

30 Maret 2023

Diversified mining and minerals processing, Equity

Price IDR. 2090
 Target Price IDR. 3190
 JKSE Index 6808.951

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Investment Consideration

Gold sales up 19% in 2022

Although 4Q22 ANTM gold sales volume decreased -27% QoQ to 9,036 Kg, total sales volume during 2022FY increased 19% YoY to 34,967 Kg compared to 29,385 Kg in 2021 FY. During 2022FY ANTM conducted gold exploration activities in Pongkor, West Java and the recovery in domestic economic growth last year also lead to an increase in domestic gold demand. We conservatively estimate gold sales volume in 2023 at 38,784 kg with public interest in gold still high despite current global risk factors. We believe ANTM's strategy to focus on developing a customer base in the domestic market will increase public awareness of investing in gold.

Maintaining double digit nickel production growth

ANTM unaudited nickel ore production volume reached 2.41 million wmt, or an increase of 32% QoQ despite declining -11% YoY. The strengthening of nickel ore production led to higher 4Q22 nickel ore sales of 2.2 million wmt or up by 28% QoQ. The growth in 4Q22 production was influenced by a demand recovery and normalization of nickel prices. We expect higher future nickel demand from electric vehicles, and expect nickel production and sales volume to grow 26% YoY in 2023.

Targeting 23% growth of bottom line profit

ANTM profit in 2022 was IDR 3,8 trillion, a 105% YoY increase. This was supported by ANTAM's efforts to optimize the performance of its production and sales of nickel, gold and bauxite-based products amidst a global economic recovery and a positive outlook for base metal and precious metal commodities throughout 2022FY. In the next two years (2023-2024), we estimate ANTM's net profit will grow by a CAGR average 23% as we expect ANTM to keep production costs low and preserve cash through negotiations with creditors, banks and suppliers. ANTM is also improving internal efficiencies in both business units and the head office.

Valuation: 53% upside

We adjust our valuation based on 2022FY audited results. we have a one year target price of IDR 3,190/share or trading at 15x PER. With 53% upside, we maintain our recommendation to BUY.

Stock Code
 Bloomberg code ANTM IJ
 Market cap (IDR.bn) 47,940
 52-Week High (IDR) 2,940
 52-Week Low (IDR) 1,535
 Avg Daily. Val (IDR) 1,998
 Free Float (%) 35

Major Shareholders (%)
 INALUM 65%
 Public 35%

USD/IDR-YE
 2022A 15592
 2023F (Avg) 15088

Key Indicators 2024F
 DER (x) 0.04
 Debt ratio (x) 0.27

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Financial ratio highlights	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F
Sales growth (%)	29,62%	-16,34%	40,45%	19,47%	5,58%	28,55%
Operating Margin (%)	2,92%	7,42%	7,12%	8,58%	10,60%	9,07%
NET Profit margin (%)	0,59%	4,20%	4,84%	8,32%	10,09%	8,73%
EPS (IDR)	8,07	47,83	77,47	159,00	203,68	226,45
Current Ratio (X)	1,45	1,21	1,79	1,96	2,13	2,18
Debt Ratio (X)	0,40	0,40	0,37	0,30	0,27	0,27

Company Profile

PT Aneka Tambang, a leading Indonesian diversified mining and minerals processing company was established in July 5, 1968. The company was previously owned by the government 65% and public 35%, and is now owned by Inalum 65% and the public 35%. ANTM was formed by several Indonesian Government projects & mining companies. ANTM offers various products such as ferronickel, low and high grade nickel ore, gold, silver, bauxite, alumina, coal, and precious metals processing services. ANTM undertakes all stages of mining and processing, including exploration, mining, smelting, refining, and marketing in relation to nickel ore, ferronickel, gold, silver, alumina, other precious metal, and coal.

