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BUILDING A BETTER INDONESIA

Press Release

SSIA POSTED Rp882 BILLION of REVENUE in 1Q20, KEY DRIVER PROPERTY SECTOR UP BY 20%

- SSIA aims to book 80 hectares land sales of real estate assets from phase-4 in Suryacipta City of Industry, Karawang in 3Q-2020. Meanwhile the construction revenue forecasted will be lower compared to FY19 revenue of Rp2.6 trillion. All in all, the Company expects the FY20 revenue will be decrease by about 13%.
- The COVID-19 pandemic has impacted SSIA's three main business pillars. Specifically, in the **hospitality business** unit as a result of physical distancing, travel restrictions, and airports closure for commercial flights both in Jakarta and Bali. The Company has seen the hotel occupancy rates dropped dramatically, resulted in massive downward by about 50%-60% of the hospitality revenue for Q2-2020 period. We closed the 5-star hotels - Gran Melia Jakarta (GMJ), Melia Bali Hotel (MBH) and Banyan Tree Ungasan Resort (BTUR) - since end of March/early April until estimated end of May 2020. The management has placed several cost savings measures to respond its negative cash flow such as : furlough scheme for the majority of employees, reduction in utility costs, renegotiation of outsourcing contracts through discount or extending the contract periods, reduced other fixed costs, which resulted on cost savings of around 30% for the month of April and May 2020. Furthermore, SSIA management has also negotiated with the lenders on interest rates reduction and the extension of principal repayments to 1 year for this year. We expect the hospitality industry will start its recovery period only in Q3-2020, and it is going to be a slow recovery.
- The construction business unit also is faced a bit of downturns due to this COVID-19 situation, mainly due to declining activities within the existing projects as project owners are not able to sell their properties and/or they would need to preserve liquidities during this situation. We estimated about 30% of our existing projects has slowed down while the remaining 70% is still active. Meanwhile, we managed to obtain new contract of Rp415.3 billion in Q1-2020, however we estimated that for the rest of the year, there will be no significant additional new contracts are in the market as property business will take sometime to recover. Therefore, we have revised down our target for FY20 new contract, it will be flat compared to FY19 new contract of Rp2 trillion.
- On property business unit, which mainly contributed from land sales of the Industrial estate, is also challenged with delayed in investment decisions due

to the lockdown in several countries and state of emergency declared by the Indonesian Government since March 2020 and estimated through end of May 2020. The government will start relaxing the restrictions in stages through the partial openings of major cities within Indonesia in June – July 2020. We hope to obtain land sales commitments by end of Q3-2020.

PT Surya Semesta Internusa Tbk (“SSIA”) 1Q20 Financial Highlights

- SSIA for the first quarter of 2020 posted a consolidated revenue of Rp882.0 billion. The revenue increased by about 7.1% from Rp823.7 billion booked in 1Q19. This increase was mainly due to revenue in property and construction were up by 20.0% and 11.8% respectively. Meanwhile, SSIA hospitality business segment revenue decreased by about 15.1% due to lower occupancy in February and March 2020.
- The 1Q20 gross profit was about Rp179.9 billion, a 5.1% lower from 1Q19 gross profit of Rp189.5 billion.
- Meanwhile, the Company 1Q20 EBITDA was Rp64.1 billion, a 11.7% lower from 1Q19 EBITDA at Rp72.6 billion.
- SSIA consolidated net loss in 1Q20 stood at Rp17.4 billion, a 60.1% lower than net loss booked in 1Q19 of Rp10.9 billion, due to increase in interest expense by about 23.7% from Rp38.0 billion in 1Q19 to Rp47.0 billion in 1Q20.
- The Company cash position per 1Q20 stood at Rp1,375.4 billion, a 9.9% lower from 1Q19 cash position at about Rp1,527.1 billion, as a result of land acquisition in Subang from January – March 2020.
- Meanwhile the interest-bearing debt for the period 1Q20 amounted at Rp1,987.9 billion – which resulted debt/equity (gearing) ratio of 44.1%.

Consolidated Financial Statements

First Quarter 2020

(in billion Rp)

	1Q20	1Q19	YoY
Revenues	882.0	823.7	7.1%
Property	86.9	72.4	20.0%
Construction	652.1	583.4	11.8%
Hospitality	142.9	168.2	-15.1%
Others	0.3	0.2	47.6%
Gross Profit	179.9	189.5	-5.1%
EBITDA	64.1	72.6	-11.7%
Net Income	-17.4	-10.9	-60.1%
Comprehensive Income	53.0	27.3	94.0%
EBITDA Margin	7.3%	8.8%	-1.5%
Net Income Margin	-2.0%	-1.3%	-0.7%

	1Q20	FY19	QoQ
Cash and Cash Equivalents	1,375.4	1,527.1	-9.9%
Total Assets	8,174.1	8,092.4	1.0%
Interest Bearing Debt	1,987.9	1,855.9	7.1%
Total Liabilities	3,663.4	3,614.3	1.4%
Non-Controlling Interest	524.9	513.7	2.2%
Equity	3,985.9	3,964.4	0.5%

Business Segment Analysis

1Q20 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	86.9	652.1	142.9	882.0
<i>Segment percentage</i>	<i>10%</i>	<i>74%</i>	<i>16%</i>	<i>100%</i>
Gross Profit	34.0	66.6	79.1	179.9
<i>Segment percentage</i>	<i>19%</i>	<i>37%</i>	<i>44%</i>	<i>100%</i>
EBITDA	20.6	44.4	10.9	64.1
<i>Segment percentage</i>	<i>32%</i>	<i>69%</i>	<i>17%</i>	<i>100%</i>
Gross Profit Margin	39.1%	10.2%	55.4%	20.4%
EBITDA Margin	23.7%	6.8%	7.6%	7.3%

