

**Feel  
good.**

 **MATAHARI**



**Q1 2019 EARNINGS CALL**

**April  
2019**

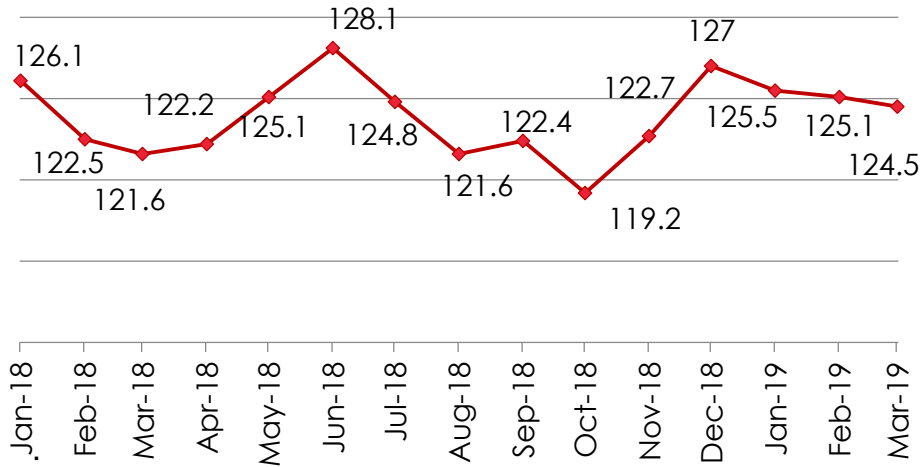
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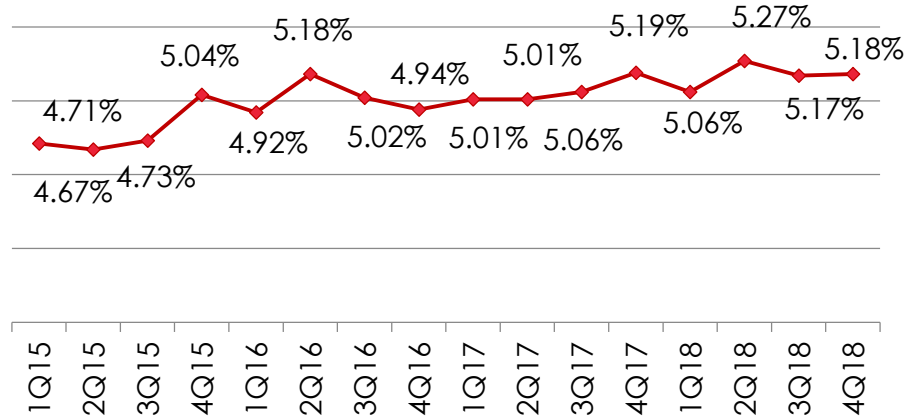


