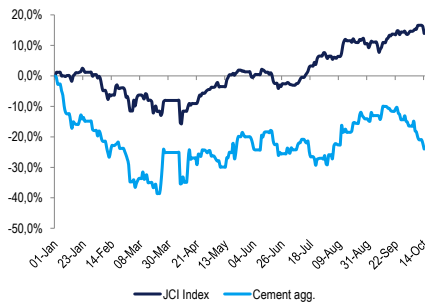


Sector Index Performance

	3M	6M	12M
Absolute	-1.6%	19.5%	-30.9%
Relative to JCI	-18.4%	-11.9%	-40.3%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
INTP IJ	11.1	10.5	9.7
SMGR IJ	25.9	19.3	14.7
EV/EBITDA (x)	2025F	2026F	2027F
INTP IJ	5.2	5.0	4.8
SMGR IJ	5.1	4.9	4.7
Div. Yield	2025F	2026F	2027F
INTP IJ	3.2%	4.6%	5.4%
SMGR IJ	3.1%	2.5%	3.4%

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Sep25 volume: flattish yoy as infra continued to be a drag

- Overall volume inched down -1% yoy (+1% mom) in Sep25 with Java volume flat yoy (+2% mom) and ex-Java slipped -2% yoy (flat mom).
- SMGR fell -2% yoy (flat mom) while INTP fared worse at -5% yoy (+2% mom). Non-big 2 improved to +5% yoy (+1% mom).
- Cumulative 9M25 volume at -3% yoy was in-line with our estimates of -2% to -5%; while pricing remained challenging for incumbents.

Slight mom improvement amid seasonality

National cement volume fell by -1% yoy (+1% mom) to 6.0mt in Sep25, mainly due to bulk at -7% yoy (+1% mom), while bag volume rose slightly by +1% yoy (+1% mom). Java volume was flat yoy (+2% mom), supported by stronger demand in East Java (+10% yoy) and Central Java (+6% yoy). The slight mom improvement was in-line with seasonality (Sep volume usually up by +3.2% mom in the past 3 years). Ex-Java declined -2% yoy (flat mom), supported by Bali & Nusa Tenggara at +16% yoy (-3% mom). Cumulatively, 9M25 volume decreased -3% yoy with bag flat yoy while bulk at -10% yoy.

SMGR volume still weighed down by weak bulk sales

SMGR's volume declined -2% yoy (flat mom) in Sep25, with bulk down -9% yoy (+1% mom) while bag increased +1% yoy (flat mom). By region, Java fell -2% yoy (+1% mom) and ex-Java slipped -3% yoy (flat mom) which was dragged down by Sumatera (-5% yoy). Cumulatively, 9M25 volume stood at 21.4mt (-6% yoy).

INTP volume stayed weak amid lacklustre Java volume

INTP's volume declined -5% yoy (+2% mom) in Sep25, reflecting a contraction in bulk at -16% yoy (flat mom) while bag increased +2% yoy (+2% mom). By region, Java fell -9% yoy (+3% mom) whereas ex-Java improved +4% yoy (flat mom), supported by Nusa Tenggara at +19% yoy and Sumatera at +18% yoy. Cumulatively, 9M25 volume decreased -4% yoy to 13.1mt. Meanwhile, non-big 2 players grew +5% yoy (+1% mom) in Sep25, supported by Hongshi (+45% yoy) and Juishin (+36% yoy).

Maintain Neutral as the sector still lacking catalyst

We maintain our Neutral stance on the sector, as it still lacks tangible catalysts at this stage. For retail ASP, we observed continuous decline in main brand price at -3% to -4% yoy while fighting brand and smaller players ASP fared better especially in East and Central Java (positive yoy growth in ASP). This, coupled with weak underlying demand underpins our unchanged Neutral rating despite undemanding valuation of 4.8x EV/EBITDA vs. the 10Y average of 10.4x.

