

Buy

(Maintained)

Aneka Tambang (ANTM IJ)

Upside potentials from ore sales to boost FY25 earnings

Last Price (Rp)	1,575
Target Price (Rp)	2,000
Previous Target Price (Rp)	2,000
Upside/Downside	+27.0%

No. of Shares (mn)	24,031
Mkt Cap (Rpbn/US\$mn)	37,848/2,405
Avg, Daily T/O (Rpbn/US\$mn)	122.0/7.8
Free Float (%)	34.9

Major Shareholder (%)	
MIND ID	65.0

EPS Consensus (Rp)	2024F	2025F	2026F
BRIDS	124.9	154.0	163.3
Consensus	101.8	131.8	156.6
BRIDS/Cons (%)	21.6	9.1	4.3

- 3Q24 core profit grew slightly (+9% qoq), driven by robust gold sales, though nickel segment lagged behind due to a poor sales volume.
- ANTM has obtained 12wmt of nickel ore RKAB and targets 15wmt of production in FY25, while FeNi output remains flat.
- Maintain Buy rating with an unchanged TP of Rp2,000. Key risks include lower commodity prices, lower utilization, and project delays.

3Q figures heavily supported by robust gold sales

ANTM recorded revenue of Rp20tr, +37% qoq, driven by a record high gold sales volume of 12,598 tons, +42% qoq. Its 9M24 revenue grew to Rp43tr, +40% yoy, reaching 105%/90% of our/cons estimates. However, its nickel segment disappointed, with FeNi sales down 29% qoq and nickel ore sales flat at 0% qoq despite additional RKAB approvals throughout the quarter. Thus, we saw a decline in Gross/EBIT/Net profit margins of 1.5%/0.4%/5.8%. The decline in NPM was more apparent as ANTM also recorded an FX loss of Rp428bn through the strengthening of the IDR. The 3Q24 net profit stood at Rp651bn, -50% qoq, while core profit stood at Rp1tr, +9% qoq, which brings the 9M24 net profit to Rp2.2tr, -23% yoy, reaching 76%/91% of our/cons estimates.

3Q24: A productive quarter

ANTM had ticked off several projects in 3Q24, starting with the 30% acquisition stake in Jiulong Metal Industry's 28ktpa NPI plant in Weda for US\$102.5mn, along with a 3-year ore offtake agreement. Next, ANTM also completed an MoU with Freeport to offtake up to 32 tons of gold p.a., effective per FY25. As the gold is sourced domestically, there would be no import tariff, providing ANTM with a stronger cashflow. Finally, ANTM successfully switched the power source of its FeNi smelter from diesel to the PLN grid, which would see a cash cost decline below US\$12k/ton (vs. US\$12k/ton in 9M24).

FY24-26F forecast upgrades on stronger nickel ore sales

Management guides a flat FeNi volume in FY25 as the FeNi Haltim plant is still commissioning. Yet, ANTM believes there should not be any further impairments. Furthermore, ANTM has pocketed 12wmt of nickel ore RKAB, with another 3wmt to be approved by the ministry. Thus, we have revised our FY24-26 estimates accordingly and expect an increase in revenue/net profit of +38%/+3.8% in FY24 and +0.1%/+43% in FY25.

Reiterate our Buy rating with a TP of Rp2,000

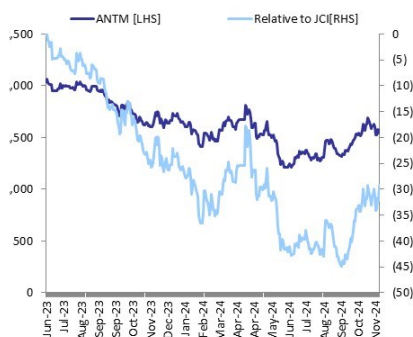
We reiterate our **Buy** rating with an unchanged TP of Rp2,000 based on FY25F PE of 13x (vs. 16x PE previously), equal to -0.5x std of its 3-yr mean forward PE band. Key risks to our call include lower nickel prices, a lower utilization rate, and project execution delays.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	45,930	41,048	56,553	46,383	47,593
EBITDA (Rpbn)	4,756	4,022	4,589	5,603	5,754
Net Profit (Rpbn)	3,821	3,078	3,001	3,700	3,925
EPS (Rp)	159.0	128.1	124.9	154.0	163.3
BVPS (Rp)	986.7	1,275.2	1,272.5	1,364.5	1,451.4
PER (x)	9.9	12.3	12.6	10.2	9.6
PBV (x)	1.6	1.2	1.2	1.2	1.1
Dividen yield (%)	2.5	5.0	8.1	4.0	4.9
EV/EBITDA	7.5	7.6	6.9	5.0	4.3

Source: ANTM, BRIDS Estimates

ANTM relative to JCI Index



Source: Bloomberg

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Exhibit 1. ANTM 3Q24 earnings summary

Aneka Tambang										
ANTM	3Q23	2Q24	3Q24	q-q (%)	y-y (%)	9M23	9M24	y-y (%)	% of 24	% of Cons
PROFIT & LOSS (Rpbn)										
Revenue	9,238	14,569	20,012	37%	117%	30,899	43,201	40%	105.4	90.3
Cost of revenue	(7,381)	(12,816)	(17,912)	40%	143%	(24,801)	(39,098)	58%		
Gross profit	1,857	1,753	2,100	20%	13%	6,098	4,103	-33%		
Operating expenses	(838)	(729)	(768)	5%	-8%	(2,752)	(2,239)	-19%		
Operating profit	1,019	1,024	1,331	30%	31%	3,345	1,864	-44%	60.0	91.8
EBITDA	876	1,432	1,753	22%	100%	4,566	3,079	-33%		
Other income/(expense)	203	541	(359)	-166%	n.a	339	759	124%		
Pre-tax profit	1,222	1,564	972	-38%	-20%	3,684	2,622	-29%		
Taxes	(263)	(262)	(255)	-3%	-3%	(835)	(393)	-53%		
Non-controlling interests	-	(10)	66	-773%	n.a	0	28	n.a		
Net profit	959	1,312	651	-50%	-32%	2,849	2,201	-23%	76.1	90.8
Core profit	783	969	1,055	9%	35%	3,132	1,958	-37%	62.9	
Margins (%)										
Gross	20.1	12.0	10.5			19.7	9.5			
EBIT	11.0	7.0	6.7			10.8	4.3			
EBITDA	9.5	9.8	8.8			14.8	7.1			
Net	10.4	9.0	3.3			9.2	5.1			
Core net	8.5	6.6	5.3			10.1	4.5			
Operational data										
	3Q23	2Q24	3Q24	q-q (%)	y-y (%)	9M23	9M24	y-y (%)		
Gold production (Kg)	315	273	304	11%	-3%	910	743	-18%		
Gold sales (Kg)	5,952	8,857	12,598	42%	112%	19,460	28,567	47%		
Implied Gold ASP (USD/Oz)	2,057	2,386	2,752	15%	34%					
Ferronickel production (Ton)	5,250	5,380	5,075	-6%	-3%	15,787	15,244	-3%		
Ferronickel sales (Ton)	3,526	6,778	4,829	-29%	37%	14,132	11,691	-17%		
Implied Ferronickel ASP	14,276	13,744	14,385	5%	1%					
Nickel ore production (Kton)	3,738	2,742	3,118	14%	-17%	10,553	7,304	-31%		
Nickel ore sales (Kton)	3,154	2,355	2,353	0%	-25%	9,421	5,712	-39%		
Implied nickel ore ASP	39.7	36.7	43.5	19%	10%					
Bauxite production (Kton)	566,450	390,212	94,784	-76%	-83%	1,417,306	637,713	-55%		
Bauxite sales (Kton)	533,520	-	97,430	-82%		988,513	97,430	-90%		
Alumina production (Kton)	36,928	37,983	43,148	14%	17%	114,524	105,883	-8%		
Alumina sales (Kton)	36,244	46,118	44,625	-3%	23%	108,351	133,065	23%		

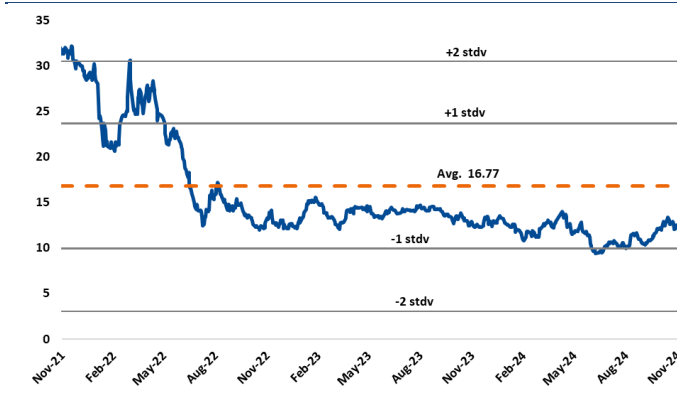
Source: Company, BRIDS Estimates

Exhibit 2. ANTM Forecast changes

ANTM	2024E			2025E			2026E		
	Old	New	Change	Old	New	Change	Old	New	Change
(Rpbn)									
Revenue	40,979	56,553	38.0%	46,355	46,383	0.1%	46,833	47,593	1.6%
Gross margin	17.0%	10.2%		14.5%	14.6%		14.3%	15.2%	
EBITDA	4,203	4,589	9.2%	3,834	5,603	46.1%	3,620	5,754	58.9%
EBITDA margin	10.3%	8.1%		8.3%	12.1%		7.7%	12.1%	
Net profit	2,892	3,001	3.8%	2,588	3,700	43.0%	2,424	3,925	61.9%
Net margin	7.1%	5.3%		5.6%	8.0%		5.2%	8.2%	

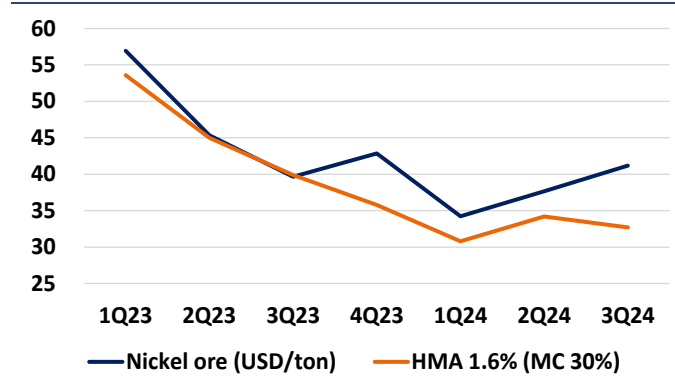
Source: Company, BRIDS Estimates

Exhibit 3. ANTM P/E Band



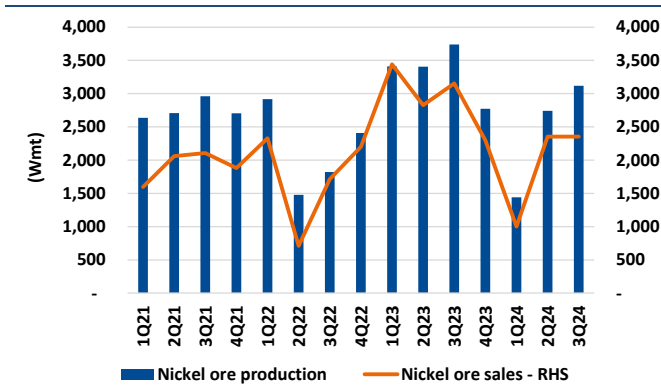
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. ANTM's nickel ore ASP vs. benchmark



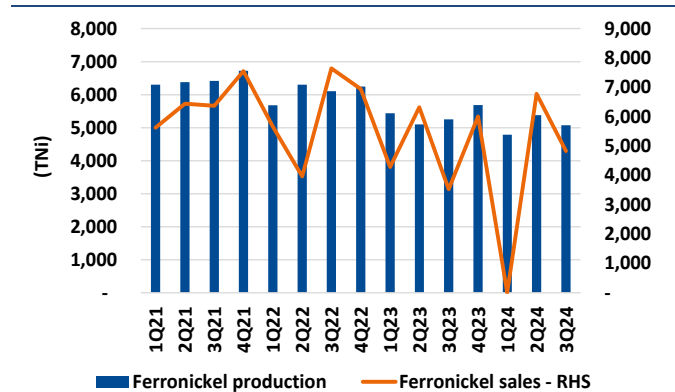
Source: Company, BRIDS

Exhibit 5. ANTM's Nickel Ore production and sales volume



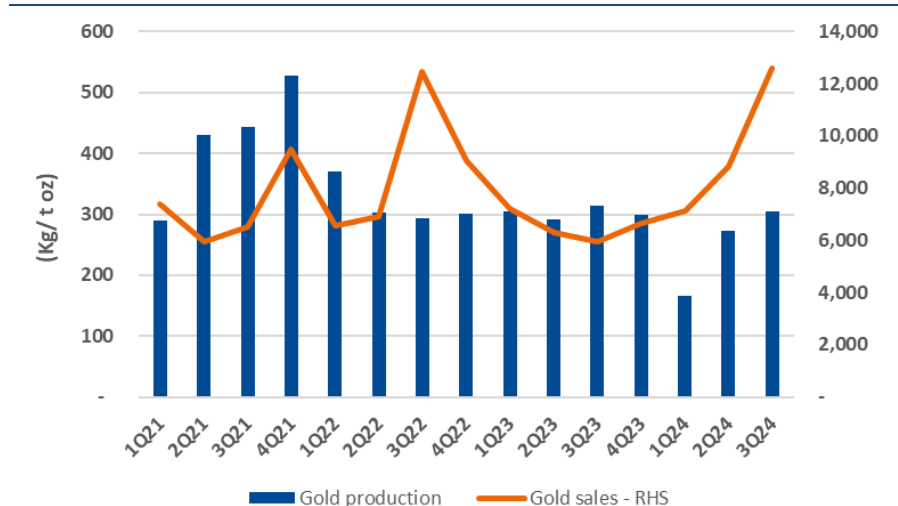
Source: Company, BRIDS

Exhibit 6. ANTM's FeNi production and sales volume (Ton)



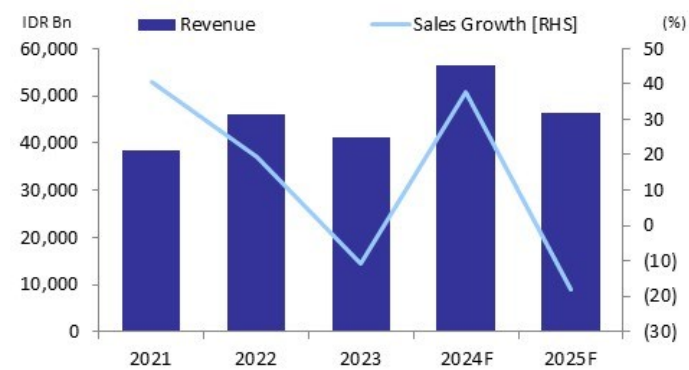
Source: Company, BRIDS

Exhibit 7. ANTM's Gold production and sales volume (Kg)



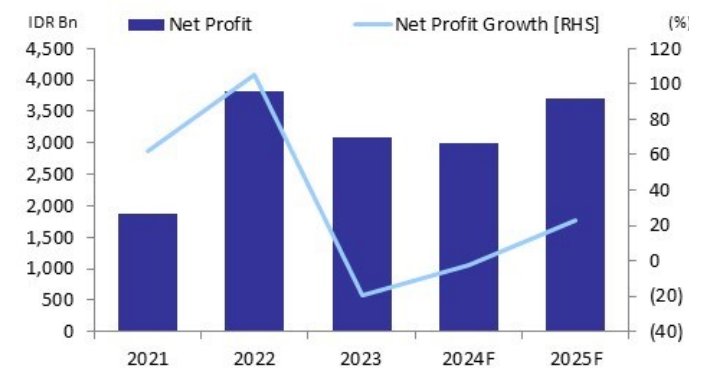
Source: Company, BRIDS

Exhibit 8. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 9. Net Profit and Growth



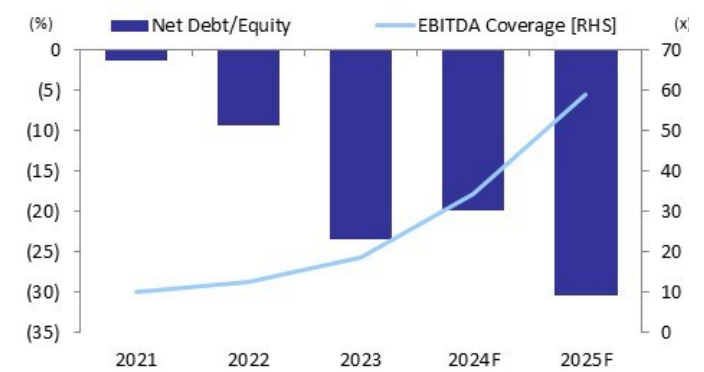
Source: Company, BRIDS Estimates

Exhibit 10. Margins



Source: Company, BRIDS Estimates

Exhibit 11. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 12. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	45,930	41,048	56,553	46,383	47,593
COGS	(37,720)	(34,733)	(50,782)	(39,607)	(40,375)
Gross profit	8,211	6,315	5,771	6,777	7,218
EBITDA	4,756	4,022	4,589	5,603	5,754
Oper. profit	3,942	2,617	2,661	3,646	3,767
Interest income	85	172	354	280	422
Interest expense	(381)	(215)	(134)	(95)	(78)
Forex Gain/(Loss)	564	(221)	200	0	0
Income From Assoc. Co's	931	947	480	720	720
Other Income (Expenses)	74	555	100	75	75
Pre-tax profit	5,215	3,854	3,660	4,626	4,906
Income tax	(1,394)	(777)	(659)	(925)	(981)
Minority interest	0	0	0	0	0
Net profit	3,821	3,078	3,001	3,700	3,925
Core Net Profit	3,257	3,299	2,801	3,700	3,925

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	4,476	9,209	7,274	10,968	13,848
Receivables	2,346	1,489	2,565	2,199	2,267
Inventory	2,906	3,470	4,468	3,485	3,553
Other Curr. Asset	1,966	5,897	6,192	6,501	6,826
Fixed assets - Net	16,472	16,183	14,895	13,577	12,230
Other non-curr.asset	5,471	6,604	6,851	7,125	7,430
Total asset	33,637	42,851	42,244	43,855	46,154
ST Debt	189	1,002	605	500	400
Payables	1,780	2,000	2,132	1,779	1,818
Other Curr. Liabilities	4,003	5,575	5,615	5,646	5,801
Long Term Debt	2,082	881	500	400	300
Other LT. Liabilities	1,871	2,228	2,355	2,477	2,608
Total Liabilities	9,925	11,686	11,207	10,802	10,927
Shareholder's Funds	23,712	30,643	30,579	32,791	34,878
Minority interests	0	522	459	263	349
Total Equity & Liabilities	33,637	42,851	42,244	43,855	46,154

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	3,821	3,078	3,001	3,700	3,925
Depreciation and Amort.	756	1,966	1,928	1,957	1,986
Change in Working Capital	(334)	786	(1,917)	1,023	(68)
Other Oper. Cash Flow	(644)	(3,398)	(399)	(441)	(476)
Operating Cash Flow	3,599	2,432	2,613	6,240	5,368
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)	(883)	(325)	(200)
New Capital	4	6,206	(52)	(184)	99
Dividend payment	(931)	(1,910)	(3,078)	(1,501)	(1,850)
Other Fin. Cash Flow	(19)	80	0	0	0
Financing Cash Flow	(3,809)	3,875	(4,012)	(2,010)	(1,951)
Net Change in Cash	(613)	4,732	(1,935)	3,694	2,881
Cash - begin of the year	5,089	4,476	9,209	7,274	10,968
Cash - end of the year	4,476	9,209	7,274	10,968	13,848

Exhibit 15. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	19.5	(10.6)	37.8	(18.0)	2.6
EBITDA	32.4	(15.4)	14.1	22.1	2.7
Operating profit	44.0	(33.6)	1.7	37.0	3.3
Net profit	105.2	(19.5)	(2.5)	23.3	6.1
Profitability (%)					
Gross margin	17.9	15.4	10.2	14.6	15.2
EBITDA margin	10.4	9.8	8.1	12.1	12.1
Operating margin	8.6	6.4	4.7	7.9	7.9
Net margin	8.3	7.5	5.3	8.0	8.2
ROAA	11.5	8.0	7.1	8.6	8.7
ROAE	17.2	11.3	9.8	11.7	11.6
Leverage					
Net Gearing (x)	(0.1)	(0.2)	(0.2)	(0.3)	(0.4)
Interest Coverage (x)	10.3	12.2	19.8	38.4	48.3

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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