



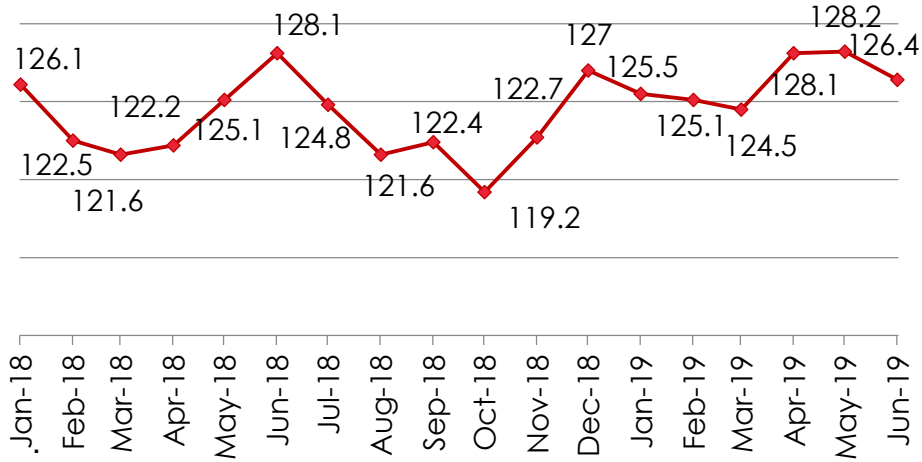
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**Feel
good.**

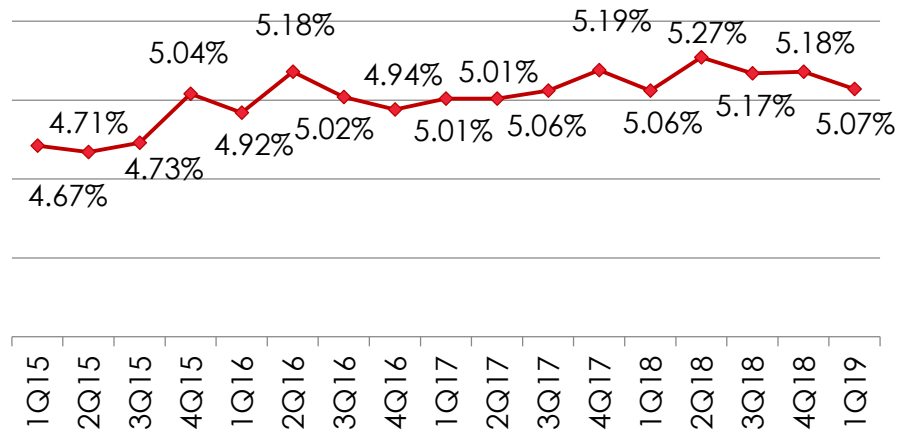


MACRO-ECONOMIC UPDATES

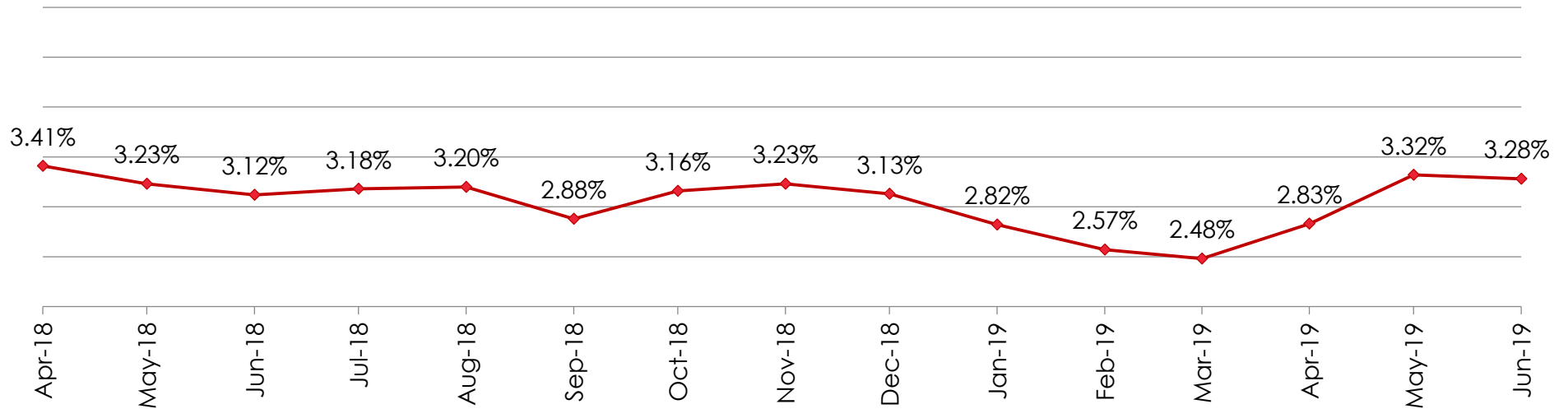
Consumer Confidence Index



GDP Growth



Inflation





**Feel
good.**

Q2 2019/ 1H 2019 FINANCIAL UPDATES

KEY FINANCIAL HIGHLIGHTS

QUARTER			
(in Rp Bn)	Q2 '18	Q2 '19	YoY
Gross Sales	7,002	7,230	+3.3% ▲
SSSG	4.5%	1.7%	▼
Gross Profit	2,526	2,553	+1.1% ▲
EBITDA	1,486	1,412	-4.9% ▼
Net Income	1,098	1,020	-7.2% ▼
Gross Margin	36.1%	35.3%	-80 bps ▼
EBITDA Margin	21.2%	19.5%	-170 bps ▼

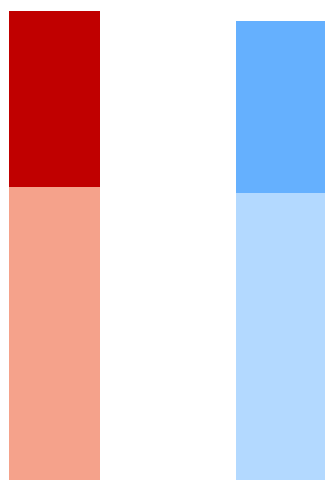
FIRST HALF			
(in Rp Bn)	1H '18	1H '19	YoY
Gross Sales	10,370	10,548	+1.7% ▲
SSSG	4.6%	0.6%	▼
Gross Profit	3,744	3,727	-0.5% ▼
EBITDA	1,884	1,700	-9.8% ▼
Net Income	1,345	1,162	-13.6% ▼
Gross Margin	36.1%	35.3%	-80 bps ▼
EBITDA Margin	18.2%	16.1%	-210 bps ▼

