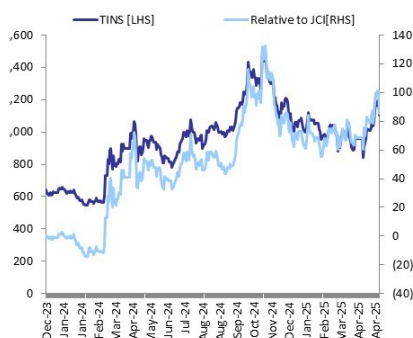


# Buy

(Maintained)

Last Price (Rp)	1,105
Target Price (Rp)	1,300
Previous Target Price (Rp)	2,300
Upside/Downside	+17.6%
No. of Shares (mn)	7,448
Mkt Cap (Rpbn/US\$mn)	8,230/501
Avg, Daily T/O (Rpbn/US\$mn)	33.1/2.0
Free Float (%)	28.9
Major Shareholder (%)	
Inalum	65.0
EPS Consensus (Rp)	
	2025F 2025F 2027F
BRIDS	121.2 107.2 110.4
Consensus	208.7 203.8 218.1
BRIDS/Cons (%)	(41.9) (47.4) (49.4)

## TINS relative to JCI Index



Source: Bloomberg

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# Timah (TINS IJ)

## Trimming FY25-26F estimates post 1Q25 earnings miss

- 1Q25 net profit was below our estimate at Rp117bn due to unfavorable weather that disrupted production and sales volume.
- We revised down our production/sales and cash cost estimates, which decreased our FY25-26F net profit est. by -44%/46% to Rp903bn/798bn.
- We reiterate our BUY rating on attractive dividend upside but at a lower TP of Rp1,300. Key risks are lower tin prices, sales, and higher cash costs.

### 1Q25: huge miss due to lower production and sales

Net profits declined to Rp117bn, -58% qoq, +295% yoy. The result was below our estimate as it only reached 7.2% of FY25F. Meanwhile, revenue declined to Rp2.1tr, -19% qoq, +2% yoy, which was also below our estimate at 18% of FY25E. The earnings miss in 1Q25 was mainly attributable to lower tin ore production of 3,215 ton, -24% qoq, as offshore output dropped to 1,617 ton, -48% qoq, due to persisting rainy weather that disrupted operations. Consequently, refined tin sales dropped by -29% qoq to 2,874 ton.

### FY25-26E downgrade on a more conservative outlook

TINS mgmt. indicated a possible increase in cash cost in FY25 (FY24: US\$17.9k/ton), due to higher transport cost from B40 implementation, as well as a royalty hike from 3% to 7.5% under PP19/2025. In view of this, we have increased our cash cost estimate from US\$17k/ton to US\$20k/ton in our FY25-26F. Furthermore, as we saw a decline in 1Q25 production due to weather-related issues, we downgraded our sales volume estimate from 20.7kt to 17.7kt in FY25F and 19kt in FY26E. Thus, we cut our FY25-26 revenue by -12.0%/-5.3% to Rp10.2tr/10.6tr and earnings by -44.4%/-45.7% to Rp903bn/798bn. Nonetheless, looking at TINS' hefty cash level of Rp1.9tr in FY24, TINS could provide attractive dividend payments. Based on a historical average of 30%-35%, its div. yield currently stands at 4.3%-5.0%. However, at 100% payout, TINS still offers an attractive div. yield of 14.4%.

### Maintain Buy with a downgraded DCF-based TP of Rp1,300

We maintain our Buy rating with a downgraded DCF-based TP of Rp1,300. Changes in our TP mainly factor in the higher LT cash cost of US\$20k/ton (from: US\$17k/ton). TINS currently trades at 9.1x FY25F PE and 4.6x FY25F EV/EBITDA, which lies at -0.5x std of its 5-yr EV/EBITDA band. Key risks to our call include lower tin prices, lower sales volume, and higher cash costs.

## Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	8,392	10,856	10,214	10,604	10,604
EBITDA (Rpbn)	403	2,659	2,082	1,945	1,980
Net Profit (Rpbn)	(450)	1,187	903	798	822
EPS (Rp)	(60.4)	159.3	121.2	107.2	110.4
BVPS (Rp)	838.1	1,000.3	1,073.6	1,144.4	1,222.8
DPS (Rp)	42.0	0.0	47.8	36.4	32.1
PER (x)	n/m	6.9	9.1	10.3	10.0
PBV (x)	1.3	1.1	1.0	1.0	0.9
Dividen yield (%)	3.8	0.0	4.3	3.3	2.9
EV/EBITDA	22.9	2.8	3.0	2.8	2.2

Source: TINS, BRIDS Estimates

### Exhibit 1. TINS 1Q25 earnings summary

PT Timah										
TINS	1Q24	4Q24	1Q25	q-q (%)	y-y (%)	3M24	3M25	y-y (%)	% of 25F	% of Cons
<b>PROFIT &amp; LOSS (Rpbn)</b>										
Revenue	2,057	2,602	2,098	(19.4)	2.0	2,057	2,098	2.0	18.1%	17.6%
Cost of revenue	(1,761)	(1,971)	(1,715)	(13.0)	(2.6)	(1,761)	(1,715)	(2.6)		
Gross profit	295	630	382	(39.3)	29.5	295	382	29.5		
Operating expenses	(226)	(294)	(235)	(20.3)	4.0	(226)	(235)	4.0		
Operating profit	70	336	148	(56.0)	111.9	70	148	111.9	6.7%	6.3%
EBITDA	300	476	340	(28.6)	13.3	300	340	13.3	11.3%	10.2%
Other income/(expense)	(21)	13	14	9.7	n/a	(21)	14	n/a		
Pre-tax profit	49	349	162	(53.6)	232.1	49	162	232.1		
Taxes	(19)	(71)	(45)	(36.6)	134.9	(19)	(45)	134.9		
Net profit	30	278	117	(57.9)	295.6	30	117	295.6	7.2%	7.2%
Core profit	13	254	93	(63.2)	625.9	13	140	991		
<b>Margins (%)</b>										
Gross	14.4	24.2	18.2			14.4	18.2			
EBIT	3.4	12.9	7.0			3.4	7.0			
EBITDA	14.6	18.3	16.2			14.6	16.2			
Net	1.4	10.7	5.6			1.4	5.6			

Operational data	1Q24	4Q24	1Q25	q-q (%)	y-y (%)	3M24	3M25	y-y (%)
Tin ore production								
Onshore	3,260	1,117	1,598	43.1	(51.0)	3,260	1,598	(51.0)
Offshore	2,100	3,131	1,617	(48.4)	(23.0)	2,100	1,617	(23.0)
Refined tin production								
Refined tin sales	4,475	4,475	3,095	(30.8)	(30.8)	4,475	3,095	(30.8)
ASP	27,071	32,273	32,495	0.7	20.0	27,071	32,495	20.0

Source: Company, BRIDS

Source: Company

### Exhibit 2. TINS DCF valuation and assumptions

LT Assumption		DCF valuation (Rpbn)	
ASP (US\$)	29,000	Enterprise value	7,900
Cash cost (US\$/wmt)	20,000	Net cash/(debt)	1,291
Cash margin	9,000	Equity value	9,191
Production (Mt)	18,600	# share outstanding	7.4
		<b>Rounded TP (Rp)</b>	<b>1,300</b>

