

PT Steel Pipe Industry of Indonesia Tbk



Company Presentation for 1Q2025 Results



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

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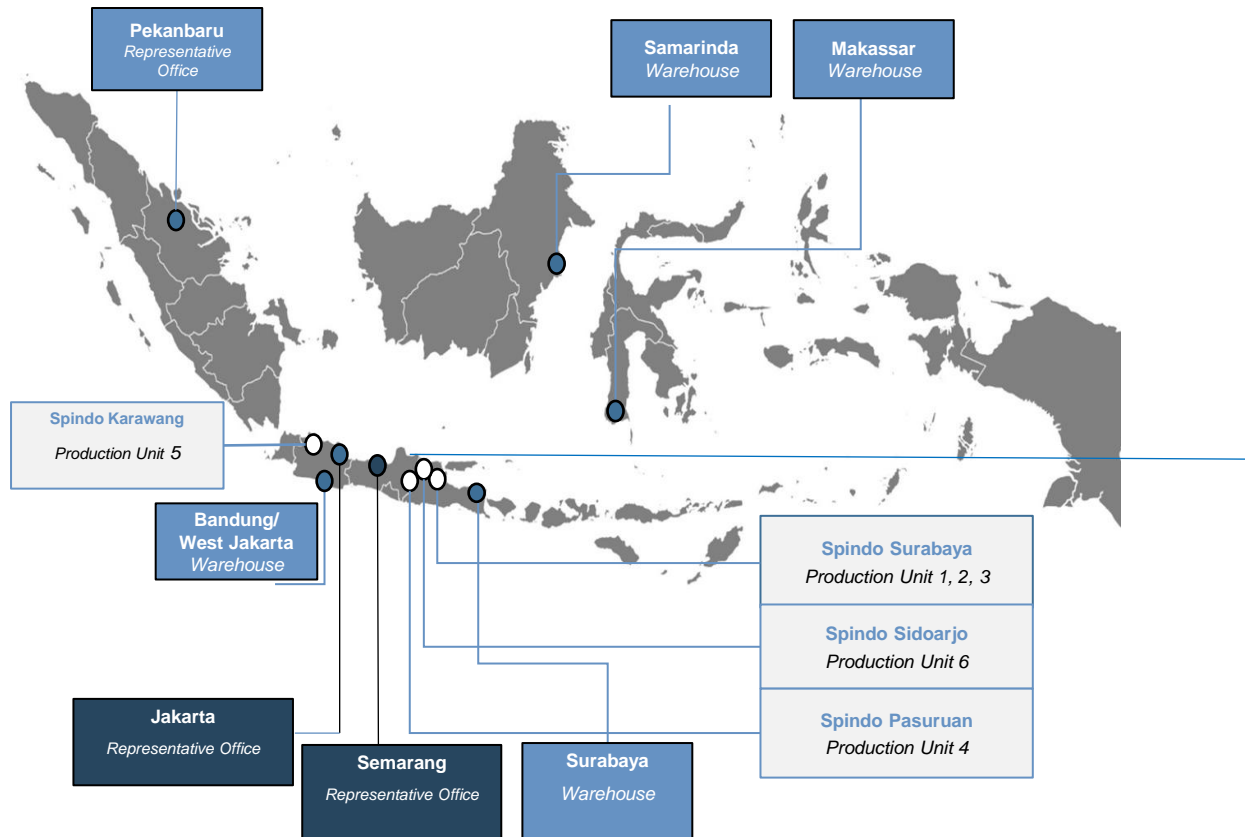


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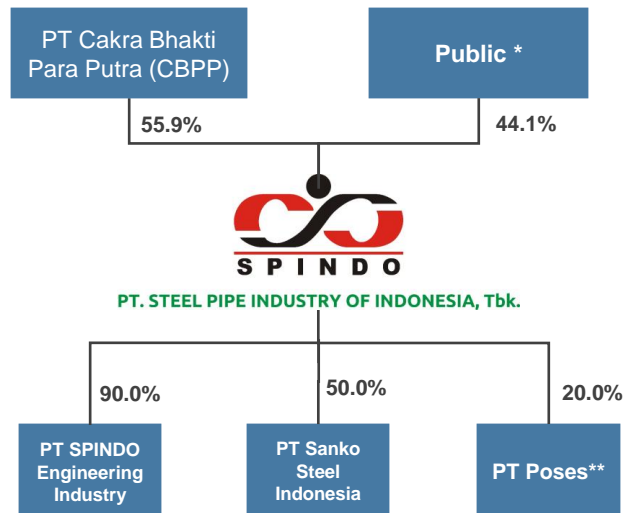
COMPANY OVERVIEW

Resilient Operations through Geographic Diversification: Mitigating Regional Risks for Sustainable Growth

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



Strategic Ownership Structure: Strengthening Financial Resilience



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

*** inoperative*

PT Cakra Bhakti Para Putra (CBPP), as the majority shareholder of SPINDO with a 55.9% stake, holds investments in several companies with substantial assets. This diversified investment portfolio enhances SPINDO's financial stability and provides a strategic advantage during challenging market conditions. In times of economic uncertainty or operational disruptions, the strong backing from CBPP ensures greater access to financial support and additional resources, reinforcing SPINDO's ability to navigate risks and sustain long-term growth.

Additionally, **PT Sanko Steel Indonesia**, a subsidiary of SPINDO, has been enjoying profit for the last 4 years, further strengthening the company's overall financial position. The profitability of Sanko adds an extra layer of resilience, offering additional revenue streams that can support SPINDO's growth and help navigate risks in fluctuating market environments.





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.



Entario Widjaja Susanto
Commissioner

Educational Background

Bachelor of Mechanical Engineering from University of Massachusetts, USA in 1996

Professional Experience

1997 – 1998 : MEP Program Mattel Indonesia
1998 – 1999 : System Engineer Ericsson Indonesia
1999 – 2000 : Trader for Myanmar and Singapore Market at Itochu Steel Asia
2000 – 2005 : Marketing Manager PT Saranacentral Bajatama Tbk
2005 – Sekarang : Director PT Saranacentral Bajatama Tbk



Bing H. Poernomosidi
Independent Commissioner

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.

Professional Experience

Officiate as Member of Audit Committee in PT Steel Pipe Industry of Indonesia Tbk (2012 – 2022)
Independent Commissioner in PT SekarLaut Tbk 2007 – 2019
Managing Partner (Surabaya Office) of Ernst & Young, Hanadi, Sarwoko & Sandjaja (2002 – 2006)



Welly Tantono
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 Tantono is the Group General Counsel at Secretlab, leading gaming chair maker for professional esports teams.

Legal Career is a former IP litigator at top New York and California law firms, handling high-stakes cases.

She transitioned to tech and healthcare sectors and is well-versed in capital markets and cross-border ventures and has held senior roles in Singapore and the US as a co-founder of Singapore's early healthcare cooperative.

She graduated with honors from both Harvard as well as Duke University and is the past president of the Association of Corporate Counsel, Singapore Chapter and Member of Legal Subcommittee to Fencing Singapore.

Her current appointment is as Lecturer at National University of Singapore's School of Computing.



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 Saranacentral Bajatama, Tbk., an Indonesian steel manufacturer.



Nico Gunawan
Director

Educational Background

He earned a master's degree from Institut Teknologi Sepuluh November in 2006

Professional Experience

Nico Gunawan started his career in steel industry since 2003 as OT Production Unit 2 and the latest as Operational Deputy Director in 2023



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

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

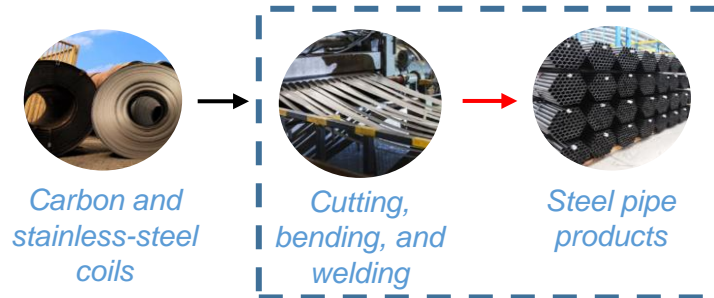
- 2011 Accredited with Occupational Health and Safety Management System ("OHSAS") certification
- 2013 Initial Public Offering of our Company on 28 January 2013 which raised US\$88m
- 2014 Commenced operations of the Sidoarjo plant
- 2015 Official opening of our Karawang expansion plant
- 2015 Signing 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")
- 2023 Grand opening of Makassar Depo, The issuance of PUB II consisting of Bonds and Sukuk.
- 2024 Issuance of the First Sustainability Linked Bond in Indonesia, guaranteed by CGIF



Spindo's Position in the Value Chain



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)

Service

Galvanizing, shearing, slitting, QAQC tests

Our Products and Key Markets



Construction, Infrastructure, and Utilities

Spiral pipes (non API)

Water pipes

Black pipes (non API)



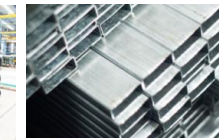
Electric and Utility poles

Strips + plates



Automotive

Mechanical tubes of various shapes



Furniture

Furniture pipes

Stainless steel pipes



Oil & Gas

Spiral pipes (API)

Black pipes (API)



Balanced Across Industries, Built for Resilience.

