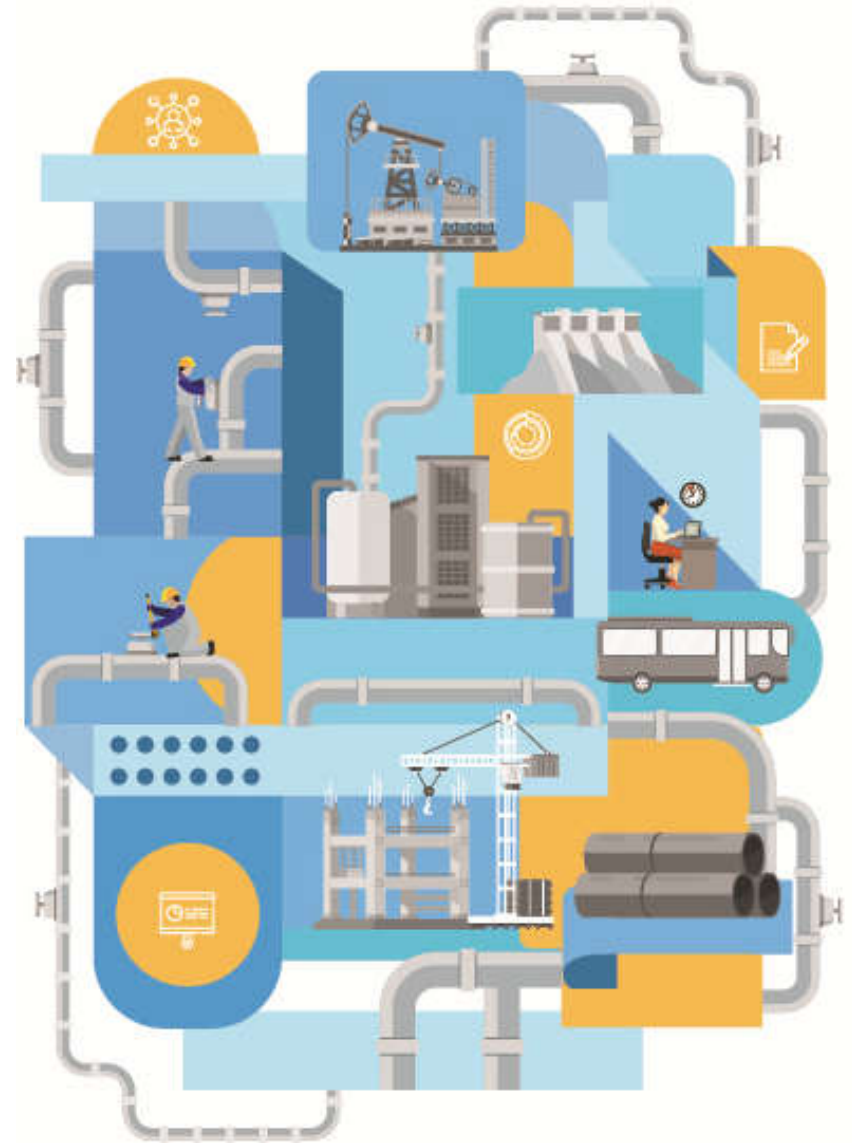




PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Establishing Firm Ground to Leap into the Future

Company Presentation
FY 2021



Disclaimer



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Materi dalam presentasi ini telah disiapkan oleh PT Steel Pipe Industry Indonesia Tbk (“Spindo”) dan merupakan informasi bersifat umum tentang kinerja bisnis Spindo terkini pada tanggal presentasi dan dapat berubah tanpa pemberitahuan sebelumnya. Informasi ini diberikan dalam bentuk ringkasan dan tidak dimaksudkan untuk dianggap sebagai laporan lengkap. Informasi dalam presentasi ini, termasuk perkiraan informasi keuangan, tidak boleh dianggap sebagai saran atau rekomendasi kepada investor atau calon investor sehubungan dengan keputusan memegang, membeli atau menjual sekuritas atau produk atau instrumen keuangan lainnya dan tidak mempertimbangkan tujuan investasi khusus, situasi atau kebutuhan keuangan. Sebelum bertindak berdasarkan informasi apa pun, pembaca harus mempertimbangkan kesesuaian informasi yang berkaitan dengan hal-hal ini, dokumen penawaran yang relevan dan khususnya, pembaca harus mencari nasihat keuangan independen. Presentasi ini dapat berisi pernyataan berwawasan ke depan termasuk pernyataan mengenai niat, keyakinan, atau harapan kami saat ini sehubungan dengan bisnis dan operasi Spindo, kondisi pasar, hasil operasi dan kondisi keuangan, kecukupan modal, ketentuan khusus, dan praktik manajemen risiko. Pembaca diperingatkan untuk tidak menempatkan kepercayaan yang tidak semestinya pada pernyataan berwawasan ke depan ini; kinerja masa lalu bukan merupakan indikasi kinerja masa depan yang dapat diandalkan. Spindo tidak memiliki kewajiban apa pun untuk secara terbuka merilis hasil dari setiap revisi terhadap pernyataan berwawasan ke depan ini untuk mencerminkan peristiwa atau keadaan setelah tanggal pernyataan ini untuk mencerminkan terjadinya peristiwa yang tidak terduga. Kami melepaskan tanggung jawab atau kewajiban apa pun yang timbul yang dapat ditanggung atau diderita oleh siapa pun sebagai akibat dari bertindak berdasarkan kepercayaan pada seluruh atau sebagian dari isi laporan ini dan Spindo dan / atau perusahaan afiliasinya dan / atau masing-masing karyawan dan / atau agen tidak menerima tanggung jawab atas kesalahan, kelalaian atau sebaliknya, dalam laporan ini dan ketidakakuratan apa pun di sini atau kekurangan di sini yang mungkin terjadi

The materials in this presentation have been prepared by PT Steel Pipe Industry of Indonesia Tbk (“Spindo”) and are general background information about Spindo business performances current as at the date of this presentation and are subject to change without prior notice. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not consider their particular investment objectives, financial situation or needs. Before acting on any information, readers should consider the appropriateness of the information having regard to these matters, any relevant offer document and, readers should seek independent financial advice. This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to Spindo businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements; past performance is not a reliable indication of future performance. Spindo does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. We disclaim any responsibility or liability whatsoever arising which may be brought or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither Spindo and/or its affiliated companies and/or their respective employees and/or agents accepts liability for any errors, omissions, negligent or otherwise, in this report and any inaccuracy herein or omission here from which might otherwise arise.



