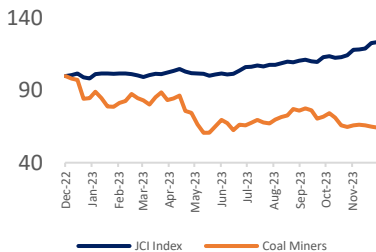


# Neutral

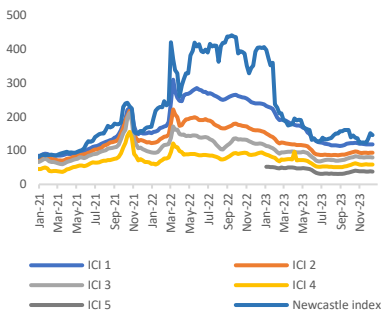
(Maintained)

## Sector Index Performance



Source: Bloomberg

## Coal Price ICI and Newcastle Coal



Source: Bloomberg

## BRI Danareksa Sekuritas Analysts

### Erindra Krisnawan, CFA

(62-21) 5091 4100 ext. 3500  
erindra.krisnawan@brids.co.id

### Christian Sitorus

(62-21) 5091 4100 ext. 3506  
christian.sitorus@brids.co.id

# Coal Sector

## FY24 Outlook: Soft demand and steady supply flow to drive further price normalization

- We expect the thermal coal market to remain in a supply-driven surplus in FY24, and expect the Newcastle coal price to moderate to US\$120/t.
- Based on our forecast, we project 13-29% net profit declines in FY24 for the coal miners and expect earnings to bottom out only in FY25.
- We retain our Neutral rating on the sector on undemanding valuations and attractive dividend yields (9.1-28.4%) to cushion declining earnings.

### Stronger production and softer demand led to a market surplus in FY23

We expect global coal trade volume growth to slow to 3% yoy to 1.2bn tonnes in FY23 (vs. 7% yoy in FY22). On the imports front, lower volumes were driven by slowing imports from Europe (-51% yoy; inline) on the back of higher LNG availability, which offset imports growth from China (+61% yoy; inline) and JKT/ ASEAN/ India at -10%/ -15%/ +10% yoy (below expectations, except for India). On the supply side, as expected, Australia's exports led the supply growth (~+10% yoy; inline), followed by Indonesia (-1% yoy).

### ST outlook: winter demand may be capped by ample inventory

Despite rising imports (+6% mom in Oct-Nov23 vs. Sep23), largely driven by a rebound in China and India's imports from domestic restocking, we think steady supply flow and China's sufficient inventory may limit import demand and price upside despite the ongoing winter demand.

### Expect the market surplus to moderate prices further in FY24

We expect the stronger domestic production growth in key markets (India and China) to continue and thus, expect the soft demand outlook to persist in FY24. We believe Australia and Indonesia will continue to drive supply amid available capacity and normalizing weather conditions. We expect the market balance in FY24 to remain in surplus (~5-10Mt) and project the Newcastle coal price to average US\$120/t in FY24 with the ICI3/ ICI4 price at US\$72/ US\$55/t.

### Coal miner earnings to contract in FY24-FY25

On the back of the projected 31%/ 15%/ 15% price moderation for Newcastle, ICI3 and ICI4 prices, we forecast 13-28% net profit declines in FY24 for coal miners under our coverage (i.e. ADRO, ITMG and PTBA), with HRUM expected to see the lowest drop in earnings in FY24, cushioned by its nickel business contribution. We expect earnings to bottom out only in FY25, as we expect coal price normalization to continue.

### Maintain Neutral as valuations and dividends may cushion falling coal prices

We retain our Neutral rating on the Indonesian coal sector on the back of undemanding valuations (at 1.7-6.7x FY24 EV/ EBITDA, attractive dividend yields (at 9.1-28.4%) and low ownership by domestic funds, despite the still declining earnings in FY24-25F. We think miners with higher exposure to the low-medium CV products shall fare better given the smaller projected decline in ASP. Our pecking order of preference is: ADRO> HRUM> PTBA> ITMG.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		EV/EBITDA		Div. Yield 2024F
					2023F	2024F	2023F	2024F	
Adaro	ADRO IJ	BUY	2,800	82,524.0	3.2	4.3	1.5	1.7	12.0
Harum Energy	HRUM IJ	BUY	1,700	17,776.3	5.5	5.6	2.1	1.8	9.1
Indo Tambangraya	ITMG IJ	BUY	27,800	28,022.1	2.5	5.8	0.7	1.7	28.4
Bukit Asam	PTBA IJ	BUY	2,750	27,187.0	5.3	6.3	5.1	6.7	13.1

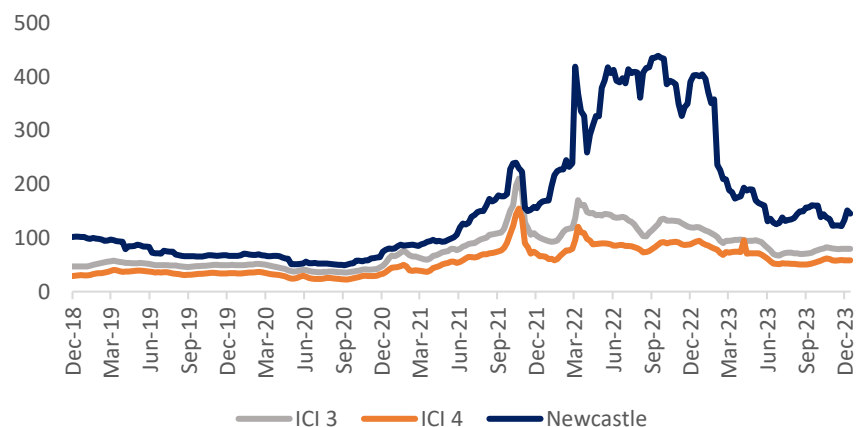
## FY24 Outlook: Soft demand and steady supply flow to drive further price normalization

### FY23 review: stronger production and soft demand recovery weighed on the market balance

We expect global coal trade volume growth to slow to 3% yoy to 1.2bn tonnes in FY23 (vs. 7% yoy in FY22). On the imports front, the slower volume growth was reflected in slowing imports from Europe (-51% yoy; inline), which offset imports growth from China (+61% yoy; inline), while other key markets JKT/ASEAN/ India contracted by -15%/ -10%/ +10% yoy (below expectations, except for India). On the supply side, as expected, Australia's exports led the supply growth, followed by Indonesia (-1% yoy; inline).

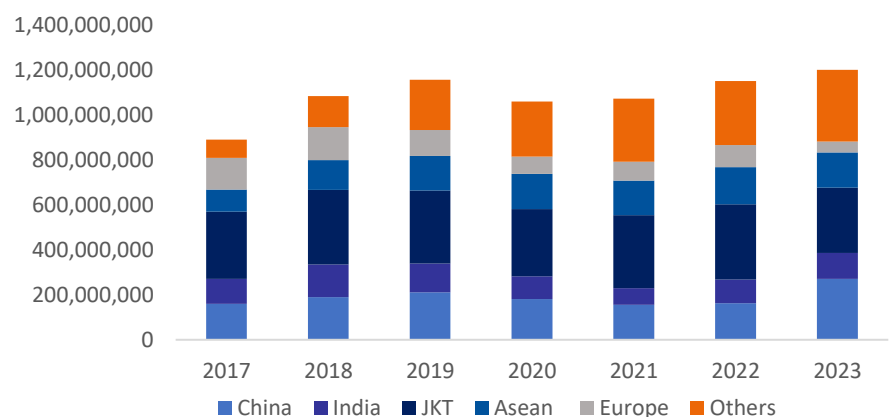
On the back of steady supply growth from the key exporters (Australia +8% yoy; inline, Indonesia -1% yoy), export prices have corrected further in FY23 (average FY23: Newcastle US\$175/t, ICI3 US\$84/t, ICI4 US\$63/t).

**Exhibit 1. Newcastle, ICI3, ICI4 coal prices**



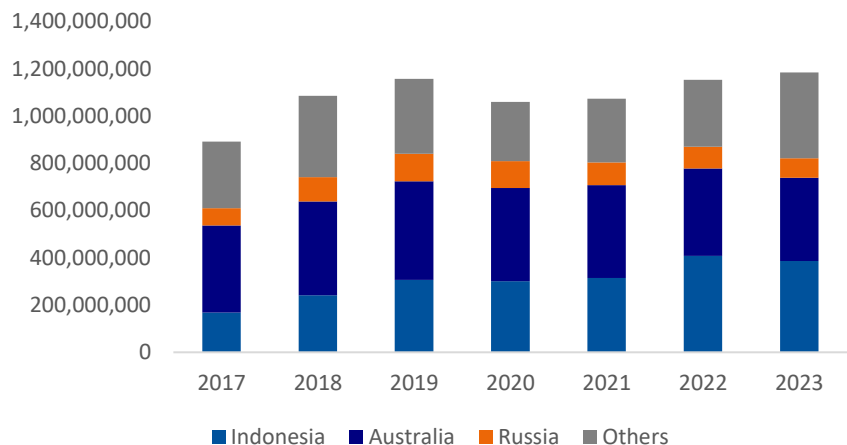
Source: Bloomberg

**Exhibit 2. Thermal coal annual imports**



Source: Bloomberg

Exhibit 3. Thermal coal annual exports



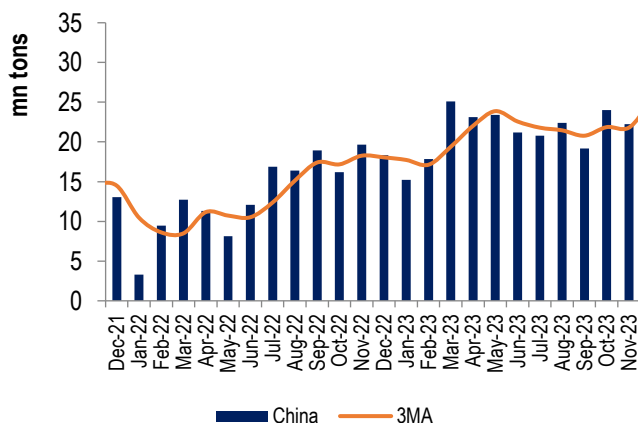
Source: Bloomberg

### ST Outlook: winter demand appears to be capped by high stocks

Indonesian coal prices for medium and low-medium CV thermal coal (ICI3 and ICI4) have hovered at around US\$80/t and US\$58/t in recent weeks, reflecting an 8-10% correction from the high in Oct23, though still 11-15% above the lows reached in Aug23. Import demand rose 6% mom in Oct-Nov23 (vs. Sep23), largely driven by a rebound in China and India's imports on domestic restocking. However, this was matched by strong exports growth from Indonesia (+15% mom), as smaller exporters obtained quota approval from the government, and resumption of Australia's supply flows (+6% mom).

