



PT. Matahari Department Store Tbk.
Q2 2017/1H 2017 Earnings Call

July 2017

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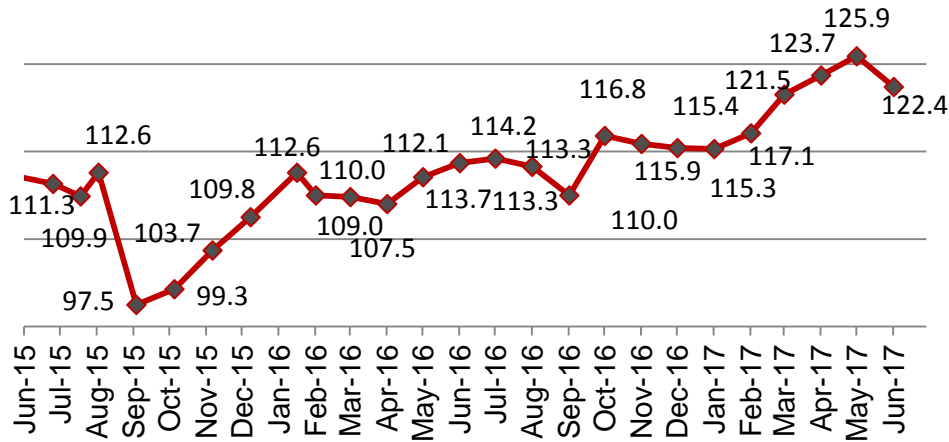
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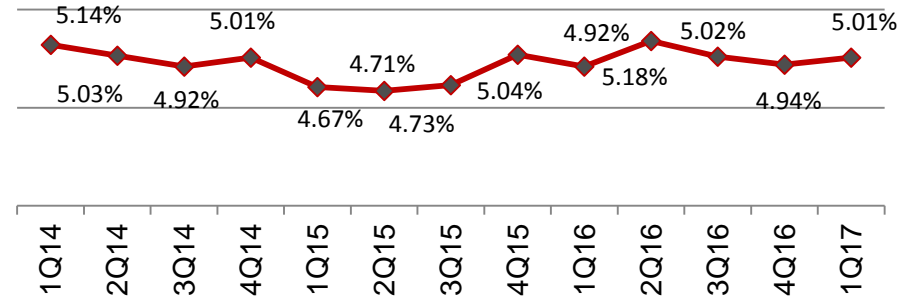
Indonesia Macro Overview

Key Macro-Economic Data

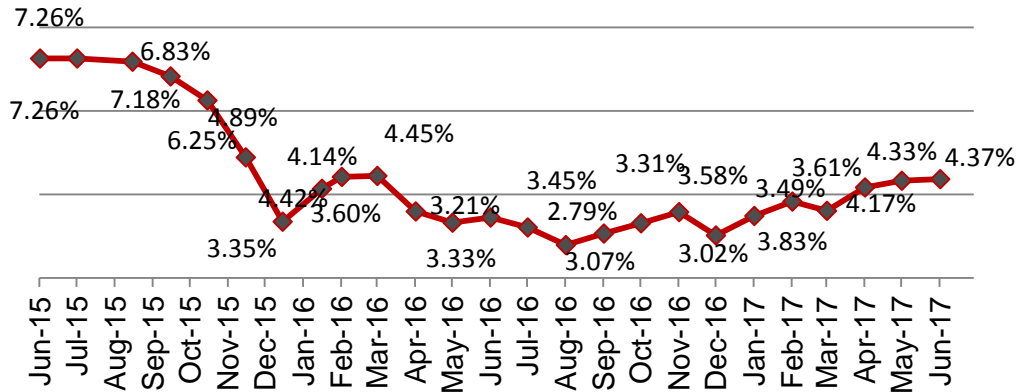
Consumer Confidence Index



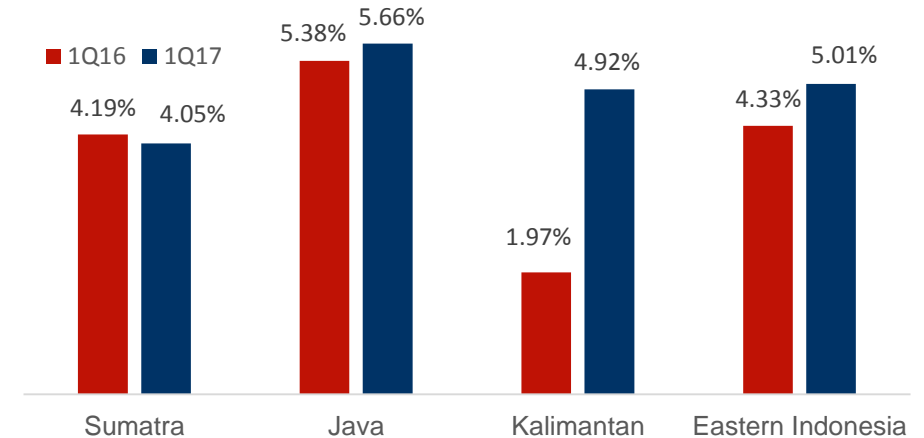
GDP Growth



Inflation



GDP Regional



Source: Bank Indonesia and BPS



Q2 2017/ 1H 2017 Financials

Key Financial Highlights

IDR Bn **Q2 '16** **Q2 '17** **△**

Gross Sales	5,774	6,802	17.8%
SSSG	40.0%	14.6%	
EBITDA	1,239	1,470	18.6%
Net Income	913	1,094	19.8%

