

## IPO Report

### Stock Information

Book building Period	15 Mar – 24 Mar
Public offering Period	5 Apr – 10 Apr
Listing on IDX	12 Apr
IPO Price (IDR)	1,220/1,250

Free Float (%)	18%
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### Shareholder Structure:

PT Harita Jayaraya	81.18
Public	17.91
Others	0.91

### Company Background

Trimegah Bangun Persada Tbk (NCKL) merupakan bagian dari HARITA GROUP yang beroperasi di bidang pertambangan dan pengolahan bijih nikel. Seluruh aktivitas operasional berada di Desa Kawasi, Kecamatan Obi, Kabupaten Halmahera Selatan, Provinsi Maluku Utara

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## Here Comes the New Challenger

PT Trimegah Bangun Persada (NCKL) merupakan perusahaan pertambangan nikel terintegrasi yang beroperasi di pulau Obi. Per 2022, NCKL mengoperasikan dua tambang bijih nikel dan dua smelter: sebuah smelter rotary-kiln-electric furnace (RKEF) (kapasitas produksi: 25ktpa) dan sebuah smelter HPAL (37ktpa). NCKL menargetkan untuk meningkatkan kapasitas produksi FeNi-nya menjadi 219ktpa pada 2025F dan kapasitas smelter HPAL-nya menjadi 120ktpa pada 2024F. Dari segi valuasi, kami melihat bahwa NCKL memiliki valuasi yang sedikit lebih premium dibanding para pesaingnya (17.3x – 17.8x P/E FY22) dan diperdagangkan pada nilai yang 2.6%-5.1% lebih tinggi dari rata-rata multiple industrinya.

**Alokasi dana IPO.** PT Trimegah Bangun Persada (NCKL) merupakan perusahaan pertambangan nikel terintegrasi yang beroperasi di pulau Obi. Per 2022, NCKL mengoperasikan dua tambang bijih nikel dan dua smelter: sebuah smelter rotary-kiln-electric furnace (RKEF) (kapasitas produksi: 25ktpa) dan sebuah smelter HPAL (37ktpa). Dengan kisaran harga bookbuilding IDR 1,220 – IDR 1,250 per saham, NCKL berpotensi meraup IDR 14.8tn-IDR15.1tn dalam IPO-nya. NCKL akan menerbitkan 12.1 miliar saham baru, setara dengan 18.0% dari modal ditempatkan disetor. Rencana alokasi dana IPO NCKL adalah sebagai berikut: 1) 28% akan digunakan untuk pembayaran utang, 2) 2% akan digunakan sebagai Capex, 3) 32% akan digunakan untuk investasi anak perusahaan, termasuk untuk mendanai proyek RKEF dan HPAL, 4) dan sisanya akan digunakan sebagai modal kerja.

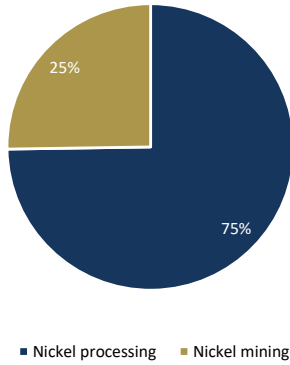
**Rencana ekspansi besar-besaran.** NCKL menargetkan untuk meningkatkan kapasitas produksi FeNi-nya menjadi 219ktpa; proyek RKEF 9ktpa dan 185ktpa akan memulai kegiatan produksinya masing-masing pada 2Q23 dan 2Q25. Sementara itu, pembangunan smelter HPAL milik NCKL akan dibagi menjadi tiga tahap; tahap pertama (37ktpa) sudah selesai dan saat ini beroperasi dengan kapasitas penuh. Tahap kedua (18ktpa, total kapasitas NCKL: 55ktpa) diperkirakan akan memulai aktivitas produksi pada 1Q23. Untuk tahap ketiga, NCKL menargetkan untuk mendapatkan angka produksi tambahan sebesar 65ktpa dari anak perusahaan Lygend (mitra NCKL), ONC (NCKL memegang 10% saham ONC) mulai 1Q24, yang akan meningkatkan total kapasitas HPAL NCKL menjadi 120ktpa. Dengan asumsi semua proyek berjalan, NCKL akan menjadi salah satu produsen nikel rafinasi terbesar di Indonesia.

