KSI Research

ENRG Equity Update

KIWOOM SEKURITAS INDONESIA

PT Energi Mega Persada Tbk (ENRG)

Stronger Earnings, New Discovery, and Higher Oil Prices Drive ENRG's Growth

Published on 11 March 2026

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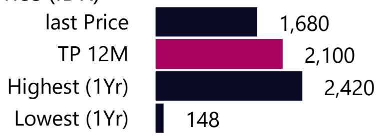
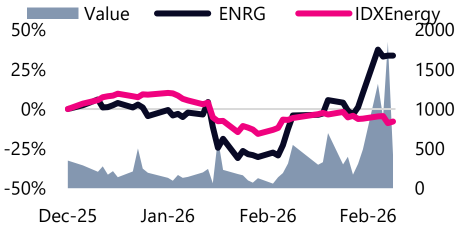
Stock Rate	**Buy**
Industry	Overweight
TP 12M	IDR 2,100
vs Last Price	+25%

Stock Data	
Ticker Code	ENRG
Sub Sector	Oil, Gas & Coal
Sector	Energy
Market Cap (IDR.Tn)	42.83
Shares Issued (Bn)	26.35
AVG 3M Turnover (Bn)	299

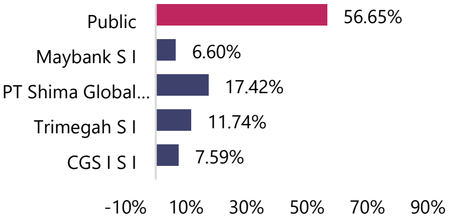
Price (IDR)



Price Performance, YTD(%), Turnover(Bn)



Shareholders



ESG Rating	
Environmental	1.81
Social	5.21
Governance	5.10

Revenue grew moderately, while profitability improved. ENRG recorded USD 498 million in FY25 revenue (+7% y/y), with 4Q25 revenue at USD 137 million (+12% q/q; -7% y/y). Growth was mainly driven by stronger contributions from Sengkang, Siak, Kampar, and Bentu, which offset weaker performance from Malacca Strait and Kangean. Profitability strengthened as EBITDA rose to USD 303 million (+15% y/y) with margins expanding to 60.9%, while net income reached USD 91.5 million (+21% y/y). In 4Q25, net profit stood at USD 36 million (+80% q/q; +49% y/y). Operationally, oil production increased to 8,266 bopd (+2% y/y), partially offsetting lower gas output at 217 mmcfd (-5% y/y). Meanwhile, oil prices declined -13% y/y and gas prices slipped -4% y/y, but stronger asset contributions and cost efficiency supported earnings growth.

ENRG, through its subsidiary, announced a new oil discovery in the Malacca Strait working area on 26 January 2026. Management estimates the discovery holds approximately ±31 million barrels of Original Oil in Place (OOIP), with potential additional production of 1,000-1,500 bopd from the planned development of the MSTB-NW structure through six development wells. Furthermore, seismic interpretation indicates additional exploration potential of more than 76 million barrels in the surrounding area, providing further upside for future reserve additions.

Higher oil price outlook to support ASP expansion. ENRG projects 2026F oil ASP at US$86.6/bbl (vs. US$69.2/bbl in 2025) in line with expectations of stronger global oil prices. Meanwhile, gas ASP is forecast to rise slightly to US$6.48/mmbtu from US$6.35/mmbtu, reflecting relatively stable gas pricing.Production growth to drive revenue. ENRG targets +10% y/y growth in both oil and gas production, with gas output projected at 238.7 mmscfd and oil production at 9,092 bopd. Supported by higher prices and volumes, 2026F revenue is projected to reach US$592 million (+19% y/y), mainly driven by stronger oil revenue alongside steady gas sales growth.

Key Takeaways

- **Earnings growth remained solid.** FY25 revenue reached USD 498mn (+7% y/y), while net income rose 21% y/y to USD 91.5mn, supported by stronger asset contributions and cost efficiency despite lower oil and gas prices.
- **Operational performance relatively stable.** Oil production increased to 8,266 bopd (+2% y/y), partly offsetting lower gas output at 217 mmcfd (-5% y/y).
- **New discovery adds reserve upside.** The Malacca Strait finding holds ±31 mmbbl OOIP with potential additional production of 1,000-1,500 bopd, alongside further exploration potential exceeding 76 mmbbl.
- **Positive 2026 outlook.** ENRG targets +10% production growth with higher oil ASP, supporting 2026F revenue of USD 592mn (+19% y/y).

