



sinarmas land

***“Building for a better
future”***

**3Q & 9M 2019
Financial Results Presentation**

CORONER COURT

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01. KEY HIGHLIGHTS

02. FINANCIAL PERFORMANCE

03. BUSINESS UPDATES

04. APPENDIX

Key Highlights for 3Q & 9M 2019

- The Group's 3rd Quarter ("3Q") & 9 Months ("9M") 2019 revenue increased by 15.9% and 35.6% compared to the corresponding period last year respectively to S\$236.2 million and S\$797.1 million, contributed mainly by higher sales of commercial and industrial land parcels in Indonesia and higher sales of residential units and apartments in BSD City.
- The Group's recurring income remains resilient at S\$123.6 million compared to S\$121.8 million in 9M 2018, despite lower contribution from its hospitality-related business units. In tandem with the higher revenue, 9M 2019 gross profit increased by 26.5% compared to the corresponding period last year S\$532.9 million.
- Profit attributable to Owners of the Company ("PATMI") increased by 471.4% in 9M 2019 to S\$345.2 million in line with the higher revenue and a one-off restructuring of an associated company which had a positive effect of S\$368.2 million.
- Financial position as of 30th September 2019 remained healthy with total assets of S\$7,519.5 million of which cash and cash equivalents stand at S\$1,039.6 million. The Group achieved a net debt-to-equity ratio of 19.4% compared to 22.9% as of 31st December 2018 was due to increase in overall equity from higher profit recorded in 9M 2019.
- BSDE achieved IDR5.3 trillion of marketing sales for 9M 2019 or 85.0% of full year 2019 ("FY 2019") target of IDR6.2 trillion.
- DMAS exceeded FY 2019 marketing sales target of IDR1.3 trillion by achieving IDR1.6 trillion in 9M 2019.
- BSDE launched a new business center in Nava Park, Northpoint, on 4th August 2019. Northpoint offers a new business flexibility concept where each floor can be rented by different tenants, each with their own individual access.
- BSD City launched a new shophouse blocks (62 unit of shop-houses), the only commercial shophouse development in "The Savia" cluster, on 9 August 2019 with access to/from Jakarta – Serpong toll gate and commuter line to Jakarta CBD.
- Sinarmas Land launches Digital Loft at Digital Hub, BSD City, South Tangerang on Monday 19 August 2019. Digital Loft is designed as a working space to answer the needs of the millennial generation for unconventional offices.

01. KEY HIGHLIGHTS

02. FINANCIAL PERFORMANCE

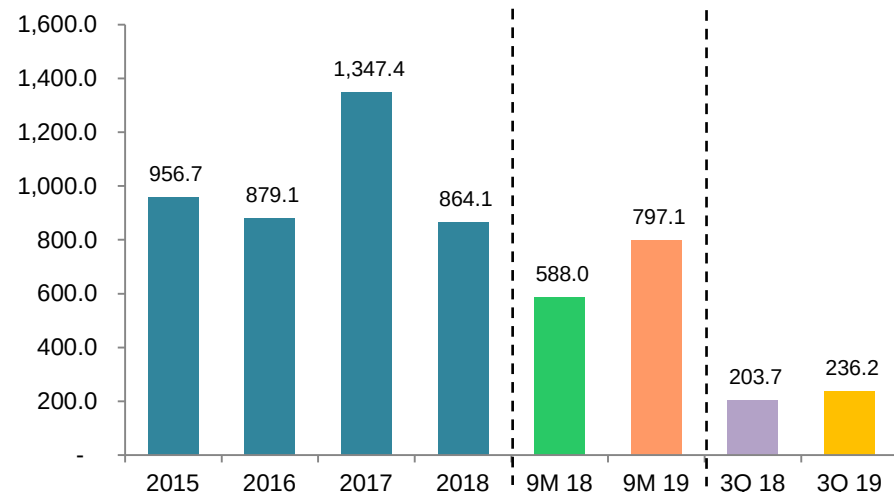
03. BUSINESS UPDATES

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3Q & 9M 2019 Financial Highlights

Revenue

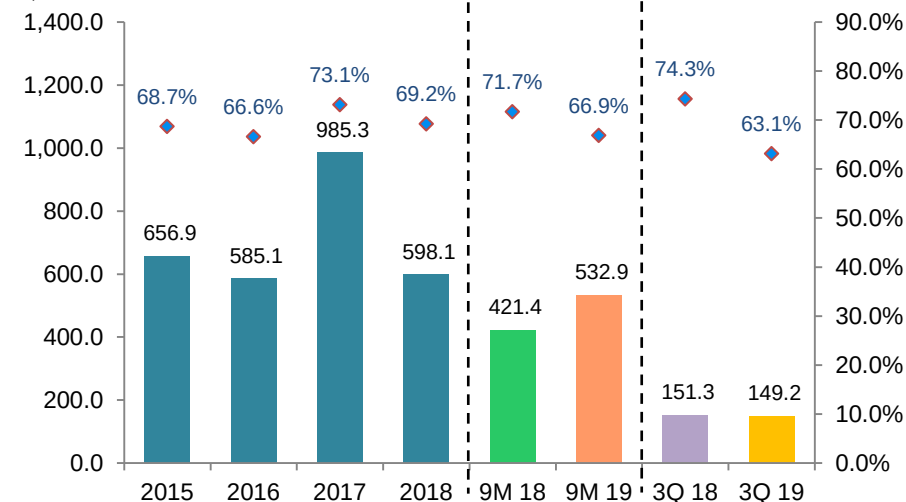
S\$ million



- Total Revenue in 3Q and 9M 2019 increased by 15.9% and 35.6% respectively to S\$236.2 million and S\$797.1 million from S\$203.7 million and S\$588.0 million in the previous corresponding period.
- The revenue was mainly contributed by higher sales of land parcel and residential units from BSD City. In addition, higher contribution from the sales of industrial land parcel from Karawang International Industrial City and Kota Deltamas led to the increase in 9M 2019 revenue.

