

# Indocement Tunggal Prakarsa

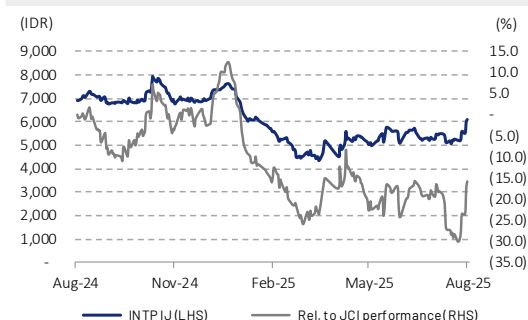
7 August 2025 | Equity Research | Cement Sector

## Company Update

### BUY

Target Price	:	6,900
Current Price	:	6,100
Upside	:	13.1%

### 12M PRICE PERFORMANCE



### STOCK PERFORMANCE

	YTD	1M	3M	12M
Absolute	-17.6%	15.1%	20.8%	-11.6%
JCI Return	6.0%	9.3%	8.8%	4.3%
Relative	-23.6%	5.8%	12.0%	-15.9%

Source: Bloomberg

### MARKET DATA

12M price range (IDR)	4,290 - 7,950
12M PE range (x)	7.3 - 15.5
Outstanding shares (mn)	3,516
Market cap (IDRbn)/(USDmn)	21,445 / 1,501
Avg daily turn. (IDRbn/USDmn)	18.2 / 1.3

Source: Bloomberg

### SHAREHOLDERS

Heidelberg Marterials	51.0%
Others	49.0%

Source: Bloomberg, BCA Sekuritas

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## Robust Results In a Challenging Industry

### Rolling valuation to FY26F

Maintain a **BUY** call with higher **TP of IDR6,900**, up from *IDR6,200*, 13% upside – implying 13.6x FY26F P/E and 6.1x FY25 EB/EBITDA. Indocement recorded strong performance in 1H25, amid a challenging cement industry landscape. EBITDA was able to grow 4.9% YoY to IDR1.4trn, while turning a net profit of IDR495bn (+13.8% YoY), despite a 1.1% top line contraction.

### Volume still under pressure, but should improve in H2

1H25 domestic cement consumption was notably under pressure, contracting 3.1% YoY to 27.2m tons, while Indocement sales volume was slightly better than industry as a whole (8.7m tons, -2.4% YoY). Strong catalyst for volume remains absent, as the much-anticipated execution of 3m housing program is yet to be seen. Meanwhile, IKN and other infrastructure projects are stalling. We do expect INTIP sales volume (and industry as a whole) to likely be flat or to hover around -1% for FY25. However, domestic ASP is showing a revival of 1.1%, on account of changes of bulk/bag balance. As government infrastructure projects head towards completion, bulk cement consumption is also starting to normalize (-10.2%) while bag cement sales are still flat. A combination of weak volume and better-blended ASP (despite no price hike), will support total 1H25 INTIP sales of IDR8trn (-1.1% YoY). This achievement is in line with both our and consensus' forecast at 43.2%/42.9%, compared to a 5-year average of 43.8%.

### Cost-saving campaign supports EBITDA & bottom-line

Indocement cost management is superior, compared to peers, reflected in GPM improvement to 29.2% (1H24: 28.3%). Cost of raw materials, energy and packing-per-ton basis declined 1.7%/4.2%/5.7%. Meanwhile, manufacturing OH per ton rose 10.9%, a result of frontloading of maintenance costs in 1Q25. Distribution cost-per-ton also dipped, by 4.2% YoY, thanks to delivery rerouting after the acquisition of Semen Grobogan – which overall expands EBITDA margin to 17.2% (1H24: 16.2%). In 2Q25, INTIP EBITDA surged to IDR732bn (+12.2% QoQ, +13.5% YoY), with cumulative EBITDA hitting IDR1.4trn (+4.9% YoY) – in line with ours and consensus' estimate at 37.5%/35.7%, compared to 5-year average of 35%.

