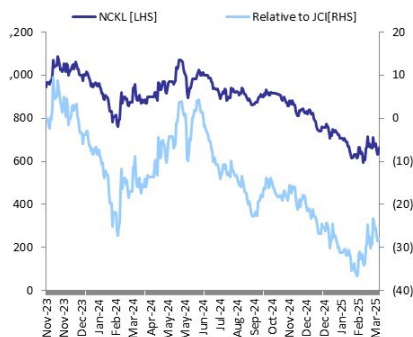


Buy

(Maintained)

Last Price (Rp)	665
Target Price (Rp)	1,500
Previous Target Price (Rp)	1,500
Upside/Downside	+125.6%
No. of Shares (mn)	63,099
Mkt Cap (Rpbn/US\$mn)	41,961/2,531
Avg, Daily T/O (Rpbn/US\$mn)	9.8/0.6
Free Float (%)	15.3
Major Shareholder (%)	
Harita Jayaraya PT	86.5
Pt Citra Duta Jaya Makmur	0.9
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	148.7 158.8 160.0
Consensus	118.2 144.2 148.7
BRIDS/Cons (%)	25.9 10.1 7.6

NCKL relative to JCI Index



Source: Bloomberg

Trimegah Bangun Persada (NCKL IJ)

In line FY24 Earnings, Upgrading Our FY25 Estimate

- NCKL recorded a weaker 4Q24 NP of Rp1.5tr, -24% qoq, due to a weaker FeNi sales volume and contribution from JV as ASP were trending down.
- We slightly revise our FY25-27 earnings estimate by +8.4%/+4.5%/+4.4% on the back of solid cash cost management, which lifted margins.
- Reiterate our Buy rating with an unchanged TP of Rp1,500. Key risks to our call include lower nickel prices and a lower utilization rate.

A satisfactory FY24 performance despite 4Q24 earnings drop

NCKL recorded a net profit of Rp1.5tr, -24% qoq, while FY24 net profit grew to Rp6.4tr, +14% yoy, reaching 100%/106% of ours/cons' estimates. Meanwhile, 4Q24 revenue dropped to Rp6.6tr, -13% qoq, due to a decline in FeNi sales by -12% qoq. Furthermore, there was a Rp215bn community development expense incurred in 4Q, which brought a spike in opex to Rp553bn, +74% qoq, which was for the handover of the new Kawasi village for local residents who were affected by the construction of smelters in Obi Island. Separately, the profits from JV declined to Rp404bn, -40% qoq, which was attributable to a decline in quarterly nickel sulfate and EC cash margin of -30%/-29%, respectively.

Project updates and outlook

Mgmt provided updates on several projects, which included KPS phase 1 completion in early 2025 with targeted FY25 production of 50-60kt in NPI. Phase 2 and 3 are currently in early construction with COD by FY26. On the upstream side, GTS mine is preparing for production in 2H25. With an R&R of 41mn tonnes, we expect its annual production to be limited to reduce 3rd-party ore purchases. On the downstream side, NCKL is constructing a 600ktpa quicklime plant, also known as calcium oxide, that will feed its HPAL, aimed at further reducing its cash cost. As for HPAL investments, HPL has paid out dividends of US\$200mn in FY24, where NCKL's portion amounts to Rp1.4tr. Moving forward, it is likely that HPL will pay out regular dividends, though other smelters are still too early to tell. Nonetheless, NCKL is still aiming for an additional stake in ONC, though the timeline of its purchase is still under discussion.

Slight upwards revision on earnings estimate

We slightly revise our FY25-27 earnings estimate by +8.4%/+4.5%/+4.4%, as we lower our cash cost assumption driven by cost efficiencies seen throughout all its production in FY24. Note that FeNi/MHP/NiSo/CoSo cash cost decreased -15.5%/-16.5%/-8.1%/-13.2% in FY24, which increase our FY25/26 estimate for profits of associates to Rp3.6tr/Rp3.8tr (from: Rp3.2tr/Rp3.3tr).