Gross Profit and Gross Profit margin

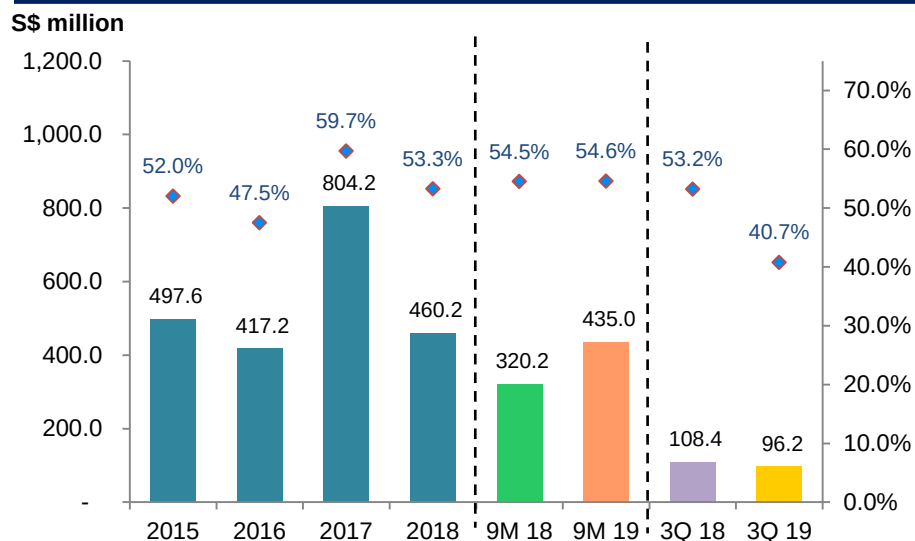
S\$ million



- In tandem with the increase in sales from residential units and land parcels, the Group's gross profit increased from S\$421.4 million in 9M 2018 to S\$532.9 million in 9M 2019.
- Due to higher development cost from Indonesia Division and lower revenue from the UK division, 3Q 2019 gross profit decreased marginally from S\$151.3 million to S\$149.2 million.
- Resulting from higher average land costs and residential development costs, the Group's gross profit margin dropped from 71.7% to 66.9% in 9M 2019.

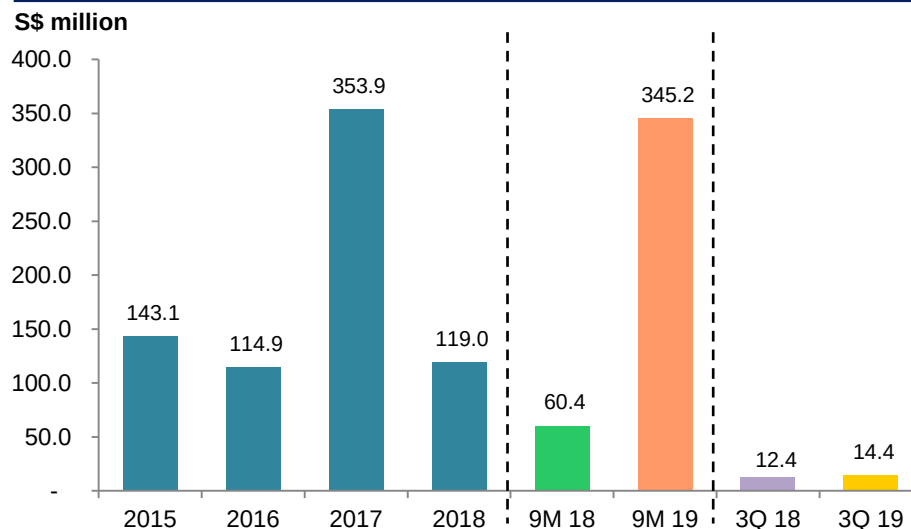
3Q & 9M 2019 Financial Highlights

EBITDA and EBITDA margin



- EBITDA increased 35.9% to S\$435.0 million in 9M 2019 from S\$320.2 million, in line with the higher revenue contribution from Indonesia division, coupled with lower promotion and marketing expenses incurred in the period.
- Due to increased development cost and operating expenses incurred during 3Q 2019, EBITDA decreased 11.2% to S\$96.2 million
- Overall, EBITDA margin increased slightly to 54.6% in 9M 2019 compared to 54.5% in 9M 2018.

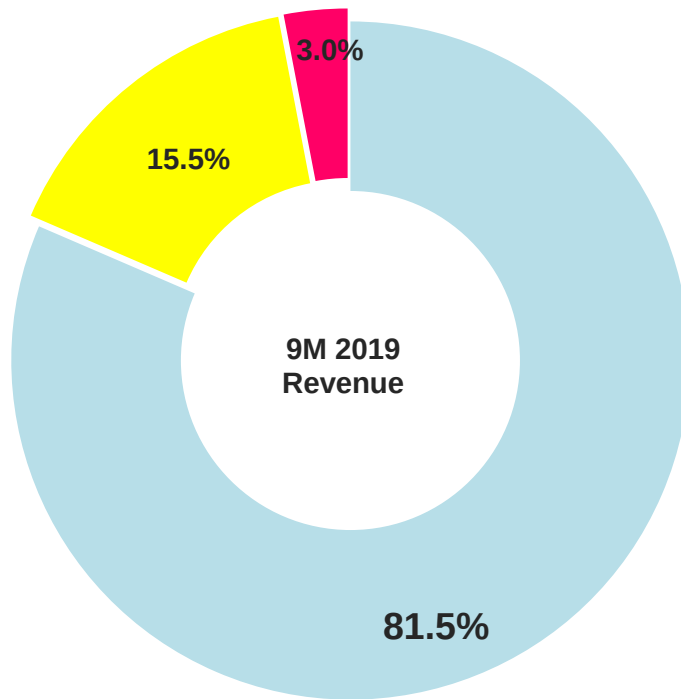
Profit attributable to Owners of the Company



- Profit attributable to owners of the Company increased by 471.4% in 9M 2019 to S\$345.2 million due to the restructuring of an associated company in 2Q 2019 which had a positive effect of S\$368.2 million.
- 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\$373.7 million in 9M 2019

