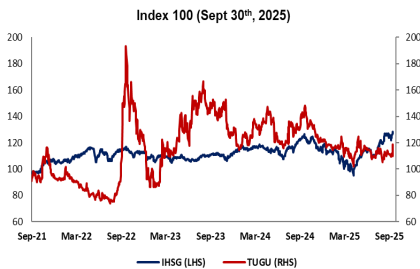


## Buy

Price (Oct 3 <sup>rd</sup> , 25)	1,025
Target Price	1,960
Potential Upside	91.22%
Market Cap	3.59 T
Number of Share	684.44 B
52w Lo/Hi	915 / 1030

Source : IDX | Phintraco Sekuritas Research  
| as of Oct 3<sup>rd</sup>, 2025

### IHSG vs TUGU



Source : IDX

Shareholder	%
PT Pertamina (Persero)	58.5
UOB Kay Hian Pte Ltd	15.8
Samsung Fire and Marine	5.3
Public <5%	20.4

Source : Company | as of fin. statement 6M25

Research Analyst

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## PT Asuransi Tugu Pratama Indonesia Tbk

(TUGU.JK / TUGU.IJ)

**Top General Insurance Player, Strong Fundamentals & High Dividend**

**TUGU stands out as a leading general insurance player with an integrated ecosystem.** Although the company is backed by Pertamina as its controlling shareholder (58.5%), contributions from the parent account for less than 30% of premiums. TUGU continues to expand synergies with other SOEs and private companies, enabling it to become a top player in marine hull, aviation, property, and offshore energy segments. On the other hand, the company's expansion into the retail market through digital transformation will further diversify revenue sources, even though its current market share remains below 10%. TUGU also owns subsidiaries that complement its core business, including TuguRe in reinsurance, Pratama Mitra Sejati in vehicle rental and trading, and Synergy Risk Management Consultants in risk surveying, creating a fully integrated business ecosystem.

**Strong fundamentals are underpinned by favorable industry prospects.** While the banking sector in Indonesia is relatively mature, contributing more than 50% of GDP, general insurance assets account for less than 1% of GDP. This illustrates the sector's low penetration and significant long-term growth potential. As one of the largest listed general insurers, TUGU benefits from a capital base that far exceeds OJK's minimum requirements, with a consistently high RBC ratio of over 300%. Sound risk management has also enabled TUGU to secure an A- rating from AM Best for eight consecutive years, strengthening its position among insureds and global reinsurers alike.

**Solid financial performance with attractive dividend potential.** TUGU became one of the first general insurers to adopt PSAK 117 in 2025. Although earnings declined in 1H25, this is common across the industry during the transition to the new accounting standard. In the longer run, PSAK 117 will make earnings more predictable and aligned with global benchmarks. We project EPS growth of 9–11% CAGR over the next four years. Based on this outlook and an assumed payout ratio of 40%, TUGU's dividend yield could reach 8–10% in the coming years.

**Attractive valuation & initiate with a BUY recommendation at Rp1,960/share.**

Our valuation is based on three approaches: (1) Dividend Discount Model (50% weight), reflecting TUGU's profile as a dividend play; (2) ROE vs. PBV comparison (25% weight), capturing a fair multiple of book value relative to capital strength and market appetite; and (3) discount to investment portfolio (25% weight), given TUGU's large liquid investment base and the dual nature of its business in risk and asset management. The blended target price of Rp1,960/share implies 0.63x PBV for 2025F. We see the ongoing interest rate downtrend as a catalyst for TUGU to optimize investment portfolio and improve yields, while the main challenge remains its relatively low stock liquidity an issue common among insurance sector listings.

