

THE IDX
**BEST
BLUE**
2017



PT Sri Rejeki Isman Tbk

MANAGEMENT PRESENTATION

FINANCIAL STATEMENTS 30 September 2018



TABLE OF CONTENTS

- Company Overview
- Business Overview
- Strategy & Projection in 2018
- Performance 9M 2018



COMPANY OVERVIEW

1

- A Leader in Southeast Asia's Textile Industry

2

- Vertically Integrated Textile and Garment Company

3

- Strategic Locations

4

- Milestones

5

- Board of Commissioners and Directors

6

- Company Structure



A LEADER in SOUTHEAST ASIA'S TEXTILE INDUSTRY

PT Sri Rejeki Isman Tbk (“Sritex”) is one of the largest vertically integrated textile companies in SE Asia, with operations across Spinning, Weaving, Finishing and Garment Manufacturing, located in Central Java, Indonesia.

COMPANY OVERVIEW

- One of the largest vertically-integrated textile garment companies in SE Asia.
- Established by the Lukminto family with history dating back to 1966; headquarter in Sukoharjo, Central Java, Indonesia.
- Product portfolio comprises yarn, greige, fabric, as well as military and corporate uniform and fashion clothing.
- Strong and diversified customer base with presence in over 100 countries.
- Strong reputation with numerous awards and accreditations; ISO 9001 & ISO 14001 Certified Company
- Listed on the Indonesia Stock Exchange since June 2013



SPINNING
Capacity 1,100,000 bales/year



WEAVING
Capacity 180 million metre/year



FINISHING
Capacity 240 million yards/year



GARMENT
Capacity 30 million pieces/year



VERTICALLY INTEGRATED TEXTILE & GARMENT COMPANY

UPSTREAM

MIDSTREAM

DOWNSTREAM

RAW MATERIAL

YARN

GREIGE

DYED FABRIC

APPAREL

RETAIL

60% RAYON



20% COTTON



20% POLYESTER



SPINNING



CAPACITY
1,100,000 Bales/Year

80%
SOLD OUTSIDE

WEAVING



CAPACITY
180 Mn Meters/Year

15%-20%
SOLD OUTSIDE

FINISHING



PRINT FABRIC



CAPACITY
240 Mn Yards/Year

60%-70%
SOLD OUTSIDE

GARMENT



CAPACITY
30 Mn Pieces/Year

100%
SOLD OUTSIDE



WORLDWIDE

Four main production processes of Sritex: *Spinning, Weaving, Fabric Finishing and Garment* are vital to the integration of the Company's Business.



STRATEGIC LOCATIONS

Tanjung Emas International Port, Semarang



SPD: Area~18ha



BlitraTex
Area~23.74ha

Primayudha Mandiri Jaya
Area~22.07ha

Sritex 2:
Area~22.85ha



Central Java, Indonesia

Total Population: 35 Million peoples

Total Area ~ 86.66ha

Sritex 1: Area~42ha

Unique competitive advantage through offering its customers integrated solutions supported by economic of scale, consistent high quality, shorter lead times, enhanced operational and cost efficiency, leading to competitive pricing policies.

Production facilities situated in a region with heavy focus on textiles and close proximity to low-cost and skilled workforce. And 2 hours to international port.



MILESTONES

“Our company is growing rapidly from year to year with a strong Fundamental and continuous expansion”



Founded by H.M. Lukminto as a traditional trading company in Pasar Klewer, Solo. The textile center market in central java

Established the first finishing plant that produces finished fabric and whitening materials (putihan) in Solo.

1968

Registered at the Ministry of Industry and established as a limited liability company

1978

Established weaving factory with 1,000 weaving machines

1982

Achieved vertical integration and expanded production capacity to 4 business segments:

Spinning, Weaving, Finishing, Garment

1992

Became a military uniform supplier for NATO and the German army.

1994



Iwan S. Lukminto began to engage in a leadership role.

1997

PT Sri Rejeki Isman Tbk officially listed its initial shares (with ticker code SRIL) on the Indonesia Stock Exchange

