

BUY (Maintain)

Target Price (IDR)	200
Potential Upside (%)	30.7

Price Comparison

Cons. Target Price (IDR)	200
SSI vs. Cons. (%)	100.0

Stock Information

Last Price (IDR)	153
Shares Issued (Mn)	141,784
Market Cap. (IDR Bn)	22,544
52-Weeks High/Low (IDR)	304/132
3M Avg. Daily Value (IDR Bn)	56.3
Free Float (%)	46.9

Shareholder Structure:

Emirates Tarian Global Ventures (%)	25.1
Others (%)	23.1
Public (%)	51.8

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	-	(5.4)	(3.0)	(22.1)
JCI Return	(3.3)	(3.9)	(2.1)	(4.7)
Relative	3.3	(1.4)	(0.9)	(17.3)

Stock Price & Volumes, 12M



Company Background

Bumi Resources Minerals is a company engaged in mineral mining. BRMS operates three main businesses; CPM (Citra Palu Minerals); GM (Gorontalo Minerals) and DPM (Dairi Prima Minerals), producing gold, copper, zinc, and lead.

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Huge Expansion in the Pipeline

BRMS reported a net profit of USD 7mn (+172.1% QoQ; -88.4% YoY) in 4Q22, bringing its FY22 net profit to USD 14mn (-80.2% YoY), above our estimate (227.6% of SSI's FY22 projection) and consensus (195.1% of consensus estimate). The company hinted that its gold production volume would exceed 20k toz (+269.3% YoY) in 2023, thanks to the additional production capacity from its second gold processing plant (completed in 3Q22). Going forward, the company expects its annual gold production capacity could even exceed 70k toz following the completion of its third and fourth processing plants. We reiterate our BUY rating with a SOTP-based TP of IDR 200 per share. Downside risks: 1) lower-than-expected global commodity prices, 2) regulatory changes.

Operating loss in 4Q22. BRMS booked revenue of USD 3mn in 4Q22 (+19.5% QoQ; +41.9% YoY), which brought its cumulative FY22 revenue to USD 12mn (+10.1% YoY), in line with ours (97.0%) but below consensus estimate (89.6%). The quarterly growth in 4Q22 was mainly driven by higher gold sales volume (1,579 toz. +21.0% QoQ), which brought into cumulative FY22 figure to 5,415 toz (+25.1% YoY) while its ASP remained relatively flat at USD1,773 per toz (+0.6% QoQ). However, as the company booked depreciation expenses of USD 697k (3Q22: 0), its gross margin fell to 48.4% (3Q22: 66.1%), translating into an operating loss of -USD 1mn (3Q22: USD 1mn operating profit).

Above-expected earnings. On its bottom line, BRMS posted a net profit of USD 7mn (+172.1% QoQ; -88.4% YoY) in 4Q22, bringing its FY22 net profit to USD 14mn (-80.2% YoY), above our estimate (227.6% of SSI's FY22 projection) and consensus (195.1% of consensus estimate). The company managed to book a positive bottom line in 4Q22, even while incurring an operating loss and income tax expenses of USD 21.8mn (9M22: USD 2.9mn tax benefit), supported by: 1) share of profit from investment in JV of USD 11.8mn (3Q22:USD 0), and 2) write-off payables of USD 17.6mn (3Q22:USD 0).

Company outlook. The company hinted that its gold production volume would exceed 20k toz (+269.3% YoY) in 2023, thanks to the additional production capacity from its second gold processing plant (completed in 3Q22). Going forward, the company expects its annual gold production capacity could even exceed 70k toz following the completion of its third (in Palu, with a capacity of 4ktpd; operational in 1Q24) and fourth (in Gorontalo, with a capacity of 2 ktpd: 2Q24) processing plants.

Additional portfolio coming in. BRMS recently acquired an 80% stake in the Kerta gold mine using its receivable settlement from PT Suma Heksa Sinergi in 2022. To note, Kerta gold mine has 18mn tons of mineral reserves and 75mn tons of mineral reserves, with an average gold grade of 1.07 g/t.

BUY with a TP of IDR 200. We reiterate our BUY rating with a SOTP-based TP of IDR 200 per share. Downside risks: 1) lower-than-expected global commodity prices, 2) regulatory changes.

