



PT Matahari Department Store Tbk.

Q2 2015/ 1H 2015 Results Update

Earnings call: July 30, 2015

❑ Key Highlights Q2 2015 and 1H 2015

❑ Financial Update

❑ Summary



Key Highlights Q2 2015 / 1H 2015

Key Highlights Q2 2015

- **Total gross sales increased by 21.2% over LY to Rp3,994 bn**
- **Delivered a 17.8% comp store sales growth**
- **Merchandise gross margin increased to 36.2% of gross sales, up 50 bps over LY**
- **EBITDA increased by 31.8% over LY to Rp683 bn, at 17.1% of gross sales**
- **Reported net income increased by 94.0% from Rp239 bn in Q2 2014, compared to Rp463 bn in Q2 2015**
- **Comparable net income increased by 55.1% from Rp299 bn in Q2 2014*, compared to Rp463 bn in Q2 2015**

*Net income before non-recurring expense related to prior years of Rp59.9bn

Key Highlights 1H 2015

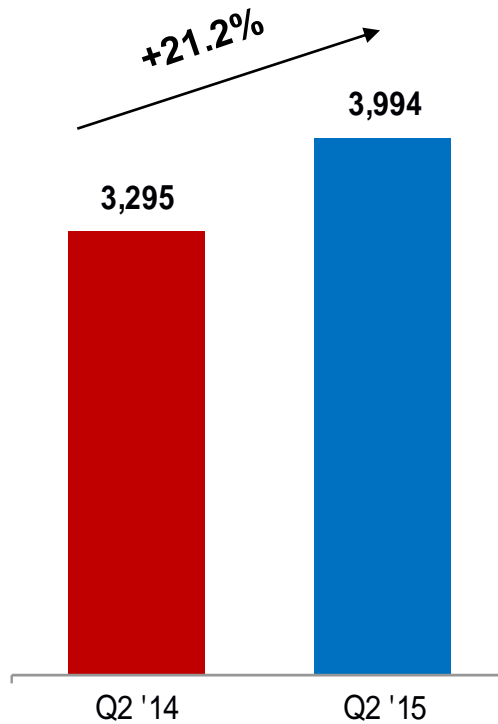
- **Total gross sales increased by 15.1% over LY to Rp6,875 bn**
- **Delivered a 12.2% comp store sales growth**
- **Merchandise gross margin increased to 35.6% of gross sales, up 50 bps over LY**
- **EBITDA increased by 18.3% over LY to Rp1,009 bn, at 14.7% of gross sales**
- **Reported net income increased by 79.1% from Rp362 bn in 1H 2014, compared to Rp648 bn in 1H 2015**
- **Comparable net income increased by 44.0% from Rp450 bn in 1H 2014*, compared to Rp648 bn in 1H 2015**