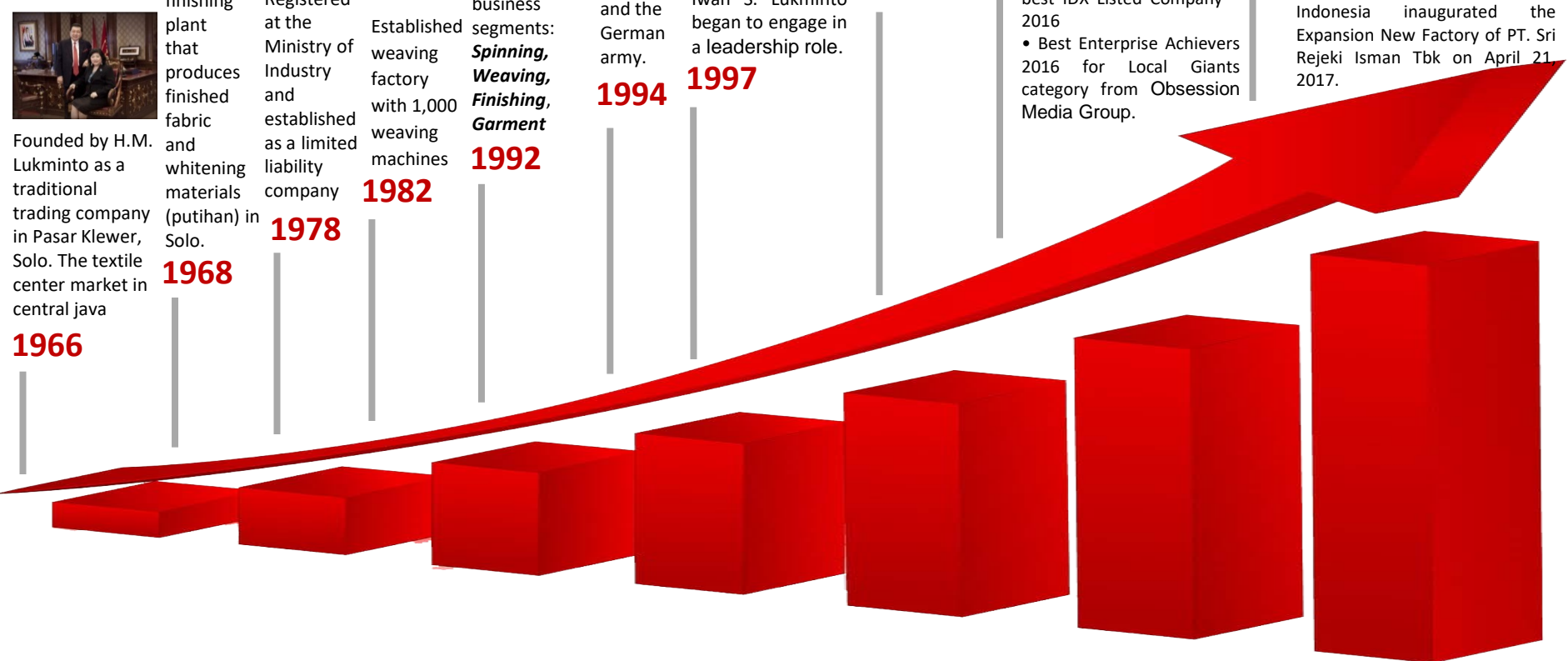
2013

2016

- Best Liability Management – Asset Asian Award 2016 by Triple A.
- The Top 50 Company For 2016 – Best of the Best Awards, Forbes Indonesia.
- Rank-1 For Textile and Garment Group – Economic Review.
- Rank A For Best GCG 2016 – Economic Review
- Top Ten Blue as one of the best IDX Listed Company – 2016
- Best Enterprise Achievers 2016 for Local Giants category from Obsession Media Group.

Present

- The Best Blue 2017 Award from IDX
- Most Powerfull Companies 2017 Category Textile & Garment from Warta Ekonomi
- Top Emiten 2017 Sector Garment & Textile from TOP Capital Market 2017
- Best :Listed Companies 2017 from Investor Magazine for Textile & Garment Sector
- Best Emiten by Analyst Selection in “Yuk Nabung Saham” programme 2017
- President of the Republic Indonesia inaugurated the Expansion New Factory of PT. Sri Rejeki Isman Tbk on April 21, 2017.





BOARD OF COMMISIONERS AND DIRECTORS



BOARD OF COMMISIONERS

- 1 **Hj. Susyana**
President Commissioner
- 2 **Megawati**
Commissioner
- 3 **Prof. Dr. Ir. Sudjarwadi, M.Eng, Ph.D**
Independent Commissioner

