

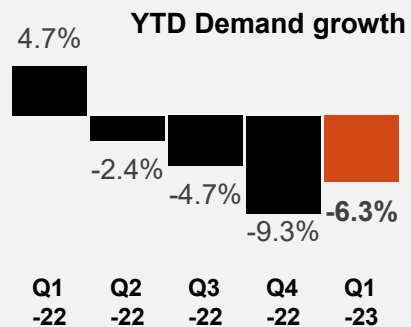
Optimizing Capabilities to Lead The Market
Earnings Call 1st Quarter of 2023 Unaudited Financial Report



SIG has consistently shown resilience during challenging time of increasing competition, slowing demand & high coal price

Industry challenges in Q1 2023

Contraction in Q1 2023 demand*...



...due to continuing trend of previous quarters, Q1 2022 high base and fasting month shifting.

30.7%
subsidized fuel price increase in Q4 2022, impacting:

transportation cost

inbound cost for materials

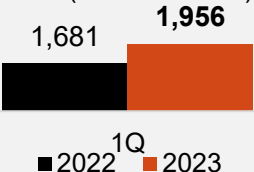
Focus on 4 Main Strategies

Red Ocean

Export volume expansion

▲16.4%

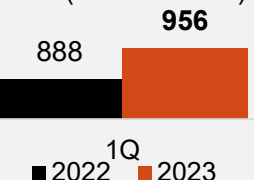
Regional Sales Volume
(thousand tons)



Multibrand & dynamic pricing

▲7.7%

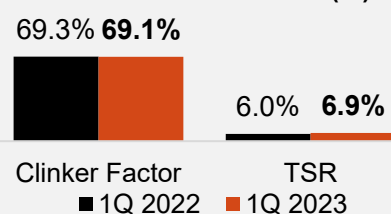
Blended ASP Domestic
(IDR thousand)



Operational Excellence

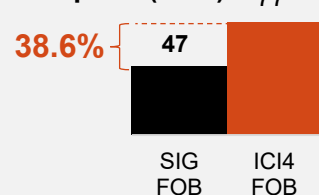
Improving production index

Clinker Factor & TSR (%)



Fully securing coal supply at DMO price

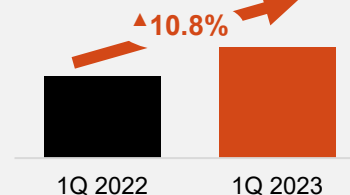
Coal price (USD)



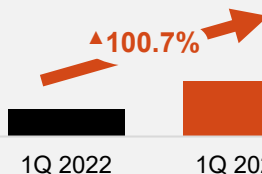
Blue Ocean

Volume Trend

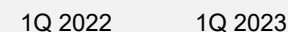
▲10.8%



Ready mix
SpeedCrete|
ThruCrete|
Minimix
(thousand m³)

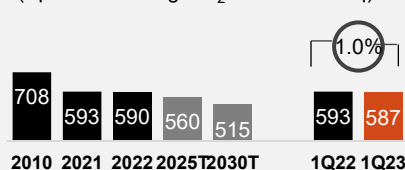


Masonry Volume
(thousand tons/month)



Decarbonization

Emission Intensity - Scope 1
(Specific Net - kg CO₂/ton cement eq)



CO₂ emission reduction

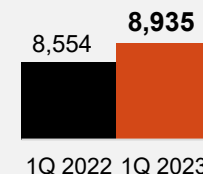
Amount IDR 7,300 Bio

Interest Rate 0.3-0.4% lower

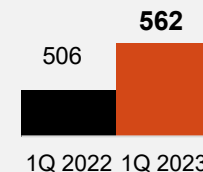
KPI Scope 1 Carbon Emission

Improved Profitability Amidst Challenges

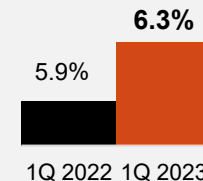
1Q 2023 IDR bio



4.5%
Increase in revenue



11.1%
Increase in absolute net profit**



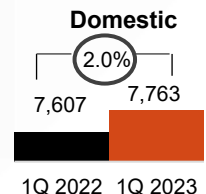
0.4%
Increase in net profit margin

*Source: Demand data 2021-2023 from Indonesia Cement Association, adjusted

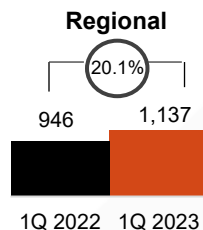
**attributed to owners of parent entity

On track to grow profitability by managing ASP, securing coal at DPO & continue improving operational excellence

