INDOPREMIER

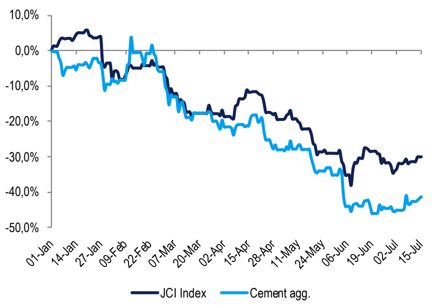
Cement

NEUTRAL *(unchanged)*

Sector Update | 16 July 2026

Sector Index Performance

	3M	6M	12M
Absolute	-27.4%	-38.8%	-32.8%
Relative to JCI	-6.7%	-5.3%	-17.4%



Summary Valuation Metrics

P/E (x)	2026F	2027F	2028F
INTP IJ	9.0	9.2	8.9
SMGR IJ	18.4	12.4	7.6

EV/EBITDA (x)	2026F	2027F	2028F
INTP IJ	3.8	3.7	3.6
SMGR IJ	3.6	3.4	3.1

Div. Yield	2026F	2027F	2028F
INTP IJ	5.6%	6.2%	6.2%
SMGR IJ	1.8%	5.1%	8.8%

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Jun26 volume: bulk segment continued to lead the rebound

- National volume rose +13% yoy (+4% mom) to 5.7mt in Jun26 with bulk rebounded +20% yoy (+7% mom) vs. bag of +11% yoy (+3% mom).
- In Jun26, INTP's volume fared better at +15% yoy (+13% mom) vs. SMGR of +10% yoy (-1% mom), supported mainly by stronger bulk demand.
- Cumulatively, cement volume growth reached +11% yoy in 1H26 and we expect the demand momentum to continue into 3Q26.

Bulk rebound supported overall volume growth

National cement volume grew +13% yoy (+4% mom) to 5.7mt in Jun26 with bulk rebounded +20% yoy (+7% mom) while bag rose by +11% yoy (+3% mom). The yoy improvement was driven by low-base effect in Jun25 (-6% yoy). Java rose +13% yoy (+2% mom), supported by stronger activity in Yogyakarta (+16% yoy) and West Java (+15% yoy), while ex-Java increased +14% yoy (+6% mom), driven mainly by Sulawesi (+31% yoy) and East Indo (+27% yoy). Cumulatively, industry volume reached 30.7mt in 1H26 (+11% yoy), with balanced growth in both bag (+10% yoy) and bulk (+11% yoy).

SMGR volume: ex-Java outperformed on strong bulk demand

SMGR's volume increased +10% yoy (-1% mom) in Jun26, supported by robust bulk demand at +14% yoy (-3% mom), while bag volume rose +8% yoy (-1% mom). By region, Java recorded growth of +7% yoy (-9% mom), while ex-Java expanded +13% yoy (+6% mom), supported by stronger demand from East Indo (+63% yoy), Sulawesi (+32% yoy), and Sumatra (+12% yoy). Cumulatively, SMGR's volume grew +10% yoy to 14.2mt in 1H26, supported by bag at +11% yoy vs. bulk of +5% yoy.

INTP volume: strong monthly rebound across all regions

INTP's volume rose +15% yoy (+13% mom) in Jun26, supported by bulk which rose +23% yoy (+18% mom), while bag grew +12% yoy (+11% mom). Java volume rose +14% yoy (+12% mom), while ex-Java increased by +18% yoy (+15% mom). Cumulatively, 1H26 volume increased by +5% yoy to 8.4mt, driven by bulk at +9% yoy vs. bag of +4% yoy. Meanwhile, non-big 2 rose +19% yoy in 1H26 - Hongshi (+85% yoy) and Juishin (+24% yoy) posted the strongest growth.

Demand momentum expected to continue into 3Q26

We expect demand momentum to continue into 3Q26, supported by lesser holiday in 2H, dryer season, and accelerating construction activities, particularly those associated with the Village Cooperative Program (KDMP). The sector currently trades at an undemanding valuation of 3.3x EV/EBITDA vs. the 10Y avg of 10.1x.

