

ADMR

PT Alamtri Minerals Indonesia Tbk

Coal Peak, Aluminum Rise

- **Coking Coal Prices** expected to average USD 255/t in 2H25 before easing to USD 220/t in 2026 as new supply comes online, though strong Indian and Southeast Asian demand.
- **Smelter project** in North Kalimantan projected to contribute 38% of revenue in 2026 and 45% in 2027, significantly diversifying earnings beyond coal.
- **Net profit** fell to USD 65.5 million (-37% QoQ; -44% YoY) on weaker ASP and lower volume due to weather disruptions
- **Target price** of Rp1,400 implies 11.3x P/E 2026F; low-cost structure and downstream expansion offer upside, with key risks from coal price volatility and project execution.

Coking Coal Peaking Before Cooling

Coking coal prices are projected to remain volatile but generally elevated through 2H25, with Platts Premium Low Vol FOB Australia expected to average around USD 255 per ton, up from USD 240 in 1H25, driven by resilient steel output in India (+7 percent YoY forecast for FY25) and recovering blast furnace utilization in China post-infrastructure stimulus. On the supply side, Australian exports are set to rise modestly by 3 percent in 2025 as weather disruptions ease, while Mongolia's border logistics with China continue improving, adding incremental tonnage. However, supply discipline from top miners and ongoing high freight costs could cap downside risk. In 2026, the market is likely to soften towards USD 220 per ton as new supply from Queensland and Mozambique ramps up and Chinese EAF steel capacity gains share, though strong Indian demand and Southeast Asian steel projects will provide a price floor above historical averages.

Gears Up for Aluminum Boost

ADMR remains Indonesia's leading metallurgical coal producer, with 173 Mt of reserves and 975.6 Mt of resources. The company is making a strategic shift into downstream diversification through its aluminum smelter project at the North Kalimantan Industrial Park, targeting an annual capacity of up to 1.5 Mt, including 500,000 tpa of green aluminum powered by hydro. We project this multi-phase project will transform ADMR's revenue mix, with the aluminum segment contributing ~38% of total revenue in 2026 and ~45% in 2027. On the operational side, ADMR is advancing its hauling road upgrade project to boost transportation capacity and efficiency, supporting its 2025 sales volume target of 5.6–6.1 Mt. The expansion is designed to handle higher coal throughput and reduce cycle times between pit and port. Together with the addition of a second barge loading conveyor, we expect these upgrades to further enhance cost competitiveness.

1Q25 Earnings Weighed Down by ASP and Volume

ADMR booked a 1Q25 net profit of USD 65.5 million, (-36.9% QoQ; 43.6% YoY), hit by weaker coking coal ASP and lower sales volume following heavy rainfall that disrupted Barito River deliveries. Revenue fell to USD 199.9 million (-36.2% QoQ; 27.2% YoY), driven by a sharp ASP drop (-9% QoQ; -39% YoY). Cost of sales decreased to USD 103.8 million (-31.8% QoQ; -0.1% YoY) and opex to USD 11.4 million (-3.8% QoQ; +4.5% YoY) due to lower activity but could not offset the revenue slump, resulting in operating profit of USD 84.7 million (-44.7% QoQ; -50.7% YoY).

Recommend BUY with TP of Rp1,500 per share

We initiate our BUY call on ADMR with a target price of Rp1,400, implying 11.3x P/E 2026F, (equivalent to -0.5 standard deviation). The company's low-cost position enhances resilience against price volatility, while the smelter project offers medium-term earnings diversification. **Key risk:** metallurgical coal price volatility, project execution risk, and shifts in steel industry demand, especially in China and India.

Key Financial Highlights

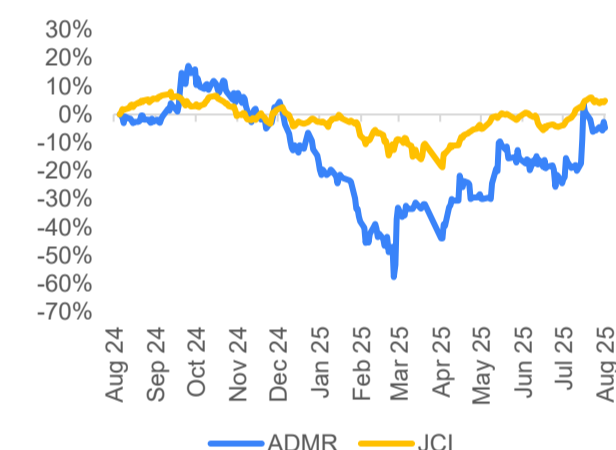
Key Metrics	2023	2024	2025F	2026F	2027F
Revenue (USD mn)	1,086	1,154	1,027	1,769	2,363
EBITDA (USD mn)	599	577	447	681	927
Net Profit (USD mn)	441	435	326	484	667
EPS Growth (%)	33.9	3.1	-22.5	48.3	37.8
P/E (x)	8.30	7.10	8.55	7.21	5.23
P/BV (x)	3.52	2.06	1.76	1.35	1.07
EV/EBITDA (x)	1.62	2.30	3.72	3.40	3.36

