Stock Research Report

May 28, 2025

ajaib RESEARCH
PT Ajaib Sekuritas Asia

INCO
PT Vale Indonesia Tbk.

Price Crash Sparks Reset

- **Nickel supply cuts from Indonesia and ongoing policy reforms in the Philippines could support price recovery.**
- **INCO's integrated mining-to-processing model, backed by over 1 billion tons of nickel resources, secures long-term supply stability.**
- **The company's USD9 billion expansion across HPAL and mining projects is set to boost ore capacity to 71 Mtpa and deliver 240 ktpa of MHP by 2027.**
- **We maintain a BUY rating with a Rp4,000 target price, implying 6.3x FY25F EV/EBITDA.**

Nickel Industry Under Pressure, Eyes Structural Reset

Nickel prices have fallen sharply, averaging USD15,645/t in YTD 2025 (–8.1% YoY), weighed down by a strong US dollar, trade uncertainty, and record-high LME inventories. Indonesia, now producing over 56% of global nickel supply, is considering a 40% output cut to stabilize prices, while the Philippines seeks to capitalize through regulatory reform and capacity expansion. On the demand side, the rise of nickel-free battery chemistries, slower EV adoption, and policy risks, especially in the US, have softened outlooks despite long-term growth potential. As China remains the dominant consumer (60% of global demand), near-term recovery hinges on a rebound in stainless steel and EV sectors, alongside clearer global policy direction. We forecast the average LME nickel price to soften further to USD 15,600/t in 2025F (–8% vs 2024 average).

Integrated EV-Focused Model with Massive Resource Base

INCO operates an integrated nickel business model focused on mining, processing, and downstream development to support the global electric vehicle (EV) supply chain. Its core operation is the Sorowako processing plant, which produces nickel matte containing around 78% nickel, sold under long-term contracts to Vale Canada Limited and Sumitomo Metal Mining. INCO holds some of Indonesia's largest nickel concessions across Sulawesi, with total mining rights covering 118,017 hectares and combined measured and indicated resources exceeding 745 million wet metric tons. To expand beyond nickel matte, INCO is investing USD9 billion in a multi-phase development plan that includes three major High-Pressure Acid Leach (HPAL) projects in Bahodopi, Pomalaa, and Sorowako, in collaboration with global partners such as Huayou, GEM, and Ford. These projects will enable INCO to produce battery-grade Mixed Hydroxide Precipitate (MHP), targeting a combined output of 240 ktpa by 2027.

Solid 1Q25 Amid Price Headwinds, Cost Wins Shine

In 1Q25, INCO delivered a resilient performance despite weaker nickel prices and lower sales volume. Revenue reached USD207 million, (-15% QoQ; -10% YoY), mainly due to reduced nickel matte sales and softer average selling prices at USD11,932 per ton. However, the company maintained strong profitability, with EBITDA of USD52 million (-5% QoQ; -1% YoY) and a significantly improved net profit of USD22 million (+228% QoQ; 252% YoY), supported by cost efficiencies and rising ore sales. Unit cash cost declined to USD8,501 per ton (-5% QoQ; -9% YoY), driven by strategic sourcing and lower fuel input prices. While nickel matte production and sales dropped to 17,027 and 17,096 tons respectively, INCO's ore sales surged to 80,096 WMT (+167% YoY), offering a valuable income stream diversification.

Maintain BUY: Long-Term Growth Intact, Execution Key

We maintain a BUY rating on INCO with a target price of Rp4,000 (DCF-based), implying 6.3x EV/EBITDA FY25F. INCO's near-term growth is supported by several key catalysts: the ramp-up of ore sales as a new revenue stream, improved cost efficiency through strategic sourcing, and the accelerated development of major growth projects. **Key Risk:** nickel price volatility, execution challenges in large-scale projects, declining cash reserves amid high capital spending, operational issues, and potential strategic disruptions following recent management changes.

Key Financial Highlights

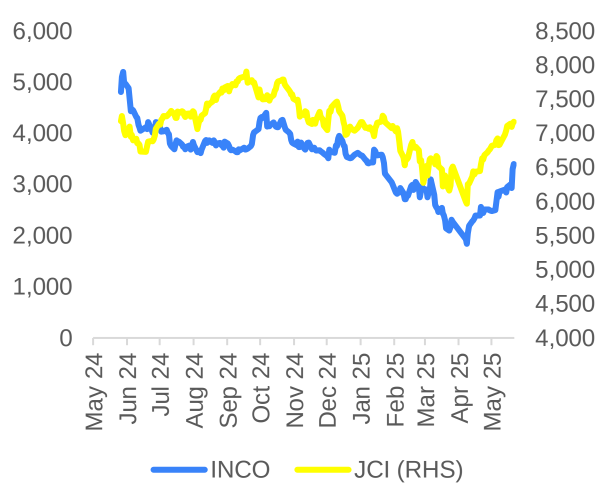
Key Metrics	2022	2023	2024	2025F	2026F
Revenue (USD mn)	1,179	1,232	950	911	949
EBITDA (USD mn)	415	428	222	364	405
Net Profit (USD mn)	200	274	58	152	149
EPS Growth (%)	16.4	39.6	-78.0	171.8	-1.5
P/E (x)	25.05	10.89	41.57	17.74	18.02
P/BV (x)	2.13	1.17	0.88	0.94	0.90
EV/EBITDA (x)	4.16	4.38	9.33	6.71	7.15

BUY

Stock Information (as of May 27, 2025)

Last Price (Rp)	3,520
Target Price (Rp)	4,000
Upside/Downside	13.6%
Market Cap (Rp tn)	37.1
52 Week Range (Rp)	5,300 – 1,825
Free Float	20.4%
Share Out. (bn)	10.5

Relative to JCI Performance



Shareholders

INCO's Shareholders	Percentage
MIND ID	34.00%
Vale Canada Limited	33.88%
Public	20.63%
Sumitomo Metal Mining Co. Ltd.	11.48%

Analyst:

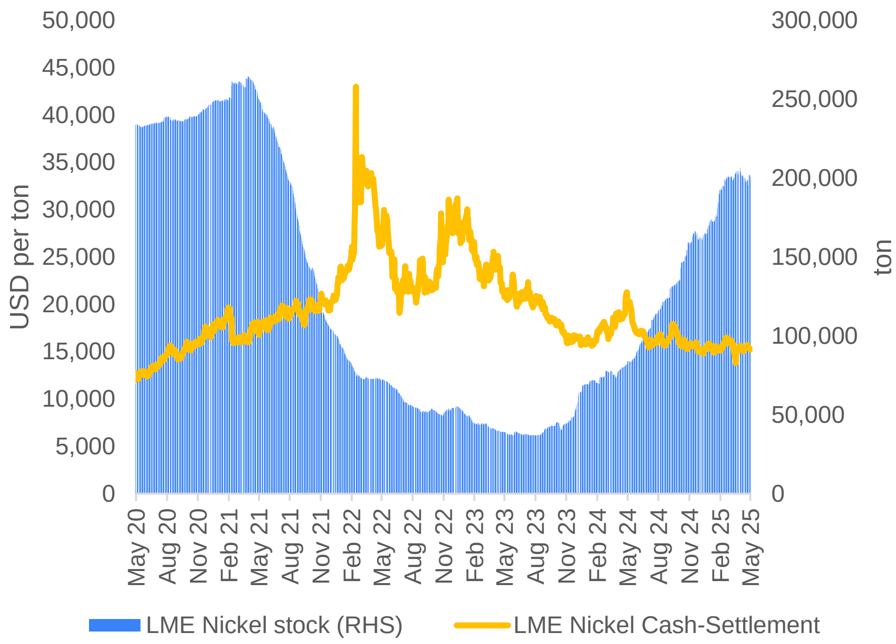
Rizal Rafly
rizal.rafly@ajaib.co.id

INDUSTRY OVERVIEW

Nickel Hits New Lows as Macro and Trade Woes Weigh Heavy

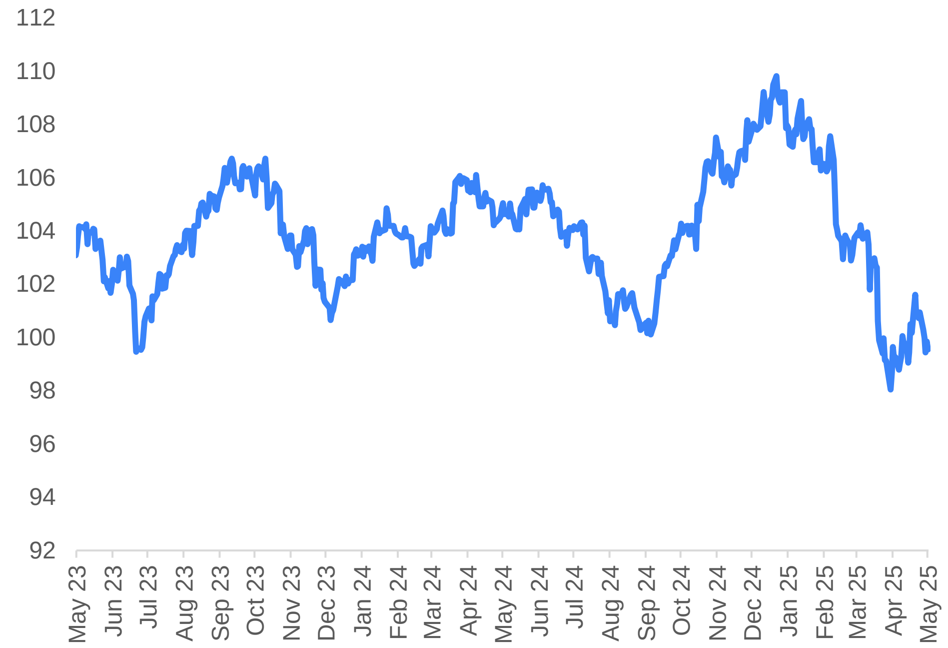
Nickel prices on the London Metal Exchange (LME) averaged USD17,015 per ton in 2024, (-16.4% YoY), and declined further to USD15,645 in YTD 2025, (-8.1% vs 2024 average). A persistently strong USD has made commodities like nickel more expensive for non dollar buyers, dampening global demand. At the same time, recent developments in US China trade relations have had mixed effects. Stocks at LME warehouses more than doubled year on year to over 200 thousand tons. A surprise de-escalation from Geneva trade talks led to a temporary 90-day mutual tariff reduction, which briefly eased market tensions. However, despite this reprieve, damage to US trade credibility and waning global confidence in the dollar have already taken a toll. The dollar's depreciation and increased volatility in US markets have introduced new uncertainties that continue to weigh on base metals, including nickel. On the supply side, persistent oversupply, particularly from Indonesia which now accounts for nearly half of global production, remains the dominant headwind. We forecast the average LME nickel price to soften further to USD 15,600/t in 2025F (–8% vs 2024 average).

Figure 1. Historical LME Nickel Price and Stock



Source: Bloomberg, Ajaib Research

Figure 2. DXY Index



Source: Bloomberg, Ajaib Research

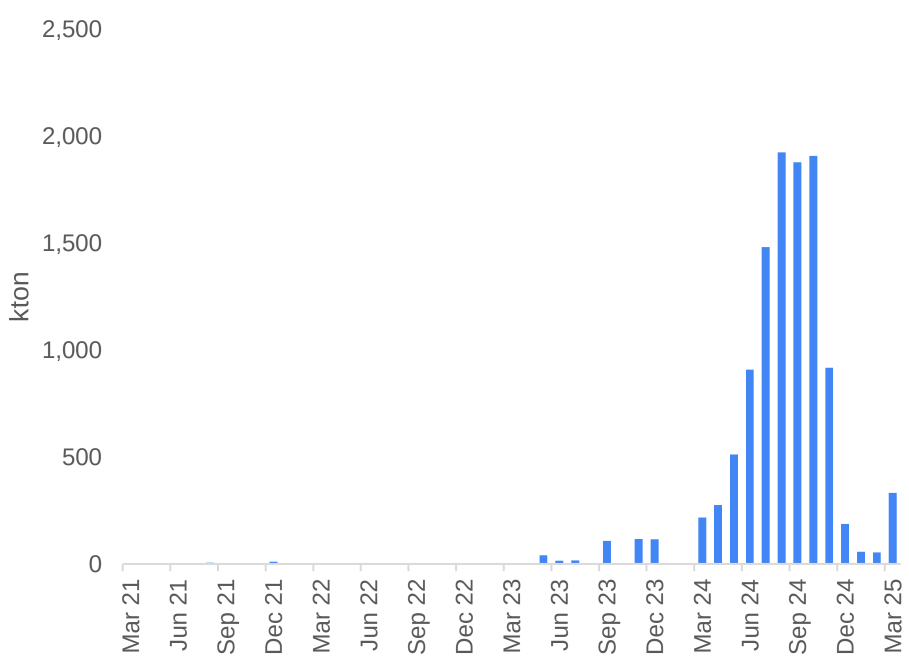
Indonesia's Nickel Boom Backfires, Eyes Big Output Cuts

Indonesia has cemented its role as the world's leading nickel producer, contributing over 56% of global mined output in 2024 and projecting a further +7.7% increase to 2.4 million metric tons in 2025. This surge stems from its 2020 export ban on raw ore, which spurred Chinese investment in domestic processing facilities that convert nickel laterite into ferronickel for stainless steel. However, while this strategy has stimulated Indonesia's economy, it has also deepened the global nickel surplus and sustained downward price pressure. In response, Indonesia is now weighing a drastic 40% cut in nickel mining quotas (equal to reduce 35% global supply), potentially slashing national output from 272 million to 150 million tons in 2025, in an effort to support global prices. This restriction has already led to record-high ore imports from the Philippines, yet persistent oversupply and weak demand from stainless steel and battery sectors continue to challenge market recovery.

