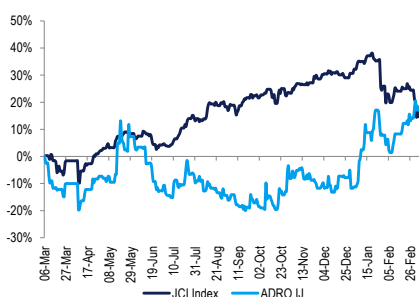


Stock Data

Target price	Rp3,600
Prior TP	Rp2,800
Current price	Rp2,400
Upside/downside	+50%
Shares outstanding (mn)	29,390
Market cap (Rp bn)	70,535
Free float	26%
Avg. 6m daily T/O (Rp bn)	337

Price Performance

	3M	6M	12M
Absolute	32.6%	36.4%	17.1%
Relative to JCI	44.8%	39.9%	2.4%
52w low/high (Rp)	1,640 – 2,470		



Major Shareholders

Adaro Strategic Investment	43.9%
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4Q25 result: stellar ADMR volume and margin; FY25 was a beat

- ADRO reported FY25 NP of US\$448mn (-73% yoy) which came in-line with ours but above consensus FY25F estimates at 99/120%.
- 4Q25 NP rose to US\$146mn (+15% qoq); strong ADMR volume/margin (+24/+17% qoq) was partly offset by soft SIS and ECL provision.
- We upgrade our FY26/27F NP estimates by 31/42%, reflecting higher coking coal price assumption; reiterate Buy at higher TP of Rp3,600.

Solid 4Q25 NP on stellar ADMR volume and margin; FY25 above cons

ADRO reported FY25 NP of US\$448mn (-73% yoy), in-line with ours (at 99%) but above consensus FY25F forecast (at 120%), mainly due to lower-than-expected opex (50% consensus). On quarterly basis, 4Q25 NP rose to US\$146mn (+15% qoq), driven by a surge in ADMR sales volume and cash margin (+24/+17% qoq), but was partly offset by soft SIS volumes and margin (-14/-2% qoq), in addition to ADMR’s US\$34mn ECL allowance. Below operating line, income from associates more than doubled to US\$14mn supported by improving performance at BPI.

ADMR: sales volume and cash margin surged

ADMR 4Q25 production volume remained stable at 2Mt in 4Q25 (+2% qoq), while sales volume surged to 1.9Mt (+21% qoq) following easing logistical constraints. FY25 sales volume of 6.3Mt (+12% yoy) exceeded ADMR’s FY25F guidance (at 105%). ASP rose to US\$159/t in 4Q25 (+7% qoq), in-line with coking coal index (+8% qoq). Meanwhile, cash cost declined to US\$85/t (-1% qoq) on the back of lower SR of 3.5x (-8% qoq), lifting cash margin to US\$74/t (+17% qoq). ([ADMR result note](#)).

SIS: NP dropped on lower volumes

SIS coal transport and OB volume declined to 16.7Mt/51.4mbcm in 4Q25 (-4/-16% qoq), likely due to seasonality. As a result, cash cost rose to US\$1.9/t (+2% qoq) due to operating leverage and cash margin declined to US\$1.3/t (-2% qoq). SIS 4Q25 NP declined to US\$26mn (-57% qoq).

Reiterate our Buy rating at higher SOTP-based TP of Rp3,600/sh

We upgrade our FY26/27F NP estimates by 31/42% to mainly reflect higher coking coal price assumption of US\$220/t (from US\$200/t previously) and incorporating ADMR’s aluminium project into our model. Consequently, we upgrade our SOTP-based TP to Rp3,600/sh (from Rp2,800/sh previously) and reiterate our Buy rating. We continue to believe ADRO’s intrinsic value remains underappreciated, with IPS TP excl. green business at Rp3,000/sh. Key downside risks are lower than expected coking coal price, delays in aluminium ramp up or future project expansion, and capex overrun.

Financial Summary (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Revenue	2,079	1,874	3,410	3,856	3,926
EBITDA	960	783	1,098	1,297	1,329
Net profit	1,380	448	709	845	862
EPS growth	-16%	-68%	58%	19%	2%
ROE	28%	10%	14%	0%	0%
PER (x)	3.5	10.7	6.8	5.7	5.6
EV/EBITDA (x)	4.0	5.7	4.0	3.1	2.7
Dividend yield	16.7%	16.7%	3.7%	5.9%	7.0%
IPS vs. consensus			138%	137%	113%

