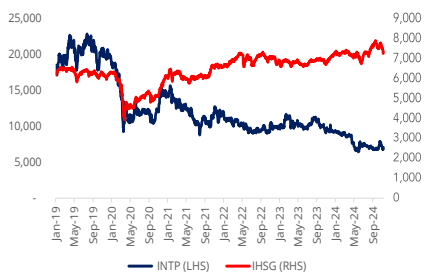


# BUY

Price (Nov 18 <sup>th</sup> , 24)	6,900
Target Price	8,100
Potential Upside	16.70%
Market Cap	25.40 T
Number of Share	3.68 B
52w Lo/Hi	6,275 / 10,200

Source : IDX | Phintraco Sekuritas Research  
| as of Nov 18<sup>th</sup>, 2024

## IHSG vs INTP



Source : IDX

Shareholder	%
Heidelberg Materials AG (P)	51.00
Public	40.11

Source : Company | as of fin. statement FY2023

## EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	434.83	451.71	-3.58%
2025F	493.26	495.03	-0.35%

Source : \*marketscreener | as of Nov 18<sup>th</sup>, 2024

## Research Analyst

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## PT Indocement Tunggal Prakarsa Tbk.

(INTP.JK / INTP.IJ)

### Efficiency Unveiled: Driving Margin Growth Toward a Promising 2025

**INTP recorded revenue of IDR5.20 trillion in 3Q24 (+28.54% QoQ; +4.81% YoY)**, with total cumulative revenue reaching IDR13.32 trillion until 9M24. This growth was supported by the cement sales segment, which recorded revenue of IDR4.7 trillion in 3Q24 (+27.66% QoQ; +3.17% YoY), supported by a 9.4% YoY increase in domestic sales volume to 14.55 million tons, despite a 3.90% decline in domestic blended ASP. In addition, INTP managed to maintain its September market share at 29.90%, although lower than the previous month's 30.40.

### Margin showed improvement in 3Q24 due to the low base effect.

Gross profit margin improved to 34.35% in 3Q24 (vs 27.66% in 2Q24; 33.41% in 3Q23). The improved margin was driven by efficiency in the energy and fuel expense segment to IDR1.43 trillion in 3Q24 (-2.28% YoY; +18.50% QoQ). In addition, labor expenses decreased to IDR228 billion in 3Q24 (-1.90% YoY; -7.62% QoQ). However, finance costs increased to Rp139 billion in 9M24 (+263.82% YoY). This increase was due to a rise in short-term debt to fund the acquisition of Grobogan Cement. Nevertheless, INTP still managed to record net profit growth of Rp621 billion in 3Q24 (+2.86 YoY; +35.19% QoQ) with total cumulative net profit reaching Rp1.06 trillion until 9M24.

**We expect an improvement in domestic cement consumption** driven by many government agendas such as the discourse of the 3 million house program, the sustainability of the Capital City of the Archipelago (IKN) project, as well as various relaxations given to the property sector, which are expected to have a multiplier effect to multiple industries. Considering the above points, we project domestic cement consumption growth of 1-2.5% in 2025, which is expected to help improve INTP's utilization ratio to 60% in FY25F.

### Bulk cement is expected to continue to be the company's main pillar of performance.

This is supported by the sustainability of national strategic projects (PSN) and increased demand from commercial projects such as the construction of warehouses, smelters, factories, and housing in new development areas outside Jakarta. On the other hand, bagged cement consumption is projected to remain weak in the short term, as people's purchasing power remains weak.

**We give INTP a BUY rating with a target price of IDR8,100, giving an upside potential of 18.80%.** This target is based on the DCF method with a WACC of 10.00% and terminal growth of 2%, which implies EV/EBITDA of 8.66x/7.92x for FY24F/FY25F. Key risks include weak purchasing power and declining or postponing domestic infrastructure projects.