Reiterate our Buy rating with an unchanged TP of Rp1,500

We reiterate our Buy rating in view of robust earnings growth of +53% yoy, derived from ONC and KPS' initial FY production, paired with their solid cash cost and growing ore sales. We maintain our TP at Rp1,500 based on our SOTP valuation method and DCF on each project. Our TP implies an FY25F PE of 9.7x vs. 4.3x at the current price of Rp670. Key risks to our call include lower nickel prices, a lower utilization rate, and project execution delays.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	23,858	26,965	27,311	27,906	27,913
EBITDA (Rpbn)	8,294	9,074	10,952	11,521	11,530
Net Profit (Rpbn)	5,619	6,380	9,385	10,017	10,096
EPS (Rp)	89.1	101.1	148.7	158.8	160.0
BVPS (Rp)	372.4	483.2	601.6	715.7	828.1
PER (x)	7.5	6.6	4.5	4.2	4.2
PBV (x)	1.8	1.4	1.1	0.9	0.8
Dividend yield (%)	3.3	4.0	4.6	6.7	7.2

Source: NCKL, BRIDS Estimates

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Exhibit 1. NCKL FY24 financial and operational result
Trimegah Bangun Persada

NCKL	4Q23	3Q24	4Q24	q-q (%)	y-y (%)	FY23	FY24	y-y (%)	% of 24F BRIDS	% of FY24F Cons
PROFIT & LOSS (IDRbn)										
Revenue	6,558	7,575	6,587	(13.0)	0.4	23,858	26,965	13.0	100.0%	101.0%
Cost of revenue	(4,416)	(4,734)	(4,802)	1.4	8.7	(15,582)	(18,518)	18.8		
Gross profit	2,142	2,840	1,785	(37.2)	(16.7)	8,276	8,447	2.1		
Operating expenses	(393)	(319)	(553)	73.5	40.8	(1,446)	(1,590)	9.9		
Operating profit	1,749	2,522	1,231	(51.2)	(29.6)	6,830	6,857	0.4	95.7%	97.8%
EBITDA	852	2,960	1,672	(43.5)	96.2	6,830	8,603	26.0	77.6%	96.3%
Other income/(expense)	(307)	(387)	238	(161.4)	(177.4)	(233)	(199)	(14.2)		
Share in profit of associates	202	677	404	(40.3)	100.2	1,578	2,013	27.5		
Pre-tax profit	1,644	2,811	1,873	(33.4)	13.9	8,175	8,671	6.1		
Taxes	(242)	(348)	(166)	(52.3)	(31.2)	(1,107)	(958)	(13.4)		
Non-controlling interests	(248)	(431)	(166)	(61.4)	(32.9)	(1,449)	(1,333)	(8.0)		
Net profit	1,154	2,033	1,541	(24.2)	33.5	5,619	6,380	13.5	100.0%	106.0%
Margins (%)										
Gross	32.7	37.5	27.1			34.7	31.3			
EBIT	26.7	33.3	18.7			28.6	25.4			
Net	17.6	26.8	23.4			23.6	23.7			
Operational data										
Feni sales	31,106	33,178	29,167	(12.1)	(6.2)	100,891	126,344	25.2		
FeNi ASP	12,151	11,921	11,907	(0.1)	(2.0)	13,492	11,600	(14.0)		
FeNi cash cost*	9,023	8,355	8,430	0.9	(6.6)	9,913	8,380	(15.5)		
Cash margin	3,128	3,566	3,477	(2.5)	11.2	3,579	3,220	(10.0)		
MHP sales	11,196	5,275	6,658	26.2	(40.5)	46,093	28,427	(38.3)		
MHP ASP	12,070	14,381	14,073	(2.1)	16.6	14,851	13,500	(9.1)		
MHP cash cost*	6,842	5,488	5,056	(7.9)	(26.1)	6,828	5,700	(16.5)		
Cash margin	5,228	8,893	9,017	1.4	72.5	8,023	7,800	(2.8)		
Ni Sulfate sales	7,244	9,896	9,748	(1.5)	34.6	14,778	38,622	161.3		
Ni Sulfate ASP	13,391	14,054	13,377	(4.8)	(0.1)	14,610	14,100	(3.5)		
Ni Sulfate cash cost*	8,797	7,935	9,066	14.3	3.1	9,252	8,500	(8.1)		
Cash margin	4,594	6,119	4,311	(29.5)	(6.2)	5,358	5,600	4.5		
Co Sulfate sales	787	12	-	(100.0)	(100.0)	1,058	957	(9.5)		
Co Sulfate ASP	18,509	-	-	#DIV/0!	(100.0)	19,730	17,000	(13.8)		
Co Sulfate cash cost*	10,208	-	-	#DIV/0!	(100.0)	10,368	9,000	(13.2)		
Cash margin	8,301	-	-	#DIV/0!	(100.0)	9,362	8,000	(14.5)		
EC sales		180	868	382.2			1,048			
EC ASP		22,047	20,179	(8.5)			20,500			
EC cash cost*		8,308	10,351	24.6			10,000			
Cash margin		13,739	9,828	(28.5)			10,500			
Saprolite sales	2.2	1.7	4.0	134.3	85.7	6.3	9.2	45.4		
Saprolite ASP	40.0	32.0	31.0	(3.1)	(22.5)	46.0	32.0	(30.4)		
Saprolite cash cost*	13.0	13.0	13.0	-	-	14.0	13.0	(7.1)		
Cash margin	27.0	19.0	18.0	(5.3)	(33.3)	32.0	19.0	(40.6)		
Limonite sales	2.3	5.1	4.5	(10.6)	99.1	9.1	14.6	60.7		
Limonite ASP	18.0	16.0	16.0	-	(11.1)	22.0	16.0	(27.3)		
Limonite cash cost*	6.0	7.0	6.0	(14.3)	-	7.0	6.0	(14.3)		
Cash margin	12.0	9.0	10.0	11.1	(16.7)	15.0	10.0	(33.3)		

