



INDOCEMENT
HEIDELBERGCEMENT Group



PT INDOCEMENT TUNGGAL PRAKARSA Tbk.

Q3 2022 Performance Results

9 November 2022

Key Message Q3 2022

■ Key indicator:

- As of YTD September 2022, Indocement recorded domestic cement sales volume at 12,411k ton (-2.3% YoY) and export at 275k (-17.5% YoY)
- Net revenues grew (+9.9% YoY) from IDR 10,608.7bio to IDR 11,660.9bio. Three times price increase this year (March, June, September/October) boosted net revenue despite lower volume
- High energy cost remained due to high coal price. By YTD September 2022 energy cost was 52% of total manufacturing costs vs. same period last year of 45%, however, on QoQ energy cost/ton basis improved by +7.0%
- EBITDA margin improved from 13.3% in H1 2022 to 17.5% for YTD September 2022, though lower from same period last year of 22.3%. On QoQ, EBITDA margin in Q2 was 12.7% and improved to 23.6% in Q3
- Shares buyback program since December 2021 has collected IDR 2.72tr (6.7% of total shares) up to September 2022
- In August 2022, PLN started to supply electricity (50Mw) to our Tarjun plant replacing the coal fired-power plant
- Following lease agreement (5 years) for Banyuwangi operation in March 2022, INTIP entered another lease agreement (3 years) with Bosowa in September for Maros plant and all other Bosowa terminals

■ Sustainability target is on track:

- Alternative fuel consumption rate for Q3 2022 was 18.4% vs 12.2% in 2021
- Average dust emission was at 14.8 mg/m³ vs. 21.9 mg/m³ in 2021
- CO² emission (Scope 1 - Gross) was at 587 kg CO²/t cement equivalent in line with our goal to reach 575 kg CO²/t cement equivalent in 2025. For Scope 1 - NET, it was 557 kg CO²/t cement equivalent (further detail in later slide)

Agenda

1

Market Overview

Cement Market Evolution
Cement Market Volume and Growth Distribution
Java-Outside Java and Bag-Bulk Markets
Retail Price Increase

2

Financial Performance

Financial result
Cost Control and Margin Development
Balance Sheet

3

Operational Performance

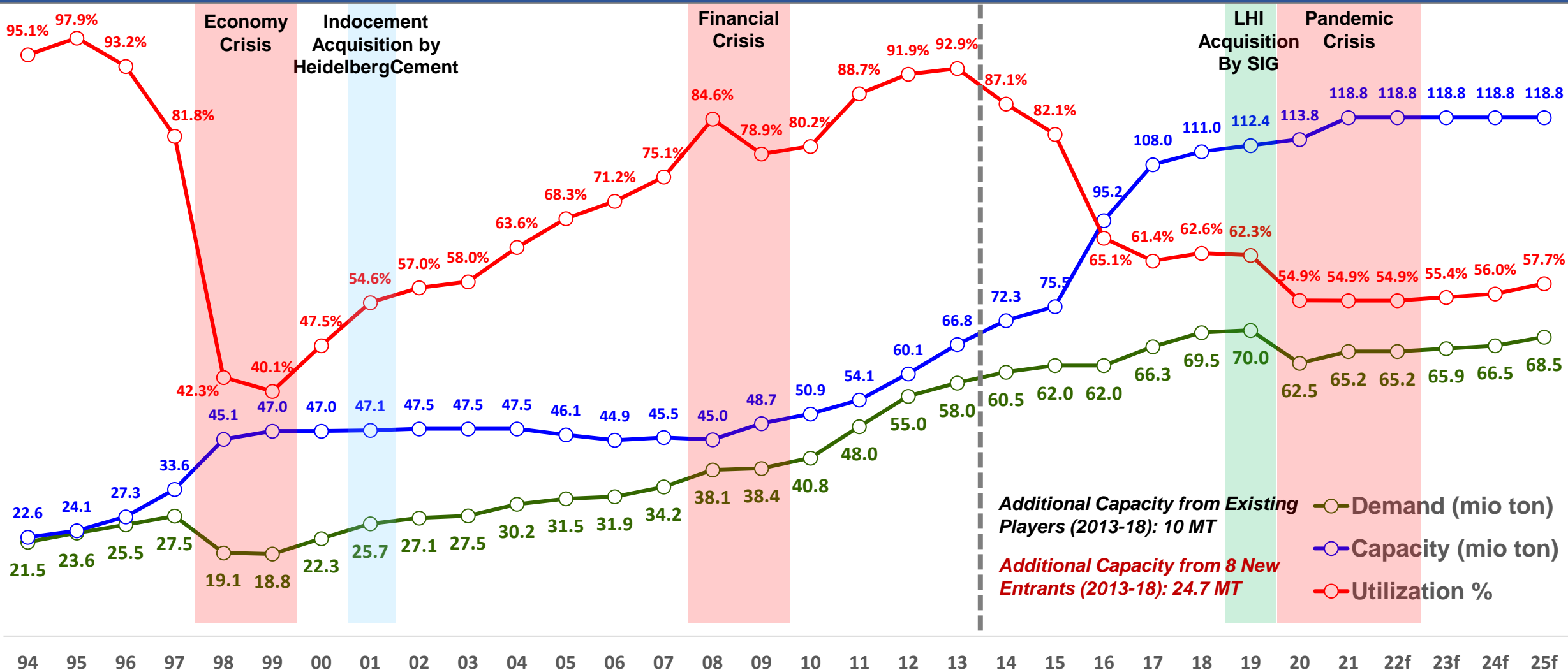
Increase Usage of Alternative Fuel
Reduction of CO₂ and Dust Emissions
Improving Our Footprint & Cement Distribution
#Trashback Program Semen Tiga Roda
Outlook

4

Q & A

Cement Market Evolution

Estimated flat demand for 2022 and slight grow for 2023/2024



Additional Capacity from Existing Players (2013-18): 10 MT
 Additional Capacity from 8 New Entrants (2013-18): 24.7 MT

