

MBMA — 2Q26 Results MIXED: operating strength, below-line drag

2Q26 · Revenue +126.6% yoy to USD 593 Mn | Operating Profit +467.7% yoy to USD 138 Mn | EBITDA +268.8% yoy to USD 168 Mn | Net Profit +163.0% yoy to USD 24 Mn

Revenue (2Q26) USD 593 Mn +126.6% YoY +30.2% QoQ	Operating Profit (2Q26) USD 138 Mn +467.7% YoY +21.8% QoQ	EBITDA (2Q26) USD 168 Mn +268.8% YoY +17.4% QoQ	Net Profit (2Q26) USD 24 Mn +163.0% YoY -18.2% QoQ
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KEY TAKEAWAYS

- 2Q26 revenue more than doubled, up 126.6% YoY and 30.2% QoQ to USD 593 Mn, **taking 1H26 to USD 1.0bn, only 39.9% of FY26F consensus, a miss on the top line.** Nickel matte led the YoY gain, as **matte sales rose to 10,457 tNi from only 754 tNi in 2Q25, lifting matte revenue to USD 165 Mn from USD 9 Mn.** The AIM plant was the largest QoQ contributor, as **383,177 t of sulphuric acid sold at USD 217/t more than tripled other revenue to USD 90 Mn.** Limonite revenue slipped 9.9% QoQ to USD 87 Mn on sales volume down 31.3%, despite a 29.2% higher ASP.
- 2Q26 gross profit rose 19.6% QoQ to USD 149 Mn, yet gross margin eased 2.2pp QoQ to 25.2%, against 26.2% for 1H26. **The new nickel ore benchmark price (HPM), effective 15 April, more than doubled the saprolite ASP to USD 58.9/wmt, but that ore feeds MBMA's own smelters, so the gain cancels on consolidation while the HPM-linked royalty, which almost doubled QoQ to USD 40 Mn, does not.** NPI cash cost rose 33.5% QoQ to USD 12,690/tNi, halving the NPI margin. EBITDA still grew 17.4% QoQ to USD 168 Mn, **taking 1H26 EBITDA to USD 311 Mn, 54.2% of FY26F consensus, a beat.**
- 2Q26 net profit fell 18.2% QoQ to USD 24 Mn, **leaving 1H26 at USD 54 Mn, only 35.5% of FY26F consensus, a miss. A USD 32 Mn foreign exchange loss and USD 15 Mn of associate losses,** the latter after the ESG HPAL (held via the 45%-owned MIA) stayed shut until the third week of April following a landslide at a nearby tailings facility, **more than offset the USD 25 Mn QoQ operating gain.** Profit also moved from tax-holiday smelters to the taxed mine, **lifting the 2Q26 effective tax rate to 22.6% from 14.4%,** while minorities kept 63.7% of 2Q26 profit.
- At 6.4x blended forward EV/EBITDA, **below its two-year -1SD of 7.8x and well under the 10.3x mean,** the multiple implies doubt that the 1H26 EBITDA run rate survives the new HPM cost structure, even with EBITDA at 54.2% of FY26F consensus. Seasonality favours 2H26, as 1H25 delivered only 19.8% of FY25 net profit, but **meeting FY26F consensus still needs 2H26 net profit of USD 99 Mn, 81.3% above 1H26. Key watch: whether ESG at nameplate and first MHP from SLNC, held via the 45.3%-owned MEB, turn associates positive and lift limonite sales in 3Q26.**

INCOME STATEMENT · USD Mn, Consolidated

(USD Mn)	2Q25*	1Q26	2Q26*	QoQ	YoY	1H25	1H26	YTD
Revenue	261.6	455.1	592.6	+30.2%	+126.6%	627.7	1,048	+66.9%
Gross Profit	30.5	124.8	149.3	+19.6%	+390.2%	49.3	274.1	+455.7%
Operating Income	24.3	113.4	138.1	+21.8%	+467.7%	35.9	251.5	+601.4%
EBITDA	45.6	143.2	168.1	+17.4%	+268.8%	76.7	311.3	+306.1%
Net Profit	9.3	29.9	24.5	-18.2%	+163.0%	5.9	54.4	+830.1%

