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PT Gudang Garam Tbk (GGRM IJ)

2Q26 Earnings Flash · Consolidated · 3 August 2026

aldiracita SEKURITAS INDONESIA

GGRM — 2Q26 Results BEAT, as margin recovery drives earnings above consensus

2Q26 · Revenue -1.1% YoY to IDR 21.1 Tn | Operating Profit +848.4% YoY to IDR 1.9 Tn | EBITDA +164.4% YoY to IDR 2.6 Tn | Net Profit +11,200% YoY to IDR 1.4 Tn | Gross Margin +2.2pp YoY to 13.5%

Revenue (2Q26)	Operating Profit (2Q26)	EBITDA (2Q26)	Net Profit (2Q26)
IDR 21.1 Tn	IDR 1.9 Tn	IDR 2.6 Tn	IDR 1.4 Tn
-1.1% YoY | +4.7% QoQ	+848.4% YoY | -7.0% QoQ	+164.4% YoY | -6.1% QoQ	+11,200% YoY | -6.5% QoQ

KEY TAKEAWAYS

- **2Q26 revenue fell 1.1% YoY to IDR 21.1 Tn but rose 4.7% QoQ.** 1H26 revenue reached IDR 41.2 Tn, down 7.2% YoY and equal to 47.8% of FY26F Bloomberg consensus, an In-Line pace. The tobacco business stayed soft: 2Q26 cigarette revenue declined 1.6% YoY to IDR 20.6 Tn, with machine-made clove sales down 2.0% to IDR 18.7 Tn and hand-rolled clove sales up 1.1% to IDR 1.9 Tn. The offset was mix outside cigarettes: construction revenue grew 49.2% YoY to IDR 201 Bn and export sales rose 78.6% YoY to IDR 420 Bn. Management does not disclose volume or price, so the sales move cannot be separated between them.
- **2Q26 gross profit rose 59.6% YoY to IDR 2.8 Tn, lifting gross margin 2.2pp YoY to 13.5%.** The recovery cooled sequentially: 2Q26 gross margin fell 2.1pp QoQ from 15.6% in 1Q26, while 1H26 gross margin expanded 5.9pp YoY to 14.5%. 2Q26 operating profit jumped from IDR 198 Bn to IDR 1.9 Tn, although it eased 7.0% QoQ; 1H26 operating profit reached 74.7% of FY26F consensus, a Beat. 2Q26 EBITDA rose 164.4% YoY to IDR 2.6 Tn and fell 6.1% QoQ; 1H26 EBITDA was 61.3% of consensus, also a Beat.
- **2Q26 net profit jumped to IDR 1.4 Tn from IDR 13 Bn in 2Q25 and fell 6.5% QoQ, taking 1H26 net profit to IDR 3.0 Tn, or 77.1% of FY26F consensus, a Beat.** The improvement was primarily operational: 2Q26 operating profit increased by IDR 1.7 Tn YoY. Lower interest expense also helped, falling to IDR 1.6 Bn in 2Q26 from IDR 99 Bn in 2Q25.
- **The key watch for 3Q26 is whether the core tobacco sales trend stabilises while gross margin holds above last year's base.** Historical phasing supports the first-half read-through: 1H25 represented 49.6% of FY25 revenue but only 18.1% of operating profit, 35.0% of EBITDA and 7.7% of net profit. GGRM's 1H26 pace of 47.8% to 77.1% of FY26F consensus therefore makes the estimates look conservative: they imply 2H26 operating profit falls 42.9% YoY and net profit declines 38.3% YoY. **GGRM trades at 8.4x BF P/E, below its 5-year mean of 8.9x but above the 7.0x -1SD band; valuation is still subdued, yet not a trough multiple.**

INCOME STATEMENT · IDR Bn, Consolidated

(IDR Bn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Revenue	21,302	20,114	21,063	+4.7%	-1.1%	44,369	41,177	-7.2%
Gross Profit	1,782	3,141	2,844	-9.5%	+59.6%	3,788	5,986	+58.0%
Operating Income	198	2,022	1,880	-7.0%	+848.4%	514	3,902	+659.6%
EBITDA	968	2,728	2,560	-6.9%	+164.4%	2,061	5,288	+156.6%
Net Profit	13	1,538	1,438	-6.5%	+11,198%	117	2,976	+2,440%

