# MEDC
# PT Medco Energy Internasional Tbk.
## Next Phase

- **Production to rebound with 2H25 guidance of 155–160 mboepd, driven by Corridor PSC consolidation (+25 mboepd) and new tie-ins.**
- **1H25 results showed resilience with USD623m EBITDA (54.7% margin) and low USD8.5/boe cash cost, despite net profit falling to USD37m.**
- **AMMN downstream ramp-up adds medium-term upside, with first 18.5kt copper cathode sales at USD9,808/t and full smelter utilization by FY26.**
- **Maintain BUY with TP of Rp 1,500, reflecting 4.2x EV/EBITDA 2026F.**

**From Price Pressure to Volume Power**
Brent crude averaging USD70/bbl in 1H25 (–14% YoY) and still expected to remain range-bound as OPEC+ output discipline offsets fragile demand recovery in China and OECD markets, with MEDC's realized oil price at USD69.5/bbl (vs. USD80.8/bbl in 1H24). Gas realizations stayed firm at USD7.0/mmbtu, supporting production of 143 mboepd (–7% YoY) despite Senoro maintenance and weaker seasonal demand. Looking ahead, management guides 155–160 mboepd in 2H25, underpinned by the acquisition of Repsol's 24% WI in Corridor PSC (USD425m, closed July 2025), lifting MEDC's stake to ~70%. Corridor contributed ~51 mboepd in 1H25, and full consolidation is expected to add ~25 mboepd from 3Q25 and ~USD145m to FY26F EBITDA, while extending the reserve life to 10.7 years with a 5-year RRR of 163%. With additional projects (Forel/Terubuk, Suban Phase-2, Bisat-C), MEDC is shifting from price leverage toward volume-driven, gas-weighted earnings stability.

**A Tough Quarter, but Resilience Intact**
MEDC's 1H25 revenue was USD1.14bn (–2% YoY), in-line with our estimates (Ajaib: 47.8%), broken down into oil & gas 91.2%, power 8.0%, services 1.1%. EBITDA came in at USD623m (–4% YoY) with a still-solid 54.7% margin (vs 55.8% in 1H24), while net income fell to USD37m (-81.5% YoY), below our estimates (Ajaib: 15.6%) due to weaker oil realizations, USD8.9m dry-hole costs, and Amman Mineral's USD31m net loss from smelter commissioning delays. On a quarterly basis, 2Q25 revenue was USD578m (+3% QoQ, –5% YoY), EBITDA USD291m (–13% QoQ, –10% YoY), and net profit USD20m (+11% QoQ, –85% YoY). Importantly, oil & gas cash costs were contained at USD8.5/boe, ensuring resilience at current oil prices. Capex totaled USD193m in 1H25, allocated to Oman Block 60 drilling, Natuna and Corridor developments, and renewables. The balance sheet remained solid, with net debt reduced to USD2.1bn (-2.5% YoY), and net debt/EBITDA steady at ~1.8–2.1x. Sequential earnings recovery is expected in 2H25 as Corridor volumes and domestic gas demand pick up.

**Renewables Rise as Amman Downstream Turns On**
Power sales were 1,994 GWh in 1H25 (flat YoY), supported by new capacity from Ijen Geothermal (35 MW, Feb-25) and East Bali Solar (25 MWp, Jun-25). MEDC is targeting 4,300 GWh sales in FY25 and 500 MW solar by 2030, which should lift renewables' share toward 30% mix. AMMN is the medium-term catalyst: 1H25 copper output was 89 Mlbs and gold 60 Koz (vs. 236 Mlbs/495 Koz in 1H24), due to transition to downstream operations. In July, AMMN achieved first copper cathode output of 19.8kt, with 18.5kt sold at USD9,808/t, and produced its first refined gold. 3Q25 will mark the first full quarter of cathode export, and by FY26, full ramp-up of smelter & refinery should drive a step-change in AMMN profitability, reversing its 1H25 losses into strong cash flow contribution.

