



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51621.5	(0.1)	0.9	(1.5)	7.4
S&P 500	7718.9	(1.1)	(1.1)	1.3	12.8
FTSE 100	10724.9	0.7	2.5	0.3	8.0
AS30	8869.0	(0.6)	(0.3)	0.2	(1.7)
CSI 300	4217.7	(1.4)	(3.2)	(5.2)	(8.9)
FSSTI	5423.3	(0.1)	(3.3)	(3.8)	16.7
HSCEI	8183.2	0.1	1.2	(0.3)	(8.2)
HSI	24314.2	(0.1)	0.8	(2.4)	(5.1)
JCI	5943.0	0.3	(3.3)	(8.0)	(31.3)
KLCI	1627.7	0.3	1.0	(3.1)	(3.1)
KOSPI	6008.8	(0.4)	(13.4)	(9.3)	42.6
Nikkei 225	67744.3	(0.0)	(4.2)	6.7	34.6
SET	1575.9	0.3	(0.4)	(0.2)	25.1
TWSE	48625.8	0.6	(2.4)	6.8	67.9
BDI	2667	(4.8)	(10.9)	(22.6)	42.1
CPO (RM/mt)	4399	(0.5)	0.7	(4.3)	11.8
Brent Crude (US\$/bbl)	106	0.4	5.8	0.4	74.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Sharing Session on Global Vegetable Oil Markets with S&P Global Energy	Singapore	19 Oct	19 Oct
Hybrid Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Top Stories

Company Update | Buana Lintas Lautan (BULL IJ/BUY/Rp328/Target: Rp780)

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- Tanker freight rates have climbed past the 2Q26 peak, and with BULL's fleet reaching 19 vessels by end-26, including an FPSO and FSO that add fixed contracted income, we expect a record 4Q26 profit after a softer 3Q26. Renewed tensions in the Middle East should keep rates elevated through 2027, allowing us to raise 2027 EBITDA to US\$201.6m and net profit to US\$123.9m. Maintain BUY with a higher target price of Rp780, based on 4.2x 2027F EV/EBITDA, a ~10% discount to peers.

Technical Analysis

Barito Pacific | BRPT IJ

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- Trading Buy Range: We have a technical Buy at Rp1,425, and take profit at Rp1,505.

Bumi Serpong Damai | BSDE IJ

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- Trading Buy Range: We have a technical Buy at Rp550, and take profit at Rp580.

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.

Buana Lintas Lautan (BULL IJ)

Bigger Fleet, Bullish Rates

Highlights

- Tanker freight rates have hit new highs, and with BULL's fleet set to reach 19 vessels by end-26, we expect a record 4Q26 profit after a softer 3Q26.
- The FPSO and FSO vessels expected for delivery in October add fixed contracted income, diversifying BULL from the volatile spot tanker market.
- We raise our forecasts for 2026-28, with 2027 EBITDA up 9.8% yoy to US\$201.6m. We maintain BUY with a higher target price of Rp780.

