

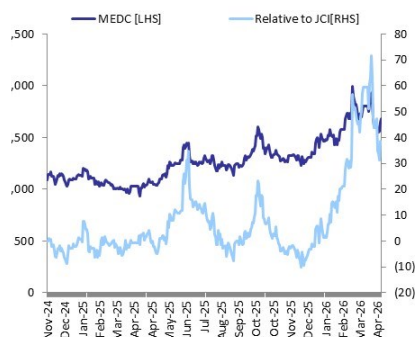
Buy

(Maintained)

Tactical (3M): **OW**

Last Price (Rp)	1,425
Target Price (Rp)	2,200
Previous TP (Rp)	2,000
Upside/Downside	+30.6%
No. of Shares (mn)	25,136
Mkt Cap (Rpbn/US\$mn)	42,354/2,474
Avg, Daily T/O (Rpbn/US\$mn)	179.7/10.5
Free Float (%)	21.8
Major Shareholder (%)	
Medco Daya Abadi Lestari	51.7
Diamond Bridge Pte Ltd	21.6
EPS Consensus (US\$cents)	
	2026F 2027F 2028F
BRIDS	0.5 1.1 1.2
Consensus	0.7 1.5 1.6
BRIDS/Cons (%)	(22.3) (28.4) (27.6)

MEDC relative to JCI Index



Source: Bloomberg

Medco Energi International (MEDC) FY26F Earnings Rebound on Higher Volumes, AMMN and Oil Tailwinds

- FY25 headline was weak, but core operations stayed resilient; 4Q25 O&G production rose to 176 mboepd, setting a stronger base
- We expect FY26F earnings to improve on Corridor, Forel and Terubuk contribution, plus higher oil assumption amid ME tensions
- We maintain Buy rating and raise TP to Rp2,200, backed by 42-44% FY26F-27F earnings upgrades and stronger AMMN support.

Resilient Operations Beneath a Weak FY25 Headline

MEDC's FY25 and 4Q25 results looked weak optically, but underlying operations remained resilient. FY25 revenue and EBITDA were broadly flat at US\$2.40bn and US\$1.26bn despite a 15% y-y drop in realized oil prices, while O&G production rose to 156 mboepd (in-line with our estimate) and power sales increased 6.4% y-y to 4,371 GWh. More importantly, 4Q25 O&G production reached 176 mboepd (+8% q-q; +18.1% y-y), driven by Forel and Terubuk start-up, higher Corridor contribution, and steady Oman Block 60. We view FY25 net profit weakness as reflecting non-cash impairments, dry hole costs, and disposal losses rather than weaker core operating momentum.

2026F Set Up a Stronger Volume and Price Earnings Bridge

Into 2026F, MEDC looks better positioned to monetize its expanded asset base. Mgmt. guides for 165-170 mboepd O&G production, 4,550 GWh power sales, capex of US\$400-430mn and cash cost <US\$10/boe. Key call takeaways were full-year Corridor uplift (add 24% stake), full-year Forel and Terubuk contribution, full ramp-up of Senoro Phase 2A in 2Q26, continued drilling in Suban and Oman, and early production from West Kalabau, while Sakakemang and Cendramas should matter more in FY27F. Beyond volume, escalating Middle East tensions have also become a near-term oil price support, driving our higher assumption of US\$80/bbl (vs previously US\$67/bbl), while MEDC has so far reported no disruption to its Oman block.

Maintain Buy rating with an upgrade TP of Rp2,200.

