



PT Sri Rejeki Isman Tbk

MANAGEMENT PRESENTATION

FINANCIAL STATEMENTS 30 JUNE 2017

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PT Sri Rejeki Isman Tbk

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 50 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 654,000 bales/year



WEAVING

Capacity 180 million metre/year



FINISHING

Capacity 240 million yards/year



GARMENT

Capacity 27 million pieces/year

STRATEGIC LOCATIONS

Tanjung Emas International Port, Semarang



SPD: Area~18ha



Sritex 2:
 Area~19ha



Central Java, Indonesia
 Total Population: 35 Million peoples

Total Area ~ 79ha

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.

“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

1966

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

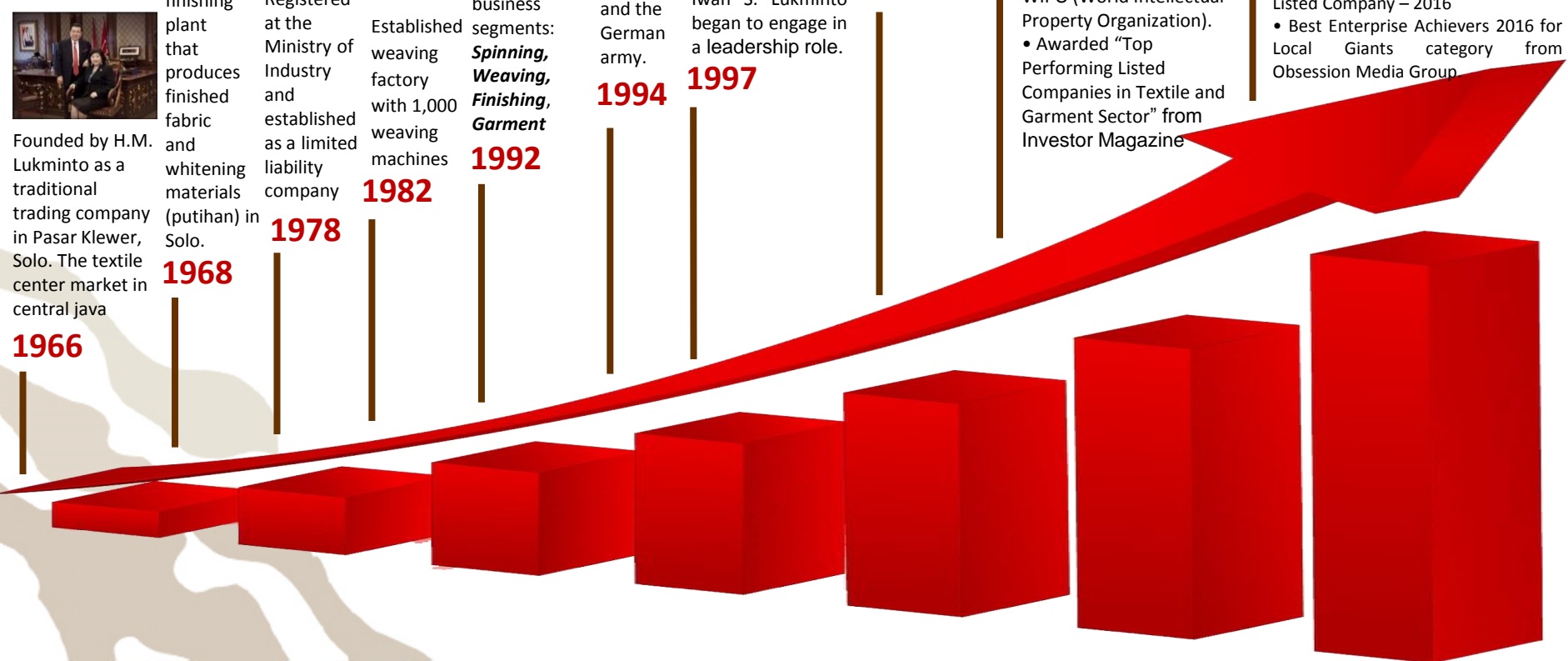
2013

2015

- Award from the Indonesian World Records Museum with the category of “Pioneer and Organizer of the Creation of the Largest Share Investors within a Company”
- Intellectual Property Rights Award in the category of IP Enterprise Trophy by Sritex from WIPO (World Intellectual Property Organization).
- Awarded “Top Performing Listed Companies in Textile and Garment Sector” from Investor Magazine

Present

- President of the Republic Indonesia inaugurated the Expansion New Factory of PT. Sri Rejeki Isman Tbk on April 21, 2017.
- 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.