Gross Margin	36.4%	36.0%	40 bps
EBITDA Margin	21.5%	21.6%	10 bps
Net Margin	15.8%	16.1%	30 bps

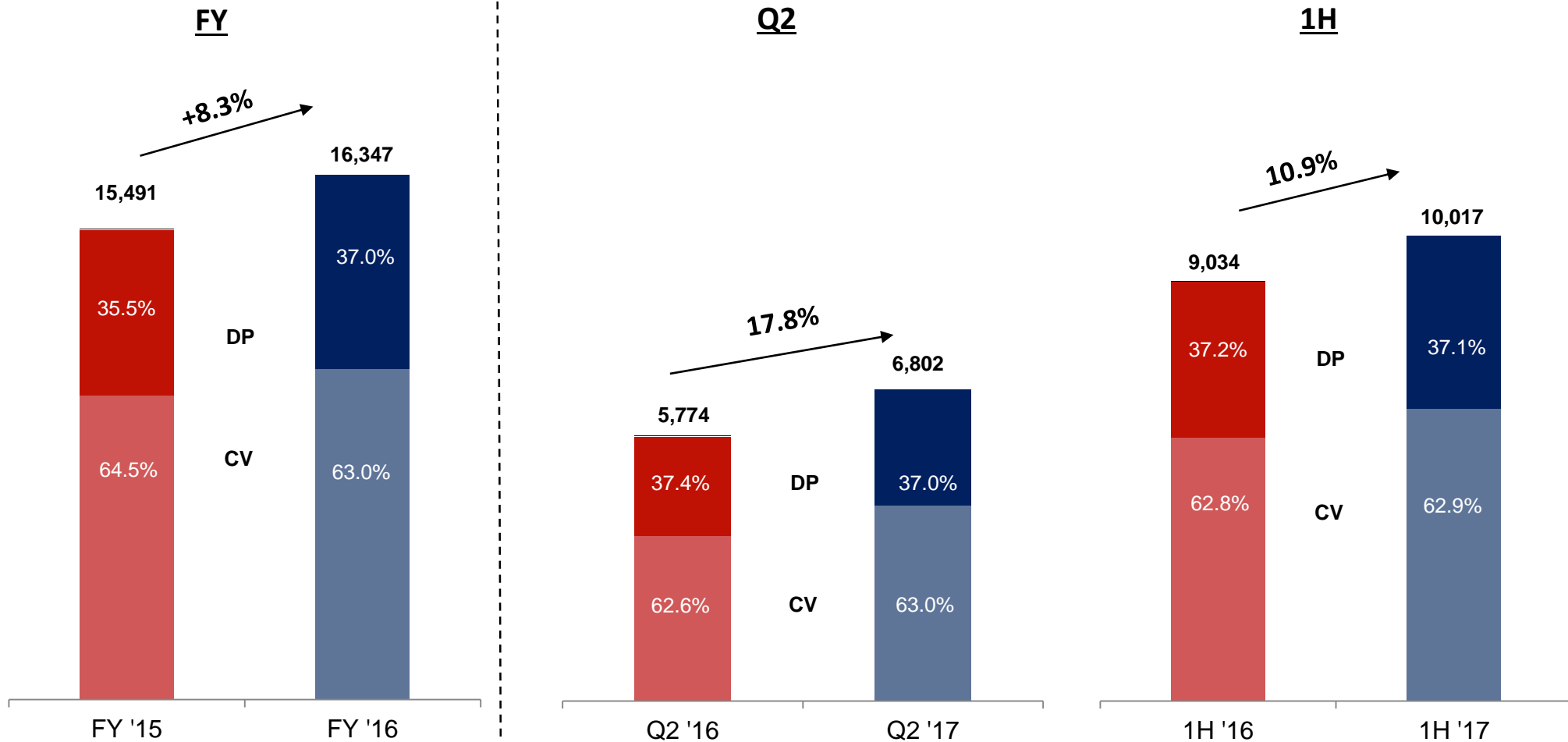
IDR Bn **1H '16** **1H '17** **△**

Gross Sales	9,034	10,017	10.9%
SSSG	27.1%	8.0%	
EBITDA	1,626	1,859	14.3%
Net Income	1,157	1,338	15.6%

Gross Margin	36.0%	36.1%	10 bps
EBITDA Margin	18.0%	18.6%	60 bps
Net Margin	12.8%	13.4%	60 bps

