

Aneka Tambang Tbk (ANTM)

Golden Momentum

Kondisi Global Meningkatkan Permintaan Emas Sebagai Safe-Haven

Kami mengamati bahwa memanasnya kondisi geopolitik akhir-akhir ini antara AS-Korut, Inggris-Rusia, di wilayah Timur Tengah, serta ancaman kebijakan proteksionisme AS memacu permintaan emas yang merupakan investasi *safe haven*. Pada 4Q17 **ANTM mendapatkan pembelian emas oleh Bullion Bank dalam jumlah besar** yang memacu lonjakan volume penjualan sebesar 188,8% y-y menjadi 6,2 ton.

Penjualan emas pada 4Q17 tercatat sebesar Rp3,5 triliun (+197,7% y-y), dan pada 2017 secara keseluruhan tercatat sebesar Rp7,4 triliun (+33,0% y-y). Kami memperkirakan bahwa penjualan emas 2018 akan mencapai Rp10,4 triliun (+40,3% y-y) yang ditopang oleh **lonjakan volume penjualan dari 13 ton menjadi 18 ton**.

Peningkatan Kapasitas Produksi di tengah Kestabilan Harga Nikel Dunia

Dari bisnis feronikel, ANTM mencatatkan ASP sebesar USD12.170/TNi atau naik 10,2% yang **sejalan dengan kenaikan harga nikel dunia** yang saat ini telah mencapai posisi USD13.500/TNi.

Harga nikel dunia **diperkirakan mampu stabil karena tingginya kebutuhan nikel** sebagai komponen pembuatan baterai mobil listrik serta berkurangnya pasokan akibat tidak berproduksinya 4 pabrik nikel terbesar di Filipina. Kondisi ini setidaknya mampu mengimbangi sentimen negatif yang muncul dari rencana penerapan tarif impor baja China oleh AS.

Peningkatan penjualan feronikel ANTM pada 2018 akan didorong oleh **meningkatnya kapasitas pabrik feronikel di Pomalaa dari 20.000 TNi menjadi 37.000 TNi**. Kami memperkirakan bahwa pada 2018 penjualan feronikel mencapai Rp4,0 triliun (+75,0%).

Aneka Tambang Tbk | Summary (IDR bn)

	2016/12A	2017/12A	2018/12E	2019/12E
Revenue	9,106	12,654	16,269	18,537
Revenue growth	-13.5%	39.0%	28.6%	13.9%
EBITDA	742	1,434	2,130	2,346
Net profit	65	137	740	929
EPS (IDR)	3	6	31	39
EPS growth	N/A	N/A	N/A	25.6%
BVPS (IDR)	264	264	264	264
EBITDA margin	8.1%	11.3%	13.1%	12.7%
NPM	0.7%	1.1%	4.5%	5.0%
ROE	0.4%	0.7%	3.9%	4.7%
ROA	0.2%	0.5%	2.4%	3.0%
ROIC	0.0%	3.6%	5.2%	5.9%
P/E	331.9x	110.0x	27.5x	21.9x
P/BV	3.4x	2.4x	3.2x	3.2x
EV/EBITDA	32.8x	13.6x	11.5x	10.6x
DPS (IDR)	-	-	-	-
Dividend yield	0.0%	0.0%	0.0%	0.0%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Buy

Dec 2018 TP (IDR)	990
Consensus Price (IDR)	1,030
TP to Consensus Price vs. Last Price	-3.9%
	+17.2%

Shares data

Last Price (IDR)	845
Price date as of	3/16/2018
52 wk range (Hi/Lo)	955/605
Free float (%)	35.0
Outstanding sh.(mn)	24,031
Market Cap (IDR bn)	19,345
Market Cap (USD mn)	1,406
Avg. Trd Vol - 3M (mn)	84.89
Avg. Trd Val - 3M (bn)	70.61
Foreign Ownership (%)	5.6

Mining

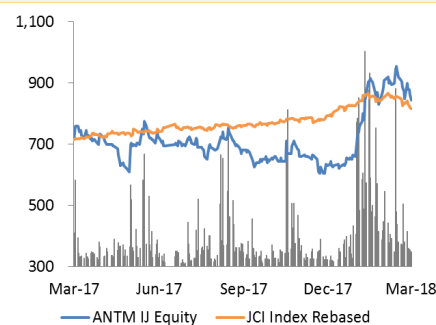
Metal & Mineral Mining

Bloomberg	ANTM IJ
Reuters	ANTM.JK

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Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	33.1%	-7.1%	33.1%	18.2%
Rel. Ret.	33.6%	-2.8%	30.3%	3.9%

Target Harga Rp990

Kami menggunakan estimasi *forward* EV/EBITDA sebesar 11,3x (1 SD di atas rata-rata satu tahun terakhir sebesar 10,2x) sebagai basis metode valuasi untuk mendapatkan target harga. Target harga ini mengimplikasikan EV/EBITDA 2018E sebesar 12,5x. Saat ini, ANTM diperdagangkan pada EV/EBITDA 2018E sebesar 11,5x.

