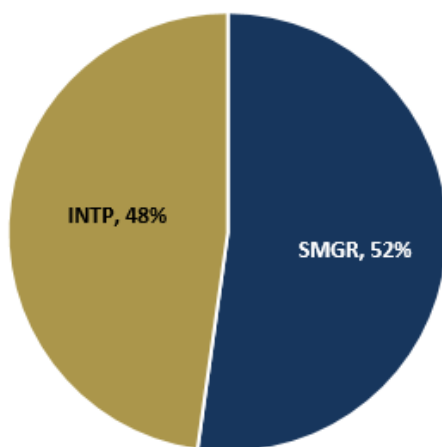


### Neutral

#### Stock Recommendation

Ticker	Rating	Price (IDR)	TP (IDR)	Upside
SMGR	BUY	6,850	7,925	15.7%
INTP	BUY	11,275	12,625	12.0%

#### Sector Market Cap Weighting



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## 7M23 Cement Sales

**Konsumsi semen domestik Jul-23 naik +9.7% MoM.** Volume penjualan semen domestik pada Jul-23 tercatat tumbuh +9.7% MoM, +12.6% YoY mencapai 5.8 juta ton dengan kumulatif penjualan selama 7M23 di 33.2 juta ton (-2.3% yoy). Pertumbuhan volume penjualan nasional ditopang kedua segmen, dimana pertumbuhan penjualan dari semen curah yang naik +19.3% YoY dengan kontribusi penjualan terbesar dari Kalimantan (+122.9% YoY) terutama terkait progress proyek IKN. Sementara itu, semen kantung juga mencatatkan pertumbuhan penjualan sebesar +10.2% YoY dengan kontribusi penjualan dari luar Jawa yang tumbuh +15.2% YoY. INTP mencatatkan penjualan sebesar 1.7 juta ton (+17.9% MoM, +25.1% YoY) dengan kumulatif 7M23 di 9.2 juta ton (+7.7% YoY). Sedangkan SMGR mencatatkan penjualan sebesar 2.9 juta ton (+6.4% MoM, +23.2% YoY) dengan kumulatif 1H23 di 17.2 juta ton (+5.0% YoY).

**INTP berhasil menambah pangsa pasar.** Selama bulan Jul-23, INTP berhasil membukukan pertumbuhan penjualan sebesar +25.3% YoY dengan semen kantung +23.1% YoY dan semen curah +31.9% YoY. Pertumbuhan semen kantung terbesar terjadi di pulau luar Jawa +61.4% yang di dorong oleh Pabrik di Maros sebagai motor utama di bagian Timur serta ekspor. Sementara itu, semen curah meningkat +20.9% YoY di pulau Jawa dan +96.1% di luar pulau Jawa dengan Kalimantan sebagai motor utama (+174.3% YoY) terutama karena suplai dari pemain ready mix dari Terminal Samarinda. Melihat kinerja yang positif, pangsa pasar INTP ikut meningkat sebesar +200bps MoM, +340bps YoY mencapai 28.7%. Sementara itu, SMGR mencatatkan pangsa pasar sebesar 50.8% (-180bps MoM, +220bps YoY).

**Outlook FY23F.** Kami melihat permintaan akan semen nasional mulai membaik di awal 2H23 ini, sesuai dengan perkiraan kami dan perusahaan. Di sisi lain, kami juga melihat bahwa harga semen kantung di pulau Jawa sudah cukup stabil dan tidak ada perang harga antara pemain tier-1 dan tier-2. Maka dari itu kami cukup optimis akan penjualan semen domestik hingga akhir FY23F ini akan mulai mengalami pertumbuhan +1-2% YoY yang tentunya masih akan di dominasi oleh semen curah mengingat permintaan akan infrastruktur dan proyek pemerintah khususnya IKN. Sementara itu, penjualan akan semen kantung akan relatif lebih stabil terutama di daerah Jawa.

