PT Merdeka Battery Materials Tbk (MBMA.JK / MBMA.IJ)

Sharia-compliant stocks

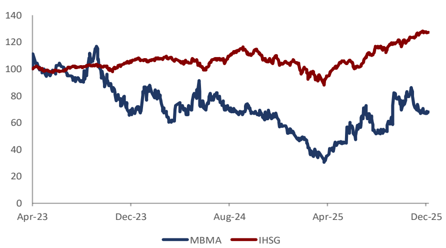
Buy

Price (Dec 22nd, 25)	540
Target Price	670
Potential Upside	+24.07%
Market Cap	58.32T
Number of Share	108B
52w Lo/Hi	242/ 685

Source : *IDX | Phintraco Sekuritas Research | as of Dec 22nd, 2025*

IHSG vs MBMA

Index 100 (Dec 22nd, 2025)



Source : *IDX*

Shareholder	%
PT Merdeka Energi Nusantara	50.04
Huayong International (Hong Kong) Limited	7.55
PT Alam Permai	5.46
Winato Kartono	2.03
Anthony Kartono Tan	0.01
Others	34.91

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

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2025F	0.50	0.00	-%
2026F	21.23	22.97	-7%

Source : **bloomberg | as of Des 22nd, 2025*

Research Team

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Solid Operations and Downstream Milestone Progress

MBMA's EBITDA grew by 22% YoY in 9M25, in line with improved cost of revenue efficiency. MBMA's revenue decreased by 32% YoY to US$934 million following the temporary cessation of HGNM production as part of the Company's margin preservation strategy, which resulted in a 73% YoY decrease in HGNM segment sales to US$144 million. The decline in revenue led to a 38% YoY decrease in cost of revenue, thereby driving MBMA's EBITDA up 22% YoY to US$140 million. The majority of MBMA's EBITDA was supported by the NPI segment, reflecting the Company's focus on lower-cost downstream nickel production. This was further supported by the SCM mine supplying approximately 80% of nickel ore feedstock to MBMA's RKEF facilities.

From a bottom-line perspective, MBMA's net profit grew by 69% QoQ to US$16 million in 3Q25, bringing total net profit to US$25 million in 9M25. The improvement in net profit was mainly driven by a significant increase in net income from associates, which rose to US$14 million. In addition, the Company's finance income increased by 4% to US$5 million. On the other hand, finance costs increased by 91% to US$13 million, primarily due to higher interest expenses on borrowings and on new bond issuances, as MBMA strengthened its investment funding to support construction across several HPAL and RKEF projects at both the Company and associate levels. Meanwhile, other income/(expenses) booked a negative balance, mainly due to significant foreign exchange losses, which weighed on the Company's net profit.

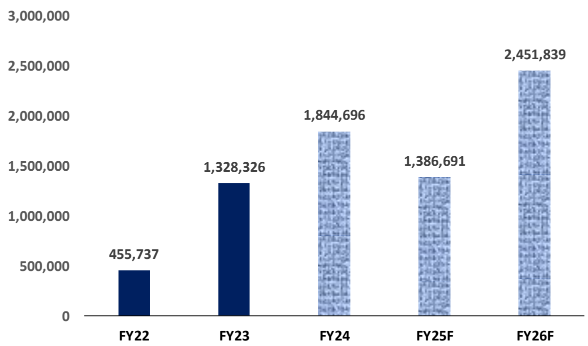
MBMA delivered solid operational performance while managing cash costs. Saprolite and limonite ore production was recorded at 4.5 million and 9.9 million wmt in 9M25, with the majority sourced from the SCM nickel mine. These production levels were in line with the Company's targets of 6–7 million and 12.5–15 million wmt, with cash costs of US$23.3/wmt and US$7.9/wmt, respectively, or below the Company's targets. Meanwhile, NPI production declined by 17% YoY due to scheduled RKEF maintenance. Nevertheless, MBMA booked a strong NPI margin of US$1,866/ton, supported by reduced reliance on third-party saprolite supply and more integrated energy usage, which drove cash costs down by 8% YoY to US$9,575/ton in 9M25.