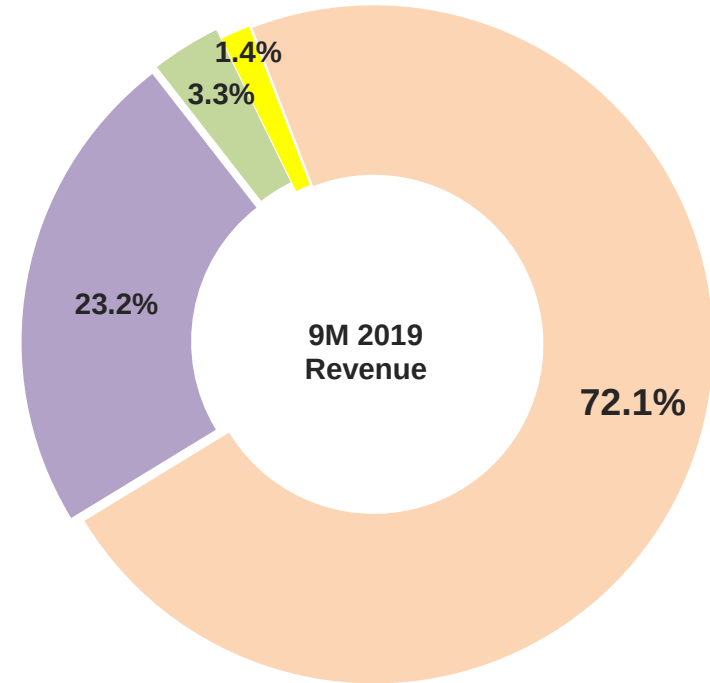
9M 2019 Revenue Breakdown

Revenue – Product Breakdown (%)



- Sales of Development Properties and Land
- Rental Income
- Others

Revenue – Geographical Breakdown (%)

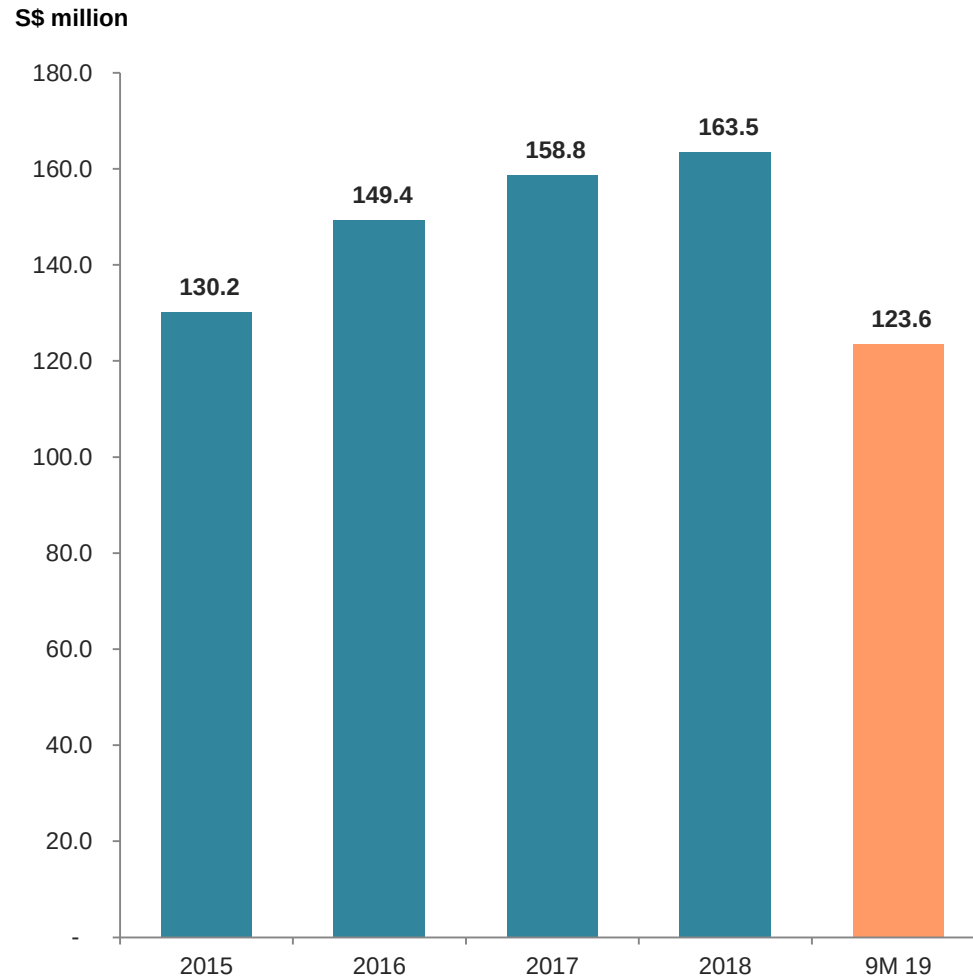


- BSDE
- Non-BSDE
- UK
- Others*

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

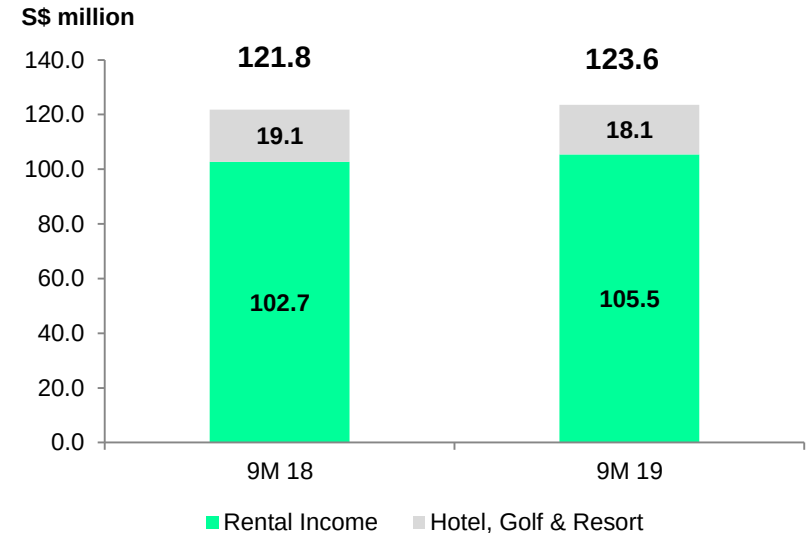
9M 2019 Recurring Income (Revenue) Breakdown