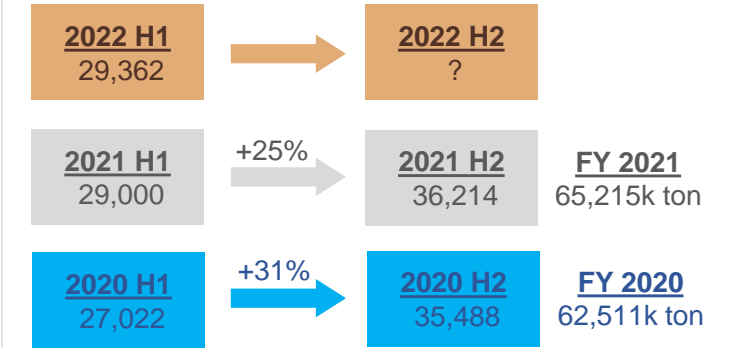
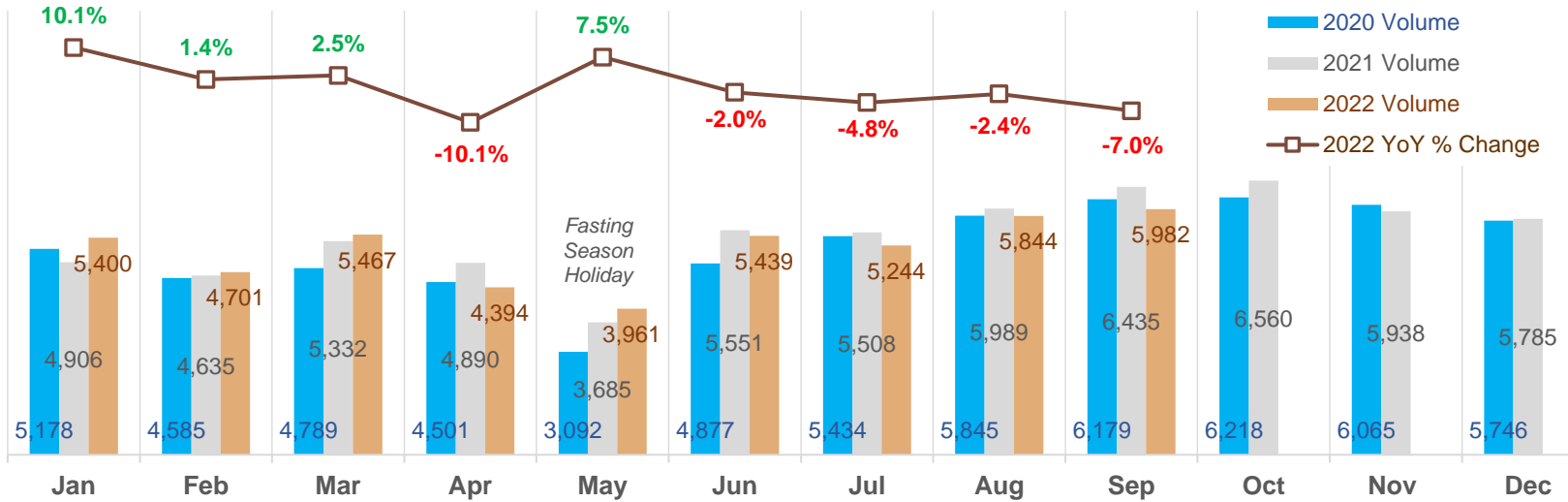
○ Demand (mio ton)
○ Capacity (mio ton)
○ Utilization %

Source: Ministry of Industry with Internal Indocement Projection

CAGR	'07A-10A	'10A-13A	'13A-16A	'16A-19A	'19A-22F	'22F-25F
Demand	+6.1%	+12.5%	+2.2%	+4.2%	-2.4%	+1.7%
Capacity	+3.8%	+9.5%	+12.5%	+5.7%	+1.9%	+0.0%

Cement Market Volume and Growth Distribution

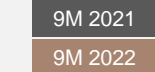
Market Volume (k ton)



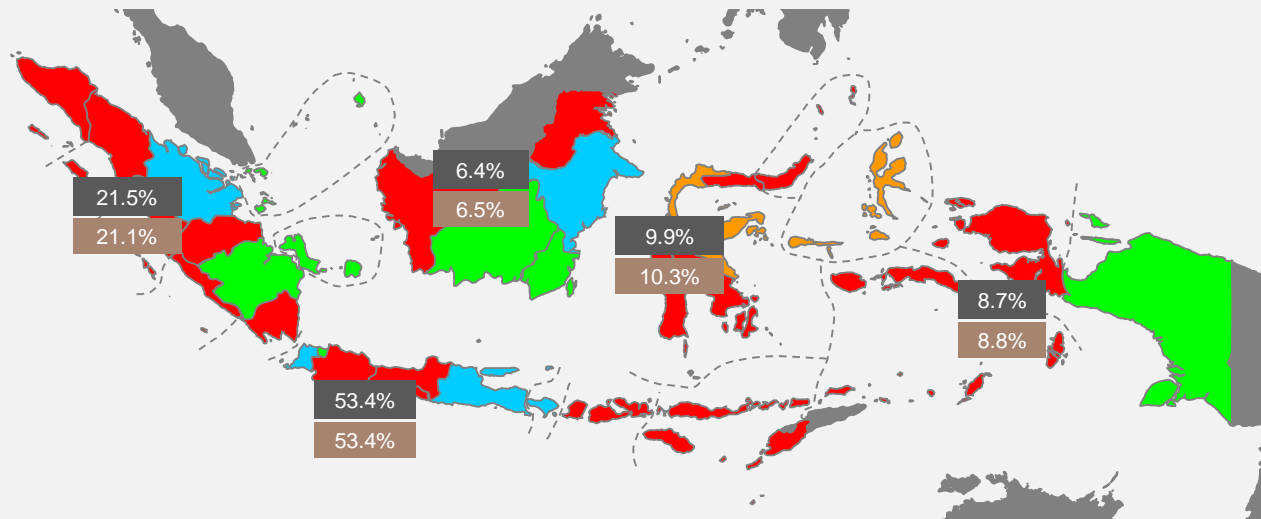
Source: Ministry of Industry

YTD Q3 2022 Area Growth

Portion of Domestic Cement Market:



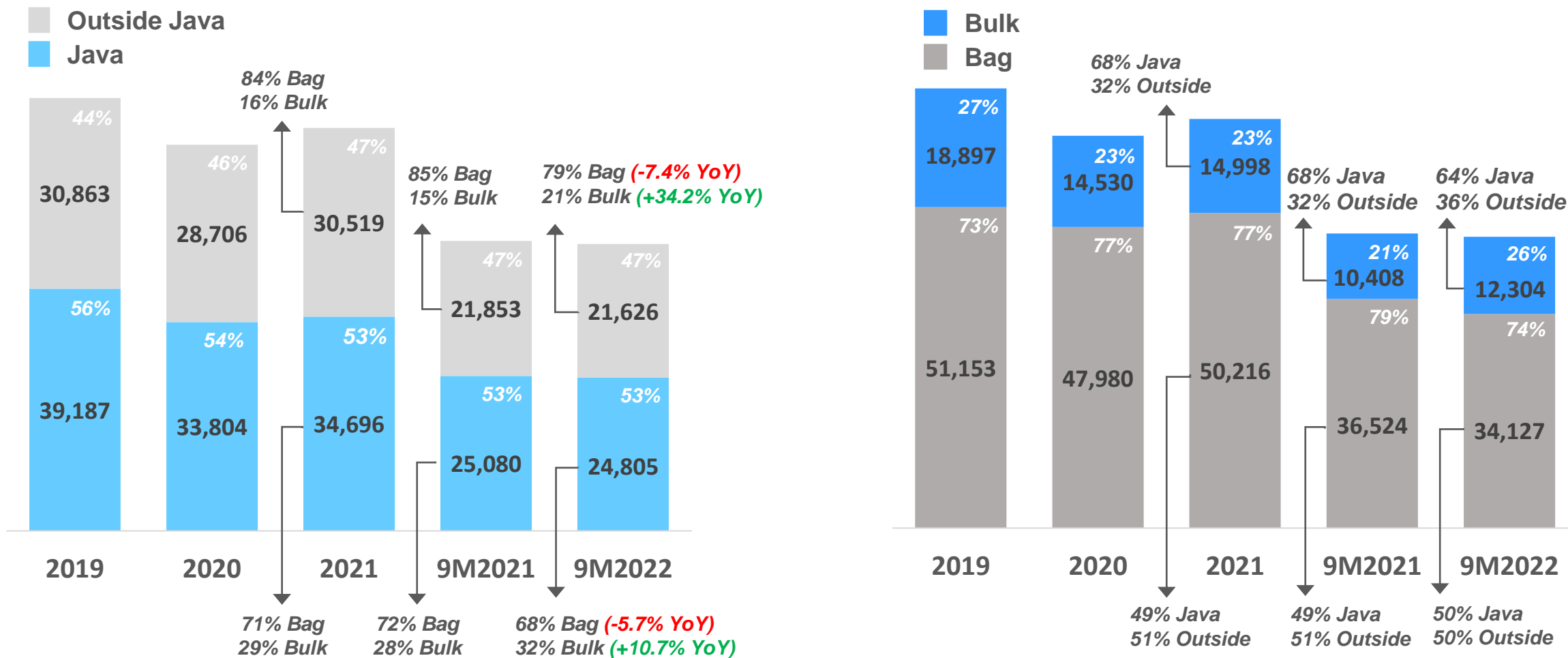
YoY Growth:



