

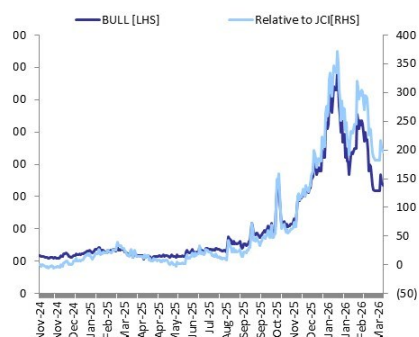
# Buy

(Initiated)

Tactical (3M): **OW**

Last Price (Rp)	700		
Target Price (Rp)	1,110		
Previous TP (Rp)	n/a		
Upside/Downside	+58.6%		
No. of Shares (mn)	7,299		
Mkt Cap (Rpbn/US\$m)	5,218/298		
Avg, Daily T/O (Rpbn/US\$m)	62.7/3.6		
Free Float (%)	42.7		
Major Shareholder (%)			
Pertamina Persero	51.1		
Haiyanto	6.2		
EPS Consensus (Rp)			
	2025F	2026F	2027F
BRIDS	0.1	0.6	0.8
Consensus	0.1	0.3	0.5
BRIDS/Cons (%)	12.5	115.0	54.1

## ELSA relative to JCI Index



Source: Bloomberg

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## Elnusa (ELSA IJ)

### Monetizing Indonesia's Upstream Revival, Unlocking Integrated Services Optionality

- ELSA is positioned to capture Indonesia's upstream activity cycle, supported by Rp12tr orderbook and high asset utilization.
- We forecast FY26F net profit to rise 32% y-y, driven by upstream segment recovery (+11% y-y revenue growth).
- We initiate with Buy rating and TP of Rp1,110 amid attractive growth with KSO/ LCO and PDSI acquisition as upside optionality.

#### Govt. Lifting Target Ambition Underpins Stronger Growth Visibility

The government's ambition to raise oil lifting to 900k–1.0mn BOPD by FY28F–29F provides a strong structural growth backdrop, as this target will require sustained workover, well intervention, drilling support, seismic, EOR/IOR, and fracturing activity. Early momentum is already visible in national development drilling, which rose 9.1% y-y to 980 wells in 2025. For ELSA, this is reflected in an orderbook of Rp4.1tr as of 1Q26, while upstream utilization remains robust, with 13 workover/HWU units fully contracted, five cementing units deployed, and seismic visibility supported by Tedong and a potential 4–6 surveys in FY26F.

#### Pertamina Ecosystem Anchor with KSO/LCO as Growth Optionality

As a 51.1%-owned subsidiary of PHE, ELSA benefits from recurring Pertamina upstream and downstream workstreams, supporting revenue visibility. On the other hand, revenue diversification is gradually improving, with third-party contribution rising to 23% in 1Q26 (vs FY25: 21.6%). We believe a key non-priced catalyst is ELSA's potential KSO/LCO field-management entry, initially targeting 3–4 of around 41 undeveloped PHE concessions, mainly in East Java. We believe KSO/ LCO could shift ELSA from a pure services contractor into a higher-margin integrated services/operator model, as 60–70% of work scope could be recycled into ELSA's own services ecosystem. Another growth optionality is from the potential acquisition of PDSI, which we expect to be potentially accretive as PDSI's captive drilling/workover rigs would complement ELSA's existing upstream capability.

#### Initiate with Buy Rating and DCF-based TP of Rp1,110

We forecast FY26–28 net profit growth of 7.0% CAGR driven by upstream segment, with upside from potential KSO/ LCO entry and PDSI acquisition. We initiate coverage with a **Buy** rating on the attractive growth outlook with DCF-based target price of **Rp1,110**, (**11.4% WACC** and **2% LT growth**), implying **8.8x FY26F P/E**. Key risks include slower upstream activity/backlog conversion, tender-driven margin pressure, and project execution delays.

#### Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	13,393	14,498	16,127	17,159	18,549
EBITDA (Rpbn)	1,181	1,228	1,528	1,671	1,709
EBITDA Growth (%)	15.4	4.0	24.5	9.3	2.3
Net Profit (Rpbn)	714	718	949	1,064	1,086
EPS (Rp)	97.8	98.4	130.0	145.8	148.8
EPS Growth (%)	41.8	0.7	32.1	12.2	2.1
BVPS (Rp)	671.6	727.9	808.5	889.2	965.0
PER (x)	7.0	6.9	5.2	4.7	4.6
PBV (x)	1.0	0.9	0.8	0.8	0.7
EV/EBITDA	2.1	2.4	1.7	1.5	1.4

Source: ELSA, BRIDS Estimates

See important disclosure at the back of this report

1

## Investment Thesis

### Backlog visibility anchors high-quality trajectory into FY26F

ELSA entered FY26F with stronger earnings visibility, supported by record consolidated orderbook/contract absorption of **Rp12.9tr (+13% y-y)**, led by Integrated Upstream at Rp4.1tr (+21% y-y), Energy Distribution & Logistics at Rp7.4tr (+12% y-y), and Oil & Gas Support at Rp1.4tr. Despite softer 1Q26 revenue, activity remained solid, with Rp8.9tr upstream carry-forward after 1Q26 absorption, equal to ~2.1 years of revenue coverage. The lower revenue-to-absorbed ratio of 28% (vs 1Q25: 32.7%) reflects PHE billing/reconciliation lag, not demand weakness. We expect deferred billing to support 2Q26F revenue and **FY26F net profit of Rp948bn (+32% y-y)**.

### Supportive industry backdrop, driven by Indonesia's upstream production agenda.

Unlike E&P peers, ELSA monetizes Indonesia's production decline rather than direct oil price beta. **While mature fields are declining 15–20% p.a. over the past ~20 years**, the government's aggressive **900k–1.0mn BOPD oil lifting target by FY28F–29F** requires sustained workover, **well intervention, EOR/IOR, drilling, and seismic activity**. This is already reflected in national development drilling, which rose to **980 wells in 2025 from 899 in 2024**. ELSA's upstream utilization remains high, with all 13 workover/HWU units fully contracted, five cementing units deployed, and stronger seismic visibility from the **Tedong project plus 4–6 potential FY26F surveys worth ~Rp600bn each**, supporting defensive activity-led earnings.

### Pertamina ecosystem anchor, with KSO/ LCO as a non-priced re-rating catalyst

As a 51.1% owned PHE subsidiary, ELSA benefits from captive Pertamina upstream and downstream workstreams, supporting revenue visibility despite concentration risk. Diversification is improving, with third-party revenue rising to 23% in 1Q26 vs 21.6% in FY25. The key non-priced catalyst is its planned KSO field-management entry, initially targeting **3–4 of ~41 undeveloped PHE concessions**, mainly in East Java. KSO economics are attractive, **as 60–70% of work scope could be recycled into ELSA's own services** workover, cementing, chemicals, and field operations potentially shifting ELSA into a higher-margin integrated services/operator model from FY27F.

### Initiate with Buy rating with DCF-based TP of Rp1,110

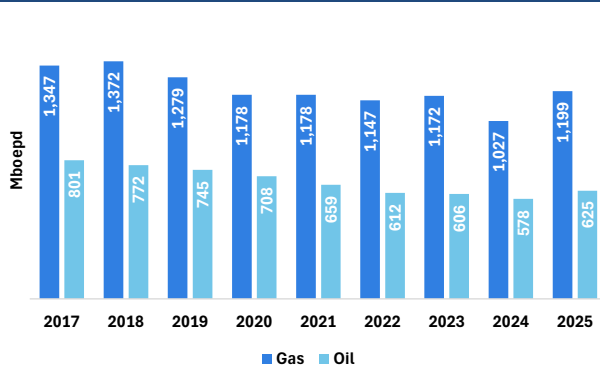
We initiate coverage with a Buy rating and DCF-based target price of Rp1,110/share, implying 8.8x FY26F P/E. Our valuation is anchored on a 2026–30F DCF using a **WACC of 11.4%** (risk free rate: 6.9%, equity risk premium: 5.4%, beta: 0.81x) and **2.0% terminal growth**, reflecting our conservative stance on long-term oilfield service cycle normalization and execution risks from new growth initiatives. We derive an NPV forecast of **Rp5.83tr**. Key risks include: 1) slower-than-expected upstream activity and backlog conversion, 2) margin pressure from competitive tenders and higher operating costs, and 3) execution risk from KSO/LCO, EOR, fracturing, or other new growth initiatives.

