KSI Research

ENRG Equity Update – 1Q26

PT Energi Mega Persada Tbk (ENRG)

Building for Growth: Funding Secured, EPS Diluted

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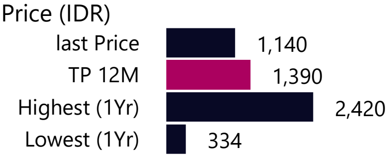
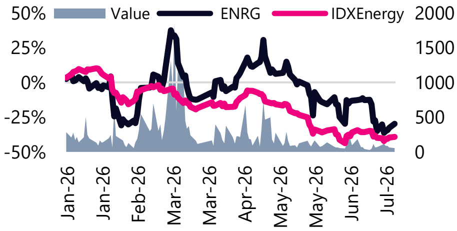
Stock Rate	**Buy**
Industry	Overweight
TP 12M	IDR 1,390
vs Last Price	+22%

Stock Data	
Ticker Code	ENRG
Sub Sector	Oil, Gas & Coal
Sector	Energy
Market Cap (IDR.Tn)	45.43
Shares Issued (Bn)(Asump RI-PP)	39.85
AVG 3M Turnover (Bn)	159

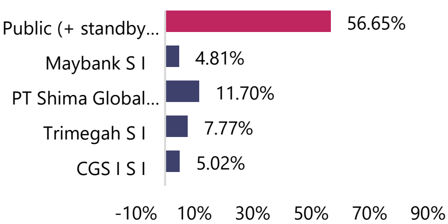
Price (IDR)



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



Shareholders (Scenario after RI)



ESG Rating	
Environmental	1.81
Social	5.21
Governance	5.01

Revenue & Production ENRG posted 1Q26 revenue of USD 137 million (+0.1% q/q; +17% y/y), Gross oil production declined to 7,203 bopd (-15% y/y), while gross gas production fell to 203 mmcfd (-10% y/y) due to lower output from several mature fields. The revenue impact was partly cushioned by a higher oil ASP of USD 87.36/bbl (+15% y/y), although gas ASP edged down to USD 6.75/mcf (-2% y/y). Profitability Gross profit increased to USD 58 million (+4% q/q; +54% y/y), with the gross margin improving to 42.6% (+1 ppt q/q; +10 ppts y/y). A 48% q/q decline in operating expenses lifted EBIT to USD 53 million (+16% q/q; +60% y/y). However, a 28% q/q increase in finance costs weighed on earnings, causing net profit to decline to USD 18 million (-49% q/q), although it remained slightly higher than last year (+2% y/y).

ENRG completed its private placement, issuing 218.3 million new shares at IDR 1,550/share and raising IDR 339 billion. The proceeds will be used for working capital through capital injections into its subsidiaries.

ENRG has obtained shareholder approval for its Rights Issue IV at IDR 310/share with a 2-for-1 ratio, raising up to IDR 4.1 trillion through the issuance of 13.3 billion new shares. The proceeds will fund capital injections into subsidiaries and working capital. PT Bakrie Kalila Investment will act as the standby buyer for up to 10.5 billion rights, supporting the transaction's completion. The cum-rights date is August 13, 2026.

We revise our FY26 forecast, lowering revenue to USD 535 million (+7% y/y, previously +19% y/y) to reflect weaker-than-expected oil prices and lower realized ASP assumptions. Consequently, we cut our net profit estimate to USD 101 million (+11% y/y; previously +28% y/y). We also revise our EPS forecast downward to account for the enlarged share base following the private placement and Rights Issue, resulting in a 29% y/y decline (vs. previous +28% y/y).

Key Takeaways

- **1Q26 remained resilient,** with revenue rising 17% y/y despite lower production, supported by higher oil ASP.
- **Profitability improved,** as gross margin expanded to 42.6% and EBIT grew 60% y/y, although higher finance costs limited net profit growth.
- **Funding secured,** with a IDR 339 billion private placement completed and a IDR 4.1 trillion Rights Issue approved, backed by a standby buyer.
- **FY26 forecasts revised lower on weaker oil price assumptions,** while EPS is expected to decline 29% y/y due to dilution from the private placement and Rights Issue.

