



Investment Opportunities at PT Angkasa Pura Aviasi

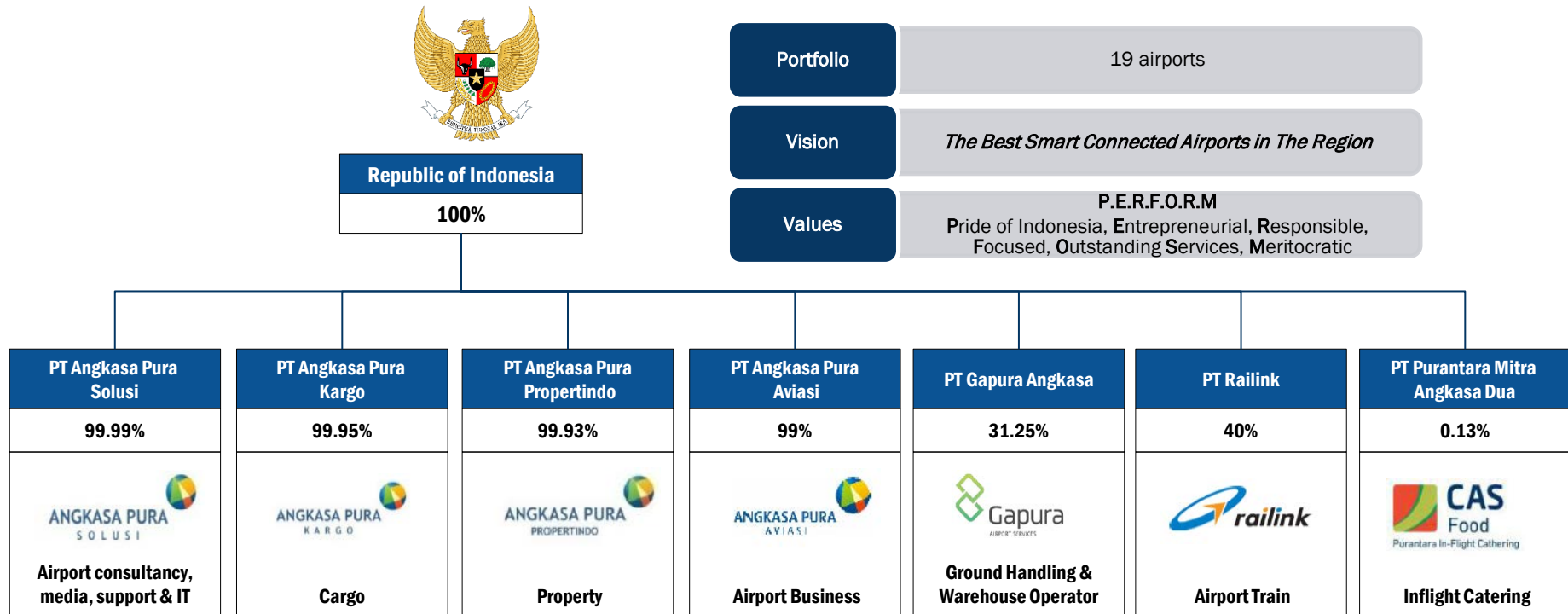
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## **Kualanamu Airport in a Glance**

# PT Angkasa Pura II

## A State Owned Enterprise in Airport Industry

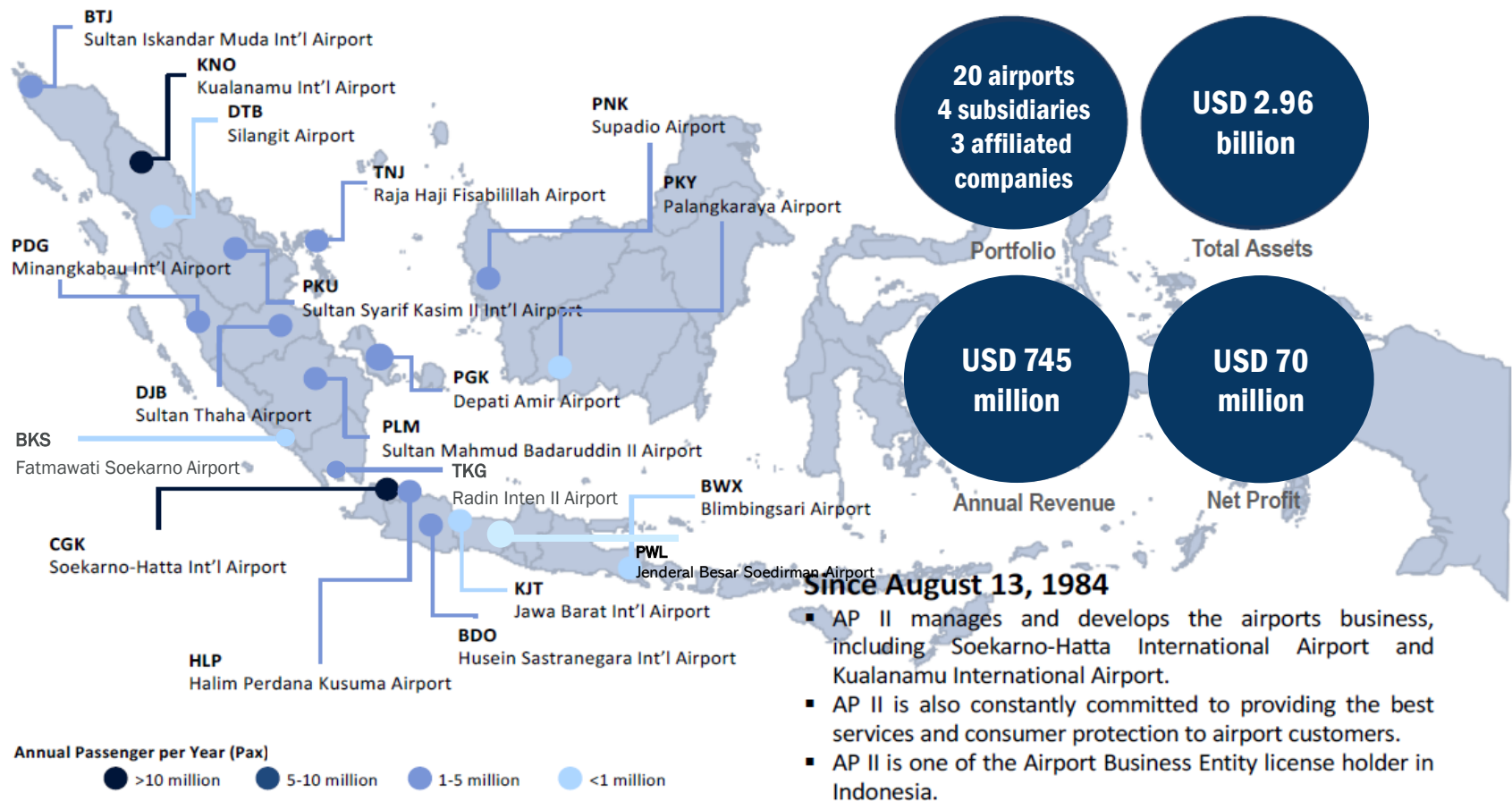
PT Angkasa Pura II (Persero) ("AP II"), a leading airport management company in Indonesia, is committed to safety, customers satisfaction and optimization of operational efficiency.



# PT Angkasa Pura II Profile

## A State Owned Enterprise in Airport Industry

...With over 34 years of extensive experience in managing airports, and currently managing 19 airports.



