

PTBA

PT Bukit Asam Tbk

Quarterly Recovery, Cautious Outlook

- QoQ revenue +5.4% and net profit +12.8% on stronger volumes and lower costs, despite weaker ASP.
- 1H25 production +16% YoY, sales +8% YoY, supported by higher hauling capacity.
- Expanding rail logistics, building Sumsel-8 power plant, DME gasification, and 500 MW solar target by 2030.
- **HOLD** rating, TP Rp2,600; upside from coal demand and project progress, risks from price decline and regulation.

2Q25 Rebound, 1H25 Still Pressured

PTBA recorded coal production of 21.7 Mt (+16% YoY) and sales of 21.6 Mt (+8% YoY) in 1H25, supported by improved transportation capacity of 19.27 Mt (+9% YoY) through its partnership with KAI. The company delivered stronger sequential results in 2Q25, with revenue rising to Rp10.49 trillion (+5.4% QoQ) and net profit up to Rp442 billion (+12.8% QoQ), driven by higher volumes (production +57% QoQ) and lower cash costs (-6% QoQ), although ASP fell 4% QoQ. Despite the quarterly rebound, 1H25 net profit still declined sharply to Rp0.83 trillion (-59% YoY) due to a lower average selling price (ASP) of Rp930k/t (-4% YoY) in line with the Indonesian Coal Index's ~14% drop, and a 3% increase in cash costs to Rp890k/t. Fuel and royalty costs, along with transport contract adjustments, contributed to margin compression.

Dual Engine: Logistics & Energy Diversification

PTBA is pursuing a dual-track growth strategy that combines infrastructure expansion with energy diversification. On the logistics side, the Kuala Tanjung-Kertapati-Tarahan railway project with KAI is set to raise annual hauling capacity to 20 Mt by 2Q26, alongside incremental upgrades at Bitarahan and Kertapati terminals. On the downstream and energy transition front, PTBA is developing the 1.35 GW Sumsel-8 mine-mouth power plant (COD 2026), a coal-to-DME gasification project with Pertamina to reduce LPG imports, and selective renewable investments such as solar PV capacity targeting over 500 MW by 2030. These initiatives aim to broaden the revenue base beyond thermal coal and mitigate long-term demand risks, while leveraging PTBA's 2.93 Bt in reserves and 5.77 Bt in resources across 9 mining areas.

2H25 Ramp-Up, Margin Risks Ahead

Management reaffirmed its 2025 production and sales guidance of 50 Mt, implying a significant ramp-up in 2H25. Domestic ASP is expected to average ~Rp810-815k/t in the second half, with export ASP at ~USD 75/t. Consensus forecasts Newcastle coal prices at USD 155/t for FY25, down from USD 180/t in FY24, which may pressure margins but should be partly offset by cost efficiencies and higher volumes. Sensitivity analysis shows that every USD10/t change in ASP could shift annual net profit by ±Rp2.5 trillion. Near-term earnings volatility remains elevated, but the upcoming contributions from Sumsel-8 and the DME plant by FY26-27 could lift non-mining revenue share to over 30% from under 10% today.

Downgrade to HOLD with lower TP of Rp2,600 per share

We downgrade our rating on PTBA to **HOLD** with a lower target price of **Rp2,600** per share, implying 12.5x FY26F P/E, based on a dividend discount model (Cost of Equity: 11%; Terminal Growth: 5%; Payout Ratio: 75%). Upside risks include stronger-than-expected regional coal demand, faster progress on renewable and downstream projects, and potential coal price support from supply disruptions. **Key risks:** further coal price declines, potential export levies in 2026, regulatory tightening, and slower execution of infrastructure projects.

