

PUBLIC EXPOSE

PT INDOCEMENT TUNGGAL PRAKARSA Tbk.

30 March 2023



Key Message



■ Key indicator:

- For FY2022, Indocement recorded domestic cement sales volume at 17.280k ton (-1.6% YoY) and export at 306k ton (-23.8% YoY)
- Net Revenues for 2022 grew +10.5% from IDR 14,771.9bio to IDR 16,328.3bio. Three times price increase in 2022 (March, June, September) boosted net revenues despite overall total sales volume of -2.1%
- High energy cost mostly from spike in coal price causing composition of energy cost 52% from total manufacturing costs vs. 2021 of 49% and 2020 of 42%. However, energy cost improved in H2 2022 due to ability in acquiring DMO coal about 60% of total H2 coal requirement
- EBITDA margin was at 21.2% in 2022 vs. 22.5% in 2021. Profit for 2022 was at IDR 1,842.4bio or higher +3.0%
- In August 2022, PLN started to supply electricity (50Mw) to our Tarjun plant replacing the coal fired-power plant
- Lease agreement with Bosowa for Banyuwangi grinding plant for 5 years in March 2022 then for Maros operation and all other Bosowa terminals for 3 years in September 2022
- Shares buyback program ended in December 2022, collected IDR 2.73tr or 6.8% of total shares

■ Sustainability target is on track:

- Alternative fuel consumption rate for was 18.1 in 2022 % vs 12.2% in 2021
- Average dust emission was at 13.8 mg/m³ in 2022 vs. 21.9 mg/m³ in 2021
- CO² emission (Scope 1 - Gross) was at 587 kg CO²/t cement equivalent in line with our goal to reach 575 kg CO²/t cement equivalent in 2025. For Scope 1 - NET, it was 558 kg CO²/t cement equivalent (further detail in later slide)

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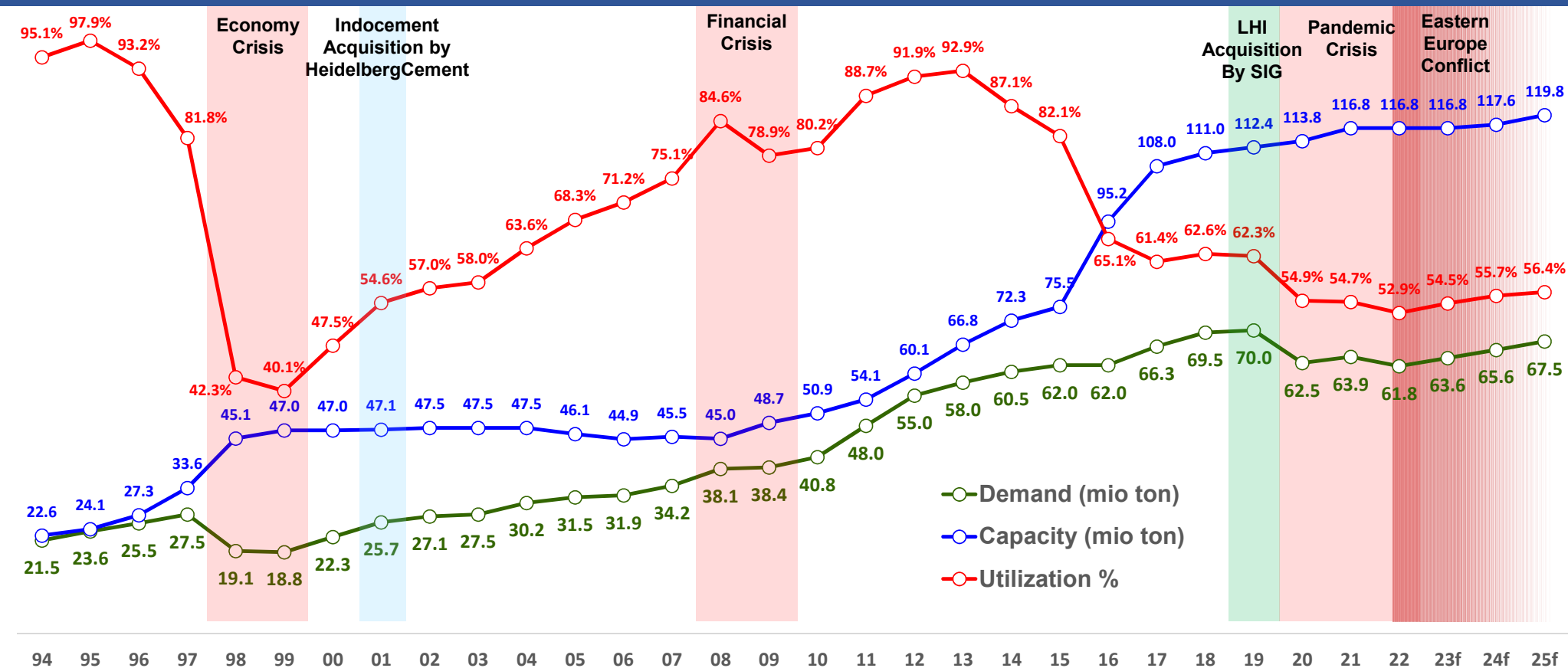
HRGA – Good Works - Awarding



Cement Market Evolution



Market weakened -3.4% for FY2022

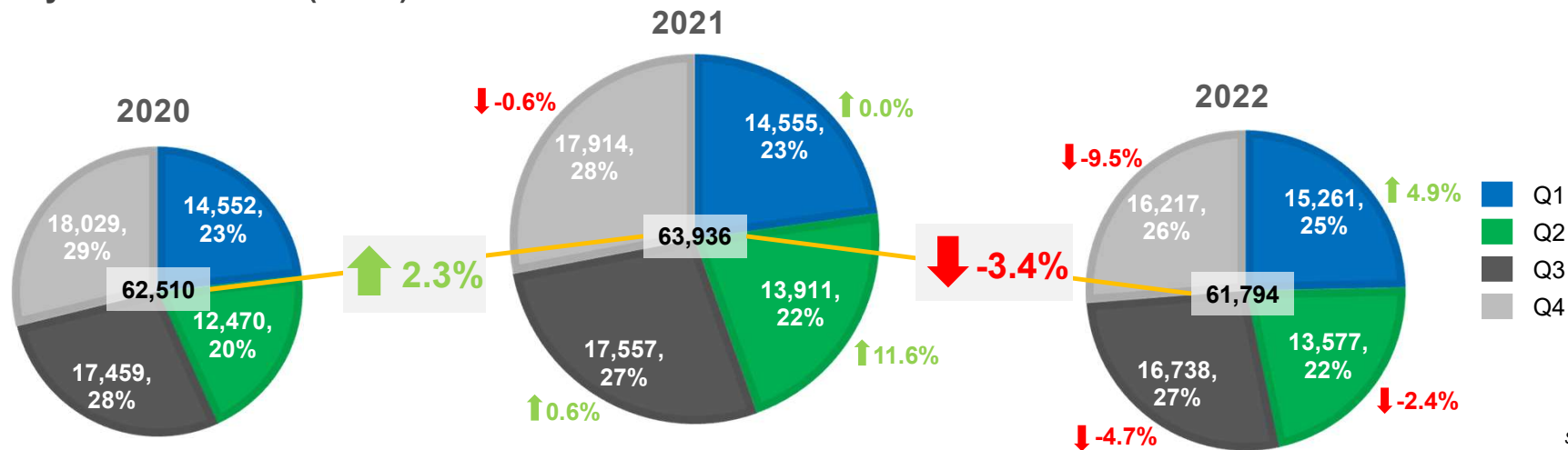


Source: Ministry of Industry with Internal Indocement Projection
The capacity data could be revised based on industry update