1 USD = 14,886 IDR (15 May 2020)

Financial figures based on 2019 Financial Statement

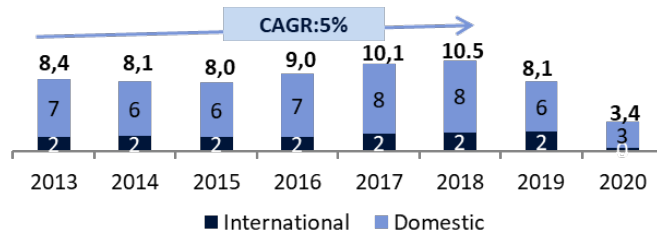


### Overview of Kualanamu International Airport

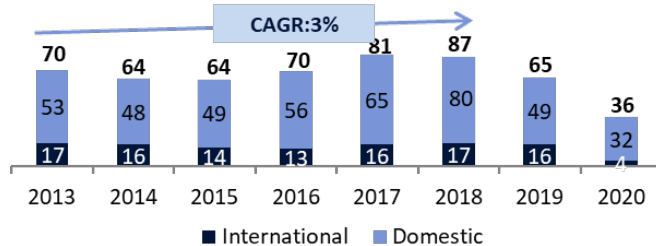
Kualanamu International Airport is a newly constructed international airport in North Sumatra, the **second largest airport** in west side of Indonesia after Soekarno-Hatta International Airport.

#### Historical Operational Performance

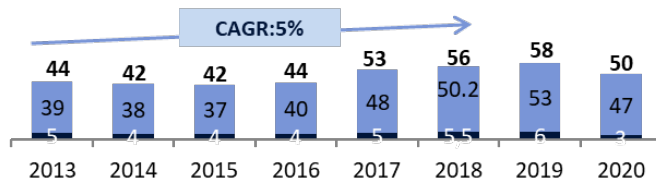
##### Passenger Movement 2012 – 2020 (million pax)



##### Aircraft Movement 2012 – 2020 (thousand)



##### Cargo Movement 2012 – 2020 (thousand ton)



Sources: AP II – Company Profile ■ International ■ Domestic

#### Transformation from MES to KNO

##### Polonia International Airport

Passenger Capacity	900,000
% from Capacity	887.9%
Passenger Movement	7,991,914 pax (2012)
Land Area	144 ha
Distance from Medan	2 km

##### Kualanamu International Airport

Passenger Capacity	9,000,000 (up to 42 mil in S-3)
% from Capacity	116%
Passenger Movement	10,455,953 pax (2018)
Land Area	1,365 ha
Distance from Medan	39 km



Built to **replace the previous** Polonia International Airport, which was no longer able to accommodate the increasing needs of air services, it commenced the operation in 2013.



The **first airport in Indonesia** with a direct rail link to/from city center (Medan city)



Part of **Government of Indonesia's infrastructure development plan** and strategy for the ASEAN Single Aviation Market



Expected to become the **new international transit center** in Sumatra and the western part of Indonesia



##### Official 4-Star Skytrax Airport

Obtained the 2016 **Service Quality Award**, passed the Service Quality Index with **total points of 4.0800**



### Overview of Kualanamu International Airport

## The continuous development of Sumatera strengthen its positioning as a destination

North Sumatra and Medan have a strong industrial prospect and tourism attractions which are supported by the development especially in infrastructure.

Through government support, Sumatera and North Sumatra will strengthen its position as a destination through the following development :

#### Industry

1



##### The development of Trans Sumatra Toll Road

- Particularly in North Sumatra, Medan-Kualanamu-Tebing Tinggi Toll Road will be operated at the end of 2017

2



##### The development of Pendulum Nusantara & Special Economic Zone Development

- Belawan & Kuala Tanjung Port
- Support North Sumatra industry, most well-known for palm oil plantations and coal
- Network as western gate of Sumatra

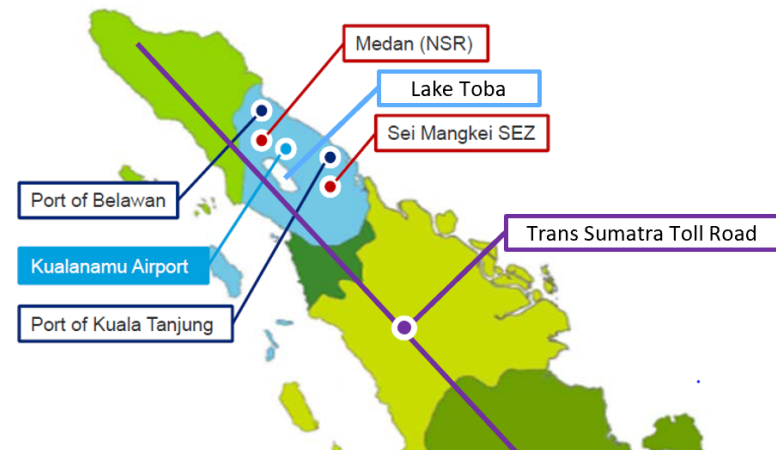
#### Business

3



##### Medan as an important commercial and economic hub

- Fourth biggest city in Indonesia and center of business in western Sumatra
- Direct access from/to airport via train



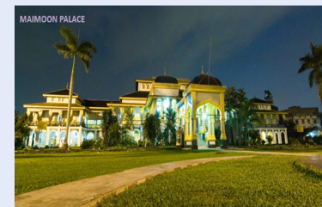
#### Tourism

4



##### Tourism Attraction of North Sumatra

- Toba Caldera Geopark (Lake Toba)
- Popular and attractive tourism site in the region



**Maimoon Palace** is royal house for Sultanate of Deli and becomes of tourism sites from Medan, South Sumatra built by the Sultan of Deli in 1888

Maimoon Palace is one of the most beautiful palace still exist in Indonesia.

### Overview of Kualanamu International Airport

#### Infrastructure to Support Connectivity



##### Airport Railink

- Has been operating since 2013, directly connecting KNO with Medan Station at the city center through a railway line
- Total length is 22.96 km and it takes about 30-47 minutes per trip
- The first airport train in Indonesia



