

**Optimizing Capabilities to Lead The Market**  
Corporate Presentation – August 2024



## Company Profile



**#1**  
Largest cement producer in Indonesia



**56.5 MT p.a.**  
Largest designed cement production capacity in Indonesia



**~50%**  
Largest domestic market share



**Gold & Green**  
PROPER rating by Indonesia Ministry of Environment & Forestry

### Shareholders



- Government of Indonesia
- National Public
- Foreign Public

## Company Milestones



**2022**  
Integrate **PT Semen Baturaja** through rights issue transaction



**2019**  
Acquired **PT Holcim Indonesia** to solidify market dominance, renamed as Solusi Bangun Indonesia



**2013**  
Transformation to strategic holding, renamed as **Semen Indonesia**



**2012**  
Acquired Thang Long Cement Company from **Vietnam** for global reach



**1995**  
Consolidated with PT Semen Padang & PT Semen Tonasa, became **largest national cement producer**



**1991**  
First SOE to be listed in **Jakarta Stock Exchange**



**1957**  
Established as PT **Semen Gresik**

## Lines of Business



**Cement Manufacturing**

- ✓ **6+1 Brands**, Strong presence in Indonesia
- ✓ **Multipurpose Cement**
- ✓ **Special Application Cement**



**Green Label** certification from Green Product Council Indonesia (GPCI)



**Cement Downstream Businesses**

- ✓ **Readymix Concrete**
- ✓ **Mortar**
- ✓ **Precast**



Self-Declaration of **EcoLabel** from Ministry of Environment & Forestry



**End-to-end Businesses**

- ✓ **Mining**
- ✓ **Packaging**
- ✓ **Waste Management**
- ✓ **Logistic**
- ✓ **IT Services**
- ✓ **Industrial Estate**