Source: Company, Indo Premier

Share price closing as of: 6 March 2026

Fig. 1: Forecast changes summary

Forecast changes summary	Previous			New			Changes		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Revenue	1,966	2,132	3,926	3,410	3,856	3,926	73%	81%	0%
COGS	(1,213)	(1,291)	(2,559)	(2,291)	(2,517)	(2,559)	89%	95%	0%
Gross profit	753	841	1,367	1,119	1,339	1,367	49%	59%	0%
Gross margin	38%	39%	35%	33%	35%	35%	-14%	-12%	0%
Opex	(150)	(163)	(275)	(239)	(270)	(275)	59%	66%	0%
EBIT	603	678	1,092	880	1,069	1,092	46%	58%	0%
EBIT margin	31%	32%	28%	26%	28%	28%	-16%	-13%	0%
Interest income	120	120	100	100	100	100	-17%	-17%	0%
Interest expense	(25)	(25)	(25)	(25)	(25)	(25)	0%	0%	0%
Income from associates	50	50	30	30	30	30	-40%	-40%	0%
Others	0	0	0	0	0	0	N/A	N/A	N/A
Pre-tax income	748	823	1,197	985	1,174	1,197	32%	43%	0%
Income tax	(150)	(165)	(239)	(197)	(235)	(239)	32%	43%	0%
Minority interest	(56)	(62)	(96)	(79)	(94)	(96)	40%	52%	0%
Net profit	542	597	862	709	845	862	31%	42%	0%
Net margin	28%	28%	22%	21%	22%	22%	-25%	-22%	0%

Source: Company, Indo Premier

Fig. 2: FY25 result summary

ADRO FY25 results	FY25	FY24	% yoy	4Q25	4Q24	% yoy	3Q25	% qoq	IPS FY25F	% of IPS	Cons FY25F	% of cons
Revenue	1,874	2,135	-12%	525	(2,373)	-122%	490	7%	1,821	103%	1,838	102%
COGS	(1,237)	(1,268)	-2%	(352)	1,490	-124%	(311)	13%	(1,184)	104%	(1,143)	108%
Gross profit	637	868	-27%	173	(883)	-120%	179	-3%	637	100%	695	92%
Gross profit margin (%)	34%	41%		33%	37%		37%		35%		38%	
Opex	(107)	(94)	14%	(20)	115	-117%	(27)	-27%	(121)	89%	(214)	50%
EBIT	529	774	-32%	153	(768)	-120%	152	1%	516	103%	481	110%
EBIT margin (%)	28%	36%		29%	32%		31%		28%		26%	
Depreciation & amortization	253	226	12%	84	(23)	-460%	60	40%	222	114%	143	177%
EBITDA	783	1,000	-22%	237	(791)	-130%	212	12%	738	106%	624	125%
EBITDA margin (%)	42%	47%		45%	33%		43%		41%		34%	
Interest income	98	66	48%	17	(2)	-924%	21	-18%	120	81%		
Interest expense	(19)	(65)	-71%	(2)	17	-112%	(7)	-70%	(25)	74%		
Income from associates	16	52	-70%	14	(23)	-161%	6	158%	15	106%		
Others	(12)	1,193	-101%	8	879	-99%	0	2903%	0	N/A		
Profit before tax	612	2,020	-70%	191	102	87%	172	11%	626	98%	536	114%
Income tax	(123)	(165)	-26%	(34)	128	-126%	(35)	-2%	(125)	98%		
Tax rate (%)	20%	8%		18%	-126%		20%		20%			
Minority interest	(42)	(176)	-76%	(11)	(33)	-66%	(11)	3%	(47)	90%		
Net profit	448	1,679	-73%	146	197	-26%	127	15%	454	99%	373	120%
Net margin (%)	24%	79%		28%	-8%		26%		25%			
Core profit	457	584	-22%	139	(1,784)	-108%	126	10%	454	101%		

Source: Company, Indo Premier

Fig. 3: FY25 operational summary

Operational summary	FY25	FY24	% yoy	4Q25	4Q24	% yoy	3Q25	% qoq	IPS FY25F	% of IPS	ADRO FY25F	% of ADRO
ADMR												
Production (Mt)	7.4	6.6	▲ 12%	2.0	1.8	▲ 11%	2.0	2%	6.0	124%	6.0	124%
Sales volume (Mt)	6.3	5.6	▲ 12%	1.9	1.8	▲ 2%	1.5	21%	6.0	105%	6.0	105%
Coking ASP (US\$/t)	153.9	205.0	▼ -25%	158.8	170.3	▼ -7%	148.9	7%	153.9	100%		
Coking cash cost (US\$/t)	85.9	95.4	▼ -10%	85.1	88.1	▼ -3%	86.0	-1%	81.0	106%		
SR (x)	3.6	3.6	▲ 0%	3.5	3.6	▼ -2%	3.8	-8%	3.6	99%	3.6	99%
SIS												
OB volume (mbcm)	201.0	201.5	▲ 0%	51.4	50.4	▲ 2%	61.5	-16%	200.0	101%		
Transport volume (Mt)	66.6	64.8	▲ 3%	16.7	15.2	▲ 10%	17.4	-4%	65.0	102%		
Mining fee (US\$/t)	3.2	3.2	▲ 1%	3.2	12.9	▼ -75%	3.2	1%	3.2	101%		
Mining cost (US\$/t)	2.1	1.8	▲ 13%	1.9	7.5	▼ -74%	1.9	2%	2.1	99%		