*Aldiracita calculation

MARGIN

(Ratio %)*	2Q25	1Q26	2Q26	QoQ pp	YoY pp	1H25	1H26	YTD pp
Gross Margin	11.6%	27.4%	25.2%	-2.2pp	+13.6pp	7.9%	26.2%	+18.3pp
Operating Margin	9.3%	24.9%	23.3%	-1.6pp	+14.0pp	5.7%	24.0%	+18.3pp
EBITDA Margin	17.4%	31.5%	28.4%	-3.1pp	+10.9pp	12.2%	29.7%	+17.5pp
Net Profit Margin	3.6%	6.6%	4.1%	-2.4pp	+0.6pp	0.9%	5.2%	+4.3pp

*Aldiracita calculation

EQUITY RESEARCH · INDONESIA METALS & MINING
PT Merdeka Battery Materials Tbk (MBMA IJ)

2Q26 Earnings Flash · Consolidated · 30 September 2026



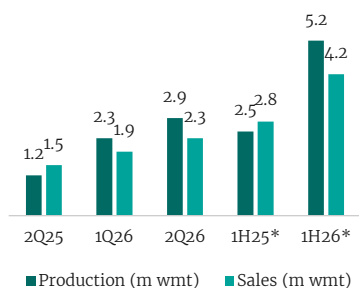
REVENUE SEGMENTATION · USD Mn								
(USD Mn)	2Q25*	1Q26	2Q26*	QoQ	YoY	1H25	1H26	YTD
Nickel pig iron (NPI)	192.6	208.2	250.1	+20.1%	+29.8%	381.4	458.2	+20.2%
Nickel matte (HGNM)	9.4	123.7	165.3	+33.7%	+1,666%	144.1	289.0	+100.6%
Limonite ore	42.6	97.0	87.4	-9.9%	+105.2%	74.4	184.4	+147.8%
Others (mainly acid)	17.0	26.3	89.9	+241.9%	+428.0%	27.8	116.2	+317.4%
Total	261.6	455.1	592.6	+30.2%	+126.6%	627.7	1,048	+66.9%

*Aldiracita calculation

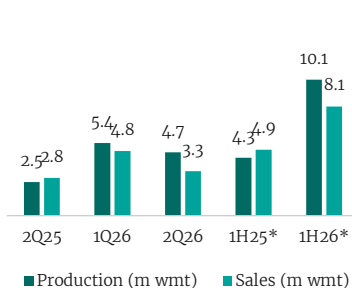
OPERATIONAL PERFORMANCE									
Key Metric	Unit	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26*	YTD
Sapolite ASP	USD/wmt	25.0	28.5	58.9	+106.7%	+135.6%	25.4*	45.1	+77.9%
Sapolite cash margin	USD/wmt	1.0	4.0	26.7	+567.5%	+2,570%	1.1*	16.4	+1,342%
Limonite ASP	USD/wmt	15.4	20.2	26.1	+29.2%	+69.5%	15.2	22.6	+48.7%
Limonite cash margin	USD/wmt	4.4	10.1	10.4	+3.0%	+136.4%	3.5*	10.2	+195.7%
NPI cash margin	USD/tNi	1,783	3,982	1,981	-50.3%	+11.1%	1,657*	2,994	+80.7%
HGNM cash margin	USD/tNi	n.a	1,321	-542	n.m	n.a	n.a	269	n.a