Sustainable production process from Ministry of Industry

# Extensive Distribution Network across Indonesia & the Region

## Production & Distribution Facilities

**9**  
Integrated Plant Locations

**7**  
Ports

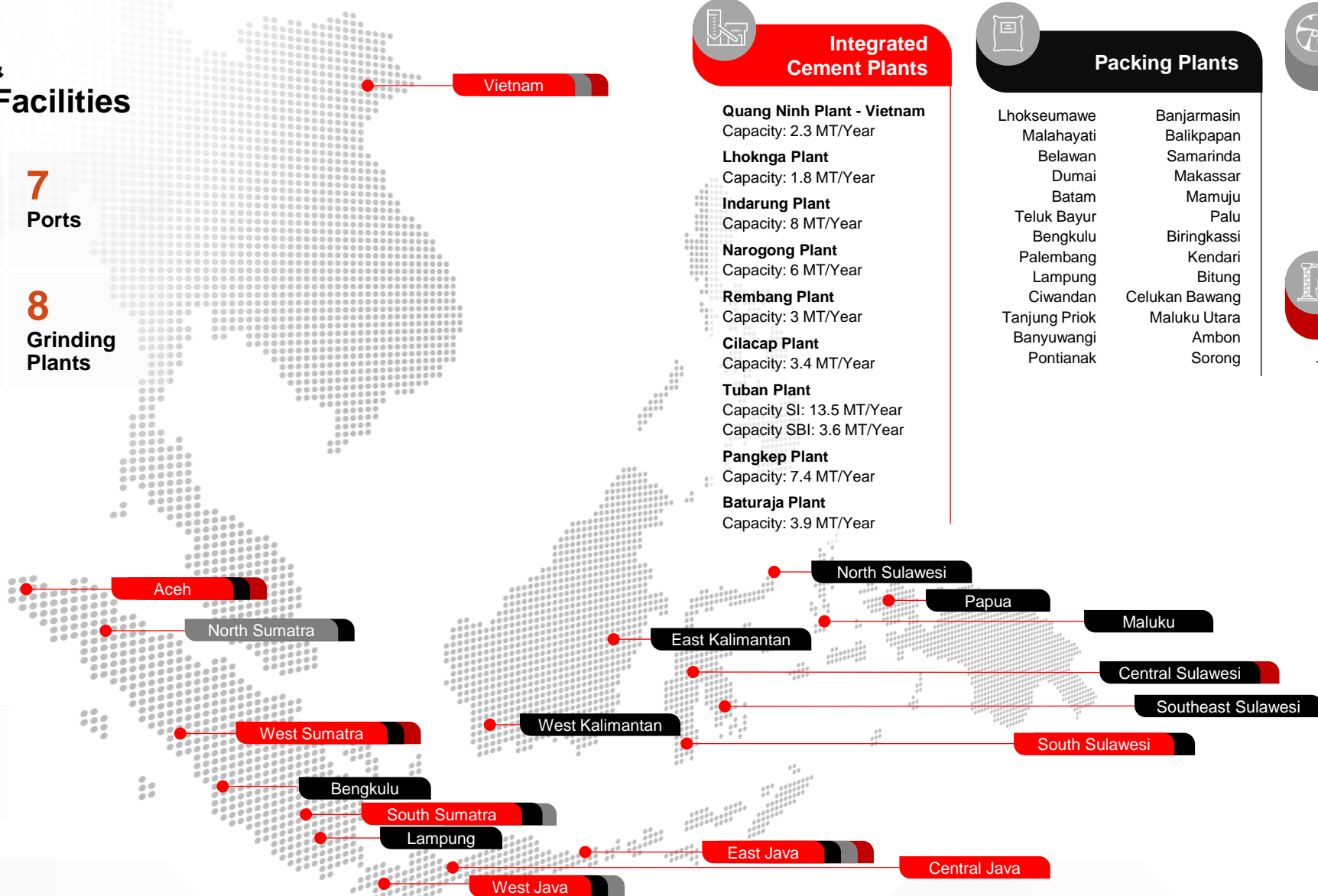
**26**  
Packing Plant Locations

**8**  
Grinding Plants

## Distribution Channels

**385**  
Distributors

**>70,000**  
Retail Stores



### Integrated Cement Plants

- Quang Ninh Plant - Vietnam**  
Capacity: 2.3 MT/Year
- Lhoknga Plant**  
Capacity: 1.8 MT/Year
- Indarung Plant**  
Capacity: 8 MT/Year
- Narogong Plant**  
Capacity: 6 MT/Year
- Rembang Plant**  
Capacity: 3 MT/Year
- Cilacap Plant**  
Capacity: 3.4 MT/Year
- Tuban Plant**  
Capacity SI: 13.5 MT/Year  
Capacity SBI: 3.6 MT/Year
- Pangkep Plant**  
Capacity: 7.4 MT/Year
- Baturaja Plant**  
Capacity: 3.9 MT/Year

### Packing Plants

- |               |                |
|---------------|----------------|
| Lhokseumawe   | Banjarmasin    |
| Malahayati    | Balikpapan     |
| Belawan       | Samarinda      |
| Dumai         | Makassar       |
| Batam         | Mamuju         |
| Teluk Bayur   | Palu           |
| Bengkulu      | Biringkassi    |
| Palembang     | Kendari        |
| Lampung       | Bitung         |
| Ciwandan      | Celukan Bawang |
| Tanjung Priok | Maluku Utara   |
| Banyuwangi    | Ambon          |
| Pontianak     | Sorong         |

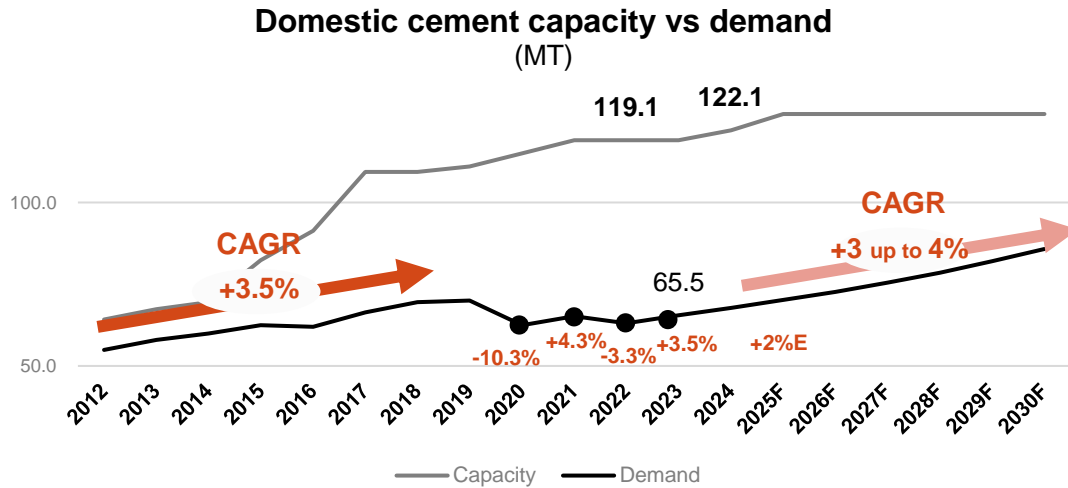
### Grinding Plants

- Ho Chi Minh
- Kuala Indah
- Dumai
- Cigading
- Ciwandan
- Gresik
- Palembang
- Panjang

### Ports

- Thang Long Port
- Lhoknga
- Dumai
- Teluk Bayur
- Tuban
- Gresik
- Biringkassi

# Industry supply & demand will be driven by potential growth of retail and infrastructure projects



This anomaly was mainly contributed from soft bag demand due to a **shift in household spending priorities and inflation of goods and services**

