PRELIMINARY SCREENING MEMO

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To: Deal Team **From:** Edric Widjaja Lim **Date:** July 10, 2026

Re: PT AKR Corporindo Tbk (AKRA.JK) — Preliminary Acquisition Screening

1. Company Overview

PT AKR Corporindo Tbk (AKRA.JK), founded in 1977, is a leading Indonesian logistics and supply chain company engaged in trading and distribution of petroleum and basic chemicals, supported by an extensive network of liquid and dry bulk storage, transportation facilities, and port operations. In response to Indonesia's high logistics costs, AKRA positions itself as a cost-efficient logistics and supply chain solutions provider. The company is expanding beyond core distribution through a large-scale Integrated Industrial Estate and Port Facility development in East Java, aimed at providing logistics, energy, and infrastructure solutions to industrial investors in Indonesia. As of July 10, 2026, AKRA has a market capitalization of approximately $1.6B and trades at a share price of Rp 1,330.

2. Financial Overview

	FY 2024A	FY2025A
Total Revenue	Rp38.73T (~$2.14B)	Rp46.02T (~$2.55B)
YoY Growth %	-	~19%
Net Profit	Rp2.4T (~$0.13B)	Rp2.5T (~$0.14B)
Net Margin %	~6.2%	~5.4%
EV/EBITDA	6.69x	7.42x
Debt/Equity	1.26x	1.34x
Cash Position	Rp5.37T (~$0.29B)	Rp6.4T (~$0.35B)

AKR delivered ~19% revenue growth in FY2025 alongside stable net margins (~5.4-6.2%), driven primarily by the continued ramp-up of its JIIPE industrial estate, where rising land sales and utilities utilization are contributing an increasingly stable, recurring earnings stream alongside the core trading and distribution business. Debt/Equity of 1.26-1.34x reflects manageable leverage for a logistics and distribution business — notably, the company reported a net cash position (net gearing of -0.08x) as of FY2025, indicating debt is more than offset by cash on hand. The current EV/EBITDA of 7.42x remains modest relative to the company's growth trajectory, suggesting the market may not be fully pricing in the earnings visibility from JIIPE's expansion.

3. Investment Merits

- **Structural Demand Growth:** Indonesia's oil and gas market (~$14.6B, ~5.18% CAGR through 2031) is shifting toward biodiesel (B50) and ethanol blending as domestic refining can't meet transport demand (70%+ of consumption) — a structural tailwind AKR's distribution infrastructure is positioned to serve.

- **Dual Revenue Engine**: The Industrial Estate segment (anchored by JIIPE) now contributes 20% of AKR's total sales and revenue, up from a smaller base in prior years, driven by upfront land sales plus growing recurring utility revenue as tenants become operational. This diversification — alongside 73% from core Trading & Distribution and 6% from Logistics & Manufacturing — reduces AKR's earnings concentration in volume-sensitive fuel trading margins and shifts the mix toward a more stable, annuity-like profile.

- **Regulatory-backed distribution position + B2C diversification**: AKR is the first private company entrusted by the Indonesian government to distribute subsidized petroleum, alongside a strong position in non-subsidized fuel to mining, manufacturing, and plantation sectors. The company is also diversifying into B2C through its bp-AKR joint venture, now operating 72 fuel stations nationwide, offering premium RON 92/95 fuels, broadening its customer base beyond industrial clients.

4. Investment Risks and Mitigants

- **Risk:** The 2026 Strait of Hormuz crisis (Iran-Israel-U.S. conflict, Feb 2026–) triggered the largest oil supply disruption in modern history, with Brent crude surging over 65% at its peak — a near-term margin/cost risk for AKR's fuel distribution business, given Indonesia imports roughly a third of its oil.
Mitigant: JIIPE's growing utilities/land-sale revenue (20% of total sales) reduces reliance on pure fuel-trading margins most exposed to crude volatility.

- **Risk:** Debt/Equity of ~1.26x could constrain flexibility for a leveraged acquisition.
Mitigant: AKR holds a net cash position (net gearing -0.08x as of FY2025) — actual debt is more than offset by cash, giving an acquirer real headroom to layer in transaction debt without over-leveraging the combined entity.

- **Risk:** Long-term structural risk if Indonesia's shift toward biodiesel/ethanol reduces demand for AKR's traditional fuel distribution volumes.
Mitigant: AKR's existing logistics and distribution infrastructure is transition-agnostic — the same storage, transport, and terminal network can handle biodiesel and blended fuels, positioning AKR as a participant in the transition rather than a casualty of it.

5. Process / Transaction Overview

Next steps: Advancing this screen would require management access, audited financials beyond public disclosures, customer contract review to assess concentration risk, and legal review of Indonesian foreign-ownership rules for energy and logistics assets.

Ownership structure: As of 31 December 2025, a single shareholder entity holds 32.78% of AKR, with President Director Haryanto Adikoesoemo and other Adikoesoemo family/board members holding additional individual stakes — indicating meaningful founder/family control. This materially affects deal feasibility: a transaction would likely require negotiated buy-in from the controlling family rather than an open-market or hostile approach.

Likely buyer type: A strategic acquirer (regional logistics or energy conglomerate) is more plausible than a financial sponsor, given AKR's asset-heavy, infrastructure-driven model and the strategic value of its regulatory position in subsidized fuel distribution.

Recommendation: Advance to Phase II diligence, contingent on confirming full ownership structure, obtaining non-public financials, and engaging with the controlling shareholder group regarding transaction appetite.

Sources

- PT AKR Corporindo Tbk, FY2025 Annual Report — akr.co.id/annual-report
- PT AKR Corporindo Tbk, Investor Relations & Company News — akr.co.id
- Yahoo Finance, AKRA.JK Financials — finance.yahoo.com/quote/AKRA.JK/financials
- PwC, "Oil & Gas Guide 2026" — pwc.com/id/en/media-centre/press-release/2026/english/oil-gas-guide-2026.html
- Proprietary M&A screener (author's own tool) — edric-ma-screener.streamlit.app, output dated (Accessed July 10, 2026)