

Aneka Tambang Tbk (ANTM IJ)

Kinerja Kurang Memuaskan

ANTM mencatatkan kinerja kurang memuaskan dengan rugi bersih Rp282 miliar karena turunnya pendapatan hingga 16,7% YoY. Kami merevisi estimasi kinerja ANTM di 2020F dengan asumsi volume penjualan emas sebesar 19.888 kg dan volume penjualan feronikel sebesar 26.588 TNi untuk 2020F ditambah ASP emas sebesar Rp991 juta/kg dan ASP feronikel sebesar Rp165 juta/TNi untuk 2020F. Kami tetap merekomendasikan BUY.

Kinerja Kurang Memuaskan

Pada 1Q20, ANTM membukukan rugi bersih sebesar Rp282 miliar (vs 1Q19 sebesar Rp176 miliar) disebabkan pendapatan yang lebih rendah menjadi Rp5,2 triliun (-16,3% YoY) dan biaya keuangan yang lebih tinggi menjadi Rp1,2 triliun (vs 1Q19 sebesar Rp17 miliar). Pendapatan yang lebih rendah di 1Q20 karena peraturan pemerintah terkait larangan ekspor untuk bijih nikel. Pendapatan 1Q20 ANTM telah mencapai 21% dari target kami untuk 2020F.

Memurunkan Estimasi untuk 2020F

Kami memangkas perkiraan 2020F kami (di halaman 4), dengan mempertimbangkan: 1) kondisi pandemi akan membuat kinerja menurun pada 2020; 2) biaya keuangan yang lebih tinggi pada 2020. Kami merevisi asumsi kami, sebagai berikut: 1) volume penjualan emas 19.888 kg untuk 2020F dan 20.874 kg untuk 2021F; 2) volume penjualan feronikel sebesar 26.588 TNi untuk 2020F dan 27.917 TNi untuk 2021F; 3) ASP emas sebesar Rp991 juta/kg pada 2020F dan ASP feronikel Rp165 juta/TNi untuk 2020F.

Eksplorasi Tambang Emas Harus Menjadi Prioritas

Menurut MIND ID, cadangan emas ANTM terus menurun dalam 2-3 tahun ke depan. Kami berharap pada tahun depan, eksplorasi tambang emas menjadi prioritas kegiatan eksplorasi ANTM. Sejak 2017, biaya eksplorasi ANTM terus menurun dan kami memperkirakan pada tahun 2020 masih akan menurun sekitar 8-10% YoY karena pandemi.

Mempertahankan Rating BUY dengan Target Harga Lebih Rendah di Rp850

Kami masih merekomendasikan BUY tetapi menurunkan TP kami ke IDR850 karena kinerja keuangan 1Q20 yang kurang memuaskan. Rekomendasi BUY kami mempertimbangkan: 1) harga emas yang lebih tinggi di 2020; 2) ekspansi pasar ke Uni Eropa; 3) pengembangan hilirisasi akan meningkatkan nilai produk di masa depan. TP baru kami berdasarkan forward EV/EBITDA sebesar 17,8x (+0,7 SD dari rata-rata historis 5 tahun) dengan potensi naik 23,2% dari harga terakhir, target harga mengimplikasikan EV/EBITDA 2020F sebesar 23,0x. ANTM saat ini diperdagangkan pada 15,7x EV/EBITDA (di bawah +1 SD dari rata-rata historis 5 tahun).

Aneka Tambang Tbk | Summary

	2019A	2020F	2021F	2022F
Revenue (IDR bn)	32,719	25,039	27,450	29,660
Growth (%)	29.4	-23.5	9.6	8.1
EBITDA (IDR bn)	2,047	1,299	1,456	1,692
Net Profit (IDR bn)	194	16	159	251
EPS (IDR)	8	1	7	10
Growth (%)	-119.2	-91.7	885.0	57.6
P/E (x)	107.4	1265.5	128.5	81.5
P/BV (x)	1.1	1.1	1.0	1.0
EV/EBITDA (x)	14.5	23.0	20.8	18.3
ROE (%)	1.1	0.1	0.8	1.2
DER (%)	66.5	65.8	68.5	68.8
Net Debt (IDR bn)	4,921	5,345	5,573	5,930

