

ITMG reported a steep yet expected decline in FY25 net income to IDR 3.2 trillion (-49% YoY) as topline suffers (-18% YoY) due to ASP falling to USD 76/ton (-20% YoY). FY25 sales volume increased to 24.7 Mt (+3% YoY), despite missing initial guidance figures caused by soft demand from China. Production volume came in at 21.2 Mt for the year, in-line with guidance and increasing by 5% YoY, while strip ratio sits at 9.4x below guidance figure of 10.5x.

Production uncertainty haunts growth prospects

- The Ministry of Energy (ESDM) plans to cut domestic coal production by slashing FY26 RKAB quotas. This is an attempt by the government to alleviate oversupply and reduce downside price risk.
- Total domestic production possibly will be lowered to somewhere in the range of 600-700 million tons, significantly below FY25's realized production of 790 million tons. Despite no formal figure yet announced, we suspect ITMG's production to be drastically impacted by this significant policy shift.
- Our forecast for ITMG's FY26 production volume stands at 16-17 million tons. We see this forcing the company to increase third party coal purchases, which will crunch overall profit margins.

Rising tensions exacerbate energy concerns

- Disruptions to oil & gas supply lines due to escalating conflict in the Middle East has raised fears of a spike in energy prices. This is similar to how the start of the Russia-Ukraine war catapulted energy-related commodities to dizzying heights in 2022, with Newcastle coal prices reaching over USD 450/ton at one point.
- Coal futures have already jumped in the past week, but we are yet to see how long of an impact the current conflict will have on energy prices. Should coal prices continue trending up, we can expect higher ASP for ITMG's seaborne coal, helping offset the impact of production issues on overall company performance.

Demand remains relatively steady but growth prospect limited

- Despite a 3% YoY growth in sales volume, the company's failure to reach its initial target for FY25 reflects a plateauing coal market.
- The company's export volume to China fell to 8.4 million tons in FY25 (-9% YoY) as slow Chinese industrial activity, strong domestic production and inventory level, as well as increasing renewable installed capacity has capped growth.
- A similar story can be seen with Japan, as despite the company's export volume to the country remaining steady, strong demand growth is unlikely as the country continues to prioritize LNG and nuclear energy to meet national energy needs.

HOLD recommendation with a TP of IDR 23,750

- We give ITMG a **HOLD** rating with a **TP of IDR 23,750**. This implies a forward PE ratio of 9.97x, slightly below the company's 5-Yr SD+1 band.
- Risks: 1) Weak coal export market 2) RKAB uncertainty 3) Weather

Indo Tambangraya Megah Tbk.

| Summary (IDR Billions)

	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	30,999	31,961	32,542	33,138
Growth (%y/y)	-15.2%	3.1%	1.8%	1.8%
Net Profit	3,146	2,678	2,468	2,483
Growth (%y/y)	-47.0%	-14.9%	-7.8%	0.6%
Basic EPS (IDR)	2,801	2,383	2,196	2,209
Price / Earnings	7.8x	10.0x	10.8x	10.7x
EV / EBITDA	2.0x	2.6x	2.8x	2.7x
ROE	9.9%	8.0%	7.1%	6.8%
ROA	7.8%	6.3%	5.6%	5.4%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | 5th March 2026

Hold

Target Price (IDR)	23,750
Consensus Price	23,087
TP to Consensus Price	+2.9%
Potential Upside	-5.0%

Shares Data

Last Price (IDR)	25,000
Price date as of	4 th March 2026
52 wk range (Hi/Lo)	25,875 / 20,900
Free Float (%)	6.97%
Outstanding sh (mn)	1,129
Market Cap (IDR bn)	28,097
Market Cap (USD mn)	1,663
Avg. Trd Vol - 3M (mn)	1.75

Sector

Mining

Sub-Sector

Coal

Bloomberg
Reuters

ITMG IJ Equity
ITMG JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	14.3%	13.4%	13.9%	8.3%
Rel. Ret.	26.7%	20.4%	26.2%	-10.4%

