INDOPREMIER

Aneka Tambang

BUY *(unchanged)*

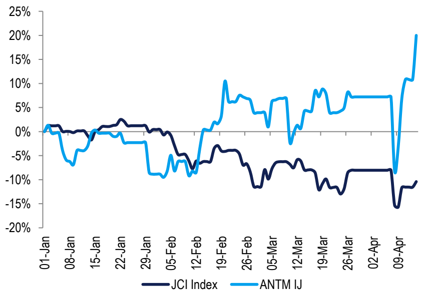
Company update | ANTM IJ | 14 April 2025

Stock Data

Target price	**Rp2,500**
Prior TP	*Rp2,000*
Current price	Rp1,830
Upside/downside	*+37%*
Shares outstanding (mn)	24,031
Market cap (Rp bn)	43,976
Free float	35%
Avg. 6m daily T/O (Rp bn)	100

Price Performance

	3M	6M	12M
Absolute	24.9%	16.9%	1.1%
Relative to JCI	35.4%	32.6%	12.6%
52w low/high (Rp)			1,210 – 1,830



Major Shareholders

Mineral Industri Indonesia	65.0%

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Strong gold trading volume is boon to earnings; upgrade our TP

- We expect ANTM to record 43 ton gold-trading volume (flat yoy) amidst gold price rally YTD (+23%), continuing volume momentum since 4Q24.
- ANTM to report 1Q25F NP of Rp1.6tr (+10% qoq/+571% yoy), as per our estimates, which shall beat consensus' FY25F earnings forecast (41%).
- We re-iterate our Buy rating on ANTM with an upgraded TP of Rp2,500/share TP as we lift our FY25F NP forecast by +27%.

Previously a nickel proxy; but is now emerging as gold proxy

We think ANTM's gold business was underappreciated as its share price often follows the movement of LME nickel price movement in the past, as opposed to gold price. But, combination of higher gold price of US$3.2k/oz (+23% YTD), weaker IDR vs. USD (-5% YTD), in addition to higher gold sales volume (FY24: +68% yoy), has been able to make gold-business as a major EBIT contributor (~80% FY24) vs. nickel (c.17% FY24). Our check suggests that gold volume has remained robust from higher retail demand, which underpins our volume assumptions upgrade to 43 ton (flat yoy) in FY25F. We expect gold price to continue rallying on ETF inflows and thus set our gold ASP assumptions to US$3.4k/oz on average in FY25F.

Nickel-ore volume growth has remained robust with elevated premium

Based on RKAB obtained (~17mn ton), ANTM's nickel ore sales volume is expected to reach c.15mn ton in FY25F. Aside from its volume-growth, ASP is expected to remain robust as ore premium has remained at double-digit level above the benchmark price (HPM). We like its strategy to maintain FeNi production volume flat on yearly basis with higher ore allocation for 3rd party, generating higher cash flow & profit to the company.

Smelter-grade alumina & bauxite is a concern, but downside is limited

One of the few investors' concerns on ANTM is its SGAR plant (40% stake). With SGA price currently hovering at ~US$390/t with US$380/t indicative cash costs, there is a likely possibility for SGAR plant to operate at loss. Our discussion suggests that with MIND-ID synergy, there will be ASP adjustment to at least make SGAR operate at breakeven. Conservatively, we expect ANTM to report Rp300bn loss from SGAR & bauxite operation in FY25F combined, before turning profitable in FY26F onwards, and as such, have factored in such potential loss in our NP forecast.

Upgrade our TP to Rp2,500/share; maintain ANTM as our top pick

Thus, we upgrade our FY25F/26F NP forecast by +27%/+51%, respectively and hence upgrade our TP to Rp2,500/share (previously Rp2,000/share) based on FY25F P/E of 13x and re-iterate our Buy rating on ANTM as our top pick on the sector. it currently trades at FY25F 9x P/E with attractive dividend yield (~8%) and strong free-cash-flow (FCF) generation.