## Company Overview

### Company Profile

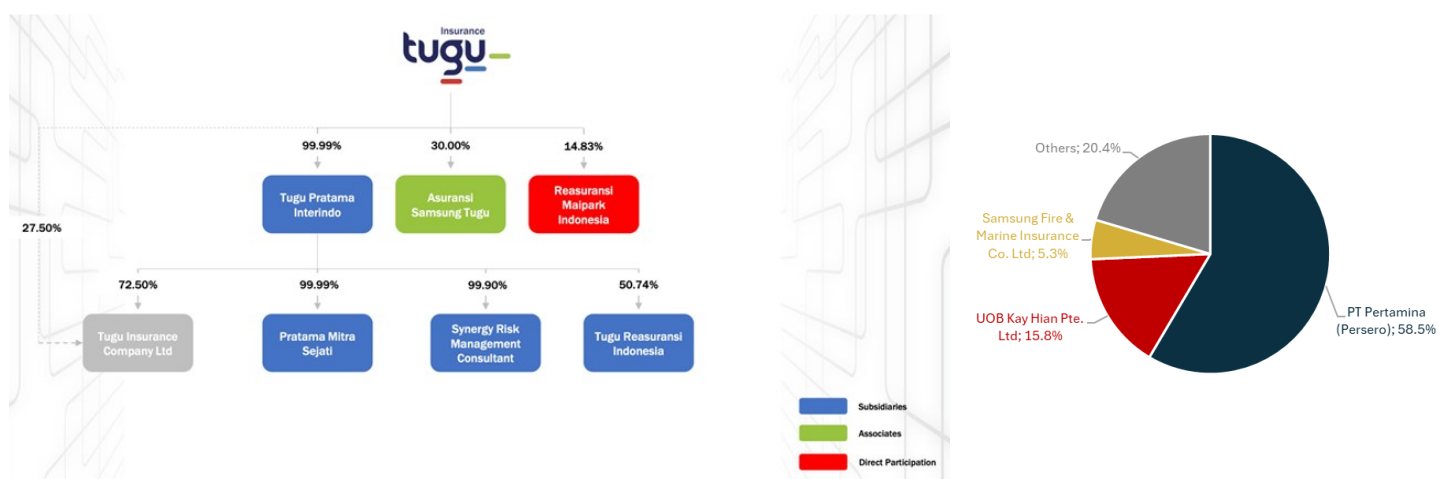
PT Asuransi Tugu Pratama Indonesia Tbk (Tugu Insurance) is a subsidiary of Pertamina Group operating in the general insurance sector. With Pertamina as its majority shareholder, Tugu benefits from a strong backbone of support, while maintaining full independence in its day-to-day operations under professional corporate governance. This unique positioning has established Tugu as one of the leading insurance companies with a solid reputation in Indonesia's financial services industry.

In addition to its core focus on general insurance, Tugu has strengthened its business model through a reinsurance subsidiary. This strategic expansion enables the company to provide more comprehensive risk management services while enhancing its business capacity. Such diversification not only adds value but also reinforces Tugu's competitiveness in an increasingly dynamic market.

Beyond its core operations, Tugu extends its business portfolio through PT Pratama Mitra Sejati (PMS), which specializes in vehicle rental and trading. This complementary line of business enriches Tugu's ecosystem by offering value-added services tailored to both corporate and individual clients.

Furthermore, Tugu broadens its service offerings through Synergy Risk Management Consultant, a surveyor and risk management consulting firm. This subsidiary enhances Tugu's ability to deliver end-to-end solutions, from risk identification to financial protection, solidifying its position as an integrated insurance service provider with a diversified business portfolio.

Figure 1. Shareholders PT Asuransi Tugu Pratama Tbk



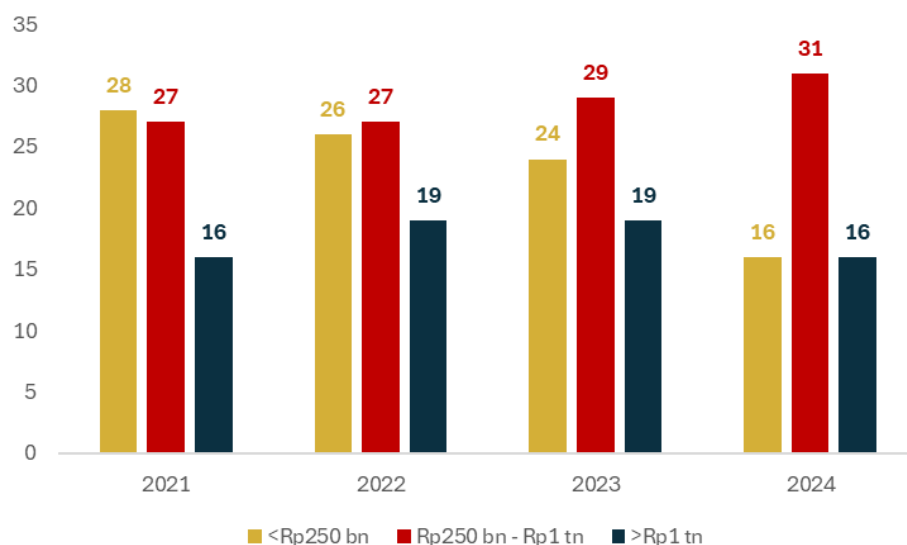
Source : Company

## Sector Catalyst

**The penetration of general insurance in Indonesia remains relatively low, particularly when compared to the banking sector.** In terms of assets to GDP ratio, the insurance industry still lags significantly behind. However, this gap presents a substantial opportunity. While the banking sector has already reached a relatively mature phase, the insurance industry continues to offer ample room for growth, especially in expanding the customer base and increasing financial literacy across the population.

Given the current low penetration, the growth potential of the general insurance sector in the coming years is considerable. Demand for risk protection is rising alongside the growth of the middle class, the expansion of the digital economy, and a greater awareness of risk management. These factors position general insurance as one of the financial service sectors with strong long-term prospects.