- YTD Q3 2022 domestic cement market weakened -1.1%
- Growth varied across Indonesia:

Area	YTD Q3 YoY Volume
Java	-1.1%
Sumatra	-3.1%
Kalimantan	+0.02%
Sulawesi	+2.5%
Bali & NT	-4.0%
East Indonesia	+4.7%

Java-Outside Java and Bag-Bulk Markets

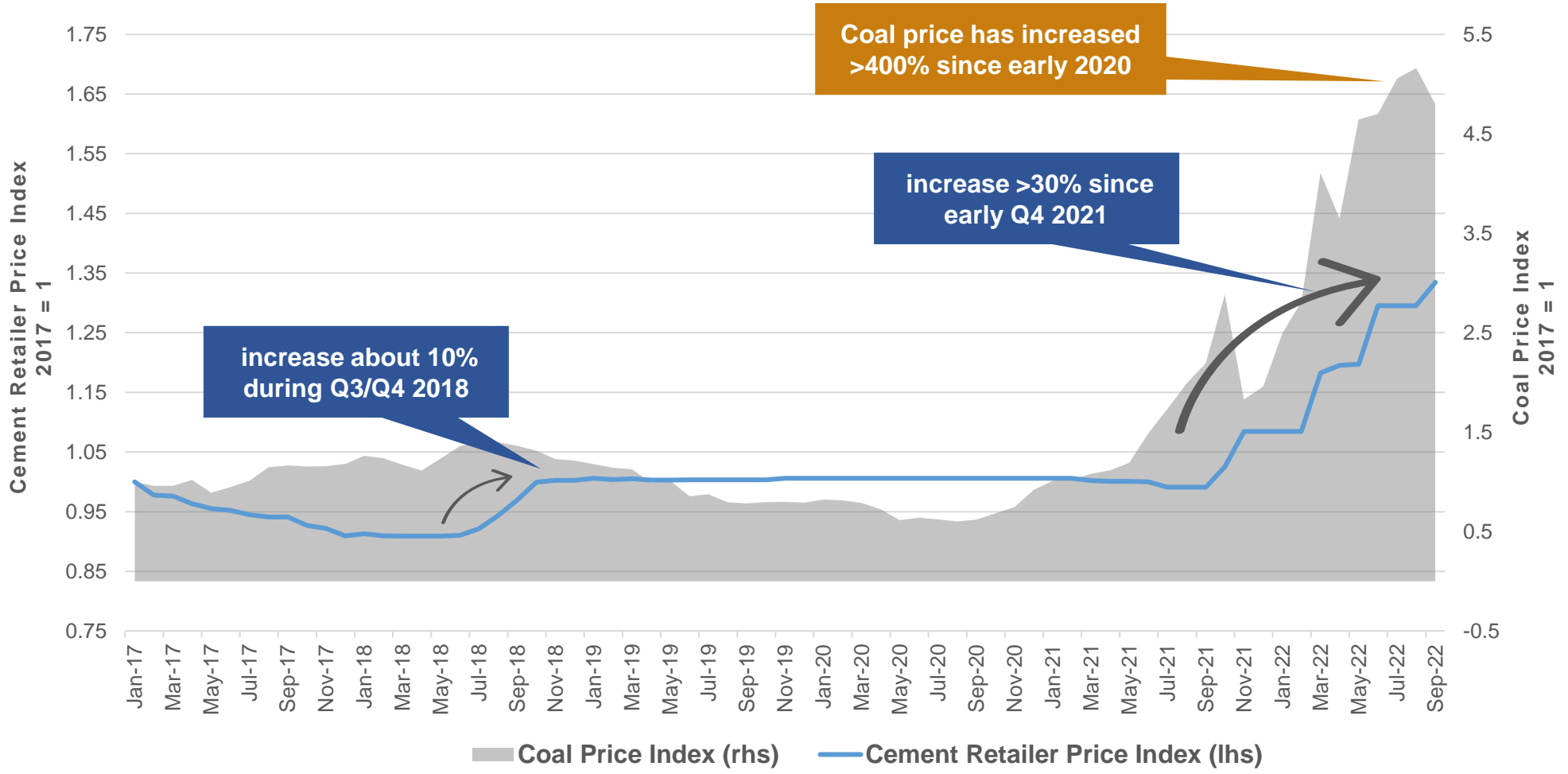


Source: Ministry of Industry

Substantial Improvement in bulk composition from last year driven by bulk demand from outside Java

Retail Price Increase

Index of Retail Cement Price in Jakarta, Banten and West Java with Coal Price



Retailer Price have increased more than 30% since early Q4 2021 due to Cement Manufacturers gradually pass through their high energy cost from hike in coal and fuel prices

Source: ICE Newcastle Coal Price, Indocement Internal Retail Price Data

Agenda

1

Market Overview

Cement Market Evolution
Cement Market Volume and Growth Distribution
Java-Outside Java and Bag-Bulk Markets
Retail Price Increase

2

Financial Performance

Financial result
Cost Control and Margin Development
Balance Sheet

3

Operational Performance

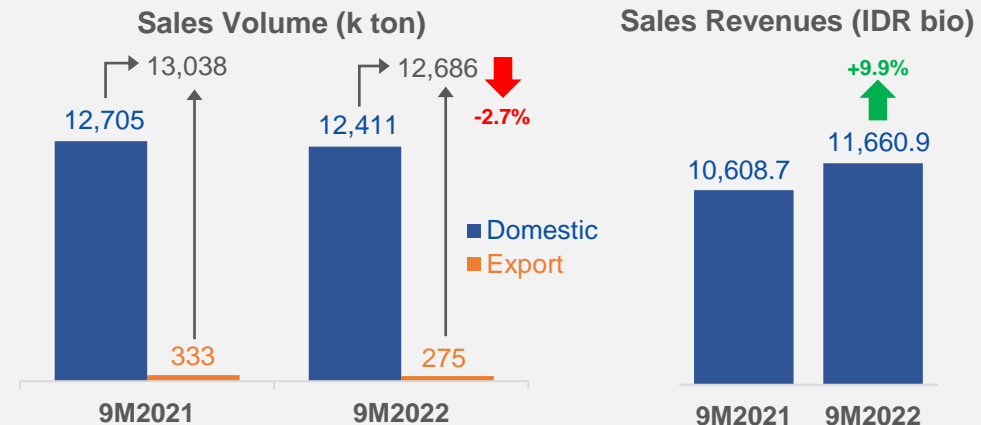
Increase Usage of Alternative Fuel
Reduction of CO₂ and Dust Emissions
Improving Our Footprint & Cement Distribution
#Trashback Program Semen Tiga Roda
Outlook

