



Key Indices

|                        | Prev Close | 1D %  | 1W %  | 1M %   | YTD %  |
|------------------------|------------|-------|-------|--------|--------|
| DJIA                   | 52361.6    | 0.3   | 0.8   | 1.0    | 8.9    |
| S&P 500                | 7676.8     | 0.7   | (0.2) | (0.9)  | 12.1   |
| FTSE 100               | 10767.3    | 0.7   | 0.0   | 0.7    | 8.4    |
| AS30                   | 8926.6     | 0.2   | (0.5) | 0.9    | (1.0)  |
| CSI 300                | 4103.5     | (0.0) | (1.7) | (7.6)  | (11.4) |
| FSSTI                  | 5415.9     | 0.0   | 0.2   | (5.2)  | 16.6   |
| HSCEI                  | 7802.1     | 0.6   | (4.0) | (4.5)  | (12.5) |
| HSI                    | 23211.8    | 0.5   | (4.0) | (5.3)  | (9.4)  |
| JCI                    | 5373.1     | (1.2) | 7.5   | (13.9) | (37.9) |
| KLCI                   | 1604.4     | (0.4) | 0.5   | (4.0)  | (4.5)  |
| KOSPI                  | 5469.5     | (1.5) | (5.2) | (22.8) | 29.8   |
| Nikkei 225             | 62189.7    | (0.8) | (4.2) | (6.3)  | 23.5   |
| SET                    | 1579.0     | 1.0   | 0.4   | (1.8)  | 25.4   |
| TWSE                   | 46041.4    | (1.8) | (2.0) | (4.1)  | 59.0   |
| BDI                    | 2628       | (1.2) | 3.2   | (23.3) | 40.0   |
| CPO (RM/mt)            | 4443       | (0.2) | 0.4   | (3.7)  | 13.0   |
| Brent Crude (US\$/bbl) | 116        | (0.8) | 5.7   | 11.0   | 90.3   |

Source: Bloomberg

Corporate Events

|                                                                        | Venue     | Begin  | Close  |
|------------------------------------------------------------------------|-----------|--------|--------|
| Virtual Meeting with UUE Holdings Berhad (UUE MK)                      | Malaysia  | 10 Nov | 10 Nov |
| 1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP) | Singapore | 11 Nov | 11 Nov |
| Analyst Marketing by Johnny Yum on GC AI Sector                        | Taipei    | 17 Nov | 18 Nov |

Top Stories

Company Update | Elnusa (ELSA IJ/BUY/Rp640/Target: Rp1,450)

Page 2 →

- ELSA is expected to deliver stronger 2H26 earnings as seismic contracts ramp up and downstream fuel transportation and trading remain solid. Potential upside catalysts include LCO-based marginal well acquisitions, new seismic tenders supporting 2027 backlog, fleet renewal and a gradual increase in dividends. The proposed merger with PDSI remains uncertain pending structural clarity. ELSA has achieved over 50% of its Rp600b capex budget in 9M26. Maintain BUY with a DCF-based target price of Rp1,450.

Technical Analysis

Chandra Asri Pacific | TPIA IJ

Page 5 →

- Trading Buy Range: We have a technical Buy at Rp1,430, and take profit at Rp1,550.

Bank Negara Indonesia | BBNI IJ

Page 5 →

- Trading Buy Range: We have a technical Buy at Rp3,460, and take profit at Rp3,690.

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.

## Elnusa (ELSA IJ)

Expect Solid 2H26 Earnings And New Growth Opportunities Ahead

### Highlights

- **ELSA's earnings are expected to strengthen in 2H26**, as seismic contracts ramp up and downstream demand remains solid.
- **Potential catalysts** include LCO expansion, new seismic contracts, fleet renewal, and a higher dividend for next year.
- **Maintain BUY with a DCF-based target price of Rp1,450**, supported by strong earnings growth.

### Analysis

- **Expect a stronger 2H26.** We project that 2026 earnings growth will remain upbeat after a strong 1H26 net profit growth of 29.4% yoy. We expect 2H26 earnings to be partially driven by the commencement of its seismic contract, resulting in 2026 net profit growing 23.7% yoy. Seismic contracts secured in late-25 and early-26 began contributing in 3Q26, with limited contributions in 2Q26 as work only commenced around Jun 26. This timing mismatch weighed on upstream margins, particularly in seismic projects, which typically have a two- to three-month lag between mobilisation cost recognition and invoicing once recording activities commence. Note that seismic has a relatively high margin impact on Elnusa's (ELSA) integrated upstream O&G services business, which has a three-year median quarterly gross margin of 10.8%, compared with 8.0% for the distribution business.