Recommendation "BUY"

Based on blended valuation (NAV Reserve & DCF) and future outlook, we upgrade ENRG's fair value for 12M target at IDR 2,100 per share (Prev. 1,720). The current fair value implements a P/E ratio of 27.19x (2027F 25.26x) and a PBV of 3.44x (2027F 3.06x). Although valuations are now above the 5Y historical average, ENRG still trades below peers, indicating potential for a further re-rating supported by improving fundamentals. *Downside risks include energy transition, regulatory uncertainty, commodity price fluctuations, competition, and technological advances.*

Financial Highlight

End 31 Dec	2023A	2024A	2025A	2026F	2027F	2028F
Revenue (USD Mn)	421	467	498	592	622	653
Net Profit (USD Mn)	68	75	92	117	126	138
EBITDA Margin	60%	57%	61%	61%	62%	63%
NPM	16.3%	16.1%	18.4%	19.8%	20.3%	21.1%
ROE	12%	11%	11%	13%	12%	12%
Interest Coverage (x)	14x	8x	12x	12x	10x	9x
P/E (x)	5.2	4.67	26.66	27.19	25.26	23.08
P/BV (x)	0.6	0.54	2.97	3.44	3.06	2.73
EV/EBITDA (x)	2.1	2.59	9.18	10.22	9.77	9.36

Source: Company and KSI Research

Result FY25

In Millions of USD	FY24	FY25	yoy	4Q24	3Q25	4Q25	q/q	y/y
Malacca Strait	123	100	-18%	28	26	23	**-13%**	**-20%**
Kangean	104	96	-8%	37	22	33	**49%**	**-12%**
Korinci Baru	1	0	-47%	0.16	0.03	0	**152%**	**-53%**
Bentu	146	155	6%	46	40	38	**-3%**	**-16%**
Tonga	0	2	100%	0.00	0.28	0	**-4%**	**100%**
Sengkang	31	62	101%	14	14	21	**47%**	**55%**
Siak	23	35	52%	9	8	35	**100%**	**301%**
Kampar	16	22	32%	6	5	-4	**100%**	**-168%**
Other Service Company	24	26	10%	8	7	19	**158%**	**127%**
Revenue	467	498	7%	148	122	137	**12%**	**-7%**
Cost of Revenue	319	317	-1%	90	82	80	-2%	-10%
Gross Profit	**148**	**181**	**23%**	**58**	**41**	**56**	**39%**	**-3%**
Selling, General & Adm. Exp.	24	27	13%	4	5	11	119%	156%
EBIT	**124**	**155**	**25%**	**54**	**35**	**45**	**28%**	**-16%**
Finance Cost	38	35	-7%	9	9	9	1%	-2%
Pre-Tax Income	95	128	35%	17	26	44	68%	162%
EBITDA	**264**	**303**	**15%**	**92**	**71**	**87**	**22%**	**-6%**
Net income	**75**	**91.54**	**21%**	**24**	**20**	**36**	**80%**	**49%**
EPS (Full USD)	0.0030	0.0035	14%	0.001	0.001	0.001	78%	40%
	FY24	**FY25**		**4Q24**	**3Q25**	**4Q25**		
Cash and Cash Equivalents	54	62	16%	54	59	62	5.7%	16%
Short Term Debt	108	127	17%	108	133	127	-4.7%	17%
Long Term Debt	289	301	4%	289	265	301	13.2%	4%
Liabilities	926	1,000	8%	926	947	1,000	5.5%	8%
Equity	657	823	25.2%	657	733	823	12%	25%
Total Asset	1,583	1,822	15%	1,583	1,681	1,822	8%	15%
	FY24	**FY25**		**4Q24**	**3Q25**	**4Q25**		
GPM %	*31.68%*	*36.43%*	5%	*39.36%*	*33.16%*	*41.27%*	8%	2%
OPM %	*26.55%*	*31.07%*	5%	*36.30%*	*28.94%*	*33.10%*	4%	-3%
NPM %	*16.13%*	*18.38%*	2%	*16.32%*	*16.30%*	*26.24%*	10%	10%
EBITDA %	*56.50%*	*60.87%*	4%	*62.53%*	*58.24%*	*63.41%*	5%	1%
ROE (%)	24.4%	22.3%	-2%	14.7%	10.9%	17.4%	7%	3%
ROA (%)	9.9%	10.0%	0%	6.1%	4.7%	7.9%	3%	2%
	FY24	**FY25**		**4Q24**	**3Q25**	**4Q25**		
Debt to Equity (x)	0.60x	0.52x	(0.08)	0.60x	0.54x	0.52x	(0.02)	(0.08)
DER (x)	1.41x	1.21x	(0.19)	1.41x	1.29x	1.21x	(0.08)	(0.19)
DAR (x)	0.58x	0.55x	(0.04)	0.58x	0.56x	0.55x	(0.02)	(0.04)
ICR (x)	6.91x	8.57x	1.66	10.03x	8.02x	9.62x	1.61	(0.41)
Current Ratio (x)	0.59x	0.58x	(0.01)	0.75x	0.59x	0.58x	(0.01)	(0.17)
Cash Ratio (%)	12%	11%	-1%	18%	12%	11%	-1%	-6%