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

1

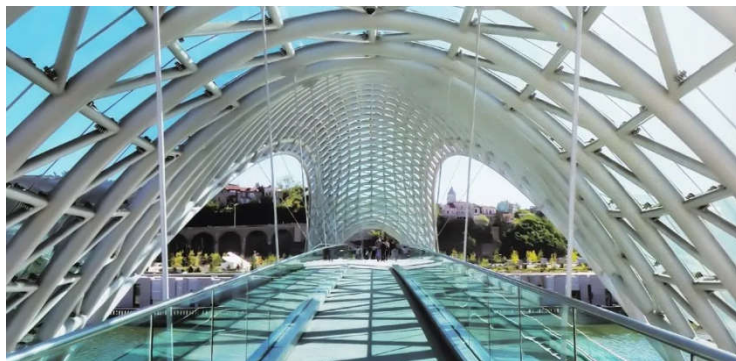
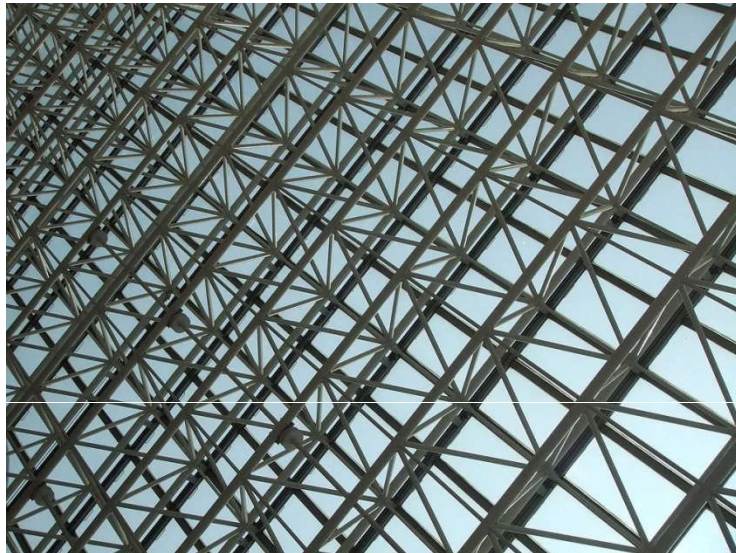
Key Highlights



2021 Summary



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



Closing Recovery Year with solid performance

- Spindo has maintained the turnaround that has been ongoing since 2018 despite the challenging operating environment.
- Recovery in domestic economy as well as diminishing effect of COVID-19 pandemic was well utilized to recover sales
- Uptrend in commodity price (especially steel) positively catalyzed internal improvement and effort. However, as expected in 4Q2021 the steel price decline, mainly due to curb by Chinese government to control cost push inflation
- In general, management view 2021 as satisfactory, while acknowledge that there is still a lot of homework to be done.



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

2

Corporate Summary

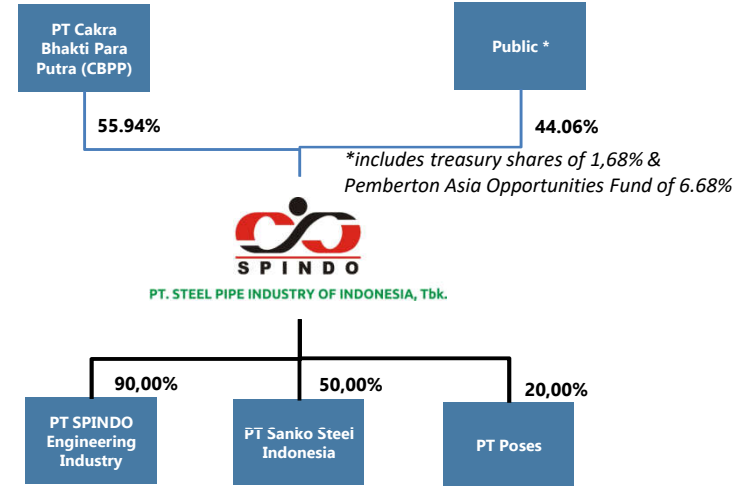
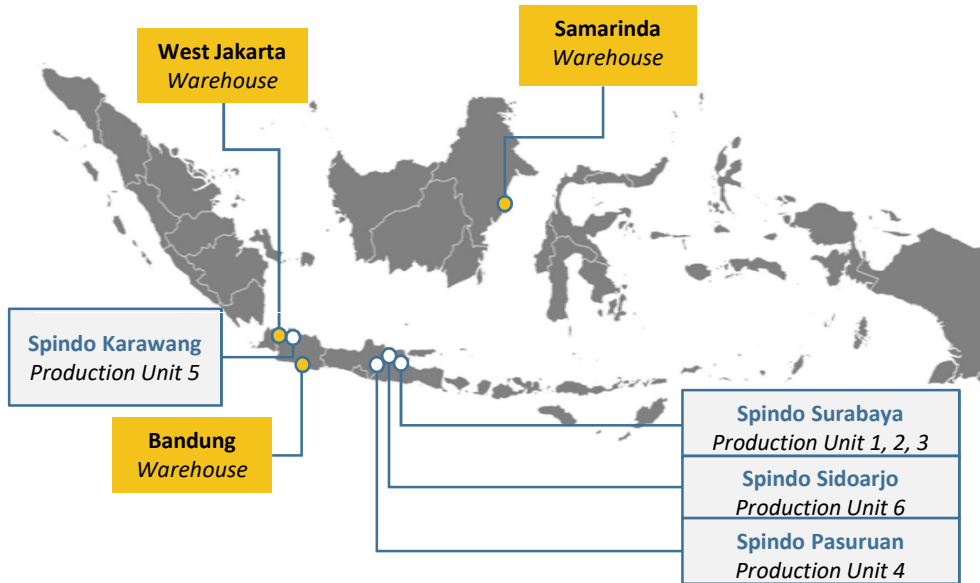


Company Overview



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

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



Spindo is the Largest Steel Pipe Manufacturer in Indonesia*



*sales data in IDR Billion from Annual Reports of respective holdings

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)
- Ingewati / Kong Ay Ing**
Commissioner
- Soesilo Widjaja**
Independent Commissioner
- Endang Fifi Susanto**
Commissioner

Business Overview



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

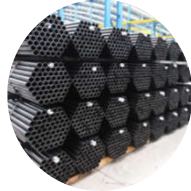
Spindo's Place in the Value Chain



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

Key End-Markets



Construction, Infrastructure, and Utilities



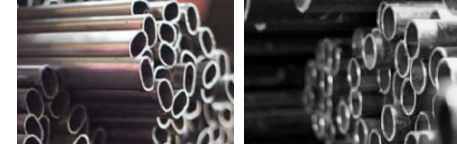
Automotive

Mechanical tubes of various shapes



Furniture

Furniture pipes Stainless steel pipes



Oil & Gas

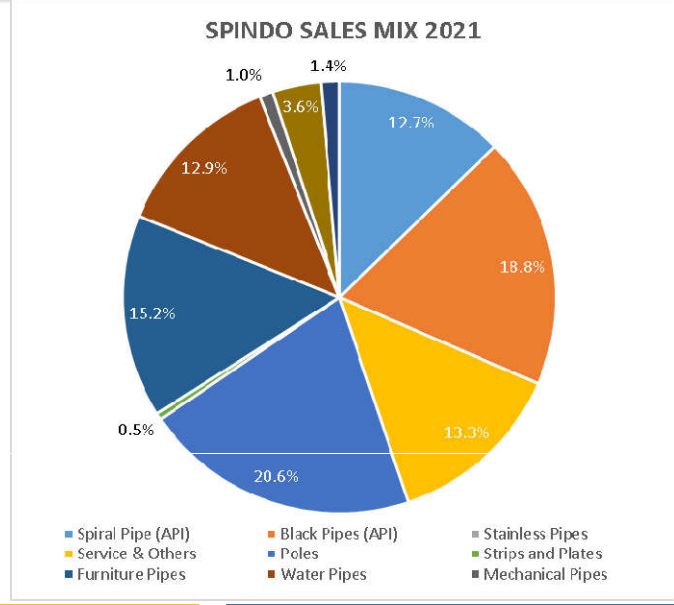
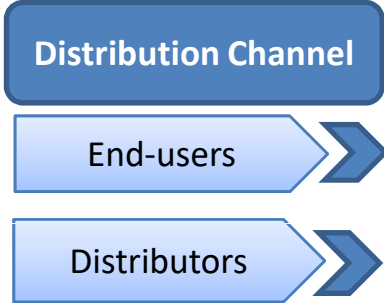
Spiral pipes (API) Black pipes (API)



