



sinarmas land

***“Building for a
better future”***

ANNUAL GENERAL MEETING
27 April 2020

01. COMPANY OVERVIEW

02. 2019 YEAR IN BRIEF

03. FINANCIAL HIGHLIGHTS

Well-entrenched market leader in Indonesia property sector with growing geographical diversification

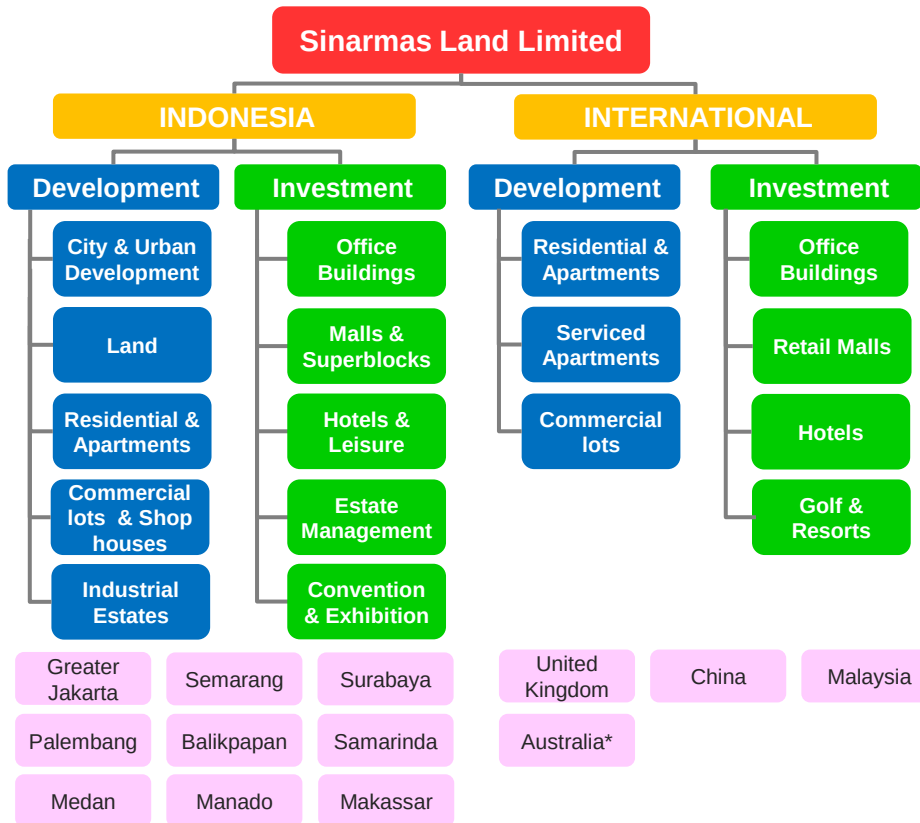
- 1 **Diversified property developer** with interests across various sub-sectors: townships, residential, commercial, retail, industrial, hospitality and leisure in Indonesia, China, Malaysia and the United Kingdom.
- 2 3 listed subsidiaries on Indonesia Stock Exchange, namely PT Bumi Serpong Damai Tbk ("BSDE"), PT Duta Pertiwi Tbk ("DUTI") and PT Puradelta Lestari Tbk ("DMAS") with a combined **market capitalization of approximately S\$5.8 billion[^]**.
- 3 Over **48 years of proven track record** of delivering quality city & township developments and commercial space in Indonesia.
- 4 SML's Indonesian operations (outside BSDE) comprised 30.5% of FY 2019 revenue and international operations[#] (outside Indonesia) contributed 4.4% of FY 2019 revenue.
- 5 Ongoing strategic initiatives to **diversify its geographical exposure by expanding into other mature and emerging property markets**.

Notes:

[^] : As at 31 December 2019, Source from SGX and IDX

[#] : Comprises of China, Malaysia and the United Kingdom

* : Investment into an Australian commercial grade A office REIT





01. COMPANY OVERVIEW

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Year in Brief

February 2019



**Entered into a joint venture
with Citramas Group**

March 2019



**Received Asia's Best First-time
sustainability report award**



**Partnered Rongqiao Group to
jointly develop a residential
project in Taicang City, China**

March 2019



**Strategic Technology
Partnership with Grab**

April 2019



**Partnered with LUCK and HP
Indonesia**

May 2019



**SML and Grab launched
Grabwheel Initiative**

Year in Brief

July 2019



Surbana Jurong appointed as Master Planner for Nongsa Hub, Batam



SML Spun-off Assets into a listed REIT on Indonesia Stock Exchange

September 2019



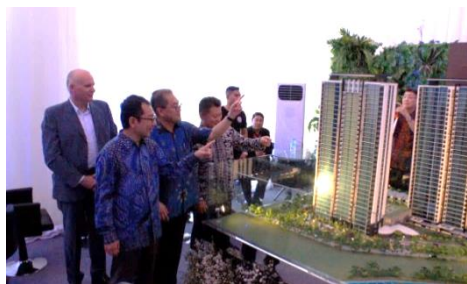
Strategic Collaboration with Microsoft Corporation

