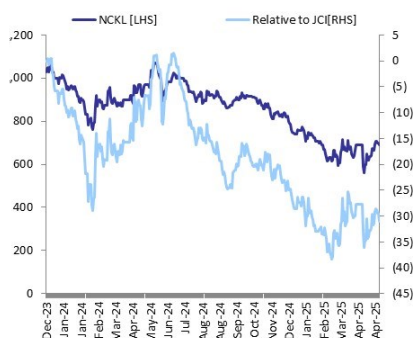


# Buy

(Maintained)

Last Price (Rp)	690
Target Price (Rp)	1,300
Previous Target Price (Rp)	1,500
Upside/Downside	+88.4%
No. of Shares (mn)	63,099
Mkt Cap (Rpbn/US\$mn)	43,538/2,649
Avg, Daily T/O (Rpbn/US\$mn)	9.7/0.6
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	123.4 132.2 133.2
Consensus	117.9 137.3 155.3
BRIDS/Cons (%)	4.6 (3.6) (14.2)

## NCKL relative to JCI Index



Source: Bloomberg

# Trimegah Bangun Persada (NCKL IJ)

## Lowering FY25-26F est. Post 1Q25 Earnings Miss; Valuation Remains at a Bargain

- 1Q25 net profit was below our estimate due to lower JV contribution as KPS is in the process of ramping up, and higher minority interest.
- Growth projects remain intact, focusing more on GTS' initiation in 2H25.
- Reiterate our Buy rating with a lower TP of Rp1,300. Key risks to our call include lower nickel prices and a lower utilization rate.

### 1Q25 earnings below estimate due to higher minority contribution

NCKL recorded a net profit of Rp1.65tr in 1Q25, +7.6% qoq, +65.5% yoy, which was below our/cons estimate at 18%/22% of FY25F. Meanwhile, revenue grew to Rp7.1tr, +8.2% qoq, +18.1% yoy, which was in line with our/cons estimate at 26%/25%. Main reason for the underperformance in the bottom line was larger than expected non-controlling interest of Rp618bn, +271% qoq, as HJF recorded stronger profitability. Furthermore, its income from associates also missed expectations at Rp638bn (vs. our Rp3.6tr FY25F), as KPS is still ramping up and has yet to achieve an optimum profitability level at 3% NPM (HJF & MSP's historical 10%-12% NPM).

### Projects are continuing as expected

NCKL's KPS 1<sup>st</sup> phase was initialized in 1Q25, where its 1<sup>st</sup> & 2<sup>nd</sup> line reached full capacity in Jan25, while its 3<sup>rd</sup> and 4<sup>th</sup> line only reached full capacity in Feb-Mar25, which explains the lower earnings it recorded in 1Q25. Nonetheless, mgmt. confirmed the commencement of KPS phase 2 late 2025 and phase 3 in 2026. When combined, KPS will produce 185kt annually. On the upstream side, GTS mine is preparing to start operation in 2H25, which will supply ore for NCKL via the water route for cost efficiency. NCKL will spend a capex of US\$60-70mn in FY25 that is mainly allocated for GTS' operation, while the rest is for HJF & MSP maintenance after 2-3 years of operations.

### Changes to our forecasts

We revised our FY25-26F income from JV by -15%/-13%/-13% to Rp3.1tr/3.3tr/3.3tr as we downgraded MHP ASP to US\$12.8k/ton (from US\$14k/ton) and increased MHP cash cost to US\$6.6k/ton (from US\$5.8k/ton). Furthermore, we have factored in royalty costs that will be applied starting 2Q25 towards its ore mining operations, which resulted in a decline in FY25-27F revenue forecasts by -2.0%/-1.1%/-1.1% to Rp26.7tr/27.6tr/27.6tr and net profits forecasts by -17.1%/-16.7%/-16.7% to Rp7.7tr/8.3tr/8.4tr.

