KIWOOM SEKURITAS INDONESIA

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PT Bukit Asam Tbk (PTBA)

Strong 1H26 Performance, Logistics Expansion to Sustain Growth

Higher ASP and Improved Stripping Ratio Drive Strong Earnings Growth. PTBA posted 1H26 revenue of IDR 22.03 trillion (+7.7% y/y), supported by an 11% y/y increase in ASP to IDR 1.03 million/ton, more than offsetting a 10% decline in production to 19.45 Mt and a 2% decline in sales volume to 21.10 Mt. Profitability improved significantly, with gross profit rising 89% y/y to IDR 4.25 trillion and EBITDA increasing 91% y/y to IDR 3.58 trillion, lifting the EBITDA margin to 16.2% from 9.1%. The margin expansion was primarily driven by an improved stripping ratio of 5.26x, down from 6.17x. Net profit posted to IDR 2.65 trillion (+218% y/y), while net cash remained solid at IDR 2.90 trillion despite higher long-term debt.

2Q26 Showed Stronger Earnings Momentum. Revenue reached IDR 12.1 trillion (+15% y/y; +22% q/q), supported by higher ASP of IDR 1.09 million/ton (+20% y/y; +14% q/q), while sales volume increased 7% q/q to 10.93 Mt. EBITDA jumped 76% y/y and 130% q/q to IDR 2.28 trillion, with EBITDA margin expanding to 18.8%. Net profit also accelerated sharply to IDR 1.85 trillion (+319% y/y; +130% q/q), reflecting stronger pricing, operating leverage, and improved profitability despite lower production.

Near-Term Growth Supported by Production Recovery and Logistics Expansion. We see PTBA's near-term outlook supported by production recovery and expanded logistics capacity. The 20 Mtpa Tanjung Enim-Kramasan project, targeted for COD in 2H26, and Kertapati's capacity expansion from 8 Mtpa to 15.3 Mtpa should enhance sales volume, transportation flexibility, and cost efficiency. With the 1H26 stripping ratio at 5.26x, below the FY26 guidance of 5.63x, further productivity gains remain possible in 2H26. While power generation, renewable energy, and coal downstreaming offer long-term growth optionality, we expect 2026-2027 earnings to remain primarily driven by sales volume, coal prices, sales mix, and logistics efficiency.

KEY TAKEAWAYS:

- **Higher ASP Drives Earnings.** 1H26 EBITDA and net profit surged 91% and 218% y/y, supported by higher ASP and an improved stripping ratio to 5.26x.
- **2Q26 Momentum Strengthened.** EBITDA and net profit grew 76% and 130% y/y, with EBITDA margin expanding to 18.8% on stronger pricing and operating leverage.
- **Logistics Supports 2H26 Growth.** Tanjung Enim-Kramasan and Kertapati expansions should lift sales volume and logistics efficiency, with earnings mainly driven by ASP, volume, mix, and costs.

RECOMMENDATION "BUY"

We maintain our Buy rating with a revised 12-month **target price of IDR 3,320/share** (previously IDR 3,260), based on a blended valuation approach using NAV reserves and DCF. This valuation implies a P/E of 8.20x, EV/EBITDA of 4.80x, and PBV of 1.60x. At the current price of IDR 2,880, PTBA is trading at a forward P/E of 7.12x (vs. peers' average of 13.7x) and estimated PBV of 1.30x (vs. peers' average of 0.89x). We also project potential dividend yields of 9.1% in 2026F and 9.6% in 2027F, assuming a 75% dividend payout ratio (DPR). *Key downside risks include a global economic slowdown, coal price volatility, a stronger rupiah, energy transition risks, and regulatory changes.*

FINANCIAL HIGHLIGHTS

End 31 Dec	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	38.5	42.8	42.7	45.2	46.5	52.8
Net Profit	6.1	5.1	2.9	4.7	4.9	5.6
EPS (IDR Full)	531.5	443.5	254.5	404.7	425.0	486.5
EBITDA Margin	23%	16%	11%	16%	16%	16%
NPM	15.9%	11.9%	6.9%	10.3%	10.5%	10.6%
ROE	28%	23%	13%	20%	19%	21%
Div. Yield (%)	16%	12%	8%	9.1%	9.6%	11.0%
P/E (x)	4.6	6.20	9.08	8.20	7.81	6.82
P/BV (x)	1.3	1.40	1.18	1.60	1.52	1.43
EV/EBITDA (x)	2.7	4.16	5.20	4.80	4.47	3.45

Source: Company, KSI Research estimates.

