

Stronger Margins, Stronger Growth

8 August 2025



BRMS's 2Q25 revenue fell -9.1% qoq to USD58mn on lower volumes from the River Reef pushback, partly offset by higher ASP (+16.8% qoq to USD3,282/oz); 1H25 net profit was USD23mn (ex-one-offs: ~USD36.5mn). Outlook raised: 27F net profit +163% on stronger margins/lower costs, with HL start lifting output to 72.4koz (25F) and 89koz (27F), cash cost ~USD1,508-1,574/oz, EBITDA margin >38%, NPM ~16% (25F). BUY maintained, TP IDR560/share (+22.3% upside), supported by firm gold (USD3,000-3,300/oz) and Gorontalo Minerals as a catalyst.

2Q25 Soft on Lower Volume, 6M25 Remains Solid. In 2Q25, BRMS booked softer revenue of USD58 mn (-9.1% qoq, +40.5% yoy), bringing 1H25 revenue to USD121 mn (+97.2% yoy). The QoQ decline was primarily driven by lower gold sales volumes as the scheduled pushback at the River Reef open pit (Poboya) during 2Q-3Q25 reduced access to high-grade ore (2Q25: 1.4g/t, 1Q25: 1.5g/t). The sharp rise in ASP to USD3,282/oz (+16.8% qoq, +40.5% yoy) served as a partial offset to the weaker top line. On the bottom line, BRMS reported net profit of USD9 mn (-41.2% qoq, +58.2% yoy), bringing 1H25 net profit to USD23 mn (6M24: USD9mn), which beat our estimates (60.5%), but below cons. (46.2%). The miss was due to one-off charges, a USD14 mn loss from the disposal of obsolete carbon-in-leach (CIL) #1 equipment and a write-off of the bauxite project. Adjusting for these, 1H25 net profit would have reached USD36.5 mn (KBVS: 95.2%, cons.: 72.7%). These items were non-cash and are not expected to recur, resulting in a cleaner balance sheet. The strong beat to our estimate was also driven by our previous model not yet incorporating the updated royalty and tax policies implemented.

Outlook Raised on Rising Output and Margin Breakthrough. BRMS's outlook is upgraded, with 27F net profit raised +163% on stronger margins and lower costs. The upcoming heap leach plant at Poboya will lift production to 72.4koz in 25F and 89koz in 27F, driving revenue to USD240mn in 25F (+47.8% YoY) and USD290mn in 26F (+20.8% YoY) on higher output and gold prices of USD3,000-3,300/oz. Cash costs of USD1,508-1,574/oz and margins above 38% will push EBITDA to USD93-111mn and net profit to USD39-56mn in 25-26F. Underground mine development from 2027 is set to triple production with grades of 4.9 g/t, supported by a 20-year reserve life.

BUY Maintained, TP IDR560 on Gold Output Surge and +49.8% EPS CAGR to 2029F. BRMS is positioned for substantial growth, supported by accelerating gold output and favorable price trends. We anticipate 25F revenue of USD240 mn (+47.8% yoy) with a NPM of 16% and EPS rising +66.5% yoy. By 29F, revenue is forecast to climb to USD616 mn (+30.6% CAGR from 2024) with NPM expanding to 26.1% and EPS delivering a +49.8% CAGR. Our BUY recommendation is reaffirmed with a SOTP-based target price of IDR560/share (+22.3% potential upside), valuing 26F EV/Reserves at USD12,183/ton. Expansion plans and catalysts such as the Gorontalo Minerals project should sustain performance momentum, though key risks remain from weaker gold prices, project delays, or funding constraints.

Exhibit 1: Forecasts and Valuations (at closing price IDR458/share)

Y/E Dec	23A	24A	25F	26F	27F
Revenue (USD Mn)	47	162	240	290	317
EBITDA (USD Mn)	20	47	93	111	123
EV/EBITDA (x)	162.4	68.8	35.0	29.4	26.8
Net Profit (USD Mn)	14	23	39	56	60
EPS (IDR)	1.6	2.6	4.4	6.4	6.9
P/E Ratio (x)	293.9	176.1	103.6	71.1	66.3
BVPS (IDR)	104	111	118	126	133
P/BV Ratio (x)	4.4	4.1	3.9	3.6	3.4
ROAE (%)	1.4	2.3	3.8	5.1	5.2
ROAA (%)	1.3	2.1	3.2	4.2	4.1
Interest Coverage (x)	-	5.1	4.5	4.2	3.7
Net Gearing (x)	0.1	0.1	0.2	0.2	0.2

