

Lippo Malls Indonesia Retail Trust

4Q 2018 Results Presentation
22 February 2019



Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These forward-looking statements reflect our current views with respect to future events and financial performance and are subject to certain risks and uncertainties, which could cause actual results to differ materially from historical results or those anticipated. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in the Indonesian retail industry including those factors which may affect our ability to attract and retain suitable tenants, our ability to manage our operations, reduced demand for retail spaces, our ability to successfully complete and integrate potential acquisitions, liability for damages on our property portfolios, the success of the retail malls and retail spaces we currently own, withdrawal of tax incentives, political instability, and legal restrictions on raising capital or acquiring real property in Indonesia. In addition to the foregoing factors, a description of certain other risks and uncertainties which could cause actual results to differ materially can be found in the section captioned "Risk Factors" in our preliminary prospectus lodged with the Monetary Authority of Singapore on 19 October 2007. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. We undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Financial Highlights

Portfolio Performance



Key Highlights

Total Gross Revenue and Net Property Income in SGD terms

SGD'000	4Q 2018	4Q 2017	% Change	FY 2018	FY 2017	% Change
Total Gross Revenue ¹	63,695	49,298	29.2	230,299	197,376	16.7
Net Property Income	38,402	44,930	(14.5)	164,967	184,251	(10.5)

Negative Effects of Foreign Exchange and New Tax Regulation

Indonesia Rupiah weakened **9.5%** against Singapore Dollar in FY 2018 vs FY 2017

	FY 2018	FY 2017
IDR/SGD	10,576.55	9,661.36



New tax regulation introduced in January 2018, mandated a **10% tax** on service charges and utilities recovery charges notwithstanding that such collection of income and maintenance of the malls are outsourced to 3rd parties.



Increase in **Total Operating Property Expenses** and higher **realised exchange loss** arising from an exercise to repatriate excess cash held by its Indonesian subsidiaries to partially refinance maturing debts in 4Q2018.

Resulted in

- **FY2018 Distributable income declined to S\$58.4 million from S\$97.0 million**
- **FY2018 DPU declined to 2.05 cents from 3.44 Singapore cents**

¹ For FY2018, Gross Revenue includes Gross Rental Income, Carpark Income, Service Charge and Utilities Recovery and Other Rental Income. For FY2017, Gross Revenue includes Gross Rental Income, Carpark Income and Other Rental Income.

Key Financial Performance

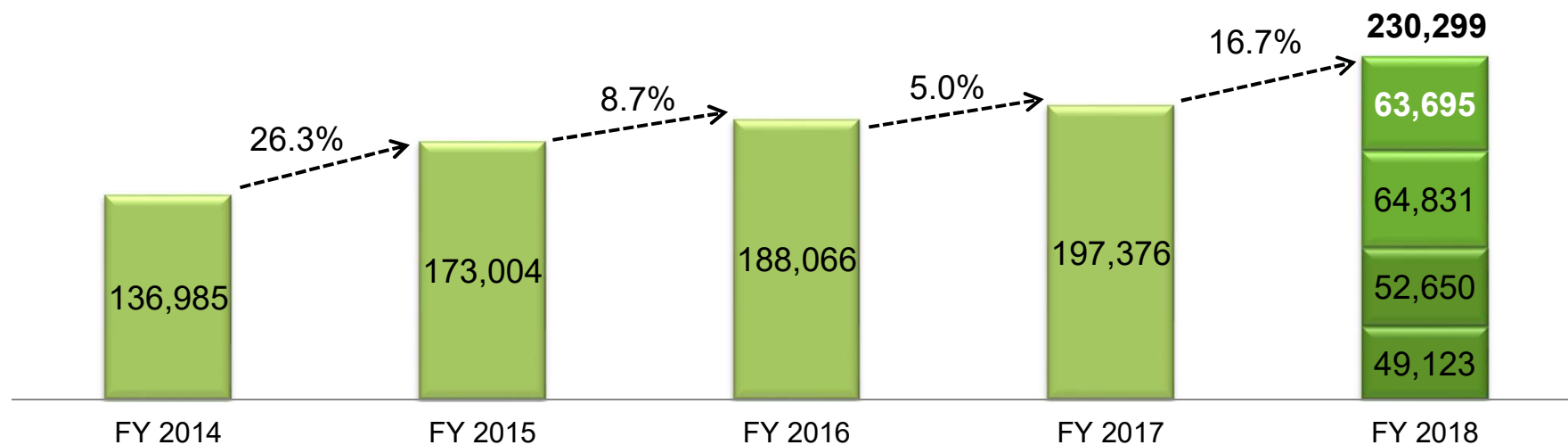
	4Q 2018 (S\$'000)	4Q 2017 (S\$'000)	% Variance	4Q 2018 (Rp'million)	4Q 2017 (Rp'million)	% Variance
Gross Rental Income	36,560	40,506	(9.7)	400,525	405,513	(1.2)
Carpark Income	4,417	5,342	(17.3)	48,435	53,395	(9.3)
Other Rental Income	367	3,450	(89.4)	4,344	34,342	(87.4)
Service Charge and Utilities Recovery	22,351	-	n.m.	239,812	-	n.m.
Total Gross Revenue	63,695	49,298	29.2	693,116	493,250	40.5
Property Management Fee	(1,956)	(2,072)	5.6	(21,365)	(20,548)	(9.6)
Property Operating and Maintenance Expenses	(20,931)	-	n.m.	(224,224)	-	n.m.
Other Property Operating Expenses	(2,406)	(2,296)	(4.8)	(26,596)	(22,657)	(17.4)
Total Property Operating Expenses	(25,293)	(4,368)	n.m.	(272,185)	(43,205)	n.m.
Net Property Income	38,402	44,930	(14.5)	420,931	450,045	(6.5)
Distributable Income to Unitholders	8,685	22,286	(61.0)			
Distribution Per Unit (cents) ¹	0.30	0.79	(62.0)			
Annualised Distribution Yield ²	11.3%					

Notes:

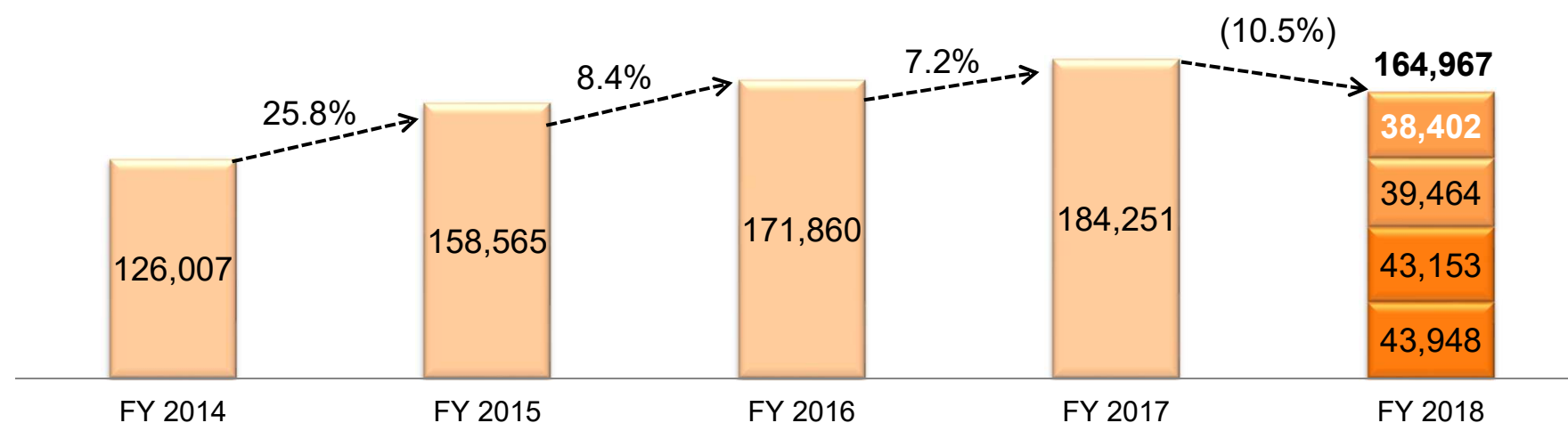
1. Based on 2.860 billion units in issue as at 31 December 2018
2. Based on a closing price of S\$0.182 as at 31 December 2018

Gross Revenue and NPI

Gross Revenue (S\$'000)

