



Earnings Call Presentation

1H 2020

SIG Company Profile



Company Name

PT. Semen Indonesia (Persero) Tbk



Nature of Business

Cement Industry



Factory Locations

Indonesia and Vietnam

Market Locations

Asia, Australia, and Pacific



Shareholders

51,01% Government of Indonesia
48,99% Public

Facts

53 Million tones p.a of designed cement production capacity

#1 largest cement producer in the ASEAN region

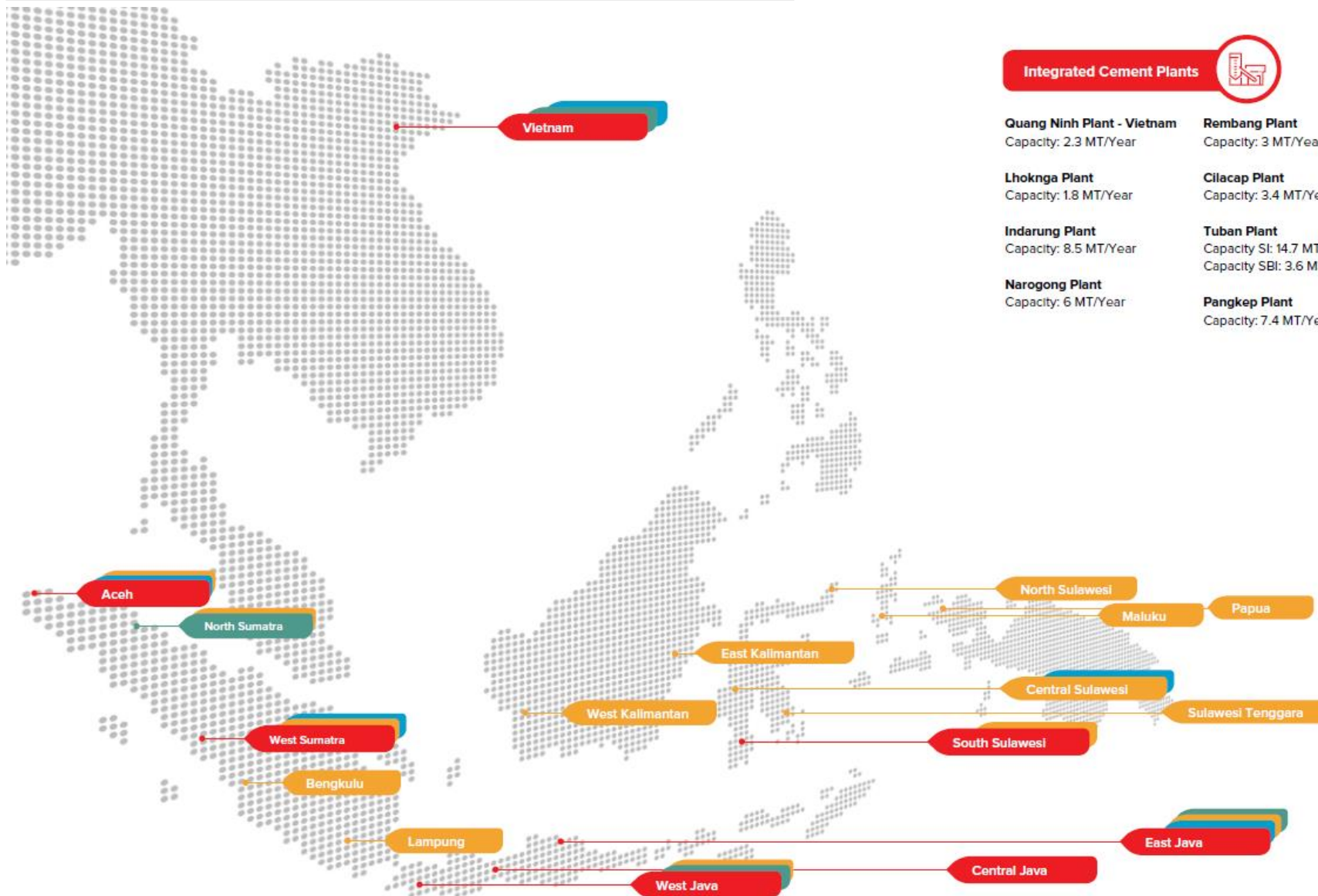
53% market share in Indonesia (up to June 2020)

9 Integrated cement plants in **8 locations** in Indonesia and **1** in Vietnam

Milestones

1. PT Semen Indonesia (Persero) Tbk., previously known as PT Semen Gresik (Persero) Tbk. WAS established on 7 August 1957.
2. Publicly listed in IDX since 1991.
3. Consolidated with PT Semen Padang (Persero) and PT Semen Tonasa (Persero) in 1995.
4. Acquired Thang Long Cement Company (TLCC) Vietnam in 2012.
5. Acquired PT Holcim Indonesia in 2019.

SIG Operational Area



Integrated Cement Plants



Quang Ninh Plant - Vietnam

Capacity: 2.3 MT/Year

Lhoknga Plant

Capacity: 1.8 MT/Year

Indarung Plant

Capacity: 8.5 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: 14.7 MT/Year

