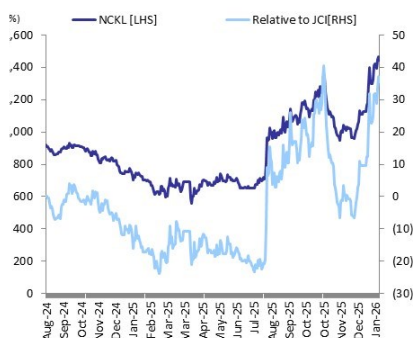


# Buy

(Maintained)

Last Price (Rp)	1,535
Target Price (Rp)	1,800
Previous Target Price (Rp)	1,300
Upside/Downside	+17.3%
No. of Shares (mn)	63,099
Mkt Cap (Rpbn/US\$mn)	96,856/5,522
Avg, Daily T/O (Rpbn/US\$mn)	107.2/6.4
Free Float (%)	17.6
Major Shareholder (%)	
Harita Jayaraya	86.5
PT Citra Duta Jaya Makmur	0.9
EPS Consensus (US\$cents)	
	2025F 2026F 2027F
BRIDS	138.8 190.0 222.9
Consensus	132.2 162.8 182.1
BRIDS/Cons (%)	5.1 16.7 22.4

## NCKL relative to JCI Index



Source: Bloomberg

## Trimegah Bangun Persada (NCKL IJ) Commissioning Underway, Earnings Growth Supported by Higher JV Ownership

- NCKL aims to focus on cost efficiency and commissioning in FY26, with KPS Phase 1&2 commissioning lifting nameplate capacity to ~305kt Ni.
- Earnings quality structurally improves from FY26F, driven by higher effective JV ownership with ONC's 40% stake fully reflected.
- Resume coverage with Buy rating and higher TP of Rp1,800, supported by stronger earnings visibility and a more sustainable operating profile

### FY26F: The commissioning phase

Our discussion with NCKL's mgmt. reveals the company's planned focus in FY26 onwards on a group-wide cost efficiency initiative, alongside the commissioning of several projects scheduled to come on stream in FY26F. These projects include KPS Phase<sup>2</sup>, KPS Phase<sup>3</sup>, CKM (Quicklime Plant), while iron extraction remains an incremental optional upside. As a result, total nameplate capacity is expected to increase materially to ~305kt in FY26F (vs ~180kt in 25F). That said, utilization is projected to normalize to a more sustainable ~68-70% in FY26F (from an elevated ~97% in FY25F) reflecting a transition toward more sustainable operating levels.

### Earnings quality upgrade supported by higher JV ownership

Despite entering a utilization normalization phase, we expect NCKL's FY26F earnings profile to remain resilient. Consolidated we project NPI nickel sales to be sustained at ~205-210kt Ni (vs. ~175 Ni in FY25F), supported by incremental contributions from newly commissioned capacity and a more stable operating mix. On the HPAL side, MHP output from ONC is expected to remain steady at 68.3kt, with its earnings contribution increasingly reflected through a higher effective ownership of 40% (vs ~5% previously). From a cost perspective, improving operational stability across RKEF operations, the full year earnings contribution from ONC, and the commencement of CKM are expected to lower consolidated cash costs per ton (NPI and MHP) by ~3-4% y-y (see Exh. 7), partly offset by initial project-related expenses and maintenance normalization.

### Reiterate Buy rating with a higher TP of Rp1,800

Overall, we raise our FY26-27F net profit forecasts by +43.7-67.3% (see Exh. 7) to reflect newly commissioned capacity (+125.5kt) and higher effective ownership in key JVs. In line with our revised earnings assumptions, we raised our TP to Rp1,800 based on SOTP valuation which employed DCF for each project. Our TP implied FY26F PE of 9.9x (+1.0 std dev 3-year mean), which we view as reasonable given improving earnings visibility and a more sustainable operating profile. Key risks to our call include nickel price reversal, lower than expected utilization, and potential cost pressures from Global Minimum Tax (GMT) at JVs entities.

### Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	23,858	26,965	28,053	30,589	31,765
EBITDA (Rpbn)	8,294	9,074	9,542	12,013	12,934
Net Profit (Rpbn)	5,619	6,380	8,761	11,990	14,064
EPS (Rp)	89.1	101.1	138.8	190.0	222.9
BVPS (Rp)	372.4	483.2	591.7	740.0	905.9
PER (x)	17.2	15.2	11.1	8.1	6.9
PBV (x)	4.1	3.2	2.6	2.1	1.7
Dividend yield (%)	1.4	1.7	2.0	2.7	3.7
EV/EBITDA	12.1	11.0	10.3	8.0	7.3

Source: NCKL, BRIDS Estimate

See important disclosure at the back of this report

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### BRI Danareksa Sekuritas Analysts

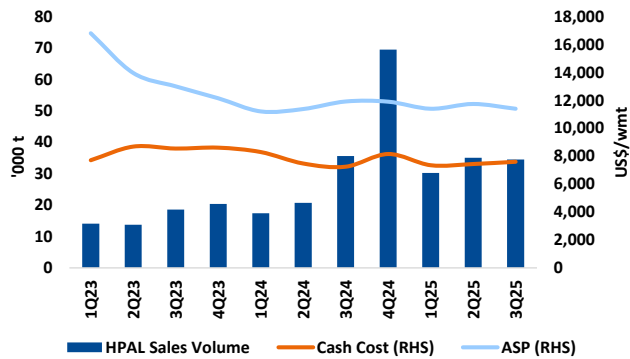
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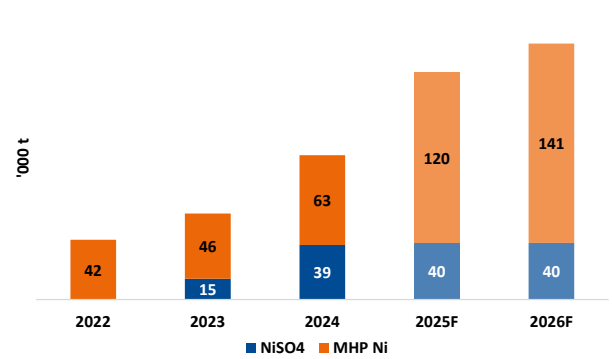
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Exhibit 1. MHP sales volume, ASP and Cash Cost (q-q)



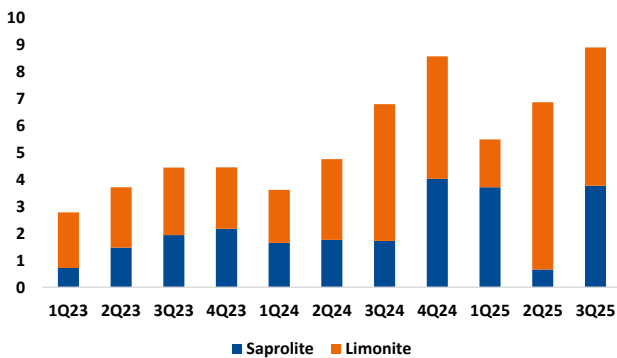
Source: Company, BRIDS

Exhibit 2. MHP and sulfate sales volume ests.



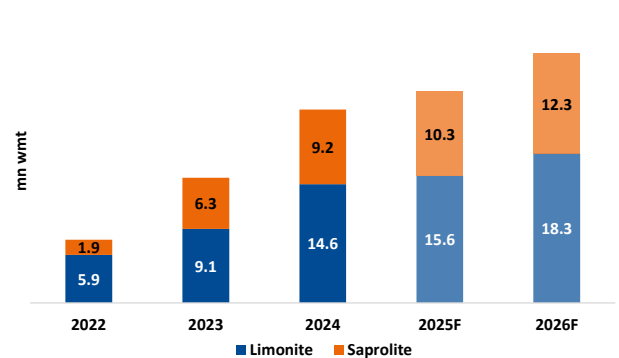
Source: Company, BRIDS Estimates

Exhibit 3. Ore sales volume (q-q)



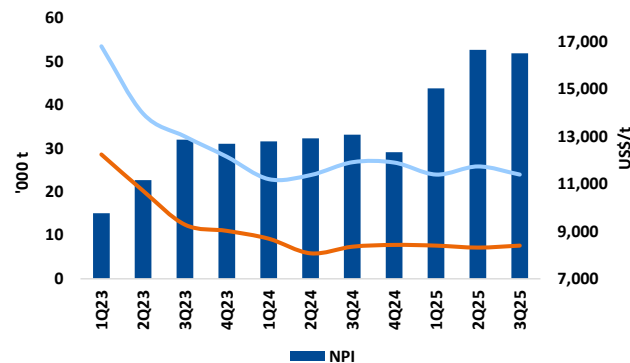
Source: Company, BRIDS

Exhibit 4. Ore sales volume ests.



