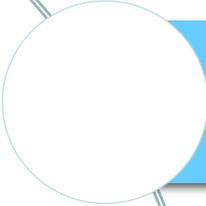




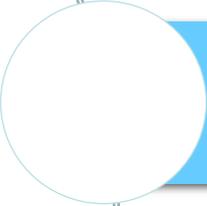
INDOCEMENT
HEIDELBERGCEMENT Group

PT Indocement Tunggal Prakarsa Tbk H1 2018 Results

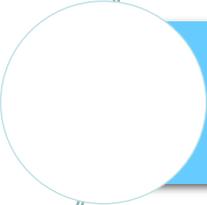




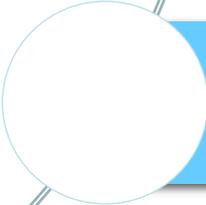
Indocement : a well positioned player



Market & Financial Update



Vision 2020 – Strategies & Outlook



Final Message

Indocement: a well positioned player

Favorable regional exposure

- Presence in strongly growing markets West and Central Java
- Strong RMC position in Jakarta with pull-through on CEM

Innovative ways to maintain cost efficiency

- Innovative ways to maintain competitive cash cost, while still maintaining high product quality, environmental, social, and governance
- Absence of interest costs further enhances our competitiveness

Best access to market

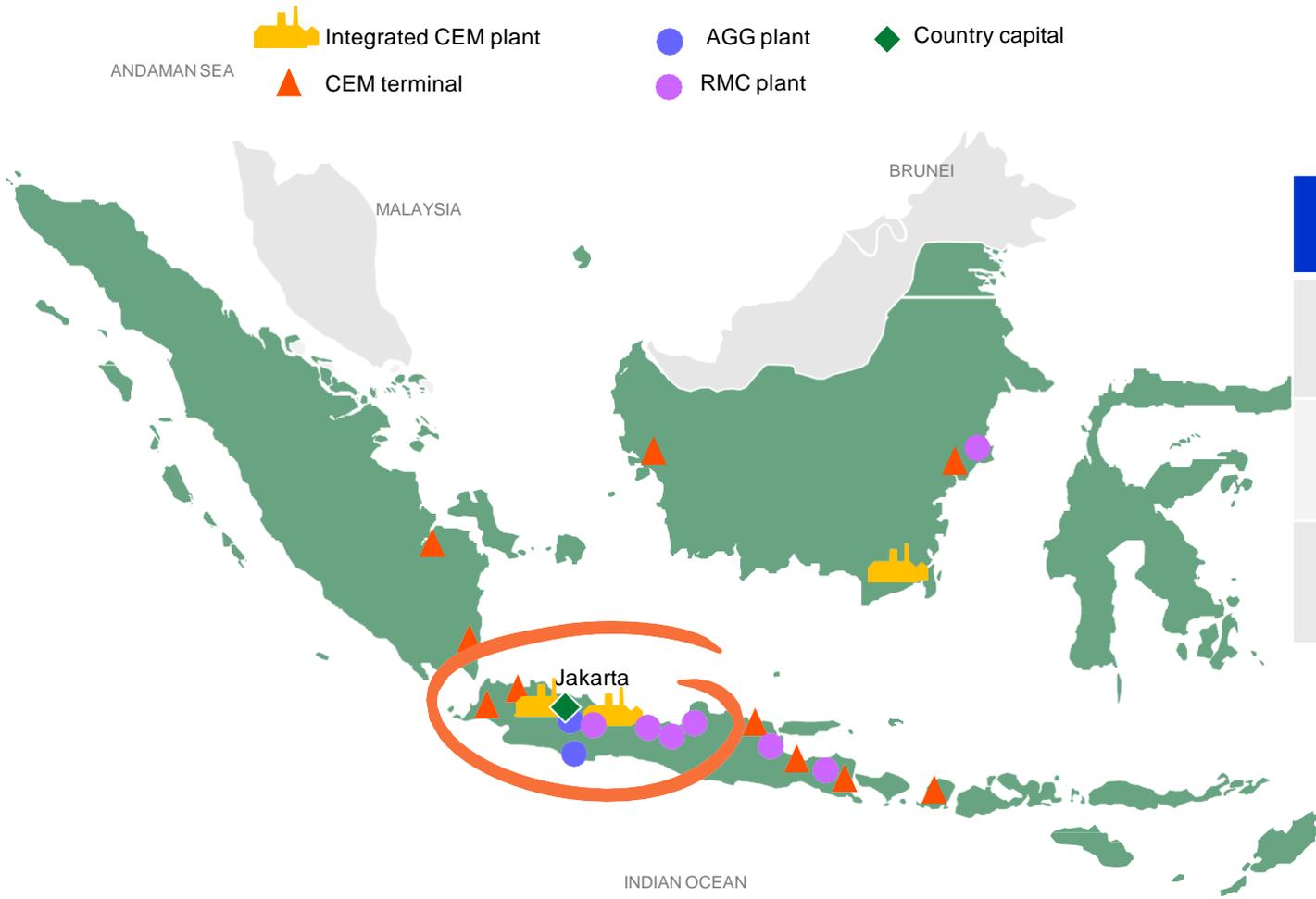
- Strong distributors' network and strategic terminals location, in addition to our Plant proximity to home market area
- Tiga Roda awarded Best Brand for 11th consecutive year

Further potential from market upswing

- Supply-demand gap set to reduce
- Multiplier effect to private sectors after massive infrastructure built
- Favorable macroeconomic drivers population: growth & urbanization
- Consolidation imminent: smaller players operating at cash losses

Strong position with further upside potential

Strong footprint in West Java as a key advantage



Asset base
25 mt CEM capacity
2.8 mt AGG capacity
43 RMC plants

West Java is one of the fastest growing part of the country

Strategic location of plants & terminals

13 CEM
plants

8 CEM
terminals

2 AGG
plants

39 RMC
plants

18
distributors

172
warehouses

Market position	Trends & potential	Strategy & focus
<ul style="list-style-type: none"> ➤ 50% market share in West Java and 40% in Jakarta. ➤ Strong RMC presence in Jakarta with pull-through effect on cement. ➤ Strategically-placed warehouses in all main areas of Jakarta. ➤ Well-known premium “Tiga Roda” brand. 	<ul style="list-style-type: none"> ➤ Huge infra projects in West Java, such as Jakarta-Cikampek & Bogor-Ciawi toll road, LRT, MTR and Kertajati airport. ➤ Increased demand for better quality housing in the capital region driving cement consumption per capita. 	<ul style="list-style-type: none"> ➤ Defending market share in home market by dual-brand strategy, marketing initiatives and increasing the RMC footprint. ➤ Being a reliable partner for infrastructure providing quality bulk cement & concrete. ➤ Increasing AGG presence to benefit from vertical integration.

Close location to the strongest growing markets of West Java & Jakarta

Brand is a very important marketing tool in Indonesia

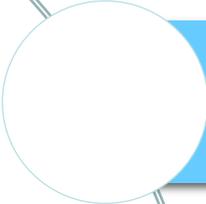
Our premium brand	Perception	Award
	<ul style="list-style-type: none"> • “Tiga Roda” brand is perceived to have best quality & service in the country. • “Top Brand” since eleven years. • In 2017, we won in the three categories: cement, white cement and mortars. 	