### Industry overview

#### Indonesia's upstream oil and gas sector remains challenged

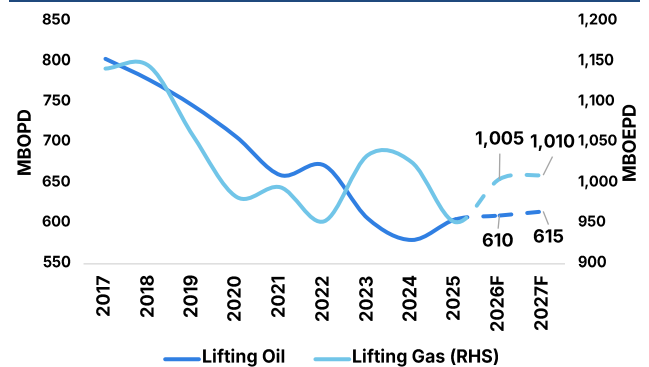
Over the past three decades, Indonesia's oil production has been on a structural downtrend, mainly driven by natural decline from mature brownfield assets and limited new reserve discoveries. As shown in Exh. 1, oil production declined from ~801 MBOEPD in 2017 to 578 MBOEPD in 2024, before recovering to 625 MBOEPD in 2025. Gas production followed a similar weakening trend in previous years, but rebounded to ~1,196 MBOEPD in 2025, highlighting gas' increasingly strategic role as a key pillar of Indonesia's energy security agenda.

Exhibit 1. Indonesia O&G Production Trend



Source: SKK Migas, BRIDS

Exhibit 2. Indonesia O&G Lifting Trend and Outlook

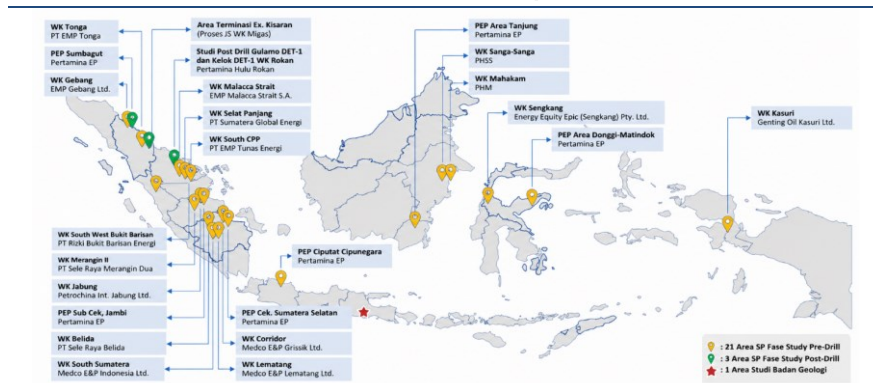


Source: SKK Migas, BRIDS

#### Chasing the 1mn BOPD Upstream Ambition

The government is targeting a step-up in oil lifting toward **900k–1.0mn bpd by 2028F–29F**, from **605.3k bpd in 2025** and **610k BOPD target in 2026**, implying the need to unlock an additional **~290k–390k BOPD over the next 3–4 years** despite mature-field decline, operational risks in key assets such as Rokan, and limited large-scale greenfield additions. The execution roadmap centers on idle/community well reactivation, **POD acceleration, EOR/IOR, horizontal drilling**, fracking, regulatory simplification, and **new WK O&G offerings to rebuild reserve replacement and exploration momentum**. In parallel, import substitution is being pursued through B40/B50 and refinery expansion, with B40 reducing diesel imports from ~8.3mn tons in 2024 to c.5.0mn tons in 2025, while B50 trials are targeted for completion in 1H26F. We believe this creates a multi-year structural demand cycle for integrated oil & gas service providers, particularly across **seismic, drilling, workover, well intervention, EPC/O&M, EOR/IOR, and energy distribution logistics**.

Exhibit 3. Indonesia Unconventional O&G Map



Source: ESDM

Near-term onstream pipeline should translate Indonesia's upstream ambition into tangible service demand. **SKK Migas targets 8 upstream projects to come onstream in 2026**, with total capex of US\$478mn, design capacity of 8.5k BOPD oil and 389 MMSCFD gas and expected 2026F incremental production of 8.2k BOPD oil and 214 MMSCFD gas. These projects are concentrated across key producing basins including Rokan, ONWJ, Senoro gas-condensate, South Sumatra gas facilities and compression projects.

**Exhibit 4. Onstream Upstream O&G Targets for 2026F-27F (Selected Projects)**

Year	Project Name	Operator	Capacity (bopd/gas)	Onstream
2026F	Sisi Nubi AOI 1, 3, 5 Phase II	Pertamina Hulu Mahakam (PHM)	180 MMscfd gas	1Q26
2026F	South Senoro Phase II	JOB Pertamina–Medco E&P Tomori	2,800 bcpd; 110 MMscfd gas	1Q26
2026F	OO–OX	PHE ONWJ	2,996 bcpd; 21.3 MMscfd gas	1Q26
2026F	Polymer Minas Area D	Pertamina Hulu Rokan (PHR)	1,212 bopd	2Q26
2026F	NSD Plant	EMP Bentu	90 bopd; 20 MMscfd gas	2Q26
2026F	Suban Compressor	Medco E&P Grissik Ltd	118 MMscfd gas	2Q26
2026F	Sedingin North-1	Pertamina Hulu Rokan (PHR)	325 bopd	4Q26
2026F	Puspa Asri	Pertamina EP	1,034 bopd	4Q26
2027F	Hidayah	PC North Madura II Ltd (Petronas)	8,973 bopd*	1Q27*
2027F	Mako	West Natuna Exploration Ltd (WNEL)	111 MMscfd gas	4Q27
2027F	Anambas	KUFPEC Indonesia (Anambas) B.V.	55 MMscfd gas	4Q27
2027F	Asap Kido Merah	Genting Oil Kasuri	1,200 bcpd; 330 MMscfd gas	2027F

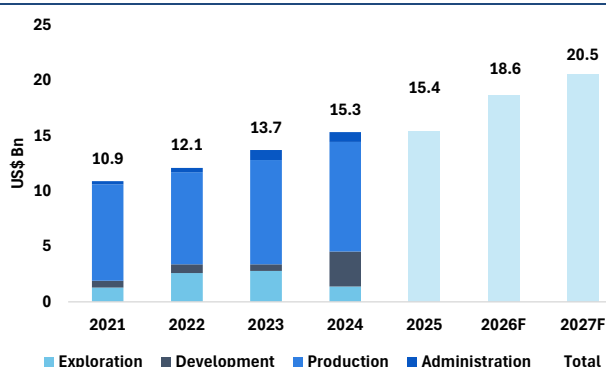
*\*Hidayah's public timeline has varied across disclosures; POD-based onstream target was initially 1Q27, while SKK Migas also indicated efforts to accelerate to end-2026. Initial production guidance is around 8,973 bopd, with peak production reaching 25,276 bopd in later years*

Source: SKK Migas, ESDM, BRIDS

### Upstream investment continues to recover, while revenue distribution normalized in 2025F.

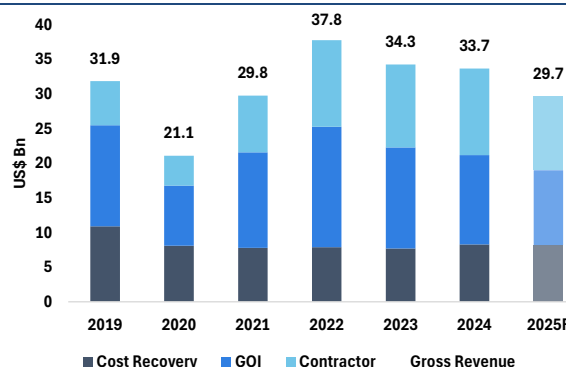
Indonesia's upstream capex rose from US\$10.9bn in 2021 to US\$15.4bn in 2024 and is projected to reach US\$18-20.5bn in 2026F-27F, driven by development and production activities. Meanwhile, 2025F upstream gross revenue normalized to US\$29.7bn, based on SKK Migas cost recovery outlook US\$8.2bn (below the US\$8.5bn ceiling), GOI/state revenue outlook of US\$10.8bn, and contractor take as residual. The normalization was mainly driven by lower ICP, which fell from US\$76.8/bbl in Jan-25 to US\$61.1/bbl (-20.8% y-y), below the APBN assumption of US\$82/bbl.

**Exhibit 5. Indonesia Upstream Investment Outlook**



Source: SKK Migas, BRIDS

**Exhibit 6. Indonesia Upstream Revenue Distribution**



Source: SKK Migas, MoEMR, BRIDS

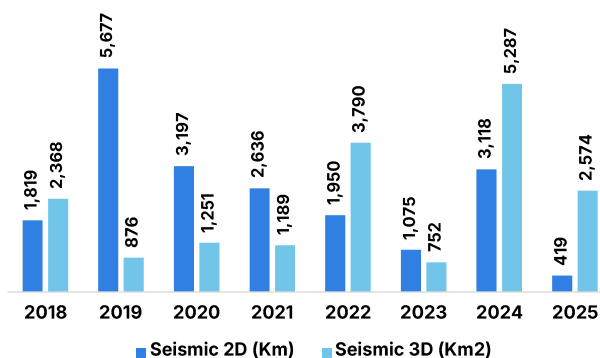
## Business Outlook

### Upstream integrated oil & gas services

The upstream segment accounted for 29% of ELSA's revenue in FY25. While the segment reported softer numbers in 1Q26 (-22.1% y-y/ +7.6% q-q), mgmt. maintains a more constructive FY26F outlook on upstream activity, underpinned by the national agenda to lift O&G production spanning exploration, well reactivation, workover, well services, and EOR. ELSA also indicated that nearly all upstream-related activities are running at solid asset utilization levels, with all 13 workover/HWU units fully contracted and 5 cementing units in operation, with potential addition of a 6<sup>th</sup> unit.

