

# Optimizing Capabilities to Lead The Market

## Corporate Presentation – 2025

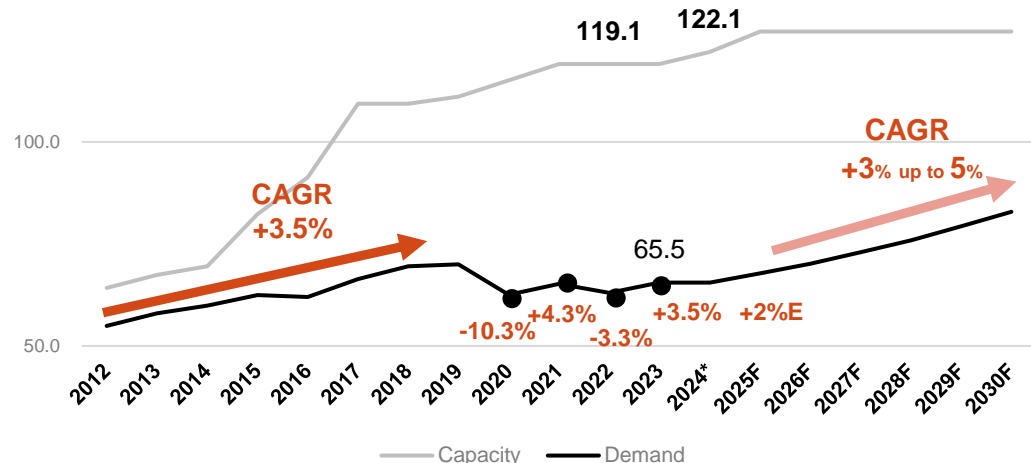




# SECTOR UPDATE

# Industry supply & demand will be driven by potential growth of retail and infrastructure projects

Domestic Cement Capacity vs Demand (MT)



This anomaly was mainly contributed from soft bag demand due to a shift in household spending priorities and inflation of goods and services

	9M24 Market Share	9M24 Capacity Share
<b>Semen Indonesia*</b>	<b>48.8%</b>	<b>44.4%</b>
<b>Indocement**</b>	<b>28.8%</b>	<b>27.9%</b>
Conch	7.0%	7.1%
Merah Putih	6.4%	8.7%
Singa Merah	3.2%	5.0%
Jui Shin	1.9%	1.5%
Semen Jawa (SCG)	1.8%	1.5%
Semen Bima (STAR)	1.8%	1.5%
Semen Kupang***	0.0%	0.3%
Semen Serang	N/A	0.8%
Semen Jakarta	N/A	1.0%
Hippo	N/A	0.4%

\*including Semen Baturaja  
 \*\*including Semen Bosowa & Semen Grobogan  
 \*\*\*only produce cement, trading by SMGR

Only 4 players cover ~92% demand

15 players 2021 → 12 players End of 2023

- Semen Baturaja integrated into SIG
- Bosowa leased their facilities to Indocement
- Indocement acquired Semen Grobogan

## Cement Demand Drivers

➤ **Bag (± 70% of demand) : Property & Housing developments**

**±1%**  
 Estimated annual population growth from 270 million in 2021

Source: BPS & Ministry of Housing & Settlements

**12.7 million units**  
 National housing backlog

**3 million houses/ year**  
 National housing program

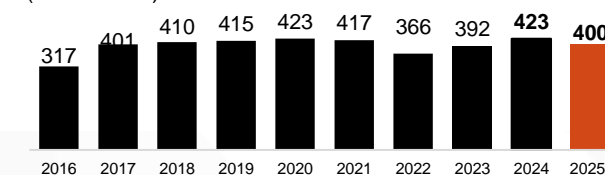
Type	Components	Cement Usage	Industry Impact
<ul style="list-style-type: none"> <li>• New Landed Houses</li> <li>• New Vertical Housing</li> <li>• Substandard Housing Improvement</li> </ul>	Cement, Ready-mix, Mortar, AAC, PIB	7 Million Tons	Current Industry Utilization: <b>54%</b> (excl. export) Potential Increase in industry utilization from 3Mn Housing ± 3%

Based on internal assumptions

➤ **Bulk (± 30% of demand) : Infrastructure developments**

**High Budget Allocation for Infrastructure**  
 Based on National Development Plan

Government Infrastructure Budget (Trillion IDR)

