Adaro Energy Indonesia (ADRO)

Resiliensi Menghadapi Lemahnya Harga Batubara

PT Adaro Energy Indonesia Tbk (ADRO) melaporkan penurunan laba bersih sebesar 10,8% YoY pada 1H24 (USD 778,8 juta vs USD 873,8 juta). Namun, secara kuartalan, perusahaan mencatat kenaikan laba bersih sebesar 8% (USD 404,4 juta vs 374,3 juta) yang disebabkan oleh volume penjualan yang lebih tinggi setelah meningkatnya permintaan selama musim panas dari India dan Cina. ADRO juga terus menjadi salah satu perusahaan batubara yang paling efisien di Indonesia, dengan marjin EBITDA untuk 1H24 meningkat menjadi 40% dari 38,2%, sementara marjin laba bersih naik dari 25,1% menjadi 26,2%.

Peningkatan volume produksi & penjualan mengimbangi penurunan harga jual

- ADRO meningkatkan volume produksinya di 1H24, sebesar 7% YoY dari 33,41 juta ton menjadi 35,74 juta ton. Hal ini tercermin juga dari volume penjualan perusahaan yang meningkat 7% YoY dari 32,62 juta ton menjadi 34,94 juta ton.
- Peningkatan volume ini mengurangi sebagian dampak dari penurunan harga batubara global.
- Volume produksi batubara diperkirakan akan sedikit melambat di 2H24, dengan curah hujan yang diperkirakan lebih tinggi dari biasanya karena fenomena La Nina. Volume penjualan juga diperkirakan akan menurun dengan permintaan dari India dan China yang diperkirakan menurun.
- Namun, ekspor ADRO yang relatif rendah ke pasar-pasar tersebut seharusnya dapat membantu membatasi dampak dari faktor-faktor ini.

Musim penghujan mengurangi permintaan batu bara Cina, sementara India kini memasuki musim hujan

- Tingginya curah hujan di China selama topan musim panas ini memungkinkan pembangkit listrik tenaga air di Cina untuk menghasilkan listrik yang belum pernah terjadi sejak tahun 2022.
- Meskipun impor batu bara diperkirakan akan meningkat selama musim panas yang ekstrim, pembangkit listrik tenaga air di Cina telah menyebabkan permintaan batu bara tetap rendah.
- Permintaan batu bara India juga dipengaruhi oleh faktor serupa saat negara ini memasuki musim hujan. Impor batu bara diperkirakan akan melambat.
- ADRO menjual 18% batu bara termal ke Cina dan 11% lainnya ke India, sementara ADRO menjual 11% dan 5% batu bara metaliknya masing-masing ke Cina dan India melalui anak perusahaannya PT Adaro Minerals Indonesia (ADMR).

Rekomendasi HOLD dengan TP Rp3680

- Kami memberikan rekomendasi HOLD untuk saham ADRO dengan TP Rp3.680. Harga ini kurang lebih setara dengan rata-rata PE Standar Deviasi 3 tahun perusahaan sebesar 4,66x. Harga saat ini diperdagangkan pada rasio PE 4,57x.
- Risiko 1) La Nina yang mempengaruhi produksi pertambangan 2) Perlambatan ekonomi China yang berlanjut 3) Suku bunga The Fed

Adaro Energy Indonesia Tbk | Summary

in IDR bn	2023A	2024E	2025F	2026F
Revenue	99,265	93,812	96,157	98,561
Revenue growth	-17.8%	-5.5%	2.5%	2.5%
Net profit	25,013	25,384	25,871	25,157
EPS (IDR)	810	824	840	817
Net Profit growth	-32.5%	1.5%	1.9%	-2.8%
NPM	25.2%	27.1%	26.9%	25.5%
ROE	21.9%	18.4%	17.1%	15.4%
ROA	15.2%	14.6%	13.2%	11.9%
P/E	2.9x	4.5x	4.4x	4.5x
P/BV	0.6x	0.8x	0.7x	0.7x
EV/EBITDA	1.4x	2.4x	2.1x	2.0x

