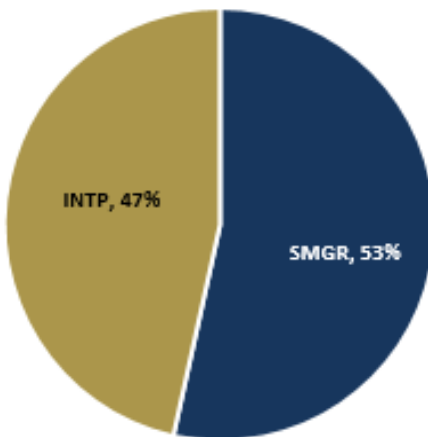


Neutral

Stock Recommendation

Ticker	Rating	Price (IDR)	TP (IDR)	Upside
SMGR	BUY	6,825	7,925	16.1%
INTP	BUY	10,575	12,625	19.4%

Sector Market Cap Weighting



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Slow First Half; Better Second Half?

Performa 2Q23 di bawah ekspektasi. Kedua pemain semen di bawah coverage kami membukukan performa di bawah estimasi kami, akibat adanya libur Lebaran yang menyebabkan penurunan volume penjualan (SMGR -8.1% QoQ dan INTP -9.6% QoQ). SMGR membukukan pendapatan sebesar IDR 8.1tn di 2Q23 (-9.4% QoQ, -0.6% YoY), dengan pendapatan kumulatif 1H23 sebesar IDR 17.0tn (+2.0% YoY), di bawah estimasi kami dan konsensus (SSI FY23F: 44.1%, konsensus FY23F: 44.2%). Sementara itu, INTP membukukan pendapatan sebesar IDR 3.7tn di 2Q23 (-12.3% QoQ, +11.1% YoY), dengan angka kumulatif 1H23 sebesar IDR 8.10tn (+15.3% YoY), di bawah estimasi kami dan konsensus (SSI FY23F: 46.6%, konsensus FY23F: 45.6%). Dari sisi biaya, SMGR melaporkan adanya peningkatan yang disebabkan oleh kenaikan cost/ton sebesar +2.7% QoQ, +6.8% YoY menjadi IDR 899k/ton akibat melonjaknya biaya bahan baku sebesar +78.5% QoQ, meski ada kenaikan ASP (+1.2% QoQ menjadi IDR 921rb/ton). Sementara, INTP mencatatkan penurunan cost/ton di 2Q23 sebesar -4.4% QoQ, -6.4% YoY didorong penurunan beban energi berkat harga DMO. Namun, blended ASP INTP juga turun sebesar -2.3% QoQ, +4.1% YoY menjadi IDR 939k/ton. Hal ini menyebabkan laba bersih 2Q23 SMGR dan INTP turun -45.8% QoQ dan -12.0% QoQ, sementara untuk angka kumulatif 1H, keduanya mencatatkan pertumbuhan masing-masing +3.1% YoY dan +139.0% YoY di 1H23. Meski demikian, angka laba bersih 1H23 keduanya masih di bawah estimasi kami (26.0% dan 37.5% dari estimasi FY23F SSI).

Volume berpotensi membaik di 2H23. Selama 3 minggu di bulan Jul-23, SMGR menyebutkan adanya pertumbuhan volume penjualan sekitar +8-12% YoY, yang mengindikasikan adanya pemulihan dari segi permintaan. Kami memperkirakan bahwa hingga akhir tahun 2023, penjualan semen nasional akan tumbuh tipis sebesar +1-2% YoY atau setara dengan 63.6-64.0 juta ton. Di 1H23 sendiri, penjualan semen nasional mencapai 27.4 juta ton yang didorong oleh semen curah dengan pertumbuhan +4.1% YoY. Kami memperkirakan pada 2H23, penjualan semen nasional akan mencapai sekitar 36 juta ton (+7.6% YoY), didorong oleh beberapa katalis: 1) Proyek pemerintah (terutama IKN, proyek jalan tol, serta MRT). 2) tahun pemilu yang diperkirakan akan membantu meningkatkan daya beli masyarakat terutama untuk semen kantung. Oleh sebab itu, kami masih optimis laba bersih FY23F SMGR dan INTP akan mencapai target kami (SMGR: IDR 2.8tn, INTP: IDR 1.4tn).