Results of the Top Brand survey 2017

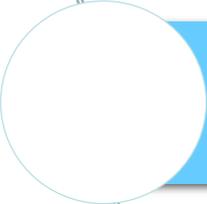
Cement		White cement		Mortar	
Brand	Votes	Brand	Votes	Brand	Votes
Tiga Roda	53%	Tiga Roda	38%	Tiga Roda	35%
Semen Gresik	15%	Semen Gresik	17%	Mortar Utama	27%
Tonasa	13%	Mortar Utama	17%	Holcim	19%

“Tiga Roda” is the strongest brand in Indonesia

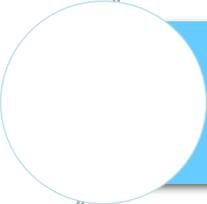
Agenda



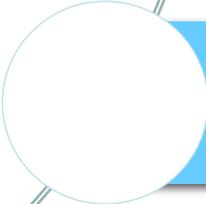
Indocement : a well positioned player



Market & Financial Update

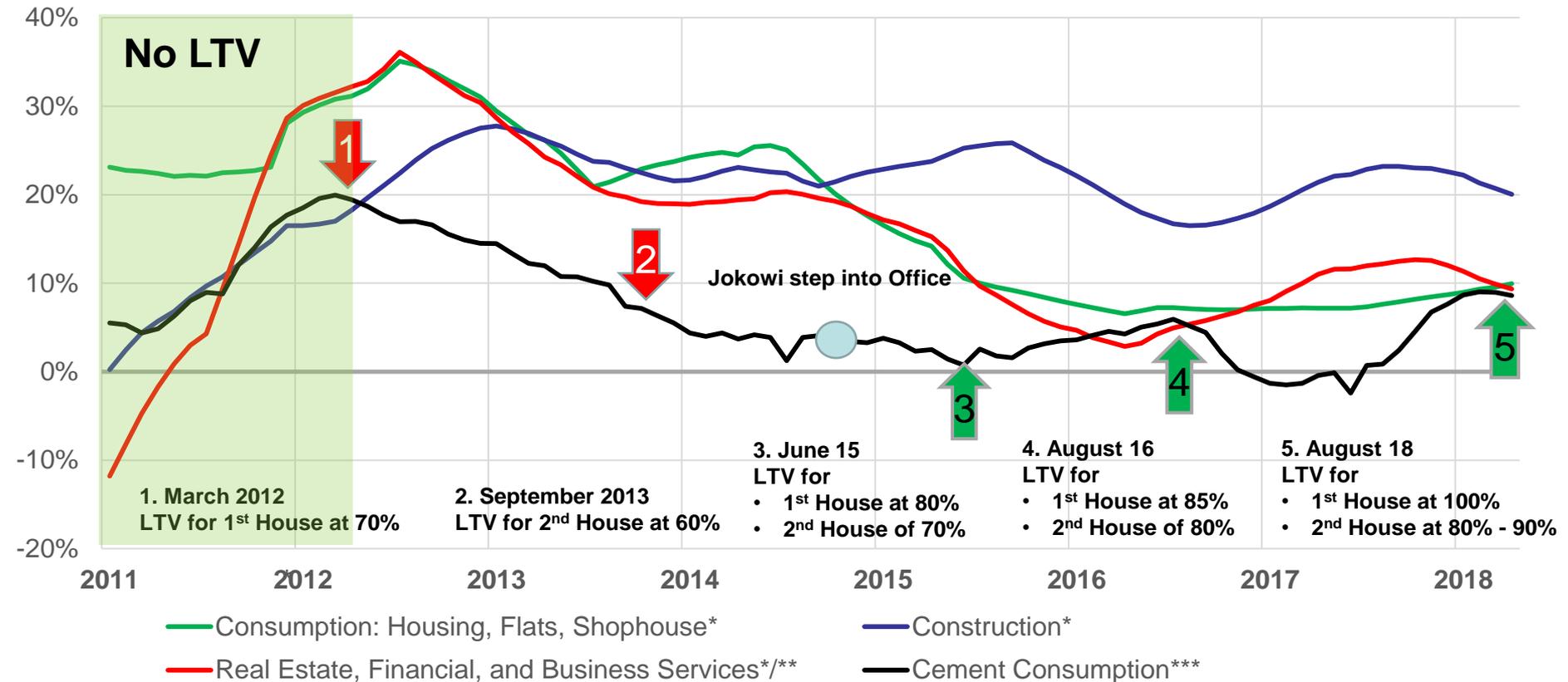


Vision 2020 – Strategies & Outlook



Final Message

New LTV Relaxation Regulation to Boost Property Sector



* Growth of average 12 month balance

** June 2017 up to 2018 using recalculated figures – changes method in Central Bank

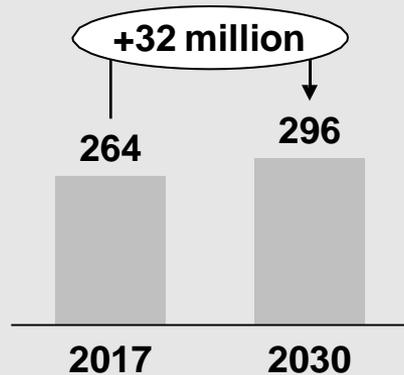
*** 12 month rolling growth

Source: Bank of Indonesia, Indonesia Cement Association

- Loan To Value introduction in 2012 successfully cool off the massive credit growth
- Easing of LTV regulation in 2015 and 2016 were not successful to stimulate credit growth as economic growth still stagnant amid low consumption and investment
- Jokowi focus on infrastructure spending helped drive construction sector and lead to recovery in cement demand particularly bulk sales. Slower property sector towards the end of 2016 were related to scrutiny by tax authority, which was resolved via tax amnesty in 2017.

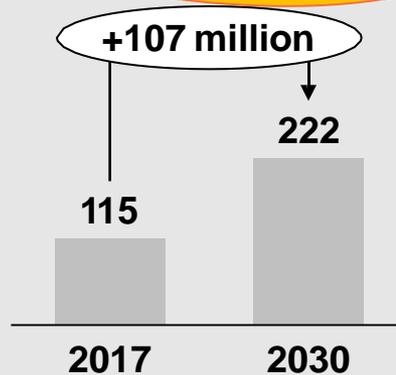
Indonesia – Favorable macroeconomic environment

Strong population growth



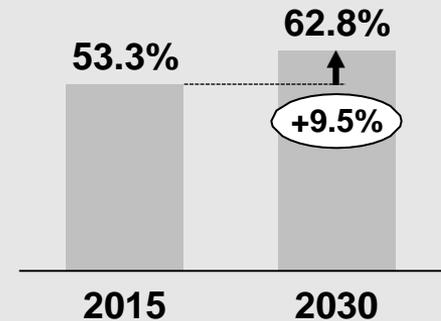
One of the fastest growing countries globally

