



Sukarno Alatas

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Miftahul Khaer

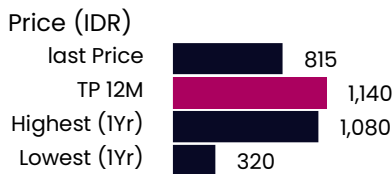
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Stock Rate
Industry **Buy**
Neutral

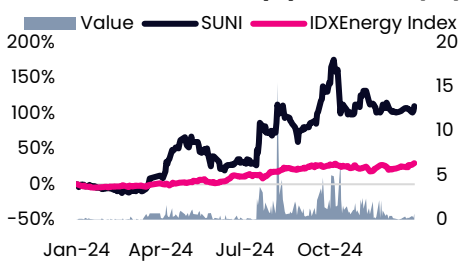
TP 12M vs. Last Price IDR 1,140 +40%

Stock Data
Ticker Code SUNI
Sub Sector Oil, Gas & Coal
Sector Energy

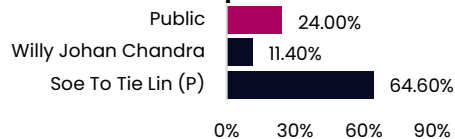
Market Cap (IDR.Tn) 2.04
Shares Issued (Bn) 2.50
AVG 3M Turnover (Bn) 1.18



Price Performance, 1Y(%), Turnover (Bn)



Shareholders Composition



ESG Rating

Environmental 2
Social 15
Governance 12

Source : [katadatagreen](https://www.katadatagreen.com)

PT Sunindo Pratama Tbk (SUNI)

SUNI Delivers: Strong 9M24 Results & Expansive Future

Performance recording an aggressive Growth. SUNI successfully recording a aggressive growth net sales in 9M24 of IDR 800 billion +67.9% y/y, EBITDA of IDR 244.0 billion +105.8% y/y and net profit of IDR 168.7 billion +129.1% y/y (net profit margin ratio still impressive 21.1%. The increase was still supported by higher sales in several key segments, such as oil country tubular goods (OCTG) tubing sales, which recorded 9M24 sales of 17,727.9 tons (+60.2% y/y, achieved 88.6% by FY24 target), dominated by low grade tubing 84.2% & 15.8% high grade tubing. The OCTG Casing segment, also recording massive performance sales to 10,911.7 tons, has exceeded SUNI's initial target of 8,813 tons (123.8% by FY24 target). Wellhead and X'Mas Tree recorded 9M24 sales at 80 units (+1.3% y/y, achieved 81.6% by FY24 target).

2nd factory for the production purpose of OCTG Tubing. This plant is expected to contribute to increasing production capacity to 60,000 tonnes/year from the previous 30,000 tonnes/year. This plant is targeted to be operational in 2H25 and will contribute positively to the Company's operational and financial performance going forward.

Key Takeaways

- o **Growth Potential.** The CapEx allocation of IDR 400 billion for phase three expansion shows the company's commitment to continue growing and expanding its business. This investment could have a positive impact on increasing revenue and profit in the future.
- o **Maintain a dividend payout ratio minimum around 10%.** The commitment to maintain a dividend payout ratio of at least 10% shows that the company strives to provide returns to shareholders. A stable dividend policy can attract investors and increase market confidence.
- o **SUNI also recently secured a new contract worth IDR 130Bn for the next 2 years.** The new contract will contribute positively to the company's revenue in the short term.

Recommendation "BUY"

Based on blended valuation (DCF, PE & PBV) and future, we upgrade SUNI's fair value for 12M target at IDR 1,140 per share (Prev. 900). This price reflects a P/E of 17x and PBV of 3.2x. Last price (IDR 815) trade at PE est. 9.6x (vs avg peers at 19x) and PBV est. 2.7x (vs avg peers at 1.6x, Highest at 4x). *Downside risks: government regulations, production disruptions, losing tenders, new players entering the market.*