Sekilas Tentang ANTM

Aneka Tambang (ANTM) adalah perusahaan tambang milik negara. Keegiatannya mencakup eksplorasi, penambangan, pengolahan, serta pemasaran berbagai komoditas mineral, seperti emas, nikel, bijih nikel, perak, bauksit, dan mineral tambang lainnya. ANTM memiliki konsesi tambang yang luas dan tersebar di seluruh Indonesia. Hingga saat ini sekitar 50% dari total pendapatan perusahaan berasal dari penjualan emas, sedangkan feronikel adalah kontributor penjualan terbesar kedua dengan kontribusi sekitar 20%-30%.

Berikut adalah beberapa gambar produk ANTM:



Industri Tambang Mineral Emas di ASEAN

Sejauh ini Indonesia masih menjadi negara penghasil emas terbesar di antara negara ASEAN lainnya. Saat ini kapitalisasi pasar ANTM mencapai USD1,4 miliar yang lebih besar dibandingkan dengan Philex Mining di Filipina yang sebesar USD567juta. Sementara untuk wilayah Asia, China menjadi yang terbesar dengan kapitalisasi pasar yang mencapai USD15,3miliar

Dibandingkan dengan kompetitornya di wilayah Asia Pasifik, kinerja ANTM masih tergolong kurang cemerlang. ANTM terlihat paling tidak efisien dengan net margin hanya 1,1% paling rendah diantara yang lain, sedangkan dilihat dari kinerja sahamnya, P/E ANTM tergolong paling mahal.

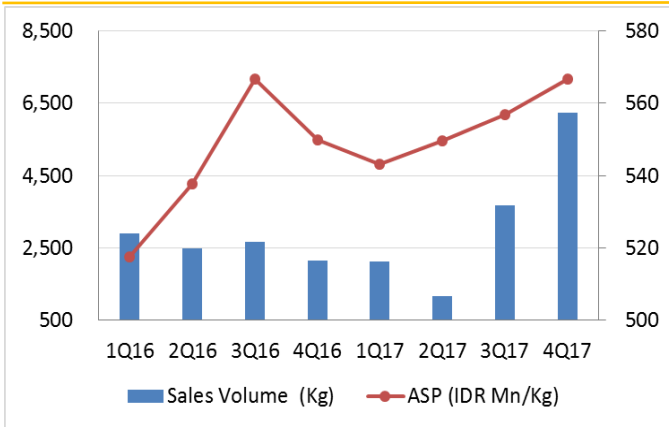
Asia Pacific Mineral Mining Company

Company	Market Cap (USD mn)	Total Asset (USD mn)	Net Profit Growth	Net Profit Margin	ROE	P/E	P/BV	Dividend Yield
ANTM	1,433	2,209	110.6%	1.1%	0.7%	110.0x	1.1x	N/A
China								
Zijin Mining Group Co Ltd	15,303	12,856	89.4%	2.4%	8.6%	38.2x	3.1x	1.3%
Changdong Gold Mining	7,963	6,473	-12.0%	2.2%	7.1%	44.0x	3.1x	0.7%
Philippine								
Philex Mining Corp	567	794	4.3%	18.1%	6.9%	17.8x	1.2x	1.3%
Australia								
Rio Tinto Ltd	92,239	95,726	89.8%	21.9%	20.9%	11.9x	2.3x	6.9%

