

Perusahaan Gas Negara (PGAS): IDR 1,585 – BUY, SSI TP: IDR 1,800; Cons. TP: IDR 1,650



2Q24 Results: 26 August 2024 (USDMn)	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	YoY 6M23	6M24	YoY (%)	6M24/ SSI (%)	6M24/ Cons. (%)
Revenue	850	949	890	(6.3)	4.7	1,783	1,839	3.1	49.5	49.8
Gross Profit	191	212	195	(7.7)	2.2	368	407	10.6	50.0	43.5
Operating Profit	144	169	124	(26.5)	(13.9)	284	293	3.4	55.6	52.3
EBITDA	263	282	231	(18.0)	(12.3)	519	513	(1.2)	46.8	49.9
Net Profit	59	121	65	(46.0)	10.4	145	187	28.4	57.2	56.3
Key Ratios										
GPM (%)	22.5	22.3	22.0	-	-	20.6	22.1	-	-	-
OPM (%)	17.0	17.8	14.0	-	-	15.9	15.9	-	-	-
EBITDA Margin (%)	31.0	29.7	26.0	-	-	29.1	27.9	-	-	-
NPM (%)	7.0	12.8	7.4	-	-	8.1	10.1	-	-	-

SWOT Analysis of The Results (SSI: In-line, Cons: In-line)

Strength

Robust 1H24 revenue growth driven by gas transmission revenue of USD 134 million (+10.8% YoY) and LNG trading revenue of USD 94 million; NPM increased to 10.1% (+200 bps YoY) due to higher GPM of 22.1% (+150 bps YoY), attributable to lower gas cost of USD 5.3/mmbtu (-5% YoY)

Weakness

Increased HGBT gas sales led to lower 2Q24 gas trading ASP of USD 7.5/mmbtu (+5.5% YoY, -6.2% QoQ), resulting in QoQ revenue decline; 2Q24 G&A expenses surged to USD 74.9 million (+65.8% QoQ), causing EBIT margin to fall to 14% (-380 bps QoQ)

Opportunity

LNG trading is expected to boost PGAS' revenue growth, driven by 5-year extension of its LNG MSA contracts and the expansion of cargo operations; favorable gas purchase agreements with MEDC are expected to lower costs in upcoming quarters

Threat

The expansion of PGAS' HGBT gas distribution scope to 13 industries (up from 11) is projected to generate zero margins, which could negatively impact earnings; 2Q relatively weak result may cause further market underperformance

Peer Comparables

Ticker	Last Price (IDR)	Market Cap. (IDRTn)	2024F				
			P/E (x)	P/BV (x)	EV/EBITDA (x)	EPS Growth (%)	Div. Yield (%)
PGAS IJ	1,585	38.4	7.3	0.9	3.7	21.7	8.8
MEDC IJ	1,310	32.9	5.6	1.0	3.9	13.5	2.4
AKRA IJ	1,475	29.6	10.3	2.5	7.3	1.8	7.0
RAJA IJ	1,270	5.4	0.0	2.1	5.1	45.7	3.2
Sector		106.3	7.3	1.4	4.8	14.9	6.0

Relative Performance vs JCI