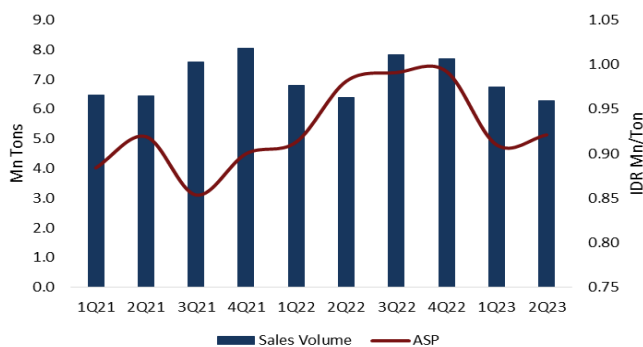
Bagaimana dengan 2024? Dengan terus membaiknya kondisi ekonomi nasional, di mana diproyeksikan GDP FY24F akan tumbuh +4.9% YoY dengan level inflasi yang tergolong rendah (+3.3% YoY) dan penurunan suku bunga (proyeksi FY24F: 4.25%), kami yakin daya beli masyarakat akan meningkat, yang akan turut mendongkrak industri *landed housing*. Karenanya, kami memproyeksikan penjualan semen nasional akan tumbuh +1-2% YoY (64.0-64.5 juta ton). Kami juga memproyeksikan bahwa ASP SMGR dan INTP dapat terjaga stabil, didukung semakin menurunnya intensitas kompetisi di industri semen. Didukung faktor-faktor tersebut, kami proyeksikan volume penjualan SMGR dan INTP akan mencapai masing-masing 37.3 juta ton (+3.9% YoY) dan 18.6 juta ton (+2.9% YoY) di FY24F, dengan pertumbuhan laba bersih +13.3% YoY dan +13.7% YoY. Kami memberikan rekomendasi BUY untuk SMGR (TP: IDR 7,925; 16.9x P/E FY24F) dan INTP (TP: IDR 12,625; 20.5x P/E FY 24F). Risiko utama: Fluktuasi permintaan semen nasional, bahan bakar dan biaya distribusi.

Table 1. Valuation Highlights

Ticker	Rating	CP	TP	Upside	P/E (X)		NP (IDRbn)		EPSG (%)		ROE (%)		ROA (%)	
		(IDR)	(IDR)		(%)	2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F	2023F
SMGR	BUY	6,825	7,925	16.1	16.5	14.6	2,793	3,164	4.2	13.3	5.8	6.3	3.4	3.9
INTP	BUY	10,575	12,625	19.4	19.5	17.2	1,859	2,113	0.9	13.7	9.5	10.5	7.3	8.2
Sector					18.0	15.9			2.6	13.5	7.7	8.4	5.4	6.1

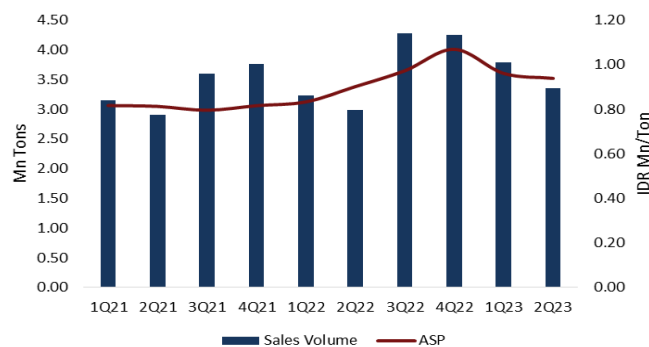
Source: Bloomberg, SSI Research (*Valuation at closing price 02/08/23)

