PT Vale Indonesia Tbk (INCO.JK / INCO.IJ)

Shariah Compliant Stock | IDX ESG Leaders

Navigating Price Volatility with Efficiency and Downstreaming

Buy

Price (Nov 25th, 25)	3,830
Target Price	5,150
Potential Upside	+34.46%
Market Cap	40.68 T
Number of Share	10.54 B
52w Lo/Hi	1,825/ 5,300

Source : *IDX | Phintraco Sekuritas Research | as of Nov 25th, 2025*

IHSG vs INCO

Source : *IDX*

Shareholder	%
MIND ID	34.00
VCL	33.88
Public	20.64
Sumimoto Metal Mining Co., Ltd	11.48

Source : *Company | as of fin. statement 9M25*

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2025F	0.010	0.010	+0.72%
2026F	0.013	0.011	+20.4%

Source : **bloomberg | as of Nov 25th, 2025*

Research Team

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Saprolite Ore Unlocking New Revenue Stream in 9M25. INCO booked its initial saprolite ore sales of 896,263 Wet Metric Ton (Wmt) from the Bahodopi and Pomalaa blocks in 3Q25, earlier than the previous expectation of 4Q25. This sale generated revenue of US$43,491 thousand with a contribution of 6.17% to total revenue, allowing saprolite ore sales to support nickel matte revenue, which declined due to a lower average selling price (ASP) of US$12,106 in 9M25 (-8.72% YoY). Nickel matte revenue fell 6.59% YoY to US$661,898 in 9M25 (vs. US$708,568 in 9M24). Consequently, total revenue came in at US$705,389 in 9M25 (-0.45% YoY).

Volume Production and Sales Continue Their Growth Trend. On a quarterly basis, nickel matte production and sales volumes reached their highest levels in the past five years. Production volume came in at 19,391 metric tons (MT) in 3Q25 (+4.49% QoQ; +7.68% YoY), while sales volume reached 19,557 MT in 3Q25 (+8.51% QoQ; +10.19% YoY). This strong growth reflects the impact of early maintenance carried out in 2Q25, which allowed production to run more efficiently in 2H25. Overall, production volume reached 54,975 MT in 9M25 (+4.15% YoY) with a run rate of 77.17% against the FY25 production target. Meanwhile, sales volume reached 54,675 MT in 9M25 (+2.33% YoY) with a run rate of 75.69% against the FY25 sales target. Both production and sales in 9M25 remain in line with the guidance provided in the 2024 annual report.

Fuel Oil and Coal Efficiency. Operational efficiency, especially in energy consumption costs, continues to be prioritized as production activity increases. The goal is to strengthen profitability and support better performance going forward. Fuel oil and lubricant expenses fell 7.20% YoY to US$138,535 in 9M25 (vs. US$149,288 in 9M24), while coal fuel expenses reached US$52,746 thousand in 9M25 (-10.70% YoY). Although total cost of revenue increased to US$631,904 (+0.56% YoY), the cash cost of nickel matte sales was successfully reduced by 4.85% YoY to US$9,073 per ton in 9M25 (vs. US$9,535 per ton in 9M24).

CAPEX Realization Supporting Long Term Growth. INCO continues to invest in projects that will strengthen future operations. As of 9M25, CAPEX realization reached US$331.4 million, up 64.96% YoY (vs. US$200.9 million in 9M24). This CAPEX allocation is aimed at accelerating the progress of the Bahodopi and Pomalaa mine execution projects. As of 9M25, the Bahodopi mine had reached 90% completion and is targeted for full completion by the end of 2025. Meanwhile, the Pomalaa project reached 44% completion in 9M25 (vs. 28% in 6M25) and is projected to be completed in 2026. With cash standing at US$496.3 million, INCO still has room to fund and accelerate other potential projects.

With a more solid performance and the Bahodopi mine expected to begin operations in 4Q25, we raise our fair value estimate for INCO to Rp5,150 (from previously Rp3,560) and maintain a Buy rating with an upside potential of 34.46%. INCO is currently trading at 0.88x PBV, below its 5 year average PBV of 1.35x.

