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BUILDING A BETTER INDONESIA

Press Release – 6 August 2020

SSIA POSTED Rp1,466 BILLION of REVENUE in 1H20, KEY DRIVER PROPERTY SECTOR UP BY 28%

- SSIA aims to book 67 hectares land sales of real estate assets from phase-4 Suryacipta City of Industry, Karawang in 3Q-2020. Meanwhile the construction revenue forecasted will be lower by about 23% compared to FY19 revenue of Rp2.6 trillion. All in all, the Company expects FY20 revenue will decrease by about 30%.
- The COVID-19 pandemic has impacted SSIA's three main business pillars. The hotel business unit is among the hardest hit 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 drastic drop in hospitality revenue by about 58% for 1H-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 end of May 2020. The management has placed several cost savings initiatives to rescue its negative cash flow such as: furlough scheme for the majority of employees, reduction in utility costs, renegotiation of outsourcing contracts through discount or extension the contract periods, reduction other fixed costs. Furthermore, SSIA management has also obtained interest rates reduction and the extension of principal repayments from the lenders. The Company expects the hospitality industry starts its slow-moving recovery period in 3Q-2020. Our hotels prepare to act agilely to address health and safety concerns. We revised our commercial strategy for the restart, with an eye toward the health and safety standards.
- The construction business unit also faced a downturn 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. About 30% of the existing projects has slowed down while the remaining 70% is still active. Meanwhile, NRCA managed to obtain new contract of Rp588.8 billion in 1H-2020, however for the rest of the year, there will be no significant additional new contracts in the market as property business will take sometime to recover. Therefore, NRCA has revised down its target for FY20 new contract, by about 15% 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. The government has started

relaxing the restrictions in stages through the partial openings of major cities within Indonesia in June 2020.

PT Surya Semesta Internusa Tbk (“SSIA”) 1H20 Financial Highlights

- SSIA for the first half of 2020 posted a consolidated revenue of Rp1,465.7 billion. The revenue decreased by about 19.2% from Rp1,813.6 billion booked in 1H19. This decrease was mainly due to revenue in construction and hospitality were down by 13.6% and 57.9% respectively. Meanwhile, SSIA property business segment revenue increased by about 27.6%, mainly due to 0.7 hectares land sales booked at Rp13.4 billion in 1Q20.
- The 1H20 gross profit was about Rp248.1 billion, a 38.5% lower from 1H19 gross profit of Rp403.3 billion.
- Meanwhile, the Company 1H20 EBITDA was Rp46.5 billion, a 68.9% lower from 1H19 EBITDA at Rp149.5 billion.
- SSIA consolidated net loss in 1H20 stood at Rp122.9 billion, a 263.1% lower than net loss booked in 1H19 of Rp33.9 billion, due to increase in interest expense by about 34.2% from Rp75.0 billion in 1H19 to Rp100.7 billion in 1H20.
- SSIA has withdrawn a loan from the International Finance Corporation (IFC) of US\$50 million from the total credit facility of US\$100 million in mid-September 2019. The loan was hedged using a Cross Currency Interest Rate Swap, such that it became a Rp fixed interest rate loan of 10.06% for the loan period until June 2026. This loan consequently has increased SSIA total interest expense for the period 1H20, the Company plans to withdraw remaining loan facility in 4Q-2020.
- The Company cash position per 1H20 stood at Rp1,104.3 billion, a 19.7% lower from 1H19 cash position at about Rp1,375.4 billion, mainly due to land acquisition in Subang from January – June 2020.
- Meanwhile the interest-bearing debt for the period 1H20 amounted at Rp1,917.9 billion – which resulted debt/equity (gearing) ratio of 44%.

Consolidated Financial Statements

First Half 2020

(in billion Rp)

	1H20	1H19	YoY
Revenues	1,465.7	1,813.6	-19.2%
Property	181.4	142.2	27.6%
Construction	1,132	1,310	-13.6%
Hospitality	152.7	363.2	-57.9%
Others	12.8	10.9	18.2%
Gross Profit	248.1	403.3	-38.5%
EBITDA	46.5	149.5	-68.9%
Net Income	-122.9	-33.9	-263.1%
Comprehensive Income	-103.4	-35.4	-192.0%
EBITDA Margin	3.2%	8.2%	-5.0 pts
Net Income Margin	-8.4%	-1.9%	-6.5 pts

	1H20	1Q20	QoQ
Cash and Cash Equivalents	1,104.3	1,375.4	-19.7%
Total Assets	7,822.4	8,174.1	-4.3%
Interest Bearing Debt	1,917.9	1,988.1	-3.5%
Total Liabilities	3,504.9	3,663.4	-4.3%
Non-Controlling Interest	514.4	524.9	-2.0%
Equity	3,803.1	3,985.9	-4.6%

