



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51521.3	0.5	0.3	(3.5)	7.2
S&P 500	7818.9	0.6	1.9	1.3	14.2
FTSE 100	10541.7	0.4	(0.9)	(2.7)	6.1
AS30	8903.5	0.5	0.2	(3.2)	(1.3)
CSI 300	4357.6	0.3	(4.1)	(4.4)	(5.9)
FSSTI	5701.5	0.7	(0.2)	(1.6)	22.7
HSCEI	8129.0	1.0	(1.1)	(3.6)	(8.8)
HSI	24280.6	1.0	(1.5)	(5.3)	(5.3)
JCI	6192.9	1.2	1.2	(6.4)	(28.4)
KLCI	1633.4	0.1	(0.6)	(4.7)	(2.8)
KOSPI	6941.4	(0.9)	0.7	(0.8)	64.7
Nikkei 225	70684.0	1.1	7.9	6.5	40.4
SET	1582.2	0.4	(0.8)	(2.3)	25.6
TWSE	49822.6	0.2	4.6	5.3	72.0
BDI	3002	(2.2)	(5.5)	(17.3)	59.9
CPO (RM/mt)	4367	0.0	(2.4)	(5.6)	11.0
Brent Crude (US\$/bbl)	101	0.3	(2.0)	4.5	65.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Top Stories

Company Update | Energi Mega Persada (ENRG IJ/**BUY**/Rp1,085/Target: Rp1,870)

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- ENRG’s Rp4.12t rights issue will support its strategic initiatives to grow group production through drilling, infrastructure, and EOR. While the US\$200m HPK investment is potentially dilutive to our current valuation, we anticipate potential upside from HPK and future developments, which we have yet to quantify. Gebang remains a key near-term catalyst, with production expected to start in 1H27 at up to 40 mmcf. We maintain BUY with a target price of Rp1,870.

Technical Analysis

Bumi Resources | BUMI IJ

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- Trading Buy Range: We have a technical Buy at Rp184, and take profit at Rp200.

Buana Lintas Lautan | BULL IJ

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- Trading Buy Range: We have a technical Buy at Rp370, and take profit at Rp400.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Energi Mega Persada (ENRG IJ)

Funding The Growth Runway

Highlights

- **HPK diversifies ENRG into oil.** The US\$200m investment provides exposure to oil-weighted Permian production, while HPK's refinancing could strengthen its balance sheet and create potential equity upside for ENRG.
- **Maintain BUY with target price of Rp1,870.** While the US\$200m HPK investment is potentially dilutive to our current valuation, we anticipate potential upside from HPK and future developments, which we have yet to quantify. Meanwhile, the Rp4.12t rights issue will support ENRG's strategic initiatives to grow group production. The near-term catalyst is Gebang, which is expected to start production in 1H27 at up to 40 mmcfd.

Analysis

- **ENRG is raising capital through PMHMETD IV (rights issue) by issuing up to 13.5b of new Series B shares.** Energi Mega Persada (ENRG) is raising Rp4.12t or US\$230m through PMHMETD IV (rights issue), issuing 13.28b of new shares at Rp310 on a 2:1 ratio, increasing its total issued shares to 39.85b. The rights trade can be done during 8-21 October. Bakrie affiliates are standby buyers, for up to 9.92b shares. The proceeds of the rights issue will fund drilling, gas infrastructure, facility upgrades, enhanced oil recovery (EOR), and working capital across ENRG's subsidiaries.
- **Acquiring shale block company in the US.** ENRG and Danantara have committed to a US\$450m preferred equity investment in Nasdaq-listed HighPeak Energy (HPK), with ENRG contributing US\$200m for a 12% stake and Danantara US\$250m for a 15% stake. The instrument is a perpetual Series A convertible preferred with a 6% coupon, paying cumulative cash dividends quarterly, and convertible at a price of US\$9.50/share. The US\$450m proceeds, US\$800m reserve-based lending (RBL) facility from Citibank and Fifth Third, and available cash will fully repay HPK's existing US\$1.17b term loan. The US\$9.50/share conversion price implies a pre-money equity value of US\$1.2b for HPK (126.45m shares outstanding), and is a 20% premium to its current market cap of US\$1.0b. Including the US\$450m new capital, the post-money, as-converted equity value is US\$1.65b. HPK's 2026 annualised core profit is US\$71.5m which excludes interest income, other income, and derivative gains/losses. This implies a PE of 16.8x based on the transaction price, compared with 14.0x at the current market capitalisation. Following the refinancing, we estimate that US\$40m of after-tax financing savings would lift pro forma core profit to US\$111m, reducing the implied PE to 9.0x.

