



2017  
Public Expose

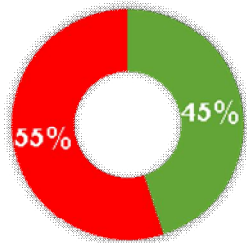
**PT SEMEN BATURAJA  
(PERSERO) TBK**

## **PUBLIC EXPOSE MARATHON 2017**

**Seminar Room 3  
Indonesia Tower II Stock Exchange Building  
Jakarta  
August 8, 2017**



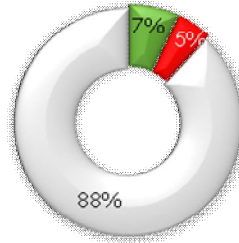
# Milestone SMBR



PT Semen Gresik (PTSG)  
PT Semen Padang (PTSP)

Semen Baturaja established on 14 November 1974 with the composition of ownership is PTSG (55%) and PTSP (45%).

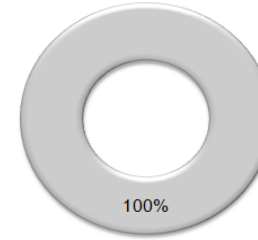
1974



Republic of Indonesia  
PTSG  
PTSP

The Government of the Republic of Indonesia to give a statement of capital which ultimately change the status of the Company to the "Perseroan".

1979



Republic of Indonesia

In 1991 Government of Indonesia took all ownership of Semen Baturaja from PTSG and PTSP and Semen Baturaja was wholly owned by Government of Indonesia

1991

2004

In 2004, Semen Baturaja issued bond

2010

*Plant Recovery.*  
Rejuvenated of equipment plant to reach installed capacity to 1,25 million ton per year

2013

IPO  
Listed at Bursa Efek Indonesia (BEI) on 28 Juni 2013. Semen Baturaja issued 23,76% stock to public

2013

*Cement Mill Project.*  
Commercialized in July 2013 with the production capacity of 750.000 ton cement per year

On progress

The construction of new integrated cement plant with the capacity of 1,85 million ton cement per year

# Location and Capacity of the Plant



## Business activities

Engaged in the business of cement raw material extraction, cement manufacture, packaging and distribution to the consumers



## Type of cement produced

Portland Cement Type I (OPC) and Portland Composite Cement (PCC)



## Facilities

Having four cement mill & packing plants facilities located in three cities as follows:



## PALEMBANG PLANT & HEADQUARTER

Milling and packaging plant with the capacity of

**350,000 tons/year**

## BATURAJA PLANT

- clinker plant with the capacity of **1,200,000 tons/year**
- Milling and packaging plant with the capacity of
  - (1). **550,000 tons/year**
  - (2). **750,000 tons/year**

## PANJANG PLANT

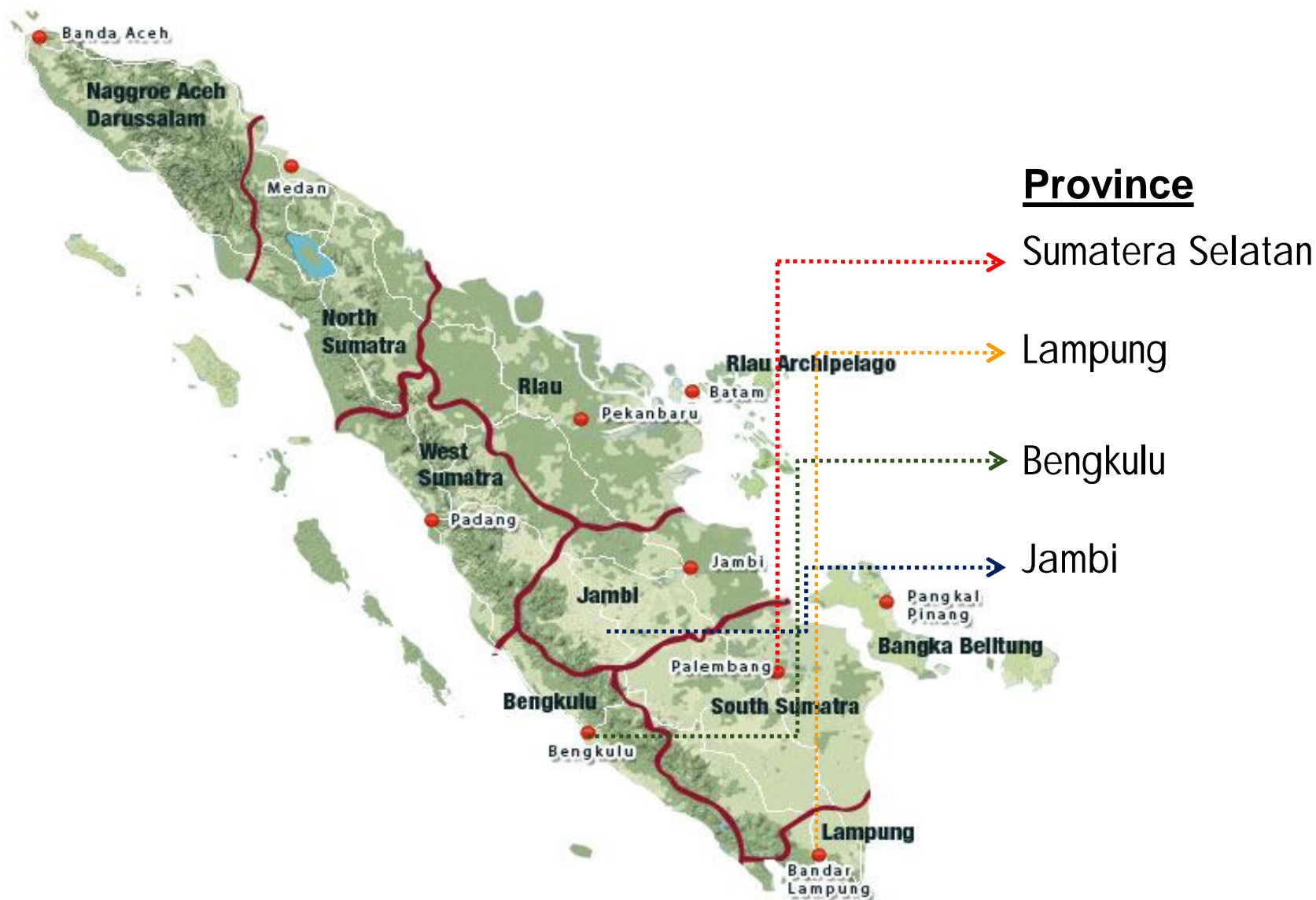
Milling and packaging plant with the capacity of

