Tuesday,23 April 2019

BUY

Initiation

Perusahaan Gas Negara (PGAS IJ)

Sector restructuring to unlock PGN volume growth

Last price (IDR)	2,290
Target Price (IDR)	**2,700**
Upside/Downside	**+17.9%**
Previous Target Price (IDR)	-

Stock Statistics

Sector	Utilities
Bloomberg Ticker	PGAS IJ
No of Shrs (mn)	24,242
Mkt. Cap (IDRbn/USDmn)	55,513/3,943
Avg. daily T/O (IDRbn/USDmn)	164.9/11.7

Major shareholders (%)

Pertamina	57.0
Estimated free float	43.0

EPS Consensus (USDcents)

	2019F	2020F	2021F
Danareksa	1.1	1.2	1.3
Consensus	1.2	1.3	1.3
Danareksa/Cons	(6.1)	(8.3)	1.3

PGAS relative to JCI Index

Source : Bloomberg

PGN, as the national gas subholding under Pertamina, is the direct beneficiary of government policies to make gas a primary energy source. It expects volumes to grow steadily by at least 3% per annum. Being the sole provider of a pipeline network with Pertagas opens the door for stronger wholesale and retail gas transmission, making the company a worthy partner for Pertamina. We initiate coverage on PGAS with a BUY call and a TP of Rp2,700. There is moderate upside as the current valuation stands at an undemanding 14.4x PE.

Integration of Pertagas sets the foundation for PGN to become a large regional gas player. The industry is characterised by high barriers to entry and given the limited number of players, PGN has virtually no competition in the downstream gas business. The government will continue to push gas consumption and energy diversification to move the country away from oil dependency. Despite having an extensive 10,000km pipeline network post the Pertagas acquisition, PGN will continue with pipeline rollouts, with 440kms due to come onstream. The expanding pipeline network will enable PGN to meet the current and future demand from PLN and industry, whilst also facilitating the deployment of retail gas on a greater scale. PGN is also pushing for gas in the form of CNG, LNG, regasified LNG and City gas to address geographical hurdles in the absence of pipeline network.

Steady volume and revenues growth expected going forward. Natural gas constitutes 24% of the current fuel for power plants according to BPPT, and this figure is predicted to remain above 20% for at least the next decade. We estimate gas volumes and revenues to grow at a minimum pace of 3-5% as natural gas demand is projected to grow 4.9% p.a. and 6.3% p.a. given the final energy consumption by end-users incl. households and transportation. PGN will generate more volumes by consolidating downstream – midstream services under one profit center aligning the business, pricing and marketing objectives and eliminating unnecessary competition between PGN and Pertagas.

PGN is a worthy partner for Pertamina in the downstream gas business. In recent years, challenges in gas exploration, production and infrastructure (EPC) affected PGN gas volumes. One uncertainty relates to the new distribution pricing formula which may soon be implemented by the government, although considering how much prices have come down over the years the downside pricing risk has been greatly reduced. PGN argues on the same wavelength suggesting that it is aligned with the new pricing scheme.

Initiate coverage with a BUY call. We identify several catalysts including the ongoing business integration with Pertagas and a pick-up in volumes at the subholding level. The SAKA divestment also offers upside but is not yet incorporated. We initiate coverage on PGAS with a BUY call and a TP of Rp2,700, implying 17x PE as we see potential upside given that the current valuation is not challenging at only 14.4x PE.

Key Financials

Year to 31 Dec	2017A	2018A	2019F	2020F	2021F
Revenue (USDmn)	3,571	3,870	3,834	3,948	4,125
EBITDA (USDmn)	1,085	1,201	1,077	1,124	1,220
EBITDA Growth (%)	34.3	10.7	(10.3)	4.3	8.5
Net profit (USDmn)	197	305	273	289	319
EPS (USDcents)	0.8	1.3	1.1	1.2	1.3
EPS growth (%)	(35.3)	54.9	(10.5)	5.9	10.5
BVPS (USDcents)	15.4	10.6	11.5	12.1	12.8
DPS (USDcents)	1.1	0.2	0.2	0.6	0.7
PER (x)	20.0	12.9	14.4	13.6	12.3
PBV (x)	1.1	1.5	1.4	1.3	1.3
Dividend yield (%)	6.9	1.4	1.4	3.8	4.0
EV/EBITDA (x)	6.3	5.3	6.0	5.7	5.3