SALES PERFORMANCE

Sales and DP/CV Mix

IDR Bn

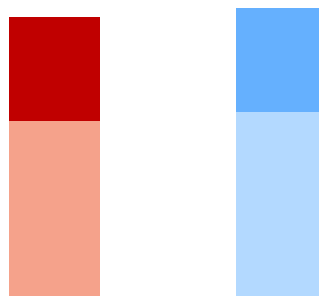
17,496 17,865
+2.1%



FY '17 **FY '18**

DP	37.2%	37.4%
CV	62.8%	62.6%

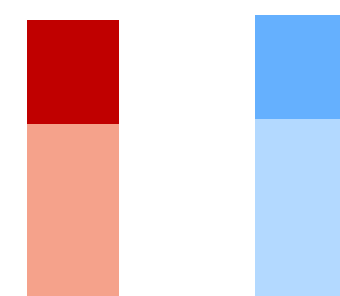
7,002 7,230
+3.3%



Q2 '18 **Q2 '19**

DP	36.6%	35.4%
CV	63.4%	64.6%

10,370 10,548
+1.7%

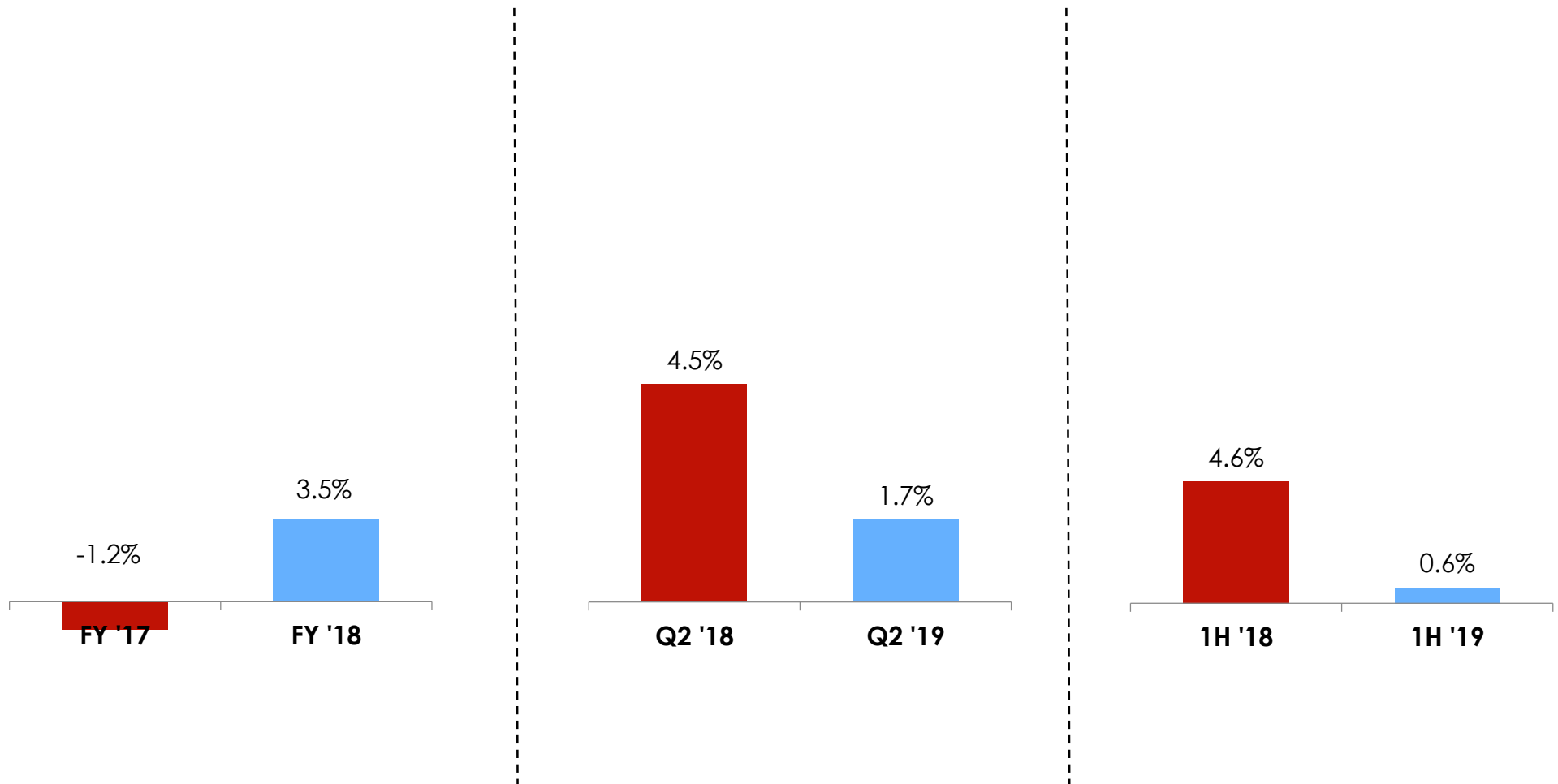


1H '18 **1H '19**

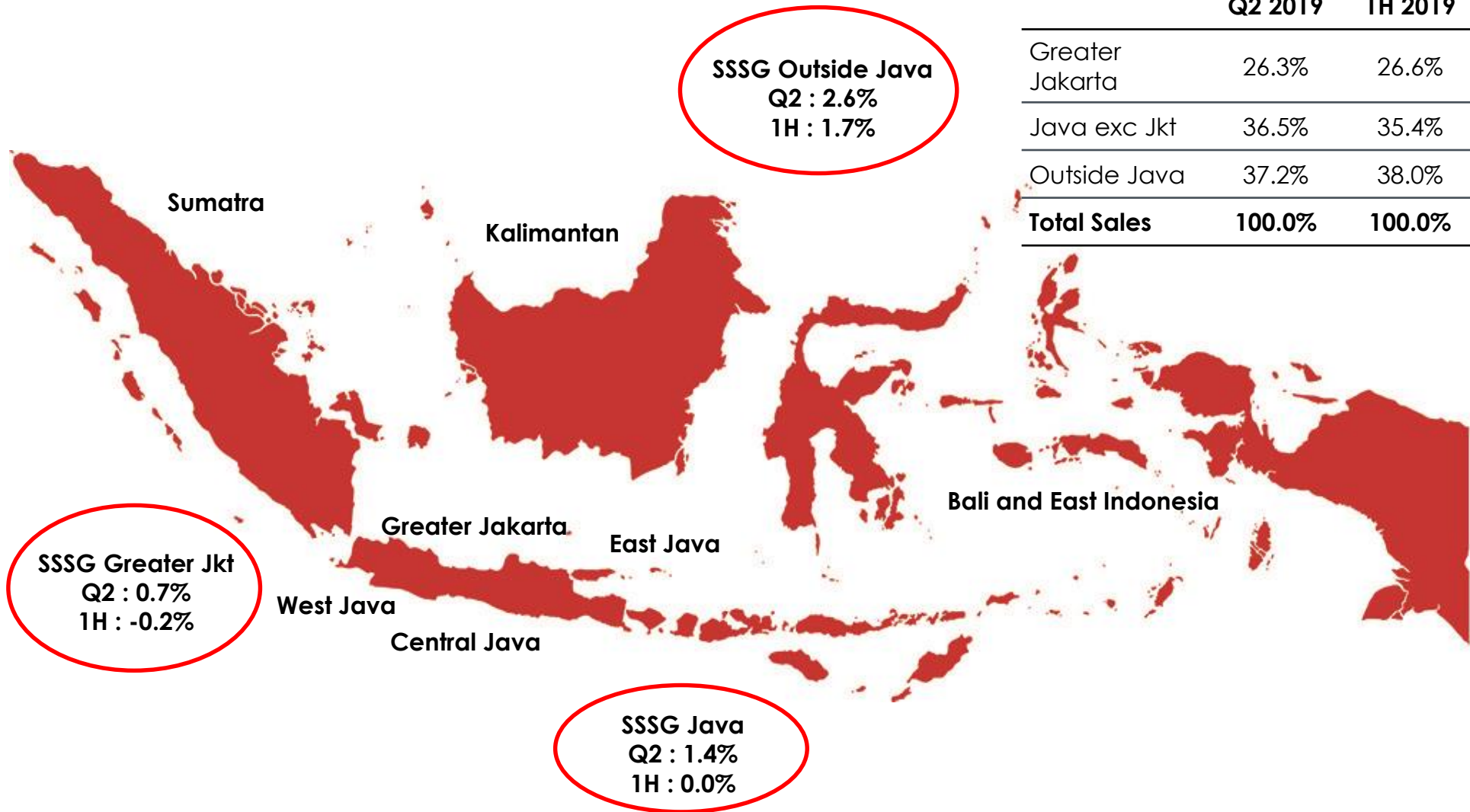
DP	37.1%	36.2%
CV	62.9%	63.8%

SAME STORES SALES GROWTH

SSSG (%)



