

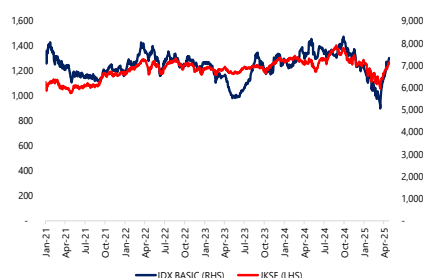


NEUTRAL

Index (May 20 th , 25)	1,299.11
Number of Companies	111
Market Cap	1,796 T
52w Lo/Hi	900.1/1,486.6
6 Months Changes	-2.86%
YTD Changes	1.96%

Source : IDX | Phintraco Sekuritas Research
| as of May 20th, 2025

IHSG vs IDX BASIC MATERIALS



Source : IDX | Phintraco Sekuritas Research

Stock	Fair Value	Potential Upside
INTP	6,500	26.21%

as of May 20th, 2025

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Basic Materials : Cement

Softens in 1Q25, Recovery Likely Constrained

National cement sales volume reached 13.16 million tons in 1Q25 (-7.80% YoY ; -25.87% QoQ), falling short of both our expectations (*Phintas*: 20.6%) and the five year average (*Avg-5Y*: 23.1%). The soft performance was mainly driven by prolonged rainfall and fewer effective working days, as the accumulation of public holidays and the shift of the Ramadan-Eid period into the first quarter weighed on construction activity. By segment, bulk cement saw the steepest decline, with volume down to 3.72 million tons (-15.30% YoY; -31.50% QoQ). Demand weakened across nearly all regions, with Java down -4.1% YoY and non-Java regions contracting -30.4% YoY. Kalimantan posted the sharpest drop, falling -36.86% YoY (-19.19% QoQ), largely due to delays in Nusantara Capital City (IKN) project execution. Meanwhile, bagged cement sales reached 9.44 million tons, down -4.45% YoY and -23.40% QoQ. The decline was more pronounced in Java (-8.0% YoY), while non-Java regions proved relatively more resilient, recording only a -1.2% YoY drop. SMGR's sales volume fell to 8.57 million tons (-6.59% YoY ; -16.60% QoQ), whereas INTP showed a relatively stronger performance with 3.96 million tons (-5.95% YoY; -24.38% QoQ).

Amid a slowing market, Indocement succeeded in increasing its market share to 30.7% in 3M25 (vs 29.5% in 2M25). Conversely, SMGR's market share declined to 46.0% in 3M25 (vs 48.0% in 2M25), reflecting a -6.59% YoY contraction in sales volume during 1Q25 and a weaker contribution from the bagged cement segment, which dropped to 69.4% in 3M25 (vs 72.0% in 2M25). This was largely due to softer retail demand, which exerted considerable pressure on SMGR's market share. Indocement faced similar challenges, with total sales volume falling -5.9% YoY, driven by a -3.2% YoY decline in bagged cement and a steeper -12.1% YoY contraction in bulk cement.

We anticipate a recovery in cement demand as the low season ends and drier weather takes hold factors that have historically supported increased construction activity and cement consumption. Based on seasonal trends, we expect stronger performance in the second and third quarters (**Figure 8**). However, given the government's budget cuts, we believe sales volume growth upside will remain limited, with projected growth in the range of 0.5%–1% (*Indust*: 1%–2% in FY25F). Additionally, we estimate that the contribution from bulk cement will contract to ~28% in FY25F (vs 25.2% in 4M25 ; 30.7% in FY24), reflecting the discontinuation of large scale projects in Kalimantan.

We assign a Neutral rating on the cement sector, taking into account the impact of government budget cuts, which are likely to limit sales volume growth. The bagged cement segment remains stagnant, while bulk cement is expected to contribute less this year dragged by the lack of momentum in overall demand recovery. That said, we recommend **BUY INTP : IDR 6,500** ([see our previous report](#)). Our call reflects an attractive valuation of 5.33x/4.70x EV/EBITDA for FY25E/FY26F. **Downside risks** : 1) Deeper or prolonged infrastructure budget cuts, 2) Volatility in raw material and energy costs, 3) Price competition that could weigh on margins and market share.