MDKA IJ	BUY
Sector	Metals
Price at 7 August 2025 (IDR)	458
Price target (IDR)	560
Upside (%)	+22.3

Stock Information

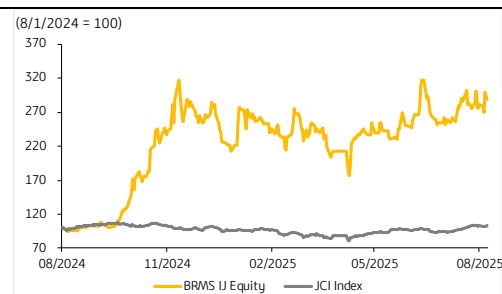
PT Bumi Resources Minerals Tbk. (BRMS) is an Indonesian mining company with the second-largest reserves among listed companies, focusing on gold, base metals, and mineral exploration, backed by the strategic involvement of AP Investment or the Salim Group.

Market cap (IDR Bn)	63,802
Shares outstanding (mn)	141,784
52-week range (IDR)	510 - 147
3M average daily vol. ('000)	733,281
3M average daily val. (IDR Bn)	373.42

Shareholders (%)

Public	38.9
Emirates Investments Group LLC - Salim Related	25.1
1st Financial Co. Ltd	25.9
Sugiman Halim	7.4
PT Bumi Resources Tbk	2.7

Stock Performance



Source: Bloomberg

	YTD	1M	3M	12M
Absolute	30.1	10.3	17.2	202.0
JCI Return	6.6	9.3	10.6	4.9
Relative	23.4	1.0	6.6	197.1

Analyst

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Exhibit 2: Financial Summary

(USD mn)	2Q24	1Q25	2Q25	qoq (%)	yoy (%)	6M24	6M25	yoy (%)	6M25/ KBVS (%)	6M25/ Cons (%)
Revenue	41	63	58	-9.1	+40.5	61	121	+97.2	55.95	51.53
Gross Profit	22	36	36	-0.1	+66.4	31	72	+136.1	59.68	58.41
Operating Income	11	28	23	-18.1	+101.2	16	50	+209.4	71.67	60.65
EBITDA	13	30	25	-18.8	+86.6	30	55	+81.2	70.42	60.12
Net Income	5	14	9	-41.2	+58.2	9	23	+156.4	60.46	46.15
GPM (%)	6.2	10.2	11.5			6.2	11.5			
OPM (%)	3.8	7.0	8.6			3.8	8.6			
EBITDA Margin (%)	10.6	20.5	18.3			10.6	18.3			
NPM (%)	-2.8	2.0	-0.7			-2.8	-0.7			
Gold Sold (koz)	17.1	21.9	17.1	-22.1	-0.3	26.7	39.0	+45.8		
ASP (USD/oz)	2,336	2,809	3,282	+16.8	+40.5	2,245	3,045	+35.6		

Source: Company, KBVS Research

Despite softer 2Q25 revenue due to lower gold volumes from mine pushback, BRMS delivered solid 1H25 performance with revenue up +97.2% yoy and adjusted net profit reaching USD36.5 mn, driven by higher ASP and non-recurring one-offs, resulting in a cleaner balance sheet and a beat to our estimate.

Exhibit 3: Forecast Changes

(USD mn)	New forecast			Old forecast			Forecast change (%)		
	25F	26F	27F	25F	26F	27F	25F	26F	27F
Revenue	240	290	317	216	277	319	+11.0	+4.7	-0.6
Gross Profit	127	156	174	121	157	148	+4.6	-1.2	+17.4
Operating Profit	86	102	113	70	92	82	+23.0	+9.8	+37.1
EBITDA	93	111	123	78	102	93	+19.2	+8.3	+31.5
Net Profit	39	56	60	38	34	23	+1.3	+64.7	+163.3

Growth yoy (%)						
Revenue	+47.8	+20.8	+9.2	+33.2	+28.1	+15.1
Gross Profit	+61.2	+22.9	+11.8	+54.2	+30.1	-5.9
Operating Profit	+107.7	+17.5	+11.0	+69.0	+31.5	-11.2
EBITDA	+98.3	+19.3	+10.8	+66.4	+31.2	-8.7
Net Profit	+67.7	+43.5	+7.1	+65.5	-11.8	-33.0

