SIG FY 2025 Earnings Call
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Panelists:

Mr Indrieffouny Indra	: President Director
Mr. Andriano Hosny Panangian	: Deputy President Director
Mr. Sigit Prastowo	: Director of Finance and Risk Management
Mr. Dicky Saelan	: Director of Sales and Marketing
Mr. Hasan Arifin	: Group Head of Corporate Finance
Mrs. Vita Mahreyni	: Group Head of Corporate Secretary
Ms. Maya Savitri	: GM of Investor Relations

Maya: Hello, good morning, everyone. Please kindly let us know if there's any problem with the audio and we'll try our best to fix it.

Okay, good morning, ladies and gentlemen. Thank you for, again, joining the Semen Indonesia's full year of 2025 earnings call. As usual, we have here the team of BOD. We have our CEO, President Director Bapak Indrieffouny Indra or Pak Arif. We also have Pak Hosny, our Deputy CEO, Pak Sigit, our CFO, and our Chief Marketing Officer, Pak Dicky, as well. We also have our Corporate Secretary, Ibu Vita Mahreni, and also a team of group heads that are joining on site and online.

So, the schedule for today is a presentation by the BOD, and then we will follow up with a Q&A session after the presentation. We'd like to 1st open the Q&A session through the chat box. So, if you'd like to ask a question, we will kindly ask you to type into the chat box first with your name and the institution. And then when we have time, we will open the mic should you have any follow-ups and you can ask live.

So, without further ado, I would like to kindly pass on to Pak Arif to give the opening speech. Please, Pak Arif.

Arif: Thanks, Bu. Good morning, ladies and gentlemen, Investor and analysts.

In 2025, we operated in a challenging environment with weak domestic demand and ongoing pricing pressure across the industry. However, following the onboarding of the new management team in May 2025, we made a strong decision to implement a refreshment…. A refreshed strategy focuses on competitiveness, regaining market share and improving profitability. We are pleased to report that the exclusion of these initiatives has delivered encouraging results. Performance progressively improved over the course of the year, with a particularly strong momentum in the fourth quarter, where our volume growth was stronger than the market. This reflects early success in our marketing, sales, and operational strategies. These positive trends provide a solid foundation as we enter 2026 and reinforce our confidence in the sustainability of the turnaround strategy.

Management remains fully committed to driving consistent execution, enhancing operational efficiency, and delivering long-term shareholder value. I would now like to hand over to Pak Dicky, Director of Sales and Marketing, to begin today's presentation.

Thank You. Please Pak Dicky.

Dicky: Ok, thank you Pak Arif. I think let me walk you through the macroeconomic backdrop during full year 2025, and later on, we'll go detail into the performance and what we have achieved.

So overall in 2025, once again, we still face a very challenging macro environment, although we began to see signs of gradual recovery toward the end of the year. Starting with GDP, Indonesia's economic growth remained relatively resilient at around 5%. However, growth in construction and real estate lagged behind overall GDP. So this indication that recovery in our core sector has yet to fully stabilize. On the financing side, national loan growth showed a moderate trend throughout most of the year. But we saw property loan grown and rebounded strongly in the fourth quarter of 2025. And this is signaling A pickup in construction related activities and improving sentiment in the property sector.

From consumer perspective, we have seen that confidence level slightly to pick up, and this is suggesting that the purchasing power has gradually recovered as well. Although it has not been fully recovered, but we have seen this is gradually improving. Lastly, on the monetary side, inflation remain relatively manageable, ending the year at around 2.9%. Bank, Indonesia or Central Bank maintain a stable policy rate throughout the year, reflecting a cautious stance amid persistence global and domestic uncertainties.

In summary, while 2025, we still saw pressures across key demand drivers, we are seeing early signs of recovery. I think this is good, particularly in late year momentum across property financing on consumer confidence, which provide a more constructive outlook as we move into 2026. Now, let me move to a bit of a performance in our company as a highlight for 2025.

