



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

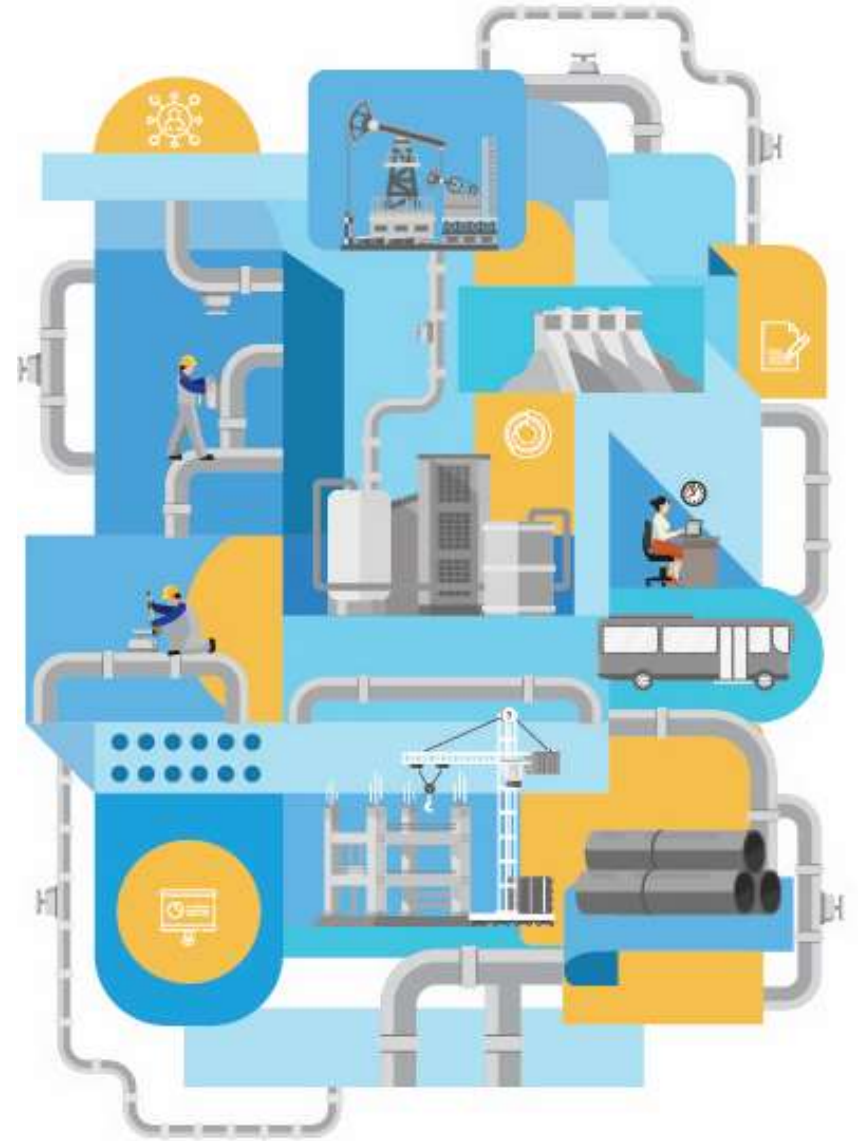
“Improving Quality of Life”

Agile, Grit & Innovative

Company Presentation

FY2022

Result Call – Jakarta 4 April 2023



Disclaimer



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

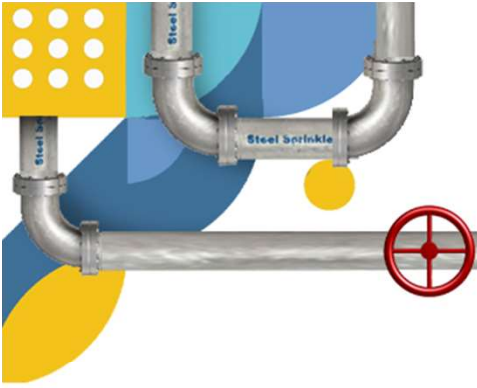
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Investment



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



Steel sprinkler Pipe / SPINDO (P) PLANT 1 / ASTM A53 - 2" - SCH 40 - G.A. - E - 6000 MM / 1200 Psi / HEAT NO C837212

DUITTO & CO.

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WISDOM OF LO KHENG HONG #15

JANGAN PERNAH MEMBELI SAHAM PERUSAHAAN YANG DIKELOLA ORANG TIDAK JUJUR DAN TIDAK BERINTEGRITAS, KALAU ANDA MEMPERCAYAKAN UANG ANDA KEPADA ORANG SEPERTI INI, UANG ANDA AKAN HABIS.



PT RAJA BODONG
CARA INSTAN UNTUK KAYA



INVESTASI ANDA AKAN BERKEMBANG BIAK 10 % SEBULAN, KAMI JAMIN...





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

1

Corporate Summary



Board of Commissioners



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



Makmur Widjaja
President
Commissioner
(Independent
Commissioner)

Educational Background: He completed his education at the Faculty of Economics, Parahyangan Catholic University, Bandung in 1985 and obtained a Masters of Management from the Prasetya Mulya Business School in 1992.

Professional Experience:

His previous positions includes : 2004 – 2009, President Director of PT Makinta Securities; 2000 – 2004 Managing Director of PT Makinta Securities; 1994 – 1999, Corporate Finance Director of PT Bhakti Investama, Tbk., an Indonesian investment company; 1992 – 1994, Head of Corporate Finance of PT. Bali Securities.



**Endang Fifi
Susanto**
Commissioner

Educational Background: She obtained a Bachelors of Commerce from University of Western, Australia in 1992.

Professional Experience:

Mrs. Endang Fifi Susanto has held the position as Commissioner of PT SPINDO, Tbk. since 2003. She previously was General Manager of PT Saranacental Bajatama, Tbk. from 1995 to 1998, and Senior Staff of Hans Tuanakota & Mustofa, Public Accountant from 1993 to 1995.

Educational Background:

- Bachelor of Economics from Airlangga University, Surabaya in 1984
- Attended a professional business course by Arthur Andersen in St. Charles, Chicago, USA and became a member of The Indonesian Institute of Accountants.



**Bing H.
Poernomosidi**
Independent
Commissioner

Professional Experience:

The professional experience that he has been held in several company such as on 2012 – 2022 officiate as Member of Audit Committee in PT Steel Pipe Industry of IndonesiaTbk, on 2007 – 2019 officiate as Independent Commissioner in PT SekarLautTbk, and on 2002 – 2006 officiate as ManagingPartner of Ernst & Young, Hanadi, Sarwoko&Sandjaja (Surabaya Office).



Welly Tanton
Independent
Commissioner

Educational Background:

- Graduated in June 1999 from Duke University School of Law, J.D., with honor Durham, North Carolina, USA
- Graduated in June 1996 from Harvard University, Mathematics, with honor Cambridge, Massachusetts, USA

Professional Experience:

Welly Tanton is the group general counsel for Secretlab, the maker of award-winning gaming chairs that are the choice of professional esports teams and events. Welly started her legal career at the top New York and California law firms as an intellectual property litigator where she acted for clients in bet-the-company lawsuits and other complex multi-jurisdictional litigation. She transitioned into corporate counsel to firms in the technology and healthcare sector and has deep experience with capital markets, start-up funding and public listings, as well as cross-border M&A, IP licensing and joint venture projects in both developed and emerging markets. Her in-house career has involved senior roles in Singapore and the United States. She was the co-founder of one of Singapore's first healthcare cooperatives. Welly graduated with honours from Harvard University and Duke University. She was the President of the Association of Corporate Counsel, Singapore Chapter and currently serves as a member of the Legal Subcommittee to Fencing Singapore. She has also been appointed as a lecturer by the National University of Singapore's School of Computing.



Board of Commissioners



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



Ibnu Susanto
President Director

Educational Background: He completed his high school education in 1961.

Professional Experience:

Previously, he worked for PT Radjin from 1972 to 1997 as a President Director, which merged with PT SPINDO, Tbk. in 1998



**Tedja Sukmana
Hudianto**
Vice President Director

Educational Background: He graduated from Waseda University, Japan in 1989, majoring in Electronic Communication.

Professional Experience:

Previously, he worked for PT Radjin from 1993 until 1998 as director.



**Soediartha
Soerjoprahono**
Director

Educational Background: He completed his high school education in 1964.

Professional Experience:

Previously, he held the position as Commissioner of PT Radjin since 1972 until 1997, which merged with our company in 1998. From 2002 until 2011, he held the position as Director of PT Saranacental Bajatama, Tbk., an Indonesian steel manufacturer.



Tikman Utomo
Director

Educational Background: He graduated from Universitas Trisakti, Jakarta in 1970, majoring of Mechanical Engineering. He also completed course working general management and production at Mitra Management Center in 1992.

Professional Experience:

Mr. Utomo started his career in steel industry since 1972 until 1996 at PT Radjin, his position was production manager.



**The Hanny
Purnomo**
Director

Educational Background: He earned a Bachelor of Engineering and Industrial Management at the University of 17 Agustus 1945 Surabaya in 1990, previously he also completed his Diploma III in Statistics at the Sepuluh Nopember Institute of Technology Surabaya in 1987.

Professional Experience:

1992 – 1999 MIS Manager PT. Pelayaran Nusantara Meratus
1999 – 2001 MIS Manager PT. Steel Pipe Industry of Indonesia
2001 – 2008 Senior Manager MIS PT. Steel Pipe Industry of Indonesia
2009 – 2016 Senior Manager SAP PT. Steel Pipe Industry of Indonesia Tbk
2016 – 2018 Deputy General Manager SAP PT. Steel Pipe Industry of Indonesia Tbk



Corporate Summary

Company Milestone



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

The early days

- 1971 Established through incorporation of Indonesia by PT Gayantara, Itochu Corporation and Kawasaki Steel Corporation
- 1990 Ibnu Susanto (President Commissioner) acquired 90% of the shares in SPINDO
- 1991 PT Radjin established the Pasuruan facility, commencing our production of spiral welded pipes
- 1996 Obtained API (5L 0313) certification for our spiral welding process
- 1998 Merged with PT Radjin, with PT Steel Pipe Industry of Indonesia being the surviving company

2000s

- 2005 Established our Karawang facility
- 2007 Obtained ISO TS Quality Management System for automotive pipes in the Karawang facility
- 2009 Became approved supplier of pipe for two-wheeler frames to Yamaha

2010s

- 2011 Accredited with Occupational Health and Safety Management System ("OHSAS") certification
- 2013 Initial Public Offering of our Company on 28 January 2013 which raised US\$88m
- 2014 Commenced operations of the Sidoarjo plant
- 2015 Official opening of our Karawang expansion plant
- 2015 Signing of memorandum of understanding for procurement of raw material between our Company, JFE Steel Corporation ("JFE") and Marubeni-Itochu Steel Inc. ("MISI")
- 2016 Selected as Best 40 Companies by the Indonesian Analyst Association
- 2016 Became a member of the Kompas 100 index
- 2016 Commenced operation of warehouses in Bandung and Jakarta
- 2017 Commenced operation of warehouse in Samarinda, Kalimantan
- 2018 First export of Underwriter Laboratory Certified Pipes to Canada and America
- 2019 Opening of Samarinda Depot to serve customers in the East Kalimantan area
- Launching digital channel on Instagram, LinkedIn, and Youtube Channel

More recently

- 2020 Obtained ISO 14001 - an international standard for environmental management system that ensures that business processes and products produced by the Company have fulfilled its commitment to the environment
- 2021 Celebrating 50 years of PT Steel Pipe Industry of Indonesia Tbk
- 2022 Installation of big diameter SS Pipe Machine (up to 8")



Corporate Summary Business Overview



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

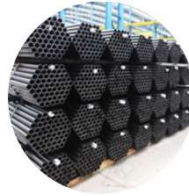
Spindo's Position in the Value Chain



Carbon steel and stainless steel coils



Cutting, bending, and welding of steel coils



Steel pipe products

Key Products

HFW High Frequency Welding

Black pipes, water pipes, mechanical pipes, API pipes, furniture pipes, steel poles

TIG Tungsten Inert Gas Welding

Industrial and ornament stainless steel pipes

SSAW Spiral Submerged Arc Welding

Spiral pipes (API & non-API)

Services

Galvanization, shearing, slitting, quality control tests

Our Products and Key Markets



Construction, Infrastructure, and Utilities

Spiral pipes (non API)



Water pipes



Black pipes (non API)



Electric and Utility poles



Strips + plates



Automotive

Mechanical tubes of various shapes



Furniture

Furniture pipes



Stainless steel pipes



Oil & Gas

Spiral pipes (API)



Black pipes (API)

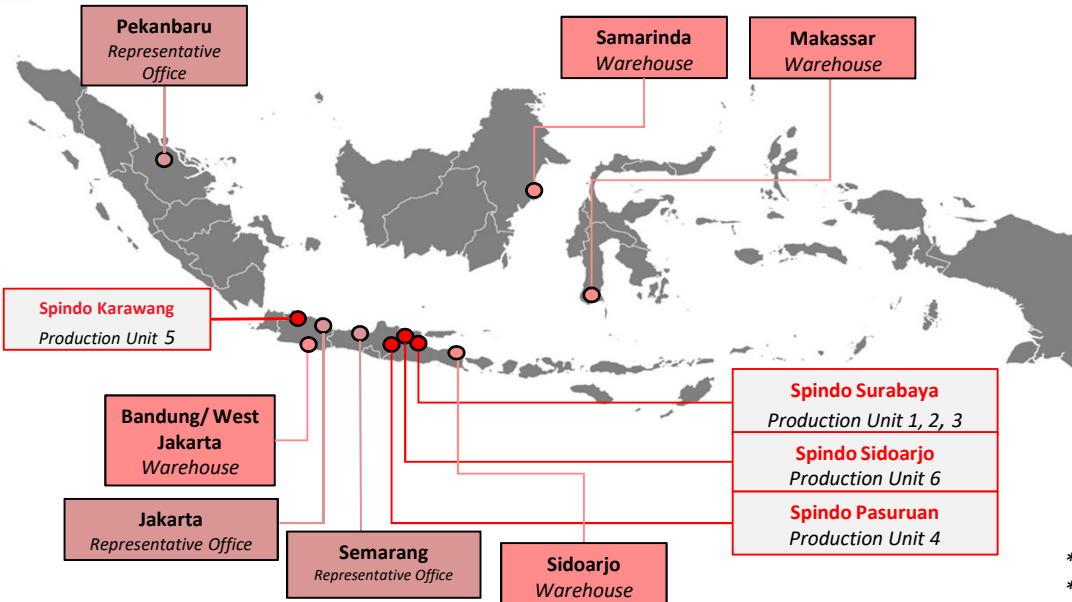


Corporate Summary Company Overview

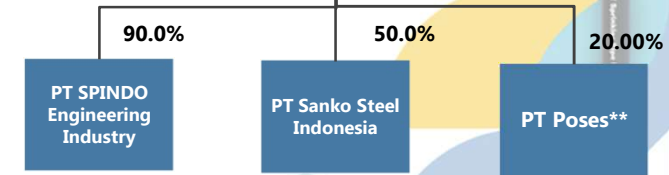


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

- Established in **1971** as a foreign investment corporation by PT Gayantara, Itochu Corporation, and Kawasaki Steel Corporation



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



*includes treasury shares of 1.68% & Pemberton Asia Opportunities Fund of 6.96%
** Inoperative

Board of Directors

- Ibnu Susanto**
President Director
- Soediarto Soerjoprahono**
Sales & Marketing Director
- The, Hanny Purnomo**
ICT Director
- Tedja Sukmana Hudianto**
Vice President Director
- Tikman Utomo**
Operations Director

