



Matahari Department Store

Q1 2016 Results Update

Earnings call: April 26th, 2016

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Key Highlights Q1 2016







Q1 2016 Key Highlights

IDR Bn

Q1 2015

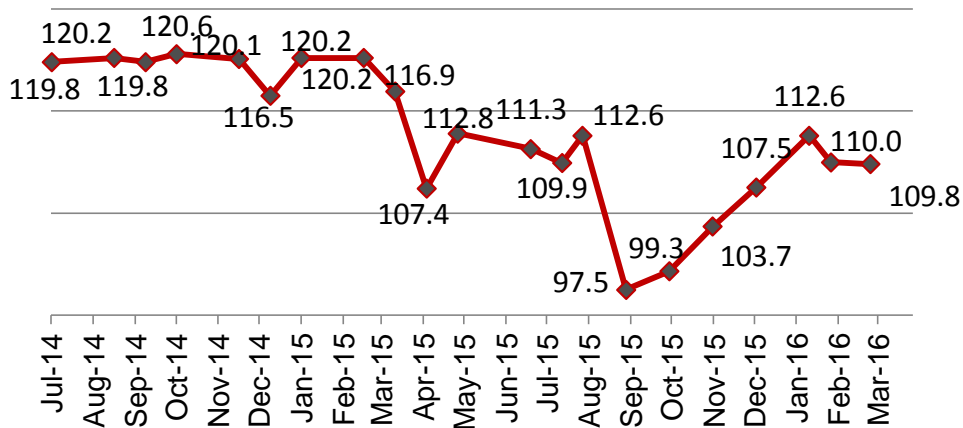
Q1 2016

△

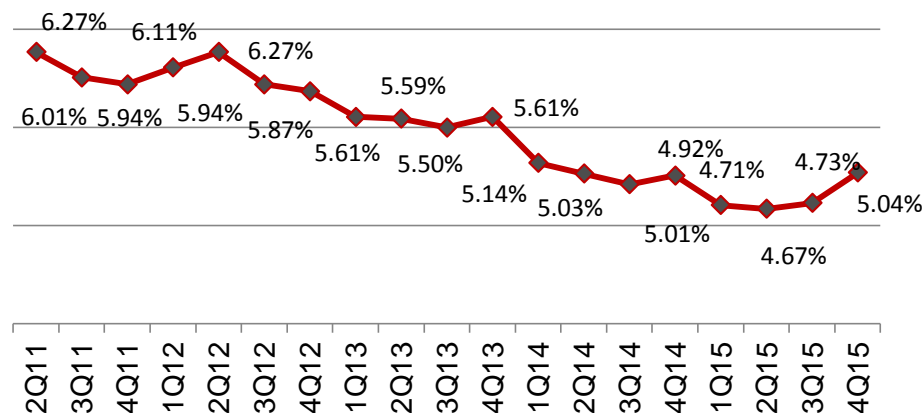
Gross Sales	2,881	3,261		13.2%
SSSG	5.4%	9.4%		
EBITDA	326	387		18.8%
Net Income	185	244		31.8%
Gross Margin	34.9%	35.3%		40 bps
EBITDA Margin	11.3%	11.9%		60 bps

