

Adaro Energy Tbk (ADRO IJ)

Fokus pada Pasar Asia

ADRO mencatatkan pendapatan 1Q22 sebesar USD 1.224,6 Juta (+76,9% YoY), dan laba bersih senilai USD 400,0 juta (+457,6% YoY). Faktor hujan lebat membuat produksi batubara (-6% YoY), dan volume penjualan (-3% YoY) lebih rendah, terkompensasi oleh ASP yang jauh lebih tinggi, dan efektivitas kontrol biaya. Tahun 2022, harga batubara diperkirakan tetap tinggi di tengah sentiment global.

Mempertahankan Profil Neraca yang Kuat

- ADRO mencatatkan pendapatan senilai USD 1.224,6 juta pada periode 1Q22; naik 76,9% YoY. Pencapaian ini didukung ASP yang tumbuh signifikan hingga 86% YoY.
- Produksi dan volume penjualan batubara ADRO masing-masing sebesar 12,15 Mt dan 12,20 Mt karena faktor cuaca. ADRO mencatat overburden removal 48,22 Mbcm di 1Q22, atau turun 8% secara tahunan. Sementara, strip ratio sebesar 3,97x dalam periode yang sama.
- Adapun beban pokok pendapatan naik 24% YoY menjadi USD 623 juta, terutama karena kenaikan biaya royalti sebagai akibat dari kenaikan ASP secara tahunan.
- Dari sisi bottom line, ADRO mencatatkan laba bersih 1Q22 senilai USD 400 Juta, tumbuh 457,6% YoY. Sementara itu, perusahaan juga mempertahankan profil neraca yang kuat, dengan posisi kas sebesar USD 1.555 juta.

Harga Batubara Masih Tinggi

- Harga batubara periode 1Q22 masih berada dalam fase *super-cycle*, seiring kekhawatiran pasar mengenai kekurangan komoditas energi. Hal ini karena tensi geopolitik antara Ukraina dan Rusia, maupun krisis batubara di India.
- Pada awal Maret 2022, harga acuan Newcastle Coal mencapai level tertinggi di atas USD 400/ton. Sanksi larangan impor dari Rusia membuat permintaan batubara dari negara-negara Eropa meningkat.
- Saat ini, pengiriman tambahan batubara ADRO ke Eropa hanya penjualan spot, dan belum ada kesepakatan jangka panjang. Untuk tahun 2022, ADRO telah menetapkan target produksi batubara sebesar 58 Mt—60 Mt.
- ADRO menargetkan strip ratio relatif stabil pada level 4,10x. Perusahaan juga menargetkan EBITDA operasional berkisar antara USD 1,9 Miliar – USD 2,2 Miliar.

Rekomendasi Buy dengan TP di IDR 3.900

- NHKS Research mempertahankan rekomendasi Buy, dengan TP lebih tinggi menjadi IDR 3.900/ saham. Sentimen geopolitik, dan krisis batubara di India, menjadi sentimen pendorong potensi kenaikan menjadi 23,8%. TP kami mengimplikasikan EV/EBITDA 22F sebesar 3,2x (sekitar rata-rata 3 tahun).

Adaro Energy Tbk | Summary

	2021A	2022E	2023F	2024F
Revenue (USD Mn)	3,993	4,106	4,426	4,487
Growth (%)	57.5%	2.8%	7.8%	1.4%
EBITDA (USD Mn)	2,104	2,270	1,925	2,064
Net Profit (USD mn)	933	1,242	1,348	1,366
EPS (IDR)	408	557	605	613
Growth (%)	535.3%	33.1%	8.5%	1.4%
P/E (x)	5.5x	7.0x	7.0x	7.0x
P/BV (x)	1.2x	1.9x	1.7x	1.6x
EV/EBITDA (x)	2.0x	3.2x	4.0x	3.7x
ROE (%)	22.2%	27.3%	26.5%	23.8%
ROA (%)	13.4%	15.9%	16.0%	15.1%
DER (%)	19.4%	17.4%	17.4%	17.4%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Company Update | May 13, 2022

Buy

Target Price (IDR)	3,900
Consensus Price (IDR)	3,780
TP to Consensus Price (%)	+3.2
Potential Upside	+23.8

Shares data

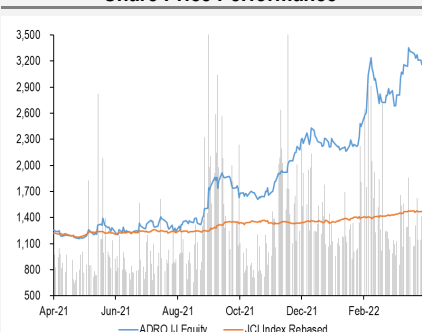
Last Price (IDR)	3,150
Price Date as of	May 12, 2022
52 wk Range (Hi/Lo)	3,460 / 1,160
Free Float (%)	43.7
Outstanding sh.(mn)	31,986
Market Cap (IDR bn)	101,395
Market Cap (USD mn)	6,961
Avg. Trd Vol - 3M (mn)	158.4
Avg. Trd Val - 3M (bn)	455.4
Foreign Ownership (%)	30.2