CAGR	'07A-10A	'10A-13A	'13A-16A	'16A-19A	'19A-22A	'22A-25F
Demand	+6.1%	+12.5%	+2.2%	+4.2%	-4.1%	+3.0%
Capacity	+3.8%	+9.5%	+12.5%	+5.7%	+1.3%	+0.8%

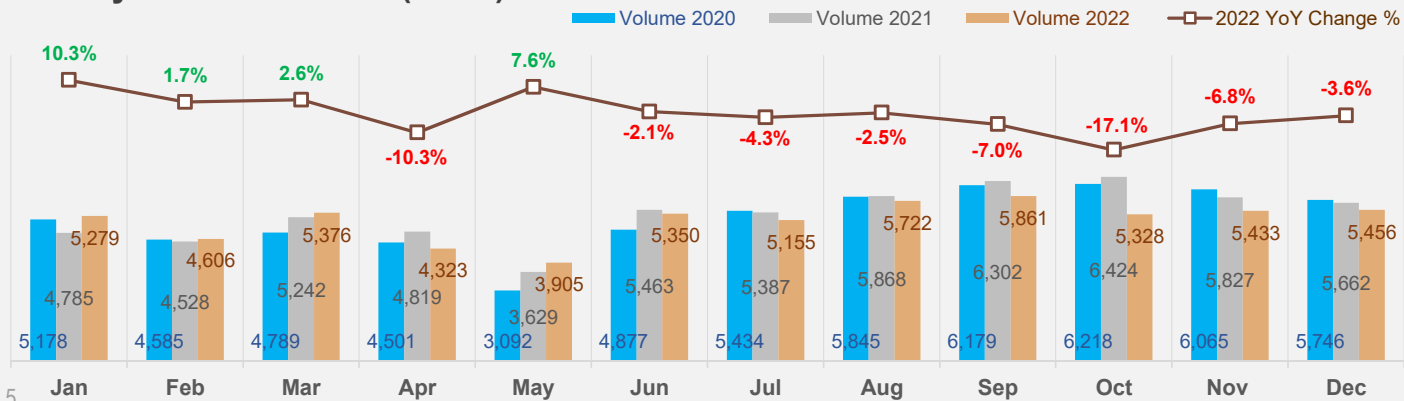
Cement Volume Development

Quarterly Market Volume (K ton)



Source: Ministry of Industry

Monthly Market Volume (k ton)

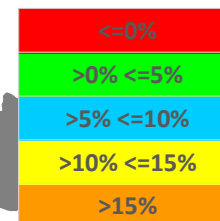


2022 H1 28,839	+14%	2022 H2 32,956	FY 2022 61,794k ton
2021 H1 28,466	+25%	2021 H2 35,740	FY 2021 63,936k ton
2020 H1 27,022	+31%	2020 H2 35,488	FY 2020 62,510k ton

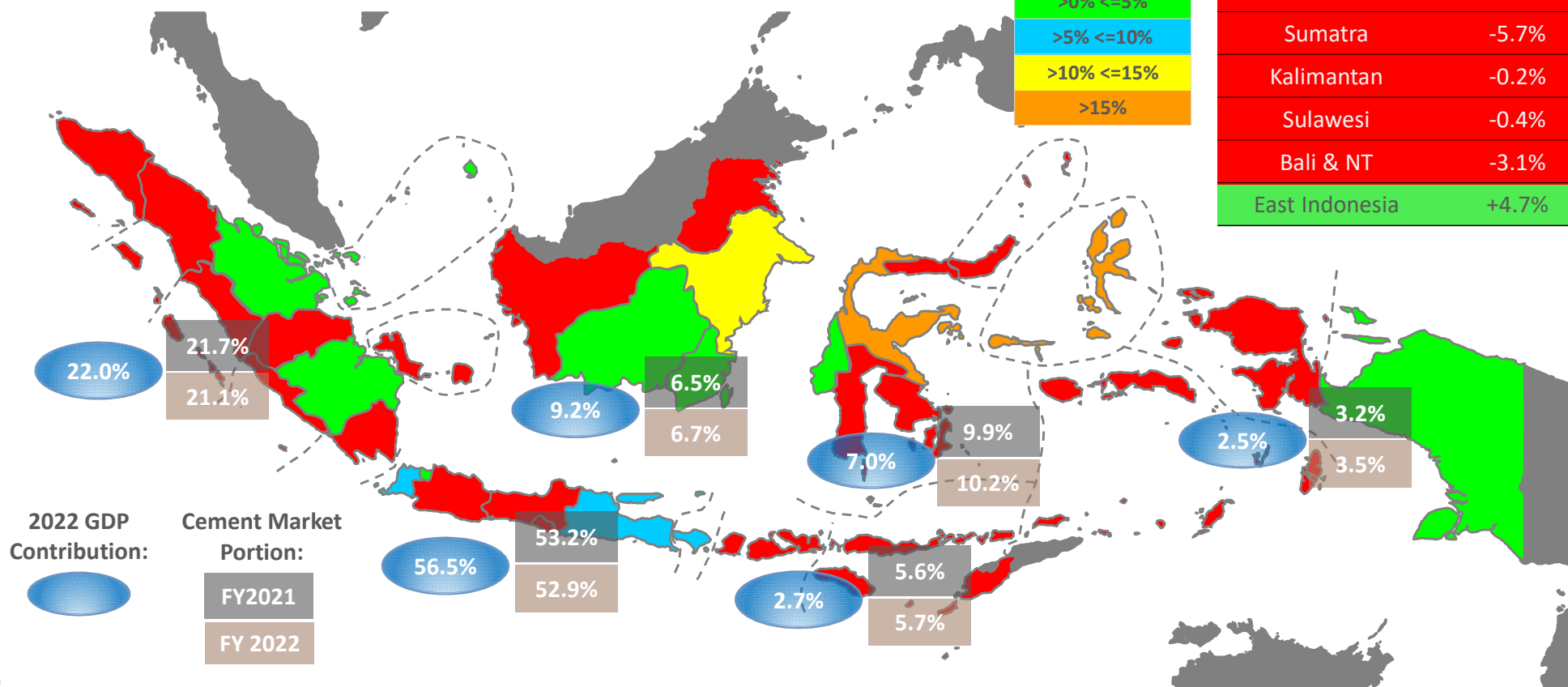
Cement Market Portion & Growth

- Overall, 2022 market weakened -3.4% with growth only in East Indonesia
- Cement market portion is in-line with GDP portion except for Kalimantan/Sulawesi due to many smelter development in Sulawesi for the past years

