

# Samuel Snippet: TBS Energi Utama (TOBA)

- TOBA, a former coal player, is undergoing a significant shift towards green energy through corporate actions and M&A. Through its subsidiary SBT Investment 2, the company has acquired 100% ownership of Sembcorp Environment Pte. Ltd., a leading waste management company in Singapore, for approximately IDR 4.8 tn (USD 298,6 mn). This acquisition strengthens TOBA's focus on non-coal revenue, following its earlier purchases of Asia Medical Environment and ARAH Group, which contributed 2.8% of 9M24 revenue amounting to USD 9.8 mn, but up 15 fold YoY. Additionally, TOBA signed a PPA with PLN Batam for 46 MW Floating Solar Power Plant on the 864-ha Tembesi Reservoir in Batam.
- TOBA posted 9M24 revenue of USD 336.6mn (-10.6% YoY), with 93.8% still derived from coal sales, and EBITDA of USD 79.1mn, reflecting 24.2% EBITDA margin. However, by 2027 TOBA projects non-coal EBITDA to be its profitability driver, aligning with the government's 2030 net-zero emissions target.
- Another rationale behind TOBA's shift is the expected depletion of its coal resources by 2027, threatening the coal revenue stream sustainability. TOBA plans to fully transition to green energy post-2027 with projected EBITDA of USD 40-45mn.
- Currently, TOBA trades at 4.7x P/E 2024F, indicating undervaluation relative to the coal industry average of 7.5x P/E and renewables of 15.7x P/E 2024F (excluding BREN).

## Key Valuations & Ratios

YE to Dec 31	2022A	2023A	9M23	9M24	2024F*
EV/EBITDA (x)	5.9	16.5	-	-	4.9
EPS (IDR)	114.5	15.9	14.3	68.4	91.2
EPS Growth (%)	20.0	(86.1)	(84.3)	377.8	487.5
P/E (x)	5.4	19.8	-	-	4.7
BVPS (IDR)	667.6	642.9	664.4	703.4	721.0
P/BV (x)	0.9	0.5	0.5	1.0	0.6
DPS (IDR)	-	55.0	-	-	12.8
DPR (%)	-	37.9	-	-	14.0
Div. Yield (%)	0.8	1.5	-	-	3.1
ROAE (%)	18.6	2.4	0.8	3.7	9.3
ROAA (%)	6.6	0.9	1.8	7.7	4.7
Net Debt (IDRbn)	0.3	0.4	0.3	0.3	0.5
Net Gearing (%)	61.9	83.3	79.8	62.9	78.8

Source: Company, SSI Research

## Stock Data

### Key Information

Share Price (IDR)	:	398
12M High/Low (IDR)	:	700/202
12M Change; YTD Change (%)	:	43.8/38.2
12M Cons. TP/potential upside (IDR/%)	:	N/A
3M Avg. Daily Turn. (IDRbn/USDmn)	:	37.5/3.2
Mkt. Cap. (IDRbn/USDmn)	:	3,250.8/200.3
Shares Outstanding (bn)/Free Float (%)	:	8.2/20.9
Majority Shareholders (%)	:	Highland Strategic – 61.02
	:	Public – 24.17
	:	Others – 14.81

## Major Drivers

Year to 31 Dec (%)	2022A	2023A	9M23	9M24	2024F*
Revenue Growth	37.4	(21.2)	(21.1)	(9.1)	(10.5)
EBITDA Growth	36.9	(65.8)	(70.7)	199.5	193.6
Gross Profit Margin	21.4	12.7	14.1	23.3	23.9
EBITDA Margin	16.5	7.2	7.1	23.5	23.7
EBIT Margin	13.4	2.4	3.3	16.5	16.8
Net Profit Margin	9.1	1.6	2.0	10.3	10.7
Corporate Tax Rate	18.1	36.5	17.8	17.8	17.8

Source: Company, SSI Research

## Financial Highlights

YE to Dec 31 (USDmn)	2022A	2023A	9M23	9M24	2024F*
<b>Profit &amp; Loss</b>					
Revenue	635.8	501.3	370.4	336.6	448.9
Gross Profit	136.0	63.8	52.4	78.3	107.1
EBITDA	104.9	35.9	26.4	79.1	105.5
EBIT	85.3	12.2	12.3	55.5	74.0
Net Profit	57.8	7.9	7.5	34.8	46.4

### Balance Sheet

Cash	105.3	50.3	73.4	68.7	115.2
Total Assets	899.3	947.8	945.1	932.2	978.6
Debt	367.7	403.0	406.8	355.0	355.0
Total Liabilities	475.6	524.2	527.2	477.3	477.3
Minority Interest	85.7	95.9	79.1	93.5	93.5
Shareholders' Equity	423.7	423.7	417.9	454.9	501.3