Asset in operation

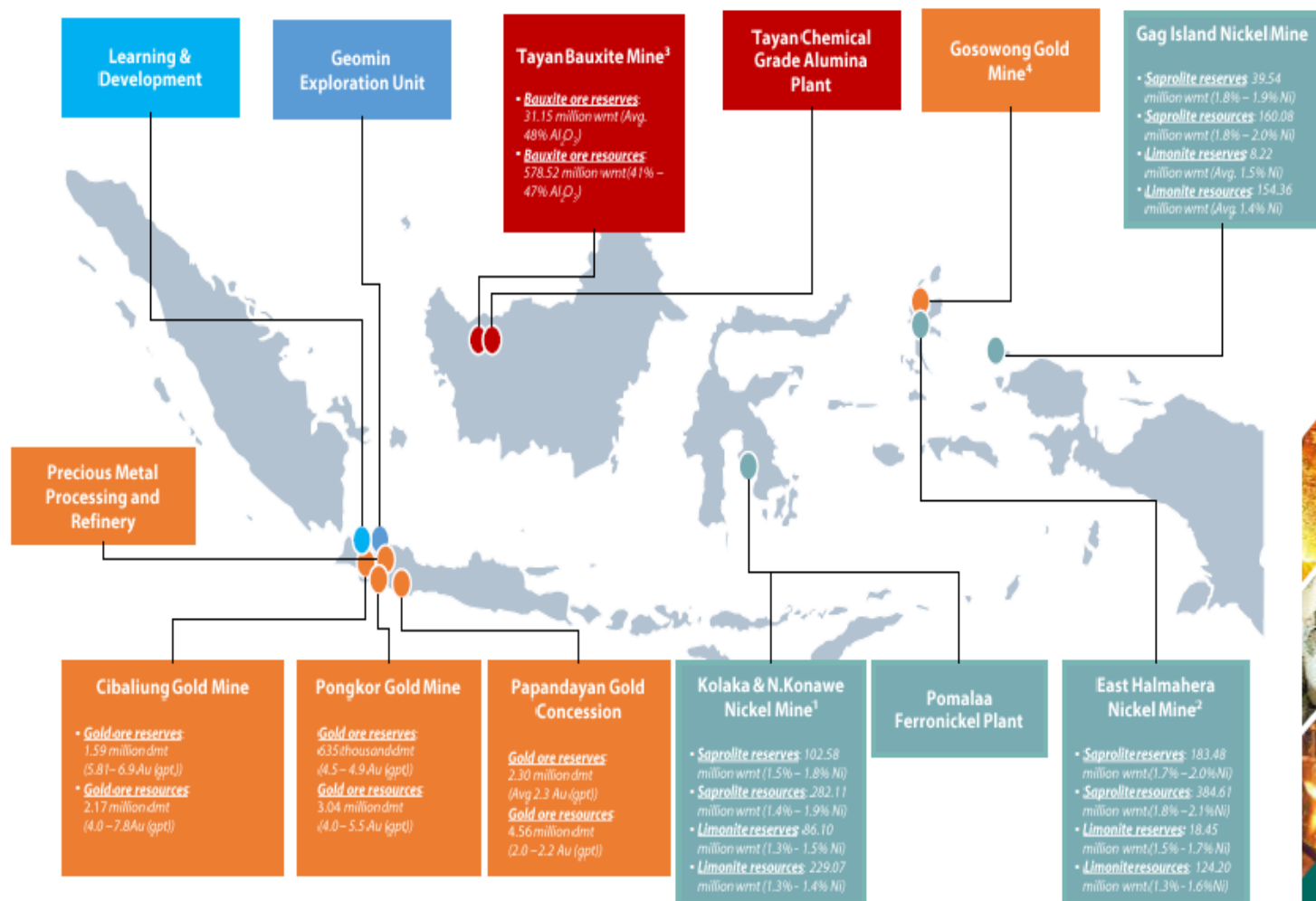


Chart: Nickle production vs sales volume (Wmt '000) yoy

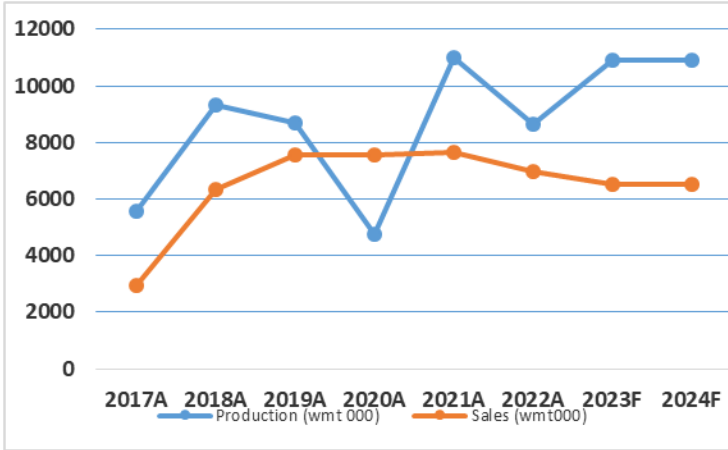


Chart: Ferronickle production vs sales volume (Tni) yoy

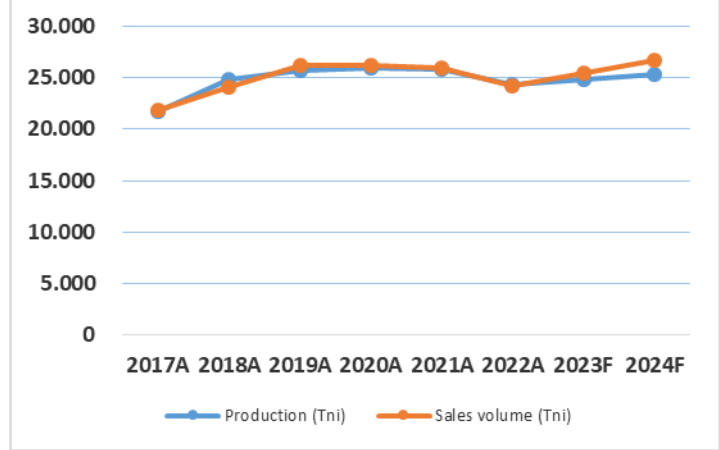


