

57th
Bagi
Nusa Bangsa



PT Matahari Department Store Tbk.








Q3 2015/ 9M 2015 Results Update

Earnings call: October 27th, 2015










Key Highlights Q3 2015 / 9M 2015

3Q15 Key Highlights

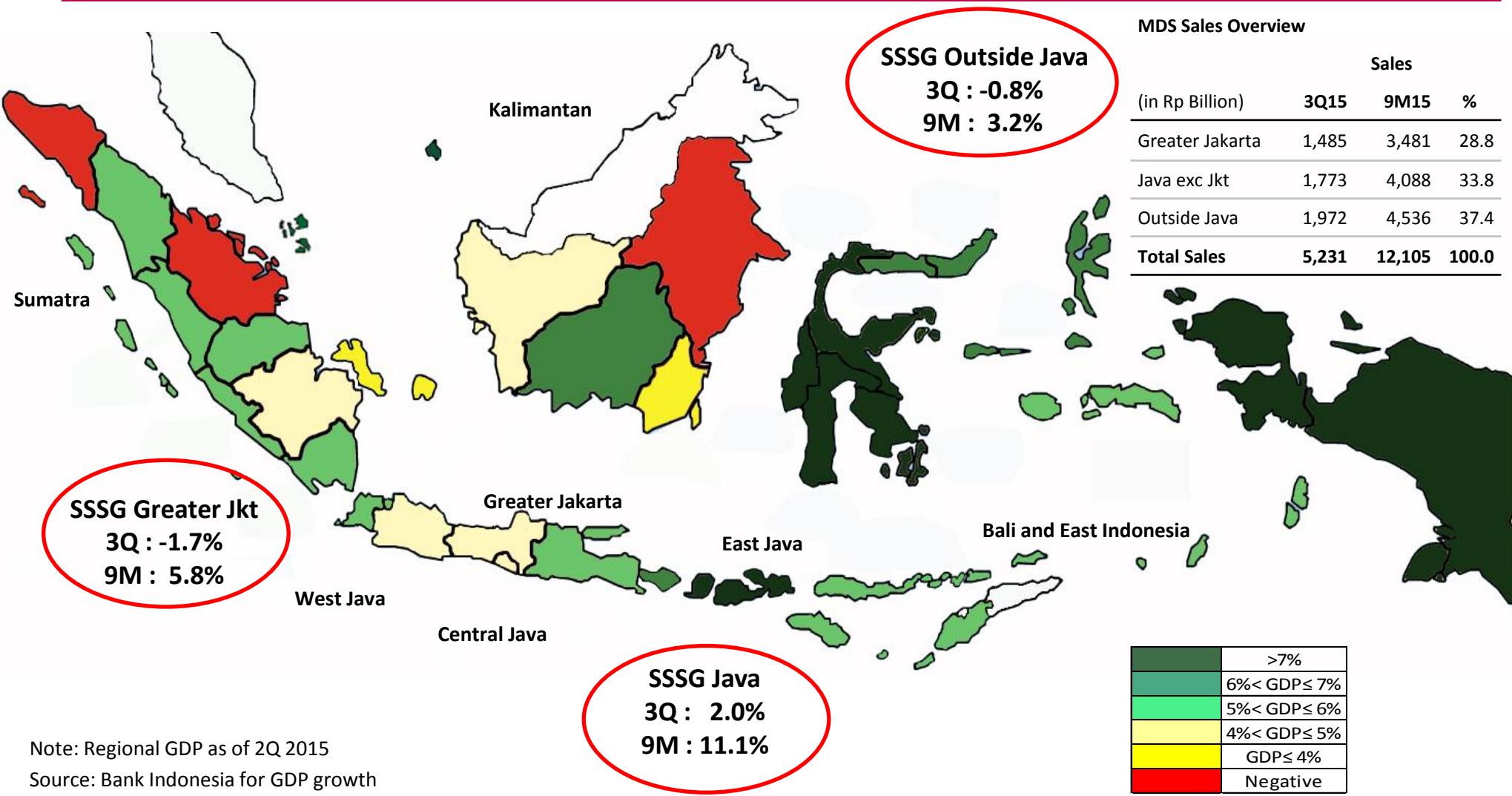
IDR Bn	3Q '14	3Q '15	△	
Gross Sales	5,008	5,231		4.4%
SSSG	9.7%	-0.1%		
EBITDA	1,001	1,015		1.4%
Reported NI	699	736		5.4%
Comparable NI	699	736		5.4%
Gross Margin	34.4%	34.6%		20 bps
EBITDA Margin	20.0%	19.4%		60 bps

