



PT.INTEGRA INDOCABINET .TBK

JL. Raya Betro 678, Sedati - Sidoarjo 61253

East Java, Indonesia

p: +62 31 8953588 / +62 31 8910434

f: +62 31 8911391 / +62 31 8911108

Press Release

For Immediate Release

INTEGRA 1Q20 RESULTS

Highlights

- Net Sales slightly dropped by -2.2% YoY due to delayed shipment
- Gross margin improved to 35.0% in 1Q20 hence bringing its operating profit grew by 6.5% YoY
- Recorded a positive operating cash flow of Rp 23 billion
- Both total asset and total liabilities slightly up by 2.8% and 3.5% YoY

Sidoarjo, June 30th, 2020

PT Integra Indocabinet Tbk (WOOD) published its 1Q20 unaudited financial results. In 1Q20, WOOD booked total revenue of Rp 482 billion or slightly dropped by -2.2% YoY. The slight decrease in revenue was due to the delayed shipment on temporarily closed port in US, hence the revenue recognition of furniture segment dropped by -17.1% YoY or equal to approximately Rp 50 billion. However, as the port reopened in 2Q20, the delayed revenue recognition in 1Q20 will be carried over to 2Q20. On the other hand, the sales of building component segment showed strong growth of 9.6% YoY on increasing US market demand.

| Segment | 1Q20 | 1Q19 | Change YoY |
|----------------------------------|------------------------|------------------------|--------------|
| Manufacture Export | 401,572,429,639 | 433,313,811,666 | -7.3% |
| <i>Furniture</i> | 227,921,385,038 | 274,899,002,564 | -17.1% |
| <i>Building Component</i> | 173,651,044,602 | 158,414,809,102 | 9.6% |
| Manufacture Domestic | 28,880,006,444 | 14,119,712,433 | 104.5% |
| <i>Furniture</i> | 18,393,438,690 | 7,197,155,833 | 155.6% |
| <i>Building Component</i> | 10,486,567,753 | 6,922,556,600 | 51.5% |
| Forestry | 47,118,322,021 | 48,645,004,551 | -3.1% |
| Retail | 12,146,876,182 | 9,568,517,178 | 26.9% |
| Total | 489,717,634,286 | 505,647,045,829 | -3.2% |
| Elimination | (7,580,177,227) | (12,615,844,611) | |
| Total revenue after elim. | 482,137,457,059 | 493,031,201,217 | -2.2% |



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Stronger gross margin in 1Q20

The consolidation of our production facility that was completed in 2019 has helped the Company in terms of costs efficiency and production process acceleration. Therefore, despite slightly lower revenue recognition, WOOD gross margin improved to 35.0% (vs. 31.5% in 1Q19) on lower factory overhead cost, and brought our operating profit to grow by 6.5% YoY and operating margin improve to 23.1% (vs. 21.2% in 1Q19).

| | 1Q20 | 1Q19 | |
|--|--------------------------|--------------------------|---------|
| | Rp | Rp | |
| NET SALES | 482,137,457,059 | 493,031,201,217 | ↓ -2.2% |
| COST OF SALES | (313,328,020,982) | (337,874,282,194) | |
| GROSS PROFIT | 168,809,436,077 | 155,156,919,023 | |
| Gross Margin | 35.0% | 31.5% | |
| <i>Selling Expenses</i> | (23,468,667,579) | (22,566,436,118) | |
| <i>General and administrative expenses</i> | (33,874,929,816) | (27,943,704,301) | |
| OPERATING PROFIT | 111,465,838,682 | 104,646,778,604 | ↑ 6.5% |
| Operating Margin | 23.1% | 21.2% | |
| OTHER INCOME/EXPENSES | (33,793,623,049) | (26,484,792,095) | |
| PROFIT BEFORE TAX BENEFIT | 77,672,215,633 | 78,161,986,509 | ↓ -0.6% |
| <i>Current</i> | (20,540,228,963) | (18,455,908,042) | |
| <i>Deffered</i> | - | - | |
| PROFIT FOR THE YEAR | 57,131,986,670 | 59,706,078,467 | ↓ -4.3% |
| Net Margin | 11.8% | 12.1% | |

Halim Rusli, President Director of the Company said “We are grateful to our teams’ hard work in 2019 in completing our production capacity expansion for both furniture and building component product particularly Millwork, and also production facility consolidation to achieve better efficiency and production process acceleration. This year onwards, we will keep expanding aggressively our market share in US by taking the opportunity of the tensions between China and US, trade war tariff, and implementation of anti-dumping and anti-subsidy duty which has caused China wood products export to US market decreased significantly (and soon Brazil).”



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About PT Integra Idocabinet Tbk:

Founded in 1989 in Sidoarjo, East Java, PT Integra Indocabinet Tbk is the largest vertically integrated wooden products manufacturer in Indonesia. Integra has established itself as the fastest growing furniture manufacturer with international and domestic accreditation. Integra also promote the use of sustainable resources and support the livelihood of local community. In fiscal year 2016 Integra employs approximately 2,388 team members across Indonesia.

For further information, please contact:

E-mail : corsec.integra@iil.co.id

Tel : (62 31) 891 0434

Website : www.integragroup-indonesia.com

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Certain statements in this release are or may be forward-looking statements. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature, forward looking statements involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this release. Factors that could cause actual results to differ include, but are not limited to, economic, social and political conditions in Indonesia; the state of the property industry in Indonesia; prevailing market conditions; increases in regulatory burdens in Indonesia, including environmental regulations and compliance costs; fluctuations in foreign currency exchange rates; interest rate trends, cost of capital and capital availability; the anticipated demand and selling prices for our developments and related capital expenditures and investments; the cost of construction; availability of real estate property; competition from other companies and venues; shifts in customer demands; changes in operation expenses, including employee wages, benefits and training, governmental and public policy changes; our ability to be and remain competitive; our financial condition, business strategy as well as the plans and objectives of our management for future operations; generation of future receivables; and environmental compliance and remediation. Should one or more of these uncertainties or risks, among others, materialize; actual results may vary materially from those estimated, anticipated or projected.



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