Source: Company, SSI Research

Analysts: Farras Farhan, Hernanda Cahyo

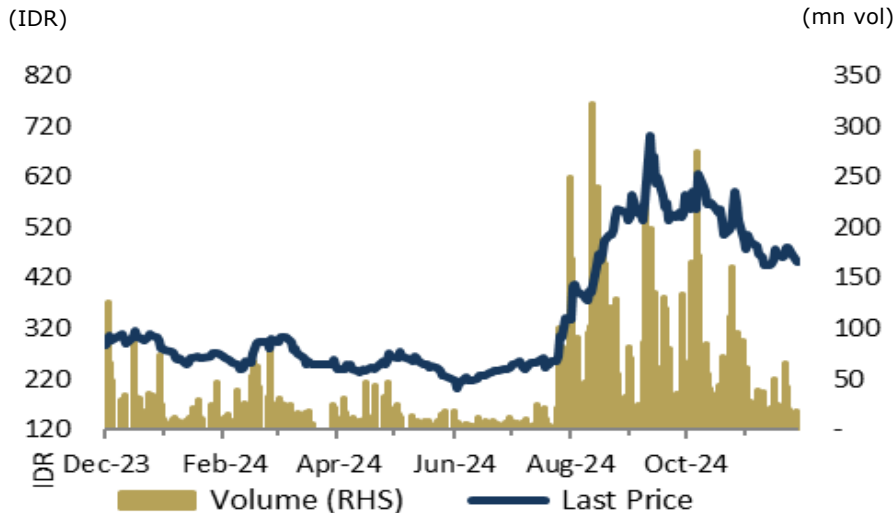
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## Peer Comparables

Company Ticker	Market Cap (IDRTn)	Current Price	EPS Growth (%) 2024F	PER (x) 2024F	PBV (x) 2024F	EV/EBITDA (x) 2024F	ROE (%) 2024F	EBITDA Margin (%) 2024F	Net Gearing (x) 2024F
ADRO IJ	78	2,540	(3.9)	3.2	0.7	1.6	21.9	39.7	N.C
UNTR IJ	98	26,300	(7.4)	4.6	1.0	2.6	24.3	29.1	N.C
BUMI IJ	45	122	1,040.8	19.8	1.9	63.8	10.3	5.9	0.1
PTBA IJ	30	2,580	(29.5)	7.2	1.5	4.2	21.3	17.1	N.C
ITMG IJ	30	26,325	(34.9)	5.3	1.1	2.3	20.7	22.6	N.C
<b>Coal</b>	<b>281</b>		<b>166.5</b>	<b>7.1</b>	<b>1.1</b>	<b>12.9</b>	<b>20.6</b>	<b>26.1</b>	<b>N.C</b>
PGEO IJ	37	900	5.0	13.3	1.2	7.2	9.4	83.4	0.0
BREN IJ	1,201	8,975	6.7	662.7	154.7	148.7	23.5	87.8	N.C
KEEN IJ	2	605	5.0	8.2	0.8	9.8	10.2	66.9	0.1
ARKO IJ	3	950	(18.5)	51.5	6.0	55.9	11.6	28.9	N.C
<b>Renewables</b>	<b>1,243</b>		<b>3.5</b>	<b>15.5</b>	<b>1.5</b>	<b>10.6</b>	<b>9.6</b>	<b>79.0</b>	<b>0.0</b>

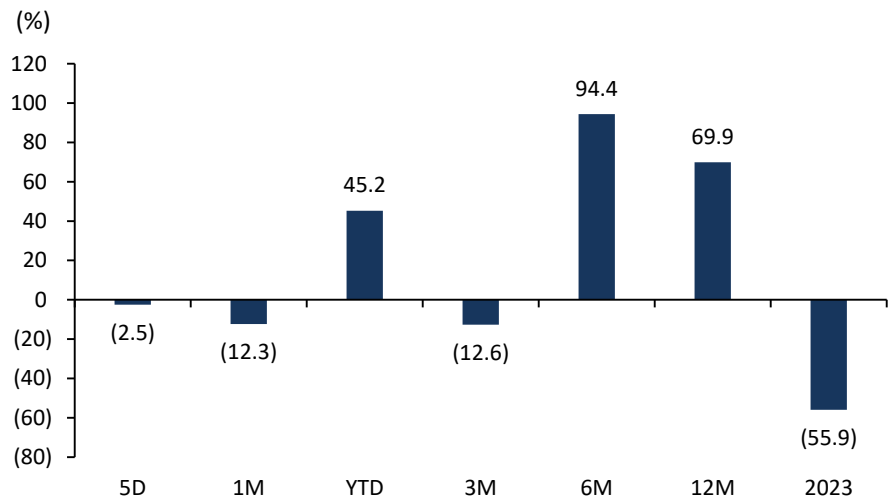
Source: Bloomberg, SSI Research

## Stock Price & Volumes, 12-months



Source: Bloomberg

## TOBA Relative Performance to JCI (%)



Source: Bloomberg