



KSI Research

PTRO Equity Update

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SEKURITAS INDONESIA

PT Petrosea Tbk (PTRO)

Profitability Rebounds Despite Slower Revenue – PTRO's MSCI Comeback in Sight

Published on 15 July 2025

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Industry

Buy

Neutral

TP 12M
vs. Last PriceIDR 6,000
+50%**Stock Data**

Ticker Code

PTRO

Sub Sector

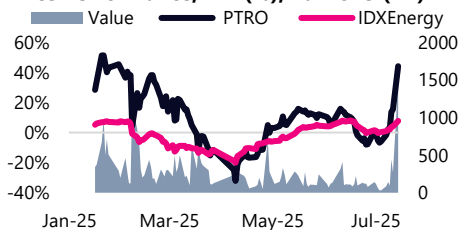
Oil, Gas & Coal

Sector

Energy

Market Cap (IDR.Tn)
Shares Issued (Bn)
AVG 3M Turnover (Bn)40.1
10.1
187.6**Price (IDR)**

last Price	3,980
TP 12M	6,000
Highest (1Yr)	4,560
Lowest (1Yr)	692

Price Performance, YTD(%), Turnover(Bn)**Shareholding After Private Placement**

Public	25.15%
PT Caraka Reksa Optima	29.56%
PT Kreasi Jasa Persada	45.29%

0% 20% 40% 60% 80% 100%

ESG RatingEnvironmental
Social
Governance16
6
12

PTRO: Revenue Down, Profitability Margin Improved in Q1 2025. In Q1 2025, PTRO posted revenue of USD 154 million, down 1% y/y and -15% q/q, mainly due to weaker contributions from the construction & engineering segment (-6% y/y) and services segment (-24% y/y). Despite the revenue decline, operating profit and EBITDA increased by 49% y/y and 17% y/y, respectively, bringing the operating margin to 3% and EBITDA margin to 15%, a slight improvement from last year. The improvement in operating margin was driven by a 7.4% y/y decline in selling expenses, which accounted for 6.5% of revenue in Q1 2025 compared to 6.9% in Q1 2024. From the balance sheet perspective, total assets grew 22% y/y to USD 1.06 billion, supported by a 31% increase in liabilities, indicating the expansion was financed by both internal and external sources. However, profitability ratios remain under pressure, with ROE declining from 3% in FY2024 to 1% in Q1 2025, and ROA dropping from 1% to near 0%, suggesting weaker returns on capital employed. Margin pressure also stemmed from a 55% y/y increase in interest expenses, further weighing on bottom-line profitability.

The outlook in 2025 will likely continue to grow. We are still optimistic that PTRO will continue to develop its capacity and capability in the mining and engineering and construction segments. The positive impact of synergy with CUAN has been reflected in FY24 performance.

Key Takeaways

- **PTRO Focuses on Efficiency Amid Profitability Pressures.** PTRO has demonstrated solid efforts to improve operational performance through greater efficiency; however, challenges remain in terms of profitability and capital utilization.
- **Strong Balance Sheet Growth Signals Aggressive Expansion.** The company's assets and liabilities surged by 22.13% and 31.08%, respectively, as of March 2025, driven primarily by a significant increase in fixed assets and a rise in debt from bonds and third-party loans - indicating an aggressive expansion strategy financed through liabilities.
- **PTRO's Path to MSCI: A Renewed Opportunity Backed by Momentum:** With the removal of the exceptional treatment by MSCI for shares owned by Prajogo Pangestu, including PTRO, the opportunity for these stocks to be included in the MSCI index has become more attainable. While the August 2025 rebalancing may serve as an initial step, a more realistic potential lies in the November 2025 review. In this context, a momentum-based strategy could prove to be an effective approach for investors.
- **PTRO Secures IDR 3.5 Trillion Contract with BSL.** On July 14, 2025, PTRO signed a five-year overburden removal services contract worth approximately IDR 3.5 trillion with PT Barasentosa Lestari (BSL) for a project located in North Musi Rawas, South Sumatra. The agreement is a non-affiliated transaction.

