

ITMG delivered a 1Q26 net profit of IDR 921.1 billion, a 14.7% YoY decline from IDR 1.08 trillion in 1Q25. The result beat our forecast (34.4%) against a backdrop of the market bracing for a much sharper RKAB-driven deterioration through FY2026, while revenue increased by 3% YoY to IDR 8.37 trillion — in-line with our estimates (26.2%). 1Q26 net profit margin fell to 11.0% from 13.5% as blended ASP slips 3% YoY to USD 79.4 / ton and strip ratio normalized to 10.4x from last year's efficient 8.8x.

Third-party coal sales counter impact of RKAB cuts

- ITMG's 1Q26 ASP increased 6% QoQ to USD 79.4 per ton — in line with our forecasts — as oil volatility in 1H26 pushed up coal demand. We likely will see ASP remaining strong for Q2 and possibly up until Q3 despite the recent de-escalation in the Middle East.
- However, the quarter's positive surprise is almost entirely attributed to sales volume which reached approximately 6.3 million tons — 26.4% of our FY26 forecast of 23.8 Mt.
- This slight beat was driven by elevated third-party coal sales rather than incremental own-mined production.
- ESDM has been actively tightening domestic RKAB production quotas in order to address industry-wide oversupply, with FY26 total national coal production targeted well below FY25's realized output.
- We had previously modeled ITMG's own-mined production facing a meaningful contraction as a result. However, what 1Q26 demonstrated is that ITMG's trading and blending infrastructure — built up over years of third-party coal purchasing — can credibly backfill a meaningful portion of any production shortfall, allowing total reported sales volume to hold up far better than a simple read-through of RKAB cuts would suggest.
- In light of this, we have raised our FY2026F sales volume forecast to 24.8 million tons.
- Furthermore, solid coal prices in the first half of the year has caused ESDM to consider potentially relaxing RKAB cuts and increase production volume target.

DSI questions linger

- The Indonesian government has created Danantara Sumberdaya Indonesia (DSI) which will act as an intermediary when exporting key commodities, including coal.
- However, despite the government's insistence that DSI will simply manage and oversee the export process to tighten governance, there are lingering worries that this "one-door" export model poses severe risks of trade monopolies, operational inefficiencies, and potential corruption.
- This policy could potentially reduce Indonesian coal competitiveness in the international market and squeeze the profit margins of private sector players.

OVERWEIGHT recommendation with a TP of IDR 25,250

- Following our 1Q26-driven forecast revision — FY2026F net profit raised to IDR 3.55 trillion (FY2026F EPS: approximately IDR 3,154) — we apply a target P/E multiple of **8.0x**, modestly below the company's 3-yr PE SD+2 of 8.87x, reflecting residual caution around the sustainability of elevated third-party coal trading volumes, the still-evolving RKAB policy backdrop, and the uncertainties surrounding DSI, even as we acknowledge the much-improved earnings trajectory.
- This yields a new target price of **IDR 25,250**, versus a current price of IDR 22,225 — implying a **13.6% upside**. We are upgrading our rating to **OVERWEIGHT** from HOLD.
- Risks: 1) RKAB allocation uncertainty 2) Coal price decline from Middle East de-escalation 3) DSI

Indo Tambangraya Megah Tbk.

| Summary (IDR Billions)

	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	30,999	33,301	33,883	34,478
Growth (%y/y)	-15.2%	7.4%	1.7%	1.8%
Net Profit	3,146	3,545	3,704	3,763
Growth (%y/y)	-47.0%	12.7%	4.5%	1.6%
Basic EPS (IDR)	2,801	3,154	3,296	3,348
Price / Earnings	7.8x	8.0x	7.7x	7.5x
EV / EBITDA	2.0x	2.3x	2.2x	2.1x
ROE	9.9%	10.4%	10.3%	9.9%
ROA	7.8%	8.3%	8.2%	7.9%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | 22nd June 2026

Overweight

Target Price (IDR)	25,250
Consensus Price	27,299
TP to Consensus Price	-7.5%
Potential Upside	+13.6%

Shares Data

Last Price (IDR)	22,225
Price date as of	19 th June 2026
52 wk range (Hi/Lo)	30,700 / 20,900
Free Float (%)	33.4
Outstanding sh (mn)	1,123
Market Cap (IDR bn)	24,978
Market Cap (USD mn)	1,403
Avg. Trd Vol – 3M (mn)	3.37