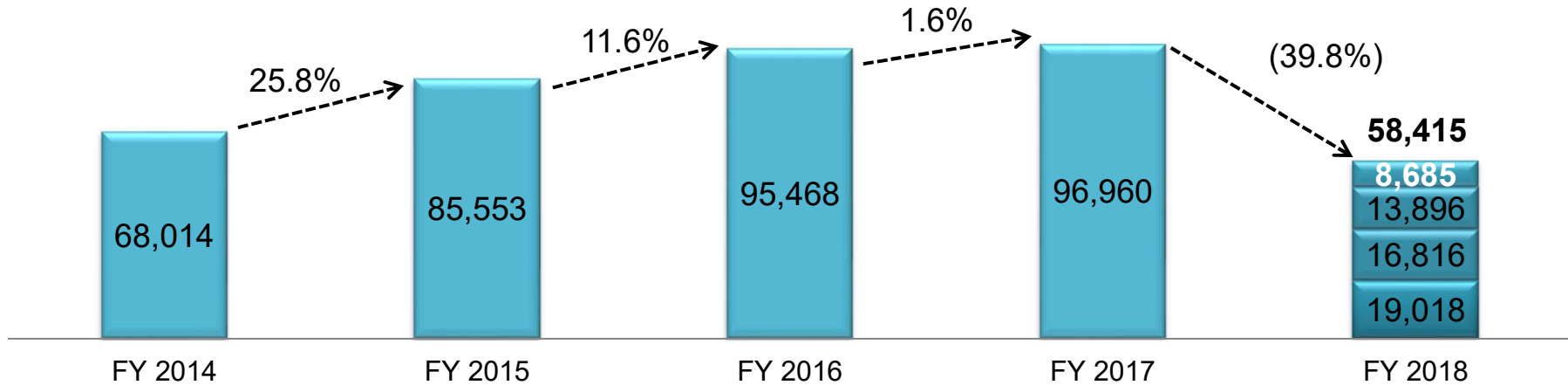


Net Property Income (S\$'000)

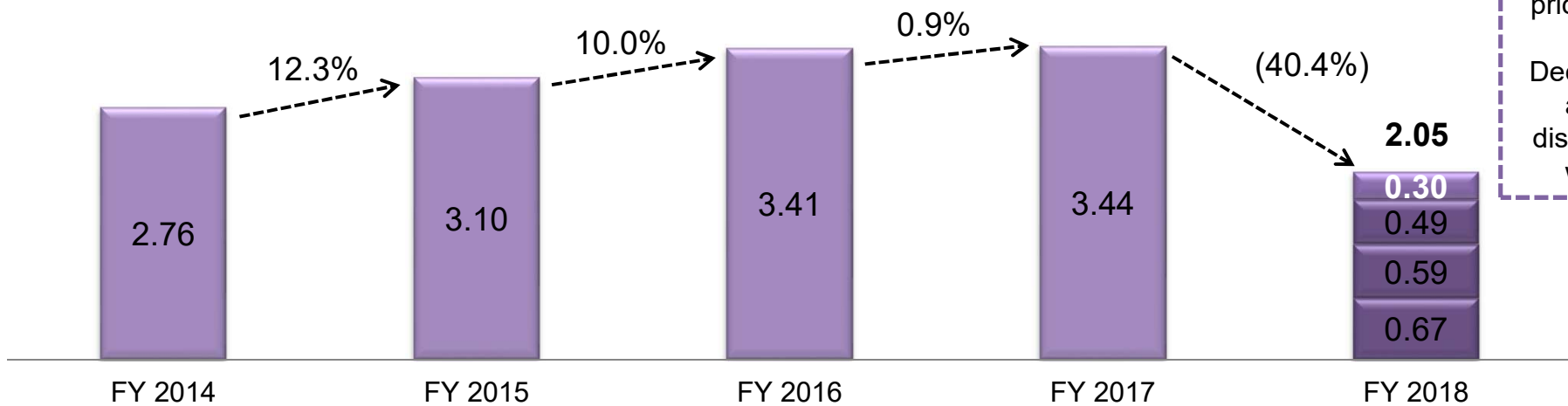


Distribution

Distributable Income to Unitholders (S\$'000)



DPU (Singapore Cents)



Based on closing price of S\$0.182 as at 31 December 2018, annualised distribution yield was 11.3%

4Q 2018 vs 3Q 2018

	4Q 2018	3Q 2018	Change	%
DPU (Singapore Cents)	0.30	0.49	(0.19)	-39%

- Lower DPU for 4Q 2018 is largely attributed to higher realised foreign exchange loss, due to an exercise to repatriate excess cash resources held by Indonesia subsidiaries for LMIR Trust's partial refinancing of its maturing debts
- The excess cash repatriation process involves redemption of Redeemable Preference Shares ("RPS") invested by LMIR Trust in its subsidiaries
- The higher RPS redemption amount in 4Q 2018 has resulted in higher realised foreign exchange loss in 4Q 2018 by S\$3.7 million as compared to 3Q 2018
- This has negatively impacted the DPU for 4Q 2018 by 0.13 cents (or 27%) as compared to 3Q 2018

Balance Sheet

	31 December 2018 S\$'million	31 December 2017 S\$'million
Non Current Assets	1,851.0 ¹	1,930.4 ¹
Current Assets	115.1	133.5
Total Debt	680.0	695.0
Other Liabilities	206.9	200.9
Total Equity	1,079.2 ²	1,167.9 ²
Gearing Ratio	34.6%	33.7%
Total Units In Issue (million)	2,859.9	2,824.0
Net Asset Value (per unit) ³	28.66 cents	32.16 cents

Notes:

1. Included in the Non Current Assets are the Investment properties of S\$1.831.6 million as at 31 December 2018 and SGD1,908.1 million as at 31 December 2017. The carrying values of the properties are stated based on the independent valuation as at 31 December 2018. The valuations figures are recorded in the financial statements in Indonesian Rupiah and translated into Singapore Dollars using the respective exchange rate as at the end of each period.
2. Total equity is represented by Unitholder's funds of \$819.6 million and Perpetual securities of \$259.6 million as at 31 December 2018 and Unitholder's funds of S\$908.3 million and Perpetual securities of S\$259.6 million as at 31 December 2017.
3. Net Asset Value (per unit) is calculated as Unitholder's funds over the units issued at the end of the period.