We maintain Buy rating and raise our SOTP-based TP to Rp2,200 (vs previously Rp2,000) supported by higher FY26F-27F earnings and a higher AMMN valuation. On our revised estimates, FY26F revenue/EBITDA/ net profit rise 42.8% to US\$2.54bn/ 1.43bn/386mn, while FY27F net profit increases 44.2% to US\$420mn. Importantly, AMMN is now a key earnings support for MEDC, with our equity income assumption lifted to US\$181mn in FY26F and US\$234mn in FY27F, underpinned by stronger copper prices, improved ore grades, and smelter/PMR ramp-up at AMMN. Key downside risks remain weaker commodities, project delays, geopolitical escalation, and softer-than-expected AMMN delivery.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (US\$mn)	2,399	2,395	2,588	2,602	2,629
EBITDA (US\$mn)	1,264	1,256	1,431	1,432	1,444
EBITDA Growth (%)	1.5	(0.6)	13.9	0.1	0.9
Net Profit (US\$mn)	367	101	386	420	414
EPS (US\$cents)	1.5	0.4	1.5	1.7	1.6
EPS Growth (%)	11.1	(72.5)	282.0	8.8	(1.3)
BVPS (US\$cents)	8.4	8.6	10.1	11.6	13.1
PER (x)	6.7	24.5	6.9	6.3	6.4
EV/EBITDA	2.7	2.9	3.9	4.0	4.1

Source: MEDC, BRIDS Estimates

BRI Danareksa Sekuritas Analysts

Andhika Audrey

(62-21) 5091 4100 ext. 3504

andhika.nugroho@brids.co.id

Naura Reyhan Muchlis

(62-21) 5091 4100 ext. 3507

naura.muchlis@brids.co.id

Exhibit 1. MEDC FY25 Results

MEDC	4Q24	3Q25	4Q25	QoQ (%)	YoY (%)	FY24	FY25	YoY (%)	% of 25F BRIDS	% of FY25F Cons
PROFIT & LOSS (US\$Mn)										
Revenue	616	619	638	3.1	3.6	2,399	2,395	(0.2)	113.7%	103.6%
Cost of revenue	(362)	(396)	(360)	(9.1)	(0.6)	(1,466)	(1,459)	(0.5)		
Gross profit	254	222	278	24.9	9.5	933	936	0.3		
Operating expenses	(74)	(57)	(72)	26.0	(3.0)	(217)	(228)	4.9		
Operating profit	179	165	206	24.5	14.6	717	708	(1.1)	160.6%	116.3%
EBITDA	293	323	318	(1.7)	8.6	1,272	1,264	(0.6)	128.7%	111.6%
Other income/(expense)	(15)	(52)	(98)	89.6	543.3	(46)	(304)	568.8		
Pre-tax profit	164	114	108	(5.0)	(34.3)	671	404	(39.8)		
Taxes	(70)	(63)	(88)	40.6	26.2	(289)	(291)	0.4		
Loss discontinued operations	3	0	(0)	(118.2)	(102.2)	(2)	0	(107.2)		
Non-controlling interests	(3)	(3)	(5)	58.7	38.8	(13)	(13)	(1.8)		
Net profit	94	48	15	(68.5)	(83.8)	367	101	(72.5)	74%	65%

Source: MEDC, BRIDS

Exhibit 2. MEDC FY25 Operational

Operational data	4Q24	3Q25	4Q25	QoQ (%)	YoY (%)	12M24	12M25	YoY (%)
O&G Production total (MBOEPD)	149	163	176	8.0	18.1	152	156	2.6
Oil (MBOPD)	40	45	47	4.4	17.5	41	43	4.9
Gas (MMSCFD)	593	641	699	9.0	17.9	603	615	2.0
Gas/Liquids (%)	73	72	73			72	73	
Power IPP Sold (GWh)	1,146	1,194	1,183	(0.9)	3.2	4,108	4,371	6.4
Renewables (GWh)	219	302	296	(2.0)	35.2	831	1,095	31.8
Non Renewables (GWh)	927	892	887	(0.6)	(4.3)	3,277	3,276	(0.0)
Renewables PoT (%)	19	25	25			20	25	
Net 2P Reserves (MMBOE)	493	528	564	6.8	14.4	493	564	14.4
2P RLI (years)	10	11	11	1.8	9.6	10	11	9.6
5-year 2P RRR (%)	187	187	207	10.7	10.7	187	207	10.7
Net 2C Resources (MMBOE)	896	1,023	1,023	-	14.2	896	1,023	14.2