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Buy

Target Price (IDR)	850
Consensus Price (IDR)	719
TP to Consensus Price (%)	+18.2
vs. Last Price (%)	+23.2

Shares Data

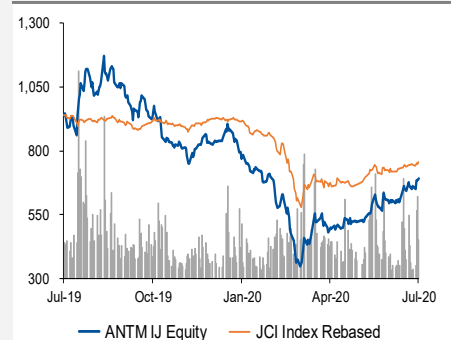
Last Price (IDR)	690
Price Date as of	Jul 23, 2020
52 wk Range (Hi/Lo)	1,175/338
Free Float (%)	35
Outstanding Shares (mn)	24,031
Market Cap (IDR bn)	16,581
Market Cap (USD mn)	1,137
Avg. Trd Vol - 3M (mn)	82.1
Avg. Trd Val - 3M (bn)	48.4
Foreign Ownership (%)	7

Mining

Metal

Bloomberg	ANTM IJ
Reuters	ANTM.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-17.9%	14.0%	36.6%	-26.6%
Rel. Ret.	0.3%	9.1%	22.6%	-6.9%

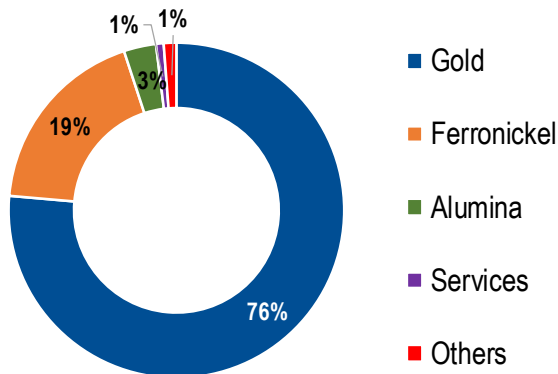


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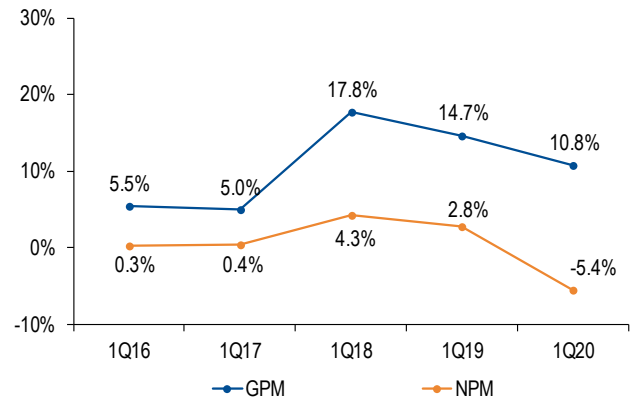
Performance Highlights in Charts