Customer Mix

More than
5,000
Customers
Annually

2,000 –
3,000
Active
Customers



SELECTED KEY-CUSTOMERS

Construction, Infrastructure and Utilities

65%

Furniture

18%

Automotive

16%

Oil & Gas

1%



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

3

2021 Results

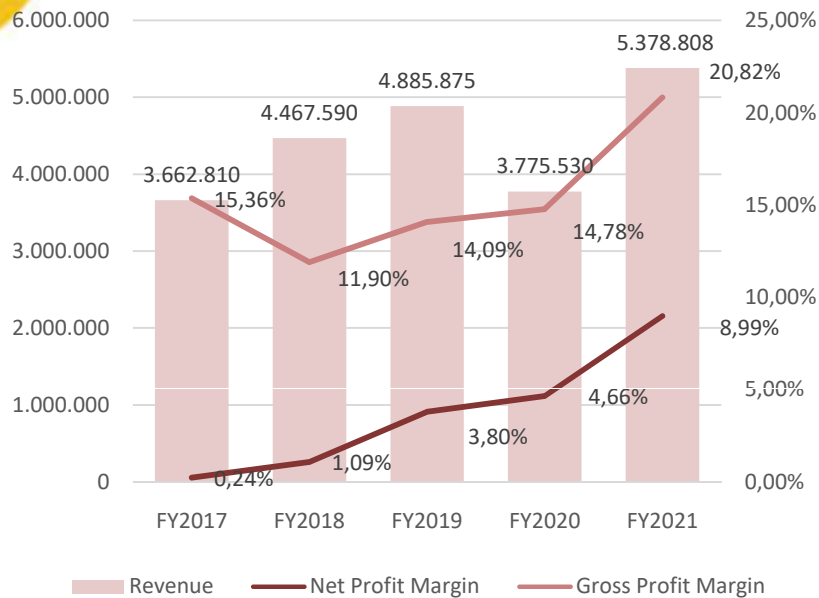


2021 Financial Highlights

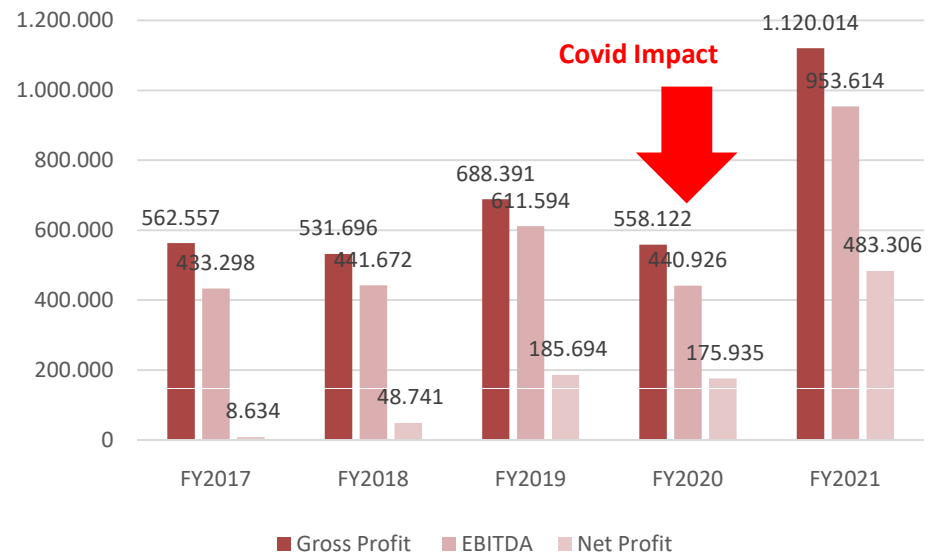


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Revenue and Margin 2017 - 2021



Profit & EBITDA 2017-2021



	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	3,662,810	4,467,590	4,885,875	3,775,530	5,378,808
Cost of Sales	3,100,253	3,935,894	4,197,484	3,217,408	4,258,794
Gross Profit	562,557	531,696	688,391	558,122	1,120,014
<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>
Operating Expenses	526,683	427,606	476,192	392,571	464,145
Operating Income (EBT)	35,874	53,446	236,211	119,575	655,869
EBITDA	433,298	441,672	611,594	440,926	953,614
Net Profit	8,634	48,741	185,694	175,935	483,306
<i>Net Profit Margin</i>	<i>0.24%</i>	<i>1.09%</i>	<i>3.80%</i>	<i>4.66%</i>	<i>8.99%</i>

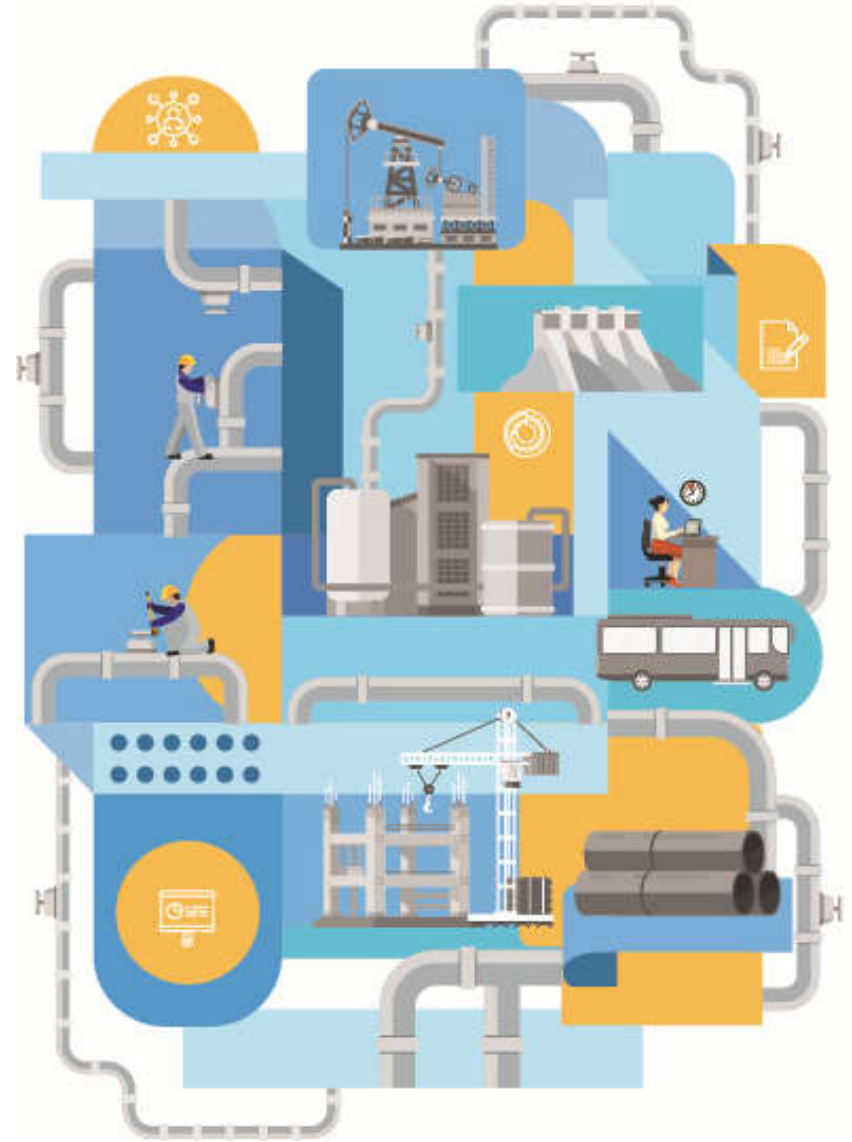
- Revenue CAGR from 2017 to 2021 was 10.08% while Net Profit CAGR from the same period was 173.53%
- Margin expansion was seen both in GPM and NPM, and started before commodity price increase

