

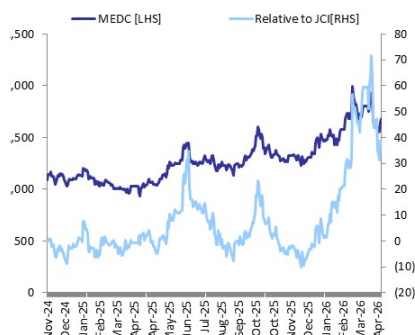
Buy

(Maintained)

Tactical (3M): **OW**

| | |
|-----------------------------|----------------------|
| Last Price (Rp) | 1,750 |
| Target Price (Rp) | 2,200 |
| Previous TP (Rp) | 2,200 |
| Upside/Downside | +25.7% |
| No. of Shares (mn) | 25,136 |
| Mkt Cap (Rpbn/US\$m) | 43,360/2,539 |
| Avg, Daily T/O (Rpbn/US\$m) | 185.5/10.8 |
| 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)

1Q26 Earnings (In line): Rebound on Higher Volumes, AMMN Contribution and Oil Tailwinds

- 1Q26 earnings rebounded strongly, with net profit of US\$67mn, driven by higher O&G price and volumes with AMMN contribution.
- Operational outlook supported by Corridor uplift, Cendramas PSC, and Sakakemang first gas in 3Q27F.
- Maintain Buy with unchanged TP Rp2,200, underpinned by resilient production, cost discipline and rising AMMN contribution.

Resilient 3M26 Result, Broadly In-Line with Est and Consensus

MEDC booked a strong 1Q26 result, with revenue increasing to US\$668mn (+19.2% y-y) and EBITDA rising to US\$351mn (+5.7% y-y), while net profit jumped to Rp67mn (+282% y-y). The result was broadly in-line with our estimates and cons. The improvement was mainly driven by higher O&G production which reached 169 MBOEPD (+18.1% y-y) vs. our estimate at 168-174 MBOEPD in FY26-27F, despite temporary TGI pipeline disruptions which were resolved in Apr26. Power sales grew to 1,053 GWh (+20.8% y-y), supported by better reliability at Dalle Energy Batam and ELB expansion, while O&G cash cost stayed within guidance at US\$9.0/boe. AMMN contributed US\$34mn to 1Q26 earnings, driven by smelter ramp-up and stronger copper/gold output

2026F Set Up a Stronger Volume and Price Earnings Bridge

We view MEDC's project pipeline as supportive for FY26-27F earnings visibility. Near-term volume uplift should come from Bualuang Phase-1, targeted onstream in 2Q26F, while further development at Suban, Sambar, Bualuang and Sakakemang should sustain med-term production. Sakakemang remains a key medium-term gas catalyst, with first gas targeted in 3Q27 via Corridor infrastructure. MEDC also re-entered Malaysia through the Cendramas PSC, holding 50% as operator, with four producing oil fields, around 7,000 BOPD current production, and three DROs. In Oman, the Khaleel discovery adds exploration upside, while power growth is supported by Ijen, Sumbawa PV and Batam IPP expansions.

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

We maintain our Buy rating on MEDC with unchanged SOTP-based TP of Rp2,200, as 1Q26 results support our earnings recovery thesis. Mgmt. guidance at FY26F remains intact, with O&G production of 165-170 MBOEPD, power sales of 4,550 GWh, O&G cash cost <US\$10/boe, and capex of ~US\$430mn. Key downside risks remain lower-than-expected oil price, weaker production delivery, project delays, higher cash cost, geopolitical escalation in the Middle East, and slower-than-expected AMMN smelter ramp-up.

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Key Financials

| Year to 31 Dec | 2024A | 2025A | 2026F | 2027F | 2028F |
|--------------------|-------|--------|-------|-------|-------|
| Revenue (US\$m) | 2,399 | 2,395 | 2,588 | 2,602 | 2,629 |
| EBITDA (US\$m) | 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\$m) | 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) | 7.4 | 26.8 | 7.1 | 6.6 | 6.7 |
| EV/EBITDA | 2.9 | 3.1 | 4.0 | 4.1 | 4.3 |

