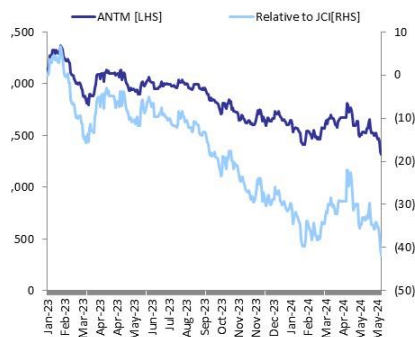


# Buy

(Maintained)

Last Price (Rp)	1,315
Target Price (Rp)	2,000
Previous Target Price (Rp)	2,000
Upside/Downside	+52.1%
No. of Shares (mn)	24,031
Mkt Cap (Rpbn/US\$mn)	31,600/1,943
Avg, Daily T/O (Rpbn/US\$mn)	86.1/5.3
Free Float (%)	34.9
Major Shareholder (%)	
MIND ID	65.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	120.3 107.7 100.9
Consensus	102.8 138.5 153.5
BRIDS/Cons (%)	17.0 (22.2) (34.3)

## ANTM relative to JCI Index



Source: Bloomberg

# Aneka Tambang (ANTM IJ)

## Positive update from the meeting with ANTM's CFO

- ANTM is hopeful of further RKAB approval by July based on the release of PP no.25.
- Cost savings are sought at both FeNi plants (Pomalaa and P3FH) from switching energy sources that will lead to c.8-12% lower cash costs.
- Maintain Buy on ANTM with an unchanged TP of Rp2,000. Key risks include lower commodity prices, lower utilization, and project delays.

### Potential tailwinds from possible RKAB approval

In our meeting, ANTM's management is hopeful that RKAB approval could materialize by July for SDA and NKA mines due to the release of PP no.25 at the end of May24, which allows the concession holder to operate if it has at least 30% ownership in downstream activities. This should qualify SDA/NKA as the mines are majority owned by ANTM, and ANTM owns 40% of FHT and 30% of HPAL JVco. With possible RKAB approval in July, we estimate that ANTM could record 13-14wmt of sales in FY24 (vs. our base-case assumption of 12wmt).

### EV battery projects are progressing

ANTM and CBL (CATL group) are currently working on debt financing for FHT's RKEF smelter before it proceeds further with EPC work in 1Q25, construction by mid-2025 and expected operation by early FY27. Note that ANTM received proceeds of Rp7tn during the spin-off of SDA and FHT, which will be used for equity injection in FHT and HPAL JVco that is scheduled to start roughly one year after FHT. Moreover, the management expects a future tenant in FHT's industrial park to develop CFPP to power FHT, HPAL JVco, as well as ANTM's P3FH FeNi smelter.

### Cost saving efforts to improve the economics of the FeNi projects

ANTM aims to reduce energy costs for both of its FeNi smelters by switching the power source to a cheaper alternative. Pomalaa FeNi will switch to PLN's grid starting in October. This should result in a decline in its electricity costs by 40% to Rp990/kWh. Meanwhile, its P3FH smelter is planned to use Pomalaa's diesel power before eventually shifting to the CFPP in the FHT industrial park, which would significantly reduce costs from c. Rp2k/kWh to c. Rp1.1k/kWh. Should power switching proceed smoothly, we shall see a notable reduction in the cash cost to c.US\$11k/ton from US\$12-12.5k/ton previously.

### Reiterate our Buy rating with a TP of Rp2,000

We reiterate our Buy rating with an unchanged TP of Rp2,000 based on FY24F PE of 16.6x, equal to -0.5x std of its forward PE band. Key risks to our call include lower nickel prices, a lower utilization rate, and project execution delays.

### Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	45,930	41,048	40,979	46,355	46,833
EBITDA (Rpbn)	4,756	4,022	4,203	3,834	3,620
Net Profit (Rpbn)	3,821	3,078	2,892	2,588	2,424
EPS (Rp)	159.0	128.1	120.3	107.7	100.9
BVPS (Rp)	986.7	1,275.2	1,267.9	1,316.0	1,363.5
DPS (Rp)	33.0	63.6	0.0	0.0	0.0
PER (x)	8.3	10.3	10.9	12.2	13.0
PBV (x)	1.3	1.0	1.0	1.0	1.0
Dividen yield (%)	2.5	4.8	0.0	0.0	0.0
EV/EBITDA	6.2	6.0	5.9	6.4	6.5

Source: ANTM, BRIDS Estimates

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Exhibit 1. PE Band



Exhibit 2. Revenue and Growth

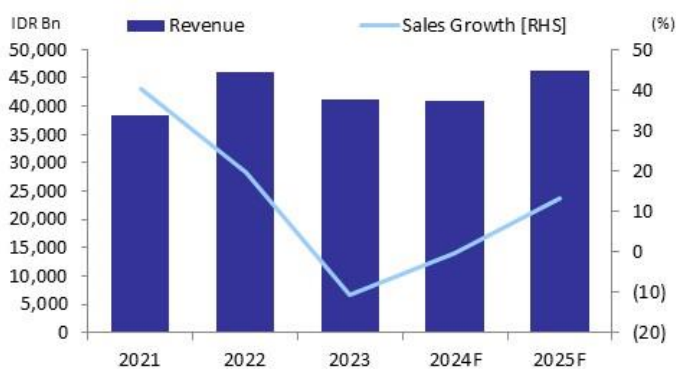


Exhibit 3. Net Profit and Growth



Exhibit 4. Margins

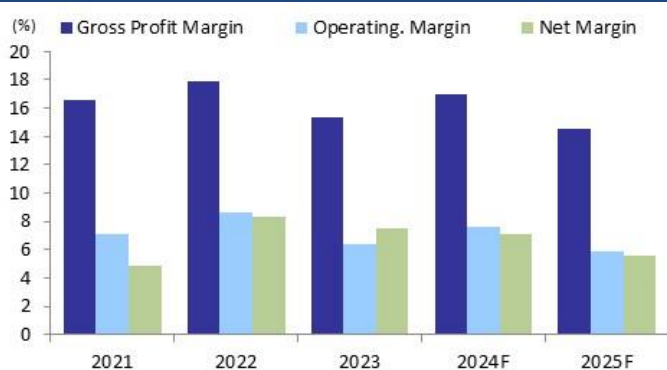
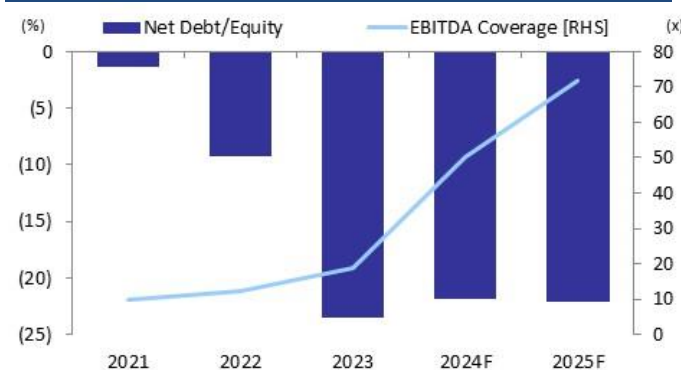


Exhibit 5. Gearing Level



**Exhibit 6. Income Statement**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
<b>Revenue</b>	<b>45,930</b>	<b>41,048</b>	<b>40,979</b>	<b>46,355</b>	<b>46,833</b>
COGS	(37,720)	(34,733)	(34,018)	(39,615)	(40,151)
<b>Gross profit</b>	<b>8,211</b>	<b>6,315</b>	<b>6,962</b>	<b>6,741</b>	<b>6,682</b>
<b>EBITDA</b>	<b>4,756</b>	<b>4,022</b>	<b>4,203</b>	<b>3,834</b>	<b>3,620</b>
<b>Oper. profit</b>	<b>3,942</b>	<b>2,617</b>	<b>3,108</b>	<b>2,723</b>	<b>2,493</b>
Interest income	85	172	354	320	294
Interest expense	(381)	(215)	(84)	(54)	(8)
Forex Gain/(Loss)	564	(221)	(221)	(221)	(221)
Income From Assoc. Co's	931	947	500	500	500
Other Income (Expenses)	74	555	50	50	50
<b>Pre-tax profit</b>	<b>5,215</b>	<b>3,854</b>	<b>3,707</b>	<b>3,318</b>	<b>3,108</b>
Income tax	(1,394)	(777)	(816)	(730)	(684)
Minority interest	0	0	0	0	0
<b>Net profit</b>	<b>3,821</b>	<b>3,078</b>	<b>2,892</b>	<b>2,588</b>	<b>2,424</b>
<b>Core Net Profit</b>	<b>3,257</b>	<b>3,299</b>	<b>3,113</b>	<b>2,810</b>	<b>2,646</b>