All numbers in Million Rp. (unless Otherwise Stated)



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Maintain Direction and Accelerate Growth

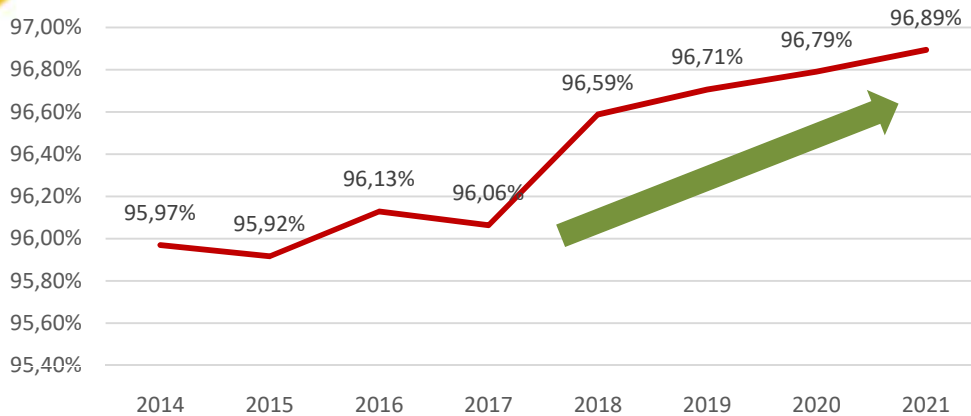


Production Capacity & Plant Utilization



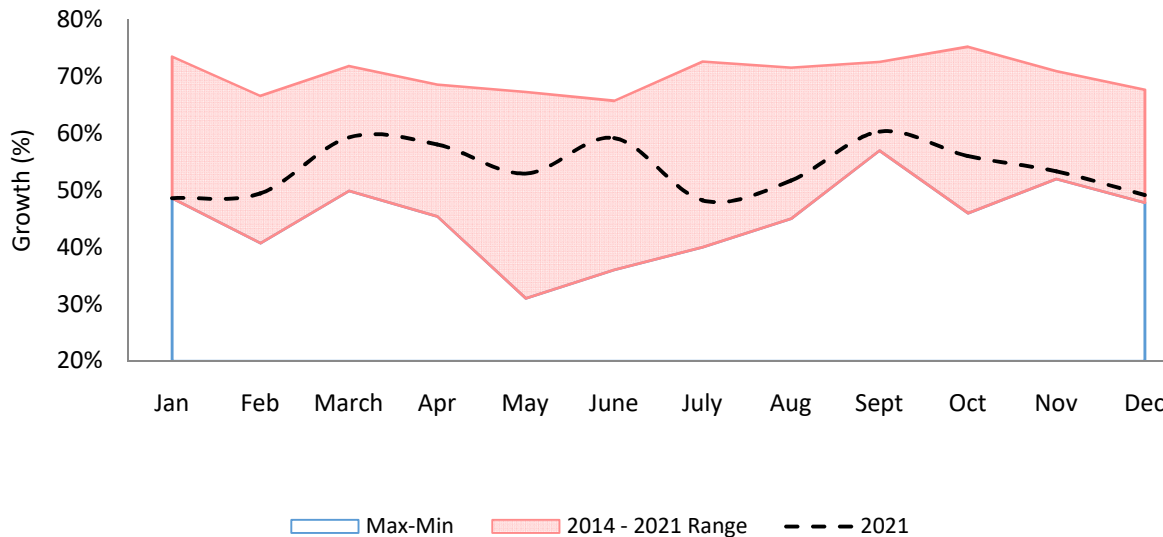
PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Annual Yield Average

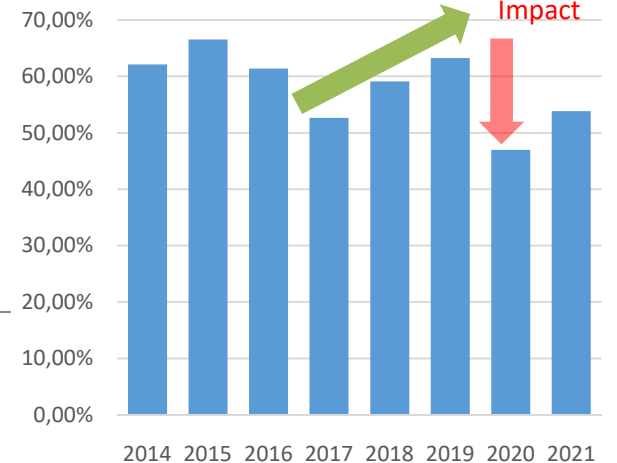


- Plant utilization remained stable at an average of 53% during the year. We expect that the Utilization Rate will remain strong for FY2022 in line with Indonesia's ongoing economic recovery
- Ongoing improvement to plant and equipment during in 3Q21 will slightly reduce utilization rate due to higher efficiency and capacity