November 2019



Hyundai Motor to Invest US\$1.55 billion in Kota Deltamas

December 2019



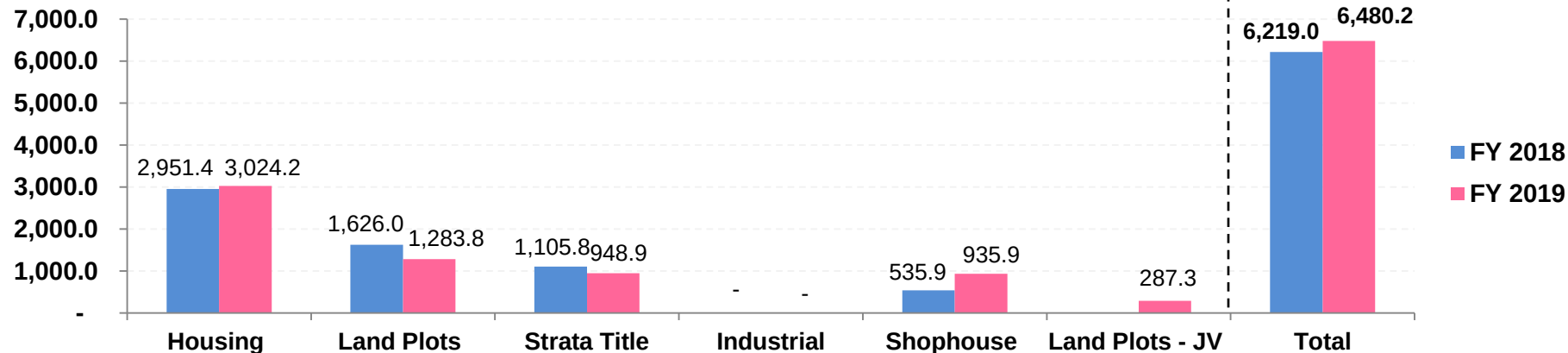
Topping-Off of Aerium Apartments in West Jakarta



SML invested A\$40.0 million into Mascot Private Trust

BSDE surpassed FY 2019 sales target

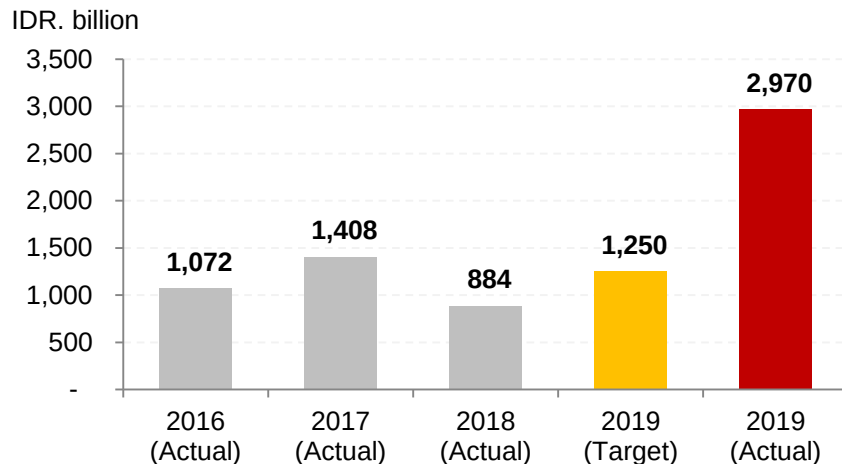
IDR billion



- BSDE achieved **IDR6.5 trillion of marketing sales for FY 2019** exceeding its marketing sales target of IDR6.2 trillion
- FY 2019 marketing sales recorded a marginal increase of 4% against FY 2018 resulting from higher sales contribution from primarily housing and Shop Houses sales. The increase was also supported by land sales to the Government of Indonesia for the construction of toll road
- Residential units pre-sales generated IDR3.0 trillion in FY 2019, mainly from new and existing cluster including Mozia, Savia, Greenwich, Vanya Park, FleekHauz, Fleekhauz-R, Imajihaus, Nava Park and Zora in BSD City. There were also additional sales from Taman Banjar Wijaya and Grand City Balikpapan
- Commercial business units pre-sales (inclusive of commercial land plot) generated IDR3.5 trillion in FY 2019, mainly from existing development including Southgate Condominium TB Simatupang South Jakarta, The Elements Rasuna CBD Jakarta, Aerium West Jakarta, Akasa Serpong, and Upperwest BSD City

DMAS surpassed FY 2019 sales target

Marketing Sales (IDR billion)



Land Bank Update as of 31 December 2019

In hectares	Industrial	Commercial	Residential	Total
Total Area	1,718	757	706	3,181
Land Sold	1,272	276	193	1,741
Land Bank	446	481	513	1,440

- PT Puradelta Lestari Tbk. (DMAS) is an integrated township developer of Kota Deltamas, located in Central Cikarang, with total development area up to 3,181 hectares. Kota Deltamas is a prime township at east of Jakarta with strategic location, wide land bank, direct toll access, and equipped with comprehensive facilities and infrastructures
- DMAS achieved **marketing sales of IDR2.97 trillion for FY 2019** its surpassing full year target of IDR1.25 trillion
- For FY 2019, DMAS sold 120 hectares of industrial land and 12 hectares of commercial land

Bank Indonesia's LTV Ratio Relaxation

Table 2. New LTV/FTV Ratio

Category	Meets NPL/NPL Criteria				Does Not Meet NPL/NPL Criteria						
	Property Loan & Property Financing based on Akad Murabahah & Akad Istishna		Property Financing based on akad MMQ & akad IMBT		Property Financing based on Akad Murabahah & Akad istishna			Property Financing based on akad MMQ & akad IMBT			
	1	≥2	1	≥2	1	2	≥3	1	2	≥3	
Landed House											
Type >70	-	85%	-	9%	85%	75%	65%	90%	80%	70%	
Type >21 - 70	-	90%	-	95%		85%	75%	-	85%	75%	
Type ≤21	-	-	-	-		-	-	-	-	-	
Apartment											
Type >70	-	85%	-	90%	85%	75%	65%	90%	80%	70%	
Type >21 - 70	-	90%	-	90%	95%	85%	75%	95%	85%	75%	
Type ≤21	-	90%	-	90%		85%	75%	-	85%	75%	
Office House	-	90%	-	90%		85%	75%	-	85%	75%	

