



INDOCEMENT
HEIDELBERGCEMENT Group

PUBLIC EXPOSE

PT INDOCEMENT TUNGGAL PRAKARSA Tbk.

25 March 2024



■ Key indicator for FY2023:

- From ASI data, **domestic cement market grew +3.6% (64,016k ton)** with bag market +0.1% (45,436k) and bulk market +13.3% (18,580k). Semen Grobogan volume was still excluded from ASI data in 2023
- **Bulk market portion continued to increase in 2023 to 29% vs. 2022 of 27% and 2021 of 22%**. The construction of new capital city (IKN) pushed the bulk market to grow +91.9% in Kalimantan
- PT Semen Grobogan was acquired fully by 1 December 2023
- Indocement recorded domestic sales volume (cement & clinker) at 18,766k ton (Grobogan included) or +8.6% higher, mainly contributed from Maros operation. Overall export was 579k ton or +89.0% higher with top 3 clinker shipments to Bangladesh (173k), Australia (133k), and Brunei Darussalam (123k)
- **Indocement domestic cement market share was at 27.3% with Java 33.9% and outside Java 20.5%**
- Net Revenues increased +9.9% to IDR 17,949.8bio from higher sales volume
- Cost of Revenues increased +8.2% to IDR 12,103.0bio, lower than percentage increase in Net Revenues due to some savings in energy cost (DMO coal)
- **Margin for EBITDA was at 20.4% or IDR 3,656.5 and Profit for the Year at 10.9% or IDR 1,950.3**

■ Sustainability:

- **CO₂ emission Scope 1 Specific NET (FY2023) was 546 kg CO₂/t cement equivalent vs. FY2022 at 587 kg CO₂/t cement equivalent** → inline with our 2030 target of 490 kg CO₂/t cement equivalent
- NO_x, SO₂, and dust emissions are well below standard regulation
- Hot-disc facility in Citeureup started to operate in Q4 enabling consumption of non-shredded RDF and other bulky alternative fuel materials

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Market Overview

- Cement Market Evolution
- Cement Market Volume & Growth Distribution
- Java-Outside Java & Bag-Bulk Markets

2

Financial Performance

3

Operational Performance and Strategy

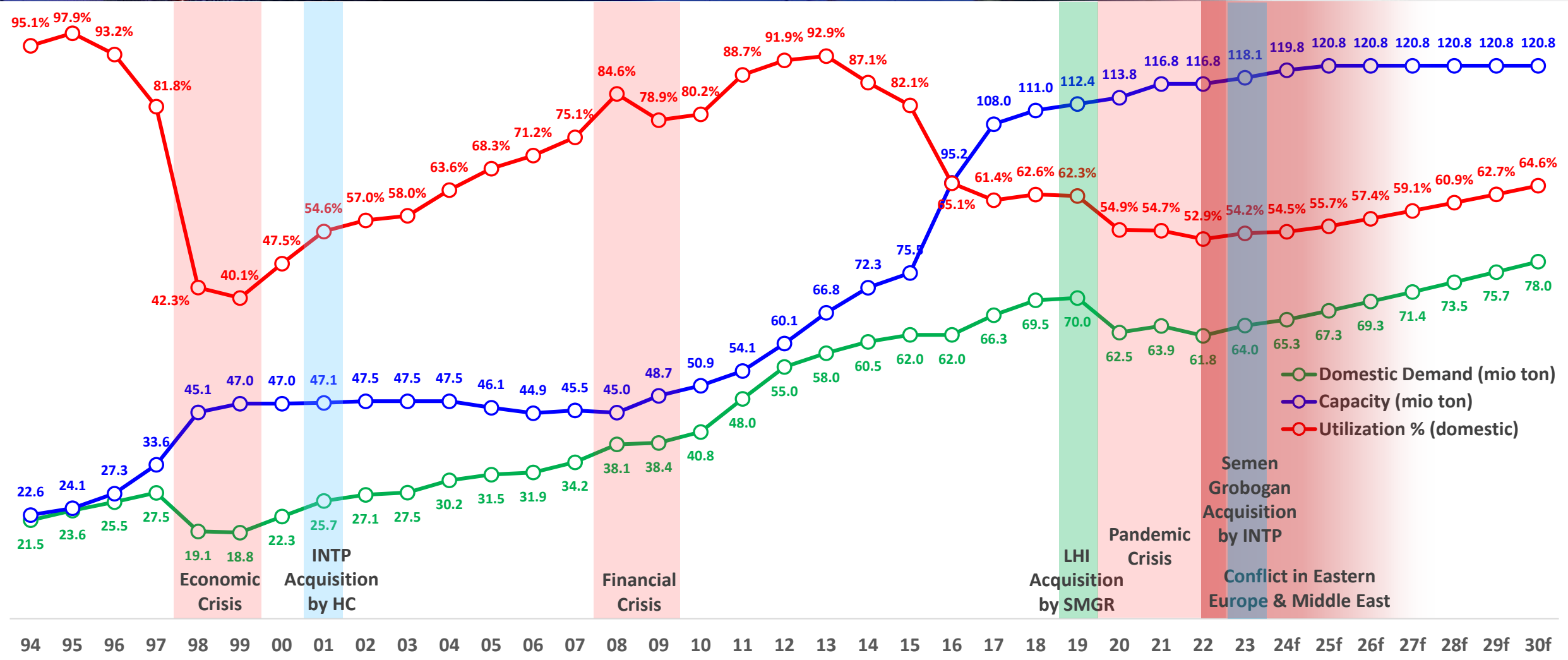
4

HRGA, Good Works, Awards

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Q & A

Cement Market Evolution



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

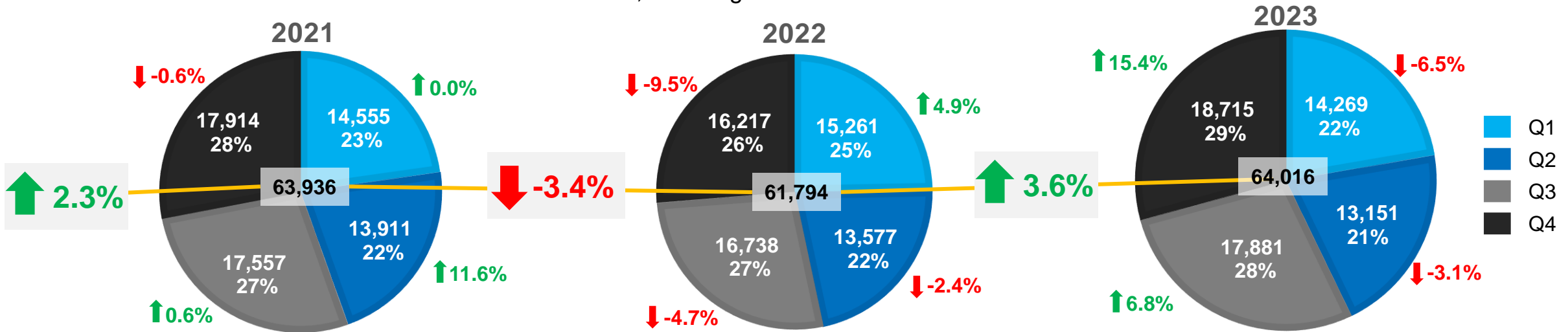
CAGR	07A-10A	10A-13A	13A-16A	16A-19A	19A-22A	22A-25F	25F-28F
Demand	+6.1%	+12.5%	+2.2%	+4.2%	-4.1%	+2.9%	+3.0%
Capacity	+3.8%	+9.5%	+12.5%	+5.7%	+1.3%	+1.1%	-

Cement Volume Development

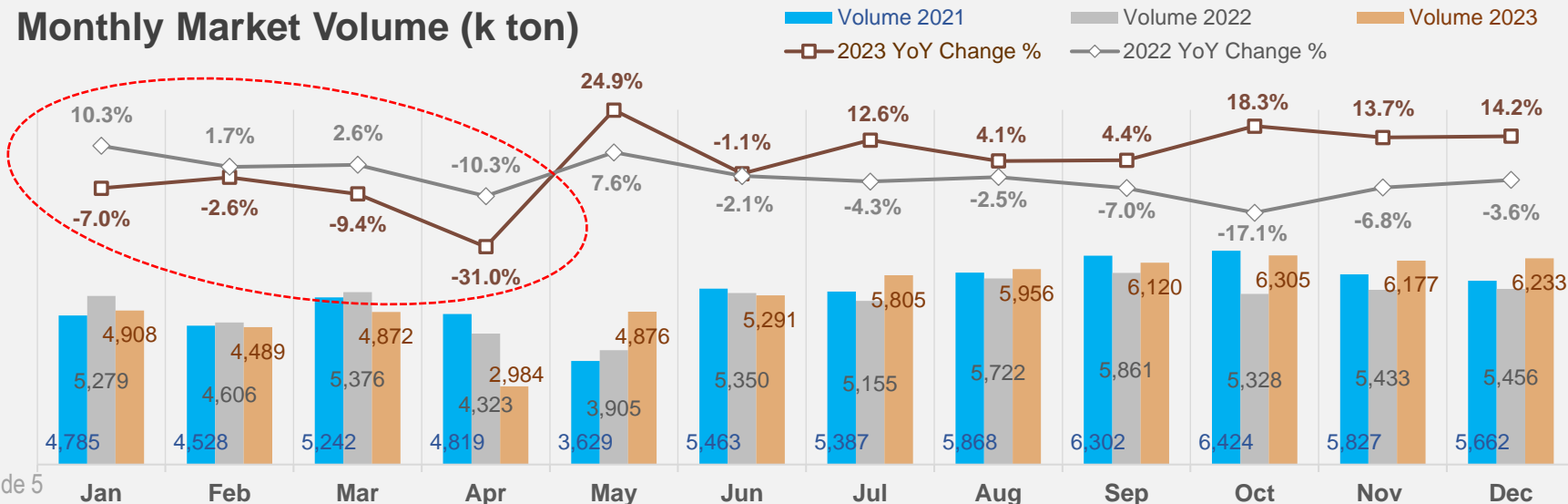


Quarterly Market Volume (k ton)