Philippines Gears Up for Nickel Spotlight with Mining Overhaul

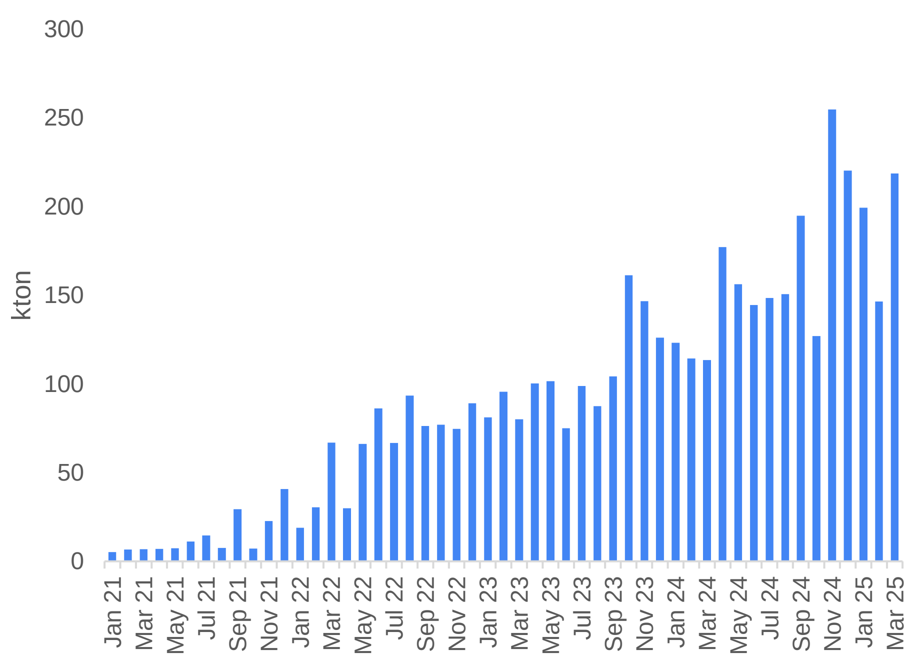
Amid this backdrop, the Philippines is making a strategic push to capitalize on Indonesia's potential supply cuts by reforming its mining laws to elevate its role in the global nickel market. President Ferdinand Marcos Jr. is backing a bill to amend the Philippine Mining Act of 1995, introducing a new royalty system and placing sustainability at the core of mining approvals. The bill, which has gained momentum among industry players, is also aligned with Marcos's broader vision for responsible and innovative mineral extraction. With 13.4 million metric tons of reserves and a strong push toward downstream processing, the country aims to increase nickel output and expand its value chain through international partnerships. Digitization of mining permits and legal clarifications further support this revitalization. While nickel prices remain volatile, pressured by geopolitical events such as Trump's return to the U.S. presidency and a disappointing Chinese stimulus, the Philippine Chamber of Mines maintains a bullish long-term outlook.

Figure 3. Indonesia Nickel Ore Import from Philippines



Source: BPS, Ajaib Research

Figure 4. Indonesia Refined Nickel Export Trend



Source: BPS, Ajaib Research

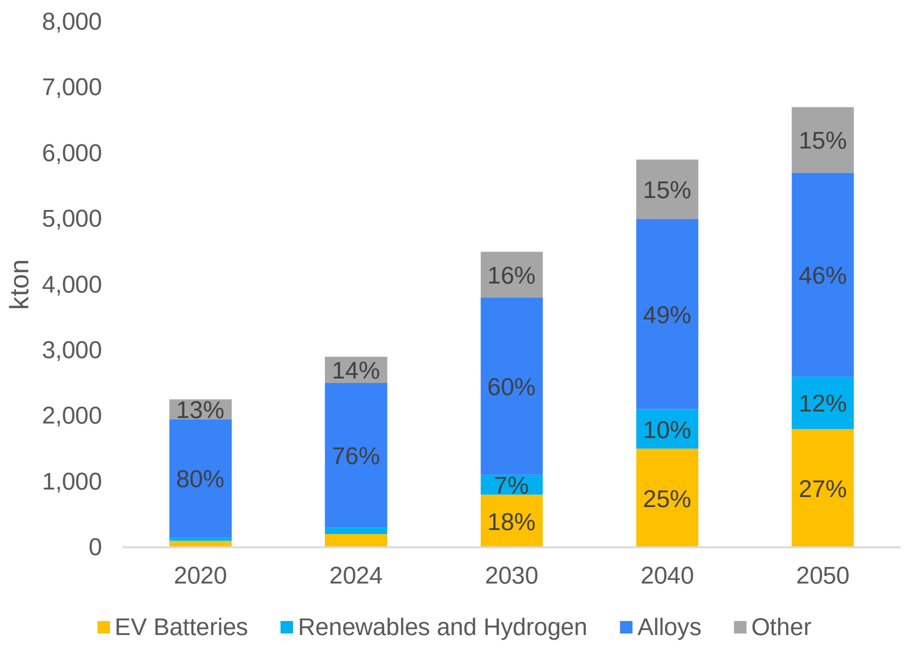
Indonesia's Refining Surge Raises Global Supply Chain Risks

In the near term, the global refined nickel supply is expected to remain in surplus, driven primarily by sustained high investment levels in Indonesia, which has emerged as a critical hub in the nickel supply chain. Indonesia's refined nickel output rose nearly +10% YoY to 1.5 Mt in 2024, outpacing growth in China and underscoring its growing dominance in the market. By 2030, Indonesia is projected to account for 44% of global refined nickel production. However, this supply boom also brings heightened supply chain risks, particularly due to the heavy involvement of Chinese firms, which control about 75% of Indonesia's refining capacity. Indonesia was the host of 44 nickel smelting operations, compared with four 10 years prior. This concentration raises vulnerability concerns for EV and battery manufacturers reliant on stable nickel supplies, as any disruptions in Indonesian output or Chinese-controlled refining operations could significantly impact global EV production.

