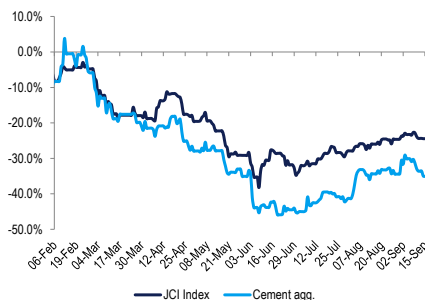


Sector Index Performance

	3M	6M	12M
Absolute	10.6%	-19.9%	-35.5%
Relative to JCI	7.7%	1.5%	-17.4%



Summary Valuation Metrics

P/E (x)	2026F	2027F	2028F
INTP IJ	9.8	9.5	8.9
SMGR IJ	19.3	12.5	8.8
EV/EBITDA (x)	2026F	2027F	2028F
INTP IJ	4.5	4.4	4.2
SMGR IJ	3.7	3.4	3.2
Div. Yield	2026F	2027F	2028F
INTP IJ	7.0%	6.9%	7.5%
SMGR IJ	1.7%	5.0%	7.8%

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Aug26: strong yoy growth for INTP; demand may accelerate in Sep-4Q

- National volume rose +5% yoy (-2% mom) to 6.2mt in Aug26 with bulk increased +7% yoy (-2% mom) vs. bag at +4% yoy (-2% mom).
- INTP posted stronger volume growth at +12% yoy (-2% mom) vs. SMGR at -6% yoy (-4% mom), mainly driven by stronger bulk demand.
- Cumulatively, cement volume growth reached +9% yoy in 8M26 and we expect the demand momentum to continue amid Sep-4Q seasonality.

Aug26 yoy growth was decent despite weaker mom volume

National cement volume grew +5% yoy (-2% mom) to 6.2mt in Aug26, driven by stronger bulk demand at +7% yoy (-2% mom) vs. bag at +4% yoy (-2% mom). By region, Java rose by +5% yoy (-3% mom), supported by West Java (+9% yoy), Banten (+8% yoy), and Central Java (+7% yoy). Meanwhile, ex-Java grew +4% yoy (-1% mom), mainly driven by East Indo (+22% yoy) and Sumatra (+6% yoy). Cumulatively, industry volume reached 43.3mt in 8M26 (+9% yoy), with balanced growth across bulk (+10% yoy) and bag (+9% yoy).

SMGR volume: weak performance across Java and ex-Java

SMGR's volume declined by -6% yoy (-4% mom) in Aug26, driven by weaker bulk demand at -6% yoy (-3% mom), while bag was also down -4% yoy (-6% mom). By region, both Java and ex-Java declined -6% yoy (-4% mom). Cumulatively, SMGR's volume grew +6% yoy to 19.6mt in 8M26, driven by bag at +7% yoy vs. bulk of +4% yoy.

INTP volume: broad-based rebound

INTP's volume increased by +12% yoy (-2% mom) in Aug26, supported by robust growth in bulk at +13% yoy (-2% mom), while bag also grew +11% yoy (-3% mom). By region, Java increased +11% yoy (-4% mom). Meanwhile ex-Java volume rose +13% yoy (+1% mom), led by East Indo (+36% yoy) and Kalimantan (+32% yoy). Cumulatively, 8M26 volume increased +7% yoy to 12.2mt, driven by bulk volume growth of +11% yoy vs. +6% yoy for bag. Meanwhile, non-big 2 players grew +17% yoy in 8M26, led by Hongshi (+60% yoy) and Juishin (+24% yoy).

Volume growth expected to sustain throughout 3Q26

We expect demand momentum to continue, supported by more working days in 2H26, drier season, and seasonally stronger Sep-4Q volume run-rate. Our recent price survey suggests stable pricing in Sep26, with retail cement prices flat on a mom basis in Jakarta and East Java. The sector currently trades at an undemanding valuation of 3.7x EV/EBITDA vs. the 10Y avg of 9.9x.

Fig. 1: Aug26 cement volume highlights

Domestic volume (in k tonnes)	Aug-26	Aug-25	yoy%	Jul-26 mom%	8M26	8M25	yoy%	
Java total	3,202	3,043	5%	3,302	-3%	22,417	20,732	8%
Ex Java total	3,009	2,900	4%	3,026	-1%	20,840	18,952	10%
Total	6,211	5,942	5%	6,329	-2%	43,257	39,684	9%
Bag	4,342	4,190	4%	4,418	-2%	30,843	28,418	9%
Bulk	1,869	1,752	7%	1,910	-2%	12,415	11,266	10%

Source: Indonesia Cement Association, Indo Premier

Fig. 2: Aug26 cement volume summary

National cement volume summary (k tonnes)	Aug-26	Aug-25	yoy%	Jul-26	mom%	8M26	8M25	yoy%
Jakarta	196	197	-1%	198	-1%	1,357	1,385	-2%
West Java	995	917	9%	1,054	-6%	6,828	6,320	8%
Central Java	785	736	7%	790	-1%	5,514	4,876	13%
Yogyakarta	85	87	-1%	97	-12%	609	606	0%
East Java	807	797	1%	785	3%	5,717	5,296	8%
Banten	334	310	8%	378	-12%	2,391	2,248	6%
Java total	3,202	3,043	5%	3,302	-3%	22,417	20,732	8%
Sumatra	1,389	1,305	6%	1,335	4%	9,667	8,916	8%
Kalimantan	484	485	0%	462	5%	3,060	2,941	4%
Sulawesi	505	468	8%	526	-4%	3,736	3,166	18%
Bali + Nusa Tenggara	400	453	-12%	477	-16%	2,835	2,594	9%
East Indo	230	188	22%	227	2%	1,542	1,334	16%
Ex Java total	3,009	2,900	4%	3,026	-1%	20,840	18,952	10%
Total	6,211	5,942	5%	6,329	-2%	43,257	39,684	9%
Bag	4,342	4,190	4%	4,418	-2%	30,843	28,418	9%
Bulk	1,869	1,752	7%	1,910	-2%	12,415	11,266	10%
Summary by player								
SIG	2,658	2,817	-6%	2,772	-4%	19,613	18,547	6%
INTP	1,872	1,676	12%	1,920	-2%	12,190	11,373	7%
Big 2 total	4,531	4,493	1%	4,692	-3%	31,803	29,920	6%
Non big 2 total	1,680	1,450	16%	1,636	3%	11,454	9,765	17%

Source: Indonesia Cement Association, Indo Premier

Fig. 3: Cement forward EV/EBITDA – now trading at 3.7x FY26F EV/EBITDA vs. 10Y average of 9.9x EV/EBITDA



Source: Bloomberg, Company, Indo Premier

Fig. 4: Cement forward EV/tonne – now trading at US\$22.8 FY26F EV/tonne vs. 10Y average of US\$92.9 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	5,225	9.8	9.5	8.9	4.5	4.4	4.2	0.8	0.7	0.7
SMGR	1,585	19.3	12.5	8.8	3.7	3.4	3.2	0.2	0.2	0.2

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 15 September 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

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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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