Total Plant Utilization: 2014 - Present



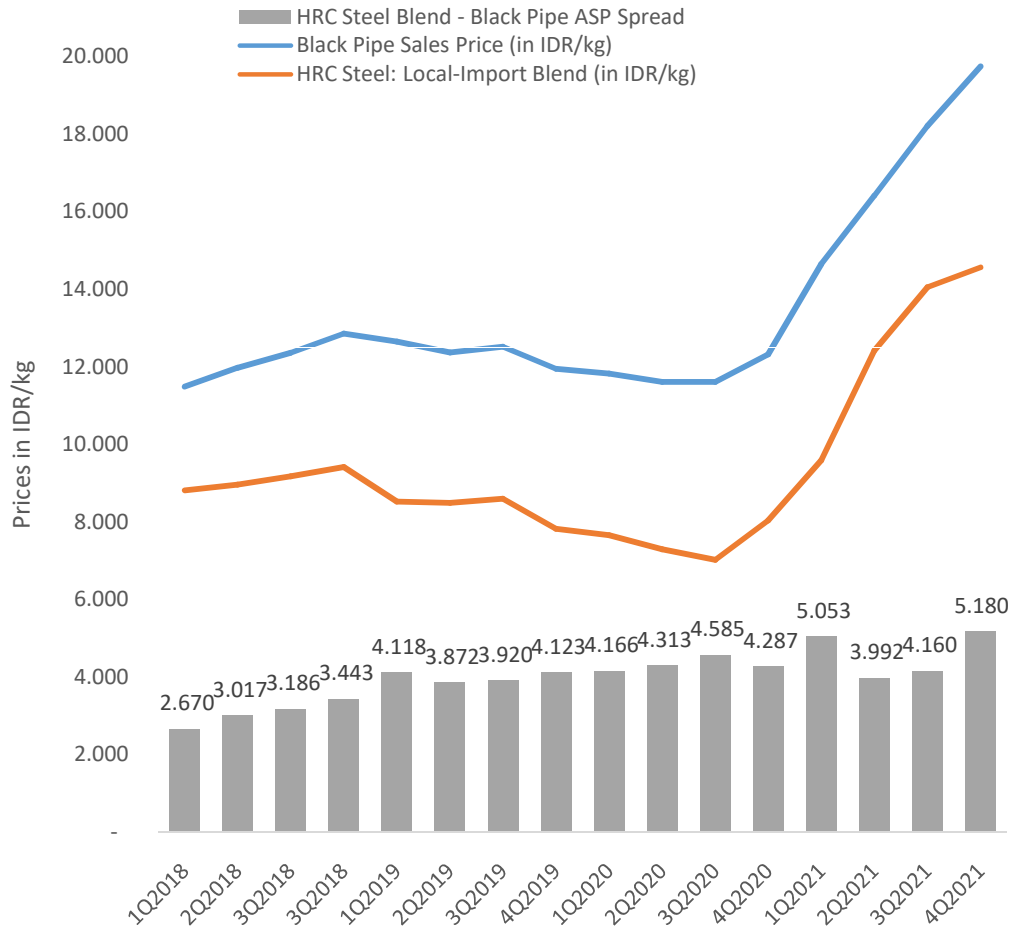
Annual Average



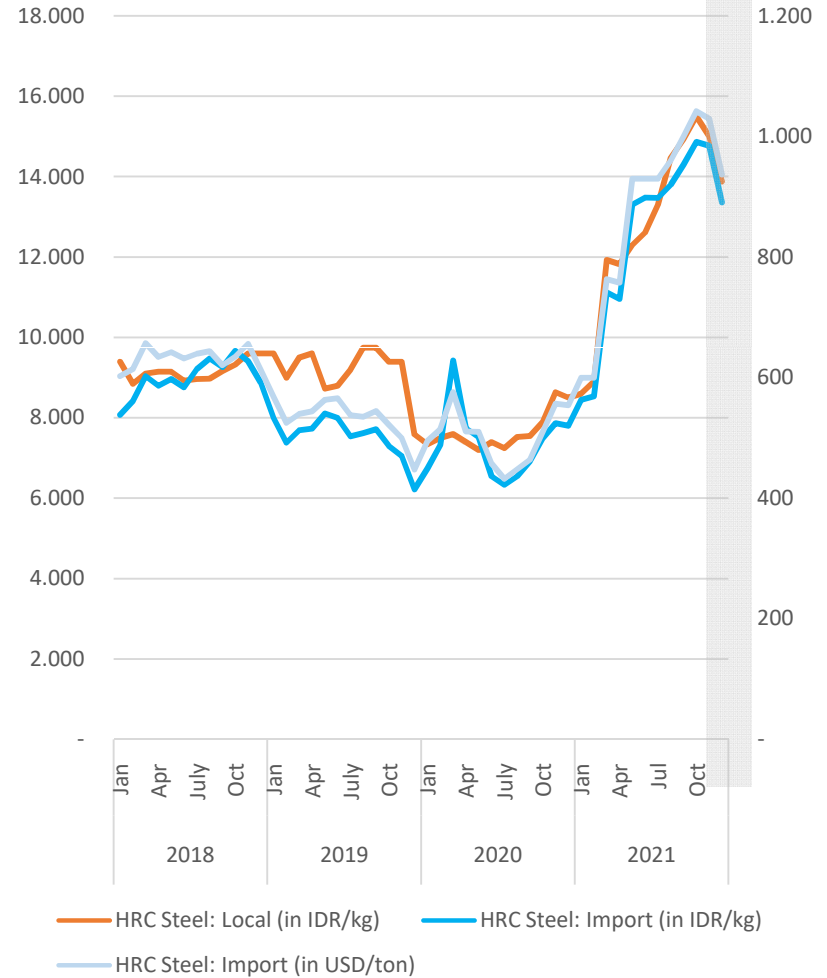
ASP & Raw Materials Price



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



LOCAL & IMPORT HRC

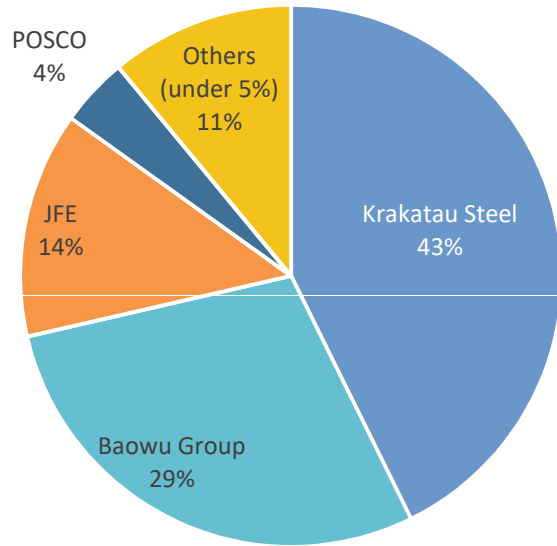


Material Costs

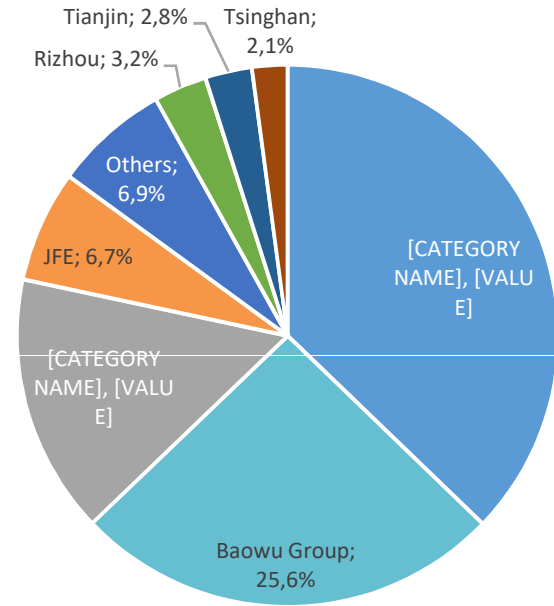


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Top Suppliers as of December 2020



Top Supplier as of December 2021



Local Vs Import Material

Purchase of Materials	FY2020			FY2021		
	Ton	IDR Mio	%	Ton	IDR Mio	%
Local	133,324	1,036,821	46.4%	196,646	2,525,019	56.4%
Import	152,694	1,196,460	53.6%	149,418	1,952,687	43.6%
Total Purchase of Materials	286,018	2,233,281	100.0%	346,064	4,477,706	100.0%

