

# Indo Tambangraya Megah (ITMG): IDR 26,200 – HOLD, SSI TP: IDR 26,000; Cons. TP: IDR 27,207

## 2Q24 Results: 13 August 2024

(USDMn)	2Q23	1Q24	2Q24	QoQ (%)	YoY (%)	6M23	6M24	YoY (%)	6M24/ SSI	6M24/ Cons.
Revenue	614	489	560	14.5	(8.7)	1,299	1,050	(19.2)	52.8	47.1
Gross Profit	191	119	156	30.6	(18.5)	458	275	(39.9)	47.1	44.6
Operating Profit	153	73	104	42.3	(31.9)	374	178	(52.5)	40.0	36.7
EBITDA	170	92	117	26.8	(31.5)	416	209	(49.9)	38.6	37.2
Net Profit	124	62	67	9.5	(45.7)	307	129	(58.0)	36.3	32.0
<b>Key Ratios</b>										
GPM (%)	31.2	24.4	27.8	-	-	35.3	26.2	-	-	-
OPM (%)	25.0	15.0	18.6	-	-	28.8	16.9	-	-	-
EBITDA Margin (%)	27.7	18.8	20.8	-	-	32.1	19.9	-	-	-
NPM (%)	20.2	12.6	12.0	-	-	23.6	12.3	-	-	-

## Peer Comparables

Company Ticker	Last Price (IDR)	Market Cap. (IDRTn)	P/E (x)	2024F		
				Div. Yield (%)	EPS Growth (%)	ROE (%)
ADRO IJ	3,210	103	5.7	8.3	-32.3	15.8
UNTR IJ	24,800	93	5.1	8.9	-14.4	21.0
PTBA IJ	2,700	31	6.5	14.8	-22.3	22.5
ITMG IJ	26,200	30	4.9	12.9	-22.5	20.6
<b>Sector</b>		<b>255.9</b>	<b>5.5</b>	<b>9.9</b>	<b>-23.5</b>	<b>19.1</b>

## SWOT Analysis of The Results (SSI: Below, Cons: Below)

### Strength

Higher sales volumes of 5.8 Mt (+7.4% YoY, +16% QoQ) and robust cash margin growth of +27% QoQ; the drop in stripping ratio to 10.5x (-16% YoY, -0.9% QoQ) led to EBITDA margin improvement to 20.8% (+200 bps QoQ)

### Weakness

YoY decline in 2Q24 earnings driven by lower ASP of USD 94/ton (-17.2% YoY, -3.1% QoQ), higher mining costs of USD 17 million (+25% QoQ, +280% YoY), and elevated freight costs of USD 12 million (+12% QoQ, +241% YoY), resulting in lower 2Q24 cash margin of USD 19/ton (-43.3% YoY)

### Opportunity

Production commencement at Graha Panca Karsa (1.0 Mt) and Tepian Indah Sukses (0.4 Mt) may raise FY24F output to 19.85 Mt, may boost 2H24 sales volumes; buying opportunity may arise if further recent market underperformance persists, pricing in 2Q weak results

### Threat

Global shipping shortage drives up coal export costs, affecting 78% of ITMG's sales volumes; worldwide economic slowdown and the emergence of cheaper alternative natural resources may affect 2H24 coal prices, further pressuring earnings

## Relative Performance vs JCI

