



PT Matahari Department Store Tbk

Q1 2017 Earnings Call – 26 April 2017

APRIL 2017

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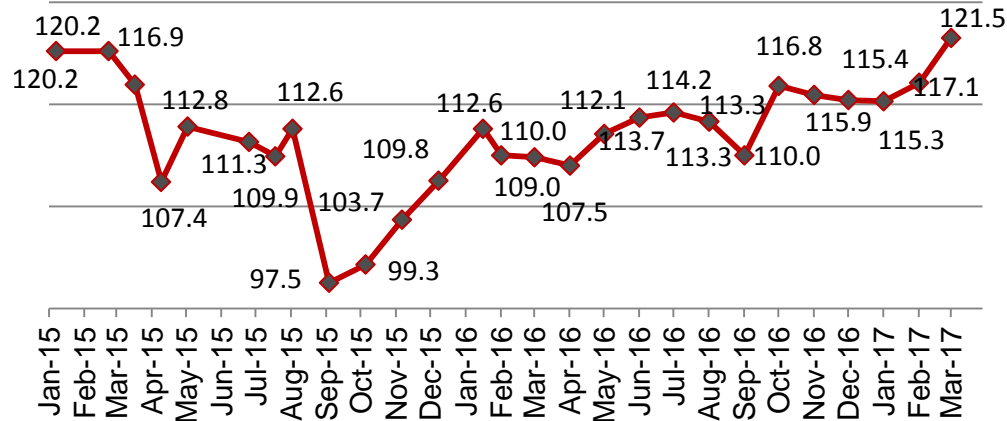
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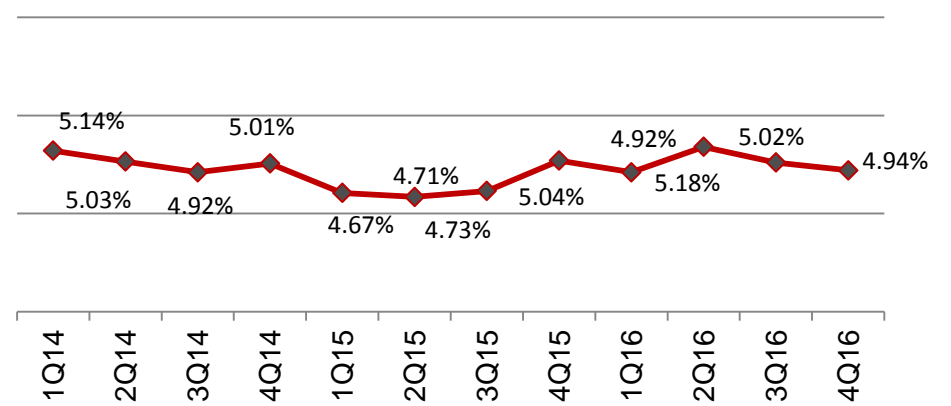
Indonesia Macro Overview

