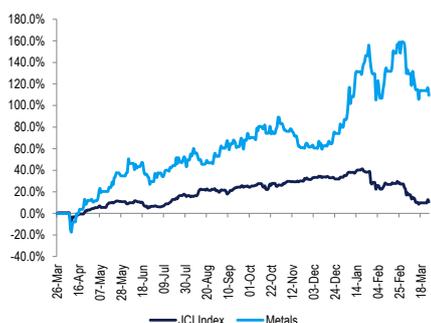


Sector update | 26 March 2026

Sector Index Performance

	3M	6M	12M
Absolute	20.3%	26.8%	109.4%
Relative to JCI	36.4%	38.7%	98.7%



Summary Valuation Metrics

P/E (x)	2026F	2027F	2028F
EMAS IJ	57.1	33.8	16.4
INCO IJ	13.8	6.5	N/A
MBMA IJ	26.1	15.4	N/A
EV/EBITDA (x)	2026F	2027F	2028F
EMAS IJ	36.2	21.9	11.7
INCO IJ	6.4	3.7	N/A
MBMA IJ	10.5	7.2	N/A
Div. Yield	2026F	2027F	2028F
EMAS IJ	N/A	N/A	N/A
INCO IJ	N/A	N/A	N/A
MBMA IJ	N/A	N/A	N/A

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Nickel: export tax, HPM revision, and potential RKAB quota hike

- The ESDM Minister, Bahlil Lahadalia, indicated plans for a “measured relaxation” of RKAB quota should nickel price remain elevated.
- ESDM also plans to increase non-tax state revenue through the introduction of a new benchmark price.
- A nickel export tax is currently being proposed, while rising energy costs and sulphur shortages remain key downside risks to the sector.

Raising mid-year quota is now a base-case

Energy and Mineral Resources Minister, Bahlil Lahadalia, stated that the Ministry is planning a “measured relaxation” on RKAB quotas should nickel prices remain elevated. While no specific price threshold has been disclosed, we believe additional quotas could be granted by mid-year, particularly for HPAL projects coming online (i.e. INCO’s Pomalaa HPAL, MBMA’s SLNC, among others). Nevertheless, despite the potential for a mid-FY26F quota increase, our channel checks indicated that mining rampu-up may take time, alongside approval delays. This was also reflected in FY25 production realization of only 290–300mn wmt, significantly below the approved quota of ~370mn wmt. In the near-term, we think ore premium would remain elevated, currently at around US\$40/wmt for 1.6% grade saprolite.

New nickel ore benchmark price (HPM) set to be introduced

ESDM also plans to introduce a new nickel ore benchmark price (HPM), which we think would either 1) incorporate non-nickel content such as cobalt (Co), iron (Fe) into the new formula, and/or 2) raising the correction factor (CF), based on our channel-check with industry players. This would likely lead to higher HPM prices. We think the impact to saprolite ore sellers (i.e. ANTM/INCO) to be limited, given that ore has been trading at a premium to HPM. Meanwhile, limonite ore sellers may benefit, as the new HPM could exceed current market prices, based on our channel-check; MBMA stands out as a key beneficiary, with around c.10mn wmt of limonite sold to 3rd party (i.e. Huayue Nickel Cobalt/HNC).

Nickel products export tax; negative headwind to the sector

With export tax set to be implemented ([news](#)), we conducted sensitivity analysis for every 1% increase in export tax (Fig 1&2). Among companies under our coverage, HRUM and INCO are the most exposed, followed by MBMA, NCKL, and ANTM. While details remain limited, based on earlier proposals (linked to energy costs and LME price), the export tax is likely to fall within the low to mid-single-digit percentage of revenue. However, further clarity on the regulation is needed to fully assess the impact.

Maintain Overweight rating with MBMA as top pick

We think the proposed export tax is partially priced in, as reflected in the recent knee-jerk reaction in nickel miners’ share prices. We maintain sector Overweight rating, with MBMA as our top pick, given its plan to conduct share buyback, supported by share buyback plan and ESG-focused HPAL operations, which are relatively insulated from sulphur shortages due to self-sufficiency from the AIM project. Key downside risk is a prolonged US-Iran conflict escalation, which could drive: (1) higher energy and sulphur costs, (2) sulphur shortages, and (3) demand destruction amid worsening macro uncertainty.

Fig. 1: Oil & Gas stocks under our coverage & recommendation

Company	NPI/FeNi	Nickel-matte	MHP
MBMA	Mostly sold domestically, to Indonesian Tsingshan Stainless Steel (ITSS)	Majority exported	Exported
NCKL	Exported		Exported
HRUM*	~90% exported	~65% exported	Would be exported (BSE)
INCO		Exported	Exported; but would only operate in 2H26F (Pomalaa HPAL)
ANTM	100% export		

*Based on 9M25 financial statement (FS)

Source: Bloomberg, Company data, Indo Premier

Fig. 2: Oil & Gas stocks under our coverage & recommendation

Company	NP (FY26F); NCKL & ANTM in Rp bn	Impact to NP (per 1% export tax)			Total impact to NP (%)
		NPI/FeNi	Matte	MHP	
MBMA	304	-0.2%	-1.4%	-0.7%	-2.3%
NCKL	14,837	-1.4%		-0.8%	-2.2%
HRUM	131		-3.8%	-0.6%	-4.4%
INCO	247		-2.8%		-2.8%
ANTM	8,171	-0.4%			-0.4%

Source: Bloomberg, Company data, Indo Premier

SECTOR RATINGS

- OVERWEIGHT : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY : Expected total return of 10% or more within a 12-month period
- HOLD : Expected total return between -10% and 10% within a 12-month period
- SELL : Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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