

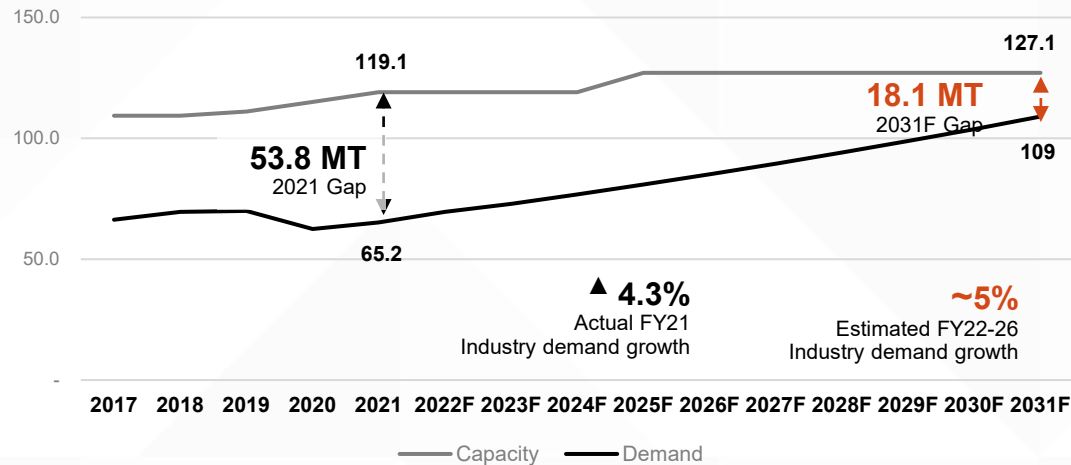


Corporate Presentation

June 2022

Cement utilization has recovered post-pandemic, demand will be driven by property and infrastructure growth

Domestic cement capacity vs demand (MT)



	FY20 Market Share	FY21 Market Share	FY21 Capacity Share
Semen Indonesia	51,1%	49,3%	42,2%
Indocement	25,9%	25,4%	20,9%
Conch	6,1%	7,3%	7,3%
Merah Putih	4,4%	6,2%	8,9%
Semen Bosowa	3,4%	3,0%	5,2%
Semen Baturaja	3,1%	3,0%	3,2%
Jui Shin	2,0%	2,0%	1,5%
Semen Jawa (SCG)	1,9%	1,8%	1,5%
Semen Bima (STAR)	1,6%	1,8%	1,5%
Semen Kupang	0,4%	0,3%	0,3%
Semen Grobogan	N/A	N/A	2,5%
Singa Merah	N/A	N/A	2,5%
Semen Serang	N/A	N/A	1,0%
Semen Jakarta	N/A	N/A	0,8%
Hippo	N/A	N/A	0,4%

14

Competitors in National cement market

Economic players

15-35% cheaper pricing

Cement Demand Drivers

Bag

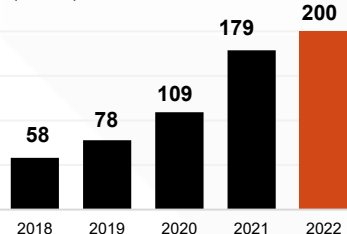
Property & Housing developments

\sim 1%

Estimated annual pop. growth from 270 million Indonesia pop. in 2021

12.75 million units
Backlog national housing construction per 2022

Housing Payment Liquidity Facility (FLPP) (K unit)

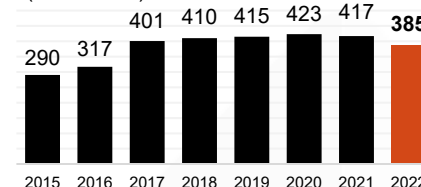


Bulk

Infrastructure developments

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

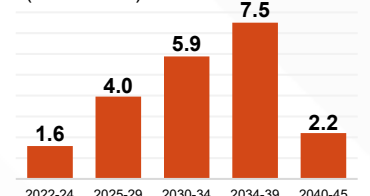
Indonesia Government Infrastructure Budget (Trillion IDR)



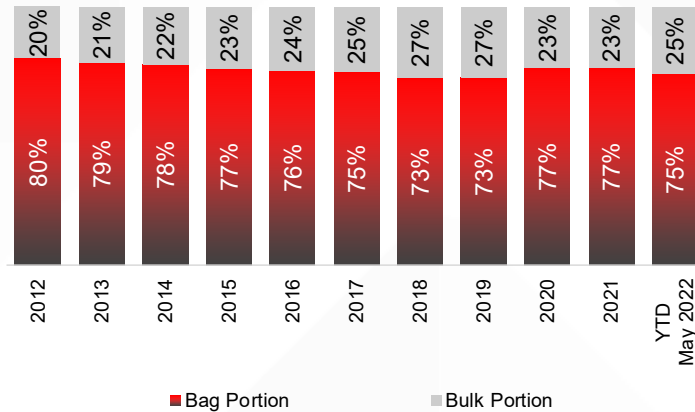
21 million ton

Potential Cement Demand for New Capital

Cement Needs for New Capital (Million Ton)

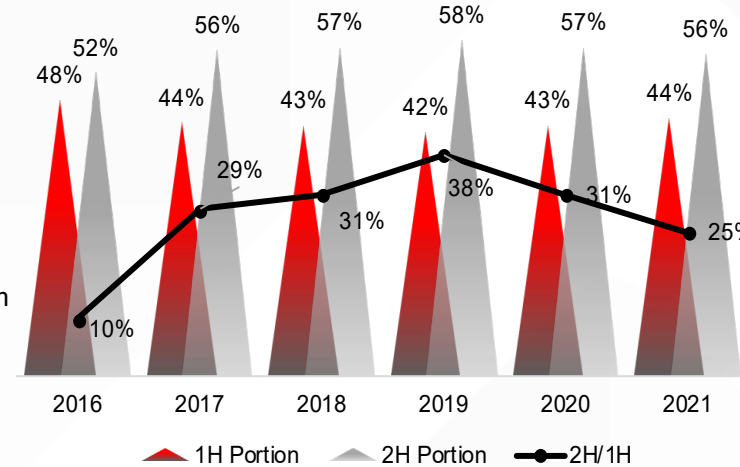


Portion, trend and cyclicity



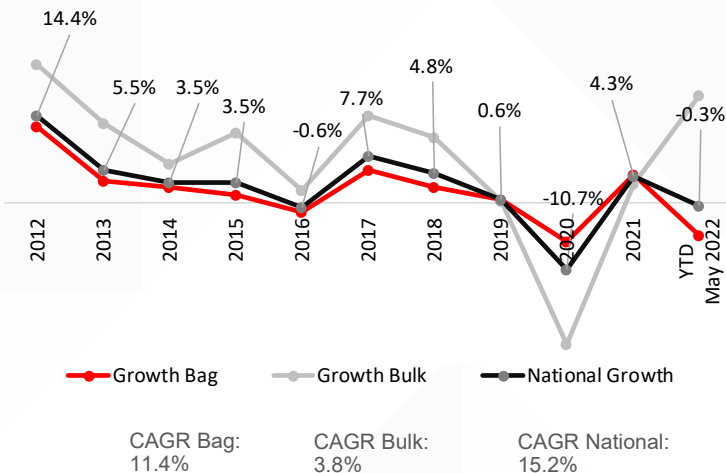
Bag and Bulk National Demand Portion

Cement consumption in Indonesia is still dominated by retail, most of which come from people who renovate or build their own houses, or small developers who build small-scale housing.



