

# Alamtri Minerals Indonesia

BUY (unchanged)

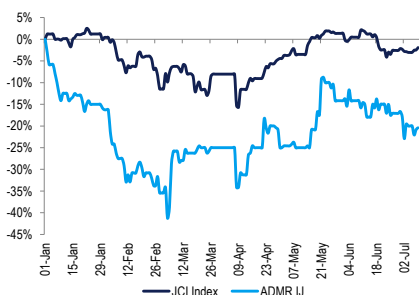
Company update | Metals | ADMR IJ | 9 July 2025

## Stock Data

|                           |         |
|---------------------------|---------|
| Target price              | Rp1,300 |
| Prior TP                  | Rp1,300 |
| Current price             | Rp955   |
| Upside/downside           | +36%    |
| Shares outstanding (mn)   | 40,882  |
| Market cap (Rp bn)        | 39,043  |
| Free float                | 13%     |
| Avg. 6m daily T/O (Rp bn) | 41      |

## Price Performance

|                   | 3M            | 6M     | 12M    |
|-------------------|---------------|--------|--------|
| Absolute          | 20.9%         | -11.6% | -28.7% |
| Relative to JCI   | 5.1%          | -9.6%  | -24.2% |
| 52w low/high (Rp) | 1,095 – 1,555 |        |        |



## Major Shareholders

|                           |       |
|---------------------------|-------|
| Adaro Energy Indonesia    | 68.5% |
| Adaro Mining Technologies | 8.8%  |
| Alam Tri Abadi            | 6.5%  |

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## Negative sentiment largely priced in; poised for a rerating

- We believe the negative sentiment from lacklustre metallurgical coal price (-12% YTD) has been largely priced in into earnings expectation.
- Near-term outlook remains relatively bleak for met-coal on soft China domestic activity but this will set up a foundation for an upcycle.
- Majority of met-coal producers have been unprofitable; investment into new mine is limited on higher costs of fund. Maintain Buy on ADMR.

### Negative sentiment has been largely priced-in

SGX Australia hard coking coal price has declined by -12% YTD and has been hovering between US\$170-180/t level in the past few months. However, we think negative sentiment to ADMR has been already priced-in, reflected in consensus earnings downgrade of -30% YTD in ADMR's FY25F NP. Moreover, we think downside is already limited on met-coal price, considering majority of met-coal mines in Australia have been unprofitable with cost curve higher than current price (Fig. 1), followed by supply cuts as a result of soft price environment (Fig. 2). Furthermore, we think ADMR's earnings growth from its aluminium smelter (to start by early FY26F) is still underappreciated by the market, in our view.

### Near-term outlook is bleak but would set a foundation for an upcycle

Based on our high-frequency data points, China's domestic activity remains relatively lacklustre – reflected by declining construction and real-estate development activities since FY22 (Fig. 3-5). We continuously argue that China's economy could only be revived via aggressive fiscal handouts to households. However, all of these bleak near-term outlook is already in the price, in our view, and this has resulted in a supply cut across met-coal players – i.e. Mechel in Russia, Alpha Metallurgical in the U.S, etc. These players have also started to record a net loss in 1Q25; which shall imply that current price level is indeed already well under the cost-curve. We think there would be a point of time in the future, in which supply response would be able to shift the supply-demand balance into a deficit level and shall be positive to met-coal price and ADMR.

### Re-iterate Buy with an unchanged TP of Rp1,300/share

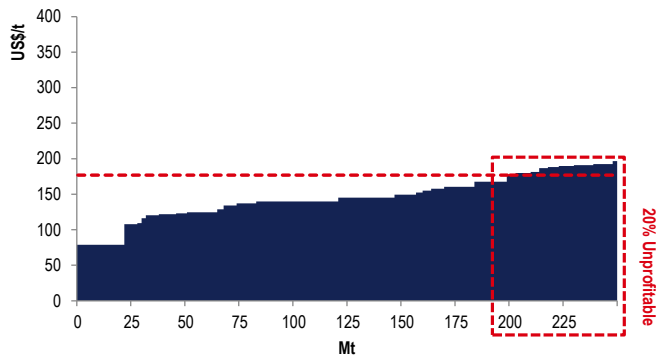
We think current valuation level and consensus' earnings estimates have already pricing-in the soft met-coal price environment, and in the long-term, there should be more upside from the met-coal business from volume growth and higher met-coal price. We also expect +50%+ EPS growth in FY26F, which is driven by additional met-coal volume and the commencement of ADMR's aluminium smelter. Downside risks include worse than expected steel production demand in China, slower growth in India, and delay in ADMR's aluminium smelter.

