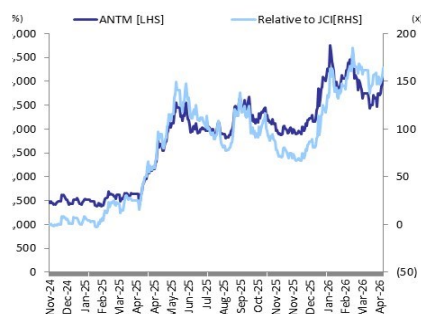


Overweight

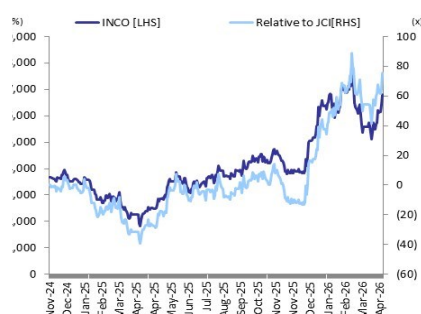
(Maintained)

Tactical (3M): N

ANTM relative to JCI Index



INCO relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Andhika Audrey

(62-21) 5091 4100 ext. 3504

Andhika.nugroho@brids.co.id

Naura Reyhan Muchlis

(62-21) 5091 4100 ext. 3507

naura.muchlis@brids.co.id

Metal Mining

Potential Impact from Proposed Royalty Revision: Tin Worst Hit; Limited Impact on Nickel

- MEMR's proposed royalty revision raises fiscal take on high-priced metals, targeting windfall gains from stronger HMA.
- Biggest royalty increase is on tin, followed by gold; consequently, we estimate TINS to see the biggest earnings impact.
- We maintain OW but revise our pecking order to ANTM > INCO > NCKL > MBMA > TINS, based on risk and impact assessment.

Proposed royalty revision to capture price upsides

The proposed revision on government's PP 19/2025 reflects a more aggressive fiscal take amid stronger HMA for key commodities, focusing on six minerals: copper, gold, silver, nickel ore, tin, and chromium, while bauxite remains excluded. **Implementation is expected after signing, with a c.20-day IPNBP/ Simponi transition and no retroactive application.** Key changes include higher HMA-linked tiers: **copper concentrate/cathode up to 13%/10%; gold to 20%; silver to 5–8%; nickel ore to 14–19%; and tin up to 20%** (See Exh. 1).

TINS faces the largest earnings hit; limited pressure on nickel names

Based on our analysis, TINS would be the most impacted name, given its direct exposure to tin ingot, where the royalty rate is set to double from **10% to 20% at HMA above US\$50,000/t**. This would drive a significant increase in royalty expense of around **Rp2.3tr in FY26F**, potentially **reducing TINS' net profit by 42%** and lowering NPM to 9% (vs 16% previously), with estimated -33% impact on our P/E multiple-based valuation. In contrast, ANTM would face a more limited impact, with **additional royalty expense of Rp248bn in FY26F**, **reducing net profit by around 2%** and potentially **lowering our P/E multiple valuation by -2%**. INCO would also see minimal pressure, with an **incremental royalty burden of US\$5.2mn in FY26F**, reducing net profit by only 2%, with estimated -1.3% impact on our DCF valuation. **NCKL and MBMA appear least affected**, with net profit impact of only 0.1% and 1.0%, respectively.

