

PT Bukit Asam Tbk (PTBA)

Coal Mining

Blessings from tight supply and strong demands

15 June 2022

Recommendations : BUY

Stock

Price on 14/06/2022 (Rp)	3,880
12M target price (Rp)	4,780
Capital gain potential (%)	23%

Stock Data

Outstanding shares	1,487,209,350
Market cap (Rp)	44,700,157,890,000
Weight VS IHSG (%)	0.55

Shareholders (%)

Indonesia Asahan Aluminium	65.93%
Public	33.78%
Treasury Stock	0.29%
Outstanding Shares (unit)	11,520,659,250

Price Performance

52-week high/low	Rp 4,630/Rp1,995
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Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
2.11	17.58	43.70	73.21	43.17

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	29,261	41,458	37,500
Operating Income	9,959	15,134	11,894
OPM (%)	34.03%	36.50%	31.72%
EBITDA	11,176	15,348	12,316
EV to EBITDA (x)*	2.07	2.59	3.33
Net Income	7,909	11,631	9,206
NPM (%)	27.03%	28.05%	24.55%
EPS (Rp)	689	1,013	801
EPS Growth (%)	222.6%	47.1%	-20.9%
Price Earnings (x)*	3.35	3.83	4.84
Price to Book (x)*	1.10	1.62	1.49
Price to Sales (x)*	0.91	1.08	1.19
Return on Equity (%)	32.87%	42.21%	30.81%
Return on Assets (%)	21.89%	28.43%	20.67%
Tot Debt/Equity (x)	0.04	0.05	0.05

*) based on market price (14/06/2022) at Rp3,880

Sources : Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)

Devi Harjoto
Alfiansyah

Laba bersih PTBA naik signifikan 354,6% YoY pada 1Q22 menjadi Rp2,3 triliun ASP PTBA diproyeksi masih melanjutkan peningkatan tahun 2022
Rekomendasi "BUY" dengan target harga Rp4,780 per saham

Kenaikan ASP dan volume mendorong perolehan laba

Laba bersih PTBA tumbuh 354,6% YoY pada 1Q22 menjadi Rp2,28 triliun (-27,8% QoQ). Kenaikan laba bersih tersebut ditopang oleh pendapatan yang meningkat 105,4% YoY pada 1Q22 menjadi Rp8,21 triliun (-17,0% QoQ), utamanya karena peningkatan ASP 73,0% YoY (+13,9% QoQ) menjadi Rp1.159 juta pada 1Q22. Kemudian, volume penjualan juga tumbuh 18,0% YoY pada 1Q22 menjadi 7,0 juta MT, ditengah peningkatan produksi 40% YoY pada 1Q22 menjadi 6,3 juta MT (+140% QoQ). GPM PTBA juga naik signifikan dari 25,5% pada 1Q21 menjadi 42,1% pada 1Q22, kendati beban pokok yang meningkat dari peningkatan jasa pertambangan. Kemudian, beban operasional naik 16,5% YoY pada 1Q22 dari beban umum dan administrasi dari peningkatan gaji karyawan. Adapun, EBITDA margin naik dari 22% pada 1Q21 menjadi 41% pada 1Q22 ditengah kenaikan cash cost yang terkendali 28,6% YoY (+13,6% QoQ) pada 1Q22. Kemudian, pendapatan keuangan naik 101,4% YoY pada 1Q22 karena peningkatan kas. Dari segi neraca, mempertahankan *net cash* pada 1Q22.

Peningkatan penjualan ekspor ditengah permintaan global yang naik

Penjualan PTBA pada 1Q22, didominasi oleh penjualan domestik dengan 67%, atau menurun dari 69%, akan tetapi telah memenuhi DMO 83%. Tetapi, porsi penjualan ekspor meningkat menjadi 33% yang didominasi oleh penjualan ke India dengan 12% pada 1Q22 ditengah peningkatan. Akan tetapi, penjualan ke Cina berkurang dibandingkan dengan 1Q21, hanya berkontribusi 5% terhadap keseluruhan penjualan PTBA, yang menurut kami, akibat dari adanya penutupan di Shanghai yang mempengaruhi demand terhadap industri.

Ketatnya kondisi supply menopang harga batubara global

Kami mempertahankan proyeksi kami atas produksi dan volume penjualan sebesar 36 juta MT sebelumnya. Sedangkan, kami mempertahankan proyeksi atas ASP sebesar Rp1,15 juta per MT, dengan mempertimbangkan pergerakan Newcastle coal price yang mencapai USD390 per MT dan ICI 3 yang mencapai USD137 per MT pada Juni 2022, seiring dengan supply yang masih tertekan terutama pada 1H22. Akan tetapi, kami memperkirakan bahwa harga batubara dapat berpotensi koreksi pada 2H22, ditengah peningkatan suku bunga yang lebih agresif, peningkatan produksi batubara di Cina dan potensi pelemahan permintaan global karena inflasi yang tinggi. Untuk mendorong volume penjualan, PTBA akan meningkatkan kapasitas transportasi, dengan menargetkan kapasitas kereta dan pelabuhan dapat mencapai 52 juta MT pada 2024 dan 72 juta MT pada 2026.

