

# Trimegah Bangun Persada

Bloomberg: NCKL.IJ | Reuters: NCKL.JK

Metal Mining Sector



4 December 2023

JCI Index: 7,060

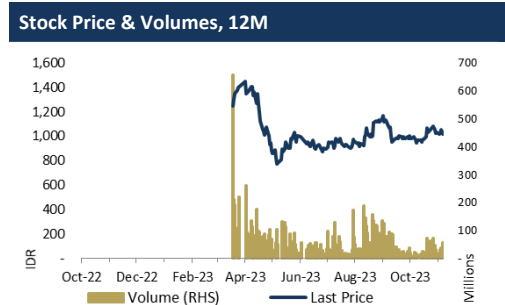
## BUY (Maintain)

Target Price (IDR) 1,500 (unchanged)  
Potential Upside (%) 42.2

Price Comparison	
Cons. Target Price (IDR)	1,300
SSI vs. Cons. (%)	115.4

Stock Information	
Last Price (IDR)	1,055
Shares Issued (Mn)	63,099
Market Cap. (IDR Bn)	66,569
52-Weeks High/Low (IDR)	1,470/750
3M Avg. Daily Value (IDR Bn)	56.5
Free Float (%)	13.5
Shareholder Structure:	
PT Harita Jayaraya (%)	86.5
Public (%)	12.7
Others (%)	0.9

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	n.a	11.6	14.1	n.a
JCI Return	3.3	6.3	1.2	0.6
Relative	n.a	5.4	12.9	n.a



**Company Background**  
Bagian dari HARITA GROUP, Trimegah Bangun Persada Tbk (NCKL), bergerak dalam bidang pertambangan dan pengolahan bijih nikel. Kantor pusat dan fasilitas produksi NCKL berlokasi di Desa Kawasi, Kecamatan Obi, Kabupaten Halmahera Selatan, Maluku Utara.

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## Buying Manhattan for Beads

NCKL membukukan laba bersih sebesar IDR 1.7tn di 3Q23, dengan laba bersih kumulatif 9M23 sebesar IDR 4.5tn (+23.8% YoY), sejalan dengan estimasi kami dan konsensus (74.8% dan 78.1%). Pertumbuhan tersebut terutama didorong oleh kenaikan volume penjualan (salah satunya berkat peningkatan output dari pabrik peleburan HJF milik perusahaan [+70.6% QoQ]), yang mengimbangi penurunan ASP. Selain itu, kami melihat katalis positif dari akuisisi tambang yang dilakukan perusahaan baru-baru ini; Selain harganya yang murah, kami yakin aset-aset tersebut akan menjamin terlaksananya rencana ekspansi NCKL. Kami mempertahankan rating BUY untuk NCKL dengan TP sebesar IDR 1,500 per saham, menyiratkan P/E 2024F sebesar 10.1x.

**Sesuai ekspektasi.** NCKL membukukan pendapatan sebesar IDR 7.1tn di 3Q23 (+29.3% QoQ; +265.4% YoY), dengan pendapatan kumulatif 9M23 sebesar IDR 17.3tn (+135.1% YoY), sejalan dengan perkiraan kami dan konsensus (77.4% dan 77.0%). Pertumbuhan di 3Q23 terutama didorong oleh kenaikan volume penjualan (salah satunya berkat peningkatan output dari pabrik peleburan HJF milik perusahaan hingga +70.6% QoQ), yang mengimbangi penurunan ASP. Terkait bottom line, NCKL membukukan laba bersih sebesar IDR 1.7tn (+24.9% QoQ) di 3Q23, dengan laba bersih kumulatif 9M23 sebesar IDR 4.5tn (+23.8% YoY), sejalan dengan perkiraan kami dan konsensus (74.8% dan 78.1%).