| Financial Summary (US\$ mn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|-----------------------------|-------|-------|-------|-------|-------|
| Revenue                     | 1,086 | 1,154 | 981   | 2,129 | 2,298 |
| EBITDA                      | 609   | 579   | 378   | 582   | 728   |
| Net profit                  | 441   | 437   | 282   | 431   | 558   |
| EPS growth                  | 33%   | -1%   | -35%  | 53%   | 29%   |
| ROE                         | 42%   | 29%   | 16%   | 19%   | 20%   |
| PER (x)                     | 5.3   | 5.4   | 8.3   | 5.5   | 4.2   |
| EV/EBITDA (x)               | 4.5   | 5.4   | 9.0   | 6.9   | 5.7   |
| Dividend yield              | 0%    | 0%    | 0%    | 0%    | 0%    |
| IPS vs. consensus           |       |       | 93%   | 125%  | 129%  |

Source: Company, Indo Premier

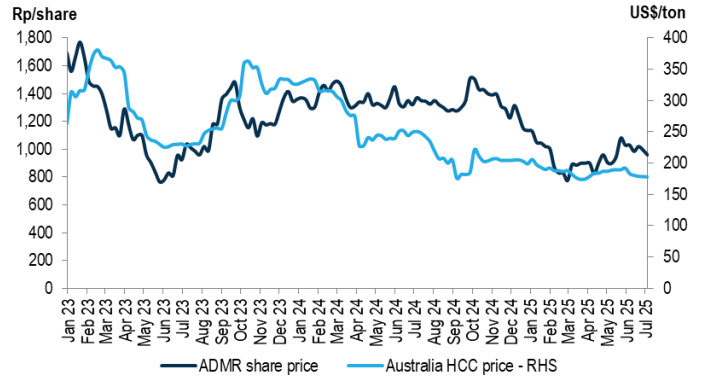
Share price closing as of: 9 July 2025

**Fig. 1: Metallurgical coal cost-curve**



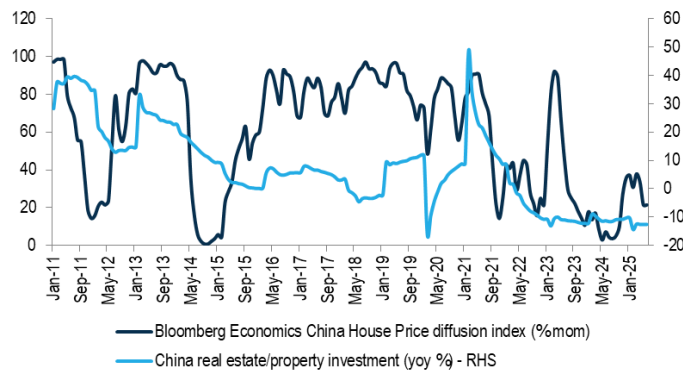
Source: S&P, Bloomberg, IEA, Indo Premier