Rekomendasi "BUY" solidnya neraca dan diversifikasi usaha

Kami merekomendasikan BUY dengan target harga Rp4.780 per saham atau merefleksikan valuasi PE 2022E pada 3,83x. Pertimbangan kami antara lain 1) valuasi yang atraktif; 2) posisi net cash; 3) ASP yang kuat; 4) diversifikasi ke bisnis PLTS dan hilirisasi batubara, juga PLT mulut tambang yang menopang performa dalam jangka panjang; 5) proyek ekstensifikasi angkutan batubara, gasifikasi dan PLTS juga dan 6) penguatan USD. Namun kami melihat adapun resiko atas rekomendasi kami yakni 1) potensi koreksi karena kenaikan suku bunga dan pelambatan permintaan dari Cina; 2) gangguan cuaca; 3) tren peralihan permintaan ke energy terbarukan lebih cepat dibandingkan perkiraan; 4) ketidakpastian konflik dan 5) resiko perubahan kebijakan pemerintah.

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1CQ2021	1CQ2022	YoY Change	4Q2021	1Q2022	QoQ Change
Revenue	3,995	8,205	105.4%	9,880	8,205	(16.9%)
Cost of Revenue	(2,977)	(4,754)	59.7%	(4,646)	(4,754)	2.3%
Gross Profit	1,018	3,451	239.1%	5,233	3,451	(34.1%)
Gross Margin (%)	25.5%	42.1%		53.0%	42.1%	
Operating Expenses	(503)	(586)	16.5%	(1,590)	(586)	(63.2%)
Operating Profit	515	2,865	456.8%	3,643	2,865	(21.4%)
Operating Margin (%)	12.9%	34.9%		36.9%	34.9%	
Non-Operating Income (Losses)	102	158	54.1%	269	158	(41.5%)
Pretax Income	617	3,023	390.0%	3,913	3,023	(22.7%)
Income Tax (Expense)/ Benefit	(106)	(722)	578.7%	(729)	(722)	(1.0%)
Profit for This Year	510	2,301	350.7%	3,184	2,301	(27.7%)
Minority	(10)	(25)	152.9%	(42)	(25)	(40.5%)
Net Profit (Losses)	501	2,275	354.6%	3,141	2,275	(27.6%)
Profit Margin (%)	12.5%	27.7%		31.8%	27.7%	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	17,325	29,261	41,458	37,500	35,039
Revenue growth yoy	(20.5%)	68.9%	41.7%	(9.5%)	(6.6%)
- Cost of Goods Sold	(12,759)	(15,777)	(21,784)	(21,752)	(21,705)
Gross Income	4,566	13,484	19,674	15,748	13,335
- Operating Expenses	(2,046)	(3,525)	(4,541)	(3,854)	(3,708)
Operating Income	2,520	9,959	15,134	11,894	9,626
Op income growth yoy	(49.7%)	295.1%	52.0%	(21.4%)	(19.1%)
- Non Operating Gains (Losses)	711	400	448	492	579
EBITDA	3,551	11,176	15,348	12,316	10,404
Pretax Income	3,232	10,359	15,582	12,387	10,205
- Income Tax Expense	(824)	(2,322)	(3,814)	(3,038)	(2,492)
Profit for This Year	2,408	8,037	11,769	9,349	7,713
- Minority Interests	(21)	(128)	(138)	(143)	(149)
Net Income	2,387	7,909	11,631	9,206	7,564
Net income growth yoy	(41.2%)	231.4%	47.1%	(20.9%)	(17.8%)
EPS (IDR)	213	689	1,013	801	658
Dividends Per Share (IDR)	75	689	709	601	494

