

31 October 2023

Tickers
IDX: SMGR

Market Capitalization
As of 30 Oct 2023
Rp 41,184 billion

Issued Shares
6,751,540,089

Share Price
As of 30 Oct 2023
Rp 6,100
Hi/Lo 9M 2023
Rp 7,750
Rp 5,700

Shareholder Composition
Government of Indonesia: 51,2%
Public: 48,8%

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9M 2023 Results (Unaudited)

Highlights

- SIG continued to book positive growth in 9M 2023, with sales volume, revenue and net profit recorded increase yoy.
- Total sales volume increased by 5.9% yoy, mainly supported by a 34.1% yoy higher regional sales volume primarily due to Indonesian export sales.
- SIG's revenue increased by 4.0% yoy in the 9M 2023 from Rp 26,600 billion to Rp 27,661 billion, contributed both from domestic and overseas revenue increase by 1.3% and 29.1% respectively.
- Despite the increase in COGS which in line with sales volume increase as well as impacted by fuel price increase, SIG were able to record lower operating expenses by 8.1% yoy in 9M 2023, which was mainly contributed by lower transportation and handling expense.
- 11.7% lower finance cost also contribute to the 9M 2023 improved performance, where net profit attributable to owners of parent entity recorded 1.8% higher compared to last year to be Rp 1,714 billion.

Financial Highlights

in billion IDR	30-Sep-23	30-Sep-22	Growth
Revenue	27,661	26,600	4.0%
Cost of Revenue	(20,221)	(18,704)	8.1%
Gross Profit	7,440	7,897	-5.8%
Operating Expense	(3,989)	(4,340)	-8.1%
Operating Income	3,451	3,557	-3.0%
EBITDA	5,928	6,026	-1.6%
Finance Cost (Net after Finance Income)	(898)	(1,016)	-11.7%
Profit Before Tax	2,539	2,543	-0.1%
Net Profit Attributable to Owners of Parent Entity	1,714	1,683	1.8%

Sales Volume

in thousand tons	3Q 2023	3Q 2022	Growth
Domestic sales (Including Clinker Sales)	23,440	23,267	0.7%
Regional sales	5,763	4,296	34.1%
Total sales volume (Cement & Clinker)	29,203	27,563	5.9%

Disclaimer:

This document contains certain financial information and results of operation, and may also contains projections, plans, strategies, and objectives of SIG that are not statements of historical fact which would be treated as forward-looking statements within the meaning of applicable law. Forward looking statements are subject to risk and uncertainties that could cause actual events or future results to be materially different than expected or indicated by such statements. No assurance can be given that the results anticipated by SIG, or indicated by any such forward looking statements, will be achieved.

The financial information provided herein is based on SIG consolidated financial statements in accordance with Indonesian Financial Accounting Standards.

PT Semen Indonesia (Persero) Tbk. Nine Months of 2023 Results (Unaudited)

PT Semen Indonesia (Persero) Tbk (“SIG” or “the Company”) has announced its Unaudited Consolidated Financial Statement as of September 30, 2023. The 9M 2023 Unaudited Consolidated Financial Statements were prepared in accordance with the Indonesian Financial Accounting Standard and have been submitted to Indonesian Stock Exchange (IDX).

Sales Volume

in thousand tons	3Q 2023	3Q 2022	Growth
Domestic sales (Including Clinker Sales)	23,440	23,267	0.7%
Regional sales	5,763	4,296	34.1%
Total sales volume (Cement & Clinker)	29,203	27,563	5.9%

Sales volume showed a 5.9% growth in 9M 2023. We saw a 6.6% demand growth in 3Q 2023 which contributed to SIG domestic sales volume to increase. The company domestic sales volume for 3Q 2023 grew 9.6% yoy, thus the 9M domestic sales volume recorded increase 0.7%, mainly supported by bulk sales volume.

