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BUILDING A BETTER INDONESIA

Press Release

BETTER FY19 RESULT, SSIA NET PROFIT INCREASED BY 145%

PT Surya Semesta Internusa Tbk (“SSIA”) FY19 Financial Highlights

Consolidated Financial Statements Full Year 2019 (in billion Rp)			
	FY19	FY18	YoY
Revenues	4,006.4	3,681.8	8.8%
Property	588.2	441.6	33.2%
Construction	2,611.0	2,453.6	6.4%
Hospitality	811.4	802.8	1.1%
Others	11.3	10.2	10.8%
Gross Profit	1,091.4	980.9	11.3%
EBITDA	533.0	454.9	17.2%
Net Income	92.3	37.7	145.0%
Comprehensive Income	53.0	27.3	94.0%
EBITDA Margin	13.3%	12.4%	0.9%
Net Income Margin	2.3%	1.0%	1.3%
	FY19	FY18	YoY
Cash and Cash Equivalents	1,527.1	1,372.0	11.3%
Total Assets	8,092.4	7,404.2	9.3%
Interest Bearing Debt	1,855.9	1,506.3	23.2%
Total Liabilities	3,614.3	3,019.2	19.7%
Non-Controlling Interest	513.7	441.0	16.5%
Equity	3,964.4	3,944.0	0.5%

Business Segment Analysis

FY19 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	588.2	2,611.0	811.4	4,006.4
<i>Segment percentage</i>	15%	65%	20%	100%
Gross Profit	306.8	270.9	515.2	1,091.4
<i>Segment percentage</i>	28%	25%	47%	100%
EBITDA	244.1	163.2*	177.2	533.0
<i>Segment percentage</i>	46%	31%	33%	100%
Gross Profit Margin	52.2%	10.4%	63.5%	27.2%
EBITDA Margin	41.5%	6.2%	21.8%	13.3%

*Includes loss from JO Rp0.9 billion

FY18 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	441.6	2,453.6	802.8	3,681.8
<i>Segment percentage</i>	12%	67%	22%	100%
Gross Profit	225.1	249.9	519.2	980.9
<i>Segment percentage</i>	23%	25%	53%	100%
EBITDA	174.7	184.1*	186.1	454.9
<i>Segment percentage</i>	38%	40%	41%	100%
Gross Profit Margin	51.0%	10.2%	64.7%	26.6%
EBITDA Margin	39.6%	7.5%	23.2%	12.4%

*Includes income from JO Rp27.0 billion

- SSIA for the full year of 2019 posted a consolidated revenue of Rp4,006.4 billion. The revenue increased by about 8.8% from Rp3,681.8 billion booked in FY18. This increase was mainly due to revenue in property and construction were up by 33.2% and 6.4% respectively. Meanwhile, SSIA hospitality business segment revenue increased by about 1.1%.
- The FY19 gross profit was about Rp 1,091.4 billion, a 11.3% higher from FY18 gross profit of Rp980.9 billion.
- Meanwhile, the Company FY19 EBITDA was Rp533.0 billion, a 17.2% higher from FY18 EBITDA at Rp454.9 billion.
- SSIA consolidated net income in FY19 stood at Rp92.3 billion, 145.0% better than net income booked in FY18 of Rp37.7 billion.
- The Company cash position per FY19 stood at Rp1,527.1 billion, a 11.3% increase from FY18 cash position at about Rp1,372.0 billion. 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 by a Cross Currency Interest Rate Swap, accordingly SSIA received Rp 702.5 billion with a fixed interest of 10.06% for the loan period until June 2026.
- Meanwhile the interest-bearing debt for the period FY19 amounted at Rp1,855.9 billion – which resulted debt/equity (gearing) ratio of 41.4%.