Key Financials

Year to 31 Dec (US\$m)	2024	2025	2026F	2027F	2028F
Net turnover	467	498	606	647	684
EBITDA	279	336	368	402	461
Operating profit	124	155	200	209	236
Net profit (rep./act.)	73	92	128	150	159
Net profit (adj.)	73	92	128	150	159
EPS (Rp)	49.4	62.0	86.6	101.8	107.3
PE (x)	28.7	22.8	16.3	13.9	13.2
P/B (x)	2.9	2.3	1.9	1.7	1.5
EV/EBITDA (x)	8.4	7.0	6.8	5.9	4.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net margin (%)	15.6	18.4	21.1	23.3	23.2
Net debt/(cash) to equity (%)	45.4	39.3	40.2	31.9	22.8
Interest cover (x)	3.3	4.4	6.7	8.5	12.5
ROE (%)	10.0	10.2	11.8	12.2	11.3
UOBKH/Consensus (x)	-	-	1.3	1.4	1.4

Source: ENRG, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Rp1,085
Target Price	Rp1,870
Upside	+72.3%

Stock Data

Sector	Energy
Bloomberg ticker	ENRG IJ
Shares issued (m)	26,346
Market cap (Rpb)	28,690
Market cap (US\$m)	1,603
3-mth avg daily t'over (US\$m)	7.3

Price Performance (%)

52-week high/low				Rp2,420/Rp584
1mth	3mth	6mth	1yr	YTD
9.2	30.0	(2.5)	53.2	(8.6)

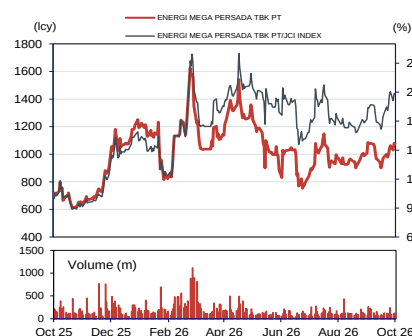
Major Shareholders (%)

Shima Global	17.3
Trimegah Sekuritas Indonesia	14.4
CGS International	7.6
Bakrie Kalila Investment	5.2

Balance Sheet Metrics

FY26 NAV/Share (Rp)	733.
FY26 Net Debt/Share (Rp)	n.a.

Price Chart



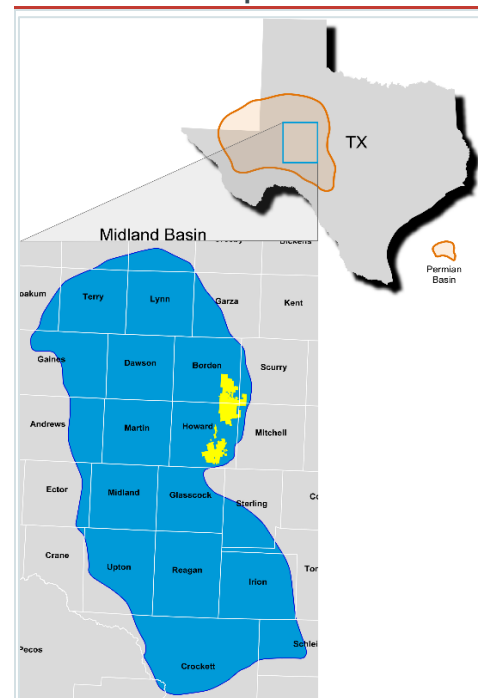
Source: Bloomberg

Company Description

Energi Mega Persada explores, develops and produces crude oil and natural gas.

