

BUY (Maintain)

Target Price (IDR) **230 (from 250)**
Potential Upside (%) **18.6**

Price Comparison

| | |
|--------------------------|-------|
| Cons. Target Price (IDR) | 229 |
| SSI vs. Cons. (%) | 100.4 |

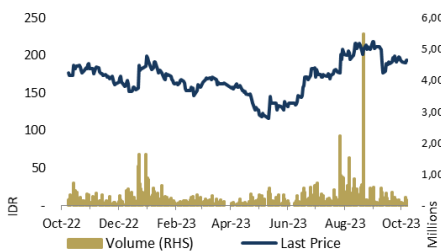
Stock Information

| | |
|-------------------------------------|---------|
| Last Price (IDR) | 194 |
| Shares Issued (Mn) | 141,784 |
| Market Cap. (IDR Bn) | 26,797 |
| 52-Weeks High/Low (IDR) | 262/114 |
| 3M Avg. Daily Value (IDR Bn) | 92.9 |
| Free Float (%) | 47.6 |
| Shareholder Structure: | |
| Emirates Tarian Global Ventures (%) | 25.1 |
| Others (%) | 22.8 |
| Public (%) | 52.1 |

Stock Performance

| (%) | YTD | 1M | 3M | 12M |
|------------|-------|--------|-------|-------|
| Absolute | 18.9 | (10.8) | 10.5 | 6.8 |
| JCI Return | (2.8) | (4.0) | (3.3) | (5.5) |
| Relative | 21.6 | (6.8) | 13.8 | 12.3 |

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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Expect Better Earnings Next Quarter

Meskipun kami meyakini BRMS akan membukukan kinerja yang lebih baik pada 4Q23, didukung dengan mulai beroperasi penuhnya pabrik pengolahan emasnya yang kedua, angka laba bersih full-year BRMS kemungkinan akan lebih rendah dari proyeksi kami saat ini. Karenanya, kami memutuskan untuk menurunkan proyeksi laba bersih tahun 2023F dan 2024F masing-masing sebesar 29.3% dan 37.0%. Dengan diturunkan proyeksi, kami memutuskan untuk menurunkan TP kami menjadi IDR 230 (sebelumnya: IDR 250), meskipun kami masih mempertahankan rating BUY. Risiko downside: 1) harga komoditas global yang lebih rendah dari perkiraan, 2) perubahan regulasi.

Kinerja luar biasa di 9M23. BRMS melaporkan kinerja yang solid di 3Q23, dengan angka pendapatan sebesar USD 17 juta (+68.4% QoQ; +507.9% YoY) dan pendapatan kumulatif 9M23 sebesar USD 33 juta (+293,5% YoY), di bawah estimasi kami dan konsensus (masing-masing 59.5% dan 67.0%). Kinerja solid di 3Q23 terutama didorong oleh kenaikan volume penjualan emas (8,8 ribu oz, +74,3% QoQ, salah satunya berkat produksi dari pabrik pengolahan emas kedua), yang mampu mengimbangi penurunan harga jual emas ke USD 1,916 per oz (-3,3%). QoQ). Kami percaya BRMS akan mampu membukukan kinerja yang lebih baik lagi di 4Q23 BRMS, mengingat (1) pabrik pengolahan emas keduanya akan mulai beroperasi dengan kapasitas penuh di 4Q23, (2) emas memiliki prospek yang relatif baik di 4Q23; dengan ketidakpastian global pasca perang Israel-Hamas, investor mungkin akan beralih ke aset-aset safe-haven, termasuk emas.

Penyesuaian proyeksi. BRMS membukukan laba bersih sebesar USD 5 juta (+43.1% QoQ; +86.3% YoY), dengan laba bersih kumulatif 9M23 sebesar USD 10 juta (+62.2% YoY), di bawah estimasi kami dan konsensus (masing-masing 49.9% dan 64.5%). Meskipun kami meyakini BRMS akan membukukan kinerja yang lebih baik pada 4Q23, didukung dengan mulai beroperasi penuhnya pabrik pengolahan emasnya yang kedua, angka laba bersih full-year BRMS kemungkinan akan lebih rendah dari proyeksi kami saat ini, karena OpEx BRMS saat ini lebih tinggi dari perkiraan kami. Oleh karena itu, kami memutuskan untuk menaikkan asumsi OpEx agar lebih mencerminkan kondisi perusahaan saat ini. Kami memutuskan untuk menurunkan proyeksi laba bersih tahun 2023F dan 2024F masing-masing sebesar 29.3% dan 37.0%.