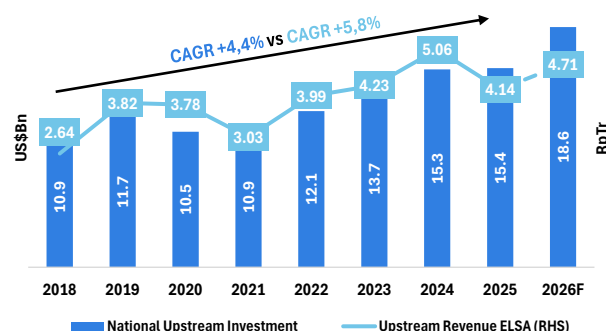
**On the seismic sub-segment (29% of FY25 revenue) specifically**, we see potential for an activity recovery this year. Based on mgmt. discussion, **ELSA could participate in approximately 4-6 seismic projects in 2026F (each valued at ~Rp600bn)**, including opportunities in marine seismic/Tarakan. Looking ahead, further upstream growth avenues include chemical EOR, unconventional/MNK oil and gas, as well as potential field management under KSO/LCO arrangements with PHE. **Mgmt. noted that primary recovery typically stands at only ~20%, while EOR can contribute an incremental ~20% in additional recovery**, with ELSA having already secured contract in the Rokan block for polymer and chemical/surfactant-related services.

Exhibit 7. Indonesia Seismic Survey Realization



Source: BPH Migas, BRIDS

Exhibit 8. Upstream Investment vs ELSA Upstream Revenue



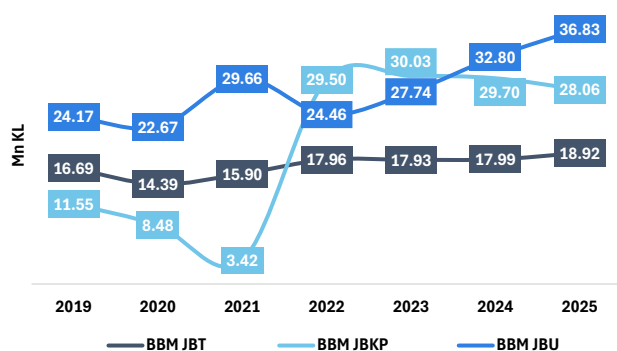
Source: SKK Migas, ELSA, BRIDS

A key highlights this time is **ELSA's plan to enter the Kerja Sama Operasi (KSO) business for the first time this year**, a move that offers significantly longer contract duration compared to conventional upstream services. **The initial target covers 3-4 concessions (>20 wells per concession) out of approximately 41 undeveloped PHE concessions**, with primary focus on East Java. We also highlight the captive demand creation angle for ELSA's service arm in field management operations, **roughly 60–70% of total work requirements consist of services**. Given that ELSA already possesses the relevant assets and capabilities spanning workover, well services, cementing, chemicals, and **field operations KSO capex (Rp1.8-2tr/year) spending can effectively recycle back as revenue into ELSA's services segment**. This is analogous to an **integrated oilfield services/operator model**, where the operator leverages its internal services ecosystem to compress costs and improve field economics.

### Energy Distribution and Logistics Services

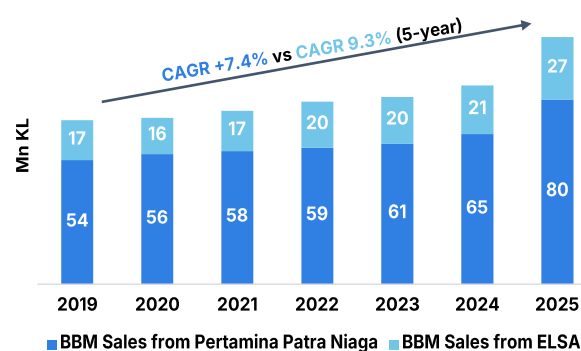
The segment accounted for **60% and 64% of total revenue in FY25 and 1Q26** and is conventionally characterized as high-volume, thin margin in nature. Notably, however, the segment delivered a net profit margin of **5.4% in 1Q26**, outpacing the upstream segment's 4.0%. The segment is operated entirely by **PT Elnusa Petrofin (EPN)**, with fuel throughput volume reaching **7mn KL** in 1Q26 (FY25: 27.1 million KL), driven by the addition of 42 new projects and fleet expansion to approximately **1,821 units**. Geographically, EPN dominates fuel distribution across **Indonesia ex-Java**, holding a market share of approximately **25–26% of Pertamina Patra Niaga's total distribution throughput** (~107 million KL in FY25). Mgmt. openly acknowledged that EPN's distribution volume has no addressable market outside of Pertamina effectively positioning the segment as a **captive revenue generator** with high earnings visibility, albeit with limited pricing leverage.

**Exhibit 9. Indonesia Fuel Consumption Trend by Segment**



Source: Pertamina Persero, BRIDS

**Exhibit 10. Pertamina Patra Niaga vs ELSA Fuel Sales Growth**



Source: BPS, BRIDS

We view the distribution & logistics segment as structurally **low-margin**, with GPM likely capped at **single-digit levels** (FY25: ~7.7%). Meaningful margin upside would mainly come from a richer mix of depot management (**>10% margins**) and higher contribution from specialty chemical/EOR services, which offer better pricing power versus Pertamina-regulated fuel transport tariffs. Looking ahead, EPN's growth should be supported by two terminal infrastructure projects TBBM Palaran and TLPK Kolaka while mgmt. targets ~10% throughput growth in FY26F to ~29.8mn KL (vs FY25: 27.1mn KL), driven by new projects and continued fleet expansion.

### Oil and gas support services

The segment is operated through EFK (OCTG & fabrication), ETSA (marine support), SCU (data management & ICT), and PND (data storage) contributed ~**8% of consolidated revenue in 1Q26**, with a net profit margin of **6.2%**. Looking ahead, the acceleration of Pertamina Group's drilling and workover program serves as a **direct tailwind** for both EFK (OCTG demand) and ETSA (seismic support vessels). On the international front, EFK's expansion into **Algeria** (OCTG delivery) and ETSA's successful completion of **3D seismic survey support in the Songkhla waters, Thailand** the latter marking ETSA's first engagement with an international client.

## Exhibit 11. ELSA's Asset Utilization

Assets Utilization Rate	3M24	6M24	9M24	FY24	3M25	6M25	9M25	FY25	3M26
<b>Geoscience &amp; Reservoir Services</b>									
Link Cable	33%	28%	33%	36%	70%	36%	24%	19%	20%
Smart Solo	100%	67%	50%	50%	100%	50%	33%	25%	25%
Nodal	0%	0%	0%	0%	0%	0%	0%	0%	0%
Seismic Processing	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Drilling &amp; Workover Services</b>									
Hydraulic Workover Unit	92%	89%	96%	97%	90%	91%	91%	92%	92%
Mudlogging	100%	100%	100%	100%	100%	100%	100%	100%	100%
Modular Rig	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Well Intervention Services</b>									
Coiled Tubing	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cementing	84%	93%	95%	96%	100%	100%	100%	100%	100%
Slickline	75%	78%	84%	85%	85%	89%	89%	86%	86%
Well Testing	100%	100%	100%	100%	100%	100%	100%	100%	100%
Wireline Logging	95%	96%	97%	100%	80%	86%	85%	84%	84%
Wireline Combo	76%	88%	92%	92%	86%	85%	83%	73%	73%

Source: ELSA, BRIDS

## Exhibit 12. Distribution & Logistics Segments Performance

Distribution & Logistics Services	1Q25	4Q25	1Q26	q-q (%)	y-y (%)	3M26	3M25	y-y (%)
Transportation (Mn KL)	5.8	7.2	7.0	-2.8	20.7	7.0	5.8	20.7
Depo, BBM, RBB (Mn KL)	0.4	1.0	1.0	-3.5	127.6	1.0	0.4	127.6
Depo, LPG, SPBE (K Ton)	30.4	33.3	31.0	-6.9	2.0	31.0	30.4	2.0
BBMI, Lubs ('000 KL)	50.0	53.5	52.1	-2.6	4.2	52.1	50.0	4.2
Chemical ('000 Drum)	78.9	44.5	31.6	-29.1	-60.0	31.6	78.9	-60.0

