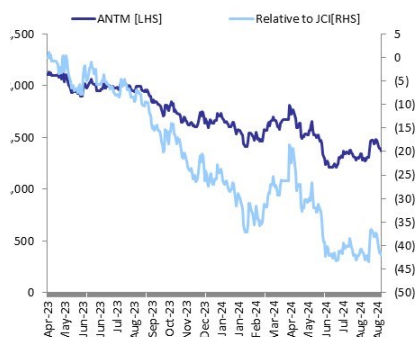


Buy

(Maintained)

Last Price (Rp)	1,370
Target Price (Rp)	2,000
Previous Target Price (Rp)	2,000
Upside/Downside	+46.0%
No. of Shares (mn)	24,031
Mkt Cap (Rpbn/US\$mn)	32,922/2,121
Avg, Daily T/O (Rpbn/US\$mn)	99.6/6.4
Free Float (%)	34.9
Major Shareholder (%)	
MIND ID	65.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	120.3 107.7 100.9
Consensus	101.8 131.8 137.6
BRIDS/Cons (%)	18.2 (18.3) (26.7)

ANTM relative to JCI Index



Source: Bloomberg

Aneka Tambang (ANTM IJ)

Upbeat 3Q24 Operational Outlook

- We expect ANTM to deliver improvements in its 3Q24 operational performance, mainly from FeNi, Ore, and Gold sales.
- Gag Nickel's CSPA to acquire a minority stake in Tsingshan's RKEF may represent best option to fulfill its downstream investment requirement.
- Maintain Buy on ANTM with an unchanged TP of Rp2,000. Key risks include lower commodity prices, lower utilization, and project delays.

Positive outlook for 3Q24 operational performance

We are upbeat on ANTM's 3Q24 operational performance as it plans to offload 3.4kt of Ferronickel inventory that was unsold in 2Q24, in addition to its production run rate of 5kt. Furthermore, with the approval of SDA's RKAB in Jun24, we expect stronger nickel ore sales from 700kt/mo in 1H24 vs. 1-1.1Mt/mo in 2H24. Finally, we expect gold sales to remain robust due to higher demand and buybacks from the retail segment. Overall, we believe the acceleration of sales volume in 3Q24 could reach our FY24F target (nickel ore: 10wmt, FeNi: 20kt, gold sales volume: 28 tonnes).

Rising nickel ore price is a boon for revenue and margins

ANTM has been selling nickel ore at a slight premium of US\$1-3/ ton in 6M24. However, due to the shortage of ores in Sulawesi and Maluku, premiums over benchmark price have considerably risen since 2Q24. Thus, we believe that ANTM could capitalize on the situation and increase its premium from its customers. As the situation persists, we estimate its ore ASP could further rise above the benchmark price for the remainder of the year. When paired with rising production, we believe its ore sales revenue portion could grow from 8.4% in 1H24 to 15% in 2H24, effectively boosting NPM from 6.7% to 10%, translating to c.15% upside from our FY24F estimate.

Positive view on acquisition of RKEF minority stake

ANTM's subsidiary, Gag Nickel, has signed a CSPA with a subsidiary of Tsingshan on a possible minority investment stake in an RKEF smelter as part of a downstream investment requirement for a concession holder. Assuming a fair valuation of the stake, we believe this investment represents a better option compared to building a new smelter or acquiring a major stake in existing smelters, given the minimal capital spending. Furthermore, the acquisition could provide a captive supply of ore to its smelter, minimizing supply risk.

Reiterate our Buy rating with an unchanged TP of Rp2,000

We reiterate our **Buy** rating on the potential operational and earnings improvement in 2H24. Our TP of Rp2,000 is unchanged, 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)	8.6	10.7	11.4	12.7	13.6
PBV (x)	1.4	1.1	1.1	1.0	1.0
Dividen yield (%)	2.4	4.6	0.0	0.0	0.0
EV/EBITDA	6.5	6.4	6.2	6.8	6.9

