



Key Indices

|                        | Prev Close | 1D %  | 1W %  | 1M %   | YTD %  |
|------------------------|------------|-------|-------|--------|--------|
| DJIA                   | 51850.6    | 0.4   | 1.1   | (1.4)  | 7.9    |
| S&P 500                | 7807.2     | (0.1) | 0.4   | 2.0    | 14.0   |
| FTSE 100               | 10656.3    | 1.0   | 1.5   | 0.1    | 7.3    |
| AS30                   | 8937.0     | 0.7   | 0.9   | 0.2    | (0.9)  |
| CSI 300                | 4288.0     | (0.7) | (1.2) | (4.9)  | (7.4)  |
| FSSTI                  | 5415.5     | 0.3   | (4.4) | (4.9)  | 16.6   |
| HSCEI                  | 8168.6     | 0.3   | 1.5   | (0.9)  | (8.4)  |
| HSI                    | 24271.2    | 0.2   | 1.0   | (2.2)  | (5.3)  |
| JCI                    | 5936.1     | (2.6) | (3.0) | (9.3)  | (31.3) |
| KLCI                   | 1618.0     | 0.6   | (0.8) | (4.1)  | (3.7)  |
| KOSPI                  | 6384.2     | (3.6) | (8.4) | (7.6)  | 51.5   |
| Nikkei 225             | 69030.9    | (0.0) | 1.1   | 7.8    | 37.1   |
| SET                    | 1571.7     | (0.4) | (0.3) | (1.2)  | 24.8   |
| TWSE                   | 49302.0    | (0.0) | 1.7   | 6.7    | 70.2   |
| BDI                    | 2852       | (2.2) | (7.1) | (18.7) | 51.9   |
| CPO (RM/mt)            | 4472       | 1.4   | 2.5   | (4.2)  | 13.7   |
| Brent Crude (US\$/bbl) | 107        | 1.8   | 6.3   | 2.0    | 75.3   |

Source: Bloomberg

Corporate Events

|                                                                                | Venue     | Begin  | Close  |
|--------------------------------------------------------------------------------|-----------|--------|--------|
| Virtual Sharing Session on Global Vegetable Oil Markets with S&P Global Energy | Singapore | 19 Oct | 19 Oct |
| Hybrid Small & Mid-Caps Corporate Day                                          | Singapore | 21 Oct | 21 Oct |

Top Stories

Company Update | Aneka Tambang (ANTM IJ/BUY/Rp3,050/Target: Rp4,100)

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- ANTM's earnings outlook is supported by recovering gold margins, driven by lower inventory exposure, broader domestic sourcing, and stronger gold prices. The company also benefits from a higher nickel ore quota, while ferronickel and bauxite volumes are set to increase further in 2027 following the commissioning of the Halmahera FeNi plant and Mempawah alumina project. Meanwhile, SGAR continues to provide stable downstream earnings contributions. We maintain BUY with a target price of Rp4,100, reflecting stronger earnings visibility and growth prospects.

Technical Analysis

Semen Indonesia | SMGR IJ

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- Trading Buy Range: We have a technical Buy at Rp1,635, and take profit at Rp1,750.

Charoen Pokphand Indonesia | CPIN IJ

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- Trading Buy Range: We have a technical Buy at Rp3,010, and take profit at Rp3,190.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

# Aneka Tambang (ANTM IJ)

Margins Recovering, Growth Pipeline Intact

## Highlights

- **Gold margin recovery remains the key earnings driver.** Lower inventory exposure, broader domestic sourcing, and stronger gold prices should support margin improvement in 2H26 despite softer sales volumes.
- **Nickel and bauxite growth outlook remains intact.** Higher nickel ore quotas support 2026 production, while the ramp-up of the Halmahera FeNi plant and Mempawah project should drive stronger nickel ore, ferronickel, and bauxite volumes in 2027.
- **Maintain BUY with a higher target price of Rp4,100 (from Rp3,500 previously).** We remain positive on ANTM's long-term growth pipeline, supported by solid downstream earnings contributions from PMR, HPAL, RKEF, and SGAR.

