Bumi Resources Minerals (BRMS IJ)

2Q26: Soft Results, Long-term Volume Remains Intact

BUY (Maintained)	
Share Price	Rp560
Target Price	Rp1,040
Upside	85.7%
Previous TP	Rp1,330

Analyst(s)
Benyamin Mikael
benyaminmikael@kh.co.id
+(62 21) 2993 3917

Highlights

- **Soft 2Q26 results due to three factors:** a) pushback operation, b) oversupply of gold in domestic market, and c) softening gold prices qoq.
- **Long-term volume growth remains intact,** with targets of 70,000-75,000 oz in 2026, 80,000 oz in 2027, 150,000 oz in 2028, and over 200,000 oz in 2029.
- **Maintain BUY with a lower target price of Rp1,040 from Rp1,330.**

2Q26 Results

	1H26	1H25	yoy (%)	2Q26	2Q25	yoy (%)	qoq (%)	1Q26
Revenue	95.8	120.8	(20.7)	26	58	(54.3)	(62.1)	69.5
COGS	(40.4)	(48.6)	(16.9)	(14)	(21)	(32.7)	(44.4)	-26.0
Gross Profit	55.4	72.2	(23.3)	12	36	(67.1)	(72.7)	43.5
Operating Expenses	(23.4)	(22.0)	6.4	(9)	(13)	(36.9)	(42.9)	-14.9
Operating Profit	32.0	50.2	(36.3)	3	23	(85.1)	(88.2)	28.6
Interest Income	0.4	0.2	54.4	0	0	172.3	112.4	0.1
Interest and Finance Charges	(13.3)	(7.6)	74.4	(7)	(5)	45.9	25.1	-5.9
Net (Loss) Gain on Forex	(2.0)	2.5	(180.6)	(2)	1	(455.1)	(4,006.7)	0.1
Others	(0.0)	(14.3)	(99.9)	(0)	(7)	(99.5)	(254.8)	0.0
Profit Before Tax	17.0	31.0	(45.2)	(6)	12	(150.9)	(125.8)	22.9
Income tax exp.	(3.4)	(8.7)	(61.5)	1	(4)	(134.9)	(130.1)	-4.8
Minority Interest	0.4	(0.7)	(150.8)	(0)	(1)	(86.3)	(129.4)	0.5
Net Profit	13.3	23.0	(42.3)	(4)	8	(152.8)	(124.5)	17.6
Core Profit	15.3	34.8	(56.0)	(2)	14	(115.4)	(112.5)	17.5
Margins (%)								
Gross Profit Margin	57.8	59.8		45.2	62.7			62.6
EBIT margin	33.4	41.5		12.8	39.3			41.2
Net Margin	13.8	19.0		-16.3	14.1			25.3
Operational:								
Gold Output (Oz)	21,091	38,993	(45.9)	6,301	17,071	(63.1)		14,790
ASP (USD/oz)	4,400	3,045	44.5	4,138	3,282	26.1		4,512

Source: UOB Kay Hian

Analysis

- **Mine pushback and gold glut dragged 2Q26 into a loss.** 2Q26 net profit swung to a loss of US$4.8m, from a profit of US$8.0m in 2Q25 and US$17.6m in 1Q26 as gold sold dropped 63.1% qoq to 6,301oz on the anticipated Poboya pushback, with only 70% of output sold amid domestic oversupply, while ASP eased 8.3% qoq to US$4,138/oz (1Q26: US$4,512/oz), and finance charges plus a forex loss pushed PBT to a loss. 1H26 net profit fell 42.3% yoy to US$13.3m on revenue of US$95.8m (-20.7% yoy), as gold sold dropped 45.9% yoy to 21,091oz, partly offset by a 44.5% yoy rise in ASP to US$4,400/oz; gross margin narrowed 2.0ppt yoy to 57.8% (1H25: 59.8%) and EBIT margin fell 8.1ppt yoy to 33.4% (1H25: 41.5%) as finance charges rose 74.4% yoy, leaving core profit at US$15.3m (-56.0% yoy). 1H26 formed only 13.0% of 2026 consensus, well below expectations on temporary factors.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	162	249	295	368	768
EBITDA	51	103	124	162	390
Operating profit	43	93	106	137	348
Net profit (rep./act.)	24	50	59	75	226
Net profit (adj.)	24	50	59	75	226
EPS (Rp)	3	6	7	9	26
PE (x)	372.9	181.5	154.8	121.9	40.2
P/B (x)	9.2	8.7	8.3	7.8	6.55
EV/EBITDA (x)	95.8	49.0	41.7	32.5	13.3
Dividend yield	n.a	n.a	n.a	n.a	n.a
Net margin (%)	15.0	20.1	20.0	20.3	29.4
Net debt/(cash) to equity (%)	(0.5)	12.1	21.2	28.7	18.4
Interest cover (x)	4.7	5.1	4.1	3.7	9.4
ROE (%)	2.5	4.9	5.5	6.6	17.6
UOBKH/Consensus (x)			0.6	0.5	0.7