Figure 1. SMGR's Domestic Sales Volume and ASP



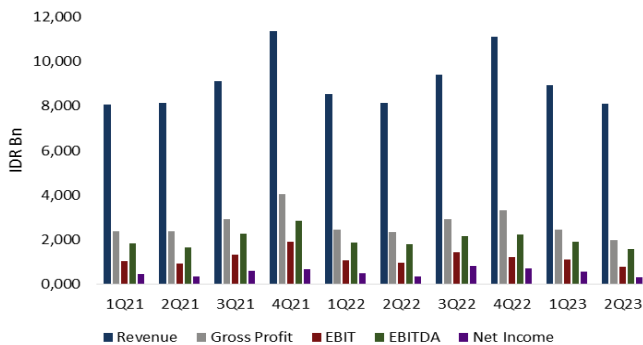
Source: ASI, Company, SSI Research

Figure 2. INTP's Domestic Sales Volume and ASP



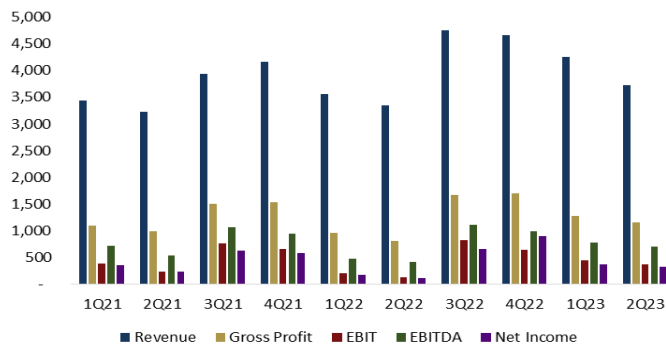
Source: ASI, Company, SSI Research

Figure 3. SMGR's Financial Performance



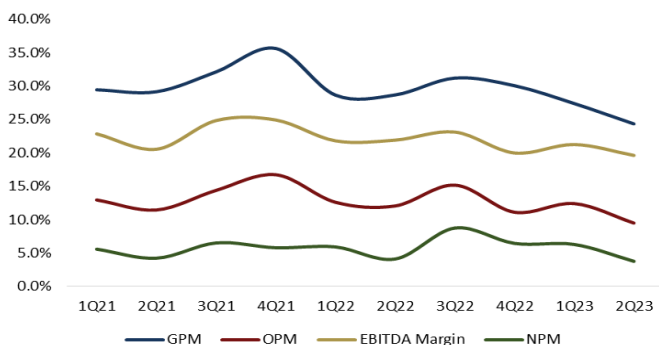
Source: Company, SSI Research

Figure 4. INTP's Financial Performance



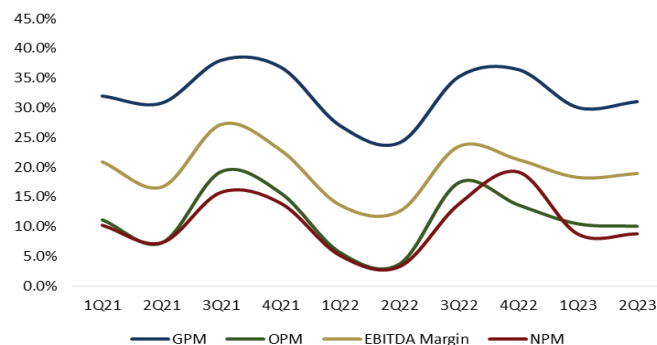
Source: Company, SSI Research

Figure 5. SMGR's Profitability Margins



Source: Company, SSI Research

Figure 6. INTP's Profitability Margins



Source: Company, SSI Research

Table 2. SMGR 1H23 Results

SMGR (IDR Bn)	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	1H22	1H23	YoY (%)	FY23/SSI	FY23/Cons
Revenue	8,147	8,935	8,097	-9.4	-0.6	16,701	17,032	2.0	44.1	44.2
Gross Profit	2,335	2,446	1,970	-19.5	-15.6	4,784	4,416	-7.7	37.3	39.3
Operating Profit	904	1,099	771	-29.9	-14.7	1,972	1,870	-5.2	34.1	38.0
EBITDA	1,702	1,861	1,535	-17.5	-9.8	3,556	3,396	-4.5	38.1	41.2
Net Profit	334	562	304	-45.8	-8.9	840	866	3.1	26.0	31.4
Gross Margin	28.7%	27.4%	24.3%	-3.0%	-4.3%	28.6%	25.9%	-2.7%		
Operating Margin	11.1%	12.3%	9.5%	-2.8%	-1.6%	11.8%	11.0%	-0.8%		
EBITDA Margin	20.9%	20.8%	19.0%	-1.9%	-1.9%	21.3%	19.9%	-1.4%		
Net Margin	4.1%	6.3%	3.8%	-2.5%	-0.3%	5.0%	5.1%	0.1%		
Operational Data	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	1H22	1H23	YoY (%)		
Domestic Cement Sales	6,328	6,746	6,277	-7.0	-0.8	13,131	13,023	-0.8		
COGS	5,811	6,489	6,127	-5.6	5.4	11,916	12,616	5.9		
