Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52485.0	0.5	1.0	(0.8)	9.2
S&P 500	7489.7	0.7	1.0	0.1	9.4
FTSE 100	10868.1	(0.3)	1.2	1.8	9.4
AS30	9137.0	0.2	2.2	1.0	1.3
CSI 300	4588.2	0.8	(1.3)	(5.2)	(0.9)
FSSTI	5628.5	(0.8)	0.7	7.3	21.1
HSCEI	8612.2	(0.4)	4.1	11.8	(3.4)
HSI	25884.4	0.1	3.7	10.9	1.0
JCI	6236.1	0.8	0.6	6.1	(27.9)
KLCI	1724.9	0.3	1.4	2.7	2.7
KOSPI	6595.5	17.9	(1.4)	(18.5)	56.5
Nikkei 225	64362.0	4.0	(0.4)	(7.7)	27.9
SET	1623.6	1.6	(1.0)	0.8	28.9
TWSE	43119.8	8.0	(1.2)	(7.8)	48.9
BDI	2732	2.2	(0.4)	0.6	45.6
CPO (RM/mt)	4498	(0.4)	(1.0)	0.0	14.4
Brent Crude (US$/bbl)	84	(3.9)	(4.4)	17.1	38.8

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

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Top Stories

Strategy | Aug 26: Strong July Rally; Key Events in Focus Page 2

The JCI rallied 10.5% mom in July, while our alpha picks returned 22.6%, outperforming the index by 12.1%. Retail participation, Indonesia's stable S&P rating, rupiah stability and solid 1H26 earnings supported the rally. Entering August, the market retains positive momentum, although investors should monitor MSCI's review, the BI governor succession and 2Q26 GDP. We remain constructive but selective in August. Our top picks are ASII, BBCA, BMRI, BULL, CMRY, AMMN, ARCI, ELSA, INKP and EXCL.

Technical Analysis

Barito Pacific | BRPT IJ Page 12

Trading Buy Range: We have a technical Buy at Rp1,840, and take profit at Rp2,000.

Salim Ivomas Pratama | SIMP IJ Page 12

Trading Buy Range: We have a technical Buy at Rp610, and take profit at Rp655.

Strategy

Aug 26 Alpha Picks: Strong July Rally; Key Events In Focus

Analyst(s)
Indonesia Research
researchindonesia@kh.co.id
+6221 2993 3845

Highlights

- Our Alpha Picks' July returns booked +22.6%, driven by a mix of high and low beta stocks.
- We take out DEWA and add AMMN and ARCI to our August portfolio.
- **Our top picks:** ASII, BBCA, BMRI, BULL, CMRY, AMMN, ARCI, ELSA, INKP, and EXCL.

What's New

- **Broad-based recovery in July.** The JCI staged a broad recovery in July, gaining 10.5% mom, with blue-chip proxies LQ45 and IDX30 also posting strong recoveries of +12.3% and +11.3%, respectively. Historically, July has closed positive at 2.9% in the past 10 years, while August has historically posted a positive close of 2.1% over the same period. Despite the index's gains, foreign investors remained net sellers, with outflows of Rp8.15t (US$452m) over the month (regular market). Leading movers were BBCA, BBRI, AMMN, BRPT, and BMRI, while the key laggards were MORA, SMMA, TCPI, FILM, and MSIN.
- **Our Alpha Picks returned 22.6% mom in July, outperforming the JCI by 12.1%.** Our July portfolio blended blue-chips with retail-driven names, mixing low- and high-beta exposures. Performance was led by DEWA (+62%), BULL (+47.4%), ELSA (+33.7%), INKP (+18.7%), BBCA (+13.96%), and ASII (+12.8%), while lower-beta defensives such as CMRY (+3.4%) and EXCL (+2.95%) lagged the portfolio, as expected given their lower sensitivity to the broader rally.
- **Seasonality aside, a confluence of catalysts underpinned July's rally.** Beyond the JCI's usual harvest-season seasonality, several catalysts reinforced the positive sentiment: A wave of IPOs in July lifted retail investor participation; S&P's 13 July affirmation of Indonesia's BBB rating with a stable outlook, notably the only major agency to hold a stable view after Fitch and Moody's had already cut Indonesia to negative earlier in the year, reassured investors on fiscal credibility; and progress on the Kopdes (Village Cooperative Program) and free-meal programme amid tight banking and fiscal liquidity helped stabilise the rupiah against the DXY. Sentiment was further supported by solid 1H26 corporate results, with our aggregate coverage posting revenue/net profit growth of +7.5%/+13.2% yoy, respectively in 1H26, excluding UNTR's.
- **Key headwinds in August.** MSCI's 12 August review poses downside risk, no additions expected (freeze until November), but GOTO and CPIN are candidates for deletion, risking passive outflows. BI's governor succession remains a swing factor for sentiment, following Warjiyo's surprise resignation. 2Q26 GDP (5 August) will also be closely watched as a read on growth momentum amid recent policy and fiscal noise.