(in IDR billion)

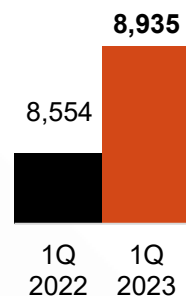


Increased domestic Revenue yoy with 7.7% Blended ASP increase

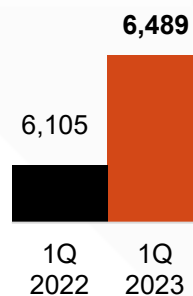


Higher Regional Revenue yoy, as coal supply was no longer an issue

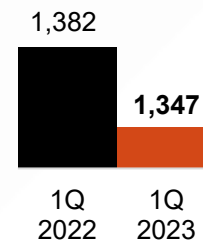
▲ **4.5%**
Change in Total Revenue yoy



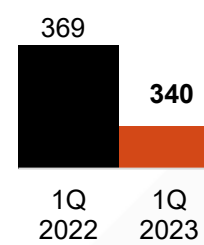
▲ **6.3%**
COGS increase



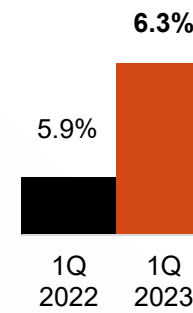
▼ **2.5%**
Lower operating expenses



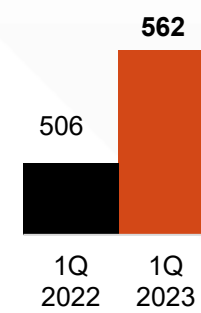
▼ **7.8%**
Decrease in finance cost



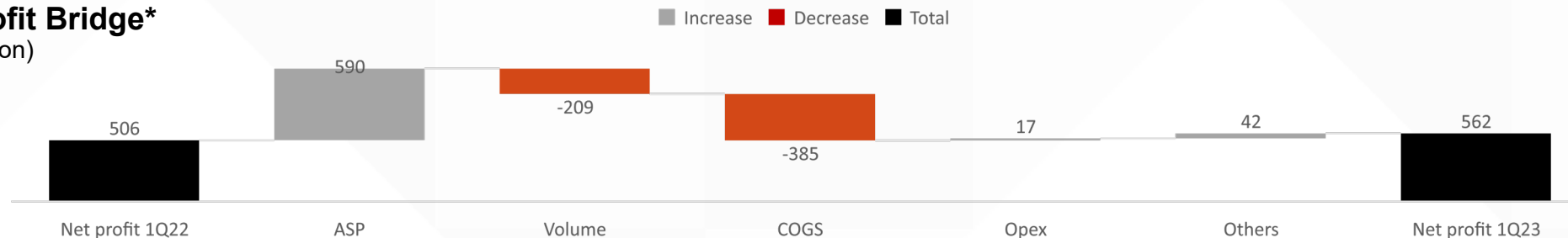
▲ **0.4%**
Net profit margin growth



▲ **11.1%**
Improvement in net profit*



Net Profit Bridge* (IDR billion)