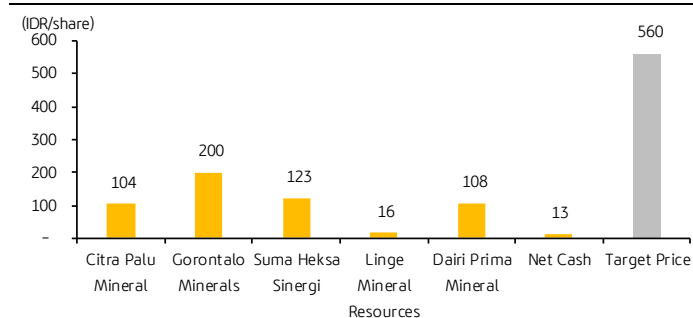
Margins (%)						
GPM	52.7	53.7	54.9	56.0	56.8	46.5
OPM	36.0	35.0	35.6	32.5	33.4	25.8
EBITDA Margin	38.6	38.1	38.7	36.0	36.9	29.3
NPM	16.2	19.3	18.9	17.8	12.3	7.1

Source: KBVS Research

BRMS outlook is raised, led by 27F net profit upgrade (+163%) on expanding margins and lower costs. For 25F, revenue is lifted to USD240mn (+11%), on higher production estimates, with margins remaining strong. Revisions reflect firmer gold prices, tighter cost control, and smoother post-pushback operations boosting throughput and grade recovery.

Exhibit 4: Valuation

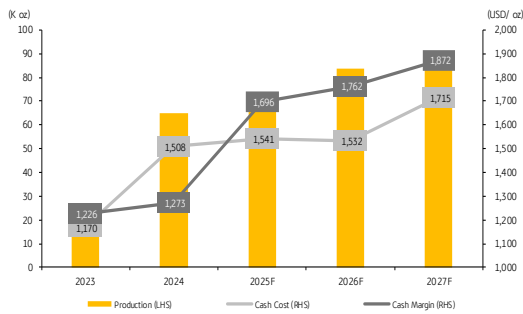
Projects	Effective Stake	EV (USDmn)	Valuation Method
Citra Palu Mineral	100%	925	DCF
Gorontalo Minerals	80%	1,784	EV/Reserve
Suma Heksa Sinergi	80%	1,103	EV/Resource
Linge Mineral Resources	61%	140	EV/Resource
Dairi Prima Mineral	49%	966	EV/Resource
Total EV (USD mn)		4,918	
Net cash/ (debt)		(103)	
Shares outstanding (Mn shares)		142	
USD/IDR rate		16,097	
Target Price (IDR/sh)		560	



Source: KBVS Research

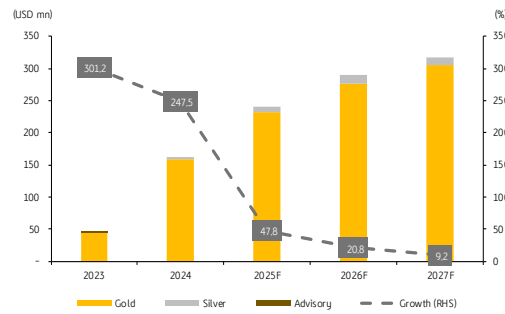
We maintain our BUY rating on BRMS with a TP of IDR560/share, based on SOTP with DCF for CPM. Gorontalo Minerals is the largest contributor (36% of value), followed by Suma Heksa Sinergi (22%), CPM (19%), Dairi Prima Mineral (19%), and Linge Mineral Resources (3%). Strong gold output and higher prices underpin BRMS's growth outlook.

Exhibit 5: Production and Cash Cost Forecasts



Source: Company, KBVS Research

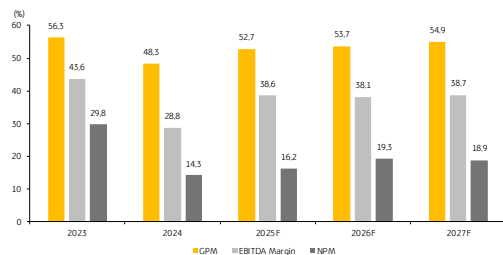
Exhibit 6: Revenue Breakdown and Growth Forecasts