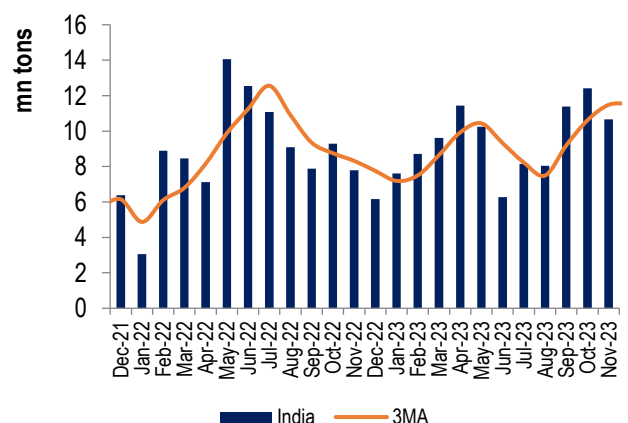
China's domestic coal inventory at port has rebounded to above its 5-years mean as of the end of Nov23, while India's coal inventory stands at 9 days (vs. the 5-year average of 14 days). Going by the current inventory level, we think China's sufficient stocks may limit import demand and price upside despite the ongoing winter demand. On the supply front, the additional quotas for some Indonesian producers have led to better supply flows as reflected in higher Nov23 exports.

Exhibit 4. China coal monthly imports



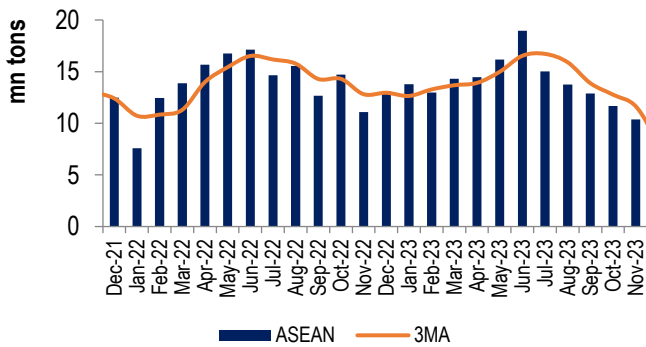
Source: Bloomberg

Exhibit 5. India coal monthly imports



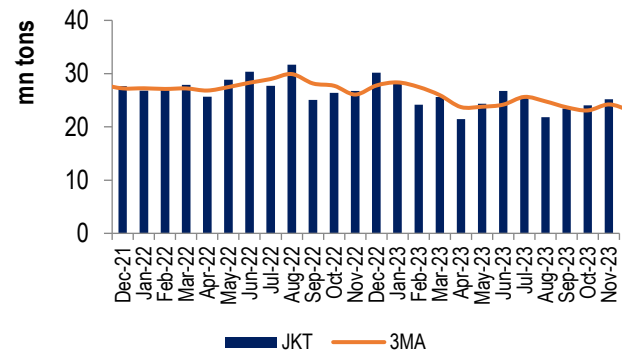
Source: Bloomberg

Exhibit 6. ASEAN coal monthly imports



Source: Bloomberg

Exhibit 7. JKT coal monthly imports



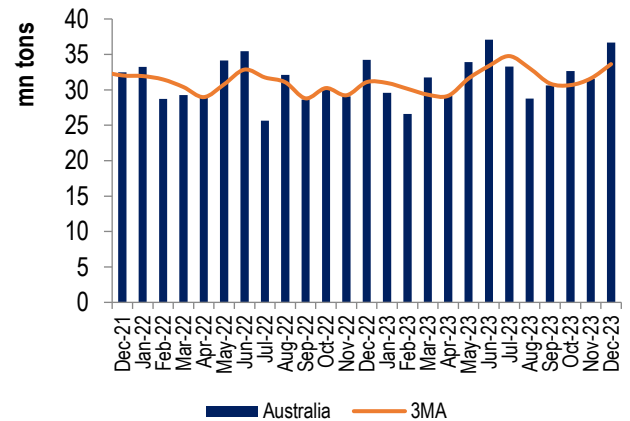
Source: Bloomberg

Exhibit 8. Indonesia coal monthly exports



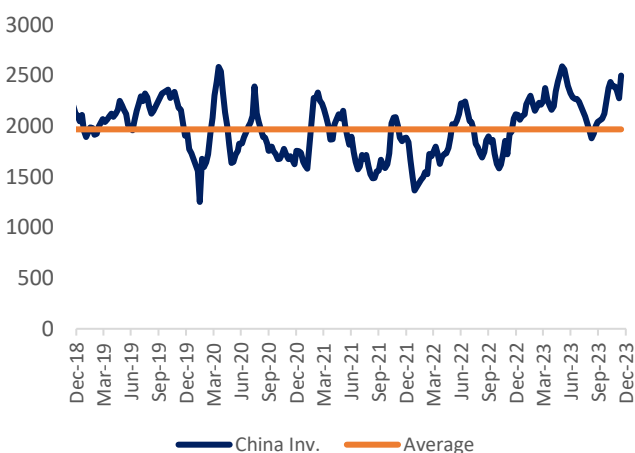
Source: Bloomberg

Exhibit 9. Australia coal monthly exports



Source: Bloomberg

Exhibit 10. China coal inventory at ports



Source: Bloomberg

Exhibit 11. India coal inventory days



Source: Bloomberg

## FY24 Outlook

### The thermal coal market may remain in surplus in FY24

We see the emerging trend of stronger domestic production growth in key markets such as India and China to continue in FY24 (at estimated 10% and 4% growth, respectively). Combined with the moderating economic growth outlook (China at 4%, Japan at 1.5%), we expect the soft demand outlook to persist in FY24. We forecast imports to grow by 3%, driven by China at 3% yoy, India at 5% yoy, ASEAN 5% yoy and Europe flat yoy.

On the supply front, we believe the key growth drivers remain Australia amid available capacity (up to 210-220Mt) and normalizing weather conditions and Indonesia (albeit at a slower pace). In combination, we expect the market balance in FY24 to skew toward another surplus (~5-10Mt).

### Expect prices to normalize further in FY24

On the back of the projected market surplus, we see thermal coal prices to moderate further in FY24. We project the Newcastle coal price to average US\$120/t in FY24 (vs. US\$175/t in FY23). Meanwhile, for Indonesia's low and medium CV (ICI4 and ICI3), we project prices to average US\$72/t and US\$55/t in FY24 (vs. US\$84/t and US\$63/t in FY23).

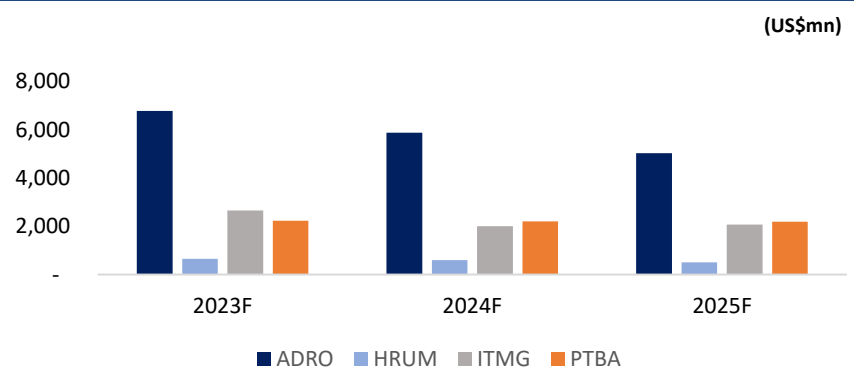
At this juncture, we believe price risks still skew to the downside amid the uncertainty in China's economic recovery prospects and global growth slowdown. We expect price moderation to continue in FY25 (10% drop in Newcastle coal prices) to account for demand risk (market surplus of another 5-10Mt).

### Earnings Outlook

We have revised our FY24-25F earnings for coal miners under our coverage, taking into consideration our latest coal price estimates (for Newcastle, ICI4, ICI3) and our latest operational expectations.

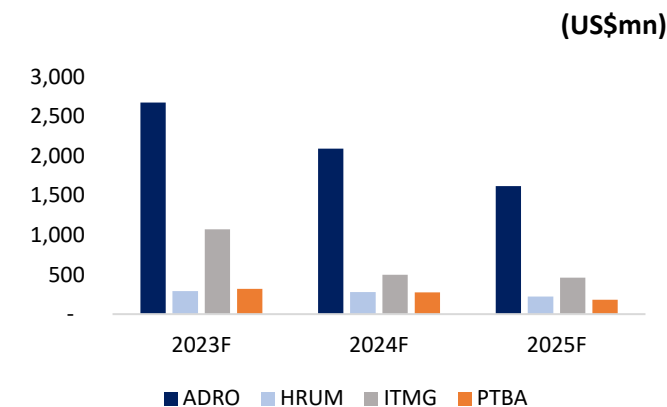
On the back of the projected 31%/ 15%/ 15% price moderation for Newcastle, ICI3 and ICI4 prices, we forecast 13-28% net profit declines in FY24 for coal miners under our coverage (i.e. ADRO, ITMG, PTBA), with HRUM expected to see the lowest drop in FY24, cushioned by its nickel business contribution. We expect earnings to bottom out only in FY25, as we expect coal price normalization to continue.