BUY, TP: IDR 230. Dengan diturunkan proyeksi, kami memutuskan untuk menurunkan TP kami menjadi IDR 230 (sebelumnya: IDR 250), meskipun kami masih mempertahankan rating BUY. **Risiko downside:** 1) harga komoditas global yang lebih rendah dari perkiraan, 2) perubahan regulasi.

Valuations (at closing price IDR 194 per share)

| Y/E Dec | 21A | 22A | 23F | 24F | 25F |
|-----------------------|---------|--------|-------|------|------|
| Revenue (USD Mn) | 11 | 12 | 55 | 85 | 157 |
| EBITDA (USD Mn) | 2 | 2 | 19 | 28 | 49 |
| EV/EBITDA (x) | 2,457 | 1,257 | 750 | 93 | 65 |
| Net Profit (USD Mn) | 69 | 14 | 15 | 20 | 36 |
| Net Profit Growth (%) | 1,648.3 | (80.2) | 8.5 | 31.6 | 83.2 |
| EPS (IDR) | 7 | 1 | 2 | 2 | 4 |
| P/E Ratio (x) | 27.8 | 134.0 | 123.5 | 93.8 | 51.2 |
| BVPS (IDR) | 89 | 101 | 103 | 105 | 109 |
| P/BV Ratio (x) | 2.2 | 1.9 | 1.9 | 1.9 | 1.8 |
| DPS (IDR) | - | - | - | - | - |
| Dividend Yield (%) | - | - | - | - | - |
| ROAE (%) | 10.1 | 1.5 | 1.5 | 2.0 | 3.6 |
| ROAA (%) | 8.8 | 1.3 | 1.3 | 1.7 | 2.9 |
| Interest Coverage (x) | NM | NM | NM | NM | NM |
| Net Gearing (x) | NC | 0.0 | NC | NC | NC |

Table 1: BRMS's 9M23 results

| BRMS - USD Mn | 9M23 | 9M22 | YoY (%) | % estimasi SSI | % estimasi Cons | 3Q23 | 2Q23 | QoQ (%) | 3Q22 | YoY (%) |
|-------------------------|-------------|-------------|---------------|----------------------|-----------------------|-------------|-------------|--------------|-------------|---------------|
| Revenue | 33 | 8 | 293.5% | 59.5 | 67.0 | 17 | 10 | 68.4% | 3 | 507.9% |
| Gross profit | 17.5 | 5.0 | 253.8% | | | 8.6 | 5.3 | 63.9% | 1.8 | 370.1% |
| <i>Margin (%)</i> | <i>53.6</i> | <i>59.6</i> | | | | <i>51.1</i> | <i>52.5</i> | | <i>66.1</i> | |
| Operating profit | 10 | 2 | 525.5% | 43.0 | 45.8 | 5 | 3 | 46.3% | 0.8 | 528.1% |
| <i>Margin (%)</i> | <i>30.2</i> | <i>19.0</i> | | | | <i>28.8</i> | <i>33.1</i> | | <i>27.9</i> | |
| Net income | 10 | 6 | 62.2% | 49.9 | 64.5 | 5 | 3 | 43.1% | 3 | 86.3% |
| <i>Margin (%)</i> | <i>32.0</i> | <i>77.7</i> | | | | <i>29.1</i> | <i>34.3</i> | | <i>95.0</i> | |
| EPS - USD | 0 | 0 | | | | | | | | |
| BVS - USD | 8 | 8 | | | | | | | | |
| Cash | 10 | 70 | | | | | | | | |
| Interest Bearing Debt | 57 | 95 | | | | | | | | |
| Equity | 966 | 947 | | | | | | | | |
| Net Gearing | 0.0 | 0.0 | | | | | | | | |