BOARD OF COMMISSIONERS

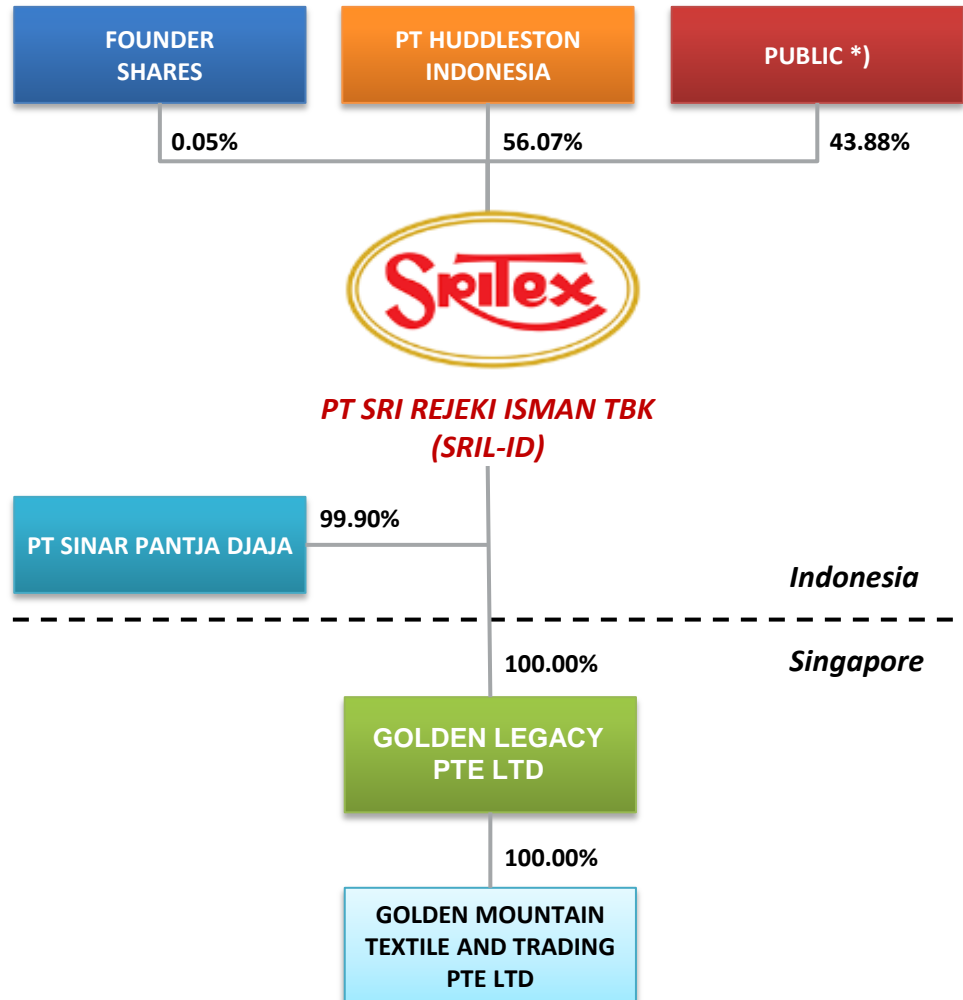
- 1 **Hj. Susyana**
President Commissioner
- 2 **Megawati**
Commissioner
- 3 **Prof. Dr. Ir. Sudjarwadi, M.Eng, Ph.D**
Independent Commissioner



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

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- Competitors

3



- Textile Industry Overview

“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



New clients over the past 3 years

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 1H 2017 US\$ 400.1 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.

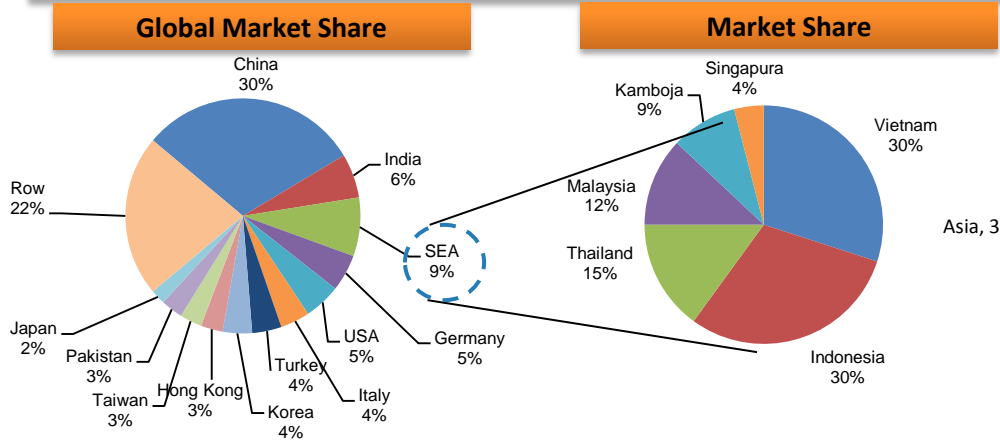
COMPETITOR	PRODUCT	COUNTRY	SALES 1H 2017 Million USD	COMPETITOR	PRODUCT	COUNTRY	SALES 1Q 2017 Million USD
 PT. Ever Shine Tex Tbk (ESTI)	Yarn, Greige, and Fabric	Indonesia	18,9	 Vardhman Textiles Ltd	Fabric	India	866
 PT. Pan Brothers Tbk (PBRX)	Garment	Indonesia	241,65	 Shenzhou Int. Group	Knitwear	China	2.189
				 TEXHONG Textile	Yarn	China	1.979
				 Makalot Industrial Co Ltd	Garment	Taiwan	734
				 Arvind Limited	Garment	India	841
				 Eclat Textile Co. Ltd	Knitwear	Taiwan	740

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).

