INDOPREMIER

Indo Tambangraya Megah

HOLD *(unchanged)*

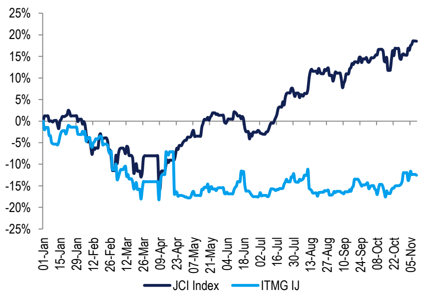
Company Update | Coal | ITMG IJ | 11 November 2025

Stock Data

Target price	**Rp21,000**
Prior TP	*Rp21,000*
Current price	Rp23,350
Upside/downside	*-10%*
Shares outstanding (mn)	1,130
Market cap (Rp bn)	26,384
Free float	35%
Avg. 6m daily T/O (Rp bn)	35

Price Performance

	3M	6M	12M
Absolute	0.0%	5.7%	-7.5%
Relative to JCI	-11.4%	-17.2%	-22.7%
52w low/high (Rp)		21,825 – 28,200	



Major Shareholders

Banpu Minerals	65.1%

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3Q25 results: improvement on qoq profit but overall 9M25 still came below

- ITMG 9M25 NP of US$131mn (-52% yoy) came below ours and consensus FY25F forecast at 69% and 56% respectively.
- Production was in-line with guidance (at 72%) but sales volume was below (at 66%), while SR of 9.6x remained well below guidance of 10.5x.
- We maintain our earnings estimates for now and reiterate Hold at unchanged TP of Rp21,000.

3Q25 NP surged on higher sales volume and cash margin

ITMG reported 9M25 NP of US$131mn (-52% yoy), which came below ours and consensus FY25F forecast at 69% and 56% respectively. The miss was largely driven by lower-than-expected sales volume (66% FY25F guidance) amid unusually high rainfall in 1H25. On quarterly basis, 3Q25 NP surged to US$40mn (+52% qoq), driven by higher sales volume (+5% qoq) and higher cash margin (+3% qoq).

9M25 sales was below despite in-line production

Production slightly declined to 5Mt (-2% qoq) and was below ITMG's quarterly guidance of 5.5Mt. However, sales volume improved to 6.1Mt (+5% qoq), on the back of higher own mine sales of 5Mt (+6% qoq), while trading volume remained stable at 1.1Mt (flat qoq). Meanwhile, stripping ratio remained flattish at 9.6x and well below ITMG's FY25F guidance of 10.5x, likely due to weak coal prices. Overall, 9M25 production of 15.4Mt (+4% yoy) was roughly in-line with ours and ITMG's guidance (at 72%) but sales volume of 17.8Mt (+4% yoy) was below (at 67/68% respectively, possibly indicating soft seaborne demand.

Cash cost declined on lower coal purchase cost

3Q25 ASP remained relatively flattish at US$73/t (-1% qoq) despite strong Newcastle price (+9% qoq). However, cash cost declined to US$62/t (-2% qoq) primarily driven by lower coal purchase cost per ton (c.-23% qoq), resulting in cash margin improvement to US$11/t (+3% qoq). Note that equipment rental cost was negative in 3Q25 due to change in accounting treatment that reclassifies heavy equipment rental to mining cost.

Maintain Hold at unchanged TP of Rp21,000

We maintain our NP estimates for now as we await further clarity from ITMG's earnings call and reiterate our Hold rating at unchanged TP of Rp21,000. Note that ITMG continue to hold ample cash reserve of US$1bn (61% of market cap) and has obtained approval from shareholders on 3Nov to allocate Rp2.5tr for buyback program with 1 year period starting 4Nov. Downside risk is soft China/India demand leading to softer seaborne demand and coal price.

