

# Investor Update

6 April 2020



## Intiland Announces FY19 Earnings

### Highlights

- FY19 revenues increased 7.2% yoy to Rp 2.7 trillion
- Net income increased 23.5% yoy to Rp 251.4 billion

#### **FY19 revenues increased 7.2% yoy to Rp 2.7 trillion**

The Company booked revenues of Rp 2.7 trillion for FY19, a 7.2% increase from Rp 2.5 trillion in the same period last year, primarily due to higher recognition from the mixed use and high rise segment as well as house and land segment. The result was also bolstered by the sale of non-core assets in Surabaya in 4Q19. Meanwhile, the recurring income in FY19 increased 4.5% yoy to Rp 623.1 billion from Rp 596.4 billion in the comparable period.

#### **FY19 net income increased 23.5% yoy to Rp 251.4 billion**

The Company has delivered a net profit of Rp 251.4 billion for FY19, an increase of 23.5% yoy from Rp 203.7 billion in FY18. This figure was boosted by the divestment of the Company's investment in National Hospital in Surabaya.

In 4Q19 the Company's subsidiary that engaged in National Hospital, PT Grande Family View, sold all 60,000 shares ownership in PT Surabaya Jasa Medika, an associate, to PT Istana Mobil Surabaya Indah, third party. The proceeds from this divestment amounted to Rp 506.0 billion, with gain from sale amounting Rp 495.0 billion was recorded as a gain on disposal of an associate.

The net income was also affected by the increase of interest expense and loss of cancellation of sale of land. The interest expense in FY19 increased 44.4% to Rp 418.8bn from Rp 290.0bn in FY18, primarily due to the completion of some high-rise projects, which interest expenses could not be capitalized in cost of sales and direct expenses. Meanwhile, the loss of cancellation of sale of land Rp 195.0bn occurred due to the cancellation of land sales in Ngoro Industrial Park.

**Table 1: Financial Highlights (in Rp billion)**

<b>Profit &amp; Loss Statement</b>	<b>FY19</b>	<b>FY18</b>	<b>% Change</b>
Revenues	2,736.4	2,552.5	7.2%
Gross Profit	1,131.7	1,005.9	12.5%
Operating Profit	603.6	418.7	44.1%
Profit for the Year	436.7	194.1	125.0%
Net Income	251.4	203.7	23.5%
EPS	24.3	19.6	23.5%
Gross Profit Margin	41.4%	39.4%	
Operating Profit Margin	22.1%	16.4%	
Net Income Margin	9.2%	8.0%	
<b>Balance Sheet</b>	<b>FY19</b>	<b>FY18</b>	<b>% Change</b>
Total Assets	14,777.5	14,215.5	4.0%
Total Liabilities	7,542.6	7,699.9	-2.0%
Total Equity	7,234.9	6,515.7	11.0%
Sales Advance	1,428.3	1,684.5	-15.2%
Cash & Cash Equivalent	1,415.8	1,124.2	25.9%
Total Debt	4,959.5	5,011.9	-1.0%
Net Debt to Equity	49.0%	59.7%	

**Revenues Breakdown**

The development revenues contributed Rp 2.1 trillion in FY19, or increased 8.0% yoy from Rp 1.9 trillion in FY18. Meanwhile, the recurring revenues generated Rp 623.1 billion in FY19, or increased 4.5% yoy from Rp 596.4 billion in FY18.

The revenues composition of development revenues and recurring revenues in FY19 were 77.2% and 22.8% respectively. On the other hand, the revenues composition from development revenues and recurring revenues in FY18 were 76.6% and 23.4% respectively.

The highest contribution from FY19 total revenue was derived from the mixed-use & high-rise segment Rp 1.1 trillion (40.6%), the landed residential residential revenues segment Rp 942.0 billion (34.4%), followed by the recurring revenues segment Rp 623.1 billion (22.8%) and the industrial estate segment Rp 60.4 billion (2.2%).

The revenues booked from the mixed-use & high-rise projects was primarily generated from the recognition based on construction progress throughout the year from Graha Golf, 57 Promenade, Rosebay, 1Park Avenue, Praxis, Regatta, Aeropolis and Spazio Tower. In addition, there was also revenue booked from sales of an office building in Surabaya.

The revenues derived from landed residential segment primarily came from the delivery of housing units in Graha Natura, Serenia Hills, Talaga Bestari, Graha Family Estate, Magnolia Residence and Taman Semanan Indah. On top of it, there were also revenues booked from sales of non-core asset land in Surabaya.

The revenues from the industrial estate segment mainly came from the sales of industrial land lot in Ngoro Industrial Park and the delivery of warehouses in Aeropolis.

The recurring revenues came from the sport clubs and facilities, rental of office spaces and retail, as well as standard factory buildings from the industrial estate.

**Table 2: Revenues Breakdown (in Rp billion)**

Revenues	FY19	FY18	YoY %	% FY19 to Total	% FY18 to Total
<b>Development Revenues</b>	<b>2,113.2</b>	<b>1,956.1</b>	<b>8.0%</b>	<b>77.2%</b>	<b>76.6%</b>
Mixed-use & high-rise	1,110.8	819.5	35.6%	40.6%	32.1%
Landed residential	942.0	629.6	49.6%	34.4%	24.7%
Industrial estate	60.4	507.0	-88.1%	2.2%	19.9%
<b>Recurring Revenues</b>	<b>623.1</b>	<b>596.4</b>	<b>4.5%</b>	<b>22.8%</b>	<b>23.4%</b>
Offices	217.0	225.2	-3.6%	7.9%	8.8%
Facilities	330.1	306.6	7.7%	12.1%	12.0%
Industrial Estate	76.0	64.7	17.5%	2.8%	2.5%
<b>Total Revenues</b>	<b>2,736.4</b>	<b>2,552.5</b>	<b>7.2%</b>	<b>100.0%</b>	<b>100.0%</b>

**Gross Profit Margin**

The gross profit margin for FY19 was posted at 41.4%, or an increased compared to 39.4% for FY18. The gross profit margin was increased because of a higher margin of landed residential compared to previous period.

The gross profit margin for mixed-use & high-rise segment for FY19 increased to 32.4% from 28.8% for FY18. The gross profit margin for landed residential segment for FY19 increased to 63.7% from 41.7% for FY18. The gross profit for industrial estate segment for FY19 decreased to 57.9% for FY19 from 62.0% in FY18. Lastly, the gross profit margin for the investment property segment for FY19 and FY18 were 21.9% and 32.4% respectively.

**Table 3: Gross Profit Margin**

Segment	FY19	FY18
Mixed-use & high-rise	32.4%	28.8%
Landed residential	63.7%	41.7%
Industrial estate	57.9%	62.0%
Investment properties	21.9%	32.4%
<b>Gross Profit Margin</b>	<b>41.4%</b>	<b>39.4%</b>

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