Key: growing middle class



Middle class will have doubled by 2030

Upward trend in urbanization

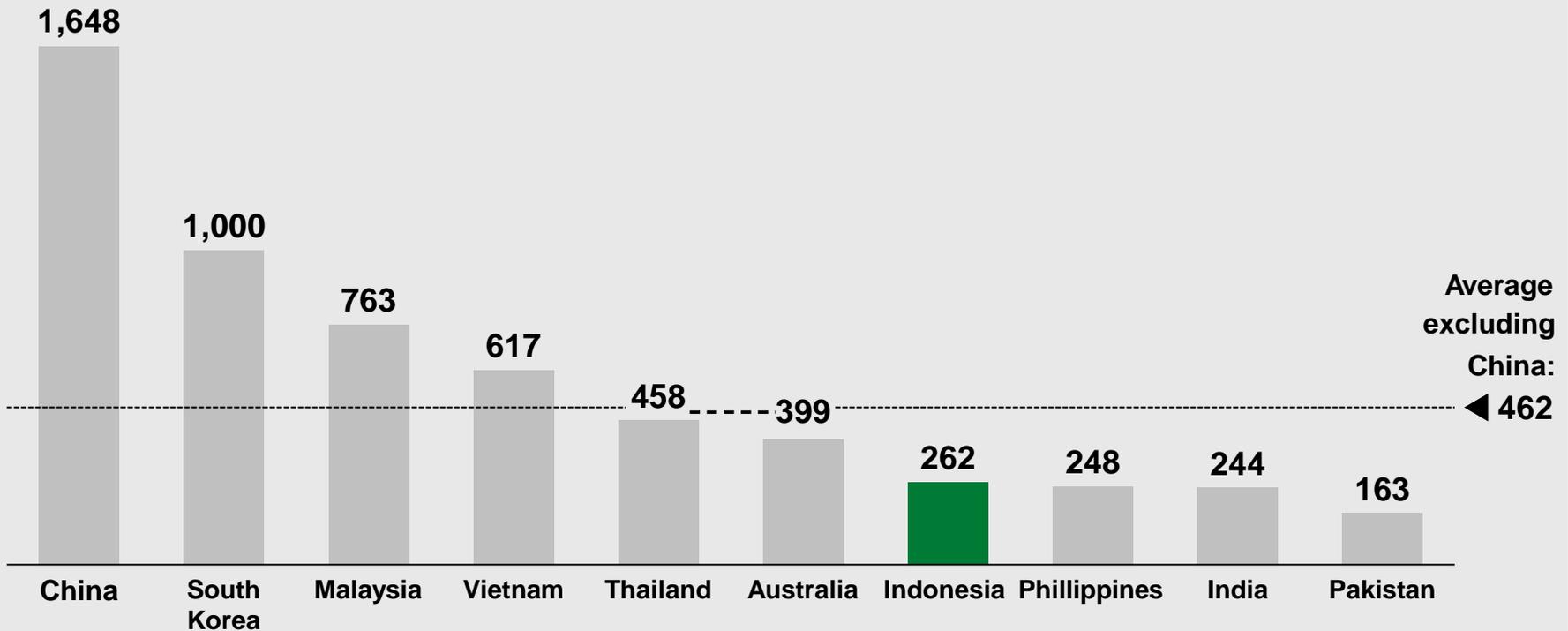


By 2050 almost 75% of the population will live in urban centers

Significant long-term growth potential

Long-term potential of Indonesia is clearly visible

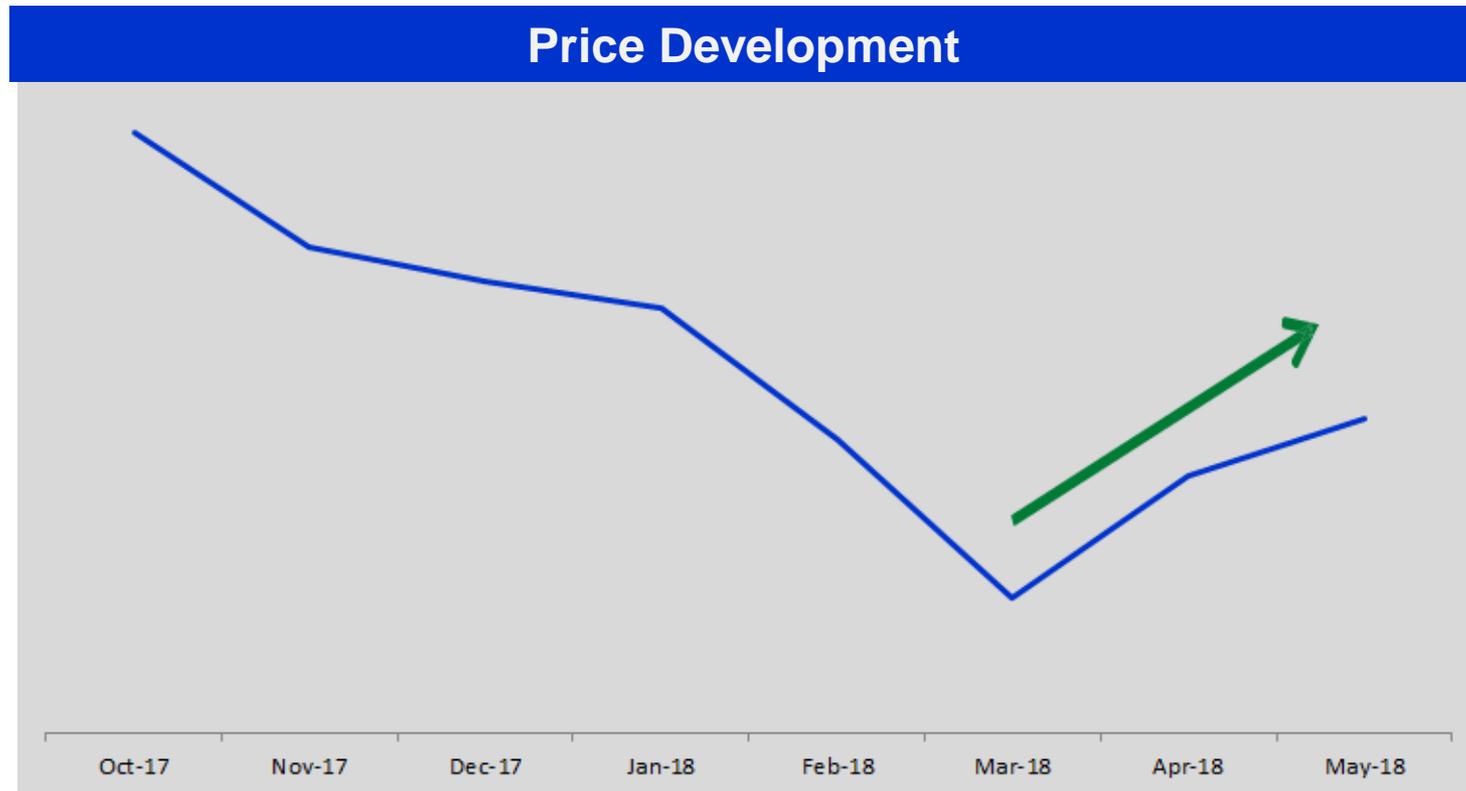
Cement consumption tons per capita in kg



Significant headroom for growth

Recent years were challenging but the worst is left behind

New entrants adopted low-pricing policies to gain market share which put pressure on pricing in the recent years.