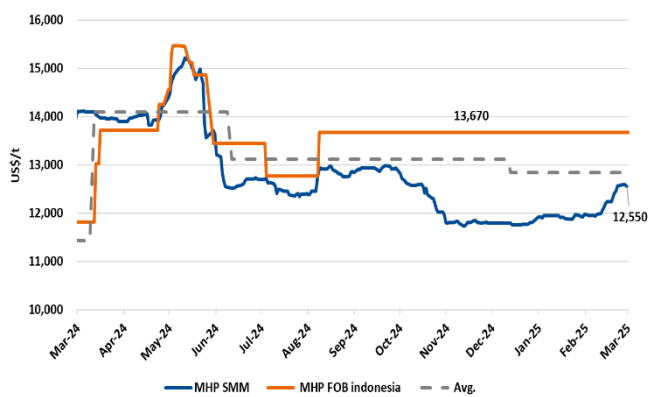
Source: Company, BRIDS

Exhibit 2. NCKL Forecast changes

NCKL	2025F			2026F			2027F		
(Rpbn)	Old	New	Change	Old	New	Change	Old	New	Change
Revenue	27,951	27,311	-2.3%	29,026	27,906	-3.9%	29,033	27,913	-3.9%
Gross margin	37.5%	39.5%		39.8%	40.8%		39.8%	40.8%	
EBITDA	10,074	10,952	8.7%	11,158	11,521	3.3%	9,959	11,530	15.8%
EBITDA margin	36.0%	40.1%		34.8%	40.1%		34.3%	41.3%	
Net profit	8,655	9,385	8.4%	9,582	10,017	4.5%	9,666	10,096	4.4%
Net margin	31.0%	34.4%		33.0%	35.9%		33.3%	36.2%	

Source: BRIDS Estimates

Exhibit 3. MHP price



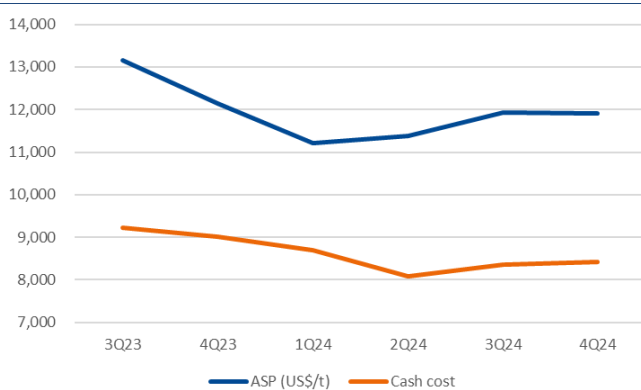
Source: SMM, BRIDS

Exhibit 5. NCKL's SOTP valuation

DCF	EV (Rpbn)	Valuation
Mining	25,603	DCF (WACC 10.1%)
MSP (57%)	5,284	
HJF (63%)	28,076	
HPL (45.1%)	19,876	
ONC (10%)	4,843	
KPS (35%)	4,618	
Total	88,301	
Net (debt)/cash	1,298	
Shares outstanding (Bn shares)	63	
Target price (Rp/sh)	1,500	

