

3Q24 Results: 14 November 2024

(IDR Bn)	3Q24	3Q23	QoQ (%)	YoY (%)	9M24	9M23	YoY (%)	9M24/ SSI (%)	9M24/ Cons. (%)
Revenue	9,884	10,629	23.0	(7.0)	26,295	27,661	(4.9)	67.5	67.7
Gross Profit	2,159	3,024	30.7	(28.6)	6,017	7,440	(19.1)	62.5	61.4
EBITDA	1,445	2,362	24.2	(38.8)	4,339	5,843	(25.7)	63.2	59.4
Operating Profit	632	1,496	87.1	(57.8)	1,882	3,366	(44.1)	54.9	49.6
Net Profit	218	848	635.6	(74.3)	720	1,714	(58.0)	41.4	36.5
Key Ratios									
GPM (%)	21.8	28.5	-	-	22.9	26.9	-	-	-
EBITDA Margin (%)	14.6	22.2	-	-	16.5	21.1	-	-	-
OPM (%)	6.4	14.1	-	-	7.2	12.2	-	-	-
NPM (%)	2.2	8.0	-	-	2.7	6.2	-	-	-

SWOT Analysis of The Results (Below)

Strength

3Q24 energy costs (33% of COGS) fell -12% YoY on the back of lower coal prices (-7% YoY); finance expenses (-79% of pre-tax profit) dropped -21% YoY

Weakness

Margins saw considerable decline as the company shifted its focus to Blue Ocean building materials (non-cement), which offer lower margins; this prompted management to revise its FY24 EBITDA margin target down to 16-17%, from the previous 20%

Opportunity

Demand may see an uptick in 2025 and beyond, driven by the government's Three Million Homes program (2mn in rural areas & 1mn in cities); new jetty in Tuban will provide additional production capacity of c. 1.9mn/year (current: 8.5mn/year), with expected operation date in 1Q25

Threat

Intense competition from Chinese players may trigger another price war, adding more pressure on cement ASP; underwhelming 3Q24 results could lead to analyst earnings downgrades, resulting in potentially further market underperformance for the stock price

Peer Comparables

Ticker	Market Cap	Last Price	Target Price	2025F				
	(USD Mn)	(IDR)	(IDR)	EPS Growth (%)	P/B (x)	P/E (x)	EV/EBITDA (x)	ROE (x)
SCC TB	7,588	n.a.	n.a.	-55.8	0.6	12.7	10.0	4.4
1101 TT	7,537	n.a.	n.a.	29.4	1.0	19.6	10.5	5.3
1102 TT	4,991	n.a.	n.a.	-3.3	0.9	14.3	18.2	5.7
ACC IN	4,889	n.a.	n.a.	-26.8	2.1	18.4	9.1	12.3
Regional	25,005			-14.0	1.1	16.2	11.6	6.5
INTP IJ	1,613	6,950	7,700	10.1	1.1	14.1	6.7	7.9
SMGR IJ	1,576	3,630	4,200	23.8	0.5	16.9	4.7	3.1
Local	3,190			16.9	0.8	15.5	5.7	5.5
Sector	28,195			-10.5	1.1	16.1	10.9	6.4

Relative Performance vs JCI