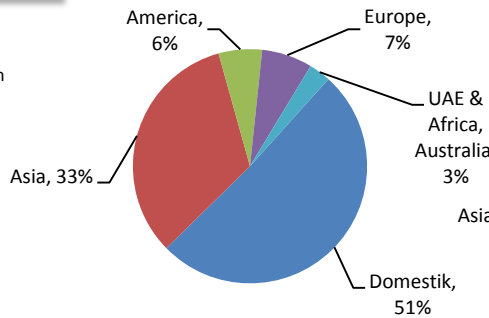
Competitor Military Uniform (International) : Iturri (Spain), Fecca (Spain), Saintex (Belgium), Cooneen Watts & Stone (UK), Vaife (Holland), Kwintet Sverige (Holland), Oskar Pederson (Norway), and Sari Leo Mihob (France).

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

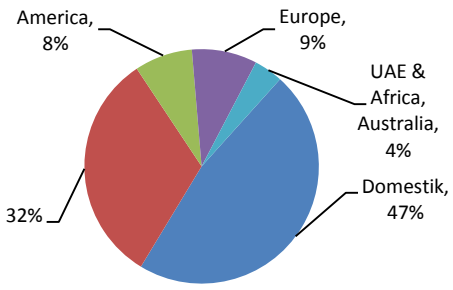
Textile Export Market Share in 2016



Sales By Geographical Area 1H 2016



Sales By Geographical Area 1H 2017



Regional Minimum Wage Comparisons Between Countries in 2017

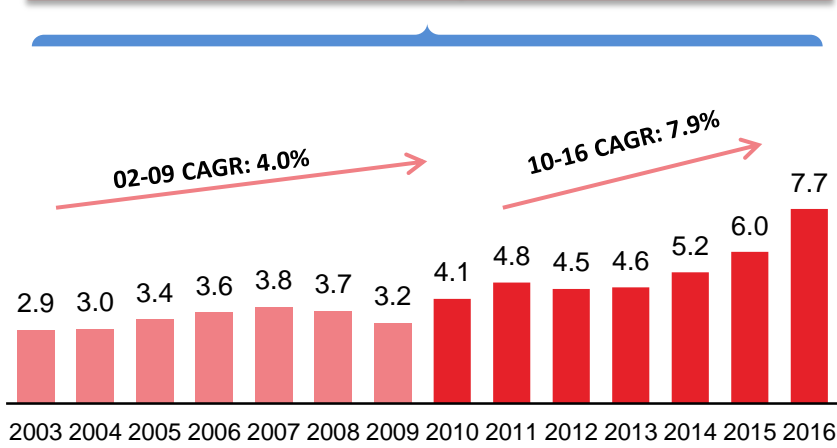
2017 minimum monthly wages of comparison countries

Source : Trading Economics

COUNTRY	DAILY MIN WAGE (US\$)	MONTHLY MIN WAGE (US\$)
Malaysia	6,92 – 7,52	207,49 – 230,33
Thailand	8,50	259,52
China	4.84 – 10,61	101 – 333,0
Indonesia	2.87 – 7,74	86.14 – 232,19
Sukoharjo	-	113,33
Vietnam	4,52 – 5,10	136,51 – 153,11
Pakistan	3.15 – 3,79	94,64 – 113,56
Bangladesh	2.19	68
Cambodia	4.67	140,00

(a) 2017 minimum wage of Rp. 1,513,000 converted at IDR/USD = 13,351

Indonesian Textile Exports 2003-2016



STRATEGY IN 2017

2017 Strategic Focus

Normalization of New Production

Production and Operational Efficiency

Innovation for value added product development

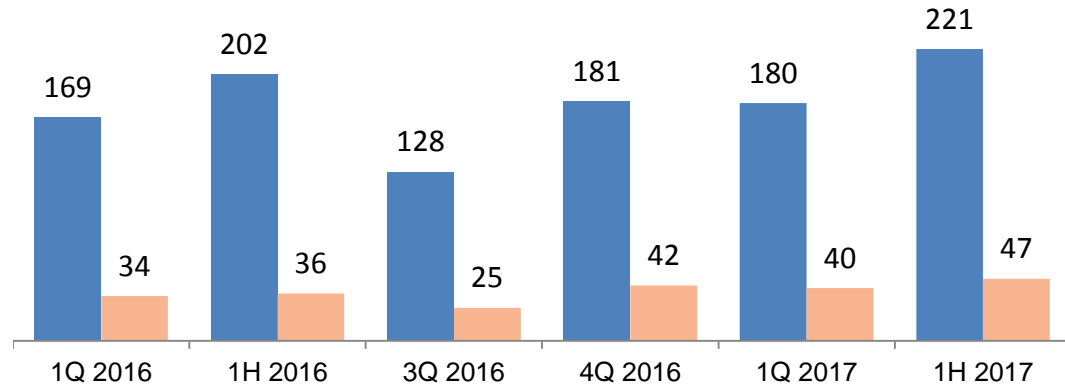
Development and enhancement for Human Resource