Recommendation "BUY"

Based on our blended valuation (NAV Reserve and DCF) and revised earnings outlook, we downgrade ENRG's target price to IDR 1,390/share (previously IDR 2,100, target achieved). The lower target price mainly reflects weaker oil price assumptions and the larger post-transaction share base following the private placement and Rights Issue. Our target price implies a 2026F P/E of 31x (2027F: 29x) and a 2026F P/BV of 2.7x (2027F: 2.5x). *Key downside risks include energy transition, regulatory uncertainty, commodity price volatility, competition, and technological disruption.*

Financial Highlight

End 31 Dec	2023A	2024A	2025A	2026F	2027F	2028F
Revenue (USD Mn)	421	467	498	535	562	590
Net Profit (USD Mn)	68	75	92	101	110	111
EBITDA Margin	60%	57%	61%	61%	62%	62%
NPM	16.3%	16.1%	18.4%	18.9%	19.5%	18.9%
ROE	12%	11%	11%	9%	9%	8%
Interest Coverage (x)	14x	8x	12x	10x	9x	8x
P/E (x)	5.2	4.67	26.66	31.21	28.88	28.42
P/BV (x)	0.6	0.54	2.97	2.72	2.51	2.32
EV/EBITDA (x)	2.1	2.59	9.18	10.45	9.90	9.55

Source: Company and KSI Research

Result 1Q26

In Millions of USD	1Q25	4Q25	1Q26	q/q	y/y
Malacca Strait	26	23	34	**50%**	**30%**
Kangean	21	33	22	**-31%**	**6%**
Korinci Baru	0.09	0.08	0.00	-100%	-100%
Bentu	34	38	34	-12%	-2%
Tonga	0.49	0.27	0.29	7%	-41%
Sengkang	14	21	18	-14%	33%
Siak	0	9	15	62%	100%
Kampar	0	6	7	8%	100%
Other Service Company	6	6	6	6%	-3%
Revenue	117	137	137	0%	17%
Cost of Revenue	79	80	78	-2%	-1%
Gross Profit	**38**	**56**	**58**	4%	54%
Selling, General & Adm. Exp.	5	11	6	-48%	19%
EBIT	**33**	**45**	**53**	16%	60%
Finance Cost	9	9	12	28%	22%
Pre-Tax Income	27	44	42	-3%	55%
EBITDA	**69**	**87**	**90**	4%	31%
Net income	**18**	**36**	**18**	-49%	2%
EPS (Full USD)	0.001	0.001	0.001	-49%	-4%
	1Q25	**4Q25**	**1Q26**		
Cash and Cash Equivalents	53	62	90	44.0%	69%
Short Term Debt	112	127	98	-22.4%	-12%
Long Term Debt	279	301	329	9.6%	18%
Liabilities	909	1,000	1,024	2.4%	13%
Equity	675	823	841	2%	25%
Total Asset	1,584	1,822	1,865	2%	18%
	1Q25	**4Q25**	**1Q26**		
GPM %	*32.39%*	*41.27%*	*42.69%*	1%	10%
OPM %	*28.14%*	*33.10%*	*38.37%*	5%	10%
NPM %	*15.34%*	*26.24%*	*13.38%*	-13%	-2%
EBITDA %	*58.80%*	*63.41%*	*65.69%*	2%	7%
ROE (%)	10.6%	17.4%	8.7%	-9%	-2%
ROA (%)	4.5%	7.9%	3.9%	-4%	-1%
	1Q25	**4Q25**	**1Q26**		
Debt to Equity (x)	0.58x	0.52x	0.51x	(0.01)	(0.07)
DER (x)	1.35x	1.21x	1.22x	0.00	(0.13)
DAR (x)	0.57x	0.55x	0.55x	0.00	(0.03)
ICR (x)	7.27x	9.62x	7.79x	(1.84)	0.52
Current Ratio (x)	0.59x	0.44x	0.57x	0.13	(0.02)
Cash Ratio (%)	18%	13%	19%	6%	2%

