

**BUY**

Last price	Rp 129
Target price	Rp 150
Upside potential	16.3 %

**General Information**

Ticker	DKFT
Sector	Basic Materials
52-week range	99 - 107
Year-to-date return	29.1 %
Last price (20 Jan 2023)	129
Target price	150
Shares outstanding	5,638,246,600
Market cap.	727,333,811,400
Free float	1,947,671,159
Earnings per share (Dec 2021)	(34)

Source: company, Profindo research

**Shareholder structure**

PT Jinsheng Mining	59.76 %
Kiki Hamidjaja	2.53 %
Feni Silviani Budiman	0.23 %
Andi Jaya	0.02 %
Public	34.54 %
<b>Subtotal</b>	<b>97.08 %</b>
Treasury Stock	2.92 %
<b>Total</b>	<b>97.08 %</b>

Source: company, Profindo research

**Company Overview**

PT Central Omega Resources Tbk merupakan perusahaan yang bergerak di bidang penambangan dan pengolahan nikel. Tambang nikel Perseroan terletak di Morowali, Sulawesi Tenggara dan Konawe Utara, Sulawesi Tenggara. Saat ini, Perseroan mampu memproduksi biji nikel sebanyak 3 juta ton per tahun.

**Financial Performance**

Perseroan mencatatkan penghasilan sebesar Rp 535.3 miliar pada kuartal III tahun 2022. Jumlah ini turun -51.5% dibanding periode yang sama tahun sebelumnya.

EBITDA Perseroan pada periode ini mengalami peningkatan sebesar 792.2% dibanding periode yang sama tahun sebelumnya. Pada periode ini, EBITDA Perseroan tercatat sebesar Rp 198.9 miliar dengan margin EBITDA sebesar 37.2%.

Perseroan mencatatkan laba bersih sebesar Rp 38.1 miliar, dengan margin laba bersih sebesar 7.1% pada periode ini.

**Valuation**

Dengan metode valuasi relatif, Perseroan memperoleh rekomendasi BUY dengan target harga Rp 150. Rekomendasi ini didasarkan pada rasio Price to Earnings growth (PEG), dengan 3 tahun *earnings forecast* Perseroan sebesar 2.21x.

Research analyst:

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<i>(in Idr.)</i>					
Simplified income statement	2019A	2020A	3Q21	2021A	3Q22
Revenue	547,834,061,890	1,141,585,024,208	1,104,582,043,262	1,394,412,951,021	535,303,938,596
Cost of revenue	(316,005,482,930)	(1,205,561,792,798)	(1,118,787,322,506)	(1,445,205,367,879)	(240,380,319,200)
<b>Gross profit</b>	<b>231,828,578,960</b>	<b>(63,976,768,590)</b>	<b>(14,205,279,244)</b>	<b>(50,792,416,858)</b>	<b>294,923,619,396</b>
Selling expenses	(74,468,394,927)	(4,453,515,293)	(32,693,862,810)	(52,431,519,384)	(27,326,873,949)
General and administrative expenses	(69,982,664,397)	(54,134,715,590)	(41,782,461,219)	(79,132,015,806)	(169,569,139,677)
<b>EBITDA</b>	<b>273,226,664,669</b>	<b>(12,628,449,690)</b>	<b>22,167,697,564</b>	<b>(25,639,802,222)</b>	<b>198,890,462,816</b>
Depreciation expenses	(110,217,027,182)	(104,319,311,566)	(77,282,645,834)	(103,120,907,518)	(72,663,190,904)
<b>EBITA</b>	<b>163,009,637,487</b>	<b>(116,947,761,256)</b>	<b>(55,114,948,270)</b>	<b>(128,760,709,740)</b>	<b>126,227,271,912</b>
Amortization expenses	(1,163,722,924)	(1,163,722,924)	(872,792,193)	(1,163,722,924)	(872,792,193)
<b>EBIT</b>	<b>161,845,914,563</b>	<b>(118,111,484,180)</b>	<b>(55,987,740,463)</b>	<b>(129,924,432,664)</b>	<b>125,354,479,719</b>
Financial expenses and other income & expenses	(294,736,059,135)	(174,774,557,340)	(83,799,129,805)	(124,333,805,662)	(64,188,089,087)
<b>EBT</b>	<b>(132,890,144,572)</b>	<b>(292,886,041,520)</b>	<b>(139,786,870,268)</b>	<b>(254,258,238,326)</b>	<b>61,166,390,632</b>
Tax expenses	31,960,292,812	275,867,485,699	30,323,103,364	(87,223,707,551)	(23,104,759,386)
<b>EAT</b>	<b>(100,929,851,760)</b>	<b>(17,018,555,821)</b>	<b>(109,463,766,904)</b>	<b>(341,481,945,877)</b>	<b>38,061,631,246</b>

