Indocement Tunggal Prakarsa Tbk (INTP IJ)

Volume Penjualan Semen Meningkat

NH KORINDO SEKURITAS

Company Update | May 24, 2021

INTP membukukan pendapatan 1Q21 naik 2,2% YoY. Sementara laba turun 12,3% YoY akibat turunnya pendapatan lain-lain dan kenaikan beban pajak. Di sisi lain, volume penjualan 1Q21 sebesar 4,21 juta ton (+5,5% YoY). INTP melakukan efisiensi biaya dengan meningkatkan penggunaan bahan bakar batu bara jenis LCV dan bahan bakar alternatif. Selain itu, INTP pun memperluas penjualan dengan sistem digital ke pangsa pasar di seluruh Indonesia.

Pendapatan dari Semen Cenderung Flat

- Pendapatan INTP pada 1Q21 sebesar Rp3,43 triliun (+2,2% YoY vs Rp3,36 triliun 1Q20). Pendapatan dari segmen semen pun hanya naik 1% YoY menjadi Rp3,19 triliun, sementara segmen *ready-mix* turun 1% YoY menjadi Rp238 miliar.
- Meskipun COGS naik 1,7% YoY akibat naiknya volume penjualan, namun GPM mampu naik sebesar 30bps menjadi 32% (vs 31,7% 1Q20).
- Sementara turunnya pendapatan lain, menyebabkan EBT turun 4% YoY. Kenaikan beban pajak pun turut menyebabkan laba 1Q21 turun 12,3% YoY menjadi Rp351 miliar (vs Rp400 miliar 1Q20).

Optimis Volume Pendapatan akan Meningkat

- INTP berhasil mencatatkan kenaikan volume penjualan 1Q21 menjadi 4,21 juta ton (+5,5% YoY), lebih tinggi dari pertumbuhan volume penjualan semen nasional yang hanya 2,2% YoY menjadi 14,87 juta ton. Di sisi lain, pada bulan April 2021, penjualan *bulk* dan *bag* semen nasioal naik 13,8% YoY dan 7,1% YoY.
- Kami perkirakan volume penjualan *bulk* semen akan terus membaik seiring dengan dimulainya kembali pembangunan infrastruktur sejak awal tahun. Selain itu, naiknya penjualan perumahan juga menjadi indikasi akan tumbuhnya penjualan *bag* semen .
- ASP penjualan domestik turun menjadi Rp823 ribu (-1,9% YoY). Kami estimasi bahwa pemulihan ekonomi mampu menaikkan volume penjualan FY21 menjadi 16,2 juta ton dan ASP naik 2%-3%.

Tingkatkan Efisiensi Biaya

- Sebesar 12,2% bahan bakar yang digunakan bersumber dari bahan bakar alternatif, sementara 87,8% sisanya dari batu bara. Selain itu, 89% dari batu bara yang digunakan merupakan batu bara jenis *Low Calorie Value* (LCV).
- INTP memang akan meningkatkan penggunaan batu bara LCV dan bahan bahkar alternative untuk menjaga efisiensi biaya fuel & power akibat harga batu bara yang dalam tren naik.
- Selain itu, INTP juga mengembangkan penjualan dengan sistem digital ke pangsa pasar seluruh Indonesia. Untuk itu, kami estimasi hal tersebut mampu menaikkan OPM hingga 14%-16% FY21 (OPM 1Q21 - 11,5%).

Mempertahankan Rekomendasi BUY dengan TP Rp15.600

- Kami merekomendasikan BUY untuk INTP dengan TP Rp15.600 atau potensi upside 31,92% dari harga terakhir, dengan forward P/E sebesar 26,4x (0,8 SD).
- Risiko dari target harga kami adalah: 1) merebaknya penyebaran Covid-19 varian baru di Indoneisa yang memperlambat pemulihan ekonomi. 2) musim hujan yang panjang yang mempengaruhi volume penjualan semen (estimasi BMKG berakhir pada Mei-Juni), 3) volatilitas harga batu bara.

