

INVESTOR RELEASE

FOR IMMEDIATE RELEASE

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LPKR achieves 7.3% QoQ revenue growth in 3Q22 to IDR 3.7tn with strong recovery in healthcare and lifestyle business

- Real estate revenue and gross profit decreased by 8.6% and 24.5% QoQ to IDR 920bn and IDR 375bn respectively, due to timing differences in product mix handover. In 4Q22, we expect revenue and margins to be boosted by handover of the Cendana Parc project.
- 9M22 Marketing Sales of IDR 3.5tn represents 9.3% YoY decline; 3Q22 Marketing Sales of IDR 1tn represents 33.0% YoY decline. Still projecting positive FY22 YoY growth.
- Healthcare revenue continued to improve in 3Q22 with 15.2% QoQ increase to IDR 2.5tn supported by the growth of private payer mix and high value clinical programs.
- Lifestyle revenue increased by 1.7% QoQ to IDR 289bn, reflecting continued recovery of malls and hotels.

JAKARTA – PT Lippo Karawaci Tbk ("**LPKR**" or "**Company**"), Indonesia's leading real estate and healthcare platform based on total assets and revenue, today released its unaudited financial statements for the first nine months of 2022. In 3Q22, the Company achieved revenue growth of 7.3% QoQ to IDR 3.7tn. Gross profit and EBITDA also increased by 8.3% QoQ to IDR 1.6tn, and 3.8% QoQ to IDR 704bn respectively. The increase was driven by the continued business performance of the healthcare and lifestyle segments. NPAT decreased by 12.9% QoQ to -IDR 720bn mainly due to higher tax and other expenses.

Exhibit 1: LPKR P&L Highlights (3Q22 vs 2Q22)

(In IDR bn)	3Q22	2Q22	Var QoQ	%QoQ
Revenue	3,730	3,478	252	7.3%
Gross Profit	1,625	1,500	125	8.3%
Opex	(921)	(822)	(99)	12.1%
EBITDA	704	678	26	3.8%
Underlying NPAT*	(318)	(166)	(153)	-92.0%
Other non-cash expenses:				
PSAK 72 & 73**	(123)	(127)	5	-3.7%
Unrealized forex loss	(279)	(344)	65	-19.0%
NPAT	(720)	(638)	(82)	-12.9%

* Underlying NPAT include interest, tax, depreciation and the rental expense equivalent component from the PSAK 73 leasing calculation

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

The Company reported a 7.0% YoY decrease in 9M22 revenue to IDR 10.5tn compared to Normalized 9M21 due to comparatively lower revenue from the real estate and healthcare businesses from last year's peak performance. This decrease was partially offset by the stronger performance from the lifestyle business.

In 9M22, the Company increased its Underlying NPAT by 6.1% YoY to -IDR 769bn, while NPAT in 9M22 decreased by 65.9% YoY to -IDR 1.93tn largely due to unrealized FX loss from the USD/IDR appreciation. The Company has a USD/IDR hedge position of Rp15,000 to Rp17,500 for most of its FX exposure to minimize further impacts.

Exhibit 2: LPKR P&L Highlights (9M22 vs 9M21)

(In IDR bn)	9M22	9M21 Reported	Var YoY	LMIRT Business Impact	9M21 Normalized*	Var YoY Normalized	%YoY Normalized
Revenue	10,544	12,207	(1,663)	869	11,338	(794)	-7.0%
Gross Profit	4,558	5,382	(824)	454	4,928	(370)	-7.5%
Opex	(2,569)	(2,465)	(104)	(27)	(2,438)	(131)	5.4%
EBITDA	1,988	2,917	(928)	427	2,489	(501)	-20.1%
Underlying NPAT**	(769)	(231)	(538)	588	(819)	50	6.1%
Other non-cash expenses:							
PSAK 72 & 73***	(367)	(238)	(129)	-	(238)	(129)	54.1%
Unrealized forex loss	(791)	(105)	(686)	0.02	(105)	(686)	654.7%
NPAT	(1,927)	(573)	(1,353)	588	(1,161)	(765)	-65.9%