Key Macro-Economic Data

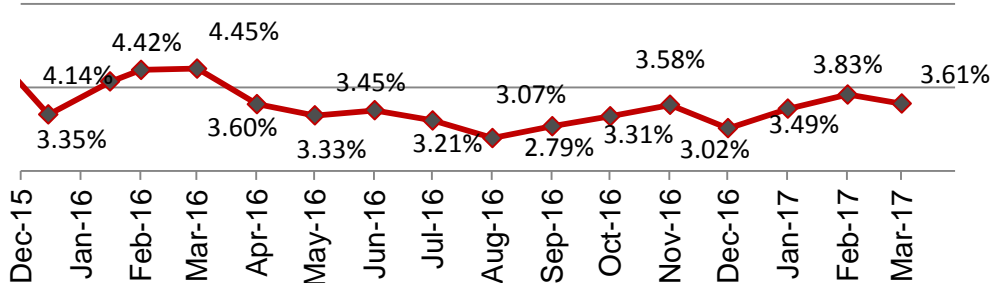
Consumer Confidence Index



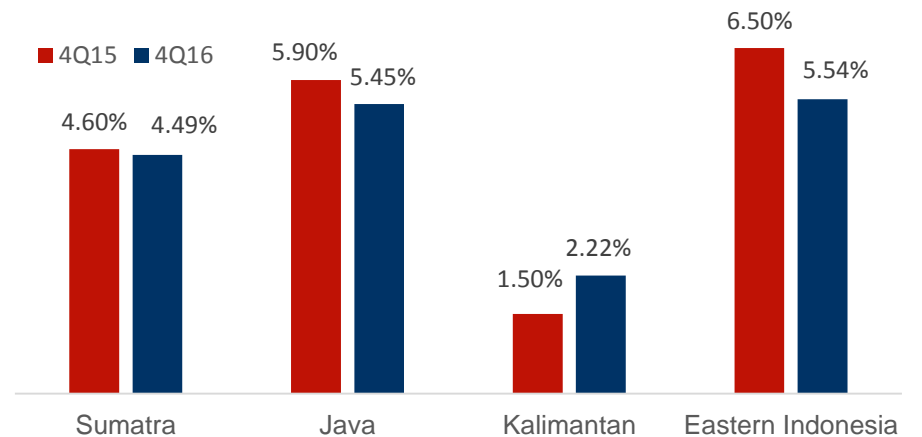
GDP Growth



Inflation



GDP Regional



Source: Bank Indonesia and BPS



Key Highlights of Q1 2017







Q1 2017 Key Highlights

IDR Bn

Q1 2016

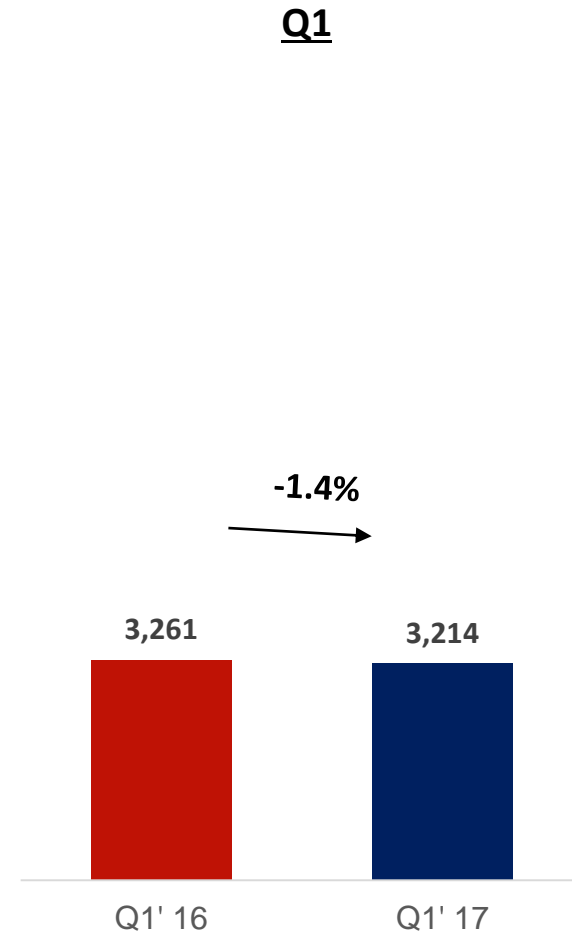
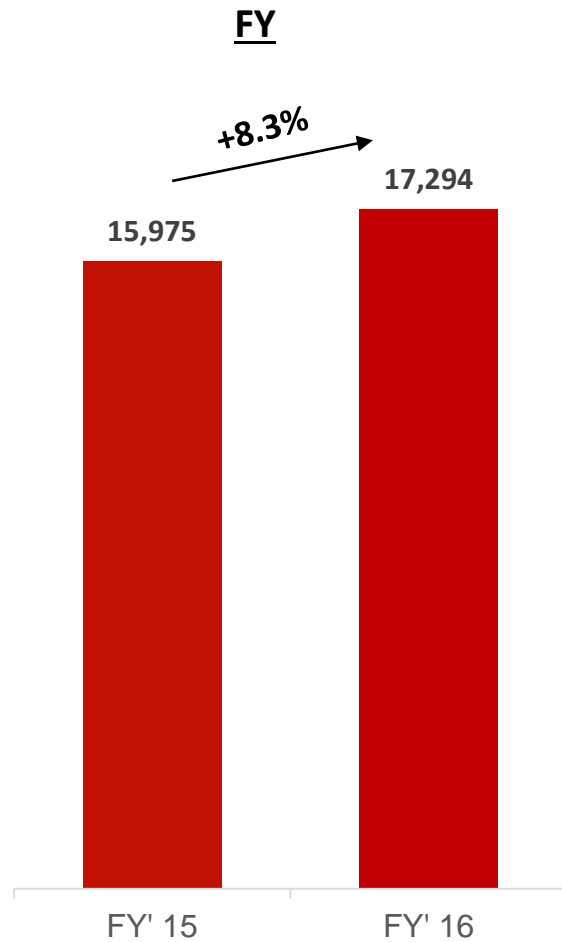
Q1 2017

△

Gross Sales	3,261	3,214	 1.4%
SSSG	9.4%	-3.5%	
EBITDA	387	389	 0.3%
Net Income	244	244	 0.2%
Gross Margin	35.3%	36.3%	 100 bps
EBITDA Margin	11.9%	12.1%	 20 bps

Overall sales declined by 1.4% in 1Q 2017

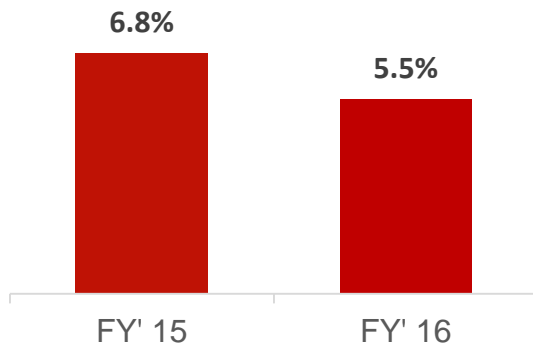
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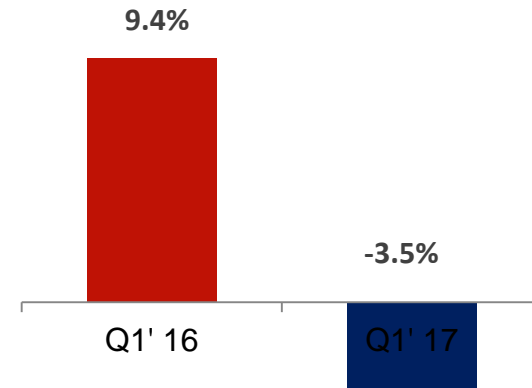
SSSG was -3.5% for 1Q 2017

