

# Aneka Tambang Tbk (ANTM IJ)

## Kinerja Di Atas Ekspektasi

ANTM membukukan laba bersih Rp85 miliar di 1H20 dan melampaui ekspektasi kami. Pada 2Q20, mencatatkan laba bersih Rp367 miliar karena segmen nikel membukukan margin yang lebih baik sebesar 18,9%. Jadi, kami merubah perkiraan kami untuk 2020-2022F setelah ANTM mencetak hasil yang lebih baik pada 2Q20 dan merevisi asumsi harga rata-rata emas menjadi USD1.830/ons. Kami mempertahankan rekomendasi BUY untuk ANTM.

### Di Atas Ekspektasi Kami dan Meningkat secara Kuartalan

Pada 1H20, ANTM membukukan laba bersih sebesar Rp85 miliar (-80,2% YoY) karena penurunan volume penjualan dari emas (-49,7% YoY), feronikel (-0,9% YoY), dan bijih nikel (-95,7% YoY). Namun, laba bersih 1H20 melampaui ekspektasi 1H20 kami yang memperkirakan rugi bersih. Laba bersih 1H20 sudah mencapai 30% dari target kami untuk 2020F (target revisi). Untuk kuartalan, ANTM mencatatkan hasil yang baik dengan laba bersih sebesar Rp367 miliar di 2Q20 (vs. rugi bersih sebesar Rp282 miliar di 1Q20) karena segmen nikel mencatatkan margin bersih yang lebih baik sebesar 18,9% di 2Q20.

### Dua Proyek Smelter Masih Dalam Proses

Fokus ANTM pada pengembangan hilir masih terus berjalan meski sempat mengalami gangguan akibat kondisi pandemi di 1H20. Proyek pengembangan pabrik feronikel Halmahera saat ini mencapai 98% dari target penyelesaian proyek, yang dapat menambah 13.500 TNi/tahun. Menurut pandangan kami, tahun 2021 akan terjadi peningkatan yang signifikan dari kontribusi segmen nikel bagi pendapatan ANTM karena adanya tambahan kapasitas dari smelter Halmahera. Sementara itu, ANTM masih mengembangkan Smelter Grade Alumina Refinery (SGAR) yang memperkirakan total kapasitas produksi hingga 1 juta ton SGA/tahun.

### Merevisi Estimasi 2020-2022F

Kami merevisi estimasi untuk tahun 2020-2022F (di halaman 4), dengan mempertimbangkan: 1) penjualan segmen nikel yang lebih tinggi seiring dengan potensi pertumbuhan industri mobil listrik; 2) aktivitas perdagangan emas dalam negeri diperkirakan tumbuh lebih tinggi setelah tahun 2020; 3) margin yang lebih baik karena efisiensi biaya. Kami juga merevisi asumsi harga rata-rata emas menjadi USD1.830/ons untuk 2020F.

### Mempertahankan Rating BUY dengan Target Harga Lebih Tinggi di Rp1.100

Kami mempertahankan rekomendasi BUY dengan target harga Rp1.100. Peningkatan target harga karena kami berharap harga emas dan nikel yang lebih tinggi setelah 2020 untuk lebih meningkatkan pendapatan ANTM. Target harga berdasarkan forward EV/EBITDA sebesar 13,8x (+0,2 SD dari rata-rata historis 5 tahun). ANTM saat ini diperdagangkan pada 11,6x EV/EBITDA.

### Aneka Tambang Tbk | Summary

	2019A	2020F	2021F	2022F
Revenue (IDR bn)	32,719	21,826	25,671	31,862
Growth (%)	29.4	-33.3	17.6	24.1
EBITDA (IDR bn)	2,047	1,808	2,244	2,951
Net Profit (IDR bn)	194	288	350	478
EPS (IDR)	8	12	15	20
Growth (%)	-119.2	48.8	21.6	36.4
P/E (x)	107.4	91.8	75.5	55.3
P/BV (x)	1.1	1.4	1.3	1.3
EV/EBITDA (x)	14.5	19.3	15.5	11.9
ROE (%)	1.1	1.6	1.8	2.4
DER (%)	66.5	61.2	56.9	54.2
Net Debt (IDR bn)	4,921	4,511	4,330	4,211

