



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51481.5	(0.7)	(1.1)	(3.9)	7.1
S&P 500	7683.7	(0.8)	(1.0)	(0.4)	12.2
FTSE 100	10684.9	(0.1)	(0.5)	(1.3)	7.6
AS30	8850.7	0.1	(0.8)	(4.8)	(1.9)
CSI 300	4340.8	(2.2)	(3.7)	(5.8)	(6.2)
FSSTI	5729.0	0.3	0.9	0.5	23.3
HSCEI	8216.8	0.6	(1.5)	(3.2)	(7.8)
HSI	24642.5	0.5	(1.6)	(3.7)	(3.9)
JCI	6147.9	(1.5)	(3.7)	(5.7)	(28.9)
KLCI	1670.0	(0.1)	0.2	(3.2)	(0.6)
KOSPI	6889.7	(2.7)	2.6	1.5	63.5
Nikkei 225	65877.6	(0.7)	3.1	(0.8)	30.9
SET	1602.4	(0.3)	0.3	0.9	27.2
TWSE	48024.6	(0.3)	3.8	3.7	65.8
BDI	3268	(4.6)	(3.9)	2.6	74.1
CPO (RM/mt)	4380	(4.2)	(5.5)	(5.7)	11.4
Brent Crude (US\$/bbl)	105	0.9	4.9	17.9	73.0

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Top Stories

Small/Mid Cap Highlights | Bukit Asam (Persero) (PTBA IJ/**NOT RATED**/Rp3,180)

Page 2 →

- Following 1H26 production of 19.45mt, PTBA's output could reach 28.55mt in 2H26 (+46.8% hoh), implying 2026 production of around 48mt. Earnings should be supported by firmer coal prices, a higher export mix, and manageable cost pressures. Longer-term growth catalysts include the Kramasan project completion, Sumsel 8 ramp-up, and Mempawah power plant expansion. PTBA currently trades at 7.8x 2026F PE and offers an attractive dividend yield potential of 6-10%.

Technical Analysis

Sumber Alfaria Trijaya | AMRT IJ

Page 5 →

- Trading Buy Range: We have a technical Buy at Rp1,325, and take profit at Rp1,400.

Bukit Asam | PTBA IJ

Page 5 →

- Trading Buy Range: We have a technical Buy at Rp3,160, and take profit at Rp3,400.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Bukit Asam (PTBA IJ)

Scaling Operations For Upcoming Growth Cycle

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

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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	34.7
3mth	2.6
6mth	35.3
1yr	37.7
YTD	

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

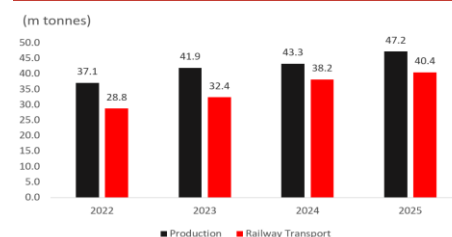
	Price	Market	3M Avg	PE	PE	P/B	P/B	ROE	Div. Yield	Net
	28-Sep-26	Cap	Turnover	2026F	2027F	2026F	2027F	2026F	2026F	Gearing
Ticker	(Rp)	(US\$m)	(US\$m)	(x)	(x)	(x)	(x)	(%)	(%)	(%)
PTBA	3,180	2,038	4.0	7.6	7.6	1.4	1.4	18.6	7.1	-5.0
AADI	11,625	5,037	5.6	5.5	5.9	1.3	1.2	26.7	10.5	-3.6
BUMI	181	3,740	31.6	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

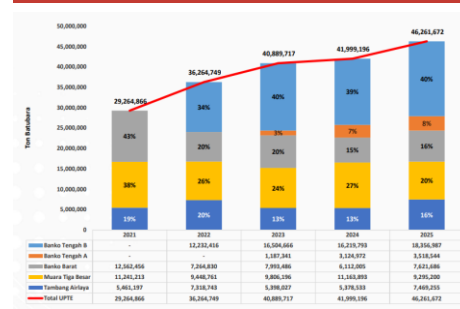
- **Risks:** Higher-than-expected rainfall, policy uncertainty, weak coal prices, high fuel prices.

Production And Railway Volume



Source: PTBA, UOB Kay Hian

Coal Production (2021-25)



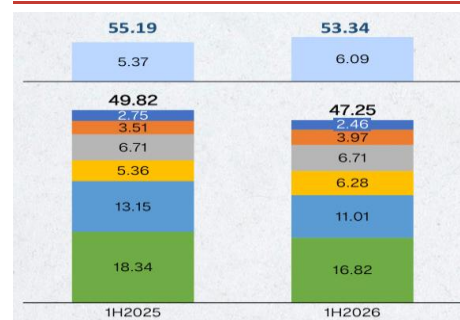
Source: PTBA, UOB Kay Hian

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

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

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

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

Technical Analysis

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Source: Tradingview

Sumber Alfaria Trijaya AMRT IJ

Technical BUY with 5.5% potential return

Resistance:	Rp1,375, Rp1,455
Support:	Rp1,270, Rp1,240
Stop-loss:	Rp1,265

Share price closed slightly higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for price to make more rallies and challenge the resistance at Rp1,375 and Rp1,455. Technical indicator RSI is sloping upwards and back above its midline, while the MACD has just given a bullish signal. Buy at Rp1,325 and take profit at Rp1,400.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp1,940.



Source: Tradingview

Bukit Asam PTBA IJ

Technical BUY with 7.5% potential return

Resistance:	Rp3,250, Rp3,430
Support:	Rp2,980, Rp2,940
Stop-loss:	Rp2,970

Share price closed higher and formed a bullish candlestick. Price advanced with higher trading volume; hence, we see potential for further rallies to challenge the resistance at Rp3,250 and Rp3,400. Technical indicator RSI is sloping upwards and into its overbought zone, while the Stochastic has just given a bullish signal. Buy at Rp3,160 and take profit at Rp3,400.

Approximate timeframe: 2-4 weeks.

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