

# Aneka Tambang Tbk (ANTM IJ)

## ASP and Sales Volume Remains High



ANTM sales booked 40.5% of growth to IDR 38.5 trillion in 2021. Gold products was the largest contributor at IDR 25.9 trillion or 67% of the Company's total sales. Meanwhile, net profit grew 62% to IDR 1.9 trillion. NHKSI Research sees the increase of commodity prices in 2021 was a positive sentiment. However we believe ANTM still has a positive long-term forecast.

### Domestic Demand Stays High

- The domestic market was the main contributor to ANTM sales with IDR 29.9 trillion or around 78% of the Company's total sales in 2021.
- Gold products contributed the largest at 67% to ANTM's sales, or equal to IDR 25.94 trillion. Gold sales value grew 34% YoY, due to the status of gold as safe haven and hedging amid the potential for inflation increase.

### Low Global Nickel Supply

- As supply has reached its lowest level in two years, it may potentially maintain the global nickel sales price high. One of the causes for the significant jump in nickel prices is the war in Ukraine. The prospect of nickel prices is also still attractive, in line with the urgency of shifting the raw materials of automotive technology from fossil fuel to electricity.
- In 2021, ANTM recorded (unaudited) ferronickel production of 25,818 TNi, or relatively stable from the previous year. Meanwhile, Antam's ferronickel product sales volume in the same year reached 25,992 TNi.

### Pongkor and Cibalung Mines Intensification

- Taking advantage of the current increase in commodity prices, ANTM will maximize gold production from the Pongkor and Cibalung mines. In 2021, unaudited Antam gold production performance for the year reached 1.69 tons, growing 1% YoY.
- Meanwhile, the achievement of unaudited gold sales in 2021 was recorded at 29.38 tons, growing 33% YoY. Nickel ore production (unaudited) reached 11.01 million Wmt, or a significant increase of 131% YoY. Nickel ore sales were 7.64 million Wmt, or up 132% from sales realization in 2020

### Maintain BUY Rating with Target Price of IDR 3,450

- NHKSI Research recommends BUY with a target price of IDR 3,450 based on forward EV/EBITDA of 12.4x. Currently, ANTM is traded at 9.8x EV/EBITDA.
- We see several main driving forces such as ASP and the relatively high sales volume, as well as fuel and distribution efficiency. Meanwhile, we still observe the fluctuation of rupiah exchange rate and world fuel prices as the main risks.

### Aneka Tambang Tbk | Summary

	2021A	2022F	2023F	2024F
Revenue (IDR bn)	38,446	39,913	41,547	42,821
Growth (%)	40.5%	3.8%	4.1%	3.1%
EBITDA (IDR bn)	4,987	6,991	7,711	7,779
Net Profit (IDR bn)	1,861	2,927	2,879	3,013
EPS (IDR)	77	122	120	125
Growth	61.9%	57.3%	-1.6%	4.6%
P/E	29.1x	28.3x	45.3x	45.3x
P/BV	2.6x	3.7x	5.5x	5.0x
EV/EBITDA	11.9x	12.4x	17.3x	18.1x
ROE	9.3%	13.6%	12.5%	11.8%
ROA	5.8%	8.5%	8.1%	8.2%
ROIC	6.2%	9.4%	11.8%	10.9%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | Apr. 12, 2022

## Buy

Target Price (IDR)	3,450
Consensus Price (IDR)	3,178
TP to Consensus Price (%)	+8.6
vs. Last Price (%)	+29.2

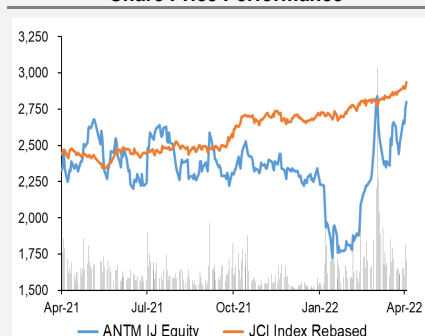
### Shares Data

Last Price (IDR)	2,670
Price Date as of	Apr 12, 2022
52 wk Range (Hi/Lo)	3,170/1,705
Free Float (%)	35.0
Outstanding Shares (mn)	24,031
Market Cap (IDR bn)	67,286
Market Cap (USD mn)	4,681
Avg. Trd Vol - 3M (mn)	218.4
Avg. Trd Val - 3M (bn)	510.7
Foreign Ownership (%)	96.2

