

10 March 2024

Tickers

IDX: SMGR

Market

Capitalization

As of 31 Dec 2023

Rp 43,209 billion

Issued Shares

6,751,540,089

Share Price

As of 31 Dec 2023

Rp 6,400

Hi/Lo FY 2023

Rp 7,750

Rp 5,700

Shareholder

Composition

Government of

Indonesia: 51,2%

Public: 48,8%

Investor Relations

PT Semen Indonesia

(Persero) Tbk.

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Full Year 2023 Results (Audited)

Highlights

- Full Year 2023 (FY23) showed the Company's full year results, with sales volume, revenue and profit before tax saw an increase yoy.
- Total sales volume increased by 10% yoy, mainly supported by a 42% yoy higher regional sales volume as coal supply is no longer an issue in 2023.
- SIG's revenue increased by 6.2% yoy in the FY23 from Rp 36,379 billion to Rp 38,651 billion, mainly supported by both increase in domestic and overseas revenue.
- COGS increased by 10.8% yoy, mainly due to the impact of subsidized fuel price increase in 4Q22 which impacted energy, transportation and material cost, which fully reflected in FY23.
- SIG's total operating expenses declined by 4.0% yoy in FY23, which was contributed by a 23.9% lower transportation and handling compared to last year.
- Finance cost (net after finance income) declined by 11.0% yoy, due to lower debt balance and lower interest expense from debt refinancing through sustainability-linked loan (SLL) in Dec-22.
- While absolute EBITDA decreased by 2.2% yoy with EBITDA margin reaching 20.2%, SIG recorded positive profit before tax, which increased by 0.1% yoy to Rp 3,304 billion in FY23.
- SIG benefited a one-off deferred tax impact in 2022 ~Rp 315 billion from changing the ownership of SBI shares from SIIB to SIG which have different corporate income tax tariff.

Financial Highlights

in billion IDR	31-Dec-23	31-Dec-22	Growth
Revenue	38,651	36,379	6.2%
Cost of Revenue	(28,474)	(25,701)	10.8%
Gross Profit	10,177	10,678	-4.7%
Operating Expense	(5,865)	(6,108)	-4.0%
Operating Profit	4,504	4,625	-2.6%
EBITDA	7,787	7,959	-2.2%
Finance Cost (Net after Finance Income)	(1,183)	(1,329)	-11.0%
Profit Before Tax	3,304	3,299	0.1%
Net Profit Attributable to Owners of Parent Entity	2,170	2,365	-8.2%
Net Profit Attributable to Owners of Parent Entity (exclude one-off from deferred tax impact)	2,170	2,050	5.9%

Sales Volume

in thousand tons	FY 2023	FY 2022	Growth
Domestic sales	33,109	31,633	4.7%
Regional sales	7,512	5,288	42.0%
Total sales volume	40,621	36,921	10.0%

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. Full Year 2023 Results (Audited)

PT Semen Indonesia (Persero) Tbk (“SIG” or “the Company”) has announced its Audited Consolidated Financial Statements as of 10 March 2024. The Full Year 2023 Audited Consolidated Financial Statements were prepared in accordance with the Indonesian Financial Accounting Standard and have been submitted to Indonesian Financial Services Authority (OJK) and Indonesian Stock Exchange (IDX).

Sales Volume

in thousand tons	FY 2023	FY 2022	Growth
Domestic sales	33,109	31,633	4.7%
Regional sales	7,512	5,288	42.0%
Total sales volume	40,621	36,921	10.0%

SIG’s total sales volume recorded a 10% increase yoy in FY23. Such increase was mainly supported by regional sales, which increased 42% yoy due to sufficient coal supply. The domestic sales in FY23 finally showed recovery indicators for both bag and bulk with 0.2% and 17.3% increase respectively. Bulk segment volume gain in particular was achieved through SIG dominance in IKN and strategic national projects. The Company volume grew higher than national demand resulting improved market share by 0.6% to be 50.5% in 2023.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

in billion IDR	31-Dec-23	31-Dec-22	Growth
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▪ Revenue

SIG was able to record a 6.2% revenue increase yoy both from domestic as well as regional revenue, which was inline with the volume growth. Domestic revenue increase 3.4% yoy, while overseas revenue recorded an increase of 35.5% compared to last year.

▪ Cost of Revenue & Operating Expenses

Cost of revenue increased by 10.8% yoy, in line with the increase in sales volume as well as the impact of fuel price increase in Q4 2022 which then impacted the energy, transportation and material cost, which fully reflected in FY23 .

However, the Company managed to lower their total operating expenses by 4.0% from IDR 6,108 billion to IDR 5,865 billion in FY23. Such decrease was mainly contributed by lower transportation and handling by 23.7% compared to last year, as a result of our operational excellence initiative related to logistics.

▪ **Profitability**

As the result of the Company’s resilience amidst challenging domestic situation, SIG managed to record positive profitability in FY23. Despite gross profit and EBITDA both decreased by 4.7% and 2.2% yoy, the Company still managed to optimize capability to reduce interest bearing debt, lowering interest expense and increase interest income, with total net finance cost reduced 11% yoy. Such efforts resulted in profit before tax to increase 0.1% yoy.

Net profit attributable to owners of parent entity of FY 2022 was included a one-off item from deferred tax liabilities amounting IDR 315 billion. Thus the net profit attributable to owners of parent entity of FY2022 excluding the one-off was IDR 2,050 billion. The net profit attributable to owners of parent entity of FY2023 is recorded at IDR 2,170 billion, a 5.9% increase compared to the same period last year excluding the one-off impact.