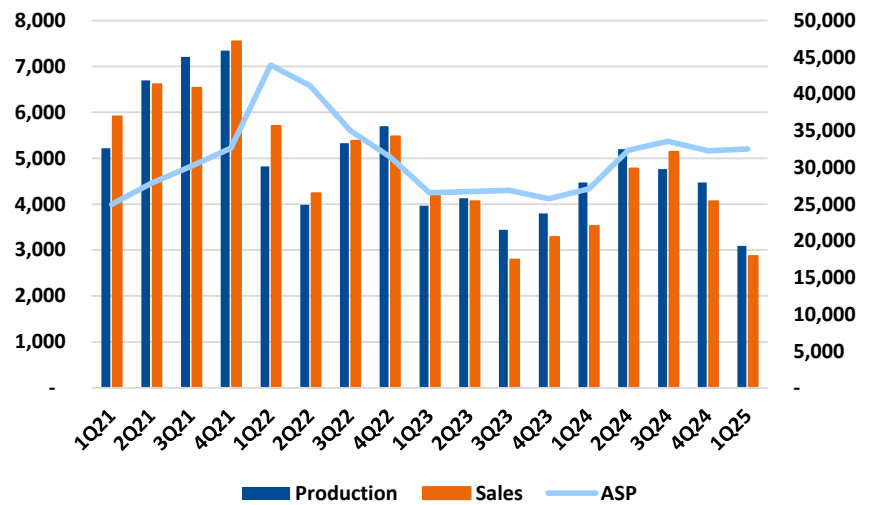
Source: BRIDS Estimates

### Exhibit 3. TINS Forecast changes summary

TINS (Rpbn)	2025E			2026E			2027E		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue	11,612	10,214	-12.0%	11,197	10,604	-5.3%		10,604	
Gross margin	28.5%	21.8%		26.6%	19.8%			19.8%	
EBITDA	3,014	2,082	-30.9%	2,721	1,945	-28.5%		1,945	
EBITDA margin	26.0%	20.4%		24.3%	18.3%			18.3%	
Net profit	1,623	903	-44.4%	1,470	798	-45.7%		798	
Net margin	14.0%	8.8%		13.1%	7.5%			7.5%	
Production	22,000	18,600	-15.5%	22,000	20,000	-9.1%		20,000	
Sales	20,680	17,670	-14.6%	20,680	19,000	-8.1%		19,000	
ASP	28,000	29,000	3.6%	27,000	28,000	3.7%		28,000	
Cash cost	17,000	20,000	17.6%	17,000	20,000	17.6%		20,000	

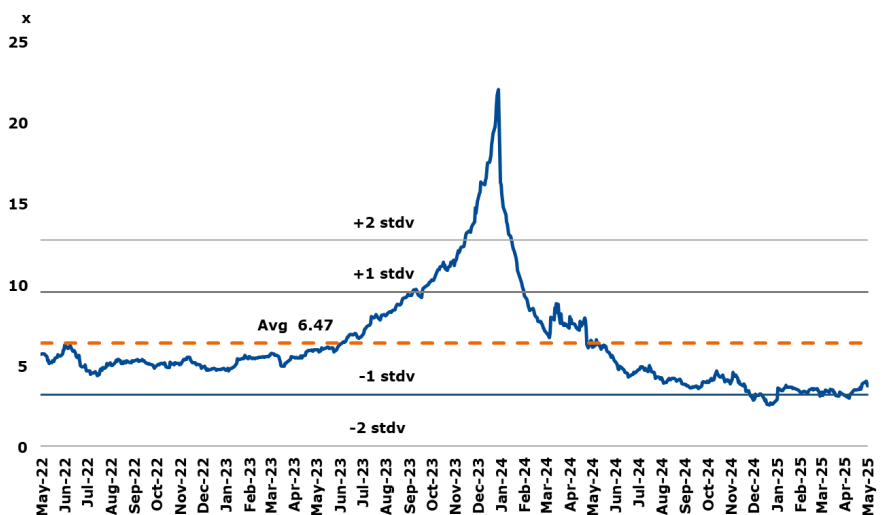
Source: BRIDS Estimates

Exhibit 4. TINS production and sales volume



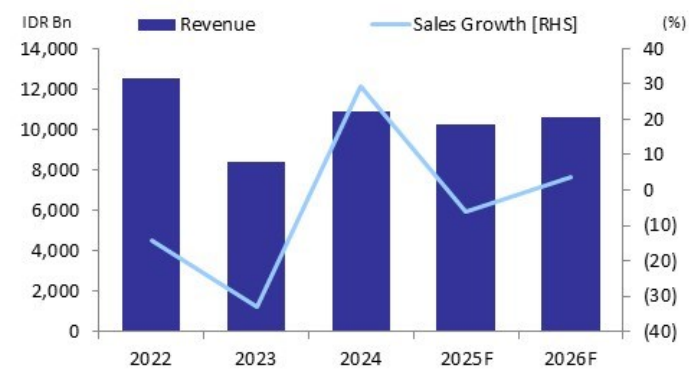
Source: Company

Exhibit 5. TINS EV/EBITDA band (3-year)