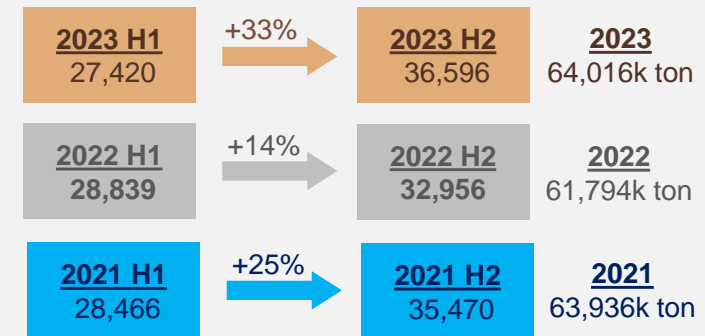
- **From ASI data**, FY2023 total domestic market (cement only, no clinker) grew +3.6% and INTP +8.8%
- YTD Feb24, market grew +0.5% and INTP +6.5%



Monthly Market Volume (k ton)



- YoY monthly performance improves after the first 4 months of 2023



Cement Market Portion & Growth

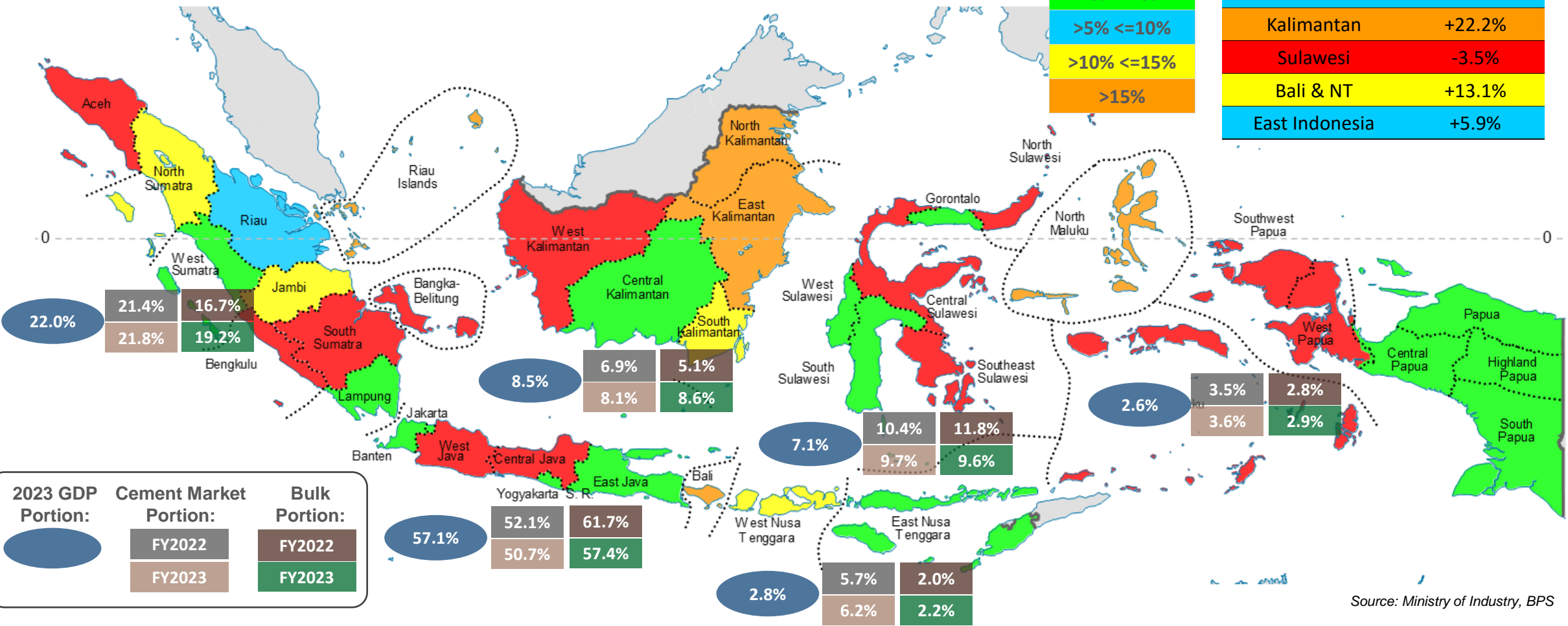


- Significant growth for 2023 bulk demand in Kalimantan +91.9% from new capital city (IKN) development especially around East and North Kalimantan areas
- Other than Kalimantan, bulk portion increased quite high in Sumatra

YoY Area Growth:

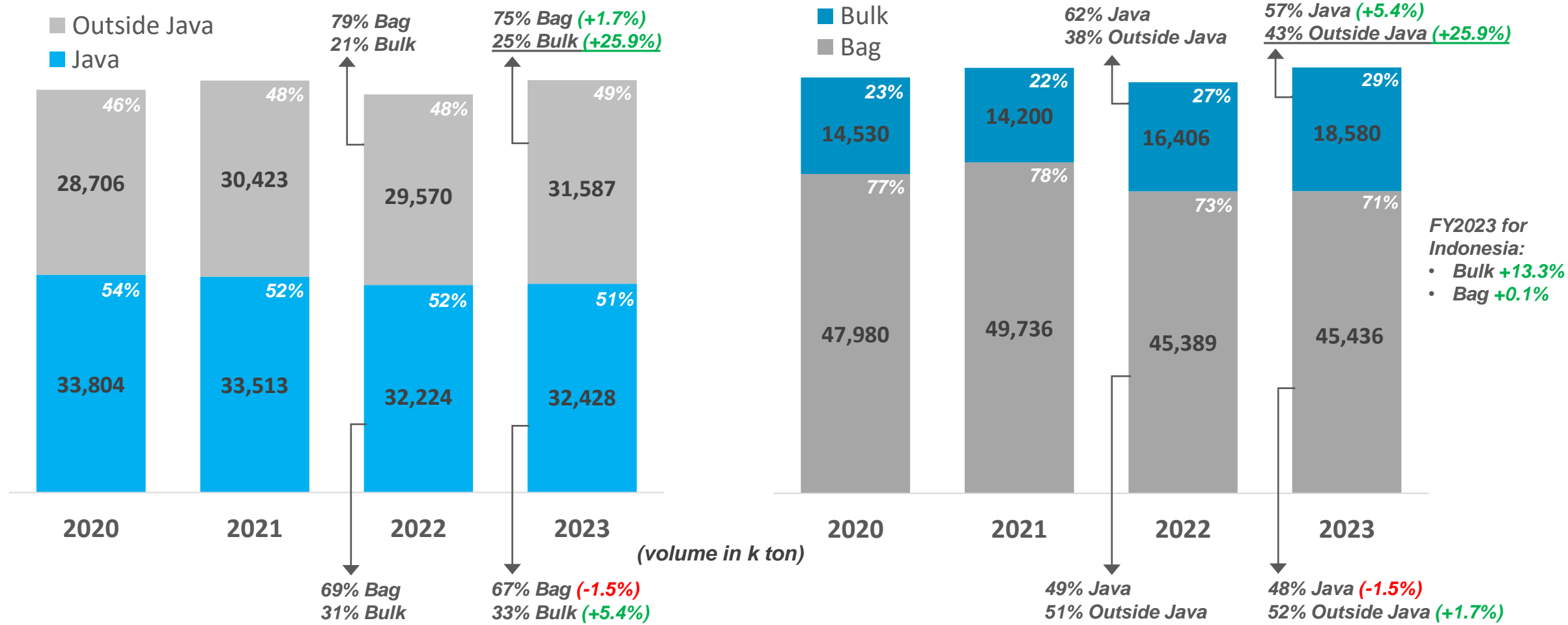


Area	FY2023 Volume
Java	+0.6%
Sumatra	+5.4%
Kalimantan	+22.2%
Sulawesi	-3.5%
Bali & NT	+13.1%
East Indonesia	+5.9%



