Timah (TINS IJ)

Positioned For A Breakout Year

NOT RATED	
Share Price	Rp3,620
Target Price	n.a.
Upside	n.a.

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Highlights

- TINS targets 2026 tin sales of 20,000-24,000 tonnes, implying 20-44% growth, supported by stronger production and tin prices.
- While 2Q26 volumes softened due to maintenance, higher tin prices should support earnings.
- In the longer term, rare earth monetisation and potential higher tin sales volume offer attractive optionality, with potential contribution from 2H27.

Analysis

- **2026 guidance signals a meaningful production growth.** Management remains constructive on 2026, targeting tin sales of 20,000-24,000 tonnes, with an upside scenario of around 24,000 tonnes. Compared with 2025 sales of 16,634 tonnes, this implies volume growth of 20-44%. The recovery is supported by a strong start to the year, with 1Q26 tin ore production nearly doubling yoy to 6,312 tonnes as permitting issues and ore-supply constraints that weighed on 2025 operations gradually eased. Coupled with a stronger tin price environment, consensus expects 2026 net profit to reach Rp3.7t (+180% yoy).
- **2Q26: Maintenance-led volume softness, but earnings remain supported by stronger tin prices.** Following a 1Q26 production run-rate of around 2,000 tonnes/month, management expects 2Q26 output to decline by 10-20% qoq to 1,700-1,800 tonnes/month, mainly due to a scheduled smelter maintenance in May. Nevertheless, tin prices averaged US$51,800/tonne in 2Q26 (+2.7% qoq), which should help offset lower sales volumes and support another solid quarter of financial performance.
- **RKAB revision is the key near-term uncertainty.** Timah (TINS) is revising its 2026 RKAB (mining work plan and budget), which was initially set at 30,000 tonnes. Management has not disclosed the revised figure, and it could be revised upward or downward. Export activity is delayed to the next quarter until the RKAB is finalised, hence, TINS expects sales momentum to slow again in 3Q26.
- **Rare earth minerals are the next catalyst**. Management indicates that rare earth margins could exceed tin margins if the business can be monetised. R&D progress has been encouraging, TINS has already been able to extract around 90% of usable components, and management estimates that roughly 5% of the tin ore it produces consists of rare earth material. The earliest revenue contribution is expected in 2H27.

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	14,607	12,504	8,392	10,856	11,553
EBITDA	3,074	2,140	416	2,713	2,634
Operating Profit	2,239	1,403	(526)	1,810	1,824
Net Profit (rep./act.)	1,303	1,041	(450)	1,249	1,314
EPS (Rp)	1,303	1,041	(450)	1,249	1,314
PE (x)	174.9	139.8	(60.0)	168.0	176.0
P/B (x)	20.7	25.9	(60.3)	21.5	20.6
EV/EBITDA (x)	4.3	3.8	4.3	3.6	3.2
Dividend yield (%)	8.1	11.6	59.7	9.2	9.4
Net margin (%)	1.7	1.2	0.0	1.8	2.4
Net debt/(cash) to equity (%)	8.9	8.3	(5.4)	11.5	11.4
Interest cover (x)	52.7	22.2	31.0	(1.4)	(1.7)
ROE (%)	6.6	7.3	(2.8)	9.4	16.8

Source: TINS, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Materials
Bloomberg ticker:	TINS IJ
Shares issued (m):	7,448
Market cap (Rpb):	26,961
Market cap (US$m):	1,508
3-mth avg daily t'over (US$m):	11.4

Price Performance (%)

52 week high/low: Rp4,720/Rp985

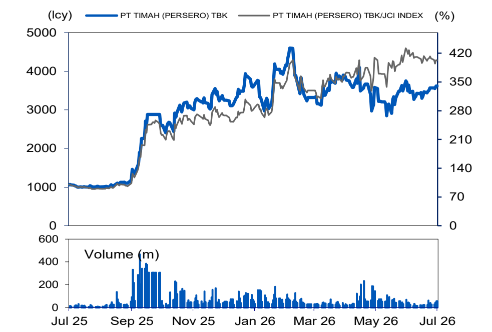
1mth	3mth	6mth	1yr	YTD
3.7	(7.2)	(4.5)	239.9	16.4

Major Shareholders	(%)
Inalum	65.0

Balance Sheet Metrics

FY26 NAV/Share (Rp)	n.a.
FY26 Net Cash/Share (Rp)	n.a.

Price Chart



Source: Bloomberg

Company Description

PT Timah Tbk is an integrated mining state-owned enterprise based in Pangkalpinang, Indonesia, recognized as the world's fifth-largest integrated tin producer. Operating under the MIND ID mining holding, it handles exploration, mining, processing, and marketing of tin and its derivatives.

- **Seized-asset injection remains an overhang.** The transfer of state-seized tin assets into TINS has been delayed as the process enters a second appraisal after the initial valuation expired. While the asset injection (mostly inventory) could strengthen TINS' resource base, the structure remains uncertain, with either a rights issue or an *inbreng* (asset-for-shares) scheme still under consideration. Given the potentially large equity issuance required, investors should pay close attention to the final valuation and transaction structure, as the deal could result in meaningful shareholder dilution.

Valuation/Recommendation

- TINS remain attractively valued at 3.7x 2026F EV/EBITDA, only slightly above its -1SD to three-year mean. In addition, the stock trades at an 83% discount to global tin and rare earth peers.