Indocement Tunggal Prakarsa Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	14,184	14,633	15,365	16,133
Growth (%)	-11.0%	3.2%	5.0%	5.0%
Net Profit	1,806	1,977	2,174	2,520
Growth (%)	-1.6%	9.5%	10.0%	15.9%
EPS (IDR)	491	537	591	684
P/E	37.6x	35.0x	31.8x	27.4x
P/BV	3.1x	3.1x	3.0x	3.0x
EV/EBITDA	18.5x	17.6x	16.2x	14.5x
ROE (%)	8.0%	8.8%	9.5%	11.0%
DER (%)	0.02x	0.02x	0.02x	0.03x
Net Debt	-7,197	-7,322	-8,004	-8,445

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

BUY

Target Price (IDR)	**15,600**
Consensus Price (IDR)	16,446
TP to Consensus Price	-5.1%
vs. Last Price	+31.9%

Shares data

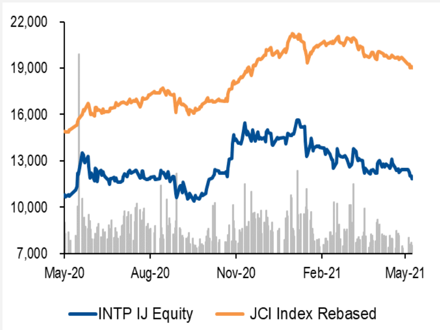
Last Price (IDR)	11,825
Price Date as of	May 21, 2021
52 wk Range (Hi/Lo)	15,975/ 10,125
Free Float (%)	49.0
Outstanding sh.(mn)	3,681
Market Cap (IDR bn)	43,531
Market Cap (USD mn)	3,032
Avg. Trd Vol - 3M (mn)	3.00
Avg. Trd Val - 3M (bn)	38.47
Foreign Ownership	97.8%

Basic Industry

Cement

Bloomberg	**INTP IJ**
Reuters	**INTP.JK**

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-18.4%	-6.7%	-11.9%	9.7%
Rel. Ret.	-13.0%	-3.0%	-4.2%	-17.2%

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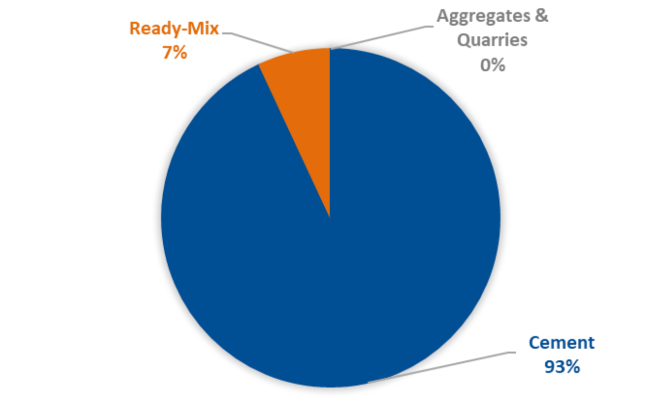
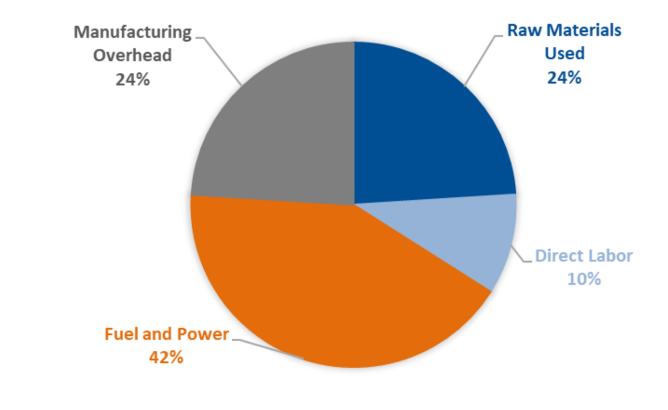
Performance Highlights in Charts

