

Company Update

Member of MSCI Small Cap Index, IDX80, MBX

Sharia Compliant, member of ISSI, JII

PT PETROSEA TBK (PTRO)

From Gegenpressing to Total Football



Target Price

Potential Upside

Relative Upside

Sector

Ticker

Current Price

52-wk Range

Free Float Rate

BUY

: **IDR 10,000**

: **45.5%**

: **31.7% (Vs IHSG 2026F)**

: Energy

: PTRO

: IDR 6,875

: IDR 1,435 – IDR 7,650

: 26%

UNLOCKING NEW GROWTH FROM STRATEGIC ACQUISITIONS. PTRO continues to strengthen its business through several strategic acquisitions, including: 1) 100% of HBS (PNG) Limited and its subsidiary, 2) a 51% stake in Hafar Group (EPCI and offshore oil & gas shipping) and 3) a planned majority stake in Singapore-based Scan-Bilt Pte. Ltd. We project the EPCI segment to contribute 4% of total revenue in FY25F and 7% in FY26F-FY30F, with a solid 47.7% CAGR over FY25F-FY30F.

BALANCING PORTFOLIO ACROSS REGIONS AND SECTORS. Regional expansion started from Papua New Guinea and Singapore to EPC Project at Pakistan with Reko Diq Mining Company. We believe this strategic expansion strengthens PTRO's position across the mining, oil and gas, logistics, and support service sectors, while also broadening its diversification prospects.

AGGRESSIVE EXPANSION WITH TACTICAL LEVERAGE. PTRO has successfully issued Bonds and Sukuk Ijarah Tahap I & II totaling IDR 3 T and secured financing facilities from BNI, BCA, and Bank Mandiri to support its capex and acquisition plans. As such, we expect DER to stay within 2.3x–2.8x over FY25F-FY27F to support PTRO's expansion plan and remain below 3.0x

REVENUE MOMENTUM CONTINUES DESPITE NET PROFIT DECLINE. In 6M25, PTRO posted solid top-line growth of 10.4% YoY to USD 351.1 M, driven by 11.7% YoY increase in mining segment to USD 174.9 M and 12.8% YoY increase in EPC segment to USD 159.3 M. Gross profit jumped 20.9% YoY to USD 49.2 M, and operating profit surged 114.5% YoY to USD 30.2 M, with gross margin improve to 14.0% and operating margin to 8.6%. However, net profit fell 18.6% YoY to USD 1.1 M, weighed down by higher interest and tax expenses, trimming net margin to 0.3%.

MAINTAIN BUY AT AN UPGRADED TARGET PRICE OF IDR 10,000.

We maintain our **BUY** rating on PTRO with an upgraded target price of IDR 10,000 (**previously: IDR 4,500**) with a potential upside of 45.5%, based on DCF Valuation using WACC 9.3% and a terminal growth of 3.5%. Our target reflects an alpha of 31.7% compared to the benchmark based on our **HPS 3Q25 Market Update**. The upgrade reflects our view of PTRO's growth trajectory, underpinned by revenue momentum, margin expansion from the EPCI segment, and successful regional expansion.

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Investment Thesis

UNLOCKING NEW GROWTH FROM STRATEGIC ACQUISITIONS

In 2025, PTRO continues to strengthen its business through several strategic acquisitions, including: 1) 100% of HBS (PNG) Limited and its subsidiary, 2) a 51% stake in Hafar Group (EPCI and offshore oil & gas shipping) and 3) a planned majority stake in Singapore-based Scan-Bilt Pte. Ltd. (industrial chemical and onshore oil & gas civil construction). The Hafar acquisition also marks PTRO's entry into the offshore EPCI business line.

We project the EPCI segment to contribute 4% of total revenue in FY25F and 7% in FY26F-FY30F, with a solid 47.7% CAGR over FY25F-FY30F. Despite its relatively small revenue share, we expect the EPCI segment is expected to be a key profit driver, given its higher operating margin of up to 30% compared to other segments. As a result, we estimate PTRO's EBITDA margin to improve from 15.4% in FY24 to 19.7% in FY25F and 21.4% in FY26F, reflecting stronger profitability and operational efficiency driven by the integration of higher-margin and technologically advanced.