Source: ELSA, BRIDS

## Exhibit 13. ELSA's Performance per Segment

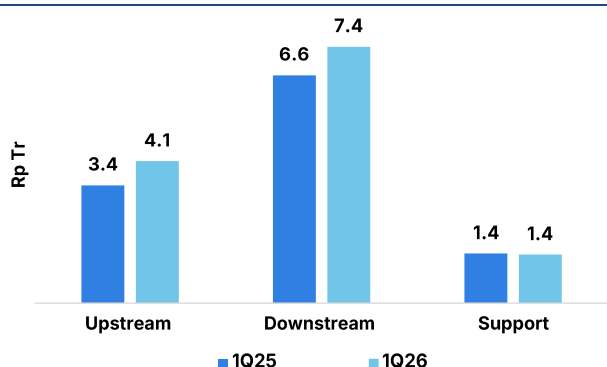
Result per Segments (RpBn)	1Q25	4Q25	1Q26	q-q (%)	y-y (%)	3M26	3M25	y-y (%)
<b>Upstream</b>								
Revenue	1,291	934	1,005	7.64	-22.14	1,005	1,291	-22.14
Gross Profit	170	60	111	84.50	-34.78	111.006	170.207	-34.78
Net Income	73	-5	40	N/A	-44.59	40.404	72.915	-44.59
<i>GPM</i>	13.2%	6.4%	11.0%	460 bps	-214 bps	11.0%	13.2%	-214 bps
<i>NPM</i>	5.6%	-0.6%	4.0%	460 bps	-163 bps	4.0%	5.6%	-163 bps
<b>Distribution</b>								
Revenue	1,980	2,541	2,316	-8.83	16.98	2,316	1,980	16.98
Gross Profit	142	223	197	-11.67	38.73	197	142	38.73
Net Income	94	139	128	-8.14	35.77	128	94	35.77
<i>GPM</i>	7.2%	8.8%	8.5%	-27 bps	133 bps	8.5%	7.2%	133 bps
<i>NPM</i>	4.8%	5.5%	5.5%	4 bps	76 bps	5.5%	4.8%	76 bps
<b>Support</b>								
Revenue	457	546	295	-45.95	-35.36	295	457	-35.36
Gross Profit	71	92	48	-48.02	-33.08	47.836	71.486	-33.08
Net Income	20	55	21	-61.62	8.74	21.224	19.518	8.74
<i>GPM</i>	15.7%	16.8%	16.2%	-65 bps	55 bps	16.2%	15.7%	55 bps
<i>NPM</i>	4.3%	10.1%	7.2%	-294 bps	292 bps	7.2%	4.3%	292 bps

Source: ELSA, BRIDS

**Solid Order Book with Built-In 2Q26F Revenue Tailwind**

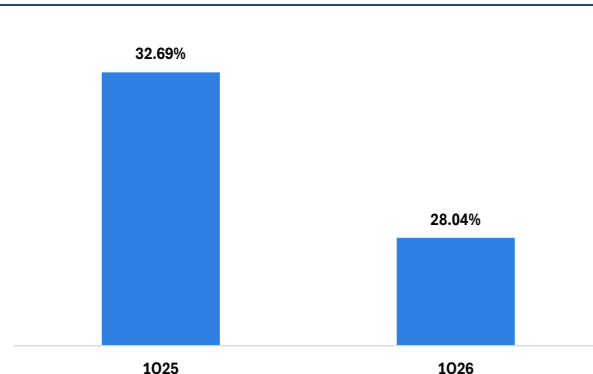
ELSA entered 2026 with a solid order book of **Rp12.9tr (+13% y-y)**, led by upstream at **Rp4.1tr (+21% y-y)** the first meaningful y-y acceleration despite weak 1Q26 upstream revenue (-22% y-y). Downstream distribution absorbed **Rp7.4tr (+12% y-y)** on sustained fuel transportation volume, while O&G support held flat at **Rp1.4tr**. Notably, the *revenue-to-absorbed* ratio declined to **28%** (1Q25: 32.7%), as absorption outpaced billing a working capital timing effect inherent to *call-out* contracts where PHE reconciliation typically lags physical completion by one to two billing cycles.

**Exhibit 14. Contract Absorbed 1Q25 vs 1Q26**



Source: ELSA, BRIDS

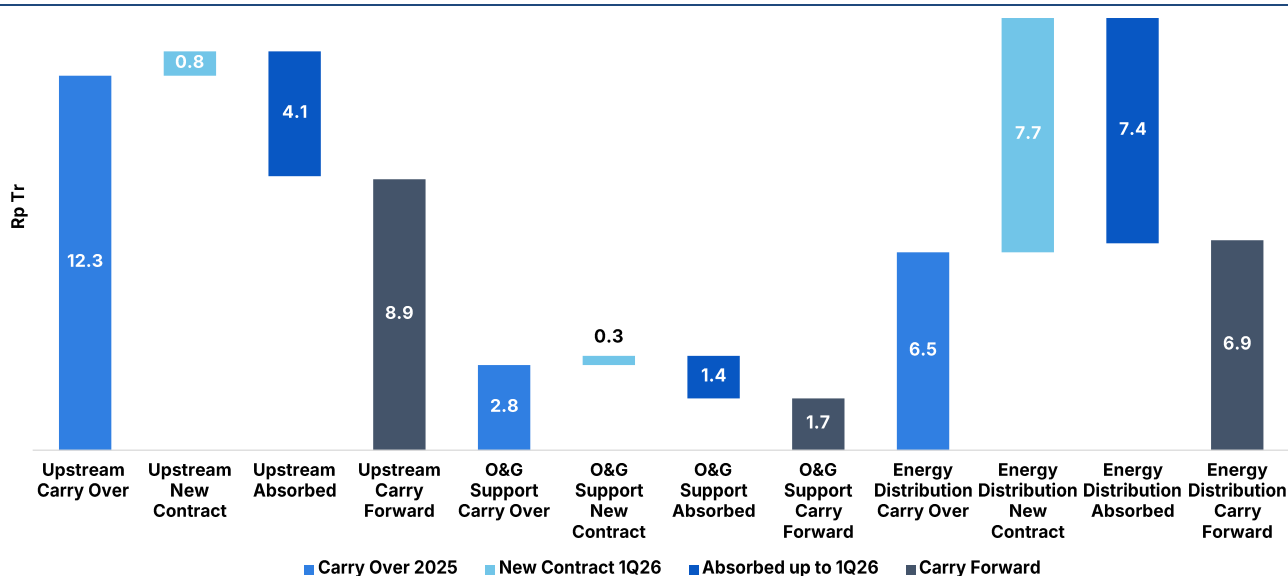
**Exhibit 15. Ratio revenue to contract absorbed**



Source: ELSA, BRIDS

Deferred billing from 1Q26 absorbed work converts into **2Q26F revenue**, creating a built-in tailwind entering the seasonally strongest absorption window. With **Rp8.9tr in upstream carry-forward**, ELSA holds approximately **2.1 years of coverage** at current run-rates without requiring a single new contract win to sustain growth. Indonesia's producing fields are declining at **15–20% annually**, and the **1mn bpd national mandate** demands sustained well-intervention intensity making PHE's activity calendar the only meaningful variable. New capabilities in **fracturing and vibroseis EOR**, alongside a gradual expansion of third-party revenue to **22% of consolidated sales**, add medium-term margin optionality.

**Exhibit 16. ELSA's Contract Performance 1Q26**

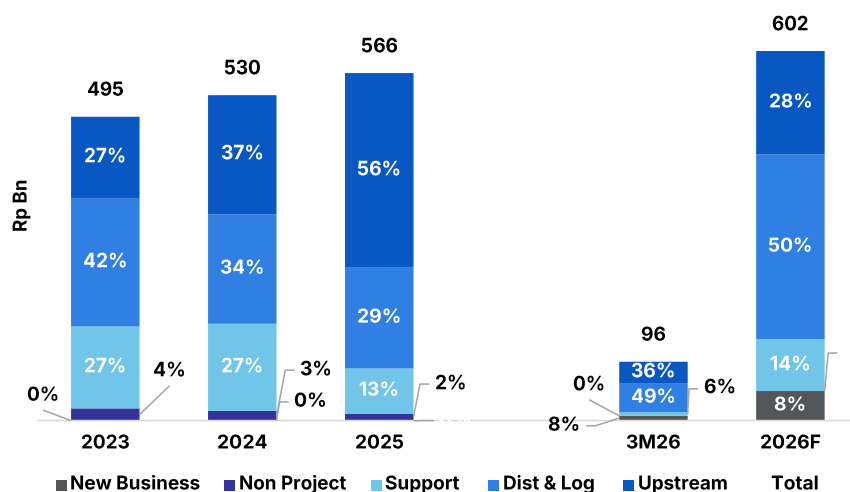


Source: ELSA, BRIDS

**Capex Rotation in FY26F**

ELSA's FY26F capex plan of Rp602bn (+6% y-y) tells a more nuanced story than the headline suggests. After two consecutive years of upstream-heavy investment (FY24: 37% and FY25: 56%), funding 2 Coiled Tubing Units, 2 Cementing Units and 25,000 Stryde seismic nodes, the FY26F mix rotates sharply toward Energy Distribution & Logistics (~50% of total capex FY26F). We see this as not a pullback from upstream, but more of a deliberate harvest cycle. The upstream asset base is now deployed against a Rp11.9tn carry-forward backlog.