Source : PGAS, Danareksa Estimates

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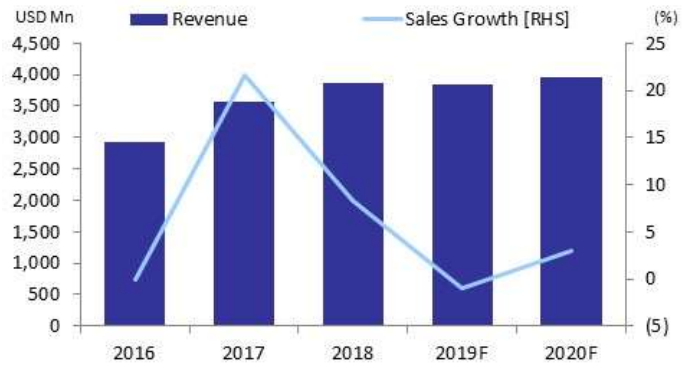
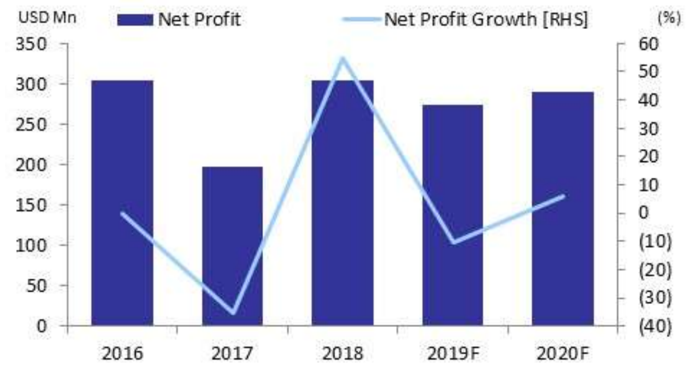
Exhibit 1. Revenues and Growth



Source: Company, Danareksa Sekuritas estimates

Exhibit 2. Net Profits and Growth

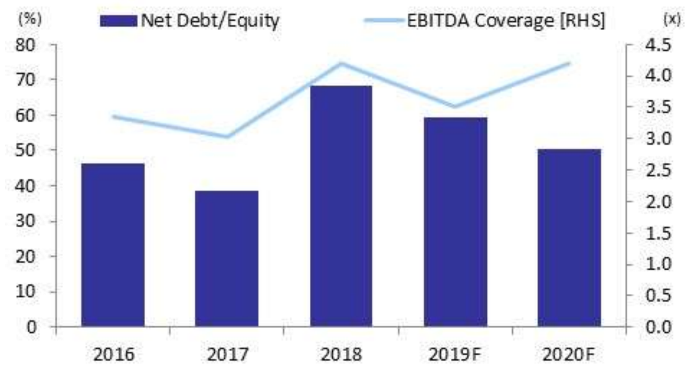


Source: Company, Danareksa Sekuritas estimates

Exhibit 3. Margins

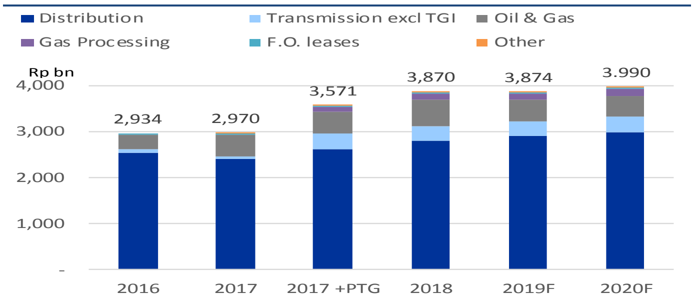
Source: Company, Danareksa Sekuritas estimates

Exhibit 4. Gearing Level



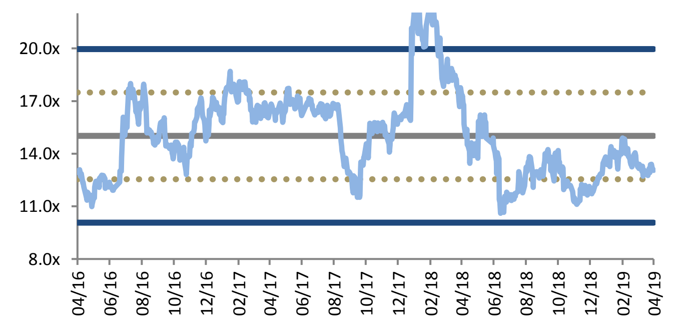
Source: Company, Danareksa Sekuritas estimates

Exhibit 5. Revenue breakdown



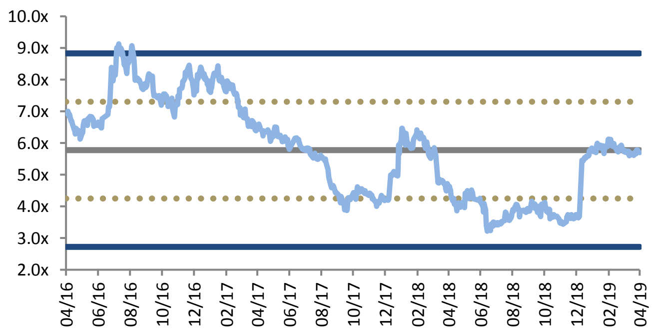
Source: Company, Danareksa Sekuritas estimates

Exhibit 6. 3yr PE band chart



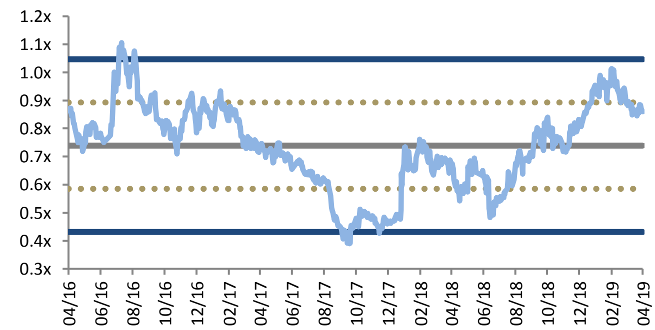
Source: Company, Danareksa Sekuritas estimates

