# Alamtri Resources Indonesia Tbk. (ADRO)

## *Aluminium Casts a Stronger 9M26, Coal Waits for the Tide*

***ADRO's 9M26 results beat expectations, with revenue of USD 1,901.5 mn (+41.0% YoY, 73.8% of our previous FY26F) and net profit of USD 516.6 mn (+71.3% YoY, 85.4% of our previous FY26F). KAI's first quarter of aluminium sales (USD 522.4 mn) lifted 3Q26 net profit to USD 207.2 mn (+63.7% YoY, +14.3% QoQ), offsetting weaker coal sales. We raise our FY26F net profit by +16.2% to USD 702.8 mn, though softer LME prices and river constraints should weigh on 4Q26. We maintain our BUY rating and TP of IDR 3,250/share (+37.7% upside), with ADRO trading at only 5.4x FY26F P/E.***

### 9M26 & 3Q26 Financial Performance

- **KAI's first aluminium sales more than offset weaker coal in 3Q26 revenue.** ADRO booked 9M26 revenue of USD 1,901.5 mn (+41.0% YoY), equivalent to 73.8% of our previous FY26F. In 3Q26 alone, revenue jumped to USD 902.3 mn (+84.0% YoY, +70.8% QoQ), as KAI, the aluminium smelter under ADMR, recorded its first aluminium sales of USD 522.4 mn. Coal mining revenue fell to USD 145.7 mn (-36.7% YoY, -53.8% QoQ), as low water levels on the Barito River constrained shipments and lifted coal inventory to USD 113.2 mn (vs. USD 60.3 mn at end-2025). Mining services revenue held at USD 250.3 mn (-12.7% YoY, +3.7% QoQ), supported by long-term contracts.
- **KAI and richer coal margins lifted profitability.** 9M26 gross profit rose +67.5% YoY to USD 776.3 mn and operating profit nearly doubled (+96.7% YoY) to USD 699.8 mn, lifting GPM to 40.8% and OPM to 36.8% (vs. 34.4% and 26.4% in 9M25). KAI accounted for 47.2% of the USD 344.0 mn increase in operating profit, at a 29.2% EBIT margin. Coal mining EBIT margin expanded to 44.7% (vs. 37.4% in 9M25) and mining services to 29.9% (vs. 22.0% in 9M25). EBITDA rose +68.5% YoY to USD 885.8 mn, a 46.6% margin (vs. 39.0% in 9M25). In 3Q26, the lower-margin aluminium mix and thinner coal sales brought GPM to 39.2% and OPM to 35.2% (vs. 46.2% and 45.5% in 2Q26, and 36.5% and 31.1% in 3Q25).
- **Higher finance costs and minorities absorbed part of the gain, but net profit still beat.** Finance costs rose 3.7x YoY to USD 61.5 mn in 9M26 on higher lease interest, and FX losses widened to USD 12.7 mn. These were offset by higher JV profit (USD 43.6 mn vs. USD 1.7 mn in 9M25), USD 33.5 mn of dividend income and a lower effective tax rate (16.8% vs. 21.1% in 9M25). 9M26 net profit rose +71.3% YoY to USD 516.6 mn (a run-rate of 85.4% of our previous FY26F), lifting NPM to 27.2% (vs. 22.4% in 9M25), while 3Q26 net profit reached USD 207.2 mn (+63.7% YoY, +14.3% QoQ) with NPM at 23.0% (vs. 34.3% in 2Q26 and 25.8% in 3Q25).

### Softer Metal and Shallow Waters Temper 4Q26

- **LME aluminium softness is likely to weigh on KAI's realised prices in 4Q26.** LME aluminium now trades at ~USD 3,094/t, 4.1% below its 3Q26 average of ~USD 3,225/t (-8.3% QoQ from ~USD 3,518/t in 2Q26), as supply outside the Middle East improves. China's output runs near record levels, with September exports up +25.9% YoY, while EGA expects its Al Taweelah smelter to fully recover by 1Q27.
- **Coal volumes hinge on Barito River conditions.** Low river levels left the coal business with elevated inventory at the end of 3Q26, and a normalisation in river conditions would allow catch-up deliveries. Overall, we raise our FY26F revenue to USD 2,778.2 mn (+48.3% YoY) and net profit to USD 702.8 mn (+57.0% YoY). 9M26 revenue and net profit represent 68.4% and 73.5% of our new FY26F, respectively.

