BINA ARTHA SEKURITAS

Equity Research

PT Semen Indonesia (Persero), Tbk

Cement, Equity
16 April 2025

Price	**IDR.**	**2,500**
Target	**IDR.**	**3,800**
JKSE Index		**6,441.683**

Stock code	
Bloomberg code	SMGR IJ
Market cap (in Bn)	16,880
52-week high	5,650
52-week low	2,070
Free Float (%)	48.99%

Major Share Holders (%)	
Government RI	51.20%
Public	48. 80%

USD/IDR-YE	
2024	16,193
2025F (6m-avg)	16,152

Analyst: Eka Rahmawati R
eka.rahmah@binaartha.com

Source: Company and Binaartha

BUY

Investment Considerations

Price Increased, Lower Market Share

- Domestic cement demand rose 5% YoY to 4.6 million tons in February 2025, supported by more effective working days compared to the previous year. However, cumulative sales for January–February 2025 declined by -0.4% YoY to 9.40 million tons. Growth in February was driven by bagged cement, with Java up 7.8% YoY and areas outside Java up 10.5% YoY. Bagged cement is expected to lead growth in 2025 due to the limited rollout of major infrastructure projects.
- SMGR's domestic sales increased 1.8% YoY in February 2025 to 2.17 million tons, while total SMGR Group cement sales rose 5% YoY to 3.03 million tons. However, January–February domestic sales still declined -3.6% YoY to 4.47 million tons, and total group sales fell -1.3% YoY to 5.97 million tons.
- In Q4 2024, SMGR's total group sales volume dropped -9.3% YoY to 10.31 million tons, causing revenue to fall -10.0% YoY to IDR 9.89 trillion. The decline was driven by weaker demand across both bagged (-11% YoY) and bulk cement (-14.2% YoY) segments. While SMGR raised prices in Q4, competitors did not follow, leading to a decline in market share to 49.5%, from 50.6% in 2023.
- Looking ahead, Q1 2025 demand is expected to soften due to Ramadan falling in March, which typically slows construction activity. Management will focus on volume recovery and maintaining market share for the remainder of the year.

US Export Market Expansion

- Despite ongoing tariff trade tensions with the US, SMGR continues to target the US and Latin American markets, maintaining an annual export quota of 500,000 tons. Through its subsidiary PT Solusi Bangunan Indonesia Tbk (SMCB), SMGR signed a partnership agreement with Taiheiyo Cement Corporation (TCC) to expand in the US.
- Demand for cement on the US West Coast remains strong, creating opportunities for importers. Even with tariffs in place, SMGR believes its pricing remains competitive, supported by efficient production and logistics.

Q4 2024: The Lower Profitability

- SMGR's bottom line weakened in Q4 2024, as profitability declined on weaker sales and rising costs.
- Net income fell almost -100% YoY to IDR 40 million in Q4 2024, and for the full year, net profit dropped -67% YoY to IDR 720 billion.
- Cost of revenue increased +3.3% QoQ, with COGS per ton up 7% YoY and 2.6% QoQ to IDR 773,400, largely driven by higher fixed costs such as mining retribution tariffs and maintenance, while variable costs fell due to lower fuel prices (-12.7% YoY).
- Gross profit declined -30.1% YoY and -11.3% QoQ to IDR 1.9 trillion, with GPM falling to 19.4% from 24.9% in Q4 2023.
- Operating income dropped -75.7% YoY and -47.2% QoQ to IDR 186 billion in Q4 2024, and for the full year, fell -62% YoY to IDR 1.25 trillion. This decline was partially due to a one-off increase in long-term employee benefit obligations and higher professional fees.
- Management has also announced a share buyback program with a maximum allocation of IDR 300 billion, which remains in place.

Valuation Maintain BUY, TP IDR 3,800

- We maintain our BUY recommendation, with a target price of IDR 3,800, representing a 52% upside. The valuation is based on a 21x 2026F PE ratio, reflecting expectations of a gradual recovery in margins and domestic demand over the coming year.

Financial Highlights	2021A	2022A	2023A	2024A	2025F	2026F
Revenue (IDR Bn)	36.702	36.379	38.651	36.186	37.447	38.538
EBITDA (IDR Bn)	8.643	7.959	7.787	5.571	6.065	6.462
Net Income (IDR Bn)	2.047	2.365	2.170	720	1.045	1.212
EPS (IDR)	344	397	321	107	155	180
EBITDA Margin (%)	23,5%	21,9%	20,1%	15,4%	16,2%	16,8%
PBV (x)	1,1	0,9	1,0	0,5	0,6	0,6
PER (x)	21,1	15,5	20,0	30,9	24,6	21,2

SMGR Cement Sales in Ton

	January			February			YTD		
	2025	2024	%	2025	2024	%	2025	2024	%
Indonesia Facilities									
Domestic	2.264.080	2.469.332	-8,3%	2.210.653	2.171.854	1,8%	4.474.733	4.641.186	-3,6%
Export	592.282	560.090	5,7%	722.404	635.739	13,6%	1.314.686	1.195.829	9,9%
	2.856.362	**3.029.422**	**-5,7%**	**2.933.057**	**2.807.593**	**4,5%**	**5.789.419**	**5.837.015**	**-0,8%**
Vietnam Facilities									
Domestic	45.688	46.639	-2,0%	67.046	33.684	99,0%	112.734	80.323	40,4%
Export	38.200	85.485	-55,3%	30.350	43.817	-30,7%	68.550	129.302	-47,0%
	83.888	132.124	-36,5%	97.396	77.501	25,7%	181.284	209.625	-13,5%
TOTAL SMGR	**2.940.250**	**3.161.546**	**-7,0%**	**3.030.453**	**2.885.094**	**5,0%**	**5.970.703**	**6.046.640**	**-1,3%**

Source: Company

Income Statement YoY & QoQ In IDR Billion

Income Statement (IDR Bn)	1Q2024	2Q2024	3Q2024	4Q2024	QoQ	4Q2023	YoY	2023A	2024A	YoY
Revenue	**8.375**	**8.036**	**9.884**	**9.891**	**0,1%**	**10.991**	**-10,0%**	**38.651**	**36.186**	**-6%**
Cost of revenue	-6.168	-6.385	-7.725	-7.977	3,3%	-8.253	-3,4%	-28.474	-28.255	-1%
Gross Profit	**2.207**	**1.651**	**2.159**	**1.914**	**-11,3%**	**2.737**	**-30,1%**	**10.177**	**7.931**	**-22%**
Operating Expense	-1.556	-1.588	-1.807	-1.729	-4,3%	-1.973	-12,4%	-6.873	-6.680	-3%
Profit Before Tax	**650**	**63**	**352**	**186**	**-47,2%**	**764**	**-75,7%**	**3.304**	**1.251**	**-62%**
Taxes	-180	-30	-114	-156	36,8%	-262	-40,7%	-1.008	-480	-52%
NIAT	**471**	**33**	**238**	**30**	**-87,3%**	**502**	**-94,0%**	**2.296**	**772**	**-66%**
Non-controlling Interest	1	-3	-20	-30	53,1%	-45	-33,6%	-125	-52	-59%
Net Income	**472**	**30**	**218**	**0,040**	**-100,0%**	**457**	**-100,0%**	**2.170**	**720**	**-67%**
EPS (IDR)	70	4	32	0,006	-100,0%	68	-100,0%	321	107	-67%
GPM (%)	**26,3%**	**20,5%**	**21,8%**	**19,4%**		**24,9%**		**26,3%**	**21,9%**	
OPM (%)	**7,8%**	**0,8%**	**3,6%**	**1,9%**		**7,0%**		**8,5%**	**3,5%**	
NPM (%)	**5,6%**	**0,4%**	**2,2%**	**0,0%**		**4,2%**		**5,6%**	**2,0%**	
Total Sales Volume (mt)	**9,2**	**8,5**	**10,3**	**10,3**	**0,6%**	**11,4**	**-9,7%**	**40,6**	**38,3**	**-5,8%**
Revenue/ton (IDR)	**912.615**	**942.774**	**964.056**	**959.069**	**-0,5%**	**962.562**	**-0,4%**	**951.512**	**945.635**	**-0,6%**
COGS/ton (IDR)	**672.165**	**749.045**	**753.492**	**773.441**	**2,6%**	**722.845**	**7,0%**	**700.977**	**738.374**	**5,3%**