Capacity SBI: 3.6 MT/Year

Pangkep Plant

Capacity: 7.4 MT/Year

Packing Plants



Lhokseumawe

Malahayati

Belawan

Dumai

Batam

Teluk Bayur

Bengkulu

Palembang

Lampung

Ciwandan

Tanjung Priok

Banyuwangi

Pontianak

Banjarmasin

Balikpapan

Samarinda

Makassar

Mamuju

Palu

Biringkassi

Kendari

Bitung

Celukan Bawang

Maluku Utara

Ambon

Sorong

Grinding Plants



Ho Chi Minh

Kuala Indah

Dumai

Cigading

Ciwandan

Gresik

Ports



Thang Long Port

Lhoknga

Dumai

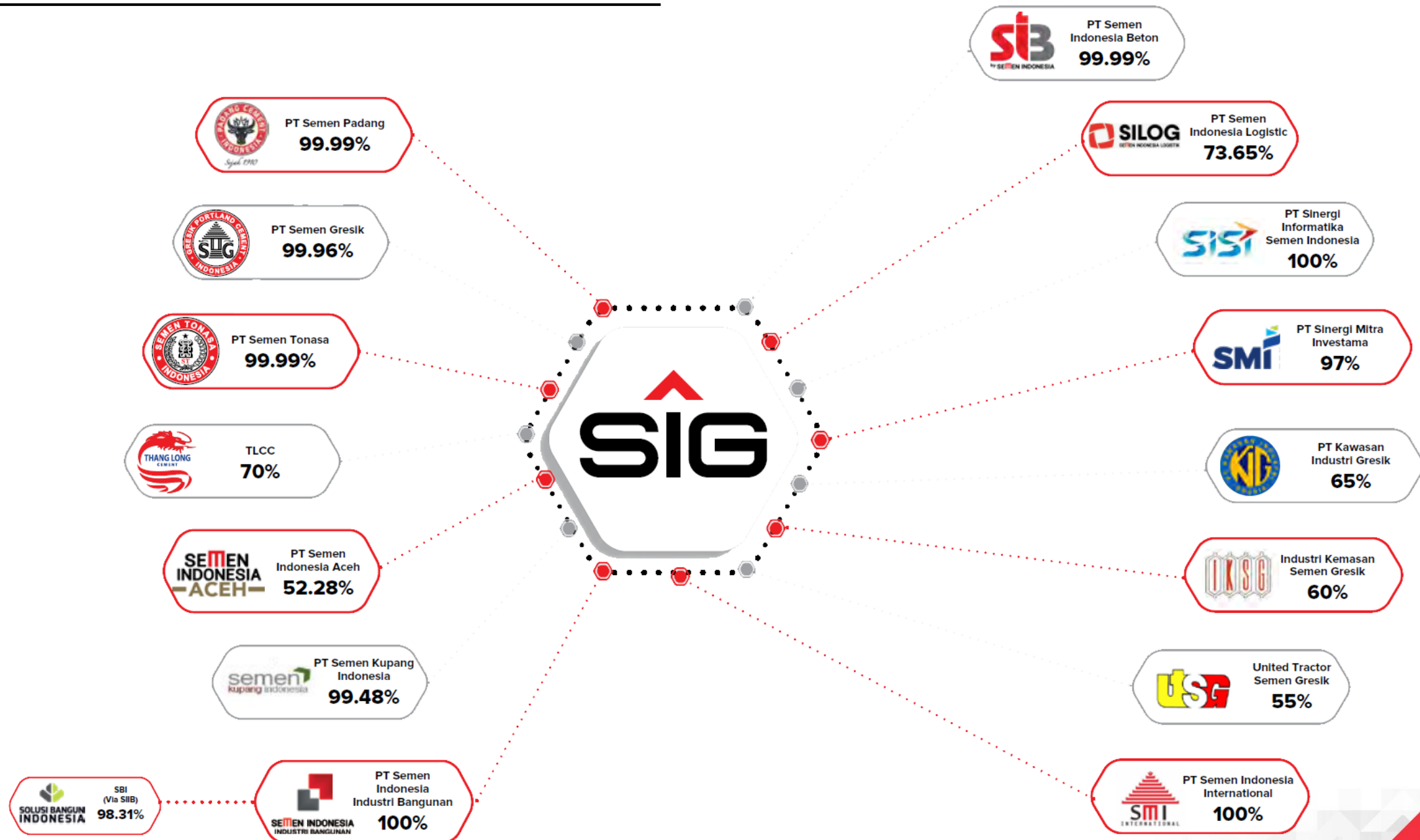
Teluk Bayur

Tuban

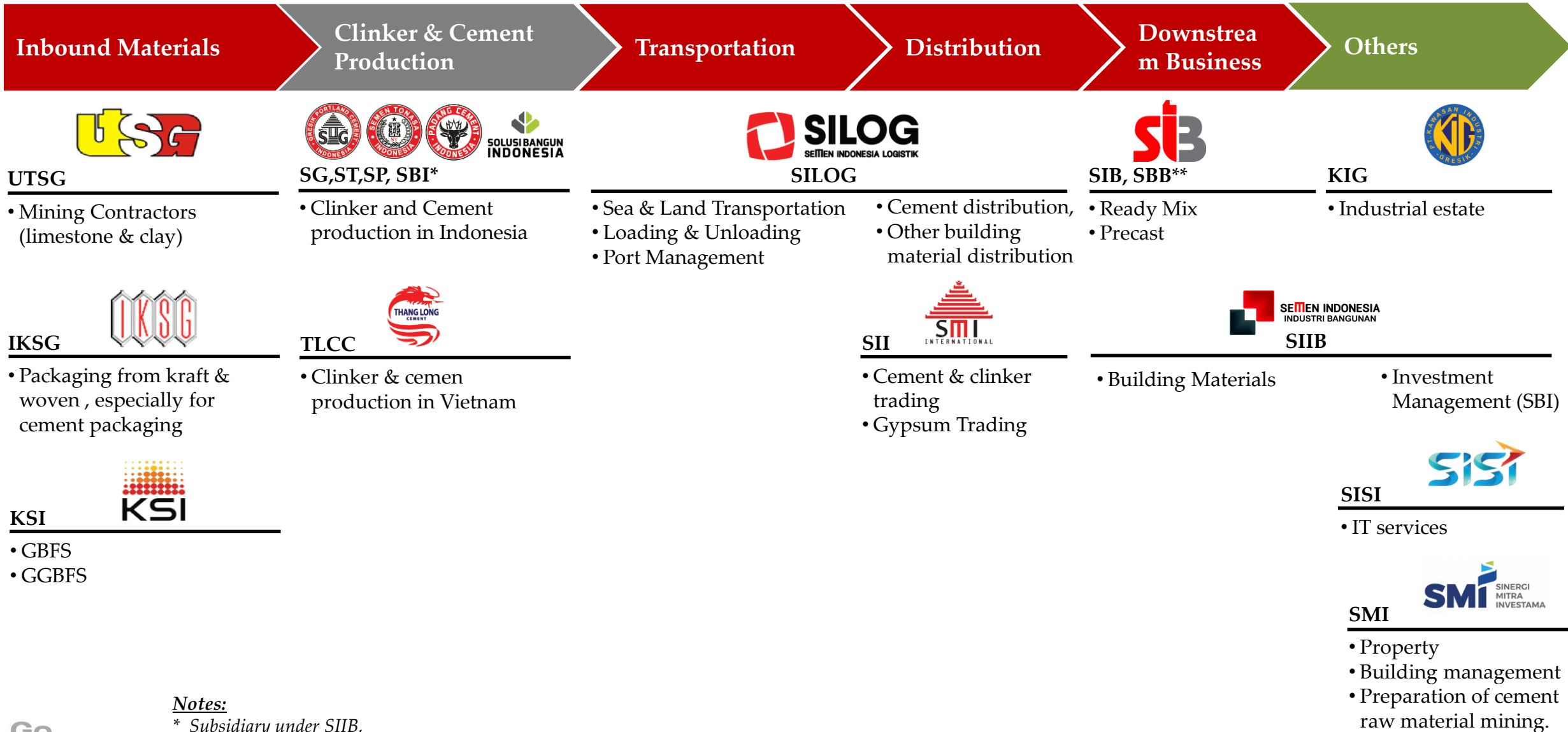
Gresik

Biringkassi

SIG Corporate Group Structure



