INDOPREMIER

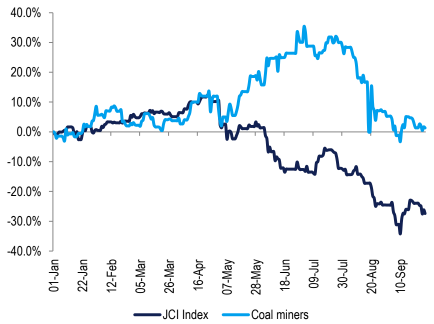
# Commodity

**OVERWEIGHT** *(unchanged)*

***Sector Update | 29 September 2026***

**Sector Index Performance**

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | -23.3% | -2.3% | 11.2% |
| Relative to JCI | -5.6% | 28.6% | 25.7% |




**Summary Valuation Metrics**

| P/E (x) | 2026F | 2027F | 2028F |
|---|---|---|---|
| AADI IJ | 5.0 | 5.6 | 5.7 |
| ADMR IJ | 9.3 | 8.0 | 6.0 |
| ADRO IJ | 8.1 | 6.7 | 6.2 |
| UNTR IJ | 8.8 | 6.2 | 4.8 |

| EV/EBITDA (x) | 2026F | 2027F | 2028F |
|---|---|---|---|
| AADI IJ | 3.1 | 2.8 | 2.4 |
| ADMR IJ | 7.6 | 6.1 | 5.2 |
| ADRO IJ | 4.8 | 3.7 | 3.2 |
| UNTR IJ | 2.7 | 2.3 | 1.7 |

| Div. Yield | 2026F | 2027F | 2028F |
|---|---|---|---|
| AADI IJ | 9.0% | 8.0% | 4.0% |
| ADMR IJ | 2.0% | 3.0% | 3.0% |
| ADRO IJ | 3.5% | 4.9% | 6.0% |
| UNTR IJ | 6.0% | 6.0% | 8.0% |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## Quick take on new Ministerial Decree with regard to affiliated mining service

- Ministerial Decree No. 365, effective on 18th Sept 2026 is set to impose stricter terms on affiliated mining services.
- Under our coverage, ADRO (via SIS) and UNTR (Pama) are likely to be the most exposed if the regulation is implemented.
- The clause dates back to the 2009 Mining Law; leaving open the possibility that current operations remain unaffected.

**Key overview of the regulation: stricter IUJP company**

ESDM has issued Ministerial Decree (Kepmen) No. 365.K/MB.01/MEM.B/2026, which took effect upon issuance on 18th September 2026. Under the decree, IUP/IUPK holders may not involve their subsidiaries or affiliates as mining contractors without the Minister's approval and must prioritise IUJP companies based in the regencies/cities surrounding the mining concessions. Approval is only available to holders carrying out a government assignment, namely: 1) National Strategic Project (PSN); 2) construction of mineral processing/refining facilities, or coal development and/or utilisation (i.e., downstreaming); and/or 3) supplying minerals or coal for domestic needs (likely to be DMO on coal for domestic needs). The decree also applies to Contract of Work (KK) and PKP2B holders, as well as IUPK holders operating as their continuation.

**Alamtri Group and United Tractors are likely to be the most affected**

The decree defines affiliation using two tests: 1) direct shareholding by the IUP/IUPK holder in the IUJP (mining services) company; or 2) one or more shared ultimate beneficial owners (UBOs) between the IUP/IUPK holder and the IUJP company, with either test alone being sufficient. As a result, several names under our coverage could be affected. These include AADI/ADMR/ADRO and SIS, which may be treated as sister companies with a shared UBO, and UNTR, given PAMA's role as mining contractor at TTA's own coal mines, with both sharing a UBO. Among non-rated names, DEWA could also be affected given its plan to grow its share of work at BUMI's KPC. By contrast, we expect limited impact on most pure-play coal/nickel IUP holders under our coverage, as they do not have in-house contracting arms and rely on third-party contractors.