Performance Highlight

Table 1. INCO 3Q25 operational highlight

PT Vale Indonesia Tbk							
Operational Highlights							
		3Q25	**2Q25**	**QoQ**	**9M25**	**9M24**	**YoY**
Nickel Matte							
	Nickel Matte Production (metric tonnes)	19,391	18,557	4.49%	54,975	52,783	4.15%
	Nickel Matte Sales (metric tonnes)	19,557	18,023	8.51%	54,675	53,429	2.33%
	Nickel Matte ASP (USD/tonne)	12,272	12,091	1.50%	12,106	13,262	-8.72%
Saprolite Ore							
	Saprolite Ore (wet metric tonnes)	896,263	-	100.00%	896,263	-	100.00%
Unit Cash Cost							
	Nickel Matte (USD/unit)	9,304	9,384	-0.85%	9,073	9,535	-4.85%
	Saprolite Ore (USD/unit)*	18.50	-	100.00%	18.50	-	100.00%

Source : *Company | Phintraco Sekuritas Research*

Table 2. SOTP Valuation

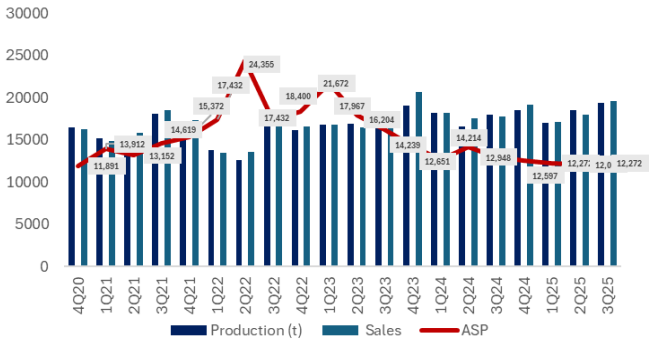
INCO SOTP Valuation		EV	INCO's stake	Adjusted EV
Blok Sorowako				
	Nickel Matte Converter	1,969	100%	1,969
	HPAL (JV with Huayou)	940	30%	282
IGP Pomalaa				
	HPAL (JV with Huayou & Ford)	1,202	30%	360
IGP Morowali				
	HPAL (JV with GEM Co., Ltd)	1,869	30%	561
	RKEF (JV with TISCO & Xinhai)	1,151	49%	564
Total Enterprise Value				3,737
	Net Debt (Cash) - 9M25			(496)
Equity Value				3,240
	Outstanding Shares			10,540
Target Price (in USD)				0.31
Target Price (in IDR) Rounded				5,150

*USD/IDR : Rp16,709

Source : *Company | Phintraco Sekuritas Research*

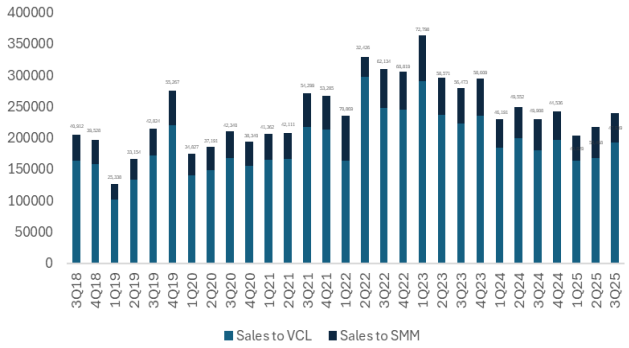
Performance Highlight

Figure 1. Nickel Matte Production & Sales (Quarterly)



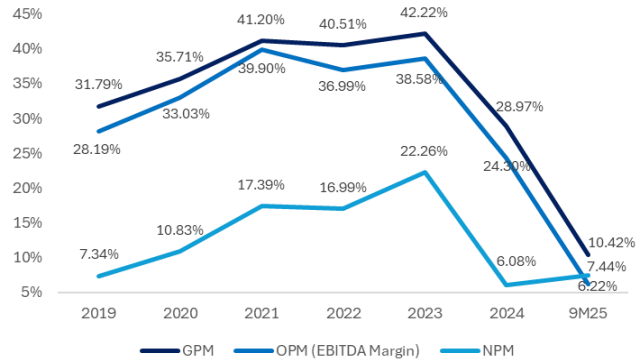
Source : *Company | Phintraco Sekuritas Research*