More than **5,000**
Customers Registered

2,000 – 3,000
Active Customers

Distribution Channel

End-users

Approx.
70%

Distributors

Approx.
30%

Selected Key-Customers

Construction, Infrastructure, and Utilities Pipe



53%

Furniture Pipe



19%

Automotive Pipe



19%

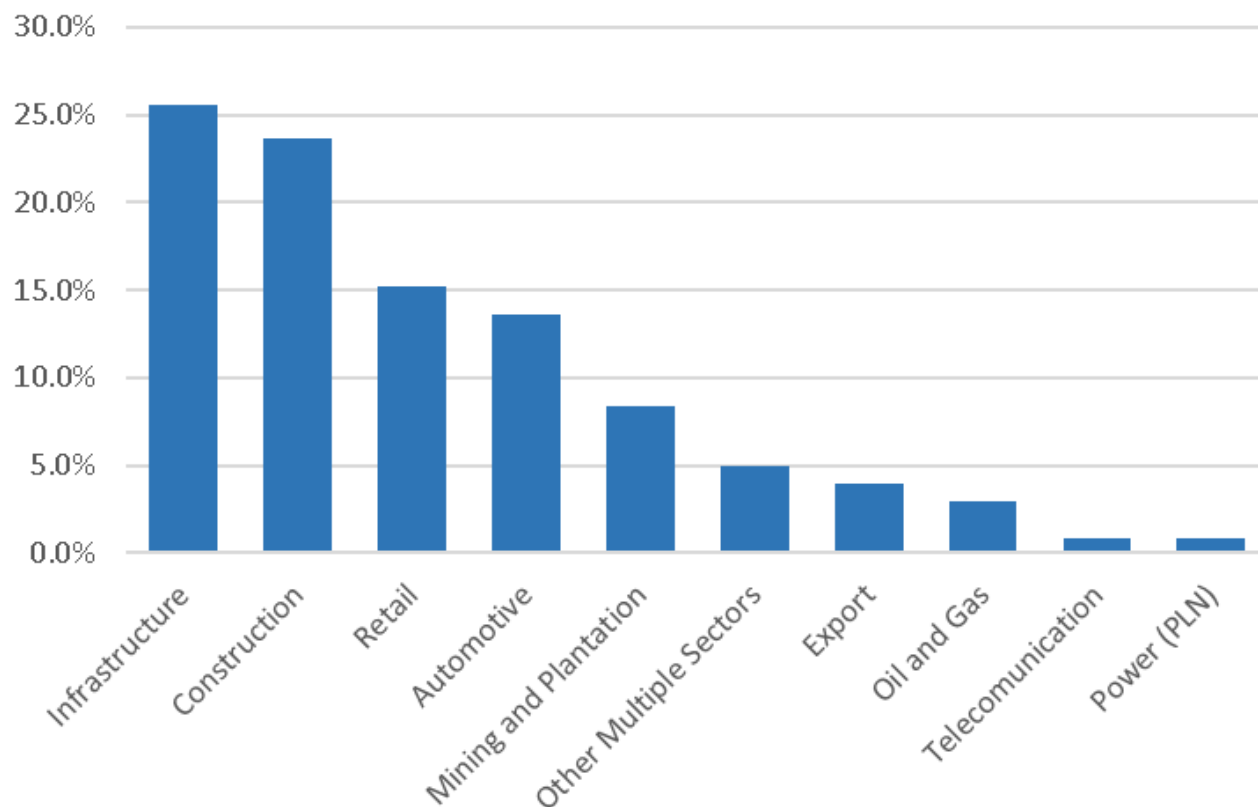
Oil & Gas Pipe



9%

Exposure to Multiple sectors

Customer Sector



Annual average – company estimates

SPINDO demonstrates a **well-balanced customer sector exposure**, ensuring resilience and reduced dependency on any single market. The distribution highlights the company's robust positioning across multiple industries

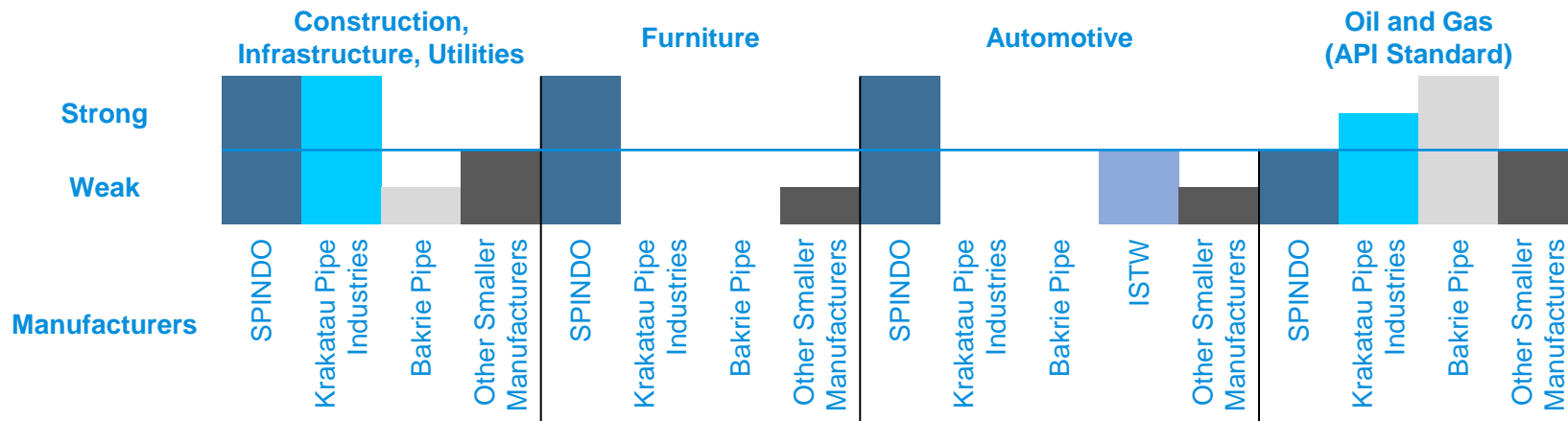
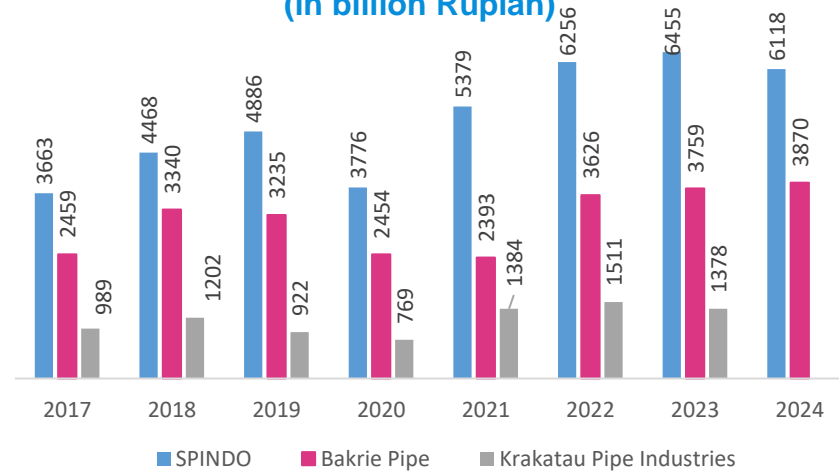
Other indicator that our AR days do not change much from 2023, despite liquidity problem in SOE contractors. Proving that although we supply to them, we do not endure significant credit problem



Standing Out Amid Competition Across Sectors

- SPINDO's primary competitors include PT Krakatau Pipe Industries (KPI) – a subsidiary of PT Krakatau Steel (Persero) Tbk, and PT Bakrie Pipe – a subsidiary of PT Bakrie Brothers Tbk.
- Uniquely, SPINDO competes across all sectors, unlike other competitors who typically concentrate on one or two sectors.

Largest Pipe Manufacturer in Indonesia by Revenue (in billion Rupiah)



Note :

Figure in Table 1 is obtained from respective companies Annual Report as of 14/05/2025. KRAS.IJ have not submitted their annual report (delayed). Company estimates.

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1st Quarter Highlight

Navigating Challenges: SPINDO Sustains Strong Fundamentals in Early 2025

Despite facing external pressures from falling global steel prices and a shorter operational window due to early Lebaran, PT Steel Pipe Industry of Indonesia Tbk (SPINDO) recorded revenue of Rp 1.28 trillion in 1Q2025, down 6.8% YoY. The decline was driven by an 8.6% reduction in sales volume and a 5.0% drop in average selling price, in line with a ~12–15% fall in global Hot Rolled Coil (HRC) prices. Nevertheless, SPINDO's gross profit margin improved from 18.7% to 18.9%, reflecting effective cost control at the production level. Operating profit was impacted by higher logistics and distribution expenses, as well as foreign exchange losses from a stronger US dollar, resulting in a net profit of Rp 84.5 billion, down 22.3% YoY.

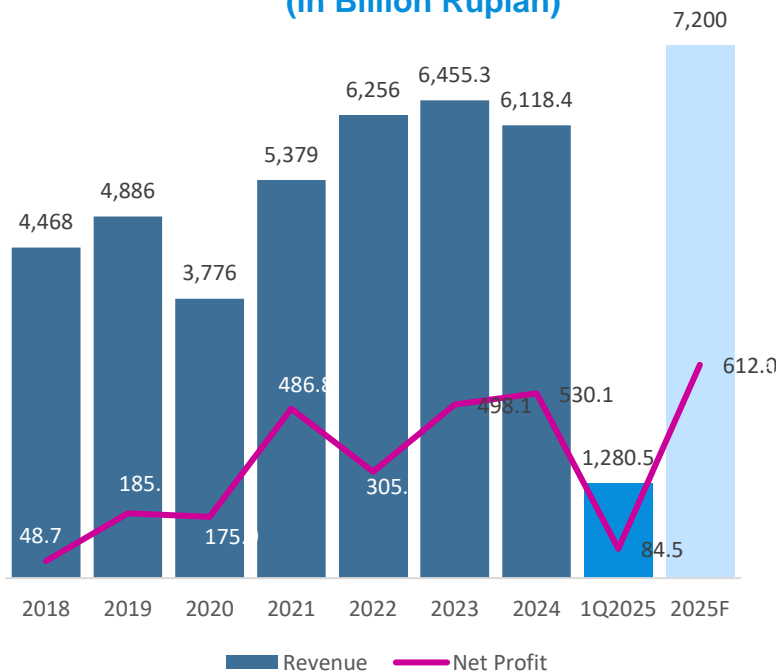
Despite the margin pressures, SPINDO demonstrated solid financial resilience. The company's debt-to-equity ratio improved to 0.64x, and the share of short-term liabilities declined significantly from 73.0% to 49.7%, indicating a healthier funding structure. SPINDO also generated a positive operating cash flow of Rp 250.8 billion, supported by disciplined working capital management. Looking ahead, SPINDO remains committed to strengthening operational efficiency and margin recovery through the ongoing development of Unit 7, which will expand its portfolio of high-value steel pipe products and reinforce its position in the premium segment.

Meanwhile, global HRC prices have fallen significantly from a peak of over USD 700/ton in early 2023 to below USD 500/ton by April 2025 — a cumulative decline of nearly 30%, reflecting continued oversupply from China and sluggish global demand.”

Resilient Margins and Strong Fundamentals Amid Market Volatility

SPINDO maintained solid financial performance in 1Q2025, recording revenue of Rp 1.28 trillion, down 6.8% YoY, amid continued market price pressures and fewer working days due to early Lebaran. Despite these challenges, the company's **gross margin improved to 18.9%**, supported by disciplined cost control and efficient operations. Net profit reached Rp 84.5 billion, reflecting temporary pressure from higher logistics costs and foreign exchange losses. SPINDO remains confident in sustaining its growth trajectory through ongoing investment in automation, digital transformation, and high-value product expansion, reinforcing its adaptability and long-term competitiveness in Indonesia's steel pipe industry.

