EQUITY RESEARCH · INDONESIA COAL MINING

PT Indo Tambangraya Megah Tbk. (ITMG IJ)

3Q26 Earnings Flash · Consolidated · 16 November 2026

ITMG — 3Q26 Results IN-LINE: Impairment Mutes ASP Surge

9M26 : Revenue USD 1,601 Mn (+17.0% yoy) | Operating Profit USD 245 Mn (+36.4% yoy) | EBITDA USD 311 Mn (+31.5% yoy) | Net Profit USD 163 Mn (+24.8% yoy) | Gross margin 26.4% (+2.5pp yoy)

Revenue (3Q26)	Operating Profit (3Q26)	EBITDA (3Q26)	Net Profit (3Q26)
USD 601 Mn	USD 103 Mn	USD 130 Mn	USD 57 Mn
+33.6% YoY | +19.5% QoQ	+87.6% YoY | +56.5% QoQ	+77.8% YoY | +46.2% QoQ	+43.7% YoY | +10.9% QoQ

KEY TAKEAWAYS

- **Price lifts revenue to the full-year pace.** Revenue jumped 19.5% QoQ and 33.6% YoY to USD 601 Mn in 3Q26, mainly because ASP rose 14.6% QoQ to USD 94.8/t while sales volume edged up only to 6.3 Mt from 6.1 Mt in 2Q26. Japan drove the mix, with revenue there up 84.5% QoQ to USD 201 Mn, which management links to winter restocking. **9M26 revenue of USD 1.6bn reached 74.1% of FY26F consensus.**
- **Costs rose more slowly than price.** Gross margin widened 3.0pp QoQ to 27.6% in 3Q26. Total cost per tonne rose only 12.8% QoQ to USD 79.1, even as the strip ratio climbed to 11.5x from 10.3x. **Part of the gain sits on the balance sheet, as coal inventory rose USD 41 Mn in 3Q26 to USD 140 Mn, against a USD 24 Mn build in 2Q26.** That cost stayed out of cost of revenue. Operating profit surged 56.5% QoQ to USD 103 Mn and EBITDA 46.2% to USD 130 Mn, lifting 9M26 to 84% and 87% of FY26F consensus, well above three-year 9M averages.
- **An impairment holds net profit back.** A USD 19 Mn write-down, mostly on development projects whose construction ITMG has stopped, swung other items to a USD 14 Mn loss from a USD 4.4 Mn gain in 2Q26. **As a result, net profit rose only 10.9% QoQ to USD 57 Mn in 3Q26, though it was up 43.7% YoY.** The effective tax rate also rose to 38.9% from 30.0% on higher non-deductible expenses and a prior-year tax adjustment.
- **Valuation already credits the price recovery.** ITMG trades at 2.28x blended-forward EV/EBITDA, above its five-year mean of 1.87x but below +1SD at 2.42x. FY26F consensus implies 4Q26 net profit of USD 58 Mn, roughly a repeat of 3Q26. **Management cut FY26 production guidance to 21.5 Mt from 22.0–22.9 Mt but raised its sales target to 27.2–27.6 Mt, so 4Q26 sales must reach 8.5–8.9 Mt against 6.8 Mt in 4Q25.** ***Key watch: whether 4Q26 sales reach 8.5–8.9 Mt while ASP holds near USD 95/t.***

INCOME STATEMENT · USD Mn, Consolidated

(USD Mn)	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD YoY
Revenue	450	503	601	+19.5%	+33.6%	1,369	1,601	+17.0%
Gross Profit	102	124	166	+34.3%	+62.4%	327	423	+29.2%
Operating Income	55	66	103	+56.5%	+87.6%	180	245	+36.4%
EBITDA	73	89	130	+46.2%	+77.8%	237	311	+31.5%
Net Profit	40*	51*	57*	+10.9%	+43.7%	131	163	+24.8%