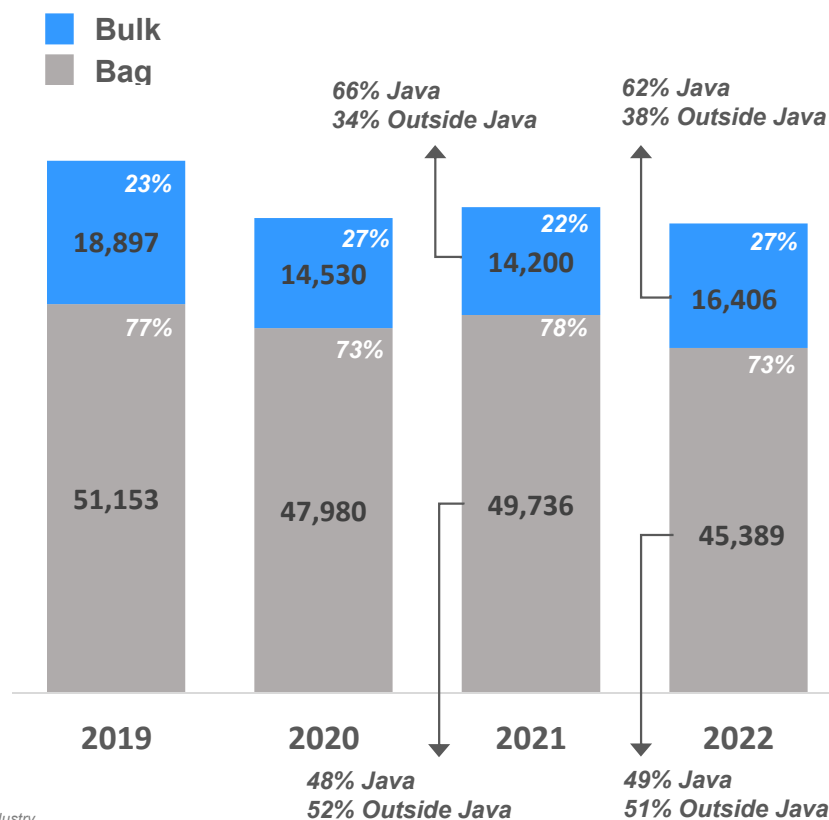
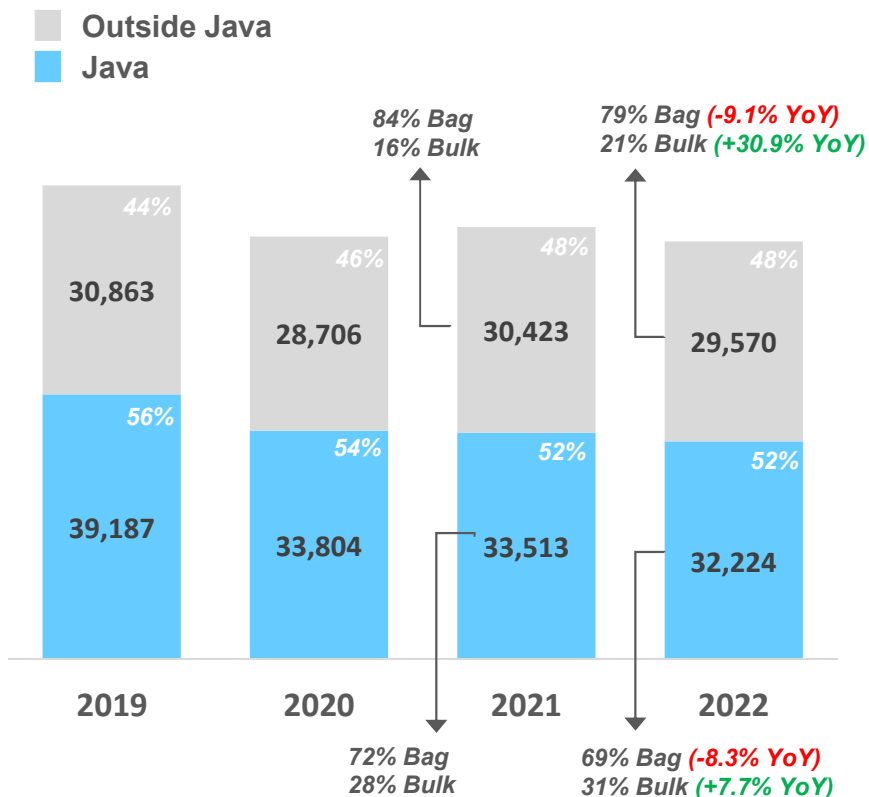
YoY Area Growth:



Area	FY 2022 Volume
Java	-3.8%
Sumatra	-5.7%
Kalimantan	-0.2%
Sulawesi	-0.4%
Bali & NT	-3.1%
East Indonesia	+4.7%



