

## Investor Update

31 March 2017



South Quarter, Jakarta

## Intiland Announces FY16 Earnings

### Highlights

- **FY16 revenues increased 3.4% yoy to Rp 2.3 trillion**
- **Net profit declined 25.6% yoy to Rp 298.9 billion**
- **Payment from Reco Kris Private Limited of Rp 750 billion was done in January 2017**
- **Settle down of Rp 660 billion bank loan in South Quarter project**

PT Intiland Development Tbk (“DILD” or “the Company”) announced its financial performance for the full year of 2016.

### **FY16 revenues increased 3.4% yoy to Rp 2.3 trillion**

The Company’s revenues slightly rose to Rp 2.3 trillion in 2016, a 3.4% increase from Rp 2.2 trillion in 2015 mainly as a result of increase of revenue recognition from the handover of Serenia Hills phase 2 housing units, and from the increase of construction progress of the Regatta. In addition, investment properties also give a positive contribution to the revenues driven by the increase of South Quarter’s office rental and Ngoro Industrial Park’s warehouse rental.

The achievement was also impacted by the soft property market during 2016, which translated to lower than expected marketing sales. In 2016, the Company reported Rp 1.6 trillion marketing sales, a

12.9% declined from Rp 1.9 trillion in 2015. Some of the FY16 revenues target were expected from the property sales that should have been recognized within the year, in line with the construction progress of high-rise projects. The Company also needs to extend the negotiation process of industrial lot sales to 2017, which impact on the delay of the Company's ability to book the target revenues from the industrial estate segment in 2016.

#### **Net profit declined 25.6% yoy to Rp 298.9 billion**

The Company registered a relatively stable gross profit at Rp 1.0 trillion. Meanwhile, FY16 net profit was posted at Rp 298.9 billion, or lower 25.6% yoy from Rp 401.5 in 2015. The result was mainly impacted by increasing interest expense and operational expense. Interest expense rose in line with the addition of bank loan, which primarily used to complete the construction of high-rise projects. With the schedule of completion of additional several high-rise projects in 2017, the Company expects that the marketing sales can be directly recognized to revenues and to reduce the debt level, which eventually will improve the bottom line.

#### **Payment from Reco Kris Private Limited of Rp 750 billion was done in January 2017**

Reco Kris Private Limited, the Company's strategic partner for South Quarter project, has injected the first batch of new issuance share payment with total amount Rp 750 billion in January 2017. The proceeds have been used to settle down the bank loan of PT Putra Sinar Permaja at CIMB Niaga bank with total amount Rp 660 billion. The balance of Rp 250 billion will be injected in stages for the development of the second phase. The Company believes that having a strategic partner will help to lower the debt level.

#### **Financial Highlights**

| <b>in Rp billion</b>   | <b>2016</b> | <b>2015</b> | <b>YoY %</b> |
|------------------------|-------------|-------------|--------------|
| Revenues               | 2,276       | 2,201       | 3.4%         |
| Gross Profit           | 1,036       | 1,043       | -0.6%        |
| EBITDA                 | 659         | 639         | 3.1%         |
| Net Income             | 299         | 401         | -25.6%       |
| EPS                    | 29          | 39          | -25.6%       |
| Total Assets           | 11,840      | 10,289      | 15.1%        |
| Total Liabilities      | 6,783       | 5,518       | 22.9%        |
| Total Equity           | 5,057       | 4,771       | 6.0%         |
| Sales Advance          | 1,168       | 1,343       | -13.1%       |
| Cash & cash equivalent | 473         | 405         | 17.0%        |
| Total Debt             | 4,455       | 3,200       | 39.2%        |
| Net Debt to Equity     | 78.7%       | 58.6%       |              |
| Gross Profit Margin    | 45.5%       | 47.4%       |              |
| EBITDA Margin          | 28.9%       | 29.0%       |              |
| Net Income Margin      | 13.1%       | 18.2%       |              |

#### **Other key financial highlights:**

FY16 compared to FY15:

- **Development revenue** decreased 2.3% to Rp 1,929 billion from Rp 1,974 billion
  - Mixed use and high rise contribution increased to Rp 1,114 billion from Rp 1,081 billion
  - Landed residential contribution increased to Rp 734 billion from Rp 701 billion
  - Industrial estate contribution decreased to Rp 81 billion from Rp 192 billion

- **Recurring revenue** increased 53.4% to Rp 348 billion from Rp 227 billion
  - Offices contribution increased to Rp 170 billion from Rp 126 billion
  - Facilities contribution increased to Rp 129 billion from Rp 69 billion
  - Industrial estate contribution increased to Rp 48 billion from Rp 31 billion
  - Others decreased to Rp 630 million from Rp 1.1 billion
- **Gross profit margin** decreased to 45.5% from 47.4%
  - Mixed use and high rise gross profit margin increased to 45.2% from 36.3%
  - Landed residential gross profit margin decreased to 45.5 % from 54.6%
  - Industrial estate gross profit margin decreased to 79.2% from 81.1%
  - Recurring revenue gross profit margin decreased to 38.7% from 49.4%
- **Operating profit** decreased 11.6% to Rp 404 billion from Rp 457 billion

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