**350,000 tons/year**





# Marketing Area of SMBR



Source : Company

# I H 2017 PERFORMANCE

# Growth of Cement Consumption in Indonesia

(%)

	Sumsel		Lampung		Jambi		Bengkulu	
	yoy	ytd	yoy	ytd	yoy	ytd	yoy	ytd
Jan	2.6	2.6	5.3	5.3	5.8	5.8	(17.8)	(17.8)
Feb	(0.4)	1.2	(3.5)	0.8	12.8	9.3	21.6	0.9
Mar	6.6	3.5	3.7	1.4	10.1	9.9	21.6	6.3
Apr	18.1	6.8	24.1	6.2	28.5	14.5	57.9	16.3
Mei	(1.1)	4.9	35.9	11.7	17.8	15.1	10.3	15.1
Jun	(28.8)	(1.8)	(19.0)	6.1	(7.1)	11.9	2.6	13.2

In 2017, Jambi and Bengkulu recorded quite good growth in cement consumption, namely 11.9% and 13.2% as of June 2017 (ytd).

Cement consumption growth in South Sumatra is expected to improve from July to the end of the year with the rapid development of infrastructure ahead of the 2018 Asian Games.

The growth of national cement consumption is predicted to improve from July to the end of the year

	Sumbagsel		Sumatera		Indonesia	
	yoy	ytd	yoy	ytd	yoy	ytd
Jan	0.5	0.5	(6.3)	(6.3)	(2.3)	(2.3)
Feb	3.6	2.0	(6.1)	(6.2)	(0.7)	(1.6)
Mar	7.7	3.9	1.9	(3.2)	4.0	0.9
Apr	26.5	8.9	13.0	0.5	11.5	3.4
Mei	14.1	10.0	8.0	1.4	7.0	4.1
Jun	(19.5)	4.7	(26.5)	(3.4)	(26.8)	(1.3)

Source : Indonesian cement association

# Sales Performance

	1H16	1H17	%
Sumatera Selatan (tons)	478.015	446.918	93
Lampung (tons)	190.114	192.605	101
Jambi (tons)	13.215	20.338	154
Bengkulu (tons)	11.849	15.338	129

Growth of cement consumption in Jambi and Bengkulu was utilized by the Company to lead the growth of cement sales in the area by recording cement sales growth of 54% and 29%.