### Reiterate our Buy rating with a lower TP of Rp1,300

Taking into account our estimate adjustments, we lowered our TP on NCKL to Rp1,300 based on our SOTP valuation method and DCF on each project. Our TP implies FY25E PE of 10.5x vs. the current 5.6x FY25 PE. 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	26,777	27,592	27,599
EBITDA (Rpbn)	8,294	9,074	10,493	11,138	11,132
Net Profit (Rpbn)	5,619	6,380	7,784	8,345	8,406
EPS (Rp)	89.1	101.1	123.4	132.2	133.2
BVPS (Rp)	372.4	483.2	576.2	671.4	765.0
PER (x)	7.7	6.8	5.6	5.2	5.2
PBV (x)	1.9	1.4	1.2	1.0	0.9
Dividend yield (%)	3.2	3.9	4.4	5.4	5.7

Source: NCKL, BRIDS Estimates

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## Exhibit 1. NCKL 1Q25 earnings summary

## Trimegah Bangun Persada

NCKL	1Q24	4Q24	1Q25	q-q (%)	y-y (%)	3M24	3M25	y-y (%)
<b>PROFIT &amp; LOSS (IDRbn)</b>								
Revenue	6,034	6,587	7,128	8.2	18.1	6,034	7,128	18.1
Cost of revenue	(4,417)	(4,802)	(5,026)	4.7	13.8	(4,417)	(5,026)	13.8
Gross profit	1,618	1,785	2,101	17.7	29.9	1,618	2,101	29.9
Operating expenses	(374)	(553)	(334)	(39.6)	(10.5)	(374)	(334)	(10.5)
Operating profit	1,244	1,231	1,767	43.5	42.0	1,244	1,767	42.0
EBITDA	1,667	1,672	2,230	33.4	33.8	1,667	2,230	33.8
Other income/(expense)	(38)	238	72	(69.7)	(290.6)	(38)	72	(290.6)
Share in profit of associates	277	404	638	57.9	130.6	277	638	130.6
Pre-tax profit	1,483	1,873	2,477	32.3	67.0	1,483	2,477	67.0
Taxes	(192)	(166)	(203)	22.0	5.6	(192)	(203)	5.6
Non-controlling interests	(290)	(166)	(618)	271.5	113.2	(290)	(618)	113.2
Net profit	1,001	1,541	1,657	7.6	65.5	1,001	1,657	65.5
<b>Margins (%)</b>								
Gross	26.8	27.1	29.5			26.8	29.5	
EBIT	20.6	18.7	24.8			20.6	24.8	
Net	16.6	23.4	23.2			16.6	23.2	
<b>Operational data</b>								
Feni sales	31,646	29,167	43,873	50.4	38.6	31,646	43,873	38.6
FeNi ASP	11,208	11,907	11,400	(4.3)	1.7	11,208	11,400	1.7
FeNi cash cost	8,692	8,430	8,400	(0.4)	(3.4)	8,692	8,400	(3.4)
Cash margin	2,516	3,477	3,000	(13.7)	19.2	2,516	3,000	19.2
MHP sales	7,899	6,658	3,656	(45.1)	(53.7)	7,899	3,656	(53.7)
MHP ASP	11,691	14,073	13,000	(7.6)	11.2	11,691	13,000	11.2
MHP cash cost	6,346	5,056	6,100	20.7	(3.9)	6,346	6,100	(3.9)
Cash margin	5,345	9,017	6,900	(23.5)	29.1	5,345	6,900	29.1
Ni Sulfate sales	7,765	9,748	10,426	7.0	34.3	7,765	10,426	34.3
Ni Sulfate ASP	12,789	13,377	12,700	(5.1)	(0.7)	12,789	12,700	(0.7)
Ni Sulfate cash cost	8,724	9,066	8,600	(5.1)	(1.4)	8,724	8,600	(1.4)
Cash margin	4,065	4,311	4,100	(4.9)	0.9	4,065	4,100	0.9
Saprolite sales	1.7	4.0	3.7	(7.9)	124.8	1.7	3.7	124.8
Saprolite ASP	33.0	31.0	29.0	(6.5)	(12.1)	33.0	29.0	(12.1)
Saprolite cash cost	12.0	13.0	10.0	(23.1)	(16.7)	12.0	10.0	(16.7)
Cash margin	21.0	18.0	19.0	5.6	(9.5)	21.0	19.0	(9.5)
Limonite sales	2.0	4.5	1.8	(60.8)	(9.6)	2.0	1.8	(9.6)
Limonite ASP	16.0	16.0	14.0	(12.5)	(12.5)	16.0	14.0	(12.5)
Limonite cash cost	5.0	6.0	5.0	(16.7)	-	5.0	5.0	-
Cash margin	11.0	10.0	9.0	(10.0)	(18.2)	11.0	9.0	(18.2)