Macro-Economic Data

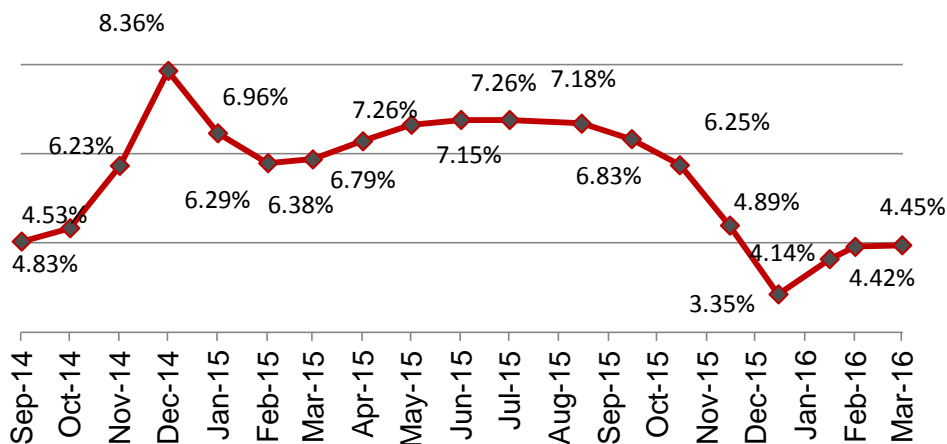
Consumer Confidence Index



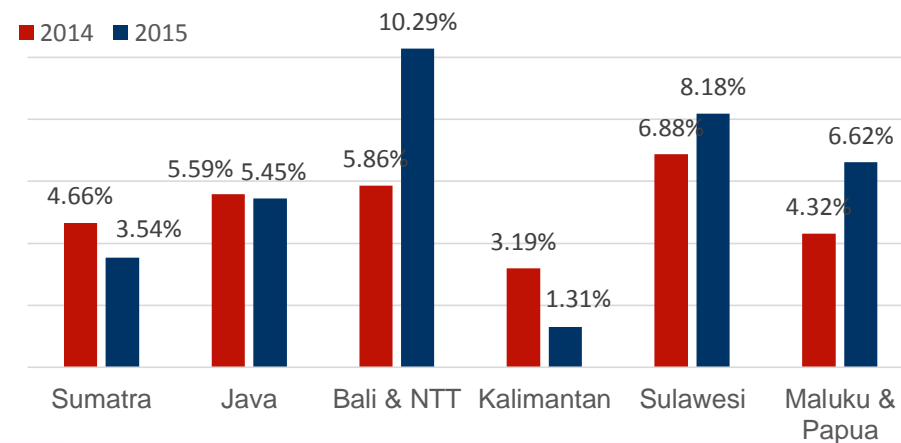
GDP Growth



Inflation

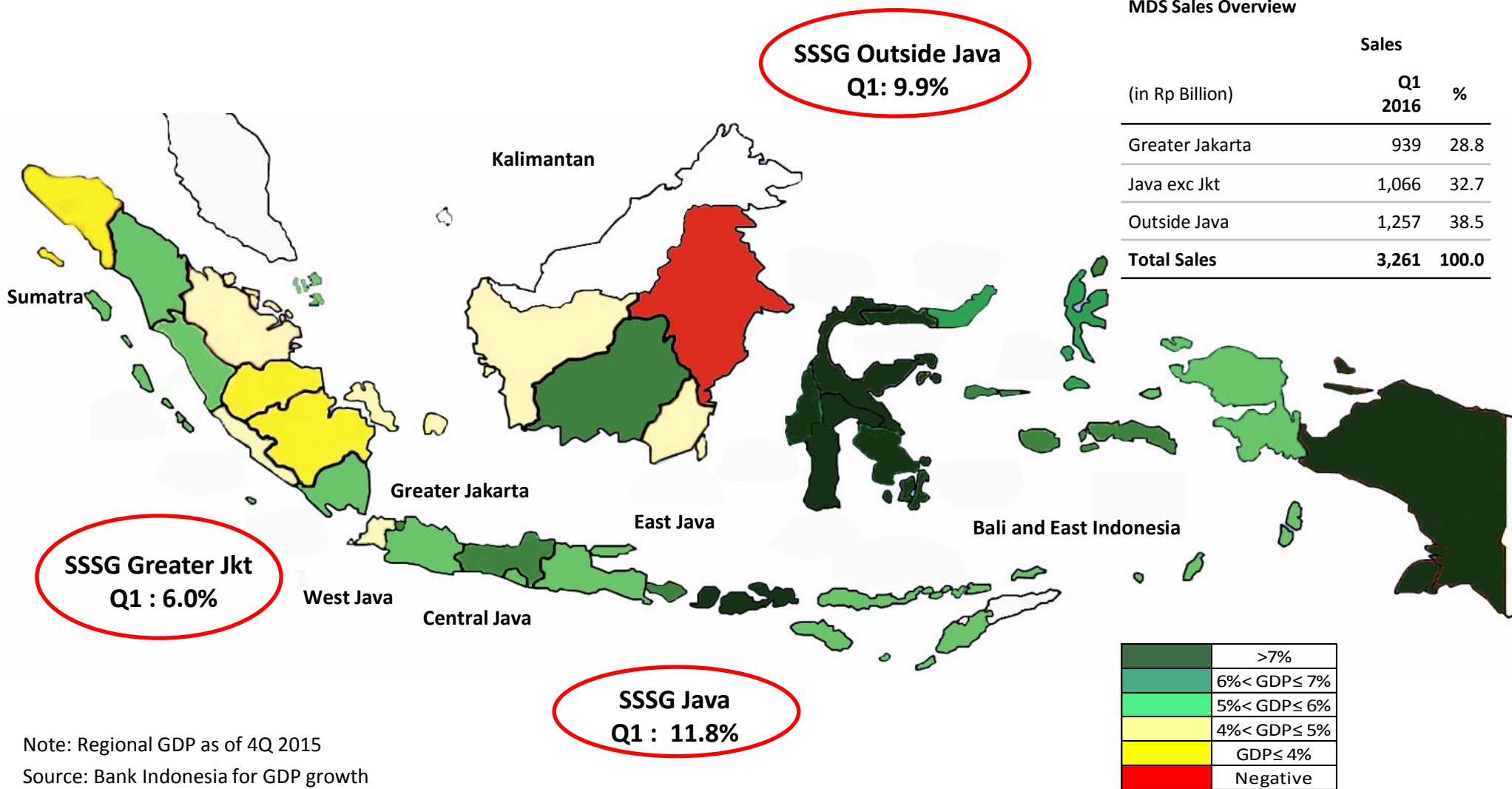


GDP Regional



Source: Bank Indonesia and BPS

GDP growth, SSSG and Sales per region



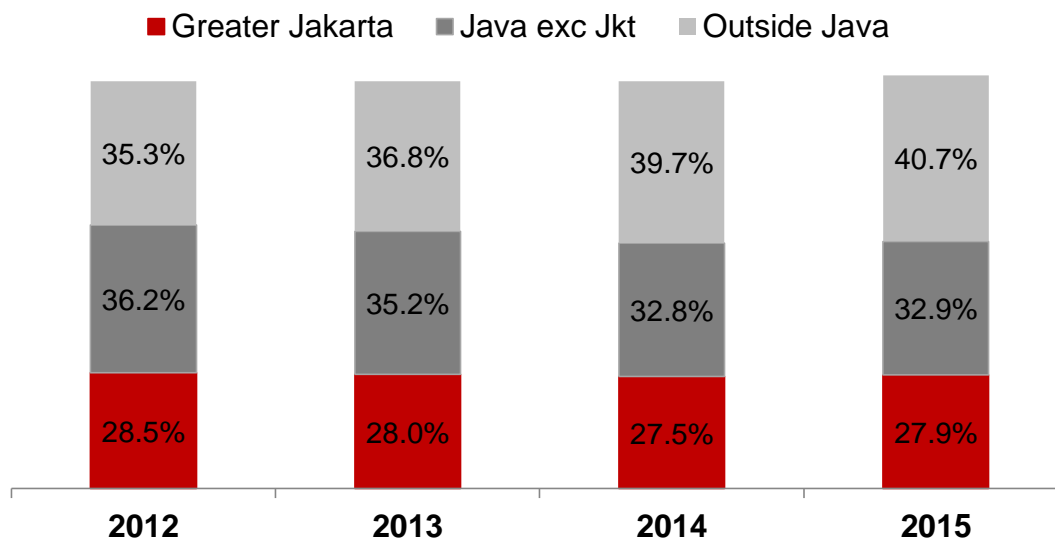
Note: Regional GDP as of 4Q 2015