Chart: Nickle production vs sales volume (Wmt '000) QoQ

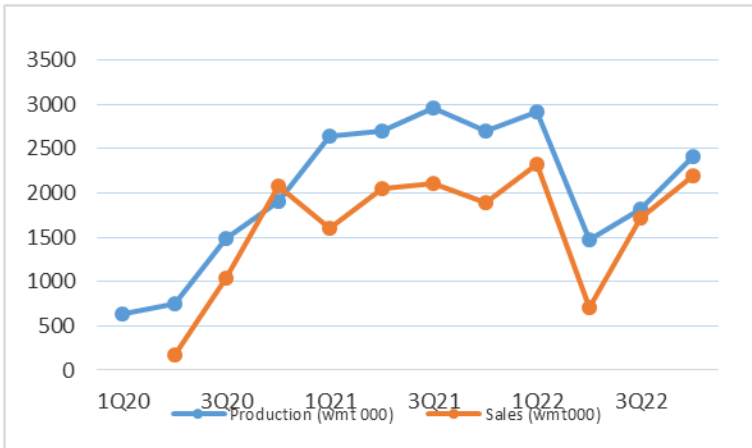


Chart: Ferronickle production vs sales volume (Tni) QoQ

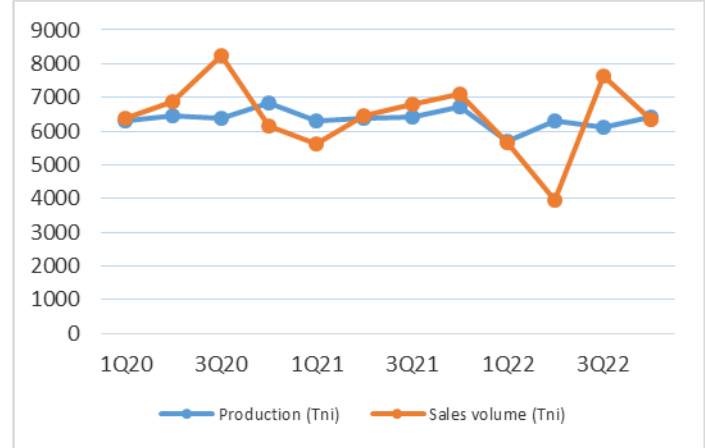


Chart: Gold sales volume (Kg) YoY