Revenue and Margin 2018 - 2025F
(in Billion Rupiah)



Strategic Shift in Product Mix and Funding Structure Strengthens Outlook

In addition to maintaining profitability, SPINDO adapted its product mix to shifting demand—sales of API pipes and poles increased significantly, supporting infrastructure and utility sectors, while lower sales in spiral and furniture pipes reflected softer project activity. The company also **reduced general and administrative expenses by 4.1% YoY** and strategically shifted its financing from short-term bank loans to longer-tenor sukuk, cutting bank interest costs by over 50%. These moves reinforce SPINDO's financial resilience and readiness to capture growth opportunities ahead.

Improvement in high value product

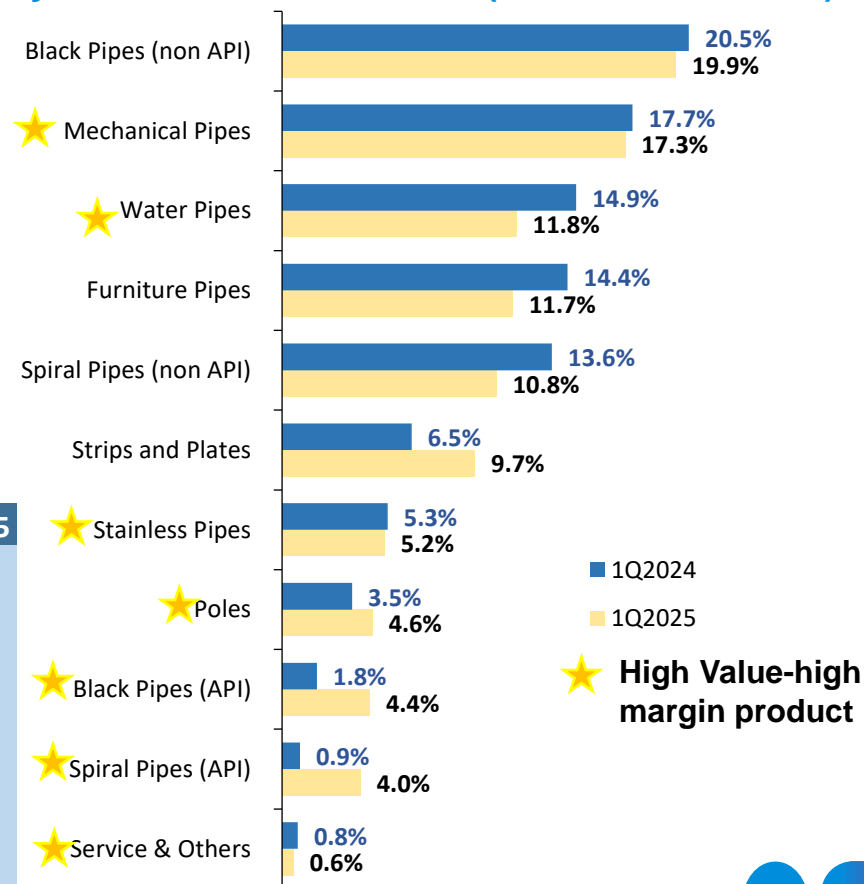
Improves Sales Mix

SPINDO's 1Q2025 product mix shows a **strategic tilt toward high-value, high-margin segments**, with a notable increase in API pipes, stainless pipes, poles, and mechanical pipes — all marked as premium categories. Although the share of black pipe (non-API) and water pipes slightly declined, **the combined contribution of higher-margin products rose**, supporting gross margin improvement to 18.9% during the quarter. The increase in API pipe share (from 2.7% to 8.4%) reflects early traction from project-based demand and infrastructure sectors. This evolving mix positions SPINDO well to strengthen profitability as production capacity expands in late 2025 and 2026..

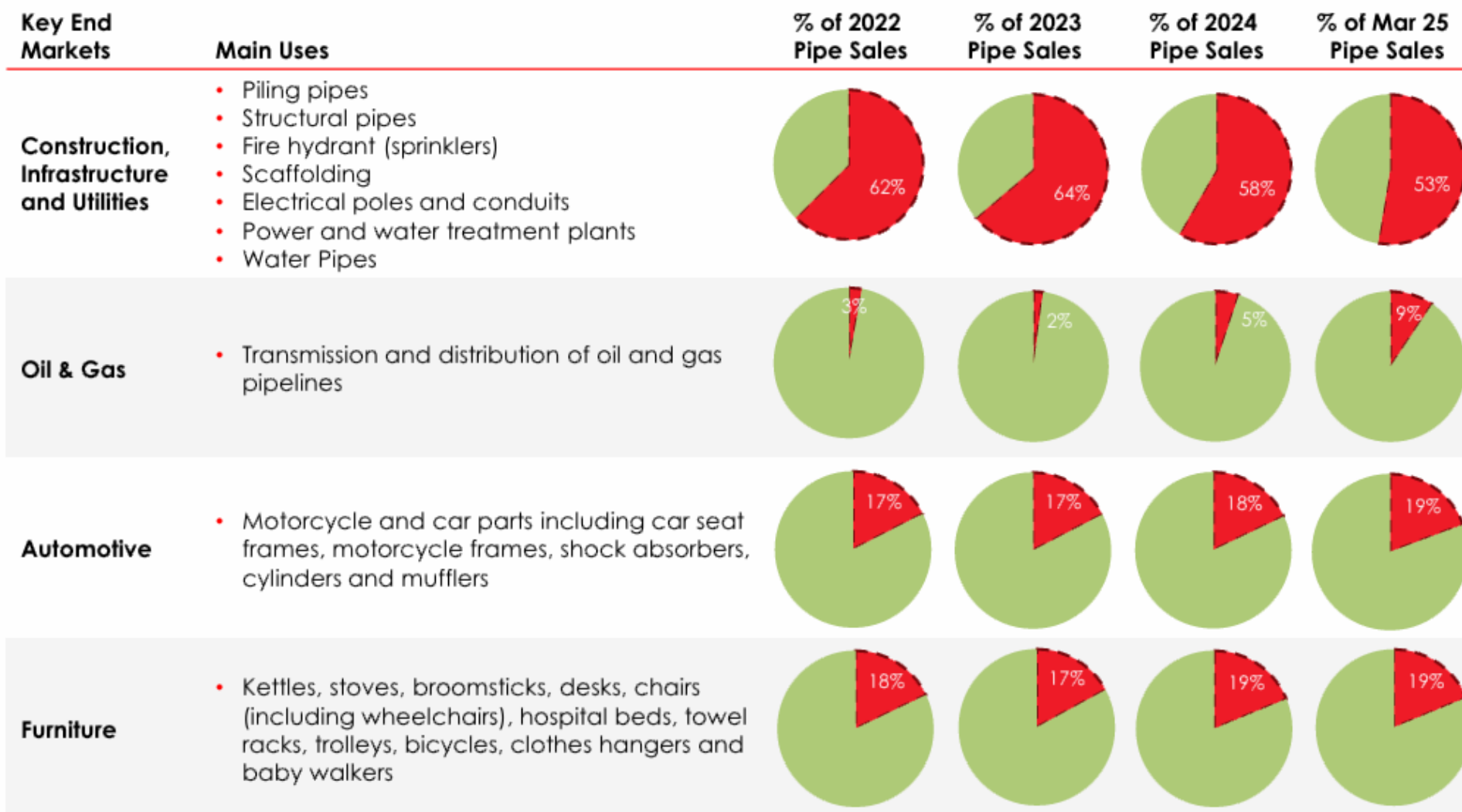
SALES COMPOSITION

	2018	2019	2020	2021	2022	2023	2024	1Q2025
Oil & Gas	0%	0%	0%	1%	3%	2%	5%	9%
Furniture	14%	16%	19%	18%	18%	17%	19%	19%
Automotive	19%	19%	17%	16%	17%	17%	18%	19%
Construction, Infrastructure & Utilities	67%	65%	64%	65%	62%	64%	58%	53%
Total Sales Vol (000 Ton)	341.3	375.4	302.4	302.8	325.3	364.5	357.7	75.9

Highly Diversified Product Mix (1Q2024 vs 1Q2025)

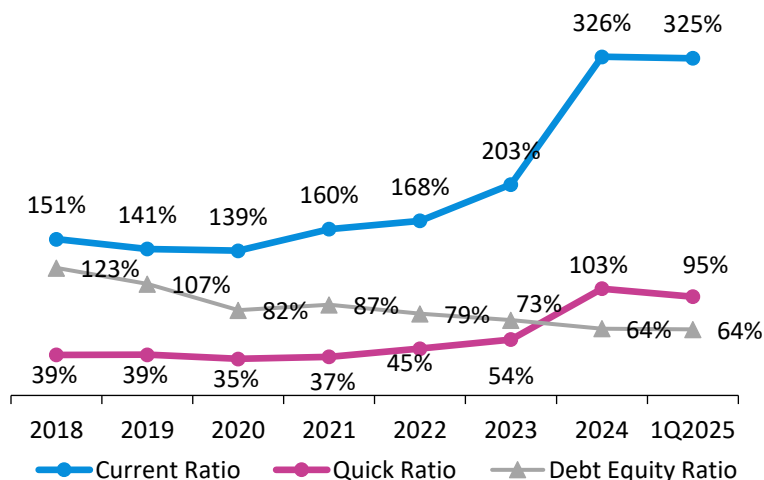


Increased Oil and Gas Project

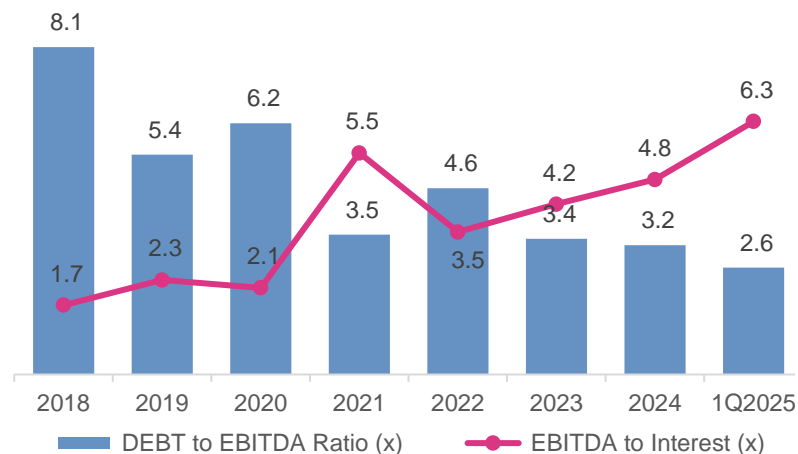


Improved Working Capital

Liquidity & Leverage Ratios



Debt, Interest & EBITDA



Solid Asset Growth Driven by Liquidity and Inventory Management

SPINDO's total assets rose to Rp 8.41 trillion as of March 31, 2025, reflecting steady growth from year-end 2024. The increase was primarily driven by a 23% rise in cash and cash equivalents, signaling healthy liquidity from operational activities. Inventory levels also grew slightly (+2.9%), indicating continued order fulfillment capabilities, while trade receivables decreased by 21%, Accounts receivable days improved from ~67 days at year-end 2024 to ~63 days in 1Q2025, reflecting enhanced collection efficiency and stronger cash conversion.

