



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52215.2	(1.2)	0.4	0.7	8.6
S&P 500	7623.7	(0.5)	(0.5)	(1.5)	11.4
FTSE 100	10690.4	(0.3)	(1.8)	(0.0)	7.6
AS30	8905.8	(0.1)	(0.4)	0.7	(1.3)
CSI 300	4105.3	1.7	(1.6)	(7.5)	(11.3)
FSSTI	5422.2	0.1	0.1	(5.1)	16.7
HSCEI	7756.3	0.9	(4.3)	(5.0)	(13.0)
HSI	23093.4	0.7	(4.0)	(5.8)	(9.9)
JCI	5439.3	1.0	4.9	(12.9)	(37.1)
KLCI	1611.6	0.2	0.2	(3.6)	(4.1)
KOSPI	5550.3	0.3	(2.1)	(21.6)	31.7
Nikkei 225	62693.2	(0.3)	(4.0)	(5.5)	24.5
SET	1562.7	0.4	(0.8)	(2.8)	24.1
TWSE	46041.4	(1.8)	(2.0)	(4.1)	59.0
BDI	2660	(1.2)	5.9	(22.4)	41.7
CPO (RM/mt)	4443	(0.2)	0.4	(3.7)	13.0
Brent Crude (US\$/bbl)	115	(1.2)	5.3	10.6	89.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with EGP Energy Corporation Limited (EGX SP)	Singapore	26 Oct	26 Oct
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov

Top Stories

Company Results | AKR Corporindo (AKRA IJ/**BUY**/Rp1,390/Target: Rp1,600)

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- AKRA's 9M26 net profit rose 34% yoy to Rp2.2t, reaching 77% of the market's 2026 forecast, supported by recovering T&D margins, 93ha of land sales and accelerating utilities revenue. While 2026 earnings could approach the upper end of management's Rp2.9t guidance, we maintain conservative 2027 assumptions on T&D margins and land sales. Maintain BUY with a Rp1,600 target price, supported by a net cash balance sheet, a 7.2% dividend yield and JIPE's longer-term growth potential.

Technical Analysis

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- Trading Buy Range: We have a technical Buy at Rp1,465, and take profit at Rp1,575.

Bank Mandiri | BMRI IJ

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- Trading Buy Range: We have a technical Buy at Rp3,870, and take profit at Rp4,150.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

AKR Corporindo (AKRA IJ)

3Q26: T&D Margin Recovery Supports Earnings Upside

Highlights

- **9M26 earnings ahead of expectations.** Net profit rose 34% yoy to Rp2.2t, reaching 83% of our 2026 forecast and 77% of consensus. T&D gross margin recovered to 6.9% in 3Q26 from 4.6% in 2Q26, supporting earnings despite lower sequential revenue.
- **JIIPE land sales on target; utilities gaining momentum.** Land sales reached 93ha in 9M26, meeting management's 90-100ha 2026 target range. Utilities revenue grew 46.6% qoq to Rp305b in 3Q26, bringing 9M26 revenue to 73% of the 2026 target.
- **Maintain BUY with unchanged target price of Rp1,600.** Strong 9M26 results suggest earnings upside, although we retain conservative 2027 assumptions. Our BUY call is supported by JIIPE's growth potential, stable T&D business, Rp1.67t net cash and a 7.2% dividend yield.

3Q26 Results

(Rpb)	1Q26	2Q26	3Q26	qoq	9M26	yoy
Revenue	12,941	17,902	15,689	-12.4%	46,531	43.6%
Cost of sales	(11,836)	(16,725)	(14,360)	-14.1%	(42,921)	44.9%
Gross Profit	1,105	1,177	1,328	12.9%	3,610	30.5%
Opr expenses	(294)	(311)	(361)	15.9%	(966)	30.7%
Other Opr income (expenses)	15	43	7	-82.8%	65	122.0%
Opr Profit	826	909	975	7.3%	2,709	31.7%
Finance income	78	82	78	-4.8%	238	35.6%
Finance cost & tax	(29)	(30)	(35)	16.5%	(95)	9.0%
Share in income of associates	8	11	23	119.9%	42	45.1%
Profit before final and income tax	883	971	1,041	7.2%	2,894	33.1%
Net Profit	760	806	877	8.8%	2,444	32.4%
Profit distribute to equity holder	656	774	780	0.8%	2,211	34.0%
Margins						
Gross Profit	8.5%	6.6%	8.5%	1.9%	7.8%	-0.8%
Opr Profit	6.4%	5.1%	6.2%	1.1%	5.8%	-0.5%
Net Profit	5.1%	4.3%	5.0%	0.6%	4.8%	-0.3%