**MACRO-ECONOMIC UPDATES**

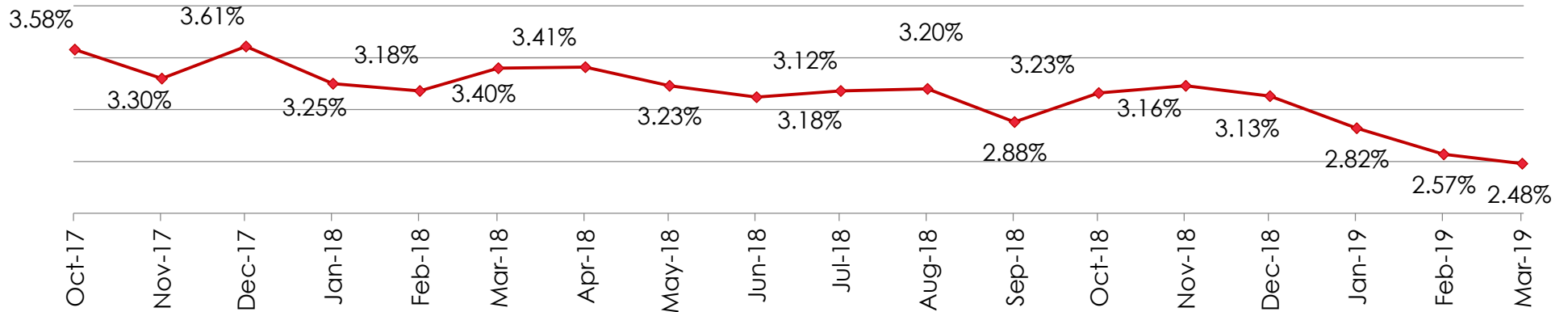
### Consumer Confidence Index



### GDP Growth



### Inflation



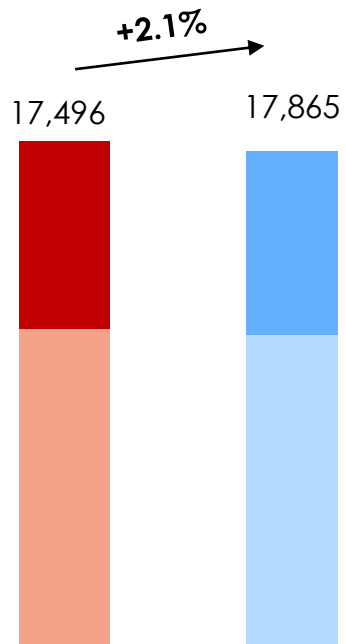


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**Q1 2019 FINANCIAL UPDATES**

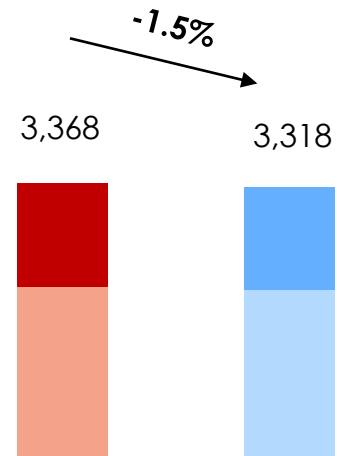
	QUARTER			
	(in Rp Bn)	Q1 '18	Q1 '19	YoY
<b>Gross Sales</b>	3,368	3,318	-1.5%	▼
<b>SSSG</b>	4.8%	-1.7%		▼
<b>Gross Profit</b>	1,218	1,174	-3.6%	▼
<b>EBITDA</b>	398	287	-27.8%	▼
<b>Net Income</b>	247	143	-42.2%	▼
<b>Gross Margin</b>	36.2%	35.4%	-80 bps	▼
<b>EBITDA Margin</b>	11.8%	8.7%	-310 bps	▼

## Sales and DP/CV Mix



	FY '17	FY '18
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DP	37.2%	37.4%
CV	62.8%	62.6%