## Key Operational Highlight

Table 1. Financial Performance INTP 9M24

PT Indocement Tunggal Perkasa Tbk								
(in Billion IDR)	9M23	9M24	YoY	3Q23	2Q24	3Q24	YoY	QoQ
<b>Income Statement</b>								
<b>Revenue</b>	<b>12,928</b>	<b>13,321</b>	<b>3.04%</b>	<b>4,958</b>	<b>4,042</b>	<b>5,196</b>	<b>4.81%</b>	<b>28.54%</b>
<i>Sales of Cement</i>	11,868	12,151	2.38%	4,561	3,686	4,705	3.17%	27.66%
<i>Ready-mix Concrete</i>	1,002	1,120	11.81%	375	343	467	24.58%	36.40%
<i>Aggregates</i>	58	50	-14.04%	22	14	23	6.63%	69.35%
<b>Cost Of Revenues</b>	<b>8,839</b>	<b>9,238</b>	<b>4.51%</b>	<b>3,301</b>	<b>2,924</b>	<b>3,411</b>	<b>3.34%</b>	<b>16.67%</b>
<i>Raw Materials Used</i>	1,880	2,061	9.65%	712	681	761	6.99%	11.85%
<i>Direct Labor</i>	685	708	3.41%	233	247	228	-1.90%	-7.62%
<i>Fuel and Power</i>	3,854	3,994	3.65%	1,466	1,209	1,432	-2.28%	18.50%
<b>Gross Profit</b>	<b>4,089</b>	<b>4,083</b>	<b>-0.14%</b>	<b>1,657</b>	<b>1,118</b>	<b>1,785</b>	<b>7.73%</b>	<b>59.60%</b>
<b>Operating Profit</b>	<b>1,515</b>	<b>1,381</b>	<b>-8.86%</b>	<b>2,627</b>	<b>1,974</b>	<b>2,764</b>	<b>5.24%</b>	<b>40.01%</b>
<b>EBITDA</b>	<b>2,522</b>	<b>2,534</b>	<b>0.48%</b>	<b>1,039</b>	<b>649</b>	<b>1,201</b>	<b>15.63%</b>	<b>85.13%</b>
<b>Finance Cost</b>	<b>38</b>	<b>139</b>	<b>263.82%</b>	<b>12</b>	<b>44</b>	<b>46</b>	<b>287.70%</b>	<b>5.54%</b>
<b>Net Profit</b>	<b>1,267</b>	<b>1,056</b>	<b>-16.68%</b>	<b>2,509</b>	<b>1,909</b>	<b>2,581</b>	<b>2.86%</b>	<b>35.19%</b>
<b>Profitability Ratios</b>								
Gross Profit Margin (GPM)	31.63%	30.65%		33.41%	27.66%	34.35%		
Operating Profit Margin (OPM)	11.72%	10.36%		52.98%	48.85%	53.20%		
EBITDA Margin	19.51%	19.03%		20.95%	16.05%	23.11%		
Net Profit Margin (NPM)	9.80%	7.93%		50.61%	47.23%	49.67%		