Source: Company, Indo Premier

Fig. 4: SOTP valuation

SOTP valuation summary	US\$m n	Remarks
ADMR	3,674	DCF - WACC 11.6%; LT growth 0%
Mining contracting	1,581	Multiple target - 5.5x FY24F P/E
ADRO Green	1,000	DCF - WACC 8%; LT growth 2%
Equity value (US\$m n)	6,255	
USD/IDR	16,700	
Outstanding shares	29.4	
Target price (Rp/sh)	3,600	
Current price	2,400	
Upside/down side	50%	
Implied FY26F P/E	8.8	

Source: Indo Premier

Income Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net revenue	2,079	1,874	3,410	3,856	3,926
Cost of sales	(1,205)	(1,237)	(2,291)	(2,517)	(2,559)
Gross profit	874	637	1,119	1,339	1,367
SG&A Expenses	(140)	(107)	(239)	(270)	(275)
Operating profit	734	529	880	1,069	1,092
Net interest	66	79	75	75	75
Forex gain (loss)	33	16	30	30	30
Others	896	(12)	0	0	0
Pre-tax income	1,728	612	985	1,174	1,197
Income tax	(172)	(123)	(197)	(235)	(239)
Minority interest	(176)	(42)	(79)	(94)	(96)
Net income	1,380	448	709	845	862
Balance Sheet (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	1,406	1,044	1,156	1,516	1,819
Receivable	350	393	715	809	823
Inventory	100	116	215	236	240
Other current assets	750	654	654	654	654
Total current assets	2,606	2,207	2,740	3,214	3,536
Fixed assets	1,529	2,361	2,569	2,769	2,962
Other non-current assets	2,567	2,249	2,263	2,276	2,287
Total non-current assets	4,096	4,610	4,832	5,045	5,248
Total assets	6,702	6,817	7,572	8,259	8,785
ST loans	158	171	318	349	355
Payable	30	41	41	41	41
Other payables	459	649	649	649	649
Current portion of LT loans	647	861	1,007	1,038	1,044
Total current liab.	433	704	704	704	604
Long term loans	251	248	248	248	248
Other LT liab.	684	952	952	952	852
Total liabilities	1,331	1,813	1,959	1,990	1,896
Equity	329	315	315	315	315
Retained earnings	3,395	3,291	3,821	4,383	4,907
Minority interest	1,647	1,398	1,477	1,571	1,667
Total SHE + minority int.	5,371	5,004	5,613	6,269	6,888
Total liabilities & equity	6,702	6,817	7,572	8,259	8,785

Source: Company, Indo Premier

Cash Flow Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
EBIT	1,380	448	709	845	862
Depr. & amortization	226	253	217	228	236
Changes in working capital	55	(46)	(275)	(83)	(13)
Others	355	(61)	79	94	96
Cash flow from operating	2,016	594	731	1,084	1,181
Capital expenditure	(989)	(1,085)	(440)	(440)	(440)
Others	2,424	554	0	0	0
Cash flow from investing	1,434	(531)	(440)	(440)	(440)
Loans	(165)	283	0	0	(100)
Equity	(20)	(338)	0	0	0
Dividends	(800)	(800)	(179)	(284)	(338)
Others	(2,657)	450	0	0	0
Cash flow from financing	(3,642)	(405)	(179)	(284)	(438)
Changes in cash	(1,905)	(362)	112	360	303

Key Ratios (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Gross margin	42%	34%	33%	35%	35%
Operating margin	35%	28%	26%	28%	28%
Pre-tax margin	83%	33%	29%	30%	30%
Net margin	66%	24%	21%	22%	22%
ROA	21%	7%	9%	10%	10%
ROE	28%	10%	14%	15%	14%
Acct. receivables TO (days)	5.9	4.8	4.8	4.8	4.8
Inventory TO (days)	12.0	10.7	10.7	10.7	10.7
Payable TO (days)	7.6	7.2	7.2	7.2	7.2
Debt to equity	0.1	0.2	0.1	0.1	0.1
Interest coverage ratio (x)	17.7	42.3	(36.6)	(43.2)	(44.3)
Net gearing	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)

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

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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