*Net income before non-recurring expense related to prior years of Rp88 bn

Financial Snapshot Q2 2015

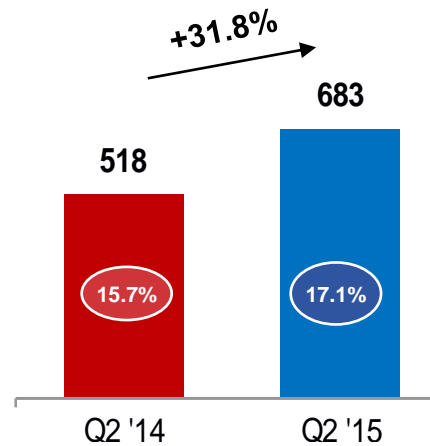
Gross Sales

IDR Bn



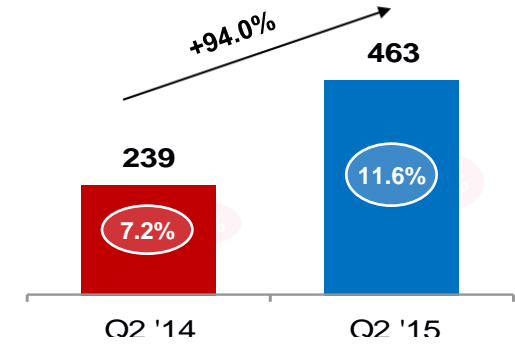
EBITDA

IDR Bn

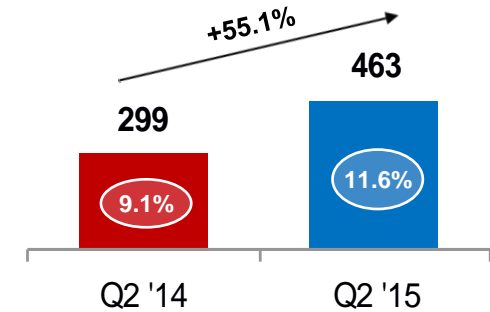


Reported Net Income

IDR Bn



Comparable Net Income

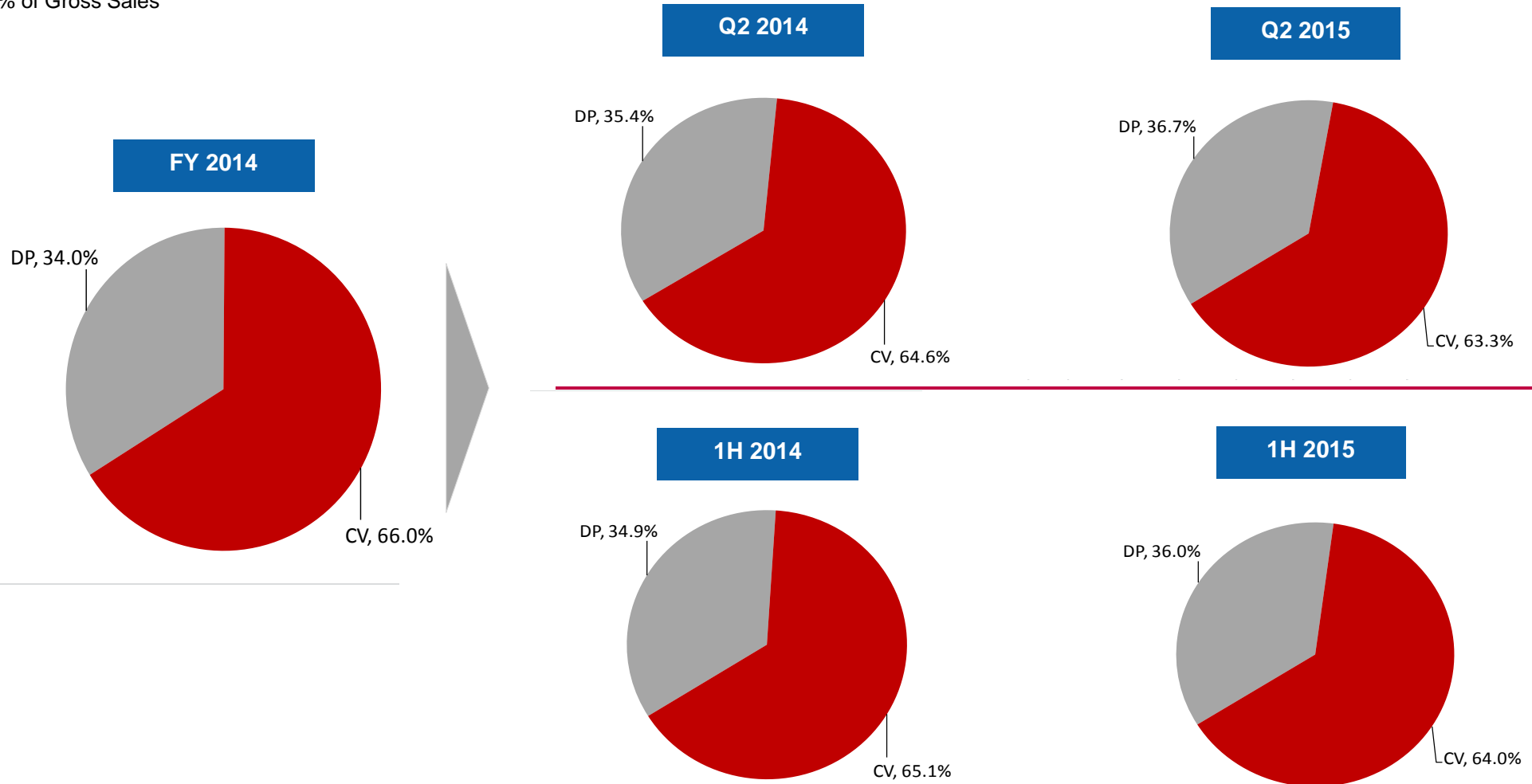


○ Net Income Margin

MDS's exclusive brands continue to deliver strong performance

DP accounted for 36.7% of gross sales in Q2 2015, as compared to 35.4% in Q2 2014

% of Gross Sales



7 new stores opened in Q2 2015; 8 opened in 1H 2015



MDS Store Overview

	No. of Stores
As of 31 Dec 2014	131
Additions	8
Closures	0
Total as of 30 June 2015	139