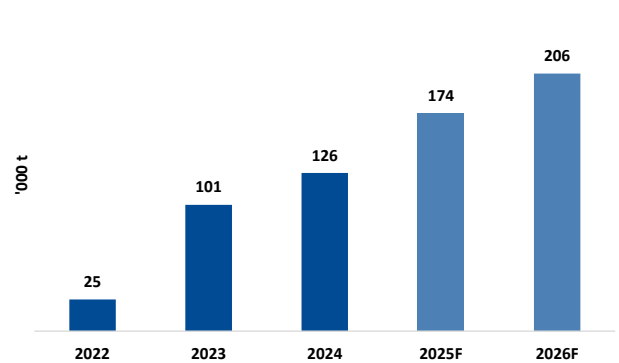
Source: Company, BRIDS Estimates

Exhibit 5. NPI sales volume (q-q)



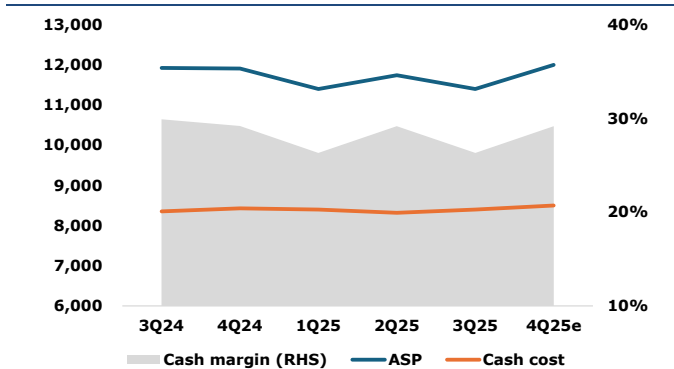
Source: Company, BRIDS

Exhibit 6. NPI sales volume ests.



