BINA ARTHA SEKURITAS

Berizin dan Diawasi oleh **Otoritas Jasa Keuangan**

Equity Research

PT Semen Indonesia (Persero), Tbk

Cement, Equity
15 June 2026

Price	**IDR.**	**1,530**
Target	**IDR.**	**2,680**
JKSE Index		**6,007.656**



Stock code

Bloomberg code	SMGR IJ
Market cap (in Bn)	20,050
52-week high	3,260
52-week low	1,410
Free Float (%)	48.99%

Major Share Holders (%)

PT Danantara Asset Management (Persero)	51.20%
Public	48. 80%

USD/IDR-YE

2025	16,720
2026F (6m-avg)	17,056

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Investment Considerations

BUY

Strong Cement Sales Momentum Supported by Improving Domestic Demand

- SMGR delivered a stronger operational performance in 1Q26, supported by improving domestic cement demand and a gradual recovery in retail market activity. Domestic cement demand increased by 4.6% YoY to 13.7 million tons during the quarter, mainly driven by stronger bag cement demand, which grew 6.9% YoY, while bulk cement demand remained relatively stable, declining only 0.1% YoY.
- In line with improving industry conditions, SMGR recorded domestic sales volume growth of 5.4% YoY to 6.54 million tons. The bag cement segment remained the primary growth driver, with sales volume increasing 11.0% YoY. Meanwhile, bulk cement sales declined 8.8% YoY, reflecting the company's relatively higher exposure to government infrastructure projects in the prior-year period. Regional sales volume declined 8.0% YoY, resulting in overall sales volume growth of 1.7% YoY. SMGR's domestic market share improved to 46.3% in 1Q26 from 46.1% in 1Q25.
- Although export sales remained lower on an annual basis, export performance showed sequential improvement in 1Q26, with export volume rising 29.4% QoQ. The recovery was supported by stronger demand from key export destinations such as Bangladesh and the company's continued expansion into African markets. Management also highlighted potential opportunities in the US market but remains cautious given the current weak market conditions and declining cement prices.
- The recovery accelerated in April 2026. Domestic cement demand surged 35.0% YoY to 5.29 million tons, supported by stronger construction activity during the dry season. SMGR's domestic sales increased 31.2% YoY to 2.52 million tons, while export sales declined 11.7% YoY to 538 thousand tons. Consequently, total group sales volume rose 17.9% YoY to 3.19 million tons.
- On a 4M26 basis, SMGR's domestic sales increased 11.5% YoY to 9.06 million tons, while export sales declined 15.5% YoY to 2.24 million tons. As a result, total group sales volume reached 11.9 million tons, representing growth of 5.6% YoY.
- In line with stronger sales performance, SMGR recorded revenue growth of 8.3% YoY to IDR 8.28 trillion. The improvement was also supported by better pricing trends, with domestic ASP increasing 2.6% YoY. Bag cement ASP improved 1.1% QoQ, while bulk cement ASP increased 2.4% QoQ. Export ASP also strengthened significantly, rising 13.5% YoY and 5.9% QoQ.
- Following the cement price increase implemented in March 2026 amid higher fuel and packaging costs, management indicated that additional price adjustments remain under evaluation. Management also expects industry peers to gradually implement similar price increases, which could support sector profitability going forward.

Q1 2026: Lower Financing Costs Support Earning Recovery

- SMGR reported net profit of IDR 80.3 billion in 1Q26, increasing 88.7% YoY and 5.7% QoQ. The improvement was supported by better pricing discipline, operational efficiency initiatives, and significantly lower financing costs.
- Cost of revenue increased 8.6% YoY to IDR 6.62 trillion, in line with higher sales volume and rising fuel and energy costs, which increased 4.6% YoY. Variable cost of goods sold also rose by approximately 9%, mainly due to higher fuel and distribution expenses.
- Despite cost pressures, gross profit increased 6.9% YoY, while gross profit margin remained relatively stable at 20.1%. Profit before tax rose 53.9% YoY to IDR 156.3 billion, largely driven by a 35.4% decline in finance costs, which helped offset margin pressure from higher operating expenses. Operating profit margin also improved to 1.9%.
- On the corporate side, SMGR continues to evaluate efficiency initiatives under the Danantara framework, including plans to streamline and potentially consolidate its logistics business by the end of 2026. These initiatives are expected to support operational efficiency and enhance long-term profitability.