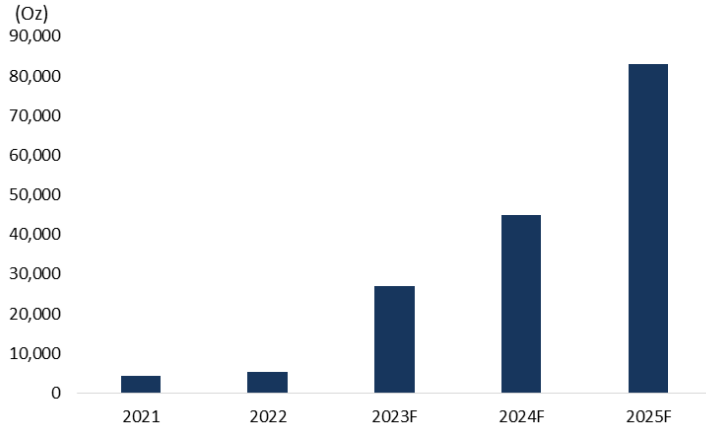
Source: Company, SSI Research

Table 2: BRMS's forecast changes

| | Before | | | Revision | | | Percentage | | |
|-------------------|----------------|-------------|-------------|----------------|-------------|-------------|------------|--------|--------|
| | 2023F | 2024F | 2025F | 2023F | 2024F | 2025F | 2023F | 2024F | 2025F |
| Revenue | 55 | 85 | 157 | 55 | 85 | 157 | 0.1% | 0.4% | 0.0% |
| <i>growth (%)</i> | <i>372.3</i> | <i>54.5</i> | <i>84.7</i> | <i>372.8</i> | <i>55.0</i> | <i>83.8</i> | | | |
| Operating Profit | 23 | 36 | 61 | 16 | 25 | 45 | -31.5% | -31.3% | -25.4% |
| <i>growth (%)</i> | <i>2,063.1</i> | <i>56.5</i> | <i>69.4</i> | <i>1,380.7</i> | <i>57.2</i> | <i>83.8</i> | | | |
| Net profit | 21 | 31 | 50 | 15 | 20 | 36 | -29.3% | -37.0% | -28.4% |
| <i>growth (%)</i> | <i>53.5</i> | <i>47.6</i> | <i>61.3</i> | <i>8.5</i> | <i>31.6</i> | <i>83.2</i> | | | |