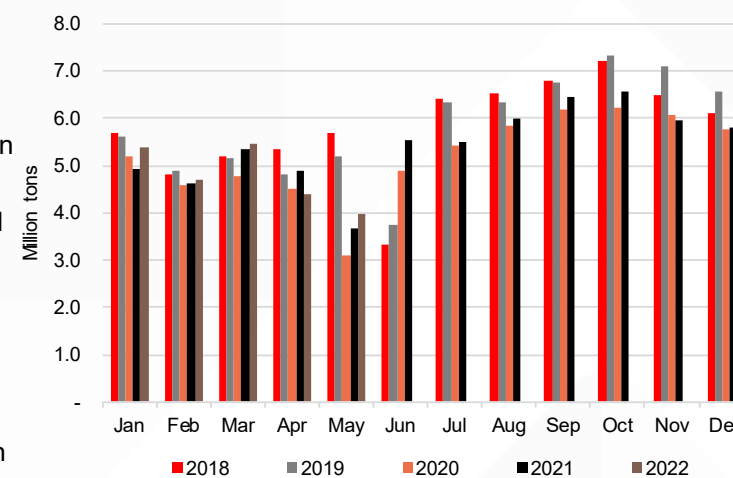
National Demand Trend 1st & 2nd Semester

Based on trends, national cement demand tends to be higher in the second semester than in the first semester, given the high rainfall in the first semester and the government infrastructure projects realized more in 2H.



Bag & Bulk Demand Growth

Higher bulk demand growth is in line with the development of cement derivative products and increase in government infrastructure programs during 2015-2019. In 2020 bulk consumption decrease significantly following the government budget reallocation for handling the Pandemic COVID-19

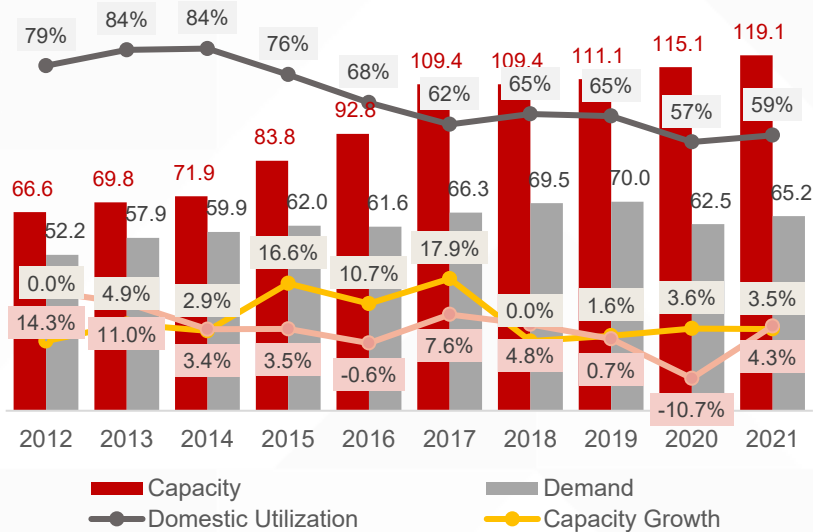


Monthly National Demand Trend

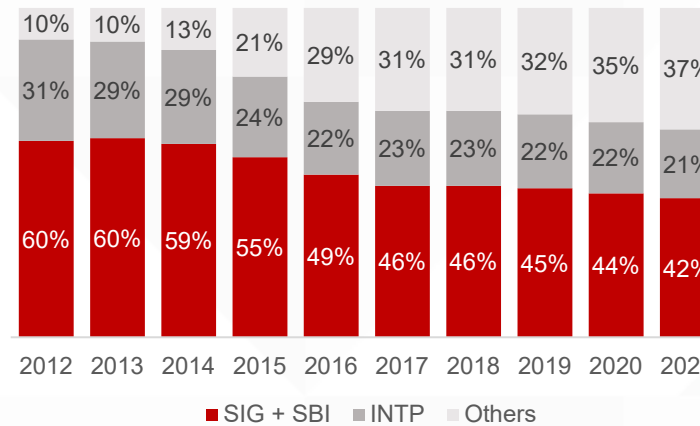
In addition, the month of Ramadan and Eid al-Fitr fall in the first semester during which construction activity generally slows down.

Increasing competition due to oversupply and lower demand post pandemic, as well as the increasing coal price has given more pressure to the industry

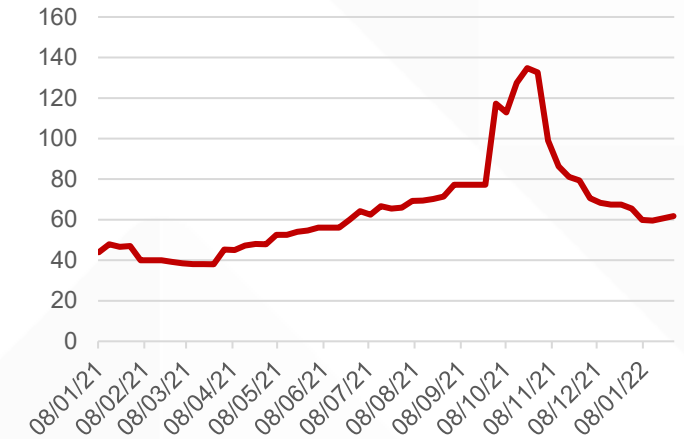
Cement Industry Capacity and Demand Growth



Capacity Share



ICI 4 (USD/ton)



Industry Utilization Rate

National cement production capacity increase more compared to the demand growth creating oversupply situation in the Indonesia cement industry.

Industrial utilization rate has decreased from 84% in 2013 to 59% in 2021 as cement players have doubled since 2015. 2021 utilization was still low as national demand has not yet back to pre pandemic level.

Cement Industry Hyper Competition

Since 2019 volume share eco-brands growth in almost all area, with wider price disparity. This situation creates domestic cement industry in hyper competition condition which leads to a challenging situation for our performance in 2021 (volume and price drag down)

Rising Trends of Coal Price

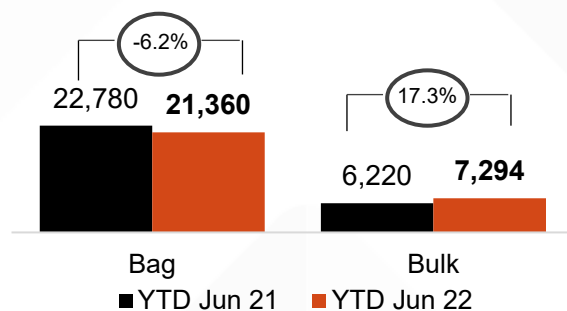
Supply-Demand imbalance during recovery from COVID-19 pandemic derived in significant coal price increase which impacted the production cost, especially in the 4th quarter 2021. although the price trend in early 2022 has beginning to decline, the prediction for full year 2022 is still above the 2021 figure.