Now, let me move to a bit of a performance in our company as a highlight for 2025. And I think as Pak…Arif has mentioned, we are pleased to report that our new strategic initiative, especially in my area, in our area, which is sales and marketing, has shown a very encouraging result in the second half of the year. For the full year, total sales volume reached 37.9 million tons, which is a modest contraction of 0.9 year on year, so basically stable. However, if you look at…importantly, it reflects a clear improvement from the first half decline of 2.2 percent, and this is demonstrating a steady recovery in our performance as the year progressed. This positive momentum become more evident as in the fourth quarter. Our fourth quarter volume came in strong at 10.47 million tons and growing 1.5 year on year. And again, as I mentioned, this performance underscores the effectiveness of our revamped sales and marketing strategy and also the discipline and stronger execution across key markets. And also, I think it's worth to note that our bag segment show a very good progress, a very meaningful improvement from 2 part of business, which is bag and bulk , we see that the bag has shown a very good improvement, reflecting improving retail demand and better channel management. And we will go through the breakdown on the numbers in the next slides. Meanwhile, our export strategy continues to perform well as well. We know as part of our effort in trying to mitigate the slow demand in locally, we are aggressively looking for more opportunities in the international markets, you know, to complement the domestic demand. So overall, we are encouraged the progress achieved in relatively short period of time, the improving trends in volume, particularly the strong finish of the year. Hopefully, we will be able to sustain and

reinforcing our confidence going forward and in 2026, and also giving the reassurance that our strategic directions have taken into a right path in delivering the results and becoming a strong foundation for a sustainable growth going forward.

Now, let's look at the how we stack up against the industry dynamics and you know how we perform against it. So, while the industry environment remains challenging, as we know, SIG has, we successfully regained momentum and demonstrated its ability to respond effectively. In 2025, the overall industry remained under pressure, as we know, with domestic demand contracting by 1.5% year on year, so it's a minus 1.5%. However, it's important to highlight that the market already showed a gradual recovery as well throughout the year. So I think it's a good sign. After a steep decline of 0.4% in the first quarter in the market, we saw quite improvement in demand. So and again, I think this is a good sign, especially looking at the positive growth in the fourth quarter. Against this backdrop, SIG demonstrated a stronger recovery trajectory, while our domestic sales volume declined by 4.3% in the full year but we are seeing a major improvement, a significant improvement compared to the 12.6% minus or contractions in the first quarter. So, you know, in the first quarter we are having a contractions of 12.6 and we end up minus 4.3. It shows that we are improving toward the end of the year and performing much better compared to the industry, especially in the fourth quarter. And again, this showing that what we have done, the turnaround reflects the effectiveness of our strategic initiative that we have taken, and also the execution part, the discipline that we are taking in order for us to improve the fundamentals of sales and marketing. Hopefully, we'll be able to sustain our growth going forward. And again, the strong finish of the year, for us, it gives a very good confidence to continue gaining traction and improving our market positions going forward.

To elaborate further on the drivers behind our improved sales performance, the key highlight, as I mentioned in the earlier part, that bag segment, the retail segment, has shown a very strong performance, especially in the fourth quarter. So we have taken some of initiative of improving the sales fundamentals in third quarter, and we have seen some of the result already….quite significant result in the fourth quarter. Starting with the industry, the bag segment showed again the resilience growing by 1% year on year. This is a notable improvement from the contraction seen at the beginning of the year. So we are seeing in the beginning of the year, the contraction is a lot deeper, but again, I think the demand has shown an improvement toward the end of the year. And however, on the other hand, we are still seeing a quiet…..a bigger challenge, I would say, in the bulk segment. So I think bulk segment, while we know we have improved the sales fundamentals and all the demand in the retail, however, the bulk segment remain heavily under pressured, especially knowing that some of the major projects has not been started, and again, give us quite a pressure the industry, in the industry in the market itself shown a contraction of 3.3% year on year and in line with this trend, SIG is actually….even tougher challenge in the bulk, because in the past we are contributing probably bigger contribution to the infrastructure projects in Indonesia. But again, I think, going forward, we are continuing to find a way improving our bulk segment. And again, we will use the strong rebound in the bag segment to reinforce our strategic focus while continuing to improve and strengthening the bulk segment. Going forward, ensuring that both segments are growing in the near future.