REGIONAL SSSG PERFORMANCE



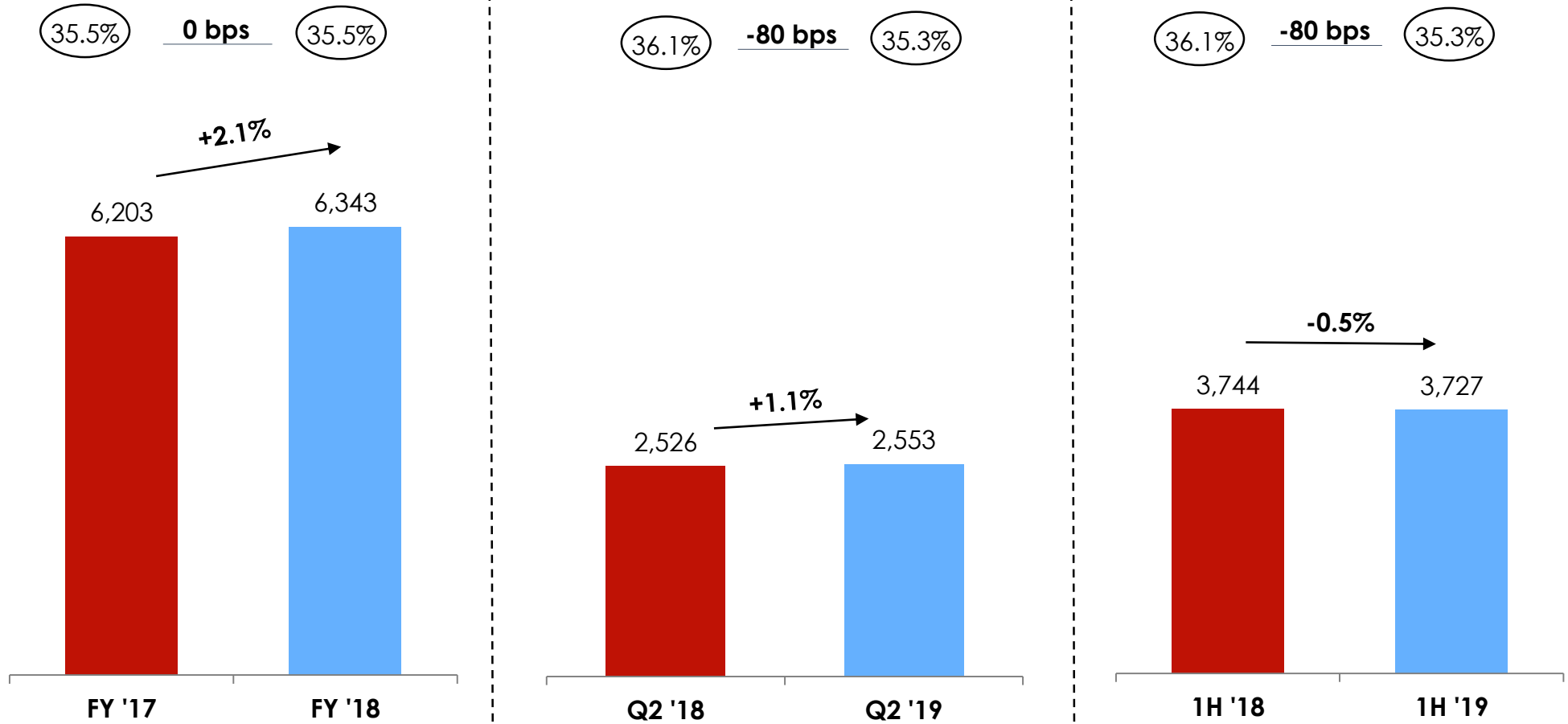
Gross Sales by Region (%)

	Q2 2019	1H 2019
Greater Jakarta	26.3%	26.6%
Java exc Jkt	36.5%	35.4%
Outside Java	37.2%	38.0%
Total Sales	100.0%	100.0%