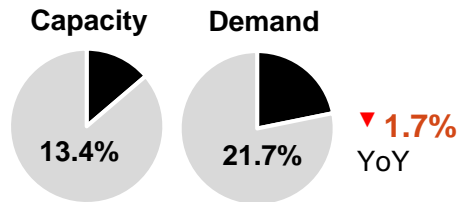


\* Based on national state budget 2025

# Distribution of supply and demand in Indonesia

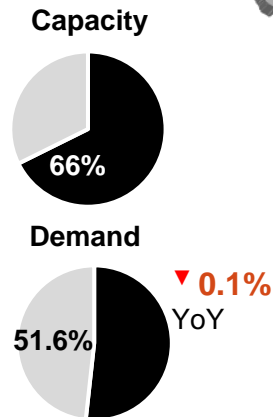
## Sumatra

Capacity (mio ton)	
SIG (I+GP) ▲	14.5
Merah Putih (GP) ■	1.9
<b>Total capacity</b>	<b>16.4</b>
<b>Demand</b>	<b>14.1</b>



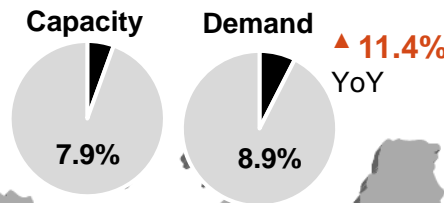
## Java

Capacity (mio ton)	
SIG (I+GP) ▲	32.2
Indocement (I) ■	27.3
Merah Putih (I) ■	7.8
Singa Merah (I) ▲	3.0
Conch (GP) ●	2.2
Semen Bosowa (I) ■	2.0
Semen Jawa (I) ●	1.8
Jui Shin (I) ▲	1.8
Semen Bima (I) ■	1.8
Others ●	2.7
<b>Total capacity</b>	<b>80.6</b>
<b>Demand</b>	<b>33.5</b>



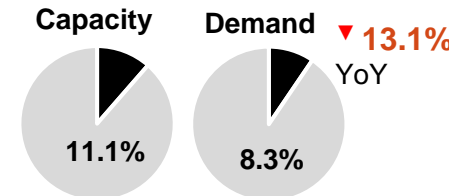
## Kalimantan

Capacity (mio ton)	
Indocement (I) ■	2.6
Conch (I) ●	3.0
Singa Merah (I) ▲	3.0
Merah Putih (GP) ■	1.0
<b>Total capacity</b>	<b>9.6</b>
<b>Demand</b>	<b>5.8</b>



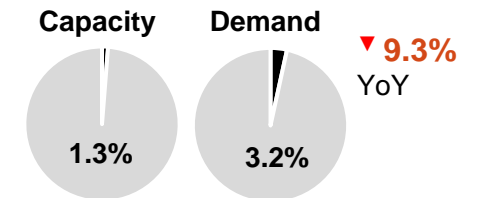
## Sulawesi

Capacity (mio ton)	
SIG (I) ▲	7.4
Semen Bosowa (I) ■	4.2
Conch (I) ●	2.0
<b>Total capacity</b>	<b>13.6</b>
<b>Demand</b>	<b>5.4</b>