	1H24 Market Share	1H24 Capacity Share
<b>Semen Indonesia*</b>	<b>49.1%</b>	<b>44.4%</b>
<b>Indocement**</b>	<b>28.8%</b>	<b>27.9%</b>
Conch	7.0%	7.1%
Merah Putih	6.4%	8.7%
Singa Merah	3.2%	5.0%
Jui Shin	1.9%	1.5%
Semen Jawa (SCG)	1.8%	1.5%
Semen Bima (STAR)	1.8%	1.5%
Semen Kupang***	0.0%	0.3%
Semen Serang	N/A	0.8%
Semen Jakarta	N/A	1.0%
Hippo	N/A	0.4%

**Only 4 players cover ~92% demand**

**15** players 2021 → **12** players End of 2023

- Semen Baturaja integrated into SIG
- Bosowa leased their facilities to Indocement
- Indocement acquired Semen Grobogan

\*including Semen Baturaja  
 \*\*including Semen Bosowa & Semen Grobogan  
 \*\*\*only produce cement, trading by SMGR

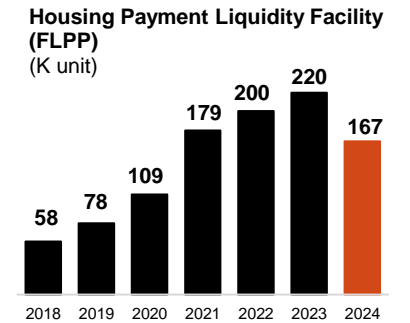
## Cement Demand Drivers

### Bag (~70% of demand)

Property & Housing developments

**~1%**  
 Estimated annual pop. growth from 270 million Indonesia pop. in 2021

**9.95 million units**  
 Backlog national housing construction per 2023



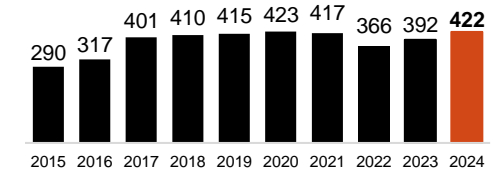
Source: BPS & Ministry of Public Works & Housing

### Bulk (~30% of demand)

Infrastructure developments

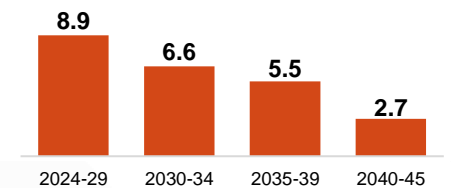
**High Budget Allocation for Infrastructure up to 2024**  
 Based on National Dev. Plan 2020-24

**Government Infrastructure Budget (Trillion IDR)**



**23.6 million ton**  
 Potential Cement Demand for New Capital

**Cement Needs for New Capital (Million Ton)**

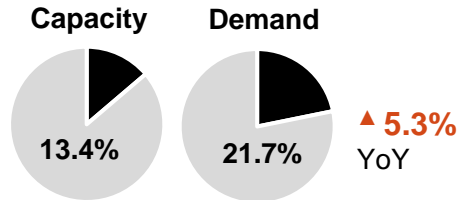


Source: Demand data up to 2024 from Indonesia Cement Association. Demand forecast from Indonesia Cement Association and SIG calculations (~4% CAGR). New Capital investment from E-Monitoring PUPR, Web-based demand estimation, UU RI No.3 2022.

# Distribution of supply and demand in Indonesia

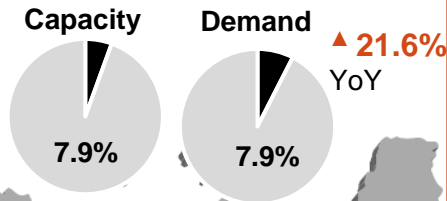
### Sumatra

Capacity (mio ton)	
SIG (I+GP) ▲	14.5
Merah Putih (GP) ■	1.9
<b>Total capacity</b>	<b>16.4</b>
<b>Demand</b>	<b>14.2</b>



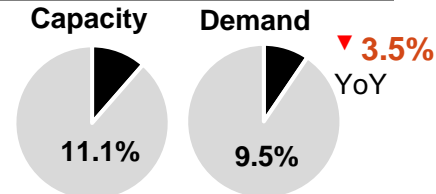
### Kalimantan

Capacity (mio ton)	
Indocement (I) ■	2.6
Conch (I) ●	3.0
Singa Merah (I) ▲	3.0
Merah Putih (GP) ■	1.0
<b>Total capacity</b>	<b>9.6</b>
<b>Demand</b>	<b>5.2</b>



