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PT Ajaib Sekuritas Asia

ADMR
PT Alamtri Minerals Indonesia Tbk

Fueling the Green Shift

- Coking coal prices expected to stay high near USD200/t through 2026–2027, supported by strong Indian steel demand and limited new supply.
- Aluminum smelter project at KIPI progressing on schedule, reinforcing ADMR's role in Indonesia's downstream and green industrial push.
- 1H25 earnings declined on weaker ASP and volumes, but operations and balance sheet remain solid with continued capex commitment.
- Maintain BUY with TP Rp1,500, driven by operational efficiency, downstream growth visibility, and resilient financial profile.

Met Coal Strength to Persist Before Gradual Normalization

Global coking coal prices are projected to remain elevated in the near term, averaging around USD200 per ton in 2026, supported by strong demand from India and Southeast Asia amid tightening global supply. India's steel output is forecast to rise from 143 Mt in 2024 to over 180 Mt by 2027, driving metallurgical coal imports higher by an estimated 10–12% annually following restrictions on metallurgical coke. Meanwhile, China's weak construction sector pushed steel rebar futures below CNY 3,050/t, although steel exports rose 10% MoM in September to 10.47 Mt, sustaining coal demand. On the supply side, Australia—accounting for over 50% of global seaborne met coal trade—faces mine closures and weather-related disruptions, while Russian exports remain constrained by sanctions and logistics. With limited new projects and resilient Asian steel production, we expect the market to stay tight through 2027, keeping prices well above the pre-pandemic average of USD150/t.

Advancing Aluminum Smelter Development at KIPI

The aluminum smelter being developed by ADMR through KAI within the North Kalimantan Industrial Park (KIPI)—which is set to become the world's largest green industrial zone—represents a major milestone in Indonesia's downstream industrial transformation. With a total planned capacity of up to 1.5 million tons per annum (tpa), the first 500,000 tpa phase—powered by coal—is currently under construction, while the second phase, utilizing hydropower, is scheduled for COD in early 2031. As of 2Q25, major foundation works have been completed, with installation of pot room, anode systems, and jetty unloaders well underway, alongside near-complete supporting infrastructure such as utilities and dormitories. ADMR serves as the main investor with a 65% ownership stake in KAI. Given its alignment with the government's downstream policy and objective to reduce aluminum imports, the project opens opportunities for both domestic supply and export markets once operational.

1H25 Performance Softened by Price and Volume Dynamics

ADMR maintained strong operational momentum in 1H25, with coal production rising to 3.47 Mt (+16% YoY) and sales volume up to 2.88 Mt (+11% YoY), supported by low strip ratio improvement to 3.4x (vs. 3.5x in 1H24). Overburden removal increased to 11.9 Mbcm (+15% YoY), reflecting continued efficiency in mining sequencing. Financially, 1H25 revenue declined to USD444 mn (-27% YoY) due to weaker coal prices, resulting in lower net profit at USD139 mn (-44% YoY). Despite margin compression, ADMR maintained balance sheet resilience with USD530 mn in cash, net cash position of USD36 mn, and capex rising to USD282 mn (+98% YoY), underscoring ongoing investment in operational growth and downstream integration.

Reaffirm BUY with Rp1,500 Target Price

We maintain our BUY call on ADMR with a higher target price of Rp1,500, implying 6.8x PE 2026F (equivalent to -0.5 standard deviation). For FY25, ADMR targets sales volume of 5.6–6.1 Mt, supported by a lower strip ratio of 3.3x, reflecting continued operational efficiency. Capital expenditure is guided at USD300–325 million, slightly below 2024's USD406 million, as investments shift from expansion to optimization and downstream integration. **Key risk:** metallurgical coal price volatility, project execution risk, and shifts in steel industry demand, especially in China and India.

Key Financial Highlights

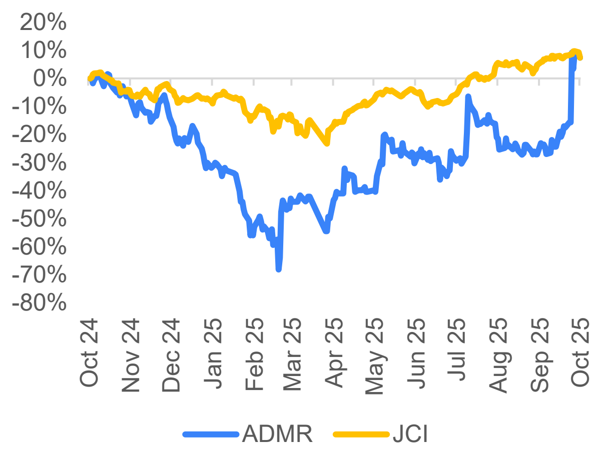
Key Metrics	2023	2024	2025F	2026F	2027F
Revenue (USD mn)	1,086	1,154	1,027	1,833	2,363
EBITDA (USD mn)	599	577	446	733	922
Net Profit (USD mn)	441	435	326	527	670
EPS Growth (%)	33.9	3.1	-22.2	61.7	27.1
P/E (x)	8.30	7.10	7.65	6.59	5.18
P/BV (x)	3.52	2.06	1.57	1.32	1.05
EV/EBITDA (x)	1.62	2.30	3.66	3.08	3.23