Source: Company & Binaartha

Income Statement YoY In IDR Billion

Income Statement (In IDR Bn)	2021A	2022A	2023A	2024A	2025F	2026F
Revenue	**36.702**	**36.379**	**38.651**	**36.186**	**37.447**	**38.538**
Cost of revenue	-24.976	-25.701	-28.474	-28.255	-29.209	-29.867
Gross Profit	**11.727**	**10.678**	**10.177**	**7.931**	**8.238**	**8.671**
Operating Expense	-8.189	-7.379	-6.873	-6.680	-6.740	-6.937
Profit Before Tax	**3.538**	**3.299**	**3.304**	**1.251**	**1.498**	**1.734**
Taxes	-1.420	-800	-1.008	-480	-434	-503
NIAT	**2.117**	**2.499**	**2.296**	**772**	**1.063**	**1.231**
Non-controlling Interest	-71	-134	-125	-52	-19	-19
Net Income	**2.047**	**2.365**	**2.170**	**720**	**1.045**	**1.212**
EPS (In IDR)	344	397	321	107	155	180
EBITDA	**8.643**	**7.959**	**7.787**	**5.571**	**6.065**	**6.462**

Source: Company and Binaartha

Cash Flow In IDR Billion

Cash Flow (In IDR Bn)	2021A	2022A	2023A	2024A	2025F	2026F
Net Income	2.047	2.365	2.170	720	1.045	1.212
Depreciation	3.087	2.133	3.110	3.115	3.290	3.475
Change in WC	2.530	-1.212	3.079	-2.890	486	-579
Cash From Operating Activities	**7.664**	**3.286**	**8.360**	**946**	**4.822**	**4.108**
Change in Non-current Assets	-6.227	-633	-1.066	-1.847	-5.046	-4.674
Cash From Investing Activities	**-6.227**	**-633**	**-1.066**	**-1.847**	**-5.046**	**-4.674**
Change in Long-term liabilities	-4.091	-2.369	-1.455	-1.396	2.000	0
Change in Bonds Payable	-2.995	866	-3.360	-284	0	0
Change in Others Noncurrent Liabilities	498	-765	263	-286	-29	343
Change in Temporary Shirkah temporer	0	669	-200	-200	0	0
Change in Equity	5.175	2.000	-1.609	-214	-799	-663
Cash From Financing Activities	**-1.413**	**400**	**-6.361**	**-2.379**	**1.172**	**-321**
Net Changes in Cash	**24**	**3.052**	**933**	**-3.281**	**947**	**-886**
Beginning Balance	**2.931**	**2.955**	**6.007**	**6.940**	**3.659**	**4.606**
Ending Balance	**2.955**	**6.007**	**6.940**	**3.659**	**4.606**	**3.720**