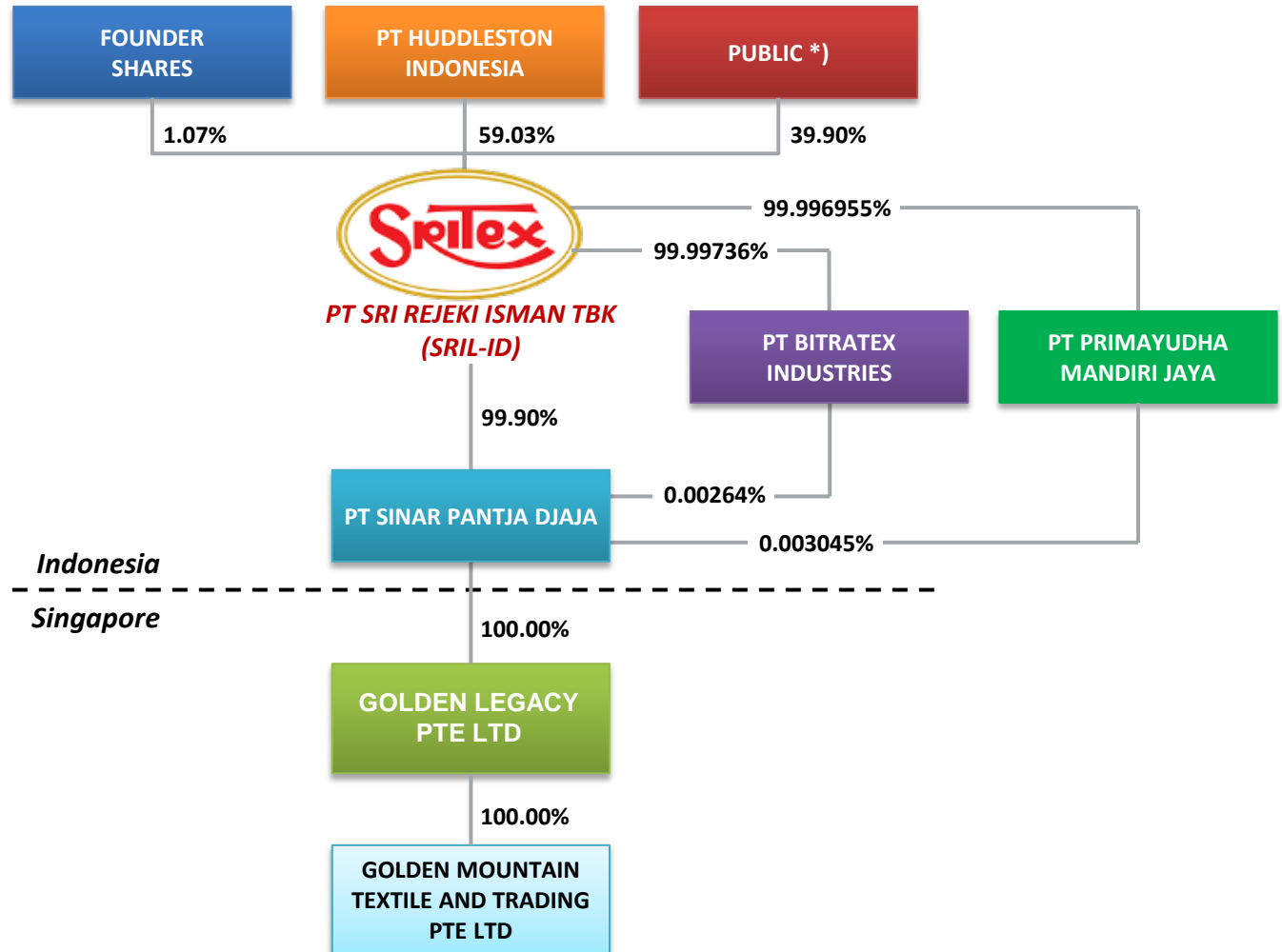


BOARD OF DIRECTORS

- 4 **Iwan Setiawan Lukminto**
President Director
- 5 **Iwan Kurniawan Lukminto**
Vice President Director
- 6 **Dr. M. Nasir Tamara Tamimi**
Independent Director
- 7 **Allan Moran Severino**
Director of Finance
- 8 **Eddy Prasetyo Salim**
Director of Operations
- 9 **Arief Halim**
Director of Marketing
- 10 **Karunakaran Ramamoorthy**
Director of Productions



COMPANY STRUCTURE





BUSINESS OVERVIEW

- 1 • Customers
- 2 • Competitors
- 3 • Textile Industry Overview



CUSTOMERS

“Sritex has a broad and diversified network of customers both domestic and international level”

SPINNING

YARN

Sritex is a major supplier of high quality yarn for major textile customers globally.

WEAVING

GREIGE

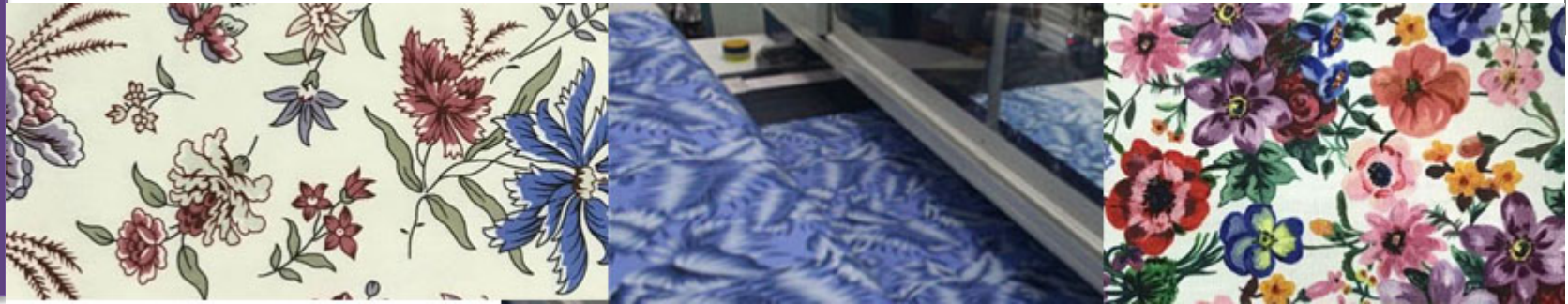
Sritex greige or raw fabric is renowned for its excellent standard and high quality.



FINISHING

FABRIC

Sritex high-quality fabric is both extremely comfortable and classy. It is a reputable brand within a competitive fashion industry.





Garment

Fashion

Sritex's flexibility allows penetration into the international fashion market, with many leading international players as its clients



Uniform - Corporate

Sritex also manufactures uniforms for Indonesian companies, for work-wear international companies and also uniforms for government agencies



Uniform - Military

Sritex is a leading partner in supplying military uniforms to more than 30 countries since 1993 and has become supplier for German military uniform with high specification.





COMPETITORS

“Relative to its domestic competitor. Sritex is the market leader with 9M 2018 US\$ 763.9 Million”

Sritex is in a fairly competitive position within the textile industry in Indonesia. According to the Indonesian Textile Association ("API"), the textile industry in Indonesia is still fragmented with 2,930 textile companies in 2014. According to the Ministry of Industry Indonesia, about 2,600 textile companies are still using machines older than 20 years, companies using newer machines are considered to have a greater competitive advantage and Sritex is one of the few companies that does.

COMPETITOR	PRODUCT	COUNTRY	SALES 1H 2018 Million USD	COMPETITOR	PRODUCT	COUNTRY	SALES 1H 2018 Million USD
 PT. Ever Shine Tex Tbk (ESTI)	Yarn, Greige, and Fabric	Indonesia	28,71	 Vardhman Textiles Ltd	Fabric	India	449
 PT. Pan Brothers Tbk (PBRX)	Garment	Indonesia	549,35 (FY 2017)	 Shenzhou Int. Group	Knitwear	China	1,373
				 TEXHONG Textile	Yarn	China	1,321
				 Makalot Industrial Co Ltd	Garment	Taiwan	336
				 Arvind Limited	Garment	India	504
				 Eclat Textile Co. Ltd	Knitwear	Taiwan	445