Maintain Overweight, but Downgrade Tactical View to Neutral

We maintain our **Overweight** stance on metal mining, as commodity prices remain at elevated levels and continue to provide earnings support for the sector. However, we downgrade our **Tactical 3M view to Neutral**, as the sector now faces higher regulatory risk from the proposed royalty revision, potential windfall tax discussion, geopolitical uncertainty, and rising fuel costs. We prefer names where the earnings impact is modest and pricing power remains intact, with our revised pecking order: ANTM > INCO > NCKL > MBMA > TINS. ANTM remains our preferred exposure with diversified earnings base, we are becoming more cautious on TINS despite favorable tin prices, as the royalty revision materially reduces earnings conversion and cuts valuation sensitivity.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%) 2026F
					2026F	2027F	2026F	2027F	
Aneka Tambang	ANTM IJ	BUY	4,900	87,231.7	9.5	8.8	2.3	2.2	24.8
Vale	INCO IJ	BUY	8,000	57,178.3	14.6	11.7	1.2	1.1	8.5
Trimegah Bangun Persada	NCKL IJ	BUY	1,800	64,045.1	5.3	4.9	1.4	1.1	28.5
Merdeka Battery Materials	MBMA IJ	BUY	880	62,637.3	22.3	10.1	2.2	1.8	10.5
Timah	TINS IJ	BUY	4,800	25,992.7	8.8	6.8	2.4	1.9	31.3

Exhibit 1. Proposed Adjustment of Royalty Tariffs for Key Metal Commodities under PP 19/2025

Copper Concentrate			
PP 19/2025 HMA Copper (US\$/dmt)	Tariff (%)	Proposed Adjustment HMA Copper (US\$/dmt)	Tariff (%)
< 7,000	7	< 7,000	9
7,000 ≤ d < 8,500	7.5	7,000 ≤ d < 10,000	11
8,500 ≤ d < 10,000	8	10,000 ≤ d < 13,000	12
≥ 10,000	10	≥ 13,000	13

Copper Cathode			
PP 19/2025 HMA Copper (US\$/dmt)	Tariff (%)	Proposed Adjustment HMA Copper (US\$/dmt)	Tariff (%)
< 7,000	4	< 7,000	7
7,000 ≤ d < 8,500	5	7,000 ≤ d < 10,000	8
8,500 ≤ d < 10,000	6	10,000 ≤ d < 13,000	9
≥ 10,000	7	≥ 13,000	10

Gold			
PP 19/2025 HMA Gold (US\$/oz)	Tariff (%)	Proposed Adjustment HMA Gold (US\$/oz)	Tariff (%)
< 1,800	7	< 2,500	14
1,800 ≤ d < 2,000	10	2,500 ≤ d < 3,000	15
2,000 ≤ d < 2,200	11	3,000 ≤ d < 3,500	16
2,200 ≤ d < 2,500	12	3,500 ≤ d < 4,000	17
2,500 ≤ d < 2,700	14	4,000 ≤ d < 4,500	18
2,700 ≤ d < 3,000	15	4,500 ≤ d < 5,000	19
≥ 3,000	16	≥ 5,000	20

Silver			
PP 19/2025 HMA Silver (US\$/toz)	Tariff (%)	Proposed Adjustment HMA Silver (US\$/toz)	Tariff (%)
All	5	< 60	5
		60 ≤ d < 80	6
		80 ≤ d < 100	7
		≥ 100	8

Nickel			
PP 19/2025 HMA Nickel (US\$/ton)	Tariff (%)	Proposed Adjustment HMA Nickel (US\$/ton)	Tariff (%)
< 18,000	14	< 16,000	14
18,000 ≤ d < 21,000	15	16,000 ≤ d < 18,000	15
21,000 ≤ d < 24,000	16	18,000 ≤ d < 20,000	16
24,000 ≤ d < 31,000	18	20,000 ≤ d < 22,000	17
≥ 31,000	19	22,000 ≤ d < 26,000	18
		≥ 26,000	19

Tin			
PP 19/2025 HMA Tin (US\$/ton)	Tariff (%)	Proposed Adjustment HMA Tin (US\$/ton)	Tariff (%)
< 20,000	3	< 20,000	5
20,000 ≤ d < 30,000	5	20,000 ≤ d < 30,000	7.5
30,000 ≤ d < 40,000	7.5	30,000 ≤ d < 35,000	10
≥ 40,000	10	35,000 ≤ d < 40,000	12.5
		40,000 ≤ d < 45,000	15
		45,000 ≤ d < 50,000	17.5
		≥ 50,000	20