Action

- **Portfolio positioning for August.** We stay constructively balanced between high- and low-beta names, weighing August's typical strong seasonality against the headwinds flagged above. We remove DEWA following its sharp rally, and add AMMN on expectations of a strong 2Q26 (results currently being audited).
- **Our top picks:** ASII, BBCA, BMRI, BULL, CMRY, AMMN, ARCI, ELSA, INKP, and EXCL.

Alpha Picks Recommendations

Company	Ticker	Rec	Share Price (Rp)	Target Price (Rp)
Astra International	ASII	BUY	5,100	7,100
Bank Central Asia	BBCA	BUY	6,325	8,150
Bank Mandiri	BMRI	HOLD	4,190	5,150
Amman Minerals	AMMN	BUY	4,100	7,000
Archi Indonesia	ARCI	BUY	1,075	2,750
Buana Lintas Lautan	BULL	BUY	454	750
Cisarua Mountain Diary	CMRY	BUY	4,600	6,400
Elnusa	ELSA	BUY	695	1,450
Indah Kiat Pulp & Paper	INKP	BUY	8,400	15,700
XLSMART Telecom	EXCL	BUY	2,440	3,600

Source: Bloomberg

Alpha Picks Performance In Jul 26

Company	Rec	Jul 26 (%)	To Date (%)
ASII	BUY	12.2	-32.6
BBCA	BUY	13.3	-28.8
BMRI	HOLD	8.2	-25.1
BULL	BUY	46.7	-17.7
CMRY	BUY	2.7	-24.7
DEWA	BUY	61.3	-46.3
ELSA	BUY	33.0	28.7
INKP	BUY	18.1	-11.9
EXCL	BUY	2.3	-42.6
USD-IDR X-Rate		0.7	7.6
JCI		9.8	-28.7
UOBKH Portfolio		22.0	-6.7

Source: Bloomberg

Portfolio Return

(%)	4Q25	2025	1Q26	2Q26
JCI return	7.3	22.1	-18.5	-19.9
Alpha Picks Return				
- Price-weighted	3.8	-2.3	-6.1	-17.4
- Market cap-weighted	0.6	-5.5	-6.8	-11.4
- Equal-weighted	16.3	16.5	-6.0	-17.5

Assumptions for the 3 methodologies:
1) Price-weighted: Assuming the same number of shares for each stock, a higher share price will have a higher weighting.
2) Market cap-weighted: Weighting is based on the market cap at date of inclusion, a higher market cap will have a higher weighting.
3) Equal-weighted: Assuming the same investment amount for each stock, every stock will have the same weighting.
Source: UOB Kay Hian

Analysts' Alpha* Picks

Analyst	Company	Rec	Performance %	Catalyst
Willinoy Sitorus & Alden Gabriel Lam	Astra Internationals	BUY	-9.7	Rp8t buyback budget for the next 12 months.
Posmarito Pakpahan	Bank Central Asia	BUY	n.a.	Having most resilient NIM among our coverage during rate hikes
Posmarito Pakpahan	Bank Mandiri	HOLD	-5.8	100% export proceed retention under the revised DHE policy could gradually support SOE banks' liquidity & trade finance.
Willinoy Sitorus & Audrey Celia	Buana Lintas Lautan	BUY	-20.4	Windfall from higher freight rates, fleet expansion, potential strategic partnership.
Willinoy Sitorus & Audrey Celia	Cisarua Mountain Dairy	BUY	-8.0	Continued strong growth momentum in dairy, New consumer food lines to operate in 3Q26.
Benyamin Mikael	Amman Minerals	BUY	n.a.	Higher sales volume 2Q26.Higher volume 2026
Benyamin Mikael	Archi Indonesia	BUY	n.a.	Higher sales volume 2Q26. Higher volume 2026
Benyamin Mikael, Alden Gabriel Lam	Elnusa	BUY	-14.9	New contracts secured in late-25 and early-26, government support, clear earnings visibility for 2026-27.
Willinoy Sitorus & Audrey Celia	Indah Kiat Pulp & Paper	BUY	-8.0	New Karawang plant commercial start-up, pulp price recovery.
Willinoy Sitorus & Andrew Agita	XLSMART Telecom Sejahtera	BUY	n.a.	Proper EBITDA margin improvement.

