BINA ARTHA SEKURITAS

Berizin dan Diawasi oleh **Otoritas Jasa Keuangan**

Equity Research

PT Semen Indonesia (Persero), Tbk

Cement, Equity
9 October 2026

Price	**IDR.**	**1,570**
Target	**IDR.**	**2,680**
JKSE Index		**6,043.690**



Stock code

Bloomberg code	SMGR IJ
Market cap (in Bn)	10,570
52-week high	3,260
52-week low	1,380
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)	17,732

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Investment Considerations

BUY

Resilient Cement Sales Support Recovery

- Indonesia's cement industry recorded strong growth in 1H26, with domestic demand increasing 10.2% YoY to 29.9 million tonnes, supported by improving construction activity during the dry season.
- In line with the stronger domestic cement market, SMGR delivered an improved operational performance in 2Q26, supported by recovering domestic demand, higher selling prices, and a gradual recovery in retail activity.
- In 2Q26, SMGR's total sales volume increased 9.5% YoY to 9.56 million tonnes, while domestic sales volume rose 13.7% YoY. In 1H26, domestic sales increased 9.7% YoY to 14.18 million tonnes. Bag cement volumes increased 11.2%, supported by resilient retail demand and strength across key markets, while bulk cement volumes rose 5.6%, supported by stronger private investment and construction activity.
- Pricing also remained supportive, with domestic and export ASP increasing 6.9% and 15.0% YoY, respectively, lifting blended ASP by 7.2%. SMGR implemented two price increases during 1H26, while domestic market share remained broadly stable at 46.2% compared with 46.5% in 1H25. Momentum moderated in July. Domestic cement demand increased 5.9% YoY to 6.14 million tonnes, while SMGR's domestic cement sales declined slightly by 0.9% YoY to 2.77 million tonnes. Nevertheless, total group sales increased 2.4% YoY to 3.26 million tonnes. During January-July 2026, SMGR's domestic sales increased 7.8% YoY to 16.95 million tonnes, while exports declined 10.8% YoY to 3.53 million tonnes. Total group sales increased 5.1% YoY to 21.54 million tonnes.
- Looking into 2H26, management expects a stronger contribution from government projects, including Sekolah Rakyat, Koperasi Merah Putih, Kampung Nelayan, and toll-road projects, alongside continued private-sector demand. Regional demand remains stronger in Sumatra, while Kalimantan remains relatively challenging due to slower IKN activity.
- We expect the earnings recovery to be driven by four key factors: continued domestic volume growth, the full impact of higher ASP, normalization of coal supply, and incremental demand from government and private-sector projects.

Lower Finance Costs Support Earnings recovery

- SMGR's revenue increased 13.1% YoY to IDR17.65 trillion in 1H26. In 2Q26, revenue increased 17.7% YoY and 12.9% QoQ to IDR9.36 trillion, supported by higher ASP and sales volumes.
- Net profit surged 471% YoY to IDR228.3 billion in 1H26. In 2Q26, SMGR recorded net profit of IDR147.9 billion, compared with a net loss of IDR2.6 billion in 2Q25, supported by higher selling prices, improved operating efficiency, and significantly lower financing costs.
- Profit before tax increased 340% YoY to IDR236.1 billion in 2Q26, with the improvement supported by an 80% YoY decline in financing costs to IDR163 billion from IDR816 billion in 2Q25.
- Gross margin improved to 22.7% in 2Q26 from 19.8% in 2Q25 and 20.1% in 1Q26. Operating margin also improved to 2.5%, compared with 0.7% in 2Q25 and 1.9% in 1Q26.
- Cost inflation, however, remains a key concern. Cost of revenue increased 11.1% YoY in 1H26 and 13.4% YoY in 2Q26. Cost per tonne increased 5.2% YoY to approximately IDR758,000 in 1H26 and 3.6% YoY to approximately IDR757,000 in 2Q26, reflecting higher raw material, labour, and fuel and energy costs.
- Management highlighted temporary coal-supply constraints in July, although availability has improved since late July. Management continues to monitor both coal supply and pricing.
- Following the consolidation of ten subsidiaries into two principal businesses in August 2026, comprising ready-mix operations under PT Varia Usaha Beton and distribution and logistics under PT Semen Indonesia Distributor, SMGR is continuing to streamline its operations. The company also plans to gradually exit TLCC Vietnam from 2027, allowing greater focus on its domestic operations