EV Shifts and Policy Uncertainty Cool Nickel Demand Outlook

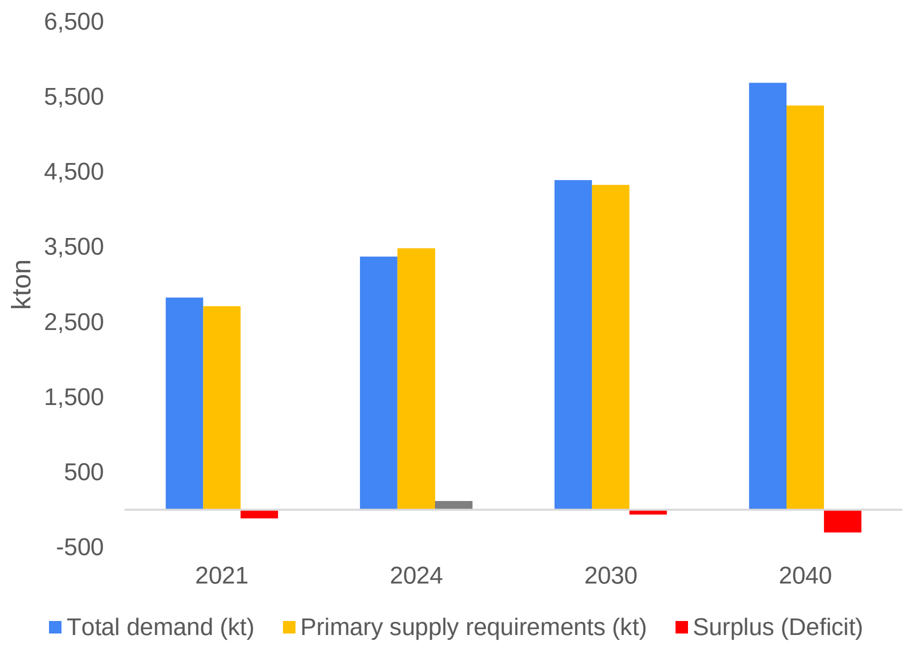
Nickel demand remains under strain in the near term, particularly from the battery sector, as shifts in EV technology and policy add complexity to the market. Global nickel demand grew by 6% in 2024 to 3.4 million tonnes, largely driven by energy technologies including EV batteries and renewables, which now account for nearly 20% of total demand. However, the rising adoption of nickel free lithium iron phosphate batteries, especially from Chinese producers and increasingly in Indonesia, along with growing plug in hybrid EV use, is reducing reliance on nickel rich chemistries. Demand headwinds are further intensified by sluggish EV sales and potential policy rollbacks in the United States, such as the Inflation Reduction Act's tax credit, which could slow the energy transition and weaken demand from United States trading partners. Despite these trends, China remains the largest nickel consumer, averaging 60% of global demand from 2020 to 2024, primarily for stainless steel, while Indonesia, the second largest consumer at 5%, has also seen demand growth exclusively from its stainless steel industry.

Figure 5. Nickel Demand by Sector



Source: IEA, Ajaib Research

Figure 6. Nickel Balance Demand and Supply



Source: Carbon Credits, Ajaib Research

BUSINESS OVERVIEW

Supercharges EV Future with Nickel Matte and HPAL Mega Projects

PT Vale Indonesia Tbk (INCO) operates a nickel processing plant located in Sorowako, which produces nickel matte, an intermediate product containing approximately 78% nickel, 1% to 2% cobalt, and 18% to 21% sulfur. This facility is equipped with drying, reduction, and electric furnaces, as well as converters, and has a production capacity ranging from 180-216 tons of nickel matte per day. The company sells its nickel matte to Vale Canada Limited (VCL) and Sumitomo Metal Mining Co. Ltd (SMM) under a long-term agreement. In addition to the Sorowako facility, INCO is expanding its nickel downstream capabilities through several High-Pressure Acid Leach (HPAL) projects to support electric vehicle battery supply chains. These include the Pomalaa Project, a collaboration with Zhejiang Huayou Cobalt Co., Ltd., operating under PT Kolaka Nickel Indonesia (KNI) to produce Mixed Hydroxide Precipitate (MHP); the Morowali Project, initiated with GEM Co., Ltd., located in Central Sulawesi and operated by PT Bahodopi Nickel Smelting Indonesia (BNSI), aimed at achieving net-zero emissions; and the Sorowako Block development, also with Zhejiang Huayou, which began on September 13, 2022, and involves constructing another HPAL plant to produce MHP.

Sits on a Nickel Powerhouse, Fuels Long-Term EV Supply Chain Dominance

INCO holds some of the largest nickel resources in Indonesia, with mining concessions spanning three key provinces across Sulawesi Island: South Sulawesi (Sorowako – 70,566 hectares), Central Sulawesi (Bahodopi – 22,699 hectares), and Southeast Sulawesi (Pomalaa – 20,286 hectares, plus Sua-Sua – 4,466 hectares), totaling 118,017 hectares. As of December 31, 2024, the company reported measured and indicated limonite resources of 482.28 million wet metric tonnes (wmt) with an average nickel grade of 1.14%, and inferred limonite resources of 50.3 million wmt at a grade of 1.10%. For saprolite, measured and indicated resources stood at 262.94 million wmt with a 1.70% nickel grade, while inferred saprolite resources reached 562.3 million wmt at a grade of 1.80%. In terms of ore reserves, INCO recorded 563.72 million wmt of limonite at 1.14% nickel and 470.90 million wmt of saprolite at 1.72% nickel. Notably, total limonite reserves increased by 63 million wmt YoY, while saprolite reserves declined slightly by 5 million wmt. These vast and high-grade resources support INCO's long-term growth strategy and position the company as a critical supplier in the global nickel value chain, particularly as demand accelerates for electric vehicle battery materials.

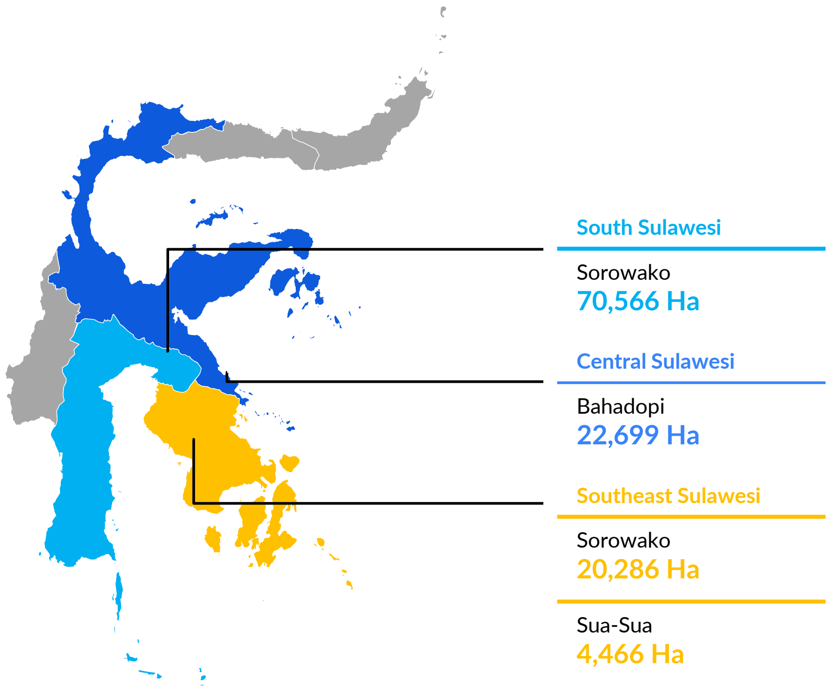
Figure 7. INCO's Nickel Ore Resources and Reserves

Ore Resources	Million Ton (wmt)	Million Ton (dmt)	% Nickel Grade
Limonite Measured & Indicated	482.28	310.1	1.14
Limonite Inferred	50.3	31.1	1.1
Saprolite Measured & Indicated	262.94	166.2	1.7
Saprolite Inferred	562.3	288	1.8

Ore Reserves	Million Ton (wmt)	Million Ton (dmt)	% Nickel Grade
Limonite	563.72	347.07	1.14
Saprolite	470.9	214.77	1.72