Fig. 1: Jun26 cement volume highlights

Domestic volume (in k tonnes)	Jun-26	Jun-25	yoy%	May-26	mom%	1H26	1H25	yoy%
Java total	3,016	2,680	13%	2,965	2%	15,912	14,559	9%
Ex Java total	2,673	2,335	14%	2,513	6%	14,805	13,236	12%
Total	**5,689**	**5,014**	**13%**	**5,478**	**4%**	**30,717**	**27,795**	**11%**
Bag	3,960	3,574	11%	3,861	3%	22,082	20,029	10%
Bulk	1,730	1,441	20%	1,617	7%	8,636	7,766	11%

Source: Indonesia Cement Association, Indo Premier

Fig. 2: Jun26 cement volume summary

National cement volume summary (k tonnes)	Jun-26	Jun-25	yoy%	May-26	mom%	1H26	1H25	yoy%
Jakarta	174	173	0%	178	-2%	963	987	-2%
West Java	963	838	15%	889	8%	4,780	4,451	7%
Central Java	722	640	13%	724	0%	3,939	3,396	16%
Yogyakarta	83	71	16%	83	0%	427	424	1%
East Java	747	668	12%	760	-2%	4,125	3,711	11%
Banten	327	290	13%	332	-1%	1,678	1,591	5%
Java total	**3,016**	**2,680**	**13%**	**2,965**	**2%**	**15,912**	**14,559**	**9%**
Sumatra	1,256	1,114	13%	1,133	11%	6,943	6,301	10%
Kalimantan	383	374	2%	383	0%	2,114	1,991	6%
Sulaw esi	475	361	31%	463	2%	2,705	2,243	21%
Bali + Nusa Tenggara	370	336	10%	346	7%	1,958	1,739	13%
East Indo	190	149	27%	188	1%	1,085	962	13%
Ex Java total	**2,673**	**2,335**	**14%**	**2,513**	**6%**	**14,805**	**13,236**	**12%**
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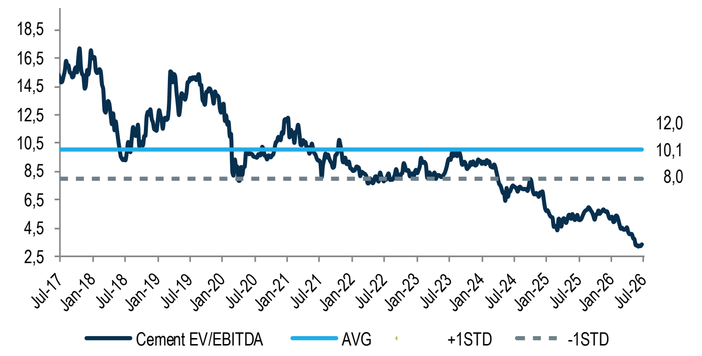
Summary by player								
SIG	2,544	2,317	10%	2,577	-1%	14,183	12,932	10%
INTP	1,619	1,404	15%	1,433	13%	8,397	8,002	5%
Big 2 total	**4,163**	**3,721**	**12%**	**4,010**	**4%**	**22,580**	**20,934**	**8%**
Non big 2 total	1,527	1,294	18%	1,468	4%	8,137	6,861	19%

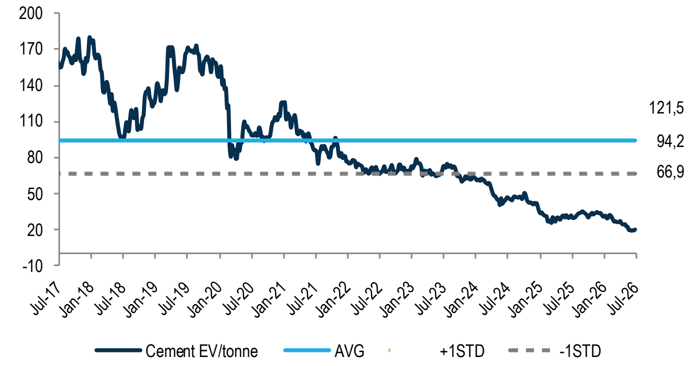
Source: Indonesia Cement Association, Indo Premier

Fig. 3: Cement forward EV/EBITDA – now trading at 3.3x FY26F EV/EBITDA vs. 10Y average of 10.1x EV/EBITDA



Source: Bloomberg, Company, Indo Premier

Fig. 4: Cement forward EV/tonne – now trading at US$20.2 FY26F EV/tonne vs. 10Y average of US$94.2 EV/tonne



Source: Bloomberg, Company, Indo Premier

Fig. 5: Peer comparison

Ticker	Closing Price	P/E (x)			EV/EBITDA (x)			P/BV (x)		
		FY26F	FY27F	FY28F	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
INTP	4.590	9,0	9,2	8,9	3,8	3,7	3,6	0,7	0,7	0,6
SMGR	1.450	18,4	12,4	7,6	3,6	3,4	3,1	0,2	0,2	0,2

Source: Bloomberg, Company, Indo Premier *Share price closing as of: 15 July 2026*

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

ANALYSTS CERTIFICATION

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.