

BUY (Maintain)

Target Price (IDR) 340 (from 380)
Potential Upside (%) 31.8

Price Comparison

Cons. Target Price (IDR) -

SSI vs. Cons. (%) -

Stock Information

Last Price (IDR) 258
Shares Issued (Mn) 24,821
Market Cap. (IDR Bn) 6,106
52-Weeks High/Low (IDR) 2404/193
3M Avg. Daily Value (IDR Bn) 16.8
Free Float (%) 51.2

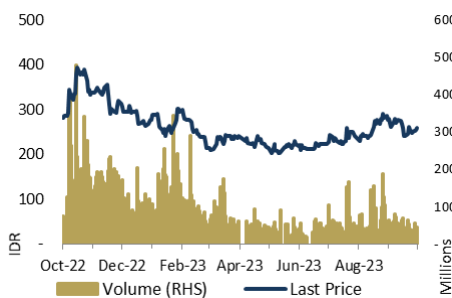
Shareholder Structure:

Bakrie Kalila Investment (%) 43.7
Trimegah Sekuritas (%) 6.26
Public (%) 43.8

Stock Performance

| (%) | YTD | 1M | 3M | 12M |
|------------|--------|--------|-----|--------|
| Absolute | (16.3) | (12.1) | 7.9 | (12.8) |
| JCI Return | (0.1) | (1.9) | 0.2 | (0.2) |
| Relative | (16.3) | (10.2) | 7.7 | (12.6) |

Stock Price & Volumes, 12M



Company Background

PT Energi Mega Persada Tbk adalah perusahaan minyak dan gas yang berkantor pusat di Jakarta. ENRG melakukan eksplorasi, pengembangan dan produksi minyak bumi dan gas alam.

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Right Place, Right Time

Katalis positif dari M&A. ENRG melewati paruh pertama tahun yang sibuk, dengan banyaknya transaksi dan kesepakatan yang dilakukan di semester 1 tahun 2023 ini. Ada empat transaksi yang ingin kami soroti: 1) Akuisisi PT Sulawesi Regas Satu; perusahaan tersebut memiliki kontrak untuk menyewakan fasilitas FSRU kepada PLN Gas & Geothermal, dan fasilitas tersebut dapat memasok hingga 24 mmcf, 2) perjanjian PSC untuk mengoperasikan blok Bireun Sigli di Aceh dengan rencana Capex sebesar USD 36 juta untuk tiga tahun ke depan dan perkiraan sumber daya sebesar 2.1 tcf (gas) dan 359 mboe (minyak bumi), 3) Akuisisi 90% saham dan operatorship di blok KKS Siak dan blok KKS Kampar, dengan tingkat produksi gabungan sebesar 2,200 –2,600 mbopd, dan 4) rencana Capex sebesar USD 10.07 juta untuk eksplorasi blok South CPP dan Tonga. Seluruh aksi korporasi ini berpotensi menjadi katalis pertumbuhan yang kuat bagi ENRG, karena kami yakin ENRG dapat memanfaatkan kenaikan harga minyak dan gas, yang akan membantu mendongkrak pendapatannya. Kami memproyeksikan ENRG akan memproduksi gas sebanyak 157 MMSCFD pada FY23F dan 173 MMSCFD pada FY24F, serta minyak bumi sebesar 6.6 mbopd pada FY23F dan 8,7 mbopd pada FY24F, dengan ASP sebesar USD 85.26/bbl.