BUY

Stock Information (as of August 12, 2025)

Last Price (Rp)	1,110
Target Price (Rp)	1,400
Potential Upside	26.1%
Market Cap (Rp tn)	45.4
52 Week Range (Rp)	1,585 - 700
Free Float	12.5%
Share Out. (bn)	40.9
Beta	2.1

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

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INVESTMENT SUMMARY

For FY25, ADMR targets sales volumes of 5.6–6.1 Mt with a reduced strip ratio of 3.3x, supported by ongoing hauling road upgrades and the addition of a second barge loading conveyor to improve logistics efficiency and throughput. The aluminium smelter project at the North Kalimantan Industrial Park will continue construction through 2025, with first-phase commissioning expected post-2026. Once operational, the smelter is expected to add up to 1.5 Mt annual aluminium capacity, including 500,000 tpa of green aluminium powered by hydro, significantly diversifying ADMR's operational base beyond coal.

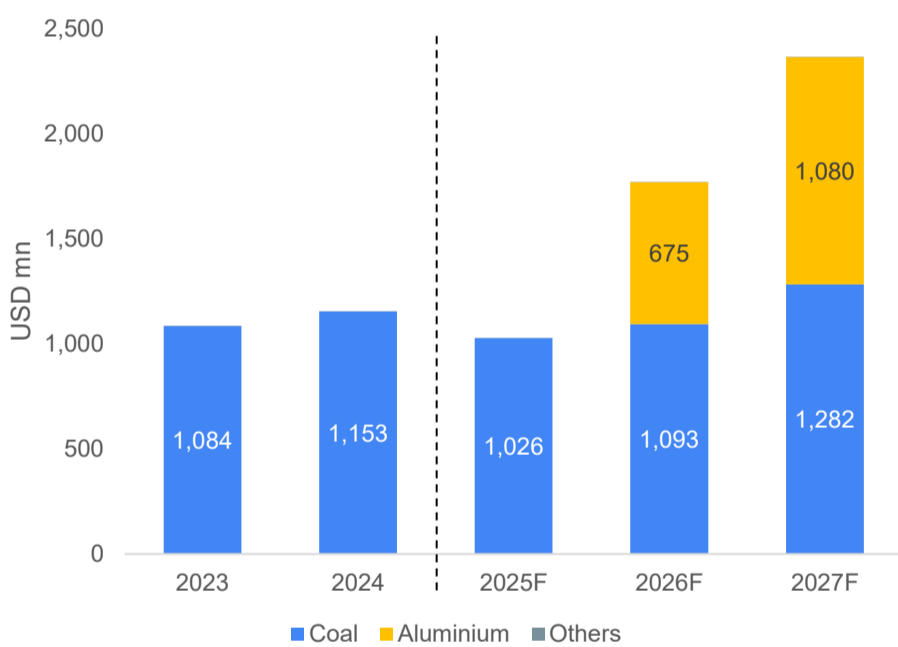
Revenue growth in 2026–2027 will be driven by both coal and the aluminium segment, with the latter projected to contribute around 38% of total revenue in 2026 and approximately 45% in 2027 as smelter operations ramp up. EBITDA margins are forecast to rebound to 39.2% in 2027F, after dipping to 38.5% in 2026F, supported by the increasing share of higher-margin aluminium sales. EPS is expected to grow by 48.2% YoY in 2026F and 37.8% YoY in 2027F. Capex of USD 300–325 million is planned for 2025, primarily for smelter construction and supporting infrastructure, with free cash flow set to improve as major capex winds down and aluminium revenues start to materialize.