Opened 7 new stores in Q2 2015; Forecasting 12-14 new stores in 2015

- **Q2 update:**

- ✓ **Opened 7 new stores (2 Greater Jakarta, 2 Java and 3 outside Java)**

- **Balance of the year:**

- ✓ **Forecasting 1-2 additional stores in Q3 and 3-5 in Q4**

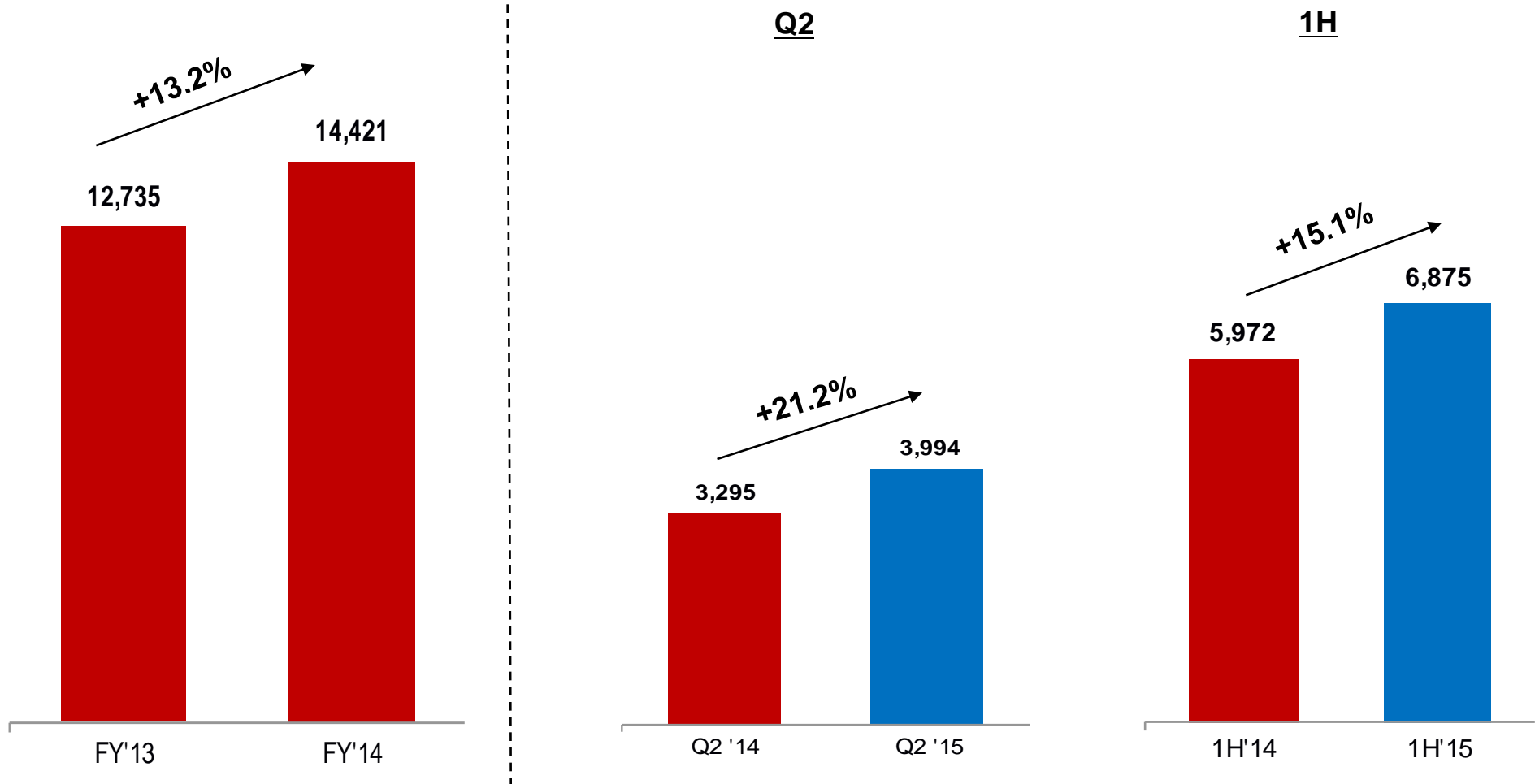
No	Geographic area	As at 31 Dec 2014		As at 30 Jun 2015		Balance in 2015	Future Pipeline 2016 onwards	