Java-Outside Java and Bag-Bulk Markets

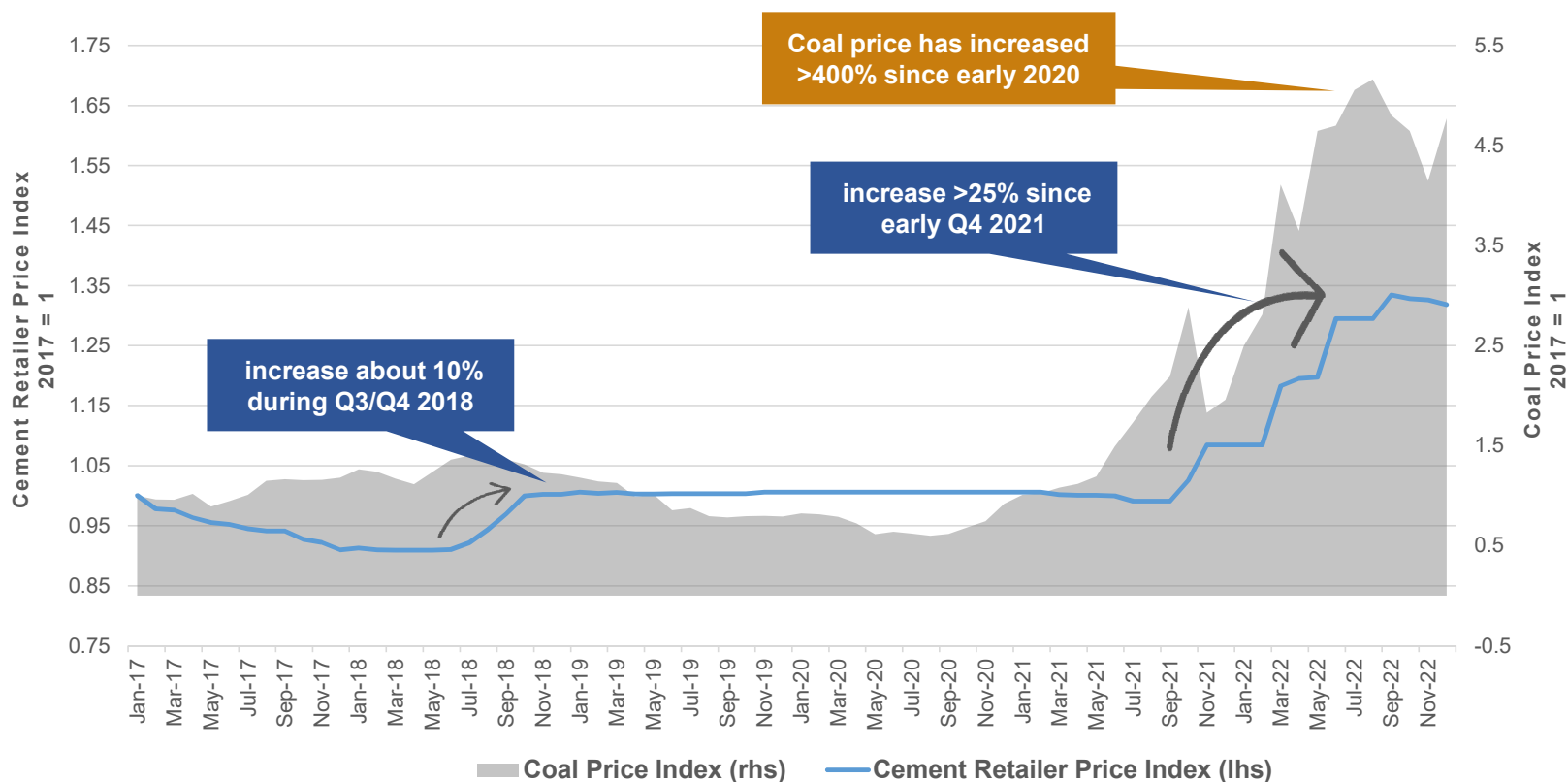


Source: Ministry of Industry

Substantial increase in bulk composition driven by bulk demand from outside Java

Retail Price Increase

Index of Retail Cement Price in Jakarta, Banten and West Java with Coal Price



Retail Price has increased more than 30% since early Q4 2021 due to passing through of the high energy costs of cement manufacturers

Source:
ICE Newcastle Coal Price
Indocement Internal Retail Price Data

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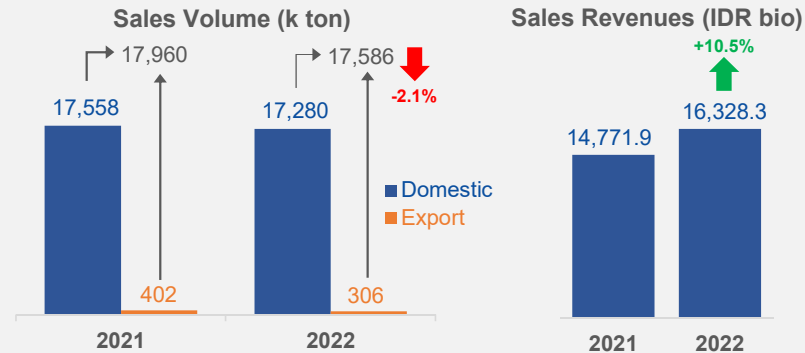
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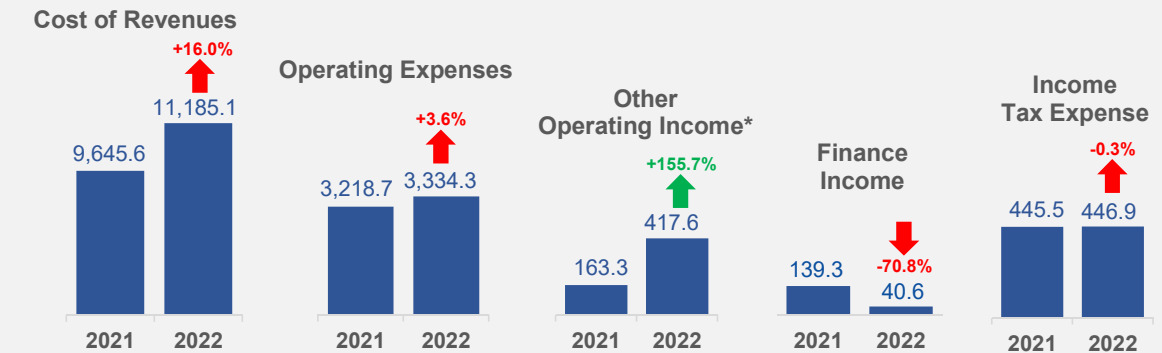


