

## OVERVIEW FINANCIAL RESULT FOR FY 2021

- National domestic cement market grew by +4.3% in 2021 with bag cement market of +4.7% and bulk cement market of +3.2% while Indocement domestic sales grew by +2.2% with bag of +3.0% and bulk of -0.6%. Our market share for 2021 was 25.4%.
- The significant increase in coal price lead to a high increase in production costs for all cement players.
- Use of alternative fuels was raised to 12.2% in 2021.
- In Q4 2021, we increased the selling price of bag cement in most areas of our strong market around 6-8%.
- Ongoing automation projects in plants and digitalization to support sales and distribution.
- Strong Cash position of IDR 6.1tr with 'zero debt' as of December 31, 2021.
- The total of share buyback in December 2021 was IDR 1.58 trillion. The maximum amount for the buyback is IDR 3 trillion and the period is extended until 6 June 2022.

Description	YTD Dec 2021	YTD Dec 2020	Variance	
	Bio IDR	Bio IDR	Bio IDR	%
Total Sales Volume (thousand tons)	17,960	17,108	853	5.0%
Domestic Sales Volume (thousand tons)	17,558	16,926	632	3.7%
Export Sales Volume (thousand tons)	402	181	221	122.0%
<b>Net Revenues</b>	<b>14,771.9</b>	<b>14,184.3</b>	<b>587.6</b>	<b>4.1%</b>
<b>Cost of Revenues</b>	<b>-9,645.6</b>	<b>-9,070.8</b>	<b>-574.9</b>	<b>-6.3%</b>
<b>Gross Profit</b>	<b>5,126.3</b>	<b>5,113.6</b>	<b>12.7</b>	<b>0.2%</b>
<i>% of Net Revenues</i>	<i>34.7%</i>	<i>36.1%</i>		
<b>Operating Expenses</b>	<b>-3,218.7</b>	<b>-3,153.5</b>	<b>-65.2</b>	<b>-2.1%</b>
<b>Other Operating Income (Expense) - Net</b>	<b>163.3</b>	<b>-84.1</b>	<b>247.4</b>	<b>294.2%</b>
<b>Operating Income</b>	<b>2,070.9</b>	<b>1,875.9</b>	<b>194.9</b>	<b>10.4%</b>
<i>% of Net Revenues</i>	<i>14.0%</i>	<i>13.2%</i>		
<b>EBITDA</b>	<b>3,323.9</b>	<b>3,278.0</b>	<b>45.9</b>	<b>1.4%</b>
<i>% of Net Revenues</i>	<i>22.5%</i>	<i>23.1%</i>		
<b>Finance Income - Net</b>	<b>139.3</b>	<b>257.4</b>	<b>-118.1</b>	<b>-45.9%</b>
<b>Share of Net Profit of Associates - net</b>	<b>24.2</b>	<b>15.3</b>	<b>8.9</b>	<b>57.8%</b>
<b>Final Tax</b>	<b>-0.3</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.6%</b>
<b>Profit before Income Tax Expense</b>	<b>2,234.0</b>	<b>2,148.3</b>	<b>85.7</b>	<b>4.0%</b>
<b>Income Tax Expense - Net</b>	<b>-445.5</b>	<b>-342.0</b>	<b>-103.5</b>	<b>-30.3%</b>
<b>Profit for the Year</b>	<b>1,788.5</b>	<b>1,806.3</b>	<b>-17.8</b>	<b>-1.0%</b>
<b>Total Comprehensive Income for the Year</b>	<b>1,873.0</b>	<b>1,764.9</b>	<b>108.1</b>	<b>6.1%</b>

PT Indocement Tunggal Prakarsa Tbk. ("Indocement" or "The Company") booked overall domestic (cement and clinker) sales volume of 18 million tons in 2021, higher 853 thousand tons or +5.0% than volume in 2020. Domestic cement sales volume (without clinker) was recorded at 16,6 million tons, higher 352 thousand tons or +2.2% than volume in 2020. The Company's domestic market share in 2021 was at 25.4%.

Export sales increased by +122.0% from 181 thousand tons to 402 thousand tons in 2021, mostly from clinker product due to full operational of Tarjun Factory.

The Company's Net Revenue increased by +4.1% to IDR 14,771.9 billion vs. 2020 of IDR 14,184.3 billion, which percentage increase is less than the percentage increase of sales volume (+5.0%) due to lower overall average selling price of export sales.