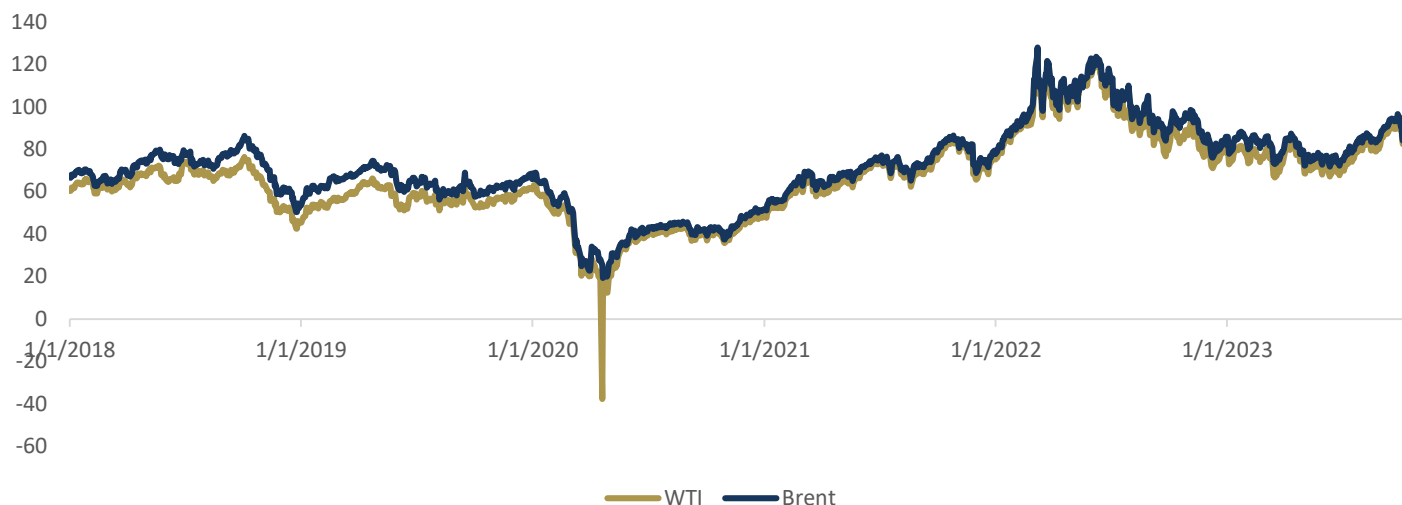
Prospek pendapatan yang solid. Dengan sejumlah proyek yang selesai atau dijadwalkan selesai pada tahun 2023 dan proyek-proyek lainnya pada tahun 2024, kami sangat yakin bahwa pendapatan ENRG akan terus bertumbuh. Meskipun mungkin akan ada penurunan di FY23F (karena high-base effect), kami yakin bahwa ENRG akan bangkit kembali di FY24F, didukung kenaikan harga komoditas dan selesainya proyek-proyeknya. Kami memperkirakan ENRG akan membukukan pendapatan sebesar USD 427 juta (-5% yoy) di FY23F dan USD 482 juta (+13% yoy) di FY24F. Namun, mengingat besarnya proyek-proyeknya, biaya tunai ENRG berpotensi membengkak ke USD 16.37/boe, meskipun angka ini akan menurun secara bertahap seiring berjalannya waktu. Kami memproyeksikan ENRG akan membukukan EBITDA FY23F/FY24F sebesar USD 267 juta/USD 299 juta dan laba bersih sebesar USD 60 juta/USD 73 juta, mencerminkan pertumbuhan EPS sebesar -9.4%/+20.6%.

BUY, TP IDR 340. Dengan rollover valuasi kami ke FY24F, kami mempertahankan rating BUY untuk ENRG meskipun dengan TP yang lebih rendah sebesar IDR 340, mencerminkan 4.0x EV/EBITDA FY24F (+1.5 SD 5 tahun, 16% lebih rendah dari peers global dan regional). **Risiko:** Merosotnya harga komoditas, gangguan dalam pelaksanaan proyek.