1Q20 Revenue Breakdown



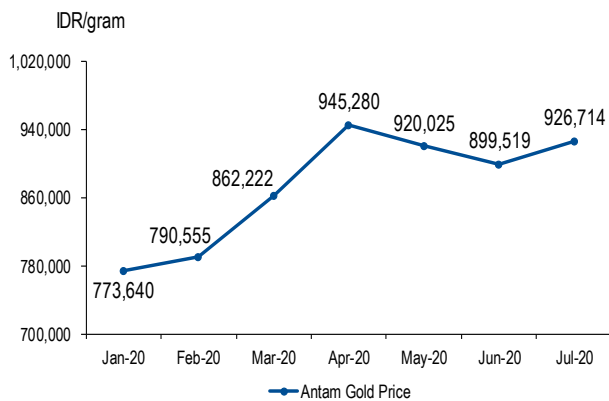
Source: Company Data, NHKSI Research

Margin Ratios



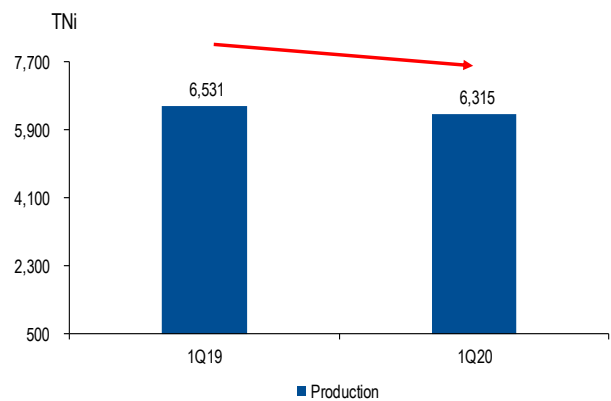
Source: Company Data, NHKSI Research

The Average Gold Price Trend (Antam Gold)