**Exhibit 17. Trend Capex**



Source: ELSA, BRIDS

**The Dist & Log Capex is Productive, Not Just Maintenance**

Furthermore, we see the Dist & Logs capex spike is not simply fleet replacement, though the mandatory 10-year renewal cycle for ELSA's ~2,400-unit tanker fleet alone requires ~240 replacements annually at Rp1.0-1.5bn/unit. This is layered on top are multi-year infrastructure projects: TLPG Kolaka (BOT structure, ~Rp120bn drawn in FY26F) and TBBM Palaran (total Rp300bn, multi-year through FY27F), both of which generate contracted long-term revenue streams.

**A key wildcard in ELSA's capex story is the potential KSO option.**

Based on our discussion with mgmt. ELSA indicated that capex requirements could reach approximately **Rp1.8-2.0tr/year** if the LCO scenario materializes. The model offers a structurally higher upstream margin profile but demands substantially larger capital commitment and carries significant decision timeline uncertainty: the proposal remains in-progress, with exploration targeted to commence in **2026 in East Java** and production uplift likely only fell from **2027F onwards**.

## Earnings Outlook

We project ELSA's net profit to grow **+28% y-y to Rp949bn in FY26F** (FY25A: Rp718bn), with EBITDA rising **+24% y-y to Rp1.53tn** (margin: 9.5%). This should mark a **meaningful earnings acceleration** following a relatively flat FY25 (+1% y-y net profit, +9% y-y EBITDA). We identify **three earnings growth drivers namely: 1) deferred upstream billing recognition converting into 2Q–3Q26F revenue, 2) operating leverage from improving upstream revenue mix, and 3) strengthening cash conversion as FY24–25 capex assets enter full harvest mode** that distinguish the quality of this growth from a simple volume expansion story.

### Exhibit 18. Forecast Summary ELSA

Forecast Summary	2023A	2024A	2025A	2026F	2027F	2028F	2029F	2030F
<b>Financial Highlights (RpBn)</b>								
Revenue	12,564	13,393	14,498	16,127	17,159	18,549	19,730	21,038
Gross Profit	1,170	1,325	1,447	1,797	1,961	2,025	2,246	2,208
EBITDA	1,023	1,181	1,228	1,528	1,671	1,709	1,898	1,286
Operating Profit	670	805	843	1,121	1,232	1,238	1,395	1,286
Net Profit	503	714	718	949	1,064	1,086	1,227	1,191
<b>Margin</b>								
GPM	9.3%	9.9%	10.0%	11.1%	11.4%	10.9%	11.4%	10.5%
EBITDA Margin	8.1%	8.8%	8.5%	9.5%	9.7%	9.2%	9.6%	6.1%
OPM	5.3%	6.0%	5.8%	7.0%	7.2%	6.7%	7.1%	6.1%
NPM	4.0%	5.3%	5.0%	5.9%	6.2%	5.9%	6.2%	5.7%
<b>Revenue Per Segment (RpBn)</b>								
Upstream	4,226	5,063	4,140	4,715	5,089	5,575	5,954	6,317
<i>y-y growth</i>	<i>6.0%</i>	<i>19.8%</i>	<i>-18.2%</i>	<i>13.9%</i>	<i>7.9%</i>	<i>9.5%</i>	<i>6.8%</i>	<i>6.1%</i>
<i>Portion</i>	<i>33.6%</i>	<i>37.8%</i>	<i>28.6%</i>	<i>29.2%</i>	<i>29.7%</i>	<i>30.1%</i>	<i>30.2%</i>	<i>30.0%</i>
Energy Dist & Logs	6,694	6,782	8,683	9,628	10,171	10,955	11,631	12,442
<i>y-y growth</i>	<i>-7.3%</i>	<i>1.3%</i>	<i>28.0%</i>	<i>10.9%</i>	<i>5.6%</i>	<i>7.7%</i>	<i>6.2%</i>	<i>7.0%</i>
<i>Portion</i>	<i>53.3%</i>	<i>50.6%</i>	<i>59.9%</i>	<i>59.7%</i>	<i>59.3%</i>	<i>59.1%</i>	<i>58.9%</i>	<i>59.1%</i>
Support Service	1,645	1,548	1,675	1,784	1,899	2,019	2,146	2,279
<i>y-y growth</i>	<i>50.0%</i>	<i>-5.9%</i>	<i>8.2%</i>	<i>6.5%</i>	<i>6.4%</i>	<i>6.3%</i>	<i>6.3%</i>	<i>6.2%</i>
<i>Portion</i>	<i>13.1%</i>	<i>11.6%</i>	<i>11.6%</i>	<i>11.1%</i>	<i>11.1%</i>	<i>10.9%</i>	<i>10.9%</i>	<i>10.8%</i>
<b>Operational Highlights</b>								
<b>Upstream</b>								
Seismic 2D (km)	2,178	1,867	3,000	3,150	3,308	3,473	3,647	3,829
Seismic 3D (kmsq)	1,054	2,487	2,070	2,277	2,505	2,830	2,972	3,061
<b>Energy Distribution &amp; Logistics</b>								
Transportation (Mn KL)	20.3	21.0	27.1	29.8	30.9	32.0	33.1	34.2
Depo, BBM, RBB (Mn KL)	4.1	4.6	4.3	4.7	5.0	5.2	5.5	5.8
Depo, LPG, SPBE (K Ton)	125	126	128	131	135	138	142	145
BBMI, Lubs ('000 KL)	164	140	191	182	200	228	242	266
Chemical ('000 Drum)	237	227	281	295	310	325	342	359

Source: BRIDS Estimates

**We forecast upstream revenue to recover to Rp4.7tr (+13.9% y-y), driven by two key growth catalysts:**

**1) Seismic: Strong Growth Visibility.** We project FY26F seismic volume at 3,150 km 2D (+5% y-y) and 2,277 kmsq 3D (+10% y-y), underpinned by concrete projects already onstream: the large-scale Tedong project (Central Sulawesi, 25,000 Stryde nodes, Feb–Dec 2026), Kepulauan Seribu transition zone carrying forward into 1H26, and the Lariang–Enrekang FTG/magnetic survey opening a government revenue channel beyond Pertamina. Tedong alone at ~10 months versus the typical 4–5-month seismic cycle represents a material single-project revenue contributor.

**2) Development Drilling Shift: Activity-Driven, Not Price-Driven.** The government's ambition to lift oil production toward **900k–1mn BOPD by 2028–29F (from ~605k BOPD today)** demands sustained mobilization of workover, seismic, and EOR/IOR activity across Indonesia's mature producing basins already reflected in national development drilling rising from **899 wells (FY24) to 980 wells (FY25)**. We expect this shift to indirectly benefit ELSA through its entirely well services suite workover, cementing, coiled tubing, and wireline logging, all of which correlate with development/brownfield drilling activity, not pure exploration. **As long as the 1mn BOPD program remains intact, demand for these services is activity-driven** and structurally insulated from oil price volatility.

#### Exhibit 19. ELSA Seismic Project Pipeline

Project	Type	Client/Area	Contract Value	Start	Duration	Est. Completion	Status
Medco Corridor	Seismic	Medco Energi	N/A	FY24	Multi-year	2025–2026	Secured / ongoing
Tedong	2D & 3D land	Toili, Central Sulawesi	~Rp600bn	Feb 2026	~10–11 mos	Dec 2026	Secured / running
Mangatal Juata	3D land	East Kalimantan	~Rp50bn	1H26F	~4–5 mos	2H 2026	Secured
Zulu North	3D land	TBC	~Rp130bn	1H26F	~4–6 mos	2H 2026	Secured
<b>Total secured (known values)</b>			<b>~Rp780bn</b>	<b>FY26 revenue absorption: ~95–100%</b>			<b>In-year</b>
Kandawulo (on-process)	3D land	TBC	~Rp400bn	Est. 2H26F	~6–12 mos	2026–2027	Pending award

*Kandawulo FY26F partial absorption assumes award in 2H26F (~25–50% of Rp400bn). Remaining Rp200–300bn would roll into FY27F. Medco Corridor: contract value not disclosed by the company; FY26 residual is additive to the figures above. All contracts (except Kandawulo) are already included in the upstream carry-forward backlog of Rp11.9tn as of Dec-25. Duration estimates based on project characteristics and management guidance.*

Source: ELSA, BRIDS

**We expect the energy distribution and logistics segment to deliver revenue of Rp9.6tr (+10.9% y-y) in FY26F, driven by two key growth catalysts:**

**1) Distribution Fleet Expansion.** Fuel transportation volume is projected at **29.8mn KL (+10% y-y) in FY26F** (FY25: 27.1mn KL), driven by ELSA's systematic **2,400-unit fleet regeneration cycle** replacing approximately 240 units annually on a 10-year schedule. Each incremental unit deployed directly adds throughput capacity.