Board of Commissioners

- Dr. Vincent M. Widjaja**
President Commissioner
(Independent Commissioner)
- Endang Fifi Susanto**
Commissioner
- Bing Hartono Poernomosidi**
Independent Commissioner
- Welly Tantono**
Independent Commissioner

Corporate Summary

Customer & Product Mix



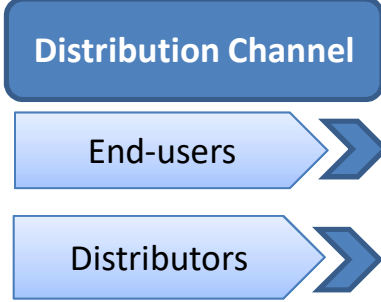
PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



Steel sprinkler Pipe / SPINDO (P) PLANT 1 / ASTM A53 - 2" / SCH 40 - G.A. / E - 6000 MM / 1200 Psi / HEAT NO C837212

More than
5,000
Customers
Registered

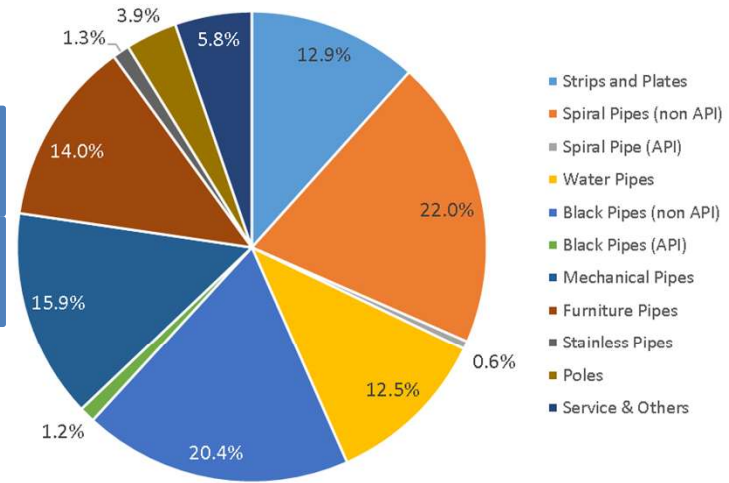
2,000 – 3,000
Active
Customers



Approx.
70%

Approx.
30%

Highly Diversified Product Mix (FYQ22)



SELECTED KEY-CUSTOMERS

Construction, Infrastructure and Utilities

62%

Furniture

18%

Automotive

17%

Oil & Gas

3%



Corporate Summary

Sustainable Competitive Advantage



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

The only Indonesian steel pipe producer...

Certified for export to the US and Canada for use in fire sprinkler systems

Capable of making spiral welded (SSAW) pipe with a 120" diameter and 25mm thickness

To produce thick wall stainless steel unthreaded pipes to high specifications

Use 'Blow Galvanize' technology that achieves a uniform coating and better quality

Our Galvenised Pipe has a higher tensile strength while also retaining a higher elongation

This combination enable our GI pipe to withstand more weight as compared to similar product

Commitment to minimising environmental and having a positive social impact

Establishment of SPINDO LSP in support of government educate skilled labor initiatives

Ensuring Occupational Health & Safety practices that meet ISO 45001 : 2018 standards

Implementing an Environmental Management System in compliance with ISO 14001 : 2015

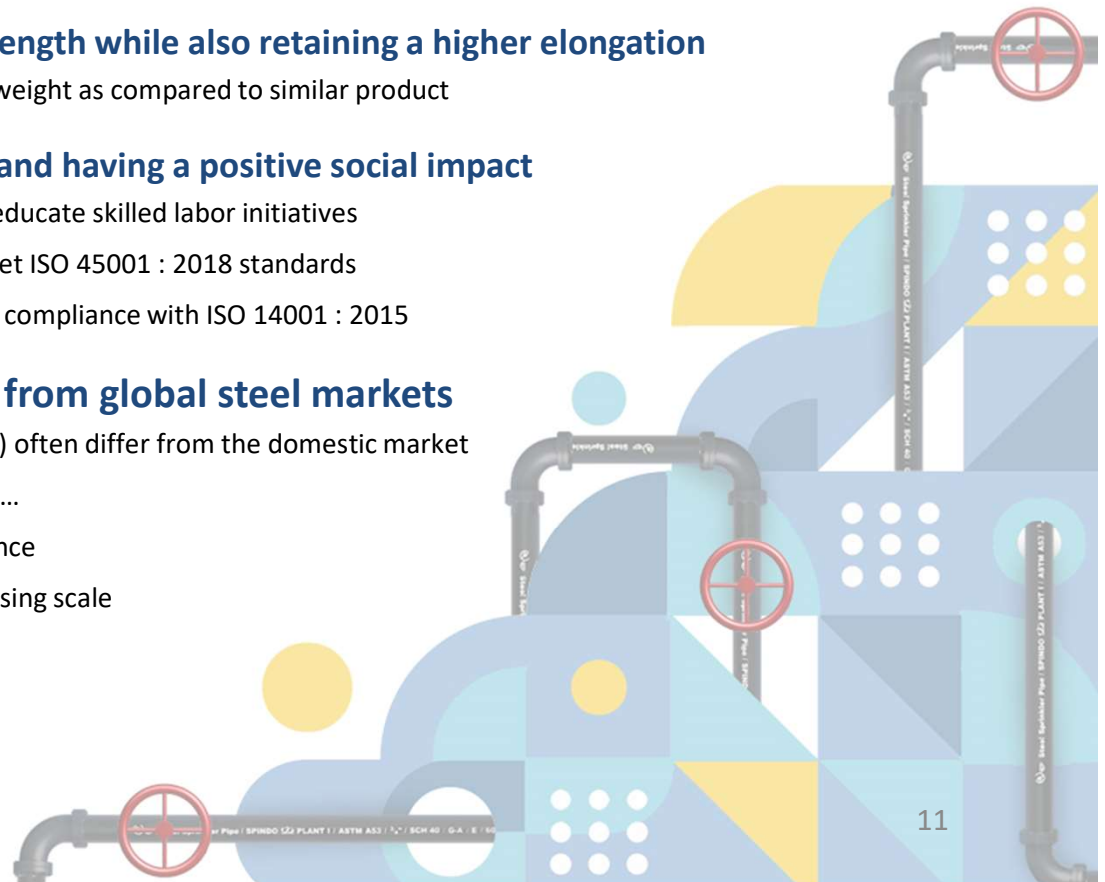
The flexibility to import raw materials from global steel markets

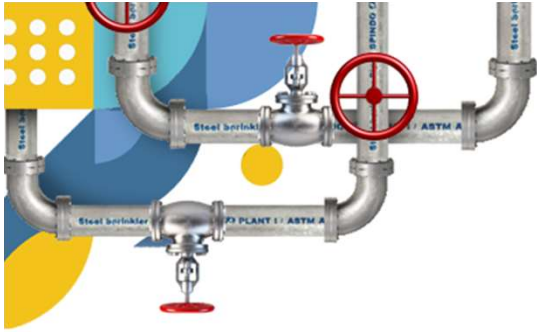
The global supply and demand drivers of rolled coil (HRC) often differ from the domestic market

Competitors are captive to local producers of HRC, while...

Smaller producers further have limited access trade finance

SPINDO's structural cost advantage will grow with increasing scale





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

2

FY 2022 Financial Highlights



FY 2022 Overview



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

- Operational performance continues to show consistent improvement from the 2017-2019 period
- Volatile commodity prices during 2021-22 period effected headline financial performance, in terms for profitability and liquidity.
- The 4-to-5-month lead time of imported raw materials, have now been digested through COGS during 4Q22
- Domestic steel prices also fell during the most recent quarter, further adding to the margin pressure
- These transitory factors have now normalized and ISSP is on track for more regular operations

FY2022 Summary

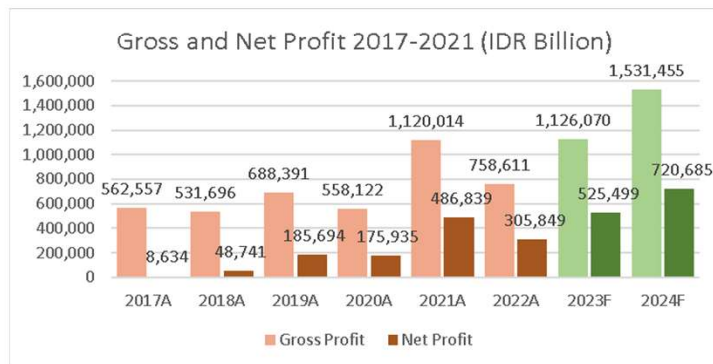
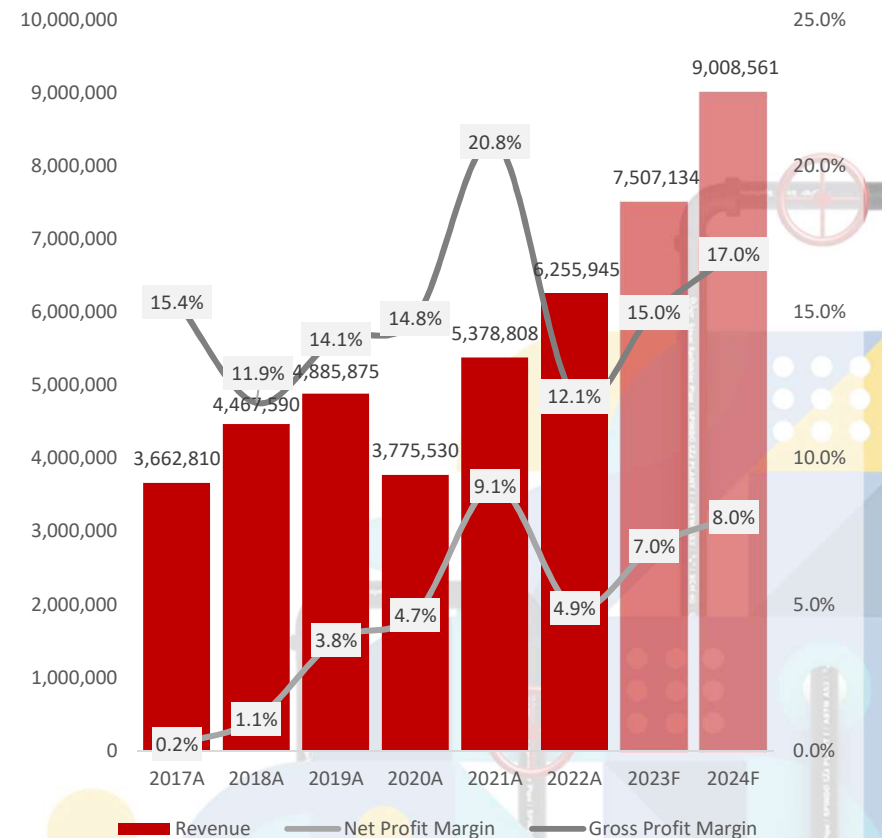


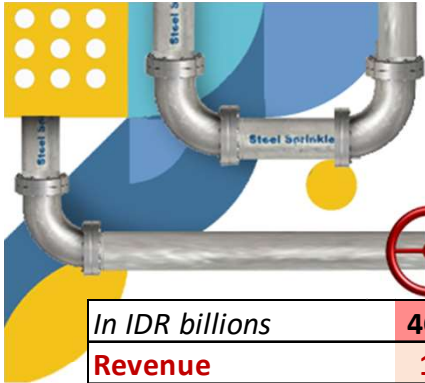
PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

| In IDR billions | FY2022 | FY2021 | FY2020 | FY2019 | Change |
|----------------------------|----------------|----------------|----------------|----------------|---------------|
| Revenue | 6,255.9 | 5,378.8 | 3,775.5 | 4,885.9 | 16.3% |
| Cost of Sales | 5,497.3 | 4,258.8 | 3,217.4 | 4,197.5 | 29.1% |
| Gross Profit | 758.6 | 1,120.0 | 558.1 | 688.4 | -32.3% |
| Gross Profit Margin | 12.1% | 20.8% | 14.8% | 14.1% | -41.8% |
| Operating Expenses | 365.4 | 460.6 | 403.1 | 455.1 | -20.7% |
| Operating Income | 393.2 | 659.4 | 155.1 | 233.3 | -40.4% |
| Net Profit | 305.8 | 486.8 | 175.8 | 185.7 | -37.2% |
| Net Profit Margin | 4.9% | 9.1% | 4.7% | 3.8% | -46.0% |
| EBITDA | 708.2 | 957.1 | 476.4 | 608.7 | -26.0% |
| EBITDA Margin | 11.3% | 17.8% | 12.6% | 12.5% | -36.4% |

- Revenue increase 16.3% (vs 20% target) in 2022 and is largely attributable to a 12% YoY increase in volume
- Operating Expenses fell 21.7% YoY, reflecting further improvement in operating efficiencies
- The positive trend in revenue and net profit between 2017 and 2019 is positioned to continue as shown in 2022 figures
- The COGS impact and margin compression due falling steel prices has reversed in FY23

Revenue and Margin 2017 - 2024F





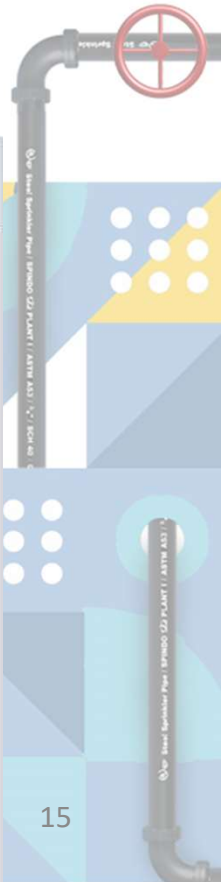
COGS impacted by global steel price

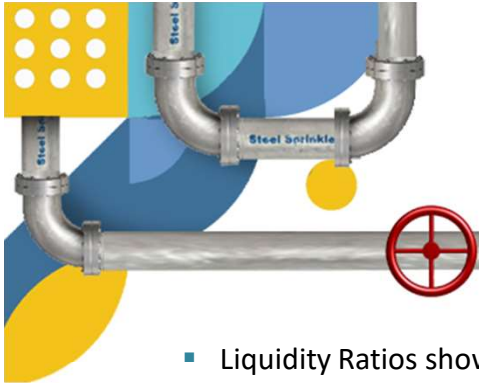


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

| In IDR billions | 4Q2022 | 3Q2022 | 2Q2022 | 1Q2022 |
|----------------------------|----------------|----------------|----------------|----------------|
| Revenue | 1,504.0 | 1,579.2 | 1,160.9 | 2,011.9 |
| Cost of Sales | 1,379.9 | 1,384.1 | 965.4 | 1,768.0 |
| Gross Profit | 124.1 | 195.1 | 195.5 | 244.0 |
| <i>Gross Profit Margin</i> | 8.2% | 12.4% | 16.8% | 12.1% |
| Operating Expenses | 77.6 | 93.5 | 104.9 | 89.4 |
| Operating Income | 46.5 | 101.6 | 90.5 | 154.6 |
| Net Profit | 13.0 | 102.1 | 70.4 | 120.4 |
| <i>Net Profit Margin</i> | 0.9% | 6.5% | 6.1% | 6.0% |

- ISSP able to book 4.8% Net Profit Margin, despite of c. 13% global steel price drop in 2022 or c. 31.5% drop from its highest price at March 2022
- The average GPM for other quarter was c. 13.8%
- Despite of arrival of high priced Raw Material in 4Q2022, ISSP still managed to book 8.2% GPM and 0.9% NPM