9M15 Key Highlights

IDR Bn	9M '14	9M '15	△
Gross Sales	10,980	12,105	 10.2%
SSSG	11.3%	6.6%	
EBITDA	1,854	2,024	 9.2%
Reported NI	1,060	1,384	 30.5%
Comparable NI*	1,148	1,384	 20.5%
Gross Margin	34.8%	35.2%	 40 bps
EBITDA Margin	16.9%	16.7%	 20 bps

*Net income before non-recurring expense related to prior years of Rp88bn

GDP growth and SSSG per region



MDS Sales Overview

(in Rp Billion)	Sales		
	3Q15	9M15	%
Greater Jakarta	1,485	3,481	28.8
Java exc Jkt	1,773	4,088	33.8
Outside Java	1,972	4,536	37.4
Total Sales	5,231	12,105	100.0

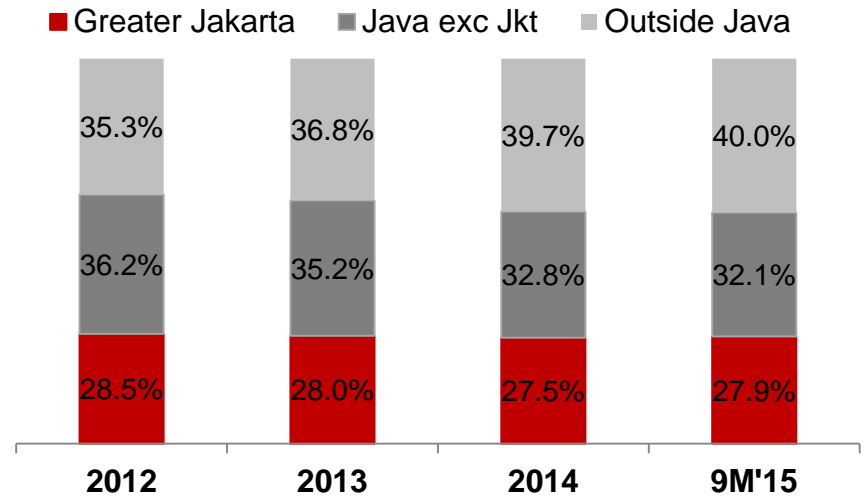
	>7%
	6% < GDP ≤ 7%
	5% < GDP ≤ 6%
	4% < GDP ≤ 5%
	GDP ≤ 4%
	Negative

Note: Regional GDP as of 2Q 2015
Source: Bank Indonesia for GDP growth

11 new store openings in 2015, 10-12 forecast for 2016

- In 2015, we are forecasting 11 new store openings:
 - In 9M'15, we opened 9 new stores in total, which comprise of 1 in 3Q, 7 in 2Q and 1 in 1Q
 - Forecasting 2 additional stores in 4Q
- In 2016, we are forecasting 10-12 new stores