Valuation Maintain BUY, higher TP of IDR 2,680

- We maintain our BUY recommendation on SMGR with a revised target price of IDR 2,680, implying 75% upside potential. Our valuation is based on 31.0x 2027F P/E, reflecting expectations of gradual margin recovery, stronger pricing discipline, improving domestic demand, and continued operational efficiency initiatives. We believe SMGR is well positioned to benefit from a recovery in Indonesia's cement industry while maintaining its leadership position in the domestic market.

Financial Highlights	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Revenue (IDR Bn)	36.702	36.379	38.651	36.186	35.244	37.326	38.416
EBITDA (IDR Bn)	8.643	7.959	7.787	5.571	4.490	4.812	5.225
Net Income (IDR Bn)	2.047	2.365	2.170	720	191	482	588
EPS (IDR)	344	397	321	107	28	71	87
EBITDA Margin (%)	23,5%	21,9%	20,1%	15,4%	12,7%	12,9%	13,6%
PBV (x)	1,1	0,9	1,0	0,5	0,4	0,4	0,4
PER (x)	21,1	15,5	20,0	30,9	93,4	37,6	30,8

Source: Company and Binaartha

SMGR Cement Sales in Ton

	March			April			YTD		
	2026	2025	%	2026	2025	%	2026	2025	%
Indonesia Facilities									
Domestic	1.630.250	1.729.940	-5,8%	2.525.123	1.925.070	31,2%	9.061.919	8.129.743	11,5%
Export	698.940	736.716	-5,1%	538.172	609.332	-11,7%	2.248.398	2.660.734	-15,5%
	2.329.190	**2.466.656**	**-5,6%**	**3.063.295**	**2.534.402**	**20,9%**	**11.310.317**	**10.790.477**	**4,8%**
Vietnam Facilities									
Domestic	102.909	95.409	7,9%	114.348	145.354	-21,3%	364.029	353.497	3,0%
Export	31.500	38.815	-18,8%	16.000	28.650	-44,2%	233.430	136.015	71,6%
	134.409	134.224	0,1%	130.348	174.004	-25,1%	597.459	489.512	22,1%
TOTAL SMGR	**2.463.599**	**2.600.880**	**-5,3%**	**3.193.643**	**2.708.406**	**17,9%**	**11.907.776**	**11.279.989**	**5,6%**

Source: Company

Income Statement YoY & QoQ In IDR Billion

Income Statement (IDR Bn)	1Q2025	1Q2026	YoY	4Q2025	QoQ
Revenue	**7.654,7**	**8.288,5**	**8,3%**	**9.939,1**	**-16,6%**
Cost of revenue	-6.093,4	-6.619,2	8,6%	-7.859,2	-15,8%
Gross Profit	**1.561,4**	**1.669,3**	**6,9%**	**2.079,9**	**-19,7%**
Operating Expense	-1.459,8	-1.513,0	3,6%	-1.852,5	-18,3%
Profit Before Tax	**101,6**	**156,3**	**53,9%**	**227,4**	**-31,3%**
Taxes	-66,1	-89,7	35,6%	-208,7	-57,0%
NIAT	**35,4**	**66,6**	**88,0%**	**18,6**	**258,0%**
Non-controlling Interest	7,1	13,7	92,0%	57,4	-76,1%
Net Income	**42,6**	**80,3**	**88,7%**	**76,0**	**5,7%**
EPS (IDR)	**6,3**	**11,9**	**88,7%**	**11,3**	**5,7%**
GPM	**20,4%**	**20,1%**		**20,9%**	
OPM	**1,3%**	**1,9%**		**2,3%**	
NPM	**0,6%**	**1,0%**		**0,8%**	
Total Sales Volume (mt)	**8,6**	**8,7**	**1,66%**	**10,4**	**-16,4%**
Revenue/ton (IDR)	**892.995**	**951.169**	**6,5%**	**953.025**	**-0,2%**
COGS/ton (IDR)	**710.848**	**759.605**	**6,9%**	**757.066**	**0,3%**