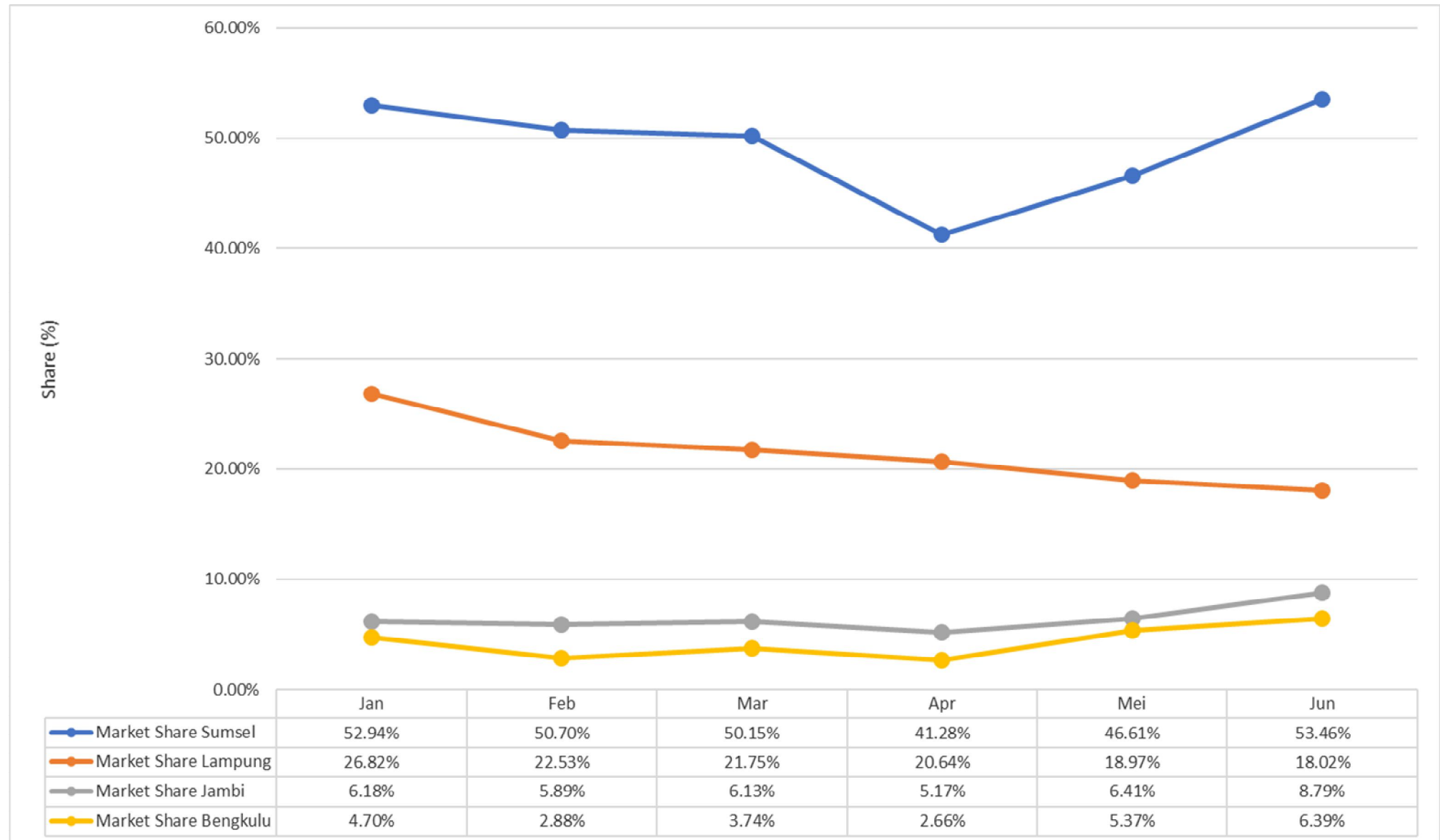
# Sales Performance

	1H16	1H17	%
Cement Bag (ton)	475,699	528,682	111
Cement Bulk (ton)	217,495	146,516	67

The Company's cement cement sales performance is quite good by posting a growth of 11%, which indicates Semen Baturaja is able to compete in the retail market.



# Market Share 1H 2017



## Top 5 Project Contributions

1

LRT (Light Rail Transit) - Palembang, 43.310. tons

2

OPI Hotel Project, 12.591 tons

3

OPI Mall Jakabaring Project - Palembang, 12.233 tons

4

PLTA Way Semangka, Tanggamus - Lampung, 8.562 tons

5

Coal Special Road Project, 5.288 tons

# Project Prospect List 2017

1

## Bakauheni – Terbanggi Besar Tol Project

- Section 1 Bakauheni – Sidomulyo. Finish Desember 2019
- Section 2 Sidomulyo – Kotabaru. Finish Desember 2019
- Section 3 Kotabumi – Gunung Sugih. Finish Desember 2019
- Section 4 Gunung Sugih – Terbanggi Besar. Finish Desember 2019

2

## Light Rail Transit (LRT) Palembang

- Corridor I Sultan Mahmud Badaruddin II – Masjid Agung. Finish Des 2017
- Corridor II Masjid Agung – Jakabaring Sport City. Finish Des 2018

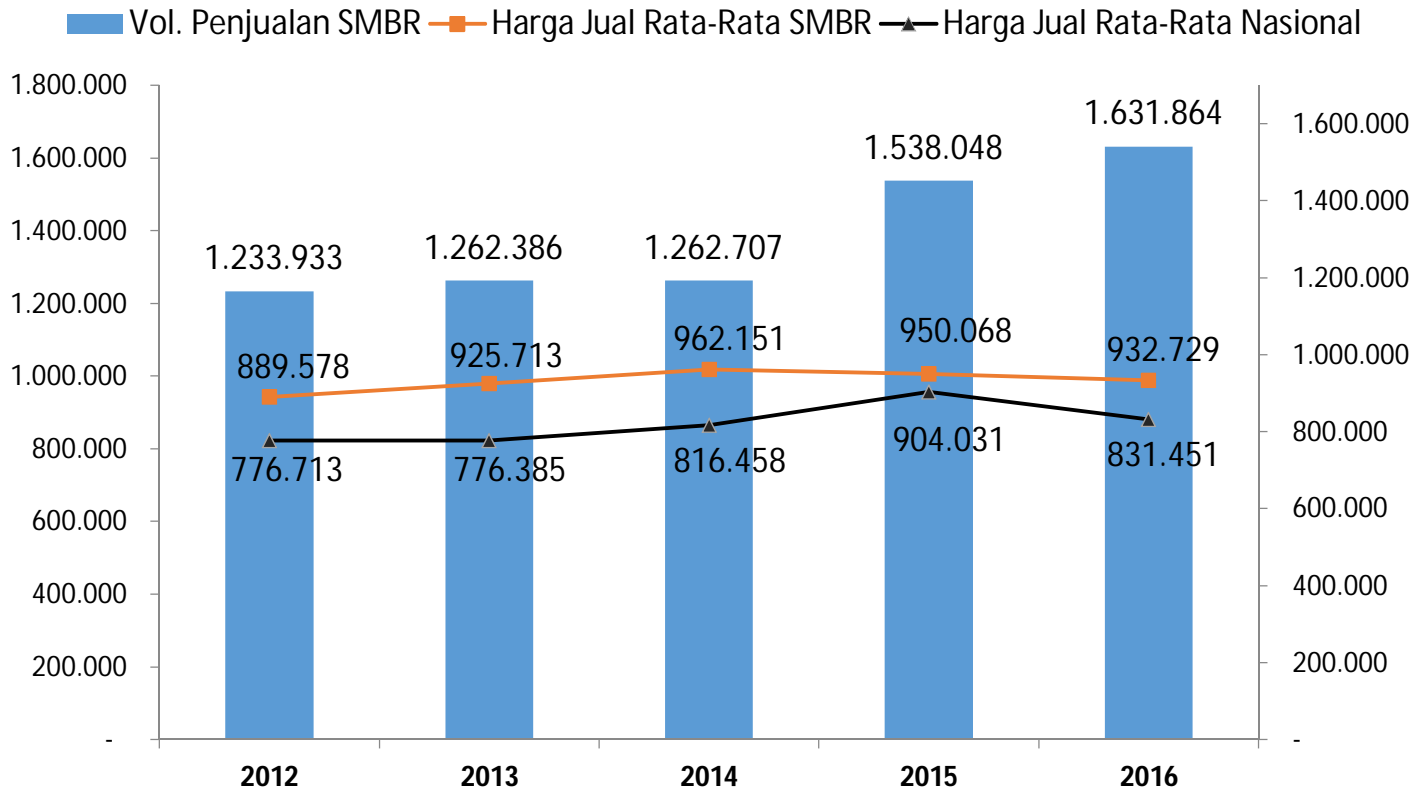
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## Rajawali Royal Apartment

