

MINING SECTOR

PT Adaro Andalan Indonesia Tbk

IPO Information

Offer Price	IDR 4,590–5,900
Number of Offer Shares	778,689,200 shares

Indicative Timetable

Bookbuilding Period	12 – 18 Nov 2024
OJK Effective Statement	26 Nov 2024
Offering Period	29 Nov – 3 Dec 2024
Allotment Date	3 Dec 2024
Listing Date	5 Dec 2024

Use of IPO Proceeds

- 40%** for loan to MBP for new vessels and maintenance, enhancing reliability and reducing third-party reliance.
- 15%** for early loan repayment to AI for coal mining infrastructure upgrades (2024–2026).
- 45%** for early repayment to ADRO to optimize cash management, funded by operations and dividends.

Shareholders Composition (Before PUPS)

	Pre IPO	Post IPO
Number of shares (Mn)	7,008.2	7,786.9
Nominal Value	IDR3,125/sh	
ADRO	99.99%	90.00%
ASI	0.01%	0.00%
Public	--	10.00%

Shareholders Composition (After PUPS)

	Pre PUPS	Post PUPS
Number of shares (Mn)	7,786.9	
Nominal Value	IDR3,125/sh	
ADRO	90.00%	--
ASI	0.00%	41.10%
Garibaldi Thohir	--	5.78%
Public (owns ADRO Shares)	--	43.12%
Public*	10.00%	10.00%

Dividend Policy

Up to 45% of net profit, starting from 2025 fiscal year.

Underwriters

PT Trimegah Sekuritas Indonesia Tbk.

Stocks Information

Y/E Dec	21A	22A	23A	6M23	6M24
Revenue (USD Mn)	3,862	7,726	5,915	3,255	2,657
Gross Profit (USD Mn)	1,493	3,949	1,729	1,121	777
EBITDA (USD Mn)	1,615	3,968	1,491	971	1,000
Net Profit (USD Mn)	732	2,065	1,144	709	859
EPS Growth (%)		182.2%	(44.7%)		21.3%
EBITDA Margin (%)	41.8%	51.4%	25.2%	29.8%	37.7%
ROA (%)	11.8%	25.9%	16.2%		15.8%
ROE (%)	20.2%	45.8%	23.9%		31.6%

Post-IPO Scenario

in USD mn (unless stated)	Pre-IPO FY23			Post-IPO FY24 (Annualized)		
IPO Price (IDR/shares)	4,590	5,245	5,900	4,590	5,245	5,900
Shares Outstanding (Mn)	7,008	7,008	7,008	7,787	7,787	7,787
Public Offering				10%	10%	10%
Max Proceeds (IDRtn)				3.57	4.08	4.59
Market Cap (IDRtn)	32.17	36.76	41.35	35.74	40.84	45.94
Balance Sheet						
Cash	2,534	2,534	2,534	1,080	1,080	1,080
Asset	7,063	7,063	7,063	5,433	5,433	5,433
Liabilities	2,272	2,272	2,272	2,712	2,712	2,712
Equity	4,790	4,790	4,790	2,721	2,721	2,721
Debt	959	959	959	1,666	1,666	1,666
Income Statement						
Revenue	5,915	5,915	5,915	5,313	5,313	5,313
Operating Income	1,391	1,391	1,391	1,889	1,889	1,889
EBITDA	1,438	1,438	1,438	3,889	3,889	3,889
Net Profit	1,144	1,145	1,146	1,718	1,718	1,718
Key Ratios						
P/E (x)	1.82	2.08	2.34	1.31	1.50	1.69
EV/ EBITDA (x)	0.36	0.56	0.77	0.73	0.81	0.90
EBITDA Margin (%)	24.32%	24.32%	24.32%	73.20%	73.20%	73.20%
Net Profit Margin (%)	19.34%	19.35%	19.37%	32.33%	32.33%	32.33%
ROA (%)	16.19%	16.21%	16.22%	31.62%	31.62%	31.62%
ROE (%)	23.88%	23.90%	23.92%	63.13%	63.13%	63.13%
Net Gearing (x)	(0.33)	(0.33)	(0.33)	0.22	0.22	0.22

Company Description

PT Adaro Andalan Indonesia Tbk (AADI), a subsidiary of PT Adaro Energy Indonesia Tbk (ADRO), is a holding company focused on thermal coal mining and logistics, managing 7 assets with 5 active mines producing low-pollutant, medium-calorie coal. With 4.1 bn tons in resources and 917.4 mn tons in reserves, AADI maintains reliable supply and diversified income. Known for low ash and sulfur content, the coal meets global efficiency standards. Positioned in the second quartile on the global cash cost curve, AADI's logistics fleet, with over 160 vessels, ensures complete control over its coal supply chain, supporting sustainable growth.