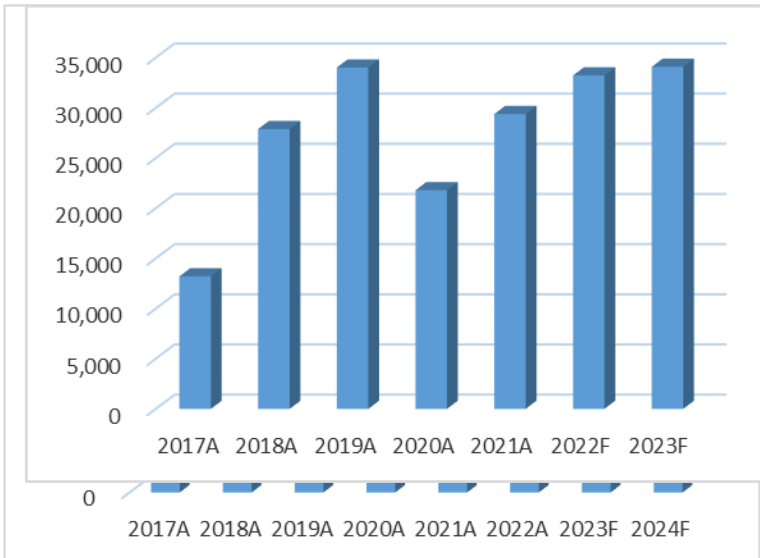


Chart: Gold sales volume (Kg) QoQ

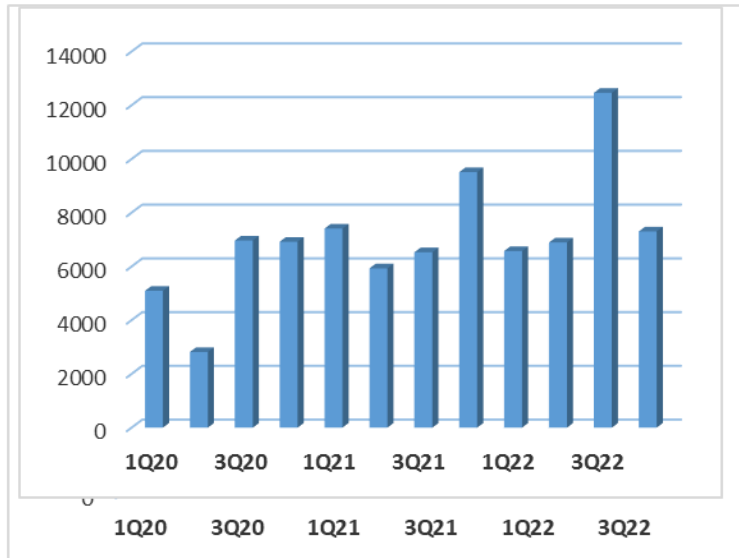


Chart: Ferronickle Average Selling Price (US\$/lb) YoY

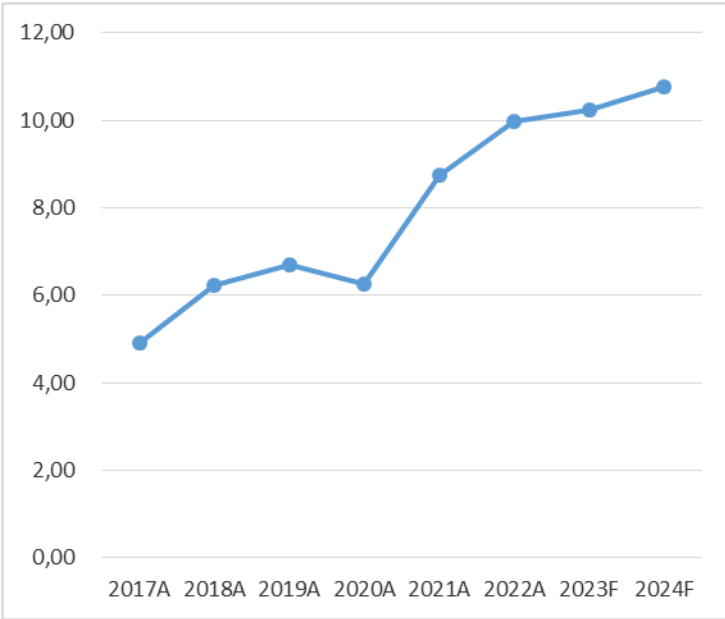


Chart: Gold Average selling price (US\$/Toz)