Figure 1. ADMR's Aluminium Smelter Project Schedule

Project Phase	Target Capacity	Key Milestones	Expected Completion	Notes
Phase 1	500,000 tpa (Green Aluminium, hydro-powered)	Site preparation, civil works, initial power connection, procurement of key equipment	2026	First production to focus on export-grade green aluminium
Phase 2	+500,000 tpa	Installation of additional potlines, power capacity expansion, logistics integration	2027	Designed to increase overall aluminium output to 1.0 Mtpa
Phase 3	+500,000 tpa	Full-scale smelter completion, optimisation, and product diversification	2028	Brings total capacity to 1.5 Mtpa; potential downstream product development
Supporting Infrastructure		Hauling road upgrade, barge loading conveyor expansion, port facilities enhancement	2025–2027	Supports both coal and aluminium logistics efficiency

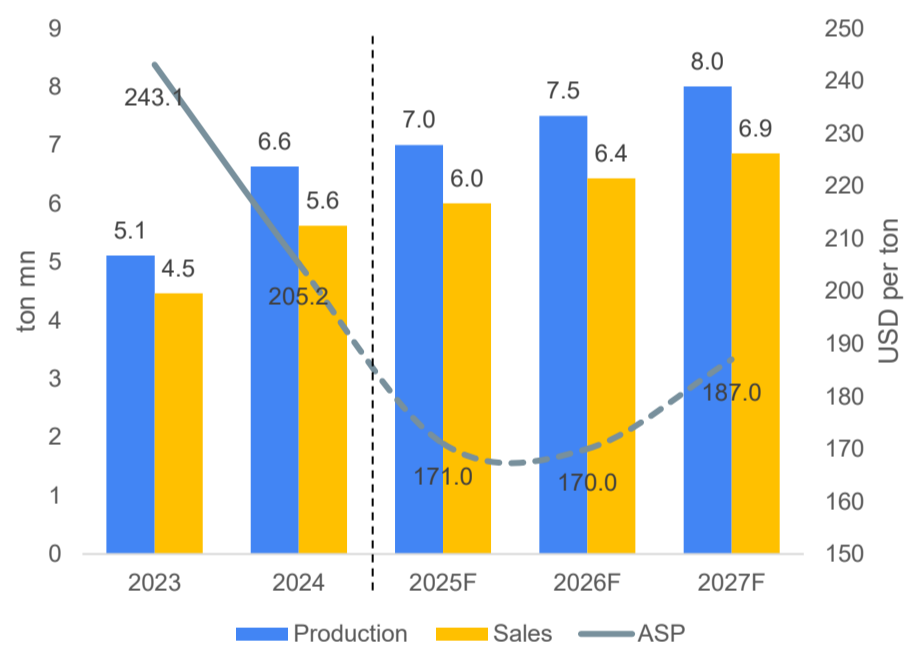
Source: Company, Ajaib Research

Figure 2. ADMR's Revenue Breakdown Projections



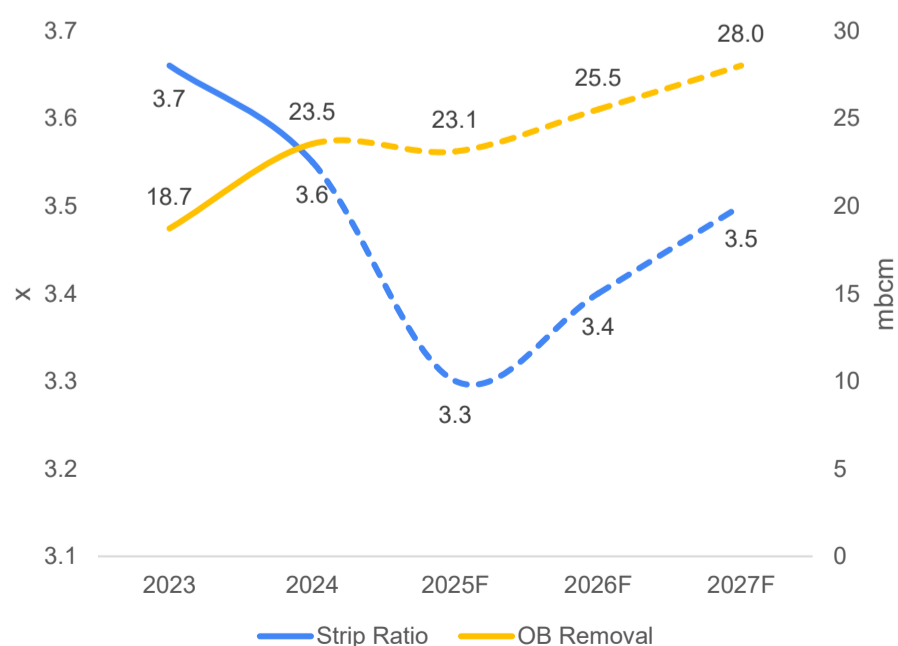
Source: Company, Ajaib Research

