

Lippo Malls Indonesia Retail Trust

2Q 2019 Results Presentation

1 August 2019



Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These forward-looking statements reflect our current views with respect to future events and financial performance and are subject to certain risks and uncertainties, which could cause actual results to differ materially from historical results or those anticipated.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in the Indonesian retail industry including those factors which may affect our ability to attract and retain suitable tenants, our ability to manage our operations, reduced demand for retail spaces, our ability to successfully complete and integrate potential acquisitions, liability for damages on our property portfolios, the success of the retail malls and retail spaces we currently own, withdrawal of tax incentives, political instability, and legal restrictions on raising capital or acquiring real property in Indonesia. In addition to the foregoing factors, a description of certain other risks and uncertainties which could cause actual results to differ materially can be found in the section captioned "Risk Factors" in our preliminary prospectus lodged with the Monetary Authority of Singapore on 19 October 2007. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained.

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**Financial
Highlights**

Portfolio Performance

Looking Ahead

Key Highlights

S\$'000	2Q 2019	2Q 2018	YoY % Change	1Q 2019	QoQ % Change
Gross Rental Income (GRI)	38,997	41,380	(5.8)	37,427	4.2
Total Gross Revenue¹	68,268	52,650	29.7	65,912	3.6
Net Property Income (NPI)	43,974	43,153	1.9	40,513	8.5
Distributable Income to Unitholders	17,481	16,816	4.0	16,079	8.7
DPU (Singapore cents)	0.60	0.59	1.7	0.55	9.1

YoY performance

- Total gross revenue up 29.7% on higher service and utilities recovery charges, partially offset by lower GRI on lower income from Lippo Plaza Batu and Palembang Icon due to expiry of master leases in July 2018 and lower casual leasing income in 2019
- NPI up 1.9% due to effective operating cost management initiatives and less provision for receivables in 2Q 2019
- Aided by a stable IDR to SGD

QoQ performance improved at a higher quantum due to

- Recovering IDR to SGD, disciplined cost management initiatives and steady performance from underlying portfolio

¹ Gross Revenue includes Gross Rental Income, Carpark Income, Service Charge and Utilities Recovery and Other Rental Income

Key Financial Performance

	S\$'000		% Change	Rp'million		% Change
	2Q 2019	2Q 2018		2Q 2019	2Q 2018	
Gross Rental Income	38,997	41,380	(5.8)	407,318	433,269	(6.0)
Carpark Income	4,801	5,013	(4.2)	50,155	52,516	(4.5)
Other Rental Income	772	536	44.0	8,063	5,874	37.3
Service Charge and Utilities Recovery	23,698	5,721	n.m.	247,538	59,387	n.m.
Total Gross Revenue	68,268	52,650	29.7	713,074	551,046	29.4
Property Management Fee	(2,001)	(2,105)	4.9	(20,901)	(22,045)	5.2
Property Operating and Maintenance Expenses	(20,505)	(4,150)	n.m.	(214,179)	(43,558)	n.m.
Other Property Operating Expenses	(1,788)	(3,242)	44.8	(18,690)	(33,404)	44.0
Total Property Operating Expenses	(24,294)	(9,497)	n.m.	(253,770)	(99,007)	n.m.
Net Property Income	43,974	43,153	1.9	459,304	452,039	1.6
Distributable Income to Unitholders	17,481	16,816	4.0			
Distribution Per Unit (cents) ¹	0.60	0.59	1.7			
Annualised Distribution Yield ²	9.6%					

Notes:

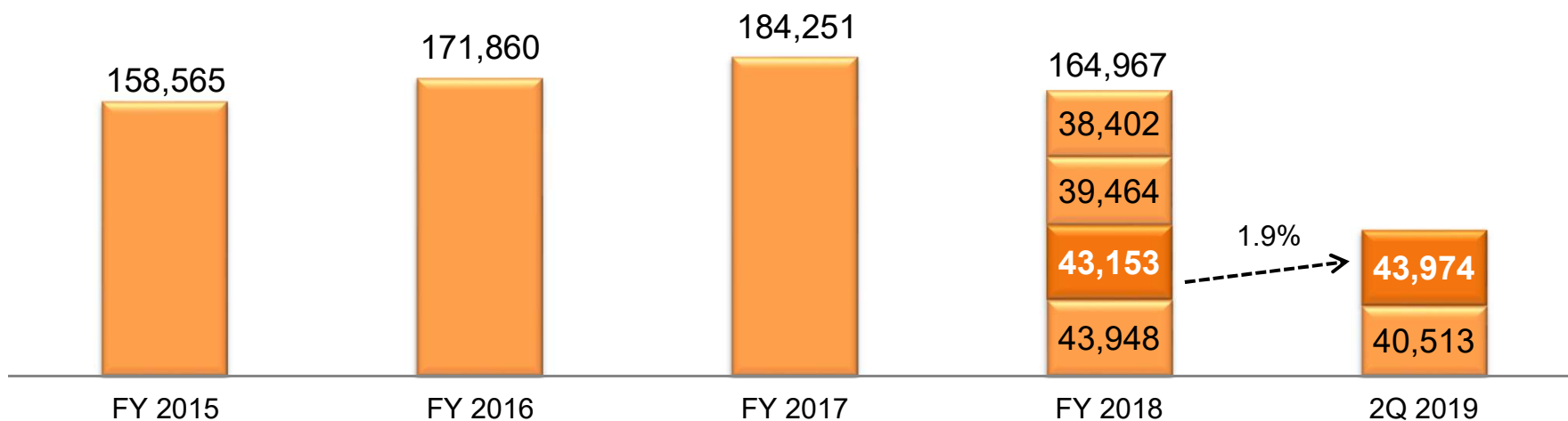
1. Based on 2.895 billion units in issue as at 30 June 2019
2. Based on a closing price of S\$0.24 as at 28 June 2019

Gross Revenue and NPI

Gross Revenue (S\$'000)

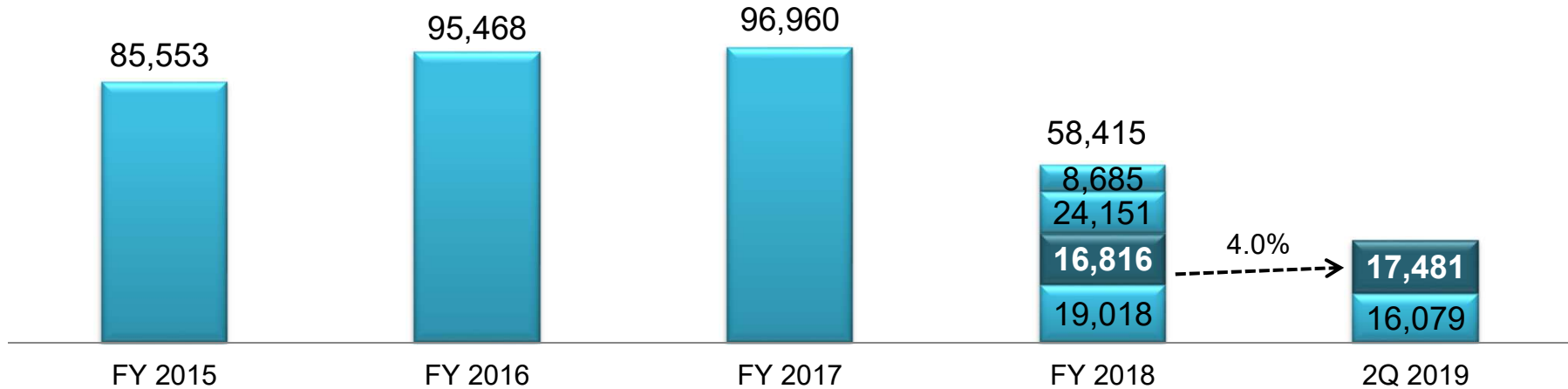


Net Property Income (S\$'000)