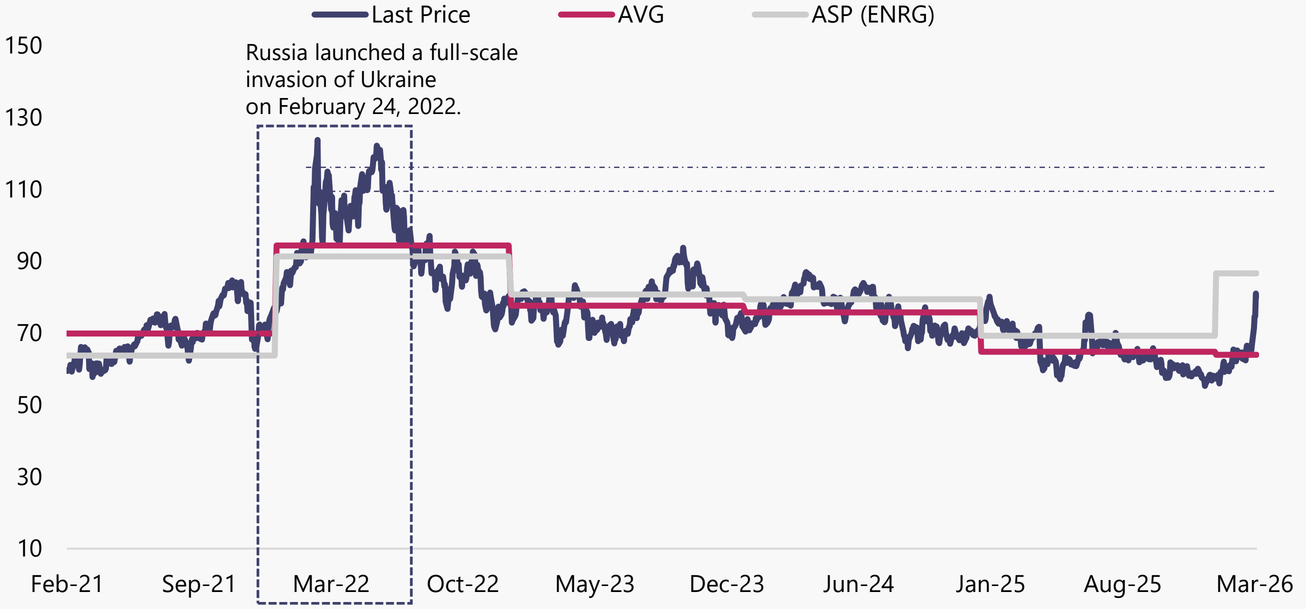
Source : Company, KSI Research & Bloomberg

Operational Result FY25

	FY24	FY25	y/y
Gross Oil Production per Day (barrel/day)	8096	8266	2%
Gross Gas Production per Day (million cubic feet/day)	229	217	-5%
Average Oil Price (usd/barrel)	79.4	69.24	-13%
Average Gas Price (usd/mcf)	6.59	6.35	-4%

Source : Company, KSI Research & Bloomberg

Historical Oil Price (WTI)



Source : Company, KSI Research & Bloomberg

Oil prices surged following geopolitical shocks. After the **Russian invasion of Ukraine** on February 24, 2022, **West Texas Intermediate crude oil** prices spiked above **USD 110-120/bbl** amid concerns over global supply disruptions.

Prices later stabilized around USD 70-80/bbl. After peaking in 2022, oil prices gradually normalized and traded mostly in the **USD 70-80/bbl range during 2023-2025**, reflecting improved supply conditions and market adjustments.

Middle East tensions add upside risk to oil prices. Rising tensions involving **Iran**, **Israel**, and the **United States** increase concerns over potential supply disruptions, particularly if key shipping routes such as the **Strait of Hormuz** are affected.

Potential price rebound supports energy outlook. If geopolitical tensions escalate and disrupt Middle East exports, oil prices could move toward **USD 90-100/bbl**, which would provide additional support for upstream energy companies' ASP and earnings outlook.