Figure 3. ADMR's Operating Performance Projections



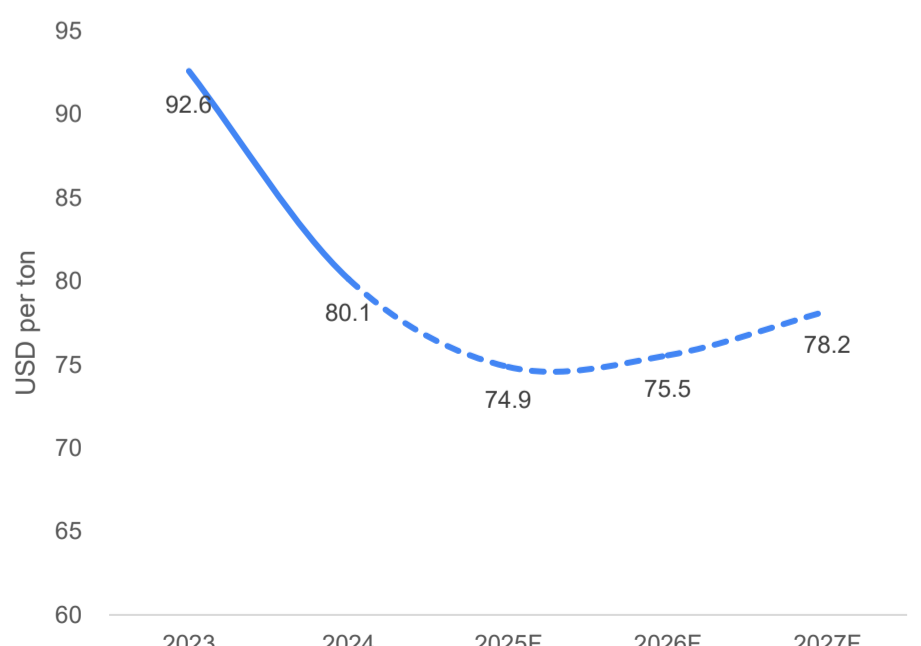
Source: Company, Ajaib Research

Figure 4. ADMR's Strip Ratio & OB Removal Projections



Source: Company, Ajaib Research

Figure 5. ADMR's Cash Cost Projections



Source: Company, Ajaib Research

Figure 6. ADMR's Resources & Reserves

Company / Locality	Total Coal Reserves (Mt)	Total Coal Resources (Mt)	Compliance Standard
Lahai Coal - Haju (Metallurgical)	2	4	JORC
Maruwai Coal - Lampunut (Metallurgical)	92.2	101.4	JORC
Juloi Coal - Juloi Northwest (Metallurgical)	-	629.9	JORC
Juloi Coal - Bumbun (Metallurgical)	55.5	174.5	JORC
Kalteng Coal - Luon (Metallurgical)	17.7	50.9	JORC
Sumber Barito Coal - Dahlia Arwana (Metallurgical)	5.6	15	JORC
TOTAL	173	975.6	

Source: Company, Ajaib Research

Figure 6. ADMR's Historical Valuation

Key Metrics	Value
Mean PE (x)	9.7
Std Deviation PE (x)	3.3
Premium (std dev)	0.5
Target PE (x)	11.3
EPS 2026F (Rp)	194
Target Price (Rp)	1,400
Current Price	1,120
Potential Upside	25.0%