### Maintain BUY Recommendation with Target Price at IDR 3,250/Share

- **We maintain our BUY rating on ADRO with a target price of IDR 3,250/share, implying +37.7% upside from the current price of IDR 2,360/share.** Our TP implies 7.4x FY26F P/E and 4.7x FY26F EV/EBITDA. At the current price, ADRO trades at 5.4x FY26F P/E, near its 3-year mean P/E of 5.04x, and 3.6x FY26F EV/EBITDA.
- **Risk(s):** 1) further decline in LME aluminium prices; 2) slower-than-expected KAI ramp-up; 3) prolonged low water levels on the Barito River; 4) weaker demand weighing on coking coal prices.

**Alamtri Resources Indonesia Tbk.** | Summary (USD Millions)

| | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|---|---|---|---|---|
| Revenue | 1.874 | 2.778 | 3.372 | 3.439 |
| *Growth (%y/y)* | *-9,9%* | *48,3%* | *21,4%* | *2,0%* |
| Net Profit | 448 | 703 | 784 | 806 |
| *Growth (%y/y)* | *-67,6%* | *57,0%* | *11,6%* | *2,8%* |
| Basic EPS (IDR) | 280 | 439 | 490 | 504 |
| Price / Earnings | 6,47x | 5,37x | 4,82x | 4,68x |
| EV / EBITDA | 3,46x | 3,56x | 3,52x | 3,41x |
| ROE | 8,9% | 12,0% | 13,0% | 13,2% |
| ROA | 6,6% | 8,3% | 9,0% | 9,1% |

*Source : Company Data, Bloomberg, NHKSI Research*

**Company Update | 04th November 2026**

**BUY**

| | |
|---|---|
| **Target Price (IDR)** | **3,250** |
| Consensus Price | 3,350 |
| TP to Consensus Price | -3.0% |
| Potential Upside | +37.7% |

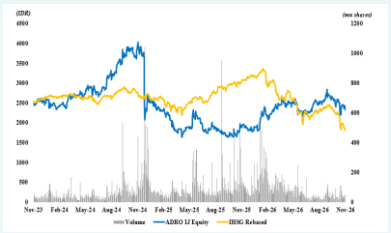
**Shares Data**

| | |
|---|---|
| Last Price (IDR) | 2,360 |
| Price date as of | 4th November 2026 |
| 52 wk range (Hi/Lo) | 2,860 / 1,785 |
| Free Float (%) | 28.3 |
| Outstanding sh (mn) | 28,800 |
| Market Cap (IDR bn) | 67,681 |
| Market Cap (USD mn) | 3,727 |
| Avg. Trd Vol – 3M (mn) | 103.93 |

Sector
**Energy**
Sub-Sector
**Coal Mining**

| | |
|---|---|
| Bloomberg | ADRO IJ Equity |
| Reuters | ADRO JK |

**Share Price Performance**

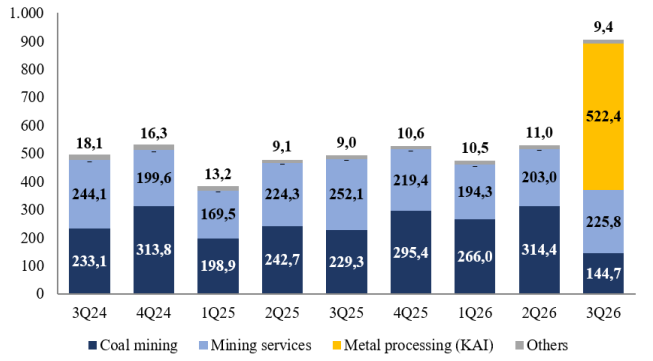


| | YTD | 3M | 6M | 12M |
|---|---|---|---|---|
| Abs. Ret. | +30.4% | -4.4% | -6.3% | +21.7% |
| Rel. Ret. | +74.2% | +17.0% | +21.3% | +62.0% |

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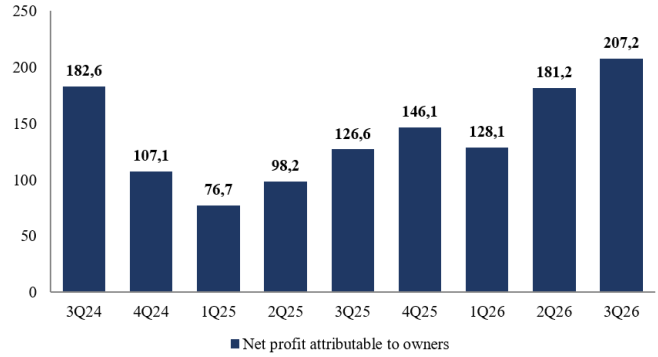
## Performance Highlight

