BINA ARTHA SEKURITAS

Berizin dan Diawasi oleh **Otoritas Jasa Keuangan**

Equity Research

PT Perusahaan Gas Negara Tbk

Infrastructure, Energy
5 June 2025

Price	**IDR.**	**1,630**
Target	**IDR.**	**2,550**
JKSE Index		**5,846.49**

Stock code

Bloomberg code	PGAS IJ
Market cap (in Bn)	43,370
52-week high	2,520
52-week low	1,530
Free Float (%)	43.03%

Major Share Holders (%)

PERTAMINA	56.964%
Public	43.036%

USD/IDR-YE

2025	16,720
2026F (6m-avg)	17,009

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Investment Considerations

BUY

Softer Operational Volume Amid Lower Industrial Absorption

- In Q1-2026, PGAS reported revenue of USD 929.6 million, declining 3.8% YoY and 11.7% QoQ, reflecting softer industrial demand and lower operational volumes across several business segments.
- Gas transmission revenue increased 1.8% YoY to USD 59 million, although transmission volume declined 3.9% YoY to 1,539 MMSCFD. Encouragingly, transmission volume showed early signs of recovery in April 2026, reaching 1,709 MMSCFD, up 4.0% MoM. Management maintains its FY2026 transmission volume target of 1,620 MMSCFD.
- Gas trading revenue rose 2.7% YoY to USD 686.8 million, although declining 22.0% QoQ, while trading volume contracted 9.8% YoY to 777 BBTUD. The decline was mainly attributable to distribution constraints in the Duri–Dumai corridor, supply chain disruptions related to geopolitical tensions, weaker industrial demand from the fertilizer and chemical sectors, and seasonal softness during the Eid holiday period.
- However, gas trading volume improved significantly in April 2026, increasing 15.0% MoM to 878 BBTUD, broadly in line with management's FY2026 target of 877 BBTUD
- The oil and gas segment recorded revenue of USD 61 million, declining 11.6% YoY and 36.4% QoQ, while lifting volume fell to 15,979 BOEPD, mainly due to natural production decline at the Pangkah block.
- In terms of supply composition, 79% of PGAS' gas supply originated from pipeline gas and 21% from LNG regasification. By source, 35% of supply came from the Pertamina Group, while the remaining 65% was sourced from third parties, including the Corridor Block. HGBT gas accounted for 35% of total gas trading volume, while the remaining 65% was sourced from non-HGBT volumes.
- Looking ahead, management maintains its FY2026 operational guidance, targeting 5% growth in gas distribution volume, 1% growth in transmission volume, 14% decline in regasification volume, 9% growth in oil and gas lifting, flat oil transportation volume, and a 15% decline in LPG processing volume. The outlook is supported by improving monthly volume trends and the gradual normalization of supply and distribution constraints.

Q1 2026 Results: Margin Expansion Drives Earnings Growth

- Despite softer revenue performance, PGAS delivered strong earnings growth, with net profit increasing 46.0% YoY to USD 90.4 million.
- Net profit margin improved to 9.7%, compared with 6.4% in Q1-2025, supported by the depreciation of the Japanese yen against the US dollar, lower tax expenses, and deferred tax benefits.
- Cost of revenue declined 6.6% YoY to USD 771.6 million, resulting in gross profit growth of 12.0% YoY to USD 158.0 million. Consequently, gross profit margin expanded to 17.0%, compared with 14.5% in the corresponding period last year.
- Within the gas distribution business, the average selling price increased 13.8% YoY to USD 9.8/mmbtu, while unit distribution costs rose to USD 7.7/mmbtu. As a result, the distribution spread expanded 38.6% YoY to USD 2.1/mmbtu.
- Management expects to maintain a healthy distribution spread of around USD 1.65–1.85/mmbtu through the remainder of 2026, supported by pricing discipline and an improved sales mix.