Strengthened Equity and Stable Liabilities

Total liabilities stood at Rp 3.28 trillion, up slightly from year-end, due to higher trade payables and customer advances tied to active project execution. Notably, short-term financial obligations remained stable, while finance lease liabilities declined. On the equity side, SPINDO's capital position improved to Rp 5.13 trillion, supported by retained earnings growth. The company's debt-to-equity ratio improved to 0.64x, reaffirming its prudent capital structure and balance sheet resilience in navigating market fluctuations.

Improved Liquidity and Financial Resilience

SPINDO continued to strengthen its liquidity position, with the current ratio holding steady at 325%, and the quick ratio improving to 95% in 1Q2025 — a reflection of ample short-term assets relative to obligations. The debt-to-equity ratio reached its lowest level in six years, while the EBITDA-to-interest coverage ratio rose to 6.3x, highlighting strong interest-servicing capacity. These improvements reflect disciplined financial management and reinforce SPINDO's credibility in maintaining sustainable growth under uncertain conditions.

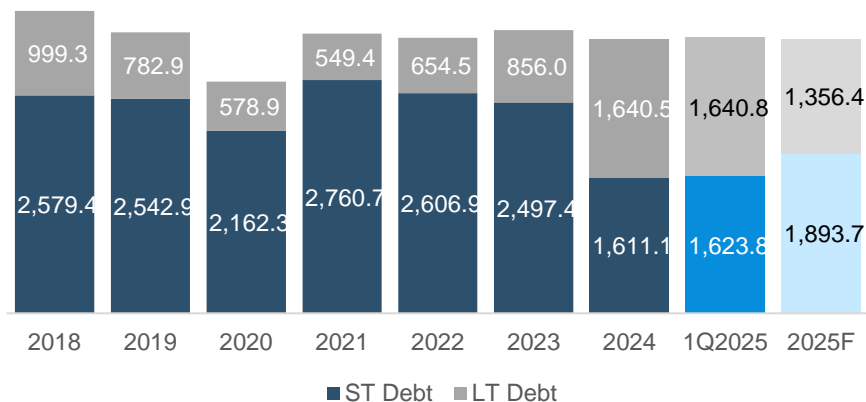
Funding Structure

Funding Structure in Place

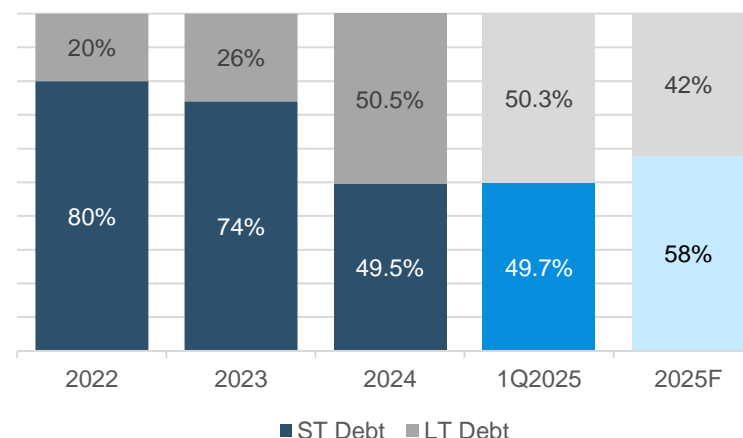
SPINDO has continued to **rebalance its funding structure**, gradually shifting toward **long-term debt (LT Debt)** to reduce refinancing risk and optimize borrowing costs. As shown in 1Q2025, **long-term debt now represents 50.3%** of total debt, compared to just 26% in 2022. This trend is expected to continue into 2025F, with long-term debt projected to reach **58%**, further strengthening the capital structure.

This transition supports a **lower and more predictable cost of funds (CoF)**, particularly in a declining interest rate environment. By locking in longer-tenor instruments such as bonds and sukuk, SPINDO reduces exposure to short-term rate volatility and improves financial planning certainty. The steady funding base also enhances investor confidence and enables better alignment with the company's long-term capex and growth strategy.

**Funding Composition
(in IDR Billions)**



LT/ST Composition (%)



April 2025

idA (PEFINDO)

PUB Obligasi Berkelanjutan II
SPINDO
Phase III

IDR 139,65 Billion

7.25% - 1 years (IDR 71,485 B)

7,75% - 3 years (IDR 27,665 B)

8,00% - 5 years (IDR 40,520 B)

JLU

 **BCAsekuritas** INDOPREMIER

Issuance of PUB Obligasi Berkelanjutan II Phase III and Sukuk Ijarah II Spindo Phase III

Effective 29 March 2025, SPINDO raised **IDR 292.5 billion** through Phase III of its Sustainable Bond/Sukuk II, offering coupons of 7.25% (1 year), 7.75% (3 years), and 8.00% (5 years).

Compared to the Indonesia Government Securities Yield Curve (IGSYC), which ranged from 6.14% to 6.72% for matching tenors, the resulting credit spreads of approximately 111–128 bps are relatively tight for an idA-rated issuer. This indicates not only adequate investor demand, but also suggests improved pricing confidence toward SPINDO's credit profile in today's market environment.

*pricing was done on 19 March of which Govt Yield +20Bps vs 30 april

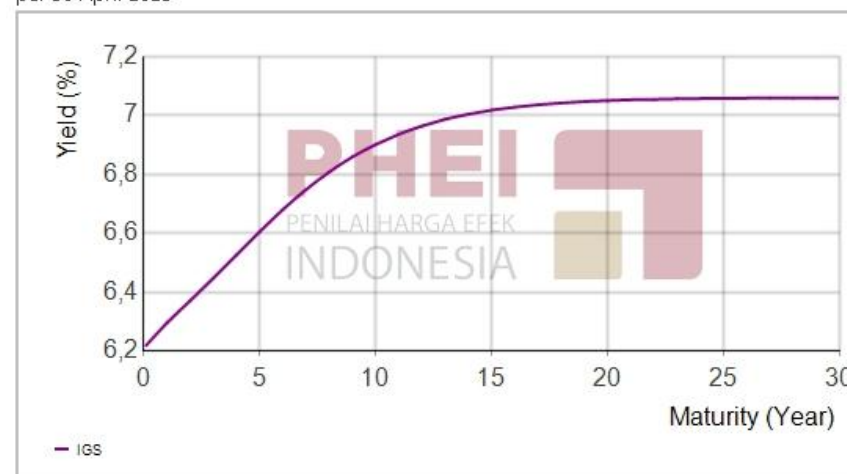
Credit Spread Matrix

per 30-April-2025

Tenor (Year)	A
0,1	114,07
1,0	197,44
2,0	223,57
3,0	240,29
4,0	256,70
5,0	270,82

IGSYC

per 30-April-2025



April 2025

idA (PEFINDO)

PUB Sukuk Ijarah Berkelanjutan II
SPINDO
Phase III

IDR 152,85 Billion

1 years (IDR 76,685 B)

3 years (IDR 0.155 B)

5 years (IDR 76.010 B)

JLU

 **BCAsekuritas** INDOPREMIER

	1Q2025
Cashflow from Operation	
Receipt from Customers	1,471.95
Payment to Vendor, Employee Etc	(1,141.47)
Financial Charges	(49.35)
Tax Expense	(34.91)
Interest Income	5.66
Tax Return Income	
Net Cash flow from Operation	251.87
Cashflow from Investment	
Sale of Fixed Asset	-
Purchase of Fixed Asset	(33.48)
Fixed Asset Advances	(73.90)
Investment Property	-
Addition on Intangible Asset and Other NonCurrent Asset	(0.78)
Net Cashflow usage for Investment	(108.15)
Cashflow from Financing	
Addition on Leasing	
Payment on Leasing	(5.56)
Dividend Payment	-
Bonds Issuance	-
Sukuk Issuance	-
Bonds & Sukuk Expenses	-
Bonds & Sukuk Repayment	-
Addition on Long Term Loan	-
Payment on Long Term Loan	-
Increase (decrease) on ST Bank Loan	-21.674
Other Receivable Payment from Related Parties	-
Other Payables disbursement from Related Parties	-
Net Cashflow acquired from Financing activity	(27.24)
Net Cash Increase (decrease)	116.48
Beginning Cash	503.65
Foreign Exchange Loss/Gain on Cash	0.224
Cash and Equivalent end of Period	620.36

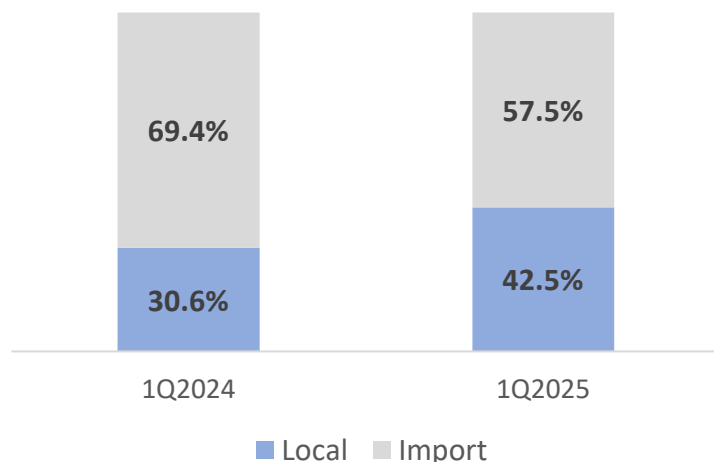
Strong Cash Flow

SPINDO generated **Rp 251.87 billion** in net operating cash flow during 1Q2025, reflecting strong collection performance and disciplined operational management. Investment cash outflow for the quarter stood at **Rp 108.15 billion**, primarily for fixed asset purchases and project-related advances. With total capex planned at approx. **Rp 550 billion** for the full year, the Q1 realization represents approximately **20% of the annual capex budget**, suggesting that the bulk of strategic expansion—including Unit 7 development—is expected to ramp up in subsequent quarters. The company maintained a **healthy cash balance of Rp 620 billion** at the end of March, providing adequate liquidity to support its ongoing investment agenda while keeping leverage stable.