Strengthening the Capital Structure and Liquidity

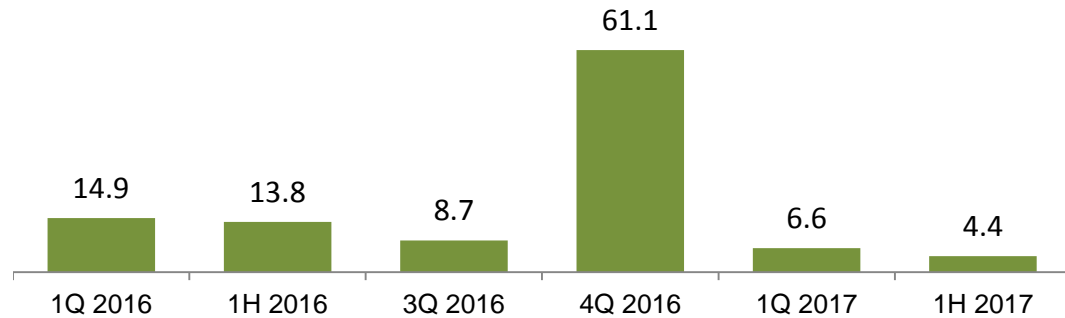


- Sales: + 8-12%
- Net Income: 10-15%

Quarterly Revenue and EBITDA YoY Growth



Quarterly CAPEX



Significant EBITDA and Revenue Growth over the past quarters as expansion capacity came on stream.

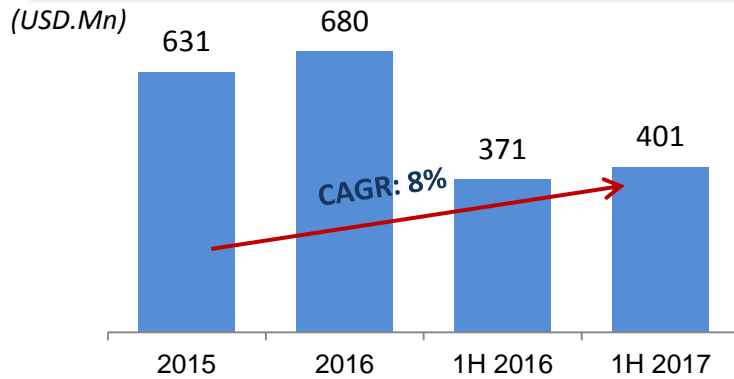
CAPEX has normalized in 2017, CAPEX of USD 11Mn for 1H 2017.

PERFORMANCE 1H 2017

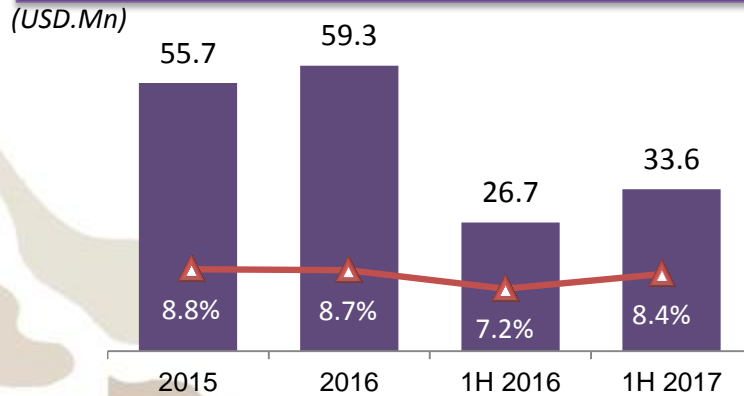
- 1 • Financial Summary
- 2 • Balance Sheet
- 3 • Capital Structure
- 4 • COGS Composition in 1H 2017
- 5 • Sales Segmentation

The increase in domestic and international sales had a positive impact on the company's fast-growing profitability with a CAGR of 8%