Source: Company, BRIDS Estimates

## Exhibit 2. NCKL Forecast changes

NCKL (Rpbn)	2025F			2026F			2027F		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue	27,311	26,777	-2.0%	27,906	27,592	-1.1%	27,913	27,599	-1.1%
Gross margin	39.5%	38.6%		40.8%	40.0%		39.8%	40.0%	
EBITDA	10,952	10,493	-4.2%	11,521	11,138	-3.3%	11,530	11,132	-3.5%
EBITDA margin	40.1%	39.2%		41.3%	40.4%		41.3%	40.3%	
Net profit	9,385	7,784	-17.1%	10,017	8,345	-16.7%	10,096	8,406	-16.7%
Net margin	34.4%	29.1%		35.9%	30.2%		36.2%	30.5%	

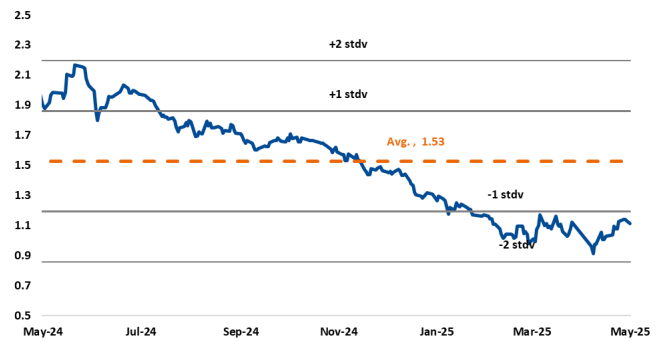
Source: Company, BRIDS Estimates

**Exhibit 3. NCKL's P/E Band (12-month)**



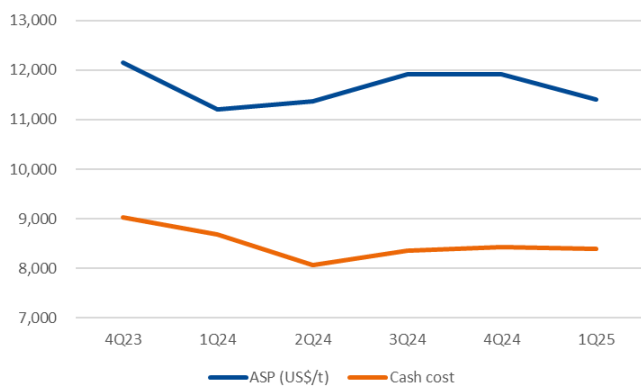
Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 4. NCKL's P/B Band (12-month)**



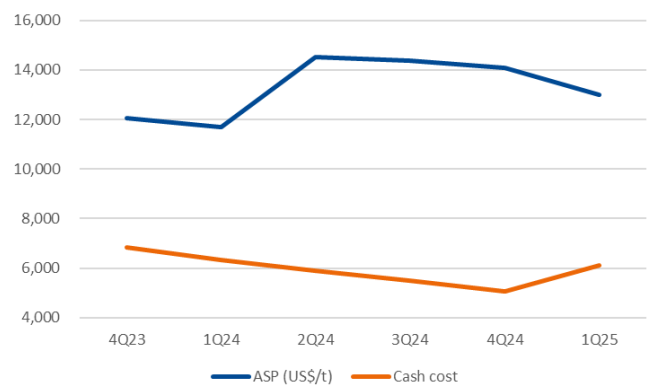
Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 5. NCKL's Quarterly NPI ASP and Cash Cost (US\$/t)**