Source: Bank Indonesia for GDP growth

6-8 new store openings in 2016

- In 2016, we are forecasting 6-8 new stores
- 3 stores are expected to be opened during Q2, before Lebaran

Store Count Split by Region

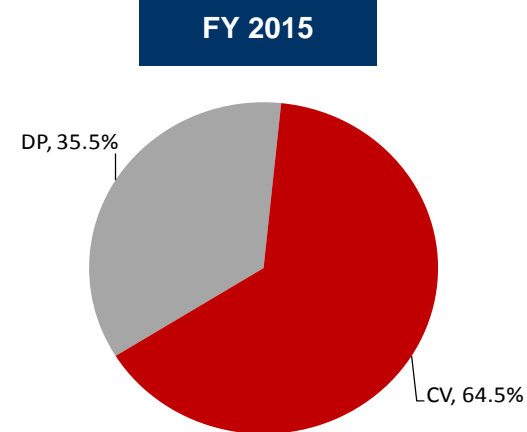
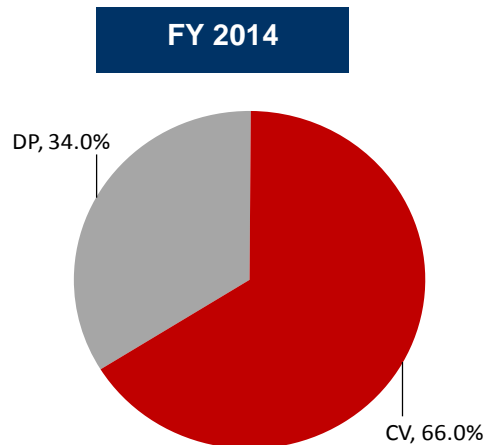
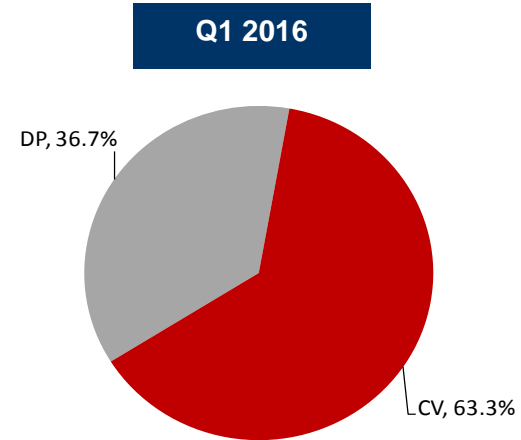
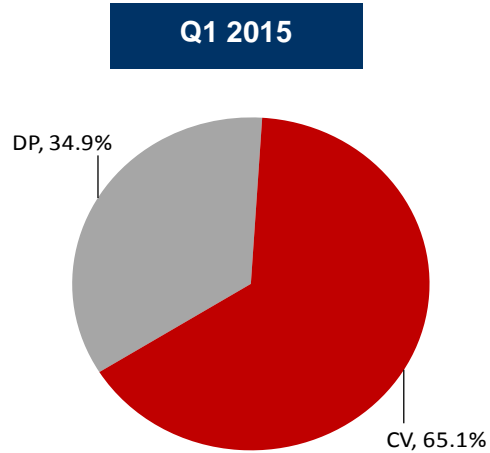