SSSG %

FY



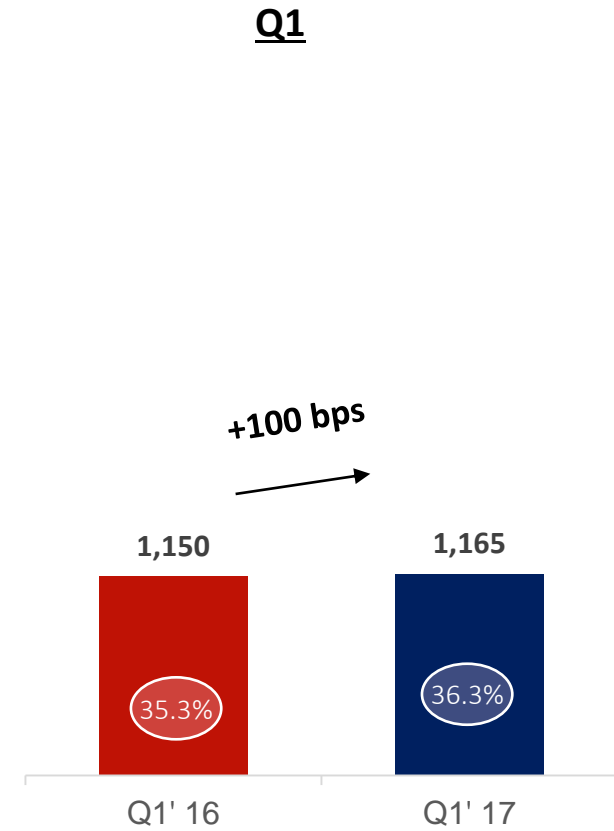
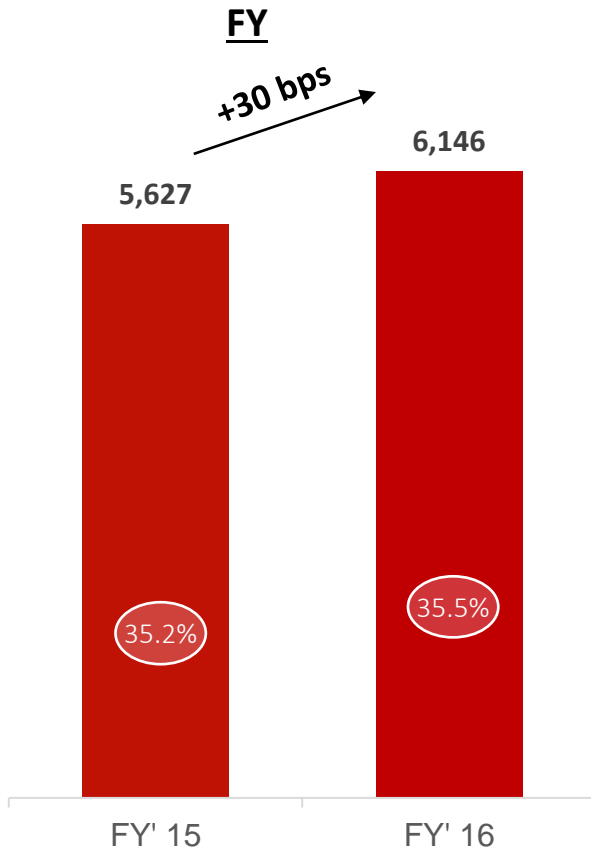
Q1