Increase in revenue
Where lower total sales volume compensated by ASP increase

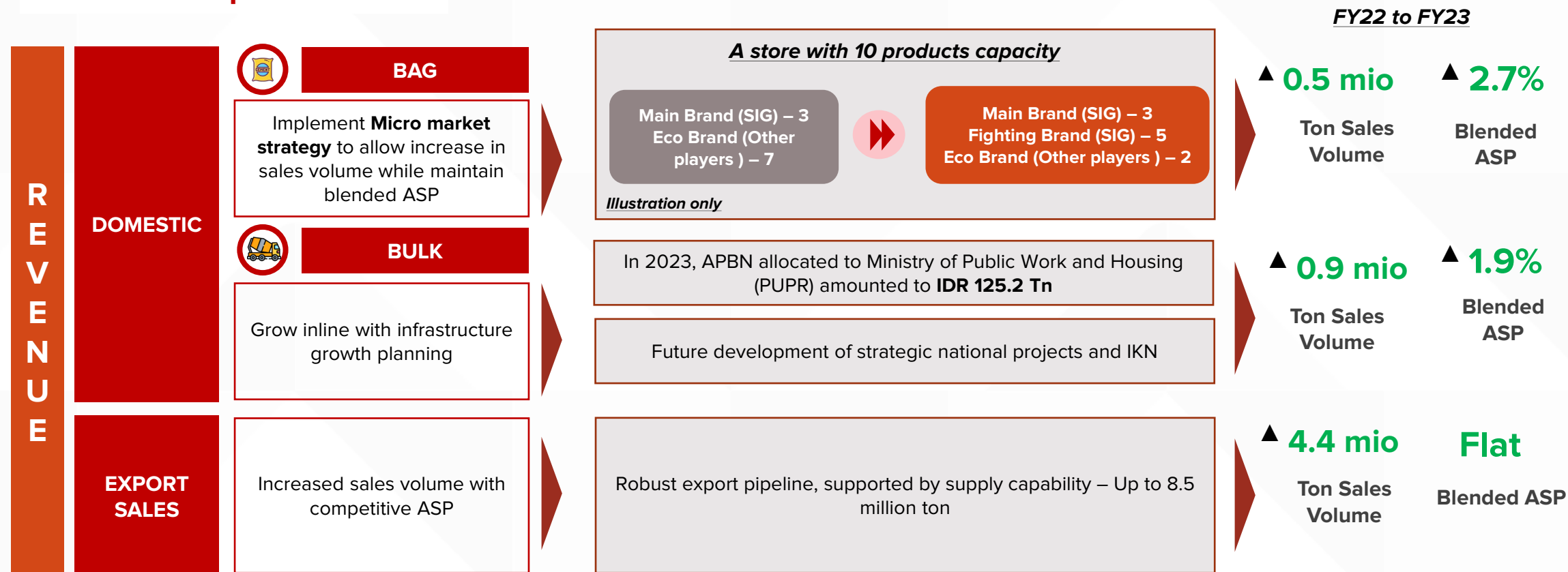
Higher COGS
From higher manufacturing overhead, mainly due to distribution cost

Lower operating expenses
From lower transportation cost

Finance cost efficiency
Contributed by lower interest bearing debt balance

*attributed to owners of parent entity

1 Revenue optimization



Increase the utilization

FY2022

65%

FY2023F

76%

2 **Cost Management**

			Key initiatives
COGS – VAR per Ton sales volume	▲ 4.1%	Mainly driven by rising freight cost for coal transport and logistic cost (per ton domestic sales volume, and per ton total sales volume)	<ul style="list-style-type: none"> Optimize production index (clinker factor, coal index, TSR, and Energy consumption index) Supply chain optimization with least cost to serve principal
COGS – FIXED	▲ 5.0%	Mainly driven by y.o.y inflation (4%), increase in mining retribution rate in East Java, and maintenance cost to support the increasing sales volume	<ul style="list-style-type: none"> Integrated function & group within SIG Group
Selling expense	▲ 12.6%	Mainly driven by increase in freight cost per ton franco) and promotion cost (0,7% to revenue, flat yoy)	<ul style="list-style-type: none"> Promotion activities to support the sales volume growth <ul style="list-style-type: none"> Cargo consolidation
G&A	▲ 4.0%	y.o.y inflation	<ul style="list-style-type: none"> Continuous budget control
Interest expense	▼ 1%	Mainly driven by repayment of bank loan amounted to IDR 1.2 trillion	<ul style="list-style-type: none"> Cash flow discipline

FY22 to FY23

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