Financial Result

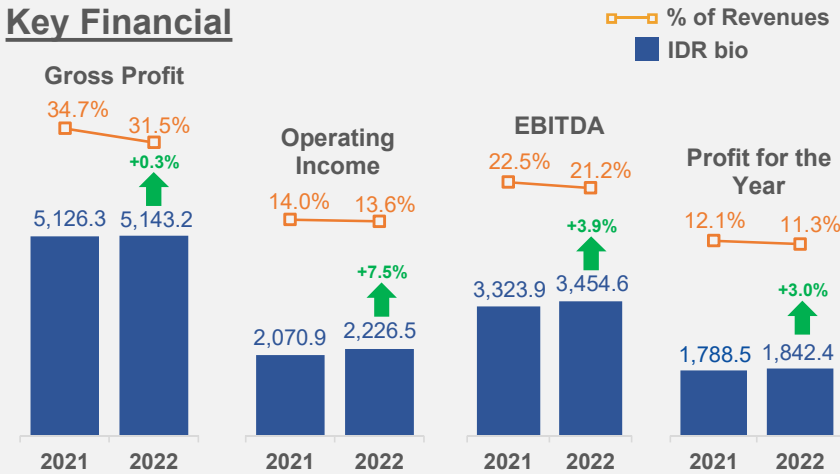
Sales Result



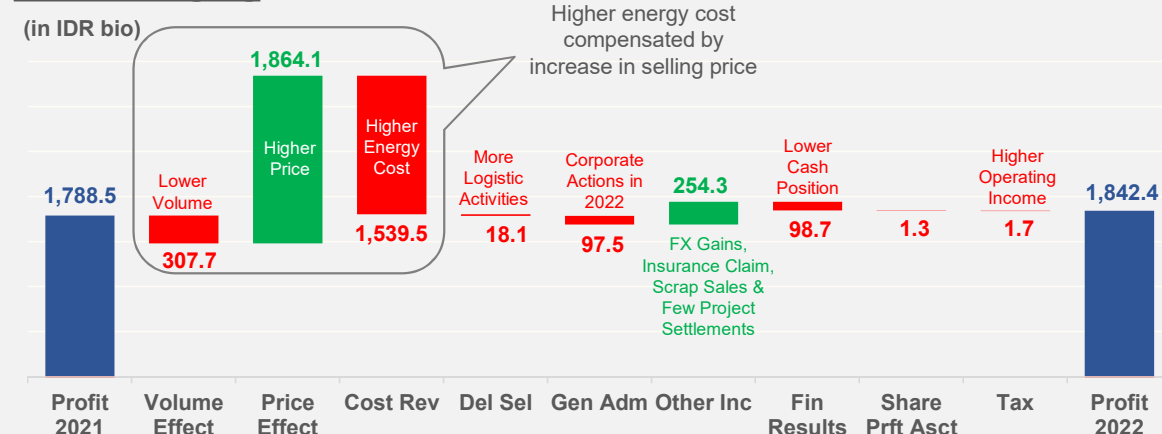
Operating Driver



Key Financial



Profit Bridging

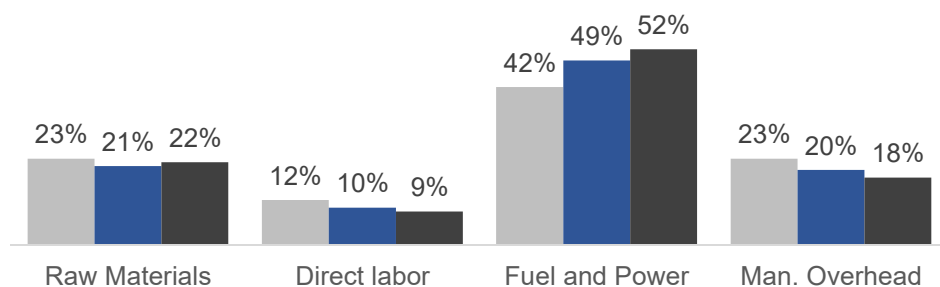


Note: *other operating income consists of few project settlements, scrap sales & forex gain

Cost Control and Margin Development

Manufacturing Cost

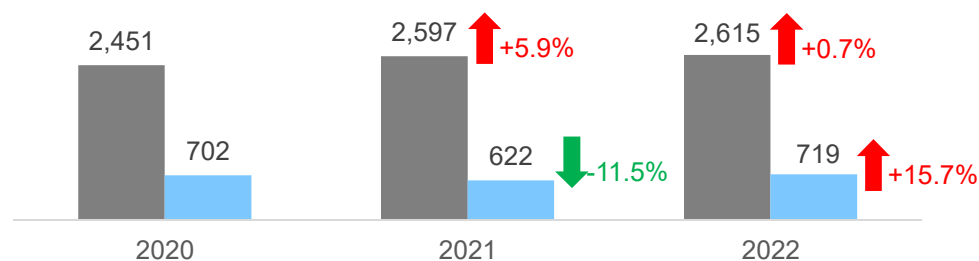
■ 2020 ■ 2021 ■ 2022



- Rising Fuel and Power composition mainly from higher coal price

Operating Expenses (bio IDR)

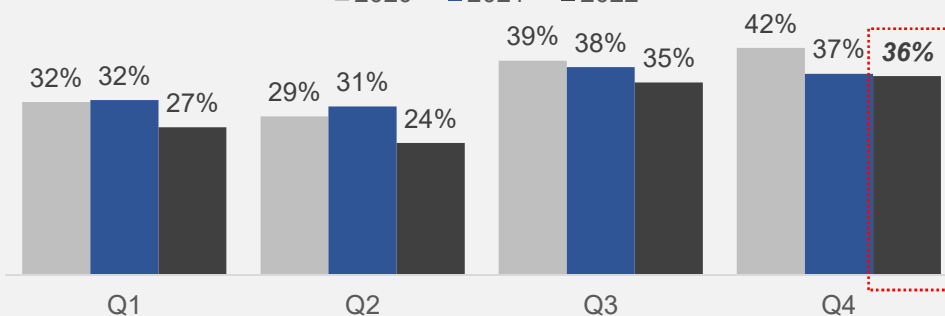
■ Delivery & Selling Expense ■ G&A Expense



- Higher Delivery & Selling Expense following more logistic activities
- Higher G&A Expense due to corporate actions in 2022

Gross Margin

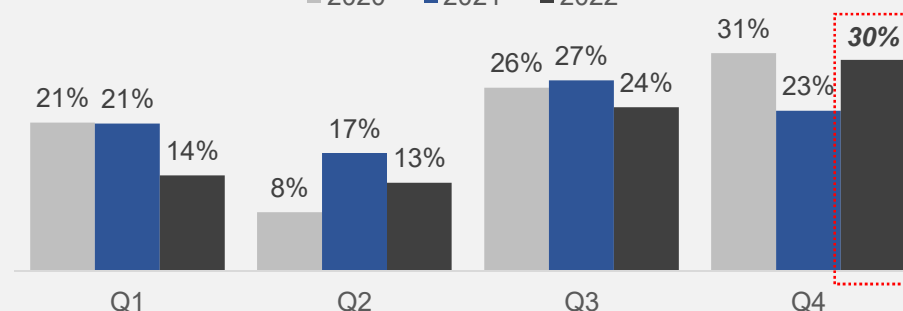
■ 2020 ■ 2021 ■ 2022



- Lower margin as an impact from higher energy cost

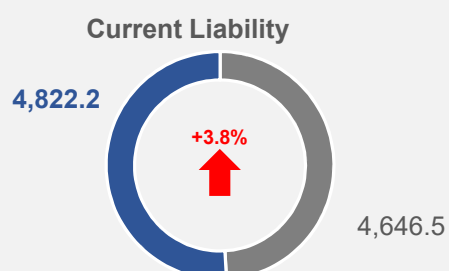
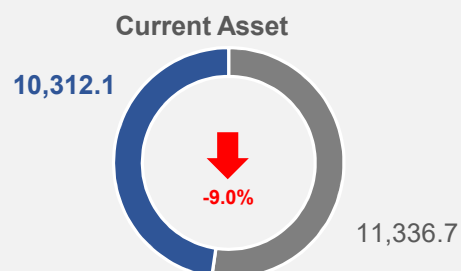
EBITDA Margin

■ 2020 ■ 2021 ■ 2022

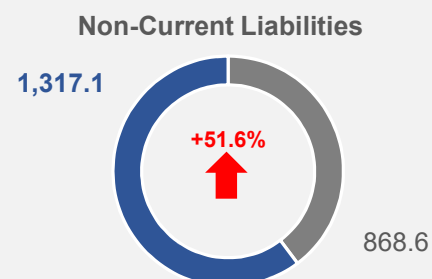
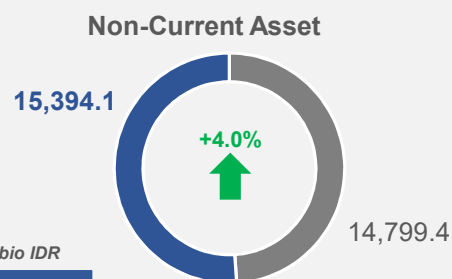


- Higher EBITDA is due to higher Other Operating Income following few project settlements, scrap sales and forex gain

Balance Sheet



- Decrease in Current Assets caused by lower cash following corporate actions in 2022



