SIG 1H 2026 Earnings Call
Date: Monday, 14 September 2026
Time 10.00 – 11.00 AM JKT Time Zone

Panelists:

Mr. Andriano Hosny Panangian	: Deputy President Director
Mr. Sigit Prastowo	: Director of Finance and Risk Management
Mr. Dicky Saelan	: Director of Sales and Marketing
Mr. Hasan Arifin	: Group Head of Corporate Finance
Ms. Vita Mahreyni	: Group Head of Corporate Secretary
Mr. Antonius Ardian Bermana	: Group Head of Strategic Finance & Risk Management
Ms. Niluh Putu Setiawati	: Group Head of Marketing
Ms. Maya Savitri	: GM of Investor Relations
Mr. Ruri Aulia	: GM of Financial Planning & Analysis

Maya: Hello everyone. Welcome to our second quarter of 2026 earnings call.

We have published our limited reviewed financial statements on the 31st of August 2026. Before we begin, if there is any problem with the audio, if you could let us know through the notes and yeah, and the chat box as well. Yeah, so today, this morning, we have our management here with us. We have Pak Hosny, our vice CEO. We have our CFO, Pak Sigit, and also Director of Sales and Marketing, Pak Dicky, and also Ibu Vita, our Corporate Secretary. So, in this session, as usual, we will have a run-through of our presentation by the BOD, and we'll follow up with a Q&A session. In the Q&A session, I'd like to remind everyone to write their questions in the Q&A box so we can read out. Please also include your name and your institution. And if we have time, then we will open up your mic if you'd like to ask a live follow-up question.

Okay, so without further ado, I would like to hand over the session to Pak Dicky to begin the presentation.

Dicky: Okay. Thank you, Maya.

Good morning, ladies and gentlemen, investors and analysts. I will briefly cover the macroeconomic environment and its impact to the cement demand in second quarter 2026. The overall economic backdrop was relatively supportive during the quarter. Indonesia GDP expanded by 5.29% year on year, while construction grew faster at 6.68 percent. Real estate also continued to record positive growth of 3.64 percent, pointing to increasing activity across sectors that are closely linked to cement consumption. Investment activity was seen through gross fixed capital formation in buildings and structures, which increased by 6.6%, suggesting a stronger momentum in construction-related investment. This was also reflected in financing with property loans growing

17.6% as of June, well above the 12.1% growth in total loans.

A monetary condition was relatively tight with inflation at 3.34% and Bank Indonesia policies rate inching to 5.75% in June as the central bank began to prioritize stability. We believe the underlying demand environment was generatively positive, as we continue to assess the sustainability of the recovery ahead.

Now we will move to top line performance for the second quarter of 2026. So I think we are very encouraged by the stronger momentum in our sales performance as total sales volume in quarter two 2026 reached 9.56 million tons, representing a 9.5% year-on-year growth. The improvement was particularly visible in domestic market, where sales volume reached 7.65 million tons, growing 13.7% year-on-year and 17 percent quarter on quarter. This reflects our strong market execution, supported by our sales strategy to capture the positive movement in the demand. The growth was broadly based across both our bulk and bag segments.

Although we are seeing bag segments continue to increase much faster, by 11.4% year on year to 5.46 million tons, as our retail business model became more solid, so we have start to found a good traction from what we have done in our transformation. Meanwhile, cement delivered also stronger growth in quarter two, 19.5% year on year, reaching 2.19 million tons. This performance was supported not only by our continued involvement in national strategic project, but also by the deeper penetration into private sector and corporate projects. So we are seeing a start to have a good momentum in bulk. We are moving toward more private sectors rather than relying only on government and projects.

So overall, we are seeing a very strong traction in our domestic market in quarter two, 2026, which provides further indication that our commercial initiatives and improved market execution are gaining momentum on the back of a strong demand growth.

As we move to the first half of 2026, the national cement industry overall booked a growth of 10.6 year on year. Bag cement demand increased by 10.3%, while bulk picked up the growth rate at...higher at 11.2%. So we are seeing a higher growth from bulk because last year in 2025, we are seeing a lower base actually. So again, the growth might seem bigger than bag, but that's coming from also the low base in 2025 due to the deep contraction that we have seen last year. Against this industry backdrop, SIG domestic sales was also strong as the total sales reached 14.18 million tons in the first half of 2026 increasing by 9.7% year on year. Bag cement remained a key contributor with the volume increase 11.2% year on year, as our focus to first improve our bigger segment continue to prove very fruitful.

