

PRESS RELEASE
For Immediate Release

SUMMARY OF RESOLUTION OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FINANCIAL YEAR 2018

The Annual General Meeting of Shareholders (“AGMS”) of PT Indocement Tunggal Prakarsa Tbk. (“the Company”) for financial year 2018 convened in Jakarta today, Tuesday, May 21, 2019 approved the appropriation of the Company’s net profit for the year 2018 in the amount of **Rp1,145,937,262,739 (one trillion one hundred forty five billion nine hundred thirty seven million two hundred sixty two thousand seven hundred thirty nine Rupiah)** or total of the Company’s net income for financial year 2018 attributable to owners of the Company will be distributed as cash dividend to the shareholders of the Company and to withdraw **Rp878,740,171,711 (eight hundred seventy eight billion seven hundred forty million one hundred seventy one thousand seven hundred eleven Rupiah)** or **4.75%** from the unappropriated retained earnings as cash dividend and will be distributed to the shareholders of the Company. Therefore the holder of 1 (one) share will receive **Rp550 (five hundred fifty Rupiah)**.

Pursuant to the regulation of the Indonesia Stock Exchange, cum dividend period for regular market and negotiation market is Tuesday, May 28, 2019 and its ex dividend is Wednesday, May 29, 2019. Meanwhile cum dividend for cash market is Monday, June 10, 2019 and its ex dividend is Tuesday, June 11, 2019. Dividend payment shall be distributed starting Friday, June 21, 2019. Tax for cash dividend will be applied according to Indonesian taxation regulation.

Shareholders approve reappointment of Mr. David Clarke as Director of the Company, with the term of office as of the closing of this Meeting up to closing of the Company’s Annual General Meeting of Shareholders for financial year 2021, to be convened in 2022.

While the composition of the members of the Board of Commissioners remain unchange.

Thus, composition of the Board of Commissioners and Board of Directors of the Company since the closing of this Meeting up to closing of the Company’s Annual General Meeting of Shareholders for financial year 2020, to be convened in 2021, except for Mr. Kevin Gluskie, will be ended until the closing of the Company’s Annual General Meeting of Shareholders for financial year 2019 to be convened in 2020, and Mr. David Clarke, will be ended until the closing of the Company’s Annual General Meeting of Shareholders for financial year 2021 to be convened in 2022 are as follows:.

The composition of the members of the Board Commissioners and member of the Board of Directors of the Company are as follows:

<u>Board of Commissioners:</u>		<u>Board of Directors:</u>	
President Commissioner	: Kevin Gluskie	President Director	: Christian Kartawijaya
Vice President Commissioner / Independent Commissioner	: Tedy Djuhar	Vice President Director	: Franciscus Welirang
Vice President Commissioner / Independent Commissioner	: Simon Subrata	Director	: Hasan Imer
Commissioner	: Dr. Lorenz Naeger	Director	: Ramakanta Bhattacharjee
Commissioner	: Dr. Bernd Scheifele	Director	: Troy Dartojo Soputro
Commissioner	: Dr. Albert Scheuer	Director	: David Clarke
		Director	: Oey Marcos
		Director	: Benny S. Santoso
		Director	: Juan Francisco Defalque

FINANCIAL HIGHLIGHTS OF THE FIRST QUARTER 2019

- Amidst over capacity situation in national cement industry, the Company grew slightly lower (-1.2%) than that of national growth of cement consumption (-0.4%)
- Overall Company's market share was relatively stable at 26.2%
- Lower fuel cost due to lower coal price has helped improved margin in Q1 2019
- Higher average selling price since second half of 2018 with selling price remained stable until today
- Strong Balance Sheet position where the Company does not have any debt
- Optimism on higher cement demand on domestic market in second half of 2019

Q1 2019 Financial Highlights

Description	Q1 2019 IDR Bio	Q1 2018 IDR Bio	Variance	
			IDR Bio	%
<i>Total Sales Volume (thousand tons)</i>	4,537.7	4,432.4	105.4	2.4%
<i>Domestic Sales Volume (thousand tons)</i>	4,494.5	4,420.2	74.4	1.7%
<i>Export Sales Volume (thousand tons)</i>	43.2	12.2	31.0	254.6%
Net Revenues	3,732.8	3,439.5	293.2	8.5%
Cost of Revenues	-2,569.1	-2,452.7	-116.5	4.7%
Gross Profit	1,163.6	986.8	176.8	17.9%
	<i>% of Net Revenues</i>	<i>28.7%</i>		
Operating Expenses	-788.4	-758.2	-30.2	4.0%
Other Operating Income - Net	19.8	8.0	11.8	146.4%
Operating Income	395.0	236.7	158.4	66.9%
	<i>% of Net Revenues</i>	<i>6.9%</i>		
EBITDA	705.2	560.1	145.0	25.9%
	<i>% of Net Revenues</i>	<i>16.3%</i>		
Finance Income - Net	100.1	86.2	13.9	16.1%
Equity in Net Earnings of Associated Companies - Net	4.3	2.6	1.7	64.5%
Income before Final Tax and Income Tax Expense	499.4	325.5	174.0	53.4%
Net Income for the Period	396.9	264.3	132.7	50.2%
Other Comprehensive Income for the Period, Net of Tax	-0.2	1.0	-1.2	-124.1%
Total Comprehensive Income for the Period	396.7	265.2	131.5	49.6%

PT Indocement Tunggal Prakarsa Tbk. ("Indocement" or "the Company") booked domestic cement sales volumes of 4.2 million tons in Q1 2019 or -1.2% (49 thousand tons) lower compared to sales from same period last year. Meanwhile, national domestic cement demand decreased by -0.4%, thus implying Indocement's market share that decreased slightly from 26.4% in Q1 2018 to 26.2% in Q1 2019.

