

OppenGold: ANTM's Explosive Era and Nickel Comeback

5 December 2024



ANTM posted 3Q24 revenue of IDR20 tn (+37.4% qoq, +116.6% YoY), lifting 9M24 to IDR43.1 tn (+39.8% yoy), driven by gold segment growth (83.1% of revenue) with sales volume surging 42.2% qoq and 211.7% yoy. While nickel faced RKAB-related challenges, recovery is expected in 4Q24 with delayed FeNi shipments. Revised FY24-26F forecasts reflect +25.1% revenue and +75.7% profit growth for 2024F, supported by strong gold prices (+28.1% YTD) and operational adjustments. We reinstate our BUY call with a Dec-25 TP of IDR2,100 (7.7x 2025F EV/EBITDA, 1.4x 2025 P/BV), though nickel demand remains a risk.

MDKA IJ	BUY
Sector	Metals
Price at 3 December 2024 (IDR)	1,465
Price target (IDR)	2,100
Upside/Downside (%)	41.1

Stock Information

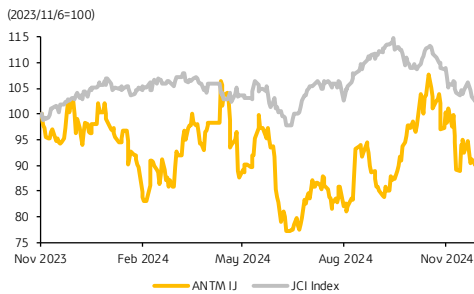
PT Aneka Tambang Tbk (ANTM), one of Indonesia's largest mining companies, manages extensive reserves. Specializing in exploration, mining, processing, and marketing of nickel, gold, silver, bauxite, and coal, ANTM serves both domestic and global markets with a robust resource base and industry expertise.

Market cap (IDR bn)	34,964
Shares outstanding (mn)	24,031
52-week range (IDR)	1,845 – 1,175
3M average daily vol. ('000)	98,423
3M average daily val. (IDR mn)	141,140

Shareholders (%)

Mineral Industri Indonesia	65
Public (less than 5%)	35

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(3.9)	8.9	(6.6)

9M24 Outperformance Amid Strong Gold Segment Growth. ANTM recorded a higher 3Q24 revenue of IDR20 tn (+37.4% qoq, +116.6% yoy), bringing its 9M24 to IDR43.1 tn (+39.8% yoy), driven by the gold segment products (83.1% of revenue), with a sales volume of 405,035 t oz (+42.2% qoq, +211.7% yoy), fueled by increased domestic demand and successful marketing strategies. However, the nickel segment continued to face challenges due to permit issues since the beginning of 2024. Despite the challenges, the company 3Q24 bottom line was recorded of IDR651 bn (-50.4% qoq, -32.1% yoy), resulting in a 9M24 of IDR2.2 tn (-22.7% yoy), this result surpass expectation (KBVS: 86.16%; Cons: 88.12%). The decline in net profit was primarily due to a loss on foreign exchange (44% of PBT). Without this loss, the company could have reported a net profit of IDR2.6 tn (-7.7% qoq; 9M24/24F KBVS: 102.89%).

Mixed 9M24 Operational Results with Gold Shining Bright. The mixed results included: 1) Gold: 3Q24 production and sales surged, driven by strong demand and favorable prices; 2) Nickel Ore: 3Q24 output rose, but 9M24 declined due to RKAB permit delays; and 3) Ferronickel: 3Q24 production decreased, leading to lower sales due to shipment delays. Management anticipates recovery in 4Q24 as delayed FeNi shipments are fulfilled, improving segment performance. (For detailed figures, see Exhibit 6)