**Katalis positif dari akuisisi.** Kami meyakini akuisisi yang dilakukan NCKL atas 29% kepemilikan tambang GPS dan 99% kepemilikan tambang GTS akan menjadi katalis positif bagi perusahaan. Dengan asumsi harga USD 10/ton untuk limonit dan USD 15/ton untuk saprolit, serta total cadangan sebesar USD 20 juta Wmt (tambang GPS) dan USD 38 juta Wmt (tambang GTS), perhitungan kami menunjukkan bahwa nilai wajar aset tersebut masing-masing adalah sebesar USD 220 juta dan USD 400 juta, jauh lebih tinggi dari jumlah yang dibayarkan NCKL untuk keduanya (USD 3.1 juta dan USD 0.5 juta). Selain itu, kami meyakini aset-aset tersebut akan menjamin keberlangsungan operasi NCKL di masa mendatang, mengingat rencana NCKL untuk memperluas kapasitas smelternya.

**BUY dengan TP IDR 1,500/saham.** Kami mempertahankan rating BUY untuk NCKL dengan TP sebesar IDR 1,500 per saham, menyiratkan P/E 2024F sebesar 10.1x. Risiko: harga komoditas yang lebih rendah dari perkiraan, perubahan regulasi.

Forecasts and Valuations (at IDR 1,015/share)					
Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	8,229	9,568	22,360	31,826	33,016
EBITDA (IDR Bn)	3,967	4,483	7,040	10,408	11,428
EV/EBITDA (x)	15.1	14.3	8.8	5.4	4.2
Net Profit (IDR Bn)	1,968	4,667	5,965	9,363	10,432
Net Profit Growth (%)	592.5	137.1	27.8	57.0	11.4
EPS (IDR)	36	85	95	148	165
P/E Ratio (x)	28.4	12.0	10.7	6.8	6.1
BVPS (IDR)	173	258	455	599	762
P/BV Ratio (x)	5.9	3.9	2.2	1.7	1.3
DPS (IDR)	-	-	22	28	45
Dividend Yield (%)	-	-	2.2	2.8	4.4
ROAE (%)	21.8	39.3	27.8	28.1	24.3
ROAA (%)	9.5	16.8	15.0	18.9	17.7
Interest Coverage (x)	11.0	12.9	28.6	48.8	59.2
Net Gearing (x)	0.4	0.6	NC	NC	NC

Table 1. 3Q23 results

NCKL - IDR Bn	9M23	9M22	YoY (%)	% estimasi SSI	% estimasi Cons	3Q23	2Q23	QoQ (%)	3Q22	YoY (%)
<b>Revenue</b>	<b>17,300</b>	<b>7,358</b>	<b>135.1%</b>	<b>77.4</b>	<b>77.0</b>	<b>7,057</b>	<b>5,456</b>	<b>29.3%</b>	<b>1,931</b>	<b>265.4%</b>
<b>Gross Profit</b>	<b>6,134</b>	<b>3,760</b>	<b>63.1%</b>			<b>2,635</b>	<b>1,932</b>	<b>36.4%</b>	<b>764</b>	<b>244.8%</b>
<i>Margin (%)</i>	<i>35.5</i>	<i>51.1</i>				<i>37.3</i>	<i>35.4</i>		<i>39.6</i>	
<b>Operating Profit</b>	<b>5,081</b>	<b>3,137</b>	<b>62.0%</b>	<b>80.7</b>	<b>85.9</b>	<b>2,334</b>	<b>1,574</b>	<b>48.3%</b>	<b>538</b>	<b>333.9%</b>
<i>Margin (%)</i>	<i>29.4</i>	<i>42.6</i>				<i>33.1</i>	<i>28.9</i>		<i>27.9</i>	
<b>Net Income</b>	<b>4,465</b>	<b>3,605</b>	<b>23.8%</b>	<b>74.8</b>	<b>78.1</b>	<b>1,719</b>	<b>1,377</b>	<b>24.9%</b>	<b>389</b>	<b>342.4%</b>
<i>Margin (%)</i>	<i>25.8</i>	<i>49.0</i>				<i>24.4</i>	<i>25.2</i>		<i>20.1</i>	
EPS - Rp	186	-								
BVS - Rp	923	-								
Cash	5,203	-								
Interest Bearing Debt	8,201	-								
Equity	27,172	-								
<b>Net Gearing</b>	<b>0.1</b>	<b>-</b>								