BUY

Stock Information (as of October 15, 2025)

Last Price (Rp)	1,275
Target Price (Rp)	1,500
Potential Upside	17.6%
Previous TP (Rp)	1,400
Market Cap (Rp tn)	52.1
52 Week Range (Rp)	1,530 - 700
Free Float	12.5%
Share Out. (bn)	40.9

1-Year Stock Performance Comparison vs JCI



Shareholders

ADMR's Shareholders	%
PT Alamtri Resources Indonesia Tbk	84.45
Public	12.54
Controlling Affiliate	3.01

Company Description

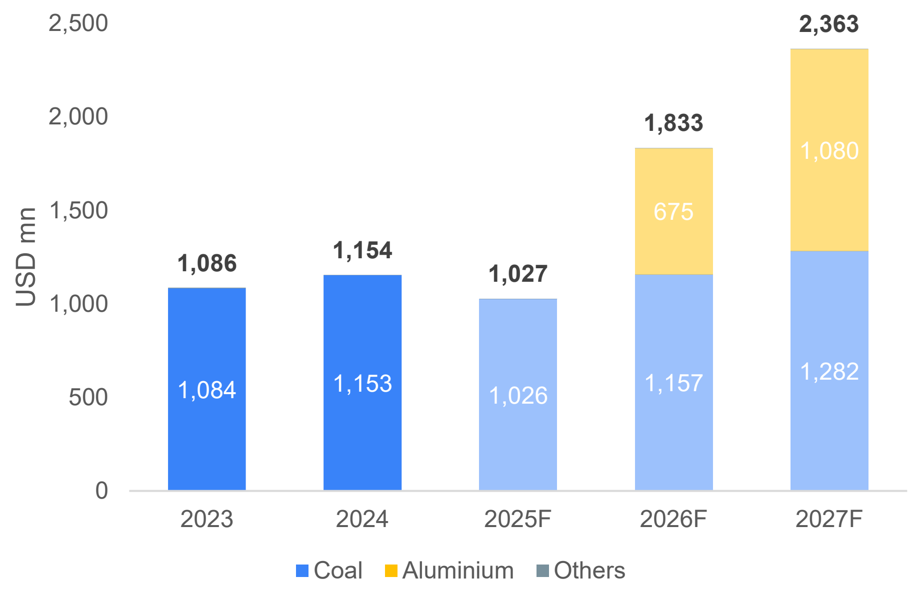
ADMR's Company Profile

PT Alamtri Minerals Indonesia Tbk, formerly PT Adaro Minerals Indonesia Tbk, focuses on metallurgical coal mining, mineral processing, mining services, and renewable energy businesses. Through its subsidiaries, PT Adaro Minerals Indonesia Tbk holds five Coal Contract of Work (CCoW) concession areas in East Kalimantan and Central Kalimantan.

