# Bukit Asam (PTBA IJ)

Scaling Operations For Upcoming Growth Cycle

Analyst(s)

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## Highlights

- **Production is set to accelerate in 2H26.** Following 1H26 production of 19.45mt, PTBA's output could reach 28.55mt in 2H26 (+46.8% hoh), implying 2026 production of around 48mt. The stronger volume outlook, coupled with firmer coal prices, a higher export mix, and manageable cost pressures, should support earnings momentum into year-end.
- **Catalysts from Kramasan completion (up to 20mtpa production addition), Sumsel 8 ramp-up, and Mempawah's power plant expansion.**
- **PTBA is trading at 7.8x 2026F PE with a potential yield of up to 10%,** in line with peers, while past dividend payouts of 45-75% imply a dividend yield of 6-10%.

## Analysis

- **An integrated, state-owned coal producer based in Sumatra.** Bukit Asam (PTBA) holds 2.88b tonnes of coal reserves and 5.71b tonnes of resources as of Dec 25, implying a mine life of about 60 years based on 2025 production levels. Its main asset is an around 40,347ha concession at Tanjung Enim, South Sumatra, which produced 98% of its 47.2mt total output in 2025 with most sales in the 4,300-5,200 calorific value range. PTBA hauls coal on dedicated rail lines to its own ports at Tarahan (Lampung, 25mtpa capacity) and Kertapati (Palembang, 7mtpa), and supplies its own approximately 1.6GW of coal-fired power capacity. In 2025, 54% of sales went to the domestic market, mainly PLN power plants in Java and Sumatra, while the rest was exported, mainly to Asian customers.
- **Kramasan completion remains the key near-term catalyst.** The Tanjung Enim–Kramasan railway is a 158km coal haulage line linking PTBA's mining operations to a coal terminal near Palembang, developed in partnership with KAI. The line has an initial capacity of 20mtpa, with management targeting full operations in 2H27 and coal deliveries of around 8mt in 2027. Beyond easing current logistics bottlenecks, Kramasan could increase PTBA's production capacity by up to 60mt over the longer term (including all transporation from train and mine mouth sales). We believe the additional capacity would provide greater flexibility to increase export sales exposure, which could serve as a meaningful earnings catalyst given export coal prices have historically traded at a 28-68% premium to domestic prices over the past three years. Another potential catalyst is the optimisation of the Kertapati rail corridor, which could add a further 7mtpa of transport capacity.
- **Upside from Sumsel 8 ramp-up.** The 2x660MW Sumsel 8 coal-fired power plant, in which PTBA holds a 45% stake, is currently operating at about 60% utilisation. As utilisation improves toward full capacity, PTBA could benefit from additional mine-mouth coal sales of up to 2mtpa. We view these sales as particularly attractive as they are not constrained by transportation bottlenecks and generate relatively healthy margins.

### Key Financials

| Year to 31 Dec (Rpb) | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Net turnover | 29,261 | 42,649 | 38,489 | 42,765 | 42,652 |
| EBITDA | 11,070 | 16,478 | 9,097 | 7,320 | 5,156 |
| Operating profit | 9,959 | 14,936 | 7,266 | 5,531 | 3,120 |
| Net profit (rep./act.) | 7,909 | 12,568 | 6,106 | 5,104 | 2,930 |
| Net profit (adj.) | 7,909 | 12,568 | 6,106 | 5,104 | 2,930 |
| EPS (Rp) | 702 | 1,094 | 532 | 444 | 254 |
| PE (x) | 4.5 | 2.9 | 6.0 | 7.2 | 12.5 |
| P/B (x) | 1.5 | 1.3 | 1.7 | 1.6 | 1.6 |
| EV/EBITDA (x) | 2.9 | 2.0 | 3.6 | 4.4 | 6.3 |
| Dividend yield (%) | 21.7 | 34.4 | 12.5 | 10.5 | 3.6 |
| Net margin (%) | 27.0 | 29.5 | 15.9 | 11.9 | 6.9 |
| Net debt/(cash) to equity (%) | (52.4) | (53.2) | (19.7) | (11.3) | (5.0) |
| Interest cover (x) | 62.9 | 106.3 | 62.7 | 31.7 | 14.0 |
| ROE (%) | 38.7 | 47.6 | 24.4 | 23.2 | 13.0 |