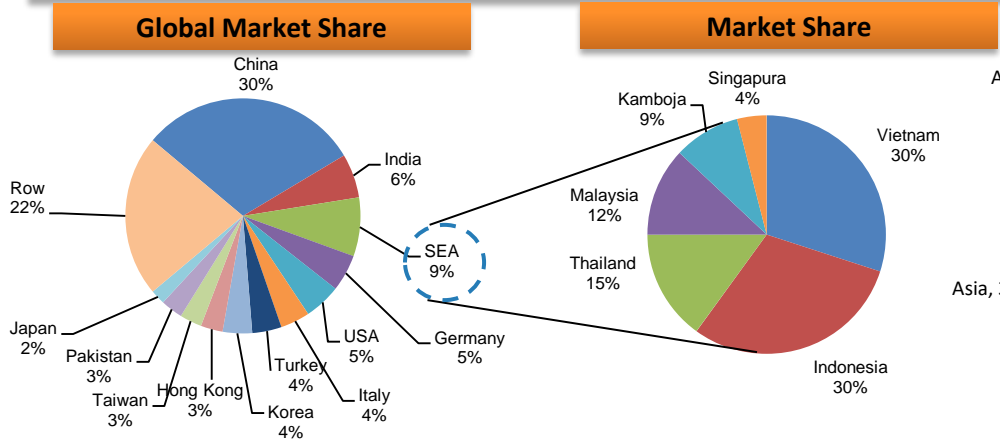
Competitor Military Uniform (Domestic) : PT. APAC Inti Corpora (Bawen-SMG), PT. Mulia Knitting (Kalideres-JKT), PT. Daya Mekar Teksindo (Batu Jajar-West Java), PT. Yuntex (Bandung-West Java), and PT. Bhinneka Karya Manunggal (Karawang).
Competitor Military Uniform (International) : Iturri (Spain), Fecca (Spain), Saintex (Belgium), Cooneen Watts & Stone (UK), Vaife (Holland), Kwintet Sverige (Holland), Oskar Pederson (Norway), and Sari Leo Mihob (France).



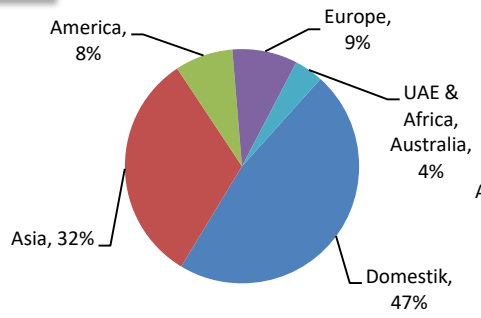
TEXTILE INDUSTRY OVERVIEW

“With the rising labor cost in China and labor issues in Bangladesh, Indonesia now becoming more favorable place for investment”

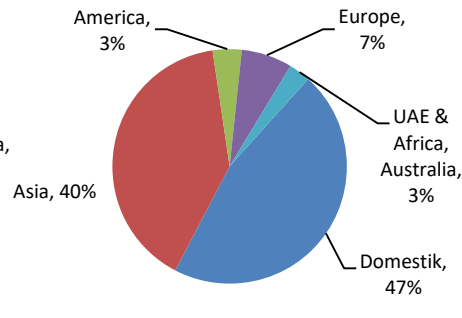
Textile Export Market Share in 2017



Sales By Geographical Area 9M 2017



Sales By Geographical Area 9M 2018



Regional Minimum Wage Comparisons Between Countries in 2018

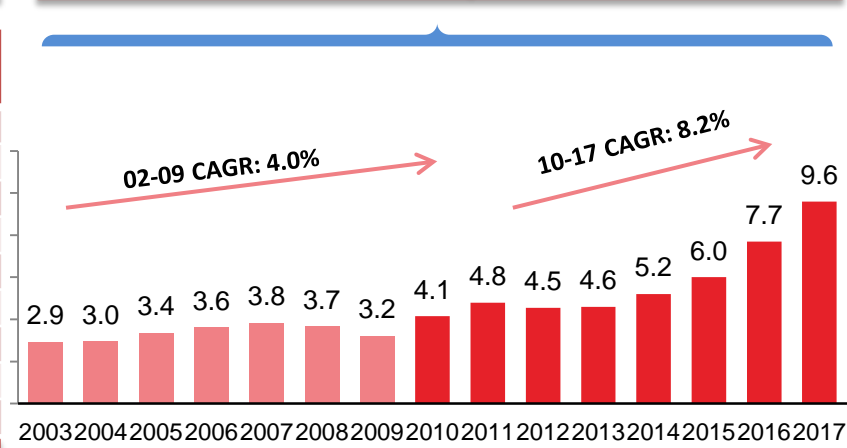
2018 minimum monthly wages of comparison countries

Source : Trading Economics

COUNTRY	DAILY MIN WAGE (US\$)	MONTHLY MIN WAGE (US\$)
Malaysia	7.59 – 8.25	227.75 – 247.55
Thailand	9.31 – 9.98	279.44 – 299.4
China	5.04 – 11.03	151.09 – 330.88
Indonesia	3.11 – 7.81	93.41 – 234.32
Sukoharjo	-	113,33
Vietnam	4.84 – 5.46	145.08 – 163.87
Pakistan	3.57	104.04
Bangladesh	2.12	63.54
Cambodia	5.67	170.00

(a) 2018 minimum wage of Rp. 1,648,000 converted at IDR/USD = 14,798

Indonesian Textile Exports 2003-2017



2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017



STRATEGY & PROJECTION IN 2018

Normalization of New Production

Production and Operational Efficiency

Inovation for value added product development

Development and enhancement for Human Resource

Increase market share and economic of scale through opportunity in acquisition

Strengthening the Capital Structure and Liquidity



- Sales: + 35-40%
- Net Income: 20-25%



PERFORMANCE 9M 2018

- 1 • Financial Summary
- 2 • Balance Sheet
- 3 • Capital Structure
- 4 • COGS Composition in 9M 2018
- 5 • Sales Segmentation