Flexible Purchasing

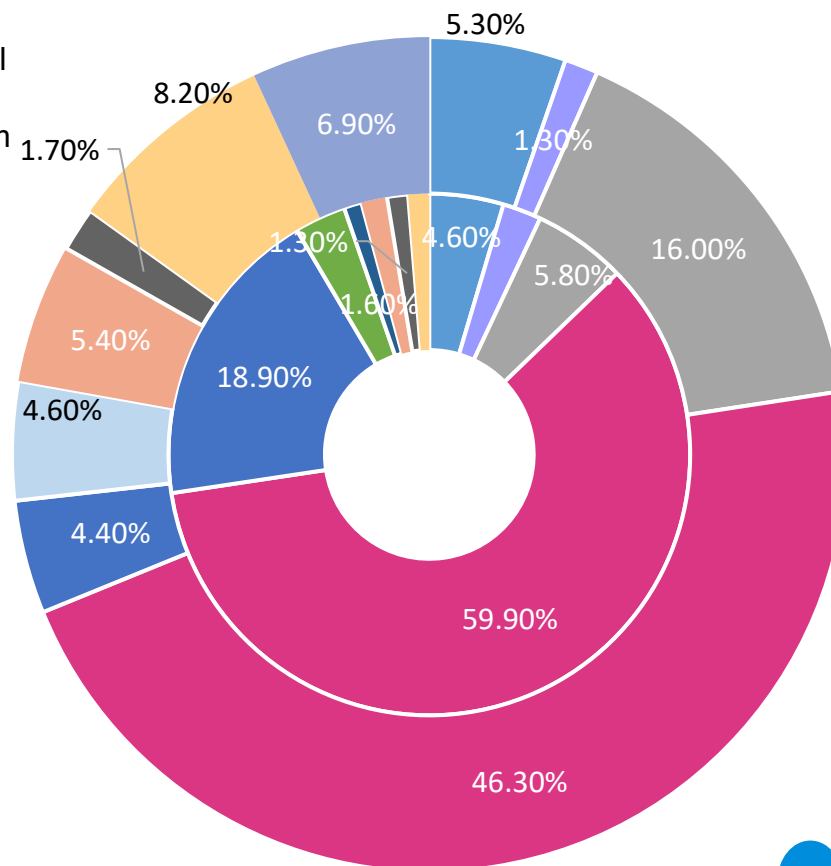
In 1Q2025, SPINDO increased its share of **local raw material purchases to 42.5%**, up from 30.6% in 1Q2024. This shift reflects a deliberate strategy to **diversify procurement sources and mitigate exposure to global supply chain disruptions**, currency fluctuations, and geopolitical risks. The donut chart also shows a broader supplier mix, with **less concentration in the largest supplier** (Baowu Group's share down from 59.9% in FY2024 to 46.3% in 1Q2025), and a more distributed reliance across regional and domestic providers. This purchasing flexibility strengthens SPINDO's ability to maintain continuity, optimize lead times, and reduce logistics costs—key factors in safeguarding operational stability amid global volatility.

Purchase of Materials

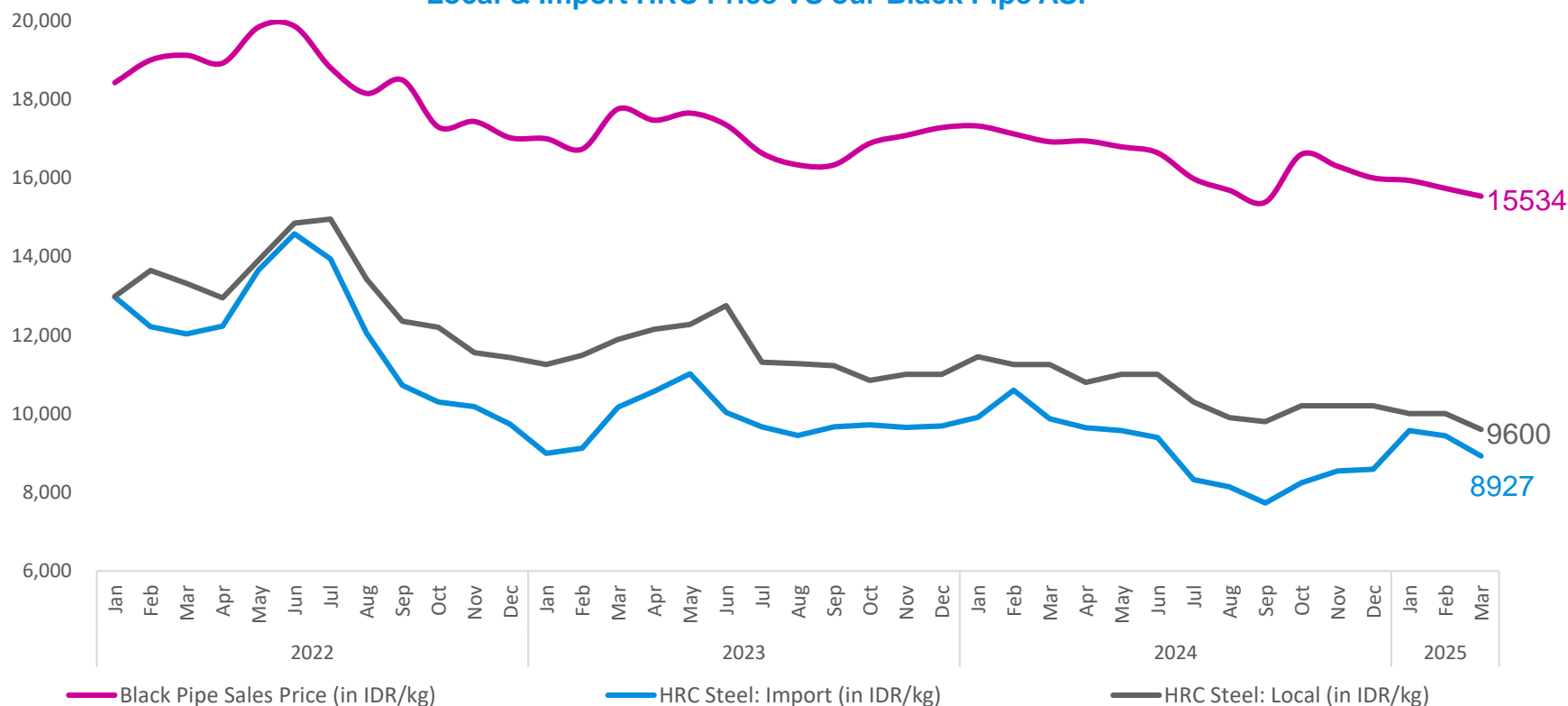


- JFE
- Others (under 5%)
- Tsinghan
- Baowu Group
- KS
- Posco
- AM NS
- New Asia
- Java Pacific
- Lautan Baja
- Dexin

Top Suppliers
FY2024 (inside) and 1Q2025 (outside)



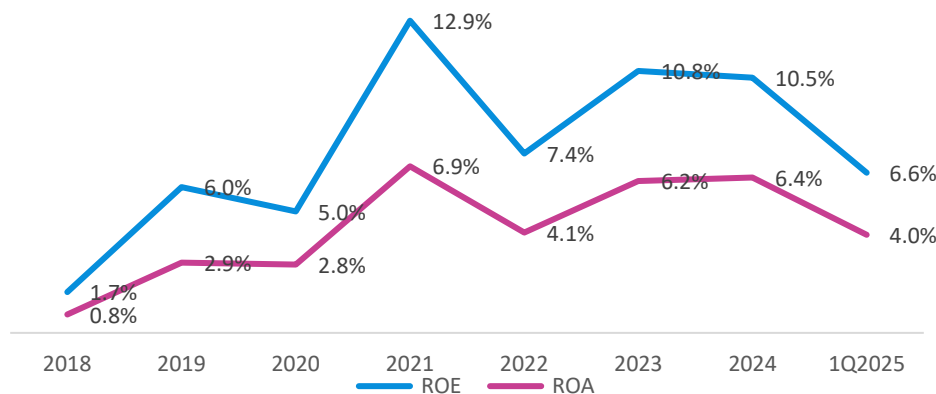
Local & Import HRC Price VS our Black Pipe ASP



Source : www.lme.com, company calculation

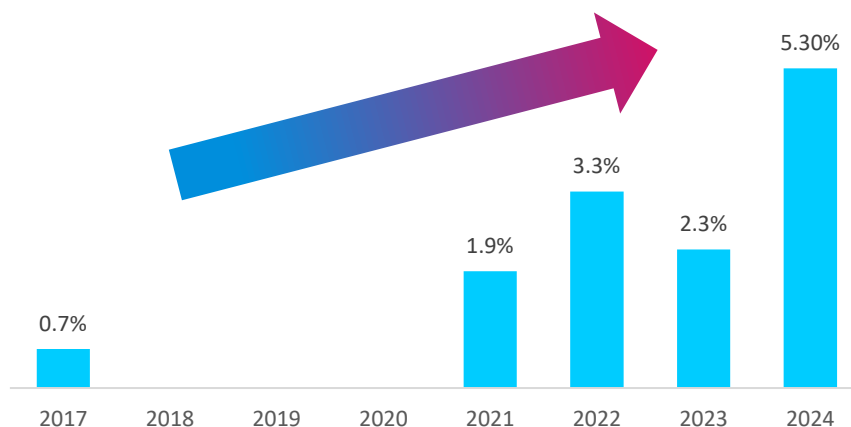
Our Black Pipe ASP remains strong at IDR 15,534/kg, maintaining a healthy margin over local HRC (IDR 9,600/kg) and imported HRC (IDR 8,927/kg). While HRC prices have fluctuated, the overall trend shows a decline from mid-2023 to early 2025, creating a more favorable cost environment. The consistent gap between raw material costs and selling prices supports profitability. Moving forward, maintaining pricing discipline and cost efficiency will be key to sustaining margins amid market fluctuations.

ROE & ROA



	2017	2018	2019	2020	2021	2022	2023	2024	1Q2025
EPS (Rp/Share)	1.2	6.9	26.3	24.9	68.9	43.3	70.5	75.0	12.0

Dividend Yield



Strong Shareholder Value Creation Through Profitability & Dividends

Our financial performance reflects a consistent improvement in profitability and shareholder returns, as evidenced by our Return on Equity (ROE) and Return on Assets (ROA) trends. After peaking at 12.9% ROE in 2021, we maintained a strong position with 10.5% ROE in 2024, alongside a steady increase in ROA to 6.4%. This demonstrates our ability to generate solid returns on invested capital while maintaining operational efficiency.