		# of stores	% mix	# of stores	% mix	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	36	27.5%	38	27.3%	1-2	14	21.2%
2	Java (Exc Greater Jakarta)	43	32.8%	45	32.4%	1	18	27.3%
3	Outside Java	52	39.7%	56	40.3%	2-3	34	51.5%
	Total	131	100.0%	139	100.0%	4-6	66	100.0%



Financial Update

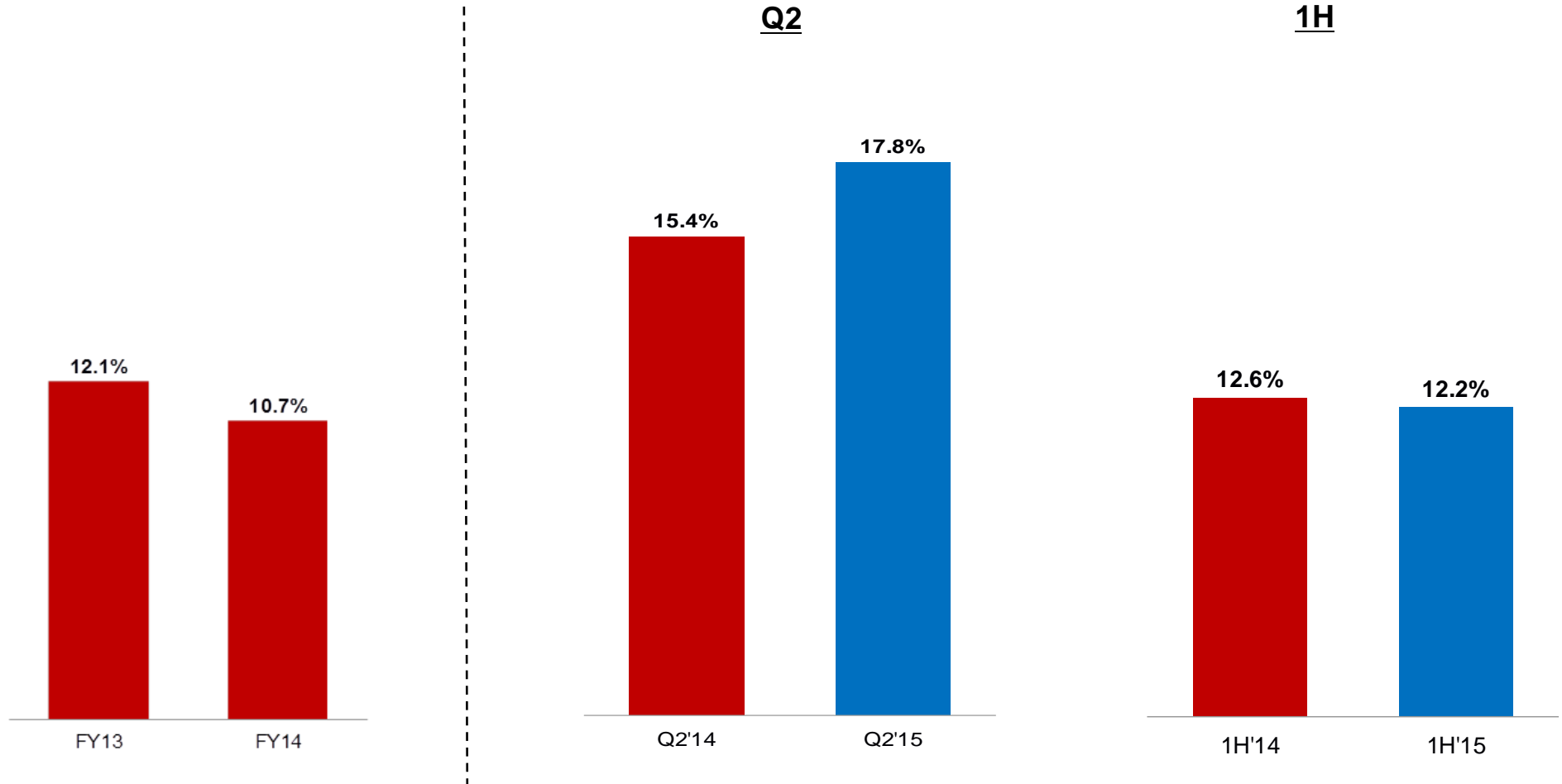
Overall Sales growth strengthened in Q2 2015

