thn
Operasi:	Sejak 2015
Porsi PTBA:	59,75%

PLTU Tanjung Enim 3x10 MW

Pemakaian:	Penunjang Operasi Tambang
Kebutuhan Batu bara:	0,15 Jt ton/thn
Operasi:	Sejak 2012
Porsi PTBA:	100%

PLTU Pelabuhan Tarahan 2x8 MW

Pemakaian:	Penunjang Operasi Pelabuhan
Kebutuhan Batu bara:	0,10 Juta ton/tahun
Operasi:	Sejak 2013
Porsi PTBA:	100%

Source: Company

Coal Gasification Project



Source: Company

Earnings Update

Earnings Results : 3Q 2020

<i>In Billions of IDR</i>	Q3 2020	Q3 2019	%YoY	Q3 2020	Q2 2020	%QoQ
Revenue	3,836	5,639	-32.0%	3,836	3,890	-1.4%
- Cost of Revenue	2,866	3,590	-20.2%	2,866	2,865	0.0%
Gross Profit	971	2,049	-52.6%	971	1,025	-5.3%
- Operating Expenses	528	560	-5.7%	528	721	-26.8%
Operating Income (Loss)	443	1,489	-70.3%	443	304	45.6%
- Non-Operating (Income) Loss	118	44	166.3%	118	297	-60.2%
Pretax Income (Loss), GAAP	561	1,533	-63.4%	561	601	-6.6%
- Income Tax Expense (Benefit)	120	434	-72.4%	120	210	-42.9%
Net Income Avail to Common, GAAP	439	1,093	-59.8%	439	386	14.0%

Source: Bloomberg, MCS Research

Earnings Update

Earnings Estimate : 4QE 2020

<i>In Billions of IDR</i>	Q4 2020 Est	Q4 2019	%YoY	Q4 2020 Est	Q3 2020	%QoQ
Revenue	4,479	5,534	-19.1%	4,479	3,836	16.8%
- Cost of Revenue	3,133	3,627	-13.6%	3,133	2,866	9.3%
Gross Profit	1,347	1,906	-29.4%	1,347	971	38.7%
- Operating Expenses	627	974	-35.6%	627	528	18.7%
Operating Income (Loss)	720	932	-22.8%	720	443	62.5%
- Non-Operating (Income) Loss	188	210	-10.7%	188	118	58.8%
Pretax Income (Loss), GAAP	907	1,142	-20.6%	907	561	61.7%
- Income Tax Expense (Benefit)	230	227	1.2%	230	120	92.1%
Net Income Avail to Common, GAAP	671	956	-29.8%	671	439	52.6%

Source: Bloomberg, MCS Research

Company Update

PTBA Coal Gasification Becomes a National Strategic Project

The coal gasification project in Tanjung Enim, South Sumatra, which was initiated by PT Bukit Asam Tbk (PTBA) was determined to be a national strategic project (PSN) through the issuance of Presidential Regulation (Perpres) No. 109/2020 signed by President Joko Widodo on November 17, 2020 .

PTBA Corporate Secretary Apollonius Andwie C, said that the increasing status of the coal gasification project as a National Strategic Project is a positive signal and great support from the government to accelerate the optimization of the abundant natural resources in this country in order to increase economic growth, equitable development and community welfare. as stated in the objectives of Presidential Decree Number 109 of 2020.

He explained that the coal gasification plant will process as much as 6 million tons of coal per year to be processed into 1.4 million tons of dimethyl ether (DME). This product can help reduce LPG imports by more than 1 million tons per year.

(Source: CNBC Indonesia)

Company Update

China buys Indonesian coal, Bukit Asam (PTBA) has the opportunity to strengthen the export market

The Indonesian coal industry is now getting fresh air after being hit by the Covid-19 pandemic. China will buy US \$ 1.47 billion worth of thermal coal from Indonesia next year.

Quoting reports from Reuters on Wednesday (25/11), a trade agreement was signed between the Indonesian Coal Mining Association (APBI) and China Coal Transportation and Distribution on Wednesday (25/11). APBI said, it is expected that there will be an increase in coal exports to China by 200 million tons in the coming year. However, this number will be reviewed annually.

Apollonius Andwie, Corporate Secretary of PT Bukit Asam Tbk (PTBA) said the thermal coal purchase agreement between China Coal Transportation and Distribution and APBI would certainly provide opportunities for domestic coal producers, including PTBA, to expand the market to China.

