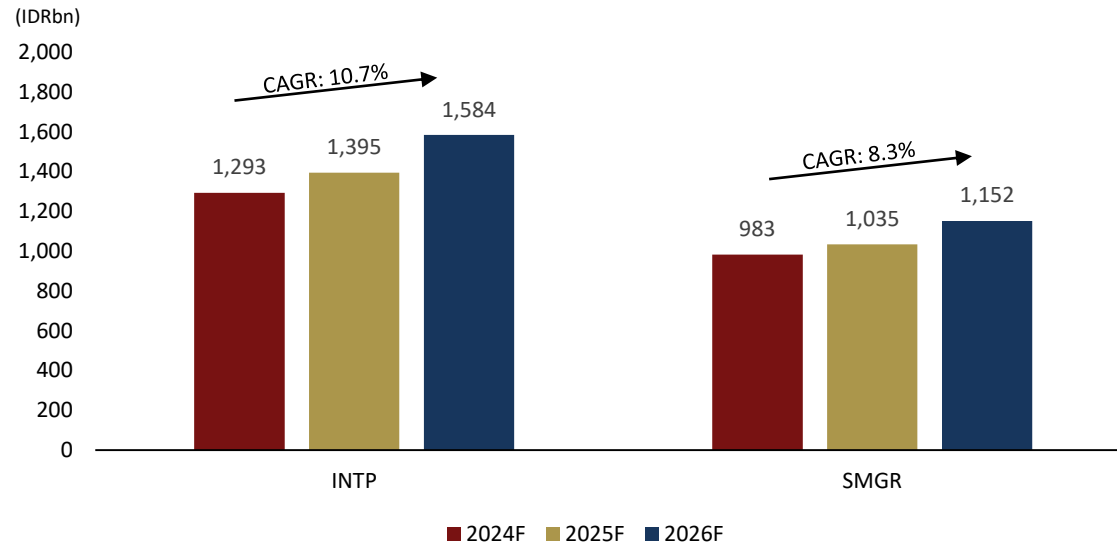


## Cement: Underweight with INTP as Top-Pick

### Cement Sector Net Profit Outlook



### SWOT Analysis: 2025 Outlook

#### Strength

Cement players may benefit from lower coal prices (energy costs up to 50% of COGS), projected to decline -12% YoY to USD 120/t in 2025 (from USD 136.4/t in 2024), driven by global economic uncertainties and oversupply pressure

#### Opportunity

The government's 3mn housing program, VAT subsidy scheme and potentially lower interest rates should help stimulate property demand ahead; severe market underperformance may present trading opportunities for investors

#### Weakness

Limited upside for domestic sales volumes as oversupply and low utilization rates (proj: c.55) continue to trouble cement producers; Intense competition from Chinese players may continue to apply pressure on already narrow margins

#### Threat

Potential delays on the implementation of the government's 3mn housing program coupled with weak purchasing power and higher for longer USD trend, may cause weaker-than-expected earnings and persistent market underperformance ahead

### Peer Comparables

Ticker	Market		Last	Target	2025F				
	Cap	Rating	Price	Price	EPS Growth	P/B	P/E	EV/EBITDA	ROE
	(USD Mn)		(IDR)	(IDR)	(%)	(x)	(x)	(x)	(x)
SCC TB	6,216		n.a.	n.a.	75.8	0.5	13.0	9.0	3.7
1101 TT	7,332		n.a.	n.a.	23.8	1.0	18.5	8.8	5.3
ACC IN	4,374		n.a.	n.a.	36.8	1.9	16.8	7.7	12.1
1102 TT	4,451		n.a.	n.a.	(4.9)	0.8	12.9	12.6	5.7
<b>Regional</b>	<b>22,372</b>				<b>35.1</b>	<b>1.0</b>	<b>15.5</b>	<b>9.4</b>	<b>6.3</b>
SMGR IJ	1,244	HOLD	3,010	3,200	5.2	0.4	19.7	5.6	2.2
INTP IJ	1,397	BUY	6,200	7,000	7.8	1.1	15.3	13.1	7.3
<b>Local</b>	<b>2,640</b>				<b>6.6</b>	<b>0.8</b>	<b>17.3</b>	<b>9.5</b>	<b>4.9</b>
<b>Sector</b>	<b>25,012</b>				<b>32.1</b>	<b>1.0</b>	<b>15.7</b>	<b>9.4</b>	<b>6.1</b>

### Relative Performance vs JCI

