

# Coal: 9M24 Results Round-up

## 3Q24 Performance

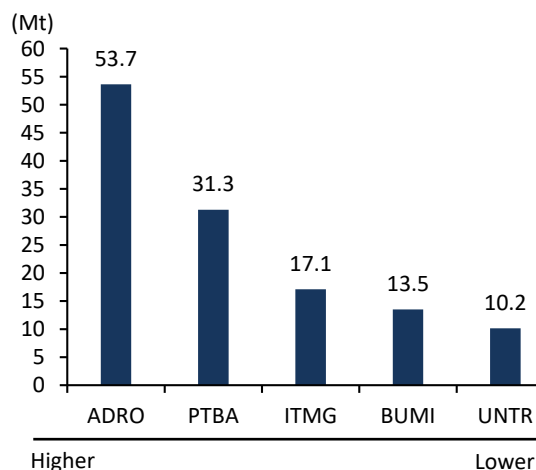
- In 3Q24, our coal coverage's earnings showed YoY improvement on the back of aggregate sales volume growth of +8.7% YoY, efficient cash cost management that bolstered cash margins to 6.6%, and rising coal prices to USD 141.4/mt in 3Q24 (+2.8% QoQ).
- Despite India boosting coal imports to 264.9 Mt (+9.7% YoY) and indications of sustained demand in 2025, we expect coal prices to slightly decline to USD 125/ton, mainly due to global economic slowdown and COP29's emission-cut advocacy, with Australia (14% of global coal reserves) targeting 46% emission reduction by 2030. However, lackluster progress in green financing at COP29, only reaching USD 300bn (target: USD 1.3tn) by 2035, may support coal prices short-term coupled with domestic coal players' upside potential from the government revising its royalty scheme, potentially boosting earnings.
- We upgrade our call to OVERWEIGHT (from Neutral) on strong 3Q24 results, potential royalty reforms, MIP benefits for domestic sellers, and solid cash reserves supporting dividend pay-outs, though prices may face pressure due to global energy transition. We retain ADRO (BUY, TP IDR 3,400) as our top pick, due to high-margin contributions from ADMR and SIS along with revenue stream from its 1.5 Mtpa aluminum smelter (COD 2025).

## Peer Comparables

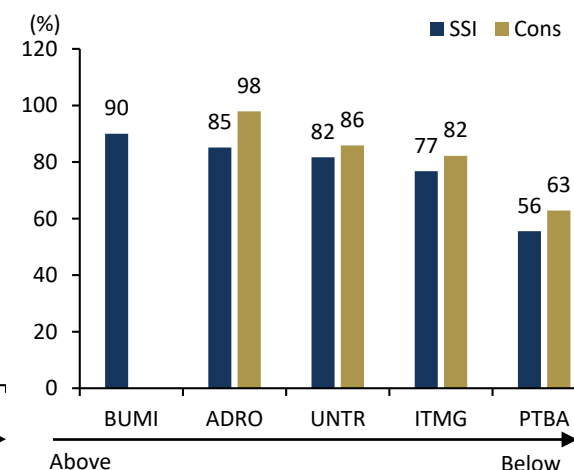
Company Ticker	Market Cap. (IDRTn)	Last Price (IDR)	Target Price (IDR)	Rating	Upside (%)	2025F			
						EPS Growth (%)	P/E (x)	Div. Yield (%)	ROE (%)
ADRO IJ	72	2,340	3,400	BUY	45.3	N/A	9.0	9.6	11.5
UNTR IJ	103	27,625	30,850	BUY	11.7	(10.5)	5.9	7.3	17.8
BUMI IJ	52	139	170	BUY	22.3	26.5	13.9	-	13.2
PTBA IJ	32	2,740	3,200	BUY	16.8	(7.4)	8.0	11.3	18.3
ITMG IJ	31	27,450	30,500	BUY	11.1	(17.4)	7.0	12.5	17.6
<b>Sector</b>	<b>289</b>			<b>Overweight</b>		<b>(1.7)</b>	<b>8.4</b>	<b>7.6</b>	<b>15.4</b>