Key Financial Highlights

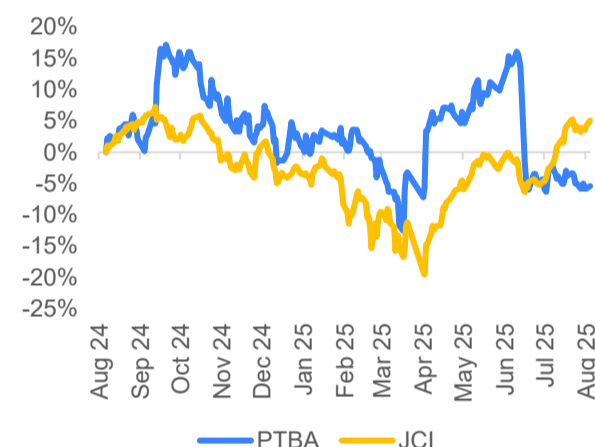
Key Metrics	2023	2024	2025F	2026F	2027F
Revenue (USD mn)	38,489	42,765	43,543	45,299	47,123
EBITDA (USD mn)	7,860	6,627	3,815	3,724	3,867
Net Profit (USD mn)	6,106	5,104	2,419	2,403	2,504
EPS Growth (%)	-51.4	-16.4	-52.6	-0.7	4.2
P/E (x)	4.60	6.21	12.38	12.46	11.96
P/BV (x)	1.30	1.40	1.41	1.37	1.33
EV/EBITDA (x)	3.06	4.11	6.46	6.87	6.86

HOLD

Stock Information (as of August 13, 2025)

Last Price (Rp)	2,450
Target Price (Rp)	2,600
Potential Upside	6.1%
Previous TP (Rp)	3,200
Market Cap (Rp tn)	28.2
52 Week Range (Rp)	3,180 – 2,250
Free Float	34.7%
Share Out. (bn)	11.5

1-Year Stock Performance Comparison vs JCI



Shareholders

PTBA's Shareholders	%
MIND ID	65.93
Public	34.07
Treasury Stock	0.05

Company Description

PTBA's Company Profile

PT Bukit Asam Tbk is an Indonesia-based company engaged in coal mining and related activities. It engages in general surveying, exploration, exploitation, processing, refining, transportation and trading, and management of special coal port facilities. Its segments include coal segment and other segments.

Analyst

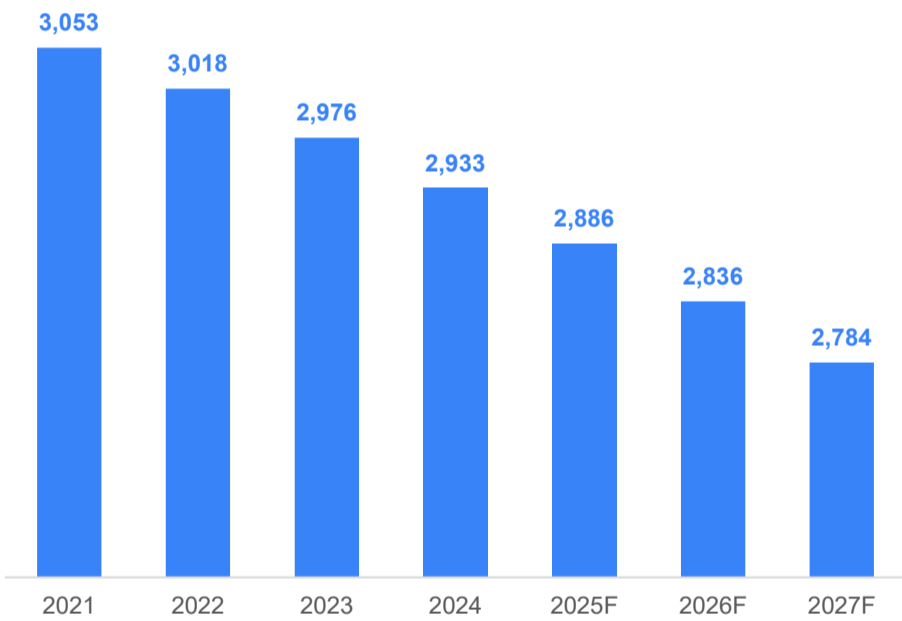
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Figure 1. PTBA's 1H25 Financial Results