Source: Bloomberg, NHKS research

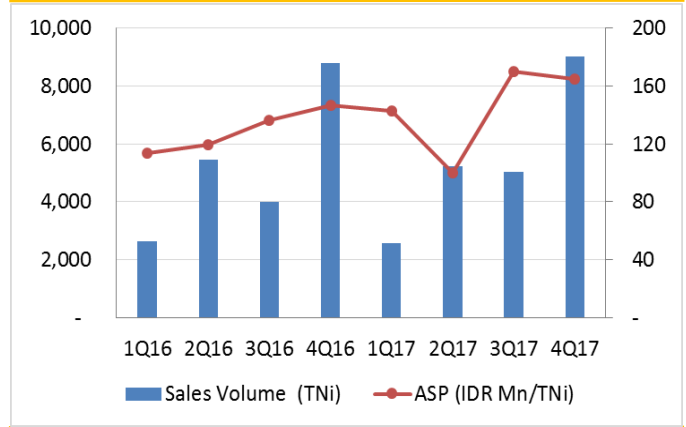
Operational Performance

Gold Performance | 1Q16 - 4Q17



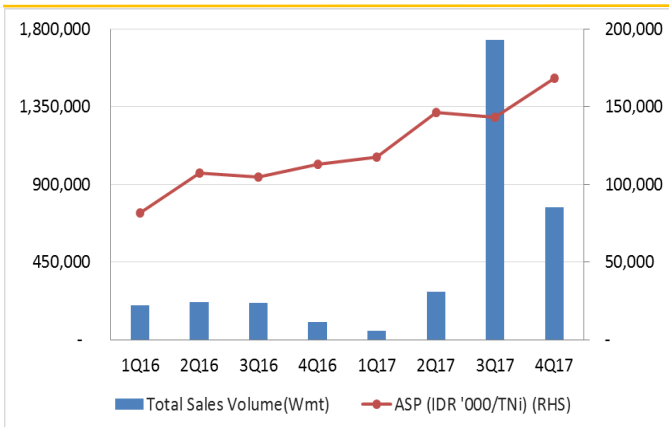
Source: Company, NHKS research

Ferronickel Performance | 1Q16 - 4Q17



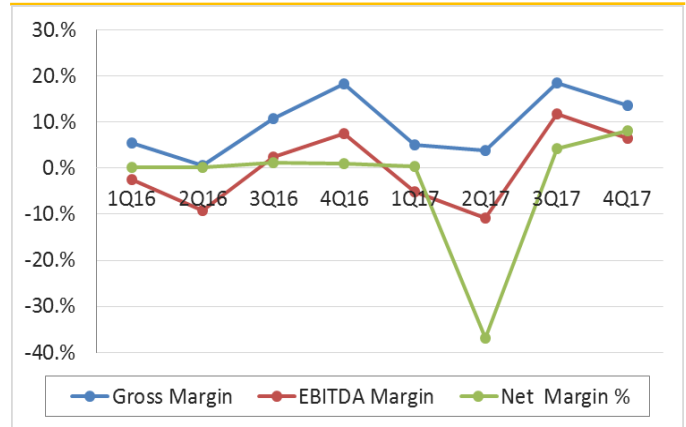
Source: Company, NHKS research

Nickel Ore Performance | 1Q16 - 4Q17



Source: Company, NHKS research

Margin Performance | 1Q16 - 4Q17



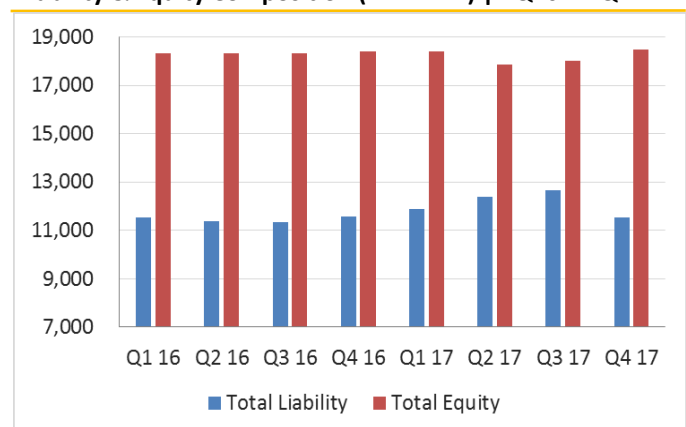
Source: Company, NHKS research

World Nickel Price | March 2017—March 2018



Source: Company

Liability & Equity Composition (in IDR Bn) | 1Q16 - 4Q17



Source: Company

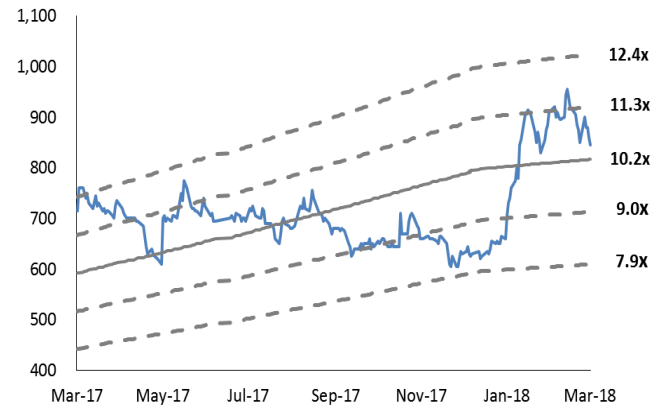
Multiple Valuation

Forward EV/EBITDA band | Last 1 year



Source: NHKS research

Dynamic Forward EV/EBITDA band | Last 1 year



Source: NHKS research

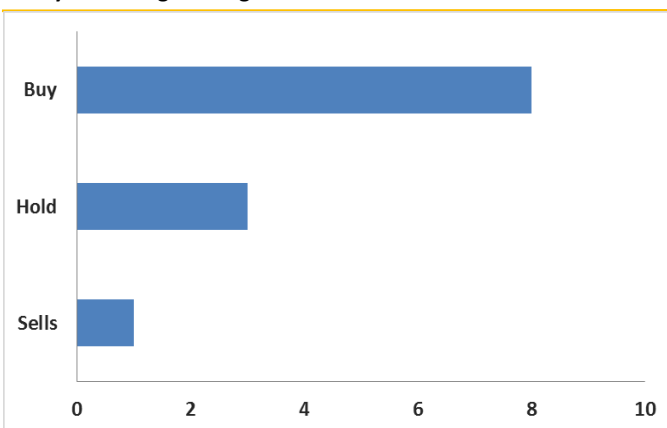
Rating and target price update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
09/08/2017	Buy	915 (Dec 2018)	695	760	+38.1%	+26.3%
12/28/2017	Buy	870 (Dec 2018)	630	815	+38.1%	+06.7%
03/19/2018	Buy	990 (Dec 2018)	845	1,030	-03.9%	+17.2%

Source: NHKS research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKS research

NH Korindo Sekuritas Indonesia (NHKS) stock ratings

1. Period: End of year target price
2. Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%
 - Hold : -15% to +15%
 - Sell : Less than -15%

Summary of Financials