3M21 Revenue Breakdown



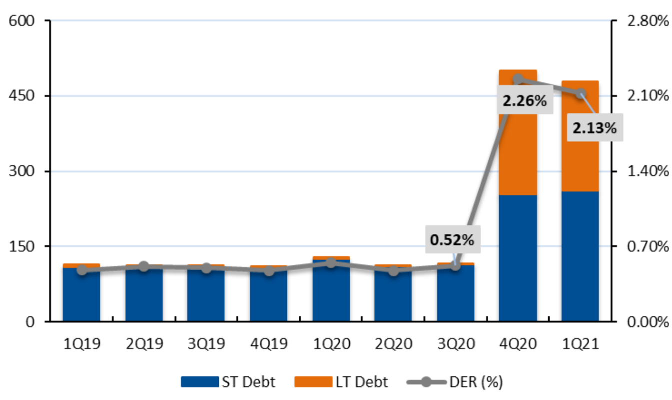
Source: Company Data, NHKSI Research

3M21 Manufacturing Cost Breakdown



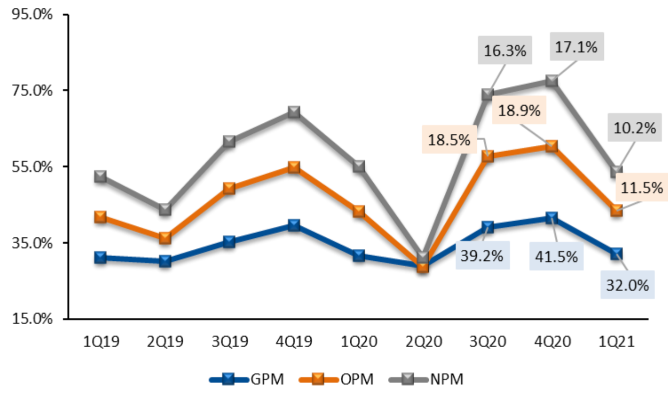
Source: Company Data, NHKSI Research

Debt Portion



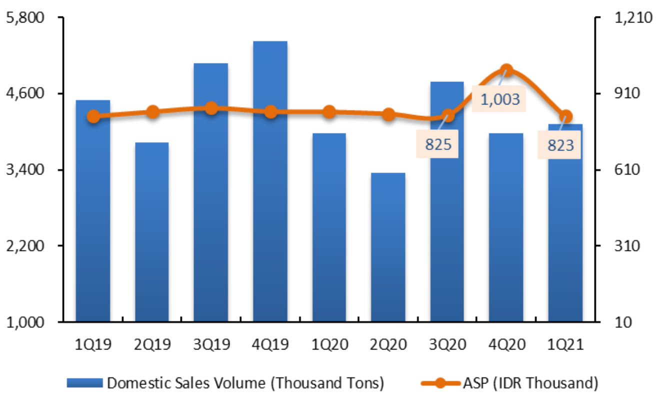
Source: Company Data, NHKSI Research

Margin Ratios



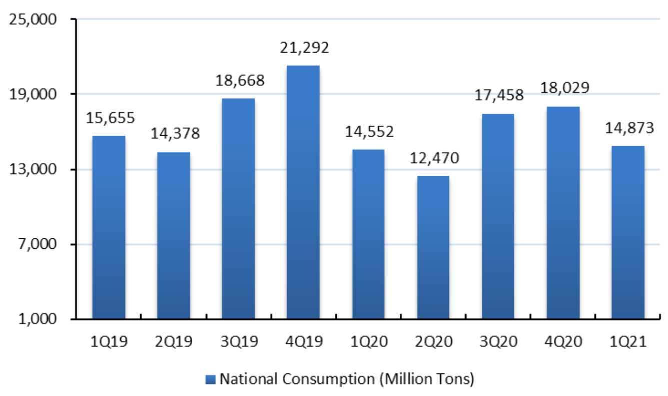
Source: Company Data, NHKSI Research

Domestic Sales Volume & Market Shares



Source: Company Data, NHKSI Research

National Consumption



Source: Company Data, NHKSI Research

Company Overview

PT Indocement Tunggal Prakarsa Tbk didirikan pada 1985 dengan meleburkan 6 perusahaan dan 8 pabrik dalam satu manajemen yang terintegrasi. Pada 1989, PT Indocement Tunggal Prakarsa Tbk melakukan IPO dengan kode INTP. Saat ini, INTP memiliki 13 pabrik dengan total kapasitas produksi per tahun mencapai 24,9 juta ton semen. Sepuluh pabrik berlokasi di Kompleks Pabrik Citeureup, Bogor, Jawa Barat; dua pabrik berlokasi di Kompleks Pabrik Palimanan, Cirebon, Jawa Barat; serta satu pabrik berlokasi di Kompleks Pabrik Tarjun, Kotabaru, Kalimantan Selatan.

INTP memiliki merek semen yang sudah terkenal, yaitu semen Tiga Roda. Pada 2017, INTP meluncurkan merek baru, yaitu semen Rajawali dan juga meluncurkan semen protland, yaitu Tiga Roda Supeslag yang merupakan semen ramah lingkungan dengan emisi karbon dioksida yang lebih rendah.

