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LPKR achieves positive NPAT of IDR 1.1tn in 1H23, backed by 19% YoY Revenue growth and 39% YoY EBITDA growth

- 2Q23's performance was driven by 12% QoQ revenue growth, 15% QoQ gross profit growth and 25% QoQ EBITDA growth, resulting from improved business performance across all segments, with no one-off event impacting the result.
- Real estate segment reported strong 1H23 marketing sales achievement of IDR 2.48tn, securing 50.6% of FY23 target.
- Healthcare segment continued its strong performance in 2Q23, resulting in 1H23 revenue and EBITDA YoY growth of 20% and 48% respectively, supported by improved revenue intensity and throughput.
- Lifestyle segment continued to benefit from post-COVID recovery as 1H23 revenue and EBITDA increased by 14% and 20% YoY respectively.

JAKARTA – PT Lippo Karawaci Tbk ("**LPKR**" or "**Company**"), Indonesia's leading real estate and healthcare platform, released its 1H23 consolidated financial statements today. In 1H23, the Company achieved revenue growth of 19% YoY to IDR 8.1tn. Gross profit also increased by 21% YoY to IDR 3.5tn, while EBITDA increased by 39% YoY to IDR 2.0tn.

Moreover, LPKR reported a turnaround in Underlying NPAT from the negative IDR 450bn in 1H22 to a positive IDR 16bn in 1H23, as well as NPAT turnaround to IDR 1.1tn.

Exhibit 1: LPKR P&L Highlights (1H23 vs 1H22)

(In IDR bn)	1H23	1H22	Var YoY	%YoY
Revenue	8,076	6,814	1,262	19%
Gross Profit	3,546	2,933	613	21%
Opex	(1,576)	(1,516)	(60)	4%
EBITDA	1,970	1,417	553	39%
Underlying NPAT ¹	16	(450)	465	103%
Non-Operational and One-off Items				
PSAK 72 & 73 ²	(218)	(244)	26	-11%
Unrealized Forex	193	(513)	706	138%
Gain on bond buyback ³	1,158	-	1,158	
NPAT	1,150	(1,206)	2,355	195%

¹ Underlying NPAT includes interest, tax, depreciation, minority interest, and the rental expense equivalent component from the PSAK 73 leasing calculation

² PSAK 73 adjustment only includes the non-cash component of PSAK 73 leasing calculation (i.e., net of the rental equivalent)

³ Gain on bond buyback of IDR 1,158bn consist of net gain on senior notes redemption of IDR 918bn, plus gain on FX of IDR 240bn

Notably, 2Q23 marked the first quarter since 1Q19 where the Company achieved positive NPAT performance without any one-off events impacting the results. Management believes this trend is likely to sustain, driven by improved performance across all business segments.

Exhibit 2: LPKR P&L Highlights (2Q23 vs 1Q23)

(In IDR bn)	2Q23	1Q23	Var QoQ	%QoQ
Revenue	4,261	3,815	446	12%
Gross Profit	1,896	1,650	245	15%
Opex	(803)	(774)	(29)	4%
EBITDA	1,093	877	217	25%
Underlying NPAT ¹	147	(131)	278	212%
Non-Operational and One-off Items				
PSAK 72 & 73 ²	(123)	(94)	(29)	31%
Unrealized Forex	38	155	(118)	-76%
Gain on bond buyback ³	(50)	1,208	(1,257)	-104%
NPAT	12	1,138	(1,126)	-99%

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² PSAK 73 adjustment only includes the non-cash component of PSAK 73 leasing calculation (i.e., net of the rental equivalent)

³ Gain on bond buyback of IDR 1,158bn consist of net gain on senior notes redemption of IDR 918bn, plus gain on FX of IDR 240bn

Along with the improvement in business operations, the Company's cash from operating activities resulted in positive IDR 157bn, a significant turnaround from -IDR 834bn in 1H22. This was mainly driven by improved business operations and customer collections. Net investing cash flows of -IDR 479bn in 1H23 were mainly from Siloam's acquisition of medical systems to support future growth. On financing activities, the Company has completed tender offers for its 2025 and 2026 bonds, which it has refinanced with a syndicated loan of IDR 5.25tn. Overall, ending cash in 1H23 remained healthy at IDR 2.1tn, with holdco cash also stable at IDR 1.1tn.