Source:
Indonesia Cement Association Data; Bloomberg

National demand showed a decrease in June

Industry

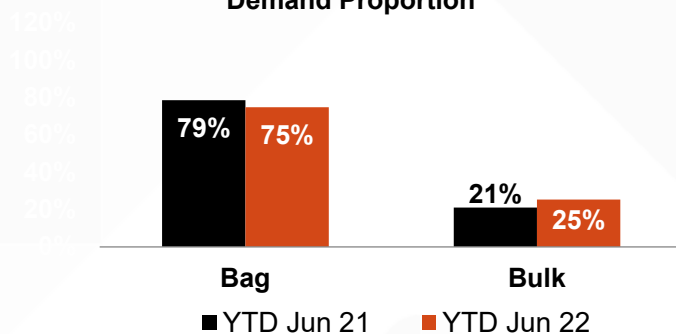
Domestic Sales Volume – YTD June
(thousand tons)



▼ **1.2%**

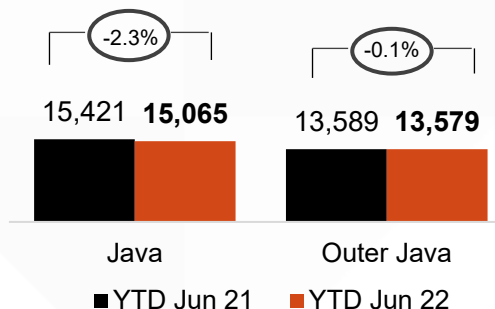
Contraction in national demand growth, mainly from bag demand

Demand Proportion



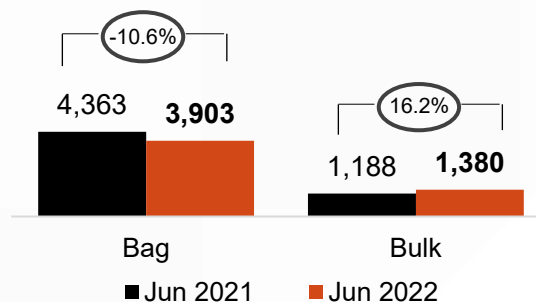
Decrease in bag cement proportion, aligned with the decrease in bag demand

Java and Outer Java Domestic Sales Volume
(thousand tons)



Java growth contribute more to industry demand contraction

Domestic Sales Volume - June
(thousand tons)

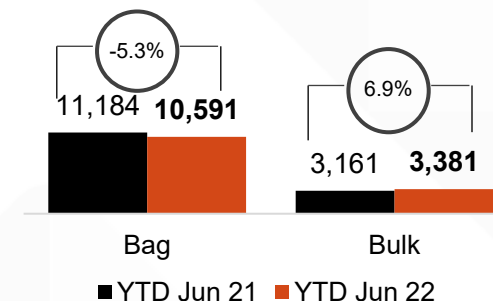


▼ **4.8%**

Decrease in June demand

SIG

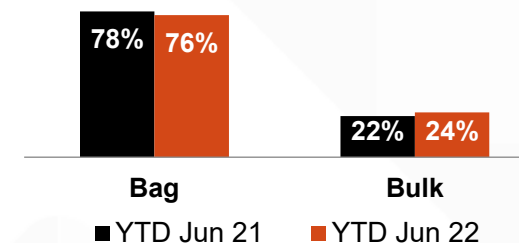
Domestic Sales Volume
(thousand tons)



▼ **2.6%**

Contraction in SIG demand growth

Domestic Volume Proportion



Increase in bulk cement proportion, aligned with the increase in bulk volume

SIG Strategy Themes

1



Domestic Market Leadership

- ▶ Dynamic pricing with multi brand dancing on retail market
- ▶ Domination in government-backed infrastructure initiatives

2



Moving closer to customers with solutions & products

- ▶ Added value product with higher margin
- ▶ Pioneer new product & solution in building material market

3



Operational Excellence & Value Chain Digitalization

- ▶ Plant optimizer rollout for production cost & yield
- ▶ End-to-end Supply Chain Management (SCM) optimization, e.g. with backhauling cargo consolidation

4



Driving Sustainable Growth

- Commitment to promote decarbonization & circular economy via:
- ▶ Use of alternative fuel & raw materials
 - ▶ Scale up renewable energy from solar panel

Strengthen market leadership with multi-brand dancing

Retail Market: Dynamic Pricing & Brand Mix for Region Competition Landscape

Key enablers

✓ 5 Strong Brands

A leader for every region

✓ Big Data

Advanced pricing & fulfillment strategy enabled by **AksesToko** (point of sales for retail store owners) & **Customer Relationship Management** system

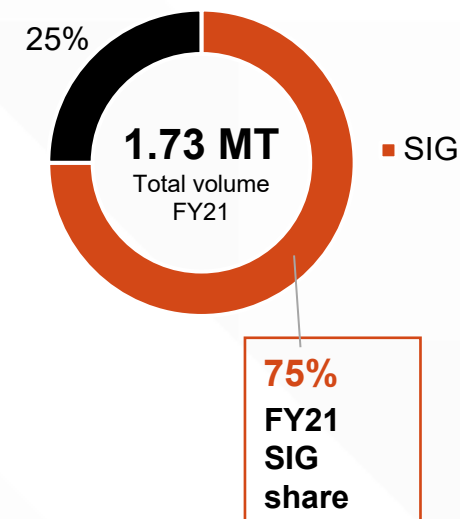


Bulk Market: Domination of National Strategic Projects (NSP)

Key enablers

- ✓ Tailormade solutions for specific project requirements
- ✓ Nationwide production and supply chain facilities

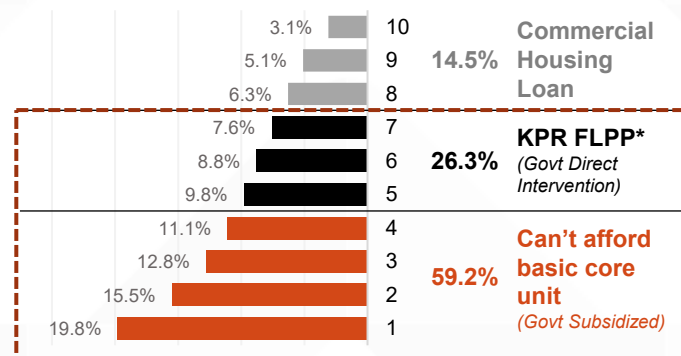
NSP market share (million Ton)



Create more value through new products and/or new market through product & solution development and diversification

12.75 million units
National housing backlog per 2022

(% per decile of household income)



2022 Prospect

240,000 units
Target 2022
FLPP + BP2BT*
(Government Support)

1.2 MT
Est. cement usage
(assumed 5T/unit)

Dynahome

Economic quality housing at speed

~2-3%
Additional profit margin

Value proposition

Quality

- ✓ Single contractor
- ✓ Earthquake-proof certified
- ✓ Sound-proof certified
- ✓ Low thermal conductivity

