

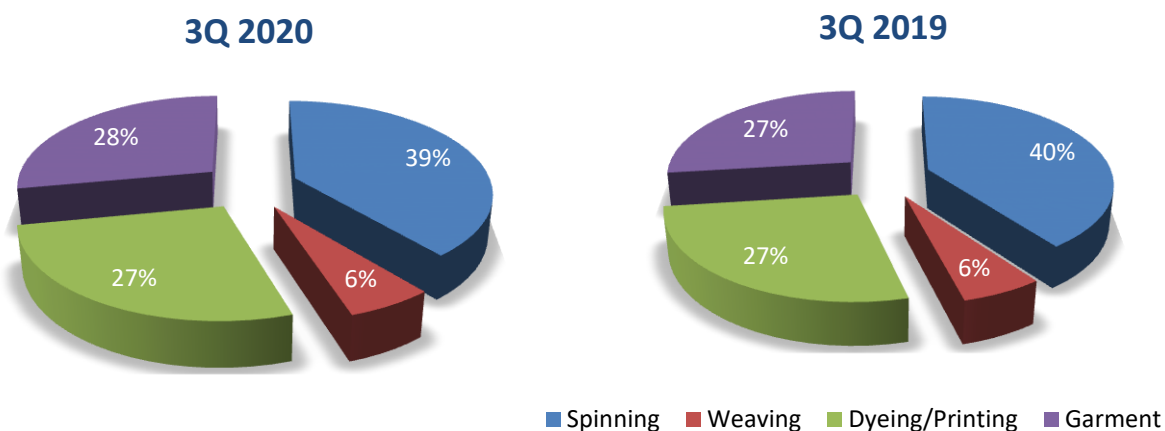
QUARTERLY UPDATE

For the period ended in 30 September 2020 and 2019

Income Statements

In Million USD	Sept 2020	Sept 2019	% Change
Sales:			
Spinning	360.5	359.7	0.23%
Weaving	56.3	57.4	-1.86%
Finishing	240.5	239.0	0.65%
Garment	249.8	239.1	4.48%
Total Sales	907.1	895.1	1.34%
Gross Profit	168.5	179.5	-6.13%
Operating Profit	126.9	141.6	-10.32%
Net Income	73.8	72.2	2.18%
LTM EBITDA	225.4	227.7	-1.03%

Revenue Contributions



Financial Highlights

Ratio	Sept 2020	Sept 2019
Gross Profit Margin	18.58%	20.06%
Operating Profit Margin	13.99%	15.81%
Net Profit Margin	8.14%	8.07%
EBITDA Margin	18.41%	19.75%

QUARTERLY UPDATE

For the period ended in 30 September 2020 and 2019

Financial Ratios

Ratio	Sept 2020	December 2019
A/R turnover	4.0x	5.1x
Inventory turnover (days)	148	134
A/P turnover (days)	12	18
Net Debt to EBITDA	3.63	2.92
Interest Bearing Debt to Total Asset	0.56x	0.55x

Balance Sheets

In Million USD	30/09/20	31/12/19
Cash and cash equivalent	159	168
A/R	336	265
Inventories	426	361
Fixed Asset	693	654
Advances	65	55
Prepaid Tax	7	6
Deffered Tax Assets	4	3
Other Assets	45	47
Total Assets	1,735	1,559

In Million USD	30/09/20	31/12/19
Short term loan	174	68
Medium term notes	65	65
A/P	30	35
Taxes payable	11	16
Accrued expenses and other liabilities	57	60
Long term loan	381	367
Notes payable	357	356
Total Liabilities	1,073	967
Equity	662	592
Total Liabilities and Equity	1,735	1,559

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For the period ended in 30 September 2020 and 2019