MERCHANDISE MARGIN

Gross profit and margins

IDR Bn

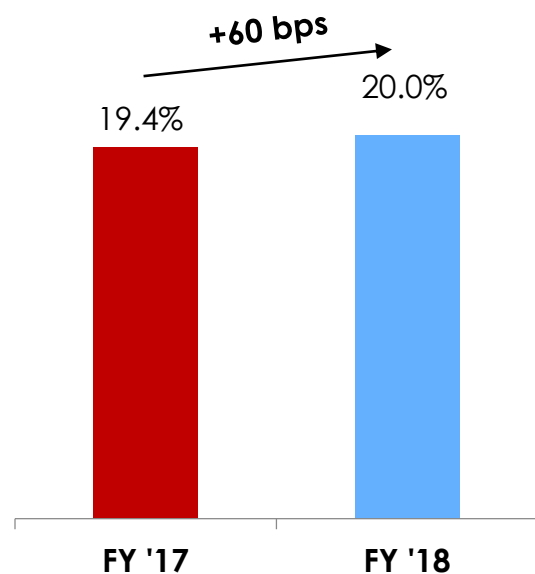


Gross profit as a % of Gross Sales

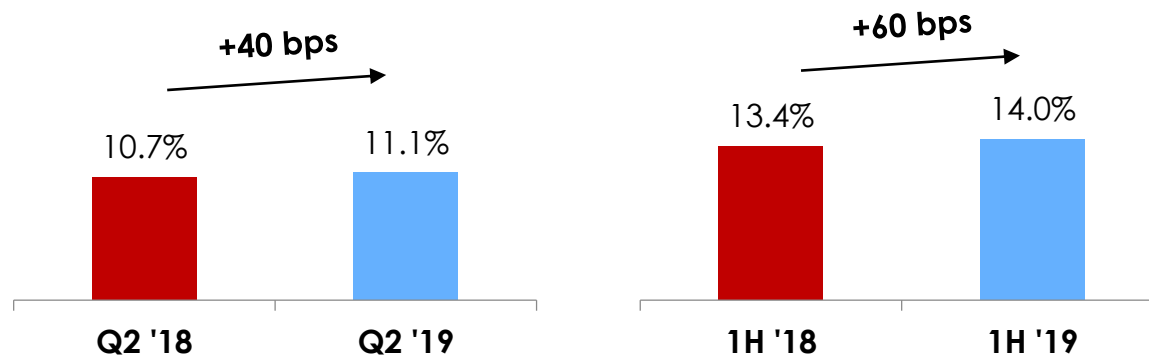
OPERATING EXPENSES

Opex as a % of Gross Sales

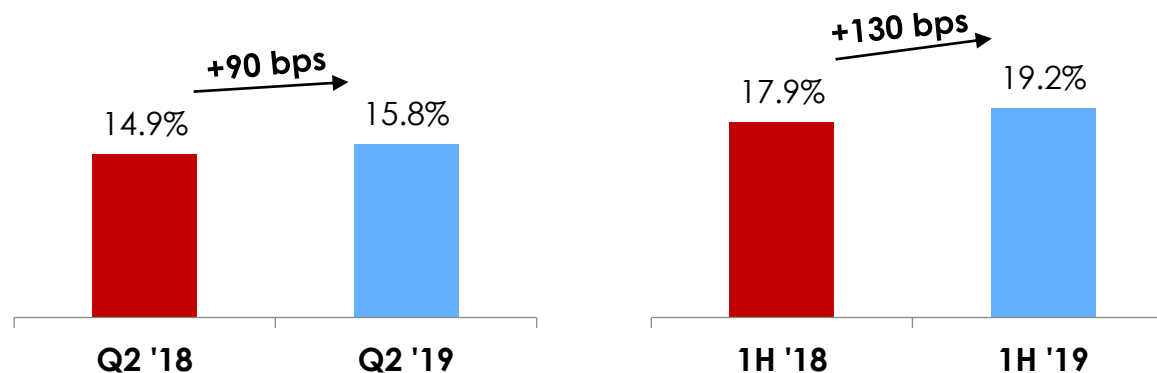
Total Company



Comp store



Total Company



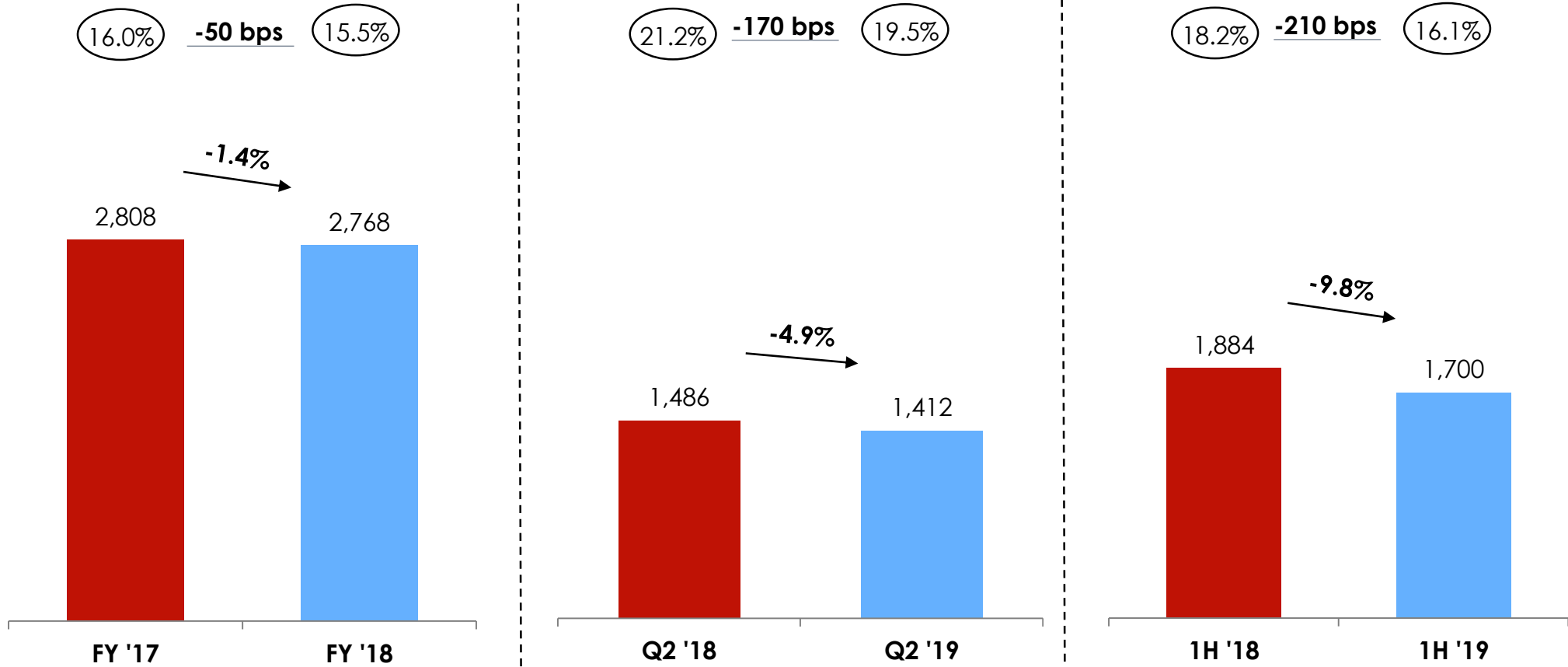
Note

1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

EBITDA MARGIN

EBITDA and EBITDA Margins

IDR Bn



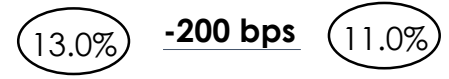
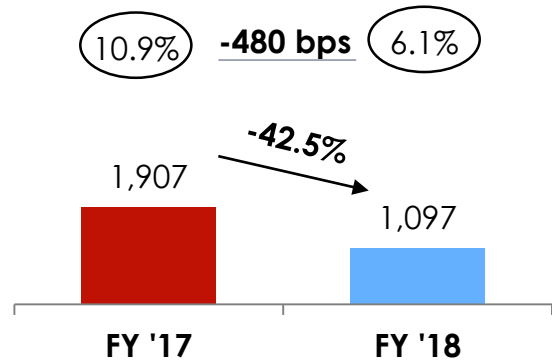
Notes
EBITDA adjusted for severance pay

EBITDA as a % of Gross Sales

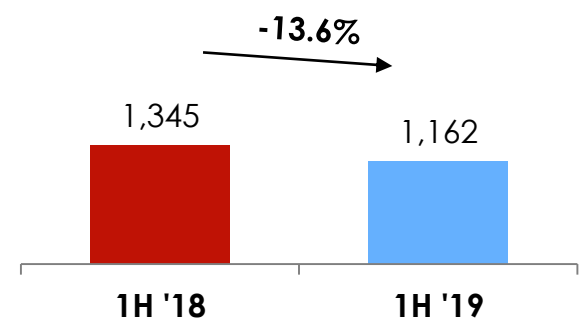
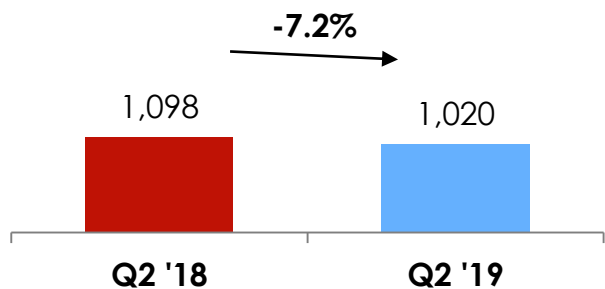
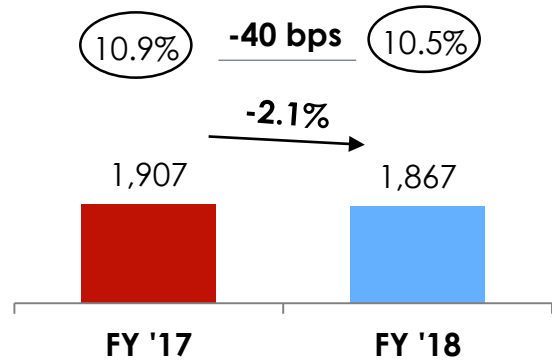
Net income and margins

