

BRMS

PT Bumi Resources Minerals Tbk.

Striking Gold Ahead

- Gold hit ~USD3,680/oz (+39% YTD) on Fed easing, USD weakness, and central-bank demand; we raise 2025 forecast to USD3,300/oz and 2026 to USD3,500/oz.
- BRMS 1H25 revenue +97% YoY to USD120.8 mn; adj. net profit USD36.5 mn (~30% margin). 2Q25 profit slipped 50% QoQ to USD7.4 mn on weaker grades.
- Output guided at 65–75k oz (2025), 75–85k (2026), >160k (2028), with HL additions but ~90% from high-recovery CIL plants.
- We maintain BUY with higher TP of Rp600, valuing BRMS at 8.9x EV/Reserves FY26F. Key risks: softer central-bank demand and delays or cost overruns in underground development.

Central Banks Anchor Gold's Breakout

Gold has surged to record highs of ~USD3,680/oz, up 39.4% YTD, driven by Fed rate cut expectations, a weaker U.S. dollar, and persistent central-bank demand. China remains the anchor buyer, adding 225 tons in 2023, 44 tons in 2024, and 21 tons YTD-2025, taking its reserves to 2,300.4 tons, still well below the ~5,000-ton benchmark seen as appropriate for its economic scale. Poland has also added 287 tons since 2023, underscoring the acceleration of de-dollarisation post-2022 sanctions on Russia. Unlike past cycles where high prices curbed official demand, today's systemic uncertainty – sanctions risk, fiscal fragility, and geopolitical instability – has entrenched gold as a structural hedge. Safe-haven appetite is further supported by weak U.S. labor data (downward NFP revisions), rising unrest in the Middle East, and U.S. trade frictions as President Trump pushes the EU to impose tariffs of up to 100% on China and India. Against this backdrop, we revise up our 2025 average gold price forecast to ~USD3,300/oz (+33% YoY) from USD3,000/oz previously, and project USD3,500/oz in 2026 (+6% YoY), with risks skewed to the upside if Fed easing accelerates or geopolitical tensions persist.

Ore Grade Volatility Weighs on 2Q25 Results

BRMS posted strong 1H25 results with revenue of USD120.8 mn (+97% YoY), operating profit of USD50.2 mn (+209% YoY), and net profit of USD22.3 mn (+136% YoY). Adjusted for one-off costs of USD14.2 mn (CIL disposal, bauxite write-off), net profit would have reached USD36.5 mn, reflecting an ~30% margin. Growth was driven by higher output at 38,993 oz (+46% YoY) and realized gold prices of USD3,045/oz (+38% YoY). On a QoQ basis, earnings softened in 2Q25, with net profit down to USD7.4 mn (-50% QoQ) as grades dipped to 1.4 g/t (1Q25: 1.6 g/t), reducing sales to 17,071 oz (vs. 21,922 oz). Higher prices of USD3,282/oz (+17% QoQ) partly cushioned the impact. While BRMS' two CIL plants in Palu already run at full input capacity of 4,500 tpd, production remains highly sensitive to ore grade.

Funding Needs and Growth Catalysts

BRMS is seeking funding to complete the Poboya underground mine by mid-2027, ramp up 1st CIL capacity, and expand Gorontalo drilling. Management guides 2025 output of 65–75k oz (vs. 64k oz in 2024), rising to 75–85k oz in 2026 and 85–90k oz in 2027, despite pit pushbacks (2Q–3Q25) pressuring near-term grades. By end-2025, BRMS will add 3rd heap leach (HL) plant in Palu, followed by 4th HL plant in Gorontalo by end-2026. Although HL plants monetize low-grade ore (<0.8 g/t) at ~65% recovery, ~90% of output will still come from Palu's high-recovery (>90%) CIL plants that process >1.2 g/t ore. From 4Q27, underground mining will supply much higher grades of ~3.5–4.9 g/t (vs. 1.2–1.8 g/t from current pits), driving a structural lift in production.