Asia Pacific Companies Peers Analysis

	Market Cap (USD mn)	Asset (USD mn)	Sales LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	Net Profit Margin	ROE LTM	P/E LTM	P/BV
Indonesia									
INDOCEMENT TUNGGAL PRAKARSA TBK	3,032	1,964	980	121	-4.4%	12.3%	7.6%	24.8x	1.9x
SEMEN INDONESIA TBK	3,894	5,602	2,383	192	8.8%	8.1%	8.4%	20.0x	1.7x
SOLUSI BANGUN INDONESIA TBK	907	1,489	702	51	7.0%	7.2%	10.1%	17.7x	1.7x
SEMEN BATURAJA TBK	467	412	123	6	-	5.2%	2.7%	70.6x	2.0x
Malaysia									
CAHYA MATA SARAWAK BHD	412	1,109	268	46	22.1%	17.3%	7.2%	54.3x	0.6x
Thailand									
SIAM CITY CEMEN PUB CO LTD	1,728	2,589	1,343	118	16.6%	8.8%	11.4%	14.7x	1.6x
Philippines									
HOLCIM PHILLIPINES INC	721	862	522	50	-27.0%	9.7%	8.4%	14.0x	1.1x
China									
ANHUI CONCH CEMENT CO LTD-H	38,317	30,790	27,694	5,322	11.1%	19.2%	23.3%	5.7x	1.2x
CHINA NATIONAL BUILDING MA-H	10,951	69,919	36,961	1,965	11.5%	5.3%	14.7%	5.6x	0.8x
HUAXIN CEMENT CO LTD-B	6,383	6,730	4,682	888	5.7%	19.0%	26.2%	4.8x	1.2x
India									
ULTRATECH CEMENT LTD	26,295	11,780	6,026	736	-6.0%	12.2%	13.1%	36.0x	4.3x
SHREE CEMENT LTD	13,678	2,646	1,816	305	47.5%	16.8%	13.4%	43.6x	7.6x
AMBUJA CEMENTS LTD	8,760	5,437	3,252	319	12.9%	9.8%	10.1%	27.0x	2.8x