*Source: PTBA, Bloomberg, UOB Kay Hian*

## NOT RATED

| | |
|---|---|
| Share Price | Rp3,180 |
| Target Price | n.a. |
| Upside | n.a. |

### Stock Data

| | |
|---|---|
| Sector | Energy |
| Bloomberg ticker | PTBA IJ |
| Shares issued (m) | 11,521 |
| Market cap (Rpb) | 36,636 |
| Market cap (US$m) | 2,038 |
| 3-mth avg daily t'over (US$m) | 4.1 |

### Price Performance (%)

52-week high/low: Rp3,220/Rp2,170

| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| 25.7 | 34.7 | 2.6 | 35.3 | 37.7 |

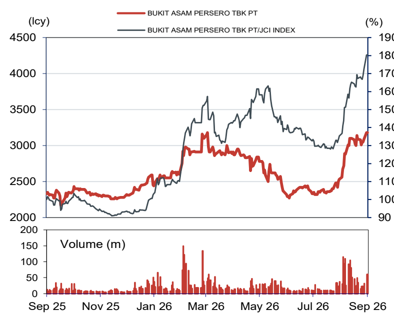
### Major Shareholders (%)

| | |
|---|---|
| PT Mineral Industri Indonesia (Persero) | 65.9 |
| Public | 34.0 |

### Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share | n.a. |
| FY26 Net Debt/Share | n.a. |

### Price Chart




*Source: Bloomberg*

### Company Description

Bukit Asam is Indonesia's state-owned coal miner and a member of MIND ID, which sits under Danantara. It operates five permits over 40,347ha at Tanjung Enim plus Peranap, Ombilin and IPC Bantuas, with dedicated rail to the Tarahan and Kertapati ports and ~1.6GW of coal-fired power capacity.

- **New captive demand from downstream expansion.** PTBA is developing a 1.44GW coal-fired power plant (PLTU) in Mempawah, West Kalimantan, to supply electricity for Inalum's bauxite and alumina-aluminium downstream projects. We view the project positively given relatively healthy margins on coal sales and a captive buyer from Inalum's alumina and aluminium smelting operations, providing relatively stable demand for PTBA's coal.
- **Rail transport leaves PTBA largely insulated from El Niño.** PTBA hauls coal from Tanjung Enim on dedicated rail lines to its own ports in Tarahan and Kertapati, so a prolonged dry season has little impact on its operations. Producers that rely on river barging, mostly in Kalimantan, lose haulage capacity when water levels drop. The company sees heavy rainfall, which usually runs from 4Q through 1Q, as the larger factor, noting that extreme rainfall in 1Q26 cut production by 22% yoy.
- **The 2026 RKAB is unchanged at 53mt.** Its 2026 base-case production of 48mt and bull case of 50mt are both below the quota, as was 2025 production of 47.2mt.
- **1H26 net profit rose 218% yoy, and 3Q26 production is tracking above the company's guidance.** In 1H26, revenue rose 8% yoy to Rp22.03t and net profit rose 218% yoy to Rp2.65tn, as ASP increased 11% to Rp1.03m/t, overpowering the around 2% decline in sales volume to 21.1mt. 1H26 production fell 10% yoy to 19.45Mt after extreme rainfall in 1Q26, then rose 94% qoq to 12.8mt in 2Q26. After 1H26, PTBA produced 10.4mt in Jul-Aug 26 (July: 5.1mt; August: 5.3t), a 5.2mt/month average, exceeding the 5.0mt/month 2H26 run-rate in management's 50mt bull case (base case: 48mt). The company guided for 2H26 margins to remain broadly flat, with higher ICI-3 prices offset by rising cash costs as the strip ratio climbs to 6.0x (1H26: 5.3x; 2026E: 5.6x), leaving fuel costs, which track the oil price, as the main swing factor.
- **Costs remain well controlled despite higher fuel and royalty expenses**. Excluding royalties, cash cost declined 5% yoy to US$47.25/t in 1H26, driven mainly by lower transportation and mining service costs. Fuel was the key headwind, rising 17% yoy to US$6.28/t in 1H26 and 53% qoq to US$7.50/t in 2Q26, while royalties increased 13% yoy on higher coal prices.