In bio IDR

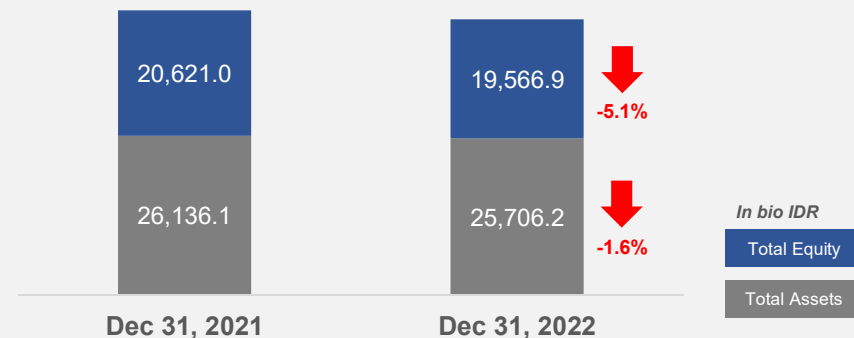
Dec 2022

Dec 2021

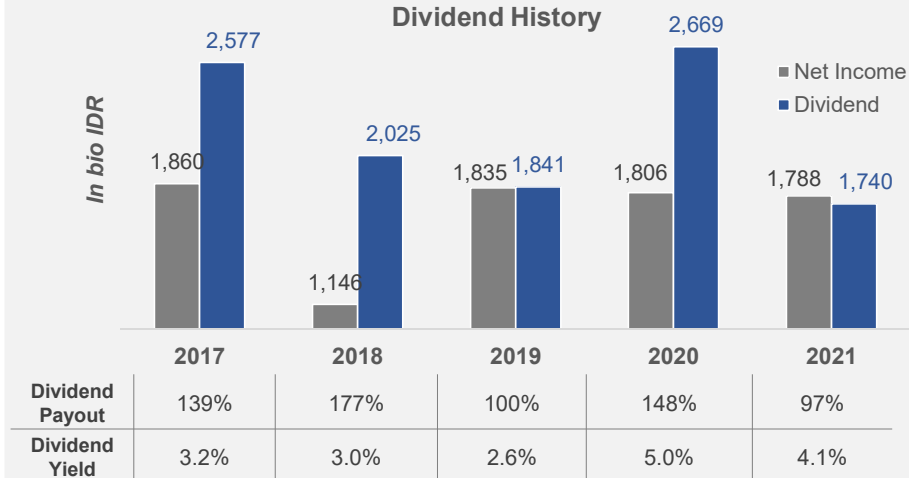
- Increase in Lease Liabilities following our footprints expansions in outside Java

- Cash and Cash Equivalents of IDR 4.5tr as of 31 Dec 2022
- Capex spending in 2022 of IDR 1.8tr

Asset & Equity



Dividend History



* Dividend is distributed at the following year

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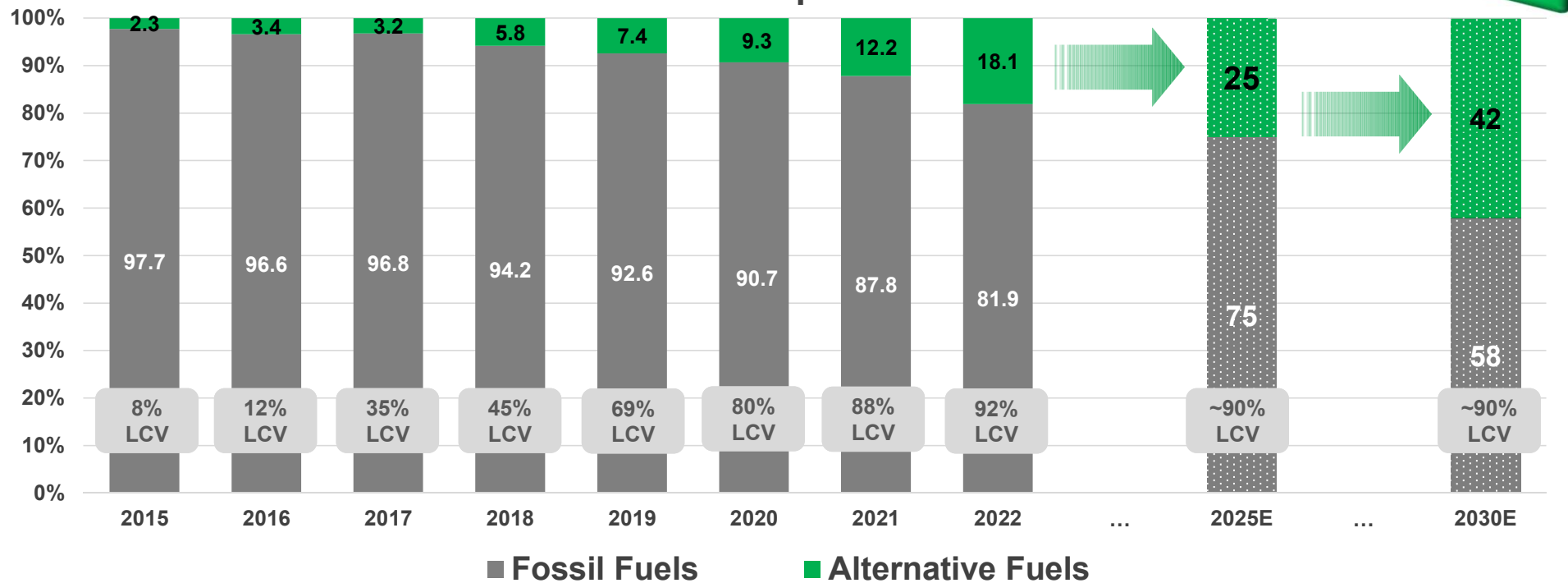
HRGA – Good Works - Awarding



Increase Usage of Alternative Fuels

Continuous cost efficiency improvement in alternative fuels and higher LCV coal usage

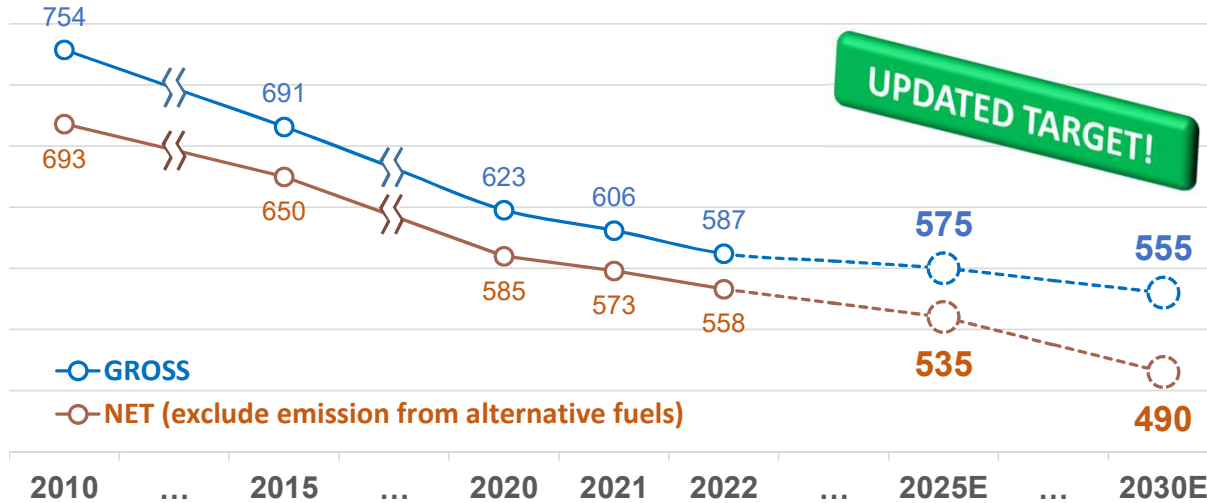
Fuel Consumption Rate %



Indocement has invested >IDR 1trillion for Sustainability (environmental related) Capex in the past 5 years