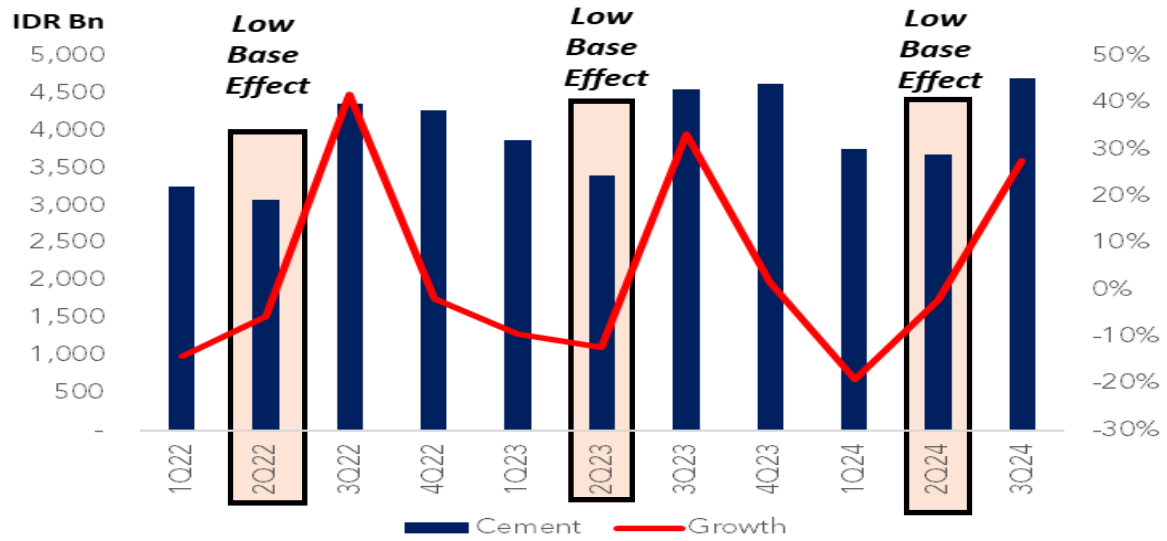
Source : Company | Phintraco Sekuritas Research

Table 2. Regional Cement Sales Distribution of INTP (May-Sep)

INTP	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Jakarta	127	118	137	141	131
Banten	126	120	149	151	159
West Java	420	387	460	469	451
Central Java	302	294	330	340	325
Yogyakarta	32	28	32	29	32
East Java	71	63	65	69	70
<b>JAVA</b>	<b>1,078</b>	<b>1,010</b>	<b>1,173</b>	<b>1,199</b>	<b>1,168</b>
<b>Western Java</b>	<b>673</b>	<b>625</b>	<b>746</b>	<b>761</b>	<b>741</b>
<b>Mid Java</b>	<b>334</b>	<b>322</b>	<b>362</b>	<b>369</b>	<b>357</b>
Sumatera	150	140	185	191	185
Kalimantan	110	118	138	121	131
Sulawesi	94	77	103	105	101
Nusa Tenggara	125	129	200	172	166
East Indonesia	37	23	48	40	33
<b>Outside Java</b>	<b>516</b>	<b>487</b>	<b>674</b>	<b>629</b>	<b>616</b>
<b>Indonesia</b>	<b>1,594</b>	<b>1,497</b>	<b>1,847</b>	<b>1,828</b>	<b>1,784</b>
<b>Market Share INTP</b>	<b>29.30%</b>	<b>28.30%</b>	<b>30.60%</b>	<b>30.40%</b>	<b>29.90%</b>

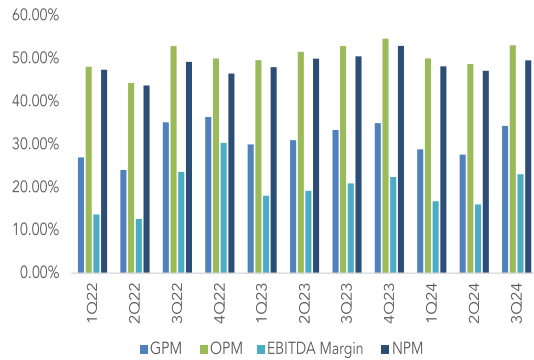
Source : Company | Phintraco Sekuritas Research | \*k tons

Figure 1. Growth Momentum of Cement Sales and Revenue Across Quarters



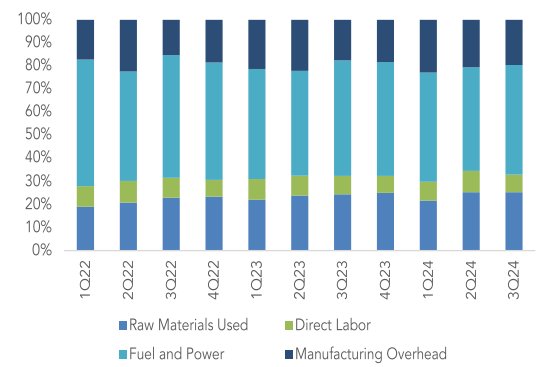
Source : Company | Phintraco Sekuritas Research

