

BUY (Maintain)

Target Price (IDR)	250
Potential Upside (%)	20.2

Price Comparison

Cons. Target Price (IDR)	208
SSI vs. Cons. (%)	120.2

Stock Information

Last Price (IDR)	208
Shares Issued (Mn)	141,784
Market Cap. (IDR Bn)	28,640
52-Weeks High/Low (IDR)	262/114
3M Avg. Daily Value (IDR Bn)	55.2
Free Float (%)	46.8

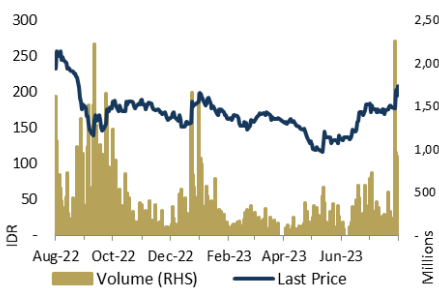
Shareholder Structure:

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

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	27.0	9.8	59.1	(12.9)
JCI Return	0.9	0.2	2.4	(3.9)
Relative	26.2	9.6	56.6	(9.0)

Stock Price & Volumes, 12M



Company Background

Bumi Resources Minerals merupakan perusahaan yang bergerak di bidang pertambangan mineral. BRMS mengoperasikan tiga bisnis utama; CPM (Citra Palu Minerals); GM (Gorontalo Minerals) dan DPM (Dairi Prima Minerals), memproduksi emas, tembaga, seng, dan timah.

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Robust Earnings Outlook Driven by Higher Volume

Jika kita melihat kembali kinerja BRMS pada 1H23, terlihat bahwa laba bersihnya jauh di bawah ekspektasi kami (26.5% dari estimasi 2023F SSI). Namun, kami yakin bahwa hal ini tidak perlu dikhawatirkan, dan kami memperkirakan BRMS akan membukukan kinerja yang luar biasa di 2H23, didukung oleh tambahan produksi emas dari pabrik pengolahan emas BRMS yang kedua. Dengan mulainya kami memasukkan tambang emas Kerta dalam perhitungan valuasi kami, kami memutuskan untuk mempertahankan rating BUY kami dengan TP berbasis SOTP baru sebesar IDR 250 per saham (Sebelumnya: IDR 200 per saham).

Kinerja luar biasa di 2H23. Kami meyakini BRMS akan membukukan kinerja yang luar biasa di 2H23, didukung oleh tambahan produksi emas dari pabrik pengolahan emas perseroan yang kedua. Kami melihat bahwa mulai bulan Juli 2023, kedua pabrik perusahaan telah memproses 2,400 ton bijih per hari (vs 1H23:1,000 ton per hari), dan manajemen memperkirakan pabrik kedua akan beroperasi dengan kapasitas penuh (4,000 ton bijih per hari) pada bulan September 2023. Perlu diketahui bahwa per akhir 1H23, BRMS telah memproduksi 7.6 ribu oz emas, 31.6% dari proyeksi kami untuk 2023F.

Solidnya harga emas. Harga emas naik sebesar 4.5% YoY di 1H23, terutama didukung oleh (1) indeks USD dan suku bunga Fed yang relatif stabil, (2) event-risk hedging, dan (3) permintaan dari bank sentral. Kami memperkirakan harga emas akan tetap solid di 2H23, didukung oleh (1) kekhawatiran investor terhadap prospek ekonomi global, terutama di Tiongkok, dan (2) ketegangan geopolitik; faktor-faktor ini berpotensi mendorong investor untuk beralih ke instrumen 'safe haven', termasuk emas.

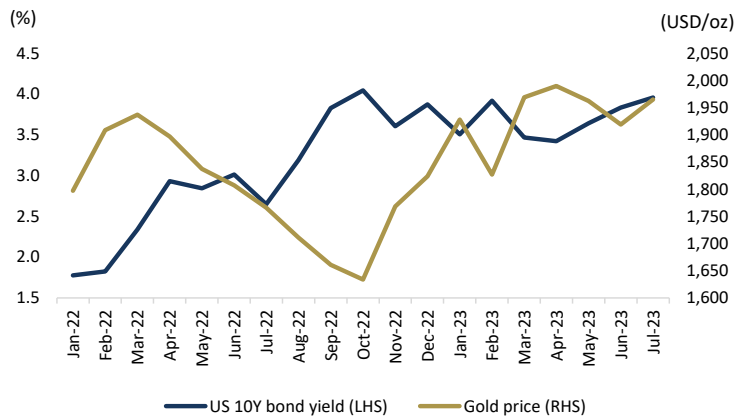
Lebih banyak ekspansi. Ke depan, BRMS memproyeksikan volume produksi emasnya akan melebihi 40k oz pada 2023F dan 70k oz pada 2024F, didukung oleh penambahan kapasitas produksi dari pabrik ketiga di Palu (total kapasitas: 4ktpa) dan pabrik keempat di Gorontalo (2ktpa). Kedua pabrik tersebut diperkirakan akan memulai aktivitas produksi masing-masing pada 1Q24 dan 2Q24.