Continue in 2025 in the area of pricing. So while we are improving our sales fundamentals, our discipline in the market, market execution, ensuring our presence a lot stronger, but we also

do one of the things that we have not done probably enough in the past, which is, in the pricing. So while we know pricing environment remain competitive, very competitive, however, we have started to implement a very disciplined and targeted price adjustments in order for us to sustain the profitability of which, and again, with this, we are seeing a gradual improvement in our average selling price, which I think this will be a very strong foundation for us going forward to ensure that we are not growing…only growing volume, but also from the profitability point of view, we are also improving our gross margin. We saw a steady upward trend throughout the second half of the year. By December of 2025, our average selling price has increased by 4.9 percent year on year. So, and again, this coming from the fact that in the beginning of the year, in the first half, our pricing has steadily declining, and then we divide that in by toward the end of the year. And looking at the segment, again, bag has been the driver of this improvement. While in the bulk segment, we continue to get, still getting a pressure, but in the bag, our average selling price showed a very clear recovery from mid-year, increasing toward the end of the year as we optimize the pricing for the retail through a gradual price increase that we have taken since September and then we continue in November of 2025. And good thing, I think we can also report that our price initiative and action that we have taken with….alongside with the discipline of execution that we have taken a stronger market presence, the pricing that we have taken has not come at the expense of market shares and competitive positions or nor the growth as we have seen in quarter four while we improved the price, but we also gained attractions in the volume and the market shares also has been recovered some of the market share that we have lost.

So in a nutshell, after a softer start in early 2025, our market shares have shown progressively recovered, reaching almost 47% for the full year. On A quarterly basis, even we have seen much better improvement. We are seeing in quarter four, we achieved 47.2% market share. And then again, this just giving us quite confident that what we have done in terms of strategy and the execution that we have taken is on the right track. It's a well-balanced in terms of improving the profitability and gross margin while we continue at the same time strengthening our presence in the market.

Lastly, we'll touch upon the export market as I have touched a bit in the earlier part. As I mentioned, while the domestic market has remained, though we see the improvement toward the end of the year, we see the demand continue to progress, but we are still seeing, we need to be able to….you know, compensate the slow and the challenging domestic market, and therefore export business is something that we are taking it more seriously in 2025. Our export business delivered a strong and consistent growth and becoming an important pillar in supporting overall volume, as I mentioned, amid softer domestic demand. Our export volume increased significantly, growing almost 15 percent year on year, and eached around 6.4 million tons and will continue to be more aggressive in driving this export to be able to contribute more for our total performance. While, as we know, at this point of time, our exports still largerly to Bangladesh as our main destination, but we have started to look for other opportunity as well in other market in order for us to broaden our opportunity. And I think with this, we will be able to capture some more volume. In the past, we are relying a lot on the traders for us to help in the export, but in 2025, we have started to go direct. We've met our partners in some of the key markets, and hopefully this will continue to become our strong path to growth in the future. And also, hopefully this year, we will be able to start export cement because, as you know, in the past, our exports are primarily clinker. But I think we have just now in the finalizing, so hopefully within a very short period of time in the near future, we

can start to export cement to US. If we can do this, then we will be able to expand our market, not only in Clinker, but also, you know, to the downstream of the business, which has a higher margin of course.

So overall, I think export will continue to become an important segment for us, not only to complement the domestic demand, but to enhance capacity utilization and then support more stable earnings going forward. So again, I think there's still a lot of things needs to be done but what we have seen so far, we are on the right track…. we are on the right track, and we continue to strengthen our presence in the market, and hopefully we can continue to go in the right path to growth. With this, I will now pass the presentation to Pak Sigit to explain our financial performance, Pak Sigit, please.

Sigit : Let's me now walk you through our financial performance, starting with the revenue. Our performance across segment reflect the gradual recovery in volume as well as improving pricing discipline, particularly in the second half of the year. In the fourth quarter, we recorded revenue of 9.94 trillion rupiah, growing 0.5% year on year and 2.5% quarter on quarter. Overall, revenue for 2025 was recorded at 35.2 trillion, with almost 90% was still dominated by revenue from the cement-related business for 2025, EBITDA reached 1.21 trillion, up 1.9% year on year. Total EBITDA for the year reached 4.5 trillion rupiah with margin of 12.7%. Full year, net profit stood at 179 billion rupiah with PATMI of 1.91 billion. This pressure in the profitability is the impact of the both top line pressures and that cost item of result of the more prudent accounting approach, leading the one-time expenses, however, we will target to improve as we progress in 2026.

The next slide will explain our cost performance. In 2025, we maintained strong cost discipline, despite ongoing pressures across the cost base. Starting with COGS, total cost of goods sold remain broadly stable year on year. This was supported by lower raw material, electricity and also labor costs, with help offset the impact of softer volumes.
On per ton basis, COGS increased slightly, mainly due to the lower volume base, but remain well managed overall. Moving to the OPEC, we saw the model increase during the year by 1.65%. This was primarily driven by higher provision and impairment, reflecting our prudent and conservative approach to financial management. Excluding this one of item, underlying operating expenses remain under control. As a result, the total cost of the year largely stable reflecting the effectiveness of our cost management initiative as part of our transformation strategy. This indicates early sign of normalization as volume recover. Overall, we believe our disciplined approach to cost management has provided a solid foundation to support market recovery going forward, especially as demand continue to improve.