Store Count Split by Region

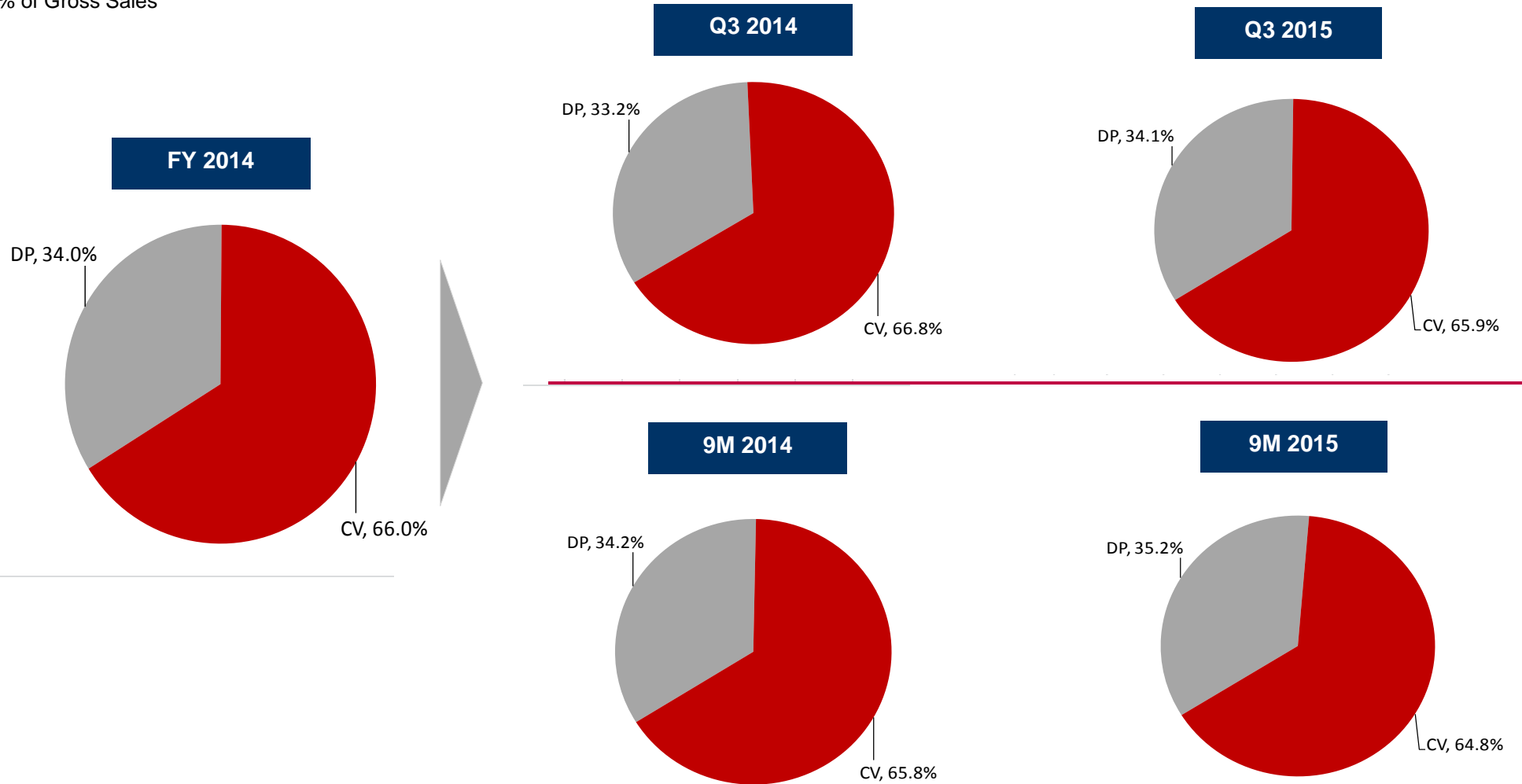


No	Geographic area	Actual		Forecast		
		FY2014	3Q15	Balance in 2015 # of stores	Future Pipeline 2016 onwards	
		# of stores	# of stores		# of stores	% mix
1	Jabodetabek (Greater Jakarta)	36	39	-	15	23.4%
2	Java (Exc Greater Jakarta)	43	45	1	16	25.0%
3	Outside Java	52	56	1	33	51.6%
Total		131	140	2	64	100.0%

MDS's exclusive brands continue to deliver strong performance

DP accounted for 34.1% of gross sales in Q3 2015, as compared to 33.2% in Q3 2014