Merchandise margins continued to build, improving 100 bps in 1Q 2017

Gross profit and margins

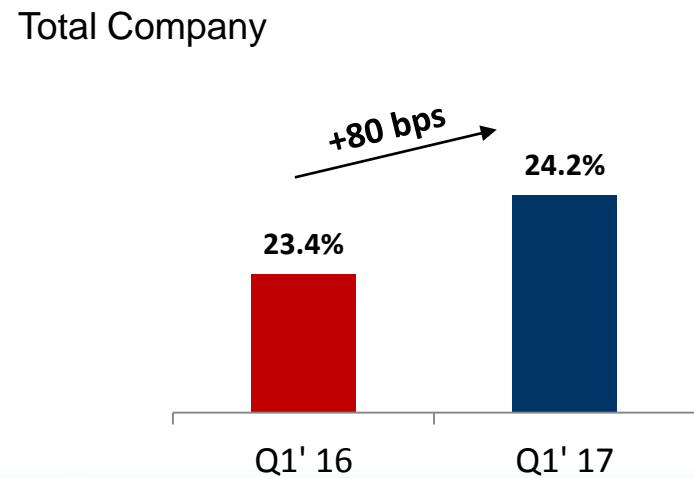
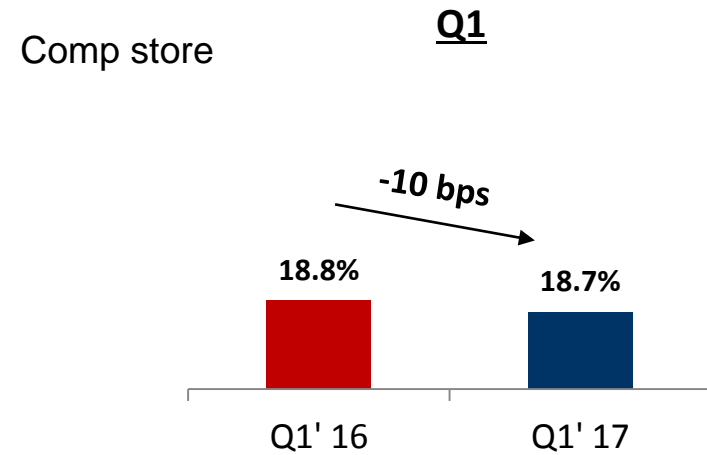
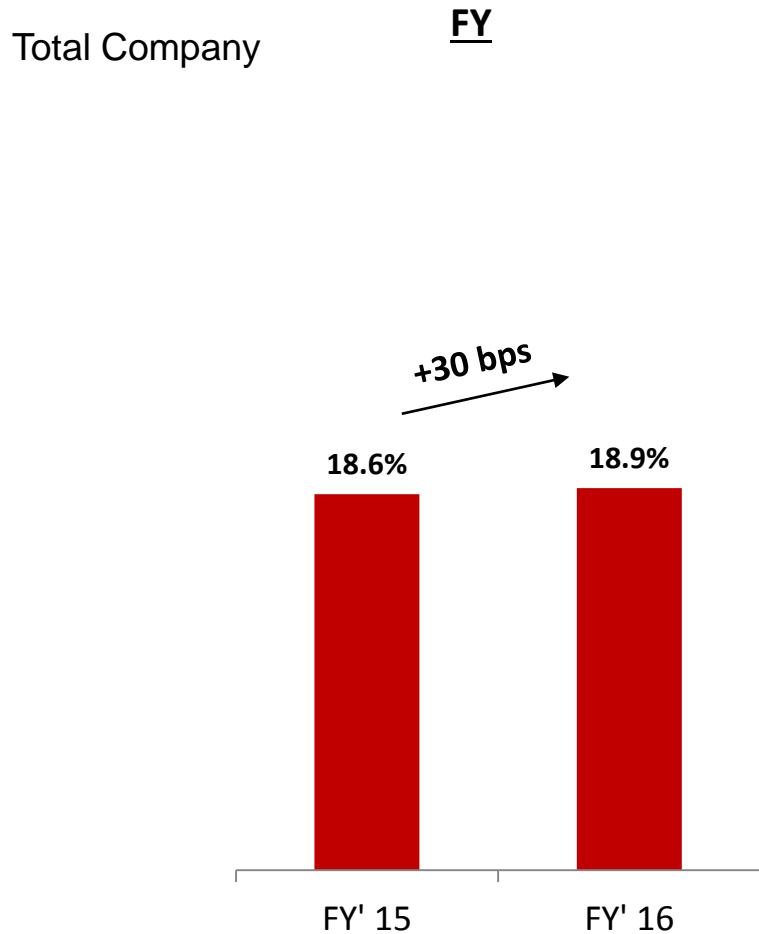
IDR Bn



