

## BRMS

### PT Bumi Resources Minerals Tbk.

#### Gold's Hot, BRMS Hotter

- Gold's momentum is expected to continue through 2025–2026, supported by macro uncertainties.
- BRMS posted strong 1Q25 results with +212% YoY revenue growth, driven by higher gold output and favorable prices.
- The third processing plant is progressing, with underground mining set to boost production to 150 koz by 2028F.
- Maintain a BUY rating for BRMS with a target price of Rp440, reflecting 7.6x EV/Reserves 2025F

#### Gold Eyes Further Upside

Gold's momentum is expected to persist through 2025 and into 2026, fueled by ongoing trade tensions, de-dollarisation efforts, and strong central bank demand. With prices already up +28% year-to-date, reflecting growing investor conviction in bullion's resilience amid macro volatility. Although spot prices have slightly pulled back from their recent USD3,500 peak, the broader narrative remains bullish: erratic U.S. tariff policy, prolonged trade negotiations, and fiscal uncertainty are expected to keep safe-haven flows strong. However, risks to the rally remain, including weakening demand from the jewellery segment, a slowdown in central bank purchases, and the potential unwinding of geopolitical risk premiums. We expect the average gold price in 2025F to reach ~USD3,000 (+24% YoY).

#### Gold Output Drives Explosive 1Q25 Growth

BRMS posted a stellar performance in 1Q25, with revenue soaring to USD63.5 mn (+17% QoQ; +212% YoY), operating profit jumping to USD27.6 mn (94% QoQ; +453% YoY), and net profit rising to USD14.9 mn (12% QoQ; +296% YoY). This significant growth was mainly supported by higher gold output from its Palu-based subsidiary, PT Citra Palu Minerals (CPM), and favorable gold prices. Currently, the company is mining from its open-pit operation in Poboya with an average gold grade of 1.5 g/t. Looking ahead, BRMS plans to commence underground mining in the same area by 2H27, targeting much higher grades of 4.9 g/t, which is expected to substantially lift production starting in late 2027 or early 2028.

#### Third Plant to Power 2025 Growth, Despite Lower Yield

The development of BRMS's third gold processing plant in Palu is progressing steadily, with heap-leach pads completed and the installation of carbon-in-column (CIC) units and supporting infrastructure—such as chemical storage and mixing tanks—expected to be finalized by 1H25. The ADR facility for gold and silver recovery is slated to be operational and production set to begin in 2H25, behind the original 1Q25 schedule. Unlike the more efficient carbon-in-leach (CIL) method used in the first two plants, Plant 3 will adopt the heap-leach method, which is better suited for processing lower-grade ore (<1 g/t) and will result in lower output. However, with gold prices now above USD3,000/oz, estimated cash cost range of USD1,300–1,500/oz. We expect the heap-leach plant to contribute to our 2025F production combine with CIL plant target of ~75 koz (+16% YoY), rising to ~100 koz in 2026F as operations ramp up and the Gorontalo plant comes online. By 2028, we project output to exceed 150 koz, supported by the ramp-up of high-grade underground mining starting in 4Q27.

#### Maintain BUY with TP Rp440

We maintain our BUY rating on BRMS with a TP of Rp440 (blended-valuation), reflecting 7.6x EV/Reserves FY25F. This valuation is supported by a 5-year DCF model and historical EV/Reserves multiples. We remain positive on BRMS given its improving fundamentals and long-term growth potential driven by rising production volumes and higher gold grades. **Key risks:** slowdown in central bank gold purchases, and the potential impact of higher royalty tariffs.