##### Medan-Kualanamu-Tebing Tinggi Toll Road

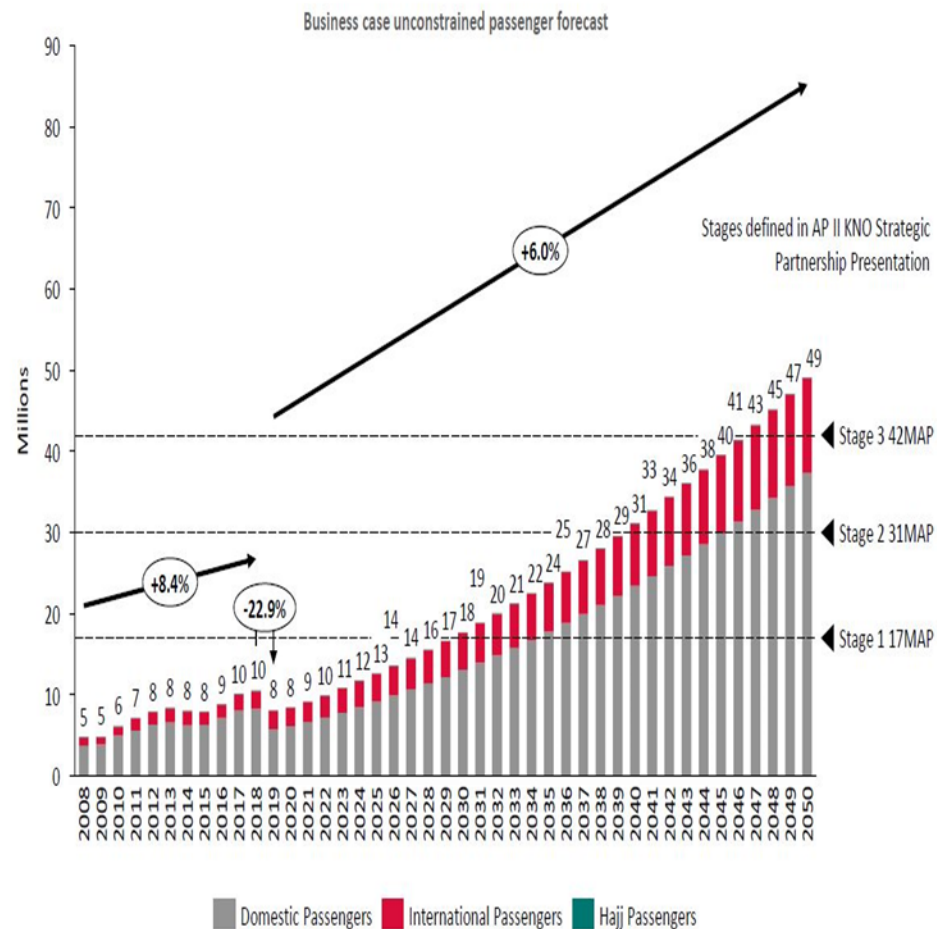
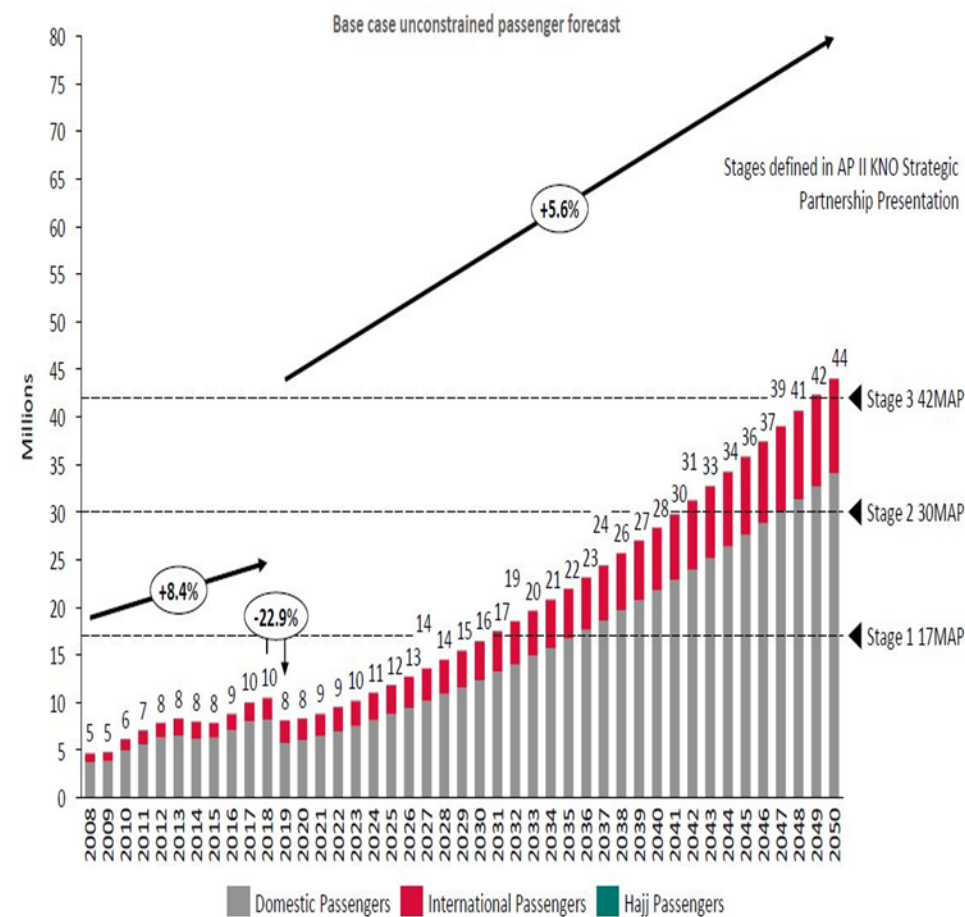
- Toll road (part of Trans Sumatra) to connect Medan, KNO and Tebing Tinggi
- Total length is 61.80 km
- The operation in 2018

