AGENDA

- Indocement Fact Sheet & Indocement Today
- Current Domestic Market Condition
- Financial Update 2019
- Investment Strategy
- Outlook 2020
- Q & A
**Indonesia at a Glance**

**Strong Footprint in West Java as Key Advantage for Indocement**

**Indonesia Facts**
- **Capital City**: Jakarta
- **Population**: ~261.1 Million
- **Density**: 138/km² (357.4/sq mi)
- **GDP (2019E)**: USD 1,100 Trillion
- **GDP Per Capita**: USD 4,120
- **IDR/USD Rate**: ~13,500 - 14,500

**Cement Industry**
- **No. of Companies**: 16
- **Cement Capacity**: ~115 MTY
- **ITP Cement Capacity**: 24.9 MTY
- **Domestic Consumption**: ~70MT (2019A)
- **Bag - Bulk Ratio**: ~77-23
- **Cement Consumption**: ~262 kg/capita
- **Main Players**: Semen Indonesia, Indocement, Conch, Bosowa, Cemindo

**Cement Consumption FY2019**

- Java 56%
- Sumatera 21%
- Sulawesi 9%
- Kalimantan 6%
- Others 8%

24.9 MT CEM Capacity
7 CEM Terminals
2.8 MT AGG Capacity
42 RMC Plants
**FACT SHEET**

**“TIGA RODA” IS THE STRONGEST BRAND INDONESIA**

**Our premium brand**

“Tiga Roda” brand is perceived to have best quality & service in the country

“Top Brand” since twelve years

In 2019, we won in the three categories: cement, white cement and mortars

<table>
<thead>
<tr>
<th>Results of the Top Brand survey 2019</th>
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<tbody>
<tr>
<td><strong>Cement</strong></td>
</tr>
<tr>
<td>Brand</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Tiga Roda</td>
</tr>
<tr>
<td>Semen Gresik</td>
</tr>
<tr>
<td>Holcim</td>
</tr>
</tbody>
</table>
AGENDA

Indocement Fact Sheet & Indocement Today

Current Domestic Market Condition

Financial Update 2019

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Q & A
**INDONESIA CEMENT LANDSCAPE 2019**

**Sumatera:** 17.7
- SI: 10.4 (I)
- SBI: 1.8 (I)
- SMBR: 3.9 (I)
- BSM: 1.2 (GM)
- MP: 0.4 (I)

**South Kalimantan:** 5.8
- INTP: 2.8 (I)
- CCI: 3.0 (I)

**Sulawesi:** 14.1
- SI: 7.4 (I)
- BSM: 4.4 (I)
- CCI: 2.3 (I)

**West Java:** 45.6
- SI: 1.5 (GM)
- INTP: 22.1 (I)
- SBI: 6.0 (I)
- CCI: 4.4 (GM)
- MP: 4.7 (I)
- SCG: 1.8 (I)
- JSI: 1.8 (I)
- Other: 2.7 (GM)

**Central Java:** 8.2
- SI: 3.0 (I)
- SBI: 3.4 (I)
- STAR: 1.8 (I)

**East Java:** 21.6
- SI: 14.7 (I)
- SBI: 3.5 (I)
- BSM: 1.8 (GM)
- MP: 1.0 (GM)
- Puger: 0.5 (I)

**East Indonesia:** 1.9
- SK: 0.4 (I)
- CCI: 1.5 (I)

**Indonesia:** 114.2
- Integrated: 101.6
- Grinding Mill: 12.6

*In million ton per annum; including grinding mill capacity*

**Growth 2019**

- +0.6%
- <=0%
- >0%<=5%
- >5%<=10%
- >10%<=15%
- >15%

Capacity Grew by 3% in 2019

INDONESIA CEMENT CAPACITY SHARE
Capacity in million Tons per Annum

2015 2016 2017 2018 2019

Source: Asosiasi Semen Indonesia

1. SI: Semen Indonesia+ SBI (Ex Holcim): 51.7 (45.1%)
2. Indocement: 24.9 (22.2%)
3. Conch: 11.2 (9.7%)
4. Bosowa: 7.4 (6.4%)
5. Cemindo Gemilang (MP): 6.1 (5.3%)
6. Semen Baturaja: 3.9 (3.4%)
7. Panasia: 1.8 (1.6%)
8. Siam Cement: 1.8 (1.6%)
9. Juishin: 1.8 (1.6%)
10. Semen Kupang: 0.4 (0.3%)

Puger, Hao Han & Sun Fook (stop operation) and Semen Jakarta: 3.2 (2.8%)

