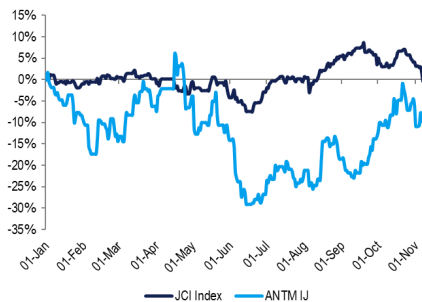


Stock Data

Target price	Rp2,000
Prior TP	Rp2,000
Current price	Rp1,530
Upside/downside	+31%
Shares outstanding (mn)	24,031
Market cap (Rp bn)	36,767
Free float	35%
Avg. 6m daily T/O (Rp bn)	172

Price Performance

	3M	6M	12M
Absolute	19.1%	-0.3%	-5.8%
Relative to JCI	18.9%	-2.8%	-12.6%
52w low/high (Rp)	1,210 – 1,810		



Major Shareholders

Mineral Industri Indonesia	65.0%
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Risk/reward profile skewed to the upside; re-iterate Buy rating

- We laid out our bear/base/bull case scenario for ANTM in FY25F, which will be mainly driven by nickel ore volume/ASP & gold-trading volume.
- Our scenario assessment indicated that risk/reward profile for ANTM is skewed to the upside as P/E can go as low as 7x in FY25F.
- Our of Rp2,000/share remain unchanged and we re-iterate our Buy rating on ANTM. ANTM currently trades at 10x FY25F P/E.

Key factors to watch in FY25F: nickel ore, gold-trading, and SGAR

In FY25F, ANTM’s performance is likely dictated by external/internal factors such as: 1) further RKAB approval for its nickel-ore business, 2) demand for domestic gold bars, and 3) unlocking bauxite ore sales (up to 3mn at SGAR full capacity) via SGAR plant commencement that is planned to commence operation by 2Q25F. In addition, elevated nickel-ore premium (US\$15-20/wmt) above benchmark price shall be positive for its ASP. Gold-trading volume and its trading-margin are also a key factor to watch next year given recently robust trading run-rate (c.400k oz in 3Q24) and c.6% EBIT margin.

FY25F: risk/reward skewed to the upside

We think risk/reward profile for ANTM is skewed to the upside, as in our bear-case scenario, ANTM is set to deliver Rp2.4tr NPAT in FY25F (15x P/E) by assuming no yearly growth in nickel-ore sales with US\$37/wmt ASP vs. US\$44wmt in 3Q24, c.25% decline in trading volume, and zero bauxite ore sales. Should ANTM be able to deliver higher volume and ASP as laid out in our bull-case scenario (Fig. 1), FY25F P/E can go as low as 7x. Positive tailwind shall also come from addl. margin on its gold-trading business through its sales agreement with Freeport (see details below).

Associate income from WBN shall improve on yoy basis in FY25F

We expect associate income from Weda Bay Nickel (WBN; 10% stake) to recover in FY25F following 32mn wmt ore quota approval for FY25F/26F with potential additional volume should WBN receive additional RKAB quota. Nonetheless, FY24F would become low-base for WBN – 9M24 ore sales volume declined by -42% yoy, vs. 40-42mn sales target initially. Hence, 29mn ore sales volume in FY25F shall imply that associate income is set to improve by +50% yoy, as per our estimates.

Maintain Buy rating with an unchanged TP of Rp2,000/share

We fine-tuned our FY24F-26F NP forecast by -1%/+1%/+3%, respectively, and hence maintain our Buy rating with unchanged multiples target based TP of Rp2,000/share. Key catalyst includes sustained NP delivery in upcoming quarters, which shall translate into higher P/E multiples. Lower LME nickel price is the key downside risks to share price.

Financial Summary (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Revenue	45,930	41,048	59,962	56,907	53,476
EBITDA	4,800	4,086	4,490	5,121	4,952
Net profit	3,821	3,078	2,991	3,651	3,585
EPS growth	105%	-19%	-3%	22%	-2%
ROE	16%	10%	10%	11%	11%
PER (x)	9.6	11.9	12.3	10.1	10.3
EV/EBITDA (x)	7.4	7.4	6.4	4.9	4.9
Dividend yield	3%	5%	8%	6%	7%
IPS vs. consensus			111%	106%	91%

Source: Company, Indo Premier

Share price closing as of: 11 November 2024

## FY25F bear/base/bull case scenario

**Bull** – we expect ANTM to record 13mn wmt ore sales as management aims to get additional RKAB quota approval in FY25F of up to 20mn wmt ore with c.2mn ore set to be used for internal ferronickel (FeNi) production. Albeit we expect the quota approval to be obtained within mid-FY25F, resulting in lower ore sales realization vs quota. Ore ASP is set at US\$44/wmt, following elevated ore premium against benchmark price (HPM). FeNi production/sales volume shall stand at 20kt in FY25F (estimated to be flat yoy) as management mentioned that its 13.5ktpa FeNi capacity in East Halmahera is set to be idle for FY25F.