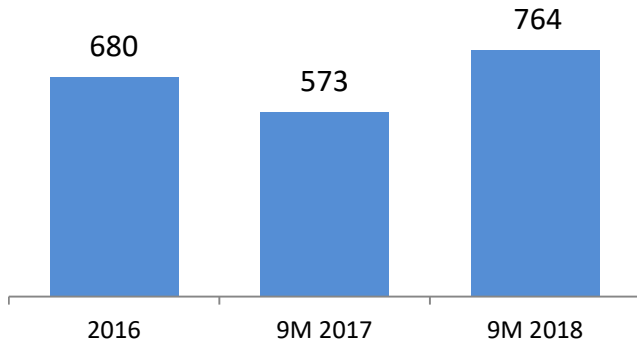


FINANCIAL SUMMARY

The increase in domestic and international sales had a positive impact on the company's fast-growing profitability

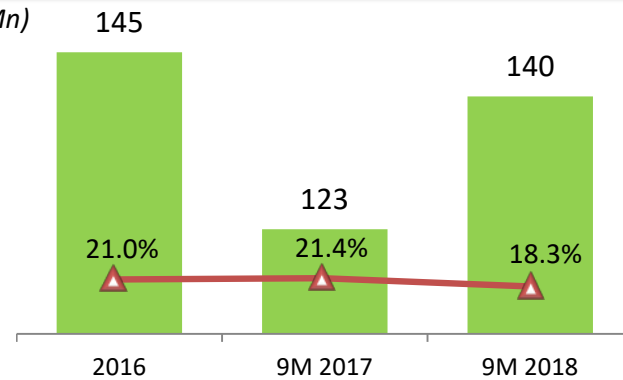
SALES

(USD.Mn)



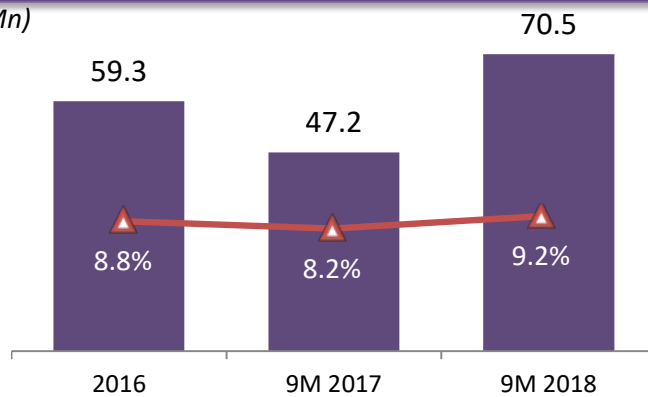
GROSS PROFIT AND GROSS PROFIT MARGIN

(USD.Mn)



NET PROFIT AND NET PROFIT MARGIN

(USD.Mn)



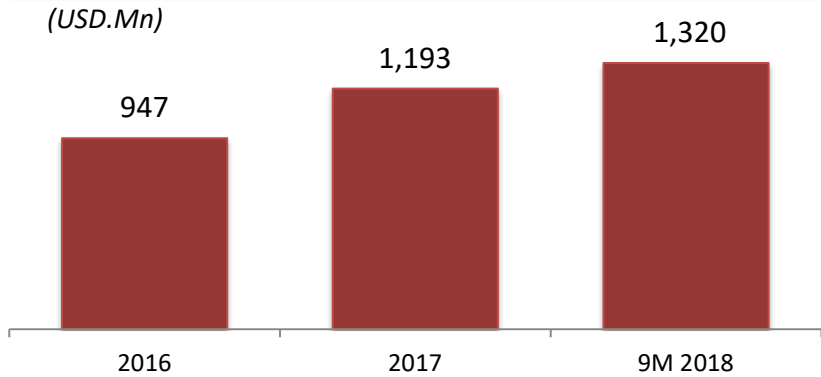


BALANCE SHEET

"The composition of the Company's balance sheet is getting stronger every year and this is expected to continue in the future".

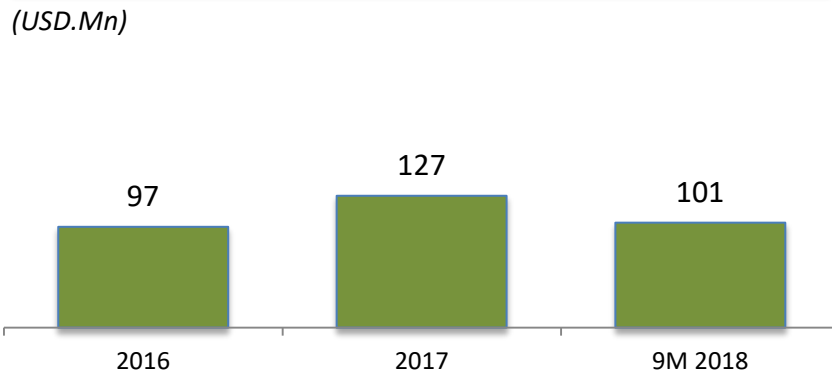
TOTAL ASSETS

(USD.Mn)



