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BUILDING A BETTER INDONESIA

Press Release

## SSIA POSTED Rp794 BILLION of REVENUE and Rp3 BILLION OF NET INCOME FOR THE FIRST QUARTER OF 2017

### PT Surya Semesta Internusa Tbk (SSIA) 1Q17 Financial Highlights

Consolidated Financial Statements			
First Quarter 2017			
(in billion Rp)			
	1Q17	1Q16	YoY
Revenues	793.9	1,179.5	-32.7%
Property	144.2	335.0	-56.9%
Construction	494.8	681.7	-27.4%
Hospitality	154.7	156.5	-1.2%
Others	0.2	6.2	
Gross Profit	234.8	377.3	-37.8%
EBITDA	130.3	275.9	-52.8%
Net Income	3.1	132.3	-97.7%
Comprehensive Income	3.3	127.8	-97.4%
EBITDA Margin	16.4%	23.4%	-7.0%
Net Income Margin	0.4%	11.2%	-10.8%
	1Q17	FY16	QoQ
Cash and Cash Equivalents	1,278.1	1,520.0	-15.9%
Total Assets	7,215.5	7,195.4	0.3%
Total Liabilities	3,851.9	3,842.6	0.2%
Non-Controlling Interest	448.4	440.9	1.7%
Equity	2,915.2	2,911.9	0.1%

### Business Segment Analysis

1Q17 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	144.2	494.8	154.7	793.9
<i>Segment percentage</i>	<i>18%</i>	<i>62%</i>	<i>19%</i>	<i>100%</i>
Gross Profit	84.6	53.7	96.3	234.8
<i>Segment percentage</i>	<i>36%</i>	<i>23%</i>	<i>41%</i>	<i>100%</i>
EBITDA	73.2	41.0*	29.7	130.3
<i>Segment percentage</i>	<i>56%</i>	<i>31%</i>	<i>23%</i>	<i>100%</i>
Gross Profit Margin	58.7%	10.9%	62.2%	29.6%
EBITDA Margin	50.7%	8.3%	19.2%	16.4%

\*Includes loss from JO Rp360 million

1Q16 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	335.0	681.7	156.5	1,179.5
<i>Segment percentage</i>	<i>28%</i>	<i>58%</i>	<i>13%</i>	<i>100%</i>
Gross Profit	211.0	69.1	97.4	377.3
<i>Segment percentage</i>	<i>56%</i>	<i>18%</i>	<i>26%</i>	<i>100%</i>
EBITDA	201.9	57.7*	34.2	275.9
<i>Segment percentage</i>	<i>73%</i>	<i>21%</i>	<i>12%</i>	<i>100%</i>
Gross Profit Margin	63.0%	10.1%	62.2%	32.0%
EBITDA Margin	60.3%	8.5%	21.8%	23.4%

\*Includes income from JO Rp4.3 billion

- SSIA for the first quarter of 2017 posted a consolidated revenue of Rp793.9 billion. The revenue decreased by about 32.7% from Rp1,179.5 billion in 1Q16. This decline was mainly due to the lower revenue in SSIA's property and construction business unit by about 56.9% and 27.4% respectively.
- Meanwhile SSIA gross margin declined to 29.6% in 1Q17, 2.4% lower compared to 1Q16 gross margin at about 32.0%.
- The Company 1Q17 EBITDA stood at Rp130.3 billion, 52.8% lower from 1Q16 EBITDA at Rp275.9 billion.
- SSIA's consolidated net income in 1Q17 reached Rp3.1 billion, 97.7% lower compared to Rp132.3 billion booked in 1Q16. The decline was mainly due to lower net income in property and construction business units compared to 1Q16's. In addition, there was a Rp26.5 billion loss from Equity in Net Earning of Associates (PT Lintas Marga Sedaya - Cipali toll road operator).