And as I mentioned, bag cement for us also started to recover, growing 5.6% year on year as we began to focus on sales, corporate and private sectors, as you may have known probably in the past. SIG put a very strong emphasis on the government projects. And since last year, we have seen the government projects have a deep contraction. So this year we started to try to shift our focus and attention to private sectors as well....but still, we also still continue to serve the demand from the national strategic projects as well.

So overall, we feel that the bag segment continued to grow steadily, while bulk sales showed an improving trend. They're still behind the market, but I'm sure that we can catch up when, you know, the government and national projects start to begin in the second quarter, in the second-half of 2026 later on. In the end, we remain focused on capturing the recovery in domestic demand and strengthening our position across both segments.

Now, we will touch on the performance of our average selling price, as probably some of you have followed on how we are trying to improve our ASP since...half...to last year. And we have seen now our ASP started to continue increasing with the initiative of improvement the ASP that we have seen in second, in the first half of 2026. Our total blended ASP increased by 7.2% year on year, supported by an upstick in prices of both domestic and export market. Domestic ASP increased by 6.9%, while export ASP recorded a stronger increase of 15% compared to last year. Across our domestic segment, both bag and bulk continue to improve, increasing by 7.8% and 4.1% year on year, respectively.

This reflects our efforts to selectively adjust prices across segments as we remain focused on both pricing improvement to manage cost inflation, but still with market competitive in mind yet, but I think what we have quite happy at until this point is actually we have proven that while we continue to improve our ASP, we still are able to continue growing the volume. So this come as a good result that we have done.

Encouragingly, the improvement in pricing also achieved while we are still maintaining a resilient position in domestic market. Our domestic market shares stood at 46.2% in first half of 2026. So as I mentioned, while we improve our ASP, but we are still able to maintain our position and also growing volume at the same time. So overall, we remain focused on maintaining a balanced approach between pricing and market share and volume growth, ensuring that ASP improvement translates into a healthier value realization while keeping our competitive position resilient.

So, I will now hand over to Pak Sigit to take us through our financial performance. Pak Sigit, the floor is yours.

Sigit: Thank you, Pak Dicky. Let's take a closer look to our financial performance in the first half of 2026, where we saw an encouraging progress both in our top line and bottom line performance.

Total revenue was 17.65 trillion rupiah, increasing 13.1% year on year. This increase exceeded our total volume growth of 9.7%, indicating that our discipline pricing initiative began to show the result.

The revenue increase was largely driven by our cement business, which grew by 14.6% year on year. Meanwhile, non-cement revenue also picked up, with an increase of 1.6% year on year. EBITDA increased 2.6% year on year to 2.15 trillion rupiah with a margin of 12.2% as we continue cost efficiencies despite continued pressure to various cost items.

This overall improvement was reflected on the bottom line, where net profit increased 445.9% year on year to 207 billion rupiah. This growth reflects the combined benefit of strong revenue and the better overall profitability. Although the year-on-year growth rate is also amplified by the relative low base in the past year.

At the end, we are seeing a progress in our financial performance. Going forward, our focus remains on converting the stronger volume and pricing momentum into sustainable profitability while continuing to manage cost pressures.

The next slide provides an overview of our cost performance in the first half of 2026. Total COGS increased by 11.1% year on year to 13.85 trillion rupiah as our sales volume pick up. This drove higher fuel usage as well as higher packaging and distribution costs. On the per ton basis, COGS increased by a more moderate 5.1%, reflecting the benefits of higher volumes in absorbing part of this increase. Moving to OPEX, operating expenses increased by 20.7% year on year to 3.17 trillion rupiah. The increase was primarily driven by higher transportation and handling expenses, in line with the stronger volume and higher full price, as well as a pickup in promotional and maintenance activities. On the per ton basis, OPEX increased by 14.3%.

As a result, total cost increased by 12.7% year on year to 17 trillion rupiah, while the total cost per ton increased by 6.7%, generally showing the benefit of higher volume during the period. Overall, while we continue to face cost pressures, the stronger volume environment is providing better operating leverage. Going forward, we remain focused on improving cost efficiency to capture further benefits from volume recovery.

We now move to our financial position as of the first half of 2026. We continued to see a stronger financial position, supported by stronger cash generation and disciplined working capital management. Cash flow from operations reached Rp2.53 trillion in 1H 2026, a solid increase compared to Rp1.92 trillion in the same period last year.

At the same time, our deleveraging trend continued, with interest-bearing debt declining by Rp3.3 trillion to become Rp8.07 trillion from Rp11.38 trillion in 1H2025. This brought our debt-to-equity ratio down to a comfortable 0.18 times and debt-to-EBITDA to 1.77 times.