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

## Buy

Target Price (IDR)	1,100
Consensus Price (IDR)	785
TP to Consensus Price (%)	+40.1
vs. Last Price (%)	+31.0

### Shares Data

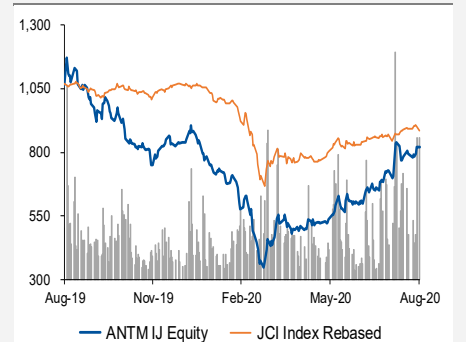
Last Price (IDR)	840
Price Date as of	Sep 01, 2020
52 wk Range (Hi/Lo)	1,175/338
Free Float (%)	35
Outstanding Shares (mn)	24,031
Market Cap (IDR bn)	19,705
Market Cap (USD mn)	1,351
Avg. Trd Vol - 3M (mn)	112.2
Avg. Trd Val - 3M (bn)	78.2
Foreign Ownership (%)	7

### Mining

#### Metal

Bloomberg	ANTM IJ
Reuters	ANTM.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-2.4%	12.3%	53.3%	-23.4%
Rel. Ret.	14.3%	10.6%	43.1%	-6.1%

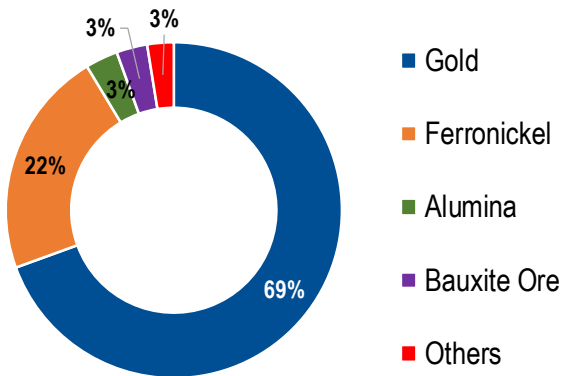


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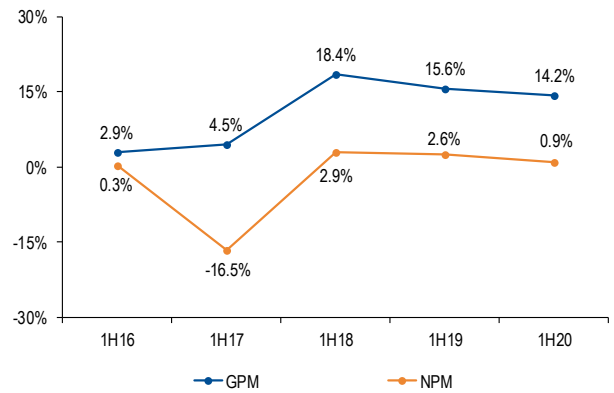
## Performance Highlights in Charts