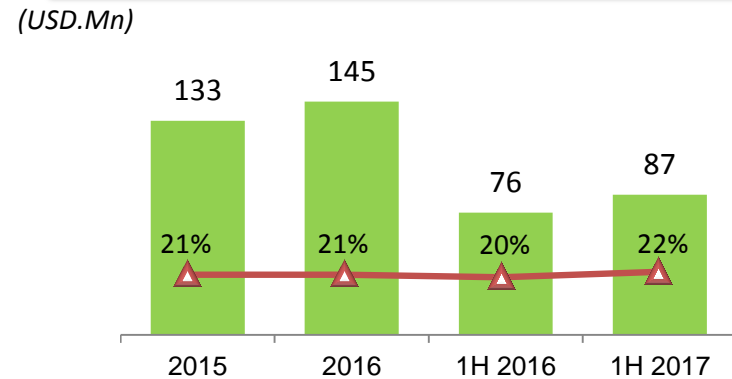
SALES



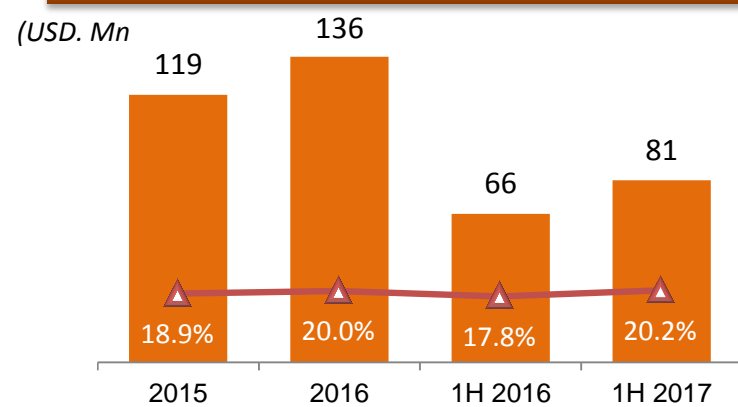
NET PROFIT AND NET PROFIT MARGIN



GROSS PROFIT AND GROSS PROFIT MARGIN



EBITDA AND MARGIN EBITDA

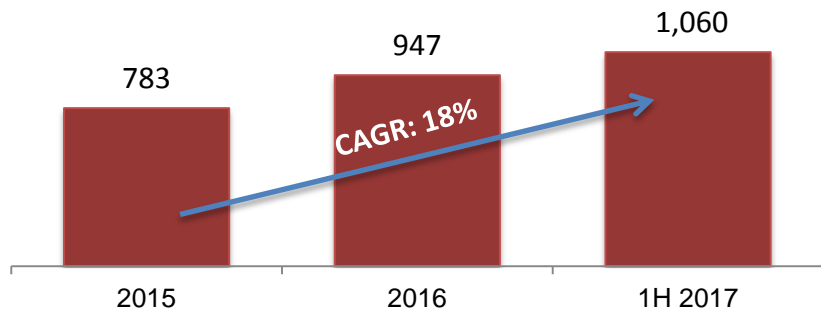


PT Sri Rejeki Isman Tbk

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

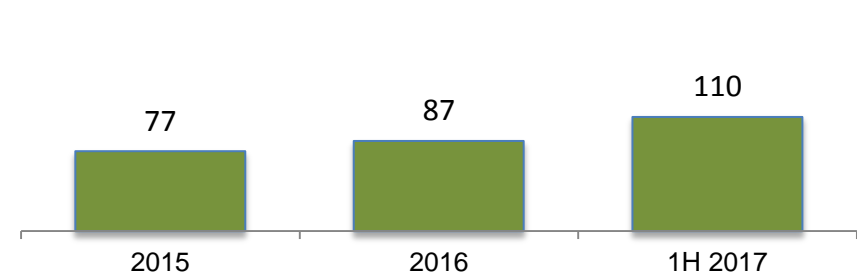
TOTAL ASSETS

(USD.Mn)



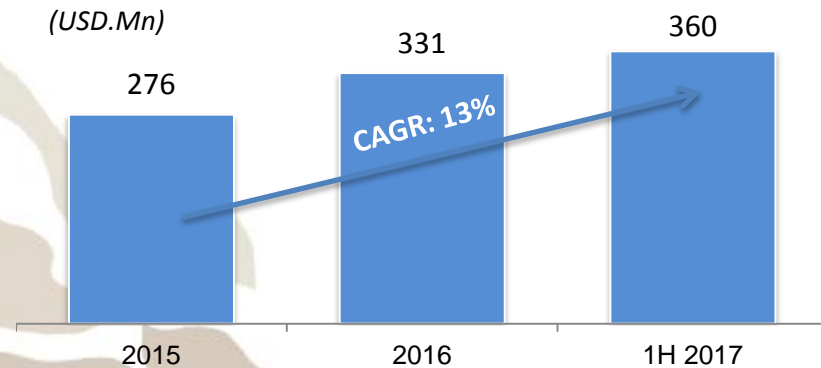
CASH AND RESTRICTED CASH

(USD.Mn)



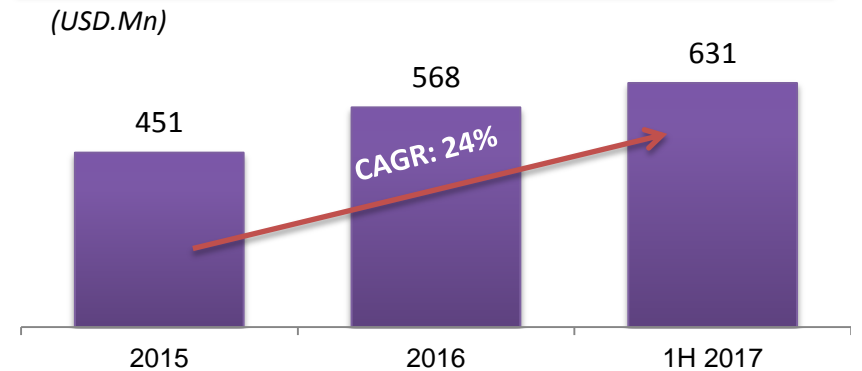
TOTAL EQUITY

(USD.Mn)