Source: Ministry of Industry, BPS

Java-Outside Java and Bag-Bulk Markets



Continuous strong bulk demand at outside Java

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Financial Performance

- Financial result
- Cost Control & Margin Development
- Balance Sheet

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Operational Performance and Strategy

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HRGA, Good Works, Awards

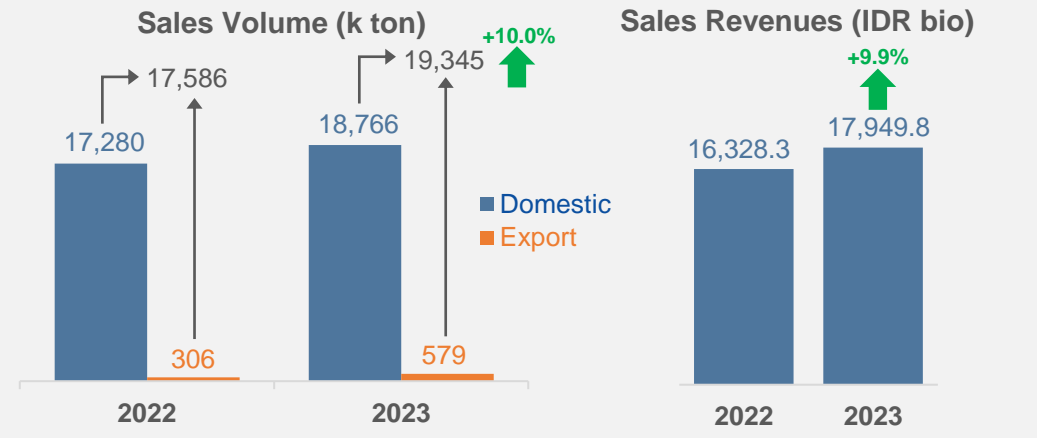
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Q & A

