

# **Q3 / 9M 2020 EARNINGS CALL**

Thursday, 22 - 10 - 2020

# Agenda

No	Topic	Page	Presenter
1	Q3 / 9M 2020 Performance Updates	3 – 6	Niraj Jain
2	Operational Update	7 – 10	Terry O'Connor

# Q3 / 9M 2020 PERFORMANCE UPDATES

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# KEY FINANCIAL HIGHLIGHTS

(in IDR Bn)	THIRD QUARTER		
	2020	2019	Variance %
Gross Sales	1,927	3,267	-41.0%
SSSG%	-40.9%	0.1%	
Sales mix:			
DP	35.8%	37.3%	
CV	64.2%	62.7%	
Gross Profit	615	1,017	-39.5%
GM%	31.9%	31.1%	
OPEX	(652)	(883)	-26.2%
OPEX%	-33.8%	-27.0%	
EBITDA	(37)	134	-127.6%
EBITDA Margin%	-1.9%	4.1%	
Net (Loss) Income	(259)	25	-1155.6%
Net Income Margin%	-13.4%	0.8%	

YTD SEP		
2020	2019	Variance %
5,860	13,815	-57.6%
-57.7%	0.5%	
36.5%	36.5%	
63.5%	63.5%	
1,958	4,744	-58.7%
33.4%	34.3%	
(2,057)	(2,911)	-29.3%
-35.1%	-21.1%	
(99)	1,834	-105.4%
-1.7%	13.3%	
(617)	1,187	-152.0%
-10.5%	8.6%	

# We are likely to end the year with 145-150 large format multi-brand stores.

Date	Description	Total Stores
30 Jun'20		153
Jul – Sep'20	<b>New Stores</b> The Park MAL DPK, Depok Ciputra MAL TNG, Tangerang	2
	<b>Closed Stores</b> SPR Plaza, Padang Grage City Mall, Cirebon	-2
30 Sep'20		153

16 Jul 2020  
The Park MAL DPK  
Depok City  
West Java



17 Jul 2020  
Ciputra MAL TNG  
Tangerang City  
Banten



# BALANCE SHEET

ASSETS				LIABILITIES AND EQUITY			
(in IDR Bn)	End Sep 2020	End Dec 2019	Variance	(in IDR Bn)	End Sep 2020	End Dec 2019	Variance
Cash & Bank	1,009	1,173	(164)	Bank Loans	1,441	0	1,441
Trade Receivables	50	86	(36)	Trade Payables	449	1,471	(1,022)
Inventories	1,314	1,099	215	Employee Benefit Oblig.	532	520	12
Other Assets	671	1,042	(371)	Other Liabilities	992	1,095	(103)
Lease Assets (PSAK 73)	3,082	-	3,082	Lease Liabilities (PSAK 73)	3,236	-	3,236
Fixed Assets	1,317	1,433	(116)	Equity	793	1,747	(954)
<b>TOTAL ASSETS</b>	<b>7,443</b>	<b>4,833</b>	<b>2,610</b>	<b>TOTAL LIAB. &amp; EQUITY</b>	<b>7,443</b>	<b>4,833</b>	<b>2,610</b>

## Remarks:

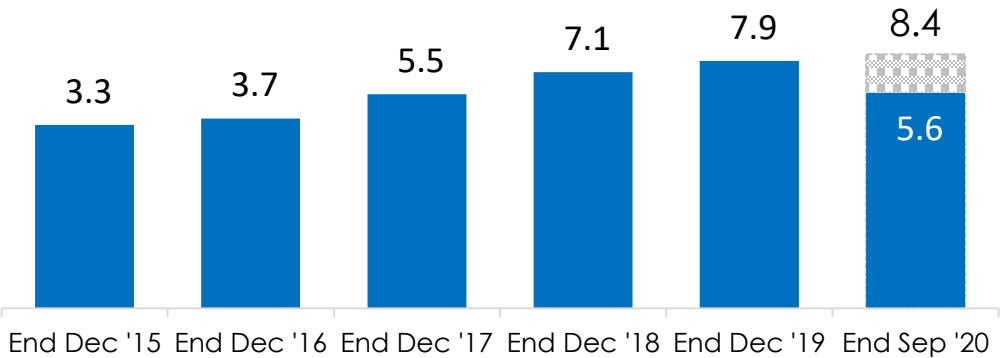
- Due to implementation of PSAK 73: Leases, which effective 1 Jan 2020, the Total Asset has increased by 2.6 Trillion of recognizing Right of Use Assets, and corresponding Lease Liability also being recorded.
- Loan repayment of 626 Billion in Q3, bring total loan balance at 1.44 Trillion (Q2: 2.1 Trillion).
- Inventory at 1.3 Trillion in Q3 2020 vs 1.25 Trillion in Q3 2019.