(Source: Kontan)

Balanced Sheet : Annual

<i>In Billions of IDR</i>	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Assets										
+ Cash, Cash Equivalents & STI	5,054	6,791	5,917	3,344	4,039	3,115	3,675	3,964	6,625	4,936
+ Accounts & Notes Receiv	997	1,180	1,546	1,428	1,439	1,596	2,285	5,344	2,782	2,483
+ Inventories	424	645	766	902	1,033	1,857	1,102	1,156	1,551	1,383
+ Other ST Assets	171	243	490	806	905	1,031	1,288	654	782	2,866
Total Current Assets	6,646	8,859	8,718	6,480	7,417	7,598	8,350	11,118	11,739	11,668
+ Property, Plant & Equip, Net	1,109	1,315	2,008	2,934	4,350	5,900	6,361	7,699	8,427	9,316
+ LT Investments & Receivables	5	5	5	5	0	0	0	0	0	241
+ Other LT Assets	963	1,327	1,997	2,258	3,094	3,396	3,866	3,171	4,007	4,873
Total Noncurrent Assets	2,077	2,648	4,011	5,197	7,444	9,296	10,227	10,870	12,434	14,430
Total Assets	8,723	11,507	12,729	11,677	14,861	16,894	18,577	21,987	24,173	26,098
Liabilities & Shareholders' Equity										
+ Payables & Accruals	1,057	1,821	1,403	1,802	1,904	3,081	2,645	2,762	2,904	3,068
+ ST Debt	13	18	35	78	1,294	1,352	1,618	441	372	322
+ Other ST Liabilities	78	73	333	381	383	490	781	1,194	1,660	1,301
Total Current Liabilities	1,148	1,912	1,771	2,261	3,581	4,923	5,043	4,397	4,936	4,691
+ LT Debt	0	0	10	0	962	670	751	533	460	309
+ Other LT Liabilities	1,134	1,430	2,443	1,865	1,793	2,014	2,231	3,258	2,507	2,675
Total Noncurrent Liabilities	1,134	1,430	2,453	1,865	2,755	2,684	2,982	3,791	2,968	2,984
Total Liabilities	2,281	3,342	4,224	4,126	6,336	7,606	8,024	8,187	7,903	7,675
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,434
- Treasury Stock	0	0	190	1,899	1,899	2,302	2,302	2,302	2,302	402
+ Retained Earnings	5,183	6,906	7,411	8,094	9,060	10,192	11,366	14,565	16,815	17,057
+ Other Equity	1	1	16	61	65	102	175	163	320	169
Equity Before Minority Interest	6,367	8,088	8,419	7,437	8,408	9,175	10,421	13,608	16,015	18,258
+ Minority/Non Controlling Interest	75	77	86	114	117	113	131	192	255	165
Total Equity	6,441	8,165	8,505	7,552	8,525	9,288	10,552	13,800	16,270	18,423
Total Liabilities & Equity	8,723	11,507	12,729	11,677	14,861	16,894	18,577	21,987	24,173	26,098