Figure 2. Sales to Related Parties (in Millions of US$)



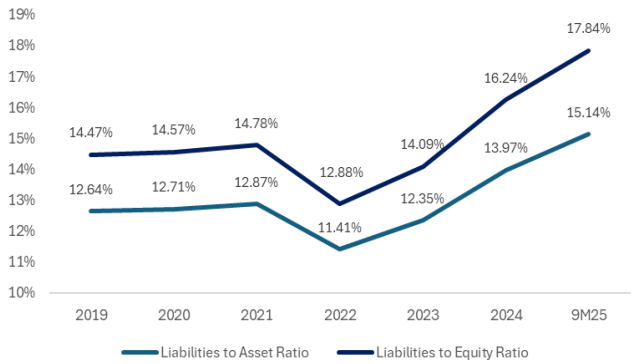
Source : *Company | Phintraco Sekuritas Research*

Figure 3. Profitability Ratio



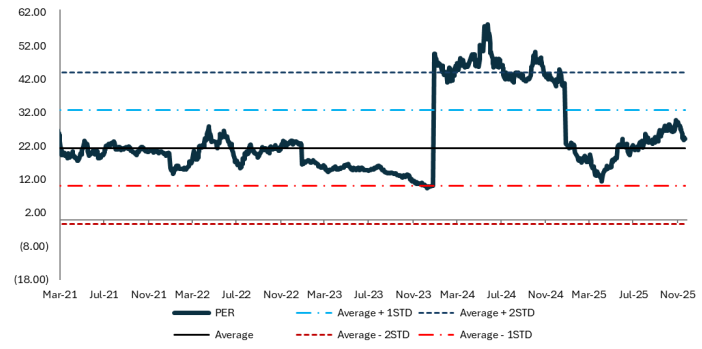
Source : *Company | Phintraco Sekuritas Research*

Figure 4. Leverage Ratio



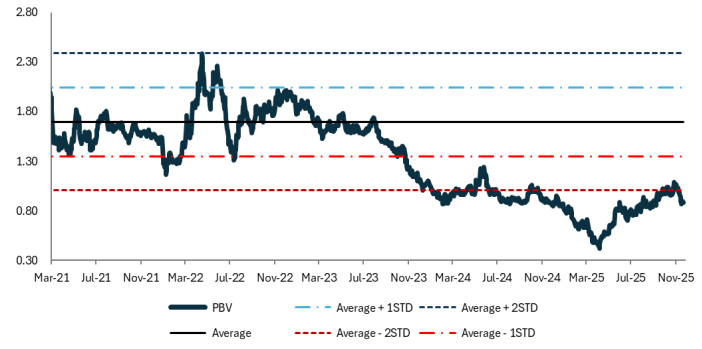
Source : *Company | Phintraco Sekuritas Research*

INCO PER Band (5 Years)



***Source** : IDX | Company | Phintraco Sekuritas Research*

INCO PBV Band (5 Years)



***Source** : IDX | Company | Phintraco Sekuritas Research*

Key Financial Figures

(in million of USD)

INCOME STATEMENT	FY22	FY23	FY24	9M25	FY25E	FY26F
Revenue	1,179	1,232	950	705	909	919
Cost of Revenue	702	712	675	632	584	548
Gross Profit	**478**	**520**	**275**	**73**	**325**	**371**
GPM	*40.5%*	*42.2%*	*29.0%*	*10.4%*	*35.7%*	*40.4%*
EBITDA	436	475	231	44	295	341
EBITDA Margin	*37.0%*	*38.6%*	*24.3%*	*6.2%*	*32.5%*	*37.0%*
EBIT	272	302	64	44	112	108
EBIT Margin	*23.1%*	*24.5%*	*6.7%*	*6.2%*	*12.3%*	*11.8%*
Profit Before Tax	276	353	74	78	117	227
EBT Margin	*23.4%*	*28.6%*	*7.8%*	*11.1%*	*12.9%*	*24.7%*
Net Profit After Tax	**200**	**274**	**58**	**52**	**92**	**177**
NPM Margin	*17.0%*	*22.3%*	*6.1%*	*7.4%*	*10.1%*	*19.2%*