STOCK RATING

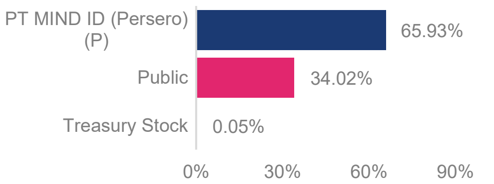
BUY

REITERATED

TP 12M (IDR)	**3,320**
vs. Last Price	**+15%**
Previous TP	*IDR 3,260*

Ticker	**PTBA**
Sub-Sector	**Oil, Gas & Energy**
Last Price (IDR)	**2,880**
Market Cap (IDR Tn)	**33.18**
Shares Issued (Bn)	**11.52**
AVG 3M Turnover (Bn)	**51.87**

SHAREHOLDER STRUCTURE



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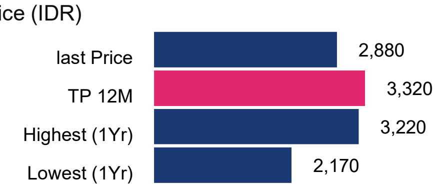
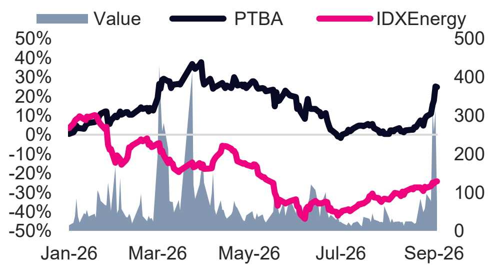
Price (IDR)



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



ESG Rating

Environmental	**5.37**
Social	**6.83**
Governance	**5.90**

PERFORMANCE OVERVIEW

Strong Earnings Growth & Margin Recovery

IDR Bn	1H25	1H26	yoy	2Q25	1Q25	2Q26	q/q	y/y
Indonesia	9,702	9,428	-3%	5,507	4,687	4,741	1%	-14%
India	2,273	1,512	-33%	903	936	576	-38%	-36%
China	164	593	261%	68	23	570	2343%	743%
Korea	500	720	44%	303	226	494	119%	63%
Cambodia	616	1,874	204%	369	958	917	-4%	149%
Vietnam	1,531	3,141	105%	513	1,182	1,959	66%	281%
Bangladesh	2,864	2,711	-5%	1,540	966	1,745	81%	13%
Philippines	1,185	406	-66%	636	270	136	-50%	-79%
Japan	34	65	93%	0	65	0	-100%	n.a
Taiwan	373	56	-85%	163	56	0	-100%	-100%
Thailand	885	1,037	17%	327	391	646	65%	97%
Others	46	47	2%	30	47	0	-100%	-100%
Malaysia	278	437	57%	134	122	315	158%	135%
Revenue	20,452	22,028	7.7%	10,494	9,930	12,098	22%	15.3%
Cost of Revenue	18,205	17,781	-2%	9,294	8,386	9,395	12%	1%
Gross Profit	2,247	4,247	89%	1,200	1,544	2,703	75%	125%
Selling, General & Adm. Exp.	1,246	1,437	15%	622	646	790	22%	27%
EBIT	892	2,704	203%	526	850	1,854	118%	253%
Finance Cost	132	99	-25%	64	54	45	-17%	-30%
Pre-Tax Income	1,095	3,272	199%	577	1,033	2,238	117%	288%
EBITDA	1,868	3,576	91%	1,031	1,296	2,280	76%	121%
Net income	833	2,650	218%	442	802	1,848	130%	319%
EPS (Full IDR)	72	231	219%	38.3	69.6	160.4	130%	319%
Cash and Cash Equivalents	4,038	6,876	70%	4,038	4,192	6,876	64.0%	70%
Short Term Debt	936	346	-63%	936	350	346	-1.0%	-63%
Long Term Debt	293	2,639	801%	293	2,370	2,639	11.4%	801%
Liabilities	22,896	22,764	-1%	22,896	19,558	22,764	16.4%	-1%
Equity	19,785	25,339	28.1%	19,785	23,671	25,339	7%	28%
Total Asset	42,681	48,102	13%	42,681	43,228	48,102	11%	13%
GPM %	*10.99%*	*19.28%*	8%	*11.43%*	*15.55%*	*22.35%*	7%	11%
OPM %	*4.36%*	*12.28%*	8%	*5.01%*	*8.56%*	*15.32%*	7%	10%
NPM %	*4.07%*	*12.03%*	8%	*4.21%*	*8.07%*	*15.28%*	7%	11%
EBITDA %	*9.13%*	*16.23%*	7%	*9.82%*	*13.06%*	*18.84%*	6%	9%
ROE (%)	8.5%	20.9%	12%	8.9%	13.5%	29.2%	16%	20%
ROA (%)	4.3%	11.0%	7%	4.1%	7.4%	15.4%	8%	11%
Debt to Equity (x)	0.06x	0.12x	0.06	0.06x	0.11x	0.12x	0.00	0.06
DER (x)	1.16x	0.90x	(0.26)	1.16x	0.83x	0.90x	0.07	(0.26)
DAR (x)	0.54x	0.47x	(0.06)	0.54x	0.45x	0.47x	0.02	(0.06)
ICR (x)	14.21x	36.13x	21.92	16.10x	23.99x	50.71x	26.72	34.61
Current Ratio (x)	1.01x	1.21x	0.19	1.01x	1.01x	1.21x	0.19	0.19
Cash Ratio (%)	26%	50%	24%	26%	26%	50%	24%	24%