ANTM Summary			
Last Price (IDR)	March 16, 2018		845
Target Price (IDR)	Dec 2018		990
Analyst: Yuni	Rating:		Buy

INCOME STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Sales	9,106	12,654	16,269	18,537
Growth (% y/y)	-13.5%	39.0%	28.6%	13.9%
COGS	(8,254)	(11,010)	(13,584)	(15,478)
Gross Profit	852	1,644	2,684	3,059
Gross Margin	9.4%	13.0%	16.5%	16.5%
Operating Expenses	(844)	(1,043)	(1,461)	(1,672)
EBIT	8	601	1,223	1,386
EBIT Margin	0.1%	4.7%	7.5%	7.5%
Depreciation	734	834	910	975
EBITDA	742	1,434	2,133	2,362
EBITDA Margin	8.1%	11.3%	13.1%	12.7%
Interest Expenses	(319)	(608)	(484)	(409)
EBT	237	454	1,012	1,345
Income Tax	(172)	(318)	(273)	(416)
Minority Interest	(0)	(0)	(0)	(0)
Net Profit	65	137	740	929
Growth (% y/y)	N/A	N/A	N/A	25.6%
Net Profit Margin	0.7%	1.1%	4.5%	5.0%

BALANCE SHEET

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Cash	7,623	5,551	5,482	5,653
Receivables	834	971	901	978
Inventories	1,388	1,258	1,347	1,451
Total Current Assets	10,630	9,002	8,697	9,067
Net Fixed Assets	14,612	15,692	16,410	17,527
Other Non Current Assets	4,739	5,320	5,443	5,685
Total Assets	29,982	30,014	30,549	32,280
Payables	586	806	911	977
ST Borrowing	2,687	2,716	2,370	2,546
Other Current Liab.	1,079	2,030	1,362	1,684
LT Debt	6,649	5,298	5,924	6,210
Other Non Current Liab.	571	674	753	704
Total Liabilities	11,573	11,524	11,320	12,121
Shareholders' Equity	6,338	6,338	6,338	6,338