Source: ANTM, BRIDS Estimates

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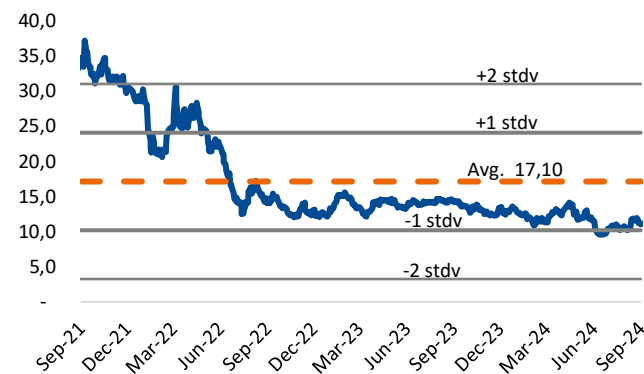
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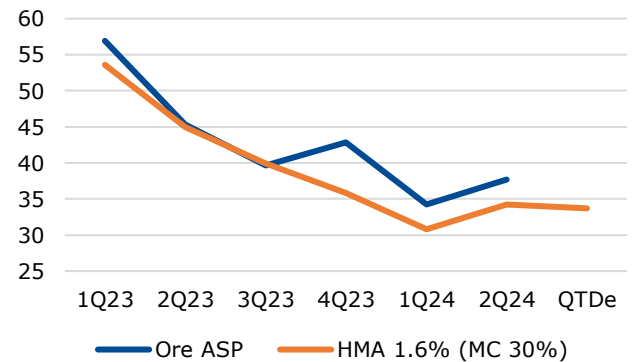
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Exhibit 1. ANTM P/E Band



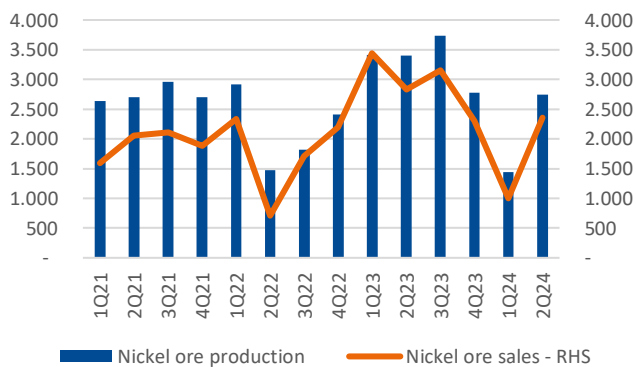
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. ANTM's nickel ore ASP vs. benchmark



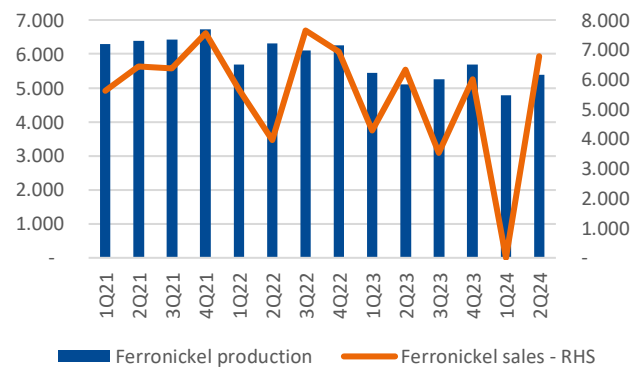
Source: Company, BRIDS Estimates

Exhibit 3. Nickel Ore production and sales volume (Wmt)



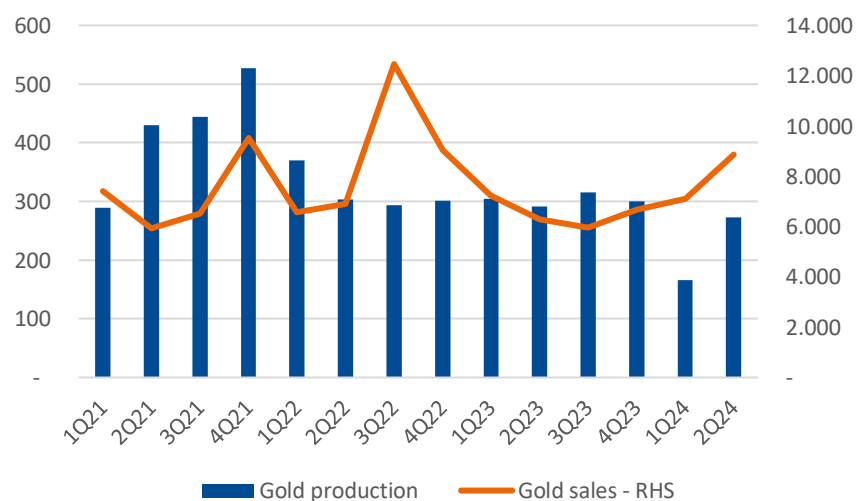
Source: Company, BRIDS

Exhibit 4. FeNi production and sales volume (Ton)