Peer Comparison

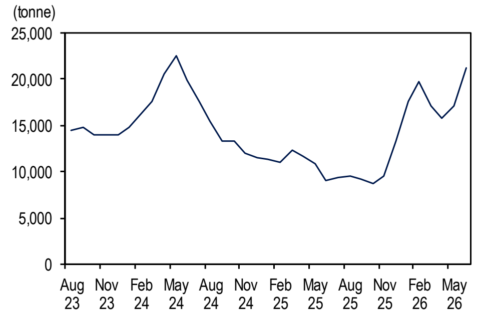
Company	Ticker	Market Cap (US$m)	3M Avg Turnover (US$m)	------ PE ----- 2026F (x)	2027F (x)	--- EV/EBITDA --- 2026F (x)	2027F (x)	ROE 2026F (%)	---- Div. Yield ---- 2026F (%)	2027F (x)	Net Gearing (%)
Pt Timah (Persero) Tbk	TINS IJ	1,507	11.2	7.2	6.2	3.7	3.3	30.7	2.4	9.2	(1.7)
Mp Materials Corp	MP US	8,242	351.9	350.8	47.7	51.3	21.2	(4.8)	-	-	(34.3)
China Northern Rare Earth -A	600111 CH	20,878	873.2	34.5	27.6	21.7	17.9	11.3	0.6	0.7	13.4
Lynas Rare Earths Ltd	LYC AU	10,833	60.6	54.2	23.8	32.2	14.6	2.9	-	0.7	1.5
Yunnan Tin Co Ltd-A	000960 CH	7,749	526.0	15.8	14.2	11.0	9.8	11.5	1.9	2.1	40.7
Median				34.5	23.8	21.7	14.6	11.3	0.6	0.7	1.5

Source: Bloomberg

Tin Price (US$/tonne)

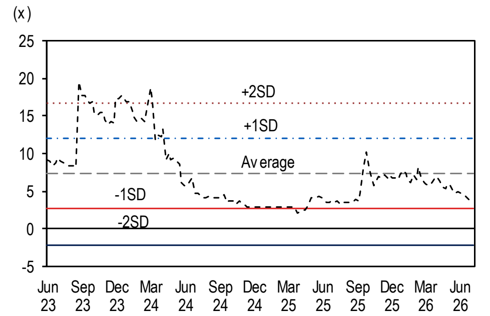
Source: Bloomberg

Tin Inventory



Source: Bloomberg

TINS EV/ EBITDA



Source: Bloomberg

Profit & Loss

Year to 31 Dec (Rp b)	2022	2023	2024	2025
Net turnover	12,504	8,392	10,856	11,553
EBITDA	2,140	416	2,713	2,634
Deprec. & amort.	736	942	903	810
EBIT	1,403	(526)	1,810	1,824
Total other non-operating income	4	79	(153)	(70)
Net interest income/(expense)	0	0	0	0
Pre-tax profit	1,407	(447)	1,657	1,754
Tax	(365)	(3)	(408)	(440)
Minorities	(0)	(0)	(0)	(0)
Net profit	1,041	(450)	1,249	1,314
Net profit (adj.)	1,041	(450)	1,249	1,314

Balance Sheet

Year to 31 Dec (Rp b)	2022	2023	2024	2025
Fixed assets	5,466	5,224	4,564	4,048
Other LT assets	1,966	2,218	2,335	2,813
Cash/ST investment	1,209	1,527	1,988	1,712
Other current assets	4,426	3,864	3,893	5,071
Total assets	13,067	12,831	12,780	13,643
ST debt	530	2,218	650	767
Other current liabilities	2,017	1,644	1,868	2,059
LT debt	2,245	1,269	1,233	805
Other LT liabilities	1,233	1,380	1,443	1,604
Shareholders' equity	7,042	6,320	7,587	8,408
Minority interest	0	0	0	0
Total liabilities & equity	13,067	12,831	12,780	13,643

Cash Flow

Year to 31 Dec (Rp b)	2022	2023	2024	2025
Operating	2,957	682	2,495	966
Pre-tax profit	1,407	(447)	1,657	1,754
Tax	(365)	(3)	(408)	(440)
Deprec. & amort.	736	942	903	810
Working capital changes	951	644	(373)	(874)
Non-cash items	228	(454)	715	(282)
Investing	(823)	(651)	(454)	(306)
Capex (growth)	(855)	(684)	(313)	(306)
Investments	35	9	(70)	0
Others	(2)	24	(72)	0
Financing	(2,707)	287	(1,580)	(938)
Dividend payments	(456)	(312)	0	(475)
Issue of shares	0	0	0	0
Proceeds from borrowings	4,425	5,319	4,059	3,085
Loan repayment	(5,874)	(4,611)	(5,691)	(3,457)
Others/interest paid	(803)	(109)	53	(90)
Net cash inflow (outflow)	(573)	317	461	(277)
Beginning cash & cash equivalent	1,782	1,209	1,527	1,988
Ending cash & cash equivalent	1,209	1,527	1,988	1,712

Key Metrics

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
EBITDA margin	17.1	5.0	25.0	22.8
Pre-tax margin	11.2	(5.3)	15.3	15.2
Net margin	8.3	(5.4)	11.5	11.4
ROA	7.5	(3.5)	9.8	9.9
ROE	15.6	(6.7)	18.0	16.4
Growth				
Turnover	(14.4)	(32.9)	29.4	6.4
EBITDA	(30.4)	(80.6)	552.1	(2.9)
Pre-tax profit	(18.6)	(131.8)	(471.0)	5.8
Net profit	(20.1)	(143.2)	(377.8)	5.1
Net profit (adj.)	(20.1)	(143.2)	(377.8)	5.1
EPS	(20.1)	(143.2)	(377.8)	4.8
Leverage				
Debt to total capital	28.3	35.6	19.9	15.7
Debt to equity	39.4	55.2	24.8	18.7
Net debt/(cash) to equity	10.8	31.4	(1.4)	1.6
Interest cover (x)	6.9	(2.6)	8.8	9.1