Key Metrics	1H25	1H24	YoY	2Q25	1Q25	QoQ	2Q24	YoY
Revenue	20,452	19,643	4.1%	10,494	9,958	5.4%	10,233	2.5%
Gross Profit	2,247	3,404	-34.0%	1,200	1,047	14.6%	1,984	-39.5%
Gross Margin	11.0%	17.3%		11.4%	10.5%			
Operating Profit	915	2,517	-63.7%	472	443	6.6%	1,569	-69.9%
EBITDA Margin	4.5%	12.8%		4.5%	4.4%			
Net Profit	833	2,033	-59.0%	442	391	12.8%	1,242	-64.4%
Net Margin	4.1%	10.3%		4.2%	3.9%			
Production (MT)	21.73	18.76	16%	13.28	8.45	57%	11.50	15%
Sales Volume (MT)	21.62	20.10	8%	11.34	10.28	10%	10.40	9%
Coal Transportation (MT)	19.27	17.70	9%	9.86	9.41	5%	8.90	11%
ASP (IDR M/Ton)	0.93	0.97	-4%	0.91	0.95	-4%	1.00	-9%
Cash Cost	0.87	0.84	3%	0.85	0.90	-6%	0.82	3%
Cash Margin	0.06	0.13	-54%	0.06	0.05	20%	0.18	-66%

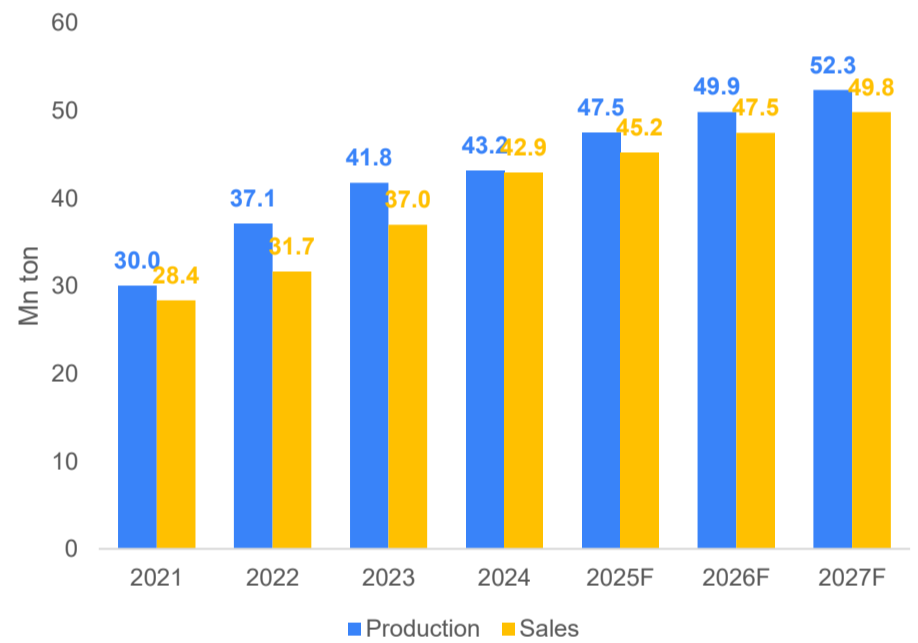
Source: Company, Ajaib Research

Figure 2. PTBA's Coal Reserves (mn ton)