SIG Business Portfolio



Notes:

* Subsidiary under SIIB,

** Subsidiary under SBI

SIG Board of Management

Board of Commissioners



Board of Directors



SIG Indonesian Cement Players

Installed Capacity

35.5 Semen Indonesia

25.5 Indocement

14.8 Solusi Bangun Indonesia (ex-Holcim)

8.7 Conch Cement Indonesia

7.7 Semen Merah Putih (Cemindo Gemilang)

7.4 Semen Bosowa

3.9 Semen Baturaja

1.8 Semen Garuda (Jui Shin Indonesia)

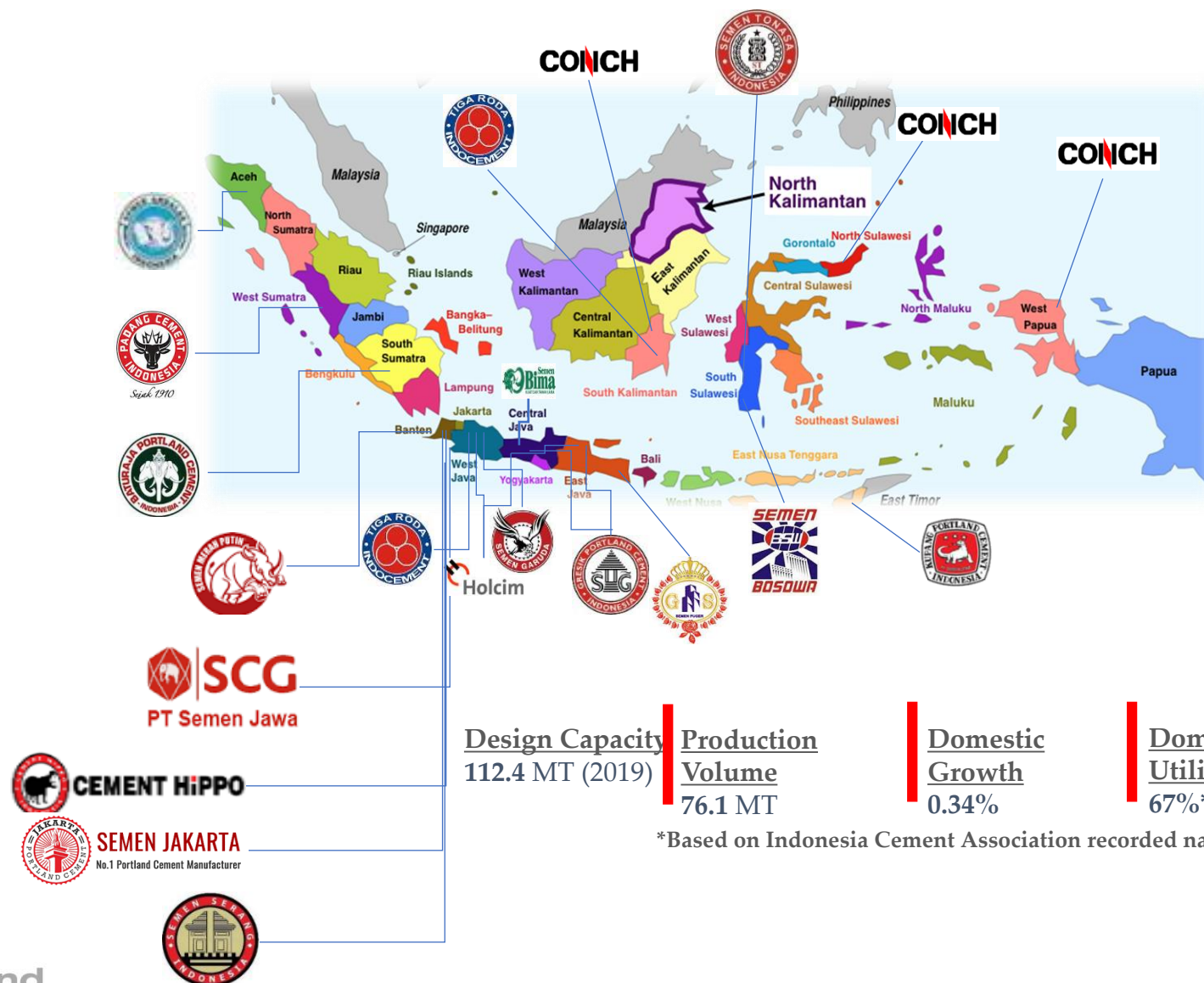
1.8 Semen Jawa (Siam Cement Group)

1.8 Semen Bima (PT STAR)

0.4 Semen Kupang

3.1 Others (non ASI members)

Total 2019:
112.4 Mio Ton



Design Capacity
112.4 MT (2019)