Figure 2. Number of General Insurance Company By Entity

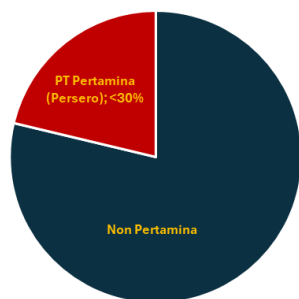


Source : Company

**Financial Services Authority (OJK) plans to strengthen the industry by implementing minimum capital requirements in 2026.** If enforced strictly, this regulation will likely reduce the number of players, as smaller insurers may struggle to meet the capital threshold. Consequently, the industry will become more consolidated and resilient, enhancing its competitiveness in the face of global challenges.

On the other hand, if the capital requirement policy is relaxed, smaller players will still have time to increase their equity base. This would preserve a greater number of market participants, although the overall strengthening of the industry would take longer. Unlike the banking sector, which has already undergone consolidation in recent years, the general insurance industry is still in the midst of its transformation journey toward building a stronger foundation.

Figure 3. Premi Contribution



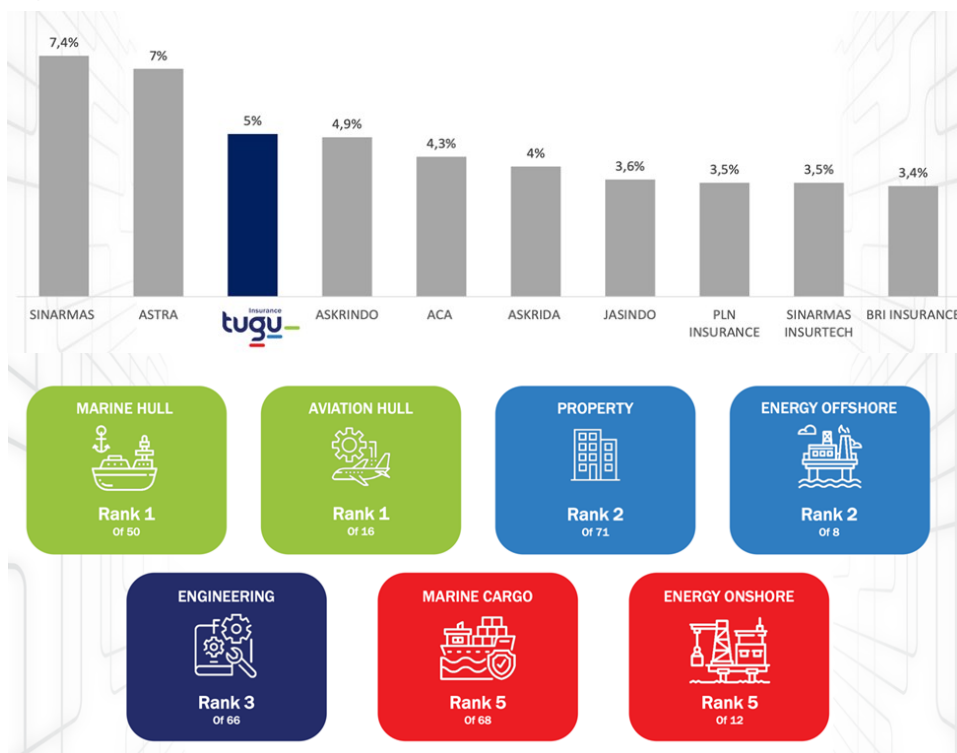
Source : Company

**Independence despite Pertamina's backing.** As a subsidiary of Pertamina Group, PT Asuransi Tugu Pratama Indonesia Tbk (TUGU) benefits from the strong foundation provided by Indonesia's largest energy company. Nevertheless, Pertamina contributes only around 30% of TUGU's total premiums, underscoring that the company is not overly reliant on its parent. This limited dependency highlights TUGU's independence and professional management, positioning it as a well-governed entity capable of generating sustainable growth beyond its captive market.

**Strong B2B base with expansion into retail** TUGU has built a robust B2B portfolio, particularly with state-owned enterprises and private sector corporations, ensuring stable and recurring income. This credibility in serving large-scale clients provides a solid earnings base. Looking ahead, the company is actively expanding into the retail segment, which will diversify revenue streams and reduce concentration risk. Retail penetration is expected to provide recurring income opportunities and make earnings less cyclical, further strengthening TUGU's long-term resilience.

**Top player across multiple product lines.** TUGU holds a leading position in Indonesia's general insurance industry, ranking first in marine hull and aviation, second in property and offshore energy, third in engineering, and fifth in marine cargo and onshore energy. Such diversified market leadership demonstrates the company's ability to manage large and complex risk portfolios. This multi-segment dominance reinforces TUGU's reputation as a comprehensive insurer with strong competitive positioning in several strategic sectors.

Figure 4. Market Share TUGU &amp; Peers based on Premium in 2024



Source : Company | AAUI

**Strong capitalization and high solvency.** TUGU boasts a sizeable equity base, far exceeding the regulator's minimum capital requirement. This allows the company to focus on business expansion without immediate capital pressure. In addition, its Risk-Based Capital (RBC) ratio remains well above the industry average, reflecting high solvency and robust risk-absorbing capacity. With such a solid financial footing, TUGU is well-positioned to sustain operational performance and pursue growth opportunities, while remaining resilient to macroeconomic and industry cycles.