Source: DBS

Table 3. LTV/FTV Ratio for Green Property

Category	Meets NPL/NPL Criteria				Does Not Meet NPL/NPL Criteria						
	Property Loan & Property Financing based on Akad Murabahah & Akad Istishna		Property Financing based on akad MMQ & akad IMBT		Property Financing based on Akad Murabahah & Akad istishna			Property Financing based on akad MMQ & akad IMBT			
	1	≥2	1	≥2	1	2	≥3	1	2	≥3	
Landed House											
Type >70	-	90%	-	95%	90%	80%	70%	90%	80%	70%	
Type >21 - 70	-	95%	-	-		90%	80%	-	85%	75%	
Type ≤21	-	-	-	-		-	-	-	-	-	
Apartment											
Type >70	-	90%	-	95%	90%	80%	70%	95%	85%	75%	
Type >21 - 70	-	95%	-	95%	-	90%	80%	-	90%	80%	
Type ≤21	-	95%	-	95%	-	90%	80%	-	90%	80%	
Office House	-	95%	-	95%	-	90%	80%	-	90%	80%	

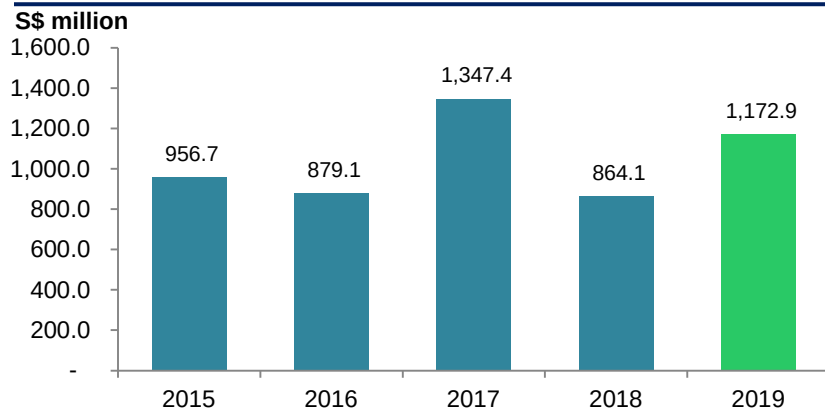
- In September 2019, Bank Indonesia announced the easing of loan-to-value (LTV) and financing-to-value (FTV) ratios for property and motor vehicles loan
- Starting from 2 December 2019, LTV for property financing shall relaxed by 5%, motor vehicles FTV will reduced by 5 – 10%
- In a bid to combat climate change, both green properties and automotive shall be entitled to a further 5% reduction
- Through these initiatives, Bank Indonesia aims to make it more attractive for consumers to purchase property, especially green-certified property, hence boosting overall credit growth as well as Indonesia's macroeconomic growth



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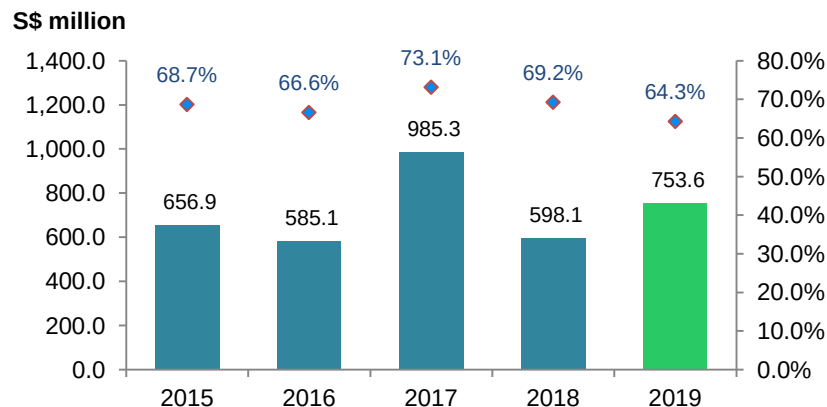
FY 2019 Financial Highlights

Revenue



- Total revenue in FY 2019 increased by 35.7% to S\$1,172.9 million from S\$864.1 million in the previous corresponding period
- Higher revenue was contributed from sales of commercial and industrial land parcels in Kota Deltamas and Karawang International Industrial City, Indonesia, as well as higher sales of housing apartment and undeveloped land parcels in BSD City, Indonesia
- The increase were partially offset by lower sales from land offices and commercial shophouses in BSD City

