



## Sukarno Alatas

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### Stock Rate

TP 12M vs. Last Price

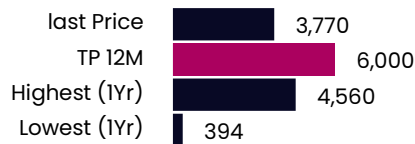
**Buy**  
Neutral  
IDR 6,000  
+59%

### Stock Data

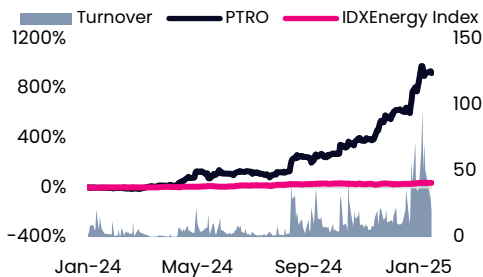
Ticker Code: PTRO  
Sub Sector: Oil, Gas & Coal  
Sector: Energy

Market Cap (IDR.Tn): 39  
Shares Issued (Bn): 9.9  
AVG 3M Turnover (IDR Bn): 223

### Price (IDR)

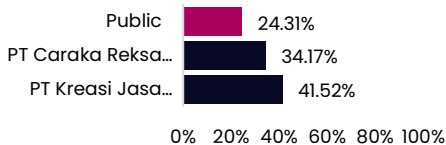


### Price Performance, 1Y(%), Turnover (Bn)



\*noted all price adjust by stock split

### Shareholders Composition



### ESG Rating

Environmental: 16  
Social: 6  
Governance: 12

Source : [katadatagreen](#)

## PT Petrosea Tbk (PTRO)

### PTRO Delivers: Strong 9M24 Results & Expansive Future

**PTRO: Revenue Up, Profit Down in 9M24.** In 9M24, PTRO posted revenue of USD 510 million / +22% yoy (9M23 USD 419 million). The contribution of the increase came from the sale of coal segment, which managed to grow significantly by +2,610% yoy (9% contribution of revenue) and construction & engineering which managed to grow significantly by +96% yoy (44% contribution of revenue vs previous 28%). Meanwhile, net profit recorded a significant decline to USD 3 million / -73% yoy (9M23 USD 11 million) and EBITDA managed to grow 8% yoy to USD 76 million. Although net profit decreased, performance when viewed from the 3rd quarter managed to improve or grow 45% qoq.

**The outlook in 2025 is likely to continue growth.** We see PTRO continuing to expand its capacity and capabilities in the mining and engineering and construction segments. The positive impact of synergy with CUAN has been reflected in 9M24 performance.

### Key Takeaways

- o **PTRO continues to strengthen its business development strategic plan.** The establishment of a new subsidiary by PT Petrosea Tbk (PTRO) through its subsidiary, PT Petrosea Infrastruktur Nusantara (PIN), under the name PT Lintas Kelola Berlabar (LKB) is a strategic step to improve performance.
- o **PTRO secured another jumbo contract.** PTRO has been awarded a significant mining service contract in the nickel block concession of PT Vale Indonesia Tbk (INCO), encompassing the Bahopi Block 2 and Bahadopi Block 3 areas in Central Sulawesi. The contract, valued at USD 1 billion or approximately IDR 16 trillion, spans a duration of 10 years.
- o **PTRO successfully issued bonds and sukuk worth IDR 1.5 trillion.** This action is a strategic step to strengthen their financial position and support future business growth. The proportional allocation of funds for various operational purposes shows that PTRO has a mature plan in utilising these funds (40% for the purchase of materials and services (buy out), 27% for heavy equipment operating costs, 25% for labour costs and the rest for other operating expenses).