Distribution Details

Total DPU

0.30 cents

- Tax-Exempt

0.09 cents

- Capital

0.21 cents

Books Closure Date

4 March 2019

Tentative Distribution Payment Date: 26 March 2019

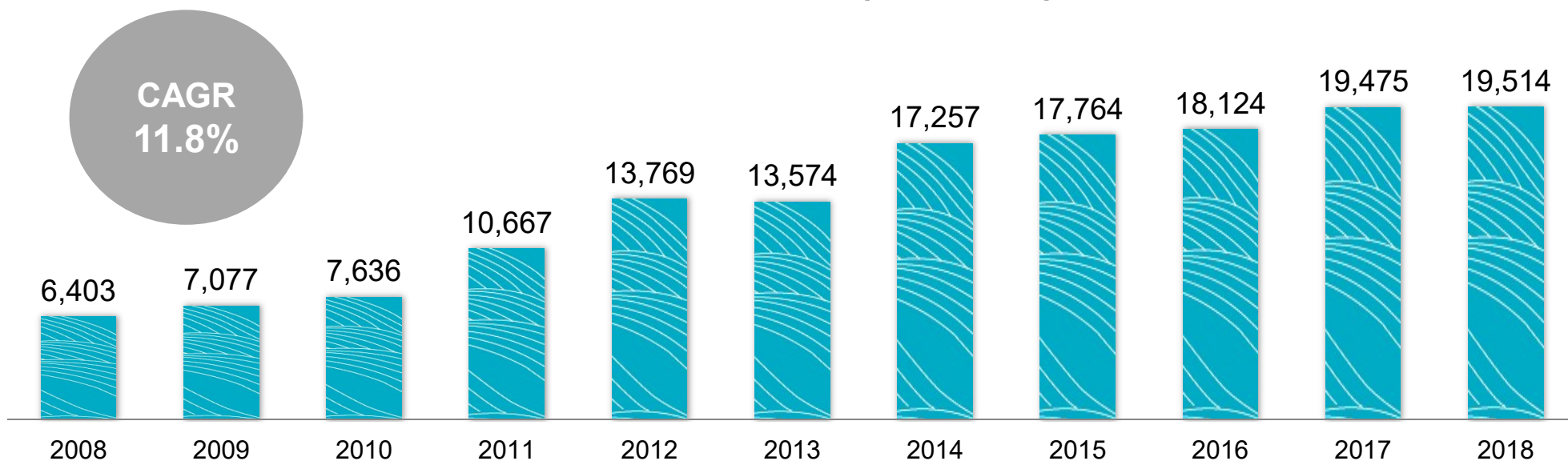
Financial Highlights

Portfolio Performance

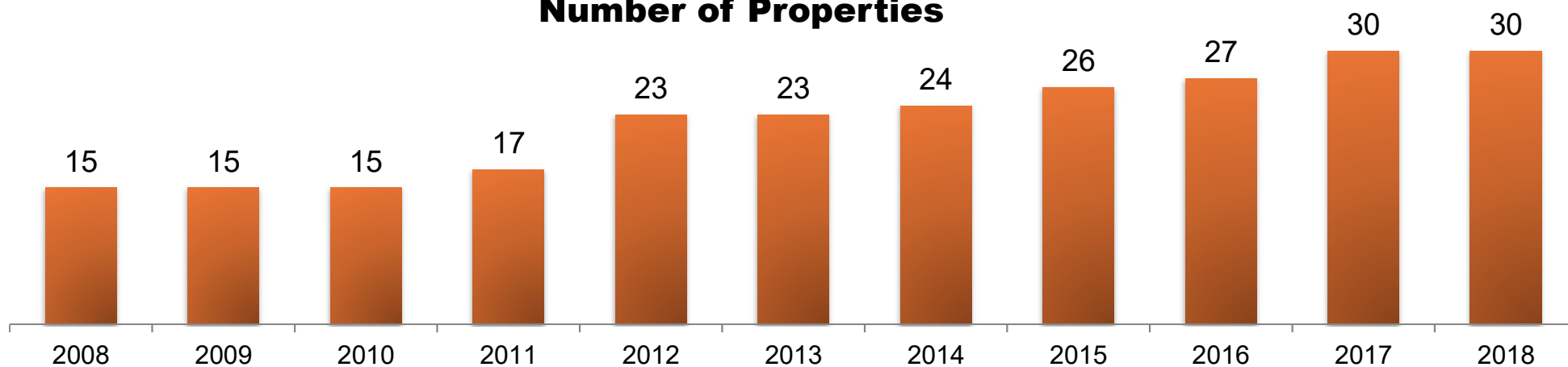


A Growing Portfolio

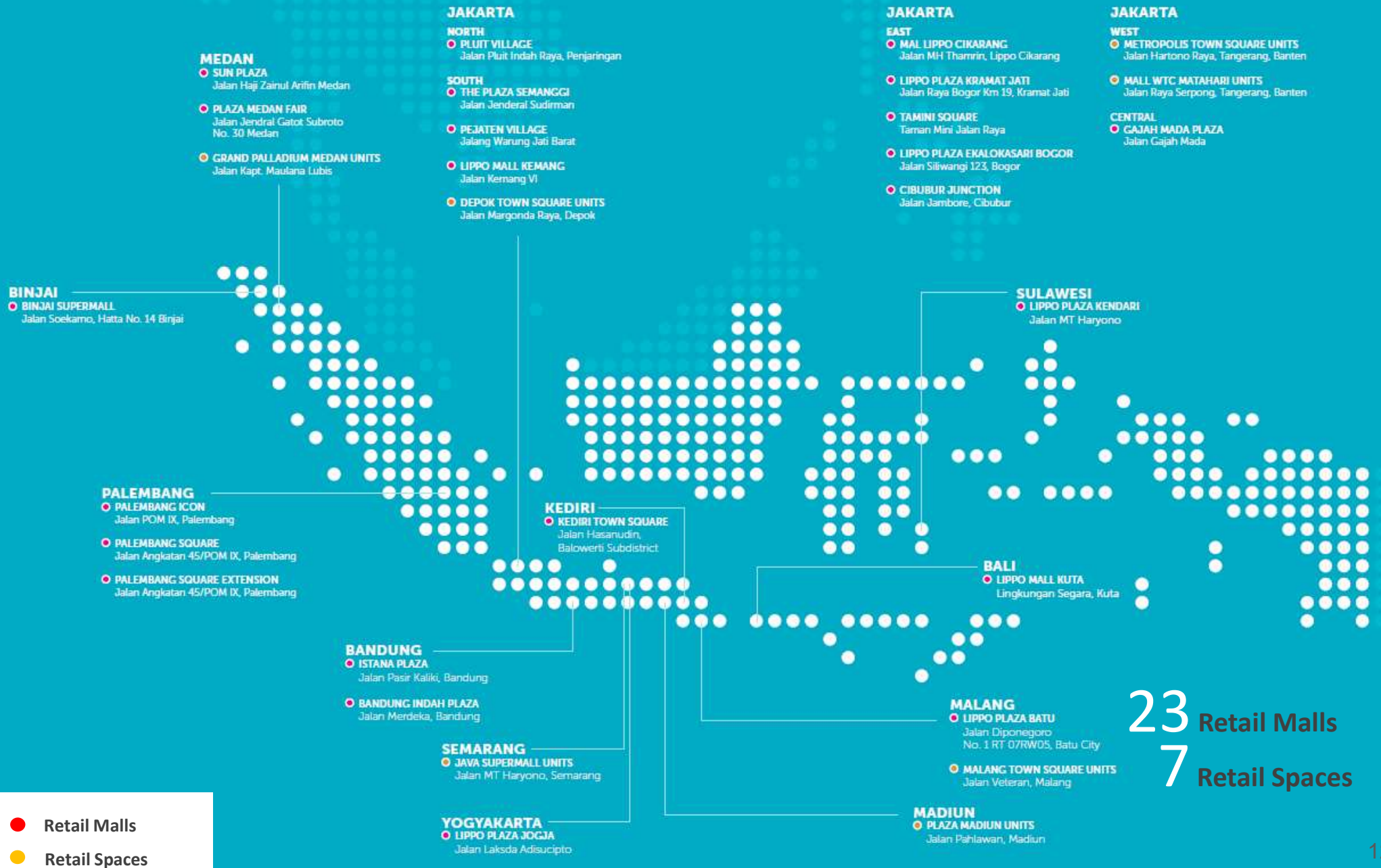
Portfolio Valuation (Rp'billion)



Number of Properties



Strategically Located Portfolio



23 Retail Malls
 7 Retail Spaces

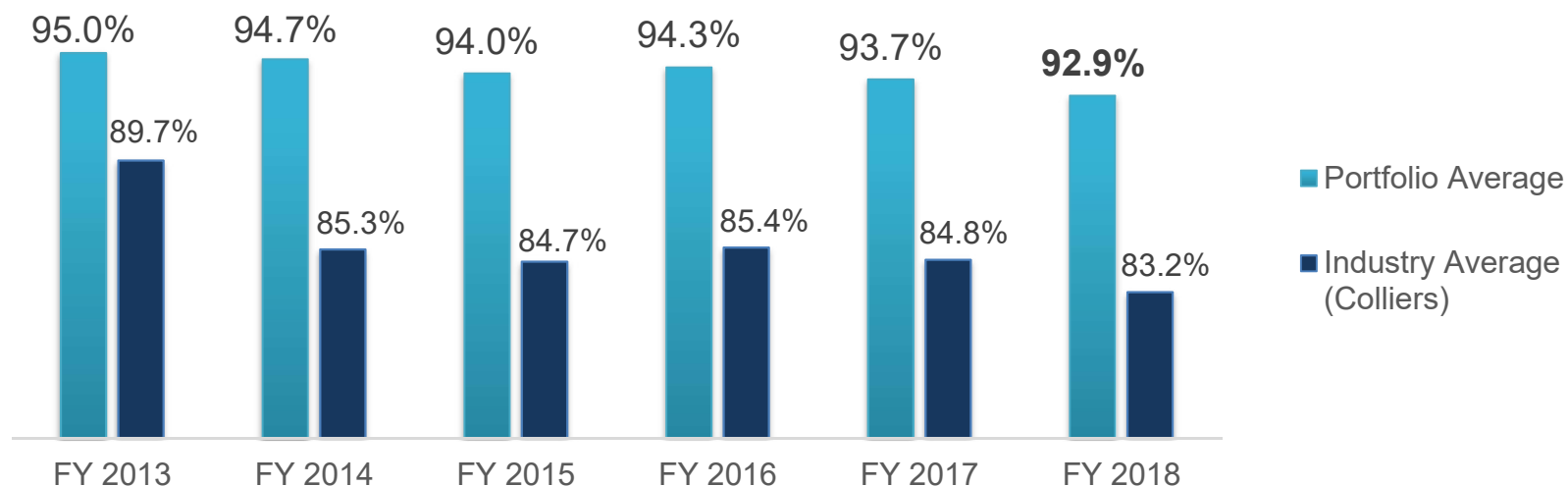
Portfolio Valuation since IPO (Rp'billion)