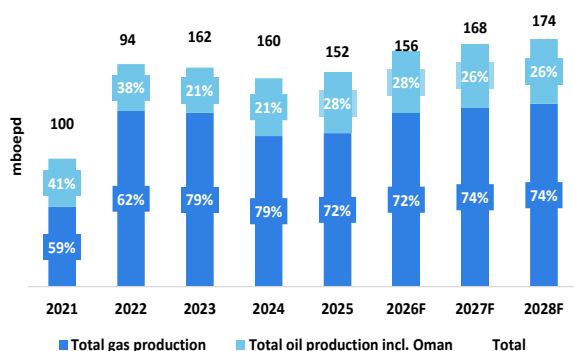
Source: MEDC, BRIDS

Exhibit 3. Earnings Estimates Revision

in US\$Mn	2026F		2027F		2028F		Changes		
	Old	New	Old	New	Old	New	2026F	2027F	2028F
Revenue	2,326	2,588	2,394	2,602	2,629	2,629	11.3%	8.7%	0.0%
Gross Profit	795	1,059	829	1,042	1,044	1,044	33.2%	25.7%	0.0%
EBITDA	1,144	1,431	1,189	1,432	1,444	1,444	25.0%	20.4%	0.0%
Net Profit	270	386	291	420	414	414	42.8%	44.2%	0.0%
Gross margin	34.2%	40.9%	34.6%	40.1%	39.7%	39.7%			
EBITDA margin	49.2%	55.3%	49.7%	55.0%	54.9%	54.9%			
Net margin	11.6%	14.9%	12.2%	16.1%	15.7%	15.7%			
Production (Bbl/day)	168	168	170	174	177	177	0.3%	2.1%	0.0%
Oil Price ASP (US\$/Bbl)	67	80	67	76	75	75	19.4%	13.4%	0.0%
AMMN Equity Income Contribution (US\$Mn)	101	181	131	234	253	253	79.3%	78.4%	0.0%

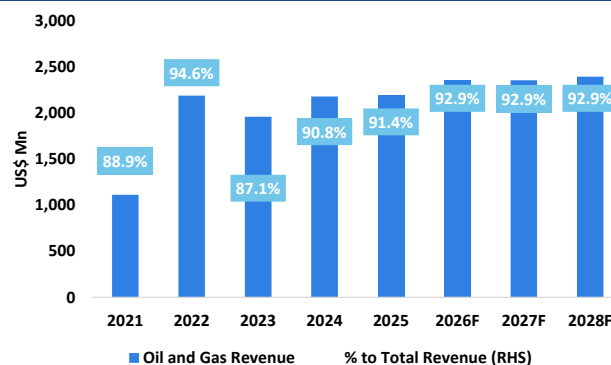
Source: MEDC, BRIDS Estimates

Exhibit 4. Oil and Gas Production Trend 2021-27F



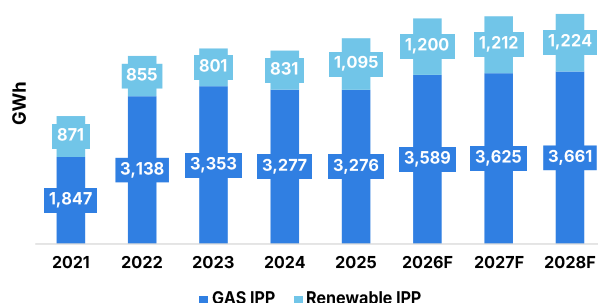
Source: MEDC, BRIDS Estimates

Exhibit 5. O&G Segment Remains Dominant



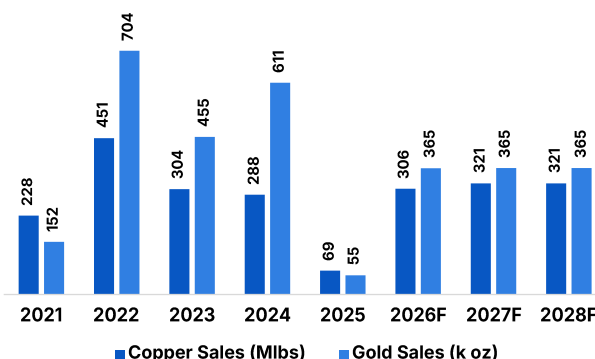
Source: MEDC, BRIDS Estimates

Exhibit 6. Power Sales Projection



Source: MEDC, BRIDS Estimates

Exhibit 7. AMMN's Gold & Copper Sales (21-28F)