2

## Future Growth

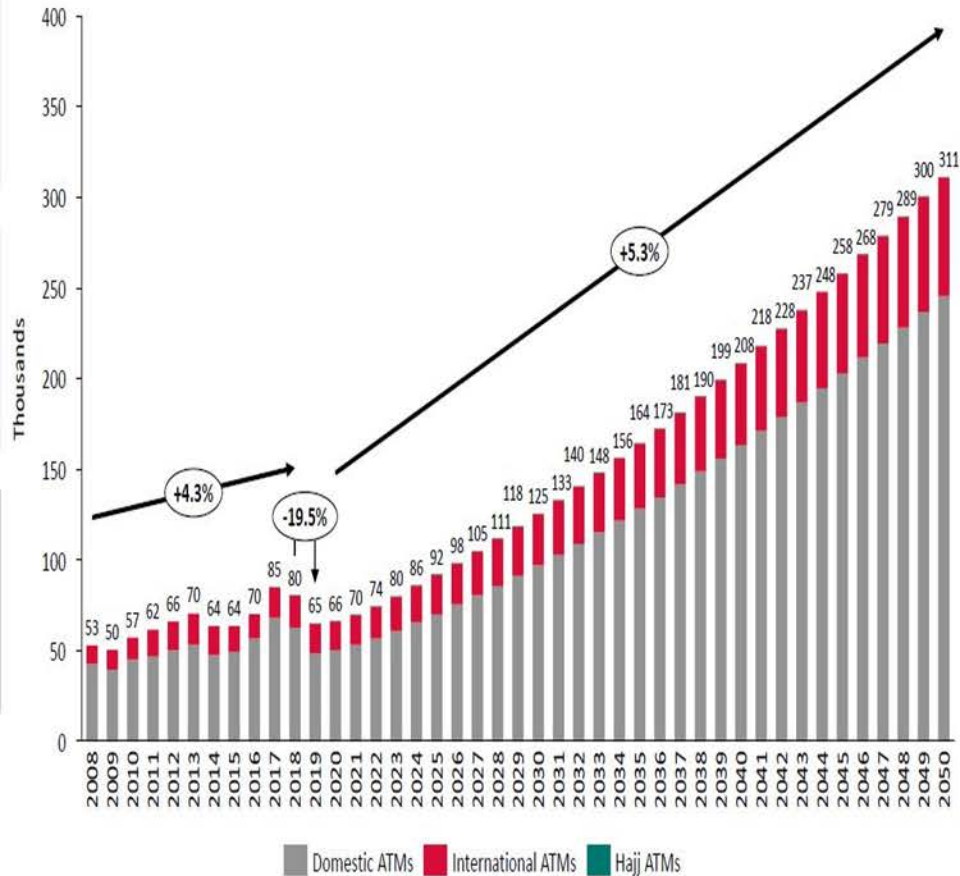


# KNO TRAFFIC PASSANGER FORECAST

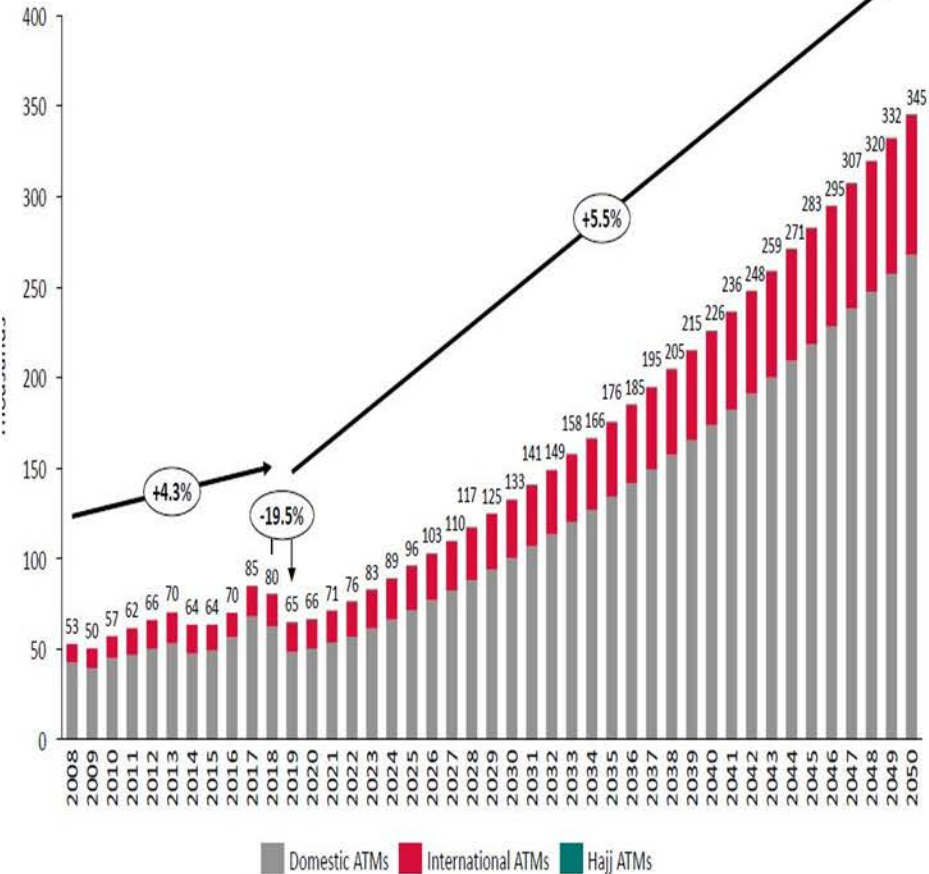


# KNO TRAFFIC ATM FORECAST

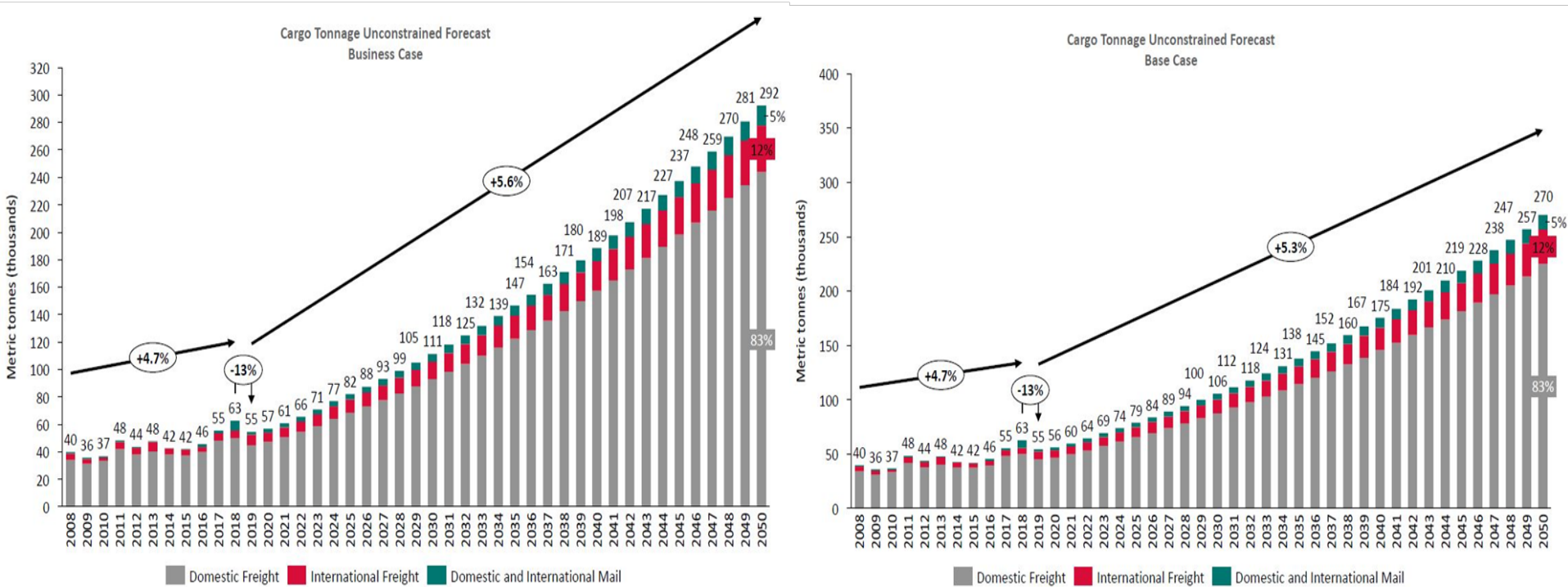
Base case unconstrained ATM forecast



Business case unconstrained ATM forecast



# KNO TRAFFIC TONNAGE FORECAST



# KNO DOMESTIC EXISTING ROUTES

## Domestic Routes

- There were 26 domestic routes from KNO in 2019, according to OAG.
- The top destination was Jakarta Soekarno-Hatta (CGK) with 1.87 million departing seats. When combined with Jakarta's other airport, Halim Perdanakusuma Airport (HLP), the Medan – Jakarta route makes up almost half (48%) of all domestic seats at Medan. Apart from being the capital city, Jakarta CGK acts as a hub for passengers to travel to other domestic airports, as well as international destinations.

Black line = multiple carriers operate this route  
White line = only one carrier operates this route



Source: OAG

Top 10 domestic destinations from KNO (Departure seats thousands)			2019	Proportion of seats
1	CGK	Jakarta	1,872	41.2%
2	BTH	Batam	527	11.6%
3	PKU	Pekanbaru	331	7.3%
4	HLP	Jakarta	318	7.0%
5	GNS	Gunung Sitoli	235	5.2%
6	BTJ	Banda Aceh	235	5.2%
7	PDG	Padang	192	4.2%
8	JOG	Yogyakarta	131	2.8%
9	PLM	Palembang	114	2.5%
10	BDO	Bandung	108	2.4%

The top ten domestic destinations form 89% of total domestic seats from KNO.



