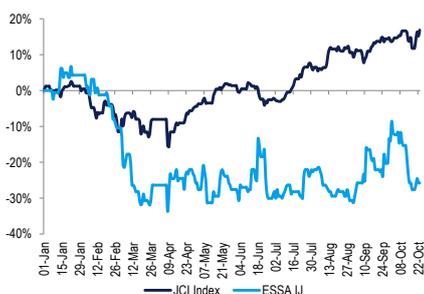


Stock Data

Target price	Rp850
Prior TP	Rp900
Current price	Rp605
Upside/downside	+40%
Shares outstanding (mn)	17,227
Market cap (Rp bn)	10,422
Free float	47%
Avg. 6m daily T/O (Rp bn)	43

Price Performance

	3M	6M	12M
Absolute	6.1%	-4.0%	-36.3%
Relative to JCI	-4.6%	-28.7%	-42.6%
52w low/high (Rp)	540 – 985		



Major Shareholders

Chander Vinod Laroya	16.4%
Garibaldi Thohir	14.1%
Akraya International	7.5%

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3Q25 result: miss from lower than expected ASP and higher cost

- ESSA 9M25 NP of US\$21mn (-37% qoq) came below our FY25F forecast at 61% IPS.
- Ammonia production recovered (+10% qoq) following the completion of Senoro-Toili maintenance in Jul25, but sales lagged behind (-11% qoq).
- We revised down our NP estimates by 6-10% to reflect lower ammonia gross margin; maintain Buy at lower TP of Rp850/sh.

Soft NP due to higher opex; 9M25 was below

ESSA reported 9M25 NP of US\$21mn (-37% yoy), which came below ours at 61% IPS, mainly due to lower than expected ammonia ASP (94% IPS). On a quarterly basis, 3Q25 NP slightly declined to US\$6mn (-4% qoq), as higher opex (US\$6mn; +41% qoq) from capitalised cost more than offsets higher ammonia/LPG gross margin (+365/+1,119bps qoq). Below operating line, interest expense rose 11% qoq. Nonetheless, debt has been fully repaid in 3Q25 and ESSA is expected to record zero interest expense going forward.

Ammonia volume recovered after upstream maintenance completion

Ammonia production surged to 200kt in 3Q25 (+10% qoq; 123% utilization rate) following maintenance completion at Senoro-Toili gas field in early July. However, sales volume lagged behind at 174kt (-11% qoq) due to delivery timing. Thus, we expect sales volume to reach c.210-220kt in 4Q25F (+21% to +26% qoq), with 10-20kt being inventory sales which shall bring FY25F sales volume to c.760-770kt, above our forecast at 117-119% IPS. Turnaround maintenance that was initially scheduled for 4Q25F has been delayed to 1H26F. ASP rose to US\$309/t (+7% qoq), in-line with Fertecon price (+7% qoq). As a result, gross margin improved to 26% (+365bps qoq).

LPG was soft but margin rose due to low base 2Q25

On LPG front, production was flat qoq at 15kt, while ASP declined to US\$527/t (-22% qoq) on the back of lower CP Aramco price (-8% qoq). However, 3Q25 gross margin was significantly higher at 41% (+1,119bps qoq) given that 2Q25 gross margin was a low base as a portion of 1Q25 freight cost was carried forward due to timing difference.

Maintain Buy at lower SOTP-based TP of Rp850/sh

We slightly revised down our FY25F NP estimates by 6-10% primarily to reflect lower ammonia gross margin (~400-600bps) from higher cost. Maintain Buy at lower TP of Rp850/sh (from Rp900/sh previously) as we continue to believe that ESSA's attractive long-term expansion plan of SAF and doubling its ammonia capacity are the key in unlocking value. Key downside risks are softer LNG demand in Asia due to softer economic activity and delay in project timeline.

Financial Summary (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Revenue	345	301	276	282	300
EBITDA	124	128	99	100	102
Net profit	35	45	32	32	20
EPS growth	-75%	31%	-30%	2%	-37%
ROE	7%	8%	5%	5%	3%
PER (x)	18.8	14.4	20.7	20.2	32.2
EV/EBITDA (x)	5.8	4.6	5.8	7.6	8.5
Dividend yield	N/A	N/A	N/A	N/A	N/A
IPS vs. consensus			N/A	N/A	N/A

Source: Company, Indo Premier

Share price closing as of: 23 Oct 2025

Fig. 1: Forecast changes summary

Forecast changes (US\$ mn)	Previous			New			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Net revenue	256	305	305	276	282	300	8%	-8%	-2%
Cost of sales	(177)	(207)	(225)	(201)	(210)	(244)	14%	2%	8%
Gross profit	79	98	80	75	71	57	-6%	-27%	-29%
SG&A Expenses	(22)	(26)	(26)	(23)	(24)	(25)	4%	-9%	-4%
Operating profit	57	72	54	52	48	32	-10%	-34%	-41%
Net interest	0	(15)	(19)	0	5	1	#DIV/0!	-133%	-104%
Others	0	0	0	0	0	0	N/A	N/A	N/A
Pre-tax income	57	57	35	52	53	33	-10%	-8%	-7%
Income tax	(13)	(13)	(8)	(11)	(12)	(7)	-10%	-8%	-7%
Minority interest	(10)	(10)	(6)	(9)	(9)	(5)	-11%	-11%	-10%
Net income	35	35	22	32	32	20	-10%	-7%	-6%