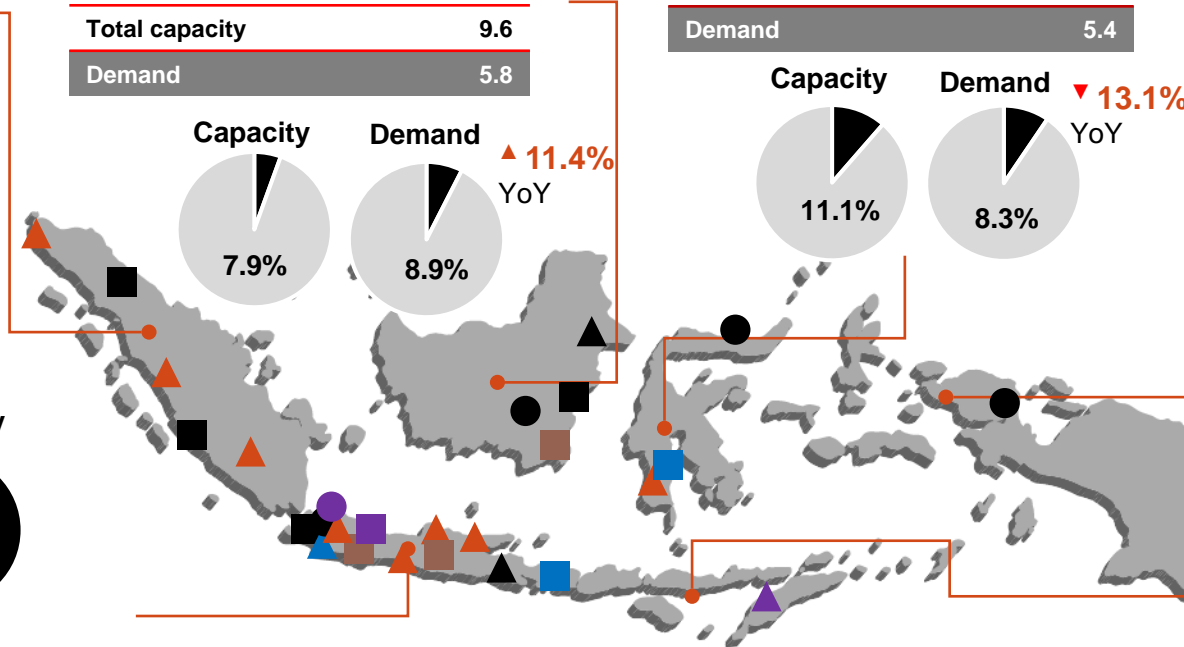
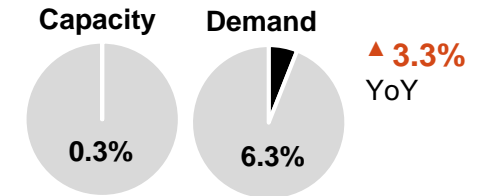
## East Indonesia

Capacity (mio ton)	
Conch (I) ●	1.5
<b>Total capacity</b>	<b>1.5</b>
<b>Demand</b>	<b>2.1</b>



## Bali Nusra

Capacity (mio ton)	
Semen Kupang (I) ▲	0.4
<b>Total capacity</b>	<b>0.4</b>
<b>Demand</b>	<b>4.1</b>



Supply & demand are imbalanced, where some of the supply capacity are located far from the source of demand, while it is costly to distribute cement from the plant.

Note: Capacity & demand are percentage of FY 2024 of national total capacity & demand, respectively



# STRATEGIC INITIATIVES

# Strengthen the main strategies to create more sustainable values

## Red Ocean

### Domestic market

“Optimize profitability”

#### Bag Segment

Enhance channel information system throughout retail ecosystem to gain better visibility in the market:

- **Distributors** through *ATBusiness* & *ATSalesman* that can provide accurate information on most productive stores to increase targeted distribution.
- **Retail stores** through *AksesToko* that can provide fast online cement orders and reward benefits.
- **Handyman ecosystem** through *JagoBangunan* that can provide beneficial loyalty programs.

#### Bulk Segment

Maintaining leadership in strategic national projects & offering higher price for new customer with enhanced services (favorable Terms of Payment, delivery, product).