Unit: USD mn, %, X

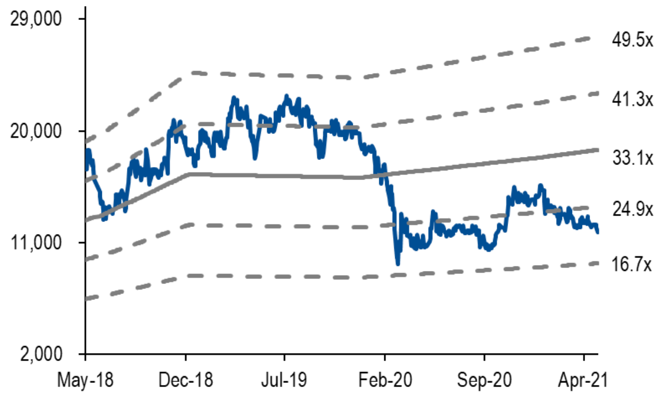
Source: Bloomberg, NHKSI Research

Valuation Highlights in Charts

3-Years Forward P/E Band

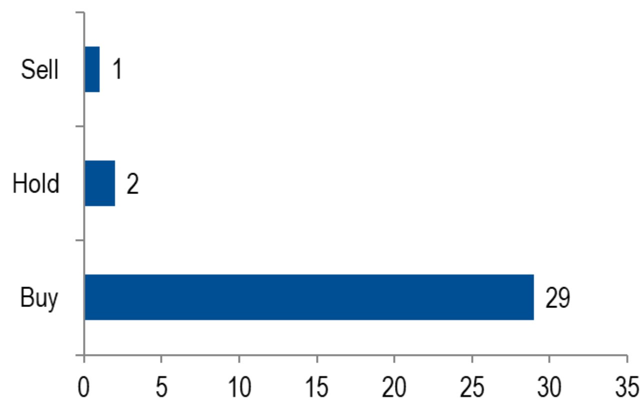
Source: Bloomberg, NHKSI Research

3-Years Dynamic Forward P/E band



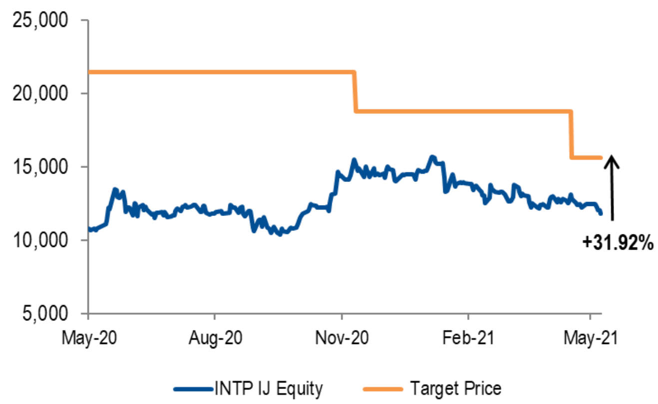
Source: Bloomberg, NHKSI Research

Analysts' Recommendation



Source: Bloomberg, NHKSI Research

Closing and Target Price Update



Source: Bloomberg, NHKSI Research

Rating and Target Price Update

Target Price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
22/09/2019	Hold	22,075	20,575	19,589	+7.29%	+12.69%
18/11/2019	Hold	21,000	19,950	20,040	+5.26%	+4.79%
27/11/2020	Buy	18,775	14,700	15,502	+27.72%	+21.11%
24/05/2021	Buy	15,600	11,825	16,446	+31.92%	-5.14%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F
Sales	**14,184**	**14,633**	**15,365**	**16,133**
Growth	*-11.0%*	*3.2%*	*5.0%*	*5.0%*
COGS	(9,071)	(9,304)	(9,547)	(9,754)
Gross Profit	**5,114**	**5,329**	**5,818**	**6,379**
Gross Margin	*36.1%*	*36.4%*	*37.9%*	*39.5%*
Operating Expenses	(3,238)	(3,215)	(3,478)	(3,665)
EBIT	**1,876**	**2,114**	**2,340**	**2,714**
EBIT Margin	*13.2%*	*14.4%*	*15.2%*	*16.8%*
Depreciation	(1,402)	(1,403)	(1,437)	(1,473)
EBITDA	**3,278**	**3,517**	**3,777**	**4,186**
EBITDA Margin	*23.1%*	*24.0%*	*24.6%*	*25.9%*
Interest Expenses	(51)	(37)	(51)	(44)
EBT	**2,148**	**2,376**	**2,639**	**3,038**
Income Tax	(342)	(399)	(465)	(518)
Minority Interest	-	-	-	-
Net Profit	**1,806**	**1,977**	**2,174**	**2,520**
Growth	-1.6%	9.5%	10.0%	15.9%
Net Profit Margin	12.7%	13.5%	14.1%	15.6%