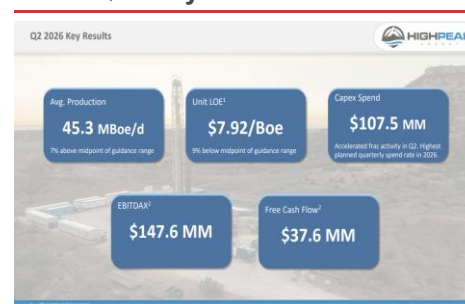
- **HPK profile.** HPK is a Fort Worth-based, Nasdaq-listed independent E&P focused on its oil-weighted Permian assets in Texas. The company holds 2P reserves of 223 mmboe, implying a reserve life of approximately 13.4 years, and requires around US\$270m of annual capex to sustain production. As of 2Q26, crude oil accounted for approximately 64% of HPK's volumes.
- **The acquisition could broaden ENRG's portfolio in the following four key areas:**
 - a) **Portfolio mix shifts towards oil exposure.** ENRG's 1H26 net production of 37,843 boepd comprised 81% gas (30,813 boepd) and 19% oil (7,030 bopd), with 79% of gas volumes sold to state-owned off-takers such as PLN and Pertamina. By comparison, HPK's 2Q26 production was 64% crude oil and 83% liquids, which would increase ENRG's exposure to oil-linked production and pricing.
 - b) **The refinancing is expected to improve HPK's capital structure.** The US\$450m preferred placement, together with the new US\$800m reserve-based lending facility and existing cash, is intended to fully repay HPK's US\$1.17b term loan. Based on management assumptions, the transaction could reduce after-tax financing costs by approximately US\$40m p.a. (assuming a 7% reserve-based lending (RBL) cost) and lower net debt/EBITDAX from 1.9x to around 1.1x. For ENRG, potential returns would come from two sources: i) a 6% cumulative preferred coupon, equivalent to approximately US\$12m p.a. on its investment, and ii) exposure to HPK's equity value through the conversion feature at US\$9.50/share.
 - c) **The investment structure provides exposure to changes in HPK's market value.** The preferred equity investment is expected to be initially measured at fair value through profit or loss, allowing changes in HPK's valuation to be reflected in ENRG's earnings. The structure also avoids immediate consolidation of HPK's debt onto ENRG's balance sheet, while preserving flexibility should ENRG increase its ownership over time.
 - d) **The transaction is consistent with ENRG's acquisition strategy and geographic expansion.** The HPK investment would mark ENRG's first upstream exposure in the US. It would also represent the company's first asset outside Indonesia and Mozambique, expanding its geographic footprint beyond the domestic acquisitions and stake increases completed since 2020.

Areas That HKP Operates In



Source: HPK, UOB Kay Hian

HPK 2Q26 Key Results



Source: ENRG, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with target price of Rp1,870**, based on DCF (WACC: 13.5%; terminal growth: 0%). While the US asset acquisition potentially dilutive to our current valuation, we anticipated potential upside from HPK and other future developments which we have yet to quantify. ENRG is also raising Rp4.12t through PMHMETD IV to fund drilling, gas infrastructure, facility upgrades, EOR, and working capital across its subsidiaries, supporting its efforts to grow group production. Gebang remains a key catalyst, with production expected to commence in 1H27 at up to 40 mmcf/d, potentially lifting group production by 17.6%.

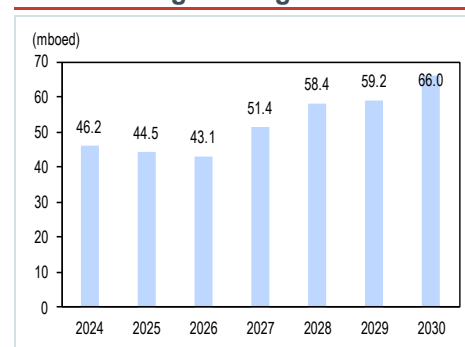
Earnings Revision/Risk

- **No earnings revision.**

Share Price Catalyst

- Operation of Gebang block in 1H27.