Production Volume
76.1 MT

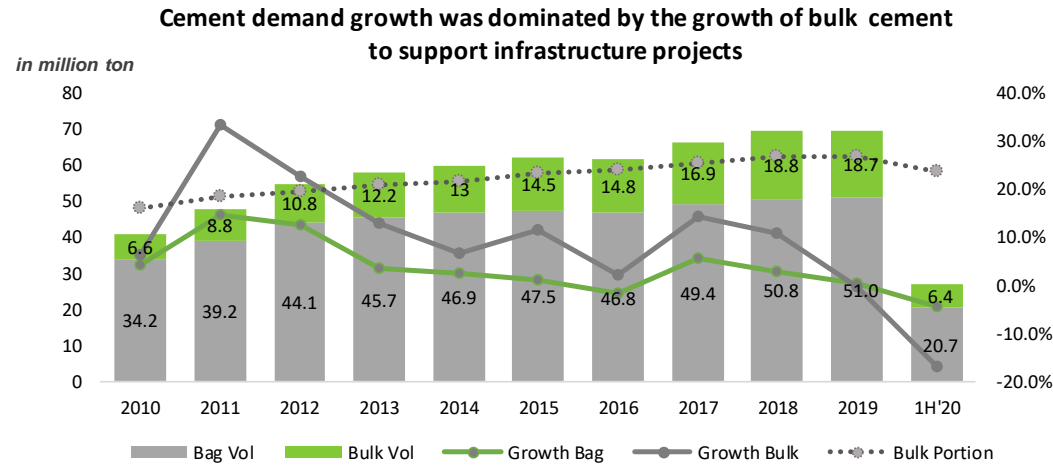
Domestic Growth
0.34%

Domestic Utilization
67%*

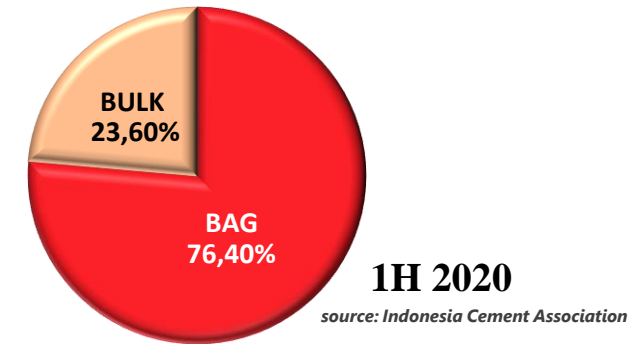
Supply **2019**
Domestic: 69.8 MT Export: 6.4 MT

*Based on Indonesia Cement Association recorded national capacity and production volume 2019 and the Company data

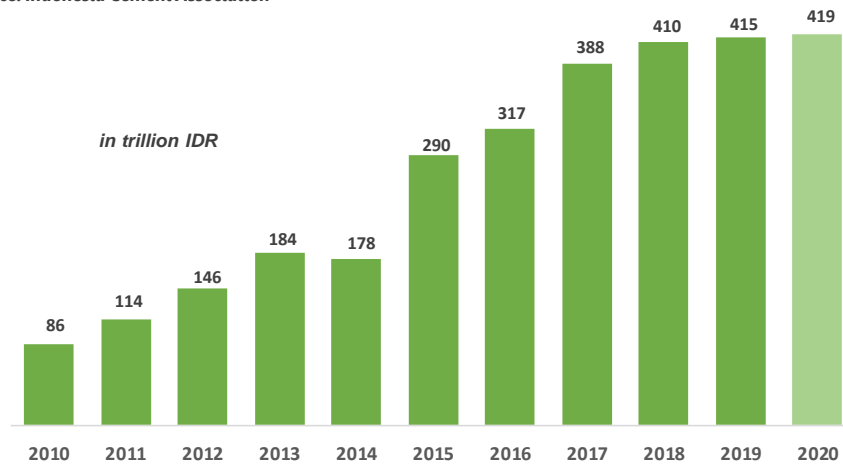
SIG Indonesian Cement Market



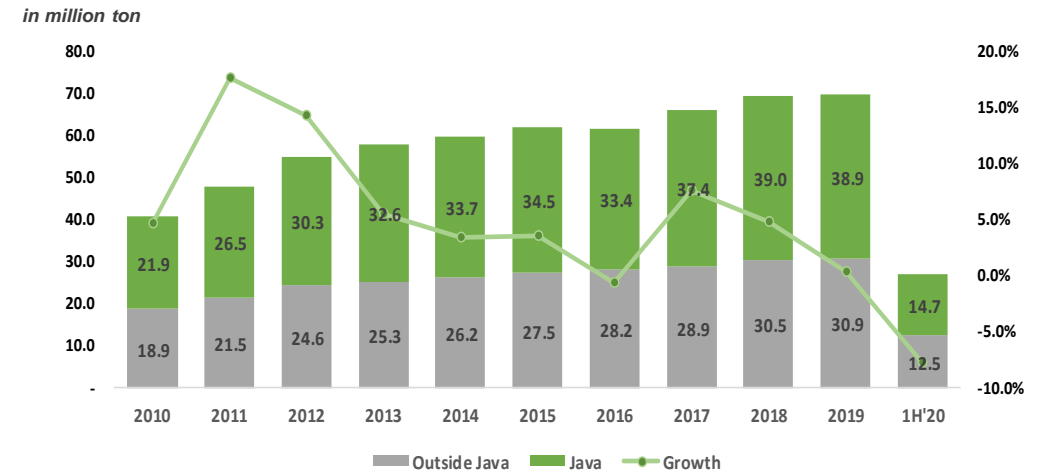
Bag cement still represent the largest portion of Indonesia cement consumption

