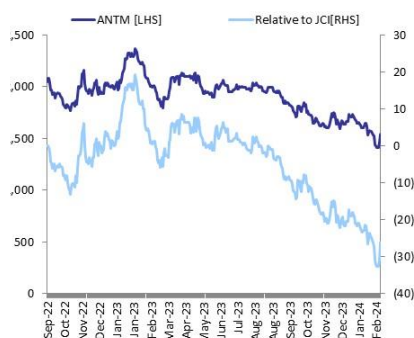


Buy

(Maintained)

Last Price (Rp)	1,540
Target Price (Rp)	2,100
Previous Target Price (Rp)	1,960
Upside/Downside	+36.3%
No. of Shares (mn)	24,031
Mkt Cap (Rpbn/US\$mn)	37,007/2,369
Avg, Daily T/O (Rpbn/US\$mn)	69.7/4.5
Free Float (%)	34.9
Major Shareholder (%)	
Inalum	65.0
EPS Consensus (Rp)	
	2023F 2024F 2025F
BRIDS	145.7 151.1 152.2
Consensus	155.3 145.9 149.3
BRIDS/Cons (%)	(6.2) 3.6 1.9

ANTM relative to JCI Index



Source: Bloomberg

Aneka Tambang (ANTM IJ)

Expect soaring nickel ore volume to provide a cushion against declining nickel prices

- We expect ANTM to book higher ore sales volume in FY24F to 15 mn tons (+28% yoy) vs. our previous est. of 11 mn tons.
- We raised FY23F earnings forecast by 14.7% to Rp3.6tn due to one-off gains of Rp600bn booked in 4Q23.
- Maintain Buy rating with higher TP of Rp2,100. ANTM's nickel ore segment should provide a cushion against low FeNi prices.

Expect nickel ore segment to record strong volume growth in FY24F

ANTM booked nickel ore sales volume of 11.7mn tons in FY23 (broadly in line with our estimate of 11 mn tons), but well above their previous target of 9.4mn tons. We believe ANTM's nickel ore sales volume will remain strong in FY24F as demand for ore should remain intact while supply may tighten due to stricter mining supervision from the government. Against this backdrop, we raise our FY24F nickel ore sales volume assumption by 36.4% to 15mn tons as we see its production capacity is sufficient to seize on the growing demand opportunity. This leads to our higher FY24F earnings of Rp3.6tn (up 22.7% from our previous est).

One-off gains of Rp600bn booked in 4Q23

ANTM divested FHT to HKCBL, with the latter purchasing 10% of ANTM's shares in FHT and the entire 50% shareholding in FHT held by International Mineral Capital (IMC), ANTM's wholly owned subsidiary. The value of the transaction reached Rp781.2 bn, with Rp130.2 bn for the 10% ownership of ANTM's direct shareholding in FHT and Rp651 bn for the 50% ownership of IMC's shares in FHT. The management indicated that ANTM would record one-off gains of Rp599bn in 4Q23. As a result, our 2023F earnings forecast was raised to Rp3.6 tn, up 14.7% from our previous est.

PKPU case suspension may potentially result in provision reversals

ANTM announced the withdrawal of the Suspension of Debt Payment Obligation (PKPU) lawsuit and as such, the legal process between ANTM and a Surabayan businessman has now ended and ANTM is freed from all liabilities arising from the PKPU lawsuit. This may potentially trigger a reversal of provisions.

Maintain Buy rating with higher TP of Rp2,100

At this stage, as we raise our earnings forecasts, we also upgraded our TP to Rp2,100 (Prev.Rp1,960) and maintain our Buy recommendation on ANTM as we believe the company's nickel ore segment should provide a cushion against low FeNi prices. Key risks to our call are lower nickel prices and further impairments to its nickel assets due to low nickel prices.