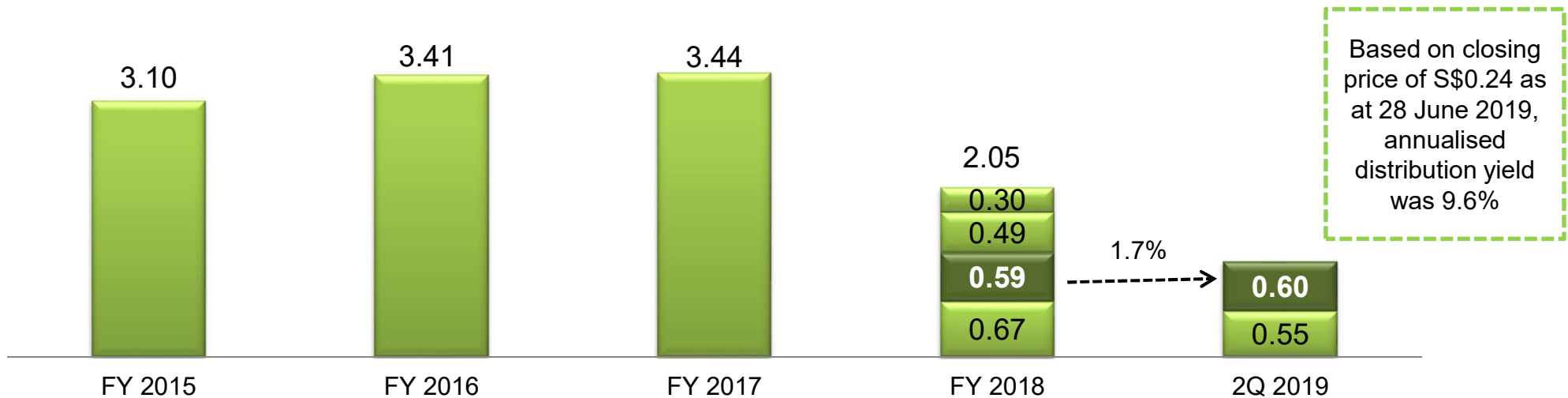


Distribution

Distributable Income to Unitholders (S\$'000)



DPU (Singapore Cents)



Balance Sheet

	30 June 2019 S\$'million	31 December 2018 S\$'million
Non Current Assets	1,882.9 ¹	1,851.0 ¹
Current Assets	172.2	115.1
Total Debt	724.4	680.0
Other Liabilities	205.2	206.9
Total Equity	1,125.5 ²	1,079.2 ²
Gearing Ratio	35.2%	34.6%
Total Units In Issue (million)	2,894.9	2,859.9
Net Asset Value (per unit) ³	29.91 cents	28.66 cents

Notes:

1. Included in the Non Current Assets are the Investment properties of S\$1,865.2 million as at 30 June 2019 and S\$1,831.6 million as at 31 December 2018. The carrying values of the properties are stated based on the independent valuation as at 31 December 2018 and adjusted for property enhancements to-date. The valuations and property enhancements figures are recorded in the financial statements in Indonesian Rupiah and translated into Singapore Dollar using the respective exchange rate as at the end of each period.
2. Total equity is represented by Unitholder's funds of Unitholder's funds of S\$865.9 million and Perpetual securities of S\$259.6 million as at 30 June 2019 and \$819.6 million and Perpetual securities of \$259.6 million as at 31 December 2018.
3. Net Asset Value (per unit) is calculated as Unitholder's funds over the units issued at the end of the period.