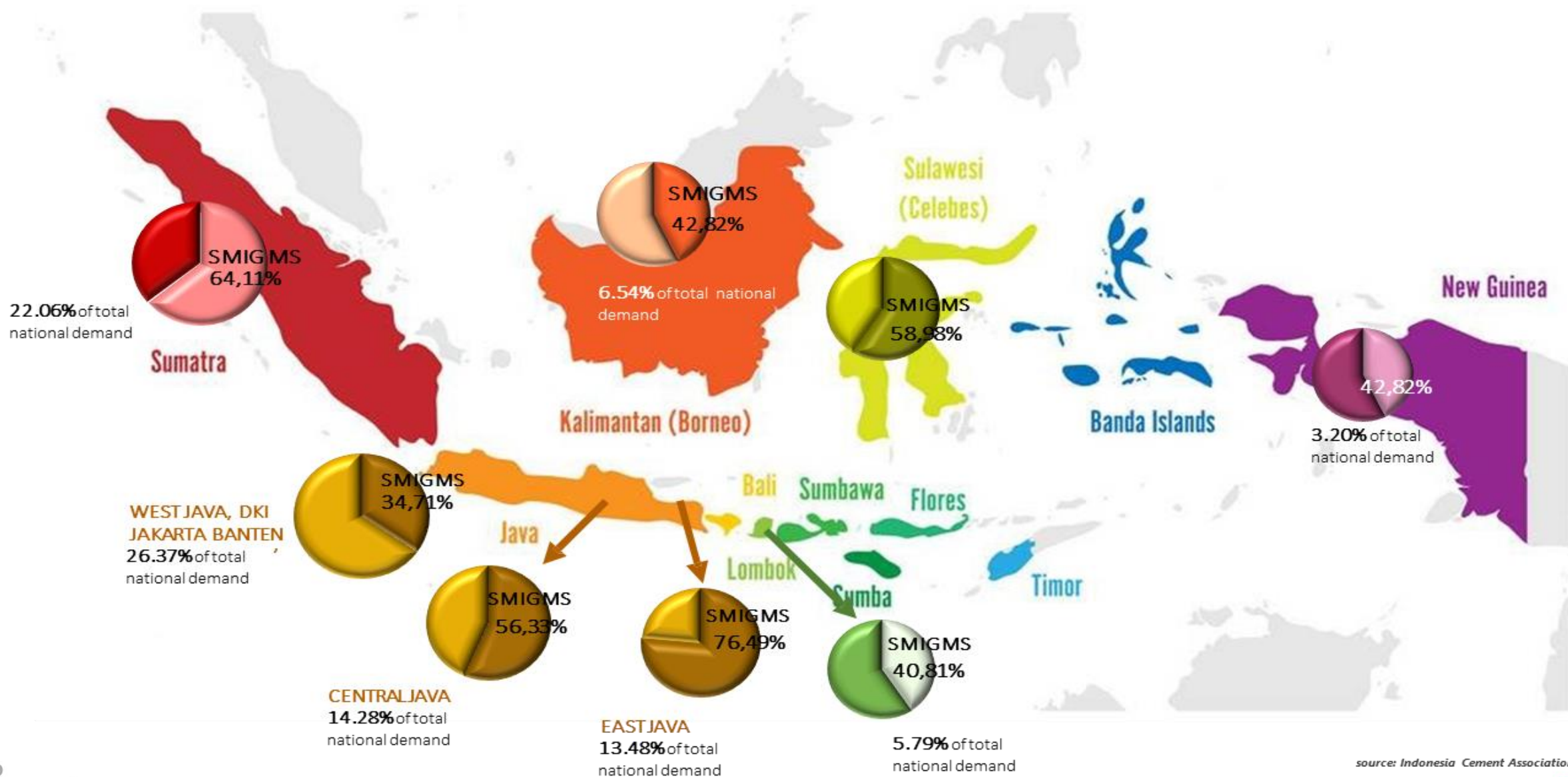


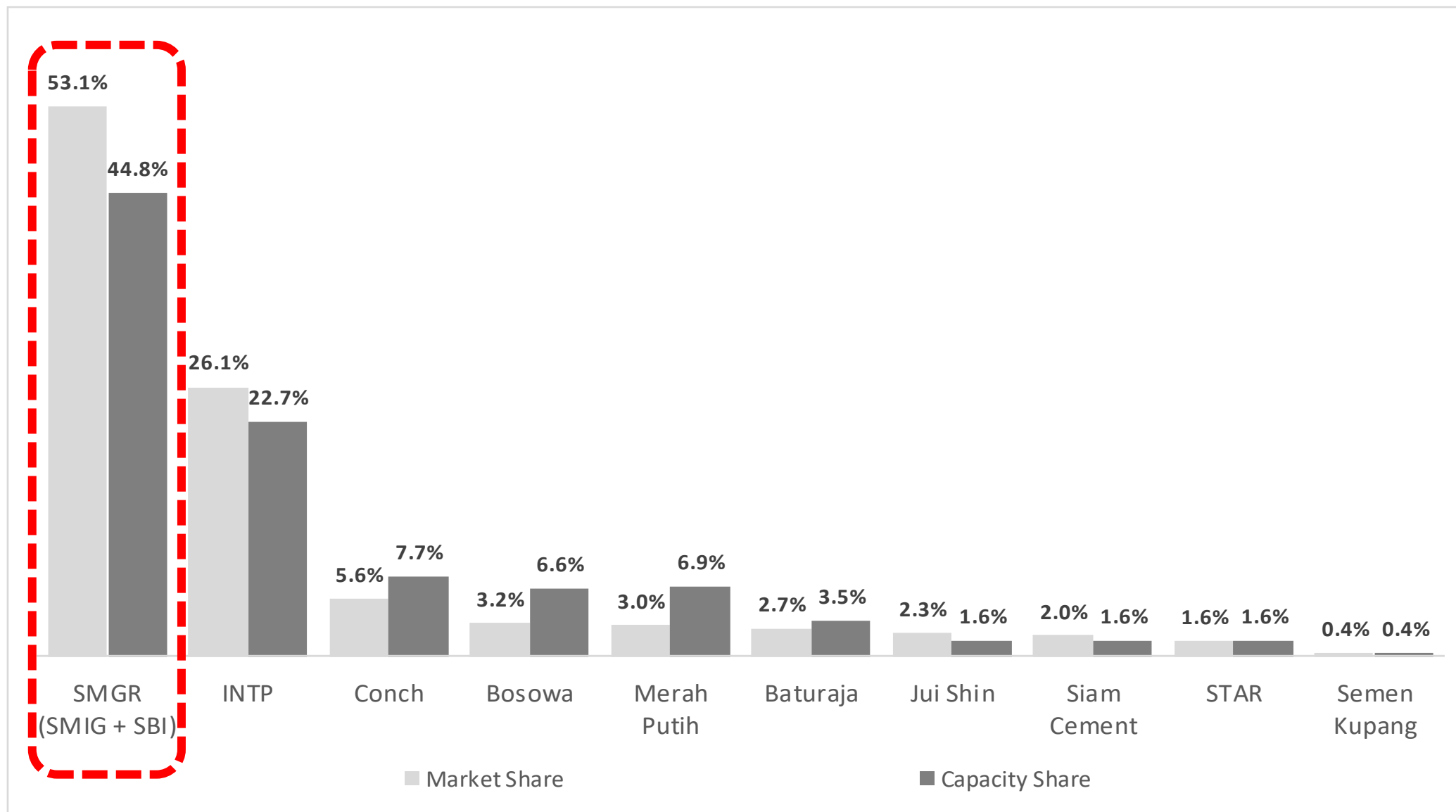
source: Indonesia Cement Association



Domestic Sales in Java v.s. Outside of Java







source: Indonesia Cement Association

Industry

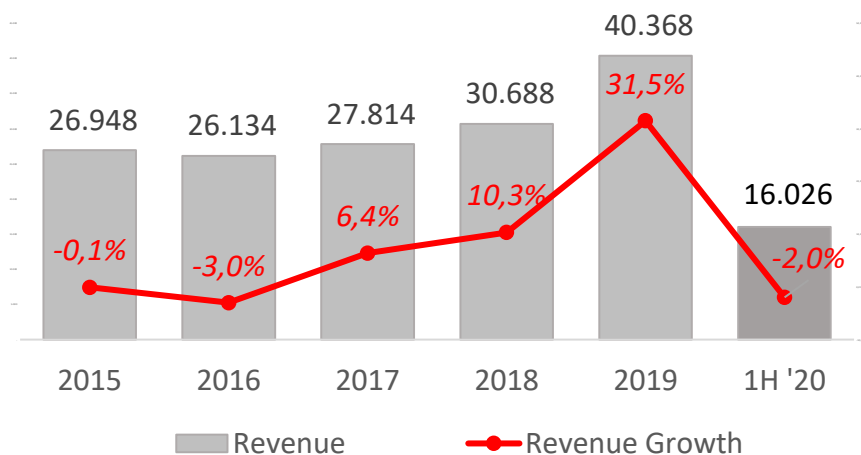
AREA	1Q			2Q			YEAR TO DATE		
	2020	2019	YoY (%)	2020	2019	YoY (%)	2020	2019	YoY (%)
Jakarta	853,628	754,808	13.09%	502,335	578,450	-13.16%	1,355,962	1,333,258	1.70%
Banten	708,455	812,846	-12.84%	521,070	683,893	-23.81%	1,229,525	1,496,739	-17.85%
West Java	2,443,345	2,737,637	-10.75%	2,130,910	2,438,456	-12.61%	4,574,254	5,176,092	-11.63%
Central Java	1,714,406	1,863,367	-7.99%	1,732,883	1,842,137	-5.93%	3,447,289	3,705,504	-6.97%
Yogyakarta	227,106	386,017	-41.17%	202,542	317,319	-36.17%	429,649	703,336	-38.91%
East Java	2,019,370	2,120,293	-4.76%	1,641,285	1,871,877	-12.32%	3,660,655	3,992,170	-8.30%
Total Java	7,966,310	8,674,968	-8.17%	6,731,024	7,732,131	-12.95%	14,697,334	16,407,098	-10.42%
Sumatra	3,131,319	3,241,944	-3.41%	2,858,148	2,787,899	2.52%	5,989,467	6,029,842	-0.67%
Kalimantan	968,248	1,074,386	-9.88%	806,683	877,340	-8.05%	1,774,931	1,951,726	-9.06%
Sulawesi	1,240,284	1,335,830	-7.15%	1,009,181	1,125,172	-10.31%	2,249,466	2,461,002	-8.60%
Nusa Tenggara	833,293	917,291	-9.16%	738,960	879,875	-16.02%	1,572,253	1,797,166	-12.51%