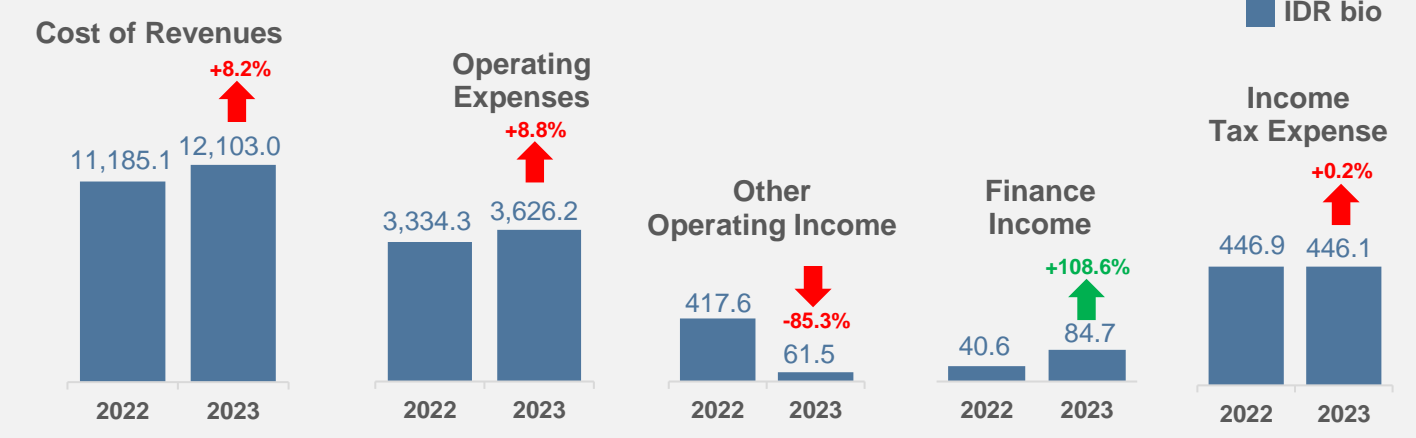
Financial Result



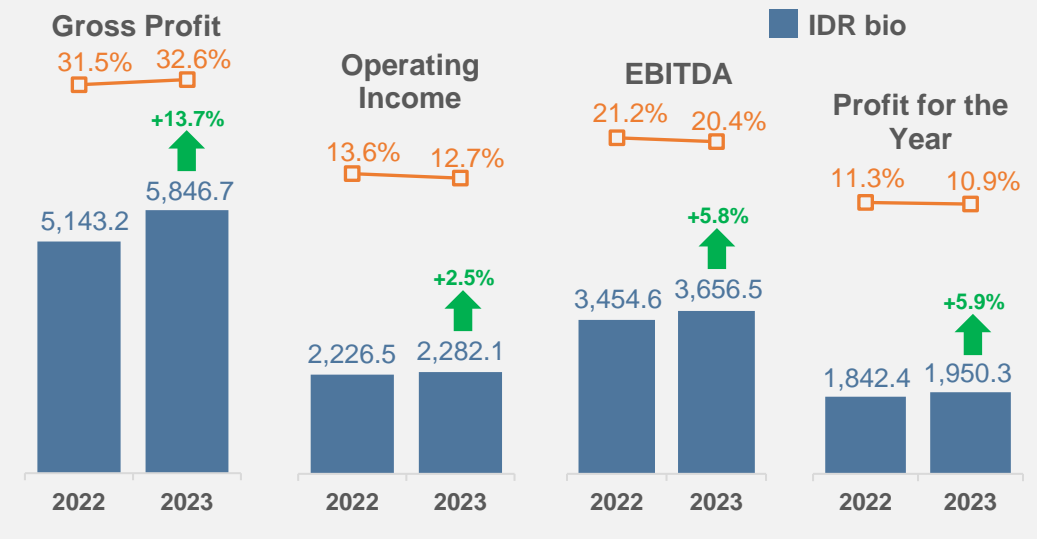
Sales Result



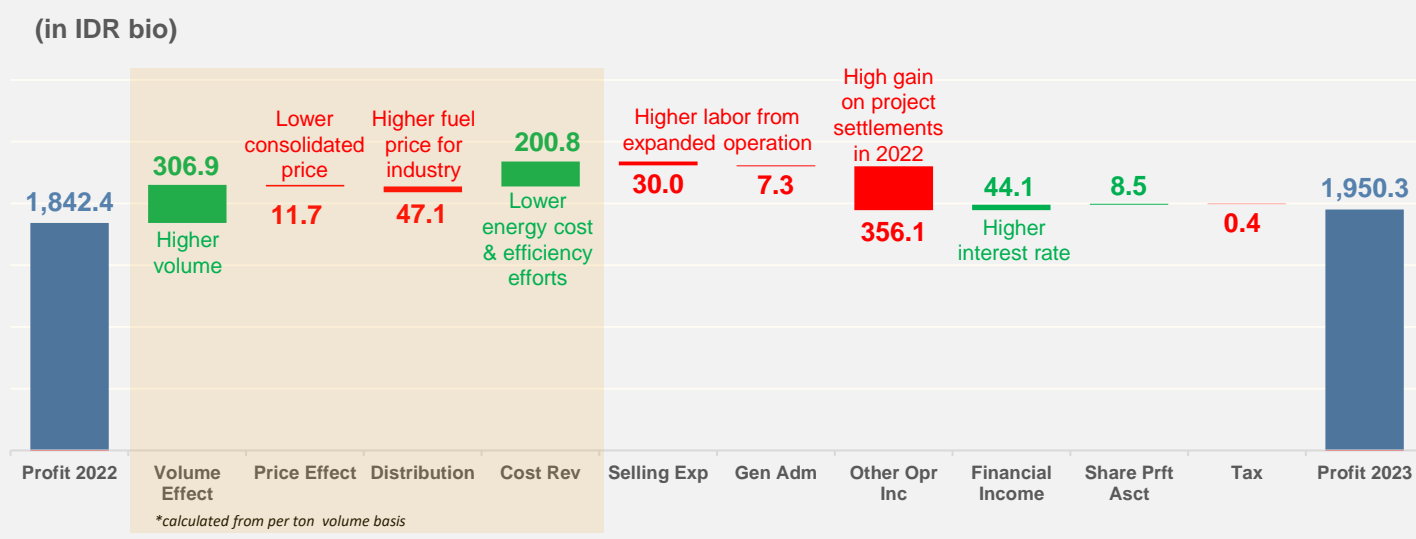
Operating Driver



Key Financial



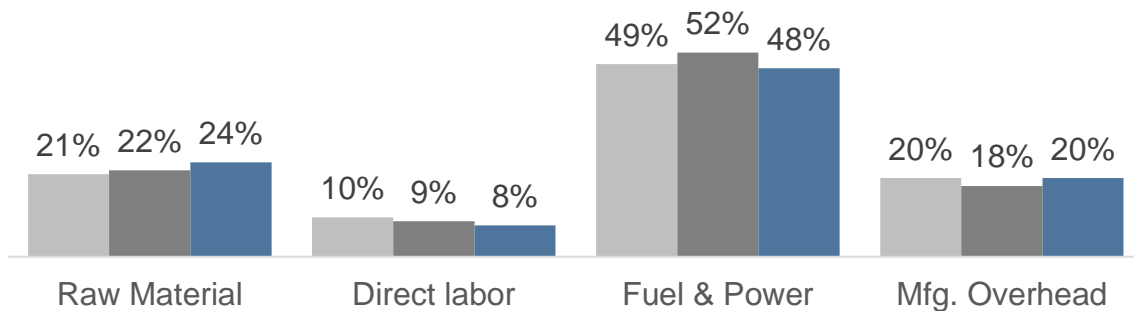
Profit Bridging



Cost Control and Margin Development

Full Year Manufacturing Cost

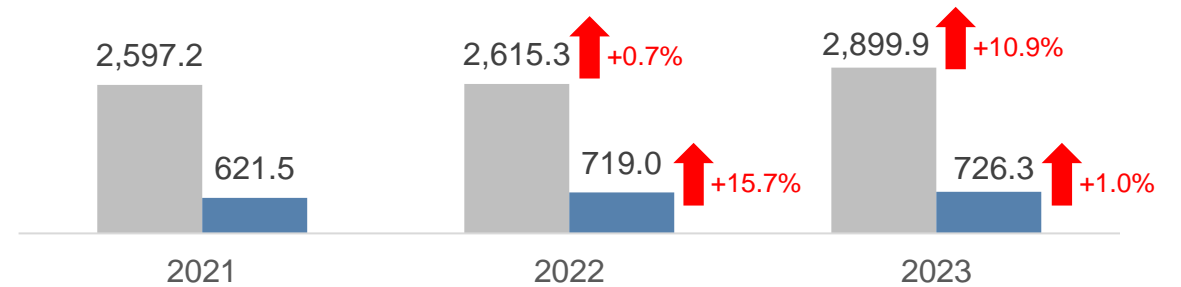
■ 2021 ■ 2022 ■ 2023



- Higher Raw Material was from higher price of limestone, gypsum, clay & diesel
- Lower Fuel & Power due to energy cost savings from DMO coal
- Higher Mfg. Overhead was from additional scope of Maros operation

Operating Expenses (bio IDR)

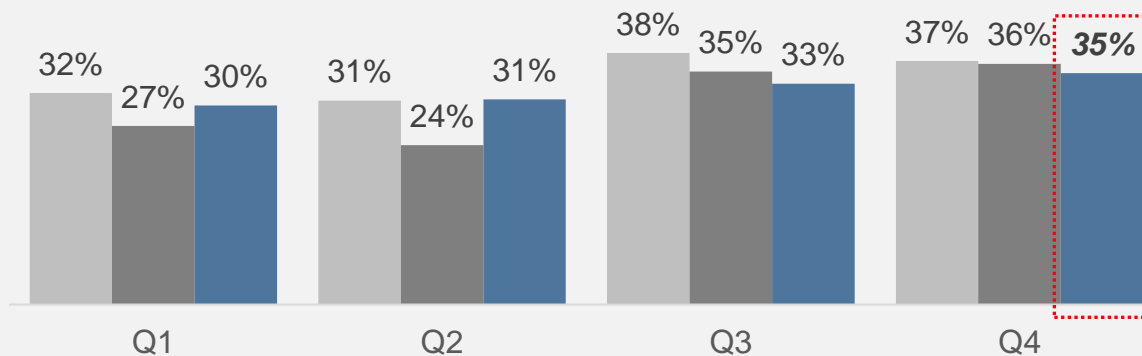
■ Delivery & Selling Expense ■ G&A Expense



- Higher Delivery & Selling Expense was from higher sales volume and labor cost from expanded operation
- Higher G&A Expense was from expanded operation and increase in labor cost