**Recognized by global rating agencies.** For eight consecutive years, TUGU has maintained its rating from AM Best, a globally recognized insurance rating agency. This achievement underscores the company's credibility in the eyes of international counterparties, particularly reinsurers. The recognition not only enhances TUGU's global reputation but also strengthens its access to top-tier reinsurance partners, further reinforcing its ability to manage large-scale risks.

Figure 5. Credit Rating TUGU by AM Best

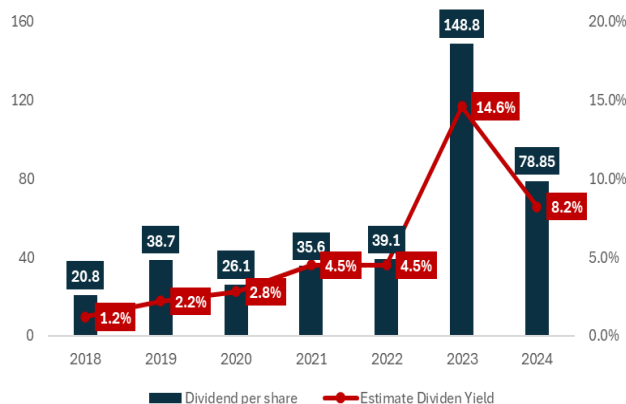


Source : Company

**First mover in PSAK 117 implementation.** TUGU is among the first in the industry to implement PSAK 117, the new accounting standard for insurance contracts that adopts a Contractual Service Margin (CSM) approach. The standard emphasizes greater transparency and conservatism in financial reporting, leading to more predictable earnings for insurers over the long term. While short-term profits may appear lower due to accounting adjustments, this is an industry-wide effect rather than a company-specific issue. By being a first mover, TUGU enhances its governance credentials and gains greater recognition at a global level.

**Consistent dividend play.** Since its IPO, TUGU has consistently distributed dividends to shareholders. Over the past three years, the company maintained a payout ratio of 40%, delivering dividend yields that are more attractive than term deposit rates. This consistent policy highlights TUGU's profile as a "value and dividend play" stock, appealing to investors seeking both capital appreciation and reliable income. The attractive dividend track record underscores management's strong commitment to shareholder returns.

Figure 6. Dividen TUGU

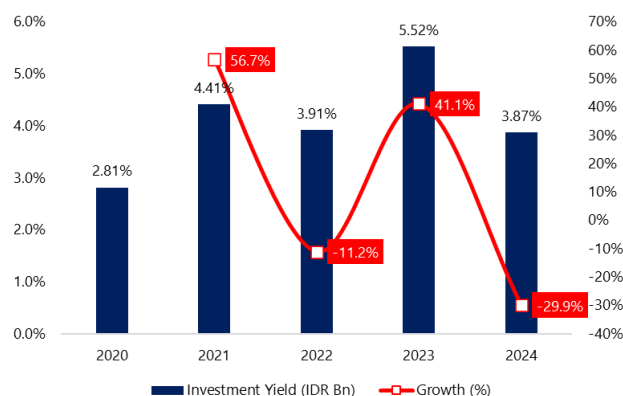


Source : Company

**Optimizing Investment Yields.** One of TUGU's key challenges lies in optimizing its investment yield. As a general insurance company, the investment portfolio plays a critical role in supporting profitability beyond premium income. In a low-interest-rate environment, traditional asset allocations such as bonds and deposits offer limited returns, making it increasingly difficult to generate attractive yields from conventional instruments.

To address this, TUGU needs to recalibrate its portfolio toward more productive assets while maintaining a prudent balance between risk and return. Diversification into higher-yielding instruments—such as fundamentally strong equities, mutual funds, or other capital market products—becomes a rational strategy to enhance returns in a sustainable manner. This challenge requires adaptive investment management expertise to ensure that growth in yields does not compromise risk management discipline.

