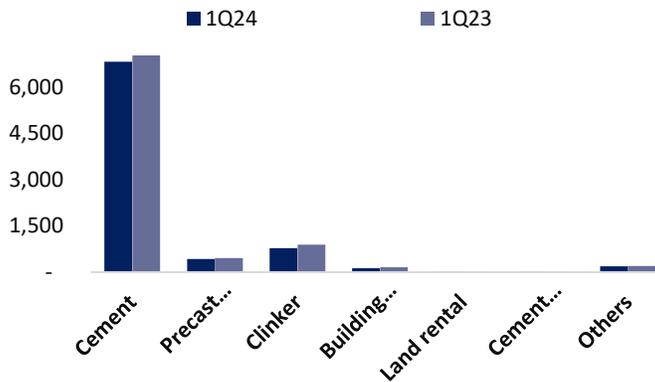
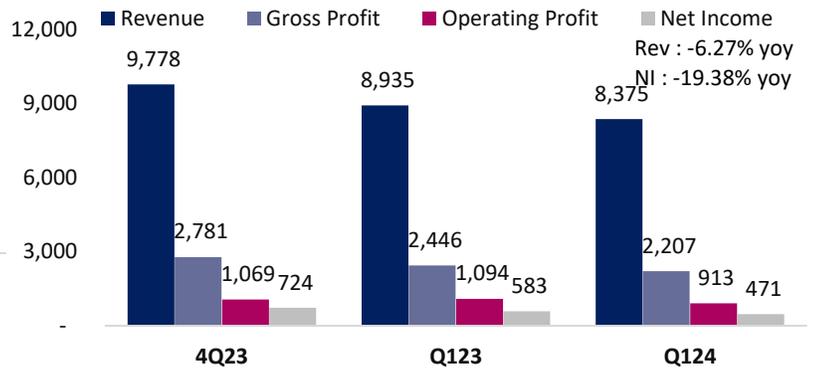


Figure 1. Revenue Segmentations QoQ



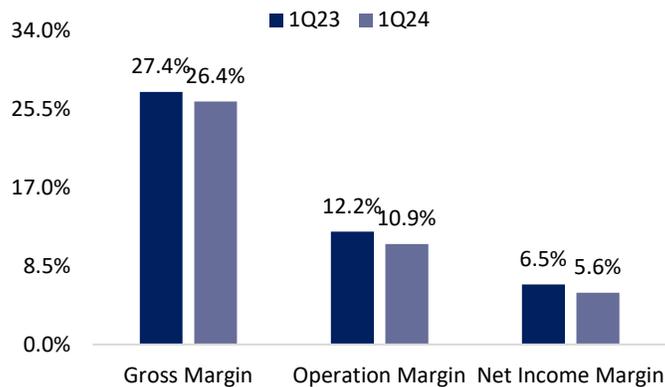
Source: Company & KSI Research

Figure 2. Income Statement 1Q24 (IDR Bn)



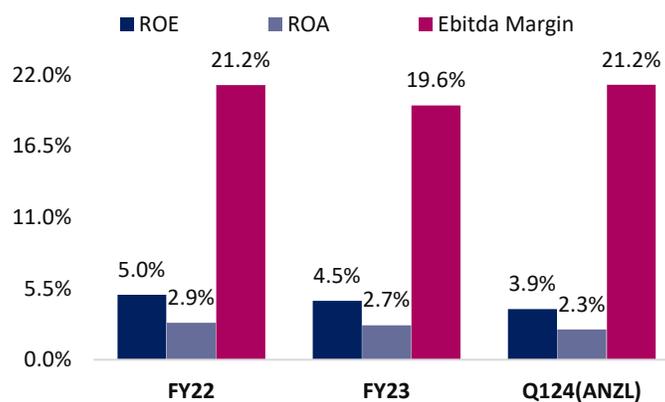
Source: Company & KSI Research

Figure 3. SMGR Margins Figure QoQ



Source: Company & KSI Research

Figure 4. Profitability Ratio



Source: Company & KSI Research

SMGR Performance Highlights

PT Semen Indonesia Tbk (SMGR) reported a decrease in net profit by -16% yoy to IDR 472Bn (Vs IDR 583Bn). This was due to a decrease in the company's revenue by -6.27% to IDR 8,375Bn (Vs IDR 8,935Bn). This was partly due to the slowdown in the domestic cement industry which contracted in Q124, especially from the bagged or retail cement segment which accounts for around 70% of the company's total revenue. However, the company managed to increase sales volume of bulk and export segments and implemented an effective cost management program. As of Q124, SIG's cement sales volume reached 9.18 million tones. The company focused on cost efficiency and cash flow management to maintain liquidity and solvency.

2024F Sectoral Outlook

Cement demand for property and housing construction remains high, with a backlog of 12.75 million units. Massive infrastructure development by the government, including the National Capital City (IKN) in East Kalimantan, will also increase capacity utilization of the domestic cement industry. Semen Indonesia currently contributes 3,000-4,000 tones of building materials daily to the construction of the IKN, and has supplied 400,000 tones of building materials from December 2022 to February 2024. This supply is used for works such as the State Palace, the Presidential Office, the Ceremony Field in the Government Centre Core Area (KIPP), and the IKN Section 3A Toll Road.

Comment

We see SMGR has the potential for performance recovery and growth in 2024 by looking at improved performance and profitability as well as business strategy to capitalize on the high demand for bulk cement. SMGR is currently trading at IDR4,070, has a fair value of IDR5,700 with a P/E of 13.21x below -1 PE Stdv 5Y and has a PBV of 0.63x still below -1 PBV Stdv 5Y.

OTHER DISCLOSURES

All Kiwoom's research reports made available to clients are simultaneously available on our own website <http://www.kiwoom.co.id/>. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research reports available on a particular stock, please contact your sales representative. Any data discrepancies in this report could be the result of different calculations and/or adjustments.

DISCLAIMER This report has been prepared and issued by PT Kiwoom Sekuritas. Information has been obtained from sources believed to be reliable but PT Kiwoom Sekuritas do not warrant its completeness or accuracy. Forward-looking information or statements in this report contain information that is based on forecast of future results, estimates of amounts not yet determinable, assumptions, and therefore involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

To the fullest extent allowed by law, PT Kiwoom Sekuritas shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by any person or organization arising from reliance on or use of any information contained on this report. The information that we provide should not be construed in any manner whatsoever as, personalized advice.

No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person. This report is being supplied to you solely for your information and may not be reproduced by, further distributed to or published