No	Geographic area	Actual		Forecast		
		FY2014	FY2015	FY2016	Future Pipeline 2017 and onwards	
		# of stores	# of stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	36	39	2-3	10	18.5%
2	Java (Exc Greater Jakarta)	43	46	1	15	27.8%
3	Outside Java	52	57	3-4	29	53.7%
Total		131	142	6-8	54	100.0%

MDS's exclusive brands continue to deliver strong performance

DP accounted for 36.7% of gross sales in Q1 2016, as compared to 34.9% in Q1 2015

% of Gross Sales

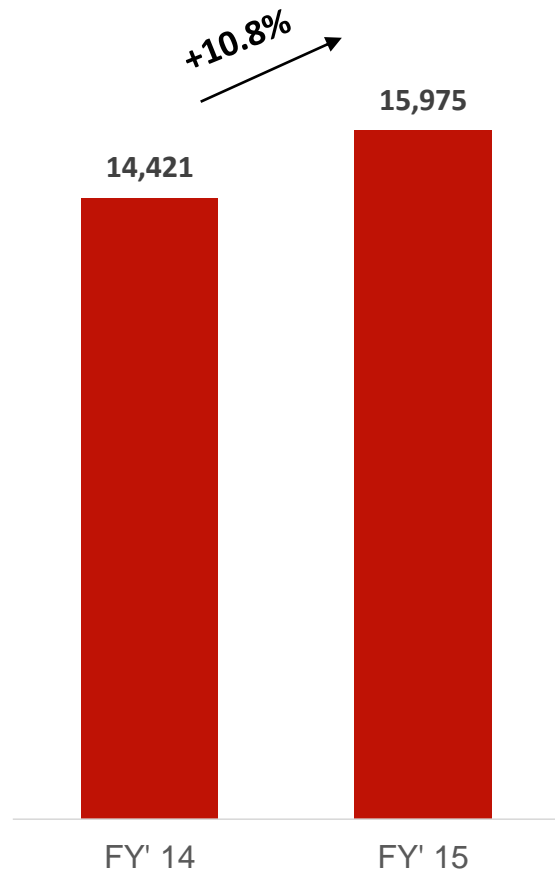




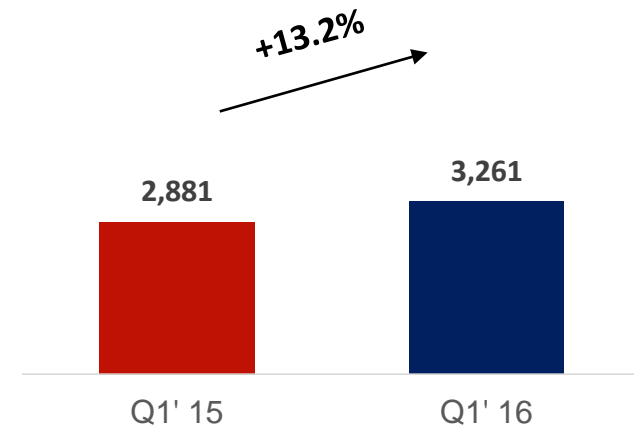
Financial Updates

Overall sales increased by 13.2% in Q1 2016

IDR Bn



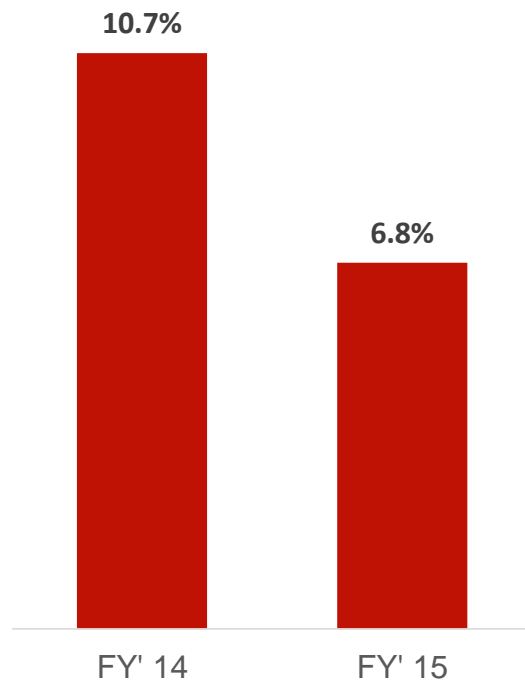
Q1



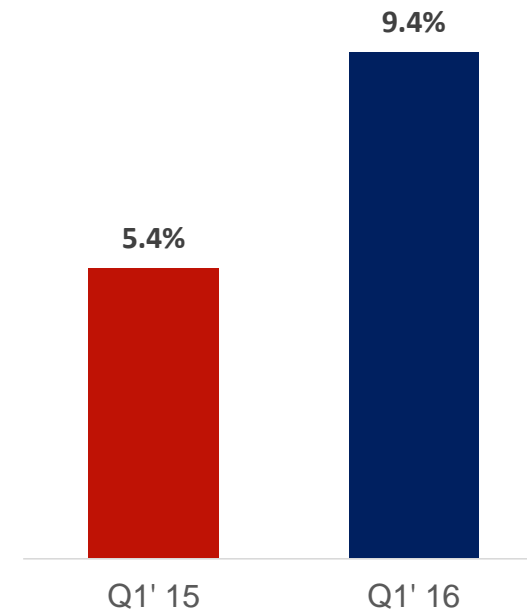
SSSG pick up from Q4 continued into Q1 2016