Overall sales increased by 17.8% in 2Q 2017 and 10.9% in 1H 2017

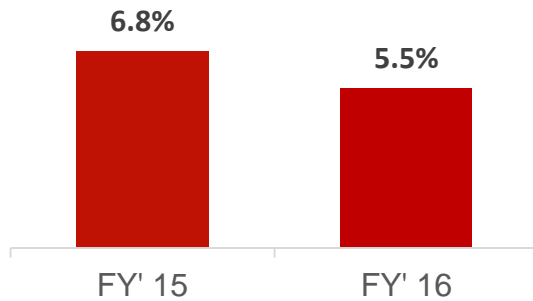
IDR Bn



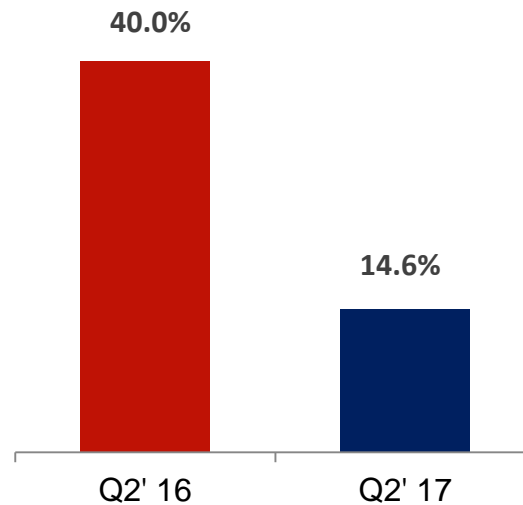
SSSG was 14.6% in Q2 2017 and 8% in 1H 2017

