

Merdeka Copper Gold

BUY (unchanged)

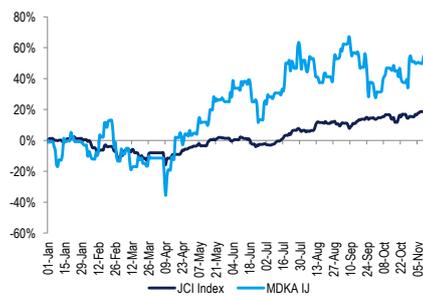
Company update | MDKA IJ | 10 November 2025

Stock Data

Target price	Rp3,000
Prior TP	Rp3,00
Current price	Rp2,500
Upside/downside	+20%
Shares outstanding (mn)	24,473
Market cap (Rp bn)	61,182
Free float	50%
Avg. 6m daily T/O (Rp bn)	214

Price Performance

	3M	6M	12M
Absolute	1.2%	38.5%	11.6%
Relative to JCI	-10.2%	15.7%	-3.5%
52w low/high (Rp)	1,040 – 2,700		



Major Shareholders

Saratoga Investama Sedaya	18.6%
Mitra Daya Mustika	12.1%
Garibaldi Thohir	7.4%

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3Q25 operational: gold & copper volume improved qoq

- MDKA reported an increase in gold and copper volume by +30% and +47% qoq, respectively; MBMA also reported volume increase.
- Gold cash margin, however, slightly declined on qoq basis (-4% qoq), due to relatively flattish ASP of US\$3.2k/oz (+2% qoq).
- We estimate MDKA to report US\$158mn EBITDA in 3Q25 vs. US\$88mn in 2Q25; We maintain our Buy rating with an unchanged TP of Rp3k.

TB Oxide/Gold: volume improvement despite slightly lower margin

MDKA reported an increase in gold sales volume to 29koz (+30% qoq), which was likely driven by inventory sales – i.e. due to timeline lag between production and sales in 2Q25. ASP was relatively flattish on qoq basis at US\$3.2k/oz (+2% qoq) which was lower than the increase in benchmark price (+5% qoq) or c.US\$3.4-3.5k/oz in 3Q25. Cash margin, as a result, slightly declined by -4% qoq to US\$1.8k/oz on higher cash costs of US\$1.4k/oz (+11% qoq). Nevertheless, we expect TB Oxide to deliver an EBITDA of US\$60mn in 3Q25 (+50% qoq). Note that there are 15.5koz of gold that is currently hedged in 4Q25F at US\$2.9k/oz. This shall indicate relatively flattish ASP movement qoq in 4Q25F, as potentially only ~40% of gold is set to be sold at spot price.

Wetar/Copper: sales volume improvement & higher ASP

Wetar also reported an improvement in sales volume by +47% qoq to 2.5kt in 3Q25, while production also improved by +74% qoq to 3.2kt, thanks to new ore stacking strategy. ASP also improved to US\$4.4/lbs (+3% qoq), along with cash costs improvement to US\$2.8/lbs (-18% qoq). However, do note that mining activities has been ceased in 3Q25, albeit leaching and copper recovery set to continue until 1Q27F. Management has previously indicated that costs from mining activities has already been expensed through the P&L. Hence, cash costs are set to improve due to Wetar only continuing the leaching activities and not mining.

Maintain Buy rating with unchanged TP of Rp3,000/share

Combined with MBMA’s EBITDA improvement ([report](#)), we estimate MDKA to report US\$145mn EBITDA in 3Q25 (+64% qoq) or around US\$323mn EBITDA in 9M25, higher than ours/consensus forecast (94% IPS/74% consensus). We maintain our NP/EBITDA estimates for now and maintain our Buy rating. Our TP of Rp3,000/share is kept unchanged. Key catalysts include +ve progress on TB copper project, higher gold price environment driven by concern over Fed independence, and aggressive China stimulus.

Financial Summary (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Revenue	1,707	2,239	1,829	2,913	3,487
EBITDA	268	343	343	673	920
Net profit	(21)	(56)	(44)	(38)	69
EPS growth	-135%	170%	-21%	-14%	-281%
ROE	-2%	-6%	-5%	-4%	8%
PER (x)	(86.0)	(31.9)	(40.1)	(46.8)	25.8
EV/EBITDA (x)	10.6	8.9	9.3	5.4	4.2
Dividend yield	N/A	N/A	N/A	N/A	N/A
IPS vs. consensus			-117%	-27%	21%