On the bottom line, INTIP was able to book 1H25 earnings of IDR495bn (+13.8% YoY), also boosted by positive net-interest income of IDR29bn (Previously -IDR34bn). We attribute this to the impact of debt refinancing, with lower rate of 6.75% and 6.65% (previously: 7.4%). It is also in line with our and consensus' estimate at 29% and 25.9%.

### More buyback - imparting confidence

In July '25, Company retired 165.6m of treasury shares, or 50% of the total bought back since 2022. By maintaining a healthy cash balance of IDR3.4trn, INTIP can allocate IDR2.25trn for another round of buyback, scheduled to extend until May 2026. This confirms Company's confidence in its ability to maintain profitability amid onerous sectoral challenges.

Valuation Metrics	2023	2024	2025F	2026F	2027F
EPS (IDR)	568	599	510	509	539
P/E (x)	10.7	10.2	12.0	12.0	11.3
BVPS (IDR)	6,112	6,601	7,016	7,168	7,351
P/B (x)	1.0	0.9	0.9	0.9	0.8
DPS (IDR)	160	92	95	357	356
Dividend Yield (%)	2.6	1.5	1.6	5.9	5.8
EV/EBITDA (x)	5.7	5.3	5.6	5.4	5.3
EV/EBIT (x)	9.2	8.8	9.8	9.6	9.4
Return on average equity (%)	9.6	9.3	7.5	7.2	7.4

## Financial Summary

Income Statement (IDRb)	2023	2024	2025F	2026F	2027F
Total Turnover	17,950	18,549	18,587	19,192	19,818
Gross Profit	5,846	6,061	5,953	6,142	6,373
EBITDA	3,595	3,879	3,690	3,762	3,855
Depreciation and Amortisation	1,374	1,543	1,594	1,634	1,675
Operating Profit	2,220	2,336	2,095	2,128	2,180
Pre-Tax Profit	2,396	2,463	2,095	2,090	2,217
Taxation	-446	-455	-387	-386	-410
Minority Interests	0	0	0	0	0
Net Profit	1,950	2,008	1,708	1,704	1,807

Cash Flow (IDRb)	2023	2024	2025F	2026F	2027F
Change in Working Capital	156	54	-354	358	-507
Cash Flow from Operations	3,552	3,591	2,125	4,658	2,143
Cash Flow from Investing Activities	-6,162	-1,051	-1,156	-955	-979
Cash Flow from Financing Activities	1,270	-1,229	-2,647	-1,196	-1,193
Cash at Beginning of Period	4,526	3,185	4,497	2,818	5,326
Net Change in Cash	-1,340	1,311	-1,678	2,507	-28
Ending Balance Cash	3,185	4,497	2,818	5,326	5,297

Balance Sheet (IDRb)	2023	2024	2025F	2026F	2027F
Total Cash and Equivalents	3,185	4,497	2,818	5,326	5,297
Tangible Fixed Assets	19,156	18,747	18,245	17,564	16,867
Total Assets	29,650	30,420	28,573	30,436	30,163
Short-Term Debt	2,416	2,333	107	107	107
Total Long-Term Debt	389	106	3	3	3
Total Liabilities	8,680	8,306	5,068	6,423	5,535
Minority Interest	0	0	0	0	0
Total Equity	20,970	22,114	23,504	24,013	24,627
Total Liabilities & Equity	29,650	30,420	28,572	30,436	30,162

Key Metrics	2023	2024	2025F	2026F	2027F
Revenue Growth (%)	9.9	3.3	0.2	3.3	3.3
EPS Growth (%)	7.3	5.5	(14.9)	(0.2)	6.0
Gross Margin (%)	32.6	32.7	32.0	32.0	32.2
EBITDA Margin (%)	20.0	20.9	19.9	19.6	19.5
Net Profit Margin (%)	10.9	10.8	9.2	8.9	9.1
Capex / Sales (%)	31.4	6.1	5.9	5.0	4.9
Interest Cover (x)	96.6	33.4	31.6	34.7	35.8