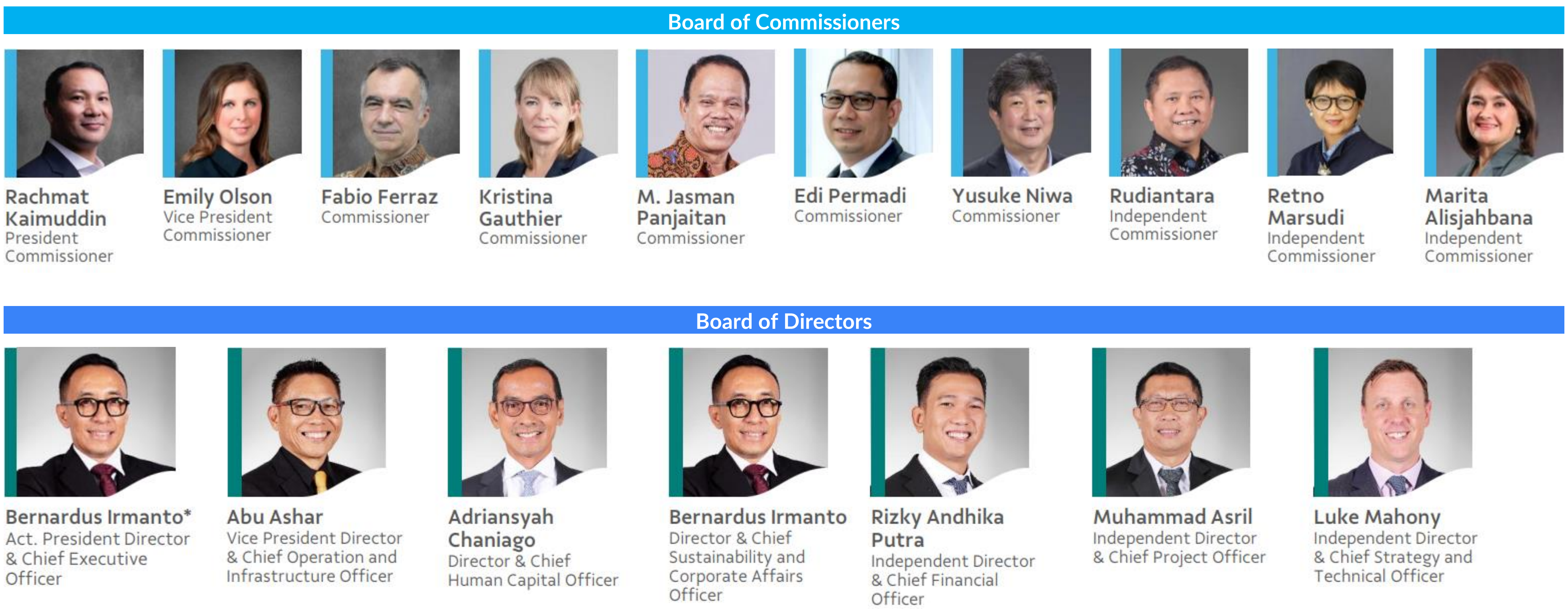
Source: Company, Ajaib Research

Figure 8. INCO's Concession Area



Source: Company, Ajaib Research

Figure 9. INCO's BoD and BoC



**Bernardus Irmanto has taken on the role of Acting President Director of the Company as of April 24, 2025. This follows Febriany Eddy's new appointment as Managing Director of Danantara.*

Source: Company, Ajaib Research

COMPANY UPDATE

Accelerates USD9 billion Sulawesi Buildout to Power Global Energy Transition

INCO is progressing with a substantial USD9 billion investment in nickel mining and downstream processing infrastructure across Sulawesi, reinforcing its long-term commitment to clean energy integration and sustainable growth. Mine development activities are underway in three key locations: Bahodopi, Pomalaa, and Sorowako. As of April 2025, the Bahodopi Mine has achieved 76.36% construction progress, with ore sales expected to begin in early 3Q25. The mine has completed its first mining cut and submitted an RKAB for 2.2M tonnes of saprolite ore, and is set to contribute 16 Mtpa of production capacity. The Pomalaa Mine, with 20.22% construction progress and 2,144 workers on site, is targeting completion in 3Q26 and will support a production capacity of 28 Mtpa; notably, its dormitory facilities are already 100% complete and operational. Meanwhile, the Sorowako Limonite Mine has reached 14.5% construction progress with 392 workers, and is expected to be completed in 4Q26, adding 11 Mtpa of limonite ore capacity. Thus, we project that INCO will have an additional 55 Mtpa of nickel ore capacity by early 2027 (currently ~16 Mtpa).In parallel, INCO is advancing downstream HPAL projects in partnership with GEM, Huayou, and Ford. The Morowali HPAL (GEM, 30% INCO) is under construction with a 60 ktpa MHP capacity, targeting completion in 4Q26. The Pomalaa HPAL (Huayou and Ford) has reached 13.9% construction progress and will deliver 120 ktpa by 4Q26. The Sorowako Limonite HPAL, backed by Huayou, is 4.7% complete and slated for completion in 2Q27, with a capacity of 60 ktpa. The Tanamalia HPAL, tied to the Sorowako outer area, is currently in the partner selection stage. Accordingly, we project that INCO will have additional MHP sales with a total capacity of 240 ktpa by 2H27. Our model forecasts that the MHP segment will contribute approximately 40% of total revenue in 2028F.

Figure 10. INCO's Business Development Project

Mine Development (100% INCO Owned)				
Project	Capex (USD)	Construction Progress	Est. Completion	Production Capacity
Bahodopi Mine	0.5 Billion	76.36%	3Q25	16 Mtpa (Limonite & Saprolite)
Pomalaa Mine	0.5 Billion	20.22%	3Q26	28 Mtpa (Limonite & Saprolite)
Sorowako Limonite Mine	0.2 Billion	14.50%	4Q26	11 Mtpa (Limonite)
Tanamalia	N/A	Exploration Phase	N/A	N/A

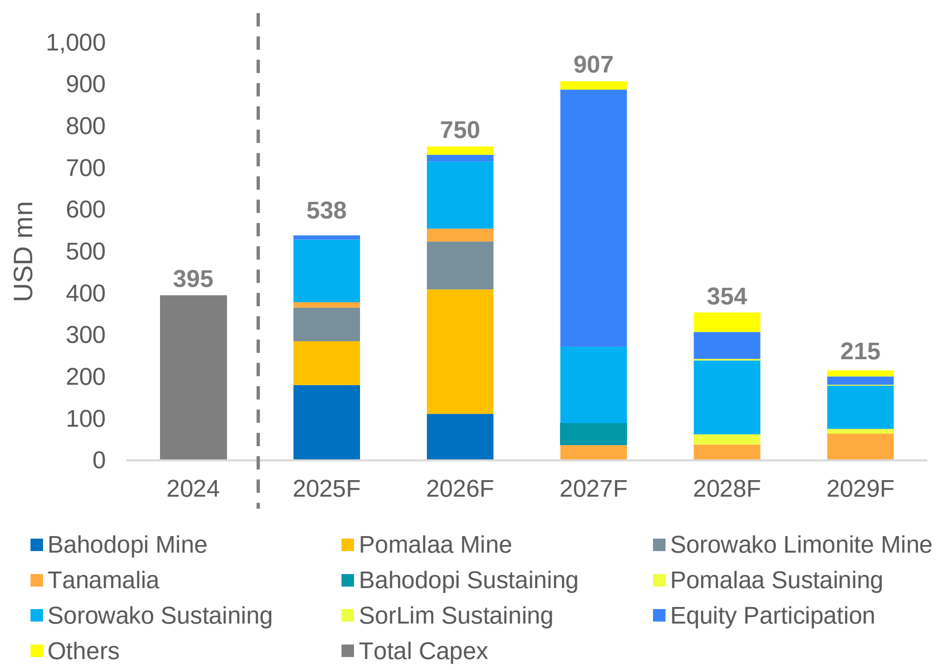
Downstream HPAL Projects (JV Structure)						
Project	Capex (USD)	Ownership Structure	Progress	Est. Completion	Production Capacity	Partners
Morowali HPAL (GEM)	1.4 Billion	30% INCO Ownership	4.50%	4Q26	60 ktpa (MHP)	GEM
Pomalaa HPAL (Huayou & Ford)	2.7 Billion	Up to 30% Call Option (INCO)	13.90%	4Q26	120 ktpa (MHP)	Huayou, Ford
Sorowako Limonite HPAL	1.9 Billion	Up to 30% Call Option (INCO)	4.70%	2Q27	60 ktpa (MHP)	Huayou
Tanamalia HPAL	N/A	Partner Selection Phase	N/A	N/A	N/A	TBD