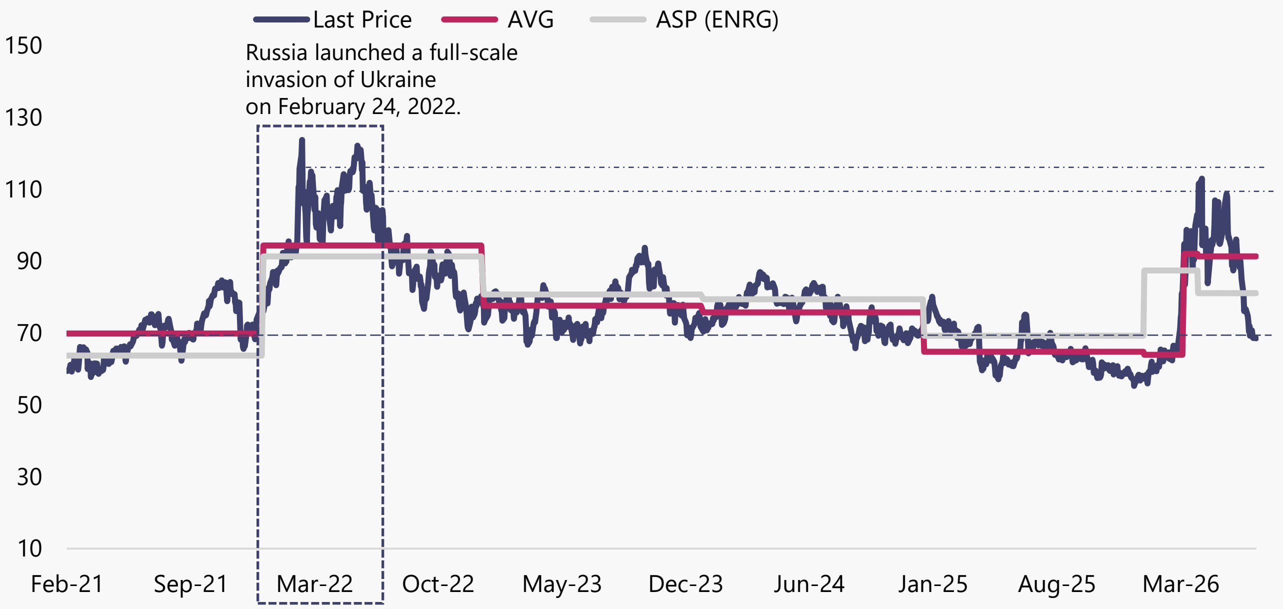
Source : Company, KSI Research & Bloomberg

Operational Result 1Q26

	1Q25	1Q26	y/y
Gross Oil Production per Day (barrel/day)	8479	7203	-15%
Gross Gas Production per Day (million cubic feet/day)	226	203	-10%
Average Oil Price (usd/barrel)	76.0	87.36	15%
Average Gas Price (usd/mcf)	6.88	6.75	-2%

Source : Company, KSI Research & Bloomberg

Historical Oil Price (WTI)



Source : Company, KSI Research & Bloomberg

Oil prices retreated below USD 69/bbl as supply concerns eased. Crude oil fell to its lowest level since late February after tanker traffic through the Strait of Hormuz normalized and geopolitical risk premiums faded following improving conditions in the Middle East.

OPEC+ production increase reinforces oversupply concerns. OPEC+ approved another production quota increase of **188,000 barrels per day** for next month, while Saudi Arabia and the UAE continued restoring exports toward pre-conflict levels, adding to expectations of a more balanced or potentially oversupplied global oil market.

Current oil prices remain below ENRG's recent ASP. ENRG's Average Selling Price (ASP) is still estimated around **USD 80-85/bbl**, while crude oil has declined to around **USD 69/bbl**. If lower oil prices persist, future ASP adjustments could weigh on upstream margins and earnings.

Downside risk to earnings if oil remains below USD 70/bbl. Sustained weakness in crude prices may pressure ENRG's profitability through lower realized selling prices. Conversely, any renewed geopolitical disruptions that lift oil prices back toward **USD 80-90/bbl** would provide a more supportive environment for ASP and earnings recovery.