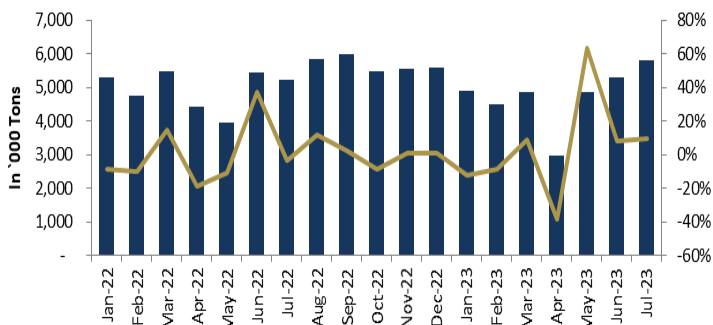
**Rating NETRAL.** Kami menegaskan kembali peringkat NETRAL untuk sektor semen; kami memperkirakan volume penjualan semen nasional akan tumbuh tipis sepanjang FY23F (+1-2% YoY), dipengaruhi oleh pertumbuhan dari semen curah dengan penjualan semen kantung yang relatif stabil. Kami merekomendasi BUY untuk SMGR (TP: IDR 7,925; 16.9x P/E FY24F) dan INTP (TP: IDR 12,625; 20.5x P/E FY24F). 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	2024F
SMGR	BUY	6,850	7,925	15.7	16.6	14.6	2,793	3,164	4.2	13.3	5.8	6.3	3.4	3.9
INTP	BUY	11,275	12,625	12.0	20.8	18.3	1,859	2,113	0.9	13.7	9.5	10.7	7.3	8.2
<b>Sector</b>					<b>18.7</b>	<b>16.5</b>			<b>2.6</b>	<b>13.5</b>	<b>7.7</b>	<b>8.5</b>	<b>5.4</b>	<b>6.1</b>

Source: Bloomberg, SSI Research (\*Valuation at closing price 14/08/23)

**Figure 1. Monthly National Cement Consumption**



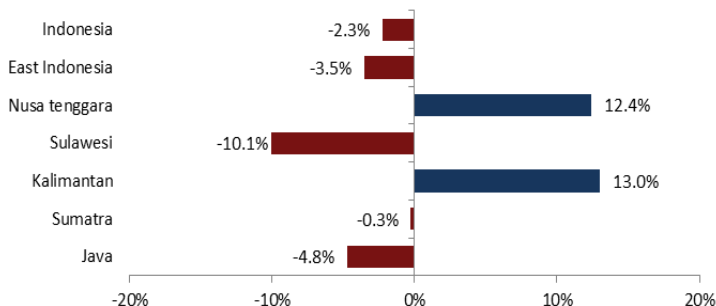
Source: ASI, SSI Research

**Figure 2. Bagged Cement Price Comparison**

Jakarta (40 kg)	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Tiga Roda	58,000	59,000	58,000	58,000	58,000
Semen Gresik	58,000	57,000	54,500	56,400	56,200
Rajawali	46,500	48,000	46,500	46,500	46,500
Garuda Conch	43,500	43,500	46,000	47,000	46,000
Merah Putih	52,500	54,500	54,500	54,500	54,500
Grobogan	N/A	49,000	50,000	50,000	50,000
Dynamix	N/A	54,000	55,000	56,700	55,000
Semen Padang	N/A	46,900	46,000	45,000	45,000
Semen Jakarta	N/A	47,000	43,000	43,500	42,400