Forecast and Valuations (@ IDR 258 per share)

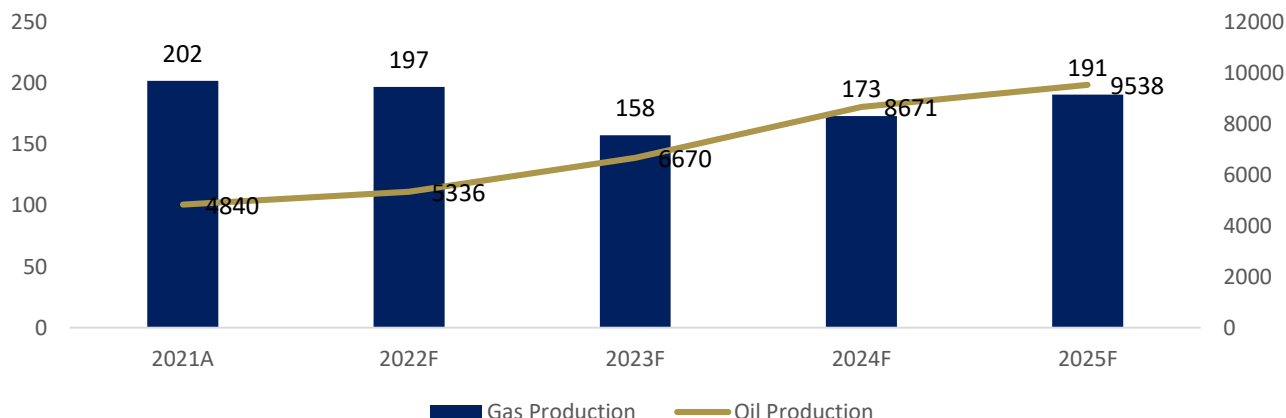
| Y/E Dec | 21A | 22A | 23F | 24F | 25F |
|-----------------------|--------|------|--------|------|------|
| Revenue (USD mn) | 406 | 452 | 427 | 482 | 511 |
| EBITDA (USD mn) | 273 | 295 | 267 | 299 | 310 |
| EV/EBITDA(x) | 2.2 | 1.8 | 1.8 | 1.9 | 1.7 |
| Net Profit (USD mn) | 40 | 67 | 60 | 73 | 74 |
| EPS (IDR) | 23 | 42 | 37 | 44 | 45 |
| EPS Growth (%) | (68.5) | 80.1 | (12.3) | 20.6 | 1.4 |
| P/E Ratio (x) | 10.9 | 6.0 | 6.9 | 5.7 | 5.6 |
| BVPS (IDR) | 258 | 326 | 348 | 392 | 436 |
| P/BV Ratio (x) | 1.0 | 0.8 | 0.7 | 0.6 | 0.6 |
| DPS (IDR) | n.a | n.a | n.a | n.a | n.a |
| Dividend Yield (%) | n.a | n.a | n.a | n.a | n.a |
| ROAE(%) | 12.2 | 13.8 | 11.1 | 11.9 | 10.8 |
| ROAA (%) | 4.2 | 5.9 | 4.8 | 5.3 | 4.9 |
| Interest Coverage (x) | 8.6 | 8.4 | 6.8 | 7.5 | 7.2 |
| Net Gearing (x) | 35.2 | 24.9 | 11.0 | 21.5 | 13.5 |

Figure 1. 5-Year Oil Price



Source: Bloomberg, SSI Research

Figure 2. Production Volume (MBOPD)



