

## PT Semen Indonesia (Persero) Tbk

Analysts: Yogie Surya Perdana / Aryo Perbongso

Phone/Fax/E-mail: (62-21) 50968469 / 50968468 / [yogie.perdana@pefindo.co.id](mailto:yogie.perdana@pefindo.co.id) / [aryo.perbongso@pefindo.co.id](mailto:aryo.perbongso@pefindo.co.id)

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Dec-2021</b>	<b>Dec-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>
			(Audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idAA+/Stable</i>	Total Adjusted Assets [IDR Bn]	72,686.9	74,044.5	75,547.0	49,699.1
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	18,630.1	25,735.6	30,041.9	9,602.5
<i>Shelf-Registered Bond I/2017</i>	<i>idAA+</i>	Total Adjusted Equity [IDR Bn]	35,965.6	31,691.6	29,631.9	31,530.6
<i>Shelf-Registered Bond I/2019</i>	<i>idAA+</i>	Total Sales [IDR Bn]	34,957.9	35,171.7	40,368.1	30,687.6
<b>Rating Period</b>		EBITDA [IDR Bn]	8,269.6	9,076.9	8,606.6	6,469.3
<i>March 10, 2022 – March 1, 2023</i>		Net Income after MI [IDR Bn]	2,021.2	2,792.3	2,392.2	3,079.1
<b>Rating History</b>		EBITDA Margin [%]	23.7	25.8	21.3	21.1
<i>MAR 2021</i>	<i>idAA+/Stable</i>	Adjusted Debt/EBITDA [X]	2.3	2.8	3.5	1.5
<i>SEP 2020</i>	<i>idAA/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.5	0.8	1.0	0.3
<i>SEP 2019</i>	<i>idAA/Stable</i>	FFO/Adjusted Debt [%]	32.5	23.1	15.2	51.7
<i>MAR 2019</i>	<i>idAA+/Negative</i>	EBITDA/IFCCI [X]	5.1	3.9	2.7	6.7
<i>NOV 2018</i>	<i>idAA+/C.W Negative</i>	USD Exchange Rate [IDR/USD]	14,269	14,105	13,901	14,481
<i>MAR 2018</i>	<i>idAA+/Stable</i>					
<i>MAR 2017</i>	<i>idAA+/Stable</i>					

*FFO = EBITDA – IFCCI + interest income – current tax expense*  
*EBITDA = (operating profit + depreciation exp. + amortization exp.)*  
*IFCCI = (gross interest expense + other financial charges + capitalized interest); foreign exchange loss not included*  
*MI = minority interest*  
*The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.*

### PT Semen Indonesia (Persero) Tbk rated "idAA+" with stable outlook

PEFINDO has affirmed the ratings for PT Semen Indonesia (Persero) Tbk (SMGR) and its Shelf-Registration Bond I/2017 and 2019 at "idAA+". The outlook for the corporate rating is "stable".

An obligor rated idAA differs from the highest-rated obligors only to a small degree and has a very strong capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. The plus (+) sign indicates that the rating is relatively strong within its category.

The rating reflects SMGR's very strong market position in the cement industry, its well-diversified production and logistic facilities, and conservative financial profile. However, the intense market competition and risk related to higher input costs constrain its rating, in our view.

The rating may be raised if SMGR materially improves its business profile as reflected in a higher-than-projected revenue and EBITDA on a sustained basis, while maintaining its conservative financial profile. However, the rating may be lowered if there is an indication of a sustained loss in market shares and a material deterioration in profitability due to significant increase in input costs and/or weaker pricing power. We may also lower the rating if SMGR incurs debt higher-than-projected without being compensated by higher revenue prospects, thus, making us no longer view SMGR as having a conservative financial profile.

Established in 1953, SMGR is the largest cement producer in Indonesia, with 52.7 million tons of domestic installed capacity as of December 31, 2021, with a domestic market share of 52%. It has eight integrated cement plants in Indonesia via principal subsidiaries, located in Java, West Sumatra, Aceh, and South Sulawesi. At the beginning of 2019, it completed the acquisition of PT Holcim Indonesia Tbk (SMCB), the third-largest cement producer in Indonesia. SMCB was subsequently renamed to PT Solusi Bangun Indonesia Tbk (SBI) and SMGR owned 83.5% of its shares at the end of 2021. SMGR offers a wide range of cement products, such as ordinary Portland (OPC), Portland composite (PCC), Portland Pozolan (PPC), special blended (SBC), super masonry (SMC), oil well (OWC), Portland mixed, and white cement. It also manufactures cement bags and ready-mix concrete. As of December 31, 2021, the government of Indonesia held a 51% stake, with the rest held by the public.

**DISCLAIMER**

*The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.*