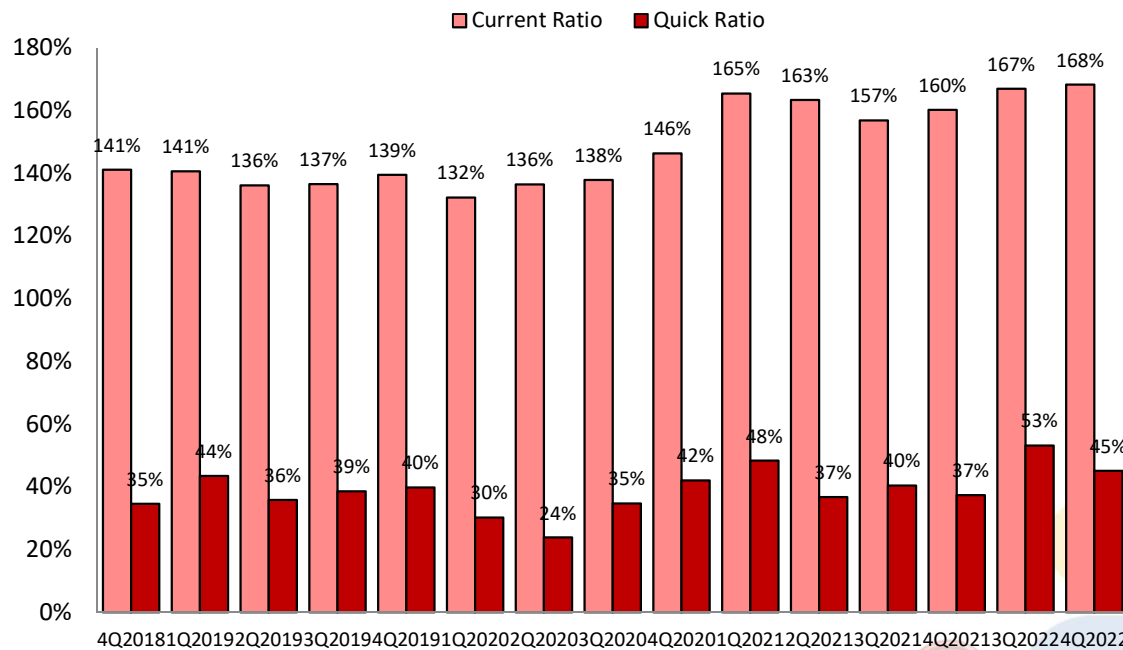




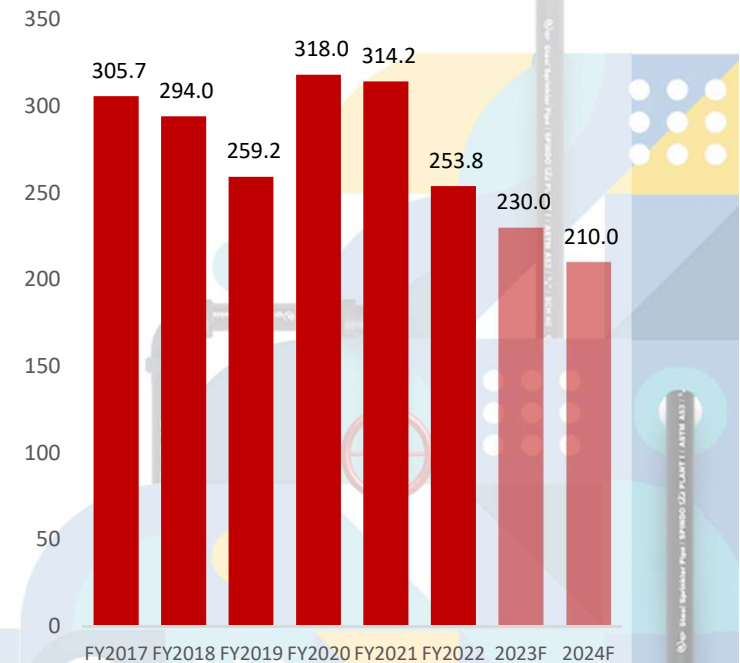
Improving Working Capital

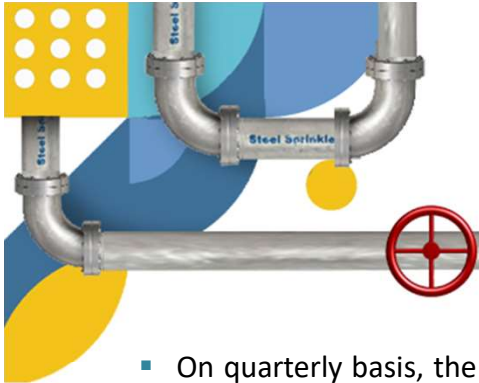
- Liquidity Ratios show consistent improvement since 2018 - Current Ratio at 168% vs 141%
- The Quick Ratio varies due to the opportunistic use of cash to reduce interest expenses
- Annual working capital days also continue to fall following the covid-impacted period during 2020-2021 towards a target of 180 days by 2025

Liquidity Ratios (%)



Annual Working Capital (days)



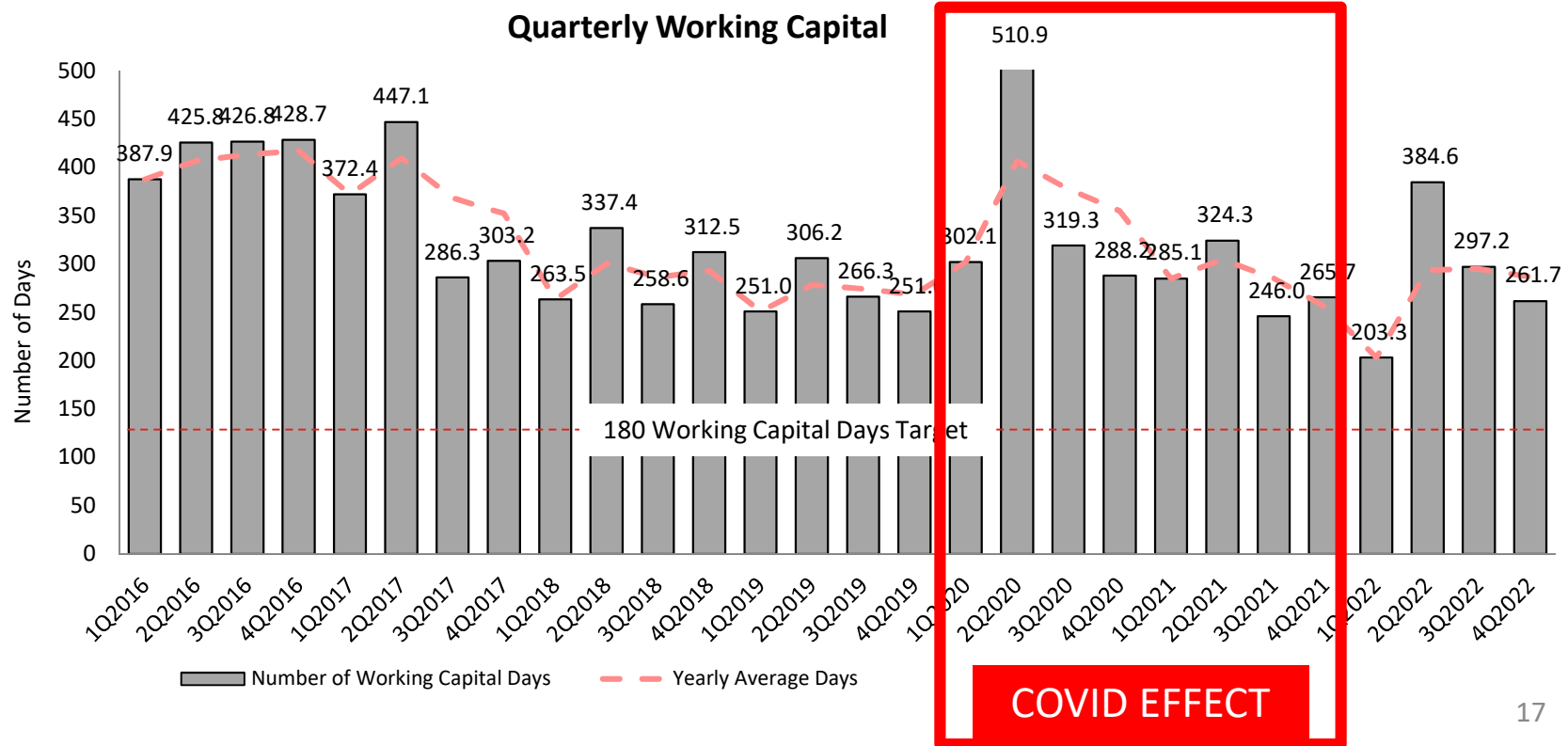


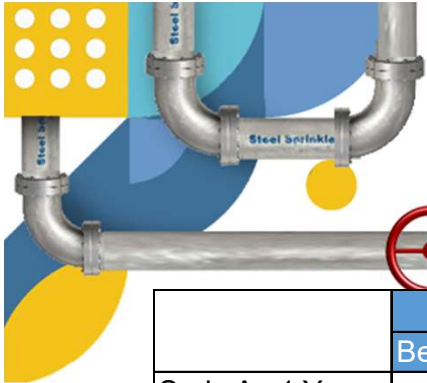
Working Capital Management



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

- On quarterly basis, the 2nd quarter always pose a challenge due to hari raya and collective leave. However, it is shown that we can always manage in the subsequent quarters.
- Management of working capital is conducted by improvement in sales and rm purchase evaluation, reduction of slow moving inventories, and intensifying of AR collection
- We are confident that we can achieve our target of 210 Working Capital Days by 2024 and 180 Days by the end of 2025.





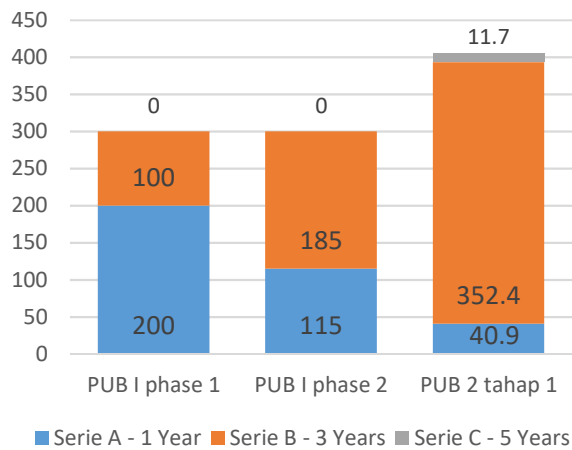
Improved Cost of Fund



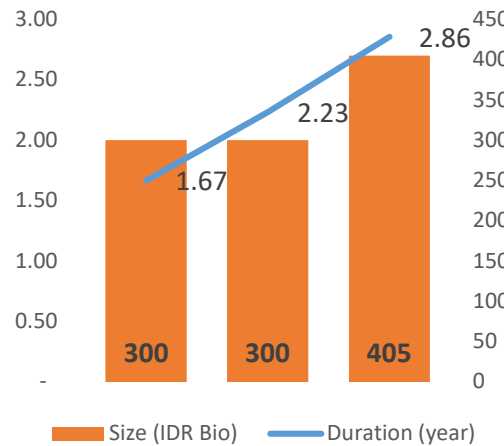
PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

| | PUB I Phase 1 - 2021 | | | PUB I Phase 2 - 2022 | | | PUB 2 Phase 1 - 2023 | | |
|-------------------|----------------------|--------|--------------|----------------------|--------|--------------|----------------------|--------|--------------|
| | Benchmark | Spread | Final Coupon | Benchmark | Spread | Final Coupon | Benchmark | Spread | Final Coupon |
| Serie A - 1 Year | 3.68% | 4.49% | 8.175% | 4.44% | 3.06% | 7.50% | 6.28% | 1.47% | 7.75% |
| Serie B - 3 Years | 4.42% | 5.08% | 9.500% | 5.67% | 3.83% | 9.50% | 6.31% | 3.19% | 9.50% |
| Serie C - 5 Years | | | | | | | 6.49% | 3.51% | 10.00% |

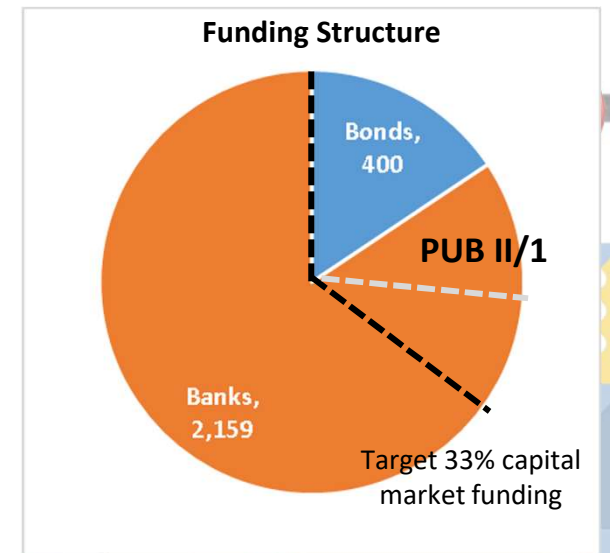
Maturity Profile on Issuance



ISSP Capital Market Instrument



Funding Structure



- ISSP has successfully completed its 1st Continuing Public Offering (PUB) totaled IDR 600.000.000.000 (Six hundred billion Rupiah) in effort to diversify funding sources.
- The typical duration of 2nd phase was 2.23 years, improved from 1.67 years in 1st phase. This lengthening of duration will impacted positively on ISSP future cashflow and significantly reduce refinancing risk.
- ISSP also manage to tighten the coupon spread, demonstrating increased public confidence in ISSP credit performance

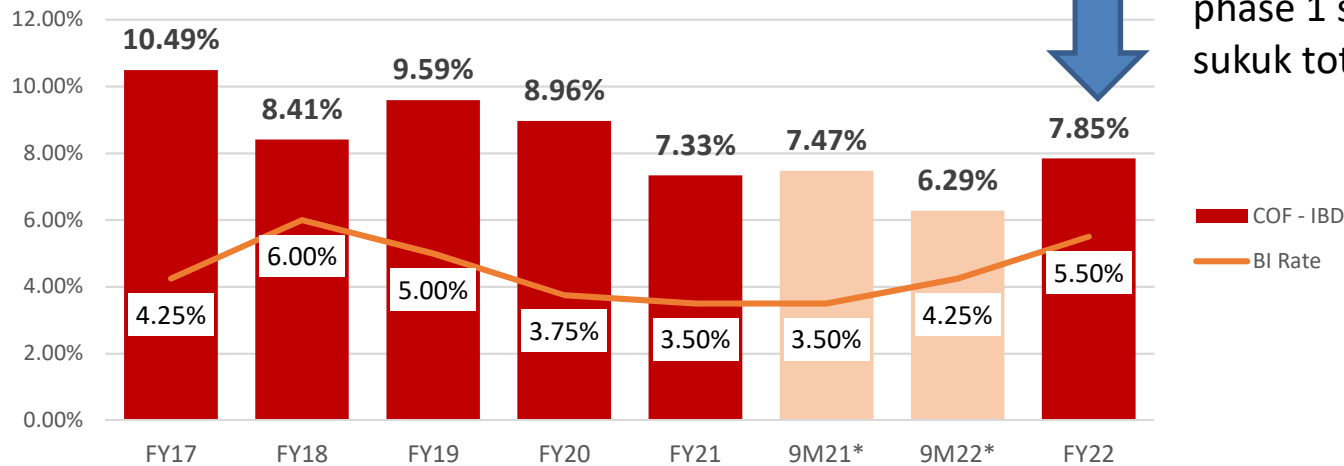


Improved Cost of Fund



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

COF - Interest Bearing Debt



Principal Payment of PUB 1 phase 1 serie A of Bonds and sukuk totaled IDR 200 billion