Source: Company & Binaartha

Income Statement YoY In IDR Billion

Income Statement (In IDR Bn)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Revenue	**36.702**	**36.379**	**38.651**	**36.186**	**35.244**	**37.326**	**38.416**
Cost of revenue	-24.976	-25.701	-28.474	-28.255	-28.174	-29.824	-30.541
Gross Profit	**11.727**	**10.678**	**10.177**	**7.931**	**7.070**	**7.503**	**7.875**
Operating Expense	-8.189	-7.379	-6.873	-6.680	-6.468	-6.793	-6.992
Profit Before Tax	**3.538**	**3.299**	**3.304**	**1.251**	**602**	**709**	**884**
Taxes	-1.420	-800	-1.008	-480	-422	-284	-353
NIAT	**2.117**	**2.499**	**2.296**	**772**	**179**	**426**	**530**
Non-controlling Interest	-71	-134	-125	-52	11	56	58
Net Income	**2.047**	**2.365**	**2.170**	**720**	**191**	**482**	**588**
EPS (In IDR)	344	397	321	107	28	71	87
EBITDA	**8.643**	**7.959**	**7.787**	**5.571**	**4.490**	**4.812**	**5.225**

Source: Company and Binaartha

Cash Flow In IDR Billion

Cash Flow (In IDR Bn)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Net Income	2.047	2.365	2.170	720	191	482	588
Depreciation	3.087	2.133	3.110	3.115	3.062	3.236	3.420
Change in WC	2.530	-1.212	3.079	-2.890	2.672	426	-577
Cash From Operating Activities	**7.664**	**3.286**	**8.360**	**946**	**5.925**	**4.144**	**3.431**
Change in Non-current Assets	-6.227	-633	-1.066	-1.847	-1.431	-5.400	-4.883
Cash From Investing Activities	**-6.227**	**-633**	**-1.066**	**-1.847**	**-1.431**	**-5.400**	**-4.883**
Change in Long-term liabilities	-4.091	-2.369	-1.455	-1.396	-1.506	500	1.000
Change in Bonds Payable	-2.995	866	-3.360	-284	-711	0	0
Change in Others Noncurrent Liabilities	498	-765	263	-286	-163	339	279
Change in Temporary Shirkah temporer	0	669	-200	-200	-350	-100	0
Change in Equity	5.175	2.000	-1.609	-214	-778	-182	-264
Cash From Financing Activities	**-1.413**	**400**	**-6.361**	**-2.379**	**-3.509**	**557**	**1.014**
Net Changes in Cash	**24**	**3.052**	**933**	**-3.281**	**985**	**-699**	**-438**
Beginning Balance	**2.931**	**2.955**	**6.007**	**6.940**	**3.659**	**4.644**	**3.945**
Ending Balance	**2.955**	**6.007**	**6.940**	**3.659**	**4.644**	**3.945**	**3.507**