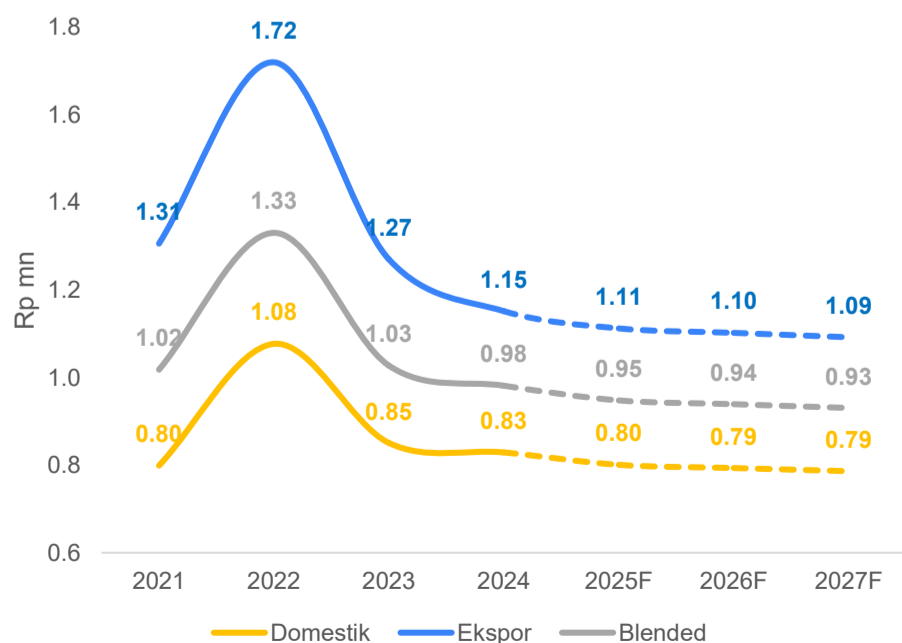
Source: Company, Ajaib Research

Figure 3. PTBA's Coal Sales and Production Volume



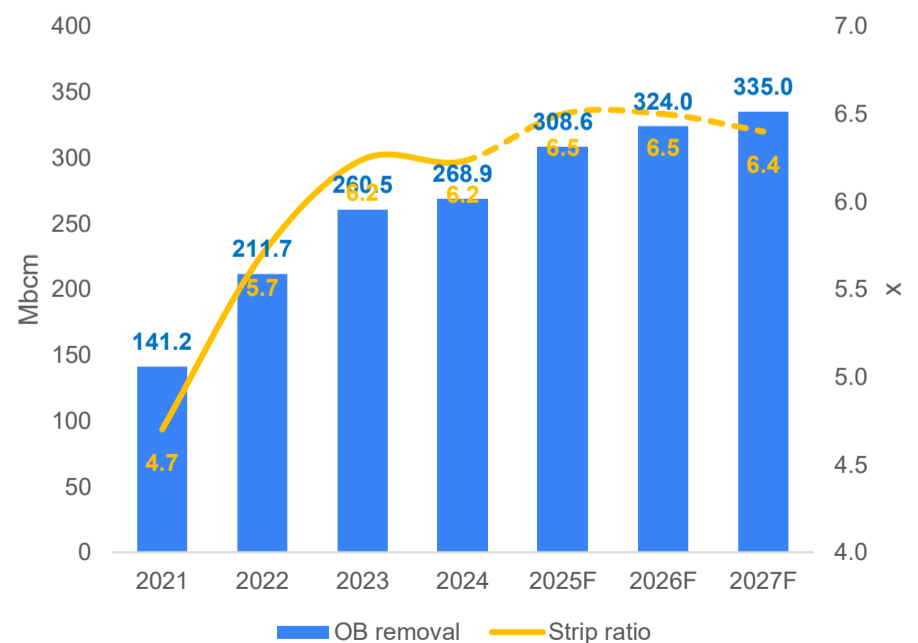
Source: Company, Ajaib Research

Figure 4. PTBA's Coal ASP Trend



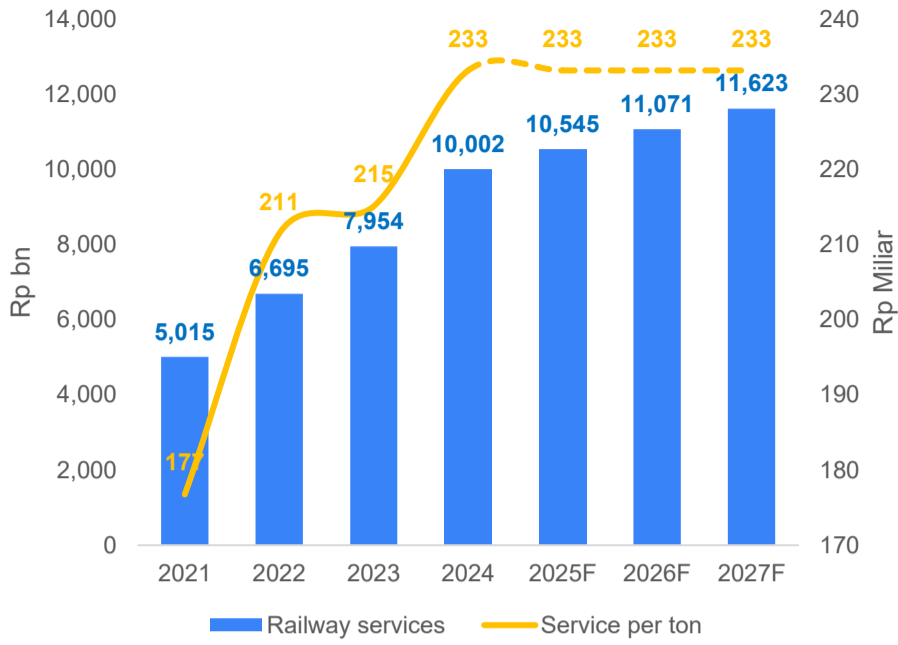
Source: Company, Ajaib Research

Figure 5. PTBA's Strip Ratio and OB Removal Trend



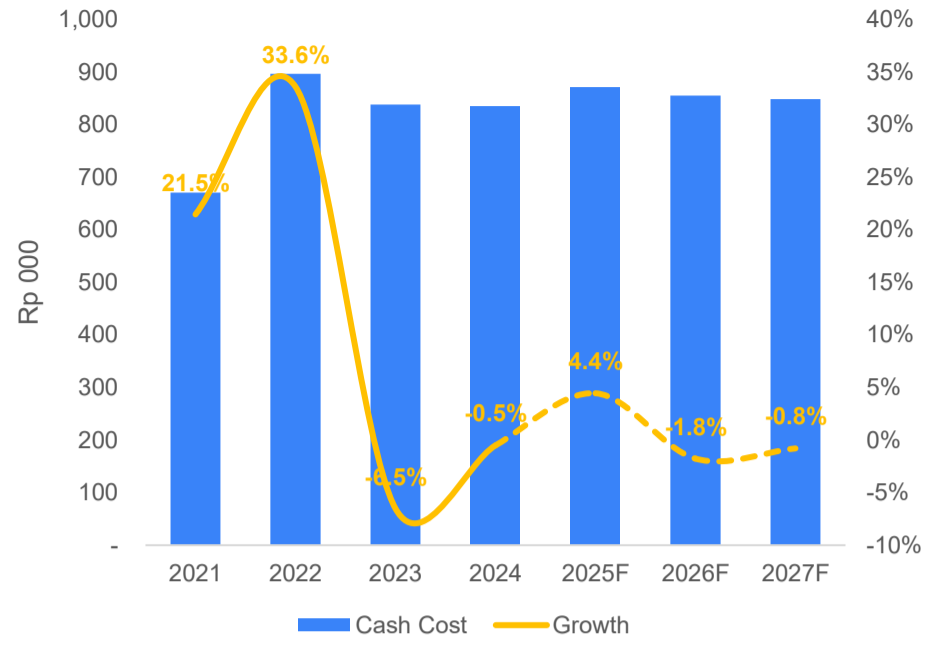
