Semen Indonesia Tbk (SMGR IJ)
Manajemen Biaya yang Solid

SMGR membukukan pendapatan senilai IDR 8,1 triliun pada 1Q22 atau tumbuh 0,7% YoY. Penjualan semen sebagai kontributor terbesar hingga 84,2% dari total pendapatan, naik 5,7% YoY, didukung volume penjualan domestik dan kenaikan ASP. Di sisi lain, penjualan terak turun hingga 25,7% menjadi senilai IDR 680,1 miliar. Mengawali tahun 2022 ini, industri semen masih dihadapkan pada persaingan tinggi serta fluktuasi biaya bahan bakar dan energi.

Penjualan Domestik dan Kenaikan ASP Menopang Pendapatan

- Pendapatan SMGR meningkat 0,7% YoY, menjadi senilai IDR 8,1 triliun pada 1Q22. Kenaikan ini lebih didukung oleh kenaikan ASP, dibanding total volume penjualan yang turun 5,8%.
- Penjualan domestik sebagai kontributor terbesar hingga 81,3% mencatatkan kenaikan volume penjualan 1,4% menjadi 7,4 juta ton, seiring permintaan dalam negeri yang positif, dan fokus Perseroan pada segmen pasar domestik.
- Sementara itu, volume penjualan regional turun 29,1% YoY menjadi 1,7 juta ton. Kenaikan ASP memberikan dampak negatif bagi market share SMGR, seiring sejumlah kompetitor tidak menaikkan harga ASP.

Kenaikan Biaya yang Terjaga

- Kenaikan harga komoditas batu bara sepanjang 1Q22, membuat beban pokok pendapatan SMGR naik 3,2% YoY menjadi senilai IDR 5,9 triliun. Namun, Perseroan mampu menjaga biaya bahan bakar dan energi, dan komponen biaya lainnya.
- Di tengah kenaikan beban bahan bakar dan energi hingga 27,9% YoY menjadi senilai IDR 2,4 triliun, SMGR mampu menekan beban pabrikasi lainnya turun lebih dari 1% menjadi senilai IDR 2,2 triliun.
- Adapun, penurunan beban bahan baku hingga 28,5% YoY, seiring dengan penurunan volume penjualan SMGR. Perseroan juga mampu menekan biaya operasional dan beban keuangan, masing-masing turun 5,7% dan 26,2%.

Aset Tumbuh Tipis

- Hingga 1Q22, total nilai aset SMGR senilai IDR 76,5 triliun, naik tipis dibandingkan dengan jumlah aset perseroan pada akhir Desember 2021. Adapun, total liabilitas Perseroan tercatat senilai IDR 35,4 triliun, ekuitas IDR 39,4 triliun, dan dana syirkah temporer senilai IDR 1,7 triliun.

Mempertahankan *rating* BUY dengan TP IDR 9.500

- Kami mempertahankan rekomendasi BUY untuk SMGR; dengan target harga IDR 9.500/saham. TP kami merefleksikan 2022F P/E 17,0x (-1 StD dari rata-rata 3 tahun).
- Sejumlah sentimen yang mendukung rekomendasi kami termasuk: 1). Profitabilitas meningkat di tengah tekanan biaya, 2). Pemimpin pasar dengan sejumlah merk dagang.
- Di sisi lain, kami tetap mencermati risiko kenaikan BI 7DRRR yang akan menaikkan suku bunga Kredit Pemilikan Rumah, dan mempengaruhi daya beli masyarakat pada properti.