Source: MoEMR, BRIDS

Exhibit 2. ANTM potential earnings impact from royalty revision

Gold own mine royalty (RpBn)					Income Statement (RpBn)				
	2025	2026F	2027F	2028F		2025	2026F	2027F	2028F
Gold segment revenue	66,468	94,416	94,794	98,305	Revenue (unchanged)	84,642	118,654	121,008	130,646
Own-mine gold revenue basis	1,320	2,112	1,944	1,843	<i>Incremental royalty expense</i>	0	248	255	300
Own-mine as % of gold revenue	2.00%	2.20%	2.10%	1.90%	Adjusted total COGS	70,961	100,751	101,875	108,224
Trading revenue excluded	65,148	92,304	92,850	96,462	Adjusted gross profit	13,681	17,903	19,133	22,421
Old royalty rate	16%	16%	16%	16%	Adjusted operating profit	8,395	10,996	11,848	14,556
New royalty rate	16%	19%	19%	19%	Adjusted PBT	9,747	12,145	13,079	15,830
Old royalty	211	338	311	295	Tax Saving	0	46	48	56
New royalty	211	401	369	350	Base NP	7,209	9,165	9,862	11,930
Incremental royalty	0	63	58	55	Adjusted NP	7,209	8,982	9,673	11,708
					<i>NP Impact</i>	0.0%	-2.0%	-1.9%	-1.9%
Nickel ore royalty (RpBn)	2025	2026F	2027F	2028F	Base EPS (Rp/sh)	300	381	394	477
Nickel ore revenue basis	12,752	18,507	19,656	24,494	Adjusted EPS (Rp/sh)	300	374	386	468
HMA nickel tariff basis, US\$/t	15,177	16,822	16,822	16,822	Base EBITDA	10,321	13,521	14,408	17,189
Old royalty rate	14%	14%	14%	14%	Adjusted EBITDA	10,321	13,272	14,153	16,889
New royalty rate	14%	15%	15%	15%					
Old royalty	1,785	2,591	2,752	3,429					
New royalty	1,785	2,776	2,948	3,674					
Incremental royalty	0	185	197	245					

Source: BRIDS Estimates

Exhibit 3. TINS potential earnings impact from royalty revision

Tin royalty (RpBn)	2025	2026F	2027F	2028F	Income Statement (RpBn)	2025	2026F	2027F	2028F
Tin ingot segment revenue	9,654	22,770	28,271	31,087	Revenue (unchanged)	11,553	25,070	30,975	34,013
Old royalty rate	10%	10%	10%	10%	<i>Incremental royalty expense</i>	<i>0</i>	<i>2,277</i>	<i>2,827</i>	<i>3,109</i>
New royalty rate	10%	20%	20%	20%	Adjusted total COGS	8,789	19,961	24,591	26,778
Old royalty	965	2,277	2,827	3,109	Adjusted gross profit	2,764	5,109	6,384	7,235
New royalty	965	4,554	5,654	6,217	Base NP	1,314	4,078	5,066	5,780
Incremental royalty	0	2,277	2,827	3,109	Adjusted NP	1,314	2,359	2,809	3,267
					<i>NP impact</i>	<i>0%</i>	<i>-42%</i>	<i>-45%</i>	<i>-43%</i>
					Base EPS (Rp/sh)	176	548	680	776
					Adjusted EPS (Rp/sh)	176	317	377	439
					Base EBITDA	2,567	6,180	7,586	8,621
					Adjusted EBITDA	2,567	3,903	4,759	5,513