Table 1. Monthly Region Cement Sales Volume Trends

Regions	Dec-24	Jan-25	Feb-25	Mar-25	MoM (%)	YoY (%)	3M24	3M25	YoY (%)
Jakarta	203,597	167,639	178,610	148,501	-16.86%	-29.17%	607,210	494,750	-18.52%
Banten	314,301	266,821	285,128	222,658	-21.91%	-9.81%	722,675	774,607	7.19%
West Java	809,723	722,856	664,570	522,565	-21.37%	-28.02%	2,118,309	1,909,991	-9.83%
Central Java	651,962	586,630	549,710	449,756	-18.18%	-20.30%	1,707,532	1,586,096	-7.11%
Yogyakarta	82,043	77,581	78,263	61,371	-21.58%	-20.48%	229,169	217,215	-5.22%
East Java	665,286	663,373	612,551	474,417	-22.55%	-24.74%	1,827,478	1,750,341	-4.22%
Java	2,726,912	2,484,900	2,368,832	1,879,268	-20.67%	-23.43%	7,212,373	6,733,000	-6.65%
Western Java	1,327,621	1,157,316	1,128,308	893,724	-20.79%	-24.42%	3,448,194	3,179,348	-7.80%
Mid Java	734,005	664,211	627,973	511,127	-18.61%	-20.32%	1,936,701	1,803,311	-6.89%
Sumatera	1,323,266	1,083,693	1,063,897	870,226	-18.20%	-16.37%	3,023,560	3,017,816	-0.19%
Kalimantan	517,561	378,405	337,522	272,743	-19.19%	-36.86%	1,263,609	988,670	-21.76%
Sulawesi	439,914	424,604	377,409	318,497	-15.61%	-26.15%	1,301,290	1,120,510	-13.89%
Nusa Tenggara	325,058	272,192	288,796	254,223	-11.97%	-14.22%	961,865	815,211	-15.25%
East Indonesia	175,921	157,316	167,495	163,493	-2.39%	-6.82%	510,731	488,304	-4.39%
Outside Java	2,781,720	2,316,210	2,235,119	1,879,182	-15.92%	-20.90%	7,061,055	6,430,511	-8.93%

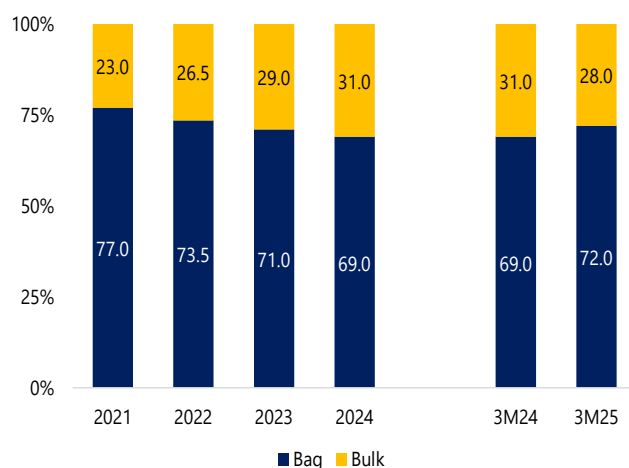
Source : Asosiasi Semen Indonesia | Phintraco Sekuritas Research

Table 2. Cement Sales Volume and Market Share

Mn Tons	Jan-25	Feb-25	Mar-25	MoM (%)	YoY (%)	3M24	3M25	YoY (%)	%Phintas Estimate
National	4.80	4.60	3.76	-18.4%	-22.2%	14.27	13.16	-7.8%	20.6%
Bag	3.51	3.32	2.62	-21.1%	-21.1%	9.88	9.44	-4.4%	
Bulk	1.29	1.29	1.14	-11.3%	-24.6%	4.39	3.72	-15.3%	
INTP	1.49	1.32	1.15	-12.4%	-17.1%	4.21	3.96	-6.0%	19.0%
Market Share (%)	31.00%	28.60%	30.70%						
SMGR	2.94	3.03	2.60	-14.2%	-16.9%	9.18	8.57	-6.6%	
Market Share (%)	47.16%	48.02%	46.03%						