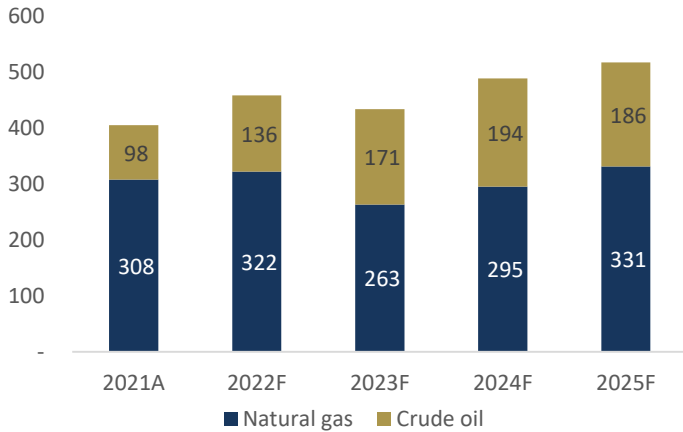
Source: Bloomberg, SSI Research

Figure 3. Peers Comparison

| Ticker | Company | Market Cap (USDmn) | EV(USD mn) | PE (x) | | PBV (x) | | EV/EBITDA (x) | | ROA (%) | | ROE (%) | |
|----------------------------------|-----------------------------------|--------------------|------------|-------------|-------------|------------|------------|---------------|------------|-------------|-------------|-------------|-------------|
| | | | | 2023F | 2024F | 2023F | 2024F | 2023F | 2024F | 2022 | 2023 | 2023F | 2024F |
| Midstream O&G Average | | | | 13.4 | 12.5 | 2.1 | 2.1 | 9.8 | 9.4 | 5.7 | 5.4 | 20.6 | 19.3 |
| ENB US | Enbridge Inc. | 68,401 | 182,576 | 15.4 | 16.2 | 1.6 | 1.7 | 11.2 | 11.0 | 3.7 | 3.2 | 10.2 | 10.0 |
| EPD US | Enterprise Products Partners L.P. | 60,114 | 90,595 | 10.9 | 10.3 | 2.1 | 2.0 | 9.7 | 9.3 | 7.8 | 7.9 | 20.7 | 21.2 |
| KMI US | Kinder Morgan, Inc. | 38,191 | 70,426 | 15.5 | 14.3 | 1.2 | 1.2 | 9.2 | 8.9 | 3.7 | 3.9 | 8.1 | 8.8 |
| ET US | Energy Transfer LP | 43,785 | 106,365 | 10.3 | 9.1 | 1.4 | 1.3 | 7.9 | 7.6 | 4.2 | 4.8 | 12.8 | 14.5 |
| MPLX US | MPLX LP | 36,514 | 57,647 | 9.9 | 9.5 | 3.0 | 2.9 | 9.4 | 9.2 | 10.3 | 10.1 | 29.1 | 29.4 |
| OKE US | ONEOK Inc | 39,981 | 52,692 | 12.2 | 14.1 | 2.5 | 2.6 | 10.5 | 9.8 | 7.6 | 4.6 | 29.3 | 16.4 |
| PBA US | Pembina Pipeline Corporation | 16,794 | 35,918 | 15.6 | 14.5 | 1.7 | 1.7 | 9.8 | 9.5 | 5.5 | 5.9 | 10.4 | 11.0 |
| TRGP US | Targa Resources Corp. | 19,577 | 33,671 | 16.6 | 13.7 | 6.4 | 4.9 | 9.5 | 8.7 | - | - | 38.0 | 36.0 |
| WES US | Western Midstream Partners, LP | 10,638 | 17,384 | 10.9 | 8.9 | 3.6 | 3.6 | 8.7 | 7.9 | - | - | 35.3 | 42.3 |
| MMP US | Magellan Midstream Partners, L.P. | 13,945 | 18,898 | 13.5 | 13.2 | - | - | 11.9 | 11.8 | 13.4 | 13.0 | 59.1 | 53.1 |
| Upstream O&G Average | | | | 14.1 | 13.4 | 3.7 | 3.6 | 6.8 | 6.6 | 14.4 | 14.3 | 25.1 | 23.9 |
| ARAMCO AB | Saudi Aramco | 2,154,896 | 8,112,563 | 17.1 | 16.2 | 5.2 | 5.1 | 8.1 | 7.8 | 18.9 | 19.3 | 30.9 | 30.0 |
| XOM US | ExxonMobil | 447,612 | 467,531 | 12.0 | 12.0 | 2.2 | 2.1 | 6.4 | 6.3 | 10.1 | 8.9 | 18.6 | 16.4 |
| CVX US | Chevron | 315,415 | 328,292 | 12.1 | 11.4 | 2.0 | 1.9 | 6.3 | 6.0 | 9.9 | 9.3 | 16.2 | 16.1 |
| SHELL NA | Shell | 226,016 | 266,910 | 8.3 | 7.4 | 1.2 | 1.1 | 3.9 | 4.0 | 6.5 | 6.3 | 14.6 | 13.7 |
| 601857 CH | PetroChina | 188,663 | 1,718,286 | 9.0 | 8.9 | 1.0 | 0.9 | 3.5 | 3.5 | 6.1 | 5.9 | 11.2 | 10.6 |
| TTE US | TotalEnergies | 161,717 | 177,702 | 6.8 | 6.8 | 1.3 | 1.2 | 3.7 | 3.9 | 7.7 | 7.1 | 21.0 | 18.1 |
| COP US | ConocoPhillips | 151,590 | 161,219 | 14.1 | 12.3 | 3.1 | 2.9 | 6.3 | 5.8 | 11.8 | 11.1 | 22.3 | 22.9 |
| BP/ LN | BP | 115,562 | 161,641 | 7.4 | 7.2 | 1.6 | 1.4 | 3.5 | 3.7 | 5.3 | 4.9 | 22.5 | 20.0 |

