

## TOBA PT TBS Energi Utama Tbk

### Strategic Reinvention

- TOBA is accelerating its transition from coal to sustainable sectors like waste management, renewables, and electric mobility, in line with its 2030 decarbonization roadmap.
- Despite a net loss in 1H25 from divestment charges and coal price pressure, the company's cash position improved 37% YTD to USD 93mn, giving it room to invest in growth.
- Execution is progressing well, with key milestones achieved in waste acquisitions, hydro COD, solar construction, and over 5,400 electric two-wheelers deployed.
- We maintain a **HOLD** with a target price of Rp1,200, as the stock trades at 17.5x 2026F P/E—fairly reflecting near-term risks and long-term green potential.

#### From Coal to Clean

PT TBS Energi Utama Tbk (TOBA) is undergoing a fundamental transformation from a legacy coal-based business into a sustainability-focused energy and infrastructure company. Originally anchored in coal mining and power generation, the company has progressively shifted its strategic focus to renewable energy, waste management, and electric vehicles (EVs). As of mid-2025, TOBA operates a multi-segment platform: integrated waste management through Cora Environment and AMES, renewable energy with operational mini-hydro and solar PV projects, and EV mobility via its Electrum joint venture. This transition aligns with the TBS2030 commitment to reduce 80% of emissions and capture long-term value from Indonesia's green economy shift.

#### Earnings Under Pressure, Cash Resilient

In 1H25, TOBA reported revenue of USD 172.2 million (-31% YoY), primarily due to lower coal prices (ICI-3 down 22%) and divestment of its CFPP assets. Gross profit dropped sharply to USD 13.9 million (-75% YoY), while EBITDA adjusted stood at USD 68.4 million (-18% YoY LTM basis), indicating better cost discipline. The company booked a net loss of USD 116.7 million, weighed by a one-off non-cash loss of USD 96.9 million from the CFPP divestment. However, the divestment significantly strengthened TOBA's cash position, which rose to USD 93.2 million (+37% YTD), providing flexibility to fund capex for renewables and waste segments. Net loans to EBITDA remain manageable at 3.4x, albeit higher than FY24's 1.9x due to expansion funding.

#### Execution in Motion: Waste, Renewables, EVs Scale Up

TOBA's strategic execution gained momentum in 1H25. The company completed the divestment of two 100MW CFPP assets (GLP and MCL), reducing annual emissions by 1.3 million tCO<sub>2</sub>e and aligning with global ESG mandates. On the waste management front, TBS consolidated regional leadership with acquisitions of AMES (Singapore, 45% market share in medical waste) and ARAH (Indonesia, active in 15 provinces). Waste collected rose significantly to 259K tons (+40% YoY), underpinning earnings visibility. In renewables, TOBA reached commercial operation on a 6MW mini-hydro project and progressed construction of a 46MWp floating solar PV in Batam. The EV ecosystem continued scaling, with >5,400 E2Ws and 21K daily battery swaps by Electrum. These diversified platforms position TOBA to capture tailwinds from Indonesia's sustainability roadmap and energy transition targets.

#### Fairly Priced for Now, Execution Holds the Key

We recommend **HOLD** TOBA with a **TP of Rp1,200**, implying **17.5x TTM PE**, in line with regional peers in the renewable. Waste management and renewables now contribute over 35% of topline and are expected to grow at 25–30% CAGR. However, earnings remain transitional, 1H25 saw a net loss of USD116.7mn due to one-off divestment charges. Upside will hinge on execution, especially waste processing volume, solar COD milestones, and EV monetization.

#### Key Financial Highlights

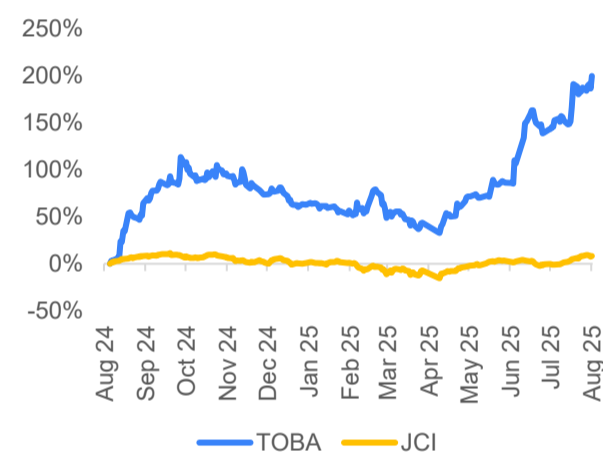
Key Metrics (USD mn)	2023	2024	1H24	1H25
Revenue	501.3	445.6	248.7	172.2
Gross Profit	63.9	81.1	54.7	13.9
EBITDA Adjusted	97.7	131.4	83.7	20.8
Net Gearing (x)	0.75	0.58	0.55	1.1
Gross Margin (%)	12.75	18.20	21.99	8.07
EBITDA Adjusted Margin (%)	19.49	29.49	33.66	12.08

## HOLD

#### Stock Information (as of August 4, 2025)

Last Price (Rp)	1,125
Target Price (Rp)	1,200
Potential Upside	6.7%
Market Cap (Rp tn)	9.3
52 Week Range (Rp)	1,265 - 232
Free Float	29.7%
Share Out. (bn)	8.3
Beta	1.8

#### Stock Performance Comparison vs JCI



#### Shareholders

TOBA's Shareholders	%
Highland Strategic Holdings PTE LTD	60.3
PT Toba Sejahtera	8.3
Public	31.4

#### Company Description

##### TOBA's Company Profile

PT TBS Energi Utama Tbk is an Indonesia-based integrated energy company centered on sustainability. The Company's main business activities are wholesale and retail, repair and maintenance of cars and motorcycles, construction (including mining and procurement of electricity, gas, steam/hot water, and cold air), processing industrial, transportation and warehousing, and professional, scientific and technical service activities.

**Rating for Sectors:**

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

**Rating for Stocks:**

Buy : The stock is expected to give total return (price appreciation + dividend yield) of  $> +10\%$  over the next 12 months.

Hold : The stock is expected to give total return of  $> 0\%$  to  $\leq +10\%$  over the next 12 months.

Sell : The stock is expected to give total return of  $< 0\%$  over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"

Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

**Analyst Certification:**

The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

PREPARED BY AJAIB RESEARCH TEAM



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