Source: BRMS, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Mining
Bloomberg ticker	BRMS IJ
Shares issued (m)	141,784
Market cap (Rpb)	79,399
Market cap (US$m)	4,412
3-mth avg daily t'over (US$m)	14.1

Price Performance (%)

52-week high/low				Rp1,385/Rp420
1mth	3mth	6mth	1yr	YTD
12.4	(30.4)	(48.1)	27.3	(49.1)

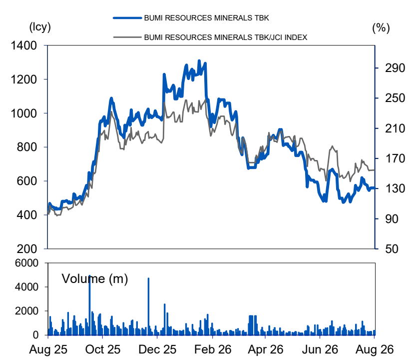
Major Shareholders

	%
Emirates Tarian Global Ventures	25.1
Glastrust (Singapore) LTD	8.2
Sugiman Halim	7.4

Balance Sheet Metrics

FY26 NAV/ADS (Rp)	152
FY26 Net Cash/ADS (Rp)	n.a.

Price Chart



Source: Bloomberg

Company Description

Bumi Resources Minerals is an Indonesian mining company focused on the exploration and development of mineral assets, including copper, gold, zinc and lead.

- **Three factors affecting 2Q26 results.** Bumi Resources Minerals' (BRMS) 2Q26 financial and production results were affected by three factors, though each carries an offsetting factor: a) temporary lower output resulting from the anticipated pushback operations at Poboya's River Reef mine site, a planned part of mine sequencing that had already been publicly disclosed through three separate press releases on 30 Jul 25, 29 Oct 25, and 16 Mar 26, and which has since been finalised, allowing BRMS to resume open pit mining activity in 2H26 with gold output expected to increase accordingly; b) BRMS faced challenges selling its gold output in 2Q26 due to oversupply in Indonesia, as many exporters shifted to selling domestically, prompting domestic buyers to demand discounted prices and resulting in only around 70% of BRMS' gold output being sold during the quarter, BRMS secured a contract with Aneka Tambang (ANTM) in late-Jun 26 to sell most of its gold output at competitive prices on a monthly basis through Jun 28; and c) the average gold commodity selling price declined 8.3% qoq from US$4,512 in 1Q26 to US$4,138 in 2Q26.
- **Long-term volume growth remained intact.** BRMS is upgrading its first carbon-in-leach (CIL) plant from 500 tpd to 2,000 tpd with full completion targeted for 4Q26. Poboya underground development is on track, supporting higher gold grade. The underground development at Poboya, operated by Macmahon Holdings' Indonesian unit, is progressing steadily and remains on track to commence production by 1H27. Initial mining zones are expected to span 80-300 sqm, with some ores from the underground mine area projected to start contributing to production in late-26/early-27 (at a grade of around 2 grams/t (g/t)), above the current 1.3-1.5 g/t. BRMS is finalising its paste fill plant, which will be used to stabilise mined-out areas and support underground operations. Ventilation infrastructure (shaft sink) is also currently under development to regulate airflow. BRMS' targets are: 70,000-75,000 oz in 2026, 80,000 oz in 2027, 150,000 oz in 2028, and over 200,000 oz in 2029.

Earnings Revision/Risk

- **We cut our 2026-27 earnings forecasts by 37.4%/41.2% respectively,** mainly reflecting lower gold price assumptions.