Figure 7. Investment Yield TUGU

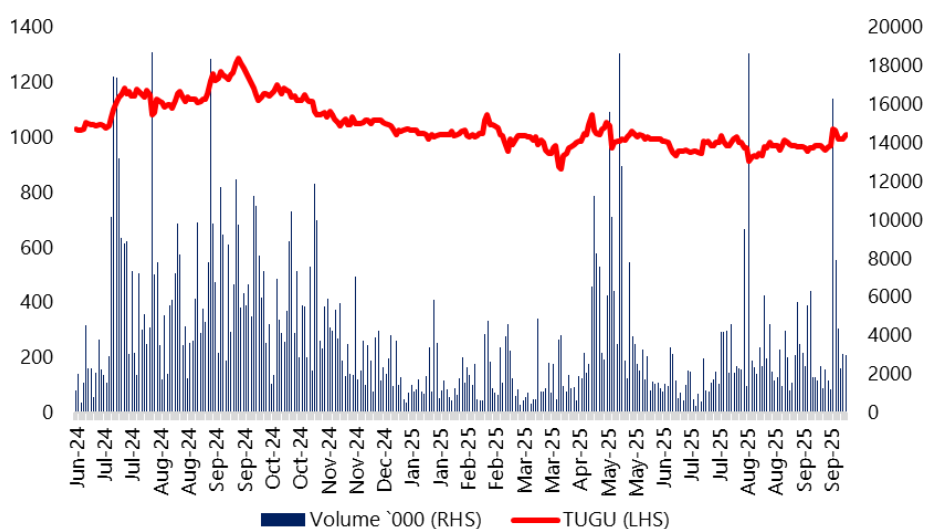


Source : Company

**Limited Stock Liquidity.** Another significant challenge for TUGU is the relatively low liquidity of its shares in the capital market. The limited trading volume and frequency make TUGU's stock less appealing to certain investor groups, particularly retail investors and foreign institutions that typically prefer more liquid names. This lack of liquidity may constrain share price movements and reduce the extent to which positive fundamentals are reflected in market valuation.

That said, liquidity constraints are not unique to TUGU but remain a common issue across many listed insurers in Indonesia. Potential solutions include implementing share buyback programs, increasing free float, and actively expanding the investor base through stronger engagement with analysts and institutional investors. With the right strategy, TUGU can gradually mitigate liquidity concerns and allow its share price to better reflect its strong fundamentals.

Figure 8. Share Price TUGU & Volume



Source : Company

## Financial Overview

**Insurance service results are expected to grow** in line with premium production, driven by synergies with Pertamina Group as well as prudent expansion into non-captive segments. This growth will be supported by a manageable loss ratio and stronger reinsurance capacity. Such a strategy enables TUGU to capture additional market share while maintaining sound risk quality across its portfolio.

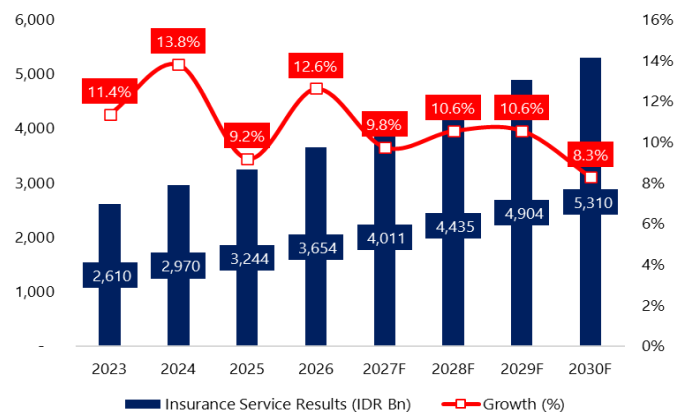
**Investment income is projected to rise as TUGU reshuffles its portfolio** toward more liquid and higher-yielding assets. This approach is essential to optimize returns amid financial market dynamics, while also maintaining the balance between risk and liquidity. Diversification into more productive assets will enhance the contribution of investment income to overall profitability.



**Other operating income is also set to improve** in line with a more accommodative interest rate environment, particularly benefiting the vehicle rental and sales business through PMS. These non-core activities are expected to provide stable incremental revenues that complement contributions from both insurance and investment segments.

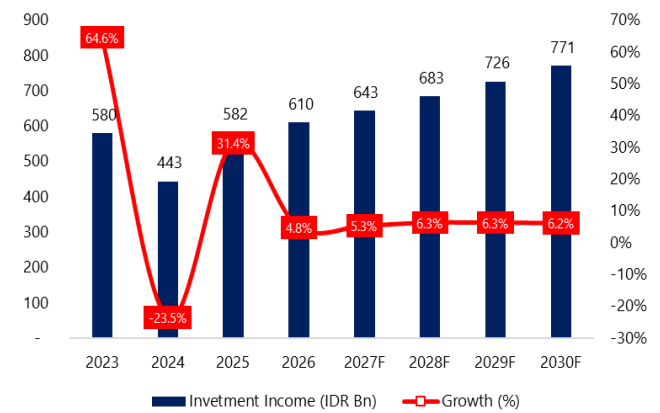
**Margins are expected to improve provided that operating expenses** relative to revenue remain well-managed. Cost efficiency will be a key driver to enhance profitability, reflected in higher Returns on Assets (ROA) and Returns on Equity (ROE). With better cost discipline and stronger revenue generation, TUGU is poised to deliver more sustainable and resilient profitability going forward.