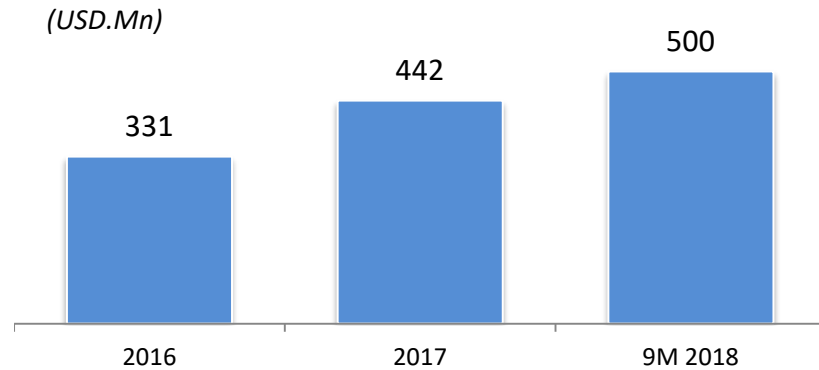
CASH AND EQUIVALENT CASH

(USD.Mn)



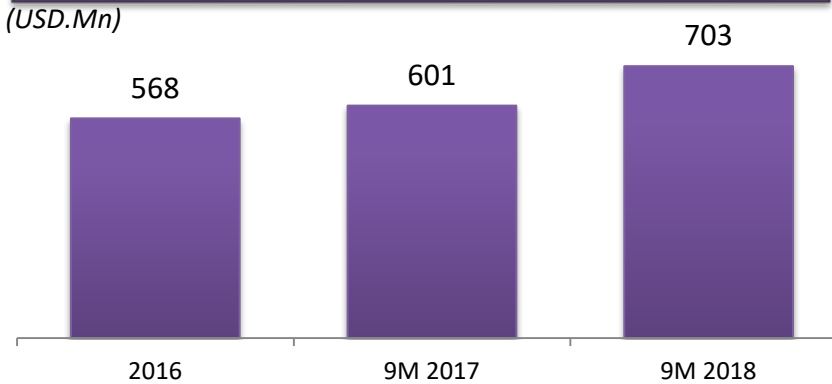
TOTAL EQUITY

(USD.Mn)



TOTAL INTEREST BEARING DEBT

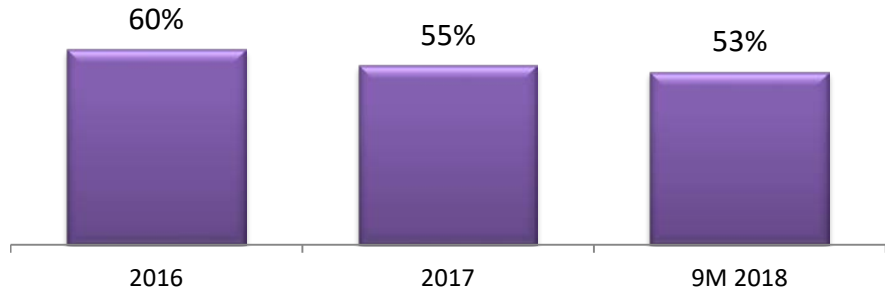
(USD.Mn)