Source: Company, Ajaib Research

Figure 6. PTBA's Railway Services Cost



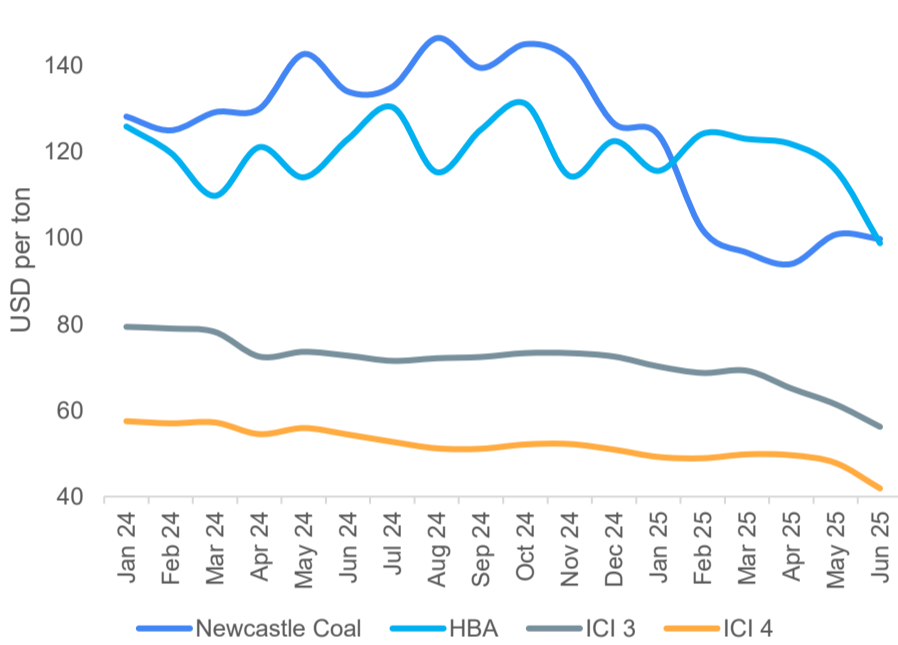
Source: Company, Ajaib Research

Figure 7. PTBA's Cash Cost Trend



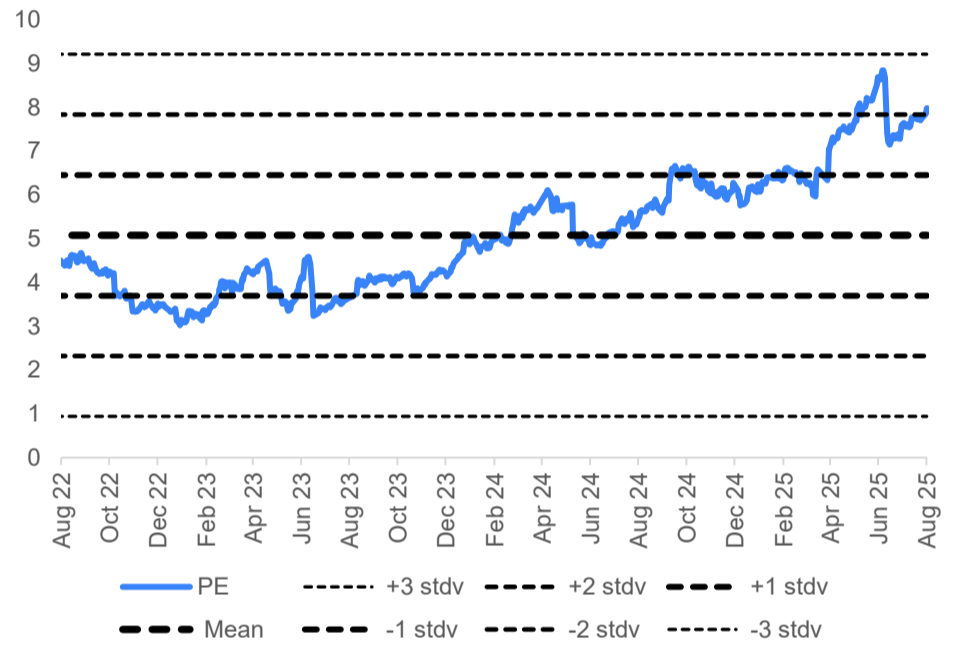
Source: Company, Ajaib Research

Figure 8. Coal Price Trend



Source: Bloomberg, Ajaib Research

Figure 9. PTBA's Historical PE Band



Source: Bloomberg, Ajaib Research

Figure 10. Peers Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	ROIC (%)	EPS Growth (%)
PTBA	28.1	7.2	1.4	4.2	20.0	20.5	-16.4
ITMG	25.5	4.6	1.0	1.2	18.5	19.2	-25.2
AADI	55.1	N.A	1.4	N.A	N.A	N.A	5.9
BYAN	610.0	36.1	18.9	30.1	41.2	42.1	-25.5
Sector Average		16.0	5.7	11.8	26.6	27.3	-15.3

Source: Bloomberg, Ajaib Research

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



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