Exhibit 7. 3yr EV/EBITDA band chart



Source: Company, Danareksa Sekuritas estimates

Exhibit 8. 3yr PE band chart



Source: Company, Danareksa Sekuritas estimates

Natural gas downstreaming to end users – a national goal

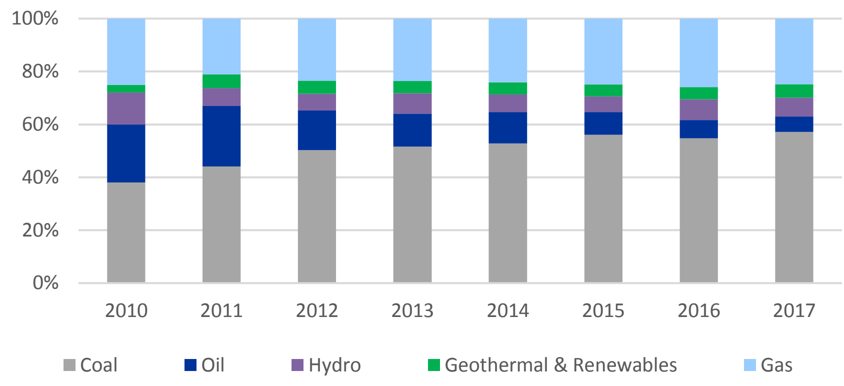
The Government of Indonesia (GOI) has encouraged the use of natural gas since it is cheaper and cleaner than its alternatives. Gas reserves have a longer life remaining of 42 years remaining based on projected consumption levels vs. oil reserves which will be exhausted in 9 years according to SKK Migas.

The GOI seeks to rationalize the oil & gas industry given limited energy resources. PGN (controlled by Pertamina with a 56% stake) aggregates gas from various EPC operators and gas sources to be distributed to end-users through PGN pipelines. The integration of Pertagas will benefit the distribution and transmission of natural gas by strengthening the aggregation and disbursement process.

Serving demand for fuel

Around 90% of domestic gas supply is to meet final energy demand for fuel and electricity power generation in the industrial sector while the rest is used for the commercial, households and transportation sectors. Natural gas is used as fuel for base or medium load power plants as well as peak load power plants.

Exhibit 9. Development of fuel mix for power generation



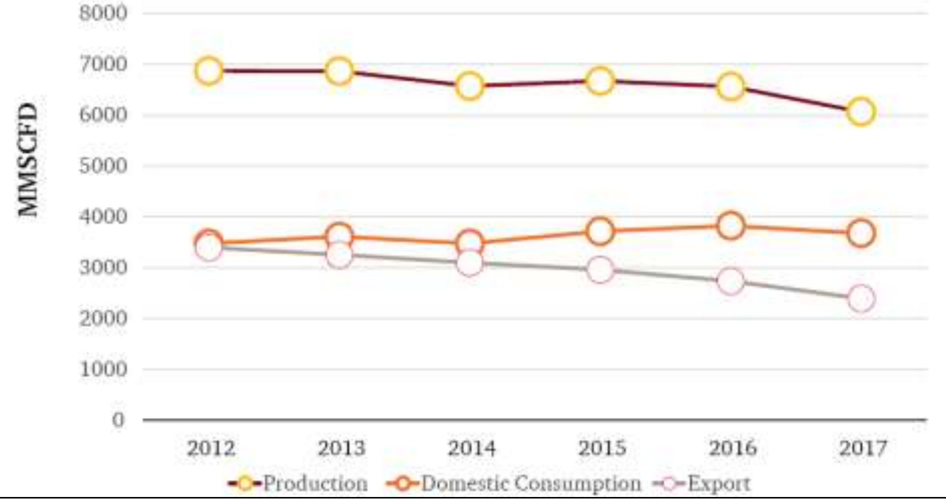
Source: PWC Power in Indonesia 2018

Natural gas demand for electricity generation is estimated to continue to increase by ~4.9% per year due to the large number of Gas and Steam Power Plants in line with the additional 35 GW electricity program and by 6.3% per year as final energy (inclusive of households and transportation) through to 2050. The use of natural gas in consumptive sectors (households and transportation) also continues to be encouraged, but the portion is still very small due to constraints on infrastructure availability which is where PGN comes in with implementation of the JARGAS project, effectively to build pipeline distribution network in developing regional economies. PGN has been tasked by the government to connect more households to gas under its Jargas program. Furthermore, given that LPG supply is more dependent on imports, the GOI aims to substitute LPG with natural gas.