○ Gross profit as a % of Gross Sales

Store opex continues to be managed tightly

Opex⁽¹⁾ as a % of Gross Sales

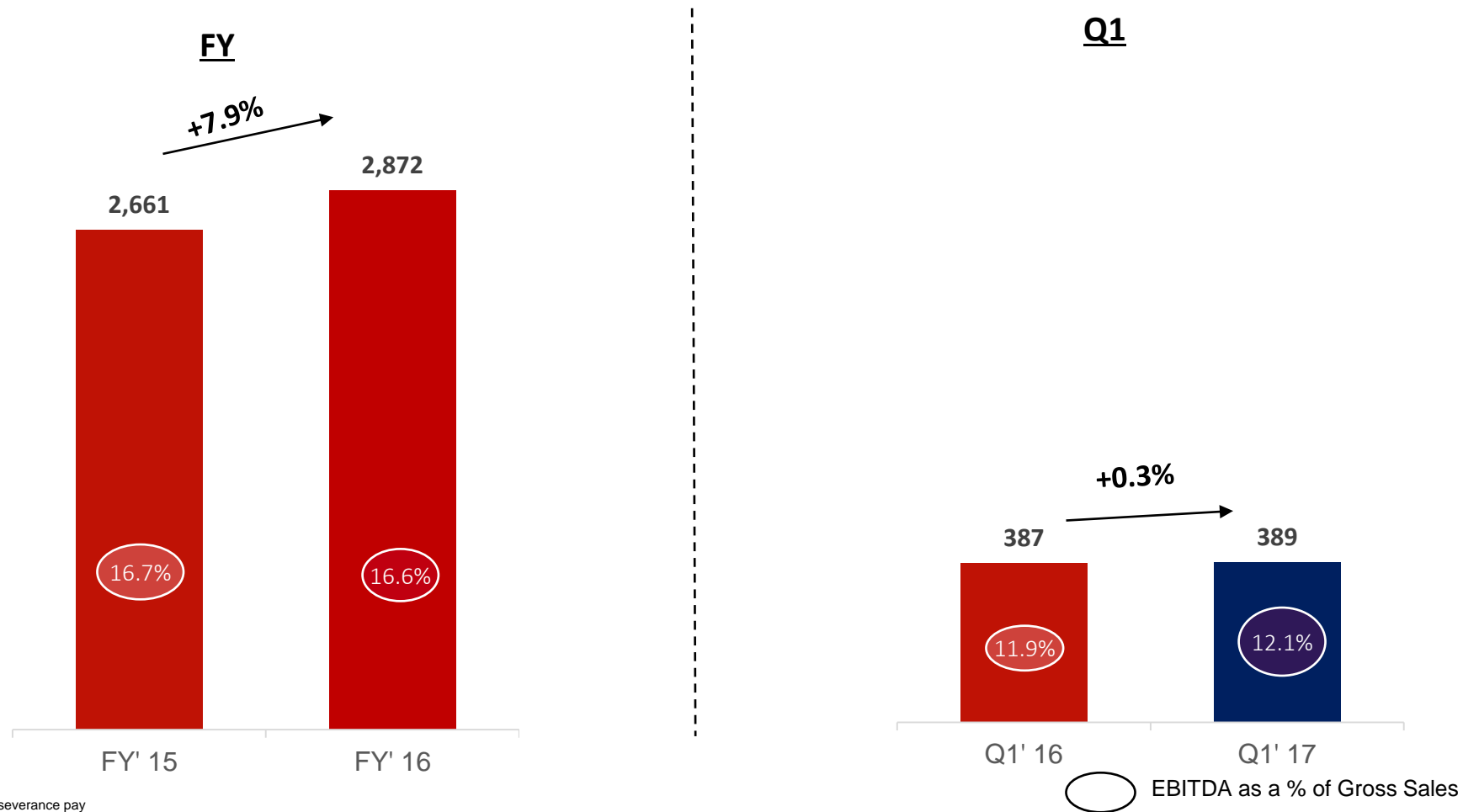


Note
1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

EBITDA increased 0.3% over last year, with margins up 20 bps

EBITDA and Margins

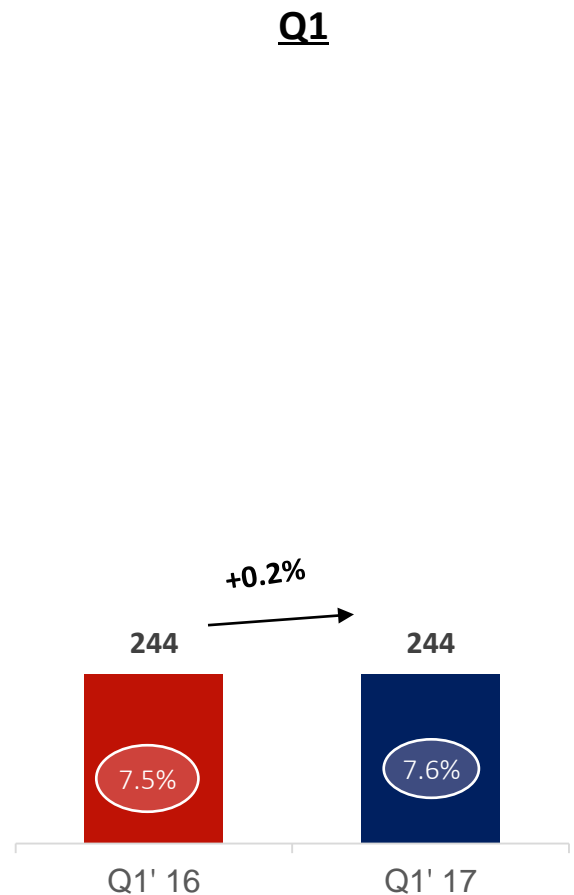
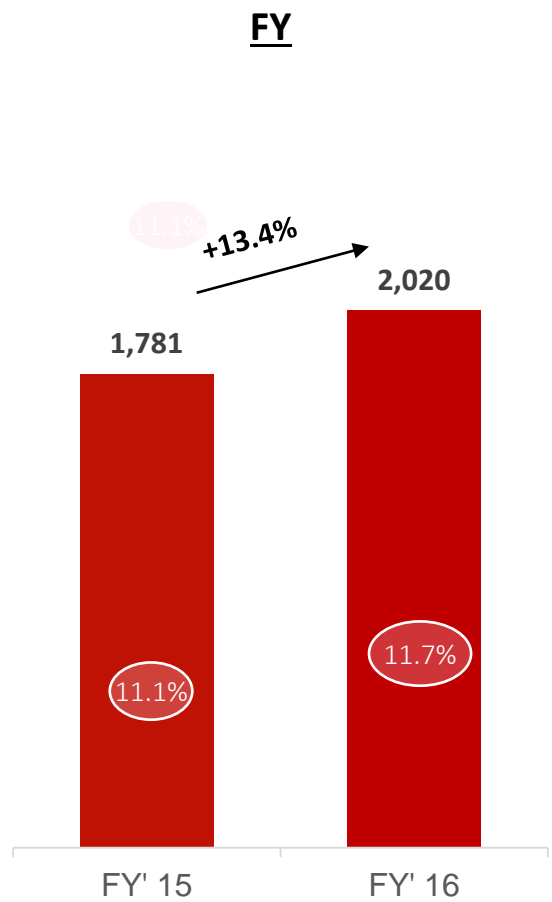
IDR Bn



Notes
EBITDA adjusted for severance pay

Net income up by 0.2% in 1Q 2017 with margins up 10 bps

Net Income (IDR Bn)



○ Net Income as a % of Gross Sales

Inventory days and cash position remain healthy as we head into Q2

INVENTORY DAYS, CASH POSITION AND WORKING CAPITAL FACILITY BALANCE

	End of Q4 2016	End of Q1 2017
LTM Ave. Inventory Days	109 days	112 days
Cash on Hand	Rp1,712.8 Bn	Rp1,003.0 Bn
Outstanding Bank Loan Balance	Rp 0	Rp 0