Source : KSI Research & Bloomberg

OPERATIONAL PERFORMANCE

	1H25	1H26	yoy	2Q25	1Q26	2Q26	q/q	y/y
Production (MT)	21.73	19.45	-10%	13.28	6.62	12.83	94%	-3%
Coal Transportation (MT)	19.27	18.15	-6%	9.86	8.74	9.41	8%	-5%
Sales Volume (MT)	21.62	21.10	-2%	11.34	10.17	10.93	7%	-4%
ASP (IDR M/Ton)	0.93	1.03	11%	0.91	0.96	1.09	14%	20%
Stripping Ratio	6.17	5.26	-0.91	4.37	5.31	5.234	-0.08	0.87

Source : KSI Research & Bloomberg

VALUATION

Revised TP IDR 3,320; Rated BUY

BUY TP 12M: IDR 3,320

vs. Last Price (IDR 2,880, 04 September 2026): +15.3% upside | Previous TP: IDR 3,260

Location	Reserves (Mt)	Netback ($)	Gross Value (US$ Mn)
Tanjung Enim	2,604	7.2	18,698
Peranap	279	7.2	2,003
Others	1	7.2	7
Ombilin	-		-
Total	**2,884**		**20,709**
NAV CALCULATION			
Total Gross Value	20,709		
PV Factor	0.5		
PV Reserve Value	**10,354**		
NAV (USD Mn)	10,354		
Net Debt (IDR Bn)	(1,134)		
NAV (IDR Bn)	**166,804**		

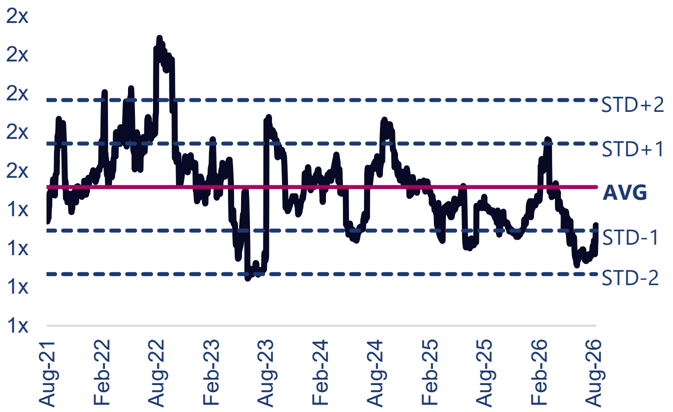
BLENDED VALUATION

Method	Base Metric	Assumption	Equity Value (IDR Bn)	Weight (%)	The Value of the firm
NAV	PV Reserve Value	From reserve model	166,804	50%	83,402
DCF	Corporate FCF		51,701	50%	25,850
Blended Equity Value					**109,252**
Share (Mn)					12
Fair Value (IDR)					9,490
Margin of Safety					65%
Target Price					3,320