Source: Company, Indo Premier

Share price closing as of: 10 November 2025

Fig. 1: 3Q25 operational data

Operational summary	9M25	9M24	% yoy	3Q25	3Q24	% yoy	2Q25	% qoq	IPS FY25F	% of IPS
<u>TB oxide</u>										
Gold production (oz)	75,962	80,043	-5%	25,338	30,522	-17%	25,143	1%	105,000	72%
Gold sales (oz)	89,164	79,415	12%	29,629	27,778	7%	22,739	30%	105,000	85%
Gold ASP (US\$/oz)	3,044	2,316	31%	3,275	2,566	28%	3,207	2%	3,200	95%
Gold cash cost (US\$/oz)	1,239	1,036	20%	1,466	952	54%	1,320	11%	1,150	108%
<u>Wetar copper</u>										
Copper production (ton)	7,463	10,483	-29%	3,228	3,811	-15%	1,854	74%	10,000	75%
Copper sales (ton)	7,274	11,310	-36%	2,557	4,970	-49%	1,742	47%	10,000	73%
Copper ASP (US\$/lb)	4.2	4.1	4%	4.4	4.3	3%	4.2	3%	4.3	98%
Copper cash cost (US\$/lb)	2.9	3.0	-2%	2.8	3.5	-22%	3.4	-18%	3.0	97%

Source: Company, Indo Premier

Income Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net revenue	1,707	2,239	1,829	2,913	3,487
Cost of sales	(1,561)	(2,063)	(1,639)	(2,403)	(2,770)
Gross profit	146	176	189	509	717
SG&A Expenses	(49)	(57)	(50)	(98)	(113)
Operating profit	97	119	139	411	604
Net interest	(79)	(100)	(109)	(102)	(102)
Others	(6)	3	0	0	0
Pre-tax income	12	22	30	309	502
Income tax	(7)	(12)	(15)	(51)	(68)
Minority interest	(26)	(66)	(60)	(296)	(365)
Net income	(21)	(56)	(44)	(38)	69

Balance Sheet (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	519	451	645	330	105
Receivable	121	180	147	234	280
Inventory	444	454	296	434	500
Other current assets	124	143	143	143	143
Total current assets	1,207	1,228	1,231	1,141	1,028
Fixed assets	1,767	1,945	2,213	2,527	2,791
Other non-current assets	1,991	2,065	2,033	1,997	1,957
Total non-current assets	3,757	4,009	4,246	4,524	4,748
Total assets	4,964	5,237	5,477	5,665	5,776
ST loans	95	117	0	0	0
Payable	304	239	190	278	321
Other payables	0	0	0	0	0
Current portion of LT loans	358	574	0	0	0
Other current liabilities	153	182	182	182	182
Total current liab.	909	1,112	372	461	503
Long term loans	283	262	379	379	379
Other LT liab.	1,008	946	1,846	1,983	1,983
Total non-current liabilities	1,291	1,208	2,225	2,362	2,362
Total liabilities	2,200	2,320	2,597	2,823	2,865
Equity	728	778	778	778	778
Retained earnings	262	206	162	124	193
Minority interest	1,774	1,932	1,940	1,940	1,940
Total SHE + minority int.	2,764	2,917	2,880	2,842	2,911
Total liabilities & equity	4,964	5,237	5,477	5,665	5,776

Source: Company, Indo Premier

Cash Flow Statement (US\$ mn)	2023A	2024A	2025F	2026F	2027F
Net income	(151)	(70)	(44)	(38)	69
Depr. & amortization	171	224	204	262	316
Changes in working capital	(21)	(107)	142	(137)	(70)
Others	0	0	0	0	0
Cash flow from operating	(1)	47	301	87	315
Capital expenditure	(823)	(475)	(440)	(540)	(540)
Others	(32)	11	(18)	0	0
Cash flow from investing	(855)	(464)	(458)	(540)	(540)
Loans	171	141	344	137	0
Equity	760	208	8	0	0
Dividends	0	0	0	0	0
Others	0	0	0	0	0
Cash flow from financing	931	350	351	137	0
Changes in cash	75	(68)	194	(315)	(225)

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	9%	8%	10%	17%	21%
Operating margin	6%	5%	8%	14%	17%
Pre-tax margin	1%	1%	2%	11%	14%
Net margin	-1%	-2%	-2%	-1%	2%
ROA	0%	-1%	-1%	-1%	1%
ROE	-2%	-6%	-5%	-4%	8%
Acct. receivables TO (days)	14.2	12.4	12.4	12.4	12.4
Inventory TO (days)	3.5	4.5	5.5	5.5	5.5
Payable TO (days)	5.1	8.6	8.6	8.6	8.6
Debt to equity	1.4	1.7	1.9	2.3	2.6
Interest coverage ratio (x)	5.4	3.0	3.1	2.6	4.8
Net gearing	1.0	1.1	1.4	1.6	2.2

Source: Company, Indo Premier