**Valuasi sedikit lebih premium dibanding rata-rata industri (17.3x – 17.8x P/E FY22).** Per 11M22, NCKL telah membukukan laba bersih sebesar IDR 4.3tn (+239,6% YoY). Jika laba bersih NCKL di-annualized, dengan jumlah saham beredar 55 juta, valuasi kami untuk NCKL adalah 17.3x – 17.8x P/E FY22, dan diperdagangkan pada nilai yang 2.6%-5.1% lebih tinggi dari rata-rata multiple industrinya.

### Stock informations

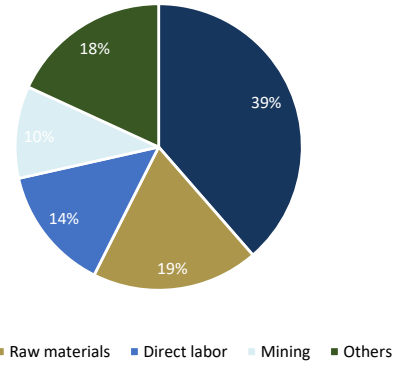
Y/E Dec	19A	20A	21A	9M21	9M22
Revenue (IDR bn)	6,893	4,072	8,229	6,401	7,358
Gross Profit (IDR bn)	3,707	1,957	4,514	3,502	3,760
Operating Profit (IDR bn)	2,496	1,242	3,567	2,710	3,409
EBITDA (IDR bn)	2,924	1,712	4,240	3,251	6,067
Net Profit (IDR bn)	1,169	284	1,969	900	3,605
EPS (IDR)	21	5	36	16	65
EBITDA Margin (%)	42.4	42.0	51.5	50.8	82.5
Net Margin (%)	17.0	7.0	23.9	14.1	49.0

