



PT. INTEGRA INDOCABINET .TBK

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Press Release

For Immediate Release

INTEGRA 1H24 RESULTS

Highlights

- 1H24 recorded net sales of IDR1.4 trillion or grew by 13.4% YoY
- Net profit doubled to IDR79 billion or grew by 106% YoY
- Net profit margin improved to 5.5% in June 2024 from 3.01% in June 2023.
- Operating cash flow positive at IDR272.8 billion.

Sidoarjo, July 30th, 2024

PT Integra Indocabinet Tbk showed an improved financial performance in the first half of 2024, demonstrating substantial increases in both revenue and profit. This improvement is largely attributed to a surge in exports to the US market, underscoring the Company's successful penetration into international markets and recovering US market. Moreover, by adhering to its cost-efficiency strategy, WOOD effectively maintained a net margin of 13%, despite a higher sales contribution from the lower-margin building component segment.

Export sales grew by 17.1% YoY

The Company reported robust export sales in 1H24, reaching IDR1.4 trillion, marking a 17.1% YoY increase. This growth was primarily driven by a significant surge in the building component segment, which saw an 87.8% increase in export sales year-over-year. The recovery in building component exports was bolstered by an expectation of improvement in US housing market, due to more controllable inflation rates and expectation of cutting interest rate by The Fed soon. Conversely, weaker furniture sales were attributed to seasonal factors. The Company anticipates a recovery in furniture sales in the upcoming quarter, as US customer demand has started to pick up since the beginning of July. Moreover, the potential for higher US import tariffs on Chinese goods could foster growth in the furniture export segment, given that China currently exports approximately USD 1 billion worth of furniture to the US market.



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Segment	1H24	1H23	YoY
Manufacture Export	1,423,940,705,231	1,216,104,528,811	17.1%
<i>Furniture</i>	398,077,787,797	669,890,001,093	-40.6%
<i>Building Component</i>	1,025,862,917,434	546,214,527,718	87.8%
Manufacture Domestic	13,543,528,569	32,603,876,177	-58.5%
<i>Furniture</i>	8,580,622,423	19,972,860,233	-57.0%
<i>Building Component</i>	4,962,906,146	12,631,015,944	-60.7%
Forestry	4,010,216,181	25,525,772,167	-84.3%
Total	1,441,494,449,981	1,274,234,177,155	13.1%

Margin improvement on cost efficiency

Though the improvement in sales growth, the market was more competitive and price sensitive. This made the overall gross margin was lower compared the same period last year. However, the Company successfully reduced its operational expenses to 11.1% of sales, down from 15.9% in the first half of the year. Thanks to robust top-line growth and stringent cost control measures, the Company managed to enhance its net margin to 5.8%, up from 3.1% 1H23, despite an increased contribution from the lower-margin building component segment. With strong top-line growth and cost efficiency, the Company doubled its 6M24 net profit to IDR79 billion, achieving a year-over-year growth of 105.9%.

	6M24 Rp	6M23 Rp		
NET SALES	1,441,494,449,981	1,274,234,177,155	↑	13.1%
COST OF SALES	(1,094,270,341,864)	(884,401,570,076)		
GROSS PROFIT	347,224,108,117	389,832,607,079	↓	-10.9%
Gross Margin	24.1% ↑	30.6%		
<i>Selling Expenses</i>	(81,662,601,817)	(126,673,782,702)		
<i>General and administrative expenses</i>	(78,791,385,908)	(76,226,961,692)		
OPERATING PROFIT	186,770,120,392	186,931,862,685	↓	-0.1%
Operating Margin	13.0% ↑	14.7%		
OTHER INCOME/EXPENSES	(76,596,489,340)	(105,063,380,347)		
PROFIT BEFORE TAX BENEFIT	110,173,631,052	81,868,482,338	↑	34.6%
<i>Current</i>	(31,248,339,540)	(39,572,413,980)		
<i>Deferred</i>	109,025,752	(3,905,622,541)		
<i>Proforma Effect Adjustment</i>	-	-		
PROFIT FOR THE YEAR	79,034,317,264	38,390,445,817	↑	105.9%
Net Margin	5.5% ↑	3.0%		



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Business Outlook

PT Integra Indocabinet Tbk's continued focus on expanding export markets and capitalizing on the growing construction activity in the US has firmly established the company as a key player in the building component sector. With a solid foundation and a clear strategic vision, the Company is well-positioned for sustained growth in the coming periods. Management remains optimistic about future prospects, underscoring their commitment to innovation, quality, and customer satisfaction. As global demand for building components rises particularly US market, PT Integra Indocabinet Tbk is well-prepared to navigate both challenges and opportunities ahead.

With the anticipated Federal Reserve rate cut and signs of a recovering US economy, including improved GDP growth and a strengthening labour market, the Company expects to see a stronger demand for both furniture and building component in the near future.

About PT Integra Indocabinet 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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Forward-Looking Statements

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.