Unit: IDR bn, %, x
Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH KORINDO SEKURITAS INDONESIA

Company Update | Sep 03, 2024

HOLD

Target Price (IDR)	3,680
Consensus Price (IDR)	3,404
TP to Consensus Price	+8.11%
Potential Upside	+1.94%

Shares data

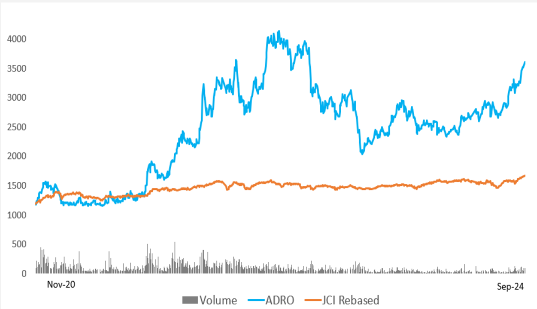
Last Price (IDR)	3610
Price Date as of	Sep 02, 2024
52 wk Range (Hi/Lo)	3,650/2,320
Free Float (%)	37.5
Outstanding sh.(mn)	31,986
Market Cap (IDR bn)	111,038
Market Cap (USD mn)	7,127
Avg. Trd Vol - 3M (mn)	46.5

Mining

Coal

Bloomberg	**ADRO IJ**
Reuters	**ADRO.JK**

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	51.7%	8.7%	30.3%	34.7%
Rel. Ret.	45.9%	3.4%	2.8%	24.4%

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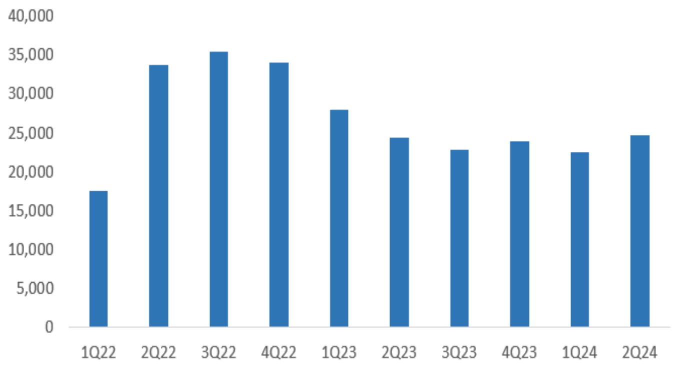
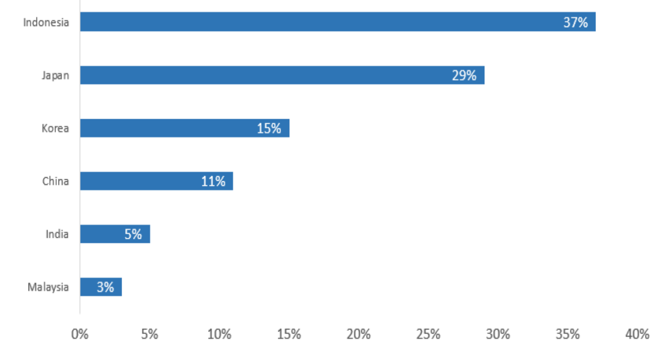
Performance Highlights in Charts