Sources: Company, Bloomberg, SSI Research

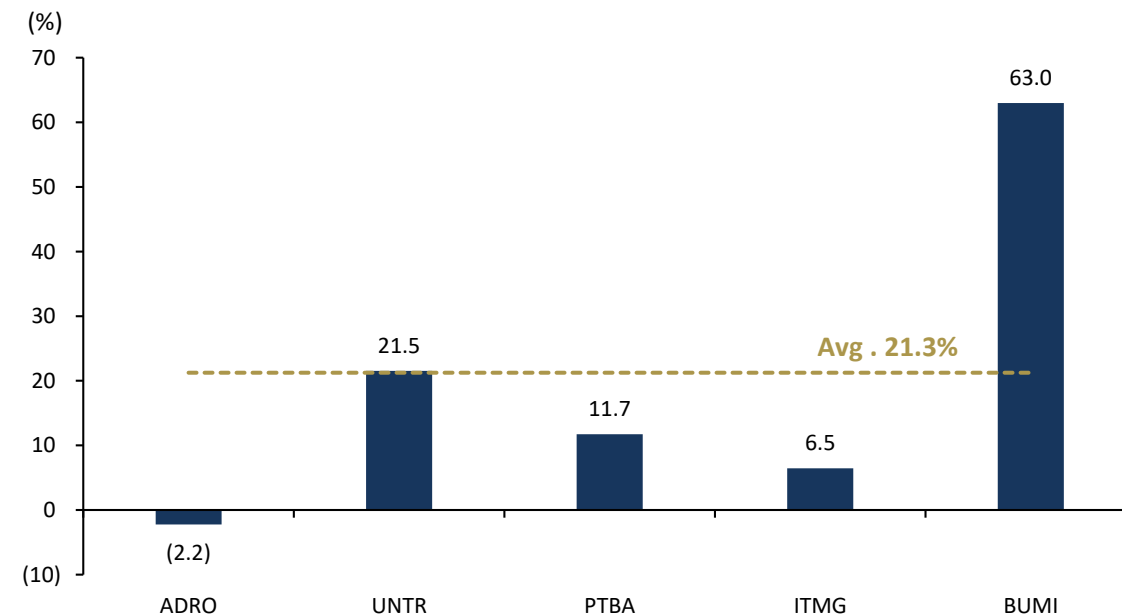
## 9M24 Sales Volumes



## 9M24 Net Profit / SSI & Cons



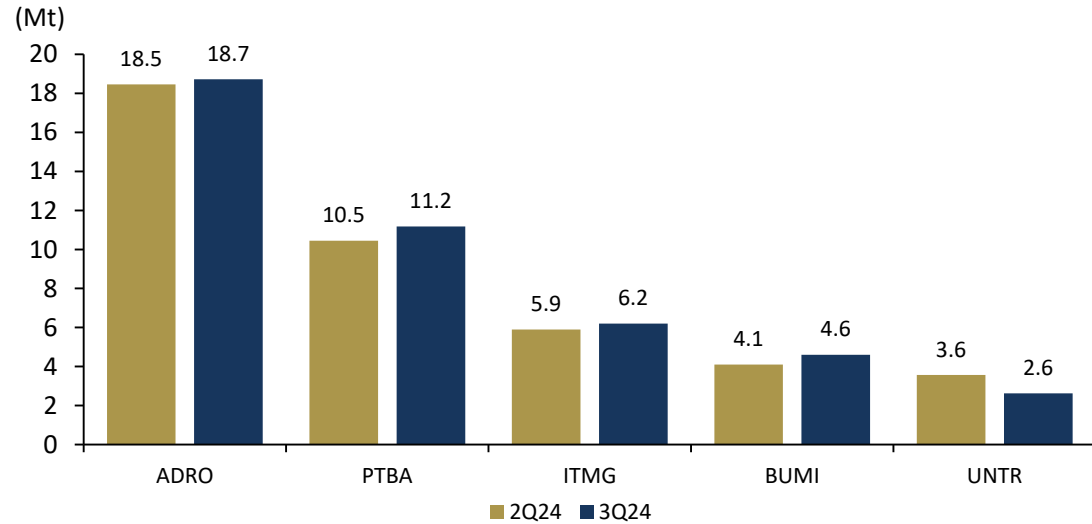
## YTD Relative Performance vs JCI



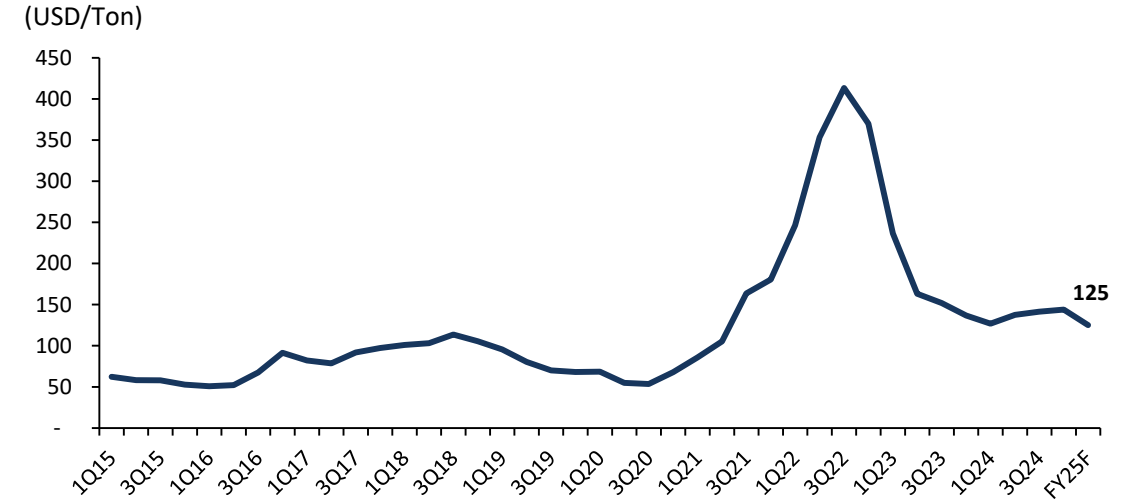