Distribution Details

Total DPU

0.60 cents

- Tax-Exempt

0.44 cents

- Capital

0.16 cents

Books Closure Date

13 August 2019

Tentative Distribution Payment Date: 27 August 2019



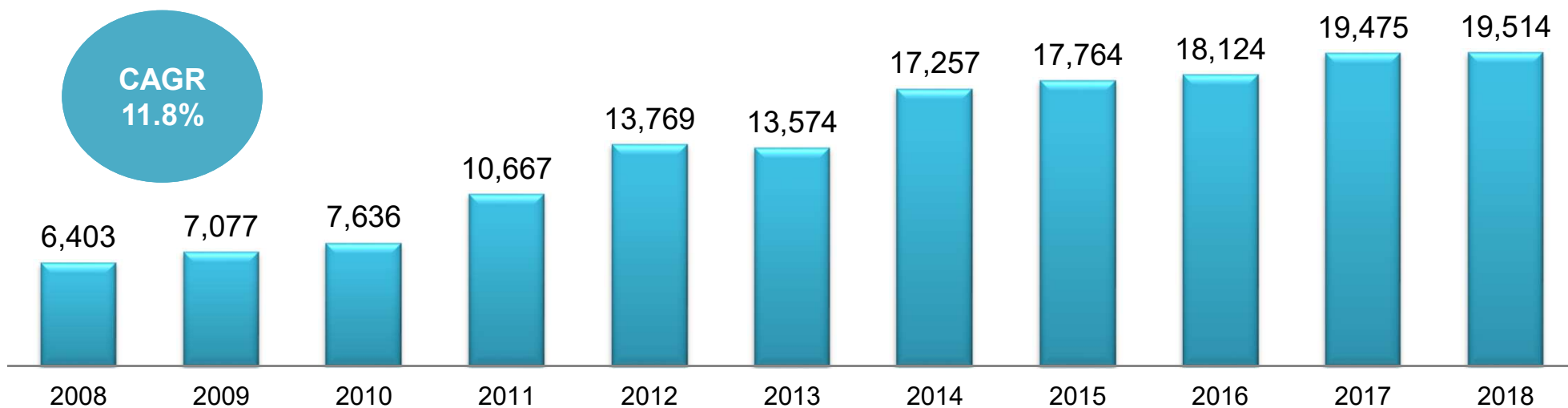
Financial Highlights

**Portfolio
Performance**

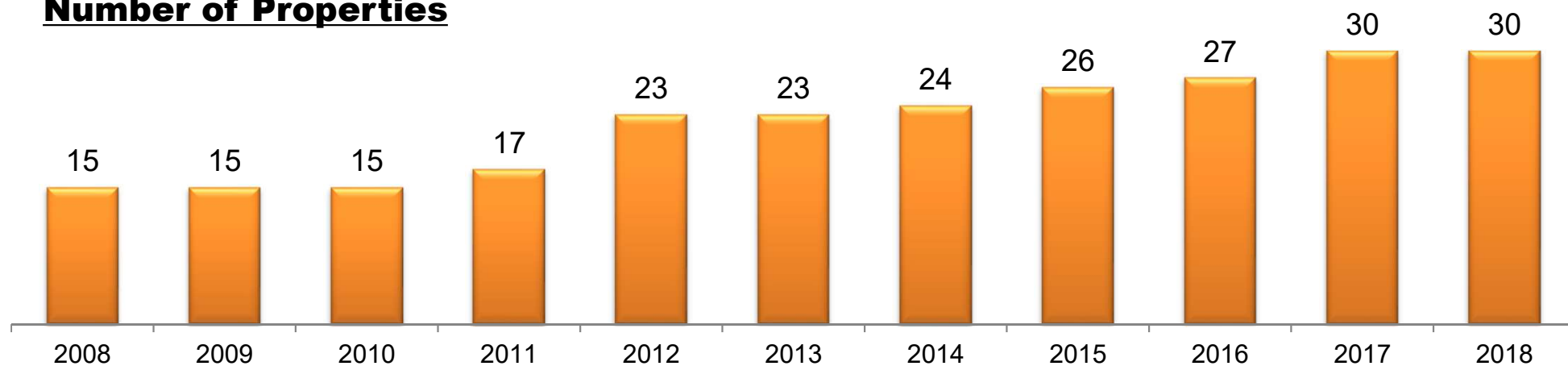
Looking Ahead

A Growing Portfolio

Portfolio Valuation (Rp'billion)



Number of Properties



Strategically Located Portfolio



Portfolio Valuation Since IPO (Rp'billion)

Property	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ¹	%
Bandung Indah Plaza	673.7	796.2	825.0	885.0	910.0	832.0	801.5	801.5	797.8	756.2	764.7	3.9
Cibubur Junction	468.3	491.1	502.0	534.0	546.0	507.0	492.5	485.3	451.2	430.9	375.0	1.9
Lippo Ekalokasari Plaza	289.2	343.5	373.0	367.0	409.0	388.0	409.0	375.8	410.3	396.8	381.7	2.0
Gajah Mada Plaza	612.1	669.2	745.0	762.0	803.0	744.0	752.8	751.4	780.9	799.0	798.9	4.1
Istana Plaza	690.7	642.8	733.0	787.0	809.0	742.0	730.7	737.6	713.0	664.2	644.2	3.3
Mal Lippo Cikarang	397.6	443.5	478.0	490.0	529.0	523.0	565.0	561.3	609.1	643.9	689.1	3.5
The Plaza Semanggi	1,052.9	1,238.5	1,367.0	1,330.0	1,454.0	1,385.0	1,342.2	1,232.2	1,173.7	1,148.8	1,069.0	5.5
Depok Town Square Units	148.9	172.4	180.3	187.0	196.2	204.1	207.1	208.1	169.7	163.0	155.5	0.8
Grand Palladium Units	151.4	162.2	177.9	178.0	187.3	192.8	188.0	173.5	156.6	118.7	99.8	0.5
Java Supermall Units	151.6	175.9	177.5	184.0	193.6	186.1	192.5	193.7	153.6	143.3	148.4	0.8
Malang Town Square Units	148.7	177.1	179.7	186.0	195.4	192.4	207.8	213.5	172.6	162.0	170.0	0.9
Mall WTC Matahari Units	146.0	169.8	176.3	177.0	173.7	175.7	169.7	165.1	146.0	124.0	113.0	0.6
Metropolis Town Square Units	193.8	226.1	237.4	238.0	249.9	271.3	256.6	230.6	186.4	163.7	140.8	0.7
Plaza Madiun Units	194.9	193.4	215.7	222.0	240.5	231.8	242.4	250.7	226.9	199.3	211.5	1.1
Sun Plaza	1,082.9	1,175.2	1,268.0	1,371.0	1,470.0	1,613.0	1,680.4	1,693.7	1,826.1	1,967.1	2,156.6	11.1
Plaza Medan Fair				1,100.4	1,115.3	1,102.0	1,140.6	1,087.1	1,083.2	1,103.0	1,008.2	5.2
Pluit Village				1,668.2	1,537.7	1,405.0	1,305.1	1,146.0	1,026.8	953.0	846.2	4.3
Lippo Plaza Kramat Jati					549.0	565.1	573.7	565.0	573.8	595.3	647.0	3.3
Palembang Square Extension					242.0	236.1	256.1	248.1	258.0	276.3	288.0	1.5
Tamini Square					236.0	247.0	236.3	242.9	243.0	269.7	276.0	1.4
Palembang Square					603.0	627.0	641.4	642.6	649.5	689.5	719.0	3.7
Pejaten Village					866.0	939.2	958.4	970.0	973.7	1,073.4	1,157.0	5.9
Binjai Supermall					253.0	264.0	266.6	263.9	266.9	282.1	302.0	1.5
Lippo Mall Kemang							3,640.6	3,477.9	3,235.0	3,193.0	3,143.1	16.1
Lippo Plaza Batu								272.0	260.7	274.1	251.0	1.3
Palembang Icon								774.7	774.9	770.0	770.0	3.9
Lippo Mall Kuta									805.0	835.7	836.1	4.3
Lippo Plaza Kendari										316.0	354.8	1.8
Lippo Plaza Jogja										599.3	601.3	3.1
Kediri Town Square										363.7	396.2	2.0
Grand Total	6,402.7	7,076.9	7,635.8	10,666.6	13,768.6	13,573.7	17,257.3	17,764.3	18,124.4	19,475.4	19,514.1	100.0

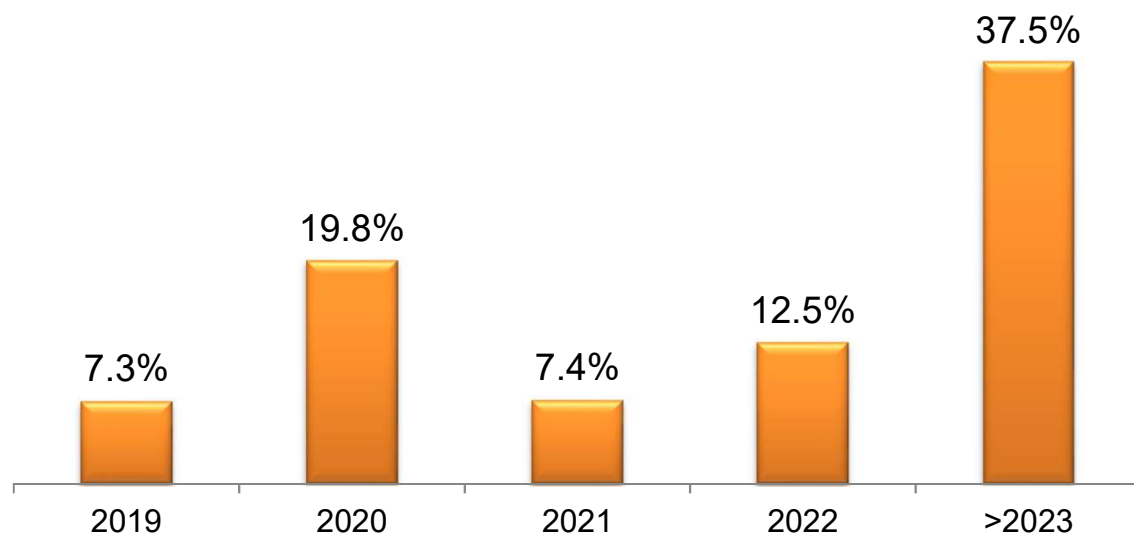
¹Based on valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd, Cushman & Wakefield VHS Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, KJPP Rengganis, Hamid dan Rekan (in association with CBRE) and KJPP Wilson & Rekan (in association with Knight Frank) as at 31 December 2018

