

Alamtri Resources Indonesia (ADRO) reported a 10% YoY topline decline in FY25 (USD 1.87 billion) and a 21% decrease in net profit (USD 448 million). This was caused by declining coal ASP (-25% YoY) as benchmark prices slipped due to stagnating global demand. On the operational side, the company reported a 12% YoY increase in coal sales volume for FY25 to 6.28 million tons, with a large uptick in contribution from MC and LC mines.

New aluminum smelter to bolster performance; global supply deficit likely to widen

- ADRO's new aluminum smelter has commenced testing and commissioning, with full production capacity expected to be reached by the end of 2026 as strategic ramp up continues.
- The smelter's first phase has an installed capacity of 500k tons per year, and we see this new revenue stream to be the main driver of ADRO's future growth.
- Global demand for the metal has steadily risen over the past few years, and we expect this trend to continue moving forward with installed capacity lagging behind.
- We see renewable energy, construction, and transport to be the main sectors leading this charge.
- As supply deficit steadily widens, we forecast aluminum prices to reach USD 3,600-USD 3,700 per ton by the end of the year, and potentially rising by 5-7% per year in the future. This will be a boon to ADRO's performance down the line as the smelter moves towards its latter production phases.

India rolls back met coal import quotas as demand from steel industry continues to grow

- India has reversed its 2025 quantitative restrictions on low-ash met coke imports. This came in response to low efficiency among Indian steelmakers as mills responded to limited stock of low-ash coke with high-ash supply.
- The Indian government continues to prioritize the competitiveness of its domestic met coke producers and have replaced the quotas with import levies.
- We expect Indonesian met coal, with lower transshipment costs compared to most countries, to remain competitive and dominate the Indian market. India's domestic met coal production is simply too small to cover the demand from its steel industry, and thus we see a rebound in imports for 2026 to be inevitable.
- However, we remain cautious regarding the met coal sector as several sectoral headwinds will pose challenges for industry players. We forecast Chinese met coal import demand to continue declining in 2026, despite domestic steel production stabilizing, as the country's economy continues to mature.
- We also see domestic RKAB cuts posing as a double-edged sword, with a thinner supply limiting price downside while also forcing players to rely more on third-party coal, which will slash margins.

Buy recommendation with a TP of IDR 3,400

- **We give ADRO a Buy rating with a TP of IDR 3,400.** This implies a forward PE ratio of 9.82x, below the company's 1-Yr PE SD+2. ADRO is currently trading at a TTM PE of 10.00x.
- Risks: 1) Rise in aluminum input costs 2) RKAB quota reduction 3) Delays in ramping up smelter production

Alamtri Resources Indonesia Tbk.

| Summary (USD Millions)

	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	1,874	2,578	3,372	3,439
Growth (%y/y)	-9.9%	37.6%	30.8%	2.0%
Net Profit	448	605	784	806
Growth (%y/y)	-67.6%	35.2%	29.5%	2.8%
Basic EPS (IDR)	0.02	0.02	0.03	0.03
Price / Earnings	6.93x	9.82x	7.58x	7.38x
EV / EBITDA	2.99x	5.16x	4.12x	3.96x
ROE	8.9%	11.5%	14.4%	14.3%
ROA	6.6%	8.3%	10.3%	10.2%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | 8th April 2026

Buy

Target Price (IDR)	3,400
Consensus Price	3,078
TP to Consensus Price	+10.5%
Potential Upside	+41.1%

Shares Data

Last Price (IDR)	2,410
Price date as of	7 th April 2026
52 wk range (Hi/Lo)	2,700 / 1,600
Free Float (%)	25.8
Outstanding sh (mn)	29,389
Market Cap (IDR bn)	70,829
Market Cap (USD mn)	4,216
Avg. Trd Vol - 3M (mn)	151.4

Sector

Mining
Sub-Sector
Coal Mining

Bloomberg
Reuters

ADRO IJ Equity
ADRO JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	33.1%	0.4%	19.9%	30.6%
Rel. Ret.	52.5%	8.5%	42.0%	23.6%