SSSG %

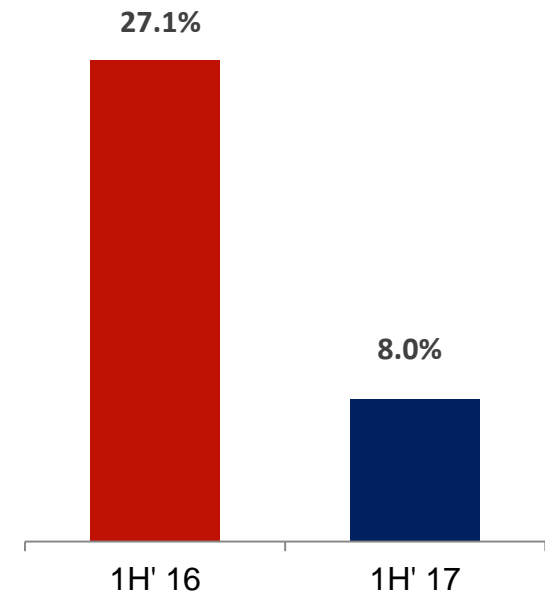
FY



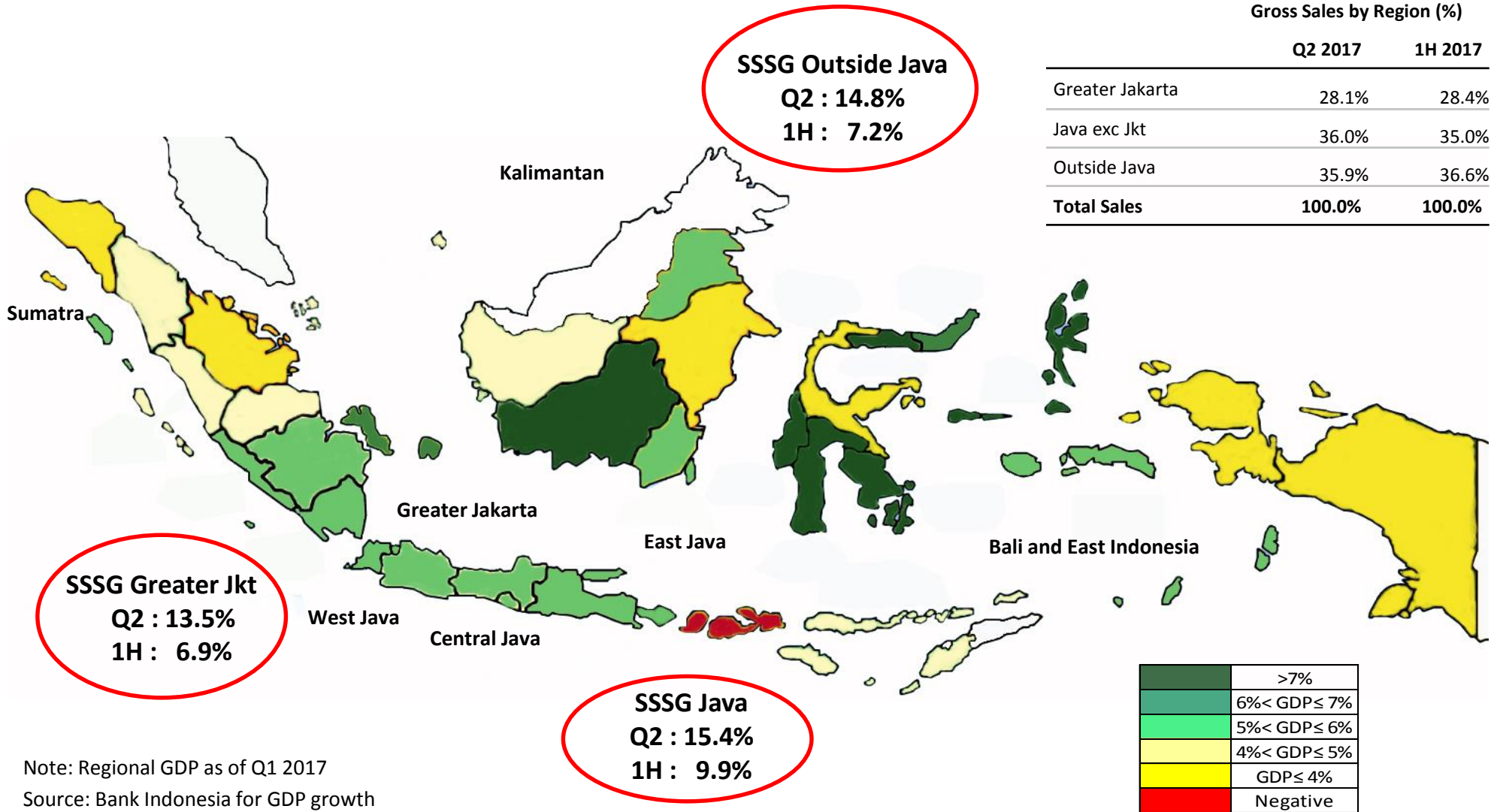
Q2



1H



GDP growth, SSSG and Sales per region



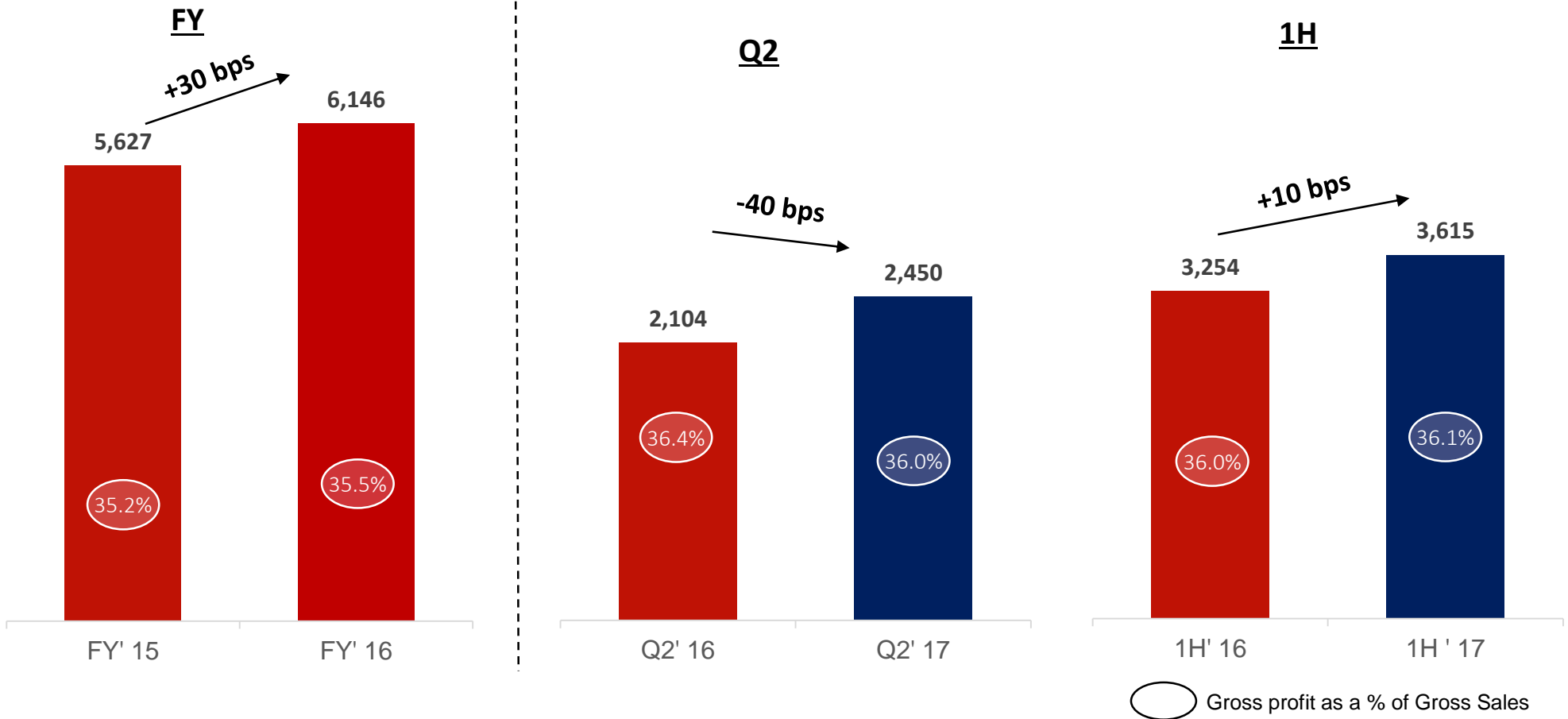
Note: Regional GDP as of Q1 2017