Occupancy Rate and Lease Profile

High Occupancy Rate



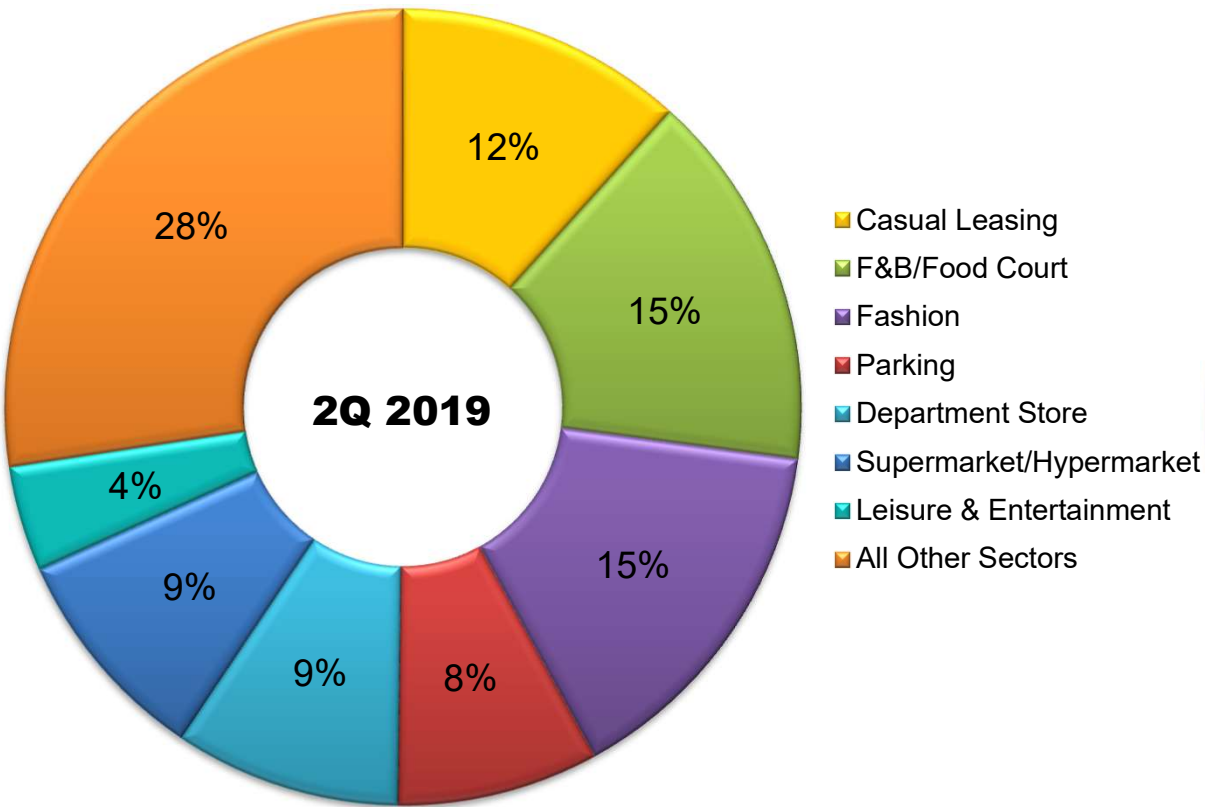
Long Lease Profile



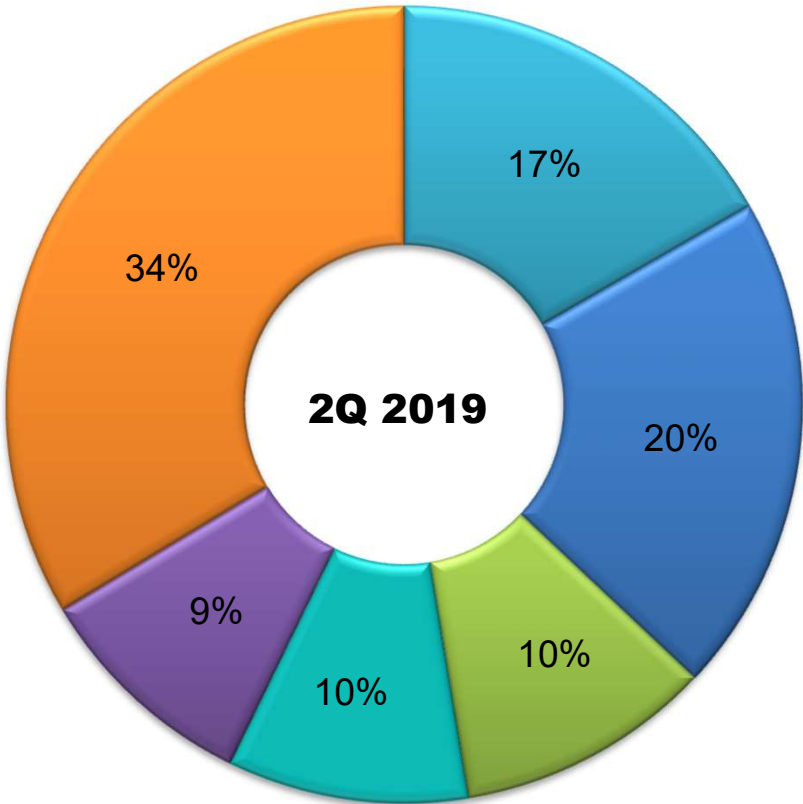
- Weighted Average Lease Expiry (by NLA) as at 30 June 2019: **4.31 years**
- Balanced mix of long-term anchor leases and shorter-term leases for non-anchor tenants provide both stability and growth potential
- Average rental reversion YTD June: **4.4%**

