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BUILDING A BETTER INDONESIA

Press Release

## SSIA POSTED Rp3,015 BILLION of REVENUE and Rp118 BILLION OF NET INCOME FOR THE NINE MONTHS OF 2016

### PT Surya Semesta Internusa Tbk (SSIA) 9M16 Financial Highlights

Consolidated Financial Statements Nine Months 2016 (in billion Rp)			
	9M16	9M15	YoY
Revenues	3,015.3	3,855.7	-21.8%
Property	577.1	676.2	-14.6%
Construction	1,929.3	2,689.2	-28.3%
Hospitality	508.5	490.3	3.7%
Others	0.4	-	
Gross Profit	857.9	1,019.4	-15.8%
EBITDA	478.2	699.2	-31.6%
Net Income	118.0	476.4	-75.2%
Comprehensive Income	109.0	470.0	-76.8%
EBITDA Margin	15.9%	18.1%	-2.3%
Net Income Margin	3.9%	12.4%	-8.4%
	9M16	1H16	QoQ
Cash and cash equivalents	1,535.3	783.0	96.1%
Total Asset	7,283.6	6,352.3	14.7%
Total Liabilities	3,885.4	2,989.0	30.0%
Non-Controlling Interest	426.1	417.9	2.0%
Total Equity	2,972.1	2,945.4	0.9%

<b>Business Segment Analysis</b>				
9M16 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	577.1	1,929.3	508.5	3,015.3
<i>Segment percentage</i>	<i>19%</i>	<i>64%</i>	<i>17%</i>	<i>100%</i>
Gross Profit	344.6	188.4	324.5	857.9
<i>Segment percentage</i>	<i>40%</i>	<i>22%</i>	<i>38%</i>	<i>100%</i>
EBITDA	306.4	139.7*	111.7	478.2
<i>Segment percentage</i>	<i>64%</i>	<i>29%</i>	<i>23%</i>	<i>100%</i>
Gross Profit Margin	59.7%	9.8%	63.8%	28.5%
EBITDA Margin	53.1%	7.2%	22.0%	15.7%

*\*Includes income from JO Rp6.7 billion*

9M15 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	676.2	2,689.2	490.3	3,855.7
<i>Segment percentage</i>	<i>18%</i>	<i>70%</i>	<i>13%</i>	<i>100%</i>
Gross Profit	451.5	244.7	323.2	1,019.4
<i>Segment percentage</i>	<i>44%</i>	<i>24%</i>	<i>32%</i>	<i>100%</i>
EBITDA	422.0	241.4*	109.6	699.2
<i>Segment percentage</i>	<i>60%</i>	<i>35%</i>	<i>16%</i>	<i>100%</i>
Gross Profit Margin	66.8%	9.1%	65.9%	26.4%
EBITDA Margin	62.4%	9.0%	22.3%	18.1%

*\*Includes income from JO Rp58.9 billion*

- SSIA for the nine months of 2016 posted a consolidated revenue of Rp3,015.3 billion. The revenue decreased by about -21.8% from Rp3,855.7 billion in 9M15. This decline was mainly due to the lower revenue in SSIA's construction and property business unit by about 28.3% and 14.6% respectively.
- SSIA's managed to improve its gross margin to 28.5% in 9M16, a 7.6% higher compared to 9M15 gross margin at about 26.4%.
- Meanwhile, the Company 9M16 EBITDA stood at Rp478.2 billion, a 31.6% lower from 9M15 EBITDA at Rp699.2 billion.
- SSIA's consolidated net income in 9M16 reached Rp118.0 billion, a 75.2% lower compared to Rp476.4 billion booked in 9M15. The decline was due to lower net income from all the main business units compared to 9M15's. In addition, there was a Rp65.6 billion loss from Equity in Net Earning of Associates (PT Lintas Marga Sedaya - Cipali toll road operator).

## Property

- Since early 2016, the industrial estate Greater Jakarta market has been generally characterized by slow absorption. Despite recording higher sales volume during the third quarter, the overall sales performance does not suggest an improvement, particularly when compared to the total sales registered in the previous years. The overall 9M16 sales volume posted 107.41 hectares land sales, this amount only represents 30% of the total sales in 9M15. Year-to-date figures showed that 48% of the total industrial land transactions were generated from warehouse or logistics sector. Another active sector is the food industry, which has always been a demand generator for industrial land, together with the consumer goods industry. *(source : Colliers 3Q16)*
- SSIA's property unit which consists of industrial estate sales, maintenance fees, commercials, has booked a revenue of Rp577.1 billion in 9M16 or a 14.6% YoY decreased from Rp676.2 billion in 9M15.
- The industrial estate unit, which is the Company main business, posted an accounting sales of 32.6 hectares industrial land in 9M16 with an average selling price of US\$120.0 per m2 or a total of Rp413.1 billion compared to the industrial land sales in 9M15 which stood at Rp706.2 billion. Note that the 9M15 accounting sales includes land acquired by PT SLP Surya TICON Internusa ("SLP"), with total land area of 22 hectares land area including existing buildings from PT Suryacipta Swadaya, a wholly owned subsidiary of SSIA, which located at Suryacipta Technopark ("Technopark"). SSIA currently owns 50% of the joint venture "SLP", while Mitsui and TICON each owns 25%. Meanwhile, the land sales backlog by end of 9M16 stood at 1.5 hectares with average selling price of US\$154.3 per m2.
- SLP's 9M16 first phase occupancy rate was at 100% with an Average Rental Rate at Rp65,000 per m2 per month. Meanwhile SLP has completed construction of second phase of modern warehousing facilities in September 2016. It consists of 12 warehousing units with a total area of 27,648 m2, each unit size is about 2,304 m2, and currently are available for rent.
- Notes on the land bank progress in Subang, West Java, as of 30 September 2016, SSIA has managed to free up and acquired about 486 hectares.

