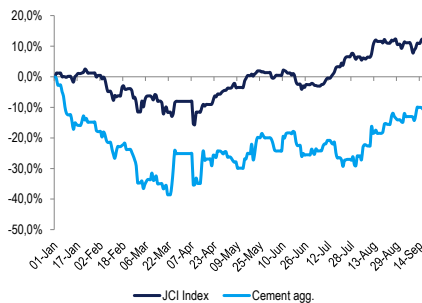


## Sector Index Performance

	3M	6M	12M
Absolute	9,9%	37,5%	-14,6%
Relative to JCI	-1,9%	15,4%	-16,5%



## Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
INTP IJ	13,0	12,3	11,5
SMGR IJ	29,0	22,5	16,9
EV/EBITDA (x)	2025F	2026F	2027F
INTP IJ	6,1	5,9	5,7
SMGR IJ	5,7	5,5	5,3
Div. Yield	2025F	2026F	2027F
INTP IJ	2,9%	4,1%	4,9%
SMGR IJ	2,7%	2,5%	3,5%

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## Aug25 volume: yoy drop due to political unrest with INTP impacted the most

- Overall volume fell -3% yoy (flat mom) in Aug25 to 5.9mt, with bulk and bag down -8%/-1% yoy amid political demonstrations at month-end.
- SMGR fell -3% yoy (+1% mom) while INTP down -8% yoy (-1% mom). Non-big 2 grew by 5% yoy (flat mom).
- Cumulatively, 8M25 volume dropped -3% yoy, in-line with our estimates of -2% to -5% drop. Maintain Neutral as demand remained weak.

### Flattish volume amid political unrest at month-end with Jakarta impacted the most

National cement volume declined by -3% yoy (flat mom) to 5.9mt in Aug25, mainly due to bulk at -8% yoy (flat mom), while bag recorded -1% yoy (flat mom). This was attributed to demonstrations across regions during month-end, which temporarily hindered construction progress. Java volume fell -5% yoy (-3% mom), dragged down by Jakarta at -24% yoy while East Java improved +12% yoy. Ex-Java slipped -1% yoy (+3% mom), supported by Bali & Nusa Tenggara at +20% yoy (+13% mom). Cumulatively, 8M25 volume dropped -3% yoy to 39.6mt, with bag flat yoy and bulk down -10% yoy.

### SMGR volume dragged by bulk while bag improved slightly

SMGR's volume fell -3% yoy (+1% mom) in Aug25, still weighed down by bulk at -12% yoy (+1% mom) while bag improved slightly by +1% yoy (flat mom). By region, Java declined -6% yoy (flat mom), while ex-Java slipped -1% yoy (+2% mom). The mom improvement in ex-Java area came from Nusa Tenggara & Bali (+24% mom) and Kalimantan (+9% mom). On cumulative basis, 8M25 volume reached 18.5mt (-7% yoy).

### INTP volume remained weak but with notable improvement in ex-Java

INTP's volume declined -8% yoy (-1% mom) in Aug25, led by bulk at -13% yoy (+3% mom) compared to bag at -6% yoy (-3% mom). By region, Java fell -14% yoy, while ex-Java improved +2% yoy, supported by Nusa Tenggara at +15% yoy and Sumatera at +13% yoy, with the latter coming from the construction of the Jambi-Palembang toll-road. Cumulatively, 8M25 volume fell -4% yoy to 11.4mt. Meanwhile, non-big 2 players rose +8% yoy in 8M25, led by Juishin (+19% yoy) and Hongshi (+11% yoy) amid higher promotional activity.

### Maintain Neutral as overall demand remained weak

The overall weak volume was in line with our expectation as we project FY25F volume to be in the -5% to -2% range. Despite notable improvement in several regions, we believe overall demand remains relatively weak due to unfavorable weather, sluggish infrastructure spending and recent unrest. Thus, we retain our Neutral stance despite the undemanding valuation of 5.4x EV/EBITDA vs. its 10Y average of 10.4x.

Fig. 1: Aug25 cement volume highlights

Domestic volume (in k tonnes)	Aug-25	Aug-24	yoy%	Jul-25	mom%	8M25	8M24	yoy%
Java total	3,043	3,196	-5%	3,131	-3%	20,732	21,355	-3%
Ex Java total	2,900	2,921	-1%	2,816	3%	18,952	19,492	-3%
Total	5,942	6,117	-3%	5,947	0%	39,684	40,847	-3%
Bag	4,190	4,214	-1%	4,199	0%	28,418	28,334	0%
Bulk	1,752	1,903	-8%	1,748	0%	11,266	12,514	-10%

