

NCKL PT Trimegah Bangun Persada Tbk

Profit Pops on Volume Gains

- Net profit rose 46% YoY in 1H25 to USD 289mn, supported by higher volumes and increased ONC stake.
- HPAL sales jumped 84% YoY, while RKEF and mining also showed strong volume growth.
- KPS Phase II and the quicklime plant are on track to boost capacity and cut input costs.
- Maintain BUY with higher TP of Rp1,100 per share (previous TP: Rp950 per share).

Earnings Soar on Higher Volumes and Strategic Consolidation

NCKL delivered a solid financial performance, marked by increase in revenue to USD705mn (+10% YoY). This growth was largely attributed to higher sales volumes across all business segments, particularly the RKEF and HPAL divisions, which benefited from recent capacity expansions and improved efficiency. Gross profit rose to USD403mn (+24% YoY), while net profit attributable to owners of the parent increased to USD289mn (+46% YoY) above our expectation (Ajaib Research: 51.5%; historical avg: 46.2%). The earnings momentum was supported by the operational ramp-up of KPS Phase I and ONC HPAL, along with the recognition of NCKL's increased ownership in ONC (from 20% to 40%) under the equity method. EBITDA reached USD533mn (+32% YoY), with margin improvement driven by lower gas costs and favorable cobalt pricing. However, management acknowledged that the rising sulfur price, from USD200 to USD280 per ton, could pressure margins in the 2H25. Still, efforts to reduce external dependency through in-house chemical supply, particularly the upcoming quicklime plant, are expected to mitigate such impacts.

Operational Ramp-Up Drives Record Volumes and Low Costs

Total ore sales volume reached 16.49mn wmt (+48% YoY), benefiting from increased limonite supply to support the HPAL plants. The HPAL division delivered combined sales of 65,310 tons of nickel content (+84% YoY), split between 33,252 tons from ONC and 32,058 tons from the legacy HPL plant. This surge was primarily driven by ONC achieving full operational status in August 2024. The RKEF segment also saw an increase in ferronickel sales volume to 25,302 tons of nickel (+33% YoY), supported by the commissioning and full utilization of KPS Phase I by March 2025. HPAL cash cost after cobalt credit was around USD6,000 per ton, while RKEF cost stood at USD8,300 per ton. NCKL also produced 2,700 tons of electrolytic cobalt in 1H25 at a cash cost of USD 13,000 per ton. Although utilization was reported close to nameplate levels, management indicated no plans for production curtailment despite current pricing pressures in the nickel matte and MHP markets.

Expansion Pipeline Accelerates, Quicklime Plant a Key Efficiency Driver

In June 2025, the company increased its stake in ONC HPAL to 40% through a USD263mn transaction, matching the previous valuation from December 2024. Expansion of the KPS RKEF project is also on track, with Phase II (60,000 tons Ni/year) construction 69% complete and production set to start by end-2025, followed by Phase III (65,000 tons Ni/year) in early 2026. This will bring total FeNi capacity at KPS to 185,000 tons annually. In parallel, the USD70mn quicklime plant, currently 58% complete, is scheduled to begin operations in 4Q25, aimed at reducing reliance on imported reagents for HPAL operations. Trial production at the newly developed GTS mining concession began in mid-2025 and is expected to ramp up to full capacity of around 1.2 million tons of ore annually in 2026.

Maintain BUY on Long-Term Structural Upside

We **maintain BUY** on NCKL with higher target price of **Rp1,100** (previous TP: Rp950), implying 6.4x FY26F EV/EBITDA. We expects full-year 2025F EBITDA to approach Rp10.7bn (+18.6% YoY), supported by the full contribution from ONC, strong margins from HPAL and RKEF, and cost savings from in-house chemical production starting late 2025. Looking ahead, catalysts such as the commissioning of KPS Phase II, full ramp-up of GTS mining, and stabilization or rebound in cobalt and nickel sulfate prices may drive both earnings and valuation re-rating. **Key risks:** volatility in intermediate nickel pricing, delays in project completion, and cost pressures from sulfur or coal.

