



LIPPO MALLS INDONESIA RETAIL TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007 (as amended))

**FOR IMMEDIATE RELEASE**

**LMIR Trust sees YoY top-line growth in 3Q 2022 on recovering operating conditions in continued uncertain global economic times**

- Lower rental and service charge discounts extended to tenants amid stabilising Covid-19 situation and lifting of operating restrictions in Indonesia
- Portfolio occupancy improves quarter-on-quarter to 80.4% with shopper traffic doubling YoY and recovering to 64.5% of pre-Covid levels
- Continued prudent financial management imperative in a volatile interest rate and foreign exchange environment

*Summary of Financial Results for period ended 30 September 2022*

S\$'000	3Q 2022	3Q 2021	% Variance	9M 2022	9M 2021	% Variance
Rental Revenue	29,920	17,746	▲68.6	90,611	73,812	▲22.8
Gross Revenue	51,730	30,893	▲67.4	154,343	124,151	▲24.3
Net Property Income	32,795	17,292	▲89.7	98,664	74,880	▲31.8
Distribution to Unitholders	6,927	6,906	▲0.3	20,781	19,951	▲4.2
DPU (cents)	0.09	0.09	-	0.27	0.26	▲3.8
<b>Rp'million</b>						
Gross Revenue	553,107	328,062	▲68.6	1,638,284	1,327,206	▲23.4
Net Property Income	350,681	183,501	▲91.1	1,047,275	800,486	▲30.8

**Singapore, 9 November 2022** – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today reported rental revenue and gross revenue growth of 68.6% and 67.4% year-on-year (“**YoY**”) to S\$29.9 million and S\$51.7 million respectively, for the third quarter ended 30 September 2022 (“**3Q 2022**”).

The growth was largely due to lower rental and service charge discounts extended to tenants amid stabilising Covid-19 situation and lifting of operating restrictions in Indonesia, compared to the relatively lower rental revenue for the same period last year (“**3Q 2021**”) where rental waivers and discounts were extended to tenants due to temporary mall closures and operating restrictions.

Net property income (“**NPI**”) for the period also saw an 89.7% YoY increase to S\$32.8 million following a net reversal of allowance for impairment loss on trade receivables as collection of rentals from tenants continued to improve. This was despite property operating expenses increasing to S\$18.9 million compared to S\$13.6 million in 3Q 2021 due to resumption of normal operating hours at the Trust’s malls with the easing of social restrictions.

**Commented Mr James Liew, Chief Executive Officer of the Manager,** “As the operating environment continues to improve in Indonesia with the Covid-19 situation under control, easing of restrictions and ongoing vaccination programme, we are seeing the return of shoppers to our malls with footfall doubling YoY and recovering to 64.5% of pre-Covid levels. The malls are also actively working on marketing and promotional activities to improve shopper traffic. In the context of improving operating conditions, there are challenges that may impede the Trust’s recovery, including the current geopolitical tensions, inflationary pressures, fluctuating interest rates and the impact of foreign exchange volatility. Nevertheless, the Trust remains prudent with its capital management and has entered into various hedging contracts to mitigate its exposure to fluctuating foreign currencies, as well as restructured its loan interest rates to the Singapore Overnight Rate Average (“**SORA**”) interest rate benchmark.

“Our portfolio occupancy for the quarter also saw quarter-on-quarter improvement to 80.4% from 79.7% in the second quarter of this year, as we continue to manage the renewal of expiring leases as well as bringing in new tenants to replace businesses that were impacted by the protracted pandemic.”

For the quarter under review, the Trust reported a distribution to Unitholders of S\$6.9 million and distribution per unit (“**DPU**”) of 0.09 Singapore cents, same as those reported for 3Q 2021.

On a nine-month basis, rental revenue and gross revenue rose 22.8% and 24.3% YoY to S\$90.6 million and S\$154.3 million respectively, while NPI grew 31.8% YoY to S\$98.7 million. Distribution to Unitholders came in at S\$20.8 million with DPU at 0.27 Singapore cents, compared to S\$20.0 million and 0.26 Singapore cents in the same period last year.

As at 30 September 2022, the Trust’s leverage stood at 43.7% with interest cover at 2.32 times and a weighted average debt maturity of 2.06 years, while its cash and cash equivalents remained steady at S\$106.7 million.

### **Market Outlook**

Indonesia has successfully maintained the momentum of economic recovery from the Covid-19 pandemic with growth on an uptrend for the first two quarters of this year. With positive market indicators, its finance ministry has estimated 3Q 2022 economic growth to reach 5.5%.<sup>1</sup> The latest Retail Sales Survey in September 2022, saw Real Sales Index (“**RSI**”) rising 5.5% YoY, to a level of 200.0, owing to increasing sales of food, beverages and tobacco, coupled with improving sales of other household equipment as well as information and communication equipment.<sup>2</sup>

With positive economic growth and recovering consumer spending in a volatile market environment, the Trust will continue to be vigilant with its efforts to stabilise its operations, and active asset and capital management.

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<sup>1</sup> 22 October 2022, Tempo - Indonesia Predicts 5.5% Economic Growth in Q3

<sup>2</sup> 11 October 2022, Bank Indonesia – Retail Sales Survey September 2022: Retail sales predicted to increase

## **CONTACT INFORMATION**

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### **About Lippo Malls Indonesia Retail Trust (“LMIR Trust”) (www.lmir-trust.com)**

LMIR Trust is a Singapore-based real estate investment trust established with the principal investment objective of owning and investing, on a long-term basis, in a diversified portfolio of income-producing real estate in Indonesia that are primarily used for retail and/or retail-related purposes.

LMIR Trust’s portfolio comprises 22 retail malls (“Retail Malls”) and seven retail spaces located within other retail malls (“Retail Spaces”, and collectively with the Retail Malls, the “Properties”). The Properties have a total net lettable area of 959,251 square metres and total carrying value of Rp19,018.2 billion as at 30 September 2022 and are strategically located in major cities of Indonesia with large middle-income population. Tenants include leading names such as Matahari Department Store, Zara, M&S, H&M, Uniqlo, Sogo, Hypermart, Carrefour, Ace Hardware, as well as international specialty tenants such as Victoria’s Secret, McDonalds, Pizza Hut, Kentucky Fried Chicken, A&W, Fitness First, Timezone, and Starbucks.