Figure 2. Margin Ratios INTP



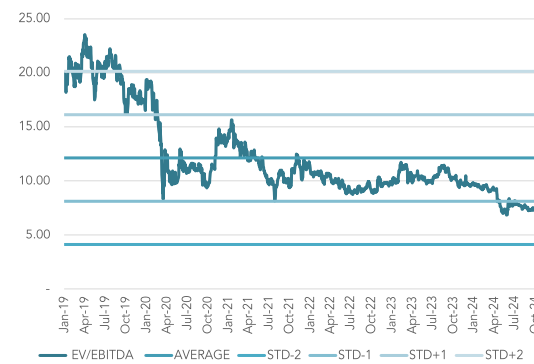
Source : Company | Phintraco Sekuritas Research

Figure 3. Quarterly Breakdown Manufacturing Cost



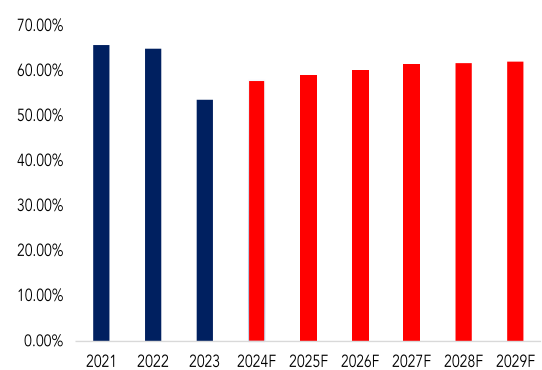
Source : Company | Phintraco Sekuritas Research

Figure 4. EV/EBITDA Band



Source : Company | Phintraco Sekuritas Research

Figure 5. Utilization Ratios INTP



Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

BALANCE SHEET	FY21	FY22	FY23	FY24E	FY25F
<b>Asset</b>					
Cash	6,141	4,526	3,185	3,272	3,678
Accounts Receivable	2,587	2,652	2,742	2,912	2,923
Inventories	2,267	2,831	2,905	2,903	3,042
<b>Total Current Assets</b>	<b>11,337</b>	<b>10,312</b>	<b>9,228</b>	<b>9,496</b>	<b>10,055</b>
Fixed Assets	14,342	14,895	19,156	19,499	19,644
<b>Total Non Current Assets</b>	<b>14,799</b>	<b>15,394</b>	<b>20,422</b>	<b>20,786</b>	<b>20,963</b>
<b>Total Asset</b>	<b>26,136</b>	<b>25,706</b>	<b>29,650</b>	<b>30,282</b>	<b>31,018</b>
<b>Liabilities</b>					
Trade Payables	2,083	1,835	1,747	1,790	1,811
Short Term Bank Loan	-	-	2,000	1,947	1,681
<b>Total Current Liabilities</b>	<b>4,646</b>	<b>4,822</b>	<b>7,368</b>	<b>7,209</b>	<b>7,081</b>
Lease Liabilities	114	634	389	378	327
Total Non Current Liabilities	869	1,317	1,312	1,258	1,201
<b>Total Liabilities</b>	<b>5,515</b>	<b>6,139</b>	<b>8,680</b>	<b>8,466</b>	<b>8,282</b>
<b>Equity</b>	<b>20,621</b>	<b>19,567</b>	<b>20,970</b>	<b>21,815</b>	<b>22,737</b>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY21	FY22	FY23	FY24E	FY25F
<b>Cash Flow from Operating</b>					
Net Income	1,788	1,842	1,950	1,430	1,637
Depreciation & Amortization	1,073	1,012	996	1,181	1,215
Working Capital	57	(876)	(252)	(126)	(129)
Others	(128)	269	479	(150)	169
<b>Net-CFFO</b>	<b>2,791</b>	<b>2,247</b>	<b>3,174</b>	<b>2,336</b>	<b>2,892</b>
<b>Cash Flow from Investing</b>					
CAPEX	(1,018)	(1,565)	(5,257)	(1,525)	(1,360)
Others	191	(42)	(767)	(21)	(33)
<b>Net-CFFI</b>	<b>(827)</b>	<b>(1,607)</b>	<b>(6,023)</b>	<b>(1,546)</b>	<b>(1,393)</b>
<b>Cash Flow from Financing</b>					
Short Term Debt	(92)	192	2,062	(65)	(321)
Long Term Debt	(133)	520	(245)	(10)	(52)
Change in other non-current liabilities	49	(71)	240	(44)	(5)
Equity	(1,588)	(1,155)	-	-	-
<b>Net-CFFF</b>	<b>(3,520)</b>	<b>(2,256)</b>	<b>1,510</b>	<b>(704)</b>	<b>(1,093)</b>
<b>NET CASH FLOW</b>	<b>(1,556)</b>	<b>(1,616)</b>	<b>(1,340)</b>	<b>87</b>	<b>406</b>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