Additionally, to meet demand for clinker in domestic market, the Company managed to increase domestic clinker sales volume by +63.1% higher than prior year, from 195 thousand tons in Q1 2018 to 319 thousand tons in Q1 2019. Overall, the Company's total sales volume in Q1 2019 increased by +2.4% to 4.5 million tons (Q1 2018: 4.4 million tons).

The Company's Net Revenues increased by +8.5% to IDR 3.7 trillion (Q1 2018: IDR 3.4 trillion) especially due to higher average selling price by +6.0% coupled with higher sales volume by +2.4%. To compensate for higher production cost due to higher coal price, fuel price, and paper for packaging of bag cement, coupled with IDR depreciation against USD in 2018, the Company has increased average

selling price across Indonesia. Average selling price increased in Q3 and early Q4 2018 and remained stable into Q1 2019.

Cost of Revenues per ton in Q1 2019 increased mainly due to higher Manufacturing Overhead related to repair and maintenance of several plants during low season as well as higher Packing Cost related to changes in packaging materials. Cost of Revenues in Q1 2019 increased by +4.7% due to higher sales volume of +2.4% combined with higher Cost of Revenues per ton by +2.3% compared to same period last year, or from IDR 2.5 trillion to IDR 2.6 trillion.

As a result, Gross Profit improved by +17.9% to IDR 1.2 trillion compared to IDR 987 billion during same period last year. Gross Profit Margin improved 250 bps from 28.7% to 31.2% in Q1 2019. EBITDA margin improved by 260 bps from 16.3% to 18.9% in Q1 2019. Operating Income margin also improved by 370 bps from 6.9% to 10.6% in Q1 2019.

The Company recorded Finance Income – Net that is higher by +16.1% from IDR 86.2 billion in Q1 2018 to IDR 100.1 billion in Q1 2019 due to higher interest rate.

Net Income for Q1 2019 increased by +50.2% to IDR 396.9 billion (Q1 2018: IDR 264.3 billion) especially due to improvement in macroeconomics condition as described above.

Strong Balance Sheet

In Q1 2019, the Company recorded a net cash position with cash and cash equivalents of IDR 7.0 trillion. Strong cash flow generated from the operation and management's effort to improve working capital position was a key factor in achieving strong balance sheet. Equipped with a strong balance sheet with no debt, Indocement is ready for this tight competition in 2019.

Description	Mar. 31, 2019 IDR Bio	Dec. 31, 2018 IDR Bio	Variance	
			IDR Bio	%
Current Assets	12,337.0	12,315.8	21.2	0.2%
Non-Current Assets	15,206.5	15,472.8	-266.2	-1.7%
Current Liabilities	3,289.8	3,925.6	-635.8	-16.2%
Non-Current Liabilities	635.4	641.3	-5.9	-0.9%
Net Equity	23,618.3	23,221.6	396.8	1.7%
Total Assets = Total Liabilities + Equity	27,543.5	27,788.6	-245.0	-0.9%

The Company has also paid out dividend of IDR 2,577 billion (IDR 700 per share) in June 2018, equivalent to 138.6% dividend payout ratio, lower than prior year by 24.7% (June 2017: total IDR 3,420 billion, IDR929 per share and 88.4% dividend payout ratio).

Optimism on higher demand in H2 2019

Indocement obviously face tight competition in the market with the entrance of new cement players and continuing oversupply of cement capacity. In 2019, Indonesia will have about 115 million tons installed cement capacity, while cement consumption is estimated to grow by 4% to 72 million ton, implying overcapacity of 43 million tons!

In H2 2019, Indocement anticipate stronger domestic demand especially with multiplier effect from good progress of infrastructure program into residential and commercial property market in multiple regions. We estimate that by the end of 2019, domestic cement consumption growth will reach 4% compared to last year. We also view that domestic clinker market will grow and the Company is in a good position to meet clinker demand from domestic market, while at the same time looking for export market.

We estimate that our production cost will decline due to IDR appreciation and declining coal and oil price in H1 2019. The Company has also ramped up efficiency initiatives in multiple fronts to reduce

production cost by operating the latest and most efficient plant (P14) in full swing with annual capacity of 4.4 million ton in Citeureup in order to reduce production cost by \$7-8/ton compared to the older kiln; consuming low calorific value coal. Alternative fuel usage will also decrease energy cost compared to using coal. Additionally, the Company will also benefit from lower logistics and distribution costs from operating two new terminals in Palembang and Lampung. Jakarta, May 22, 2018

For more information please contact:

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