

PRESS RELEASE

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LPKR delivered 100% YoY increase in 9M20 Marketing Sales; Core EBITDA up by 4.1% YoY, although consolidated Revenues were flat YoY at Rp8.58 trillion due to COVID impact on hospitals, malls and hotels businesses

- **Overcoming Covid-19, the Real Estate Development division increased by 46.3% to Rp2.37 trillion from Rp1.62 trillion as the Company's core property business continues to gain traction through marketing sales and completing projects.**
- **9M20 Marketing sales increased by 100% YoY to Rp2.28 trillion from Rp1.14 trillion in 9M19, driven by successful launches of affordable housing at the Holdco level.**
- **The Real Estate Management & Services division decreased by 10.2% to Rp6.15 trillion from Rp6.85 trillion YoY as Hospitals, Malls and Hotels began to show modest improvements upon re-opening.**
- **EBITDA in 9M20 increased by 75.6% YoY to Rp1.58 trillion from Rp902 billion in 9M19; or 4.1% YoY if normalized for PSAK 73 adoption.**

Jakarta - PT Lippo Karawaci Tbk ("**LPKR**" or "**Company**"), Indonesia's leading real estate company based on total assets and revenue, today announced its results for the first nine months of 2020. Despite Covid-19, Real Estate Development revenues increased by 46.3% to Rp2.37 trillion from Rp1.62 trillion as the Company's core property business is showing signs of improvement. This was boosted by strong revenue growth at Cikarang, recognition at LPKR of handovers at Hillcrest and Fairview Towers in Lippo Village, and sales of existing inventory. The property business continues to show signs of resilience as marketing sales in 9M20 increased by 100% YoY to Rp2.28 trillion from Rp1.14 trillion in the same period last year.

Real Estate Management & Services, however, decreased by 10.2% in 9M20 to Rp6.15 trillion from Rp6.85 trillion as Hospitals, Malls and Hotels continued to experience challenging conditions due to the pandemic. Covid-19 cases continued to increase throughout 3Q20 in Indonesia, leading to prolonged hotel closures, slower than expected mall footfall traffic and more Covid treatment at hospitals than core business. Consolidated, LPKR's revenues were flat year on year at Rp8.58 trillion from Rp8.56 trillion in 9M19.

LPCK continues to report solid results

Lippo Cikarang reported strong revenue growth as the company is successfully marketing its affordable landed housing project, and the Orange County apartment complex continues to complete hand-overs of units. LPCK's revenue's increased by 50.0% to Rp1.59 trillion in 9M20 from Rp1.06 trillion in 9M19. In 9M20, Orange County recorded Rp837 billion in revenues, representing an increase of 91% YoY from Rp438 billion in the same period last year as handovers continued to increase in the quarter. Moreover, residential revenue recognition amounted to Rp286.1 billion compared to Rp218.9 billion and industrial land sales totaled Rp121.4 billion in 9M20 compared to Rp66.3 billion in 9M19. In 3Q20, revenues were up by 34.8% to Rp504 billion, as apartments and affordable landed housing increased by 66.1% and 125.6% compared to 3Q19.

Siloam's recurring revenue were impacted by Covid-19

Siloam Hospitals experienced a decrease in revenue in 9M20 of 4.1% YoY to Rp5.0 trillion from Rp5.2 trillion in the prior year. Despite this decline, Siloam continued to account for 80.5% of total recurring revenues in 9M20 compared to 75.2% in 9M19. In 9M20, Siloam operated 39 hospitals across Indonesia. Overall, revenues from LPKR's Real Estate Management & Services decreased by 10.2% YoY to Rp6.15 trillion, accounting for 71.6% of total revenue in 9M20 compared to 80.0% in 9M19.

Siloam has expanded its COVID-19 testing capacity significantly to support Indonesia's effort to contain the virus. In 9M20 Siloam conducted 70k PCR tests and more than 700k rapid and serology tests. In addition to testing capacity, Siloam has 4 hospitals dedicated to COVID-19 treatment. EBITDA for 3Q20 improved by Rp108 billion (or 43%) compared to 3Q19, although most of the gains were made as a result of the change in accounting policy through the adoption of PSAK 73 (rental is no longer recognized as an expense.) While COVID testing and treatment did support EBITDA and Net Profit in the 3rd quarter it's important to note that due to the evolving regulatory environment and the uncertain trend of COVID-19, future revenue from treatment and testing remains volatile and uncertain.