Some prospective projects could be converted into contracts in 2H26, while others are expected to commence in 2027. On the downstream segment, we expect 2H26 growth to remain upbeat after a strong 1H26 revenue growth of 26.6% thanks to higher ex-Java demand (particularly Sumatra and Kalimantan) as well as stronger industrial and marine fuel trading.

- **Potential upstream business through LCO model.** ELSA has submitted a study to take over underutilised marginal wells from Pertamina Hulu Energi (PHE) and operate them under a low-cost operator (LCO) scheme, subject to PHE's approval as controlling shareholder. Management emphasised that the proposal remains preliminary. If approved, ELSA would acquire the assets outright rather than adopt a profit-sharing scheme, implying higher upstream costs and capex from 2027. The initiative could broaden ELSA's business mix beyond oilfield services into upstream production, with potential margin upside but greater exposure to oil price volatility and operational risks.

### Key Financials

| Year to 31 Dec (Rpb)          | 2024   | 2025   | 2026F  | 2027F  | 2028F  |
|-------------------------------|--------|--------|--------|--------|--------|
| Net turnover                  | 13,393 | 14,498 | 16,063 | 17,745 | 19,517 |
| EBITDA                        | 1,174  | 1,214  | 1,370  | 1,590  | 1,812  |
| Operating profit              | 805    | 843    | 970    | 1,158  | 1,348  |
| Net profit (rep./act.)        | 714    | 718    | 869    | 1,062  | 1,227  |
| Net profit (adj.)             | 714    | 718    | 869    | 1,062  | 1,227  |
| EPS (Rp)                      | 97.8   | 98.4   | 119.0  | 145.5  | 168.2  |
| PE (x)                        | 6.5    | 6.5    | 5.4    | 4.4    | 3.8    |
| P/B (x)                       | 1.0    | 0.9    | 0.8    | 0.7    | 0.7    |
| EV/EBITDA (x)                 | 1.8    | 1.3    | 1.2    | 0.9    | 0.6    |
| Dividend yield                | 4.3    | 6.1    | 7.7    | 9.3    | 11.4   |
| Net margin (%)                | 9.9    | 10.0   | 9.9    | 10.2   | 10.4   |
| Net debt/(cash) to equity (%) | -      | -      | -      | -      | -      |
| Interest cover (x)            | 6.5    | 8.7    | 12.2   | 20.0   | 25.7   |
| ROE (%)                       | 6.6    | 6.1    | 6.7    | 7.5    | 7.8    |
| Consensus net profit          |        |        | 863    | 963    | 1,156  |
| UOBKH/Consensus (x)           |        |        | 1.0    | 1.1    | 1.1    |

Source: ELSA, Bloomberg, UOB Kay Hian

### Analyst(s)

**Benyamin Mikael**

benyaminm@kh.co.id

+6221 2993 3917

**Alden Gabriel Lam**

aldengabriel@kh.co.id

+6221 2993 3970

### BUY (Maintained)

|              |         |
|--------------|---------|
| Share Price  | Rp640   |
| Target Price | Rp1,450 |
| Upside       | +114.8% |

### Stock Data

|                                |         |
|--------------------------------|---------|
| Sector                         | Energy  |
| Bloomberg ticker               | ELSA IJ |
| Shares issued (m)              | 7,299   |
| Market cap (Rpb)               | 4,671   |
| Market cap (US\$m)             | 258     |
| 3-mth avg daily t'over (US\$m) | 0.8     |

### Price Performance (%)

| 52-week high/low |       |        | Rp1,050/Rp490 |      |
|------------------|-------|--------|---------------|------|
| 1mth             | 3mth  | 6mth   | 1yr           | YTD  |
| (3.8)            | (3.8) | (17.9) | 26.7          | 28.5 |

### Major Shareholders (%)

|                   |      |
|-------------------|------|
| Pertamina         | 51.1 |
| Haiyanto Haiyanto | 6.2  |
| Panin Sekuritas   | 1.9  |

### Balance Sheet Metrics

|                          |     |
|--------------------------|-----|
| FY26 NAV/Share (Rp)      | 794 |
| FY26 Net Cash/Share (Rp) | 794 |

### Price Chart



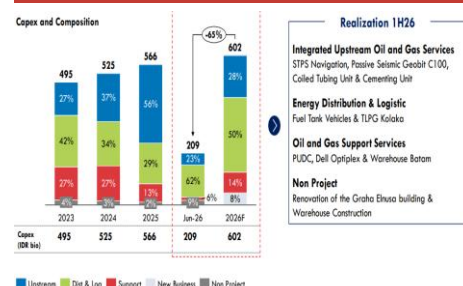
Source: Bloomberg

### Company Description

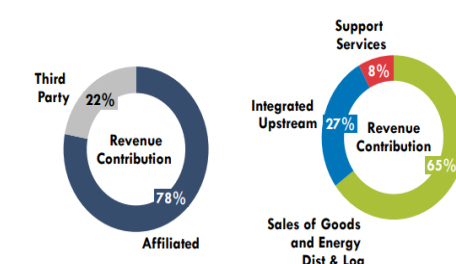
Elnusa is an integrated oil services company. The company, through its subsidiaries, offers services that include geophysical data, drilling, and oilfield services. Elnusa also offers information technology services to the oil industry as well as other industries.