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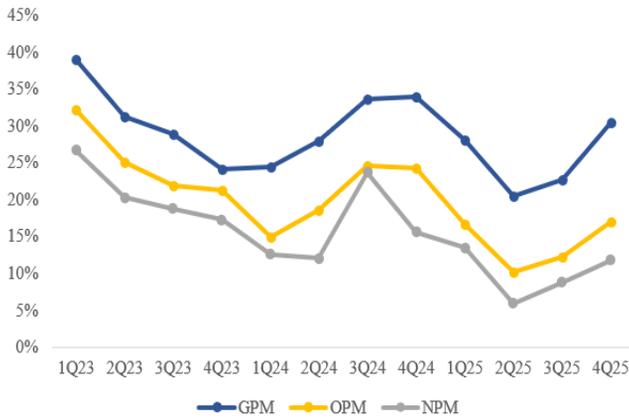
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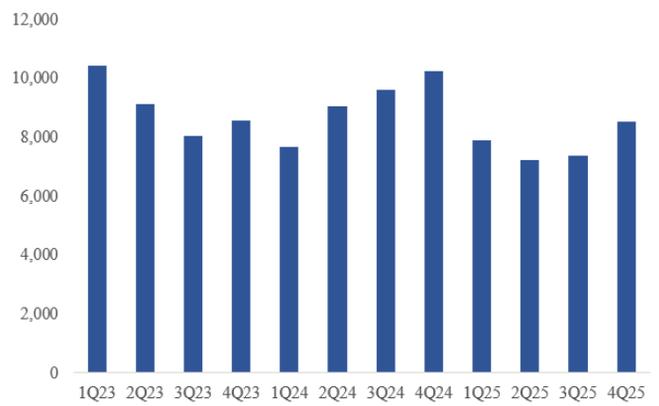
Performance Highlight

Exhibit 1. Quarterly Profit Margins (1Q23 – 4Q25)



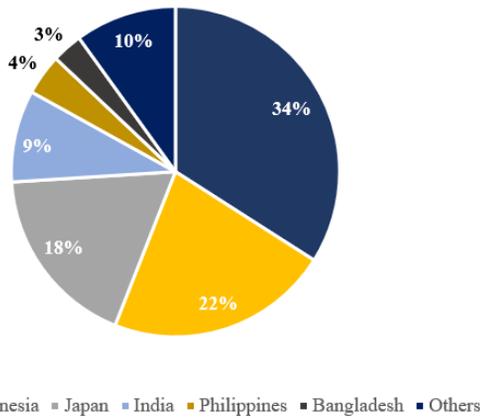
Source : Company, NHKSI Research

Exhibit 2. Quarterly Revenue (IDR Bn, 1Q23 – 4Q25)



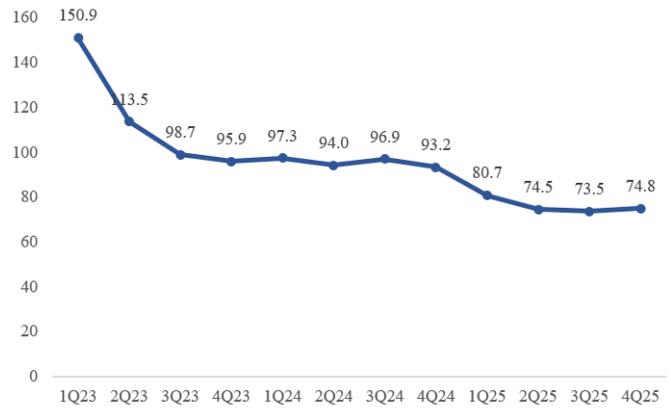
Source : Company, NHKSI Research

Exhibit 3. Coal Sales Destination (12M25)



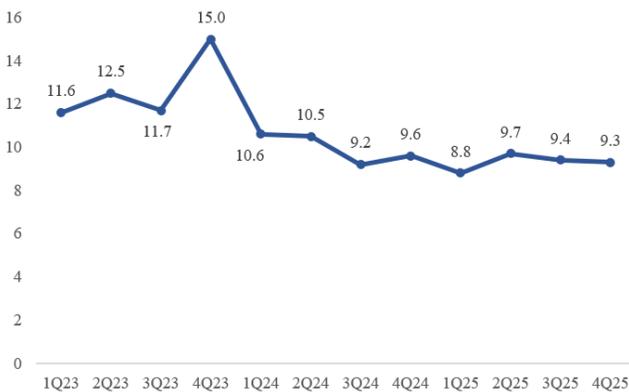
Source : Company, NHKSI Research

Exhibit 4. Average Selling Price (USD/Ton, 1Q23 – 4Q25)



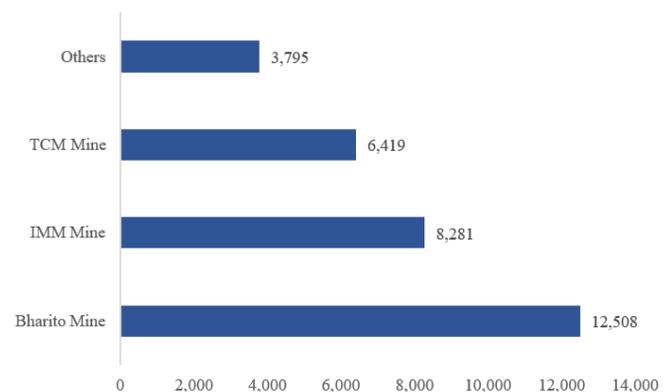
Source : Company, NHKSI Research

Exhibit 5. Quarterly Strip Ratio (Bcm/Ton, 1Q23 – 4Q25)