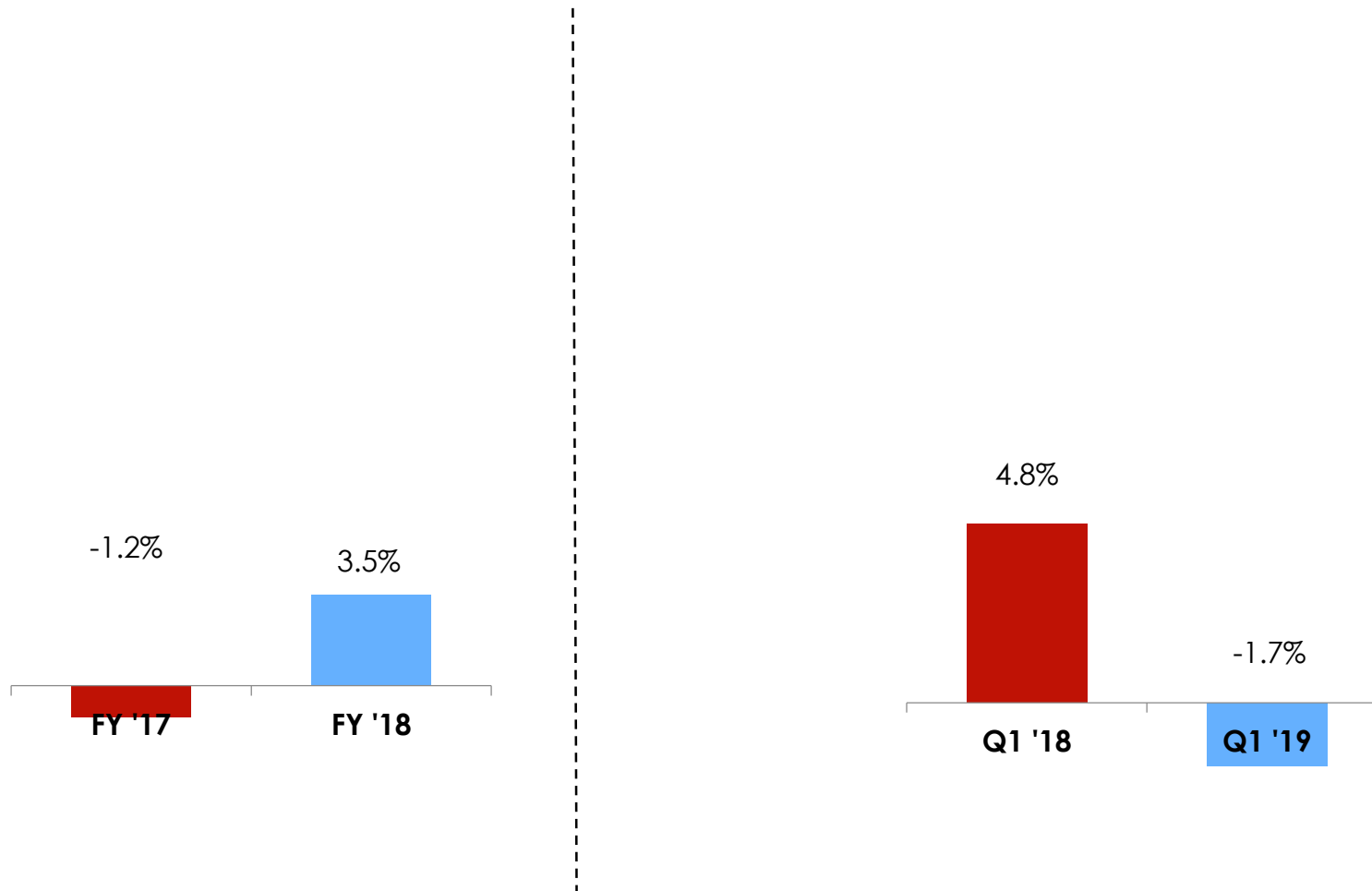


	Q1 '18	Q1 '19
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DP	38.1%	37.9%
CV	61.9%	62.1%

# SAME STORES SALES GROWTH

SSSG (%)