Regional sales volume increase 34.1% to be 5.76 million ton, mainly contributed by export sales from Indonesia facilities. The export sales volume were mostly sold to Australia, Bangladesh, Philippines, Taiwan, Srilanka, and Timor Leste.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

in billion IDR	30-Sep-23	30-Sep-22	Growth
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▪ Revenue

SIG able to record a 4.0% increase in revenue from domestic as well as regional activities. Domestic revenue recorded increased by 1.3% to be Rp24,354 billion supported by 0.7% increase in volume and 1% increase in blended domestic ASP. Regional revenue also increased 29.1% or Rp746 billion mainly supported by higher sales volume in line with SIG initiatives to improve utilization rate.

▪ Cost of Revenue & Operating Expenses

Cost of revenue increased by 8.1% yoy in line with the increase in sales volume during 9M 2023. Such increase were also due to fuel price increase that occurred in 2H 2022 which impacted the logistics cost related to energy, distribution and raw materials.

However, SIG managed to lower its operating expenses by 8.1% from IDR 4,340 billion to IDR 3,989 billion in 9M 2023. Such decrease was mainly contributed by lower transportation and handling compared to last year.

▪ Profitability

The higher increase in cost of revenue compared to revenue increase resulted a lower 9M 2023 gross profit compared to last year. However, with the decrease in operating expenses supported by lower net financing cost, SIG were able to record higher net profit attributable to owners of parent entity by 1.8% to be Rp1,714 billion.

Financial Ratios

Description	30-Sep-23	30-Sep-22	Growth
Gross Profit Margin	26.9%	29.7%	-2.7%
Operating Profit Margin	12.5%	13.4%	-0.9%
EBITDA Margin	21.4%	22.7%	-1.3%
Net Profit Margin	6.2%	6.3%	-0.1%
Return on Equity*	5.6%	6.3%	-0.7%
Return on Assets*	2.9%	3.2%	-0.2%

Notes:

*ROE & ROA 30 September 2022 are based on 9M 2022 SMGR report before restatement as we do not provide 9M 2021 number for LTM net profit calculation

Operating Margin is Operating income (including other operating income/expenses) to Revenue

EBITDA margin is EBITDA (including other operating income/expenses) to Revenue

Net Profit margin is Profit for the Year Attributable to the Owners of Parent Entity to Revenue

Return on Equity is LTM Profit for the Year Attributable to the Owners of Parent Entity to Equity Attributable to the Owners of Parent Entity

Return on Assets is LTM Profit for the Year Attributable to the Owners of Parent Entity to Total Assets

Summary of Consolidated Statements of Balance Sheet

in billion IDR	30-Sep-23	31-Dec-22	Growth
Assets			
Current Assets	18,671	18,879	-1.1%
Non-current Assets	63,012	64,081	-1.7%
Total Assets	81,684	82,960	-1.5%
Liabilities			
Current Liabilities	15,039	13,061	15.1%
Non-current Liabilities	17,144	20,210	-15.2%
Total Liabilities	32,184	33,271	-3.3%
Temporary Syirkah Funds	2,300	2,450	-6.1%
Equity	47,200	47,239	-0.1%
Total Liabilities, Temporary Syirkah Funds, and Equity	81,684	82,960	-1.5%

- Current Assets decreased by Rp 208 billion or 1.1% compared to 31 December 2022 which was contributed by lower trade receivables from related parties by 22.5% and cash & cash equivalents by 2.4% for bank loans repayment.
- Non-current Assets decreased by Rp 1,069 billion or 1.7% compared to 31 December 2022 due to the increase of total Accumulated Depreciation and Depletion that is higher than the amount of additional Fixed Assets during 2022.
- Current Liabilities increased by Rp 1,978 billion or 15.1% compared to 31 December 2022, mainly due to increase of current maturities of long-term borrowings from bond which will be due in May 2024.
- Non-current Liabilities decreased by Rp 3,066 billion or 15.2% compared to 31 December 2022, which mainly contributed by lower long-term borrowings net of current maturities from the decrease in bank loans and bond payable.
- Total Equity slightly decreased by Rp 39 billion or 0.1% compared to 31 December 2022.