BUY, TP: IDR 250 per saham. BRMS mengakuisisi 80% kepemilikan tambang emas Kerta sebagai bagian dari perjanjian penyelesaian piutang dengan PT Suma Hexsa Sinergi pada tahun 2022. Sebagai informasi, tambang tersebut memiliki cadangan mineral sebesar 18 juta ton dan sumber daya mineral sebesar 75 juta ton, dengan rata-rata kadar emas sebesar 1.07 gram/t. Dengan mulainya kami memasukkan tambang emas Kerta dalam perhitungan valuasi kami, kami memutuskan untuk mempertahankan rating BUY kami dengan TP berbasis SOTP baru sebesar IDR 250 per saham (Sebelumnya: IDR 200 per saham). Downside: 1) turunnya harga komoditas global, 2) perubahan regulasi.

Valuations (at closing price IDR 208 per share)

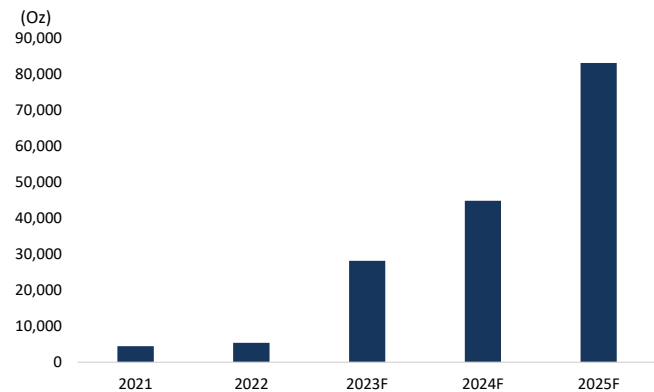
Y/E Dec	21A	22A	23F	24F	25F
Revenue (USD Mn)	11	12	55	85	157
EBITDA (USD Mn)	2	2	27	39	64
EV/EBITDA (x)	2,635	1,349	804	73	49
Net Profit (USD Mn)	69	14	21	31	50
Net Profit Growth (%)	1,648.3	(80.2)	50.7	51.0	61.8
EPS (IDR)	7	1	2	3	5
P/E Ratio (x)	29.8	143.7	95.3	63.1	39.0
BVPS (IDR)	89	101	103	107	112
P/BV Ratio (x)	2.3	2.1	2.0	2.0	1.9
DPS (IDR)	-	-	-	-	-
Dividend Yield (%)	-	-	-	-	-
ROAE (%)	10.1	1.5	2.1	3.1	4.9
ROAA (%)	8.8	1.3	1.9	2.6	4.0
Interest Coverage (x)	NM	NM	NM	NM	NM
Net Gearing (x)	NC	NC	NC	NC	NC