Source: Company, Ajaib Research

USD800 million Capex Savings Boost Project Resilience Amid Softer Nickel Prices

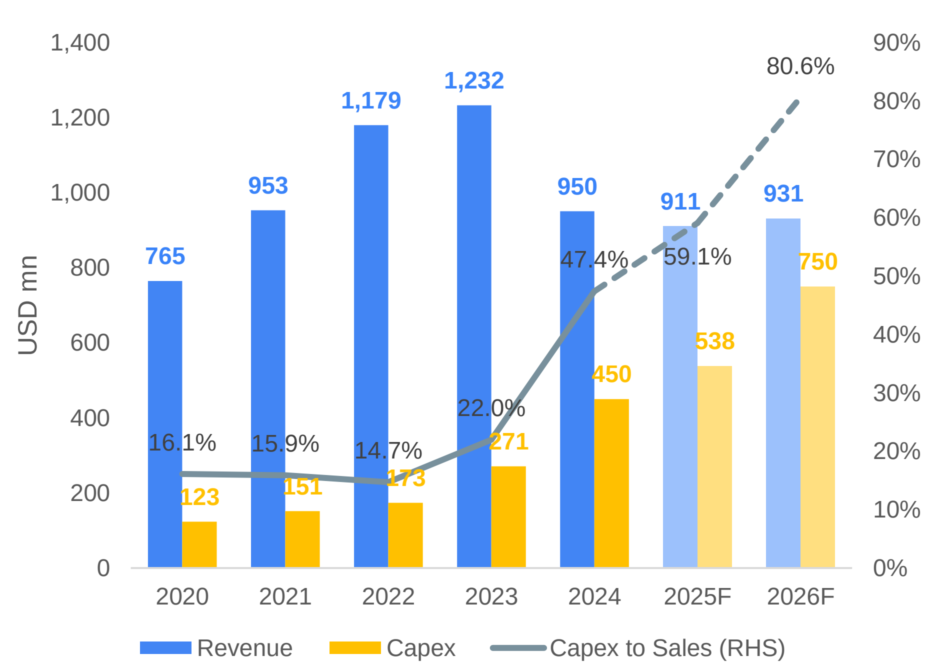
INCO continues to optimize its capital expenditure across its key growth projects: Bahodopi, Pomalaa, and Sorowako Limonite, resulting in an estimated capex savings of approximately USD800 million over the investment cycle. These savings bolster the company's financial resiliency amid a moderating nickel price environment. The Bahodopi project, targeted for commercial operations in 3Q25, involves USD0.5 billion in mining capex and USD1.4 billion for the HPAL facility, with INCO holding 100% of the mine and 30% of HPAL through a milestone-based joint venture. The Pomalaa project, expected to commence in 3Q26, mirrors this structure but allows for a all option up to 30% HPAL ownership, with total capex of USD2.6 billion. Similarly, the Sorowako Limonite project, with a COD in 2027, is expected to cost USD2.3 billion and follows the same JV structure. Capex improvements are evident across years, with peak spending in 2027 (USD907 million). Notably, Capex to Sales is expected to surge sharply from 47.4% in 2024 to 59.1% in 2025F and 79.0% in 2026F, indicating a more aggressive investment phase aligned with INCO's project development timeline.

Figure 11. INCO's Total Capex Projections



Source: Company, Ajaib Research

Figure 12. INCO's Capex to Sales Ratio



Source: Company, Ajaib Research

FINANCIAL OVERVIEW

Cost Efficiency Pays Off

In 1Q25, INCO reported revenue of USD207 million, (-15% QoQ; -10% YoY), primarily due to lower nickel matte sales volume and price. Despite this, the company delivered EBITDA of USD52 million, relatively stable (-5% QoQ; -1% YoY), supported by improved cost efficiency. Net profit surged to USD22 million, (+228% QoQ; +252% YoY), driven by enhanced margins and contribution from ore sales. Cash and cash equivalents stood at USD601 million (-11% QoQ; -18% YoY). The unit cash cost of sales for nickel matte improved to USD8,501/t, (-5% QoQ; -9% YoY). Nickel matte production reached 17,027 tNi, while sales volume declined to 17,096 tNi (-11% QoQ). Meanwhile, ore sales saw a significant jump to 80,096 WMT (+167% YoY), providing an additional income stream. The average nickel matte price declined to USD11.9K/t (-5% QoQ; -6% YoY).

Fuel Efficiency Gains Momentum

INCO demonstrated improved procurement efficiency for bulk materials, as shown by favorable cost trends across major fuel inputs on 1Q25. HSFO volume dropped 5% QoQ and 25% YoY to 319,536 barrels, while its average price decreased to USD84.64/barrel (−3% QoQ, −1% YoY). Diesel consumption rose to 18,614 kiloliters (+22% QoQ), slightly above last year's level, while the average price per liter edged up to USD0.79 (+1% QoQ; -6% YoY). Coal usage remained stable YoY at 118,018 tons (−3% QoQ), while the average price saw a notable decline to USD161.49/ton (-11% QoQ; -9% YoY). These trends reflect the positive impact of the company's strategic sourcing initiative aimed at reducing input costs. As a result, Fuel and Lubricant Costs are projected to decline to USD161 million in 2025F (-16% YoY).