**2) New Infrastructure Onstream & B40 Regulatory Tailwind** Two new terminals begin contributing in FY26 **TBBM Labuan Bajo** (3T region expansion) and **TLPG Kolaka** (BOT via Pertamina Patra Niaga, Sulawesi LPG storage) broadening EPN's footprint into previously underserved geographies. Currently, mandatory **B40 implementation** (15.6mn KL national biodiesel allocation in 2025) directly lifts blended solar distribution volumes.

**Balance sheet remains in net cash despite productive capex cycle**

ELSA’s balance sheet remains one of the strongest among domestic oil & gas service names. We forecast cash balance to remain solid at **Rp3.0tr in FY26F, up from Rp2.7tr in FY25**, while interest-bearing debt is expected to stay manageable at around Rp692bn. This implies a sustained net cash position of around Rp2.3tr and net gearing of **-0.38x in FY26F**, broadly stable from FY25. We believe this provides ELSA with ample flexibility to fund its Rp602bn FY26F capex, absorb working capital swings from PHE call-out contracts, and maintain shareholder returns without materially stretching the balance sheet.

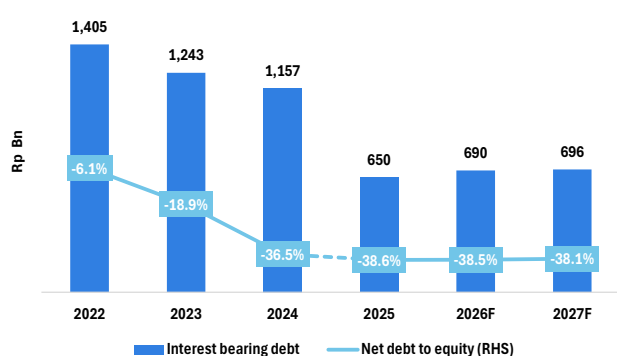
**Debt profile is manageable, with limited refinancing pressure**

ELSA’s debt position has been structurally de-risked following the repayment of its Rp700bn sukuk in FY25, while remaining debt is largely bank loans and lease liabilities tied to operating assets. As of 1Q26, total financing liabilities stood at Rp550bn, consisting of short-term bank loans, long-term bank loans, and lease liabilities, while cash stood at Rp3.4tr.

**Potential dividend payout could surprise on the upside**

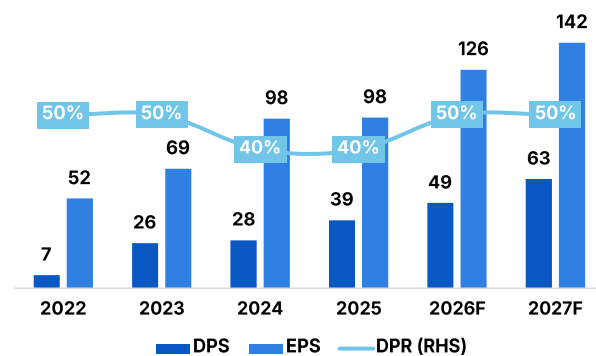
We see room for a higher dividend payout, supported by ELSA’s net cash position and improving earnings outlook. Our model assumes dividend payment of Rp359bn in FY26F, implying around 50% payout on FY25 earnings, versus 40% payout in the prior year. Looking ahead, if ELSA delivers our FY26F net profit forecast of Rp920bn, a 50% payout would imply potential DPS of around Rp63/share, providing an attractive dividend yield while still leaving enough cash to support routine capex. The key swing factor is KSO/LCO: if the project is approved, capex may rise materially to Rp1.8–2.0tr/year, which could temporarily limit dividend upside.

**Exhibit 20. Net Cash Position Supports Expansion**



Source: ELSA, BRIDS Estimates

**Exhibit 21. Rising EPS Supports Sustainable Dividend**



Source: ELSA, BRIDS Estimates

### Potential PDSI acquisition: scale-accretive with manageable leverage.

Market talks suggest a potential **PDSI acquisition by ELSA**, though still unconfirmed. Strategically, we believe the deal could transform ELSA from a diversified services contractor into an integrated drilling-and-services platform within Pertamina Group. PDSI's captive drilling/workover rigs would complement ELSA's seismic, cementing, coiled tubing, HWU, chemicals, and field services, creating a stronger execution vehicle for Pertamina's 1mn bpd ambition and reinforcing ELSA's activity-driven upstream thesis.

#### Exhibit 22. Potential PDSI Acquisition: Pro-Forma Earnings Accretion

	ELSA 26F	PDSI FY25F	Post Acquisition
Revenue	16,127	10,032	26,159
Operating Profit	1,121	961	2,082
Net Income	920	624	1,544
<i>OPM</i>	7.0%	9.6%	8.0%
<i>NPM</i>	5.7%	6.2%	5.9%

Source: ELSA, BRIDS Estimates

On our pro-forma analysis, the acquisition would be day-one earnings and margin accretive. **The combined entity could generate Rp26.2tr revenue, Rp2.08tr operating profit, and Rp1.54tr net income, implying +68% net profit accretion versus ELSA standalone.** The transaction is also margin accretive, as PDSI's OPM/NPM of 9.6%/6.2% exceeds ELSA's 7.0%/5.7%, **lifting consolidated OPM by around 100bps to 8.0%**. This is important because the deal would not only add scale but also improve business mix by reducing dependence on logistics-heavy revenue and increasing exposure to higher-utilization drilling economics.

#### Exhibit 23. PDSI Acquisition Sensitivity

Estimated P/E Ratio	PDSI FY25F Net Profit (Rp bn)	Estimated PDSI Valuation (Rp bn)	30% Cash	70% Funding
5.5x	631	3,469	1,041	2,428
6.0x	631	3,784	1,135	2,649
7.0x	631	4,415	1,324	3,090
8.0x	631	5,045	1,514	3,532
ELSA Cash 26F (Rp Miliar)	ELSA Cash 26F Post Acquisition (Rp Miliar)	Debt Pre-Acquisition 25F (Rp Miliar)	Debt Post Acquisition 25F (Rp Miliar)	Net Debt (Cash)
2,981	1,941	690	3,118	1,178
2,981	1,846	690	3,339	1,493
2,981	1,657	690	3,781	2,124
2,981	1,468	690	4,222	2,755
ELSA Equity 26F (Rp Miliar)	DER Pre Acquisition (x)	DER Post Acquisition (x)	Net Gearing Pre (x)	Net Gearing Post (x)
5,903	0.12	0.53	-0.39	0.20
5,903	0.12	0.57	-0.39	0.25
5,903	0.12	0.64	-0.39	0.36
5,903	0.12	0.72	-0.39	0.47

Source: ELSA, BRIDS

Under a 30% cash / 70% debt structure, acquisition value would range from Rp3.43tr to Rp4.99tr under 5.5–8.0x P/E. This would flip ELSA from net cash to manageable net debt, with net gearing rising from -0.39x to 0.20–0.47x and DER increasing from 0.12x to 0.53–0.71x. We view 6.0–7.0x P/E as the optimal range, balancing EPS accretion and leverage flexibility. **We note that this scenario has not been incorporated into our current earnings forecasts and DCF model.**

## Valuation and Rating

Based on our earnings forecasts, ELSA currently trades at 5.2x FY26F P/E, a discount to peers' average of ~15.9x in 26F. We initiate coverage with a Buy rating and DCF-based target price of Rp1,110/share, implying 8.4x FY26F P/E. Our valuation is anchored on a 2026-30F DCF using a **WACC of 11.4%** (risk free rate: 6.9%, equity risk premium: 5.4%, beta: 0.8x) and **2% terminal growth**, reflecting our conservative stance on long-term oilfield service cycle normalization and execution risks from new growth initiatives. We derive an NPV forecast of **Rp5.83tr**.

