

Merdeka Battery Materials

BUY (unchanged)

Company update | MBMA IJ | 10 November 2025

Stock Data

Target price	Rp745
Prior TP	Rp745
Current price	Rp685
Upside/downside	+9%
Shares outstanding (mn)	107,995
Market cap (Rp bn)	73,977
Free float	33%
Avg. 6m daily T/O (Rp bn)	197

Price Performance

	3M	6M	12M
Absolute	59.3%	101.5%	33.0%
Relative to JCI	47.9%	78.7%	17.9%
52w low/high (Rp)	242 – 685		



Major Shareholders

Merdeka Energi Nusantara	49.9%
Garibaldi Thohir	11.1%
Huayong International Limited	7.6%

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3Q25 operational: EBITDA significantly improved on ore sales increase

- MBMA recorded significant increase on both saprolite/limonite sales (+33%/+43% qoq) as well as NPI (+18% qoq) post maintenance in 1H25.
- Along with better volume increase, NPI cash margin also expanded by +24% qoq to US\$2.2k/t, while limonite margin also expanded by +44%.
- We estimate MBMA to report an EBITDA of US\$80mn in 3Q25 (+72% qoq). Maintain Buy rating with Rp745/sh TP.

3Q25 operational: volume & margin improvement across the board

MBMA reported robust operational achievement in 3Q25, with significant increase in both saprolite and limonite ore sales (+33% and +43% qoq, respectively) as well as an increase in NPI sales volume (+18% qoq) after a low-base in 1H25 due to maintenance work in MBMA's RKEF. Cash margin improved across the board with saprolite cash margin improving by +50% qoq to US\$1.5/wmt. Limonite ore cash margin also improved by +44% qoq to US\$6.5/wmt in 3Q25 potentially due to economies of scale, driven by higher production/sales. Similarly, NPI cash margin also improved by +24% qoq to US\$2.2k/t. All the cash margin improvements were driven by better cash costs as ASP were relatively flattish on qoq basis (Fig. 1).

HGNM: production and sales volume to restart by 4Q25F

In 3Q25, MBMA reported zero sales and production of high-grade nickel-matte (HGNM), which was expected, in our view, given the unfavourable pricing environment in previous quarters. However, MBMA has recently obtained offtake agreement amid recent improvement in nickel-matte price. We expect MBMA to at least obtain US\$200-500/t cash margin for its HGNM sales, which was equivalent to around US\$3-7mn additional EBITDA per quarter, as per our estimates.

Re-iterate MBMA as our top pick with unchanged TP of Rp745/share

In 3Q25, we estimate MBMA to report US\$80mn EBITDA (+72% qoq). This shall lead to 9M25 EBITDA of US\$158mn, equivalent to 82% of ours and 84% consensus. We maintain our NP/EBITDA estimates for now; and along with further improvement in 4Q25F, we maintain our Buy rating for MBMA with an unchanged SOTP-based TP of Rp745/share. Downside risks include lower than expected RKAB quota approval, further delay in AIM project, and execution risks in slurry pipeline.

Financial Summary (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Revenue	1,328	1,845	1,397	2,376	2,874
EBITDA	104	168	190	519	720
Net profit	7	23	23	187	341
EPS growth	-68%	229%	0%	724%	82%
ROE	0%	1%	1%	11%	16%
PER (x)	252.5	76.8	76.9	9.3	5.1
EV/EBITDA (x)	18.8	13.0	11.2	4.5	2.9
Dividend yield	N/A	N/A	N/A	N/A	N/A
IPS vs. consensus			54%	145%	132%