Key Financial Highlights

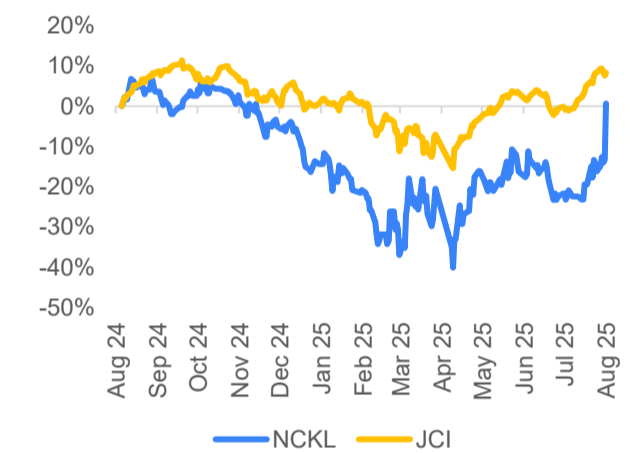
Key Metrics	2022	2023	2024	2025F	2026F
Revenue (Rp bn)	9,568	23,858	26,965	31,961	32,779
EBITDA (Rp bn)	4,681	8,102	9,070	10,758	10,607
Net Profit (Rp bn)	4,667	5,619	6,380	7,968	8,149
EPS Growth (%)	137.1	20.4	13.5	24.9	2.3
P/E (x)	13.52	11.23	7.47	7.52	7.36
P/BV (x)	4.43	2.22	1.31	1.31	1.11
EV/EBITDA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

BUY

Stock Information (as of August 4, 2025)

Last Price (Rp)	965
Target Price (Rp)	1,100
Potential Upside	14.0%
Previous TP (Rp)	950
Market Cap (Rp tn)	60.9
52 Week Range (Rp)	955 - 530
Free Float	14.4%
Share Out. (bn)	63.1

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

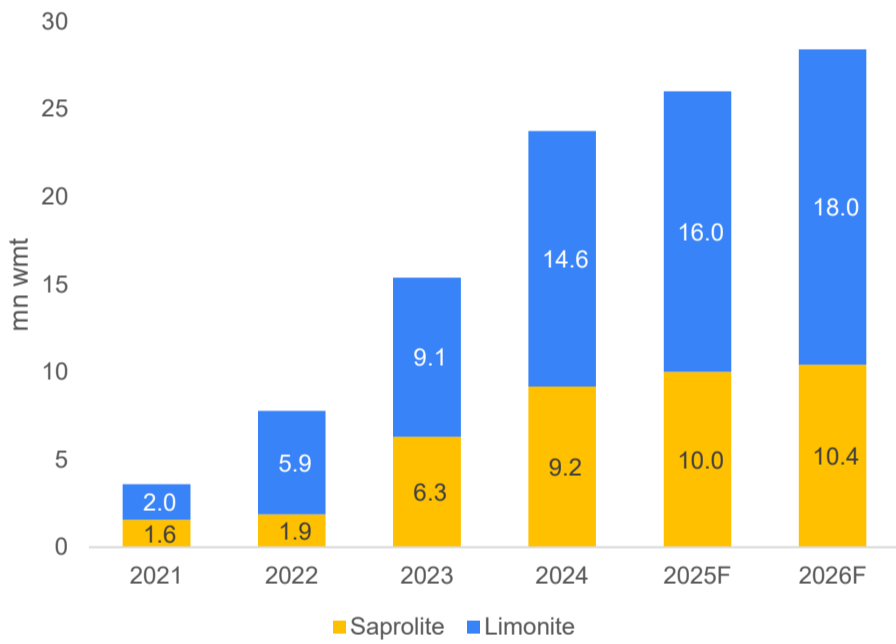
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Figure 1. NCKL's 1H25 Results