Property	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ¹	%
Bandung Indah Plaza	673.7	796.2	825.0	885.0	910.0	832.0	801.5	801.5	797.8	756.2	764.7	3.9
Cibubur Junction	468.3	491.1	502.0	534.0	546.0	507.0	492.5	485.3	451.2	430.9	375.0	1.9
Lippo Ekalokasari Plaza	289.2	343.5	373.0	367.0	409.0	388.0	409.0	375.8	410.3	396.8	381.7	2.0
Gajah Mada Plaza	612.1	669.2	745.0	762.0	803.0	744.0	752.8	751.4	780.9	799.0	798.9	4.1
Istana Plaza	690.7	642.8	733.0	787.0	809.0	742.0	730.7	737.6	713.0	664.2	644.2	3.3
Mal Lippo Cikarang	397.6	443.5	478.0	490.0	529.0	523.0	565.0	561.3	609.1	643.9	689.1	3.5
The Plaza Semanggi	1,052.9	1,238.5	1,367.0	1,330.0	1,454.0	1,385.0	1,342.2	1,232.2	1,173.7	1,148.8	1,069.0	5.5
Depok Town Square Units	148.9	172.4	180.3	187.0	196.2	204.1	207.1	208.1	169.7	163.0	155.5	0.8
Grand Palladium Units	151.4	162.2	177.9	178.0	187.3	192.8	188.0	173.5	156.6	118.7	99.8	0.5
Java Supermall Units	151.6	175.9	177.5	184.0	193.6	186.1	192.5	193.7	153.6	143.3	148.4	0.8
Malang Town Square Units	148.7	177.1	179.7	186.0	195.4	192.4	207.8	213.5	172.6	162.0	170.0	0.9
Mall WTC Matahari Units	146.0	169.8	176.3	177.0	173.7	175.7	169.7	165.1	146.0	124.0	113.0	0.6
Metropolis Town Square Units	193.8	226.1	237.4	238.0	249.9	271.3	256.6	230.6	186.4	163.7	140.8	0.7
Plaza Madiun Units	194.9	193.4	215.7	222.0	240.5	231.8	242.4	250.7	226.9	199.3	211.5	1.1
Sun Plaza	1,082.9	1,175.2	1,268.0	1,371.0	1,470.0	1,613.0	1,680.4	1,693.7	1,826.1	1,967.1	2,156.6	11.1
Plaza Medan Fair				1,100.4	1,115.3	1,102.0	1,140.6	1,087.1	1,083.2	1,103.0	1,008.2	5.2
Pluit Village				1,668.2	1,537.7	1,405.0	1,305.1	1,146.0	1,026.8	953.0	846.2	4.3
Lippo Plaza Kramat Jati					549.0	565.1	573.7	565.0	573.8	595.3	647.0	3.3
Palembang Square Extension					242.0	236.1	256.1	248.1	258.0	276.3	288.0	1.5
Tamini Square					236.0	247.0	236.3	242.9	243.0	269.7	276.0	1.4
Palembang Square					603.0	627.0	641.4	642.6	649.5	689.5	719.0	3.7
Pejaten Village					866.0	939.2	958.4	970.0	973.7	1,073.4	1,157.0	5.9
Binjai Supermall					253.0	264.0	266.6	263.9	266.9	282.1	302.0	1.5
Lippo Mall Kemang							3,640.6	3,477.9	3,235.0	3,193.0	3,143.1	16.1
Lippo Plaza Batu								272.0	260.7	274.1	251.0	1.3
Palembang Icon								774.7	774.9	770.0	770.0	3.9
Lippo Mall Kuta									805.0	835.7	836.1	4.3
Lippo Plaza Kendari										316.0	354.8	1.8
Lippo Plaza Jogja										599.3	601.3	3.1
Kediri Town Square										363.7	396.2	2.0
Grand Total	6,402.7	7,076.9	7,635.8	10,666.6	13,768.6	13,573.7	17,257.3	17,764.3	18,124.4	19,475.4	19,514.1	100.0

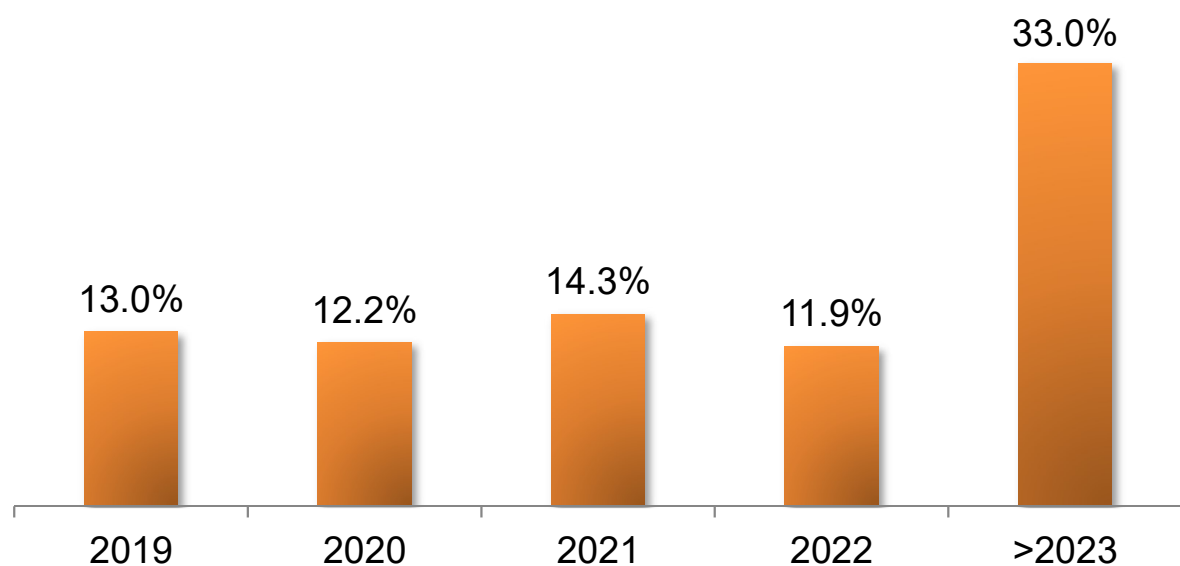
¹Based on valuation conducted by KJPP Rengganis, Hamid dan Rekan (in association with CBRE), KJPP Willson & Rekan (in association with Knight Frank), KJPP Willie Prasetyo & Rekan (in association with Savills) as at 31 December 2018