# REGIONAL SSSG PERFORMANCE



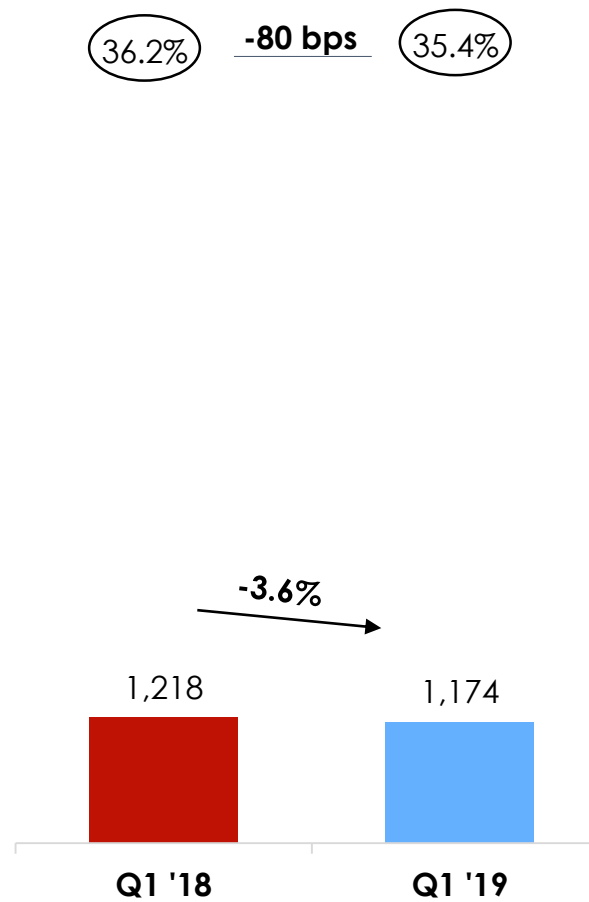
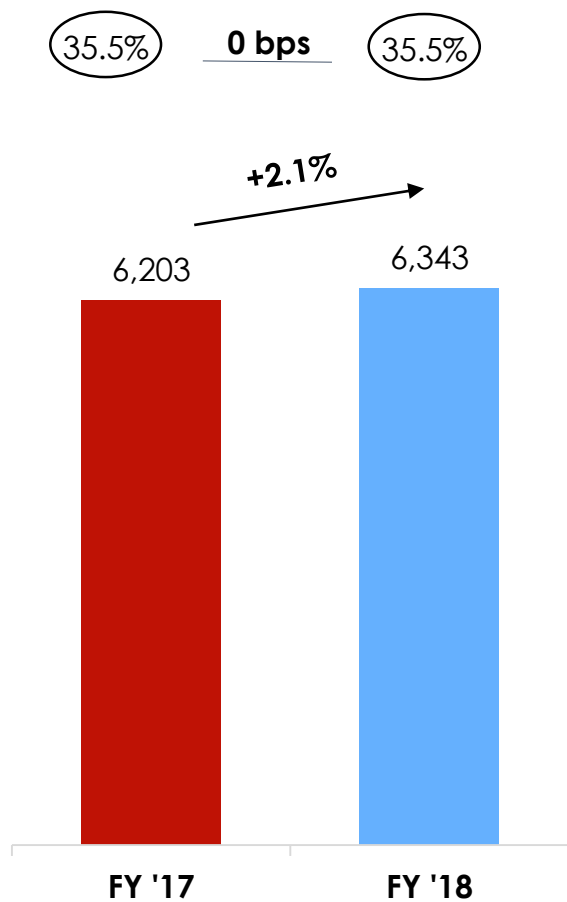
## Gross Sales by Region (%)