### Exhibit 1. INTP 2025 Earnings Highlights

(IDR bn)	2024	1Q25	2Q25	QoQ (%)	YoY (%)	6M24	6M25	YoY (%)	% FY25 BCAS	% FY25 Cons
<b>Sales</b>	<b>4,042</b>	<b>3,976</b>	<b>4,057</b>	<b>2.0%</b>	<b>0.4%</b>	<b>8,125</b>	<b>8,033</b>	<b>-1.1%</b>	<b>43.2%</b>	<b>42.9%</b>
Cost of revenues	-2,924	-2,856	-2,835	-0.7%	-3.0%	-5,826	-5,691	-2.3%		
<b>Gross profit</b>	<b>1,118</b>	<b>1,120</b>	<b>1,222</b>	<b>9.2%</b>	<b>9.3%</b>	<b>2,298</b>	<b>2,342</b>	<b>1.9%</b>		
Opex	-858	-847	-857	1.2%	-0.1%	-1,735	-1,705	-1.8%		
<b>Operating profit</b>	<b>260</b>	<b>272</b>	<b>365</b>	<b>34.0%</b>	<b>40.5%</b>	<b>563</b>	<b>637</b>	<b>13.1%</b>	<b>30.4%</b>	<b>27.4%</b>
Financing income	26	59	56	-4.3%	117.4%	58	115	97.3%		
Financing expenses	-44	-45	-42	-5.9%	-4.7%	-92	-87	-6.1%		
Interest expenses - net	-18	14	14	0.7%	N/A	-34	29	N/A		
Others	2	-19	-16	-14.3%	N/A	12	-35	N/A		
<b>Total other income (exp.)</b>	<b>-16</b>	<b>-5</b>	<b>-2</b>	<b>-61.6%</b>	<b>-89.0%</b>	<b>-21</b>	<b>-6</b>	<b>-70.3%</b>		
Associated companies	7	4	5	41.9%	-18.9%	13	9	-29.6%		
<b>Pretax profit</b>	<b>251</b>	<b>272</b>	<b>369</b>	<b>35.7%</b>	<b>47.1%</b>	<b>555</b>	<b>640</b>	<b>15.3%</b>		
Tax expenses	-54	-61	-85	38.8%	57.0%	-121	-146	20.7%		
<b>Net profit</b>	<b>197</b>	<b>211</b>	<b>284</b>	<b>34.8%</b>	<b>44.4%</b>	<b>435</b>	<b>495</b>	<b>13.8%</b>	<b>29.0%</b>	<b>25.9%</b>
<b>EBITDA</b>	<b>645</b>	<b>653</b>	<b>732</b>	<b>12.2%</b>	<b>13.5%</b>	<b>1,320</b>	<b>1,385</b>	<b>4.9%</b>	<b>37.5%</b>	<b>35.7%</b>
<b>Profit margins</b>										
Gross	27.7%	28.2%	30.1%	7.0%	8.9%	28.3%	29.2%	3.1%		
Operating	6.4%	6.9%	9.0%	31.3%	40.0%	6.9%	7.9%	14.4%		
Net	4.9%	5.3%	7.0%	32.1%	43.9%	5.4%	6.2%	15.1%		
EBITDA	16.0%	16.4%	18.0%	9.9%	13.1%	16.2%	17.2%	6.1%		

Sources: Company

### Exhibit 2. Improving margin on cement segment from smart cost management

Segment (IDRbn)	2024	1Q25	2Q25	QoQ (%)	YoY (%)	6M24	6M25	YoY (%)
Cement Sales	3,578	3,748	3,868	3.2%	8.1%	7,445	7,616	2.3%
GP cement	1,075	1,069	1,182	10.5%	9.9%	2,219	2,251	1.5%
<b>Cement GPM</b>	<b>30.1%</b>	<b>28.5%</b>	<b>30.6%</b>			<b>29.8%</b>	<b>29.6%</b>	

