PRESS RELEASE

Transformation and Achievements 2023
Turn Around Net Profit Company

PT Intikeramik Alamasri Industri Tbk (IKAI) held the Public Expose 2023 on December 8, 2023 at 3 PM in Jakarta.

In the Public Expose, IKAI will exhibit in full related Company Overview, Business Activities, Company Performance, Company Strategy.

In 2023, PT Intikeramik Alamasri Industries Tbk (IKAI)'s efforts to reverse the situation (Turn Around) began to show a number of achievements as follows:

- Net profit of the Company in the third quarter of 2023 at a positive position of 1.58 billion after having had a negative net profit over the last few years.
- The Company's gross profit increased to 87.32 billion compared to the previous year at 79.82 billion.
- Consolidated growth of the company's income reached 30.22 percent from 2019 to 2023.

Yohas Raffli, President Director of PT Intikeramik Alamasri Industries Tbk showed Since 2017, the post-management change, the Company has strategically implemented three major transformations, gradually, tiered and continuously.

The first phase is the Financial Transformation in which the Company restructures its debt to equity, then stabilizes the cash flow and strengthens the asset structure of the Company through investment in Hospitality and Property Development.

The second phase of transformation, the Corporate Direction, where the Company reinforces the corporate direction that focuses on three investments through the three pillars of enterprise business, namely, Manufacturing, Hospitality and Property Development.

At this stage, the key things we've done are rebranding the hotels that the company owns in partnership with the International Hotel Chain. This activity has proved to be successful so it has an impact on the high post-rebranding revenue growth. Visible in hospitality activity revenue in 2020 of 29.63 billion to 70.52 billion in 2023.

Third transformation, that's Human Resources. SDM is the pivotal point of the company's growth, so it's the main focus of management to identify and develop talent. For that, in line with this transformation, we transform the Human Resources department into Human Capital Development.

The transformation creates the company's core values and culture in IKAI Ways, namely, Teamwork, Integrity, Accountability, Reliability and Excellence. This cultural change also contributes strongly to the transformation of the Company so that it gradually shows steady growth on EBITDA as well as achieving positive net income in the third quarter of 2023.

In the operating segment contribution, the Porcelain Tiles Manufacturing contributes a dominant 57.13% of the total business. With efforts to optimize product types and product quality as well as enhanced distribution lines, the manufacturing segment revenue in Q3 2023 reached 93.98 billion, with the largest distribution of more than 70 percent to modern outlet distributors.

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On the contribution of the income of the subsidiary hospitality entity dominated by Swissbel Hotel Bogor of 61% of the total revenue of the Child Hospitality Enterprise and managed to record gross operating profit margin at the end of the third quarter of 2023 of 39%. This is driven by the popularity of our brand in serving corporate segments, governmental and private institutions in MICE activity (Meeting, Incentives, Convention dan Exhibition).

Overall, IKAI has achieved a consolidated gross profit of 87.32 billion with a cumulative growth rate of 18.15%. At the same time, at the Adjusted EBITDA position, the company has managed to be in a positive free cash flow position since 2021 and has experienced a compound growth of 163% from 2019 to 2023.

2024 Financial Projections

Based on the work plan that has been drawn up according to the road map, the company plans to target revenues in the entire year 2024 of Rs 259.8 billion. While the growth of revenues over 5 years is projected above 20 percent and EBITDA Return on Assets above 25 percent. In addition, the firm also targets net income before tax (NIBT) of Rs 7.49 billion by 2024. The company is targeting growth (CAGR) towards revenue from 2021 to 2026 to 11% with a Operating Profit margin of 12%. The company has been holding a positive bottom line position since 2023 and will grow significantly to 14.73 billion or 4.63% of revenue.

Working Plan

The Company intends to carry out certain strategic initiatives on the full subsidiary entity by 2024. Among the proposals that were made available to the public were the Green Initiatives Program :

- Ceramic Manufacturing subsidiary' plans to recycle heat and install solar panels.
- Green Floor Area Development Plans, in the open area of the entire Child Entity Hotel & Hydroponic vegetable growing on the hotel's rooftop area, which can serve the needs of F&B Hotel.
- Development of project area with nature idea in Ubud, Bali.

Shareholders, representatives of investors and all Media partners and analysts, the Company expresses its gratitude for the support and trust given to us in building and working on PT Intikeramik Alamasri Industri Tbk. The Indonesian economy will go through a period of rapid growth and become part of the key drivers of world economic growth. Our existence is very beneficial with demographic bonuses, controlled inflation, and government support. Each of our business plans has always been centralized to provide optimal benefits to our shareholders, as well as to other stakeholders. We believe that PT Intikeramik Alamasri Industri Tbk will be one of the investment companies that plays an important role in the economy in Indonesia.

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Certain statements in this release are or may be forward-looking statements. These statements typically contain words such as "will", "expect" and "anticipate" and similar words. By their nature, forward-looking statements are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this release. Factors that may lead to different actual results include, but are not limited to, economic, social and political conditions in Indonesia; the state of the gas industry in Indonesia; prevailing market conditions; increased regulatory burden in Indonesia, including environmental regulations and compliance costs; fluctuations in foreign currency exchange rates; trends in interest rates, cost of capital and availability of capital; anticipated demand and selling prices for our developments and related capital expenditures and investments; construction costs; availability of real estate properties; competition from other companies and places; shifts in customer demand; changes in operating costs, including employee wages, benefits and training, changes in government and public policies; our ability to be and remain competitive; our financial condition, business strategy and plans and remediation. If one or more of these uncertainties or risks, among other things, materialize, actual results may vary materially from those estimated, anticipated or projected. In particular, but without limitation, capital costs may increase, projects may be delayed and anticipated improvements in production, capacity or performance may not be fully realized. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on the information currently available to us, no assurance can be given that such expectations will prove to be correct. You should not rely too much on such statements. However, these statements speak only as of the date of this agreement, and we have no obligation to update or revise any of our material content, whether as a result of current information, future events or otherwise.

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