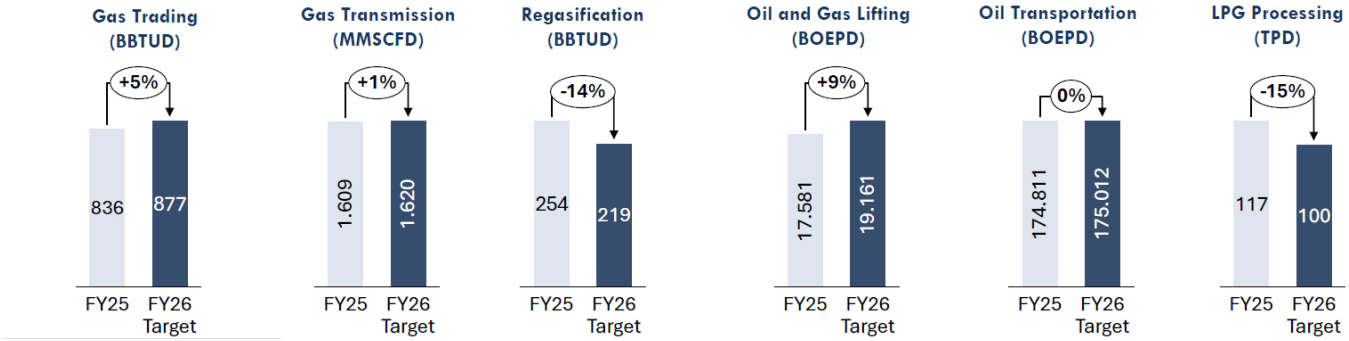
Valuation: Maintain BUY, target price of 2,550

- We maintain our BUY recommendation on PGAS with a 12-month target price of IDR 2,550, implying 56% upside potential and a forward PER of 13.0x.
- While operational volumes in Q1-2026 were affected by macroeconomic headwinds, geopolitical disruptions, supply constraints, and weaker industrial demand, PGAS continued to demonstrate earnings resilience through margin expansion, a diversified supply portfolio, and disciplined cost management.
- Our valuation is based on a Discounted Cash Flow (DCF) methodology using a WACC of 11.6%, resulting in a target price of IDR 2,550 per share.

Financial Highligths	2022A	2023A	2024A	2025A	2026F	2027F
Revenue (USD Mn)	3.568	3.646	3.789	3.976	4.210	4.458
GPM (%)	22%	20%	20%	18%	17%	17%
NPM (%)	9%	8%	9%	5%	7%	7%
EPS (USD)	0,013	0,011	0,014	0,009	0,012	0,012
EBITDA (USD Mn)	1.217	1.086	1.077	971	983	1.064
EBITDA Margin (%)	34%	30%	28%	24%	23%	24%
EV/EBITDA (X)	2,4	1,5	1,8	2,4	3,1	3,4
PER (X)	8,4	6,4	7,1	13,6	13,2	12,4
PBV (X)	1,0	0,7	0,9	1,1	1,3	1,3
Tot debt/ equity (X)	1,4	1,1	1,0	1,0	1,0	1,0
Current Ratio (X)	2,2	1,3	1,8	1,8	1,7	1,7