Increasing Recurring Income (Revenue)* base (S\$ million)

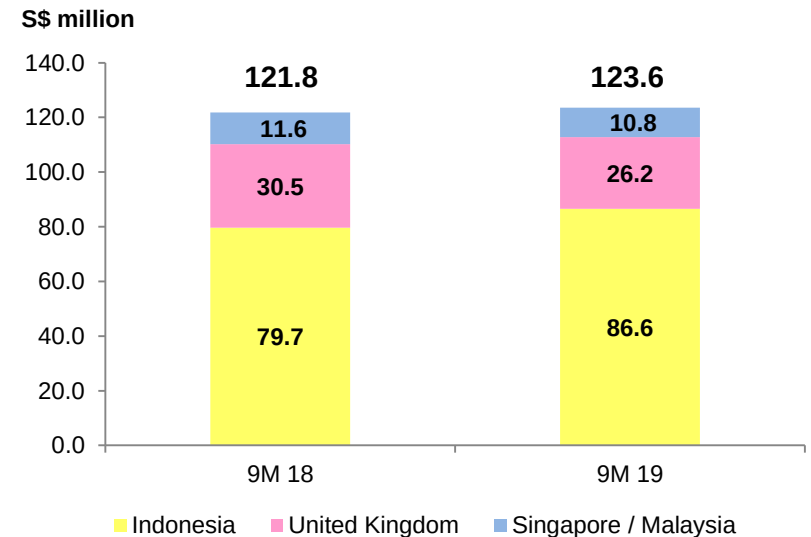


* : Recurring income (Revenue) includes rental income, hotel revenue and revenue from golf and resort operations

Recurring Income (Revenue) – Product Breakdown



Recurring Income (Revenue) – Geographical Breakdown

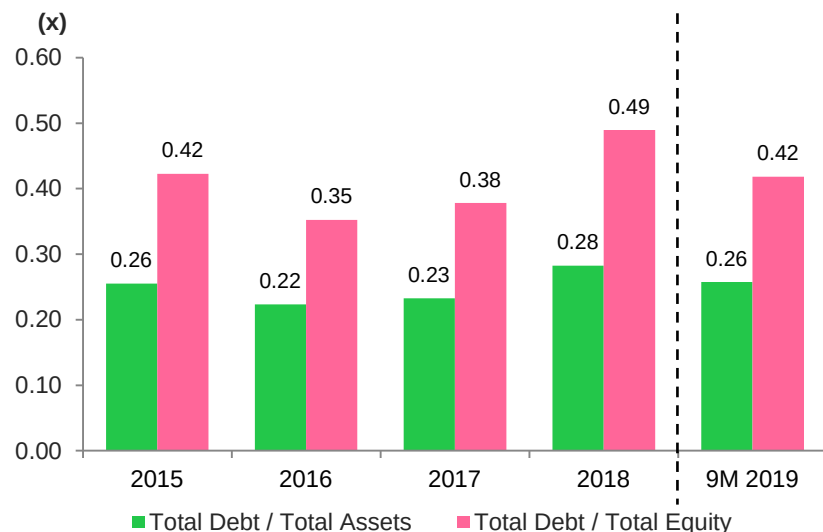


9M 2019 – Financial Snapshot

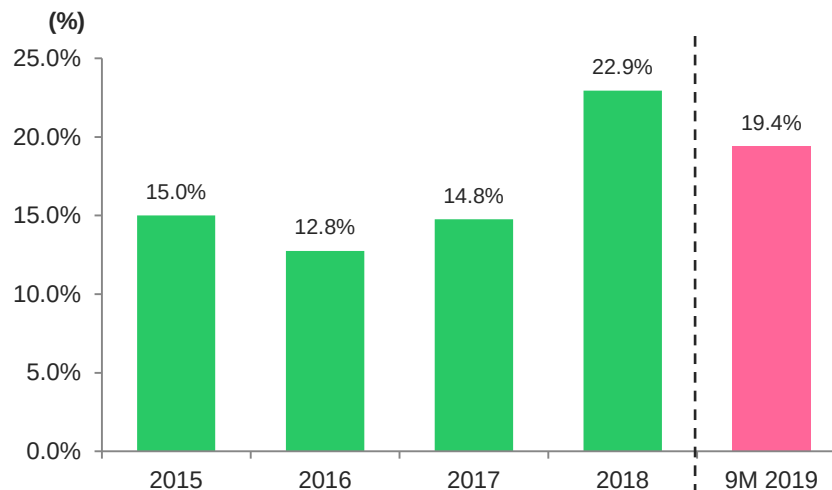
(S\$ '000)	As at 30 Sep 2019	As at 31 Dec 2018
Assets		
Cash and cash equivalents	1,039,573	984,135
Investment properties	1,671,743	1,613,038
Properties held for sale	1,353,287	1,224,017
Properties under development for sale	1,793,853	1,664,855
Other assets	1,661,086	1,074,489
Total Assets	7,519,542	6,560,534
Liabilities		
Borrowings	1,117,135	948,052
Bond Payables	816,544	903,756
Other liabilities	953,110	925,419
Total Liabilities	2,886,789	2,777,227
Equity		
Total Capital and reserves	2,501,113	2,037,832
Non-controlling Interest	2,131,640	1,745,475
Total Equity	4,632,753	3,783,307