Time

- ✓ Unit handover in just **15 days**
4x faster than conventional housing

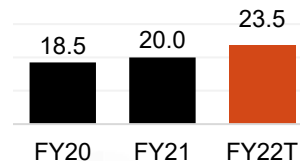
Cost

- ✓ Fast cashflow turnover

Value Added Products

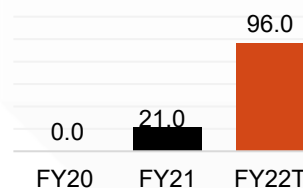
- SpeedCrete
- ThruCrete
- Minimix
- Mortar
- Masonry

Volume Trend SpeedCrete | ThruCrete | Minimix (KM³)



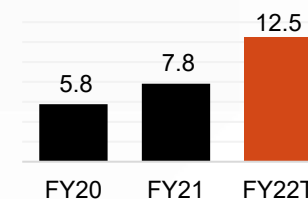
4-12%
Higher margin than conventional concrete products

Volume Trend Mortar (KT)



4%
Market share increase in 6 months since launched

Volume Trend Masonry (KT/month)

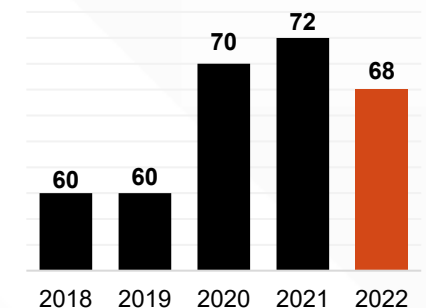


~ 13%
Lower clinker factor, lower CO₂ emission

Village-owned enterprise (BUMDes)

Partnership for small-scale infrastructure

Village Fund Budget (Trillion IDR)



Improve operational excellence with digitalization & industry best practices to achieve end to end value chain optimization

Action Plans

Plant Optimizer rollout to support production cost & yield optimization

~2%

Est. Specific Electrical Energy Consumption (SEEC) Reduction
Target to reduce up to 1.3 kWh/Ton cement by 2025
(~IDR 50 bio)

~2%

Est. Specific Thermal Energy Consumption (STEC) Reduction
Target to reduce up to 11.7 kCal/Kg clinker by 2025
(~IDR 70 -100 bio)

Solar Panel scale up to improve electricity cost efficiency & reduce Scope 2 CO₂ emissions

25%

Electricity source replacement with Solar Panel

Up to 15%

Electricity tariff reduction from Solar Panel usage

End-to-End SCM Optimization via backhauling cargo consolidation

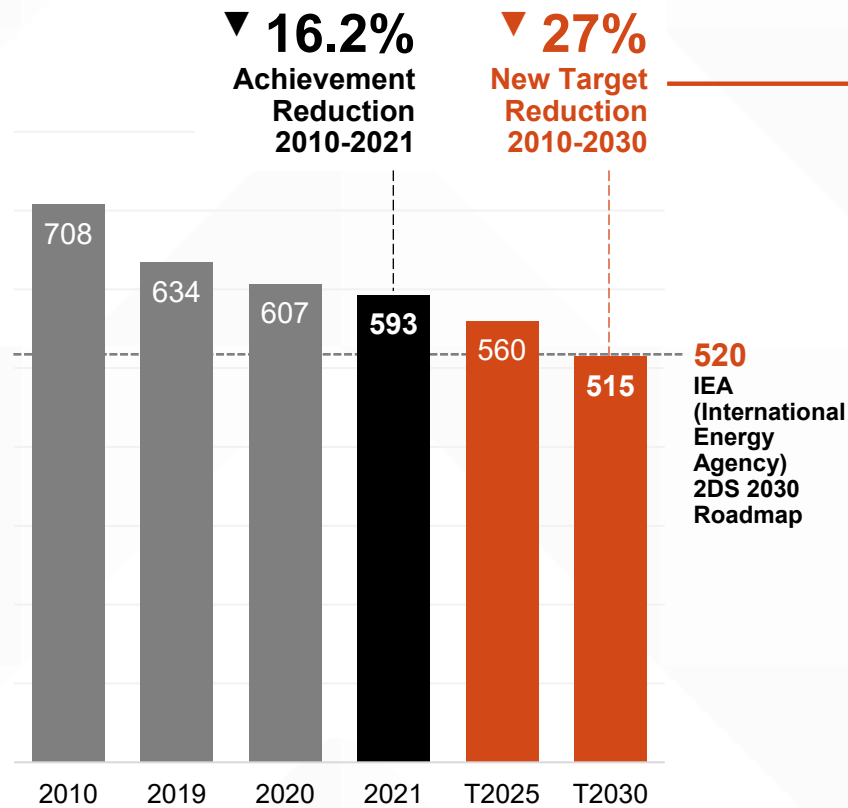
~10%

Estimated annual freight cost saving

Business Process Transformation as foundation for operating model as well as standardized & integrated process enabled by industry leading practices and relevant technology & digital solutions

Commitment towards decarbonization - Scope 1

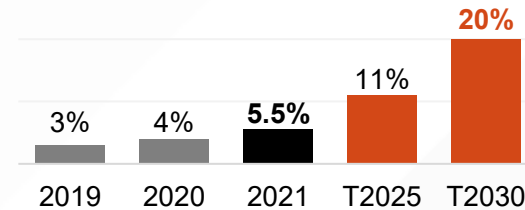
CO₂ Emission Intensity Scope 1 – From Internal Process (KgCO₂/Ton cement eq.)



▲ **17%**

Absolute increase in TSR
2019-2030 Target

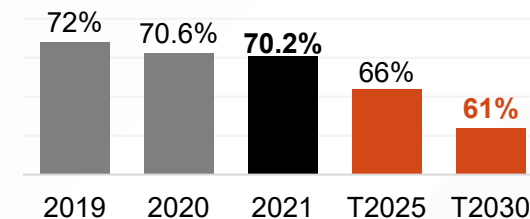
**Thermal Substitution Rate (TSR)
from Alternative Fuel**



▼ **11%**

Absolute reduction in average
CF 2019-2030 Target

Average Clinker Factor



Increase Alternative Fuel & Raw Material (AFR) Use

- ▶ AFR pre-processing & feeding facility improvement
- ▶ Anticipation in process/emission improvement
- ▶ Refused Derived Fuel (RDF) initiatives around plant operations
- ▶ Multi-stakeholder cooperation