** Denotes a timeframe of 1-3 months and not UOB Kay Hian's usual 12-month investment horizon for stock recommendation*
Source: UOB Kay Hian

Valuation Of Analysts' Alpha Picks

Company	Ticker	Rec	Price 31 Jul 26 (Rp)	Target Price (Rp)	Upside To TP (%)	Market Cap (US$m)	3M Avg Turnover (US$m)	P/E 2026F (x)	P/B 2026F (x)	ROE 2026F (%)	Div.Yield 2026F (%)	Net Gearing (%)
Astra International	ASII	BUY	5,100	7,100	39.2	11,463	18.9	7.3	0.9	12.3	7.6	19.4
Amman Minerals	AMMN	BUY	4,100	7,000	70.7	16,498	26.5	14.6	12.3	2.6	1.2	10.5
Archi Indonesia	ARCI	BUy	1,075	2,750	155.8	1,505	2.9	7.7	6.1	3.0	2.2	47.6
Bank Central Asia	BBCA	BUY	6,325	8,150	28.9	43,265	88.1	12.9	2.6	20.1	5.3	(30.9)
Bank Mandiri	BMRI	HOLD	4,190	5,150	22.9	21,713	52.7	6.7	1.3	19.6	10.5	(32.0)
Buana Lintas Lautan	BULL	BUY	454	750	65.2	391	0.1	6.3	1.1	24.7	n.a.	53.6
Cisarua Mountain Diary	CMRY	BUY	4,600	6,400	39.1	2,027	1.2	15.8	4.8	28.8	4.1	(25.1)
Elnusa	ELSA	BUY	695	1,450	108.6	282	1.1	5.8	0.9	13.6	6.4	(39.9)
Indah Kiat Pulp & Paper	INKP	BUY	8,400	15,700	86.9	2,552	3.3	4.2	0.3	8.1	0.9	21.6
XLSMART Telecom Sejahtera	EXCL	BUY	2,440	3,600	47.5	2,465	1.2	n.a.	1.5	(6.0)	3.2	200.3

Source: Bloomberg, UOB Kay Hian

Astra International – BUY

(Willinoy Sitorus/Alden Gabriel Lam)

- **Continued delay in rollout of incentives for BEV.** The Indonesian government has again delayed the rollout of battery electric vehicles (BEV) VAT incentives by one month, from the previously expected Jul 26 implementation to Aug 26, as the policy remains under review and still requires further internal calculations by the Ministry of Finance (MOF). The incentive scheme, which will be issued through a MOF regulation, is planned to cover 100,000 four-wheeler (4W) BEV units and 100,000 electric two-wheelers, with electric motorcycles receiving Rp5m per unit. For 4W BEVs, the government plans to provide 100% VAT borne by the government for some models, while others will receive a 40% VAT incentive depending on the battery raw material base. The delay in BEV incentives will help to ease pressure on internal combustion engine (ICE) vehicles.
- **Upcoming automotive events.** The upcoming Gaikindo Indonesia International Auto Show (GIIAS) Jakarta will take place from 30 Jul to 9 Aug 26, while GIIAS Surabaya will take place from 26 to 30 Aug 26, and GIIAS Bandung is set for 9 to 13 Sep 26; these should support the automotive sector. Note that during last year's GIIAS Jakarta, around 38,000 units in sales were recorded in just 10 days, equivalent to approximately 4.7% of

2025's total 4W sales. Together with the 13.1% yoy growth in 5M26 4W sales coupled with GIIAS momentum in 2H26, this should support our 2026 4W sales target of +5.5% yoy.

- **Realigning management with TSR framework.** Astra International (ASII) plans to allocate up to 100m treasury shares to its management stock option programme (MSOP), equivalent to around 0.5% of free float or Rp470b assuming a share price of Rp4,700. The shares will be sourced from the third buyback period and allocated gradually based on programme needs. Additionally, ASII will seek EGM approval on 10 Jul 26 for a new buyback of up to Rp8t, to be conducted from 20 Jul 26 to 16 Jul 27. At Rp4,600/share, the programme represents around 4.3% of free float. This aligns with ASII's strategic review, under which management performance will partly be assessed through total shareholder return (TSR).
- **Maintain BUY with an SOTP-based target price of Rp7,100.** Our valuation implies 10.1x 2026 PE.
- **Key risks:** a) further rate hikes, which would make financing costlier; and b) weaker purchasing power.

Share Price Catalyst

- **Event:** a) GIIAS event, b) Rp8t buyback programme, c) continued delay in the rollout of BEV incentives.
- **Timeline:** Jul 26-Jul 27.