Cost of Revenues in 2021 increased by -6.3% from IDR 9,070.8.0 billion to IDR 9,645.6 billion from higher sales volume and increased in energy cost, mainly from coal price. However, to further mitigate the cost increase, the Company increased the consumption rate of alternative fuels from 9.3% in 2020 to 12.2% in 2021, including higher use of Low Calorific Value (LCV) coals from 80% to 88%.

As a result, Gross Profit Margin reduced to 34.7% in 2021 vs. last year of 36.1%, however the amount increased from IDR 5,113.6 billion to IDR 5,126.3 billion. EBITDA Margin reduced from 23.1% to 22.5% but with higher amount also from IDR 3,278.0 billion to IDR 3,323.9 billion. Operating Income Margin improved by 80bps from 13.2% to 14.0% in 2021 due to higher Other Operating Income (Expense) – Net. In 2020, there was impairment loss of IDR 73.5bio on machinery & equipment and in 2021, the gain was mainly from reversal of lease liabilities.

The Company recorded a lower Financial Income - Net of -45.9% from IDR 257.4 billion in 2020 to IDR 139.3 billion due to the relatively lower interest rates in 2021.

Income Tax Expense – Net increased by -30.3% from IDR 342 billion to IDR 445.5 billion due to higher deferred income tax expense.

Finally, from the above figures, Profit for the Year decreased by -1.0% from IDR 1,806.3 billion to IDR 1,788.5 billion in 2021.

### Resilient Balance Sheet

After total dividend payment (FY 2020) of IDR 725/share (total amount of IDR 2,669 billion) with IDR 225/share (total amount of IDR 828 billion) distributed in December 2020 as interim dividend and IDR 500/share (total amount of IDR 1,841 billion) distributed in 2021 decided from the 2021 Annual General Meeting of Shareholder, including Shares Buyback that has been carried out amounting to IDR 1,583 billion in 2021, the Company booked a net cash position with Cash and Cash Equivalents to IDR 6.1 trillion. Strong cash flow generated from operations and persistent efforts from management to increase working capital is the key to maintain our resilient Balance Sheet.

Description	Dec 31, 2021 Bio IDR	Dec 31, 2020 Bio IDR	Variance	
			Bio IDR	%
<b>Current Assets</b>	<b>11,336.7</b>	<b>12,299.3</b>	<b>-962.6</b>	<b>-7.8%</b>
<b>Non-Current Assets</b>	<b>14,799.4</b>	<b>15,045.4</b>	<b>-246.0</b>	<b>-1.6%</b>
<b>Current Liabilities</b>	<b>4,646.5</b>	<b>4,216.0</b>	<b>430.6</b>	<b>10.2%</b>
<b>Non-Current Liabilities</b>	<b>868.6</b>	<b>952.5</b>	<b>-83.8</b>	<b>-8.8%</b>
<b>Equity</b>	<b>20,621.0</b>	<b>22,176.2</b>	<b>-1,555.3</b>	<b>-7.0%</b>
<b>Total Assets = Total Liabilities + Equity</b>	<b>26,136.1</b>	<b>27,344.7</b>	<b>-1,208.6</b>	<b>-4.4%</b>

With strong Balance Sheet Position and 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 in any opportunity for consolidation in cement industry that brings synergies in the future.

### Maintain Optimism for Higher Growth for 2022

Positive growth on domestic cement volume in year 2021 was certainly an encouraging sentiment for the cement industry. Pressure from COVID-19 during the Delta variant with its peak in July and high coal price were certainly the main challenges in 2021. Selling price for bag cement was raised about 6-8% in most areas of our strong market during Q4 2021 as the impact of the increasing cost burden, however, the increase was still not adequate to the increasing energy costs since beginning of 2021.

Year 2022 started with growing concern of COVID-19 the Omicron variant which turned to reality when its peak occurred just last February, however, since then the new daily cases have been declining followed with change in implementation of restrictions on community activities policies. At the same time, rising geopolitical tension in Europe has led to high spikes in coal and oil prices. As a result, we have to increase our selling prices for both bag and bulk cements in mid-March 2022 to offset the burdens of rising energy and oil costs coupled with higher price for paper and other raw materials, as an effect from inflationary pressure of current conditions. However, we are still optimistic to be able to remain competitive in the domestic cement market, which is estimated to grow around 5%, supported mainly by growth in bulk cement from the continuation of infrastructure projects and positive catalysts on the construction of the new nation's capital (IKN), including the recovery of commercial projects from the 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 25.5 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, 25 March 2022

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