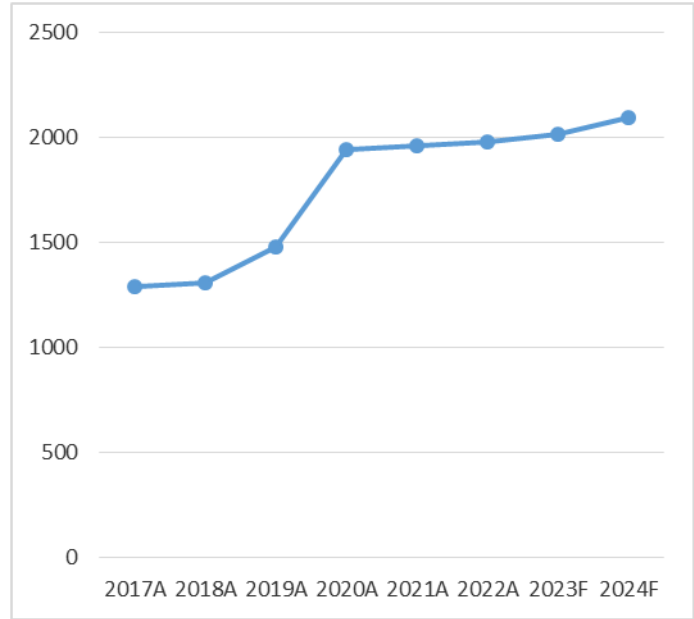
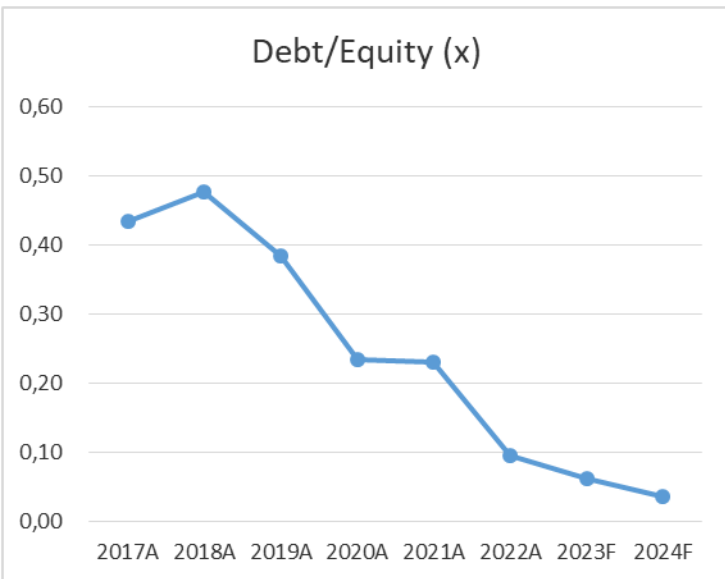


Chart: Debt to Equity ratio (x) YoY



Profit and Loss

Profit and Loss (IDR. in bn)	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F	2025 F
Sales	32.719	27.372	38.446	45.930	48.494	62.341	70.850
COGS	(28.271)	(22.897)	(32.087)	(37.720)	(44.279)	(46.520)	(46.670)
Gross Profit	4.447	4.476	6.359	8.211	10.656	11.288	12.455
Operating Expenses	(3.492)	(2.443)	(3.621)	(4.269)	(5.516)	(5.633)	(5.493)
Operating Income	956	2.032	2.738	3.942	5.140	5.655	6.962
Other Income	(269)	(391)	305	1.273	1.446	1.542	1.588
Tax Expense	(493)	(492)	(1.182)	(1.394)	(1.691)	(1.756)	(1.786)
Minority Interest	(0,001)	(0,001)	0,003	0,001	0,000	0,000	0,000
Net Income	194	1.149	1.862	3.821	4.895	5.442	6.764
EPS	8	48	77	159	204	226	281
EBITDA	2.010	3.096	3.592	4.756	6.211	6.823	8.235

Balance Sheet

Balance Sheet (IDR. in bn)	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F	2025 F
Cash and cash equivalent	3.636	3.984	5.089	4.476	5.431	7.331	9.862
Trade Account Receivable	1.002	1.344	1.448	1.833	1.993	2.562	2.912
inventory	1.796	2.626	3.107	2.906	3.986	5.466	6.211
Other current asset	1.230	1.196	2.084	2.480	2.425	3.117	2.834
Current Asset	7.665	9.151	11.728	11.695	13.835	18.475	21.819
Fixed Asset	18.866	18.248	16.864	16.472	17.523	19.525	21.590
other long term asset	3.664	4.331	4.324	5.471	7.759	8.728	10.627
Total non current Asset	22.530	22.579	21.188	21.942	25.282	28.252	32.218
Total Asset	30.195	31.730	32.916	33.637	39.117	46.728	54.037
Trade Account Payable	740	673	1.399	1.302	1.461	2.050	2.523
Short Term bank loans	1.408	1.072	1.089	189	193	196	200
bond (current portion)		2.099	0	0	0	0	0
Other short term liabilities	3.145	3.709	4.074	4.481	4.849	6.234	6.376
Total current liabilities	5.293	7.553	6.562	5.972	6.503	8.480	9.100
bond	2.099	0	0	0	0	0	0
investment loans	3.466	3.388	3.703	2.082	1.582	1.082	582
other long term liabilities	1.204	1.749	1.813	1.871	2.425	3.117	3.542
Total long term/ non current liabilities	6.768	5.137	5.517	3.954	4.007	4.199	4.125
Total Liabilities	12.061	12.690	12.079	9.925	10.510	12.679	13.225
non controlling interest	0,02	0,02	0,02	0,02	0,02	0,03	0,02
Total Equities	18.133	19.039	20.837	23.712	28.607	34.048	40.812
Total Liabilities & Equity	30.195	31.730	32.916	33.637	39.117	46.728	54.037