Analyst

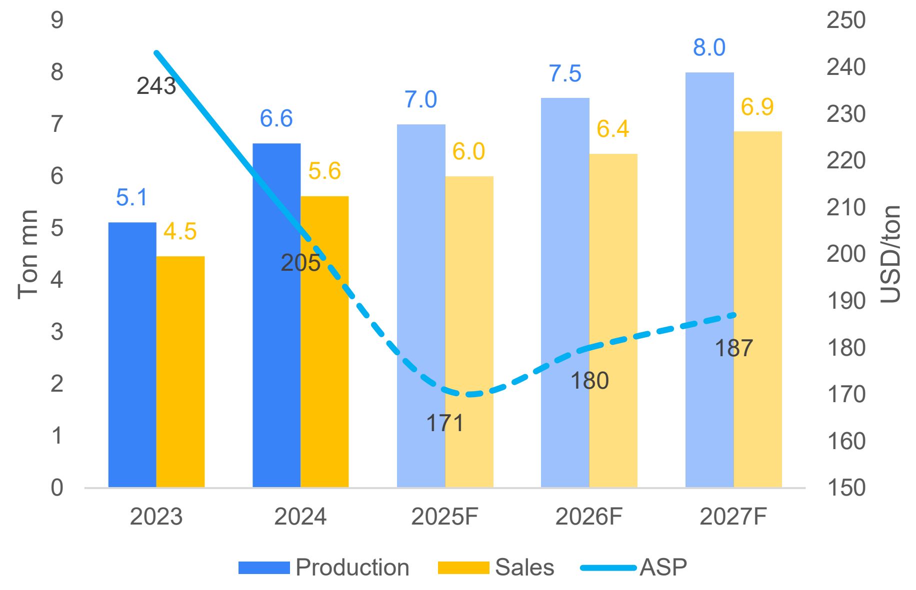
Rizal Rafly
rizal.rafly@ajaib.co.id

Figure 1. ADMR's Revenue Projections



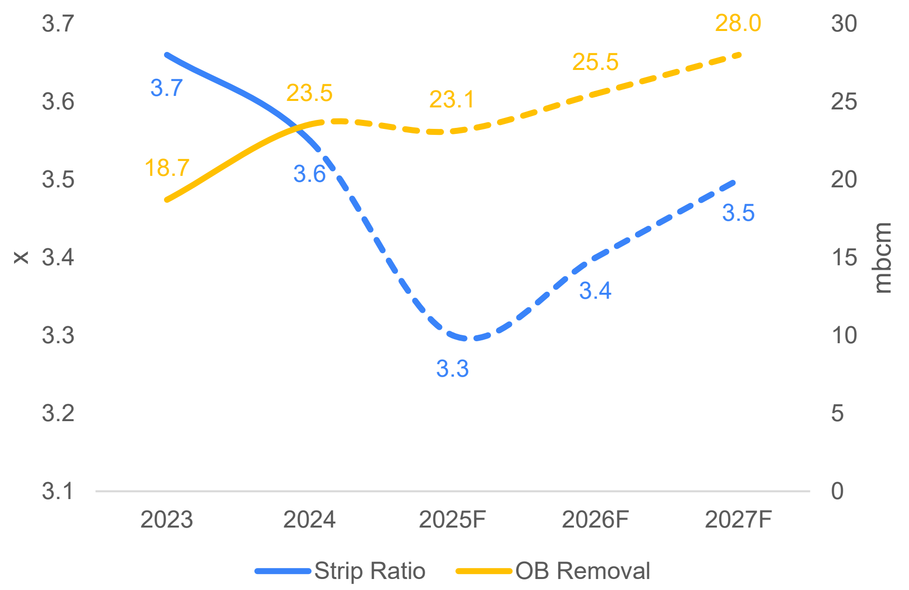
Source: Company, Ajaib Research

Figure 2. ADMR's Production & Sales Volume and Coking Coal ASP Projections



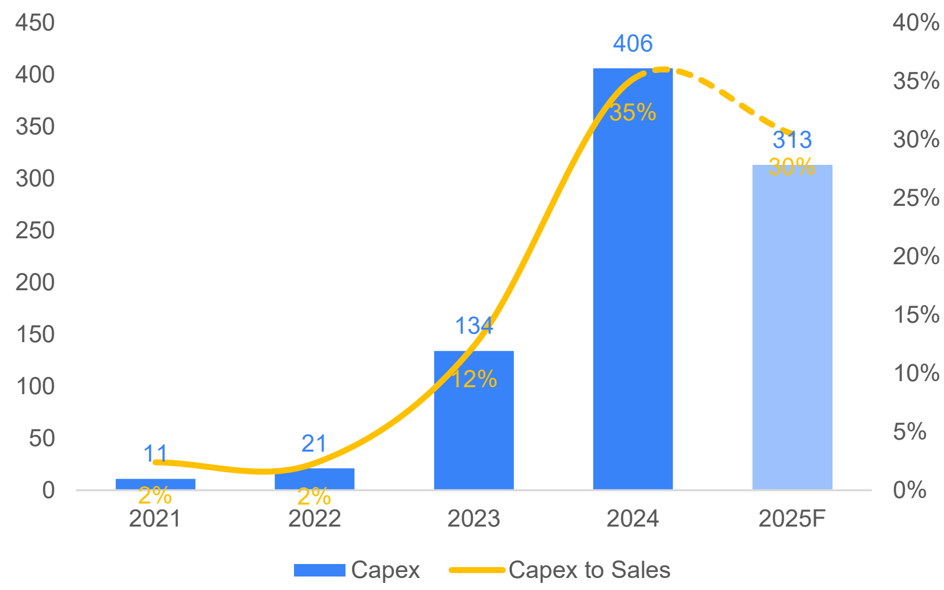
Source: Barchart, Ajaib Research

Figure 3. ADMR's Strip Ratio and OB Removal Projections



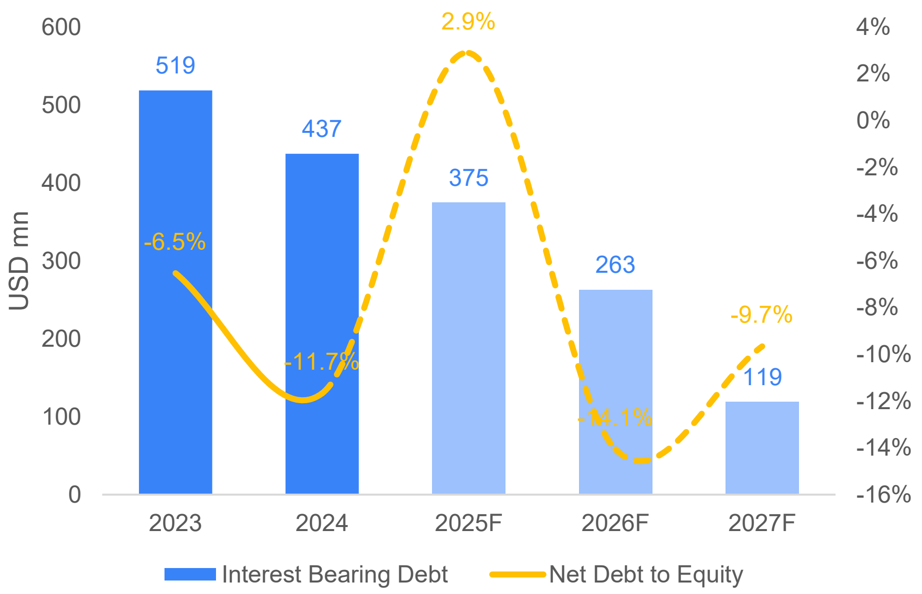
Source: Company, Ajaib Research

Figure 4. ADMR's Capex Projections



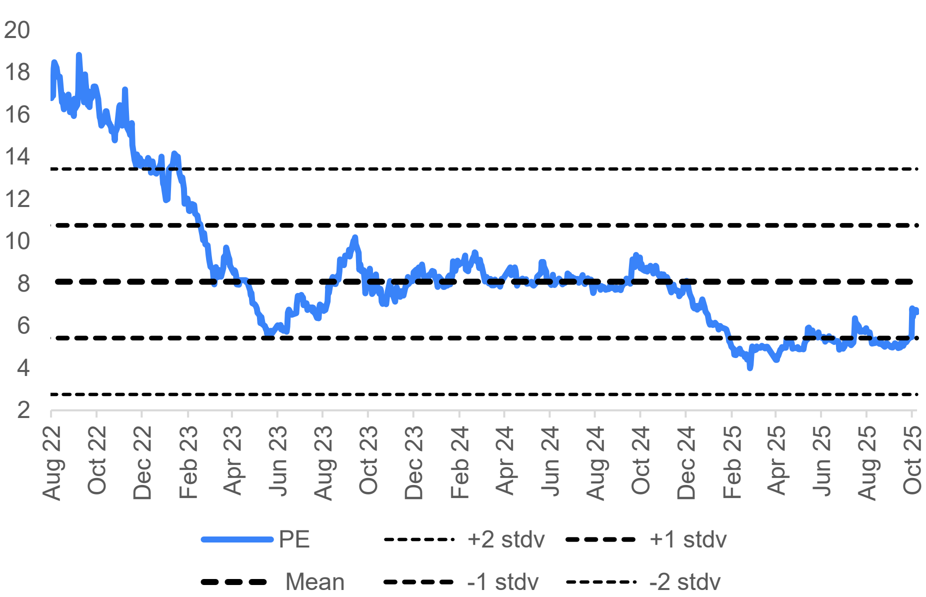
Source: Barchart, Ajaib Research

Figure 5. ADMR's Debt Projections



Source: Bloomberg, Ajaib Research

Figure 6. ADMR's Forward PE Band 2026F



Source: Bloomberg, Ajaib Research

Figure 7. Peers Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	PEG (%)	EV/EBITDA (x)	ROE (%)	EPS Growth (%)
ADMR	55.2	7.5	-21.9	6.6	22.7	34.8
HRUM	16.2	9.6	-32.7	10.0	5.0	61.0
MBMA	63.2	28.5	N.A	31.1	0.5	N.A
ANTM	80.5	13.1	9.3	10.0	20.9	3.2
INCO	45.0	18.4	-41.5	12.7	1.7	75.4
NCKL	75.7	7.7	-14.6	9.2	23.5	20.1
Sector Average		**14.1**	**-20.3**	**13.3**	**12.4**	**38.9**

