

NCKL

PT Trimegah Bangun Persada Tbk

Momentum Building

- LME stockpiles up +27.1% YTD; LME price down -0.5% YTD to USD15,374/t amid oversupply and EV demand slowdown.
- KPS Phase 1 (185ktpa) reached full capacity in Mar-25; GTS mine targets 2H25 start; CKM Quicklime plant 42% complete (USD70m capex).
- HPAL sales hit 30,263 tons Ni (+93.2% YoY); FeNi at 43,873 tons Ni (+38.9% YoY); revenue Rp7.1tn (+18.1% YoY), EBITDA Rp3.1tn (+46.3% YoY).
- BUY NCKL, TP Rp900: Valuation at 5.4x FY25F EV/EBITDA (-1 s.d.), backed by margin expansion and downstream leverage via ONC, KPS, ESG.

Nickel Struggles with Surplus, Demand Questions Loom

Nickel prices have fallen sharply, averaging USD15,374/t in YTD 2025 (-8.5% YoY), pressured by a strong US dollar, trade uncertainty, and surging LME inventories. As of July 1, LME nickel stockpiles have increased +27.1% YTD, reaching multi-year highs and further weighing on sentiment. Despite this, LME nickel prices have only declined marginally at -0.5% YTD, signaling continued volatility and uncertain price floor support. Indonesia, which now accounts for over 56% of global nickel output, is considering a 40% production cut to stabilize prices, while the Philippines is actively reforming its mining sector to attract investment and expand capacity. On the demand side, slower EV adoption, growing use of nickel-free battery chemistries, and policy risks—particularly from the US—have dampened short-term outlooks, despite long-term structural demand growth. With China consuming 60% of global nickel, near-term recovery hinges on a rebound in stainless steel and EV sectors, alongside clearer global industrial policy. We forecast the average LME nickel price to soften further to USD15,600/t in 2025F (-8% vs 2024 average).

Projects on Track, Capacity Expanding

NCKL marked substantial progress in its expansion projects during 1Q25, particularly in processing and mining developments. The KPS RKEF (Rotary Kiln-Electric Furnace) project, consisting of 12 production lines and 185,000 tons of annual nickel capacity, achieved full capacity on all Phase 1 lines by March 2025. The GTS mining site is advancing towards a 2H25 production start, with over 1,800 drill holes across 438Ha explored and ore to be transported 68km to processing plants. Additionally, the company's Quicklime Plant under CKM reached 42% construction completion with a USD70 million investment, vital for reducing reliance on external raw materials. These initiatives collectively strengthen vertical integration and production resilience, enhancing NCKL's long-term growth trajectory.

New Assets Drive Volumes and Profitability

1Q25 results reflect significant gains driven by capacity additions. The ONC (HPAL) facility, which began operations in April 2024 and reached full output by August 2024, alongside the launch of KPS—the Group's third RKEF smelter—in January 2025 (with Phase 1 reaching full capacity by March), contributed a surge in HPAL sales volumes to 30,263 tons (-10.0% QoQ; +93.2% YoY) and growth in FeNi sales volumes to 43,873 tons (+50.4% QoQ; +38.9% YoY). KPS Phase 1 alone contributed 11,793 tons of FeNi sales in the quarter. Revenue climbed to Rp7.1tn (+8.2% QoQ; +18.1% YoY), while gross profit and EBITDA rose to Rp2.1tn (+17.7% QoQ; +29.9% YoY) and Rp3.1tn (+35.9% QoQ; +46.3% YoY), respectively, supported by improved margins due to stronger nickel prices.

BUY Rating: Target Rp900

We initiate a BUY on NCKL with a target price of Rp950, implying 5.4x FY25F EV/EBITDA (-1 s.d. below historical average), supported by ramping operations, expanding margins, and integrated exposure across the nickel value chain. With ONC and KPS reaching full run-rate and projects like PTV, CKM, and ESG adding downstream leverage, NCKL is well-positioned for long-term EV-driven growth. **Key risk:** prolonged nickel oversupply and project delays, strong EBITDA visibility underpins our positive medium-term outlook.