BALANCING PORTFOLIO ACROSS REGIONS AND SECTORS

Regional expansion started from Papua New Guinea and Singapore to EPC Project at Pakistan with Reko Diq Mining Company. We believe this strategic expansion strengthens PTRO's position across the mining, oil and gas, logistics, and support service sectors, while also broadening its diversification prospects. Additionally, the integration of Minerva's technology is anticipated to further enhance operational efficiency and project performance. We estimate ROE to improve from 3.9% in 2024 to 14.0% in FY25F and ROA from 1.1% to 3.0%.

AGGRESSIVE EXPANSION WITH TACTICAL LEVERAGE

Over the past year, PTRO has successfully issued Bonds and Sukuk Ijarah Tahap I & II totaling IDR 3 T and secured financing facilities from BNI, BCA, and Bank Mandiri to support its capex and acquisition plans. We project PTRO's DER to reach 2.8x in FY25F, close to its 3.0x threshold. Based on our discussion with management, they remain cautious despite the PTRO's aggressive expansion, prioritizing financial discipline and maintaining leverage below the limit. Management has stated that rights issue is also being considered as a short-medium-term option to strengthen the capital structure. As such, we expect DER to stay within 2.3x-2.8x over FY25F-FY27F to support PTRO's expansion plan and remain below 3.0x.

Exhibit 1. PTRO 1H25 Performance

(USD M)	6M24	6M25	YoY	1Q25	2Q25	QoQ	FY25F Est.	FY25F RR
Revenue	318.0	351.1	10.4%	154.2	196.9	27.7%	964.5	36.4%
Gross Profit	40.7	49.2	20.9%	16.1	33.1	105.5%	296.7	16.6%
margin	12.8%	14.0%		10.4%	16.8%			
Operating Profit	14.1	30.2	114.5%	6.1	24.1	292.7%	99.0	30.5%
margin	4.4%	8.6%		4.0%	12.2%			
Net Profit	1.3	1.1	-18.6%	0.9	0.2	-83.0%	40.6	2.6%
margin	0.4%	0.3%		0.6%	0.1%			

Source: PTRO, HP Analytics

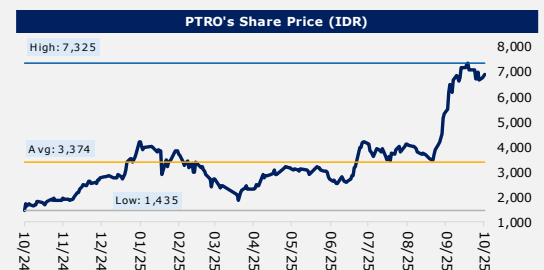
REVENUE MOMENTUM CONTINUES DESPITE NET PROFIT DECLINE

In 6M25, PTRO posted solid top-line growth of 10.4% YoY to USD 351.1 M, driven by 11.7% YoY increase in mining segment to USD 174.9 M and 12.8% YoY increase in EPC segment to USD 159.3 M. The others segment rose 8.8% YoY, while services declined 18.3% YoY. Gross profit jumped 20.9% YoY to USD 49.2 M, and operating profit surged 114.5% YoY to USD 30.2 M, with gross margin improve to 14.0% and operating margin to 8.6%. However, net profit fell 18.6% YoY to USD 1.1 M, weighed down by higher interest and tax expenses, trimming net margin to 0.3%.

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Key Financials				
(USD M)	2023A	2024A	2025F	2026F
Revenue	577.6	690.8	964.5	1,304.0
Gross Profit	82.1	90.3	296.7	574.4
EBIT	35.3	38.7	99.0	143.4
EBITDA	107.4	106.2	189.7	279.2
Net Income	12.2	9.7	40.6	68.1
Total Assets	727.9	867.3	1,362.3	1,556.3
Total Liabilities	492.3	617.5	1,074.9	1,205.3
Total Equity	235.6	249.8	289.4	356.4
ROA	1.7%	1.1%	3.0%	4.4%
ROE	5.2%	3.9%	14.0%	19.1%
ROIC	2.5%	1.6%	3.7%	5.4%
Net Debt (Cash)	177.8	254.2	537.2	628.6
to Assets	24.4%	29.3%	39.4%	40.4%
to Equity	75.4%	101.8%	185.6%	176.4%
Debt-to-Assets	0.3x	0.4x	0.6x	0.6x
Debt-to-Liabilities	0.5x	0.6x	0.7x	0.7x
Debt-to-Equity	1.1x	1.5x	2.8x	2.5x
EPS (IDR)	20.0	15.9	66.5	111.5
BVPS (IDR)	501.0	630.2	150.5	89.7
Interest Coverage	1.8x	1.5x	2.7x	3.7x
Current Price (IDR)	6,875			
P/E	344.5x	433.3x	103.4x	61.7x
EV/EBITDA	39.1x	39.6x	22.2x	15.1x
P/BV	17.8x	16.8x	14.5x	11.8x