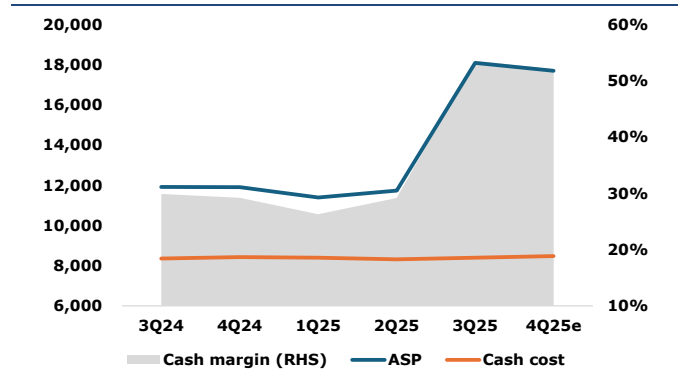
Source: Company, BRIDS Estimates

**Exhibit 7. RKEF margin temporarily compressed, yet remains resilient (US\$/t)**



Source: Company, BRIDS Estimates

**Exhibit 8. Mining segment margin strengthens on stable cash cost, driven by ASP (US\$/wmt)**



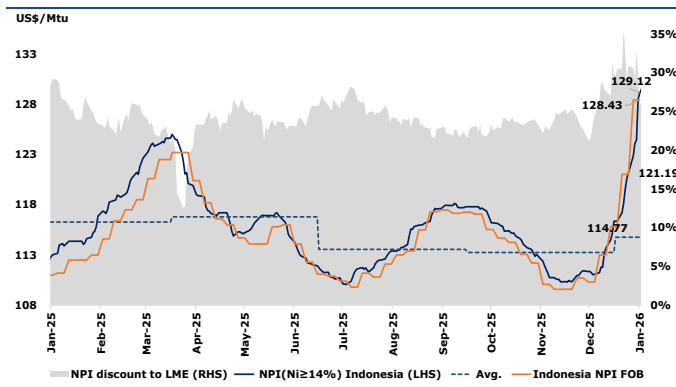
Source: Company, BRIDS Estimates

**Exhibit 7. NCKL's forecast and assumptions change**

NCKL (Rpbn)	2025F			2026F			2027F		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue	26,777	28,053	<b>4.8%</b>	27,592	30,589	<b>10.9%</b>	27,599	31,765	<b>15.1%</b>
Gross margin	38.6%	33.8%		40.0%	39.6%		40.0%	41.3%	
EBITDA	10,493	9,542	<b>-9.1%</b>	11,138	12,013	<b>7.9%</b>	11,132	12,934	<b>16.2%</b>
EBITDA margin	39.2%	34.0%		40.4%	39.3%		40.3%	40.7%	
Net profit	7,784	8,761	<b>12.6%</b>	8,345	11,990	<b>43.7%</b>	8,406	14,064	<b>67.3%</b>
Net margin	29.1%	31.2%		30.2%	39.2%		30.5%	44.3%	
<b>Operational Assumptions</b>									
LME Nickel Price (US\$/t)	15,500	16,500	<b>6.5%</b>	15,500	17,500	<b>12.9%</b>	15,500	18,000	<b>16.1%</b>
NPI Price (US\$/t)	11,750	11,550	<b>-1.7%</b>	12,000	12,250	<b>2.1%</b>	12,500	12,600	<b>0.8%</b>
Saprolite sales volume (mn wmt)	9.7	10.3	<b>6.6%</b>	10.3	12.3	<b>19.0%</b>	10.3	13.9	<b>35.1%</b>
Limonite sales (mn wmt)	15.9	15.6	<b>-1.8%</b>	16.8	18.3	<b>9.2%</b>	16.8	18.3	<b>9.2%</b>
NPI sales volume (t)	170,490	173,972	<b>2.0%</b>	179,400	205,900	<b>14.8%</b>	179,400	233,372	<b>30.1%</b>
MHP/Sulfate sales volume (t)	111,128	160,420	<b>44.4%</b>	117,563	180,895	<b>53.9%</b>	117,563	180,895	<b>53.9%</b>
Saprolite ASP (US\$/t)	28.1	30.6	<b>9.0%</b>	28.0	30.9	<b>10.5%</b>	28.0	31.8	<b>13.7%</b>
Limonite ASP (US\$/t)	14.0	15.3	<b>9.4%</b>	14.0	15.5	<b>10.5%</b>	14.0	15.9	<b>13.7%</b>
NPI ASP (US\$/t)	11,750	11,550	<b>-1.7%</b>	12,000	12,250	<b>2.1%</b>	12,000	12,600	<b>5.0%</b>
MHP ASP net cobalt credit (US\$/t)	14,243	13,255	<b>-6.9%</b>	13,933	14,058	<b>0.9%</b>	13,933	14,460	<b>3.8%</b>
Saprolite cash cost (US\$/wmt)	13.9	11.5	<b>-17.3%</b>	14.2	11.6	<b>-18.2%</b>	14.3	11.7	<b>-18.0%</b>
Limonite cash cost (US\$/wmt)	6.5	7.5	<b>15.4%</b>	6.7	7.9	<b>17.5%</b>	6.8	7.9	<b>15.8%</b>
NPI cash cost (US\$/t)	9,583	8,900	<b>-7.1%</b>	9,667	8,633	<b>-10.7%</b>	9,667	8,719	<b>-9.8%</b>
MHP net cobalt credit cash cost (US\$/t)	6,809	7,160	<b>5.1%</b>	6,749	6,944	<b>2.9%</b>	6,749	6,986	<b>3.5%</b>
Saprolite cash margin (US\$/wmt)	14.2	19.1	<b>34.7%</b>	13.8	19.3	<b>40.0%</b>	13.7	20.1	<b>46.7%</b>
Limonite cash margin (US\$/wmt)	7.5	7.8	<b>4.2%</b>	7.3	7.6	<b>4.0%</b>	7.2	8.0	<b>11.6%</b>
NPI cash margin (US\$/t)	2,167	2,650	<b>22.3%</b>	2,333	3,617	<b>55.0%</b>	2,333	3,881	<b>66.3%</b>
MHP net cobalt credit cash margin (US\$/t)	7,434	6,095	<b>-18.0%</b>	7,184	7,114	<b>-1.0%</b>	7,184	7,474	<b>4.0%</b>