Gross Profit and Gross Profit margin

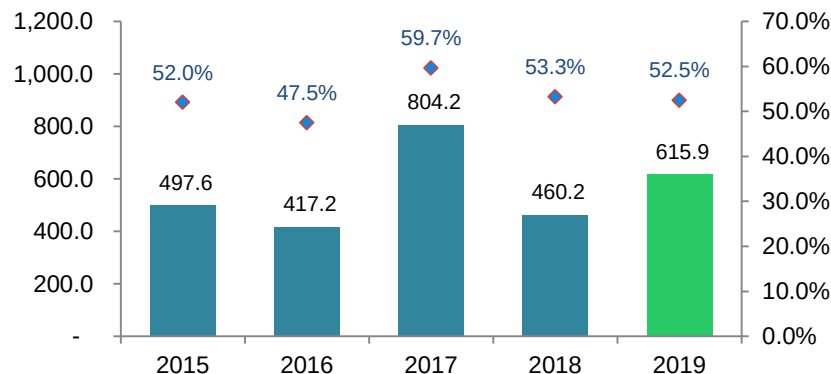


- In line with higher revenue, the Group's FY 2019 gross profit gained 26.0% to S\$753.6 million
- However, higher development and land sales related cost incurred by the Indonesia division resulted in the Group's gross profit margin to decrease slightly from 69.2% in FY 2018 to 64.3% in FY 2019

FY 2019 Financial Highlights

EBITDA and EBITDA margin

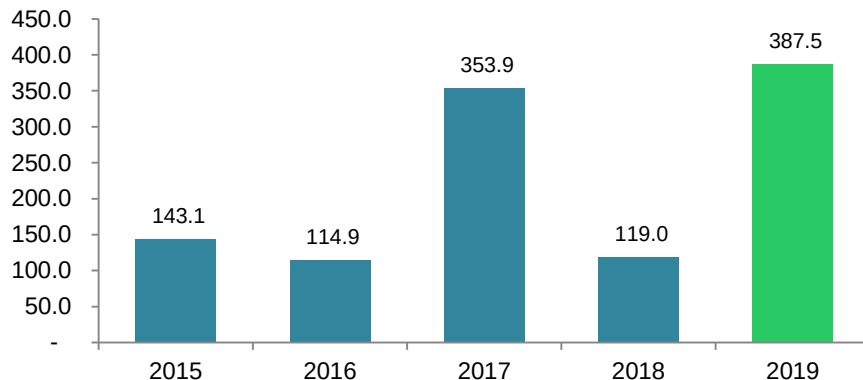
S\$ million



- EBITDA increased 33.9% to S\$616.0 million in FY 2019 from S\$460.2 million in FY 2018 following higher revenue contribution from the Indonesia division and prudent management of selling and general & administrative expenses incurred during the year
- EBITDA margin decreased by a marginally 0.8 percentage point from 53.3% to 52.5% in FY2019 due to prudent operating expenses management

Profit attributable to Owners of the Company

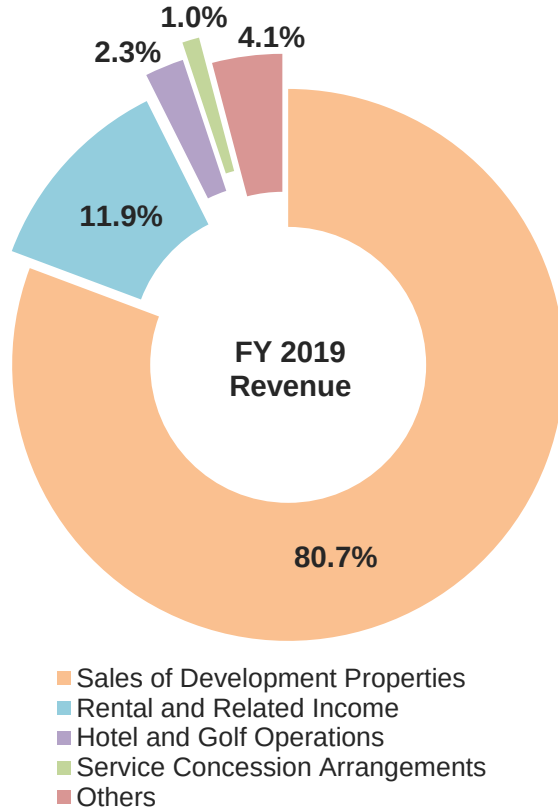
S\$ million



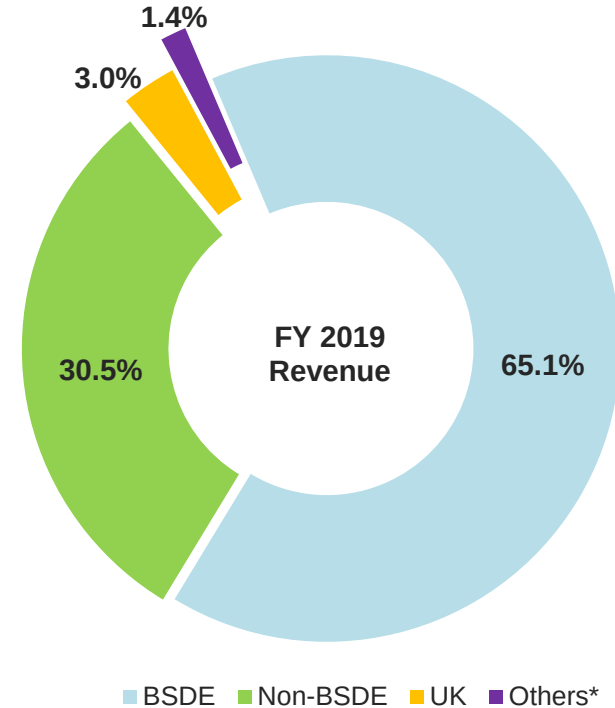
- Profit attributable to Owners of the Company surged 225.6% in FY 2019 to S\$387.5 million due to the gain in revenue, prudent operating expenses management and one-off exceptional item
- The restructuring of PT Bumi Serpong Damai Tbk ("BSDE")'s stake in PT Plaza Indonesia Realty Tbk ("PLIN"), the acquisition of units in Dana Investasi Real Estat Simas Plaza Indonesia ("DIRE", similar to Real Estate Investment Trust) as well as acquisition of shares in PT Plaza Indonesia Mandiri ("PIM"), the Group recorded a one-off exceptional item aggregating to S\$368.2 million in FY 2019