Gas supply concerns unwarranted…

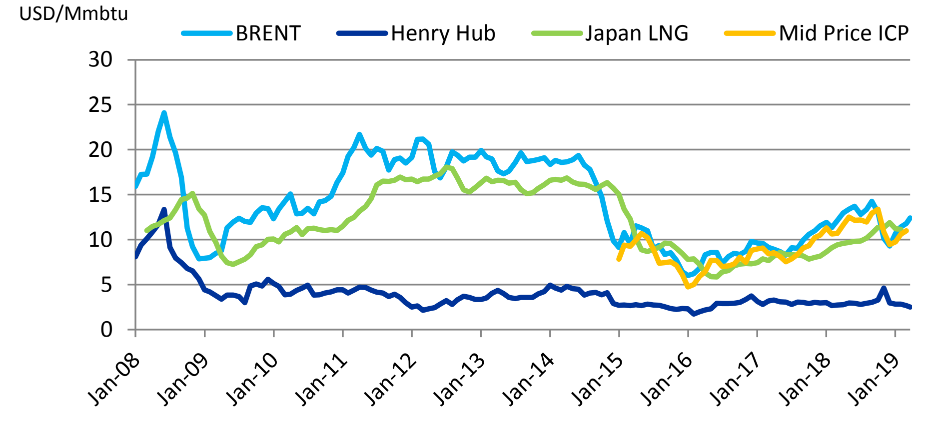
Indonesia's oil and gas supply has been under pressure due to declines in oil and gas prices which have delayed field developments. Furthermore, the difficulties associated with improving production in mature oil fields, the lack of exploration in the recent past and the unattractiveness of the fiscal regime are thought to be major factors in the overall decline in gas production since 2012 (PWC). Consequently, Indonesia has experienced a narrowing surplus of gas production over domestic consumption in recent years.

Exhibit 10. Indonesian natural gas used for production, domestic consumption, and exports (in mmscfd) 2012-17



Source: LAKIN DJMGB 2017, PWC

Exhibit 11. Oil and gas price developments



Source: Bloomberg, PGN

… given the immense reserves

Indonesia's total natural gas reserves amount to 142.71 TSCF, consisting of proven reserves of 100.36 TSCF and potential reserves of 42.35 TSCF. In the short term, it is estimated that natural gas production will not experience a significant decline with additional supply from the Jangkrik, Tangguh Train 3, Block A Aceh, and Jambaran Tiung Biru fields. Furthermore, in the long run, the main gas fields, namely the IDD Masela Block gas field (16.73 TSCF), IDD East Natuna Block (49.87 TSCF), and IDD in the Makassar Strait (2.66 TSCF) are expected to be able to produce starting in 2027 to become the mainstay of national gas production.

Exhibit 12. Map of Indonesian gas reserves as of 1 Jan. 2017, Proven: 100.36 tscf, Potential: 42.35 tscf, 142.71 tscf

Source: LAKIN DJMGB 2017, PWC Power in Indonesia 2018

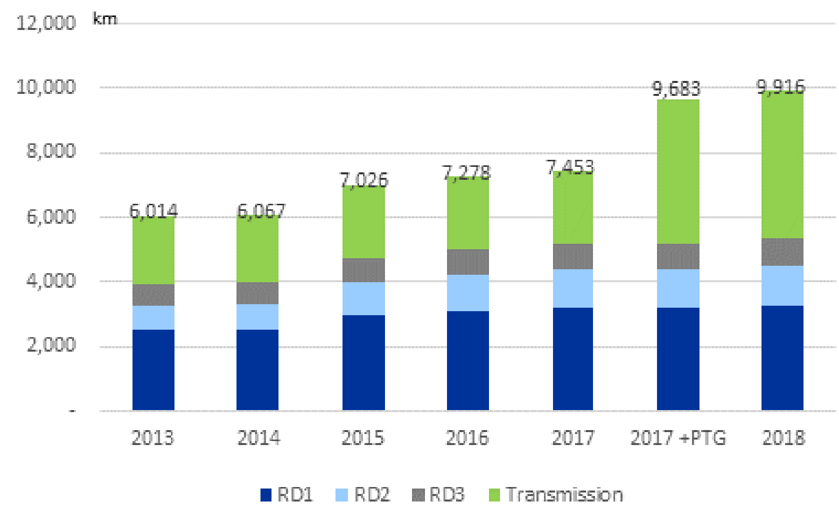
The creation of Indonesia's Gas Subholding - a milestone for better returns

The ownership of 56% in PGN was only recently passed from the GOI to Pertamina to better align energy objectives. PGN is the market leader in downstreaming natural gas to customers with an extensive pipeline distribution network in Java and Sumatra. The GOI passed on a 51% stake in Pertagas to PGN in a structural change to consolidate control of the natural gas midstream and downstream pipe networks under PGN. Potential further structural steps to rationalize the sector would include the divestment of upstream business managed by SAKA Energy SEI to Pertamina as the leader in EPC. Another potential step for PGN is the purchase of the remaining stake in Pertagas.

Larger Midstream & Downstream pipeline infrastructure

PGN has a total pipeline network under management of ~9,900km with a 5,343km distribution network and a 4,573km transmission network. Both networks offer benefits. While the transmission network connects producers and refineries in large quantities, the distribution network is more agile and allows the selling of gas to end users in dense areas. Furthermore, transmission pipeline is treated as the backbone network that allows gas to travel in heavier volumes from point to point. The acquisition of Pertagas adds significant length in total transmission, a key advantage for PGN.

Exhibit 13. Length of distribution & transmission pipelines



Source: PGN

PGN has two FSRUs (floating storage regasification units) under management to receive LNG and convert it into natural gas. They are FSRU Lampung and FSRU West Java while Pertagas operates a land base regasification facility in Arun Aceh managed by its subsidiary Perta Arun Gas. FSRU facilitate gas transfer by sea in the absence of pipeline through liquefaction for storage efficiency and regasification. The Lampung FSRU is handled by PGN's LNG subsidiary that receives LNG by Tangguh PSC to be regasified and distributed by PGN. The Lampung FSRU is integrated with the South Sumatera – West Java distribution pipeline to serve the Sumatera and Java markets. The West Java FSRU is positioned off the coast of Jakarta Bay sourcing LNG from Bontang of Mahakam PSC and Tangguh PSC on behalf of PLN's offtaker.

