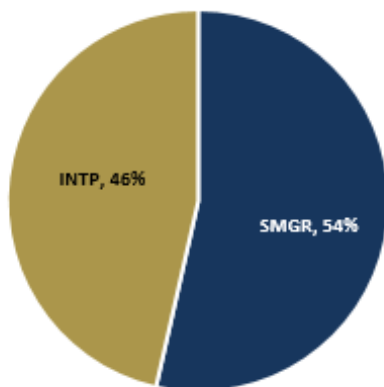


### Neutral

#### Stock Recommendation

Ticker	Rating	Price (IDR)	TP (IDR)	Upside
SMGR	BUY	7,000	7,925	13.2%
INTP	BUY	10,750	12,625	17.4%

#### Sector Market Cap Weighting



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## 8M23 Cement Sales

**Pertumbuhan positif di Agustus.** Volume penjualan semen domestik pada Aug-23 tercatat tumbuh +2.6% MoM, +1.9% YoY mencapai 6.0 juta ton dengan angka kumulatif penjualan 8M23 sebesar 39.2 juta ton (-3.1% yoy). Pertumbuhan volume penjualan nasional ditopang oleh segmen semen curah, yang angka penjualannya mencapai 1.8 juta ton (+7.4% MoM, +12.7% YoY), sementara penjualan semen kantong relatif flat, mencapai 4.2 juta ton (+0.7% MoM, +0.8% YoY). Dua emiten produsen semen dalam coverage kami mencatatkan pertumbuhan positif; INTP mencatatkan penjualan sebesar 1.6 juta ton di Aug-23 (+2.8% MoM, +7.9% YoY) dengan angka kumulatif 8M23 di 10.8 juta ton (+7.7% YoY), dan SMGR mencatatkan penjualan sebesar 3.1 juta ton (+4.2% MoM, +13.4% YoY) dengan angka kumulatif 8M23 di 20.2 juta ton (+6.2% YoY).

**SMGR meraih pangsa pasar berkat semen curah.** SMGR mencatatkan kinerja yang lebih baik dibanding INTP di Aug-23, dengan pangsa pasar mencapai 51.6% di Aug-23 (+80bps MoM, +230bps YoY), hampir dua kali lipat pangsa pasar INTP (27.2%, -150bps MoM, +150bps YoY). Mengingat semen curah saat ini menjadi pendorong utama pertumbuhan penjualan domestik (seperti disebutkan pada paragraf sebelumnya) dan adanya potensi peningkatan permintaan semen curah dari IKN (penjualan semen di Kalimantan tumbuh +27.7% YoY di Aug-23) dan proyek-proyek pemerintah lainnya, kami yakin SMGR berada dalam posisi yang lebih baik untuk meraih lebih banyak pangsa pasar dibandingkan INTP, mengingat statusnya sebagai BUMN dan porsi semen curah yang cukup besar dalam portofolio penjualannya (pada Aug-23, semen curah menyumbang 30.6% dari penjualan SMGR [+210bps MoM, +320bps YoY]). Selain itu, berdasarkan pantauan kami, harga semen tidak banyak berubah dalam tiga bulan terakhir, yang menunjukkan bahwa perang harga di sektor semen telah mereda, khususnya di Pulau Jawa.

**Outlook FY23F dan FY24F.** Melihat angka penjualan di 2 bulan pertama 2H23 yang mencapai 11.8 juta ton (+6.1% YoY), kami optimis bahwa permintaan untuk semen akan terus pulih, didukung oleh semen curah (yang kontribusi penjualannya sudah mencapai 30% di 2 bulan pertama 2H23, melebihi rata-rata 1H23 sebesar 27.4%), dengan proyeksi pertumbuhan +1-2% di FY23F. Namun, kami memperkirakan akan terjadi perlambatan penjualan pada awal tahun depan (FY24F) karena kemungkinan adanya perubahan dalam pemerintahan dan regulasi setelah pemilu (yang mungkin menyebabkan tertundanya proyek-proyek pemerintah dan swasta), dan kami memproyeksikan penjualan semen akan relatif datar di FY24F.

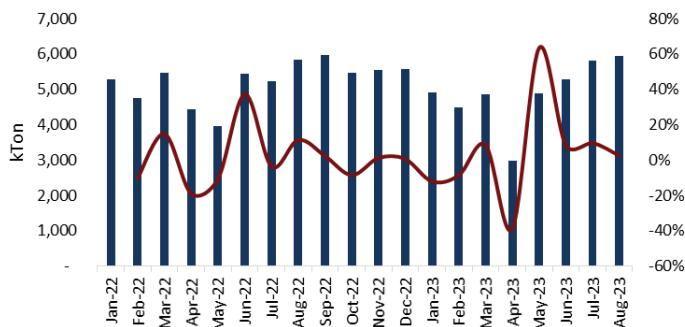
**Rating NETRAL.** Kami menegaskan kembali peringkat NETRAL untuk sektor semen; kami memproyeksikan volume penjualan semen nasional akan tumbuh tipis sepanjang FY23F (+1-2% YoY), didorong oleh penjualan semen curah. Kami merekomendasikan BUY untuk SMGR (TP: IDR 7,925; 16.9x P/E FY24F) dan INTP (TP: IDR 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 (IDR)	TP (IDR)	Upside (%)	P/E (X)		NP (IDRbn)		EPSG (%)		ROE (%)		ROA (%)	
					2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
SMGR	BUY	7,000	7,925	13.2	16.9	14.9	2,793	3,164	4.2	13.3	5.8	6.3	3.4	3.9
INTP	BUY	10,750	12,625	17.4	19.9	17.5	1,859	2,113	0.9	13.7	9.5	10.7	7.3	8.2
<b>Sector</b>					<b>18.4</b>	<b>16.2</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 15/08/23)