Financial Highlight

End 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (IDR Mn)	540,273	762,425	991,152	1,288,498	1,546,198
Net Profit (IDR Mn)	62,808	101,204	213,215	249,377	298,035
EPS (IDR Full)	-	40.48	85.29	99.75	119.21
EBITDA Margin	18%	19%	30%	27%	27%
NPM	11.6%	13.3%	21.5%	19.4%	19.3%
ROE	16%	17%	25%	23%	22%
Interest Coverage (x)	122.1	68.5	119.7	108.4	108.0
P/E (x)	N/A	9.88	13.47	11.52	9.64
P/BV (x)	-	1.73	3.76	2.92	2.30
EV/EBITDA (x)	(1.39)	6.34	8.88	7.15	5.84

Source : Company & Bloomberg



Financial Exhibits

Result 9M2024

	9M23	9M24	yoy	Q3-23	Q2-24	2024			2024F	2025F	yoy
						Q3	yoy	qoq			
Goods	476,658	799,575	68%	214,244	359,705	277,712	30%	-23%			
Oil Country Tubular Goods	434,140	748,503	72%	209,138	333,641	255,238	22%	-23%			
Wellhead & Chirstmas Tree	31,987	45,119	41%	1,208	23,991	20,279	1579%	-15%			
Other	10,532	5,952	-43%	3,899	2,073	2,195	-44%	6%			
Services	13	529	4134%	(813)	-	-	-100%				
Wellhead Engineering Service	-	529		-	-	-	-				
Other	-	-		(826)	-	-	-100%				
Revenue	476,671	800,104	68%	213,431	359,705	277,713	30%	-23%	991,152	1,288,498	30.0%
Costs of revenue	346,667	533,595	54%	164,034	230,382	200,830	22%	-13%	662,334	906,871	36.9%
Gross profit	130,003	266,509	105%	49,396	129,323	76,882	56%	-41%	328,818	381,627	16.1%
Operating profit	96,260	216,223	125%	39,434	113,878	59,818	52%	-47%	280,035	327,966	17.1%
EBITDA	104,965	225,568	115%	43,019	116,965	63,077	47%	-46%	293,655	345,671	17.7%
Net income	73,748	169,792	130%	29,183	90,427	45,622	56%	-50%	213,215	249,377	17.0%
EPS (Full IDR)	29.50	67.9	130%	11.67	36.17	18.25	56%	-50%	85.29	100	17.0%
Liabilities	186,557	254,007	36%								
Equity	561,291	745,494	33%								
Total Asset	747,848	999,501	34%								
<i>GPM %</i>	27%	33%		23%	36%	28%			33%	30%	
<i>OPM %</i>	20%	27%		18%	32%	22%			28%	25%	
<i>Ebitda Margin %</i>	22%	28%		20%	33%	23%			30%	27%	
<i>NPM %</i>	15%	21%		14%	25%	16%			22%	19%	
<i>ROE (%)</i>	18%	30%									
<i>ROA (%)</i>	13%	23%									

Source : Company & Bloomberg

We revised our projection for performance in 2024F & 2025F, the projection is higher than our previous projection.