Source: Company, Indo Premier

Fig. 2: 9M25 financial summary

ESSA 9M25 results	9M25	9M24	yoy%	3Q25	3Q24	yoy%	2Q25	qoq%	IPS FY25F	% of IPS
Revenue	200	230	-13%	63	79	-20%	68	-8%	256	78%
COGS	(145)	(149)	-3%	(45)	(49)	-8%	(52)	-13%	(177)	82%
Gross profit	56	81	-32%	17	29	-40%	16	10%	79	70%
Gross margin	28%	35%		28%	37%		23%		36%	
Opex	(18)	(18)	-1%	(6)	(6)	7%	(4)	41%	(22)	83%
EBIT	37	63	-41%	11	24	-52%	12	-1%	57	65%
EBIT margin	19%	27%		18%	30%		17%		27%	
Depreciation	37	35	6%	13	12	14%	13	5%	47	78%
EBITDA	74	98	-24%	25	35	-30%	24	2%	104	71%
EBITDA margin	37%	42%		39%	45%		35%		41%	
Interest income	2	3	-28%	1	1	-13%	1	20%	5	48%
Interest expense	(4)	(8)	-55%	(1)	(2)	-44%	(1)	11%	(5)	73%
Others	(0)	(0)	-50%	(0)	0	-158%	0	-305%		
Pre-tax profit	36	58	-38%	11	23	-51%	11	-2%	57	63%
Income tax	(8)	(13)	-40%	(2)	(5)	-54%	(2)	-1%	(13)	60%
Minority interest	(7)	(11)	-39%	(2)	(5)	-52%	(2)	3%	(10)	71%
Net profit	21	34	-37%	6	13	-50%	7	-4%	35	61%
Net margin	11%	15%		10%	17%		10%		15%	

Source: Company, Indo Premier

Fig. 3: 9M25 operational summary

Operational summary	9M25	9M24	yoy%	3Q25	3Q24	yoy%	2Q25	qoq%	IPS FY25F	% of IPS
Ammonia (k mt)	545	570	-4%	174	189	-8%	182	-4%	648	84%
Utilization rate (%)	115%	115%		130%	118%		112%		115%	
LPG (k mt)	48	52	-8%	15	17	-10%	15	0%	69	69%
Utilization rate (%)	110%	120%		107%	119%		107%		125%	
Ammonia ASP (US\$/mt)	312	345	-10%	309	357	-13%	288	7%	333	94%
LPG ASP (US\$/mt)	585	596	-2%	527	583	-10%	677	-22%	540	108%

Source: Company, Indo Premier

Fig. 4: SOTP valuation summary

SOTP Valuation	US\$m n
Ammonia (70% ownership)	662
LPG	170
Asset value	831
Cash	80
Debt	-
Equity value	911
USD/IDR	16,000
Outstanding shares	17,227
Target price	850
Current share price	605
Upside/(downside)	40%

Source: Company, Indo Premier

Income Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net revenue	345	301	276	282	300
Cost of sales	(242)	(193)	(201)	(210)	(244)
Gross profit	103	108	75	71	57
Opex	(26)	(26)	(23)	(24)	(25)
Operating profit	77	82	52	48	32
Net interest	(15)	(5)	0	5	1
Others	(0)	0	0	0	0
Pre-tax income	62	77	52	53	33
Income tax	(15)	(16)	(11)	(12)	(7)
Minority interest	(12)	(15)	(9)	(9)	(5)
Net Income	35	45	32	32	20

Balance Sheet (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Cash & Equivalent	98	157	80	92	79
Receivable	38	22	20	20	21
Inventory	25	28	22	23	27
Other Current Assets	18	11	11	11	11
Total Current Assets	179	219	134	147	138
Fixed Assets - Net	493	451	485	713	849
Other non-Current Assets	24	24	24	24	24
Total non-current assets	517	475	509	737	872
Total Assets	695	694	642	884	1,011
Payable	12	10	10	11	13
ST Bank Loan	0	34	0	0	0
Current Portion of LT Loans	106	42	0	0	0
Other Current Liabilities	7	6	6	6	6
Total Current Liabilities	125	93	17	17	19
Long Term Loans	55	16	0	200	300
Other LT Liabilities	18	31	31	31	31
Total Liabilities	198	140	48	248	350
Equity	146	145	145	145	145
Retained Earnings	210	253	284	316	336
Others	23	19	19	19	19
Minority Interest	118	137	146	155	160
Total SHE + Minority Int.	498	554	594	635	661
Total Liabilities & Equity	695	694	642	884	1,011

Source: Company, Indo Premier

Cash Flow Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
EBIT	77	82	52	48	32
Depr. & amortization	47	46	47	52	70
Net interest	(15)	(5)	0	5	1
Changes in working capital	17	11	8	(1)	(3)
Others	25	9	(11)	(12)	(7)
Cash flow from operating	151	143	96	92	93
Capital expenditure	(3)	(5)	(81)	(281)	(206)
Others	0	5	0	0	0
Cash flow from investing	(3)	(0)	(81)	(281)	(206)
Loans	(109)	(69)	(92)	200	100
Equity	41	(5)	0	0	0
Dividends	0	0	0	0	0
Others	(130)	(10)	0	0	0
Cash flow from financing	(198)	(84)	(92)	200	100
Changes in cash	(49)	59	(77)	12	(13)

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	30%	36%	27%	25%	19%
Operating margin	22%	27%	19%	17%	11%
Pre-tax margin	18%	25%	19%	19%	11%
Net margin	10%	15%	11%	11%	7%
ROA	5%	7%	5%	4%	2%
ROE	7%	8%	5%	5%	3%
ROIC	14%	17%	10%	6%	4%
Acct. receivables TO (days)	9	14	14	14	14
Inventory TO (days)	6	9	10	10	11
Acct. payables TO (days)	20	19	19	19	19
Debt to equity	32%	17%	0%	31%	45%
Interest coverage ratio (x)	7.0	12.7	19.7	N/A	N/A
Net gearing	13%	-12%	-14%	17%	33%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

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