Financial Summary (US$ mn)	2023A	2024A	2025F	2026F	2027F
Revenue	41,048	69,192	93,514	67,655	64,894
EBITDA	4,086	4,286	6,920	7,438	7,143
Net profit	3,078	3,647	4,644	5,403	4,995
EPS growth	-19%	19%	27%	16%	-8%
ROE	10%	11%	14%	15%	14%
PER (x)	14.3	12.1	9.5	8.1	8.8
EV/EBITDA (x)	9.2	9.2	5.5	5.1	5.5
Dividend yield	4%	7%	8%	8%	9%
IPS vs. consensus			120%	123%	93%

Source: Company, Indo Premier *Share price closing as of: 14 April 2025*

1Q25F preview: ANTM to report Rp1.6tr NP
We expect ANTM to record 12ton of gold sales (+68% yoy/-21% qoq), lower on qoq basis but relatively robust volume as it would surpass ANTM's volume target of 40ton (30% FY25F target). In addition to higher volume, with higher gold price and Rp trended lower vs. USD on qoq basis, the nominal Rp amount to bottom-line is expected to be higher on qoq basis from the gold business. Meanwhile, we expect nickel-ore sales volume to reach 3.7mn wmt (+270% yoy/+40% qoq) with average ASP of US$41-42/wmt, or equivalent to US$12-13/wmt premium on average in 1Q25F. As a result, we expect ANTM to report Rp1.6tr NP in 1Q25F, beating consensus estimates of Rp3.7tr (1Q25F: 41% of FY25F consensus NP).

SGAR project: conservatively expect a loss in FY25F before turning profitable on overall basis in FY26F onwards
As alumina price currently trading at US$390/t with an indicative cash costs of US$380/t, we see a likely possibility for SGAR project to operate at a loss even at 100% utilization/full capacity. Meanwhile, as volume is expected to be ramped-up gradually, if the alumina is sold at market price, it is guaranteed to operate at a loss – 60% of China's alumina smelter operate at loss due to high bauxite ore costs but low alumina ASP, given higher cash costs during ramp-up, in addition to other cash/non-cash expenses such as G&A costs and depreciation.

Our discussion with management, however, indicates that MIND ID synergy is expected to at least ensure the project to not operate at a loss. This can be taken by tweaking two major factors: 1) lowering bauxite ore costs (+ve on SGAR profitability, but -ve to ANTM as this meant lower bauxite ore ASP & profitability), and/or 2) an increase in SGA price (+ve on SGAR profitability, but -ve to Inalum's). Objectively speaking, we think as MIND ID owns c.100% stake in Inalum but only c.65% of ANTM, the first scenario is more likely to happen, in our view.

Hence, we calculated the magnitude to ANTM's NP should the first scenario occur, and came up with Rp300bn loss in FY25F, albeit turning profitable in FY26F onwards as we expect full utilization on the plant by FY26F in addition to 3mn wmt of bauxite ore sales volume to SGAR (vs. 1-1.5mn wmt only in FY25F) with ASP of US$40/wmt (HPM), assuming 100% utilization on the SGAR plant.

In the meantime, ANTM plans to sell up to 1-1.5mn wmt of bauxite ore to 3rd party in FY25F, but our check suggest that current bauxite market-price currently stood at US$20-21/wmt, below HPM price and ANTM's cash costs of US$24/wmt. As a result, we expect modest ore sales of 1.3mn wmt in FY25F, all of which set to be sold to the SGAR plant, and not to 3rd party.