Diversified Quality Tenants

Trade Sector Breakdown by Gross Revenue*



Trade Sector Breakdown by Net Lettable Area

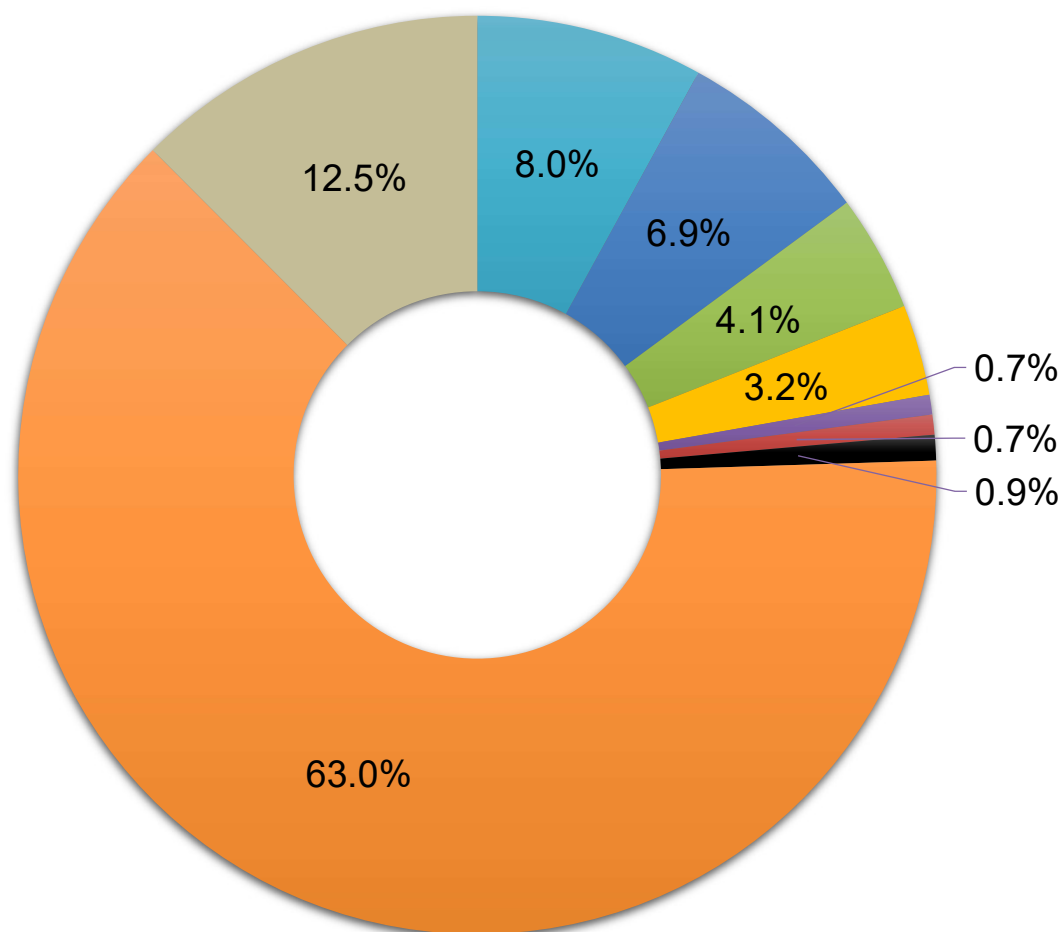


* Exclude other rental income and utilities recovery

Diversified Tenant Mix

Contribution of Tenants to Gross Revenue

- No single party contributes more than 10% of gross revenue



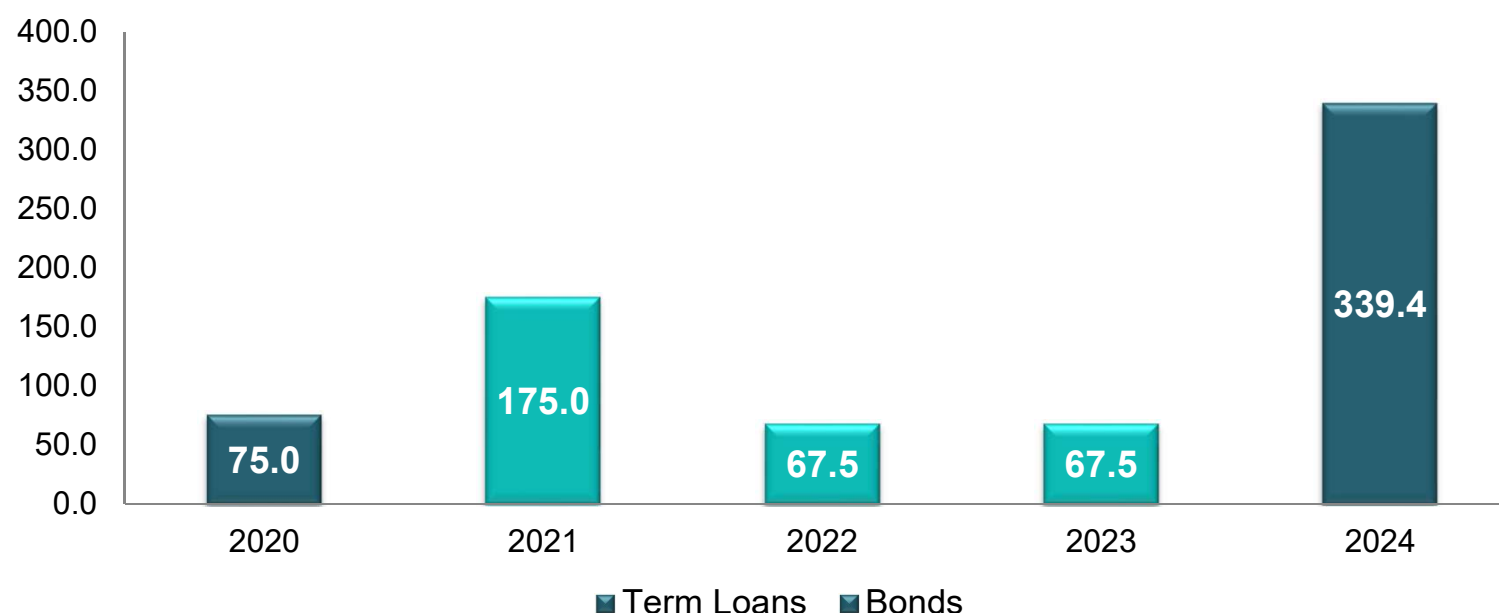
- LK Master Leases
- Matahari
- Hypermart
- Sky Parking
- Cinemaxx
- Timezone
- Other Related-Party Tenants
- Non-Related Party Tenants
- Utilities Income

- For YTD June 2019, revenue from related-party tenants, including Lippo Karawaci, Matahari, Hypermart, Cinemaxx etc accounted for 24.5% but none accounted for more than 10%
- Non-related party tenants comprising international and local brands accounted for 63.0%

Debt Maturity Profile

Total Debt	Gearing	Interest Cover (Excluding Perpetuals)	Fixed Rate Debt Ratio	Weighted Ave. Maturity of Debt	All-in cost (Excluding Perpetuals)	All-in cost (Including Perpetuals)
S\$724.4 m	35.2%	4.9 times	100%	3.7 years	6.28%	6.42%

As at 30 June 2019



All existing debt facilities are on unsecured basis

Notes:

1. S\$75 million 4.10% bond due 22 June 2020
2. S\$175 million 3.15% + SOR term loan due 25 August 2021
3. S\$67.5 million 3.05% + SOR term loan due 9 November 2022
4. S\$67.5 million 3.25% + SOR term loan due 9 November 2023
5. US\$250 million 7.25% bond, swapped to SGD at 6.71% due 19 June 2024

Perpetual: S\$140 million 7.0% Subordinated Perpetual Securities was issued on 27 September 2016

Perpetual: S\$120 million 6.6% Subordinated Perpetual Securities was issued on 19 June 2017