Figure 13. INCO's 1Q25 Performance

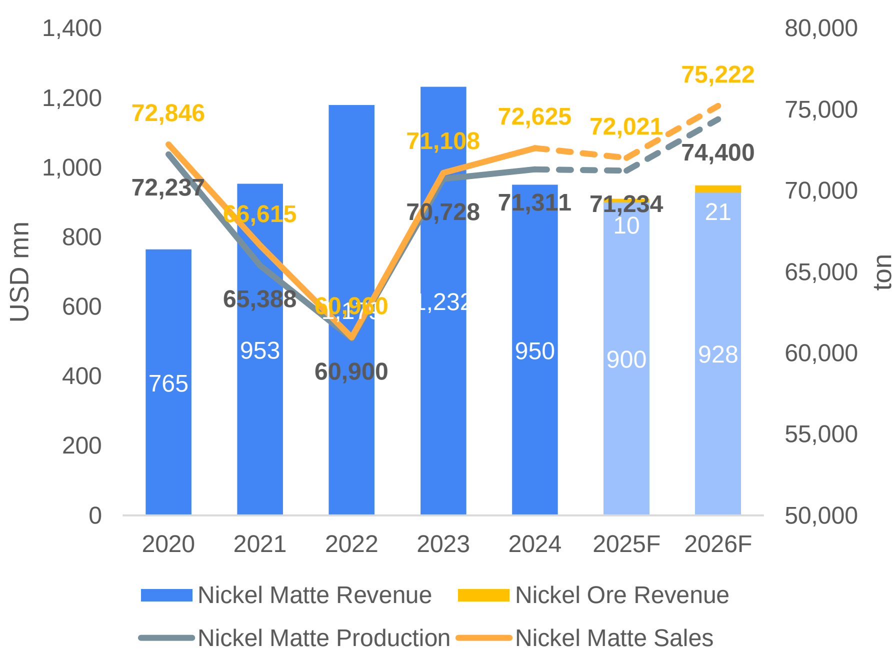
Key Metrics (USD mn)	3M25	3M24	YoY	1Q25	4Q24	QoQ
Revenue	207	230	-10%	207	244	-15%
EBITDA	52	53	-1%	52	54	-5%
EBITDA Margin	*25%*	*23%*		*25%*	*22%*	
Net Profit	22	6	252%	22	7	228%
NPM	*11%*	*3%*		*11%*	*3%*	
Production Volume (ton)	17,027	18,199	-6%	17,027	18,528	-8%
Sales Volume (ton)	17,096	18,175	-6%	17,096	19,196	-11%
ASP (USD/ton)	11,932	12,651	-6%	11,932	12,597	-5%
Cash Cost (USD/ton)	8,501	9,565	-9%	8,501	8,978	-5%
Cash Margin (USD/ton)	3,431	3,086	2%	3,431	3,619	-5%

Source: Company, Ajaib Research

Maintains Margin Strength Amid Nickel Price Slump

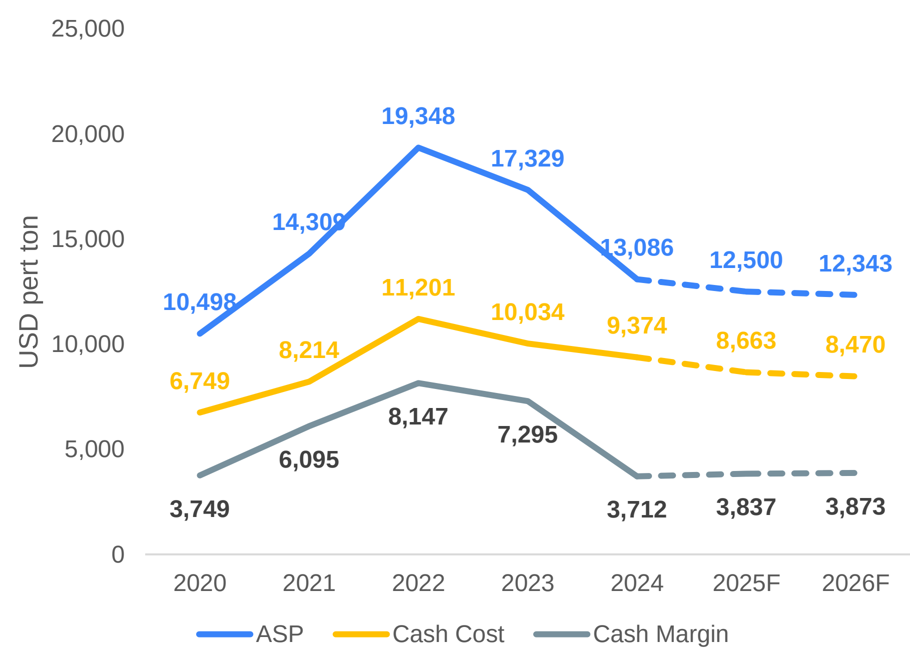
INCO demonstrated resilience in 1Q25 by maintaining a positive cash margin, despite ongoing pressure from weakening nickel prices. The average realized nickel price declined to USD11,932/t, continuing a downward trend that began after its peak in early 2022. However, the company successfully reduced its Unit Cash Cost (UCC) of Sales to USD8,501/t (-5% QoQ; -9% YoY). This cost efficiency reflects the effectiveness of INCO's strategic initiatives, particularly its energy mix optimization program, which helped lower input costs such as coal, HSFO, and diesel. The narrowing gap between realized prices and UCC highlights management's ability to preserve profitability in a challenging price environment. Looking ahead, cash costs are projected to decline further to USD8,663/t in 2025F and USD8,470/t in 2026F.

Figure 14. Production, Sales, and Revenue Projections



Source: Company, Ajaib Research

Figure 15. INCO's ASP and Cash



Source: Company, Ajaib Research

VALUATION

Recommend BUY with TP Rp4,000

We maintain a BUY rating on INCO with a target price of Rp4,000 (DCF-based), implying 6.3x EV/EBITDA FY25F. Our DCF model assumes 0% terminal growth, reflecting INCO's limited nickel reserves and a forecast horizon up to 2035F, aligned with the current permit expiration. INCO's near-term growth is supported by several key catalysts: the ramp-up of ore sales as a new revenue stream, improved cost efficiency through strategic sourcing, and the accelerated development of major growth projects including Bahodopi, Pomalaa, and Sorowako. Strategic joint ventures with global partners such as Huayou and Ford, along with approximately USD800 million in capex savings, bolster long-term value creation and financial resilience. However, these positives are balanced by key risks, including nickel price volatility, execution challenges in large-scale projects, declining cash reserves amid high capital spending, evolving regulatory frameworks, operational issues, and potential strategic disruptions following recent management changes.