# KNO POTENTIAL DOMESTIC NEW ROUTES

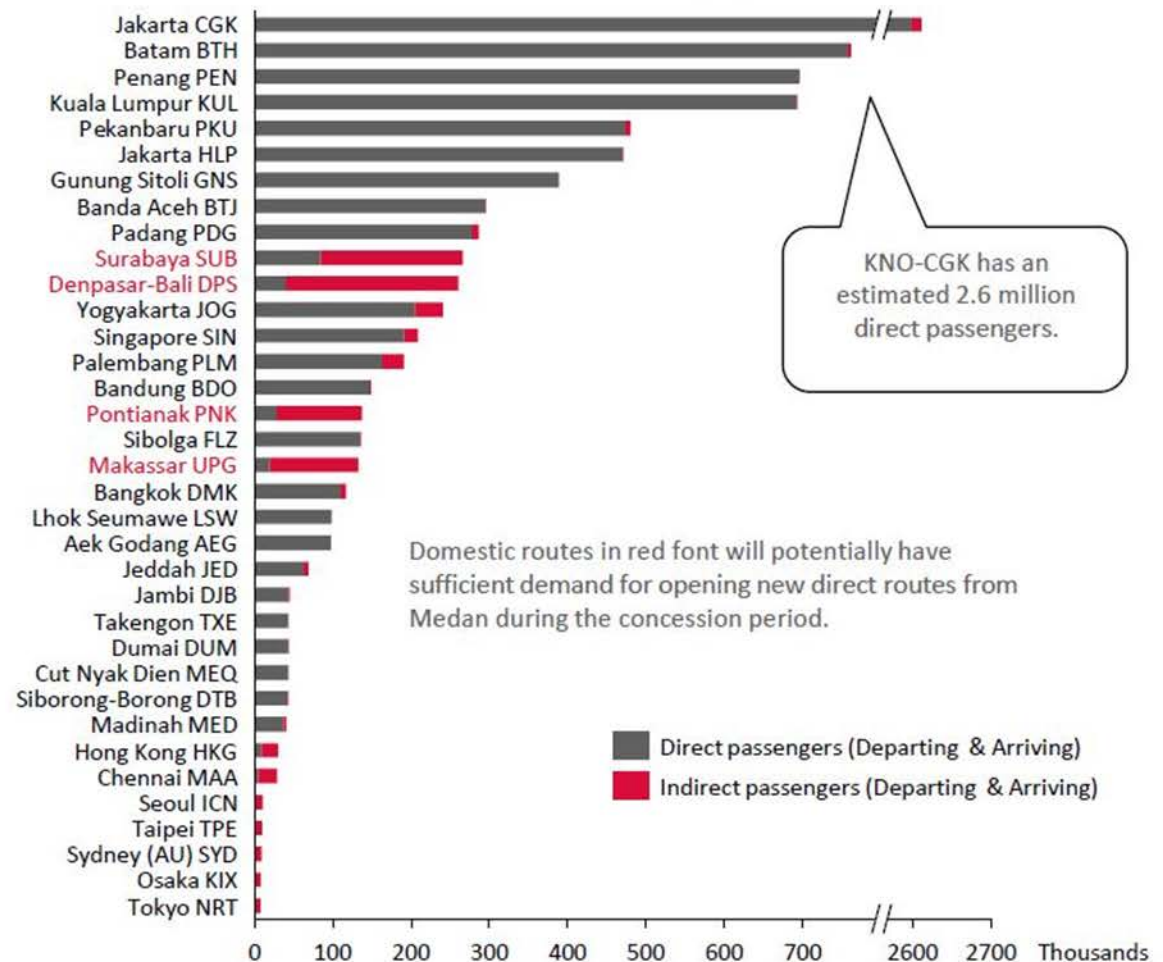
Surabaya, Denpasar-Bali, Pontianak and Makassar are high in demand but currently have few direct flights from KNO.

## Potential Demand for New Domestic Routes

- MIDT data provides the full routing of the passenger, and therefore their ultimate destination, allowing for the identification of potentially untapped routes that could have the demand to launch direct services.
- Analysis of MIDT data indicates that the top six destinations from KNO are well served by direct flights.
- However, looking at the next top destination Surabaya, there was an estimated total of 266,000 passengers flying there but only 84,000 flew direct from KNO between in 2019. Over 182,000 passengers (68%) flew indirectly, of which over half flew via Jakarta CGK.
- Other popular destinations where a large proportion of passengers flew indirectly from KNO are also domestic destinations: Denpasar, Pontianak and Makassar.

Source: MIDT estimated passengers

## Estimated direct and indirect passengers from Medan Airport JAN-DEC 2019



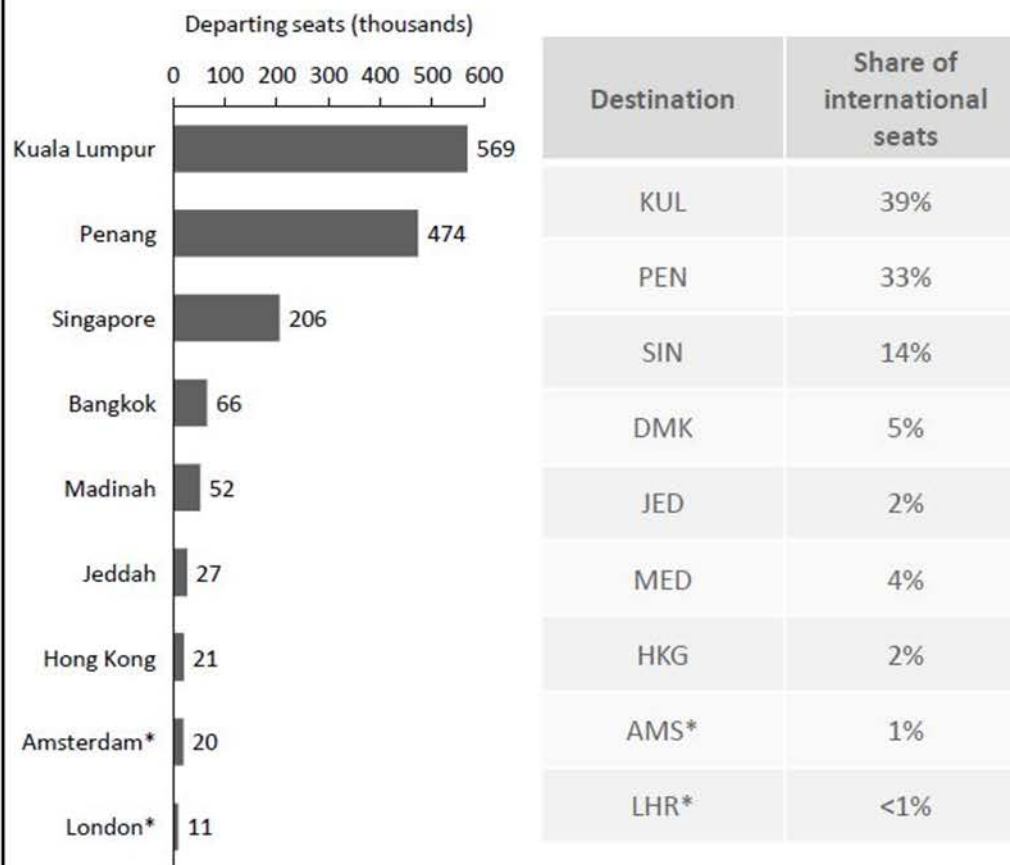


# KNO INTERNATIONAL EXISTING ROUTES

## International Routes

- In 2019 there were nine international destinations according to OAG schedules data:
  - 72% of international seat capacity was to Malaysia (Kuala Lumpur and Penang)
  - 14% was to Singapore
- In the past ten years, smaller routes were often introduced for a few years and subsequently removed, e.g.
  - Ipoh, Malaysia** - Re-introduced in March 2018, with an average of three flights per week (on Malindo Airways) and removed in 2019.
  - Phuket, Thailand** - Flights only scheduled in 2009-2010
- New & ceased routes
  - Hong Kong** - Cathay Dragon launched to Medan in November 2018 (three flights per week) but ceased in September 2019.
  - Amsterdam** - Introduced in October 2019 by Garuda Indonesia but the airline plans to replace Denpasar-Medan-Amsterdam with Jakarta-Amsterdam service, effective 18-Feb-2020.
  - London** - Introduced in July 2019 by Garuda Indonesia but the airline plans to replace Denpasar-Medan-London with Jakarta-London service, effective March 2020.