### Exhibit 24. DCF Valuation

DCF Calculation (RpBn)	2025F	2026F	2027F	2028F	2029F	2030F
<b>EBIT</b>	<b>843</b>	<b>1,121</b>	<b>1,232</b>	<b>1,238</b>	<b>1,395</b>	<b>1,286</b>
Add (+) Depreciation	361	391	422	453	484	515
Less (-) Tax	(193)	(194)	(257)	(288)	(294)	(332)
Less (-) Capex	(545)	(600)	(606)	(612)	(618)	(624)
Change in WC	(674)	(160)	(216)	(286)	(248)	(266)
<b>FCF</b>	<b>(208)</b>	<b>558</b>	<b>575</b>	<b>505</b>	<b>719</b>	<b>579</b>
Discount factor	1.0	1.1	1.2	1.4	1.5	1.7
<b>Present Value</b>	<b>(208)</b>	<b>501</b>	<b>464</b>	<b>366</b>	<b>467</b>	<b>338</b>
<b>NPV Forecast</b>	<b>5,825</b>					
Debt	(690)					
Cash	2,981					
Equity Value	8,116					
Shares (Bn)	<b>7.30</b>					
<b>Fair Value</b>	<b>1,112</b>					
<b>Rounded</b>	<b>1,110</b>					

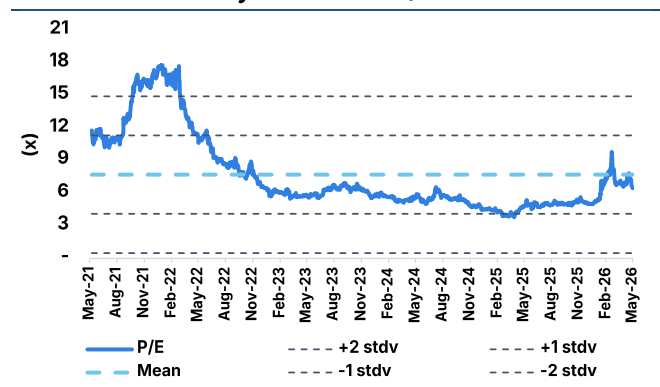
Source: ELSA, BRIDS Estimates

### Exhibit 25. WACC assumption for DCF

IDR Bn	2026F
Debt	690
Equity	5,901
Total	6,592
Beta	0.808
Risk Free	6.9%
Risk Premium	5.4%
<b>Cost of Equity</b>	<b>9.95%</b>
Cost of Debt	8.00%
Cost of Debt net tax	6.5%
Tax	19.0%
<b>WACC</b>	<b>11.35%</b>
Terminal Growth Rate	2.0%

Source: Bloomberg, BRIDS Estimates

### Exhibit 26. ELSA 5-year forward P/E

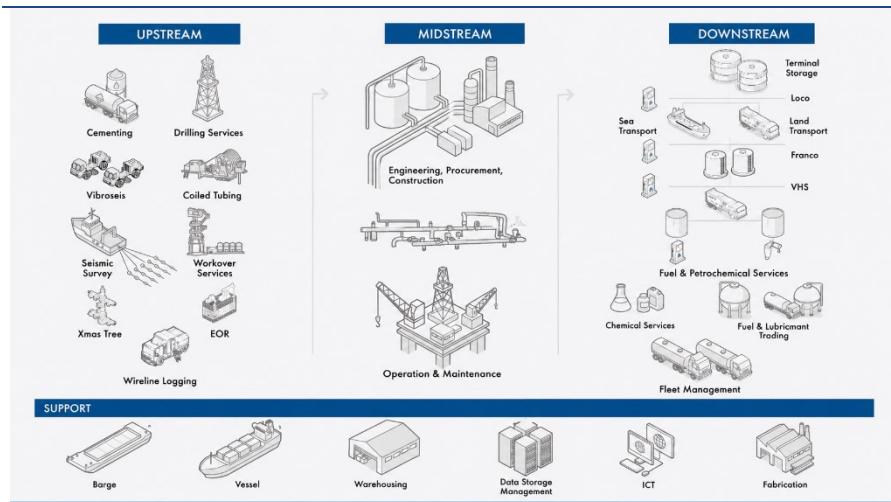


Source: Bloomberg, BRIDS Estimates

### Company Overview

PT Elnusa Tbk (ELSA) is an integrated energy services company with operations spanning upstream oil and gas services, energy distribution and logistics, and oil and gas support services. The company was listed on Indonesia Stock Exchange in 2008 and has been majority-owned by PT Pertamina Hulu Energi (PHE) since 2021.

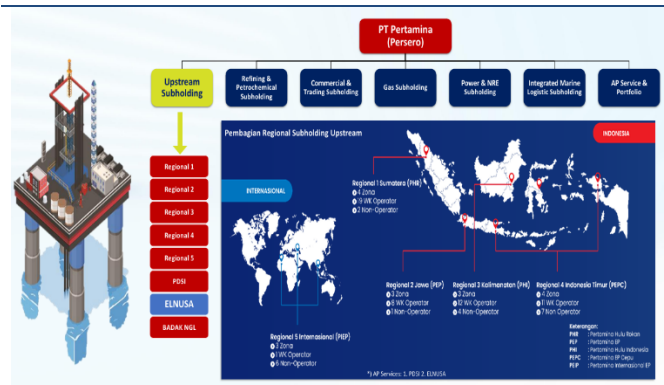
Exhibit 27. ELSA's Model Business



Source: ELSA

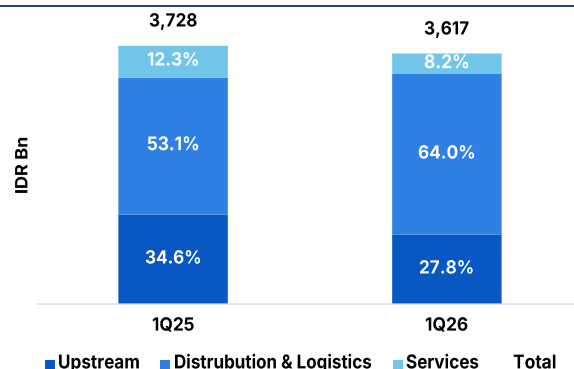
We view ELSA as a strategic execution platform within the Pertamina ecosystem, rather than merely a conventional oilfield services contractor. Its business model is diversified across three core segments: Upstream Services, Energy Distribution & Logistics, and Oil & Gas Support Services. In 1Q26, Energy Distribution & Logistics remained the largest contributor at 64.0% of revenue, supported by fuel transportation, fuel management, fuel trading, depot operations, and storage infrastructure. Upstream Services contributed 27.8%, covering seismic, drilling & workover, well intervention, cementing, coiled tubing, and EPC/O&M. Oil & Gas Support accounted for 8.2%, comprising OCTG, fabrication, marine support, chemicals, data management, and ICT services.

Exhibit 28. ELSA within Pertamina Upstream Ecosystem



Source: ELSA

Exhibit 29. Revenue Mix by Business Segment



Source: ELSA, BRIDS

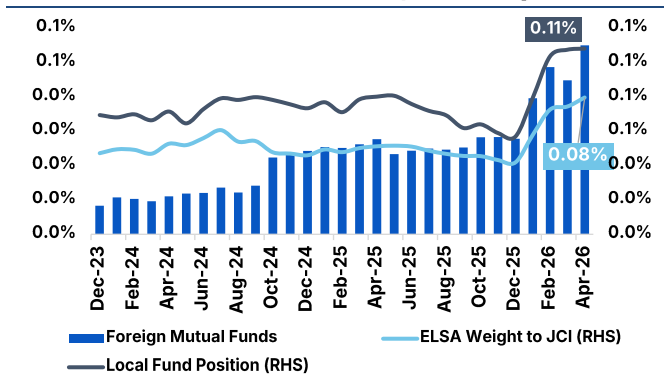


### Exhibit 33. Peers Comparison

Ticker	Company	Mkt.Cap (USD mn.)	PE		EV/EBITDA		ROA		ROE	
			26F	27F	26F	27F	26F	27F	26F	27F
ELSA IJ	PT ELNUSA	292	5.9	5.2	1.8	1.5	7.3	7.6	14.6	14.8
AKRA IJ	PT AKR CORPORINDO TBK	1,668	10.5	10.0	7.7	7.1	7.4	7.6	20.9	20.8
MEDC IJ	MEDCO ENERGI INTERNASIONAL	2,254	4.7	4.5	3.5	3.2	5.4	5.6	17.6	16.6
ENRG IJ	PT ENERGI MEGA PERSADA TBK	2,423	21.8	14.5	6.5	5.5	6.4	6.3	11.6	15.0
<b>Domestic Average</b>			<b>12.3</b>	<b>9.7</b>	<b>5.9</b>	<b>5.3</b>	<b>6.4</b>	<b>6.5</b>	<b>16.7</b>	<b>17.5</b>
VEB MK	VELESTO ENERGY BHD	689	17.0	17.9	7.5	7.7	6.1	6.2	7.5	7.6
DEHB MK	DAYANG ENTERPRISE HLDGS BHD	565	11.4	10.9	4.4	4.1	7.2	7.2	9.6	9.9
PVD VN	PETROVIETNAM DRILLING AND WE	711	15.7	13.0	7.2	5.9	4.4	5.0	7.6	8.6
PVS VN	PETROVIETNAM TECHNICAL SERVICES	796	12.1	11.4	5.3	4.3	4.7	4.7	11.8	11.2
<b>Regional Average</b>			<b>14.0</b>	<b>13.3</b>	<b>6.1</b>	<b>5.5</b>	<b>5.6</b>	<b>5.8</b>	<b>9.1</b>	<b>9.3</b>
SLB US	SLB LTD	82,796	21.3	16.6	11.2	9.5	6.9	8.2	14.7	17.8
HAL US	HALLIBURTON CO	34,886	17.7	14.5	9.7	8.4	7.8	8.8	18.0	20.0
BKR US	BAKER HUGHES CO	63,611	26.7	22.5	13.2	11.2	5.8	5.9	12.2	16.5
<b>Global Average</b>			<b>21.9</b>	<b>17.9</b>	<b>11.4</b>	<b>9.7</b>	<b>6.8</b>	<b>7.7</b>	<b>14.9</b>	<b>18.1</b>
<b>Average.</b>			<b>15.9</b>	<b>13.6</b>	<b>7.6</b>	<b>6.7</b>	<b>6.2</b>	<b>6.5</b>	<b>13.1</b>	<b>14.4</b>