*Aldiracita calculation

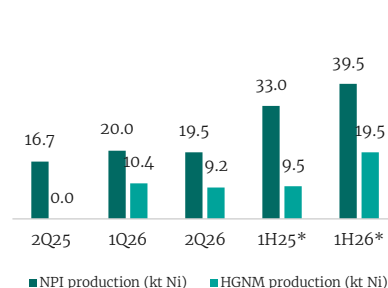
Sapolite Ore



Limonite Ore



RKEF & Matte Converter



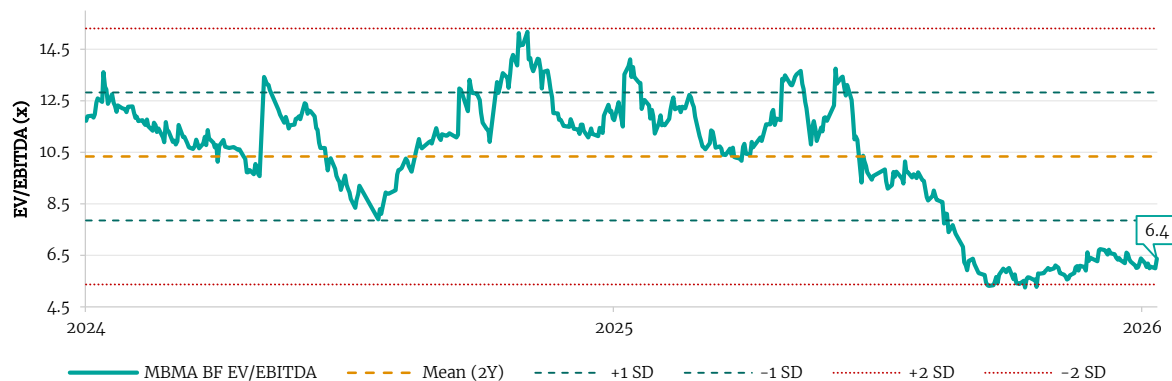
*Aldiracita calculation

1H26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F (1H26 PACE = 50%)					
Metric (USD Mn)	1H26 Actual	FY26F Cons.	% of FY26F	# Est.	Verdict
Revenue	1,048	2,623	39.9%	7	Miss
Operating Income	251.5	406.2	61.9%	6	Beat
EBITDA	311.3	574.6	54.2%	7	Beat
Net Profit	54.4	153.1	35.5%	7	Miss

Source: PT Merdeka Battery Materials Tbk financial statements and quarterly activities reports; Bloomberg consensus.

VALUATION · MBMA 2-YEAR EV/EBITDA BAND

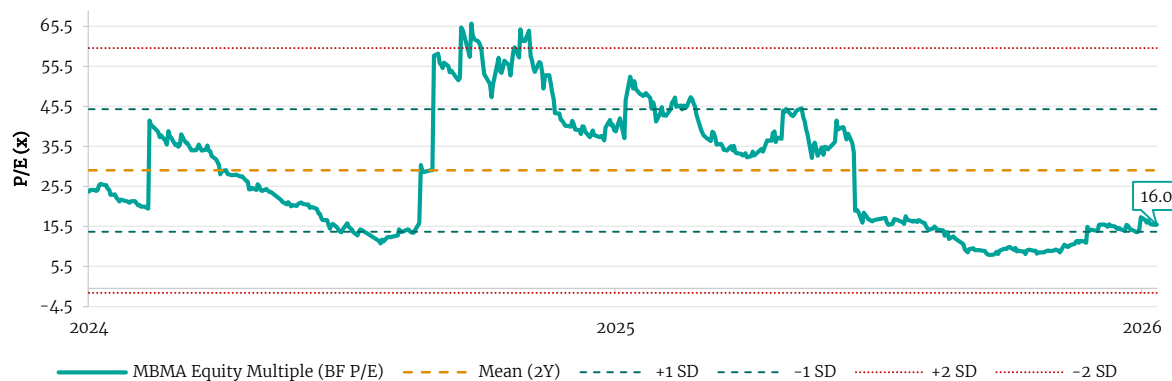
MBMA 2-Year EV/EBITDA Band (BF EV/EBITDA vs. Mean $\pm$ 1/2 SD)



Current EV/EBITDA 6.4x as of 29 Sep 2026 vs. 2-year mean 10.3x (+1 SD 12.8x / -1 SD 7.8x / +2 SD 15.3x / -2 SD 5.4x). Source: Bloomberg.

VALUATION · MBMA 2-YEAR P/E BAND

MBMA 2-Year P/E Band (BF P/E vs. Mean $\pm$ 1/2 SD)



Current P/E 16.0x as of 29 Sep 2026 vs. 2-year mean 29.5x (+1 SD 44.8x / -1 SD 14.2x / +2 SD 60.1x / -2 SD -1.1x). Source: Bloomberg.



PT Aldiracita Sekuritas Indonesia

Menara Tekno Lt. 9,
Jl. H. Fachrudin No.19, Kampung Bali, Tanah Abang,
Jakarta Pusat, 10250
Indonesia
Phone: +61 21 39705858

Contact

Research: research@aldiracita.com

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