Let me continue with more detailed view on our cost breakdown. Overall, we are pleased to see that both COGS and OPEX remain well controlled, reflecting the impact of our ongoing efficiency program. Starting with COGS, total COGS slightly declined by 0.3% year on year. This was driven by a meaningful reduction in the fixed cost, which decreased by 5.5%, supported by lower labor maintenance and also depreciation…. depreciation expenses. On the variable cost side, we saw a slightly increase of 0.7%, mainly due to higher fuel costs. Moving to OPEX, a reported operating expenses increased by 1.6% year on year, primarily due to the provision and impairment as part of our prudent financial management. Importantly, if we exclude this item, underlying OPEX actually declined by 4.3% year on year, reflecting continued discipline and efficiency across the organization. In addition, our deleveraging effort have continued to

deliver tangible result. Net financial costs decreased significantly by 32.7% year on year, supported by lower interest-bearing debt and improved balance sheet management. Overall, this result demonstrates that our efficiency initiative are gaining traction.

I will now conclude with our financial position. We are pleased to report that SIG continue to maintain a solid financial performance, supported by prudent leverage and also strong credit fundamentals. We continue to generate stable operating cash flow, which underpin our liquidity position. While there was some moderation in 2025 in line with earning our cash generation of 3.7 trillion rupiah, remain healthy and sufficient to support operation and strategic priorities. Our cash conversion cycle remains well managed at 21 days, although slightly extended, reflecting working capital dynamic during the year. At the same time, our current ratio remains stable at 1.1 times, indicating that liquidity is still at the comfortable level. On the balance sheet, interest bearing debt has declined significantly over the past five years, leading to lower debt to equity ratio of 0.24 times. In terms of leverage, debt to EBITDA remain at a manageable level at 2.3 times, although slightly higher year on year, in line with earning pressure 2025. Importantly, our interest coverage has improved meaningfully, rates above 6 times EBITDA to interest, supported by lower financial costs. Finally, our strong financial fundamentals are also reflected in our credit rating, as Pefindo has reaffirmed our idAAA rating with stable outlook.

I will now pass the presentation to Pak Hosny, Deputy CEO, to update you on our strategic initiatives.

Hosny : Yeah, thank you. Thank you so much, Pak Sigit.

So, as you all know that basically we are still in progress of our transformation journey, back in 2025, we begin our transformation starting in 1st of July, so starting in the Q2 2025. And as you can see, based on the results, specifically on the retail side and some cost initiatives on the operational side, we…we've seen a good progress in terms of our transformation. We embark this and we encourage to see that our strategy has gained positive traction and this is a good foundation to further continue our transformation as we move to 2026.

As you know, in 2025, we centered our focus on the transformation on the three key pillars. First, transforming our retail business model. Why? Because this is actually the majority of the business that we've been doing. 70% of our business is coming from retail. And also the second, we driven the cost leadership and strengthening our portfolio through cement derivatives and evaluating also our subsidiaries. These initiatives have delivered quick results. We saw a consistent increase in average monthly sales volume throughout the year, better market shares towards the end of the year, alongside a meaningful improvement in operating profit margin.

Building on this momentum, our strategic focus for 2026 will be more expansive and execution driven. We will continue the transformations of our cement business model with a fundamental reset across both retail and business to business segment, especially as you see, we still have some fundamental aspects that we need to fix on the business to business. This is mainly on the bulk side, including also the pricing governance. I think in the business to business, this is a very critical items that we have to fix going forward because this is also the driver for us to be able to leverage our distribution channel and our strong logistic to be able to become a leading solutions on the building material. Because as you see, this is the biggest

chunk of potential that can
overcome or can basically cover most of our fixed costs that comes from our big assets, as you know. Because if you've seen the evolutions of SIG, we've been through so many
acquisition, integration, which at the end, due to the demand, which was, we've seen not as…not has been increased as per what our expecting, resulted quite a big chunk of depreciation expenses in our fixed costs that at the end of the day, we need to overcome this is either by downsizing or expanding further to the business, which is the business of building materials. And we see that basically the first options is not really doable in this kind of industry and macroeconomic situations. That's why leveraging our huge distribution network, strong also logistic capability across Indonesia, this is the biggest momentum for us to be able to tap in into the building material space, and this is mainly driven by the correct ways of working in the business to business channel. That's why this is the main focus of our transformation going forward, because this is going to become the fresh oxygen for us to be able to turn around our profitability coming back to the previous years that we've been reaching at the certain high level of EBITDA margins.