Financial Summary (US$ mn)	2023A	2024A	2025F	2026F	2027F
Revenue	2,374	2,304	2,168	2,100	2,046
EBITDA	669	528	262	148	144
Net profit	500	374	193	102	98
EPS growth	-58%	-25%	-48%	-47%	-4%
ROE	28%	19%	10%	5%	5%
PER (x)	3.2	4.2	8.2	15.6	16.2
EV/EBITDA (x)	1.2	1.3	2.7	4.7	4.6
Dividend yield	42.4%	13.6%	14.0%	6.0%	4.1%
IPS vs. consensus			82%	46%	45%

Source: Company, Indo Premier *Share price closing as of: 11 Nov 2024*

Fig. 1: 1Q25 earnings summary

ITMG 9M25 results	9M25	9M24	% yoy	3Q25	3Q24	% yoy	2Q25	% qoq	IPS FY25F	% of IPS	Cons FY25F	% of cons
Revenue	1,369	1,657	-17%	450	608	-26%	437	3%	2,168	63%	2,028	68%
COGS	(1,042)	(1,178)	-12%	(348)	(403)	-14%	(348)	0%	(1,751)	60%	(1,551)	67%
Gross profit	**327**	**480**	**-32%**	**102**	**204**	**-50%**	**89**	**14%**	**417**	**78%**	**477**	**69%**
Gross profit margin (%)	24%	29%		23%	34%		20%		28%		24%	
Opex	(147)	(153)	-4%	(47)	(55)	-14%	(45)	5%	(195)	75%	(213)	69%
EBIT	**180**	**327**	**-45%**	**55**	**149**	**-63%**	**44**	**24%**	**222**	**81%**	**264**	**68%**
EBIT margin (%)	13%	20%		12%	25%		10%		20%		13%	
Depreciation & amortization	53	31	67%	17	12	46%	26	-34%	41	129%	72	73%
EBITDA	**232**	**358**	**-35%**	**72**	**161**	**-55%**	**70**	**3%**	**262**	**89%**	**336**	**69%**
EBITDA margin (%)	17%	22%		16%	26%		16%		22%		17%	
Interest income	31	30	2%	11	10	4%	9	15%	30	104%		
Interest expense	(7)	(3)	174%	(2)	(1)	87%	(4)	-52%	(4)	180%		
Forex gain/(loss)	(1)	6	-119%	(0)	27	-101%	5	-105%	0	N/A		
Others	(1)	(1)	-20%	1	5	-89%	(3)	-122%	0	N/A		
Profit before tax	**201**	**359**	**-44%**	**64**	**190**	**-66%**	**52**	**24%**	**247**	**81%**	**495**	**41%**
Income tax	(67)	(87)	-22%	(24)	(46)	-49%	(24)	-2%	(54)	123%		
Tax rate (%)	33%	24%		37%	24%		47%		0%			
Minority interest	(4)	0	######	(1)	(0)	251%	(2)	-64%	(0)	1445%		
Net profit	**131**	**273**	**-52%**	**40**	**144**	**-72%**	**26**	**52%**	**193**	**68%**	**235**	**56%**
Net margin (%)	10%	16%		9%	24%		6%		9%			
Core profit	**131**	**274**	**-52%**	**39**	**140**	**-72%**	**27**	**43%**	**193**	**68%**	**235**	**56%**

Source: Company, Indo Premier

Fig. 2: Operational summary

Operational summary	9M25	9M24	% yoy	3Q25	3Q24	% yoy	2Q25	% qoq	IPS FY25F	% of IPS	ITMG FY25F	% of ITMG
Production volume (Mt)	15.4	14.8	4%	5.0	5.6	-11%	5.1	-2%	21.5	72%	21.4	72%
Sales volume (Mt)	17.8	17.1	4%	6.1	6.3	-3%	5.8	5%	26.5	67%	26.9	66%
Mine sales volume (Mt)	*14.5*	*13.8*	*5%*	*5.0*	*5.2*	*-3%*	*4.7*	*6%*	*21.5*	*67%*	*21.4*	*68%*
Trading volume (Mt)	*3.3*	*3.3*	*0%*	*1.1*	*1.2*	*-4%*	*1.1*	*0%*	*5.0*	*66%*	*5.5*	*60%*
ASP (US$/t)	76	96	-21%	73	96	-24%	74	-1%	81	94%		
Domestic	*#DIV/0!*	*83*	*N/A*	*0*	*84*	*-100%*	*59*	*-100%*	*72*	*#####*		
Export	*#DIV/0!*	*100*	*N/A*	*0*	*99*	*-100%*	*79*	*-100%*	*84*	*#####*		
Cash cost (US$/t)	64	76	-16%	62	71	-13%	63	-2%	72	89%		
Stripping ratio (x)	9.3	10.2	-9%	9.6	9.6	0%	9.7	-1%	10.5	89%	10.5	89%