Summary of Consolidated Statements of Cash Flow

in billion IDR	30-Sep-23	30-Sep-22	Growth
Cash Flows from Operating Activities	3,522	3,426	2.8%
Cash Flows used in Investing Activities	(920)	169	643.0%
Cash Flows used in Financing Activities	(2,737)	(3,690)	25.8%
Net Increase (Decrease) in Cash & Cash Equivalents	(135)	(95)	-42.6%
Cash & Cash Equivalents at Beginning of Year	6,007	2,955	103.3%
Effect of Exchange Rate Changes on Cash & Cash Equivalent	(7)	12	-153.2%
Cash & Cash Equivalents at End of Year	5,866	2,873	104.2%

- Cash Flows from Operating Activities increased by Rp 96 billion or 2.8% yoy which was impacted by increasing receipts from customers, finance income, as well as lower corporate income tax payment.
- Cash Flows from/used in Investing Activities decreased by Rp 1,089 billion or 643.0% yoy mainly due to no maturity of short term investment.
- Cash Flows used in Financing Activities decreased Rp 953 billion or 25.8% yoy mostly due to repayment of long-term bank loan and higher dividend payment compared to last year.

Debt Profile

in billion IDR	30-Sep-23	31-Dec-22	Growth
SHORT TERM LOAN			
BNI	542	435	24.8%
Standart Chartered Bank	8		
Bank Loan - VND	87	64	36.0%
Total Short Term Loan	638	499	27.9%
LONG TERM LOAN			
Syndicated Loan BNI & Mandiri	7,521	8,262	-9.0%
Unamortised transaction cost	(49)	(34)	45.6%
Total Long Term Loan	7,471	8,228	-9.2%
BOND			
Principal	4,958	4,958	0.0%
Unamortised transaction cost	(12)	(18)	-31.0%
Total Bond	4,946	4,940	0.1%
Lease Liabilities	1,442	684	110.9%
Temporary Syirkah Funds	2,300	2,450	-6.1%
TOTAL INTEREST BEARING DEBT	16,798	16,801	-0.02%

Total Interest-Bearing Debt as of 30 September 2023 recorded at Rp 16,798 billion or 0.02% lower compared to the 31 December 2022 position as the Company repaid some of the long-term bank loan. The composition of the total interest-bearing debt comprised of 48.3% of bank loan, 29.4% of corporate bonds, 8.6% of lease liabilities, and 13.7% of temporary syirkah funds.

Description	30-Sep-23	31-Dec-22	Chg.(x)
Net Debt to Equity (x)	0.26	0.25	0.00
Debt to Equity (x)	0.39	0.39	0.00
Net Debt to EBITDA (x)	1.39	1.36	0.03
Debt to EBITDA (x)	2.14	2.11	0.03
EBITDA/Interest (x)	5.69	5.57	0.11

Net Debt to Equity on 30 September 2023 slightly increased to 0.26 compared to 31 December 2022 position, in line with lower equity due to higher dividend payment in the period. While Debt to Equity were relatively stable on those two positions. Net Debt to EBITDA slightly increased by 0.03 on 30 September 2023 compared to 31 December 2022 position due to slightly lower EBITDA for the Sept LTM 2023 period, however EBITDA to Interest recorded increased by 0.11x to 5.69 due to lower interest expense.

Other Important Information

PT Semen Indonesia (Persero) Tbk collaborates with PT Perusahaan Listrik Negara (Persero) Tbk in to develop solar panels as a source of renewable energy. At the initial stage of implementation, the use of solar panels is around 5.4 MWp – 32 MWp per location and will be developed further up to 541 MWp to meet around 20% of electricity needs. This collaboration is expected to support the achievement of the Company's target to reducing Scope 2 CO2 emission intensity by 24% in 2030 as well as contribute to the cost efficiency, as electricity is the 2nd largest contribution to SIG cost of revenue.