Source: AKRA, UOB Kay Hian

Analysis

- **3Q26 net profit was flat qoq but 9M26 net profit was up 34% yoy.** AKR Corporindo (AKRA) booked net profit of Rp780b, flat qoq but jumping 66% yoy, bringing 9M26 net profit growing 34% yoy to Rp2.2t. 9M26 net profit was above market expectations, accounting for 83% of our full-year estimates while slightly above market's (77%). At the current rate, AKRA is closer to achieving the upper end of its Rp2.9t net profit guidance for 2026. The strong earnings are supported by: a) strong trading and distribution business momentum, b) 93ha of land sales (1H26: 58ha), and c) rising utilities income.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	38,729	46,018	47,901	52,462	53,040
EBITDA	2,932	3,496	3,571	3,569	3,740
Operating profit	2,534	3,039	3,192	3,118	3,275
Net profit (rep./act.)	2,225	2,473	2,650	2,611	2,691
Net profit (adj.)	2,225	2,473	2,650	2,611	2,691
EPS	110.8	123.2	132.0	130.0	134.1
PE (x)	12.5	11.3	10.5	10.7	10.4
P/B (x)	2.4	2.3	2.2	2.2	2.2
EV/EBITDA (x)	9.5	8.0	7.8	7.8	7.5
Dividend yield (%)	7.1	7.1	7.2	7.2	7.2
Net margin (%)	5.7	5.4	5.5	5.0	5.1
Net debt/(cash) to equity (%)	(1.7)	(6.4)	(10.0)	(1.0)	19.0
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	19.5	20.8	21.4	20.7	21.0
Consensus net profit	-	-	2,904.6	2,891.1	3,059.4
UOBKH/Consensus (x)	-	-	0.91	0.90	0.88

Source: AKRA, Bloomberg, UOB Kay Hian

Analyst(s)

Posmarito Pakpahan

posmarito@kh.co.id

+6221 2993 3990

BUY (Maintained)

Share Price	Rp1,390
Target Price	Rp1,600
Upside	+15.1%

Stock Data

Sector	Energy
Bloomberg ticker	AKRA IJ
Shares issued (m)	20,073.5
Market cap (Rpb)	27,902.1
Market cap (US\$m)	1,543.3
3-mth avg daily t'over (US\$m)	1.5

Price Performance (%)

52-week high/low	Rp1,595/Rp1,095			
1mth	3mth	6mth	1yr	YTD
(4.1)	(1.4)	(5.8)	26.9	(10.3)

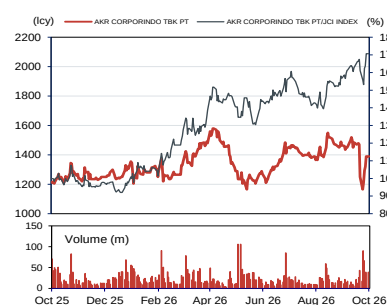
Major Shareholders (%)

PT Arthakencana Rayatama	59.6
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Balance Sheet Metrics

FY26 NAV/Share (Rp)	624
FY26 Net Debt/Share (Rp)	7

Price Chart



Source: Bloomberg

Company Description

AKR primarily engages in petroleum and chemicals distribution with vast logistic supply chain network. The company also diversifies to industrial estate (JIIPE) and retail petroleum business (through JV with BP).

- Trading and distribution margin recovery drives 3Q26 performance.** AKRA recorded 3Q26 revenue of Rp15.6t (-12.4% qoq, +43.2% yoy), while gross profit rose 13.6% qoq (69.4% yoy) to Rp1.26t. The improvement was largely driven by trading and distribution (T&D), where gross profit increased 30.3% qoq despite a 13.4% decline in revenue. By our calculation, T&D gross margin recovered to 6.9% from 4.6% in 2Q26, suggesting a normalisation of profitability following retail fuel losses in the previous quarter. However, it remains unclear whether the improvement reflects stronger underlying margins, procurement benefits or lower retail losses. The 3Q26 earnings call will be held on 26 Oct 26.
- JIIPE land sales approach the full-year target.** Cumulative land sales reached 93ha in 9M26, including 35ha in 3Q26, which meets the management's 90-100ha 2026 land sales target. Nevertheless, industrial estate's (JIIPE) 3Q26 revenue declined 10.5% qoq due to lower land sales revenue while gross profit fell 31.5% qoq to Rp228b. Segment gross margin narrowed to 22.7% from 29.7% in 2Q26, potentially reflecting changes in land sales and utilities mix. Despite the sequential decline, 9M26 JIIPE gross profit more than doubled yoy to Rp728b, supported by stronger land sales recognition. Based on our calculations, JIIPE's gross profit accounted for 21.4% of total gross profit.
- Utilities growth accelerates.** Utilities revenue increased 46.6% qoq and 42.4% yoy to Rp305b in 3Q26, bringing 9M26 revenue to Rp732b (+39.2% yoy). This represents 73% of management's Rp1t 2026 target. Assuming Freeport's smelter ramps up from Sep 26 onwards, management guides for 2026 utilities growth of 40-50% yoy to Rp1t, potentially doubling to Rp2t in 2027 as the smelter reaches optimum capacity and other tenants join in, although blended margins remain at 10-15% as electricity currently dominates the revenue mix.
- Net cash position maintained despite softer operating cash flow.** AKRA's cash balance stood at Rp5.97t as of Sep 26, against Rp4.30t in bank borrowings, implying net cash of Rp1.67t, up from Rp1.28t at end-25. However, 9M26 operating cash flow declined 11.4% yoy to Rp3.01t, partly reflecting higher tax payments and industrial estate development expenditure. Net cash from operating activities after investing cash outflows remained positive at Rp2.25t. The balance sheet continues to support AKRA's dividend policy and we retain our 2026 dividend assumption of Rp100/share, implying a 7.2% yield.