Data above shows: Capacity in mio ton & % Capacity Share
CEMENT MARKET EVOLUTION

Market evolution chart showing trends in demand, capacity, and utilization from 1994 to 2025. Key points include:

- **Demand** growth rates: 6.1% ('07A-10A), 12.5% ('10A-13A), 2.2% ('13A-16A), 4.1% ('16A-19A), 3.7% ('19A-22F), 4.0% ('22F-25F)
- **Capacity** growth rates: 6.5% ('07A-10A), 5.7% ('10A-13A), 13.0% ('13A-16A), 6.8% ('16A-19A), 2.3% ('19A-22F), 1.6% ('22F-25F)

Graph highlights:
- **Economy Crisis** period (1995-2000) with significant drops in demand and utilization.
- **Indocement Acquisition** (2010) and **LHI Acquisition** (2013) marked with changes in trend lines.
- Additional capacity from 8 new entrants (2013-2018): 24.7 MT
- Additional capacity from existing players (2013-2018): 10 MT

Overall, the chart illustrates the market's response to economic changes and strategic acquisitions with marked increases in capacity and demand growth.
Total Volume for 2019 grows +0.6%

With recovery during the last 4 months of the year

INDONESIA MONTHLY SALES VOLUME

Jan – Feb 2020
10,087

2019 H1
29,424

2018 H1
30,052

+38%

2019 H2
40,569

2018 H2
39,489

+31%

Source: ASI
Outside Java growth (+1%) is driven mostly by East region: Sulawesi, Nusa Tenggara, & Papua. While Java market relatively flat.

Growth rate for Bulk is relatively same with Bag (+1%), bulk market is calmer after prior year’s jump, the driver in Java mainly from West Java & Yogyakarta while outside Java is mainly from Kalimantan & Sulawesi.
Financial Attributes sign Positive Signals

- Net Revenues increased contributed by price recovery starting in H2 2018
- Cost of Revenues decreased by -3.5% amid low sales volume coupled with lower Cost of Revenues per ton by -2.4%
- thus, Gross Profit improved by +25.9% to IDR 5.5 trillion vs. IDR 4.4 trillion
- As the result ... EBITDA margin improved!
- Improved Operating Income by 490 bps from 7.1% to 12.0%
- Strong cash position resulting positive finance result that increased by +12.5% from IDR 313.4 billion to IDR 352.5 billion
- As the result ... Net Income increased!
- Cash position of IDR 7.7 trillion with 0 debt

Operational Result (IDR bio)

<table>
<thead>
<tr>
<th></th>
<th>YTD 2018</th>
<th>YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase +32.0%</strong></td>
<td>2,366</td>
<td>3,124</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,146</td>
<td>1,835</td>
</tr>
<tr>
<td><strong>Increase +60.2%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Decrease -1.1%</strong></td>
<td>19,168</td>
<td>18,955</td>
</tr>
<tr>
<td>Sales Volume (k ton)</td>
<td>15,190</td>
<td>15,939</td>
</tr>
<tr>
<td><strong>Increase +4.9%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Bio IDR</th>
<th>2018 Bio IDR</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales volume (thousand tons)</td>
<td>16,955</td>
<td>19,168</td>
<td>-213.5</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Domestic Sales Volume (thousand tons)</td>
<td>18,831</td>
<td>19,033</td>
<td>-202.2</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Export Sales Volume (thousand tons)</td>
<td>124</td>
<td>135</td>
<td>-11.3</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>15,939.3</td>
<td>15,190.3</td>
<td>749.1</td>
<td>4.9%</td>
</tr>
<tr>
<td>Cost of Revenues</td>
<td>-10,439.0</td>
<td>-10,821.3</td>
<td>382.2</td>
<td>3.5%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>5,500.3</td>
<td>4,369.0</td>
<td>1,131.3</td>
<td>25.9%</td>
</tr>
<tr>
<td>% of Net Revenues</td>
<td>34.5%</td>
<td>28.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>-3,503.2</td>
<td>-3,322.6</td>
<td>-180.7</td>
<td>5.4%</td>
</tr>
<tr>
<td>Other Operating Expense - Net</td>
<td>-92.0</td>
<td>27.6</td>
<td>-119.7</td>
<td>-433.1%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,905.1</td>
<td>1,074.1</td>
<td>830.9</td>
<td>77.4%</td>
</tr>
<tr>
<td>% of Net Revenues</td>
<td>12.0%</td>
<td>7.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,123.7</td>
<td>2,365.7</td>
<td>758.0</td>
<td>32.0%</td>
</tr>
<tr>
<td>% of Net Revenues</td>
<td>19.6%</td>
<td>15.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Income - Net</td>
<td>352.5</td>
<td>313.4</td>
<td>39.1</td>
<td>12.5%</td>
</tr>
<tr>
<td>Equity in Net Earnings of Associated Companies - Net</td>
<td>17.2</td>
<td>13.3</td>
<td>3.9</td>
<td>29.6%</td>
</tr>
<tr>
<td>Income before Final Tax and Income Tax Expense</td>
<td>2,274.8</td>
<td>1,400.8</td>
<td>874.0</td>
<td>62.4%</td>
</tr>
<tr>
<td>Net Income for the Year</td>
<td>1,835.3</td>
<td>1,145.9</td>
<td>689.4</td>
<td>60.2%</td>
</tr>
<tr>
<td>Total Comprehensive Income for the Year</td>
<td>1,883.3</td>
<td>1,241.9</td>
<td>641.4</td>
<td>51.6%</td>
</tr>
</tbody>
</table>