Key Financial Ratios

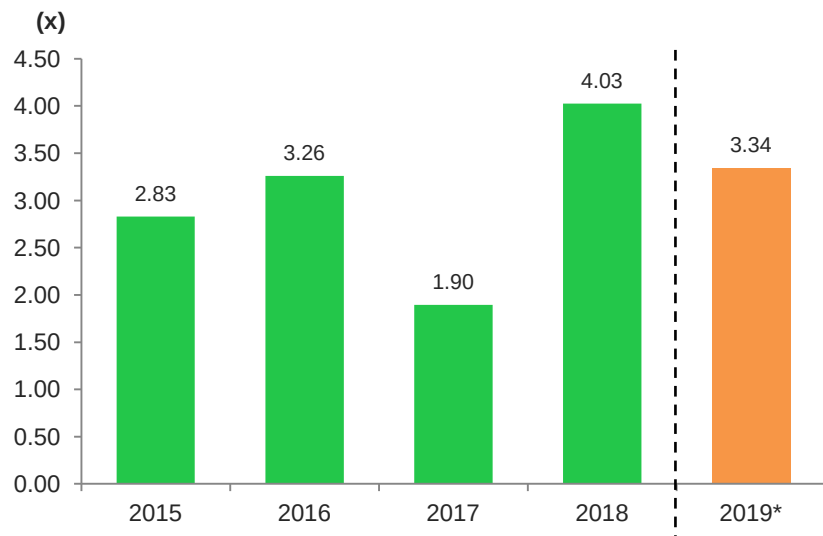
Debt / Assets and Debt / Equity



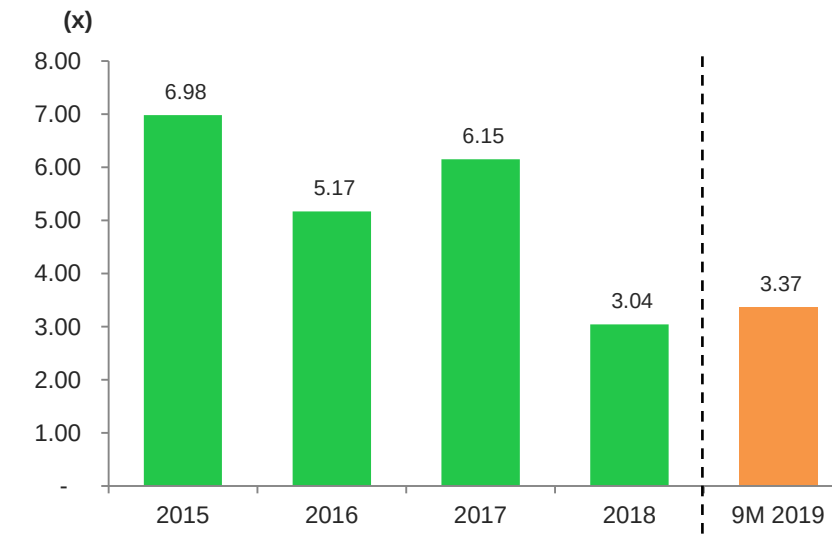
Net Debt / Equity



Total Debt / EBITDA



EBITDA / Interest Expense

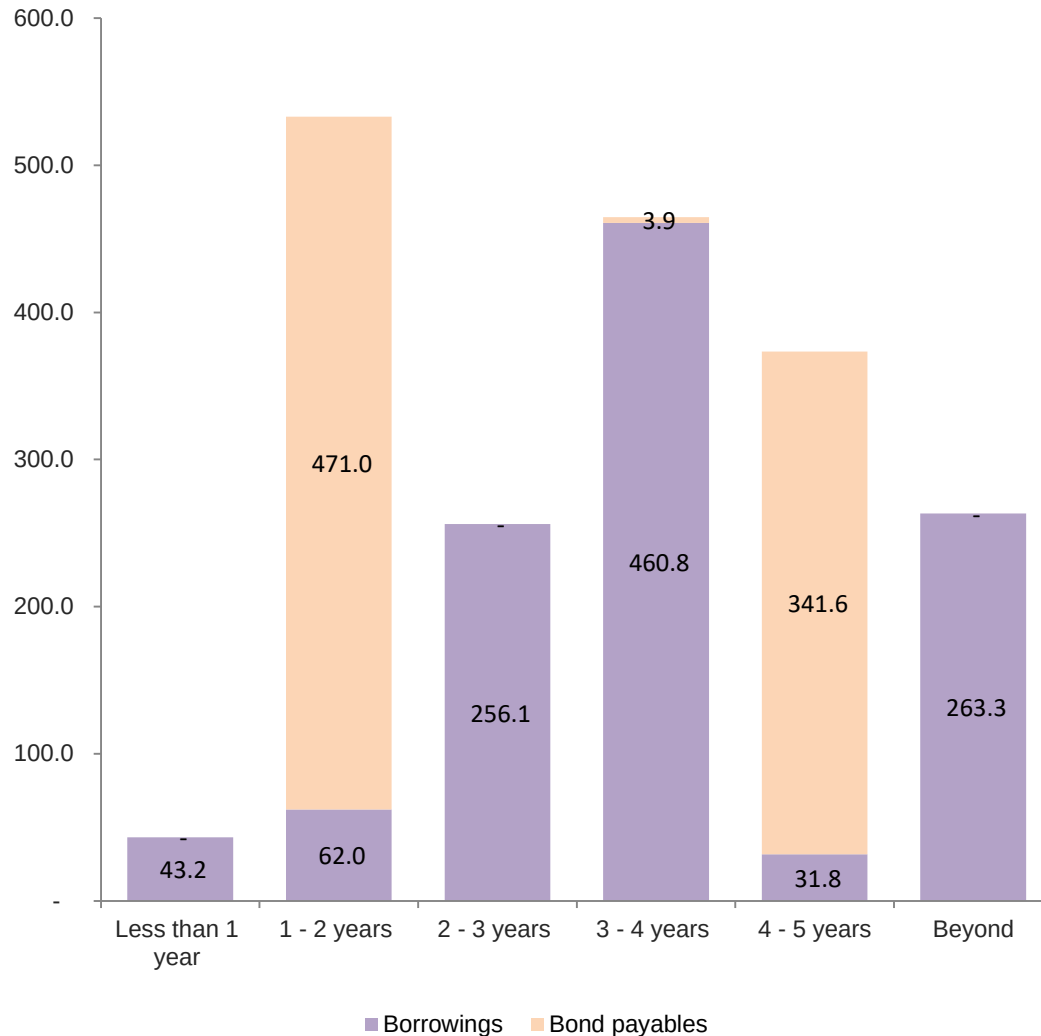


* : Annualized

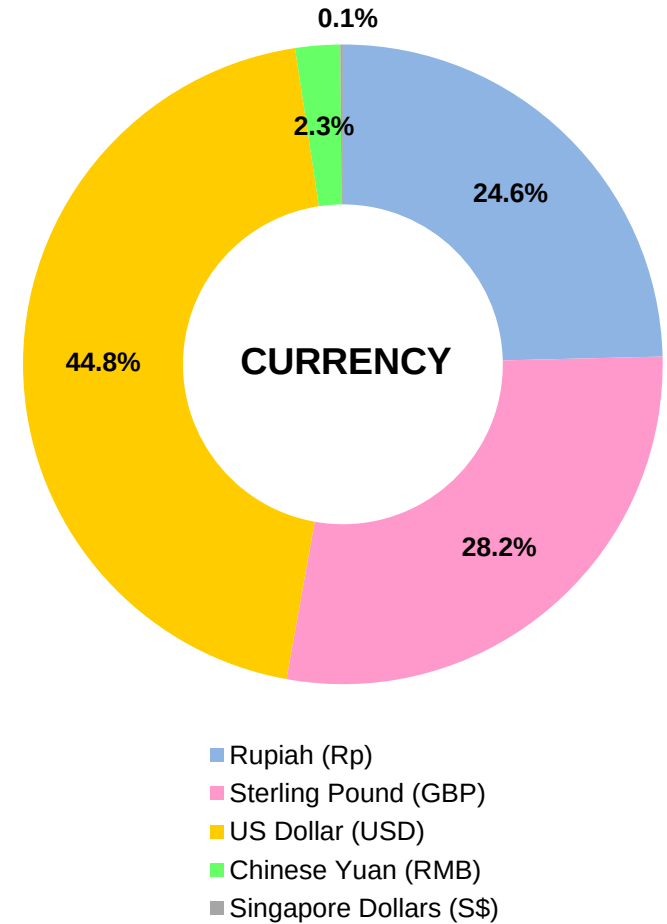
Debt Maturity Profile & Funding Mix

Debt Maturity Profile as at 30 Sep 2019

S\$ million

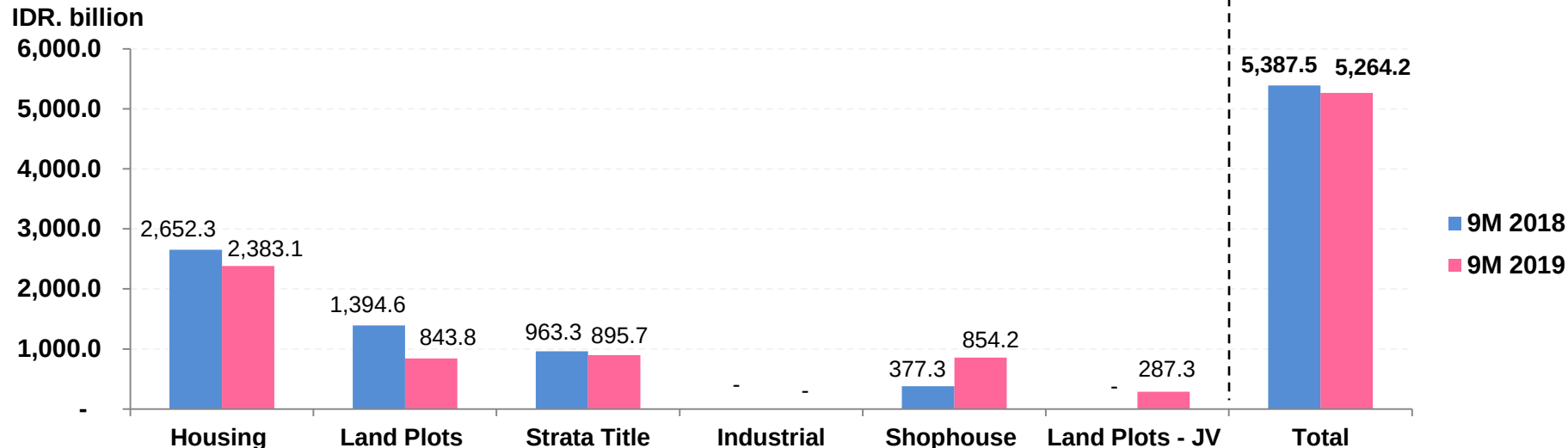


Funding Mix as at 30 Sep 2019



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Indonesia Property Division – BSDE achieved Marketing Sales of IDR5.3 trillion for 9M 2019



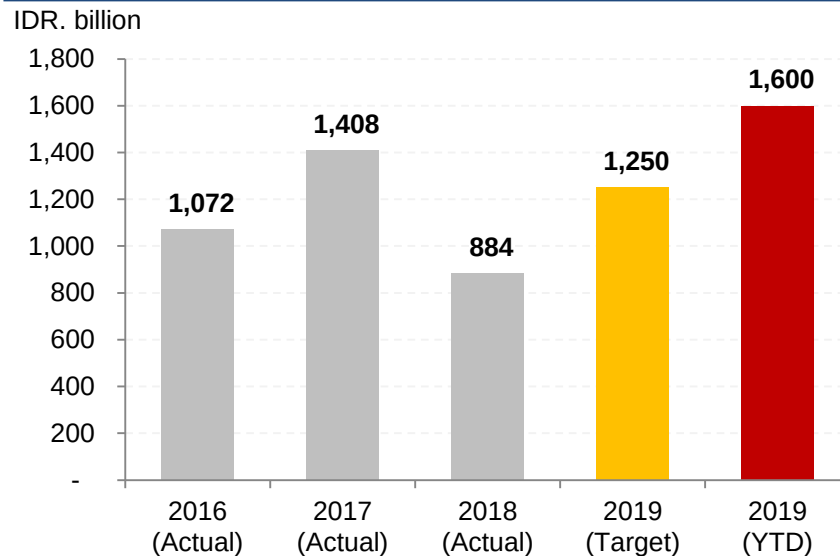
- BSDE achieved **IDR5.3 trillion of marketing sales for 9M 2019** or 85% of 2019 full year IDR6.2 trillion marketing sales target.
- 9M 2019 marketing sales recorded a marginal decrease of 2% against 9M 2018 resulting from lower sales contribution from primarily landed housing and commercial apartment sales. Compared to 1H 2019, there was a significant increase in marketing sales due to more launches and sales of land plot to the Government of Indonesia for the construction of toll road.
- Residential units pre-sales generated IDR2.4 trillion in 9M 2019, mainly from existing cluster including Mozia, Savia, Greenwich, Vanya Park, FleekHauz, Nava Park and Zora in BSD City, and new sales from Taman Banjar Wijaya and Grand City Balikpapan.
- Commercial units pre-sales generated IDR2.6 trillion in 9M 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.

