



PT. INTEGRA INDOCABINET .TBK

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Press Release

To be released immediately

INTEGRA 9M24 RESULTS

Highlights

- 9M24 recorded net sales of IDR2.1tn or grew by 25.4% YoY.
- Net profit surged by 74.3% YoY to IDR98bn.
- Net profit margin improved to 4.6% in 9M24 from 3.3% in 9M23.
- Positive operating cash flow at Rp275.8 billion.

Sidoarjo, 30 October 2024

PT Integra Indocabinet Tbk is pleased to report outstanding financial performance for the first nine months of 2024 (9M24), marked by robust growth in sales revenue and net profit. This success is underpinned by a remarkable expansion in export revenues, particularly to the U.S. market, demonstrating the Company's continued strength in global market penetration and signaling a positive turnaround in the U.S. housing sector.

Strong Export Sales Growth of 29.3% YoY

In 9M24, PT Integra Indocabinet recorded a substantial increase in export sales, reaching IDR2.1tn—a 29.3% YoY growth compared to the same period last year. This surge was predominantly driven by a strong rebound in the building components segment, which experienced a significant 66.7% YoY growth in exports. This upward trend aligns well with the gradual recovery of the U.S. housing market, fueled by controlled inflation and anticipated interest rate adjustments by the Federal Reserve.

Segment	9M24	9M23	YoY
Manufacture Export	2,108,816,199,823	1,631,292,140,770	29.3%
<i>Furniture</i>	<i>611,451,914,553</i>	<i>732,857,408,507</i>	<i>-16.6%</i>
<i>Building Component</i>	<i>1,497,364,285,270</i>	<i>898,434,732,263</i>	<i>66.7%</i>
Manufacture Domestic	25,998,740,375	40,313,975,719	-35.5%
<i>Furniture</i>	<i>16,650,361,496</i>	<i>25,563,437,270</i>	<i>-34.9%</i>
<i>Building Component</i>	<i>9,348,378,879</i>	<i>14,750,538,449</i>	<i>-36.6%</i>
Forestry	4,102,693,181	33,465,976,262	-87.7%
Total	2,138,917,633,379	1,705,072,092,751	25.4%



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The furniture export segment decreased by 16.6% YoY for 9M24, marking an improvement from the -40.6% decline recorded in 1H24. This trend is typical during periods of high interest rates, as housing market recovery initially impacts demand for building components, with furniture demand expected to follow as conditions stabilize. With anticipated interest rate cuts and continued recovery in the U.S. housing market, PT Integra Indocabinet expects an imminent boost in building component sales, which should progressively extend to furniture sales in subsequent quarters.

Net Profit Growth Outpaces Revenue Growth

The combination of strong revenue growth and a focus on cost efficiency has contributed to a notable expansion of PT Integra Indocabinet's net margin, reaching 4.6% in 9M24, up from 3.3% in 9M23. While building components comprised 71% of export revenues, the overall gross profit margin (GPM) decreased from 31.4% in 9M23 to 24.8% in 9M24. This decline is due to the rebound in the building components market, where heightened competition among suppliers eager to sell has placed downward pressure on margins.

Through a cost-efficiency strategy launched in late 4Q23, the Company has successfully reduced operating expenses by 9.2% YoY in 9M24, despite achieving a revenue growth of 25.4% YoY. This focus on efficiency, combined with robust sales growth, allowed PT Integra Indocabinet to achieve a net profit of IDR94.4bn, marking a 74.3% YoY increase—well above revenue growth.

	9M24 Rp	9M23 Rp		
NET SALES	2,138,917,633,379	1,705,072,092,751	↑	25.4%
COST OF SALES	(1,608,408,706,046)	(1,169,422,456,403)		
GROSS PROFIT	530,508,927,333	535,649,636,348	↓	-1.0%
Gross Margin	24.8%	31.4%		
<i>Selling Expenses</i>	<i>(130,785,716,306)</i>	<i>(160,446,866,350)</i>		
<i>General and administrative expenses</i>	<i>(118,853,046,273)</i>	<i>(113,901,288,521)</i>		
OPERATING PROFIT	280,870,164,754	261,301,481,477	↑	7.5%
Operating Margin	13.1%	15.3%		
<i>OTHER INCOME/EXPENSES</i>	<i>(141,400,270,644)</i>	<i>(146,925,977,546)</i>		
PROFIT BEFORE TAX BENEFIT	139,469,894,110	114,375,503,931	↑	21.9%
<i>Current</i>	<i>(41,481,860,860)</i>	<i>(54,117,118,660)</i>		
<i>Deferred</i>	<i>427,593,250</i>	<i>(3,810,420,581)</i>		
<i>Proforma Effect Adjustment</i>	<i>-</i>	<i>-</i>		
PROFIT FOR THE YEAR	98,415,626,500	56,447,964,690	↑	74.3%
Net Margin	4.6%	3.3%		



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Business Outlook

As PT Integra Indocabinet continues to expand its footprint in the U.S. market, the Company remains focused on leveraging increased construction activity and reinforcing its position as a prominent player in the building components sector. With a strong foundation and a clear strategic vision, PT Integra Indocabinet is optimistic about future growth prospects and remains committed to innovation, superior product quality, and customer satisfaction.

Looking ahead, the anticipated Federal Reserve interest rate cuts, signs of U.S. economic recovery, increased GDP growth, a strengthening labor market, and potential increases in U.S. tariffs on products from China create a favorable environment for PT Integra Indocabinet. The Company is well-positioned to meet the rising demand for furniture and building components, particularly in the U.S., as it seeks to maximize opportunities and build upon its successes.

About PT Integra Indocabinet Tbk

Founded in 1989 in Sidoarjo, East Java, PT Integra Indocabinet Tbk is the largest vertically integrated wood product manufacturer in Indonesia. Integra has become the fastest-growing furniture producer with international and domestic accreditation. Integra also supports sustainable resource use and local community livelihoods. In 2016, Integra employed around 2,388 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," "expect," and "anticipate," along with similar words. By nature, forward-looking statements involve a number of risks and uncertainties that may cause actual events or results to differ materially from those described in this release. Factors that may 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; increased regulatory burdens in Indonesia, including environmental regulations and compliance costs; fluctuations in foreign currency exchange rates; interest rate trends, capital costs, and capital availability; anticipated demand and prices for our developments and related capital and investment spending; construction costs; real estate property availability; competition from other companies and locations; shifts in customer demand; changes in operating costs, including employee wages, benefits, and training; changes in government and public policy; our ability to remain competitive; our financial condition, business strategy, and management's plans and objectives for future operations; future receivables generation; and environmental compliance and remediation. Should one or more of these uncertainties or risks materialize, actual results may differ materially from those anticipated, expected, or projected. Specifically, but not limited to, capital costs may increase, projects may be delayed, and anticipated increases in production, capacity, or performance may not be fully realized. While we believe management's expectations reflected in forward-looking statements are reasonable based on information currently available to us, no assurances can be given that these expectations will prove to be accurate. You should not place undue reliance on these statements. In any event, these statements speak only as of the date of this agreement, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise.