

Buy

Indocement Tunggal Prakarsa (INTP)

INTP Oct24 Sales Vol: inline with seasonality, yet flattish in mom basis

Last Price (Rp)	6,900
Target Price (Rp)	8,800
Upside/Downside	+27.5%
No. of Shares (mn)	3,681
Mkt Cap (Rpbn/US\$mn)	24,848/1,579
Avg, Daily T/O (Rpbn/US\$mn)	22.2/1.4

Key Financials:

	2024F	2025F	2026F
EPS (Rp)	437.6	506.9	550.4
PER (x)	15.4	13.3	12.3
PBV (x)	1.1	1.0	1.0
EV/EBITDA (x)	6.5	5.4	4.6
Dividend yield (%)	1.3	1.0	1.2
ROAE (%)	7.5	8.1	8.2

- Industry sales volume grew by 6% mom/+0.2% yoy inc Grobogan/-2.2% yoy ex-Grobogan in Oct24
- INTP recorded +1.1% mom sales growth in Oct24, bringing 10M24 sales vol to expand by 9.6% yoy (0.2% yoy ex-Grobogan).
- INTP still recorded inline growth within its seasonality despite weaker mom momentum. We have a BUY rating for INTP with TP of Rp 8,800

- Cement industry sales vol grew by 6% mom/+0.2% yoy inc Grobogan/-2.2% yoy ex-Grobogan in Oct24. 10M24 sales reached +1.4% yoy (-1.1% yoy ex-Grobogan). Bag segment recorded its highest monthly sales in FY24, with Oct24 bag vol grew by 7.1% mom (+1.2 yoy), yet it still too early to call for bag recovery. Bulk segment growth normalized to 3.1% mom (-2% yoy) in Oct24, due to completion of IKN phase 1.
- Meanwhile, INTP recorded 1.1% mom sales growth in Oct24, bringing 10M24 sales vol to expand by 9.6% yoy (0.2% yoy ex-Grobogan). In Oct24, its bag sales grew by 3% yoy, whereas bulk expanded by 30% yoy. INTP market share decline to 28.5% (vs Jan-Sep24 average of 29.7%), which possibly was due to SMGR and tier-2 players rapid volume growth in Oct24.
- Overall, INTP still recorded inline growth within its seasonality despite weaker mom momentum vs its peers and industry. Management expects October to be the peak month for sales volume, before activity slows down in next two months altogether amid rainy season and regional election.
- We have a **BUY** rating for INTP with TP of **Rp 8,800**

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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