- Tower A. Finish Agustus 2019
- Tower B. Finish i Juli 2020
- Tower C. Finish i Juni 2021

# Financial and Operational Performance 2012 - 2016

## Sales Volume & Average Selling Prices



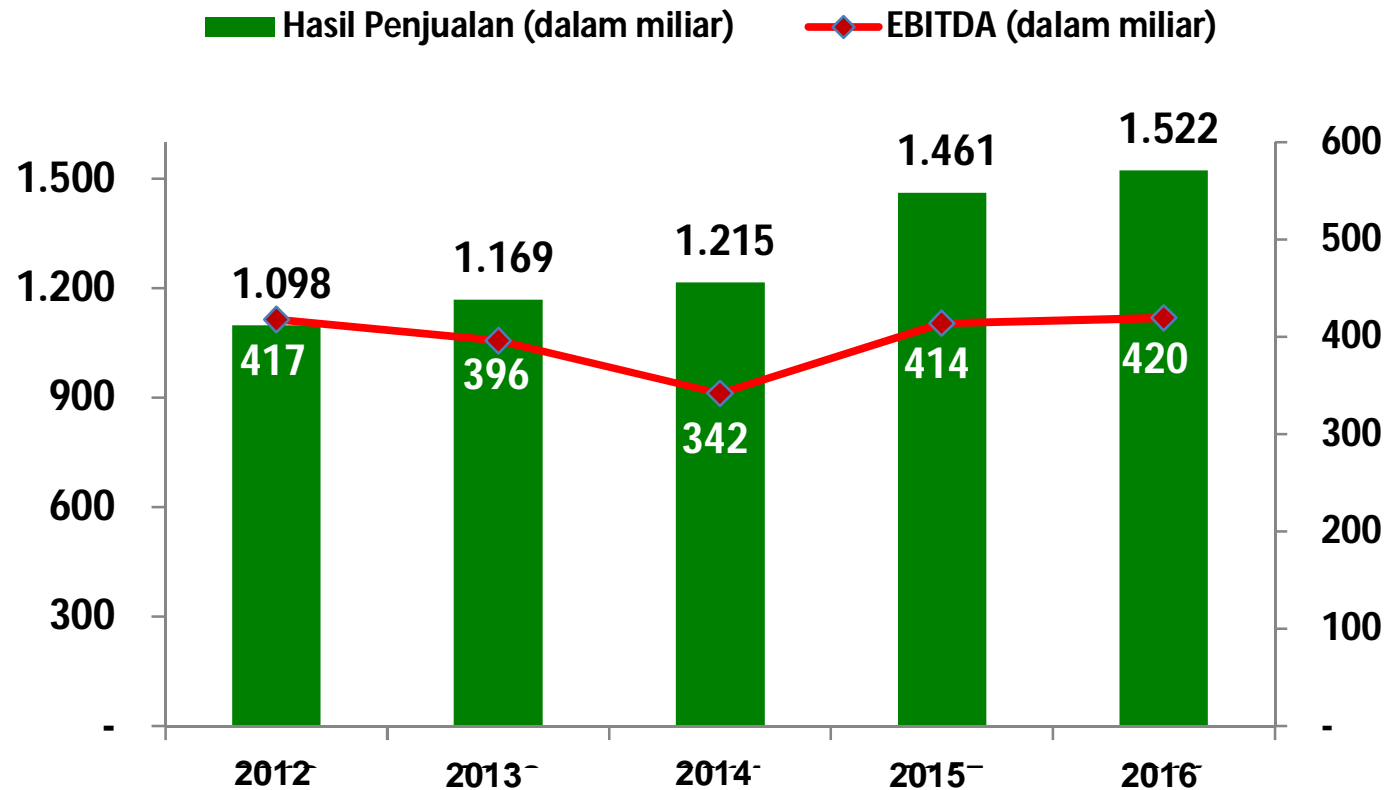
- Until the end of 2016, sales volume increased by 6% from 1,538,048 tons in 2015 to 1,631,864 tons with an average selling price of Rp.932,729 per tons.