Source : Company, NHKSI Research

Exhibit 6. Revenue Breakdown (IDR Bn, 12M25)



Source : Company, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Revenue	30,999	31,961	32,542	33,138
Growth (% y/y)	-15.2%	3.1%	1.8%	1.8%
Cost of Revenue	(23,042)	(25,157)	(25,871)	(26,344)
Gross Profit	7,957	6,804	6,671	6,794
Gross Margin	25.7%	21.3%	20.5%	20.5%
Operating Expenses	(3,557)	(3,523)	(3,672)	(3,752)
EBIT	4,399	3,281	2,999	3,042
EBIT Margin	14.2%	10.3%	9.2%	9.2%
Depreciation	1,921	2,229	2,327	2,430
EBITDA	6,321	5,510	5,327	5,472
EBITDA Margin	20.4%	17.2%	16.4%	16.5%
EBT	4,733	3,630	3,358	3,405
Income Tax	(1,525)	(904)	(846)	(878)
Minority Interest	(62)	(47)	(44)	(44)
Net Profit	3,146	2,678	2,468	2,483
Growth (% y/y)	-47.0%	-14.9%	-7.8%	0.6%
Net Profit Margin	10.2%	8.4%	7.6%	7.5%

BALANCE SHEET

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Cash	13,487	13,786	13,681	13,480
Receivables	2,592	2,258	2,307	2,487
Inventories	1,879	1,972	2,103	2,330
Total Current Assets	21,628	21,940	22,275	22,852
Net Fixed Assets	12,655	14,160	15,545	16,802
Other Non Current Assets	5,882	6,364	6,561	6,687
Total Non Current Assets	18,537	20,524	22,106	23,489
Total Assets	40,164	42,464	44,380	46,341
Payables	4,830	5,217	5,555	5,727
ST Debt	781	872	910	950
LT Debt	699	781	815	851
Total Liabilities	8,309	9,025	9,486	9,906
Capital Stock + APIC	7,298	7,704	8,063	8,440
Retained Earnings	24,665	25,676	26,767	27,926
Shareholders' Equity	31,856	33,442	34,898	36,441

CASH FLOW STATEMENT

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Operating Cash Flow	4,704	4,378	4,116	4,180
Investing Cash Flow	(3,128)	(2,328)	(2,671)	(2,859)
Financing Cash Flow	(4,545)	(1,705)	(1,501)	(1,470)
Net Changes in Cash	(3,006)	299	(105)	(201)

PROFITABILITY & STABILITY

	2025/12A	2026/12E	2027/12F	2028/12F
ROE	9.9%	8.0%	7.1%	6.8%
ROA	7.8%	6.3%	5.6%	5.4%
Inventory Turnover	12.27x	12.76x	12.30x	11.31x
Receivables Turnover	11.96x	14.15x	14.11x	13.32x
Payables Turnover	4.77x	4.82x	4.66x	4.60x
Dividend Yield	13.6%	6.2%	5.2%	5.0%
Dividend Payout Ratio	106.4%	62.3%	55.8%	53.3%
DER	0.26x	0.27x	0.27x	0.27x
DAR	0.21x	0.21x	0.21x	0.21x
Equity Multiplier	1.26x	1.27x	1.27x	1.27x
Current Ratio	3.76x	3.48x	3.37x	3.36x
Quick Ratio	3.43x	3.17x	3.05x	3.02x
Total Shares (bn)	1.12	1.12	1.12	1.12
Share Price (IDR)	21,875	23,750	23,750	23,750
Market Cap (IDR tn)	24.6	26.7	26.7	26.7

VALUATION INDEX

	2025/12A	2026/12E	2027/12F	2028/12F
Price / Earnings	7.81x	9.97x	10.81x	10.75x
Price / Book Value	0.77x	0.80x	0.76x	0.73x
EV / EBITDA	2.0x	2.6x	2.8x	2.7x
EV (IDR bn)	12,578	14,558	14,736	15,013
Basic EPS (IDR)	2,801	2,383	2,196	2,209
BVPS (IDR)	28,344	29,756	31,051	32,424

OWNERSHIP

By Geography*	%
Singapore	90.69
United States	6.97
Others	2.34

Shareholders	%
Banpu Minerals (Singapore) Private Limited	65.14
Public	33.72
Treasury Stock	1.02

*based on publicly reported holdings, not total shares outstanding

Source : Bloomberg, 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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