**Exhibit 12. Indonesian coal miners' revenues projection**



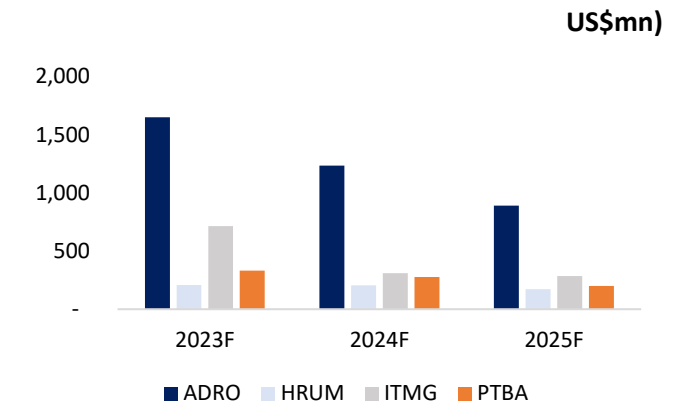
Source: BRIDS Estimate

Exhibit 13. Indonesian coal miners EBITDA projection



Source: BRIDS Estimate

Exhibit 14. Indonesian coal miners net profit projection



Source: BRIDS Estimate

### Sector Rating and Picks

We retain our Neutral rating on the Indonesian coal sector on the back of undemanding valuations (at 1.7-6.7 FY24 EV/ EBITDA, attractive dividend yields (at 9.1-28.4%) and low ownership by domestic funds, despite the still declining earnings in FY24-25F.

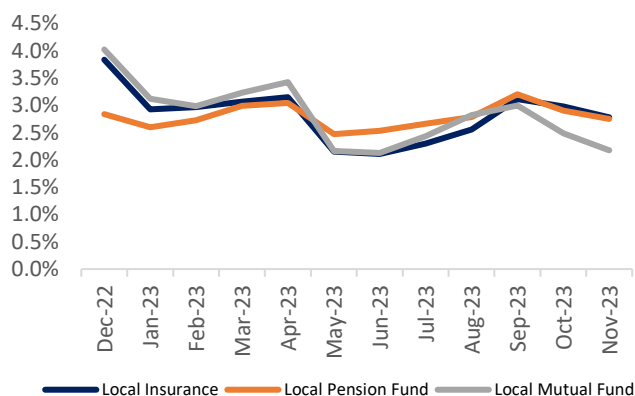
We think miners with higher exposure to the low-medium CV products shall fare better given the smaller projected decline in ASP. Our pecking order of preference is as follows: ADRO> HRUM> PTBA> ITMG.

Exhibit 15. Coal sector valuation

Stock	Ticker	Price	Target Price (IDR)	Market Cap (IDRbn)	PER		EV/EBITDA		Div. Yield
					2023F	2024F	2023F	2024F	
Adaro Energy	ADRO IJ Equity	2.580	2.800	82.524	3,2	4,3	1.5	1.7	12.0
Harum Energy	HRUM IJ Equity	1.315	1.700	17.776	5,5	5,6	2.1	1.8	9.1
IndoTambang Raya	ITMG IJ Equity	24.800	27.800	28.022	2,5	5,8	0.7	1.7	28.4
Bukit Asam	PTBA IJ Equity	2.360	2.750	27.187	5,3	6,3	5.1	6.7	13.1

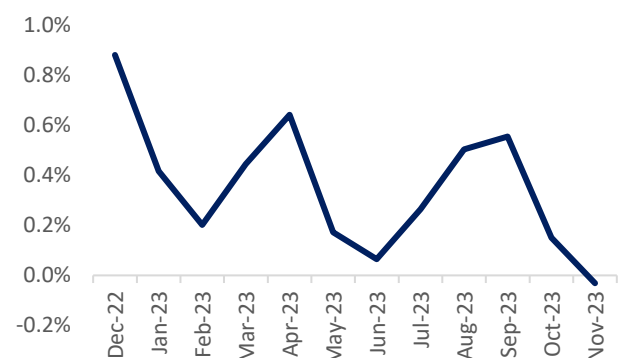
Source: BRIDS Estimate

Exhibit 16. Domestic investors' positioning in the coal sector



Source: KSEI

Exhibit 17. Domestic funds positioning in coal (vs. JCI)



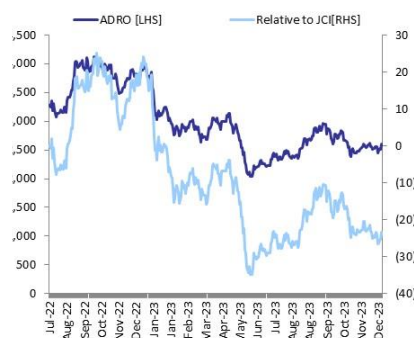
Source: KSEI

# Buy

(Maintained)

Last Price (Rp)	2,580
Target Price (Rp)	2,800
Previous Target Price (Rp)	4,500
Upside/Downside	+8.5%
No. of Shares (mn)	31,986
Mkt Cap (Rpbn/US\$mn)	82,524/5,321
Avg, Daily T/O (Rpbn/US\$mn)	114.4/7.4
Free Float (%)	40.3
Major Shareholder (%)	
PT Adaro Strategic	43.9
Garibaldi Thohir	6.2
EPS Consensus (US\$cents)	
	2023F 2024F 2025F
BRIDS	5.2 3.9 2.8
Consensus	4.7 3.5 2.8
BRIDS/Cons (%)	9.7 10.4 (0.4)

## ADRO relative to JCI Index



Source: Bloomberg

## BRI Danareksa Sekuritas Analysts

Erindra Krisnawan, CFA

(62-21) 5091 4100 ext. 3500

erindra.krisnawan@brids.co.id

# Adaro Energy (ADRO IJ)

Sustaining its industry dominance; reinstate coverage with a Buy rating

- On the back of the projected price moderation for Newcastle, ICI3 and ICI4 prices in FY24, we forecast ADRO's net profit to contract by 22%.
- We project ADRO to generate EBITDA of US\$1.6-2.1bn in FY24-25 from coal which will fund expansion in the mineral and green segments.
- We reinstate coverage with a Buy rating and DCF-based TP of Rp2,800 (based on LT coal price of US\$90/t and WACC of 12.8%).

## Cash flow generation intact despite falling earnings

ADRO indicated plans for more conservative thermal coal production in FY24 (flat yoy) amid the soft price outlook. Having upgraded its logistic capabilities, the coking coal operation (under ADMR) will continue to ramp up production with an incremental 1Mt volume planned in FY24. Despite the drop in earnings, we project ADRO to generate EBITDA of US\$1.6-2.1bn from coal which will fund expansion in the mineral and green segments.

## Coal price outlook: expect more normalization in FY24

We expect the stronger domestic production growth in key markets (India and China) to continue and thus expect the soft demand outlook to persist in FY24. On the supply front, we believe key growth drivers remain Australia amid available capacity (up to 210-220Mt) and normalizing weather conditions in Indonesia. In combination, we expect the market balance in FY24 to skew toward another surplus (~5-10Mt) and project the Newcastle coal price to average US\$120/t in FY24 (vs. US\$175/t in FY23) and ICI4/ ICI3 average prices of US\$72/ US\$55/t (vs. US\$84/ US\$63/t in FY23).

## FY24-25F earnings to contract further on lower ASP

On the back of the projected 31%/ 15%/ 15% price moderation in Newcastle, ICI3 and ICI4 coal prices in FY24, we forecast ADRO's net profit to contract by 22% in FY24. We only expect earnings to bottom out in FY25 (after another 23% projected drop from FY24), in-line with our view of further coal price normalization.

## Reinstate coverage with a Buy rating and DCF-based TP of Rp2,800

Our DCF-based TP of Rp2,800 is based on a LT coal price of US\$90/t and WACC of 12.8%. Key risks are weaker coal prices and a shortfall in production.