*Annualized

- ISSP manage to maintain its 1 year sukuk-bonds coupon at 7.5%, regardless of increased BI 7 days RR Rate of 200 Bps in 2021 – 2022
- ISSP will continue to diversify its funding source to obtain most efficient structure to finance its working capital and investment requirement

BI 7-day (Reverse) Repo Rate

| No | Period | BI-7 Day |
|----|-------------------|----------|
| 4 | 22 December 2022 | 5.50 % |
| 5 | 17 November 2022 | 5.25 % |
| 6 | 20 October 2022 | 4.75 % |
| 7 | 22 September 2022 | 4.25 % |

Improved Sales

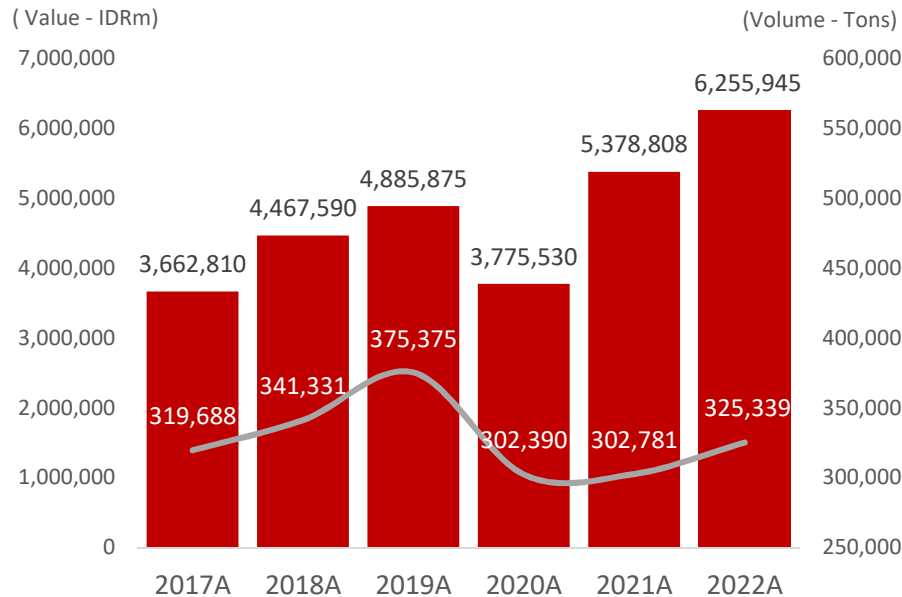


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Sales Composition

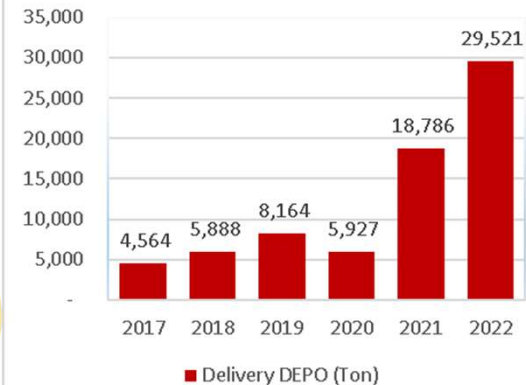
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------|--------|--------|--------|--------|--------|
| Oil & Gas | 0% | 0% | 0% | 0% | 1% | 3% |
| Furniture | 14% | 14% | 16% | 19% | 18% | 18% |
| Automotive | 19% | 19% | 19% | 17% | 16% | 17% |
| Construction, Infrastructure & Utilities | 67% | 67% | 65% | 64% | 65% | 62% |
| Total Sales Vol (000 Ton) | 319.69 | 341.33 | 375.38 | 302.39 | 302.78 | 325.34 |

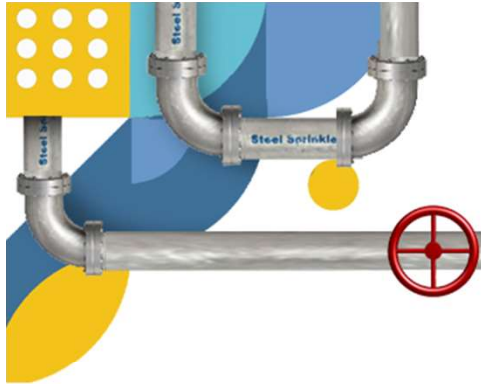
Sales Performance



- The direct distribution channel owned by the company has yielded satisfactory results in terms of sales.
- Typically, sales of smaller batches through the depot contribute to higher profit margins.
- The total sales volume has started to improve and reach pre-COVID levels.

Delivery DEPO 2017 -2022





Improved Sales

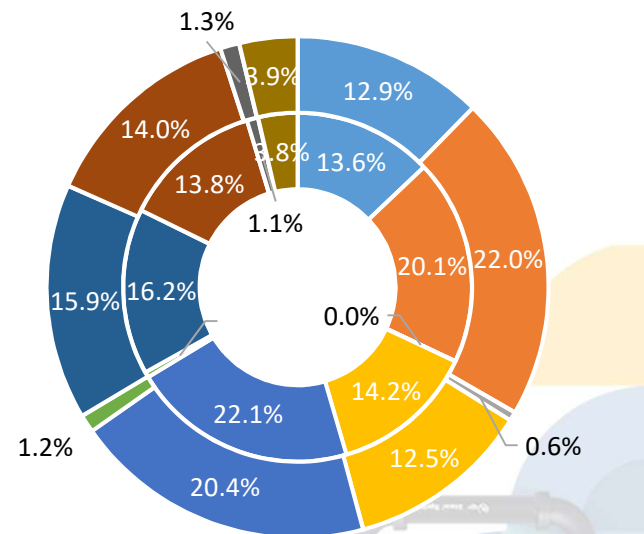


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Steel sprinkler Pipe / SPINDO (P) PLANT 1 / ASTM A53 / 1/2" / SCH 40 / G-A / E / 6000 MM / 1200 Psi / HEAT NO C837212

- With the expansion of telco company, our poles sale also improved significantly.
- API-Standard for use in oil and gas industry and Stainless-Steel pipes also performed significantly stronger YoY due to improvement in related sectors. We also recently installed our 8" stainless-steel pipe machines to further improve our capabilities in this fast-growing product segment.
- Spiral Pipe products also performed well this quarter as they are primarily used in infrastructure development. We expect that the construction of the new capitol (IKN) will further boost sales for this product category.

Sales Composition 2021 vs 2022



- Strips and Plates
- Water Pipes
- Mechanical Pipes
- Poles
- Spiral Pipes (non API)
- Black Pipes (non API)
- Furniture Pipes
- Spiral Pipe (API)
- Black Pipes (API)
- Stainless Pipes





Improved Marketing



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Steel Sprinkler Pipe / SPINDO (X) PLANT 1 / ASTM A53 - 1/2" - SCH 40 - G-A - E - 6000 MM / 1200 Psi / HEAT NO C837212



SAUDI BUILD

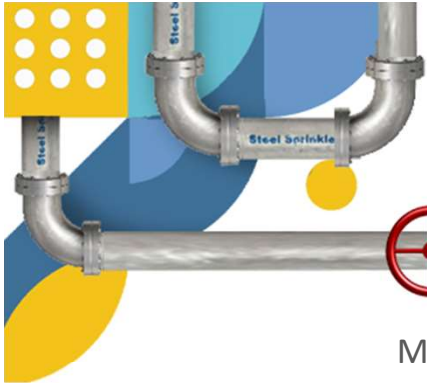
06 – 09 November 2023

Riyadh International Convention & Exhibition Center



- spindosteelpipe** Pada hari Rabu 25 Januari 2023, SPINDO mengadakan Sales Training dengan @hissteelindo di Bekasi, Jawa Barat. Sales training ini memiliki tujuan agar Hi Steel mengenal lebih dalam terkait produk-produk pipa baja SPINDO.
#cgspsindo #spindosteelpipe #pipaspindo #pipabesi #pipabaja #pipabajapastispindo #spindo #steel #pipe #steelpipe #steelpipes #pipa #baja #pipagalvanis #pipahitam #kabarSPINDO #Spindonews #Bekasi
6w · See translation
- Juprianto_arjuna_bima** Ada jual casing pipa borfile dia 600mm tebal 6 mm
6w · Reply · See translation
- limiaty_fatma** Salam dari pengguna spindo ❤️ Lumajang jawa timur Bengkel Las Harapan Indah 🙏 semoga spindo semakin jaya 🙏
6w · 1 like · Reply · See translation



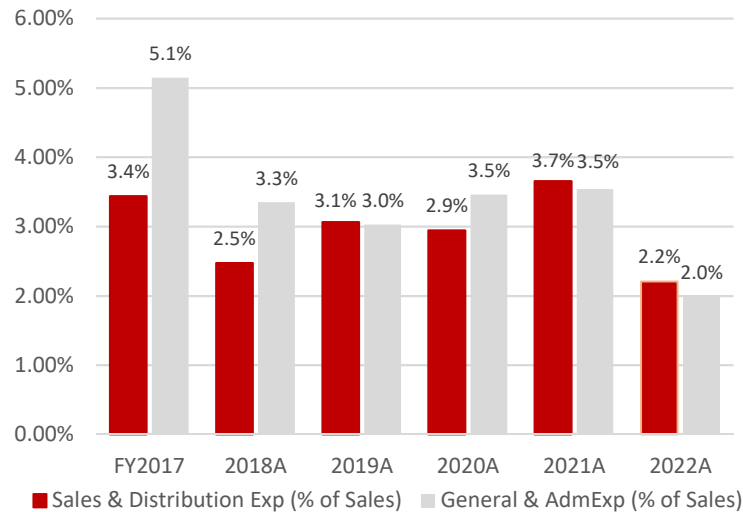


Improved Operation

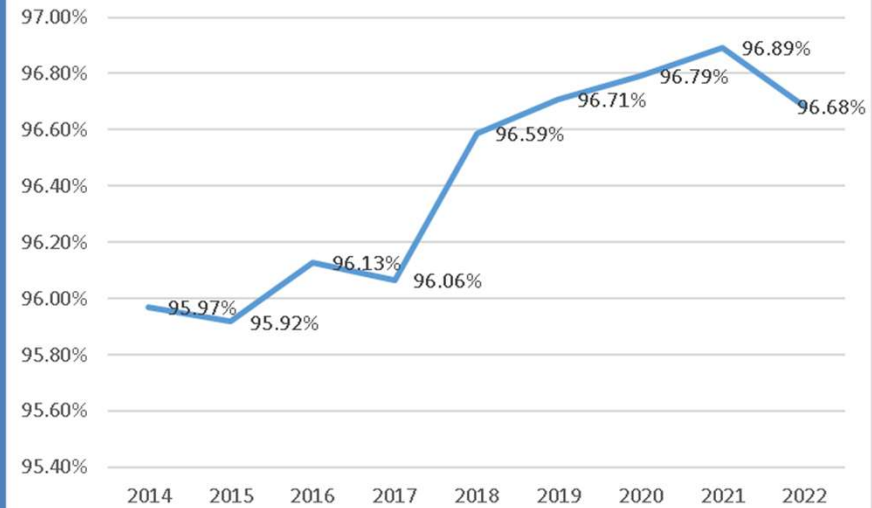


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Major Expenses



Annual Yield Average



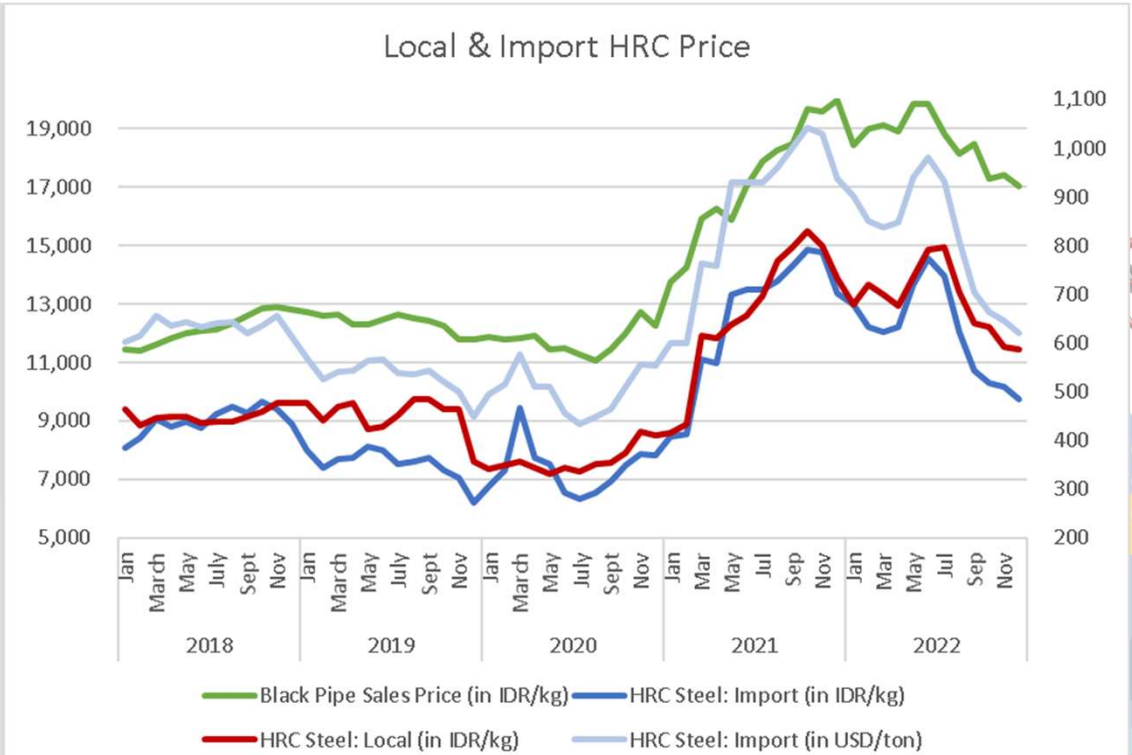
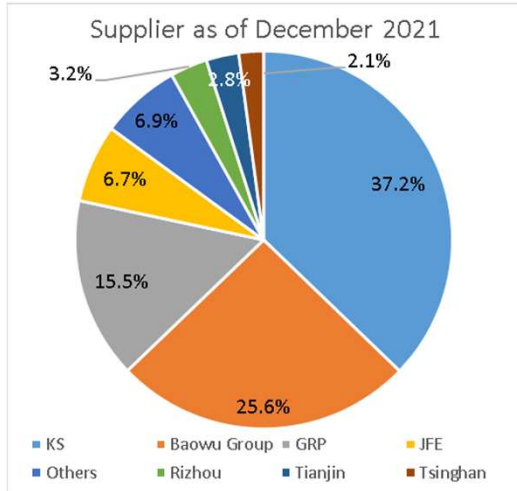
- Our efficiency in operation and sales/distribution area also contribute to our ability to maintain profitability. Efficiency campaign declared in every office and plants to ensure sustainable efficiency effort.
- Efficiency effort also apply to energy-consuming process, in order to progress towards more environmentally-friendly process as well as reduce our carbon footprint
- Improved layout helps in efficiency of logistic and goods movement, also helps to lower waiting time, and improve customer satisfaction
- Remapping of operators and managers ensure optimal level of productivity while increasing tonnage produced. Upgrading of supporting machine (such as laser cutter) also helps to reduce overall costs