ANTM's Triple Strategy Play. To strengthen its position, ANTM has undertaken strategic initiatives across key segments: 1) Gold: A new offtake agreement with Freeport for up to 30 tons annually exempts import tariffs, optimizing working capital, mitigates risks, and ensures a stable supply. Additionally, ANTM is expanding its retail gold network to cater to growing demand amid market uncertainties; 2) Nickel: Mining permits increased to 12 mn tons, with a target of 15 mn tons next year. ANTM also secured a USD45 mn prepaid contract to supply 3 mn tons of nickel ore to PT Jiu Long Metal Industry; 3) Alumina: The Mempawah SGA refinery is on track to complete commissioning in 1Q25, with commercial operations set to begin in 1H25. Consequently, we are adjusting our FY24-26F forecasts, reflecting adjustments in operational numbers and the impact of rising gold prices (YTD: +28.1%) alongside fluctuations in other commodities. Revenue projections are adjusted upward for 2024F (+25.1%) and 2025F (+10.6%), while slightly reduced for 2026F (-1.54%). Net profit forecasts see significant upward adjustments for 2024F (+75.7%) and 2025F (+26.5%), but a downward revision for 2026F (-12.8%).

Reinstate BUY with TP of IDR2,100. We reinstate our BUY recommendation on ANTM based on the FCFE method with a Dec-25 target price of IDR2,100 (7.7x '25F EV/EBITDA, 1.4x '25 P/BV). The revised target price and valuation multiple are justified, given the positive outlook for next year, driven by strong gold prices and steady demand. Furthermore, the expected recovery in ANTM's nickel segment, especially with improved nickel ore mining volumes supported by the recently approved three-year RKAB, is anticipated to enhance performance. However, a key risk to this projection lies in the potential for weakened demand in the nickel market.

Exhibit 1: Forecasts and Valuations (at closing price IDR1,450)

Y/E Dec	22A	23A	24F	25F	26F
Revenue (IDR Bn)	45,930	41,048	54,028	57,818	60,616
EBITDA (IDR Bn)	4,443	3,997	3,722	5,185	5,464
EV/EBITDA (x)	10.4	8.6	6.4	4.7	4.0
Net Profit (IDR Bn)	3,821	3,078	2,182	2,903	2,904
Net Profit Growth (%)	105.2	(19.5)	(29.1)	33.0	0.0
EPS (IDR)	159	128	91	121	121
P/E Ratio (x)	12.5	13.3	16.1	12.1	12.1
BVPS (IDR)	987	1,297	1,387	1,509	1,634
P/BV Ratio (x)	2.0	1.3	1.1	1.0	0.9
DPS (IDR)	39	80	48	65	67
Dividend Yield (%)	1.9	4.7	3.3	4.5	4.6
ROAE (%)	17.2	11.2	6.8	8.3	7.7
ROAA (%)	11.5	8.0	5.0	6.3	5.9
Interest Coverage (x)	10.3	12.2	15.7	23.3	19.1
Net Gearing (x)	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)

Analyst
Laurencia Hiemas
Laurencia.hiemas@kbvalbury.com

Exhibit 2: Financial Summary

(IDR Bn)	2Q23	1Q24	2Q24	qoq (%)	yoy (%)	6M23	6M24	yoy (%)	9M24/ KBVS (%)	9M24/Cons (%)
Revenue	9,238	14,569	20,012	+37.4	+116.6	30,899	43,201	+39.8	100.04	90.34
CCOGS	(7,381)	(12,816)	(17,912)	+39.8	+142.7	(24,801)	(39,098)	+57.6		
Gross Profit	1,857	1,753	2,100	+19.8	+13.1	6,098	4,103	-32.7	65.71	73.27
Operating Profit	1,019	1,024	1,331	+30.1	+30.7	3,345	1,864	-44.3	74.76	89.61
Selling Expenses	(255)	(129)	(125)	-2.5	-50.9	(709)	(340)	-52.1		
G&A Expenses	(583)	(601)	(643)	+7.0	+10.3	(2,043)	(1,900)	-7.0		
Finance Income	40	147	74	-49.8	+84.2	104	352	+237.2		
Finance Cost	(167)	(108)	(17)	-84.5	-90.0	(206)	(176)	-14.2		
Share of Profit of Asso.	154	158	(12)	-107.8	-108.1	723	340	-52.9		
Loss/Gain on Forex	171	576	(428)	-174.3	-349.7	(147)	148	-200.6		
Others	(247)	(233)	24	-110.4	-109.8	(136)	95	-169.7		
PBT	1,222	1,564	972	-37.8	-20.4	3,684	2,622	-28.8	73.91	87.62
Income Tax Expense	(263)	(262)	(255)	-2.5	-2.8	(835)	(393)	-53.0		
Minority Interest	-	10	(66)	-773.3	N/A	(0)	(28)	N/A		
Net Profit	959	1,312	651	-50.4	-32.1	2,849	2,201	-22.7	86.16	88.12
GPM (%)	20.1	12.0	10.5			19.7	9.5			
OPM (%)	11.0	7.0	6.7			10.8	4.3			
NPM (%)	10.4	9.0	3.3			9.2	5.1			