Shareholders	
PT Kreasi Jasa Persada	45.29%
PT Caraka Rekasa Optima	29.56%
Erwin Ciputra (Commissioner)	0.09%
Michael (President Director)	0.02%
Kartika Hendrawan (Director)	0.02%
Public (each below 5%)	25.03%
Total Shares (Bn)	10.1
Market Cap (IDR Bn)	69,341.6

Daily Trading Information			
	Last 1M	Last 3M	Last 6M
ADT Value (IDR B)	550.6	350.2	326.0
ADT Volume (M Shares)	91.6	80.5	87.4
ADT Price (IDR)	6,013.9	4,350.7	3,728.9

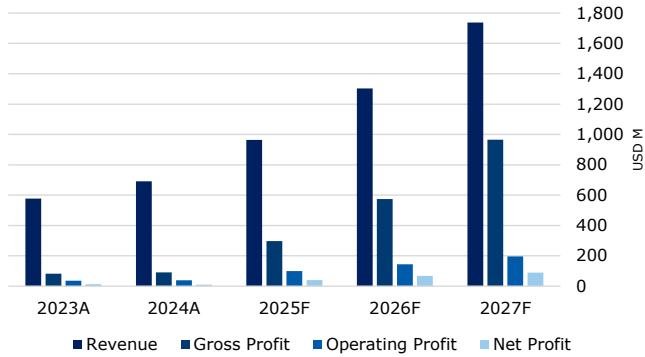
Brief Company Profile	
PT Petrosea Tbk (PTRO) is a multidisciplinary company with over 52 years of experience in mining contracting, engineering, procurement & construction, and services in Indonesia. PTRO specializes in integrated pit-to-port mining, engineering & construction, services, and currently expanding on EPCI segment supported by strong focus on safety, health, environmental practices, quality management, and business integrity. In 1990, Petrosea became the first Indonesian engineering and construction company listed on the Indonesia Stock Exchange. Petrosea is controlled by PT Kreasi Jasa Persada, fully owned by PT Petrindo Jaya Kreasi Tbk (CUAN).	

Sensitivity Analysis					
Equity Value per Share					
Terminal Growth Rate:					
WACC	2.5%	3.0%	3.5%	4.0%	4.5%
	8.5%	IDR 9,610	IDR 10,540	IDR 11,650	IDR 13,010
	9.0%	IDR 8,840	IDR 9,630	IDR 10,570	IDR 11,690
	9.3%	IDR 8,430	IDR 9,150	IDR 10,000	IDR 11,010
	9.5%	IDR 8,180	IDR 8,860	IDR 9,660	IDR 10,600
	10.0%	IDR 7,610	IDR 8,200	IDR 8,890	IDR 9,690



