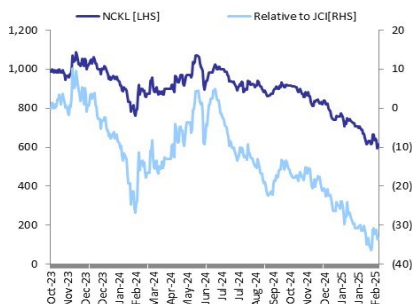


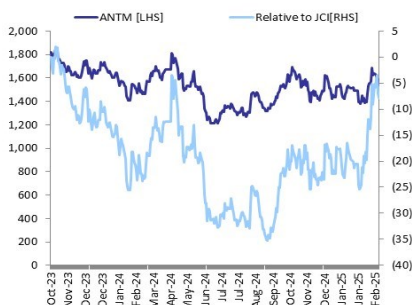
Neutral

(Maintained)

NCKL relative to JCI Index



ANTM relative to JCI Index



Source: Bloomberg

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Metal Mining

4Q24 preview: A Softer Quarter on Easing Commodity Prices

- We estimate a slightly weaker 4Q24 earnings trend from declining ASPs, though some companies excel through soaring sales volume.
- We expect ANTM and NCKL to beat consensus' FY24 estimate at 132%/111% from increased sales volume.
- We maintain our Neutral rating with a revised pecking order of ANTM>NCKL> INCO> TINS> MBMA> MDKA

4Q24 preview: A slightly weaker quarter, with a few exceptions

Throughout 4Q24, nickel products and their derivatives saw a slight decline in prices ranging from -0.2% to -4.9% qoq. Aside from a seasonally weaker restocking period, we believe this was partly caused by the relaxation of Indonesia's mining license permit rules, which were mostly approved in 3Q24, resulting in an increased production run-rate in 4Q24. Thus, we expect a stronger sales volume in 4Q24, which leads to our sector avg. revenue growth estimate of +6% qoq, supported by ANTM by +c.19% qoq and INCO by +5% qoq. Meanwhile, we expect MDKA, MBMA, and NCKL to post flattish qoq production growth, and we expect TINS to post a -c.20% qoq revenue decline due to weaker sales volume.

4Q24 earnings potential outperformers: ANTM, NCKL

Based on 4Q24 operational data that has been released, we favor ANTM and NCKL as the outperformers for 4Q24 and FY24 results, as we see their FY24 net profit reaching 132%/111% of consensus's estimates. Meanwhile, TINS might see a weaker 4Q24 due to slower sales volume and a lower LME tin price avg. of US\$29k/ton, -8.5% qoq.

Better prospects in FY25

We expect stronger earnings growth in FY25F from improved sales volume after regulatory issues slowed down FY24's performance. Furthermore, nickel miners continue to ramp up ore production, which supports margins and boosts earnings, particularly for ANTM, INCO, and MBMA. Thus, we expect the sector to record a revenue/net profit growth of -4%/+44% vs. consensus at +8%/+41%. The main discrepancy in revenue growth lies in ANTM's gold sales assumption, though earnings growth estimate is relatively similar.

Maintain Neutral on the sector with top pick of ANTM/NCKL

We maintain a Neutral rating on the sector with the following pecking order: ANTM > NCKL > INCO > TINS > MBMA > MDKA. NCKL remains our top pick due to its strong operational performance and robust earnings visibility. We have upgraded ANTM in our pecking order due to the sustained ore premium in the market, elevating ore ASP for its own mining operations as well as from WBN. On the other hand, we have temporarily downgraded TINS in the list due to weak performance at the start of the year after poor weather slowed down production and an export license delay that halted domestic sales in Jan-Feb25. Furthermore, we are cautious about the indication of a resumption in Wa state mining, though it might take several months or years before the actual commencement.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%)
					2025F	2026F	2025F	2026F	
Trimegah Bangun Persada	NCKL IJ	BUY	1,500	42,276.1	4.9	4.4	1.1	0.9	21.7
Aneka Tambang	ANTM IJ	BUY	2,000	39,050.0	10.6	9.9	1.2	1.1	9.8
Timah	TINS IJ	BUY	2,300	7,187.1	4.4	4.9	0.8	0.7	18.7
Vale	INCO IJ	HOLD	3,900	29,933.0	21.3	10.3	0.7	0.7	3.4
Merdeka Battery Materials	MBMA IJ	BUY	530	33,046.6	15.0	11.0	0.8	0.8	0.2
Merdeka Copper Gold	MDKA IJ	BUY	2,400	36,097.6	20.4	17.4	1.2	1.1	1.5

Exhibit 1. FY24 and FY25 Sector preview

Metal mining sector (US\$m)	3Q24	4Q24E	qoq	yoy	FY23	FY24E	yoy	FY24 Cons	yoy	Our FY25E	yoy	FY25 Cons	yoy
Revenue	3,202	3,380	6%	33%	9,074	11,658	28%	11,161	23%	11,240	-4%	12,040	8%
Gross profit	440	433	-1%	70%	1,558	1,526	-2%	1,596	2%	1,952	28%	2,051	29%
Operating profit	325	309	-5%	128%	1,067	1,064	0%	1,025	-4%	1,471	38%	1,467	43%
Net profit	157	246	56%	124%	801	747	-7%	697	-13%	1,078	44%	986	41%
GPM	13.7%	12.8%			17.2%	13.1%		14.3%		17.4%		17.0%	
OPM	10.1%	9.1%			11.8%	9.1%		9.2%		13.1%		12.2%	
NPM	4.9%	7.3%			8.8%	6.4%		6.2%		9.6%		8.2%	

Source: Company, BRIDS Estimates

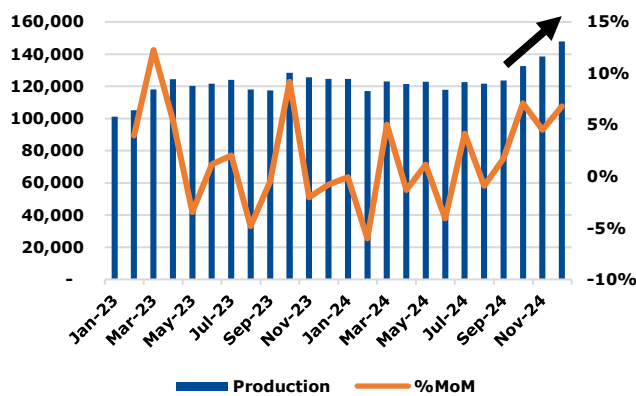
Exhibit 2. 4Q24 Earnings Preview

US\$m	Revenue			qoq (%)	yoy (%)	Our FY24 target (%)	Cons FY24 target (%)	Net profit			qoq (%)	yoy (%)	FY24 target (%)	Cons FY24 target (%)
	4Q23	3Q24	4Q24E					4Q23	3Q24	4Q24E				
NCKL*	6,558	7,575	7,183	-5.2%	9.5%	102%	103%	1,154	2,033	1,831	-9.9%	58.6%	105%	111%
MBMA	454	458	456	-0.5%	0.3%	100%	99%	6	(1.9)	(10.7)	474.8%	-271.7%	38%	36%
MDKA	537	574	568	-1.0%	5.9%	101%	100%	3	(54.8)	14.7	n/a	371.2%	135%	174%
ANTM*	10,149	20,012	23,896	19.4%	135.5%	119%	113%	(90)	651	1,596	145.3%	n/a	104%	132%
INCO**	279	230	242	5.2%	-13.3%			53	14	7	-49.0%	-86.8%		
TINS*	2,015	3,043	2,414	-20.7%	19.8%	94%	94%	(362)	474	289	-39.1%	n/a	86%	86%

*in Rpb ** Actual

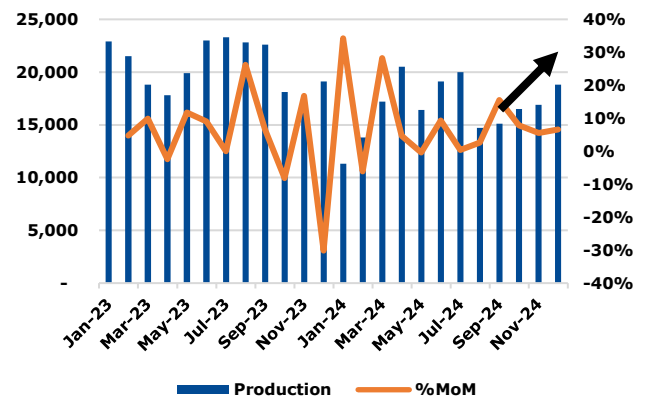
Source: Company, BRIDS Estimates

Exhibit 3. Monthly NPI production (mt)



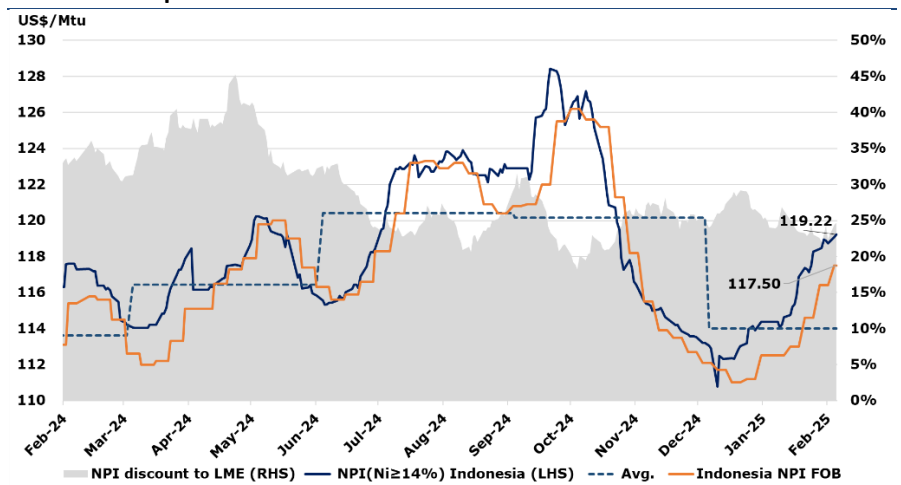
Source: Bloomberg, BRIDS

Exhibit 4. Monthly matte production (mt)