ENRG Average Lifting



Source: ENRG, UOB Kay Hian

Profit & loss

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Net turnover	498	606	647	684
EBITDA	336	368	402	461
Deprec. & amort.	182	168	194	225
EBIT	155	200	209	236
Total other non-operating income	-	-	-	-
Net interest income/(expense)	(35)	(30)	(25)	(19)
Pre-tax profit	128	179	193	227
Tax	(36)	(51)	(43)	(68)
Minorities	-	-	-	-
Net profit	92	128	150	159
Net profit (adj.)	92	128	150	159

Cash Flow

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Operating	330	138	252	274
Pre-tax profit	128	179	193	227
Tax	(36)	(51)	(43)	(68)
Deprec. & amort.	182	168	194	225
Working capital changes	-	(83)	2	(13)
Other operating cashflows	57	(76)	(94)	(96)
Investing	(307)	(253)	(164)	(142)
Capex (growth)	(307)	(253)	(164)	(142)
Others	-	-	-	-
Financing	(14)	68	(48)	(65)
Dividend payments	-	-	-	-
Issue of shares	-	-	-	-
Proceeds from borrowings	91	-	-	-
Others/interest paid	17	68	(48)	(65)
Net cash inflow (outflow)	9	(47)	39	67
Beginning cash & cash equivalent	54	62	15	55
Changes due to forex impact	(0)	-	-	-
Ending cash & cash equivalent	62	15	55	121

Balance Sheet

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Fixed assets	1,139	1,389	1,457	1,476
Other LT assets	477	422	407	392
Cash/ST investment	62	15	55	121
Other current assets	144	162	166	169
Total assets	1,822	1,989	2,085	2,159
ST debt	11	7	7	7
Other current liabilities	464	383	406	458
LT debt	301	427	347	205
Other LT liabilities	225	161	161	161
Shareholders' equity	896	1,083	1,236	1,401
Minority Interest	-73	-73	-73	-73
Total liabilities & equity	1,822	1,989	2,085	2,159

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	67.5	60.8	62.2	67.4
Pre-tax margin	25.7	29.6	29.9	33.1
Net margin	18.4	21.1	23.3	23.2
ROA	5.0	6.4	7.2	7.3
ROE	10.2	11.8	12.2	11.3
Growth				
Turnover	6.6	21.6	6.8	5.8
EBITDA	20.6	9.4	9.3	14.6
Pre-tax profit	35.0	39.8	8.0	17.1
Net profit	25.6	39.6	17.5	5.5
Net profit (adj.)	25.6	39.6	17.5	5.5
EPS	25.6	39.6	17.5	5.5
Leverage				
Debt to total capital	0.3	0.4	0.3	0.1
Debt to equity	0.3	0.4	0.3	0.1
Net debt/(cash) to equity	0.3	0.4	0.2	0.1
Interest cover (x)	4.4	6.7	8.5	12.5

Technical Analysis



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Bumi Resources

BUMI IJ

Technical BUY with 8.5% potential return

Resistance: Rp196, Rp202

Support: Rp181, Rp174

Stop-loss: Rp173

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum; hence, it could trigger more rallies and challenge the resistance at Rp196 and Rp202. The RSI is sloping upwards and is almost back above its midline, while the Stochastic has just issued a bullish signal and is out of its oversold zone. Buy at Rp184 and take profit at Rp200.

Approximate timeframe: 2-4 weeks.



Buana Lintas Lautan

BULL IJ

Technical BUY with 8% potential return

Resistance: Rp382, Rp404

Support: Rp354, Rp332

Stop-loss: Rp354

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we see potential for more rallies ahead and challenge the resistance at Rp382 and Rp404. The RSI is sloping upwards and approaching its midline, while the Stochastic has just issued a bullish signal and is out of its oversold zone. Buy at Rp370 and take profit at Rp400.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp770.

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