

Indocement Tunggul Prakarsa Tbk (INTP IJ)

Kinerja 1H21, Sejalan dengan Estimasi

Company Update | Aug 05, 2021

BUY

Target Price (IDR)	14,225
Consensus Price (IDR)	14,802
TP to Consensus Price	-3.9%
Potential Upside	+42.2%

Shares data

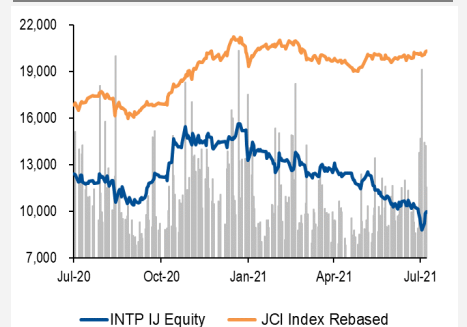
Last Price (IDR)	10,000
Price Date as of	August 04, 2021
52 wk Range (Hi/Lo)	15,975/ 8,800
Free Float (%)	49.0
Outstanding sh.(mn)	3,681
Market Cap (IDR bn)	36,812
Market Cap (USD mn)	2,572
Avg. Trd Vol - 3M (mn)	2.99
Avg. Trd Val - 3M (bn)	32.17
Foreign Ownership	98.0%

Basic Industry

Cement

Bloomberg	INTP IJ
Reuters	INTP.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-31.0%	-1.7%	-19.2%	-16.3%
Rel. Ret.	-31.9%	-4.3%	-22.5%	-37.7%

Ajeng Kartika Hapsari

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INTP berhasil membukukan kinerja cemerlang. Sepanjang 1H21, pendapatan naik 8% YoY, diikuti kenaikan laba sebesar 24,8% YoY. Penggunaan bahan bakar alternatif dan LCV (*Low Calorie Value*) untuk mendukung *cost efficiency*, terbukti ampuh menahan penurunan GPM. Di sisi lain sepanjang 2Q21, volume penjualan baik domestik maupun ekspor mencatatkan kenaikan.

Optimalisasi Bahan Bakar Alternatif, Menguatkan Kinerja

- Pada 2Q21, INTP membukukan pendapatan sebesar Rp3,22 triliun (+14,8% YoY vs Rp2,81 triliun 2Q20). Pendapatan selama 1H21 pun naik 8% YoY menjadi Rp6,6 triliun, sejalan dengan estimasi kami.
- Pendapatan dari semen dan *ready mix* tercatat masing-masing senilai Rp2,98 triliun (+11% YoY), dan Rp229 miliar (+37% YoY).
- Cost of revenue* naik 11,9% YoY, karena adanya kenaikan volume penjualan dan harga batu bara. Namun GPM masih tercatat naik menjadi 30,8% (vs 29,0% 2Q20). Kami melihat penggunaan bahan bakar alternatif dan LCV, efektif menahan penurunan *margin*.
- Laba 2Q21 diperoleh sebesar Rp235 miliar (+7,3% YoY vs Rp70 miliar 2Q20). Berada 13% di bawah estimasi kami.

Penjualan Ekspor Masih Tumbuh

- Volume penjualan INTP secara domestik naik 14,7% YoY sepanjang 2Q21. Selain itu, volume penjualan ekspor pun naik signifikan 746% YoY, dengan beberapa negara tujuan ekspor yaitu Brunei Darussalam, Malaysia, dan Filipina.
- ASP penjualan domestik turun 1,4% YoY. Terdapat penurunan harga pada produk yang menasar *second tier* (Semen Rajawali), sementara harga produk pada *first tier* (Semen Tiga Roda) cenderung stabil.
- Secara nasional, volume penjualan semen pada bulan Juni tumbuh 13,8% YoY, dengan semen Bulk +20,9% vs semen Bag +12,0%.
- Hal ini sejalan dengan proyeksi kami, bahwa volume penjualan semen bulk akan mulai pulih pada 2H21, seiring dengan maraknya pengembangan area industri dan gencarnya pembangunan infrastruktur.