Valuation

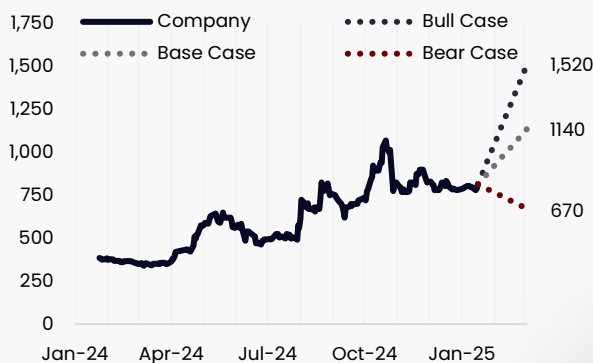
Fair Value

DCF (IDR Mn)	2024F	2025F	2026F	2027F	2028F	2029F
EBIT	213,215	249,377	298,035	379,367	438,774	507,342
marginal tax rate	23%	23%	23%	23%	23%	23%
EBIT (1-tax)	164,299	192,165	229,659	292,332	338,109	390,946
+ D & A	13,620	17,706	21,247	26,559	30,542	35,124
- Capex	(192,700)	(60,200)	(200,000)	(200,000)	(111,133)	(127,803)
Changes in working capital	38,760	179,341	91,601	161,810	315,689	359,291
Free Cash Flow	23,979	329,011	142,508	280,701	573,208	657,558
Terminal Value						6,760,191
Discount Factor	1.00	0.90	0.81	0.73	0.66	0.60
Firm Value	5,460,203	Key Assumption				
Cash	477,752	Perpetuity Growth				
Interest Bearing Debt	80,393	1.0%				
Equity Value	5,857,562	Beta				
Share	2,500	RF				
Fair Value (IDR)	2,343.0	RP				
Last Price	IDR 815	Cost of Equity				
Potential Upside (%)	187.5%	Cost of Debt				
		WACC				
		10.82%				

Multiple Valuation	Base Amount	Target Multiple	Value (Bn)	Weight (%)	The Value of the firm
PE (Net Income)	213,215	15.0x	3,198,226	30%	959,468
PBV (Equity)	843,220	2.0x	1,686,441	30%	505,932
DCF	5,857,562	1x	5,857,562	40%	2,343,025
Total Value (IDR Mn)					3,808,425
Share (Mn)					2,500
Fair Value (IDR)					1,523
Margin of Safety					25%
Target Price (IDR)					1,140
Last Price (16 Jan 25)					815
Potential Upside (%)					40%

Source : Company & Bloomberg

Risk Reward [1: 4.8x (Bull) or 2.2x (base)]



Source : Company & Bloomberg

Bull Case : Fair value used blended valuation
Base Case : Fair value used After margin of safety
Bear Case : Fair value used target PBV method



Financial Exhibits

Year-end 31 Dec (IDR Mn)	2021A	2022A	2023A	2024F	2025F	2026F
Revenue	317,555	540,273	762,425	991,152	1,288,498	1,546,198
Costs of revenue	248,883	397,565	583,307	662,334	906,871	1,095,191
Gross profit	68,672	142,708	179,118	328,818	381,627	451,007
Operating profit	37,587	102,740	133,381	280,035	327,966	391,979
EBITDA	45,599	96,107	143,552	293,655	345,671	413,226
Income before tax	36,784	94,751	130,101	276,114	322,869	385,862
Tax expenses	8,388	21,330	29,848	63,347	74,073	88,525
Minority interests	5,533.5	9,941.8	(344.3)	(447.6)	(581.9)	(698.2)
Net income	23,334	62,808	101,204	213,215	249,377	298,035
EPS (IDR)	-	-	40.48	85.29	99.75	119.21

Balance sheet

Year-end 31 Dec (IDR Mn)	2021A	2022A	2023A	2024F	2025F	2026F
Cash and equivalents	65,229	140,118	163,238	336,642	480,670	545,860
Account receivables	27,324	58,752	77,867	142,850	185,705	222,845
Inventories	162,630	174,560	269,613	88,416	121,060	146,199
Fixed assets	146,345	139,808	202,742	381,822	424,316	603,069
Other assets	35,921	18,516	75,445	140,155	182,201	218,642
Total assets	437,449	531,754	788,905	1,089,885	1,393,951	1,736,616
S-T liabilities	2,994	2,982	12,953	9,275	10,862	12,388
Other S-T liabilities	116,122	138,816	123,331	169,228	219,996	263,995
L-T liabilities	6,065	3,193	60,425	62,567	69,731	74,606
Other L-T liabilities	4,626	5,965	3,903	5,594	7,206	9,132
Total liabilities	129,806	150,956	200,612	246,664	307,795	360,122
Equity	307,643	380,798	588,293	843,220	1,086,157	1,376,494
BVPS (IDR)	100	126	232	305	393	499