Valuation

We maintain our "Buy" rating on ENRG. Our valuation is based on a blended methodology combining Net Asset Value (NAV) and Discounted Cash Flow (DCF), capturing both the intrinsic value of the company's hydrocarbon reserves and its long-term earnings potential. Considering ENRG's asset-backed business model, we assign a 60% weight to NAV and 40% to DCF, placing greater emphasis on the value of its producing assets and proven reserves while still incorporating future cash flow generation. Based on our reserve valuation, ENRG's PV reserve value stands at USD 5,671 mn. After deducting net debt of USD 246 mn, we derive an Equity NAV of USD 5,426 mn. Meanwhile, our DCF model yields a corporate equity value of USD 1,146 mn. Applying the 60:40 weighting results in a blended equity value of USD 3,654 mn. Assuming 39.85 billion shares outstanding following the Rights Issue and Private Placement, we derive a fair value of IDR 1,630 per share. After applying a 15% margin of safety, we arrive at a target price of IDR 1,390 per share, implying an upside potential of approximately 22% from the current market price.

Category	Proven Reserve (MBOE)	Netback (USD/boe)	Gross Value (USD Mn)
Oil fields (Tonga, Siak, Kampar)	10,162	25.23	256
Gas fields (Gebang, Korinci, Bentu, Sengkang)	164,735	2.31	381
Mixed fields (Malacca Strait, Kangean)	640,144	13.77	8,815
Total Gross Reserve Value			**9,452**

Step	Value
Total Gross Reserve Value	**9,452**
PV factor (0.6)	
PV Reserve Value	**5,671.48**
Net Debt (USD Mn)	246.0
Equity NAV	**5,425.46**

Method	Base Metric	Assumption	Equity Value (USD Mn)	Weight (%)	Weighted Value
NAV	PV Reserve Value	From reserve model	5,425	60%	3,255
DCF	Corporate FCF		1,146	40%	458
Blended Equity Value					**3,714**
Share (Mn)					39,847
Fair Value (IDR)					1,630
Margin of Safety					15%
Target Price					1,390
Current Price					1,140
Potential Upside (%)					22%

Source : KSI Research & Bloomberg

Corporate Action : Right Issue

- **ENRG completed its PMTHMETD (private placement)** by issuing 218.3 million new Series B shares at IDR 1,550/share, raising approximately IDR 339 billion. All shares were subscribed by PT Bakrie Kalila Investment (BKI), the Company's controlling affiliate. The proceeds will be used as working capital through capital injections into subsidiaries, primarily PT Imbang Tata Alam and EMP Malacca Strait S.A.
- **ENRG has secured shareholder approval to proceed with its Rights Issue IV** at an exercise price of IDR 310 per share with a 2-for-1 rights ratio, implying potential dilution of up to 33.3%. The company plans to issue approximately 13.3 billion new shares, targeting proceeds of around IDR 4.1 trillion, which will be used for capital injections into subsidiaries and working capital. Controlling shareholder PT Shima Global Kapital will not exercise its rights and will transfer approximately 2.3 billion rights to PT Bakrie Kalila Investment, which will also act as the standby buyer for up to 10.5 billion rights, enhancing deal certainty. The cum-rights date is scheduled for August 13, 2026, while the rights trading and exercise period will run from August 20 to August 28, 2026.

Financial Exhibits

Income Statements

End 31 Dec (USD Mn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	**421**	**467**	**498**	**535**	**562**	**590**
Costs of revenue	275	319	317	340	349	366
Gross profit	**146**	**148**	**181**	**195**	**214**	**224**
Operating profit	**122**	**124**	**155**	**166**	**183**	**193**
Interest expense	17.8	35.0	26	34	40	47
Interest income	0.1	0.4	-	0	0	0
EBITDA	**254**	**264**	**304**	**326**	**351**	**368**
Income before tax	**101**	**95**	**128**	**132**	**142**	**145**
Tax expenses	33	22	36	30	33	33
Minority interests	(0)	(2)	0	0	0	0
Net income	**68**	**75**	**92**	**101**	**110**	**111**
EPS (USD)	0.0028	0.0030	0.0036	0.0025	0.0028	0.0028