#### Key Financial Highlights

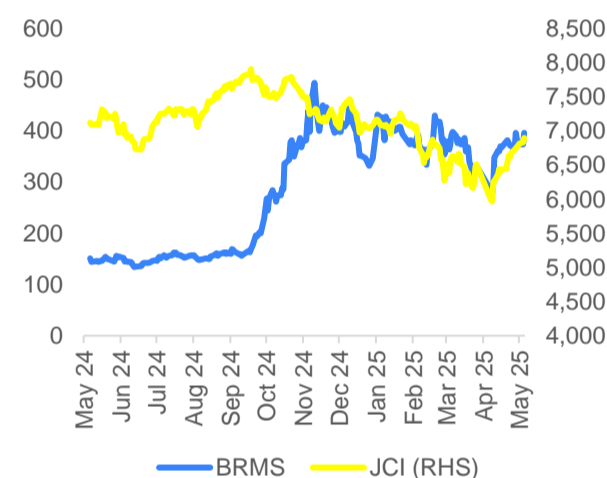
Key Metrics	2022	2023	2024	2025F	2026F
Revenue (Rpbn)	12	47	162	229	255
EBITDA (Rpbn)	3	20	48	79	84
Net Profit (Rpbn)	14	14	24	53	58
EPS Growth (%)	-79.8	7.9	76.5	125.6	10.0
P/E (x)	110.8	100.0	151.4	71.3	64.8
P/BV (x)	1.6	1.5	3.7	3.6	3.4
EV/Reserves (x)	7.7	6.8	9.4	8.0	8.0

## BUY

Stock Information (as of May 14, 2025)

Last Price (Rp)	362
Target Price (Rp)	440
Upside/Downside	21.5%
Market Cap (Rp tn)	51.3
52 Week Range (Rp)	505 - 127
Free Float	42.2%
Share Out. (bn)	141.8

#### Relative to JCI Performance



#### Shareholders

MEDC Shareholders	Percentage
Public	42.15%
Emirates Tarian Global Ventures	25.10%
1 <sup>st</sup> Financial Company Ltd	9.55%
Sugiman Halim	7.35%
PT Bumi Resources Tbk	5.40%
PT CGS International Sekuritas Indonesia	5.35%
CGS International Securities Singapore Pte Ltd	5.10%

Analyst:

Rizal Rafly  
[rizal.rafly@ajaib.co.id](mailto:rizal.rafly@ajaib.co.id)

**INVESTMENT SUMMARY**

BRMS is on track for long-term growth, with its third gold plant in Palu set to start production in 2H25 and new high-grade underground mining from 2H27 and the Gorontalo plant. Current cash costs of USD1,300–1,500/oz are expected to fall below USD1,200/oz once higher-grade ore is processed. A key risk ahead is the higher gold royalty rate of 16% under PP No. 19/2025, which will impact margins starting 2Q25. Still, the gold outlook remains strong through 2025–2026, backed by macro uncertainty, de-dollarization, and central bank demand.

**2025-2026 Outlook**

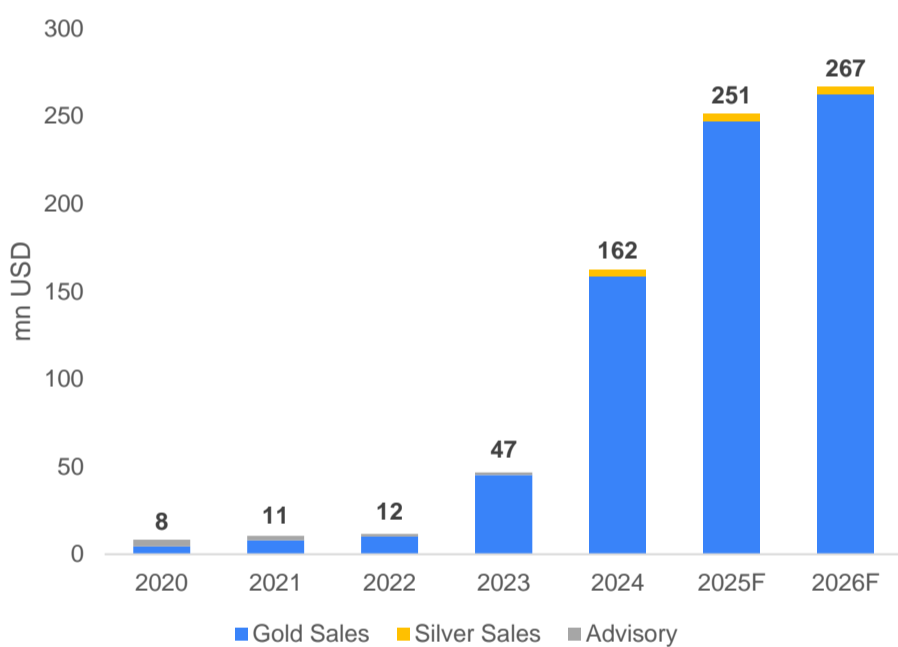
We remain bullish on gold through 2025–2026, driven by persistent macro uncertainties including trade tensions, de-dollarization trends, and robust central bank demand, which have already pushed prices up +28% YTD. Although spot gold has eased slightly from its USD3,500 peak, the safe-haven narrative remains strong. Nevertheless, risks such as softer jewelry demand, slower central bank purchases, and easing geopolitical tensions could pose headwinds to the rally.

