

Bumi Resources (BUMI): IDR 140 – BUY, SSI TP: IDR 170; Cons. TP: IDR 170



| 3Q24 Results (Arutmin Only) | | | | | | | | | |
|-----------------------------|--------|------|------|---------|---------|-------|------|---------|--------------|
| 02 December 2024 | | | | | | | | | |
| (USDMn) | 3Q23 | 2Q24 | 3Q24 | QoQ (%) | YoY (%) | 9M23 | 9M24 | YoY (%) | 9M24/SSI (%) |
| Revenue | 288 | 285 | 331 | 16.2 | 14.8 | 1,175 | 927 | (21.1) | 76.1 |
| Gross Profit | (29.7) | 32 | 40 | 26.1 | N/A | 79 | 94 | 18.6 | 74.3 |
| Operating Profit | (51.4) | 2 | 13 | 662.9 | N/A | 17 | 25 | 50.2 | 73.3 |
| EBITDA | (47.6) | 6 | 18 | 194.1 | N/A | 27 | 39 | 42.7 | 73.1 |
| Net Profit | (23.6) | 17 | 38 | 119.7 | N/A | 58 | 123 | 110.9 | 90.0 |
| Key Ratios | | | | | | | | | |
| GPM (%) | (10.3) | 11.1 | 12.0 | - | - | 6.7 | 10.1 | - | - |
| OPM (%) | (17.8) | 0.6 | 4.0 | - | - | 1.4 | 2.7 | - | - |
| EBITDA Margin (%) | (16.5) | 2.2 | 5.6 | - | - | 2.3 | 4.2 | - | - |
| NPM (%) | (8.2) | 6.1 | 11.5 | - | - | 5.0 | 13.3 | - | - |

Our take on the results (Bottom-line Above, Operating in-line)

- ❑ In 3Q24, BUMI posted solid revenue of USD 331mn (+16.2% QoQ, +15% YoY) on higher ASP at USD 72/ton (+3.6% QoQ, +27.2% YoY) on the back of favorable sales mix despite mixed sales volume performance reaching 4.6 Mt (+12.2% QoQ, -9.8% YoY) due to rains and market conditions.
- ❑ Efficient mining activities enabled BUMI to reduce its stripping ratio (3Q24: 7.3x; -1.4% QoQ, -24.7% YoY) and mining costs (USD 203mn; -16.5% YoY, OB removal: 37.5 Mbcm), leading to improved production (+22.6% QoQ, +0.5% YoY) and cash margin (USD 64/ton; +2.5% QoQ, +1.5% YoY).
- ❑ On the bottom-line, higher interest income (+15.3% QoQ) and USD 18mn income tax benefit lifted the company's net profit margin to 11.5% (+540 bps QoQ).
- ❑ In terms of production, we project FY24 volumes to decline to c.19 Mt (c.-20.8% YoY) due to adverse weather conditions expected in the latter part of the year, which could disrupt mining operations.
- ❑ Valuation-wise, we maintain our BUY recommendation on BUMI with TP of IDR 170 (DCF-based), reflecting 2025F P/E of 23.3x. Key risks to our recommendation include operational disruptions, increased adoption of renewable energy, and declining coal prices on global economic slowdown next year.

Peer Comparables

| Ticker | Rating | Market | Current | Target | 2025F | | | |
|---------------|--------|------------|---------|--------|--------------|------------|------------|-------------|
| | | Cap. | Price | Price | EPS Gwt | PER | Div. Yield | ROE |
| | | (IDR Tn) | (IDR) | (IDR) | (%) | (x) | (%) | (%) |
| ADRO IJ | BUY | 72 | 2,340 | 3,400 | N/A | 9.1 | 9.6 | 11.5 |
| UNTR IJ | BUY | 103 | 27,625 | 30,850 | (10.5) | 5.8 | 7.3 | 17.8 |
| BUMI IJ | BUY | 52 | 139 | 170 | 26.5 | 13.7 | - | 13.2 |
| PTBA IJ | HOLD | 32 | 2,740 | 3,200 | (7.4) | 7.9 | 11.3 | 18.3 |
| ITMG IJ | SELL | 31 | 27,450 | 30,500 | (17.4) | 6.9 | 12.5 | 17.6 |
| Sector | | 289 | | | (1.7) | 8.4 | 7.6 | 15.4 |

Relative Performance vs JCI