Occupancy Rate and Lease Profile

High Occupancy Rate



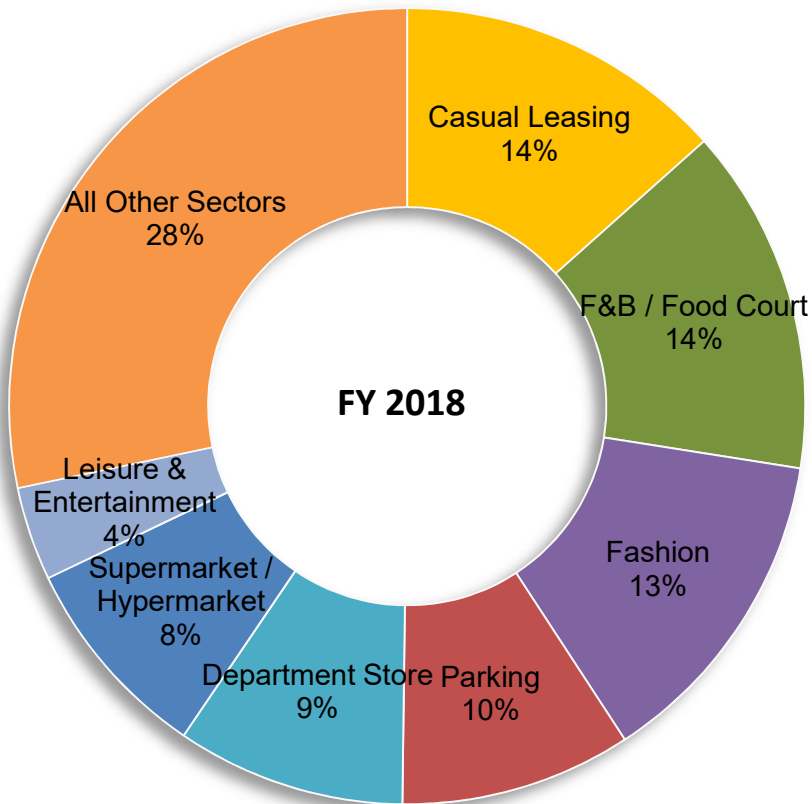
Long Lease Profile



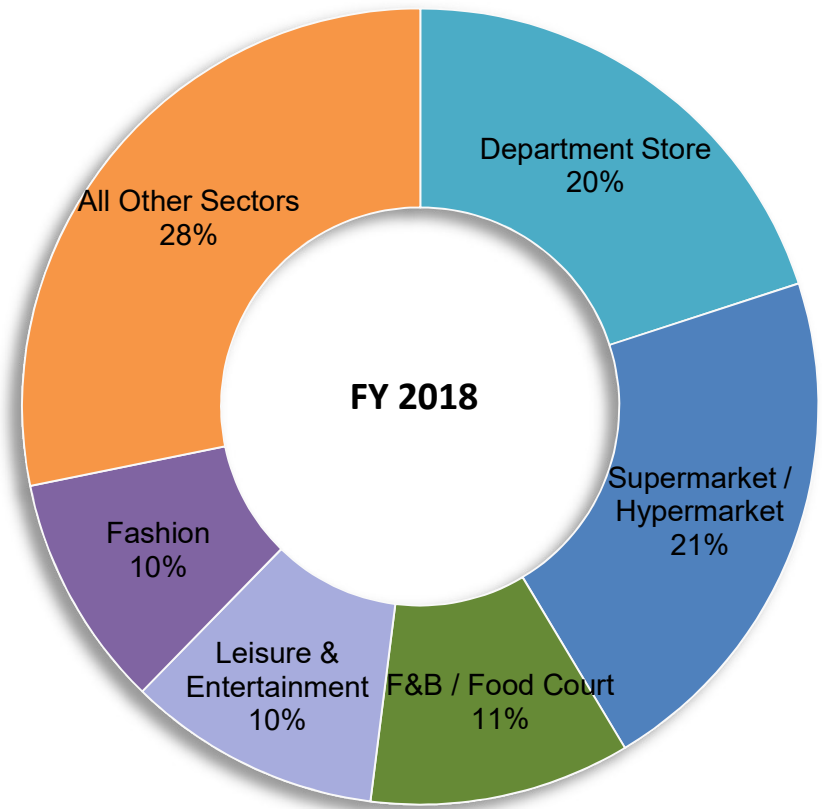
- Weighted Average Lease Expiry (by NLA) as at 31 December 2018: **4.22 years**
- Balanced mix of long-term anchor leases and shorter-term leases for non-anchor tenants provide both stability and growth potential
- Average rental reversion in FY 2018: **3.6%**

Diversified Quality Tenants

Trade Sector Breakdown by Gross Revenue*



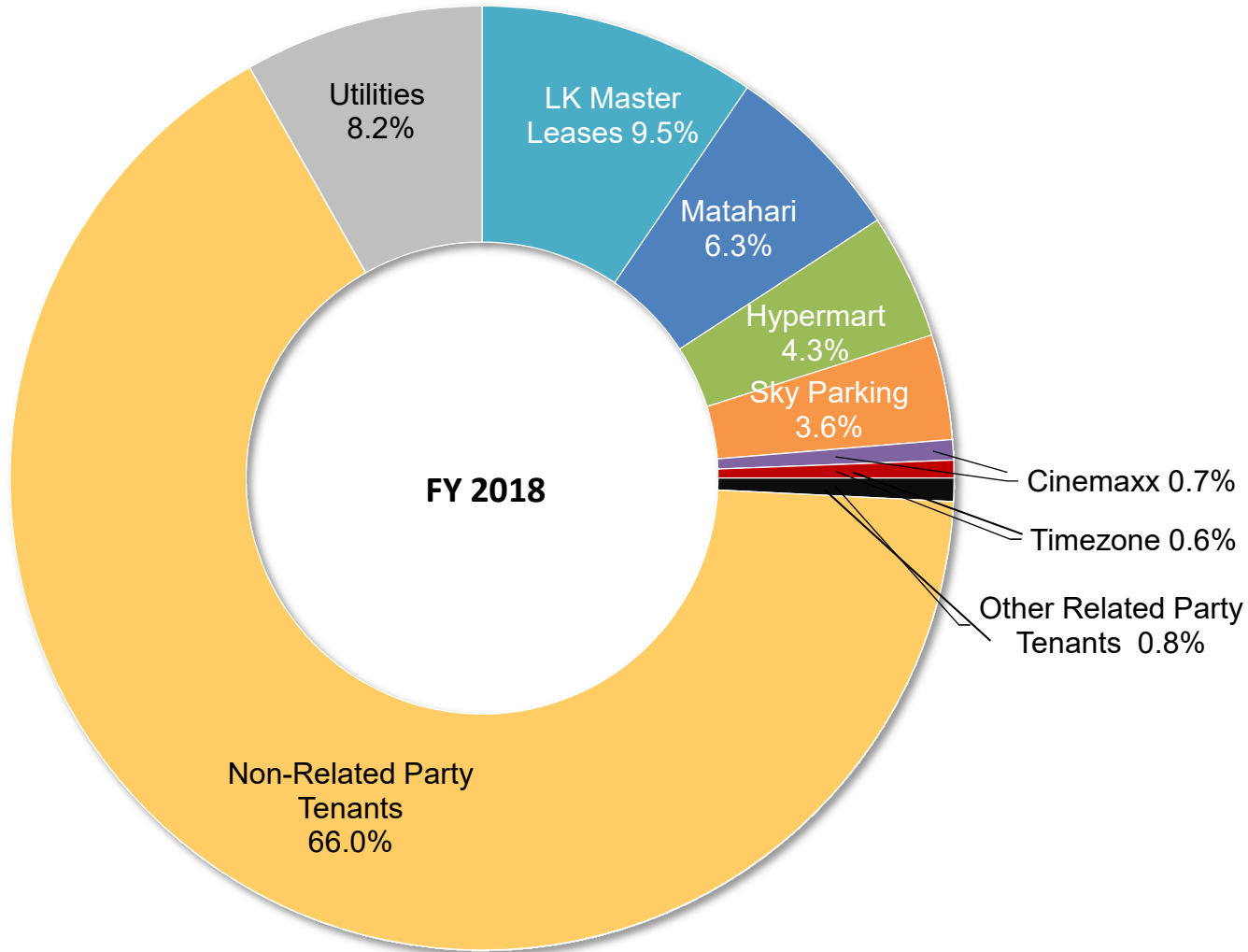
Trade Sector Breakdown by Net Lettable Area



* Exclude other rental income and income from rental of mechanical, electrical and mall operating equipment

Related Party Tenants

Contribution of Related Party Tenants to Gross Revenue



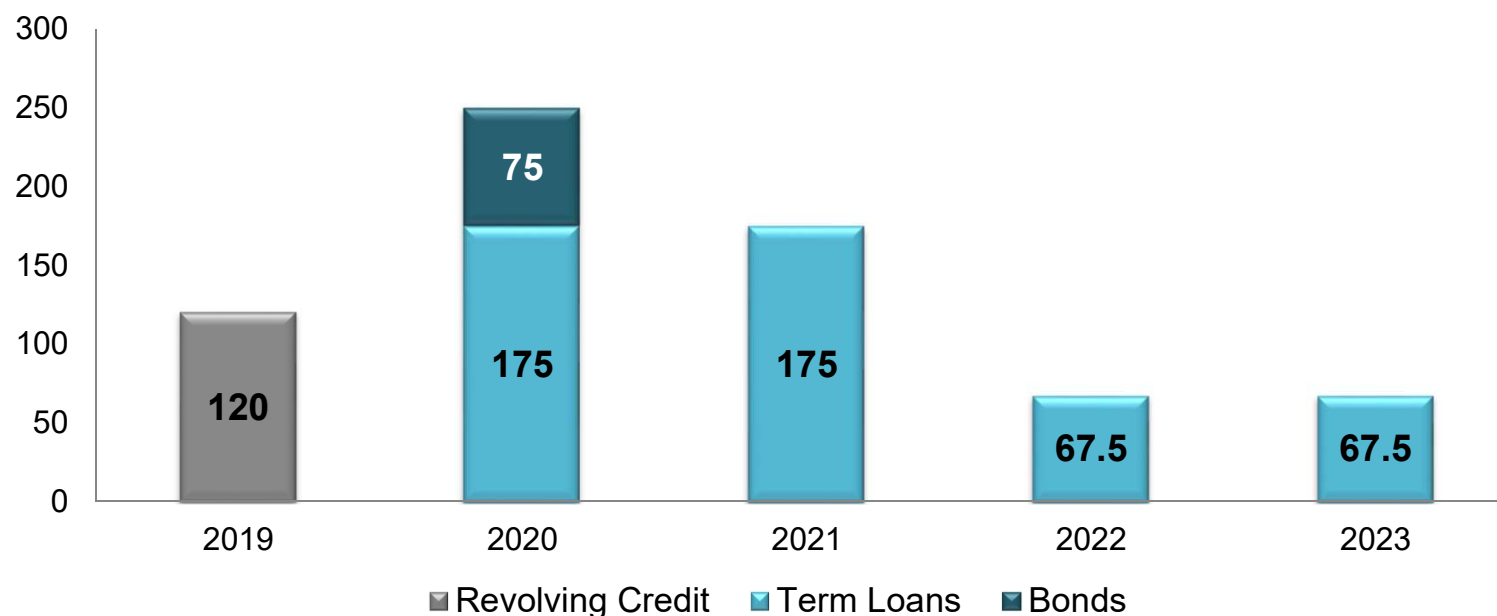
- Income derived from Lippo Karawaci master leases (net of underlying rents) accounted for 9.5% of FY 2018 gross revenue
- Other related party tenants include Nobu Bank, Nevada Store, UPH, Maxx Coffee and Books & Beyond
- For FY 2018, revenues from related party tenants accounted for 25.8%, while non-related party tenants comprising international and local brands accounted for 66.0%

Note:
The master leases with Lippo Karawaci only apply to Lippo Mall Kemang, Lippo Mall Kuta and Lippo Plaza Jogja.