Maintain BUY with Higher TP Rp600

We maintain BUY and raise TP to Rp600 (from Rp440), valuing BRMS at 8.9x EV/Reserves FY26F. The re-rating case is underpinned by (i) rising volumes from new HL capacity in 2025–26, (ii) margin uplift from underground ore post-2027, and (iii) macro tailwinds from record-high gold prices. Production is guided at 65–75k oz in 2025, 75–85k oz in 2026, 85–90k oz in 2027, before more than doubling to >160k oz in 2028 and surpassing 230k oz annually from 2029 onward. **Key risks:** softer central-bank demand and delays or cost overruns in underground development.

Key Financial Highlights

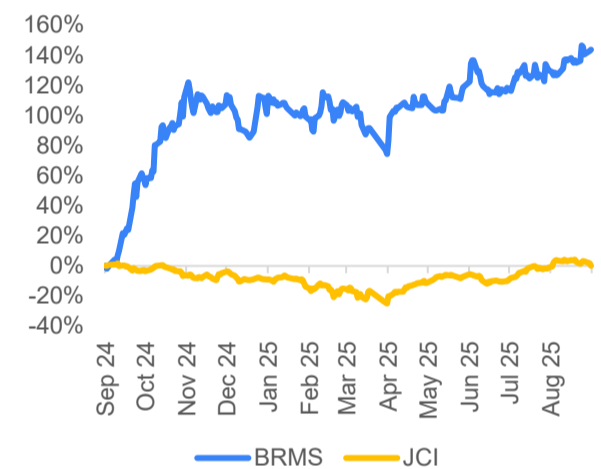
Key Metrics (USD mn)	2023	2024	2025F	2026F	2027F
Revenue	47	162	246	293	315
EBITDA	20	48	89	111	137
Net Profit	14	24	53	71	94
EPS Growth (%)	7.9	76.5	125.1	34.0	31.9
P/E (x)	100.0	151.4	82.8	72.7	55.2
P/BV (x)	1.5	3.7	4.2	4.6	4.3
EV/Reserves (x)	6.8	9.4	8.4	9.9	9.8

BUY

Stock Information (as of September 10, 2025)

Last Price (Rp)	494
Target Price (Rp)	600
Potential Upside	21.5%
Previous TP (Rp)	440
Market Cap (Rp tn)	70.0
52 Week Range (Rp)	550 - 153
Free Float	42.2%

Relative to JCI Performance



Shareholders

BRMS's Shareholders	%
Public	42.15
Emirates Tarian Global Ventures	25.10
1 st Financial Company Ltd	9.55
Sugiman Halim	7.35
PT Bumi Resources Tbk	5.40
PT CGSI Sekuritas Indonesia	5.35
CGSI Securities Singapore	5.10

Company Description

BRMS's Company Profile

PT Bumi Resources Minerals Tbk is an Indonesia-based multi-minerals mining company. Its business units include PT Citra Palu Minerals (CPM), PT Dairi Prima Mineral (DPM), PT Gorontalo Minerals (GM) and PT Linge Mineral Resources. CPM has contract of work rights to an 85,180-hectare (ha) mining concession in Central Sulawesi and South Sulawesi, Indonesia.

Analyst

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Figure 1. BRMS's 1H25 Results