Exhibit 14. Pipeline and FSRU map

Source: PGN

Distribution pipeline and the commercial segment – core business

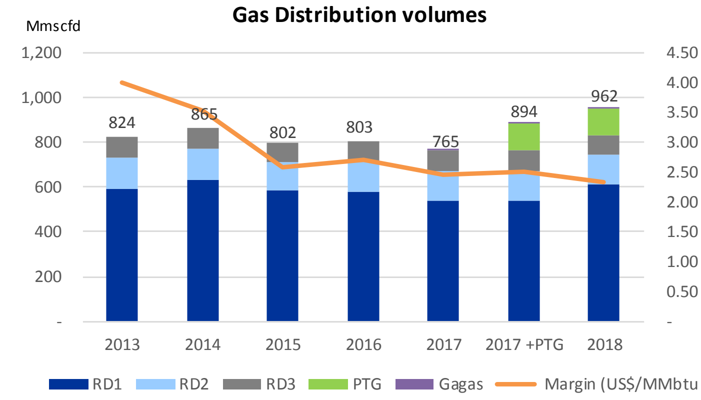
The commercial segment is the distribution and selling of natural gas to end users for commercial customers and manufacturing industries, power plants, Micro, Small, and Medium Enterprises (SME), and households using various modes, pipelines and non-pipes. This business segment is managed by PGN and Gagas Energi Indonesia GEI. The areas of PGN's distribution and business operations are spread across several cities/districts in Indonesia and are classified into three Regional Distributions (RD), namely:

RD I: covering areas such as Jakarta and West java; RD II: covering sales in Surabaya East and Central Java; RD III: covering sales in Sumatra. With Pertagas, sales coverage has expanded in all three sales areas.

Betting on GEI to extend its reach

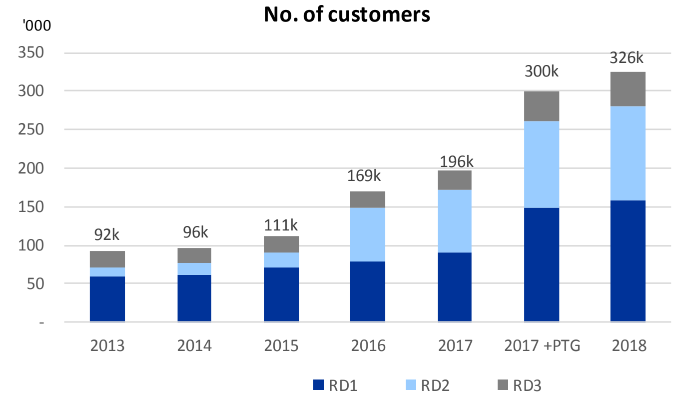
With PGN's wholly-owned subsidiary GEI, PGN provides natural gas for the transportation sector, and industrial and commercial business activities through PGN's gas distribution pipeline. In the absence of pipeline infrastructure PGN is employing mobile energy solutions, such as Compressed Natural Gas (CNG) to meet the challenge of distributing gas to demand areas not reached by pipelines. Furthermore, it promotes mini LNG solutions to transfer gas from stranded gas well sites. GEI promotes several segments of natural gas and energy derivative products to penetrate different market segments namely: the Gasku brand to supply CNG-based natural gas through SPBG for the transportation sector. PGN sells 'gasku' through SPBG gas stations and mobile refuelling units MRU operated by GEI in 16 locations across Indonesia. It also promotes the "Gaslink" for the CNG-based natural gas supply for industrial and commercial sectors.

Exhibit 15. Gas distribution volumes



Source: PGN

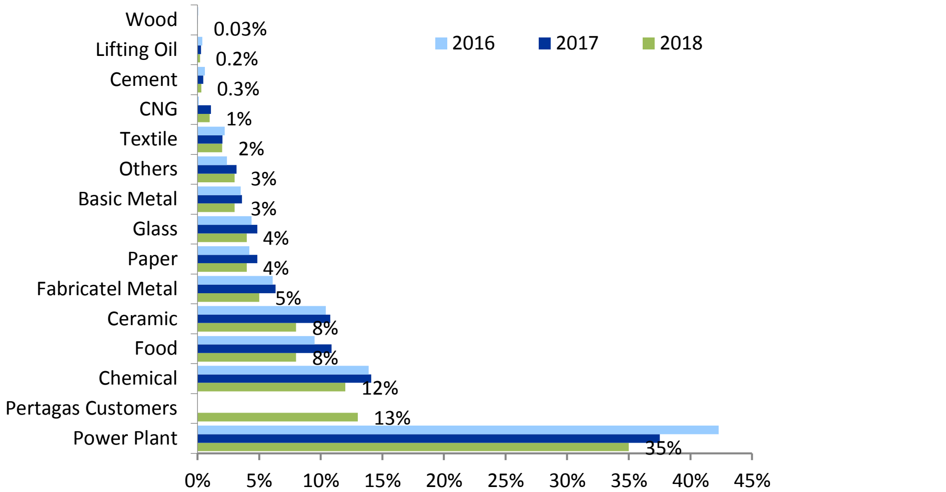
Exhibit 16. No. of customers



Source: PGN

Including Pertagas, PGN's gas sales volumes increased to 967 million standard cubic feet per day (mmscfd) in 2018 from 898mmscfd in 2017. Although households represent 98.82% of PGN's total customers in distribution, industrial/commercial customers generate the bulk of distribution volume and revenues (~99.8%).