## Construction

- In 3Q16, positive sentiment over the outlook of Indonesia was highlighted by the stability in the exchange rate and improving macroeconomic environment, which could contribute to the modest increase in the average take-up rate in property. In addition, a limited number of newly launched projects also pushed the take up rate upward, whilst at the same time, developers focused on selling the remaining inventory. The asking price still showed a positive trend, following the improvement in the sales rate, as well as the resumption of projects that remain under construction. Furthermore, the government continues to issue favorable policy initiatives and programs in attempt to brisk property market up, such as loan-to-value (LTV) relaxation, tax amnesty program and lowering PPh final (income tax) on the transfer of lands and buildings. However, we believe it would take some time for the policies to be translated into a significant and sustainable increase in the property demand. *(source : Colliers 3Q16)*
- PT Nusa Raya Cipta Tbk (NRCA), SSIA's construction unit, for the nine month of 2016 recorded a revenue of Rp1,942.8 billion (includes projects within SSIA group), 64.8% from its full year target of Rp3.0 trillion. Its revenue compared to the same period in

- 2015 decreased by 29.2% from Rp2,745.3 billion. It also managed to book Rp60.9 billion of net profit from January – September 2016.
- NRCA, for the nine months of 2016 booked new contracts of Rp1,976.0 billion, 27.1% lower than new contracts in 9M15 of Rp2,708.7 billion. The new contracts achievement represents 59.9% of total NRCA new contracts target for 2016 of Rp3.3 trillion (including projects from SSIA group). Main projects obtained in 9M16 are The Branz BSD, The Rimba Extension, Gedung Pasca Sarjana FK UGM Yogyakarta, Tempo Yogyakarta, and Renaissance Nusa Dua.
  - The Company's flagship infrastructure project, Cikopo - Palimanan (Cipali) toll road, completed construction works within 30 months with a total investment cost of Rp13.7 trillion. Starting its commercial operation since 26 June 2015. Cipali's average end to end sectional traffic volume from January to September 2016 reached 28,341 vehicles per day.

### **Hospitality**

- SSIA's hotel unit booked a revenue of Rp508.5 billion in 9M16 compared to Rp490.3 billion in 9M15. About 68.4% of total hospitality revenue generated by Gran Melia Jakarta (GMJ) and Melia Bali hotel (MBH). While the remaining were contributed from Banyan Tree Ungasan Resort (BTUR) and BATIQA Hotels.
- The Gran Melia Jakarta (GMJ) occupancy rate for 9M16 was at 46.6% from 49.6% in 9M15. While the average room rate (ARR) for the nine months period of 2016 was around US\$108.8 from US\$120.6 in 9M15. Meanwhile Melia Bali Hotel's (MBH) occupancy rate in 9M16 at 80.2% increased from 71.5% in 9M15. The ARR was US\$93.7 in 9M16 from US\$98.2 in 9M15.
- The Banyan Tree Ungasan Resort (BTUR) occupancy rate in 9M16 was at 64.9% from 9M15's occupancy rate of 65.6%. The 9M16 ARR was US\$439.8, slightly lower than US\$485.9 in 9M15.
- SSIA launched BATIQA Hotel Pekanbaru on 26 August 2016, and BATIQA Hotel Lampung on 16 September 2016. BATIQA Hotel & Apartments Karawang, BATIQA Hotel Cirebon, BATIQA Hotel Jababeka, BATIQA Hotel Palembang, BATIQA Hotel Pekanbaru, and BATIQA Hotel Lampung recorded 50.8% average occupancy rate for the period of 9M16. Its ARR was at Rp305,943.
- From travelio.com, on 29 August 2016, Travelio secured Pre-Series A funding of US\$2 million, led by Gobi Partners, a venture capital from Shanghai, China. In addition, other shareholders include Anthill Ventures, a Singapore-based venture capital; a senior management of Malaysian conglomerate, Kuok Group; and the CEO of Travel+Leisure magazine, China. Travelio.com is an online short-term home rental platform that focuses on daily, weekly, monthly rentals for the domestic and inbound market. The types of accommodations listed ranges from apartments and villas, to houses and hotels.

## **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's main businesses are industrial estate development, commercial property, construction & infrastructure services and hospitality.

SSIA's diversified investment portfolio primarily includes Suryacipta City of Industry, Suryacipta Technopark, 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 milestones 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](http://www.suryainternusa.com).

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