Analysis

- **Tanker freight rates reaching new highs following demand surge.** Renewed tensions in the Middle East and tightening global crude supply have pushed tanker rates past both the 2022 energy-crisis spike and the 2Q26 peak. Aframax rates now sit above US\$250,000/day, about 67% higher than 2Q26's peak of around US\$150,000/day, while mid-range (MR) tankers, which cover the bulk of Buana Lintas Lautan's (BULL) fleet, have climbed to about US\$60,000/day from around US\$40,000/day in 2Q26. With spot charters making up 98% of 1H26 revenue, BULL captures these moves almost in full. We see this as more than a short-lived spike: the Middle East tensions show no signs of easing, crude prices remain elevated and regional output is not expected to normalise until early-27. We therefore expect rates to ease only gradually throughout 2027, and even so, BULL expects its recently acquired vessels to pay off their purchase minus scrap value in under a year of commencing operations.
- **New fleet additions improve earnings quality.** The three MR tankers delivered in July lift BULL's fleet to 15 vessels, and four more due in 4Q26 bring it to 19 by end-26, nearly double the 10 vessels recorded at end-25. This is one more than the 18 vessels in our previous report, and every remaining addition now has a firm delivery date and committed funding. The key additions are the Floating Production Storage and Offloading (FPSO) and Floating Storage and Offloading (FSO) deliveries due in October, acquired for a combined US\$150m, with due diligence and funding secured, which limits execution risk. The FPSO is contracted to 2030 for about US\$120m (around US\$80,000/day, with a potential 10-year extension) and the FSO for 10 years for about US\$50m, adding roughly US\$35m of fixed revenue a year (~10% of 2027 revenue). With contract value already above the purchase price, we see this as a shift away from a pure spot play, giving BULL a stable earnings base. The remaining two, an Aframax and an MR tanker, should arrive in time to capture the still-elevated freight rates.

Key Financials

Year to 31 Dec (US\$m)	2024	2025	2026F	2027F	2028F
Net turnover	140	145	360	386	335
EBITDA	57	51	184	202	169
Operating profit	42	32	141	158	125
Net profit (rep./act.)	14	24	112	124	104
EPS (Rp)	16	28	127	140	118
PE (x)	21.1	11.9	2.6	2.3	2.8
P/B (x)	1.8	1.4	0.9	0.7	0.5
EV/EBITDA (x)	7.3	7.9	3.2	2.2	1.8
Dividend yield (%)	n.a	n.a	n.a	n.a	4.2
Net margin (%)	9.8	16.8	31.2	32.1	31.1
Net debt/(cash) to equity (%)	81.2	54.3	97.8	35.0	3.9
Interest cover (x)	3.1	5.1	7.5	6.8	10.5
ROE (%)	9.1	13.6	43.8	33.0	21.6
UOBKH/Consensus (x)			1.3	1.3	1.1

Source: BULL, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Rp328
Target Price	Rp780
Upside	+137.8%
Previous TP	Rp770

Stock Data

Sector	Energy
Bloomberg ticker	BULL IJ
Shares issued (m)	15,494
Market cap (Rpb)	5,082
Market cap (US\$m)	283
3-mth avg daily t'over (US\$m)	9.9

Price Performance (%)

52-week high/low				Rp685/Rp186
1mth	3mth	6mth	1yr	YTD
(23.4)	(11.4)	(24.8)	69.9	(21.9)

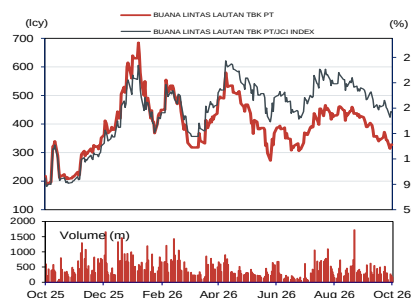
Major Shareholders (%)

Delta Royal Sejahtera	14.5
Fortune Street Ltd	9.1
Interventures Capital	5.0

Balance Sheet Metrics

FY26 NAV/Share (Rp)	356
FY26 Net Debt/Share (Rp)	346

Price Chart



Source: Bloomberg

Company Description

Buana Lintas Lautan is Indonesia's leading oil and gas tanker operator, established in 2005, offering vessel charters, ship management, and related services across domestic and international markets with a fleet capacity of over 700,000 DWT.