Gross Profit Margin

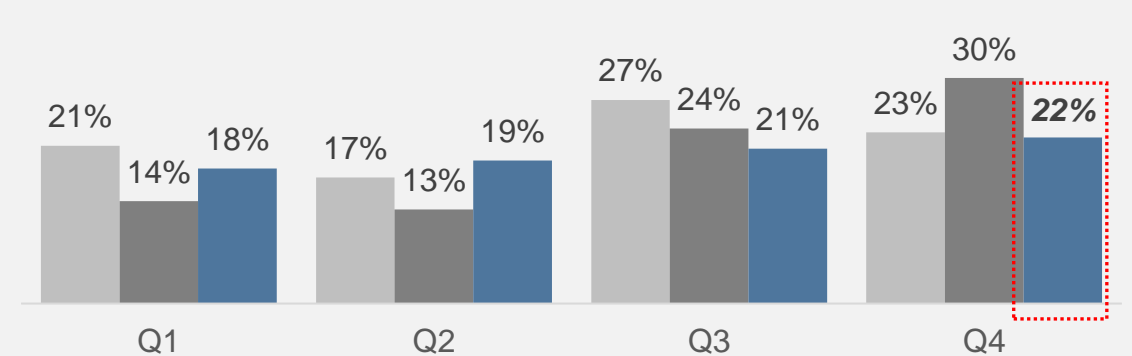
■ 2021 ■ 2022 ■ 2023



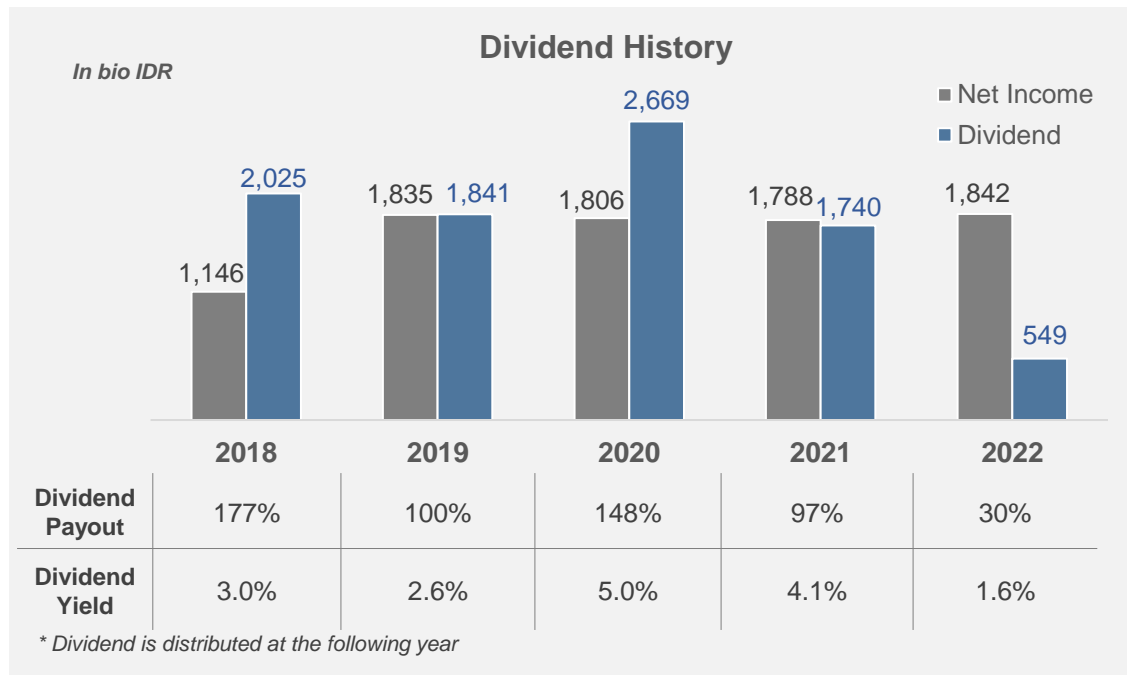
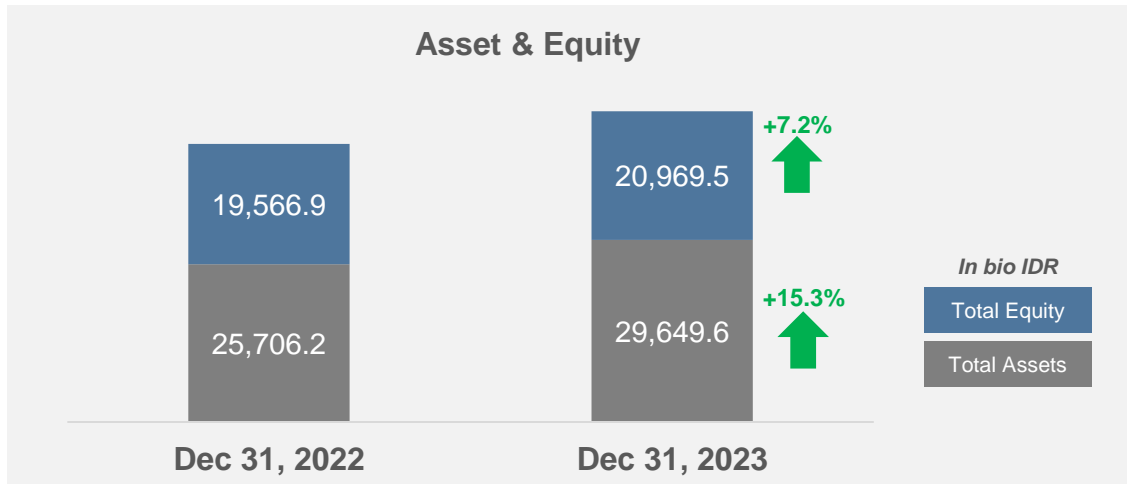
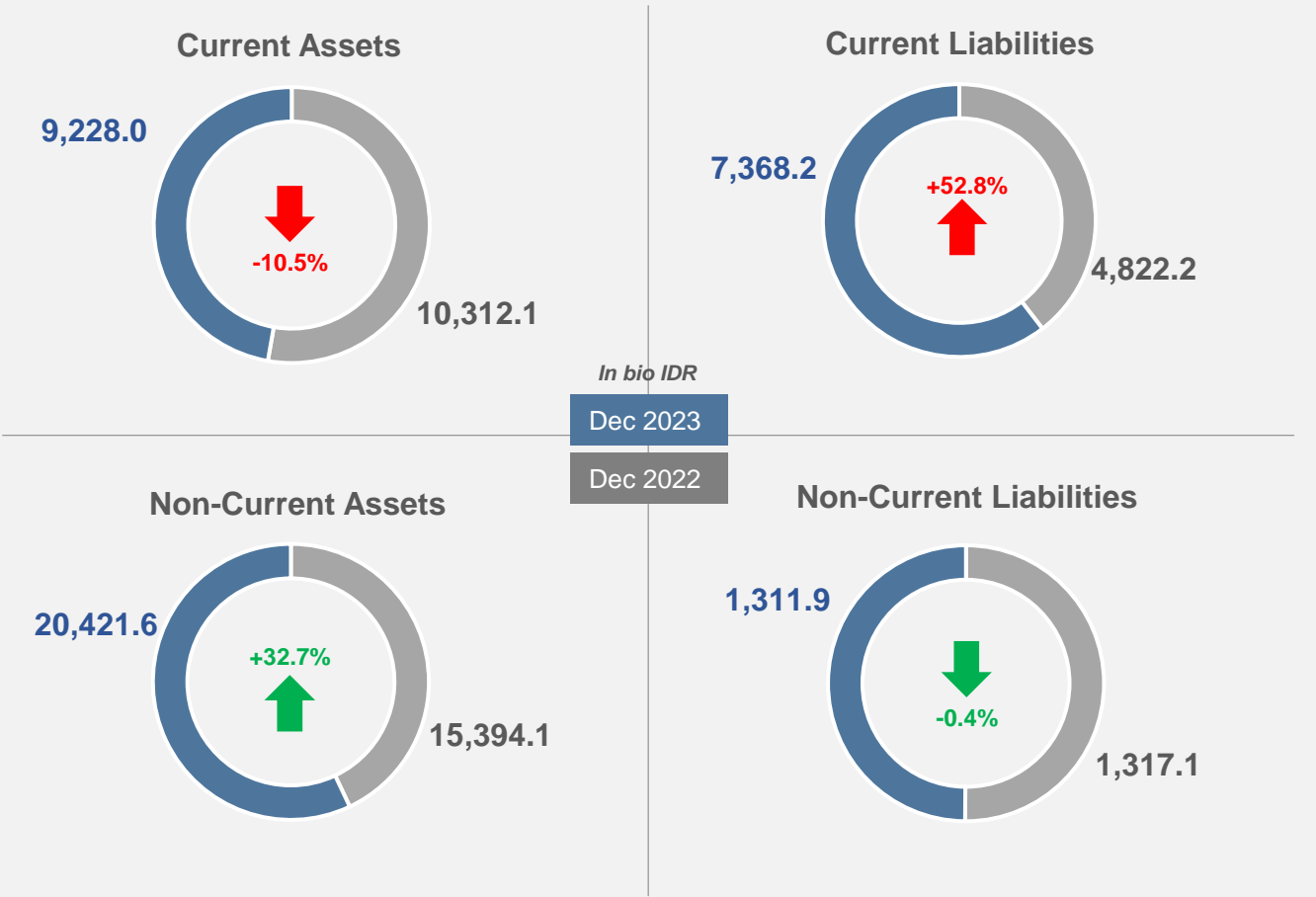
- Margin improvement from Q3 2023 was from higher sales volume
- Lower margin from Q4 last year was due to lower consolidated price from product mix (higher bulk composition, fighting brands, and export), additional costs from overall expanded operation, including high one-off project settlements in Q4 2022

EBITDA Margin

■ 2021 ■ 2022 ■ 2023



Balance Sheet



- Cash and Cash Equivalents of IDR 3.2tr as of 31 Dec 2023
- Capex spending for 2023 was IDR 1.0tr

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- Emission Reduction
- Indocement Expanded Footprint
- Marketing Campaign
- Outlook

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HRGA, Good Works, Awards

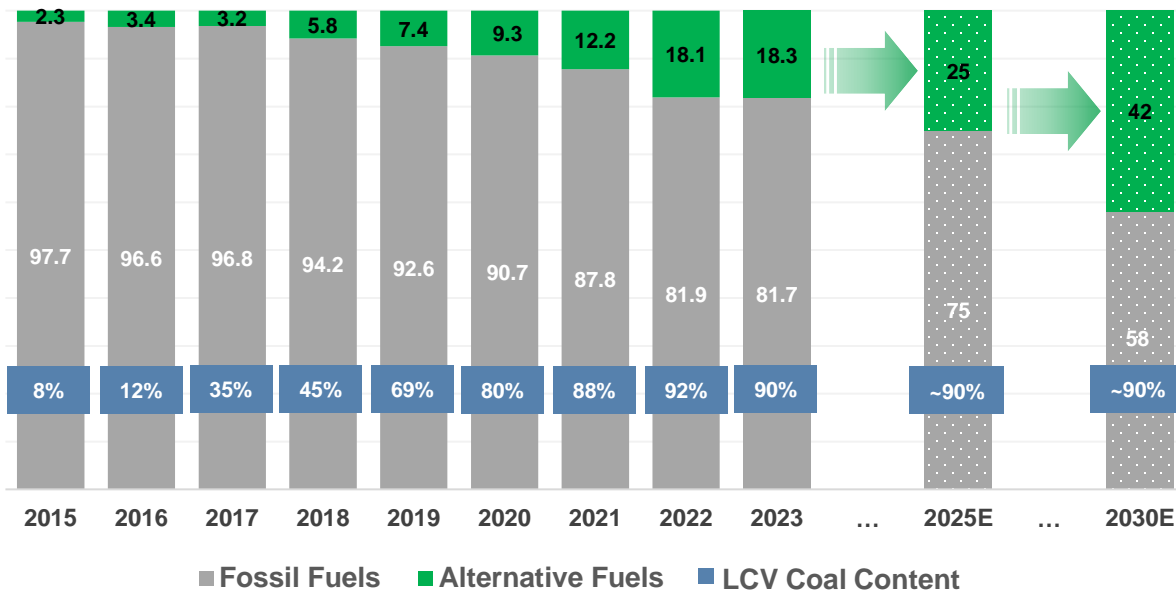
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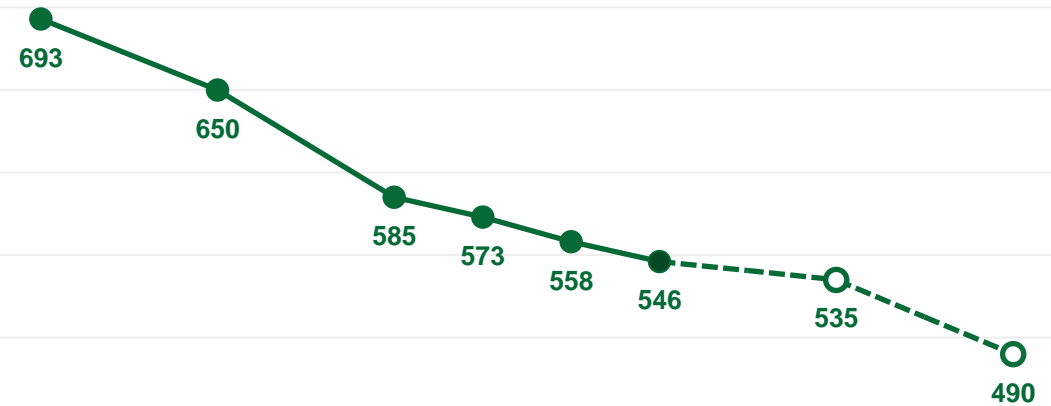
Emission Reduction



Fuel Consumption Rate %



Scope 1 (Specific NET - kg CO₂/t cement equivalent)