Figure 1. Revenue breakdown



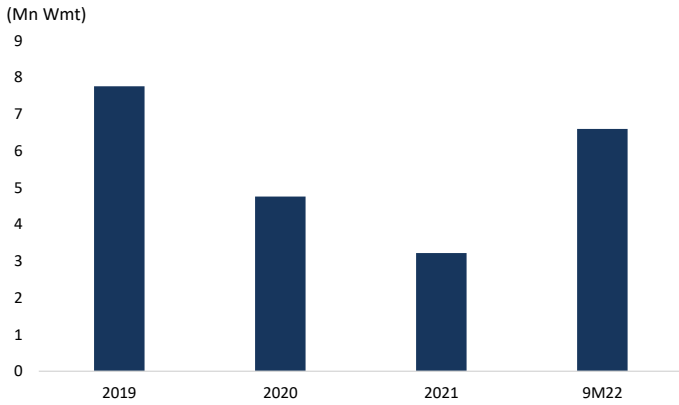
Source: Company data, SSI Research

Figure 2. COGS breakdown



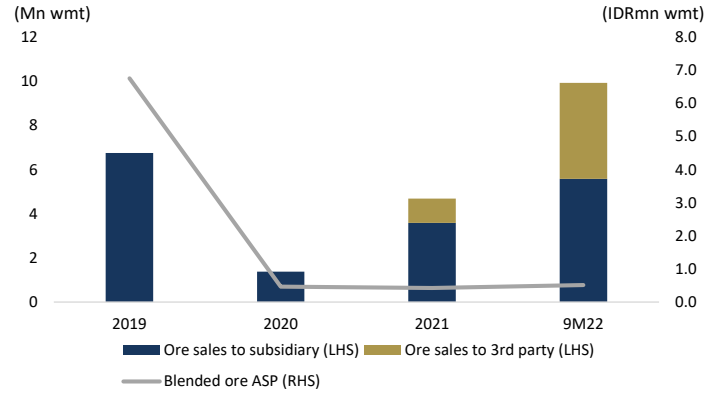
Source: Company data, SSI Research

Figure 3. Nickel ore production volume trend



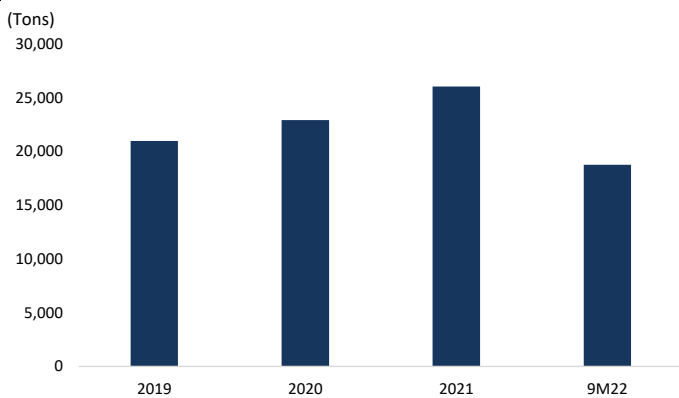
Source: Company data, SSI Research

Figure 4. Nickel ore sales volume trend



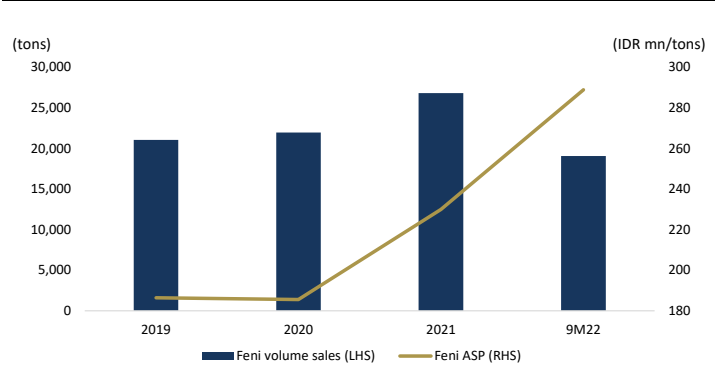
Source: Company data, SSI Research

Figure 5. Feni production trend



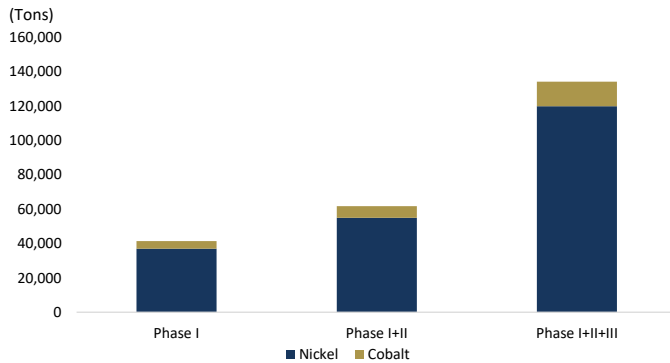
Source: Company data, SSI Research

Figure 6. Feni sales volume trend



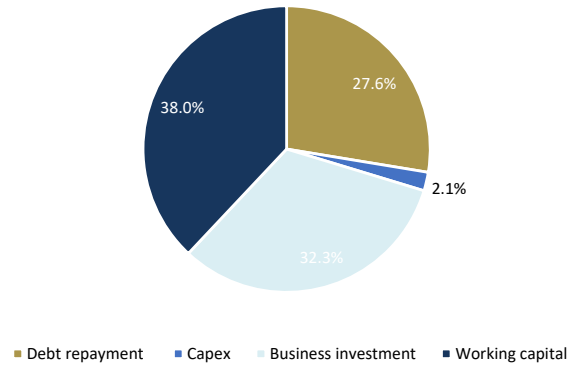
Source: Company data, SSI Research

Figure 7. HPAL project capacity trend



Source: Company data, SSI Research

Figure 8. IPO proceed breakdown



Source: Company data, SSI Research

Figure 9. Mine reserve & nickel contain summary

	Reserve (mn wmt)	Nickel contain (%)
<b>Loji mine</b>	<b>52</b>	
Saprolite	14	1.7
Limonite	38	1.1
<b>Kawasi mine</b>	<b>108</b>	
Saprolite	38	1.8
Limonite	71	1.1
<b>Jikodolong</b>	<b>8</b>	
Saprolite	4	1.7
Limonite	5	1.1
<b>Total</b>	<b>169</b>	<b>1.3</b>