Amman Minerals – BUY (Benyamin Mikael)

- **Expect all-time high earnings driven by smelter ramp-up, higher ore grades and stronger commodity prices.** Following the weak 2025 operational performance due to lower ore grades, we expect Amman Mineral Internasional (AMMN) to deliver record earnings in 2026, supported by a sales volume recovery and higher copper and gold prices vs 2023-24 levels. We forecast copper cathode sales volume of 143,000 tonnes (+88.3% yoy) and refined gold sales volume of 376,000 oz (+229.7% yoy), driven by higher mill throughput and Batu Hijau's Phase 8 transition. Thus, we project net profit will jump 366.9% yoy to US$1.16b in 2026, growing 19.1% yoy to US$1.38b in 2027 and 15.9% yoy to US$1.60b in 2028.
- **Key overhangs now resolved.** The negative sentiment surrounding AMMN has subsided, with selling pressure easing after MSCI's decision to remove AMMN from its indexes effective 1 Jun 26, while the FTSE Jun 26 review confirmed that AMMN will maintain its inclusion. Operationally, the lower-grade cycle that dragged the 2025 performance is over. During 1Q26, mining successfully transitioned from waste removal to fresh ore extraction in Phase 8, with copper grades surging to 0.53% in 1Q26 (1Q25: 0.31%) and gold grades improving to 0.54 g/t in 1Q26 (1Q25: 0.17 g/t).
- **Strong 2Q26 outlook.** We expect a significantly stronger net profit performance in 2Q26, driven by a sharp recovery in gold sales volumes. Gold sales in 1Q26 were limited to only 16,000 oz, despite gold production reaching 66,200 oz, resulting in a substantial inventory build-up. With operations normalising, we expect the previously unsold ounces to be recognised in 2Q26, supporting a strong rebound in revenue and earnings.
- **Maintain BUY with a target price of Rp7,000,** based on a 2026 EV/EBITDA multiple of 13.9x**.** This multiple is aligned with the current global and domestic peer average, providing a conservative valuation for AMMN considering its earnings turnaround and strong volume growth. Furthermore, the 13.9x forward multiple trades below AMMN's historical -1SD EV/EBITDA band, offering an attractive margin of safety.

- **Key risks:** a) government policy uncertainties, b) further deletion from global indexes, c) fluctuations in commodity prices and forex stability, and d) delays in Elang project development.

Share Price Catalyst

- **Event:** a) Stronger production volume in 2026, b) higher gold and copper grades, c) stronger sales volume in 2Q26.
- **Timeline**: 2Q26

Archi Indonesia – BUY (Benyamin Mikael)

- **Lucrative production growth outlook.** Archi Indonesia (ARCI) expects gold production to grow 15% in 2026, supported by improved gold grades and incremental contributions from underground mining, slightly higher than our 2026 estimate of 135,900 oz (+13% yoy). The company plans to expand ore processing capacity by 2m tonnes per year (from the current 4m tonnes) in 2027, which is expected to lift gold production by 30,000-40,000 oz annually. Over the medium term, we expect the higher utilisation of lower-grade materials through increased processing capacity and potential discoveries in Maruwuwung to drive gold sales volume to around 201,000 oz by 2030, implying a five-year CAGR of 13.8% (2025-30).
- **Reserves poised for a major upgrade.** ARCI's current gold reserves are estimated at 3.2m oz, based on the latest Joint Ore Reserves Committee (JORC) compliant statement in Dec 20. The estimate was made when gold prices were around US$1,800/oz, over 50% below current levels. Key contributions come from Toka (0.8-1.0 g/t), Araren (2.0-3.0 g/t), and Marawuwung (~300,000 oz at 1.0-1.5 g/t). With rising gold prices and ongoing exploration at Marawuwung, Kopra, and Araren, a JORC update is expected by year-end. The developments are likely to unlock significant reserve upside.
- **Strong outlook despite softer gold prices.** We expect a significantly stronger net profit performance in 2Q26 despite lower gold prices, supported by higher sales volumes. In 1Q26, gold sales reached only 23,000 oz, well below production volume of 29,000 oz, implying inventory buildup that should be realised in subsequent quarters. We also expect production to accelerate in 2H26, driven by higher ore grades from Marawuwung.
- **Maintain BUY with a target price of Rp2,750** based on 9.8x 2026F EV/EBITDA, or a four-year mean**.** ARCI is appealing given its strong earnings growth in the next three years, potential for reserve addition, monetisation of its underground mine, and its 40MW geothermal development.
- **Key risks:** a) Stronger production volume in 2026, b) higher gold grades, c) JORC reserve upgrade, d) stronger sales volume in 2Q26.

Share Price Catalyst

- **Event:** a) Stronger production volume in 2026, b) higher gold grades, c) JORC reserve upgrade, d) stronger sales volume in 2Q26.
- **Timeline**: 2Q26 to 4Q26.

Bank Central Asia – BUY (Posmarito Pakpahan)

- **Resilient NIM during rate hikes and in tighter liquidity environment.** Among the banks under our coverage, Bank Central Asia (BBCA) stands out as the most resilient in a rate hike cycle and a tighter liquidity environment, supported by its high exposure to floating-rate loans and bonds while its CASA-dominated funding structure renders it less sensitive to interest rate changes. Following the aggressive rate hikes, bond yields have moved higher, which should support asset yield expansion given BBCA's sizeable holdings of government bonds and SRBI.

