

ARCI 1H26 Results · BEAT; Gold Price & Volume Surge

Gold price and volume drive earnings sharply higher; 1H runs well ahead of consensus

2Q26 · Revenue +35.4% qoq to USD 185.4m | EBITDA +62.3% qoq to USD 99.5m | Operating Profit +61.2% qoq to USD 90.1m | Net Profit +69.9% qoq to USD 51.3m | Gold ASP US\$4,596/oz

Revenue (1H26) USD 322.3m +67.5% YoY	Operating Profit (1H26) USD 146.0m +97.4% YoY	EBITDA (1H26) USD 160.8m +84.8% YoY	Net Profit (1H26) USD 81.5m +134.1% YoY
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KEY TAKEAWAYS

- 1H26 revenue surged 67.5% YoY to USD 322.3m, tracking 50% of FY26F consensus. **Growth was driven by both price and volume**: the average gold selling price jumped 46.9% YoY to US\$4,596/oz while gold sales rose 13.0% to 55.4koz (production +13% to 59.9koz). Sequentially, **2Q26 revenue accelerated to USD 185.4m (+35.4% QoQ)** as the gold price climbed through the quarter. Single-asset Toka Tindung ran steadily, with grade at 1.13 g/t and recovery near 88%, and gold sold slightly below production as inventory built modestly.
- Operating leverage on the gold-price windfall drove margins sharply higher. **EBITDA rose ~85% YoY to USD 160.8m, margin expanding to ~50% (from ~45%)**, and operating profit nearly doubled (+97% YoY) to USD 146.0m; 2Q26 EBITDA reached ~USD 99m. With 1H25 AISC at US\$1,872/oz and gold near US\$4,600/oz, **cash margins are exceptionally wide** and the largely fixed cost base means incremental price flows almost entirely to profit. Royalties rose with the higher gold price but remain a manageable share of the cost base.
- Net profit more than doubled, **up 134% YoY to USD 81.5m**, and 2Q26 net profit jumped 70% QoQ to USD 51.3m. At ~56% of FY26F consensus, **the bottom line is running well ahead of the straight-line pace**. Finance costs (~USD 40m in 1H) remain the main below-EBIT drag but are comfortably covered; free cash flow is building rapidly at current gold prices, with income tax of ~USD 63m at an effective rate near 38%.
- This is a high-torque play on the gold price. Watch (1) **the gold price, the dominant swing factor**; (2) production and grade at Toka Tindung plus the expansion/underground pipeline; (3) whether **FY26F consensus (USD 641m revenue) is upgraded given the 1H run-rate**; and (4) capital allocation and potential returns as cash builds. At ~7.6x EV/EBITDA, slightly above the 7.1x 5-year mean, valuation embeds a firm gold price, and a further re-rating likely needs reserve/resource extension to lengthen mine life.

INCOME STATEMENT · USD Mn, Consolidated

(USD Mn)	2Q25	1Q26	2Q26	QoQ%	YoY%	1H25	1H26	YoY%
Revenue	101.7	136.9	185.4	+35.4%	+82.4%	192.4	322.3	+67.5%
EBITDA	55.6	61.3	99.5	+62.3%	+79.0%	87.0	160.8	+84.8%
Operating Profit	47.8	55.9	90.1	+61.2%	+88.5%	73.9	146.0	+97.4%
Net Profit	24.3	30.2	51.3	+69.9%	+110.8%	34.8	81.5	+134.1%

MARGIN

(Ratio %)	2Q25	1Q26	2Q26	QoQ pp	YoY pp	1H25	1H26	YoY pp
EBITDA Margin	54.7%	44.8%	53.7%	+8.9pp	-1.0pp	45.2%	49.9%	+4.7pp
Operating Margin	47.0%	40.8%	48.6%	+7.8pp	+1.6pp	38.4%	45.3%	+6.9pp
Net Profit Margin	23.9%	22.1%	27.7%	+5.6pp	+3.8pp	18.1%	25.3%	+7.2pp

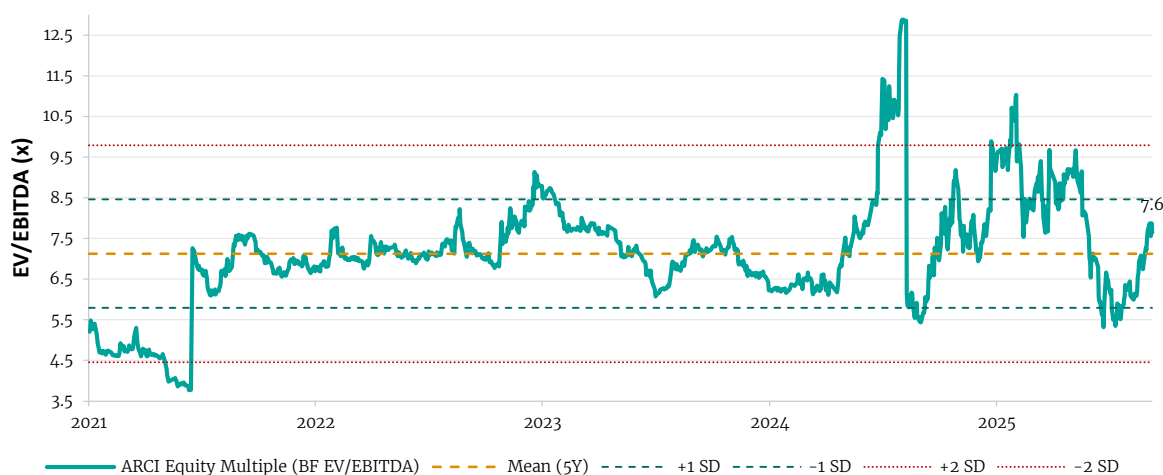
OPERATIONAL PERFORMANCE · Toka Tindung (Gold)				
Key Metric	Unit	1H25	1H26	YoY %
Gold production	oz	53,000	59,906	+13.0%
Gold sales	oz	49,000	55,359	+13.0%
Gold ASP	USD/oz	3,128	4,596	+46.9%
Gold grade	g/t	—	1.13	—
Recovery	%	—	87.9%	—

1H26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F				
Metric (USD Mn)	1H26	FY26F Cons.	% of FY26F	Assessment
Revenue	322.3	641.5	50%	In-Line
Operating Income	146.0	260.5	56%	Beat
EBITDA	160.8	287.5	56%	Beat
Net Profit	81.5	146.5	56%	Beat

1H26 is ~50% of FY26F revenue but ~56% of EBITDA, operating income and net profit, as the higher gold price lifts margins; earnings run ahead of the straight-line pace and FY26F consensus may prove conservative if prices hold. Quarterly EBITDA estimated (D&A not split by company).

Source: Company.

VALUATION · ARCI 5-YEAR EV/EBITDA BAND



Current EV/EBITDA 7.6x as of 28 Aug 2026 vs. 5-year mean 7.1x (+1 SD 8.5x / -1 SD 5.8x / +2 SD 9.8x / -2 SD 4.5x). Blended-forward multiple.
 Source: Bloomberg.



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