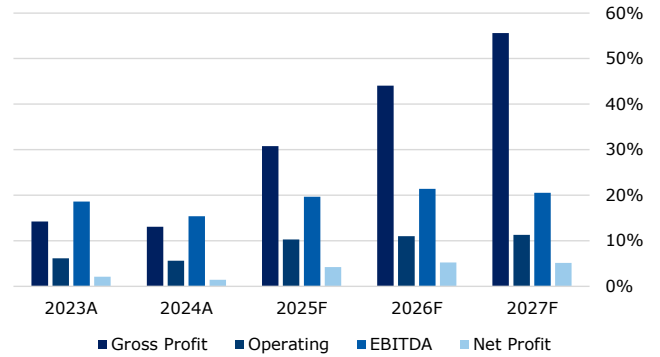
Exhibits

Exhibit 1. Financial Performance



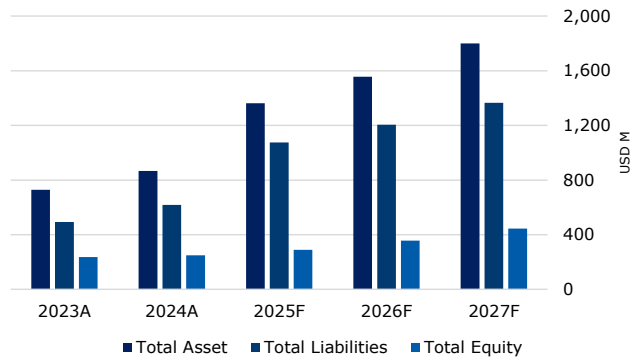
Sources: PTRO, HP Analytics

Exhibit 2. Profitability Margin



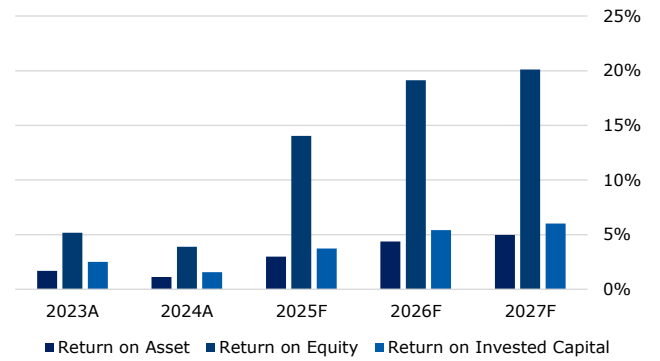
Sources: PTRO, HP Analytics

Exhibit 3. Total Asset



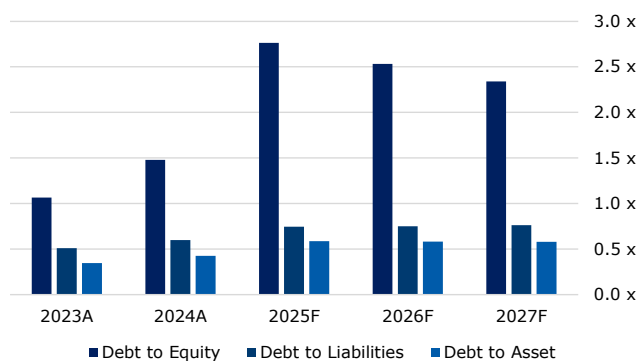
Sources: PTRO, HP Analytics

Exhibit 4. Profitability Ratio



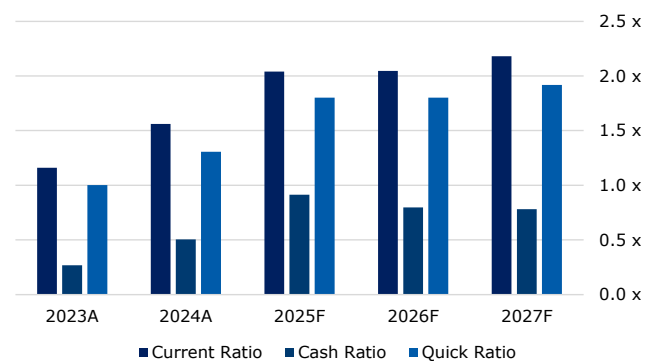
Sources: PTRO, HP Analytics

Exhibit 5. Solvability Ratio



Sources: PTRO, HP Analytics

Exhibit 6. Liquidity Ratio