- **4Q26 to set a new profit record.** We expect a softer 3Q26, as freight rates retreated briefly while normalising from the 2Q26 spike, and two of BULL's three Aframax vessels have been in drydock for about two months. We see both factors as temporary - rates have since recovered to new highs, and the fleet will reach 19 vessels by November, up from 12 at end-1H26. With the FPSO and FSO adding stable income from October and the new Aframax and MR arriving in November, we expect 4Q26 to deliver a record quarterly profit, with the company guiding that it will surpass 2Q26 results assuming spot rates remain high till December.
- **Net gearing to peak this year before easing in 2027.** The fleet additions in 2H26 alone require ~US\$280m of capex, which we estimate will lift net gearing from 0.52x at end-1H26 to 0.98x by end-26. This pauses the deleveraging efforts BULL pursued from end-25 into 2026, but the company is comfortable carrying net gearing in the 1.0-2.0x range while rates stay elevated. With the new vessels expected to earn back their purchase cost minus scrap value within a year, the cash flow they generate should cover both loan repayments and interest. The trade-off is greater exposure should rates normalise faster than we assume, though our base case still has net gearing falling to 0.35x in 2027 as earnings and fixed FPSO and FSO income rebuild equity.
- **The corporate action question stays open.** Market speculation of a corporate action has built up since our 28 July report, driven by media reports that Sinar Mas Group, a long-standing lender to and shareholder in BULL, is nearing the acquisition of Hyundai LNG Shipping, and by BULL's unusual decision to have its 2Q26 statements audited. Unlike its 2Q26 financial statements, BULL's 3Q26 financials will not be audited, suggesting any corporate action is unlikely to happen this year and could face further delays. That said, BULL's aggressive capex and fleet additions this year show its financial position remains strong, and the company now guides retained earnings to turn positive by end-27, effectively ruling out its earlier quasi-reorganisation plan. We continue to treat any corporate action as potential upside risk.

Earnings Revision/Risk

- **We raise our 2026-28 forecasts on a faster fleet rollout and a spike in freight rates.** We now model 19 vessels by end-26, against 18 in our previous report, now including the FPSO and FSO purchases confirmed by the company. As a result, 2026 EBITDA is raised by 26.6% to US\$183.6m and net profit by +17.7% to US\$112.5m. The larger upgrade comes in 2027, when the new vessels contribute a full year - EBITDA will increase 31.0% to US\$201.6m and net profit will rise 24.4% to US\$123.9m, while still adjusting on normalised rates.
- We lift our 2026 capex estimate to US\$318m (previously: US\$172m) to fund the additions, taking 2026 net gearing to 0.98x (previously 0.62x). Strong operating cash flow should allow BULL to bring net gearing back down to 0.35x in 2027 and 0.04x in 2028, close to net cash.
- **Risks:** a) Delays in commissioning of new vessels, b) longer drydocking on the two Aframaxes, and c) freight rates normalising faster than our assumptions.

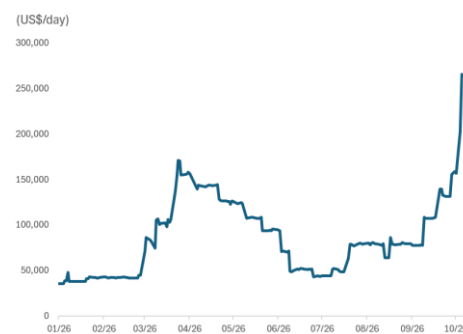
Valuation/Recommendation

- **Maintain BUY with a higher target price of Rp780,** based on 4.2x 2027F EV/EBITDA, a ~10% discount to the peer average of 4.7x to reflect execution risk from BULL's aggressive acquisitions. While our 2027 EBITDA rises 31.0% to US\$201.6m, our target price increases by only ~1% from Rp770 because most of the higher EV is offset by higher net debt, as the US\$318m of 2026 capex is largely debt-funded and carries higher risk.

Share Price Catalyst

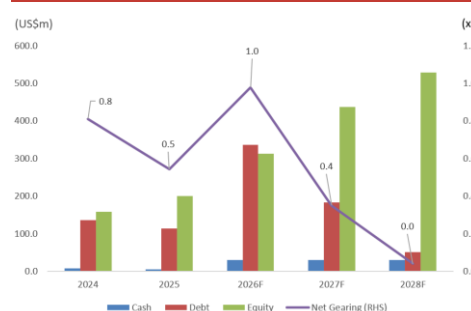
- a) 4Q26 results confirming a record quarter, b) FPSO and FSO commencing operations on schedule, c) clarity on the potential corporate action.