Key Metrics (Rp bn)	1H25	1H24	YoY	2Q25	1Q25	QoQ	2Q24	YoY	2025F	% to Est
Revenue	14,095	12,804	10.1%	6,967	7,128	-2.3%	6,770	2.9%	31,961	44.1%
Gross Profit	4,740	3,822	24.0%	2,639	2,101	25.6%	2,204	19.7%	10,034	47.2%
Gross Margin (%)	33.6%	29.9%		37.9%	29.5%		32.6%			
EBITDA	7,014	5,297	32.4%	3,899	3,115	25.2%	3,168	23.1%	10,758	65.2%
EBITDA Margin (%)	49.8%	41.4%		56.0%	43.7%		46.8%			
Net Profit	4,102	2,806	46.2%	2,445	1,657	47.6%	1,805	35.4%	7,968	51.5%
Net Margin (%)	29.1%	21.9%		35.1%	23.2%		26.7%			
Sales Volume										
Saprolite (wmt)	4.37	3.41	28.2%	2.59	1.78	45.5%	1.76	47.2%		
Limonite (wmt)	7.99	4.97	60.8%	4.28	3.71	15.4%	3.00	42.7%		
MHP (ton)	44,234	16,494	168.2%	24,397	19,837	23.0%	8,595	183.9%		
NiSo4 (ton)	21,076	18,978	11.1%	10,650	10,426	2.1%	11,213	-5.0%		
NPI (ton)	84,817	63,999	32.5%	40,944	43,873	-6.7%	32,353	26.6%		