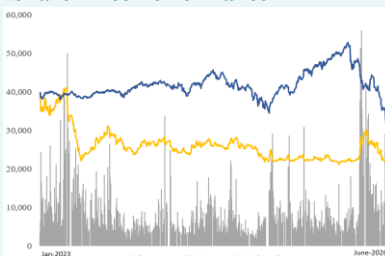
Sector

Mining
Sub-Sector
Coal

Bloomberg
Reuters

ITMG IJ Equity
ITMG JK

Share Price Performance



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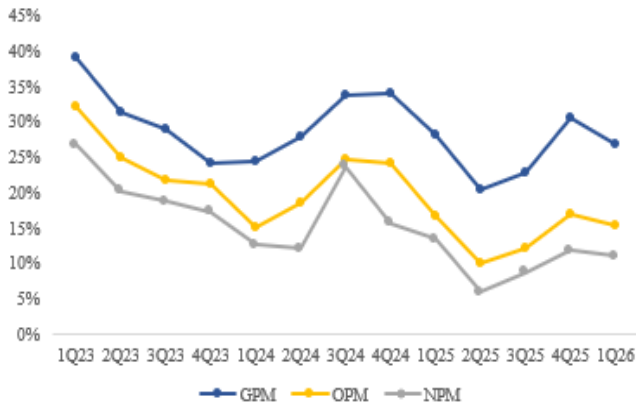
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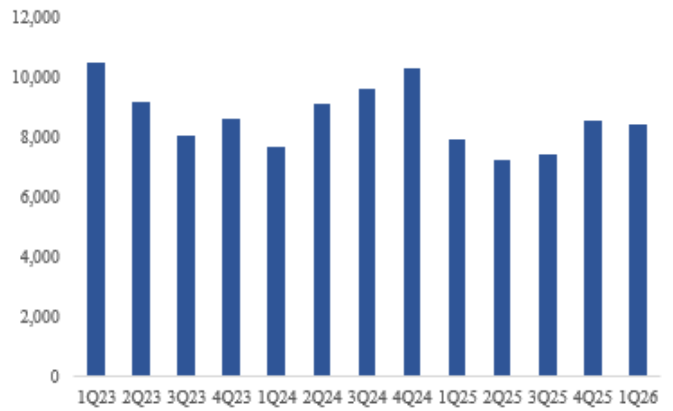
Performance Highlight

Exhibit 1. Quarterly Profit Margins (1Q23 – 1Q26)



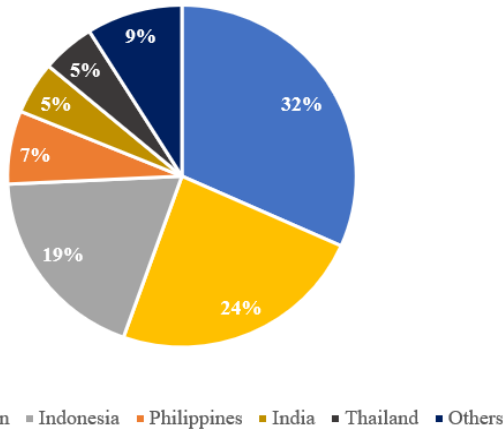
Source : Company, NHKSI Research

Exhibit 2. Quarterly Revenue (IDR Bn, 1Q23 – 1Q26)



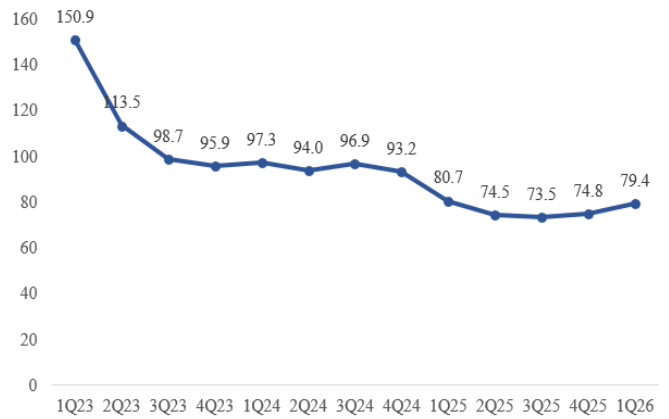
Source : Company, NHKSI Research

Exhibit 3. Coal Sales Destination (1Q26)



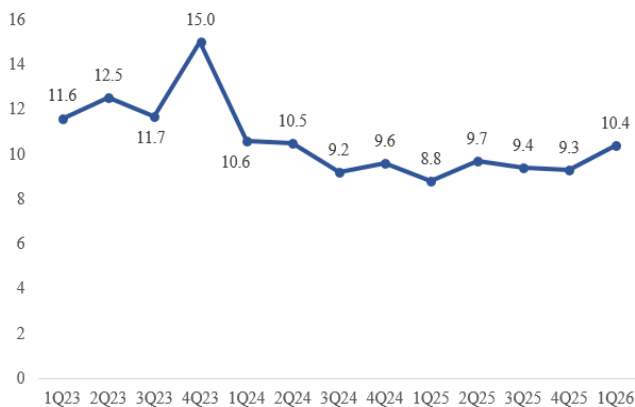
Source : Company, NHKSI Research

Exhibit 4. Average Selling Price (USD/Ton, 1Q23 – 1Q26)