Aframax Freight Rates (YTD)



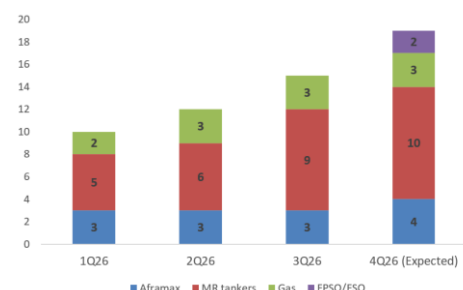
Source: Bloomberg, UOB Kay Hian

Cash, Debt, and Equity



Source: BULL, UOB Kay Hian

Planned Fleet Size



Source: BULL, UOB Kay Hian

Forecast Updates

	New		Old		Change	
(US\$m)	2026F	2027F	2026F	2027F	2026F	2027F
Revenue	360.0	386.5	311.7	325.2	15.5%	18.9%
Gross profit	162.0	180.7	133.5	142.5	21.3%	26.8%
Op. profit	141.2	158.4	115.7	123.9	22.1%	27.9%
EBITDA	183.6	201.6	145.0	154.0	26.6%	31.0%
Net profit	112.5	123.9	95.6	99.7	17.7%	24.4%
Core profit	112.3	123.0	95.6	99.7	17.5%	23.5%
GP margin	45.0%	46.8%	42.8%	43.8%		
Op. margin	39.2%	41.0%	37.1%	38.1%		
EBITDA margin	51.0%	52.2%	46.5%	47.3%		
Net margin	31.2%	32.1%	30.7%	30.6%		
Core margin	31.2%	31.8%	30.7%	30.6%		
Cash	30.0	30.0	53.0	152.0		
Debt	336.3	183.1	235.8	216.8		
Equity	313.1	437.1	296.3	395.9		
Net gearing	97.8%	35.0%	61.7%	16.4%		

Source: BULL, UOB Kay Hian

Peer Comparison

Company	Country	Market	3M Avg	PE		EV/EBITDA		ROE	Net
		Cap	Turnover	2026F	2027F	2026F	2027F	2026F	Gearing
		(US\$m)	(US\$m)	(x)	(x)	(x)	(x)	(%)	(%)
Buana Lintas Lautan	Indonesia	283	9.9	2.6	2.3	3.2	2.2	43.8	53.6
Soechi Lines	Indonesia	286	9.8	2.3	2.3	2.4	1.8	35.2	36.1
Tsakos Energy Navigation Ltd.	US	209	0.6	6.9	7.2	9.1	5.5	5.0	85.9
D'Amico International Shipping	Italy	1,737	16.4	4.6	4.6	4.9	4.9	9.9	1.4
Prima Marine PCL	Thailand	1,244	2.8	9.0	9.0	6.3	7.0	16.6	49.6
Knot Offshore Partners	US	579	1.6	9.0	9.0	4.5	4.7	18.2	139.6
Imperial Petroleum Inc.	US	341	0.5	13.2	14.5	5.1	4.6	2.8	-33.7
Peer Average				7.5	7.8	5.4	4.7	14.6	46.5

Source: Bloomberg, UOB Kay Hian

Sensitivity Analysis

Assumption Change	2027F EBITDA Change (%)	2027F Net Profit Change (%)
+5% in freight rate assumptions	+5.3%	+8.5%
-5% in freight rate assumptions	-5.3%	-8.5%
+100bps in vessel utilisation rate	+1.2%	+2.0%
-100bps in vessel utilisation rate	-1.2%	-2.0%