Source: MEDC, BRIDS Estimates

Exhibit 8. New Projects and Developments



Gas to Power
Expanding footprint

Completed Projects:

Riau, 275 MW
COD 2022, 1,458 GWh power sales in 2025
ELB Batam expansion, 109 MW
COD Nov 2025, increased capacity from 70 MW

Near Term Developments:

DEB Batam expansion, 300 MW
Increase capacity from 85 MW to ~300 MW



Geothermal
New greenfield development

Sarulla, 330 MW
COD 2018, 686* GWh power sales in 2025
Ijen, 110 MW
Unit-1 35 MW COD Feb 2025, 257 GWh power sales in 2025

Notes: (*) MGEOPS Portion

Ijen 110 MW
Additional 35 MW expansion in progress by 2029
Bonjol ~60 MW
Two exploration wells completed
Samosir
New geothermal exploration (PSPE) near Sarulla



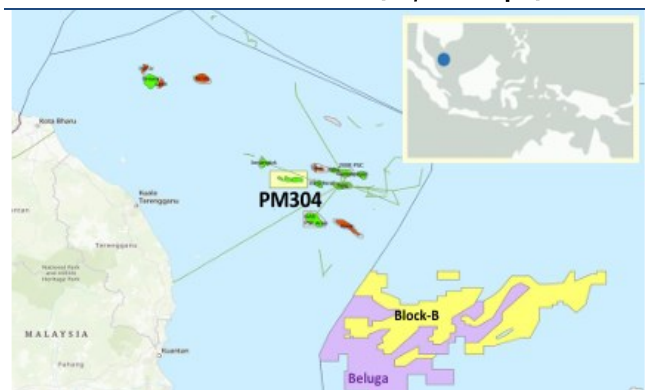
Solar PV
Pursuing projects with larger scale

Sumbawa, 26 MWp
COD 2022, 38 GWh power sales in 2025
East Bali, 25 MWp
COD Jun 2025, 24 GWh power sales in 2025

Bulan, >2 GWp
Expected FID 2027, Conditional License to import 600 MW to Singapore

Source: MEDC

Exhibit 9. New Cendramas PSC (~7,000 bopd)



Source: MEDC

Exhibit 10. SOTP Valuation

SOTP valuation	Method	Equity value (USDmn)	Prev. Equity value (USDmn)
Oil and gas	DCF	1,453	1,462
AMMN	Target P/E 2026F 10x	1,811	1,509
Total equity value (USDmn)		3,264	2,971
USD/IDR		17,095	16,780
Total equity value (IDRbn)		55,794	49,853
Outstanding shares (bn)		25.1	25.1
Target price (IDR/sh)		2,200	2,000

Source: BRIDS Estimates

Exhibit 11. Sensitivity Analysis on Oil ASP

%	Oil Price ASP (US\$/bbl)	Implied FY 26F Net profit (US\$mn)	Implied TP (Rp)
-15%	69	278	2,100
-10%	72	306	2,200
-5%	76	336	2,200
Base case	80	367	2,200
+5%	84	399	2,300
+10%	88	431	2,300
+15%	93	466	2,300

Source: BRIDS Estimates

Exhibit 12. Sensitivity Analysis on Gas ASP

%	Gas Price ASP (US\$/mmbtu)	Implied FY 26F Net profit (US\$mn)	Implied TP (Rp)
-15%	6.0	286	1,800
-10%	6.3	312	2,000
-5%	6.7	339	2,100
Base case	7.0	367	2,200
+5%	7.4	396	2,400
+10%	7.7	426	2,500
+15%	8.1	457	2,600