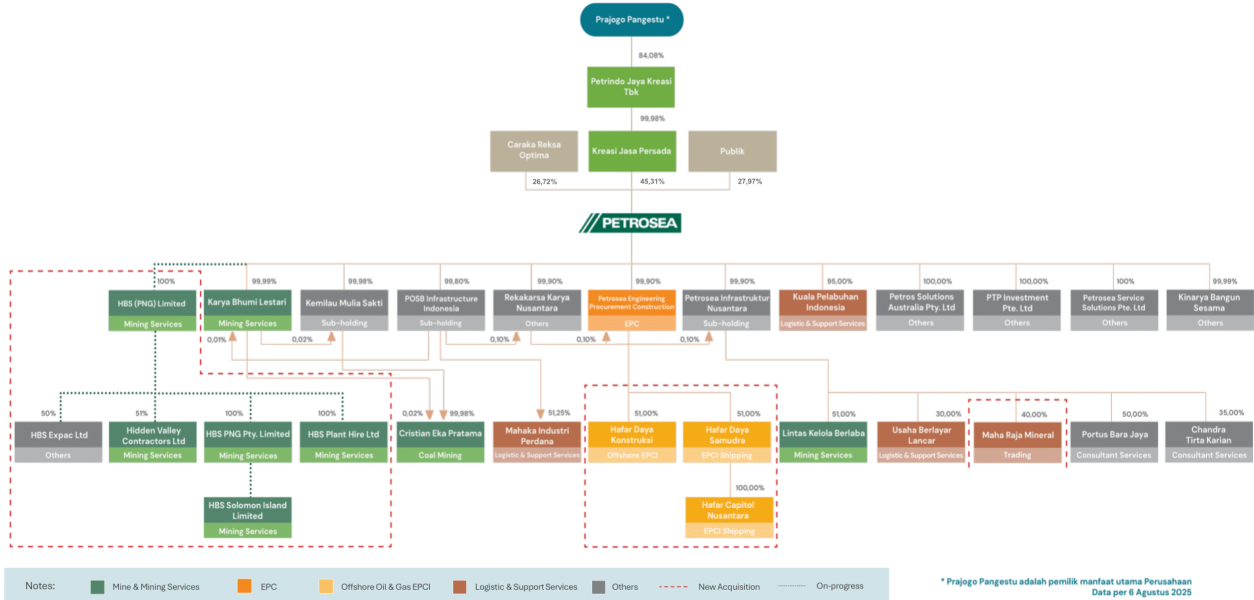
Sources: PTRO, HP Analytics

Exhibit 7. Company Structure

Paparan Publik PTRO • 6 Okt 2025



Pasca Akuisisi: Struktur Grup Petrosea



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Sources: PTRO, HP Analytics

Exhibit 8. Project Portfolio

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Pasca Akuisisi: Diversifikasi Portofolio Proyek Petrosea



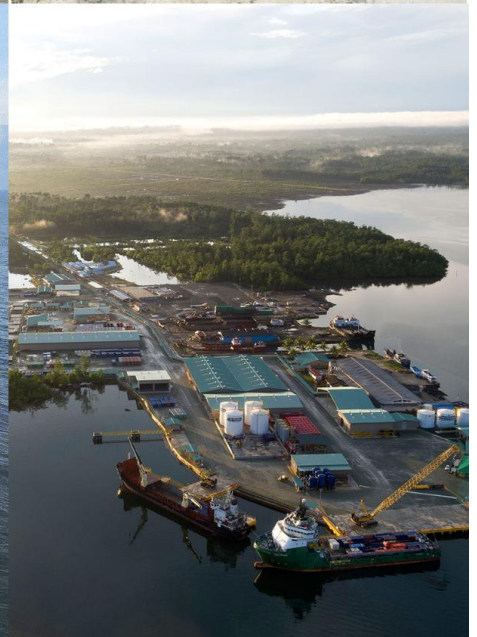
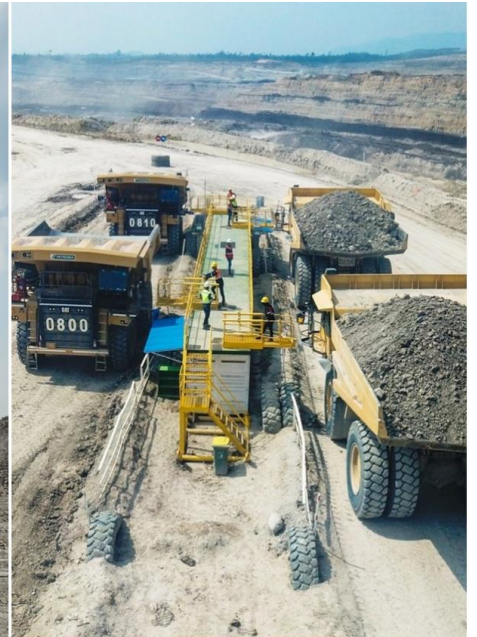
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Sources: PTRO, HP Analytics