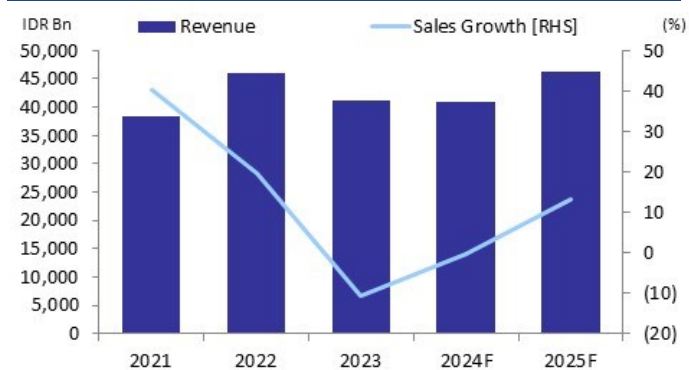
Source: Company, BRIDS

Exhibit 5. Gold production and sales volume (Kg)



Source: Company, BRIDS

Exhibit 6. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 7. Net Profit and Growth



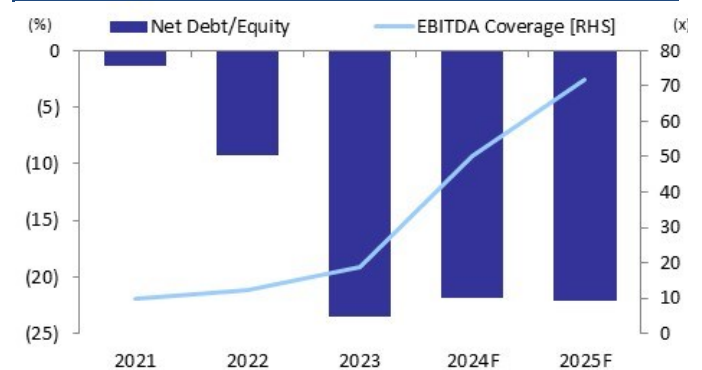
Source: Company, BRIDS Estimates

Exhibit 8. Margins



Source: Company, BRIDS Estimates

Exhibit 9. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 10. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	45,930	41,048	40,979	46,355	46,833
COGS	(37,720)	(34,733)	(34,018)	(39,615)	(40,151)
Gross profit	8,211	6,315	6,962	6,741	6,682
EBITDA	4,756	4,022	4,203	3,834	3,620
Oper. profit	3,942	2,617	3,108	2,723	2,493
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
Pre-tax profit	5,215	3,854	3,707	3,318	3,108
Income tax	(1,394)	(777)	(816)	(730)	(684)
Minority interest	0	0	0	0	0
Net profit	3,821	3,078	2,892	2,588	2,424
Core Net Profit	3,257	3,299	3,113	2,810	2,646

Exhibit 11. 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
Total asset	33,637	42,851	42,053	42,222	42,503
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
Total Liabilities	9,925	11,686	11,127	10,345	9,409
Shareholder's Funds	23,712	30,643	30,469	31,624	32,766
Minority interests	0	522	457	253	328
Total Equity & Liabilities	33,637	42,851	42,053	42,222	42,503

Exhibit 12. 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)
Operating Cash Flow	3,599	2,432	3,187	2,764	3,048
Capex	(402)	(1,574)	(536)	(536)	(536)
Others Inv. Cash Flow	0	0	0	0	0
Investing Cash Flow	(402)	(1,574)	(536)	(536)	(536)
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
Financing Cash Flow	(3,809)	3,875	(3,543)	(2,891)	(2,460)
Net Change in Cash	(613)	4,732	(892)	(662)	52
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 13. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
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)
Profitability (%)					
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
Leverage					
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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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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