### Export market

#### Export Regional Segment

Maximizing export market

Up to **8.5 mio ton**

Port capacity for export

Up to **1.9 mio ton** upcoming new capacity for export

## Blue Ocean

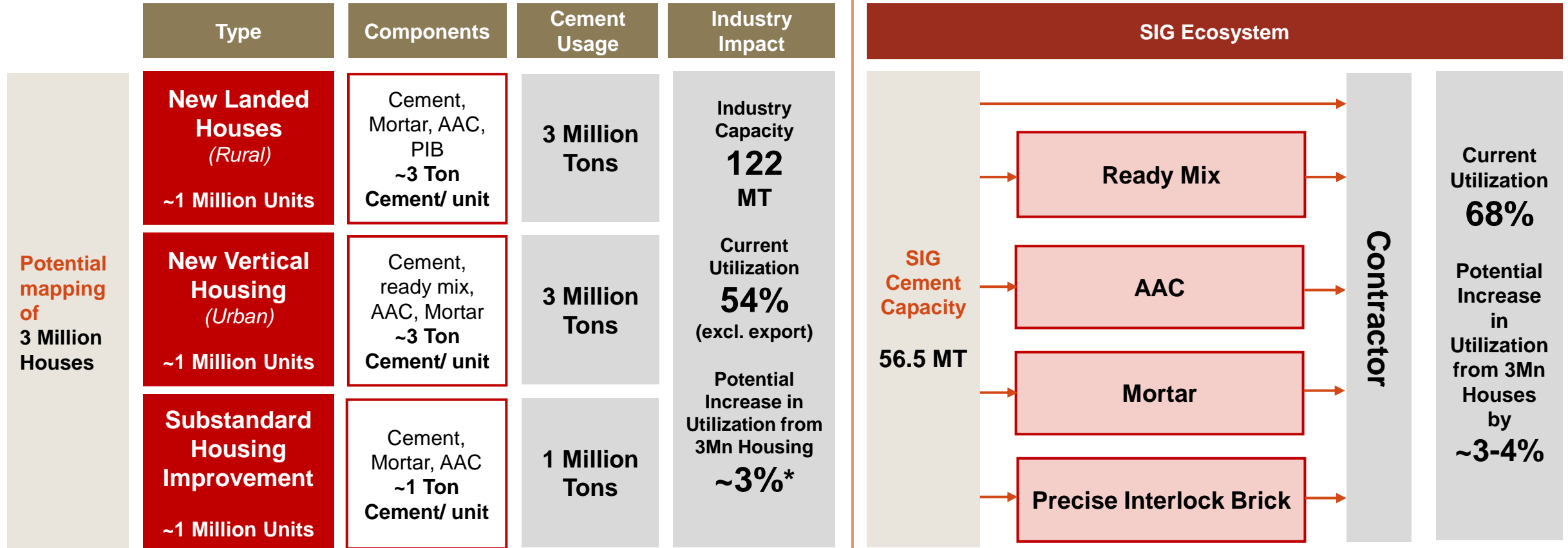
### Development in Building Materials & Sustainable Solution

- ✓ **Ready-Mix Solution**  
building material concrete solutions produced by SBI to support Infrastructure and other public facilities segments constructions. (ex. **ThruCrete, SpeedCrete, DekoCrete, LocooCrete**, etc)
- ✓ **Mortar**  
Solution for walling, flooring, ceramic and repair for residential and industrial.
- ✓ **Innovative New Housing Solution**  
Increase cement usage with Precise Interlock Bricks (PIB)
- ✓ **Green Cement**  
Eco-friendly cement with ~30% lower carbon emissions.
- ✓ **Chemical Additives**  
Cement additives to support lower clinker factor reduction initiatives.
- ✓ **Soil Stabilizer**  
Solution for foundation in unstable construction area projects.
- ✓ **Waste Management Business**  
Providing end to end waste management services for industrial waste.

## Operational Excellence & Sustainability

- ✓ **Clinker Factor Reduction**  
**Up to 8% (2023-2030)**  
Absolute reduction in average CF 2023-2030
- ✓ **Thermal Substitution Rate**  
**▲ 13% (2023-2030)**  
To achieve 20% TSR in 2030
- ✓ **Solar Panel Initiatives**  
**Up to 16 % (in 2030)**  
Electricity source replacement with Solar Panel
- ✓ **Optimizing Chemical Additives**  
**Up to 15% (in 2030)**  
Potential reduction in supporting material cost (currently ~1.5% from COGS)
- ✓ **Other Fuel Efficiency**  
(switching from IDO to Pyrolysis Oil)  
**Up to 20% (in 2030)**  
Potential reduction in IDO cost (currently ~1% from COGS)

# The 3 Million Housing Program will become a catalyst for cement and building materials demand growth, with SIG acting as a consolidator for the ecosystem



Based on internal assumptions

The 3-million housing program will enhance living standards, empower individuals to earn and potentially save more, to support the national GDP growth target.