Source: Bloomberg, MCS Research

Balanced Sheet : Quarter

<i>In Billions of IDR</i>	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Total Assets										
+ Cash, Cash Equivalents & STI	4,859	6,437	6,625	6,477	5,443	4,423	4,936	7,675	8,644	5,389
+ Accounts & Notes Receiv	3,521	2,625	2,782	2,718	2,503	2,498	2,483	2,422	1,437	1,375
+ Inventories	948	1,299	1,551	1,102	1,148	1,538	1,383	1,087	1,065	1,355
+ Other ST Assets	355	512	782	1,753	1,071	3,291	2,866	846	451	1,241
Total Current Assets	9,684	10,874	11,739	12,051	10,165	11,749	11,668	12,030	11,596	9,361
+ Property, Plant & Equip, Net	7,628	7,659	8,427	8,591	8,749	8,788	9,316	9,600	9,545	9,485
+ LT Investments & Receivables	0	0	0	0	245	245	241	308	376	376
+ Other LT Assets	3,225	3,938	4,007	4,185	4,252	4,449	4,873	5,790	5,375	5,283
Total Noncurrent Assets	10,853	11,597	12,434	12,776	13,247	13,482	14,430	15,698	15,296	15,145
Total Assets	20,537	22,470	24,173	24,827	23,412	25,231	26,098	27,729	26,893	24,505
Liabilities & Shareholders' Equity										
+ Payables & Accruals	2,697	3,082	2,904	2,639	2,918	3,467	3,068	2,800	6,139	3,072
+ ST Debt	301	126	372	207	386	224	322	343	515	238
+ Other ST Liabilities	828	912	1,660	1,373	1,016	1,212	1,301	1,343	954	1,071
Total Current Liabilities	3,825	4,120	4,936	4,220	4,320	4,903	4,691	4,486	7,609	4,380
+ LT Debt	443	742	460	520	264	344	309	560	405	668
+ Other LT Liabilities	2,640	2,686	2,507	2,529	2,580	2,650	2,675	2,756	2,912	2,878
Total Noncurrent Liabilities	3,083	3,428	2,968	3,049	2,844	2,994	2,984	3,317	3,317	3,546
Total Liabilities	6,908	7,548	7,903	7,269	7,164	7,897	7,675	7,803	10,926	7,926
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	1,183	1,183	1,183	1,183	1,435	1,435	1,434	1,434	1,434	1,434
- Treasury Stock	2,302	2,302	2,302	2,302	641	641	402	407	415	415
+ Retained Earnings	14,341	15,613	16,815	17,948	15,028	16,105	17,057	17,929	14,495	14,940
+ Other Equity	201	206	320	461	227	230	169	799	276	453
Equity Before Minority Interest	13,423	14,700	16,015	17,290	16,050	17,129	18,258	19,756	15,791	16,412
+ Minority/Non Controlling Interest	206	222	255	268	198	205	165	170	176	168
Total Equity	13,629	14,922	16,270	17,558	16,249	17,334	18,423	19,926	15,967	16,579
Total Liabilities & Equity	20,537	22,470	24,173	24,827	23,412	25,231	26,098	27,729	26,893	24,505

Source: Bloomberg, MCS Research

Profit & Loss : Annual

<i>In Billions of IDR</i>	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Est	FY 2021 Est
Revenue	11,594	11,209	13,078	13,734	14,059	19,471	21,167	21,788	17,328	19,466
- Cost of Revenue	6,506	7,746	9,156	9,594	9,657	10,965	12,621	14,176	12,461	12,292
Gross Profit	5,088	3,464	3,922	4,140	4,401	8,507	8,546	7,612	4,867	7,174
+ Other Operating Income	194	295	0	0	0	0	0	0	0	0
- Operating Expenses	1,689	1,606	1,873	1,725	1,871	2,608	2,322	2,597	2,321	2,390
Operating Income (Loss)	3,594	2,153	2,049	2,414	2,531	5,899	6,224	5,014	2,546	4,784
- Non-Operating (Income) Loss	318	309	365	249	166	169	575	441	710	432
Pretax Income (Loss), Adjusted	3,912	2,461	2,414	2,664	2,697	6,068	6,799	5,455	3,256	5,215
- Abnormal Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Pretax Income (Loss), GAAP	3,912	2,461	2,414	2,664	2,697	6,068	6,799	5,455	3,256	5,215
- Income Tax Expense (Benefit)	1,002	607	550	627	673	1,521	1,678	1,415	837	1,310
Income (Loss) from Cont Ops	2,909	1,854	1,864	2,037	2,024	4,547	5,121	4,040	2,419	3,906
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	2,909	1,854	1,864	2,037	2,024	4,547	5,121	4,040	2,419	3,906
- Minority Interest	9	28	3	1	18	71	97	16	20	43
Net Income, GAAP	2,900	1,826	1,861	2,036	2,006	4,476	5,024	4,057	2,399	3,863
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	2,900	1,826	1,861	2,036	2,006	4,476	5,024	4,057	2,399	3,863