Source: Bank Indonesia for GDP growth

Merchandise margins declined on seasonality in Q2, up 10 bps in 1H

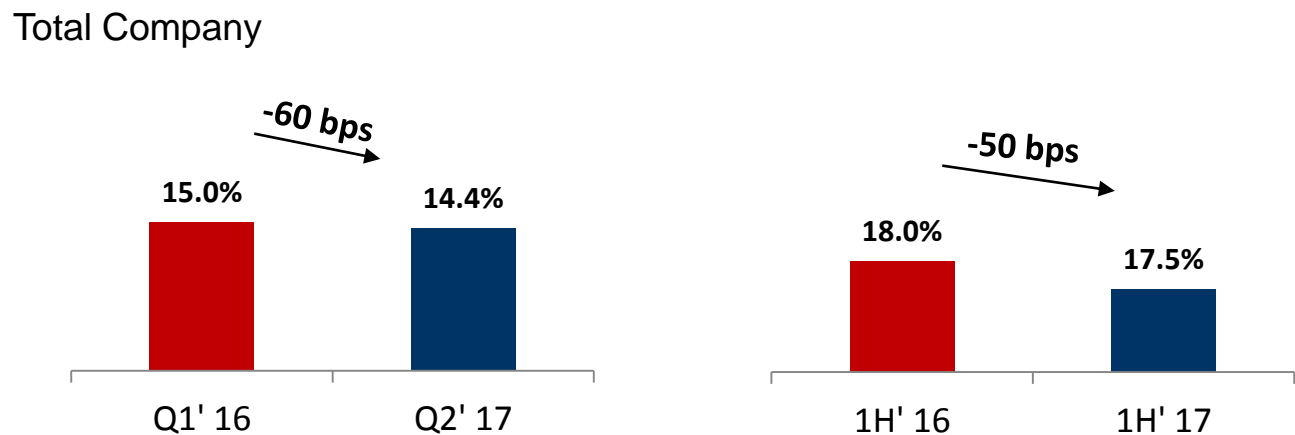
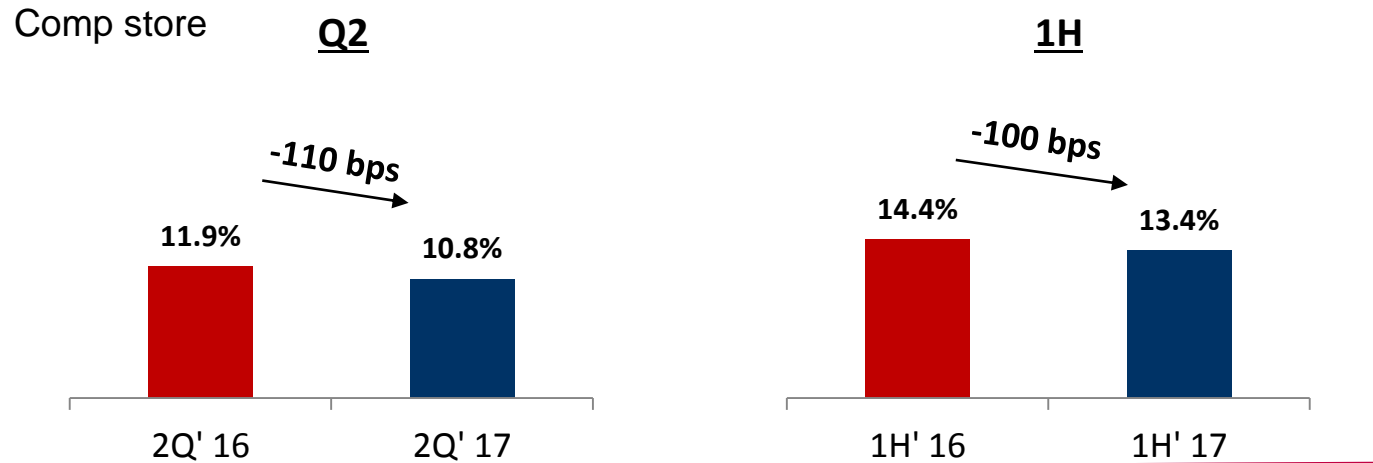
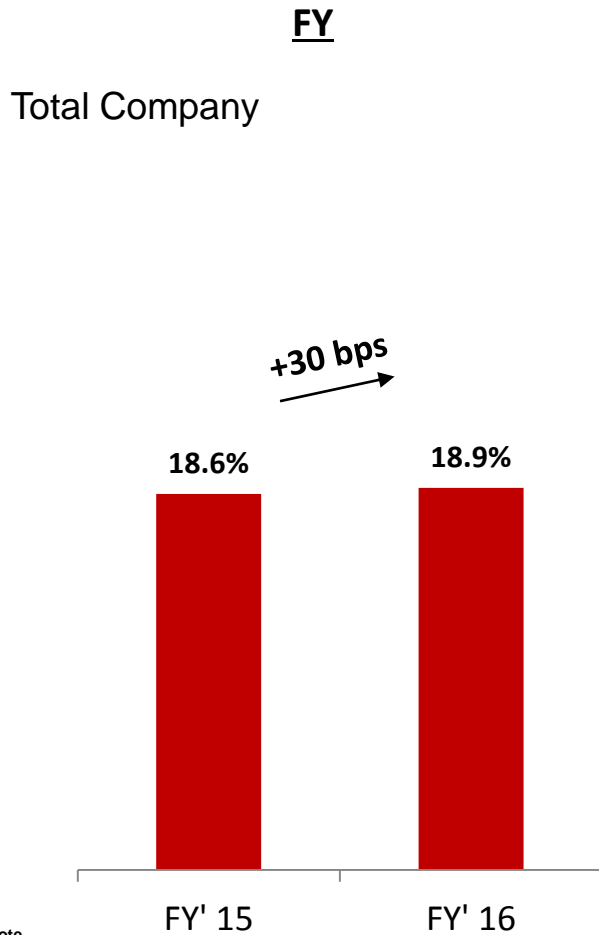
Gross profit and margins