**The devil is on the details; which are not yet being specified**

The key caveat lies in the exemption under the fourth provision of the decree (Fig. 1), which allows approval where affiliated contracting supports domestic supply, likely to be DMO on coal for domestic needs. Since virtually all coal IUP/IUPK holders are subject to DMO requirements, this exemption could cover most coal miners in practice – albeit it is unspecified whether only the DMO portion are allowed to be operated by affiliated entity. In addition, the decree contains no transitional provision, leaving it unclear whether approvals issued under the now-revoked 2010 regulation (Perdirjen No. 376.K/30/DJB/2010) remain valid. If existing arrangements are honoured until expiry, the near-term impact would be softer; if not, affected listed companies may need to re-apply for approval or restructure their contracting arrangements. Another caveat is the fact that previous regulation and mining law (UU) in 2009 has already prohibited affiliated company to operate in their own concession. This regulation was actually unchanged but only the exception changes; with new regulation imposing stricter terms on UBO and ownership.

**Fig. 1: Kepmen ESDM No. 365.K/MB.01/MEM.B/2026**

| No. | Diktum | Topic | Original Text (Bahasa Indonesia) | English Summary |
|---|---|---|---|---|
| 1 | **KESATU** | Mandatory use of IUJP holders; local priority | Pemegang Izin Usaha Pertambangan atau Izin Usaha Pertambangan Khusus yang menggunakan jasa pertambangan dalam kegiatan usahanya harus menggunakan perusahaan pemegang Izin Usaha Jasa Pertambangan dengan ketentuan mengutamakan perusahaan jasa pertambangan pada wilayah kabupaten/kota sekitar Wilayah Izin Usaha Pertambangan atau Wilayah Izin Usaha Pertambangan Khusus. | IUP/IUPK holders that use mining services must engage companies holding an IUJP (Mining Services Business Permit), giving priority to service companies from the regencies/cities around the WIUP/WIUPK. |
| 2 | **KEDUA** | Prohibition on using subsidiaries/affiliates | Pemegang Izin Usaha Pertambangan atau pemegang Izin Usaha Pertambangan Khusus dilarang melibatkan anak perusahaan dan/atau afiliasi dalam bidang usaha jasa pertambangan mineral dan batubara tanpa persetujuan Menteri. | IUP/IUPK holders are prohibited from involving their subsidiaries and/or affiliates in mineral and coal mining services without the Minister's approval. |
| 3 | **KETIGA** | Definition / scope of affiliation | Larangan pelibatan perusahaan dan/atau afiliasi dalam bidang usaha jasa pertambangan mineral dan batubara sebagaimana dimaksud dalam Diktum KEDUA meliputi: a. kepemilikan saham langsung pemegang Izin Usaha Pertambangan atau pemegang Izin Usaha Pertambangan Khusus pada pemegang Izin Usaha Jasa Pertambangan; atau b. kesamaan salah satu atau lebih penerima manfaat akhir (beneficial owner) dari pemegang Izin Usaha Pertambangan atau pemegang Izin Usaha Pertambangan Khusus dengan pemegang Izin Usaha Jasa Pertambangan. | The prohibition covers: (a) direct shareholding by the IUP/IUPK holder in the IUJP holder; or (b) the IUP/IUPK holder and the IUJP holder sharing one or more beneficial owners. |
| 4 | **KEEMPAT** | Sole exception: government assignment | Pengecualian penggunaan anak perusahaan dan/atau afiliasi dalam bidang usaha jasa pertambangan mineral dan batubara melalui persetujuan sebagaimana dimaksud dalam Diktum KEDUA hanya dapat diberikan kepada pemegang Izin Usaha Pertambangan atau pemegang Izin Usaha Pertambangan Khusus yang sedang menjalankan penugasan oleh Pemerintah, meliputi: a. pelaksanaan proyek strategis nasional; b. pembangunan fasilitas pengolahan dan/atau pemurnian mineral atau kegiatan pengembangan dan/atau pemanfaatan batubara; dan/atau c. pemenuhan mineral atau batubara untuk kebutuhan dalam negeri. | Approval to use subsidiaries/affiliates can only be granted to IUP/IUPK holders currently carrying out a Government assignment for: (a) a national strategic project (PSN); (b) building mineral processing/refining facilities, or coal development/utilisation activities; and/or (c) supplying minerals or coal for domestic needs. |