Cash Flow

Cash Flow (IDR. in bn)	2019A	2020A	2021A	2022F	2023F	2024F	2025F
+ Net Income	194	1149	1862	3821	4895	5442	6764
+Depreciation	1054	1064	854	814	1072	1168	1273
- Change in WC	(1255)	1123	(2464)	(1170)	(653)	(764)	(192)
Cash From Operating Activities	(7)	3336	252	3465	5313	5845	7845
capex	(430)	(446)	531	(422)	(2123)	(3170)	(3339)
other long term asset	1700	(667)	7	(1147)	(2288)	(969)	(1900)
cash from investing activities	1270	(1113)	537	(1568)	(4411)	(4138)	(5239)
bond	0,66	(2099)	0,00	0,00	0,00	0,00	0,00
Investment loans	(1784)	(78)	316	(1621)	(500)	(500)	(500)
other long term liabilities	367	545	64	58	553	692	425
Equity	(509)	(243)	(64,1)	(946)	0,0057	0	(0)
cash from financing activities	(1926)	(1875)	316	(2509)	53	192	(75)
Net Changes in Cash	(663)	348	1105	(613)	955	1899	2532
Beginning Balance	4299	3636	3984	5089	4476	5431	7331
Ending balance	3636	3984	5089	4476	5431	7331	9862

Financial Ratio Highlights

Ratio Highlights	2019 A	2020 A	2021 A	2022 A	2023 F	2024 F	2025 F
Growth (%)							
Sales	29,62%	-16,34%	40,45%	19,47%	5,58%	28,55%	13,65%
OP	-48,42%	112,67%	34,73%	43,96%	30,38%	10,03%	23,11%
EBITDA	-24,03%	54,05%	16,02%	32,40%	30,61%	9,85%	20,70%
Net profit	-77,83%	492,90%	61,98%	105,24%	28,10%	11,18%	24,30%
EPS	-77,83%	492,90%	61,98%	105,24%	28,10%	11,18%	24,30%
Profitability (%)							
Operating Margin	2,92%	7,42%	7,12%	8,58%	10,60%	9,07%	9,83%
EBITDA margin	6,14%	11,31%	9,34%	10,35%	12,81%	10,94%	11,62%
NET Profit margin	0,59%	4,20%	4,84%	8,32%	10,09%	8,73%	9,55%
ROA	0,64%	3,62%	5,66%	11,36%	14,53%	13,81%	15,31%
ROE	1,07%	6,04%	8,93%	16,11%	17,11%	15,98%	16,57%
Liquidity							
Current Ratio (X)	1,45	1,21	1,79	1,96	2,13	2,18	2,40
Cash Ratio	0,69	0,53	0,78	0,75	0,84	0,86	1,08
Solvability							
Debt/Equity (x)	0,38	0,23	0,23	0,10	0,06	0,04	0,02
Int. Coverage (x)	2,94	2,90	8,48	68,61	110,87	168,19	326,47
Debt Ratio (X)	0,40	0,40	0,37	0,30	0,27	0,27	0,24
Per Share data (Rp)							
EPS	8,07	47,83	77,47	159,00	203,68	226,45	281,47
BVPS	755	792	867	987	1190	1417	1698

Stock Ratings:

Buy: a recommendation to purchase the security with upside potential of 20% or greater

Hold: a recommendation to neither buy nor sell a security with upside potential of 0-20%.

Sell: a recommendation to close out a long position in a security with upside potential below 0% or negative.

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