**Fig. 2: SGX Australia coking-coal price**



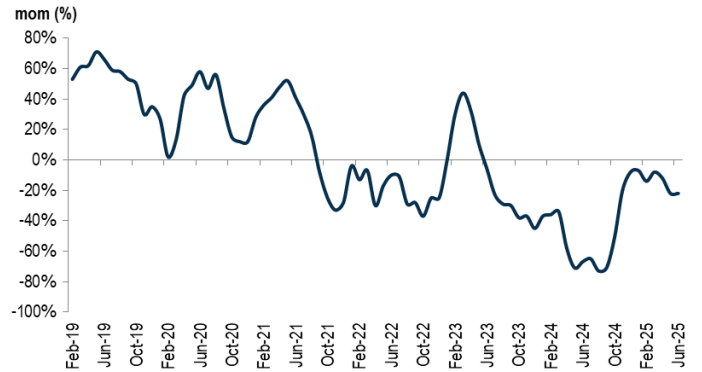
Source: Bloomberg, Indo Premier

**Fig. 3: China real-estate/property investment**



Source: Bloomberg, Indo Premier

**Fig. 4: China's 70 cities new-home prices**



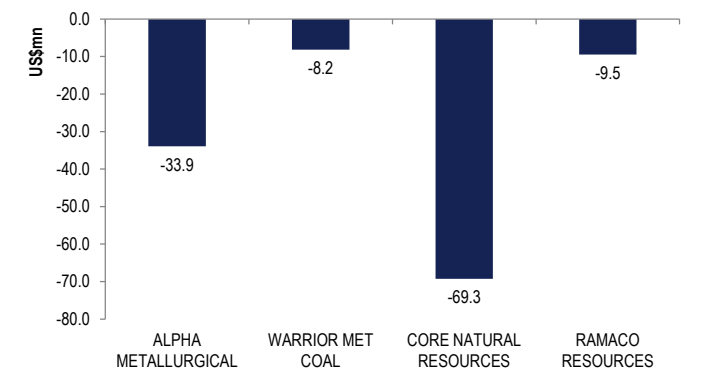
Source: Bloomberg, Indo Premier

**Fig. 5: China Manufacturing PMI & Industrial Output**



Source: Bloomberg, Indo Premier

**Fig. 6: Western met-coal players net profit in 1Q25**



Source: Company data, Bloomberg, Indo Premier

Fig. 7: Sum of the parts (SOTP) valuation

|                           | (US\$ mn)    | Methodology                |
|---------------------------|--------------|----------------------------|
| Met coal                  | 3,481        | DCF (LTG: 0%, WACC: 11.0%) |
| Aluminium                 | 144          | DCF (LTG: 0%, WACC: 11.3%) |
| Net Cash (debt)           | (350)        | FY25F Net Cash (Debt)      |
| <b>Total NPV</b>          | <b>3,275</b> |                            |
| NPV per share             | 0.08         |                            |
| <b>NPV per share (Rp)</b> | <b>1,300</b> |                            |

Source: Company data, Indo Premier estimates

Fig. 8: Peers comparison

| Ticker  | Company                   | Rating | Target price<br>(Rp/share) | P/E  |      |      | EV/EBITDA |     |     | Dividend yield (%) |      |      |
|---------|---------------------------|--------|----------------------------|------|------|------|-----------|-----|-----|--------------------|------|------|
|         |                           |        |                            | 25F  | 26F  | 27F  | 25F       | 26F | 27F | 25F                | 26F  | 27F  |
| ADMR IJ | Alam Tri Minerals         | Buy    | 1,500                      | 8.4  | 5.5  | 4.2  | 9.0       | 6.9 | 5.7 | N/A                | N/A  | N/A  |
| ANTM IJ | Aneka Tambang             | Buy    | 3,900                      | 9.9  | 11.1 | 11.9 | 6.2       | 7.1 | 7.6 | 5.2%               | 7.5% | 6.8% |
| HRUM IJ | Harum Energy              | Buy    | 1,050                      | 10.1 | 8.0  | 7.0  | 4.1       | 2.9 | 2.0 | N/A                | N/A  | N/A  |
| INCO IJ | Vale Indonesia            | Buy    | 3,650                      | 27.7 | 12.7 | 6.6  | 6.6       | 4.7 | 2.9 | N/A                | N/A  | N/A  |
| MBMA IJ | Merdeka Battery Materials | Buy    | 560                        | 75.2 | 13.6 | 5.2  | 16.2      | 7.7 | 3.0 | N/A                | N/A  | N/A  |
| MDKA IJ | Merdeka Copper Gold       | Buy    | 2,400                      | N/A  | 15.9 | 11.1 | 11.3      | 6.6 | 5.4 | N/A                | N/A  | N/A  |
| NCKL IJ | Trimegah Bangun Persada   | Buy    | 1,100                      | 5.6  | 4.5  | 4.5  | 4.1       | 3.3 | 2.9 | 4.6%               | 5.4% | 6.7% |

Source: Bloomberg, Indo Premier

| Income Statement (US\$ mn) | 2023A      | 2024A      | 2025F      | 2026F      | 2027F      |
|----------------------------|------------|------------|------------|------------|------------|
| Net revenue                | 1,086      | 1,154      | 981        | 2,129      | 2,298      |
| Cost of sales              | (503)      | (576)      | (609)      | (1,506)    | (1,530)    |
| <b>Gross profit</b>        | <b>583</b> | <b>578</b> | <b>372</b> | <b>623</b> | <b>768</b> |
| SG&A Expenses              | (9)        | (38)       | (41)       | (93)       | (95)       |
| <b>Operating profit</b>    | <b>574</b> | <b>539</b> | <b>331</b> | <b>530</b> | <b>672</b> |
| Net interest               | (11)       | 17         | 29         | 20         | 40         |
| Forex gain (loss)          | 0          | 0          | 0          | 0          | 0          |
| Others                     | 0          | 1          | 0          | 0          | 0          |
| <b>Pre-tax income</b>      | <b>563</b> | <b>558</b> | <b>360</b> | <b>550</b> | <b>713</b> |
| Income tax                 | (123)      | (123)      | (79)       | (121)      | (157)      |
| Minority interest          | 0          | 2          | 1          | 1          | 2          |
| <b>Net income</b>          | <b>441</b> | <b>437</b> | <b>282</b> | <b>431</b> | <b>558</b> |