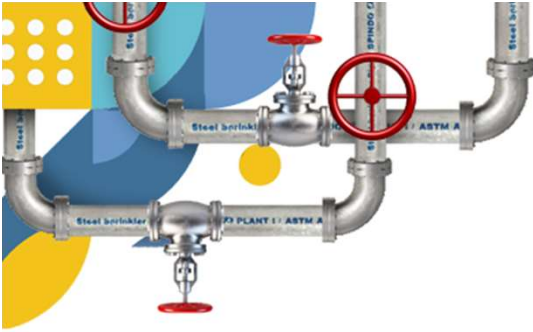
Improved Purchasing



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



| Purchase of Materials | FY2021 | | | FY2022 | | |
|------------------------------------|----------------|------------------|---------------|----------------|------------------|---------------|
| | Ton | IDR Mio | % | Ton | IDR Mio | % |
| Local | 196,646 | 2,525,019 | 56.4% | 120,960 | 1,817,312 | 39.1% |
| Import | 149,418 | 1,952,687 | 43.6% | 212,725 | 2,830,612 | 60.9% |
| Total Purchase of Materials | 346,064 | 4,477,706 | 100.0% | 333,685 | 4,647,924 | 100.0% |

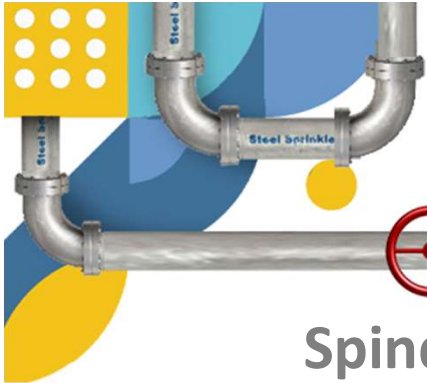


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

3

Going Forward



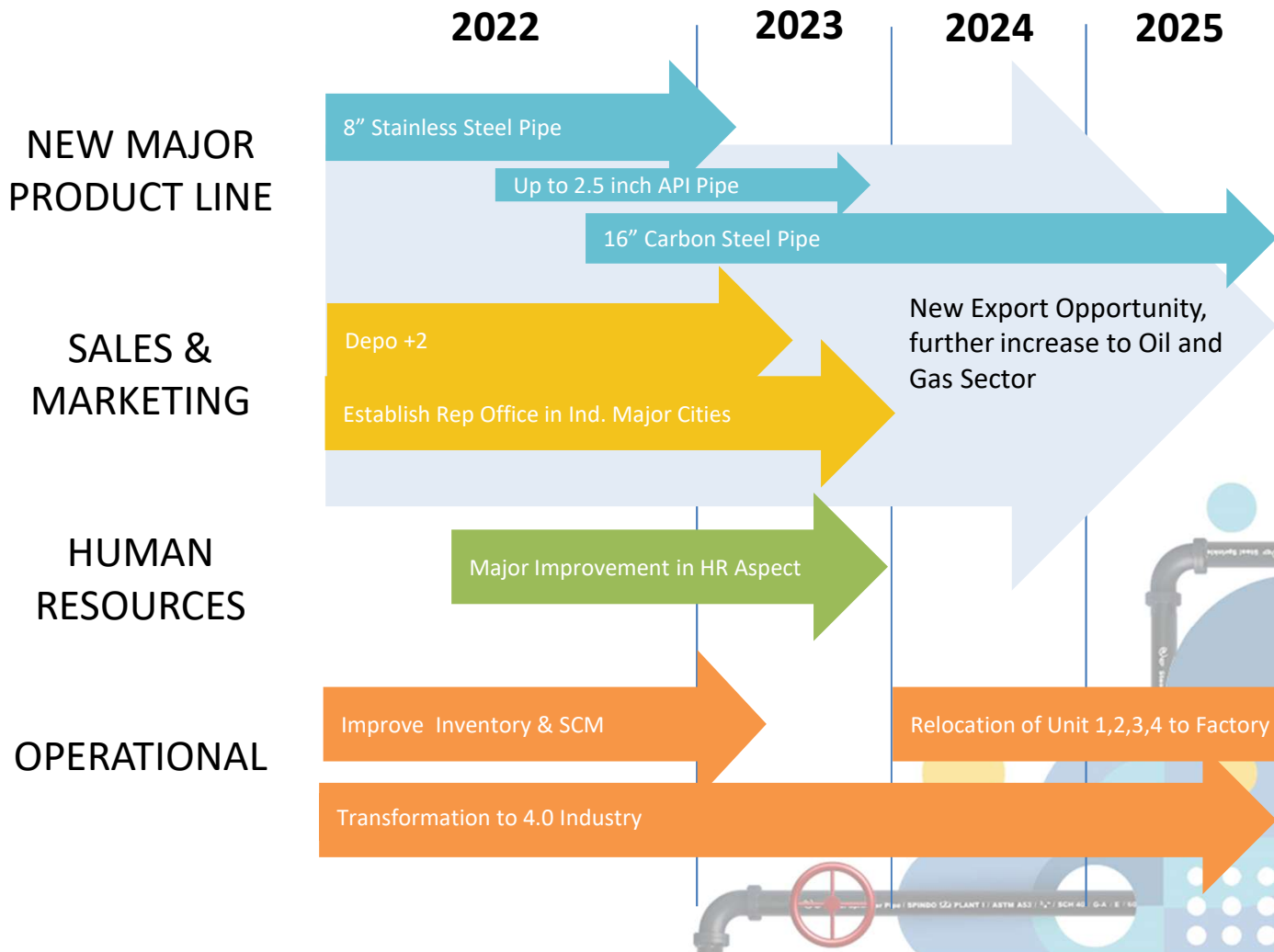


2022 – 2025 Strategy



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Spindo is targeting to reach 500,000Ton sales by 2025



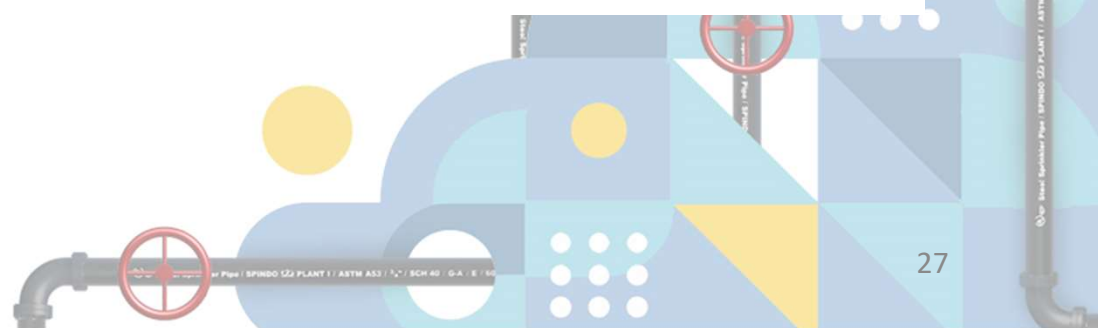


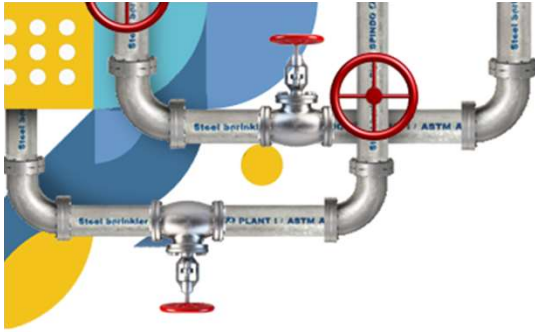
Growing Our Product Offering

Steel sprinkler Pipe / SPINDO (2) PLANT 1 / ASTM A53 / 2" / SCH 40 / G.A. / E. / 6000 MM / 1200 Psi / HEAT NO C837212

Only incremental capex required to grow high margin product offering

- Expansion of Stainless Steel Pipe making capability up to 8 inch (previously up to 4 Inch)
- Installation of bigger diameter SS Industrial Pipe expected to add 500 – 2.000 ton/mo sales of SS Pipe
- Expansion of ERW Pipe making capability up to 16 inch (previously up to 8 Inch) with capacity of 40.000 tons per month is expected to add 5,000 – 20,000 tons per month in sales scheduled to commence production in 2026
- Retrofitting KUSAKABE Machine to small diameter API pipe making and testing equipment
- Smaller diameter API pipe capability in Factory V is slated to add 500-2,000 tons month API pipe sales with maximum capacity of 6,000 tons month
- Boosting export sales with support of Ministry of Trade





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

3

Market Outlook



Local Economic Outlook



Steel sprinkler Pipe / SPINDO (2) PLANT 1 / ASTM A53 / 1/2" / SCH 40 / G-A / E / 6000 MM / 1200 Psi / HEAT NO C837212



PULIH
LEBIH CEPAT
BANGKIT
LEBIH KUAT

Indonesia
baik.id



5 Main Focus of State Income Expenditure Budget 2023

3

Strengthen effectiveness of
implementation of bureaucratic
reform and simplification of
regulations

2

Acceleration of
infrastructure building to
support economy
transformation

1

Strengthen of quality of
Human Resource that are
productive, innovative and
competent



4

implementation of
industrial
revitalization, by
encouraging
downstream

5

Encouraging the
construction and
development of a
green economy

Joko Widodo
President of Republic
of Indonesia

16 August 2022

16-08-2022
Sekretariat Presiden

IndonesiaBaik.id

Riset Rosi Okt. Grafis Chyntia



Republika

DEFEND ID Increases TKDN by 50 Percent

President Jokowi reminded Defense Minister Probowo Subianto of the importance of encouraging cooperation between the internal defense industry...

4 days ago

MSN

The Ministry of Industry Emphasizes the Importance of TKDN for Electric Motors

The Ministry of Industry emphasizes the importance of tkdn for electric motors. Viar Q1. Minister of Industry Agus Gumiwang Kartasasmita paid a working visit...

3 weeks ago

BeritaSatu.com

Deputy Ministry of Finance: Downstream Export Products to Increase Foreign Exchange

Succeed emphasized the importance of using domestic production and products that have domestic component levels (TKDN)...

2 days ago

detikFinance

Local Components Must Be Encouraged, This Is Important

"SUCOFINDO supports POLRI to continue to optimize domestic products in the procurement of goods or services. TKDN implementation is also capable

Jul 27, 2022

Otomotif

Pursue High TKDN, Toyota and Suzuki Promise to Complete Localization of Materials and Components

"[The remaining] material is more of an issue upstream." he explained. Meanwhile, the government on several occasions emphasized the importance of TKDN. Even...

Jun 16, 2022





Recovery of Automotive



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Steel sprinkler Pipe / SPINDO (P) PLANT 1 / ASTM A53 / 2" / SCH 40 / G-A / E / 6000 MM / 1200 Psi / HEAT NO C837212

Indonesia Total Car Sales

Summary Calendar Forecast Stats Alerts Download

1Y 5Y 10Y 25Y MAX Chart Compare Export API Embed



ANTARA News

Indonesia aims to produce 1.6 million cars in 2023

The Industry Ministry is aiming to produce up to 1.6 million cars this year given the high global uncertainty being experienced currently,...

1 month ago

Investor Daily

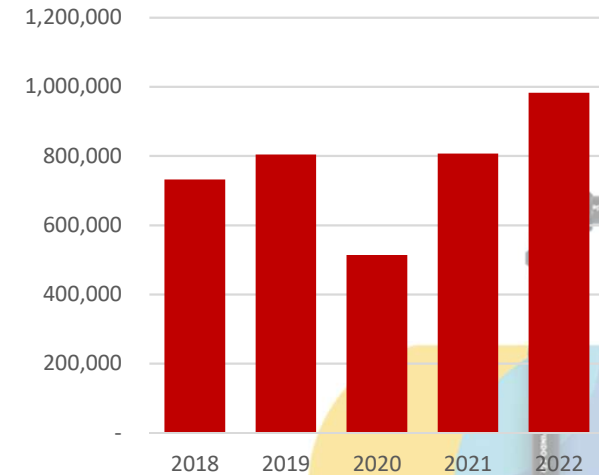
Ada 140 Juta Unit, Pasar Kendaraan Listrik Indonesia Menjanjikan

JAKARTA, Investor.id - PT VKTR Teknologi Mobilitas memproyeksikan pasar kendaraan listrik di Indonesia sangat menjanjikan.

1 day ago



Mechanical Pipes



- Apart from current steady supply to top auto manufacturers both 2w and 4w, ISSP also seek new cooperation with EV maker in Indonesia
- New factory of Hyundai as well as other planned investment supported positively to our auto segment

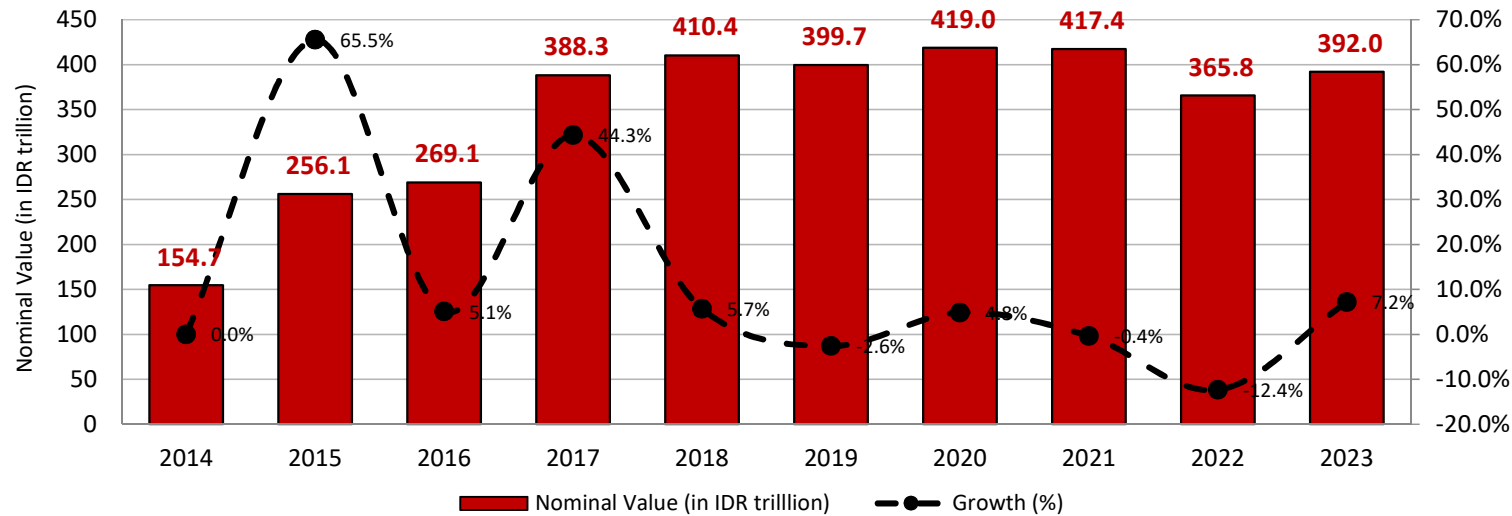


Continuing Commitment on Infrastructure



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Infrastructure Budget Allocation in Indonesia (2014 - Present)