The next part is basically on the cost leadership remains a priority, with initiative focus on energy efficiency, logistic optimization, and continued overhead cost reductions. At the same time, we also will accelerate growth in our derivatives and building solution business ecosystem, supported by organizational strengthening tools and infrastructure. Finally, we will enhance our resources and governance, including establishing a performance-driven culture and disciplined capital allocation through Capex review and asset rationalizations. In terms of early progress, we have already seen encouraging signs from the first two months in 2026, including a 9.7% growth in domestic sales volume, with a massive 14.6% growth in the bag segment. We believe the transformation is well underway with a clearer strategy and stronger executions. We are confident that SIG is well positioned to deliver sustainable growth and stronger value creation for shareholders in the years ahead.

So I guess the continuous transformation is still ongoing. We are still on the early phase. A lot of things that needs to be done in the future and we believe that this will work and this will create value in the long future.

So this concludes our presentation. I will hand over to the IR team.

Maya : Thank you, Pak Hosny, and thank you to the BOD for the very clear presentation. We will now move to the Q&A session. Again, I would like to remind you that if you would like to ask a question, you could type it in the Q&A box, and we will read out and answer the question first, and then should we have enough time, we will open the line if you would like to have a live follow up. At the moment, we don't see questions yet in the Q&A box. We will give you a few more minutes should you guys would like to…yeah, if there is any questions that you would like to ask us or the BOD. Thanks.

Okay.
Okay, the first question comes from Danif from Mansek. He asked, energy cost per ton for the increase in fourth quarter 25 on a year-on-year basis. What was the main reason? And any color on the first quarter 26 and full year 26 amid the tension in the Middle East? And the second question is the incumbent posted volume decline in March, indicating for SMGR's March, an indication on SMGR's March volume, how is the competition landscape so far in

early 2026?

Okay, so yeah, regarding the cost per ton, actually, we saw an increase in the fourth quarter of 25, again, due to this is a factor of supply and demand that we saw in the market and also some transportation costs for us to be able to obtain the coal in the last quarter of 2025. Going forward, we are still very cautious on how the coal price is going to move. I mean, we know that there are tensions, tensions in the Middle East and also some of the government policies regarding coal that is still under review. So at the moment, we are still following the DMO price with some strategies on how we can transport the coal and manage the usage of coal better in our plants. And so, yeah, hopefully that we can still manage, yeah, we can have still have a manageable cost regarding our fuel and energy in 2026. I think if we, if you would like to discuss further, then we are open to questions offline as well, because th…the dynamics of the coal price and the market right now is quite high. So, there are always updates every day.

Regarding the second question, the incumbent, Pak Dicky, they posted a decline in March. Is there any indication for our volume in March and how is the competitive landscape so far in early 26?

Dicky : Okay. Thank you for the questions. It's a good question. So actually in March, we are achieving our targets and if you look at the absolute volume, of course, March would be lower than previous months and also previous years, the same period last year. The reason is actually in March, there's a shifted in the time of Lebaran, the Idul Fitri, in which we are seeing around 11 days difference compared to previous months and previous years, so that's why we are seeing an absolute decline. However, it's already predicted and it's already...been factored in in our planning and and and that's why, as I mentioned, in March we are still reaching our targets. We will be seeing an improvement in April again because of the comparator of April last year and this year. Last year, Idul Fitri is actually in first week of April, and therefore we will see a major, a big growth in this year's April. But again, I think in a nutshell, it is still within a projected numbers that we are seeing. So, it's not a major concern for us in terms of the absolute numbers in March.

