



**Current Price 29 Nov 2017** IDR 2,820  
**Target Price** IDR 4,410  
**Upside (Downside)** 56%

**BUY****Stock Information**

Ticker **INDY**  
 GICS Sector **Mining**  
 Market Cap (IDR) 14.69 T  
 52-Week High (IDR) 2,950  
 52-Week Low (IDR) 670  
 Shares Outstanding 34.7%

**Major Shareholders (%)**

PT Indika Mitra Energy 63.47%  
 JPMCB Singapor 5.21%  
 Agus Lasmono, B.A., MBA 0.20%  
 M. Arsjad Rasjid P.M., BSc 0.02%  
 Azis Armand, SE, MUP. 0.02%  
 Ir. Eddy junaedy Danu, MM 1.57%  
 Richart Bruce ness, BSc. 0.02%  
 Lain-lain (< 5%) 29.48%  
 Total 100.00%

**Price Performance****PT OSO Securities**

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**Pendapatan INDY Pada 9M17 Naik 22.4% Menjadi US\$ 694.7 Juta**

Hingga 9M17 pendapatan INDY meningkat sebesar 22.4% menjadi US\$ 694.7 juta dari sebelumnya US\$ 567.7 juta pada 9M16. Pendapatan INDY pada kuartal III ini belum merefleksikan kepemilikan terhadap Kideco sebesar 91% atau masih 46%. Kenaikan pendapatan pada 9M17 didorong oleh penguatan harga batubara di kuartal III sebesar 23.38% di level USD 96.85 per ton dibanding kuartal II yang rata-rata bergerak di level US\$ 78.25 per ton. Laba kotor 9M17 senilai US\$ 86.3 juta atau naik 52.5% dari sebelumnya US\$ 56.6 juta pada 9M16. Laba bersih 9M17 sebesar US\$ 76.03 juta dari sebelumnya rugi US\$ 31.73 juta.

**Harga Saham INDY Terus Meningkat Pasca Persetujuan Akuisisi Kideco**

Pasca disetujuinya akuisisi Kideco sebesar 45% pada RUPS-LB 01 November kemarin, harga saham INDY terus bergerak menguat dari sebelumnya Rp 2,320 (01/11) menjadi Rp 2,820 (29/11) atau naik 21%. Disetujuinya akuisisi tersebut menumbuhkan optimisme pelaku pasar terhadap kinerja INDY yang akan meningkat didorong oleh pendapatan dari Kideco. Dalam RUPS LB juga menyetujui penerbitan surat utang atau obligasi sebagai sumber dana untuk menambah kepemilikan Kideco.

**Kupon Obligasi INDY Ditetapkan Sebesar 5.875% Per Tahun**

INDY menetapkan kupon 5,875% per tahun untuk penerbitan obligasi senilai US\$ 576 juta. Untuk sektor pertambangan nilai tersebut masuk dalam kategori yang cukup rendah. *Moody's Investors Service* memberi peringkat B2 pada obligasi tersebut. Respons calon pembeli obligasi terbilang positif, tercermin dari total permintaan yang terakumulasi dalam *orderbook* di saat penetapan harga (*pricing*), yang berasal dari sekitar 250 rekening dengan nilai lebih dari US\$ 3,5 miliar atau 6,1 kali lipat.

**Serapan Belanja Modal Tahun Ini Masih Minim - Capex INDY Baru 3.5% Atau US\$ 3.1 Juta Dari Total Capex US\$ 88 Juta**

Pada kuartal III 2017, serapan capex INDY baru 3.5% atau US\$ 3.1 juta dari total capex US\$ 88 juta. Sementara itu, untuk di tahun depan Capex ditargetkan naik 2.27% menjadi US\$ 90 juta, dimana pendanaannya akan berasal dari kas internal dan leasing. Capex tersebut sebagian besar akan digunakan untuk pergantian alat berat anak usahanya, PT Petrosea Tbk (PTRO).