(In Billion Rp)	Income Statement	9M20	9M19	Change YoY
Revenue				
Development	Subtotal	2,369	1,622	46.1%
	Real Estate Development	2,369	1,622	46.1%
Recurring	Subtotal	6,212	6,938	-10.5%
	Healthcare	5,001	5,216	-4.1%
	Malls	344	444	-22.6%
	Others (Real Estate Management & Services)	802	1,186	-32.4%
	Fund Management/ Investment	66	93	-29.4%
	Total Revenue	8,582	8,560	0.3%

Consolidated Gross Profit increased by 1.1% YoY to Rp3.32 trillion in 9M20

LPKR booked gross profit of Rp3.32 trillion in 9M20 compared to Rp3.29 trillion in 9M19. The Real Estate Development segment reported an increase in Gross Profit of 71.2% YoY to Rp934 billion in 9M20 from Rp545 billion in 9M19. Meanwhile, the real estate management & services businesses (healthcare, malls, others) gross profit recorded a decrease of 15.1% YoY to Rp2.32 trillion in 9M20 from Rp2.74 trillion in the year ago period.

(In Billion Rp)	Income Statement	9M20	9M19	Change YoY
GROSS PROFIT				
	Real Estate Development	934	459	103.6%
	Healthcare	1,640	1,781	-7.9%
	Malls	341	443	-23.1%
	Others (Real Estate Management & Services)	344	513	-33.0%
	Fund Management/ Investment	66	93	-29.4%
Total		3,323	3,289	1.1%
GROSS MARGIN (%)		39%	38%	

(In Billion Rp)	Income Statement	9M20	9M19	Change YoY
OPERATING EXPENSES				
	Real Estate Development	1,198	998	20.0%
	Real Estate Management & Services	1,728	1,950	-11.4%
	Fund Management/ Investment	41	39	5.4%
Total		2,967	2,987	-0.7%
OPEX / REVENUES		35%	35%	

Consolidated 9M20 EBITDA increased by 75.6% YoY to Rp1.58 trillion

LPKR's reported EBITDA in 9M20 increased by 75.6% YoY to Rp1.58 trillion from Rp902 billion in 9M19. However, 2020 EBITDA is impacted positively by the adoption of the new accounting standard PSAK 73 pertaining to the recognition of leases. The impact is a decrease in rental expense and an increase in interest expense, resulting in a higher reported EBITDA. The impact is Rp645 billion, which implies that our normalized EBITDA was Rp939 billion, or an increase of 4.1% year on year. Real Estate Development led the EBITDA improvement, increasing to Rp314 billion in 9M20 from a loss of Rp506 billion in 9M19.

In the first nine months, Siloam booked EBITDA of Rp744 billion compared with Rp624 billion in 9M19, an increase of 19.1%. Following very weak EBITDA contraction in 2Q20 of 54.8% year on year, in 3Q20, Siloam booked EBITDA growth of Rp359 billion compared with Rp251 billion in 3Q19, an increase of 43.0%. In 3Q20, Siloam booked a Net Profit After Tax of Rp86 billion.

Consolidated EBITDA Margin has improved to 18% in 9M20 from 11% in 9M19. However, in accordance with mark to market accounting policies in relation to our bonds outstanding we incurred an unrealized forex loss. In 9M20, we reported an unrealized forex loss of Rp1.1 trillion as the Rupiah depreciated against the USD. LPKR reported a consolidated net loss of Rp1.09 trillion in 3Q20, which is primarily impacted by the Rp654 billion unrealized forex loss in the quarter. In 9M20, the net loss stood at Rp2.3 trillion, compared to a net loss of Rp1.72 trillion in the year ago period.