**Exhibit 7. Balance Sheet**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	4,476	9,209	8,317	7,655	7,706
Receivables	2,346	1,489	1,973	2,198	2,238
Inventory	2,906	3,470	2,993	3,486	3,533
Other Curr. Asset	1,966	5,897	6,192	6,501	6,826
Fixed assets - Net	16,472	16,183	15,728	15,257	14,770
Other non-curr.asset	5,471	6,604	6,851	7,125	7,430
<b>Total asset</b>	<b>33,637</b>	<b>42,851</b>	<b>42,053</b>	<b>42,222</b>	<b>42,503</b>
ST Debt	189	1,002	0	0	0
Payables	1,780	2,000	1,581	1,779	1,811
Other Curr. Liabilities	4,003	5,575	5,644	5,466	5,294
Long Term Debt	2,082	881	1,548	622	(303)
Other LT. Liabilities	1,871	2,228	2,355	2,477	2,608
<b>Total Liabilities</b>	<b>9,925</b>	<b>11,686</b>	<b>11,127</b>	<b>10,345</b>	<b>9,409</b>
Shareholder's Funds	23,712	30,643	30,469	31,624	32,766
Minority interests	0	522	457	253	328
<b>Total Equity &amp; Liabilities</b>	<b>33,637</b>	<b>42,851</b>	<b>42,053</b>	<b>42,222</b>	<b>42,503</b>

**Exhibit 8. Cash Flow**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	3,821	3,078	2,892	2,588	2,424
Depreciation and Amort.	756	1,966	1,095	1,110	1,126
Change in Working Capital	(334)	786	(400)	(493)	(27)
Other Oper. Cash Flow	(644)	(3,398)	(399)	(441)	(476)
<b>Operating Cash Flow</b>	<b>3,599</b>	<b>2,432</b>	<b>3,187</b>	<b>2,764</b>	<b>3,048</b>
Capex	(402)	(1,574)	(536)	(536)	(536)
Others Inv. Cash Flow	0	0	0	0	0
<b>Investing Cash Flow</b>	<b>(402)</b>	<b>(1,574)</b>	<b>(536)</b>	<b>(536)</b>	<b>(536)</b>
Net change in debt	(2,863)	(501)	(412)	(1,253)	(1,253)
New Capital	4	6,206	(54)	(192)	87
Dividend payment	(931)	(1,910)	(3,078)	(1,446)	(1,294)
Other Fin. Cash Flow	(19)	80	0	0	0
<b>Financing Cash Flow</b>	<b>(3,809)</b>	<b>3,875</b>	<b>(3,543)</b>	<b>(2,891)</b>	<b>(2,460)</b>
<b>Net Change in Cash</b>	<b>(613)</b>	<b>4,732</b>	<b>(892)</b>	<b>(662)</b>	<b>52</b>
Cash - begin of the year	5,089	4,476	9,209	8,317	7,655
Cash - end of the year	4,476	9,209	8,317	7,655	7,706

**Exhibit 9. Key Ratio**

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
<b>Growth (%)</b>					
Sales	19.5	(10.6)	(0.2)	13.1	1.0
EBITDA	32.4	(15.4)	4.5	(8.8)	(5.6)
Operating profit	44.0	(33.6)	18.8	(12.4)	(8.5)
Net profit	105.2	(19.5)	(6.0)	(10.5)	(6.3)
<b>Profitability (%)</b>					
Gross margin	17.9	15.4	17.0	14.5	14.3
EBITDA margin	10.4	9.8	10.3	8.3	7.7
Operating margin	8.6	6.4	7.6	5.9	5.3
Net margin	8.3	7.5	7.1	5.6	5.2
ROAA	11.5	8.0	6.8	6.1	5.7
ROAE	17.2	11.3	9.5	8.3	7.5
<b>Leverage</b>					
Net Gearing (x)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Interest Coverage (x)	10.3	12.2	37.2	50.9	316.7

Source : ANTM, BRIDS Estimates

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

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