Q1 2019

Greater Jakarta	27.3%
Java exc Jkt	33.1%
Outside Java	39.6%
<b>Total Sales</b>	<b>100.0%</b>

## Gross profit and margins

IDR Bn

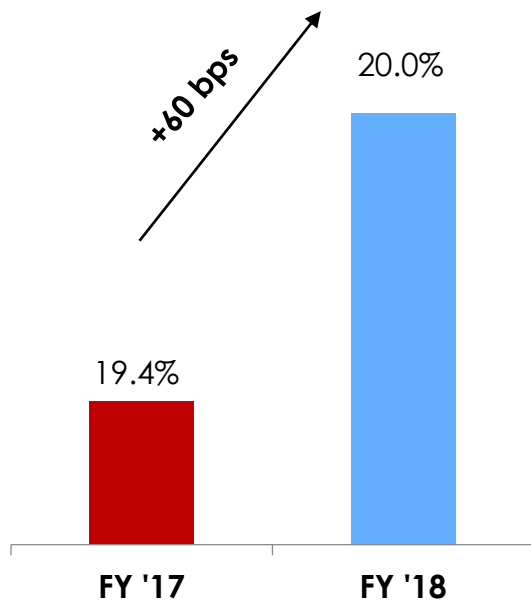


Gross profit as a % of Gross Sales

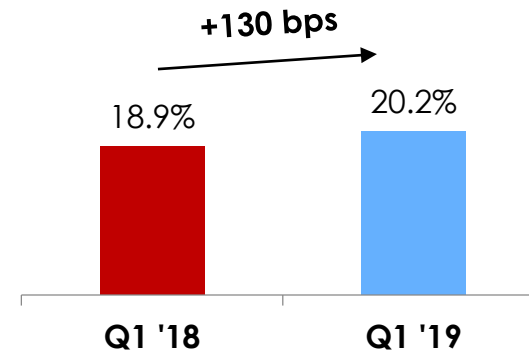
# OPERATING EXPENSES

## Opex as a % of Gross Sales

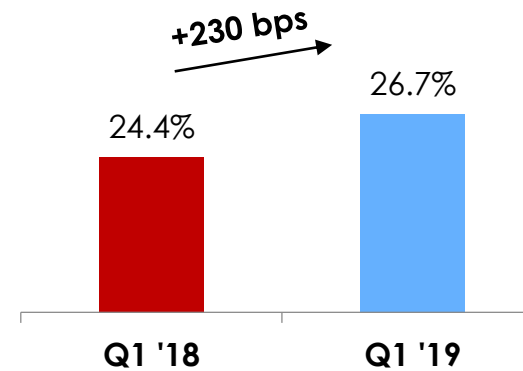
Total  
Company



Comp store



Total Company



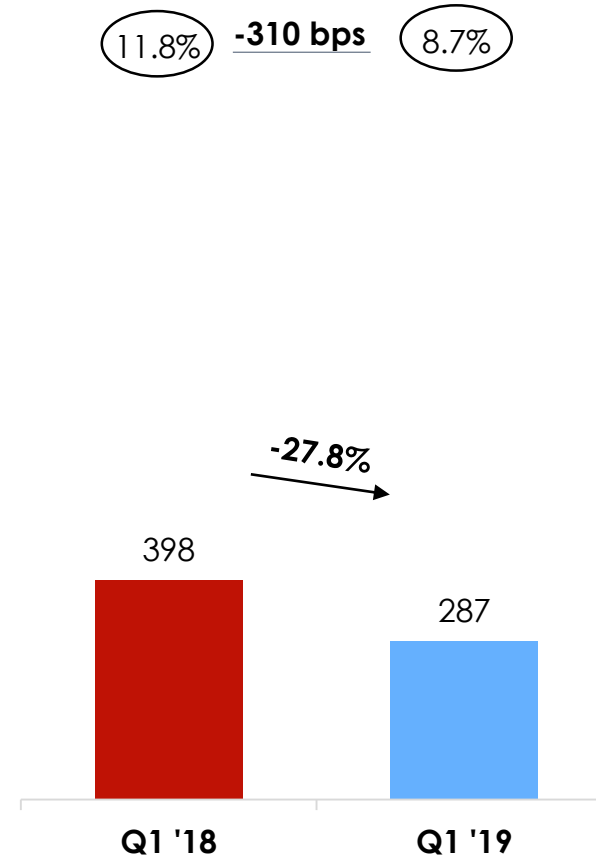
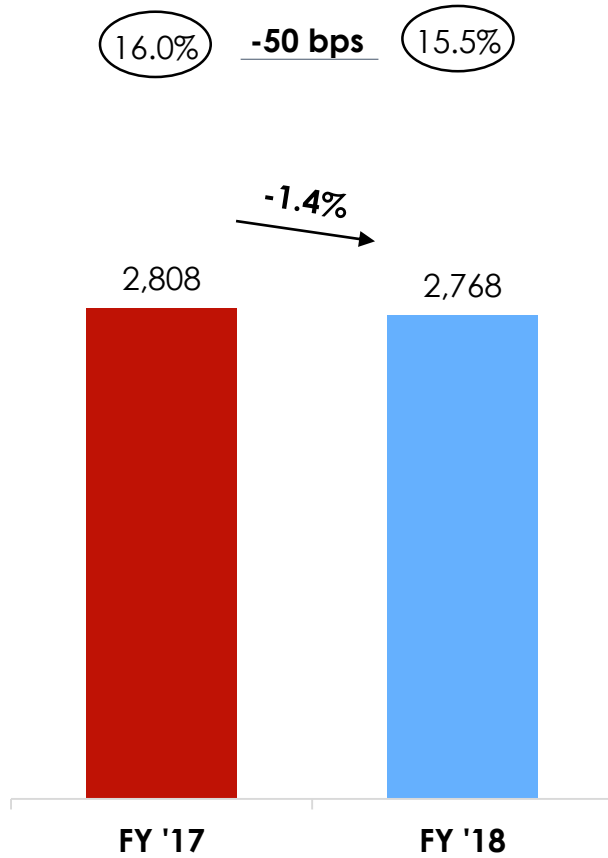
Note

1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

# EBITDA MARGIN DOWN 100 BPS IN Q4 AND 50 BPS IN FY

## EBITDA and EBITDA Margins

IDR Bn



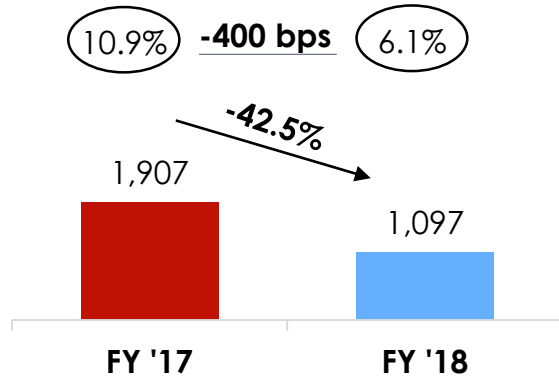
Notes  
EBITDA adjusted for severance pay