The company is currently extracting ore with an average grade of 1.5 g/t from its Probonya open-pit and targets significantly higher grades of 4.9 g/t from underground operations beginning 2H27, which could support a major production lift from 2028 onward. The third processing plant in Palu is nearing completion, with production now expected in 3Q25. While it employs the heap leach method, less efficient than BRMS' earlier CIL plants, it remains crucial for the company's 2025 target of over 75 koz (+16% YoY), ramping up to 100 koz in 2026F. Long-term, BRMS targets 150,000 oz by 2028, supported by the upcoming Gorontalo facility and high-grade underground mining.

Currently, the BRMS's cash cost ranges between USD1,300–1,500/oz, primarily driven by raw materials such as cyanide, activated carbon, caustic soda, and other chemicals used in gold processing. This figure is expected to decline to <USD1,200/oz once underground mining operations commence 2H27, supported by higher gold grades. Meanwhile, with gold prices now approaching USD3,300/oz, the company remains profitable even when processing low-grade ore (<1 gram/ton) at its heap leach plant, easing concerns over cost efficiency. As such, we believe the heap-leach facility can continue to deliver positive returns despite lower ore grades.

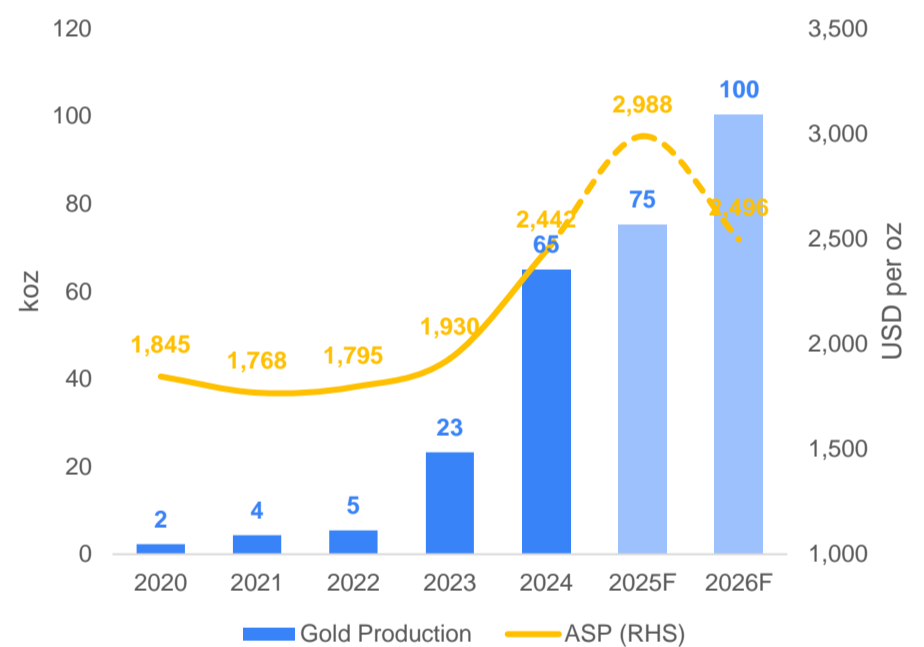
We anticipate a surge in royalty costs, which we expect to be fully reflected in BRMS's 2Q25 performance. Under Government Regulation No. 19/2025, the royalty rate for gold has increased to 16% for prices above USD3,000/oz, significantly higher than the previous 10% rate under Regulation No. 26/2022 for prices above USD2,000/oz. We view this as one of the key risks to BRMS's margins going forward.