Exhibit 17. Customer segmentation by industry



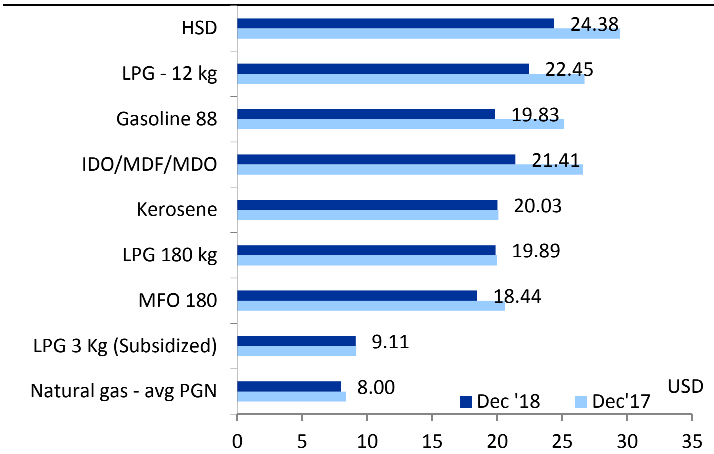
Source: PGN

PGN's near term growth plan entails operational improvements in East and West as well as Central Java areas. Furthermore, it involves expansion of existing distribution business in Sumatra, (Greater Medan area & Dumai – Riau) while increasing scope in Central and Eastern Indonesia with LNG in wholesale and retail.

Pricing is regulated to maintain low fuel energy costs – however pricing downside is limited

Buying and selling gas to customers is done through pipeline infrastructure in three main areas in West Java, East Java and North Sumatera. Gas pricing is highly sensitive to key customers such as PLN and monitored by the government to keep fuel prices low. In mid-2019, a specific pricing formula is expected to be implemented to derive prices. There is a trading margin of 7% on the cost of natural gas and projected IRR of 11%. Investors are permitted to propose a higher IRR of 12% if the gas infrastructure is built in underdeveloped areas. This regulation is part of President Jokowi's ambition to create transparency and rationalize gas prices to strengthen the downstream sector competitiveness and thus result in a significant multiplier effect on the economy.

Exhibit 18. Natural gas price competitiveness vs. oil derivatives

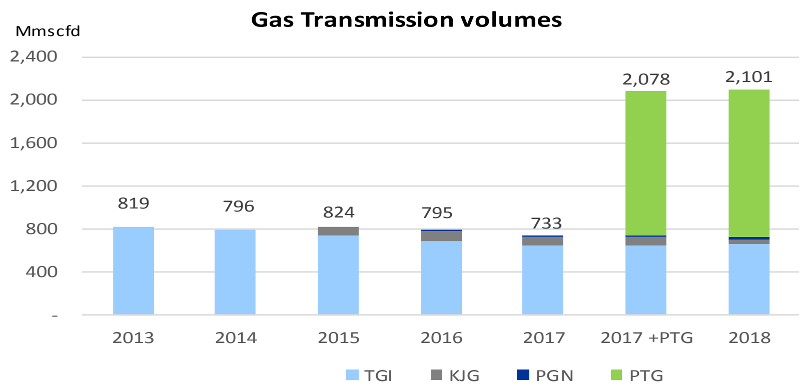


Source: PGN

Larger Transmission Business

In this business segment, PGN operates a transmission pipeline to deliver gas owned by the shipper and obtains a fee in the form of toll fees, the amount of which is stipulated by the Downstream Oil and Gas Regulatory Agency (BPH Migas). Pricing is based on toll fees, meaning that PGN facilitates suppliers to transfer natural gas through its transmission under regulated toll fees. The pipeline can also function as the backbone distribution pipeline. 2/3 of PGN's gas transmission volume is targeted to generate electricity.

Exhibit 19. Gas transmission volumes



Source: PGN

There are 4,573km of transmission pipeline as per FY18 including 2,230km developed by Pertagas. Transmission pipelines are wider in diameter than distribution pipelines and represent the backbone of the entire network. PGN manages ~1,077km which includes the key lanes of South Sumatra – West Java (~1,004km) and Wampu - Belawan (37km) with PLN the main shipper and offtaker and other independent distributors.

Transgasindo TGI operates ~1,000 km which includes the 470 km Grissik – Batam-Singapore pipeline and the 536 km Grissik - Duri, Riau pipeline for a list of foreign and local players. Transportation volumes declined from 796mmscfd in 2014 to 649mmscfd but recovered in 2018 to 654mmscfd.