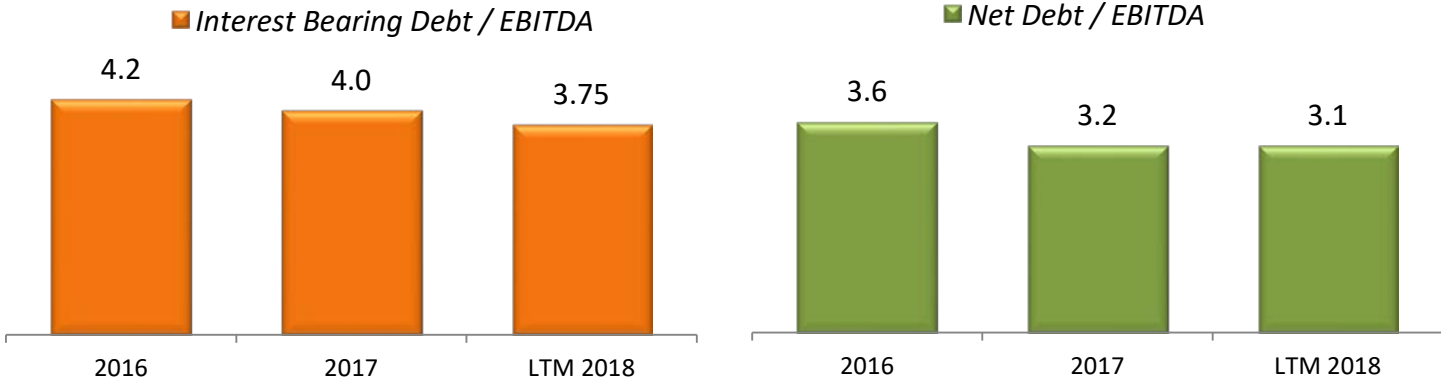


CAPITAL STRUCTURE

TOTAL INTEREST BEARING DEBT / TOTAL ASSETS

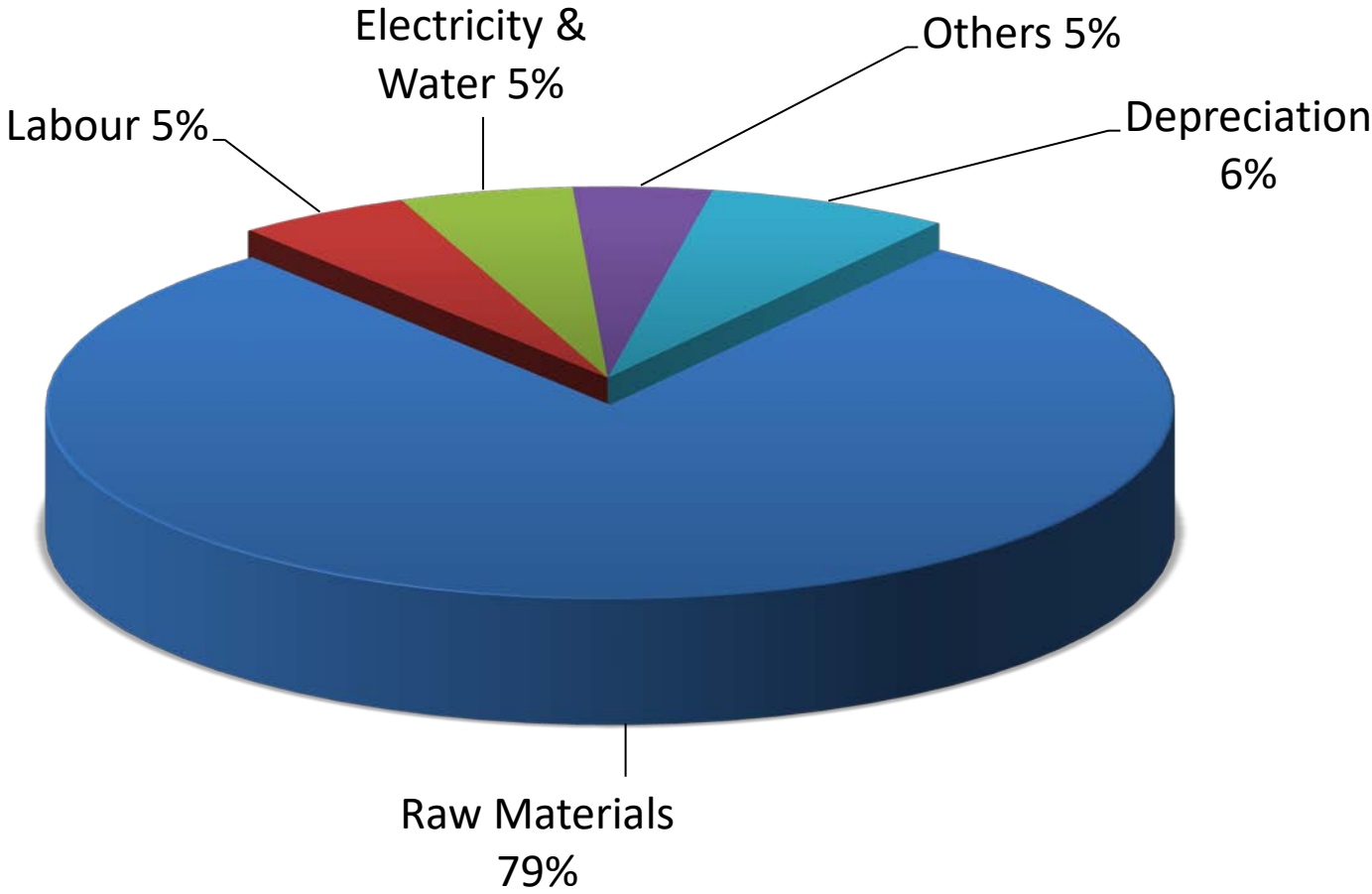


LEVERAGE MULTIPLES





COGS COMPOSITIONS IN 9M 2018





SALES SEGMENTATION

2014-17 SALES CAGR

Total Gross Sales contribution by Segment

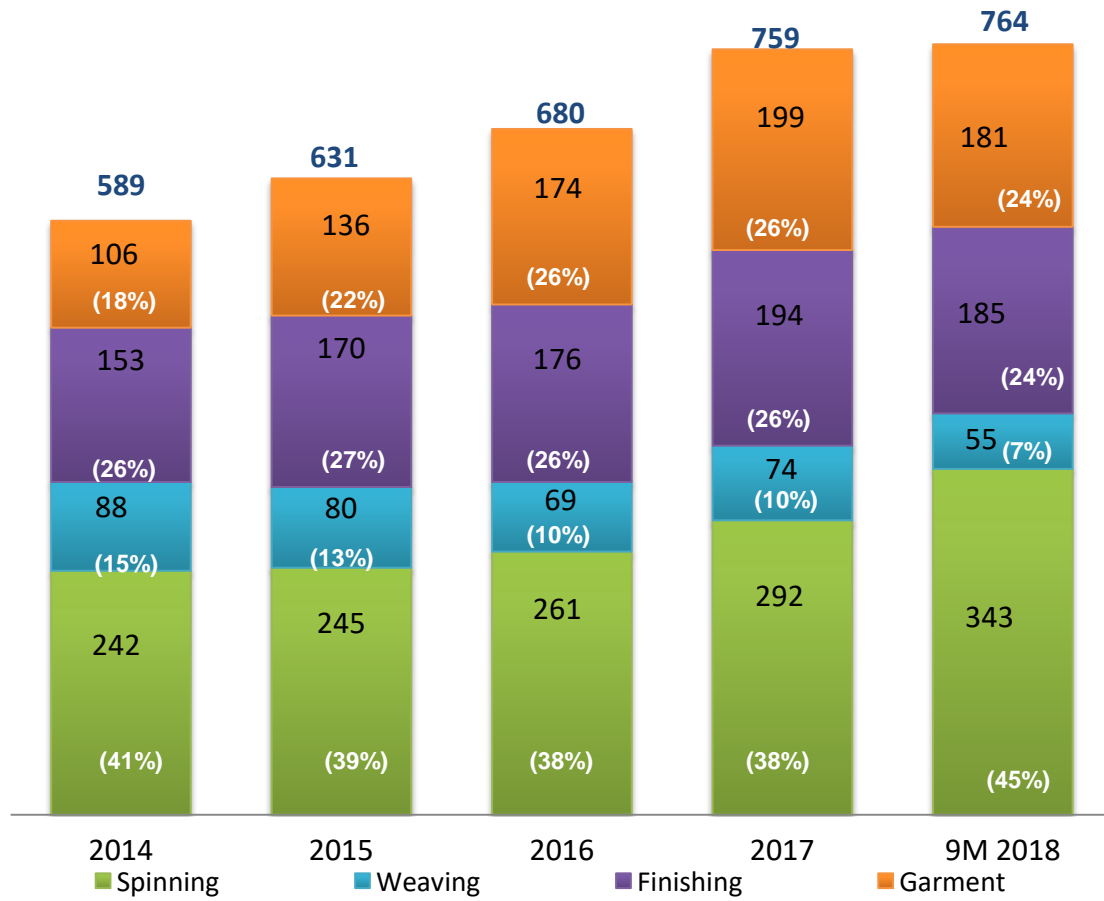
GPM by SEGMENT (2018)