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (USD mn)	2023	2024	2025F	2026F	2027F
Revenue	**1,086**	**1,154**	**1,027**	**1,833**	**2,363**
Cost of revenue	-503	-576	-603	-1,026	-1,321
Gross Profit	**583**	**578**	**424**	**807**	**1,042**
OpEx	-9	-38	-25	-140	-211
Operating Profit	**574**	**539**	**398**	**667**	**832**
EBITDA	599	577	446	733	922
Other Income (Expenses)	0	1	0	0	0
Net Interest Expense	-11	17	20	9	28
Pre-tax profit	**563**	**558**	**418**	**676**	**860**
Income Tax	-123	-123	-92	-149	-189
NPAT	**441**	**435**	**326**	**527**	**670**
Minority Interest	0	-2	-1	1	1
Net Profit	**441**	**435**	**326**	**527**	**670**
EPS (Rp)	**164**	**169**	**131**	**212**	**270**

Cashflow Statement (USD mn)	2023	2024	2025F	2026F	2027F
Net Profit	441	435	326	527	670
D&A	24	37	48	67	91
Changes in Working Capital	-122	87	-30	-122	282
Others	-30	-17	-6	-7	79
Operating Cash Flow	**313**	**542**	**338**	**464**	**1,122**
Capital Expenditure	-165	-387	-313	-559	1,567
Changes in other assets	-30	-70	-5	-5	341
Investing Cash Flow	**-195**	**-457**	**-318**	**-564**	**1,908**
Net - Borrowing	-45	-81	-63	-112	-263
Dividend	-3	0	0	0	0
Other Financing	4	24	-241	515	-3,400
Financing Cash Flow	**-43**	**-58**	**-303**	**404**	**-3,663**
Net - Cash Flow	75	26	-284	304	-633
Cash at beginning	511	586	613	329	633
Cash at ending	**586**	**613**	**329**	**633**	**0**

Balance Sheet (USD mn)	2023	2024	2025F	2026F	2027F
Cash & equivalents	586	613	329	633	438
Receivables	182	95	123	220	284
Inventories	68	70	72	123	158
Others	48	65	71	79	86
Total Current Assets	**885**	**843**	**596**	**1,054**	**966**
Fixed Assets	550	900	1,165	1,658	2,288
Other Non-Current Assets	261	331	336	341	346
Total Non-Current Assets	**811**	**1,231**	**1,501**	**1,999**	**2,634**
Total Assets	**1,695**	**2,074**	**2,097**	**3,053**	**3,600**
Accrued Expenses	103	142	112	79	36
Payables	33	35	36	61	79
Other current Liability	73	59	59	60	61
Total Current Liability	**210**	**235**	**208**	**200**	**175**
LT.Debt	416	296	262	184	83
Other LT Liabilities	32	40	40	40	40
Total Non-Current Liability	**448**	**336**	**303**	**224**	**123**
Total Liability	**657**	**571**	**510**	**425**	**299**
Retained Earnings	855	1,290	1,613	2,141	2,813
Others	183	213	-26	487	489
Total Equity	**1,038**	**1,502**	**1,587**	**2,629**	**3,301**
Total LiabilitiesEquity	**1,695**	**2,074**	**2,097**	**3,053**	**3,600**

Key Ratios (%)	2023	2024	2025F	2026F	2027F
Gross Profit Margin	53.7	50.1	41.3	44.0	44.1
EBITDA Margin	55.1	50.0	43.4	40.0	39.0
Net Profit Margin	40.6	37.7	31.8	28.8	28.4
Return on Equity	42.5	28.9	20.6	20.1	20.3
Return on Asset	26.0	21.0	15.5	17.3	18.6
Dividend Yield	0.0	0.0	0.0	0.0	0.0
Debt to Equity	50.0	29.1	23.6	10.0	3.6
Net Gearing	-6.5	-11.7	2.9	-14.1	-9.7

Source: Company, Ajaib Research

PT Ajaib Sekuritas Asia
Neo Soho @Podomoro City Lt. 30,
Jl. Letjen S. Parman No.28,
Jakarta Barat
Email: support.saham@ajaib.co.id
Phone: 021-30003606

Rating for Sectors:
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:
Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.
Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.
Sell : The stock is expected to give total return of < 0% over the next 12 months.
Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”
Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

Analyst Certification:
The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

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