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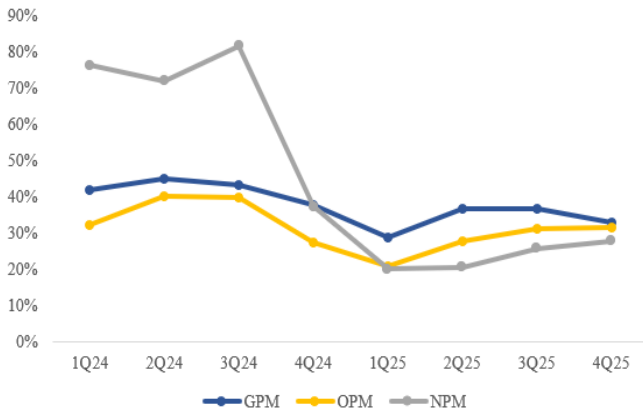
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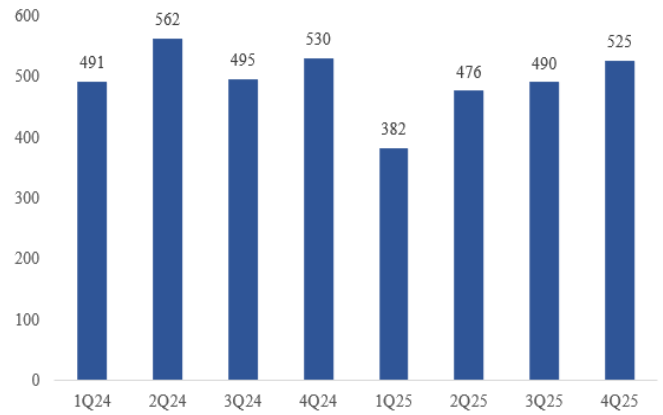
Performance Highlight

Exhibit 1. Quarterly Profit Margins (1Q24 – 4Q25)



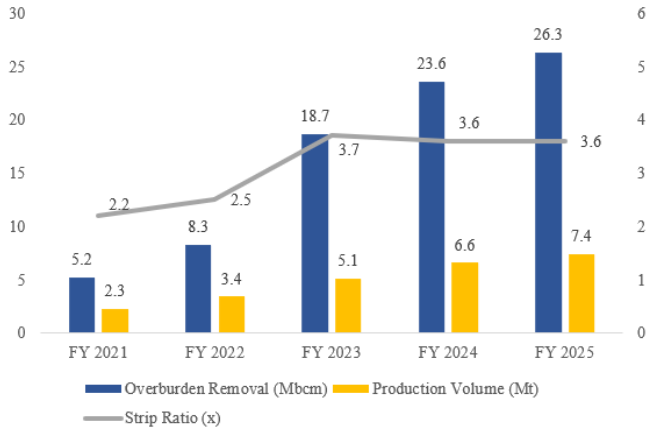
Source : Company, NHKSI Research

Exhibit 2. Quarterly Revenue (USD Mn, 1Q24 – 4Q25)



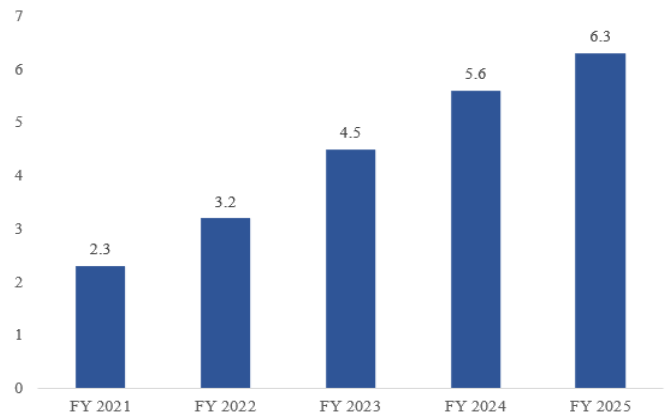
Source : Company, NHKSI Research

Exhibit 3. Coal Operations Summary (FY21 – FY25)



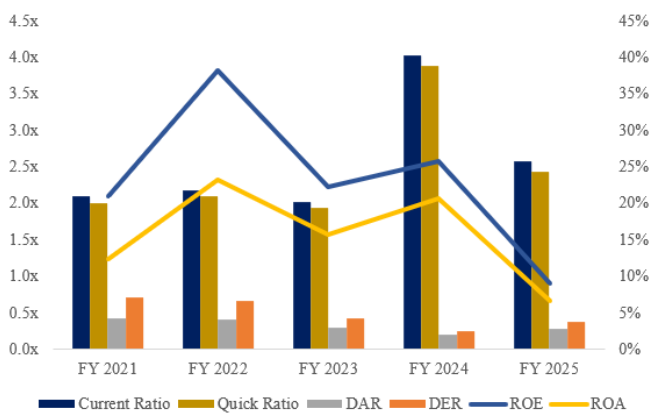
Source : Company, NHKSI Research

Exhibit 4. Coal Sales Volume (Mt, FY21 – FY25)