Source: Company, Bloomberg, KBVS Research

Exhibit 3: Valuation Summary

Metric	Details
Equity Value (IDR bn)	IDR49,666 bn
Target Price	IDR2,100/ sh
Current Price	IDR1,450/ sh
Upside Potential	44.8%
Cost of Equity	15.9%
Growth Rate	3.50%
Terminal Value	IDR51,973 bn

Source: KBVS Research

Exhibit 4: FCFE Projections (2024-2030)

	2024	2025	2026	2027	2028	2029	2030	Terminal Value
FCFE (IDR bn)	8,006	5,017	5,165	5,435	5,752	5,957	6,244	51,973
Discount Factor	1.00	0.86	0.74	0.64	0.55	0.48	0.41	0.41
Present Value (IDR bn)	8,006	4,327	3,843	3,488	3,184	2,844	23,975	21,403

Source: KBVS Research

Exhibit 5: Forecast Changes

(USD mn)	2024F			2025F			2026F		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue	43,183	54,028	25.11%	52,297	57,818	10.56%	61,566	60,616	-1.54%
Gross margin	12.70%	10.40%		9.30%	12.50%		8.00%	12.60%	
EBITDA	3,954	3,722	-5.88%	5,929	5,185	-12.54%	8,737	5,464	-37.46%
EBITDA margin	18.40%	9.00%		21.50%	9.00%		33.00%	9.00%	
Net profit	2,555	4,489	75.69%	3,651	4,617	26.46%	5,566	4,852	-12.83%
Net margin	5.92%	7.80%		6.98%	7.60%		9.04%	7.70%	

Source: KBVS Research

Exhibit 6: 9M24 Operational Summary

Production Volume	3Q23	2Q24	3Q24	qoq (%)	yoy (%)	9M23	9M24	yoy (%)
Gold (kg)	314	273	304	+11.4	-3.2	908	743	-18.2
Nickel ore (mn wmt)	3.86	2.75	3.12	+13.6	-19.2	10.67	7.30	-31.6
Ferronickel (tni)	5,250	5,380	5,075	-5.7	-3.3	15,787	15,244	-3.4
Alumina (ton)	36,928	37,983	43,147	+13.6	+16.8	114,524	105,883	-7.5

Sales Volume	3Q23	2Q24	3Q24	qoq (%)	yoy (%)	9M23	9M24	yoy (%)
Gold (kg)	5,952	8,857	12,598	+42.2	+111.7	19,460	28,567	+46.8
Nickel ore (mn wmt)	3.15	2.36	2.35	-0.2	-25.2	9.41	5.71	-39.3
Ferronickel (tni)	3,526	6,778	4,913	-27.5	+39.3	14,132	11,691	-17.3
Alumina (ton)	36,244	88,441	44,624	-49.5	+23.1	108,351	133,065	+22.8

Revenue (IDR bn)	3Q23	2Q24	3Q24	qoq (%)	yoy (%)	9M23	9M24	yoy (%)
Gold	5,989	11,159	16,874	+51.2	+181.7	19,291	35,704	+85.1
Nickel ore	1,903	1,935	1,550	-19.9	-18.5	6,790	3,504	-48.4
Ferronickel	766	1,014	1,052	+3.7	+37.3	3,306	2,600	-21.4
Alumina	321	373	389	+4.1	+21.1	948	1,114	+17.4

