

Oil and Gas: 9M24 Results Round-up

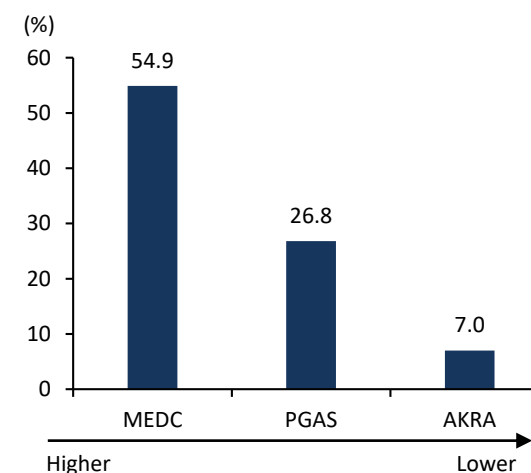
3Q24 Results

- In 3Q24, our oil and gas coverage experienced solid volume growth of +9.8% YoY, driving oil production up +5.6% YoY, with MEDC as main contributor (+32.0% YoY). However, EBITDA performance was mixed (+3.0% QoQ, -9.1% YoY), mainly due to lower GPM of 22.8% (-66.3 bps QoQ, -453.8 bps YoY, excluding RAJA).
- We expect continued price pressure in 4Q24 and 2025F as OPEC+ cuts China's demand outlook to 310 mbopd (from 410 mbopd) and US production rises, prompting us to keep our oil forecast at USD 75/bbl (-6.3% from 2024 average of USD 80/bbl). Despite these external challenges, we see domestic catalyst: investments from upstream oil and gas in Indonesia grew to USD 920 million (+17.9% YoY), driven by block revitalization to meet export demand; government investment to rise further to achieve the 2025F production target of 1.6 mmbopd, potentially boosting revenue for local O&G companies.
- We maintain Neutral call for the sector, favoring undervalued stocks with growth potential and strong gas exposure, which offer low volatility and high margins. Our pecking order for preference is MEDC>RAJA>AKRA>PGAS. MEDC (BUY, TP IDR 2,200) is our top pick as the company may benefit from current oil and gas price trends and its 20.9% stake in AMMN, valued at IDR 151.6T which has not been fully priced in.

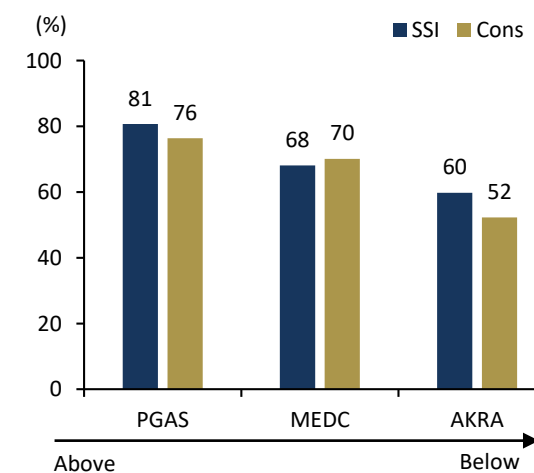
Peer Comparables

Company Ticker	Market Cap. (IDRTn)	Last Price (IDR)	Target Price (IDR)	Rating	2025F				
					EPS Growth (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	Div. Yield (%)
PGAS IJ	38.1	1,570	1,700	HOLD	12.6	6.7	0.6	1.5	3.0
MEDC IJ	28.3	1,125	2,200	BUY	(0.7)	4.4	0.7	4.0	3.8
AKRA IJ	26.4	1,315	2,000	BUY	7.8	9.8	2.1	6.6	6.1
RAJA IJ	9.3	2,190	2,700	BUY	(0.7)	24.4	3.4	6.5	2.4
Sector	102.0			Neutral	6.5	8.5	1.3	4.0	4.0