## Valuation

- **Mid-single-digit PE with high potential dividend yield.** PTBA traded at 7.6x PE, relatively in line with peers' average of 7.9x. Assuming a payout in line with the 45-75% paid over the past two years, that implies a 6-10% dividend yield. With major projects such as Kramasan nearing completion, PTBA's dividend payout next year will largely depend on the rollout of the Mempawah power plant, as an earlier-than-expected capex deployment could require significant cash outflow.

### Peer Comparison

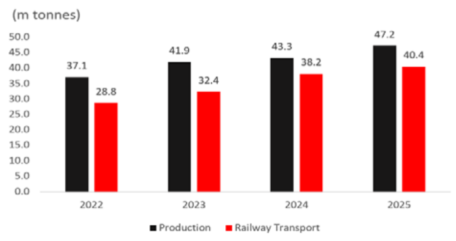
| Ticker | Price 28-Sep-26 (Rp) | Market Cap (US$m) | 3M Avg Turnover (US$m) | PE 2026F (x) | PE 2027F (x) | P/B 2026F (x) | P/B 2027F (x) | ROE 2026F (%) | Div. Yield 2026F (%) | Net Gearing (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| PTBA | 3,180 | 2,038 | 4.0 | 7.6 | 7.6 | 1.4 | 1.4 | 18.6 | 7.1 | -5.0 |
| AADI | 11,625 | 5,037 | 5.6 | 5.5 | 5.9 | 1.3 | 1.2 | 26.7 | 10.5 | -3.6 |
| BUMI | 181 | 3,740 | 31.6 | 18.6 | 13.8 | 1.3 | 1.3 | 4.2 | n.a. | 11.0 |
| ITMG | 25,625 | 1,611 | 1.9 | 7.3 | 6.8 | 0.8 | 0.8 | 10.8 | 7.4 | -37.7 |
| INDY | 2,630 | 762 | 3.6 | 18.3 | 5.2 | 0.6 | 0.6 | 3.2 | n.a. | 43.4 |

*Source: Respective companies, Bloomberg, UOB Kay Hian*

## Risk/Catalyst

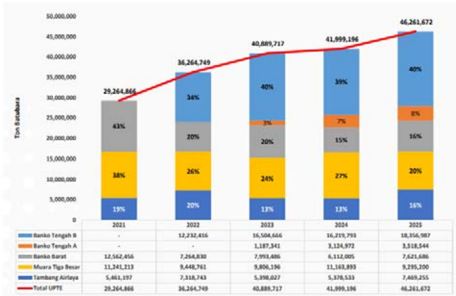
- **Risks:** Higher-than-expected rainfall, policy uncertainty, weak coal prices, high fuel prices.

### Production And Railway Volume



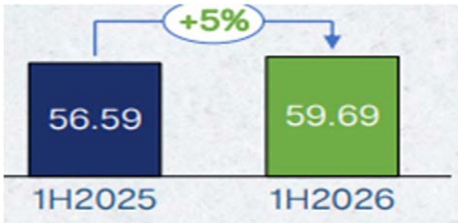

*Source: PTBA, UOB Kay Hian*

### Coal Production (2021-25)



*Source: PTBA, UOB Kay Hian*

### Coal ASP




*Source: PTBA, UOB Kay Hian*

### Costs Per Ton (in US$)


*Source: PTBA, UOB Kay Hian*

### Train Loading Station 6 &7 (20m mt Capacity) For Kramasan Project

*Source: PTBA, UOB Kay Hian*

## Profit & loss

| Year to 31 Dec (Rpb) | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Net turnover | 42,649 | 38,489 | 42,765 | 42,652 |
| EBITDA | 16,478 | 9,097 | 7,320 | 5,156 |
| Deprec. & amort. | 1,542 | 1,832 | 1,789 | 2,037 |
| EBIT | 14,936 | 7,266 | 5,531 | 3,120 |
| Total other non-operating income | 838 | 304 | 728 | 654 |
| Associate contributions | | | | |
| Net interest income/(expense) | 428 | 584 | - | - |
| Pre-tax profit | 16,202 | 8,154 | 6,259 | 3,773 |
| Tax | -3,423 | -1,862 | -1,120 | -814 |
| Minorities | -212 | -187 | -36 | -29 |
| Net profit | 12,568 | 6,106 | 5,104 | 2,930 |