\* National average cement / ton sales price based on the financial statements of three cement companies listed on the Indonesia Stock Exchange (SMGR, INTP, SMCB)

Source : Company

# Financial and Operational Performance 2012 - 2016

## Sales Results & Net Profit



- 2016 sales results amounted to Rp.1,522 trillion, an increase of 4% from 2015 and generated EBITDA of Rp.420 billion.

Source : Company

# SMT I 2017 Operational and Financial Performance

		I H 16	I H 17	%
Sales Volume	Tons	693.193	675.198	97
ASP	Rp./Tons	926.302	926.116	100
Revenue	Rp. Million	651.926	627.350	96
Gross Profit	Rp. Million	194.279	189.688	98
Operating Profit	Rp. Million	130.802	81.160	62
EBT	Rp. Million	138.966	86.463	62
Net Profit	Rp. Million	102.504	60.523	59
EBITDA	Rp. Million	176.816	125.709	71

*	Juli 16	Juli 17	7M16	7M17	%	%
	1	2	3	4	(2:1)	(4:3)
Sales Volume (tons)	99.200	137.088	792.394	812.286	138	103

Source : Company

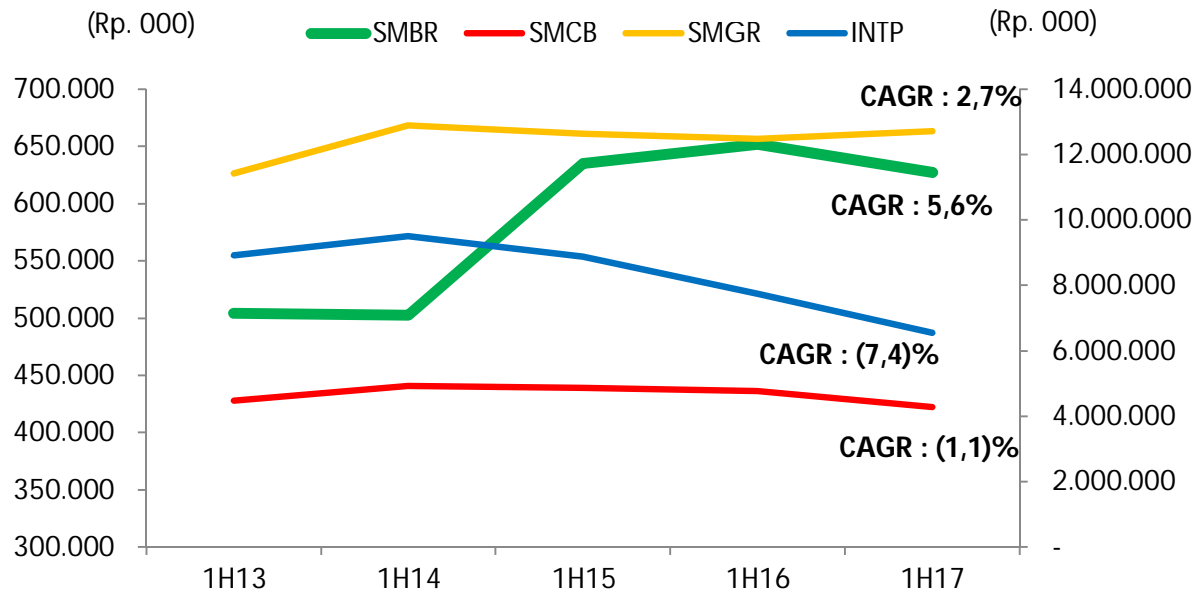


# SMT I 2017 Operational and Financial Performance

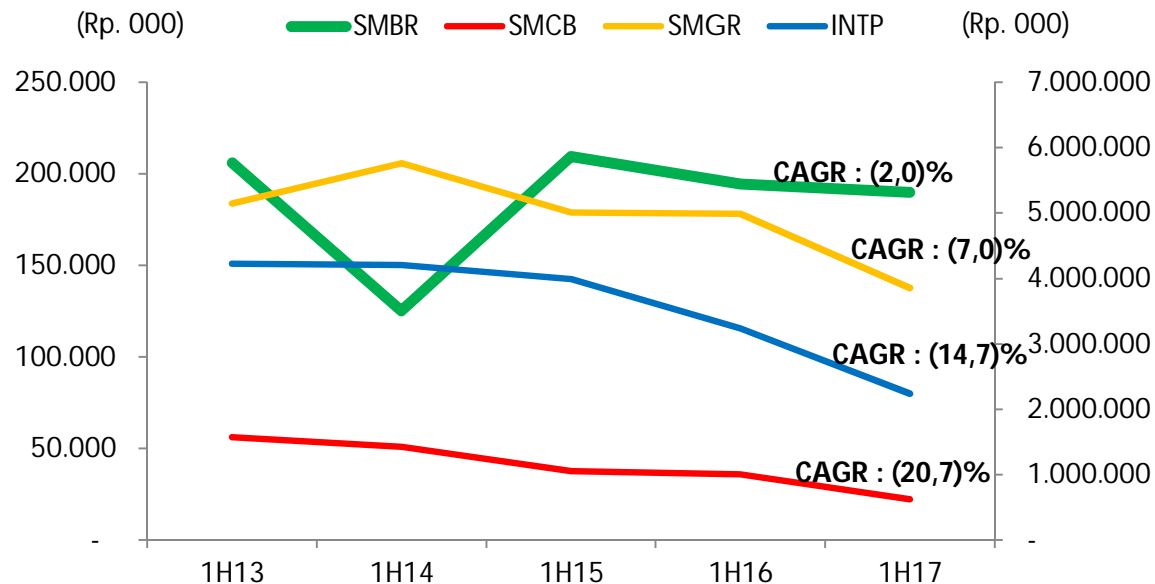
		DES 31, 16	JUNE 30, 17	%
Cash Equivalent Cash	Rp. Million	336.979	392.295	116
Total Assets	Rp. Million	4.368.877	4.771.655	109
Total Debt	Rp. Million	1.248.119	1.494.501	120
Total Equity	Rp. Million	3.120.758	3.277.153	105
Cash Ratio	%	115	74	64
Current Ratio	%	287	156	54
DER		29: 71	31 : 69	-