FY 2019 Revenue Breakdown

Revenue – Product Breakdown (%)



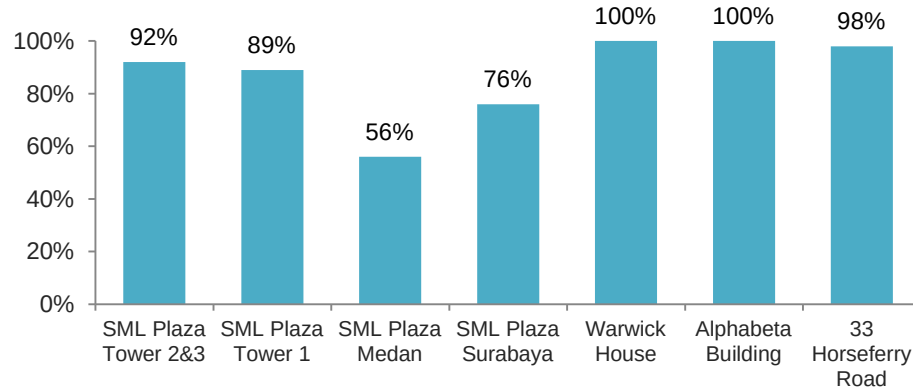
Revenue – Geographical Breakdown (%)



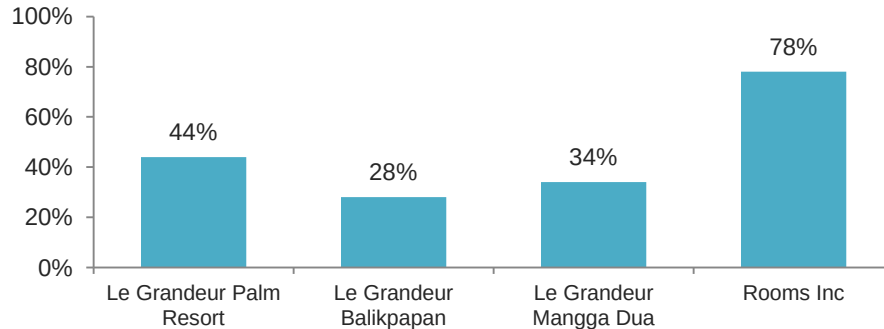
* : Other countries include China, Singapore, Malaysia and Batam

FY 2019 Recurring Income (Revenue) Breakdown

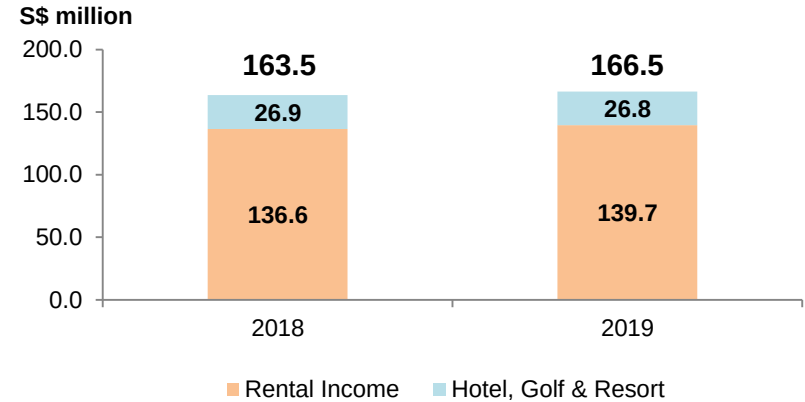
Office – FY 2019 average occupancy rates



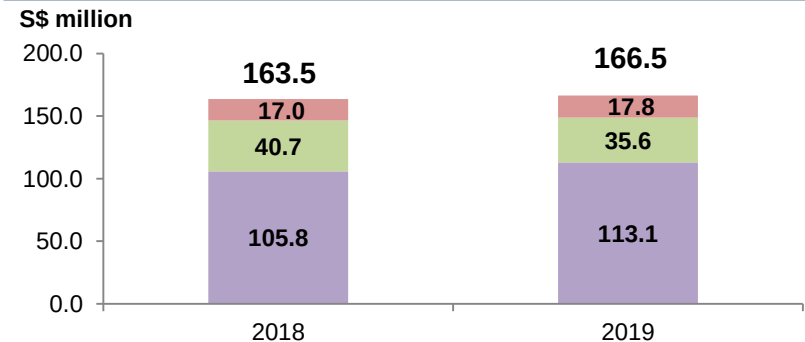
Hotels – FY 2019 average occupancy rates