Figure 16. DCF Valuation

Account (USD mn)	2024	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
EBIT	64	147	177	645	621	835	843	846	856	867	870	870
Income tax expense	(16)	(43)	(47)	(146)	(141)	(192)	(200)	(209)	(219)	(230)	(240)	(250)
Capex	(450)	(538)	(750)	(907)	(354)	(215)	(194)	(172)	(151)	(130)	(108)	(86)
Depreciation & amort.	158	217	247	355	210	153	149	144	139	133	126	119
Change in WC	(55)	47	(0)	10	(6)	13	1	1	2	2	0	0
FCFF	**(300)**	**(170)**	**(372)**	**(43)**	**331**	**595**	**598**	**610**	**627**	**642**	**648**	**653**

NPV of Forecast	1,519
Total enterprise value	**2,172**
Cash (+)	418
Debt (-)	8
Equity value (USD mn)	2,583
Number of shares	**10,540**
Target price (Rp)	**4,000**

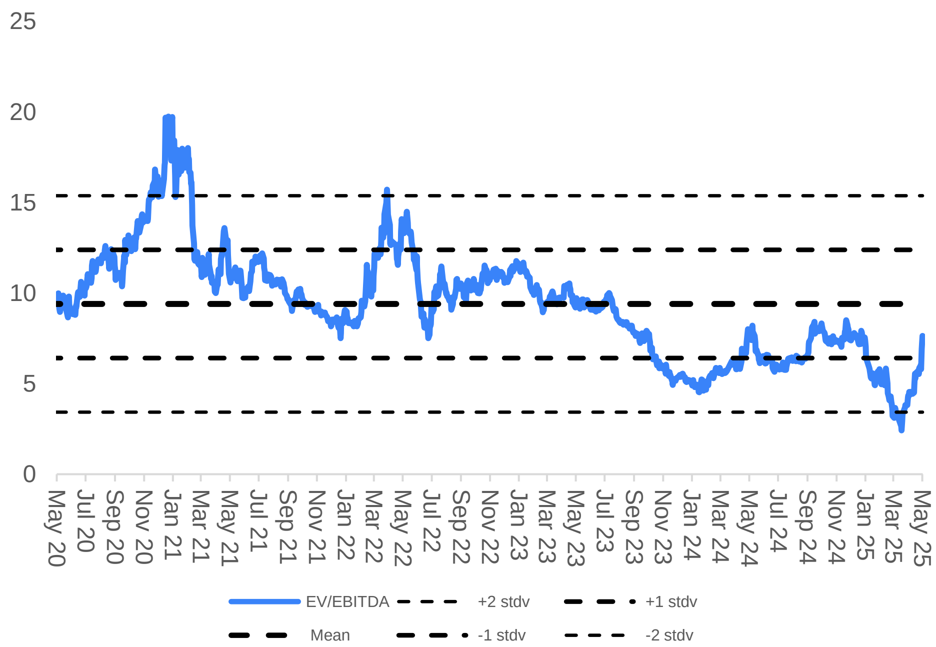
Source: Bloomberg, Ajaib Research

Figure 17. Sensitivity Analysis

Nickel Matte ASP (USD/ton) \ Royalty Rate	4.5%	4.0%	3.5%	3.0%	2.5%
11,500	3,700	3,700	3,800	3,800	3,900
12,000	3,800	3,800	3,900	3,900	4,000
12,500	3,900	3,900	4,000	4,000	4,100
13,000	4,000	4,000	4,100	4,100	4,200
13,500	4,100	4,100	4,200	4,200	4,300

Source: Ajaib Research

Figure 18. INCO's EV/EBITDA Band



Source: Bloomberg, Ajaib Research

Figure 19. Peers Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	ROA (%)	EPS Growth (%)
INCO	37.31	30.2	0.9	6.2	2.2	1.9	39.5
NCKL	46.69	6.7	1.7	4.6	23.6	15.8	6.9
MBMA	38.88	74.9	1.5	21.5	1.5	2.4	147.9
ANTM	75.22	11.8	1.2	11.6	11.7	8.8	58.9
Sector Average		**30.9**	**1.3**	**11.0**	**9.8**	**7.2**	**63.3**

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (USD mn)	2022	2023	2024	2025F	2026F
Revenue	**1,179**	**1,232**	**950**	**911**	**949**
Cost of revenue	-866	-885	-842	-722	-748
Gross Profit	**314**	**347**	**108**	**189**	**201**
OpEx	-42	-45	-44	-42	-43
Operating Profit	**272**	**302**	**64**	**147**	**157**
EBITDA	415	428	222	364	405
Other Income (Expenses)	0	25	-19	20	20
Net Interest Expense	4	26	29	28	14
Pre-tax profit	**276**	**353**	**74**	**194**	**191**
Income Tax	-75	-78	-16	-43	-42
NPAT	**200**	**274**	**58**	**152**	**149**
Net Profit	**200**	**274**	**58**	**152**	**149**
EPS (Rp)	**283**	**396**	**87**	**237**	**233**

Cashflow Statement (USD mn)	2022	2023	2024	2025F	2026F
Net Profit	200	274	58	152	149
D&A	143	126	158	217	247
Changes in Working Capital	-40	65	55	-47	1
Others	6	-18	-21	-1	-1
Operating Cash Flow	**309**	**447**	**250**	**321**	**396**
Capital Expenditure	-173	-271	-437	-551	-750
Changes in other assets	-1	-79	1	0	0
Investing Cash Flow	**-175**	**-350**	**-437**	**-551**	**-750**
Net - Borrowing	1	3	-1	0	0
Dividend	0	-60	0	0	0
Other Financing	-9	26	163	-27	54
Financing Cash Flow	**-8**	**-32**	**163**	**-27**	**54**
Net - Cash Flow	126	65	-24	-256	-300
Cash at beginning	508	634	699	675	418
Cash at ending	**634**	**699**	**675**	**418**	**118**

Source: Company, Ajaib Research

Balance Sheet (Rpbn)	2022	2023	2024	2025F	2026F
Cash & equivalents	634	699	675	418	118
Receivables	141	102	84	87	91
Inventories	156	156	149	155	155
Others	59	77	97	99	100
Total Current Assets	**990**	**1,033**	**1,005**	**759**	**465**
Fixed Assets	1,550	1,696	1,975	2,308	2,811
Other Non-Current Assets	118	197	197	197	197
Total Non-Current Assets	**1,668**	**1,893**	**2,172**	**2,505**	**3,008**
Total Assets	**2,658**	**2,926**	**3,177**	**3,264**	**3,472**
ST. Bank loan	2	6	6	6	6
Payables	116	141	171	134	138
Other current Liability	58	70	87	88	106
Total Current Liability	**175**	**217**	**263**	**228**	**250**
LT.Debt	4	3	2	2	2
Other LT Liabilities	124	142	178	181	217
Total Non-Current Liability	**128**	**145**	**180**	**183**	**219**
Total Liability	**303**	**361**	**444**	**411**	**469**
Retained Earnings	1,941	2,150	2,207	2,328	2,477
Others	414	414	526	526	526
Total Equity	**2,355**	**2,565**	**2,733**	**2,854**	**3,003**
Total LiabilitiesEquity	**2,658**	**2,926**	**3,177**	**3,264**	**3,472**

Key Ratios (%)	2022	2023	2024	2025F	2026F
Gross Profit Margin (%)	26.6	28.2	11.4	20.7	21.1
Operating Margin (%)	23.1	24.5	6.7	16.1	16.6
EBITDA Margin (%)	35.1	34.7	23.3	40.0	42.6
Pre-Tax Margin (%)	23.4	28.6	7.8	21.4	20.2
Net Profit Margin (%)	17.0	22.3	6.1	16.7	15.7
Debt to Equity (x)	0.0	0.0	0.0	0.0	0.0
Net Gearing (x)	-0.3	-0.3	-0.2	-0.1	0.0

Source: Company, Ajaib Research

PT Ajaib Sekuritas Asia
Neo Soho @Podomoro City Lt. 30,
Jl. Letjen S. Parman No.28,
Jakarta Barat
Email: support.saham@ajaib.co.id
Phone: 021-30003606

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”

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