### Basic Materials

Basic Materials	
Bloomberg	ANTM IJ
Reuters	ANTM.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	24.4%	-1.4%	25.6%	13.4%
Rel. Ret.	14.9%	-7.2%	18.0%	-5.4%

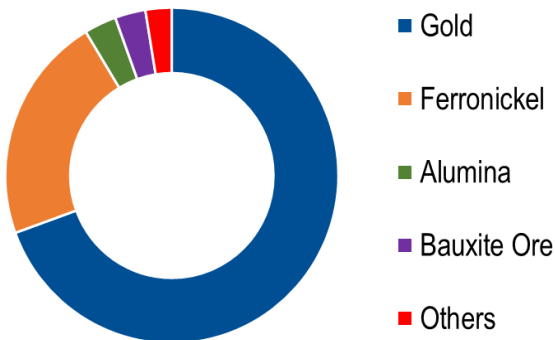
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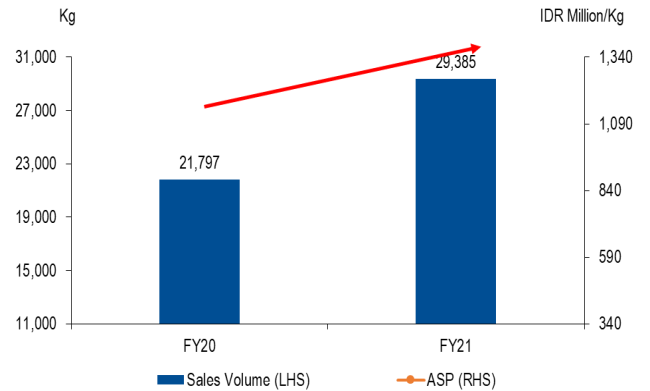
## Performance Highlights in Charts