MARGIN

(Ratio %)	2Q25	1Q26	2Q26	QoQ pp	YoY pp	1H25	1H26	YTD
Gross Profit Margin	8.4%	15.6%	13.5%	-2.1pp	+5.1pp	8.5%	14.5%	+6.0pp
Operating Margin	0.9%	10.1%	8.9%	-1.1pp	+8.0pp	1.2%	9.5%	+8.3pp
EBITDA Margin	4.5%	13.6%	12.2%	-1.4pp	+7.6pp	4.6%	12.8%	+8.2pp
Net Profit Margin	0.1%	7.6%	6.8%	-0.8pp	+6.8pp	0.3%	7.2%	+7.0pp

REVENUE SEGMENTATION · IDR Bn, External Revenue

(IDR Bn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Cigarettes	20,966.3	19,649.6	20,626.6	+5.0%	-1.6%	43,717.4	40,276.2	-7.9%
Paperboard	199.6	198.6	232.9	+17.3%	+16.7%	403.3	431.4	+7.0%
Infrastructure	135.6	265.6	202.7	-23.7%	+49.5%	246.9	468.3	+89.7%
Others	0.7	0.4	1.1	+156.9%	+48.8%	1.0	1.5	+42.8%
Total	**21,302.2**	**20,114.1**	**21,063.3**	**+4.7%**	**-1.1%**	**44,368.5**	**41,177.4**	**-7.2%**

OPERATING PERFORMANCE · IDR Bn, REPORTED REVENUE DRIVERS

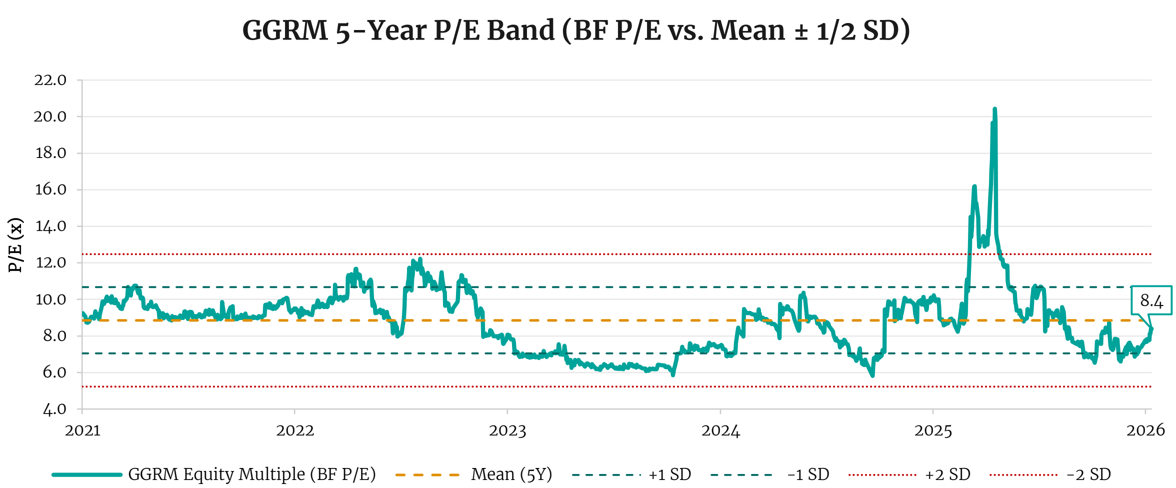
Key Metric	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Domestic revenue	21.1	19.9	20.6	+3.9%	-2.0%	43.8	40.5	-7.5%
Export revenue	0.2	0.2	0.4	+73.9%	+78.6%	0.6	0.7	+18.7%
Machine-made clove revenue	19.1	17.9	18.7	+4.8%	-2.0%	39.7	36.6	-7.9%
Hand-rolled clove revenue	1.8	1.7	1.9	+8.1%	+1.1%	3.9	3.6	-9.3%
Paperboard revenue	0.2	0.2	0.2	+17.3%	+16.6%	0.4	0.4	+7.1%
Construction revenue	0.1	0.3	0.2	-24.0%	+49.2%	0.2	0.5	+89.8%

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

Metric (IDR Tn)	1H26 Actual	FY26F Cons.	% of FY26F	Verdict
Revenue	41.2	86.1	47.8%	In-Line
Operating Income	3.9	5.2	74.7%	Beat
EBITDA	5.3	8.6	61.3%	Beat
Net Income	3.0	3.9	77.1%	Beat

Source: PT Gudang Garam Tbk financial statements; Bloomberg consensus.

VALUATION · GGRM 5-YEAR BF P/E BAND



Current BF P/E 8.4x as of 31 Jul 2026 vs. 5-year mean 8.9x (+1 SD 10.7x / -1 SD 7.0x / +2 SD 12.5x / -2 SD 5.2x). Source: Bloomberg.

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