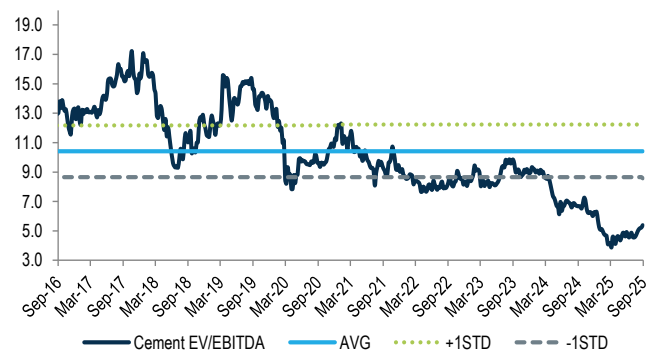
Source: Indonesia Cement Association, Indo Premier

Fig. 2: Aug25 cement volume summary

National cement volume summary (k tonnes)	Aug-25	Aug-24	yoy%	Jul-25	mom%	8M25	8M24	yoy%
Jakarta	197	258	-24%	201	-2%	1,385	1,697	-18%
West Java	917	991	-7%	953	-4%	6,320	6,653	-5%
Central Java	736	792	-7%	745	-1%	4,876	5,124	-5%
Yogyakarta	87	103	-16%	96	-10%	606	684	-11%
East Java	797	712	12%	789	1%	5,296	5,068	5%
Banten	310	341	-9%	347	-11%	2,248	2,130	6%
<b>Java total</b>	<b>3,043</b>	<b>3,196</b>	<b>-5%</b>	<b>3,131</b>	<b>-3%</b>	<b>20,732</b>	<b>21,355</b>	<b>-3%</b>
Sumatra	1,305	1,318	-1%	1,311	0%	8,916	8,629	3%
Kalimantan	485	543	-11%	465	4%	2,941	3,567	-18%
Sulawesi	468	482	-3%	454	3%	3,166	3,395	-7%
Bali + Nusa Tenggara	453	377	20%	402	13%	2,594	2,604	0%
East Indo	188	201	-7%	184	2%	1,334	1,296	3%
<b>Ex Java total</b>	<b>2,900</b>	<b>2,921</b>	<b>-1%</b>	<b>2,816</b>	<b>3%</b>	<b>18,952</b>	<b>19,492</b>	<b>-3%</b>
<b>Total</b>	<b>5,942</b>	<b>6,117</b>	<b>-3%</b>	<b>5,947</b>	<b>0%</b>	<b>39,684</b>	<b>40,847</b>	<b>-3%</b>
Bag	4,190	4,214	-1%	4,199	0%	28,418	28,334	0%
Bulk	1,752	1,903	-8%	1,748	0%	11,266	12,514	-10%
<b>Summary by player</b>								
SIG	2,817	2,914	-3%	2,798	1%	18,547	19,902	-7%
INTP	1,676	1,827	-8%	1,695	-1%	11,373	11,907	-4%
<b>Big 2 total</b>	<b>4,493</b>	<b>4,741</b>	<b>-5%</b>	<b>4,493</b>	<b>0%</b>	<b>29,920</b>	<b>31,808</b>	<b>-6%</b>
Non big 2 total	1,450	1,376	5%	1,454	0%	9,765	9,039	8%

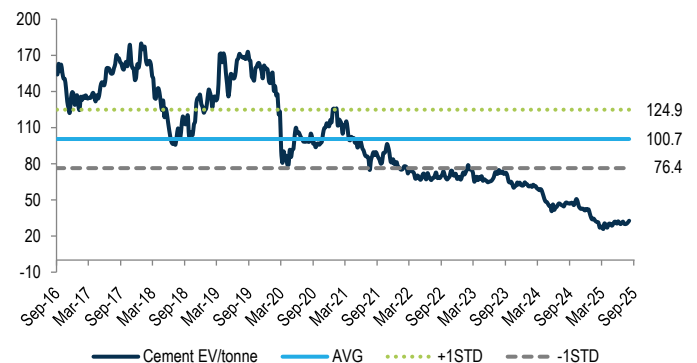
Source: Indonesia Cement Association, Indo Premier

Fig. 3: Cement forward EV/EBITDA – now trading at 5.4x FY25F EV/EBITDA vs. 10Y average of 10.4x EV/EBITDA



Source: Bloomberg, Company, Indo Premier

Fig. 4: Cement forward EV/tonne – now trading at US\$32.6 FY25F EV/tonne vs. 10Y average of US\$100.7 EV/tonne



Source: Bloomberg, Company, Indo Premier

Fig. 5: Peer comparison

Ticker	Closing Price	P/E (x)			EV/EBITDA (x)			P/BV (x)		
		FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
INTP	6.925	13,0	12,3	11,4	6,1	5,9	5,7	1,0	1,0	0,9
SMGR	2.940	29,1	22,6	16,9	5,8	5,5	5,3	0,4	0,4	0,4

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 17 September 2025

## SECTOR RATINGS

- OVERWEIGHT : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

## COMPANY RATINGS

- BUY : Expected total return of 10% or more within a 12-month period
- HOLD : Expected total return between -10% and 10% within a 12-month period
- SELL : Expected total return of -10% or worse within a 12-month period

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