PUPS: ADRO Share Offering & Control Commitment

One trading day after AADI is listed on the IDX, subject to obtaining an effective statement for the PUPS, ADRO plans to offer up to 7,008 mn shares it holds in the AADI to ADRO shareholders, as recorded on a specified date in the PUPS prospectus. We estimate ADRO shareholders will have the right to subscribe to AAI shares, with a share ratio of 4.4 ADRO shares to 1 AAI share. ADRO will set a ratio for share orders based on shareholders' holdings on the PUPS listing date, as announced in the prospectus. ASI and Garibaldi Thohir are committed to retaining control of the Company for at least one year after the IPO registration becomes effective.

Exhibit 1: AADI's Mine

Description	Unit	AI	BC			MIP	PKP2B Contract	
			SCM	LSA	PCS		PC	RC
Production volume	Mn ton	25.69	2.46	1.98	0.02	2.61		
Net sales volume	Mn ton	29.56	2.41	1.86		2.86		
Revenue	USD Mn	2,140	137	113		159		
Sales Volume as of								
Production (%)		115.1%	98.0%	93.9%		109.6%		
ASP (USD/ ton)		72.41	56.97	61.01		55.76		
Area Size	Ha	23942	2500	2500	2500	2000	24971	36490
Period		2022 – 2032	2009 – 2029	2014 – 2034	2009 – 2029	2010 – 2030	2024 – 2054	2023 – 2024
Status		IUPK – KOP	IUP – OP	IUP – OP	IUP – OP	IUP – OP	PKP2B – OP	PKP2B – Exploration
Resources (Mt)								
Measured		60	98	43	330	161	2,600	
Indicated		15	75	6	29	18	597	
Inferred		6	33	6	2	3	200	
Total Resources		81	206	58	361	183	3,397	
Moisture (% ar)		32.9	30.4	32.1	34.2	33.0	32.8	
Ash (% adb)		2.7	2.3	3.9	6.3	4.0	2.9	
Calorific Value (kcal/kg ar)		4,352.0	4,571.0	4,335.0	4,317.0	4,300.0	4,465.2	
Reserves (Mt)								
Proven		14	48	19	58	23	397	
Probable		20	20	2	95	1	245	
Total Reserves		34	68	21	152	24	642	
Moisture (% ar)		34.3	32.1	33.2	34.0	33.0	31.7	
Ash (% adb)		2.0	1.9	3.4	7.3	4.0	2.5	
Calorific Value (kcal/kg ar)		4,231.0	4,520.0	4,358.0	4,282.0	4,300.0	4519.5	

Source: Company, KBVS Research

Exhibit 2: Subsidiary with a 10% contribution

No	Company	% of Revenue	% of Asset	% of Liabilities	% of PBT
1	PT Adaro Indonesia	80.1%	44.2%	62.0%	37.6%
2	PT Adaro Logistics	10.6%	10.4%	2.8%	13.7%
3	Arindo Holdings (Mauritius) Ltd	28.7%	35.5%	43.1%	3.2%
4	PT Adaro Mining Technologies	0.2%	1.1%	0.1%	20.2%

Source: Company, KBVS Research

Exhibit 3: Company Name Abbreviation

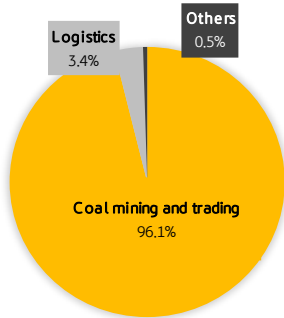
Abbreviation	Company Name
AI	PT Adaro Indonesia
AMI	PT Adaro Minerals Indonesia Tbk
BC	PT Balangan Coal
LSA	PT Laskar Semesta Alam
MIP	PT Mustika Indah Permai
PC	PT Pari Coal
PCS	PT Paramitha Cipta Sarana
RC	PT Ratah Coal
SCM	PT Semesta Centramas
SIS	PT Saptaindra Sejati

