

PT Semen Indonesia (Persero) Tbk

Credit Rating

SR Bond I/2019 Phase II Series A idAA+

Rating Period

March 19, 2024 – May 28, 2024

Published Rating History

AUG 2023	idAA+/Positive
AUG 2022	idAA+/Stable
MAR 2022	idAA+/Stable
MAR 2021	idAA+/Stable
SEP 2020	idAA/Stable

PT Semen Indonesia (Persero) Tbk (SMGR)'s Shelf-Registered Bond I/2019 Phase II Serie A of IDR3.4 trillion will mature on May 28, 2024. SMGR is expected to repay its maturing bonds using internal funds. At end-December 2023, SMGR had around IDR6.9 trillion of cash on the balance sheet and positive cash funds from operations that we estimate at around IDR6 trillion for the next twelve months. There is also an undrawn credit facility of IDR6.5 trillion apart from internal funds, making it adequate to pay the maturing bond in May 2024. SMGR is rated idAA+ with positive outlook, while its maturing bond is rated idAA+, latest assigned on August 10, 2023.

Established in 1953, SMGR is the largest cement producer in Indonesia, with 52.7 million tons of domestic installed capacity as of June 30, 2022, with a domestic market share of 48%. It has eight integrated cement plants in Indonesia via principal subsidiaries, located in Java, West Sumatra, Aceh, and South Sulawesi. 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, 2023, the government of Indonesia held a 51.2% stake, with the rest held by the public.

Rating Definition

A debt security rated idAA differs from the highest rated debt only to a small degree. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is very strong. The Plus (+) sign indicates that the rating is relatively strong within the respective rating category

Financial Highlights

As of/for the year ended	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total adjusted assets [IDR bn]	78,130.4	79,106.5	72,686.9	74,044.5
Total adjusted debt [IDR bn]	15,817.9	16,801.4	18,630.1	25,735.6
Total adjusted equity [IDR bn]	44,110.8	43,385.9	35,965.6	31,691.6
Total sales [IDR bn]	38,651.4	36,378.6	34,957.9	35,171.7
EBITDA [IDR bn]	7,596.0	7,898.7	8,269.6	9,076.9
Net income after MI [IDR bn]	2,170.5	2,364.8	2,021.2	2,792.3
EBITDA margin [%]	19.7	21.7%	23.7	25.8
Adjusted debt/EBITDA [X]	2.1	2.1	2.3	2.8
Adjusted debt/adjusted equity [X]	0.4	0.4	0.5	0.8
FFO/adjusted debt [%]	36.2	33.4%	32.5	23.1
EBITDA/IFCCI [X]	5.5	5.5	5.1	3.9
USD exchange rate [IDR/USD]	15,416	15,731	14,269	14,105

FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)

MI= Minority Interest *annualized

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.

Contact Analysts:

yogie.perdana@pefindo.co.id

randhya.musapatikto@pefindo.co.id

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