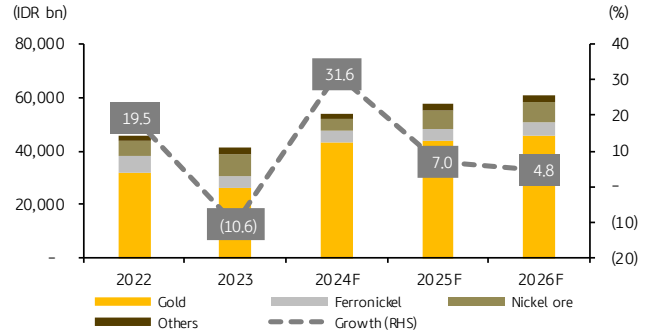
Source: KBVS Research

Exhibit 7: Sensitivity Analysis

	Gold Prices (USD/ oz)				
	-20%	-10%	0%	10%	20%
Net Profit (25F)	4,889	4,689	4,489	4,289	4,088
Target Price (IDR/ sh)	2,100	2,100	2,100	2,100	2,200

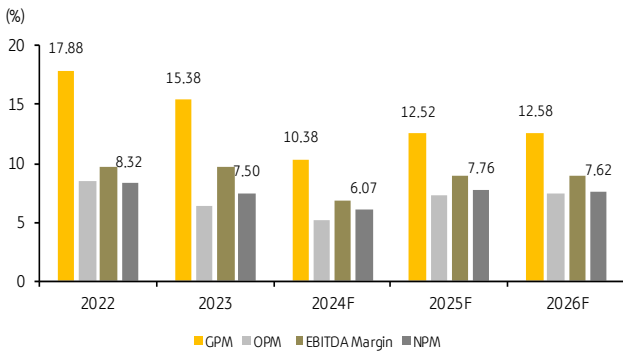
Source: Company, KBVS Research

Exhibit 8: Revenue contribution and growth (%)



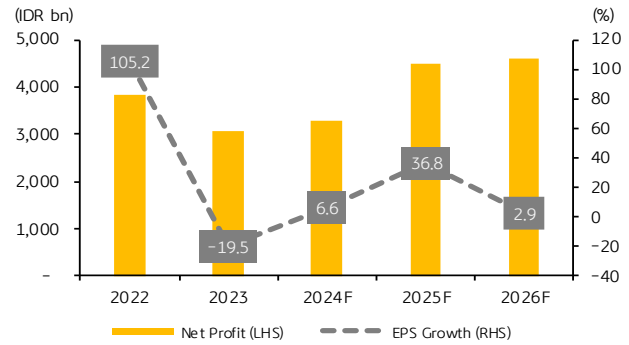
Source: Company, KBVS Research

Exhibit 9: Operational margins (%)



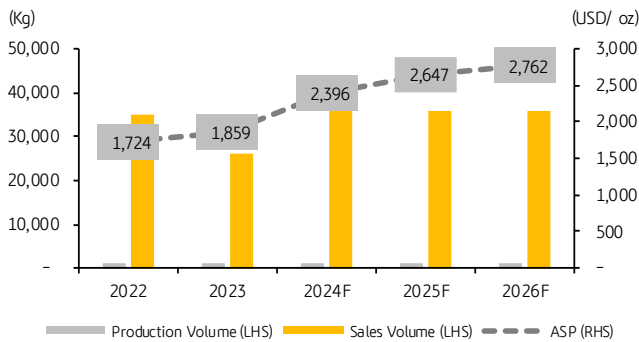
Source: Company, KBVS Research

Exhibit 10: Net profit and EPS growth (%)



