

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

3Q24 Results: 18 December 2024

(USDMn)	3Q23	2Q24	3Q24	QoQ (%)	YoY (%)	9M23	9M24	YoY (%)	9M24/ SSI (%)	9M24/ 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

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

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

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

Ticker	Rating	Market Cap. (IDR Tn)	Current Price (IDR)	Target Price (IDR)	2025F			
					EPS Gwt (%)	PER (x)	EV/EBITDA (x)	ROE (%)
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