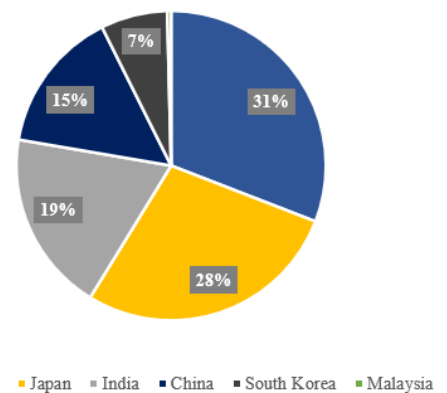
Source : Company, NHKSI Research

Exhibit 5. Key Ratios (FY25)



Source : Company, NHKSI Research

Exhibit 6. Coal Sales Destination (FY25)



Source : Company, NHKSI Research

Summary of Financials

INCOME STATEMENT

(USD mn)	2025/12A	2026/12E	2027/12F	2028/12F
Revenue	1,874	2,578	3,372	3,439
Growth (% y/y)	-9.9%	37.6%	30.8%	2.0%
Cost of Revenue	(1,237)	(1,654)	(2,164)	(2,207)
Gross Profit	637	924	1,208	1,232
Gross Margin	34.0%	35.8%	35.8%	35.8%
Operating Expenses	(108)	(184)	(228)	(226)
EBIT	529	740	980	1,007
EBIT Margin	28.2%	28.7%	29.1%	29.3%
Depreciation	255	268	282	296
EBITDA	784	1,008	1,262	1,302
EBITDA Margin	41.8%	39.1%	37.4%	37.9%
EBT	612	826	1,070	1,100
Income Tax	(123)	(169)	(219)	(225)
Minority Interest	(42)	(51)	(66)	(68)
Net Profit	448	605	784	806
Growth (% y/y)	-67.6%	35.2%	29.5%	2.8%
Net Profit Margin	23.9%	23.5%	23.3%	23.4%

BALANCE SHEET

(USD mn)	2025/12A	2026/12E	2027/12F	2028/12F
Cash	1,580	1,646	1,621	1,638
Receivables	393	401	420	421
Inventories	116	103	103	110
Total Current Assets	2,207	2,270	2,288	2,321
Net Fixed Assets	3,062	3,471	3,859	4,224
Other Non Current Assets	1,548	1,544	1,483	1,360
Total Non Current Assets	4,610	5,015	5,342	5,583
Total Assets	6,817	7,285	7,631	7,904
Payables	771	853	986	1,051
ST Debt	60	66	64	62
LT Debt	761	831	808	784
Total Liabilities	1,813	2,008	2,179	2,261
Capital Stock + APIC	1,054	1,054	1,054	1,054
Retained Earnings	3,291	3,371	3,445	3,542
Shareholders' Equity	5,004	5,277	5,452	5,643

CASH FLOW STATEMENT

(USD mn)	2025/12A	2026/12E	2027/12F	2028/12F
Operating Cash Flow	639	838	1,088	1,096
Investing Cash Flow	(576)	(259)	(262)	(225)
Financing Cash Flow	(405)	(502)	(839)	(841)
Net Changes in Cash	(362)	66	(25)	17

PROFITABILITY & STABILITY

	2025/12A	2026/12E	2027/12F	2028/12F
ROE	8.9%	11.5%	14.4%	14.3%
ROA	6.6%	8.3%	10.3%	10.2%
Inventory Turnover	10.66x	16.04x	20.91x	20.01x
Receivables Turnover	4.77x	6.43x	8.03x	8.17x
Payables Turnover	1.61x	1.94x	2.20x	2.10x
Dividend Yield	16.1%	8.8%	11.9%	11.9%
Dividend Payout Ratio	36.2%	117.3%	117.3%	90.5%
DER	0.36x	0.38x	0.40x	0.40x
DAR	0.27x	0.28x	0.29x	0.29x
Equity Multiplier	1.36x	1.38x	1.40x	1.40x
Current Ratio	2.56x	2.33x	2.10x	2.04x
Quick Ratio	2.43x	2.22x	2.01x	1.94x
Total Shares (bn)	28.80	29.39	29.39	29.39
Share Price (IDR)	1,810	3,400	3,400	3,400
Market Cap (USD bn)	3.10	5.95	5.95	5.95

VALUATION INDEX

	2025/12A	2026/12E	2027/12F	2028/12F
Price / Earnings	6.93x	9.82x	7.58x	7.38x
Price / Book Value	0.62x	1.13x	1.09x	1.05x
EV / EBITDA	3.0x	5.2x	4.1x	4.0x
EV (USD bn)	2.34	5.20	5.20	5.16
Basic EPS (USD)	0.02	0.02	0.03	0.03
BVPS (USD)	0.17	0.18	0.19	0.19

OWNERSHIP

By Geography*	%
Indonesia	62.68
United States	5.89
Others	31.43

Shareholders	%
Adaro Strategic Investments	47.79
Public	28.67
Affiliated Parties	10.90
Treasury Stock	2.00

*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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