- **Prudent lending stance amid soft demand and elevated retail risks.** The bank remains selective in the corporate segment despite continued lending opportunities, while demand in the commercial and SME segments continues to be weak, reflecting subdued underlying economic activity. Meanwhile, asset quality in the retail segment remains elevated, particularly in auto loans, where NPLs have risen to nearly 3% from a normal level of around 2%. Looking ahead, higher interest rates could further pressure loan demand in the already-weak commercial and SME segments, while also weighing on asset quality. As a result, we expect BBCA to remain prudent in loan origination, prioritising asset quality and risk-adjusted returns over volume growth despite its ample liquidity position.
- **Maintain BUY with a target price of Rp8,150.** At 2.6x P/B against a through-cycle ROE of 23-25%, BBCA's valuation is increasingly compelling following a de-rating driven more by foreign outflows and sovereign risk repricing than by any meaningful deterioration in fundamentals. Currently, BBCA is trading at -2SD to its 20-year historical P/B. Our Gordon Growth Model assumptions are ROE of 20.5%, growth of 8% and cost of equity of 11.9%, implying 3.2x P/B.
- **Key risks:** a) adverse macro development(s); b) rupiah instability that could impact rate cuts; c) uncertainty in geopolitical issues; d) a slowing economy, which would affect loan growth and worsen asset quality; e) NIM compression, and f) changes in regulations.

Share Price Catalyst

- **Event:** 2Q26 results
- **Timeline**: 2026.

Bank Mandiri – HOLD (Posmarito Pakpahan)

- **Earnings remain supported by non-interest income.** Bank Mandiri (BMRI) is likely to deliver another quarter of strong earnings growth in 2Q26, supported by resilient non-interest income. Smaller bond trading gains have been largely offset by stronger forex trading income amid higher market volatility, while digital fee income continues to grow through increased monetisation of the Livin' platform. Meanwhile, the export proceeds balance has reportedly increased from around Rp30t at the beginning of the year to approximately Rp50t in mid-June.
- **NIM outlook faces pressure amid rising funding costs and lower loan yield.** Loans grew 19.2% yoy, but NII increased only 8.1%, reflecting lower incremental returns from corporate lending and a weaker funding mix. Better-than-expected asset quality and funding-cost normalisation would be key catalysts.
- **Maintain HOLD with a target price of Rp5,150.** Our fair 1.5x P/B is derived from the Gordon Growth Model with assumptions of ROE at 17.1%, growth of 4%, and cost of equity at 12.7%. BMRI is trading at 1.23x 2026F P/B, close to -2SD to its 20-year historical forward P/B. Our call on BMRI is based on our 12-month view, but tactically 2H provides attractive upside.
- **Key risks:** a) policy uncertainty and credibility, b) potential regulatory changes affecting the banking industry, c) weaker-than-expected macro conditions, d) rupiah volatility that could delay rate cuts, e) heightened geopolitical uncertainty, and e) slower economic growth weighing on loan demand and asset quality.

Share Price Catalyst

- **Event:** 100% of export proceeds (natural resources) from natural resources to be placed at SOE banks with a 12-month retention.

- **Timeline**: 2026.

Buana Lintas Lautan – BUY (Willinoy Sitorus/Audrey Celia)

- **Strong 2026 earnings recovery on rate upcycle.** Buana Lintas Lautan (BULL) is projected to see a 178.1% surge in 2026 net profit to US$59m, driven by record-high overseas spot freight rates and strategic expansion into the domestic LNG market. This growth is supported by a heavily de-leveraged balance sheet that enables further fleet expansion, alongside potential corporate actions with a strategic partner that could serve as a major catalyst for the company.
- **1Q26 net profit surged 141.6% yoy to US$14.2m,** in line with our full-year estimate (24.2%). This bottom line growth was primarily margin-driven, as revenue grew a modest 11.8% to US$43.9m while cost of sales fell 9.8% due to a sharp decline in port charges. Management expects the strong earnings quality to sustain, supported by elevated freight rates due to the US-Iran geopolitical conflict.
- **Maintain BUY with a target price of Rp750.** Our valuation is based on 7x 2026 EV/EBITDA, representing a 17% discount to global peers to account for BULL's higher exposure to volatile spot rates.
- **Key risks:** a) Fluctuations in oil prices and shipping rates, b) faster-than-expected global conflict de-escalation, c) operational disruptions.

Share Price Catalyst

- **Event:** a) Commencement of operations for the third and fourth LNG carriers, b) potential acquisition of five additional Handysize tankers, and c) persistent high spot rates due to continued Hormuz disruptions.
- **Timeline:** 2Q26-4Q26.