Energy

Oil, Gas & Coal

Bloomberg	ADRO IJ
Reuters	ADRO.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	48.4%	16.8%	46.5%	174.9%
Rel. Ret.	38.6%	14.2%	37.7%	153.9%

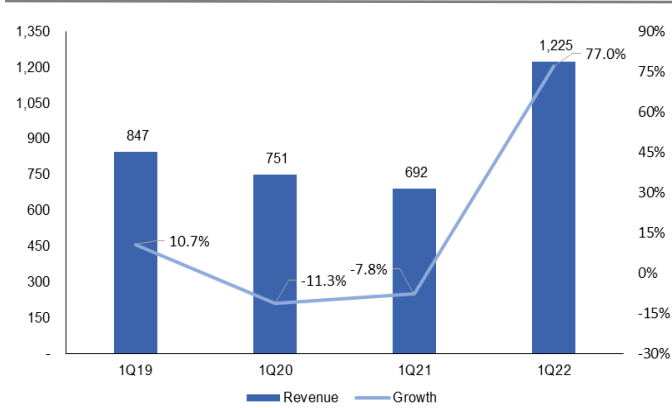
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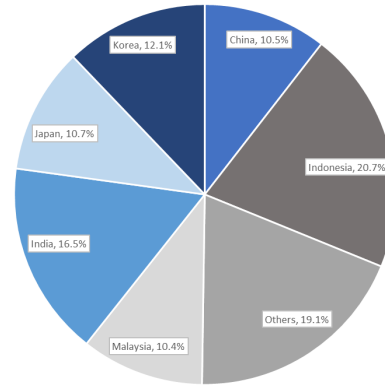
Performance Highlights in Charts

Revenue Growth (IDR Mn)



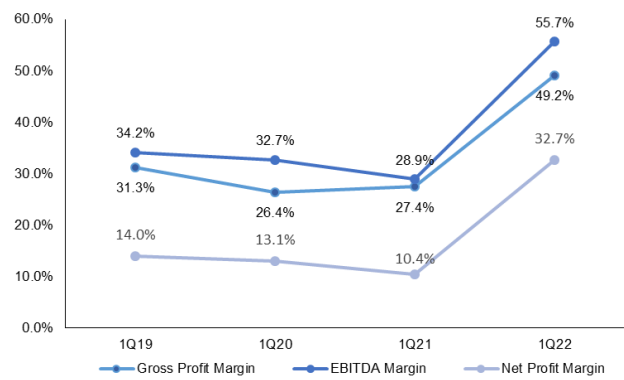
Source: Bloomberg, NHKSI Research

Revenue Breakdown (by Geography)