Local Supplier-Focused

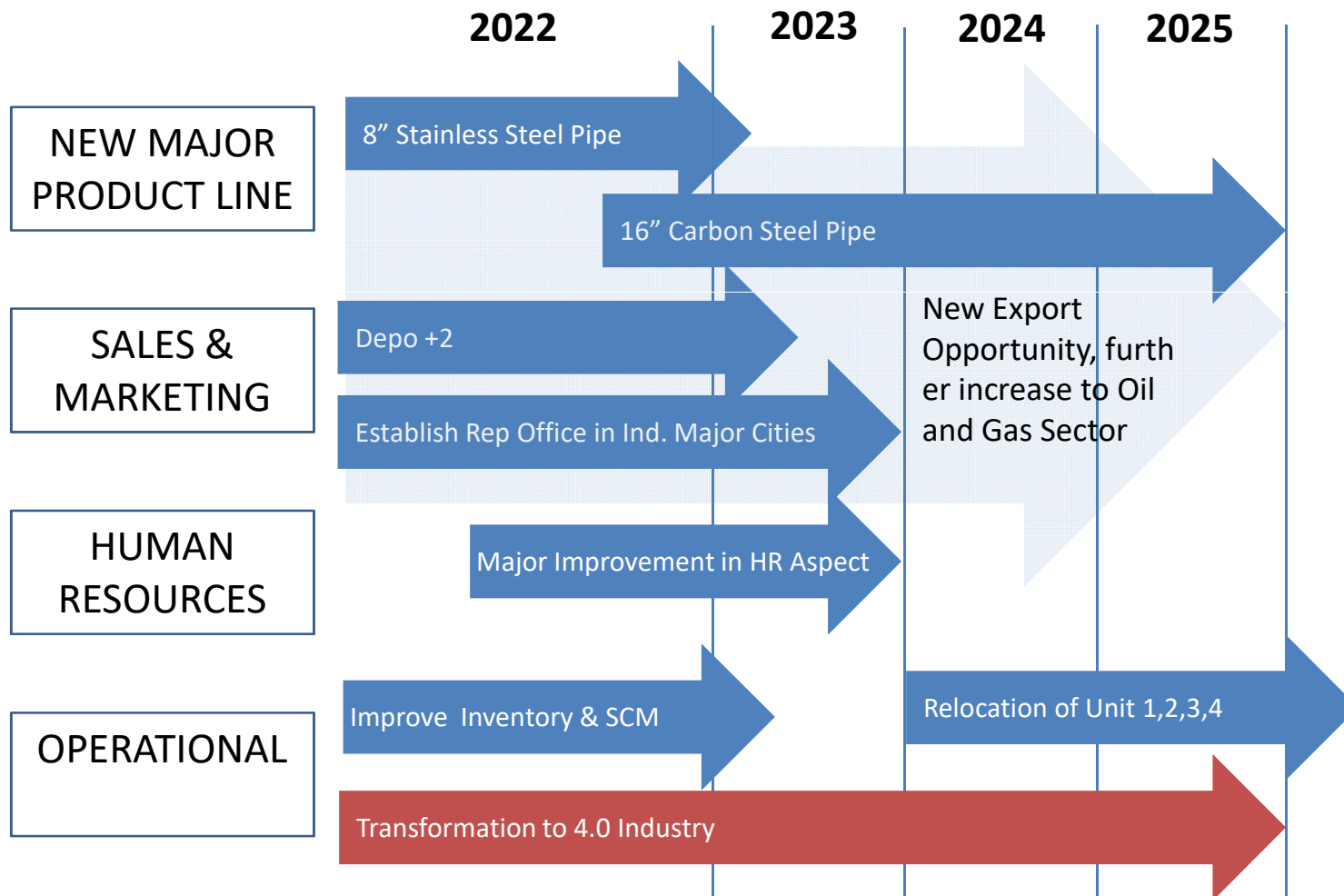


2022 – 2025 Strategy



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Spindo is targeting to reach 500.000Ton sales by 2025



ESG Initiatives

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



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

4

Market Outlook

Steel Market: China vs The World



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.



Source: World Steel Association

Europe

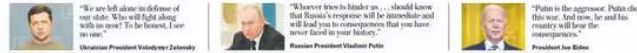
U.S. announces deal with European Union to ease steel and aluminum tariffs enacted under Trump

By Seung Min Kim and Jeff Stein

October 30, 2021 at 2:49 p.m. EDT

The Washington Post

FRIDAY, FEBRUARY 25, 2022



Russia invades Ukraine

Putin's tolerance for risk catches



Forces approach Kyiv: blasts hit

Blog: China's drive towards a low-carbon future and challenges ahead



Frank Zhong
Deputy Director General, worldsteel
28 January 2022

Climate Action

Climate Member initiatives

The year 2021 will most likely go down in history as marking the beginning of China's decarbonisation era.

Following President Xi Jinping's commitment in September 2020 that carbon emissions will peak by 2030 and carbon neutrality should be achieved by 2060, decarbonisation has become a top priority in Chinese society. As a consequence, from early 2021, an unprecedented number of actions towards decarbonisation were introduced by Chinese policymakers and industry.

Global Economic Outlook

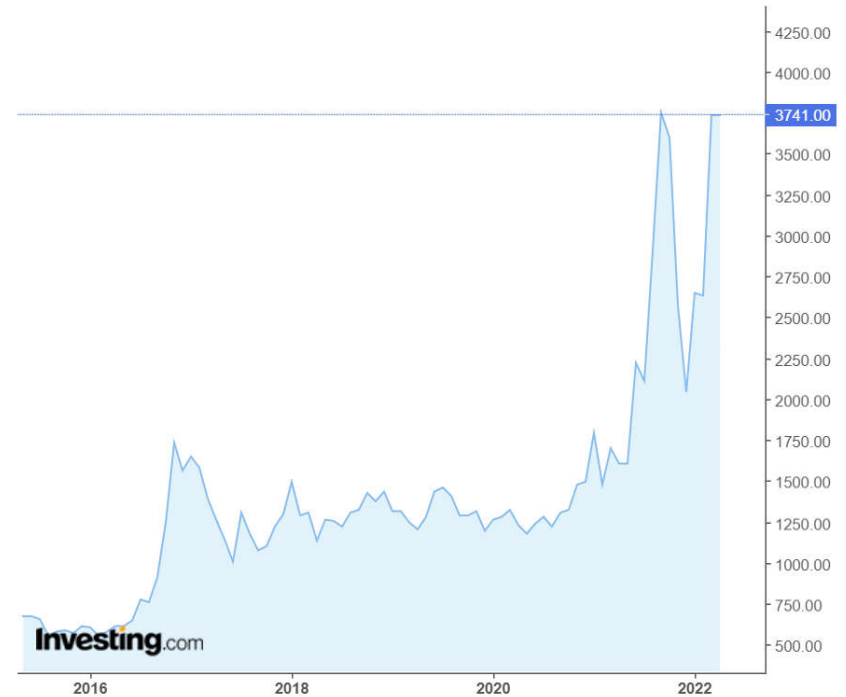


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Published on Investing.com, 3/Apr/2022 - 14:13:26 GMT, Powered by TradingView.
Iron ore fines 62% Fe CFR Futures, United States, CME:TIOc1, W



Published on Investing.com, 3/Apr/2022 - 14:10:32 GMT, Powered by TradingView.
Coking Coal Futures, China, DCE:DJM1, M



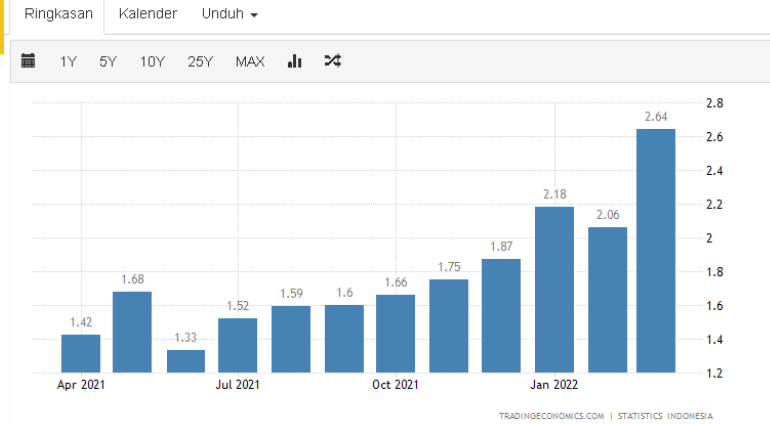
Given the condition in the Eastern Europe Area, we believe that for the time being there will be still pressure on commodity price, making it relatively stable on current high level. We observe that these challenges are disproportionately impacting small scale players with weaker balance sheet and less access to capital. In navigating this landscape there is an opportunity for ISSP to increase the overall market share

Indonesia Outlook



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

Indonesia - Tingkat Inflasi



Indonesia Loan Growth



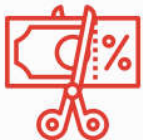
Positive loan growth in recent period provide an indicator that Indonesia economy is slowly recovering.

