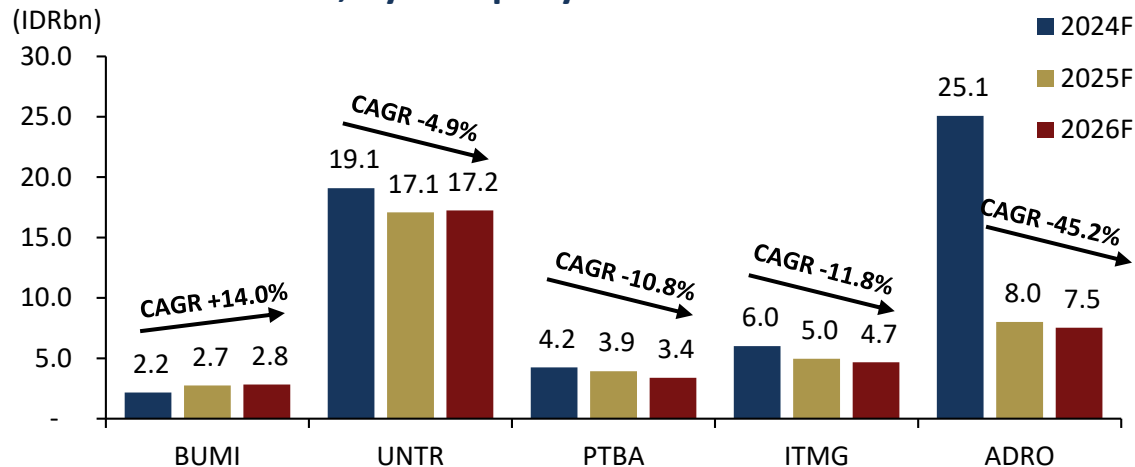


Coal: Neutral with ADRO and BUMI as Our Top Picks

Net Profit Outlook, by Company



Peer Comparables

Company Ticker	Market Cap. (IDRTn)	Last Price (IDR)	Target Price (IDR)	Rating	2025F			
					EPS Growth (%)	P/E (x)	Div. Yield (%)	ROE (%)
UNTR IJ	94	24,975	30,850	BUY	(10.5)	5.3	7.3	17.8
ADRO IJ	72	2,340	3,400	BUY	N/A	9.0	9.6	11.5
BUMI IJ	42	108	170	BUY	26.5	10.8	-	13.2
PTBA IJ	30	2,620	3,200	BUY	(7.4)	7.7	11.3	18.3
ITMG IJ	29	25,300	30,500	BUY	(17.4)	6.4	12.5	17.6
Sector	267			Neutral	(2.2)	7.6	7.8	15.4

SWOT Analysis: 2025 Outlook

Strength

Sustainable coal sales volume growth for the sector with projected 3-year CAGR of +4.9%, helped by India's strong demand outlook; robust cash reserves ensure dividend payouts amid current coal price outlook supported by slower green energy transition

Weakness

2025 average coal price is projected to decline to USD 125/ton, mainly due to global slowdown and COP29's emission-cut advocacy (Australia targets 46% reduction by 2030), posing significant long-term challenges in demand

Opportunity

Indonesia's potential royalty reforms could boost earnings; India's slow progress in COP29 green financing targets may support coal prices; China's c.58% thermal coal electricity mix to bolster demand outlook and caused further market outperformance

Threat

Global energy transition, COP29 goals, and potential slowdown in China's coal-fired power plant development threaten coal demand; these, coupled with worldwide policy changes, may caused market out-performance reversals for our coal counters

2024 Relative Performance vs JCI