Cisarua Mountain Dairy – BUY
(Willinoy Sitorus/Audrey Celia)

- **Solid 2Q26 results.** CMRY continued to deliver solid results in 2Q26, with revenue and net profit growing 23.4% yoy and 20.0% yoy, respectively. Dairy remained the key growth driver, extending its strong momentum from 1Q26 with sales up a further 11.6% qoq. Gross margin remained healthy at 43.5%, within management's guidance of 42-44%. Overall, 1H26 earnings came in in line at Rp1.17t (+18% yoy), representing 51% of our forecast and 52% of consensus.
- **Strong growth story remains intact.** We remain positive on CMRY, underpinned by continued product innovation, expanding distribution channels, and the ongoing rollout of the Free Meal Program (MBG), which should indirectly support growth by driving traffic across its GT and Miss Cimory channels. Looking ahead, the new consumer foods facility, scheduled to commence operations in 3Q26, should provide an additional growth catalyst and accelerate consumer foods growth in 2H26.
- **Maintain BUY with a target price of Rp6,400,** based on 22x forward PE (its three-year historical average).
- **Key risks:** a) Raw material costs fluctuation, b) rupiah depreciation, c) weak purchasing power, and d) intensifying competition.

Share Price Catalyst

- **Event:** a) Continued strong growth momentum in dairy, and b) new consumer food lines beginning operations in 3Q26.
- **Timeline**: 2026.

Elnusa – BUY (Benyamin Mikael/Alden Gabriel Lam)

- **Upstream recovery driving earnings visibility, supported by strong backlog conversion.** Elnusa's (ELSA) upstream activity is entering an upcycle, supported by: a) Indonesia's accelerating oil and gas development, and b) firmer global oil prices. ELSA booked new contracts worth Rp16.1t in 2025 (60% upstream), lifting the backlog to Rp21.9t (1.4x revenue) and providing clear earnings visibility for 2026-27.
- **Three-year CAGR of 19.5% in net profit over 2025-28.** With the government pushing for energy self-sufficiency, ELSA stands to benefit as a key supporting player working towards this goal. This underpins our forecast of net income growing at a three-year CAGR of 19.5% over 2025-28, supported by upstream project revenue, which we expect to grow at an 11.5% CAGR over the same period.
- **Expect earnings to improve from 2Q26 onwards,** supported by stronger revenue recognition as seismic project execution ramps up. Notably, several contracts secured in late-25 and early-26 including 3D Marine Seismic Kandawulo (PHE), 3D Mangatal (PEP), 3D OBN Zulu (PHE), and 2D/3D Tedong (PEP), are scheduled for execution through Jun-Jul 26. This should drive higher utilisation and a meaningful pick-up in seismic revenue from 2Q26 onwards.
- **Maintain BUY with target price of Rp1,450.** Its current valuation is undemanding at below that of regional peers, and offers re-rating potential driven by stronger contract wins, an improving earnings mix, and possible corporate actions.

Share Price Catalyst

- **Event:** Earnings expected to improve from 2Q26 onwards.
- **Timeline:** 2Q26-3Q26.

Indah Kiat Pulp & Paper – BUY

(Willinoy Sitorus/Audrey Celia)

- **Industry tailwinds coincide with capacity ramp-up.** We continue to like Indah Kiat Pulp & Paper (INKP) as it enters a key earnings inflection point. Near-term earnings should be supported by firmer pulp prices (currently >US$600/tonne vs US$557/tonne six-month average), rising demand for paper-based packaging amid higher plastic prices, and the gradual ramp-up of the Karawang plant, which began commercialisation in Apr 26 and should contribute more meaningfully from 2Q26 onwards. Importantly, after around US$2.5b of capex over the past two years, INKP is now entering its monetisation phase, with new capacity ramping up while capex normalises, supporting stronger free cash flow generation and balance sheet deleveraging. Combined with its integrated low-cost structure, we forecast core profit growth of 50% in 2026, with ROE improving from 6.6% to 8.0%.
- **Maintain BUY with a target price of Rp15,700,** based on 8.3x 2026F PE, (+1SD above INKP's five-year trailing average).
- **Key risks:** a) High affiliated-party exposure, with around 75% of receivables from Cakrawala Mega Indah, which may affect collection timing; b) earnings sensitivity to volatile pulp prices; and c) delays or slower ramp-up in the Karawang expansion impacting volumes and utilisation.

Share Price Catalyst

- **Event:** a) Firm pulp prices, b) higher paper demand and ASP adjustments, and c) new capacity additions.
- **Timeline**: 2026.