SSSG %

FY



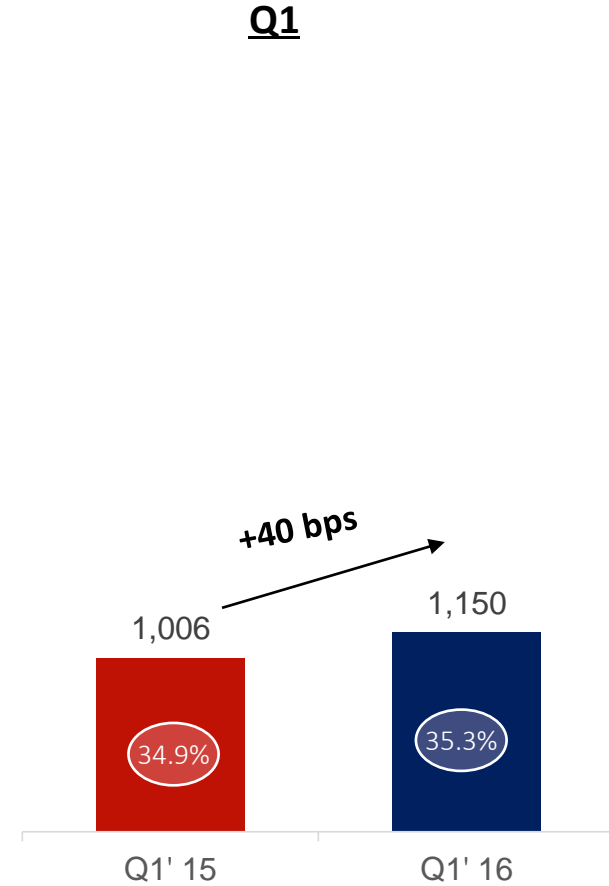
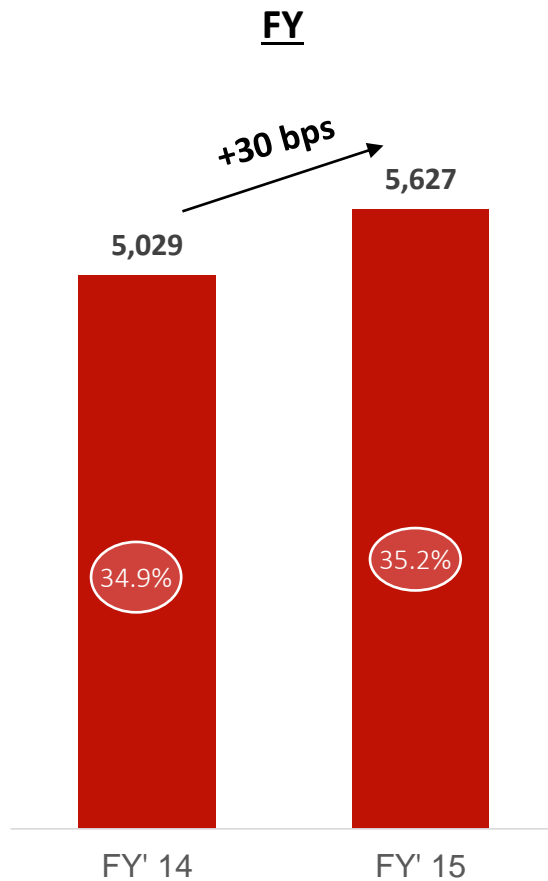
Q1



