



PT.INTEGRA INDOCABINET .TBK

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## **Press Release**

For Immediate Release

# **INTEGRA 1Q21 RESULTS**

### **Highlights**

- 1Q21 recorded strong net sales of IDR 912 billion or grew by 89.2% YoY
- Gross margin contraction to 33.0% on product mix but net margin maintained at 11.2%
- Positive operating cash flow of IDR 22 billion
- Improving inventory and AR days to 326 and 38 respectively

### **Sidoarjo, May 5<sup>th</sup>, 2021**

PT Integra Indocabinet Tbk (WOOD) published its 1Q21 unaudited financial results. In 1Q21, WOOD booked net sales of IDR 912 billion or grew by 89.2% YoY. The significant growth in sales was mainly attributed by the strong US market demand. Sales to US region grew by 139.9% while to Europe region grew by 42.1%, indicating an improvement from this region. The strong sales growth of US region was due to the growing demand of both furniture and building components which driven by the trade war tariff, anti-dumping and anti-subsidy duties against Chinese furniture and building component products

### **Exports up 120.8% YoY**

Despite during congestion in container and space availability challenges, our export sales grew 120.8% YoY due to strong demand from the US market and improving demand from Europe market. The strong demand from US market is driven by:

1. Trade war tariffs on Chinese products.
2. Antidumping and countervailing duties on building component products from China with the rate of 44.6% - 230.36%<sup>(1)</sup> and 20.56% - 252.29%<sup>(2)</sup> respectively.
3. Antidumping and countervailing duties on wooden cabinets and vanities products from China imposed by the US.
4. Late delivery from Vietnam orders and higher shipping costs from Vietnam to USA have also contributed shifting orders to Indonesian manufacturers



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The implementation of both trade war tariffs and antidumping and countervailing duties has led US buyers to source outside China, the largest exporter in the industry. In 1Q21, the Company received sales order of IDR 1.8 trillion with IDR 912 billion booked as sales. This strong sales order indicated US buyers showed their interest and trust on Integra capabilities as the largest vertically Integrated furniture and building component producer in Indonesia. We believe this trend will continue going forward and enable Integra to gain more market share by taking over China's. Concurrently, our furniture domestic sales also showed a strong growth of 77.5% YoY as a recovery indicator of government project sales.

Segment	1Q21	1Q20	Change YoY
Manufacture Export	886,547,757,310	401,572,429,640	120.8%
<i>Furniture</i>	396,699,065,823	227,921,385,038	74.1%
<i>Building Component</i>	489,848,691,487	173,651,044,602	182.1%
Manufacture Domestic	71,282,572,786	28,880,006,443	146.8%
<i>Furniture</i>	32,655,699,957	18,393,438,690	77.5%
<i>Building Component</i>	38,626,872,829	10,486,567,753	268.3%
Forestry	12,444,021,380	47,118,322,021	-73.6%
Retail	8,357,715,393	12,146,876,182	-31.2%
<b>Total</b>	<b>978,632,066,869</b>	<b>489,717,634,286</b>	<b>99.8%</b>
Elimination	(66,572,107,674)	(7,580,177,227)	
<b>Total revenue after elim.</b>	<b>912,059,959,195</b>	<b>482,137,457,059</b>	<b>89.2%</b>

**Gross margin slightly down while Net Margin remained strong**

Significant sales growth in the building component segment that outpace the strong growth in the furniture segment has led the gross margin adjusted to 33.0%, slightly decreased from previous period of 35.0%. On the other hand, the inventory and AR days have continually improved to 326 and 38 respectively and created a positive operating cash flow of IDR 22 billion.

The net margin remained strong at 11.2%. Note that furniture sales growth tends to be stronger in 2H, hence we believe the 2H strong growth in furniture segment sales will expectedly improve our gross margin.



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	<b>1Q21</b>	<b>1Q20</b>	
	<b>Rp</b>	<b>Rp</b>	
<b>NET SALES</b>	<b>912,059,959,195</b>	<b>482,137,457,059</b>	<b>↑ 89.2%</b>
<b>COST OF SALES</b>	<b>(610,998,202,384)</b>	<b>(313,328,020,982)</b>	
<b>GROSS PROFIT</b>	<b>301,061,756,811</b>	<b>168,809,436,077</b>	
<b>Gross Margin</b>	<b>33.0%</b>	<b>35.0%</b>	
<i>Selling Expenses</i>	(70,592,918,714)	(23,468,667,579)	
<i>General and administrative expenses</i>	(41,576,581,979)	(33,874,929,816)	
<b>OPERATING PROFIT</b>	<b>188,892,256,118</b>	<b>111,465,838,682</b>	<b>↑ 69.5%</b>
<b>Operating Margin</b>	<b>20.7%</b>	<b>23.1%</b>	
<b>OTHER INCOME/EXPENSES</b>	<b>(53,687,359,216)</b>	<b>(33,793,623,049)</b>	
<b>PROFIT BEFORE TAX BENEFIT</b>	<b>135,204,896,902</b>	<b>77,672,215,633</b>	<b>↑ 74.1%</b>
<i>Current</i>	(33,357,001,590)	(20,540,228,963)	
<i>Deffered</i>	-	-	
<b>PROFIT FOR THE YEAR</b>	<b>101,847,895,312</b>	<b>57,131,986,670</b>	<b>↑ 78.3%</b>
<b>Net Margin</b>	<b>11.2%</b>	<b>11.8%</b>	

### Business outlook

Entering 2021, we experience strong sales order in the beginning of the year. Therefore, we expect to see stronger demand going forward.

Halim Rusli, President Director of the Company, said: "The beginning of 2021 is a strong start for the company, we received huge demand even only within 1Q21. We are confident, with the hard work of our team and huge opportunity wide open for us to expand particularly the US market, we would able to book strong growth this year."

### 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 promotes the use of sustainable resources and supports the livelihoods of local communities. The group employs over 2,500 team members across 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", "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. Specifically, but without limitation, capital costs could increase, projects could be delayed and anticipated improvements in production, capacity or performance might not be fully realized. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to have been correct. You should not unduly rely on such statements. In any event, these statements speak only as of the date hereof, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.