IDR Bn

After Impairment



Before Impairment



○ Net Income as a % of Gross Sales

○ Gross profit as a % of Gross Sales

INVENTORY DAYS, CASH POSITION AND OUTSTANDING BANK LOAN BALANCE

(in IDR Bn)	End Mar 2019	End Jun 2019
LTM Ave. Inventory Days	139 days	144 days
Cash on Hand	Rp 673 Bn	Rp 786 Bn
Outstanding Bank Loan Balance	Rp 400 Bn	Rp 100 Bn

CAPEX AND REFURBISHMENTS

(in IDR Bn)	FY 2018	FY 2019E
Capex	Rp716 Bn	Rp 600-700 Bn
Refurbishments	13	15-20

SHARE BUYBACK (as of end of June 2019)

No of shares bought	159,909,900
Percentage of shares bought back	5.48%
Average share price	Rp4,144
Amount of funds used	Rp 662,643,811,539

**Feel
good.**



STRATEGY AND OPERATIONAL UPDATES

STORE PIPELINE

- Opened 3 stores in Q2
 - 1 Large format store in Bandung (April)
 - 2 stand-alone mono brand stores 361°
 - Surabaya, East Java (April)
 - Cibubur, Greater Jakarta (May)
- Plans to open 1-2 additional new large format stores in 2H '19

	No. of stores	Retail Area (Sqm)
As of Dec 2018	159	992,105
Q2 Opening (1 large format + 2 specialty stores 361°)	3	5,499
Net expansion		5,866
Closures		0
As of Jun 2019	162	1,003,470

No	Geographic area	Actual		FY 2019E	Forecast	
		FY2018	1H 2019	Balance	Future Pipeline 2020 and onwards	
		# of stores	# of stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	41	42	0	7	19.0%
2	Java (Exc Greater Jakarta)	54	56	0	15	40.5%
3	Outside Java	64	64	1-2	15	40.5%
	Total	159	162	1-2	37	100.0%



361°

-  361° is one of the leading sports brands in China
-  Announced collaboration in Aug '18; MDS is the exclusive distributor of 361° products in Indonesia
-  Rolled out in 72 stores (As of Jun '19); Will be rolled out across the chain by end of 2019
-  Opened 5 mono-brand stores:
 - Jakarta:* Lippo Mall Puri
Lippo Mall Kemang
Trans Studio Cibubur
 - Surabaya:* Supermall Pakuwon
Galaxy Mall

OVS is an Italian leading fashion retailer for women, men, and children segments

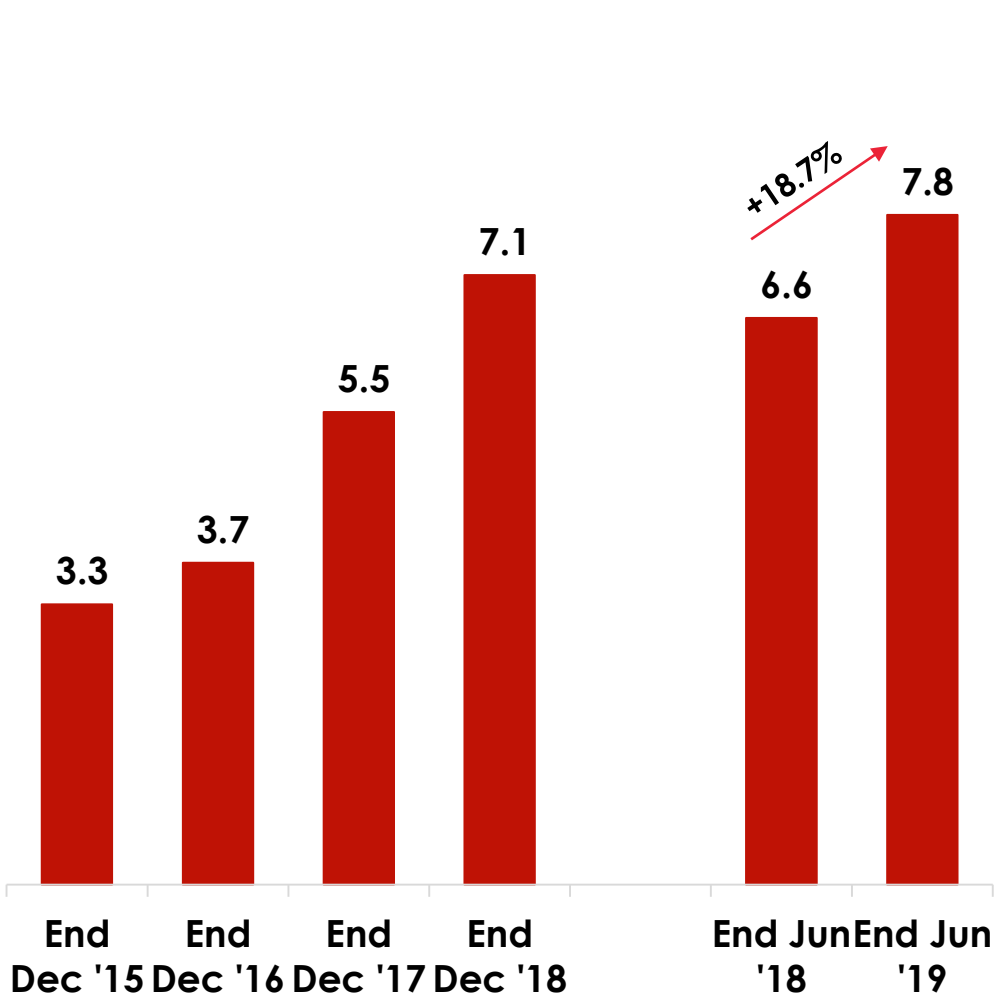
Announced collaboration in Mar '19; MDS is the exclusive distributor of OVS products in Indonesia

Rolled out in 30 stores (As of Jun '19); Will be rolled out in 10 additional stores in 2H '19