Fig. 1: Sep25 cement volume highlights

Domestic volume (in k tonnes)	Sep-25	Sep-24	yoy%	Aug-25 mom%	9M25	9M24	yoy%	
Java total	3,110	3,117	0%	3,043	2%	23,842	24,473	-3%
Ex Java total	2,887	2,956	-2%	2,900	0%	21,839	22,448	-3%
Total	5,996	6,073	-1%	5,942	1%	45,681	46,921	-3%
Bag	4,226	4,173	1%	4,190	1%	32,645	32,507	0%
Bulk	1,770	1,900	-7%	1,752	1%	13,036	14,413	-10%

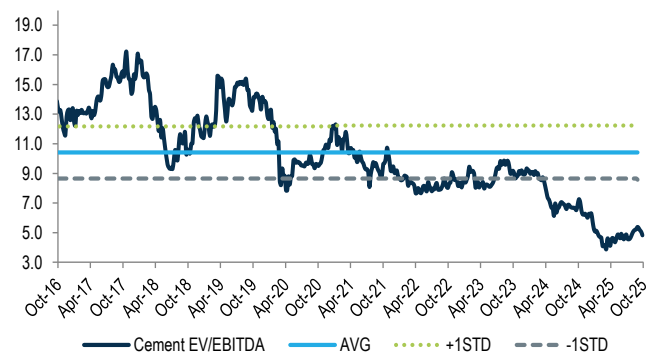
Source: Indonesia Cement Association, Indo Premier

Fig. 2: Sep25 cement volume summary

National cement volume summary (k tonnes)	Sep-25	Sep-24	yoy%	Aug-25	mom%	9M25	9M24	yoy%
Jakarta	213	239	-11%	197	8%	1,598	1,936	-17%
West Java	933	991	-6%	917	2%	7,254	7,644	-5%
Central Java	776	734	6%	736	5%	5,652	5,858	-4%
Yogyakarta	89	102	-13%	87	3%	696	786	-11%
East Java	782	709	10%	797	-2%	6,079	5,777	5%
Banten	316	343	-8%	310	2%	2,564	2,473	4%
Java total	3,110	3,117	0%	3,043	2%	23,842	24,473	-3%
Sumatra	1,309	1,357	-4%	1,305	0%	10,225	9,986	2%
Kalimantan	482	544	-11%	485	-1%	3,423	4,111	-17%
Sulawesi	479	490	-2%	468	2%	3,646	3,885	-6%
Bali + Nusa Tenggara	438	377	16%	453	-3%	3,032	2,981	2%
East Indo	179	188	-5%	188	-5%	1,513	1,484	2%
Ex Java total	2,887	2,956	-2%	2,900	0%	21,839	22,448	-3%
Total	5,996	6,073	-1%	5,942	1%	45,681	46,921	-3%
Bag	4,226	4,173	1%	4,190	1%	32,645	32,507	0%
Bulk	1,770	1,900	-7%	1,752	1%	13,036	14,413	-10%
Summary by player								
SIG	2,829	2,896	-2%	2,817	0%	21,376	22,798	-6%
INTP	1,702	1,783	-5%	1,676	2%	13,075	13,690	-4%
Big 2 total	4,531	4,679	-3%	4,493	1%	34,451	36,488	-6%
Non big 2 total	1,465	1,394	5%	1,450	1%	11,230	10,433	8%

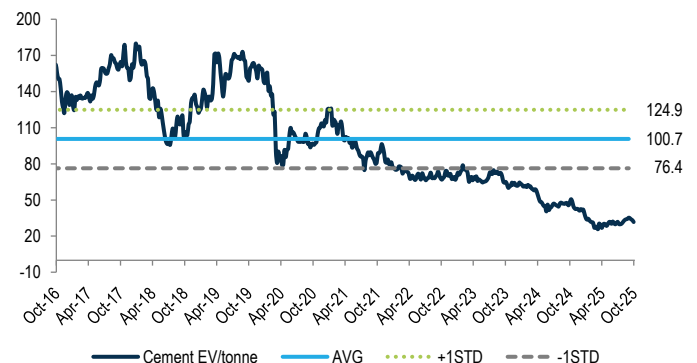
Source: Indonesia Cement Association, Indo Premier

Fig. 3: Cement forward EV/EBITDA – now trading at 4.8x 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\$31.7 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	5.925	11,1	10,5	9,7	5,2	5,0	4,8	0,9	0,8	0,8
SMGR	2.450	25,9	19,3	14,7	5,1	4,9	4,7	0,4	0,4	0,4

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 14 October 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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The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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