*Normalized figures adjusted to exclude the effect of LMIRT consolidation and Puri Mall Sale in 9M21

** Underlying NPAT include interest, tax, depreciation and the rental expense equivalent component from the PSAK 73 leasing calculation

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

The Company's cash flow from business operations has improved substantially by 99.1% YoY to a small negative of -IDR 12bn compared to -IDR 1.3tn from the same period last year after excluding the IDR 530bn placement in restricted funds for back-to-back loan purposes.

Decreased cash from investing activities in 9M22 by IDR 3.2tn was mainly due to the cash inflow from sale of Puri Mall in 9M21, while in 9M22 there was a purchase of land and building of Siloam Surabaya by IDR 430bn by SILO, and the acquisition of SILO shares done by the Company. IDR 1.17tn had been deployed for investment to support future growth and produce sustainable future cash flows.

Exhibit 3: LPKR Cash Flow Highlights (9M22 vs 9M21)

(In IDR bn)	9M22	9M21	Var YoY	%YoY
Cash at beginning	4,888	2,993	1,895	63.3%
Cash from operating activities:				
Business operations	(12)	(1,291)	1,279	99.1%
Placement for restricted funds	(754)	649	(1,403)	-216.3%
Cash from investing activities:				
Investment and property	(784)	(458)	(325)	-71.0%
Acquisition and divestment	(386)	2,450	(2,836)	-115.8%
Cash from financing activities:				
Net finance proceed or repayment	(170)	846	(1,017)	-120.1%
Forex impact	12	(296)	308	103.9%
Cash at end	2,794	4,892	(2,099)	-42.9%

Real Estate: Pushing ahead with new launches and unique products, while speeding up project handover in 4Q22

Real estate's 3Q22 revenue declined by 8.6% QoQ to IDR 920bn, as there were more unit handovers in 2Q22 due to the handover schedule. Gross profit decreased by 24.5% QoQ to IDR

375bn due to changes in product mix, whereby there were fewer landed residential handovers compared to apartment handovers in 3Q22. The difference in GPM between apartment and landed house was in the range of 25% to 30%. We expect the GPM to improve next quarter, in line with the handover activity of several landed projects launched in 2021, including Cendana Parc.

Exhibit 4: Real Estate P&L Highlights (3Q22 vs 2Q22)

(In IDR bn)	3Q22	2Q22	Var QoQ	%QoQ
Revenue	920	1,006	(86)	-8.6%
Gross Profit	375	496	(121)	-24.5%
Opex	(342)	(262)	(80)	30.6%
EBITDA	32	234	(202)	-86.1%

Compared to 9M21, the real estate revenue in 9M22 also recorded a decrease by 21.8% YoY mainly due to project handover timing as most of apartment handovers were completed during 9M21.

Exhibit 5: Real Estate P&L Highlights (9M22 vs 9M21)

(In IDR bn)	9M22	9M21	Var YoY	%YoY
Revenue	2,790	3,568	(778)	-21.8%
Gross Profit	1,285	1,519	(233)	-15.4%
Opex	(867)	(720)	(148)	20.5%
EBITDA	418	799	(381)	-47.7%

In terms of marketing sales performance, the company achieved IDR 3.5tn in 9M22, decreased by 9% YoY as the impact from rising inflation during this year has starting to taken place.

To meet Management's FY22 target of IDR 5.2tn in marketing sales, the Company will launch additional clusters of landed residential houses in 4Q22, as well as a low-rise project in Lippo Cikarang and a new apartment project in Lippo Village.

Healthcare: SILO's growth speeds up as it normalizes from Covid-19 environment

The Company's healthcare business is operating under Company's subsidiary, PT Siloam International Hospitals Tbk ("SILO"). In 9M22, SILO was a major contributor to the Company's total revenue by 65.7%.