Our ability to service debt also remained strong, with EBITDA-to-interest coverage improving to 6.7 times from 4.9 times in the same period last year.
Overall, we maintained a solid financial position, driven by a stronger cash flow, lower leverage, and healthy debt-servicing capacity. This provides us with sufficient financial flexibility to support our operations and continue our deleveraging initiatives to lower interest expense, while maintaining healthy shareholder returns.

Reflecting this solid financial performance, PEFINDO reaffirmed our highest credit rating of idAAA with a Stable outlook in August 2026, covering both PT Semen Indonesia (Persero) Tbk and the outstanding Shelf-Registered Bonds II.

Let me briefly highlight the key movements in our balance sheet as of 1H2026. On the asset side, total assets stood at Rp74.6 trillion, slightly decline compared with year-end 2025. Within current assets, as sales picked up, receivables increased by 20.4% year-on-year, while inventory declined by 17.0%, reflecting changes in our working capital position.

On the liability side, total liabilities decreased by 6.9% year-on-year, mainly supported by a reduction in both short-term and long-term borrowings. Long-term borrowings also declined by 35.1%, in line with our deleveraging effort.
Overall, the balance sheet remains solid, supported by lower liabilities and a stronger capital structure.

With this, I will now handover to Pak Hosny to take your through the progress of our overall transformation and business process improvement.

Hosny: Thank you, Pak Sigit.

Let me now wrap up with an update on the progress we have made across our strategic initiatives. Since the transformation began, we have continued to strengthen our business fundamentals through our strategic pillars. First of all, transforming our cement business model, driving cost leadership and efficiency, expanding our directives and building solution business and strengthening the resources and governance.

We are encouraged to see tangible progress from these initiatives in the first half of 2026, shown by the increase in domestic sales volume as mentioned before, driven strongly by bag while our bulk segment or corporate sales segment began to show a steady progress. We also continue to see progress in pricing as our blended ASP increased 7.2%, while maintaining a resilient domestic market share of 46.2%. Beyond the commercial performance, we are also making progress in strengthening the organizations and operating model, including the streamlining of subsidiaries, as well as improving sales fundamentals through higher sales visits, customer acquisition, and productivity.

Looking ahead, our focus will be on translating these initiatives into more sustainable financial improvements, while we will continue to strengthen our cement business model and pricing discipline, drive further efficiency across energy, logistics and overhead, while accelerating the development of our derivatives and building solution business to further drive top line. At the same time, we will strengthen performance-driven culture and governance across the group. Overall, we believe the transformation is progressing with clearer strategic priorities and stronger execution, which provides a solid foundation for a sustainable growth and long-term value creations. I will conclude the presentation here and hand over to the IR team. Thank you so much.

Maya: Yeah, thank you, Pak Hosny, and...yeah, and the management team.

To everyone, I'd like to remind again, should you have any questions, you can post on the Q&A box. Well, we don't have any Q&A yet. Anyone in the Q&A yet? We'll probably wait a couple of minutes for you guys to get your questions in.

Yeah, again, I'd like to remind everyone, if there's any question, you can jot down in our Q&A box. We'll give probably another couple of minutes. If not, then the IR team is always available to accept any of your questions.

Okay, we'll just wait up for a couple of minutes.

Okay, so we have a question from Indra Cahya. So he asked, we've been hearing about domestic supply coal issue. Is Semen Indonesia experiencing this too? I think this also connects with the question from Arvind. He asks, how do you see the second semester volume? Does SIG face any coal supply issue as many miners' DMO plans have mostly been fulfilled.

Yeah, maybe I will hand over first to Pak Hosny and then the rest of the management to tackle the two questions.

Hosny: Yeah, thank you. Thank you so much. I'll address on the question for coal. As you know, basically, yes, we have a bit of crunch in terms of the coal supply, especially starting from May until July this year. But I think we managed to work this out with our Danantara ecosystem because as you know, PTBA has quite a bit of resources and we are...we've been discussing with them in terms of how to provide further supply to us, to fulfill the requirement for the productions until the end of this year.

I think starting from end of July until now, we are seeing an improvement in terms of the coal supply. Due to this, you know, work, cooperation with PTBA under the Danantara ecosystem, so it's actually, we are seeing quite a progress, and but again, I think we see that the RKAB status, also, in several private miners are, we've seen several private miners are trying to contact us also to supply. It seems like, you know, they are trying to fulfill all the DMO towards the end of the year and then focusing in the first half on the export market, which has a higher, you know, coal price. So I think we should, you know, be able to manage that going forward. Thank you.

Maya: Yeah, thank you, Pak Hosny. I think there was another part of the question. Can we go back to Arvin's question, please?

Yeah, so he also asked Pak Dicky why has July 26 volume diverged from the market growth?