Figure 9. Insurance Service Revenue Projection



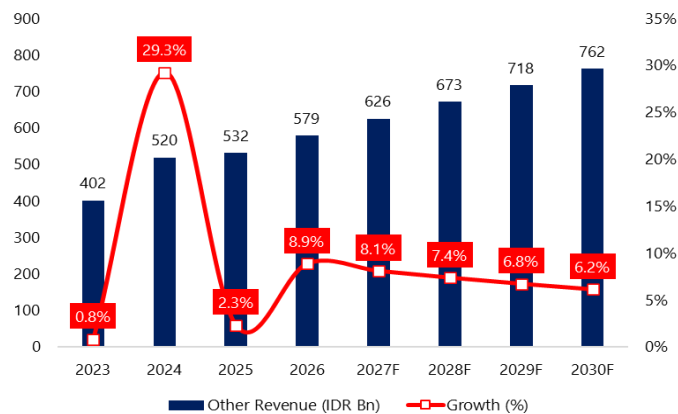
Source : Company | Phintraco Sekuritas Research

Figure 10. Investment Income Projection



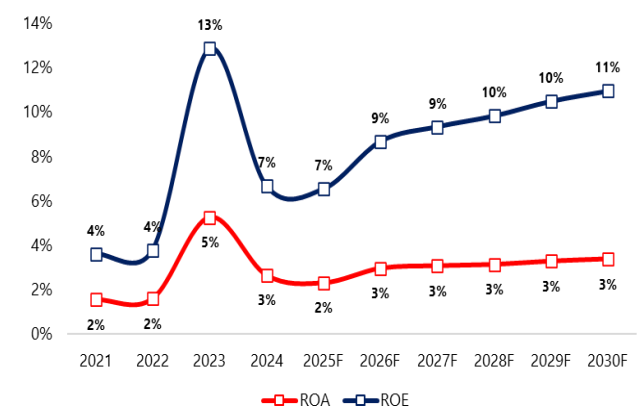
Source : Company | Phintraco Sekuritas Research

Figure 11. Other Revenue Projection



Source : Company | Phintraco Sekuritas Research

Figure 12. Profitability Ratio Projection



Source : Company | Phintraco Sekuritas Research



## Valuation

The valuation of TUGU shares adopts a blended methodology, combining three approaches to provide a comprehensive view of the company's fundamentals.

First, the **Dividend Discount Model (DDM)** carries the largest weight at 50%. This is highly relevant given TUGU's profile as a dividend play stock, with a consistent track record of dividend payments and a payout ratio of around 40% over the past three years. Dividend projections therefore represent the most direct reflection of potential shareholder returns.

Table 1. Dividend Discount Model (DDM)

DDM Cost of Capital		Value					
Risk free rate		6.9%					
Equity risk premium		6.9%					
Stock beta		1					
Terminal growth		4.0%					
Cost of Equity (Ke)		13.8%					
Cap rate		9.8%					

DDM Scenario I	2025	2026	2027	2028	2029	2030	Terminal
Year	0	1	2	3	4	5	6
Net profit (Rp bn)	726	1,002	1,118	1,225	1,373	1,508	17,290
DPR	40%	40%	40%	40%	40%	40%	40%
Dividend paid (Rp bn)	290	401	447	490	549	603	6,916
Discount factor	1.0	0.9	0.8	0.7	0.6	0.5	0.5
PV of dividend (Rp bn)	290	352	346	333	328	317	3,189
Sum of PV (Rp bn)	5,154						
No of share out (bn)	3.6						
Fair value (Rp/sh)	1,450						
TP (Rp/sh)	1,400						
2025 BVPS (Rp/sh)	3,123						
P/B	0.4						

Source : Phintraco Sekuritas Research

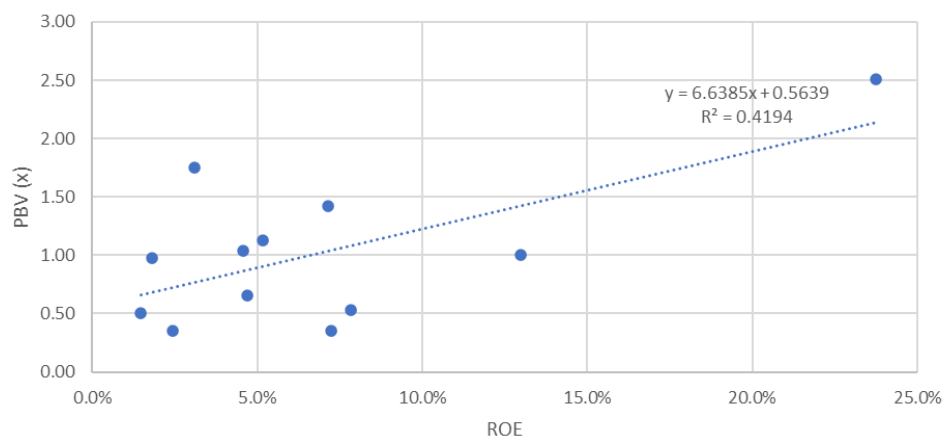
Second, the **ROE vs PBV comparison** is assigned a 25% weight. This method links profitability with relative valuation within the general insurance industry. With solid ROE levels and a PBV multiple still below peers, this approach highlights TUGU's attractive position from a market benchmarking perspective.