Showcase

PTRO's Business Operation



Source: PTRO

PTRO's Minerva Technology



Source: PTRO

Financials

(USD M)

Income Statement	2023A	2024A	2025F	2026F	2027F
Revenue	577.6	690.8	964.5	1,304.0	1,737.5
Cost of Revenue	(495.5)	(600.5)	(667.8)	(729.5)	(771.5)
Gross Profit	82.1	90.3	296.7	574.4	966.0
Selling & Administrative Expenses	(46.8)	(51.6)	(197.7)	(431.1)	(769.9)
Operating Profit	35.3	38.7	99.0	143.4	196.1
Interest Expenses	(19.8)	(25.9)	(36.1)	(39.2)	(60.7)
Interest Income	1.1	1.0	1.4	1.5	2.4
Other Income Net / (Loss)	3.9	3.8	(3.2)	(3.3)	(3.3)
Profit Before Tax	20.5	17.6	61.1	102.5	134.4
Tax Expenses	(8.0)	(7.6)	(18.3)	(30.7)	(40.3)
Net Profit for the Year	12.4	10.0	42.8	71.7	94.1
Non-controlling Interest	0.2	0.3	2.1	3.6	4.7
PATMI	12.2	9.7	40.6	68.1	89.4
Depreciation & Amortization	72.0	67.6	90.6	135.8	160.4
EBITDA	107.4	106.2	189.7	279.2	356.4

Sources: PTRO, HP Analytics

(USD M)

Cash Flow Statement	2023A	2024A	2025F	2026F	2027F
Net Profit	12.2	9.7	40.6	68.1	89.4
Depreciation and Amortization	72.0	67.6	90.6	135.8	160.4
Change in Working Capital	(23.8)	(3.7)	(61.2)	(79.7)	(107.8)
Others	43.3	(25.3)	(6.5)	(12.8)	(22.1)
Operating Cash Flow	103.7	48.3	63.6	111.4	119.9
Capital Expenditures	(159.2)	(140.8)	(342.2)	(200.3)	(213.3)
Others	(18.1)	(12.9)	(8.2)	(5.2)	(3.5)
Investment Cash Flow	(177.4)	(153.8)	(350.4)	(205.5)	(216.8)
Change in Share Capital	1.4	7.5	(0.9)	(1.2)	(1.5)
Net Change in Debt	135.0	146.9	433.4	106.4	139.9
Dividend	(76.0)	(3.1)	(2.0)	(3.4)	(4.5)
Others	24.4	(3.9)	3.8	4.2	4.5
Financing Cash Flow	84.9	147.4	434.3	106.0	138.5
Beginning Balance	61.8	73.0	114.9	262.5	274.4
Net Cash Flow	11.2	41.9	147.5	11.9	41.5
Ending Balance	73.0	114.9	262.5	274.4	315.9

Sources: PTRO, HP Analytics

(USD M)