Source: Company, KBVS Research

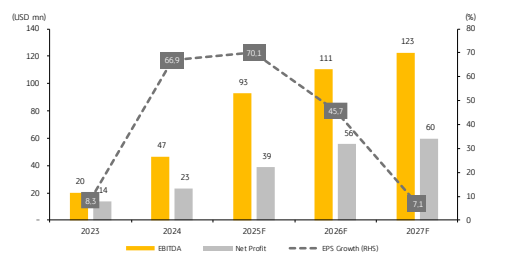
BRMS is on track for solid growth, underpinned by the upcoming heap leach plant in Block-1 Poboya. Production is expected to climb to 72.4koz in 25F (+11.4% yoy) and further to 89koz in 27F. On the back of stronger output and elevated gold prices of USD3,000–3,300/oz, revenue is projected at USD240 mn in 25F (+47.8% yoy) and USD290 mn in 26F (+20.8% yoy), before moderating to +9.2% growth in 27F as the high base effect takes hold.

Exhibit 7: Profitability Margins



Source: Company, KBVS Research

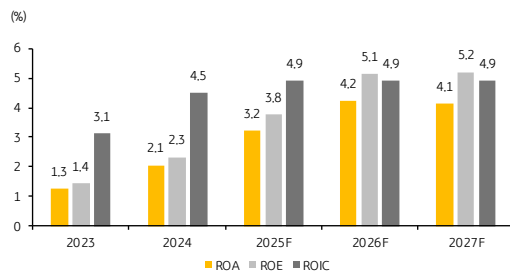
Exhibit 8: EBITDA & Earnings Forecast



Source: Company, KBVS Research

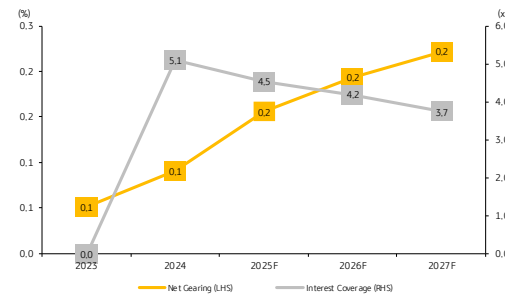
BRMS is poised for strong profitability, with cash costs of USD1,508/oz in 25F and USD1,541/oz in 26F, lifting cash margins to USD1,872/oz by 27F. GPM will stay above 52%, EBITDA margin above 38%, and NPM reach 18.9% in 27F, driving EBITDA to USD93 mn and USD111 mn, and net profit to USD39 mn and USD56 mn in 25–26F.

Exhibit 9: Return Ratios



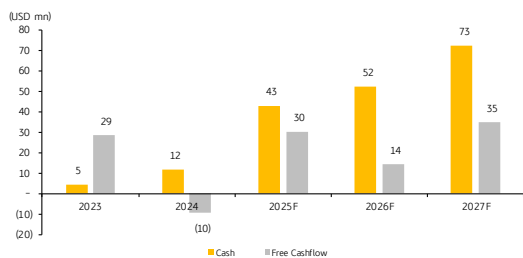
Source: Company, KBVS Research

Exhibit 10: Gearing Ratio and Interest Coverage



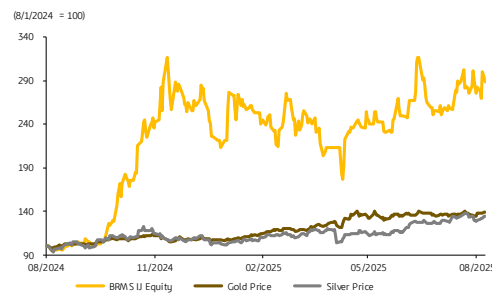
BRMS expects profitability to improve, with 25F ROE at 3.8% and ROIC at 4.9%, climbing to ROA 4.1%, ROE 5.2%, and ROIC 4.9% by 27F. Planned funding for growth is seen nudging net gearing from 0.1x in 2024 to 0.2x in 26–27F, while interest coverage should stay solid at 3.7x in 27F.

Exhibit 11: Cash Position and Free Cash Flow



Source: Company, KBVS Research

Exhibit 12: BRMS Share Price Outpaces Gold and Silver



Source: Bloomberg

BRMS's cash is expected to climb to USD73mn in 27F, while free cash flow dips in 2024 on heavy expansion and asset monetization before rebounding to USD35 mn by 27F.