Fig. 1: Old vs new forecast

ANTM	New forecast			Forecast change			Consensus			IPS vs Consensus		
Rp bn	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Revenues	93,514	67,655	64,894	64%	27%	na	71,410	74,238	80,050	131%	91%	81%
Gross profit	9,297	9,780	9,452	35%	45%	na	8,126	8,850	9,268	114%	111%	102%
Operating profit	5,606	6,061	5,660	56%	83%	na	4,244	4,835	5,607	132%	125%	101%
EBITDA	6,920	7,438	7,143	35%	50%	na	5,687	6,305	7,132	122%	118%	100%
NPAT	4,644	5,427	5,082	27%	51%	na	3,882	4,396	5,379	120%	123%	94%
%y-y												
Revenues	128%	-28%	-4%			na	74%	4%	8%			
Gross profit	47%	5%	-3%			na	29%	9%	5%			
Operating profit	114%	8%	-7%			na	62%	14%	16%			
EBITDA	69%	7%	-4%			na	39%	11%	13%			
NPAT	51%	17%	-6%			na	26%	13%	22%			
Gross margin	9.9%	14.5%	14.6%	-2.2%	1.9%	na	11.4%	11.9%	11.6%	-1.4%	2.5%	3.0%
Operating margin	6.0%	9.0%	8.7%	-0.3%	2.8%	na	5.9%	6.5%	7.0%	0.1%	2.4%	1.7%
EBITDA margin	7.4%	11.0%	11.0%	-1.6%	1.7%	na	8.0%	8.5%	8.9%	-0.6%	2.5%	2.1%
NPAT margin	5.0%	8.0%	7.8%	-1.5%	1.3%	na	5.4%	5.9%	6.7%	-0.5%	2.1%	1.1%

Source: Bloomberg, Indo Premier

Fig. 2: Key operational data changes

Basis		Old			New			Change (%)		
		FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Sales volume										
FeNi	kt Ni	20.3	20.8	na	19.2	19.0	19.0	-5%	-9%	na
Nickel ore	mn w mt	11.0	12.0	na	13.0	14.0	14.0	18%	17%	na
Gold	000 toz	1,062	1,031	na	1,402	931	881	32%	-10%	na
CGA	k ton	164	164	na	164	164	164	0%	0%	na
Silver	000 toz	207	198	na	207	198	198	0%	0%	na
Bauxite ore	mn w mt	0.5	2.5	na	1.3	3.0	3.0	0%	20%	na
Average selling price (ASP)										
FeNi	US$/ton	13,500	13,250	na	12,700	12,700	12,700	-6%	-4%	na
Nickel ore	US$/w mt	42.0	37.0	na	38.0	37.0	37.0	-10%	0%	na
Gold	US$/oz	1,185	1,082	na	1,402	931	881	18%	-14%	na
CGA	US$/ton	651	651	na	578	583	583	-11%	-10%	na
Silver	US$/oz	21.6	22.0	na	28.1	28.1	28.1	30%	28%	na
Bauxite ore	US$/w mt	24.2	24.2	na	40.0	38.0	38.0	65%	57%	na

Source: Bloomberg, Indo Premier

Fig. 3: Peers comparison table

Ticker	Company	Rating	Target price (Rp/share)	P/E			EV/EBITDA			Dividend yield (%)		
				25F	26F	27F	25F	26F	27F	25F	26F	27F
ADMR IJ	Adaro Minerals Indonesia	Buy	1,500	6.1	4.6	N/A	7.0	6.2	N/A	N/A	N/A	N/A
ANTM IJ	Aneka Tambang	Buy	2,500	9.5	8.1	8.8	5.5	5.1	5.5	8.3%	7.9%	9.2%
HRUM IJ	Harum Energy	Hold	1,450	4.6	3.5	N/A	4.5	3.0	N/A	N/A	N/A	N/A
INCO IJ	Vale Indonesia	Buy	3,650	19.1	8.8	4.7	4.2	3.2	2.0	N/A	N/A	N/A
MBMA IJ	Merdeka Battery Materials	Buy	560	43.9	8.0	3.0	10.2	4.7	1.6	N/A	N/A	N/A
MDKA IJ	Merdeka Copper Gold	Buy	2,400	N/A	10.9	7.5	8.9	5.2	4.3	N/A	N/A	N/A
NCKL IJ	Trimegah Bangun Persada	Buy	1,100	5.5	4.5	4.5	4.1	3.3	2.9	4.7%	5.4%	6.7%

Source: Bloomberg, Indo Premier

Income Statement (US$ mn)	2023A	2024A	2025F	2026F	2027F
Net revenue	41,048	69,192	93,514	67,655	64,894
Cost of sales	(34,733)	(62,694)	(84,217)	(57,903)	(55,546)
Gross profit	**6,315**	**6,498**	**9,297**	**9,751**	**9,347**
SG&A Expenses	(3,698)	(3,500)	(3,690)	(3,722)	(3,805)
Operating profit	**2,617**	**2,998**	**5,606**	**6,029**	**5,542**
Net interest	(43)	255	369	572	311
Income from associates	947	690	118	682	718
Others	334	671	0	0	0
Pre-tax income	**3,854**	**4,614**	**6,094**	**7,283**	**6,571**
Income tax	(777)	(761)	(1,189)	(1,576)	(1,296)
Minority interest	(0)	(205)	(261)	(304)	(281)
Net income	**3,078**	**3,647**	**4,644**	**5,403**	**4,995**