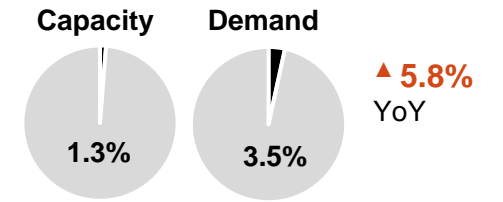
### Sulawesi

Capacity (mio ton)	
SIG (I) ▲	7.4
Semen Bosowa (I) ■	4.2
Conch (I) ●	2.0
<b>Total capacity</b>	<b>13.6</b>
<b>Demand</b>	<b>6.2</b>



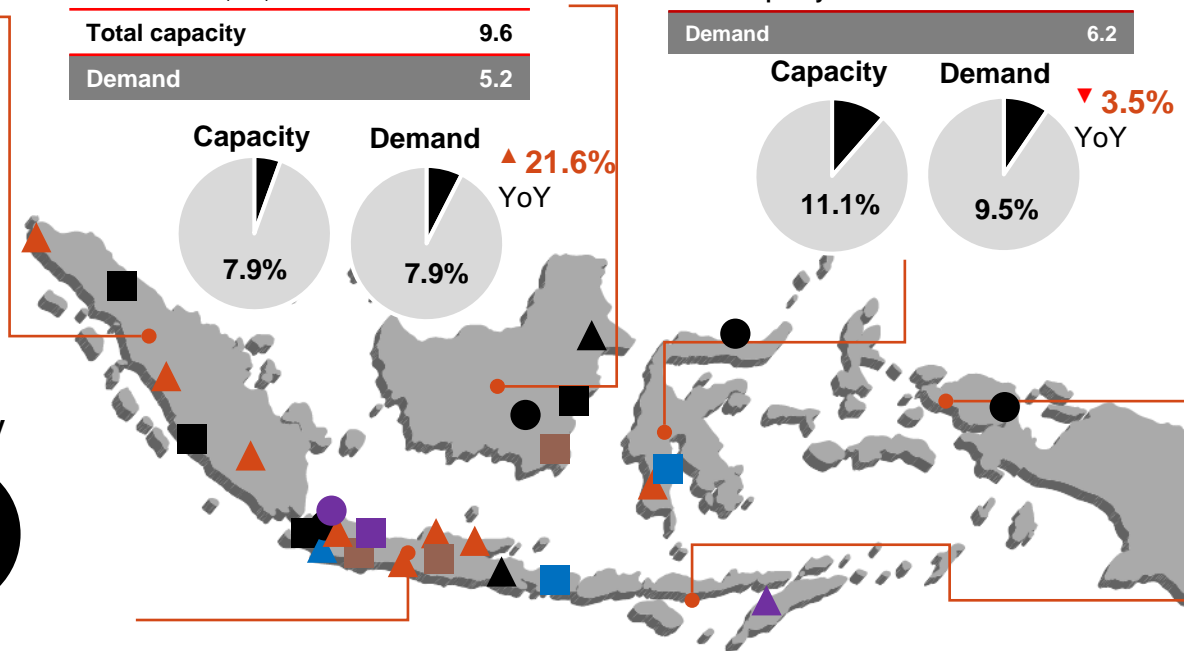
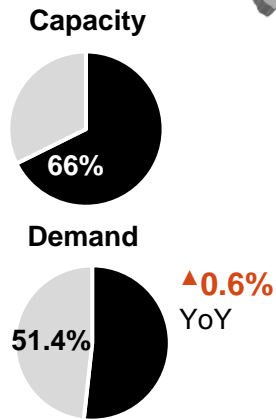
### East Indonesia

Capacity (mio ton)	
Conch (I) ●	1.5
<b>Total capacity</b>	<b>1.5</b>
<b>Demand</b>	<b>2.3</b>



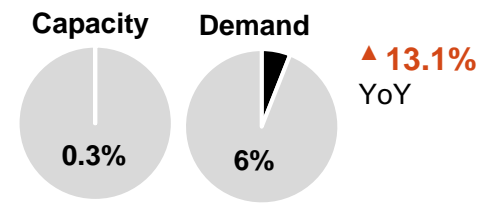
### Java

Capacity (mio ton)	
SIG (I+GP) ▲	32.2
Indocement (I) ■	27.3
Merah Putih (I) ■	7.8
Singa Merah (I) ▲	3.0
Conch (GP) ●	2.2
Semen Bosowa (I) ■	2.0
Semen Jawa (I) ●	1.8
Jui Shin (I) ▲	1.8
Semen Bima (I) ■	1.8
Others ●	2.7
<b>Total capacity</b>	<b>80.6</b>
<b>Demand</b>	<b>33.7</b>