OPEX	1,432	1,347	1,199	-11.0	-16.3	2,813	2,546	-9.5		
Domestic Volume (000 Ton)	6,522	7,414	6,814	-8.1	4.5	14,862	14,228	-4.3		
Domestic ASP (IDR `000/ton)	970	910	921	1.2	-5.1	884	915	3.6		
Cost/ton (IDR `000)	891	875	899	2.7	0.9	802	887	10.6		
Opex/ton (IDR `000)	220	182	176	-3.2	-19.9	189	179	-5.5		

Source: Company, SSI Research

Table 3. INTP 1H23 Results

INTP (IDR Bn)	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	1H22	1H23	YoY (%)	FY23/SSI	FY23/Cons
Revenue	3,353	4,246	3,724	-12.3	11.1	6,911	7,970	15.3	46.6	45.6
Gross Profit	809	1,276	1,156	-9.4	43.0	1,769	2,432	37.5	39.3	40.8
Operating Profit	81	454	383	-15.5	370.5	265	837	215.8	36.9	34.9
EBITDA	379	785	714	-9.1	88.2	847	1,499	77.0	42.2	40.4
Net Profit	109	371	327	-12.0	198.4	292	698	139.0	37.5	34.2
Gross Margin	24.1%	30.1%	31.0%	1.0%	6.9%	25.6%	30.5%	4.9%		
Operating Margin	2.4%	10.7%	10.3%	-0.4%	7.9%	3.8%	10.5%	6.7%		
EBITDA Margin	11.3%	18.5%	19.2%	0.7%	7.9%	12.3%	18.8%	6.6%		
Net Margin	3.3%	8.7%	8.8%	0.0%	5.5%	4.2%	8.8%	4.5%		
Operational Data	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	1H22	1H23	YoY (%)		
Domestic Cement Sales	2,989	3,797	3,353	-11.7	12.2	6,226	7,150	14.8		
COGS	2,545	2,970	2,568	-13.5	0.9	5,142	5,538	7.7		
OPEX	726	822	773	-6.0	6.5	1,503	1,595	6.1		
Domestic Volume (000 Ton)	3,312	3,949	3,571	-9.6	7.8	7,123	7,513	5.5		
Domestic ASP (IDR `000/ton)	902	962	939	-2.3	4.0	874	952	8.9		
Cost/ton (IDR `000)	768	752	719	-4.4	-6.4	722	737	2.1		
Opex/ton (IDR `000)	219	208	216	4.0	-1.2	211	212	0.6		