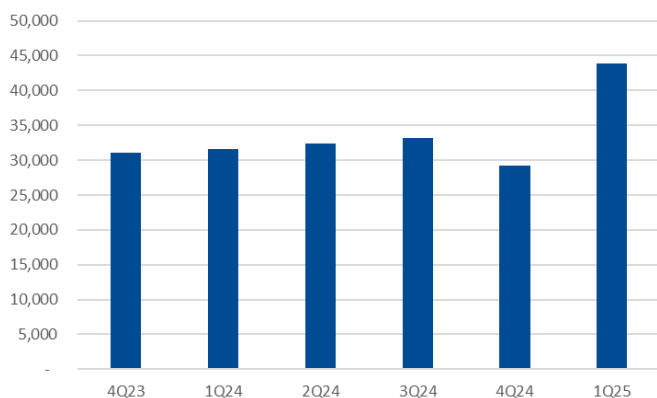
Source: Company, BRIDS

**Exhibit 6. NCKL's Quarterly MHP ASP and Cash Cost (US\$/t)**



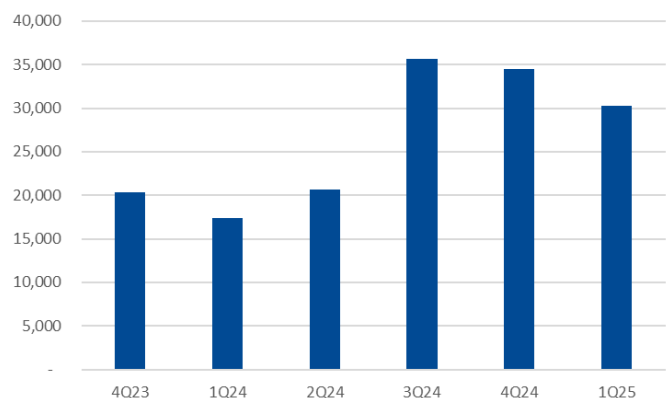
Source: Company, BRIDS

**Exhibit 7. NCKL's Quarterly NPI Sales (t)**



Source: Company, BRIDS

**Exhibit 8. NCKL's Quarterly MHP/Sulfate Sales (t)**



Source: Company, BRIDS

**Exhibit 9. Revenue and Growth**



Source: Company, BRIDS Estimates

**Exhibit 10. Net Profit and Growth**



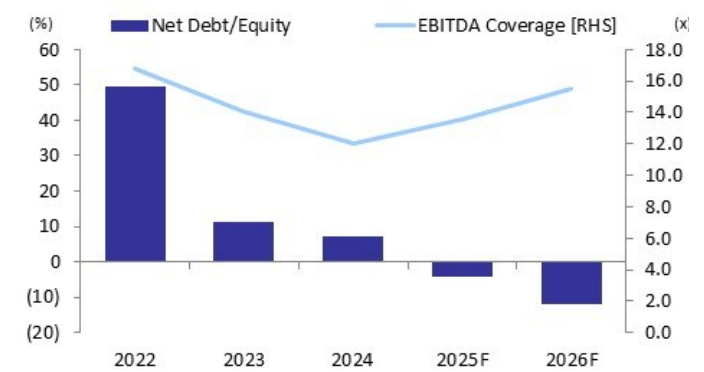
Source: Company, BRIDS Estimates

**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
<b>Revenue</b>	<b>23,858</b>	<b>26,965</b>	<b>26,777</b>	<b>27,592</b>	<b>27,599</b>
COGS	(15,582)	(18,518)	(16,453)	(16,568)	(16,571)
<b>Gross profit</b>	<b>8,276</b>	<b>8,447</b>	<b>10,324</b>	<b>11,023</b>	<b>11,029</b>
<b>EBITDA</b>	<b>8,294</b>	<b>9,074</b>	<b>10,493</b>	<b>11,138</b>	<b>11,132</b>
<b>Oper. profit</b>	<b>7,024</b>	<b>7,166</b>	<b>8,717</b>	<b>9,368</b>	<b>9,373</b>
Interest income	164	246	259	206	275
Interest expense	(591)	(755)	(775)	(717)	(698)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	1,578	2,013	3,088	3,255	3,255
Other Income (Expenses)	0	0	0	0	0
<b>Pre-tax profit</b>	<b>8,175</b>	<b>8,671</b>	<b>11,290</b>	<b>12,112</b>	<b>12,205</b>
Income tax	(1,107)	(958)	(1,181)	(1,275)	(1,288)
Minority interest	(1,449)	(1,333)	(2,325)	(2,493)	(2,511)
<b>Net profit</b>	<b>5,619</b>	<b>6,380</b>	<b>7,784</b>	<b>8,345</b>	<b>8,406</b>
<b>Core Net Profit</b>	<b>5,619</b>	<b>6,380</b>	<b>7,784</b>	<b>8,345</b>	<b>8,406</b>