### Bali Nusra

Capacity (mio ton)	
Semen Kupang (I) ▲	0.4
<b>Total capacity</b>	<b>0.4</b>
<b>Demand</b>	<b>3.9</b>



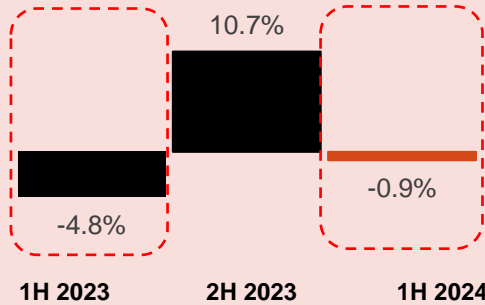
Supply & demand are imbalance, where some of the supply capacity are located far from the source of demand, while it is costly to distribute cement from the plant.

Note: Capacity & demand are percentage of FY 2023 of national total capacity & demand, respectively

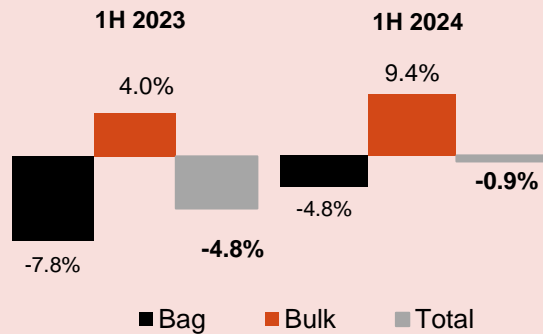
Despite challenging industry situation, SIG was able to book positive profitability by maintaining our strong market position and continue focus on operational excellence

Industry demand trend in 1H 2024

Cement demand in 1H-2024 slightly contracted by -0.9%\* YoY



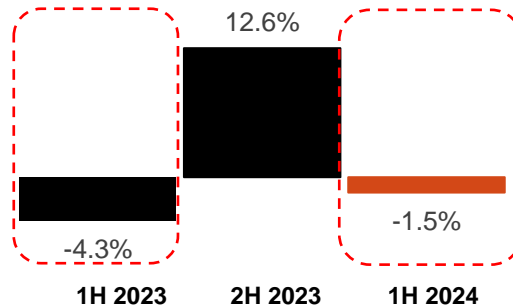
Mainly from bag segment which contracted by -4.8% YoY. While in bulk segment recorded positive growth by 9.4% YoY.



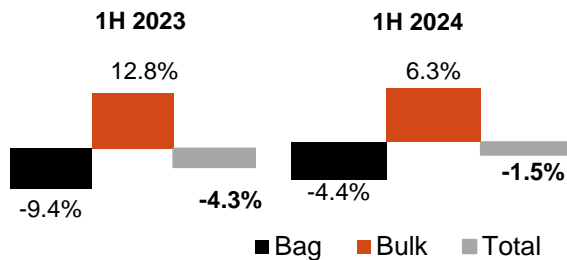
\*Source: Demand data 2024 from Indonesia Cement Association, exclude volume from last M&A transaction

SIG sales volume and ASP growth in 1H 2024

SIG total sales volume contracted by 1.5% YoY.



Retail segment contracted by -4.4% YoY. While in bulk segment recorded positive growth by 6.3% YoY.



Relatively stable market share\*



Bag

▲ 1.3% YoY  
Fighting Brand Portion from total bag volume

To maintain our position, especially during ASP increase amid retail demand contraction.

Bulk

▲ 1% YoY  
ASP increase in 1H-24

Export

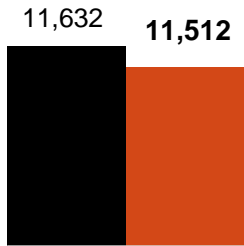
▲ 4%  
Increase in portion of Cement Export

▲ 2%  
Increase in ASP Cement Export

# Maintaining cost efficiency from operational excellence initiatives and deleveraging amidst contraction in retail demand

▼ 1%

**Lower COGS**  
exclude labor cost



1H 2023 1H 2024

▼ 0.3%

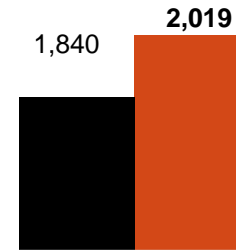
**Variable COGS/ton**  
From lower fuel cost/ton  
and clinker factor

▼ 1.2%

**Fixed COGS absolute**  
exclude labor cost  
From efficiency in maintenance  
& GA

▲ 9.7%

**Total labor cost**

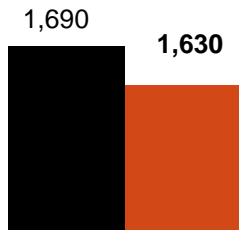


1H 2023 1H 2024

Increase in total labor cost mainly due to different calculation method for monthly **Income Tax** using **Average Effective Rate (TER)** – Government regulation PP 58/2023 and Finance Ministerial regulation No. 168/2023 and also contributed by Job Grade and Personal Grade adjustments as well as annual leave payments

▼ 3.6%

**Operating Expenses**  
exclude labor cost

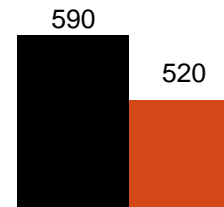


1H 2023 1H 2024

Decrease in Opex **exclude labor cost** from operational efficiency initiatives.