Table 2. ROE vs PBV Comparison

Companies	NP	Avg Equity	ROE	PBV	ROE vs PBV Valuation	Value
ASBI	10	405	2.4%	0.35	Coefficient	6.6
AHAP	7	220	3.1%	1.75	TUGU ROE	7.2%
ASJT	5	326	1.5%	0.50	Constant	0.6
MTWI	76	319	23.7%	2.51	Implied PBV	1.0
ABDA	80	1,554	5.2%	1.13	2025F TUGU BV (Rp bn)	11,103
AMAG	229	1,762	13.0%	1.00	Share Out (bn)	3.6
ASDM	30	385	7.8%	0.53	Implied BVPS (Rp)	3,123
TUGU	751	10,395	7.2%	0.35	Target PBV (x)	1.0
LPGI	62	869	7.1%	1.42	Target Price (Rp/sh)	3,260
VINS	7	153	4.6%	1.04		
ASRM	32	683	4.7%	0.66		
ASMI	7	388	1.8%	0.98		
Total	1,295	17,457	7.4%			

Source : Phintraco Sekuritas Research

Figure 12. Scatter Plot ROE vs PBV Comparison



Source : Phintraco Sekuritas Research

Third, a **discount to total investment assets** is also applied with a 25% weight. The rationale lies in the significant portion of TUGU's assets allocated to liquid investment instruments, making asset-based valuation highly relevant. Applying a discount ensures a conservative approach in capturing the intrinsic value of the company.

Table 3. Discount to Total Investment Asset

Companies	Investment	Market Cap	Disc/Prem
ASBI	94	153	61.6%
AHAP	268	372	39.0%
ASJT	214	161	-24.6%
MTWI	501	1,012	102.0%
ABDA	1,860	1,844	-0.9%
AMAG	2,106	1,801	-14.5%
ASDM	441	207	-53.0%
TUGU	9,839	3,556	-63.9%
LPGI	1,436	1,410	-1.8%
VINS	162	212	30.7%
ASRM	324	351	8.2%
ASMI	405	385	-4.9%
TOTAL	17,650	11,463	-35.1%

**Disc to Total Investment Value**

Implied	-35.1%
TUGU Investment	9,839
Discount	(3,449)
Implied Market Cap	6,390
Share Out	3.6
Target Price	1,800

Source : Phintraco Sekuritas Research

By blending these three approaches, the **target price is set at IDR 1,960 per share with a BUY recommendation**, reflecting TUGU's attractive dividend profile, strong financial fundamentals, and compelling valuation relative to peers and assets.

Table 4. Final Valuation

Valuation	Method	Weight	Intrinsic Value	Implied Value
Valuation I	DDM 40% Payout	50%	1,400	700
Valuation II	ROE vs PBV	25%	3,260	815
Valuation III	Disc to Investment Value	25%	1,800	450
<b>Implied Blended 12M Target Price (Rp/sh)</b>				<b>1,965</b>

Source : Phintraco Sekuritas Research

## Key Financial Figures

Balance Sheet (Rp bn)	FY22	FY23	FY24	FY25E	FY26F	FY27F
Cash & equivalent	609	538	358	201	498	583
Investment	9,323	11,672	11,224	11,751	12,421	13,125
Insurance & reinsurance assets	9,467	10,466	10,654	15,119	16,388	17,946
Fixed, right to use & intangibles	1,488	1,738	3,054	3,178	3,337	3,513
Other assets	694	724	1,060	1,060	1,060	1,060
<b>Total assets</b>	<b>21,581</b>	<b>25,138</b>	<b>26,350</b>	<b>31,309</b>	<b>33,704</b>	<b>36,227</b>
Insurance & reinsurance liabilities	11,731	13,741	14,601	19,219	20,858	22,827
Loan & borrowings	190	342	645	390	713	838
Other liabilities	488	776	596	596	596	596
<b>Total liabilities</b>	<b>12,409</b>	<b>14,858</b>	<b>15,841</b>	<b>20,205</b>	<b>22,167</b>	<b>24,262</b>
Share capital	178	178	178	178	178	178
Additional paid in	625	625	625	625	625	625
Retained earnings & others	8,369	9,476	9,705	10,300	10,734	11,162
<b>Shareholder equity</b>	<b>9,172</b>	<b>10,280</b>	<b>10,509</b>	<b>11,103</b>	<b>11,537</b>	<b>11,966</b>