Source: Company and Binaartha

PGAS Operation Performance and Targets



Source: Company

Income Statement and Gas Distribution Data

Income Statement in USD Mn.	1Q2025	1Q2026	YoY	4Q2025	QoQ
Revenues	**966,5**	**929,6**	**-3,82%**	**1.053,0**	**-11,7%**
Cost of Revenues	(826,0)	(771,6)	-6,58%	(856,9)	-10,0%
Gross Profit	**140,6**	**158,0**	**12,38%**	**196,2**	**-19,5%**
Operating Income (Expense)	(34,7)	(40,3)	16,06%	(59,6)	-32,3%
Operating Profit	**105,8**	**117,6**	**11,18%**	**136,6**	**-13,9%**
Others Income (Expense)	(0,4)	18,6		(79,8)	-123,3%
PBT	**105,4**	**136,3**	**29,32%**	**56,8**	**140,1%**
Tax	(15,2)	(14,4)	-5,30%	(48,7)	-70,4%
Non-controlling interest	(28,2)	(31,4)	11,42%	(30,5)	2,9%
Net Profit	**62,0**	**90,4**	**45,97%**	**(22,5)**	
EPS (USD)	**0,0026**	**0,0037**	**45,97%**	**-0,0009**	
GPM	**14,5%**	**17,0%**		**18,6%**	
OPM	**10,9%**	**12,7%**		**13,0%**	
NPM	**6,4%**	**9,7%**		**-2,1%**	
Gas Distribution Data					
Distribution Volume (BBTUD)	**861,0**	**777,0**	**-9,76%**	**845,0**	**-8,0%**
Distribution ASP (US$/MMBTU)	**8,6**	**9,8**	**13,79%**	**9,8**	**0,3%**
Distribution Cost (US$/MMBTU)	**7,1**	**7,7**	**8,56%**	**7,7**	**0,8%**
Distribution Spread (US$/MMBTU)	**1,5**	**2,1**	**38,62%**	**2,1**	**-1,7%**

Source: Company

Income Statement in USD Million YoY

Income Statement in USD Mn.	2022A	2023A	2024A	2025A	2026F	2027F
Revenues	**3.568,5**	**3.646,2**	**3.788,6**	**3.975,9**	**4.209,9**	**4.458,2**
Cost of Revenues	(2.788,0)	(2.912,7)	(3.031,2)	(3.277,6)	(3.494,2)	(3.700,3)
Gross Profit	**780,5**	**733,5**	**757,3**	**698,3**	**715,7**	**757,9**
Operating Income (Expense)	(188,3)	(191,8)	(234,7)	(178,7)	(181,0)	(191,7)
Operating Profit	**592,2**	**541,8**	**522,6**	**519,6**	**534,7**	**566,2**
Others Income (Expense)	(49,7)	(18,5)	55,6	(31,4)	(1,9)	(2,1)
PBT	**542,4**	**523,2**	**578,2**	**488,2**	**532,7**	**564,1**
Tax	(141,4)	(147,3)	(138,7)	(141,6)	(127,9)	(135,4)
Non-controlling interest	(75,1)	(98,5)	(100,2)	(131,2)	(122,1)	(129,3)
Net Profit	**326,0**	**277,4**	**339,4**	**215,4**	**282,8**	**299,5**
EPS (USD)	**0,013**	**0,011**	**0,014**	**0,009**	**0,012**	**0,012**
EBITDA	**1.217,0**	**1.086,0**	**1.077,0**	**971,0**	**983,1**	**1.064,3**

Source: Company & Binaartha

Cash Flow in USD Million YoY

Cash Flow (In USD Mn)	2022A	2023A	2024A	2025A	2026F	2027F
Net Income	326	277	339	215	283	299
Depreciation	487	419	377	184	379	424
Change in WC	34	587	-284	-72	174	-366
Cash From Operating Activities	**847**	**1.283**	**432**	**328**	**836**	**357**
Change on Non-current Assets	-150	-143	-99	87	-556	-1.104
Cash From Investing Activities	**-150**	**-143**	**-99**	**87**	**-556**	**-1.104**
Long-term Bank Loans	-69	185	184	-144	33	102
Bonds Payables	-644	-1.323	0	0	0	0
Others Noncurrent Liabilities	129	-26	-170	-10	30	223
Equity	-169	-179	-208	-279	-167	-108
Cash From Financing Activities	**-754**	**-1.343**	**-195**	**-434**	**-104**	**217**
Net Changes in Cash	**-57**	**-203**	**138**	**-20**	**176**	**-530**
Beginning Balance	**1.504**	**1.448**	**1.245**	**1.383**	**1.364**	**1.539**
Ending Balance	**1.448**	**1.245**	**1.383**	**1.364**	**1.539**	**1.010**