PROFITABILITY & STABILITY

	2020/12A	2021/12F	2022/12F	2023/12F
ROE	8.0%	8.8%	9.5%	11.0%
ROA	6.6%	7.2%	7.8%	8.9%
Inventory Turnover	4.9x	4.8x	4.4x	4.2x
Receivables Turnover	5.1x	5.7x	5.7x	5.7x
Payables Turnover	5.4x	6.3x	6.3x	6.3x
Dividend Yield	0.0%	0.0%	0.0%	0.0%
Payout Ratio	147.8%	82.4%	82.1%	101.7%
DER	0.02x	0.02x	0.02x	0.03x
Net Gearing	0.03x	0.03x	0.03x	0.03x
Equity Ratio	81.1%	81.9%	81.3%	80.9%
Debt Ratio	1.8%	1.9%	1.9%	2.0%
Financial Leverage	121.6%	122.7%	122.6%	123.3%
Current Ratio	291.7%	312.7%	319.0%	324.0%
Quick Ratio	248%	262%	268%	272%
Par Value (IDR)	500	500	500	500
Total Shares (mn)	3,681	3,681	3,681	3,681
Share Price (IDR)	18,450	18,775	18,775	18,775
Market Cap (IDR tn)	67.9	69.1	69.1	69.1

BALANCE SHEET

(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F
Cash	7,698	7,848	8,556	9,024
Receivables	2,585	2,547	2,841	2,816
Inventories	1,824	2,088	2,254	2,343
Total Current Assets	**12,299**	**12,787**	**13,971**	**14,518**
Net Fixed Assets	14,397	14,030	13,557	13,133
Other Non Current Assets	642	689	703	682
Total Non Current Assets	**15,045**	**14,811**	**14,351**	**13,906**
Total Assets	**27,345**	**27,598**	**28,323**	**28,424**
Payables	1,580	1,377	1,658	1,442
Other Liabilities	3,087	3,093	3,092	3,400
Total Current Liabilities	**4,216**	**4,090**	**4,379**	**4,481**
LT Debt	501	526	552	580
Total Liabilities	**5,168**	**4,995**	**5,301**	**5,422**
Capital Stock	1,841	1,841	1,841	1,841
Retained Earnings	17,637	18,188	18,577	18,536
Shareholders' Equity	**22,176**	**22,603**	**23,021**	**23,002**

VALUATION INDEX

	2020/12A	2021/12F	2022/12F	2023/12F
Price/Earnings	37.6x	35.0x	31.8x	27.4x
PE/EPS Growth	-2.4x	0.4x	0.3x	0.2x
Price/Book Value	3.1x	3.1x	3.0x	3.0x
EV/EBITDA	18.5x	17.6x	16.2x	14.5x
EV (IDR bn)	60,722	61,793	61,111	60,671
Sales CAGR (3-Yr)	-0.6%	-1.2%	-1.2%	4.4%
Net Income CAGR (3-Yr)	-1.0%	19.9%	5.8%	11.7%
Basic EPS (IDR)	490.69	537.09	590.55	684.49
BVPS (IDR)	6,024	6,140	6,254	6,248
DPS (IDR)	1.4	1.5	1.5	1.5

CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F
Operating Cash Flow	3,538	2,903	3,412	4,001
Investing Cash Flow	(662)	(1,024)	(974)	(1,021)
Financing Cash Flow	(2,863)	(1,729)	(1,729)	(2,512)
Net Changes in Cash	**14**	**150**	**709**	**468**

OWNERSHIP

Shareholders	**%**
Birchwood Omnia Ltd	51.0
Invesco Ltd	2.8
Vabguard Group Inc	1.2
Others	45.0
By Geography	**%**
United Kingdom	83.9
United States	10.2
Luxembourg	2.4
Ireland	1.3
Others	2.2

Source: Company Data, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
   - Buy : Greater than +15%
   - Overweight : +5% to +15%
   - Hold : -5% to +5%
   - Underweight : -5% to -15%
   - Sell : Less than -15%

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