**Maintain BUY with Higher TP**
We **maintain BUY** on MEDC with higher target price of **Rp1,500** (previous TP: Rp1,350), implying 4.2x FY26F EV/EBITDA (–0.25 std deviation 5-year historical). Looking forward, three drivers should underpin re-rating: (1) production growth to 160 mboepd in 2H25 and beyond, led by Corridor expansion, (2) rising AMMN earnings as downstream assets stabilize in FY26, and (3) renewables expansion toward 30% capacity mix by 2030. **Key risk:** oil and gas price volatility that may pressure earnings, potential delays in AMMN's smelter ramp-up, and production risks from downtime or project execution slippage.

**Key Financial Highlights**

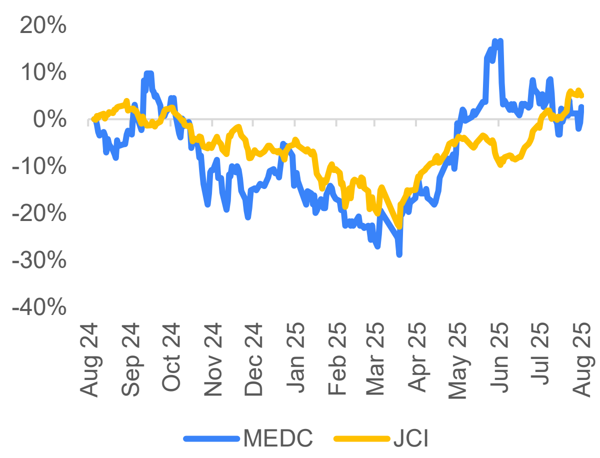
| Key Metrics (USD mn) | 2023 | 2024 | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Revenue | 2,249 | 2,399 | 2,338 | 2,594 | 2,637 |
| EBITDA | 1,245 | 1,264 | 1,171 | 1,342 | 1,332 |
| Net Profit | 331 | 367 | 239 | 323 | 334 |
| EPS Growth (%) | -36.5 | 16.1 | -32.9 | 35.4 | 3.5 |
| P/E (x) | 5.78 | 4.74 | 9.62 | 7.11 | 6.87 |
| P/BV (x) | 0.94 | 0.74 | 1.01 | 1.02 | 0.91 |
| EV/EBITDA (x) | 4.18 | 4.20 | 4.56 | 4.08 | 4.17 |

**BUY**

**Stock Information (as of August 28, 2025)**

| | |
|---|---|
| Last Price (Rp) | 1,195 |
| Target Price (Rp) | 1,500 |
| Potential Upside | 25.5% |
| Market Cap (Rp tn) | 30.0 |
| 52 Week Range (Rp) | 1,540 – 875 |
| Free Float | 24.7% |
| Share Out. (bn) | 25.1 |
| Beta | 1.5 |

**Stock Performance Comparison vs JCI**




**Shareholders**

| MEDC's Shareholders | Percentage |
|---|---|
| PT Medco Daya Abadi Lestari | 51.50% |
| Public | 23.53% |
| Diamond Bridge Pte. Ltd | 21.46 |
| Treasury Shares | 1.80% |
| Warkat | 0.33% |

**Company Description**

**MEDC's Company Profile**

PT Medco Energi Internasional Tbk is an Indonesia-based southeast Asian energy and natural resources company. The Company is focused on three key business sectors: Oil & Gas, Clean Power and Copper & Gold Mining. The Company produces oil and gas primarily in Indonesia as well as in Oman, Thailand and Yemen.

