

OVERVIEW FINANCIAL RESULT FOR H1/2022

- Indocement recorded +3.7% Net Revenues growth for the first semester in 2022 with amount of IDR 6,911.1 billion.
- The Company has increased the price of bag cement in mid-March and June to boost net revenue growth in H1/2022.
- Upsurge of coal and industrial fuel price which increased mining and logistic costs have declined EBITDA Margin from +19.2% in H1-2021 to 13.3% in H1-2022.
- Total CAPEX spending as of 30 June 2022 was IDR 658 billion out of IDR 1.5 trillion plan for 2022.
- Up to June 2022, amount of shares buyback program that has been carried out since December 2021 was at IDR 2.44 trillion.

| Description | Unit | YTD Jun 2022 Amount | YTD Jun 2021 Amount | Variance | |
|---|--------------------------|------------------------|------------------------|----------|--------|
| | | | | Amount | % |
| Total sales volume | <i>k tons</i> | 7,686 | 8,192 | -506 | -6.2% |
| Domestic Sales Volume | <i>k tons</i> | 7,522 | 7,970 | -448 | -5.6% |
| Export Sales Volume | <i>k tons</i> | 165 | 222 | -58 | -25.9% |
| Net Revenues | <i>IDR bio</i> | 6,911.1 | 6,666.9 | 244.1 | 3.7% |
| Cost of Revenues | <i>IDR bio</i> | -5,142.3 | -4,572.9 | -569.4 | -12.5% |
| Gross Profit | <i>IDR bio</i> | 1,768.8 | 2,094.1 | -325.3 | -15.5% |
| | <i>% of Net Revenues</i> | 25.6% | 31.4% | | |
| Operating Expenses | <i>IDR bio</i> | -1,503.4 | -1,485.6 | -17.8 | -1.2% |
| Other Operating Income (Expense) - Net | <i>IDR bio</i> | 69.3 | 33.1 | 36.2 | 109.1% |
| Operating Income | <i>IDR bio</i> | 334.7 | 641.7 | -307.0 | -47.8% |
| | <i>% of Net Revenues</i> | 4.8% | 9.6% | | |
| EBITDA | <i>IDR bio</i> | 917.1 | 1,280.6 | -363.5 | -28.4% |
| | <i>% of Net Revenues</i> | 13.3% | 19.2% | | |
| Finance Income - Net | <i>IDR bio</i> | 25.6 | 76.8 | -51.3 | -66.7% |
| Share of Net Profit of Associates - net | <i>IDR bio</i> | 7.7 | 12.5 | -4.8 | -38.5% |
| Final Tax | <i>IDR bio</i> | -0.3 | -0.2 | -0.1 | -88.0% |
| Profit before Income Tax Expense | <i>IDR bio</i> | 367.7 | 730.9 | -363.2 | -49.7% |
| Income Tax Expense - Net | <i>IDR bio</i> | -76.1 | -144.3 | 68.2 | 47.2% |
| Profit for the Period | <i>IDR bio</i> | 291.5 | 586.6 | -295.0 | -50.3% |
| Total Comprehensive Income for the Period | <i>IDR bio</i> | 291.5 | 586.8 | -295.3 | -50.3% |

PT Indocement Tunggal Prakarsa Tbk. ("Indocement" or "The Company") booked overall domestic (cement and clinker) sales volume of 7.5 million tons in H1/2022, lower 448 thousand tons or -5.6% from H1/2021 volume. Domestic cement sales volume (without clinker) was recorded at 7.1 million tons, lower 302 thousand tons or -4.1% than volume in H1/2021, resulted in the Company's domestic market share of 24.3%. Export sales decreased -25.9% from 222 thousand tons in H1/2021 to 165 thousand tons in H1/2022.

The Company's Net Revenue increased +3.7% to IDR 6,911.1 billion from H1/2021 of IDR 6,666.9 billion due to increase in selling price this year in March and June.

Cost of Revenues in H1/2022 increased -12.5% from -IDR 4,572.9 billion to -IDR 5,142.3 billion due to increase in energy costs, mainly from coal price and industrial fuel reducing our Gross Profit Margin to 25.6% in H1/2022 from 31.4% in H1/2021. To mitigate the energy costs, the Company continuously increased consumption rate of alternative fuels from 12.2% at the end of 2021 to 17.6% by June 2022, including higher use of Low Calorific Value (LCV) coals from 88% to 90%.

Higher Operating Expenses of -1.2% from -IDR 1,485.6 billion to -IDR 1,503.4 billion was due to higher cost of transportation and depreciation of lease assets following addition in 2022 lease.

As a result, Operating Income Margin decreased from 9.6% to 4.8% and EBITDA Margin reduced from 19.2% to 13.3% in H1/2022.

The Company recorded a lower Financial Income - Net from IDR 76.8 billion in H1/2021 to IDR 25.6 billion or -66.7% lower due to overall lower interest rates in H1/2022 from the same period last year

Income Tax Expense – Net decreased +47.2% from -IDR 144.3 billion to -IDR 76.1 billion was due to lower profit.

Finally, from the above figures, Profit for the Period decreased by -50.3% from IDR 586.6 billion to IDR 291.5 billion for H1/2022

Resilient Balance Sheet

From the dividend payment last year including shares buyback program that has been carried out since December 2021 amounting to IDR 2.44 trillion, the Company booked a net cash position with Cash and Cash Equivalents to IDR 3.1 trillion by June 2022. Strong cash flow generated from operations and persistent efforts from management to increase working capital is the key to maintain our resilient Balance Sheet.

| Uraian | June 30, 2022 Bio IDR | Dec 31, 2021 Bio IDR | Variance | |
|--|--------------------------|-------------------------|-----------------|---------------|
| | | | Bio IDR | % |
| Current Assets | 8,515.2 | 11,336.7 | -2,821.5 | -24.9% |
| Non-Current Assets | 14,939.6 | 14,799.4 | 140.2 | 0.9% |
| Current Liabilities | 3,912.6 | 4,646.5 | -733.9 | -15.8% |
| Non-Current Liabilities | 1,219.5 | 868.6 | 350.9 | 40.4% |
| Equity | 18,322.6 | 20,621.0 | -2,298.3 | -11.1% |
| Total Assets = Total Liabilities + Equity | 23,454.8 | 26,136.1 | -2,681.3 | -10.3% |

With strong Balance Sheet position and no bank debt, Indocement is ready to face challenges of the current economic recovery along with continuous oversupply capacity of cement industry, and ready to participate in any opportunities to maintain more efficient cement production and distribution in the future.

Energy Cost as the Main Cost Pressure

Energy costs have been the main concern for cement industry since last year. On-going conflict from the war in Eastern Europe has made the situation more unpredictable with yet another coal price record in June 2022. The energy price remains high with expected higher demand from upcoming winter season.

We had increased our bag cement price in March and June this year to pass through part of the increase in energy costs. It is expected that bulk cement sales will remain high due to dry weather and the commencement of some commercial projects and budget year-end spending for infrastructure projects in H2/2022. Bulk cement market share in H1/2022 is 26% from total cement market, which is quite a significant increase from 21% in H1/2021. Our forecast for overall cement growth in 2022 now is at 2~4%.

About Indocement

Indocement is one of the largest cement producers in Indonesia which produce Semen Tiga Roda and Semen Rajawali brands. 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.

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