Recommendation "BUY"

Based on absolute valuation (DCF), we maintain PTRO's target for 12M at IDR 6,000 per share. This price reflects a P/E of 597x, PBV of 14.81x and EV/Ebitda 27.90x. 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	2022A	2023A	2024A	2025F	2026F	2027F
Revenue (USD Mn)	476	578	691	779	832	899
Net Profit (USD Mn)	41	12	7	6	18	26
EPS (IDR Full amount)	0.004	0.001	0.001	0.001	0.002	0.003
EBITDA Margin	25%	18%	17%	18%	20%	21%
NPM	8.6%	2.1%	1.0%	0.8%	2.2%	2.9%
ROE	14%	5%	3%	2%	7%	9%
Interest Coverage (x)	19.5	5.7	3.2	3.7	4.1	4.3
P/E (x)	7.26	24.39	250.07	597.66	209.03	142.63
P/BV (x)	1.00	1.27	6.89	14.81	14.06	13.09
EV/EBITDA (x)	2.78	4.06	17.46	27.90	23.75	20.79

Source: Company and KSI Research



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Result 1Q2025

	23FY	24FY	y/y	Q1-24	Q4-24	Q1-25	y/y	q/q
Sale of coal	8	64	736%	6	19	6	11%	-67%
Mining	364	290	-20%	65	81	70	7%	-14%
Const. & engin.	163	299	84%	74	72	69	-6%	-4%
Services	40	35	-14%	11	8	8	-24%	5%
Others	3	3	4%	0.7	1	0.7	3%	-2%
Revenue	578	691	20%	156	181	154	-1%	-15%
Costs of revenue	496	601	21%	141	162	138	-2%	-15%
Gross profit	82	90	10%	15	18	16	5%	-13%
Operating profit	31	29	-6%	3	3	5	49%	50%
EBITDA	107	114	7%	20	20	23	17%	13%
Net income	12	7	-44%	0	7	1	475%	-87%
EPS (Full USD)	0.0012	0.0007	-44%	0.0000	0.0007	0.0001	475%	-87%
Liabilities	492	618	25%	476.1	617.5	809.5	70%	31%
Equity	236	250	6%	234.5	249.8	249.7	6%	0%
Total Asset	728	867	19%	710.6	867.3	1,059.2	49%	22%
GPM %	14%	13%		10%	10%	10%	1%	0%
OPM %	5%	4%		2%	2%	3%	1%	1%
Ebitda Margin %	18%	17%		13%	11%	15%	2%	4%
NPM %	2%	1%		0%	4%	1%	0%	-3%
ROE (%)	5%	3%		0%	11%	1%	1%	-9%
ROA (%)	2%	1%		0%	3%	0%	0%	-3%

Source : Company, KSI Research & Bloomberg

PTRO recorded a weaker financial performance in Q1 2025 compared to the same period last year, with revenue declining by 1% y/y or -15% q/q to USD 154 million in Q1 2025. This decline was driven by reduced contributions from the construction & engineering and service segment, which fell 6% and 24% y/y, respectively.

Operating profit and EBITDA increased by 49% and 17% y/y, respectively. Thus, the operating profit margin and EBITDA margin slightly improved to 3% and 15%, respectively.

From the balance sheet perspective, total assets grew 22% y/y to USD 1.06 billion, with liabilities rising 31%. This shows PTRO's expansion was supported by both internal capital and external funding.

Despite these improvements, profitability ratios remain under pressure. Return on Equity (ROE) dropped from 3% in FY2024 to 1% in Q1 2025, and Return on Assets (ROA) also declined from 1% to 0%, reflecting subdued returns on capital employed.



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Valuation

We calculate the fair price of PTRO using the discounted cash flow (DCF) method. The assumptions used are Beta 1.03x (Source Bloomberg), risk free 6.59%, risk premium 7.56%, cost of debt 3.6% and perpetuity growth of 2.5%. We calculated a fair price of IDR 6,000.

DCF (USD Mn)	2024	2025F	2026F	2027F	2028F	2029F
EBIT	7	41	50	69	82	89
marginal tax rate	22%	22%	22%	22%	22%	22%
EBIT (1-tax)	5	32	39	54	65	70
+ D & A	70	120	128	138	149	160
- Capex	(122)	(89)	(95)	(103)	(111)	(119)
Changes in working capital	84	35	85	101	120	136
Free Cash Flow	38	98	157	191	223	247
Terminal Value						5,346
Discount Factor	1.00	0.93	0.86	0.80	0.74	0.69
Firm Value	4,432					
Cash	229					
Interest Bearing Debt	435					
Equity Value	3,754					
Share	10,086					
Fair Value (IDR) (Rounded)	6,000					
Last Price	IDR 3,980					
Potential Upside (%)	50.8%					
Key Assumption						
Perpetuity Growth						2.5%
Beta						1.03
RF						6.59%
RP						7.56%
Cost of Equity						14.38%
Cost of Debt						3.60%
WACC						5.9%

Source : Company & Bloomberg

PTRO vs Industry (Last update 14 July 2025)