Source : Company

# Comparison of Performance of Cement Industry



Semen Baturaja led the first half of sales growth in the last five years with a CAGR of 5.6%



Gross Baturaja Semester I Profit in the last five years is relatively stable with a CAGR (2.0)%

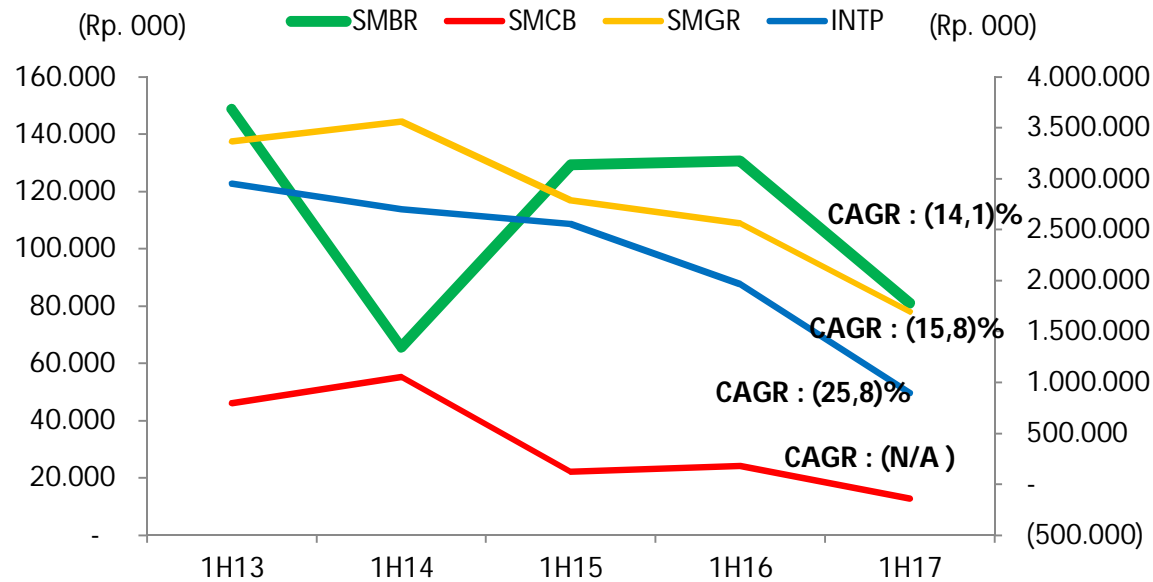
Information :