4

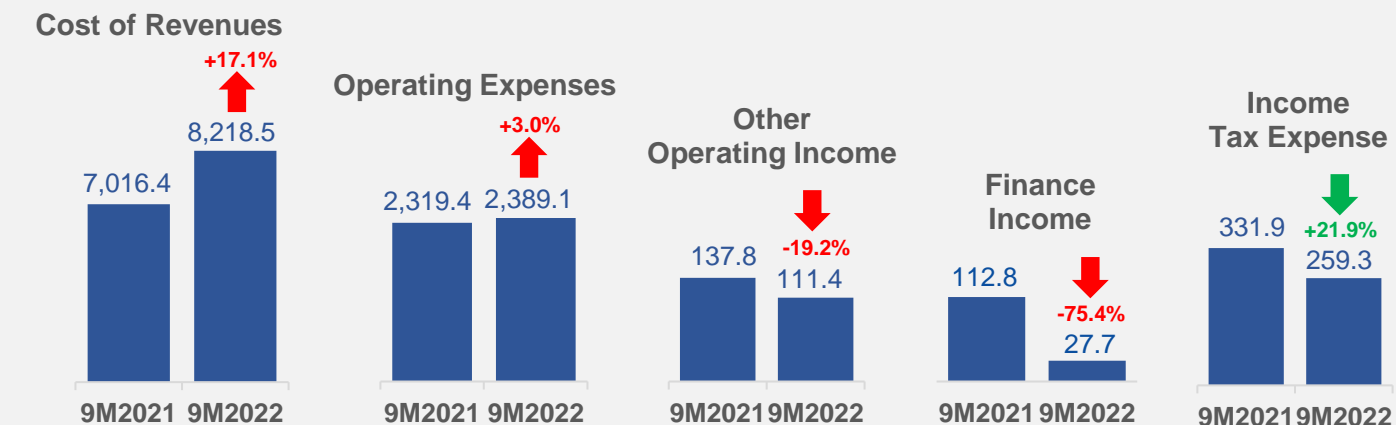
Q & A

Financial Result

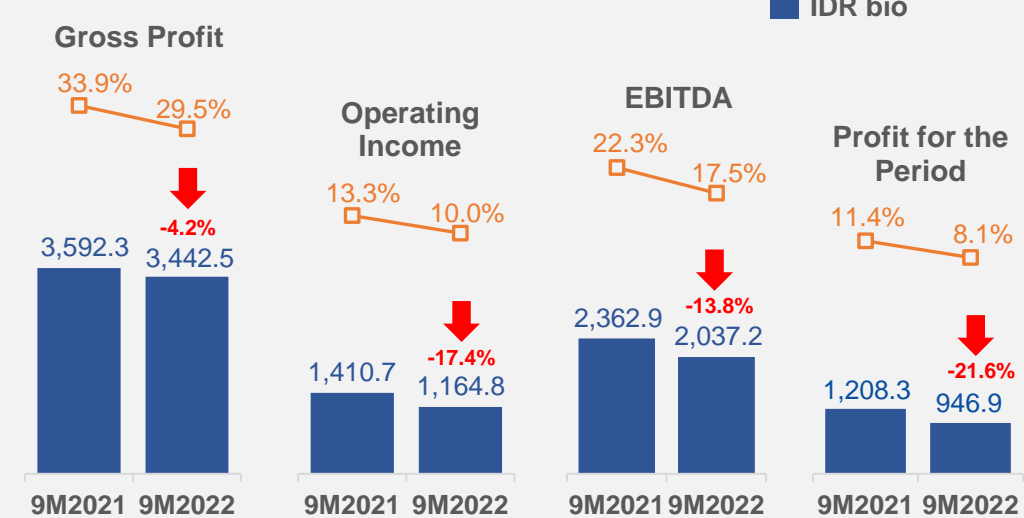
Sales Result



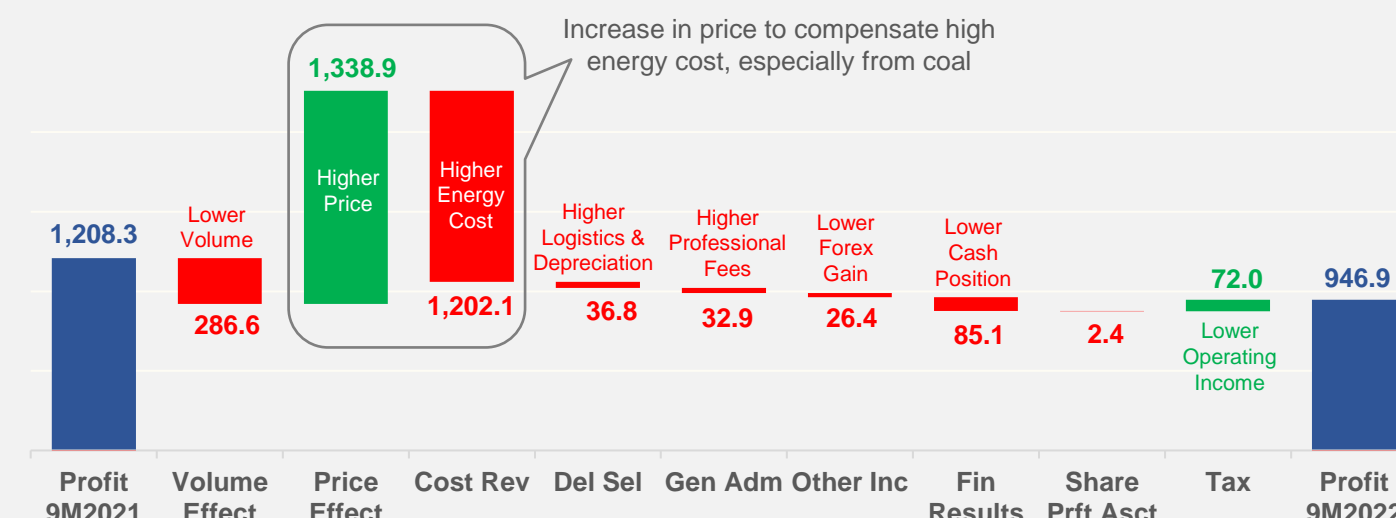
Operating Driver



Key Financial

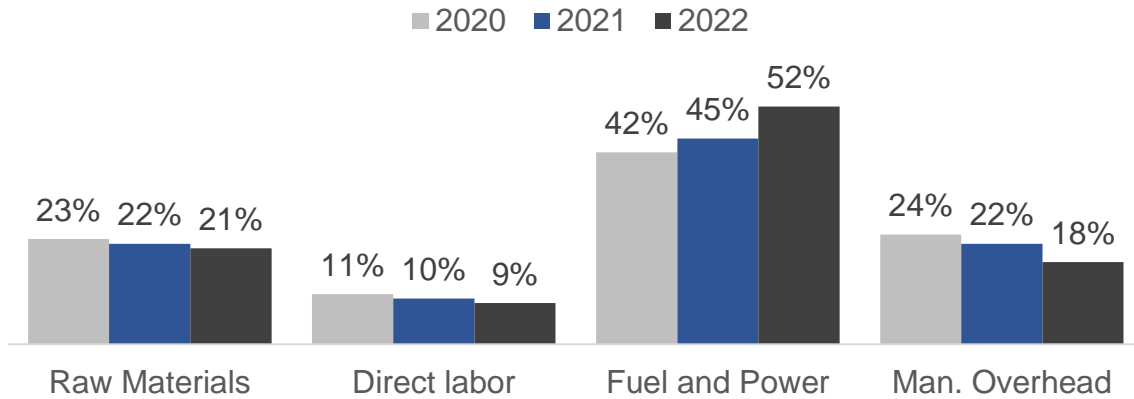


Profit Bridging



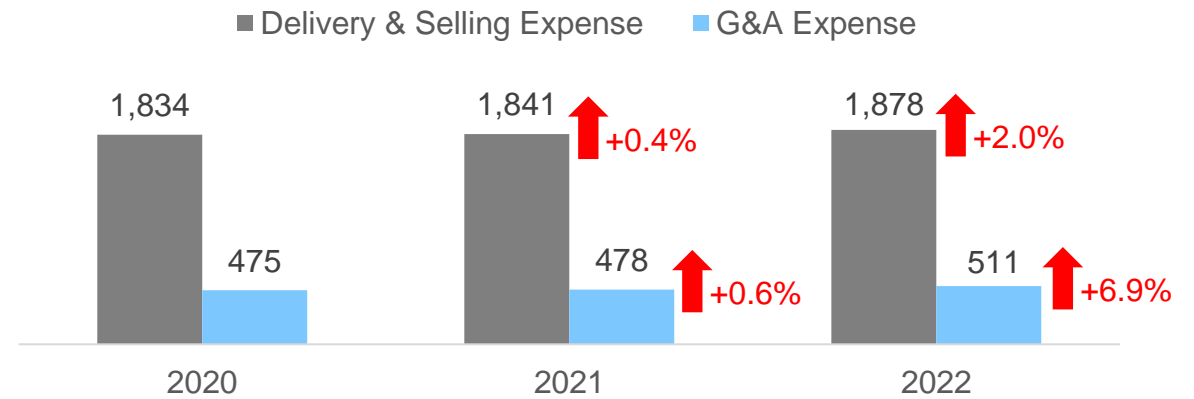
Cost Control and Margin Development

YTD Q3 of Manufacturing Cost



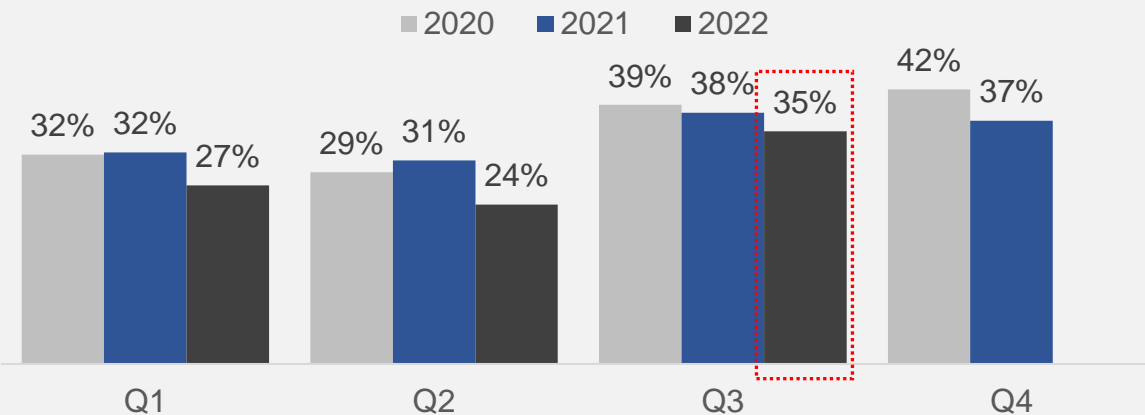
- Rising Fuel and Power composition as impact from higher coal price