Source: Company and Binaartha

Statement of Financial Position In IDR Billion

Statement of Financial Position (In IDR Bn)	2021A	2022A	2023A	2024A	2025F	2026F
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	2.955	6.007	6.940	3.659	4.606	3.720
Trade Accounts Receivable	5.691	5.521	5.788	5.127	5.335	5.490
Inventories	4.849	5.610	5.134	5.193	4.961	5.155
Others Current Assets	2.691	1.740	1.922	2.245	2.247	2.312
Total Current Assets	**16.186**	**18.879**	**19.783**	**16.224**	**17.150**	**16.678**
NONCURRENT ASSETS						
Fixed Assets	58.839	57.806	56.771	55.498	57.282	58.328
Other Noncurrent Assets	6.742	6.275	5.267	5.271	5.243	5.395
Total Noncurrent Assets	**65.581**	**64.081**	**62.038**	**60.769**	**62.525**	**63.724**
TOTAL ASSETS	**81.766**	**82.960**	**81.821**	**76.993**	**79.674**	**80.402**
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Short-term Loans	3.058	500	4.895	1.878	1.878	1.378
Trade Account Payable	7.855	8.096	8.096	6.800	7.037	7.242
Others Current Liabilities	3.719	4.465	3.121	4.266	4.494	4.625
Total Current Liabilities	**14.632**	**13.061**	**16.112**	**12.944**	**13.409**	**13.245**
NONCURRENT LIABILITIES						
Long-term bank	10.097	7.728	6.273	4.877	6.877	6.877
Bond Payable	4.074	4.940	1.580	1.296	1.296	1.296
Others Noncurrent Liabilities	8.306	7.541	7.804	7.519	7.489	7.832
Total Noncurrent Liabilities	**22.478**	**20.210**	**15.658**	**13.692**	**15.663**	**16.005**
TOTAL LIABILITIES	**37.110**	**33.271**	**31.770**	**26.636**	**29.071**	**29.250**
Non-controlling interest	4.362	4.491	4.539	4.536	4.494	4.625
EQUITY	**38.514**	**42.748**	**43.261**	**43.772**	**44.059**	**44.477**
TEMPORARY SYIRKAH TEMPORER	**1.781**	**2.450**	**2.250**	**2.050**	**2.050**	**2.050**
TOTAL TEMPORARY SYIRKAH TEMPORER, LIABILITIES & EQUITY	**81.766**	**82.960**	**81.821**	**76.993**	**79.674**	**80.402**

Source: Company and Binaartha

Ratio Highlights YoY

Growth (% YoY)	2021A	2022A	2023A	2024A	2025F	2026F
Sales	4,4%	-0,9%	6,2%	-6,4%	3,5%	2,9%
OP	1,4%	-6,8%	0,1%	-62,1%	19,7%	15,8%
EBITDA	-3,0%	-7,9%	-2,2%	-28,5%	8,9%	6,5%
NP	-26,7%	15,5%	-8,2%	-66,8%	45,2%	16,0%
EPS	-27,0%	15,4%	-19,0%	-66,8%	45,2%	16,0%
Profitability						
Gross Profit Margin (%)	32,0%	29,4%	26,3%	21,9%	22,0%	22,5%
Operating Margin(%)	9,6%	9,1%	8,5%	3,5%	4,0%	4,5%
EBITDA margin(%)	23,5%	21,9%	20,1%	15,4%	16,2%	16,8%
NET Profit margin(%)	5,6%	6,5%	5,6%	2,0%	2,8%	3,1%
ROA(%)	2,5%	2,9%	2,7%	0,9%	1,3%	1,5%
ROE(%)	5,3%	5,5%	5,0%	1,6%	2,4%	2,7%
Stability						
Net debt/ equity (x)	0,4	0,3	0,3	0,2	0,2	0,2
Int. Coverage (x)	1,2	1,8	1,7	0,6	0,8	1,0
Current Ratio (X)	1,1	1,4	1,2	1,3	1,3	1,3
Per Share data						
EPS (IDR)	344	397	321	107	155	180
PBV (x)	1,1	0,9	1,0	0,5	0,6	0,6
PER (x)	21,1	15,5	20,0	30,9	24,6	21,2
EV/EBITDA	6,6	5,5	6,3	4,8	5,1	4,9
EBITDA/share	1.452	1.335	1.153	825	898	957

Source: Company and Binaartha

Stock Ratings:
Buy : a recommendation to purchase the security with upside potential of **11.50% or greater**
Hold : a recommendation to neither buy nor sell a security with upside potential of **5.75%-11.49%.**
Sell : a recommendation to close out a long position in a security with upside potential **below 5.74%.**

RESEARCH TEAM
(62 21) 520 6678 ext. 611

BINAARTHA SEKURITAS