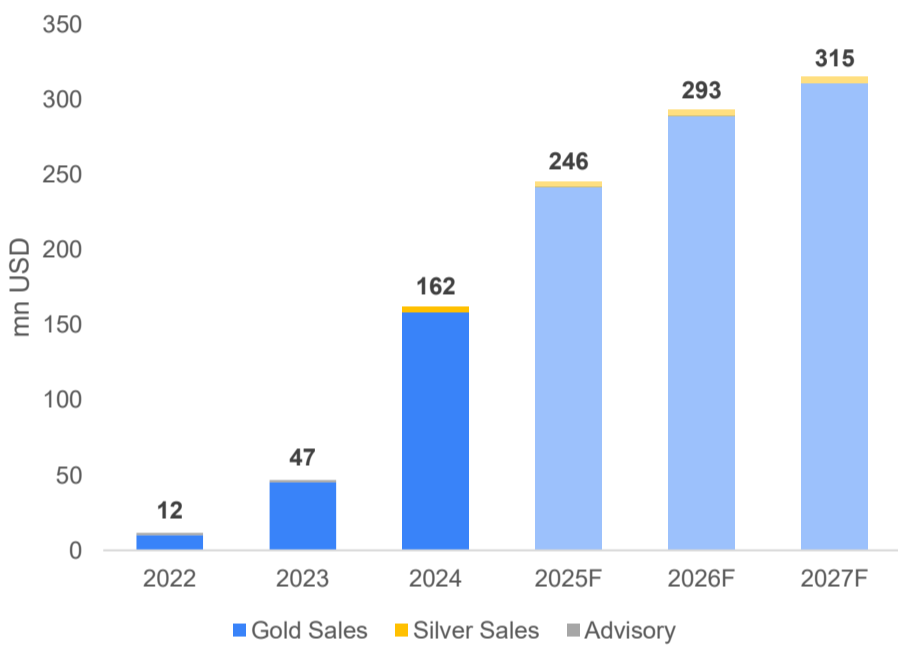
Key Metrics (USD mn)	1H25	1H24	YoY	2Q25	1Q25	QoQ	2Q24	% YoY	2025F
Revenue	121	61	98%	58	63	-8%	41	41%	229
Gross Profit	72	31	132%	36	33	9%	22	64%	123
Gross Margin	60%	51%		62%	52%		54%		
Operating Profit	50	16	213%	23	27	-15%	11	109%	72
Operating Margin	41%	26%		40%	43%		27%		
EBITDA	55	19	189%	25	30	-17%	8	213%	79
EBITDA Margin	45%	31%		43%	48%		20%		
Net Profit	23	9	156%	8	15	-47%	5	60%	53
Net Margin	19%	15%		14%	24%		12%		

Operational Metrics

Gold Sold (toz)	38,993	26,744	46%	17,071	21,922	-22%	17,121	0%	75,256
Gold ASP (Tni)	3,045	2,209	38%	3,282	2,809	17%	2,336	40%	2,988

