

## PT Mineral Industri Indonesia (2250228D IJ)

FUNDAMENTAL VIEW <sup>1</sup>

As of 07 May 2024

- PT Mineral Industri Indonesia (MIND ID) is fully owned by the Government of Indonesia (Gol); we believe its state linkages and strategic importance to the Gol will strengthen as the nation continues to pursue the development of its downstream commodities sector and support green transition.
- We expect MIND ID's credit metrics to improve meaningfully over the next 2 years even amid high capex, aided by strong anticipated commodity prices and sales volumes, healthy dividend income from key joint venture PT Freeport Indonesia (PTFI), phased stake acquisitions of PT Vale Indonesia that we see as net credit positive, and a potential IPO of its aluminium business in end-FY24/FY25 that should free up cash.
- MIND ID's large, diversified scale of operations helps limit commodity-specific risks.

## RISKS &amp; CATALYSTS

As of 07 May 2024

- MIND ID is subjected to unanticipated changes in mining policies that raise operational and regulatory uncertainties.
- MIND ID is exposed to commodity price fluctuations that could hurt sales price realizations and profitability.
- Capex typically remains elevated, pressurizing its free cash flow generation and leverage.
- MIND ID faces material asset concentration risk for its coal, gold and tin segments.

## KEY METRICS

As of 07 May 2024

IDR BN	FY19	FY20	FY21	FY22	FY23
Debt to Book Cap	51.6%	55.9%	52.0%	44.6%	41.6%
Net Debt to Book Cap	37.5%	39.0%	29.6%	27.1%	24.5%
Debt/Total Equity	1.1x	1.3x	1.1x	0.8x	0.7x
Debt/Total Assets	46.5%	51.0%	46.1%	38.7%	35.6%
Gross Leverage	8.6x	10.8x	4.7x	3.5x	7.0x
Net Leverage	6.3x	7.5x	2.7x	2.1x	4.1x
Interest Coverage	1.7x	1.1x	3.2x	3.9x	2.2x
EBITDA Margin	11.0%	12.9%	21.5%	19.9%	12.3%

## BUSINESS DESCRIPTION

As of 07 May 2024

- MIND ID is an unlisted Indonesian state-owned holding company of various Indonesian mining operators.
- Key subsidiaries include: 1) Bukit Asam: Coal mining, processing, and sale of coal; 2) Timah: Tin mining, processing, and sale of downstream products; 3) Aneka Tambang (Antam): Mining, processing, and sale of gold products, nickel, ferronickel, bauxite and chemical grade alumina; 4) Inalum: Production of aluminium.
- Key unconsolidated joint ventures and associates include: 1) PT Freeport Indonesia (PTFI): Mining, processing and sale of copper, gold and silver. MIND ID aims to raise its stake in PTFI to 71% from a current 51% in the medium-to-long term; 2) PT Vale Indonesia (PTVI): Mining and processing of nickel. MIND ID aims to raise its stake in PTVI to >51% from a current 20% by end-2025.

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