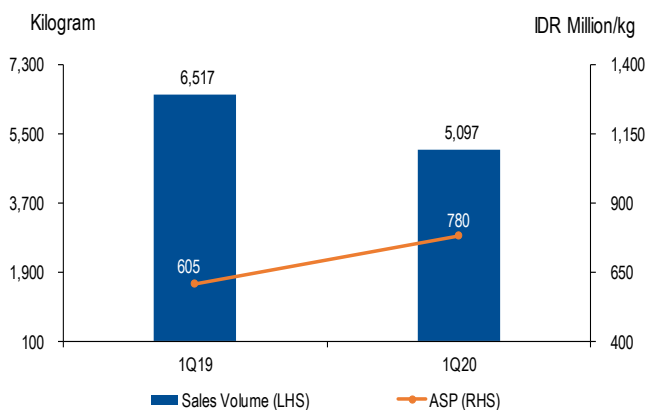
Source: Company Data, NHKSI Research

Ferronickel Production



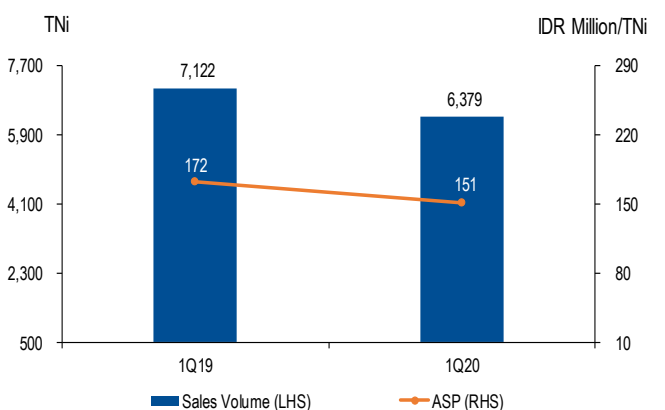
Source: Company Data, NHKSI Research

Gold Sales Volume & ASP



Source: Company Data, NHKSI Research

Ferronickel Sales Volume & ASP



Source: Company Data, NHKSI Research

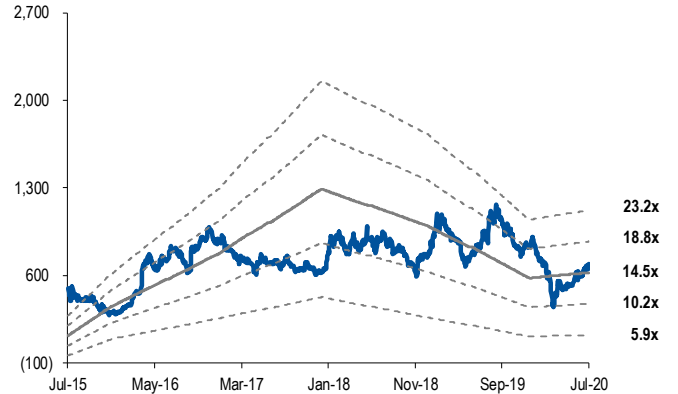
Valuation & Other Highlights in Charts

5-Year Forward EV/EBITDA Band



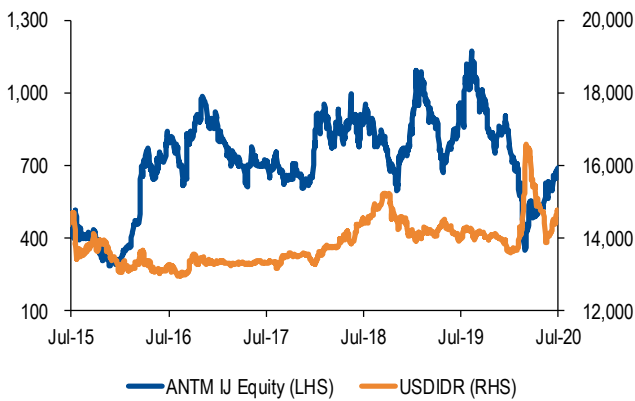
Source: Bloomberg, NHKSI Research

5-Year Dynamic Forward EV/EBITDA Band



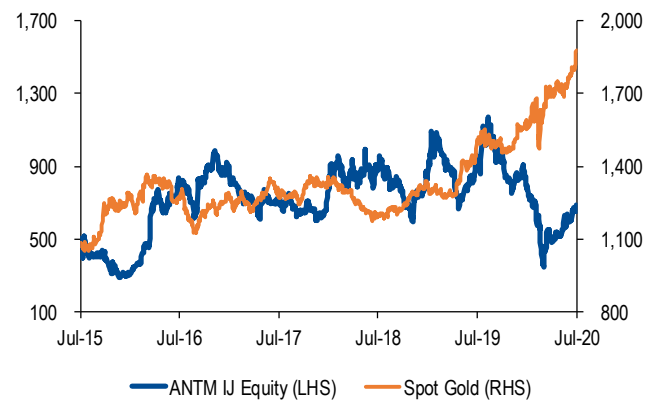
Source: Bloomberg, NHKSI Research

5-Year ANTM & USDIDR Movement



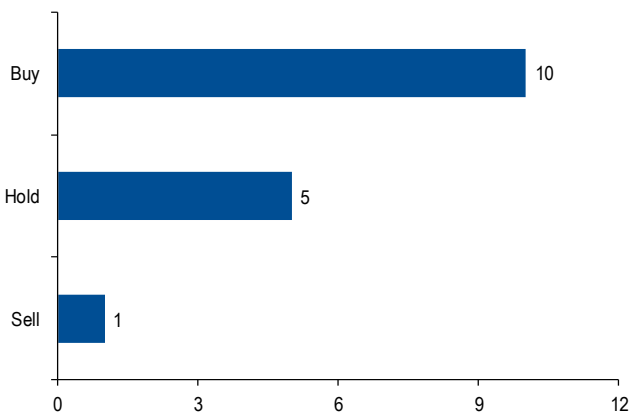
Source: Bloomberg, NHKSI Research

5-Year ANTM & Gold Prices Movement



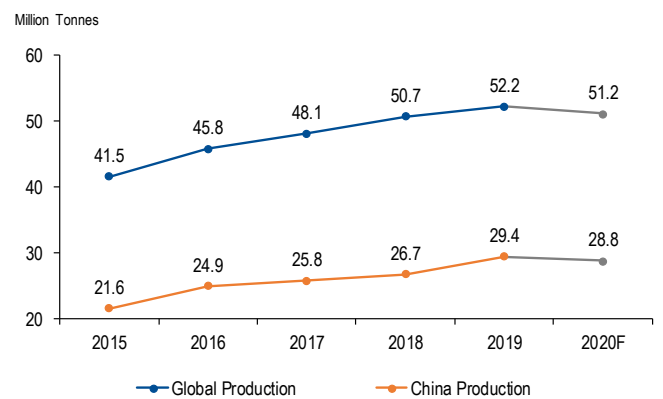
Source: Bloomberg, NHKSI Research

Recommendation by Analysts



Source: Bloomberg, NHKSI Research

Global & China Stainless Steel Output



Source: International Stainless Steel Forum (ISSF), NHKSI Research

Financial Review

Quarterly Review

	1Q19	2Q19	3Q19	4Q19	1Q20			2Q20E	
					Actual	Estimate	YoY %		QoQ %
Income Statement									
Revenue	6,219	8,209	10,111	8,181	5,203		-16.3	-36.4	4,820
Gross Profit	913	1,337	1,363	711	562		-38.4	-21.0	577