Mempertahankan Rekomendasi BUY dengan TP Rp14.225

- Kami merevisi naik laba FY22E menjadi Rp2,23 triliun (+2,62%), dengan melihat bahwa pemulihan industri semen akan lebih signifikan pada tahun depan.
- Untuk itu, kami mempertahankan rating BUY dengan TP Rp14.225 atau potensi upside 42,25% dari harga terakhir, dengan metode forward P/E sebesar 23,5x (-1 SD rata-rata 3 tahun terakhir). Saat ini INTP diperdagangkan pada P/E 19,4x.
- Risiko perubahan target harga: 1) tingginya kasus Covid-19. 2) penurunan daya beli masyarakat, 3) volatilitas harga batu bara.

Indocement Tunggul Prakarsa Tbk | Summary

	2020A	2021F	2022F	2023F
Revenue	14,184	15,022	15,767	16,556
Growth (%)	-11.0%	5.9%	5.0%	5.0%
Net Profit	1,806	1,915	2,231	2,586
Growth (%)	-1.6%	60%	16.5%	15.9%
EPS (IDR)	491	520	606	702
P/E	37.6x	27.3x	23.5x	20.2x
P/BV	3.1x	2.4x	2.4x	2.5x
EV/EBITDA	18.5x	13.1x	11.8x	10.6x
ROE (%)	8.0%	8.8%	10.2%	11.9%
DER (%)	0.02x	0.02x	0.03x	0.03x
Net Debt	-7,197	-6,814	-6,928	-7,145

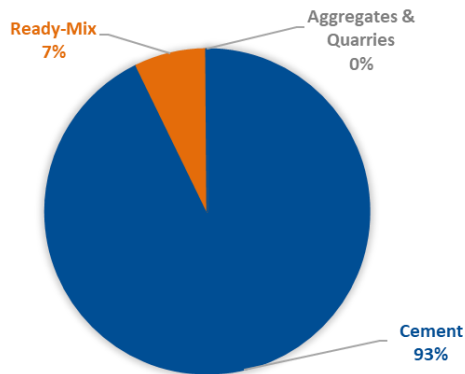
Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