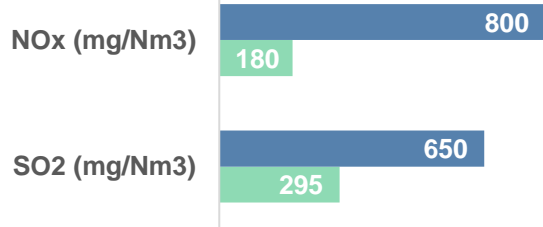


2010 ... 2015 ... 2020 2021 2022 2023 ... 2025E ... 2030E

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

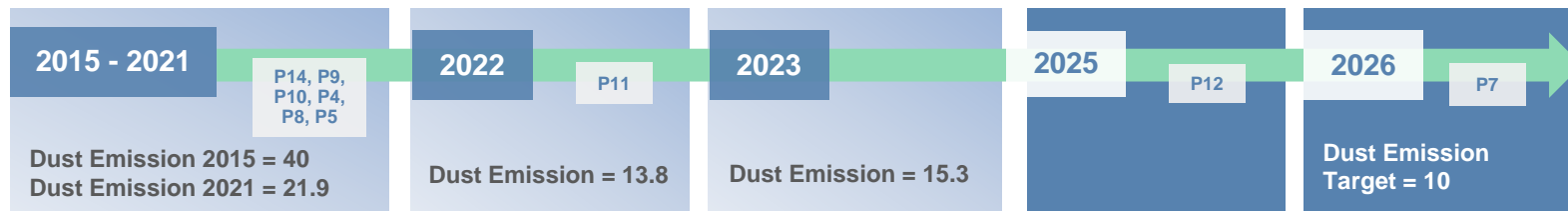
NO_x & SO₂ Measurement

2023



■ Government Standard ■ INTP

Replacing Electrostatic Precipitators with Bag Filters to Reduce Dust Emission



Note:

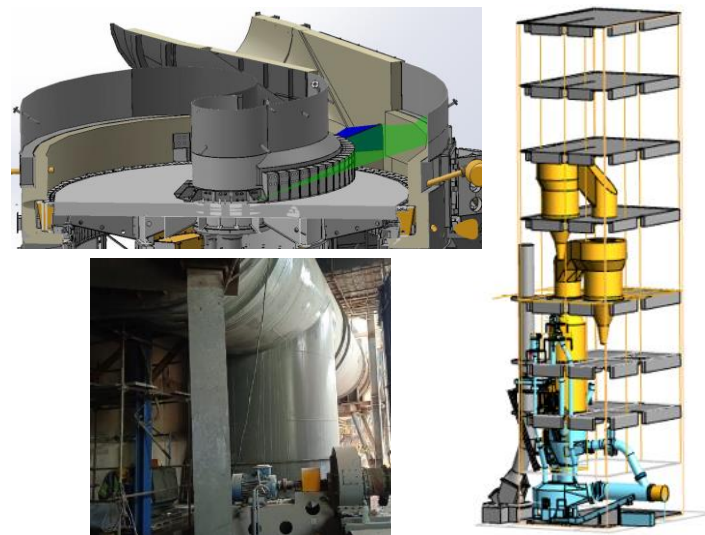
- The dust emissions are stated in mg/Nm³
- The measurement refers to local standard (PermenLHK No. 19 tahun 2017)
- Dust Emission (mg/m³) – (25°C, 1013 hPa) related to 10% oxygen

**Government Regulation for
Dust Emission = 60 mg/Nm³**

Accelerating Greener Future

WASTE TO FUEL

- Investment on RDF feeding facilities to increase alternative fuel consumption:
 - ✓ P14 - Installation of RDF receiving & unloading system, Vecobox for storage, Vecobelt for RDF transport and dosing system
 - ✓ P8 – Installation of RDF receiving & unloading system, Vecobox for storage
 - ✓ P11 – Installation of ILC AF receiving & unloading system and OHC, Hot Disc Reactor SLC
- MoU with DKI Jakarta Government to receive RDF from Bantargebang
- Initiating “Sedekah Sampah Program” encouraging employees and surrounding local communities to send their waste to be utilized as alternative fuel



Installation of Hot Disc Reactor to increase alternative fuel rate and flexibility in fuel sourcing, enabling consumption of non-shredded RDF and other bulky fuels, can burn up to >600tpd of RDF



“Sedekah Sampah” program (waste to alternative fuel) raising employee & local community awareness



CIRCULARITY

Agreement offtake with byproduct from PT Krakatau Posco to increase circularity. Granulated Blast Furnace Slag can be used as supplementary cementitious material and reduce clinker content

GREEN ENERGY

- Tarjun ground mounted Solar PV with capacity of 19.65 MWp DC to generate 26.37 GWh/year and potentially **reduce 31k tons/year CO₂**. Target commissioning in Q2 2024
- Citeureup ground mounted Solar PV with capacity of 32.5 MWp DC to generate 45 GWh/year and potentially **reduce 40k tons/year CO₂**. Target commissioning at the end of 2024

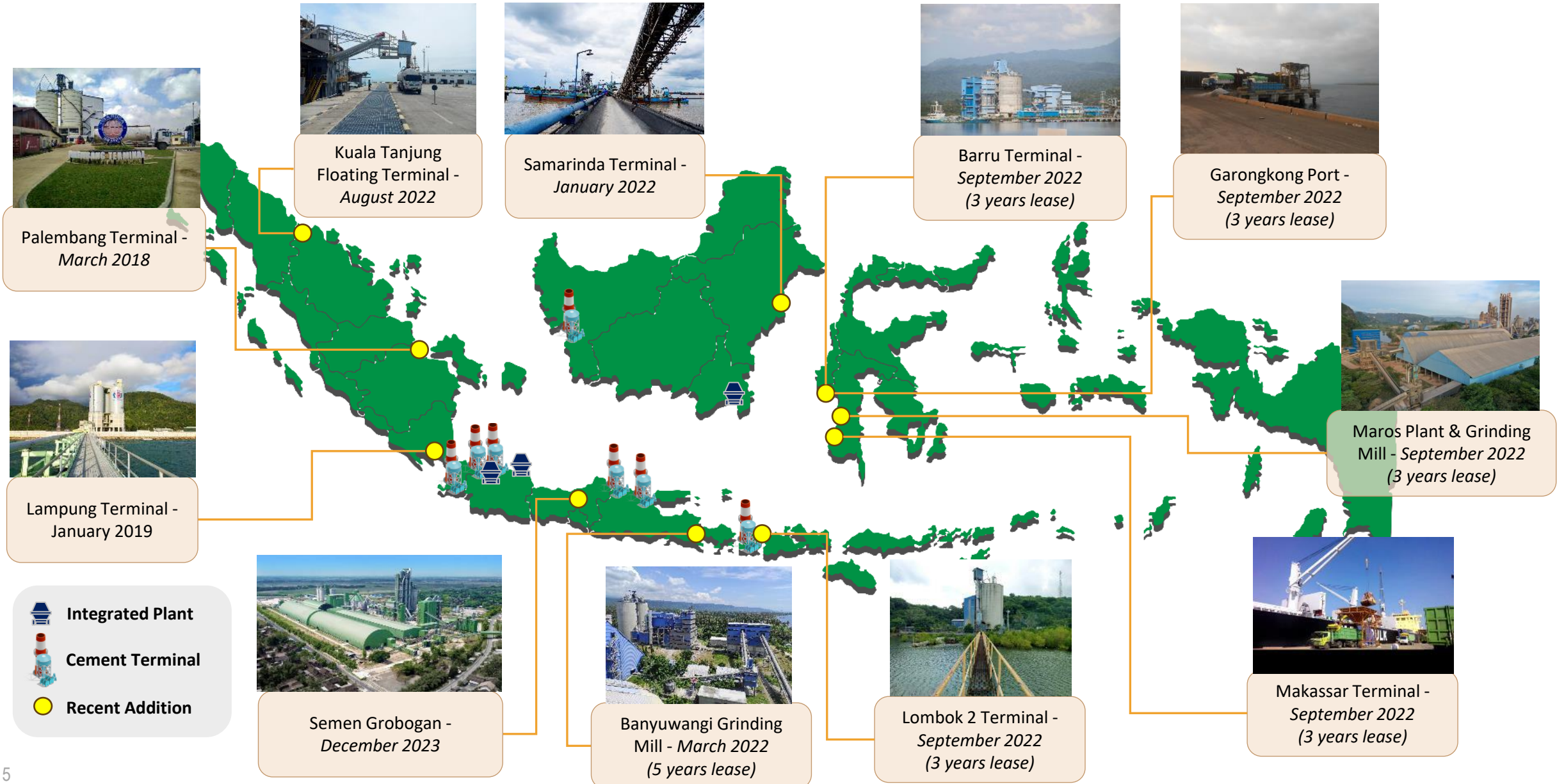


Progress of solar panel installation at Tarjun Plant, South Kalimantan (Feb 2024)



Material to Build Our Future : Indocement is committed to making continuous progress in decarbonization efforts


Indocement Expanded Footprints




2023 Marketing Campaign



By implementing 4 elements of CARE (PEDULI) in our 2023 marketing campaign, we had significant TOP Brand Index growth from 46.5% in 2022 to 52.5% (1st time <50% since 2018)

 @sementigaroda

 @cerita.kampungrajawali

4 elements of CARE



Peduli Lingkungan #TrashBack

Project Grebek
Offline Activation on construction project, and collecting the bags on **4 cities with more than 60 project visited**

Trashback Program
Start to build Circular Economy program by collecting the used bags

Hari Bangunan Indonesia
Build Sport Competition event for **16 construction stakeholder** (government, industry, contractor, etc)