- The COVID-19 pandemic has affected SSIA's business activities, it is expected to have an impact on SSIA's cash flow over the coming months. Specifically in the hospitality business unit as a result of physical distancing and restrictions on visitor visas, the hotel occupancy rates have dropped dramatically and is estimated to approach single digit occupancy in April 2020. We see the hospitality industry will start its recovery period in June 2020 and hopefully it gets back to normal in September 2020. The construction business unit is also affected by the pandemic, furthermore the Fasting/Ramadan period is starting in late April 2020 and Hari Lebaran/Raya falls in late May 2020, resulted Construction's performance will slightly decrease in Q2-2020 and we shall see it start recovering in Q3 and Q4 this year. The industrial estates unit is also faced with delayed in decisions due to the COVID-19 impact i.e. state of emergency declared by the Government of Indonesia, revocation of visa on arrivals for foreign visitors and limited flights schedule, lockdown in China and limited travels in some European countries. The Company expects the customers start coming in July/August this year and see commitments end of Q3-2020.
- In response to the COVID-19 pandemic, SSIA had initiated following actions to mitigate the financial risks:
 - ✓ Perform prudent cash and liquidity management and reduce non-critical cash disbursements through cost discipline, given the current conditions are **not** business as usual (BAU).
 - ✓ Monitoring cash flow forecasts (stress-cash flow tests) including reviewing financial plans and designing actions that must be taken to mitigate liquidity risk.
 - ✓ Adjustment in business activities including reducing activities in hospitality sector while preparing business plans should the economic conditions recover.
 - ✓ In addition, the SSIA group also participated in reducing the risk of COVID-19 transmission, through work from home (WFH) program, improving hygiene and cleanliness in the office including our employees.

Property

- SSIA property unit which consists of industrial estate revenue, maintenance fees, commercial rental, booked a revenue of Rp588.2 billion in FY19 or up by 33.2% compared to Rp441.6 billion revenue in FY18.
- The industrial estate business unit, PT Suryacipta Swadaya, which is the Company main business, posted revenue of Rp516.9 billion, increased by about 39.5% from FY18 revenue of Rp370.7 billion. The increase was mainly from 17.1 hectares land sales booked at Rp297.3 billion.
- The Company successfully achieved marketing sales of 17.8 hectares in FY19 or Rp305.3 billion, which have exceeded FY19 target of 15 hectares and managed to increase its sales by about 114.5% from FY18 pre-sales of 8.3 hectares.
- To accelerate the development of Subang City of Industry Industrial Estate project, the Company managed to acquire total 1,173 hectares of land by end of FY19. 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 only in 2021.

- SLP Karawang, under PT SLP SURYA TICON INTERNUSA. As of 31 Dec 2019, it has total of 128,566 sqm rentable buildings or 80.2% from the total available land (160,255 sqm), the FY19 occupancy rate is about 96%. 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 full year of 2019 recorded a consolidated revenue of Rp2,611.0 billion (includes projects within SSIA group). Its revenue compared to the same period in FY18 increased by 6.4% from Rp 2,453.6 billion. It also managed to book Rp104.7 billion of net profit from January – December 2019, decreased by 14.9% from FY18 net profit of Rp123.0 billion, mainly due to decrease in net income of joint operation by 103.3%
- NRCA, for the full year of 2019 period managed to book new contracts of Rp2,028.3 billion, a 24.7% lower than new contracts achieved in FY18 of Rp2,693.4 billion. Main projects obtained in FY19 were Carstensch Apartemen Paramount Serpong, JHL Galeri Gading Serpong, Perluasan Pabrik Harvestar Gresik, Musim Mas 1 Martubung, Struktur Office Apsara Solo, Apartemen 57 Promenade Jakarta, IKPP Serang Mills, Aston Inn Hotel Cilegon, Hotel Ozon Internasional Batam.

Hospitality

- SSIA hospitality business unit booked a revenue of Rp811.4 billion in FY19, 1.1% increase compared to Rp802.8 billion in FY18. 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 FY19 was at 44.8% from 50.6% in FY18. While the average room rate (ARR) for the full year of 2019 was around US\$88.5 from US\$94.2 in FY18. Meanwhile MBH occupancy rate in FY19 at 78.2% slightly increased from 76.7%. However, MBH managed to increase its ARR to US\$118.3 in FY19 from US\$113.2 in FY18.
- The BTUR occupancy rate in FY19 was at 57.8% from FY18’s occupancy rate of 55.1%. The FY19 ARR was at US\$439.8, from US\$467.6 in FY18.
- SSIA has launched BATIQA Hotels in seven locations. FY19 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 63.8%, while its ARR was at Rp314,449. BATIQA FY18 ARR was Rp332,953 with 63.2% 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 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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