Source : KSI Research & Bloomberg

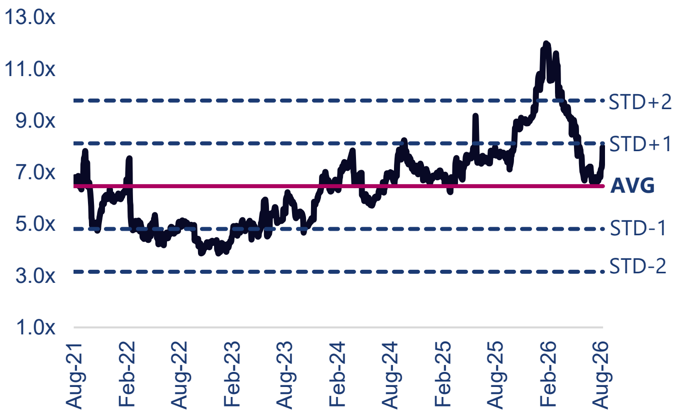
Blended fair value: IDR3,320/share (Blended Equity Value IDR108,109bn ÷ 12Bn shares), combining NAV valuation (50% weight) and DCF valuation (50% weight). NAV is derived from a PV reserve value of IDR10,354bn using a 0.5x PV factor, while DCF is based on Corporate FCF of IDR51,701bn. A 65% margin of safety is applied, resulting in a target price of IDR3,320/share.

HISTORICAL PBV 5Y (BELOW AVG)



Source : KSI Research & Bloomberg

HISTORICAL PE 5Y (Above AVG)



Source : KSI Research & Bloomberg

FINANCIAL EXHIBITS

Income Statement, Balance Sheet & Cash Flow

Income Stetement

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	**38,489**	**42,765**	**42,652**	**45,215**	**46,533**	**52,803**
Costs of revenue	29,332	34,563	36,395	36,497	37,561	42,622
Gross profit	**9,157**	**8,202**	**6,257**	**8,718**	**8,972**	**10,181**
Operating profit	**7,266**	**5,505**	**3,158**	**5,433**	**5,591**	**6,344**
Interest expense	116.0	174.3	223	278	267	252
Interest income	584.3	250.2	220	224	338	395
EBITDA	**8,786**	**6,995**	**4,895**	**7,174**	**7,383**	**8,378**
Income before tax	**8,154**	**6,259**	**3,773**	**6,034**	**6,336**	**7,253**
Tax expenses	1,862	1,120	814	1,327	1,394	1,596
Minority interests	187	36	29	47	49	56
Net income	**6,106**	**5,104**	**2,930**	**4,660**	**4,893**	**5,601**
EPS (IDR)	532	444	254	405	425	486

Balance sheet

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and equivalents	5,556	4,801	4,991	7,531	8,809	12,658
Account receivables	3,797	5,030	3,935	4,171	4,939	6,338
Inventories	5,500	4,869	4,883	4,055	4,173	5,920
Fixed assets	11,911	12,213	14,792	14,444	13,620	12,868
Other assets	12,002	14,872	15,315	15,349	15,370	15,441
Total assets	**38,765**	**41,786**	**43,917**	**45,551**	**46,912**	**53,224**
S-T liabilities	558	1,883	2,324	2,270	994	906
Other S-T liabilities	9,410	10,092	10,403	10,434	12,798	16,746
L-T liabilities	744	368	1,533	1,497	2,557	2,449
Other L-T liabilities	6,490	6,799	7,040	9,043	6,980	7,920
Total liabilities	**17,202**	**19,142**	**21,300**	**23,244**	**23,330**	**28,022**
Equity	**21,563**	**22,644**	**22,617**	**23,875**	**25,150**	**26,770**
BVPS (IDR)	1,877	1,968	1,964	2,072	2,183	2,324

Cash Flows Statement

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	6,106	5,104	2,930	4,660	4,893	5,601
Depreciation	1,520	1,490	1,737	1,741	1,792	2,034
Change in working capital	(3,084)	(273)	2,244	(1,839)	1,814	902
Others	(7,178)	(5,155)	(4,975)	(4,019)	(8,310)	(7,887)
Operating cash flow	**(2,636)**	**1,167**	**1,935**	**543**	**189**	**650**
Capital expenditure	(574)	(302)	(2,579)	(1,220)	824	752
Others	(2,116)	(2,633)	(544)	(7)	(7)	(7)
Investing cash flow	**(2,690)**	**(2,935)**	**(3,124)**	**(1,227)**	**816**	**745**
Dividend paid	(4,560)	(3,826)	(2,197)	(3,495)	(3,670)	(4,201)
Net change in debt	(27)	(327)	1,164	(36)	1,061	(108)
Others	(1,273)	5,166	2,412	6,756	2,882	6,762
Financing cash flow	**(5,860)**	**1,014**	**1,379**	**3,225**	**273**	**2,453**
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	**(11,187)**	**(755)**	**190**	**2,540**	**1,278**	**3,848**
Beginning cash flow	16,743	5,556	4,801	4,991	7,531	8,809
Ending cash flow	5,556	4,801	4,991	7,531	8,809	12,658