**Analyst**

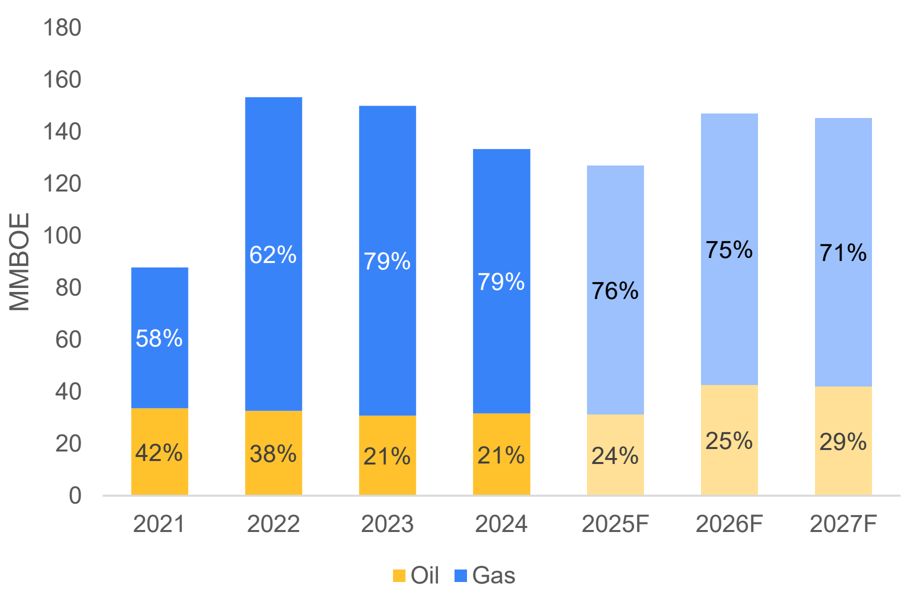
Rizal Rafly
rizal.rafly@ajaib.co.id

Figure 1. MEDC's 1H25 Financial Results

| Key Metrics (USD mn) | 1H25 | 1H24 | YoY | 2Q25 | 1Q25 | QoQ | 2Q24 | YoY | 2025F | % to Est |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 1,138.40 | 1,165.40 | -2.3% | 577.9 | 560.5 | 3.1% | 609 | -5.1% | 2,338 | 48.7% |
| Gross Profit | 435.8 | 451.3 | -3.4% | 206.5 | 229.3 | -9.9% | 218.7 | -5.6% | 848 | 51.4% |
| Gross Margin (%) | 38.3% | 38.7% | | 35.7% | 29.5% | | 35.9% | | | |
| EBITDA | 623 | 650 | -4.2% | 291 | 332 | -12.3% | 321.9 | -9.6% | 1,171 | 53.2% |
| EBITDA Margin (%) | 54.7% | 55.8% | | 50.4% | 43.7% | | 52.9% | | | |
| Net Profit | 37.2 | 201 | -81.5% | 19.6 | 18 | 11.4% | 128 | -84.7% | 239 | 15.6% |
| Net Margin (%) | 3.3% | 17.2% | | 3.4% | 23.2% | | 21.1% | | | |