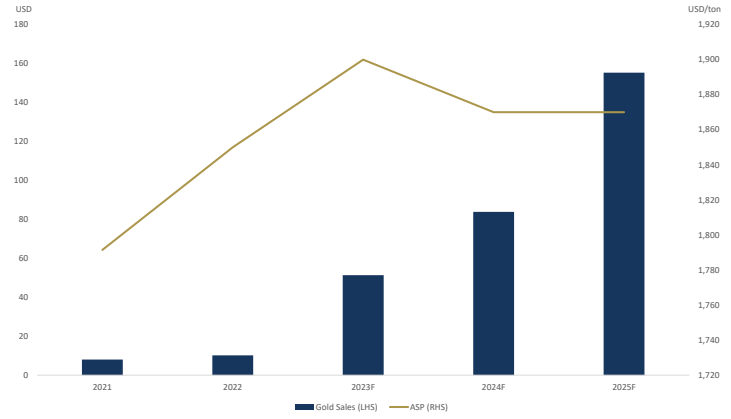
Source: Company, SSI Research

Figure 2: BRMS's Gold Production



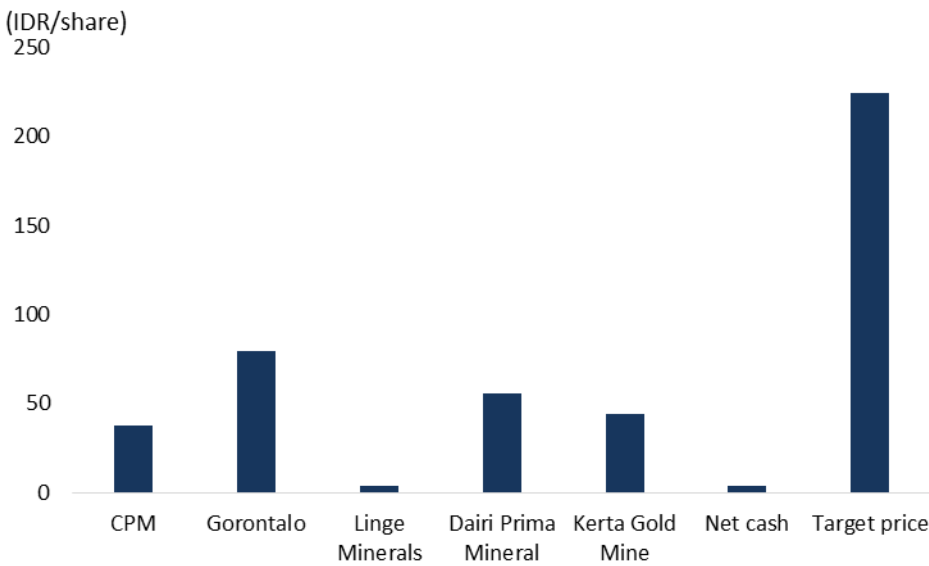
Source: Company, SSI Research

Figure 3: BRMS's Sales Volume & ASP



Source: Company, SSI Research

Figure 4: BRMS' SOTP valuation breakdown



Source: Company, SSI Research

Key Financial Figures

| Profit and Loss | | | | | |
|-------------------------|------------|-----------|-----------|-----------|-----------|
| Y/E Dec (USD Mn) | 21A | 22A | 23F | 24F | 25F |
| Revenue | 11 | 12 | 55 | 85 | 157 |
| COGS | (4) | (5) | (26) | (39) | (72) |
| Gross Profit | 6 | 7 | 30 | 46 | 85 |
| Operating Expenses | (5) | (6) | (14) | (21) | (39) |
| Operating Profit | 1 | 1 | 16 | 25 | 45 |
| EBITDA | 2 | 2 | 19 | 28 | 49 |
| Interest Income | 0 | 0 | 0 | 0 | 0 |
| Interest Expenses | - | - | - | - | - |
| Other Income/Expenses | 120 | 31 | - | - | - |
| Pre-tax Income | 121 | 33 | 16 | 25 | 46 |
| Income Taxes | (52) | (19) | (1) | (6) | (10) |
| Minority Interest | (1) | - | - | - | - |
| Net Profit | 69 | 14 | 15 | 20 | 36 |

| Balance Sheet | | | | | |
|----------------------------------|------------|--------------|--------------|--------------|--------------|
| Y/E Dec (USD Mn) | 21A | 22A | 23F | 24F | 25F |
| Cash | 60 | 10 | 30 | 42 | 88 |
| Trade receivables | - | - | - | - | - |
| Inventories | 7 | 9 | 35 | 54 | 100 |
| Others | 182 | 158 | 158 | 158 | 158 |
| Total Current Assets | 249 | 178 | 224 | 254 | 347 |
| 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 | 1,142 | 1,188 | 1,301 |
| 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 | 970 | 990 | 1,026 |

| Cash Flow | | | | | |
|----------------------------|--------------|--------------|-------------|-------------|-------------|
| Y/E Dec (USD Mn) | 21A | 22A | 23F | 24F | 25F |
| Net Profit | 69 | 14 | 15 | 20 | 36 |
| D&A | 1 | 1 | 4 | 3 | 3 |
| Changes in Working Capital | 7 | (2) | 31 | 18 | 41 |
| Others | (197) | 30 | (1) | - | - |
| Operating Cash Flow | (121) | 43 | 49 | 40 | 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) | 20 | 11 | 47 |
| Cash at beginning | 2 | 60 | 10 | 30 | 42 |
| Cash at ending | 60 | 10 | 30 | 42 | 88 |

| Key Ratios | | | | | |
|-----------------------------|-------|------|------|-----|-----|
| Y/E Dec (USD Mn) | 21A | 22A | 23F | 24F | 25F |
| Gross Profit Margin (%) | 59% | 56% | 54% | 54% | 54% |
| Operating Profit Margin (%) | 8% | 9% | 29% | 29% | 29% |
| EBITDA Margin (%) | 14% | 21% | 35% | 32% | 31% |
| Pre-Tax Margin (%) | 1147% | 279% | 29% | 29% | 29% |
| Net Profit Margin (%) | 653% | 118% | 27% | 23% | 23% |
| Revenue Growth (%) | 27% | 10% | 373% | 55% | 84% |
| EBITDA Growth | 93% | 62% | 689% | 42% | 78% |
| Net Gearing (x) | NC | 0.0 | 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 |

1 November 2023

JCI Index: 6,752

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