Source : Company | Phintraco Sekuritas Research

(in million of USD)

BALANCE SHEET	FY22	FY23	FY24	9M25	FY25E	FY26F
Asset						
Cash	634	699	675	496	510	376
Account Receivable	141	102	84	80	93	91
Inventories	156	156	149	172	152	139
Other Current Assets	59	77	97	96	79	73
Total Current Assets	**990**	**1,033**	**1,005**	**844**	**835**	**679**
Fixed Assets - Net	1,550	1,696	1,975	2,147	2,171	2,543
Other Non-Curret Assets	118	197	197	254	237	221
Total Non-Current Assets	**1,668**	**1,893**	**2,172**	**2,401**	**2,408**	**2,764**
Liabilities						
Trade Payables	116	141	171	195	121	124
Lease Liabilities	2	6	6	5	12	7
Other Non-Current Liabilities	58	70	87	110	56	56
Total Current Liabilities	**175**	**217**	**263**	**309**	**190**	**187**
Total Non-Current Liabilities	**128**	**145**	**180**	**182**	**228**	**254**
Equity						
Total Equity	**2,355**	**2,565**	**2,733**	**2,754**	**2,825**	**3,002**

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY22	FY23	FY24	9M25	FY25F	FY26F
Cash Flow from Operating						
Net Income	2,376	3,045	3,501	3,007	3,441	4,009
Depreciation & Amortization	497	514	590	48	1,322	1,024
Working Capital	(6,809)	1,988	(23,867)	19,193	(4,159)	(3,616)
Others	11,028	(6,217)	15,106	160	(8,774)	(8,373)
Net-CFFO	**7,093**	**(670)**	**(4,670)**	**22,408**	**(8,171)**	**(6,957)**
Cash Flow from Investing						
CAPEX	(415)	(1,131)	(2,354)	(1,106)	(2,642)	(2,756)
Others	-	-	-	-	-	-
Net-CFFI	**(3,303)**	**(2,708)**	**(3,130)**	**(1,098)**	**(2,646)**	**(2,760)**
Cash Flow from Financing						
Ch. in Lt liab.	(6,618)	(562)	8,516	(5,889)	8,966	8,947
Ch. in other non-current liab.	-	-	-	3,409	-	-
Equity	(957)	1,458	1,069	(915)	382	244
Net-CFFF	**(4,652)**	**2,990**	**11,828**	**(1,253)**	**12,295**	**12,434**
NET CASH FLOW	**(863)**	**(388)**	**4,028**	**20,058**	**1,478**	**2,717**