XLSMART Telecom Sejahtera – BUY

(Willinoy Sitorus/Andrew Agita)

- **Accelerated depreciation is expected to keep EXCL loss-making in 2026 though we could see a possible turnaround in 4Q26.** In 2025, the company booked Rp7.4t in post-tax one-off charges related to site consolidation, asset retirement, workforce alignment, and network integration. Accelerated depreciation charges are expected to reach Rp5t-6t this year, while integration costs should decline sharply to only around Rp500b as up to 70-80% of the post-merger integration spending has already been recognised. Management expects elevated depreciation costs to continue through 3Q26, while targeting 4Q26 results to be largely free from accelerated depreciation charges. Despite accounting losses, core earnings should continue improving on stronger ARPU and rising synergy realisation.
- **EXCL may follow Indosat's post-merger re-rating path, with potential ownership upside from Sinarmas.** Indosat (ISAT) re-rated after its EBITDA margin expanded from 40.3% in 1Q22 to 44.1% by 4Q22 as merger synergies materialised. XLSMART Telecom Sejahtera (EXCL) is beginning to show similar profitability improvement as integration costs taper, ARPU recovers, and management maintains FY26 guidance for EBITDA growth to outpace revenue alongside US$250m-300m of merger synergies. Separately, Dian Swastika Sentosa (DSSA) is actively consolidating Sinarmas Group's digital infrastructure assets, including the transfer of Sinarmas Group’s EXCL stake in Bali Media Telekomunikasi, the acquisition of Mora Telematika Indonesia (MORA), and Ketrosden Triasmitra (KETR). This supports the view that Sinarmas may seek to further strengthen its connectivity platform by increasing its 32.0% stake in EXCL should Axiata be interested in divesting their 34.7% holding.
- **Maintain BUY with an unchanged target price of Rp3,600,** based on 5.8x 2026F EV/EBITDA, -0.5SD from its post-merger average EV/EBITDA multiple. EXCL currently trades at 4.7x 2026F EV/EBITDA, approximately 1.5SD below its post-merger historical mean.
- **Key risks:** a) Weaker-than-expected ARPU recovery; b) unfavourable changes in regulation; c) longer-than-expected merger duration; and d) although we expect core profit growth, we forecast a reported loss this year, front-loaded in 9M26, which may pressure the share price up till 3Q26 results. We view this weakness as a buying opportunity over a 6-12-month horizon.

Share Price Catalyst

- **Event:** a) Proper EBITDA margin improvement, b) Sinarmas Group acquiring more stake.
- **Timeline**: 2026.

Revenue								
(Rpb)	2Q25	1Q26	2Q26	qoq (%)	yoy (%)	1H26	yoy (%)	1H26/FY26 consensus (%)
Consumers & retailers								
MYOR	7,937	9,392	8,530	(9.2)	7.5	17,922	0.7	43.5
UNVR	7,576	8,443	8,457	0.2	11.6	16,900	7.1	50.5
MAPI	10,273	12,292	11,864	(3.5)	15.5	24,157	23.4	51.4
GOTO	4,328	5,341	5,653	5.8	30.6	10,994	28.5	197.3
ERAA	19,164	22,413	20,482	(8.6)	6.9	42,895	22.4	52.4
MIDI	4,846	5,880	5,367	(8.7)	10.8	11,247	8.5	50.1
ULTJ	1,798	2,783	2,711	(2.6)	50.8	5,494	34.6	53.3
MLBI	802	759	961	26.7	19.9	1,720	16.8	45.4
ADES	617	942	1,085	15.2	75.8	2,027	70.9	n.a.
MAPA	4,475	4,955	5,168	4.3	15.5	10,123	15.1	n.a.
KEJU	313	476	485	1.9	55.0	960	40.9	n.a.
CLEO	697	774	917	18.4	31.5	1,691	23.8	49.1
WIIM	1,517	1,611	1,622	0.7	6.9	3,233	12.3	45.7
KINO	1,033	1,256	1,373	9.3	33.0	2,629	21.7	n.a.
Telcos								
ISAT	13,532	15,221	15,432	1.4	14.0	30,653	13.07	50
MTEL	2,334	2,294	2,398	4.5	2.7	4,691	2.07	48
WIFI	282	784	787	0.5	179.3	1,571	205.94	42
KETR	402	230	161	-29.9	-59.9	391	-24.46	
Banks								
BBCA	28,300	27,756	27,844	0.3	-1.6	55,600	2.0	47.3
BMRI	30,600	36,605	34,505	-5.7	12.8	71,110	10.8	46.5
BBTN	6,433	5,222	5,212	-0.2	-19.0	10,434	-7.3	46.9
SUPA	392	530	538	1.6	37.5	1,068	58.4	44.3
ARTO	680	863	912	5.7	34.1	1,776	30.0	46.9
BDMN	6,580	5,600	6,994	24.9	6.3	12,594	6.9	n.a.
Hospitals								
MIKA	1,291	1,357	1,412	4.1	9.3	2,769	8.0	46.9
Automative								
ASII**	79,496	78,668	79,245	0.7	-0.3	157,913	-3.0	51.0
ASSA	1,451	1,539	1,526	(0.8)	5.2	3,064	8.1	47.2
Mining & Commodities								
UNTR**	34,265	28554	29,735	4.1	-13.2	58,289	-14.9	51.2
INCO*	220	253	290	14.9	31.9	543	27.3	38.9
DKFT	530	506	501	-1.0	-5.5	1,007	5.9	69.9
ESSA	1,123	1,605	1,600	(0.3)	42.5	3,205	41.8	46.7
Energy & Oil								
ELSA	3,238	3,617	3,970	9.8	22.6	7,586	8.9	47.4
AKRA	11,162	12,941	17,902	38.3	60.4	30,843	44.0	60.9