Ticker	M.Cap	Last Price	1D	1W	1M	3M	6M	1Y	YTD	Beta	WACC	PBV	PE	ROE	DER	ESG Score	AVG 3M Value
BREN	976.64T	7,300	20%	22%	15%	24%	-20%	-19%	-21%	2.1x	9.90%	109.5x	469.1x	25%	2.87x	2.63	136B
TPIA	867.28T	10,025	2%	-1%	0%	36%	50%	3%	34%	1.9x	14.20%	20.5x	n/a	-2%	0.68x	5.08	185B
BRPT	196.87T	2,100	17%	25%	38%	198%	121%	90%	128%	2.4x	10.50%	7.0x	190.4x	4%	1.11x	3.31	320B
CUAN	189.71T	16,875	17%	30%	44%	153%	24%	88%	52%	2.0x	14.10%	38.2x	87.8x	59%	1.44x	1.69	236B
CDIA	62.41T	500	25%	163%	n/a	n/a	n/a	n/a	n/a	n/a	12.70%	n/a	n/a	n/a	0.39x	n/a	1B
PTRO	40.14T	3,980	25%	41%	29%	64%	17%	348%	45%	2.1x	5.90%	8.1x	132.7x	4%	1.59x	3.58	188B
AVG	388.84T										11%	35.2x	220.0x	18%	1.35x	3.26T	177B
Oil, Gas & Coal Equipment & Services																	
DEWA	7.12T	175	-1%	-6%	-10%	64%	59%	150%	58%	1.4x	11.30%	1.5x	49.5x	2%	0.54x	3.34	81B
MYOH	3.82T	1,730	0%	1%	-2%	-5%	5%	21%	12%	-0.4x	7.30%	1.3x	12.3x	11%	0.13x	n/a	0B
HILL	3.45T	234	1%	1%	-12%	-28%	-47%	-57%	-51%	0.4x	5.30%	0.5x	230.4x	0%	1.64x	n/a	11B
DOID	2.78T	364	-2%	-1%	-24%	-11%	-34%	-41%	-34%	0.9x	9.40%	1.6x	n/a	-61%	5.18x	n/a	6B
SUNI	1.99T	795	1%	2%	-9%	12%	1%	56%	4%	0.7x	11.10%	2.4x	8.3x	33%	0.14x	n/a	1B
WINS	1.74T	390	-3%	5%	-2%	11%	-4%	-16%	-9%	0.4x	10.00%	0.7x	4.9x	15%	0.13x	n/a	2B
UNIQ	1.22T	388	5%	2%	-1%	-17%	-20%	-33%	-11%	-0.5x	7.00%	2.7x	17.7x	16%	0.47x	n/a	15B
MKAP	1.07T	328	-1%	0%	33%	39%	8%	15%	43%	1.0x	12.30%	3.6x	24.3x	16%	0.67x	n/a	0B
PKPK	0.78T	650	3%	-1%	-10%	-13%	-17%	85%	-17%	0.3x	11.20%	3.5x	80.0x	5%	0.00x	n/a	0B
ITMA	0.76T	760	-3%	5%	-13%	-10%	-17%	-8%	6%	0.5x	11.20%	0.2x	32.9x	1%	0.07x	n/a	36B
TAMU	0.53T	14	-7%	8%	-7%	0%	-18%	75%	-7%	1.0x	11.10%	1.7x	n/a	-33%	0.78x	n/a	0B
BOAT	0.35T	99	-1%	0%	-9%	2%	-50%	n/a	-49%	2.2x	14.90%	0.9x	n/a	n/a	0.43x	n/a	1B
ATLA	0.31T	50	0%	0%	0%	0%	0%	0%	2%	0.8x	11.40%	1.8x	n/a	4%	0.02x	n/a	0B
RGAS	0.19T	129	10%	8%	-9%	13%	25%	40%	36%	-0.1x	8.10%	2.1x	54.9x	4%	0.22x	n/a	3B
RUIS	0.14T	183	-3%	-6%	5%	29%	12%	4%	10%	0.5x	5.10%	0.3x	11.7x	2%	0.70x	n/a	1B
WOWS	0.14T	58	0%	5%	0%	18%	16%	190%	14%	0.4x	10.10%	0.3x	32.4x	1%	0.17x	n/a	0B
RMKO	0.13T	100	-2%	0%	-3%	6%	-32%	-50%	-32%	0.7x	10.00%	0.6x	n/a	-18%	0.85x	n/a	0B
SICO	0.10T	108	0%	0%	-5%	11%	8%	21%	8%	0.9x	11.80%	0.8x	8.5x	10%	0.14x	n/a	1B
AVG	351%										9.7%	1.4x	50.0x	1%	0.73x	3.46	18.19B

Source : KSI Research & Bloomberg



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Financial Exhibits

Income Statement

Year-end 31 Dec (USD Mn)	2022A	2023A	2024A	2025F	2026F	2027F
Revenue	476	578	691	779	832	899
Costs of revenue	381	496	601	690	723	773
Gross profit	96	82	90	89	109	126
Operating profit	58	31	29	25	40	52
EBITDA	121	107	114	142	165	187
Income before tax	56	17	9	8	23	34
Tax expenses	9	4	2	2	5	7
Minority interests	0.2	0.2	0.2	0.3	0.3	0.3
Net income	41	12	7	6	18	26
EPS (Full USD)	0.004	0.001	0.001	0.001	0.002	0.003