INCOME STATEMENT	FY21	FY22	FY23	FY24E	FY25F
<b>Revenue</b>	<b>14,772</b>	<b>16,328</b>	<b>17,950</b>	<b>17,821</b>	<b>18,324</b>
<i>Growth</i>	<i>4.14%</i>	<i>10.54%</i>	<i>9.93%</i>	<i>-0.72%</i>	<i>2.82%</i>
Cost of Revenues	9,646	11,185	12,103	12,158	12,421
<b>Gross Profit</b>	<b>5,126</b>	<b>5,143</b>	<b>5,847</b>	<b>5,663</b>	<b>5,903</b>
<i>Gross Profit Margin (GPM)</i>	<i>34.70%</i>	<i>31.50%</i>	<i>32.57%</i>	<i>31.78%</i>	<i>32.22%</i>
Operating Profit	2,071	2,226	2,282	1,917	2,100
<i>Operating Profit Margin (OPM)</i>	<i>14.02%</i>	<i>13.64%</i>	<i>12.71%</i>	<i>10.76%</i>	<i>11.46%</i>
<b>EBITDA</b>	<b>3,305</b>	<b>3,456</b>	<b>3,650</b>	<b>3,334</b>	<b>3,566</b>
<i>EBITDA Margin</i>	<i>22.37%</i>	<i>21.17%</i>	<i>20.33%</i>	<i>18.71%</i>	<i>19.46%</i>
Finance Cost	32	43	61	183	116
<b>Profit Before Tax</b>	<b>2,234</b>	<b>2,289</b>	<b>2,396</b>	<b>1,834</b>	<b>2,099</b>
<i>PBT Margin</i>	<i>15.12%</i>	<i>14.02%</i>	<i>13.35%</i>	<i>10.29%</i>	<i>11.45%</i>
<b>Net Profit</b>	<b>1,788</b>	<b>1,842</b>	<b>1,950</b>	<b>1,430</b>	<b>1,637</b>
<i>Net Profit Margin (NPM)</i>	<i>12.11%</i>	<i>11.28%</i>	<i>10.87%</i>	<i>8.03%</i>	<i>8.93%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

