

Medco Energy (MEDC): IDR 1,275 – BUY, SSI TP: IDR 2,200; Cons. TP: IDR 1,935



3Q24 Results: 31 October 2024			QoQ	YoY	YoY	9M24/	9M24/			
(USDmn)	3Q23	2Q24	3Q24	(%)	(%)	9M23	9M24	(%)	SSI (%)	Cons. (%)
Revenue	554	609	618	1.4	11.6	1,670	1,783	6.8	80.1	80.5
Gross Profit	263	219	228	4.4	(13.1)	733	680	(7.2)	66.4	63.2
Operating Profit	220	174	182	4.4	(17.4)	573	537	(6.2)	64.6	62.8
EBITDA	307	322	330	2.5	7.5	941	979	4.1	75.9	75.6
Net Profit	123	128	72	(43.7)	(41.2)	242	273	12.8	68.1	70.1
Key Ratios										
GPM (%)	47.4	35.9	37.0	-	-	43.9	38.1	-	-	-
OPM (%)	39.8	28.6	29.5	-	-	34.3	30.1	-	-	-
EBITDA Margin (%)	55.4	52.8	53.4	-	-	56.3	54.9	-	-	-
NPM (%)	22.2	21.1	11.7	-	-	14.5	15.3	-	-	-

SWOT Analysis of The Results (SSI: Below, Cons: Below)

Strength

Despite 14.7% YoY decline in gas sales to 567.9 bbtud, MEDC posted positive top-line growth in 3Q24, driven by robust oil lifting of 41.3 mboepd (+35% YoY); oil ASP rose to USD 79.9/bbl (+3.7% YoY), while gas ASP stayed at USD 7/mmbtu

Weakness

Significant drop in 3Q24 earnings due to high base effect from USD 73.7mn one-off gain (3Q23), one-off dividend income of USD 19 million (2Q24), and sharp decrease in share of net profit from associates to USD 24 million (-63% QoQ)

Opportunity

Management has raised its 2025 O&G production guidance to 145-150 mboepd, indicating solid growth prospects; MEDC is expected to extend PSC in several key blocks and continue deleveraging efforts, which should help to improve sentiment on MEDC

Threat

Oil & gas prices may remain volatile as US & Libya are likely to raise production efforts next year, weak financial performance may lead to prolonged market underperformance and declining investor confidence

Peer Comparables

Ticker	Rating	Market Cap. (IDRTn)	Last Price (IDR)	Target Price (IDR)	2024F				
					EPS Growth (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	Div. Yield (%)
PGAS	BUY	36.6	1,510	1,800	13.0	7.3	0.6	2.5	9.0
MEDC	BUY	32.0	1,275	2,200	13.5	5.0	0.9	3.6	2.5
AKRA	BUY	26.1	1,300	2,000	(6.2)	10.5	2.1	7.5	6.4
RAJA	BUY	7.0	1,650	2,200	45.7	18.3	2.8	7.3	3.6
Sector		101.7			10.5	8.1	1.2	4.5	5.9

Relative Performance vs JCI