Source : Company | Phintraco Sekuritas Research

\*FY22-FY24 used previous PSAK. FY25E-FY27F used PSAK 117

Income Statement (Rp bn)	FY22	FY23	FY24	FY25E	FY26F	FY27F
Insurance service results	671	699	923	842	1,241	1,394
Investment income	352	580	443	582	610	643
Other operating revenue	399	402	520	532	579	626
<b>Net operating revenues</b>	<b>1,422</b>	<b>1,680</b>	<b>1,886</b>	<b>1,957</b>	<b>2,430</b>	<b>2,663</b>
<b>Operating expenses</b>	<b>(1,027)</b>	<b>(1,110)</b>	<b>(1,070)</b>	<b>(1,099)</b>	<b>(1,202)</b>	<b>(1,279)</b>
<b>Profit from operation</b>	<b>395</b>	<b>570</b>	<b>816</b>	<b>857</b>	<b>1,228</b>	<b>1,384</b>
Other income/(expenses)	126	1,062	117	118	118	119
Profit before tax	520	1,632	933	975	1,347	1,503
Tax expenses	(125)	(330)	(183)	(195)	(269)	(301)
Net profit	395	1,302	751	780	1,077	1,202
<b>Attributable to parent entity</b>	<b>347</b>	<b>1,322</b>	<b>701</b>	<b>726</b>	<b>1,002</b>	<b>1,118</b>

Source : Company | Phintraco Sekuritas Research

\*FY22-FY24 used previous PSAK. FY25E-FY27F used PSAK 117

Key Ratio	FY22	FY23	FY24	FY25E	FY26F	FY27F
Insurance margin	31.6%	29.8%	35.4%	28.4%	38.2%	38.2%
Investment yield	3.9%	5.5%	3.9%	5.1%	5.0%	5.0%
Opex/revenue	72.2%	66.1%	56.7%	56.2%	49.5%	48.0%
Operating margin	27.8%	33.9%	43.3%	43.8%	50.5%	52.0%
Pretax margin	36.6%	97.1%	49.5%	49.9%	55.4%	56.4%
Net margin	24.4%	78.7%	37.2%	37.1%	41.2%	42.0%
ROAA	1.7%	5.7%	2.7%	2.5%	3.1%	3.2%
ROAE	3.9%	13.6%	6.7%	6.7%	8.8%	9.5%

Source : Company | Phintraco Sekuritas Research

## Glossarium

CFFO	: Cash generated or used by a company's core business activities.
CFFI	: Cash inflows and outflows resulting from transactions related to the company's financing activities.
CFFF	: Cash inflows and outflows related to a company's financial activities, such as issuing or repurchasing shares, borrowing, or repaying loans.
EBITDA	: Company's profitability by excluding interest, taxes, depreciation, and amortization.
EBIT	: Company's profitability from its core operations, excluding interest expenses and taxes.
EBT	: Company's profit before accounting for income tax expenses.
OPM	: Financial ratio that measures the percentage of profit a company makes from its core operations, relative to its revenue.
NPM	: Financial ratio that shows the percentage of profit a company retains from its total revenue after all expenses, are deducted.
ROA	: Financial ratio that measures a company's ability to generate profit from its assets.
ROE	: Financial ratio that measures a company's profitability in relation to shareholders' equity.
EPS	: Portion of a company's profit allocated to each outstanding share of common stock
BVPS	: Value of a company's equity on a per-share basis.
RPS	: Amount of revenue generated for each outstanding share of a company's stock.
PER	: Financial ratio that compares a company's market price per share to its earnings per share (EPS).
PBV	: Financial ratio that compares a company's market price per share to its book value per share.
P / R	: Amount of dividend a company pays to its shareholders for each outstanding share.
DPS	: Financial ratio that shows the proportion of a company's earnings paid out as dividends to shareholders.
DPR	: Total value of a company, including its market capitalization, debt, and excluding cash and cash equivalents.
EV	: Value of a company's assets minus its liabilities, typically used to assess the value of investment funds or companies.
COF	: The interest rate paid by financial institutions for the funds they use in their business.
BOPO	: financial ratio used to measure a bank's efficiency by comparing its operating expenses to its operating income.
DPK	: funds collected by banks from customers and the public, which include savings accounts, current accounts, and time deposits.
CAR	: Measure of a bank's capital in relation to its risk-weighted assets
CASA	: Total amount of money that a bank holds in both current accounts (giro) and savings accounts (tabungan).
LDR	: Financial ratio used to assess a bank's liquidity by comparing its total loans to its total customer deposits.
LFR	: Financial ratio used to measure a bank's ability to fund its lending activities using internal sources,
NIM	: Financial metric used to assess the difference between the income generated by a bank's interest-bearing assets (like loans) and the interest paid on its liabilities (like deposits), relative to the amount of interest-earning assets.
NPL	: Loans in which the borrower is in default or close to being in default when payments of principal or interest are more than 90 days past due.
PPOP	: Reflects the core operational performance of a bank without the impact of credit losses or tax expenses.



# PHINTRACO SEKURITAS

## Rating for Stocks :

- Buy : The stock is expected to give return of more than 10% over the next 12 months.
- Hold : The stock is expected to give return of between -10% and 10% over the next 12 months.
- Sell : The stock is expected to give return of less than -10% over the next 12 months.
- Outperform : The industry is expected to perform slightly better than the market return. Equal to "moderate buy".
- Neutral : The industry is expected to perform in line with the market return. Equal to "hold"

## PHINTRACO SEKURITAS

Kantor Cabang & Mitra GI BEI



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