# Investor Update

28 April 2017

South Quarter, Jakarta

## Intiland Announces 1Q17 Earnings

**Highlights**

- **1Q17 revenues decreased 32.3% yoy to Rp 398.7 billion**
- **Net profit declined 80.5% yoy to Rp 19.7 billion**

PT Intiland Development Tbk ("DILD" or "the Company") announces its financial performance for the first quarter of 2017.

**1Q17 revenues decreased 32.3% yoy to Rp 398.7 billion**

The Company's revenues decreased to Rp 398.7 billion in 1Q17, a 32.3% decrease from Rp 588.7 billion in the same period last year, primarily as a consequence of lower revenue recognition from mixed-use & high-rise segment as well as landed residential segment. On the other hand, the revenues from industrial estate and investment properties segments gave positive contributions to the total revenue in 1Q17.

This achievement was impacted by the soft property market over the past two years. Currently the Company has around Rp 1.3 trillion balance of revenue backlog that still can be recognized until the end of the year. The Company is expecting further sales from the current inventories to book additional revenues.

**PT Intiland Development Tbk** Intiland Tower Penthouse Floor Jl. Jendral Sudirman 32 Jakarta 10220 Indonesia

T +62 21 570 1912, 570 8088 F +62 21 570 0014, 570 0015 E investor@intiland.com www.intiland.com

**Net profit declined 80.5% yoy to Rp 19.7 billion**
The Company booked 1Q17 net profit at Rp 19.7 billion, or declined 80.5% yoy from Rp 100.8 billion in 1Q16. This lower than expected achievement was driven mainly by lower revenues and increasing interest expense.

**Lower debt in 1Q17 after loan repayment of South Quarter construction loan**
The Company was able to reduce the total debt to Rp 3.9 trillion in 1Q17 from Rp 4.4 trillion on December 2016. The lower debt was resulted from the repayment of South Quarter construction loan, which was financed by the investment proceeds coming from the joint venture between the Company and GIC, a Singapore's sovereign investment fund, to develop the South Quarter project.

**Table 1: Financial Highlights**

| **in Rp billion** | **1Q17** | **1Q16** | **Δ %** |
|---|---|---|---|
| Revenues | 399 | 589 | -32.3% |
| Gross Profit | 171 | 240 | -28.5% |
| Operating Profit | 59 | 114 | -48.6% |
| Net Income | 20 | 101 | -80.5% |
| EPS | 2 | 10 | -80.5% |
| **in Rp billion** | **1Q17** | **FY16** | **Δ %** |
| Total Assets | 12,177 | 11,840 | 2.8% |
| Total Liabilities | 6,350 | 6,783 | -6.4% |
| Total Equity | 5,826 | 5,057 | 15.2% |
| Sales Advance | 1,235 | 1,168 | 5.8% |
| Cash & cash equivalent | 640 | 473 | 35.2% |
| Total Debt | 3,963 | 4,455 | -11.1% |
| Net Debt to Equity | 57.0% | 78.7% | |
| Gross Profit Margin | 43.0% | 40.7% | |
| Operating Profit Margin | 14.7% | 19.3% | |
| Net Income Margin | 4.9% | 17.1% | |

**Revenues Breakdown**
The development revenues contributed Rp 298.0 billion in 1Q17, or declined 42.4% yoy from Rp 517.5 billion in 1Q16. Meanwhile, the recurring revenues generated Rp 100.7 billion in 1Q17, or increased 41.4% yoy from Rp 71.2 billion in 1Q16.

The revenues composition from development revenues and recurring revenues in 1Q17 were 74.7% and 25.3% respectively. On the other hand, the revenues composition from development revenues and recurring revenues in 1Q16 were 87.9% and 12.1% respectively.

The highest contribution from 1Q17 total revenue was derived from the mixed-use & high-rise segment of Rp 158.6 billion (39.8%), and followed by the recurring revenue segment of Rp 100.7 billion (25.3%), the industrial estate segment of Rp 91.0 billion (22.8%), and the landed residential segment of Rp 48.3 billion (12.1%).

The revenues booked from the mixed-use & high-rise projects was primarily generated from the recognition based on construction progress of 1Park Avenue, Regatta, Praxis, Aeropolis and Spazio Tower. Sales transactions of 1Park Avenue and Regatta closed in the 1Q17 were also recognized in the same period.

The revenues derived from landed residential segment came from the delivery of housing units in Serenia Hills, Graha Famili, Magnolia and Talaga Bestari. The revenues from industrial estate segment came from the industrial lot sales in Ngoro Industrial Park and sales of warehouses in Aeropolis

Technopark. Lastly, the recurring revenues came from the rental of office spaces, retail, standard factory buildings, sport clubs and facilities.

**Table 2: Revenues Breakdown**

| in Rp billion | 1Q17 | 1Q16 | YoY % | % 1Q17 to Total | % 1Q16 to Total |
|---|---|---|---|---|---|
| **Development revenues** | **298.0** | **517.5** | **-42.4%** | **74.7%** | **87.9%** |
| Mixed-use & high-rise | 158.6 | 314.4 | -49.6% | 39.8% | 53.4% |
| Landed residential | 48.3 | 203.1 | -76.2% | 12.1% | 34.5% |
| Industrial estate | 91.0 | - | 0.0% | 22.8% | 0.0% |
| | | | | | |
| **Recurring revenues** | **100.7** | **71.2** | **41.4%** | **25.3%** | **12.1%** |
| Offices | 44.3 | 32.3 | 37.1% | 11.1% | 5.5% |
| Facilities | 43.5 | 29.9 | 45.4% | 10.9% | 5.1% |
| Industrial Estate | 12.9 | 9.0 | 43.2% | 3.2% | 1.5% |
| | | | | | |
| **Total Revenues** | **398.7** | **588.7** | **-32.3%** | **100.0%** | **100.0%** |

**Gross Profit Margin**
The gross profit margin in 1Q17 was posted at 43.0%, or higher compared to 40.7% in 1Q16. The improving gross profit margin came from the revenues from industrial estate segment, which provides higher margin compared to other segments.

The gross profit margin for mixed-use & high-rise segment in 1Q17 and 1Q16 were 29.3% and 38.1% respectively. The gross profit margin for landed residential segment in 1Q17 and 1Q16 were 51.3% and 43.0% respectively. The gross profit margin for industrial estate segment in 1Q17 was 71.3%, while there was no revenue of industrial estate recorded in 1Q16. Lastly, the gross profit margin for investment properties segment in 1Q17 and 1Q16 were 35.0% and 45.7% respectively.

**Table 3: Gross Profit Margin**

| in Rp billion | 1Q17 | 1Q16 |
|---|---|---|
| Mixed-use & high-rise | 29.3% | 38.1% |
| Landed residential | 51.3% | 43.0% |
| Industrial estate | 71.3% | 0.0% |
| Investment properties | 35.0% | 45.7% |
| **Gross Profit Margin** | **43.0%** | **40.7%** |

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Contact us:

**Investor Relations**
**PT Intiland Development Tbk**
Intiland Tower, Penthouse
Jl. Jend. Sudirman 32
Jakarta 10220 Indonesia
Tel : +62 21 5701912
Fax : +62 21 5700015
Email: investor@intiland.com

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