IDR Bn



Shift in Lebaran helped drive double digit SSSG in Q2 2015

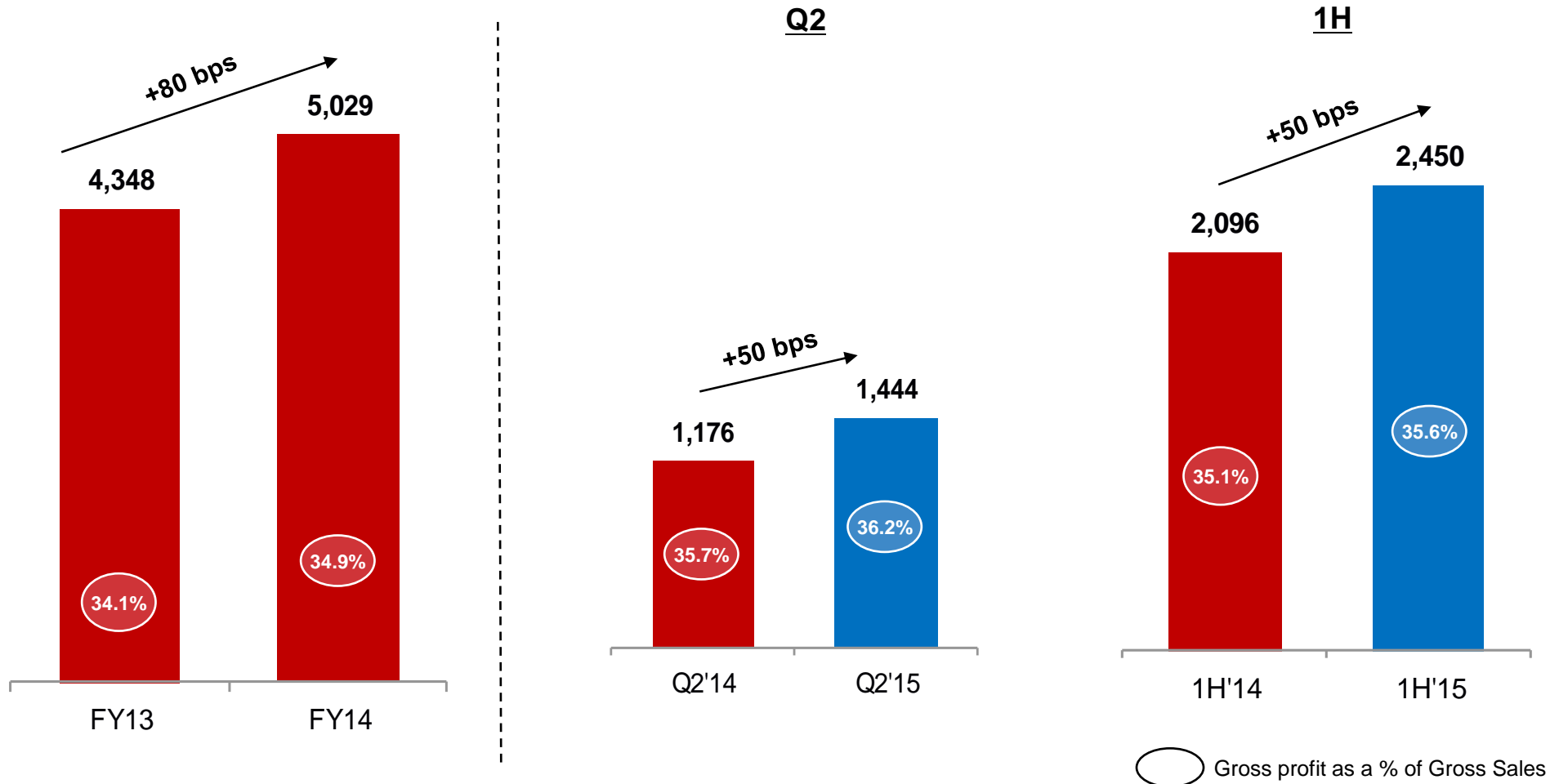
SSSG %



Merchandise margins improved 50 bps over LY

Gross profit and margins

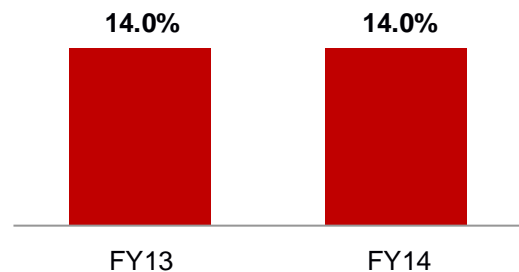
IDR Bn



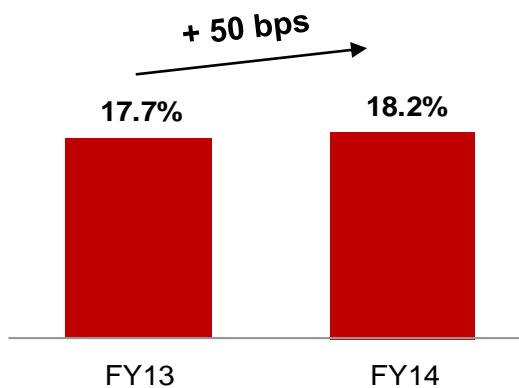
Operating leverage improved on stronger sales

Opex⁽¹⁾ as a % of Gross Sales

Comp store

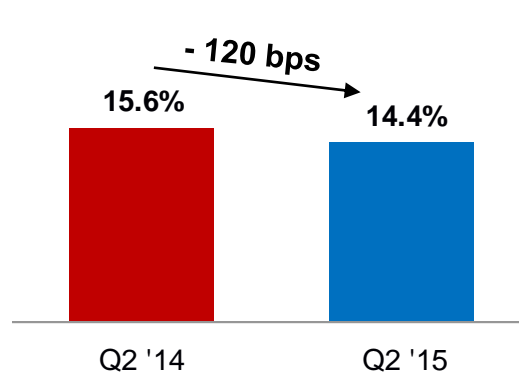


Total Company

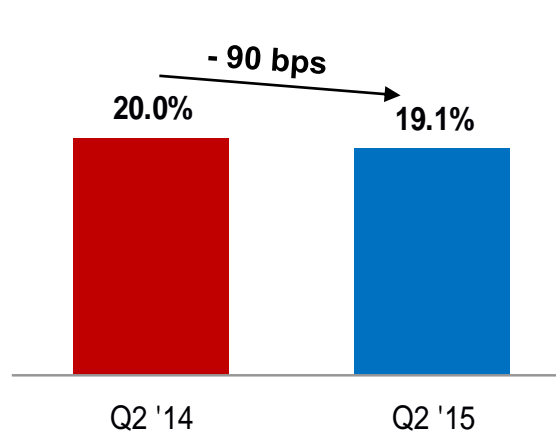


Q2

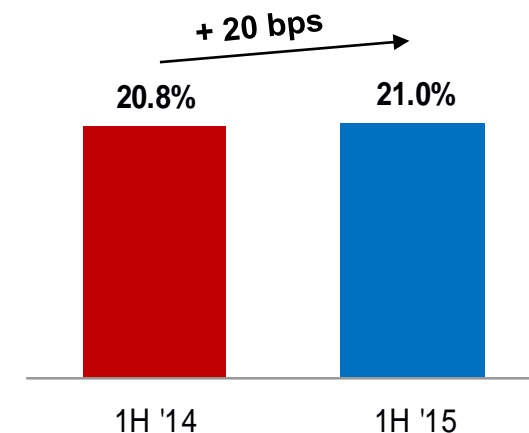
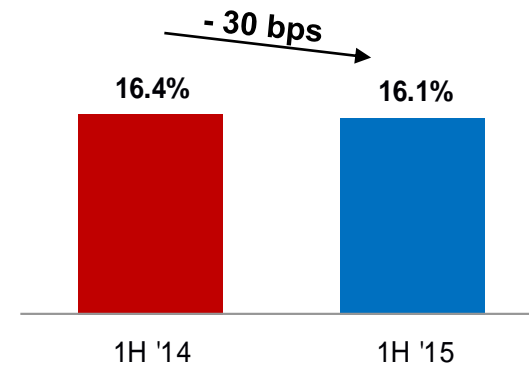
Comp store