▼ 11.9%

**Net finance cost**



1H 2023 1H 2024

Decrease due to **repayment of IDR 3.4 Trillion bond in May 2024**

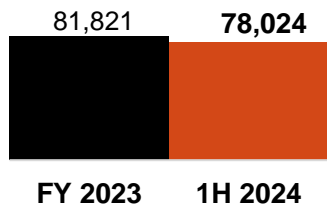
# Maintaining financial resiliency to support deleveraging and resulting strong leverage ratio

## Balance Sheet Remain Strong

▼ 4.6%

Change in total assets YoY mainly contributed by a decrease in **lower cash balance** due to bond payment.

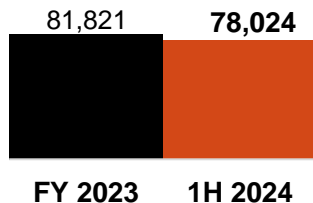
Total Assets (IDR bio)



▼ 4.6%

Change in total liabilities & equity YoY which mainly contributed by full payment of **current maturities of long-term borrowings**.

Liabilities & Equity (IDR bio)



## Optimum Cashflow management

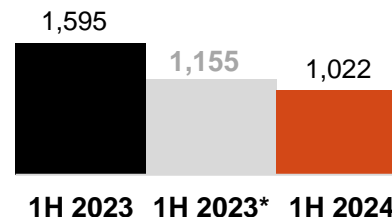
**Rp 1 Trillion**

Relatively high Cashflow from Operations (CFO) generated in 1H24 despite lower revenue YoY. Higher CFO 1H23 impacted by ~Rp 440 Bio tax refund and interest compensation from tax overpayment.

▼ 2 days

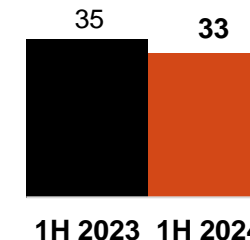
Optimized cash conversion cycle

Cashflow from Operations (IDR bio)



\*Exclude Tax Refund & interest compensation in 1H23

Cash Conversion Cycle (Days)

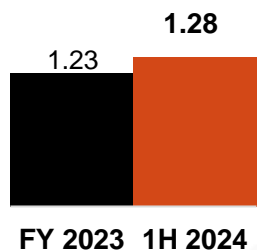


## Discipline liquidity and capital management

▲ 0.05x

Higher Current Ratio

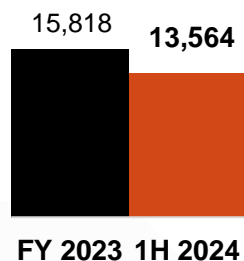
Current Ratio (x)



▼ 14.2%

Change in Interest Bearing Debt from repayment of Bond Rp 3.4

Interest Bearing Debt (IDR bio)

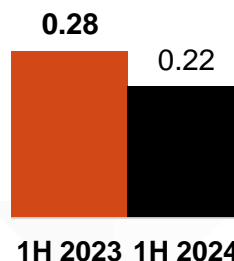


## Continue improved solvability ratio with liquidity remain strong resulting in improved credit rating into idAAA/Stable

▼ 0.06x

Lower Net Debt/Equity

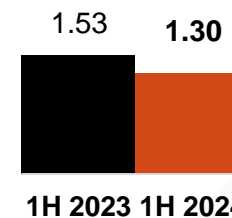
Net Debt/Equity (x)



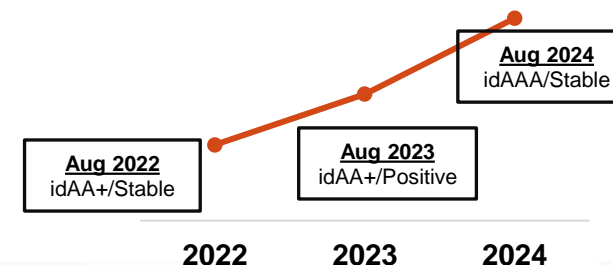
▼ 0.23x

Lower Net Debt/EBITDA

Net Debt/EBITDA (x)