East Indonesia	482,316	429,059	12.41%	385,356	348,074	10.71%	867,672	777,133	11.65%
Total Indonesia	14,621,770	15,673,477	-6.71%	12,529,351	13,750,490	-8.88%	27,151,122	29,423,967	-7.72%
Export Cement	195,075	316,155	-38.30%	119,193	232,350	-48.70%	314,269	548,505	-42.70%
Export Clinker	1,191,579	1,105,463	7.79%	2,223,741	1,154,481	92.62%	3,415,321	2,259,943	51.12%
Total Export	1,386,654	1,421,618	-2.46%	2,342,935	1,386,830	68.94%	3,729,589	2,808,448	32.80%
Grand Total	16,008,425	17,095,094	-6.36%	14,872,286	15,137,320	-1.75%	30,880,711	32,232,415	-4.19%

in billion IDR	1H 2020	1H 2019	Chg YoY
	(a)	(b)	(a:b)
Total Group SIG Sales Volume (ton)	18,117,760	17,776,902	1.9%
Revenue	16,026	16,351	-2.0%
Cost of Revenue	11,213	11,686	-4.0%
Gross Profit	4,812	4,665	3.2%
Operating Expense	2,696	2,614	3.1%
Operating Income	2,117	2,050	3.2%
EBITDA	3,471	3,167	9.6%
Finance Income (Cost)	(1,075)	(1,374)	-21.8%
Profit Before Tax	1,028	676	52.0%
Net Profit Attributable to Owners of Parent Entity	612	485	26.3%
Margin			
Gross Profit Margin	30.0%	28.5%	1.5%
Operating Profit Margin	13.2%	12.5%	0.7%
EBITDA Margin	21.7%	19.4%	2.3%
Net Profit Attributable to Owners of Parent Entity Margin	3.8%	3.0%	0.8%
Ratios			
ROE	7.7%	8.6%	-0.9%
Net Debt to Equity	74.8%	103.8%	-29.0%
Debt to EBITDA (x)	3.1	4.8	-1.8
EBITDA/Interest (x)	3.1	3.6	-0.5