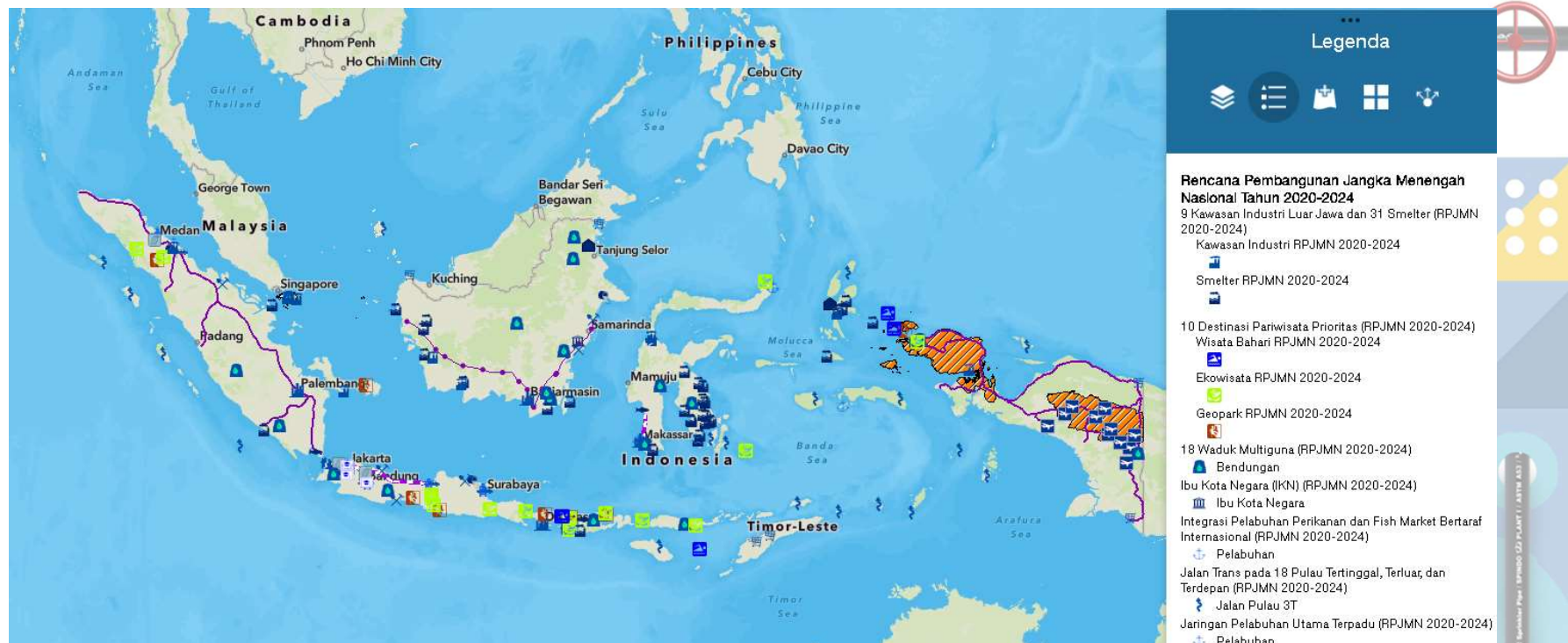


- ISSP Actively and constantly participating in government infrastructure project., such as IKN, toll road development and other projects
- In 2022 our Spiral Non-API Pipe sales jumped 32.5% despite 0,4% reduction on infrastructure budget



Local Economic Outlook

- Low steel prices are generally beneficial for Indonesia – expediting the development of infrastructure projects while reducing the risk of delays due to budget overruns. It is also important to have the inventory to enable timely delivery as the project completion date is fixed.
- Lower supply due to closure of mills expected to stabilize global steel price.



Local Economic Outlook

Ministry of Public Works and Public Housing (PUPR)

- Construction of 10,372 m of new bridge.
- Construction of 3,511 new Flats.
- Construction of 3,361 units of new Special Houses.
- Construction of a Drinking Water Supply System (SPAM) with a capacity of 1,799 liters/second
- Construction of 23 dam units (13 dam units completed) and construction of 7 new dam units started.
- Development and rehabilitation of 6,900 and 98,700 Ha of irrigation networks, respectively.
- Construction of 489.09 km of new roads and 49 km of freeways.

Ministry of Transportation

Fulfillment of connectivity infrastructure and improvement of transportation services, including

- 6,724 km along the Railroad (cumulative).
- Construction of 6 new Airport locations.
- Construction of 8 new ferry ports.

spindoesteelpipe Penggunaan pipa SPINDO juga terdapat pada proyek Jembatan Teluk Kendari sepanjang 1,34 Km di Kota Kendari, Provinsi Sulawesi Tenggara (Sultra). Kehadiran Jembatan Teluk Kendari akan memberikan manfaat bagi pengembangan bagian selatan Kota Kendari yakni daerah Poasia dan Pulau Bungkutoko yang akan dikembangkan menjadi kawasan permukiman, kawasan industri dan pelabuhan Kendari New Port. Disamping itu juga akan meningkatkan konektivitas jalan nasional dan jalan lingkar luar Kota Kendari.



spindoesteelpipe Pipa SPINDO turut berkontribusi untuk perkembangan infrastruktur Indonesia dengan penggunaan pipa pancang SPINDO pada Jalan Tol Solo Kertosono, Jawa Tengah



spindoesteelpipe Salah satu contoh penggunaan pipa air SPINDO terdapat pada proyek SPAM Umbulan. Sistem Penyediaan Air Minum (SPAM) Umbulan di Winongan, Kabupaten Pasuruan dipercaya akan memberikan keadilan dan manfaat besar untuk sebagian besar masyarakat di Jawa Timur. Diantaranya Kota dan Kabupaten Pasuruan, Kabupaten Sidoarjo, Kota Surabaya, dan Kabupaten Gresik. Kapasitas air SPAM Umbulan diperkirakan mencapai 4000 liter/detik direncanakan bisa dinikmati 1,3 juta jiwa atau sekitar 260 ribu kepala keluarga. Air Umbulan akan didistribusikan ke PDAM masing-masing daerah. Antara lain Kota Pasuruan (110 liter per detik); Kabupaten Pasuruan (410 liter per detik); Kota Surabaya (1.000 liter per detik); Sidoarjo (1.200 liter per detik); Gresik (1.000 liter per detik).



Local Economic Outlook

Ministry of Energy and Mineral Resources

Continuing to fulfill energy infrastructure, including

- Fuel to BBG Converter Kit for Farmers and Fishermen 43,560 units.
- Construction of the Cirebon-Semarang Natural Gas Transmission Pipeline Phase I (Semarang-Batang Section) 62.4 km (multi year 2022-2023).
- Construction of 144 units of Rooftop PLTS.

Ministry of Communication and Information

Continuing the development of telecommunications and digital infrastructure, especially in the 3T area, including

- Construction of new BTS/Lastmile in 332 Locations
- Provision of 9,755 new internet access points
- Provision of satellite capacity of 37 Gbps.
- Development of National Data Centers in 2 Locations

Ministry of Agriculture

Fulfillment of infrastructure and provision of facilities and infrastructure in the field of Agriculture include

- Tertiary Irrigation Network 3,213 Ha.
- Embung Pertanian 391 unit.
- Land Optimization 521 km²

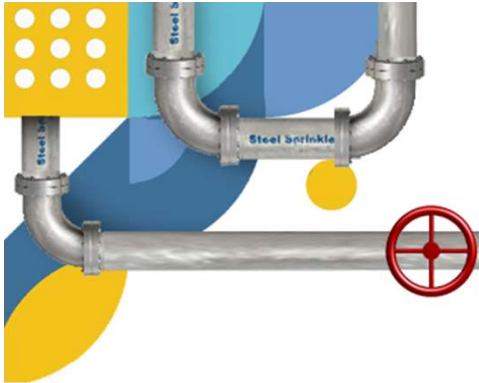
spindosteelpipe Salah satu contoh aplikasi dari pipa spiral SPINDO adalah pipa minyak dan gas. Pipa spiral SPINDO tersertifikasi API serta memiliki berbagai macam ukuran yang dapat disesuaikan untuk aplikasinya, mulai dari 6" hingga 120". Selain itu, produk SPINDO juga terdiri dari beragam produk kustom yang dibuat sesuai pesanan. Pipa kustom SPINDO tersedia dalam berbagai macam ketebalan, panjang, dan diameter ketebalan luar.



spindosteelpipe Penggunaan pipa spiral SPINDO sangat beragam, salah satunya adalah sebagai pipa air. Contoh aplikasi pipa spiral sebagai pipa air adalah penggunaan pipa spiral sebagai pipa PLTMH (Pembangkit Listrik Tenaga Mikro Hidro).



spindosteelpipe Berdasarkan aplikasinya, pipa galvanis SPINDO dapat diaplikasikan untuk berbagai macam kebutuhan. Salah satu contohnya, pipa galvanis SPINDO dapat diaplikasikan sebagai kandang unggas ataupun kandang sapi.



Local Economic Outlook

MASSIVE ECONOMY

GDP Nominal¹
USD 1.15 Tn

#1 in ASEAN, #6 in Asia
Approximately equivalent to
Total GDP of MY + TH + VN

Population²
270 Mn

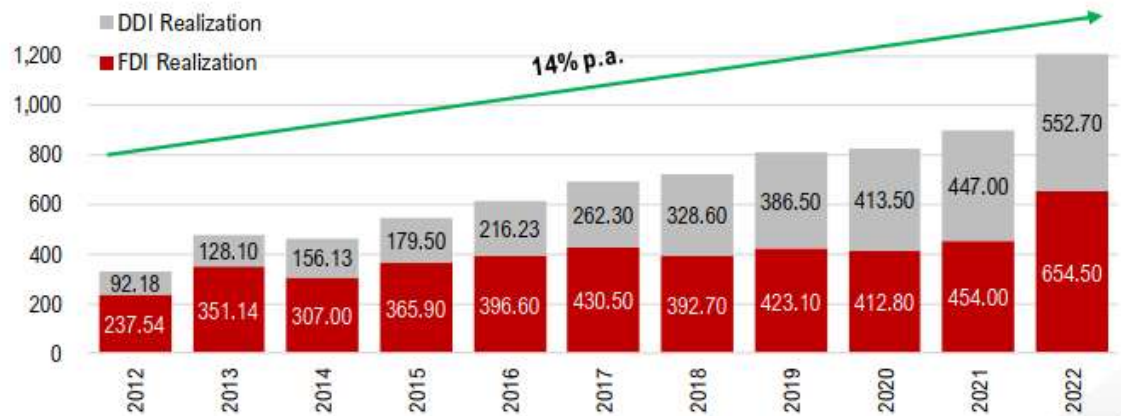
#1 in ASEAN, #3 in Asia
Total working age (15-64 yrs):
±183.36 million or
70% of total population

List of the 25 largest economies
by GDP (PPP) at their peak level as of 2022 in million
Int\$^[5]

| Rank | Country | Value | Peak year |
|------|-----------------------|-------------|-----------|
| — | <i>World</i> | 161,449,514 | 2022 |
| 1 | China | 30,074,380 | 2022 |
| 2 | United States | 25,035,164 | 2022 |
| — | European Union | 24,048,856 | 2022 |
| 3 | India | 11,665,486 | 2022 |
| 4 | Japan | 6,109,961 | 2022 |
| 5 | Germany | 5,316,933 | 2022 |
| 6 | Russia | 4,649,674 | 2022 |
| 7 | Indonesia | 4,023,501 | 2022 |
| 8 | Brazil | 3,782,763 | 2022 |
| 9 | United Kingdom | 3,776,044 | 2022 |
| 10 | France | 3,688,323 | 2022 |

Foreign & Domestic Direct Investment

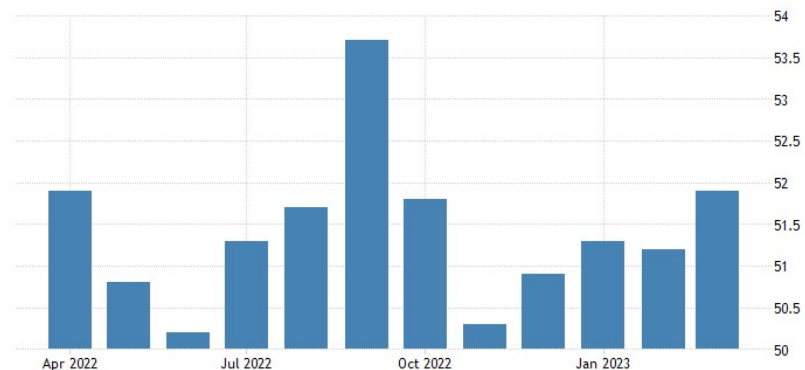
IDR Trillion



Indonesia Manufacturing PMI

Summary Forecast Stats Alerts

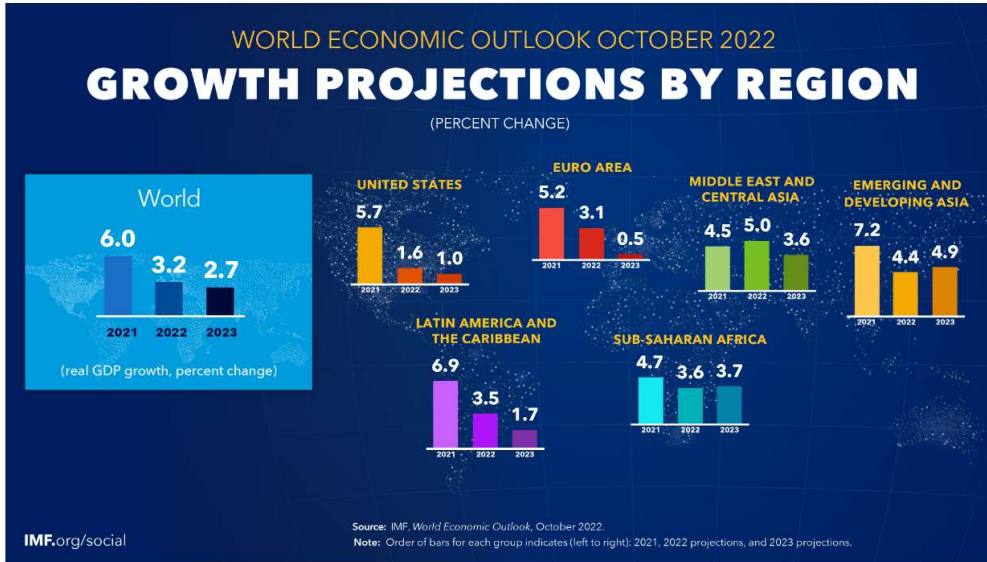
1Y 5Y 10Y 25Y MAX Chart Compare





Global Economic Outlook

Steel sprinkler Pipe / SPINDO (P) PLANT 1 / ASTM A53 / 2" / SCH 40 / G.A. / E / 6000 MM / 1200 Psi / HEAT NO C837212



- Globally, the economic condition is more uncertain and challenging than ever.
- Energy crisis resulted in further slowdown of economy
- Political tension between US and China impacted directly to certain products, such as commodity as well as microchips
- Consumer behavior dynamics also affect global supply and demand

Phnom Penh Post

ASEAN a bright spot in gloomy global outlook, says IMF chief

Our projection for global growth has been revised downwards, and we expect the world economy to grow by a mere 2.5 per cent next year,...

3 days ago

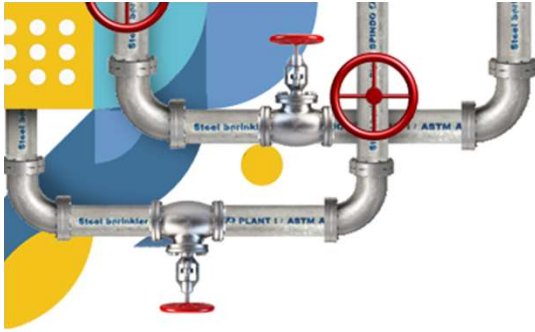
CNBC

Asia-Pacific will lead global economic growth in 2023, S&P says

*Asia Pacific, which produces 35% of world GDP, will dominate global growth in 2023, supported by regional free-trade agreements, efficient...