CAPEX AND REFURBISHMENTS

	2016	2017E
Capex	Rp356.8 Bn	Rp400-450 Bn
Refurbishments	16 stores	20-25 stores

Financial Summary

Key Profit & Loss Items

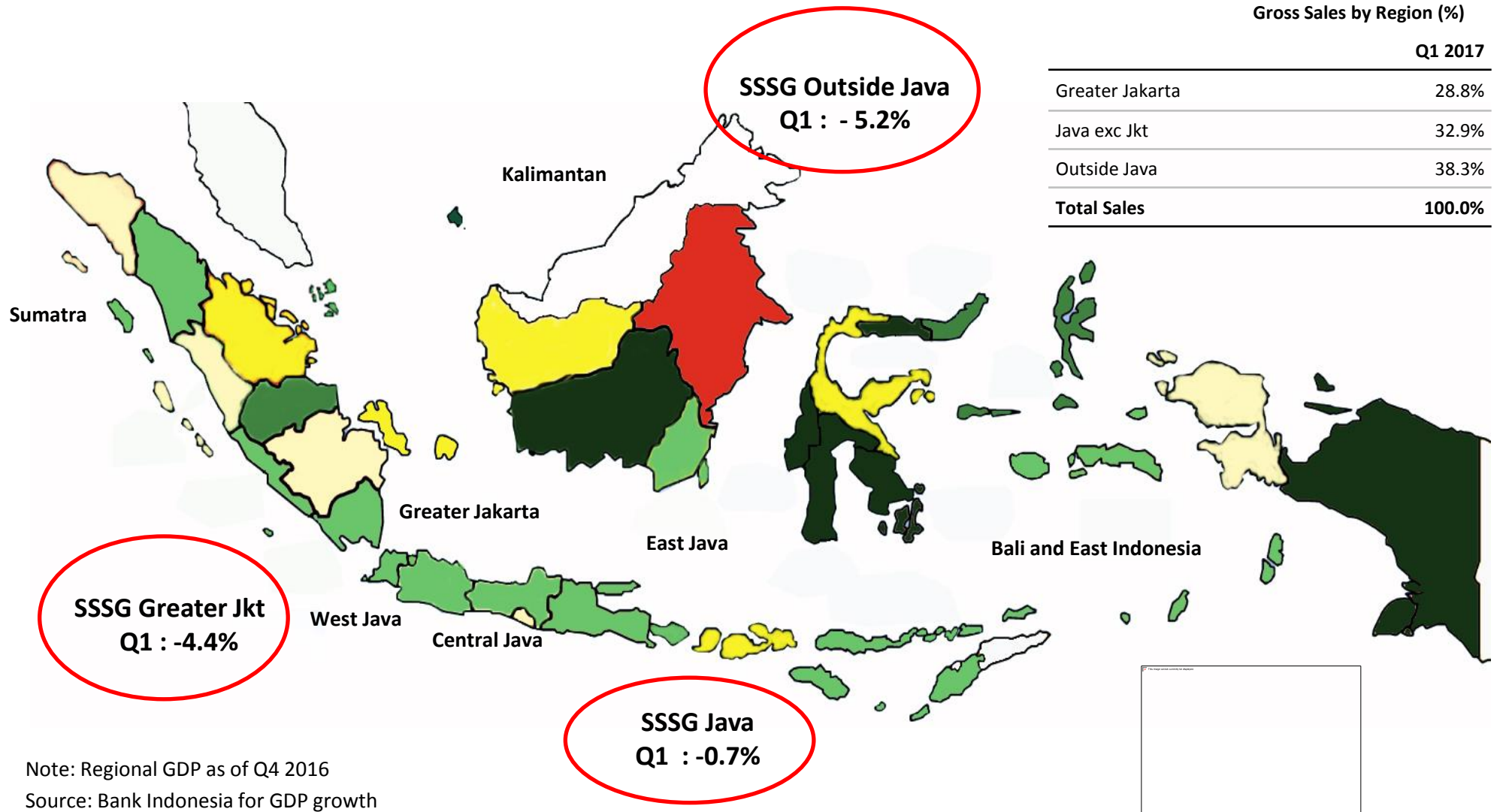
IDR Bn

	FY 2015	FY 2016	Q1 2016	Q1 2017
Gross Sales	15,974.5	17,294.2	3,260.5	3,214.3
<i>SSSG</i>	6.8%	5.5%	9.4%	-3.5%
<i>Growth</i>	10.8%	8.3%	13.2%	-1.4%
Net Revenue	9,006.9	9,897.0	1,861.7	1,851.5
<i>Growth</i>	13.6%	9.9%	15.0%	1.4%
Gross Profit	5,627.0	6,145.6	1,149.6	1,165.4
<i>Margin</i>	35.2%	35.5%	35.3%	36.3%
EBITDAR	3,749.1	4,123.0	675.9	721.9
<i>Margin</i>	23.5%	23.8%	20.7%	22.5%
EBITDA	2,660.1	2,871.6	387.3	388.6
<i>Margin</i>	16.7%	16.6%	11.9%	12.1%
Income before tax	2,244.8	2,532.7	308.9	307.6
<i>Margin</i>	14.1%	14.6%	9.5%	9.6%
Reported net Income	1,780.8	2,019.7	243.7	244.2
<i>Margin</i>	11.1%	11.7%	7.5%	7.6%
<i>growth</i>	25.5%	13.4%	31.8%	0.2%