Credit Rating



# Strengthen the 4 main strategies to create more sustainable values

## Revenue Optimization

**Red Ocean**  
“Optimize profitability”

**Domestic market**

**Micromarket**

Strategy with price adjustment

**Modernization of retail ecosystem**

to gain better visibility on retail level

**Bulk market**

maintain leadership in strategic national projects & IKN through Bina Karya cooperation

**Maximize export market**

Up to **8.5 mio ton**

Port capacity for export

**+1.9 mio ton** upcoming capacity for export cement Type V to West Coast US

**Blue Ocean**

“Expand the products & businesses”

**Existing product & solution**

**Ready mix solution**

**Green Cement**

**Mortar**



**Products & solutions development**

**Interlock Brick House Solution**

**Soil stabilizer, chemical, and aggregate**

**Waste management & other green solutions**

## Cost Management

**Operational Excellence**

“Optimize production index & cost efficiency”

Up to **8%**  
(2023-2030)  
Clinker factor reduction

**Coal index reduction**

**SEEC**

Specific Electrical Energy Consumption Reduction

**STEC**

Specific Thermal Energy Consumption Reduction

“Logistics consolidator”

**~3,000 routes**

~88% land and 12% sea routes

**Land Transport**

~9,800 trucks

**Sea Transport**

Inbound and outbound

**Decarbonization**

“Reduce emission”

**AFR**

▲ **20%**  
Thermal Substitution Rate  
2030 Target

**RDF**

**Tonasa & Tuban**  
Future RDF plant facilities

**Solar Panel**

▲ **552 MWp\***  
Solar Panel Rollout  
2021-2030 Target

# SIG contribution in IKN supply chain & development

**01** SIG hold ownership of PT. KLN (Karya Logistik Nusantara), a consortium of BUMN Karya as of 27 June 2024 in providing building material products & sustainable solutions for development projects in IKN through the APBN Projects.

**02** SIG collaborates with PT. Bina Karya (Persero) in providing Green Cement and other building material solution for the IKN project for potential project outside Non state budget/APBN.

Providing cement, building materials and cement downstream products

<b>Cement Supply</b>	<b>Split/Aggregate Supply</b>	<b>Sand Supply</b>	<b>Housing Solution</b>
supply of cement and downstream products (Mortar) including green cement	- Palu (Central Sulawesi) - Mamuju (West Sulawesi) - Pare-Pare (South Sulawesi) - Grogot (East Kalimantan)	- Larang, Pasangkayu (West Sulawesi) - Palu (Central Sulawesi)	- Precise Interlock Brick - Other Materials

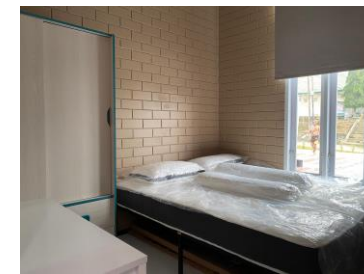
**Readymix Solution Provider** **RMX partners within SIG Ecosystem**

**SOE Contractors**

**Private Investors & PPP/KPBU**



# MockUp House with Precision Interlock Brick Technology in IKN Rest Area



# Green cement, environment-friendly cement to support OPC phase out





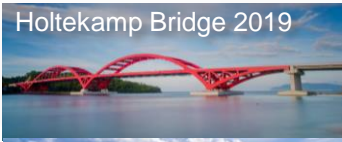




## Inline with the Government Vision

- To support Indonesia's commitment to control global climate change
- In line with **PUPR Minister Instruction Number: 04/IN/M/2020** concerning "Use of Non-Ordinary Portland Cement for the construction work in the Ministry of Civil Work and Public Housing".
- In line with **Minister of PUPR Regulation Number: 21 of 2021** concerning Green Building Performance Assessment.
- Align with **Minister of Industry Regulation Number: 26 of 2024** regarding Mandatory Implementation of Indonesia National Standard (SNI) in Cement Product.