1Q19 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	72.4	583.4	168.2	823.7
<i>Segment percentage</i>	<i>9%</i>	<i>71%</i>	<i>20%</i>	<i>100%</i>
Gross Profit	26.4	61.5	100.3	189.5
<i>Segment percentage</i>	<i>14%</i>	<i>32%</i>	<i>53%</i>	<i>100%</i>
EBITDA	17.3	42.8*	24.4	72.6
<i>Segment percentage</i>	<i>24%</i>	<i>59%</i>	<i>34%</i>	<i>100%</i>
Gross Profit Margin	36.5%	10.5%	59.6%	23.0%
EBITDA Margin	23.9%	7.3%	14.5%	8.8%

*Includes income from JO Rp0.174 billion

Property

- SSIA property unit which consists of industrial estate revenue, maintenance fees, commercial rental, booked a revenue of Rp86.9 billion in 1Q20 or up by 20.0% compared to Rp72.4 billion revenue in 1Q19.
- The industrial estate business unit, PT Suryacipta Swadaya, which is the Company main business, posted revenue of Rp70.8 billion, increased by about 30.4% from 1Q19 revenue of Rp54.3 billion. The increase was mainly from 0.7 hectares land sales booked at Rp13.4 billion.
- The Company expects to achieve a marketing sales of 8-10 hectares for the FY20.

- To accelerate the development of Subang Smart & Sustainable Industrial City project, the Company managed to acquire total 1,211 hectares of land by end of 1Q20. SSIA plans to do the Groundbreaking of Subang in September 2020 and it will mark its pre-marketing campaign. The Company expects to obtain commitments for this project in 2021.
- SLP Karawang, under PT SLP SURYA TICON INTERNUSA. As of 31 March 2020, it has total of 128,566 sqm rentable buildings or 80.2% from the total available land (160,255 sqm), the 1Q20 occupancy rate is about 87%. On 4 December 2019 SLP launched Block C, the fifth phase consisting of 1 Build To Suit and 5 Retail Warehouse units with a total building area of 51,330m2 and built on an area of 53,744 sqm. In 2017, SSIA has expanded its warehousing to Makassar, Sulawesi and Banjarmasin, Kalimantan with both total NLA of 20,000 sqm.

Construction

- PT Nusa Raya Cipta Tbk (“NRCA”), SSIA construction unit, for the first quarter of 2020 recorded a consolidated revenue of Rp653.4 billion (includes projects within SSIA group). Its revenue compared to the same period in 1Q19 increased by 11.7% from Rp585.0 billion. It also managed to book Rp28.0 billion of net profit from January – March 2020, decreased by 4.4% from 1Q19 net profit of Rp29.4 billion.
- NRCA, for the first quarter of 2020 period managed to book new contracts of Rp415.3 billion, a 60.6% lower than new contracts achieved in 1Q19 of Rp1,055.3 billion. Main projects obtained in 1Q20 were Lampung City Mall, Lampung; Ext North Wing Ayana Resort, Jimbaran; Mega Surya Mas Ext. Sby, Sidoarjo.

Hospitality

- SSIA hospitality business unit booked a revenue of Rp142.9 billion in 1Q20, 15.1% decrease compared to Rp168.2 billion in 1Q19. About 69.8% from total hospitality revenue generated by Gran Melia Jakarta (“GMJ”) and Melia Bali hotel (“MBH”). While the remaining was contributed from Banyan Tree Ungasan Resort (“BTUR”) and BATIQA Hotels.
- The GMJ occupancy rate for 1Q20 was at 22.7% from 43.8% in 1Q19. While the average room rate (ARR) for the first quarter of 2020 was around US\$95.8 from US\$89.6 in 1Q19. Meanwhile MBH occupancy rate in 1Q20 at 58.9% slightly decreased from 69.1%. However, MBH managed to increase its ARR to US\$113.1 in 1Q20 from US\$105.2 in 1Q19.
- The BTUR occupancy rate in 1Q20 was at 40.3% from 1Q19’s occupancy rate of 52.9%. The 1Q20 ARR was at US\$449.9, from US\$436.8 in 1Q19.
- SSIA has launched BATIQA Hotels in seven locations. 1Q20 occupancy rate of BATIQA Hotels which consists of BATIQA Hotel & Apartments Karawang, BATIQA Hotel Cirebon, BATIQA Hotel Jababeka, BATIQA Hotel Palembang, BATIQA Hotel Pekanbaru, BATIQA Hotel Lampung, and BATIQA Hotel Darmo – Surabaya recorded at 52.1%, while its ARR was at Rp318,721. BATIQA 1Q19 ARR was Rp321,991 with 55.8% occupancy rate.

About PT Surya Semesta Internusa Tbk (SSIA)

SSIA, formerly known as PT Multi Investments Limited, was established on 15 June 1971, the Company then transformed into PT Surya Semesta Internusa (“SSIA”) in 1995. SSIA main businesses are industrial estate & real estate development, construction and hospitality.

SSIA diversified investment portfolio primarily includes Suryacipta City of Industry, SLP Karawang, Graha Surya Internusa (not in operation, to be redeveloped into SSI tower), Gran Melia Jakarta Hotel, Melia Bali Hotel, Banyan Tree Ungasan Resort Bali, and BATIQA Hotels.

For more than 40 years in the property business, SSIA has strengthened its brand recognition and placed it as one of the strongest developer companies in Indonesia. Completing its milestone as a leading company, SSIA recorded its shares at Indonesia Stock Exchange and became a listed company on 27 March 1997. For more information, visit www.suryainternusa.com.

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