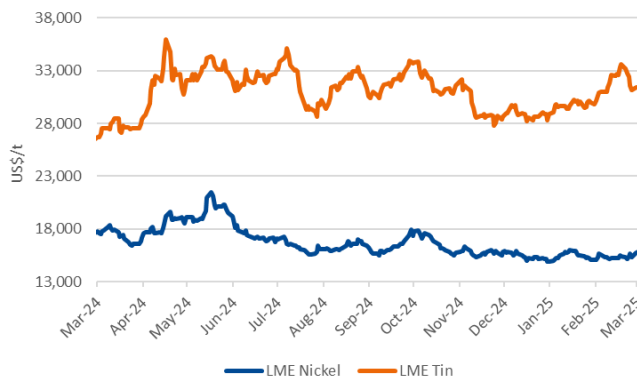
Source: Bloomberg, BRIDS

Exhibit 5. NPI price



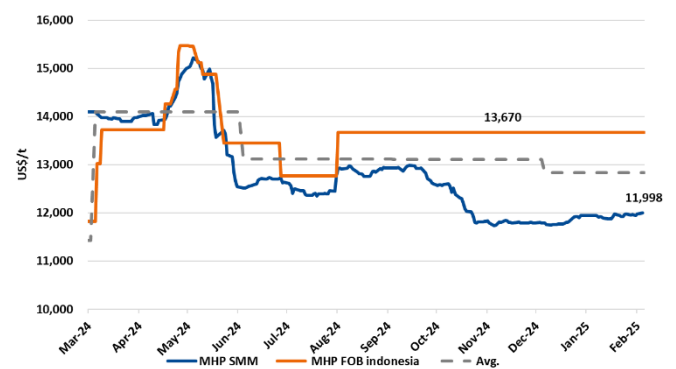
Source: SMM, BRIDS

Exhibit 6. LME nickel and tin price



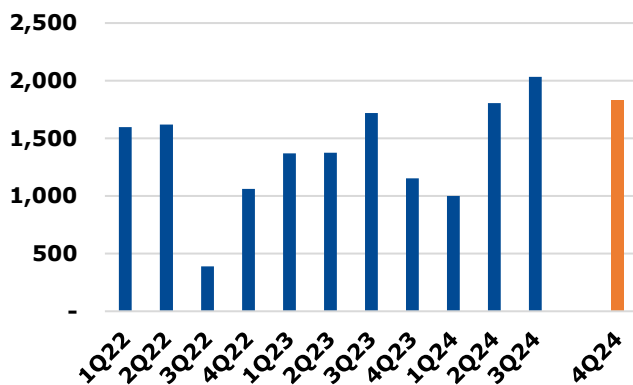
Source: Bloomberg, BRIDS

Exhibit 7. MHP price



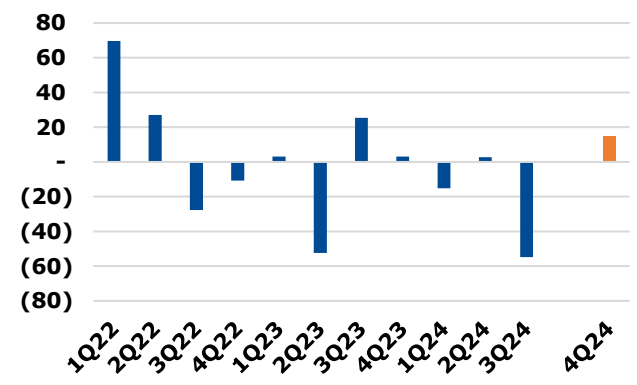
Source: SMM, Bloomberg, BRIDS

Exhibit 8. NCKL’s quarterly net profits (Rpbn)



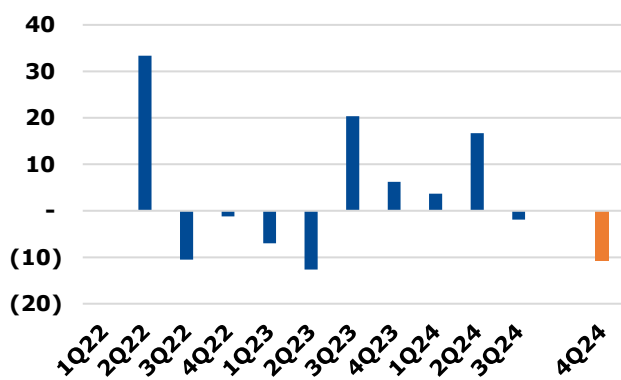
Source: Company, Brides Estimates

Exhibit 9. MDKA’s quarterly net profits (US\$m)



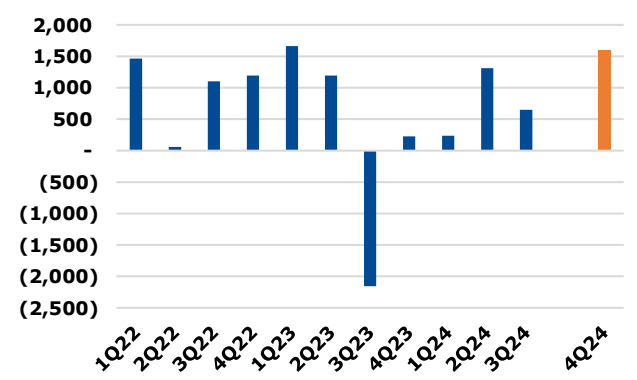
Source: Company, Brides Estimates

Exhibit 10. MBMA’s quarterly net profits (US\$m)



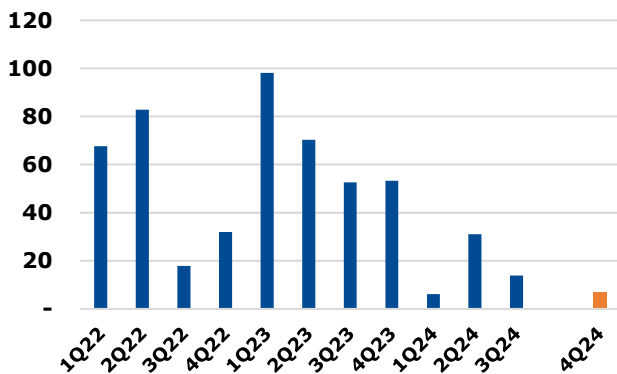
Source: Company, Brides Estimates

Exhibit 11. ANTM’s quarterly net profits (Rpbn)