**INDY Akan Berfokus Pada Bisnis Alat Berat Dan Batubara Di Tahun 2018**

Kami melihat outlook yang positif untuk INDY pasca akuisisi Kideco sebesar 91%, produksi batubara Kideco ditargetkan meningkat 6% menjadi 34 juta ton dari sebelumnya 32 juta ton pada tahun ini. Selain itu, INDY juga mulai fokus terhadap anak usahanya PTRO, dimana tahun 2018 pendapatan PTRO diperkirakan sebesar US\$ 15 juta atau meningkat 200% dari tahun proyeksi tahun ini US\$ 5 juta.

**Menaikkan Target Price BUY Menjadi Rp 4,410 dari Sebelumnya Rp 3,970**

Setelah kami melakukan penyesuaian forecast dan valuasi ke 2018 kami mendapatkan target price INDY sebesar Rp 4,410 dengan *potential upside* 56%. Kami melakukan valuasi menggunakan *Discounted Cash Flow*, dengan asumsi WACC 9.5% dan terminal growth 1%. Target price tersebut merefleksikan P/E'18 5.5x dan PBV'18 0.99x. Adapun risiko investasi terletak pada 1) Penurunan harga batubara 2) Peningkatan tata kelola perusahaan tidak sesuai ekspektasi pasar.

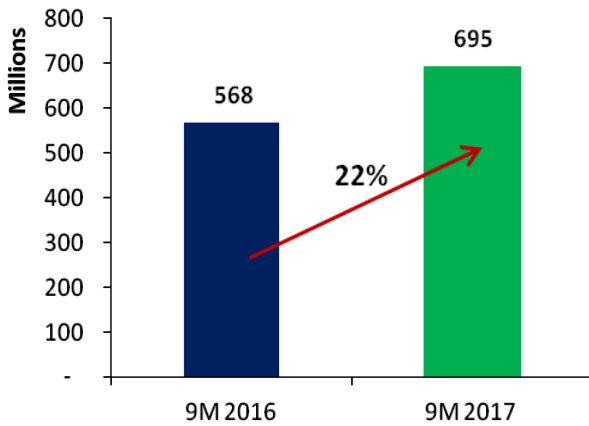
**Financial Highlight**

	CQ1 2017	CQ2 2017	CQ3 2017	CQ3 2016	YOY	QoQ
<b>Revenue</b>	<b>222.5</b>	<b>453.0</b>	<b>694.7</b>	<b>567.7</b>	22%	53%
- Cost of Revenue	194.2	396.6	608.4	511.1	19%	53%
<b>Gross Profit</b>	<b>28.3</b>	<b>56.5</b>	<b>86.3</b>	<b>56.6</b>	53%	53%
<b>Operating Income (Loss)</b>	<b>6.8</b>	<b>10.7</b>	<b>24.2</b>	<b>-32.9</b>	N/A	126%
<b>Pretax Income (Loss), GAAP</b>	<b>20.6</b>	<b>45.8</b>	<b>79.0</b>	<b>-30.9</b>	N/A	72%
<b>Net Income, GAAP</b>	<b>22.1</b>	<b>51.2</b>	<b>81.4</b>	<b>-16.3</b>	N/A	59%