Y1 axis (left): SMBR

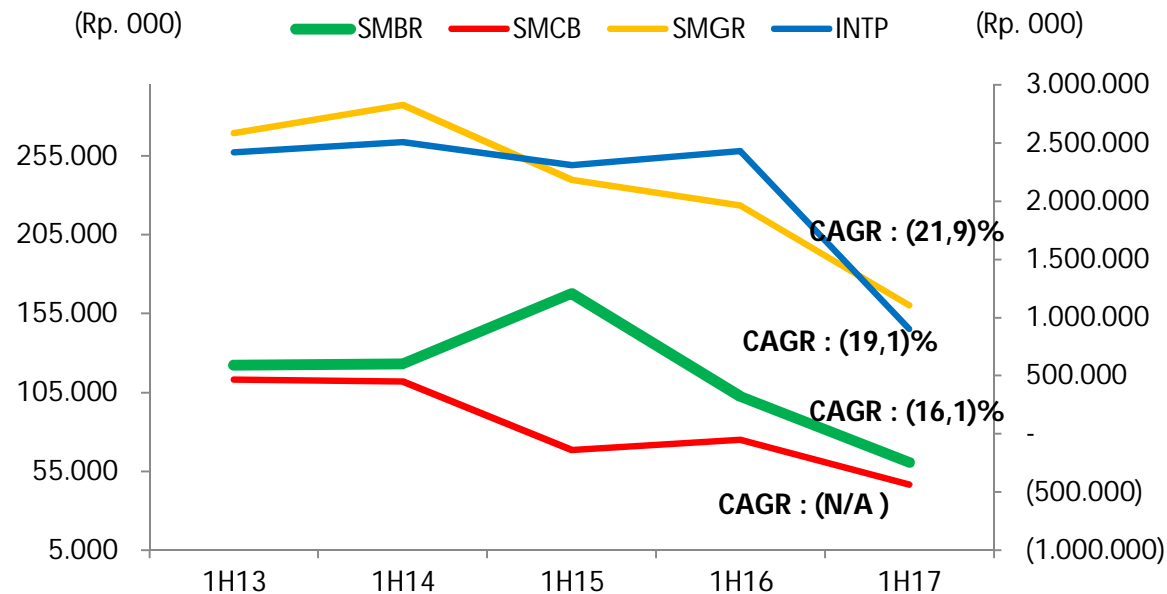
Y2 axis (right): SMCB, SMGR, INTP

operating profit and net income of SMCB have a negative value

# Comparison of Performance of Cement Industry



The correction of operating profit SMBR with a CAGR of (14.1)%



The correction of Net Profit SMBR with a CAGR of (16.1)%

Information :

Y1 axis (left): SMBR

Y2 axis (right): SMCB, SMGR, INTP

operating profit and net income of SMCB have a negative value

# Tiga Gajah Initiative

## QUICK **WIN** INITIATIVES



### Cost Leadership Initiatives



Efficiency of Rp. 70-Rp. 100 billion until the end of the year



### Market Expansion Initiatives

Sales increase to 325,000 MT per month



### Business Process Streamlining Initiatives

Acceleration of decision making

Targets will be completed in 6 months, or until the end of 2017



## Target 2017



Source : Company

# EXPANSION PLAN



# Train as the main transportation of Cement Transportation

Jambi

Palembang

Lubuk Linggau

**Baturaja**

Bengkulu

Tegineneng

Panjang



Information :

Baturaja - Palembang (South Sumatra) as far as 170 km  
Operating target: August 2017

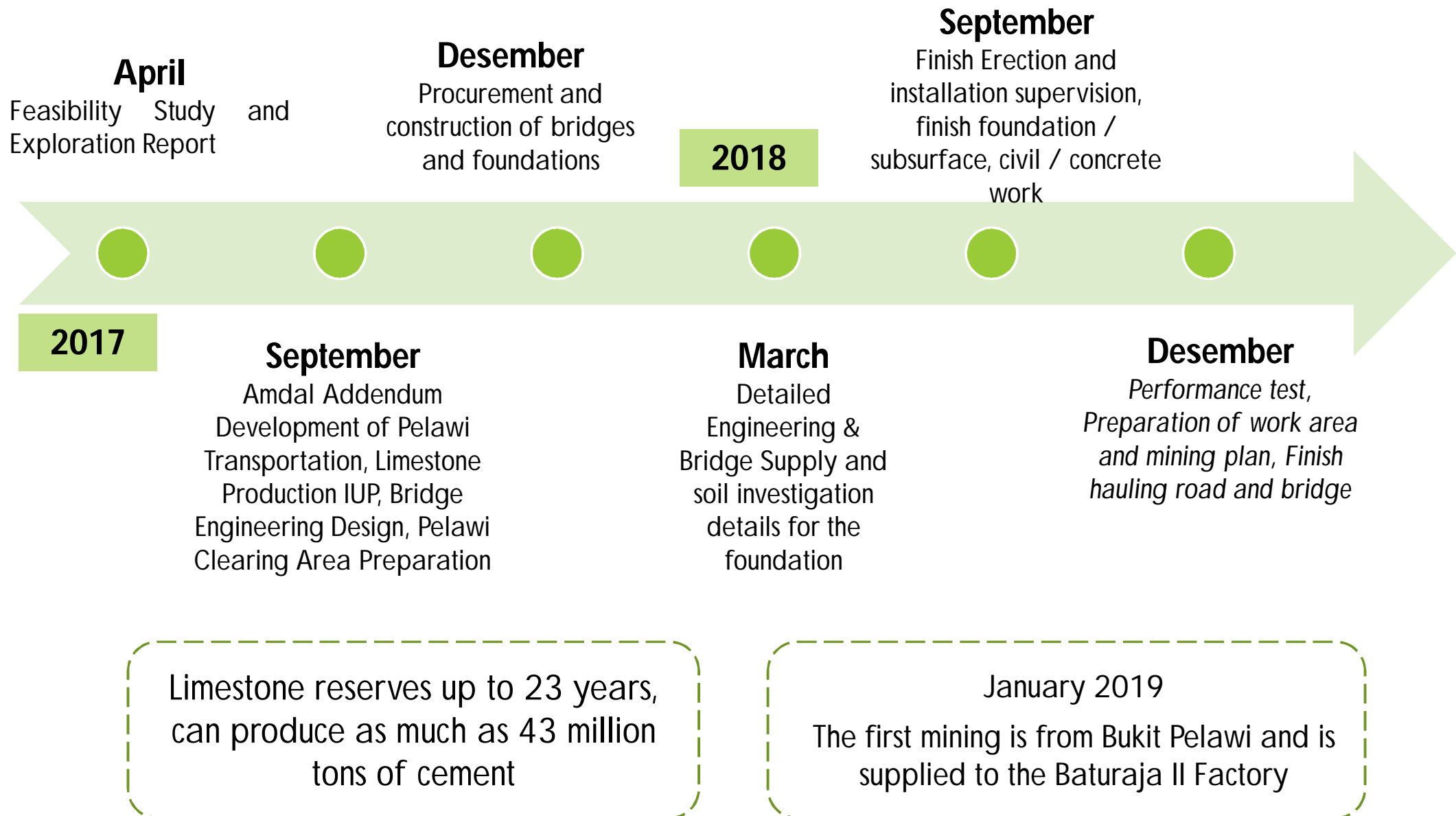
Baturaja - Lubuk Linggau (South Sumatra) as far as 322 km  
Operating target: August - September 2017