Semen Indonesia Tbk | Summary

	2021A	2022F	2023F	2024F
Revenue	34,958	35,871	37,845	40,013
Growth	*-0.6%*	*2.6%*	*5.5%*	*5.7%*
Net Profit	2,082	3,322	3,550	3,918
EPS (IDR)	351	560	598	661
P/E	20.7x	17.0x	17.0x	17.0x
P/BV	1.1x	1.5x	1.5x	1.6x
EV/EBITDA	7.0x	8.9x	8.4x	8.6x
ROE	*5.2%*	*8.5%*	*9.1%*	*9.5%*
DER	0.3x	0.6x	0.5x	0.4x
Dividend Yield	2.6%	2.0%	2.3%	2.2%

Unit: IDR bn, %, x

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH KORINDO SEKURITAS INDONESIA

Company Update | June 3, 2022

BUY

Target Price (IDR)	**9,500**
Consensus Price (IDR)	9,916
TP to Consensus Price	-4.2%
Potential Upside	+32.4%

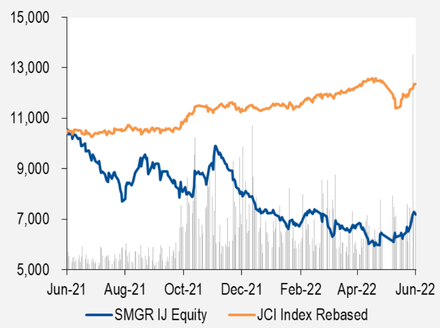
Shares data

Last Price (IDR)	7,175
Price Date as of	June 2, 2022
52 wk Range (Hi/Lo)	10,600 / 5,850
Free Float (%)	48.9
Outstanding sh.(mn)	5,931
Market Cap (IDR bn)	42,706
Market Cap (USD mn)	2,958
Avg. Trd Vol - 3M (mn)	13.55
Avg. Trd Val - 3M (bn)	89.04
Foreign Ownership	19.8%

Basic Industry
Cement

Bloomberg	**SMGR IJ**
Reuters	**SMGR.JK**

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-1.0%	10.8%	6.7%	-31.2%
Rel. Ret.	-9.7%	11.5%	2.6%	-49.7%

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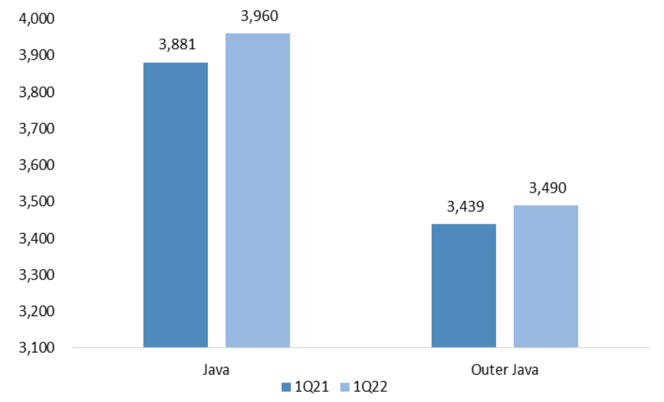
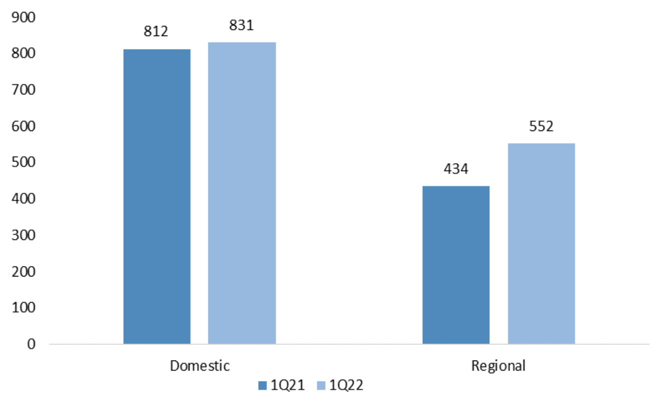
Performance Highlights in Chart