Source: Bloomberg, Company & KSI Research estimates

Earnings Upgrade on Higher ASP and Improved Operational Efficiency. We revise our 2026F revenue forecast to IDR 45.2tn from IDR 43.6tn (+3.7%), while net profit is upgraded to IDR 4.66tn from IDR 2.9tn (+60.7%). The revision primarily reflects higher ASP assumptions and improved cost efficiency, supported by a lower stripping ratio that should enhance mining margins and operating leverage.

FINANCIAL RATIOS

Gradual Earnings Recovery, Strengthening Financial Position

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Growth (%)						
Revenue Growth (%)	-10%	11%	0%	6%	3%	13%
Gross Profit Growth (%)	-49%	-10%	-24%	39%	3%	13%
Operating Profit Growth (%)	-51%	-24%	-43%	72%	3%	13%
EBITDA Growth (%)	-46%	-20%	-30%	47%	3%	13%
Net Profit Growth (%)	-51%	-16%	-43%	59%	5%	14%
EPS Growth (%)	-51%	-17%	-43%	59%	5%	14%
Profitability / Margin (%)						
Gross margin (%)	24%	19%	15%	19%	19%	19%
EBITDA margin (%)	23%	16%	11%	16%	16%	16%
EBIT margin (%)	19%	13%	7%	12%	12%	12%
Pretax margin (%)	21%	15%	9%	13%	14%	14%
Net margin (%)	16%	12%	7%	10%	11%	11%
ROE (%)	28%	23%	13%	20%	19%	21%
ROA (%)	16%	12%	7%	10%	10%	11%
Liquidity (x)						
Current ratio (x)	1.5x	1.3x	1.1x	1.3x	1.3x	1.4x
Quick ratio (x)	1.0x	0.9x	0.7x	1.0x	1.0x	1.1x
Leverage (x)						
LT D/Equity (x)	0.03x	0.02x	0.07x	0.06x	0.10x	0.09x
DER (x)	0.80x	0.85x	0.94x	0.97x	0.93x	1.05x
DAR (x)	0.44x	0.46x	0.49x	0.51x	0.50x	0.53x
Interest Coverage (x)	76x	40x	22x	26x	28x	33x
Activity Ratio						
Inventory turnover (x)	6.28	6.67	7.46	8.17	9.13	8.45
AP turnover (days)	58	55	49	45	40	43
Shareholder Return (%)						
Cash Ratio	56%	40%	39%	59%	64%	72%
Sustainable Growth (%)	7%	6%	3%	5%	5%	5%
Earning Yield (%)	22%	16%	11%	12%	13%	15%
Dividend Yield (%)	16.27%	12.09%	8.26%	9.14%	9.60%	10.99%
Multiple Valuation (x)						
PE (x)	4.6x	6.2x	9.1x	8.2x	7.8x	6.8x
PBV (x)	1.3x	1.4x	1.2x	1.6x	1.5x	1.4x
P/Sales	0.7x	0.7x	0.6x	0.8x	0.8x	0.7x
EV/Ebitda	2.7x	4.2x	5.2x	4.8x	4.5x	3.5x

Source: Bloomberg, Company & KSI Research estimates

Rating Guide, Disclaimer & Contact

KIWOOM SEKURITAS GUIDE TO SECTOR / STOCK RATINGS

SECTOR / INDUSTRY

OVERWEIGHT	Sector & Industry outlook has potential and good condition
NEUTRAL	Sector & Industry outlook stable or tends to be stagnant
UNDERWEIGHT	Sector & Industry outlook has challenges and bad condition

STOCK

BUY	Performance > +15% over the next 12 months (ex-dividend)
TRADING BUY	Performance +5% to +15%, minor to medium term
HOLD	Performance -10% to +15% over the next 12 months (ex-dividend)
SELL	Performance < -15% over the next 12 months (ex-dividend)
TRADING SELL	Performance -5% to -15%, minor to medium term
NOT RATED	Stock not within regular research coverage

DISCLAIMER

OTHER DISCLOSURES

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