Key Financials

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
Revenue (Rpbn)	38,446	45,930	40,053	43,806	44,548
EBITDA (Rpbn)	3,796	5,029	4,524	4,838	5,018
EBITDA Growth (%)	21.4	32.5	(10.0)	6.9	3.7
Net Profit (Rpbn)	1,984	3,821	3,501	3,632	3,658
EPS Growth (%)	72.6	92.6	(8.4)	3.8	0.7
BVPS (Rp)	867.1	986.7	1,132.4	1,283.6	1,435.8
PER (x)	18.7	9.7	10.6	10.2	10.1
PBV (x)	1.8	1.6	1.4	1.2	1.1
EV/EBITDA	9.9	7.5	8.8	7.8	6.9

Source: ANTM, BRIDS Estimates

BRI Danareksa Sekuritas Analysts

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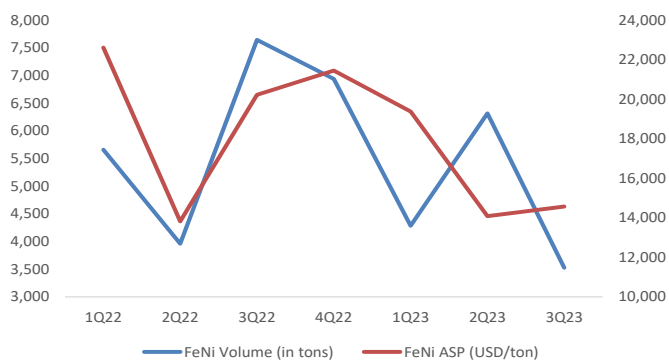
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Exhibit 1. Earnings forecasts changes

	2023F		2024F		2025F		Changes		
	Old	New	Old	New	Old	New	2023F	2024F	2025F
Revenue	40,053	40,053	41,509	43,806	41,713	44,548	0.0%	5.5%	6.8%
Gross Profit	7,182	7,182	7,111	8,186	7,729	8,450	0.0%	15.1%	9.3%
EBITDA	4,524	4,524	3,941	4,838	4,517	5,018	0.0%	22.8%	11.1%
Net Profit	3,051	3,501	2,959	3,632	3,282	3,658	14.7%	22.7%	11.4%
Gross Margin	17.9%	17.9%	17.1%	18.7%	18.5%	19.0%			
EBITDA Margin	11.3%	11.3%	9.5%	11.0%	10.8%	11.3%			
Net Margin	7.6%	8.7%	7.1%	8.3%	7.9%	8.2%			

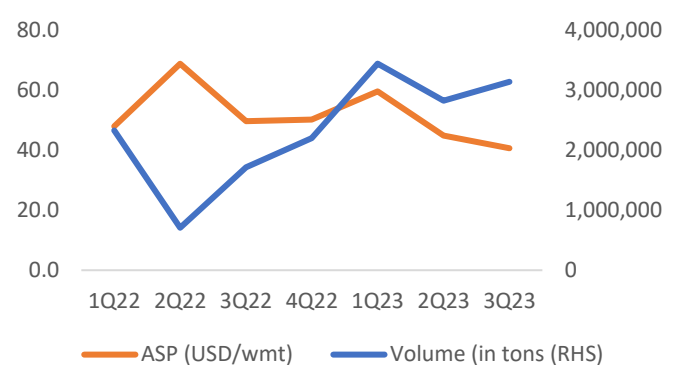
Source: Company BRIDS Estimates

Exhibit 2. FeNi volume vs ASP trend



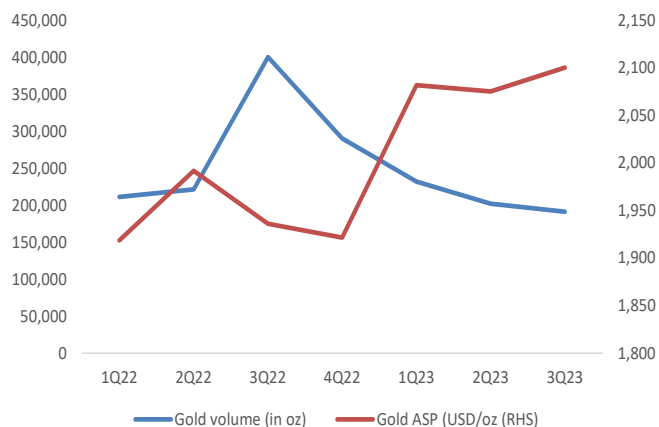
Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 3. Nickel ore sales volume vs ASP



Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 4. Gold sales volume vs ASP



Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 5. Valuation

FCF	=	25,627.7
Terminal Value	=	24,355.2
Enterprise value	=	49,982.9
Net debt	=	(488.8)
Value of equity	=	50,471.7
No of shares (billion)	=	24.0

Price per share	=	2,100
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Source: Company, BRI Danareksa Sekuritas estimates