Valuation

We maintain a "Buy" rating for ENRG. Our valuation is based on a blended methodology combining NAV reserve valuation and DCF, reflecting both the underlying value of hydrocarbon reserves and the company's cash-flow generating capability. From our reserve-based model, ENRG's PV reserve value reaches USD 5,657 mn, which after deducting net debt of USD 345 mn results in an Equity NAV of USD 5,312 mn. Applying a 60% weight to NAV and 40% to DCF (corporate FCF value of USD 1,385 mn), we derive a blended equity value of USD 3,741 mn.Based on 25.5 bn shares outstanding, we obtain a fair value of IDR 2,470 per share. After applying a 15% margin of safety, we set our target price at IDR 2,100 per share. Compared with the current price of IDR 1,680, ENRG offers a potential upside of around 25%, supported primarily by the strong reserve base from key gas assets such as Bentu and Sengkang.

Category	Proven Reserve (MBOE)	Netback (USD/boe)	Gross Value (USD Mn)
Oil fields (Tonga, Siak, Kampar)	11,227	25.23	283
Gas fields (Gebang, Korinci, Bentu, Sengkang)	172,484	2.31	399
Mixed fields (Malacca Strait, Kangean)	635,201	13.77	8,747
Total Gross Reserve Value	**189,004**		**9,429**

Step	**Value**
Total Gross Reserve Value	**9,429**
PV factor (0.6)	
PV Reserve Value	**5,657.52**
Net Debt (USD Mn)	345.41
Equity NAV	**5,312.11**

Method	Base Metric	Assumption	Equity Value (USD Mn)	Weight (%)	Weighted Value
NAV	PV Reserve Value	From reserve model	5,312	60%	3,187
DCF	Corporate FCF		1,385	40%	554
Blended Equity Value					**3,741**
Share (Mn)					25,496
Fair Value (IDR)					2,470
Margin of Safety					*15%*
Target Price					**2,100**
Current Price					1,680
Potential Upside (%)					25%

Source : KSI Research & Bloomberg

ENRG vs Industry (Last update 05 March 2026)

Ticker	M.Cap	Price	1D	1W	1M	3M	6M	1Y	YTD	Beta	WACC	PBV	PE	ROE	DER	ESG Score	AVG 3M Value
ENRG	56.38T	2,140	0%	32%	89%	78%	257%	1151%	34%	1.7x	14.12%	3.8x	36.6x	11%	0.5x	3.46	299B
AVG Peers										1.1x	12.19%	5.4x	45.3x	8%	1.0x	3.47	154B
MEDC	46.00T	1,855	2%	9%	28%	39%	47%	82%	36%	0.6x	7.04%	1.3x	15.5x	9%	1.5x	4.74	220B
RATU	16.09T	6,175	4%	-10%	24%	-47%	3%	3%	-37%	2.9x	24.17%	21.8x	n.a	n.a	0.8x	1.57	187B
BIPI	16.56T	276	6%	-11%	96%	203%	241%	241%	221%	1.6x	8.58%	2.3x	n.a	-1%	1.1x	4.1	368B
SURE	3.94T	2,740	4%	6%	6%	4%	-9%	17%	3%	0.3x	10.43%	n.a	n.a	n.a	2.4x	n.a	0B
MITI	1.13T	310	3%	-9%	-5%	12%	17%	96%	-23%	0.5x	13.26%	2.8x	126x	2%	0.0x	n.a	5B
FWCT	0.25T	130	4%	-2%	-2%	-10%	-19%	-17%	-10%	0.2x	7.76%	0.7x	3.4x	21%	0.5x	n.a	1B

Source : KSI Research & Bloomberg

ENRG is currently trading at PBV 3.8x and PE 36.6x, still at a discount to the industry average of PBV 5.4x and PE 45.3x. In terms of fundamentals, ENRG shows relatively stronger profitability with ROE 11% versus the peer average of 8%, while maintaining lower leverage with DER 0.5x compared to the industry's 1.0x, indicating a healthier balance sheet. Although the stock has a higher beta of 1.7x, reflecting greater sensitivity to commodity price movements, the current valuation gap suggests room for potential re-rating, particularly if production growth and operational performance continue to improve.