Reduction of CO₂ & Dust Emissions

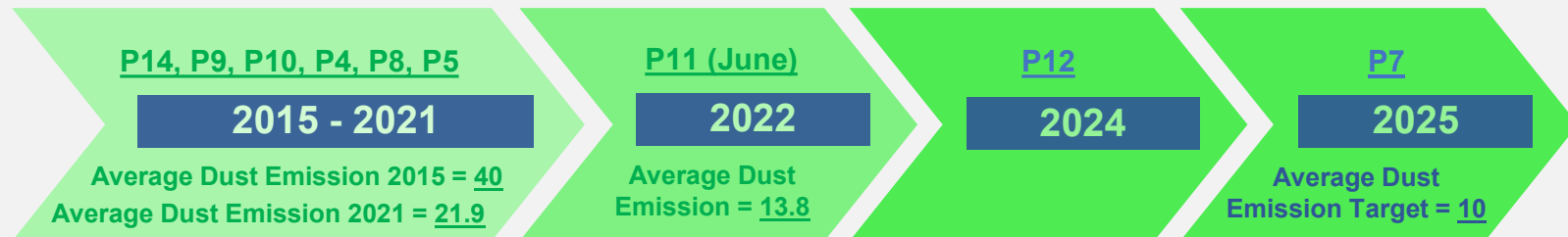
Scope 1 (kg CO₂/t cement equivalent)



Parameter	Unit	Government Standard	INTP 2022
SO ₂	mg/Nm ³	650	337
NOx	mg/Nm ³	800	223

Indocement's Green House Gas (GHG) emission is calculated based on the international reporting standards defined by World Business Council Sustainable Development (WBCSD) Cement Sustainability Initiative
 ➤ Scope 1: Emissions from operations that are owned or controlled by the reporting company

Since 2015 Indocement has continuously reduced our Dust Emissions by installing **Bag Filters** to replace **Electrostatic Precipitators**

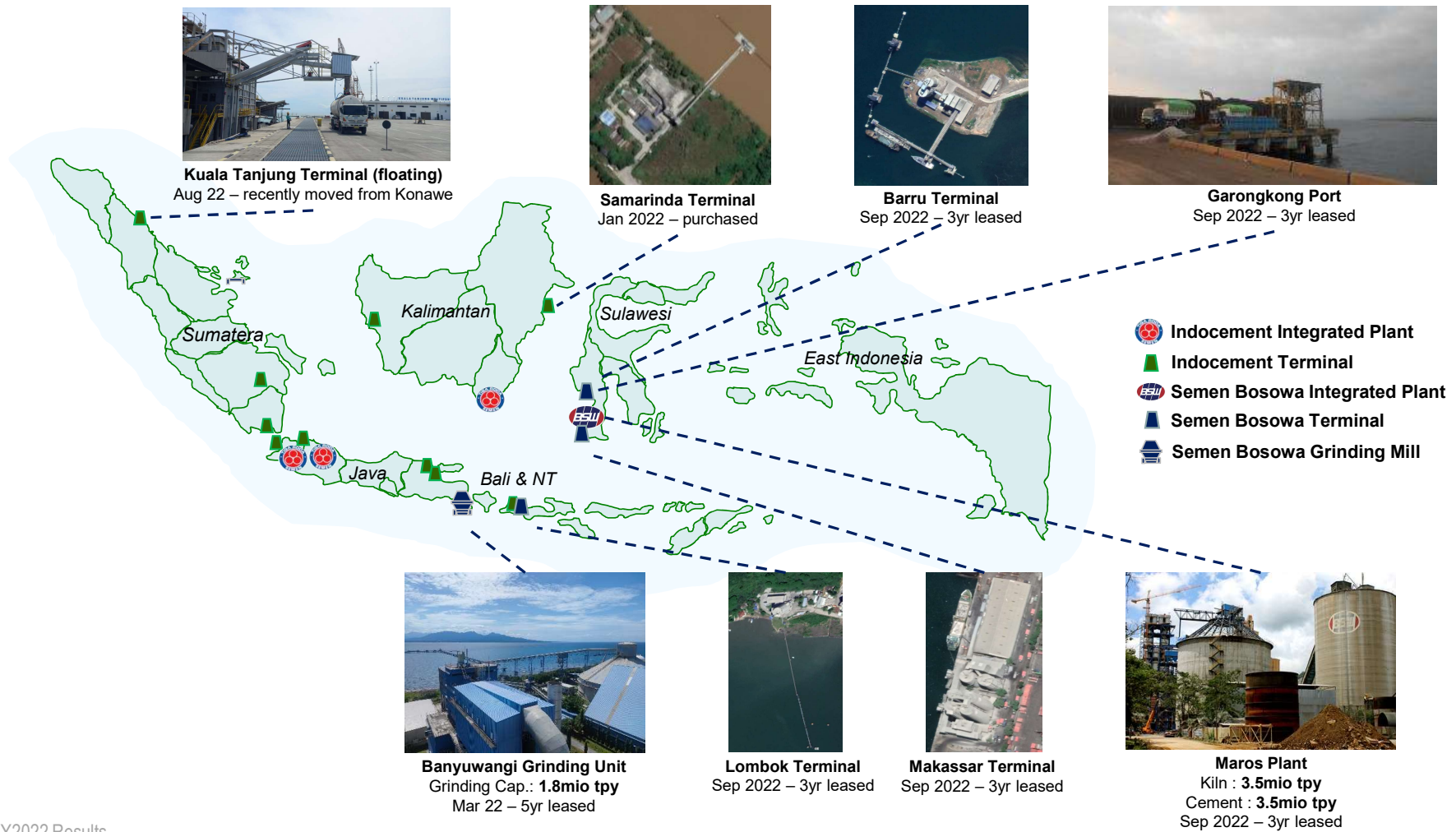


Note:

- The dust emissions are stated in mg/Nm³
- The measurement refers to local standard (PermenLHK No. 19 tahun 2017)
- Dust Emission (mg/m³) – (25°C, 1013 hPa) related to 10% OXYGEN

Government Regulation on Dust Emission = 60 mg/Nm³

Improving Our Footprint & Distribution



Marketing Campaign

#Trashback Program Extension : Jemput Sak Semen Berhadiah

After successful collaboration with Octopus Platform, we continue #Trashback program with new campaign "Jemput Sak Semen Berhadiah".