Dicky: Yeah, I think... thank you for the questions. It actually related to the answer from Pak Hosny. We have seen the impact from the coal supply that hit us in July. So....

...this buzzing sound, so sorry.

Yeah.

Once again, on July specifically, we are seeing an impact from the coal supply. So while the demand is actually still quite good for us, we did have a bit of a hiccups in the supply issue...area, and therefore we are seeing a bit of a downturn in that sense. But however, again, looking ahead, I think with all the efforts that we are doing to improve the coal supply, we are hoping that this will be improved, while actually we are seeing the demand is still quite big, especially with the government projects from the provincial government has started to begin. So that's why, I think it's quite critical for us to ensure that we are improving our coal situation. Thank you.

Maya: OK, thank you, Pak Dicky and Pak Hosny. So, there is a question from Dharma Putra from Allianz, Pak. Could you give more colors on the government projects or any type of projects that has contributed to the 2Q growth?

Dicky: OK, thank you, Pak Dharma.

Yeah, so basically in the first half of 2026, we are seeing some of the growth is actually being contributed by the government projects like the KDKMP, Koperasi Desa Merah Putih, and then the Sekolah Rakyat, and then the...Kampung Nelayan.

So, there's some of the...some of the project that has started to see the impact in terms of the volume, although, you know we are still also seeing some of the projects like..."pembangunan jalan tol", but probably it's not as many as in the past year. That's why, as I mentioned earlier, this year, our focus not so much on the only government projects, but also in the corporate and the private sectors projects, but since you specifically asked on the government-driven project, it's the Sekolah Rakyat and then, Kampung Nelayan and Koperasi Desa Merah Putih that has driven the growth. Yeah, thank you.

Maya: Okay, thank you, Pak Dicky.

I think Alethea Leung, that also has answered your question as well. Maybe we can touch on Angus's question, but can you provide an update on the competitive environment across different regions?

Dicky: Okay, so I think we are seeing the growth is actually across most of the areas since we are doing our improvement across Indonesia. However, we are seeing the growth in Sumatra...North Sumatra, for instance, with the in the first half we are experiencing, we experienced the disasters in North Sumatra and West Sumatra. That has led to some of the demand for cement is actually increased in those areas. But in some of the areas like in Kalimantan and Bali, especially in Kalimantan, well in the past we are heavily depending on the projects from the governments like the IKN, but now since the IKN project has started to slow down, we have probably need to do more in order for us to get more projects in the Kalimantan area and in the Bali area. So, in we... gain a lot in Sumatra, we gain a lot in Sulawesi, in East Indonesia as well. But if we go down in terms of what... some of the areas that are quite challenging is Kalimantan, Balinusa, and Java. Thank you.

Maya: Okay, so I think Indra also asked the guidance on future streamlining and subsidiaries consolidation, any more mergers and will it have any impact on costs?

Hosny: Okay, so the big items of the streamlining are the number one is the mergers of our ready-mix companies. We have 4 ready-mix companies under our group and I think we have announced that we will merge into one surviving entity. Number 2 is the merger of around 8 subsidiaries across our cement business, which mainly these are the small, small distributors across the regions. And also there is an IT company and then there is also, like, property management company. We want to consolidate this and to form a Distributor champion in SIG ecosystem plus the aggregator of building materials.

So the main idea of these two big ticket items of merger is to consolidate and further provide drivers to make sure that the total building solutions that already become our vision can be achieved. So, the main items is not only cost efficiency, cost efficiency, I think in the detail you can check on the, you know... "Keterbukaan Informasi" ya... on the Disclosure Matters because we have already, we will put everything including the business plan. But the main idea is basically to further enhance our ability to penetrate the market on the, not only on the cement, but the total building solutions with four big item solutions that we already provide in our strategic plan, whereby we will cover the structural solution, pavement solutions, indoor-outdoor, and then walling solutions, and then roofing solutions. Because at this time, we already have around 56 SKUs covering all these solutions.

So, the main idea is basically how we can become the largest ready-mix precast companies in Indonesia with this merger, and also the largest distributors of cement plus aggregators of building materials that can provide all these additional building materials towards our channels across Indonesia covering around 66,000 stores, retailers, and covering almost projects across Indonesia. This is the main idea, not only just cost saving, but how we can enlarge further our pooled ecosystems of potential revenues outside only the 65 trillion of cement, but beyond that, you know, with the four solutions that I've provided.

So that's the main thing that we are aiming with this streamlining business...streamlining programs. Thank you.

Maya: Yeah, thank you, Pak Hosny.

