

ESSA — 2Q26 Results MISS, as a 34-day ammonia turnaround compressed margins and left 1H26 trailing consensus

2Q26 · Revenue -4.2% qoq, +34.3% yoy to USD 91 Mn | Operating Profit -53.2% qoq to USD 16 Mn | EBITDA -39.6% qoq to USD 28 Mn | Net Profit -39.1% qoq, +70.0% yoy to USD 11 Mn | Gross Margin 24.2%, -21.6pp qoq

Revenue (2Q26) USD 91 Mn +34.3% YoY -4.2% QoQ	Operating Profit (2Q26) USD 16 Mn +38.0% YoY -53.2% QoQ	EBITDA (2Q26) USD 28 Mn +14.7% YoY -39.6% QoQ	Net Profit (2Q26) USD 11 Mn +70.0% YoY -39.1% QoQ
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KEY TAKEAWAYS

- 2Q26 revenue of **USD 91 Mn** fell **4.2% QoQ** but rose **34.3% YoY**, a resilient print given the Banggai ammonia plant stood down 34 days to 8 June 2026. 1H26 revenue of **USD 186 Mn**, up 35.5% YoY, is **48.9% of the FY26F consensus of USD 382 Mn, in-line** and the only headline line to clear the 47 to 53% band. Ammonia carried it: 2Q26 segment revenue of USD 81 Mn slipped just 5.7% QoQ against 42.5% YoY growth, with management reporting a 1H26 realised ammonia price of **USD 531 per metric ton, up 70% YoY**. LPG ran normally and lifted its 2Q26 revenue 9.9% QoQ to USD 11 Mn.
- The turnaround landed entirely in cost. 2Q26 gross margin of **24.2%** sat **21.6pp below 1Q26** but only 0.9pp above 2Q25, while the 1H26 margin still rose 7.5pp YoY to 35.2%, so the quarter distorts the half, not the reverse. The statements size it directly: 2Q26 manufacturing expense of USD 34 Mn ran **USD 17 Mn above both 1Q26 and 2Q25**, with repairs and maintenance at USD 7.3 Mn and spareparts at USD 13 Mn against USD 1.8 Mn combined in 2Q25. 2Q26 operating profit of **USD 16 Mn fell 53.2% QoQ** and EBITDA of USD 28 Mn fell 39.6%; on 1H26 both **miss, at 40.1% and 41.9% of FY26F**.
- 2Q26 net profit of **USD 11 Mn** rose **70.0% YoY** but fell 39.1% QoQ, taking 1H26 to **USD 30 Mn, 40.7% of the FY26F consensus of USD 74 Mn and a miss**. Quality is mixed: a now debt-free balance sheet cut 2Q26 finance costs to near nil from USD 1.1 Mn in 2Q25, while the 2Q26 tax charge implies a **7.9% effective rate against 22.9% in 1Q26**, a 15.0pp step-down that flattered the quarter.
- Three items settle it. Seasonality first: 1H25 delivered only **36.5% of FY25 operating profit** and 36.8% of net profit, so ESSA is structurally second-half weighted and the flat 50% test is harsh; even so, consensus needs **2H26 operating profit up 65.8% YoY**. Then whether the **USD 8.6 Mn finished-goods build** at 30 June 2026 converts in 3Q26, and how capital is redeployed after the SAF project was suspended on 27 July 2026.

INCOME STATEMENT · USD Mn, Consolidated

(USD Mn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Revenue	68	95	91	-4.2%	+34.3%	138	186	+35.5%
Gross Profit	16	44	22	-49.4%	+39.4%	38	66	+72.5%
Operating Income	12	34	16	-53.2%	+38.0%	26	50	+92.7%
EBITDA	24	46	28	-39.6%	+14.7%	49	73	+48.1%
Net Profit	6.7	19	11	-39.1%	+70.0%	15	30	+103.3%