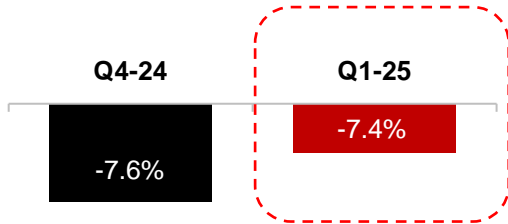
# Q1-2025 PERFORMANCE HIGHLIGHTS



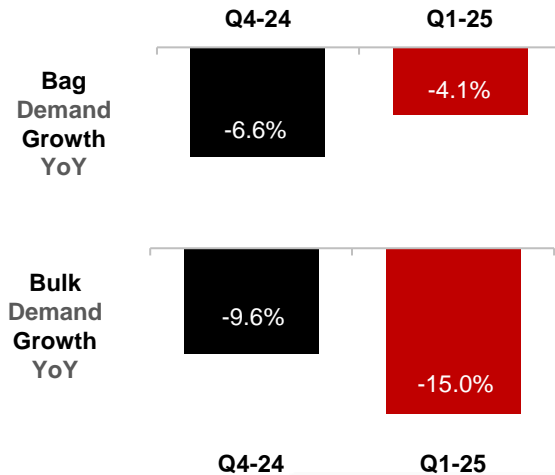
As the national cement demand declined in a seasonally weak quarter, SIG sales volume was supported by export growth. Meanwhile price discipline continued as SIG bag ASP increased YoY.

### Industry demand in Q1-2025

Cement demand in Q1-25 contracted by 7.4% YoY as an impact of macroeconomic challenges and seasonal factors.

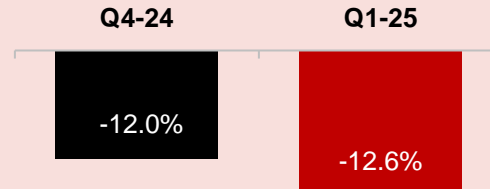


Bulk segment saw deeper contraction of 15% while bag demand declined 4.1% YoY.

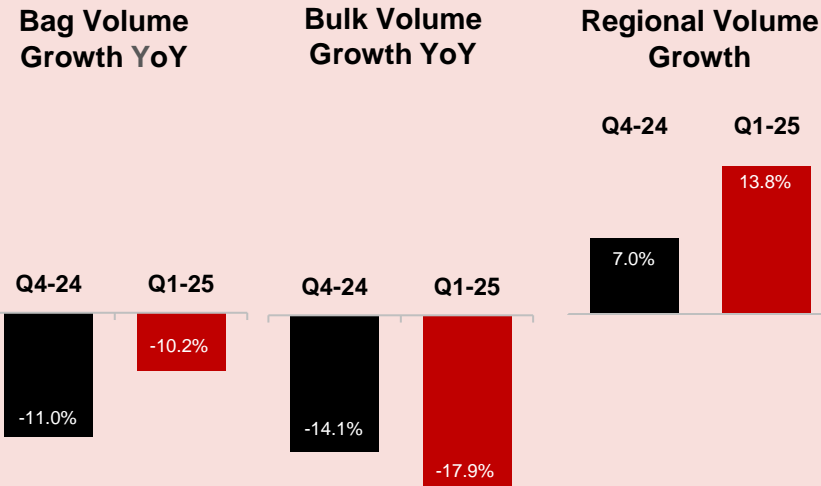


### SIG sales volume and cement segment performance

SIG total domestic sales volume Q1-2025 contracted by 12.6% YoY.



Retail segment contracted by 10.2% YoY, while bulk segment also saw a slowdown, declining by 17.9% YoY. Nevertheless, regional volume grew by 13.8% YoY, bringing a total volume contraction for SIG of 12.6%



SIG maintained bag ASP level after multiple price increase in 2H-2024, leading to higher ASP YoY in Q1-2025.

Bag

▲ ~2.5% YoY

Blended ASP increase

While bulk ASP declined as demand saw a substantial slowdown.

Bulk

▼ 4% YoY

Decline in ASP

Export opportunities was optimized amid continued weakening of domestic demand.

Export

▲ 20% YoY

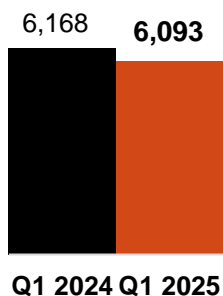
Volume increase

▲ 5% YoY

Export Portion from  
Total Sales Volume

# Decline in costs driven by operational and financing efficiencies amid challenges in topline

▼ **1.2%**  
**COGS**



▲ **4.0%**

**Variable COGS/ton**

As impact of higher fuel cost due to coal price increase starting around 2H-2024.