On gold trading volume, we estimated ANTM to maintain its sales volume target flat yoy at 37 ton of sales with c.6% trading margin. Additionally, we expect ANTM's SGAR plant to start contributing to associate income by 2H25F, on-track with ANTM's target, which translated into bauxite ore sales of 1.5mn wmt.

**Base** – in our base-case, we expect ANTM to record 11mn wmt ore sales as ANTM has already gotten RKAB quota approval for 12mn wmt (implying 10mn ore sales volume) while we expect additional quota approval within FY25F for the addl. ore volume of 1mn wmt. Our ore ASP is set at US\$40/wmt taking into account lower ore premium albeit remain relatively elevated vs. previous quarters.

Similar with our bull-case, our FeNi production/sales volume is also set at 20kt, while we expect c.10% decline in gold-trading volume although ASP is set to remain elevated in FY25F at around US\$2.6k/oz. In our base-case, we estimated SGAR to start production by end of FY25F, hence, we expect associate loss contribution in FY25F following the ramp-up period, albeit ANTM would be able to partially offset the loss via bauxite ore sales of 0.5mn wmt, following 1-2 quarters timeline delay, as per our estimates.

**Bear** – we expect ANTM to record 9mn wmt ore sales, which was set at current ore-sales run-rate (~2.3mn wmt per quarter) and finished FY25F below their RKAB quota approval. ASP is set at US\$37/wmt, slight premium to HPM price, following lower ore premium recently as more RKAB quota is being approved. FeNi production/sales volume remained at 20kt, similar to our base and bull case, while gold trading volume is set to decline by 25% following high-base in FY24F. SGAR to start its contribution by FY26F due to potential delay in ramp-up which resulted in 0 bauxite ore sales to SGAR plant.

Fig. 1: Bear/Base/Bull case scenario

	Bear	Base	Bull
<b>Nickel segment</b>			
Nickel ore volume (mn w mt)	9.0	11.0	13.0
Nickel ore ASP (US\$/w mt)	37.0	40.0	44.0
FeNi sales volume (kt)	20.3	20.3	20.3
<b>Gold-trading</b>			
Gold-trading volume (oz)	895	1,062	1,182
Trading-margin (%)	6%	6%	6%
<b>Bauxite</b>			
Ore sales volume	0.0	0.5	1.5
<b>NPAT (Rp bn)</b>	<b>2,423</b>	<b>3,651</b>	<b>5,369</b>
<b>FY25F P/E @Rp1,530/share price</b>	<b>15.2</b>	<b>10.1</b>	<b>6.8</b>

Source: Bloomberg, Company data, Indo Premier estimates

## Freeport-ANTM gold-bar sales and purchase agreement

ANTM and Freeport Indonesia (PTFI) has recently signed gold-bar sales and purchase agreement of PTFI's 30 ton of gold-bar per annum. While the commerciality terms are yet to be disclosed (i.e. discount from market price), there are expected costs-savings of additional ~1-2% margin coming from insurance, transportation-related, and other costs related to import activities, that could be saved by purchasing gold from domestic players such as PTFI.

As PTFI's copper cathode smelter is currently experiencing disruption from the fire incidents, PTFI expect its smelter to restart in mid-FY25F and is currently seeking export quota for its copper concentrate. At the moment, PTFI's PMR smelter is unaffected by the incidents but as the copper cathode smelter yet to be ramped-up, PTFI's existing smelter, PT Smelting Gresik is set to provide anode-slime feed into PTFI's PMR smelter, albeit we think the volume would be relatively limited given the capacity difference between PT Smelting and PTFI's new smelter. Nonetheless, we now conservatively expect 30bps additional margin in FY25F from the sales & purchase agreement.