Indonesia Property Division – DMAS

surpass full-year sales target for 9M 2019



Marketing Sales in IDR billion



Land Bank Update as of 30 September 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 IDR1.6 trillion for 9M 2019 surpassing full year 2019** (“FY 2019”) **target of IDR1.3 trillion.**
- In 3Q 2019, DMAS sold 17.2 hectares of industrial land. This brings the total industrial land sales year to date to 42.5 hectares. Apart from industrial land sales, DMAS also sold 12.2 hectares of commercial land year to date

Indonesia Property Division – BSDE

3rd Quarter Major Launch Updates



- ANIGRE is a 120 units sub-cluster residential development in Taman Banjar Wijaya, Tangerang Banten
- As part of the matured Pinewood residential cluster, ANIGRE is a middle to upper class development that is located at the city center of Tangerang, close to major hospitals, schools, shopping center, train station, and bus terminal
- ANIGRE has an extensive range of existing amenities including Sport club, children's playground and commercial shop houses to fulfil its residents' daily needs
- Each unit prices starting from IDR 1.4 to 3.0 billion per unit, built up area ranging from 90 to 230 sqm over 76 to 173 sqm land area
- On the launched date 10th August 2019 , 62 of 120 units were sold, contributing marketing sales of IDR 103 billion

Indonesia Property Division – BSDE

3rd Quarter Major Launch Updates



- **BSD City launched a new cluster, FleekHauz, in BSD City Phase 2, next to Greenwich Park BSD City, Q-Big Mall, IPEKA Christian School and Indonesia Convention and Exhibition – ICE**
- FleekHauz is developed over 2 ha of land area offering a compact residential concept, equipped with stylish and moderns fixture and furniture
- There is a total of 290 units with each unit price starting from IDR 861 million to 1 billion, with a land area 45sqm and built-up area varying from 40 to 52 sqm.
- On the launch date, the total 290 units was fully sold out, contributing marketing sales of IDR 235 billion.

Indonesia Property Division – BSDE

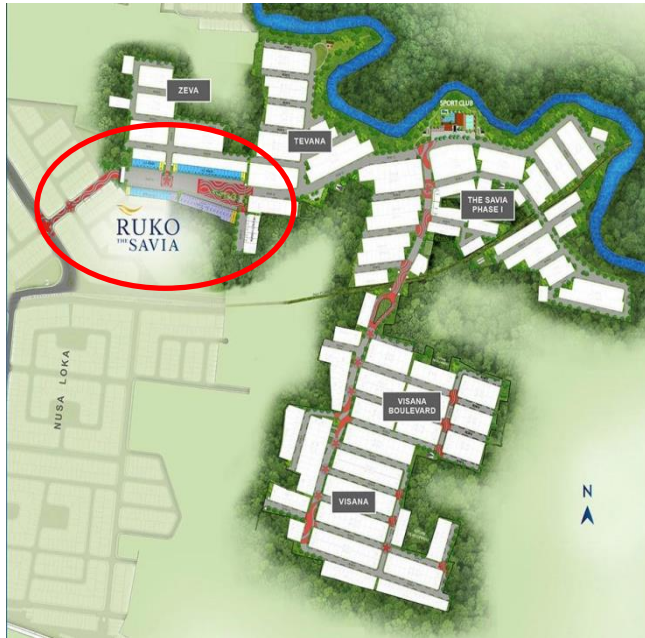
3rd Quarter Major Launch Updates



- **BSDE launched a new business center in Nava Park, Northpoint, on 4th August 2019**
- Northpoint offers a new business flexibility concept where each floor can be rented by different tenants, each with their own individual access.
- Jointly developed by BSDE and Hongkong Land, Nava Park is a 68 ha large mixed-use development, located at the heart of BSD City Phase 2, adjacent to BSD Green Office Park, Cisadane natural river, 18 holes golf course, Jakarta Nanyang International School and Foresta residential cluster.
- Each unit price starts from IDR 15.7 to 35.8 billion, with built-up area ranging from 648 to 786 sqm over 151 to 154 sqm of land area.
- On launched date, 35 out of 46 units were sold, contributing marketing sales of IDR 410 billion.

Indonesia Property Division – BSDE

3rd Quarter Major Launch Updates



- **BSD City has launched a new shophouse blocks, the only commercial shophouse development in “The Savia” cluster, on 9 August 2019**
- Located at BSD City Phase One, Ruko The Savia has direct access to/from Jakarta – Serpong toll gate, accessible to Rawa Buntu train station (commuter line to Jakarta CBD), with Modern Wet Market I, and various reputable schools in the surrounding.
- A total of 62 units was available for sales with each unit price starting from IDR 1.3 to 2.2 billion. Each unit has a built-up area ranging from 90 to 110 sqm, over land area of 45 to 88 sqm.
- On launch dates, all 62 units were fully sold out, contributing marketing sales of IDR 82.8 billion.

Indonesia Property Division – BSDE

3rd Quarter Major Launch Updates



- **Sinar Mas Land launch its commercial product in BSD City, which is Digital Loft on 19 August 2019, located in the Digital Hub Region in BSD City in order to meet the needs of the millennial generation workforce.**
- Based on Central Statistics Agency (BPS) data in 2019, the millennial workforce aged 20-34 years reached 63.7 million or 23.77% of Indonesia 268 million total population.
- Digital Loft is a commercial product that has lots of outdoor working space, green land and the Internet of Things (IoT). Digital Loft consists of 18 building units with a height of three to four floors and 1 basement, and has double deck parking to add to the user's comfort. Each Digital Loft unit has a land area ranging from 187 sqm to 288 sqm, and building area ranging from 600 sqm to 825 sqm.
- This is part of the development of the BSD City region into an integrated smart digital city.