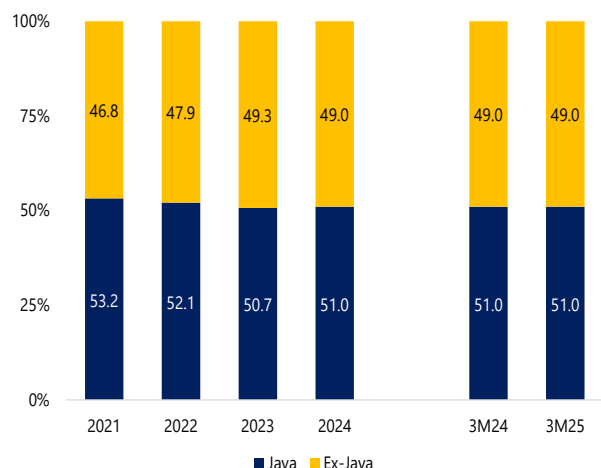
Source : Company | Asosiasi Semen Indonesia | Phintraco Sekuritas Research

Figure 1. Sales Breakdown by Product Segment



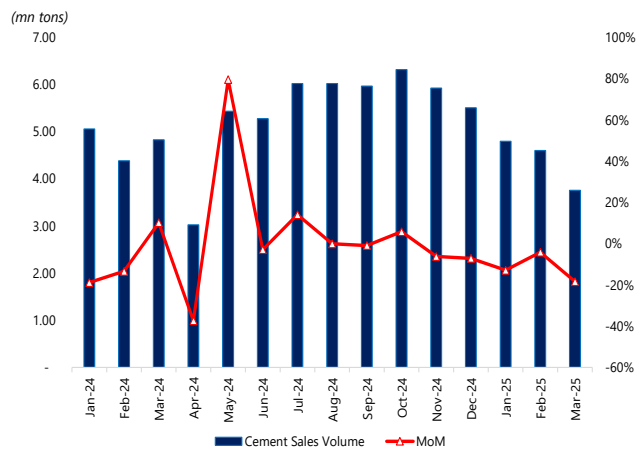
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Figure 2. Regional Cement Demand Java vs. Non-Java



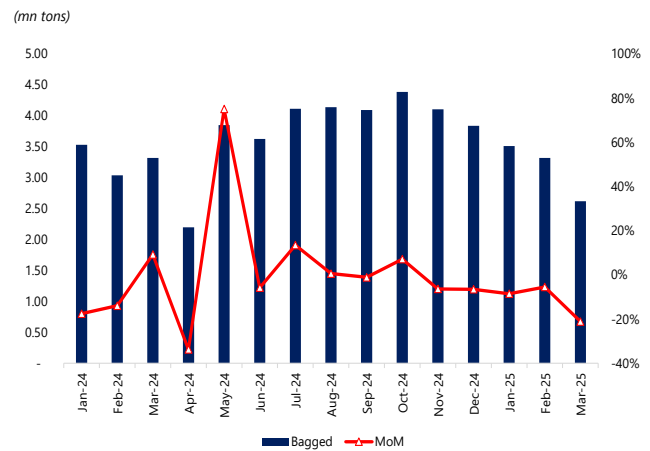
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Figure 3. Monthly Cement Sales Volume



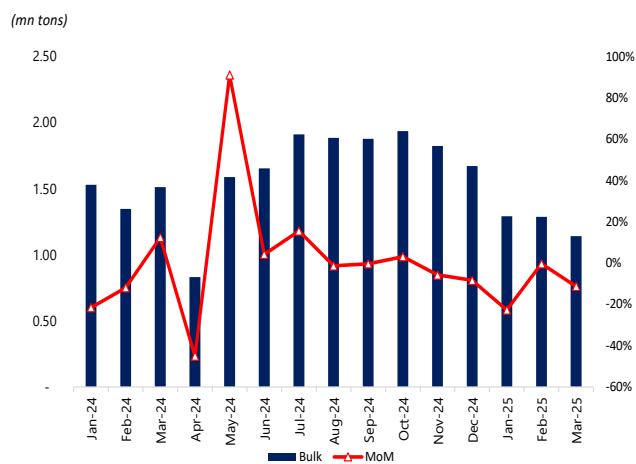
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Figure 4. Bagged Cement Sales Volume