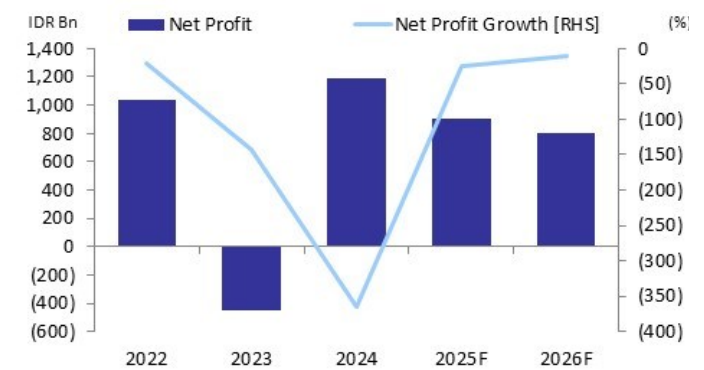
Source: Company, Bloomberg, BRIDS Estimates

## Exhibit 6. Revenue and Growth



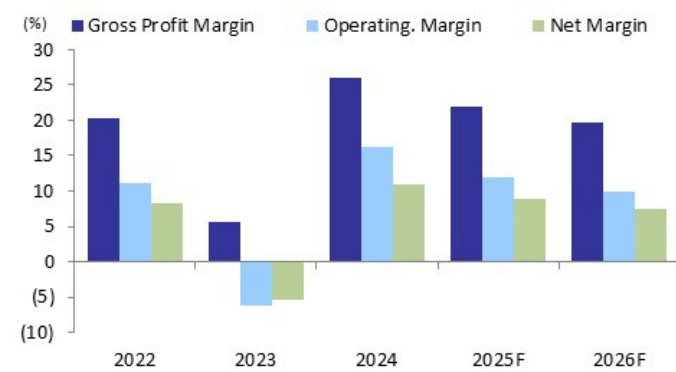
Source: Company, BRIDS Estimates

## Exhibit 7. Net Profit and Growth



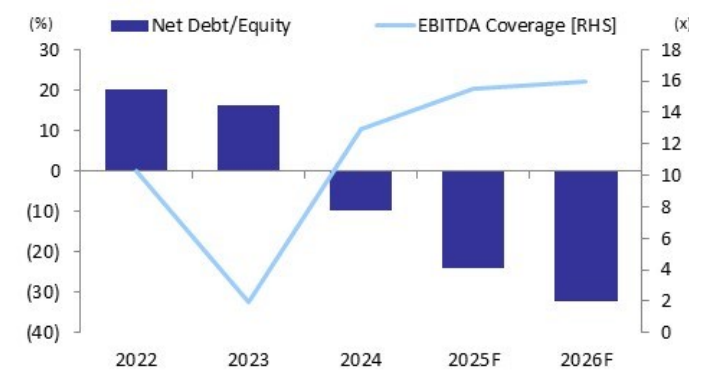
Source: Company, BRIDS Estimates

## Exhibit 8. Margins



Source: Company, BRIDS Estimates

## Exhibit 9. Gearing Level



Source: Company, BRIDS Estimates

**Exhibit 10. Income Statement**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>8,392</b>	<b>10,856</b>	<b>10,214</b>	<b>10,604</b>	<b>10,604</b>
COGS	(7,926)	(8,026)	(7,986)	(8,510)	(8,510)
<b>Gross profit</b>	<b>466</b>	<b>2,830</b>	<b>2,228</b>	<b>2,094</b>	<b>2,094</b>
<b>EBITDA</b>	<b>403</b>	<b>2,659</b>	<b>2,082</b>	<b>1,945</b>	<b>1,980</b>
<b>Oper. profit</b>	<b>(526)</b>	<b>1,755</b>	<b>1,217</b>	<b>1,044</b>	<b>1,044</b>
Interest income	21	52	50	75	91
Interest expense	(205)	(206)	(135)	(122)	(108)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	28	20	20	20	20
Other Income (Expenses)	235	(19)	0	0	0
<b>Pre-tax profit</b>	<b>(447)</b>	<b>1,603</b>	<b>1,152</b>	<b>1,018</b>	<b>1,047</b>
Income tax	(3)	(416)	(249)	(220)	(226)
Minority interest	0	0	0	0	0
<b>Net profit</b>	<b>(450)</b>	<b>1,187</b>	<b>903</b>	<b>798</b>	<b>822</b>
<b>Core Net Profit</b>	<b>(450)</b>	<b>1,187</b>	<b>903</b>	<b>798</b>	<b>821</b>