Notes Summary

- Total sales YoY increase by 1.3%, and QoQ increase by 2.5%. The increase in textile segment and also with increase in garment by 4.48% from previous year. Increase in garment business driven by uniform and medical product such as mask and hazmat suit (PPE). Beside that, fashion business is also improve in 3Q since export business start to normal. We are seeing higher demand to produce mask and PPE both for government and non-government. These sales are done at cost plus pricing and with this new product, our product GPM in garment division are ranging from 18% up to 35%. The market potential for medical product is huge considering the vast Indonesian population of around 270 mio. Only limited companies are making such approved Medical Product.
- Gross profit margin and EBITDA margin decrease as a result of additional cost to protect employee from Corona Virus pandemic. Net profit margin maintain stable above 8%.
- Company is established a Standard of Procedures in relation to the current worldwide pandemic. Company is taking careful precautions for the day to day operations by checking employees' temperature at every entrance to the office/production plant, providing masks and gloves to employees and providing a medical team stand by at the office/production plant.
- Capex spending as of September 2020 amounting to USD 47.4 million which in line with full year target. We are being flexible on our capex timing. It is important that we maintain our current ratings and be in compliance with financial covenants that have been put in place and agreed with our lenders.
- Cash and cash equivalent amounting to USD 159 million decrease from previous year mainly due to used for working capital. Company have sufficient liquidity, in the form of cash balance and available bank facilities to meet Company's obligation to lenders. There is no significant debt maturities in near term. We're confident we can meet financial covenant this year. On 26 October 2020 the MTN amounted to USD 30 mio has been fully paid by the Company.
- The Company has strong support from local and international bank as proven by giving the syndication loan with total amount facilities USD 350 million in 2019 and additional facilities USD 106.0 million in 2020.
- On 13 March 2020, the Mayor of Solo declared the novel strain of coronavirus (Covid-19) an extraordinary event and recommended containment and mitigation measures in various fields. As of date today, we limit customer visits to the factory, possibility of a decline in export market demand due to temporary closure or reduced working hours. We have anticipated this by producing products that are needed in the face of Covid-19, which are masks and anti-virus personal protective clothing, which are currently in very high demand, so we increase the working hours of the relevant departments.

QUARTERLY UPDATE

For the period ended in 30 September 2020 and 2019

Notes Summary (Continued)

- The Company applied safety procedure operation for employee to keep them protecting from Covid-19 such as : physical distancing, wearing mask, hand sanitizer, disinfectant, thermal scanning, etc
- SRIL included in Kompas 100, Margin Trading and LQ45.
- Company rated by 2 international rating agency with rating BB-/Stable from Fitch, and Ba3/Negative Outlook from Moody's. Local rating A+/Stable Outlook from Fitch Indonesia.

Awards

- ❖ Top 5 GCG from Warta Ekonomi - 2018
- ❖ The Most Influential Company of The Years from PPM & SWA - 2018
- ❖ Indonesia Excellent Public Company from Warta Ekonomi - 2018
- ❖ The Top 50 Company For 2018 – Best of the Best Awards by Forbes Indonesia
- ❖ Indonesia Corporate Secretary Award 2018 by Warta Ekonomi
- ❖ PT Sri Rejeki Isman Tbk received Excellent Growth for Best CEO Iwan Setiawan Lukminto by Bisnis Indonesia Award 2018
- ❖ PT Sri Rejeki Isman Tbk received Excellent Growth for Multi Industri Sector by Bisnis Indonesia Award 2018
- ❖ The IDX Best Blue 2017
- ❖ Most Powerful Companies 2017 category Textile and Garment from Warta Ekonomi
- ❖ Top Emiten 2017 for Garment and Textile Sector from Top Capital Market 2017
- ❖ Best Listed Companies 2017 from Investor Magazine for Textile and Garment Sector
- ❖ Best Emiten by Analyst Selection in “Yuk Nabung Saham” 2017
- ❖ PT Sri Rejeki Isman Tbk received Best Emiten for Multi Industri Sector from Bisnis Indonesia Award 2016
- ❖ PT Sri Rejeki Isman Tbk received “ Top Performing Best Listed Companies 2016” from Investor Magazine for Textile and Garment sector
- ❖ Obsession Awards 2016 from Obsession Media Group (OMG) for nominator Category Best Regional Achievers sub category Local Giants
- ❖ Mr Iwan Setiawan Lukminto (CEO) as Finalist EY World Entrepreneur of The Year 2015 from Ernst & Young

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Disclaimer: This newsletter 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 undue reliance on those forward-looking statements, which are based on current view of management on future events.

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