**Figure 1. Monthly National Cement Consumption**



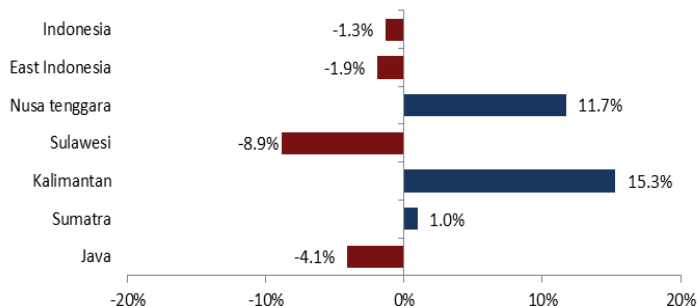
Source: ASI, SSI Research

**Figure 2. Bagged Cement Price Comparison**

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

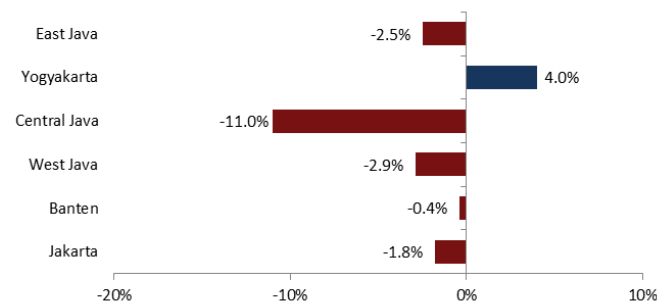
Source: Various Resources, SSI Research

**Figure 3. National Cement Consumption by Region (8M23)**



Source: ASI, SSI Research

**Figure 4. Java Cement Consumption (8M23)**



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



Figure 8. INTP P/E Band



Source: Company, Bloomberg, SSI Research

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	9,179	14.3	14.9	8.7	8.2	0.8	0.8	4.9	4.9
TANGSHAN JIDON-A	CN	000401 CH	2,769	23.0	18.1	8.2	6.8	0.6	0.6	1.7	4.0
CONCH CEMENT-H	CN	914 HK	17,777	7.3	6.3	4.3	3.7	0.5	0.5	7.7	8.4
CHINA NATL BDG-H	CN	3323 HK	4,452	5.5	4.0	8.4	7.2	0.3	0.3	5.4	7.4
CHINA NATL BDG-H	CN	3323 HK	4,452	5.5	4.0	8.4	7.2	0.3	0.3	5.4	7.4
AMBUJA CEMENTS	IN	ACEM IN	10,635	29.0	30.4	13.9	13.7	2.3	2.3	9.2	9.8
ACC LTD	IN	ACC IN	4,581	23.7	18.5	14.0	11.2	2.5	2.2	10.7	12.8
ULTRATECH CEMENT	IN	UTCEM IN	30,324	33.2	27.6	18.7	16.0	4.2	3.7	13.2	14.1
SHREE CEMENT	IN	SRCM IN	11,635	50.1	37.1	23.3	19.4	4.8	4.3	10.1	11.4
ASIA CEMENT CORP	TW	1102 TT	4,475	11.2	11.2	14.4	13.3	0.9	0.9	6.9	7.0
TAIWAN CEMENT	TW	1101 TT	7,844	21.7	17.3	16.1	12.7	1.2	1.1	5.0	6.2
SSANGYONG C&E CO	KR	003410 KS	2,157	28.3	27.6	9.7	9.8	1.8	1.9	6.4	6.9
SAMPYO CEMENT CO	KR	038500 KS	281	10.9	10.2	6.6	6.5	0.5	0.5	4.9	5.0
SIAM CEMENT PCL	TH	SCC TB	10,432	12.0	10.7	12.0	10.1	0.9	0.9	8.6	8.1
HOLCIM LTD	US	HOLN SW	37,903	11.2	10.5	7.0	6.7	1.2	1.1	10.3	10.9
HEIDELBERG MATER	DE	HEI GR	15,025	7.6	7.2	5.4	5.2	0.8	0.7	10.7	10.4
ADBRI LTD	AU	ABC AU	887	12.9	12.9	7.1	6.8	1.0	0.9	7.8	6.6
BORAL LTD	AU	BLD AU	3,206	26.7	23.2	10.1	9.3	2.3	2.1	8.0	8.5
EAGLE MATERIALS	US	EXP US	6,163	12.6	11.4	8.9	8.3	4.4	3.4	35.4	30.5
CEMEX SAB-CPO	MX	CEMEXCPO N	9,936	9.9	8.7	6.1	5.7	0.8	0.8	9.6	9.8
SEMEN INDONESIA	ID	SMGR IJ	3,065	16.7	13.9	7.3	6.8	1.0	1.0	6.3	7.3
INDOCEMENT TUNGG	ID	INTP IJ	2,545	18.4	16.2	10.1	9.1	1.9	1.8	10.0	11.0
Global Weighted Average			199,722	18.5	16.0	11.0	9.7	1.9	1.7	10.1	10.6

Source: Companies, Bloomberg, SSI Research (\*Valuation at closing price 15/08/23)

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