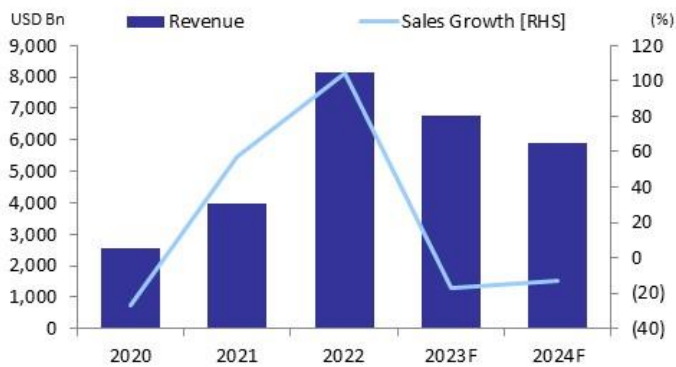
## Key Financials

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
Revenue (US\$mn)	3,993	8,157	6,775	5,876	5,029
EBITDA (US\$mn)	1,973	3,882	2,679	2,093	1,620
EBITDA Growth (%)	189.2	96.7	(31.0)	(21.9)	(22.6)
Net Profit (US\$mn)	933	2,413	1,650	1,236	892
EPS (US\$cents)	2.9	7.5	5.2	3.9	2.8
EPS Growth (%)	535.4	158.5	(31.6)	(25.1)	(27.8)
BVPS (US\$cents)	12.9	16.4	18.6	20.4	20.5
DPS (US\$cents)	2.3	2.6	2.8	2.0	2.6
PER (x)	5.7	2.2	3.2	4.3	6.0
PBV (x)	1.3	1.0	0.9	0.8	0.8
Dividen yield (%)	14.0	15.7	17.0	12.0	15.7
EV/EBITDA	2.6	1.2	1.5	1.7	2.4

Source: ADRO, BRIDS Estimates

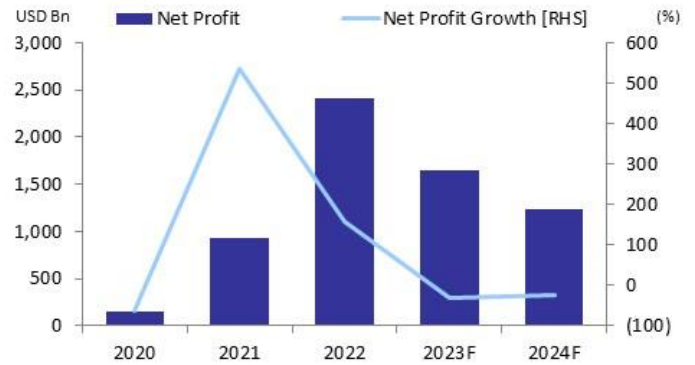


**Exhibit 1. Revenue and Growth**



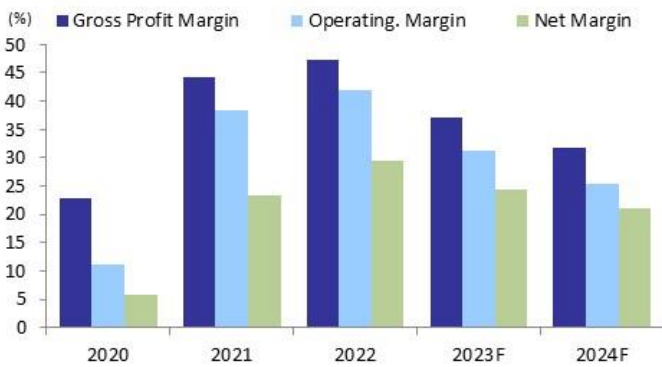
Source: Company, BRIDS Estimates

**Exhibit 2. Net Profit and Growth**



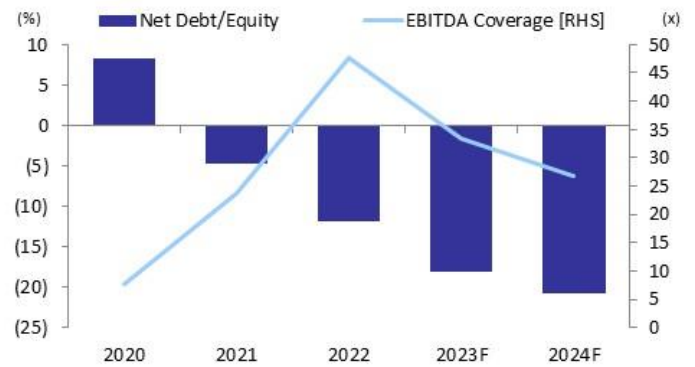
Source: Company, BRIDS Estimates

**Exhibit 3. Margins**



Source: Company, BRIDS Estimates

**Exhibit 4. Gearing Level**



Source: Company, BRIDS Estimates



**Exhibit 5. Income Statement**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
<b>Revenue</b>	<b>3,993</b>	<b>8,157</b>	<b>6,775</b>	<b>5,876</b>	<b>5,029</b>
COGS	(2,223)	(4,292)	(4,261)	(4,009)	(3,697)
<b>Gross profit</b>	<b>1,770</b>	<b>3,864</b>	<b>2,515</b>	<b>1,866</b>	<b>1,333</b>
<b>EBITDA</b>	<b>1,973</b>	<b>3,882</b>	<b>2,679</b>	<b>2,093</b>	<b>1,620</b>
<b>Oper. profit</b>	<b>1,528</b>	<b>3,415</b>	<b>2,116</b>	<b>1,497</b>	<b>990</b>
Interest income	34	19	20	20	19
Interest expense	(83)	(82)	(80)	(78)	(77)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	7	340	340	357	357
Other Income (Expenses)	0	0	0	0	0
<b>Pre-tax profit</b>	<b>1,486</b>	<b>3,692</b>	<b>2,396</b>	<b>1,795</b>	<b>1,290</b>
Income tax	(458)	(951)	(522)	(391)	(278)
Minority interest	(95)	(328)	(224)	(168)	(119)
<b>Net profit</b>	<b>933</b>	<b>2,413</b>	<b>1,650</b>	<b>1,236</b>	<b>892</b>
<b>Core Net Profit</b>	<b>933</b>	<b>2,413</b>	<b>1,650</b>	<b>1,236</b>	<b>892</b>

**Exhibit 6. Balance Sheet**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
Cash & cash equivalent	1,811	2,312	2,828	3,115	2,831
Receivables	586	797	672	603	506
Inventory	126	166	166	158	146
Other Curr. Asset	94	281	225	196	170
Fixed assets - Net	1,397	1,885	1,996	2,098	2,190
Other non-curr.asset	3,352	4,201	4,456	4,747	5,044
<b>Total asset</b>	<b>7,587</b>	<b>9,731</b>	<b>10,432</b>	<b>11,006</b>	<b>10,974</b>
ST Debt	271	249	254	258	261
Payables	272	532	522	507	473
Other Curr. Liabilities	818	634	518	454	393
Long Term Debt	1,333	1,312	1,252	1,192	1,133
Other LT. Liabilities	434	654	588	549	514
<b>Total Liabilities</b>	<b>3,129</b>	<b>3,380</b>	<b>3,133</b>	<b>2,959</b>	<b>2,776</b>
Shareholder's Funds	4,137	5,234	5,958	6,537	6,570
Minority interests	322	1,118	1,342	1,510	1,629
<b>Total Equity &amp; Liabilities</b>	<b>7,587</b>	<b>9,731</b>	<b>10,432</b>	<b>11,006</b>	<b>10,974</b>

**Exhibit 7. Cash Flow**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
Net income	933	2,413	1,650	1,236	892
Depreciation and Amort.	0	0	0	0	0
Change in Working Capital	0	0	0	0	0
Other Oper. Cash Flow	49	63	60	59	57
<b>Operating Cash Flow</b>	<b>983</b>	<b>2,476</b>	<b>1,710</b>	<b>1,295</b>	<b>950</b>
Capex	0	0	0	0	0
Others Inv. Cash Flow	34	19	20	20	19
<b>Investing Cash Flow</b>	<b>34</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>19</b>
Net change in debt	0	0	0	0	0
New Capital	0	0	0	0	0
Dividend payment	0	0	0	0	0
Other Fin. Cash Flow	(83)	(82)	(80)	(78)	(77)
<b>Financing Cash Flow</b>	<b>(83)</b>	<b>(82)</b>	<b>(80)</b>	<b>(78)</b>	<b>(77)</b>
<b>Net Change in Cash</b>	<b>933</b>	<b>2,413</b>	<b>1,650</b>	<b>1,236</b>	<b>892</b>
Cash - begin of the year	1,174	1,811	2,312	2,828	3,115
Cash - end of the year	1,811	2,312	2,828	3,115	2,831

**Exhibit 8. Key Ratios**

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
<b>Growth (%)</b>					
Sales	57.5	104.3	(16.9)	(13.3)	(14.4)
EBITDA	189.2	96.7	(31.0)	(21.9)	(22.6)
Operating profit	436.4	123.4	(38.0)	(29.2)	(33.8)
Net profit	535.3	158.5	(31.6)	(25.1)	(27.8)
<b>Profitability (%)</b>					
Gross margin	44.3	47.4	37.1	31.8	26.5
EBITDA margin	49.4	47.6	39.5	35.6	32.2
Operating margin	38.3	41.9	31.2	25.5	19.7
Net margin	23.4	29.6	24.3	21.0	17.7
ROAA	13.4	27.9	16.4	11.5	8.1
ROAE	23.8	51.5	29.5	19.8	13.6
<b>Leverage</b>					
Net Gearing (x)	0.0	(0.1)	(0.2)	(0.2)	(0.2)
Interest Coverage (x)	18.3	41.8	26.4	19.1	12.9

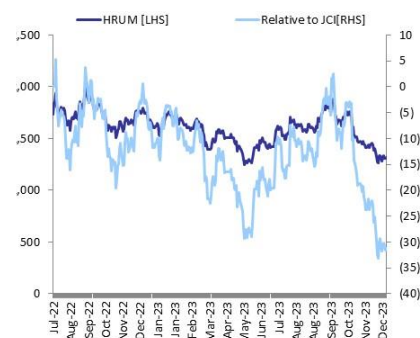
Source : ADRO, BRIDS Estimates

# Buy

(Maintained)

Last Price (Rp)	1,315
Target Price (Rp)	1,700
Previous Target Price (Rp)	2,200
Upside/Downside	+29.3%
No. of Shares (mn)	13,518
Mkt Cap (Rpbn/US\$mn)	17,776/1,146
Avg, Daily T/O (Rpbn/US\$mn)	29.6/1.9
Free Float (%)	18.6
Major Shareholder (%)	
PT. Karunia Bara Perkasa	79.8
PT. Bara Sejahtera Abadi	0.1
EPS Consensus (US\$cents)	
	2023F 2024F 2025F
BRIDS	1.5 1.5 1.3
Consensus	1.6 1.5 1.3
BRIDS/Cons (%)	(3.5) 1.2 (2.7)

## HRUM relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Erindra Krisnawan, CFA

(62-21) 5091 4100 ext. 3500

erindra.krisnawan@brids.co.id

# Harum Energy (HRUM II)

**Nickel diversification to cushion earnings in FY24; reinstate coverage with a Buy rating**

- HRUM indicated steady volume growth for its coal business in FY24 but seeks further nickel expansion.
- The expected commissioning of WMI in 1Q24 shall provide a cushion against a projected earnings decline from lower ASPs.
- We reinstate coverage with a Buy rating and SOTP-based TP of Rp1,700 (based on LT coal price of US\$90/t and nickel price of US\$20k/t).