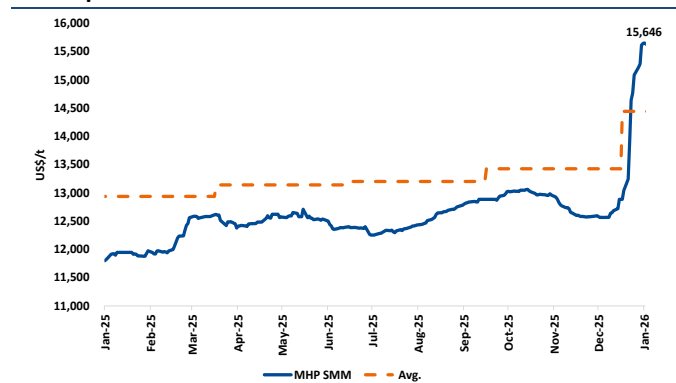
Source: Company, BRIDS Estimates

**Exhibit 8. Narrowing disc drives improved margin leverage for RKEF**



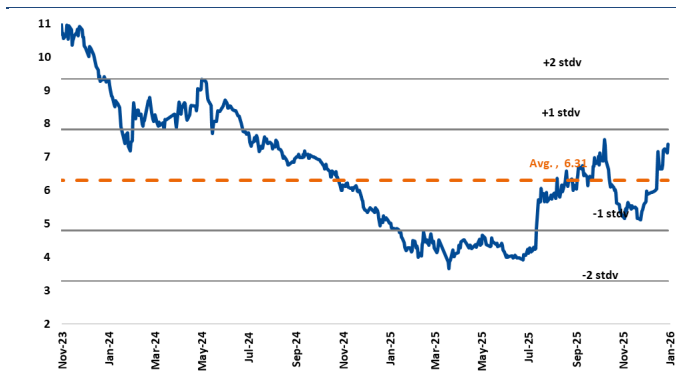
Source: SMM, Bloomberg, BRIDS

**Exhibit 9. Price breakout introduces upside risk to ASP assumption from FY26F onwards**



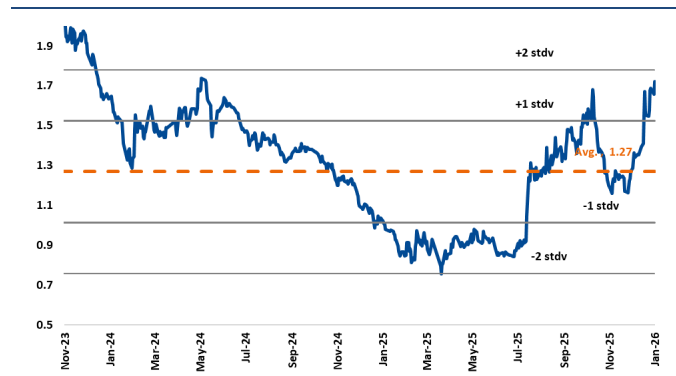
Source: SMM, Bloomberg, BRIDS

**Exhibit 10. NCKL's PE Band**



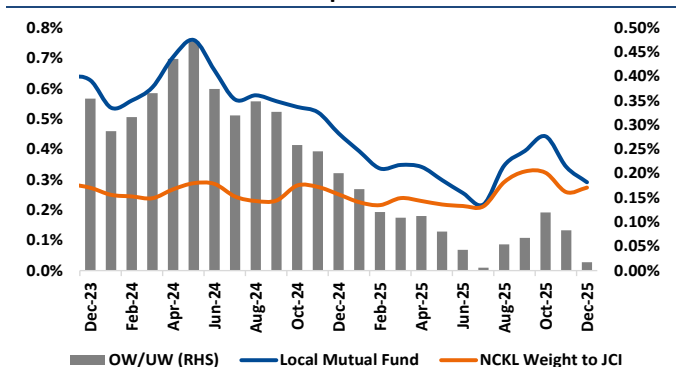
Source: Bloomberg, BRIDS

**Exhibit 11. NCKL's PB Band**



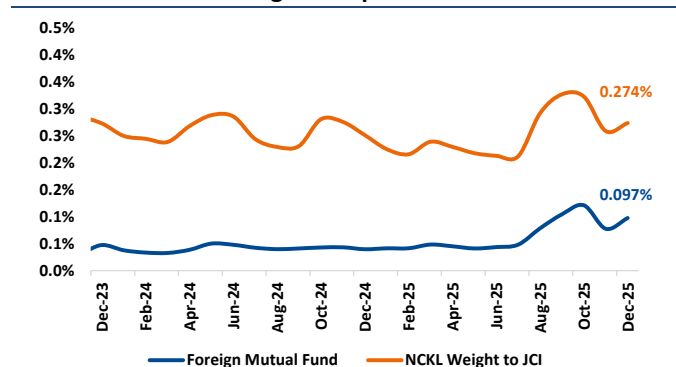
Source: Bloomberg, BRIDS

**Exhibit 12. NCKL's local fund position**



Source: KSEI, BRIDS

**Exhibit 13. NCKL's foreign fund position**



Source: KSEI, BRIDS Estimates

**Exhibit 9. Peers**

Date	Company	Company	Mkt.Cap (USD mn.)	PE 25F 26F	PB 25F 26F	ROA 25F 26F	ROE 25F 26F
NCKL IJ	NCKL IJ Equity	TRIMEGAH BANGUN PERSADA TBK	5,522	11.1 8.1	2.6 2.1	15.9 19.3	25.8 28.5
ANTM IJ	ANTM IJ Equity	ANEKA TAMBANG TBK	6,137	14.1 11.7	3.2 2.7	17.1 18.4	24.0 25.1
INCO IJ	INCO IJ Equity	VALE INDONESIA TBK	4,251	37.5 26.3	1.6 1.5	3.6 4.9	4.2 5.8
BHP AU	BHP AU Equity	BHP GROUP LTD	169,302	16.4 14.0	3.5 3.2	11.2 11.2	22.9 23.7
GLEN LC	GLEN LC Equity	GLENORE PLC	80,007	37.6 18.4	2.2 2.0	1.0 3.2	4.5 11.5
AAL LN	AAL LN Equity	ANGLO AMERICAN PLC	54,152	65.5 27.9	2.9 2.4	0.2 2.8	4.1 9.8
603799 CH	603799 CH Equity	ZHEJIANG HUAYOU COBALT CO -A	21,423	24.6 18.5	3.4 3.0	4.8 6.0	14.5 17.1
LUN CN	LUN CN Equity	LUNDIN MINING CORP	21,256	34.9 24.0	3.5 3.0	6.1 8.3	11.6 13.7