| 5 | **KELIMA** | Where to apply | Permohonan persetujuan penggunaan anak perusahaan dan/atau afiliasi sebagaimana dimaksud dalam Diktum KEEMPAT diajukan kepada Menteri. | Applications for approval to use subsidiaries/affiliates under KEEMPAT are submitted to the Minister. |
| 6 | **KEENAM** | Processing time | Pemberian persetujuan atas permohonan penggunaan anak perusahaan dan/atau afiliasi dalam bidang usaha jasa pertambangan mineral dan batubara oleh Menteri diberikan dalam jangka waktu 14 (empat belas) hari kerja sejak permohonan diterima secara lengkap dan benar. | The Minister grants approval within 14 working days of receiving a complete and correct application. |
| 7 | **KETUJUH** | Scope and validity of approval | Persetujuan Penggunaan anak perusahaan dan/atau afiliasi dalam bidang usaha jasa pertambangan mineral dan batubara: a. diberikan sesuai dengan bidang dan subbidang Izin Usaha Jasa Pertambangan anak perusahaan dan/atau afiliasi sesuai dengan permohonan yang diajukan; dan b. berlaku sampai dengan berakhirnya jangka waktu Izin Usaha Jasa Pertambangan anak perusahaan dan/atau afiliasi. | The approval: (a) is limited to the IUJP field and subfield of the subsidiary/affiliate as applied for; and (b) remains valid until the subsidiary/affiliate's IUJP expires. |
| 8 | **KEDELAPAN** | Governor-issued IUPs | Terhadap Izin Usaha Pertambangan yang diterbitkan oleh Gubernur sesuai dengan kewenangannya, dapat melakukan permohonan persetujuan penggunaan anak perusahaan dan/atau afiliasi kepada Gubernur. | For IUPs issued by a Governor within their authority, applications for approval may be submitted to the Governor. |
| 9 | **KESEMBILAN** | Correction of errors | Dalam hal terjadi kesalahan administratif dan/atau kesalahan evaluasi dalam proses penerbitan persetujuan atau penolakan persetujuan penggunaan anak perusahaan dan/atau afiliasi dalam bidang usaha jasa pertambangan Mineral dan Batubara, dapat dilakukan perbaikan oleh Menteri atau Gubernur sesuai dengan kewenangannya. | If an administrative and/or evaluation error occurs in issuing an approval or rejection, the Minister or Governor (per their authority) may correct it. |
| 10 | **KESEPULUH** | Application to legacy contract holders | Ketentuan di dalam Keputusan Menteri ini berlaku secara mutatis mutandis terhadap pemegang Izin Usaha Pertambangan Khusus Sebagai Kelanjutan Operasi Kontrak/Perjanjian, pemegang Kontrak Karya, dan pemegang Perjanjian Karya Pengusahaan Pertambangan Batubara. | The decree applies mutatis mutandis to holders of IUPK as Continuation of Contract/Agreement Operations, Contract of Work (KK) holders, and PKP2B (coal contract) holders. |
| 11 | **KESEBELAS** | Repeal of 2010 regulation | Pada saat Keputusan Menteri ini mulai berlaku, Peraturan Direktur Jenderal Mineral, Batubara dan Panas Bumi Nomor 376.K/30/DJB/2010 tentang Tata Cara dan Persyaratan Permohonan Persetujuan Keikutsertaan Anak Perusahaan dan/atau Afiliasi dalam Usaha Jasa Pertambangan, dicabut dan dinyatakan tidak berlaku. | On the effective date, DG Regulation No. 376.K/30/DJB/2010 on procedures and requirements for approving affiliate participation in mining services is revoked. |

*Source: Kementerian ESDM, Indo Premier*

**SECTOR RATINGS**

| | | |
|---|---|---|
| OVERWEIGHT | : | An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation |
| NEUTRAL | : | A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation |
| UNDERWEIGHT | : | An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation |

**COMPANY 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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