Earnings Revision

	New		Previous		%	
	2026F	2027F	2026F	2027F	2026F	2027F
Sales Volume (oz)	71,889	92,112	78,139	92,112	-8.0%	0.0%
ASP (US$/oz)	4,100	4,000	4,600	4,922	-10.9%	-18.7%
Revenue	295	368	359	453	-17.9%	-18.7%
Gross Profit	159	194	207	265	-23.1%	-26.8%
Operating Profit	106	137	154	208	-31.2%	-34.4%
Net Profit	59	75	94	127	-37.4%	-41.2%

Source: UOB Kay Hian

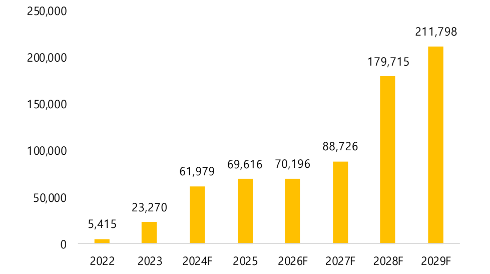
Valuation/Recommendation

- **Maintain BUY with a lower target price of Rp1,040 (from Rp1,330) based on 2027 EV/EBITDA of 27x.** We cut our target price mainly due to lower 2026 earnings estimates and a more cautious gold price outlook amid rising global bond yields and a hawkish monetary policy stance. Nevertheless, we remain positive on BRMS, supported by the upcoming CIL plant expansion and the commencement of higher-grade underground ore production from mid-27. Additional upside could come from potential copper reserve upgrades, underpinned by BRMS' extensive drilling programme planned for 2026.

Share Price Catalyst

- Copper reserves poised for a major upgrade, from massive drilling activity in 2026.
- Robust long-term production growth (35% CAGR, 2026-31).

Sales Volume



Source: UOB Kay Hian

Underground Mine Development

Source: BRMS, UOB Kay Hian

Area Of The Carbon In Leach Gold Plant In Block 1 (Poboya, Palu)

Source: BRMS, UOB Kay Hian

SOTP Valuation

Description	Method	Values (mn USD)
CPM	DCF	1,862
GM (Gold)	EV/Resources	3,473
GM (Copper)	EV/Resources	1,001
Linge Minerals	EV/Resources	168
Suma Heksa	EV/Resources	1,316
Dairi Prima Minerals	EV/Resources	400
Equity value		8,221
O/S		141,784
NAV/share (Rp)		1044
Adj (Rp)		1040

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	249	295	368	768
EBITDA	103	124	162	390
Deprec. & amort.	10	18	25	42
EBIT	93	106	137	348
Total other non-operating income	(9)	(1)	(1)	(1)
Associate contribution	-	-	-	-
Net interest income/(expense)	(18)	(25)	(34)	(35)
Pre-tax profit	66	80	102	312
Tax	(16)	(20)	(25)	(76)
Minorities	0	(2)	(2)	(10)
Net profit	50	59	75	226
Net profit (adj.)	50	59	75	226

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	701	945	1,105	1,184
Other LT assets	343	350	357	364
Cash/ST investment	40	137	83	114
Other current assets	226	124	139	255
Total assets	1,311	1,556	1,684	1,917
ST debt	15	15	15	15
Other current liabilities	72	62	68	134
LT debt	167	370	420	370
Other LT liabilities	11	7	7	7
Minority interest - accumulated	0	0	0	0
Shareholders' equity	1,045	1,102	1,174	1,390
Total liabilities & equity	1,311	1,556	1,685	1,917

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	7	160	87	209
Pre-tax profit	66	80	102	312
Tax	(16)	(21)	(27)	(86)
Deprec. & amort.	7	15	21	34
Working capital changes	(50)	87	(9)	(51)
Other operating cashflows	-	-	-	-
Investing	(71)	(265)	(188)	(119)
Capex (growth)	(71)	(259)	(181)	(113)
Others	0	(6)	(6)	(6)
Financing	92	201	48	(60)
Dividend payments	-	-	-	-
Issue of shares	0	(2)	(2)	(10)
Proceeds from borrowings	92	203	50	(50)
Others/interest paid	(0)	(0)	(0)	(0)
Net cash inflow (outflow)	29	96	(53)	30
Beginning cash & cash equivalent	12	40	137	83
Ending cash & cash equivalent	41	137	83	114

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	41.3	41.9	43.8	50.8
Pre-tax margin	26.6	27.2	27.6	40.6
Net margin	20.1	20.0	20.3	29.4
ROA	4.1	4.1	4.6	12.6
ROE	6.7	6.2	7.1	15.5
Growth				
Turnover	53.6	18.2	25.0	108.5
EBITDA	100.7	20.1	30.7	141.7
Pre-tax profit	94.9	21.0	27.0	(96.9)
Net profit	105.5	17.2	26.9	203.0
Net profit (adj.)	105.5	17.2	26.9	203.0
EPS	105.5	17.2	26.9	203.0
Leverage				
Debt to total capital	17.5	35.0	37.1	27.7
Debt to equity	17.5	35.0	37.1	27.7
Net debt/(cash) to equity	12.1	21.2	28.7	18.4
Interest cover (x)	3.0	3.4	2.7	2.5

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