

**Press Release**  
For Immediate Release

**OVERVIEW FINANCIAL RESULT FOR FY2020**

- With a larger volume decline in the domestic cement market of -10.4% vs. Indocement of -9.1%, the Company has successfully closed the year 2020 with an increase in market share from 25.5% in 2019 to 25.8%.
- Indicators such as Gross Profit, EBITDA including Profit for the Year over Revenues (%) improve due to significant cost savings in Cost of Revenues including Operating Expenses.
- After the dividend distribution of IDR 500/share decided in the Annual General Share Holder Meeting in July 2020 (FY2019) and from Interim dividend (FY2020) of IDR 225/share in November 2020, the Company managed to maintain its strong Balance Sheet position with Cash and Cash Equivalents of IDR 7.7 trillion.

Description	FY 2020 Bio IDR	FY 2019 Bio IDR	Variance	
			Bio IDR	%
<b>Total sales volume (thousand tons)</b>	17,108	18,955	-1,847.0	-9.7%
Domestic Sales Volume (thousand tons)	16,926	18,831	-1,904.5	-10.1%
Export Sales Volume (thousand tons)	181	124	57.5	46.5%
<b>Net Revenues</b>	14,184.3	15,939.3	-1,755.0	-11.0%
<b>Cost of Revenues</b>	-9,070.8	-10,439.0	1,368.3	13.1%
<b>Gross Profit</b>	5,113.6	5,500.3	-386.8	-7.0%
<i>% of Net Revenues</i>	36.1%	34.5%		
<b>Operating Expenses</b>	-3,153.5	-3,503.2	349.7	-10.0%
<b>Other Operating Expense - Net</b>	-84.1	-92.0	7.9	-8.6%
<b>Operating Income</b>	1,875.9	1,905.1	-29.1	-1.5%
<i>% of Net Revenues</i>	13.2%	12.0%		
<b>EBITDA</b>	3,278.0	3,123.7	154.3	4.9%
<i>% of Net Revenues</i>	23.1%	19.6%		
<b>Finance Income - Net</b>	257.4	352.5	-95.1	-27.0%
<b>Share of Net Profit of Associates - Net</b>	15.3	17.2	-1.9	-11.1%
<b>Final Tax</b>	-0.3	-0.4	0.1	16.0%
<b>Profit before Income Tax Expense</b>	2,148.3	2,274.4	-126.1	-5.5%
<b>Income Tax Expense - Net</b>	-342.0	-439.1	97.1	-22.1%
<b>Profit for the Year</b>	1,806.3	1,835.3	-29.0	-1.6%
<b>Total Comprehensive Income for the Year</b>	1,764.9	1,883.3	-118.5	-6.3%

**PT Indocement Tunggal Prakarsa Tbk. ("Indocement" or "The Company")** booked overall domestic (cement & clinker) sales volume of 16,926 thousand tons in 2020 or lower 1.9 mio ton or -10.1% than 2019. Domestic volume for cement only was recorded at 16.218 mio tons or lower 1.63 mio tons or -9.1%, better than the decline in national domestic cement demand of -10.4%, resulted in Company's market share increase from 25.5% in 2019 to 25.8% in 2020.

Both Indocement market shares in Java and outside Java improved from last year, whereas Java increased by +70 bps from 34.1% to 34.8% and outside Java increased by +80 bps from 14.5% to 15.3%.

The Company's Net Revenue decreased by -11.0% to IDR 14,184.3 billion vs. 2019 of IDR 15,939.3 billion due to combination of both lower volume and lower blend-in (consolidated) average selling price, although the average selling price of domestic cement actually had a slight increase of 1% compared to last year.

Cost of Revenues in 2020 decreased by 13.1% from IDR 10,439.0 billion to IDR 9,070.8 billion, an impact from lower sales volume and overall lower coal price in 2020, including continuous savings

effort on production costs especially energy costs such as the increase use of alternative fuel (2019 of 7.4% vs. 2020 of 9.3%) and low calorific value (LCV) coal (2019 of 69% vs. 2020 of 80%) as well as the policy of only operating the most efficient kilns.