Peduli Tukang #TukangkuSayang

Content Collaboration with Mason
"Ngabuburit Bareng Tukang" (hangout with construction workers) on Ramadhan and Mason inspirational Talk show on STR YouTube channel (**3.6 Mio Views**)

Kompetisi Tukang Indonesia
Collab with PUPR Ministry on managing National Mason Competition on building mini housing followed by more than **100 certified Mason** all over Indonesia

SETARA Certification
Conducting **57 Training events, with 1600 Alumny** and **300 Certification** collaborated with PUPR)

Peduli Rumah #Homestory

HomeStory
Share the story of your Dream House at masterumah.id, followed by **600 participants**

Masterumah Goes to Campus and Architect Competition
Go to **4 Main Campuses** in Indonesia with **more than 1000 audiences**, and **174 Architects** participated in the competition

STR on Raimuna National
Collaboration with PUPR and Raimuna event to renovate **15 Housing** in West Java

Peduli Customer #PelangganSETIA

Celebrity Project Collaboration
Collaboration with Celebrity Project (Hesti P and Mad Kucil) and share the progress on Socmed with **2.5 Mio Views**

STR Social Media Education
Share construction education content on STR Social Media with total **16 Mio Reached** and **250K Engagements**

Semen Rajawali TikTok Fun Activation
Fun Content and activation on TikTok with total **500K Views**

2024 Marketing Campaign



We introduce new campaign tagline on 2024: “Saatnya Kamu yang Memutuskan, untuk Masa Depan Kokoh Selamanya” started in February 2024

Teaser



Teaser content collaboration with Tya Aristya: Tya Decision on TPS* (Tempat Pembelian Semen) on 8 February 2024

Main Video Campaign



SAATNYA KAMU YANG MEMUTUSKAN – YouTube
(time for you to decide)

Main Video Campaign launch on YouTube and Social media on 12 February 2024, riding the moment of “hari tenang” (quiet period) before election, correlated to our campaign theme

Conventional Media Placement



Running TV Commercial Ads and at some Videotron in Jakarta since February 2024

The campaign journey will continue with related content and activities throughout 2024

* TPS is commonly known as Tempat Pemilihan Suara, a place where voters cast their votes. In relation to the election year in 2024, we take a creative approach in our marketing campaign to refer it as a place to buy cement: Tempat Pembelian Semen

- ✔ **National Cement Domestic volume is projected to grow 2%-3% in 2024 with strong growth of bulk demand to continue**
- ✔ **Lower coal price index and more accessible of DMO coals** continue to favor energy costs for cement players
- ! On the other hand, global situation might further raise WTI Fuel price causing our non-subsidized fuels to increase and **the weakening IDR against USD**
- ! **Government Policy Changes: 1) Over Dimension & Over-loading (ODOL) policy and 2) The plan of Carbon Tax implementation are expected to be delayed**, subject to the policy of the new Government
- ✔ **Our Samarinda Terminal with 4 new constructed Silos @2,500 ton capacity will help to increase the supply of bulk cement to IKN (new capital city) and smelter – hydropower projects in Northern Kalimantan**
- ✔ **Expected to have more Environmental Friendly Cement sales in 2024, for bulk cement (Slag Cement and Hydraulic Cement) and also bag cement** after obtaining new SNI that allow us to introduce **new cement type with lower clinker but same quality**
- ✔ **The newly acquired PT Semen Grobogan will enable us to keep strong position in Central Java market (additional 1.5mio ton existing supply of Grobogan) with benefit in both logistic and productions costs efficiency from using alternative fuel and alternative material**
- ✔ **Future Investment:** keep focusing to expand our Sustainability Strategy and Digitalization/Automation process especially in Semen Grobogan Plant and Maros Plant including further synergy by using our expanded footprints

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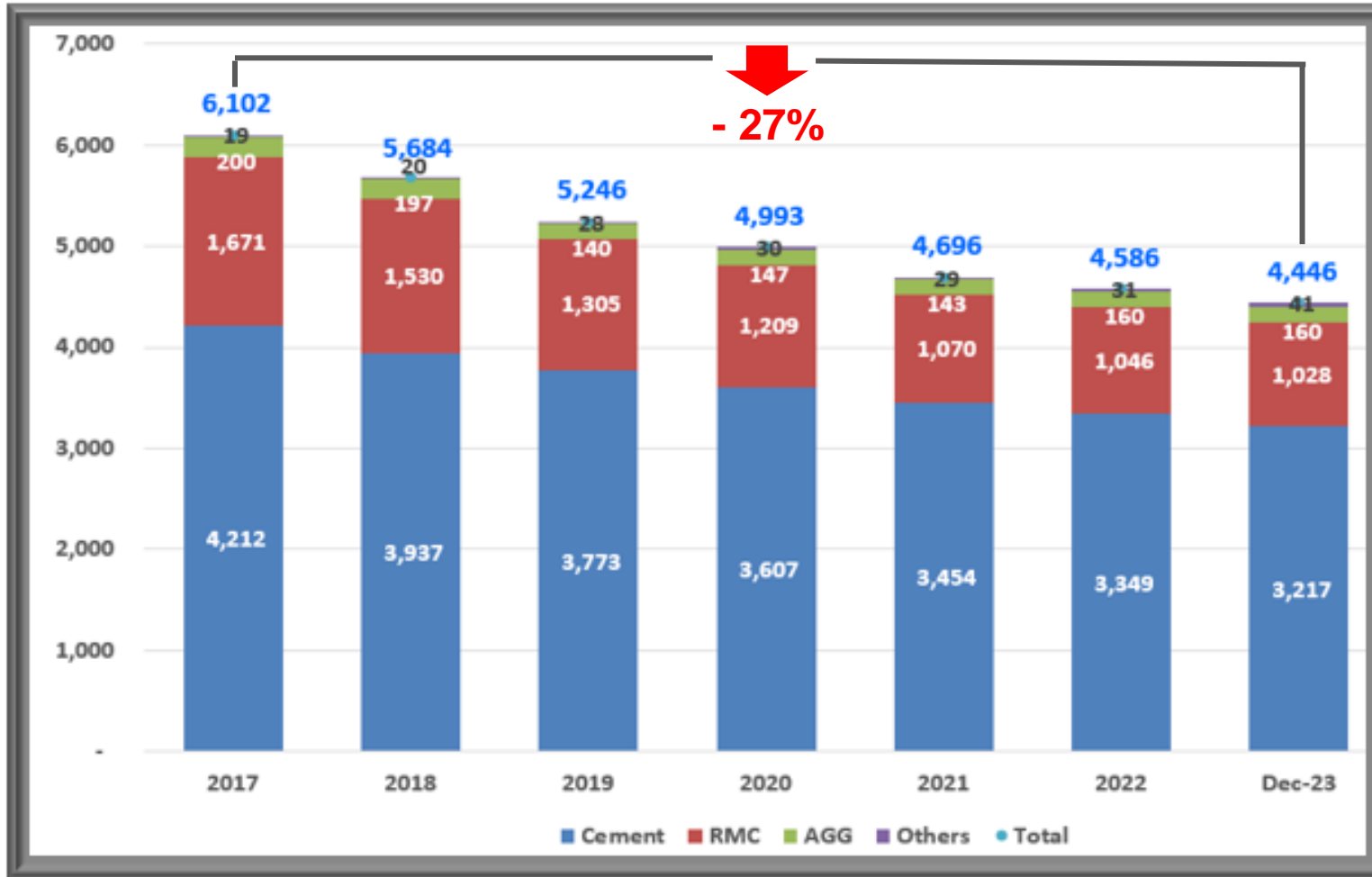
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HRGA, Good Works, Awards

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Q & A

Human Capital & Good Works – Manpower Development



Continuing the Competitiveness in Manpower



New 33 MT on boarding – March 2024



In year 2023, Indocement obtained Asia Best Employer Awards as one of best places to work

Gradually we recruit the youngster and prepare them for the next generation of Indocement management. We focus on the quality talent and develop their competency.

Human Capital & Good Works – Actively Participation



Indocement obtained two gold medals ICQCC 2023 in Beijing



Indocement actively participate in West Java Festival 2023



Innovation spirit is one of Indocement DNA



Conducted sport activities to show our active spirit

Human Capital & Good Works – The Safety Culture

Safety is always our 1'st Priority !!