Source : Company and OSO Research

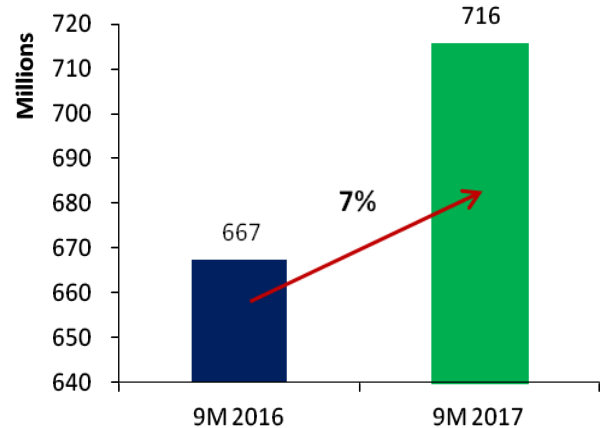


**Grafik I : Revenue**



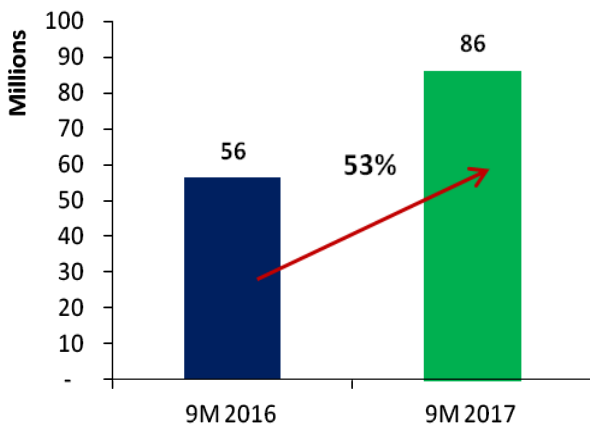
Source : Company and Oso estimates

**Grafik II : Current asset**



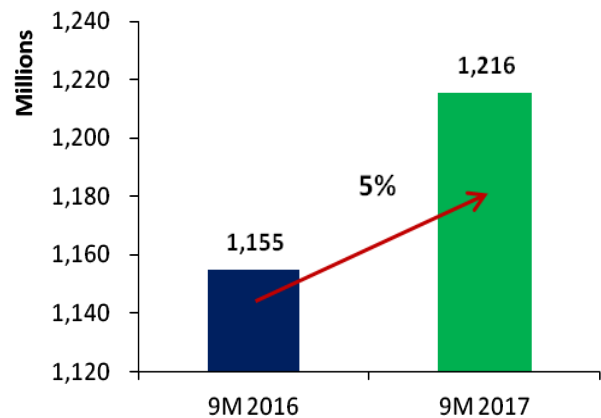
Source : Company and Oso estimates

**Grafik III : Gross Profit**



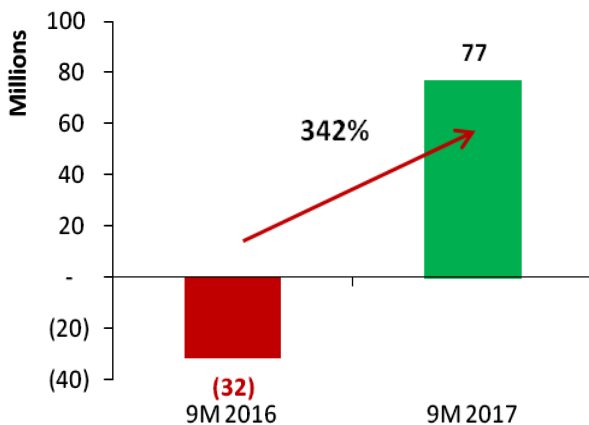
Source : Company and Oso estimates

**Grafik IV : Non Current assets**



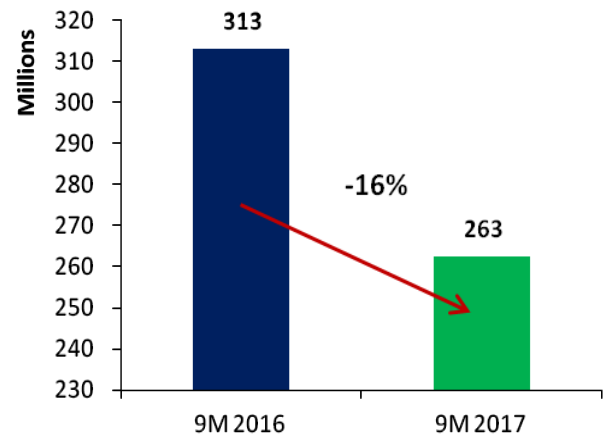
Source : Company and Oso estimates

**Grafik V : Net Income**



Source : Company and Oso estimates

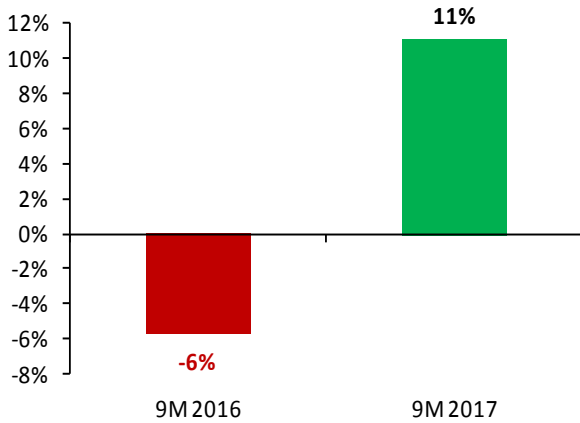
**Grafik VI : Current Liabilities**



Source : Company and Oso estimates

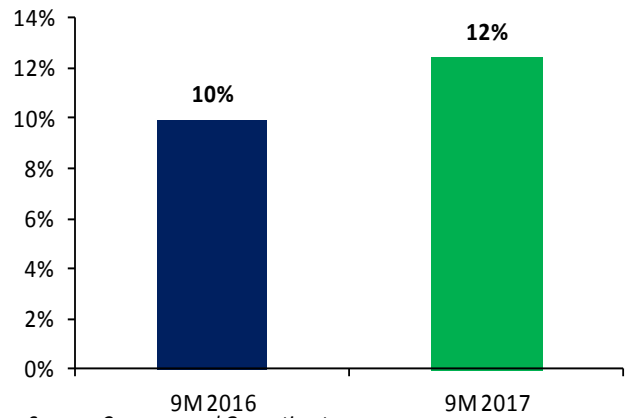


**Grafik VII : Net Profit Margin**



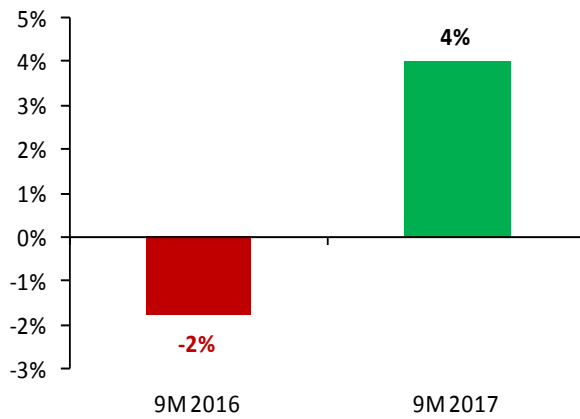
Source : Company and Oso estimates

**Grafik VII : Gross Profit Margin**



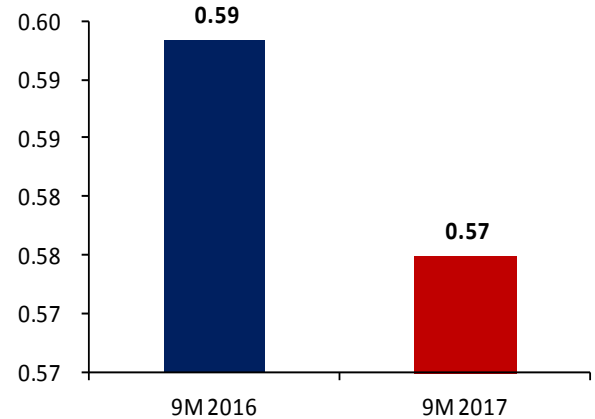
Source : Company and Oso estimates

**Grafik VIII : Return on Assets**



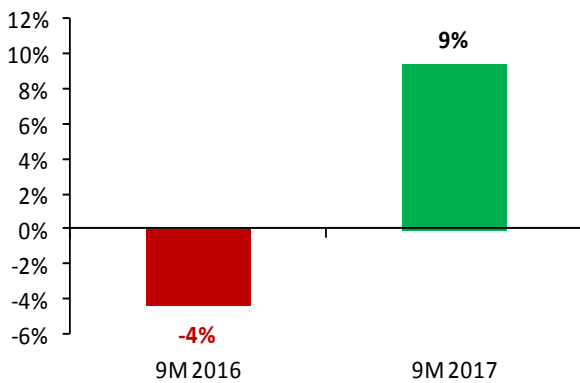
Source : Company and Oso estimates

**Grafik IX: Debt To Assets Ratio**



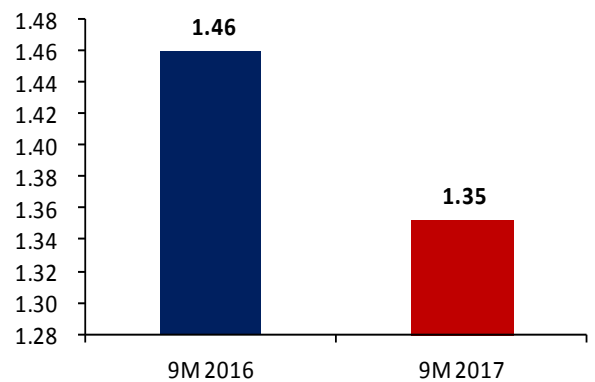
Source : Company and Oso estimates

**Grafik X : Return on Equity**



Source : Company and Oso estimates

**Grafik XI : Debt To Equity ratio**



Source : Company and Oso estimates