### 2021 Revenue Breakdown



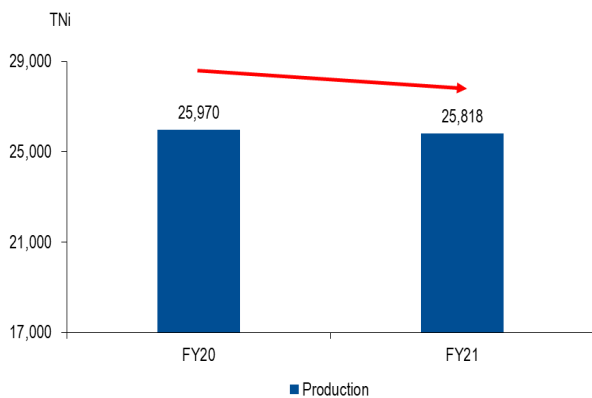
Source: Company Data, NHKSI Research

### Gold Sales Volume



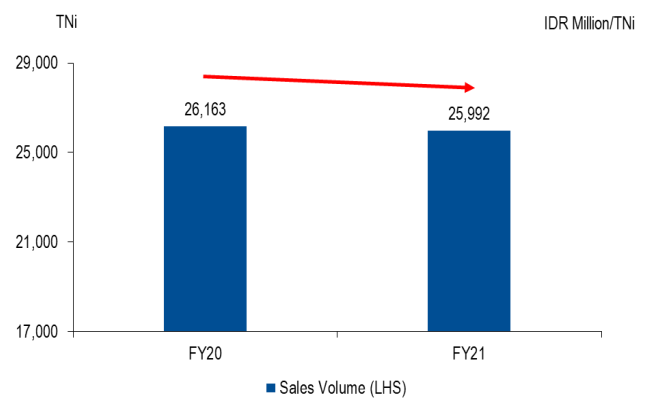
Source: Company Data, NHKSI Research

### Ferronickel Production



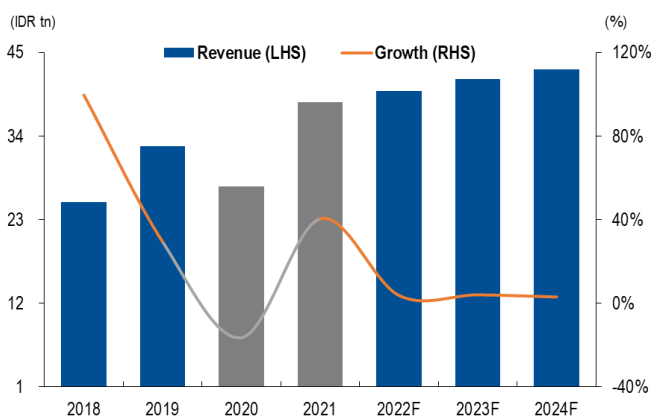
Source: Company Data, NHKSI Research

### Ferronickel Sales Volume



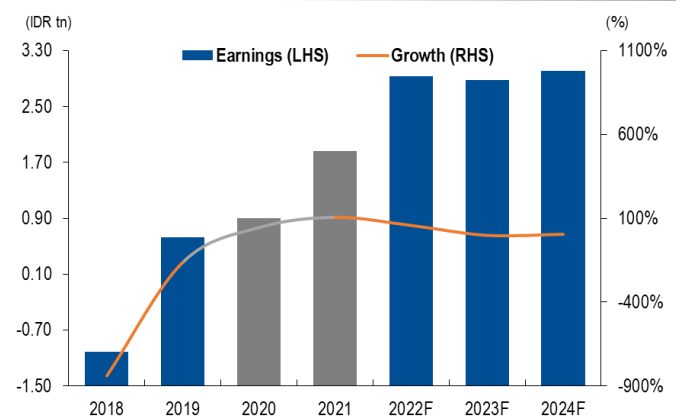
Source: Company Data, NHKSI Research

### Revenue & Growth



Source: Company Data, NHKSI Research

### Earnings & Growth



Source: Company Data, NHKSI Research

## Financial Summary

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F		2021/12A	2022/12F	2023/12F	2024/12F
<b>Revenue</b>	<b>38,446</b>	<b>39,913</b>	<b>41,547</b>	<b>42,821</b>	ROE	9.3%	13.6%	12.5%	11.8%
<i>Growth</i>	40.5%	3.8%	4.1%	3.1%	ROA	5.8%	8.5%	8.1%	8.2%
COGS	(32,086)	(33,707)	(33,592)	(34,735)	ROIC	6.2%	9.4%	11.8%	10.9%
<b>Gross Profit</b>	<b>6,360</b>	<b>6,205</b>	<b>7,956</b>	<b>8,086</b>	Cash Dividend (IDR bn)	-	-	-	-
<i>Gross Margin</i>	16.5%	15.5%	19.1%	18.9%	Dividend Yield	0.0%	0.0%	0.0%	0.0%
Operating Expenses	(3,620)	(2,395)	(2,493)	(2,570)	Payout Ratio	0.0%	0.0%	0.0%	0.0%
<b>EBIT</b>	<b>2,739</b>	<b>3,810</b>	<b>5,462</b>	<b>5,516</b>	DER	58.0%	62.1%	47.2%	43.0%
<i>EBIT Margin</i>	7.1%	9.5%	13.1%	12.9%	Net Gearing	47.5%	44.6%	43.7%	41.6%
Depreciation	2,247	3,181	2,249	2,263	LT Debt to Equity	18.2%	10.2%	14.2%	12.2%
<b>EBITDA</b>	<b>4,987</b>	<b>6,991</b>	<b>7,711</b>	<b>7,779</b>	Capitalization Ratio	22.4%	22.4%	22.4%	22.4%
<i>EBITDA Margin</i>	13.0%	17.5%	18.6%	18.2%	Equity Ratio	63.3%	61.7%	67.9%	69.9%
Interest Expenses	(360)	(395)	(387)	(380)	Debt Ratio	18.3%	17.8%	19.6%	20.2%
<b>EBT</b>	<b>3,043</b>	<b>4,115</b>	<b>4,353</b>	<b>4,389</b>	Financial Leverage	159.1%	152.5%	156.9%	137.9%
Income Tax	(1,182)	(1,187)	(1,473)	(1,376)	Current Ratio	178.7%	164.3%	266.5%	274.0%
Minority Interest	(0)	0	0	0	Par Value (IDR)	100	100	100	100
<b>Net Profit</b>	<b>1,861</b>	<b>2,927</b>	<b>2,879</b>	<b>3,013</b>	Total Shares (mn)	24,031	24,031	24,031	24,031
<i>Growth</i>	61.9%	57.3%	-1.6%	4.6%	Share Price (IDR)	2,250	3,450	5,427	5,679
<i>Net Profit Margin</i>	4.8%	7.3%	6.9%	7.0%	Market Cap (IDR tn)	54.1	82.9	130.4	136.5

