

# Adaro Energy (ADRO): IDR 3,790 – BUY, SSI TP: IDR 4,200; Cons. TP: IDR 3,652



3Q24 Results: 30 October 2024			QoQ	YoY	YoY	9M24/	9M24/			
(USDmn)	3Q23	2Q24	3Q24	(%)	(%)	9M23	9M24	(%)	SSI (%)	Cons. (%)
Revenue	1,502	1,530	1,479	(3.3)	(1.5)	4,981	4,452	(10.6)	86.2	82.6
Gross Profit	542	580	549	(5.4)	1.4	1,988	1,757	(11.6)	78.8	90.9
Operating Profit	450	494	473	(4.4)	5.1	1,619	1,502	(7.2)	77.0	92.9
EBITDA	529	579	561	(3.0)	6.1	1,884	1,756	(6.8)	71.9	89.9
Net Profit	345	404	404	(0.1)	17.1	1,219	1,183	(3.0)	85.1	97.9
<b>Key Ratios</b>										
GPM (%)	36.1	37.9	37.1	-	-	39.9	39.5	-	-	-
OPM (%)	30.0	32.3	32.0	-	-	32.5	33.7	-	-	-
EBITDA Margin (%)	35.2	37.8	38.0	-	-	37.8	39.4	-	-	-
NPM (%)	23.0	26.4	27.3	-	-	24.5	26.6	-	-	-

## Peer Comparables

Ticker	Market		Current Price (IDR)	Target Price (IDR)	2024F			
	Cap. (IDR Tn)	Rating			EPS Growth (%)	P/E (x)	Div. Yield (%)	ROE (%)
ADRO	117	BUY	3,790	4,700	(3.9)	4.7	8.5	20.1
UNTR	102	BUY	27,250	29,600	(7.4)	5.5	8.0	22.4
BUMI	50	BUY	135	170	1,445.5	49.7	-	23.1
PTBA	34	BUY	2,920	3,200	(29.4)	7.9	13.4	20.2
ITMG	29	HOLD	25,500	26,000	(32.0)	5.3	12.8	17.8
<b>Sector</b>	<b>331</b>				<b>209.6</b>	<b>12.1</b>	<b>7.9</b>	<b>21.1</b>

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

### Strength

Positive growth in 3Q24 earnings, driven increased interest income of USD 41.6mn (+22.0% YoY) and lower interest charges of USD 23.33mn (-15.1% YoY). NPM rose +90 bps QoQ on higher cash margins (USD 31.9/ton, +10.5% QoQ)

### Weakness

Top line experienced some decline in 3Q24 as blended ASP dropped to USD 78.2/ton (-4.7% QoQ, -11.2% YoY); higher stripping ratio of 5.0x (+22.0% QoQ) increased OB removal volumes to c.98mn tons (+37.2% QoQ, +7.4% YoY)

### Opportunity

Upcoming aluminum smelter (CoD: 4Q25; Capacity: 1.5 Mtpa), could bolster future earnings, with AAI spin-off raising cash and secure green financing; Earnings upgrade may drive continued market outperformance

### Threat

YTD outperformance of 48.6%, combined with substantial dividends of USD 2.4-2.6bn (c.30% dividend yield), may trigger sell-off risks following dividend payout

## Relative Performance vs JCI