MBMA continues to unlock new opportunities through its AIM and HPAL plants. Commissioning of the AIM plant progressed smoothly, with acid production reaching 251,715 tonnes, alongside initial output from the chloride unit comprising 48,228 tonnes of iron pellets, 464 tonnes of copper sponge, and 7.3 tonnes of gold mud. Meanwhile, the copper cathode plant has successfully produced copper cathode plates that meet LME specifications. On the other hand, PT SLNC continued the construction of its 90,000 tonnes per annum HPAL plant, with construction progress at the HPAL plant and the power plant (FPP) reaching 54% and 29%, respectively. PT SLNC is expected to commence gradual MHP production following commissioning, with initial output of approximately 18 thousand tonnes in 2026. Meanwhile, MHP production through PT ESG continued to increase, targeting full capacity of 25–30 thousand tonnes at cash costs below US$9,000 per tonne, with ESG producing 17,830 tonnes and booking sales of 19,202 tonnes of MHP in 9M25.

Using the Sum of the Parts method, we estimate MBMA's fair value at Rp670/share (26.2x Expected EV/EBITDA FY25F, Terminal Growth of 1.46%, and Required Return of 8.58%), higher than the previous Rp525/share. Considering MBMA's fair price and performance, we assign a Buy rating to MBMA with a potential upside of 24.07%.

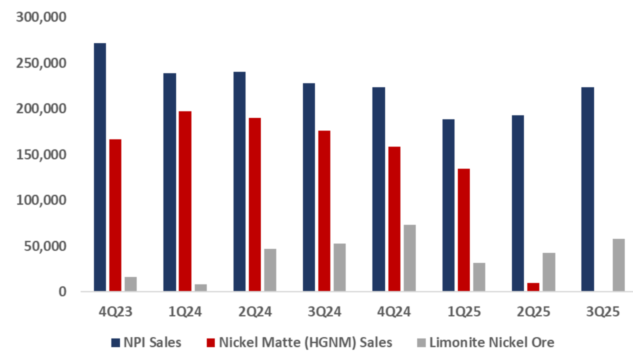
Performance Highlight

Figure 1. Revenue Trajectory (thousand of US$)



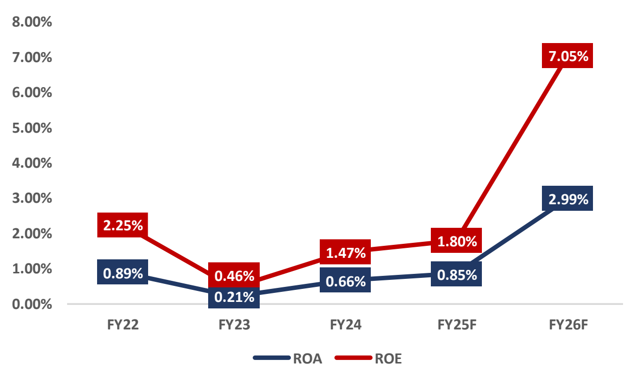
Source : *Company | Phintraco Sekuritas Research*

Figure 2. NPI, HGNM, Limonite Ore sales (Quarterly, thousand of US$)



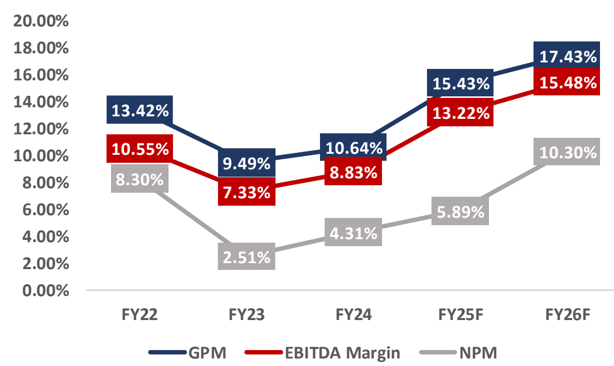
Source : *Company | Phintraco Sekuritas Research*

Figure 3. ROA & ROE



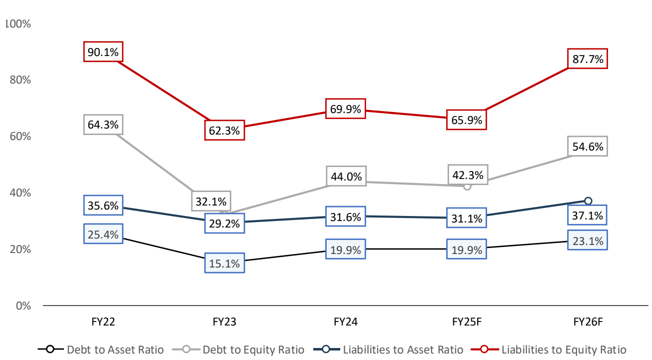
Source : *Company | Phintraco Sekuritas Research*

Figure 4. Profitability Ratio



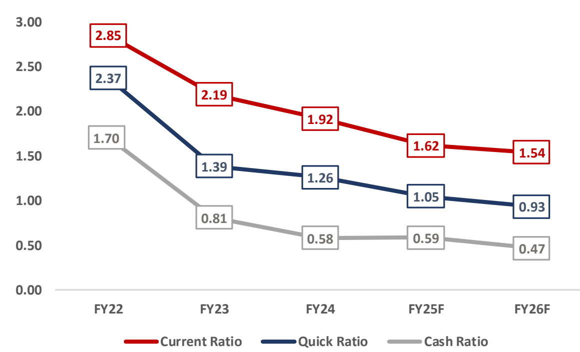
Source : *Company | Phintraco Sekuritas Research*

Figure 5. Leverage Ratio



Source : *Company| Phintraco Sekuritas Research*

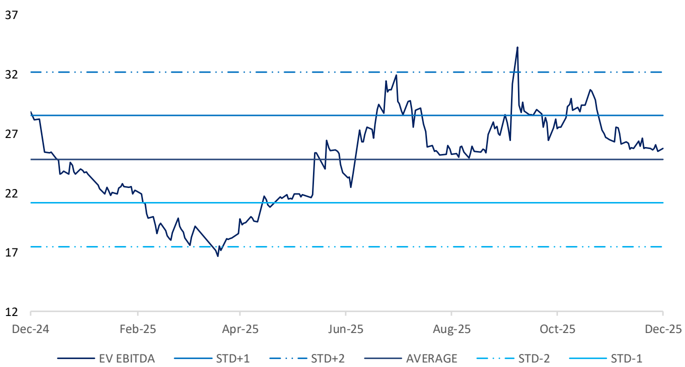
Figure 6. Liquidity Ratio



Source : *Company | Phintraco Sekuritas Research*

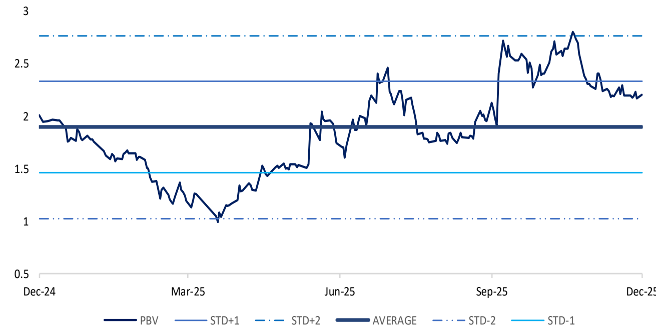
Performance Highlight

Figure 7. EV/EBITDA Band (1 year)



Source : *Company| Phintraco Sekuritas Research*

Figure 8. PBV Band (1 year)



Source : *Company | Phintraco Sekuritas Research*

Table 1. Financial Results in 9M25

PT Merdeka Battery Materials Tbk								
(in Millions of US$)	9M24	9M25	YoY	2Q25	3Q25	YoY	Phintas Estimate	%Run Rate
Financial Statement								
Revenue	1,380	935	**-32.2%**	262	307.29	**17.47%**	1,387	**67%**
COGS	(1,245)	(772)	**-38.0%**	(210)	(234)	**11.4%**	(1,173)	**66%**
Gross Profit	135	163	**21.0%**	51	73	**42.4%**	214	**76%**
EBITDA	114	140	**22.2%**	46	63	**36.7%**	183	**76%**
Net Profit	18	25	**37.0%**	9	19	**109.0%**	33	**77%**
Financial Ratio								
GPM	9.8%	17.4%		19.7%	23.9%			
EBITDA Margin	8.3%	15.0%		17.6%	20.5%			
NPM	1.3%	2.7%		3.6%	6.3%			
ROA	0.7%	0.70%		0.27%	0.57%			
ROE	0.8%	1.07%		0.40%	0.83%			

Source : Company | Phintraco Sekuritas Research

Table 2. Operational Highlight

Items	Unit	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Saprolite								
Production	m wrmt	0.5	0.4	1.0	3.0	1.3	1.2	2.0
Sales	m wrmt	1.1	1.2	1.2	1.4	1.3	1.5	2.0
ASP	$/wrmt	30.3	30.2	28.8	27.4	25.8	25.0	24.8
Cash cost	$/wrmt	28.4	24.9	23.8	21.6	24.6	24.0	23.3
Cash Margin	$/wrmt	1.8	5.3	5.0	5.8	1.3	1.0	1.5
Limonite								
Production	m wrmt	1.2	1.8	3.7	3.4	1.8	2.5	5.6
Sales	m wrmt	0.6	2.9	3.5	4.1	2.1	2.8	4.0
ASP	$/wrmt	13.2	16.5	15.3	17.9	14.9	15.4	14.4
Cash cost	$/wrmt	11.5	12.1	9.9	9.0	12.7	10.9	7.9
Cash Margin	$/wrmt	1.7	4.4	5.4	8.9	2.2	4.4	6.5
NPI								
Production	t	20,900	21,882	20,557	18,823	16,297	16,748	19,819
Sales	t	21,621	20,846	18,900	18,831	16,297	16,748	19,819
ASP	$/t	11,055	11,536	12,041	11,887	11,582	11,502	11,273
Cash cost	$/t	10,107	10,288	10,776	10,037	10,053	9,719	9,059
AISC	$/t	10,223	10,370	10,961	10,376	10,804	10,092	9,281
Cash Margin	$/t	948	1,247	1,265	1,850	1,528	1,783	2,215
HGNM								
Production	t	12,041	13,402	12,979	11,893	9,525	-	-
Sales	t	14,404	12,804	13,192	12,005	10,000	754	-
ASP	$/t	13,673	14,819	13,350	13,229	13,473	12,624	n/a
Cash cost	$/t	13,120	12,988	13,820	14,312	13,230	n/a	n/a
AISC	$/t	13,162	13,016	13,830	14,348	13,251	n/a	n/a
Cash Margin	$/t	552	1,832	- 469	- 1,084	242	n/a	n/a

Source : Company | Phintraco Sekuritas Research

Key Financial Figures

(in million of USD)

BALANCE SHEET	FY22	FY23	FY24	FY25F	FY26F
Asset					
Cash	280	290	244	266	313
Trade Receivables	68	121	182	140	231
Inventories	79	288	275	258	405
Other Current Assets	42	85	103	69	80
Total Current Assets	**469**	**784**	**804**	**732**	**1,030**
Fixed Assets - Net	918	1,414	1,582	2,155	2,654
Other Non-Current Assets	1,035	1,065	1,049	993	970
Total Non-Current Assets	**1,952**	**2,479**	**2,631**	**3,149**	**3,624**
Liabilities					
Trade Payables	110	262	200	241	403
Short Term Borrowings (Loans)	20	2	125	124	123.97
Other Current Liabilities	35	94	95	88	141
Total Current Liabilities	**164**	**358**	**419**	**453**	**668**
Long Term Borrowings (Loans)	595	490	559	650	951
Other Non-Current Liabilities	102	105	107	104	108
Total Non-Current Liabilities	**698**	**595**	**667**	**754**	**1,059**
Equity					
Total Equity	957	1,532	1,555	1,831	1,970
Minority Interest	602	778	795	843	957

Source : Company | Phintraco Sekuritas Research

(in million of USD)

INCOME STATEMENT	FY22	FY23	FY24	FY25F	FY26F
Revenue	456	1,328	1,845	1,387	2,452
Growth		*191.47%*	*38.87%*	*-24.83%*	*76.81%*
Cost of Revenue (exc. D&A)	395	1,202	1,648	1,173	2,024
Gross Profit	**61**	**126**	**196**	**214**	**427**
GPM	*13.42%*	*9.49%*	*10.64%*	*15.43%*	*17.43%*
EBITDA	48	97	163	183	380
EBITDA Margin	*10.55%*	*7.33%*	*8.83%*	*13.22%*	*15.48%*
EBIT	30	48	80	91	281
EBIT Margin	*6.69%*	*3.58%*	*4.33%*	*6.58%*	*11.46%*
Profit Before Tax	37	33	90	89	281
EBT Margin	*8.2%*	*2.5%*	*4.9%*	*6.4%*	*11.4%*
Profit After Tax	38	33	80	82	253
NPM	*8.3%*	*2.5%*	*4.3%*	*5.9%*	*10.3%*
Minority Interest	(16)	(26)	(57)	(49)	(114)
Net Profit	**22**	**7**	**23**	**33**	**139**

Source : Company | Phintraco Sekuritas Research

MBMA SOTP Valuation	EV	MBMA's stake	Adjusted EV
Mine			
SCM	1613	51%	823
RKEF Plant			
CSID	659	50%	330
BSID	646	50%	324
ZHN	572	50%	286
Nickel Matte Converter			
HNMI	540	60%	324
HPAL Development Plan			
JV with GEM	1222	20%	241
JV with CATL	2095	66%	1382
JV with SLNC	2658	23%	604
Development Project			
AIM Project	735	80%	588
Total Enterprise Value			4903
Net Debt (Cash) - FY25F			518
Equity Value			4385
Outstanding Shares			107995
Target Price (in USD)			0.041
Target Price (in IDR)			**670**

Source : Company | Phintraco Sekuritas Research

(in million of USD)

CASH FLOW	FY22	FY23	FY24	FY25F	FY26F
Cash Flow from Operating					
Net Income	38	33	80	82	253
Depreciation & Amortization	24	55	88	55	49
Working Capital	(45)	(16)	(114)	99	(15)
Others	20	(95)	109	32	(17)
Net-CFFO	**37**	**(22)**	**162**	**267**	**269**
Cash Flow from Investing					
Capital Expenditure	(1475)	(547)	(232)	(620)	(541)
Others	(501)	(35)	(8)	48	16
Net-CFFI	**(1976)**	**(582)**	**(240)**	**(573)**	**(524)**
Cash Flow from Financing					
Borrowings	595	(105)	69	91	301
Others	102	3	2	(3)	3
Equity	1521	717	(40)	243	0
Net-CFFF	**2219**	**614**	**31**	**331**	**305**