Source: MEDC, BRIDS Estimates

Exhibit 1. MEDC 3M26 Results

| MEDC | 1Q25 | 4Q25 | 1Q26 | QoQ (%) | YoY (%) | 3M25 | 3M26 | YoY (%) | A/F | A/C |
|-----------------------------------|------------|------------|------------|---------------|--------------|------------|------------|--------------|------------|------------|
| PROFIT & LOSS (US\$Mn) | | | | | | | | | | |
| Revenue | 560 | 638 | 668 | 4.7 | 19.2 | 560 | 668 | 19.2 | 26% | 25% |
| Cost of revenue | (331) | (360) | (437) | 21.2 | 31.8 | (331) | (437) | 31.8 | | |
| Gross profit | 229 | 278 | 232 | (16.6) | 1.1 | 229 | 232 | 1.1 | | |
| Operating expenses | (48) | (72) | (53) | (26.2) | 11.8 | (48) | (53) | 11.8 | | |
| Operating profit | 182 | 206 | 178 | (13.2) | (1.7) | 182 | 178 | (1.7) | 22% | 21% |
| EBITDA | 330 | 318 | 349 | 9.9 | 5.7 | 330 | 349 | 5.7 | 24% | 23% |
| Other income/(expense) | (90) | (98) | (29) | (70.6) | (68.0) | (90) | (29) | (68.0) | | |
| Pre-tax profit | 92 | 108 | 150 | 38.7 | 63.0 | 92 | 150 | 63.0 | | |
| Taxes | (72) | (88) | (78) | (11.7) | 8.4 | (72) | (78) | 8.4 | | |
| Loss discontinued operations | 0 | (0) | 0 | N/A | (61.3) | 0 | 0 | (61.3) | | |
| Non-controlling interests | (3) | (5) | (5) | 5.1 | 64.0 | (3) | (5) | 64.0 | | |
| Net profit | 18 | 15 | 67 | 341.2 | 282.3 | 18 | 67 | 282.3 | 17% | 17% |
| Margins (%) | | | | | | | | | | |
| Gross | 40.9 | 43.5 | 34.7 | | | 40.9 | 34.7 | | | |
| EBIT | 32.4 | 32.2 | 26.7 | | | 32.4 | 26.7 | | | |
| EBITDA | 58.9 | 49.8 | 52.2 | | | 58.9 | 52.2 | | | |
| Net | 3.1 | 2.4 | 10.1 | | | 3.1 | 10.1 | | | |

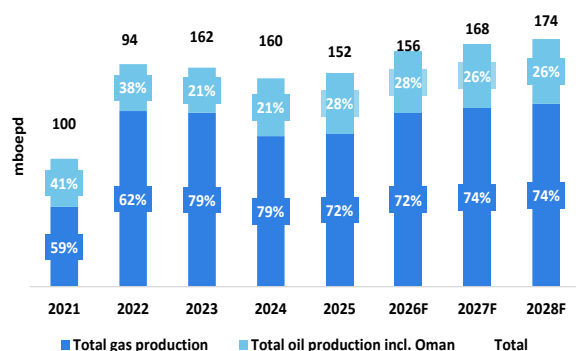
Source: MEDC, BRIDS

Exhibit 2. MEDC 3M26 Operational

| Operational data | 1Q25 | 4Q25 | 1Q26 | QoQ (%) | YoY (%) | 3M25 | 3M26 | YoY (%) | |
|--|------------|------------|------------|--------------|-------------|------------|------------|-------------|--|
| O&G Production Total (MBOEPD) | 143 | 176 | 169 | (4.0) | 18.2 | 143 | 169 | 18.2 | |
| Oil (MBOPD) | 39 | 47 | 47 | - | 20.5 | 39 | 47 | 20.5 | |
| Gas (MMSCFD) | 567 | 699 | 661 | (5.4) | 16.6 | 567 | 661 | 16.6 | |
| Gas/Liquids (%) | 73 | 73 | 72 | | | 73 | 72 | | |
| Daily Lifting Total (MBOEPD) | 133 | 162 | 156 | (3.7) | 17.3 | 133 | 156 | 17.3 | |
| Oil (MBOPD) | 41 | 48 | 48 | - | 17.1 | 41 | 48 | 17.1 | |
| Gas (MMSCFD) | 532 | 657 | 627 | (4.6) | 17.9 | 532 | 627 | 17.9 | |
| Gas/Liquids (%) | 69 | 70 | 70 | - | 1.4 | 69 | 70 | 1.4 | |
| Oman Service Contract (MBOPD) | 9 | 9 | 9 | - | - | 9 | 9 | - | |
| Average Realized Price | | | | | | | | | |
| Oil (US\$/bbl) | 72 | 63 | 75 | 20.0 | 4.0 | 72 | 75 | 4.0 | |
| Gas (US\$/mmbtu) | 7 | 7 | 7 | 7.5 | 1.4 | 7 | 7 | 1.4 | |
| Cash Cost/boe (US\$/boe) | 7.9 | 9 | 9 | (3.2) | 13.9 | 7.9 | 9 | 13.9 | |
| Net 2P Reserves (MMBOE) | 480 | 564 | 551 | (2.3) | 14.8 | 480 | 551 | 14.8 | |
| Power IPP Sold (GWh) | | | | | | | | | |
| Renewables (GWh) | 243 | 295 | 299 | 1.4 | 23.0 | 243 | 299 | 23.0 | |
| Non Renewables (GWh) | 628 | 887 | 754 | (15.0) | 20.1 | 628 | 754 | 20.1 | |
| Renewables PoT (%) | 28 | 25 | 28 | 12 | - | 28 | 28 | - | |