YTD Q3 Operating Expenses (bio IDR)



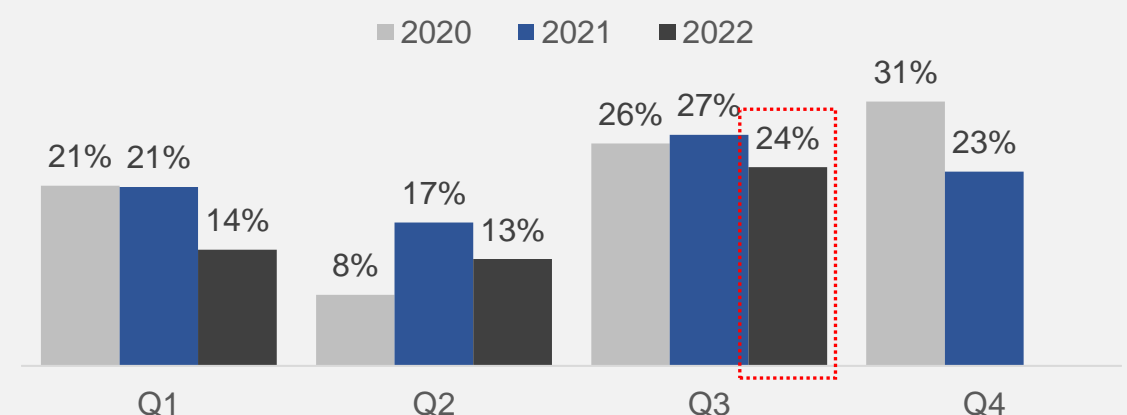
- Higher Delivery & Selling Expense from increase in transportation costs and extension/new lease of assets
- Higher G&A Expense from higher consultation/professional fee

Gross Margin



- Lower key margins as an impact from coal price, therefore Indocement focuses to increase AFAM (alternative fuels & materials) and accelerates digital transformations across the business lines