Merchandise margins continued to build, improving 40 bps over Q1 LY

Gross profit and margins

IDR Bn

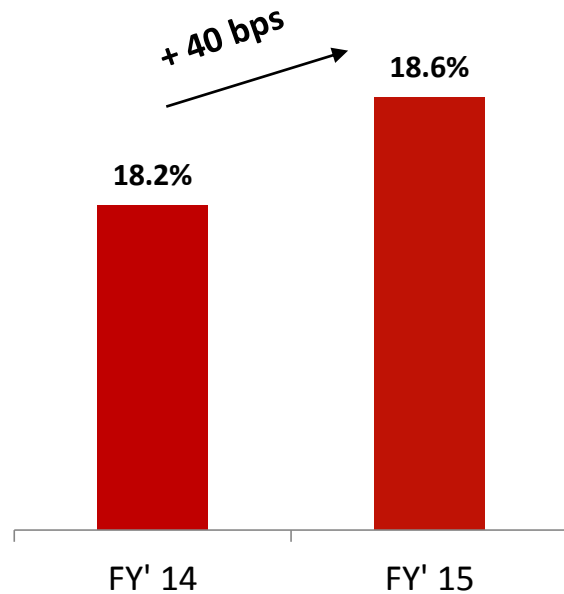


○ Gross profit as a % of Gross Sales

Cost pressures off-set by productivity initiatives

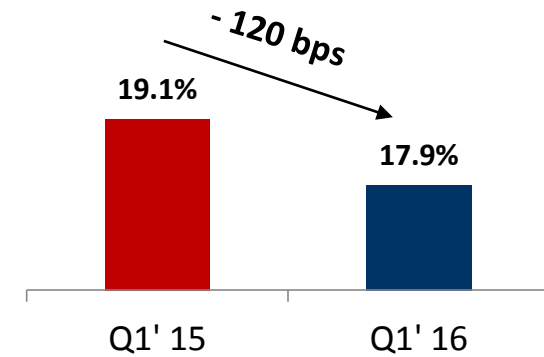
Opex⁽¹⁾ as a % of Gross Sales

Total Company

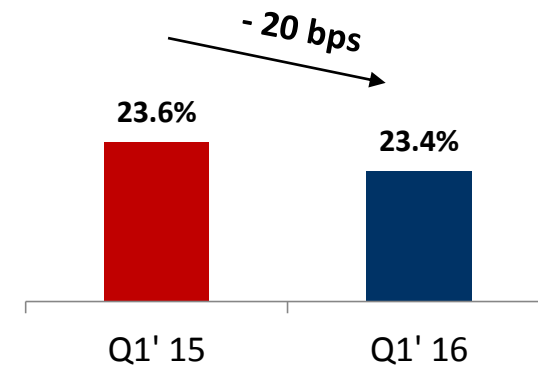


Q1

Comp store



Total Company

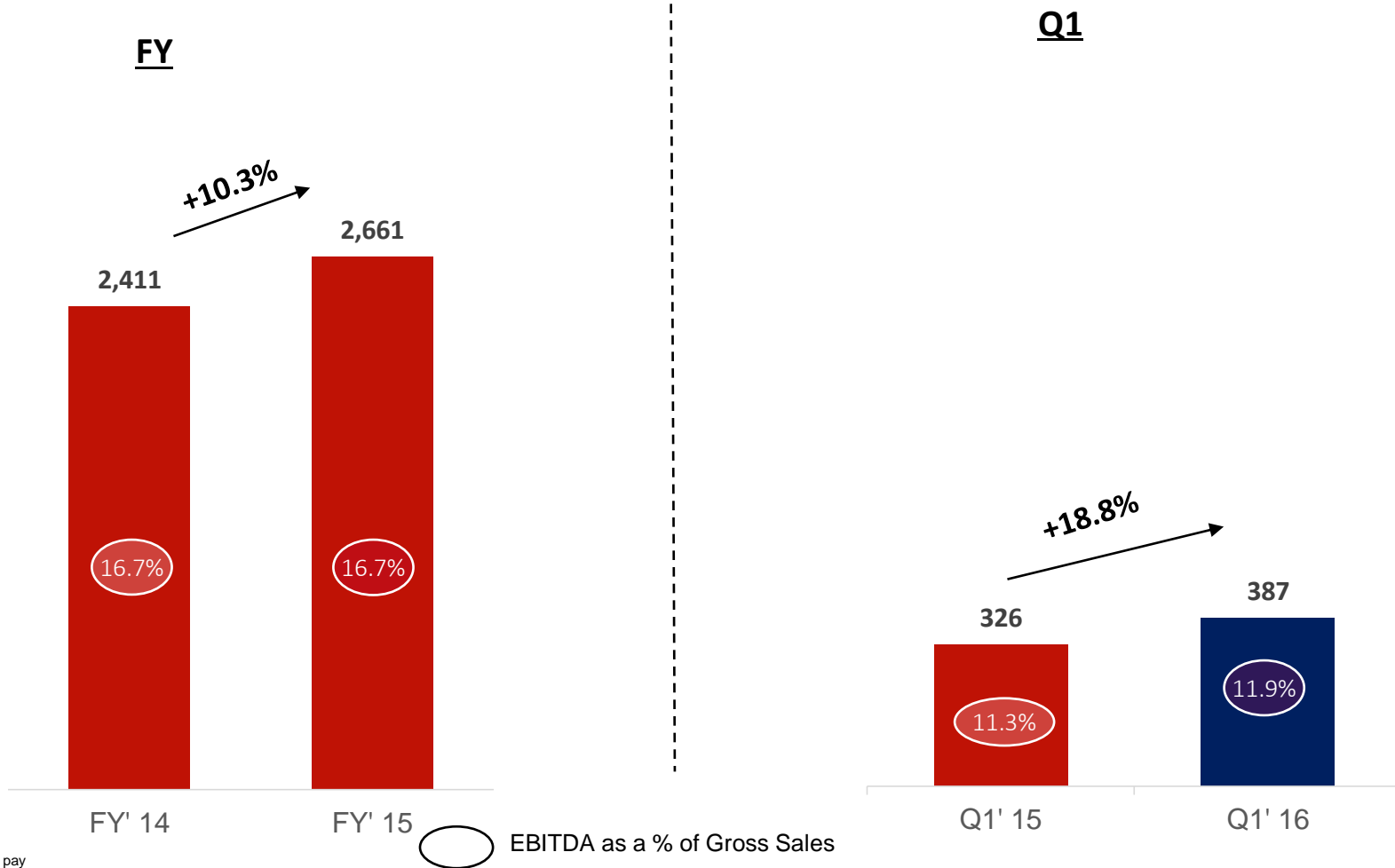


Note
1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

Company EBITDA margins increase by 60 bps from Q1 2015, at 11.9%

EBITDA and Margins

IDR Bn

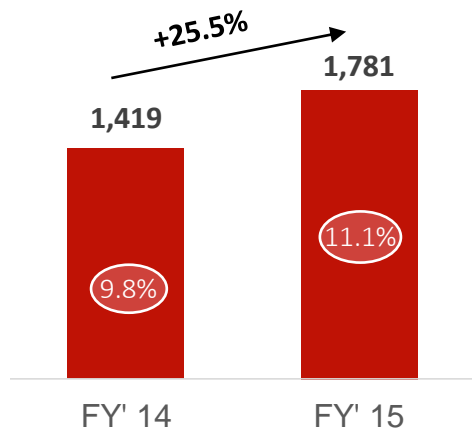


Notes

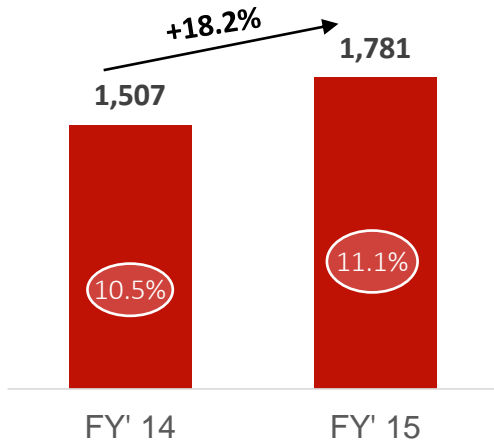
EBITDA adjusted for severance pay