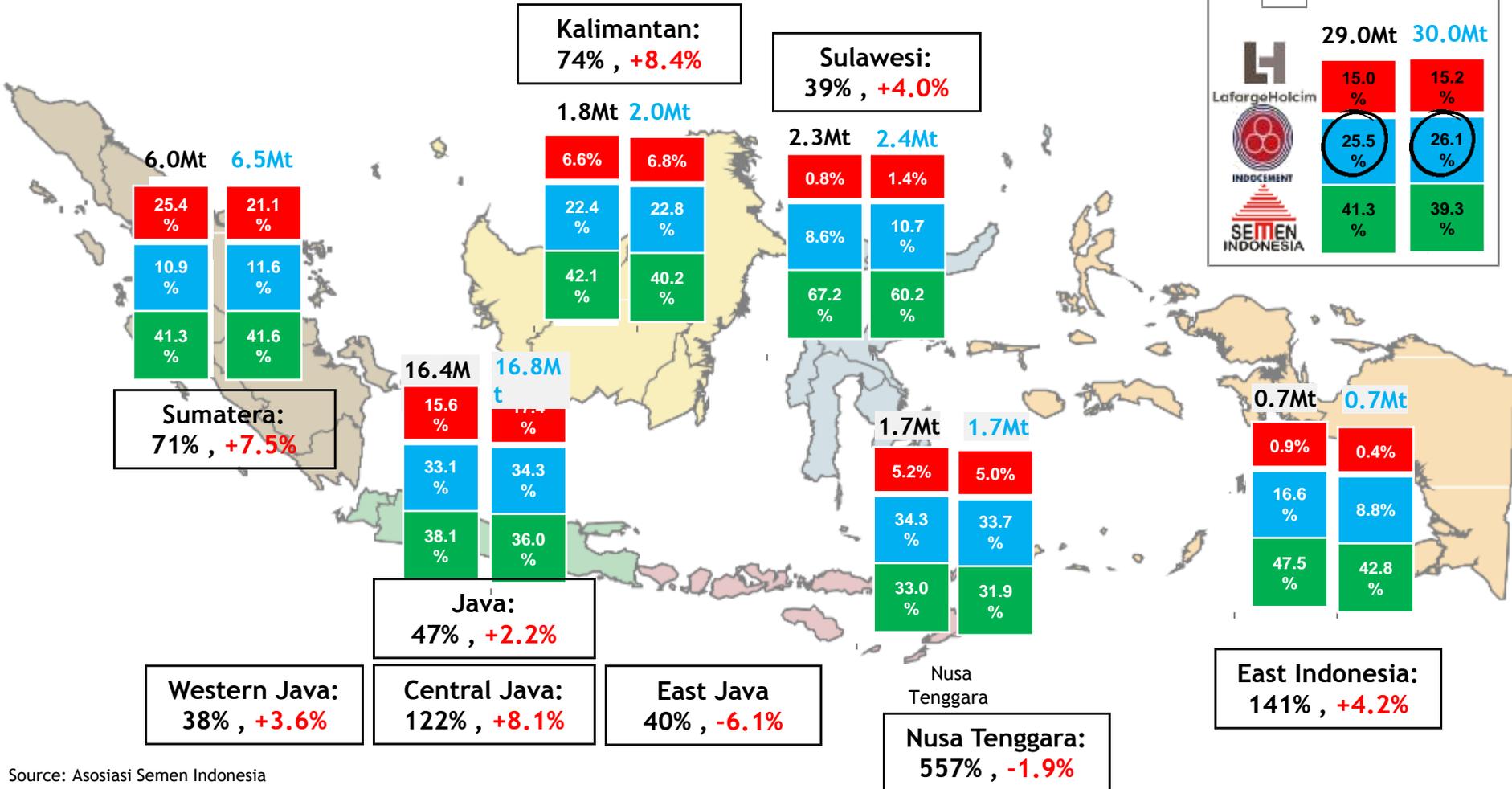
Our dual-brand strategy has successfully stopped a falling trend in pricing.

Regional Shift of Demand:

Better Growth Outlook in Central Java and Sumatera

Market shares based on cement domestic sales (Q2 2017, Q2 2018)

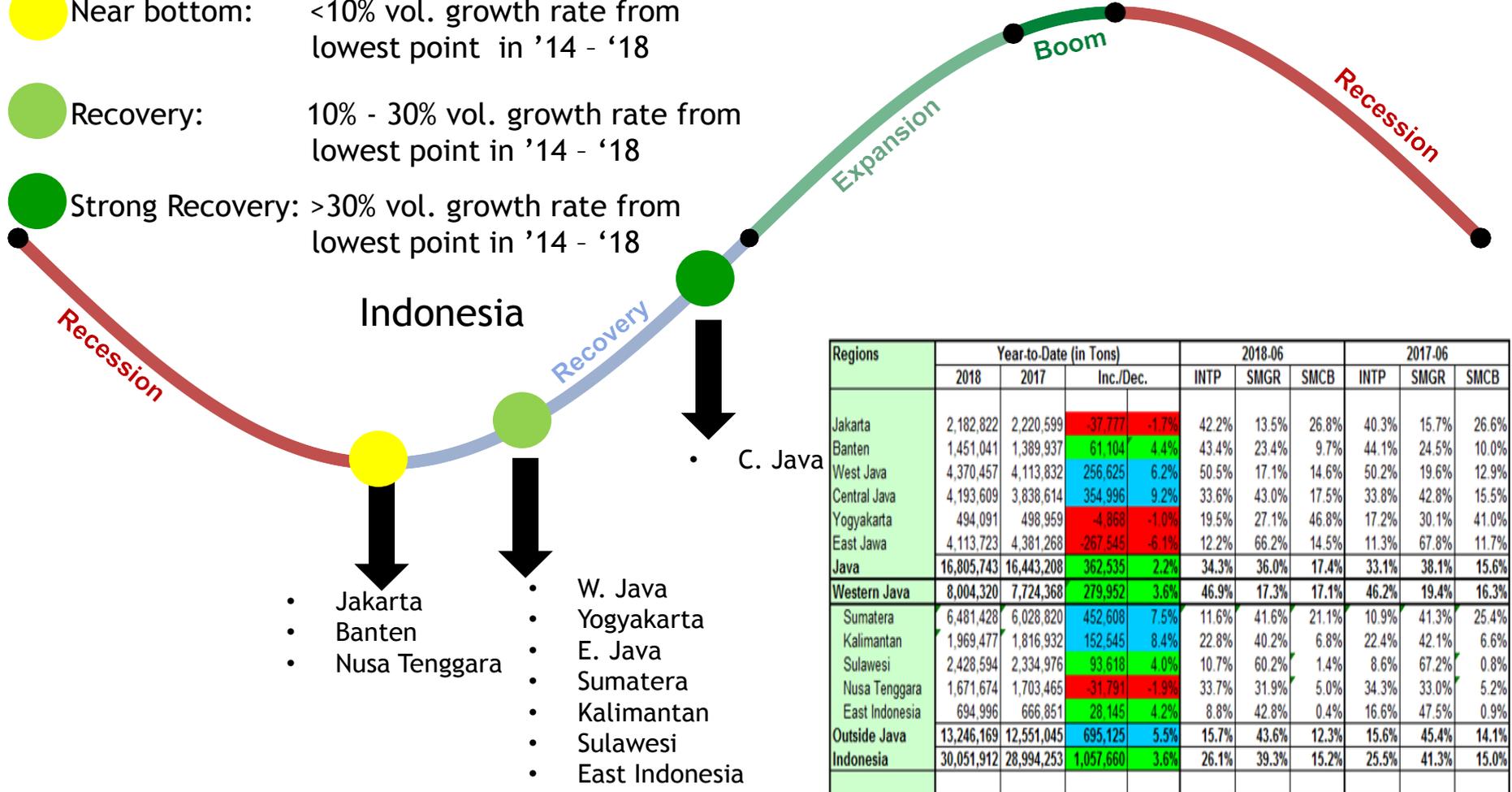
Data in Box: Utilization Rate and Growth Rates YoY per area for Q2 2018