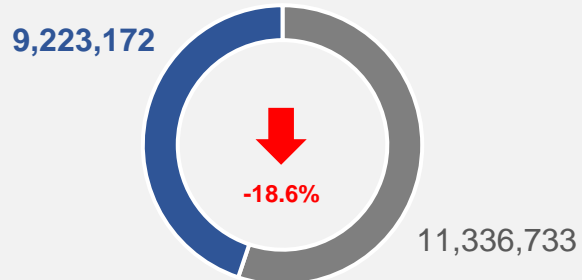
EBITDA Margin



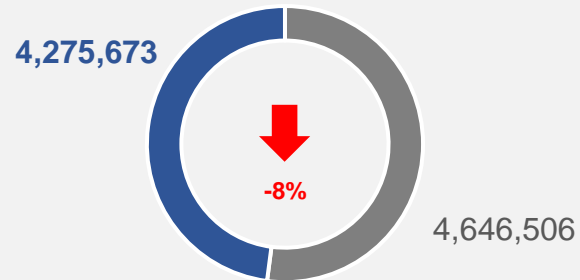
Balance Sheet



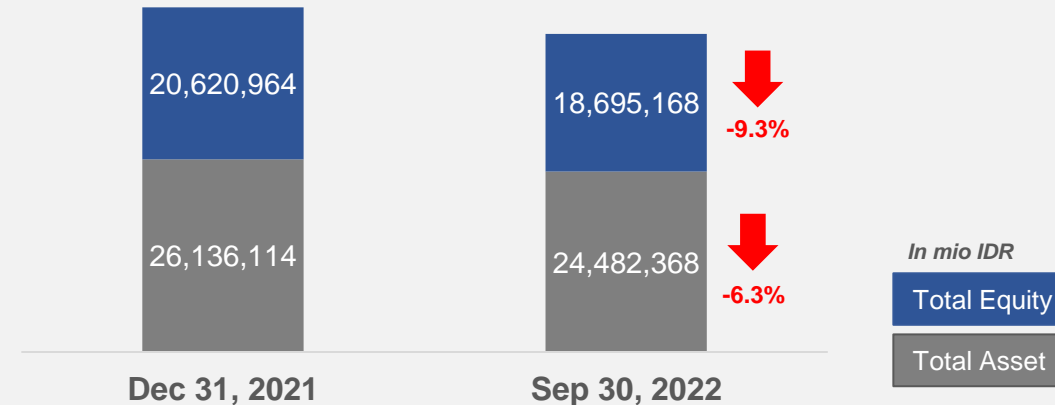
Total Current Asset



Total Current Liability

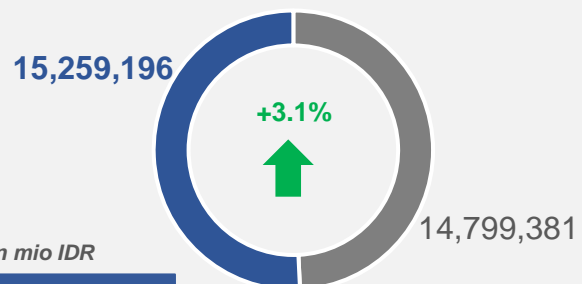


Asset & Equity

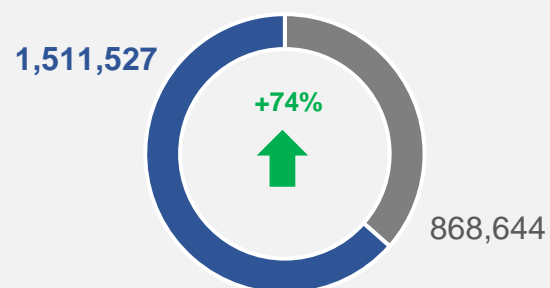


- Decrease in Cash & Cash Equivalents due to ongoing share buyback program & dividend payment

Total Non-Current Asset

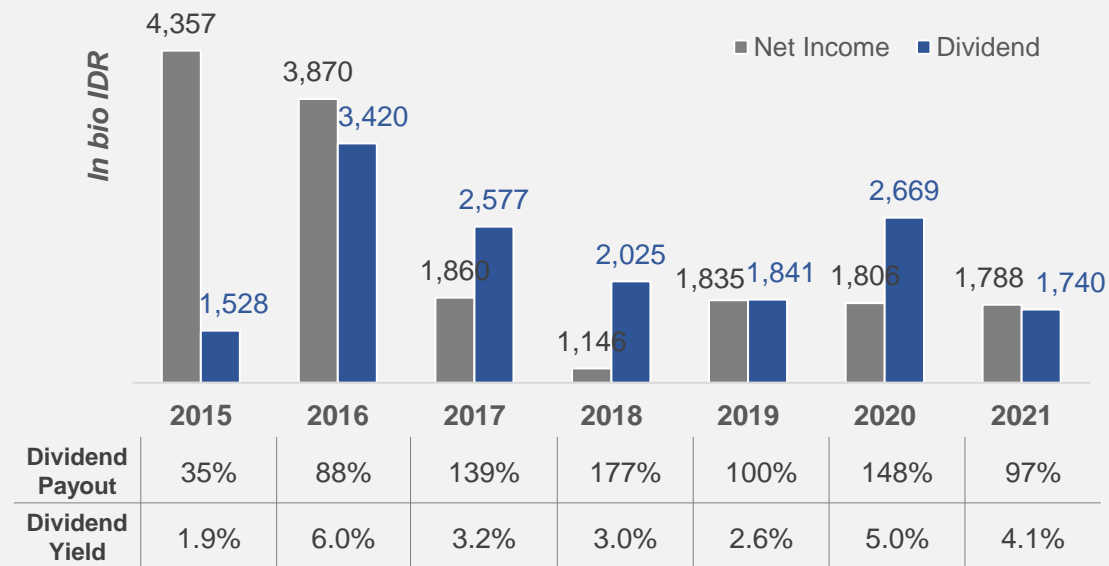


Total Non-Current Liabilities



- Increase in Lease Liabilities due to asset lease of Banyuwangi & Maros locations

Dividend History



- Cash and Cash Equivalents of IDR 3.5tr as of 30 Sep 2022
- Capex spending plan for 2022 is IDR 1.5tr & total capex spending as of 30 Sep 2022 was IDR 1.3tr

Agenda

1

Market Overview

Cement Market Evolution
Cement Market Volume and Growth Distribution
Java-Outside Java and Bag-Bulk Markets
Retail Price Increase

2

Financial Performance

Financial result
Cost Control and Margin Development
Balance Sheet

3

Operational Performance

Increase Usage of Alternative Fuel
Reduction of CO₂ and Dust Emissions
Improving Our Footprint & Cement Distribution
#Trashback Program Semen Tiga Roda
Outlook