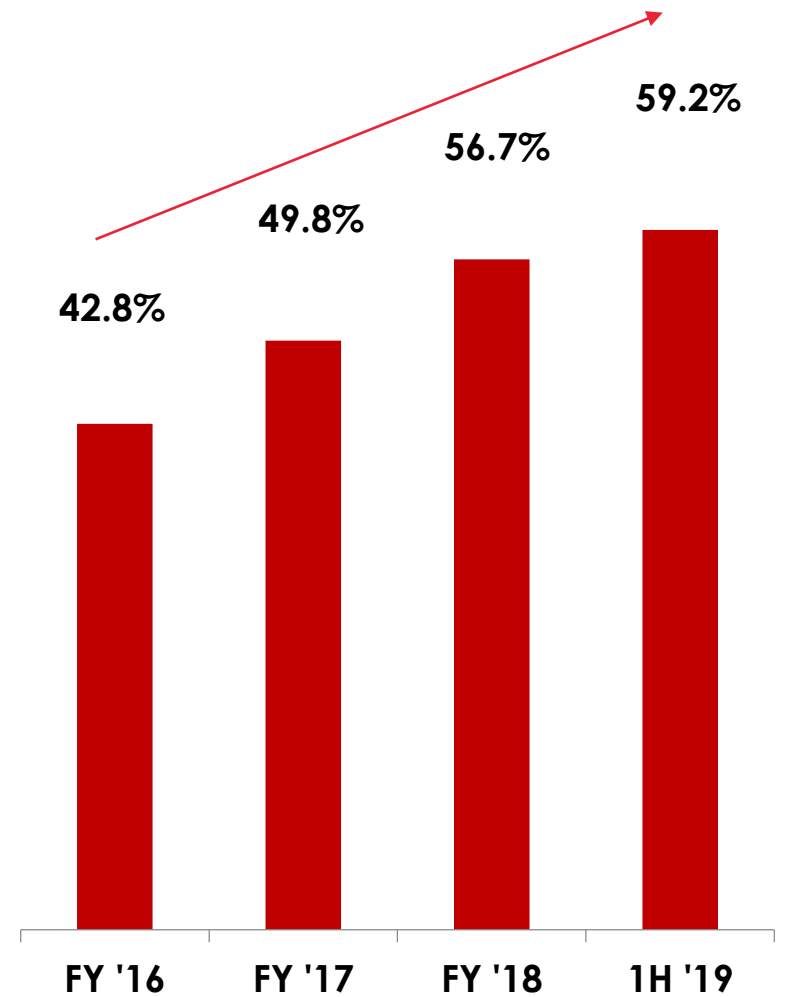
Will open mono-brand stores in 2H '19



No. of active members (in millions of people)



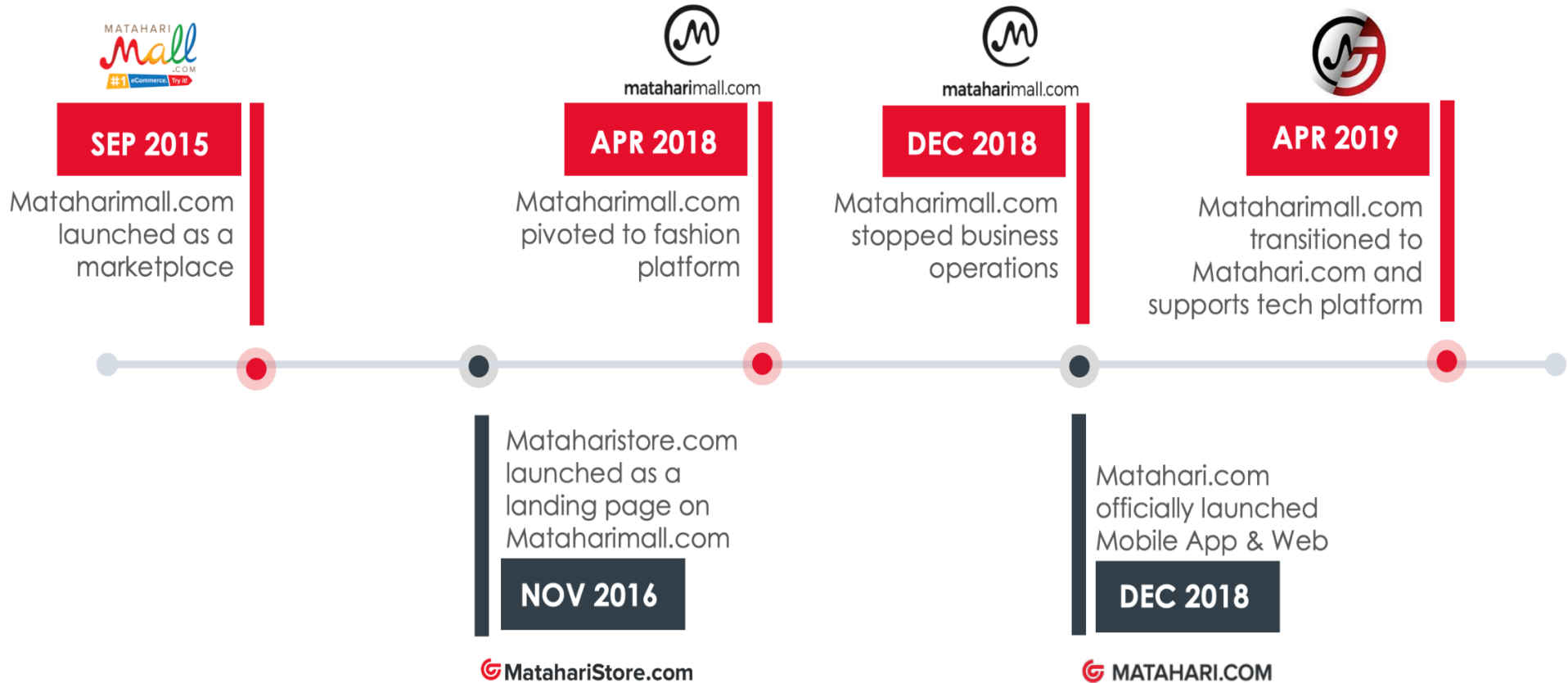
Growing member sales contribution



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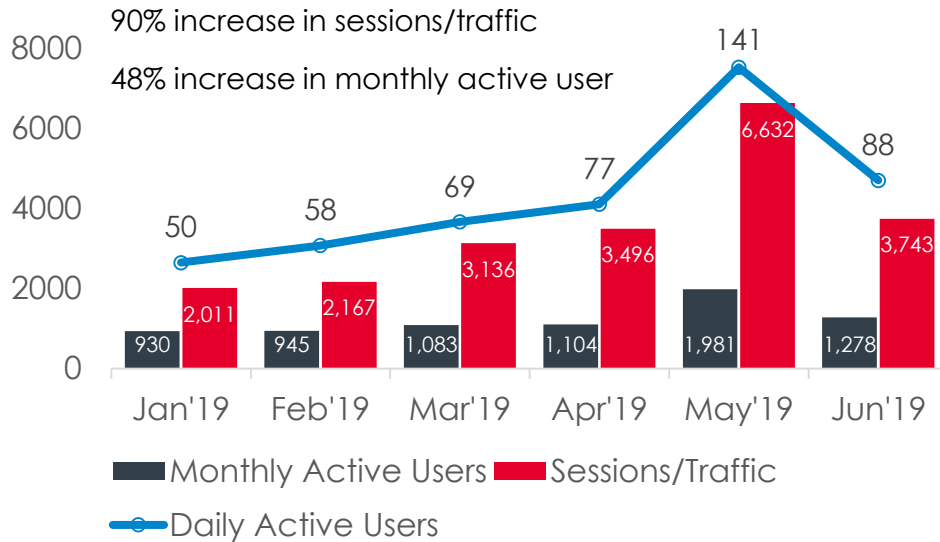