Exhibit 4: Parties entering into agreements with AADI

Contractor	Type of agreement	End of agreement period
PT Bukit Makmur Mandiri Utama	Mining services	31-Dec-25
SIS	Overburden removal and coal mining	30-Sep-42
SIS	Coal transportation	30-Sep-42
SIS	Heavy equipment renta	30-Sep-42
SIS	Coal transportation to MSW	31-Dec-24
PT Mitrabahtera Segara Sejati Tbk	Coal transportation	30-Sep-24*
PT Pertamina Patra Niaga	Fuel supply	30-Sep-29
PT Putra Perkasa Abadi	Mining services	30-Jun-27
AMI	Crushing facility rental	31-Dec-24

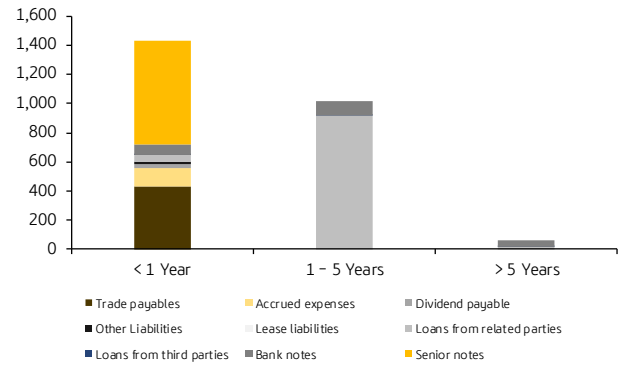
Source: Company, KBVS Research

Exhibit 5: Revenue contribution as of 6M24



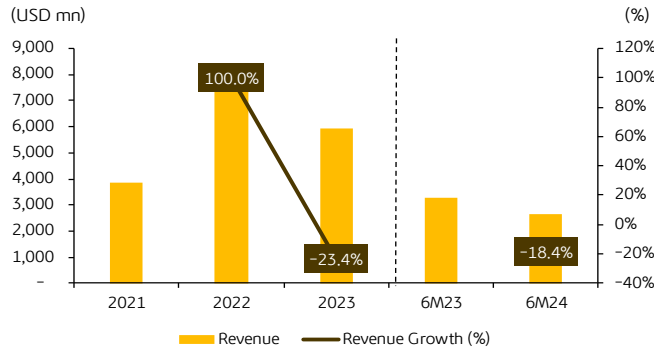
Source: Company, KBVS Research

Exhibit 6: Outstanding loan amount



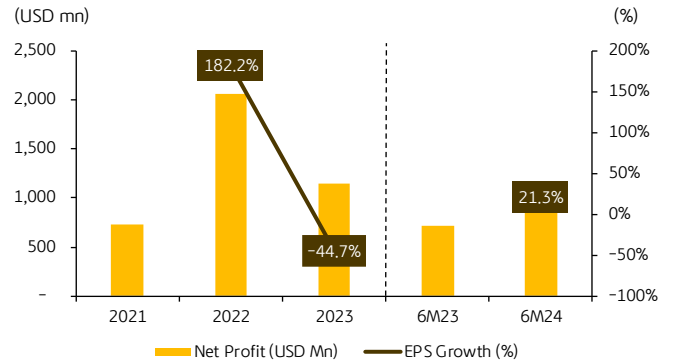
Source: Company, KBVS Research

Exhibit 7: Revenue and revenue growth (%)



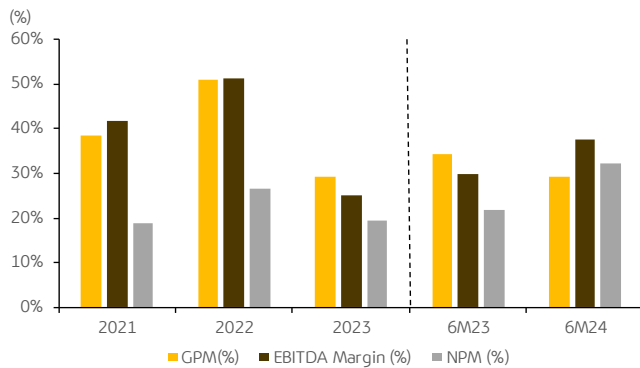
Source: Company, KBVS Research

Exhibit 8: Net profit and EPS growth (%)



Source: Company, KBVS Research

Exhibit 9: Operating margins



Source: Company, KBVS Research

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