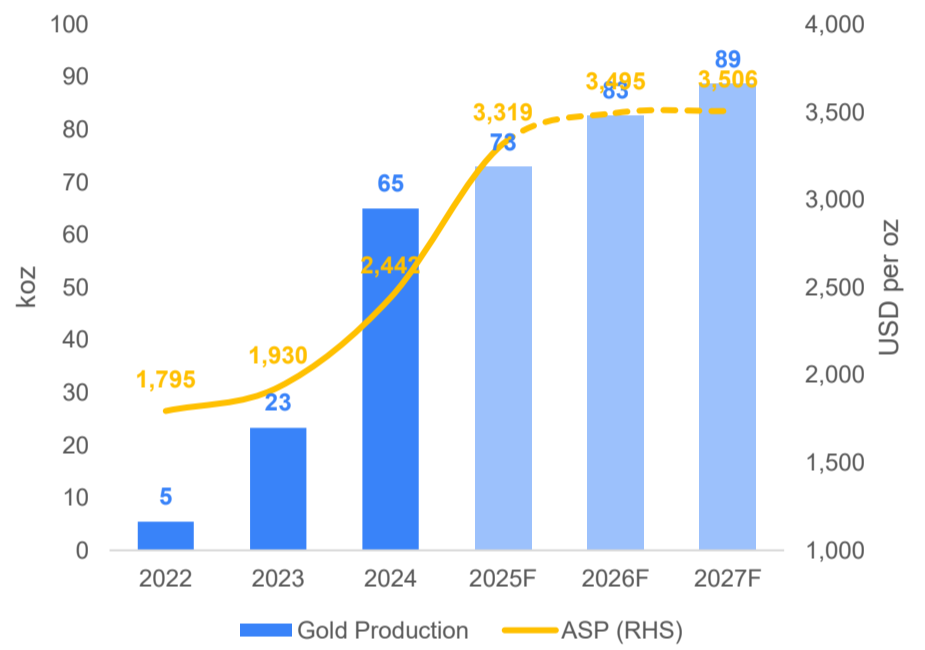
Source: Company, Ajaib Research

Figure 2. Revenue Breakdown



Source: Company, Ajaib Research

Figure 3. Gold Production & ASP



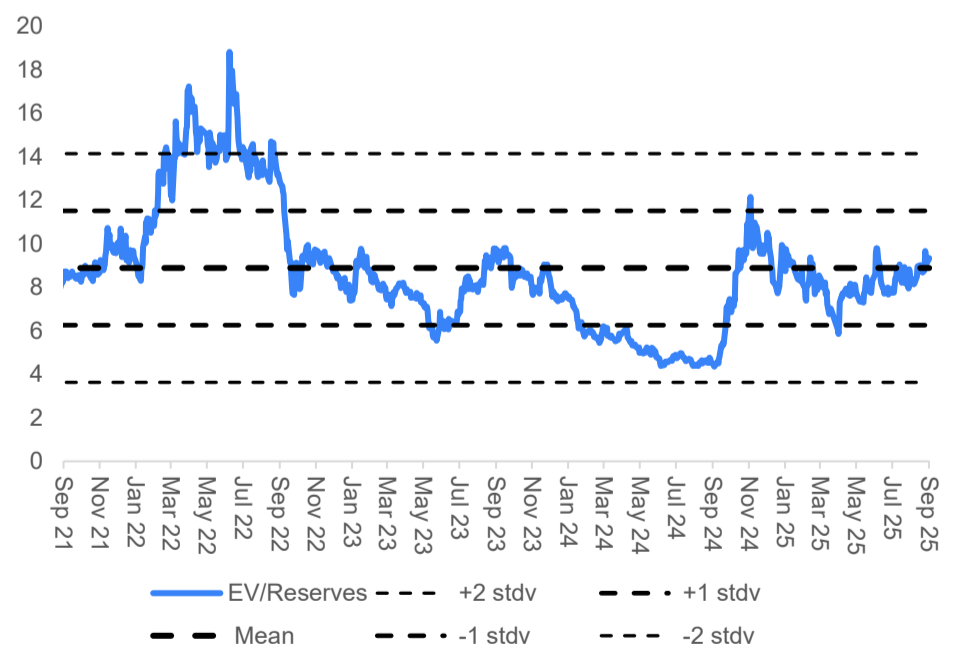
Source: Company, Ajaib Research

Figure 4. Cash Cost & Cash Margin Projection



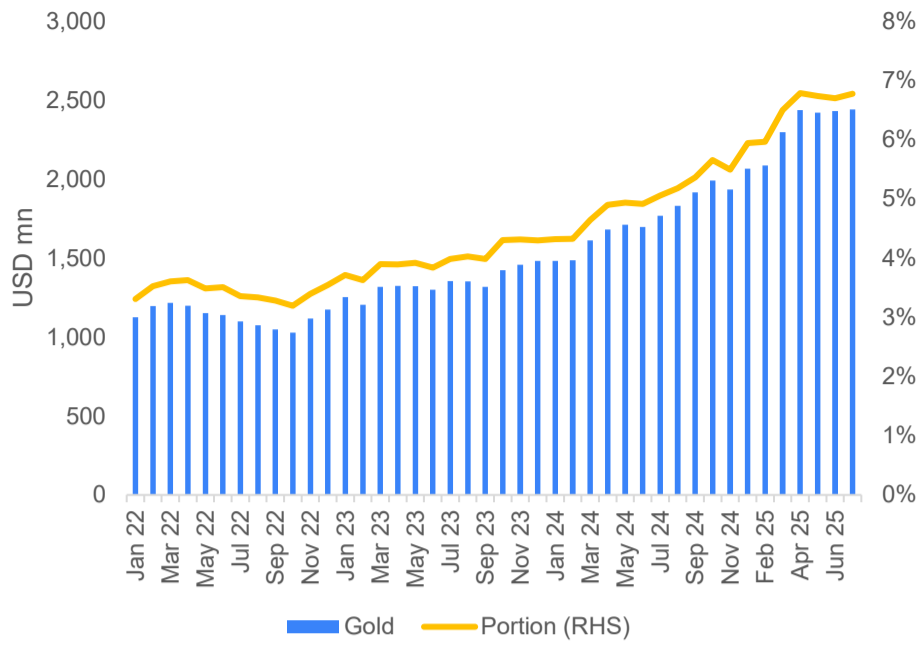
Source: Company, Ajaib Research

Figure 5. BRMS's Forward EV/Reserve Band



Source: Bloomberg, Ajaib Research

Figure 6. PBoC Gold Reserve Assets



Source: PBoC, Ajaib Research

Figure 7. Historical Gold Price Trend



Source: Bloomberg, Ajaib Research

Figure 8. BRMS's Underground Mining Development



Source: Company

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:

The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

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