US\$250 million 5-Year Guaranteed Senior Notes

Description

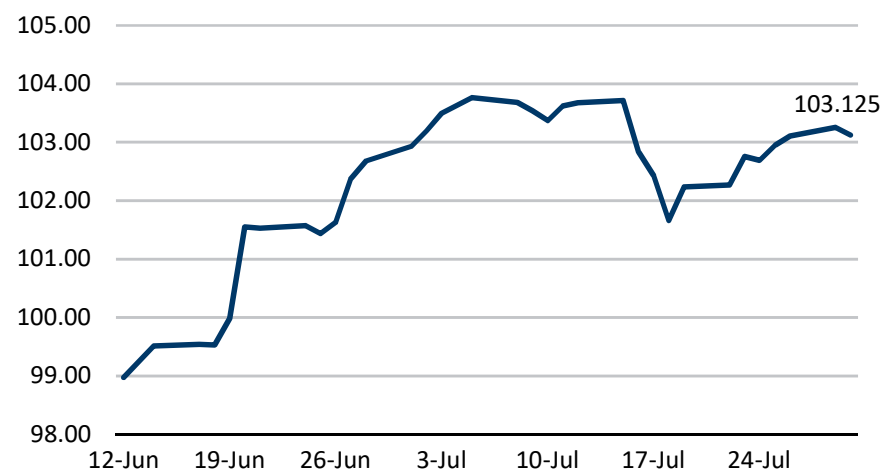
Issuer	LMIRT Capital Pte Ltd (wholly-owned subsidiary of LMIR Trust)
Bond Size⁽¹⁾	US\$250,000,000 Guaranteed Senior Notes
Tenure	5 Years (June 2019 to June 2024)
Issue Price	US\$98.973
Coupon Rate⁽¹⁾	7.25% per annum payable semi-annually in arrears

Note:

(1) Swap transactions have been entered into to swap the USD Notes and the corresponding interest coupon payments into SGD obligations with a fixed interest rate of approximately 6.71% per annum (as opposed to 7.25% per annum) payable semi-annually in arrears.


Trading Performance Post-Issuance

Bid Price



YTM (%)





Portfolio Overview
Financial Highlights
Looking Ahead

Proposed AEI: Gajah Mada Plaza



Asset Enhancement

- Capitalise on its close proximity to upcoming Sawah Besar MRT (expected completion in 2024)
- Refresh building facade, interior, rezoning & re-layout to a single-corridor mall
- Maximise mall's iconic features such as pet shops, swimming pool, function hall, jewellery store
- Convert anchor tenant areas into higher paying specialty units
- Increase Main Atrium area to accommodate activities such as Launching Product Events or Automotive Exhibitions



Proposed AEI: Gajah Mada Plaza

Current lobby and corridor at ground floor



Lobby after AEI

Fluid design with circular pendant accent to modernize and soften the rigid structure



Corridor after AEI

Flat gypsum ceiling and cove with LED strip light



Artist's Impression

Proposed AEI: Gajah Mada Plaza

Current mall atrium and ceiling



Atrium after AEI

Simple design with lighting accent, covered with texture paint and High Pressure Laminate (HPL) finish



Ceiling after AEI

Flat gypsum with partial skylight on the sides, with cove LED lighting and HPL accent



Artist's Impression

Proposed AEI: Gajah Mada Plaza

*Current mall
Facade*



New mall Façade Artist's Impression



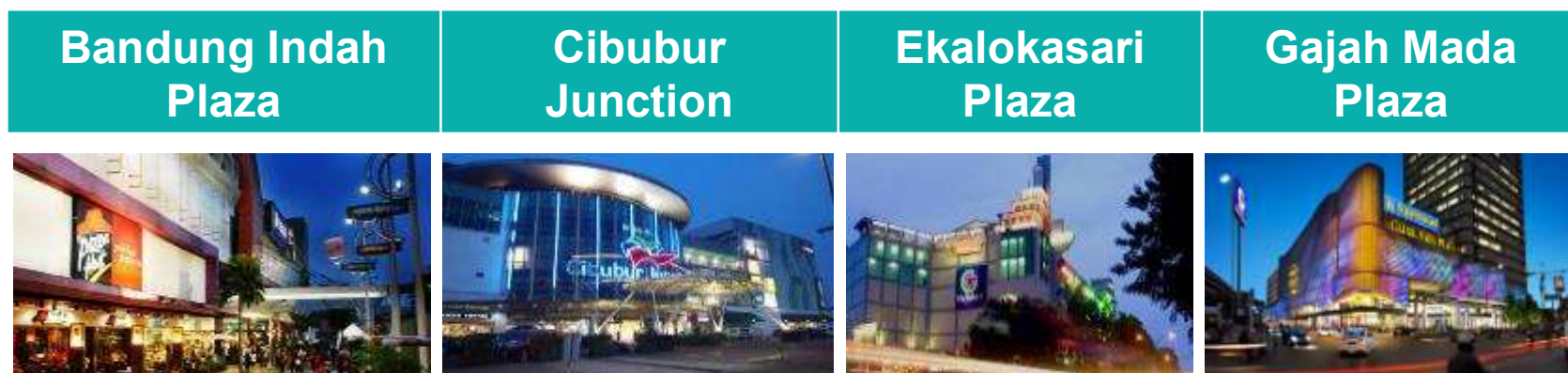


Thank You



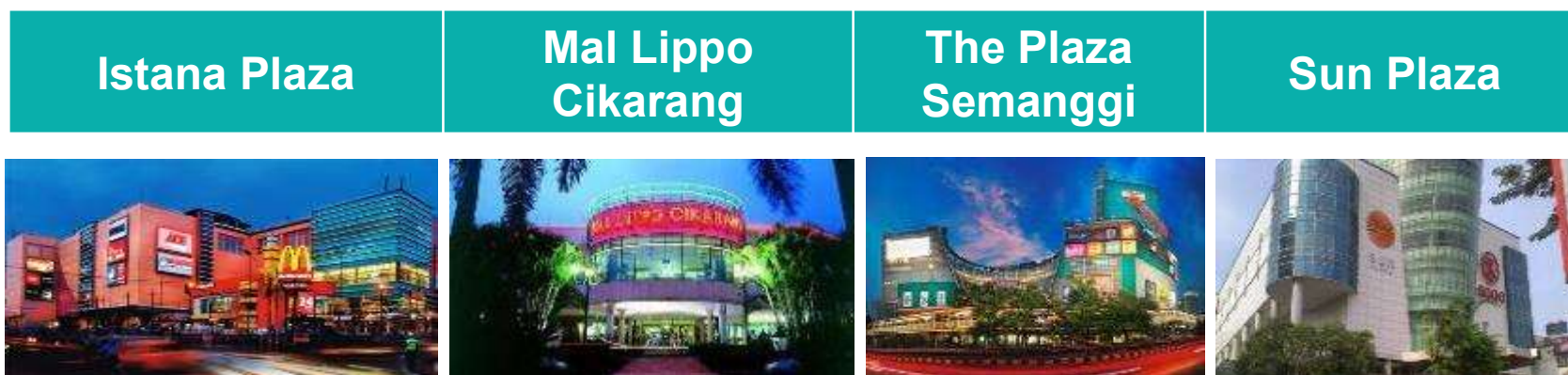
Appendix

Property Overview: Retail Malls



Valuation	Rp 764.7 billion	Rp 375.0 billion	Rp 381.7 billion	Rp 798.9 billion
Location	Jalan Merdeka, Bandung, West Java	Jalan Jambore, Cibubur, East Jakarta	Jalan Siliwangi 123, Bogor, West Java	Jalan Gajah Mada, Central Jakarta
GFA	75,868 sqm	66,071 sqm	58,859 sqm	66,160 sqm
NLA	30,288 sqm	34,100 sqm	28,212 sqm	36,535 sqm
Occupancy rate	98.3%	98.0%	91.5%	73.8%
Number of Tenants	245	155	98	158