○ EBITDA as a % of Gross Sales

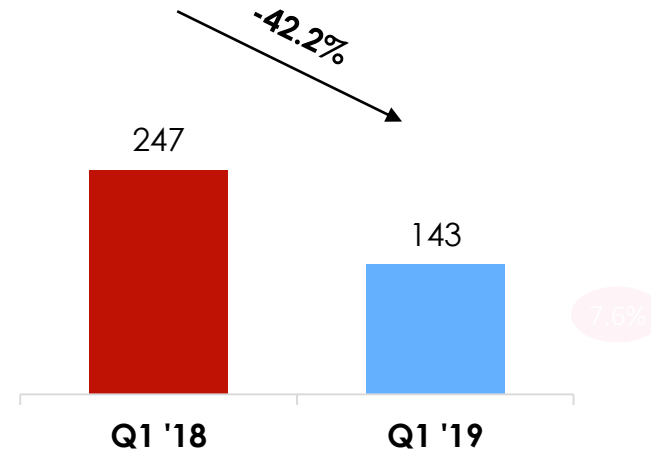
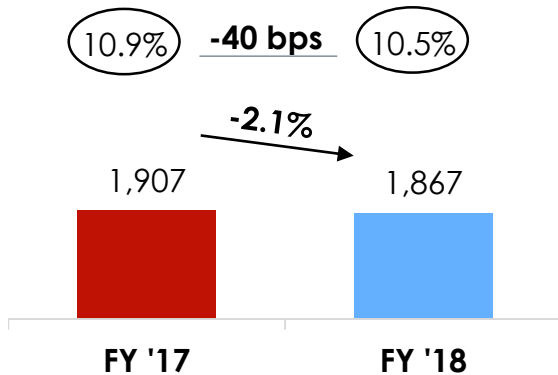
## Net income and Margins

IDR Bn

After impairment



Before impairment



○ Net Income as a % of Gross Sales

**INVENTORY DAYS, CASH POSITION AND OUTSTANDING BANK LOAN BALANCE**

<b>(in IDR Bn)</b>	<b>End Dec 2018</b>	<b>End Mar 2019</b>
LTM Ave. Inventory Days	133 days	139 days
Cash on Hand	Rp 1,184 bn	Rp 673 bn
Outstanding Bank Loan Balance	Rp 0	Rp 400 bn

**CAPEX AND REFURBISHMENTS**

<b>(in IDR Bn)</b>	<b>FY 2018</b>	<b>FY 2019</b>
Capex	Rp716 Bn	Rp 600 - 700 bn
Refurbishments	13	15-20

- Share buy back
  - Additional buy back of shares
    - Amount : 3% or 87,537,542 shares  
(plus initial buyback will be total 10% max or 291,791,808 shares)
    - Period : 18 months or until 25 October 2020
    - Total cost : max Rp 1.4 trillion for Total Share Buyback (initial plus additional)
    - Price : Rp 13,330 (equivalent to the initial buyback)
  - Share retirement/cancellation
    - 113,034,800 shares in treasury stock will be withdrawn and will reduce paid up and issued capital
- Dividend
  - Rp933.6bn or 50% of net income before impairment (85% of net income) will be paid as dividends
  - Future dividends will be subject to board review annually



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# STRATEGY AND OPERATIONAL UPDATES



FY 2019 store opening plan:

- Large format stores
  - Forecasting 4-6 new stores
    - 1 opened in April (Bandung)
  - Anticipating to close 2 stores
- Stand-alone mono brand store
  - 1 opened in April (Surabaya, East Java)

	No. of stores	Retail Area (Sqm)
<b>As of Dec 2018</b>	<b>159</b>	<b>992,105</b>
Closures/net expansion/opening		0
<b>As of Mar 2019</b>	<b>159</b>	<b>992,105</b>
Large format store opening	1	5,200
Specialty store opening (361°)	1	117
<b>As of Apr 2019</b>	<b>161</b>	<b>997,422</b>

No	Geographic area			Forecast	
		FY2018	FY 2019E	Future Pipeline 2020 and onwards	
		# of stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	41	0	7	19.0%
2	Java (Exc Greater Jakarta)	54	2-3	15	40.5%
3	Outside Java	64	2-3	15	40.5%
	<b>Total</b>	<b>159</b>	<b>4-6</b>	<b>37</b>	<b>100.0%</b>

- OVS is an Italian leading fashion retailer for woman, man and kid segments
- Matahari is the exclusive distributor of OVS products in Indonesia