## Analysis

- **Gold margin to recover as inventory normalises.** Following the 2Q26 gold price correction, margins were pressured by roughly 6 tonnes of inventory (~two months of supply). Management has since reduced inventory targets to 15 days each for finished goods and raw materials. Broader sourcing from Freeport, Amman Minerals Internasional (AMMN), Merdeka Copper Gold (MDKA), Bumi Resources Minerals (BRMS), J Resources Asia Pasifik (PSAB), and Agincourt, together with higher domestic gold availability, should support feedstock security and margin recovery. We forecast 2026 gold sales of 31.2 tonnes (-9% yoy), with lower volumes offset by a 40% yoy increase in gold prices.
- **Higher nickel ore quota supports 2026 volume outlook.** The 2026 nickel ore quota has been revised up by almost 900,000t from 18.1mt, bringing the approved total to 19mt. Nickel ore production is running at 1.5-1.6mt per month, with July-August averaging 1.5mt per month, while 3Q26's volume is higher than that of 2Q26.
- **Higher nickel ore and bauxite production in 2027.** Nickel ore production is expected at 18-20mt in 2027, subject to RKAB approval. Ferronickel production is expected to increase significantly, supported by the commissioning of the Halmahera FeNi plant in 4Q26. Bauxite production is expected to increase by more than 50%, following the commissioning of the Mempawah project in 1Q27, which will replace Tayan. Tayan's volumes can be redirected to other smelters. No additional quota has been confirmed for Weda Bay, in which ANTM holds a 10% stake.

## Key Financials

| Year to 31 Dec (Rpb)          | 2024   | 2025   | 2026F   | 2027F   | 2028F   |
|-------------------------------|--------|--------|---------|---------|---------|
| Net turnover                  | 69,192 | 84,642 | 107,136 | 112,993 | 122,087 |
| EBITDA                        | 4,286  | 9,369  | 14,975  | 16,310  | 18,217  |
| Operating profit              | 2,998  | 8,395  | 14,359  | 15,683  | 17,576  |
| Net profit (rep./act.)        | 3,647  | 7,209  | 11,234  | 12,330  | 13,610  |
| Net profit (adj.)             | 3,647  | 7,209  | 11,234  | 12,330  | 13,610  |
| EPS (x)                       | 152    | 300    | 467     | 513     | 566     |
| PE (x)                        | 20,1   | 10,2   | 6,5     | 5,9     | 5,4     |
| P/B (x)                       | 2,3    | 2,1    | 1,8     | 1,6     | 1,4     |
| EV/EBITDA (x)                 | 16,2   | 7,5    | 4,6     | 4,3     | 3,7     |
| Dividend yield (%)            | 4,2    | 5,0    | 6,9     | 10,7    | 11,8    |
| Net margin (%)                | 5,3    | 8,5    | 10,5    | 10,9    | 11,1    |
| Net debt/(cash) to equity (%) | (14,8) | (11,5) | (14,6)  | (13,1)  | (20,2)  |
| UOBKH/Consensus (x)           | -      | -      | 1,0     | 1,1     | 1,1     |

Source: ANTM, Bloomberg, UOB Kay Hian

## Analyst(s)

**Benyamin Mikael**

benyaminm@kh.co.id  
+6221 2993 3914

**Alden Gabriel Lam**

aldengabriel@kh.co.id  
+6221 2993 3970

## BUY (Maintained)

|              |         |
|--------------|---------|
| Share Price  | Rp3,050 |
| Target Price | Rp4,100 |
| Upside       | +34,4%  |
| Previous TP  | Rp3,500 |

## Stock Data

|                                |           |
|--------------------------------|-----------|
| Sector                         | Materials |
| Bloomberg ticker               | ANTM IJ   |
| Shares issued (m)              | 24,030    |
| Market cap (Rpb)               | 74.495    |
| Market cap (US\$m)             | 4.159     |
| 3-mth avg daily t'over (US\$m) | 17,3      |

## Price Performance (%)

| 52-week high/low |      |        |       |       |
|------------------|------|--------|-------|-------|
| Rp3,990/Rp2,560  |      |        |       |       |
| 1mth             | 3mth | 6mth   | 1yr   | YTD   |
| (5,2)            | 6,9  | (16,4) | (6,3) | (1,6) |