Exhibit 13: Peers Comparable

Ticker	Market Cap. (IDR tn)	EPS Growth (%)		P/E (x)		P/BV (x)		EV/ EBITDA (x)		ROE (%)	
		25F	26F	25F	26F	25F	26F	25F	26F	25F	26F
ANTM	74.5	73.6	(0.7)	10.6	11.0	2.0	1.9	6.5	6.6	19.8	18.1
NCKL*	61.8	15.7	8.8	7.9	7.3	1.7	1.5	7.4	6.9	22.9	20.7
MDKA	60.4	25.5	38.9	(221.8)	21.3	1.6	1.3	18.3	7.5	(0.7)	6.6
INCO	43.0	80.5	163.1	23.5	8.9	0.9	0.8	5.5	5.3	3.9	9.3
HRUM*	11.6	25.0	40.0	10.5	4.4	0.8	0.7	10.8	4.8	6.0	3.3
BRMS	63.8	70.1	45.7	103.6	71.1	3.9	3.6	54.9	45.8	5.5	6.2
Sector		51.4	42.0	(13.9)	23.9	2.1	1.9	18.8	14.5	10.9	12.3

Source: Bloomberg, KBVS Research

BRMS trades at a premium on strong EPS growth outlook, with ROE expected to improve as new projects ramp up.

Source: Bloomberg, KBVS Research

Exhibit 14: Financial Tabela

Profit and Loss (USD Mn)	23A	24A	25F	26F	27F
Revenue	47	162	240	290	317
COGS	(20)	(84)	(113)	(134)	(143)
Gross Profit	26	78	127	156	174
Operating Expenses	(9)	(37)	(40)	(54)	(61)
Operating Profit	17	42	86	102	113
EBITDA	20	47	93	111	123
Net Interest Income	0	(9)	(19)	(23)	(28)
Pre-tax Profit	17	33	55	79	84
Income Taxes	(3)	(9)	(16)	(22)	(24)
Profit for Period	14	24	40	57	61
Minority Interest	(0)	(1)	(1)	(1)	(1)
Net Profit	14	23	39	56	60

Balance Sheet (USD Mn)	23A	24A	25F	26F	27F
Cash and Cash Equivalent	5	12	43	52	73
Account Receivable	0	-	0	0	0
Others	141	165	189	248	284
Total Current Assets	146	177	232	301	356
Fixed Assets	198	213	241	272	316
Mining Properties	243	245	252	261	271
Others	518	520	535	552	569
Total Assets	1,105	1,155	1,260	1,385	1,512
ST Debt	21	96	141	189	242
Payables	60	48	64	80	90
Others	3	3	3	4	5
Total Current Liabilities	84	147	208	274	337
LT Debt	33	6	9	13	16
Others	18	7	7	7	7
Total Liabilities	136	160	224	293	360
Minority Interest	(207)	(207)	(207)	(207)	(207)
Total Equity	969	994	1,036	1,092	1,152

Cash Flow (USD Mn)	23A	24A	25F	26F	27F
Net Profit	14	23	39	56	60
D&A	4	8	9	12	13
Changes in Working Capital	39	(36)	(8)	(42)	(25)
Operating Cash Flow	57	(5)	40	26	47
Capital Expenditure	(55)	(26)	(43)	(52)	(66)
Others	(12)	(1)	(16)	(16)	(17)
Investing Cash Flow	(67)	(27)	(59)	(69)	(84)
Net - Borrowing	(9)	48	48	52	56
Other Financing	14	(9)	2	-	-
Financing Cash Flow	5	39	50	52	56
Net - Cash Flow	(6)	7	31	9	20
Cash at Beginning	10	5	12	43	52
Cash at Ending	5	12	43	52	73

Key Ratios	23A	24A	25F	26F	27F
Gross Profit Margin (%)	56.3	48.3	52.7	53.7	54.9
Operating Profit Margin (%)	36.7	25.6	36.0	35.0	35.6
EBITDA Margin (%)	43.6	28.8	38.6	38.1	38.7
Pre-Tax Margin (%)	37.4	20.2	23.0	27.2	26.6
Debt to Equity (x)	29.8	14.3	16.2	19.3	18.9
Net Profit Margin (%)	0.1	0.1	0.2	0.2	0.3
Net Gearing (x)	0.1	0.1	0.2	0.2	0.2

Major Assumptions	23A	24A	25F	26F	27F
Gold production (koz)	23.3	65.0	72.4	83.8	89.5
ASP (USD/oz)	1,943	2,443	3,204	3,304	3,404

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