Source: BRIDS Estimates

Exhibit 11. MEDC's P/E Band (4-year)



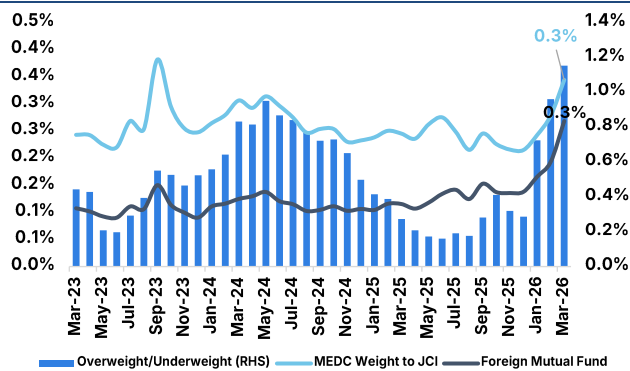
Source: Bloomberg, BRIDS Estimates

Exhibit 12. MEDC's EV/EBITDA Band (5-year)



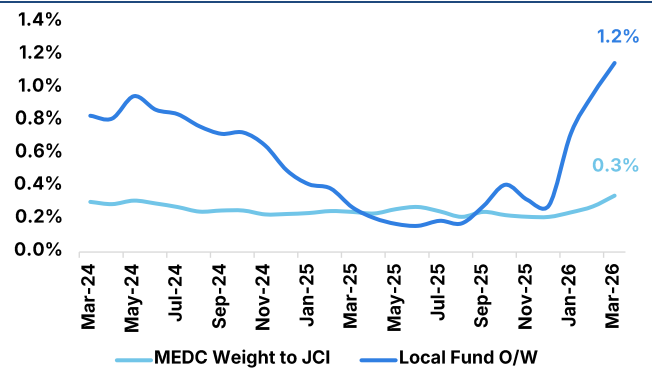
Source: Bloomberg, BRIDS Estimates

Exhibit 13. MEDC's Foreign Fund Positioning



Source: KSEI, BRIDS

Exhibit 14. MEDC's Local Ownership



Source: KSEI, BRIDS Estimates

Exhibit 15. Peers comparable

Date	Company	Company	Mkt. Cap (USD mn.)	PE		PB		ROA		ROE	
				26F	27F	26F	27F	26F	27F	26F	26F
MEDC IJ	MEDC IJ Equity	MEDCO ENERGI INTERNASIONAL T	2,474	6.9	6.3	1.2	1.0	4.6	4.9	16.4	15.4
ENRG IJ	ENRG IJ Equity	ENERGI MEGA PERSADA TBK PT	2,820	26.8	17.8	2.9	2.5	6.4	6.3	11.3	14.4
ARAMCO AB	ARAMCO AB Equity	SAUDI ARABIAN OIL CO	1,776,400	17.1	16.3	4.2	4.1	15.2	46.3	25.1	25.4
XOM US	XOM US Equity	EXXON MOBIL CORP	619,369	15.4	15.1	2.3	2.2	8.8	8.3	14.5	14.3
CVX US	CVX US Equity	CHEVRON CORP	368,322	17.0	16.5	2.0	2.0	6.9	7.2	11.2	11.1
SHEL US	SHEL US Equity	SHELL PLC-ADR	252,571	10.3	10.5	1.4	1.3	6.5	6.6	13.5	11.8
TTE US	TTE US Equity	TOTALENERGIES SE	190,522	9.6	9.9	1.6	1.5	6.9	6.4	16.1	14.0
386 HK	386 HK Equity	CHINA PETROLEUM & CHEMICAL-H	94,843	10.2	9.0	0.6	0.5	2.3	2.5	5.4	6.0
BP US	BP US Equity	BP PLC-SPONS ADR	120,687	10.3	10.6	1.9	1.7	4.4	4.0	17.2	14.5
IPCO SS	IPCO SS Equity	INTERNATIONAL PETROLEUM CORP	2,985	42.9	17.5	2.8	2.4	8.0	11.6	11.1	22.9
Average.				16.7	13.0	2.1	1.9	7.0	10.4	14.2	15.0