Key Financial Highlights

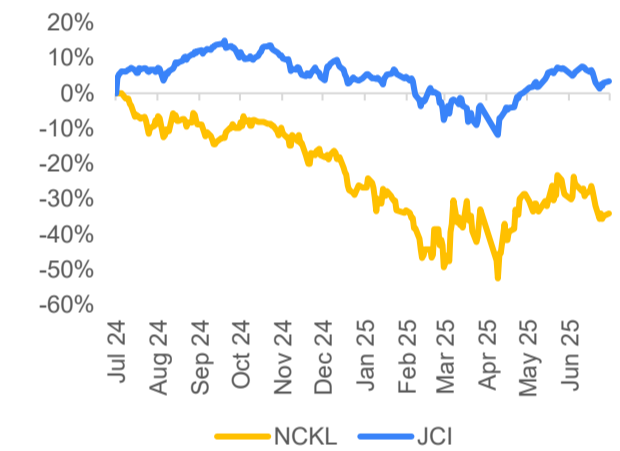
Key Metrics	2022	2023	2024	2025F	2026F
Revenue (Rp bn)	9,568	23,858	26,965	31,961	32,779
EBITDA (Rp bn)	4,681	8,102	9,070	10,758	10,607
Net Profit (Rp bn)	4,667	5,619	6,380	7,968	8,149
EPS Growth (%)	137.1	20.4	13.5	24.9	2.3
P/E (x)	13.52	11.23	7.47	7.52	7.36
P/BV (x)	4.43	2.22	1.31	1.31	1.11
EV/EBITDA (x)	4.57	4.02	4.50	4.05	4.40

BUY

Stock Information (as of July 1, 2025)

Last Price (Rp)	660
Target Price (Rp)	950
Potential Upside	+43.9%
Market Cap (Rp tn)	41.6
52 Week Range (Rp)	1,025 – 530
Free Float	14.4%
Share Out. (bn)	63.1
Beta	1.2

Stock Performance Comparison vs JCI



Shareholders

NCKL's Shareholders	%
PT Harita Jayaraya	84.69
Public	14.44
Others	0.87

Company Description

NCKL's Company Profile

PT Trimegah Bangun Persada Tbk (NCKL) is an Indonesia-based company. The Company is engaged in nickel mining and processing/refining nickel ore and its associated minerals based on a Mining Business Permit (IUP) for the production and operation of DMP Nickel (and its associated minerals). Its segments include Nickel Processing and Nickel Mining.

Analyst

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INVESTMENT SUMMARY

NCKL continues to build operational momentum, supported by new capacity and rising sales volumes. In 1Q25, FeNi sales reached 43,873 tons (+38.9% YoY) and HPAL sales hit 30,263 tons (+93.2% YoY), driven by the ramp-up of the ONC facility and full commissioning of KPS Phase 1 (185ktpa) in March 2025. These operational milestones lifted 1Q25 revenue to Rp7.1tn (+18.1% YoY) and EBITDA to Rp3.1tn (+46.3% YoY). For FY25F, we project revenue to grow to Rp31.96tn (+18.5% YoY) and EBITDA to reach Rp10.8tn (+18.6% YoY), supported by higher utilization across ONC and KPS, and further margin expansion from economies of scale and integration benefits. We estimate FY25F EBITDA margin to stable at 33.7% (vs 33.6% in FY24), with net profit projected at Rp7.97tn (+24.9% YoY), assuming stable operations and continued downstream contribution.