**Exhibit 1. ADRO Revenue Performance (USD mn, 3Q24 – 3Q26)**



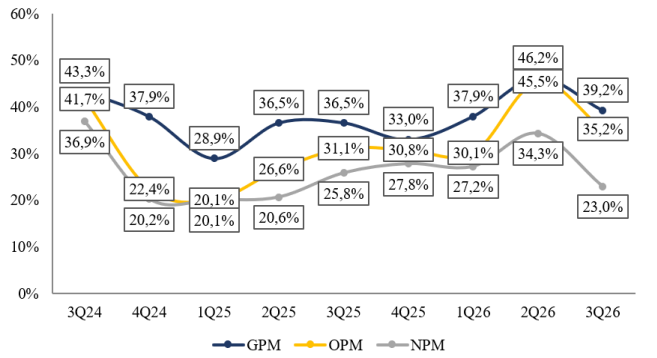

*Source : Company, NHKSI Research*

**Exhibit 2. ADRO Net Profit Performance (USD mn, 3Q24 – 3Q26)**



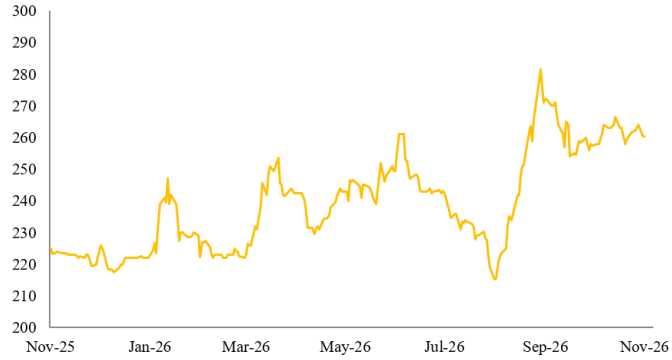

*Source : Company, NHKSI Research*

**Exhibit 3. ADRO Margin Performance (3Q24 – 3Q26)**



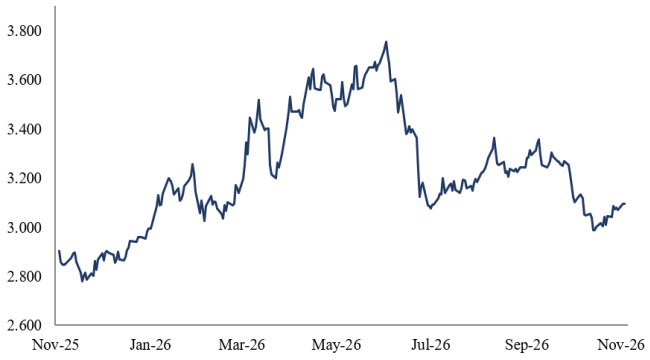

*Source : Company, NHKSI Research*

**Exhibit 4. Coking Coal Price, YoY (USD/t)**




*Source : Bloomberg, NHKSI Research*

**Exhibit 5. LME Aluminium Price, YoY (USD/t)**




*Source : Bloomberg, NHKSI Research*

## Summary of Financials

### INCOME STATEMENT

| (USD mn) | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|---|---|---|---|---|
| **Revenue** | **1.874** | **2.778** | **3.372** | **3.439** |
| *Growth (% y/y)* | *-9,9%* | *48,3%* | *21,4%* | *2,0%* |
| Cost of Revenue | (1.237) | (1.682) | (2.164) | (2.207) |
| **Gross Profit** | **637** | **1.096** | **1.208** | **1.232** |
| *Gross Margin* | *34,0%* | *39,5%* | *35,8%* | *35,8%* |
| Operating Expenses | (119) | (114) | (228) | (226) |
| **EBIT** | **518** | **983** | **980** | **1.006** |
| *EBIT Margin* | *27,6%* | *35,4%* | *29,1%* | *29,3%* |
| Depreciation | 254 | 263 | 282 | 296 |
| **EBITDA** | **772** | **1.246** | **1.262** | **1.302** |
| *EBITDA Margin* | *41,2%* | *44,8%* | *37,4%* | *37,9%* |
| **EBT** | **612** | **1.007** | **1.070** | **1.100** |
| Income Tax | (123) | (153) | (219) | (225) |
| Minority Interest | (42) | (151) | (67) | (69) |
| **Net Profit** | **448** | **703** | **784** | **806** |
| *Growth (% y/y)* | *-67,6%* | *57,0%* | *11,6%* | *2,8%* |
| *Net Profit Margin* | *23,9%* | *25,3%* | *23,3%* | *23,4%* |

