

# INDOCEMENT CONTROLS 29.7% INDONESIA CEMENT MARKET SHARE

## Overview for YTD September 2024:

- From ASI data, domestic cement market grows +1.6% from combination of contraction in bag market of -2.0% and growth in bulk market of +10.9%.
- Bulk cement composition reaches 30.7% vs. 28.1% last year, the construction of new capital city remains to be the main driver.
- Indocement recorded domestic (cement and clinker) volume of 14,550 thousand tons up to September 2024, +9.4% higher from the same period last year mainly contributed from Semen Grobogan Factory. Total exports were 189 thousand tons or down -57.6%.
- Our domestic cement market share for YTD September 2024 is 29.7% with Java 37.8% and outside Java 21.1%.
- Raised price of bag products around June and August/September with total YTD increase about 3% to 4%.
- Net Revenues is at IDR 13,320.7 billion, +3.0% higher mainly due to addition of Semen Grobogan sales.
- Cost of Revenues increase +4.5% to IDR 9,237.7 billion from higher volume and additional overhead costs in Maros and Grobogan.
- Margin for EBITDA is at 19.0% or IDR 2,531.6 billion and Profit for the Period at 7.9% or IDR 1,055.9 billion.
- Current share buyback program up to IDR 895 billion (including fees, etc.) will end on December 31, 2024, so far the spending is about 50%.

Description	YTD Sep 2024	YTD Sep 2023	Variance	
	'000 tons	'000 tons	'000 tons	%
<b>Total Sales Volume</b>	14,738	13,739	999	7.3%
Domestic	14,550	13,294	1,255	9.4%
Export	189	445	-256	-57.6%

Description	YTD Sep 2024	YTD Sep 2023	Variance	
	Bio IDR	Bio IDR	Bio IDR	%
<b>Net Revenues</b>	13,320.7	12,927.7	393.0	3.0%
<b>Cost of Revenues</b>	-9,237.7	-8,839.1	-398.6	-4.5%
<b>Gross Profit</b>	4,083.0	4,088.6	-5.6	-0.1%
<i>% of Net Revenues</i>	30.7%	31.6%		
<b>Operating Expenses</b>	-2,722.0	-2,582.8	-139.2	-5.4%
<b>Other Operating Income (Expense) - Net</b>	19.6	9.1	10.5	115.8%
<b>Operating Income</b>	1,380.6	1,514.8	-134.2	-8.9%
<i>% of Net Revenues</i>	10.4%	11.7%		
<b>EBITDA</b>	2,531.6	2,529.4	2.2	0.1%
<i>% of Net Revenues</i>	19.0%	19.6%		
<b>Finance Income - Net</b>	-70.4	69.4	-139.8	-201.5%
<b>Share of Net Profit of Associates - Net</b>	20.4	21.2	-0.8	-3.5%
<b>Final Tax</b>	-0.6	-1.5	0.9	58.9%
<b>Profit before Income Tax Expense</b>	1,330.0	1,603.9	-273.9	-17.1%
<b>Income Tax Expense - Net</b>	-274.1	-336.6	62.6	18.6%
<b>Profit for the Period</b>	1,055.9	1,267.3	-211.4	-16.7%

PT Indocement Tunggal Prakarsa Tbk. (Indocement or the Company) booked overall sales volume (cement and clinker) of 14,738 thousand tons for YTD September 2024, higher +999 thousand tons or +7.3% than the same period last year. Overall domestic cement (without clinker) sales volume was

recorded at 13,690 thousand tons, higher +1,194 thousand tons or +9.6% mainly from additional volume of PT Semen Grobogan. This concluded to our domestic market share, referred to Indonesia Cement Association/ASI data, to 29.7% with Java 37.8% and outside Java 21.1%. Overall export sales was 189 thousand tons.

The Company's Net Revenue was at IDR 13,320.7 billion, higher +3.0%. Our bulk product composition was at 31.6% higher than same period last year 26.1% from supply to new capital city and acceleration of other infrastructure projects.

Cost of Revenues increased to -IDR 9,237.7 billion, higher +4.5% following higher sales volume. These resulted to Gross Profit margin of 30.7% for YTD September 2024.

Higher Operating Expenses of +5.4% to -IDR 2,722.0 billion was from higher sales volume and other costs from expanded operation (Grobogan). Higher Other Operating Income (Expense) – Net of IDR 19.6 billion, higher +115.8% was due to forex gain in 2024 vs. forex loss last year, including some sales of scrap in 2024. These concluded to margin of Operating Income at 10.4% and EBITDA at 19.0% for YTD September 2024.

Lower Finance Income - Net of -IDR 70.4 billion or -201.5% was due to interest expense from debt incurred for PT. Semen Grobogan acquisition. Income Tax Expense – Net declined to -IDR 274.1 billion or lower -18.6% due to lower profit.

Finally, from the above figures, Profit for the Period YTD September 2024 was at IDR 1,055.9 billion.

#### **Resilience Balance Sheet**

Indocement booked a net cash position with Cash and Cash Equivalents to IDR 2.7 trillion by 30 September 2024.

Description	30-Sep-24	31-Dec-23	Variance	
	Bio IDR	Bio IDR	Bio IDR	%
<b>Current Assets</b>	8,755.7	9,228.0	-472.3	-5.1%
<b>Non-Current Assets</b>	19,768.2	20,421.6	-653.4	-3.2%
<b>Current Liabilities</b>	6,137.0	7,368.2	-1,231.1	-16.7%
<b>Non-Current Liabilities</b>	1,146.9	1,311.9	-165.0	-12.6%
<b>Equity</b>	21,240.0	20,969.5	270.4	1.3%
<b>Total Assets = Total Liabilities + Equity</b>	<b>28,523.9</b>	<b>29,649.6</b>	<b>-1,125.7</b>	<b>-3.8%</b>

#### **Navigating Challenges with Optimism Ahead**

The weak purchasing power condition still affects overall cement demand especially to the bag market while bulk market maintains its growth, resulted to higher bulk market composition of 30.7% per YTD September 2024 vs. last year of 28.1%.

Amidst the current challenges, recent prolong of the 100% discount of VAT on house purchase (with certain limit) until the end of the year, expectation of lower interest rate, and few recent initiatives mentioned by the new Government on housing program and possible further property stimulus, would drive more demand for cement in the property sector.

#### **About Indocement**

Indocement is one of the largest cement producers in Indonesia, which produce Semen Tiga Roda, Semen Rajawali, Mortar Tiga Roda, and Semen Grobogan 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 approximately 3,700 employees. Indocement operates and owns 14 plants as well as two plants and one grinding mill on a rental basis, with a total annual production capacity of 33.5 million tons of cement. Ten plants are

located in the Citeureup Factory, Bogor, West Java; two plants in the Cirebon Factory, Cirebon, West Java; and one plant in Tarjun Factory, Kotabaru, South Kalimantan; one plant in Grobogan, Central Java; two plants in Maros, South Sulawesi, and one grinding mill in Banyuwangi, East Java. In 2022, Indocement has operated Bosowa Plant after signing an Asset Lease Agreement with PT Semen Bosowa Maros and PT Bosowa Corporindo. Heidelberg Materials AG has been Indocement's majority shareholder since 2001.

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