- **Capex realisation to reach 90%.** In 9M26, capex absorption had exceeded 50% of the Rp600b 2026 budget, up from 35% in 1H26, with full-year realisation expected at around 90% (Rp540b-550b). Approximately half of the budget is allocated to downstream operations, primarily for fuel tanker fleet renewal. ELSA targets the addition of nearly 100 units in 2026, of which around 48 units were deployed between June and September.
- **Seismic tenders provide potential 2027 backlog replenishment.** ELSA is participating in two seismic tenders in Lampung and Java, with details withheld pending the tender process. If awarded, the projects would commence in 2027, supporting backlog replenishment as existing seismic contracts run off. Contract values have not been disclosed.
- **Buyback nearing expiry, dividend expected to increase.** ELSA's Rp100b share buyback programme, launched for three months, expires on 2 Nov 26, with total absorption expected to fall short of the target. Management may extend the programme under OJK's buyback relaxation, potentially allowing execution through Mar 27 without a general meeting of shareholders (GMS). Meanwhile, the dividend is expected to increase gradually, while any LCO asset acquisition would primarily be debt-funded.
- **PHE-led merger remains subject to structural clarity.** The proposed combination of ELSA and Pertamina Drilling Services Indonesia (PDSI) remains a PHE-level corporate action, with ELSA as part of the transaction. The structure and timeline remain unclear, while ownership is expected to remain fully within Pertamina.

## Capex And Composition



## Revenue Contribution



## Valuation/Recommendation

- **Maintain BUY with a DCF-based target price of Rp1,450** (WACC: 12.74%, terminal value growth rate: 0%). We see scope for a re-rating driven by: a) continued backlog growth and conversion, b) a higher-margin mix, c) ELSA potentially lifting its payout ratio to 50% from around 40% currently, implying a 9.3% dividend yield.

## Earnings Revision/Risk

- No earnings revision.

## Share Price Catalyst

- a) Recognition of the seismic business, and b) Rp100b buyback.

## Profit & loss

| Year to 31 Dec (Rpb)          | 2025   | 2026F  | 2027F  | 2028F  |
|-------------------------------|--------|--------|--------|--------|
| Net turnover                  | 14,498 | 16,063 | 17,745 | 19,517 |
| EBITDA                        | 1,214  | 1,370  | 1,590  | 1,812  |
| Deprec. & amort.              | 370    | 400    | 432    | 465    |
| EBIT                          | 843    | 970    | 1,158  | 1,348  |
| Total other non-op. income    | 39     | 39     | 50     | 60     |
| Associate contributions       | 0      | 0      | 0      | 0      |
| Net interest income/(expense) | 31     | 102    | 158    | 166    |
| Pre-tax profit                | 888    | 1,077  | 1,329  | 1,532  |
| Tax                           | (170)  | (209)  | (267)  | (304)  |
| Minorities                    | 0      | 0      | 0      | 0      |
| Net profit                    | 718    | 869    | 1,062  | 1,227  |
| Net profit (adj.)             | 718    | 869    | 1,062  | 1,227  |

## Cash flow

| Year to 31 Dec (Rpb)                        | 2025         | 2026F        | 2027F        | 2028F        |
|---------------------------------------------|--------------|--------------|--------------|--------------|
| <b>Operating</b>                            | <b>17</b>    | <b>1,308</b> | <b>1,188</b> | <b>1,402</b> |
| Pre-tax profit                              | 888          | 1,077        | 1,329        | 1,532        |
| Tax                                         | (170)        | (209)        | (267)        | (304)        |
| Deprec. & amort.                            | 361          | 365          | 401          | 443          |
| Working capital changes                     | (1,062)      | 74           | (274)        | (268)        |
| Non-cash items                              | 0            | 0            | 0            | 0            |
| <b>Investing</b>                            | <b>65</b>    | <b>(588)</b> | <b>(630)</b> | <b>(661)</b> |
| Capex (growth)                              | (555)        | (600)        | (630)        | (662)        |
| Others                                      | 0            | 0            | 0            | 0            |
| <b>Financing</b>                            | <b>(332)</b> | <b>(214)</b> | <b>(511)</b> | <b>(579)</b> |
| Dividend payments                           | (359)        | (434)        | (531)        | (614)        |
| Issue of shares                             | (22)         | (25)         | (27)         | (30)         |
| Proceeds from borrowings                    | (123)        | 82           | 0            | (11)         |
| Loan repayment                              | 0            | 0            | 0            | 0            |
| Others/interest paid                        | 98           | 89           | (50)         | (8)          |
| <b>Net cash inflow (outflow)</b>            | <b>(251)</b> | <b>506</b>   | <b>46</b>    | <b>162</b>   |
| <b>Beginning cash &amp; cash equivalent</b> | <b>2,949</b> | <b>2,699</b> | <b>3,205</b> | <b>3,251</b> |
| <b>Ending cash &amp; cash equivalent</b>    | <b>2,699</b> | <b>3,205</b> | <b>3,251</b> | <b>3,413</b> |