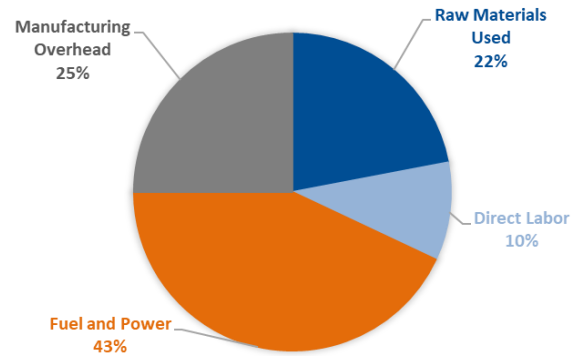
Performance Highlights in Charts

6M21 Revenue Breakdown



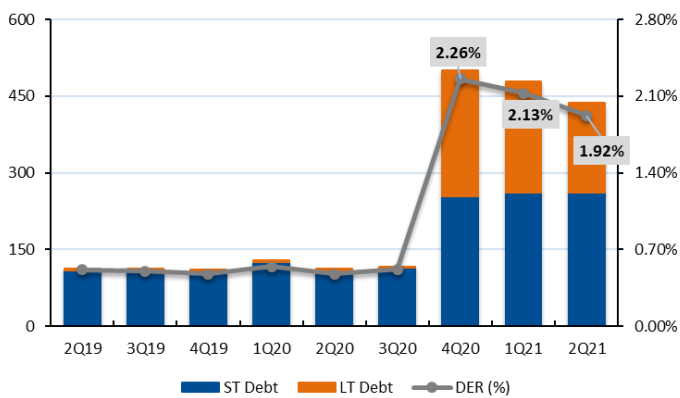
Source: Company Data, NHKSI Research

6M21 Manufacturing Cost Breakdown



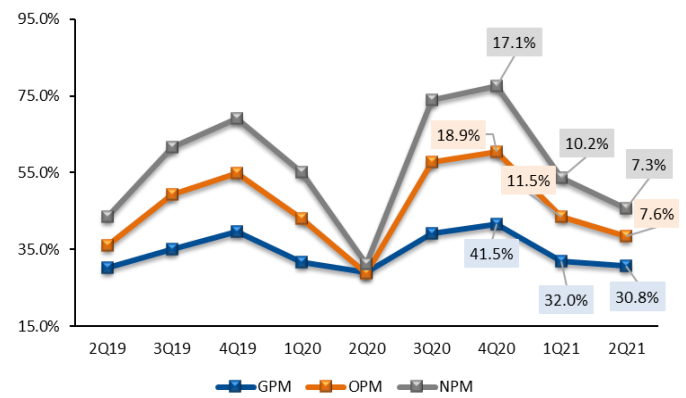
Source: Company Data, NHKSI Research

Debt Portion



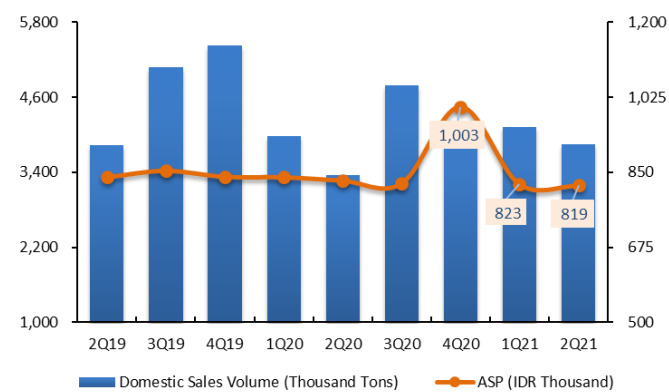
Source: Company Data, NHKSI Research

Margin Ratios



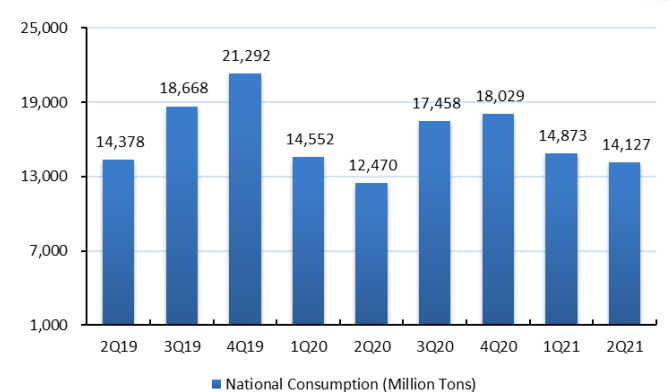
Source: Company Data, NHKSI Research

Domestic Sales Volume & Market Shares



Source: Company Data, NHKSI Research

National Consumption



Source: Company Data, NHKSI Research

Company Overview



INDOCEMENT
HEIDELBERG CEMENT Group

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	2,572	1,964	1,018	133	15.5%	13.1%	8.3%	19.1x	1.6x
SEMEN INDONESIA TBK	3,501	5,602	2,453	206	18.0%	8.4%	8.9%	16.9x	1.5x
SOLUSI BANGUN INDONESIA TBK	1,118	1,489	739	57	-4.8%	7.7%	11.1%	16.7x	1.8x
SEMEN BATURAJA TBK	437	412	126	10	-	8.3%	4.5%	40.9x	1.8x
Malaysia									
CAHYA MATA SARAWAK BHD	277	1,109	250	61	87.7%	24.4%	9.2%	12.6x	0.4x
Thailand									
SIAM CITY CEMEN PUB CO LTD	1,462	2,589	1,336	141	32.9%	10.5%	12.1%	11.2x	1.5x
Philippines									
HOLCIM PHILLIPINES INC	867	862	584	68	27.1%	11.6%	11.6%	13.2x	1.5x
China									
ANHUI CONCH CEMENT CO LTD-H	31,406	30,790	27,694	5,322	11.1%	19.2%	23.3%	5.1x	1.1x
CHINA NATIONAL BUILDING MA-H	10,597	69,919	36,961	1,965	11.5%	5.3%	14.7%	5.5x	0.7x
HUAXIN CEMENT CO LTD-B	4,805	6,730	4,682	888	5.7%	19.0%	26.2%	3.7x	0.9x
India									
ULTRATECH CEMENT LTD	30,169	11,780	5,960	736	-5.1%	12.3%	13.1%	42.0x	5.1x
SHREE CEMENT LTD	14,175	2,941	1,816	308	48.8%	17.0%	16.0%	46.0x	6.8x
AMBUJA CEMENTS LTD	11,221	5,437	3,252	319	12.9%	9.8%	10.1%	35.2x	3.7x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI Research