Baturaja - Tegineneng (Lampung) as far as 191 km  
Operating target: August 2017,  
As a distribution hub for November 2017

Baturaja - Panjang (Lampung) as far as 227 km  
Operating target: August 2017



# Mining Expansion (Bukit Pelawi)



# WHRPG (*Waste Heat Recovery Power Generation*)

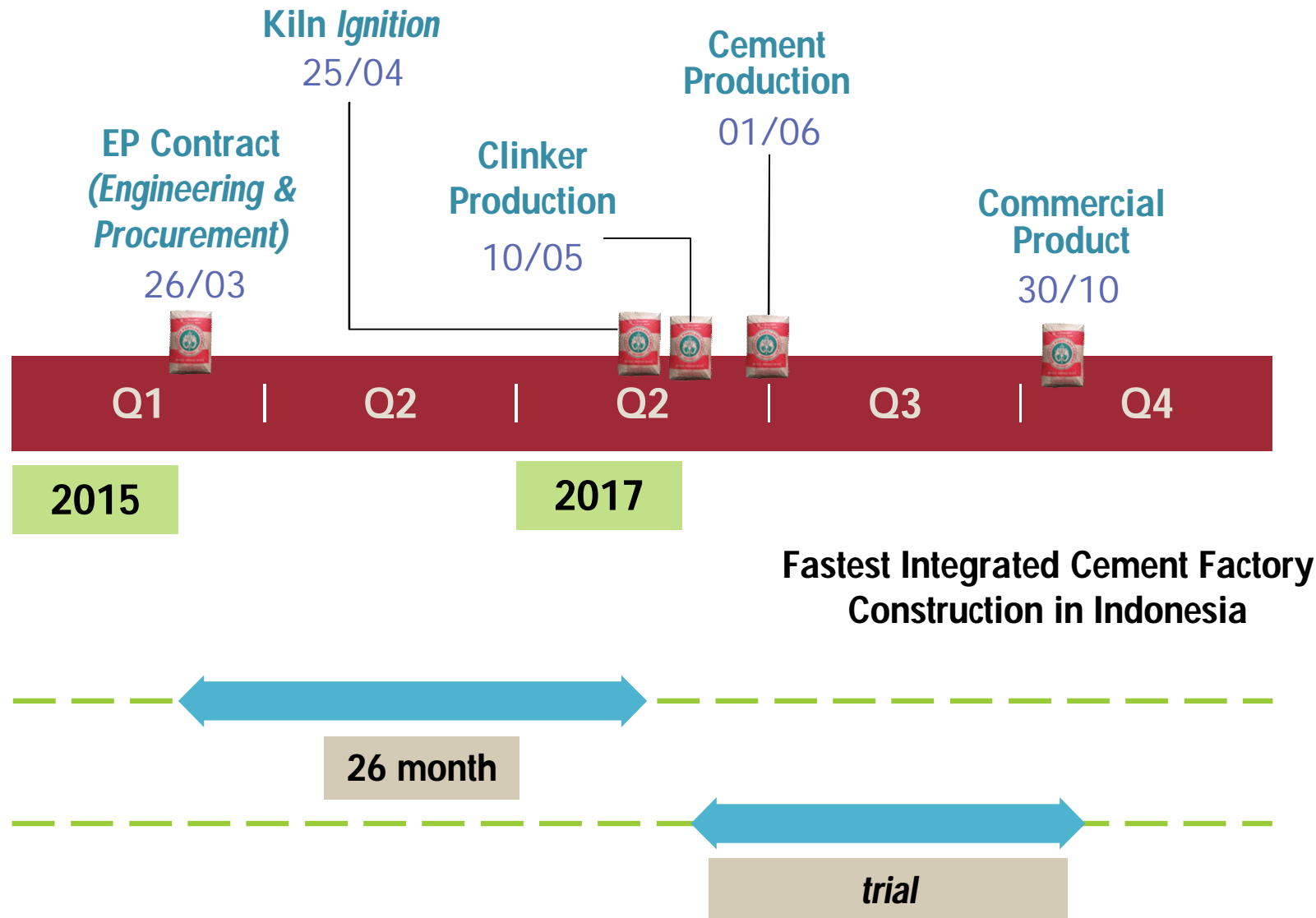


*\*illustration WHRPG in cement factory*

- Utilization of hot gas from factory kilns into electrical energy with the potential electricity generated by 10 MW
- Provides electricity cost efficiency up to 30%
- Capex estimate: U \$ 25-30 million
- Construction: 2018

# BATURAJA FACTORY PROGRESS II

# Progress Baturaja Plant II - I H2017





# Baturaja II Plant Progress



Production Capacity  
Total Investasi

: 1,85 million tons / year  
: Rp.3,39 trilliun



# Baturaja II Plant Progress



CEMENT PACKING



LOAD TEST CEMENT  
PACKER WITH BAG  
APPLICATOR



CEMENT SILO



RAW MEAL SILO  
& KILN FEED



CLINKER SILO & UNBURNED SILO



CEMENT MILL 2



CEMENT MILL 1



ROTARY KILN

# *Thank You*