Property Overview: Retail Malls



Valuation	Rp 644.2 billion	Rp 689.1 billion	Rp 1,069.0 billion	Rp 2,156.6 billion
Location	Jalan Pasir Kaliki, Bandung, West Java	Jalan MH Thamrin, Lippo Cikarang, West Java	Jalan Jenderal Sudirman, South Jakarta	Jalan Haji Zainul Arifin Medan, North Sumatera
GFA	46,809 sqm	39,293 sqm	155,122 sqm	107,373 sqm
NLA	27,471 sqm	29,926 sqm	60,084 sqm	69,541 sqm
Occupancy rate	93.0%	94.9%	81.5%	96.8%
Number of Tenants	181	125	419	379

Property Overview: Retail Malls

	Plaza Medan Fair	Pluit Village	Lippo Plaza Kramat Jati	Palembang Square Extension
				
Valuation	Rp 1,008.2 billion	Rp 846.2 billion	Rp 647.0 billion	Rp 288.0 billion
Location	Jalan Jenderal Gatot Subroto No.30, Medan Petisah, Medan, North Sumatera	Jalan Pluit Indah Raya, Penjaringan, North Jakarta	Jalan Raya Bogor Km 19, Kramat Jati, East Jakarta	Jalan Angkatan 45/POM IX, Palembang, South Sumatera
GFA	138,767 sqm	134,576 sqm	67,285 sqm	22,527 sqm
NLA	67,258 sqm	87,394 sqm	32,908 sqm	18,093 sqm
Occupancy rate	99.3%	94.4%	96.1%	96.0%
Number of Tenants	469	273	112	32

Property Overview: Retail Malls



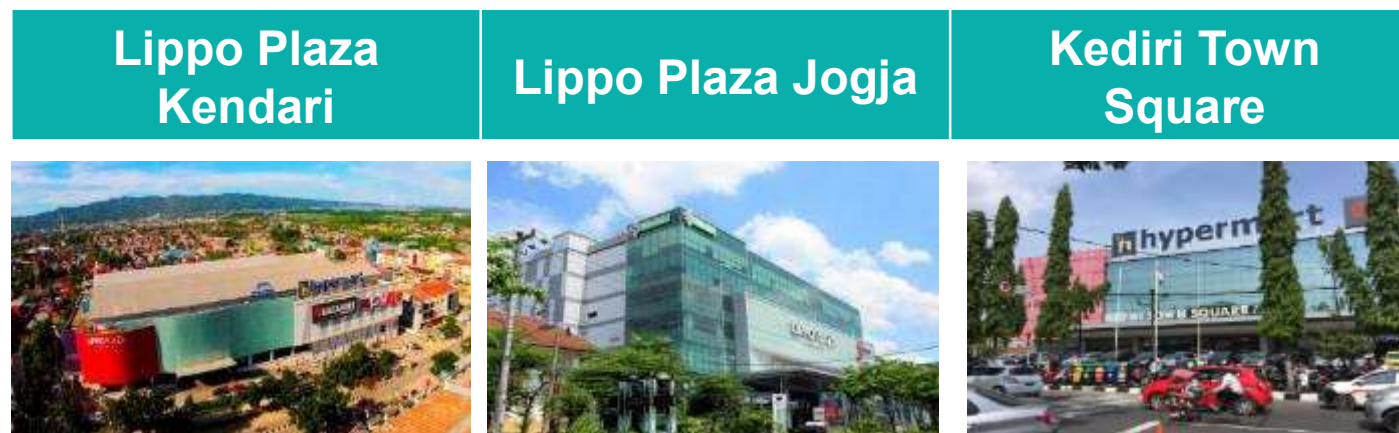
Valuation	Rp 276.0 billion	Rp 719.0 billion	Rp 1,157.0 billion	Rp 302.0 billion
Location	Jalan Raya Taman Mini, East Jakarta	Jalan Angkatan 45/POM IX, Palembang, South Sumatera	Jalan Warung Jati Barat, South Jakarta	Jalan Soekarno, Hatta No.14, Binjai, North Sumatera
GFA	18,963 sqm	46,546 sqm	89,157 sqm	28,760 sqm
NLA	17,475 sqm	30,513 sqm	42,184 sqm	23,430 sqm
Occupancy rate	97.8%	97.2%	99.9%	98.8%
Number of Tenants	12	131	160	117

Property Overview: Retail Malls



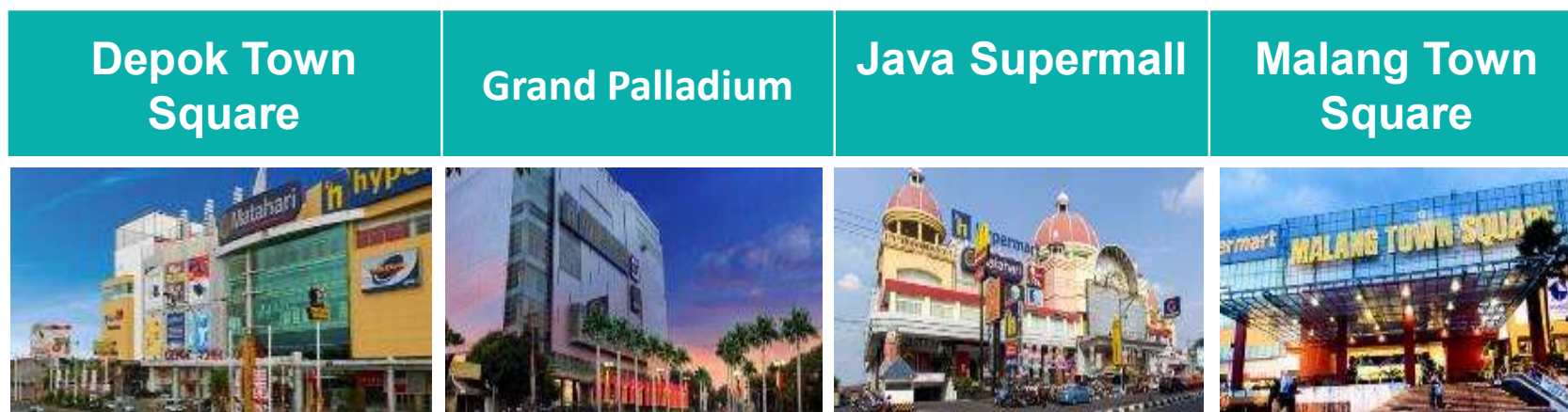
Valuation	Rp 3,143.1 billion	Rp 251.0 billion	Rp 770.0 billion	Rp 836.1 billion
Location	Jalan Kemang VI, South Jakarta	Jalan Diponegoro No. RT 07RW05, Batu City, East Java	Jalan POM IX, Palembang, South Sumatera	Jalan Kartika Plaza, District of Kuta, Badung, Bali
GFA	150,932 sqm	34,586 sqm	42,361 sqm	36,312 sqm
NLA	58,490 sqm	17,673 sqm	36,348 sqm	20,350 sqm
Occupancy rate	93.6%	91.3%	96.2%	93.2%
Number of Tenants	186	48	170	64