Now, in the bigger pictures, in terms of questions of the competition so far, as we know, I think because of the fact that the utilization and the capacity is still a major oversupply in the market and therefore all the players would be very active, very aggressive in trying to maximize their capacity and you know, especially for the players…local players that is probably closer to the market. But what I'm seeing, the good thing is actually in the past, the competition is largerly on pricing, but now it has moved toward more than just price, so it's a complete mix, marketing mix, which combine between price, availability, and then marketing efforts, which I actually, from the industry point of view, this is something that I'm quite happy to see, rather than all the players are fighting and, you know, the competition is only on price. So I think, yeah, again, as we have discussed, we know the competition will continue to be strong because everyone will try to do their best to maximize their capacity in this situation. It will be very competitive. I think it will remain competitive. However, with the right directions from all, hopefully the value of the market will continue to increase because the fight is not only in price anymore. That's from me, Maya, thank you.

Maya : Thank you. Thank you, Pak Dicky. Because we have a lot more questions, actually, so Danif, I think we will skip to the other questions first. We will not, yeah, put the live questions.

So the second question is from Kevin Halim.

He says, thank you, management, for the presentation. He has two questions. The first one is, can you give more color on the one of expenses that we that were incurred in 2025? How much was the one of cost and is this a cash or non-cash item? Will there still be any one of expenses in 2026? The second one, can you share more color or details on the subsidiary restructuring? How much is the cost and potential savings from this initiative? The third one is, you mentioned that SMGR plans to increase alternative fuel usage. Can you share what is the plan in 2026 to increase the alternative fuel usage? So I think I will give the first question to Pak Sigit and other management on the 2nd and 3rd questions.

Maya : Yeah, thank you, Kevin. The one of expenses 2025 coming from the impairment, we booked a certain amount for account receivable, not only for SIG but also our subsidiaries. The total cost, the one of cost that we expect spent 2025 around 360 billion and we believe this is the big percent we already booked, 2026 we believe is not as big as 2025. Hopefully, everything's under control and and we can continue with the healthy level of account receivable in 2026. Thank you.

Hosny : Okay, so coming to the next questions on the subsidiaries restructuring. So this is basically in line with the program from the Danantara for the rationalizations of company subsidiaries under the Danantara Asset Management. And I think this is also in line with our strategic initiative because….you know, one of the important part for the structure or group structure of SIG is basically how we can connect the nerve system between all the companies in SIG. So therefore, all the governance, all the business initiative can be in line and aligned, and decision making can be made as quick as possible with high risk management and governance standard. And one of the lackness is basically a lot of subsidiaries, basically, we have too many subsidiaries. For example, three ready-mix companies and then a couple of trading companies. So that's why we need to rationalize and also streamline our subsidiaries. Our target basically for the next five years is to streamline most of the non-cement subsidiaries into only a couple of mid holding companies which focus on strategic level for the cement and building material business, which is basically….as you know, the government or the Danantara has an initiative to integrate the logistic, meaning the logistic then will be integrated with the other parts of the state-owned companies under the Danantara, but we will focus on the derivative building materials, such as the ready mix, other building materials, focus like, for example, the PIB and also the distribution channels that we would like to strengthen under one distribution company, which we will integrate.

Overall, as you know, most of the business basically still in consolidation, creating a losing bottom line. So we will basically target after the streamlining and the refocusing with all the subsidiary integration and the streamlining of the group structure, we will target to become a more positive consolidated bottom line on the non-cement supporting subsidiaries. But again, this is quite a long journey because we have a total of 44 companies under our group, including the sub subsidiaries, which we will basically streamline into almost half of the of that numbers within the next five years. And this program is actually under the control and co-managed also with the PMO team under the Danantara. So I think that's to answer the second questions.

Maya : Thank you, Pak Hosny. The third question regarding the alternative fuel usage. So, yeah, we have...few plants that are focused in alternative fuel and also raw materials. For alternative

fuel, actually, this is fuels consisting of biomass and non-biomass, such as rice husk, cocoa peat, for the non-biomass is RDF, refuse derived fuel and various industrial waste. Actually, we have one of our subsidiaries, Solusi Bangun Indonesia, which is already ahead in terms of alternative fuel. So we will replicate what's been done in their plants to the other plants that we have across the country. So yeah, we are…next, what we will do is conducting biomass mapping sources to ensure the availability of AFR because, again, the availability is quite limited, as well as also collaborate closely with local governments and also waste management services and suppliers so that we can secure a stable and sustainable source of AFR. At the moment, we are at around 9.8% TSR for our domestic plants. And by 2030, our initial target was to reach about 20% hopefully, we can have a better ratio by 2030.