4

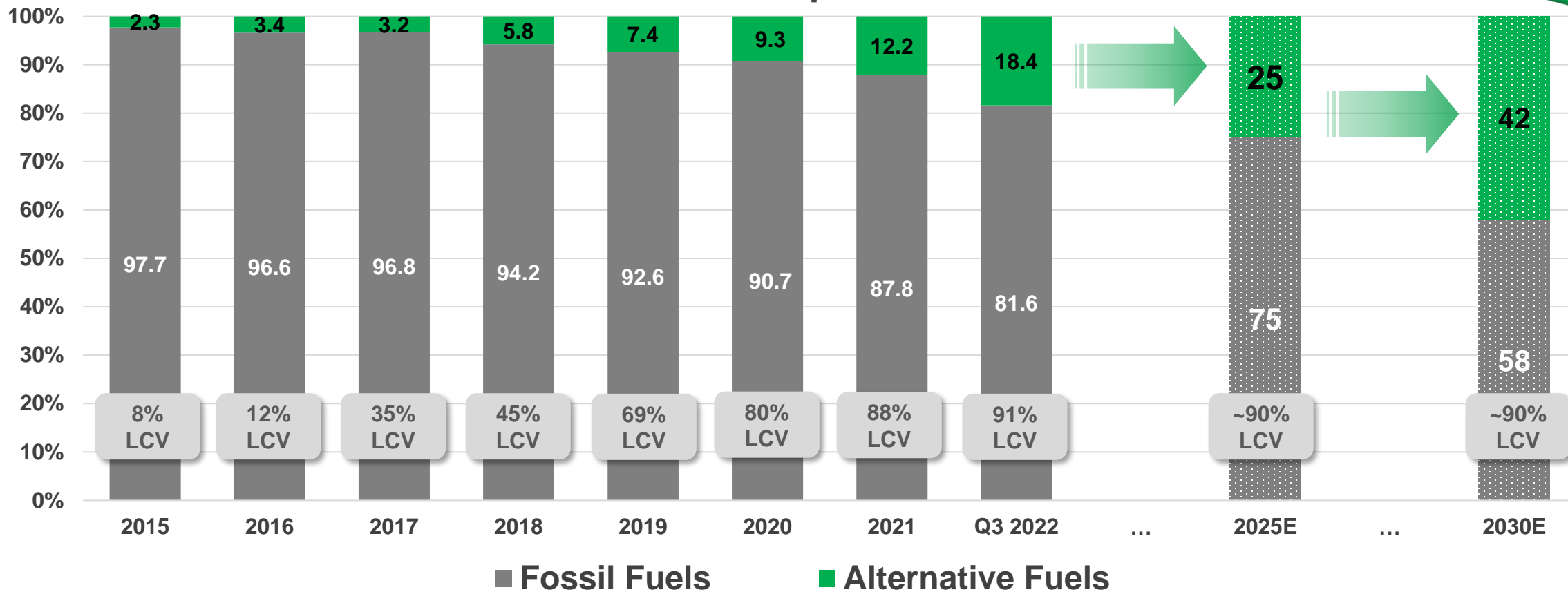
Q & A

Increase Usage of Alternative Fuel

Continuous cost efficiency improvement in alternative fuels and higher LCV coal usage

UPDATED TARGET!

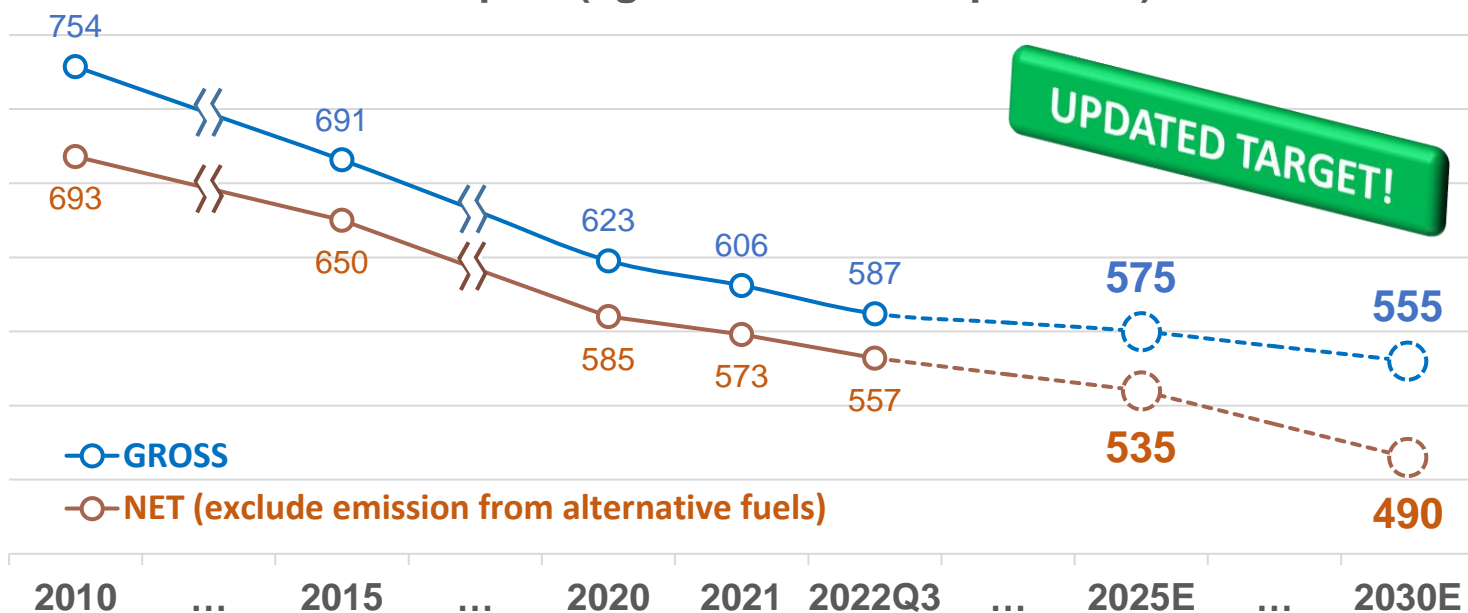
Fuel Consumption Rate %



Indocement has invested >IDR 1trillion for Sustainability (environmental related) Capex in the past 5 years

Reduction of CO2 & Dust Emissions

Scope 1 (kg CO₂/t cement equivalent)

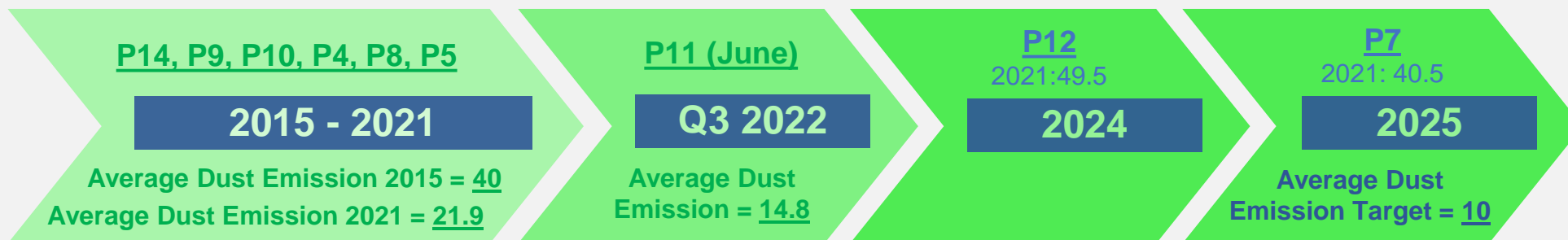


Parameter	Unit	Government Standard	INTP Q3 2022
SOx	mg/Nm ³	650	326
NOx	mg/Nm ³	850	223

Indocement's Green House Gas (GHG) emission is calculated based on the international reporting standards defined by World Business Council Sustainable Development (WBCSD) Cement Sustainability Initiative

- Scope 1: Emissions from operations that are owned or controlled by the reporting company

Since 2015 Indocement has continuously reduced our Dust Emissions by installing **Bag Filters** to replace Electrostatic Precipitators