Recurring Income (Revenue) – Product Breakdown



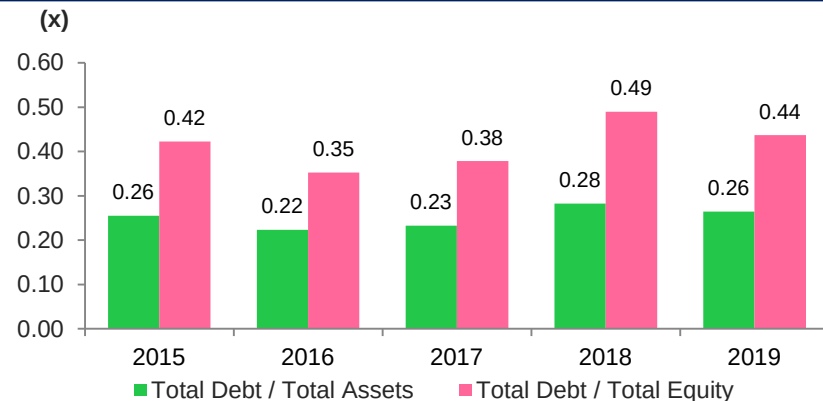
Recurring Income (Revenue) – Geographical Breakdown



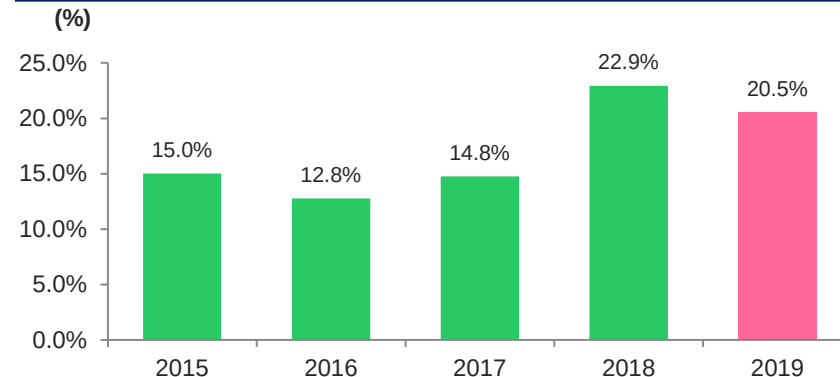
* : Recurring income (Revenue) includes rental and related income and hotel revenue and revenue from golf and resort operations