Exhibit 3: LPKR Cash Flow Highlights (1H23 vs 1H22)

(In IDR bn)	1H23	1H22	Var YoY	%YoY
Cash at beginning	2,626	4,888	(2,263)	-46%
Cash from operating activities	157	(834)	991	119%
Business operations	131	(164)	295	180%
Placement for restricted funds	26	(670)	696	104%
Cash from investing activities	(479)	(709)	230	-32%
Investment and property	(495)	(406)	(90)	22%
Acquisition, divestment, and dividend receipt	17	(303)	320	105%
Cash from financing activities	(216)	(226)	10	-5%
Forex impact	(2)	4	(6)	-160%
Cash at end	2,086	3,124	(1,037)	-33%

Real Estate: Delivers on marketing sales target, reaching 50.6% of FY23 guidance in 1H23; handovers for previous launches remain on track

Real Estate's 1H23 revenue improved by 17% YoY to IDR 2.2tn with 2Q23 revenue also improved significantly by 52% QoQ, mainly driven by timely project handovers, including Cendana Parc North, Cendana Parc, Cendana Icon Premier, The Hive Parc, The Hive Himalaya, Brava Himalaya, HVDHC Manado, Waterfront Estates in Lippo Cikarang and residential projects in Tanjung Bunga, Makassar. Moreover, the strong increase in revenue was boosted by several land plot sales including in Manyar and Kemang, and big-ticket sales of cemetery plot in SDH.

Exhibit 4: Real Estate P&L Highlights (1H23 vs 1H22)

(In IDR bn)	1H23	1H22	Var YoY	%YoY
Revenue	2,184	1,870	314	17%
Gross Profit	978	911	67	7%
Opex	(504)	(528)	24	-4%
EBITDA	474	383	91	24%

Exhibit 5: Real Estate P&L Highlights (2Q23 vs 1Q23)

(In IDR bn)	2Q23	1Q23	Var QoQ	%QoQ
Revenue	1,319	865	453	52%
Gross Profit	606	372	235	63%
Opex	(277)	(227)	(51)	22%
EBITDA	329	145	184	127%

In terms of marketing sales performance, LPKR has secured 50.6% of FY23 target, or equivalent to IDR 2.48tn. Residential sales remain the major contributor to overall marketing sales in 1H23, supported by several product launches including Cendana Gard'n Vista, Cendana Arbory, Newville SOHO (Alpha, Gamma, Zeta) in 1Q23, and The Colony, Cendana Gard'n, and Newville SOHO (Epsilon) and blocks (Epsilon, Zeta) in 2Q23, with sales of previously launched products also picking up pace.

By location, Lippo Village and Lippo Cikarang remained the largest contributor to 1H23 marketing sales with contributions of 41% and 25% respectively. In Lippo Village, the Cendana Homes series contributed 75% of 1H23 marketing sales, comprising major projects such as Cendana Essence, Cendana Arbory, Cendana Botanic, and Cendana Gard'n Vista. The consistently strong sales achievement of Cendana Homes series was also supported by the opening of show units, particularly for Cendana Essence and Cendana Botanic. While in Lippo Cikarang, marketing sales were driven by residential sales such as Cendana Spark, Newville and Waterfront Uptown Estate with total contribution of 64%, followed by industrial product sales with contributions of 30%.

Healthcare: Siloam sustains growth in revenue and profitability due to strong operational performance

The Company's healthcare business is anchored by the LPKR subsidiary, PT Siloam International Hospitals Tbk ("Siloam"). Siloam successfully maintained its growth momentum by booking IDR 2.6tn in revenue and IDR 681bn in EBITDA in 2Q23, beating seasonality factors associated with the Lebaran period.

Exhibit 6: Healthcare P&L Highlights (2Q23 vs 1Q23)

(In IDR bn)	2Q23	1Q23	Var QoQ	%QoQ
Revenue	2,628	2,654	(26)	-1%
Gross Profit	1,067	1,083	(16)	-1%
Opex	(385)	(410)	24	-6%
EBITDA	681	673	8	1%

With the exceptional financial achievements both in 1Q23 and 2Q23, Siloam recorded a significant YoY increase in revenue and EBITDA in 1H23, including revenue increase of 20% YoY to IDR 5.3tn and 48% YoY increase in EBITDA to IDR 1.4tn. These achievements were driven by the robust

recovery of base case revenue, increased volume of complex surgeries, improvements of payor mix, and enhanced adoption of digital patient channels.

Exhibit 7: Healthcare P&L Highlights (1H23 vs 1H22)

(In IDR bn)	1H23	1H22	Var YoY	%YoY
Revenue	5,282	4,410	872	20%
Gross Profit	2,150	1,644	505	31%
Opex	(795)	(729)	(66)	9%
EBITDA	1,355	916	439	48%

In terms of operational performance, Siloam booked an upward trajectory in its operational key metrics, including 34% YoY increase of inpatient admissions to 142,961, 23% YoY increase in inpatient days to 451,528, and 30% YoY increase in outpatient visits to 1,835,666.

Exhibit 8: Healthcare Operational Metrics Highlights

Key operational metrics	1H23	1H22	%YoY	2Q23	1Q23	%QoQ
Inpatient Admissions	142,961	106,939	34%	71,645	71,316	0.5%
Inpatient Days	451,528	367,928	23%	226,204	225,324	0.4%
Outpatient Visits	1,835,666	1,412,875	30%	910,407	932,673	-2.4%

Patient volume growth was also boosted by Siloam's high-value Centers of Excellence for Oncology, Cardiology, Neurology, and Urology, which have created strong brand differentiation for Siloam Hospitals; as well as Siloam's digital patient channels that have provided more seamless and comfortable patient experience. As of 1H23, Siloam's digital channels, which include Live Chats, WhatsApp, and tele-chat features from MySiloam App have shown significant growth and recorded more than 300 thousand outpatient bookings or contributed about 19% of total outpatient visits in 1H23.