OMNI-CHANNEL UPDATES

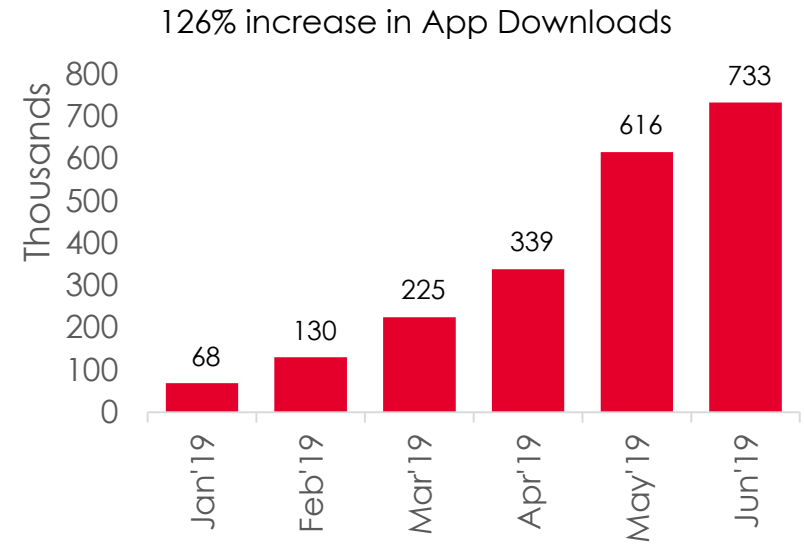


KEY PERFORMANCE INDICATORS – Q2 VS Q1

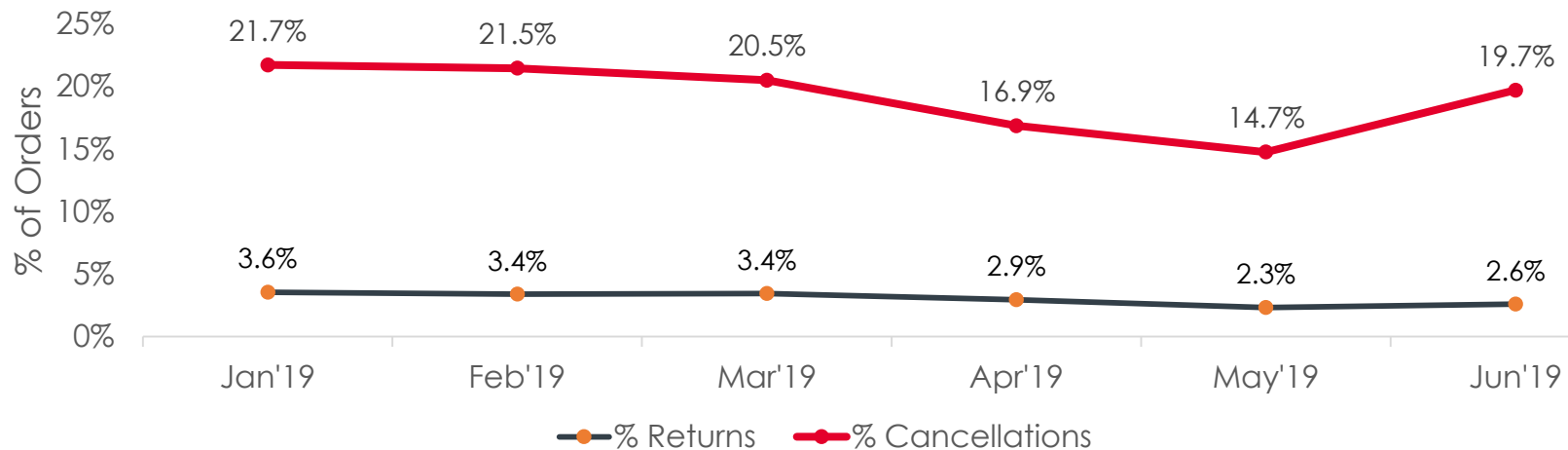
No. of active users and sessions/traffic