Valuation: Maintain BUY, higher TP of IDR 2,680 (+70% Upside)

- We maintain our BUY recommendation and raise our target price to IDR2,680 per share. Based on the report price of IDR1,570, our target price implies approximately 70% upside.
- Our target price is based on a 2027F P/E multiple of approximately 31x, reflecting expectations for a gradual recovery in domestic cement demand, earnings, and margins. SMGR's 2027F net profit is forecast to increase 22.1% YoY to IDR588 billion, with EBITDA margin improving to 13.6% from 12.9% in 2026F.

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

	June			July			YTD		
	2026	2025	%	2026	2025	%	2026	2025	%
Indonesia Facilities									
Domestic	2.543.562	2.316.517	9,8%	2.772.109	2.797.720	-0,9%	16.954.828	15.729.826	7,8%
Export	483.759	446.932	8,2%	304.868	332.278	-8,2%	3.533.462	3.962.674	-10,8%
	3.027.321	**2.763.449**	**9,5%**	**3.076.977**	**3.129.998**	**-1,7%**	**20.488.290**	**19.692.500**	**4,0%**
Vietnam Facilities									
Domestic	124.502	59.037	110,9%	158.797	57.320	177,0%	727.016	550.561	32,1%
Export	31.200	21.000	48,6%	28.100	0		324.230	248.835	30,3%
	155.702	80.037	94,5%	186.897	57.320	226,1%	1.051.246	799.396	31,5%
TOTAL SMGR	**3.183.023**	**2.843.486**	**11,9%**	**3.263.874**	**3.187.318**	**2,4%**	**21.539.536**	**20.491.896**	**5,1%**

Source: Company

Income Statement YoY & QoQ In IDR Billion

Income Statement (IDR Bn)	1Q2026	2Q2026	QoQ	2Q2025	YoY	1H2025	1H2026	YoY
Revenue	**8.288,5**	**9.361,0**	**12,9%**	**7.954,3**	**17,7%**	**15.609,0**	**17.649,5**	**13,1%**
Cost of revenue	-6.619,2	-7.233,8	9,3%	-6.379,9	13,4%	-12.473,3	-13.853,0	11,1%
Gross Profit	**1.669,3**	**2.127,2**	**27,4%**	**1.574,4**	**35,1%**	**3.135,7**	**3.796,5**	**21,1%**
Operating Expense	-1.513,0	-1.891,1	25,0%	-1.520,7	24,4%	-2.980,5	-3.404,1	14,2%
Profit Before Tax	**156,3**	**236,1**	**51,0%**	**53,7**	**339,6%**	**155,3**	**392,4**	**152,7%**
Taxes	-89,7	-95,7	6,7%	-51,2	86,8%	-117,4	-185,4	58,0%
NIAT	**66,6**	**140,4**	**110,8%**	**2,5**	**5533,9%**	**37,9**	**207,0**	**445,9%**
Non-controlling Interest	13,7	7,5		-5,1	-247,5%	2,1	21,2	934,2%
Net Income	**80,3**	**147,9**	**84,1%**	**-2,6**		**40,0**	**228,3**	**471,0%**
EPS (IDR)	**11,9**	**33,8**	**184,0%**	**-0,4**		**5,9**	**33,8**	**470,9%**
GPM	**20,1%**	**22,7%**		**19,8%**		**20,1%**	**21,5%**	
OPM	**1,9%**	**2,5%**		**0,7%**		**1,0%**	**2,2%**	
NPM	**1,0%**	**1,6%**		**0,0%**		**0,3%**	**1,3%**	
Total Sales Volume (mt)	**8,7**	**9,6**		**8,7**		**17,3**	**18,3**	
Revenue/ton (IDR)	**951.169**	**978.982**	**2,9%**	**910.829**	**7,5%**	**901.995**	**965.721**	**7,1%**
COGS/ton (IDR)	**759.605**	**756.520**	**-0,4%**	**730.549**	**3,6%**	**720.790**	**757.991**	**5,2%**

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 **11.50% or greater**
Hold : a recommendation to neither buy nor sell a security with upside potential of **5.75%-11.49%.**
Sell : a recommendation to close out a long position in a security with upside potential **below 5.74%.**

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