ADRO Quarterly Revenue (IDR Bn) | 1Q22 - 2Q24



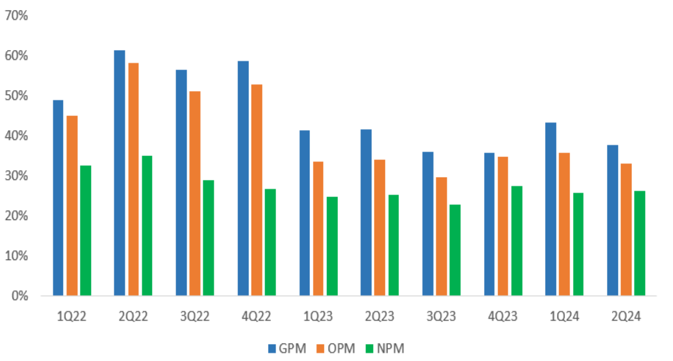
Source: Company Data, NHKSI Research

ADRO Metcoal Sale Destinations | 1H24



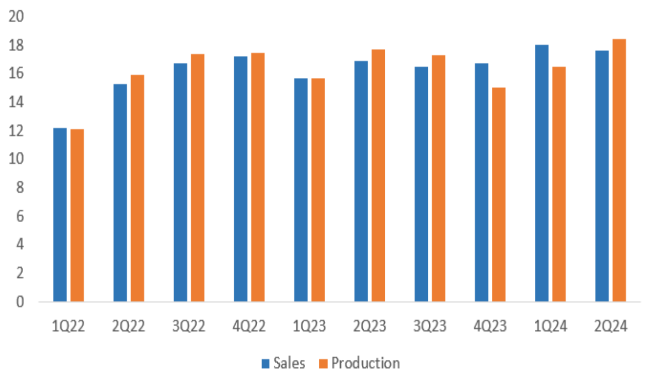
Source: Company Data, NHKSI Research

ADRO Profit Margins | 1Q22 - 2Q24



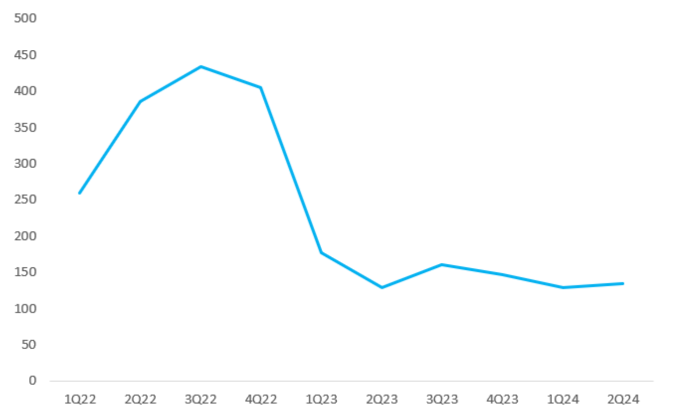
Source: Company Data, NHKSI Research

ADRO Sales & Production Volume (Million Tons) | 1Q22 - 2Q24



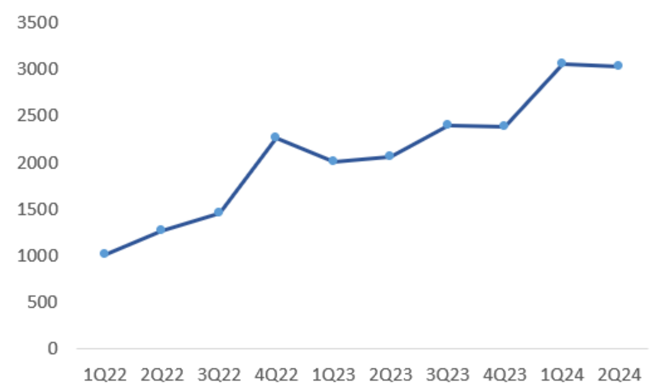
Source: Company Data, NHKSI Research

Newcastle Coal Price (USD/mt) | 1Q22 - 2Q24



Source: Company Data, NHKSI Research

ADRO CAPEX (IDR Bn) | 1Q22 - 2Q24



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT				
(IDR bn)	**2023/12A**	**2024/12F**	**2025/12F**	**2026/12F**
Revenue	**99,265**	**93,812**	**96,157**	**98,561**
Growth	*-17.8%*	*-5.5%*	*2.5%*	*2.5%*
COGS	60,655	56,040	56,190	57,894
Gross Profit	**38,610**	**37,772**	**39,968**	**40,667**
Gross Margin	*38.9%*	*40.3%*	*41.6%*	*41.3%*
Operating Expenses	(5,650)	(5,239)	(5,404)	(5,866)
EBIT	**32,958**	**32,533**	**34,564**	**34,801**
EBIT Margin	*33.2%*	*34.7%*	*35.9%*	*35.3%*
Depreciation	5,368	6,098	6,210	5,713
EBITDA	**38,327**	**38,630**	**40,774**	**40,514**
EBITDA Margin	*38.6%*	*41.2%*	*42.4%*	*41.1%*
EBT	**34,960**	**34,955**	**36,986**	**37,082**
Income Tax	6,695	6,339	7,043	7,414
Minority Interest	3,252	3,232	4,073	4,511
Net Profit	**25,013**	**25,384**	**25,871**	**25,157**
Growth	**-32.5%**	**1.5%**	**1.9%**	**-2.8%**
Net Profit Margin	**25.2%**	**27.1%**	**26.9%**	**25.5%**