Source: Bloomberg, MCS Research

Profit & Loss : Quarter

<i>In Billions of IDR</i>	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020 Est	Q1 2021 Est
Revenue	5,131	5,337	5,278	5,639	5,534	5,122	3,890	3,836	4,479	4,768
- Cost of Revenue	3,253	3,560	3,398	3,590	3,627	3,598	2,865	2,866	3,133	3,257
Gross Profit	1,878	1,777	1,880	2,049	1,906	1,525	1,025	971	1,347	1,511
+ Other Operating Income	0	0	0	0	0	0	0	0	0	0
- Operating Expenses	828	358	706	560	974	444	721	528	627	634
Operating Income (Loss)	1,050	1,419	1,174	1,489	932	1,080	304	443	720	877
- Non-Operating (Income) Loss	343	99	87	44	210	107	297	118	188	173
Pretax Income (Loss), Adjusted	1,393	1,518	1,261	1,533	1,142	1,187	601	561	907	1,050
- Abnormal Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Pretax Income (Loss), GAAP	1,393	1,518	1,261	1,533	1,142	1,187	601	561	907	1,050
- Income Tax Expense (Benefit)	267	367	386	434	227	278	210	120	230	263
Income (Loss) from Cont Ops	1,127	1,151	875	1,099	915	909	391	441	677	787
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	1,127	1,151	875	1,099	915	909	391	441	677	787
- Minority Interest	33	13	4	6	40	6	6	2	7	9
Net Income, GAAP	1,094	1,137	871	1,093	956	903	386	439	671	778
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	1,094	1,137	871	1,093	956	903	386	439	671	778

Source: Bloomberg, MCS Research

Cash Flow : Annual

<i>In Billions of IDR</i>	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Cash from Operating Activities										
+ Net Income	2,009	3,086	2,900	1,826	1,861	2,036	2,006	4,476	5,024	4,057
+ Depreciation & Amortization	59	61	54	138	228	375	428	686	718	792
+ Non-Cash Items	0	0	0	0	0	0	0	0	0	0
+ Chg in Non-Cash Work Cap	91	453	741	87	113	513	506	3,228	2,126	552
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Operating Activities	2,490	3,601	2,213	2,051	1,976	1,898	1,928	1,934	7,868	4,296
Cash from Investing Activities										
+ Change in Fixed & Intang	579	235	640	1,115	724	687	293	645	839	1,246
+ Net Change in LT Investment	0	0	0	0	0	0	0	0	0	0
+ Net Cash From Acq & Div	150	139	135	0	0	170	30	0	599	378
+ Other Investing Activities	70	131	408	209	1,311	256	8	226	138	2,161
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	799	505	1,182	1,324	2,035	1,113	315	420	1,577	3,785
Cash from Financing Activities										
+ Dividends Paid	1,236	1,282	1,616	1,595	1,004	706	611	602	3,357	3,768
+ Cash From (Repayment) Debt	0	5	45	33	1,749	673	400	1,087	193	343
+ Cash (Repurchase) of Equity	0	0	190	1,710	0	402	0	0	0	2,151
+ Other Financing Activities	109	80	131	32	8	14	0	5	35	73
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	1,345	1,357	1,892	3,304	737	1,795	1,011	1,684	3,585	2,033
Net Changes in Cash	345	1,737	874	2,573	695	924	559	185	2,746	1,544

Source: Bloomberg, MCS Research

Cash Flow : Quarter

<i>In Billions of IDR</i>	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Cash from Operating Activities										
+ Net Income	1,206	1,273	1,094	1,137	871	1,093	956	903	386	439
+ Depreciation & Amortization	186	192	175	176	183	225	207	249	267	274
Cash from Operating Activities	319	2,064	1,074	1,118	1,038	1,765	375	1,188	1,046	1,343
Cash from Investing Activities										
+ Change in Fixed & Intang	72	140	521	116	657	217	256	158	319	188
+ Net Change in LT Investment	0	0	0	0	0	0	0	0	0	0
+ Net Cash From Acq & Div	32	567	0	0	0	127	252	257	0	0
+ Other Investing Activities	47	17	173	983	705	2,415	532	1,974	606	817
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	151	691	694	1,099	48	2,759	24	1,560	287	1,005
Cash from Financing Activities										
+ Dividends Paid	3,357	0	0	0	3,768	0	0	0	0	3,651
+ Cash From (Repayment) Debt	265	255	168	65	112	80	85	54	139	45
+ Cash (Repurchase) of Equity	0	0	0	0	1,914	0	238	5	8	0
+ Other Financing Activities	35	0	0	0	73	0	0	0	0	10
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	3,657	255	168	65	2,040	80	153	59	147	3,617
Net Changes in Cash	3,429	1,572	242	40	974	1,047	517	2,752	1,135	3,255

Source: Bloomberg, MCS Research

Valuation



Source: Bloomberg

Valuation

PER

- 8.1x

EPS

- IDR 345

Value

- **IDR
2,790**



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