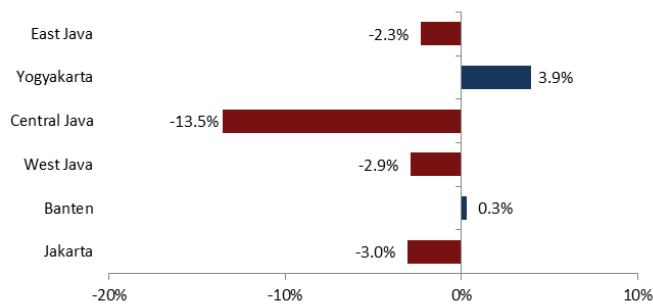
Source: Various Resources, SSI Research

**Figure 3. National Cement Consumption by Region (7M23)**



Source: ASI, SSI Research

**Figure 4. Java Cement Consumption (7M23)**



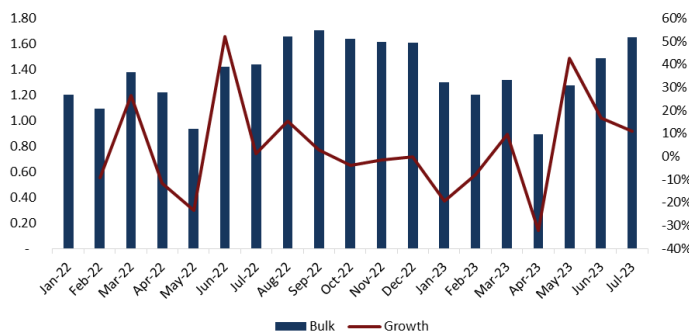
Source: ASI, SSI Research

**Figure 5. Bagged Cement Sales Volume**



Source: ASI, SSI Research

**Figure 6. Bulk Cement Sales Volume**



Source: ASI, SSI Research

Figure 7. SMGR P/E Band



Source: Company, Bloomberg, SSI Research

Figure 8. INTP P/E Band



Source: Company, Bloomberg, SSI Research

Figure 9. 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	10,013	9.7	8.9	7.2	6.7	0.8	0.7	7.8	8.2
TANGSHAN JIDON-A	CN	000401 CH	2,944	15.0	16.1	8.1	6.7	0.7	0.7	2.6	4.2
CONCH CEMENT-H	CN	914 HK	17,550	6.3	5.6	3.4	3.0	0.5	0.5	8.9	9.6
CHINA NATL BDG-H	CN	3323 HK	4,640	4.1	3.2	7.7	6.8	0.3	0.3	6.5	8.4
CHINA NATL BDG-H	CN	3323 HK	4,640	4.1	3.2	7.7	6.8	0.3	0.3	6.5	8.4
AMBUJA CEMENTS	IN	ACEM IN	10,585	32.1	29.4	14.5	13.1	2.2	2.3	8.8	9.6
ACC LTD	IN	ACC IN	4,350	30.2	21.8	15.9	12.6	2.5	2.3	9.9	11.4
ULTRATECH CEMENT	IN	UTCEM IN	28,080	30.9	25.6	17.3	14.8	3.9	3.4	13.2	14.1
SHREE CEMENT	IN	SRCM IN	10,360	42.9	33.0	20.5	17.2	4.2	3.8	10.4	11.5
ASIA CEMENT CORP	TW	1102 TT	4,490	11.8	10.7	14.2	13.5	0.9	0.9	7.0	7.5
TAIWAN CEMENT	TW	1101 TT	8,254	23.8	19.1	18.8	14.7	1.2	1.1	5.1	6.0
SSANGYONG C&E CO	KR	003410 KS	2,028	25.6	23.7	9.2	9.6	1.8	1.8	6.7	7.6
SAMPYO CEMENT CO	KR	038500 KS	277	10.8	10.1	6.7	6.6	0.5	0.5	4.9	5.0
SIAM CEMENT PCL	TH	SCC TB	10,817	12.9	10.8	12.1	10.2	1.0	0.9	8.2	8.2
HOLCIM LTD	US	HOLN SW	39,529	11.6	10.9	7.2	6.9	1.2	1.1	10.2	10.8
HEIDELBERG MATER	DE	HEI GR	15,906	7.8	7.5	5.5	5.4	0.8	0.7	10.6	10.4
ADBRI LTD	AU	ABC AU	1,155	17.2	17.0	8.3	8.0	1.3	1.2	7.6	7.6
BORAL LTD	AU	BLD AU	3,628	29.9	25.4	11.3	10.3	2.5	2.3	8.0	8.5
EAGLE MATERIALS	US	EXP US	6,505	13.3	12.0	9.3	8.7	4.6	3.6	35.3	30.5
CEMEX SAB-CPO	MX	CEMEXCPO N	11,251	11.3	7.3	6.7	6.3	1.0	0.9	9.2	9.5
SEMEN INDONESIA	ID	SMGR IJ	3,019	16.8	14.1	7.2	6.8	1.0	1.0	6.2	7.1
INDOCEMENT TUNGG	ID	INTP IJ	2,655	19.3	17.2	10.4	9.4	1.9	1.8	10.1	11.0
Global Weighted Average			202,677	17.5	14.9	10.5	9.3	1.8	1.6	10.3	10.8

Source: Companies, Bloomberg, SSI Research (\*Valuation at closing price 14/08/23)

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