PT Indo Tambangraya Megah Tbk. (ITMG IJ)

2Q26 Earnings Flash · Consolidated · 11 August 2026

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ITMG — 2Q26 Results BROADLY IN-LINE / SLIGHT MISS, as rising unit costs erode the ASP-led margin gain

2Q26 · Revenue +15.1% yoy to USD 503 Mn | Operating Profit +49.1% yoy to USD 66 Mn | EBITDA +22.8% yoy to USD 89 Mn | Net Profit +97.3% yoy to USD 51 Mn | Gross margin 24.6% (-2.1pp qoq)

Revenue (2Q26)	Operating Profit (2Q26)	EBITDA (2Q26)	Net Profit (2Q26)
USD 503 Mn	USD 66 Mn	USD 89 Mn	USD 51 Mn
+15.1% YoY | +1.1% QoQ	+49.1% YoY | -13.5% QoQ	+22.8% YoY | -3.7% QoQ	+97.3% YoY | 1H26 43.7% of FY26F

KEY TAKEAWAYS

- **2Q26 revenue rose 15.1% YoY to USD 503 Mn**, but was flat sequentially at **+1.1% QoQ**, taking 1H26 to **USD 1,000 Mn, up 8.8% YoY**, or **50.4% of FY26F consensus — in line** with the 50% half-year pace. Price, not tonnage, carried the half: 1H26 ASP rose 3.8% YoY to USD 81 per tonne and sales volume 5.1% to 12.3 Mt, even as production fell 4.8% to 9.9 Mt. Revenue from Japan climbed 31.8% and the Philippines 137.3%, offsetting India at -66.1% and domestic at -15.0%.
- **2Q26 gross profit jumped 38.5% YoY to USD 124 Mn** off a depressed 2Q25 base, but fell 6.8% QoQ, and 2Q26 gross margin compressed **2.1pp QoQ to 24.6%** even as it gained 4.1pp YoY. This is a cost story: on our estimate **2Q26 cash cost excluding royalty and depreciation rose 9.2% QoQ to USD 60.2 per tonne**, more than double the 4.2% ASP gain, with the 1H26 strip ratio up a full turn YoY to 10.3x and fuel costs higher. **2Q26 operating profit of USD 66 Mn** rose 49.1% YoY but fell 13.5% QoQ; **2Q26 EBITDA of USD 89 Mn** was +22.8% YoY, -3.7% QoQ, and 1H26 operating margin gained only 0.6pp to 14.2%.
- **2Q26 net profit of USD 51 Mn nearly doubled YoY, up 97.3%**, but slipped 6.1% QoQ, taking 1H26 to **USD 106 Mn, up 16.5% YoY** — only **43.7% of FY26F consensus, a miss** against the 50% pace. Quality is clean: the YoY jump is operating-led off a weak 2Q25 with no disposal gains, while 1H26 finance income fell to USD 18 Mn from USD 21 Mn.
- **Consensus now needs a sharp 2H26 step-up:** FY26F implies 2H26 operating profit of USD 182 Mn, up 28.1% on 2H25 actual, and net profit of USD 136 Mn, up 36.4%, while in FY25 the first half carried only 46.8% of full-year operating profit and 47.6% of net profit. **Delivery hinges on volume:** 1H26 production of 9.9 Mt undershot the company's own 10.1 Mt target, and management flags 2026 RKAB quota and DMO uncertainty as constraining Indonesian seaborne supply, with further allocations expected in 2H26. **Valuation leaves little room for a shortfall:** ITMG trades at **7.1x blended-forward P/E as of 10 August 2026, above its five-year mean of 5.4x and beyond +1SD at 6.8x. Key watch: the 2H26 RKAB allocation and whether unit costs ease.**

INCOME STATEMENT · USD Mn, Consolidated

(USD Mn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD YoY
Revenue	437	498	503	+1.1%	+15.1%	919	1,000	+8.8%
Gross Profit	89	133	124	-6.8%	+38.5%	225	256	+14.1%
Operating Income	44	76	66	-13.5%	+49.1%	125	142	+13.9%
EBITDA	72	92	89	-3.7%	+22.8%	164	181	+10.7%
Net Profit	26	55	51	-6.1%	+97.3%	91	106	+16.5%

MARGIN · % of revenue

(Ratio %)	2Q25	1Q26	2Q26	QoQ pp	YoY pp	1H25	1H26	YTD pp
Gross Margin	20.5%	26.7%	24.6%	-2.1pp	+4.1pp	24.4%	25.6%	+1.2pp
Operating Margin	10.1%	15.3%	13.1%	-2.2pp	+3.0pp	13.6%	14.2%	+0.6pp
EBITDA Margin	16.5%	18.5%	17.7%	-0.9pp	+1.1pp	17.8%	18.1%	+0.3pp
Net Profit Margin	6.0%	11.0%	10.2%	-0.8pp	+4.3pp	9.9%	10.6%	+0.7pp

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REVENUE SEGMENTATION · USD Mn, external revenue by sales area

(USD Mn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD YoY
Domestic	80	74	101	+36.1%	+26.1%	205	175	-15.0%
China	121	136	135	-0.6%	+11.5%	243	271	+11.3%
Japan	90	160	109	-31.6%	+21.5%	204	269	+31.8%
Philippines	39	36	68	+87.4%	+76.0%	44	104	+137.3%
India	58	25	14	-41.4%	-75.3%	115	39	-66.1%
Other export	49	67	76	+12.4%	+54.1%	108	143	+32.7%
Total	**437**	**498**	**503**	**+1.1%**	**+15.1%**	**919**	**1,000**	**+8.8%**

OPERATIONAL PERFORMANCE

Key Metric	Unit	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Coal production	Mt	5.1	4.7	5.3	+12.8%	+3.9%	10.4	9.9	-4.8%
Coal sales volume	Mt	5.8	6.3	6.0	-4.8%	+3.4%	11.7	12.3	+5.1%
Own coal sales	Mt	4.7	5.5	5.0	-9.1%	+6.4%	9.5	10.5	+10.5%
Third-party coal sales	Mt	1.1	0.8	1.0	+25.0%	-9.1%	2.2	1.8	-18.2%
Average selling price	USD/t	74.5	79.4	82.7	+4.2%	+11.0%	78.0	81.0	+3.8%
Cash cost	USD/t	54.1	55.1	60.2	+9.2%	+11.3%	55.7	57.6	+3.4%
Royalty	USD/t	8.8	9.2	8.8	-4.1%	+0.5%	8.9	9.0	+1.5%
Strip ratio	(x)	9.7	10.4	10.0	-0.4x	+0.3x	9.3	10.3	+1.0x

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

Metric (USD Mn)	1H26 Actual	FY26F Cons.	% of FY26F	Verdict
Revenue	1,000	1,987	50.4%	In-Line
Operating Income	142	324	43.9%	Miss
EBITDA	181	376	48.2%	In-Line
Net Profit	106	242	43.7%	Miss

Source: PT Indo Tambangraya Megah Tbk; Bloomberg consensus.

VALUATION · ITMG 5-YEAR BLENDED-FORWARD P/E BAND

Blended-forward P/E 7.1x as of 10 Aug 2026 vs. 5-year mean 5.4x (+1 SD 6.8x / -1 SD 4.1x / +2 SD 8.1x / -2 SD 2.8x). Source: Bloomberg.

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