MARGIN · % of revenue

(Ratio %)	2Q25	1Q26	2Q26	QoQ pp	YoY pp	1H25	1H26	YTD pp
Gross Margin	23.3%	45.8%	24.2%	-21.6pp	+0.9pp	27.7%	35.2%	+7.6pp
Operating Margin	16.9%	35.7%	17.4%	-18.2pp	+0.5pp	18.8%	26.7%	+7.9pp
EBITDA Margin	35.3%	47.9%	30.2%	-17.7pp	-5.2pp	35.9%	39.2%	+3.3pp
Net Profit Margin	9.9%	19.7%	12.5%	-7.2pp	+2.6pp	10.8%	16.2%	+5.4pp

REVENUE SEGMENTATION · USD Mn, External Revenue

(USD Mn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
LPG & processing fee	11	9.6	11	+9.9%	-6.6%	21	20	-5.9%
Ammonia	57	86	81	-5.7%	+42.5%	116	166	+43.2%
Total	68	95	91	-4.2%	+34.3%	138	186	+35.5%

OPERATIONAL PERFORMANCE · disclosed figures only

Key Metric	Unit	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Ammonia realised ASP	USD/MT	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	531	+70.0%
LPG realised ASP	USD/MT	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	639	+5.0%
Raw materials used	USD Mn	28	33	41	+24.3%	+43.7%	55	74	+34.0%
Manufacturing expenses	USD Mn	17	17	34	+98.5%	+94.4%	32	51	+57.0%
Repairs & maintenance	USD Mn	0.9	1.8	7.3	+306.7%	+680.7%	1.5	9.1	+502.9%
Spareparts & supplies	USD Mn	0.8	0.9	13	+1,286%	+1,426%	2.0	14	+575.3%
Finished goods	USD Mn	4.5	10	19	+83.3%	+323.3%	4.5	19	+323.3%

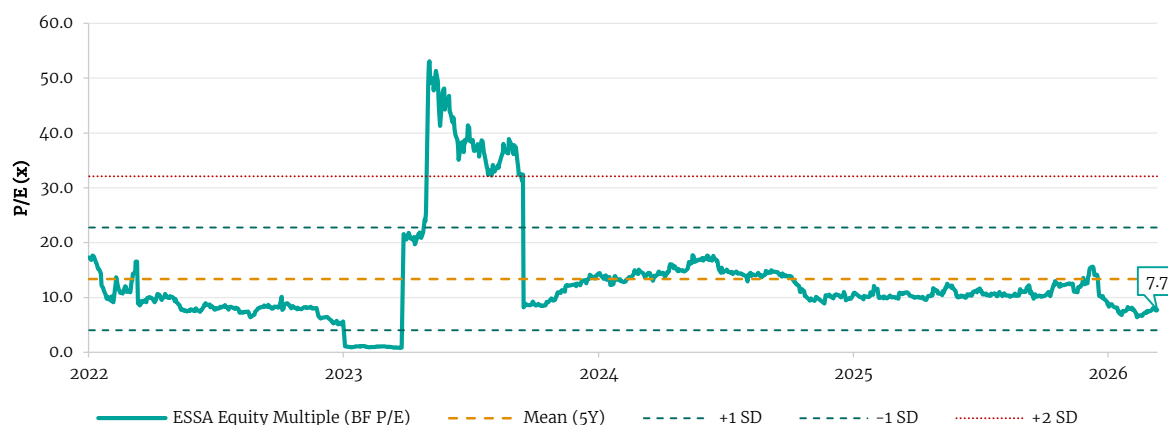
1H26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F (1H26 PACE = 50%)

Metric (USD Mn)	1H26 Actual	FY26F Cons.	% of FY26F	Verdict
Revenue	186	382	48.9%	In-Line
Operating Income	50	124	40.1%	Miss
EBITDA	73	174	41.9%	Miss
Net Profit	30	74	40.7%	Miss

Source: PT ESSA Industries Indonesia Tbk financial statements; Bloomberg consensus.

VALUATION · ESSA 5-YEAR P/E BAND

ESSA 5-Year P/E Band (BF P/E vs. Mean $\pm$ SD)



Current P/E 7.7x as of 29 Jul 2026 vs. 5-year mean 13.4x (+1 SD 22.7x / -1 SD 4.0x / +2 SD 32.1x; -2 SD is negative and not shown). Source: Bloomberg.



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