**FINANCIAL PERFORMANCE & PROJECTION**  
**PT Indika Energy Tbk**

Asumsi kepemilikan INDY terhadap Kideco sebesar 91% ditahun 2018

**Income Statement**

(In Thousand USD)	2015	2016	2017F	2018F	2019F
Sales	1,097,296	775,233	1,085,326	2,713,315	2,848,981
COGS	(1,008,967)	(686,531)	(933,380)	(2,333,451)	(2,450,124)
<b>Gross Profit</b>	<b>88,330</b>	<b>88,702</b>	<b>151,946</b>	<b>379,864</b>	<b>398,857</b>
Operating Expense	(186,368)	(150,097)	(142,896)	(281,138)	(292,745)
<b>EBIT</b>	<b>(25,409)</b>	<b>(1,930)</b>	<b>157,711</b>	<b>262,254</b>	<b>285,992</b>
<b>EBITDA</b>	<b>74,736</b>	<b>88,897</b>	<b>252,506</b>	<b>373,120</b>	<b>402,401</b>
Other Inc (Exp)	24,551	(41,694)	-	-	-
<b>Profit Before Tax</b>	<b>(87,874)</b>	<b>(115,007)</b>	<b>157,711</b>	<b>262,254</b>	<b>285,992</b>
Tax Expense	11,027	10,776	(39,428)	(65,563)	(71,498)
Minority Interest	(32,259)	(36,637)	-	-	-
<b>Net Income</b>	<b>(44,588)</b>	<b>(67,594)</b>	<b>118,283</b>	<b>196,690</b>	<b>214,494</b>

Source : Company and OSO Research

**Balance Sheet**

(In Thousand USD)	2015	2016	2017F	2018F	2019F
Cash	259,032.20	244,390.16	164,685.17	441,778.01	455,976.93
Receivables	167,997.33	114,354.55	127,435.55	318,588.88	459,962.69
Inventory	915.57	977.00	937.92	900.40	909.41
