

INDOCEMENT SUCCESSFULLY ACHIEVED PROFIT OF IDR 1,950.4 BILLION FOR 2023, GROWTH 5.9%

Overview financial result for 2023:

- 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 and 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.

| Description | 2023 | 2022 | Variance | |
|---------------------------|-----------|-----------|-----------|-------|
| | '000 tons | '000 tons | '000 tons | % |
| Total Sales Volume | 19,345 | 17,586 | 1,759 | 10.0% |
| Domestic | 18,766 | 17,280 | 1,486 | 8.6% |
| Export | 579 | 306 | 273 | 89.0% |

| Description | 2023 | 2022 | Variance | |
|--|-----------|-----------|----------|---------|
| | Bio IDR | Bio IDR | Bio IDR | % |
| Net Revenues | 17,949.8 | 16,328.3 | 1,621.5 | 9.9% |
| Cost of Revenues | -12,103.0 | -11,185.1 | -917.9 | -8.2% |
| Gross Profit | 5,846.7 | 5,143.2 | 703.6 | 13.7% |
| <i>% of Net Revenues</i> | 32.6% | 31.5% | | |
| Operating Expenses | -3,626.2 | -3,334.3 | -291.9 | -8.8% |
| Other Operating Income (Expense) - Net | 61.5 | 417.6 | -356.1 | -85.3% |
| Operating Income | 2,282.1 | 2,226.5 | 55.6 | 2.5% |
| <i>% of Net Revenues</i> | 12.7% | 13.6% | | |
| EBITDA | 3,656.5 | 3,454.6 | 201.9 | 5.8% |
| <i>% of Net Revenues</i> | 20.4% | 21.2% | | |
| Finance Income - Net | 84.7 | 40.6 | 44.1 | 108.6% |
| Share of Net Profit of Associates - Net | 31.4 | 22.8 | 8.5 | 37.3% |
| Final Tax | -1.8 | -0.6 | -1.2 | -185.9% |
| Profit before Income Tax Expense | 2,396.3 | 2,289.3 | 107.0 | 4.7% |
| Income Tax Expense - Net | -446.1 | -446.9 | 0.8 | 0.2% |
| Profit for the Year | 1,950.3 | 1,842.4 | 107.8 | 5.9% |

PT Indocement Tunggal Prakarsa Tbk. (Indocement or the Company) booked overall (cement and clinker) sales volume of 19.3 mio tons in 2023, higher 1.75 mio tons or about 10.0% increase. Overall domestic cement sales volume was recorded at 18.8 mio tons, increase by 8.6% or about 1.5 mio tons. The volume includes full year volume from Maros operation plus only 1 month volume of December from Grobogan operation as the acquisition of PT Semen Grobogan was completed on 1 December 2023. Our total domestic cement market share is 27.3% in 2023 (referred to Industrial Ministry data), with Java 33.9% and outside Java 20.5%. Export sales increased +89.0% from 306 thousand tons to 579 thousand tons up to Q3 2023.

The Company's Net Revenue increased by 9.9% to IDR17,949.8 billion due to higher sales volume. Cost of Revenues increased by 8.2% to -IDR12,103.0 billion resulted to improvement in Gross Profit margin from 31.5% in 2022 to 32.6% in 2023.

Higher Operating Expenses of +8.8% to -IDR3,626.2 billion from higher sales volume and increase in costs associated from expanded operations in Maros and Grobogan. Lower Other Operating Income (Expense) – Net of IDR61.5 billion or lower -85.3% was mainly due high one-off project settlements in Q4 2022, including some forex loss in 2023 vs. forex gain in 2022. These concluded to margin of Operating Income at 12.7% and EBITDA at 20.4% for 2023.

The Company recorded a higher Finance Income - Net of IDR84.7 billion or +108.6% following overall higher interest rate in 2023 and Income Tax Expense - Net remained alike -IDR446.1 billion or +0.2%

Finally, from the above figures, Profit for the Year increased +5.9% from IDR1842.4.9 billion in 2022 to IDR1,950.3 billion in 2023.

Resilient Balance Sheet

After 100% acquisition of PT Semen Grobogan shares followed by repayment of outstanding loans with own cash and loan restructuring, Indocement booked a net cash position with Cash and Cash Equivalents to IDR3.2 trillion by the end of 2023.

| Description | Dec 31, 2023 | Dec 31, 2022 | Variance | |
|--|-----------------|-----------------|-----------------|---------------|
| | Bio IDR | Bio IDR | Bio IDR | % |
| Current Assets | 9,228.0 | 10,312.1 | -1,084.1 | -10.5% |
| Non-Current Assets | 20,421.6 | 15,394.1 | 5,027.5 | 32.7% |
| Current Liabilities | 7,368.2 | 4,822.2 | 2,546.0 | 52.8% |
| Non-Current Liabilities | 1,311.9 | 1,317.1 | -5.2 | -0.4% |
| Equity | 20,969.5 | 19,566.9 | 1,402.6 | 7.2% |
| Total Assets = Total Liabilities + Equity | 29,649.6 | 25,706.2 | 3,943.5 | 15.3% |

Unceasing Commitment to Our Customers

In recent of years, Indocement has proven its commitment to continuously be a prominent player in the cement industry. From the lease agreement with PT Semen Bosowa Maros in 2022 for their grinding unit in East Java, integrated cement plant in Maros, and terminals in Sulawesi and Lombok, to finally the full acquisition of PT Semen Grobogan in December 2023. These footprint expansions support our long-term roadmap, enabling distribution of our products to be more robust and reliable for our customers throughout Indonesia.

There are uncertainties from both external and internal such as geopolitical situation, the decision or timing whether central banks would lower their interest rate, including our own political situation from the election year. However, we foresee strong demand of bulk cement to continue from acceleration of the new capital city construction, and increase in bag consumption in residential property market benefiting from property VAT tax discount on new house purchase of the value less than IDR 2bio (100% VAT tax subsidy up to June, then 50% to December 2024). We also foresee the increase in

cement demand due to possibility of lower interest rate in later this year. Considering all of these, we estimate cement demand in 2024 to grow about 2%–3%.

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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