### Recommendation "BUY"

Based on absolute valuation (DCF), we upgrade PTRO's fair value for 12M target at IDR 6,000 per share (Prev. IDR 1,450/IDR 1,730). This price reflects a P/E of 89x, PBV of 11.16x and EV/Ebitda 16.39x. Last price (IDR 3,960) trade at PE est. 63.7x (vs avg peers at 18.8x) and PBV est. 8x (vs avg peers at 1.73x). We still see opportunities even though the relative valuation is currently high, with the prospect of performance growth, synergy with parent companies and affiliates, and continued portfolio diversification. *Downside risks: decline in coal and mineral demand, project schedule delays, coal, fuel and mineral prices, weather, regulations and operational disruptions.*

### Financial Highlight

End 31 Dec	2021A	2022A	2023A	2024F	2025F	2026F
Revenue (USD Mn)	416	476	578	680	778	831
Net Profit (USD Mn)	34	41	12	17	35	44
EPS (USD Full)	0.003	0.004	0.001	0.002	0.004	0.004
EBITDA Margin	28%	25%	21%	22%	25%	26%
NPM	8.1%	8.6%	2.1%	2.5%	4.5%	5.3%
ROE	13%	14%	5%	7%	12%	14%
Interest Coverage (x)	23.2	19.5	6.5	5.7	6.4	6.7
P/E (x)	44.01	67.7	276.4	185.4	89.0	70.4
P/BV (x)	5.73	9.34	14.36	12.32	11.16	9.97
EV/EBITDA (x)	12.78	23.32	28.45	21.15	16.39	14.45

Source : Company & Bloomberg



## Financial Exhibits

### Result 9M2024

In USD Mn.	9M23	9M24	yoy	Q3-23	Q2-24	2024			2024F	2025F	yoy
						Q3	yoy	qoq			
Sale of coal	2	45	2,610%	2	20	19	1,053%	-5%			
Mining	269	209	-22%	90	76	68	-24%	-11%			
Const. & engin.	115	227	96%	43	57	96	120%	68%			
Services	31	27	-11%	9	8	8	-6%	5%			
Others	2	2	-6%	1	-	1	-13%	n/a			
<b>Revenue</b>	419	510	22%	145	162	192	32%	19%	680	778	14.4%
Costs of revenue	364	438	20%	130	136	161	23%	18%	588	653	11.1%
<b>Gross profit</b>	55	72	30%	14	25	31	117%	23%	92	124	35.6%
<b>Operating profit</b>	21	26	24%	3	7	16	524%	129%	46	72	56.8%
<b>EBITDA</b>	71	76	8%	19	23	33	73%	42%	27	30	12.4%
<b>Net income</b>	11	3	-73%	(0)	1	2	-900%	45%	17	35	108.3%
EPS (Full USD)	0.0011	0.0003	-73%	(0.0000)	0.0001	0.0002		45%	0.002	0.004	108.3%
<b>Liabilities</b>	483	510	6%								
<b>Equity</b>	234	247	6%								
<b>Total Asset</b>	716	757	6%								
<i>GPM %</i>	13%	14%		10%	16%	16%			14%	16%	
<i>OPM %</i>	5%	5%		2%	4%	8%			7%	9%	
<i>Ebitda Margin %</i>	17%	15%		13%	14%	17%			4%	4%	
<i>NPM %</i>	3%	1%		0%	1%	1%			5%	6%	
<i>ROE (%)</i>	6%	2%									
<i>ROA (%)</i>	2%	1%									

Source : Company & Bloomberg



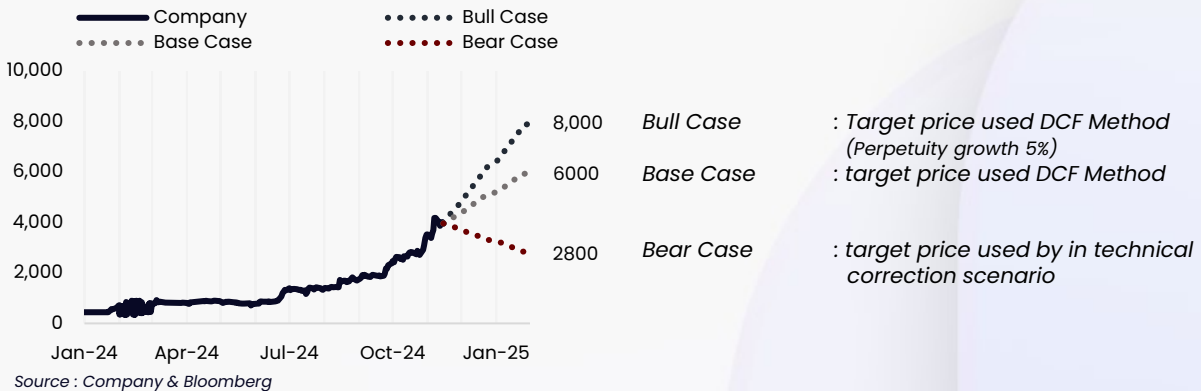
## Valuation

We calculate the fair price of PTRO using the discounted cash flow (DCF) method. The assumptions used are Beta 0.50x (Source Bloomberg), risk free 7.05%, risk premium 11.16%, cost of debt 5.27% and perpetuity growth of 3.5%. We calculated a fair price of IDR 6,000.