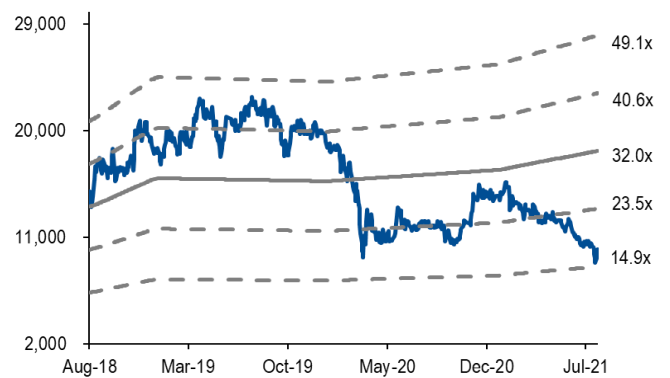
Valuation Highlights in Charts

3-Years Forward P/E Band



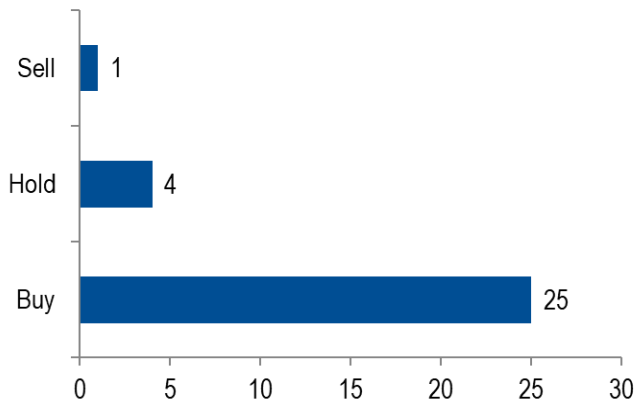
Source: Bloomberg, NHKSI Research

3-Years Dynamic Forward P/E band



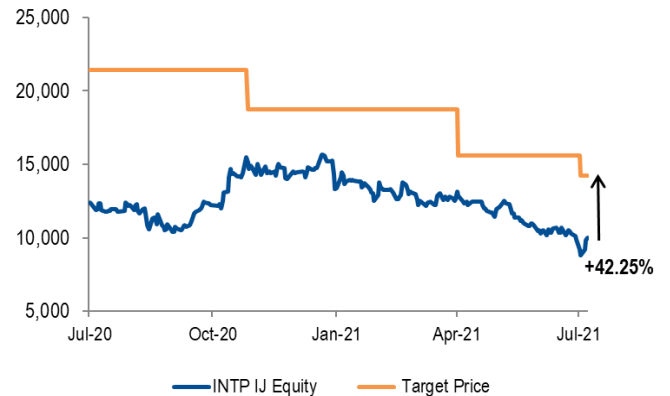
Source: Bloomberg, NHKSI Research

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	Potential Upside	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%
05/08/2021	Buy	14,225	10,000	14,802	+42.25%	-3.90%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F		2020/12A	2021/12F	2022/12F	2023/12F
Sales	14,184	15,022	15,767	16,556	ROE	8.0%	8.8%	10.2%	11.9%
<i>Growth</i>	-11.0%	5.9%	5.0%	5.0%	ROA	6.6%	7.0%	8.2%	9.4%
COGS	(9,071)	(9,675)	(9,797)	(10,010)	Inventory Turnover	4.9x	5.1x	4.4x	4.2x
Gross Profit	5,114	5,347	5,970	6,546	Receivables Turnover	5.1x	5.7x	5.7x	5.7x
<i>Gross Margin</i>	36.1%	35.6%	37.9%	39.5%	Payables Turnover	5.4x	6.3x	6.3x	6.3x
Operating Expenses	(3,238)	(3,270)	(3,569)	(3,761)	Dividend Yield	0.0%	0.0%	0.0%	0.0%
EBIT	1,876	2,077	2,401	2,785	Payout Ratio	147.8%	139.3%	77.5%	126.5%
<i>EBIT Margin</i>	13.2%	13.8%	15.2%	16.8%	DER	0.02x	0.02x	0.03x	0.03x
Depreciation	(1,402)	(1,403)	(1,438)	(1,475)	Net Gearing	0.03x	0.03x	0.03x	0.03x
EBITDA	3,278	3,480	3,839	4,260	Equity Ratio	81.1%	79.2%	80.0%	78.4%
<i>EBITDA Margin</i>	23.1%	23.2%	24.3%	25.7%	Debt Ratio	1.8%	2.0%	2.0%	2.2%
Interest Expenses	(51)	(43)	(52)	(45)	Financial Leverage	121.6%	124.8%	125.6%	126.2%
EBT	2,148	2,295	2,708	3,118	Current Ratio	291.7%	272.9%	292.1%	274.7%
Income Tax	(342)	(379)	(477)	(531)	Quick Ratio	248%	229%	237%	228%
Minority Interest	-	-	-	-	Par Value (IDR)	500	500	500	500
Net Profit	1,806	1,915	2,231	2,586	Total Shares (mn)	3,681	3,681	3,681	3,681
<i>Growth</i>	-1.6%	6.0%	16.5%	15.9%	Share Price (IDR)	18,450	14,225	14,225	14,225
