

INDY

PT Indika Energy Tbk

Transforming Beyond Coal

- **INDY is progressing toward a 50:50 coal vs non-coal revenue mix by 2028, though coal still contributed 81% of 6M25 revenue.**
- **Revenue declined 20% YoY to USD 957mn, with net profit plunging 89.3% YoY to USD 2.2mn due to lower coal ASP, forex loss, and higher fuel costs.**
- **Awak Mas gold project is expected to generate up to USD 420mn annually at USD 3,000/oz, potentially contributing 15–16% of 2027 revenue.**
- **Valuation remains attractive at 6.0x PE, backed by USD 1.5bn equity and manageable net D/E ratio of 0.7x.**

From Coal to Multi-Sector Investment Holding

PT Indika Energy Tbk (INDY) is transitioning from a coal-heavy energy firm into a diversified investment holding company with growing exposure to sustainable sectors. While Kideco (remaining reserve of 470 Mt with mine life until at least 2038) still contributed 81% of 6M25 revenue (down from 88% in 6M24), INDY is building momentum in non-coal verticals: energy services (Tripatra), logistics (Interport), minerals (Awak Mas gold, bauxite), green businesses (ALVA EVs, carbon offsets), and digital ventures. The company targets a 50:50 coal/non-coal revenue mix by 2028 and net-zero emissions by 2050, supported by diversification, asset monetization, and long-cycle investments.

Coal Still Dominates, But Non-Coal Expanding Fast

In 6M25, INDY booked USD 956.8 million in revenue (-20% YoY), dragged by weak coal prices and lower volumes. Kideco remained the core contributor (USD 775.9 million, or ~81% of revenue), though ASP fell to USD 51.2/ton (-14.5% YoY), and volume dropped to 14.4 Mt (-2.7% YoY). Cash cost including royalty dropped to USD 45.1/ton (-11.6% YoY) driven by lower royalty rate, while ex-royalty cost was USD 34.2/ton, buffered by lower strip ratio (5.1x). Gross profit plunged 33.5% to USD 132.7 million, and net profit dropped to USD 2.2 million (-89.3% YoY), weighed down by higher B40 fuel costs, forex losses, and falling EPC margins in Tripatra. Non-coal revenue grew in Tripatra (+16.4% YoY) and new businesses (+31.3%), but still small in scale. EBITDA margin compressed to 10.1% (vs 6M24: 11.2%), while INDY now trades at ~0.5x P/BV with USD 1.5 billion equity, suggesting deep value amid transition headwinds.

Gold, EV, and Logistics Anchor Future Upside

INDY's Awak Mas gold mine (100% owned) in South Sulawesi is under construction, with 1.5 Moz reserves, USD 426 million capex, and first production expected by 2026–2027. Backed by a USD 375 million syndicated loan, the mine targets 140 koz/year output at ~USD 1,200/oz AISC, offering USD 420 million revenue potential at USD 3,000/oz gold, or 15–16% of 2027 topline. Meanwhile, ALVA's 100,000-unit EV plant targets breakeven at scale, with 3 models launched; Calista EV buses are deployed in Jakarta and Medan. Interport is expanding tank and port capacity, while carbon projects (135k ha) may generate up to 800k CO₂ credits, supporting INDY's decarbonization push.

Deep Value Play with 2026 Catalysts, BUY TP Rp1,800

We maintain BUY with a TP of Rp1,800, reflecting 6.0x PE 2026F, upcoming catalysts (gold, EV, carbon), and lean balance sheet (net D/E ~0.7x). Monetization of Awak Mas, EV scale-up, and carbon credit recognition could significantly lift earnings from 2026 onward. Strategic exits (MBSS, Petrosea) have streamlined the group, while potential Kideco divestment may unlock further value. **Key risks:** coal price volatility, execution on new projects, and regulatory delays.

Key Financial Highlights

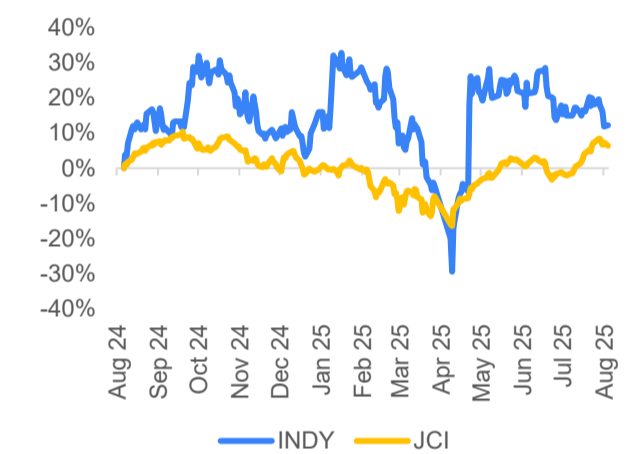
Key Metrics (USD mn)	2023	2024	2025F	2026F
Revenue	3,027	2,447	2,100	2,200
Operating Profit	312	158	140	170
Net Profit	120	10	6	30
Operating Margin (%)	10.3	6.5	6.7	7.7
Net Margin (%)	4.0	0.4	0.3	1.4
EPS Growth (%)	-73.6	-91.7	-40.0	400.0
Dividend Yield (%)	6.53	1.09	1.19	1.16

BUY

Stock Information (as of August 6, 2025)

Last Price (Rp)	1,350
Target Price (Rp)	1,800
Potential Upside	33.3%
Market Cap (Rp tn)	7.0
52 Week Range (Rp)	1,825 - 905
Free Float	28.7%
Share Out. (bn)	5.2
Beta	2.0

Stock Performance Comparison vs JCI



Shareholders

INDY's Shareholders	%
PT Indika Inti Investindo	37.9
Public	28.7
PT Teladan Resources	28.1
Pandri Prabono-Moelyo	5.1
Treasury Shares	0.2

Company Description

INDY's Company Profile

PT Indika Energy Tbk is engaged in trading, construction, mining, transportation, and services. Its segments include energy and other portfolio holdings. The energy segment includes energy resources and energy infrastructure. The other portfolio holdings segment includes logistics and infrastructure, minerals, green business, digital ventures.

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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