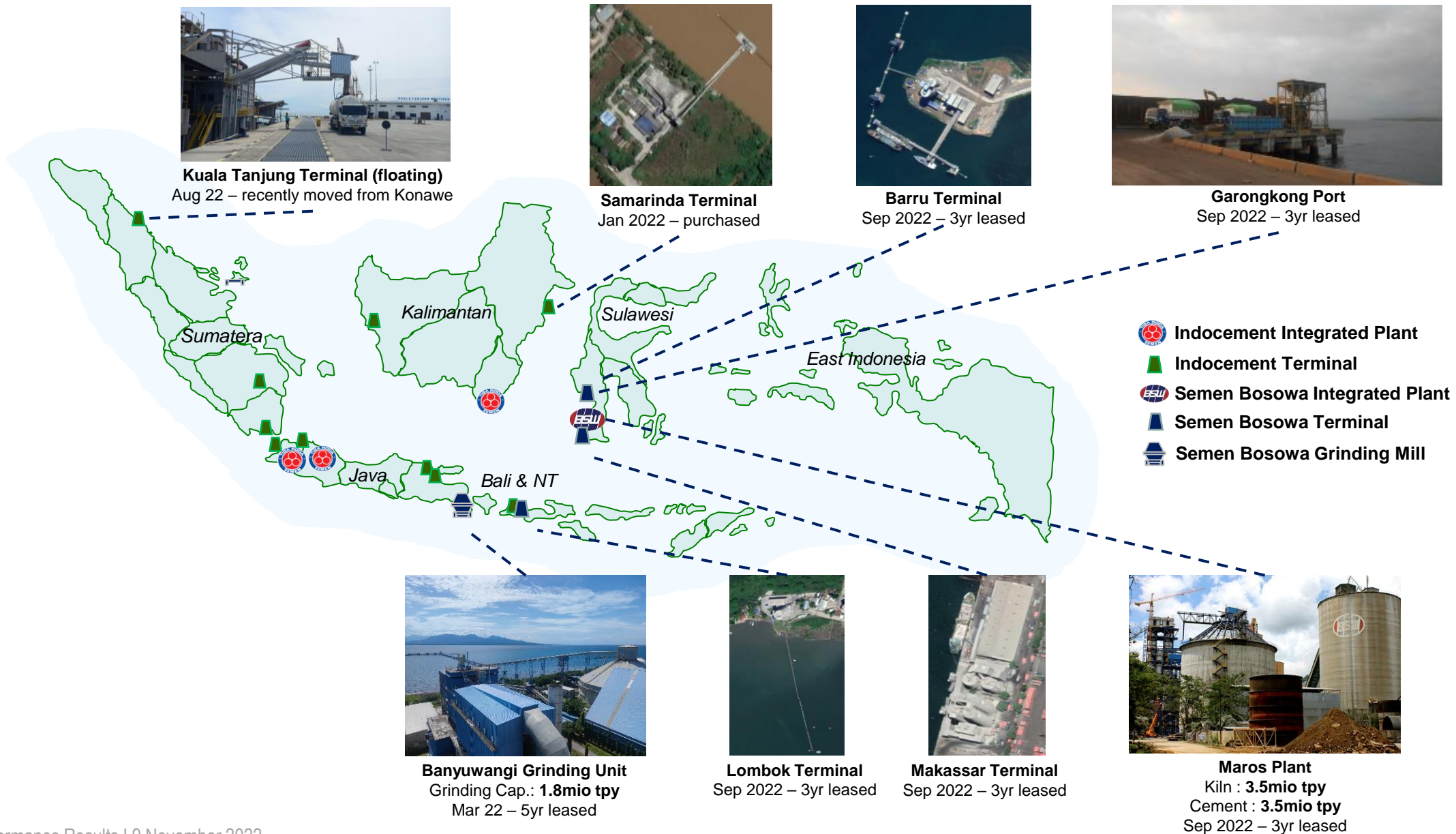


Note:

- The dust emissions are stated in mg/Nm³
- The measurement refers to local standard (PermenLHK No. 19 tahun 2017)
- Dust Emission (mg/m³) – (25°C, 1013 hPa) related to 10% OXYGEN

Government Regulation on Dust Emission = 60 mg/Nm³

Improving Our Footprint & Cement Distribution



#Trashback Program Semen Tiga Roda

Aligned with our new purpose “Material to Build our Future”, we have launched #Trashback campaign since August, a new brand campaign with focus on sustainability and circular economy effort to collect Semen Tiga Roda used cement bags

Teaser Launch & collaborate with Octopus to collect Semen Tiga Roda used cement bags as our circular economic program based on our new vision “Material to Build Our Future”



Hamish Daud: Semen Tiga Roda Membuat Standar Baru dalam Industri Semen

GAYA HIDUP

Senin, 29 Agustus 2022 - 14:19 WIB

Oleh : Tim TvOne, Tim TvOne

Trashback Smartphone Photo Contest At CFD Sudirman to make people aware about the program. Collaborate with community, making trash as photo property to show people that we can reuse trash as a useful thing.



Launch sitkom #DibuangSayang on social media
Announcing our Trashback program and telling people their trash can be reused in our plant as alternative fuel.



Reach : 920,000

Reach : 421,000

Reach : 3,582,000

Marketing Initiatives

Our marketing campaign is very active through our social media assets (IG, FB, tiktok, YouTube), as we strive to engage heavily with end-users & followers, through fun and relevant content with 3 newly introduced characters



Three new characters on Semen Tiga Roda’s social media assets as Master Ali’s team & friends: *Deday, Lastri, and Taryo*

We personalized our content and make it highly interesting, fun, and relevant to boost engagement. Our characters provide knowledges and tips, brand and product information, and story about our products, services and construction-related matters in a more interactive way.



Outlook

- ✔ **National Cement Domestic Volume is expected to grow flat in 2022 and about 1-2% in 2023**
- ! **Coal price has been relatively stabled compared to last quarter but remained high. Expected heavier rains to come until early next year which might cause coal supply disruption**
- ! **ODOL (Over Dimension & Over-loading) policy will be the major risk for Cement Industry with the hope to be delayed in implementation from 2023 to 2025 (after the Election). However, we are on-progress moving ahead with changes in our Logistic mode of transport to accommodate**
- ! **Look out for Carbon Tax which could be implemented in 2023**
- ✔ **Keep pushing our Green Cement (Concrete) for Infrastructure & Commercial projects including for IKN (new capital city) development. Green Cement products (PCC, Duracem-Slag Cement, & Hydraulic Cement) is our materials ready to build the future**
- ✔ **Our Banyuwangi grinding to penetrate further into East Java and Bali, while Maros operations and its other cement terminals are strategically fit to expand into East Indonesia and Export market**
- ✔ **Future Investment: focus in expanding our Sustainability Strategy, Distribution Channel, and Digitalization/Automation process, including to look for further good synergy opportunities to increase market share**

Agenda

1

Market Overview

Cement Market Evolution
Cement Market Volume and Growth Distribution
Java-Outside Java and Bag-Bulk Markets
Retail Price Increase

2

Financial Performance

Financial result
Cost Control and Margin Development
Balance Sheet

3

Operational Performance

Increase Usage of Alternative Fuel
Reduction of CO₂ and Dust Emissions
Improving Our Footprint & Cement Distribution
#Trashback Program Semen Tiga Roda
Outlook

4

Q & A

Thank You

PT Indocement Tunggul Prakarsa Tbk

Wisma Indocement
13th floor Jalan Jenderal Sudirman Kav. 70-71
Jakarta 12910, Indonesia
Telephone : +6221 8754343 ext. 3808
Facsimile : +6221 87941166

www.indocement.co.id



SELAMANYA
KOKOH
TERPERCAYA

Cara Menukarkan Sak Semen Tiga Roda di Aplikasi Octopus



Pakai terus Semen Tiga Roda demi lingkungan dan masa depan yang Kokoh Selamanya!