Balance Sheet (US$ mn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	9,209	4,752	5,702	6,444	4,644
Receivable	1,094	1,149	1,553	1,123	1,077
Inventory	3,470	6,040	9,357	6,434	6,172
Other current assets	6,291	6,052	6,047	6,047	6,047
Total current assets	**20,065**	**17,992**	**22,659**	**20,048**	**17,940**
Fixed assets	16,183	15,644	14,932	18,321	21,518
Other non-current assets	6,604	10,887	7,968	8,088	8,271
Total non-current assets	**22,787**	**26,531**	**22,899**	**26,409**	**29,788**
Total assets	**42,851**	**44,523**	**45,558**	**46,456**	**47,728**
ST loans	1,002	0	0	0	0
Payable	1,550	1,771	2,379	1,636	1,569
Other payables	0	0	0	0	0
Current portion of LT loans	0	0	0	0	0
Other current liabilities	6,025	8,000	6,590	5,841	5,774
Total current liab.	**8,576**	**9,771**	**8,969**	**7,477**	**7,344**
Long term loans	881	0	0	0	0
Other LT liab.	2,228	2,552	3,132	3,298	3,480
Total non-current liabilities	**3,109**	**2,552**	**3,132**	**3,298**	**3,480**
Total liabilities	**11,686**	**12,323**	**12,101**	**10,775**	**10,824**
Equity	12,099	12,099	12,099	12,099	12,099
Retained earnings	14,390	14,986	15,982	17,903	18,845
Minority interest	4,677	5,115	5,376	5,679	5,960
Total SHE + minority int.	**31,166**	**32,200**	**33,457**	**35,681**	**36,904**
Total liabilities & equity	**42,851**	**44,523**	**45,558**	**46,456**	**47,728**

Source: Company, Indo Premier

Cash Flow Statement (US$ mn)	2023A	2024A	2025F	2026F	2027F
Net income	3,410	1,764	4,703	5,331	4,988
Depr. & amortization	1,469	1,288	1,319	1,414	1,607
Changes in working capital	(2,118)	1,274	(4,522)	1,934	181
Others	0	0	0	0	0
Cash flow from operating	**2,761**	**4,326**	**1,500**	**8,679**	**6,776**
Capital expenditure	(1,297)	(922)	(569)	(4,766)	(4,766)
Others	(600)	(2,698)	3,406	8	(39)
Cash flow from investing	**(1,897)**	**(3,620)**	**2,837**	**(4,758)**	**(4,804)**
Loans	(507)	(2,550)	0	0	0
Equity	6,206	438	261	304	281
Dividends	(1,910)	(3,078)	(3,647)	(3,483)	(4,052)
Others	0	0	0	0	0
Cash flow from financing	**3,789**	**(5,190)**	**(3,386)**	**(3,179)**	**(3,772)**
Changes in cash	4,652	(4,484)	951	742	(1,800)

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	15%	9%	10%	14%	14%
Operating margin	6%	4%	6%	9%	9%
Pre-tax margin	9%	7%	7%	11%	10%
Net margin	7%	5%	5%	8%	8%
ROA	7%	8%	10%	12%	10%
ROE	10%	11%	14%	15%	14%
Acct. receivables TO (days)	37.5	60.2	60.2	60.2	60.2
Inventory TO (days)	10.0	10.4	9.0	9.0	9.0
Payable TO (days)	22.4	35.4	35.4	35.4	35.4
Debt to equity	0.1	0.0	0.0	0.0	0.0
Interest coverage ratio (x)	12.2	12.6	94.7	101.8	93.6
Net gearing	(0.2)	(0.1)	(0.2)	(0.2)	(0.1)

Source: Company, Indo Premier