5713 JT	5713 JT Equity	SUMITOMO METAL MINING CO LTD	15,787	55.0 27.0	1.3 1.2	1.0 #N/A N/A	2.5 4.6
S32 AU	S32 AU Equity	SOUTH32 LTD	13,557	19.4 17.2	1.5 1.5	6.4 6.5	7.9 8.1
NICA AU	NICA AU Equity	NICKEL INDUSTRIES LTD	2,794	46.2 14.4	1.3 1.2	2.1 5.8	2.1 8.9
NIKL PM	NIKL PM Equity	NICKEL ASIA CORP	1,171	13.8 12.2	1.4 1.2	12.0 11.6	16.0 16.5
Average.				33.2 19.2	2.3 2.1	5.9 7.9	10.4 13.2

Source: Bloomberg, BRIDS Estimates

**Exhibit 10. Income Statement**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>23,858</b>	<b>26,965</b>	<b>28,053</b>	<b>30,589</b>	<b>31,765</b>
COGS	(15,582)	(18,518)	(18,581)	(18,477)	(18,638)
<b>Gross profit</b>	<b>8,276</b>	<b>8,447</b>	<b>9,472</b>	<b>12,112</b>	<b>13,127</b>
<b>EBITDA</b>	<b>8,294</b>	<b>9,074</b>	<b>9,542</b>	<b>12,013</b>	<b>12,934</b>
<b>Oper. profit</b>	<b>7,024</b>	<b>7,166</b>	<b>7,766</b>	<b>10,249</b>	<b>11,191</b>
Interest income	164	246	259	140	185
Interest expense	(591)	(755)	(736)	(713)	(620)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	1,578	2,013	5,239	7,425	9,214
Other Income (Expenses)	0	0	0	0	0
<b>Pre-tax profit</b>	<b>8,175</b>	<b>8,671</b>	<b>12,529</b>	<b>17,101</b>	<b>19,970</b>
Income tax	(1,107)	(958)	(1,093)	(1,451)	(1,613)
Minority interest	(1,449)	(1,333)	(2,674)	(3,660)	(4,293)
<b>Net profit</b>	<b>5,619</b>	<b>6,380</b>	<b>8,761</b>	<b>11,990</b>	<b>14,064</b>
<b>Core Net Profit</b>	<b>5,619</b>	<b>6,380</b>	<b>8,761</b>	<b>11,990</b>	<b>14,064</b>

