

Perusahaan Gas Negara (PGAS): IDR 1,485 – BUY, SSI TP: IDR 1,700; Cons. TP: IDR 1,650

3Q24 Results: 30 October 2024				QoQ	YoY			YoY	9M24/	9M24/
(USDmn)	3Q23	2Q24	3Q24	(%)	(%)	9M23	9M24	(%)	SSI (%)	Cons. (%)
Revenue	907	890	978	9.9	7.7	2,691	2,817	4.7	75.8	76.6
Gross Profit	155	195	180	(7.9)	16.2	523	587	12.3	72.1	75.8
Operating Profit	106	124	123	(1.3)	15.2	390	416	6.6	78.9	75.4
EBITDA	250	231	242	4.6	(3.5)	769	754	(1.9)	68.9	74.2
Net Profit	53	65	77	17.3	44.4	198	263	32.7	80.7	76.4
Key Ratios										
GPM (%)	17.1	22.0	18.4	-	-	19.4	20.8	-	-	-
OPM (%)	11.7	14.0	12.5	-	-	14.5	14.8	-	-	-
EBITDA Margin (%)	27.6	26.0	24.7	-	-	28.6	26.8	-	-	-
NPM (%)	5.9	7.4	7.9	-	-	7.4	9.4	-	-	-

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

Strength

Robust 3Q24 earnings performance at the operating level driven by solid top-line and margins on the back of higher ASP (+c.15% YoY) due to higher gas prices (tracking oil movements) coupled with lower sales under HGBT price scheme

Weakness

3Q24 GPM contracted to 18.4% (-360 bps QoQ, +130 bps YoY) on lower gas spread of USD 1.5/mmbtu (-4.7% QoQ, +2.4% YoY), which we attribute to increased sales under HGBT price cap at USD 4-5/mmbtu

Opportunity

LNG trading (9M24: 57 bbtud) should boost PGAS' revenue growth, supported by 5-year extension of its MSA contracts cargo operation expansions; Management guided for >10% FY25F LNG trading revenue growth; our earnings upgrades to buoy sentiment

Threat

Expansion of HGBT price scheme recipient from 11 to 13, along with Jargas project initiation (88% completion as of 9M24 is set to launch in 1Q25 with zero-spread yield), to exert further margin pressures; possible profit taking on strong YTD market outperformance

Peer Comparables

Ticker	Rating	Market	Last	Target	1 Week	2024F				
		Cap.	Price	Price	Net Buy (Sell)	EPS Growth	P/E	P/BV	EV/EBITDA	Div. Yield
		(IDRTn)	(IDR)	(IDR)	(IDRBn)	(%)	(x)	(x)	(x)	(%)
PGAS	BUY	36.0	1,485	1,700	(18.8)	13.0	7.2	0.6	2.5	9.0
MEDC	BUY	28.0	1,115	2,200	(27.1)	13.5	4.3	0.8	3.6	2.5
AKRA	BUY	26.1	1,300	2,000	(19.4)	(6.2)	10.5	2.1	7.5	6.4
RAJA	BUY	8.8	2,090	2,200	33.8	45.7	23.1	3.5	7.3	3.6
Sector		99.0			(31.6)	11.0	8.7	1.3	4.6	6.0

Relative Performance vs JCI