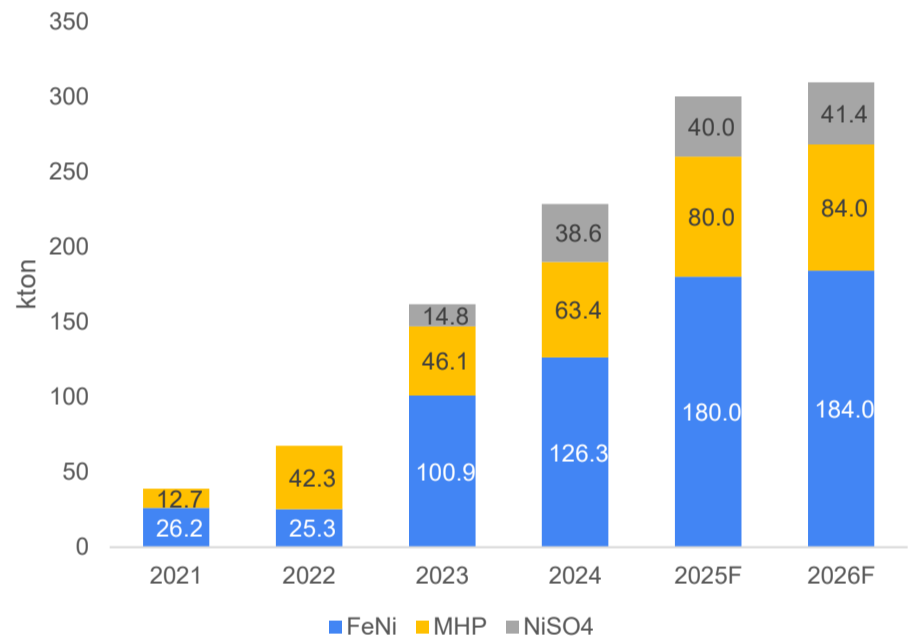
Source: Company, Ajaib Research

Figure 2. Nickel Ore Sales Volume



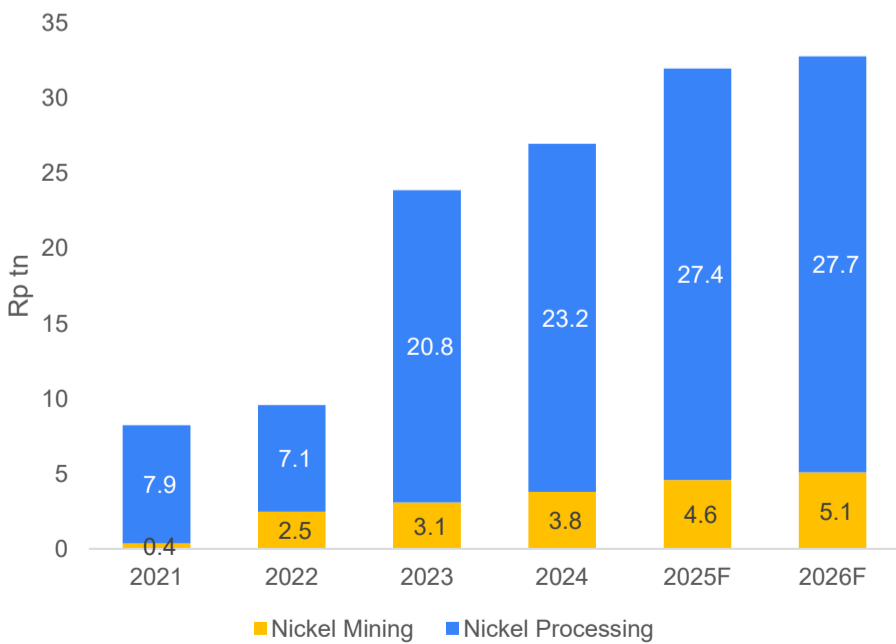
Source: Company, Ajaib Research

Figure 3. HPAL & RKEF Sales Volume



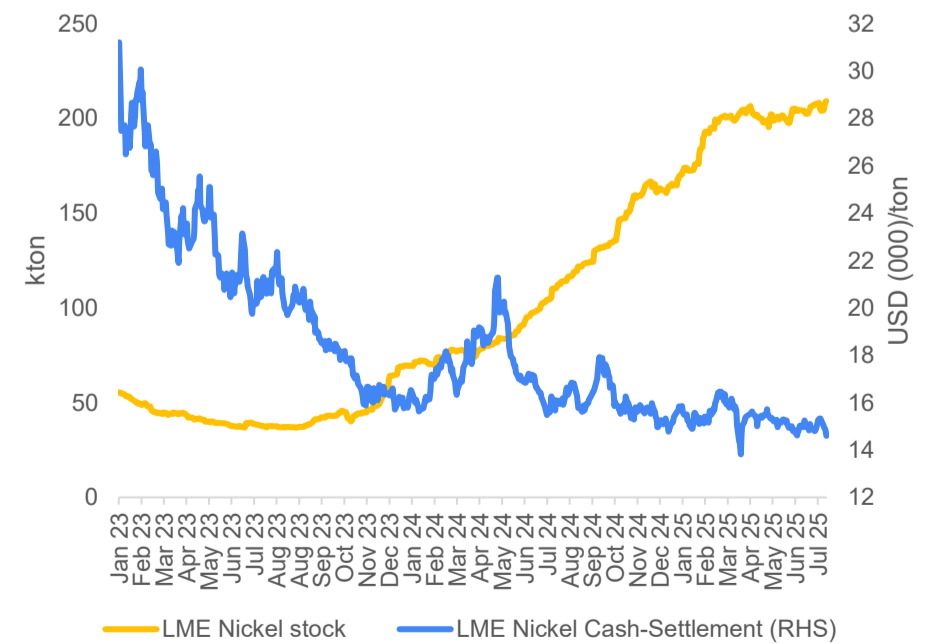
Source: Company, Ajaib Research

Figure 4. NCKL's Revenue Breakdown



Source: Company, Ajaib Research

Figure 5. LME Nickel Price & Stock



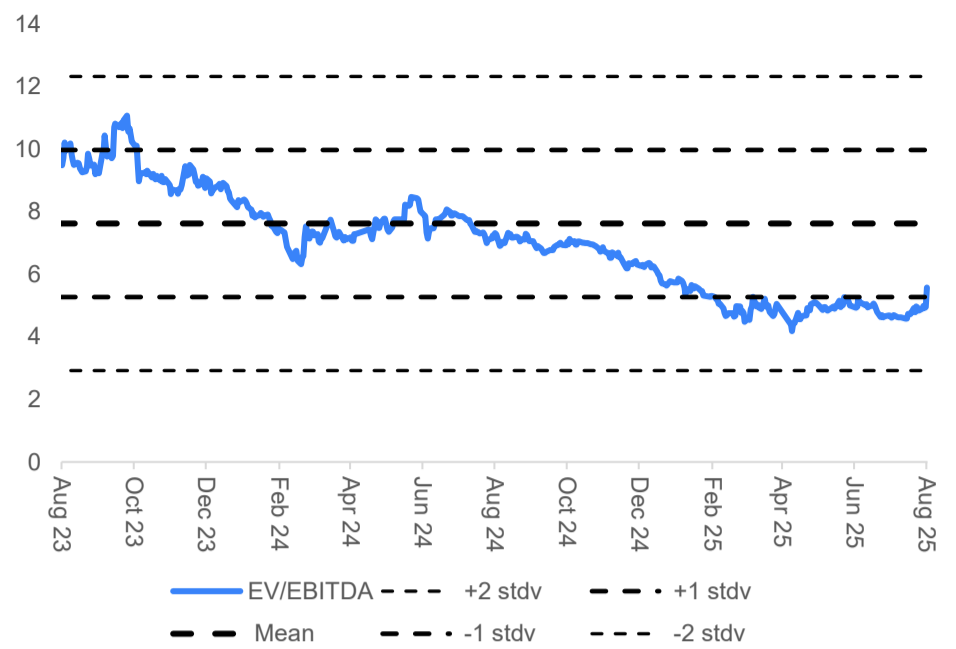
Source: Bloomberg, Ajaib Research

Figure 6. Historical Valuation

Key Metrics	Value
Target EV/EBITDA	6.4
EBITDA 2026F	10,962
Net Debt 2026F	-136
Equity Value (Rp bn)	70,797
Target Price (Rp)	1,100
Current Price (Rp)	815
Potential Upside	35.0%

Source: Bloomberg, Ajaib Research

Figure 7. NCKL's Historical EV/EBITDA Band



Source: Bloomberg, Ajaib Research

Figure 8. Peers Valuation Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	ROIC (%)	EPS Growth (%)
NCKL	51.4	7.9	1.6	5.5	26.3	15.9	9.4
INCO	37.5	49.9	0.9	9.0	1.7	0.8	-79.9
MBMA	55.1	213.6	2.0	19.2	1.0	2.3	200.0
ANTM	69.2	12.6	1.2	3.9	17.1	15.0	18.5
Sector Average		71.0	1.4	9.4	11.5	8.5	37.0

Source: Bloomberg, Ajaib Research

Figure 9. NCKL's Expansion