| Balance Sheet (US\$ mn)               | 2023A        | 2024A        | 2025F        | 2026F        | 2027F        |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Cash & equivalent                     | 586          | 613          | 646          | 469          | 916          |
| Receivable                            | 195          | 109          | 179          | 487          | 525          |
| Inventory                             | 68           | 70           | 82           | 251          | 255          |
| Other current assets                  | 36           | 51           | 51           | 51           | 51           |
| <b>Total current assets</b>           | <b>885</b>   | <b>843</b>   | <b>957</b>   | <b>1,258</b> | <b>1,747</b> |
| Fixed assets                          | 724          | 1,065        | 1,219        | 1,392        | 1,462        |
| Other non-current assets              | 87           | 166          | 166          | 166          | 166          |
| <b>Total non-current assets</b>       | <b>811</b>   | <b>1,231</b> | <b>1,385</b> | <b>1,558</b> | <b>1,628</b> |
| <b>Total assets</b>                   | <b>1,695</b> | <b>2,074</b> | <b>2,342</b> | <b>2,816</b> | <b>3,375</b> |
| ST loans                              | 0            | 0            | 0            | 0            | 0            |
| Payable                               | 33           | 54           | 41           | 84           | 85           |
| Other payables                        | 61           | 28           | 28           | 28           | 28           |
| Current portion of LT loans           | 116          | 153          | 153          | 153          | 153          |
| <b>Total current liab.</b>            | <b>210</b>   | <b>235</b>   | <b>222</b>   | <b>265</b>   | <b>267</b>   |
| Long term loans                       | 416          | 296          | 296          | 296          | 296          |
| Other LT liab.                        | 32           | 40           | 40           | 40           | 40           |
| <b>Total liabilities</b>              | <b>657</b>   | <b>571</b>   | <b>558</b>   | <b>601</b>   | <b>603</b>   |
| Equity                                | 122          | 122          | 121          | 121          | 121          |
| Retained earnings                     | 855          | 1,290        | 1,572        | 2,002        | 2,560        |
| Minority interest                     | 0            | 0            | 0            | 0            | 0            |
| <b>Total SHE + minority int.</b>      | <b>1,038</b> | <b>1,502</b> | <b>1,784</b> | <b>2,214</b> | <b>2,772</b> |
| <b>Total liabilities &amp; equity</b> | <b>1,695</b> | <b>2,074</b> | <b>2,342</b> | <b>2,816</b> | <b>3,375</b> |

Source: Company, Indo Premier

| Cash Flow Statement (US\$ mn)   | 2023A        | 2024A        | 2025F        | 2026F        | 2027F       |
|---------------------------------|--------------|--------------|--------------|--------------|-------------|
| Net income                      | 407          | 370          | 282          | 431          | 558         |
| Depr. & amortization            | 35           | 40           | 46           | 52           | 0           |
| Changes in working capital      | (125)        | 135          | (95)         | (434)        | (40)        |
| Others                          | 0            | 0            | 0            | 0            | 0           |
| <b>Cash flow from operating</b> | <b>316</b>   | <b>545</b>   | <b>234</b>   | <b>48</b>    | <b>517</b>  |
| Capital expenditure             | (165)        | (380)        | (200)        | (225)        | (70)        |
| Others                          | (33)         | (47)         | 0            | 0            | 0           |
| <b>Cash flow from investing</b> | <b>(198)</b> | <b>(428)</b> | <b>(200)</b> | <b>(225)</b> | <b>(70)</b> |
| Loans                           | (72)         | (120)        | 0            | 0            | 0           |
| Equity                          | 28           | 29           | (1)          | 0            | 0           |
| Dividends                       | 0            | 0            | 0            | 0            | 0           |
| Others                          | 0            | 0            | 0            | 0            | 0           |
| <b>Cash flow from financing</b> | <b>(44)</b>  | <b>(91)</b>  | <b>(1)</b>   | <b>0</b>     | <b>0</b>    |
| <b>Changes in cash</b>          | <b>75</b>    | <b>26</b>    | <b>33</b>    | <b>(177)</b> | <b>447</b>  |

| Key Ratios                  | 2023A | 2024A | 2025F | 2026F | 2027F |
|-----------------------------|-------|-------|-------|-------|-------|
| Gross margin                | 54%   | 50%   | 38%   | 29%   | 33%   |
| Operating margin            | 53%   | 47%   | 34%   | 25%   | 29%   |
| Pre-tax margin              | 52%   | 48%   | 37%   | 26%   | 31%   |
| Net margin                  | 41%   | 38%   | 29%   | 20%   | 24%   |
| ROA                         | 26%   | 21%   | 12%   | 15%   | 17%   |
| ROE                         | 42%   | 29%   | 16%   | 19%   | 20%   |
| Acct. receivables TO (days) | 5.6   | 10.6  | 5.5   | 4.4   | 4.4   |
| Inventory TO (days)         | 7.4   | 8.2   | 7.4   | 6.0   | 6.0   |
| Payable TO (days)           | 15.0  | 10.8  | 15.0  | 18.0  | 18.0  |
| Debt to equity              | 43%   | 21%   | 17%   | 14%   | 11%   |
| Interest coverage ratio (x) | 0.2   | 0.1   | 0.1   | 0.1   | 0.1   |
| Net gearing                 | -17%  | -22%  | -21%  | -8%   | -23%  |