Forecast and Valuation (at closing price IDR 153 per share)

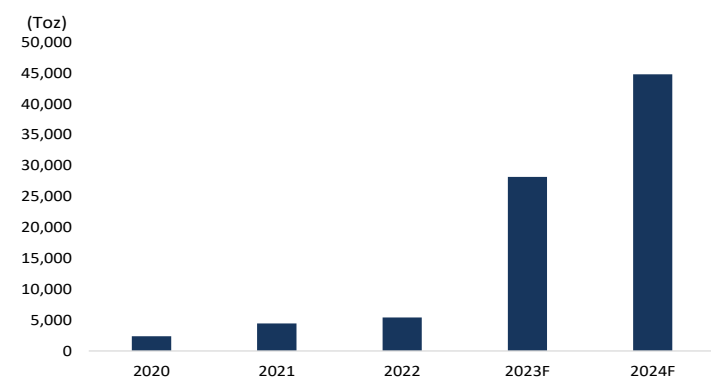
Y/E Dec (USD Mn)	20A	21A	22A	23F	24F
Revenue (USD Mn)	8	11	12	55	85
EBITDA (USD Mn)	1	2	2	27	39
EV/EBITDA (x)	44,441	1,938	988	592	54
Net Profit (USD Mn)	4	69	14	21	31
Net Profit Growth (%)	207.7	1,648.3	(80.2)	50.7	51.0
EPS (IDR)	0	7	1	2	3
P/E Ratio (x)	383.7	21.9	105.7	70.1	46.4
BVPS (IDR)	49	89	101	103	107
P/BV Ratio (x)	3.1	1.7	1.5	1.5	1.4
DPS (IDR)	0	0	(0)	-	-
Dividend Yield (%)	0.0	0.0	(0.0)	-	-
ROAE (%)	0.9	10.1	1.5	2.1	3.1
ROAA (%)	0.7	8.8	1.3	1.9	2.6
Interest Coverage (x)	NM	NM	NM	NM	NM
Net Gearing (x)	0.1	(0.0)	(0.0)	0.0	(0.0)

Table 1: FY22 Results

BRMS - USD mn	2022	2021	YoY (%)	% estimasi SSI	% estimasi Cons	4Q22	3Q22	QoQ (%)	4Q21	YoY (%)
Pendapatan	12	11	10.1%	97.0	89.6	3	3	19.5%	2	41.9%
Laba kotor	7	6	5.8%			2	2	-12.5%	1	194.6%
<i>Margin (%)</i>	<i>56.4</i>	<i>58.7</i>				<i>48.4</i>	<i>66.1</i>		<i>23.3</i>	
Laba operasi	1	1	23.2%	26.6	53.2	(1)	1	NM	(0)	NM
<i>Margin (%)</i>	<i>9.1</i>	<i>8.2</i>				<i>(15.5)</i>	<i>27.9</i>		<i>(20.3)</i>	
Laba bersih	14	69	-80.2%	227.6	195.1	7	3	172.1%	62	-88.4%
<i>Margin (%)</i>	<i>117.3</i>	<i>653.4</i>				<i>216.4</i>	<i>95.0</i>		<i>2,656.6</i>	
EPS - USD	0.1	0.5								
BVS - USD	8.2	7.7								
Cash	10	60								
Interest Bearing Debt	64	34								
Equity	955	880								
Net Gearing	0.1	(0.0)								