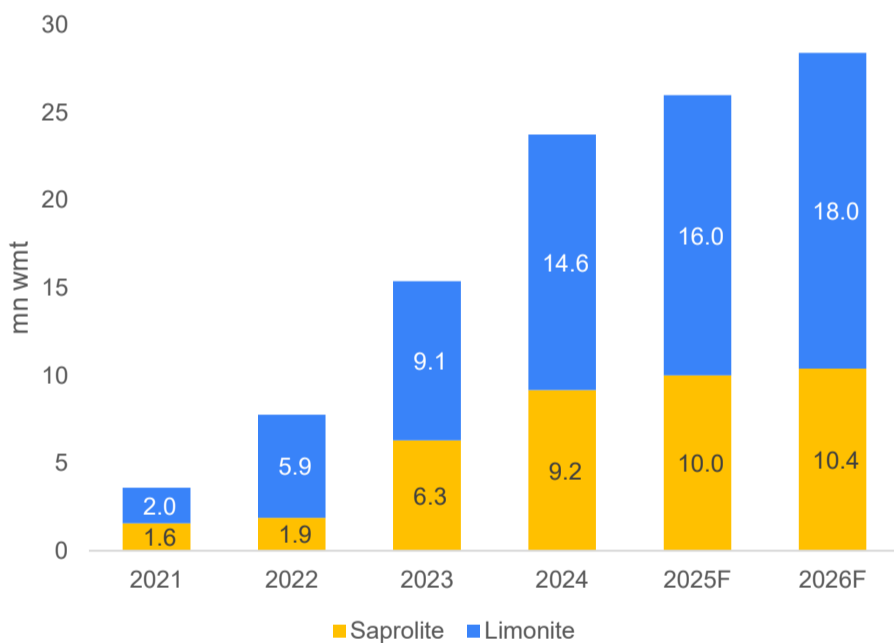
We initiate our BUY rating on NCKL with a target price of Rp950, implying 5.4x FY25F EV/EBITDA (-1 s.d. below historical average). Despite macro headwinds—LME nickel inventories up +27.1% YTD and price softening to USD15,374/t—NCKL’s execution across mining (GTS mine, 2H25 start), processing (ONC, KPS), and upstream chemical plants (CKM, 42% complete with USD70m capex) reinforces long-term earnings visibility. We see the company strategically positioned to absorb near-term price volatility and capture long-term EV demand, especially as ESG and PTV come online. Risks include prolonged global nickel surplus and project hurdles, but NCKL’s strong balance sheet, expanding EBITDA base, and integrated operations underpin our constructive outlook.

Figure 1. NCKL’s Expansion

Project	Type	Capacity/Output	Progress/Status	Start/Target Date	Notes
KPS RKEF Smelter – Phase 1	Nickel Smelter (FeNi)	4 lines, 60,000 tons Ni/year	100% complete, full capacity by Mar 2025	Started 1Q25	Part of 12-line, 185k tons/year facility
KPS RKEF Smelter – Total	Nickel Smelter (FeNi)	12 lines, 185,000 tons Ni/year	Phase 1 operational (4 lines)	-	Supports long-term FeNi output growth
GTS Mining Site	Nickel Mine	1,809 drill points across 438Ha	In preparation phase	Production in 2H25	Ore transported ~68 km via tug and barge
CKM Quicklime Plant	Supporting Facility	Estimated 1:2 ratio (lime to limestone)	42% complete	Operation by end-2025	USD70 million investment, reduces dependency on lime imports