Sources: Company

### Exhibit 3. Lower blended ASP is the key issue

Volume (k tons)	2024	1Q25	2Q25	QoQ (%)	YoY (%)	6M24	6M25	YoY (%)
Domestic	4,390	4,290	4,364	1.7%	-0.6%	8,869	8,654	-2.4%
Export	93	74	163	120.3%	75.3%	163	237	45.4%
Domestic volume	4,390	4,290	4,364	1.7%	-0.6%	8,869	8,654	-2.4%
<b>Total volume</b>	<b>4,483</b>	<b>4,364</b>	<b>4,527</b>	<b>3.7%</b>	<b>1.0%</b>	<b>9,032</b>	<b>8,891</b>	<b>-1.6%</b>
<b>Sales and costs per ton</b>	<b>2024</b>	<b>1Q25</b>	<b>2Q25</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>	<b>6M24</b>	<b>6M25</b>	<b>YoY (%)</b>
Domestic ASP (IDR '000/ton)	4,390	4,290	4,364	1.7%	-0.6%	8,869	8,654	-2.4%
Export ASP (IDR '000/ton)	908	918	910	-0.9%	0.3%	904	914	1.1%
Blended ASP (IDR '000/ton)	619	494	525	6.2%	-15.2%	635	515	-18.8%
Cost of revenues per ton (IDR '000/ton)	902	911	896	-1.6%	-0.6%	900	903	0.4%
Opex per ton (IDR '000/ton)	652	654	626	-4.3%	-4.0%	645	640	-0.8%
Cash cost per ton (IDR '000/ton)	191	194	189	-2.5%	-1.1%	192	192	-0.2%
<b>Cost of revenue breakdown</b>	<b>2024</b>	<b>1Q25</b>	<b>2Q25</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>	<b>6M24</b>	<b>6M25</b>	<b>YoY (%)</b>
Raw materials used (Rp '000/ton)	152	160	123	-22.9%	-18.7%	144	141	-1.7%
Direct labor (Rp '000/ton)	55	54	53	-0.9%	-3.7%	53	53	0.4%
Fuel and power (Rp '000/ton)	270	286	259	-9.4%	-4.0%	284	272	-4.2%
Manufacturing overhead (Rp '000/ton)	124	159	139	-12.4%	12.1%	134	149	10.9%
Packing cost (Rp '000/ton)	46	43	46	6.1%	1.0%	47	45	-5.7%
<b>Opex breakdown</b>	<b>2024</b>	<b>1Q25</b>	<b>2Q25</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>	<b>6M24</b>	<b>6M25</b>	<b>YoY (%)</b>
Delivery and selling (IDR '000/ton)	115	111	111	-0.4%	-3.8%	116	111	-4.2%
G&A (IDR '000/ton)	32	32	31	-3.0%	-3.6%	30	31	3.6%