Reduce Clinker Factor (CF) in Cement Production

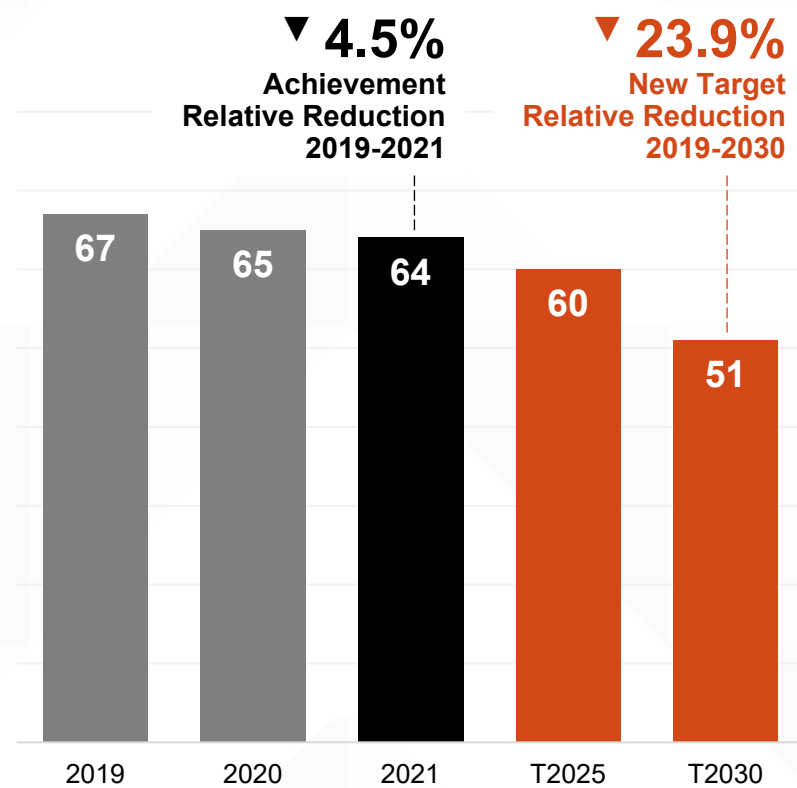
- ▶ Substitution of CO₂ intensive clinker in cement with fly ash & bottom ash
- ▶ Promotion/advocacy for performance-based cement standard with lower clinker factor

Optimize Specific Thermal Energy Consumption (STEC)

- ▶ Efficient plant thermal energy consumption
- ▶ Advanced process control rollout
- ▶ Innovation technology such as Hydrogen injection

Commitment towards decarbonization – Scope 2

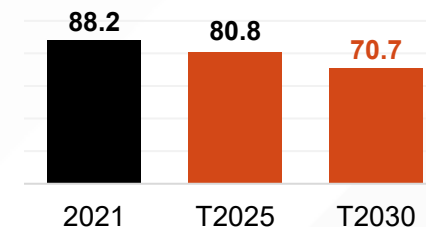
CO₂ Emission Intensity Scope 2 – From Indirect Use of Electricity (KgCO₂/Ton cement eq.)



▼ **19.8%**

Relative reduction in SEEC
2021-2030 Target

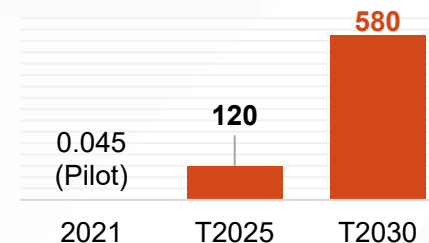
Specific Electrical Energy Consumption (SEEC) (kWh/T cement)



▲ **580 MW***

Solar Panel Rollout
2021-2030 Target

Total Solar Panel Capacity (MW)



*subject to land availability and discussion on
current contract with PLN

SEEC Optimization

- Digitalization & automation of production facility
- Equipment improvement/replacement
- Clinker factor reduction

Renewable Energy Supply

- Solar Panel installation via Power Purchase Agreement with local electricity provider—Scheduled to scale up by 7.5 MW in 2022
- Other renewable initiatives such as optimize use of existing waste heat recovery power generator (WHRPG) with 29.5 MW installed capacity