**Exhibit 14. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	3,935	6,486	10,321	13,753	17,622
Receivables	1,343	1,574	687	705	705
Inventory	5,504	5,158	5,063	5,099	5,100
Other Curr. Asset	978	246	150	150	150
Fixed assets - Net	22,350	22,533	21,958	21,388	20,828
Other non-curr.asset	11,180	16,256	19,096	21,411	23,726
<b>Total asset</b>	<b>45,289</b>	<b>52,254</b>	<b>57,275</b>	<b>62,505</b>	<b>68,130</b>
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
<b>Total Liabilities</b>	<b>16,897</b>	<b>15,800</b>	<b>14,951</b>	<b>14,171</b>	<b>13,894</b>
Shareholder's Funds	23,497	30,486	36,356	42,366	48,268
Minority interests	4,895	5,968	5,968	5,968	5,968
<b>Total Equity &amp; Liabilities</b>	<b>45,289</b>	<b>52,254</b>	<b>57,275</b>	<b>62,505</b>	<b>68,130</b>

**Exhibit 15. Cash Flow**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	5,619	6,380	7,784	8,345	8,406
Depreciation and Amort.	1,270	1,908	1,775	1,770	1,759
Change in Working Capital	(1,815)	(579)	1,049	(53)	(1)
Other Oper. Cash Flow	(8,036)	(6,920)	(2,858)	(2,344)	(2,342)
<b>Operating Cash Flow</b>	<b>(2,962)</b>	<b>789</b>	<b>7,750</b>	<b>7,717</b>	<b>7,822</b>
Capex	(3,208)	(2,423)	(1,459)	(1,406)	(1,475)
Others Inv. Cash Flow	164	246	259	206	275
<b>Investing Cash Flow</b>	<b>(3,044)</b>	<b>(2,176)</b>	<b>(1,200)</b>	<b>(1,200)</b>	<b>(1,200)</b>
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)	(2,335)	(2,503)
Other Fin. Cash Flow	2	1,542	0	0	0
<b>Financing Cash Flow</b>	<b>8,664</b>	<b>3,940</b>	<b>(2,716)</b>	<b>(3,085)</b>	<b>(2,753)</b>
<b>Net Change in Cash</b>	<b>2,658</b>	<b>2,552</b>	<b>3,834</b>	<b>3,432</b>	<b>3,869</b>
Cash - begin of the year	1,277	3,935	6,486	10,321	13,753
Cash - end of the year	3,935	6,486	10,321	13,753	17,622

**Exhibit 16. Key Ratio**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth (%)</b>					
Sales	149.4	13.0	(0.7)	3.0	0.0
EBITDA	84.0	9.4	15.6	6.2	(0.1)
Operating profit	76.3	2.0	21.6	7.5	0.1
Net profit	20.4	13.5	22.0	7.2	0.7
<b>Profitability (%)</b>					
Gross margin	34.7	31.3	38.6	40.0	40.0
EBITDA margin	34.8	33.7	39.2	40.4	40.3
Operating margin	29.4	26.6	32.6	34.0	34.0
Net margin	23.6	23.7	29.1	30.2	30.5
ROAA	14.1	13.1	14.2	13.9	12.9
ROAE	34.1	23.6	23.3	21.2	18.5
<b>Leverage</b>					
Net Gearing (x)	0.1	0.1	0.0	(0.1)	(0.2)
Interest Coverage (x)	11.9	9.5	11.2	13.1	13.4

Source: NCKL, BRIDS Estimates



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**INVESTMENT RATING**

<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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