▼ **0.8%**

**Fixed COGS excluding incremental of non-cement related COGS**

Decrease mainly from maintenance cost.

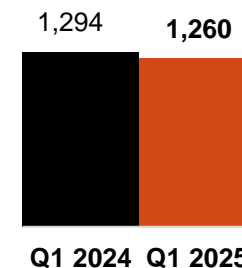
▲ **14.5%**

**Incremental COGS in non-cement related business**

Supporting 28% increase in total non-cement business revenue related to non-cement building materials.

▼ **2.6%**

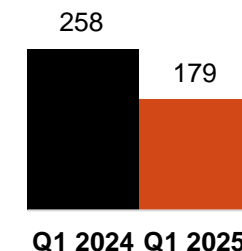
**Operating Expenses**



Decrease in Opex, mainly from decrease in transportation & handling and maintenance cost.

▼ **30.7%**

**Net finance cost**



Decrease in line with debt optimization with the decline in Interest-Bearing Debt balance by IDR 5.1 Trillion YoY.

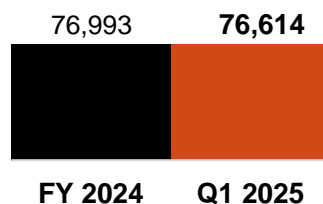
# Solid financial structure backed by prudent capital management

## Sustained strong balance sheet

▼ 0.5%

Change in total assets due to higher increase in total Accumulated Depreciation and Depletion compared to the amount of additional Fixed Asset.

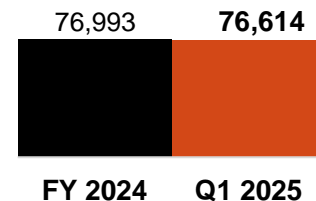
Total Assets (IDR bio)



▼ 0.5%

Change in total liabilities & equity YoY, mainly contributed by lower trade payables.

Liabilities & Equity (IDR bio)

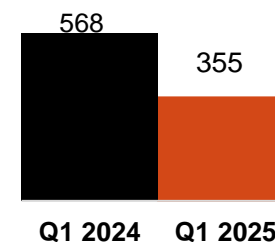


## Disciplined cashflow management

Rp 355 Bio

Solid cash generation amid softer conditions

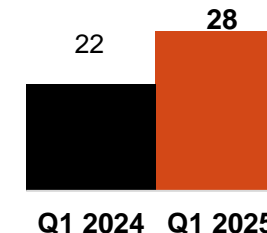
Cashflow from Operations (IDR bio)



▲ 6 days

Moderate extension in cash conversion cycle

Cash Conversion Cycle (Days)

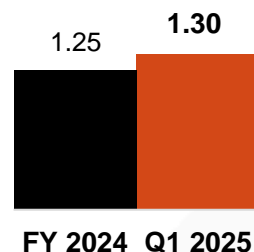


## Strengthened liquidity and prudent debt management

▲ 0.05x

Higher Current Ratio

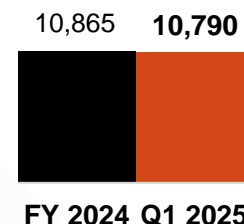
Current Ratio (x)



▼ 0.7%

Lower Interest-Bearing Debt from the repayment of short-term borrowings and temporary syirkah funds.

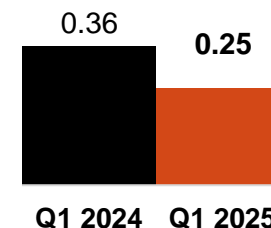
Interest Bearing Debt (IDR bio)



## Improved leverage profile

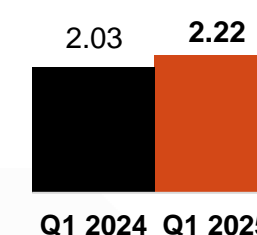
▼ 0.11x

Debt/Equity (x)  
Lower from reduction of Interest-Bearing Debt



▲ 0.19x

Debt/EBITDA (x)  
Slight increase due to EBITDA pressure







“Leading the industry transformation towards sustainability”



@sig.id



SIG



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