## Steady coal growth, expanding and diversifying in nickel

HRUM indicated steady volume growth for its coal business in FY24 (+20% yoy). For the nickel business, growth in attributable production capacity shall come from an additional stake in IMI and commissioning of WMI in 1Q24. HRUM also seeks to further diversify into other nickel products (NPI, HG Ni matte and MHP) to provide more stable margins and earnings.

## Coal and nickel price outlook: expect more normalization in FY24

We expect the thermal market balance in FY24 to skew toward another surplus (~5-10Mt) and project the Newcastle coal price to average US\$120/t in FY24 (vs. US\$175/t in FY23) and ICI4/ ICI3 average prices of US\$72/ US\$55/t (vs. US\$84/ US\$63/t in FY23). For nickel, we forecast the LME price to drop to US\$19k/t but expect the NPI price to stabilize at US\$14.5k/t in FY24.

## FY24-25F earnings to contract further on lower ASPs

On the back of the projected 31%/ 15%/ 15% price moderation for Newcastle, ICI3 and ICI4 prices in FY24, we forecast HRUM's net profit to slightly contract by 2% in FY24. Nonetheless, we only expect earnings to bottom out in FY25 (after another 17% projected drop from FY24), in-line with our view of further coal price normalization and our conservative nickel and NPI price forecasts.

## Reinstate coverage with a Buy rating and DCF-based TP of Rp1,700

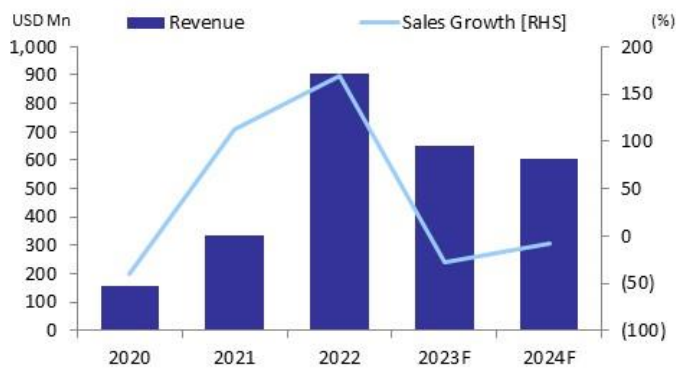
Our DCF-based TP of Rp1,700 is based on a LT coal price of US\$90/t, nickel price of US\$20k/t and WACC of 12.8%. Key risks are weaker coal and nickel prices and production shortfalls.

## Key Financials

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
Revenue (US\$mn)	336	904	653	605	509
EBITDA (US\$mn)	149	471	291	280	223
EBITDA Growth (%)	614.8	216.4	(38.2)	(3.8)	(20.6)
Net Profit (US\$mn)	69	263	209	205	171
EPS (US\$cents)	0.5	1.9	1.5	1.5	1.3
EPS Growth (%)	16.1	283.3	(20.6)	(1.6)	(16.7)
BVPS (US\$cents)	3.5	5.4	6.4	7.1	7.2
DPS (US\$cents)	0.1	0.1	0.6	0.8	1.2
PER (x)	16.7	4.4	5.5	5.6	6.7
PBV (x)	2.4	1.6	1.3	1.2	1.2
Dividen yield (%)	0.6	0.6	6.9	9.1	14.3
EV/EBITDA	6.7	1.6	2.1	1.8	2.1

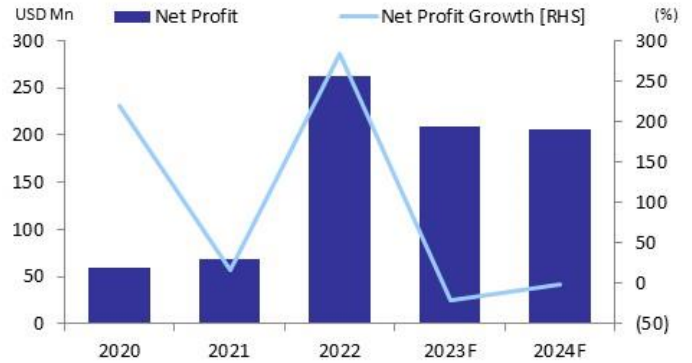
Source: HRUM, BRIDS Estimates

## Exhibit 1. Revenue and Growth



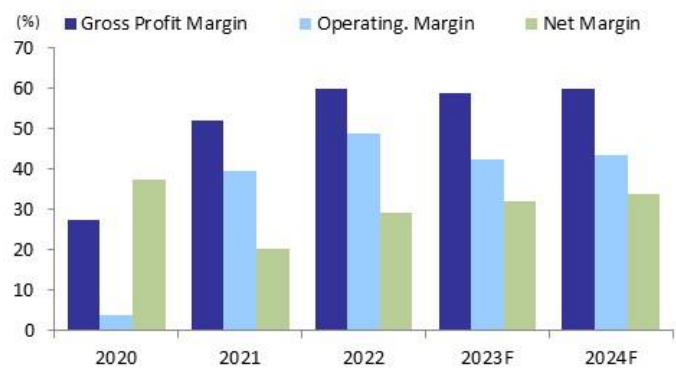
Source: Company, BRIDS Estimates

## Exhibit 2. Net Profit and Growth



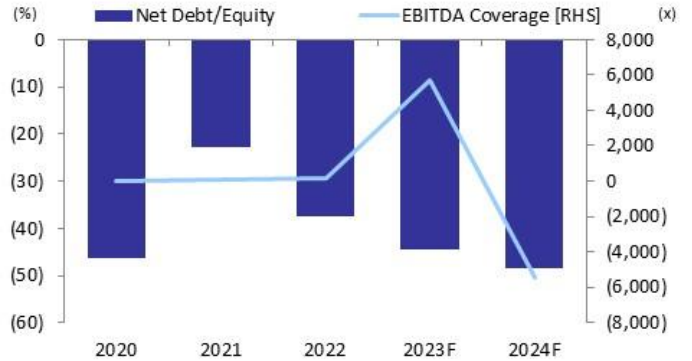
Source: Company, BRIDS Estimates

## Exhibit 3. Margins



Source: Company, BRIDS Estimates

## Exhibit 4. Gearing Level



Source: Company, BRIDS Estimates

**Exhibit 5. Income Statement**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
<b>Revenue</b>	<b>336</b>	<b>904</b>	<b>653</b>	<b>605</b>	<b>509</b>
COGS	(162)	(363)	(269)	(243)	(223)
<b>Gross profit</b>	<b>175</b>	<b>541</b>	<b>384</b>	<b>362</b>	<b>286</b>
<b>EBITDA</b>	<b>149</b>	<b>471</b>	<b>291</b>	<b>280</b>	<b>223</b>
<b>Oper. profit</b>	<b>132</b>	<b>440</b>	<b>276</b>	<b>262</b>	<b>202</b>
Interest income	1	2	4	5	6
Interest expense	(3)	(3)	0	0	0
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	62	65	69
Other Income (Expenses)	(8)	(1)	0	0	0
<b>Pre-tax profit</b>	<b>122</b>	<b>438</b>	<b>342</b>	<b>332</b>	<b>277</b>
Income tax	(29)	(98)	(68)	(66)	(55)
Minority interest	(24)	(78)	(65)	(60)	(51)
<b>Net profit</b>	<b>69</b>	<b>263</b>	<b>209</b>	<b>205</b>	<b>171</b>
<b>Core Net Profit</b>	<b>69</b>	<b>263</b>	<b>209</b>	<b>205</b>	<b>171</b>

**Exhibit 6. Balance Sheet**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
Cash & cash equivalent	149	371	530	654	668
Receivables	23	69	33	31	26
Inventory	21	43	24	22	20
Other Curr. Asset	54	36	36	36	36
Fixed assets - Net	59	52	92	86	78
Other non-curr.asset	568	708	747	791	841
<b>Total asset</b>	<b>875</b>	<b>1,279</b>	<b>1,463</b>	<b>1,619</b>	<b>1,668</b>
ST Debt	0	0	0	0	0
Payables	17	21	14	13	12
Other Curr. Liabilities	63	205	205	205	189
Long Term Debt	0	0	0	0	0
Other LT. Liabilities	143	61	57	53	61
<b>Total Liabilities</b>	<b>224</b>	<b>287</b>	<b>276</b>	<b>271</b>	<b>262</b>
Shareholder's Funds	469	734	864	965	972
Minority interests	182	258	323	384	435
<b>Total Equity &amp; Liabilities</b>	<b>875</b>	<b>1,279</b>	<b>1,463</b>	<b>1,619</b>	<b>1,668</b>

**Exhibit 7. Cash Flow**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
Net income	69	263	209	205	171
Depreciation and Amort.	17	31	15	18	20
Change in Working Capital	(11)	(65)	49	3	6
Other Oper. Cash Flow	55	170	65	60	51
<b>Operating Cash Flow</b>	<b>130</b>	<b>399</b>	<b>338</b>	<b>287</b>	<b>248</b>
Capex	(16)	(32)	(96)	(55)	(62)
Others Inv. Cash Flow	(259)	(71)	0	0	0
<b>Investing Cash Flow</b>	<b>(275)</b>	<b>(103)</b>	<b>(96)</b>	<b>(55)</b>	<b>(62)</b>
Net change in debt	103	(99)	(4)	(4)	(8)
New Capital	31	40	0	0	0
Dividend payment	(7)	(7)	(79)	(104)	(164)
Other Fin. Cash Flow	(43)	(8)	0	0	0
<b>Financing Cash Flow</b>	<b>84</b>	<b>(74)</b>	<b>(83)</b>	<b>(108)</b>	<b>(172)</b>
<b>Net Change in Cash</b>	<b>(62)</b>	<b>221</b>	<b>160</b>	<b>124</b>	<b>14</b>
Cash - begin of the year	211	149	371	530	654
Cash - end of the year	149	371	530	654	668