We visit the construction project in some cities in Java and give surprise gift for the projects that use Semen Tiga Roda on location.



Campaign Period:
1 to 31 March 2023
Status: **On Going**



#pelanggansetia : Share our product and service on celebrity housing project

We visited celebrities housing project that used Semen Tiga Roda for their house projects. We provided advisory service on product utilization, such as product recommendation and technical advice through Mobil Lab. We have done and published the visit for two celebrities on this 1st quarter 2023.



Hesti Purwadinata



Mobile Lab on Hesti's Project



Mad Kucil's Project



#homestory Campaign : Share your dream house on Masterumah.id

We conduct a digital campaign, called #homestory, where the audience can share their dream house story and details on Masterumah platform. So far, we obtained about 600 story submissions on Masterumah.id.

The selected story will be designed by junior architect in Indonesia through the second campaign, namely Architect Competition. The campaign was held on January to February 2023.

Indocement Product line

Cement for Retail	Cement for Industry	Mortar	Non-Cement
Semen Tiga Roda	PCC	Acian TR-30	Ready Mix : Pionirbeton Industri
Semen Rajawali	Hydraulic Cement	TR 15 : Light brick layering	Aggregate
Semen Jempolan	Slag Cement	TR 20 : Light brick plaster	RAPI : Precast / Fabricated House
White Cement Tiga Roda	OPC (Type I, II and V)	TR 10 : Red brick layering & precast	
	Oil Well Cement		
	White Cement		



Outlook



- ✓ **National Cement Domestic Volume is expected to grow about 2-4% in 2023**
- ! **Declining trend in coal price and DMO coal being more accessible this year should favor the cement manufacturers on energy cost**
- ! **ODOL (Over Dimension & Over-loading) policy will be the major risk for Cement Industry with the hope to be implemented after the election year. Nevertheless, we are moving ahead with preparation and changes in our Logistics mode of transport to accommodate**
- ! **Carbon Tax which is planned to be implemented in 2023 could affect electricity cost from PLN**
- ✓ **Keep pushing our Green Cement (Concrete) for Infrastructure & Commercial projects including for IKN (new capital city) development.** Green Cement products (PCC, Duracem-Slag Cement, & Hydraulic Cement) is our materials ready to build the future
- ✓ **With our Banyuwangi and Maros operations including additional Samarinda & other terminals, we aim to gain substantial tractions in East Indonesia market including to expand export volume**
- ✓ **Future Investment:** focus in expanding our Sustainability Strategy, Distribution Channel, and Digitalization/Automation process, including to look for further good synergy opportunities to strengthen our footprint and distribution capability

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HRGA – Good Works - Awarding



HR & Good Works



In year 2022, we obtained The Stellar Workplace Award as one of best places to work.

Gradually we recruited the youngster and preparing them for the next generation. We focus on the quality talent and develop their competency accordance with our needs and corporate values

HR & Good Works



*The Innovation spirit
is in our DNA !*

Join the International Convention on Quality Circle, followed by 12 countries with 1,300 international participants. We assigned 6 teams and all won the Gold Winner.

HR & Good Works

- Safety is always Our 1'st Priority
- No Fatality Incident of our FTE for the past 6 years



BOD Safety Conversation in Action



Opening Safety Month at All Unit Operations



Safety Leadership Forum



Contractor Safety Town Hall Meeting



Indocement "sulap" tempat sampah jadi Taman Wisata Sigantang

© Senin, 20 Maret 2023 15:23 WIB



Wisata Goa Lowo sedot 3.000 pengunjung di hari pergantian tahun

© Rabu, 4 Januari 2023 7:58 WIB



Suasana pengunjung wisata Goa Lowo BumDes pesona Rejo raya Desa Tegal Rejo kelumpang Hilir Kotabaru Kalimantan Selatan (Antarakalsel/Aqsin/ Bumdes Goa lowo Kotabaru)

Maintain a harmonization relationship with communities to support the sustainable growth and showing that we are a good neighborhood. We develop the tourism destination at our surrounding "Desa Binaan"

Slide 24

Indocement FY2022 Results

HR & Good Works

Indocement dirikan posko bantuan untuk korban gempa Cianjur

© Senin, 19 Desember 2022 17:24



Tim Indocement Peduli sedang menata bantuan paket sembako di posko Indocement Peduli untuk dibagikan kepada masyarakat lima desa korban bencana gempa di Cianjur, Jawa Barat. (Foto Antara/Humas Indocement).



Through “Indocement Peduli” movement, we collect funding from all employees and help the community of Cianjur earthquake disaster.

Slide 25

Indocement FY2022 Results

Kontari.co.id
NEWS DATA FINANCIAL TOOLS

INDUSTRI /

Tiga Pabrik Indocement Raih Proper Hijau dari KLHK

Kamis, 30 Desember 2021 / 14:03 WIB



For two consecutive years, our three plant location obtained the Green Proper certification from KLHK.

AWARDINGS



Bisnis Indonesia Corporate Social Responsibility Awards (BISRA)

Category:

- The Best Award for Community Development Category of Listed Company
- Platinum Champion in Corporate Social Responsibility Program Category Listed Company
- The Best Award for Community Development Category of Listed Company



Top Brand Awards 2022

Category: Cement, White Cement, Mortar



Indonesia Best Business Transformation 2022

Category: Very Good



Corporate Social Responsibility (CSR) and Sustainable Village Development Awards 2022

Category:

- Gold – Batik Ciwaringin Cooperative and Implementation of the Center for Research and Training
- Silver – Community Empowerment



Corporate Governance Conference and Awards

Category: Top 50 Big Capitalization Public Listed Company

AWARDINGS



Industry 4.0 Readiness Index Awards (INDI 4.0)

Category: Aggressive Digitalization
Organizer: Ministry of Industry of Indonesia



Indonesian Sustainability Development Goals Awards (ISDA)

Category:

- Platinum - Use of Alternative Fuels in Cement Production - Citeureup Factory (SDGs 13-Climate Change Mitigation)
- Gold - Utilization of Waste Tire as an Alternative Fuel to Reduce Greenhouse Gas Emissions (SDGs 13 Addressing Climate Change)
- Gold - Sustainable Fauna Healthy Environment - Tarjun Factory (SDGs 15 Land Ecosystems)
- Top 2 Local Hero - Reaching the Peak of the Dream "Behind the Hidden Attraction of Batu Tunggul Goa Lowo Mountain" - Tri Widodo

Organizer: Corporate Forum for CSR Development (CFCD), Ministry of Economy of Indonesia, Ministry of National Development Planning/BAPPENAS, and Ministry of Energy and Natural Resources of Indonesia



Anugerah CSR IDX Channel

Category: Social Development Initiatives - Program CSR Geliat Sigantang



Golden Property Awards-The People Choice 2022

Category: Best Performance Green Industry Award

- Indocement Citeureup Factory
 - Indocement Cirebon Factory
 - Indocement Tarjun Factory
- Organizer: Ministry of Industry of Indonesia

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INDOCEMENT
HEIDELBERGCEMENT Group

Thank You

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