Project / Asset	Update	Status / Timeline	Capacity / Value
ONC HPAL	Increased ownership from 20% to 40%	Effective June 2025	65,000 tons Ni/year (MHP); USD 263mn transaction
KPS RKEF – Phase I	Fully operational	Reached full capacity in Mar 2025	60,000 tons Ni/year (FeNi)
KPS RKEF – Phase II	Construction 69% complete	Target start: 4Q25	60,000 tons Ni/year (FeNi)
KPS RKEF – Phase III	Construction 30% complete	Target start: 1Q26	65,000 tons Ni/year (FeNi)
Quicklime Plant (CKM)	In-house quicklime production to reduce HPAL costs	Construction 58% complete; 4Q25 start	USD 70mn investment
GTS Mining Concession	Trial production commenced	Ramp-up to full scale in 2026	Target: ~1.2 million tons ore/year
Electrolytic Cobalt	New product stream from HPAL	Operational in 1H25	2,700 tons produced at USD 13,000/ton cost
Solar Panel Project	Installation started in 2 of 5 locations (40MWp target)	Full completion by end-2025	Renewable energy integration
FTSE4Good Index	Included in ASEAN 5 and Emerging Markets categories	Since July 2025	ESG recognition and global investor visibility
IRMA & RMI-RMAP	ESG certification in progress across multiple facilities	Target full alignment by 2026	Global standard compliance