### 1H20 Revenue Breakdown



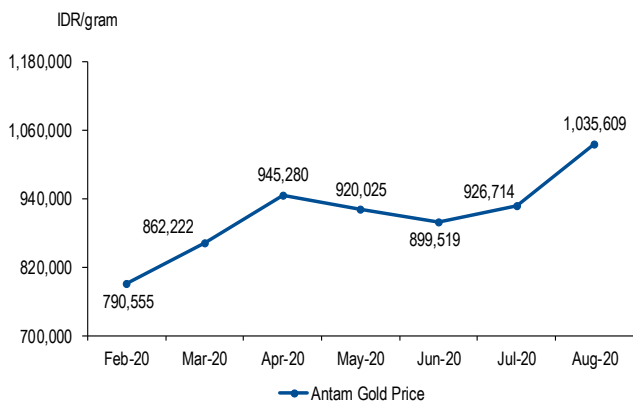
Source: Company Data, NHKSI Research

### Margin Ratios



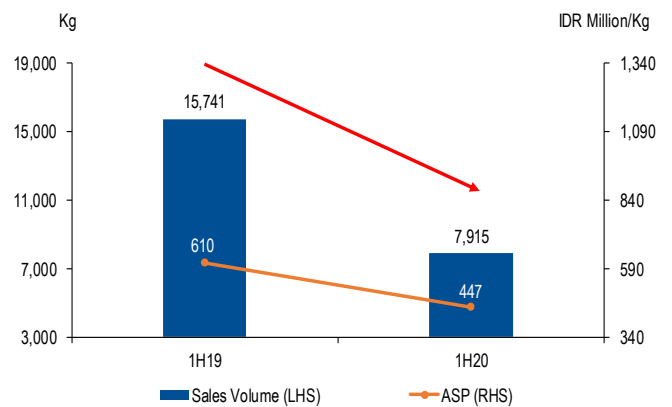
Source: Company Data, NHKSI Research

### Average Gold Price (Antam Gold)



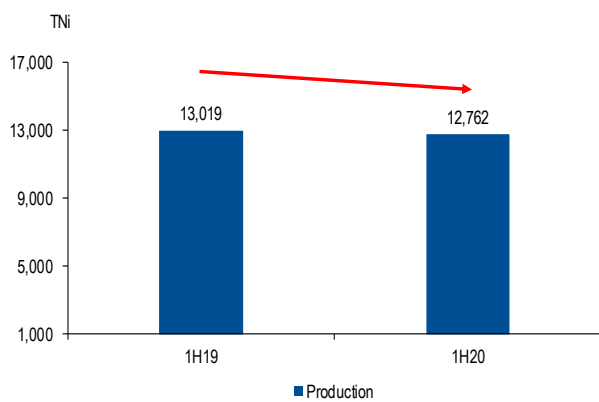
Source: Company Data, NHKSI Research

### Gold Sales Volume & ASP



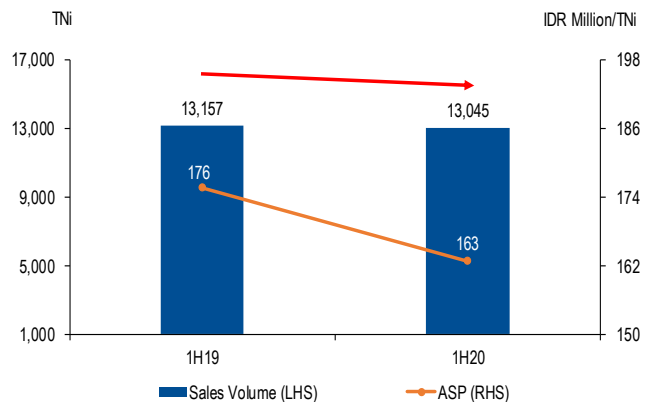
Source: Company Data, NHKSI Research

### Ferronickel Production



Source: Company Data, NHKSI Research

### Ferronickel Sales Volume & ASP



Source: Company Data, NHKSI Research

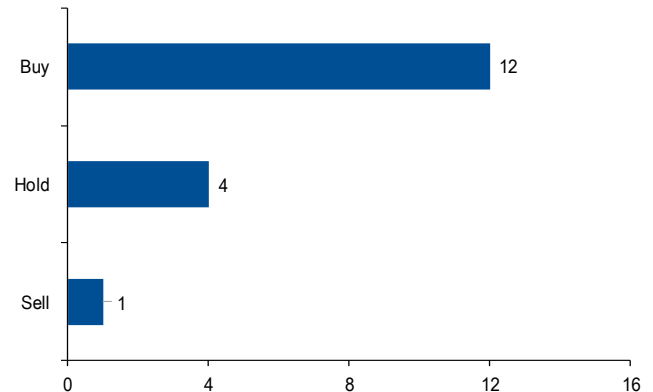
## Valuation & Other Highlights in Charts