Source: Company and Binaartha

Statement of Financial Position In IDR Billion

Statement of Financial Position (In IDR Bn)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	2.955	6.007	6.940	3.659	4.644	3.945	3.507
Trade Accounts Receivable	5.691	5.521	5.788	5.127	5.689	4.909	5.157
Inventories	4.849	5.610	5.134	5.193	4.914	5.202	5.327
Others Current Assets	2.691	1.740	1.922	2.245	2.184	2.240	2.305
Total Current Assets	**16.186**	**18.879**	**19.783**	**16.224**	**17.431**	**16.295**	**16.296**
NONCURRENT ASSETS							
Fixed Assets	58.839	57.806	56.771	55.498	53.906	56.076	57.386
Other Noncurrent Assets	6.742	6.275	5.267	5.271	5.232	5.226	5.378
Total Noncurrent Assets	**65.581**	**64.081**	**62.038**	**60.769**	**59.138**	**61.301**	**62.764**
TOTAL ASSETS	**81.766**	**82.960**	**81.821**	**76.993**	**76.569**	**77.596**	**79.060**
LIABILITIES AND EQUITY							
LIABILITIES							
CURRENT LIABILITIES							
Short-term Loans	3.058	500	4.895	1.878	3.918	3.418	2.918
Trade Account Payable	7.855	8.096	8.096	6.800	7.839	8.303	8.545
Others Current Liabilities	3.719	4.465	3.121	4.266	4.080	4.106	4.226
Total Current Liabilities	**14.632**	**13.061**	**16.112**	**12.944**	**15.837**	**15.826**	**15.688**
NONCURRENT LIABILITIES							
Long-term bank	10.097	7.728	6.273	4.877	3.371	3.871	4.871
Bond Payable	4.074	4.940	1.580	1.296	585	585	585
Others Noncurrent Liabilities	8.306	7.541	7.804	7.519	7.356	7.694	7.973
Total Noncurrent Liabilities	**22.478**	**20.210**	**15.658**	**13.692**	**11.312**	**12.150**	**13.429**
TOTAL LIABILITIES	**37.110**	**33.271**	**31.770**	**26.636**	**27.149**	**27.976**	**29.117**
Non-controlling interest	4.362	4.491	4.539	4.536	4.256	4.479	4.610
EQUITY	**38.514**	**42.748**	**43.261**	**43.772**	**43.464**	**43.540**	**43.733**
TEMPORARY SYIRKAH TEMPORER	**1.781**	**2.450**	**2.250**	**2.050**	**1.700**	**1.600**	**1.600**
TOTAL TEMPORARY SYIRKAH TEMPORER, LIABILITIES & EQUITY	**81.766**	**82.960**	**81.821**	**76.993**	**76.569**	**77.596**	**79.060**

Source: Company and Binaartha

Ratio Highlights YoY

Growth (% YoY)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Sales	4,4%	-0,9%	6,2%	-6,4%	-2,6%	5,9%	2,9%
OP	1,4%	-6,8%	0,1%	-62,1%	-51,9%	17,8%	24,6%
EBITDA	-3,0%	-7,9%	-2,2%	-28,5%	-19,4%	7,2%	8,6%
NP	-26,7%	15,5%	-8,2%	-66,8%	-73,5%	152,3%	22,1%
EPS	-27,0%	15,4%	-19,0%	-66,8%	-73,5%	152,3%	22,1%
Profitability							
Gross Profit Margin (%)	32,0%	29,4%	26,3%	21,9%	20,1%	20,1%	20,5%
Operating Margin(%)	9,6%	9,1%	8,5%	3,5%	1,7%	1,9%	2,3%
EBITDA margin(%)	23,5%	21,9%	20,1%	15,4%	12,7%	12,9%	13,6%
NET Profit margin(%)	5,6%	6,5%	5,6%	2,0%	0,5%	1,3%	1,5%
ROA(%)	2,5%	2,9%	2,7%	0,9%	0,2%	0,6%	0,7%
ROE(%)	5,3%	5,5%	5,0%	1,6%	0,4%	1,1%	1,3%
Stability							
Net debt/ equity (x)	0,4	0,3	0,3	0,2	0,2	0,2	0,2
Int. Coverage (x)	1,2	1,8	1,7	0,6	0,2	0,5	0,6
Current Ratio (X)	1,1	1,4	1,2	1,3	1,1	1,0	1,0
Per Share data							
EPS (IDR)	344	397	321	107	28	71	87
PBV (x)	1,1	0,9	1,0	0,5	0,4	0,4	0,4
PER (x)	21,1	15,5	20,0	30,9	93,4	37,6	30,8
EV/EBITDA	6,6	5,5	6,3	4,8	4,7	4,6	4,4
EBITDA/share	1.452	1.335	1.153	825	665	713	774

Source: Company and Binaartha

Stock Ratings:
Buy : a recommendation to purchase the security with upside potential of **11.00% or greater**
Hold : a recommendation to neither buy nor sell a security with upside potential of **5.50%-10.99%.**
Sell : a recommendation to close out a long position in a security with upside potential **below 5.49%.**

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