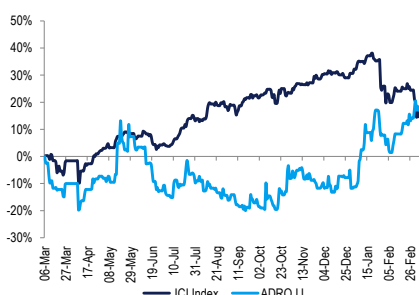


Stock Data

Target price	Rp3,600
Prior TP	Rp3,600
Current price	Rp2,520
Upside/downside	+42.9%
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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1Q26 result: soft NP on lower volumes, but was in-line against consensus

- ADRO reported 1Q26 NP of US\$128mn (-12% yoy) which came optically below ours but in-line with consensus FY26F estimates at 18/25%.
- ADMR is only expected to start recording aluminum sales in 2H26F and thus NP will only start catching up by then.
- We maintain our NP estimates for now and maintain Buy at unchanged TP of Rp3,600.

1Q26 NP declined from lower sales volumes; but was in-line to cons

ADRO 1Q26 NP declined to US\$128mn (-12% qoq/+23% yoy) on the back of lower coking coal sales volume (-22% qoq), in addition to lower SIS volume and margin (-13/-22% qoq). 1Q26 NP came optically below ours and in-line with consensus FY26F estimates at 18/25% as ADMR's aluminium plant is only expected to record sales in 2H26F. Below operating line, income from associates surged to US\$25mn (+78% qoq), thanks to improving BPI earnings.

ADMR: higher cash margin was offset by lower sales volume

ADMR 1Q26 production declined 14% qoq to 1.7Mt on higher rainfall, while sales was worse off at 1.5Mt (-22% qoq), likely due to logistical constraints. ASP rose to US\$182/t (+15% qoq), in-line with higher coking coal price. At the same time, cash cost rose to US\$94/t (+10% qoq) on the back of higher SR of 3.6x (+4% qoq), mining cost per ton (+13% qoq) from rising fuel price (Brent: +17% qoq), and higher royalty rate of 15% (4Q25: 12%). Nonetheless, cash margin still rose to US\$88/t (+17% qoq). Overall, sales and SR were in-line with ADMR's FY26F guidance ([link](#)).

SIS: cash margin declined on lower sales volume

SIS coal transport and OB volume declined to 15.3Mt/43.9mbcm (-9/-15% qoq) on the back of higher rainfall. As a result, cash cost rose to US\$2.3/t (+18% qoq) from underutilization, while mining fee remained relatively flattish at US\$3.3/t (+2% qoq). As a result, cash margin declined to US\$1/t (-22% qoq).

Maintain our Buy rating at unchanged SOTP-based TP of Rp3,600/sh

We maintain our NP estimates for now as we await clarity from management and maintain our Buy rating at unchanged SOTP-based TP of Rp3,600/sh. 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, capex overrun, B50 implementation, and rising fuel cost from Middle East tension.

Financial Summary (US\$ mn)	2024A	2025A	2026F	2027F	2028F
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			136%	124%	92%

Source: Company, Indo Premier

Share price closing as of: 30 April 2026

Fig. 1: 1Q26 result summary

	1Q26	1Q25	% yoy	4Q25	% qoq	IPS FY26F	% of IPS	Cons FY26F	% of cons
Revenue	471	382	23%	525	-10%	3,410	14%	2,649	18%
COGS	(292)	(271)	8%	(352)	-17%	(2,291)	13%	(1,668)	18%
Gross profit	179	110	62%	173	3%	1,119	16%	981	18%
Gross profit margin (%)	38%	29%		33%		33%		37%	
Opex	(32)	(31)	5%	(20)	63%	(239)	14%	(287)	11%
EBIT	146	79	84%	153	-5%	880	17%	694	21%
EBIT margin (%)	31%	21%		29%		26%		26%	
Depreciation & amortization	54	54	1%	84	-35%	217	25%	310	18%
EBITDA	201	133	51%	237	-15%	1,098	18%	1,004	20%
EBITDA margin (%)	43%	35%		45%		32%		38%	
Interest income	15	32	-53%	17	-13%	100	15%		
Interest expense	(2)	(5)	-68%	(2)	-14%	(25)	7%		
Income from associates	25	2	941%	14	78%	30	84%		
Others	(5)	(3)	58%	8	-156%	0	N/A		
Profit before tax	180	106	70%	191	-6%	985	18%	902	20%
Income tax	(37)	(19)	97%	(34)	8%	(197)	19%		
Tax rate (%)	20%	18%		18%		20%			
Minority interest	(16)	(11)	46%	(11)	38%	(79)	20%		
Net profit	128	77	67%	146	-12%	709	18%	522	25%
Net margin (%)	27%	20%		28%		21%			
Core profit	132	79	67%	139	-5%	709	19%		

Source: Company, Indo Premier

Fig. 2: 1Q26 operational summary

Operational summary	1Q26	1Q25	% yoy	4Q25	% qoq	IPS FY26F	% of IPS	ADRO FY26F	% of ADRO
ADMR									
Production (Mt)	1.7	1.6	8%	2.0	-14%	8.0	21%	6.0	29%
Sales volume (Mt)	1.5	1.3	14%	1.9	-22%	7.0	21%	6.0	24%
Coking ASP (US\$/t)	182.2	154.6	18%	158.8	15%	182.6	100%		
Coking cash cost (US\$/t)	93.9	87.3	8%	85.1	10%	90.7	104%		
SR (x)	3.6	3.6	3%	3.5	4%	3.7	99%	3.6	101%
SIS									
OB volume (mbcm)	43.9	37.1	18%	51.4	-15%	210.0	21%		
Transport volume (Mt)	15.3	15.7	-3%	16.7	-9%	75.0	20%		
Mining fee (US\$/t)	3.3	3.2	2%	3.2	2%	3.2	103%		
Mining cost (US\$/t)	2.3	2.6	-11%	1.9	18%	2.1	108%		

Source: Company, Indo Premier

Fig. 3: 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	2,520	
Upside/down side	43%	
Implied FY26F P/E	8.8	

Source: Indo Premier

Income Statement (US\$ mn)	2024A	2025A	2026F	2027F	2028F
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)	2024A	2025A	2026F	2027F	2028F
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)	2024A	2025A	2026F	2027F	2028F
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)	2024A	2025A	2026F	2027F	2028F
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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