Source: Asosiasi Semen Indonesia

Solid footing to capitalize on demand recovery in key markets

- Near bottom: <10% vol. growth rate from lowest point in '14 - '18
- Recovery: 10% - 30% vol. growth rate from lowest point in '14 - '18
- Strong Recovery: >30% vol. growth rate from lowest point in '14 - '18



Regions	Year-to-Date (in Tons)			2018.06			2017.06		
	2018	2017	Inc./Dec.	INTP	SMGR	SMCB	INTP	SMGR	SMCB
Jakarta	2,182,822	2,220,599	-37,777 -1.7%	42.2%	13.5%	26.8%	40.3%	15.7%	26.6%
Banten	1,451,041	1,389,937	61,104 4.4%	43.4%	23.4%	9.7%	44.1%	24.5%	10.0%
West Java	4,370,457	4,113,832	256,625 6.2%	50.5%	17.1%	14.6%	50.2%	19.6%	12.9%
Central Java	4,193,609	3,838,614	354,996 9.2%	33.6%	43.0%	17.5%	33.8%	42.8%	15.5%
Yogyakarta	494,091	498,959	-4,868 -1.0%	19.5%	27.1%	46.8%	17.2%	30.1%	41.0%
East Java	4,113,723	4,381,268	-267,545 -6.1%	12.2%	66.2%	14.5%	11.3%	67.8%	11.7%
Java	16,805,743	16,443,208	362,535 2.2%	34.3%	36.0%	17.4%	33.1%	38.1%	15.6%
Western Java	8,004,320	7,724,368	279,952 3.6%	46.9%	17.3%	17.1%	46.2%	19.4%	16.3%
Sumatera	6,481,428	6,028,820	452,608 7.5%	11.6%	41.6%	21.1%	10.9%	41.3%	25.4%
Kalimantan	1,969,477	1,816,932	152,545 8.4%	22.8%	40.2%	6.8%	22.4%	42.1%	6.6%
Sulawesi	2,428,594	2,334,976	93,618 4.0%	10.7%	60.2%	1.4%	8.6%	67.2%	0.8%
Nusa Tenggara	1,671,674	1,703,465	-31,791 -1.9%	33.7%	31.9%	5.0%	34.3%	33.0%	5.2%
East Indonesia	694,996	666,851	28,145 4.2%	8.8%	42.8%	0.4%	16.6%	47.5%	0.9%
Outside Java	13,246,169	12,551,045	695,125 5.5%	15.7%	43.6%	12.3%	15.6%	45.4%	14.1%
Indonesia	30,051,912	28,994,253	1,057,660 3.6%	26.1%	39.3%	15.2%	25.5%	41.3%	15.0%

Significant future potential as key markets are nearing bottom and enter recovery phase

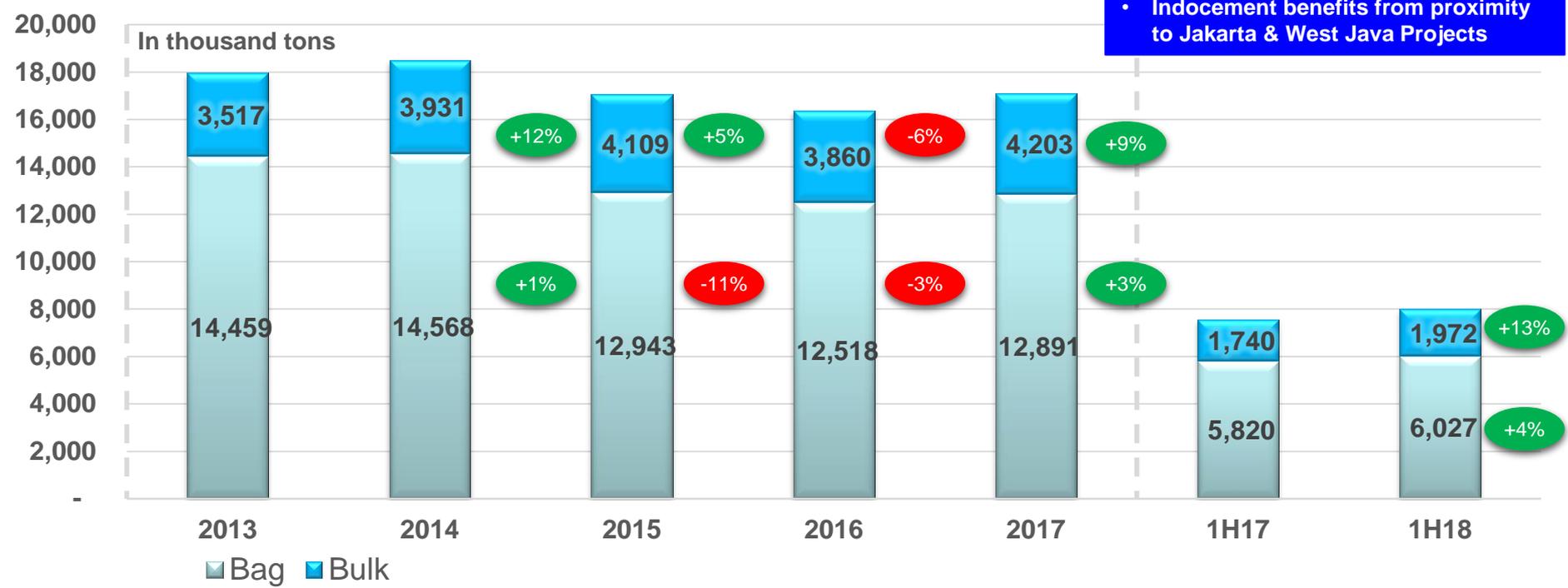
Source: Indonesia Cement Association

Indocement's Strategies under Current Tight Competition:

More bulk sales focus - as Jakarta & West Java Projects started

Bag/Bulk sales composition

- High bulk volume in Jakarta
- Indocement benefits from proximity to Jakarta & West Java Projects