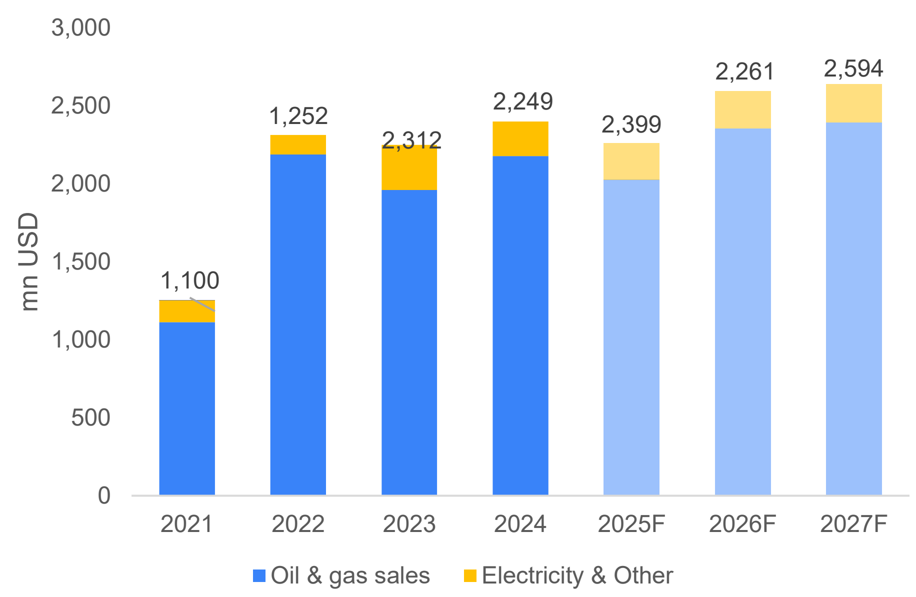
*Source: Company, Ajaib Research*

Figure 2. Oil and Gas Production



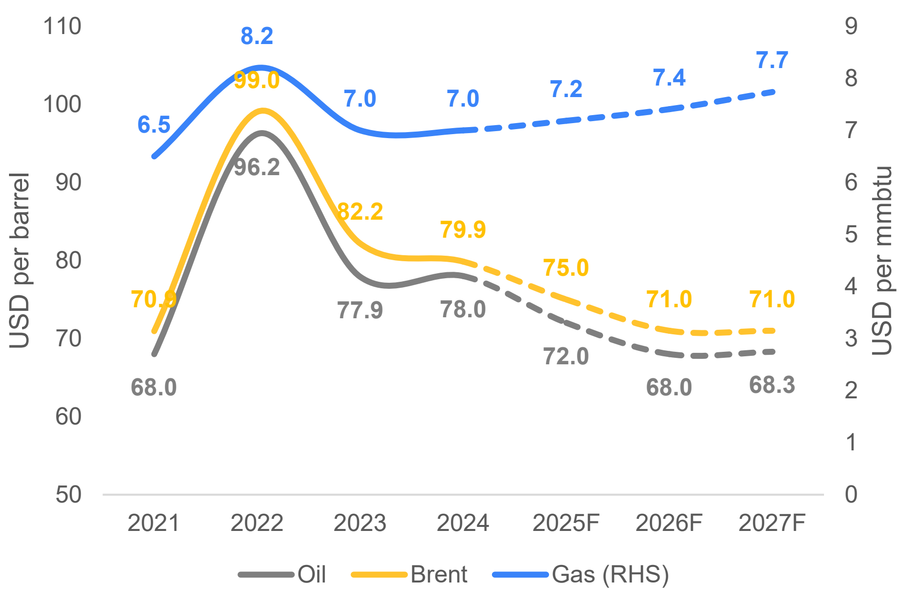

*Source: Company, Ajaib Research*

Figure 3. Revenue Breakdown



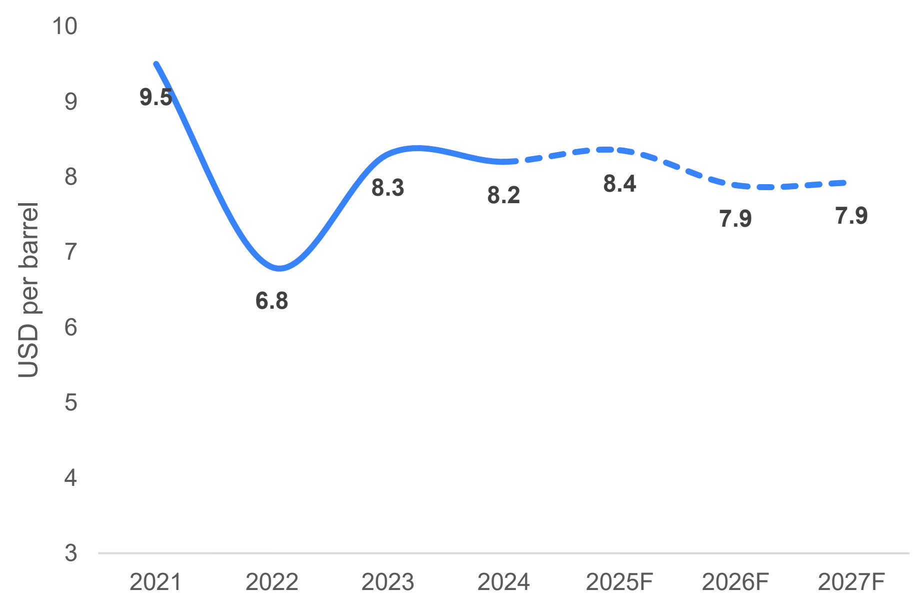

*Source: Company, Ajaib Research*

Figure 4. Average Selling Price Projection



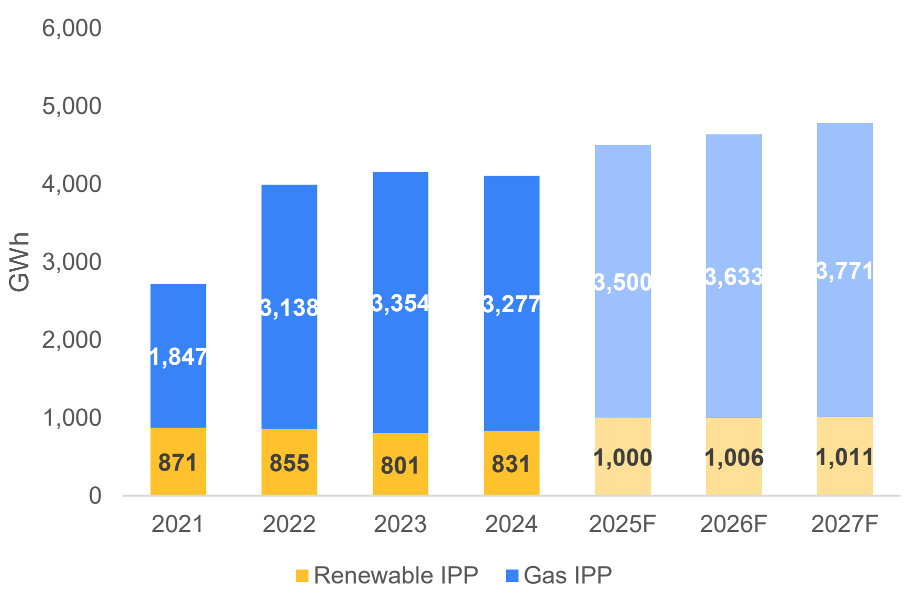

*Source: Company, Ajaib Research*

Figure 5. Cash Cost Projection



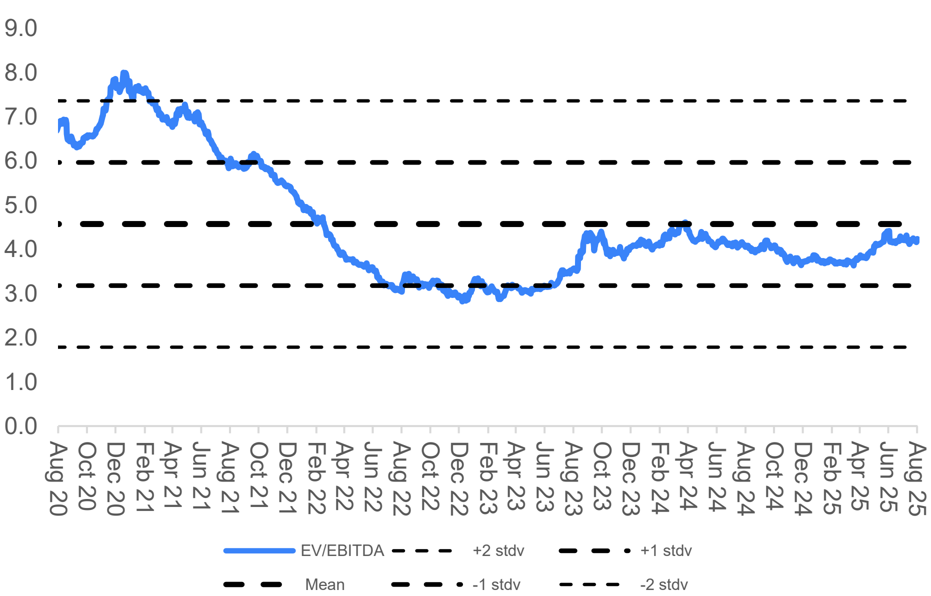

*Source: Company, Ajaib Research*

Figure 6. Power Sales Projection




*Source: Company, Ajaib Research*

Figure 7. EV/EBITDA Band MEDC




*Source: Bloomberg, Ajaib Research*

## Financial Statement (USD mn)

| Income Statement | 2023 | 2024 | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| **Revenue** | **2,249** | **2,399** | **2,261** | **2,594** | **2,637** |