Key Financial Ratios

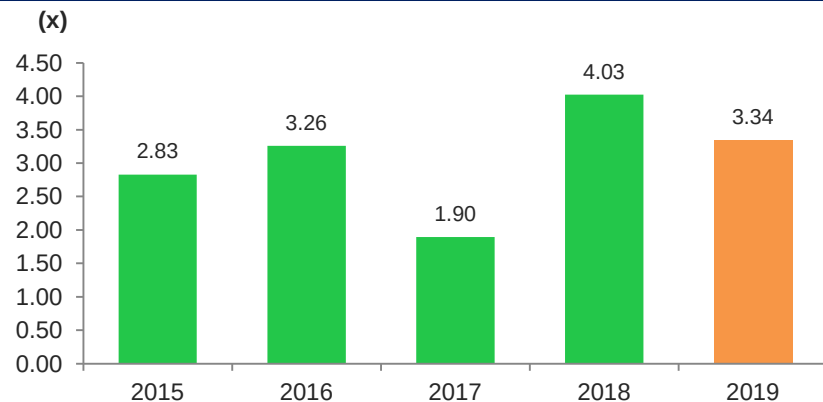
Debt / Assets and Debt / Equity



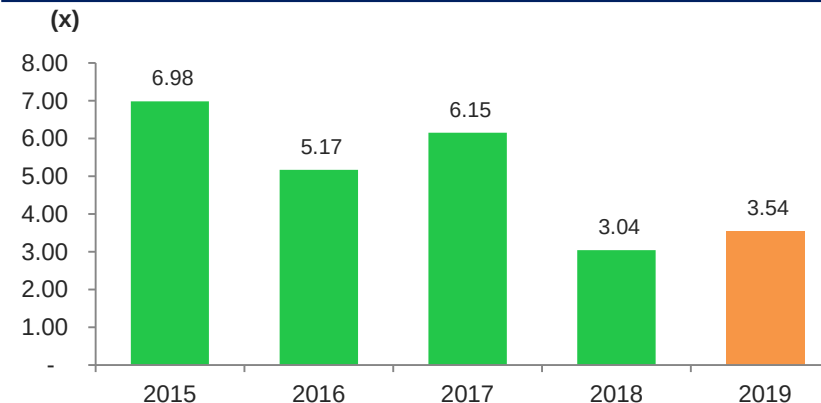
Net Debt / Equity



Total Debt / EBITDA



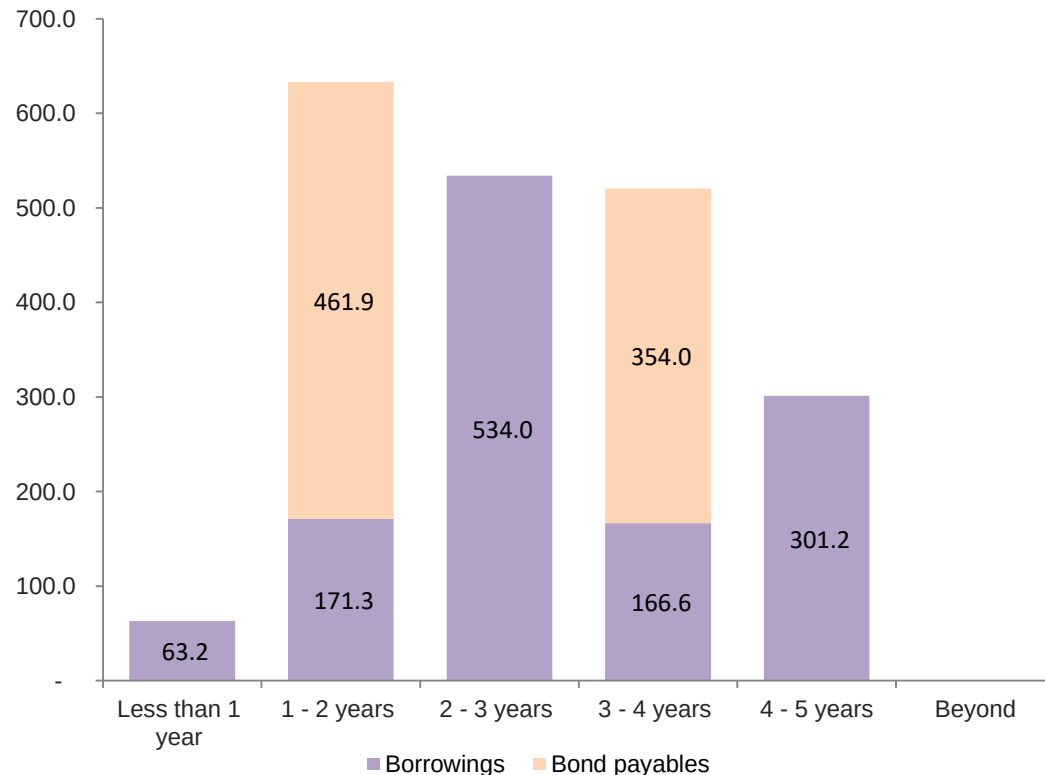
EBITDA / Interest Expense



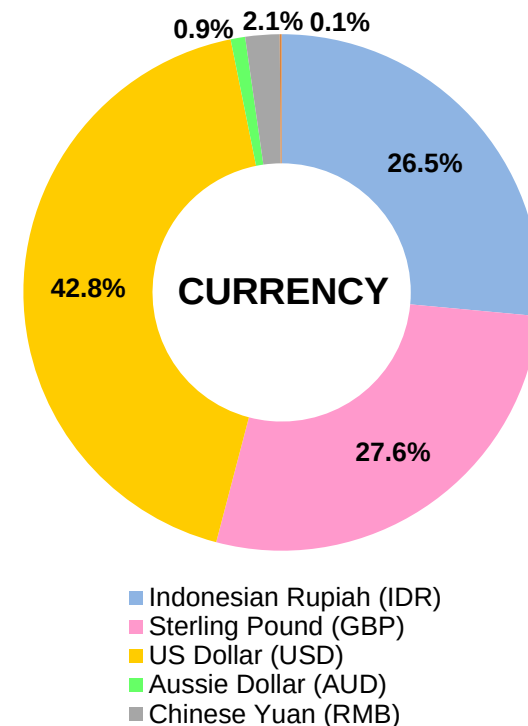
Debt Maturity Profile and Funding Mix

Debt Maturity Profile as at 31 Dec 2019

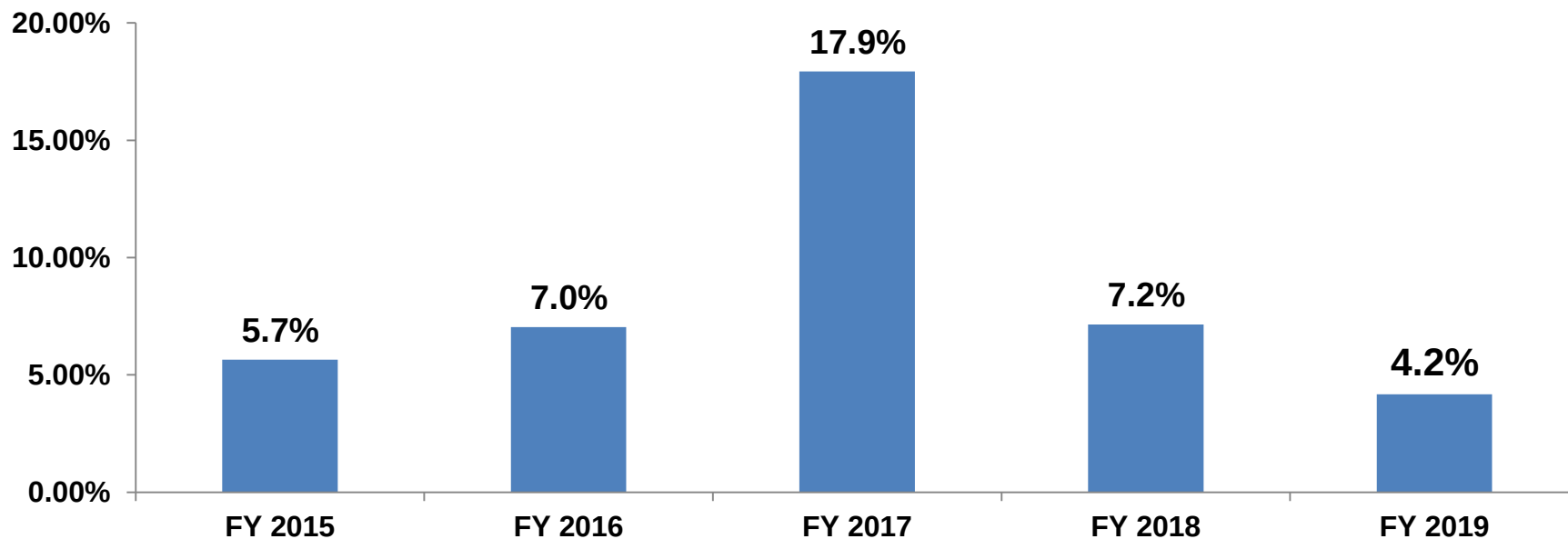
S\$ million



Funding Mix as at 31 Dec 2019



Dividend Payout Ratio



	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Dividend Amount (a)	S\$8,086,139	S\$8,086,139	S\$63,837,937	S\$8,511,725	S\$16,172,277
Profit Attributable to Owners of the Company (b)	S\$143,117,000	S\$114,908,000	S\$353,892,000	S\$119,028,000	S\$387,516,000
Dividend Payout Ratio (a)/(b)	5.65%	7.04%	17.93%	7.15%	4.17%