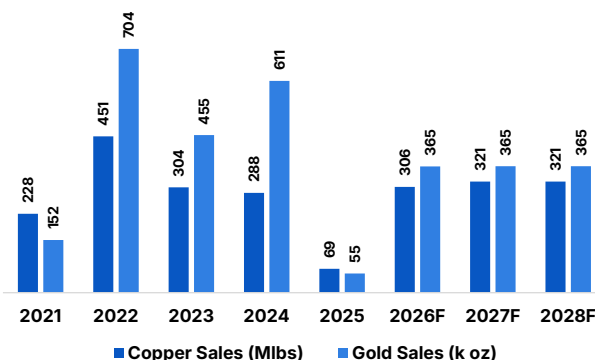
Source: MEDC, BRIDS

Exhibit 3. Oil and Gas Production Trend 2021-27F



Source: MEDC, BRIDS Estimates

Exhibit 4. AMMN's Gold & Copper Sales (21-28F)



Source: MEDC, BRIDS Estimates

Exhibit 5. MEDC's P/E Band (4-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 6. MEDC's EV/EBITDA Band (5-year)



Source: Bloomberg, BRIDS Estimates

Exhibit 7. Peers comparable

| Company | Mkt.Cap (USD mn.) | PE | | PB | | ROA | | ROE | | |
|------------------|------------------------------|-----------|-------------|-------------|------------|------------|------------|------------|-------------|-------------|
| | | 26F | 27F | 26F | 27F | 26F | 27F | 26F | 27F | |
| MEDC IJ Equity | MEDCO ENERGI INTERNASIONAL T | 2,539 | 7.1 | 6.6 | 1.3 | 1.1 | 4.6 | 4.9 | 16.4 | 15.4 |
| ENRG IJ Equity | ENERGI MEGA PERSADA TBK PT | 2,585 | 24.5 | 16.4 | 2.7 | 2.3 | 6.4 | 6.3 | 11.6 | 15.0 |
| ARAMCO AB Equity | SAUDI ARABIAN OIL CO | 1,774,400 | 14.4 | 14.6 | 4.0 | 3.8 | 16.3 | 16.2 | 29.4 | 26.4 |
| XOM US Equity | EXXON MOBIL CORP | 634,914 | 14.8 | 14.9 | 2.4 | 2.2 | 9.0 | 8.3 | 15.9 | 14.5 |
| CVX US Equity | CHEVRON CORP | 379,716 | 14.5 | 15.6 | 2.1 | 2.1 | 9.0 | 6.7 | 14.2 | 12.4 |
| SHEL US Equity | SHELL PLC-ADR | 249,365 | 9.6 | 9.9 | 1.4 | 1.3 | 8.3 | 7.7 | 14.8 | 12.3 |
| TTE US Equity | TOTALENERGIES SE | 203,040 | 9.0 | 9.9 | 1.6 | 1.5 | 7.0 | 6.2 | 17.6 | 14.4 |
| 386 HK Equity | CHINA PETROLEUM & CHEMICAL-H | 90,670 | 10.7 | 9.4 | 0.6 | 0.6 | 2.2 | 2.3 | 5.3 | 6.1 |
| BP US Equity | BP PLC-SPONS ADR | 121,456 | 8.8 | 11.7 | 2.0 | 1.7 | 4.5 | 3.9 | 22.2 | 15.0 |
| IPCO SS Equity | INTERNATIONAL PETROLEUM CORP | 3,150 | 29.2 | 15.6 | 3.0 | 2.6 | 8.0 | 11.6 | 12.7 | 23.7 |
| Average. | | | 14.3 | 12.4 | 2.1 | 1.9 | 7.5 | 7.4 | 16.0 | 15.5 |

Source: Bloomberg, BRIDS

Exhibit 8. Income Statement

| Year to 31 Dec (US\$mn) | 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 9. Balance Sheet

| Year to 31 Dec (US\$mn) | 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 10. 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 11. 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

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| | | |
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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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