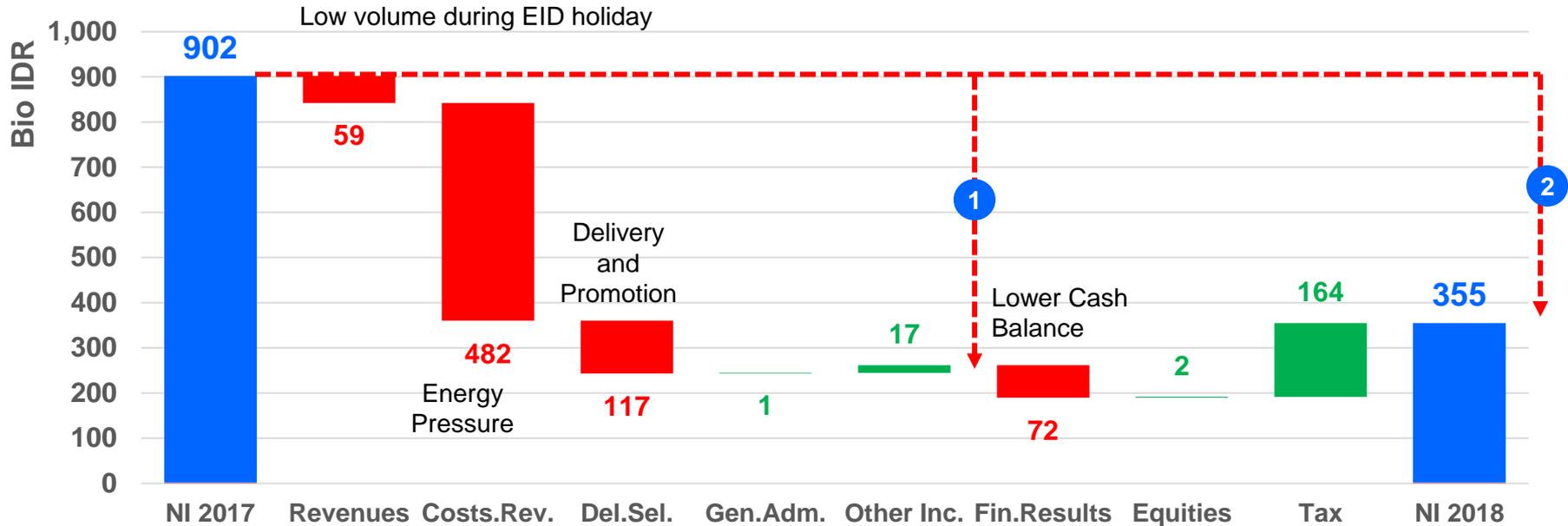


- Recovery of bag sales pointing to higher growth in the H2 2018
- Portion of bulk sales increased in H1 2018
- Composition of bag vs bulk sales in H1 2018 is 75% vs. 25%
- Indocement positions itself as a reliable partner for infrastructure projects providing quality bulk cement and concrete at timely delivery

Consolidated Statement of Comprehensive Income

Description	H1 2018 Bio IDR	H1 2017 Bio IDR	Variance	
			Bio IDR	%
Total Sales Volume	8,347	7,932	415	5.2%
Domestic	8,318	7,829	489	6.2%
Export	29	103	-74	-71.9%
Net Revenues	6,484.4	6,543.7	-59.3	-0.9%
Gross Profit	1,699.6	2,241.2	-541.7	-24.2%
<i>% of Net Revenues</i>	26.2%	34.2%		
Operating Income	254.7	894.6	-639.9	-71.5%
<i>% of Net Revenues</i>	3.9%	13.7%		
EBITDA	876.1	1,438.8	-562.7	-39.1%
<i>% of Net Revenues</i>	13.5%	22.0%		
Income before Final Tax and Income Tax Expense	426.4	1,136.8	-710.4	-62.5%
Net Income for the Period	355.1	901.8	-546.7	-60.6%
Other Comprehensive Income for the Period, Net of Tax	1.6	0.7	0.9	-133.7%
Total Comprehensive Income for the Period	356.7	902.5	-545.8	-60.5%

- EBITDA margin reduction from 22.0% to 13.5% contributed by
 - Lower sales volume during EID holiday due to truck ban that causes effective day to be 1 week lower than last year
 - higher cost of production amidst soaring coal prices,
 - higher delivery expenses related to Tarjun plant overhaul prompting delivery to Eastern Indonesia from Citeureup

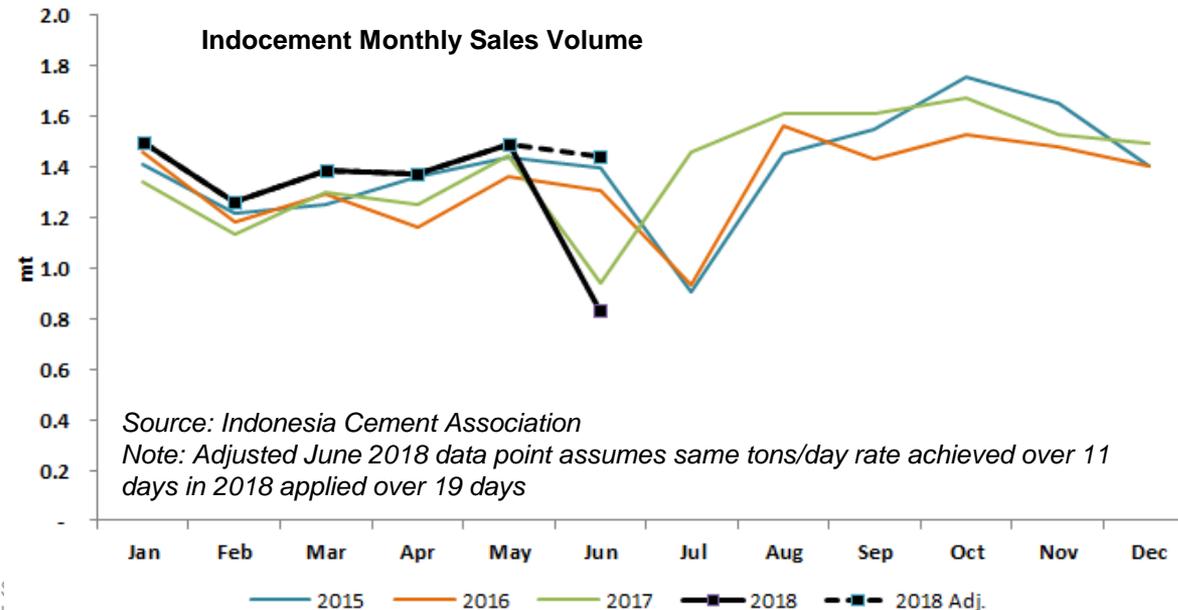
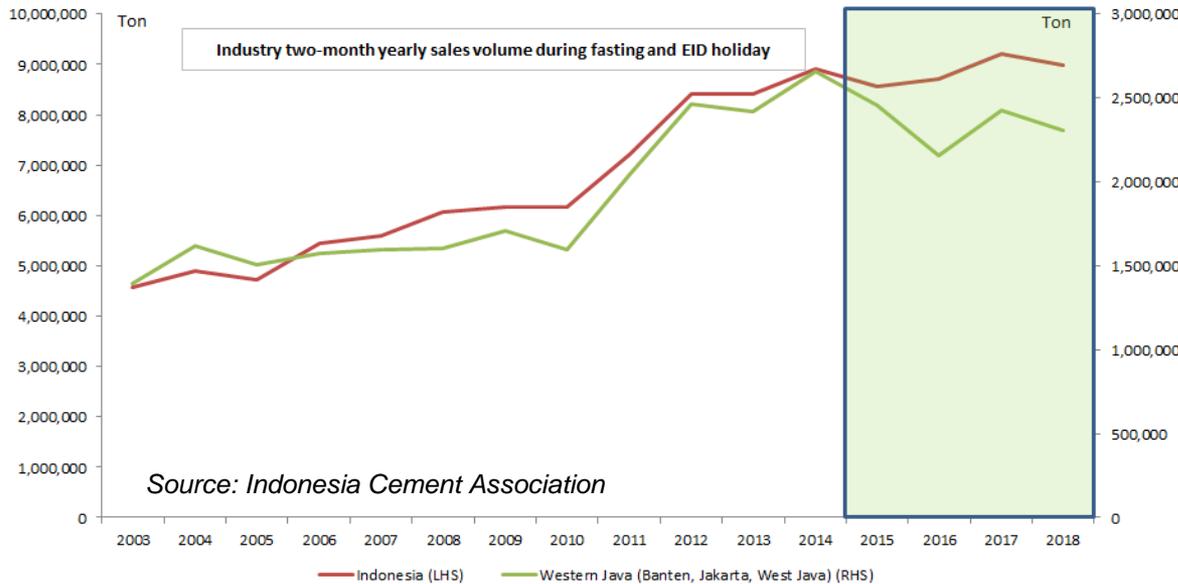