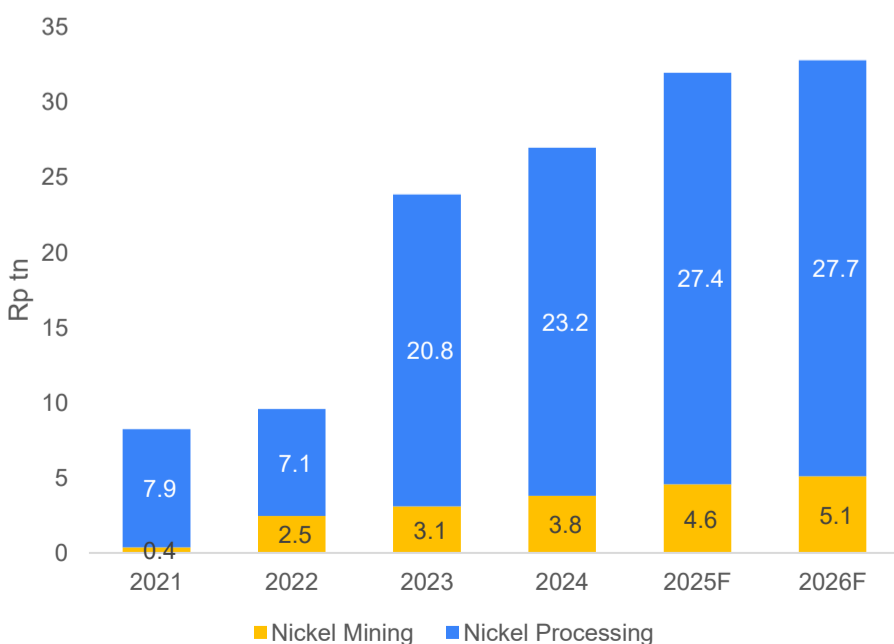
Source: Company, Ajaib Research

Figure 2. Nickel Ore Sales Volume



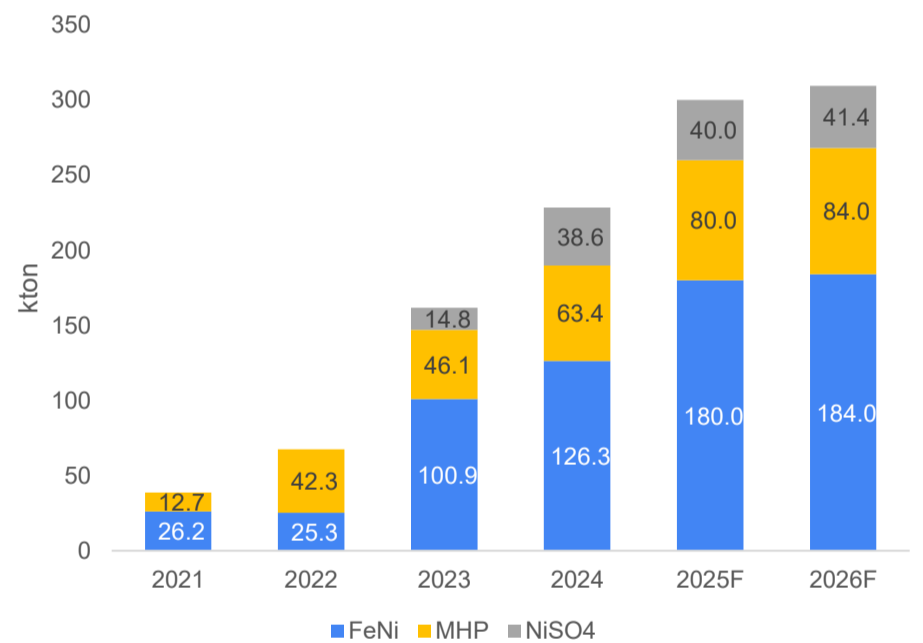
Source: Company, Ajaib Research

Figure 4. NCKL’s Revenue Breakdown



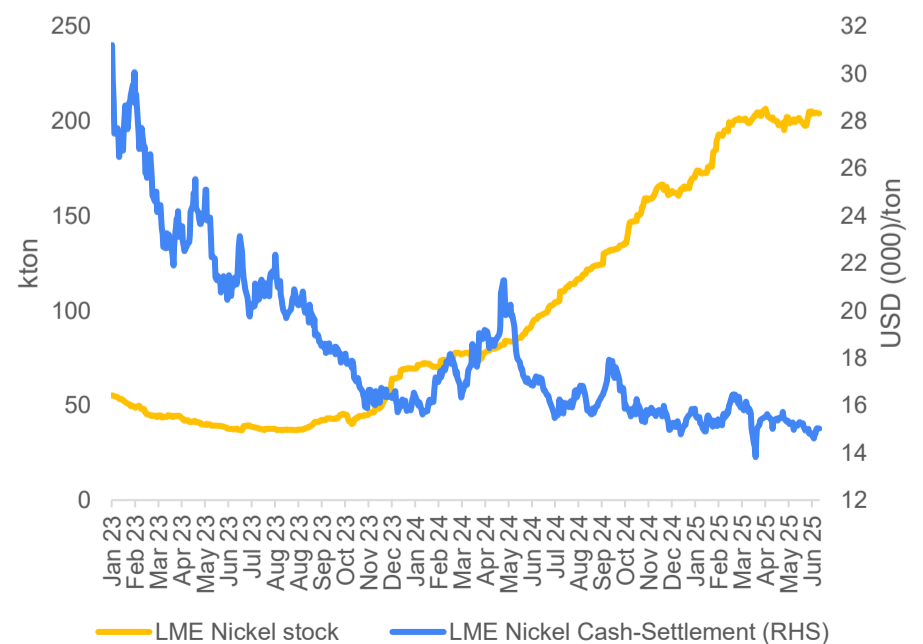
Source: Company, Ajaib Research

Figure 3. HPAL & RKEF Sales Volume



Source: Company, Ajaib Research

Figure 5. LME Nickel Price & Stock



Source: Bloomberg, Ajaib Research

Figure 6. NCKL's 1Q25 Results

Key Metrics	3M25	3M24	YoY	1Q25	4Q24	QoQ
Revenue	7,128	6,034	18.1%	7,128	6,587	8.2%
Gross Profit	2,101	1,618	29.9%	2,101	1,785	17.7%
Gross Margin	29.5%	26.8%		29.5%	27.1%	
EBITDA	3,115	2,129	46.3%	3,115	2,292	35.9%