PT Kalimantan Jawa Gas ("KJG") has carried out natural gas transportation through Kalija I gas transmission pipeline along ± 201 km pipeline from the Kepodang Field belonging to Petronas to PLN at Tambak Lorok. since August 2015. The total pipeline length is ~200 km transporting 57 MMScfd volumes in FY18 or down from 57 mmscfd in FY17 and 92 mmscfd in FY16 due to declining reserves from suppliers.

In the near future, PGN targets completion of the Gresik – Semarang and Gresik – Pusri transmission backbone, an additional 460km pipeline.

THE PERTAGAS acquisition

The Pertagas acquisition essentially added an additional 1,500 km of transmission network (under red line) to be integrated with PGN. It strengthens its existing businesses mainly in transmission (adding 2,330km of network) and distribution. Being an integrated gas business will widen PGAS' role as the Gas Sub-holding.

Exhibit 20. Integrated pipeline networks PGN + Pertagas

Source : PGN

Pertagas also conducts natural gas processing business through two LPG Plants namely Pondok Tengah LPG Plant in collaboration with PT Yudistira Energy and South Sumatra LPG Plant managed by a subsidiary: PT PertaSamtan Gas. The LNG regasification business is run by a subsidiary: PT Perta Arun Gas through the operation of the LNG Receiving and Regasification Terminal in Arun Lhokseumawe Aceh since the beginning of 2015. Pertagas' footprint covers Sumatra, Java and Kalimantan. The level of duplication is minor as per IR, while we think that additional capacity may benefit in the long run. Pertagas also handles oil pipelines.

Expecting sizeable benefits from gas subholding and integrating Pertagas

Becoming Pertamina's gas subholding and following the acquisition of Pertagas, PGN has identified 3 distinct areas where synergies can be realized. The acquisition is relatively fresh and value gains are expected to be captured ahead from: A) business alignment and pipeline optimization and supply contracts. B) tapping further into captive markets at the Pertamina level. C) PGN will aim to expand via household gas pipelines, streamlining CNG processing and retailing LNG at greater lengths. The total synergies may improve Operating Income by USD100-130mn annually to occur gradually by 2022.

Upstreaming Business – makes better sense now to upstream Saka to the Parent Pertamina

Saka Energi Indonesia (SEI) is a wholly-owned subsidiary of PGN, investing / participating in PSC for oil and gas blocks to support PGN production and lifting. At the end of 2018, SEI manages ten PSCs in Indonesia and one US shale gas block, while five of them are fully operated by SEI with 100% share ownership. Their total worth is USD1.4bn as per the latest disclosure, frequently being subjected to impairment due to drastic declines in the oil price.

Exhibit 21. Saka participating fields

No.	Block Name	SAKA Interest	Operator	Partner	Status	Location	Expiry	% of total assets
1.	Ketapang PSC	20.0%	Petronas Carigali Ketapang II LTD	-	Production	offshore East Java	Jun-28	7.10%
2.	Bangkanai PSC	30.0%	Ophir Energy (Bangkanai) Ltd	Ophir	Production	onshore Kutei Basin	Dec-33	5.50%
3.	Pangkah PSC	100.0%	Saka Indonesia Pangkah Ltd.	-	Production	offshore East Java	May-26	36.90%
4.	Muriah PSC	20.0%	Petronas Carigali Muriah Ltd.	-	Production	offshore Java sea	2021	1.20%
5.	Fasken PSC	36.0%	Swift Energy Operating LLC.	-	Production	Webb County Texas	2050	14.40%
6.	Muara Bakau PSC	11.6%	ENI Muara Bakau BV	Engie 33.3%	Production	offshore Kutei Basin	Dec-32	29.60%
7.	South Sesulu PSC	100.0%	PT Saka Indonesia Sesulu	-	Exploration	offshore Kutei Basin	Jun-39	4.90%
8.	Wokam II PSC	100.0%	PT Saka Energi Wokam	-	Exploration	offshore Papua	Dec-40	0.20%
9.	Pekawai PSC	100.0%	PGN Saka	-	Exploration	Kutei Basin	May-48	0.03%
10.	West Yamdena PSC	100.0%	PGN Saka	-	Exploration	offshore Maluku	May-48	0.03%
11.	West Bangkanai PSC	30.0%	Salamander Energy	Ophir	Exploration	onshore Kutei Basin	May-43	0.20%
12.	South East Sumatra PSC	8.9%	CNOC SES Ltd.	Pertamina 20%	Expired	offshore SE Sumatra	expired Sep-18	0%
13.	Sanga Sanga PSC	37.8%	Virginia Indonesia Co. LLC	CPC 20% Japex 4.4%	Expired	onshore Kutei Basin	expired Aug-18	0%

Source : PGN

Production expected to decline in the near term but Muara Bakau to compensate

Based on those assets, Saka produced total lifting of 14.31 MMBOE or 39,213 boepd of oil, gas, LPG and LNG. The SAKA group faced declining production in 2018 as 2 PSC blocks ended in 2018, namely the Sanga-Sanga Block in August 2018 and the South East Sumatra SES Block in September 2018. However, the Muara Bakau Block is being fully operated this year; thus the production from Muara Bakau in the Jangkrik field can replace the decline at least partially for the ended PSCs. In 2018, SEI has signed contracts with the government to operate 2 Oil and Gas Blocks, namely in Pekawai and West Yamdena.