Business Segment Analysis

1H20 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	181.4	1,131.7	152.7	1,465.7
<i>Segment percentage</i>	12%	77%	10%	100%
Gross Profit	70.4	115.4	62.2	248.1
<i>Segment percentage</i>	28%	47%	25%	100%
EBITDA	35.8	70.9	-46.8	46.5
<i>Segment percentage</i>	77%	152%	-100%	100%
Gross Profit Margin	38.8%	10.2%	40.7%	16.9%
EBITDA Margin	19.7%	6.3%	-30.6%	3.2%

1H19 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	142.2	1,310.3	363.2	1,813.6
<i>Segment percentage</i>	8%	72%	20%	100%
Gross Profit	45.4	137.1	221.2	403.3
<i>Segment percentage</i>	11%	34%	55%	100%
EBITDA	18.2	94.3*	55.4	149.5
<i>Segment percentage</i>	12%	63%	37%	100%
Gross Profit Margin	31.9%	10.5%	60.9%	22.2%
EBITDA Margin	12.8%	7.2%	15.3%	8.2%

*Includes income from JO Rp4.9 billion

Property

- SSIA property unit which consists of industrial estate revenue, maintenance fees, commercial rental, booked a revenue of Rp181.4 billion in 1H20 or up by 27.6% compared to Rp142.2 billion revenue in 1H19.
- The industrial estate business unit, PT Suryacipta Swadaya, which is the Company main business, posted revenue of Rp152.9 billion, increased by about 43.7% from 1H19 revenue of Rp106.4 billion. The increase was mainly from 0.7 hectares land sales booked at Rp13.4 billion in 1Q20.

- SSIA successfully posted 2.9 hectares of marketing sales with the value of Rp55.9 billion in 2Q20. The Company expects to achieve its marketing sales of 8 hectares for the FY20.
- To accelerate the development of Subang Smart & Sustainable Industrial City project, the Company managed to acquire total 1,229 hectares of land by end of 1H20. SSIA plans to do the groundbreaking of Subang in October 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 30 June 2020, it has total of 128,566 sqm rentable buildings or 80.2% from the total available land (160,255 sqm), the 1H20 occupancy rate is about 98%. 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.
- On 21 March 2020, Edenhaus Simatupang located in Tanjung Mas Raya, South Jakarta, had its groundbreaking ceremony. Edenhaus Simatupang, a portfolio of PT TCP Internusa, is a luxurious housing cluster consists of 41 units of boutique homes designed with a garden home resort concept and worth about Rp300 billion.

Construction

- PT Nusa Raya Cipta Tbk (“NRCA”), SSIA’s construction unit, for the first half of 2020 recorded a consolidated revenue of Rp1,133.4 billion (includes projects within SSIA group). Its revenue compared to the same period in 1H19 decreased by 13.7% from Rp1,313.4 billion. It also managed to book Rp43.1 billion of net profit from January – June 2020, decreased by 41.8% from 1H19 net profit of Rp74.1 billion.
- NRCA, for the first half of 2020 period managed to book new contracts of Rp588.8 billion, a 61.4% lower than new contracts achieved in 1H19 of Rp1,525.6 billion. Main projects obtained in 1H20 were Lampung City Mall, Extension North Wing Ayana Resort Jimbaran Bali, Mega Surya Mas Extension Surabaya, Sekolah Tritunggal Semarang, Electrical Carstensch Apartment Gading Serpong, and Tempo Optima Cikarang.

Hospitality

- SSIA hospitality business unit booked a revenue of Rp152.7 billion in 1H20, 57.9% decrease compared to Rp363.2 billion in 1H19. About 67.6% 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 1H20 was at 19.7% from 41.1% in 1H19. While the average room rate (ARR) for the first half of 2020 was around US\$93.7 from US\$88.1 in 1H19. Meanwhile MBH occupancy rate in 1H20 at 29.6% decreased from 73.6% in 1H19. The MBH ARR was at US\$113.3 in 1H20 from US\$107.5 in 1H19.
- The BTUR occupancy rate in 1H20 was at 20.3% from 1H19’s occupancy rate of 58.1%. The 1H20 ARR was at US\$450.6, from US\$427.5 in 1H19.

- SSIA has launched BATIQA Hotels in seven locations. 1H20 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 35.9%, while its ARR was at Rp304,919. BATIQA 1H19 ARR was Rp317,983 with 58.2% 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 almost 50 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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