Sales and margin improvements drive net income up by 31.8%

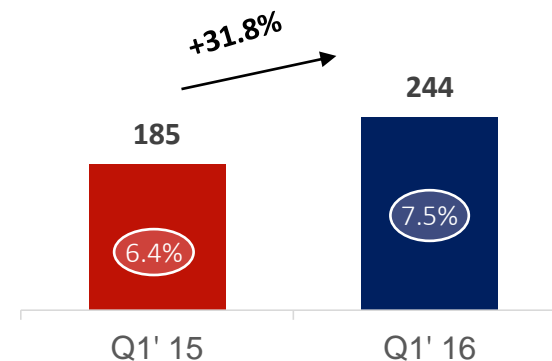
Reported Net Income (IDR Bn)



Comparable Net Income (IDR Bn)



Net Income (IDR Bn)



○ Net Income as a % of Gross Sales

*Net income before non-recurring expense related to prior years of Rp59.9bn (Q2' 14) and Rp88 bn (1H' 14)

Inventory days improve, capex on track, dividend increase proposed

INVENTORY DAYS

- Inventory days declined from 125 to 118 days as at March 2016, driven by tighter inventory controls and improved sales performance.

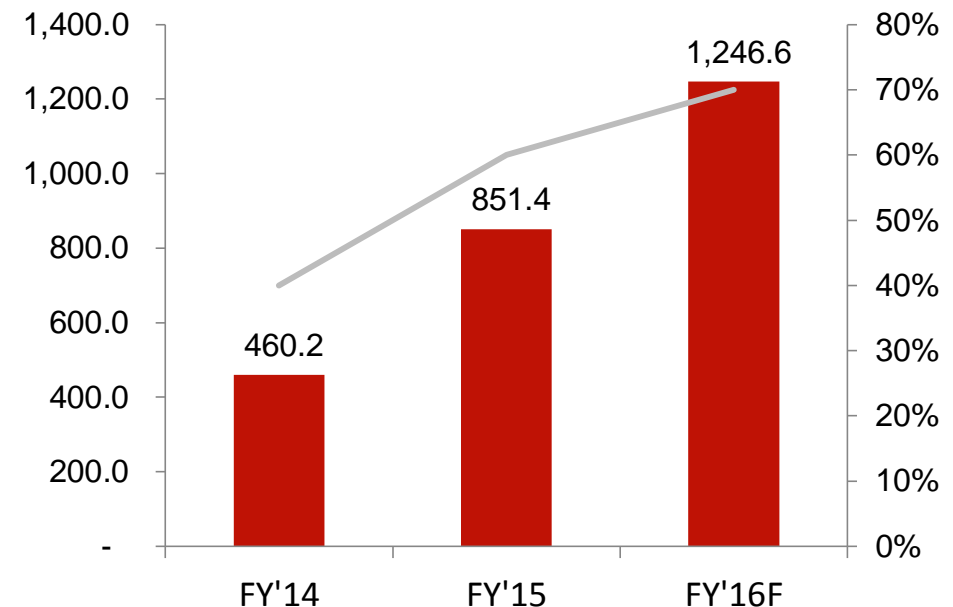
CAPEX

- In 2015, 14 stores were remodeled and 22 are planned for 2016.
- Overall committed Capex for 2016 is estimated at Rp 450 Bn, of which 160 Bn will be spent on new stores.