<i>Net Profit Margin</i>	12.7%	12.8%	14.2%	15.6%	Market Cap (IDR tn)	67.9	52.4	52.4	52.4

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F		2020/12A	2021/12F	2022/12F	2023/12F
Cash	7,698	7,350	7,491	7,736	Price/Earnings	37.6x	27.3x	23.5x	20.2x
Receivables	2,585	2,683	2,846	2,960	PE/EPS Growth	-2.4x	0.5x	0.1x	0.1x
Inventories	1,824	1,979	2,476	2,240	Price/Book Value	3.1x	2.4x	2.4x	2.5x
Total Current Assets	12,299	12,318	13,133	13,271	EV/EBITDA	18.5x	13.1x	11.8x	10.6x
Net Fixed Assets	14,397	14,055	13,606	13,207	EV (IDR bn)	60,722	45,551	45,437	45,220
Other Non Current Assets	642	689	703	682	Sales CAGR (3-Yr)	-0.6%	-0.4%	-0.4%	5.3%
Total Non Current Assets	15,045	14,835	14,400	13,980	Net Income CAGR (3-Yr)	-1.0%	18.7%	6.7%	12.7%
Total Assets	27,345	27,153	27,533	27,251	Basic EPS (IDR)	490.69	520.34	606.11	702.50
Payables	1,580	1,495	1,619	1,562	BVPS (IDR)	6,024	5,841	5,986	5,806
Other Liabilities	3,087	3,619	3,317	3,726	DPS (IDR)	1.4	1.5	1.5	1.5
Total Current Liabilities	4,216	4,513	4,496	4,831					
LT Debt	501	536	563	591					
Total Liabilities	5,168	5,650	5,499	5,879					
Capital Stock	1,841	1,841	1,841	1,841					
Retained Earnings	17,637	17,088	17,590	16,906					
Shareholders' Equity	22,176	21,503	22,034	21,372					

CASH FLOW STATEMENT					OWNERSHIP				
(IDR bn)	2020/12A	2021/12F	2022/12F	2023/12F					
Operating Cash Flow	3,538	3,232	2,964	4,489	Shareholders				%
Investing Cash Flow	(662)	(822)	(1,151)	(1,024)	Birchwood Omnia Ltd				51.0
Financing Cash Flow	(2,863)	(2,758)	(1,673)	(3,220)	Invesco Ltd				2.8
Net Changes in Cash	14	(347)	141	245	Vabguard Group Inc				1.3
					Others				44.9
					By Geography				%
					United Kingdom				84.2
					United States				10.4
					Luxembourg				2.1
					Ireland				1.3
					Others				2.0

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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