Lifestyle: Strong growth led by successful recovery of mall and hotel businesses

The Company's lifestyle segment primarily consists of its mall and hotel businesses. The lifestyle segment continues to benefit from post-COVID recovery, with 14% YoY increase in revenue to IDR 610bn in 1H23. Gross profit also increased by 11% YoY to IDR 419bn. EBITDA improved by 20% YoY to IDR 142bn. The good result from the Lifestyle segment was also supported by the Lebaran and summer holiday season in 2Q23.

Exhibit 9: Lifestyle P&L Highlights (1H23 vs 1H22)

(In IDR bn)	1H23	1H22	Var YoY	%YoY
Revenue	610	533	77	14%
Gross Profit	419	378	41	11%
Opex	(277)	(260)	(18)	7%
EBITDA	142	118	23	20%

Exhibit 10: Lifestyle P&L Highlights (2Q23 vs 1Q23)

(In IDR bn)	2Q23	1Q23	Var QoQ	%QoQ
Revenue	314	296	19	6%
Gross Profit	223	196	27	14%
Opex	(140)	(138)	(2)	2%
EBITDA	83	59	24	42%

Both the mall and hotel businesses have shown significant improvements in their operational performance in 1H23 compared to 1H22, a sign of strong post-pandemic recovery. The average hotel room rate in 1H23 increased by 14% YoY to IDR 561,023, while the average occupancy rate increased by 6% YoY to 64% in 1H23. The average mall's footfall traffic also increased by 13% YoY to 69% in 1H23.

Exhibit 11: Lifestyle Operational Highlights

Key operational metrics	1H23	1H22	%YoY	2Q23	1Q23	%QoQ
Hotels						
Average room rate (in IDR)	561,023	492,001	14%	564,916	556,924	1%
Average occupancy rate	64%	61%	6%	66%	63%	4%
Malls						
Average footfall traffic ¹	69%	61%	13%	74%	64%	15%

¹ Average malls traffic is calculated based on % to average 2019 visitors of LMIRT malls, which represent overall malls portfolio

Recent Events

- On 28 June 2023, the Company and Siloam signed a Conditional Sale and Purchase Agreement of 7,135 m2 land plot in Jl Pangeran Antasari, South Jakarta, with a value of IDR 307bn. This strategic land plot sale is to support Siloam's expansion plan in Jakarta.
- On 8 July 2023, the Company launched URBNx, a mid-rise apartment product located in Lippo Village, with a take-up rate of 92%. URBNx offers a loft apartment concept to target younger home-owners with modern lifestyles.

CEO of LPKR, John Riady stated, "We are pleased to present our 1H23 financial results, which reflects the successful outcome of our turnaround efforts. Notably, in 2Q23, we achieved a positive NPAT without any one-off events impacting the result. This milestone demonstrates the improved fundamental performance of our business units. We expect this positive trend to continue going forward. Entering 3Q23, we remain committed to offering new products that tap into various pockets of demand, while maintaining the timeliness of our product delivery and sustaining the strong growth of our healthcare and lifestyle businesses."

About Lippo Karawaci ("LPKR") (www.lippokarawaci.co.id)

Listed on the Indonesia Stock Exchange, Lippo Karawaci ("LPKR") is Indonesia's leading real estate and healthcare platform, with a presence in 26 provinces and 56 cities across Indonesia and total assets of USD 3.2 billion as of 31 December 2022. Our core business comprises real estate development, township management, healthcare, lifestyle malls and hospitality.

As a leading real estate developer and township operator with 1,407 ha of landbank ready for development, LPKR develops and manages urban developments primarily in Java and Sulawesi, including at our flagship township Lippo Village in Tangerang. Through LPKR's two publicly listed subsidiaries, PT Lippo Cikarang Tbk and PT Gowa Makassar Tourism Development Tbk, of which we own 83.99% and 62.69% respectively, we also develop and manage the townships of Lippo Cikarang in Bekasi and Tanjung Bunga in Makassar.

In addition, LPKR owns 58.07% of PT Siloam International Hospitals Tbk, Indonesia's leading private hospital network, with 41 hospitals and 66 clinics in 23 provinces nationwide. Aside from healthcare, we manage 59 malls across Indonesia, and hold a 47.29% stake in Lippo Malls Indonesia Retail Trust, a

Singapore-listed REIT with SGD 1.7 billion of assets under management as of 31 December 2022. We also operate 10 hotels under the Aryaduta brand, and a country club and golf course.

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Certain statements in this release are or may be forward- looking statements. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature, forward-looking statements involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this release.