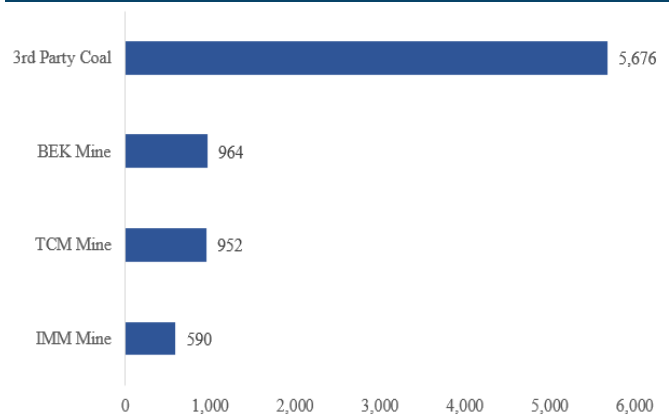
Source : Company, NHKSI Research

Exhibit 5. Quarterly Strip Ratio (Bcm/Ton, 1Q23 – 1Q26)



Source : Company, NHKSI Research

Exhibit 6. Revenue Breakdown (IDR Bn, 3M26)



Source : Company, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Revenue	30,999	33,301	33,883	34,478
Growth (% y/y)	-15.2%	7.4%	1.7%	1.8%
Cost of Revenue	(23,042)	(24,795)	(25,480)	(25,928)
Gross Profit	7,957	8,506	8,402	8,550
Gross Margin	25.7%	25.5%	24.8%	24.8%
Operating Expenses	(3,557)	(3,508)	(3,617)	(3,623)
EBIT	4,399	4,998	4,785	4,927
EBIT Margin	14.2%	15.0%	14.1%	14.3%
Depreciation	1,921	2,001	2,230	2,433
EBITDA	6,321	6,999	7,015	7,360
EBITDA Margin	20.4%	21.0%	20.7%	21.3%
EBT	4,733	5,346	5,145	5,290
Income Tax	(1,525)	(1,731)	(1,374)	(1,458)
Minority Interest	(62)	(70)	(67)	(69)
Net Profit	3,146	3,545	3,704	3,763
Growth (% y/y)	-47.0%	12.7%	4.5%	1.6%
Net Profit Margin	10.2%	10.6%	10.9%	10.9%

BALANCE SHEET

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Cash	13,487	14,008	14,238	14,357
Receivables	2,592	2,353	2,402	2,588
Inventories	1,879	1,944	2,071	2,293
Total Current Assets	12,628	22,272	22,957	23,782
Net Fixed Assets	12,655	14,284	15,786	17,153
Other Non Current Assets	5,882	6,364	6,561	6,687
Total Non Current Assets	18,537	20,649	22,347	23,840
Total Assets	40,164	42,921	45,304	47,622
Payables	4,830	4,856	5,320	5,403
ST Debt	781	752	795	837
LT Debt	699	673	712	750
Total Liabilities	8,309	8,864	9,332	9,748
Capital Stock + APIC	7,298	7,704	8,063	8,440
Retained Earnings	24,665	26,323	27,900	29,440
Shareholders' Equity	31,856	34,089	36,032	37,955

CASH FLOW STATEMENT

(IDR bn)	2025/12A	2026/12E	2027/12F	2028/12F
Operating Cash Flow	4,704	5,017	5,255	5,462
Investing Cash Flow	(3,128)	(2,382)	(2,732)	(2,925)
Financing Cash Flow	(4,545)	(2,067)	(2,243)	(2,365)
Net Changes in Cash	(3,006)	521	230	120

PROFITABILITY & STABILITY

	2025/12A	2026/12E	2027/12F	2028/12F
ROE	9.9%	10.4%	10.3%	9.9%
ROA	7.8%	8.3%	8.2%	7.9%
Inventory Turnover	12.3x	12.8x	12.3x	11.3x
Receivables Turnover	12.0x	14.2x	14.1x	13.3x
Payables Turnover	4.77x	5.11x	4.79x	4.80x
Dividend Yield	13.6%	6.7%	7.5%	7.8%
Dividend Payout Ratio	106.4%	53.3%	57.4%	59.1%
DER	0.26x	0.26x	0.26x	0.26x
DAR	0.21x	0.21x	0.21x	0.20x
Equity Multiplier	1.26x	1.26x	1.26x	1.25x
Current Ratio	3.76x	3.56x	3.50x	3.52x
Quick Ratio	3.43x	3.25x	3.18x	3.18x
Total Shares (bn)	1.12	1.12	1.12	1.12
Share Price (IDR)	21,875	25,250	25,250	25,250
Market Cap (IDR tn)	24.6	28.4	28.4	28.4

VALUATION INDEX

	2025/12A	2026/12E	2027/12F	2028/12F
Price / Earnings	7.81x	8.00x	7.66x	7.54x
Price / Book Value	0.77x	0.83x	0.79x	0.75x
EV / EBITDA	1.99x	2.26x	2.23x	2.12x
EV (IDR bn)	12,578	15,796	15,647	15,608
Basic EPS (IDR)	2,801	3,154	3,296	3,348
BVPS (IDR)	28,344	30,331	32,060	33,771

OWNERSHIP

By Geography*	%
Singapore	89.51
United States	5.80
Others	4.69

Shareholders	%
Banpu Minerals (Singapore) Private Limited	65.14
Public	33.41
Treasury Stock	1.33

*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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