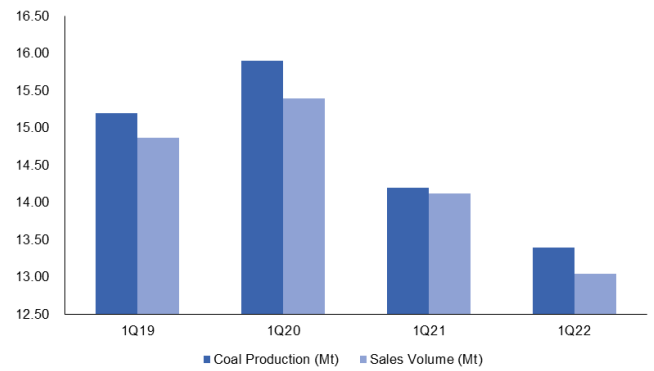
Source: Bloomberg, NHKSI Research

Margin Ratios



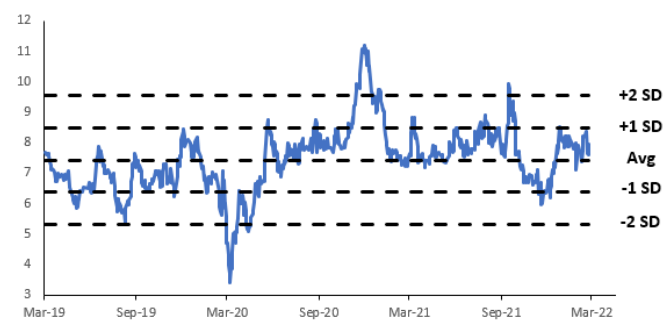
Source: Bloomberg, NHKSI Research

Production and Sales Volume



Source: Company Data, NHKSI Research

Blended Forward P/E Ratio



Source: Bloomberg, NHKSI Research

EV/ EBITDA Ratio



Source: Bloomberg, NHKSI Research

Summary of Financials

INCOME STATEMENT

(USD mn)	2021/12A	2022/12E	2023/12F	2024/12F
Revenue	3,993	4,106	4,426	4,487
Growth	57.5%	2.8%	7.8%	1.4%
COGS	(2,223)	(2,432)	(2,622)	(2,658)
Gross Profit	1,770	1,673	1,804	1,829
Gross Margin	44.3%	40.8%	40.8%	40.8%
Operating Expenses	(208)	(205)	(221)	(224)
EBIT	785	1,468	1,582	1,604
EBIT Margin	19.7%	35.8%	35.8%	35.8%
Depreciation	486	377	342	459
EBITDA	2,104	2,270	1,925	2,064
EBITDA Margin	52.7%	55.3%	43.5%	46.0%
Interest Expenses	(12)	(12)	(11)	(12)
EBT	1,486	1,909	2,060	2,088
Income Tax	(458)	(571)	(616)	(624)
Minority Interest	(95)	(96)	(97)	(98)
Net Profit	933	1,242	1,348	1,366
Growth	535.3%	33.1%	8.5%	1.4%
Net Profit Margin	23.4%	30.3%	30.5%	30.4%

PROFITABILITY & STABILITY

	2021/12A	2022/12E	2023/12F	2024/12F
ROE	22.2%	27.3%	26.5%	23.8%
ROA	13.4%	15.9%	16.0%	15.1%
ROIC	10.2%	18.8%	17.1%	16.1%
Cash Dividend (USD mn)	147	125	124	135
Dividend Yield	2.9%	1.4%	1.3%	1.4%
Payout Ratio	15.7%	10.1%	9.2%	9.9%
DER	19.4%	17.4%	17.4%	17.4%
Net Gearing	29%	25%	24%	23%
LT Debt to Equity	13.3%	11.9%	13.0%	13.0%
Capitalization Ratio	16.2%	14.8%	14.8%	14.8%
Equity Ratio	58.8%	58.0%	62.9%	63.6%
Debt Ratio	11.4%	10.1%	10.9%	11.1%
Financial Leverage	166.1%	171.3%	165.1%	158.1%
Current Ratio	208.4%	256.4%	367.5%	384.5%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	31,986	31,986	31,986	31,986
Share Price (IDR)	2,250	3,900	4,231	4,288
Market Cap (IDR tn)	72.0	124.7	135.3	137.2

BALANCE SHEET

(USD mn)	2021/12A	2022/12E	2023/12F	2024/12F
Cash	1,814	2,127	2,661	2,898
Receivables	452	479	495	492
Inventories	126	105	104	108
Total Current Assets	2,838	3,123	3,458	3,696
Net Fixed Assets	2,615	2,534	2,871	3,151
Other Non Current Asset	2,134	2,369	2,445	2,525
Total Assets	7,587	8,025	8,774	9,372
Payables	651	663	671	682
ST Bank Loan	271	254	240	259
LT Debt	593	556	720	777
Total Liabilities	3,129	3,367	3,254	3,412
Capital Stock + APIC	1,497	1,497	1,497	1,497
Retained Earnings	2,686	2,899	3,665	4,105
Shareholders' Equity	4,458	4,658	5,520	5,960

VALUATION INDEX

	2021/12A	2022/12E	2023/12F	2024/12F
Price/Earnings	5.5x	7.0x	7.0x	7.0x
Price/Book Value	1.2x	1.9x	1.7x	1.6x
Price/Sales	1.3x	2.1x	2.1x	2.1x
PE/EPS Growth	0.0x	0.2x	0.8x	5.1x
EV/EBITDA	2.0	3.2	4.0	3.7
EV/EBIT	5.2	5.0	4.8	4.7
EV (IDR bn)	57,350	104,459	109,520	109,055
Sales CAGR (3-Yr)	7.0%	4.3%	8.6%	21.0%
EPS CAGR (3-Yr)	24.5%	43.8%	49.4%	110.3%
Basic EPS (IDR)	408	557	605	613
Diluted EPS (IDR)	408	557	605	613
BVPS (IDR)	1,949	2,090	2,476	2,674
Sales PS (IDR)	1,745	1,842	1,985	2,013
DPS (IDR)	64	56	56	60

CASH FLOW STATEMENT

(USD mn)	2021/12A	2022/12E	2023/12F	2024/12F
Operating Cash Flow	1,436	1,521	1,645	1,832
Investing Cash Flow	(645)	(106)	(808)	(825)
Financing Cash Flow	(153)	(130)	121	(58)
Net Changes in Cash	638	1,286	959	950

TOP OWNERSHIP

By Geography	% Shareholders	%
Indonesia	69.3 Adaro Strategic	43.9
United States	7.9 Garibaldi Thohir	6.2
Ireland	1.3 Edwin Soeryadjaya	3.3
Others	21.5 Others	46.6

Source: Company Data, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to +15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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