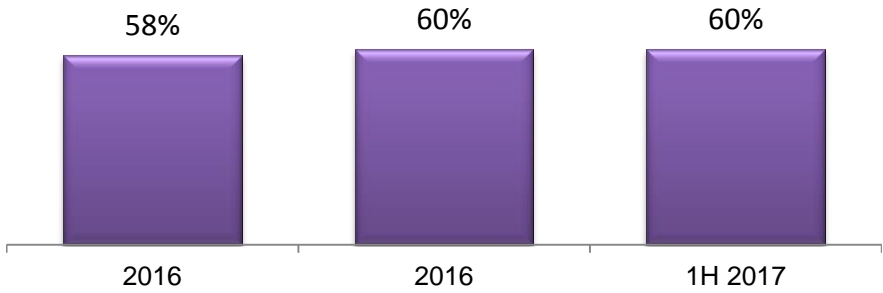


TOTAL INTEREST BEARING DEBT

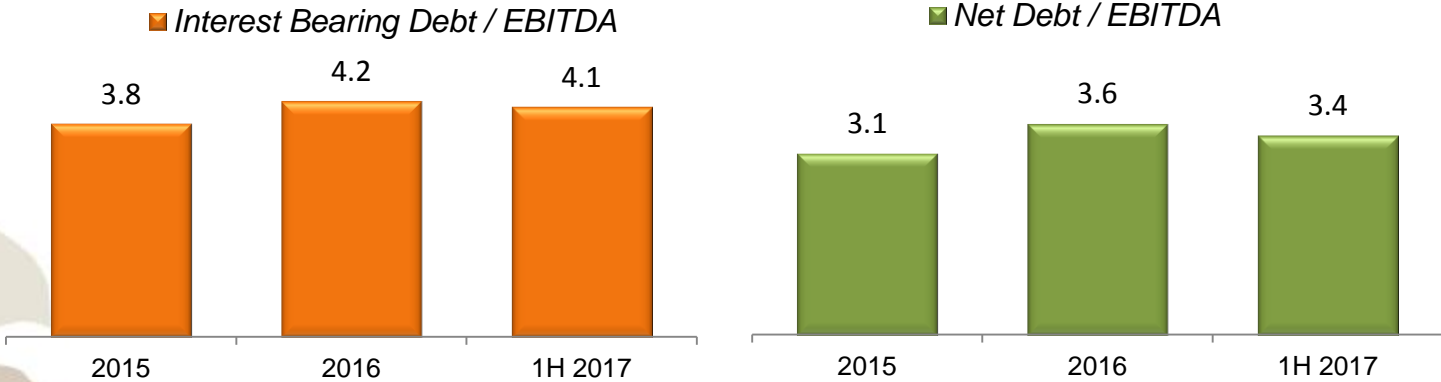
(USD.Mn)



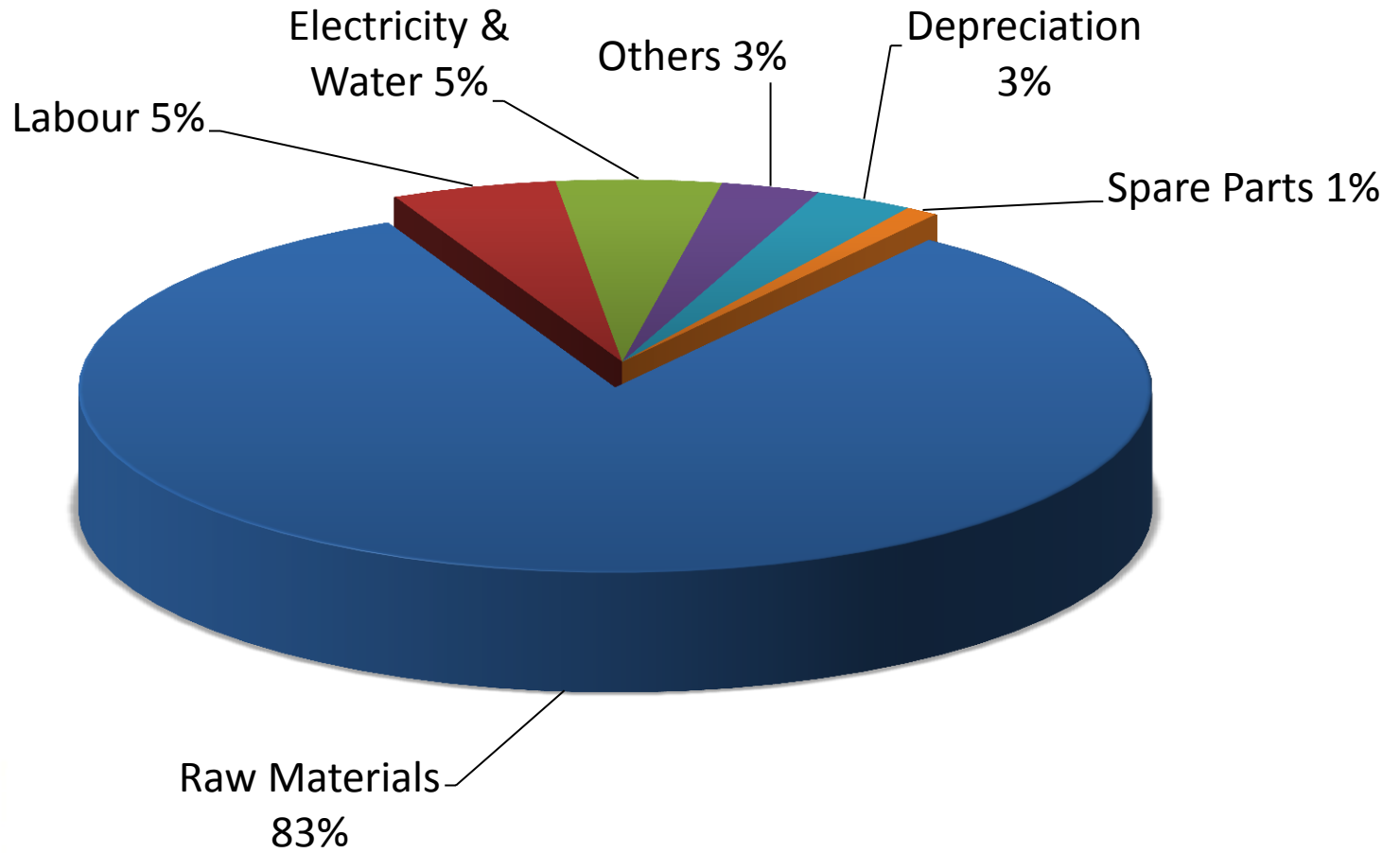
TOTAL INTEREST BEARING DEBT / TOTAL ASSETS