Indocement's Strategies under Current Tight Competition: Vertical Integration in Ready-Mix Concrete & Aggregates

Strengthening Ready-Mix Concrete business particularly high-grade quality in order to meet the increase demand of infrastructure development in Indonesia.



Impact of truck ban and road closure to cement sales particularly severe in Western Java region



- Industry sales volume during Ramadhan and Lebaran in Western Java has fared worse compared to nationwide sales volume during same time period in the past four years due to truck ban and road closure
- Truck ban and road closure has limit Indocement shipment to Central Java and given the Company concentrated presence in Western Java, the regulation hurts Indocement most
- Indocement sales volume remain robust as indicated by adjusted June 2018 sales volume.

Balance Sheet

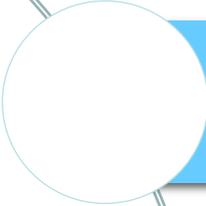
Description	Jun 30, 2018 Bio IDR	Dec 31, 2017 Bio IDR	Variance	
			Bio IDR	%
Current Assets	10,721.3	12,883.1	-2,161.8	-16.8%
Non-Current Assets	15,739.9	15,980.6	-240.7	-1.5%
Current Liabilities	3,321.0	3,479.0	-158.0	-4.5%
Non-Current Liabilities	803.9	828.1	-24.3	-2.9%
Equity	22,336.3	24,556.5	-2,220.2	-9.0%
Total Assets = Total Liabilities + Equity	26,461.2	28,863.7	-2,402.5	-8.3%

- Cash and cash equivalents at IDR 5.5 trn.
- Capital expenditures for H1 2018 was IDR 282.3 bio.
- Dividend Payment history:

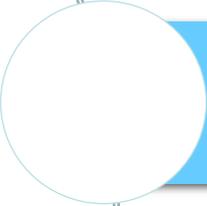
<i>in Bio IDR</i>	2012	2013	2014	2015	2016	2017
EBITDA	6,650	6,874	6,853	6,011	4,649	3,065
Net Income	4,763	5,218	5,154	4,259	3,800	1,838
Capex	1,063	2,200	3,865	2,644	1,839	1,547
Dividend*	1,657	3,313	4,970	1,528	3,420	2,577
% Div. Payout	34.8%	66.1%	94.3%	35.1%	88.4%	138.6%

**To be distributed in the following fiscal year*

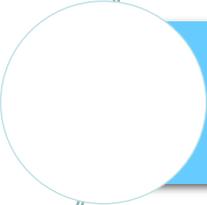
Agenda



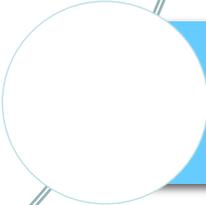
Indocement : a well positioned player



Market & Financial Update



Vision 2020 – Strategies & Outlook



Final Message

Vision 2020 – To be the prominent cement producer in Indonesia

❖ Highest operating margin in the industry

- Turn around in selling price
- Cost leadership

❖ Highest customer satisfaction & increase market share

- “Sales is a Science” program to increase our sales and create customer value
- “Customers’ Choice” due to quality and on-time delivery services
- “Dual-brand strategy” to keep high market share in home market in Java

❖ Stronger vertical integration

- Expanded aggregates position
- Strong RMC business in Java with a significant pull-through in cement

❖ Digitalized supply chain

- Enhance end-to-end supply chain to optimize logistic & distribution cost

❖ Generate higher cash flow

- Shared service center covers all business lines to enhance working capital management

Keep position as “Strong & Trusted” products with the prominent quality and services

Clear drivers of future growth



Potential market consolidation as an additional upside

Newcomers operate at cash losses

Unfavorable cost structure due lower capacity and inferior equipment

Interest to be paid on debt-financed investment

Weak pricing & energy cost inflation



No sustainable business model

Consolidation seems to be imminent

Newcomers actively look for buyers for their assets

Consolidation will clearly improve the pricing in the market

We cautiously check the possible options in the market



We will participate the consolidation only if there is a clear value creation, limited operational risks and a reasonable price

Newcomers under cash pressure as market turned down since they commissioned new capacities

New Terminal Lampung - Progress June 2018

50 % (Civil & Mechanical)

- ✓ Located in Katibung, South Lampung
- ✓ Coverage area : Lampung
- ✓ 3 steel silos cement @ 4,000 ton (total cap. 12,000 ton)
- ✓ 1 Packers 180 ton/hour
- ✓ 1 Line of bulk loading system
- ✓ 1 Truck scale cap. 100 ton
- ✓ 1 Warehouse 1,000 M2
- ✓ Area 4.2 Ha
- ✓ 1 Jetty Port
- ✓ **Commissioning Target: mid of August - 2018**
- ✓ **Operating Target: September - 2018**



Lifting and installation of silo



Silo fabrication in progress



Jetty is finished

Dawuan Land Silo- Progress June 2018

- ✓ Located in Puspanegara village, Karawang – West Java
- ✓ Coverage area : Karawang & vicinity
- ✓ 2 steel silos cement @ 500 ton (total cap. 1,000 ton)
- ✓ 1 Line of bulk loading system
- ✓ 1 Truck scale cap. 80 ton
- ✓ Area 500 M²
- ✓ **Commissioning Target: beginning of August - 2018**
- ✓ **Operating Target: mid of August - 2018**

Building Permit process

60% (Civil & Mechanical)