| Cost of revenue | -1,216 | -1,466 | -1,464 | -1,527 | -1,546 |
| **Gross Profit** | **1,034** | **933** | **797** | **1,067** | **1,092** |
| OpEx | -241 | -217 | -216 | -223 | -224 |
| **Operating Profit** | **792** | **717** | **581** | **845** | **867** |
| EBITDA | 1,245 | 1,264 | 1,119 | 1,383 | 1,408 |
| Other Income (Expenses) | 212 | 262 | 123 | 84 | 135 |
| Net Interest Expense | -276 | -307 | -302 | -315 | -320 |
| **Pre-tax profit** | **728** | **671** | **401** | **614** | **682** |
| Income Tax | -340 | -289 | -173 | -265 | -294 |
| **NPAT** | **388** | **382** | **228** | **349** | **388** |
| Minority Interest | -58 | -14 | -9 | -13 | -15 |
| **Net Profit** | **331** | **367** | **219** | **336** | **373** |
| **EPS (Rp)** | **200** | **232** | **143** | **219** | **244** |

| Cashflow Statement | 2023 | 2024 | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Net Profit | 331 | 367 | 219 | 336 | 373 |
| D&A | 453 | 548 | 538 | 539 | 540 |
| Changes in Working Capital | -91 | -47 | -16 | -110 | -31 |
| Others | 462 | 349 | 362 | 509 | 494 |
| **Operating Cash Flow** | **1,155** | **1,217** | **1,104** | **1,274** | **1,376** |
| Capital Expenditure | -755 | -385 | -491 | -540 | -549 |
| Changes in other assets | -321 | -266 | -59 | -61 | -64 |
| **Investing Cash Flow** | **-1,076** | **-651** | **-550** | **-602** | **-613** |
| Net - Borrowing | 219 | 2 | -388 | 777 | 99 |
| Minority Interest | 9 | 33 | 8 | 0 | 0 |
| Other Financing | -553 | -551 | -440 | -859 | -565 |
| **Financing Cash Flow** | **-325** | **-515** | **-820** | **-82** | **-467** |
| Net - Cash Flow | -246 | 51 | -267 | 590 | 297 |
| Cash at beginning | 600 | 354 | 637 | 138 | 728 |
| **Cash at ending** | **354** | **405** | **370** | **728** | **1,025** |