### 5-Year Forward EV/EBITDA Band



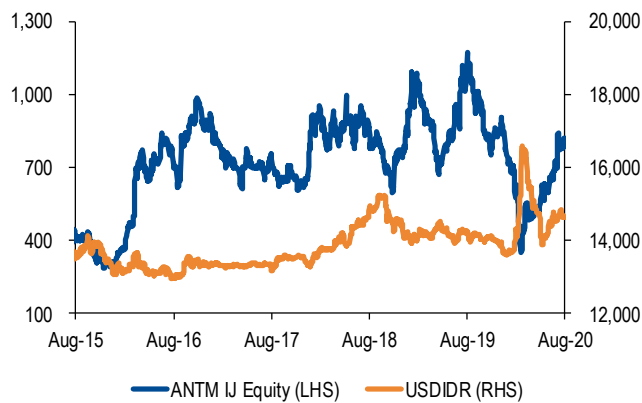
Source: Bloomberg, NHKSI Research

### Recommendation by Analysts



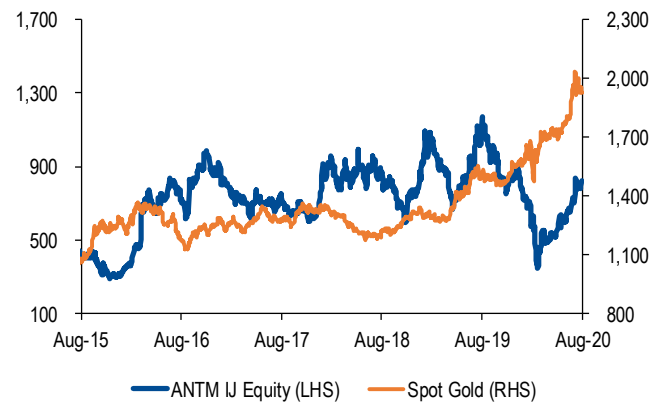
Source: Bloomberg, NHKSI Research

### ANTM & USDIDR Movement



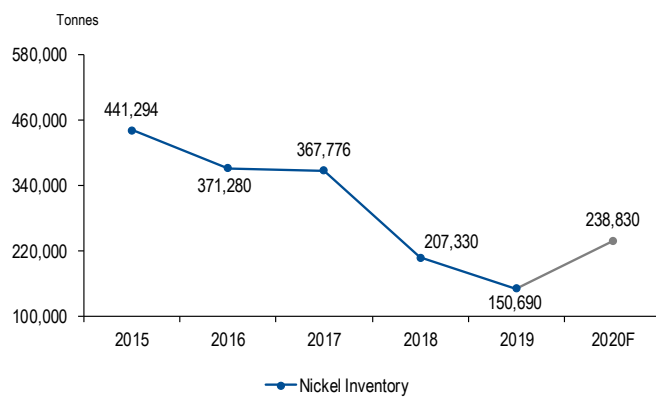
Source: Bloomberg, NHKSI Research

### ANTM & Gold Prices Movement



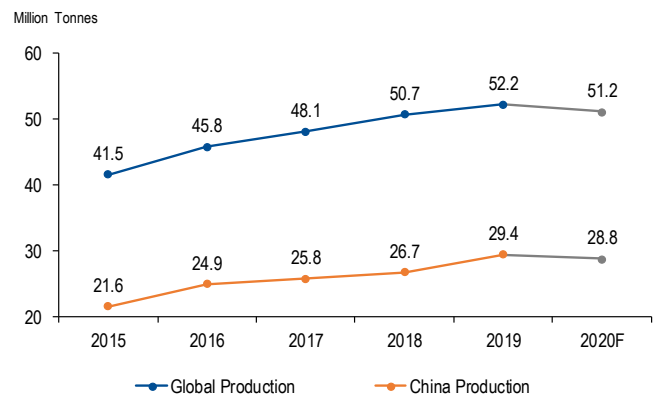
Source: Bloomberg, NHKSI Research

### LME Nickel Inventory



Source: Bloomberg, NHKSI Research

### Global & China Stainless Steel Output



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

## Financial Review

## Quarterly Review

	2Q19	3Q19	4Q19	1Q20	2Q20					3Q20E
					Actual	Estimate	YoY %	QoQ %	Surprise %	
<b>Income Statement</b>										
Revenue	8,209	10,111	8,181	5,203	4,024	4,820	-51.0	-22.7	-16.5	5,900
Gross Profit	1,337	1,363	711	562	747	577	-44.1	33.0	29.6	1,096
EBIT	435	495	-280	138	314	184	-27.9	128.2	71.0	329
EBITDA	727	781	-28	612	732	347	0.6	19.5	110.9	490
Net Profit	194	195	-185	-282	367	189	88.9	-230.1	93.8	372
<b>Margin</b>										
Gross Margin	16.3	13.5	8.7	10.8	18.6	12.0	2.3	7.8	6.6	18.6