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2021A	2022A	2023F	2024F	2025F
Revenue	38,446	45,930	40,053	43,806	44,548
COGS	(32,087)	(37,720)	(32,872)	(35,621)	(36,098)
Gross profit	6,359	8,211	7,182	8,186	8,450
EBITDA	3,796	5,029	4,524	4,838	5,018
Oper. profit	2,738	3,942	3,409	3,694	3,846
Interest income	90	85	90	94	99
Interest expense	(359)	(381)	(362)	(344)	(327)
Forex Gain/(Loss)	61	0	0	0	0
Income From Assoc. Co's	453	931	1,554	1,399	1,259
Other Income (Expenses)	184	638	(22)	0	0
Pre-tax profit	3,166	5,215	4,668	4,843	4,877
Income tax	(1,182)	(1,394)	(1,167)	(1,211)	(1,219)
Minority interest	0	0	0	0	0
Net profit	1,984	3,821	3,501	3,632	3,658
Core Net Profit	1,923	3,821	2,902	3,632	3,658

Exhibit7. Balance Sheet

Year to 31 Dec (Rpbn)	2021A	2022A	2023F	2024F	2025F
Cash & cash equivalent	5,089	4,476	4,148	6,665	9,833
Receivables	1,945	2,346	2,442	2,671	2,716
Inventory	3,107	2,906	3,182	3,360	3,295
Other Curr. Asset	1,587	1,966	960	1,072	1,079
Fixed assets - Net	16,864	16,472	22,327	23,183	24,011
Other non-curr.asset	4,324	5,471	6,574	6,761	6,756
Total asset	32,916	33,637	39,633	43,712	47,690
ST Debt	1,129	2,004	281	308	332
Payables	1,399	1,302	1,171	1,366	1,483
Other Curr. Liabilities	4,034	2,667	2,833	2,875	3,011
Long Term Debt	4,569	2,974	6,786	6,856	6,880
Other LT. Liabilities	948	979	1,349	1,462	1,482
Total Liabilities	12,079	9,925	12,420	12,867	13,187
Shareholder's Funds	20,837	23,712	27,213	30,845	34,503
Minority interests	0	0	0	0	0
Total Equity & Liabilities	32,916	33,637	39,633	43,712	47,690

Exhibit 8. Cash Flow

Year to 31 Dec (Rpbn)	2021A	2022A	2023F	2024F	2025F
Net income	1,984	3,821	3,501	3,632	3,658
Depreciation and Amort.	1,111	1,138	1,164	0	0
Change in Working Capital	(303)	(1,132)	670	0	0
Other Oper. Cash Flow	1,957	(914)	(717)	250	228
Operating Cash Flow	4,748	2,912	4,618	3,882	3,886
Capex	(2,000)	(2,000)	(2,000)	0	0
Others Inv. Cash Flow	1,673	534	(5,043)	94	99
Investing Cash Flow	(327)	(1,466)	(7,043)	94	99
Net change in debt	(2,804)	(727)	2,008	0	0
New Capital	312	4	0	0	0
Dividend payment	(460)	(794)	(1,910)	0	0
Other Fin. Cash Flow	(345)	(342)	89	(344)	(327)
Financing Cash Flow	(3,297)	(1,859)	186	(344)	(327)
Net Change in Cash	1,125	(412)	(2,239)	3,632	3,658
Cash - begin of the year	3,984	5,089	4,476	4,148	6,665
Cash - end of the year	5,089	4,476	4,148	6,665	9,833

Exhibit 9. Key Ratio

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
Growth (%)					
Sales	40.5	19.5	(12.8)	9.4	1.7
EBITDA	21.4	32.5	(10.0)	6.9	3.7
Operating profit	34.7	44.0	(13.5)	8.4	4.1
Net profit	72.6	92.6	(8.4)	3.8	0.7
Profitability (%)					
Gross margin	16.5	17.9	17.9	18.7	19.0
EBITDA margin	9.9	10.9	11.3	11.0	11.3
Operating margin	7.1	8.6	8.5	8.4	8.6
Net margin	5.2	8.3	8.7	8.3	8.2
ROAA	6.1	11.5	9.6	8.7	8.0
ROAE	9.9	17.2	13.7	12.5	11.2
Leverage					
Net Gearing (x)	0.0	0.0	0.1	0.0	(0.1)
Interest Coverage (x)	7.6	10.3	9.4	10.7	11.8

Source : ANTM, BRIDS Estimates

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INVESTMENT RATING

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

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