DIVIDEND PAYOUT

- Dividend per share is forecast to rise from Rp 851.4 Bn to Rp 1,246.6 Bn, an increase of 46.4%, based on a payout ratio increase to 70% (Subject to AGM approval on 26May 2016)

Dividend payment (Rp bn) and payout (%)





Summary

Financial Summary

Key Profit & Loss Items

IDR Bn

	FY 2014	FY 2015	Q1 2015	Q1 2016
Gross Sales	14,421.4	15,974.5	2,880.6	3,260.5
<i>SSSG</i>	10.7%	6.8%	5.4%	9.4%
<i>Growth</i>	13.2%	10.8%	7.6%	13.2%
Net Revenue	7,925.5	9,006.9	1,619.2	1,861.7
<i>Growth</i>	17.3%	13.6%	9.0%	15.0%
Gross Profit	5,028.6	5,627.0	1,005.6	1,149.6
<i>Margin</i>	34.9%	35.2%	34.9%	35.3%
EBITDAR	3,352.7	3,749.1	566.7	675.9
<i>Margin</i>	23.2%	23.5%	19.7%	20.7%
EBITDA	2,411.1	2,660.1	326.1	387.3
<i>Margin</i>	16.7%	16.7%	11.3%	11.9%
Income before tax	1,842.3	2,244.8	240.6	308.9
<i>Margin</i>	12.8%	14.1%	8.4%	9.5%
Reported net Income	1,419.1	1,780.8	185.0	243.7
<i>Margin</i>	9.8%	11.1%	6.4%	7.5%
<i>growth</i>	23.4%	25.5%	50.3%	31.8%

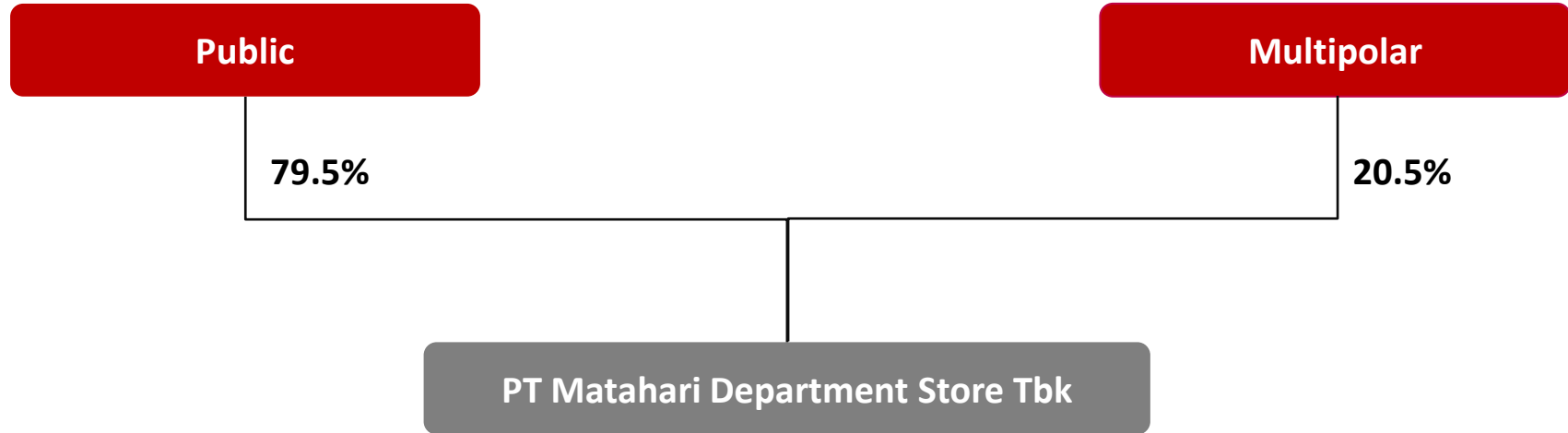
Summary

- ❑ **Strong merchandise assortments drove total sales up by 13.2% and same store sales up by 9.4%**
- ❑ **Merchandise margins improved, reflecting the strength of the direct purchase offerings**
- ❑ **Cost management drove store expense leverage**
- ❑ **Overall EBITDA up by 18.8%, and net income by 31.8%**
- ❑ **Expansion plans continue with 6-8 new stores forecast for FY 2016**



Appendix

Shareholding Structure



Notes

Notes