Indonesia Property Division – Initiatives to boost Indonesia property sector

- To spur economy growth, the Indonesian government has initiated a series of measures to stimulate the Indonesia property sector, especially the luxury property segment

- In June 2019, Indonesia government has revised its luxury goods tax policy for luxury property:

Tax	Revised	Previously
20% luxury goods tax	Greater than IDR 30 billion (all types of property)	• IDR 10 billion (apartments) • IDR 20 billion (landed houses)

- In addition, the government cut the luxury houses income tax rates to 1% from the previous 5%

Period	1% Income Tax	5% Income Tax
Before 19 June 2019	• Lesser than IDR 5 billion (apartments) • Lesser than IDR 10 billion (landed houses)	• Greater than IDR 5 billion (apartments) • Greater than IDR 10 billion (landed houses)
After 19 June 2019	All types of property that is lesser than IDR 30 billion	All types of property that is greater than IDR 30 billion

- Luxury residences are defined as 500sqm houses or 150 sqm apartments or condominiums
- Bank Indonesia has cut the 7-day reverse repo rate in October by 25 basis points to 5%. It was the third straight cut in three months, amid growing concerns about global growth due to continued trade tensions and a number of geopolitical risks
- All of these tax incentives compliments Bank Indonesia move in August 2018 that relaxed the Indonesia property sector loan-to-value (LTV) ratio requirement

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PROPERTY LOAN & PROPERTY FINANCING BASED ON MURABAHAH & ISTISHNA DEEDS					
PROPERTY TYPE (m ²)	Current Regulation			Relaxation	
	Property Loan & Financing			Property Loan & Financing	
	I	II	III etc	I	II etc
HOUSE					
Type >70m ²	85%	80%	75%	-	80%
Type 22-70m ²	-	85%	80%	-	85%
Type <=21m ²	-	-	-	-	-
APARTMENT					
Type >70m ²	85%	80%	75%	-	80%
Type 22-70m ²	90%	85%	80%	-	85%
Type <=21m ²	-	85%	80%	-	85%
SHOP/OFFICE HOUSE	-	85%	80%	-	85%

PROPERTY FINANCING BASED ON MMQ & IMBT DEEDS					
PROPERTY TYPE (m ²)	Current Regulation			Relaxation	
	Property Financing			Property Financing	
	I	II	III etc	I	II etc
HOUSE					
Type >70m ²	90%	85%	80%	-	85%
Type 22-70m ²	-	90%	85%	-	90%
Type <=21m ²	-	-	-	-	-
APARTMENT					
Type >70m ²	90%	85%	80%	-	85%
Type 22-70m ²	90%	85%	80%	-	85%
Type <=21m ²	-	85%	80%	-	85%
SHOP/OFFICE HOUSE	-	85%	80%	-	85%

Source: Bank Indonesia

- Starting from 1 Aug 2018, Bank Indonesia will relax the loan-to-value (LTV) and financing-to-value (FTV) ratios in the country's property sector
- Depending on the buyer's risk profile and construction stages, first-time property buyers can make zero down-payment for their property
- In addition, consumer is able to take up to five separate mortgage facilities with the relaxation of FTV.
- Through these initiatives, Bank Indonesia aims to make it more attractive for consumers to purchase property, hence boosting overall credit growth as well as Indonesia's macroeconomic growth

3Q 2019 vs 3Q 2018

Consolidated Income Statement

(S\$ '000)	3Q 2019	3Q 2018	Change %
Revenue	236,193	203,713	15.9
Cost of Sales	(87,041)	(52,422)	66.0
Gross Profit	149,152	151,291	(1.4)
<i>Operating Expenses</i>			
Selling Expenses	(28,174)	(27,898)	1.0
General and administrative expenses	(50,326)	(43,024)	17.0
Operating profit	70,652	80,369	(12.1)
Finance income	19,962	11,269	77.1
Others	(42,738)	(51,544)	(17.1)
Exceptional Items, net	-	-	n.m.
Profit before income tax	47,876	40,094	19.4
Income tax	(8,945)	(8,247)	8.5
Profit for the period	38,931	31,847	22.2

Attributable to:

Owners of the Company	14,390	12,391	16.1
Non-controlling interests	24,541	19,456	26.1

9M 2019 vs 9M 2018

Consolidated Income Statement

(S\$ '000)	9M 2019	9M 2018	Change %
Revenue	797,133	587,966	35.6
Cost of Sales	(264,204)	(166,575)	58.6
Gross Profit	532,929	421,391	26.5
<i>Operating Expenses</i>			
Selling Expenses	(71,823)	(75,982)	(5.5)
General and administrative expenses	(120,611)	(118,630)	1.7
Operating profit	340,495	226,779	50.1
Finance income	51,342	34,049	50.8
Others	(112,095)	(127,244)	(11.9)
Exceptional Items, net	373,701	-	n.m.
Profit before income tax	653,443	133,584	389.2
Income tax	(27,810)	(23,991)	15.9
Profit for the period	625,633	109,593	470.9

Attributable to:

Owners of the Company	345,174	60,411	471.4
Non-controlling interests	280,459	49,182	470.2

Statement of Financial Position

(S\$ '000)	As at 30 Sep 2019	As at 31 Dec 2018
Current Assets		
Cash and cash equivalents	1,039,573	984,135
Properties held for sale	1,353,287	1,224,017
Other current assets	434,338	323,592
Total Current Assets	2,827,198	2,531,744
Non-Current Assets		
Associated companies	561,130	247,149
Joint ventures	133,084	142,262
Properties under development for sale	1,793,853	1,664,855
Investment properties	1,671,743	1,613,038
Property, plant and equipment	152,057	147,461
Other non-current assets	380,477	214,025
Total Non-Current Assets	4,692,344	4,028,790
Total Assets	7,519,542	6,560,534
Short-term borrowings	43,183	35,870
Short-term payables and liabilities	736,571	675,290
Bonds payables	816,544	903,756
Long-term borrowings	1,073,952	912,182
Long-term liabilities	216,539	250,129
Total Liabilities	2,886,789	2,777,227
Total Capital and reserves	2,501,113	2,037,832
Non-controlling Interest	2,131,640	1,745,475
Total Equity	4,632,753	3,783,307
Total Liabilities and Equity	7,519,542	6,560,534

Thank You

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