Figure 1: Bond yield vs. global gold prices trend



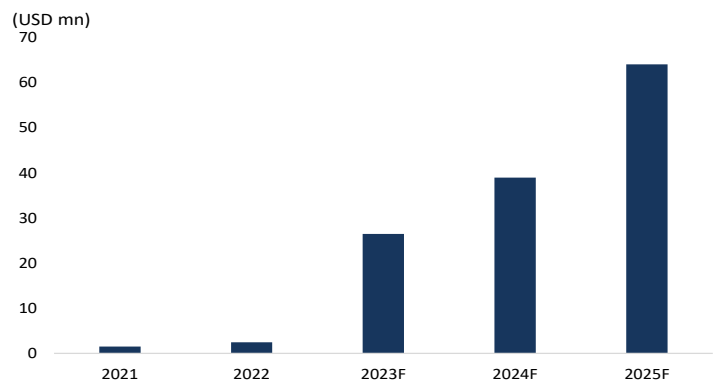
Source: Company, SSI Research

Figure 2: Gold production volume trend



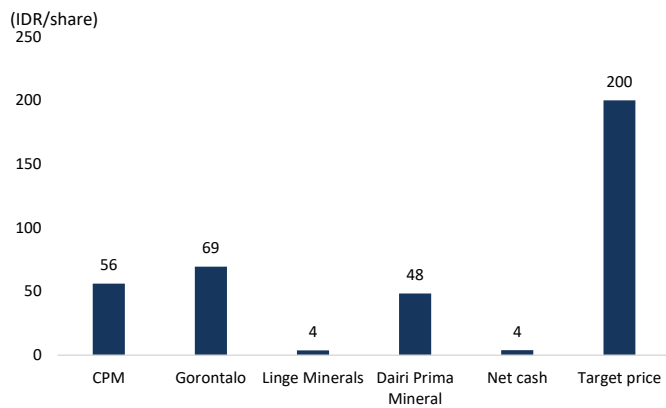
Source: Company, SSI Research

Figure 3: BRMS' EBITDA trend



Source: Company, SSI Research

Figure 4: BRMS' SOTP valuation breakdown



Source: Company, SSI Research

Bumi Resources Minerals

Bloomberg: BRMS.IJ | Reuters: BRMS.JK

Metal Mining Sector



24 August 2023

JCI Index: 6,921

Profit and Loss					
Y/E Dec (USD Mn)	21A	22A	23F	24F	25F
Revenue	11	12	55	85	157
COGS	(4)	(5)	(29)	(45)	(88)
Gross Profit	6	7	26	40	68
Operating Expenses	(5)	(6)	(3)	(4)	(8)
Operating Profit	1	1	23	36	61
EBITDA	2	2	27	39	64
Interest Income	0	0	0	0	1
Interest Expenses	-	-	-	-	-
Other Income/Expenses	120	31	3	3	3
Pre-tax Income	121	33	26	40	65
Income Taxes	(52)	(19)	(6)	(9)	(14)
Minority Interest	(1)	-	-	-	-
Net Profit	69	14	21	31	50

Balance Sheet					
Y/E Dec (USD Mn)	21A	22A	23F	24F	25F
Cash	60	10	31	51	98
Trade receivables	-	-	-	-	-
Inventories	7	9	41	62	122
Others	182	158	158	158	158
Total Current Assets	249	178	230	272	379
Fixed assets	139	170	183	193	205
Mining properties	170	210	213	219	227
Other Assets	422	522	522	522	522
Total Assets	980	1,080	1,148	1,206	1,333
Trade payables	10	10	67	103	190
ST Debt	34	9	8	6	5
Other ST Liabilities	30	-	-	-	-
Total Current Liabilities	84	66	122	157	242
LT Debt	4	9	-	-	-
Other LT Liabilities	13	49	50	42	33
Total Liabilities	101	125	172	199	275
Minority Interest	(208)	(208)	(208)	(208)	(208)
Total Equity	880	955	976	1,007	1,058

Cash Flow					
Y/E Dec (USD Mn)	21A	22A	23F	24F	25F
Net Profit	69	14	21	31	50
D&A	1	1	4	3	3
Changes in Working Capital	7	(2)	25	15	26
Others	(197)	30	(1)	-	-
Operating Cash Flow	(121)	43	49	49	80
Capital Expenditure	(191)	(173)	(19)	(19)	(24)
Investing Cash Flow	(191)	(173)	(19)	(19)	(24)
Change in Debt	46	18	(10)	(10)	(10)
Other Financing	324	62	0	-	-
Financing Cash Flow	370	80	(10)	(10)	(10)
Net - Cash Flow	58	(51)	21	20	47
Cash at beginning	2	60	10	31	51
Cash at ending	60	10	31	51	98

Key Ratios					
Y/E Dec (USD Mn)	21A	22A	23F	24F	25F
Gross Profit Margin (%)	59%	56%	47%	47%	44%
Operating Profit Margin (%)	8%	9%	42%	42%	39%
EBITDA Margin (%)	14%	21%	48%	46%	41%
Pre-Tax Margin (%)	1147%	279%	48%	47%	41%
Net Profit Margin (%)	653%	118%	37%	37%	32%
Revenue Growth (%)	27%	10%	373%	55%	84%
EBITDA Growth	93%	62%	979%	47%	64%
Net Gearing (x)	NC	NC	NC	NC	NC

Major Assumptions					
Y/E Dec (USD Mn)	21A	22A	23F	24F	25F
Gold sales volume (Oz)	4,453	5,415	28,184	44,831	83,076
Global gold price assumption (USD/oz)	1,791	1,850	1,900	1,870	1,870

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