Property Overview: Retail Malls



Valuation	Rp 354.8 billion	Rp 601.3 billion	Rp 396.2 billion
Location	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi	Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java
GFA	34,831 sqm	66,098 sqm	28,688 sqm
NLA	20,184 sqm	21,452 sqm	16,848 sqm
Occupancy rate	99.4%	98.2%	99.3%
Number of Tenants	38	39	53

Property Overview: Retail Spaces



Valuation	Rp 155.5 billion	Rp 99.8 billion	Rp 148.4 billion	Rp 170.0 billion
Location	Jalan Margonda Raya, Depok, West Java	Jalan Kapt, Maulana Lubis, Medan, North Sumatera	Jalan MT Haryono, Semarang, Central Java	Jalan Veteran, Malang, East Java
GFA	13,045 sqm	13,417 sqm	11,082 sqm	11,065 sqm
NLA	12,490 sqm	12,305 sqm	11,082 sqm	11,065 sqm
Occupancy rate	100.0%	4.3%	100.0%	100.0%
Number of Tenants	4	1	2	3

Property Overview: Retail Spaces

Mall WTC Matahari



Metropolis Town Square



Plaza Madiun



Valuation	Rp 113.0 billion	Rp 140.8 billion	Rp 211.5 billion
Location	Jalan Raya Serpong, Tangerang, Banten Greater Jakarta	Jalan Hartono Raya, Tangerang, Banten Great Jakarta	Jalan Pahlawan, Madiun, East Java
GFA	11,184 sqm	15,248 sqm	19,029 sqm
NLA	10,753 sqm	14,861 sqm	11,436 sqm
Occupancy rate	100.0%	66.2%	99.1%
Number of Tenants	3	3	17

Favourable Indonesian Retail Outlook

Strong Middle-Income Growth

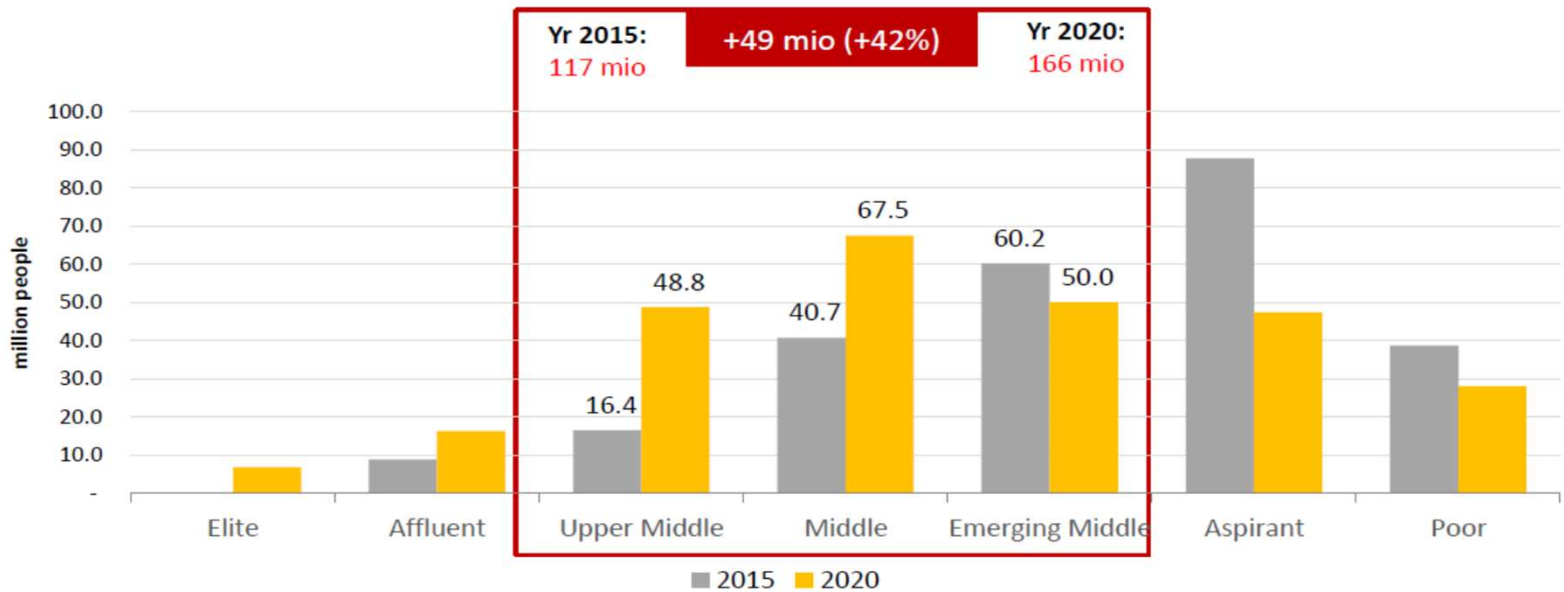
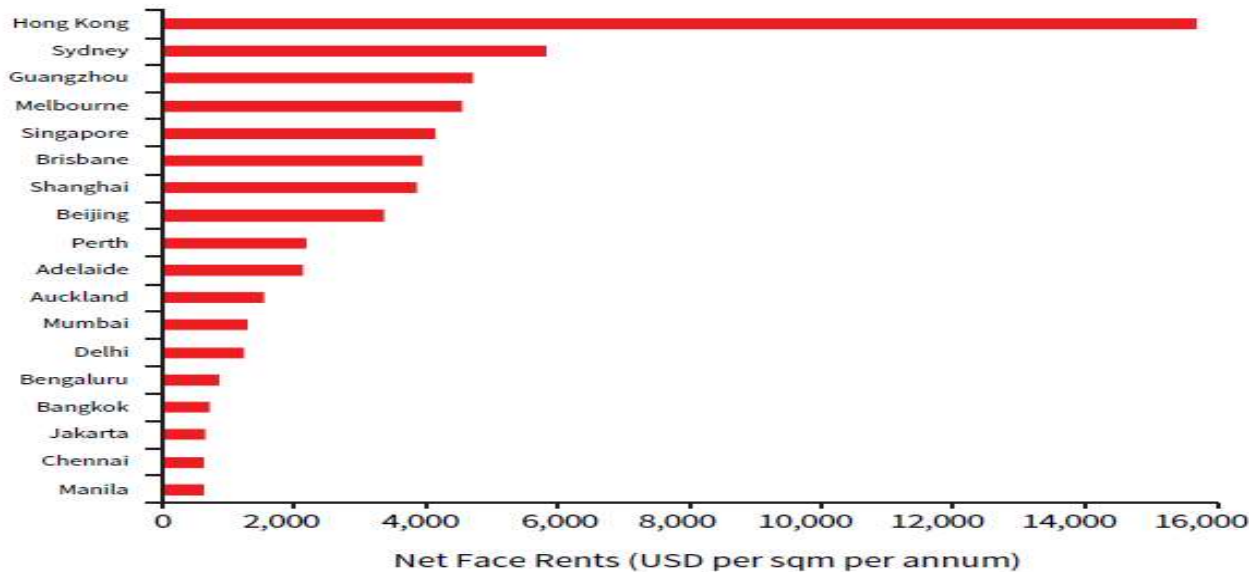


Figure 1: Asia Pacific Shopping Centre Rents, 4Q18



Potential for rents to catch-up to that of other markets in the long term

Trust Structure