**Aldiracita calculation*

MARGIN · % of revenue

(Ratio %)*	3Q25	2Q26	3Q26	QoQ pp	YoY pp	9M25	9M26	YTD pp
Gross Margin	22.7%	24.6%	27.6%	+3.0pp	+4.9pp	23.9%	26.4%	+2.5pp
Operating Margin	12.2%	13.1%	17.2%	+4.1pp	+4.9pp	13.1%	15.3%	+2.2pp
EBITDA Margin	16.3%	17.7%	21.6%	+4.0pp	+5.4pp	17.3%	19.4%	+2.1pp
Net Profit Margin	8.8%	10.2%	9.5%	-0.7pp	+0.7pp	9.5%	10.2%	+0.6pp

**Aldiracita calculation*

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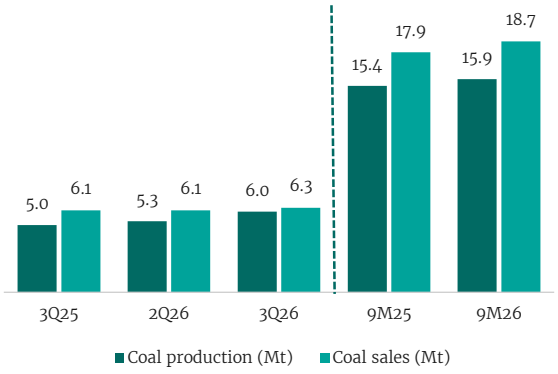
REVENUE SEGMENTATION · USD Mn, external revenue by sales area

(USD Mn)	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD YoY
Domestic	45	101	106	+5.3%	+135.1%	251	281	+12.0%
China	179	135	153	+13.6%	-14.6%	423	424	+0.3%
Japan	119	109	201	+84.5%	+69.6%	323	470	+45.7%
Philippines	16	68	33	-51.6%	+111.9%	60	137	+130.7%
India	33	14	9.6	-33.5%	-71.3%	149	49	-67.2%
Other export	58	76	98	+29.4%	+69.8%	165	241	+45.6%
Total	**450**	**503**	**601**	**+19.5%**	**+33.6%**	**1,369**	**1,601**	**+17.0%**

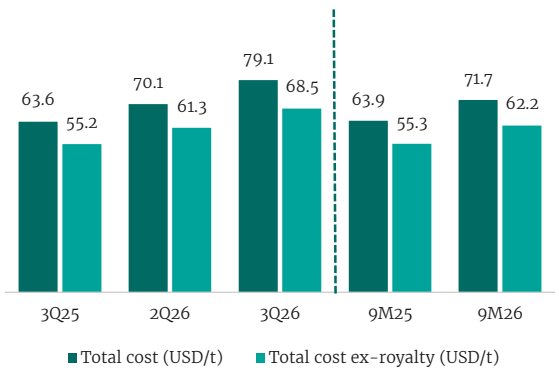
OPERATIONAL PERFORMANCE

Key Metric	Unit	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD
Average selling price	USD/t	73.5	82.7	94.8	+14.6%	+29.0%	76.5	85.7	+12.0%
Royalty	USD/t	8.4	8.7	10.6	+21.8%	+26.2%	8.7	9.6	+10.3%
Strip ratio	(x)	9.4	10.3	11.5	+1.2x	+2.1x	9.3	10.8	+1.5x