Source : Company | Phintraco Sekuritas Research

RATIOS	FY22	FY23	FY24	FY25F	FY26F
Profitability Ratio (%)					
GPM	13.42%	9.49%	10.64%	15.43%	17.43%
EBITDA Margin	10.55%	7.33%	8.83%	13.22%	15.48%
NPM	8.30%	2.51%	4.31%	5.89%	10.30%
ROA	0.89%	0.21%	0.66%	0.85%	2.99%
ROE	2.25%	0.46%	1.47%	1.80%	7.05%
ROIC	0.89%	0.20%	0.63%	0.73%	2.72%
Activity Ratio (X)					
Inventory Turnover	5.00	4.18	5.99	4.55	5.00
Days of Inventory	73.00	87.34	80.17	80.17	73.00
Receivable Turnover	7.10	11.14	10.30	10.40	11.14
Days of Receivables	51.40	32.76	35.09	35.09	32.76
Payable Turnover	5.97	4.59	8.25	4.87	5.02
Days of Payables	61.11	79.59	70.35	74.97	72.66
Cash Operating Cycle	63.29	40.51	44.91	40.29	33.10
Leverage Ratio (%)					
Debt to Asset Ratio	25.41%	15.09%	19.91%	19.95%	23.11%
Debt to Equity Ratio	64.30%	32.14%	44.01%	42.30%	54.59%
Liabilities to Asset Ratio	35.60%	29.22%	31.61%	31.10%	37.11%
Liabilities to Equity Ratio	90.09%	62.25%	69.86%	65.94%	87.68%
Liquidity Ratio (X)					
Current Ratio	2.85	2.19	1.92	1.62	1.54
Quick Ratio	2.37	1.39	1.26	1.05	0.93
Cash Ratio	1.70	0.81	0.58	0.59	0.47
Price Ratio					
P/E (X)	-	731	46	706	17
P/B (X)	-	3.35	2.55	1.49	1.27
P/R (X)	-	4.25	1.72	3.16	1.84
Price per Share	-	560	458	670	670
Average Market Price	-	736	571	670	670
OS (in million)	107995	107995	107995	107995	107995
EPS (USD) (Annualized)	0.0002	0.0001	0.0008	0.000	0.001
EPS (IDR) (Annualized)	3.11	1.01	12.46	0.50	21.23
BVPS (USD)	0.01	0.01	0.01	0.01	0.02
BVPS (IDR)	138.41	219.75	223.69	237.51	279.69
RPS (USD)	0.00	0.01	0.02	0.01	0.02
RPS (IDR)	65.91	190.56	266.13	211.86	374.60
EV/EBITDA (X)	6.89	60.06	31.08	26.19	23.89

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.
HGNM	: A semi-refined nickel product used as a feedstock for further refining into battery-grade nickel chemicals (such as nickel sulfate) or refined nickel metal.
NPI	: A crude nickel iron alloy with relatively low nickel content (typically 4–15% Ni), used primarily as a substitute for pure nickel in stainless steel manufacturing.
MHP	: A semi-processed nickel–cobalt intermediate used as a feedstock for producing battery-grade nickel and cobalt chemicals, such as nickel sulfate.
Saprolite	: A magnesium-rich, high-nickel laterite ore commonly used as feedstock for producing Nickel Pig Iron (NPI) or ferronickel through smelting.
Limonite	: An iron-rich, low-nickel laterite ore commonly used as feedstock for HPAL processing to produce MHP or mixed nickel–cobalt intermediates for battery materials.
RKEF	: Nickel smelting technology used to process saprolite laterite ore into NPI or ferronickel, offering relatively lower capex and faster ramp-up compared to HPAL.
HPAL	: Hydrometallurgical processing method used to treat limonite laterite ore to produce MHP, which is further refined into battery-grade nickel and cobalt chemicals.
ASP	: Metric that reflects the average price at which a product is sold, calculated by dividing total revenue by total volume sold over a given period.
Cash Cost	: Operating cost required to produce a unit of output, excluding non-cash items such as depreciation, amortization, and impairment.

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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