Source: Company & Binaartha

Statement of Financial Position in USD Million YoY

Statement of Financial Position (In USD Mn)	2022A	2023A	2024A	2025A	2026F	2027F
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	1.448	1.245	1.383	1.364	1.539	1.010
Trade Accounts Receivable	568	448	386	399	337	419
Inventory	60	71	82	143	152	161
Others Current Assets	137	129	136	168	210	290
Total Current Assets	**2.212**	**1.892**	**1.987**	**2.074**	**2.238**	**1.879**
NONCURRENT ASSETS						
Fixed Assets	2.633	2.621	2.509	2.470	2.552	2.642
Oil and Gas Properties	947	870	696	564	589	864
Trade Receivables	112	110	123	120	131	150
Other Noncurrent Assets	1.290	1.106	1.101	1.005	1.064	1.360
Total Noncurrent Assets	**4.982**	**4.707**	**4.429**	**4.158**	**4.336**	**5.016**
TOTAL ASSETS	**7.195**	**6.599**	**6.416**	**6.232**	**6.574**	**6.895**
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Short-term Bank Loans	17	595	172	183	224	178
Trade Payables	236	245	237	282	307	245
Accruals	396	353	426	408	460	401
Others Current Liabilities	344	270	299	297	341	312
Total Current Liabilities	**993**	**1.462**	**1.134**	**1.169**	**1.332**	**1.137**
NONCURRENT LIABILITIES						
Long-term bank	335	520	704	559	593	694
Bonds Payables	1.323	0	0	0	0	0
Others Noncurrent Liabilities	1.102	1.076	906	896	926	1.149
Total Noncurrent Liabilities	**2.761**	**1.596**	**1.610**	**1.455**	**1.519**	**1.843**
TOTAL LIABILITIES	**3.753**	**3.059**	**2.744**	**2.625**	**2.851**	**2.980**
Non-controlling interest	808	842	845	867	918	1.025
EQUITY	**2.635**	**2.699**	**2.827**	**2.741**	**2.806**	**2.890**
TOTAL LIABILITIES & EQUITY	**7.195**	**6.600**	**6.417**	**6.233**	**6.575**	**6.896**

Source: Company & Binaartha

Ratio Highlights YoY

Growth (% YoY)	2022A	2023A	2024A	2025A	2026F	2027F
Sales	18%	2%	4%	5%	6%	6%
OP	41%	-9%	-4%	-1%	3%	6%
EBITDA	23%	-11%	-1%	-10%	1%	8%
NP	7%	-15%	22%	-37%	31%	6%
EPS	7%	-15%	22%	-37%	31%	6%
Profitability						
Gross Margin (%)	22%	20%	20%	18%	17%	17%
Operating Margin(%)	17%	15%	14%	13%	13%	13%
EBITDA margin(%)	34%	30%	28%	24%	23%	24%
NET Profit margin(%)	9%	8%	9%	5%	7%	7%
ROA(%)	5%	4%	5%	3%	4%	4%
ROE(%)	12%	10%	12%	8%	10%	10%
Stability						
Tot debt/ equity (X)	1,4	1,1	1,0	1,0	1,0	1,0
Current Ratio (X)	2,2	1,3	1,8	1,8	1,7	1,7
Per Share data						
EPS (USD)	0,013	0,011	0,014	0,009	0,012	0,012
EPS (IDR)	210	177	224	142	194	205
PER (X)	8,4	6,4	7,1	13,6	13,2	12,4
PBV (X)	1,0	0,7	0,9	1,1	1,3	1,3
EV/EBITDA (X)	2,4	1,5	1,8	2,4	3,1	3,4
EBITDA/share	0,05	0,04	0,04	0,04	0,04	0,04

Source: Company & Binaartha

Stock Ratings:
Buy : a recommendation to purchase the security with upside potential of **10.5% or greater**
Hold : a recommendation to neither buy nor sell a security with upside potential of **5.25%-10.49%.**
Sell : a recommendation to close out a long position in a security with upside potential **below 5.24%.**

RESEARCH TEAM
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