Debt Maturity Profile

Fixed Rate Debt Ratio	Weighted Average Maturity of Debt	All-in cost (Excluding Perpetuals)	All-in cost (Including Perpetuals)
45.6%	2.17 years	4.84%	5.50%

As at 31 December 2018



All existing debt facilities are on unsecured basis

Notes:

- 1 S\$120 million 1.80% + SOR revolving credit facility
- 2 S\$75 million 4.10% bond due 22 June 2020
- 5 S\$175 million 2.95% + SOR term loan due 25 August 2020
- 6 S\$175 million 3.15% + SOR term loan due 25 August 2021
- 7 S\$67.5 million 3.05% + SOR term loan due 9 November 2022
- 8 S\$67.5 million 3.25% + SOR term loan due 9 November 2023

Perpetual: S\$140 million 7.0% Subordinated Perpetual Securities was issued on 27 September 2016

Perpetual: S\$120 million 6.6% Subordinated Perpetual Securities was issued on 19 June 2017

Thank You

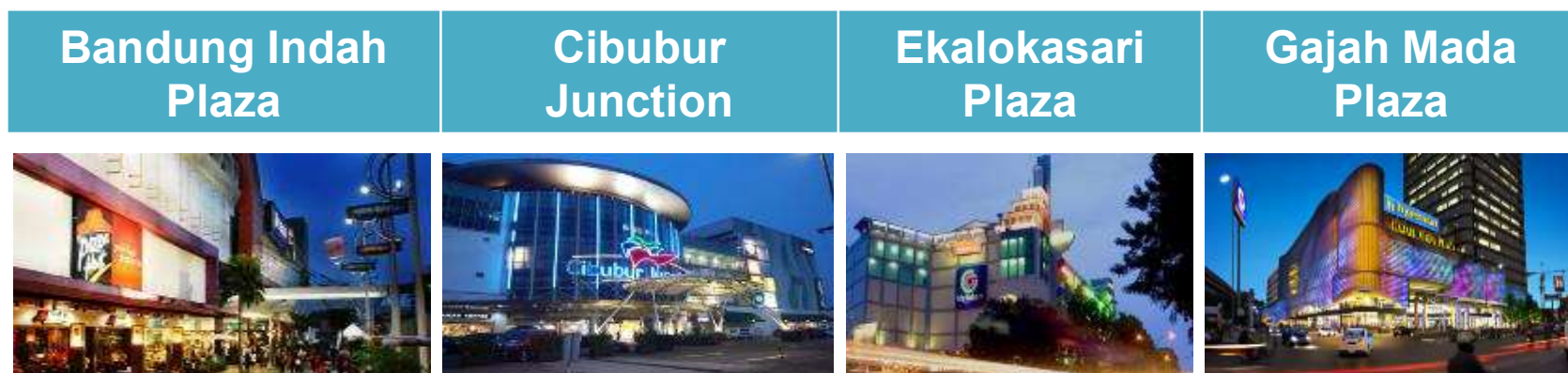
Appendix

Property Overview

Trust Structure

Growth Outlook

Property Overview: Retail Malls



Valuation	Rp 764.7 billion	Rp 375.0 billion	Rp 381.7 billion	Rp 798.9 billion
Location	Jalan Merdeka, Bandung, West Java	Jalan Jambore, Cibubur, East Jakarta	Jalan Siliwangi 123, Bogor, West Java	Jalan Gajah Mada, Central Jakarta
GFA	75,868 sqm	66,071 sqm	58,859 sqm	66,160 sqm
NLA	30,288 sqm	34,100 sqm	28,212 sqm	36,535 sqm
Occupancy rate	98.3%	98.0%	91.5%	73.8%
Number of Tenants	245	155	98	158

Property Overview: Retail Malls



Valuation	Rp 644.2 billion	Rp 689.1 billion	Rp 1,069.0 billion	Rp 2,156.6 billion
Location	Jalan Pasir Kaliki, Bandung, West Java	Jalan MH Thamrin, Lippo Cikarang, West Java	Jalan Jenderal Sudirman, South Jakarta	Jalan Haji Zainul Arifin Medan, North Sumatera
GFA	46,809 sqm	39,293 sqm	155,122 sqm	107,373 sqm
NLA	27,471 sqm	29,926 sqm	60,084 sqm	69,541 sqm
Occupancy rate	93.0%	94.9%	81.5%	96.8%
Number of Tenants	181	125	419	379

Property Overview: Retail Malls

	Plaza Medan Fair	Pluit Village	Lippo Plaza Kramat Jati	Palembang Square Extension
				
Valuation	Rp 1,008.2 billion	Rp 846.2 billion	Rp 647.0 billion	Rp 288.0 billion
Location	Jalan Jenderal Gatot Subroto No.30, Medan Petisah, Medan, North Sumatera	Jalan Pluit Indah Raya, Penjaringan, North Jakarta	Jalan Raya Bogor Km 19, Kramat Jati, East Jakarta	Jalan Angkatan 45/POM IX, Palembang, South Sumatera
GFA	138,767 sqm	134,576 sqm	67,285 sqm	22,527 sqm
NLA	67,258 sqm	87,394 sqm	32,908 sqm	18,093 sqm
Occupancy rate	99.3%	94.4%	96.1%	96.0%
Number of Tenants	469	273	112	32

Property Overview: Retail Malls

Tamini Square	Palembang Square	Pejaten Village	Binjai Supermall
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Valuation	Rp 276.0 billion	Rp 719.0 billion	Rp 1,157.0 billion	Rp 302.0 billion
Location	Jalan Raya Taman Mini, East Jakarta	Jalan Angkatan 45/POM IX, Palembang, South Sumatera	Jalan Warung Jati Barat, South Jakarta	Jalan Soekarno, Hatta No.14, Binjai, North Sumatera
GFA	18,963 sqm	46,546 sqm	89,157 sqm	28,760 sqm
NLA	17,475 sqm	30,513 sqm	42,184 sqm	23,430 sqm
Occupancy rate	97.8%	97.2%	99.9%	98.8%
Number of Tenants	12	131	160	117

Property Overview: Retail Malls

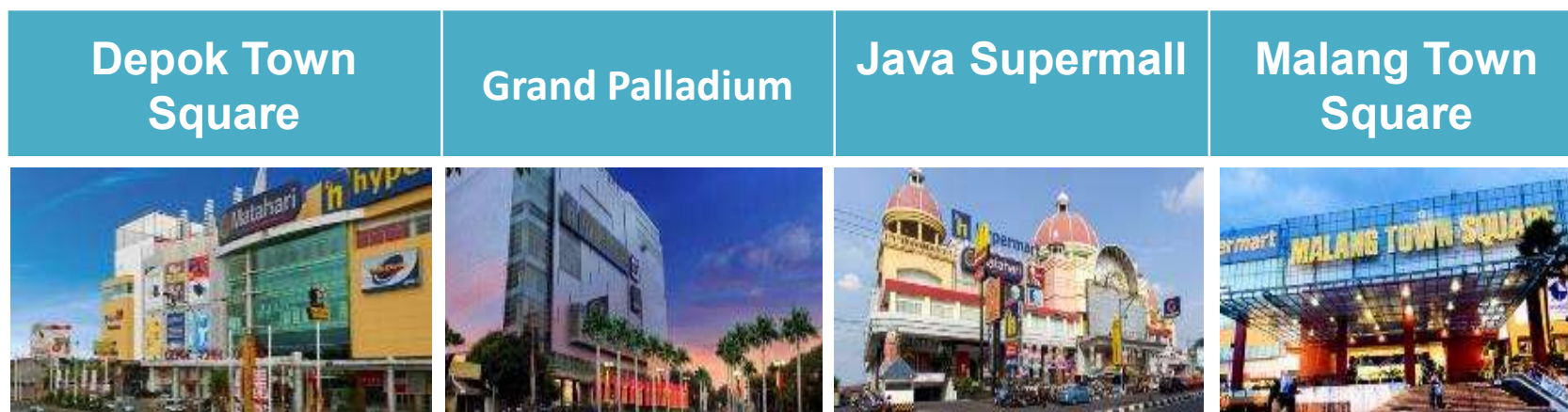


Valuation	Rp 3,143.1 billion	Rp 251.0 billion	Rp 770.0 billion	Rp 836.1 billion
Location	Jalan Kemang VI, South Jakarta	Jalan Diponegoro No. RT 07RW05, Batu City, East Java	Jalan POM IX, Palembang, South Sumatera	Jalan Kartika Plaza, District of Kuta, Badung, Bali
GFA	150,932 sqm	34,586 sqm	42,361 sqm	36,312 sqm
NLA	58,490 sqm	17,673 sqm	36,348 sqm	20,350 sqm
Occupancy rate	93.6%	91.3%	96.2%	93.2%
Number of Tenants	186	48	170	64