Okay, so that's a question from Kevin. I think, Indra, if you could ask your questions live, we have opened the line for you.
Indra : Yeah, thanks, Maya. Sorry I couldn't type in the questions. So I hope you don't mind. I have three quite straightforward questions, actually. The first one is regarding the US exports. I understand that this has been guided for some time, but I think it keeps on getting delayed. So I'm just wondering what makes you so sure, what makes the management so sure that this 2026, this is finally be the year that you guys started exporting to this U.S. market, and then number 2, I think you spoke about potential ASP hikes, but we do worry that the fuel price hikes as well might erode some of the gains. So we're just wondering whether there will be some positive pass-through to margins and profit after this ASP hike, especially in relation to this ongoing fuel pressure and then, finally, probably this is for Pak Sigit and Pak Hosny as well. I mean, considering profits have declined, I think, 73% year on year, do we expect the same amount of a decline in dividend as well for this year, and what will be your general guideline for dividend? Thank you.

Maya : Yes, yeah, regarding the….

Dicky : OK. Thank you for the questions. So, on the export to US, yes, as you rightly mentioned, that this has been going on, as you know, planned probably at least for what, three years? And then one of the reason of why it has not been happening is because of the Jetty, you know, the port that can be used to send the cement to the US has not been finalized in the past years. And but thank God, with the, you know, with the effort that we have been taken since July, we fast track, we speed up the process, and we finally conclude the Jetty process building, and we have worked with our partner in Tahiehiyo Japan as our partner to do export to the US. And now we are actually in the mid of the discussion in terms of the commercial term. Now, I think one of the questions that has been asked in terms of the, I saw in the one of the chat box is the tariff. You know, as again, you are rightly mentioned that in the past there are no, I mean, there is tariff, but with the increased tariff that US has given to us, it requires for us in SIG and our partner in TCC Japan to re-discuss and then negotiate the pricing term, you know, to do the export to US. And that's why we are now in the mid of the discussion. But we are determined to close the deals with them in terms of the commercial term by this week, by Friday and therefore, if we are able to do that, hopefully cross our fingers, you know, pray to God, hopefully we'll be able to start our first shipment to US by end of May or at the latest early June. So yeah, hopefully that will happen because I think this will be a big milestone for us if we can start sending our cement to US. Thank you.

Maya : Thank you pak….potential increase, potential price hike in 2026 pak?

Dicky : Yeah. Again, thank you for the questions. And as I mentioned earlier in the presentation, that we will be continue doing, you know, our best to improve our profitability because we know what we have seen in the past by a continued discounting, you know, price war, it does not help anyone. You know, it creates a major value dilution to the category and therefore, as we have mentioned, we have started to increase the price in the quarter four last year and then we actually already, we have started increasing, we have increased the price in March 4th this year, looking at the current inflation, and you know, but at that time when we increased the price in March 4th, it has not consider the energy, you know, the impact of the war going on in the Middle East.

So if you ask me in terms of, is there any possibility of us increasing further? I would definitely be on the watch out on that continuously, because it's in the end we want to make sure that while we remain competitive, but at the same time we are also able to, you know, to...to see whatever we can in order for us to be able to recover some of the loss from the cost increase. And with the energy price increase, I would not be surprised if we have to take another price increase going forward in later probably this year. But again, it depends on how the price on oil especially is happening in the market. Because as I mentioned, while we are trying to recover some of the cost loss, but also we want to be remain competitive. So and the good thing is actually when we increase the price in March, our competitors also following. So they will be good, you know, to ensure that the whole industry value is increased and while continue to be ensuring that compact…consumers are still able to afford the product. Thank you.

Maya : Thank you pak Dicky, Pak Sigit, maybe on the dividend policy, or Pak Hosny?

Pak Sigit : Yeah, on the dividend policy, number one, we have strong capital with debt to equity only 0.24 times. So it means that with strong capital, we also have strong cash. We believe even we can pay 100% payout ratios is possible, but again, it depends on the controlling shareholder, Danantara and BP BUMN I think, yeah, so….so, in this year, we are ready to pay 100%, but again, depend on the majority shareholder. Thank you.

Maya : Thank you Pak Sigit.

Okay, so with regards to the time, at the moment it's already 11.02. We would like to kindly close the session. We note that there are some questions here still unanswered. We will answer them one by one through email right after this call. So yeah, on behalf of the management, I would like to thank you all for your time in joining our call. And not long from now, we will be having our first quarter of 2026 earnings call, and we would like to see you then, and hopefully you'll be in good health to be able to join us. Thank you so much, everyone, and good afternoon. Thank you.

[Call Ended]