Fig. 2: Old vs New forecast

ANTM Rp bn	New forecast			Forecast change			Consensus			IPS vs Consensus		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Revenues	59,962	56,907	53,476	0%	3%	1%	51,218	51,133	51,373	117%	111%	104%
Gross profit	6,263	6,906	6,724	3%	3%	4%	5,956	7,056	7,743	105%	98%	87%
Operating profit	2,961	3,583	3,316	6%	6%	8%	2,261	3,407	3,890	131%	105%	85%
EBITDA	4,490	5,121	4,952	4%	4%	5%	3,774	4,425	4,991	119%	116%	99%
NPAT	2,991	3,651	3,585	-1%	2%	3%	2,697	3,436	3,945	111%	106%	91%
<b>%y-y</b>												
Revenues	46%	-5%	-6%				25%	0%	0%			
Gross profit	-1%	10%	-3%				-6%	18%	10%			
Operating profit	13%	21%	-7%				-14%	51%	14%			
EBITDA	10%	14%	-3%				-8%	17%	13%			
NPAT	-3%	22%	-2%				-12%	27%	15%			
Gross margin	10.4%	12.1%	12.6%	0.3%	0.0%	0.4%	11.6%	13.8%	15.1%	-1.2%	-1.7%	-2.5%
Operating margin	4.9%	6.3%	6.2%	0.3%	0.1%	0.4%	4.4%	6.7%	7.6%	0.5%	-0.4%	-1.4%
EBITDA margin	7.5%	9.0%	9.3%	0.3%	0.1%	0.4%	7.4%	8.7%	9.7%	0.1%	0.3%	-0.5%
NPAT margin	5.0%	6.4%	6.7%	0.0%	-0.1%	0.2%	5.3%	6.7%	7.7%	-0.3%	-0.3%	-1.0%

Source: Bloomberg, Indo Premier

Fig. 3: Operational data assumptions change

Basis	Old			New			Change (%)			
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	
<b>Sales volume</b>										
FeNi	kt Ni	17.9	20.3	20.8	17.9	20.3	20.8	0%	0%	0%
Nickel ore	mn w mt	8.0	12.0	12.0	8.0	11.0	12.0	0%	-8%	0%
Gold	000 toz	1,185	1,082	1,031	1,185	1,062	1,031	0%	-2%	0%
CGA	k ton	164	164	164	164	164	164	0%	0%	0%
Silver	000 toz	270	245	235	282	256	246	4%	4%	4%
Bauxite ore	mn w mt	0.0	1.8	1.8	0.0	0.5	2.5	0%	-71%	43%
<b>Average selling price (ASP)</b>										
FeNi	US\$/ton	13,500	13,250	13,250	13,500	13,250	13,250	0%	0%	0%
Nickel ore	US\$/w mt	42.0	37.0	37.0	42.0	39.0	37.0	0%	5%	0%
Gold	US\$/oz	1,185	1,082	1,031	1,185	1,062	1,031	0%	-2%	0%
CGA	US\$/ton	651	651	651	651	651	651	0%	0%	0%
Silver	US\$/oz	21.6	22.0	22.0	29.0	28.0	28.0	35%	27%	27%
Bauxite ore	US\$/w mt	24.2	24.2	24.2	24.2	24.2	24.2	0%	0%	0%

Source: Bloomberg, Indo Premier

Fig. 4: Peers comparison table

Ticker	Company	Rating	Target price (Rp/share)	P/E			EV/EBITDA			Dividend yield (%)		
				24F	25F	26F	24F	25F	26F	24F	25F	26F
ADMIR IJ	Adaro Minerals Indonesia	Buy	1,650	8.7	8.4	6.7	7.4	8.1	7.3	N/A	N/A	N/A
ANTM IJ	Aneka Tambang	Buy	2,000	12.3	10.1	10.3	6.4	4.9	4.9	8.4%	6.1%	7.4%
HRUM IJ	Harum Energy	Hold	1,450	7.8	7.9	6.1	4.8	5.8	3.9	N/A	N/A	N/A
INCO IJ	Vale Indonesia	Buy	5,850	27.6	25.7	37.6	5.9	6.6	7.1	N/A	N/A	N/A
MBMA IJ	Merdeka Battery Materials	Buy	635	125.0	28.9	17.4	23.9	10.7	7.7	N/A	N/A	N/A
MDKA IJ	Merdeka Copper Gold	Buy	3,100	N/A	327.6	60.3	15.0	9.8	7.5	N/A	N/A	N/A
NCKL IJ	Trimegah Bangun Persada	Buy	1,050	9.5	7.4	6.5	6.9	5.1	4.6	3.1%	3.2%	4.1%

Source: Bloomberg, Indo Premier

Income Statement (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Net revenue	45,930	41,048	59,962	56,907	53,476
Cost of sales	(37,720)	(34,733)	(53,699)	(50,001)	(46,751)
<b>Gross profit</b>	<b>8,211</b>	<b>6,315</b>	<b>6,263</b>	<b>6,906</b>	<b>6,724</b>
SG&A Expenses	(4,269)	(3,698)	(3,301)	(3,323)	(3,409)
<b>Operating profit</b>	<b>3,942</b>	<b>2,617</b>	<b>2,961</b>	<b>3,583</b>	<b>3,316</b>
Net interest	(296)	(43)	220	289	364
Income from associates	931	947	449	682	724
Others	638	334	0	0	0
<b>Pre-tax income</b>	<b>5,215</b>	<b>3,854</b>	<b>3,630</b>	<b>4,555</b>	<b>4,403</b>
Income tax	(1,394)	(777)	(640)	(903)	(819)
Minority interest	(0)	(0)	0	0	0
<b>Net income</b>	<b>3,821</b>	<b>3,078</b>	<b>2,991</b>	<b>3,651</b>	<b>3,585</b>