Garment
+26,79%

Finishing
+5,98%

Weaving
-2,53(%)

Spinning
+5,67%



Garment
30%

Finishing
25%

Weaving
16%

Spinning
9%





INDO DEFENCE EXHIBITION 2018

Nov 7 – 10 2018



BY VICE PRESIDENT REPUBLIC OF INDONESIA



INAUGURATION OF FACTORY EXPANSION SUKOHARJO, 21 APRIL 2017

25



BY PRESIDENT REPUBLIC OF INDONESIA

Recently Acquired Companies

● BITRATEX

Started since 1979, one of the leading manufacture and exporters of finest quality spurn yarn in Indonesia. Manufacturing plant is located in Semarang, Central Java.

The Capacity is **165,000 spindle**.

3 different yarn spinning technologies:

- Ring Spinning
- Open end Spinning
- Vortex Spinning

Bitratex serves both international and domestic market, and export a major share of its production.



● PRIMAYUDHA MANDIRI JAYA

Established in 1997, started commercial production in 1998. One of ten leading manufactures and exporters of fine quality spurn yarn.

The Capacity is **122,000 spindle**.

Primayudha produce a wide variety of raw white spurn yarn. Located in Boyolali, Central Java, 60km from Semarang



Top Most Influential Company of the Years
PPm SWA - 2018



Best Public Companies
Category Miscellaneous Industry
Warta Ekonomi - 2018



Top Emiten 2017
Textile and Garment Sector
Top Capital Market 2017



Top 5 GCG
Textile and Garment Sector
Warta Ekonomi - 2018



Best CEO
Bisnis Indonesia - 2018



The Best Issuer
Miscellaneous Industry
Bisnis Indonesia - 2018



Most Powerful Company 2017
Category Textile and Garment
Warta Ekonomi





RECOGNITION & AWARDS





DISCLAIMER

THIS PRESENTATION IS BEING PRESENTED TO YOU SOLELY FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.

This presentation has been prepared by PT Sri Rejeki Isman Tbk (the "Company") solely for use at its presentation to prospective investors. This presentation may contain forward looking statements that involve risk and uncertainties. Actual future actions may differ materially from those expressed in forward looking statements as a result of a number of risk, uncertainties and assumptions. You are cautioned not to place under reliance on these forward-looking statement, which are based on current view of management on future events.

The information contained in this presentation (the "Information") has been provided by the Company based on its data or with respect to market data, industry data and other industry statistics, derived from public or third-party sources and has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the Information or opinions contained herein and nothing in this presentation is, or shall be relied upon as, a promise or representation by Company for the offering. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. The Information and opinions in these materials are provided as at the date of this presentation and are subject to change without notice. None of the Company nor any of their respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

This presentation contains financial information regarding the businesses and assets of the Company and its consolidated subsidiaries. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this document or any related presentation should not be regarded as a representation or warranty by the Company, any of its affiliates, advisers or representatives or any other person as to the accuracy or completeness of such information's portrayal of the financial condition or results of operations of the Company and should not be relied upon when making an investment decision.

This presentation does not constitute an offer or invitation to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. The information in this presentation is an overview and does not contain all information necessary to an investment decision. It does not take into account the investment objectives, financial situation or particular needs of any particular investor. Any decision to purchase securities in the context of a proposed offering, if any, should be made on the basis of information contained in the offering memorandum published in relation to such an offering. The Company makes no recommendation to investors regarding the suitability of an investment in the securities, and the recipient of this presentation must make its own assessment and/or seek independent advice on financial, tax, legal and other matters, including the merits and risks involved in making an investment in a proposed offering, if any.

The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction.

The information contained herein is preliminary, limited in nature and subject to completion and amendment. All opinions and estimates included in this presentation speak as of the date of this presentation (or earlier, if so indicated in this presentation) and are subject to change without notice. Neither the Company nor any of its affiliates, advisers or representatives make any undertaking to update any such information subsequent to the date hereof.

This document contains certain "forward-looking statements." All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward-looking statements are made based on management's current expectations or beliefs as well as assumptions made by, and information currently available to, management. Caution should be taken with respect to such statements and you should not place undue reliance on any such forward-looking statements.

THANK YOU



PT Sri Rejeki Isman Tbk

CLOTHING THE WORLD

Integrated Vertical Textiles – Garments Plant

an ISO 9001 & ISO 14001 Certified Company

PT SRI REJEKI ISMAN Tbk

JL. KH. Samanhudi 88 Jetis
Sukoharjo 57511, Solo
Central Java – INDONESIA
Tel : +62-271 593188
Fax : +62-271 593488

THE ENERGY BUILDING 20th SCBD Lot 11A
Jl. Jenderal Sudirman Kav 52-53
Jakarta Selatan 12190 – INDONESIA
Tel : +62-21 2995 1619
Fax : +62-21 2995 1621