- Sales Volume decreased by -1.1% but Revenues increase by +4.9% is due to higher ASP/ton by +6.1%
- Cost of Revenues decreased by -3.5%:
  - Fuel & Power cost -10.1%, driven by:
    - lower unit price of coal
    - higher usage of LCV coal
    - higher usage of alternative fuels
- Delivery and selling expenses impacted by Tarjun maintenance, resulting in additional deliveries from Citeureup to outside Java
- Cost savings and price improvements contributes to the EBITDA improving by 400bps from 15.6% to 19.6%
Strategic cost allocation to capitalize on market growth

Composition of Manufacturing Cost

- Raw Materials & Direct Labor generally followed inflation & wage increase
- Low coal price and higher usage of low CV coal reduced overall Fuel and Power cost
- Manufacturing Overhead increased was mainly due to repair and maintenance of Tarjum power plant

Operating Expenses – Bio IDR

- Higher Selling Expense was due to operation of new terminals (Lampung & Palembang) starting in 2018 and Tarjum power plant maintenance during Q3 2019 (rerouted from Citereup plant)
- Stable G&A Expense was due to various efficiency cost programs

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials</td>
<td>23%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>Direct labor</td>
<td>11%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Fuel and Power</td>
<td>45%</td>
<td>48%</td>
<td>45%</td>
</tr>
<tr>
<td>Man. Overhead</td>
<td>21%</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>
Continue in Cost Leadership maintaining decent margin

Gross Margin Development

EBITDA Margin Development

Continuing competitive environment, Management focus in taking respective initiatives early on during the year:

- Operational Excellence program
- Fixed cost reduction program
- Managing efficient kiln utilization

Pricing discipline point to sustain recovery period while continuing efficiency effort on fixed cost
## CONSOLIDATED BALANCE SHEET

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2019 IDR Bio</th>
<th>Dec 31, 2018 IDR Bio</th>
<th>Variance Bio IDR</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>12,829.5</td>
<td>12,315.8</td>
<td>513.7</td>
<td>4.2%</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td>14,878.3</td>
<td>15,472.8</td>
<td>-594.5</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>3,873.5</td>
<td>3,925.6</td>
<td>-52.2</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td>754.0</td>
<td>641.3</td>
<td>112.7</td>
<td>17.6%</td>
</tr>
<tr>
<td>Equity</td>
<td>23,080.3</td>
<td>23,221.6</td>
<td>-141.3</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Total Assets = Total Liabilities + Equity</td>
<td>27,707.7</td>
<td>27,788.6</td>
<td>-80.8</td>
<td>-0.3%</td>
</tr>
</tbody>
</table>

- Cash and cash equivalents at IDR 7.7 trn as of 31 December 2019.
- Total 2019’s Capex: IDR 723 bio. Total Capex in the Budget 2020: IDR ~1.4 trillion
- Dividend Payment history:

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</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>4,763</td>
<td>5,012</td>
<td>5,293</td>
<td>4,357</td>
<td>3,870</td>
<td>1,860</td>
<td>1,146</td>
<td>1,835</td>
</tr>
<tr>
<td>Dividend *</td>
<td>1,657</td>
<td>3,313</td>
<td>4,970</td>
<td>1,528</td>
<td>3,420</td>
<td>2,577</td>
<td>2,025</td>
<td>TBD</td>
</tr>
<tr>
<td>% of Dividend Payout</td>
<td>34.8%</td>
<td>66.1%</td>
<td>93.9%</td>
<td>35.1%</td>
<td>88.4%</td>
<td>138.6%</td>
<td>176.7%</td>
<td>TBD</td>
</tr>
<tr>
<td>% of Dividend Yield**</td>
<td>2.0%</td>
<td>4.5%</td>
<td>5.4%</td>
<td>1.9%</td>
<td>6.0%</td>
<td>3.2%</td>
<td>3.0%</td>
<td>TBD</td>
</tr>
</tbody>
</table>