**Exhibit 8. Key Ratios**

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
<b>Growth (%)</b>					
Sales	113.0	169.0	(27.8)	(7.4)	(15.8)
EBITDA	614.8	216.4	(38.2)	(3.8)	(20.6)
Operating profit	2,049.4	232.9	(37.3)	(5.1)	(22.8)
Net profit	16.1	283.3	(20.6)	(1.6)	(16.7)
<b>Profitability (%)</b>					
Gross margin	52.0	59.9	58.8	59.8	56.2
EBITDA margin	44.3	52.1	44.6	46.4	43.7
Operating margin	39.3	48.7	42.3	43.3	39.7
Net margin	20.4	29.0	32.0	33.9	33.6
ROAA	10.0	24.4	15.2	13.3	10.4
ROAE	16.3	43.7	26.1	22.4	17.7
<b>Leverage</b>					
Net Gearing (x)	(0.2)	(0.4)	(0.4)	(0.5)	(0.5)
Interest Coverage (x)	42.6	137.1	5,364.4	(5,092.7)	(982.8)

Source : HRUM, BRIDS Estimates

# Buy

(Maintained)

## Indo Tambangraya (ITMG IJ)

Still a reliable dividend payer; reinstate coverage with a Buy rating

Last Price (Rp)	24,800
Target Price (Rp)	27,800
Previous Target Price (Rp)	45,000
Upside/Downside	+12.1%

No. of Shares (mn)	1,130
Mkt Cap (Rpbn/US\$mn)	28,022/1,807
Avg, Daily T/O (Rpbn/US\$mn)	42.2/2.7
Free Float (%)	34.7

Major Shareholder (%)	
Banpu Minerals	65.1

EPS Consensus (US\$cents)	2023F	2024F	2025F
BRIDS	63.3	27.4	25.1
Consensus	45.3	29.7	22.7
BRIDS/Cons (%)	39.7	(7.8)	10.6

- We forecast ITMG's net profit to contract by 16% in FY24 on the back of the projected moderation in Newcastle prices.
- FY24-25F cash flow generation shall remain robust (EBITDA of US\$644-877mn), translating to intact dividend payout prospects.
- We reinstate coverage with a Buy rating and DCF-based TP of Rp27,800 (based on LT coal price of US\$90/t and WACC of 12.5%).

### Steady coal, early-stage venture into renewables

We expect ITMG to sustain its coal production at a steady rate of 18-20Mt for FY23-25F given sufficient reserves of 299Mt (~13 years reserve life), with its newly acquired concession (GPK) to start contributing to production in FY24. Apart from coal-related services (i.e. mining contracting, trading), ITMG is eyeing diversification into renewables namely solar rooftop and solar PV plants. However, we envisage a low capex allocation toward these businesses as they are currently still on a small scale.

### Coal price outlook: expect more normalization in FY24

We expect the stronger domestic production growth in key markets (India and China) to continue and thus expect the soft demand outlook to persist in FY24. On the supply front, we believe the key growth driver remains Australia amid available capacity (up to 210-220Mt) and normalizing weather conditions in Indonesia. In combination, we expect the market balance in FY24 to skew toward another surplus (~5-10Mt) and project the Newcastle coal price to average US\$120/t in FY24.

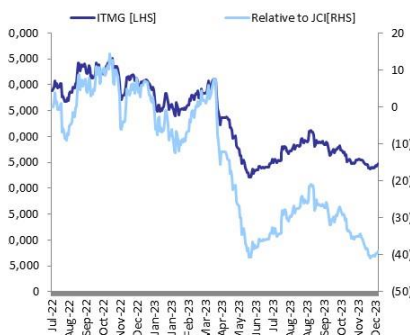
### FY24-25F earnings to contract further on lower ASP

On the back of the projected 31%/ 15%/ 15% price moderation in Newcastle, ICI3 and ICI4 coal prices in FY24, we forecast ITMG's net profit to contract by 16% in FY24. We only expect earnings to bottom out in FY25 (after another 28% projected drop from FY24), in-line with our view of further coal price normalization.

### Reinstate coverage with a Buy rating and DCF-based TP of Rp27,800

Our DCF-based TP of Rp27,800 is based on a LT coal price of US\$90/t and WACC of 12.5%. Key risks are weaker coal prices and a shortfall in production.

### ITMG relative to JCI Index



Source: Bloomberg

### BRI Danareksa Sekuritas Analysts

Erindra Krisnawan, CFA

(62-21) 5091 4100 ext. 3500

erindra.krisnawan@brids.co.id

### Key Financials

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
Revenue (US\$mn)	2,077	3,636	2,647	2,003	2,074
EBITDA (US\$mn)	861	1,758	1,075	499	464
EBITDA Growth (%)	429.7	104.2	(38.8)	(53.6)	(7.0)
Net Profit (US\$mn)	475	1,199	715	310	284
EPS (US\$cents)	42.1	106.1	63.3	27.4	25.1
EPS Growth (%)	1,104.5	152.3	(40.4)	(56.7)	(8.4)
BVPS (US\$cents)	107.0	173.0	128.6	110.6	109.5
DPS (US\$cents)	9.4	47.6	111.3	45.3	26.3
PER (x)	3.8	1.5	2.5	5.8	6.4
PBV (x)	1.5	0.9	1.2	1.4	1.5
Dividen yield (%)	5.9	29.8	69.6	28.4	16.4
EV/EBITDA	1.3	0.2	0.7	1.7	1.6

Source: ITMG, BRIDS Estimates

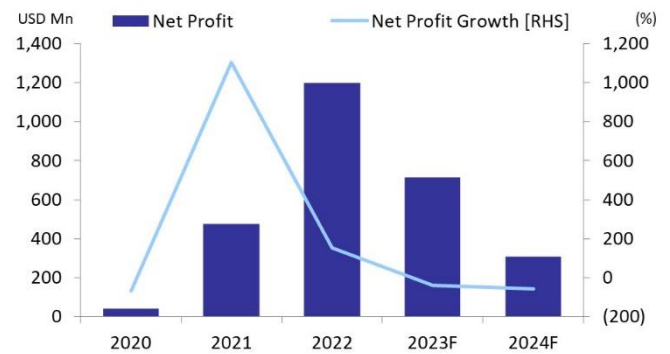


## Exhibit 1. Revenue and Growth



Source: Company, BRIDS Estimates

## Exhibit 2. Net Profit and Growth



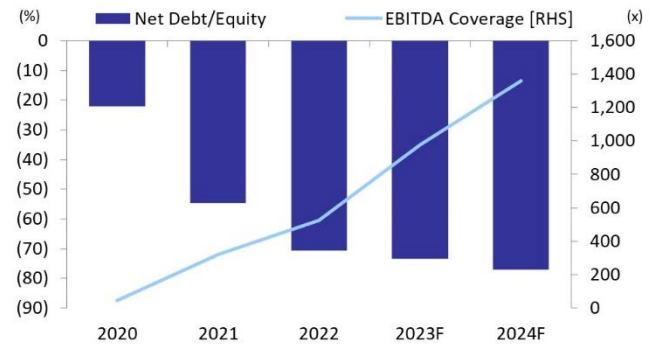
Source: Company, BRIDS Estimates

## Exhibit 3. Margins



Source: Company, BRIDS Estimates

## Exhibit 4. Gearing Level



Source: Company, BRIDS Estimates

**Exhibit 5. Income Statement**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
<b>Revenue</b>	<b>2,077</b>	<b>3,636</b>	<b>2,647</b>	<b>2,003</b>	<b>2,074</b>
COGS	(1,160)	(1,742)	(1,476)	(1,432)	(1,539)
<b>Gross profit</b>	<b>917</b>	<b>1,894</b>	<b>1,171</b>	<b>571</b>	<b>535</b>
<b>EBITDA</b>	<b>861</b>	<b>1,758</b>	<b>1,075</b>	<b>499</b>	<b>464</b>
<b>Oper. profit</b>	<b>791</b>	<b>1,683</b>	<b>1,010</b>	<b>433</b>	<b>397</b>
Interest income	3	9	13	10	9
Interest expense	(3)	(3)	(1)	0	0
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(170)	(143)	0	0	0
<b>Pre-tax profit</b>	<b>621</b>	<b>1,545</b>	<b>1,022</b>	<b>442</b>	<b>405</b>
Income tax	(146)	(345)	(306)	(133)	(122)
Minority interest	0	0	0	0	0
<b>Net profit</b>	<b>475</b>	<b>1,199</b>	<b>715</b>	<b>310</b>	<b>284</b>
<b>Core Net Profit</b>	<b>475</b>	<b>1,199</b>	<b>715</b>	<b>310</b>	<b>284</b>