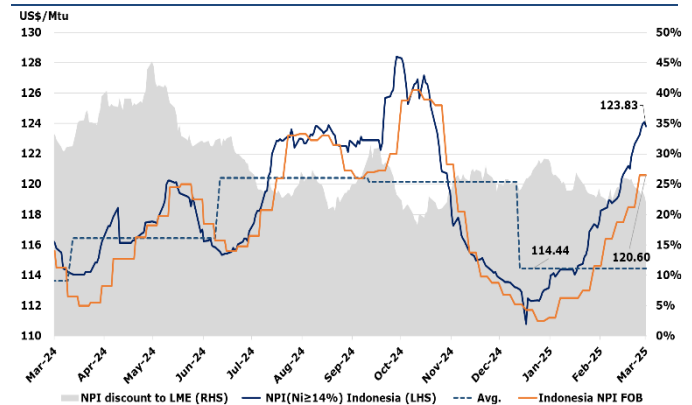
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. NCKL's NPI ASP and Cash Cost (US\$/t)



Source: Company, BRIDS

Exhibit 4. NPI price



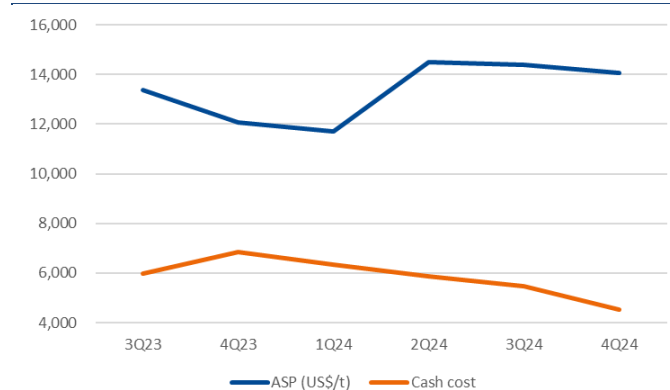
Source: SMM, BRIDS

Exhibit 6. NCKL's P/B Band (12-month)



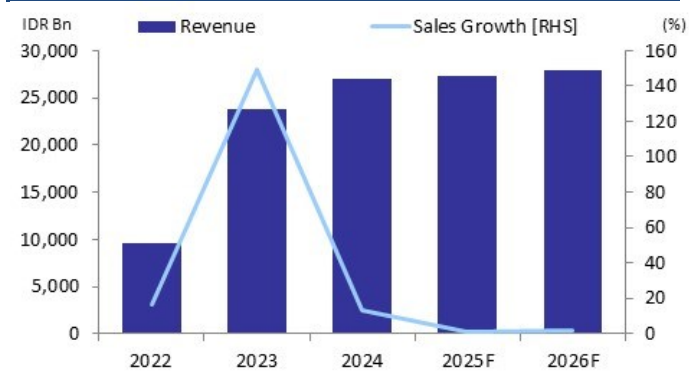
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. NCKL's MHP ASP and Cash Cost (US\$/t)



Source: Company, BRIDS

Exhibit 9. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 10. Net Profit and Growth