LEVERAGE MULTIPLES



COGS COMPOSITIONS IN 1H 2017

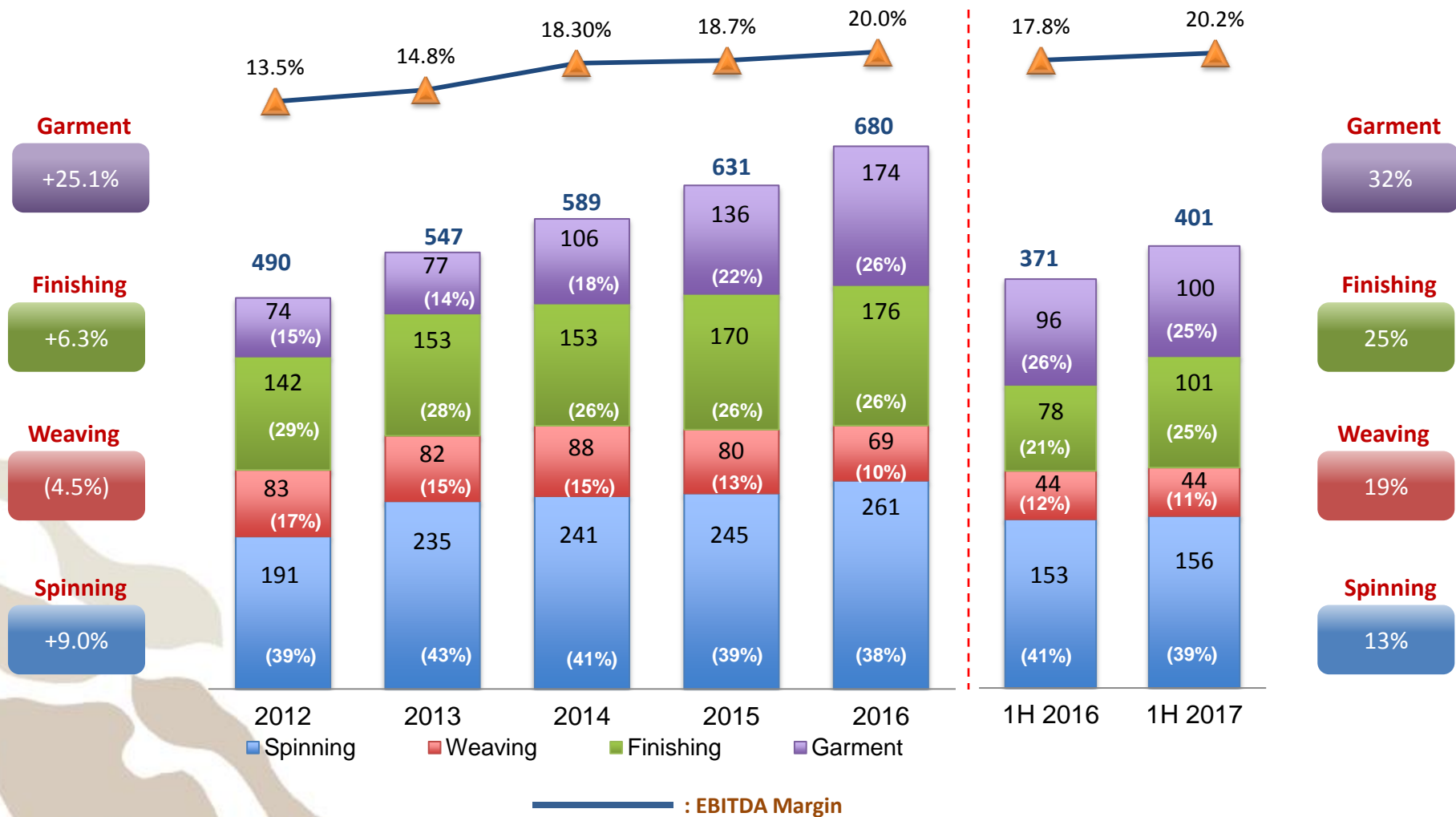


SALES SEGMENTATION

2012-16 SALES CAGR

Total Gross Sales contribution by Segment and EBITDA Margin

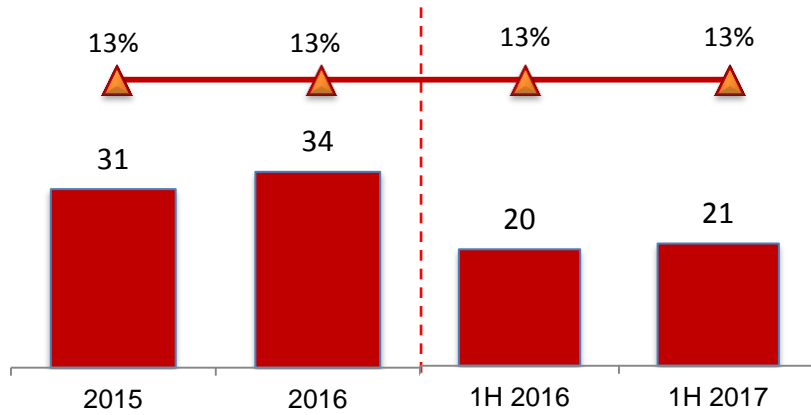
GPM by SEGMENT (2016)