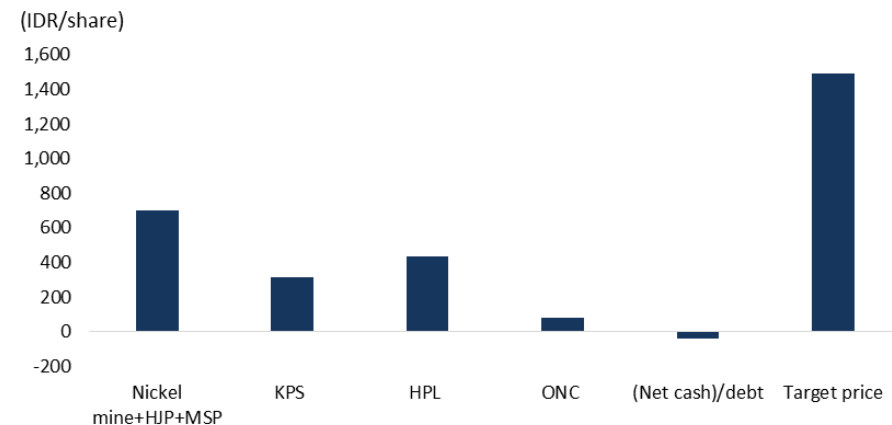
Source: Company, SSI Research

Table 2. Estimated fair value of the acquired mines

	Reserve + Resource (Mn Wmt)	Assumption ore price (USD/Wmt)	Valuation (USD Mn)
<b>GPS Mine</b>			
Limonite	16	10	160
Saprolite	4	15	60
			<b>220</b>
<b>GTS Mine</b>			
Limonite	26	10	260
Saprolite	12	15	180
			<b>440</b>
<b>GTS Mine (Company Estimates)</b>			
Limonite	58	10	580
Saprolite	35	15	525
			<b>1,105</b>

Source: Company, SSI Research

Figure 1: SOTP valuation



Source: Company, SSI Research

## Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenue	8,229	9,568	22,360	31,826	33,016
Cost of Goods Sold	(3,715)	(4,893)	(14,432)	(19,277)	(18,524)
<b>Gross Profit</b>	<b>4,514</b>	<b>4,675</b>	<b>7,928</b>	<b>12,548</b>	<b>14,492</b>
Operating Expenses	(948)	(890)	(1,632)	(2,960)	(3,962)
<b>Operating Profit</b>	<b>3,565</b>	<b>3,785</b>	<b>6,296</b>	<b>9,588</b>	<b>10,530</b>
<b>EBITDA</b>	<b>3,967</b>	<b>4,483</b>	<b>7,040</b>	<b>10,408</b>	<b>11,428</b>
Other income/expenses - net	13	198	-	-	-
Finance Income	17	19	9	51	86
Finance Charges	(323)	(294)	(220)	(197)	(178)
Share in profit of associates	715	2,916	2,182	3,675	5,272
<b>Pretax Profit</b>	<b>3,975</b>	<b>6,650</b>	<b>8,267</b>	<b>13,118</b>	<b>15,711</b>
Income Tax Expense	(605)	(812)	(1,488)	(2,230)	(2,671)
Merging Entities Adjustments	(1,294)	(1,248)	-	-	-
Minority Interests	108	(78)	813	1,524	2,608
<b>Net Profit</b>	<b>1,968</b>	<b>4,667</b>	<b>5,965</b>	<b>9,363</b>	<b>10,432</b>