Source: BRIDS Estimates

Exhibit 5. INCO potential earnings impact from royalty revision

Nickel royalty adjustment (US\$mn)	2025	2026F	2027F	2028F	Income Statement (RpBn)	2025	2026F	2027F	2028F
Nickel matte revenue	889	878	1,004	1,004	Revenue unchanged	990	1,444	2,222	2,361
Nickel ore revenue	102	519	987	987	<i>Incremental royalty expense</i>	<i>0</i>	<i>5</i>	<i>10</i>	<i>10</i>
HPAL/MHP revenue	0	46	231	370	Adjusted total COGS	879	1,156	1,792	1,922
Total revenue	990	1,444	2,222	2,361	Adjusted gross profit	111	287	431	439
Old royalty rate	14%	14%	14%	14%	Base NP	76	213	275	262
New royalty rate	14%	15%	15%	15%	Adjusted NP	76	209	267	254
Old royalty	14.224	72.66	138.18	138.18	<i>NP impact</i>	<i>0.0%</i>	<i>-2.0%</i>	<i>-3.0%</i>	<i>-3.1%</i>
New royalty	14.224	77.85	148.05	148.05	Base EPS (Rp/sh)	120	337	435	414
Nickel ore incremental royalty	0	5.19	9.87	9.87	Adjusted EPS (Rp/sh)	120	331	422	401
					Base EBITDA	224	403	507	518
					Adjusted EBITDA	224	398	498	508
					<i>EBITDA impact</i>	<i>0.0%</i>	<i>-1.3%</i>	<i>-1.9%</i>	<i>-1.9%</i>

Source: BRIDS Estimates

Exhibit 5. NCKL potential earnings impact from royalty revision

Nickel royalty adjustment (US\$mn)	2026F	2027F	2028F	Income Statement (RpBn)	2026F	2027F	2028F
Saprolite revenue	6,259	7,305	7,594	Revenue unchanged	30,589	31,765	31,886
Less: Elimination	-5,310	-6,027	-6,196	<i>Incremental royalty expense</i>	<i>9.5</i>	<i>12.8</i>	<i>14</i>
Exposed saprolite revenue	949	1,278	1,398	Adjusted total COGS	18,487	18,651	18,828
Old royalty rate	14%	14%	14%	Adjusted gross profit	12,102	13,114	13,058
New royalty rate	15%	15%	15%	Base NP	10,249	11,191	11,765
Old royalty	133	179	196	Adjusted NP	10,239	11,178	11,755
New royalty	142	192	210	<i>NP impact</i>	<i>-0.10%</i>	<i>-0.12%</i>	<i>-0.08%</i>
Additional royalty cost	9	13	14	Base EPS (Rp/sh)	190	209	214
				Adjusted EPS (Rp/sh)	190	209	214
				Base EBITDA	12,112	13,127	13,249
				Adjusted EBITDA	12,004	13,114	13,135
				<i>EBITDA impact</i>	<i>-0.09%</i>	<i>-0.10%</i>	<i>-0.09%</i>

Source: BRIDS Estimates

Exhibit 6. MBMA potential earnings impact from royalty revision

Nickel royalty adjustment (US\$mn)	2025	2026F	2027F	2028F	Income Statement (RpBn)	2025	2026F	2027F	2028F
Saprolite ore revenue basis	170	380	475	570	Revenue unchanged	1,435	2,416	2,874	3,108
Limonite ore revenue basis	257	480	529	693	<i>Incremental royalty expense</i>	<i>0</i>	<i>3.8</i>	<i>4.8</i>	<i>5.7</i>
Total nickel ore revenue	427	860	1,005	1,263	Adjusted COGS	1,268	2,024	2,157	2,279
Old royalty rate — saprolite	14%	14%	14%	14%	Adjusted gross profit	166	392	717	829
New royalty rate — saprolite	14%	15%	15%	15%	Adjusted operating profit	131	351	668	776
Old royalty	24	53	67	80	Base NP	30	170	401	482
New royalty	24	57	71	86	Adjusted NP	30	169	398	479
Additional royalty cost	0.0	3.8	4.8	5.7	<i>NP impact</i>	<i>0.00%</i>	<i>-1.00%</i>	<i>-0.60%</i>	<i>-0.60%</i>
					Base EBITDA	236	465	788	907
					Adjusted EBITDA	236	461	783	901
					<i>EBITDA impact</i>	<i>0.00%</i>	<i>-0.80%</i>	<i>-0.60%</i>	<i>-0.60%</i>

Source: BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuhu Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlichech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.