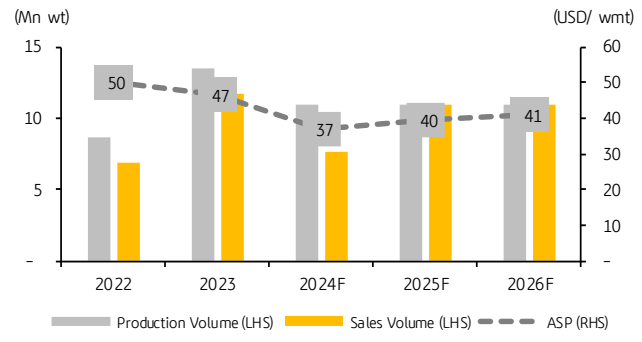
Source: Company, KBVS Research

Exhibit 11: Gold PV, SV, and ASP



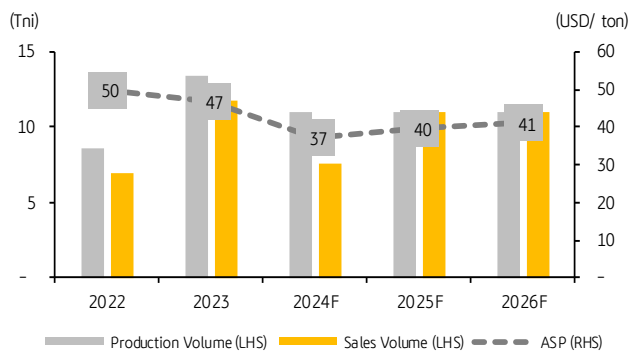
Source: Company, KBVS Research

Exhibit 12: Nickel ore PV, SV, and ASP



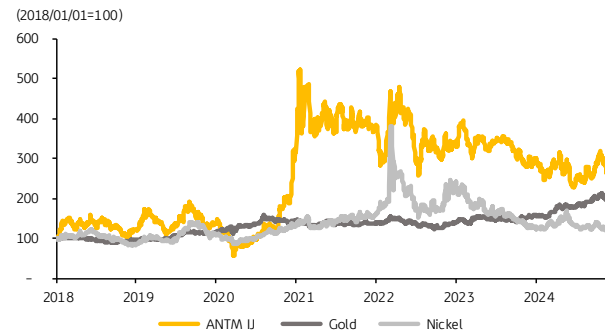
Source: Company, KBVS Research

Exhibit 13: Ferronickel PV, SV, and ASP



Source: Company, KBVS Research

Exhibit 14: ANTM share price vs various metal price



Source: Company, KBVS Research

Exhibit 15: Financial Tabela

Profit and Loss (IDR Bn)						Cash Flow (IDR Bn)					
	22A	23A	24F	25F	26F		22A	23A	24F	25F	26F
Revenue	45,930	41,048	54,028	57,818	60,616	Net Profit	1,149	1,862	3,821	3,078	3,282
COGS	37,720	34,733	(48,419)	(49,146)	(51,524)	D&A	1,050	840	501	1,380	922
Gross Profit	8,211	6,315	5,609	8,673	9,092	Changes in Working Capital	(88)	(428)	72	(1,732)	3,810
Selling Expenses	918	834	432	463	485	Others	(208)	26	(19)	80	-
G&A Expenses	3,351	2,864	2,377	2,544	2,667	Operating Cash Flow	1,903	2,301	4,374	2,805	8,014
Operating Profit	3,942	2,617	2,799	5,666	5,940	Capital Expenditure	(433)	544	(109)	(1,091)	(79)
EBITDA	4,443	3,997	3,722	5,185	5,464	Change in Other Assets	(667)	7	(1,147)	(1,133)	(2,085)
Finance Income	85	172	479	679	670	Investing Cash Flow	(1,100)	551	(1,255)	(2,224)	(2,164)
Finance Costs	(381)	(215)	(178)	(243)	(311)	Change in Debt	(966)	(1,720)	(2,863)	(501)	(830)
Others	5,511	3,897	2,427	3,595	3,673	Other Financing	510	(26)	(869)	4,652	(1,166)
Pretax Income	5,215	3,855	2,728	4,032	4,033	Financing Cash Flow	(456)	(1,746)	(3,732)	4,151	(1,996)
Income Taxes	(1,394)	(777)	(546)	(1,129)	(1,129)	Net - Cash Flow	348	1,105	(613)	4,732	3,854
Minority Interest	(0)	(0)	(28)	(28)	(28)	Cash at beginning	3,636	3,984	5,089	4,476	9,209
Net Profit	3,821	3,078	2,182	2,903	2,904	Cash at ending	3,984	5,089	4,477	9,209	13,063