**Figure 1. Revenue Breakdown**



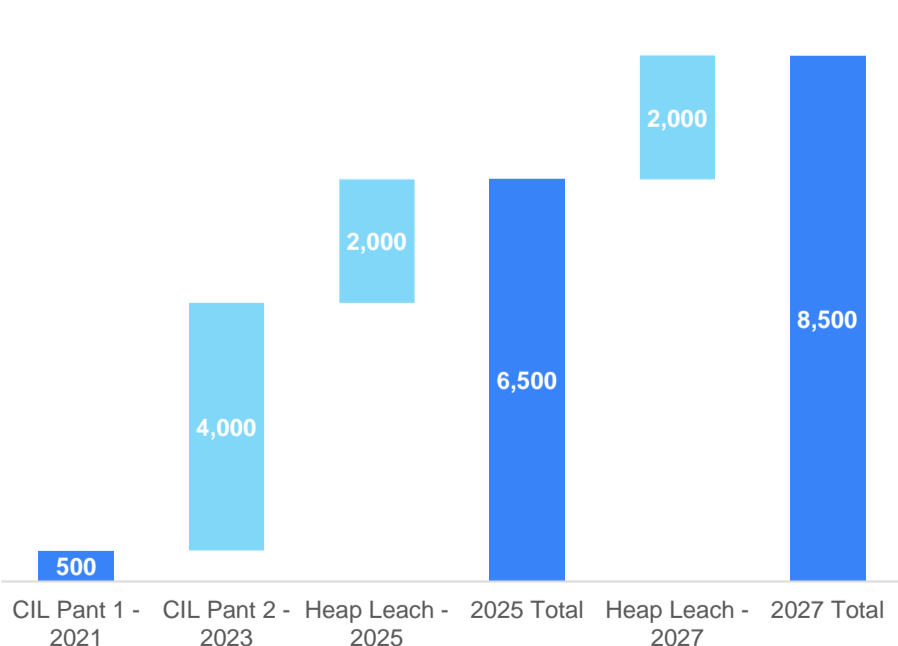
Source: Company, Ajaib Research

**Figure 2. Gold Production & ASP**



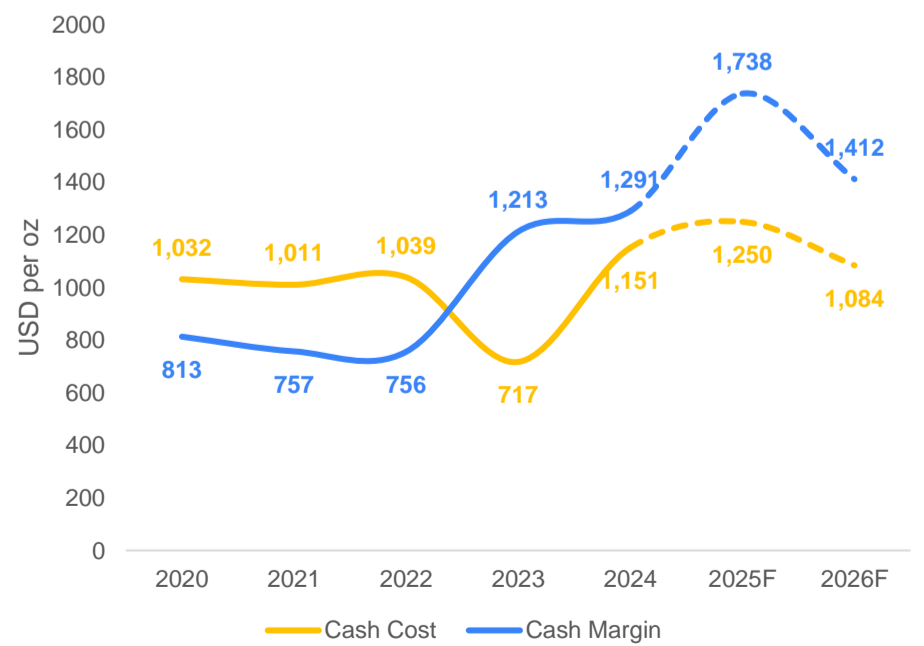
Source: Company, Ajaib Research

**Figure 3. Gold Plan Capacity Improvement**



Source: Company, Ajaib Research

**Figure 4. Cash Cost & Cash Margin Projection**



Source: Company, Ajaib Research

Figure 5. BRMS' 1Q25 Results (Rp bn)

Key Metrics (USD mn)	3M25	3M24	YoY	1Q25	4Q24	QoQ
Revenue	63.3	20.3	211.5%	63.3	53.9	17.5%
Operating Profit	27.6	5.0	452.6%	27.6	14.2	93.6%
Net Profit	14.9	3.8	295.9%	14.9	8.7	70.8%
Gold Sold (oz)	21,922	9,623	127.8%	21,922	19,617	11.8%
ASP of Gold (USD/oz)	2,809	2,083	34.9%	2,809	2,664	5.4%

Source: Company, Ajaib Research

Figure 6. BRMS' Sites Overview

Company	Site Location	Commodity	Reserves (mn ton)	Au (g/t)	Permit Period
PT Citra Palu Minerals	Block I Poboya, Block II, Block IV, Block V, Block IV	Gold	34.1	3.20	2017-2050
PT Gorontalo Minerals	Sungai Mak, Cabang Kiri, Motomboto East, Motomboto North, Kayubulan	Copper and Gold	105.4	0.33	2019-2052
PT Linge Minerals Resources	Bulan, Bintang 1, Bintang 2	Gold	2.3	1.80	N.A
PT Suma Heksa Sinergi	Cisadang Central, Cisadang West	Gold	18.4	1.07	2019-2039
PT Dairi Prima Mineral	Anjing Hitam, Lae Jahe, Base Camp	Zinc and Lead	11.1	N.A	2017-2047