Coal Production & Sales



Unit Cost



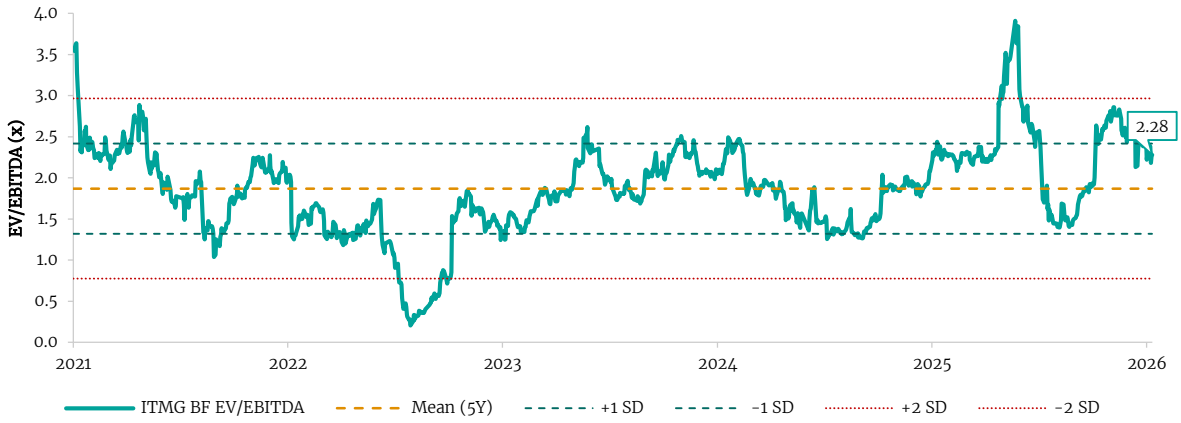
9M26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F vs. 3-YEAR 9M/FY PACE

Metric (USD Mn)	9M26 Actual	FY26F Cons.	% of FY26F	Hist. 9M/FY	Verdict
Revenue	1,601	2,160	74%	74%	In-Line
Operating Income	245	293	84%	72%	Beat
EBITDA	311	358	87%	72%	Beat
Net Profit	163	221	74%	74%	In-Line

Source: PT Indo Tambangraya Megah Tbk; Bloomberg.

VALUATION · ITMG 5-YEAR BLENDED-FORWARD EV/EBITDA BAND

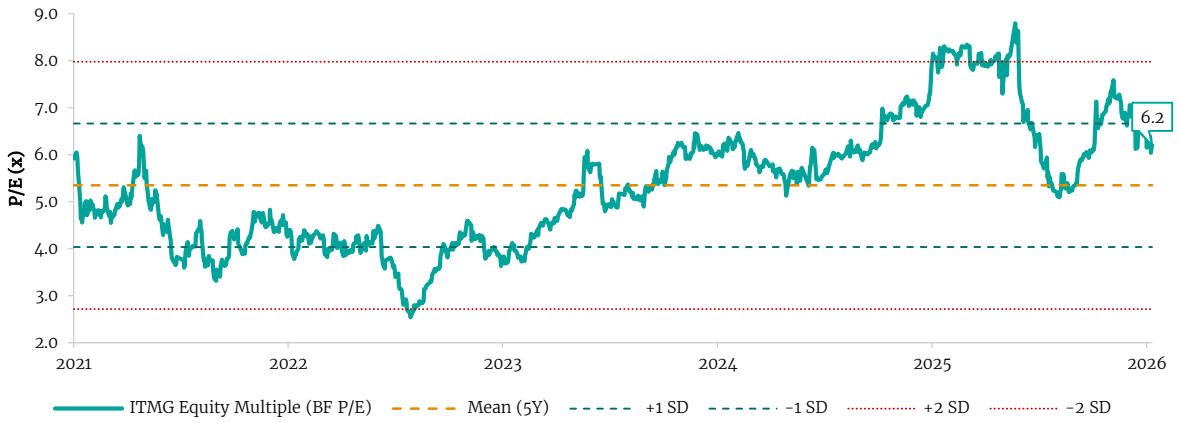
ITMG 5-Year EV/EBITDA Band (BF EV/EBITDA vs. Mean ± 1/2 SD)



Blended-forward EV/EBITDA 2.28x vs. 5-year mean 1.87x (+1 SD 2.42x / -1 SD 1.32x / +2 SD 2.97x / -2 SD 0.77x). | Source: Bloomberg.

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

ITMG 5-Year P/E Band (BF P/E vs. Mean ± 1/2 SD)



Blended-forward P/E 6.2x vs. 5-year mean 5.3x (+1 SD 6.7x / -1 SD 4.0x / +2 SD 8.0x / -2 SD 2.7x). | Source: Bloomberg.

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