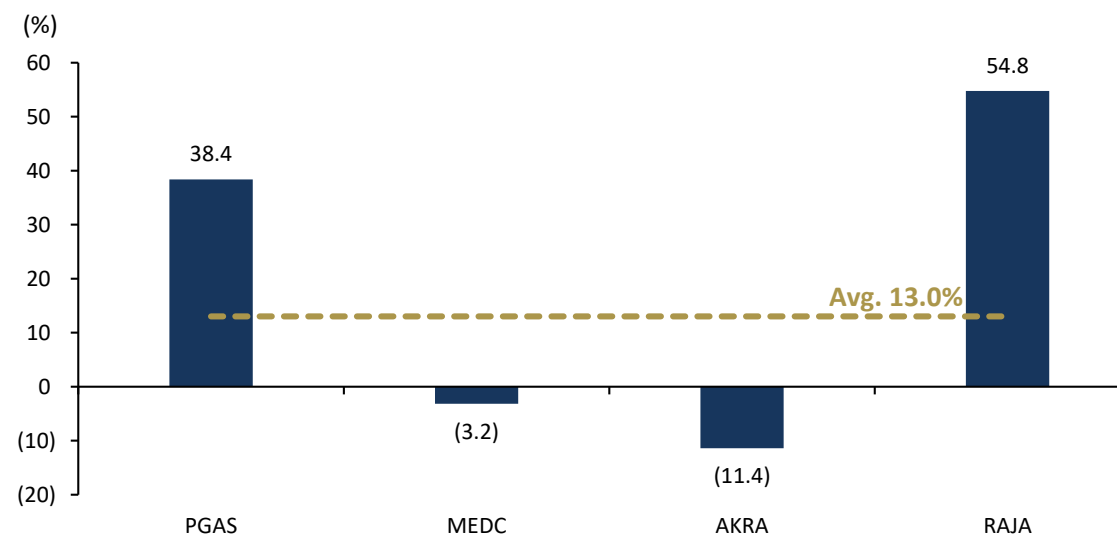
9M24 EBITDA Margins



9M24 Net Profit / SSI & Cons

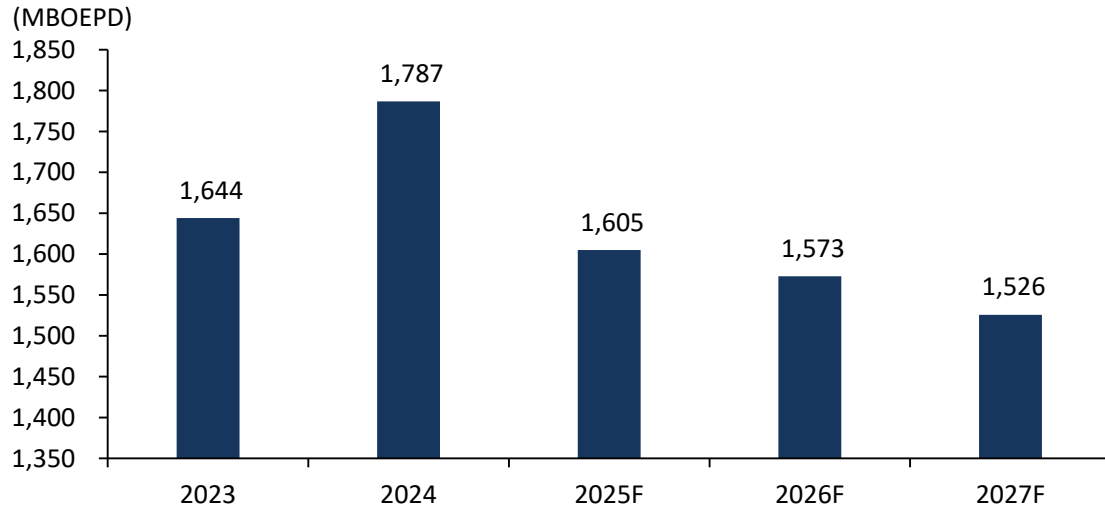


Ytd Relative Performance vs JCI

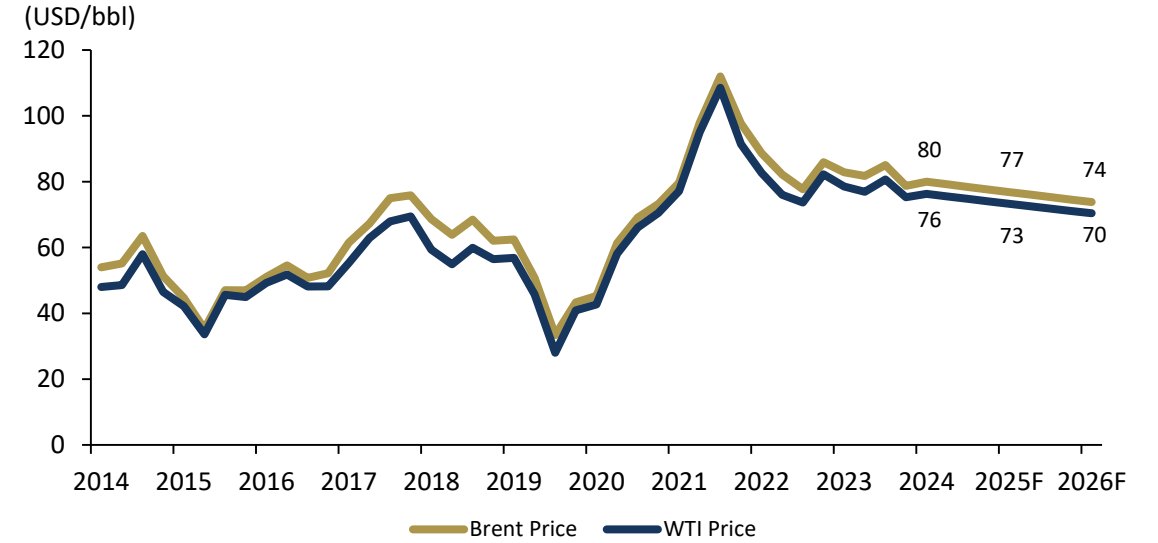