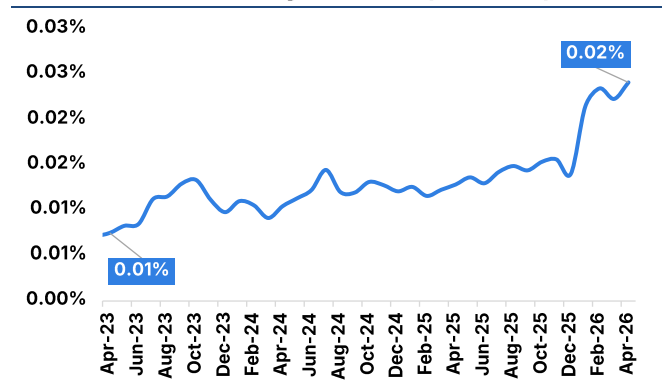
Source: Bloomberg, Company, BRIDS Estimates,

### Exhibit 34. ELSA's domestic fund positioning



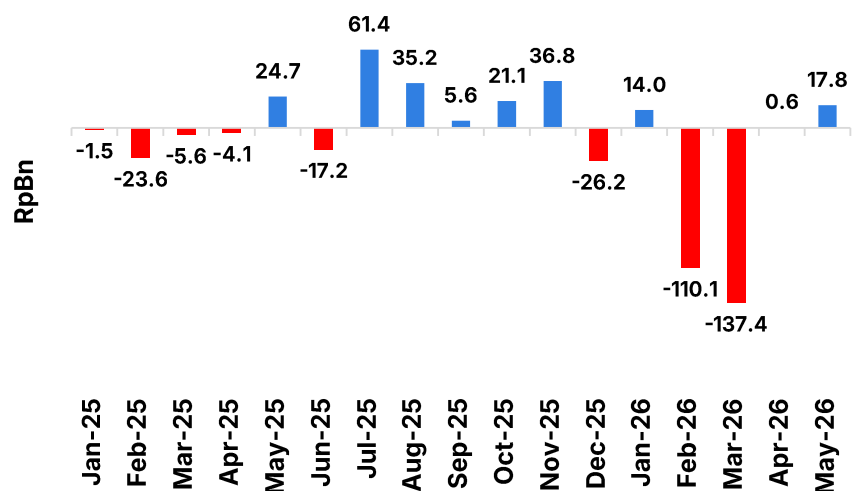
Source: KSEI, BRIDS

### Exhibit 35. ELSA's foreign ownership exc. corporate



Source: KSEI, BRIDS

### Exhibit 36. ELSA's monthly foreign flow (Rpbn)



Source: IDX, Bloomberg, BRIDS

**Exhibit 37. Income Statement**

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
<b>Revenue</b>	<b>13,393</b>	<b>14,498</b>	<b>16,127</b>	<b>17,159</b>	<b>18,549</b>
COGS	(12,068)	(13,051)	(14,330)	(15,198)	(16,524)
<b>Gross profit</b>	<b>1,325</b>	<b>1,447</b>	<b>1,797</b>	<b>1,961</b>	<b>2,025</b>
<b>EBITDA</b>	<b>1,181</b>	<b>1,228</b>	<b>1,528</b>	<b>1,671</b>	<b>1,709</b>
<b>Oper. profit</b>	<b>805</b>	<b>843</b>	<b>1,121</b>	<b>1,232</b>	<b>1,238</b>
Interest income	199	127	126	154	181
Interest expense	(125)	(97)	(80)	(73)	(78)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	2	14	5	0	0
<b>Pre-tax profit</b>	<b>881</b>	<b>888</b>	<b>1,171</b>	<b>1,314</b>	<b>1,341</b>
Income tax	(167)	(170)	(223)	(250)	(255)
Minority interest	0	0	0	0	0
<b>Net profit</b>	<b>714</b>	<b>718</b>	<b>949</b>	<b>1,064</b>	<b>1,086</b>
<b>Core Net Profit</b>	<b>714</b>	<b>718</b>	<b>949</b>	<b>1,064</b>	<b>1,086</b>

**Exhibit 38. Balance Sheet**

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	2,949	2,699	2,981	3,197	3,333
Receivables	3,274	3,742	3,911	4,155	4,484
Inventory	515	462	471	500	543
Other Curr. Asset	324	919	928	937	946
Fixed assets - Net	1,934	2,118	2,327	2,511	2,671
Other non-curr.asset	1,632	1,022	1,032	1,042	1,053
<b>Total asset</b>	<b>10,628</b>	<b>10,961</b>	<b>11,650</b>	<b>12,343</b>	<b>13,030</b>
ST Debt	280	471	507	512	517
Payables	1,854	906	923	978	1,064
Other Curr. Liabilities	3,277	3,890	3,929	3,968	4,008
Long Term Debt	177	179	185	187	188
Other LT. Liabilities	136	202	204	206	208
<b>Total Liabilities</b>	<b>5,725</b>	<b>5,647</b>	<b>5,747</b>	<b>5,851</b>	<b>5,985</b>
Shareholder's Funds	4,902	5,313	5,901	6,490	7,043
Minority interests	2	2	2	2	2
<b>Total Equity &amp; Liabilities</b>	<b>10,628</b>	<b>10,961</b>	<b>11,650</b>	<b>12,343</b>	<b>13,030</b>

**Exhibit 39. Cash Flow**

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	714	718	949	1,064	1,086
Depreciation and Amort.	355	361	391	422	453
Change in Working Capital	(56)	(674)	(160)	(216)	(286)
Other Oper. Cash Flow	1,279	(671)	29	29	29
<b>Operating Cash Flow</b>	<b>2,293</b>	<b>(265)</b>	<b>1,209</b>	<b>1,299</b>	<b>1,282</b>
Capex	(400)	(545)	(600)	(606)	(612)
Others Inv. Cash Flow	(26)	610	(10)	(10)	(10)
<b>Investing Cash Flow</b>	<b>(426)</b>	<b>65</b>	<b>(610)</b>	<b>(616)</b>	<b>(622)</b>
Net change in debt	(87)	192	42	7	7
New Capital	(25)	(22)	(1)	(1)	(1)
Dividend payment	(201)	(285)	(359)	(474)	(532)
Other Fin. Cash Flow	(682)	66	2	2	2
<b>Financing Cash Flow</b>	<b>(995)</b>	<b>(50)</b>	<b>(316)</b>	<b>(466)</b>	<b>(524)</b>
<b>Net Change in Cash</b>	<b>871</b>	<b>(251)</b>	<b>283</b>	<b>216</b>	<b>136</b>
Cash - begin of the year	2,078	2,949	2,699	2,981	3,197
Cash - end of the year	2,949	2,699	2,981	3,197	3,333

**Exhibit 40. Key Ratio**

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
<b>Growth (%)</b>					
Sales	6.6	8.3	11.2	6.4	8.1
EBITDA	15.4	4.0	24.5	9.3	2.3
Operating profit	20.3	4.7	32.9	9.9	0.5
Net profit	41.8	0.7	32.1	12.2	2.1
<b>Profitability (%)</b>					
Gross margin	9.9	10.0	11.1	11.4	10.9
EBITDA margin	8.8	8.5	9.5	9.7	9.2
Operating margin	6.0	5.8	7.0	7.2	6.7
Net margin	5.3	5.0	5.9	6.2	5.9
ROAA	7.1	6.7	8.4	8.9	8.6
ROAE	15.3	14.1	16.9	17.2	16.1
<b>Leverage</b>					
Net Gearing (x)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)
Interest Coverage (x)	6.5	8.7	14.0	17.0	15.8

Source: BULL, BRIDS Estimates

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<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

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