Operational Updates

GDP growth, SSSG and Sales per region



Gross Sales by Region (%)

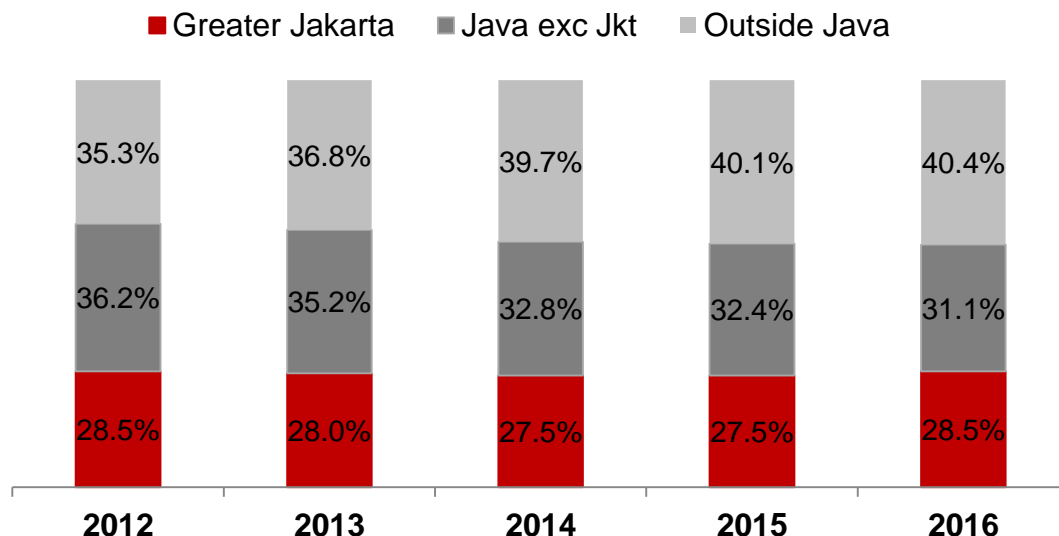
	Q1 2017
Greater Jakarta	28.8%
Java exc Jkt	32.9%
Outside Java	38.3%
Total Sales	100.0%

Note: Regional GDP as of Q4 2016
 Source: Bank Indonesia for GDP growth

6-8 new stores are planned to be opened in 2017

- **6-8 new store openings planned for 2017**
- **3 are expected to open prior to Lebaran.**
- **The majority of openings will be in Java (excl. Greater Jakarta)**