Total Company



1H



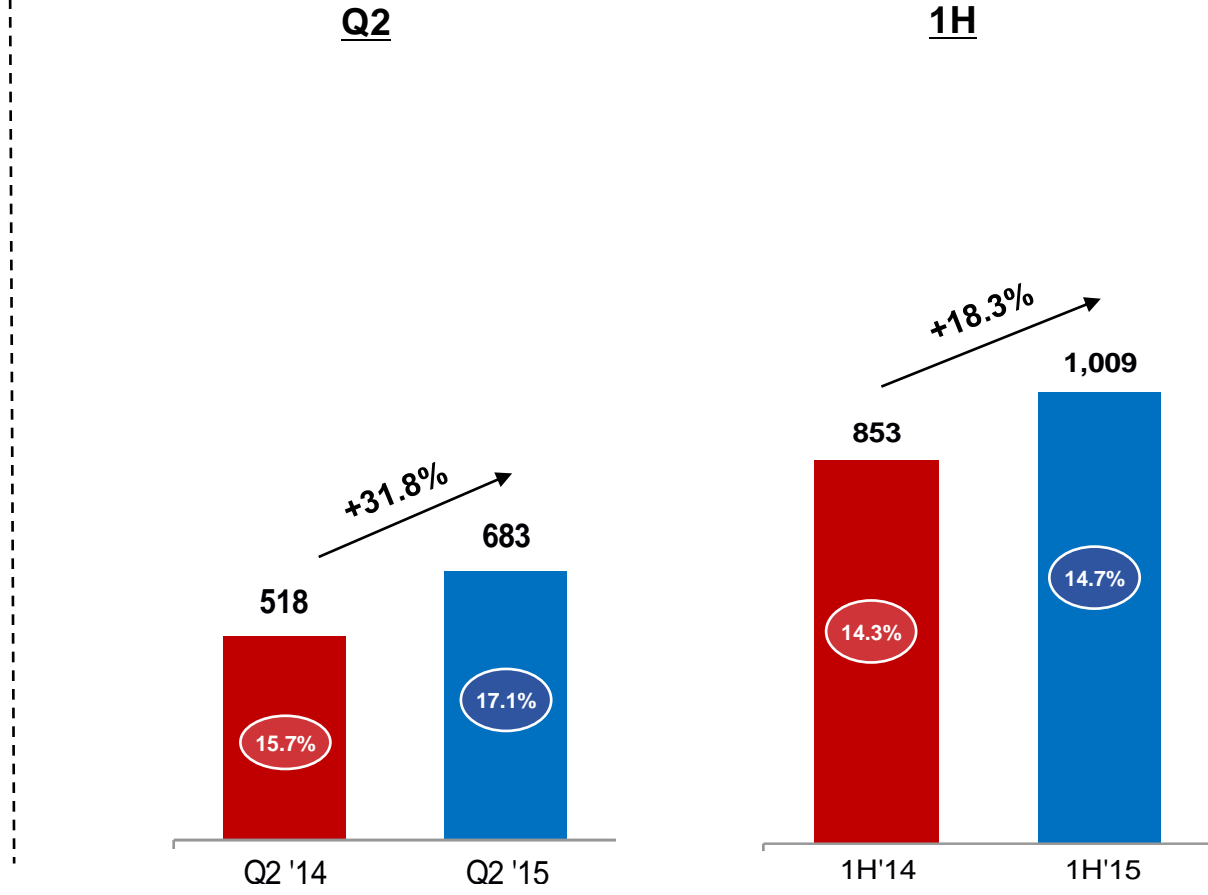
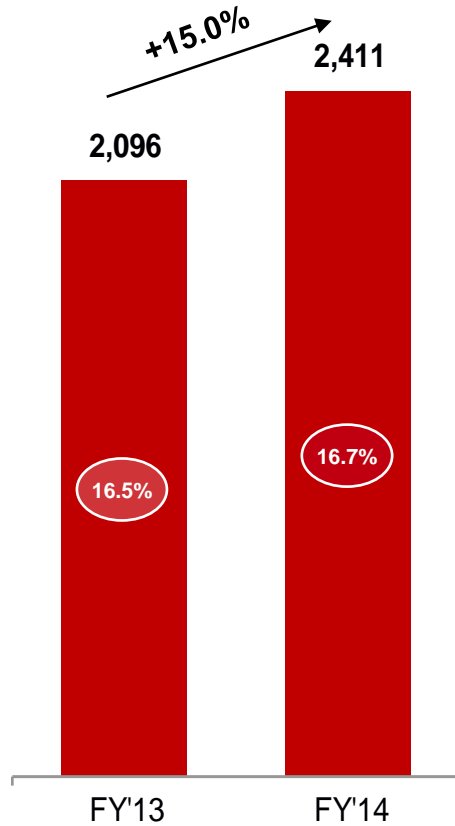
Note