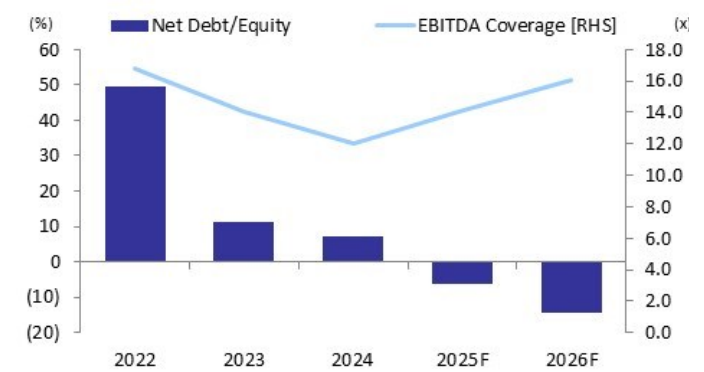
Source: Company, BRIDS Estimates

Exhibit 11. Margins



Source: Company, BRIDS Estimates

Exhibit 12. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 13. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	23,858	26,965	27,311	27,906	27,913
COGS	(15,582)	(18,518)	(16,513)	(16,515)	(16,517)
Gross profit	8,276	8,447	10,797	11,390	11,396
EBITDA	8,294	9,074	10,952	11,521	11,530
Oper. profit	7,024	7,166	9,159	9,716	9,721
Interest income	164	246	259	226	308
Interest expense	(591)	(755)	(775)	(717)	(698)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	1,578	2,013	3,643	3,751	3,751
Other Income (Expenses)	0	0	0	0	0
Pre-tax profit	8,175	8,671	12,286	12,976	13,083
Income tax	(1,107)	(958)	(1,244)	(1,328)	(1,343)
Minority interest	(1,449)	(1,333)	(1,656)	(1,631)	(1,643)
Net profit	5,619	6,380	9,385	10,017	10,096
Core Net Profit	5,619	6,380	9,385	10,017	10,096

Exhibit 14. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	3,935	6,486	11,298	15,402	19,914
Receivables	1,343	1,574	699	712	712
Inventory	5,504	5,158	5,082	5,083	5,083
Other Curr. Asset	978	246	150	150	150
Fixed assets - Net	22,350	22,533	22,240	21,935	21,626
Other non-curr.asset	11,180	16,256	19,408	22,018	24,627
Total asset	45,289	52,254	58,876	65,299	72,112
ST Debt	432	0	0	0	0
Payables	5,477	3,535	3,478	3,422	3,368
Other Curr. Liabilities	3,397	2,319	2,165	1,941	1,719
Long Term Debt	6,751	9,130	8,500	8,000	8,000
Other LT. Liabilities	840	816	808	808	808
Total Liabilities	16,897	15,800	14,951	14,171	13,894
Shareholder's Funds	23,497	30,486	37,958	45,160	52,250
Minority interests	4,895	5,968	5,968	5,968	5,968
Total Equity & Liabilities	45,289	52,254	58,876	65,299	72,112

Exhibit 15. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	5,619	6,380	9,385	10,017	10,096
Depreciation and Amort.	1,270	1,908	1,793	1,805	1,809
Change in Working Capital	(1,815)	(579)	1,019	(14)	(1)
Other Oper. Cash Flow	(8,036)	(6,920)	(3,170)	(2,639)	(2,636)
Operating Cash Flow	(2,962)	789	9,027	9,170	9,267
Capex	(3,208)	(2,423)	(1,759)	(1,726)	(1,808)
Others Inv. Cash Flow	164	246	259	226	308
Investing Cash Flow	(3,044)	(2,176)	(1,500)	(1,500)	(1,500)
Net change in debt	120	2,257	(802)	(750)	(250)
New Capital	9,942	1,827	0	0	0
Dividend payment	(1,400)	(1,686)	(1,914)	(2,816)	(3,005)
Other Fin. Cash Flow	2	1,542	0	0	0
Financing Cash Flow	8,664	3,940	(2,716)	(3,566)	(3,255)
Net Change in Cash	2,658	2,552	4,811	4,104	4,512
Cash - begin of the year	1,277	3,935	6,486	11,298	15,402
Cash - end of the year	3,935	6,486	11,298	15,402	19,914

Exhibit 16. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	149.4	13.0	1.3	2.2	0.0
EBITDA	84.0	9.4	20.7	5.2	0.1
Operating profit	76.3	2.0	27.8	6.1	0.1
Net profit	20.4	13.5	47.1	6.7	0.8
Profitability (%)					
Gross margin	34.7	31.3	39.5	40.8	40.8
EBITDA margin	34.8	33.7	40.1	41.3	41.3
Operating margin	29.4	26.6	33.5	34.8	34.8
Net margin	23.6	23.7	34.4	35.9	36.2
ROAA	14.1	13.1	16.9	16.1	14.7
ROAE	34.1	23.6	27.4	24.1	20.7
Leverage					
Net Gearing (x)	0.1	0.1	(0.1)	(0.1)	(0.2)
Interest Coverage (x)	11.9	9.5	11.8	13.6	13.9

Source: NCKL, 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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