Other Current Asset	399,366.59	307,714.88	276,890.63	531,264.70	557,863.96
Total Current Aseet	827,311.69	667,436.59	569,949.27	1,292,532.00	1,474,712.98
Fixed Asset - Net	596,387.12	518,071.37	563,895.87	609,909.77	658,702.55
Other non-Current Asset	726,746.40	636,825.46	709,675.53	791,847.82	801,635.09
Total non-Current Aseet	1,323,133.52	1,154,896.84	1,273,571.40	1,401,757.59	1,460,337.65
<b>Total Asset</b>	<b>2,150,445.21</b>	<b>1,822,333.43</b>	<b>1,843,520.67</b>	<b>2,694,289.59</b>	<b>2,935,050.63</b>
Account Payable	126,569.53	119,918.85	159,284.54	391,685.42	411,203.21
Short term Loan	225,089.97	84,723.54	84,723.54	84,723.54	84,723.54
Other Current Liab.	153,953.34	108,339.32	(56,960.55)	(244,695.72)	(254,196.74)
Total Current Liab.	505,612.84	312,981.71	187,047.53	231,713.24	241,730.01
Long Term Loan	660,032.38	664,722.76	682,985.51	1,257,985.51	1,257,985.51
Other non Current Liab.	153,255.67	103,519.03	92,250.15	100,009.26	108,628.31
Total Non Current Liab	813,288.06	768,241.79	775,235.66	1,357,994.77	1,366,613.83
Minority Interest	151,867.34	179,526.24	179,526.24	179,526.24	179,526.24
<b>Equity</b>	<b>831,544.41</b>	<b>741,109.93</b>	<b>881,237.48</b>	<b>1,104,581.58</b>	<b>1,326,706.79</b>
<b>Total Liab &amp; Equity</b>	<b>2,150,445.30</b>	<b>1,822,333.43</b>	<b>1,843,520.67</b>	<b>2,694,289.59</b>	<b>2,935,050.63</b>