Sales Volume (thousand tons) | 1Q21 Vs. 1Q22



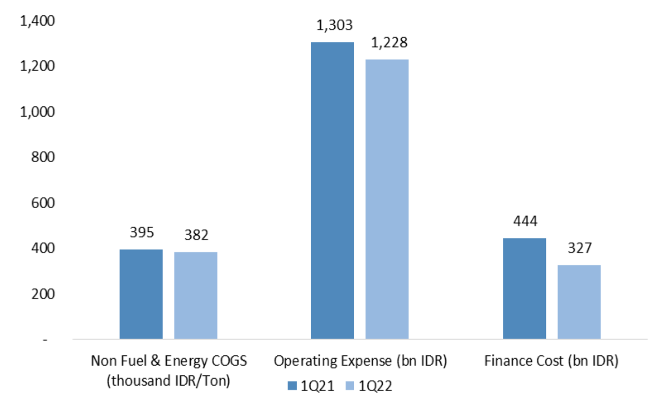
Source: Company Data, NHKSI Research

Average Selling Price (thousand IDR—nett) | 1Q21 Vs. 1Q22



Source: Company Data, NHKSI Research

Strong Cost Management

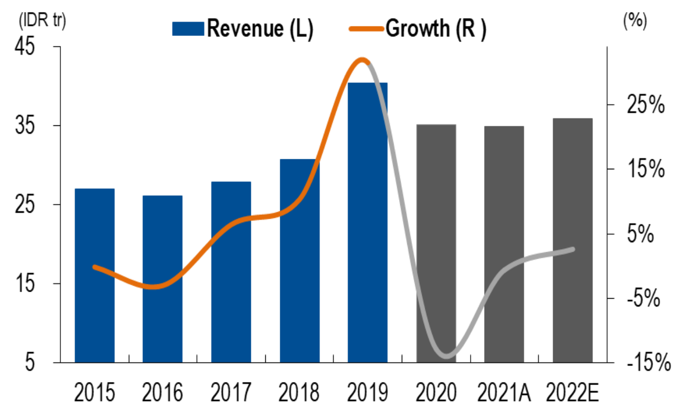


Source: Company Data, NHKSI Research

Improved Profitability

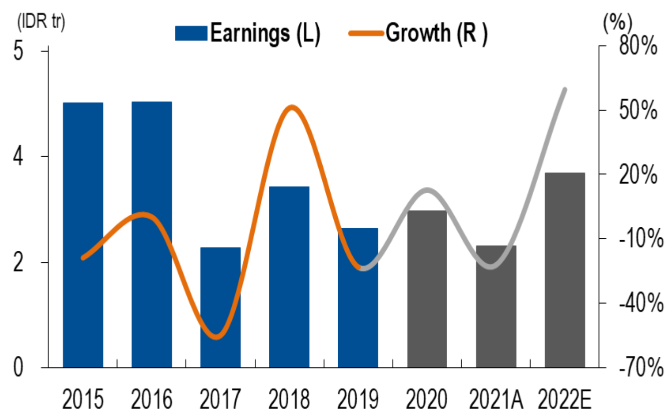
Source: Company Data, NHKSI Research

Yearly Revenue (trn IDR) | 2015 - 2022E



Source: Company Data, NHKSI Research

Yearly Earnings (trn IDR) | 2015 - 2022E



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F
Sales	**34,958**	**35,871**	**37,845**	**40,013**
Growth	-0.6%	2.6%	5.5%	5.7%
COGS	(24,005)	(24,432)	(25,301)	(27,001)
Gross Profit	**10,953**	**11,439**	**12,545**	**13,011**
Gross Margin	31.3%	31.9%	33.1%	32.5%
Operating Expenses	(5,979)	(5,820)	(6,257)	(6,559)
EBIT	**4,974**	**5,619**	**6,288**	**6,453**
EBIT Margin	14.2%	15.7%	16.6%	16.1%
Depreciation	(3,251)	(2,967)	(3,053)	(3,230)
EBITDA	**8,225**	**8,586**	**9,341**	**9,683**
EBITDA Margin	23.5%	23.9%	24.7%	24.2%
Interest Expenses	(1,628)	(1,660)	(2,083)	(1,833)
EBT	**3,470**	**4,151**	**4,436**	**4,897**
Income Tax	(1,388)	(830)	(887)	(979)
Minority Interest	61	1	1	1
Net Profit	**2,082**	**3,322**	**3,550**	**3,918**
Growth	-22.1%	59.5%	6.9%	10.4%
Net Profit Margin	6.0%	9.3%	9.4%	9.8%