Source : Company | Phintraco Sekuritas Research

RATIOS	FY22	FY23	FY24	9M25	FY25E	FY26F
Profitability Ratio (%)						
GPM	40.51%	42.22%	28.97%	10.42%	35.73%	40.37%
OPM (EBITDA Margin)	36.99%	38.58%	24.30%	6.22%	32.49%	37.04%
NPM	16.99%	22.26%	6.08%	7.44%	10.08%	19.23%
ROA	7.54%	9.38%	1.82%	1.62%	2.82%	5.13%
ROE	8.51%	10.70%	2.11%	1.90%	2.82%	5.13%
ROIC	5.13%	6.44%	1.23%	1.07%	18.19%	16.58%
Activity Ratio (X)						
Inventory Turnover	4.50	4.57	4.54	3.68	3.84	3.94
Days of Inventory	81.02	79.94	80.32	99.25	95.08	92.63
Receivables Turnover	8.34	12.10	11.26	8.83	9.77	10.11
Days of Receivables	43.75	30.16	32.41	41.33	37.35	36.10
Payables Turnover	6.07	5.06	3.95	3.24	4.81	4.43
Days of Payables	60.13	72.19	92.31	112.76	75.81	82.40
Cash Operating Cycle	64.64	37.91	20.42	27.82	56.62	46.33
Leverage Ratio (%)						
Liabilities to Asset Ratio	11.41%	12.35%	13.97%	15.14%	12.87%	12.81%
Liabilities to Equity Ratio	12.88%	14.09%	16.24%	17.84%	14.78%	14.69%
Liquidity Ratio (X)						
Current Ratio	5.65	4.77	3.81	2.73	4.40	3.63
Quick Ratio	4.76	4.05	3.25	2.17	3.59	2.89
Cash Ratio	3.62	3.22	2.56	1.60	2.69	2.01
Price Ratio						
P/E (X)	22.93	10.27	48.92	52.66	36.47	18.61
P/BV (X)	1.95	1.10	1.03	1.00	1.18	1.10
P/R (X)	3.90	2.29	2.97	3.92	3.67	3.58
Price per share	7,100	4,310	4,370	4,371	5,150	5,150
OS	10,079	10,079	10,540	10,540	10,540	10,540
EPS (USD)	0.02	0.03	0.01	0.00	0.01	0.02
EPS (IDR)	310	420	89	83	141	277
BVPS (USD)	0.23	0.25	0.26	0.26	0.27	0.28
BVPS (IDR)	3,638	3,923	4,226	4,358	4,356	4,700
RPS (USD)	0.12	0.12	0.09	0.07	0.09	0.09
RPS (IDR)	1,822	1,885	1,470	1,116	1,401	1,439
EV/EBITDA	9.08	4.46	9.31	51.68	9.58	8.56
Dividens						
DPS (USD)	0.01	-	0.00329	-	-	-
DPS (IDR)	89.61	-	54.3	-	-	-
DPR	30%	-	60%	-	-	-
Dividend Yield	1.34%	-	1.48%	-	-	-

Source : Company | Phintraco Sekuritas Research

Glossarium

CFFO	: Cash generated or used by a company's core business activities.
CFFI	: Cash inflows and outflows resulting from transactions related to the company's financing activities.
CFFF	: Cash inflows and outflows related to a company's financial activities, such as issuing or repurchasing shares, borrowing, or repaying loans.
EBITDA	: Company's profitability by excluding interest, taxes, depreciation, and amortization.
EBIT	: Company's profitability from its core operations, excluding interest expenses and taxes.
EBT	: Company's profit before accounting for income tax expenses.
OPM	: Financial ratio that measures the percentage of profit a company makes from its core operations, relative to its revenue.
NPM	: Financial ratio that shows the percentage of profit a company retains from its total revenue after all expenses, are deducted.
ROA	: Financial ratio that measures a company's ability to generate profit from its assets.
ROE	: Financial ratio that measures a company's profitability in relation to shareholders' equity.
EPS	: Portion of a company's profit allocated to each outstanding share of common stock
BVPS	: Value of a company's equity on a per-share basis.
RPS	: Amount of revenue generated for each outstanding share of a company's stock.
PER	: Financial ratio that compares a company's market price per share to its earnings per share (EPS).
PBV	: Financial ratio that compares a company's market price per share to its book value per share.
DPS	: Amount of dividend a company pays to its shareholders for each outstanding share.
DPR	: Financial ratio that shows the proportion of a company's earnings paid out as dividends to shareholders.
EV	: Total value of a company, including its market capitalization, debt, and excluding cash and cash equivalents.
Cash Cost	: Total cash expenses a company spends to produce a unit of product, such as one ton of coal or metal.
Smelter	: To extract pure metal from its ore by heating and melting it.
Strip ratio	: Strip ratio will measure the amount of waste material that must be removed to extract one unit of ore.

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Rating for Stocks :

Buy	: The stock is expected to give return of more than 10% over the next 12 months.
Hold	: The stock is expected to give return of between -10% and 10% over the next 12 months.
Sell	: The stock is expected to give return of less than -10% over the next 12 months.
Outperform	: The industry is expected to perform slightly better than the market return. Equal to "moderate buy".
Neutral	: The industry is expected to perform in line with the market return. Equal to "hold"

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Kantor Cabang & Mitra GI BEI