Valuation/Recommendation

- Maintain BUY with a target price of Rp1,600**, derived by: a) assigning 14.0x 2027F PE for trading and distribution and other segments' earnings, and b) using a 60% discount to RNAV to value its industrial estate segment. We adjust the value of AKRA's 60% ownership in JIIPE. Our recommendation is supported by resilient T&D operations, JIIPE's expanding utilities contribution and longer-term development potential. AKRA's net cash position of Rp1.67t as of Sep 26 provides financial flexibility, while its estimated 7.2% dividend yield supports total returns.

Earnings Revision/Risk

- 2026 earnings upside, with conservative assumptions for 2027.** AKRA's 9M26 results point to upside risk to our Rp2.65t 2026 net profit forecast, supported by the recovery in T&D margins, 93ha of land sales and stronger utilities revenue. We maintain our forecasts, including a modest 3% earnings decline in 2027, reflecting more conservative assumptions on T&D margins and land sales, while factoring in continued utilities growth. The stronger 2026 performance reinforces our positive view, although we have yet to fully incorporate the potential upside into our estimates.
- Risks include:** a) weaker mining activity reducing fuel and chemical volumes; b) slower-than-expected ramp-up in JIIPE utilities; c) concentration on a few anchor tenants; d) execution delays in sulphuric acid and LNG initiatives; e) lumpy landbank sales at JIIPE, which may create earnings volatility and delay RNAV crystallisation; f) margin pressure in trading and distribution; and g) limited RNAV re-rating if the market continues to apply a steep discount to JIIPE.

9M26 Revenue Breakdown

(Rpb)	3Q26	qoq	9M26	yoy
Revenue	15,619	-12.4%	46,327	44.0%
Trading & Distribution	14,024	-13.4%	42,052	41.9%
Petroleum	11,746	-14.1%	35,277	45.4%
Basic Chem	2,277	-9.3%	6,775	26.2%
Manufacturing & Logis	591	13.7%	1,558	9.3%
Manufacturing	169	12.6%	422	20.0%
Logistic	423	14.2%	1,136	5.8%
JIIPE	1,004	-10.5%	2,717	143.6%
Land sales	699	-23.5%	1,985	236.7%
Utilities	305	46.6%	732	39.2%

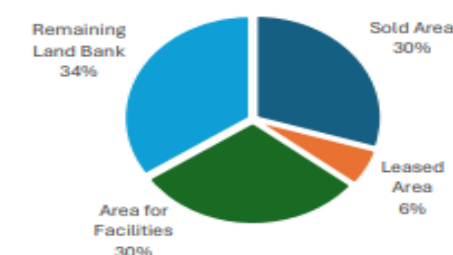
Source: AKRA, UOB Kay Hian

JIIPE Land Balance (Total: 1,761ha)

(Rpb)	3Q26	qoq	9M26	yoy
Gross profit	1,259	13.6%	3,406	33.7%
Trading & Distribution	961	30.3%	2,521	21.9%
Manufacturing & Logis	70	84.9%	157	5.4%
Manufacturing	58	-2.4%	167	7.6%
Logistic	12	-152.2%	(10)	56.4%
JIIPE	228	-31.5%	728	120.5%
Margin	8.1%	1.8%	7.4%	-0.6%
Trading & Distribution	6.9%	2.3%	6.0%	-1.0%
Manufacturing & Logistic	11.8%	4.5%	10.1%	-0.4%
Manufacturing	34.6%	-5.3%	39.6%	-4.6%
Logistic	2.7%	8.7%	-0.9%	-0.3%
JIIPE	22.7%	-7.0%	26.8%	-2.8%