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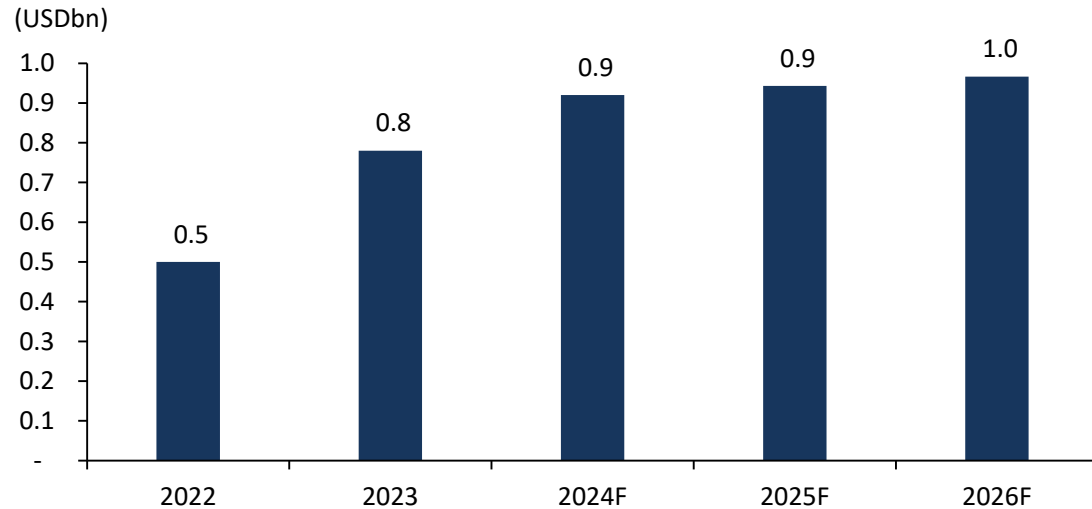
Oil and Gas Production



Oil Price



Oil and Gas Investment



Profitability Margin