Balance Sheet (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	4,476	9,209	9,991	13,620	14,710
Receivable	1,833	1,094	1,598	1,517	1,426
Inventory	2,906	3,470	5,365	5,556	5,195
Other current assets	2,480	6,291	809	737	737
<b>Total current assets</b>	<b>11,695</b>	<b>20,065</b>	<b>17,763</b>	<b>21,429</b>	<b>22,066</b>
Fixed assets	16,472	16,183	15,914	15,636	15,262
Other non-current assets	5,471	6,604	7,833	8,245	8,636
<b>Total non-current assets</b>	<b>21,942</b>	<b>22,787</b>	<b>23,747</b>	<b>23,881</b>	<b>23,898</b>
<b>Total assets</b>	<b>33,637</b>	<b>42,851</b>	<b>41,510</b>	<b>45,310</b>	<b>45,965</b>
ST loans	189	1,002	500	500	500
Payable	1,302	1,550	2,396	2,231	2,086
Other payables	0	0	0	0	0
Current portion of LT loans	0	0	0	0	0
Other current liabilities	4,481	6,025	3,131	5,524	5,297
<b>Total current liab.</b>	<b>5,972</b>	<b>8,576</b>	<b>6,027</b>	<b>8,255</b>	<b>7,883</b>
Long term loans	2,082	881	1,506	1,506	1,506
Other LT liab.	1,871	2,228	2,870	3,034	3,214
<b>Total non-current liabilities</b>	<b>3,954</b>	<b>3,109</b>	<b>4,376</b>	<b>4,539</b>	<b>4,720</b>
<b>Total liabilities</b>	<b>9,925</b>	<b>11,686</b>	<b>10,403</b>	<b>12,794</b>	<b>12,603</b>
Equity	6,338	12,099	12,099	12,099	12,099
Retained earnings	13,143	14,390	14,303	15,711	16,557
Minority interest	4,232	4,677	4,705	4,705	4,705
<b>Total SHE + minority int.</b>	<b>23,712</b>	<b>31,166</b>	<b>31,107</b>	<b>32,516</b>	<b>33,362</b>
<b>Total liabilities &amp; equity</b>	<b>33,637</b>	<b>42,851</b>	<b>41,510</b>	<b>45,310</b>	<b>45,965</b>

Source: Company, Indo Premier

Cash Flow Statement (US\$ mn)	2022A	2023A	2024F	2025F	2026F
Net income	3,517	3,410	2,681	4,456	3,525
Depr. & amortization	858	1,469	1,489	1,497	1,593
Changes in working capital	167	(2,118)	1,885	1,386	140
Others	0	0	0	0	0
<b>Cash flow from operating</b>	<b>4,542</b>	<b>2,761</b>	<b>6,055</b>	<b>7,339</b>	<b>5,259</b>
Capital expenditure	(432)	(1,297)	(1,204)	(1,162)	(1,162)
Others	(916)	(600)	(518)	(306)	(269)
<b>Cash flow from investing</b>	<b>(1,348)</b>	<b>(1,897)</b>	<b>(1,722)</b>	<b>(1,467)</b>	<b>(1,430)</b>
Loans	(2,860)	(507)	(502)	0	0
Equity	4	6,206	28	0	0
Dividends	(931)	(1,910)	(3,078)	(2,243)	(2,739)
Others	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(3,787)</b>	<b>3,789</b>	<b>(3,551)</b>	<b>(2,243)</b>	<b>(2,739)</b>
<b>Changes in cash</b>	<b>(594)</b>	<b>4,652</b>	<b>782</b>	<b>3,629</b>	<b>1,090</b>

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	18%	15%	10%	12%	13%
Operating margin	9%	6%	5%	6%	6%
Pre-tax margin	11%	9%	6%	8%	8%
Net margin	8%	7%	5%	6%	7%
ROA	11%	7%	7%	8%	8%
ROE	16%	10%	10%	11%	11%
Acct. receivables TO (days)	25.1	37.5	37.5	37.5	37.5
Inventory TO (days)	13.0	10.0	10.0	9.0	9.0
Payable TO (days)	29.0	22.4	22.4	22.4	22.4
Debt to equity	0.1	0.1	0.1	0.1	0.1
Interest coverage ratio (x)	10.3	12.2	14.5	19.0	17.6
Net gearing	(0.1)	(0.2)	(0.3)	(0.4)	(0.4)

Source: Company, Indo Premier