Source: Company, Indo Premier

Share price closing as of: 10 November 2025

Fig. 1: 3Q25 operational data summary

Operational summary	9M25	9M24	% yoy	3Q25	3Q24	% yoy	2Q25	% qoq	IPS FY25F	% of IPS
Nickel pig iron										
NPI production (ton)	52,864	63,339	-17%	19,819	20,557	-4%	16,748	18%	77,500	68%
NPI sales (ton)	52,864	61,367	-14%	19,819	18,900	5%	16,748	18%	77,500	68%
NPI ASP (US\$/t)	11,441	11,522	-1%	11,273	12,041	-6%	11,502	-2%	11,600	99%
NPI cash cost (US\$/t)	9,806	10,514	-7%	9,059	10,776	-16%	9,719	-7%	10,000	98%
Cash margin (US\$/t)	1,635	1,008	62%	2,214	1,265	75%	1,783	24%	1,600	102%
High-grade nickel matte										
HGNM production (ton)	9,525	38,422	-75%	0	12,979	N/A	0	N/A	15,000	64%
HGNM sales (ton)	10,754	40,400	-73%	0	13,192	N/A	754	N/A	15,000	72%
HGNM ASP (US\$/t)	13,413	13,960	-4%	0	13,440	N/A	12,624	N/A	13,400	100%
HGNM cash costs (US\$/t)	12,322	13,337	-8%	0	13,820	N/A	13,080	N/A	13,250	93%
Nickel ore										
Saprolite sales (mn w mt)	4.8	3.6	34%	2.0	1.2	68%	1.5	33%	6.5	74%
Saprolite ASP (US\$/w mt)	25.1	29.7	-15%	24.8	28.8	-14%	25.0	-1%	25.4	99%
Saprolite cash cost (US\$/w mt)	23.9	25.0	-5%	23.3	21.0	11%	24.0	-3%	24.0	99%
Saprolite cash margin (US\$/w mt)	1.3	4.7	-73%	1.5	7.8	-81%	1.0	50%	1.4	90%
Limonite sales (w mt)	8.9	6.9	28%	4.0	3.5	16%	2.8	43%	14.0	64%
Limonite ASP (US\$/w mt)	14.8	15.6	-5%	14.4	15.1	-5%	15.4	-6%	15.2	98%
Limonite cash costs (US\$/w mt)	10.0	11.1	-10%	7.9	9.0	-12%	10.9	-28%	11.5	87%
Limonite cash margin (US\$/w mt)	4.9	4.5	8%	6.5	6.1	7%	4.5	44%	3.7	131%

Source: Company data, Bloomberg, Indo Premier

Income Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net revenue	1,328	1,845	1,397	2,376	2,874
Cost of sales	(1,251)	(1,731)	(1,295)	(1,929)	(2,220)
Gross profit	77	114	102	447	654
SG&A Expenses	(30)	(34)	(25)	(59)	(72)
Operating profit	48	80	77	388	582
Net interest	(15)	(1)	(12)	(50)	(47)
Others	0	12	4	44	43
Pre-tax income	33	90	69	382	578
Income tax	(0)	(11)	(7)	(37)	(45)
Minority interest	(26)	(57)	(40)	(157)	(191)
Net income	7	23	23	187	341

Balance Sheet (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	290	244	375	364	329
Receivable	119	179	155	264	319
Inventory	288	275	216	321	370
Other current assets	87	106	106	106	106
Total current assets	784	804	852	1,056	1,124
Fixed assets	1,414	1,582	1,602	1,903	1,938
Other non-current assets	1,065	1,049	1,029	1,001	974
Total non-current assets	2,479	2,631	2,630	2,904	2,912
Total assets	3,263	3,435	3,483	3,960	4,036
ST loans	0	77	0	0	0
Payable	262	200	162	241	277
Other payables	0	0	0	0	0
Current portion of LT loans	2	47	0	0	0
Other current liabilities	94	95	95	95	95
Total current liab.	358	419	257	336	372
Long term loans	486	532	718	929	627
Other LT liab.	109	134	136	136	136
Total non-current liabilities	595	667	854	1,064	763
Total liabilities	954	1,086	1,111	1,400	1,135
Equity	1,505	1,505	1,505	1,505	1,505
Retained earnings	27	50	73	260	601
Minority interest	777	794	794	794	794
Total SHE + minority int.	2,309	2,349	2,372	2,559	2,901
Total liabilities & equity	3,263	3,435	3,483	3,960	4,036

Cash Flow Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net income	(64)	46	23	187	341
Depr. & amortization	56	88	113	131	138
Changes in working capital	(57)	(118)	45	(135)	(67)
Others	0	0	0	0	0
Cash flow from operating	(64)	16	181	183	411
Capital expenditure	(548)	(233)	(112)	(405)	(145)
Others	2	(38)	0	0	0
Cash flow from investing	(547)	(271)	(112)	(405)	(145)
Loans	(123)	192	63	210	(302)
Equity	743	17	0	0	0
Dividends	0	0	0	0	0
Others	0	0	0	0	0
Cash flow from financing	620	208	63	210	(302)
Changes in cash	10	(46)	131	(11)	(35)

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	6%	6%	7%	19%	23%
Operating margin	4%	4%	6%	16%	20%
Pre-tax margin	3%	5%	5%	16%	20%
Net margin	1%	1%	2%	8%	12%
ROA	0%	1%	1%	5%	8%
ROE	0%	1%	1%	11%	16%
Acct. receivables TO (days)	11.1	10.3	9.0	9.0	9.0
Inventory TO (days)	4.3	6.3	6.0	6.0	6.0
Payable TO (days)	4.8	8.7	8.0	8.0	8.0
Debt to equity	0.3	0.4	0.5	0.5	0.3
Interest coverage ratio (x)	5.2	21.1	10.5	9.3	13.4
Net gearing	0.1	0.3	0.2	0.3	0.2

Source: Company, Indo Premier