## Balance Sheet

| Year to 31 Dec (Rpb)                  | 2025          | 2026F         | 2027F         | 2028F         |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Fixed assets                          | 2,176         | 2,381         | 2,592         | 2,792         |
| Other LT assets                       | 964           | 982           | 1,001         | 1,020         |
| Cash/ST investment                    | 2,699         | 3,205         | 3,251         | 3,413         |
| Other current assets                  | 5,122         | 5,371         | 5,849         | 6,329         |
| <b>Total assets</b>                   | <b>10,961</b> | <b>11,938</b> | <b>12,693</b> | <b>13,553</b> |
| ST debt                               | 70            | 149           | 146           | 133           |
| Other current liabilities             | 5,197         | 5,519         | 5,722         | 5,935         |
| LT debt                               | 122           | 125           | 127           | 130           |
| Other LT liabilities                  | 258           | 347           | 297           | 290           |
| Shareholders' equity                  | 5,313         | 5,798         | 6,397         | 7,064         |
| Minority interest                     | 2             | 2             | 2             | 2             |
| <b>Total liabilities &amp; equity</b> | <b>10,961</b> | <b>11,938</b> | <b>12,693</b> | <b>13,553</b> |

## Key Metric

| Year to 31 Dec (%)    | 2025 | 2026F | 2027F | 2028F |
|-----------------------|------|-------|-------|-------|
| <b>Profitability</b>  |      |       |       |       |
| EBITDA margin         | 8.4  | 8.5   | 9.0   | 9.3   |
| Pre-tax margin        | 6.1  | 6.7   | 7.5   | 7.8   |
| Net margin            | 5.0  | 5.4   | 6.0   | 6.3   |
| ROA                   | 6.7  | 7.6   | 8.6   | 9.4   |
| ROE                   | 14.1 | 15.6  | 17.4  | 18.2  |
| <b>Growth (% yoy)</b> |      |       |       |       |
| <b>Turnover</b>       |      |       |       |       |
| EBITDA                | 8.3  | 10.8  | 10.5  | 10.0  |
| Pre-tax profit        | 3.4  | 12.9  | 16.0  | 14.0  |
| Net profit            | 0.8  | 21.3  | 23.3  | 15.3  |
| Net profit (adj.)     | 0.7  | 20.9  | 22.2  | 15.6  |
| EPS                   | 0.7  | 20.9  | 22.2  | 15.6  |
| <b>Leverage</b>       |      |       |       |       |
| Debt to total capital | 3.6  | 4.7   | 4.3   | 3.7   |
| Debt to equity        | 3.6  | 4.7   | 4.3   | 3.7   |

### Technical Analysis



Source: Tradingview



Source: Tradingview

#### Analyst(s)

Maskun Ramli, CFTe

maskunramli@kh.co.id

+6221 2993 3915

#### Chandra Asri Pacific TPA IJ

Technical BUY with 8% potential return

Resistance: Rp1,590, Rp1,685

Support: Rp1,375, Rp1,245

Stop-loss: Rp1,370

Share price closed higher and formed a bullish candlestick. Price rebounded strongly; hence, we expect more rallies ahead and challenge the resistance at Rp1,590 and Rp1,685. The RSI is sloping upwards and approaching its midline, while the MACD has just issued a bullish signal. Buy at Rp1,430 and take profit at Rp1,550.

Approximate timeframe: 2-4 weeks.

#### Bank Negara Indonesia BBNI IJ

Technical BUY with 6.5% potential return

Resistance: Rp3,520, Rp3,690

Support: Rp3,320, Rp3,270

Stop-loss: Rp3,300

Share price closed slightly higher and formed a neutral candlestick. Price advanced with better momentum; hence, we expect more bullish pressure to take place and challenge the resistance at Rp3,520 and Rp3,690. The RSI is sloping upwards and is back above its midline, while the MACD has just issued a bullish signal. Buy at Rp3,460 and take profit at Rp3,690.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental HOLD and target price of Rp4,150.

**IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS**

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at [this link](#) or by scanning the QR code below:



The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."