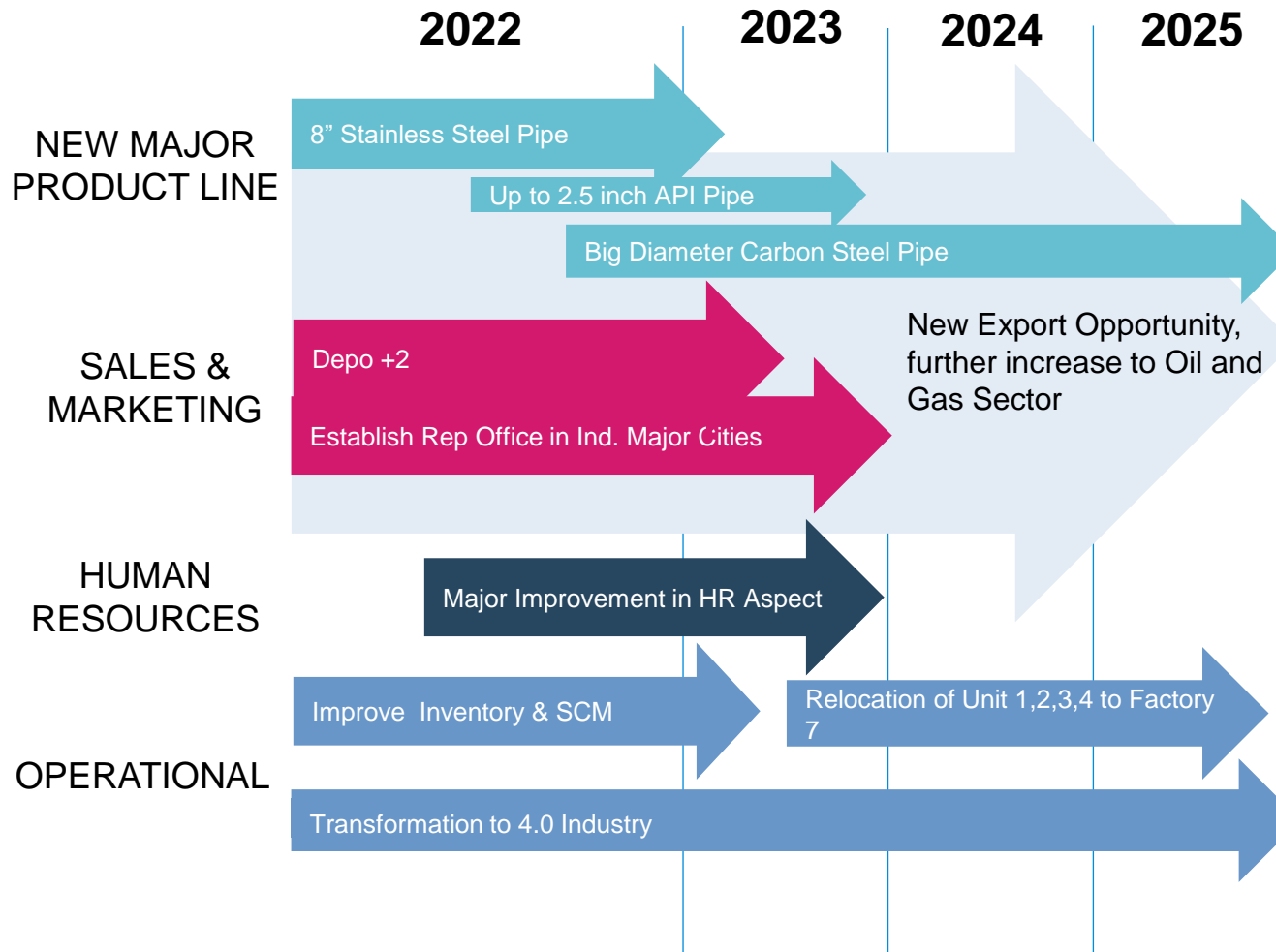
Additionally, our dividend yield has shown remarkable growth, rising from 0.7% in 2017 to 5.3% in 2024, underscoring our commitment to rewarding shareholders. Given our sustained profitability and strong cash flow generation, we encourage the continuation—or even an increase—of the dividend payout ratio (DPR) to further enhance shareholder value. By maintaining an attractive dividend policy, we can strengthen investor confidence and reinforce our position as a financially disciplined, growth-oriented company.

3

Going Forward

2022 – 2025 Strategy

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



Unit 7 is expanding with two brand-new, high-tech ERW machines—one for pipes up to 8 inches and another for large-diameter ERW production, both featuring advanced robotic technology. The large-diameter ERW machine boasts a monthly capacity of up to 50,000 tons, while the 8-inch ERW machine can produce up to 20,000 tons per month, reinforcing our commitment to cutting-edge innovation and increased production efficiency. Also, this investment aligns with the President's strategy to strengthen energy security, reinforcing our commitment to innovation and national energy resilience.



**not real picture – for illustration purposes only*

Prabowo Subianto Bentuk Satgas Percepatan Hilirisasi dan Ketahanan Energi Nasional

Presiden Prabowo Subianto membentuk Satuan Tugas Percepatan Hilirisasi dan Ketahanan Energi Nasional.

10 Januari 2025 | 13.48 WIB



EACH of API-Standard pipe follow a comprehensive range of tests to ensure quality and safety, including material, dimensional, and performance tests

Aa



Bagikan



Now Product coming full effect in 2026 and 2027

- Our new 8 inch pipe is expected to be starting production in October 2025 and the new big diameter machine will commence in may 2026. this new addition to production capacity, production, and eventually sales will further improve our margin expansion. API Standard pipe priced at typically >50% more expensive than standard black pipes.
- Our new facilities will be equipped with cutting edge technology that will enable us to improve loading time and pursue efficiency for us and our customer
- New product in Automotive sector

Continuation of our turnaround strategies

- As we see that current strategy is effective to improve branding and increase sales, we will continue and more intensely approach our end users. This approach will also make way for new users previously using seamless pipe, and other non-standard pipes
- Further pursue inventory reduction and maintain AR days to improve Cash Conversion Cycle.
- Optimise and reduce Debt to improve credit risk
- Continue with funding diversification to reduce financial cost, outperforming the interest rate declining trend
- Improve our HC productivity and capability with digital transformation.
- Accelerating process to reach industry 4.0 which provide more efficiencies and competitive advantages

Actively pursuing our Vision : Improving quality of life

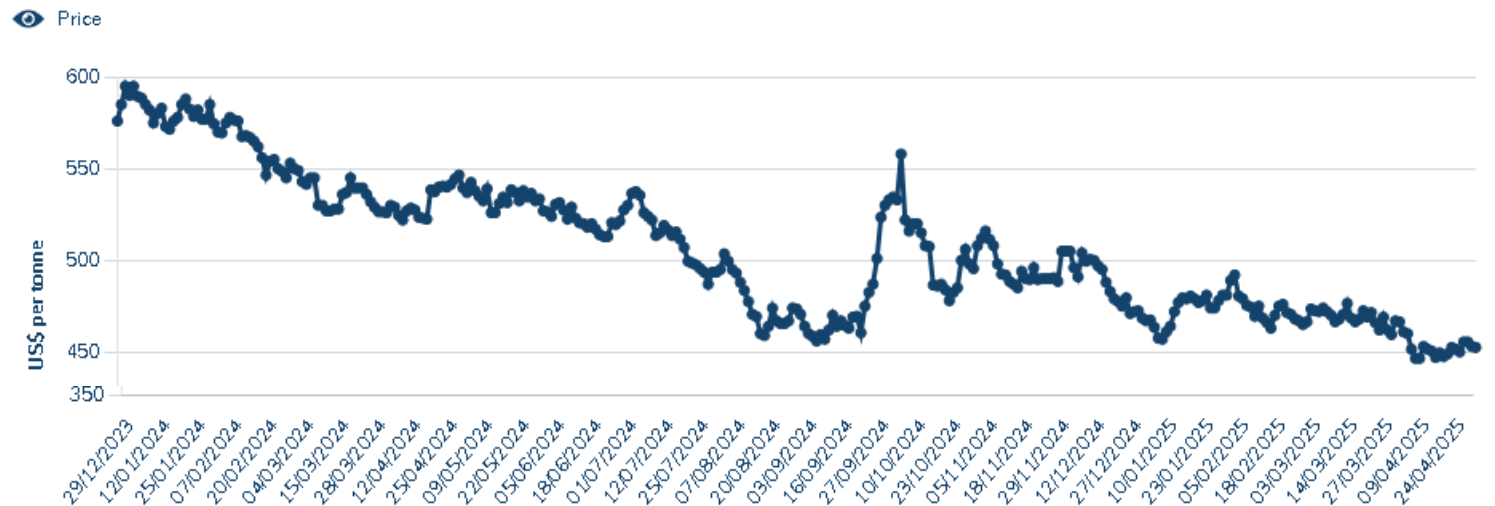
- Continue and expand our CSR coverage to provide fresh water for more people. (2025 1st semester in Gunung Kidul)

4

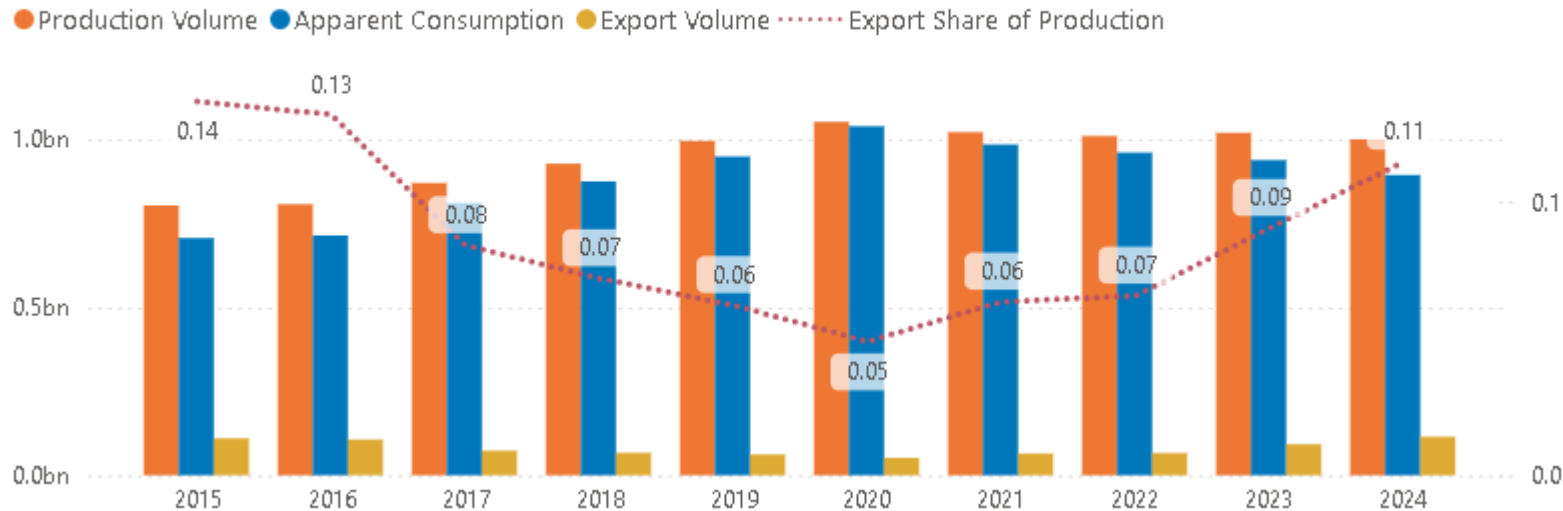
Market Outlook

The global steel market remains mixed in 2025, with moderate demand recovery in Southeast Asia and the Middle East, while China continues to face overcapacity and soft domestic demand. Chinese steel producers have intensified exports, pushing volumes to Southeast Asia and causing increased pricing pressure. Global HRC prices have declined ~12% YoY, though signs of bottoming out are emerging. Freight and energy costs have stabilized after post-pandemic volatility, but currency risks remain