### PROFITABILITY & STABILITY

| | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|---|---|---|---|---|
| ROE | 8,9% | 12,0% | 13,0% | 13,2% |
| ROA | 6,6% | 8,3% | 9,0% | 9,1% |
| Inventory Turnover | 10,66x | 3,30x | 3,30x | 3,30x |
| Receivables Turnover | 4,77x | 6,69x | 6,69x | 6,69x |
| Payables Turnover | 1,60x | 3,07x | 3,07x | 3,07x |
| Dividend Yield | 15,5% | 18,6% | 20,8% | 21,3% |
| Dividend Payout Ratio | 100,0% | 100,0% | 100,0% | 100,0% |
| DER | 0,36x | 0,44x | 0,45x | 0,45x |
| DAR | 0,27x | 0,31x | 0,31x | 0,31x |
| Equity Multiplier | 1,36x | 1,44x | 1,45x | 1,45x |
| Current Ratio | 2,56x | 4,08x | 3,76x | 3,88x |
| Quick Ratio | 2,43x | 3,46x | 3,09x | 3,21x |
| Total Shares (bn) | 28,80 | 28,80 | 28,80 | 28,80 |
| Share Price (IDR) | 1.810 | 2.360 | 2.360 | 2.360 |
| Market Cap (IDR tn) | 52,13 | 67,97 | 67,97 | 67,97 |

### BALANCE SHEET

| (USD mn) | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|---|---|---|---|---|
| Cash | 1.044 | 1.444 | 1.535 | 1.688 |
| Receivables | 393 | 416 | 504 | 514 |
| Inventories | 116 | 510 | 656 | 669 |
| **Total Current Assets** | **2.207** | **3.347** | **3.673** | **3.849** |
| Net Fixed Assets | 3.062 | 3.557 | 3.537 | 3.466 |
| Other Non Current Assets | 1.548 | 1.531 | 1.531 | 1.531 |
| **Total Non Current Assets** | **4.610** | **5.089** | **5.069** | **4.998** |
| **Total Assets** | **6.817** | **8.436** | **8.742** | **8.847** |
| Payables | 771 | 548 | 706 | 720 |
| ST Debt | 60 | 244 | 244 | 244 |
| LT Debt | 761 | 1.583 | 1.583 | 1.583 |
| **Total Liabilities** | **1.813** | **2.576** | **2.733** | **2.747** |
| Capital Stock + APIC | 1.054 | 987 | 987 | 987 |
| Retained Earnings | 3.291 | 3.796 | 3.878 | 3.900 |
| **Shareholders' Equity** | **5.004** | **5.861** | **6.009** | **6.100** |

### VALUATION INDEX

| | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|---|---|---|---|---|
| Price / Earnings | 6,47x | 5,37x | 4,82x | 4,68x |
| Price / Book Value | 0,65x | 0,72x | 0,71x | 0,71x |
| EV / EBITDA | 3,46x | 3,56x | 3,52x | 3,41x |
| EV (USD mn) | 2.673 | 4.439 | 4.439 | 4.439 |
| Basic EPS (IDR) | 280 | 439 | 490 | 504 |
| BVPS (IDR) | 2.803 | 3.261 | 3.312 | 3.326 |

### CASH FLOW STATEMENT

| (USD mn) | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|---|---|---|---|---|
| Operating Cash Flow | 594 | 715 | 1.055 | 1.162 |
| Investing Cash Flow | (531) | (126) | (262) | (225) |
| Financing Cash Flow | (405) | (169) | (702) | (784) |
| **Net Changes in Cash** | **(362)** | **400** | **91** | **153** |

### OWNERSHIP

| **By Geography** | **%** |
|---|---|
| Indonesia | 67,51 |
| United States | 7,23 |
| Others | 25,26 |
| **Shareholders** | **%** |
| PT Adaro Strategic Investments | 48,77 |
| Garibaldi Thohir | 6,86 |
| Edwin Soeryadjaya | 3,65 |
| Public | 40,72 |

*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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