



PT.INTEGRA INDOCABINET .TBK

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Press Release

For Immediate Release

INTEGRA 1H21 RESULTS

Highlights

- 1H21 recorded strong net sales of IDR 2.1 trillion or grew by 92.0% YoY
- Gross margin slight contraction to 31.5.0% on product mix but net margin maintained at 10.4%
- Improving inventory days to 304 days

Sidoarjo, August 30th, 2021

PT Integra Indocabinet Tbk (WOOD) published its 1H21 unaudited financial results. In 1H21, WOOD booked net sales of IDR 2.1 trillion or grew by 92.0% YoY. The significant growth in sales was mainly attributed by the strong US market demand. Sales to US region grew by 132.5% YoY while to Europe region grew by 29.8% YoY, 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 114.5% YoY

Despite during congestion in container and space availability challenges, our export sales grew 114.5% 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%⁽¹⁾ and 20.56% - 252.29%⁽²⁾ respectively.
3. Antidumping and countervailing duties on wooden cabinets and vanities products from China imposed by the US.



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The implementation of both trade war tariffs and antidumping and countervailing duties has led US buyers to shift and source outside China, the largest exporter in the industry. In 6M21, the Company received sales order of IDR 3.4 trillion with IDR 2.1 trillion booked as sales. This strong sales order showed Integra benefitted from the shift of US order out of China and 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 53.8% YoY as a recovery indicator of government project sales.

Segment	1H21	1H20	Change YoY
Manufacture Export	2,078,309,043,263	969,056,132,501	114.5%
<i>Furniture</i>	912,577,859,734	531,676,194,992	71.6%
<i>Building Component</i>	1,165,731,183,529	437,379,937,509	166.5%
Manufacture Domestic	53,995,156,650	62,326,317,725	-13.4%
<i>Furniture</i>	36,464,188,613	23,714,088,472	53.8%
<i>Building Component</i>	17,530,968,037	38,612,229,253	-54.6%
Forestry	7,927,954,090	83,146,798,011	-90.5%
Total	2,140,232,154,003	1,114,529,248,237	92.0%

Gross margin slightly down on product mix

Building component segment sales grew significantly by 160.7% YoY outpaced furniture segment sales growth of 70.9% YoY hence brought the building component sales proportion to 55.5% of total manufacturing sales. Higher sales contribution of building component segment has led the gross margin adjusted to 31.5%, slightly decreased from previous period of 32.0%.

The net margin slightly up to 10.4% from previous period of 10.2% despite higher selling expenses. The selling expenses increased was due to higher courier & export expenses as some of building components shipping term was CIF, where seller bears the shipping cost. The CIF shipping term is a mitigation towards the current congestion in container and space availability challenges. However, our building components selling prices already covered the shipping costs hence we were able to maintain our net margin and brought our net income growth to 95.3% YoY.



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	1H21	1H20	
	Rp	Rp	
NET SALES	2,140,232,154,003	1,114,529,248,237	↑ 92.0%
COST OF SALES	(1,466,690,195,041)	(757,520,406,402)	
GROSS PROFIT	673,541,958,962	357,008,841,835	
Gross Margin	31.5%	32.0%	
<i>Selling Expenses</i>	(191,459,803,465)	(49,448,306,031)	
<i>General and administrative expenses</i>	(84,253,733,956)	(67,318,229,546)	↑
OPERATING PROFIT	397,828,421,541	240,242,306,258	65.6%
Operating Margin	18.6%	21.6%	
OTHER INCOME/EXPENSES	(105,933,996,195)	(87,394,504,614)	↑
PROFIT BEFORE TAX BENEFIT	291,894,425,346	152,847,801,644	91.0%
<i>Current</i>	(70,151,000,700)	(33,608,246,021)	
<i>Deffered</i>	-	-	
<i>Proforma Effect Adjusment</i>	90,874,266	(5,645,987,466)	↑
PROFIT FOR THE YEAR	221,834,298,912	113,593,568,157	95.3%
Net Margin	10.4%	10.2%	

Business outlook

1H21 strong sales performance was a new milestone for the company. We expect to see higher sales growth in 2H21 as surge of demand in furniture segment should be started.

Halim Rusli, President Director of the Company, said: "The 1H21 sales performance showed our prospective potential growth going forward. We expect to see surge of demand in furniture segment and growing demand in building segment in 2H21 would further boost our sales growth by the end of 2021".



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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 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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