BALANCE SHEET				
(IDR bn)	**2023/12A**	**2024/12F**	**2025/12F**	**2026/12F**
Cash	51,710	58,244	67,029	73,253
Receivables	8,011	7,498	7,159	6,797
Inventories	2,633	3,392	3,740	4,103
Total Current Assets	**66,217**	**73,190**	**82,591**	**89,285**
Net Fixed Assets	42,711	53,424	55,104	59,160
Other Non Current Assets	52,268	60,989	65,689	69,286
Total Assets	**161,196**	**187,603**	**203,385**	**217,731**
Payables	18,062	14,136	14,489	14,852
ST Debt	14,603	18,717	19,972	20,837
LT Debt	7,550	10,079	10,288	10,263
Total Liabilities	**47,161**	**49,403**	**52,084**	**54,045**
Capital Stock	5,279	5,279	5,279	5,279
Retained Earnings	80,349	100,158	112,860	124,966
Shareholders' Equity	**114,036**	**138,200**	**151,301**	**163,686**

CASH FLOW STATEMENT				
(IDR bn)	**2023/12A**	**2024/12F**	**2025/12F**	**2026/12F**
Operating Cash Flow	17,846	32,044	33,070	31,455
Investing Cash Flow	(9,156)	(14,465)	(9,537)	(9,850)
Financing Cash Flow	(20,321)	(10,863)	(14,511)	(15,277)
Net Changes in Cash	**(11,521)**	**6,535**	**8,785**	**6,225**

PROFITABILITY & STABILITY				
	2023/12A	**2024/12F**	**2025/12F**	**2026/12F**
ROE	21.9%	18.4%	17.1%	15.4%
ROA	15.2%	14.6%	13.2%	11.9%
Inventory Turnover	37.7	27.7	25.7	24.0
Days Inventory Outstanding	9.7	13.2	14.2	15.2
Receivables Turnover	11.7	12.5	13.4	14.5
Account Receivable Days	31.2	29.2	27.2	25.2
Dividend Yield (%)	0.1%	0.1%	0.1%	0.1%
Payout Ratio (%)	0.3%	0.3%	0.3%	0.3%
DER	19.4%	20.8%	20.0%	19.0%
Current Ratio	201%	222%	238%	249%
Quick Ratio	1.7	1.9	2.0	2.2
DAR	14%	15%	15%	14%
Total Shares (mn)	30,881	30,804	30,804	30,804
Share Price (IDR)	2,380	3,680	3,680	3,680
Market Cap (IDR tn)	73.50	113.36	113.36	113.36

VALUATION INDEX				
	2023/12A	**2024/12F**	**2025/12F**	**2026/12F**
Price/Earnings	2.9x	4.5x	4.4x	4.5x
Price/Book Value	0.6x	0.8x	0.7x	0.7x
EV/EBITDA	1.4x	2.4x	2.1x	2.0x
EV (IDR bn)	53,731	94,099	87,336	82,166
BVPS (IDR)	3,693	4,486	4,912	5,314
Basic EPS (IDR)	810	824	840	817

TOP OWNERSHIP	
Shareholders	**%**
PT Adaro Strategic Investment	43.9
Public	32.4
Garibaldi Thohir	6.2
Edwin Soeryadjaja	3.3
By Geography*	
Indonesia	64.8
United States	8.8
Ireland	1.3

*Based upon publicly reported holdings, not total shares outstanding

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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