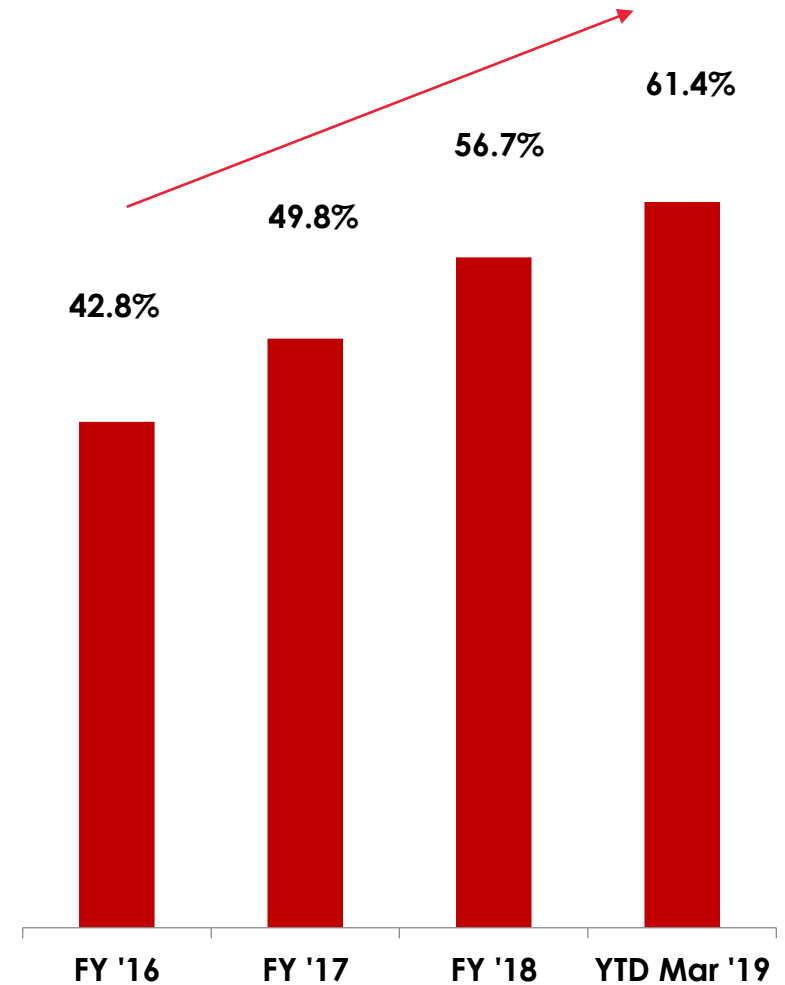
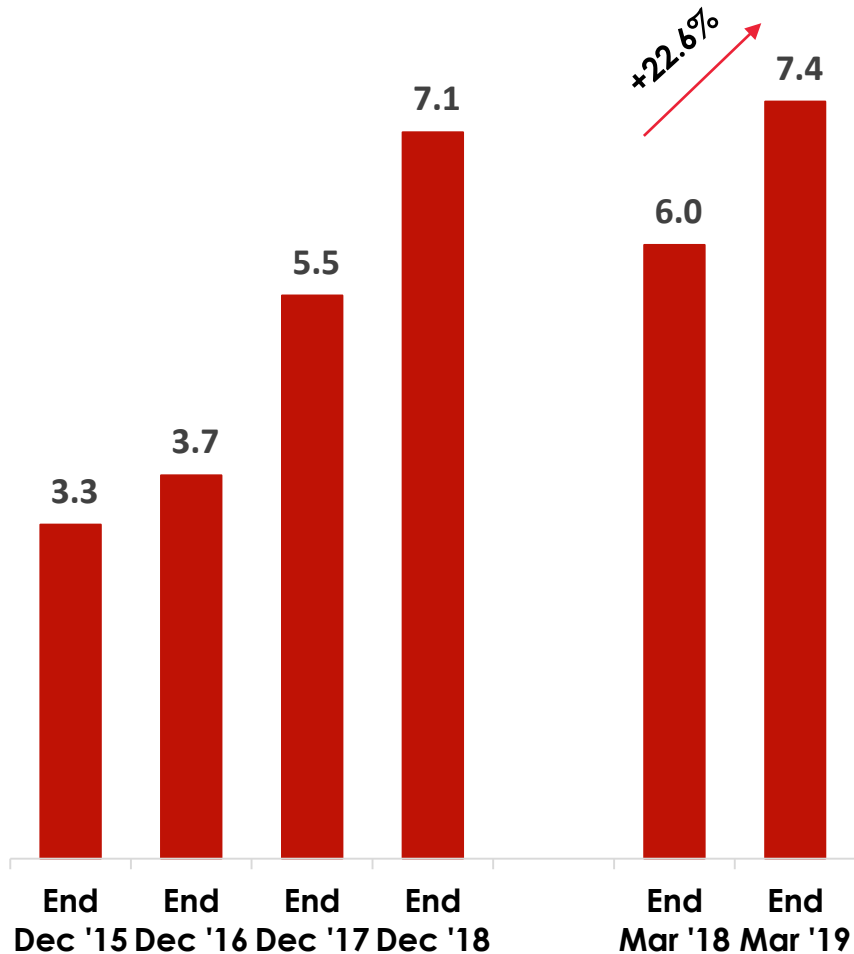
BELANJA ONLINE  
MATAHARI.COM