We'll move on to the next question from Karel Fielim. The first one is, do you have any domestic market share target? And also the second one is, any strategy for the Vietnam cement plant? Maybe I could hand over to Pak Dicky and maybe perhaps Pak Hosny for the TLCC plan.

Dicky: Okay. Yeah, thank you for the questions.

Yes, we do have the domestic market share target, but I think I would like to also emphasize on these matters that we have seen in the past that in order for us to be able to maintain the market share, we are... We did at that time, you know, doing a lot of price discount and everything, that with the current situation, I think what I want to say is actually we want to make sure that we are growing our volume. We want to make sure that we are improving our profitability. That's why ASP become very important. While market share is still important for us, we want to maintain our market leadership position, but I want to highlight that we don't want to trap into a market share game in order just to get the market share, you know, sacrificing other more important things probably. So, yes, we are aiming for still maintaining market leadership position and then improving, in fact, a bit, but with the cautious on how to get that market leadership position without, you know, jeopardizing the volume and, sorry, the ASP, because we could get trapped into the game of market share, stealing shares, using the discounts and everything, which we don't want to do. Thank you.

Hosny: As for the TLCC, we've decided that, because, as I mentioned before, we would like to focus on Indonesia because Indonesia building material market is huge with cement around 65 trillion. If you add on another span of building material ecosystem, turn around, for example, like the four solutions that are provided, it's up to 250 until 300 trillion IDR. So we would like to make sure that all our resources focus on Indonesia and how we can become the largest total building solution company in Indonesia in the next five years. That's why we decided for our Vietnam franchise, we would like to exit from the Vietnam TLCC. And then we are now already in the process. Hopefully we are targeting, you know, by end of this year, late maybe, you know, beginning of next year, we would like, we are able to exit totally, completely from our Vietnam business. Thank you.

Maya: Thank you, Pak Dicky and Pak Hosny.

Okay, the next question is, can you update on the use of alternative fuels? Can the company accelerate the use of alternative fuels, especially refuse?

Hosny: Yes, so basically up until 2026 June, I think the target for alternative fuel is based on our ESG framework, it's still in line. I think our thermal substitution rate is now around 11%, so we are aiming around 25% by 2030, so still in line. The issue now is actually how we can make sure the continuous of supply of waste and also derivative fuel is consistent. That's why in one of our strategic initiative, we are also aiming to enlarge the scale of our Nathabumi in Solusi Bangun Indonesia. This is also one of the items that we would like to enlarge further in order for them to be able to provide also the continuous supply on the waste while we are expanding the processing facility across our facilities in Indonesia. So we think that the progress is in a positive manner and we believe that we should be able to achieve the target on time based on our ESG framework. Thank you.

Maya: Thank you, Pak Hosny. We're moving on to the last questions now. So we have from Bob, his second question is, what is your volume guidance? I think Pak Dicky has addressed that. So, he just wants to know, do you see any pricing competition given the current cost pressures?

Dicky: Yeah, so as I mentioned again, while we want to continue to remain competitive, but the pressure from input cost increase that we have seen, so we have, you know, for us this year we have increased twice, quite significant as you have, you know, heard and seen from my presentation, most of the competition are following the price increase, although we are also seeing some of the other players not fully following our price movement. So, in some of the pockets in Indonesia, we are seeing competitors out maintain their pricing position. I don't know what is their reasoning behind on that, but of course, you know, on that particular areas that we are seeing competitors, you know, keeping their price or not following completely of what we have taken, we are doing a lot of activities in order for us to remain competitive. So, we will be continue looking at the any opportunity for us, you know, to pass on some of the input costs, while of course we will not be crazily just pass on the whole input cost to the market, given the situation that we are seeing, you know, from the competition, when they follow the price increase, it's not 100% and it's not fully as per what we have taken. So yeah, we continue to be remain vigilant in the pricing area. Thank you.

Maya: Yeah, thank you, Pak Dicky. So, I think the last question from Kevin, progress on the subsidiaries restructuring that has also been addressed. Maybe one last opportunity, if anybody wants to ask any questions live, maybe you can raise your hand. We'll probably give a few seconds for this. We didn't ask anybody to answer live because of the sudden flow of questions that we got in the chat box just now.

So, if everybody's okay with the session, then yeah, and then we will close the session this morning.

OK...OK. Thanks. OK, thank you, everybody, and...

Okay, and no more questions also personally to me. So thank you so much, everyone, for following our results call this morning. We will publish accordingly our third quarter 26 results and we will see you again in the earnings call then.

Thank you very much, and yeah, of course, the IR team is also open for any follow-up questions that you may have. Have a good morning, everyone, and see you in the next call. Bye-bye. Thank you.

[Call Ended]