Balance Sheet	2023A	2024A	2025F	2026F	2027F
Cash and Cash Equivalents	73.0	114.9	262.5	274.4	315.9
Restricted Cash in Banks and Others	3.2	10.8	11.0	11.1	11.2
Trade Receivables	169.9	237.1	320.6	427.1	572.3
Inventories	19.2	19.3	21.5	23.5	24.8
Contract Assets	5.8	3.9	4.1	4.3	4.5
Prepaid Taxes	1.5	17.4	17.5	17.7	17.9
Other Current Assets	13.9	20.0	32.7	52.5	81.0
Total Current Assets	315.7	356.2	586.3	704.0	882.3
Long-term Receivable	0.6	13.3	18.5	25.0	33.3
Property, Plant and Equipment	230.7	330.2	566.2	607.8	646.3
Right-of-Use Assets	37.6	18.6	18.8	30.4	36.2
Intangible Assets	111.0	98.1	110.2	118.9	124.4
Investment in Associate	2.9	2.0	10.8	10.8	10.8
Other Non-Current Assets	29.4	48.9	51.5	59.3	66.1
Total Non-Current Assets	412.2	511.1	776.0	852.3	917.1
Total Assets	727.9	867.3	1,362.3	1,556.3	1,799.4
Bank Loans	37.1	34.1	37.5	41.3	45.4
Trade Accounts Payable	140.6	120.6	134.1	146.5	154.9
Other Payable	4.2	3.2	6.6	10.5	13.6
CMLTD-Long Term Loans	38.5	7.7	45.1	87.9	118.1
CMLTD-Lease Liabilities	11.3	13.8	13.4	7.9	3.2
CMLTD-Bonds & Sukuk Ijarah Payable	0.0	5.3	4.0	0.0	15.6
Other Current Liabilities	40.3	43.4	46.7	50.1	53.9
Total Current Liabilities	272.0	228.2	287.4	344.2	404.7
Long-term Loans	148.7	236.8	558.2	644.7	744.0
Lease Liabilities	15.1	13.0	7.9	3.2	1.1
Bond Payables	0.0	58.4	133.6	118.0	112.1
Finance Lease Liabilities	0.0	28.6	31.4	34.6	38.0
Other Non-Current Liabilities	56.5	52.6	56.4	60.6	65.1
Total Non-Current Liabilities	220.3	389.3	787.5	861.1	960.2
Total liabilities	492.3	617.5	1,074.9	1,205.3	1,364.9
Capital Stock	33.4	33.4	33.4	33.4	33.4
Additional Paid-in Capital	(4.6)	1.8	1.8	1.8	1.8
Retained Earnings	212.1	218.7	259.3	327.5	416.9
Non-Controlling Interest	0.8	0.9	1.2	1.7	2.2
Others	(4.1)	(5.1)	(6.4)	(8.0)	(10.0)
Total Equity	235.6	249.8	289.4	356.4	444.4
Total Liabilities and Equity	727.9	867.3	1,364.3	1,561.7	1,809.3

Sources: PTRO, HP Analytics

Key Ratios

Growth Rate	2023A	2024A	2025F	2026F	2027F
Revenue	21.3%	19.6%	39.6%	35.2%	33.2%
Gross Profit	-14.0%	10.0%	228.7%	93.6%	68.2%
Operating Profit (EBIT)	-42.0%	9.4%	156.1%	44.8%	36.8%
EBITDA	-14.4%	-1.1%	78.6%	47.2%	27.7%
Net Profit	-70.2%	-20.5%	318.9%	67.7%	31.2%

Margins	2023A	2024A	2025F	2026F	2027F
Gross Profit	14.2%	13.1%	30.8%	44.1%	55.6%
Operating Profit (EBIT)	6.1%	5.6%	10.3%	11.0%	11.3%
EBITDA	18.6%	15.4%	19.7%	21.4%	20.5%
Net Profit	2.1%	1.4%	4.2%	5.2%	5.1%

Profitability	2023A	2024A	2025F	2026F	2027F
Return on Asset (ROA)	1.7%	1.1%	3.0%	4.4%	5.0%
Return on Equity (ROE)	5.2%	3.9%	14.0%	19.1%	20.1%
Return on Invested Capital (ROIC)	2.5%	1.6%	3.7%	5.4%	6.0%

Solvency	2023A	2024A	2025F	2026F	2027F
Debt-to-Equity	1.1x	1.5x	2.8x	2.5x	2.3x
Debt-to-Liabilities	0.5x	0.6x	0.7x	0.7x	0.8x
Debt-to-Asset	0.3x	0.4x	0.6x	0.6x	0.6x

Interest	2023A	2024A	2025F	2026F	2027F
Interest Coverage Ratio	1.8x	1.5x	2.7x	3.7x	3.2x

Source: PTRO, HP Analytics



Rating Scale

BUY	: We expect the stock's 12-month total return to exceed +10%.
OVERWEIGHT	: We expect the stock's 12-month total return to exceed the benchmark by +10%.
HOLD	: We expect the stock's 12-month total return to be within -10% to +10%.
NEUTRAL	: We expect the stock's 12-month total return to be within -10% to +10% of the benchmark.
SELL	: We expect the stock's 12-month total return to fall below -10%.
UNDERWEIGHT	: We expect the stock's 12-month total return to fall below the benchmark by -10%.
NOT RATED	: We are not assigning any rating or price target to the stock.



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