Extensive Distribution Network

Production & Distribution Facilities

8

Integrated Plant Locations

7

Ports

26

Packing Plant Locations

6

Grinding Plants

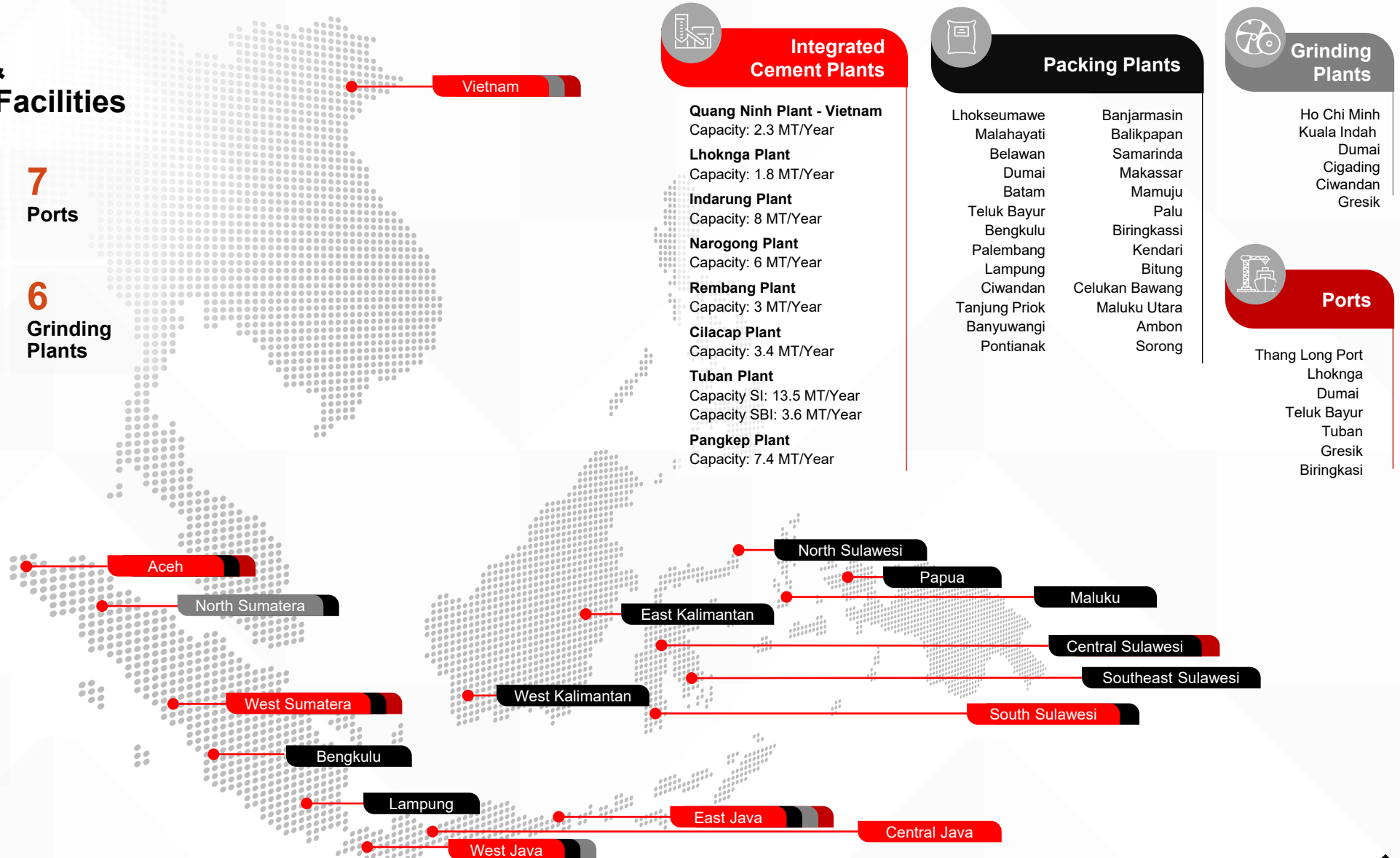
Distribution Channels

306

Distributors

>70,000

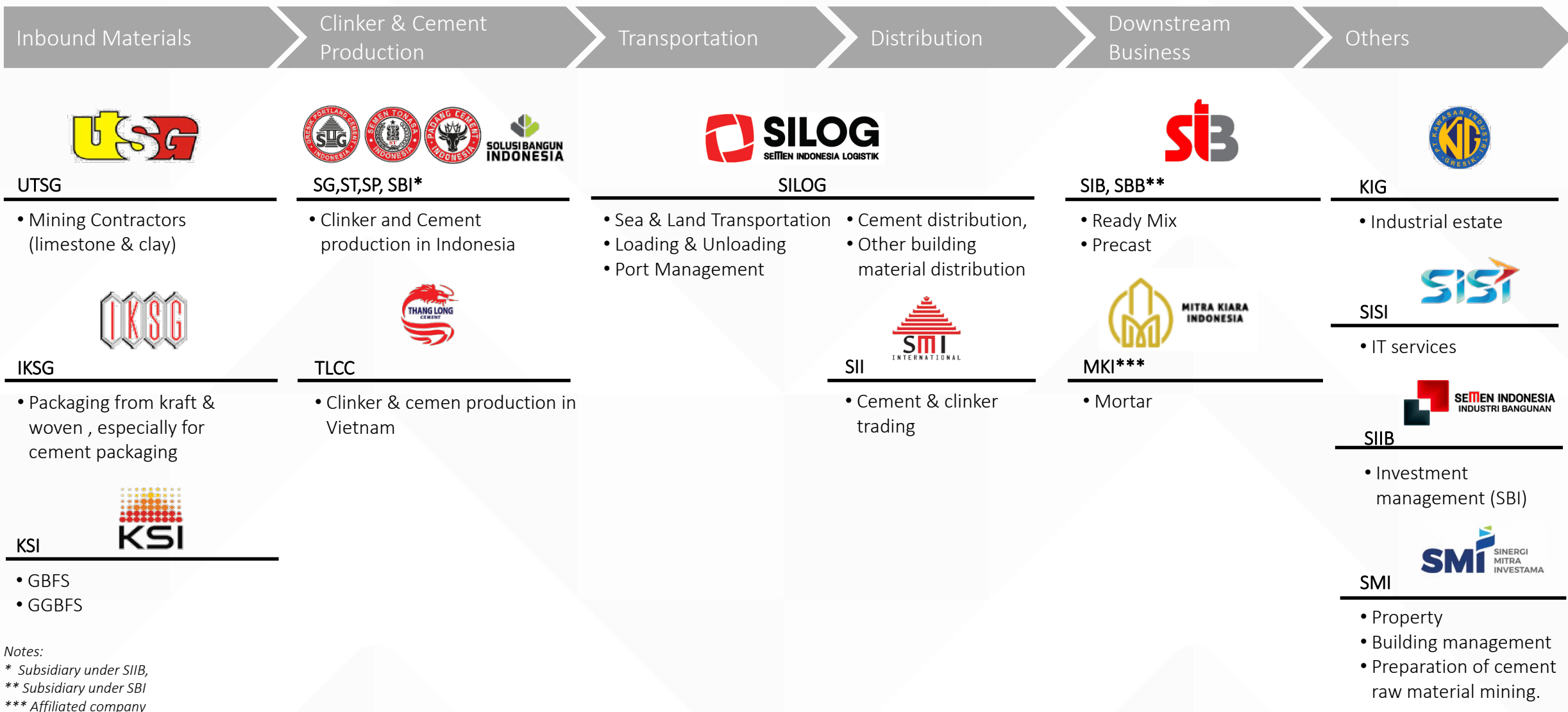
Retail Stores





Comprehensive Portfolio

Complete business portfolio along the building material value chain



Notes:

* Subsidiary under SIIB,

** Subsidiary under SBI

*** Affiliated company

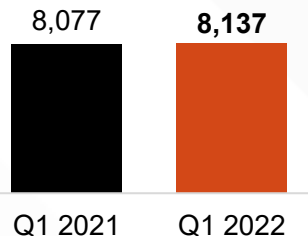
Resilience throughout hypercompetition and fuel cost volatility resulting in a better performance

Revenue growth from higher domestic sales volume and price despite hypercompetition

▲0.7%

Revenue growth YoY

Revenue
(billion IDR)



▲1.6%

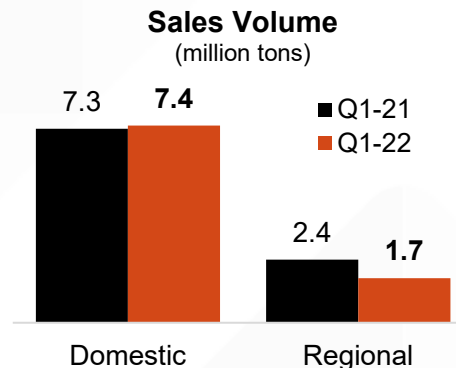
Domestic sales volume YoY

▼29.0%

Regional sales volume YoY

▼5.8%

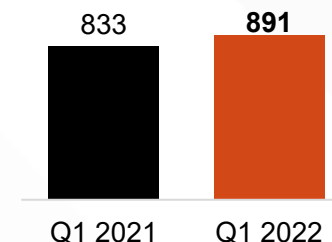
Total sales volume YoY



▲7.0%

Revenue/ton growth YoY

Revenue/ton
(thousand IDR)

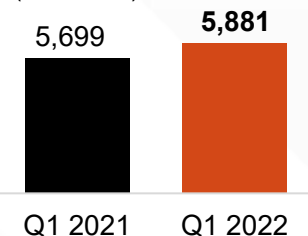


Improved profitability in the midst of cost pressure

3.2%

Increase in Cost of Goods Sold (COGS)

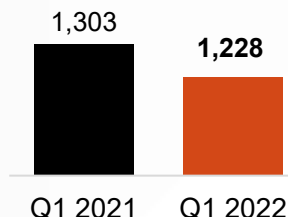
COGS
(billion IDR)



5.7%

Decrease in Operating Expense

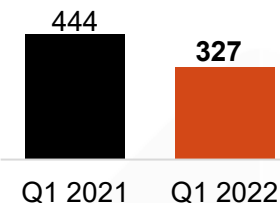
Operating Expense
(billion IDR)



26.2%

Decrease in Finance Cost

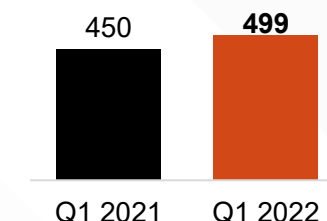
Finance Cost
(billion IDR)



10.7%

Increase in Net Profit

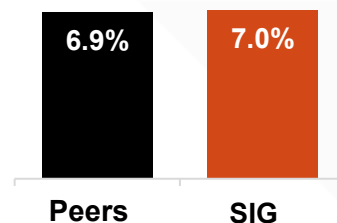
Net Profit
(billion IDR)



