

## SEMESTER 1 2023, INDOCEMENT SUCCESSFULLY REACHES IDR7.9 TRILLION NET INCOME

### Overview financial result for H1 2023:

- Domestic cement market in H1 2023 weakened -4.9% YoY from combination of pressure in bag market -7.9% and growth in bulk market +4.1%
- Indocement recorded domestic cement (all products) sales volume at 8,061k ton or +7.2% YoY, the growth was mainly contributed from our newly Maros operation. Export was at 299k ton or +81.4% YoY mostly from clinker shipments to Bangladesh and Brunei
- Overall market share increased from 24.7% to 27.4%. Substantial gain of outside Java market share from 14.5% to 20.6% while relatively stable for overall Java at 33.9%
- Net Revenues grew +15.3% YoY to IDR 7,970 bio from higher volume and price
- Increase in Cost of Revenues of +7.7% YoY was in line with higher sales volume, mainly contributed from increase in raw material and manufacturing overhead costs, with partial offset from lower energy cost (DMO coal)
- Margin improvement both in Gross Profit from 25.6% to 30.5% and EBITDA from 13.3% to 18.7%

Description	YTD Jun 2023 '000 tons	YTD Jun 2022 '000 tons	Variance	
			'000 tons	%
<b>Total Sales Volume</b>	8,360	7,686	673	8.8%
Domestic	8,061	7,522	539	7.2%
Export	299	165	134	81.4%

Description	YTD Jun 2023 Bio IDR	YTD Jun 2022 Bio IDR	Variance	
			Bio IDR	%
<b>Net Revenues</b>	7,970.0	6,911.1	1,058.9	15.3%
<b>Cost of Revenues</b>	-5,538.0	-5,142.3	-395.7	-7.7%
<b>Gross Profit</b>	2,432.0	1,768.8	663.2	37.5%
<i>% of Net Revenues</i>	30.5%	25.6%		
<b>Operating Expenses</b>	-1,594.9	-1,503.4	-91.5	-6.1%
<b>Other Operating Income (Expense) - Net</b>	-8.7	69.3	-78.0	-112.6%
<b>Operating Income</b>	828.4	334.7	493.7	147.5%
<i>% of Net Revenues</i>	10.4%	4.8%		
<b>EBITDA</b>	1,490.9	917.1	573.8	62.6%
<i>% of Net Revenues</i>	18.7%	13.3%		
<b>Finance Income - Net</b>	44.0	25.6	18.4	72.1%
<b>Share of Net Profit of Associates - net</b>	11.2	7.7	3.5	45.7%
<b>Final Tax</b>	-0.8	-0.3	-0.6	-194.1%
<b>Profit before Income Tax Expense</b>	882.8	367.7	515.1	140.1%
<b>Income Tax Expense - Net</b>	-184.3	-76.1	-108.2	-142.2%
<b>Profit for the Period</b>	698.4	291.5	406.9	139.6%

PT Indocement Tunggal Prakarsa Tbk. ("Indocement" or "The Company") booked overall (cement and clinker) sales volume of 8,360 thousand tons in H1 2023, higher +673 thousand tons or +8.8% from H1 2022 volume. Domestic cement sales volume was recorded at 8,061 thousand tons, higher +539 thousand tons or +7.2% from H1 2022. Additional volume from Maros operation that we took over by leasing it since Q4/2022, contributes to substantial market share gain for the Company especially outside Java area from 14.5% in H1 last year to 20.6% with overall domestic market share of 27.4% for H1 2023. Export sales increased +81.4% from 165 thousand tons to 299 thousand tons in H1 2023.

The Company's Net Revenue increased to IDR7,970.0 billion or higher +15.3% in H1 2023 from higher sales volume and price. Cost of Revenues increased to -IDR5,538.0 billion or higher +7.7% mainly due to increase in raw materials and manufacturing overhead costs. However, we have a significant benefit

for lower coal price in this year set-off by depreciation of IDR against USD. Gross Profit margin improved from 25.6% to 30.5% in H1 2023.

Higher Operating Expenses of +6.1% to -IDR1,594.9 billion in H1 2023 was from overall delivery expenses which was in line with higher sales volume and general increase of labor costs. Lower Other Operating Income (Expense)-Net from IDR69.3 billion to -IDR8.7 billion or -112.6% in H1 2023 was due to forex loss as IDR strengthening recently from end last year, vice versa for prior year. These concluded to improvement in both Operating Income margin of 10.4% and EBITDA Margin of 18.7% for H1 2023

The Company recorded a higher Finance Income-Net of +72.1% to IDR44.0 billion in H1 2023 due to higher interest rate as Bank Indonesia has been raising rates gradually since last year. Income Tax Expense-Net increased +142.2% or -IDR184.3 billion due to higher result of taxable operating results.

Finally, from the above figures, Profit for the Period increased +139.6% from IDR291.5 billion to IDR698.4 billion in H1 2023.

### Resilient Balance Sheet

The Company booked a net cash position with Cash and Cash Equivalents to IDR3.5 trillion. Strong cash flow generated from operations and persistent efforts from management to increase working capital is key to maintain the resilient Balance Sheet.

Description	YTD Jun 2023 Bio IDR	YTD Dec 2022 Bio IDR	Variance	
			Bio IDR	%
Current Assets	9,799.8	10,312.1	-512.3	-5.0%
Non-Current Assets	15,106.6	15,394.1	-287.5	-1.9%
Current Liabilities	3,857.9	4,822.2	-964.2	-20.0%
Non-Current Liabilities	1,332.1	1,317.1	15.0	1.1%
Equity	19,716.4	19,566.9	149.5	0.8%
<b>Total Assets = Total Liabilities + Equity</b>	<b>24,906.4</b>	<b>25,706.2</b>	<b>-799.8</b>	<b>-3.1%</b>

With strong Balance Sheet Position and no bank debt, Indocement is ready to face challenges amidst the current oversupply capacity of cement industry and ready to partake in opportunity that would bring good synergy in the future.

### Demand to Improve in the 2<sup>nd</sup> Semester

Compared to last year, domestic cement volume had weaker performance within the first 4 months of 2023. However, demand has started to improve in May and we believe it would continue until the end of the year. Considering the 2<sup>nd</sup> semester of 2022 recorded weak demand of bag products as cement players had been raising price of bag cement several times in 2022 due to high coal price and increase of subsidized fuel price, we believe the demand of cement will grow positively in 2<sup>nd</sup> semester of 2023. In addition, anticipated dry weather in upcoming months would back faster pace of construction activities on infrastructure and commercial projects, including stimulate higher consumption of bag products from residential and smaller projects. Therefore, ***we maintain our view for domestic cement market can grow up to +2% in full year of 2023.***

### About Indocement

Indocement is one of the largest cement producers in Indonesia, which produce Semen Tiga Roda and Semen Rajawali brands. To date, Indocement and its subsidiaries are engaged in several business fields which include the manufacturing and sale of cement (as a core business) and ready-mix concrete, as well as aggregate mining, with approximately 3,400 employees. Indocement has 13 plants with a total annual production capacity of 25.5 million tons of cement. Ten plants are located in the Citeureup Factory, Bogor, West Java; two plants in the Cirebon Factory, Cirebon, West Java; and one plant

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in Tarjun Factory, Kotabaru, South Kalimantan. In 2022, Indocement has signed an Asset Lease Agreement with PT Semen Bosowa Maros and PT Bosowa Corporindo. Heidelberg Materials has been Indocement's majority shareholder since 2001.

Jakarta, 3 August 2023

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