IDR Bn



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

Operating leverage achieved owing to strict cost control measures

EBITDA and Margins

IDR Bn

FY

+7.9%

2,872

2,661

16.7%

16.6%

FY' 15

FY' 16

Notes

EBITDA adjusted for severance pay

Q2

+18.6%

1,470

1,239

21.5%

21.6%

Q2' 16

Q2' 17

1H

+14.3%

1,859

1,626

18.0%

18.6%

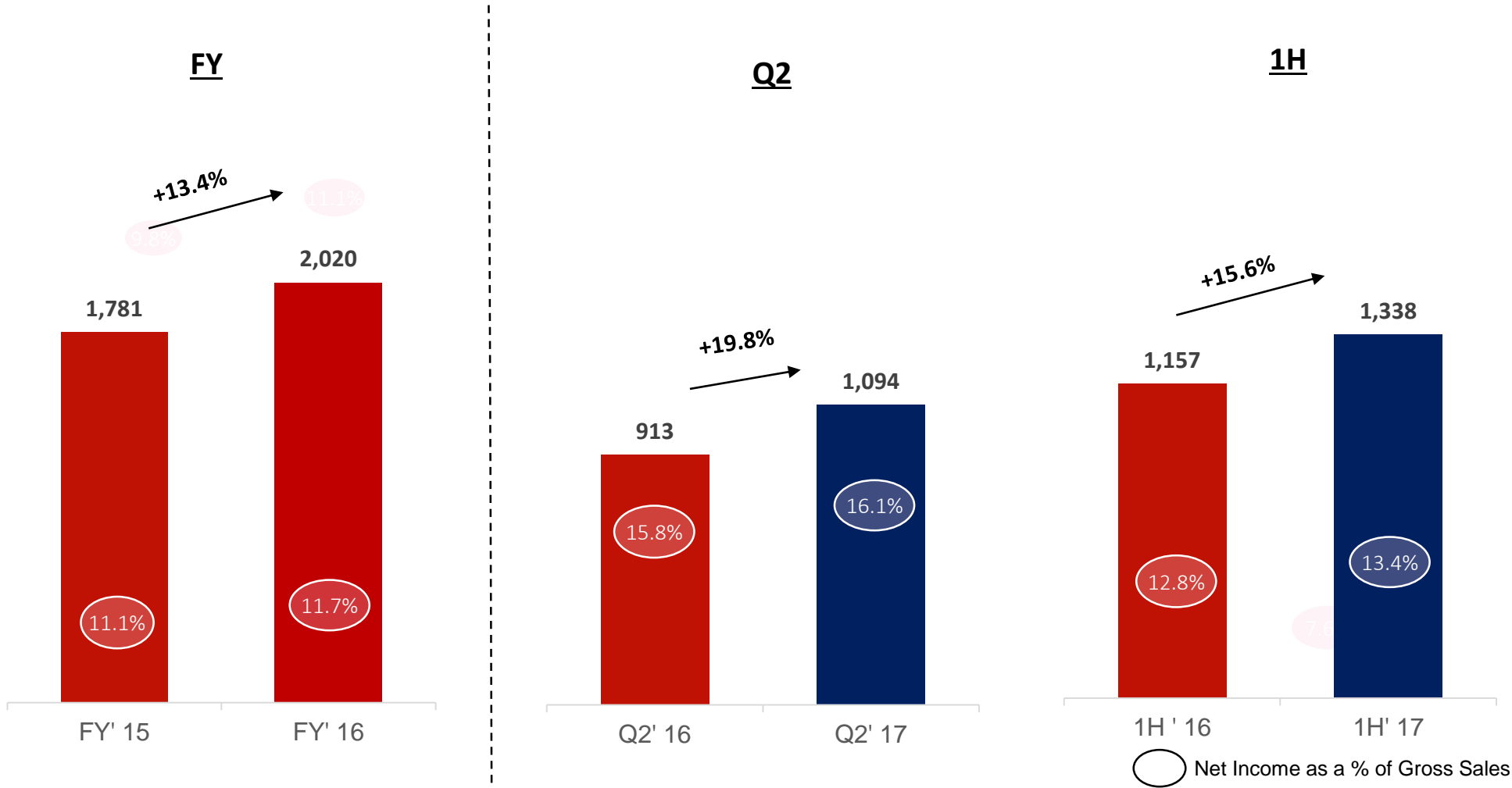
1H' 16

1H' 17

○ EBITDA as a % of Gross Sales

Net income up by 19.8% in 2Q 2017 and 15.6% in 1H 2017

Net Income (IDR Bn)



Inventory days and cash position improved

INVENTORY DAYS, CASH POSITION AND LOAN BALANCE

	End of Mar 2017	End of Jun 2017
LTM Ave. Inventory Days	109 days	112 days
Cash on Hand	Rp1,003 Bn	Rp 2,550 Bn
Outstanding Bank Loan Balance	Rp 0	Rp 0

CAPEX AND REFURBISHMENTS

	FY 2016	FY 2017E
Capex	Rp357 Bn	Rp400-450 Bn
Refurbishments	16 stores	20-25 stores