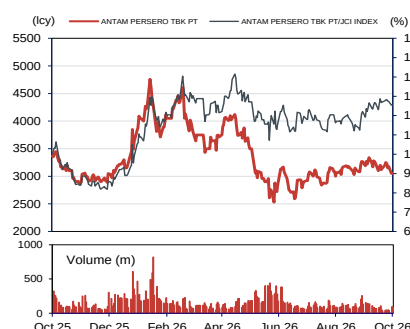
## Major Shareholders (%)

|        |      |
|--------|------|
| Inalum | 65,0 |
|--------|------|

## Balance Sheet Metrics

|                          |        |
|--------------------------|--------|
| FY26 NAV/Share (Rp)      | 1,504. |
| FY26 Net Debt/Share (Rp) | 235.   |

## Price Chart



Source: Bloomberg

## Company Description

Aneka Tambang is an Indonesian mining company that primarily produces gold and nickel. With its operations spread across the country, it undertakes activities from exploration, excavation and processing to marketing for various types of ores.

- **Project pipeline focused on precious metal refinery (PMR) facility, HPAL, and ferronickel smelter.** The Gresik precious metals manufacturing facility is 100% owned, with a capacity of 5m minted bars and coins per shift. Estimated investment is US\$70m, with feedstock to be sourced from Freeport, AMMN, MDKA, and other long-term contracted vendors.

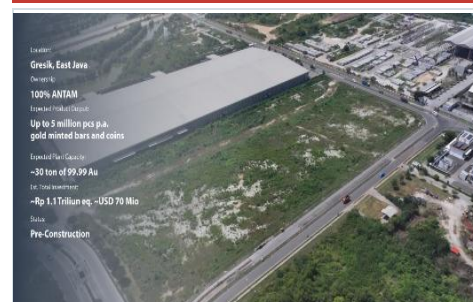
The high pressure acid leaching (HPAL) project, in which ANTM holds a 30% stake, targets mixed hydroxide precipitate (MHP) production of 55,000t Ni p.a. and is currently undergoing basic design and investment plan review. The final investment decision (FID) may be delayed due to sulphuric acid costs and project economics, with commercial operation date (COD) targeted for 1Q29.

The RKEF project, comprising eight lines with a total capacity of 88,000t Ni p.a., is under active construction. Early works are 80-95% complete, although overall project progress is only 15% vs the target schedule. Construction of the jetty and power plant is ongoing, with COD targeted for 1Q28.

The EV ecosystem project with IBC and Huayou has been restructured from the former LG Group with a new strategic partner and is currently in the pre-development stage, including due diligence and preparation of the definitive agreement. The FID timing has yet to be announced.

- **SGAR continues to deliver solid downstream earnings.** For smelter-grade alumina, Borneo Alumina Indonesia (BAI) recorded 1H26 sales of 350,000 tonnes, which is equivalent to 50% of its 2026 target of 700,000 tonnes. Inalum accounted for 65% of the customer mix. The operation generated Rp644.1b of net profit in 1H26, implying an annualised ROE of 29%. As a 40%-owned associate, SGAR contributed Rp257.6b to ANTM's earnings in 1H26, equivalent to around 4% of ANTM's consolidated net profit.

## Gresik Precious Metal Manufacturing Plant



Source: UOB Kay Hian

## Smelter Grade Alumina Refinery Plant



Source: UOB Kay Hian

## Valuation/Recommendation

- **Maintain BUY with a higher target price of Rp4,100** (previously Rp3,500), based on 5.8x 2027F EV/EBITDA, equivalent to -0.5SD to its four-year historical average (previously based on +0.5SD above its historical average). ANTM is attractively trading near -1SD to its four-year mean.

## Earnings Revision/Risk

- **We raise our 2026 earnings forecast by 80.8%**, mostly reflecting gross margin expansion on the back of higher gold and nickel price assumptions.