GP & GPM SEGMENTATION

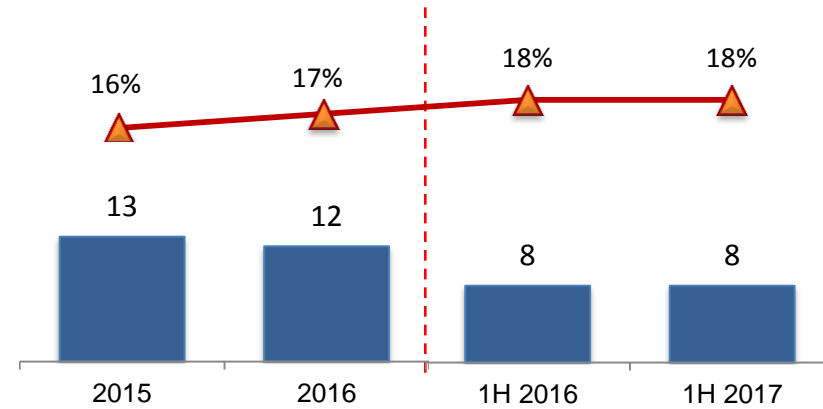
SPINNING

(USD Mn)



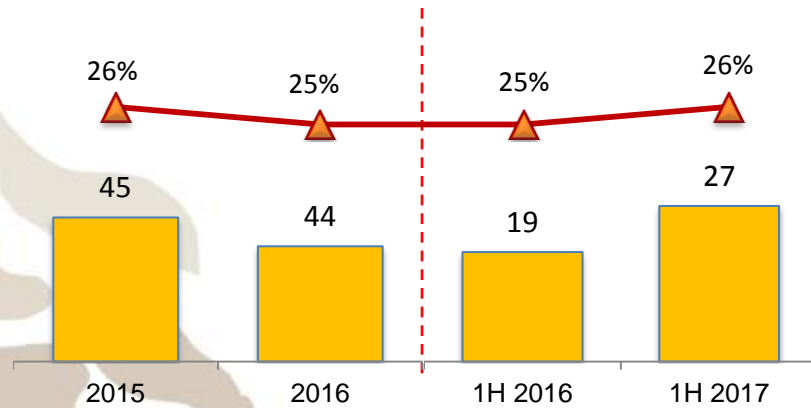
WEAVING

(USD Mn)



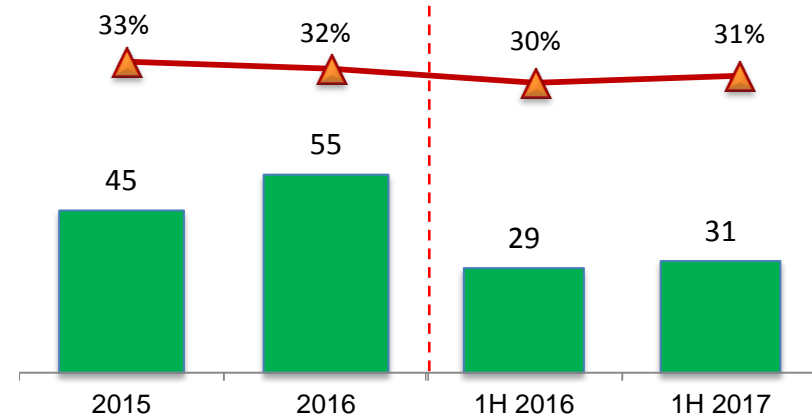
FINISHING

(USD Mn)



GARMENT

(USD Mn)



COMPANY PROJECTION IN 2017

(Million USD)

DESCRIPTION	FY 15 A	FY 16 A	FY17E
GROSS SALES	631,3	680	734 - 762
EBITDA	119	136	150 - 156
NET INCOME	55,7	59,3	65 - 68



PT Sri Rejeki Isman Tbk



Best Liability Management
Asset Asian Award 2016 by Triple A.



The Top 50 Company 2016
Best of the Best Awards
Forbes Indonesia.



Rank A
Best GCG 2016
Economic Review



Rank-1
Textile and Garment Group
Economic Review.



40 Best Emiten Analyst Choice
AAEI – CSA Institute.



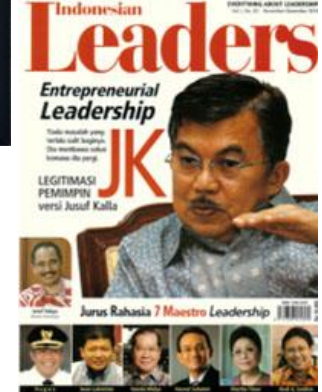
Best Enterprise Achievers 2016
Local Giants category
Obsession Media Group



Top Ten Blue
IDX Listed Company – 2016



The Best Issuer
Miscellaneous Industry
Bisnis Indonesia - 2016



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THANK YOU



PT Sri Rejeki Isman Tbk

CLOTHING THE WORLD

Integrated Vertical Textiles – Garments Plant

an ISO 9001 & ISO 14001 Certified Company

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