Financial Exhibits

Income Statements

End 31 Dec (USD Mn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	**421**	**467**	**498**	**592**	**622**	**653**
Costs of revenue	275	319	317	377	386	392
Gross profit	**146**	**148**	**181**	**216**	**236**	**261**
Operating profit	**122**	**124**	**155**	**184**	**203**	**226**
Interest expense	17.8	35.0	26	31	38	46
Interest income	0.1	0.4	-	0	0	0
EBITDA	**254**	**264**	**304**	**361**	**388**	**414**
Income before tax	**101**	**95**	**128**	**152**	**164**	**180**
Tax expenses	33	22	36	35	38	41
Minority interests	(0)	(2)	0	0	0	0
Net income	**68**	**75**	**92**	**117**	**126**	**138**
EPS (USD)	0.0028	0.0030	0.0036	0.0046	0.0049	0.0054

Balance sheet

End 31 Dec (USD Mn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and equivalents	82	54	82	34	48	85
Account receivables	39	51	38	45	48	50
Inventories	38	44	40	48	49	50
Fixed assets	829	1,068	1,252	1,488	1,717	1,938
Other assets	382	366	410	480	487	494
Total assets	1,369	1,583	1,822	2,095	2,349	2,617
S-T liabilities	80	95	127	159	183	210
Other S-T liabilities	284	340	348	365	373	379
L-T liabilities	192	289	301	378	471	568
Other L-T liabilities	228	202	225	267	281	295
Total liabilities	784	926	1,000	1,169	1,308	1,451
Equity	585	657	823	926	1,041	1,166
BVPS (USD)	0.024	0.026	0.032	0.036	0.041	0.046

Cash Flows Statement

End 31 Dec (USD Mn)	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	68	75	92	117	126	138
Depreciation	132	140	149	177	185	188
Change in working capital	(6)	23	56	(131)	59	(3)
Others	(195)	(209)	(199)	(198)	(348)	(301)
Operating cash flow	**(0)**	**29**	**97**	**(35)**	**22**	**22**
Capital expenditure	(90)	(240)	(184)	(236)	(229)	(221)
Others	(22)	38	(85)	(0)	(0)	(0)
Investing cash flow	**(112)**	**(201)**	**(269)**	**(236)**	**(229)**	**(221)**
Dividend paid	-	-	-	-	-	-
Net change in debt	74	97	221	78	93	96
Others	74	46	(21)	146	128	140
Financing cash flow	**149**	**143**	**200**	**224**	**221**	**236**
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	**36**	**(29)**	**28**	**(48)**	**14**	**37**
Beginning cash flow	46	82	53	82	34	48
Ending cash flow	82	53	82	34	48	85

Source : Company & Bloomberg

Financial Ratio

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	-7%	18%	7%	19%	5%	5%
Gross Profit Growth (%)	-20%	1%	23%	19%	10%	11%
Operating Profit Growth (%)	-27%	2%	25%	19%	10%	11%
EBITDA Growth (%)	-14%	4%	15%	19%	8%	7%
Net Profit Growth (%)	2%	10%	21%	28%	8%	9%
EPS Growth (%)	2%	10%	18%	28%	8%	9%
Gross margin (%)	35%	32%	36%	36%	38%	40%
EBITDA margin (%)	60%	57%	61%	61%	62%	63%
EBIT margin (%)	29%	27%	31%	31%	33%	35%
Pretax margin (%)	24%	20%	26%	26%	26%	27%
Net margin (%)	16%	16%	18%	20%	20%	21%
ROE (%)	12%	11%	11%	13%	12%	12%
ROA (%)	5%	5%	5%	6%	5%	5%
Current ratio (x)	0.7x	0.6x	0.5x	0.5x	0.5x	0.6x
Quick ratio (x)	0.6x	0.5x	0.4x	0.4x	0.4x	0.5x
LT D/Equity (x)	0.33x	0.44x	0.37x	0.41x	0.45x	0.49x
DER (x)	1.34x	1.41x	1.21x	1.26x	1.26x	1.24x
DAR (x)	0.57x	0.58x	0.55x	0.56x	0.56x	0.55x
Interest Coverage (x)	14x	8x	12x	12x	10x	9x
Inventory turnover (x)	7.38	7.84	7.54	8.53	7.93	7.90
AP turnover (days)	49	47	48	43	46	46
Cash Ratio	23%	12%	17%	7%	9%	14%
Sustainable Growth (%)	12%	11%	11%	13%	12%	12%
Earning Yield (%)	19%	21%	4%	8%	9%	10%
Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PE (x)	5.2x	4.7x	26.7x	11.8x	11.0x	10.0x
PBV (x)	0.6x	0.5x	3.0x	1.5x	1.3x	1.2x
P/Sales	0.8x	0.8x	4.9x	2.3x	2.2x	2.1x
EV/Ebitda	2.1x	2.6x	9.2x	5.2x	5.1x	5.0x

Source : Company & Bloomberg

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT	: Sector & Industry Outlook has potential and good condition
NEUTRAL	: Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT	: Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOT RATED	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)

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