Balance Sheet (IDR Bn)						Key Ratios					
	22A	23A	24F	25F	26F		22A	23A	24F	25F	26F
Cash and Cash Equivalent	4,476	9,209	13,063	12,892	16,111	Gross Profit Margin (%)	17.9	15.4	10.4	15.0	15.0
Account Receivable	1,833	1,094	740	792	830	Operating Profit Margin (%)	8.6	6.4	5.2	9.8	9.8
Inventories	2,906	3,470	5,041	5,266	5,517	EBITDA Margin (%)	9.7	9.7	6.9	9.0	9.0
Others	2,480	6,291	1,137	1,137	1,137	Pre-Tax Margin (%)	11.4	9.4	5.0	7.0	6.7
Total Current Assets	11,695	20,065	19,981	20,086	23,595	Net Profit Margin (%)	8.3	7.5	4.0	5.0	4.8
Net Fixed Assets	16,472	16,183	15,340	18,844	19,068	Revenue Growth (%)	19.5	(10.6)	31.6	7.0	4.8
Net Mine Properties	720	616	653	653	653	EBITDA Growth	24.1	(10.0)	(6.9)	39.3	5.4
Exploration and Evaluation Assets	521	741	783	783	783	Net Gearing (x)	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)
Other Assets	15,925	25,311	27,233	27,338	30,846						
Total Assets	33,637	42,851	44,009	47,619	51,351						
Trade payables	1,302	1,550	1,824	1,905	1,996						
Accrual expenses	778	1,787	985	985	985						
ST Debt	927	1,626	1,169	1,595	2,041						
Other ST Liabilities	2,966	3,613	4,013	4,013	4,013						
Total Current Liabilities	5,972	8,576	7,991	8,498	9,035						
LT Debt	2,082	881	508	693	887						
Other LT liabilities	1,871	2,228	2,174	2,174	2,174						
Total Liabilities	9,925	11,686	10,673	11,365	12,096						
Minority Interest	0	522	551	551	551						
Total Equity	23,712	31,166	33,336	36,254	39,255						

Major Assumptions					
	22A	23A	24F	25F	26F
Gold production (Kg)	1,268	1,208	991	991	991
Ferronickel production (Tni)	24,334	21,473	20,325	20,000	20,000
Nickel ore production(mn wmt)	11.0	8.6	13.4	11.0	11.0
Gold sales (Kg)	34,967	26,129	40,000	36,000	36,000
Ferronickel sales (Tni)	24,210	20,138	19,485	18,757	18,757
Nickel ore sales(mn wmt)	7.0	11.7	7.6	11.0	11.0

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KB Valbury Sekuritas Head Office

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. (021) 25098300
F. (021) 25098400

Branch Office

Jakarta – Sudirman

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Karet Tengsin,
Tanah Abang, Jakarta Pusat 10220
T. (021) 25098300/301

Jakarta – Kelapa Gading

Rukan Plaza Pasifik
Jl. Boulevard Barat Raya Blok A1 No. 10
Jakarta Utara 14240
T. (021) 29451577

Jakarta – Puri Indah

Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542590

Jakarta – Pluit

Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Bandung

Jl. Abdul Rivai No. 1A, Kel. Pasirkaliki,
Kec. Cicendo Bandung 40171
T. (022) 3005133

Malang

Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Banjarmasin

Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Pekanbaru

Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Palembang

Komplek PTC Mall Blok I No. 7
Jl. R. Sukanto
Palembang 30114
T. (0711) 2005050

Surabaya

Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 21008080

Padang

Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Yogyakarta

Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 8099090

Semarang

Jl. Gajahmada 23A,
Kecamatan Semarang Tengah,
Kelurahan Kembang Sari 50241
T. (024) 40098080

Makassar

Komplek Ruko Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Medan

Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Denpasar

Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 225229

Pontianak

Jl. Prof. M Yamin No. 14
Kotabaru, Pontianak Selatan
Kalimantan Barat 78116
T. (0561) 8069000

Investment Gallery

Jakarta

Citra Garden 6 Ruko Sixth
Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Tangerang

Ruko Aniva Junction Blok D
No. 32
Gading Serpong, Tangerang,
Banten 15334
T. (021) 35295147

Semarang

Jl. Jati Raya No. D6,
Srandol Wetan,
Banyumanik,
Semarang 50263
T. (024) 8415195

Salatiga

Jl. Diponegoro
No. 68
Salatiga 50711
T. (0298)
313007

Solo

Jl. Ronggowarsito
No. 34
Surakarta 57118
T. (0271) 3199090

Jambi

Jl. Orang Kayo Hitam No. 48 B
Jambi Timur 36123
T. (0741) 3068533