To date, Indonesia has been successfully managed imported inflationary push, due to increase in commodity and energy price. However, the government need to find more subtle solution rather than provide cash support which only effective in short term

Kebijakan Pemerintah pada sektor properti sepanjang 2021



DP Nol Persen

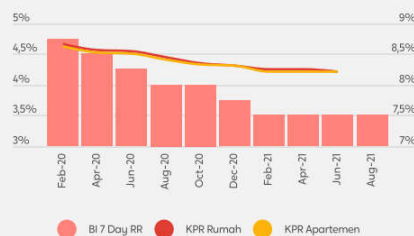


Relaksasi PPN



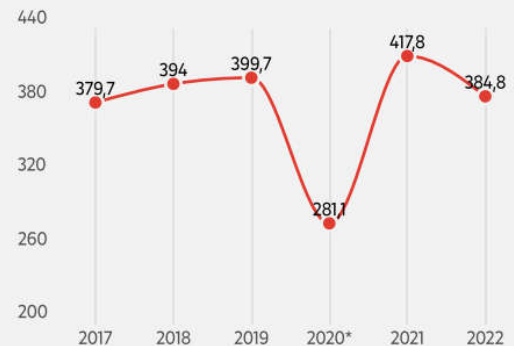
Keringanan BPHTB

Tren suku bunga KPR, KPA, dan BI7DRR



Sumber: Bank Indonesia

Anggaran Infrastruktur dalam APBN 2022



*nilai setelah penyesuaian anggaran akibat pandemi COVID-19

Sumber: advertorial-rapbn-2022.pdf (kemenkeu.go.id)

Recovery on other sector with direct effect on steel Sector



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

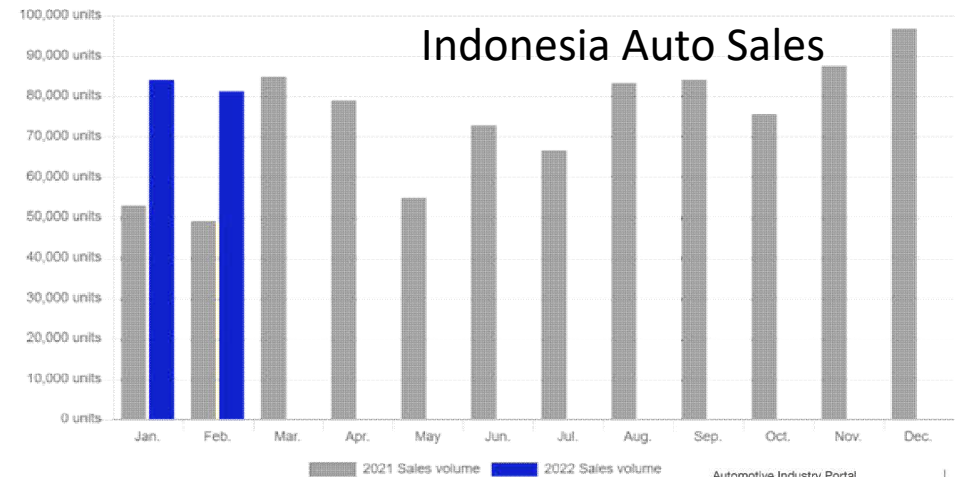
- Reduced COVID-19 Pandemic making possible for public activities :
 - Increased people mobility
 - Possibility to do travelling (including for religious purpose) causing recovery in bus & passenger car body manufacturer (Karoseri)
- Incentive on PPN of Real Estate and Automotive drive growth
- Opening on new tollroad, making transportation and logistic easier, as well as catalyst development in rural areas
- Managed central bank interest rate

“

Stimulus pemerintah berhasil membuat pasar properti pulih sepanjang tahun 2021, ditandai dengan kenaikan harga properti pada kuartal kedua dan ketiga serta kenaikan pencarian properti secara tahunan. Meskipun PPKM Darurat sempat menjadi ganjalan di pertengahan tahun, pemberian beragam insentif mampu menjaga optimisme pasar tetap hidup hingga akhir tahun. Hal ini membuat pengembang lebih percaya diri untuk meningkatkan produksi di masa pemulihan ekonomi nasional

”

Marine Novita
Country Manager,
Rumah.com



Automotive Industry Portal
MARKLINES

Indonesia Opportunity



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

- Government Focus on Infrastructure development
- New Capital (IKN)
- Relocation of big industry to Indonesia
- Continuing limitation of raw material export
- (still) relatively low steel consumption per capita

Pendekatan Berhasil, Foxconn Mau Pindahkan Pabrik Suku Cadang ke RI

Home Nasional Internasional Ekonomi Olahraga Teknologi Hiburan Gaya Hidup CNN

Ekonomi Investasi foxconn

Home > Ekonomi > Makro

Antara • 25 Januari 2022 20:46

16 Pabrik Pindah Usaha ke RI, Nilai Investasi Rp100 T

CNN Indonesia

Kamis, 21 Jan 2021 20:40 WIB



Honda Pindah Pabrik Dari India ke Indonesia, Akankah Honda WR-V Jadi Produk Pertamanya?

Dhani • 17 Mei 2021 08:00

SIARAN PERS

Menperin Berhasil Yakinkan PT Sharp Electronics Indonesia Investasi Industri AC

Kamis, 24 Februari 2022





PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

5

Selected Projects



Selected Project Developments



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

PROJECT NAME	
Jembatan Sei Alalak	Dermaga Selat Lampa Natuna Tahap 2
Air Baku Copco 2021	Rehabilitasi Pelabuhan Penyeberangan Bira
Jetty Muara Pahu	New Sydney Fish Markets Project
Freeport Project MOPH	Belayan Bridge CHR 100 km Project
Faspel Laut Biu 2021	PLTU Timor - 1 Coal Fired Steam Power Plant
Faspel Laut Nangakeo 2021	Pelabuhan Wini 2021
Faspel Laut Seba 2021	Tanggap Darurat Bencana Alam NTT
Pembangunan Jembatan Ploso	Pabrik PT Holcim Tuban
Jembatan Mawin	Dermaga Sungai Kapar
Penggantian Jembatan S. Salim	Pabrik PT Wilmar Nabati Indonesia
SPAM Binkuni	Pembangunan Terminal Kijing
Dermaga Tanjung Mas Semarang	CCM Mining
Jargas Cirebon	Proyek Umbulan
Rehabilitasi Dermaga Pelabuhan Pomako	Pelindo Berlian Port
SPAM Binkuni	PLTTU Timor 2x50MW - Panaf, Kupang Barat
Fasilitas Sisi Darat Bandar Udara Nabire Baru	CSFP Proyek Jawa 9 & 10
SPAM Wermolin Kab. Kepulauan Tanimbar	Dermaga di Bau-Bau
Dermaga Tanjung Bakau	Bendungan Sidan
Jembatan Ploso	SPAM Regional Durolis Prov. Riau
Dermaga Kurnai 2021	Bridgess & Underpasses CHR 100 km Project
Terminal Kijing	Saluran Tambang Batubara di Sangata
Dermaga Konstruksi Tahap 1 PT Pupuk Kalimantan Timur	VPA 3 Pilling
Dermaga Beaching Plate Sorong Tahap 2	