EBIT Margin	5.3	4.9	-3.4	2.6	7.8	3.8	2.5	5.2	4.0	5.6
EBITDA Margin	8.9	7.7	-0.3	11.8	18.2	7.2	9.3	6.4	11.0	8.3
Net Profit Margin	2.4	1.9	-2.3	-5.4	9.1	3.9	6.7	14.5	5.2	6.3

Unit: IDR bn, %

Source: Company Data, NHKSI Research

## Earnings Revisions

		2020F	2021F	2022F
<b>Income Statement</b>				
Revenue	-Revised	21,826	25,671	31,862
	-Previous	25,039	27,450	29,600
	-Change %	-12.8	-6.5	+7.4
	-Consensus	26,517	29,601	31,508
Gross Profit	-Revised	3,087	3,659	4,636
	-Previous	2,373	2,872	3,251
	-Change %	+30.1	+27.4	+42.6
	-Consensus	2,939	3,620	3,869
EBIT	-Revised	592	724	994
	-Previous	331	633	833
	-Change %	+78.8	+14.3	+19.4
	-Consensus	494	791	1,030
EBITDA	-Revised	1,808	2,244	2,951
	-Previous	1,299	1,456	1,692
	-Change %	+39.1	+54.1	+74.4
	-Consensus	1,692	1,759	2,179
Net Profit	-Revised	288	350	478
	-Previous	16	159	251
	-Change %	+1,681.7	+120.2	+90.6
	-Consensus	167	287	287
<b>Margin</b>				
Gross Margin	-Revised	14.1	14.3	14.6
	-Previous	9.5	10.5	11.0
EBIT Margin	-Revised	2.7	2.8	3.1
	-Previous	1.3	2.3	2.8
EBITDA Margin	-Revised	8.3	8.7	9.3
	-Previous	5.2	5.3	5.7
Net Profit Margin	-Revised	1.3	1.4	1.5
	-Previous	0.1	0.6	0.8