## Balance Sheet

| Year to 31 Dec (Rpb) | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Fixed assets | 11,336 | 11,911 | 12,213 | 14,792 |
| Other LT assets | 9,591 | 11,706 | 14,339 | 14,884 |
| Cash/ST investment | 7,030 | 4,139 | 4,133 | 4,522 |
| Other current assets | 17,402 | 11,009 | 11,101 | 9,719 |
| Total assets | 45,359 | 38,765 | 41,786 | 43,917 |
| ST debt | 592 | 558 | 1,883 | 2,324 |
| Other current liabilities | 10,110 | 9,410 | 10,092 | 10,403 |
| LT debt | 771 | 744 | 368 | 1,533 |
| Other LT liabilities | 4,971 | 6,490 | 6,799 | 7,040 |
| Shareholders' equity | 28,705 | 21,435 | 22,505 | 22,484 |
| Minority interest | 211 | 129 | 139 | 133 |
| Total liabilities & equity | 45,359 | 38,765 | 41,786 | 43,917 |

## Cash Flow

| Year to 31 Dec (Rpb) | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Operating | 12,527 | 3,114 | 5,184 | 6,312 |
| Pre-tax profit | 16,202 | 8,154 | 6,259 | 3,773 |
| Tax | -3,423 | -1,862 | -1,120 | -814 |
| Deprec. & amort. | 1,542 | 1,832 | 1,789 | 2,037 |
| Working capital changes | -2,374 | -1,803 | 235 | 1,786 |
| Non-cash items | 580 | -3,207 | -1,980 | -470 |
| Investing | -1,294 | 7,249 | -1,079 | -3,454 |
| Capex (growth) | -889 | -937 | -1,232 | -3,505 |
| Investments | - | - | - | - |
| Others | -405 | 8,186 | 153 | 51 |
| Financing | -8,597 | -13,322 | -4,111 | -3,020 |
| Dividend payments | -7,909 | -12,568 | -4,579 | -3,828 |
| Issue of shares | - | - | 79 | - |
| Proceeds from borrowings | - | - | 4,598 | 1,290 |
| Loan repayment | -565 | -476 | -4,211 | -639 |
| Others/interest paid | -123 | -279 | 3 | 156 |
| Net cash inflow (outflow) | 2,636 | -2,959 | -6 | -163 |
| Beginning cash & cash equivalent | 4,394 | 7,030 | 4,139 | 4,133 |
| Ending cash & cash equivalent | 7,030 | 4,071 | 4,133 | 3,970 |

## Key Metric

| Year to 31 Dec (%) | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 38.6 | 23.6 | 17.1 | 12.1 |
| Pre-tax margin | 38.0 | 21.2 | 14.6 | 8.8 |
| Net margin | 29.5 | 15.9 | 11.9 | 6.9 |
| ROA | 30.8 | 14.5 | 12.7 | 6.8 |
| ROE | 47.6 | 24.4 | 23.2 | 13.0 |
| Growth | | | | |
| Turnover | 45.8 | -9.8 | 11.1 | -0.3 |
| EBITDA | 48.9 | -44.8 | -19.5 | -29.6 |
| Pre-tax profit | 56.4 | -49.7 | -23.2 | -39.7 |
| Net profit | 58.9 | -51.4 | -16.4 | -42.6 |
| Net profit (adj.) | 58.9 | -51.4 | -16.4 | -42.6 |
| EPS | 55.8 | -51.4 | -16.5 | -42.8 |
| Leverage | | | | |
| Debt to total capital | 4.5 | 5.7 | 9.0 | 14.6 |
| Debt to equity | 4.7 | 6.0 | 9.9 | 17.1 |
| Net debt/(cash) to equity | -53.2 | -19.7 | -11.3 | -5.0 |
| Interest cover (x) | 106.3 | 62.7 | 31.7 | 14.0 |