Balance sheet

End 31 Dec (USD Mn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and equivalents	82	54	82	270	303	356
Account receivables	39	51	38	41	43	45
Inventories	38	44	40	43	44	47
Fixed assets	829	1,068	1,252	1,429	1,600	1,764
Other assets	382	366	410	467	473	480
Total assets	1,369	1,583	1,822	2,250	2,463	2,691
S-T liabilities	80	95	127	153	171	191
Other S-T liabilities	284	340	348	331	338	355
L-T liabilities	192	289	301	363	439	516
Other L-T liabilities	228	202	225	242	254	266
Total liabilities	784	926	1,000	1,088	1,202	1,329
Equity	585	657	823	1,162	1,261	1,363
BVPS (USD)	0.024	0.026	0.032	0.029	0.032	0.034

Cash Flows Statement

End 31 Dec (USD Mn)	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	68	75	92	101	110	111
Depreciation	132	140	149	160	167	176
Change in working capital	(6)	23	56	(147)	76	8
Others	(195)	(209)	(199)	(167)	(337)	(269)
Operating cash flow	**(0)**	**29**	**97**	**(53)**	**16**	**26**
Capital expenditure	(90)	(240)	(184)	(177)	(171)	(164)
Others	(22)	38	(85)	(0)	(0)	(0)
Investing cash flow	**(112)**	**(201)**	**(269)**	**(177)**	**(171)**	**(164)**
Dividend paid	-	-	-	-	-	-
Net change in debt	74	97	221	332	76	78
Others	74	46	(21)	86	112	114
Financing cash flow	**149**	**143**	**200**	**419**	**187**	**191**
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	**36**	**(29)**	**28**	**188**	**33**	**53**
Beginning cash flow	46	82	53	82	270	303
Ending cash flow	82	53	82	270	303	356

Source : Company & Bloomberg

Financial Ratio

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	-7%	18%	7%	7%	5%	5%
Gross Profit Growth (%)	-20%	1%	23%	7%	10%	5%
Operating Profit Growth (%)	-27%	2%	25%	7%	10%	5%
EBITDA Growth (%)	-14%	4%	15%	7%	8%	5%
Net Profit Growth (%)	2%	10%	21%	11%	8%	2%
EPS Growth (%)	2%	10%	18%	-29%	8%	2%
Gross margin (%)	35%	32%	36%	36%	38%	38%
EBITDA margin (%)	60%	57%	61%	61%	62%	62%
EBIT margin (%)	29%	27%	31%	31%	33%	33%
Pretax margin (%)	24%	20%	26%	25%	25%	25%
Net margin (%)	16%	16%	18%	19%	19%	19%
ROE (%)	12%	11%	11%	9%	9%	8%
ROA (%)	5%	5%	5%	5%	4%	4%
Current ratio (x)	0.7x	0.6x	0.5x	1.0x	1.0x	1.1x
Quick ratio (x)	0.6x	0.5x	0.4x	0.9x	0.9x	1.0x
LT D/Equity (x)	0.33x	0.44x	0.37x	0.31x	0.35x	0.38x
DER (x)	1.34x	1.41x	1.21x	0.94x	0.95x	0.98x
DAR (x)	0.57x	0.58x	0.55x	0.48x	0.49x	0.49x
Interest Coverage (x)	14x	8x	12x	10x	9x	8x
Inventory turnover (x)	7.38	7.84	7.54	8.14	7.93	8.03
AP turnover (days)	49	47	48	45	46	45
Cash Ratio	23%	12%	17%	56%	60%	65%
Sustainable Growth (%)	12%	11%	11%	9%	9%	8%
Earning Yield (%)	19%	21%	4%	3%	3%	4%
Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PE (x)	5.2x	4.7x	26.7x	31.2x	28.9x	28.4x
PBV (x)	0.6x	0.5x	3.0x	2.7x	2.5x	2.3x
P/Sales	0.8x	0.8x	4.9x	5.9x	5.6x	5.4x
EV/Ebitda	2.1x	2.6x	9.2x	10.5x	9.9x	9.5x

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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