Financial Ratios

Description	31-Dec-23	31-Dec-22	Growth
Gross Profit Margin	26.3%	29.4%	-3.1%
Operating Profit Margin	11.7%	12.7%	-1.0%
EBITDA Margin	20.2%	21.9%	-1.7%
Net Profit Margin	5.6%	6.5%	-0.9%
Return on Equity	5.0%	5.5%	-0.5%
Return on Assets	2.7%	2.9%	-0.2%

Notes:

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	31-Dec-23	31-Dec-22	Growth
Assets			
Current Assets	19,783	18,879	4.8%
Non-current Assets	62,038	64,081	-3.2%
Total Assets	81,821	82,960	-1.4%
Liabilities			
Current Liabilities	16,112	13,061	23.4%
Non-current Liabilities	15,658	20,210	-22.5%
Total Liabilities	31,770	33,271	-4.5%
Temporary Syirkah Funds	2,250	2,450	-8.2%
Equity	47,801	47,239	1.2%
Total Liabilities, Temporary Syirkah Funds, and Equity	81,821	82,960	-1.4%

- Current Assets increased by Rp 904 billion or 4.8% compared to 31 December 2022 which was contributed by higher trade receivables by 4.8% and cash & cash equivalents by 15.5%. These were the result of an optimized cash and capital management (cash cycle of 16 days) and improved inventory management.
- Non-current Assets decreased by Rp 2,043 billion or 3.2% compared to 31 December 2022, largely related to the increase of Accumulated Depreciation and Depletion which was higher than the amount of additional Fixed Assets during 2023.
- Current Liabilities increased by Rp 3,051 billion or 23.4% 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 4,552 billion or 22.5% compared to 31 December 2022, which mainly contributed by lower long-term borrowings net of current maturities.
- Total Equity increased by Rp 562 billion or 1.2% compared to 31 December 2022 mainly due to the increase in unappropriated retained earnings.

Summary of Consolidated Statements of Cash Flow

in billion IDR	31-Dec-23	31-Dec-22	Growth
Cash Flows from Operating Activities	5,745	6,037	-4.8%
Cash Flows used in Investing Activities	(1,656)	(567)	192.3%
Cash Flows used in Financing Activities	(3,145)	(2,440)	28.9%
Net Increase (Decrease) in Cash & Cash Equivalents	943	3,030	-68.9%
Cash & Cash Equivalents at Beginning of Year	6,007	2,955	103.3%
Effect of Exchange Rate Changes on Cash & Cash Equivalent	(11)	22	-146.9%
Cash & Cash Equivalents at End of Year	6,940	6,007	15.5%

- Cash Flows from Operating Activities decreased by Rp 292 billion or 4.8% yoy which was impacted by higher payments to suppliers and employees.
- Cash Flows from/used in Investing Activities decreased by Rp 1,090 billion or 192.3% yoy mainly due to higher maturity of short-term investment in 2022.
- Cash Flows used in Financing Activities increased Rp 705 billion or 28.9% yoy mostly due to higher dividend payment in 2023 and proceed of capital stock in 2022.

Debt Profile

in billion IDR	31-Dec-23	31-Dec-22	Growth
SHORT TERM LOAN			
BNI	430	435	-1.2%
Standard Chartered	21	-	N/A
Bank Loan - VND	106	64	64.5%
Total Short Term Loan	557	499	11.6%
LONG TERM LOAN			
Syndicated Loan BNI	7,296	8,262	-11.7%
Unamortised transaction cost	(47)	(34)	39.9%
Total Long Term Loan	7,248	8,228	-11.9%
BOND			
Loan principal	4,958	4,958	0.0%
Unamortised transaction cost	(15)	(18)	-14.9%
Total Bond	4,943	4,940	0.1%
Lease Liabilities	820	684	19.9%
Temporary Syirkah Funds	2,250	2,450	-8.2%
TOTAL INTEREST BEARING DEBT	15,818	16,801	-5.9%

Total Interest-Bearing Debt as of 31 December 2023 recorded at Rp 15,818 billion or 5.9% lower compared to the 31 December 2022 position as the Company did repayment for some of the long-term bank loan. The composition of the total interest-bearing debt comprised of 49.3% of bank loan, 31.2% of corporate bonds, 5.2% of lease liabilities, and 14.2% of temporary syirkah funds.

Description	31-Dec-23	31-Dec-22	Chg.(x)
Net Debt to Equity (x)	0.21	0.25	-0.04
Debt to Equity (x)	0.37	0.39	-0.02
Net Debt to EBITDA (x)	1.14	1.36	-0.22
Debt to EBITDA (x)	2.03	2.11	-0.08
EBITDA/Interest (x)	5.60	5.57	0.03

Net Debt to Equity slightly decreased by 0.04x in line with lower debt, while Net Debt to EBITDA decreased by -0.22 on 31 December 2023 compared to 2022 position, in line with the lower interest-bearing debt. EBITDA to Interest increased by 0.03x in line with the lower interest expense.

Other Important Information

SIG credit rating by Pefindo was improved in 2023 to be idAA+/Positive to reflect the three years trends of prudent financial policy which translates into improving leverage. The rating reflects SMGR's very strong market position, its well-diversified production and logistics facilities, and its conservative financial profile.

Sustainalytics recently updated SMGR ESG Risk Rating score with significant improvement from "**High**" risk (32.4) to "**Medium**" risk (22.9) based on their February 21, 2024 report. This result reflected our effort in improving environmental, social and governance performance of the Company, and mark as a milestone towards our sustainability journey, where in 2023, we have achieved ESG initiatives such as:

1. TSR increase, from 7.22% (FY2022) to be 7.27% (FY2023) and
2. Average clinker factor reduction, from 69.17% (FY2022) to be 69.07% (FY2022)
3. Reduction in emission intensity scope 1 by 0.8% to 585kgCo2/ton cement equivalent in 2023