EBITDA Margin	43.7%	35.3%		43.7%	34.8%	
Net Profit	1,657	1,001	65.5%	1,657	1,541	7.5%
Net Margin	23.2%	16.6%		23.2%	23.4%	
Sales Volume						
Sapolite	1.78	1.65	7.9%	1.78	4.03	-55.8%
Limonite	3.71	1.97	88.3%	3.71	4.54	-18.3%
MHP	19,837	7,899	151.1%	19,837	23,894	-17.0%
NiSo4	10,426	7,765	34.3%	10,426	9,748	7.0%
FeNi	43,873	31,646	38.6%	43,873	29,167	50.4%

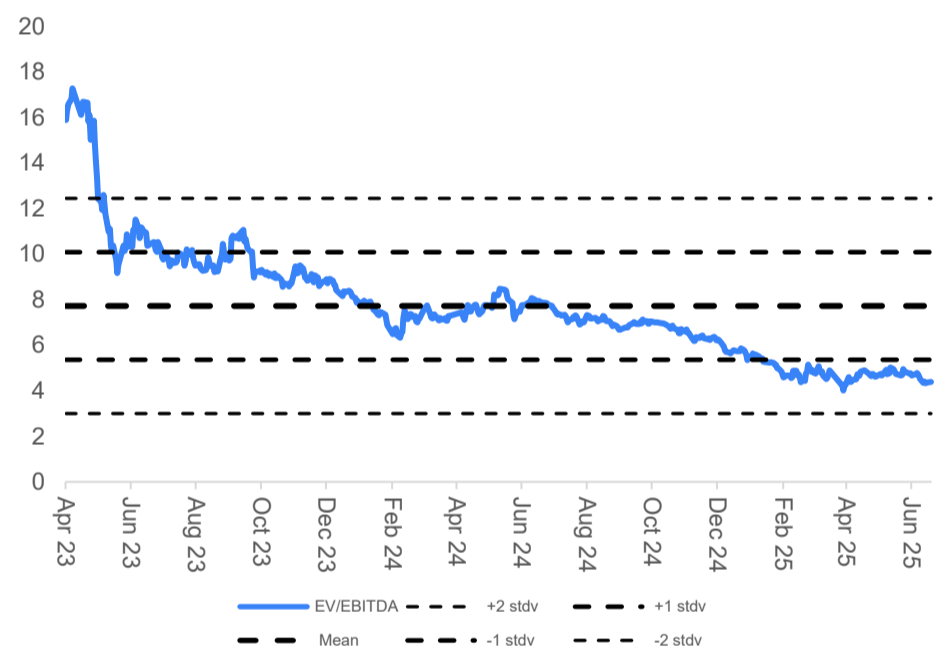
Source: Company, Ajaib Research

Figure 7. Historical Valuation

Key Metrics	Value
-1 Std-Dev. EV/EBITDA Band	5.4
EBITDA 2025F	10,758
Net Debt 2025F	-2,217
Equity Value (Rp bn)	59,888
Target Price (Rp)	950
Current Price (Rp)	660
Potential Upside	43.9%