**US$m, **Core profit*
Source: UOB Kay Hian

NET Profit

(Rpb)	2Q25	1Q26	2Q26	qoq (%)	yoy (%)	1H26	yoy (%)	1H26/FY26 consensus (%)
Consumers & retailers								
MYOR	477	946	764	(19.2)	60.1	1,709	46.5	50.6
UNVR	791	1,252	984	(21.4)	24.4	2,082	10.2	50.3
MAPI	489	628	587	(6.5)	20.2	1,216	26.5	50.6
GOTO	(297)	258	350	35.5	17.8	607	4.7	57.8
ERAA	365	453	331	(26.9)	(9.3)	784	37.9	57.7
MIDI	200	266	220	(17.0)	10.1	486	24.4	54.0
ULTJ	239	496	553	11.7	131.4	1,049	73.7	n.a.
MLBI	231	229	300	31.1	30.0	529	24.3	41.6
ADES	170	256	275	7.5	61.3	530	67.5	n.a.
MAPA	322	471	394	(16.3)	22.1	864	30.5	46.4
KEJU	36	56	50	(10.4)	38.9	106	15.3	n.a.
CLEO	91	120	136	13.5	49.4	256	23.3	n.a.
WIIM	75	148	155	4.8	106.6	303	104.6	49.7
KINO	15	63	88	40.3	476.5	151	180.2	n.a.
Telcos								
ISAT	1,024	1,491	2,818	88.9	175.1	4,309	71.29	68
MTEL	568	545	566	3.9	-0.4	1,111	-0.18	50
WIFI	145	165	167	1.3	14.7	331	6.88	54
KETR	111	45	17	-63.4	-85.0	62	-60.36	
Banks								
BBCA	14,900	14,700	14,800	0.7	-0.7	29,500	1.7	48.9
BMRI	11,258	15,384	15,028	-2.3	33.5	30,412	24.4	53.0
BBTN	802	1,108	1,294	16.8	61.3	2,402	40.8	62.1
SUPA	20	78	104	33.5	415.5	183	790.4	49.6
ARTO	67	86	103	19.8	53.7	189	49.0	42.9
BDMN	957	1,130	1,257	11.2	31.3	2,387	33.1	n.a.
Hospitals								
MIKA	329	326	358	9.7	8.8	684	6.9	46.0
Automative								
ASII**	8,683	6,814	8,078	18.6	-7.0	14,892	-7.2	51.0
ASSA	103	98	102	4.0	(1.0)	201	(2.1)	42.7
Mining & Commodities								
UNTR**	4,953	1,794	2,414	34.6	-51.3	4,262	-48.0	36.9
INCO*	3.5	36	69	91.6	1860.0	104	314.3	58.3
DKFT	172	238	168	-29.4	-2.3	406	31.0	86.8
ESSA	111	316	200	(36.7)	80.4	516	111.8	38.8
Energy & Oil								
ELSA	150	190	245	28.9	63.3	435	29.5	51.0
AKRA	615	656	774	17.9	25.9	1,431	21.3	51.1

**US$m, **Core profit*
Source: UOB Kay Hian

Source: ChartGenie

Barito Pacific (BRPT IJ)

Technical BUY with 8.5% potential return

Resistance: Rp1,925, Rp2,220

Support: Rp1,775, Rp1,695

Stop-loss: Rp1,770

Share price closed higher and formed a neutral candlestick. Price broke above its resistance level; hence, it could trigger more rallies and challenge the resistance level at Rp1,925 and Rp2,220. The RSI is sloping upwards and above its midline, while the MACD remains on a bullish crossover. Buy at Rp1,840 and take profit at Rp2,000.

Approximate timeframe: 2-4 weeks.

Source: ChartGenie

Salim Ivomas Pratama (SIMP IJ)

Technical BUY with 7% potential return

Resistance: Rp655, Rp675

Support: Rp605, Rp565

Stop-loss: Rp565

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, it could trigger more rallies ahead and challenge the resistance level at Rp655 and Rp675. The RSI is sloping upwards and it is approaching its overbought zone, while the MACD remains on a bullish crossover. Buy at Rp610 and take profit at Rp655.

Approximate timeframe: 2-4 weeks.

ANALYST(S)

Maskun Ramli, CFTe
+6221 2993 3915
maskunramli@kh.co.id