App downloads



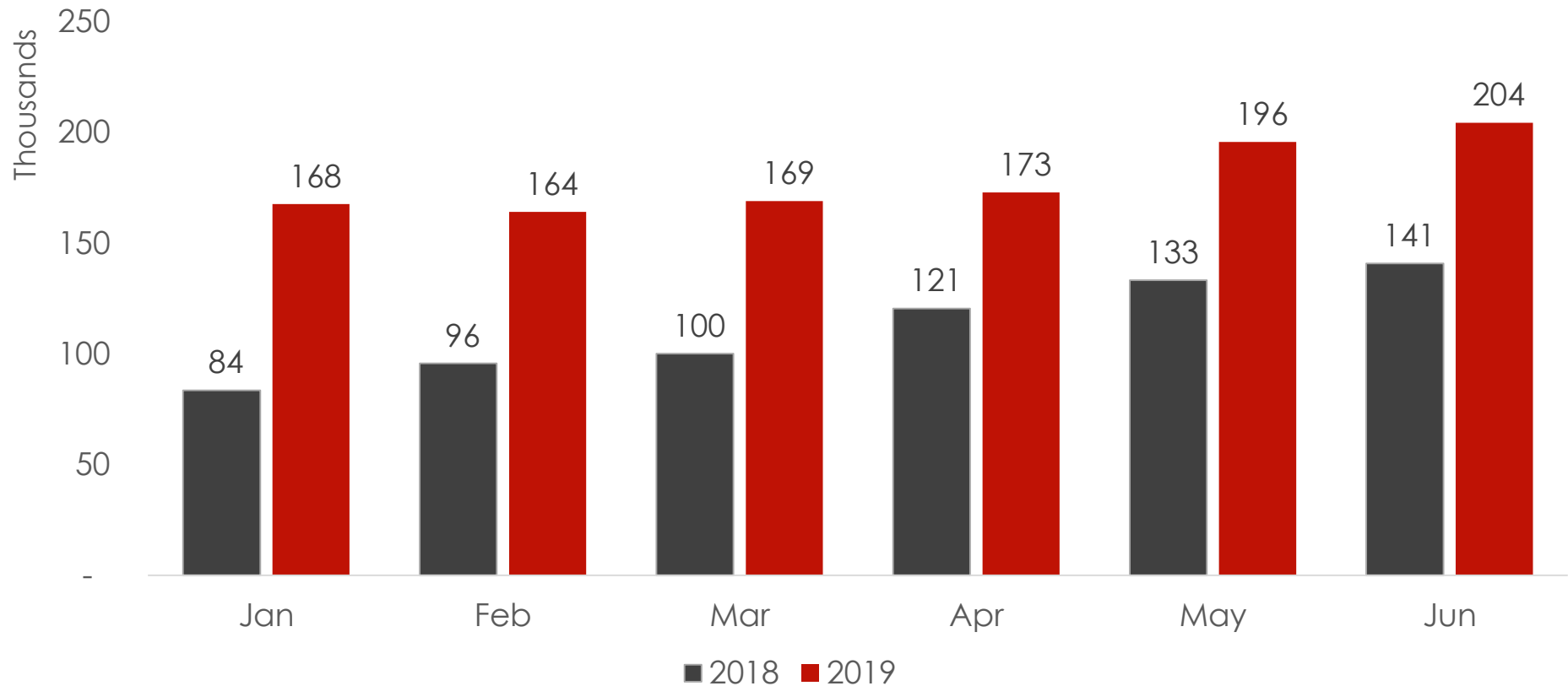
Returns and cancellations



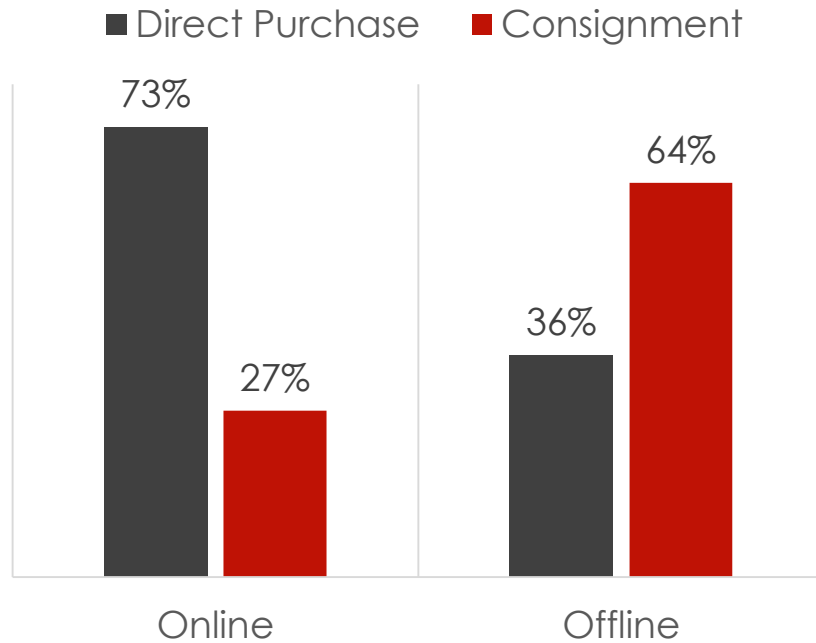
AVERAGE ORDER VALUE (AOV)

- +59% growth in average order value between 1H2018 and 1H2019

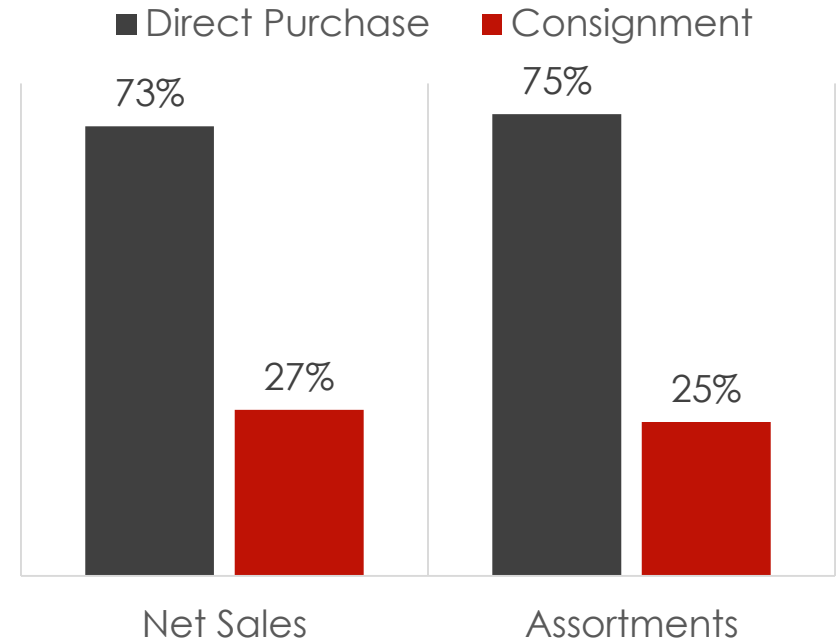
Basket size (excl. VAT)



CV & DP contribution – Offline vs Online



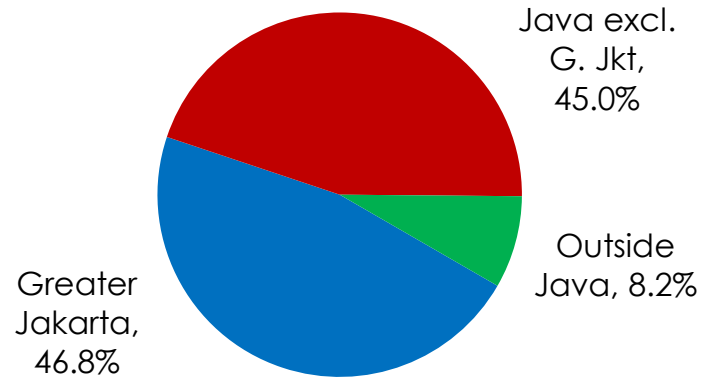
Online sales & assortments



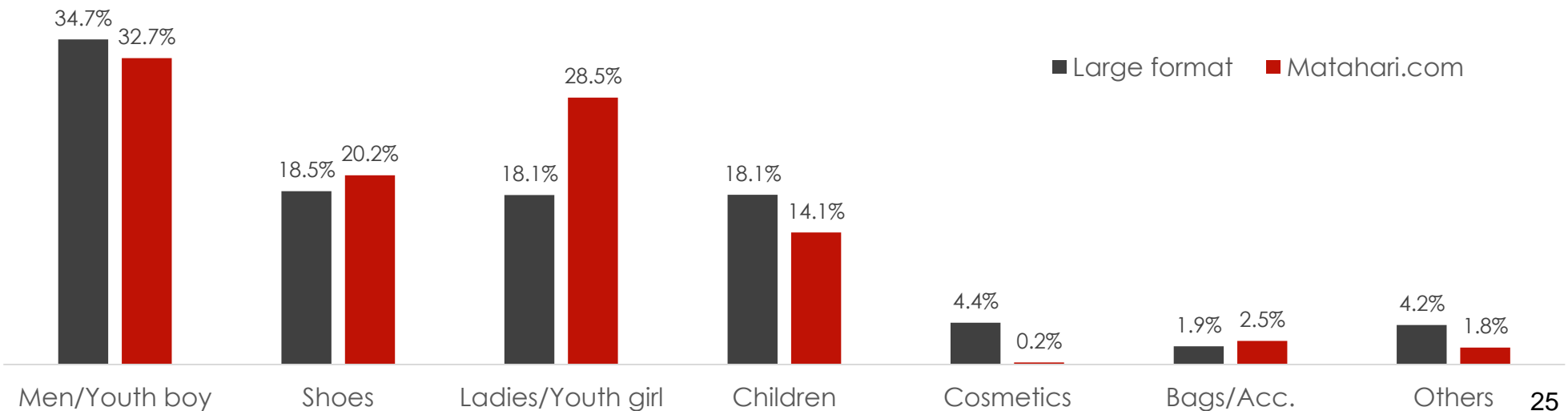
Data: Jan-Jun'19

SALES BY REGION AND CATEGORY

Sales by region (1H '19)



Sales by category (1H '19)



- **Same store sales growth was 1.7% in Q2 2019 and 0.6% in 1H 2019**
- **Overall sales grew 3.3% in Q2 2019 and 1.7% in 1H 2019**
- **In FY 2019, we anticipate opening 2-3 large format stores**
- **New merchandise roll-outs are on schedule**
- **Our Omni-channel development is on track, and we hope to launch fully by 2020**

EGM AGENDA (8 AUGUST 2019)

“The approval for amendments to Article 3 of the Company's Articles of Associations in the context of adjusting it to the Indonesia Standard Industrial Classification (KBLI) 2017”

CLARIFICATION

- A lot of Indonesian companies, including PT Matahari Department Store, were established under the 2015 standard classification of the Indonesian Business Code (KBLI), which is in accordance to the Indonesian Ministry of Law and Human Rights' (“MOLHR”) online system
- In 2018, the Government issued a regulation where all companies must process their business license number (NIB) through Online Single Submission (OSS), which uses the new 2017 Business Codes
- To address the discrepancy, the Government issued a regulation on October 2018, obliging all companies to amend the recorded line of business found in each company's Articles of Association to be in accordance to the new 2017 Business Code within one year
- Effectively, there is no material changes to our Articles of Association, only editorial changes.

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Thank you!