## International departing seats in 2019 by destination



Source: OAG, CAPA

(\*Data snapshot at Jan2020, before cancellation announcement of AMS/LHR)

# KNO POTENTIAL INTERNATIONAL NEW ROUTES

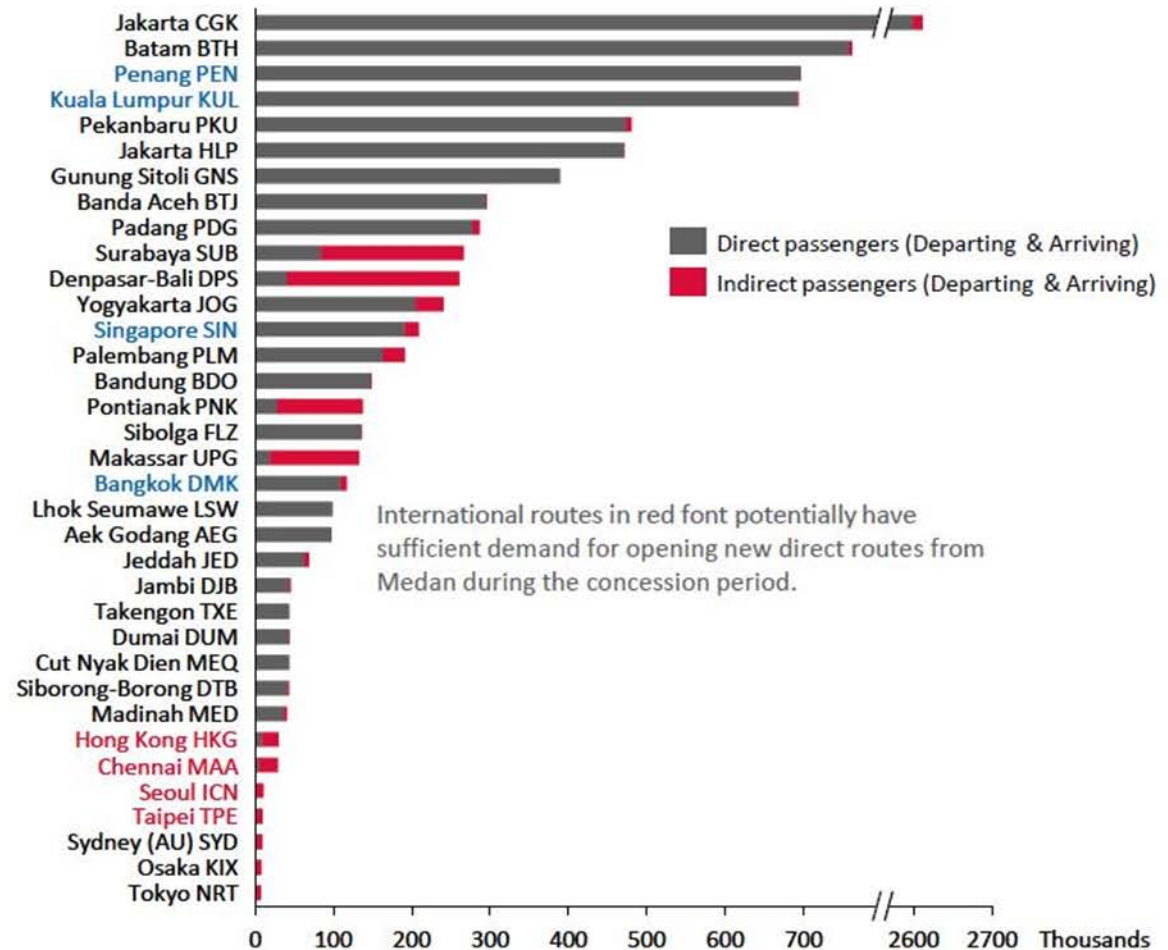
A few international routes, such as Hong Kong, Chennai, Seoul and Taipei potentially have sufficient demand for opening new direct routes.

## Potential Demand for New International Routes

- Kuala Lumpur, Penang, Singapore and Bangkok are well served by direct flights from KNO, with only low proportions of passengers flying indirectly (circa. 1.5%).
- At the time of production there were no direct flights to Hong Kong (Cathay dragon ceased in Sep19). Almost 20,860 passengers flew there indirectly, which suggests there is some demand for this destination that may be met by the carriers with a direct service during the concession period.
- Similarly, there are no direct routes to Chennai and Seoul. For Chennai, Airasia is the largest carrier to transfer the demand via their hub in Kuala Lumpur. Singapore airlines is the largest carrier to transfer the demand to Seoul via Singapore. Both routes have potential to capture the current indirect demand and launch direct flights.
- Other East Asian cities have some demand, but these are possibly insufficient to justify opening new direct routes currently, but Chennai, Seoul and Taipei have potential.

Source: MIDT estimated passengers

Estimated direct and indirect departing passengers from Medan Airport  
JAN-DEC 2019



## INVESTMENT OPPORTUNITIES

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- E-Commerce Centre Warehouses
- Integrated Commercial Area – Factory Outlet & MICE

***E-Commerce Center Warehouses at  
Kualanamu International Airport***

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## E-Commerce Center Warehouses at Kualanamu International Airport

### Transaction Overview



#### Total Project Value

IDR ±100 Billion

#### Investment Opportunity

- BOT 25 Years
- IRR Project: 20%
- NPV@12,55%: IDR 52 Billion
- Payback Period: 7 Years
- Profitability Index: 1,5x



#### Land Area

±2Ha



#### Location

Kualanamu International Airport, Deli Serdang

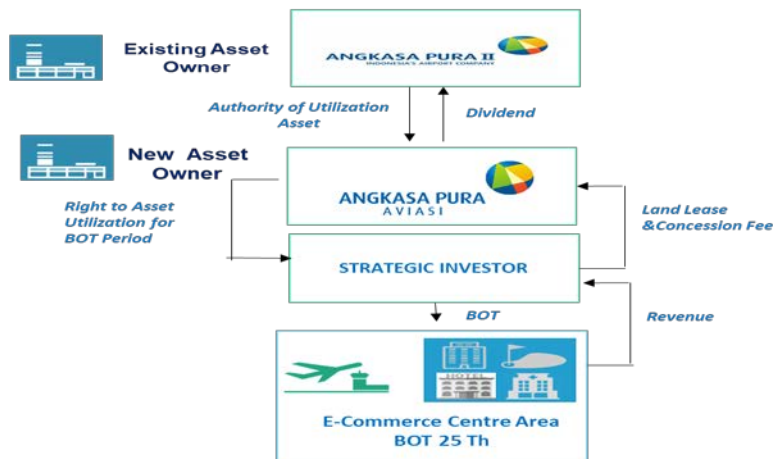


Feasibility Study: Colliers International

### Project Overview

- Even in COVID 19 Period, E-Commerce Industry is successful survival and more competitive.
- **Now on, Tendency people around the world becomes online buyers.**
- **a very strategic location and there is no E-Commerce Center Warehouses in Sumatra**
- Located at the front of the airport, with clean and clear status and has distance 39 km from Medan, the capital city of North Sumatera.
- Property is surrounded mostly by local housing and few commercial buildings. The nearest commercial development is located in Lubuk Pakam (± 10 Km from the Property). The Property has very good visibility, from the airport main road.