(In Billion Rp)	Income Statement	9M20	9M19	Change YoY
EBITDA				
	Real Estate Development	314	(506)	290.7%
	Real Estate Management & Services	1,241	1,350	-8.1%
	Fund Management/ Investment	30	58	-48.5%
Total		1,584	902	75.6%
EBITDA MARGIN		18%	11%	

Recent Events

In October 2020, First REIT (FREIT) announced an additional two months of rental relief totaling S\$16.5 million for LPKR for the months of September and October 2020, which is in addition to a S\$16.4 million rental relief for 1H20. Total rental relief granted should result in LPKR paying approximately 36% lower rental subsidies YoY in 2020.

The Puri Mall sale continues to move forward and is anticipated to be completed in January 2021. The transaction is contingent on approvals from Lippo Malls Indonesia Retail Trust (LMIRT) shareholders of the acquisition of the mall and the completion of a Rights Issue at the Singapore based REIT, both outcomes should be reported before year end 2020.

John Riady, CEO of LPKR noted, "The third quarter was extremely successful for our property business with over Rp1.2 trillion in marketing sales, up 304% year on year. We hope that in future years when we evaluate the changes at Lippo Karawaci we can point to this quarter as the turning point where our property business model implemented by the new management team was officially validated. We reported our first launches in over 4 years of landed housing in Lippo Village through the successful launches at Cendana Homes, which sold out in a matter of hours. While our recurring income streams remain under pressure due to the Covid-19 pandemic, we have seen business slowly rebounding and life returning closer to normal."

Project	Location	FY20 Marketing Sales Target (RpBn)	9M20 Marketing Sales (RpBn)	9M20 Units Sold	9M20 ASP (RpMn/sqm)
Holdco		1,700	1,348	2,505	
Lippo Village	West Greater Jakarta	750	710	706	16.0
Holland Village Manado	Manado, North Sulawesi	10	5	4	11.5
Tanjung Bunga	Makassar, South Sulawesi	150	178	405	5.1
San Diego Hills	Karawang, West Java	200	149	1,277	15.1
Amartapura	West Greater Jakarta	-	16	31	4.8
Kemang Village	South Jakarta	100	31	5	18.6
Hillcrest & Fairview (LV)	West Greater Jakarta	100	37	14	20.8
St. Moritz	West Jakarta	100	97	32	16.8
Park View	South Jakarta	-	1	1	16.9
Holland Village Jakarta	North East Jakarta	150	19	10	19.8
Lippo Office Thamrin	Central Jakarta	100	94	10	45.0
Embarcadero Suites	Tangerang	40	11	10	18.7
Lippo Cikarang		800	928	819	
Residential	East Greater Jakarta	25	25	19	9.9
Waterfront	East Greater Jakarta	600	595	706	6.3
Commercial	East Greater Jakarta	25	12	3	5.3
Industrial	East Greater Jakarta	100	268	67	2.0
Orange County	East Greater Jakarta	50	29	24	18.6
Total		2,500	2,276	3,324	

About Lippo Karawaci (“LPKR”) (www.lippokarawaci.co.id)

Listed on the Indonesia Stock Exchange, Lippo Karawaci (“LPKR”) is Indonesia’s leading integrated real estate company with total assets of US\$4.0 billion at 30 September 2020. Our core business comprises urban residential developments, lifestyle malls and healthcare. We are also actively involved in integrated developments, hospitality, township development and management, as well as asset management services.

Currently, the Company has a presence in 40 cities, and is a leading Indonesian property developer with 1,416 ha of landbank ready for development. Through our two publicly listed subsidiaries, PT Lippo Cikarang Tbk, and PT Gowa Makassar Tourism Development Tbk, of which LPKR owns 84.0% and 62.7% respectively, LPKR develops and operates urban developments at Lippo Cikarang in Bekasi and at Tanjung Bunga in Makassar. Additionally, LPKR owns 55.4% of PT Siloam International Hospitals Tbk, Indonesia’s leading private hospitals network, with 39 hospitals across 24 cities nationwide.

LPKR also has an ownership stake in Lippo Malls Indonesia Retail Trust, a listed REIT in Singapore with US\$1.6bn of assets under management at 30 September 2020.

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