Source: Company, Ajaib Research

Figure 7. Underground Mining Development



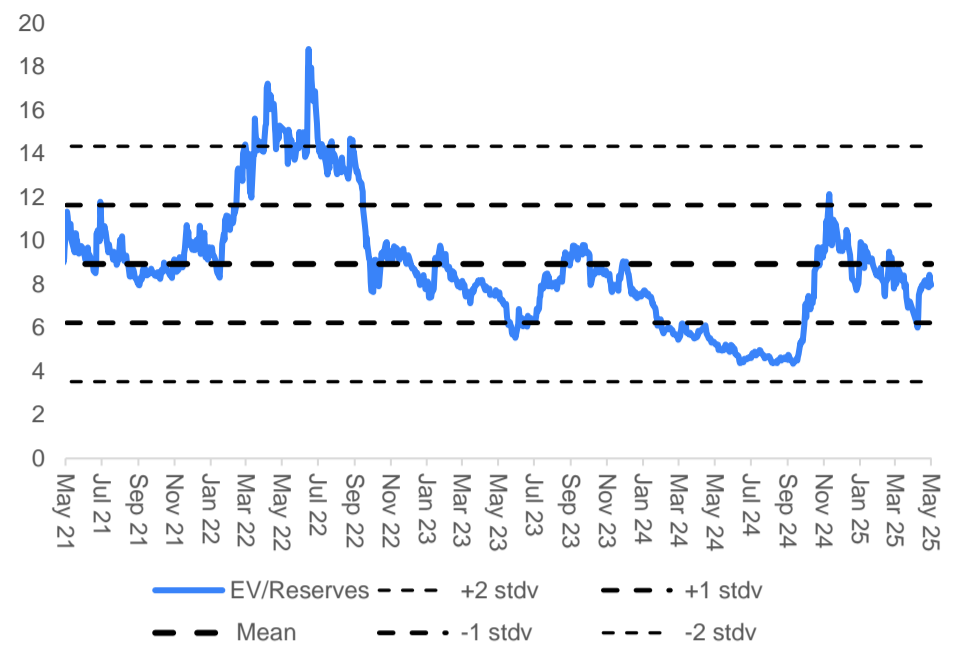
Source: Company

Figure 8. Historical Valuation – EV/Reserves Band

Key Metrics	Value
Reserves 2025F (mn USD)	498
5-Year Average (x)	8.9
Enterprise Value (mn USD)	4,451
Net Debt 2025F (mn USD)	66
Equity Value (mn USD)	4,385
<b>Target Price (Rp)</b>	<b>520</b>

Source: Company, Ajaib Research

Figure 9. EV/Reserves Band BRMS



Source: Bloomberg, Ajaib Research

Figure 10. DCF & Blended Valuation

Account (USD mn)	2024	2025F	2026F	2027F	2028F	2029F	2030F
EBIT	34	70	74	82	122	126	135
Income tax expense	(9)	(16)	(15)	(14)	(21)	(22)	(23)
Capex	(26)	(30)	(33)	(41)	(27)	(21)	(21)
Depreciation & amortization	8	12	13	13	17	17	18
Change in WC	24	13	29	5	25	28	3
<b>FCFF</b>	<b>32</b>	<b>49</b>	<b>67</b>	<b>45</b>	<b>117</b>	<b>129</b>	<b>112</b>
NPV of Forecast		367					
Terminal Value		2,480					
NPV of terminal value		1,462					
<b>Total enterprise value</b>		<b>1,829</b>					
Cash (+)		31					
Debt (-)		97					
Equity value (USD mn)		1,762					
<b>Number of shares</b>		<b>141,784</b>					
<b>Target price (Rp)</b>		<b>200</b>					

Blended Valuation			
Method	TP	Weight	Weighted TP
DCF	200	25%	50
EV/Reserves	520	75%	390