Property Overview: Retail Malls




	Lippo Plaza Kendari	Lippo Plaza Jogja	Kediri Town Square
			
Valuation	Rp 354.8 billion	Rp 601.3 billion	Rp 396.2 billion
Location	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi	Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java
GFA	34,831 sqm	66,098 sqm	28,688 sqm
NLA	20,184 sqm	21,452 sqm	16,848 sqm
Occupancy rate	99.4%	98.2%	99.3%
Number of Tenants	38	39	53

Property Overview: Retail Spaces

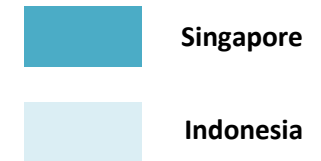
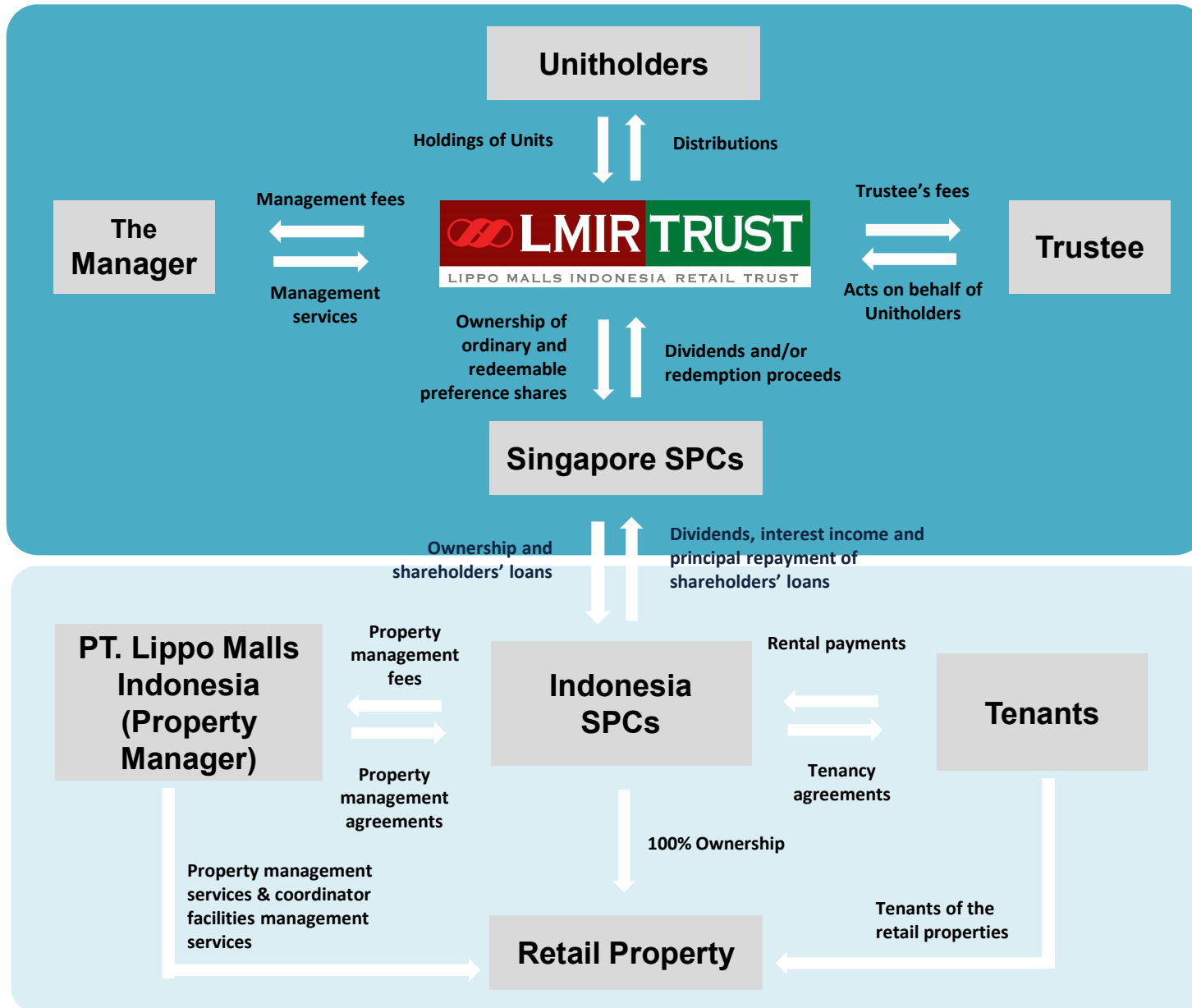


Valuation	Rp 155.5 billion	Rp 99.8 billion	Rp 148.4 billion	Rp 170.0 billion
Location	Jalan Margonda Raya, Depok, West Java	Jalan Kapt, Maulana Lubis, Medan, North Sumatera	Jalan MT Haryono, Semarang, Central Java	Jalan Veteran, Malang, East Java
GFA	13,045 sqm	13,417 sqm	11,082 sqm	11,065 sqm
NLA	12,490 sqm	12,305 sqm	11,082 sqm	11,065 sqm
Occupancy rate	100.0%	4.3%	100.0%	100.0%
Number of Tenants	4	1	2	3

Property Overview: Retail Spaces

	Mall WTC Matahari	Metropolis Town Square	Plaza Madiun
			
Valuation	Rp 113.0 billion	Rp 140.8 billion	Rp 211.5 billion
Location	Jalan Raya Serpong, Tangerang, Banten Greater Jakarta	Jalan Hartono Raya, Tangerang, Banten Great Jakarta	Jalan Pahlawan, Madiun, East Java
GFA	11,184 sqm	15,248 sqm	19,029 sqm
NLA	10,753 sqm	14,861 sqm	11,436 sqm
Occupancy rate	100.0%	66.2%	99.1%
Number of Tenants	3	3	17