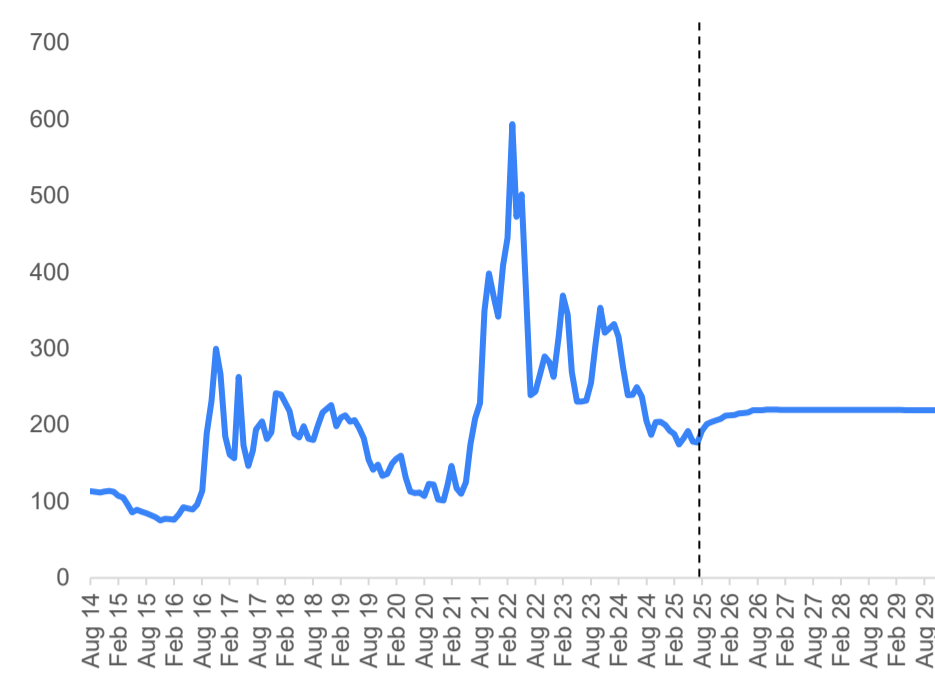
Source: Bloomberg, Ajaib Research

Figure 10. Peers Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	EV/EBITDA (x)	ROE (%)	Dividend Yield (%)	EPS Growth (%)
ADMR	45.8	5.5	6.9	25.3	N.A	-39.6
HRUM	11.5	8.0	2.9	5.0	N.A	28.6
MBMA	46.4	13.6	7.7	1.0	N.A	N.A
ANTM	74.3	11.1	7.1	16.4	7.5	76.8
INCO	42.3	12.7	4.7	1.7	N.A	31.4
NCKL	63.1	4.5	3.3	23.5	5.4	21.8
Sector Average		9.2	5.4	12.1	6.5	23.8

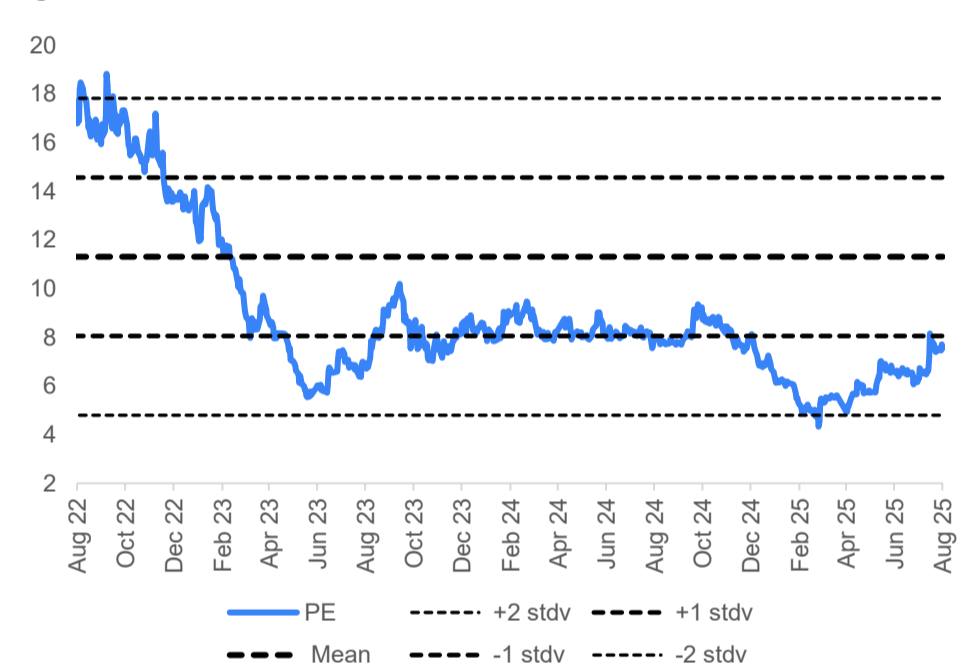
Source: Bloomberg, Ajaib Research

Figure 7. Australian Coking Coal Historical Prices



Source: Barchart, Ajaib Research

Figure 7. ADMR's Historical PE Band



Source: Bloomberg, Ajaib Research

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.

PREPARED BY AJAIB RESEARCH TEAM



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