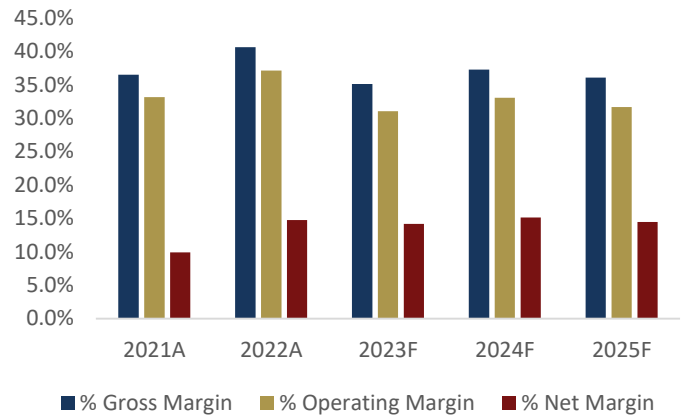
Source: Bloomberg, SSI Research

Figure 4. Revenue Mix



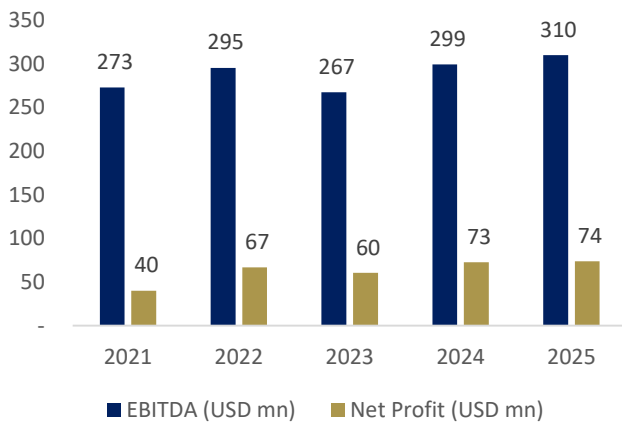
Source: Company, SSI Research

Figure 5. Profitability Margins



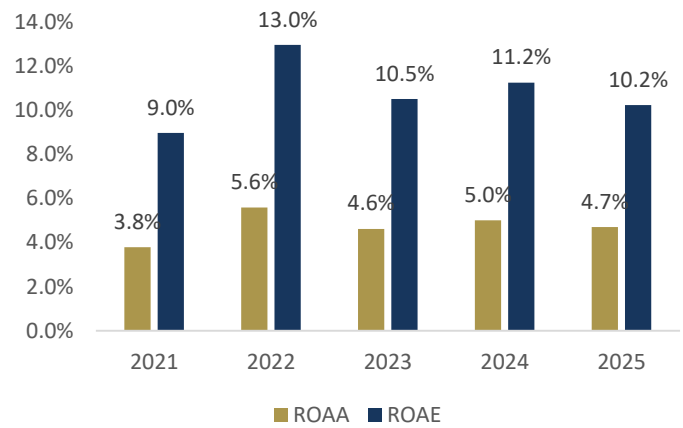
Source: Company, SSI Research

Figure 6. EBITDA & Net Profit Forecast



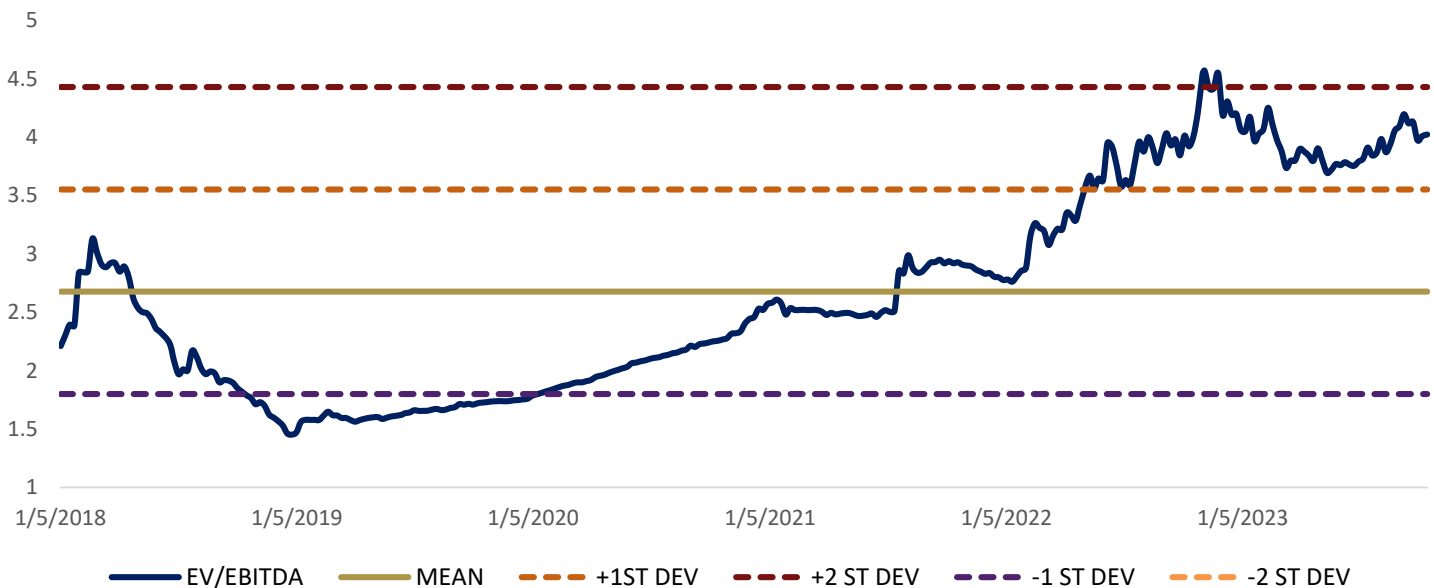
Source: Company, SSI Research

Figure 7. ROA & ROE Forecast



Source: Company, SSI Research

Figure 8. EV/EBITDA Band



Source: Company, SSI Research

Key Financial Figures

| Profit and Loss | | | | | |
|--------------------------|------------|------------|------------|------------|------------|
| Y/E Dec (USD mn) | 21A | 22A | 23F | 24F | 25F |
| Revenues | 406 | 452 | 427 | 482 | 511 |
| Cost of goods sold | 258 | 268 | 277 | 302 | 327 |
| Gross Profit | 184 | 150 | 180 | 184 | 223 |
| SGA Expense | 14 | 16 | 17 | 20 | 22 |
| Operating Profit | 135 | 168 | 133 | 159 | 162 |
| EBITDA | 273 | 295 | 267 | 299 | 310 |
| Finance Income | 0 | 1 | 1 | 1 | 1 |
| Finance Expenses | 16 | 20 | 20 | 21 | 22 |
| Pre-tax profit | 130 | 140 | 127 | 153 | 156 |
| Income Tax | 90 | 74 | 67 | 80 | 82 |
| Profit for Period | 40 | 67 | 60 | 73 | 74 |
| Minority Interest | (1) | 0 | 0 | 0 | 0 |
| Net Profit | 40 | 67 | 60 | 73 | 74 |