Source: BULL, UOB Kay Hian

Profit & loss

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Net turnover	145	360	386	335
EBITDA	51	184	202	169
Deprec. & amort.	18	42	43	44
EBIT	32	141	158	125
Total other non-operating income	2	(4)	(5)	(4)
Associate contributions	0	0	0	0
Net interest income/(expense)	(10)	(24)	(30)	(16)
Pre-tax profit	24	112	124	104
Tax	(0)	0	0	0
Minorities	0	0	0	0
Net profit	24	112	124	104

Cash flow

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Operating	50	121	164	157
Pre-tax profit	24	112	124	104
Tax	(0)	0	0	0
Deprec. & amort.	18	42	43	44
Working capital changes	6	(28)	(7)	12
Non-cash items	2	(6)	4	(3)
Investing	(47)	(318)	(11)	(12)
Capex	(29)	(318)	(11)	(12)
Others	(18)	0	0	0
Financing	(6)	222	(153)	(145)
Dividend payments	0	0	0	(12)
Issue of shares	15	0	0	0
Proceeds from borrowings	0	318	11	12
Loan repayment	(22)	(96)	(164)	(144)
Others/interest paid	2	0	0	0
Net cash inflow (outflow)	(2)	25	0	0
Beginning cash & cash equivalent	8	5	30	30
Ending cash & cash equivalent	5	30	30	30

Balance Sheet

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Fixed assets	198	473	441	409
Other LT assets	115	115	115	115
Cash/ST investment	5	30	30	30
Other current assets	51	148	149	138
Total assets	369	766	735	692
ST debt	62	120	183	51
Other current liabilities	49	111	110	108
LT debt	52	216	0	0
Other LT liabilities	2	2	2	2
Shareholders' equity	201	313	437	529
Minority interest	3	3	3	3
Total liabilities & equity	369	766	735	692

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	35.0	51.0	52.2	50.3
Pre-tax margin	16.8	31.2	32.1	31.1
Net margin	16.8	31.2	32.1	31.1
ROA	6.8	19.8	16.5	14.6
ROE	13.6	43.8	33.0	21.6
Growth				
Turnover	3.7	147.6	7.4	(13.2)
EBITDA	(11.0)	261.1	9.8	(16.4)
Pre-tax profit	79.2	360.7	10.2	(15.7)
Net profit	77.3	361.2	10.2	(15.7)
Net profit (adj.)	(3.6)	400.2	9.6	(15.8)
EPS	77.3	361.2	10.2	(15.7)
Leverage				
Debt to total capital	36.0	51.6	29.4	8.7
Debt to equity	56.9	107.4	41.9	9.6
Net debt/(cash) to equity	54.3	97.8	35.0	3.9
Interest cover (x)	5.1	7.5	6.8	10.5

Technical Analysis

Analyst(s)

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Source: Tradingview

Barito Pacific BRPT IJ

Technical BUY with 5.5% potential return

Resistance: Rp1,505, Rp1,585

Support: Rp1,360, Rp1,275

Stop-loss: Rp1,355

Share price closed significantly higher and formed a long-body bullish candlestick. Price advanced with higher trading volume; hence, we see potential for more rallies ahead and challenge the resistance at Rp1,505 and Rp1,585. Technical indicator RSI is sloping upwards and approaching its midline, while the Stochastic has just given a bullish signal and moved out of its oversold zone. Buy at Rp1,425 and take profit at Rp1,505.

Approximate timeframe: 2-4 weeks.



Source: Tradingview

Bumi Serpong Damai BSDE IJ

Technical BUY with 5.5% potential return

Resistance: Rp580, Rp615

Support: Rp525, Rp500

Stop-loss: Rp515

Share price closed higher and formed a neutral candlestick. Price rebounded with better momentum; hence, we see potential for more rebounds to take place and challenge the resistance at Rp580 and Rp615. Technical indicator RSI is sloping upwards and approaching its midline, while the MACD has just given a bullish signal. Buy at Rp550 and take profit at Rp580.

Approximate timeframe: 2-4 weeks.

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