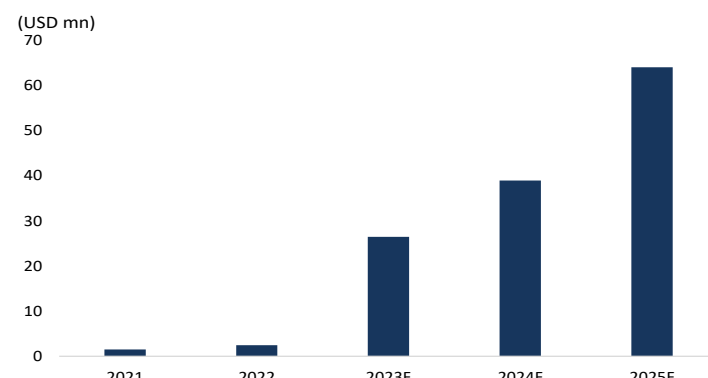
Source: Company, SSI Research

Figure 1: Gold production volume trend



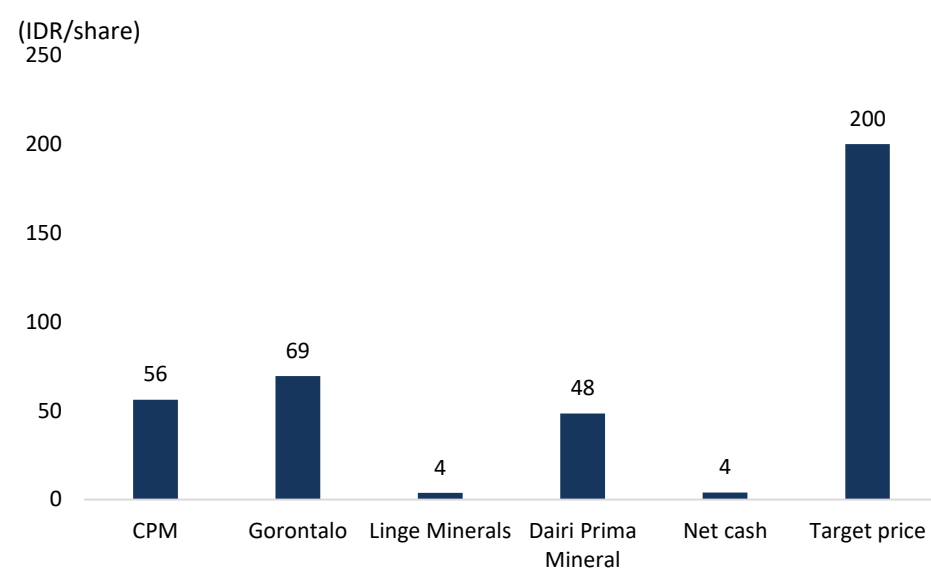
Source: Company, SSI Research

Figure 2: BRMS' EBITDA trend



Source: Company, SSI Research

Figure 3: BRMS' SOTP valuation breakdown



Source: Company, SSI Research

Bumi Resources Minerals

Bloomberg: BRMS.IJ | Reuters: BRMS.JK

Metal Mining Sector



20 March 2023

JCI Index: 6,678

Profit and Loss					
Y/E Dec (USD Mn)	20A	21A	22A	23F	24F
Revenue	8	11	12	55	85
COGS	(2)	(4)	(5)	(29)	(45)
Gross Profit	6	6	7	26	40
Operating Expenses	(6)	(5)	(6)	(3)	(4)
Operating Profit	(0)	1	1	23	36
EBITDA	1	2	2	27	39
Interest Income	0	0	0	0	0
Interest Expenses	-	-	-	-	-
Other Income/Expenses	14	120	31	3	3
Pre-tax Income	14	121	33	26	40
Income Taxes	(10)	(52)	(19)	(6)	(9)
Minority Interest	(0)	(1)	-	-	-
Net Profit	4	69	14	21	31

Balance Sheet					
Y/E Dec (USD Mn)	20A	21A	22A	23F	24F
Cash	2	60	10	31	51
Trade receivables	1	-	-	-	-
Inventories	9	7	9	41	62
Others	35	182	158	158	158
Total Current Assets	47	249	178	230	272
Fixed assets	15	139	170	183	193
Mining properties	140	170	210	213	219
Other Assets	386	422	522	522	522
Total Assets	588	980	1,080	1,148	1,206
Trade payables	6	10	10	67	103
ST Debt	-	34	9	8	6
Other ST Liabilities	-	30	-	-	-
Total Current Liabilities	67	84	66	122	157
LT Debt	-	4	9	-	-
Other LT Liabilities	34	13	49	50	42
Total Liabilities	101	101	125	172	199
Minority Interest	(259)	(208)	(208)	(208)	(208)
Total Equity	487	880	955	976	1,007

Cash Flow					
Y/E Dec (USD Mn)	20A	21A	22A	23F	24F
Net Profit	4	69	14	21	31
D&A	1	1	1	4	3
Changes in Working Capital	(8)	7	(2)	25	15
Others	(37)	(197)	30	(1)	-
Operating Cash Flow	(40)	(121)	43	49	49
Capital Expenditure	42	(191)	(173)	(19)	(19)
Investing Cash Flow	42	(191)	(173)	(19)	(19)
Change in Debt	(54)	46	18	(10)	(10)
Other Financing	53	324	62	0	-
Financing Cash Flow	(1)	370	80	(10)	(10)
Net - Cash Flow	1	58	(51)	21	20
Cash at beginning	1	2	60	10	31
Cash at ending	2	60	10	31	51

Key Ratios					
Y/E Dec (USD Mn)	20A	21A	22A	23F	24F
Gross Profit Margin (%)	71.9	58.7	56.4	46.5	47.4
Operating Profit Margin (%)	(1.5)	8.2	9.1	41.5	42.4
EBITDA Margin (%)	9.4	14.3	21.1	48.1	45.7
Pre-Tax Margin (%)	165.9	1,146.6	279.5	48.0	46.8
Net Profit Margin (%)	47.4	653.4	117.5	37.5	36.5
Revenue Growth (%)	87.1	26.8	10.1	372.8	55.0
EBITDA Growth	2,112.8	93.4	62.4	979.0	47.0
Net Gearing (x)	(0.0)	(0.0)	0.0	(0.0)	(0.0)

Major Assumptions					
Y/E Dec (USD Mn)	20A	21A	22A	23F	24F
Gold sales volume (Oz)	2,374	4,453	5,415	28,184	44,831
Global gold price assumption (USD/oz)	1,886	1,791	1,873	1,900	1,870

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