# OPERATIONAL UPDATE

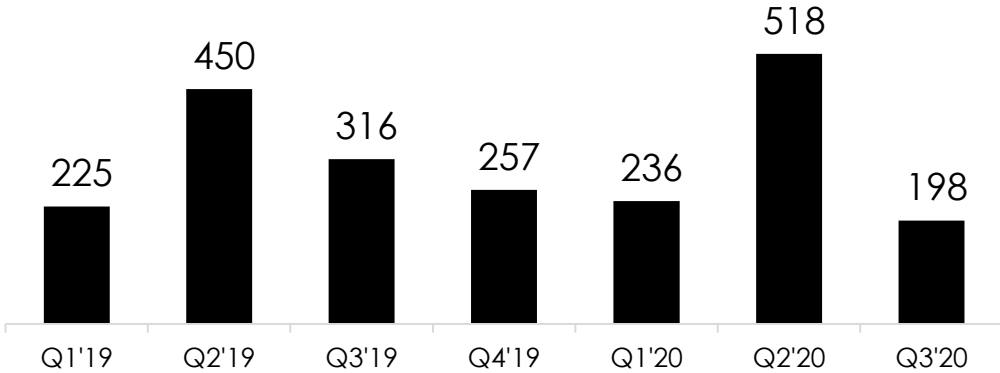
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# MATAHARI REWARDS

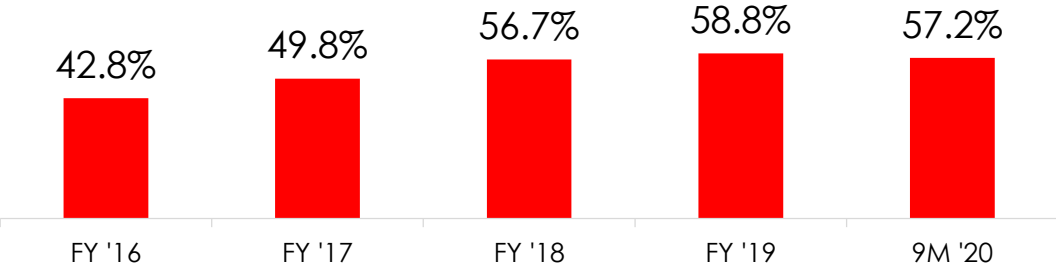
No. of active members (in millions of people)



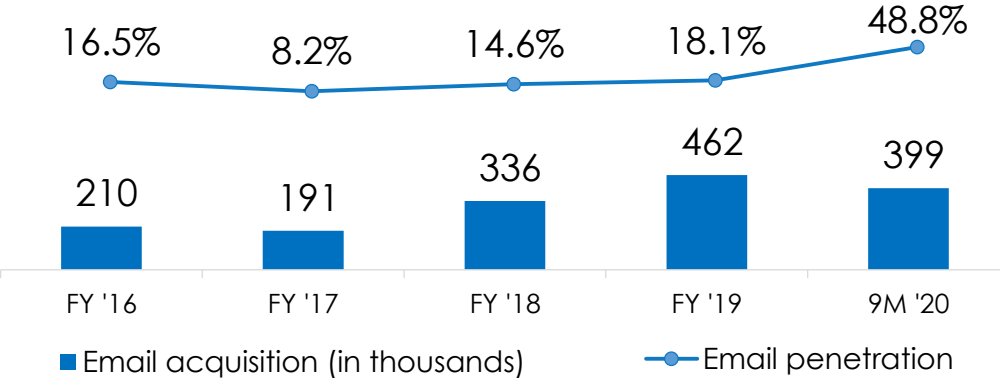
Matahari App downloads (in thousands)