Source : Company and OSO Research

**Cash Flow**

(In Thousand USD)	2016	2017F	2018F	2019F
Net Income	(67,594.08)	98,514.46	117,965.38	132,984.09
Dep. & Amort.	31,222.24	50,570.47	27,813.76	29,204.45
Change In Working Cap	82,774.74	131,073.16	1,396.64	1,716.84
Others	(10,514.43)	(12,384.30)	(6,154.56)	(5,450.31)
<b>Total CFO</b>	<b>35,888.47</b>	<b>267,773.78</b>	<b>141,021.23</b>	<b>158,455.06</b>
<b>Investment Cash Flow</b>	-	-	-	-
Capex	47,093.50	(102,377.61)	(56,307.68)	(59,123.07)
Chg. In Goodwill	51,102.81	(57,603.34)	-	-
Chg. In Other Asset	38,818.13	(48,966.71)	(11,198.72)	(12,729.60)
Minority Interest	27,658.90	-	-	-
<b>Total CFI</b>	<b>164,673.34</b>	<b>(208,947.65)</b>	<b>(67,506.40)</b>	<b>(71,852.67)</b>
<b>Free Cash Flow</b>	<b>200,561.81</b>	<b>58,826.13</b>	<b>73,514.82</b>	<b>86,602.38</b>
Change in Capital	2,227.34	-	-	-
Other Equity Componen	2,591.16	-	-	-
Net Change In Debt	(166,290.24)	(228,199.22)	(35,398.17)	(14,906.21)
Chg in Other Liabilities	(15,617.70)	6,998.75	7,759.11	8,619.06
<b>Total CFF</b>	<b>(177,089.44)</b>	<b>(221,200.47)</b>	<b>(27,639.05)</b>	<b>(6,287.15)</b>
<b>Net Cash Flow</b>	<b>23,472.37</b>	<b>(162,374.34)</b>	<b>91,751.00</b>	<b>80,315.23</b>
Cash Beginning	339,117.98	308,073.98	145,699.64	237,450.64

Source : Company and OSO Research

**Financial ratio**

	2015	2016	2017F	2018F	2019F
ROE (%)	-5%	-9%	13%	18%	17%
ROA (%)	-2%	-4%	6%	8%	8%
<b>Margins</b>					
Gross Profit (%)	8%	11%	13%	14%	14%
EBIT (%)	-2%	0%	13%	9%	10%
EBITDA (%)	7%	11%	17%	13%	14%
Net Profit (%)	-4%	-9%	10%	7%	7%
<b>Financial Structure</b>					
Current Ratio	1.64	2.13	2.91	4.67	5.24
Quick Ratio	1.63	2.13	2.91	4.67	5.23
Net Gearing	86%	92%	78%	114%	95%

Source : Company and OSO Research



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MEMBER OF INDONESIA STOCK EXCHANGE

# OSO Equity Update PT Indika Energy Tbk

30 November 2017

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