**Exhibit 6. Balance Sheet**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
Cash & cash equivalent	691	1,430	1,098	983	1,076
Receivables	198	289	168	118	93
Inventory	62	96	81	71	63
Other Curr. Asset	37	94	94	94	94
Fixed assets - Net	166	151	158	136	112
Other non-curr.asset	512	580	574	560	546
<b>Total asset</b>	<b>1,666</b>	<b>2,640</b>	<b>2,173</b>	<b>1,961</b>	<b>1,984</b>
ST Debt	10	37	34	23	23
Payables	115	154	204	206	241
Other Curr. Liabilities	240	395	395	395	395
Long Term Debt	26	13	0	0	0
Other LT. Liabilities	74	91	91	91	91
<b>Total Liabilities</b>	<b>465</b>	<b>690</b>	<b>725</b>	<b>716</b>	<b>751</b>
Shareholder's Funds	1,209	1,955	1,453	1,250	1,237
Minority interests	(8)	(5)	(5)	(5)	(5)
<b>Total Equity &amp; Liabilities</b>	<b>1,666</b>	<b>2,640</b>	<b>2,173</b>	<b>1,961</b>	<b>1,984</b>

**Exhibit 7. Cash Flow**

Year to 31 Dec (US\$mn)	2021A	2022A	2023F	2024F	2025F
Net income	475	1,199	715	310	284
Depreciation and Amort.	76	64	65	66	0
Change in Working Capital	29	63	186	62	0
Other Oper. Cash Flow	0	(34)	(12)	(9)	(9)
<b>Operating Cash Flow</b>	<b>580</b>	<b>1,292</b>	<b>954</b>	<b>429</b>	<b>275</b>
Capex	226	(40)	(30)	(30)	0
Others Inv. Cash Flow	25	0	13	10	9
<b>Investing Cash Flow</b>	<b>251</b>	<b>(40)</b>	<b>(17)</b>	<b>(20)</b>	<b>9</b>
Net change in debt	(11)	(11)	(11)	(11)	0
New Capital	0	44	0	0	0
Dividend payment	(106)	(538)	(1,257)	(512)	0
Other Fin. Cash Flow	(3)	(3)	(1)	0	0
<b>Financing Cash Flow</b>	<b>(119)</b>	<b>(508)</b>	<b>(1,269)</b>	<b>(524)</b>	<b>0</b>
<b>Net Change in Cash</b>	<b>712</b>	<b>743</b>	<b>(332)</b>	<b>(115)</b>	<b>284</b>
Cash - begin of the year	231	691	1,430	1,098	983
Cash - end of the year	691	1,430	1,098	983	1,076

**Exhibit 8. Key Ratios**

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
<b>Growth (%)</b>					
Sales	75.2	75.1	(27.2)	(24.3)	3.5
EBITDA	429.7	104.2	(38.8)	(53.6)	(7.0)
Operating profit	661.4	112.7	(40.0)	(57.1)	(8.4)
Net profit	1,104.5	152.3	(40.4)	(56.7)	(8.4)
<b>Profitability (%)</b>					
Gross margin	44.1	52.1	44.2	28.5	25.8
EBITDA margin	41.4	48.3	40.6	24.9	22.4
Operating margin	38.1	46.3	38.2	21.6	19.1
Net margin	22.9	33.0	27.0	15.5	13.7
ROAA	33.7	55.7	29.7	15.0	14.4
ROAE	46.1	75.8	42.0	22.9	22.8
<b>Leverage</b>					
Net Gearing (x)	(0.5)	(0.7)	(0.7)	(0.8)	(0.9)
Interest Coverage (x)	294.2	501.7	918.3	1,180.6	0.0

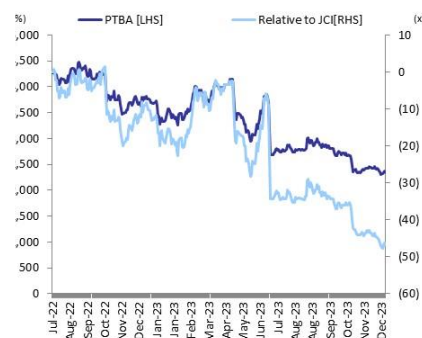
Source : ITMG, BRIDS Estimates

# Buy

(Maintained)

Last Price (Rp)	2,360
Target Price (Rp)	2,750
Previous Target Price (Rp)	4,600
Upside/Downside	+16.5%
No. of Shares (mn)	11,521
Mkt Cap (Rpbn/US\$mn)	27,187/1,753
Avg, Daily T/O (Rpbn/US\$mn)	60.8/3.9
Free Float (%)	33.8
Major Shareholder (%)	
MIND ID	65.9
Public	33.8
EPS Consensus (Rp)	
	2023F 2024F 2025F
BRIDS	448.3 376.5 272.7
Consensus	441.5 391.7 303.4
BRIDS/Cons (%)	1.5 (3.9) (10.1)

## PTBA relative to JCI Index



Source: Bloomberg

## BRI Danareksa Sekuritas Analysts

Erindra Krisnawan, CFA

(62-21) 5091 4100 ext. 3500

erindra.krisnawan@brids.co.id

# Bukit Asam (PTBA IJ)

## Monetizing its vast coal resources; reinstate coverage with a Buy rating

- On the back of the projected price moderation for Newcastle, ICI3 and ICI4 prices in FY24, we forecast PTBA's net profit to contract by 16%.
- Amid growing railway capacity, PTBA's organic production growth shall continue, but its downstream prospects still await a strategic partner.
- We reinstate coverage with a Buy rating and DCF-based TP of Rp2,750 (based on LT coal price of US\$90/t and WACC of 12.8%).

### Coal's organic growth to continue

We envisage PTBA's next phase of coal expansion to be supported by growing railway capacity to 52Mt by FY24 and to 72Mt by FY26. Amid the expanded railway capacity, we project a steady growth in PTBA's coal production in FY23-25F of 5% p.a. In addition to a power plant, the management indicated it continues to see investment into coal downstream products, though PTBA is still seeking a strategic partner for the coal gasification project.

### Coal price outlook: expect more normalization in FY24

We expect the stronger domestic production growth in key markets (India and China) to continue and thus expect the soft demand outlook to persist in FY24. On the supply front, we believe key growth drivers remains Australia amid available capacity (up to 210-220Mt) and normalizing weather conditions in Indonesia. In combination, we expect the market balance in FY24 to skew toward another surplus (~5-10Mt) and project the Newcastle coal price to average US\$120/t in FY24 (vs. US\$175/t in FY23) and ICI4/ ICI3 average prices of US\$72/ US\$55/t (vs. US\$84/ US\$63/t in FY23).

### FY24-25F earnings to contract further on lower ASP

On the back of the projected 31%/ 15%/ 15% price moderation for Newcastle, ICI3 and ICI4 prices in FY24, we forecast PTBA's net profit to contract by 16% in FY24. We only expect earnings to bottom out in FY25 (after another 26% projected drop from FY24), in-line with our view of further coal price normalization.

### Reinstate coverage with a Buy rating and DCF-based TP of Rp2,750

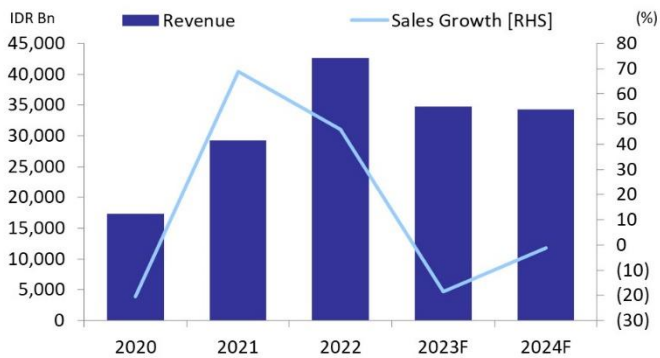
Our DCF-based TP of Rp2,750 is based on a LT coal price of US\$90/t and WACC of 12.8%. Key risks are weaker coal prices and a shortfall in production.

### Key Financials

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
Revenue (Rpbn)	29,261	42,649	34,722	34,330	34,200
EBITDA (Rpbn)	9,287	14,407	5,025	4,290	2,839
EBITDA Growth (%)	392.7	55.1	(65.1)	(14.6)	(33.8)
Net Profit (Rpbn)	7,910	12,568	5,165	4,337	3,142
EPS (Rp)	686.6	1,090.9	448.3	376.5	272.7
EPS Growth (%)	231.4	58.9	(58.9)	(16.0)	(27.6)
BVPS (Rp)	2,088.5	2,491.8	2,253.5	1,539.1	1,498.0
DPS (Rp)	73	687	1,091	314	264
PER (x)	3.4	2.2	5.3	6.3	8.7
PBV (x)	1.1	0.9	1.0	1.5	1.6
Dividend yield (%)	3.0	28.6	45.5	13.1	11.0
EV/EBITDA	1.6	0.9	5.1	6.7	10.0