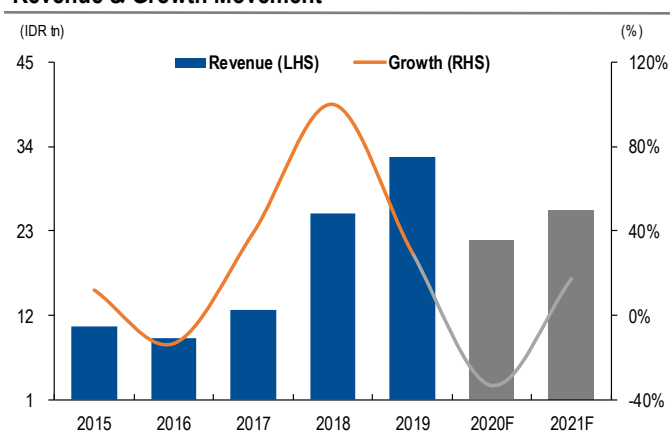
Unit: IDR bn, %

Source: Company Data, NHKSI Research

## Company Overview

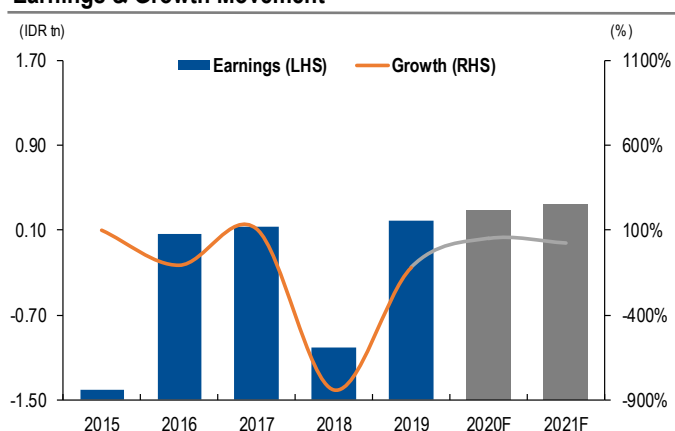
Aneka Tambang (ANTM) adalah perusahaan tambang yang kegiatan usahanya mencakup eksplorasi, penambangan, pengolahan, dan pemasaran berbagai komoditas mineral, seperti emas, nikel, bijih nikel, perak, bauksit, dan mineral. Hampir seluruh produk ANTM diekspor dengan mayoritas penjualan ekspor menggunakan 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)	Total Sales* (USD mn)	Net Profit* (USD mn)	NPM* (%)	ROE (%)	EV/EBITDA (x)	P/BV (x)
<b>Indonesia</b>								
MERDEKA COPPER GOLD TBK	2,613	951	409	67	16.3	14.5	10.9	5.0
ANEKA TAMBANG TBK	1,355	2,181	1,921	-6	-0.3	-0.5	9.4	1.1
J RESOURCES ASIA PASIFIK TBK	459	991	242	-7	-3.0	-2.4	6.3	1.6
<b>China</b>								
ZHONGJIN GOLD CORP	7,597	6,448	5,735	64	1.1	2.6	N/A	2.5
YINTAI RESOURCES	4,642	1,707	856	139	16.2	10.9	N/A	3.4
INNER MONGOLIA	2,319	2,918	3,972	107	2.7	7.0	N/A	1.4
<b>Taiwan</b>								
KING SLIDE WORKS	1,008	425	163	46	28.0	13.5	10.3	2.8
<b>Australia</b>								
MINERAL RESOURCES	3,999	3,191	1,427	674	47.2	55.4	2.2	2.4
OZ MINERALS	3,403	2,679	848	134	15.8	6.8	9.0	1.5
INDEPENDENCE GROUP	1,931	1,580	593	104	17.6	8.2	5.1	1.4

Note: \* = Last Twelve Months (LTM)

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	
Revenue	32,719	21,826	25,671	31,862	ROE	1.1%	1.6%	1.8%	2.4%
Growth	29.4%	-33.3%	17.6%	24.1%	ROA	0.6%	0.9%	1.1%	1.5%
COGS	(28,271)	(18,739)	(22,012)	(27,225)	ROIC	1.0%	1.0%	1.2%	1.7%
<b>Gross Profit</b>	<b>4,448</b>	<b>3,087</b>	<b>3,659</b>	<b>4,637</b>	Cash Dividend (IDR bn)	918	68	204	346
Gross Margin	13.6%	14.1%	14.3%	14.6%	Dividend Yield	4.4%	0.3%	0.8%	1.3%
Operating Expenses	(3,492)	(2,496)	(2,935)	(3,643)	Payout Ratio	-90.9%	35.1%	70.7%	98.8%
<b>EBIT</b>	<b>956</b>	<b>592</b>	<b>724</b>	<b>994</b>	DER	66.5%	61.2%	56.9%	54.2%
EBIT Margin	2.9%	2.7%	2.8%	3.1%	Net Gearing	83.0%	73.4%	69.3%	65.0%
Depreciation	1,092	1,216	1,520	1,956	LT Debt to Equity	30.7%	31.8%	30.8%	29.3%
<b>EBITDA</b>	<b>2,047</b>	<b>1,808</b>	<b>2,244</b>	<b>2,951</b>	Capitalization Ratio	32.1%	30.1%	29.1%	28.1%
EBITDA Margin	6.3%	8.3%	8.7%	9.3%	Equity Ratio	60.1%	62.0%	63.7%	64.9%
Interest Expenses	(233)	(364)	(357)	(349)	Debt Ratio	28.3%	26.7%	26.1%	25.3%
<b>EBT</b>	<b>687</b>	<b>625</b>	<b>778</b>	<b>995</b>	Financial Leverage	176.0%	162.8%	158.1%	153.2%
Income Tax	(493)	(337)	(428)	(517)	Current Ratio	144.8%	180.9%	191.1%	193.1%
Minority Interest	0	0	0	0	Par Value (IDR)	100	100	100	100
<b>Net Profit</b>	<b>194</b>	<b>288</b>	<b>350</b>	<b>478</b>	Total Shares (mn)	24,031	24,031	24,031	24,031
Growth	-119.2%	48.8%	21.6%	36.4%	Share Price (IDR)	865	1,100	1,100	1,100
Net Profit Margin	0.6%	1.3%	1.4%	1.5%	Market Cap (IDR tn)	20.8	26.4	26.4	26.4