Sources: Company, Bloomberg and KB Valbury Sekuritas

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	8,364	18,212	20,850	21,132	22,355
+ Cash & Near Cash Items	4,341	4,394	6,000	5,032	4,227
+ Short Term Investments	0	9,353	10,052	10,898	12,271
+ Accounts & Notes Receivable	1,579	3,100	3,331	3,612	4,067
+ Inventories	805	1,208	1,298	1,407	1,584
+ Other Current Assets	1,639	157	169	183	206
Total Long-Term Assets	15,692	17,912	20,057	23,403	25,779
+ Property, Plant & Equip, Net	9,754	10,469	11,613	13,930	15,056
Property, Plant & Equip	15,699	17,419	19,195	21,988	23,993
Accumulated Depreciation	5,946	6,950	7,582	8,058	8,937
+ Long Term Investments	407	414	638	1,028	1,738
+ Other Long Term Assets	5,532	7,030	7,805	8,444	8,985
Total Assets	24,057	36,124	40,907	44,536	48,134
Total Current Liabilities	3,872	7,501	8,556	9,610	10,891
+ Payables & Accruals	2,392	4,877	5,382	6,156	6,961
+ Short Term Borrowings	532	421	576	763	959
+ Other Short Term Liabilities	949	2,203	2,598	2,691	2,972
Total Long Term Liabilities	3,245	4,369	4,588	4,821	5,205
+ Long Term Borrowings	400	626	667	710	756
+ Other Long Term Borrowings	2,845	3,743	3,921	4,111	4,449
Total Liabilities	7,118	11,870	13,144	14,431	16,096
+ Share Capital & APIC	1,434	1,746	1,746	1,746	1,746
- Treasury Stock	415	43	43	43	43
+ Retained Earnings & Other Eq.	15,521	22,113	25,603	27,904	29,795
+ Other Equity	223	243	250	273	301
Total Shareholders Equity	16,763	24,060	27,556	29,880	31,799
+ Minority/Non Controlling Int.	176	194	207	224	238
Total Equity	16,939	24,254	27,763	30,105	32,037
Total Liabilities & Equity	24,057	36,124	40,907	44,536	48,134
Book Value Per Share (IDR)	1,499	2,094	2,399	2,601	2,768

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	2,387	7,909	11,631	9,206	7,564
+ Depreciation & Amortization	1,031	1,217	1,632	1,476	1,379
+ Other Non-Cash Adjustments	96	1,669	152	137	128
Cash From Operating Activities	3,514	10,795	13,415	10,819	9,071
+ Disposal of Fixed Assets	0	6	6	7	7
+ Capital Expenditures	(715)	(955)	(1,553)	(1,405)	(1,312)
+ Change in Investment	0	(50)	225	390	709
+ Other Investing Activities	829	(8,839)	(2,275)	(3,740)	(3,540)
Cash From Investing Activities	114	(9,839)	(3,598)	(4,748)	(4,137)
+ Dividends Paid	(3,651)	(835)	(8,142)	(6,904)	(5,673)
+ Change in long Term Borr.	(410)	(650)	41	43	46
+ Change in capital stock	13	683	0	0	0
+ Other Financing Activities	30	(101)	(110)	(179)	(113)
Cash From Financing Activities	(4,043)	(903)	(8,211)	(7,040)	(5,739)
Net Changes in Cash	(416)	53	1,606	(969)	(805)

Sources: Company, Bloomberg and KB Valbury Sekuritas

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RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	10.87	3.35	3.83	4.84	5.89
EV to EBIT*	8.94	2.32	2.90	3.78	4.66
EV to EBITDA*	6.34	2.07	2.59	3.33	4.04
Price to Sales*	1.50	0.91	1.08	1.19	1.27
Price to Book*	1.55	1.10	1.62	1.49	1.40
Dividend Yield*	3.2%	29.8%	18.3%	15.5%	12.7%
Profitability Ratios					
Gross Margin	26.36%	46.08%	47.46%	41.99%	38.06%
EBITDA Margin	20.50%	38.19%	37.02%	32.84%	29.69%
Operating Margin	14.55%	34.03%	36.50%	31.72%	27.47%
Profit Margin	13.78%	27.03%	28.05%	24.55%	21.59%
Return on Assets	9.92%	21.89%	28.43%	20.67%	15.71%
Return on Equity	14.24%	32.87%	42.21%	30.81%	23.79%
Leverage & Coverage Ratios					
Current Ratio	2.16	2.43	2.44	2.20	2.05
Quick Ratio	1.95	2.27	2.29	2.05	1.91
Interest Coverage Ratio (EBIT/I)	19.02	89.65	110.08	79.23	56.09
Tot Debt/Capital	0.03	0.04	0.03	0.03	0.04
Tot Debt/Equity	0.06	0.04	0.05	0.05	0.05
Others					
Asset Turnover	0.72	0.81	1.01	0.84	0.73
Accounts Receivable Turnover	10.97	9.44	12.44	10.38	8.62
Accounts Payable Turnover	7.24	6.00	7.70	6.09	5.03
Inventory Turnover	21.51	24.23	31.94	26.65	22.12

*) based on market price (14/06/2022) at Rp3,880

Sources: Company, Bloomberg and KB Valbury Sekuritas

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