## Earnings Revision

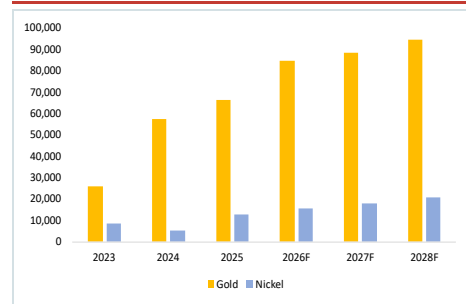
|                                 | New     |         | Old    |         | % Chg |       |
|---------------------------------|---------|---------|--------|---------|-------|-------|
| (Rpb)                           | 2026F   | 2027F   | 2026F  | 2027F   | 2026F | 2027F |
| Gold Price (US\$/oz)            | 4,300   | 4,300   | 3,800  | 3,952   | 13.2  | 8.8   |
| Nickel Ore Price (US\$/wmt)     | 55.0    | 56.1    | 45.0   | 42.0    | 22.2  | 33.6  |
| Gold Sales Volume (m oz)        | 1.1     | 1.1     | 1.3    | 1.3     | -13.7 | -12.8 |
| Nickel Ore Sales Volume (m wmt) | 16.0    | 17.6    | 15.0   | 16.5    | 6.7   | 6.7   |
| Revenue                         | 107,136 | 112,993 | 87,242 | 106,240 | 22.8  | 6.4   |
| Gross Profit                    | 20,302  | 21,990  | 13,151 | 14,948  | 54.4  | 47.1  |
| Operating Profit                | 14,359  | 15,683  | 8,790  | 10,306  | 63.4  | 52.2  |
| Net Profit                      | 11,234  | 12,330  | 6,263  | 7,397   | 79.4  | 66.7  |
| Margin (%)                      |         |         |        |         |       |       |
| Gross Margin                    | 18.9    | 19.5    | 15.5   | 16.8    |       |       |
| Operating Margin                | 13.4    | 13.9    | 9.6    | 9.7     |       |       |
| Net Margin                      | 10.5    | 10.9    | 6.8    | 7.0     |       |       |

Source: UOB Kay Hian

## Share Price Catalyst

- a) Gold margin recovery, b) increase in nickel and bauxite production.

## Gold & Nickel Revenue



Source: UOB Kay Hian

## Four-year EV/EBITDA Band



Source: UOB Kay Hian

## Profit & loss

| Year to 31 Dec (Rpb)          | 2025    | 2026F   | 2027F   | 2028F   |
|-------------------------------|---------|---------|---------|---------|
| Net turnover                  | 84,642  | 107,136 | 112,993 | 122,087 |
| EBITDA                        | 9,369   | 14,975  | 16,310  | 18,217  |
| Deprec. & amort.              | 974     | 615     | 628     | 641     |
| EBIT                          | 8,395   | 14,359  | 15,683  | 17,576  |
| Total other non-op. income    | 922     | 200     | 202     | 204     |
| Associate contributions       | 183     | 800     | 824     | 849     |
| Net interest income/(expense) | 247     | 465     | 659     | 543     |
| Pre-tax profit                | 9,747   | 15,825  | 17,368  | 19,172  |
| Tax                           | (1,827) | (3,481) | (3,821) | (4,218) |
| Minorities                    | (712)   | (1,109) | (1,217) | (1,343) |
| Net profit                    | 7,209   | 11,234  | 12,330  | 13,610  |
| Net profit (adj.)             | 7,209   | 11,234  | 12,330  | 13,610  |

## Cash flow

| Year to 31 Dec (Rpb)             | 2025    | 2026F   | 2027F   | 2028F   |
|----------------------------------|---------|---------|---------|---------|
| Operating                        | 6,053   | 6,594   | 11,840  | 12,627  |
| Pre-tax profit                   | 4,614   | 9,747   | 15,825  | 17,368  |
| Tax                              | (761)   | (1,827) | (3,481) | (3,821) |
| Deprec. & amort.                 | 1,277   | 666     | 615     | 628     |
| Working capital changes          | (2,403) | (3,044) | (94)    | (416)   |
| Non-cash items                   | 3,326   | 1,051   | (1,025) | (1,132) |
| Investing                        | (5,347) | (4,377) | (6,101) | (6,197) |
| Capex (growth)                   | (1,273) | (987)   | (1,216) | (1,286) |
| Others                           | (4,074) | (3,390) | (4,885) | (4,911) |
| Financing                        | (5,163) | 1,466   | (5,466) | (8,914) |
| Dividend payments                | (3,078) | (3,647) | (5,046) | (7,864) |
| Proceeds from borrowings         | (2,550) | 4,274   | (1,749) | (2,499) |
| Loan repayment                   |         |         |         |         |
| Others/interest paid             | 464     | 839     | 1,330   | 1,449   |
| Net cash inflow (outflow)        | (4,457) | 3,682   | 273     | (2,484) |
| Beginning cash & cash equivalent | 9,209   | 4,752   | 8,434   | 8,707   |
| Ending cash & cash equivalent    | 4,752   | 8,434   | 8,707   | 6,223   |
| Operating                        | 6,053   | 6,594   | 11,840  | 12,627  |
| Pre-tax profit                   | 4,614   | 9,747   | 15,825  | 17,368  |