Store Count Split by Region

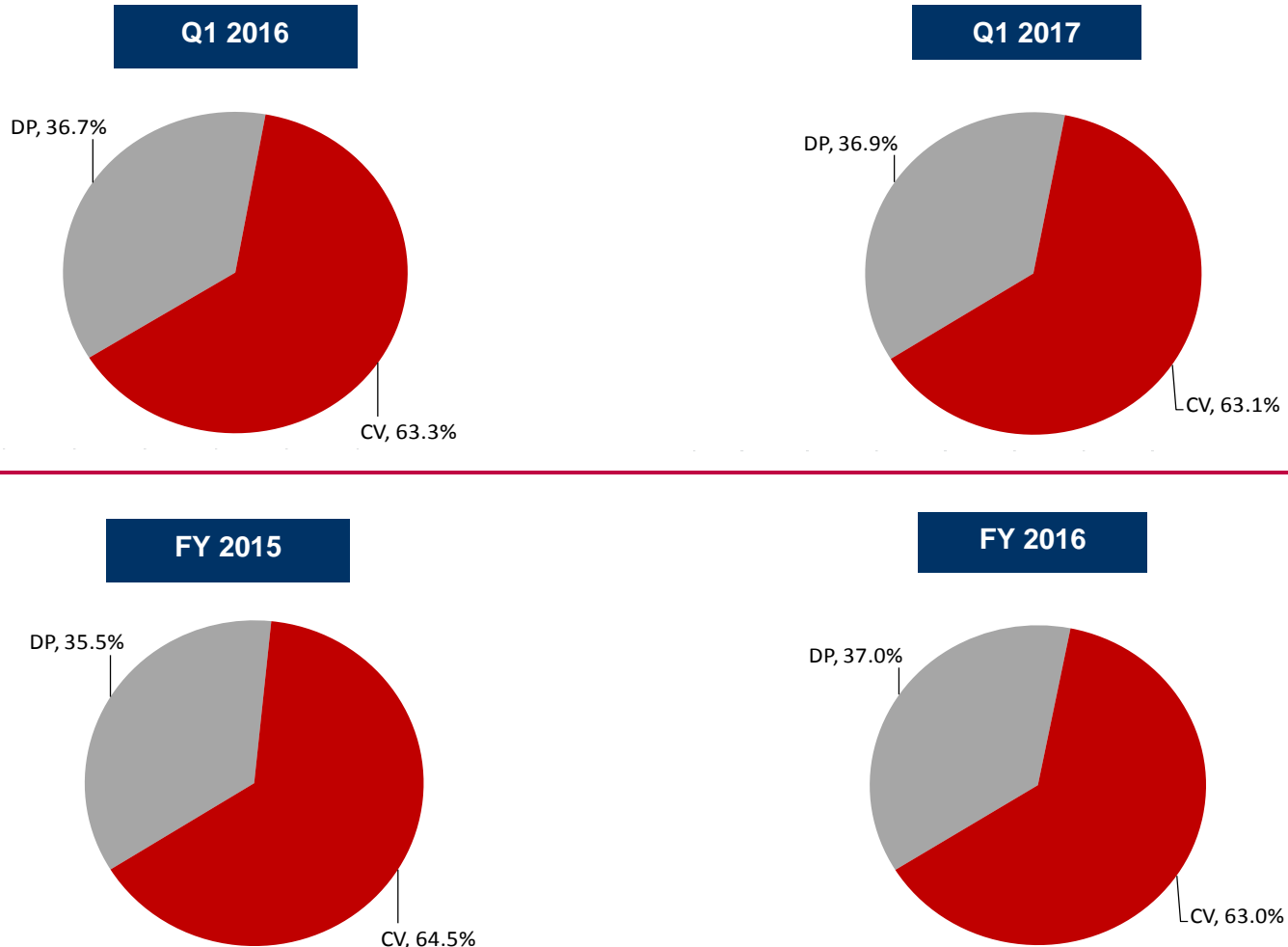


No	Geographic area	Actual		Forecast		
		FY2015	As of 31 Mar 2017	Balance in 2017	Future Pipeline 2018 and onwards	
		# of stores	# of stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	39	43	0	10	19.6%
2	Java (Exc Greater Jakarta)	46	47	4	12	23.5%
3	Outside Java	57	61	2-4	29	56.9%
	Total	142	151	6-8	51	100.0%

MDS's exclusive brands continue to deliver strong performance

DP accounted for 36.9% of gross sales in Q1 2017, as compared to 36.7% in Q1 2016

% of Gross Sales





E-commerce and Omni-channel Strategy Update

Mataharistore.com - update Q1 2017

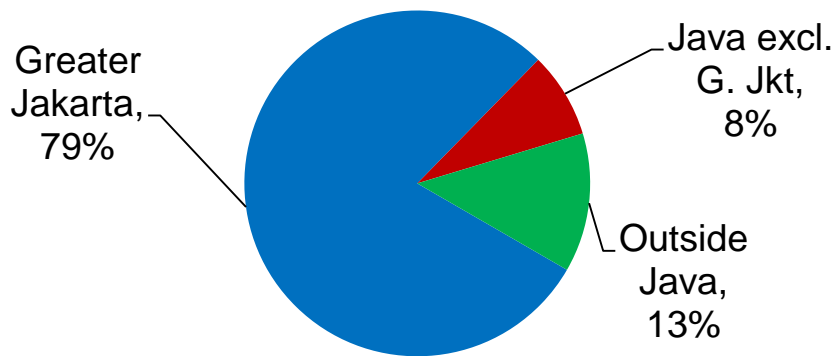
Mataharistore.com Overview

- MDS' own domain and positioned as a dedicated page within Mataharimall.com's infrastructure
- Launch date: 9 November 2016

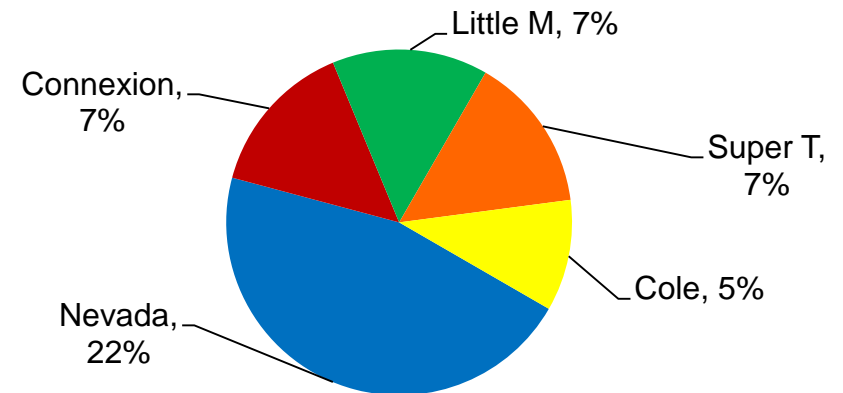
Q1 2017 Key Statistics

- ❑ Traffic: 13.4 million
- ❑ No. of transactions: c.67,000
 - ❑ 2.4% picked up from MDS stores
- ❑ DP/CV mix: 76.5% DP; 23.5% CV
- ❑ Top 5 exclusive brands contribution: 47% of DP online sales
- ❑ Nevada contribution : 22% of online DP sales

Sales by Region



Top 5 exclusive brands = 47% of DP online sales



Note: Data in this slide refers to on line sale period of 1 Jan 2017 to 31 Mar 2017, unless otherwise stated.

Summary – Q1

- ❑ Overall sales down by 1.4% with SSSG of -3.5%
- ❑ Merchandise margin improved 100 bps driven by strength in our direct purchase offerings
- ❑ Cost controls and efficiencies contributed to EBITDA margin rising by 20 bps.
- ❑ Net profit and Company margins increased over last year
- ❑ Expansion plans remains on track
- ❑ Recent economic indicators give reason for increased optimism about the consumer going forwards



APPENDIX

Shareholding Structure