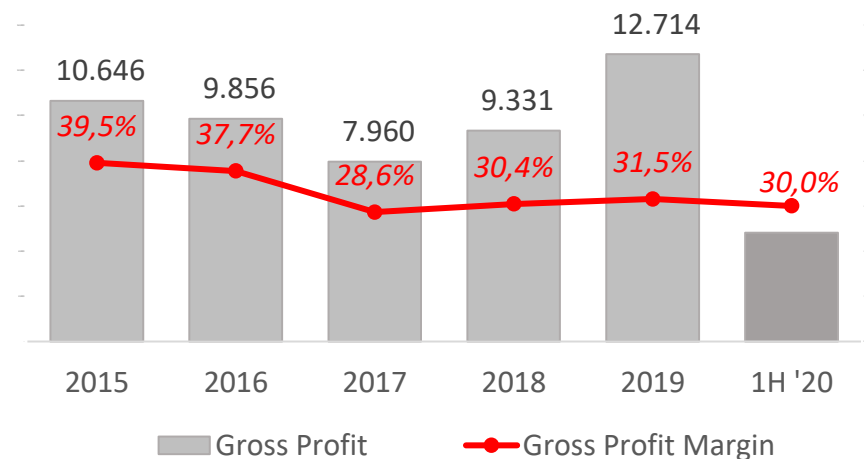
*Notes:
2019 sales volume
excludes SBI January
2019 sales volume

SIG SMGR Performance

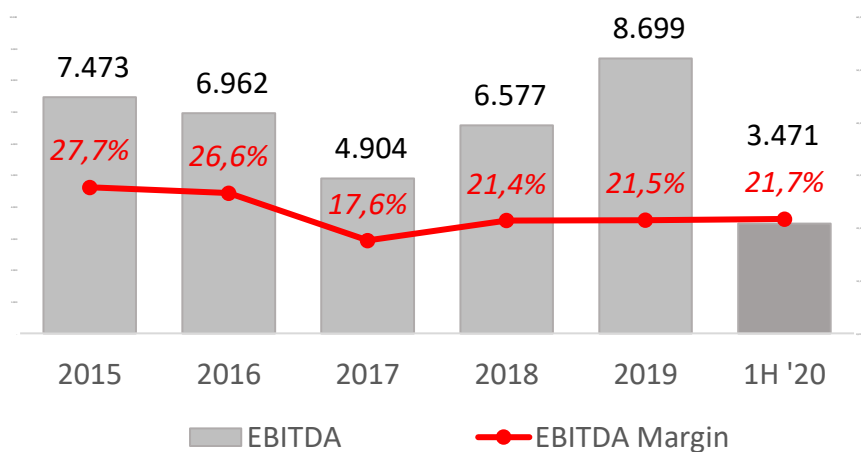
Revenue



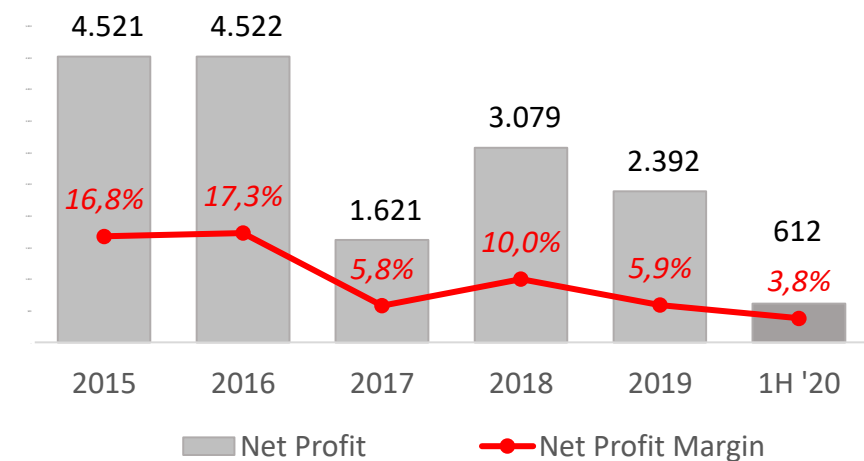
Gross Profit



EBITDA

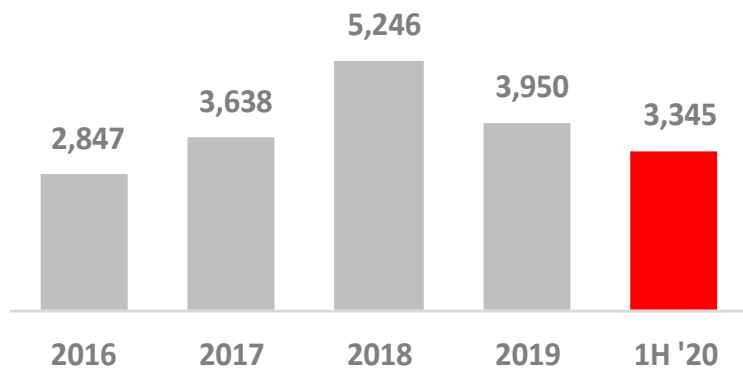


Net Profit

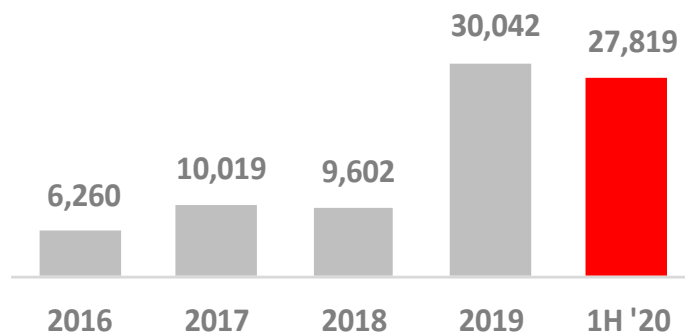


SIG SMGR Financial Position

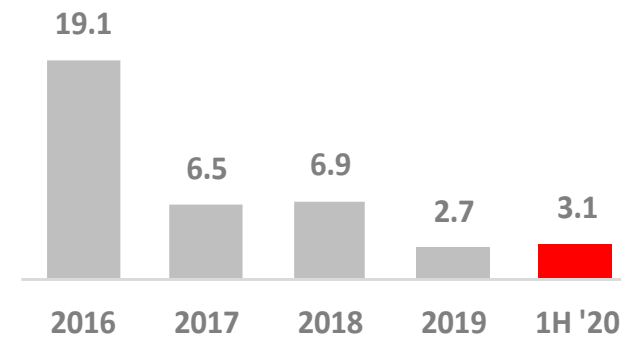
Cash Balance (IDRbn)