### COOPERATION SCHEME



### Get your *SPECIAL RATE* in *CORONA TERM*:

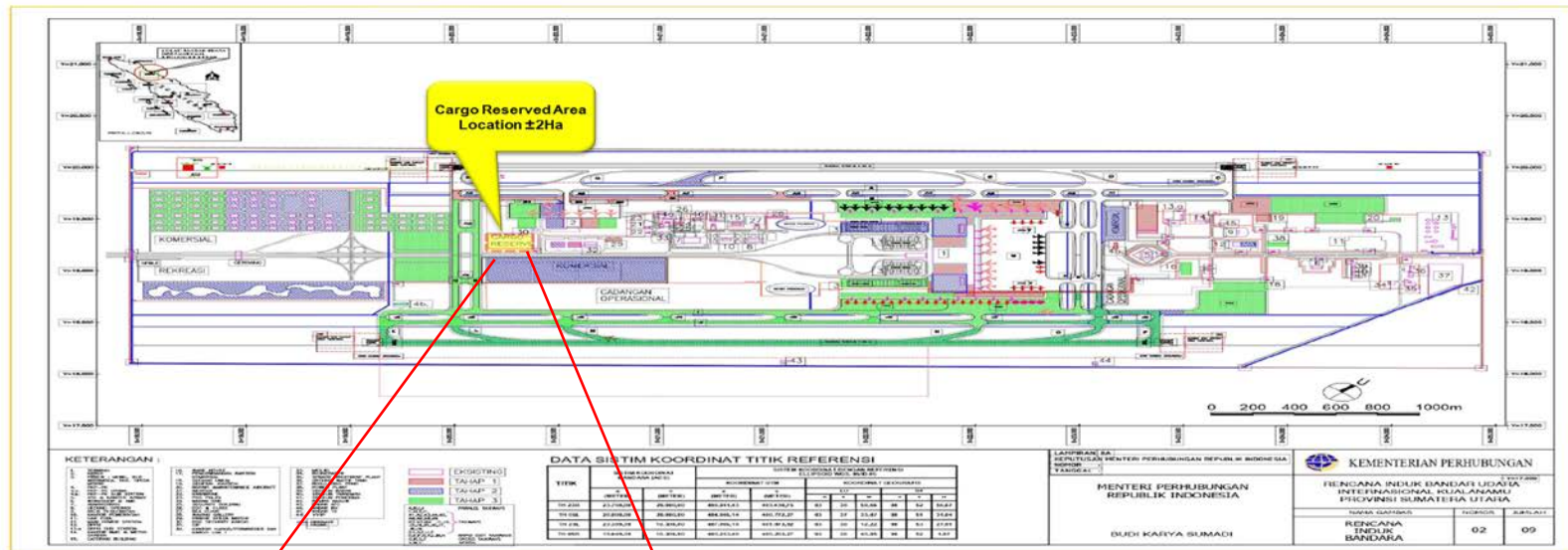
- Land Lease and Concession payment
- Get Grace Period
- Surcharge Fee is IDR 3 Billion



## E-Commerce Center Warehouses at Kualanamu International Airport

## Project Overview

## Airport Master Plans & Airport Layout Plans

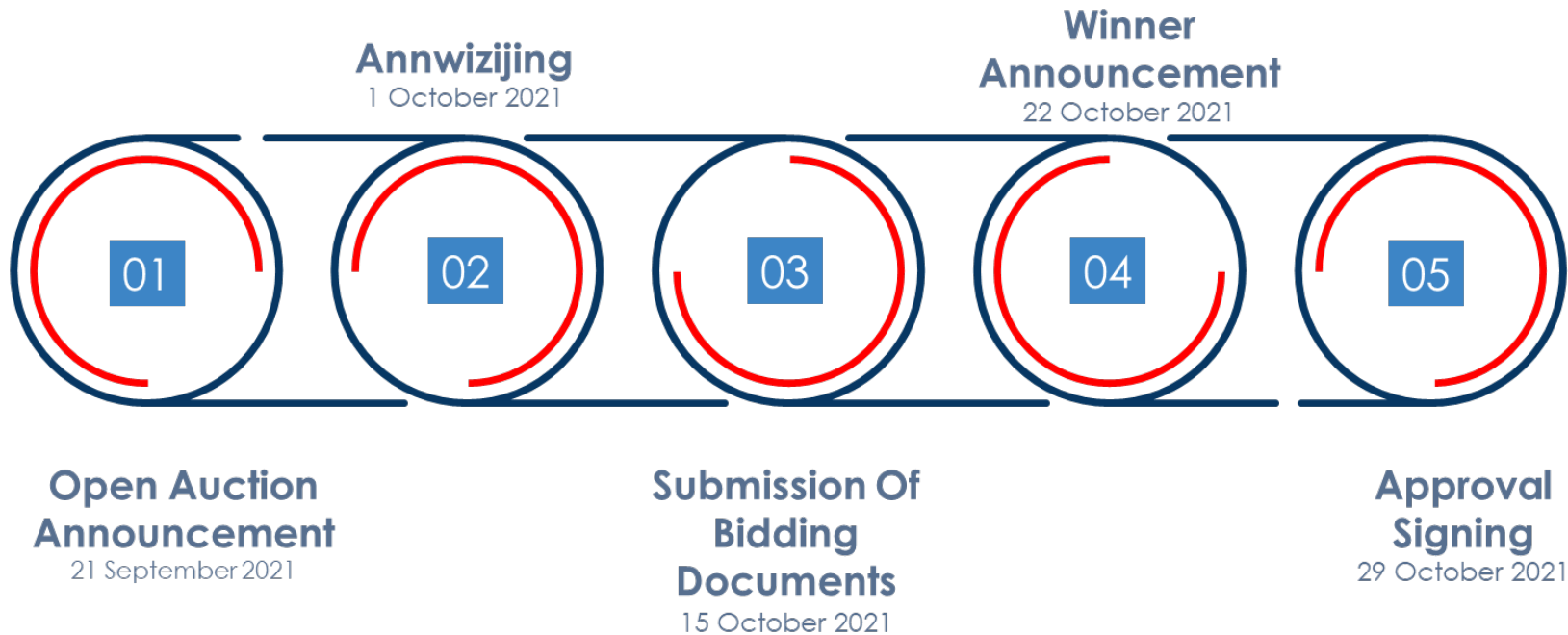


<p>International Sites</p> 	<p>Online Marketplace</p> 	<p>B2C / Specialty Store</p> 
<p>Ticketing / Travel</p> 	<p>Deal Sites</p> 	<p>hishoplook.com HISHOP</p> 
<p>Lifestyle Shopping</p> 	<p>Online Grocery</p> 	<p>MYSALE REEBORN</p> 
<p>Online Food Delivery</p> 	<p>Penny Auction</p> 	<p>Online Classified</p> 



## E-Commerce Center Warehouses at Kualanamu International Airport

### Timeline



*Integrated Commercial Area - Factory Outlet & MICE  
at Kualanamu International Airport*

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## Integrated Commercial Area - Factory Outlet and MICE at Kualanamu International Airport

### Transaction Overview



#### Total Project Value

IDR 834 Billion (USD\$ 55,6 Million)

#### Investment Opportunity

- BOT 30 Years
- IRR Project: 19%
- NPV@12,55%: IDR 196 Billion (USD\$ 11,7 Million)
- Payback Period: 8 Years
- Profitability Index: 1,4x