As a result, Gross Profit Margin improved by +1.6% to 36.1% in 2020 vs. last year of 34.5% despite of reduction in IDR value by -7.0% from IDR 5,500.3 billion to IDR 5,113.6 billion. EBITDA Margin improved significantly by +3.5% bps from 19.6% to 23.1% and Operating Income Margin by +1.2% from 12.0% to 13.2% for 2020.

The Company recorded a lower Financial Income-Net of -27.0% from IDR 352.5 billion in 2019 to IDR 257.4 billion due to the relatively lower interest rates in 2020.

Profit for the Year decreased by -1.6% to IDR 1,806.3 billion in 2020 vs IDR 1,835.3 billion last year, however the percentage decrease is lower than that of Total Revenues mainly due to continuous cost savings effort mentioned previously.

### Resilient Balance Sheet

After the dividend payment (FY2019) of IDR 1,841 bio or IDR 500/share decided from the Annual General Meeting of Shareholder in July 2020 and Interim Dividend (FY2020) of IDR 828 bio or IDR 225/share decided in November 2020, the Company booked a net cash position with Cash and Cash Equivalents to IDR 7.7 trillion. Strong cash flow generated from operations and persistent effort from management to increase working capital is the key to maintain our resilient balance sheet.

Description	Dec 31, 2020 Bio IDR	Dec 31, 2019 Bio IDR	Variance	
			Bio IDR	%
<b>Current Assets</b>	12,299.3	12,829.5	-530.2	-4.1%
<b>Non-Current Assets</b>	15,045.4	14,878.3	167.1	1.1%
<b>Current Liabilities</b>	4,216.0	3,907.5	308.5	7.9%
<b>Non-Current Liabilities</b>	952.5	720.0	232.5	32.3%
<b>Equity</b>	22,176.2	23,080.3	-904.0	-3.9%
<b>Total Assets = Total Liabilities + Equity</b>	27,344.7	27,707.7	-363.1	-1.3%

With strong Balance Sheet Position-no bank debt, Indocement is ready to face the challenges of the economic situation amidst the ongoing pandemic including the oversupply capacity condition of the cement industry and ready to participate should there be an option for cement industry consolidation in the future.

### Stronger Recovery Ahead!

Year 2020 certainly provided very different challenges from any previous years all of us had experienced. From the beginning of the year, the cement industry had suffered from heavy rainy season for about two months followed by the impact of Covid-19 pandemic. Overall economic growth including the cement industry was at the lowest point during Q2 at the start of the pandemic with strict large-scale social restrictions (PSBB). Gradual recovery began to take place in the second half of 2020 which was relatively slow due to the new daily Covid-19 cases were still in upward trend along with the ongoing mobility restrictions.

At the beginning of 2021, the cement industry was still pressured from the annual cycle of rainy season including the increase in new cases post end of the year holidays, however with drier weather and recent downward trend of the daily new case including the ongoing vaccination process since January, the cement industry starts to show an increase in cement demand where in February it has grown positively +1% YoY for the first time since the pandemic.

We are certain that with the recent issuance of several policies by the Government, such as the establishment of sovereign wealth funds (SWF), low home mortgage rate, and 0% VAT for certain types of home ownership without doubt are all positive catalyst to the cement industry. Stronger growth on the cement consumption will take place in the second half of this year, particularly on Bulk cement with the commencement of several large projects including infrastructure, construction of new factories, *smelting* projects, construction of new industrial and tourism areas as well as housing projects from various developers.

## About Indocement

Indocement is one of the largest cement producers in Indonesia. 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 and trass mining, with around 5,000 employees. Indocement has 13 factories with a total annual production capacity of 24.9 million tons of cement. Ten factories are located in the Citeureup Factory, Bogor, West Java; two factories in the Cirebon Factory, Cirebon, West Java; and one factory in Tarjun Factory, Kotabaru, South Kalimantan.

Jakarta, 19 March 2021

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