 MATAHARI

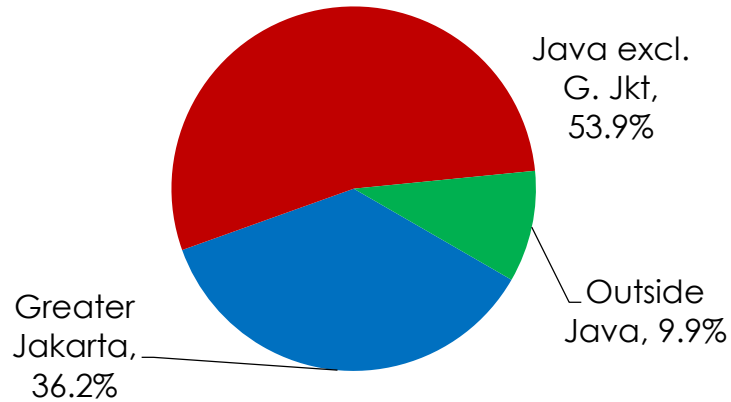
- Product roll-out to existing large format Matahari stores:
  - April 29: 3 stores (Karawaci, St Moritz, Atrium)
  - May: 27 stores
  - 2H 2019: 10 stores
- Plus additional stand-alone stores

No. of active members (in millions of people)

Growing member sales contribution

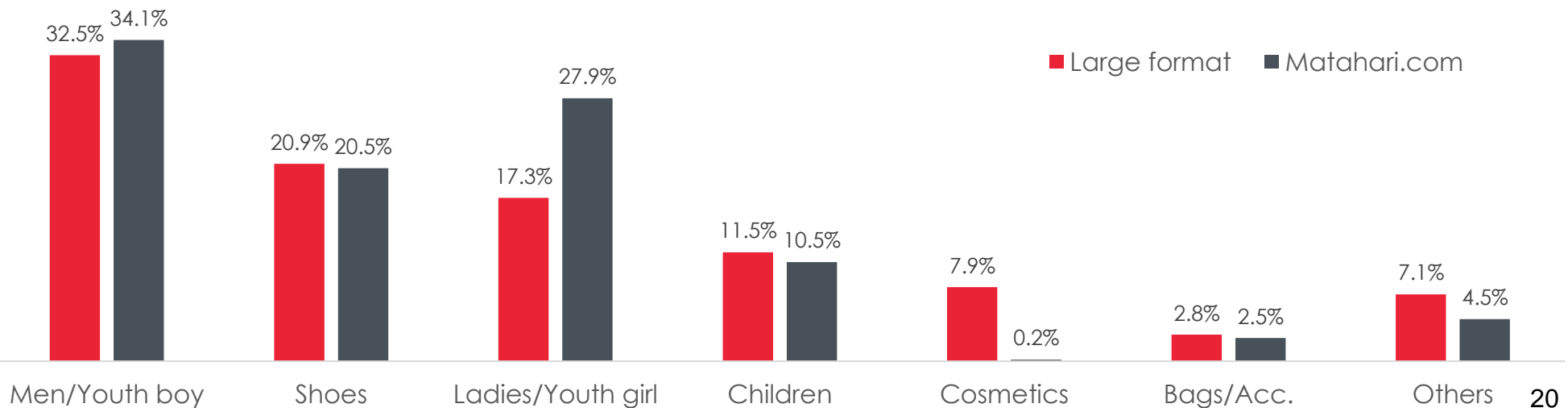


Sales by region (Q1 '19)



- Mataharimall.com app was phased out and replaced with Matahari.com app
- On track to double online sales in 2019

Sales by category (Q1 '19)



- Same store sales growth was -1.7% in Q1 2019 with overall sales growth down 1.5%
- YTD April performance, including the Easter Holiday has improved and is now slightly positive
- The stores where existing initiatives are fully rolled out and space allocation optimized by category are performing well above the chain average YTD
- Matahari.com successfully launched its new mobile app, and is growing rapidly. Our goal is to be the #1 Fashion portal in Indonesia (currently #4)
- Omni-channel initiatives are on track

**Feel  
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**Thank you!**  
[Ir@matahari.co.id](mailto:Ir@matahari.co.id)

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