1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

EBITDA increased by 31.8% in Q2 2015

EBITDA and Margins

IDR Bn



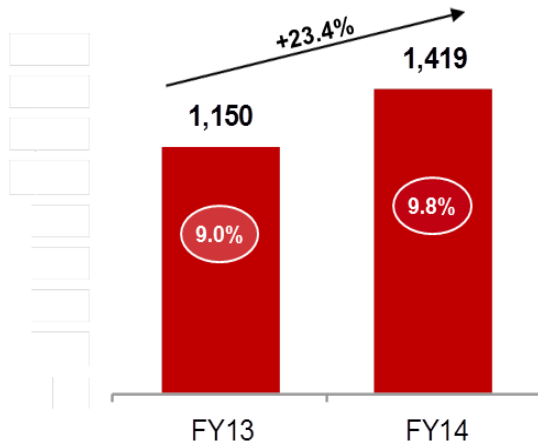
○ EBITDA as a % of Gross Sales

Notes

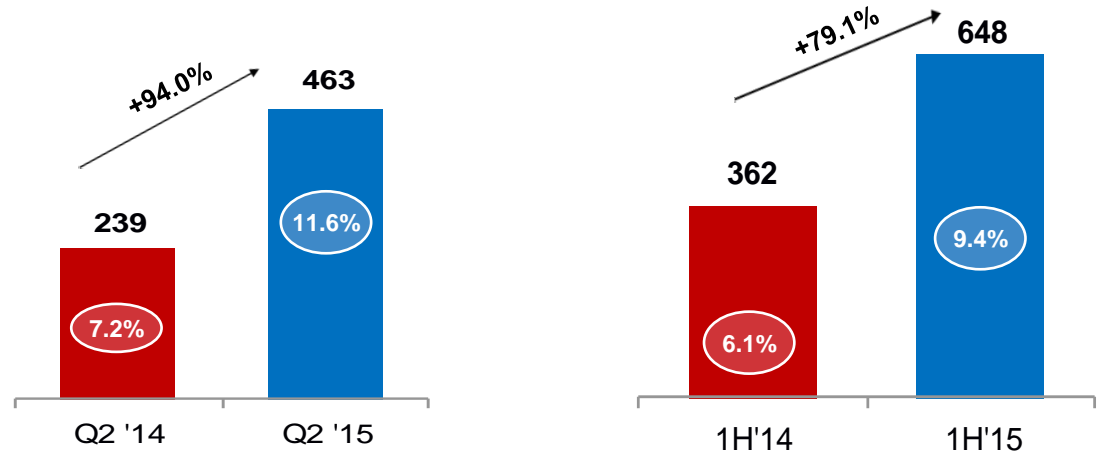
EBITDA adjusted for severance pay

Q2 2015 comparable net income increased by 55.1% over 2014

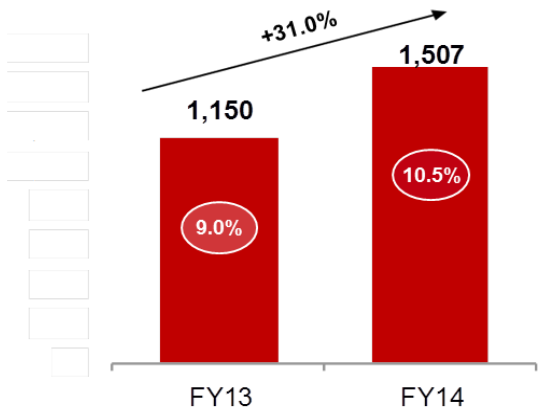
Reported Net Income (IDR Bn)



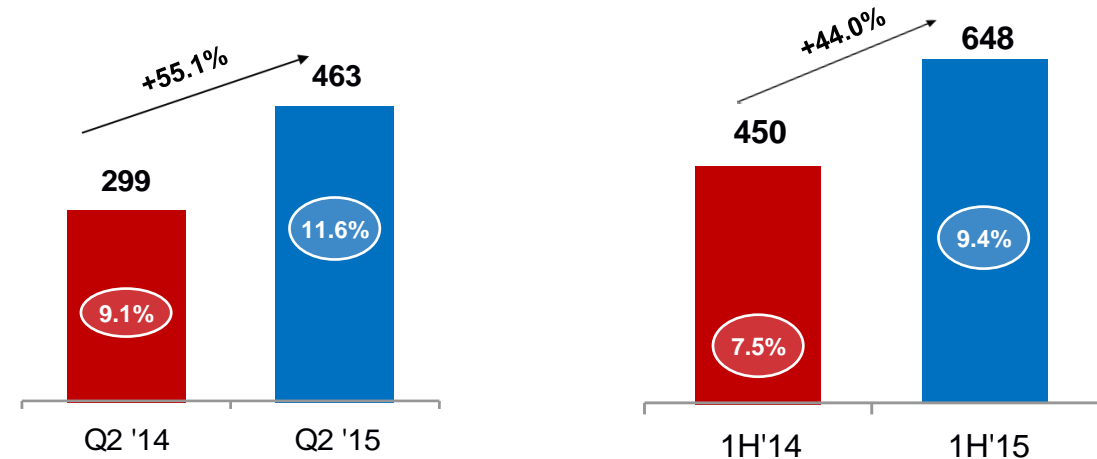
Reported Net Income (IDR Bn)



Comparable Net Income (IDR Bn)



Comparable Net Income (IDR Bn)