Source: Bloomberg, Ajaib Research

Figure 8. NCKL's Historical EV/EBITDA Band



Source: Bloomberg, Ajaib Research

Figure 9. Peers Valuation Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	ROA (%)	EPS Growth (%)
INCO	36.36	30.2	0.9	6.2	2.2	1.9	39.5
NCKL	41.65	6.7	1.7	4.6	23.6	15.8	22.4
MBMA	49.68	74.9	1.5	21.5	1.5	2.4	147.9
ANTM	73.05	11.8	1.2	11.6	11.7	8.8	58.9
Sector Average		30.9	1.3	11.0	9.8	7.2	67.2

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (Rp bn)	2022	2023	2024	2025F	2026F	Balance Sheet (Rp bn)	2022	2023	2024	2025F	2026F
Revenue	9,568	23,858	26,965	31,961	32,779	Cash & equivalents	1,277	3,935	6,486	12,789	17,722
Cost of revenue	-4,893	-15,582	-18,518	-21,927	-23,000	Receivables	181	1,243	1,541	2,627	2,694
Gross Profit	4,675	8,276	8,447	10,034	9,779	Inventories	4,087	5,504	5,158	5,331	6,312
OpEx	-692	-1,252	-1,281	-1,345	-1,412	Others	788	1,078	279	306	337
Operating Profit	3,984	7,024	7,166	8,689	8,367	Total Current Assets	6,334	11,759	13,465	21,053	27,066
EBITDA	4,681	8,102	9,070	10,758	10,607	Fixed Assets	20,668	22,350	22,533	22,938	23,235
Other Income (Expenses)	2,941	1,578	2,013	2,114	2,219	Other Non-Current Assets	7,603	11,180	16,256	17,882	19,670
Net Interest Expense	-275	-427	-508	-346	74	Total Non-Current Assets	28,271	33,530	38,789	40,819	42,905
Pre-tax profit	6,650	8,175	8,671	10,456	10,660	Total Assets	34,605	45,289	52,254	61,873	69,971
Income Tax	-812	-1,107	-958	-1,156	-1,178	ST. Debt	117	1,371	1,679	1,641	1,602
Entity Adjustment	-1,248	0	0	0	0	Payables	1,209	1,871	1,246	1,846	1,936
NPAT	4,589	7,068	7,712	9,300	9,482	Other current Liability	8,883	6,064	2,929	2,973	3,017
Net Profit	4,667	5,619	6,380	7,968	8,149	Total Current Liability	10,209	9,306	5,854	6,459	6,555
EPS (Rp)	74	89	101	126	129	LT. Debt	8,309	6,781	9,138	8,931	8,720
						Other LT Liabilities	1,858	809	808	727	655
						Total Non-Current Liability	10,167	7,591	9,946	9,659	9,374
						Total Liability	20,376	16,897	15,800	16,118	15,929
						Retained Earnings	1,617	5,838	12,074	20,042	26,995
						Others	12,612	22,554	24,380	25,713	27,046
						Total Equity	14,229	28,392	36,454	45,755	54,041
						Total LiabilitiesEquity	34,605	45,289	52,254	61,873	69,971
						Key Ratios (%)	2022	2023	2024	2025F	2026F
						Gross Profit Margin	48.9	34.7	31.3	31.4	29.8
						Operating Margin	41.6	29.4	26.6	27.2	25.5
						EBITDA Margin	48.9	34.0	33.6	33.7	32.4
						Pre-Tax Margin	69.5	34.3	32.2	32.7	32.5
						Net Profit Margin	48.8	23.6	23.7	24.9	24.9
						Return on Equity	32.8	19.8	17.5	17.4	15.1
						Debt to Equity	59.2	28.7	29.7	23.1	19.1
						Net Gearing	50.2	14.9	11.9	-4.8	-13.7

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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