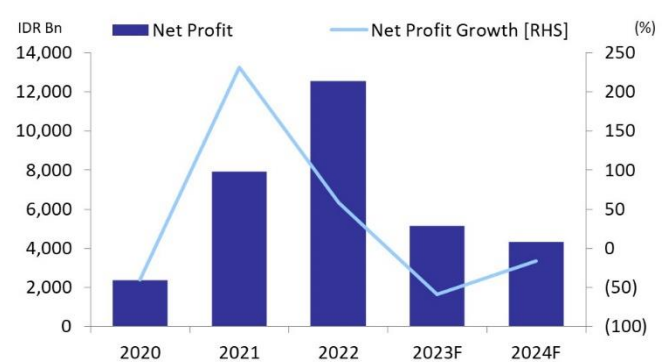
Source: PTBA, BRIDS Estimates

## Exhibit 1. Revenue and Growth



Source: Company, BRIDS Estimates

## Exhibit 2. Net Profit and Growth



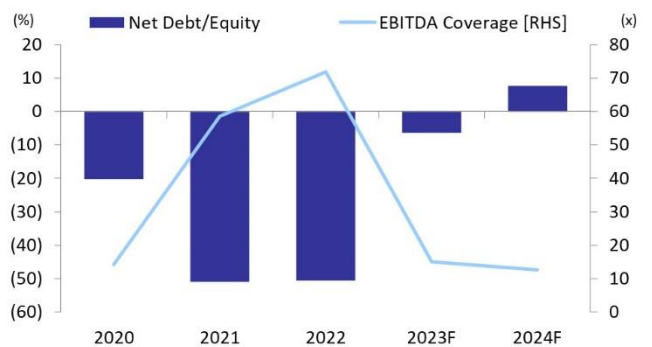
Source: Company, BRIDS Estimates

## Exhibit 3. Margins



Source: Company, BRIDS Estimates

## Exhibit 4. Gearing Level



Source: Company, BRIDS Estimates

**Exhibit 5. Income Statement**

Year to 31 Dec (Rpbn)	2021A	2022A	2023F	2024F	2025F
<b>Revenue</b>	<b>29,261</b>	<b>42,649</b>	<b>34,722</b>	<b>34,330</b>	<b>34,200</b>
COGS	(15,777)	(24,682)	(26,028)	(26,245)	(27,418)
<b>Gross profit</b>	<b>13,484</b>	<b>17,966</b>	<b>8,694</b>	<b>8,086</b>	<b>6,782</b>
<b>EBITDA</b>	<b>9,287</b>	<b>14,407</b>	<b>5,025</b>	<b>4,290</b>	<b>2,839</b>
<b>Oper. profit</b>	<b>9,959</b>	<b>15,145</b>	<b>5,787</b>	<b>5,076</b>	<b>3,648</b>
Interest income	257	428	510	150	51
Interest expense	(158)	(200)	(334)	(338)	(353)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	301	829	854	880	906
<b>Pre-tax profit</b>	<b>10,359</b>	<b>16,202</b>	<b>6,817</b>	<b>5,767</b>	<b>4,252</b>
Income tax	(2,322)	(3,423)	(1,440)	(1,218)	(898)
Minority interest	(127)	(212)	(212)	(212)	(212)
<b>Net profit</b>	<b>7,910</b>	<b>12,568</b>	<b>5,165</b>	<b>4,337</b>	<b>3,142</b>
<b>Core Net Profit</b>	<b>7,910</b>	<b>12,568</b>	<b>5,165</b>	<b>4,337</b>	<b>3,142</b>

**Exhibit 6. Balance Sheet**

Year to 31 Dec (Rpbn)	2021A	2022A	2023F	2024F	2025F
Cash & cash equivalent	13,405	15,960	4,706	1,603	1,926
Receivables	3,100	3,510	4,340	4,291	4,275
Inventory	1,208	3,837	2,740	2,763	2,886
Other Curr. Asset	499	1,126	2,783	2,715	2,662
Fixed assets - Net	8,321	8,410	13,405	8,584	8,284
Other non-curr.asset	9,591	12,517	12,601	12,687	12,777
<b>Total asset</b>	<b>36,124</b>	<b>45,359</b>	<b>40,576</b>	<b>32,643</b>	<b>32,810</b>
ST Debt	421	592	580	568	557
Payables	1,270	1,936	2,295	2,314	2,417
Other Curr. Liabilities	5,810	8,174	5,075	5,121	5,327
Long Term Debt	626	771	2,431	2,457	2,566
Other LT. Liabilities	3,743	4,971	3,812	3,817	3,839
<b>Total Liabilities</b>	<b>11,870</b>	<b>16,443</b>	<b>14,192</b>	<b>14,278</b>	<b>14,706</b>
Shareholder's Funds	24,059	28,705	25,961	17,730	17,257
Minority interests	194	211	423	635	847
<b>Total Equity &amp; Liabilities</b>	<b>36,123</b>	<b>45,359</b>	<b>40,576</b>	<b>32,643</b>	<b>32,810</b>

**Exhibit 7. Cash Flow**

Year to 31 Dec (Rpbn)	2021A	2022A	2023F	2024F	2025F
Net income	7,910	12,568	5,165	4,337	3,142
Depreciation and Amort.	0	0	0	0	0
Change in Working Capital	0	0	0	0	0
Other Oper. Cash Flow	(98)	(228)	(175)	188	302
<b>Operating Cash Flow</b>	<b>7,811</b>	<b>12,340</b>	<b>4,989</b>	<b>4,525</b>	<b>3,444</b>
Capex	0	0	0	0	0
Others Inv. Cash Flow	257	428	510	150	51
<b>Investing Cash Flow</b>	<b>257</b>	<b>428</b>	<b>510</b>	<b>150</b>	<b>51</b>
Net change in debt	0	0	0	0	0
New Capital	0	0	0	0	0
Dividend payment	835	7,909	12,568	3,615	3,036
Other Fin. Cash Flow	(158)	(200)	(334)	(338)	(353)
<b>Financing Cash Flow</b>	<b>677</b>	<b>7,709</b>	<b>12,233</b>	<b>3,277</b>	<b>2,683</b>
<b>Net Change in Cash</b>	<b>8,745</b>	<b>20,477</b>	<b>17,732</b>	<b>7,952</b>	<b>6,178</b>
Cash - begin of the year	4,341	13,405	15,960	4,706	1,603
Cash - end of the year	13,405	15,960	4,706	1,603	1,926

**Exhibit 8. Key Ratios**

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
<b>Growth (%)</b>					
Sales	68.9	45.8	(18.6)	(1.1)	(0.4)
EBITDA	392.7	55.1	(65.1)	(14.6)	(33.8)
Operating profit	295.1	52.1	(61.8)	(12.3)	(28.1)
Net profit	231.4	58.9	(58.9)	(16.0)	(27.6)
<b>Profitability (%)</b>					
Gross margin	46.1	42.1	25.0	23.6	19.8
EBITDA margin	31.7	33.8	14.5	12.5	8.3
Operating margin	34.0	35.5	16.7	14.8	10.7
Net margin	27.0	29.5	14.9	12.6	9.2
ROAA	26.3	30.8	12.0	11.8	9.6
ROAE	38.8	47.6	18.9	19.9	18.0
<b>Leverage</b>					
Net Gearing (x)	(0.5)	(0.5)	(0.1)	0.1	0.1
Interest Coverage (x)	62.9	75.7	17.3	15.0	10.3

Source : PTBA, BRIDS Estimates



**BRI Danareksa Equity Research Team**

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	<a href="mailto:erindra.krisnawan@brids.co.id">erindra.krisnawan@brids.co.id</a>
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	<a href="mailto:natalia.sutanto@brids.co.id">natalia.sutanto@brids.co.id</a>
Niko Margaronis	Telco, Tower, Technology, Media	<a href="mailto:niko.margaronis@brids.co.id">niko.margaronis@brids.co.id</a>
Hasan Barakwan	Metal, Oil and Gas	<a href="mailto:hasan.barakwan@brids.co.id">hasan.barakwan@brids.co.id</a>
Victor Stefano	Banks, Poultry, Property, Industrial Estate	<a href="mailto:victor.stefano@brids.co.id">victor.stefano@brids.co.id</a>
Ismail Fakhri Suweleh	Healthcare	<a href="mailto:ismail.suweleh@brids.co.id">ismail.suweleh@brids.co.id</a>
Ni Putu Wilastita Muthia Sofi	Research Associate	<a href="mailto:wilastita.sofi@brids.co.id">wilastita.sofi@brids.co.id</a>
Naura Reyhan Muchlis	Research Associate	<a href="mailto:naura.muchlis@brids.co.id">naura.muchlis@brids.co.id</a>
Sabela Nur Amalina	Research Associate	<a href="mailto:sabela.amalina@brids.co.id">sabela.amalina@brids.co.id</a>
Christian Immanuel Sitorus	Research Associate	<a href="mailto:christian.sitorus@brids.co.id">christian.sitorus@brids.co.id</a>

**BRI Danareksa Economic Research Team**

Helmy Kristanto	Chief Economist, Macro Strategy	<a href="mailto:helmy.kristanto@brids.co.id">helmy.kristanto@brids.co.id</a>
Dr. Telisa Aulia Falianty	Senior Advisor	<a href="mailto:telisa.falianty@brids.co.id">telisa.falianty@brids.co.id</a>
Kefas Sidauruk	Economist	<a href="mailto:kefas.sidauruk@brids.co.id">kefas.sidauruk@brids.co.id</a>

**BRI Danareksa Institutional Equity Sales Team**

Yofi Lasini	Head of Institutional Sales and Dealing	<a href="mailto:yofi.lasini@brids.co.id">yofi.lasini@brids.co.id</a>
Novrita Endah Putrianti	Institutional Sales Unit Head	<a href="mailto:novrita.putrianti@brids.co.id">novrita.putrianti@brids.co.id</a>
Ehrlich Suhartono	Institutional Sales Associate	<a href="mailto:ehrliech@brids.co.id">ehrliech@brids.co.id</a>
Yunita Nababan	Institutional Sales Associate	<a href="mailto:yunita@brids.co.id">yunita@brids.co.id</a>
Adeline Solaiman	Institutional Sales Associate	<a href="mailto:adeline.solaiman@brids.co.id">adeline.solaiman@brids.co.id</a>
Andreas Kenny	Institutional Sales Associate	<a href="mailto:andreas.kenny@brids.co.id">andreas.kenny@brids.co.id</a>
Christy Halim	Institutional Sales Associate	<a href="mailto:christy.halim@brids.co.id">christy.halim@brids.co.id</a>
Jason Joseph	Institutional Sales Associate	<a href="mailto:jason.joseph@brids.co.id">jason.joseph@brids.co.id</a>

**BRI Danareksa Sales Traders**

Mitcha Sondakh	Head of Sales Trader	<a href="mailto:mitcha.sondakh@brids.co.id">mitcha.sondakh@brids.co.id</a>
Suryanti Salim	Sales Trader	<a href="mailto:suryanti.salim@brids.co.id">suryanti.salim@brids.co.id</a>

**INVESTMENT RATING**

<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

**Disclaimer**

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.