Source: Company, Indo Premier

Fig. 3: Valuation summary

Multiple based valuation summary	US$mn
FY25F NP	193
Target multiple (x)	7
Equity value (US$mn)	**1,440**
USD/IDR	16,300
Outstanding shares (bn)	1.1
Target price (Rp/sh)	**21,000**
Current price (Rp/sh)	23,350
Upside/(downside)	-10%

Source: Company, Indo Premier

Income Statement	**2023A**	**2024A**	**2025F**	**2026F**	**2027F**
Net revenue	2,374	2,304	2,168	2,100	2,046
Cost of sales	(1,632)	(1,606)	(1,751)	(1,806)	(1,762)
Gross profit	**743**	**699**	**417**	**294**	**284**
SG&A Expenses	(137)	(215)	(195)	(189)	(184)
Operating profit	**605**	**483**	**222**	**105**	**99**
Net interest	32	37	26	26	27
Forex gain (loss)	0	(11)	0	0	0
Others	7	(15)	0	0	0
Pre-tax income	**644**	**495**	**247**	**131**	**126**
Income tax	(144)	(119)	(54)	(29)	(28)
Minority interest	1	(1)	(0)	(0)	(0)
Net income	**500**	**374**	**193**	**102**	**98**

Balance Sheet	**2023A**	**2024A**	**2025F**	**2026F**	**2027F**
Cash & equivalent	851	990	961	966	994
Receivable	197	184	173	168	164
Inventory	98	85	100	103	101
Other current assets	133	146	146	146	146
Total current assets	**1,280**	**1,405**	**1,380**	**1,383**	**1,404**
Fixed assets	168	178	185	194	202
Other non-current assets	740	824	824	824	824
Total non-current assets	**908**	**1,002**	**1,010**	**1,018**	**1,026**
Total assets	**2,188**	**2,407**	**2,390**	**2,401**	**2,431**
ST loans	25	21	21	21	21
Payable	110	133	146	151	147
Other payables	16	4	4	4	4
Current portion of LT loans	144	156	156	156	156
Total current liab.	**294**	**314**	**326**	**331**	**327**
Long term loans	8	45	45	45	45
Other LT liab.	97	114	114	114	114
Total liabilities	**399**	**473**	**485**	**490**	**486**
Equity	437	437	437	437	437
Retained earnings	1,341	1,494	1,464	1,471	1,504
Minority interest	1	6	6	6	6
Others	9	(3)	(3)	(3)	(3)
Total SHE + minority int.	**1,789**	**1,934**	**1,905**	**1,911**	**1,945**
Total liabilities & equity	**2,188**	**2,407**	**2,390**	**2,401**	**2,431**

Source: Company, Indo Premier

Cash Flow Statement	2023A	2024A	2025F	2026F	2027F
Net income	500	374	193	102	98
Depr. & amortization	64	45	41	43	45
Changes in working capital	47	50	8	7	3
Others	(390)	(17)	(0)	0	0
Cash flow from operating	**221**	**452**	**241**	**152**	**146**
Capital expenditure	(53)	(62)	(48)	(51)	(53)
Others	(85)	(47)	0	0	0
Cash flow from investing	**(138)**	**(109)**	**(48)**	**(51)**	**(53)**
Loans	6	(12)	0	0	0
Equity	4	19	0	0	0
Dividends	(674)	(216)	(222)	(96)	(65)
Others	(3)	11	0	0	0
Cash flow from financing	**(666)**	**(199)**	**(222)**	**(96)**	**(65)**
Changes in cash	**(579)**	**139**	**(30)**	**5**	**28**

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	31%	30%	19%	14%	14%
Operating margin	26%	21%	10%	5%	5%
Pre-tax margin	27%	21%	11%	6%	6%
Net margin	21%	16%	9%	5%	5%
ROA	23%	16%	8%	4%	4%
ROE	28%	19%	10%	5%	5%
Acct. receivables TO (days)	12	13	13	13	13
Inventory TO (days)	17	19	18	18	18
Payable TO (days)	15	12	12	12	12
Debt to equity	3%	4%	4%	4%	4%
Interest coverage ratio (x)	230	130	63	35	35
Net gearing	-45%	-48%	-47%	-47%	-48%

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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