CEO of Indocement lead the ceremony of Month of K3 Opening



Routine BOD Safety Inspection



In all unit ITP's operation including subsidiaries conducted the ceremony of Month of K3 Opening

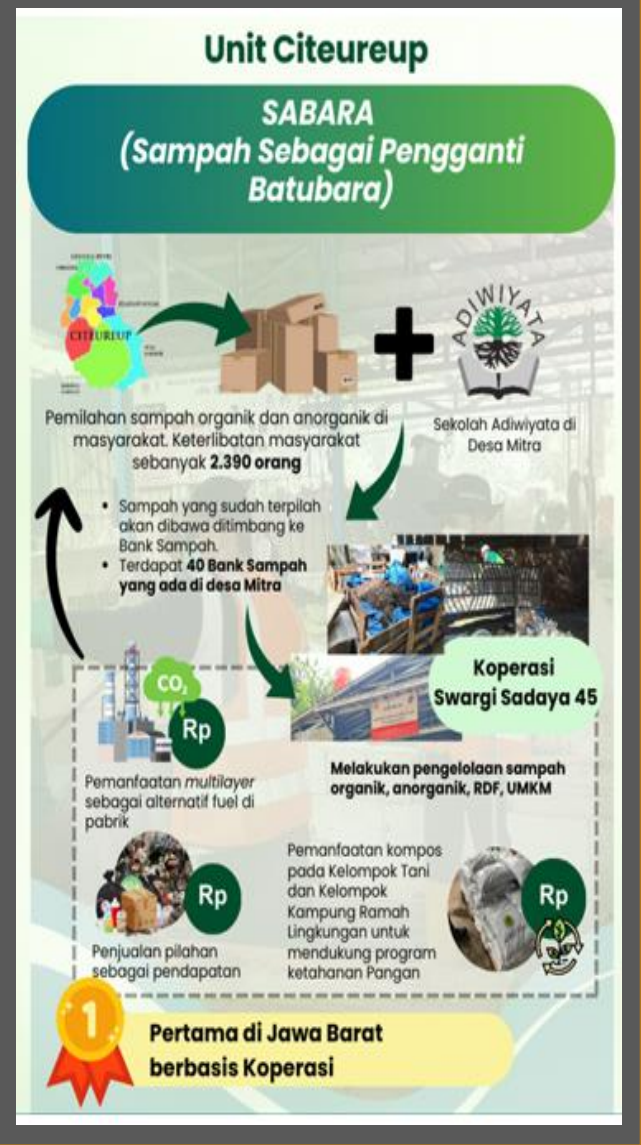


Safety trainings to all workers at all locations

Human Capital & Good Works – Our Participation in Green



“Sedekah Sampah” Program at Indocement



Signing MOU of RDF with Central Java Government



“Bank Sampah Award” Program for the surrounding communities



Signing of RDF contract with Dinas LH DKI Jakarta

Our commitment in CO₂ reduction by actively doing the green movement internally and externally

Human Capital & Good Works – Indocement Baik in actions



Continue planting mangrove trees to avoid abrasion of sea wave



Training and education of micro economic partnership “kemitraan UMKM”



Periodically program of blood donation, in collaboration with Palang Merah Indonesia



Donation for Cianjur earthquake disaster by providing water core drilling



Kid soccer school for Palimanan village



Together with Kotabaru Regency rebuilding the local traditional market after fire accident

Maintain a harmonization relationship with communities to support the sustainable growth and showing that we are a good neighborhood through “Indocement Baik” movements

Citeureup Unit

SABARA
(Sampah Sebagai Pengganti Batubara)
Waste to substitute coal



Cirebon Unit

PALIMANAN MERDEKA
Waste management based on community empowerment



Tarjun Unit

Tourism Development Based on Community "Goa Lowo"



Awards in 2023



31 January 2023

Warta Ekonomi GCG Awards 2023

Category: Basic Industry and Chemicals

Organizer: Warta Ekonomi

31 January 2023

Corporate Social Responsibility (CSR) and Sustainable Village Development (PDB) Awards 2023

Category:

- Gold - “Semangat Sigantang” Program Citeureup Factory
- Gold - Utilization of RDF UPS BUMDes Products Program as Energy Substitution in Cement Industry to Reduce CO₂ Emissions and Fossil Energy Efficiency
- Silver – Empowerment of LMDH Cupang Program through Increasing Ecotourism in Batulawang

Organizer: Ministry of Villages, Development of Disadvantaged Regions and Transmigration of RI

17 March 2023

Public Relations Indonesia Awards 2023

Category:

- Gold - Private Company sub-category Annual Report
- Gold - Private Company sub-category Sustainability Report
- Most Popular Private Company in Printed and Online Media

Organizer: PR Indonesia



Awards in 2023



30 March 2023

Corporate Secretary Champion 2023

Category: 2nd Rank in Compliance

Organizer: SWA Media

7 June 2023

TOP CSR Awards 2023

Category:

- TOP CSR 2023 #Star 5
- Top Leader on CSR Commitment 2023 - Christian Kartawijaya

Organizer: Top Business Magazine

7 June 2023

Top Brand Awards 2023

Category: Cement, White Cement, Mortar

Organizer: Marketing Frontier Magazine

27 June 2023

“Anugerah Transparansi Emisi Korporasi 2023”

Category: Gold - Transparency in Corporate Emission Measurement

Organizer: B Universe, BGK Foundation, Investor Daily

4 August 2023

Indonesia Popular Companies & Institutions Awards 2023

Category: Corporate

Organizer: The Economics



Awards in 2023



4 August 2023

Indonesia Popular PR Person Awards 2023 - Antonius Marcos

Organizer: The Economics



10 August 2023

Environmental and Social Innovation Award (ENSIA) 2023 - Cirebon Factory

Category:

- Platinum - Reduction and Utilization of B3 Waste
- Gold - Water Efficiency and Reducing Water Pollution Load

Organizer: Sucofindo



15 August 2023

Bisnis Indonesia Corporate Social Responsibility Awards (BISRA)

Category: Platinum Champion in Corporate Social - Environmental Element

Organizer: Harian Bisnis Indonesia



30 August 2023

Indonesia Social Innovation Award (ISIA) 2023

Category: Gold – “Santap Ilmu Studio” Program Cirebon Factory

Organizer: ITB School of Business and Management, Sekolah Tinggi Kesejahteraan Sosial

Awards in 2023



2 September 2023

Eco-tech Pioneer and Sustainability Award (EPSA) 2023

Category: Silver - Ecosystem Protection

Organizer: Diponegoro University



18 September 2023

Corporate Governance Conference and Awards

Category: Top 50 Big Capitalization Public Listed Company

Organizer: Indonesian Institute for Corporate Directorship



21 September 2023

Sewindu PR Indonesia

Category: 106 Influential Companies and Institutions in Communication Field

Organizer: PR Indonesia



24 October 2023

Asia Best Employer Brand Awards 2023

Organizer: Employer Branding Institute

Awards in 2023



30 October 2023

Subroto Award

Category:

- Rank III - Corporate Energy Transition
- Energy Management in Building and Industry - Special Innovation in Industrial Management (2 awards)

Organizer: Ministry of Energy and Mineral Resources of RI

3 November 2023

International Convention on Quality Control Circles (ICQCC) 2023

Category:

- Gold - QCC Team P7/8
- Gold - Non-Stop Team Plant 14

Organizer: International Convention on Quality Control Circles (ICQCC)

6 November 2023

Asia Sustainability Reporting Rating (ASRRAT)

Category: Silver

Organizer: National Center for Corporate Reporting (NCCR)

1 December 2023

TOP CEO Indonesia 2023 - Christian Kartawijaya

Category: The Best CEO in Construction Materials and ESG

Organizer: Tempo and IDNFinancials



Awards in 2023



4 December 2023

Indonesia CSR Awards 2023

Category: Platinum - Dust Emission Monitoring of Citeureup Factory
Organizer: Corporate Forum for CSR Development (CFCD)



4 December 2023

Indonesia SDGs Awards 2023

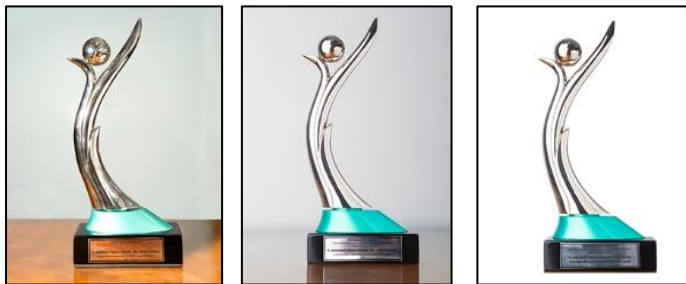
Category: Platinum - “Berkah Melimpah dari Sampah” (SDGs 7.3) Citeureup Factory
Organizer: Corporate Forum for CSR Development (CFCD)



15 December 2023

Indonesia Best 20 Corporate Secretary Awards 2023

Category: Construction Materials
Organizer: The Economics



20 December 2023

“PROPER Hijau”

Category: Green

- Citeureup Factory
- Cirebon Factory
- Tarjun Factory

Organizer: Ministry of Environment and Forestry of RI (KLHK)

Awards in 2024



25 January 2024

Best Public Relation in Realizing a Culture of Reducing Carbon Emission in the Production Process

Category: Construction Materials

Organizer: Warta Ekonomi



31 January 2024

Indonesia Best CEO 2023 - Christian Kartawijaya

Organizer: SWA Magazine and Dunamis Organization Services



5 March 2024

Indonesia Excellence Good Corporate Governance Awards 2024

Category: Basic Industry and Chemicals

Organizer: Warta Ekonomi



21 March 2024

Indonesia Best 50 CEO Awards 2024 - Christian Kartawijaya

Category: Building Material

Organizer: The Economics

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Thank You



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