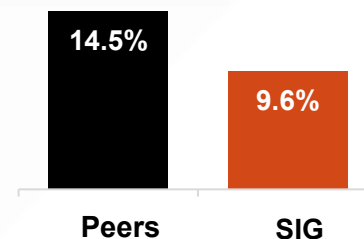
Outperforming industry peers

Through the **higher revenue per ton growth** and lower COGS per ton hike due to **lower fuel & energy cost increase**

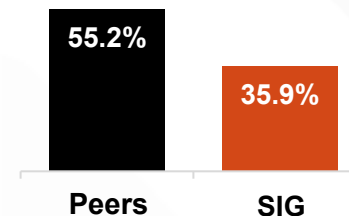
Revenue/ton Growth*



COGS/ton Growth*

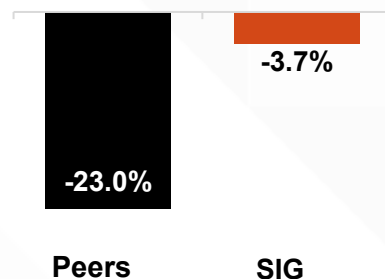


Fuel & energy cost/ton Growth*

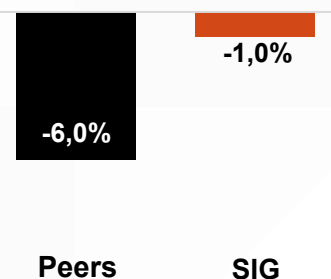


Outperform peers in absolute and margin profitability

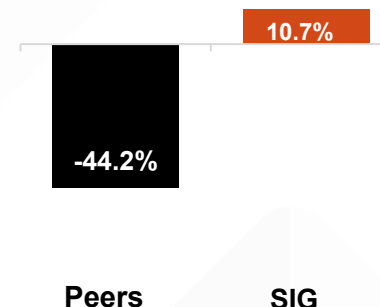
EBITDA Growth



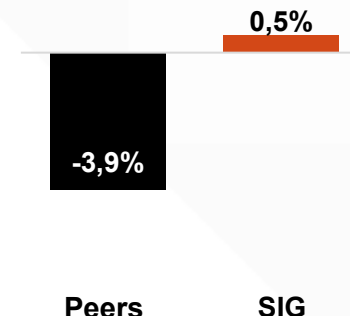
EBITDA Margin Expansion



Net Profit Growth

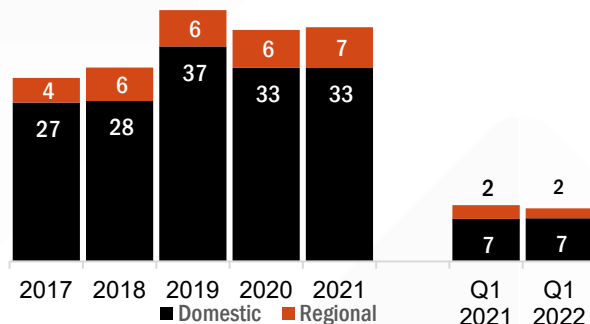


Net Profit Margin Expansion

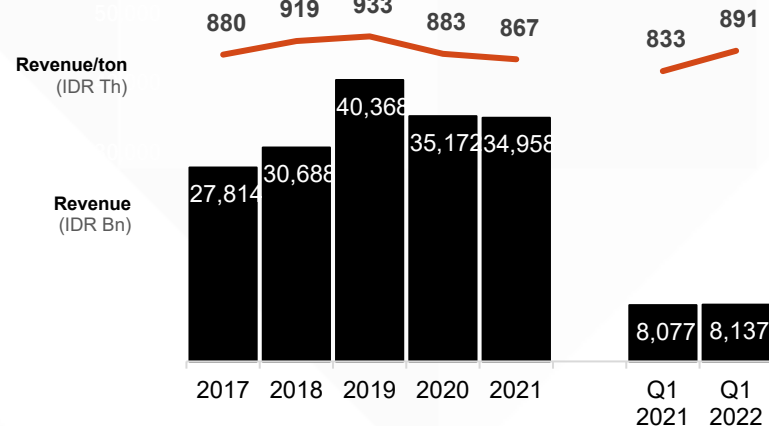


Financial resilience throughout the Covid-19 pandemic

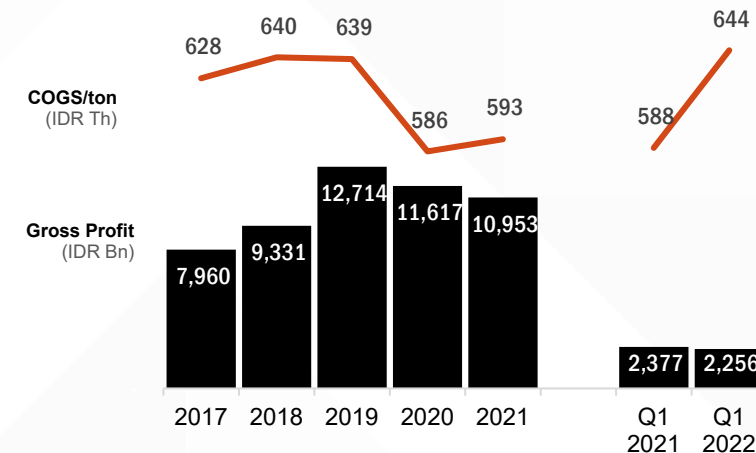
Sales Volume (million ton)