RATIOS	FY21	FY22	FY23	FY24E	FY25F
<b>Profitability Ratio (%)</b>					
<i>GPM</i>	34.70%	31.50%	32.57%	31.78%	32.22%
<i>OPM</i>	14.02%	13.64%	12.71%	10.76%	11.46%
<i>EBITDA Margin</i>	22.37%	21.17%	20.33%	18.71%	19.46%
<i>NPM</i>	12.11%	11.28%	10.87%	8.03%	8.93%
<i>ROA</i>	6.84%	7.17%	6.58%	4.72%	5.28%
<i>ROAA</i>	6.69%	7.11%	7.05%	4.77%	5.34%
<i>ROE</i>	8.67%	9.42%	9.30%	6.56%	7.20%
<i>ROAE</i>	8.36%	9.17%	9.62%	6.69%	7.35%
<b>Activity Ratio (X)</b>					
<i>Inventory Turnover</i>	6.51	5.77	6.18	6.14	6.02
<i>Receivables Turnover</i>	5.71	6.16	6.55	6.12	6.27
<i>Payables Turnover</i>	4.63	6.10	6.93	6.79	6.86
<i>Days of Inventory</i>	55.26	62.41	58.26	58.64	59.77
<i>Days of Receivables</i>	63.04	58.46	54.99	58.83	57.43
<i>Days of Payables</i>	77.73	59.05	51.98	53.00	52.49
<i>Cash Operating Cycle</i>	7.59	5.83	5.80	5.47	5.43
<b>Leverage Ratio</b>					
<i>Debt to Asset Ratio</i>	0.01x	0.04x	0.09x	0.09x	0.08x
<i>Debt to Equity Ratio</i>	0.01x	0.05x	0.13x	0.13x	0.10x
<i>Interest Rate</i>	8.15%	6.79%	3.19%	6.69%	4.94%
<b>Liquidity Ratio (X)</b>					
<i>Current Ratio</i>	2.44	2.14	1.25	1.32	1.42
<i>Quick Ratio</i>	1.95	1.55	0.86	0.91	0.99
<i>Cash Ratio</i>	1.12	1.20	0.82	0.86	0.90
<b>Price Ratio</b>					
<i>Price per Share at the end of the year</i>	12,100	9,900	9,400	8,100	8,100
<i>Outstanding Shares (in Billion)</i>	3.68	3.68	3.68	3.68	3.68
<i>BVPS (IDR)</i>	5,602	5,315	5,696	5,926	6,176
<i>EPS (IDR)</i>	486	500	530	389	445
<i>PE</i>	24.91	19.78	17.74	20.85	18.22
<i>PBV</i>	2.16	1.86	1.65	1.37	1.31
<i>EV/EBITDA</i>	11.70	9.52	9.38	8.78	7.99
<b>Dividend</b>					
<i>DPS (IDR)</i>	500.00	472.89	149.13	158.94	194.29
<i>Dividend Yield</i>	4.13%	4.78%	1.59%	1.96%	2.40%
<i>DPR (%)</i>	101.90%	97.33%	29.80%	30.00%	50.00%

Source : Company | Phintraco Sekuritas Research

## Glossarium

BVPS	: <i>Book Value per Share</i>
CFFF	: <i>Cash Flow from Financing</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFO	: <i>Cash Flow from Operating</i>
DPR	: <i>Dividend Payout Ratio</i>
DPS	: <i>Dividend per Share</i>
EBIT	: <i>Earning Before Interes &amp; Tax</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation &amp; Amortization</i>
EPS	: <i>Earning per Share</i>
EV	: <i>Enterprise Value</i>
NPM	: <i>Net Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
OPM	: <i>Operating Profit Margin</i>
PBT	: <i>Profit Before Tax</i>
PBV	: <i>Price to Book Value</i>
PER	: <i>Price to Earning Ratio</i>
ROA	: <i>Return on Asset</i>
ROAA	: <i>Return on Average Asset</i>
ROE	: <i>Return on Equity</i>
ROAE	: <i>Return on Average Equity</i>



# PHINTRACO SEKURITAS

## Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of  $> +10\%$  over the next 12 months.
- Hold : The stock is expected to give total return of  $> 0\%$  to  $\leq +10\%$  over the next 12 months.
- Sell : The stock is expected to give total return of  $< 0\%$  over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

**PHINTRACO SEKURITAS**  
Kantor Cabang & Mitra GI BEI



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