3 weeks ago





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

6

Guidance & Outlook





2023 Guidance & Outlook



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

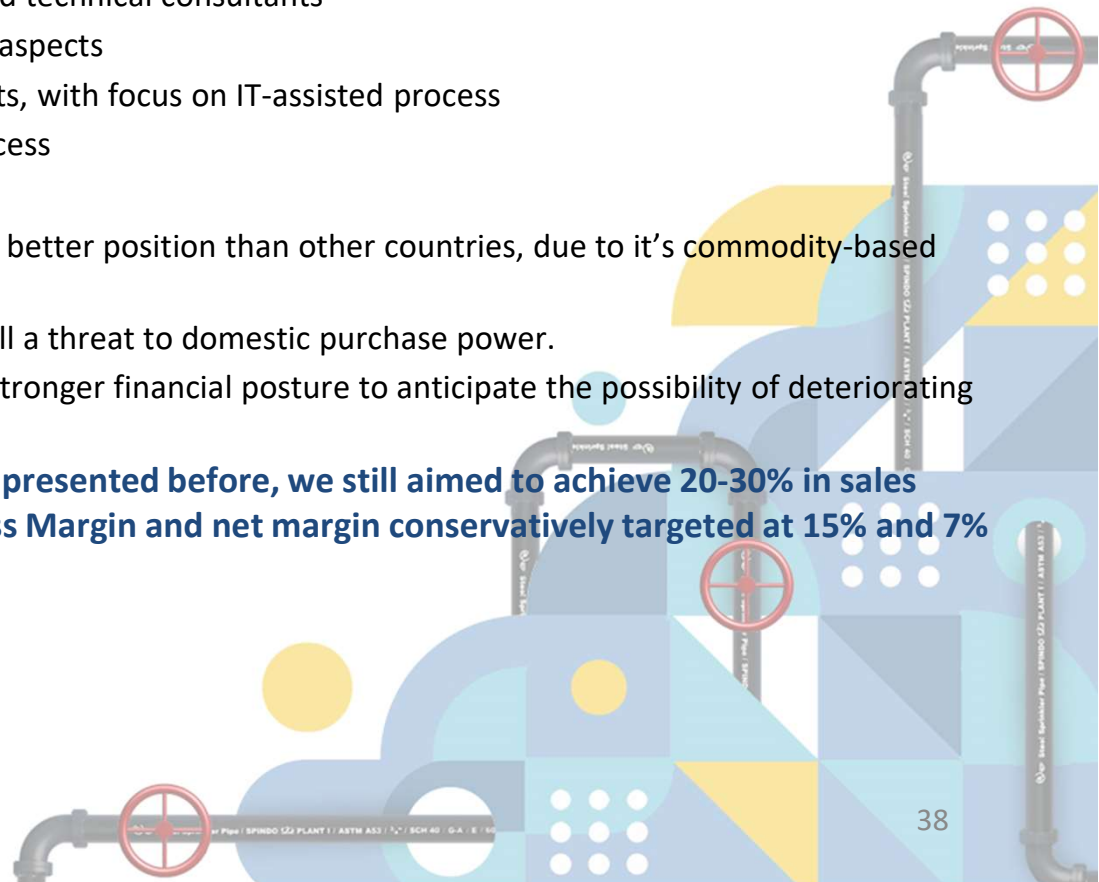
As SPINDO achieve satisfactory results despite of headwinds and challenges, we believe the company is on the right track on its current strategy.

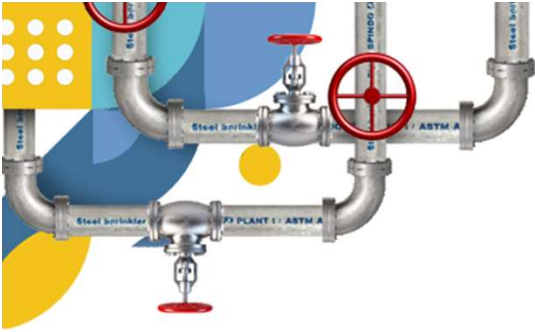
- Sales Force expansion
- Funding source diversification
- Marketing approach to end-user and technical consultants
- Evaluation and improvement in HR aspects
- Improvement on operational aspects, with focus on IT-assisted process
- Focus on Green Manufacturing process

The global condition is highly uncertain

- We believe Indonesia in a relatively better position than other countries, due to it's commodity-based economy
- Interest rate hike and inflation is still a threat to domestic purchase power.
- A more conservative approach for stronger financial posture to anticipate the possibility of deteriorating economic condition

Given all the opportunities and challenges presented before, we still aimed to achieve 20-30% in sales volume as compared to FY 2022, with Gross Margin and net margin conservatively targeted at 15% and 7% respectively.





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

3

ESG Focus



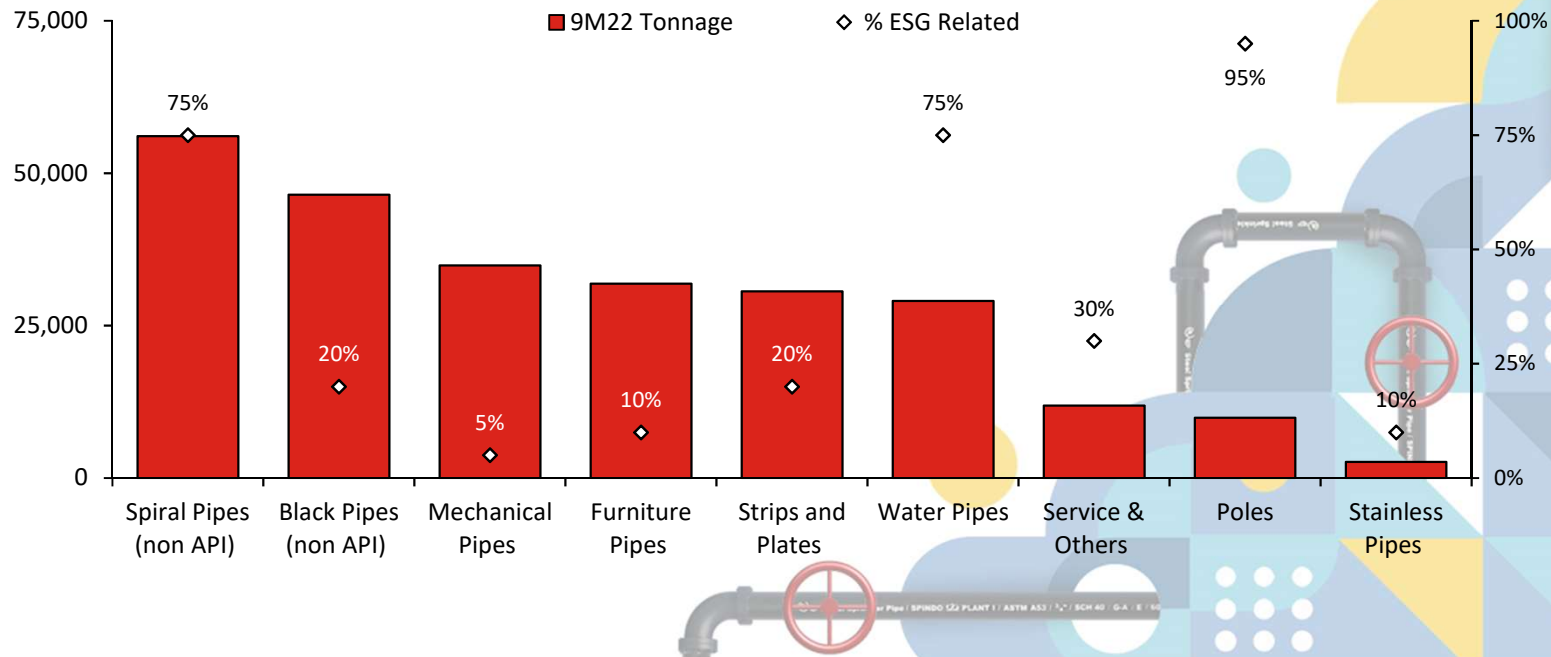
Our Role in Enabling Environmental and Social Progress

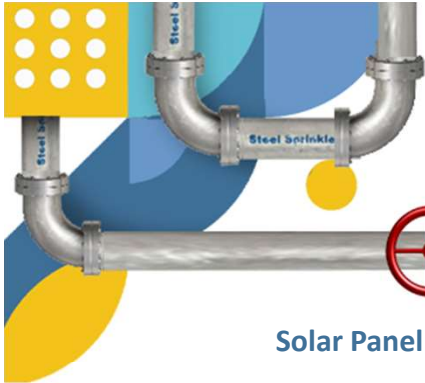


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

We originally carried out end-use surveys of our products with our clients to better understand how we could augment products to better suit recurring customers. As part of that data set, we've now included estimates on the proportion of our sales that contribute towards the various projects that we are involved in every year. Some key highlights include;

- Construction of key infrastructure in rural areas that improve access and utilities for underserved communities.
- Projects involving the development of utilities and transportation. Some recent additions include the construction of MRT & LRT Projects as well as in Data Centers, Solar Panels, Waste Treatment Centers, Potable Water Distribution etc.
- Our current contribution to the EV Industry is low (Mechanical Pipes) but we estimate that this will pick up materially in the coming years.
- The majority of poles sold by SPINDO go towards the development of electricity and internet provision across Indonesia.





Corporate Summary ESG Initiatives



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Steel sprinkler Pipe / SPINDO (P) PLANT I / ASTM A53 / 2" / SCH 40 / G-A / E / 6000 MM / 1200 Psi / HEAT NO C837212

Solar Panel Installation in Plant IV & VI

PLN Tariff Discount for 25 Years*

12-18%

*PLN Tariff assumption 6% CAGR growth

Accumulated Cost Saving for 25 Years

IDR 8-25 Billion

Accumulated CO2 Reduction in 25 Years

7,536-16,658 tons

Immediate Solar Panel Installation in Plant I, III & V



Implementation of GCG Practices

- Code of Conduct
- Vendor Code of Conduct
- Whistleblowing mechanism
- Audit Committee
- KP5 Committee
- Board Manual

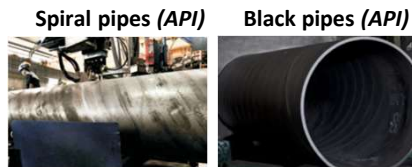
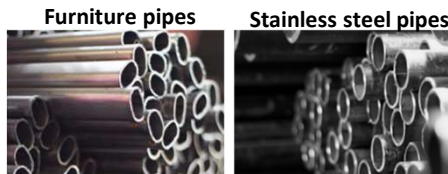
Regular CSR activity and Other Social Initiatives

- Empowering the employment of the local community
- Establishing a Training Centre
- Published the Sustainability Report 2020



Indonesia's Green Steel Pipe Company

Key End-Markets



ESG related Projects supplied with our products

Potable Water distribution, Fibre optic poles, Hydropower, Waste Treatments, Geothermal, Bridges & Ports in remote areas

Estimated Sales Value Annually : Approx. IDR 2,5 Trillion

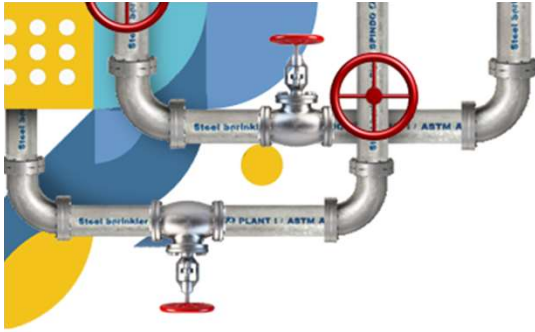
EV (Electric Cars & Motorcycles)

Estimated Sales Value Annually : Approx. IDR 100 Billion

Natural Gas housing distribution

Estimated Sales Value Annually : Approx. IDR 100 billion





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

4

Selected Projects



Selected Project Developments



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

| No | Spindo Project 2021 - 2022 | ESG/Non-ESG |
|----|--|-------------|
| 1 | Jembatan Sei Alalak | ESG |
| 2 | Air Baku Copco 2021 | ESG |
| 3 | Jetty Muara Pahu (Harbor) | ESG |
| 4 | Freeport Project MOPH | Non-ESG |
| 5 | Faspel Laut Biu 2021 (Harbor) | ESG |
| 6 | Faspel Laut Nangakeo 2021 | ESG |
| 7 | Faspel Laut Seba 2021 | ESG |
| 8 | Pembangunan Jembatan Ploso | ESG |
| 9 | Jembatan Mawin | ESG |
| 10 | Penggantian Jembatan S. Salim | ESG |
| 11 | SPAM Binkuni | ESG |
| 12 | Dermaga Tanjung Mas Semarang | ESG |
| 13 | Jargas Cirebon | ESG |
| 14 | Rehabilitasi Dermaga Pelabuhan Pomako | ESG |
| 15 | SPAM Binkuni | ESG |
| 16 | Fasilitas Sisi Darat Bandar Udara Nabire Baru | ESG |
| 17 | SPAM Wermolin Kab. Kepulauan Tanimbar | ESG |
| 18 | Dermaga Tanjung Bakau | ESG |
| 19 | Jembatan Ploso | ESG |
| 20 | Dermaga Kurnai 2021 | ESG |
| 21 | Terminal Kijing | ESG |
| 22 | Dermaga Konstruksi Tahap 1 PT Pupuk Kalimantan Timur | ESG |
| 23 | Dermaga Beaching Plate Sorong Tahap 2 | ESG |
| 24 | Dermaga Selat Lampa Natuna Tahap 2 | ESG |
| 25 | Rehabilitasi Pelabuhan Penyeberangan Bira | ESG |
| 26 | New Sydney Fish Markets Project | ESG |
| 27 | Belayan Bridge CHR 100 km Project | ESG |
| 28 | PLTU Timor - 1 Coal Fired Steam Power Plant | ESG |
| 29 | Pelabuhan Wini 2021 | ESG |
| 30 | Tanggap Darurat Bencana Alam NTT | ESG |
| 31 | Pabrik PT Holcim Tuban | Non-ESG |
| 32 | Dermaga Sungai Kapar | ESG |
| 33 | Pabrik PT Wilmar Nabati Indonesia | ESG |
| 34 | Pembangunan Terminal Kijing | ESG |
| 35 | CCM Mining | Non-ESG |



TBBM Tanjung Batu



PLTU Sulawesi Utara (Batch 2)