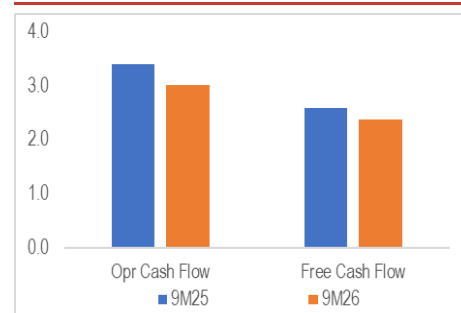
Source: AKRA, UOB Kay Hian

JIIPE Land Balance (Total: 1,761ha) As Of 1H26



Source: AKRA, UOB Kay Hian

Cash Flow Comparison (Rpt)



Source: Bloomberg, UOB Kay Hian

Profit & loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	46,018	47,901	52,462	53,040
EBITDA	3,496	3,571	3,569	3,740
Deprec. & amort.	458	378	451	465
EBIT	3,039	3,192	3,118	3,275
Total other non-operating income	45	38	45	50
Associate contributions	52	60	62	64
Net interest income/(expense)	172	228	244	187
Pre-tax profit	3,308	3,519	3,470	3,576
Tax	(484)	(508)	(503)	(518)
Minorities	(351)	(361)	(356)	(367)
Net profit	2,473	2,650	2,611	2,691
Net profit (adj.)	2,473	2,650	2,611	2,691

Cash flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	3,941	3,915	2,562	3,231
Profit to the year	3,308	3,519	3,470	3,576
Tax	(484)	(508)	(503)	(518)
Deprec. & amort.	458	378	451	465
Working capital changes	959	346	(356)	217
Working capital changes	959	346	(356)	217
Other operating cashflows	(247)	240	(437)	(445)
Investing	(1,309)	(926)	(1,388)	(3,464)
Capex (growth)	(598)	(926)	(1,388)	(3,464)
Investment	536	536	536	536
Others	(1,247)	(536)	(536)	(536)
Financing	(1,689)	(3,237)	(2,214)	(2,262)
Dividend payments	(1,978)	(2,272)	(2,333)	(2,351)
Proceeds from borrowings	451	(810)	(7)	(6)
Loan repayment	-	-	-	-
Others/interest paid	(162)	(155)	126	95
Net cash inflow (outflow)	943	(248)	(1,040)	(2,495)
Beginning cash & cash equivalent	5,366	6,404	6,060	4,924
Ending cash & cash equivalent	6,405	6,060	4,924	2,333

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	8,232	9,599	10,912	12,219
Other LT assets	5,006	4,475	4,629	4,783
Cash/ST investment	6,404	6,060	4,924	2,333
Other current assets	16,919	16,437	17,829	19,373
Total assets	36,562	36,572	38,295	38,708
ST debt	1,914	1,055	1,044	1,035
Other current liabilities	13,923	14,606	16,017	16,086
LT debt	3,703	3,752	3,756	3,760
Other LT liabilities	1,412	1,423	1,434	1,445
Shareholders' equity	12,251	12,533	12,715	12,958
Minority interest	3,454	3,299	3,425	3,519
Total liabilities & equity	36,658	36,668	38,390	38,803

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	7.6	7.5	6.8	7.1
Pre-tax margin	7.2	7.3	6.6	6.7
Net margin	5.4	5.5	5.0	5.1
ROA	7.1	7.2	7.0	7.0
ROE	20.8	21.4	20.7	21.0
Growth				
Turnover	18.8	4.1	9.5	1.1
EBITDA	19.3	2.1	(0.0)	4.8
Pre-tax profit	16.5	6.4	(1.4)	3.1
Net profit	11.1	7.2	(1.5)	3.1
Net profit (adj.)	11.1	7.2	(1.5)	3.1
EPS	11.1	7.2	(1.5)	3.1
Leverage				
Debt to total capital	26.3	23.3	22.9	22.5
Debt to equity	45.9	38.4	37.8	37.0
Net debt/(cash) to equity	(6.4)	(10.0)	(1.0)	19.0

Technical Analysis



Source: Tradingview



Source: Tradingview

Analyst(s)

Maskun Ramli, CFTE

maskunramli@kh.co.id

+6221 2993 3915

Medco Energi Internasional MEDC IJ

Technical BUY with 7.5% potential return

Resistance: Rp1,550, Rp1,580

Support: Rp1,415, Rp1,350

Stop-loss: Rp1,410

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead and challenge the resistance at Rp1,550 and Rp1,580. The RSI is sloping upwards and is back above its midline, while the MACD has just issued a bullish signal. Buy at Rp1,465 and take profit at Rp1,575.

Approximate timeframe: 2-4 weeks.

Bank Mandiri BMRI IJ

Technical BUY with 7% potential return

Resistance: Rp4,040, Rp4,150

Support: Rp3,750, Rp3,600

Stop-loss: Rp3,740

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead and challenge the resistance at Rp4,040 and Rp4,150. The RSI is sloping upwards and is almost back above its midline, while the Stochastic remains on a bullish crossover. Buy at Rp3,870 and take profit at Rp4,150.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental HOLD and target price of Rp4,665.

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