| Balance Sheet | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Y/E Dec (USD mn) | 21A | 22A | 23F | 24F | 25F |
| Cash & equivalents | 33 | 46 | 119 | 76 | 127 |
| Receivables | 29 | 26 | 24 | 27 | 29 |
| Others | 101 | 108 | 107 | 122 | 131 |
| Total Current Assets | 163 | 180 | 250 | 225 | 286 |
| Net Fixed Asset | 618 | 739 | 791 | 936 | 974 |
| Other Non-Current Asset | 282 | 275 | 267 | 296 | 313 |
| Total Assets | 1,064 | 1,194 | 1,308 | 1,456 | 1,573 |
| ST. Bank loan | 44 | 57 | 59 | 70 | 73 |
| Payables | 249 | 252 | 297 | 339 | 373 |
| Other current Liabilities | - | 29 | 29 | 29 | 29 |
| Total Current Liabilities | 294 | 338 | 385 | 438 | 475 |
| LT. Debt | 147 | 118 | 123 | 145 | 151 |
| Other LT Liabilities | 174 | 224 | 224 | 225 | 225 |
| Total Liabilities | 615 | 679 | 733 | 808 | 851 |
| Minority Interest | (73) | (73) | (73) | (73) | (73) |
| Total Equity | 449 | 515 | 575 | 648 | 722 |

| Cash Flow | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Y/E Dec (USD mn) | 21A | 22A | 23F | 24F | 25F |
| Net Profit | 40 | 67 | 60 | 73 | 74 |
| D&A | 138 | 128 | 135 | 140 | 148 |
| Changes in Working Capital & Others | (11) | 78 | 48 | 25 | 23 |
| Operating Cash Flow | 167 | 272 | 243 | 238 | 245 |
| Capital Expenditure | (378) | (249) | (187) | (285) | (186) |
| Others | 194 | 7 | 9 | (29) | (17) |
| Investing Cash Flow | (184) | (242) | (178) | (314) | (203) |
| Net - Borrowing | 4 | (17) | 8 | 33 | 9 |
| Other Financing | 20 | (1) | - | - | - |
| Financing Cash Flow | 25 | (17) | 8 | 33 | 9 |
| Net - Cash Flow | 8 | 14 | 72 | (43) | 51 |
| Cash at beginning | 24 | 33 | 46 | 119 | 76 |
| Cash at ending | 33 | 46 | 119 | 76 | 127 |

| Key Ratios | | | | | |
|-------------------------|------|------|------|------|------|
| Y/E Dec (USD mn) | 21A | 22A | 23F | 24F | 25F |
| Gross Profit Margin (%) | 45.2 | 33.2 | 42.1 | 38.2 | 43.7 |
| Operating Margin (%) | 33.2 | 37.1 | 31.0 | 33.1 | 31.7 |
| EBITDA Margin (%) | 67.2 | 65.4 | 62.6 | 62.1 | 60.7 |
| Pre-Tax Margin (%) | 32.0 | 31.1 | 29.8 | 31.8 | 30.4 |
| Net Profit Margin (%) | 9.9 | 14.8 | 14.2 | 15.1 | 14.5 |
| Debt to Equity (%) | 30.9 | 23.6 | 23.0 | 23.0 | 23.0 |
| Net Gearing (%) | 35.2 | 24.9 | 11.0 | 21.5 | 13.5 |

| Major Assumptions | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|
| | 21A | 22A | 23F | 24F | 25F |
| Oil Average Realize Price (USD/Barel) | 63.71 | 91.29 | 85.26 | 74.40 | 65.10 |
| Gas Average Realize Price | 5.53 | 6.25 | 6.38 | 6.50 | 6.63 |
| Oil Volume Growth | 42% | 10% | 25% | 30% | 10% |
| Gas Volume Growth | 18% | -2% | -20% | 10% | 10% |

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