#### Land Area

±20Ha



#### Location

Kualanamu International Airport, Deli Serdang

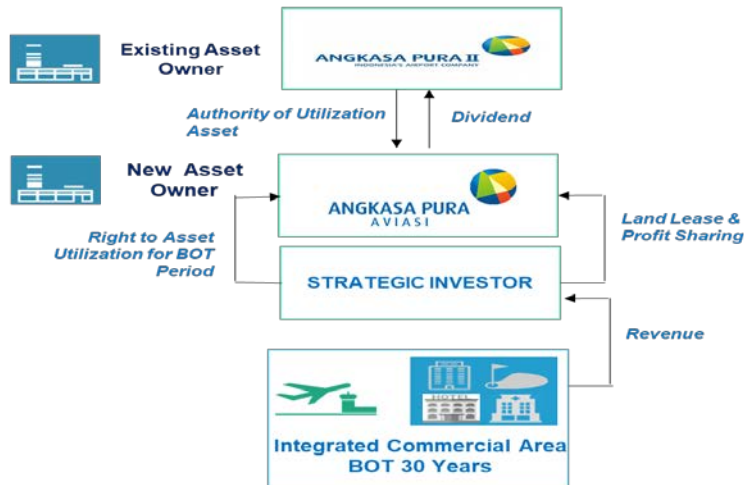


Feasibility Study: Colliers International

### Project Overview

- International Commercial Area - Factory Outlet is a ±20-ha area.
- Located at the front of the airport, with clean and clear status.
- Located 39 km from Medan, the capital city of North Sumatera.
- **Medan is the center economic and the biggest purchasing power in Sumatra**
- Property is surrounded mostly by local housing and few commercial buildings. The nearest commercial development is located in Lubuk Pakam (± 10 Km from the Property). The Property has very good visibility, from the airport main road.

### COOPERATION SCHEME



### Get your SPECIAL RATE in CORONA TERM:

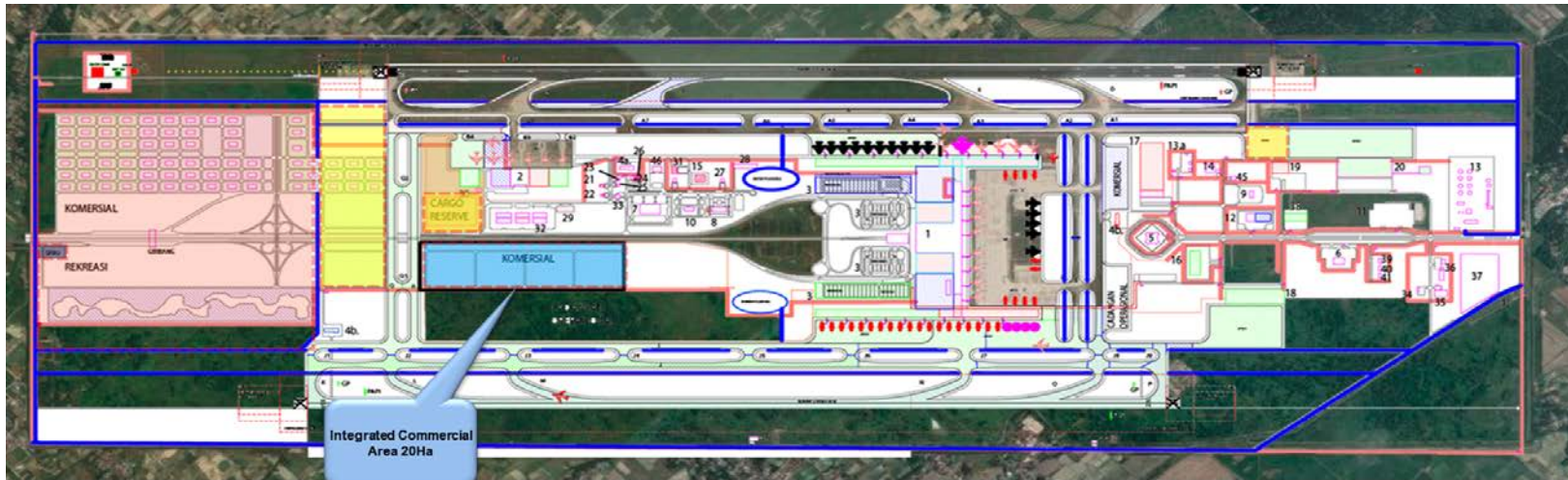
- Land Lease and Concession payment
- Get Grace Period
- Surcharge Fee is IDR 13 Billion





## Integrated Commercial Area – Factory Outlet and MICE at Kualanamu International Airport

### Project Overview



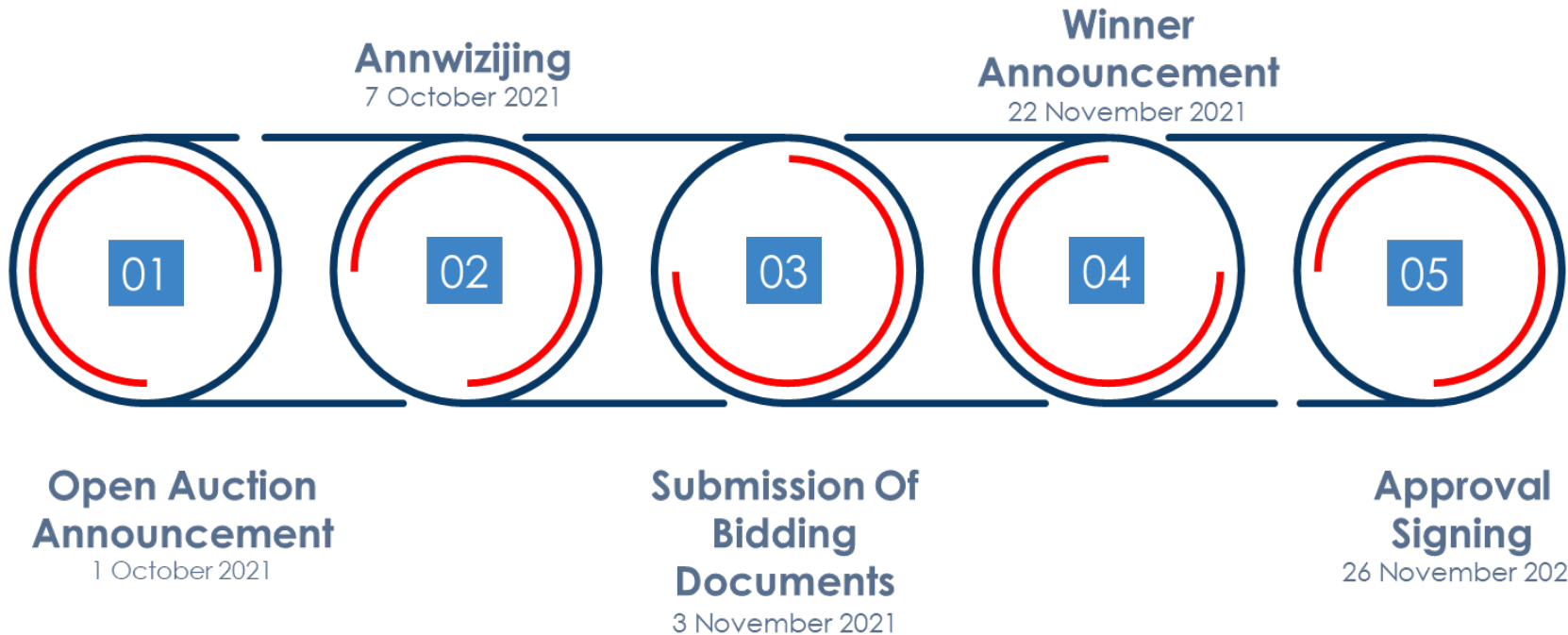




## PROJECT PROFILE

### Integrated Commercial Area – Factory Outlet and MICE at Kualanamu International Airport

#### Timeline





Thank You