LME Steel HRC FOB China (Argus) Closing prices graph



China Exports Share of Production, Millions of Metric Tons



- China is **exporting a growing share of its steel output**, up from 6.4% in 2022 to 11.5% in 2024 — indicating rising reliance on outbound shipments amid stagnant domestic demand.
- With **domestic consumption declining** (from 1.04B tons in 2021 to 894.6M tons in 2024), surplus steel continues to flow into export markets, intensifying **price competition and import pressure** on regional players

The global economy in mid-2025 shows signs of relative stabilization, with easing inflation, improved supply chains, and central banks signaling a shift toward monetary easing. However, the recovery remains uneven: consumer spending is softening in key markets like the U.S., China continues to rely on exports amid weak domestic demand, and global trade momentum has yet to fully rebound. While risks remain from geopolitical tensions and currency volatility, the overall environment is less turbulent than in recent years — offering a cautiously optimistic backdrop for industrial sectors.



On GPS: Are India and Pakistan on the brink of war?

Tensions are high between India and Pakistan after a militant attack in Indian-administered Kashmir killed 26 people. Fareed speaks to the...



Indonesia's economy experienced a modest deceleration in Q1 2025, with GDP growth estimated at 4.91% year-on-year, down from 5.02% in the previous quarter. This slowdown is attributed to subdued private consumption and weakened export demand, particularly from China. On a quarterly basis, the economy contracted by 0.89%, reflecting challenges in household spending and global trade dynamics. Inflation remained below the central bank's target range in early 2025, with a brief deflation of -0.09% in February, before rising to 1.95% in April due to increases in gold prices and the end of electricity subsidies. Bank Indonesia maintained the benchmark interest rate at 5.75% in April to support the rupiah amid global uncertainties, after cutting rates earlier in the year to boost growth.

Indonesian Rupiah



Despite currency pressures (IDR at ~16,460/USD), the macro environment continues to support industrial activity. Infrastructure spending is being driven by ongoing public projects, including the Nusantara Capital relocation and national connectivity programs. According to BKPM, foreign direct investment (FDI) into Indonesia continued to rise in early 2025, particularly in manufacturing and energy sectors. These factors collectively support underlying steel demand resilience, especially for construction pipes, utility infrastructure, and industrial applications.

5

Spindo ESG

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

6 CLEAN WATER AND SANITATION



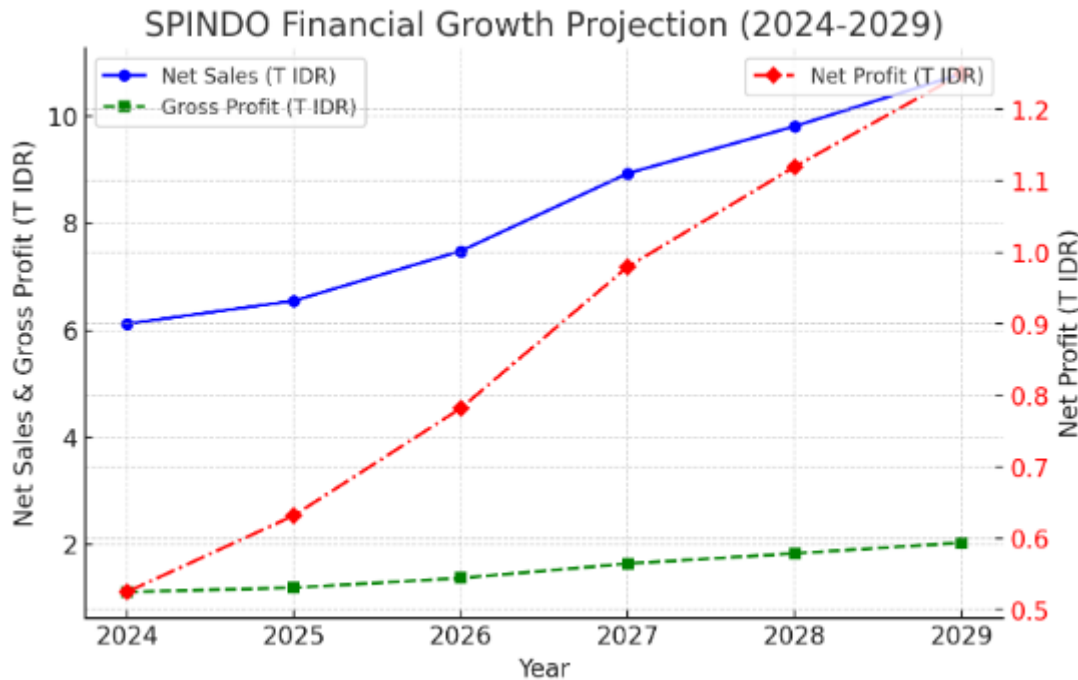
Wilayah Pacitan, khususnya Dusun Ketjo, Desa Petungsinarang terkenal sulit mendapatkan air bersih. Faktor penyebab kekurangan air bersih: curah hujan yang rendah, topografi pegunungan kapur yang kurang mampu menyimpan air, kerusakan hutan dan deforestasi, serta sumber air yang terbatas.

Sebanyak 35 keluarga di desa tersebut harus membeli air Rp 250.000 dalam 2 minggu saat musim kemarau.



6

Guidance & Outlook



SPINDO's 1Q2025 net sales of **Rp 1.28 trillion** and net profit of **Rp 84.5 billion** reflect a solid start toward the full-year projection, despite early headwinds from lower ASPs and reduced working days due to Lebaran. The quarter's gross margin improvement to **18.9%**, along with stable cost discipline, supports the trajectory shown in the growth forecast—where both gross profit and net profit are expected to expand steadily through 2029. While the Q1 contribution represents roughly **20–21% of the annual sales and profit target**, the underlying margin resilience and ongoing investments (e.g., Unit 7) position SPINDO well to accelerate performance in subsequent quarters and remain on track with its medium-term financial targets.

While SPINDO's financial projections indicate strong revenue and profit growth, it is essential to consider market uncertainties and operational challenges that may influence actual performance.

7

Selected Projects

Selected Project Developments January – April 2025

Logistik

- Proyek Pembangunan Dermaga A Petrokimia Gresik
- Proyek Pekerjaan Bracing Jetty Wanam Merauke
- Proyek Upgrading Jetty 1 di IT Pontianak
- Proyek Dermaga Lapuko 2025
- Proyek Revitalisasi Breasting Dolphin Kanan Jetty 2 IT Manggis
- Proyek Pembangunan Dermaga Pulau Balang Bentang Pendek II – IKN
- Peningkatan Fasilitas Pelabuhan Lampia
- Proyek Pelabuhan MIDAI 2025

Infrastructure

- Proyek Pembangunan Palaran Samarinda, Kaltim
- Proyek Rekonstruksi Jembatan Palu 4
- Proyek Jalan Tol Probolinggo - Banyuwangi Paket 3
- Proyek PDAM Jaya - Jakarta

Oil and Gas Machinery

- Proyek Coal Crushing System dan Loading Terminal Kapasitas 36 Juta Ton Per Tahun di Tanah Grogot
- Proyek PT Batubara Duaribu Abadi
- Proyek PT AKS Bangka
- Perbaikan Tangki No. 05 Fuel Terminal Palopo
- Pembangunan Tangki Timbun di Fuel Terminal Banggai
- Perbaikan Tangki Timbun No. 05 di Fuel Terminal Pulau Raha
- Perbaikan Tangki Timbun No. 02 & 03 di Fuel Terminal Tual



“SPINDO’s strategic roadmap focuses on sustainable growth by balancing sector diversification, operational excellence, and strategic partnerships, ensuring resilience and profitability in Indonesia’s evolving steel market landscape.”





facebook.com/spindosteelpipe



youtube.com/c/spindosteelpipe



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



linkedin.com/company/spindo

For more information please contact:

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Up:

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Corporate Secretary & Investor Relations

Chief Strategy & Business Development Officer

Email: johanes.edward@spindo.co.id

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8 Appendices

Financial Report 30 March 2025

PT STEEL PIPE INDUSTRY OF INDONESIA Tbk DAN
ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 MARET 2025 DAN 31 DESEMBER 2024

PT STEEL PIPE INDUSTRY OF INDONESIA Tbk AND
ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
MARCH 31, 2025 AND DECEMBER 31, 2024

(Disajikan dalam Jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in Millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Maret 2025 March 31, 2025	31 Desember 2024 December 31 2024	
ASET				ASSETS
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	3d,3e,3r,5,36,37,38	620.357	503.649	Cash and cash equivalents
Piutang usaha				Trade receivables
Pihak ketiga	3e,6,36,37,38	857.838	1.084.658	Third parties
Pihak berelasi	3e,3f,6,33,37,38	40.433	37.129	Related parties
Piutang lain-lain				Other receivables
Pihak ketiga	3e,7,37	844	571	Third parties
Persediaan	3g,8	3.621.062	3.519.974	Inventories
Pajak dibayar di muka	3s,34a	34.949	33	Prepaid taxes
Uang muka	9	43.737	37.649	Advances
Biaya dibayar di muka	3h,10	67.088	70.578	Prepaid expenses
Jumlah Aset Lancar		5.286.308	5.254.241	Total Current Assets
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Piutang pihak berelasi	3e,3f,33,37,38	-	-	Due from related parties
Investasi pada entitas asosiasi	3l,11	39.549	39.579	Investments in associates
Aset tetap	3i,3m,4b,12	2.533.086	2.529.331	Property, plant and equipment
Properti investasi	3j,4b,13	9.067	9.067	Investment properties
Aset takberwujud-neto	3k,14	2.093	1.731	Intangible asset-net
Uang muka	9	535.376	461.478	Advances
Jumlah Aset Tidak Lancar		3.119.171	3.041.186	Total Non-Current Assets
JUMLAH ASET		8.405.479	8.295.427	TOTAL ASSETS

