

Pertamina (PERT IJ)

FUNDAMENTAL VIEW ¹

As of 18 Jun 2025

- Pertamina enjoys very strong linkages with the Government of Indonesia (Gol) and is assured of extraordinary support in times of distress.
- Lower expected Brent crude prices YoY could weigh on its upstream margins and overall EBITDA (given the upstream business accounts for >65% of consolidated EBITDA).
- Although leverage typically remains low, Pertamina incurs large capex spending that could pressure its free cash flow generation.
- High persisting dividend outflows could restrain free cash flow improvements.

RISKS & CATALYSTS

As of 18 Jun 2025

- Pertamina's profitability is materially affected by volatility in oil & gas prices. Prolonged periods of low oil prices could hurt upstream earnings that form the bulk of overall EBITDA (>65%).
- As retail prices of certain fuel products are regulated, realized prices may be below its cost of sales.
- Pertamina has to initially absorb the shortfall between the regulated retail price and the cost of producing and distributing certain fuel products. If the price of crude oil exceeds the price ceiling set by the Gol, the company may receive insufficient subsidy reimbursements.
- Capex typically remains elevated and which pressurizes its free cash flow generation.

KEY METRICS

As of 18 Jun 2025

\$ MN	FY20	FY21	FY22	FY23	FY24
Debt to Book Cap	38.5%	41.2%	42.1%	37.6%	34.9%
Net Debt to Book Cap	18.9%	21.9%	12.5%	8.5%	12.3%
Debt/Total Equity	62.5%	70.0%	72.7%	60.4%	53.6%
Debt/Total Assets	28.3%	29.9%	30.8%	27.4%	26.3%
Gross Leverage	2.4x	2.5x	1.9x	1.9x	2.2x
Net Leverage	1.2x	1.3x	0.6x	0.4x	0.8x
Interest Coverage	7.8x	8.7x	11.2x	8.9x	7.5x
EBITDA Margin	19.9%	16.0%	16.7%	17.7%	14.3%

BUSINESS DESCRIPTION

As of 18 Jun 2025

- Pertamina is involved in a broad range of upstream and downstream oil, gas, geothermal and petrochemical operations.
- In the upstream sector, it engages in the exploration, development and production and supply of crude oil, natural gas and geothermal energy.
- As for the downstream sector, the company carries out refining, marketing and distribution of oil, gas, fuel products and petrochemical and other non-fuel products.
- As of 31 December 2024, its total proved oil reserves stood at ~1,394 mmbbl (mn barrels of oil) and gas reserves stood at ~1,058 mmboe (mn barrels of oil equivalent). Its average daily oil and gas production was ~1,045,000 boe per day in FY24. The company owns and operates 6 refineries in Indonesia.
- Under the Public Service Obligation (PSO) mandate, Pertamina is responsible for providing certain grades of motor gasoline, automotive diesel oil, kerosene and LPG at subsidized prices. The subsidized retail price is often times lower than the cost of production, creating a shortfall, for which it receives reimbursements from the Gol.

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