### Fair Value

DCF (USD Mn)	2024F	2025F	2026F	2027F	2028F	2029F
<b>EBIT</b>	17	35	44	62	75	81
marginal tax rate	22%	22%	22%	22%	22%	22%
<b>EBIT (1-tax)</b>	13	27	34	49	59	63
<b>+ D &amp; A</b>	105	120	128	138	149	160
<b>- Capex</b>	(73)	(89)	(95)	(103)	(110)	(119)
<b>Chg. in working capital</b>	72	69	73	89	107	120
<b>Free Cash Flow</b>	<b>117</b>	<b>127</b>	<b>141</b>	<b>174</b>	<b>204</b>	<b>224</b>
<b>Terminal Value</b>						<b>4,538</b>
Discount Factor	1.00	0.92	0.85	0.78	0.72	0.66
<b>Firm Value</b>	3,786	<b>Key Assumption</b>				
Cash	211	<b>Perpetuity Growth</b>				
Interest Bearing Debt	299	<b>3.5%</b>				
<b>Equity Value</b>	<b>3,698</b>	Beta				
Share	9,917	RF				
Asumption USDIDR	16,200	RP				
Fair Value (IDR)	<b>6,000</b>	Cost of Equity				
Last Price (03 Feb. 2025)	IDR 3,770	Cost of Debt				
Potential Upside (%)	59.2%	WACC				
		8.10%				

### Risk Reward [1 : 3.48x (Bull) or 1.76x (base)]





## Financial Exhibits

Year-end 31 Dec (USD Mn)	2020A	2021A	2022A	2023A	2024F	2025F	2026F
<b>Revenue</b>	341	416	476	578	680	778	831
Costs of revenue	266	341	381	496	588	653	690
<b>Gross profit</b>	75	75	96	82	92	124	141
<b>Operating profit</b>	27	32	37	51	46	72	85
<b>EBITDA</b>	109	116	121	123	151	192	213
<b>Income before tax</b>	36	41	50	17	22	45	56
Tax expenses	3	7	9	4	5	10	12
Minority interests	0.2	0.2	0.2	0.2	0.2	0.3	0.3
<b>Net income</b>	32	34	41	12	17	35	44
EPS (Full USD)	0.00	0.003	0.004	0.001	0.002	0.004	0.004
<b>Balance sheet</b>							
Year-end 31 Dec (USD Mn)	2020A	2021A	2022A	2023A	2024F	2025F	2026F
Cash and equivalents	134	89	62	76	211	290	371
Account receivables	76	90	107	150	85	97	104
Inventories	4	9	19	19	84	93	99
Fixed assets	285	268	267	268	237	206	173
Other assets	30	76	142	214	304	348	372
<b>Total assets</b>	530	533	596	728	922	1,036	1,120
S-T liabilities	79	12	56	48	53	55	58
Other S-T liabilities	57	155	166	224	310	355	379
L-T liabilities	123	72	44	164	246	281	296
Other L-T liabilities	39	33	32	57	60	67	75
<b>Total liabilities</b>	298	273	298	492	670	758	809
<b>Equity</b>	231	260	298	236	252	278	311
<b>BVPS (Full USD)</b>	0.02	0.03	0.03	0.02	0.03	0.03	0.03
<b>Cash Flows Statement</b>							
Year-end 31 Dec (USD Mn)	2020A	2021A	2022A	2023A	2024F	2025F	2026F
Net Income	32	34	41	12	17	35	44
Depreciation	65	70	65	72	105	120	128
Change in working capital	(59)	(126)	(104)	(78)	(59)	(144)	(164)
<b>Operating cash flow</b>	39	(23)	1	6	63	11	8
Capital expenditure	(30)	(42)	(54)	(62)	(73)	(89)	(95)
Others	(6)	(11)	(39)	(72)	(61)	(29)	(16)
<b>Investing cash flow</b>	<b>21</b>	<b>7</b>	<b>(38)</b>	<b>(73)</b>	<b>(30)</b>	<b>1</b>	<b>17</b>
Dividend paid	7	8	0	75	4	9	11
Net change in debt	(28)	(51)	(28)	119	82	35	16
Others	10	15	36	(113)	16	24	30
<b>Financing cash flow</b>	<b>(11)</b>	<b>(29)</b>	<b>9</b>	<b>81</b>	<b>102</b>	<b>67</b>	<b>57</b>
Effect of Foreign Exc. Rates	-	-	-	-	-	-	-
Change in cash	50	(45)	(28)	14	135	79	81
Beginning cash flow	84	134	89	62	76	211	290
Ending cash flow	134	89	62	76	211	290	371