| Balance Sheet | 2023 | 2024 | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Cash & equivalents | 354 | 637 | 138 | 728 | 1,025 |
| Receivables | 348 | 361 | 341 | 391 | 397 |
| Inventories | 127 | 156 | 168 | 175 | 177 |
| Prepaid Expenses | 17 | 12 | 12 | 13 | 13 |
| Others | 702 | 651 | 678 | 733 | 758 |
| **Total Current Assets** | **1,547** | **1,817** | **1,336** | **2,039** | **2,371** |
| Fixed Assets | 65 | 109 | 161 | 213 | 266 |
| Oil & Gas Properties | 2,879 | 2,672 | 2,573 | 2,523 | 2,479 |
| Long Term Investment | 1,653 | 1,820 | 1,838 | 1,856 | 1,875 |
| Other Non-Current Assets | 1,325 | 1,509 | 1,577 | 1,650 | 1,726 |
| **Total Non-Current Assets** | **5,922** | **6,110** | **6,150** | **6,243** | **6,346** |
| **Total Assets** | **7,468** | **7,927** | **7,486** | **8,282** | **8,717** |
| ST. Bank loan | 519 | 574 | 508 | 628 | 639 |
| Payables | 288 | 344 | 361 | 379 | 398 |
| Other current Liability | 615 | 588 | 602 | 616 | 632 |
| **Total Current Liability** | **1,422** | **1,505** | **1,471** | **1,623** | **1,668** |
| LT.Debt | 3,015 | 3,019 | 2,673 | 3,304 | 3,362 |
| Other LT Liabilities | 1,004 | 1,052 | 1,075 | 1,102 | 1,132 |
| **Total Non-Current Liability** | **4,019** | **4,070** | **3,748** | **4,406** | **4,493** |
| **Total Liability** | **5,441** | **5,576** | **5,219** | **6,029** | **6,162** |
| **Total Equity** | **2,028** | **2,351** | **2,267** | **2,253** | **2,555** |
| **Total LiabilitiesEquity** | **7,468** | **7,927** | **7,486** | **8,282** | **8,717** |

| Key Ratios (%) | 2023 | 2024 | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Gross Profit Margin | 46.0 | 38.9 | 35.2 | 41.1 | 41.4 |
| EBITDA Margin | 55.4 | 52.7 | 49.5 | 53.3 | 53.4 |
| Net Profit Margin | 14.7 | 15.3 | 9.7 | 13.0 | 14.2 |
| Return on Equity | 16.3 | 15.6 | 9.7 | 14.9 | 14.6 |
| Dividend Yield | 3.8 | 3.7 | 2.4 | 2.8 | 3.1 |
| Debt to Equity (x) | 1.7 | 1.5 | 1.4 | 1.7 | 1.6 |
| Net Gearing (x) | 1.6 | 1.3 | 1.3 | 1.4 | 1.2 |

*Source: Company, Ajaib Research*

**PT Ajaib Sekuritas Asia**
Neo Soho @Podomoro City Lt. 30,
Jl. Letjen S. Parman No.28,
Jakarta Barat
Email: support.saham@ajaib.co.id
Phone: 021-30003606

**Rating for Sectors:**
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

**Rating for Stocks:**
Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.
Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.
Sell : The stock is expected to give total return of < 0% over the next 12 months.
Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”
Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

**Analyst Certification:**
The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

**PREPARED BY AJAIB RESEARCH TEAM**

**DISCLAIMER**
This research report is published by PT Ajaib Sekuritas Asia and is based on information from sources that we believe to be reliable but have not been independently verified. We have taken all reasonable care to ensure that information contained herein is not untrue or misleading at the time of publication, however PT Ajaib Sekuritas Asia makes no representation as to its accuracy or completeness and it should not be solely relied upon. This research report is provided for the Investors of PT Ajaib Sekuritas Asia. Research reports which contain opinions may change anytime without any obligation for PT Ajaib Sekuritas Asia to notify any party. This research report is not intended for media publication. The media is not allowed to quote this research report in any article whether in full or in parts without permission from PT Ajaib Sekuritas Asia. For further information, the media can contact PT Ajaib Sekuritas Asia if they wish to refer to this research report.

This research report was prepared, approved, published and distributed by PT Ajaib Sekuritas Asia. This research report is not a recommendation, invitation, or order to make any investment decisions, including but not limited to, buy or sell certain investment products. Any investment decision made by the Investor will be the sole responsibility of the Investor, and PT Ajaib Sekuritas Asia nor any officer or employee of PT Ajaib Sekuritas Asia are not responsible for any losses that may occur due to the Investor’s investment decision.