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Perfect strategic fit: Heidelberg Materials strengthens presence in core market Indonesia

- **Heidelberg Materials via its subsidiary Indocement acquires integrated cement plant in Central Java, Indonesia, from local cement producer PT Semen Grobogan**
- **The brand-new plant has a capacity of 1.8 million tonnes of clinker and 2.5 million tonnes of cement with limestone reserves lasting for more than 50 years**
- **Significant synergies with Indocement’s existing plants in Indonesia are expected, such as savings in logistics, usage of alternative fuels, and transfer of technical and sustainability know-how**

Heidelberg Materials via its subsidiary Indocement has signed an agreement to acquire 100% of the shares in PT Semen Grobogan’s integrated cement plant located in Central Java, Indonesia. The plant started commercial production in 2022. With this investment, Heidelberg Materials further strengthens its footprint in Indonesia, one of the company’s core markets in Asia-Pacific. The Semen Grobogan cement plant has a capacity of 1.8 million tonnes of clinker and 2.5 million tonnes of cement with limestone reserves lasting for more than 50 years. The parties have agreed not to disclose the purchase price.

Dr Dominik von Achten, Chairman of the Managing Board of Heidelberg Materials, says: “As part of our ongoing portfolio optimisation, we are making an exciting step in the growth market Indonesia. Heidelberg Materials has been active in Indonesia for more than 20 years. With this investment, we are now strengthening our presence in one of the most populated regions in Indonesia, where we expect further market growth driven by the growing retail market, developing industrial areas, and major infrastructure projects. As frontrunners of decarbonisation in the Emerging Markets, we continue to drive our ambitious carbon reduction targets at all our sites in Indonesia including the new cement plant.”

Indonesia is the world’s fourth most populated country. With about 41 million people, Central Java is the third most populated area in Indonesia and has a strong retail cement market. Important infrastructure projects classified as national strategic projects are planned in this area, e.g. the Solo-Yogyakarta, Yogja-Bawen and Semarang-Demak toll road, as well as the Batang industrial area, and the Kendal Special Economic Zone.

The investment in Semen Grobogan will enable Heidelberg Materials to leverage significant synergies with its existing businesses in Indonesia regarding logistics, usage of alternative fuels, as well as transfer of technical and sustainability know-how.

As part of the company's global climate strategy, the new plant will develop a tailored CO₂ roadmap with concrete measures to accelerate the reduction of carbon emissions. Furthermore, the plant's limestone reserves complement the existing reserves of Indocement in Central Java. Through its subsidiary Indocement, Heidelberg Materials already operates four cement plant complexes with 14 lines in Indonesia, including the Citeureup plant in West Java, which is one of the world's largest cement plants, and the recent Maros plant under leased arrangement in South Sulawesi.

About Heidelberg Materials

Heidelberg Materials is one of the world's largest integrated manufacturers of building materials and solutions with leading market positions in cement, aggregates, and ready-mixed concrete. We are represented in more than 50 countries with around 51,000 employees at almost 3,000 locations. At the centre of our actions lies the responsibility for the environment. As the front runner on the path to carbon neutrality and circular economy in the building materials industry, we are working on sustainable building materials and solutions for the future. We enable new opportunities for our customers through digitalisation.

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