## Property

- Total industrial land sales reached more than 50 hectares in 1Q17, reflecting around 30% of last year total sales. 1Q17 land absorption rate suggested that industrial market started seeing a pick-up in demand. For the remaining 2017, potential inquiries coming from logistics sector followed by automotive and food industry and other sectors continued to occur. Such interested companies are typically small to medium size corporation. *(source : Colliers 1Q17)*
- SSIA's property unit which consists of industrial estate revenue, maintenance fees, commercials, has booked a revenue of Rp144.2 billion in 1Q17 or 56.9% YoY decreased from Rp335.0 billion in 1Q16.
- The industrial estate unit, which is the Company main business, posted an accounting sales of 5.9 hectares industrial land in 1Q17 or a total of Rp86.1 billion compared to the industrial land sales in 1Q16 which stood at Rp287.2 billion
- Meanwhile, notes on the land bank progress in Subang, West Java, as of 30 April 2017, SSIA has managed to free up and acquired about 635 hectares. For the year of 2017, the Company to acquire additional 500ha land in Subang.
- SLP's 1Q17 first phase occupancy rate was at 100% with an Average Rental Rate (ARR) of Rp60,000 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. By 31 March 2017, SLP's second phase occupancy rate was at 100% with ARR of Rp60,000 per m2 per month.

## Construction

- The apartment demand has yet to rebound in the first quarter of 2017. During that period, average take-up rate in the CBD area showed a modest increase from the previous quarter. There are ample liquidity in the market to drive enough sales to meet the supply, particularly for middle to upper segment projects. Moreover, consumer purchasing power should continue to improve gradually, as supported by the overall economic improvement, and thus translated into a more aggressive spending outlook post tax-amnesty programme. Second semester of 2017 would become a turning point in the apartment market, as we think buyers should be less concerned with tax scrutiny, and would again opt to purchase apartments as a form of investment. *(source : Colliers 1Q17)*
- PT Nusa Raya Cipta Tbk ("NRCA"), SSIA's construction unit, for the first quarter of 2017 recorded a revenue of Rp494.8 billion (includes projects within SSIA group), 17.1% from its full year target of Rp2.9 trillion. Its revenue compared to the same period in 1Q16 decreased by 27.8% from Rp685.7 billion. It also managed to book Rp20.7 billion of net profit from January – March 2017.
- NRCA, for the first quarter 2017 period managed to book new contracts of Rp530.2 billion, a 52.9% higher than new contracts achieved in 1Q16 of Rp346.7 billion or 16.1% of NRCA FY17 new contracts target of Rp3.3 trillion. Main projects obtained in 2017 were Yogya Sumber Sari Junction – Bandung,

Mason Pine Hotel – Padalarang, Apsara Tower – The Kahyangan Solo Baru, Gedung Showroom & Hotel - Surabaya.

- The Company's toll road Cikopo - Palimanan (Cipali) operator, PT Lintas Marga Sedaya ("LMS"), completed construction works within 30 months with a total investment cost of Rp13.7 trillion. On 5 April 2017, SSIA received an approval from shareholders at the Extraordinary General Meeting (EGM) in Jakarta to divest its total 20.5% stakes in toll road to PT Astratel Nusantara (a subsidiary of PT Astra International Tbk) for Rp2.3 trillion (US\$175.6 million).

### **Hospitality**

- SSIA's hospitality business unit booked a revenue of Rp154.7 billion in 1Q17 compared to Rp156.5 billion in 1Q16. About 67.8% 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 GMJ occupancy rate for 1Q17 was at 40.6% from 50.8% in 1Q16. While the average room rate (ARR) for the first quarter period of 2017 was around US\$109.4 from US\$102.7 in 1Q16. Meanwhile MBH occupancy rate in 1Q17 at 77.6% increased from 73.3% in 1Q16. The ARR was US\$88.0 in 1Q17 from US\$89.9 in 1Q16.
- The BTUR occupancy rate in 1Q17 was at 50.8% from 1Q16's occupancy rate of 57.2%. The 1Q17 ARR increased at US\$491.4, from US\$472.7 in 1Q16.
- By 2016, SSIA has launched BATIQA Hotels in six locations. 1Q17 occupancy rate of BATIQA Hotels which consists of BATIQA Hotel & Apartments Karawang, BATIQA Hotel Cirebon, BATIQA Hotel Jababeka, BATIQA Hotel Palembang, BATIQA Hotel Pekanbaru, and BATIQA Hotel Lampung recorded at 51.6%, while its ARR was at Rp296,390.

### **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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