<b>Final TP</b>			<b>440</b>
Current Price			378
<b>Upside</b>			<b>21.5%</b>

Source: Company, Ajaib Research

Figure 11. Peers Valuation Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	ROA (%)	EPS Growth (%)
BRMS.IJ	53.03	94.3	2.6	62.5	2.2	2.1	41.8
ANTM.IJ	55.75	12.6	1.2	12.5	8.8	11.7	20.0
MDKA.IJ	41.01	47.3	2.7	17.4	0.2	-6.0	194.0
FCX.US	858.24	22.7	3.1	7.1	8.2	11.0	26.7
<b>Sector Average</b>		<b>44.2</b>	<b>2.4</b>	<b>24.9</b>	<b>4.9</b>	<b>4.7</b>	<b>70.6</b>

Source: Bloomberg, Ajaib Research

## Financial Statement

Income Statement (USD mn)	2022	2023	2024	2025F	2026F
Revenue	12	47	162	229	255
Cost of revenue	-5	-20	-83	-105	-121
<b>Gross Profit</b>	<b>7</b>	<b>26</b>	<b>80</b>	<b>123</b>	<b>134</b>
OpEx	-6	-9	-37	-52	-58
<b>Operating Profit</b>	<b>1</b>	<b>17</b>	<b>43</b>	<b>72</b>	<b>76</b>
EBITDA	3	20	48	79	84
Other Income (Expenses)	31	0	0	-2	-2
Net Interest Expense	0	0	-9	0	0
<b>Pre-tax profit</b>	<b>33</b>	<b>17</b>	<b>34</b>	<b>70</b>	<b>74</b>
Income Tax	-19	-3	-9	-16	-15
<b>NPAT</b>	<b>14</b>	<b>14</b>	<b>25</b>	<b>54</b>	<b>59</b>
Minority Interest	0	0	-1	-1	-1
<b>Net Profit</b>	<b>14</b>	<b>14</b>	<b>24</b>	<b>53</b>	<b>58</b>
<b>EPS (Rp)</b>	<b>1.4</b>	<b>1.5</b>	<b>2.7</b>	<b>6.2</b>	<b>6.8</b>