SILO continued to improve its performance in 3Q22, with 15.2% QoQ revenue increase to IDR 2.5tn, gross profit increase by 31.4% QoQ to IDR 1.1tn and EBITDA increase by 50.4% QoQ to IDR 584bn. These achievements further confirmed SILO's strong trajectory to recovery from pandemic impact.

Exhibit 6: Healthcare P&L Highlights (3Q22 vs 2Q22)

(In IDR bn)	3Q22	2Q22	Var QoQ	%QoQ
Revenue	2,522	2,188	333	15.2%
Gross Profit	1,055	803	252	31.4%
Opex	(471)	(415)	(57)	13.7%
EBITDA	584	388	196	50.4%

In terms of YoY performance, SILO reported a decrease in revenue by 3.0% YoY to IDR 6.9tn in 9M22 since the Covid-related revenue in 9M21 was very high. Gross profit and and EBITDA also decreased to IDR 2.7tn and 1.4tn, respectively. However, SILO has further managed its Opex to be lower by 3.5% YoY.

Exhibit 7: Healthcare P&L Highlights (9M22 vs 9M21)

(In IDR bn)	9M22	9M21	Var YoY	%YoY
Revenue	6,931	7,144	(212)	-3.0%
Gross Profit	2,699	2,983	(284)	-9.5%
Opex	(1,335)	(1,384)	49	-3.5%
EBITDA	1,364	1,599	(235)	-14.7%

In terms of SILO's operational metrics, its operational performance continued on its steep upwards growth trajectory in 3Q22. The Inpatient Days and Outpatient Visits were the highest volumes seen in 10 quarters.

Inpatient Days in 9M22 increased by 8.3% to 587,617, compared with 542,772 in 9M21. In 9M22 Siloam has treated more than 2.2 million Outpatients, an increase of 32.2% compared with 9M21. SILO's 3Q22 Inpatient Days of 219,689 was 16.8% higher than Inpatient Days in 2Q22. SILO recorded 841,607 Outpatient visits in 3Q22, an increase of 17.9% compared with 2Q22. COVID patient volumes were insignificant, accounting for only 1% of patient days. Patient Volume growth is not concentrated but come from wide range of specialties. SILO high value Centres of Excellences such as Oncology, Cardiology, Neurology and Urology continues to grow beyond pre-covid while medical cases are returning, paving for sustainable growth.

Exhibit 8: Healthcare Operational Metrics Highlights

Key operational metrics	3Q22	2Q22	%QoQ	9M22	9M21	%YoY
Inpatient Admissions	65,908	55,704	18.3%	172,847	125,799	37.4%
Inpatient Days	219,689	188,017	16.8%	587,617	542,772	8.3%
Outpatient Visits	841,607	714,079	17.9%	2,254,482	1,704,996	32.2%

SILO continued to invest in its digital patient platform capabilities and engagement to further improve the patients' experience. These digital channels include MySiloam App, SILO's website, dedicated live chat and dedicated WhatsApp number. As the popularity of SILO's digital channels increased, the number of digitally acquired patients has also increased. As of 9M22, these digital channels contributed about 18% of total outpatients. SILO's Homecare business continued to grow volumes even after the pandemic. As of 9M22, the Company's Homecare business has provided more than 50 thousand services to more than 21 thousand patients.

Lifestyle: Continues recovery of mall's traffic and hotel occupancy rate

The Company's lifestyle segment primarily consists of its mall and hotel business. In 3Q22, the Company maintained its performance with an increase in revenue of 1.7% QoQ to IDR 289bn. Opex decreased by 26.0% QoQ, resulting in a significant increase in EBITDA of 56.6% QoQ to IDR 87bn.