Cash Flows Statement

Year-end 31 Dec (IDR Mn)	2021A	2022A	2023A	2024F	2025F	2026F
Net Income	23,334	62,808	101,204	213,215	249,377	298,035
Depreciation	12,855	11,182	10,172	13,620	17,706	21,247
Change in working capital	(78,105)	(78,395)	(240,784)	(92,190)	(305,287)	(349,088)
Operating cash flow	(41,916)	(4,404)	(129,408)	134,644	(38,204)	(29,806)
Capital expenditure	(5,741)	(4,473)	(121,901)	(192,700)	(60,200)	(200,000)
Others	5,435	1,135	(47,204)	(40,921)	(26,987)	(23,388)
Investing cash flow	12,346	7,672	(110,137)	(220,001)	(69,481)	(202,141)
Dividend paid	-	-	7,500	21,322	24,938	29,804
Net change in debt	(2,860)	(2,873)	57,232	2,142	7,164	4,875
Others	28,556	74,494	197,933	235,297	219,610	262,460
Financing cash flow	25,697	71,622	262,665	258,761	251,712	297,138
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	(3,873)	74,889	23,120	173,405	144,027	65,191
Beginning cash flow	69,102	65,229	140,118	163,238	336,642	480,670
Ending cash flow	65,229	140,118	163,238	336,642	480,670	545,860

Source : Company & Bloomberg



Financial Ratio

Key Ratios	2021A	2022A	2023A	2024F	2025F	2026F
Revenue Growth (%)	53%	70%	41%	30%	30%	20%
Gross Profit Growth (%)	161%	108%	26%	84%	16%	18%
Operating Profit Growth (%)	-715%	173%	30%	110%	17%	20%
EBITDA Growth (%)	692%	111%	49%	105%	18%	20%
Net Profit Growth (%)	-452%	169%	61%	111%	17%	20%
EPS Growth (%)	n/a	n/a	n/a	111%	17%	20%
Gross margin (%)	22%	26%	23%	33%	30%	29%
EBITDA margin (%)	14%	18%	19%	30%	27%	27%
EBIT margin (%)	12%	19%	17%	28%	25%	25%
Pretax margin (%)	12%	18%	17%	28%	25%	25%
Net margin (%)	7.3%	12%	13%	22%	19%	19%
ROE (%)	8%	16%	17%	25%	23%	22%
ROA (%)	5%	12%	13%	20%	18%	17%
Current ratio (x)	2.42x	2.75x	3.94x	3.46x	3.69x	3.59x
Quick ratio (x)	1.05x	1.52x	1.96x	2.97x	3.17x	3.06x
Gearing (%)	3%	2%	12%	9%	7%	6%
Net gearing (%)	-18%	-35%	-15%	-31%	-37%	-33%
LT D/Equity (x)	0.03x	0.02x	0.11x	0.08x	0.07x	0.06x
DER (x)	0.42x	0.40x	0.34x	0.29x	0.28x	0.26x
DAR (x)	0.30x	0.28x	0.25x	0.23x	0.22x	0.21x
Interest Coverage (x)	44.60x	122.15x	68.46x	119.69x	108.37x	107.96x
Receivable turn over (x)	27.52x	17.72x	14.51x	11.68x	9.41x	9.46x
AR turnover (days)	31	40	37	53	53	53
Inventory turnover (days)	239	160	169	49	49	49
AP turnover (days)	17	6	4	5	4	3
Cash Ratio	55%	99%	120%	189%	208%	198%
Sustainable Growth (%)	7%	n/a	15%	23%	21%	19%
Earning Yield (%)	0.0%	n/a	10.1%	7.4%	8.7%	10.4%
Dividend Yield (%)	0.0%	n/a	1.2%	0.7%	0.9%	1.0%
PE (x)	n/a	n/a	9.88x	13.47x	11.52x	9.64x
PBV (x)	0.00x	0.00x	1.73x	3.76x	2.92x	2.30x
P/Sales (x)	0.00x	0.00x	1.31x	2.90x	2.23x	1.86x
EV/Ebitda (x)	-1.23x	-1.39x	6.34x	8.88x	7.15x	5.84x

Source : Company & Bloomberg



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Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT : Sector & Industry Outlook has potential and good condition
NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOTE RATE	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)



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Terdaftar dan
diawasi oleh :  Otoritas
Jasa
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