EQUITY RESEARCH · INDONESIA GOLD MINING

# PT Archi Indonesia Tbk. (ARCI IJ)

1H26 Earnings Flash · Consolidated · 28 August 2026

aldiracita SEKURITAS INDONESIA

## 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) | Operating Profit (1H26) | EBITDA (1H26) | Net Profit (1H26) |
|---|---|---|---|
| USD 322.3m | USD 146.0m | USD 160.8m | USD 81.5m |
| +67.5% YoY | +97.4% YoY | +84.8% YoY | +134.1% YoY |

## 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% | — |

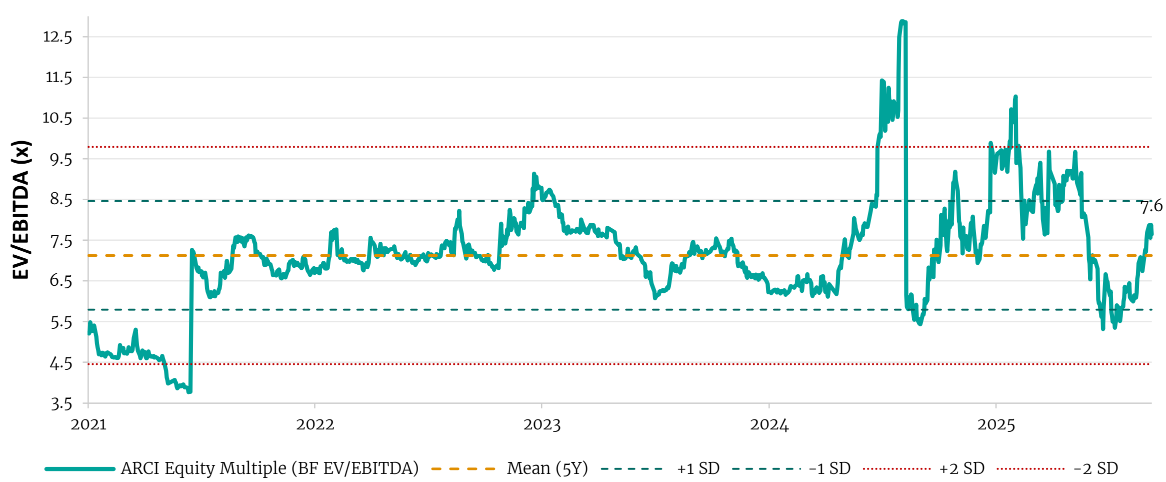
## 1H26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F

| 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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