# Merdeka Copper Gold (MDKA): IDR 1,615 – BUY, SSI TP: IDR 2,000; Cons. TP: IDR 3,135



3Q24 Results: 18 December 2024				QoQ	YoY			YoY	9M24/	9M24/
(USDMn)	3Q23	2Q24	3Q24	(%)	(%)	9M23	9M24	(%)	SSI (%)	Cons. (%)
Revenue	650	553	574	3.8	(11.8)	1,170	1,668	42.5	72.3	77.6
Gross Profit	72	55	29	(46.8)	(59.4)	119	118	(0.4)	53.0	53.5
Operating Profit	62	42	17	(60.1)	(73.2)	80	79	(2.1)	50.2	47.9
EBITDA	107	93	75	(20.2)	(30.5)	182	225	23.4	76.2	68.1
Net Profit	25	3	(55)	N/A	N/A	(24)	(67)	N/A	N/A	N/A
Key Ratios										
GPM (%)	11.1	10.0	5.1	-	-	10.1	7.1	-	-	-
OPM (%)	9.5	7.5	2.9	-	-	6.9	4.7	-	-	-
EBITDA Margin (%)	16.5	16.9	13.0	-	-	15.6	13.5	-	-	-
NPM (%)	3.9	0.5	(9.5)	-	-	(2.0)	(4.0)	-	-	-

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

#### Strength

Gold cash margin rose to USD 1,455/oz due to robust ASP of USD 2,407/oz on strong commodity price; robust cash margins drove higher gold segment EBITDA to USD 40.4mn (+40% QoQ, -28% YoY), offsetting MDKA's overall EBITDA drop

#### **Opportunity**

MDKA is able to capitalize its 13.8Mt limonite resources (largest in the world) through direct selling to HPAL at a premium due to domestic limonite shortage; Expected gold price rally >USD 2,500/oz should serve as additional positive catalyst

### Weakness

3Q24 net loss was attributable to lower GPM of 5.1% (-490 bps QoQ, -600 bps YoY) due to NPI cash margins dropped to USD 1,264/ton (+1.4% QoQ, -30.1% YoY), negative HGNM cash margins of USD -469/ton (vs. USD 1,832/ton in 2Q24), and FX loss amounting to USD 34.6 mn

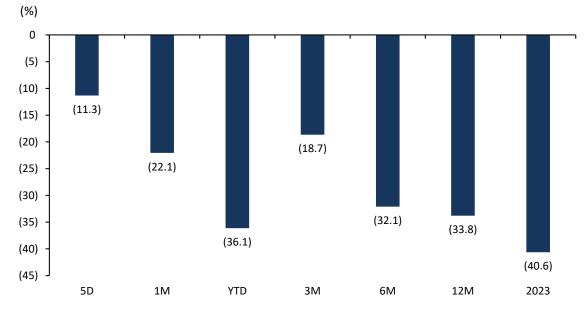
#### **Threat**

NPI revenue (42.4% of sales) will continue to be under pressure due to weak ASP driven by oversupply issue and lower China demand on lack of stimulus; High mining cost will also persist on ores deficit and high energy cost causing persistent YTD underperformance

## **Peer Comparables**

		Market	Current	Target	2025F			
Ticker	Rating	Cap.	Price	Price	EPS Gwt	PER	EV/EBITDA	ROE
		(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(x)	(%)
AMMN	BUY	649	8,950	12,000	87.5	22.5	43.4	13.0
MDKA	BUY	40	1,615	3,000	N/A	33.9	10.3	6.6
ANTM	BUY	35	1,470	1,800	26.7	10.2	5.5	6.9
BRMS	BUY	50	352	500	91.0	70.0	54.8	4.2
ARCI	N.R	6	248	N.R	N/A	45.0	N/A	5.7
Sector		780			79.8	25.7	40.4	11.8

### **Relative Performance vs JCI**



Sources: Company, Bloomberg, SSI Research

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