EBIT	181	435	495	-280	138		-24.2	149.2	184
EBITDA	444	727	781	-28	612		37.8	2555.2	347
Net Profit	176	194	195	-185	-282		-260.0	-52.1	189
Margin									
Gross Margin	14.7	16.3	13.5	8.7	10.8		-3.9	2.1	12.0
EBIT Margin	2.9	5.3	4.9	-3.4	2.6		-0.3	6.1	3.8
EBITDA Margin	7.1	8.9	7.7	-0.3	11.8		4.6	12.1	7.2
Net Profit Margin	2.8	2.4	1.9	-2.3	-5.4		-8.2	-3.2	3.9

Unit: IDR bn, %

Source: Company Data, NHKSI Research

Earnings Revisions

		2020F	2021F	2022F
Income Statement				
Revenue	-Revised	25,039	27,450	29,600
	-Previous	36,458	42,014	
	-Change %	-31.3	-34.7	
	-Consensus	27,529	29,686	32,143
Gross Profit	-Revised	2,373	2,872	3,251
	-Previous	5,789	6,671	
	-Change %	-59.0	-57.0	
	-Consensus	2,966	3,616	3,898
EBIT	-Revised	331	633	833
	-Previous	2,029	2,218	
	-Change %	-83.7	-71.4	
	-Consensus	522	818	1,070
EBITDA	-Revised	1,299	1,456	1,692
	-Previous	3,172	3,364	
	-Change %	-59	-56.7	
	-Consensus	1,590	1,685	2,160
Net Profit	-Revised	16	159	251
	-Previous	889	967	
	-Change %	-98.2	83.6	
	-Consensus	92	231	244
Margin				
Gross Margin	-Revised	9.5	10.5	11.0
	-Previous	15.9	15.9	
EBIT Margin	-Revised	1.3	2.3	2.8
	-Previous	5.6	5.3	
EBITDA Margin	-Revised	5.2	5.3	5.7
	-Previous	8.7	8.0	
Net Profit Margin	-Revised	0.1	0.6	0.8
	-Previous	2.4	2.3	