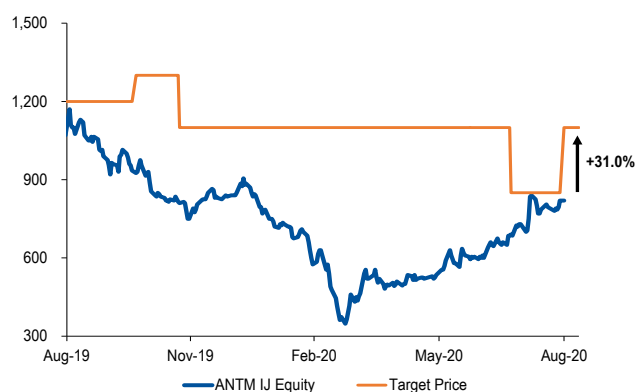
BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F	2019/12A	2020/12F	2021/12F	2022/12F	
Cash	3,636	3,646	3,751	3,844	Price/Earnings	107.4x	91.8x	75.5x	55.3x
Receivables	1,002	1,007	1,103	1,167	Price/Book Value	1.1x	1.4x	1.3x	1.3x
Inventories	1,796	1,695	1,441	1,393	Price/Sales	0.6x	1.2x	1.0x	0.8x
<b>Total Current Assets</b>	<b>7,665</b>	<b>7,588</b>	<b>7,548</b>	<b>7,669</b>	PE/EPS Growth	-0.9x	1.9x	3.5x	1.5x
Net Fixed Assets	20,277	20,307	21,125	21,948	EV/EBITDA	14.5x	19.3x	15.5x	11.9x
Other Non Current Asset	2,252	2,686	2,252	2,228	EV/EBIT	31.0x	58.9x	48.2x	35.2x
<b>Total Assets</b>	<b>30,195</b>	<b>30,581</b>	<b>30,924</b>	<b>31,845</b>	EV (IDR bn)	29,591	34,866	34,881	34,967
Payables	740	800	888	902	Sales CAGR (3-Yr)	53.2%	19.9%	0.5%	-0.9%
ST Bank Loan	2,993	2,120	2,020	2,014	EPS CAGR (3-Yr)	44.0%	28.2%	-170.3%	35.1%
LT Debt	5,564	6,037	6,061	6,041	Basic EPS (IDR)	8	12	15	20
<b>Total Liabilities</b>	<b>12,061</b>	<b>11,611</b>	<b>11,215</b>	<b>11,192</b>	Diluted EPS (IDR)	8	12	15	20
Capital Stock	2,403	2,403	2,403	2,403	BVPS (IDR)	755	789	820	859
Retained Earnings	7,913	8,712	9,255	9,992	Sales PS (IDR)	1,362	908	1,068	1,326
<b>Shareholders' Equity</b>	<b>18,133</b>	<b>18,970</b>	<b>19,710</b>	<b>20,653</b>	DPS (IDR)	38	3	8	14

CASH FLOW STATEMENT					TOP OWNERSHIP			
(IDR bn)	2019/12A	2020/12F	2021/12F	2022/12F	By Geography	% Shareholders	%	
Operating Cash Flow	1,966	1,213	1,870	2,434	Indonesia	93.0	Inalum	65.0
Investing Cash Flow	(1,217)	(624)	(1,281)	(1,274)	United States	5.1	Vanguard Group	1.2
Financing Cash Flow	(1,363)	(527)	(484)	(1,067)	Norway	0.8	Dimensional Fund	1.1
<b>Net Changes in Cash</b>	<b>(615)</b>	<b>61</b>	<b>105</b>	<b>93</b>	Luxembourg	0.5	Blackrock	0.7

Source: Company Data, NHKSI Research

## Closing &amp; Target Price Update



Source: Bloomberg, NHKSI Research

## Rating &amp; Target Price Update

Date	Rating	Target Price	Consensus
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
2020.09.02	Buy	IDR1,100	IDR785

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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