Exhibit 9: Lifestyle P&L Highlights (3Q22 vs 2Q22)

(In IDR bn)	3Q22	2Q22	Var QoQ	%QoQ
Revenue	289	284	5	1.7%
Gross Profit	195	202	(6)	-3.1%
Opex	(108)	(146)	38	-26.0%
EBITDA	87	56	32	56.6%

By normalizing LMIRT's business impact to 9M21 book, the lifestyle segment's revenue in 9M22 increased significantly by 31.5% YoY to IDR 822bn. This was due to the improvement in hotel

occupancy rate and room rate, as well as increased mall traffic, further reflecting the steady recovery of the industry coming out of the pandemic.

Exhibit 10: Lifestyle P&L Highlights (9M22 vs 9M21)

(In IDR bn)	9M22	9M21 Reported	Var YoY	LMIRT Business Impact	9M21 Normalized*	Var YoY Normalized	%YoY Normalized
Revenue	822	1,494	(672)	869	625	197	31.5%
Gross Profit	573	880	(307)	455	425	148	34.7%
Opex	(367)	(361)	(6)	(29)	(332)	(35)	10.4%
EBITDA	206	519	(313)	426	93	113	121.1%

*Normalized figures adjusted to exclude the effect of LMIRT consolidation and Puri Mall Sale in 9M21

The average hotel room rate in 3Q22 increased by 9.7% QoQ to IDR 544,291. Average occupancy rate also increased, reaching 69% in 3Q22. The average mall's footfall traffic in 3Q22 saw a slight decrease QoQ compared to the high season in 2Q22, but overall, a 38.9% YoY improvement in 9M22 compared to 9M21.

Exhibit 11: Lifestyle Operational Metrics Highlights

Key operational metrics	3Q22	2Q22	%QoQ	9M22	9M21	%YoY
Hotel						
Average room rate (in IDR)	544,291	496,261	9.7%	507,320	411,266	23.4%
Average occupancy rate	69%	64%	8.9%	64%	51%	24.4%
Malls						
Average footfall traffic*	63%	68%	-6.8%	63%	45%	38.9%

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

Recent Events

- On 24 September 2022, LPCK launched the first Cendana Homes series, a first-home owner landed residential clusters, in Lippo Cikarang named Cendana Spark. Successfully sold 151 units as of 30 September 2022, with total sales of IDR 142bn.
- On 1 October 2022, LPKR launched another Cendana Homes series in a new area in Lippo Village named Cendana Botanic, successfully sold 117 units.
- As part of the Company's strategy to mitigate the risk of rising inflation, which has an impact on purchasing power, the Company has introduced several new products that are unique yet affordable. This includes a new low-rise project targeting millennials and Gen-Z named Neville in Lippo Cikarang, with price point starting from IDR 279mn per unit, as well as a new apartment project in Lippo Village named Urbn-X, which also has an affordable price point starting from IDR 403mn per unit.

CEO of LPKR, John Riady stated, "We have been able to maintain our overall business performance in 9M22 despite the challenging macroeconomic environment, which has put some pressure on our real estate business. Nevertheless, our healthcare and lifestyle segments have continued on their strong growth trajectory, which has allowed us to reap recurring revenue that supports our overall performance. Going into the last quarter this year, we will focus on completing project handovers on time and capturing more demand through new launches, while maintaining the good operational performance of our healthcare and lifestyle business."

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 44 cities across Indonesia and total assets of US\$3.6 billion at 31 December 2021. 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.

As a leading real estate developer and township operator with 1,332 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 84.0% and 62.7% respectively, we also develop and manage the townships of Lippo Cikarang in Bekasi and Tanjung Bunga in Makassar.

In addition, LPKR owns 57.9% of PT Siloam International Hospitals Tbk, Indonesia’s leading private hospital network, with 41 hospitals in 30 cities nationwide. Aside from healthcare, we manage 59 malls across Indonesia, and hold a 47.0% stake in Lippo Malls Indonesia Retail Trust, a Singapore-listed REIT with SGD1.81 billion of assets under management as of December 31, 2021. We also operate 10 hotels under the Aryaduta brand, including 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.