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash and cash equivalent	2,578	1,277	6,927	11,619	19,988
Trade receivables	149	181	386	549	570
Inventories	1,300	4,087	7,945	10,613	10,198
Others	746	789	500	500	500
<b>Total current assets</b>	<b>4,772</b>	<b>6,334</b>	<b>15,758</b>	<b>23,281</b>	<b>31,256</b>
Fixed assets	10,972	20,668	21,488	23,214	24,958
Mining properties	55	57	64	73	83
Others	5,203	7,546	7,546	7,546	7,546
<b>Total assets</b>	<b>21,002</b>	<b>34,605</b>	<b>44,855</b>	<b>54,114</b>	<b>63,842</b>
Short-term bank loans	-	-	-	-	-
Trade payables	125	1,209	1,968	2,629	2,526
Long-term bank loans	4,335	117	3,045	2,720	2,460
Others	4,244	8,883	8,883	8,883	8,883
<b>Total current liabilities</b>	<b>8,704</b>	<b>10,209</b>	<b>13,896</b>	<b>14,231</b>	<b>13,869</b>
Long-term debt portion	2,292	9,568	1,640	1,465	1,325
Others	464	599	599	599	599
<b>Total liabilities</b>	<b>11,460</b>	<b>20,376</b>	<b>16,134</b>	<b>16,295</b>	<b>15,792</b>
Share capital	10	5,510	5,510	5,510	5,510
Additional paid-in capital	352	1,471	11,471	11,471	11,471
Retained earnings	4,265	1,617	6,182	13,756	21,379
Merging entities equity	983	-	-	-	-
Others	31	886	-	-	-
Minority interest	3,901	4,745	5,559	7,083	9,691
<b>Total equity</b>	<b>9,542</b>	<b>14,229</b>	<b>28,722</b>	<b>37,820</b>	<b>48,051</b>

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net income	1,968	4,667	5,965	9,363	10,432
Depreciation and amortization	402	698	744	820	898
change in working capital	(330)	(1,736)	(3,304)	(2,170)	291
others	1,443	4,731	289	-	-
<b>Operating Cash Flow</b>	<b>3,483</b>	<b>8,361</b>	<b>3,695</b>	<b>8,013</b>	<b>11,621</b>
Capex	(395)	(12,739)	(1,572)	(2,555)	(2,651)
<b>Investing Cash Flow</b>	<b>(395)</b>	<b>(12,739)</b>	<b>(1,572)</b>	<b>(2,555)</b>	<b>(2,651)</b>
change in debt	(1,597)	3,058	(5,000)	(500)	(400)
change in equity	(954)	6,480	10,813	1,524	2,608
change in other equity	48	(6,460)	(2,286)	(1,790)	(2,809)
<b>Financing Cash Flow</b>	<b>(2,503)</b>	<b>3,077</b>	<b>3,527</b>	<b>(765)</b>	<b>(601)</b>
Net cash flow	585	(1,301)	5,650	4,692	8,369
Beginning cash	1,993	2,578	1,277	6,927	11,619
Ending cash	2,578	1,277	6,927	11,619	19,988

Key Ratios					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Gross Profit Margin (%)	54.9	48.9	35.5	39.4	43.9
Operating Profit Margin (%)	43.3	39.6	28.2	30.1	31.9
EBITDA Margin (%)	48.2	46.9	31.5	32.7	34.6
Pre-Tax Margin (%)	48.3	69.5	37.0	41.2	47.6
Net Profit Margin (%)	23.9	48.8	26.7	29.4	31.6
Revenue Growth (%)	102.1	16.3	133.7	42.3	3.7
Net Gearing (x)	0.4	0.6	(0.1)	(0.2)	(0.3)

Major Assumptions					
Y/E Dec (USD Mn)	21A	22A	23F	24F	25F
USD/IDR	14,307	15,400	15,100	15,000	15,000
LME Nickel price (USD per ton)	19,185	26,000	22,500	22,000	21,000
Nickel ore production (mn wmt)	3	11	14	24	36
FeNi production (tons)	26,047	25,372	90,000	120,000	236,550
Nickel ore sales volume (mn wmt)	4	8	14	24	36
FeNi sales volume (tons)	26,182	25,302	90,000	120,000	236,550
FeNi ASP (USD per ton)	16,065	18,889	13,950	14,300	13,650

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