Expecting further steps in the consolidation of mid-downstreaming activities under PGN, there is rising uncertainty in the ownership structure of SAKA. The scope for further expansion is limited as we expect the parent PGN to focus on its core business. Saka's capex in 2019 is earmarked to enhance existing fields, and SAKA has also provided guidance for production to decline to about 30 mn mboepd in 2019 from 40 mboepd in 2018.

Risks to our call

Changes in legislation in Indonesia, and adverse developments and changes in government policies in the oil and gas sector would directly or indirectly affect the company's operations. Additionally, there are risks related to national, regional or global economic conditions that affect economic growth or disruption to the gas market due to volatility in global markets.

Exhibit 22. Income Statement

Year to 31 Dec (USDmn)	2017A	2018A	2019F	2020F	2021F
Revenue	**3,571**	**3,870**	**3,834**	**3,948**	**4,125**
COGS	(2,389)	(2,561)	(2,503)	(2,602)	(2,688)
Gross profit	**1,182**	**1,310**	**1,331**	**1,346**	**1,438**
EBITDA	**1,085**	**1,201**	**1,077**	**1,124**	**1,220**
Oper. profit	**515**	**645**	**576**	**588**	**649**
Interest income	22	35	35	33	30
Interest expense	(169)	(153)	(164)	(140)	(145)
Forex Gain/(Loss)	(9)	(19)	(19)	(19)	(19)
Income From Assoc. Co’s	62	80	87	91	93
Other Income (Expenses)	(3)	(3)	0	(4)	(2)
Pre-tax profit	**418**	**585**	**516**	**549**	**606**
Income tax	(165)	(220)	(194)	(207)	(228)
Minority interest	(56)	(60)	(49)	(53)	(58)
Net profit	**197**	**305**	**273**	**289**	**319**
Core Net Profit	**206**	**324**	**292**	**308**	**338**

Exhibit 23. Balance Sheet

Year to 31 Dec (USDmn)	2017A	2018A	2019F	2020F	2021F
Cash & cash equivalent	1,140	1,315	1,192	1,403	1,655
Receivables	713	746	719	734	757
Inventory	74	79	76	78	81
Other Curr. Asset	208	247	257	259	263
Fixed assets - Net	4,492	4,273	4,232	4,156	4,046
Other non-curr.asset	1,456	1,193	1,280	1,301	1,335
Total asset	**8,183**	**7,939**	**7,840**	**8,018**	**8,224**
ST Debt	100	768	36	33	33
Payables	200	214	202	210	217
Other Curr. Liabilities	542	623	569	592	611
Long Term Debt	2,708	2,736	3,190	3,169	3,150
Other LT. Liabilities	323	397	422	453	490
Total Liabilities	**3,873**	**4,737**	**4,419**	**4,457**	**4,501**
Shareholder'sFunds	3,741	2,575	2,794	2,933	3,095
Minority interests	570	627	676	729	788
Total Equity & Liabilities	**8,183**	**7,939**	**7,841**	**8,017**	**8,223**

Exhibit 24. Cash Flow

Year to 31 Dec (USDmn)	2017A	2018A	2019F	2020F	2021F
Net income	197	305	273	289	319
Depreciation and Amort.	561	546	501	536	570
Change in Working Capital	9	(11)	12	(9)	(20)
OtherOper. Cash Flow	161	315	(9)	116	113
Operating Cash Flow	**928**	**1,155**	**777**	**932**	**984**
Capex	(386)	(312)	(460)	(460)	(460)
Others Inv. Cash Flow	(64)	129	30	22	13
Investing Cash Flow	**(450)**	**(184)**	**(430)**	**(438)**	**(447)**
Net change in debt	(583)	697	(279)	(23)	(19)
New Capital	0	(752)	0	0	0
Dividend payment	(273)	(55)	(53)	(150)	(159)
Other Fin. Cash Flow	(169)	(153)	(164)	(140)	(145)
Financing Cash Flow	**(1,026)**	**(264)**	**(496)**	**(314)**	**(323)**
Net Change in Cash	**(549)**	**708**	**(149)**	**180**	**214**
Cash - begin of the year	1,449	1,140	1,315	1,192	1,403
Cash - end of the year	1,140	1,315	1,192	1,403	1,655

Exhibit 25. Key Ratios

Year to 31 Dec	2017A	2018A	2019F	2020F	2021F
Growth (%)					
Sales	21.7	8.4	(0.9)	3.0	4.5
EBITDA	34.3	10.7	(10.3)	4.3	8.5
Operating profit	15.9	25.3	(10.7)	2.0	10.4
Net profit	(35.3)	54.9	(10.5)	5.9	10.5
Profitability (%)					
Gross margin	33.1	33.8	34.7	34.1	34.8
EBITDA margin	30.4	31.0	28.1	28.5	29.6
Operating margin	14.4	16.7	15.0	14.9	15.7
Net margin	5.5	7.9	7.1	7.3	7.7
ROAA	2.3	3.8	3.5	3.6	3.9
ROAE	5.3	9.7	10.2	10.1	10.6
Leverage					
Net Gearing (x)	0.4	0.7	0.6	0.5	0.4
Interest Coverage (x)	3.0	4.2	3.5	4.2	4.5

Source : PGAS, Danareksa Estimates

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