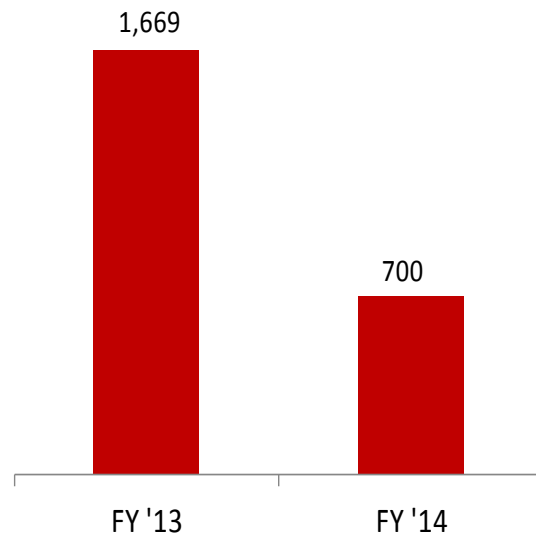
○ Net Income as a % of Gross Sales

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

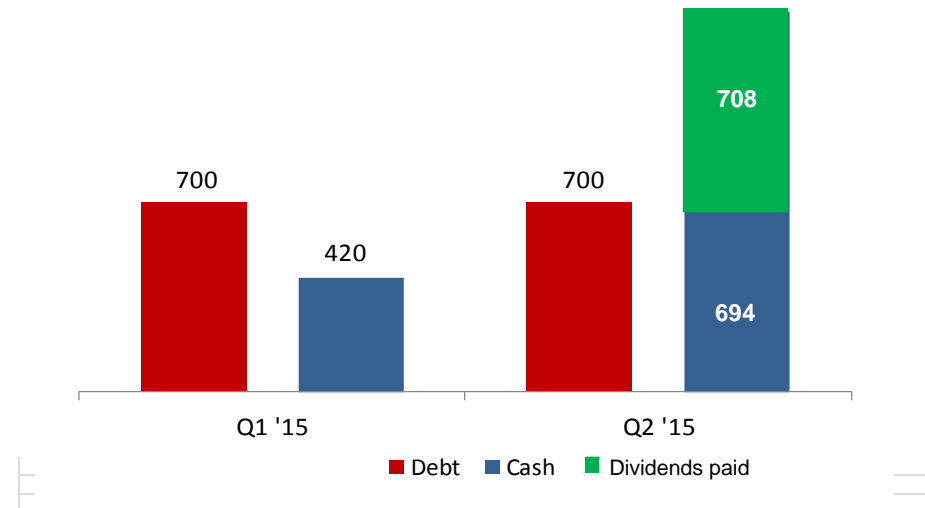
Dividend was paid at the end of Q2

- Debt balance was Rp700 bn at the end of Q2 2015
- Cash balance at the end of Q2 2015 was Rp694 bn, after dividend payments

Total Gross Debt (in IDR Bn)



Total Gross Debt and Cash (in IDR Bn)



Notes

1. Total debt comprises of the bank loan
2. Rp708 bn represents part payment of the total dividend amount of Rp851 bn

Sales growth and SSSG performance across geographic regions

Geographic Area	No. Of stores as at June 2015	Store Mix % to Total	Q2 2015 Sales (IDR Bn)	Q2 2015 Sales % Growth	1H 2015 Sales (IDR Bn)	1H 2015 Sales % Growth	Q2 2015 SSSG%	1H 2015 SSSG%
Greater Jakarta	38	27.3%	1,140	19.8%	1,996	13.8%	17.8%	12.0%
Java exclude Greater Jakarta	45	32.4%	1,391	25.0%	2,315	18.1%	25.6%	19.1%
Outside Java	56	40.3%	1,463	19.0%	2,564	13.6%	10.8%	6.5%
Total	139	100.0%	3,994	21.2%	6,875	15.1%	17.8%	12.2%

Financial Summary

Key Profit & Loss Items

IDR Bn

	Q2 2014	Q1 2015	Q2 2015	1H 2014	1H 2015
Gross Sales	3,294.5	2,880.6	3,993.9	5,971.8	6,874.5
SSSG	15.4%	5.4%	17.8%	12.6%	12.2%
<i>Growth</i>	18.2%	7.6%	21.2%	15.7%	15.1%
Net Revenue	1,849.2	1,613.2	2,307.7	3,328.9	3,920.9
<i>Growth</i>	24.6%	9.0%	24.8%	21.5%	17.8%
Gross Profit	1,176.1	1,005.6	1,444.4	2,095.5	2,449.9
<i>Margin</i>	35.7%	34.9%	36.2%	35.1%	35.6%
EBITDAR	748.9	566.7	948.3	1,299.4	1,515.0
<i>Margin</i>	22.7%	19.7%	23.7%	21.8%	22.0%
EBITDA	518.2	326.1	682.8	853.0	1,008.9
<i>Margin</i>	15.7%	11.3%	17.1%	14.3%	14.7%
Income before tax	328.6	240.6	586.6	510.1	827.1
<i>Margin</i>	10.0%	8.4%	14.7%	8.5%	12.0%
Reported net Income	238.6	185.0	462.8	361.7	647.8
<i>Margin</i>	7.2%	6.4%	11.6%	6.1%	9.4%
<i>growth</i>	30.6%	50.3%	94.0%	36.5%	79.1%



Summary

Summary

- ❑ **Despite a weak economic environment, our target market continues to show some resilience and we delivered strong results for the 1st Half**
- ❑ **In the 1st half, total sales were up by 15.1%, same store sales were up by 12.2%, improvements in gross margin and operational leverage all contributed to driving significant increases in earnings**
- ❑ **The company's store openings in 2015, along with the locations already identified for 2016 and beyond, indicate it is well positioned to continue to grow market share going forward**

End of Presentation