Member sales contribution



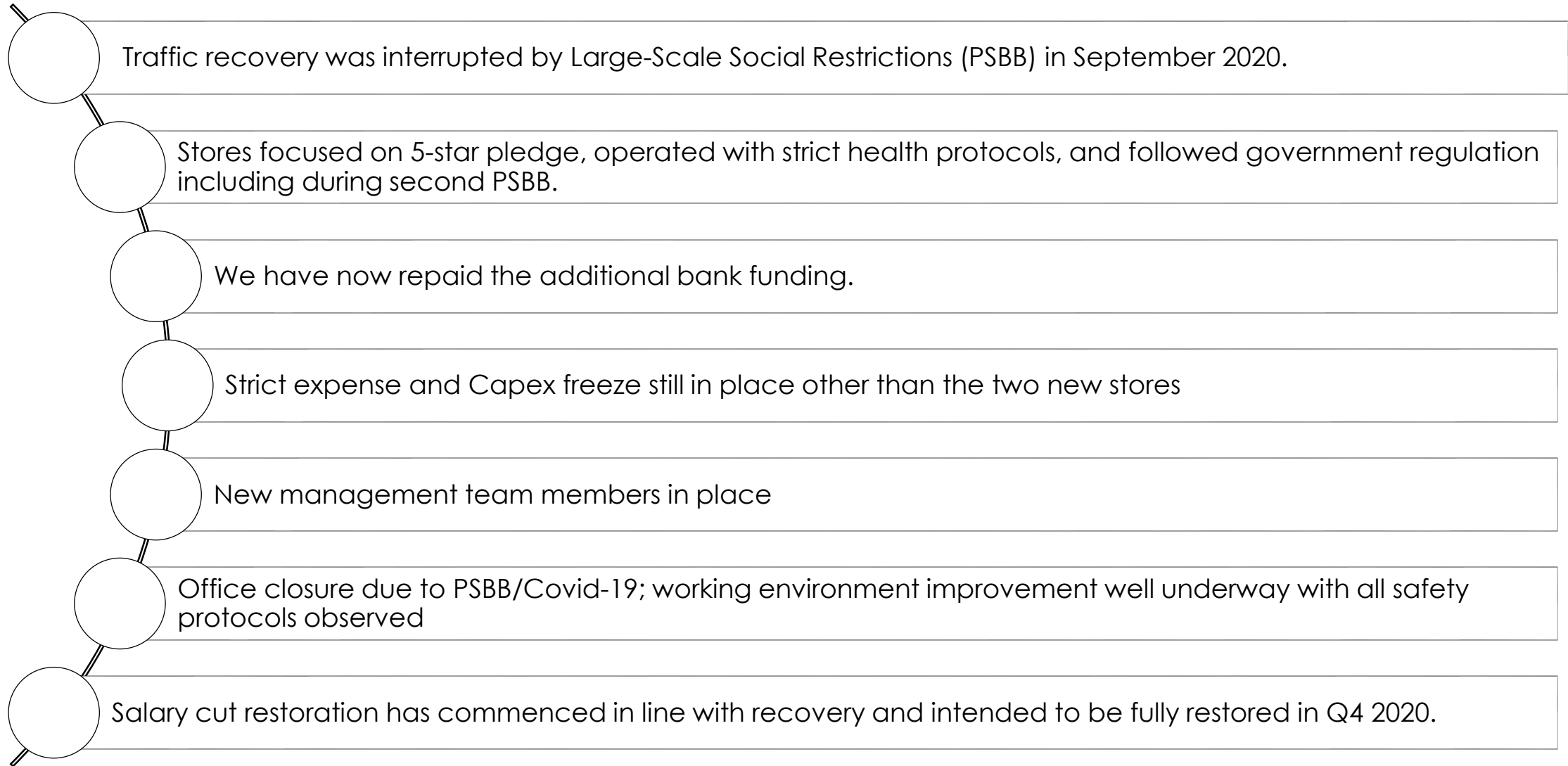
Email penetration





# COVID-19 UPDATE

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# OPERATIONAL UPDATE



## Customers

- Customer segmentation driving new CRM approach.
- New promotional suite in place. Single price KVI's being tested.
- Matahari Rewards to be relaunched in November.
- New 'Pay Less, Feel Good' strapline to support customer value initiatives.
- JD.ID launched in August; reviewing other channels.

## Operations

- Assortment optimisation and Category strategies (House of Specialists).
- Final negotiation underway for few Exit Brands.
- Shift to lower cost and personalized customer outreach.
- Collaboration with Nobu Bank for Supply Chain Financing & Branchless Banking
- Next-generation Matahari store pushed back to Q2 2021 for execution.

## Talent

- New Chief Merchandising Officer, Rachel Stack, onboarded.
- Logistics Director, Ian Pemberton, driving Asset-Light Strategy.
- Marketing Consultant in place for 'Feel Good' evolution.
- Support Center modernization and culture well advanced.
- 12 strategy workstreams by agile-style cross-functional squads commenced, and strategy work for 2021 near completion.

## Financial

- Significant support from landlords for Q2 and Q3.
- Additional bank facilities repaid.
- Conservative Capex stance to remain for the balance of the year.
- Zero-based budgeting approaching for 2021 in light of continued challenges.
- Multi-skilling project advanced for enhanced service/cost control.

# CONTACT US

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**THANK YOU**