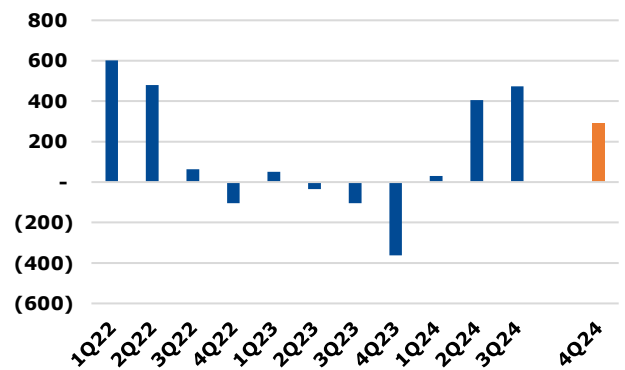
Source: Company, Brides Estimates

Exhibit 12. INCO’s quarterly net profits (US\$mn)



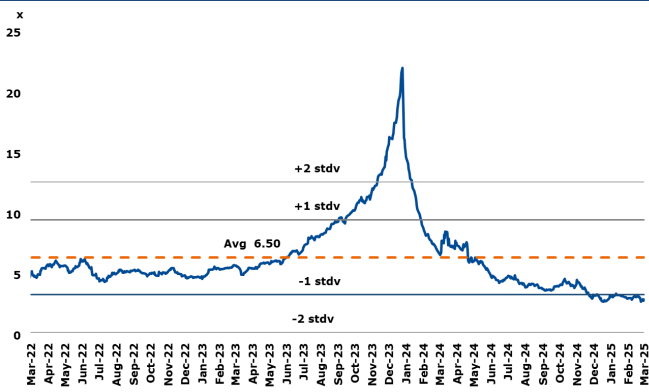
Source: Company, Brides Estimates

Exhibit 13. TINS’s quarterly net profits (Rpbn)



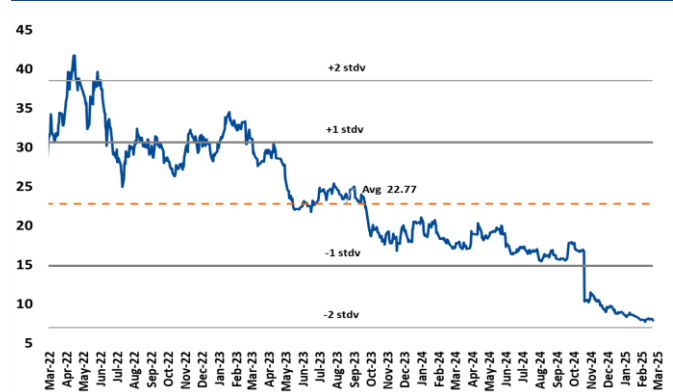
Source: Company, Brides Estimates

Exhibit 14. TINS EV/EBITDA Band chart (3-year)



Source: Company, Brides Estimates

Exhibit 15. MDKA EV/EBITDA band chart (3-year)



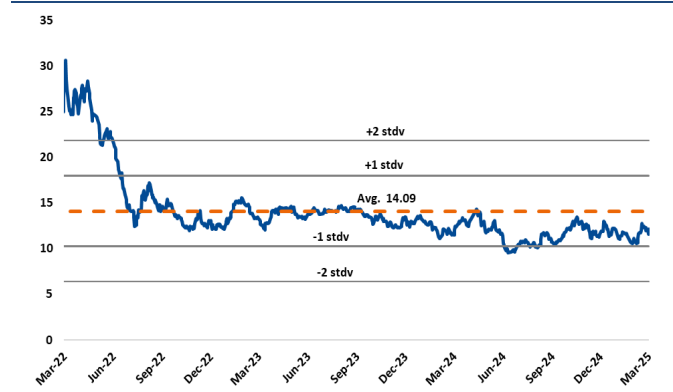
Source: Company, Brides Estimates

Exhibit 16. INCO P/E Band chart (3-year)



Source: Company, Brides Estimates

Exhibit 17. ANTM P/E Band chart (3-year)



Source: Company, Brides 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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