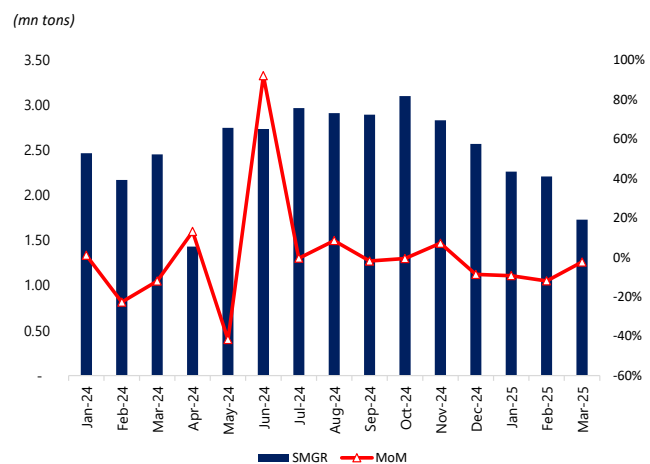
Source : Company | Asosiasi Semen Indonesia | Phintraco Sekuritas Research

Figure 5. Bulk Cement Sales Volume



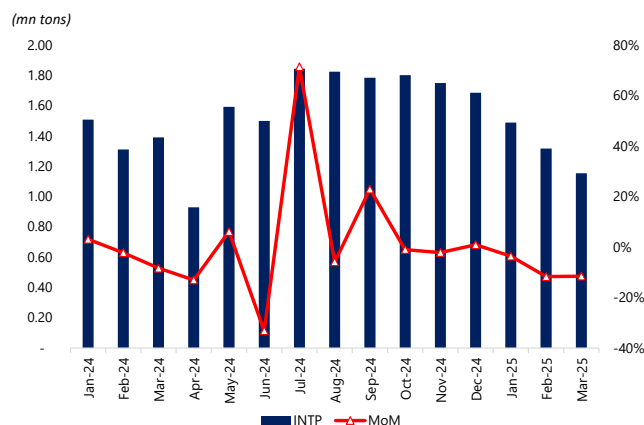
Source : Company | Asosiasi Semen Indonesia | Phintraco Sekuritas Research

Figure 6. SMGR Cement Sales Volume



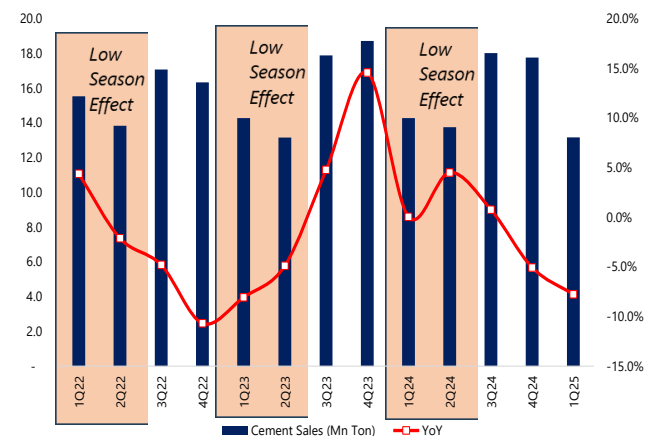
Source : Company | Phintraco Sekuritas Research

Figure 7. INTP Cement Sales Volume



Source : Company | Asosiasi Semen Indonesia | Phintraco Sekuritas Research

Figure 8. Quarterly Cement Sales Volume



Source : Company | Asosiasi Semen Indonesia | Phintraco Sekuritas Research

Glossarium

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



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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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