Financial Report 30 March 2025

PT STEEL PIPE INDUSTRY OF INDONESIA Tbk DAN
ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN - Lanjutan
31 MARET 2025 DAN 31 DESEMBER 2024

PT STEEL PIPE INDUSTRY OF INDONESIA Tbk AND
ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION - Continued
MARCH 31, 2025 AND DECEMBER 31, 2024

(Disajikan dalam Jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in Millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Maret 2025 March 31, 2025	31 Desember 2024 December 31 2024
LIABILITAS DAN EKUITAS			
LIABILITAS			
LIABILITAS JANGKA PENDEK			
Utang bank jangka pendek	3e,15,34,37,38	896.993	918.667
Utang usaha			
Pihak ketiga	3e,16,36,37,38	434.599	336.992
Pihak berelasi	3e,3f,16,33,37,38	575	1.125
Utang pajak	3s,4d,34c	27.768	31.415
Beban masih harus dibayar	3e,3f,17,37	31.607	41.598
Uang muka pelanggan		29.313	58.618
Liabilitas jangka pendek lainnya	3e,3f,18,37	17.220	19.942
Utang jangka panjang bagian yang jatuh tempo dalam satu tahun :			
Bank	3e,19,36,37,38	-	-
Sewa pembiayaan	3e,3n,19,36,37,38	13.379	17.791
Utang obligasi	20,37,38	135.000	135.000
Utang sukuk ijarah	21,37,38	50.000	50.000
Jumlah Liabilitas Jangka Pendek		1.636.454	1.611.148
LIABILITAS JANGKA PANJANG			
Utang jangka panjang - setelah dikurangi bagian jatuh tempo dalam satu tahun :			
Bank	3e,19,36,37,38	-	-
Sewa pembiayaan	3e,3n,19,36,37,38	2.262	3.411
Utang obligasi	20,37,38	1.212.100	1.212.100
Utang sukuk ijarah	21,37,38	152.000	152.000
Liabilitas pajak tangguhan	3s,4d,34e	184.293	185.533
Liabilitas imbalan kerja karyawan	3o,4e,22	90.097	87.484
Jumlah Liabilitas Jangka Panjang		1.640.752	1.640.528
JUMLAH LIABILITAS		3.277.206	3.251.676

LIABILITIES AND EQUITY

LIABILITIES

CURRENT LIABILITIES

Short-term bank loans
Trade payables
Third parties
Related parties
Taxes payable
Accrued expenses
Advance from customer
Other current liabilities
Long-term loan net of current maturities liabilities :
Bank
Finance leases
Bonds payable
Sukuk ijarah payable
Total Current Liabilities

NON-CURRENT LIABILITIES

Long-term loan - net of current maturities :
Bank
Finance leases
Bonds payable
Sukuk ijarah payable
Deferred tax liabilities
Liabilities for employees' benefits
Total Non-Current Liabilities
TOTAL LIABILITIES

Financial Report 30 March 2025

**PT STEEL PIPE INDUSTRY OF INDONESIA Tbk DAN
ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN - Lanjutan
31 MARET 2025 DAN 31 DESEMBER 2024**

**PT STEEL PIPE INDUSTRY OF INDONESIA Tbk AND
ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION - Continued
MARCH 31, 2025 AND DECEMBER 31, 2024**

(Disajikan dalam Jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in Millions of Rupiah, unless otherwise stated)

		31 Maret 2025 <i>March 31, 2025</i>	31 Desember 2024 <i>December 31 2024</i>	
EKUITAS				EQUITY
Modal saham – nilai nominal				<i>Capital stock - par value</i>
Rp 100 per saham (Rupiah penuh)				<i>Rp 100 per share (full amount)</i>
Modal dasar – 17.000.000.000				<i>Authorized capital – 17,000,000,000</i>
saham Modal ditempatkan dan disetor				<i>shares Issued and fully paid</i>
penuh -7.185.992.035 saham	23	718.599	718.599	<i>capital –7,185,992,035 shares</i>
Tambahan modal disetor – neto	3p,24	500.880	500.880	<i>Additional paid-in capital - net</i>
Saham treasuri – 120.651.300 saham	3u,23	(12.065)	(12.065)	<i>Treasury stocks - 120,651,300</i>
Saldo laba				<i>Retained earnings</i>
Saldo laba yang telah ditentukan				<i>Appropriated retained earnings</i>
penggunaannya		40.000	40.000	
Saldo laba yang belum ditentukan				<i>Unappropriated retained earnings</i>
penggunaannya		2.660.275	2.575.745	
Komponen ekuitas lainnya	25	1.220.578	1.220.578	<i>Other equity components</i>
Sub jumlah		5.128.267	5.043.737	<i>Sub total</i>
Kepentingan nonpengendali	3c	6	14	<i>Non-controlling interest</i>
Jumlah Ekuitas		5.128.273	5.043.751	<i>Total Equity</i>
JUMLAH LIABILITAS DAN EKUITAS		8.405.479	8.295.427	TOTAL LIABILITIES AND EQUITY

Financial Report 30 March 2025

**PT STEEL PIPE INDUSTRY OF INDONESIA Tbk DAN
ENTITAS ANAKNYA**
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
Untuk Periode Tiga Bulan Yang Berakhir Tanggal
31 MARET 2025 DAN 2024

**PT STEEL PIPE INDUSTRY OF INDONESIA Tbk AND
ITS SUBSIDIARY**
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For The Three Month Period Ended
MARCH 31, 2025 AND 2024

(Disajikan dalam Jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in Millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Maret 2025 March 31, 2025	31 Maret 2024 March 31, 2024	
PENJUALAN DAN PENDAPATAN JASA	3q,26	1.280.458	1.373.303	SALES AND SERVICE REVENUES
BEBAN POKOK PENDAPATAN	3q,27	(1.038.757)	(1.116.193)	COST OF REVENUES
LABA KOTOR		241.701	257.110	GROSS PROFIT
Pendapatan lain-lain	3q,28	36.200	30.427	Other income
Beban penjualan dan distribusi	3q,29	(53.767)	(38.773)	Selling and distribution expenses
Beban umum dan administrasi	3q,30	(33.125)	(34.525)	General and administrative expense
Beban keuangan	3q,31	(49.350)	(52.912)	Financial expenses
Beban lain-lain	3q,32	(36.162)	(21.319)	Other expenses
LABA SEBELUM TAKSIRAN PENGHASILAN (BEBAN) PAJAK		105.497	140.008	INCOME BEFORE PROVISION FOR TAX INCOME (EXPENSE)
TAKSIRAN PENGHASILAN (BEBAN) PAJAK				PROVISION FOR TAX INCOME
PAJAK :	3s,4d,34			(EXPENSE) :
Kini		(22.214)	(34.856)	Current
Tangguhan		1.239	3.688	Deferred
JUMLAH TAKSIRAN BEBAN PAJAK		(20.975)	(31.168)	TOTAL PROVISION FOR TAX EXPENSE
LABA PERIODE BERJALAN		84.522	108.840	INCOME FOR THE PERIOD
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME

Sustainable Competitive Advantage

SPINDO's Unique Capabilities

- Certified Export for US and Canada Fire Sprinkler Systems
- Spiral Welded Pipe Manufacturing: Large Diameter and Thickness
- High-Quality Thick Wall Stainless Steel Unthreaded Pipes
- 'Blow Galvanize' Technology for Uniform Coating and Superior Quality
- Galvanized Pipe with Enhanced Tensile Strength and Elongation

Commitment to minimising environmental and having a positive social impact

- Supporting Skilled Labor Initiatives with SPINDO LSP
- Ensuring ISO 45001:2018 Compliant Occupational Health & Safety Practices
- Implementing ISO 14001:2015 Compliant Environmental Management System

The flexibility to import raw materials from global steel markets

- Global Steel Market Access for Raw Materials
- Differentiating from Competitors Captive to Local HRC Producers
- Leveraging Scale for Structural Cost Advantage

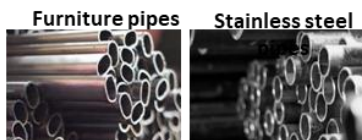
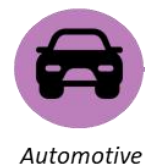
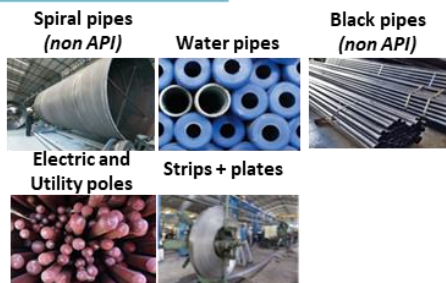
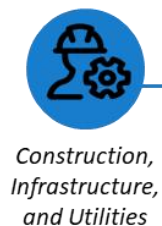
Acceleration on ESG Initiatives

In 2024, Spindo accelerate its action towards ESG initiatives. Such acceleration implemented in the Operation Team KPI, where all departments have target to reduce 10% carbon footprint of Scope 1 and 2. Spindo also initiate additional CSR activity to support Global Sustainability Development Goals, especially goal 6 that is providing fresh water for people with difficult access. This CSR is targeted to be launch on August 2024

Issuance of Spindo Sustainability Linked Bond 1 year 2024

With the issuance of SLB, Spindo also committed to generate more renewable energy by install more solar panels in our factories. With the target set conservatively at 35% increase in 7 years, we believe that we can achieve more. The planning of implementation are as follows :





ESG related Projects supplied with our products

Potable Water distribution, Fiber optic poles, Data centre construction, Hydropower, Waste Treatments, Geothermal Projects, Bridges & Ports in remote areas

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

EV (Electric Cars & Motorcycles)

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

Electric Bus Caroserie, Green House Construction, Agriculture Piping, Bicycle Frame, Solar Panel Frame

Estimated Sales Value Annually : Approx. IDR 200 Billion

Natural Gas house distribution

Estimated Sales Value Annually : Approx. IDR 100 billion