## Why Green Cement?

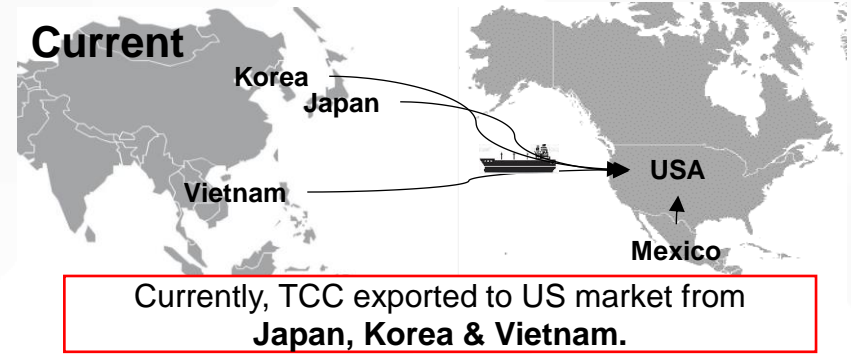
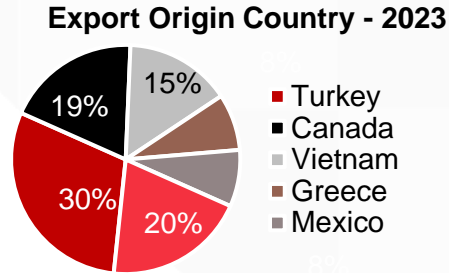
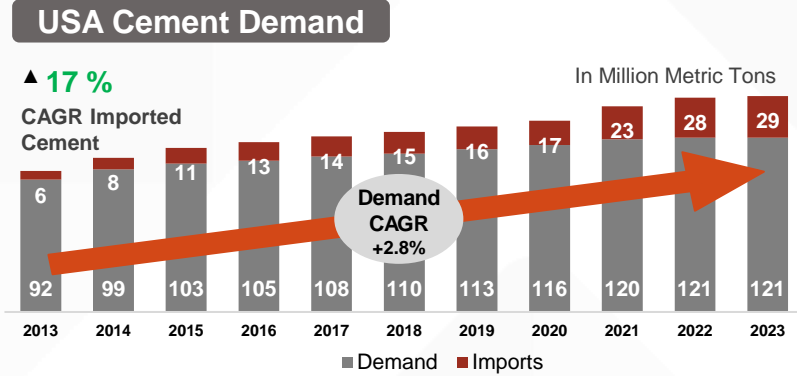
Eco-friendly cement produced using environmentally friendly materials and processed using the latest technology allowing lower carbon emissions

- Lower CO2 Emission compared to OPC
- More energy efficient in production
- More environmentally friendly process
- Support Carbon Emission Reduction Targets
- Supporting circular economy: enhancing the use of AFR
- Increase the use of domestic components (TKDN) & complies with SNI

Product	MULTI PURPOSE CEMENT	HIGH STRENGTH CEMENT	SEA-WATER RESISTANT CEMENT	CHLORIDE & WASTE HIGH RESISTANT	MASS CASTING CEMENT AND SOIL STABILIZER	NON-STRUCTURAL CEMENT
Function	General Construction	Medium – High Quality Cement	Sea-water resistant Cement	Concrete with high resistant in chloride & waste conditions	Mass casting and soil stabilization on land & sea	Special cement for non-structural application
Lower CO2 Emissions than OPC	<b>32%</b>	<b>29%</b>	<b>22%</b>	<b>16%</b>	<b>38%</b>	<b>37%</b>
TKDN Value	96.95%	96.99%	94.57%	94.46%	89.98%	92.1%
Projects	1. PLTA Peusangan 2021 2. Sidan Dam 2021 3. Kijing Port 2021 4. Syamsudin Noor Airport 2019  	1. Salatiga Toll 2017 2. Batang Industrial Area 2021-2024 3. Thamrin Nine Tower 2022  	1. Suramadu Bridge 2009 2. Youtefa Bridge 2015 3. Tol Bali Mandara 2012 4. Dermaga Sorong  	1. Dermaga Sanur 2022 2. PLTU Bolaang Mongondow 2015 	1. State Border Post Natuna 2022 2. Makasar New Port 	1. Residential 2. Wall/partition 3. Other non- structural elements 

# SIG SIG cooperation with Taiheiyo Cement Corporation (TCC) for US export market

West Coast USA experiencing overdemand cement market even when in financial crisis, with average imported cement ~23 million tons for the last 5 years, underlies initiatives between SIG with TCC through offtake agreement to export Type V cement.



## US Market Situation

- ✓ 70% of demand from Ready-Mix business.
- ✓ West Coast area rely on imported cement due to lack of production capacity.
- ✓ Import portion account for 24% of total US demand with assumed production capacity ~90-95 MT/year.
- ✓ Major cement exporter came from Turkey, Canada, Mexico, Greece, Vietnam, South Korea, Colombia & UAE.

## West Coast - TCC US Situation

- ✓ TCC in west coast market experienced supply shortage since 2010, similar with the total US market
- ✓ Even during financial crisis, TCC still needs to import cement. In 2022 TCC imported around 2 million tons, ~7% from the total imported cement.
- ✓ TCC mainly export from Japan, Korea and Vietnam.



TCC to switch source of West Coast cement demand fulfillment from Japan, Korea & some part of Vietnam to SIG/SBI with minimum offtake 500k tons/year, with better pricing for SIG than exporting clinker.

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