Sources: Company

## Exhibit 4. Cement consumption on Java is supported by existing project, while new capital is subsiding

('000 tonnes)	Jun-24	May-25	Jun-25	Chg MoM	Chg YoY	6M24	6M25	Chg YoY
Jakarta	219	185	167	-9.9%	-23.9%	1,146	963	-15.9%
Banten	279	322	286	-11.2%	2.3%	1,418	1,575	11.0%
West Java	803	777	745	-4.1%	-7.2%	4,244	3,996	-5.8%
Central Java	699	632	638	0.9%	-8.8%	3,528	3,382	-4.1%
Yogyakarta	93	80	71	-10.7%	-22.9%	470	424	-9.8%
East Java	755	735	668	-9.1%	-11.5%	3,666	3,711	1.2%
Java	2,848	2,730	2,574	-5.7%	-9.6%	14,472	14,050	-2.9%
Sumatra	1,093	1,187	1,101	-7.2%	0.7%	5,894	6,177	4.8%
Kalimantan	473	366	374	2.2%	-20.9%	2,475	1,989	-19.6%
Sulawesi	401	406	361	-11.1%	-9.9%	2,437	2,243	-7.9%
Nusa Tenggara	336	340	336	-1.3%	-0.1%	1,826	1,739	-4.8%
Maluku & Papua	129	155	149	-3.7%	15.6%	916	962	5.0%
<b>Domestic demand</b>	<b>5,280</b>	<b>5,184</b>	<b>4,896</b>	<b>-5.6%</b>	<b>-7.3%</b>	<b>28,018</b>	<b>27,160</b>	<b>-3.1%</b>
<b>Indocement (domestic)</b>	<b>1,499</b>	<b>1,529</b>	<b>1,405</b>	<b>-8.1%</b>	<b>-6.3%</b>	<b>8,237</b>	<b>8,012</b>	<b>-2.7%</b>
Domestic market shares	28.4%	29.5	28.7%			29.4%	29.5%	
<b>Semen Indonesia (domestic)</b>	<b>2,738</b>	<b>2,486</b>	<b>2,317</b>	<b>-6.8%</b>	<b>-15.4%</b>	<b>14,018</b>	<b>12,932</b>	<b>-7.7%</b>
Domestic market shares	51.9%	48.0%	47.3%			50.0%	47.6%	

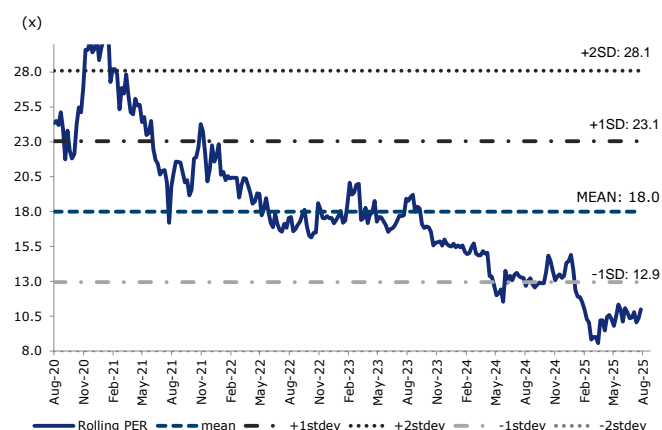
Sources: Company

## Exhibit 5. DCF calculation

	2026F	2027F	2028F	2029F	2030F
EBIT	2,128	2,180	2,384	2,511	2,353
Tax paid	(393)	(403)	(440)	(464)	(435)
Depreciation	1,634	1,675	1,717	1,760	1,813
Capex	(954)	(978)	(1,002)	(1,027)	(1,264)
Changes in working capital	358	(507)	301	149	(294)
<b>Free Cash Flow</b>	<b>2,774</b>	<b>1,967</b>	<b>2,959</b>	<b>2,929</b>	<b>2,173</b>
<b>Discount rate</b>	90%	81%	73%	66%	59%
<b>Discounted FCF</b>	2,499	1,597	2,164	1,929	1,289
<b>Terminal Value</b>	-	-	-	-	<b>16,597</b>
WACC	<b>11.0%</b>				
TG Assumption	<b>3.0%</b>				
Sum of Discounted FCF	9,477				
Terminal Value	10,932				
Value of the Firm	20,410				
Cash	<b>2,818</b>				
Debt	<b>110</b>				
Equity Value	23,119				
Issued Shares	<b>3.3</b>				
<b>Target Price (IDR)</b>	6,900				

Sources: Company

Exhibit 6. PE Band



Sources: Bloomberg, BCA Sekuritas

Exhibit 7. EV/EBITDA Band



Sources: Bloomberg, BCA Sekuritas

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