* To be distributed in the following year
** End of prior year stock price
INDOCEMENT’S MASTER PLAN for reducing dust emission

SUSTAINABILITY PROJECTS

- Environmental requirements become more stringent and authorities compliance focus increases
- New regulation require continuous emission monitoring and mandatory online reporting by end 2020
- Majority of Indocement’s main process filters are electrostatic precipitators (ESP) which, compared with today’s industrial standards, is an older technology with higher particle emissions

P9 Dust Emission (mg/m³)
2015 = 55.0
2019 = 13.7

P10 Dust Emission (mg/m³)
2015 = 59.8
2019 = 12.8

P4 Dust Emission (mg/m³)
2015 = 32.8
2019 = 4.7

Master plan reducing dust emission by converting ESP to Fabric Bag house filters
PROJECT SUMMARY as of February 2020

- Land acquisition for overland conveyor completed
- Civil works progressing well
  - Crushing plant done
  - Partition wall on sales area in progress
- Secondary / Tertiary plant to be commissioned
  - 2 conveyors remaining to test
  - Screens tested, crusher motors tested, remaining hydraulics interlocking

Commercial Production expected by April 2020
TIGA RODA’S MORTAR

- Commercial Production by: March 2020
- Total Planned Production Volume: about 35 KT for first year production
- Targeted Market: Jakarta, Banten, and West Java Market
- Source of Raw Materials: Internal Sourcing from Citeureup Quarry & Plant including CaCO3

Project Rationale
- Huge gap between demand and production volume of instant cement.
- Instant cement will give a better performance sand cement mix compared to traditional mixing.
- High Quality materials available at plant, hence ITP can produce a premium quality mortar
- TR 10 Mortar Serbaguna (multi purpose), TR 15 Thinbed, and TR 20 (Plester Plus) as complement of existing HC TR 30 White Mortar
NEW BRANDED FEATURE OF TIGA RODA BRAND

A logo representing Semen Tiga Roda with three circles, describing the three main components forming one strong best quality and consistent cement formula that has been perfected through 45 years of experience and mastery:

1. Best materials making up the cement
2. Consistent cement composition
3. Produced with a highly integrated and green technology

Before

1 Apr 2020, starting with Greater Jakarta

After
Continuous efforts on reducing coal as primary source of energy
OUTLOOK 2020: ECONOMY

• Global uncertainty that will get negative effect toward our Cement Industry: US-China Trade Deal and COVID-19.

• Bank Indonesia has cut policy rate by 25bp after the last one 4 months ago & the first cut in 2020. The decision came after Indonesia's 4Q19 GDP growth missed BI’s expectation, and in view of *disruptions caused by the COVID-19 outbreak*.

• Finance Minister estimated that a drop of 1% to China’s GDP will drop Indonesia’s GDP of 0.3% to 0.6%

• Infrastructure spending is still on Indonesia Government’s PRIORITY for the next 5 years with the expectation of for private sector to play bigger role $\rightarrow$ plus: expected domino-effect in Property & Industrial Estate & Tourism area after Infrastructure installed

• 2020 budget will also focus on Human Capital Development: to prepare qualified human resource for Digital Economy & Industry 4.0 era, including vocational development to support growth in priority sectors
OUTLOOK OF INDONESIA CEMENT MARKET

FY2019 cement industry growth recorded at +0.6% and Year 2020 is deemed to be a busy year for our home market in Jabodetabek and West Java areas as constructions of various infrastructure projects continue, e.g. integrated transportation modes, stadiums, dams, and roads. However with the COVID-19 virus pandemic impact and fuel/coal’s significant drop, we revise our expected growth in 2020 become about 1 to 2% only.

Reduction of tax on high end housing and LTV relaxation including lower BI interest rate are expected to increase demand market for residential property.

Expectation for the new cabinet to provide breakthrough steps that opened up Indonesia’s economic opportunities to grow amid on-going trade tension and global slowdown.

ODOL Policy (Over Dimension & Over Loading) which will increase all cement players trucking cost significantly. The Government has started ODOL restriction for Tj Priok – Bandung toll road starting Monday 3rd April 2020 but agree to give exception for all other routes for Cement Trucking until end of Year 2023.

With over supply condition continues of +40mio ton, and additional of 2 new players in Year 2020, HongShi and Semen Grobogan, tight competition will remain and limited pricing competition especially in the East of Java is expected to happen in H2/2020.
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