Source : Company & Bloomberg



## Financial Ratio

Key Ratios	2020A	2021A	2022A	2023A	2024F	2025F	2026F
Revenue Growth (%)	-28%	22%	15%	21%	18%	14%	7%
Gross Profit Growth (%)	-8%	0%	28%	-14%	12%	36%	14%
Operating Profit Growth (%)	13%	16%	18%	37%	-11%	57%	18%
EBITDA Growth (%)	-11%	6%	4%	2%	22%	27%	11%
Net Profit Growth (%)	4%	5%	21%	-70%	37%	108%	26%
EPS Growth (%)	4%	6%	21%	-70%	37%	108%	26%
Gross margin (%)	22%	18%	20%	14%	14%	16%	17%
EBITDA margin (%)	32%	28%	25%	21%	22%	25%	26%
EBIT margin (%)	8%	8%	8%	9%	7%	9%	10%
Pretax margin (%)	10%	10%	11%	3%	3%	6%	7%
Net margin (%)	9.5%	8.1%	8.6%	2.1%	2.5%	4.5%	5.3%
ROE (%)	14%	13%	14%	5%	7%	12%	14%
ROA (%)	6%	6%	7%	2%	2%	3%	4%
Current ratio (x)	1.38	1.16	1.16	1.32	1.45	1.59	1.74
Quick ratio (x)	(0.41)	(0.93)	(0.32)	(0.33)	-33%	-33%	-33%
Gearing (%)	87%	32%	34%	90%	119%	121%	114%
Receivable turn over (x)	3.75	5.01	4.85	4.51	5.79	8.54	8.27
AR turnover (days)	97.3	72.8	75.3	81.0	63.0	42.8	44.2
Inventory turnover (x)	49.2	51.3	27.6	26.3	11.4	7.4	7.2
AP turnover (days)	7.42	7.11	13.23	13.89	32.03	49.54	50.76
LT D/Equity (x)	0.70	0.40	0.26	0.94	1.21	1.25	1.19
DER (x)	1.29	1.05	1.00	2.09	2.66	2.72	2.60
DAR (x)	0.56	0.51	0.50	0.68	0.73	0.73	0.72
Interest Coverage (x)	12.85	23.20	19.47	6.52	5.65	6.40	6.74
Cash Ratio	99%	53%	28%	28%	58%	71%	85%
Sustainable Growth (%)	11%	10%	14%	-27%	5%	9%	11%
Earning Yield (%)	2.3%	2.3%	1.5%	0.4%	0.6%	1.3%	1.7%
Dividend Yield (%)	0.5%	0.5%	0%	2.23%	0.16%	0.33%	0.42%
PE (x)	43.37	44.01	67.73	276.38	157.88	75.80	59.94
PBV (x)	6.07	5.73	9.34	14.36	10.49	9.50	8.49
P/Sales (x)	4.11	3.58	5.83	5.84	3.88	3.39	3.17
EV/Ebitda (x)	13.45	12.78	23.32	28.45	18.10	13.99	12.29

Source : Company & Bloomberg



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## Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

### Sector/Industry

OVERWEIGHT : Sector & Industry Outlook has potential and good condition  
NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant  
UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

### Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOTE RATE	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)



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