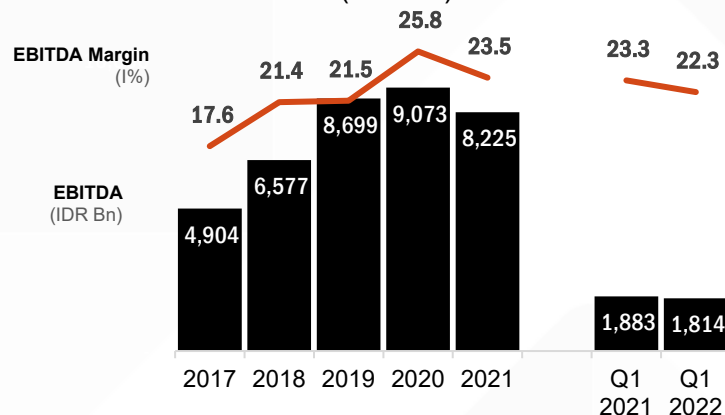
Revenue



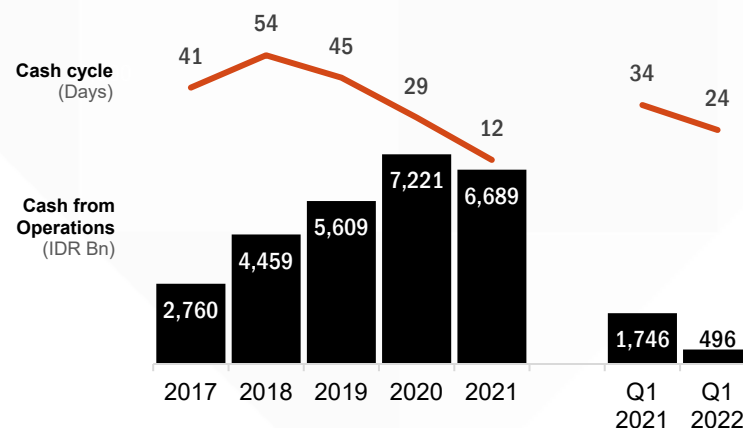
Gross Profit



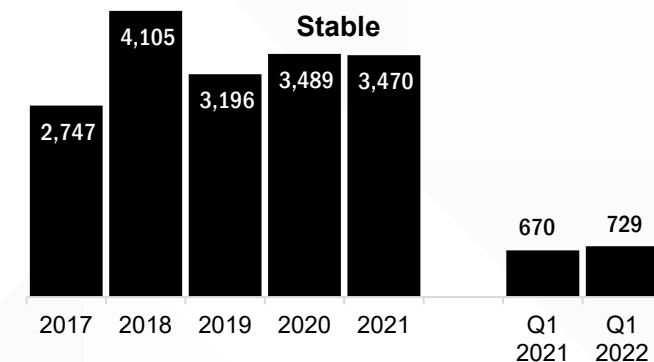
EBITDA (IDR Bn)



Cash from Operation

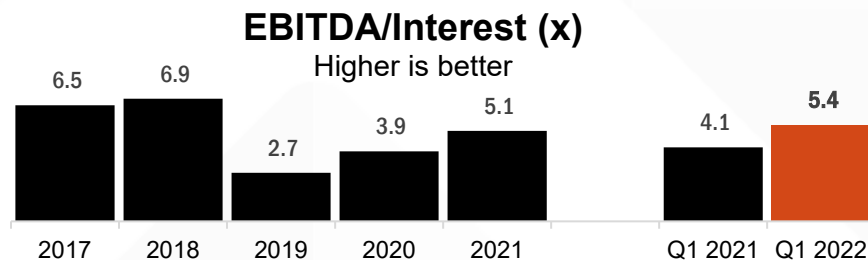
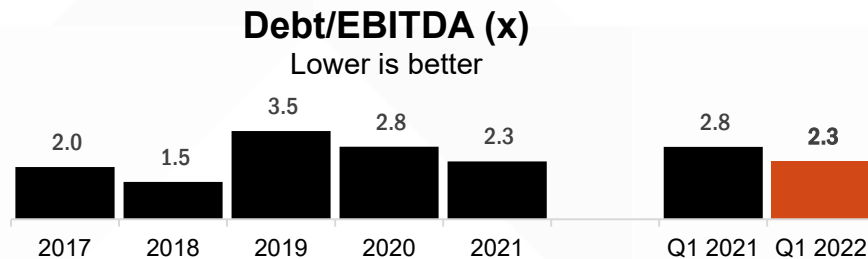
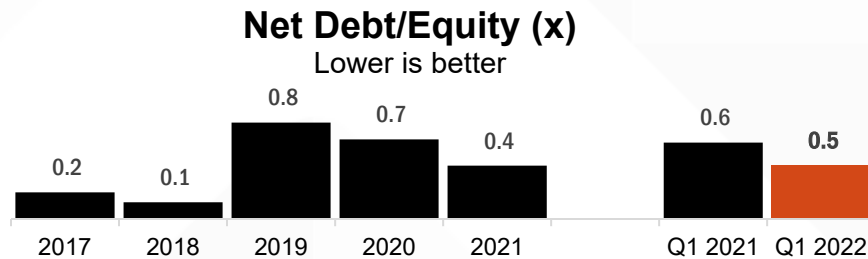


Profit Before Tax (IDR Bn)



Discipline cash flow management and accelerate debt repayment contributes to stronger leverage ratios

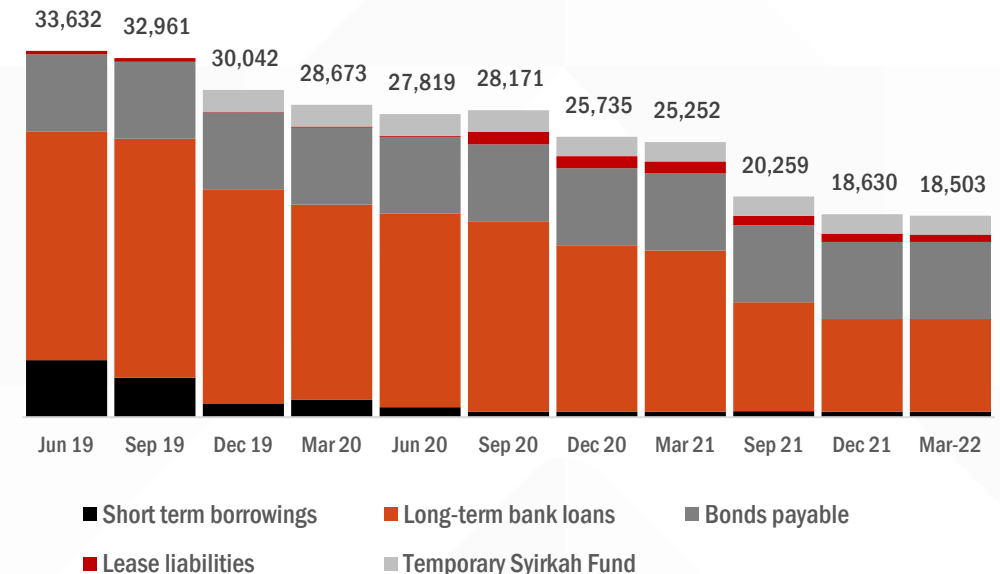
Improved Payment Capacity & Leverage Ratios



▼ **45.0%**

Decreased Interest-Bearing Debt by ~15 trillion IDR by debt prepayment

Interest Bearing Debt (IDR Bn)



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THIS PRESENTATION IS NOT AND DOES NOT CONSTITUTE OR FORM PART OF, AND IS NOT MADE IN CONNECTION WITH, ANY OFFER FOR SALE OR SUBSCRIPTION OF OR SOLICITATION, RECOMMENDATION OR INVITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR ANY SECURITIES NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH ANY CONTRACT, COMMITMENT OR INVESTMENT DECISION WHATSOEVER.

This presentation includes forward-looking statements, which are based on current expectations and forecast about future events. Such statements involve known / unknown risks uncertainties and other factors, which could cause actual results to differ materially from historical results or those anticipated. Such factors include, among others:

- economic, social and political conditions in Indonesia, and the impact such conditions have on construction and infrastructure spending in Indonesia;
- the effects of competition;
- the effects of changes in laws, regulations, taxation or accounting standards or practices;
- acquisitions, divestitures and various business opportunities that we may pursue;
- changes or volatility in inflation, interest rates and foreign exchange rates;
- accidents, natural disasters or outbreaks of infectious diseases, such as avian influenza, in our markets;
- labor unrest or other similar situations; and
- the outcome of pending or threatened litigation.

We can give no assurance that our expectations will be attained.

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