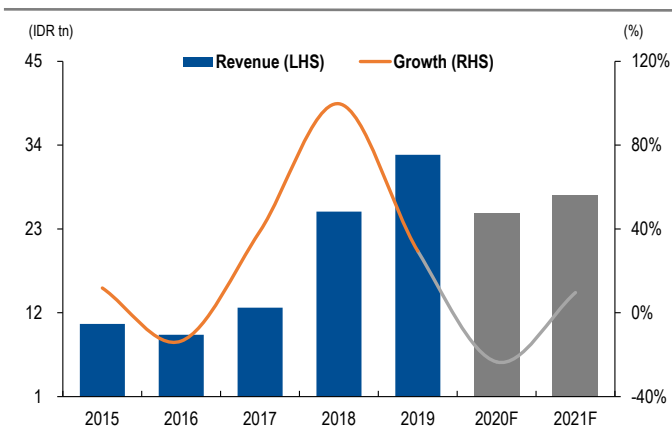
Unit: IDR bn, %

Source: Company Data, NHKSI Research

Company Overview

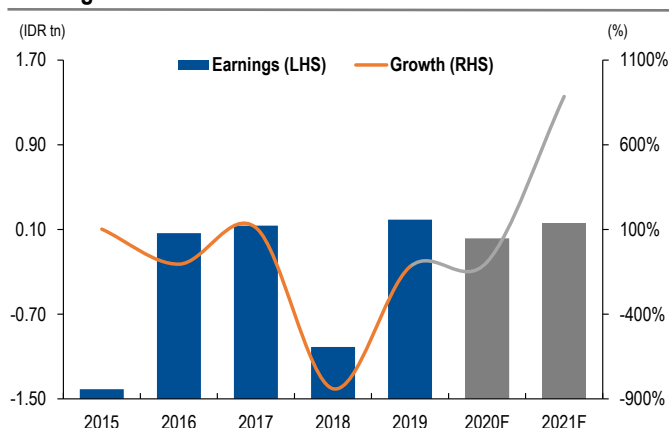
Aneka Tambang (ANTM) adalah perusahaan tambang yang kegiatan usahanya mencakup eksplorasi, penambangan, pengolahan, dan pemasaran berbagai komoditas mineral, seperti emas, nikel, bijih nikel, perak, bauksit, dan mineral. Hampir seluruh produk ANTM diekspor dengan mayoritas penjualan ekspor menggunakan denominasi dolar AS; konsumen utama ANTM adalah perusahaan internasional terkemuka yang tersebar di Eropa dan Asia. ANTM merupakan satu-satunya produsen emas di ASEAN yang memiliki sertifikat internasional kemurnian emas kadar 99% yang diberikan oleh London Bullion Market Association (LBMA). Sertifikasi tersebut akan menjadi keunggulan bisnis guna memasuki pasar jual beli emas internasional. Kapitalisasi ANTM di pasar Asia masih tergolong kecil dibanding para kompetitornya, tetapi ANTM mampu mencatatkan penjualan yang lebih besar dibandingkan kompetitornya yang memiliki kapitalisasi pasar lebih besar. ANTM tetap berencana untuk berkespansi di sektor pertambangan guna meningkatkan daya saing.

Revenue & Growth Movement



Source: Company Data, NHKSI Research

Earnings & Growth Movement



Source: Company Data, NHKSI Research

Asia Pacific Peers Comparison

	Market Cap (USD mn)	Total Asset (USD mn)	Sales LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM (%)	Net Profit Margin (%)	ROE LTM (%)	EV/BITDA LTM (x)	PBV (%)
Indonesia									
ANEKA TAMBANG TBK	1,136	2,181	2,239	-18	467.7	0.8	-1.4	8.1	0.9
MERDEKA COPPER GOLD TBK	2,566	951	414	65	37.3	15.8	15.0	7.3	5.1
VALE INDONESIA TBK	2,213	2,223	830	107	217.8	12.8	5.6	3.9	1.1
China									
ZHONGJING GOLD CORP	7,301	5,747	5,511	44	-10.2	0.8	2.1	N/A	2.8
YINTAI RESOURCES	5,376	1,707	856	139	35.1	16.2	10.9	N/A	4.0
INNER MONGOLIA	2,347	2,918	3,558	105	-15.7	3.0	6.8	N/A	1.5
Taiwan									
KING SLIDE WORKS	1,126	425	159	51	-17.3	32.2	14.5	8.9	3.0
Australia									
MINERAL RESOURCES	3,307	2,216	1,352	719	745.3	53.2	60.2	1.8	2.1
OZ MINERAL	3,212	2,679	770	114	-26.3	14.8	5.6	9.8	1.5
INDEPENDENCE GROUP	2,186	1,536	625	122	247.9	19.5	9.5	6.7	1.6

Source: Bloomberg, NHKSI Research

Financial Summary

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F	2019/12A	2020/12F	2021/12F	2022/12F	2022/12F
Sales	32,719	25,039	27,450	29,660	ROE	1.1%	0.1%	0.8%	1.2%
<i>Growth</i>	29.4%	-23.5%	9.6%	8.1%	ROA	0.6%	0.1%	0.5%	0.7%
COGS	(28,271)	(22,666)	(24,578)	(26,409)	ROIC	1.0%	0.3%	0.9%	1.1%
Gross Profit	4,448	2,373	2,872	3,251	Cash Dividend (IDR bn)	918	48	144	245
<i>Gross Margin</i>	13.6%	9.5%	10.5%	11.0%	Dividend Yield	4.4%	0.2%	0.7%	1.2%
Operating Expenses	(3,492)	(2,042)	(2,239)	(2,419)	Payout Ratio	474.4%	297.4%	90.6%	97.7%
EBIT	956	331	633	833	DER	66.5%	65.8%	68.5%	68.8%
<i>EBIT Margin</i>	2.9%	1.3%	2.3%	2.8%	Net Gearing	83.0%	86.7%	85.1%	83.5%
Depreciation	1,092	968	823	859	LT Debt to Equity	30.7%	28.5%	27.0%	25.5%
EBITDA	2,047	1,299	1,456	1,692	Capitalization Ratio	32.1%	33.3%	33.3%	33.3%
<i>EBITDA Margin</i>	6.3%	5.2%	5.3%	5.7%	Equity Ratio	60.1%	60.3%	59.4%	59.3%
Interest Expenses	(233)	(400)	(392)	(384)	Debt Ratio	28.3%	30.2%	29.7%	29.6%
EBT	687	57	379	597	Financial Leverage	176.0%	162.7%	161.6%	164.0%
Income Tax	(493)	(41)	(220)	(346)	Current Ratio	144.8%	132.8%	125.6%	118.5%
Minority Interest	0	0	0	0	Par Value (IDR)	100	100	100	100
Net Profit	194	16	159	251	Total Shares (mn)	24,031	24,031	24,031	24,031
<i>Growth</i>	-119.2%	-91.7%	885.0%	57.6%	Share Price (IDR)	865	850	850	850
<i>Net Profit Margin</i>	0.6%	0.1%	0.6%	0.8%	Market Cap (IDR tn)	20.8	20.4	20.4	20.4