**Exhibit 11. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	1,527	1,988	2,999	3,654	4,553
Receivables	870	1,001	866	898	898
Inventory	2,523	2,678	2,588	2,757	2,757
Other Curr. Asset	600	360	360	360	360
Fixed assets - Net	3,161	2,589	2,225	1,774	1,288
Other non-curr.asset	4,173	4,183	4,199	4,215	4,232
<b>Total asset</b>	<b>12,853</b>	<b>12,800</b>	<b>13,237</b>	<b>13,659</b>	<b>14,089</b>
ST Debt	1,259	17	(83)	(183)	(283)
Payables	865	756	807	860	860
Other Curr. Liabilities	1,858	1,550	1,554	1,558	1,563
Long Term Debt	1,269	1,233	1,158	1,083	1,009
Other LT. Liabilities	1,360	1,401	1,412	1,426	1,442
<b>Total Liabilities</b>	<b>6,611</b>	<b>4,958</b>	<b>4,849</b>	<b>4,744</b>	<b>4,590</b>
Shareholder's Funds	6,242	7,450	7,996	8,524	9,107
Minority interests	0	0	0	0	0
<b>Total Equity &amp; Liabilities</b>	<b>12,853</b>	<b>12,408</b>	<b>12,845</b>	<b>13,268</b>	<b>13,698</b>

**Exhibit 12. Cash Flow**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	(450)	1,187	903	798	822
Depreciation and Amort.	929	903	865	900	936
Change in Working Capital	672	(429)	276	(149)	0
Other Oper. Cash Flow	(619)	716	(1)	1	4
<b>Operating Cash Flow</b>	<b>533</b>	<b>2,376</b>	<b>2,042</b>	<b>1,551</b>	<b>1,762</b>
Capex	(578)	(331)	(501)	(450)	(450)
Others Inv. Cash Flow	0	0	0	0	0
<b>Investing Cash Flow</b>	<b>(578)</b>	<b>(331)</b>	<b>(501)</b>	<b>(450)</b>	<b>(450)</b>
Net change in debt	712	(1,604)	(175)	(175)	(174)
New Capital	(37)	21	0	0	0
Dividend payment	(312)	0	(356)	(271)	(239)
Other Fin. Cash Flow	0	0	0	0	1
<b>Financing Cash Flow</b>	<b>362</b>	<b>(1,583)</b>	<b>(531)</b>	<b>(446)</b>	<b>(412)</b>
<b>Net Change in Cash</b>	<b>317</b>	<b>462</b>	<b>1,011</b>	<b>655</b>	<b>899</b>
Cash - begin of the year	1,209	1,527	1,988	2,999	3,654
Cash - end of the year	1,527	1,988	2,999	3,654	4,553

**Exhibit 13. Key Ratio**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth (%)</b>					
Sales	(32.9)	29.4	(5.9)	3.8	0.0
EBITDA	(81.1)	559.0	(21.7)	(6.6)	1.8
Operating profit	(137.5)	(433.7)	(30.7)	(14.2)	0.0
Net profit	(143.2)	(363.9)	(23.9)	(11.6)	3.0
<b>Profitability (%)</b>					
Gross margin	5.6	26.1	21.8	19.8	19.8
EBITDA margin	4.8	24.5	20.4	18.3	18.7
Operating margin	(6.3)	16.2	11.9	9.8	9.8
Net margin	(5.4)	10.9	8.8	7.5	7.8
ROAA	(3.5)	9.3	6.9	5.9	5.9
ROAE	(6.8)	17.3	11.7	9.7	9.3
<b>Leverage</b>					
Net Gearing (x)	0.2	(0.1)	(0.2)	(0.3)	(0.4)
Interest Coverage (x)	(2.6)	8.5	9.0	8.6	9.6

Source: TINS, 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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