Analysts: Farras Farhan, Hernanda Cahyo

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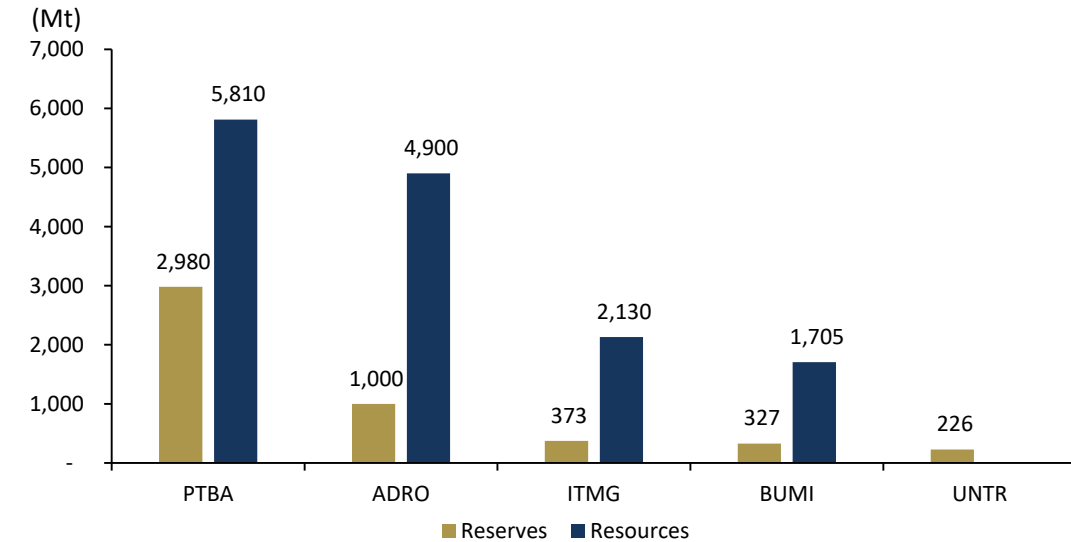
## Coal Sales Volume



## Coal Price



## Coal Reserves & Resources



## Royalty to Revenue