Balance sheet

Year-end 31 Dec (USD Mn)	2022A	2023A	2024A	2025F	2026F	2027F
Cash and equivalents	62	76	115	229	285	358
Account receivables	107	150	168	97	104	112
Inventories	19	19	19	99	103	110
Fixed assets	267	268	353	325	296	263
Other assets	142	215	212	349	373	402
Total assets	596	728	867	1,099	1,161	1,246
S-T liabilities	56	48	61	63	66	71
Other S-T liabilities	166	224	167	349	373	403
L-T liabilities	44	164	337	372	390	417
Other L-T liabilities	32	57	53	61	64	69
Total liabilities	298	492	618	845	893	959
Equity	298	236	250	254	268	288
BVPS (Full USD)	0.03	0.02	0.02	0.03	0.03	0.03

Cash Flows Statement

Year-end 31 Dec (USD Mn)	2022A	2023A	2024A	2025F	2026F	2027F
Net Income	41	12	11	6	18	26
Depreciation	65	72	68	117	125	135
Change in working capital	(104)	(78)	(124)	(9)	(135)	(152)
Operating cash flow	1	6	(45)	115	8	9
Capital expenditure	(54)	(62)	(122)	(89)	(95)	(103)
Others	(39)	(72)	(15)	(76)	(16)	(20)
Investing cash flow	(38)	(73)	(99)	(49)	14	12
Dividend paid	0	75	3	2	4	7
Net change in debt	(28)	119	173	35	18	27
Others	36	(113)	8	11	12	18
Financing cash flow	9	81	183	48	35	51
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	(28)	14	39	114	56	73
Beginning cash flow	89	62	76	115	229	285
Ending cash flow	62	76	115	229	285	358

Source : Company & Bloomberg



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Financial Ratio

Key Ratios	2022A	2023A	2024A	2025F	2026F	2027F
Revenue Growth (%)	15%	21%	20%	13%	7%	8%
Gross Profit Growth (%)	28%	-14%	10%	-1%	22%	16%
Operating Profit Growth (%)	35%	-47%	-6%	-14%	61%	29%
EBITDA Growth (%)	4%	-12%	-8%	45%	16%	13%
Net Profit Growth (%)	21%	-70%	-11%	-42%	186%	47%
EPS Growth (%)	21%	-70%	-12%	-42%	186%	47%
Gross margin (%)	20%	14%	13%	11%	13%	14%
EBITDA margin (%)	25%	18%	14%	18%	20%	21%
EBIT margin (%)	12%	5%	4%	3%	5%	6%
Pretax margin (%)	12%	3%	1%	1%	3%	4%
Net margin (%)	8.6%	2.1%	1.6%	0.8%	2.2%	2.9%
ROE (%)	14%	5%	4%	2%	7%	9%
ROA (%)	7%	2%	1%	1%	2%	2%
Current ratio (x)	1.16	1.56	1.31	1.40	1.51	1.62
Quick ratio (x)	(0.32)	(0.14)	-26%	-27%	-27%	-27%
Gearing (%)	34%	90%	159%	171%	170%	169%
LT D/Equity (x)	0.26	0.94	1.56	1.70	1.70	1.69
DER (x)	1.00	2.09	2.47	3.32	3.33	3.33
DAR (x)	0.50	0.68	0.71	0.77	0.77	0.77
Interest Coverage (x)	19.47	5.65	4.55	3.67	4.07	4.31
Receivable turn over (x)	4.85	4.51	4.35	5.87	8.27	8.31
AR turnover (days)	75.3	81.0	83.9	62.2	44.2	43.9
Inventory turnover (x)	27.6	26.3	31.2	11.7	7.2	7.2
Cash Ratio	28%	28%	50%	56%	65%	76%
Sustainable Growth (%)	14%	-27%	3%	2%	5%	7%
Earning Yield (%)	13.8%	4.1%	0.6%	0.2%	0.5%	0.7%
Dividend Yield (%)	0%	25.33%	0.16%	0.04%	0.12%	0.00%
PE (x)	7.26	24.39	157.58	597.66	209.03	142.63
PBV (x)	1.00	1.27	6.89	14.81	14.06	13.09
P/Sales (x)	0.62	0.52	2.48	4.82	4.51	4.18
EV/Ebitda (x)	2.78	4.06	20.41	27.90	23.75	20.79

Source : Company & Bloomberg



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
NOT RATED	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)



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