Source: Company, Ajaib Research

Financial Statement

Income Statement (Rp bn)	2022	2023	2024	2025F	2026F
Revenue	9,568	23,858	26,965	31,961	32,779
Cost of revenue	-4,893	-15,582	-18,518	-21,927	-22,672
Gross Profit	4,675	8,276	8,447	10,034	10,107
OpEx	-692	-1,252	-1,281	-1,345	-1,385
Operating Profit	3,984	7,024	7,166	8,689	8,722
EBITDA	4,681	8,102	9,070	10,758	10,962
Other Income (Expenses)	2,941	1,578	2,013	2,114	2,177
Net Interest Expense	-275	-427	-508	-346	-334
Pre-tax profit	6,650	8,175	8,671	10,456	10,565
Income Tax	-812	-1,107	-958	-1,156	-1,168
Entity Adjustment	-1,248	0	0	0	0
NPAT	4,589	7,068	7,712	9,300	9,398
Net Profit	4,667	5,619	6,380	7,968	8,065
EPS (Rp)	74	89	101	126	128

Cashflow Statement (Rp bn)	2022	2023	2024	2025F	2026F
Net Profit	4,667	5,619	6,380	7,968	8,065
D&A	698	1,078	1,904	2,070	2,240
Changes in Working Capital	-1,411	-1,815	-579	-658	-986
Others	-367	-290	800	-28	-31
Operating Cash Flow	3,586	4,592	8,504	9,351	9,288
Capital Expenditure	-10,393	-2,760	-2,087	-2,474	-2,537
Changes in other assets	-2,346	-3,577	-5,076	-8,128	-2,438
Investing Cash Flow	-12,739	-6,337	-7,163	-10,602	-4,976
Net - Borrowing	2,940	-273	2,664	-245	-251
Dividend	-217	-2,244	-2,189	0	-1,195
Other Financing	5,129	6,920	736	1,296	1,305
Financing Cash Flow	7,852	4,403	1,211	1,051	-141
Net - Cash Flow	-1,301	2,658	2,552	-200	4,171
Cash at beginning	2,578	1,277	3,935	6,486	6,287
Cash at ending	1,277	3,935	6,486	6,287	10,458

Balance Sheet (Rp bn)	2022	2023	2024	2025F	2026F
Cash & equivalents	1,277	3,935	6,486	6,287	10,458
Receivables	181	1,243	1,541	2,627	2,694
Inventories	4,087	5,504	5,158	5,331	6,312
Others	788	1,078	279	306	337
Total Current Assets	6,334	11,759	13,465	14,551	19,801
Fixed Assets	20,668	22,350	22,533	22,938	23,235
Other Non-Current Assets	7,603	11,180	16,256	24,384	26,823
Total Non-Current Assets	28,271	33,530	38,789	47,322	50,058
Total Assets	34,605	45,289	52,254	61,873	69,859
ST. Debt	117	1,371	1,679	1,641	1,602
Payables	1,209	1,871	1,246	1,846	1,908
Other current Liability	8,883	6,064	2,929	2,973	3,017
Total Current Liability	10,209	9,306	5,854	6,459	6,528
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	15,902
Retained Earnings	1,617	5,838	12,074	20,042	26,911
Others	12,612	22,554	24,380	25,713	27,046
Total Equity	14,229	28,392	36,454	45,755	53,957
Total LiabilitiesEquity	34,605	45,289	52,254	61,873	69,859

Key Ratios (%)	2022	2023	2024	2025F	2026F
Gross Profit Margin	48.9	34.7	31.3	31.4	30.8
Operating Margin	41.6	29.4	26.6	27.2	26.6
EBITDA Margin	48.9	34.0	33.6	33.7	33.4
Pre-Tax Margin	69.5	34.3	32.2	32.7	32.2
Net Profit Margin	48.8	23.6	23.7	24.9	24.6
Return on Equity	32.8	19.8	17.5	17.4	14.9
Debt to Equity	59.2	28.7	29.7	23.1	19.1
Net Gearing	50.2	14.9	11.9	9.4	-0.3

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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PREPARED BY AJAIB RESEARCH TEAM



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