New Sydney Fish Market Australia

Selected Project Developments



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

| | | |
|----|---|---------|
| 36 | Proyek Umbulan | ESG |
| 37 | Pelindo Berlian Port | ESG |
| 38 | PLTTU Timor 2x50MW - Panaf, Kupang Barat | ESG |
| 39 | CSFP Proyek Jawa 9 & 10 | ESG |
| 40 | Dermaga di Bau-Bau | ESG |
| 41 | Bendungan Sidan | ESG |
| 42 | SPAM Regional Durolis Prov. Riau | ESG |
| 43 | Bridgess & Underpasses CHR 100 km Project | ESG |
| 44 | Saluran Tambang Batubara di Sangata | Non-ESG |
| 45 | VPA 3 Pilling | ESG |
| 54 | Dermaga Pelabuhan Kalianget Sumenep | ESG |
| 55 | Dermaga Biu 2022 | ESG |
| 56 | SPAM Dumai | ESG |
| 57 | Pembangunan Fasilitas Laut Pulau Bunyu | ESG |
| 58 | SPAM Puru Kambara Sumba Timur | ESG |
| 59 | Atapupu 2022 | ESG |
| 60 | Seba 2022 | ESG |
| 61 | Pelabuhan Bias Munjul | ESG |
| 62 | Nusa Penida 2022 | ESG |
| 63 | Replacement Pelabuhan Laut Bula | ESG |
| 64 | Rehabilitasi Dermaga Dan Trestle Pomako | ESG |
| 65 | Pembangunan Fasilitas Laut Pulau Bunyu | ESG |
| 66 | Pembangunan Jaringan Perpipaan SPAM Semarang Barat | ESG |
| 67 | Sistem Penyediaan Air Baku Bendungan Pengga Untuk KEK | ESG |
| 68 | TBBM Tanjung Batu | Non-ESG |
| 69 | Pembangunan Pelabuhan Sanur | ESG |
| 70 | Jargas Probolinggo - Gresik | ESG |
| 71 | Revertment, Retaining Wall Dermaga Benoa | ESG |
| 72 | Dermaga Pelabuhan Kalianget Sumenep | ESG |
| 73 | Pelabuhan Laut Ba'a | ESG |
| 74 | Pembangunan Fasilitas Laut Pasangkayu | ESG |
| 75 | Jembatan Lemo Seberang Kab. Barito Utara, Kalteng | ESG |
| 76 | Jembatan Sikan -Kab. Barito Utara, Kalteng | ESG |
| 77 | Works for reconstruction of Donggala Port | ESG |
| 78 | Tanggap Darurat Bencana Alam Longsor Sumedang | ESG |
| 79 | Gudang Garam | ESG |
| 80 | SPAM Kampar | ESG |
| 81 | Rehabilitasi Dermaga II Pelabuhan Bolok | ESG |
| 82 | Jalur Ganda KA Lintas Selatan Jawa Antara Mojokerto - | ESG |
| 83 | PLTU Sulut Batch 2 | ESG |
| 84 | Dermaga Pelabuhan Kalianget Sumenep | ESG |
| 85 | Dermaga Biu 2022 | ESG |

| | | |
|-----|---|---------|
| 86 | SPAM Dumai | ESG |
| 87 | Pembangunan Fasilitas Laut Pulau Bunyu | ESG |
| 88 | SPAM Puru Kambara Sumba Timur | ESG |
| 89 | Atapupu 2022 | ESG |
| 90 | Seba 2022 | ESG |
| 91 | Pelabuhan Bias Munjul | ESG |
| 92 | Nusa Penida 2022 | ESG |
| 93 | Replacement Pelabuhan Laut Bula | ESG |
| 94 | Rehabilitasi Dermaga Dan Trestle Pomako | ESG |
| 95 | Sistem Penyediaan Air Baku Bendungan Pengga Untuk KEK M | ESG |
| 96 | TBBM Tanjung Batu | Non-ESG |
| 97 | Pembangunan Pelabuhan Sanur | ESG |
| 98 | Jargas Probolinggo - Gresik | ESG |
| 99 | Revertment, Retaining Wall Dermaga Benoa | ESG |
| 100 | Pelabuhan Laut Ba'a | ESG |
| 101 | Pembangunan Fasilitas Laut Pasangkayu | ESG |
| 102 | Jembatan Lemo Seberang Kab. Barito Utara, Kalteng | ESG |
| 103 | Jembatan Sikan -Kab. Barito Utara, Kalteng | ESG |
| 104 | Works For Reconstruction of Donggala Port | ESG |
| 105 | Tanggap Darurat Bencana Alam Longsor Sumedang | ESG |
| 106 | Gudang Garam | Non-ESG |
| 107 | SPAM Kampar | ESG |
| 108 | Rehabilitasi Dermaga II Pelabuhan Bolok | ESG |
| 109 | Jalur Ganda KA Lintas Selatan Jawa Antara Mojokerto - Sepanjang | Non-ESG |
| 110 | PLTU Sulut Batch 2 | ESG |
| 111 | PLTM Bayang Nyalo 3 x 2 MW | ESG |
| 112 | Setangga Coal Terminal | Non-ESG |
| 113 | Coal Handling System With Skyline di Bunati Tanah Bumbu | ESG |
| 114 | Dermaga PT FI dan Fasilitas Pendukungnya | ESG |
| 115 | Jaringan Air Baku Parodo Kab. Tana Toraja | ESG |
| 116 | Fuel Terminal Kendari | Non-ESG |
| 117 | Fuel Terminal Raha | Non-ESG |
| 118 | RDMP Balikpapan | Non-ESG |
| 119 | Gorong-gorong di Sangkulirang | ESG |
| 120 | Design & Built Pipa Gas Menuju PTFI & XYG (JIPE) | Non-ESG |
| 121 | Road From Tono - Noefefan Bridge To Oenuo | ESG |
| 122 | Tiang Internet Linknet | ESG |
| 123 | Tiang Internet Fiberstar | ESG |
| 124 | Tiang Internet Telkom | ESG |
| 125 | Tiang Internet Iforte | ESG |
| 126 | Tiang Internet Biznet | ESG |
| 127 | Tiang Internet Unicom | ESG |
| 128 | Tiang Internet Telkom Malaysia | ESG |

Tobe Investment of Choice



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



Steel sprinkler Pipe / SPINDO (P) PLANT 1 / ASTM A53 - 2" / SCH 40 - G.A. / E. 6000 MM / 1200 Psi / HEAT NO. C837212

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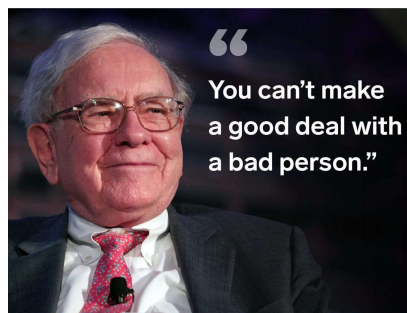
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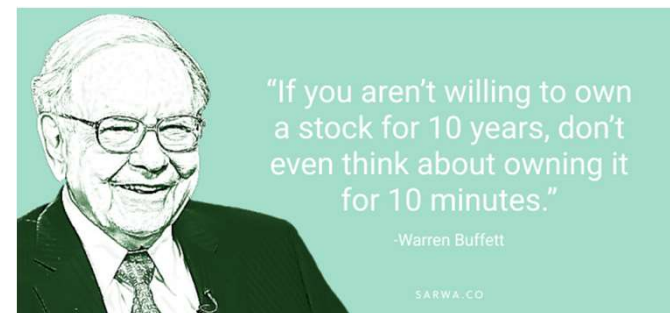


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linkedin.com/company/spindo

For more information please contact:

PT Steel Pipe Industry of Indonesia Tbk.

Gd. Baja Lantai 7B

Jl. Pangeran Jayakarta no 55 Jakarta

Indonesia

Up:

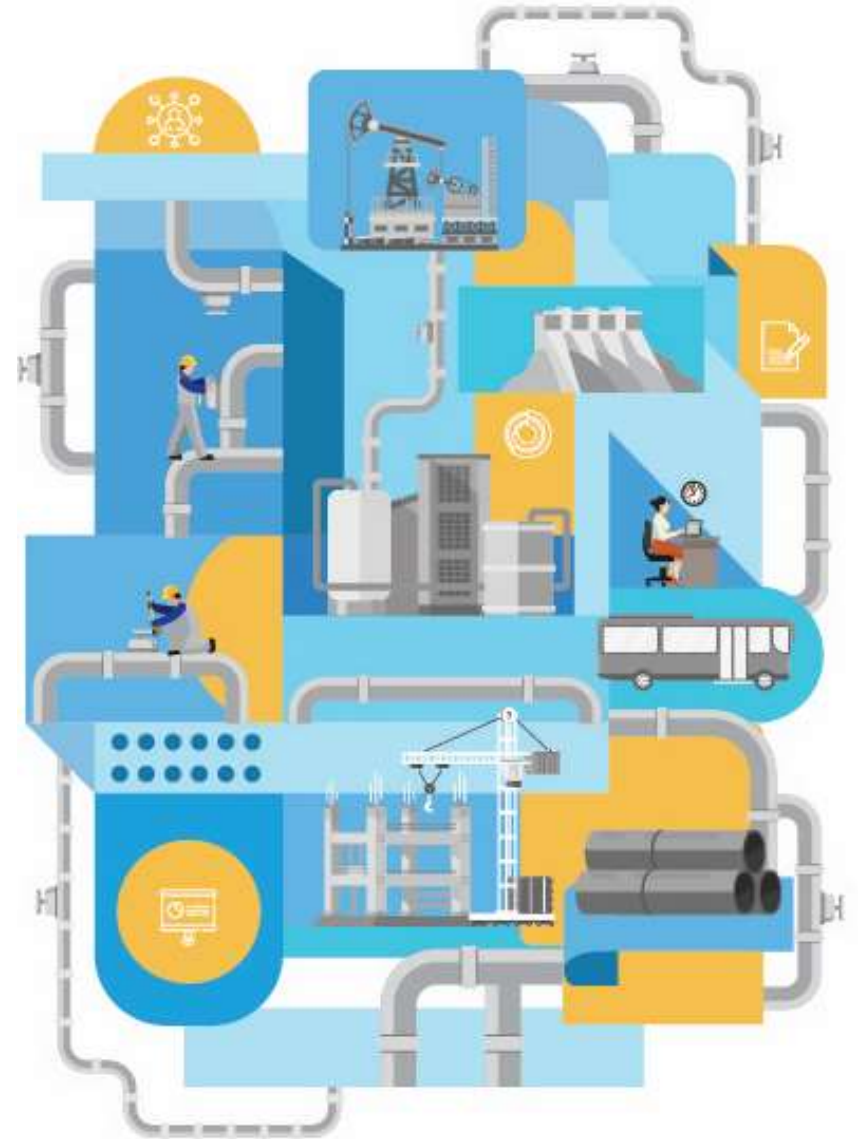
Johanes W Edward

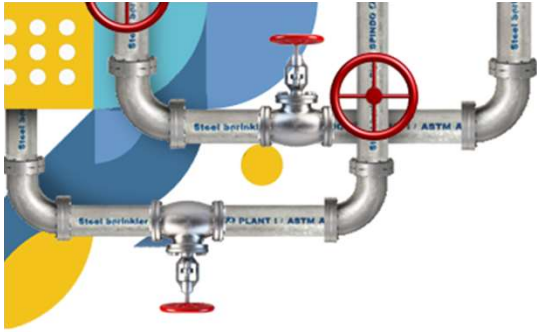
Corporate Secretary & Investor Relations

Chief Strategy & Business Development Officer

Email: johanes.edward@spindo.co.id

Ph: +62-21 6231 3502 ext. 6062





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

8

Appendices





Appendix 1



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Steel sprinkler Pipe / SPINDO CO PLANT 1 / ASTM A53 30 SCH 40 G-A E 6000 MM / 3200 Psi / HEAT NO CR37212

| | 2017A | 2018A | 2019A | 2020A | 2021A | 2022A |
|----------------------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Tonnage | 319,688 | 341,331 | 375,375 | 302,390 | 302,781 | 325,339 |
| Revenue | 3,662,810 | 4,467,590 | 4,885,875 | 3,775,530 | 5,378,808 | 6,255,945 |
| Cost of Sales | 3,100,253 | 3,935,894 | 4,197,484 | 3,217,408 | 4,258,794 | 5,497,334 |
| Gross Profit | 562,557 | 531,696 | 688,391 | 558,122 | 1,120,014 | 758,611 |
| <i>Gross Profit Margin</i> | <i>15.36%</i> | <i>11.90%</i> | <i>14.09%</i> | <i>14.78%</i> | <i>20.82%</i> | <i>12.13%</i> |
| Operating Expenses | 526,683 | 427,606 | 476,192 | 392,571 | 464,145 | 365,380 |
| Operating Income (EBT) | 35,874 | 53,446 | 236,211 | 119,575 | 659,402 | 393,231 |
| EBITDA | 433,298 | 441,672 | 611,594 | 440,926 | 957,147 | 708,181 |
| Net Profit | 8,634 | 48,741 | 185,694 | 175,935 | 486,839 | 305,849 |
| <i>Net Profit Margin</i> | <i>0.24%</i> | <i>1.09%</i> | <i>3.80%</i> | <i>4.66%</i> | <i>9.05%</i> | <i>4.89%</i> |
| | 2017A | 2018A | 2019A | 2020A | 2021A | 2022A |
| Outstanding shares* | 7,065.3 | 7,065.3 | 7,065.3 | 7,065.3 | 7,065.3 | 7,065.3 |
| EPS (Rp/Share) | 1.2 | 6.9 | 26.3 | 24.9 | 68.9 | 43.3 |
| BVPS (Rp/Share) | 405.9 | 412.7 | 438.6 | 498.1 | 536.0 | 586.6 |
| Total Asset | 6,296.4 | 6,494.2 | 6,424.6 | 6,260.5 | 7,097.3 | 7,405.9 |
| Total Liabilities | 3,428.4 | 3,578.7 | 3,325.8 | 2,741.3 | 3,310.1 | 3,261.4 |
| Total Equity | 2,867.9 | 2,915.6 | 3,098.8 | 3,519.2 | 3,787.2 | 4,144.5 |
| Interest Bearing Debt | 2,590.7 | 3,072.1 | 2,744.9 | 2,301.4 | 2,412.3 | 2,558.8 |
| | 2017A | 2018A | 2019A | 2020A | 2021A | 2022A |
| DEBT to EBITDA Ratio (x) | 7.9 | 8.1 | 5.4 | 6.2 | 3.5 | 4.6 |
| EBITDA to Interest (x) | 1.6 | 1.7 | 2.3 | 2.1 | 5.5 | 3.5 |

*Adjusted with Treasury Stocks of 120,651,300

Indonesia Macroeconomy



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

MASSIVE ECONOMY

GDP Nominal¹
USD 1.15 Tn

Population
270 Mn

#1 in ASEAN, #6 in Asia
Approximately equivalent to
Total GDP of MY + TH +VN

#1 in ASEAN, #3 in Asia
Total working age (15-64 yrs):
±183.36 million or
70% of total population

IMPRESSIVE OUTLOOK

Indonesia estimated GDP rank in the world³:

#4 by 2030 (Replacing Germany),

Indonesia's demographic bonus⁴:

The number of people within the productive age bracket is higher than the number of elderly people and children in 2020-2035.

PROSPECTIVE CAPITAL MARKET

High returns for long term investors

Top 15 highest among major global exchanges for the last 10 years

Large room for growing domestic investors and equity issuers

Number of domestic equity investor account for ±1,5% of the population. However, it grows by 53% (yoy) in Aug-22, primarily dominated by the young age group.

Number of issuers has been consistently highest among ASEAN exchanges for the past years.

CONDUCTIVE INVESTMENT CLIMATE

4th
Best country to invest in post COVID-19

Investment Grade Country

Fitch (BBB), stable outlook

S&P (BBB), stable outlook

Moody's (Baa2), stable outlook

37th
▲
40th

Improvement of

IMD World Competitiveness Index in 2021, compared to previous year

ABUNDANT RESOURCES

Largest producer of palm oil and nickel

2nd largest exporter of liquefied natural gas (LNG)

5th largest gold producer

8th largest copper producer

STRATEGIC POSITION

Founding member of ASEAN

Member of G-20

Member of the UN Non-Permanent Security Council (2019-2020), UN Human Right Council (2020-2022), UN Economic and Social Council (2021-2023)

Indonesia Macroeconomy



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Current Condition vs Past Crises

The pandemic has led to an unprecedented disruption and extraordinary changes in policy