## Balance Sheet

| Year to 31 Dec (Rpb)       | 2025   | 2026F  | 2027F  | 2028F  |
|----------------------------|--------|--------|--------|--------|
| Fixed assets               | 14,418 | 14,566 | 14,744 | 14,955 |
| Other LT assets            | 15,090 | 20,448 | 25,858 | 27,337 |
| Cash/ST investment         | 8,434  | 8,707  | 6,223  | 10,532 |
| Other current assets       | 14,588 | 15,231 | 15,833 | 16,757 |
| Total assets               | 52,530 | 58,951 | 62,658 | 69,582 |
| ST debt                    | 1,398  | 69     | 71     | 72     |
| Other current liabilities  | 8,285  | 8,872  | 9,096  | 9,384  |
| LT debt                    | 2,974  | 2,554  | 53     | 53     |
| Other LT liabilities       | 3,273  | 3,339  | 3,406  | 3,474  |
| Shareholders' equity       | 35,298 | 41,707 | 46,405 | 51,628 |
| Minority interest          | 1,302  | 2,411  | 3,628  | 4,971  |
| Total liabilities & equity | 52,530 | 58,951 | 62,658 | 69,582 |

## Key Metric

| Year to 31 Dec (%)        | 2025   | 2026F  | 2027F  | 2028F  |
|---------------------------|--------|--------|--------|--------|
| Profitability             |        |        |        |        |
| EBITDA margin             | 11.1   | 14.0   | 14.4   | 14.9   |
| Pre-tax margin            | 11.5   | 14.8   | 15.4   | 15.7   |
| Net margin                | 8.5    | 10.5   | 10.9   | 11.1   |
| ROA                       | 14.9   | 20.2   | 20.3   | 20.6   |
| ROE                       | 21.6   | 29.2   | 28.0   | 27.8   |
| Growth (% yoy)            |        |        |        |        |
| Turnover                  | 22.3   | 26.6   | 5.5    | 8.0    |
| EBITDA                    | 118.6  | 59.8   | 8.9    | 11.7   |
| Pre-tax profit            | 111.3  | 62.4   | 9.8    | 10.4   |
| Net profit                | 97.7   | 55.8   | 9.8    | 10.4   |
| Net profit (adj.)         | 97.7   | 55.8   | 9.8    | 10.4   |
| EPS                       | 97.7   | 55.8   | 9.8    | 10.4   |
| Leverage                  |        |        |        |        |
| Debt to total capital     | 11.9   | 5.9    | 0.2    | 0.2    |
| Debt to equity            | 12.4   | 6.3    | 0.3    | 0.2    |
| Net debt/(cash) to equity | (11.5) | (14.6) | (13.1) | (20.2) |
| Interest cover (x)        | 50.2   | 53.2   | 156.8  | n.a.   |

### Technical Analysis



#### Analyst(s)

Maskun Ramli, CFTE

maskunramli@kh.co.id

+6221 2993 3915

#### Semen Indonesia SMGR IJ

Technical BUY with 7% potential return

Resistance: Rp1,750, Rp1,840

Support: Rp1,550, Rp1,435

Stop-loss: Rp1,545

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we see potential for more rallies ahead and challenge the resistance at Rp1,750 and Rp1,840. Technical indicator RSI is sloping upwards and back above its midline, while the MACD has just given a bullish signal. Buy at Rp1,635 and take profit at Rp1,750.

Approximate timeframe: 2-4 weeks.



#### Charoen Pokphand Indonesia CPIN IJ

Technical BUY with 6% potential return

Resistance: Rp3,080, Rp3,190

Support: Rp2,900, Rp2,850

Stop-loss: Rp2,900

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead and challenge the resistance at Rp3,080 and Rp3,190. Technical indicator RSI is sloping upwards and is almost back above its midline, while the MACD has just given a bullish signal. Buy at Rp3,010 and take profit at Rp3,190.

Approximate timeframe: 2-4 weeks.

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