FY 2019 vs FY 2018

Consolidated Income Statement

(S\$ '000)	FY 2019	FY 2018	Change %
Revenue	1,172,871	864,134	35.7
Cost of Sales	(419,261)	(266,028)	57.6
Gross Profit	753,610	598,106	26.0
<i>Operating Expenses</i>			
Selling Expenses	(100,941)	(100,954)	(0.0)
General and administrative expenses	(168,641)	(164,205)	2.7
Operating profit	484,028	332,947	45.4
Finance income	69,946	51,038	37.0
Finance costs	(173,840)	(151,316)	14.9
Others	14,411	36,576	(60.6)
Exceptional Items, net	373,701	-	n.m.
Profit before income tax	768,246	269,245	185.3
Income tax	(43,862)	(40,123)	9.3
Profit for the period	724,384	229,122	216.2

Attributable to:

Owners of the Company	387,516	119,028	225.6
Non-controlling interests	336,868	110,094	206.0

FY 2019 vs FY 2018

Statement of Financial Position

(S\$ '000)	As at 31 Dec 2019	As at 31 Dec 2018
Current Assets		
Cash and cash equivalents	1,090,335	984,135
Properties held for sale	1,328,584	1,224,017
Other current assets	725,405	323,592
Total Current Assets	3,144,324	2,531,744
Non-Current Assets		
Associated companies	561,091	247,149
Joint ventures	126,436	142,262
Properties under development for sale	1,764,906	1,664,855
Investment properties	1,711,750	1,613,038
Property, plant and equipment	149,209	147,461
Other non-current assets	299,827	214,025
Total Non-Current Assets	4,613,219	4,028,790
Total Assets	7,757,543	6,560,534
Short-term borrowings	63,174	35,870
Short-term payables and liabilities	769,471	675,290
Bonds payables	815,866	903,756
Long-term borrowings	1,173,138	912,182
Long-term liabilities	237,223	250,129
Total Liabilities	3,058,872	2,777,227
Total Capital and reserves	2,559,514	2,037,832
Non-controlling Interest	2,139,157	1,745,475
Total Equity	4,698,671	3,783,307
Total Liabilities and Equity	7,757,543	6,560,534

Thank You



Question & Answer

Question 1

What are the impacts COVID-19 has on the Group's operation and financial?

- Globally, COVID-19 has crippled most economic activities amidst countywide lockdown ordered by the respective governments to curb the spread of the virus, with each issuing downward revision of their GDP projection for 2020
- Countries where the Group operates in are not spared. In Indonesia, the Group expects residential property prices to decrease as other developers slashed prices to entice home purchase as many potential buyers have deferred their big ticket purchases till uncertainty surrounding the pandemic is cleared. Also, the Group expects construction and handover delays as many constructions sites are put on hold
- While the Group expects its business to be negatively affected by COVID-19, its healthy balance sheet and prudent financial management is expected to shelter the Group through these challenging periods. As at 31 December 2019, the Group has cash and cash equivalent of S\$1,090.3 million and a low net debt-to-equity ratio of 20.5%
- Nonetheless, the Group will maneuver through challenging market conditions by offering products that are highly sought after by our customers. As at 31 March 2020, two of our key subsidiaries in Indonesia, being BSDE and DMAS, have achieved 25% (or IDR1.8 trillion) and 33% (or IDR 654 billion) of their full-year marketing sales target respectively

Question 2

What is the Group long-term recurring income target? How is the Group going to achieve it?

- In the next 5 years, the Group hope to achieve 25% of our total revenue deriving from recurring income. Currently, the Group defines as revenue from rental and revenue from hotel and golf operations. The Group had managed to steadily increase its recurring income for the past 5 years
- Within Indonesia, the Group has actively sought to increase its recurring income base in Indonesia through acquisition and development of investment properties
- Outside of Indonesia, the Group plans to carefully seek out and make international key location acquisition/partnership to expand our investment horizon, particularly in the commercial sector in matured key markets such as Australia and Europe to generate more stable recurring income for the Group.

Question 3

What is the Group's cost of borrowing?

- Referring to page 148 of our full year 2019 annual report, the cost of borrowings are as follows:
 - British Pound: 2.2 – 3.1%
 - Indonesia Rupiah: 8.7 – 9.6%
 - Singapore Dollar: 3.2%
 - Australian Dollar: 4.5%
 - Chinese Renminbi: 4.8%
 - United States Dollar: 3.0 – 7.6%

Question 4

Can the Group increase its dividend payout?

- For FY2019, the Group is proposing to payout a dividend of S\$16,172,277, which is a 90% increase from FY2018 dividend payout of S\$8,511,725
- Nonetheless, in view of the ongoing COVID-19 pandemic and uncertainties in the macro economy, the Group decide to exercise prudence and adopt a more conservative stance
- In addition, the Group has ongoing project and funding commitments which require higher cash retention, as well as capitalizing on future asset acquisition if the right opportunity arises.

Thank You