

# Harum Energy (HRUM): IDR 1,185 – SELL (from BUY), SSI TP: IDR 1,100; Cons. TP: IDR 1,713



3Q24 Results: 30 October 2024			QoQ	YoY	YoY	9M24/	9M24/			
(USDmn)	3Q23	2Q24	3Q24	(%)	(%)	9M23	9M24	(%)	SSI (%)	Cons. (%)
Revenue	150	331	373	12.9	148.7	642	970	51.0	76.3	70.8
Gross Profit	46	79	77	(2.0)	67.3	299	226	(24.6)	62.8	61.6
Operating Profit	23	59	54	(8.9)	135.5	233	181	(22.3)	72.8	74.2
EBITDA	36	56	69	23.0	88.5	278	234	(15.8)	84.3	75.5
Net Profit	(43)	36	33	(10.5)	N/A	107	70	(34.8)	53.8	58.3
<b>Key Ratios</b>										
GPM (%)	30.7	23.8	20.6	-	-	46.6	23.3	-	-	-
OPM (%)	15.2	17.9	14.4	-	-	36.3	18.7	-	-	-
EBITDA Margin (%)	24.2	16.8	18.3	-	-	43.3	24.1	-	-	-
NPM (%)	(28.9)	11.0	8.7	-	-	16.7	7.2	-	-	-

## SWOT Analysis of The Results (SSI: Below, Cons: Below)

### Strength

Robust 3Q24 top-line growth on higher coal sales volumes (+2.8% QoQ) and the surge in nickel sales volumes to 17,623 tons (+27.0% QoQ) thanks to the company's nickel commercialization efforts (52% of total revenue)

### Weakness

3Q24 production costs rose to USD 296 million (+17.6% QoQ) due to nickel smelter commissioning; this, along with lower ASPs (nickel: -4.1% QoQ; coal: -0.3% QoQ), led to a decline in GPM to 20.6% (-320 bps QoQ)

### Opportunity

Coal demand may see moderate rise in the upcoming quarter due to winter restocking and Chinese New Year; market underperformance throughout offers investors buying opportunities

### Threat

The growing shift toward LFP batteries in EV market is likely to pressure demand for nickel-based batteries; weak results could lead to further market underperformance

## Peer Comparables

Ticker	Rating	Market Cap. (IDR Tn)	Last Price (IDR)	Target Price (IDR)	2024F				
					EPS Gwt. (%)	PER (x)	PBV (x)	EV/EBITDA (x)	ROE (%)
MBMA	N.R	57	530	N.R	563.0	35.1	2.3	16.4	6.4
NCKL	BUY	55	875	1,200	(6.0)	10.2	2.1	8.0	21.5
INCO	SELL	40	3,770	4,000	(66.9)	27.0	0.9	6.8	3.4
ANTM	BUY	37	1,525	1,800	(23.6)	16.4	1.3	10.0	7.9
HRUM*	SELL	16	1,185	1,100	(38.2)	12.0	1.2	5.3	7.6
<b>Sector</b>		<b>204.8</b>			<b>135.5</b>	<b>21.7</b>	<b>1.7</b>	<b>10.3</b>	<b>10.3</b>

Note: \*earnings revised down

## Relative Performance vs JCI