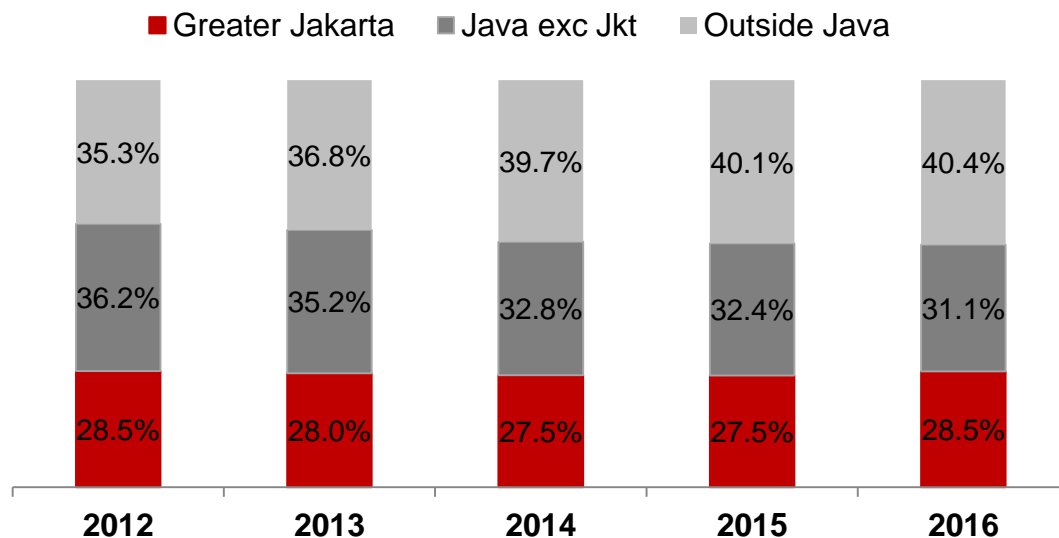


Operational Updates

Store expansion plans on track

- Opened 4 new stores as of the end of June 2017
- Opened 1 new store in July
- Forecasting a total of 6-8 new stores by the end of 2017

Store Count Split by Region



No	Geographic area	Actual		Forecast		
		FY2016	As of 30 June 2017	Balance in 2017	Future Pipeline 2018 and onwards	
		# of stores	# of stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	43	43	0	10	19.6%
2	Java (Exc Greater Jakarta)	47	50	1	12	23.5%
3	Outside Java	61	62	1-3	29	56.9%
Total		151	155	2-4	51	100.0%

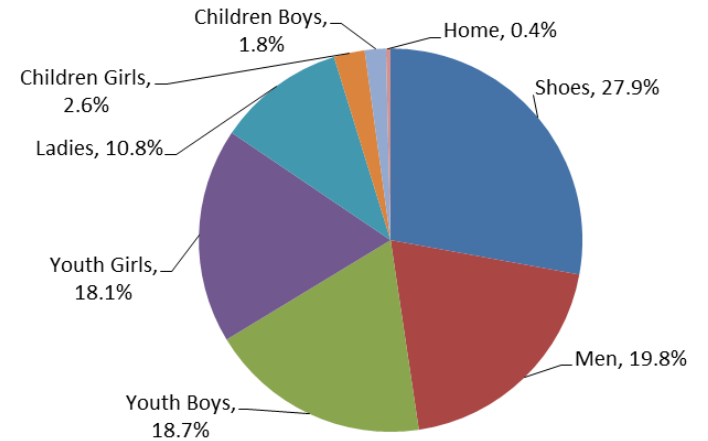
Nevada Store



- **Launch date: October 2016**
- **Size: 976 sqm**
- **Future plans: open 1-2 more stores**



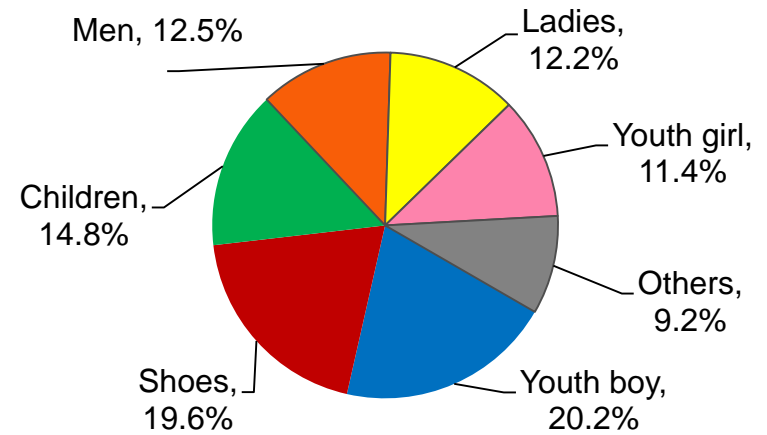
Sales Mix by World (October 2016-June 2017)



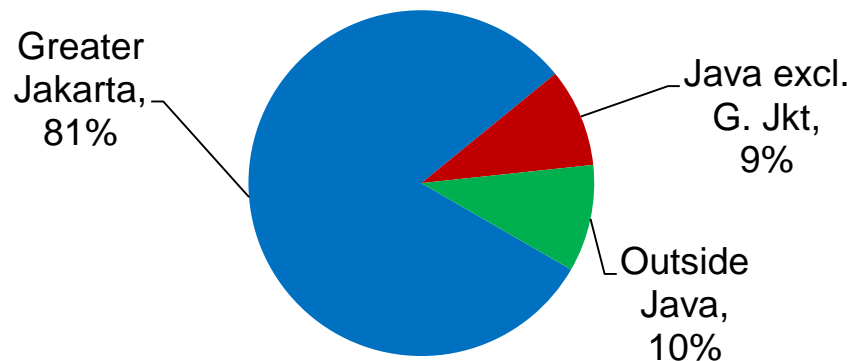
Mataharistore.com - Q2 2017 Performance

	Q1 2017	Q2 2017
No. of transactions	~67,000	~133,000
DP: CV sales mix ratio	77:23	83:17
Top 5 exclusive brands (% to DP online sales)	47%	47%
Nevada (% to DP online sales)	22%	24%