Slag Cement Concrete f_c' 35 – At Lampung Jetty

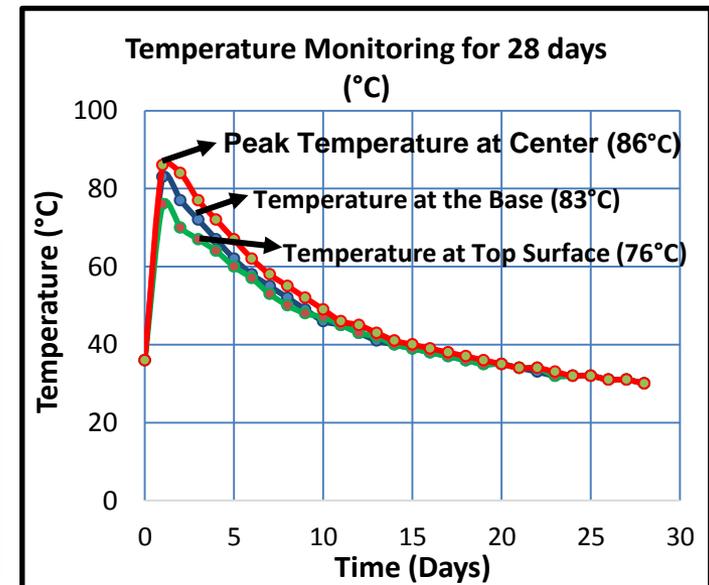
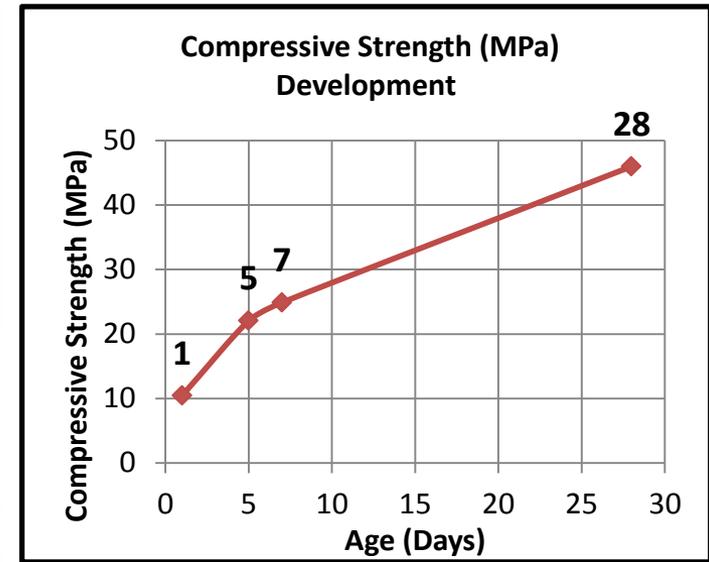
Mix Design		Time	13:30	14:30	15:30
Slag Cement General Type	539 kg / m ³	Minutes	0'	30'	60'
		Slump (cm)	16	15	15
		Temperature (°C)	30	30	32
Silica Fume	20 kg / m ³	Initial Setting Time	9 hours 30 minutes		



Mock-up Block for Thermal Properties
(1.5x1.5x1.5m)

No	Cementitious	Peak Temperature (°C)	Placement Temperature (°C)	Heat of Hydration (°C)	Heat of Hydration / 100 kg Cementitious (°C)
1	Slag Cement + Silica Fume 539 S.C. + 20 S.F.	86	30	56	10.02
2	100% Slag Cement 539	83.2	30	53.2	9.87

Estimated Heat of Hydration



Outlook of Indonesian Cement Market



National cement consumption growth started **to turn positive and grew by 7.6% in 2017** (versus negative growth of -0.6% in 2016) and expected to grow by 7-8% in 2018



Consumption in 2018 will still be driven by infrastructure projects and some of commercial and residential projects that have been launched in 2017. However, US policies to increase interest rate and reduce corporate tax will somewhat affect Indonesia, i.e.: weakening exchange rate of IDR/USD and possible IDR interest rate increase. In turn, such macroeconomic condition will weaken demand in 2018



Strong concrete and bulk cement demand anticipated in Sumatera, Greater Jakarta, Central, and East Java in 2018 due to **Government's infrastructure projects and the multiplier effect projects.**

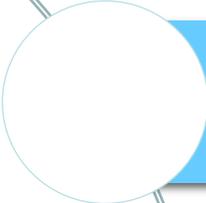


Coal price remained at elevated level.

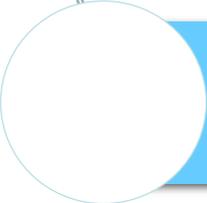


Over supply will continue in next few years -- We still expect the continuing tight competition among 19 brands from 15 players (from 9 brands and 9 players previously) especially in Jakarta and West Java due to more players located in these areas will hinder the price to increase.

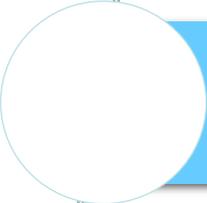
Agenda



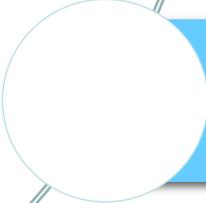
Indocement : a well positioned player



Market & Financial Update



Vision 2020 – Strategies & Outlook



Final Message

Indocement: a well positioned player

Favorable regional exposure

- Presence in strongly growing markets West and Central Java
- Strong RMC position in Jakarta with pull-through on CEM

Innovative ways to maintain cost efficiency

- Innovative ways to maintain competitive cash cost, while still maintaining high product quality, environmental, social, and governance
- Absence of interest costs further enhances our competitiveness

Best access to market

- Strong distributors' network and strategic terminals location, in addition to our Plant proximity to home market area
- Tiga Roda awarded Best Brand for 11th consecutive year

Further potential from market upswing

- Supply-demand gap set to reduce
- Multiplier effect to private sectors after massive infrastructure built
- Favorable macroeconomic drivers population: growth & urbanization
- Consolidation imminent: smaller players operating at cash losses

Strong position with further upside potential

Important Notice

Disclaimer

This presentation contains general information which provided without any representations or warranties, express or implied and does not constitute or form part of, and is not made in connection with, any offer for sale or subscription of or solicitation, recommendation, or invitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract, commitment, or investment decision whatsoever.

Terms of Use

Slides prepared in this presentation are strictly confidential and have been prepared as a support for verbal discussions only. The information contained in this presentation is being presented to you solely for your information and may not be reproduced or redistributed to any other person, in whole or in part. You acknowledge that, because of the limited nature of communication through our presentation features, any assistance you may receive using any such features is likely to be incomplete and may even be misleading.

Forward-Looking Statements

This presentation includes forward-looking statements, which are based on the expectation or forecast about future events, formed by Indocement after reviewing existing data and research. Such statements involve known and unknown risks including factors such as: (i) Global macroeconomic and geopolitical situations; (ii) Indonesia macroeconomic and geopolitical situation; (iii) Competition from incumbents and new players; (iii) Changes in laws, regulation, taxation, or accounting standards or practices; (iv) Acquisitions, divestitures, and various business opportunities that we may pursue; (v) Force majeure; (vi) Labor unrest or other similar situations; (vii) Outcome of pending or threatened litigation

Indocement does not give assurance that such outcome will be attained. If you have any specific questions about any legal, financial or tax matter, you should consult your lawyer/financial/tax Consultant or other professional legal services provider.

For further information please contact

PT Indocement Tunggal Prakarsa Tbk.

Wisma Indocemen, 8th Floor

Jl. Jend. Sudirman Kav 70 - 71

Jakarta 12910, Indonesia

Phone : +62 21 2512121

e-mail: investor.relations@indocement.co.id.

©2018, PT Indocement Tunggal Prakarsa Tbk. All rights reserved.