Trust Structure



Attractive Indonesian Retail Outlook

Strong Middle-Income Growth

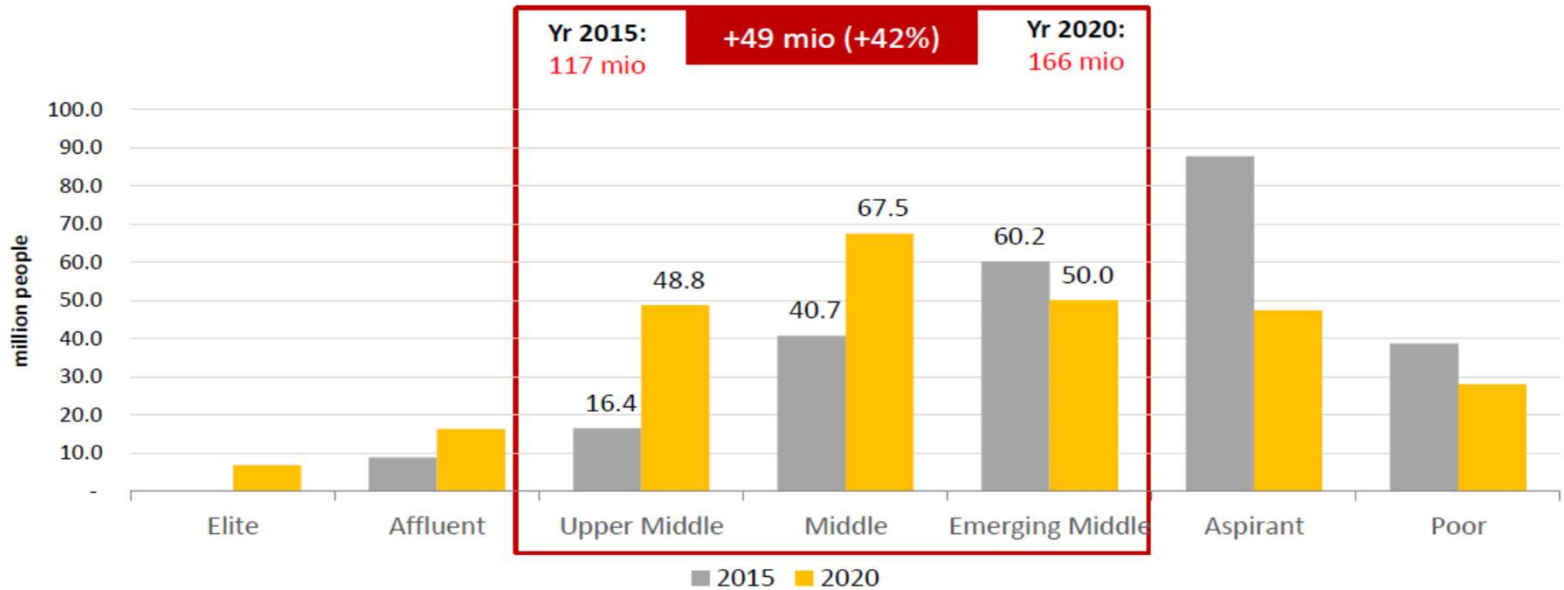
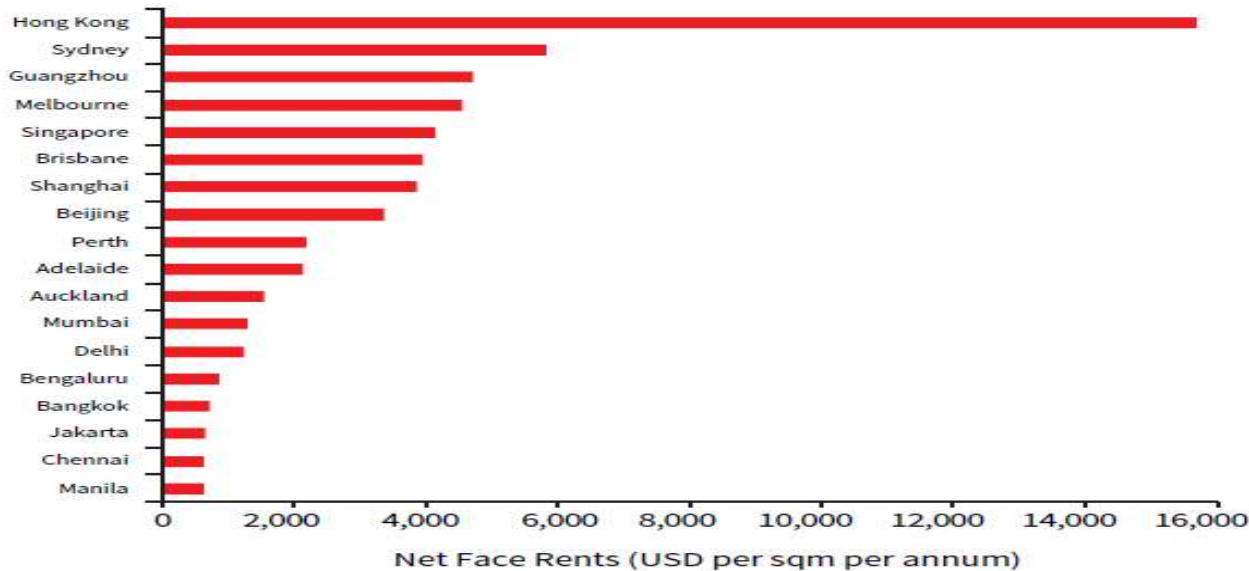


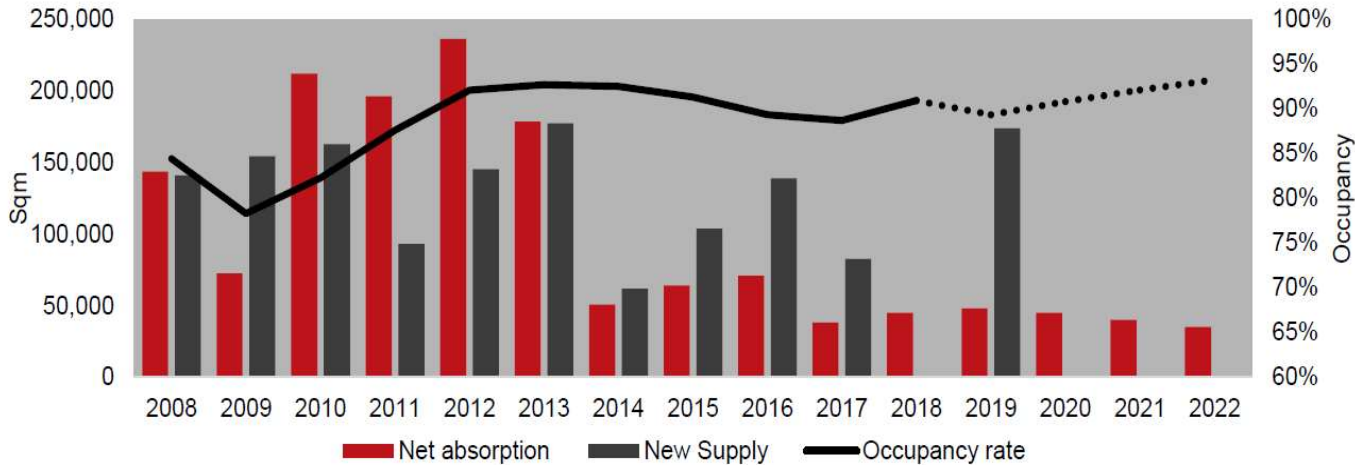
Figure 1: Asia Pacific Shopping Centre Rents, 4Q18



Potential for rents to catch-up to that of other markets in the long term

Retail Property Market Trends

Supply, Demand and Occupancy *



* Occupancy for prime malls only

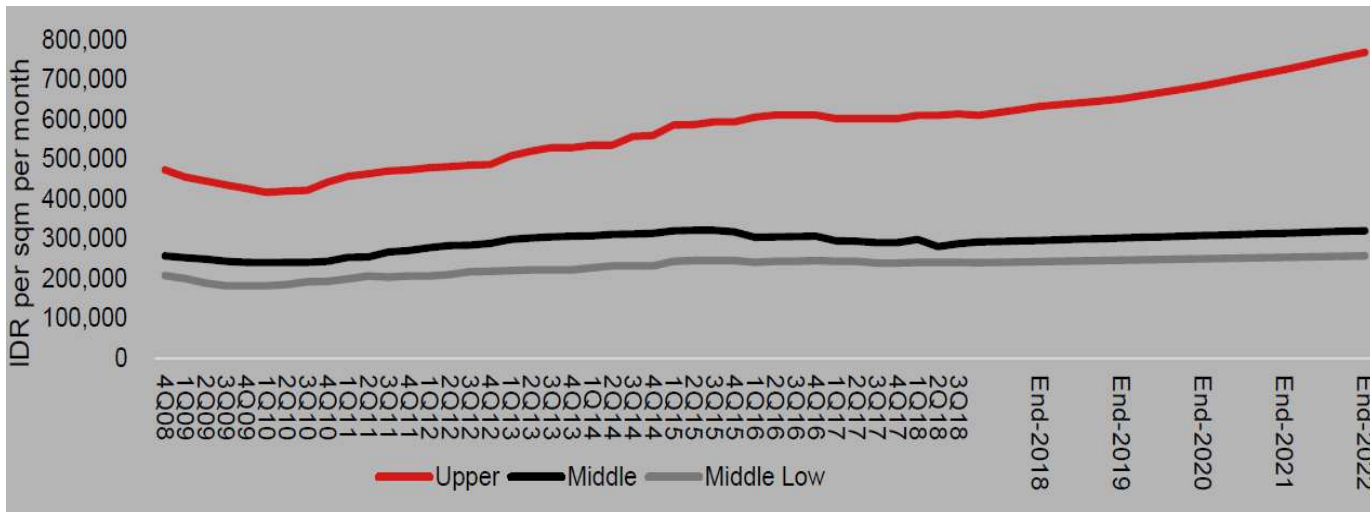
Demand

- Footfall remained strong in prime malls
- Extremely limited supply and low vacancy rates
- Net absorption low

Supply

- Moratorium on standalone shopping mall development in Jakarta in place since 2011; supply pipeline extremely thin
- Moratorium does not affect locations outside of Jakarta city, offer expansion opportunities

Retail Rents



Rents

- Vacancy rates remained low with strongest demand from F&B and entertainment tenants
- Annual rental growth projected at 5% in prime retail market

Retail Market Drivers

- Retail sector is still growing though at a slower pace

Positive Influences

- Stable GDP Growth (about 5%)
- Consumer Confidence Index level still high especially based on expectation on future economy



Negative Influences

- Price increase (CPI) nearly 4% every year
- Lower real income growth (minimum wage 8% increase, lower compared to previous years)

Other Influencing Factors

- Consumers are more selective on spending due to price pressure and slowing economy (among upper consumer)
- While purchasing power is increasing, consumption is slowing down as households are more cautious and are saving a greater portion of their income

Our Sponsor



Our sponsor, **PT Lippo Karawaci Tbk**, is one of Indonesia's largest listed company by total assets and revenue



Owns and/or manages 47 malls throughout Indonesia and has another 38 malls in the pipeline



Focused on developing and managing community malls located in cities with dense population



Malls have an average occupancy rate of over 88% and cater to more than 300 million visitors per year



LMIRT has the right-of-first-refusal to acquire Sponsor's properties