PROFITABILITY & STABILITY

	2021/12A	2022/12F	2023/12F	2024/12F
ROE	5.2%	8.5%	9.1%	9.5%
ROA	2.7%	4.3%	4.5%	5.0%
Inventory Turnover	5.2x	4.8x	5.2x	5.3x
Receivables Turnover	6.2x	5.7x	5.8x	5.9x
Payables Turnover	3.4x	3.7x	3.8x	4.0x
Dividend Yield	2.6%	2.0%	2.3%	2.2%
Payout Ratio	53.6%	33.6%	39.1%	37.8%
DER	0.3x	0.6x	0.5x	0.4x
Net Gearing	0.3x	0.5x	0.4x	0.4x
Equity Ratio	52.0%	48.8%	51.2%	53.7%
Debt Ratio	18.1%	27.8%	24.6%	23.1%
Financial Leverage	204.8%	198.5%	200.1%	190.7%
Current Ratio	107.9%	133.8%	145.7%	162.6%
Quick Ratio	-6.9%	-5.7%	-11.8%	-8.3%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	5,932	5,932	5,932	5,932
Share Price (IDR)	7,250	9,500	10,152	11,206
Market Cap (IDR tn)	43.0	56.3	60.2	66.5

BALANCE SHEET

(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F
Cash	2,535	3,010	2,688	2,747
Receivables	5,513	6,734	6,214	7,417
Inventories	4,615	5,653	4,158	6,045
Total Current Assets	**15,335**	**16,847**	**18,350**	**19,158**
Net Fixed Assets	54,720	55,655	54,916	55,222
Other Non Current Assets	2,531	1,670	1,647	1,657
Total Non Current Assets	61,169	61,163	60,221	60,242
Total Assets	**76,504**	**78,011**	**78,571**	**79,400**
Payables	7,613	6,519	6,815	6,527
Current Maturities of LT Debt/ST De	407	1,921	1,222	1,163
Total Current Liabilities	14,210	12,590	12,591	11,780
LT Debt	12,936	18,944	17,378	16,588
Total Liabilities	**36,721**	**39,951**	**38,364**	**36,771**
Capital Stock	593	593	593	593
Retained Earnings	32,944	34,245	36,407	38,843
Shareholders' Equity	**39,783**	**38,060**	**40,207**	**42,629**

VALUATION INDEX

	2021/12A	2022/12F	2023/12F	2024/12F
Price/Earnings	20.7x	17.0x	17.0x	17.0x
PE/EPS Growth	-0.1x	0.0x	0.2x	0.2x
Price/Book Value	1.1x	1.5x	1.5x	1.6x
EV/EBITDA	7.0x	8.9x	8.4x	8.6x
EV (IDR bn)	57,947	76,714	78,493	83,701
Sales CAGR (3-Yr)	7.9%	5.3%	-2.1%	4.4%
Net Profit CAGR (3-Yr)	23.6%	25.9%	40.5%	39.5%
Basic EPS (IDR)	351.06	560.02	598.46	660.58
BVPS (IDR)	6,707	6,417	6,779	7,187
DPS (IDR)	188.3	188.3	233.9	249.9

CASH FLOW STATEMENT

(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F
Operating Cash Flow	7,221	5,568	5,607	5,766
Investing Cash Flow	(2,251)	(2,372)	(2,133)	(3,242)
Financing Cash Flow	(6,003)	(3,176)	(3,796)	(2,465)
Net Changes in Cash	**(1,033)**	**19**	**(322)**	**59**

TOP OWNERSHIP

Shareholders	**%**
Rep. of Indonesia	51.0
Schroder PIC	1.9
Vanguard Group Inc	1.7
Blackrock	1.5
Others	43.8
By Geography	**%**
Indonesia	80.3
United States	6.8
Luxembourg	6.6
Others	6.3

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%

DISCLAIMER