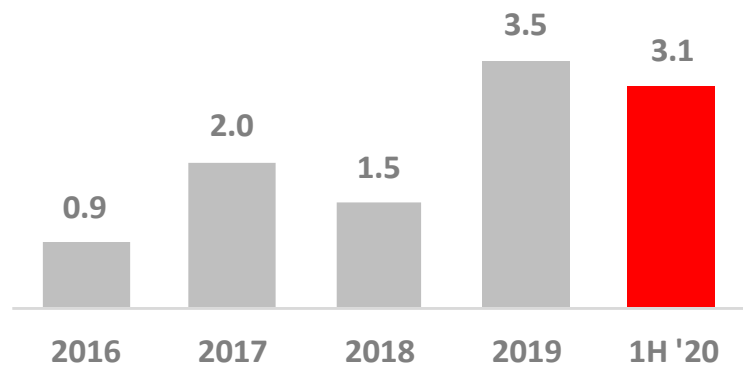
Total Interest Bearing Debt (IDRbn)



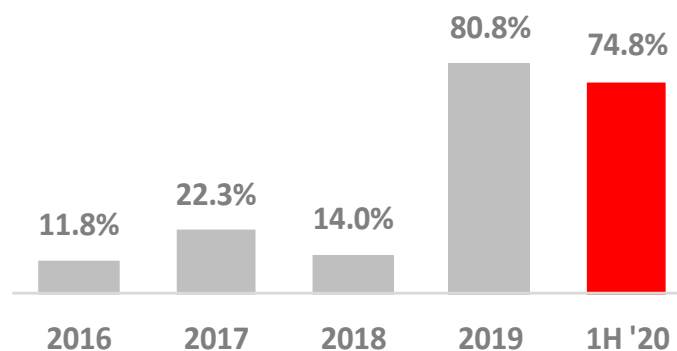
EBITDA/Interest



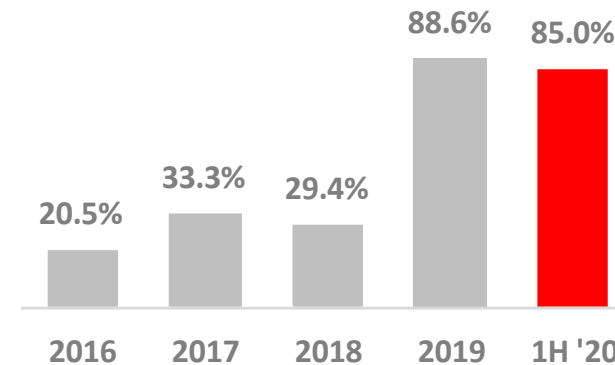
Debt/EBITDA



Net Debt/Equity



Gross Debt/Equity



SIG ESG: Sustainability Strategy



The Company's commitment is embodied in our **4 pillars** of sustainability:

1. Sustainable Economic Growth
2. Climate and Energy
3. Circular Economy
4. People and Community

Corporate Vision:

Leading Building Material Solutions Provider in the Region

Corporate Mission:


Focus on Environmental Protection and Sustainable Social Responsibility

SIG ESG Performance: Commitment & Targets







Sustainable Economic Growth

Commitment	We strive toward on-going innovation for sustainable solutions and to strengthen our supply chain
Strategy	<p>Providing sustainable solutions with innovative products and services to mitigate the increasing demand for limited resources</p> <p>Enhancing the supply chain and developing sustainable-oriented partnership with strategic partners</p>
2024 Target	<ul style="list-style-type: none"> Increase the revenue proportion from sustainability solutions every year Enforce strategic partner screening using sustainability criteria established by the Company
SDGs	   



Climate and Energy

Commitment	We will continue to support Indonesia's commitment to COP21 (2015) to reduce GHG emissions in 2030 by 29% by independent efforts, or 41% with international assistance
Strategy	<p>Reduction of greenhouse gas emissions (CO₂)</p> <p>Significant reduction of air emissions (dust/particles, NO_x, SO_x)</p> <p>Reduction of energy consumption</p>
2024 Target	<ul style="list-style-type: none"> Reduce 16% of specific CO₂ emission scope 1 (per cement equivalent) from the 2010 level 67% of clinker factor 15% of Thermal Substitution Rate
SDGs	   



Circular Economy

Commitment	We are committed to use all materials in a responsible manner
Strategy	<p>Using raw materials efficiently through product development</p> <p>Utilizing renewable resources (waste-derived) as alternative fuels</p>
2024 Target	<ul style="list-style-type: none"> Utilizing 1.8 million tons of waste as alternative fuels Utilizing 1.9 million tons of waste as alternative raw materials
SDGs	   



People and Community

Commitment	As we value our people and community highly, we implement good corporate governance and ensure proactive stakeholder management
Strategy	<p>Promoting health and safety for employees and contractors</p> <p>Creating shared values for community</p>
2024 Target	<ul style="list-style-type: none"> Zero Fatality LTIFR ≤ 0.90 A total of 73,000 people benefited through partnership program (PK), cumulative since the program began
SDGs	   

SIG ESG Performance: Achievements & Targets

Pillars	Indicators	2010 Baseline	2019 Performance	2024 Target
Climate and Energy 	Reduction of specific CO ₂ emission scope 1	708 kg CO ₂ /ton cement equivalent	634 kg CO ₂ /tons of cement equivalent, of specific CO ₂ emission scope 1	595 kg CO ₂ /tons of cement equivalent or equal to 16% reduction of specific CO ₂ emission scope 1 from 2010 baseline
	Clinker factor	83%	72%	67%
	Thermal substitution rate	1%	3%	15%
Circular Economy 	Alternative fuel	44,693 tons	232,904 tons	1.8 million tons
	Alternative raw material	1,112,601 tons	1,659,627 tons	1.9 million tons
People and Community 	Fatality Rate	1 incident	0 incident	0 incident
	Lost Time Injury Frequency Rate (LTIFR)	1.44	1.16	≤ 0.90
	Creating added values for the for the community	Partnership Program started in 2009	A total of 72,620 people benefited through partnership program (PK), cumulative since the program began	A total of 73,000 people benefited through partnership program (PK), cumulative since the program began

Thank You

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@semenindonesia



Semen Indonesia



Semen Indonesia



@semenku



PT Semen Indonesia (Persero) Tbk.

Head Office

South Quarter Tower A Lt. 19

Jl. RA Kartini Kav.8, Cilandak Barat, Jakarta Selatan
Jakarta 12430

Telp: (021) 5261174/5

Fax : (021) 5261176

www.sig.id