**Exhibit 11. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	3,935	6,486	7,010	9,258	9,951
Receivables	1,343	1,574	715	770	796
Inventory	5,504	5,158	5,718	5,686	5,736
Other Curr. Asset	978	246	150	150	150
Fixed assets - Net	22,350	22,533	21,958	21,293	20,551
Other non-curr.asset	11,180	16,256	22,201	29,626	38,840
<b>Total asset</b>	<b>45,289</b>	<b>52,254</b>	<b>57,752</b>	<b>66,784</b>	<b>76,024</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	1,891	1,719
Long Term Debt	6,751	9,130	8,000	8,000	7,000
Other LT. Liabilities	840	816	808	808	808
<b>Total Liabilities</b>	<b>16,897</b>	<b>15,800</b>	<b>14,451</b>	<b>14,121</b>	<b>12,894</b>
Shareholder's Funds	23,497	30,486	37,333	46,695	57,162
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>57,752</b>	<b>66,784</b>	<b>76,024</b>

**Exhibit 12. Cash Flow**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	5,619	6,380	8,761	11,990	14,064
Depreciation and Amort.	1,270	1,908	1,775	1,765	1,743
Change in Working Capital	(1,815)	(579)	366	(24)	(75)
Other Oper. Cash Flow	(8,036)	(6,920)	(5,963)	(7,454)	(9,241)
<b>Operating Cash Flow</b>	<b>(2,962)</b>	<b>789</b>	<b>4,939</b>	<b>6,276</b>	<b>6,490</b>
Capex	(3,208)	(2,423)	(1,459)	(1,240)	(1,185)
Others Inv. Cash Flow	164	246	259	140	185
<b>Investing Cash Flow</b>	<b>(3,044)</b>	<b>(2,176)</b>	<b>(1,200)</b>	<b>(1,100)</b>	<b>(1,000)</b>
Net change in debt	120	2,257	(1,302)	(300)	(1,200)
New Capital	9,942	1,827	0	0	0
Dividend payment	(1,400)	(1,686)	(1,914)	(2,628)	(3,597)
Other Fin. Cash Flow	2	1,542	0	0	0
<b>Financing Cash Flow</b>	<b>8,664</b>	<b>3,940</b>	<b>(3,216)</b>	<b>(2,928)</b>	<b>(4,797)</b>
<b>Net Change in Cash</b>	<b>2,658</b>	<b>2,552</b>	<b>523</b>	<b>2,248</b>	<b>693</b>
Cash - begin of the year	1,277	3,935	6,486	7,010	9,258
Cash - end of the year	3,935	6,486	7,010	9,258	9,951

**Exhibit 13. Key Ratio**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth (%)</b>					
Sales	149.4	13.0	4.0	9.0	3.8
EBITDA	84.0	9.4	5.1	25.9	7.7
Operating profit	76.3	2.0	8.4	32.0	9.2
Net profit	20.4	13.5	37.3	36.9	17.3
<b>Profitability (%)</b>					
Gross margin	34.7	31.3	33.8	39.6	41.3
EBITDA margin	34.8	33.7	34.0	39.3	40.7
Operating margin	29.4	26.6	27.7	33.5	35.2
Net margin	23.6	23.7	31.2	39.2	44.3
ROAA	14.1	13.1	15.9	19.3	19.7
ROAE	34.1	23.6	25.8	28.5	27.1
<b>Leverage</b>					
Net Gearing (x)	0.1	0.1	0.0	0.0	0.0
Interest Coverage (x)	11.9	9.5	10.5	14.4	18.0

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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