Source: Company, SSI Research

Figure 7. Peers Comparison

Company Ticker	Country	Company Ticker	Market Cap (USD Mn)	PER (x)		EV/EBITDA (x)		PBV (x)		ROE (%)	
				2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
XINJIANG TIAN-A	CN	000877 CH	10,655	10.2	9.4	7.3	6.8	0.8	0.8	7.8	8.2
TANGSHAN JIDON-A	CN	000401 CH	3,036	15.3	16.4	8.2	6.7	0.7	0.7	2.6	4.2
CONCH CEMENT-H	CN	914 HK	18,755	6.6	5.8	3.7	3.2	0.6	0.5	8.9	9.6
CHINA NATL BDG-H	CN	3323 HK	5,191	4.6	3.6	7.8	6.9	0.3	0.3	6.5	8.4
CHINA NATL BDG-H	CN	3323 HK	5,191	4.6	3.6	7.8	6.9	0.3	0.3	6.5	8.4
AMBUJA CEMENTS	IN	ACEM IN	10,982	33.1	30.3	15.0	13.6	2.3	2.3	8.8	9.0
ACC LTD	IN	ACC IN	4,468	30.9	22.4	16.4	13.0	2.6	2.4	9.9	11.2
ULTRATECH CEMENT	IN	UTCEM IN	28,845	31.6	26.2	17.6	15.1	3.9	3.5	13.3	14.1
SHREE CEMENT	IN	SRM IN	10,498	43.2	33.2	20.5	17.3	4.3	3.8	10.6	12.1
ASIA CEMENT CORP	TW	1102 TT	4,458	11.6	10.5	14.2	13.5	0.9	0.9	7.2	7.5
TAIWAN CEMENT	TW	1101 TT	8,417	25.9	20.8	18.7	14.6	1.2	1.1	5.1	6.0
SSANGYONG C&E CO	KR	003410 KS	2,115	20.5	19.2	9.0	9.1	1.8	1.8	8.4	9.1
SAMPYO CEMENT CO	KR	038500 KS	277	10.5	9.8	6.6	6.5	0.5	0.5	4.9	5.0
SIAM CEMENT PCL	TH	SCC TB	11,308	13.2	11.0	12.3	10.3	1.0	0.9	8.2	8.2
HOLCIM LTD	US	HOLN SW	39,788	11.8	11.1	7.2	6.9	1.2	1.2	10.2	10.5
HEIDELBERG MATER	DE	HEI GR	15,795	7.7	7.4	5.5	5.4	0.8	0.7	10.6	10.3
ADBRI LTD	AU	ABC AU	1,063	15.4	15.3	7.7	7.4	1.1	1.1	7.6	7.6
BORAL LTD	AU	BLD AU	3,175	39.4	29.1	12.1	10.4	2.4	2.2	6.4	8.4
EAGLE MATERIALS	US	EXP US	6,637	13.6	12.3	9.5	8.9	4.5	3.7	35.0	29.9
CEMEX SAB-CPO	MX	CEMEXCPO N	11,040	11.2	9.6	6.7	6.3	1.0	0.9	8.8	9.5
SEMEN INDONESIA	ID	SMGR UJ	3,049	16.5	13.8	7.3	6.8	1.0	1.0	6.3	7.2
INDOCEMENT TUNGG	ID	INTP UJ	2,566	18.5	16.3	9.9	9.1	1.8	1.7	9.4	10.4
Global Weighted Average			207,310	17.9	15.3	10.6	9.4	1.8	1.6	10.2	10.7

Source: Companies, Bloomberg, SSI Research (*Valuation at closing price 02/08/23)

Figure 8. SMGR's P/E Band



Source: Bloomberg, Company, SSI Research

Figure 9. INTP's P/E Band



Source: Bloomberg, Company, SSI Research

3 August 2023

JCI Index: 6,855

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