Courtesy: Google Images



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

6

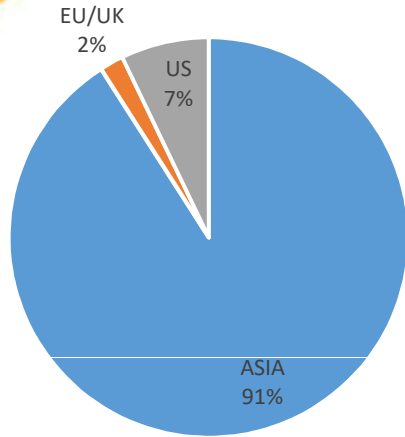
Investment Consideration

ISSP Stock Performance

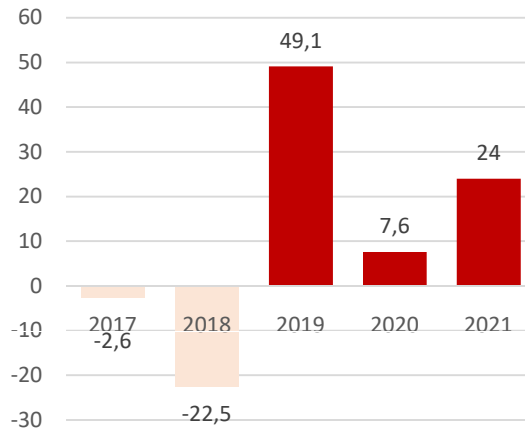


PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

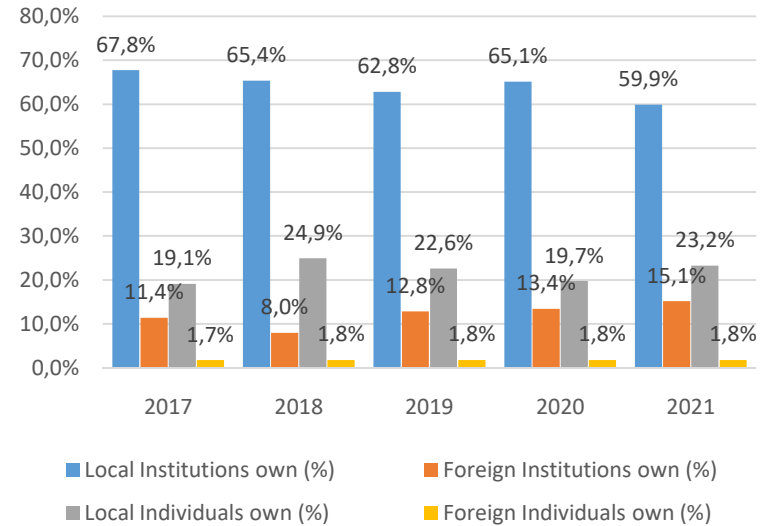
Foreign Ownership by Region



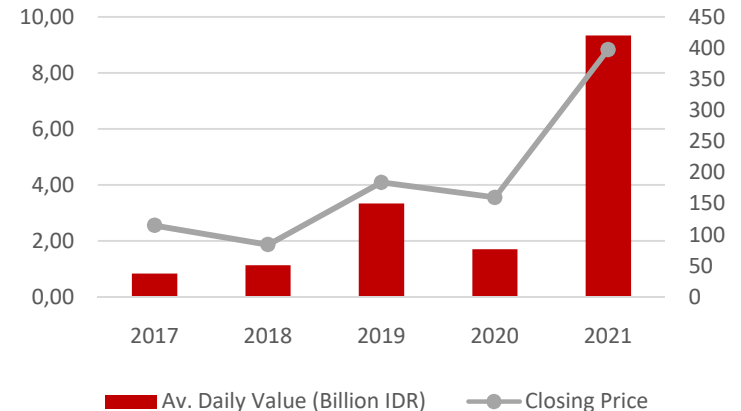
Foreign Inflow / (Outflow) (Rp Billion)



Stock Ownership Category



Average Trading Value



CLSA Snoopin around
Small-cap visit note
Monday, 22 February 2021



PT Steel Pipe (Rp208 - N-R)
Piping up
Strong management outlook from growing infra development in Indonesia

Yusef Ade Winoto, CFA +62 21 5088 7821
yusef.winoto@clsa.com
Jonathan Maridjuli, +62 21 5088 7815

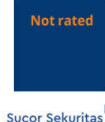
Company Update

Rabu, 14 April 2021



[Indonesia] Metal & Allied products
Steel Pipe Industry Indonesia Tbk
(ISSP IJ)
Margin expansion support earnings

April 13, 2021



Sucor Sekuritas

Equity Research

STEEL PIPE INDUSTRY OF INDONESIA
Proxy of Indonesia's Steel Industry Recovery

November 18th 2021

Transformer

Steel Pipe Industry of Indonesia - SPINDO (ISSP IJ)



October 2021

Yuanta Research
Company Update

Indonesia: Manufacture 22 April 2021

Not Rated
Close Apr 21, 2021
Price IDR220

Steel Pipe Industry of Indonesia (ISSP IJ)
Well managed but lacking growth



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

7

Guidance & Outlook



2022 Guidance & Outlook



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

- In General, the management still see 2022 as a bullish year. We believe at the moment, the Indonesia Government is handling the global inflationary pressure relatively better than some countries in Southeast Asia and in the World.
- Apart from new opportunity in export market and in new product expansion, we also believe that we can expand our marketshare along with product knowledge push from our marketing side to end-users.
- We still believe that the turnaround effort that we did is on track, hence we consistently follow our pre-set strategy and initiatives
- We aware that prolonged inflationary pressure will have detrimental effect on purchasing power. Further, as interest rate needs to be adjusted higher, the national economy will have tougher circumstances. However, such conditions will affect most (if not all) manufacturers and other national businesses.
- Hence, at the moment, we set our Sales Volume growth 20-30% for FY 2022 with sustained margin. We also aim to further improve our liquidity ratios, working capital days, which in turn can free up some cashflows.



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

8

Appendices



Appendix 1



PT. STEEL PIPE INDUSTRY OF INDONESIA, Tbk.

	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	3,662,810	4,467,590	4,885,875	3,775,530	5,378,808
Cost of Sales	3,100,253	3,935,894	4,197,484	3,217,408	4,258,794
Gross Profit	562,557	531,696	688,391	558,122	1,120,014
<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>
Operating Expenses	526,683	427,606	476,192	392,571	464,145
Operating Income (EBT)	35,874	53,446	236,211	119,575	655,869
EBITDA	433,298	441,672	611,594	440,926	953,614
Net Profit	8,634	48,741	185,694	175,935	483,306
<i>Net Profit Margin</i>	<i>0.24%</i>	<i>1.09%</i>	<i>3.80%</i>	<i>4.66%</i>	<i>8.99%</i>
	FY2017	FY2018	FY2019	FY2020	FY2021
Outstanding shares*	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	68.4
BVPS (Rp/Share)	405.9	412.7	438.6	498.1	536.0
Total Asset	6,296.4	6,494.2	6,424.6	6,260.5	7,097.3
Total Liabilities	3,428.4	3,578.7	3,325.8	2,741.3	3,310.1
Total Equity	2,867.9	2,915.6	3,098.8	3,519.2	3,787.2
Interest Bearing Debt	2,590.7	3,072.1	2,744.9	2,301.4	2,412.3
	FY2017	FY2018	FY2019	FY2020	FY2021

*Adjusted with Treasury Stocks of 120,651,300



facebook.com/spindosteelpipe



youtube.com/c/spindosteelpipe



[@spindosteelpipe](https://instagram.com/spindosteelpipe)



linkedin.com/company/spindo

THANK YOU!

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