Source: Bloomberg, BRIDS

Exhibit 16. Income Statement

Year to 31 Dec (US\$m)	2024A	2025A	2026F	2027F	2028F
Revenue	2,399	2,395	2,588	2,602	2,629
COGS	(1,466)	(1,459)	(1,530)	(1,560)	(1,585)
Gross profit	933	936	1,059	1,042	1,044
EBITDA	1,264	1,256	1,431	1,432	1,444
Oper. profit	717	708	813	795	794
Interest income	86	34	34	26	17
Interest expense	(307)	(324)	(303)	(303)	(321)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	113	88	181	234	253
Other Income (Expenses)	63	(102)	4	4	4
Pre-tax profit	671	404	728	755	747
Income tax	(289)	(291)	(331)	(325)	(324)
Minority interest	(13)	(13)	(12)	(11)	(9)
Net profit	367	101	386	420	414
Core Net Profit	369	101	386	420	414

Exhibit 17. Balance Sheet

Year to 31 Dec (US\$m)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	637	569	438	277	195
Receivables	591	672	704	706	711
Inventory	156	144	151	154	157
Other Curr. Asset	421	245	245	245	245
Fixed assets - Net	109	142	157	173	188
Other non-curr.asset	6,001	6,591	6,677	7,209	7,856
Total asset	7,927	8,363	8,372	8,764	9,351
ST Debt	559	348	394	394	417
Payables	491	452	465	471	475
Other Curr. Liabilities	455	588	496	496	496
Long Term Debt	1,028	1,410	3,105	3,105	3,282
Other LT. Liabilities	3,042	3,205	1,156	1,156	1,156
Total Liabilities	5,576	6,003	5,616	5,622	5,826
Shareholder's Funds	2,119	2,153	2,538	2,913	3,286
Minority interests	232	207	219	229	239
Total Equity & Liabilities	7,927	8,363	8,372	8,764	9,351

Exhibit 18. Cash Flow

Year to 31 Dec (US\$mn)	2024A	2025A	2026F	2027F	2028F
Net income	367	101	386	420	414
Depreciation and Amort.	548	548	618	637	650
Change in Working Capital	13	(88)	(25)	0	(2)
Other Oper. Cash Flow	292	346	0	0	0
Operating Cash Flow	1,219	906	978	1,057	1,061
Capex	(578)	(914)	(720)	(1,184)	(1,313)
Others Inv. Cash Flow	209	158	0	0	0
Investing Cash Flow	(369)	(757)	(720)	(1,184)	(1,313)
Net change in debt	44	321	(400)	0	200
New Capital	2	(21)	0	0	0
Dividend payment	(70)	(80)	(3)	(45)	(41)
Other Fin. Cash Flow	(545)	(437)	13	11	9
Financing Cash Flow	(569)	(218)	(389)	(34)	169
Net Change in Cash	281	(68)	(132)	(160)	(82)
Cash - begin of the year	354	637	569	438	277
Cash - end of the year	637	569	438	277	195

Exhibit 19. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	6.7	(0.2)	8.1	0.5	1.0
EBITDA	1.5	(0.6)	13.9	0.1	0.9
Operating profit	(9.6)	(1.1)	14.7	(2.2)	(0.1)
Net profit	11.1	(72.5)	282.0	8.8	(1.3)
Profitability (%)					
Gross margin	38.9	39.1	40.9	40.1	39.7
EBITDA margin	52.7	52.4	55.3	55.0	54.9
Operating margin	29.9	29.6	31.4	30.6	30.2
Net margin	15.3	4.2	14.9	16.1	15.7
ROAA	4.8	1.2	4.6	4.9	4.6
ROAE	18.6	4.7	16.4	15.4	13.4
Leverage					
Net Gearing (x)	0.4	0.5	1.1	1.0	1.0
Interest Coverage (x)	2.3	2.2	2.7	2.6	2.5

Source: MEDC, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuhu Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrlich@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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