Investor Update

30 July 2020

Highlights

- Implementation of the new accounting standard (PSAK 72)
- 1H20 revenues increased 12.2% yoy to Rp 1.5 trillion
- 1H20 net profit increased to Rp 89.7 billion

Intiland Announces 1H20 Earnings

PT Intiland Development Tbk ("DILD" or "the Company") announces its financial performance for the first half of 2020.

Implementation of the new accounting standard (PSAK 72)
Starting from 1 January 2020, the company implements the new accounting standard (PSAK 72) about revenue from contracts with customers. The 1H20 financial results have reflected the new accounting standard, while the 2019 financial figures are still based on the previous accounting standard.

The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with a customer.

1H20 revenues increased 12.2% yoy to Rp 1.5 trillion
The Company booked revenues of Rp 1.5 trillion in 1H20, or increased 12.2% yoy from Rp 1.3 trillion in the comparable period, primarily due to the of impact of implemenatation of new accounting standards.

1H20 net profit attributable to owners of the company increased to Rp 89.7 billion
The Company booked 1H20 net profit attributable to the Company at Rp 89.7 billion, or increased 858.7% yoy from Rp 9.4 billion in 1H19. This figure was driven

mainly by higher revenues from the projects owned by the Company compared to last year due to the implementation of the new accounting standard, which translated into higher net profit.

Profit for the year in 1H20 was recorded at Rp 81.9 billion, increased 8.1% yoy from Rp 75.8 billion in 1H19. This result was mainly due to 1) the impact of discounting financial assets and liabilities from the implementation of PSAK 72, 2) increasing interest expense due to the interest expense of several projects that cannot be fully capitalized anymore, and 3) less revenue recognition from the JV high-rise projects due to the implementation of PSAK 72.

Table 1: Financial Highlights (in Rp billion)

Profit & Loss Statement	1H20	1H19	% Change
Revenues	1,510.3	1,345.9	12.2%
Gross Profit	602.4	483.3	24.7%
Operating Profit	395.6	199.7	98.1%
Profit for the Year	81.9	75.8	8.1%
Net Income	89.7	9.4	858.7%
EPS	8.7	0.9	858.7%
Gross Profit Margin	39.9%	35.9%	
Operating Profit Margin	26.2%	14.8%	
Net Income Margin	5.9%	0.7%	
Balance Sheet	**1H20**	**FY19**	**% Change**
Total Assets	15,917.3	14,777.5	7.7%
Total Liabilities	9,891.4	7,542.6	31.1%
Total Equity	6,025.9	7,234.9	-16.7%
Sales Advance	3,577.2	1,428.3	150.5%
Cash & Cash Equivalent	1,351.0	1,415.8	-4.6%
Total Debt	5,031.7	4,959.5	1.5%
Net Debt to Equity	61.1%	49.0%	

Revenues Breakdown

The development revenues contributed Rp 1,006.4 billion in 1H20, or decreased 3.2% yoy from Rp 1,040.1 billion in 1H19. Meanwhile, the recurring revenues generated Rp 295.5 billion in 1H20, or decreased 3.4% yoy from Rp 305.8 billion in 1H19. An additional to that, 13.8% contribution of the 1H20 revenue amounting to Rp 208.4 billion was derived from the impact of implementation of the new accounting standards. There was no revenue from implementation of new accounting standards in 2019 because the new accounting standards was put into effect on 1 January 2020.

The revenues composition from development revenues, recurring revenues and impact of implementation of new accounting standards in 1H20 were 66.6%, 19.6% and 13.8% respectively. On the other hand, the revenues composition from development revenues and recurring revenues in 1H19 were 77.3% and 22.7% respectively.

The highest contribution from 1H20 total revenue was derived from the mixed-use & high-rise segment Rp 751.1 billion (49.7%), the recurring revenues segment Rp 295.5 billion (19.6%), followed by the landed residential revenues segment Rp 255.4 billion (16.9%) and the revenue from the implementation of the new accounting standards Rp 208.4 billion (13.8%).

The revenues booked from the mixed-use & high-rise projects was primarily generated from the sale of Graha Golf, Spazio Tower, Rosebay, 1Park Avenue, Sumatra36, Regatta and Aeropolis. The revenue recognition of the high-rise projects occurred due to the handover of the units to the customers. For the high-rise projects under construction, the revenues were no longer booked based on the construction progress due to the implementation of the new accounting standards. These revenues will be recognized upon delivery to the customers.

The revenues derived from the landed residential segment primarily came from the delivery of housing units in Serenia Hills, Graha Natura, Talaga Bestari, Magnolia Residence and Griya Semanan. In addition, there was sales of 3.2 ha land land plot in Gunung Anyar, Surabaya amounting Rp 58.3 billion as the continuation of the sales of non-core asset transaction last year.

There was no revenue from the industrial estate segment in 1H20. Meanwhile, 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	1H20	1H19	YoY %	% 1H20 to Total	% 1H19 to Total
Development Revenues	**1,006.4**	**1,040.1**	**-3.2%**	**66.6%**	**77.3%**
Mixed-use & high-rise	751.1	712.9	5.4%	49.7%	53.0%
Landed residential	255.4	264.8	-3.6%	16.9%	19.7%
Industrial estate	-	62.4	-100.0%	0.0%	4.6%
Recurring Revenues	**295.5**	**305.8**	**-3.4%**	**19.6%**	**22.7%**
Offices	107.5	111.5	-3.6%	7.1%	8.3%
Facilities	150.2	157.6	-4.6%	9.9%	11.7%
Industrial Estate	37.7	36.7	2.6%	2.5%	2.7%
Impact of the implementation of the new accounting standards	**208.4**	**-**	**0.0%**	**13.8%**	**0.0%**
Total Revenues	**1,510.3**	**1,345.9**	**12.2%**	**100.0%**	**100.0%**

Gross Profit Margin

The gross profit margin in 1H20 was posted at 39.9%, an increased compared to 35.9% in 1H19. The gross profit margin was increased due to the additional revenue from the implementation of the new accounting standards.

The gross profit margin for the mixed-use & high-rise segment in 1H20 declined to 27.3% from 31.0% in 1H19. The gross profit margin for the landed residential segment in 1H20 declined to 48.0% from 54.1% in 1H19. The gross profit margin for the industrial estate segment in 1H20 was 0% compared to 54.5% in 1H19, and lastly, the gross profit margin for the investment property segment in 1H20 and 1H19 were 22.5% and 27.9% respectively.

Table 3: Gross Profit Margin

Segment	1H20	1H19
Mixed-use & high-rise	27.3%	31.0%
Landed residential	48.0%	54.1%
Industrial estate	0.0%	54.5%
Investment properties	22.5%	27.9%
Gross Profit Margin	**39.9%**	**35.9%**

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