Source: Company data, SSI Research

Figure 10. Mine reserve & nickel contain summary

Subsidiary	NCKL's ownership	Product	Capacity	Start construction	Commisioning
<b>RKEF project</b>					
PT Megah Surya Pertiwi (MSP)	60.0%	Feni	25,000	1Q15	1Q17
PT Halmahera Jaya Feronikel (HJF)	63.1%	Feni	9,000	1Q21	2Q23
PT Karunia Permal Sentosa (KPS)	35.0%	Feni	185,000	2Q23	2Q25
<b>HPAL project I</b>					
PT Halmahera Persada Lygend (HPL)	45.1%	MHP	37,000	1Q19	4Q21
		<b>Convert to sulphate plant</b>			
		Nickel sulphate	37,000		
		Cobalt sulphate	4,500	4Q20	1Q23
<b>HPAL project II</b>					
PT Halmahera Persada Lygend (HPL)	45.1%	MHP	18,000	3Q21	1Q23
		<b>Convert to sulphate plant</b>			
		Nickel sulphate	18,000		
		Cobalt sulphate	2,250	3Q21	4Q23
<b>HPAL project II</b>					
PT Obi Nickel Cobalt (ONC)	10.0%	MHP	65,000	2Q22	1Q24

Source: Company data, SSI Research

Figure 10. Refined nickel project in Indonesia

	ANTM	INCO	HRUM	MDKA	NCKL
<b>Current capacity</b>					
Feni (tons)	27,000				25,000
Nickel in matte (tons)		75,000			
NPI (tons)			28,000	38,000	
MHP (tons)					37,000
<b>Future projects</b>					
Feni (tons)	13,500	73,000			194,000
Nickel in matte (tons)	80,000				
NPI (tons)			50,000	50,000	
MHP (tons)		180,000			83,000
<b>Sub total</b>					
Feni (tons)	40,500	73,000	0	0	219,000
Nickel in matte (tons)	80,000	75,000	0	0	0
NPI (tons)	0	0	78,000	88,000	0
MHP (tons)	0	180,000	0	0	120,000

Source: Company data, SSI Research

Figure 11. Peers Comparison

Company Name	Company Ticker	Market Cap (IDR Tn)	PER (x)		EV/EBITDA (x)		PBV (x)		ROE (%)		ROA	
			2022F	2023F	2022F	2023F	2022	2023	2022	2023	2022	2023
IGO LTD	IGO AU	6,293	6.0	5.9	5.8	5.2	2.0	1.6	37.0	32.7	24.8	24.7
BHP GROUP LTD	BHP AU	154,339	10.3	10.5	5.4	5.3	3.4	3.1	33.3	31.8	17.7	18.9
NICKEL INDUSTRIE	NIC AU	1,797	5.8	7.0	3.9	3.5	1.0	0.9	21.2	17.9	15.0	11.7
LUNDIN MINING CO	LUN CN	4,533	12.6	9.6	4.7	4.2	0.9	0.8	7.2	8.4	3.3	4.5
NORILSK NICKEL	GMKN RM	29,451	5.6	6.5	4.3	4.1	5.8	4.5	112.3	74.3	45.8	34.5
GLENORE PLC	GLEN LN	70,899	6.2	6.8	3.6	3.6	1.5	1.4	22.4	18.7	8.7	7.4
MERDEKA COPPER GOLD*	MDKA IJ	6,305	78.6	57.9	21.8	17.2	3.7	3.5	4.7	6.1	2.5	3.3
ANEKA TAMBANG TBK*	ANTM IJ	2,892	15.7	14.0	11.6	9.9	2.6	2.3	16.4	16.4	10.3	10.3
VALE INDONESIA TBK*	INCO IJ	3,943	20.5	12.9	7.9	5.5	1.7	1.5	7.7	8.5	6.7	7.5
HARUM ENERGY*	HRUM IJ	1,350	7.8	10.5	2.9	4.6	2.5	2.2	31.8	21.4	29.9	20.2
<b>Average</b>			<b>16.9</b>	<b>14.2</b>	<b>7.2</b>	<b>6.3</b>	<b>2.5</b>	<b>2.2</b>	<b>29.4</b>	<b>23.6</b>	<b>16.5</b>	<b>14.3</b>

Source: Bloomberg, SSI research

\*SSI Estimate

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