<i>(in %)</i>					
Profit Margin	2019A	2020A	3Q21	2021A	3Q22
Gross profit margin	42.3 %	(5.6 %)	(1.3 %)	(3.6 %)	55.1 %
EBITDA margin	49.9 %	(1.1 %)	2.0 %	(1.8 %)	37.2 %
EBIT margin	29.5 %	(10.3 %)	(5.1 %)	(9.3 %)	23.4 %
Net profit margin	(18.4 %)	(1.5 %)	(9.9 %)	(24.5 %)	7.1 %

<i>(in Idr.)</i>					
Simplified Balance Sheet	2019A	2020A	3Q21	2021A	3Q22
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	23,821,966,192	41,909,593,500	165,228,233,563	314,105,114,395	361,140,668,160
Trade receivables - third parties - net	6,117,139,452	27,250,483,139	130,106,265,082	32,578,200,153	47,761,587,345
Other current assets components	915,191,819,124	909,009,279,835	811,909,571,620	569,365,678,970	663,707,277,107
<b>Total current assets</b>	<b>945,130,924,768</b>	<b>978,169,356,474</b>	<b>1,107,244,070,265</b>	<b>916,048,993,518</b>	<b>1,072,609,532,612</b>
<b>Non-current assets</b>					
Fixed assets	1,285,498,897,881	1,197,626,367,496	1,122,552,859,081	1,077,866,734,646	1,026,414,105,771
Other non-current assets components	424,644,413,885	388,962,841,399	419,907,093,960	250,201,839,946	208,640,980,062
<b>Total non-current assets</b>	<b>1,710,143,311,766</b>	<b>1,586,589,208,895</b>	<b>1,542,459,953,041</b>	<b>1,328,068,574,592</b>	<b>1,235,055,085,833</b>
<b>Total assets</b>	<b>2,655,274,236,534</b>	<b>2,564,758,565,369</b>	<b>2,649,704,023,306</b>	<b>2,244,117,568,110</b>	<b>2,307,664,618,445</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Short-term bank loans	70,932,230,000	-	-	-	-
Trade payables - third parties	144,192,955,499	251,070,016,361	391,668,964,838	131,901,753,708	99,011,448,842
Other current liabilities components	638,407,494,801	779,173,271,272	795,362,610,135	889,779,709,286	945,914,497,598
<b>Total current liabilities</b>	<b>853,532,680,300</b>	<b>1,030,243,287,633</b>	<b>1,187,031,574,973</b>	<b>1,021,681,462,994</b>	<b>1,044,925,946,440</b>
<b>Non-current liabilities</b>					
Loan from financial institutions	799,550,635,513	811,811,424,048	821,428,999,813	800,379,765,299	800,379,765,299
Other non-current liabilities components	26,762,000,000	23,833,476,683	51,939,528,819	63,022,936,371	63,082,052,014
<b>Total non-current liabilities</b>	<b>826,312,635,513</b>	<b>835,644,900,731</b>	<b>873,368,528,632</b>	<b>863,402,701,670</b>	<b>863,461,817,313</b>
<b>Total liabilities</b>	<b>1,679,845,315,813</b>	<b>1,865,888,188,364</b>	<b>2,060,400,103,605</b>	<b>1,885,084,164,664</b>	<b>1,908,387,763,753</b>
<b>Equity</b>					
Retained earnings	(195,571,315,819)	(360,746,282,520)	(399,444,209,545)	(546,679,318,762)	(490,054,650,182)
Other equity components	1,171,000,236,540	1,059,596,659,525	988,748,129,246	905,712,722,208	889,331,504,874
<b>Total equity</b>	<b>975,428,920,721</b>	<b>698,850,377,005</b>	<b>589,303,919,701</b>	<b>359,033,403,446</b>	<b>399,276,854,692</b>
<b>Total liabilities &amp; equity</b>	<b>2,655,274,236,534</b>	<b>2,564,758,565,369</b>	<b>2,649,704,023,306</b>	<b>2,244,117,568,110</b>	<b>2,307,664,618,445</b>

<i>(in multiple)</i>					
Current & Debt to Equity Ratios	2019A	2020A	3Q21	2021A	3Q22
Current ratio	1.11 x	0.95 x	0.93 x	0.90 x	1.03 x
Debt to equity ratio	0.89 x	1.16 x	1.39 x	2.23 x	2.00 x

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