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F	2019/12A	2020/12F	2021/12F	2022/12F	2022/12F
Cash	3,636	4,148	4,418	4,604	Price/Earnings	107.4x	1265.5x	128.5x	81.5x
Receivables	1,002	1,056	1,201	1,237	Price/Book Value	1.1x	1.1x	1.0x	1.0x
Inventories	1,796	1,930	2,111	2,231	Price/Sales	0.6x	0.8x	0.7x	0.7x
Total Current Assets	7,665	8,516	9,125	9,482	PE/EPS Growth	-0.9x	-13.8x	0.1x	1.4x
Net Fixed Assets	20,277	21,143	22,473	23,916	EV/EBITDA	14.5x	23.0x	20.8x	18.3x
Other Non Current Asset	2,252	1,827	2,069	2,161	EV/EBIT	31.0x	90.3x	47.8x	37.1x
Total Assets	30,195	31,486	33,666	35,559	EV (IDR bn)	29,591	29,870	30,303	30,875
Payables	740	751	865	871	Sales CAGR (3-Yr)	53.2%	25.5%	2.8%	-3.2%
ST Bank Loan	2,993	4,082	4,596	5,162	EPS CAGR (3-Yr)	44.0%	-50.9%	-154.0%	9.0%
LT Debt	5,564	5,411	5,395	5,373	Basic EPS (IDR)	8	1	7	10
Total Liabilities	12,061	12,499	13,684	14,489	Diluted EPS (IDR)	8	1	7	10
Capital Stock	2,403	2,403	2,403	2,403	BVPS (IDR)	755	790	832	877
Retained Earnings	7,913	8,550	9,341	10,212	Sales PS (IDR)	1,362	1,042	1,142	1,234
Shareholders' Equity	18,133	18,987	19,983	21,069	DPS (IDR)	38	2	6	10

CASH FLOW STATEMENT					TOP OWNERSHIP			
(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F	By Geography	% Shareholders	%	
Operating Cash Flow	1,966	1,381	982	1,110	Indonesia	93.0	Inalum	65.0
Investing Cash Flow	(1,217)	(857)	(1,278)	(1,494)	United States	5.1	Vanguard Group	1.2
Financing Cash Flow	(1,363)	(82)	566	571	Norway	0.8	Dimensional Fund	1.1
Net Changes in Cash	(615)	442	269	186	Luxembourg	0.5	Blackrock	0.7

Source: Company Data, NHKSI Research

Closing & Target Price Update



Source: Bloomberg, NHKSI Research

Rating & Target Price Update

Date	Rating	Target Price	Consensus
2017.03.16	Buy	IDR1,005	IDR951
2017.09.08	Buy	IDR960	IDR760
2018.03.19	Buy	IDR990	IDR1,030
2018.08.05	Buy	IDR985	IDR1,065
2018.09.18	Buy	IDR1,200	IDR1,238
2019.10.20	Buy	IDR1,300	IDR1,181
2019.11.25	Buy	IDR1,100	IDR1,226
2020.07.24	Buy	IDR850	IDR719

Source: NHKSI Research

NHKSI Stock Ratings

- Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
- Buy: greater than +15%, Hold: -15% to +15%, Sell: less than -15%.
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