CASH FLOW STATEMENT

In IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Net Income	65	137	740	929
Deprec & Amortization	734	834	910	975
Chg. In Working Capital	304	581	(327)	188
CFO	1,103	1,551	1,322	2,092
Capex	(1,219)	(2,365)	(1,628)	(2,093)
CFI	(1,469)	(3,063)	(1,671)	(2,384)
Dividends Paid	-	-	-	-
Net Borrowing (PMT)	(27)	(568)	280	463
CCF	(27)	(568)	280	463
Net Changes in Cash	(393)	(2,080)	(69)	171

OWNERSHIP

By Geography	% Shareholders	%	
Indonesia	94.5	Republic of Indonesia	65.0
United States	5.0	Dimensional Fund Adv	1.5
Ireland	0.2	Vanguard Group	1.3
United Kingdom	0.2	Blackrock Fund	0.6

PROFITABILITY & STABILITY

	2016/12A	2017/12A	2018/12E	2019/12E
ROE	0.4%	0.7%	3.9%	4.7%
ROA	0.2%	0.5%	2.4%	3.0%
ROIC	0.0%	3.6%	5.2%	5.9%
EBITDA/Equity	4.0%	7.8%	11.3%	12.0%
EBITDA/Assets	2.5%	4.8%	7.0%	7.5%
Cash Dividend (IDR bn)	0.0%	0.0%	0.0%	0.0%
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%
DER	62.9%	62.3%	58.9%	60.1%
Net Gearing	72.2%	71.6%	67.2%	68.2%
LT Debt to Equity	104.9%	83.6%	93.5%	98.0%
Capitalization Ratio	62.2%	61.3%	60.4%	62.2%
Equity Ratio	61.4%	61.6%	62.9%	62.4%
Debt Ratio	34.7%	33.5%	31.6%	32.3%
Financial Leverage	164.3%	162.6%	160.6%	159.5%
Current Ratio	244.2%	162.1%	187.3%	174.2%
Quick Ratio	226.2%	140.1%	166.5%	155.2%
Cash Ratio	175.2%	100.0%	118.1%	108.6%
Cash Conversion Cycle	66.2	46.8	32.9	29.2
Par Value (IDR)	100	100	100	100
Total Shares (mn)	24,031	24,031	24,031	24,032
Share Price (IDR)	895	625	845	845
Market Cap (IDR tn)	21.5	15.0	20.3	20.3

VALUATION INDEX

	2016/12A	2017/12A	2018/12E	2019/12E
Price /Earnings	331.9x	110.0x	27.5x	21.9x
Price /Book Value	3.4x	2.4x	3.2x	3.2x
Price/Sales	2.4x	1.2x	1.2x	1.1x
PE/EPS Growth	N/A	N/A	N/A	0.9x
EV/EBITDA	32.8x	13.6x	11.5x	10.6x
EV/EBIT	N/A	32.5x	20.0x	18.1x
EV (IDR bn)	24,300	19,512	24,480	25,094
Sales CAGR (3-Yr)	-6.9%	10.3%	15.6%	26.7%
EPS CAGR (3-Yr)	-43.3%	-156.8%	-180.1%	142.9%
Basic EPS (IDR)	2.70	5.68	30.78	38.67
Diluted EPS (IDR)	2.70	5.68	30.78	38.67
BVPS (IDR)	264	264	264	264
Sales PS (IDR)	379	527	677	771
DPS (IDR)	-	-	-	-

DCF, RIM & EVA

	2016/12A	2017/12A	2018/12E	2019/12E
DCF (IDR bn)				
NOPAT	14	1,021	1,552	1,815
+Depr./Amor.	734	834	910	975
-CAPEX	(1,219)	(2,365)	(1,628)	(2,093)
-Incr. (Decr.) in Working Cap.	304	581	(327)	188
(Unlevered) FCFF	(167)	70	507	885
WACC				
Cost of Debt (Tax Adj.)	5.4%	4.3%	4.5%	4.5%
Cost of Equity (COE)	9.4%	6.8%	6.8%	6.8%
WACC (%)	8.1%	5.8%	6.0%	6.0%
RIM				
Spread (FROE-COE) (%)	-9.0%	-6.0%	-2.9%	-2.2%
Residual Income (IDR)	(1,663)	(1,115)	(562)	(435)
Equity Charge	1,728	1,252	1,302	1,365
EVA				
Invested Capital (IDR bn)	28,825	28,534	28,885	30,599
ROIC-WACC (%)	-8.0%	-2.2%	-0.7%	-0.1%
EVA (IDR bn)	(2,313)	(633)	(195)	(24)

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