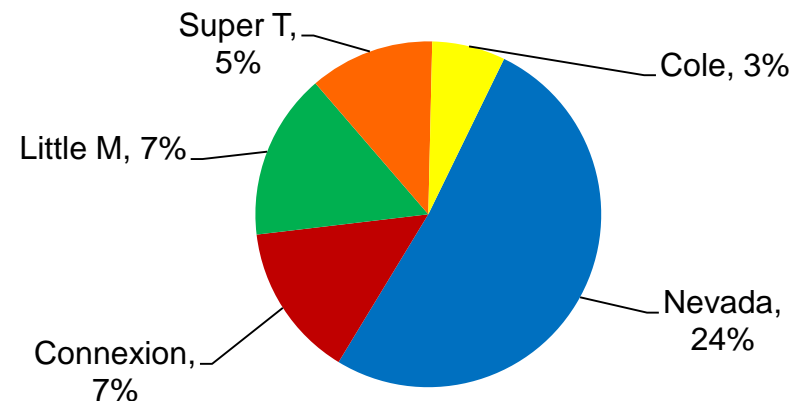
Merchandise Mix (1H 2017)



Sales by Region (Q2 2017)



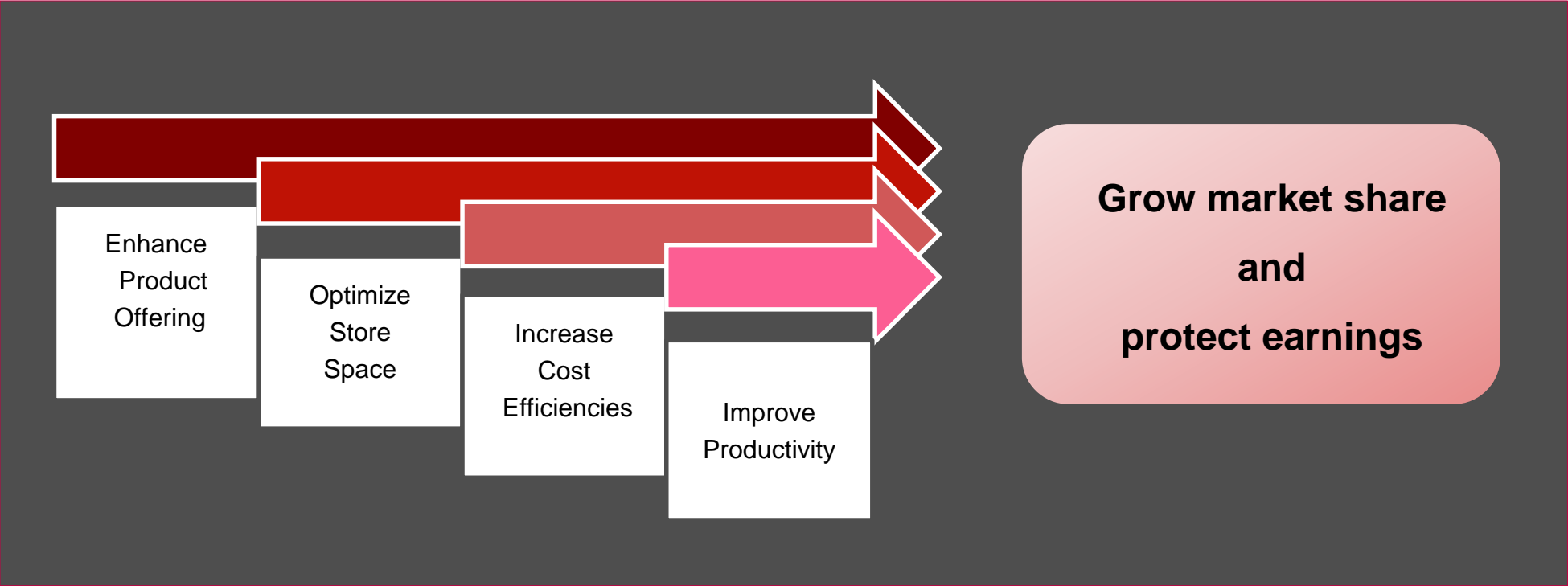
Top 5 exclusive brands = 47% of DP Q2 2017 sales





Strategic Updates

Strategic Focus



Summary

- ❑ **Despite weaker consumption trends, overall sales YTD were up 10.9%, with SSSG of 8% in 1H 2017**
- ❑ **Net income grew by 13.4%, with margins improving 60 bps**
- ❑ **Expansion plans remain on track for the year**
- ❑ **On-line sales continue to post strong growth**
- ❑ **Strategic initiatives in terms of further improving product assortments, along with strong cost and efficiency programs, are in place to not only withstand against near-term macro headwinds, but also to achieve long-term sustainable growth**



Appendix

Shareholding Structure