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F		2021/12A	2022/12F	2023/12F	2024/12F
Cash	5,089	6,361	7,973	7,867	Price/Earnings	29.1x	28.3x	45.3x	45.3x
Receivables	1,448	4,562	2,551	4,780	Price/Book Value	2.6x	3.7x	5.5x	5.0x
Inventories	3,107	2,767	3,402	2,891	Price/Sales	1.4x	2.1x	3.1x	3.2x
<b>Total Current Assets</b>	<b>11,728</b>	<b>16,224</b>	<b>16,483</b>	<b>18,122</b>	PE/EPS Growth	0.5x	0.5x	-27.6x	9.8x
Net Fixed Assets	18,138	16,648	15,330	16,940	EV/EBITDA	11.9x	12.4x	17.3x	18.1x
Other Non Current Asset	3,050	3,334	3,280	3,613	EV/EBIT	21.6x	22.8x	24.4x	25.5x
<b>Total Assets</b>	<b>32,916</b>	<b>36,206</b>	<b>35,093</b>	<b>38,675</b>	EV (IDR bn)	59,223	86,941	133,481	140,767
Payables	1,399	341	1,611	295	Sales CAGR (3-Yr)	61.6%	46.7%	18.0%	9.4%
ST Bank Loan	2,228	4,172	3,501	4,514	EPS CAGR (3-Yr)	206.2%	177.8%	-241.8%	69.0%
LT Debt	3,787	2,274	3,379	3,295	Basic EPS (IDR)	77	122	120	125
<b>Total Liabilities</b>	<b>12,079</b>	<b>13,877</b>	<b>11,260</b>	<b>11,622</b>	Diluted EPS (IDR)	77	122	120	125
Capital Stock	2,403	2,403	2,403	2,403	BVPS (IDR)	867	929	992	1,126
Retained Earnings	10,272	12,041	13,347	16,360	Sales PS (IDR)	1,600	1,661	1,729	1,782
<b>Shareholders' Equity</b>	<b>20,837</b>	<b>22,329</b>	<b>23,833</b>	<b>27,053</b>	DPS (IDR)	-	-	-	-

CASH FLOW STATEMENT					TOP OWNERSHIP			
(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F	By Geography	% Shareholders	%	
Operating Cash Flow	5,043	2,947	3,464	2,946	Indonesia	90.9	Inalum	65.0
Investing Cash Flow	(1,730)	(1,829)	(2,484)	(4,188)	United States	4.8	Vanguard Group	1.2
Financing Cash Flow	(2,222)	154	632	1,137	Luxembourg	1.0	Dimensional Fund	1.1
<b>Net Changes in Cash</b>	<b>1,091</b>	<b>1,272</b>	<b>1,611</b>	<b>(106)</b>	Others	3.3	Blackrock	0.7

Source: Company Data, NHKSI Research

## NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to +15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

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