Cashflow Statement (USD mn)	2022	2023	2024	2025F	2026F
Net Profit	14	14	24	53	58
D&A	1	4	8	12	13
Changes in Working Capital	22	39	-24	-13	-29
<b>Operating Cash Flow</b>	<b>37</b>	<b>58</b>	<b>9</b>	<b>52</b>	<b>43</b>
Capital Expenditure	-82	-55	-26	-30	-33
Changes in other assets	-84	-12	-1	-3	-16
<b>Investing Cash Flow</b>	<b>-166</b>	<b>-67</b>	<b>-27</b>	<b>-33</b>	<b>-49</b>
Net - Borrowing	18	-9	36	0	1
Equity Adjustment	61	0	0	0	0
Other Financing	0	13	-10	0	0
<b>Financing Cash Flow</b>	<b>79</b>	<b>4</b>	<b>25</b>	<b>0</b>	<b>1</b>
Net - Cash Flow	-50	-6	7	19	-5
Cash at beginning	60	10	5	12	31
<b>Cash at ending</b>	<b>10</b>	<b>5</b>	<b>12</b>	<b>31</b>	<b>25</b>

Source: Company, Ajaib Research

Balance Sheet (USD mn)	2022	2023	2024	2025F	2026F
Cash & equivalents	10	5	12	31	25
Receivables	0	0	0	0	0
Inventories	9	5	18	18	22
Others	165	136	147	163	201
<b>Total Current Assets</b>	<b>184</b>	<b>146</b>	<b>177</b>	<b>212</b>	<b>249</b>
Fixed Assets	174	198	213	229	246
Mining Properties	216	243	245	248	251
Long Term Investment	302	312	312	315	331
Other Non-Current Assets	204	206	207	207	207
<b>Total Non-Current Assets</b>	<b>896</b>	<b>959</b>	<b>978</b>	<b>999</b>	<b>1,035</b>
<b>Total Assets</b>	<b>1,080</b>	<b>1,105</b>	<b>1,155</b>	<b>1,211</b>	<b>1,284</b>
ST. Bank loan	9	21	84	84	85
Payables	54	60	48	55	66
Other current Liability	3	3	15	12	14
<b>Total Current Liability</b>	<b>66</b>	<b>84</b>	<b>147</b>	<b>150</b>	<b>165</b>
LT. Debt	54	33	6	6	7
Other LT Liabilities	4	18	7	7	7
<b>Total Non-Current Liability</b>	<b>59</b>	<b>51</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Total Liability</b>	<b>125</b>	<b>136</b>	<b>160</b>	<b>163</b>	<b>178</b>
<b>Total Equity</b>	<b>955</b>	<b>969</b>	<b>994</b>	<b>1,047</b>	<b>1,106</b>
<b>Total LiabilitiesEquity</b>	<b>1,080</b>	<b>1,105</b>	<b>1,155</b>	<b>1,211</b>	<b>1,284</b>

Key Ratios (%)	2022	2023	2024	2025F	2026F
Gross Profit Margin (%)	56.4	56.3	49.1	54.0	52.4
Operating Margin (%)	9.1	36.7	26.4	31.3	29.7
EBITDA Margin (%)	22.2	43.6	29.5	34.5	32.9
Pre-Tax Margin (%)	279.5	37.4	20.9	30.6	29.0
Net Profit Margin (%)	117.3	31.0	15.0	23.2	22.9
Debt to Equity (x)	0.1	0.1	0.1	0.1	0.1
Net Gearing (x)	0.1	0.1	0.1	0.1	0.1

Source: Company, Ajaib Research

**Rating for Sectors:**

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

**Rating for Stocks:**

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”

Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

**Analyst Certification:**

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