% of Gross Sales

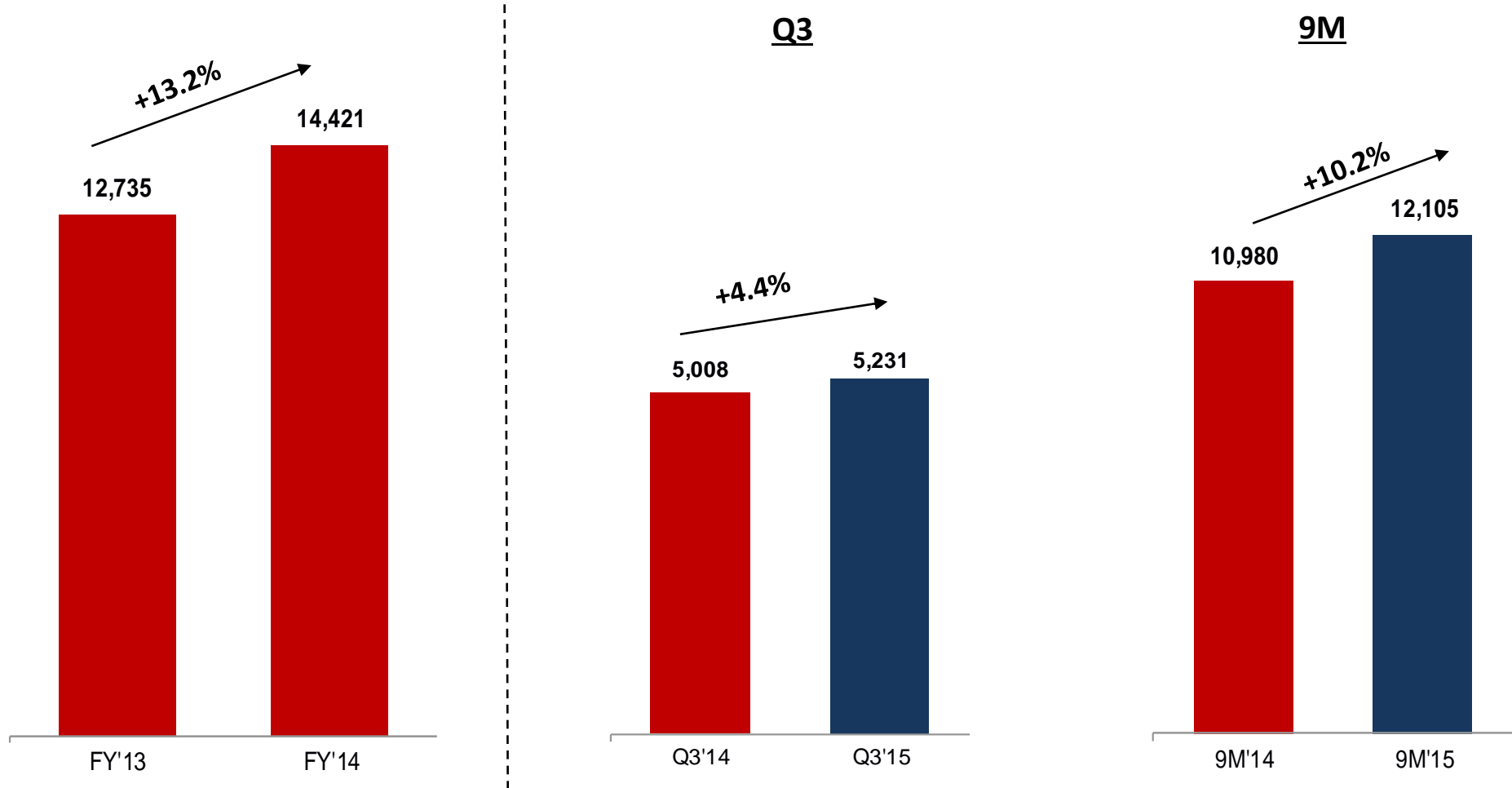




Financial Updates

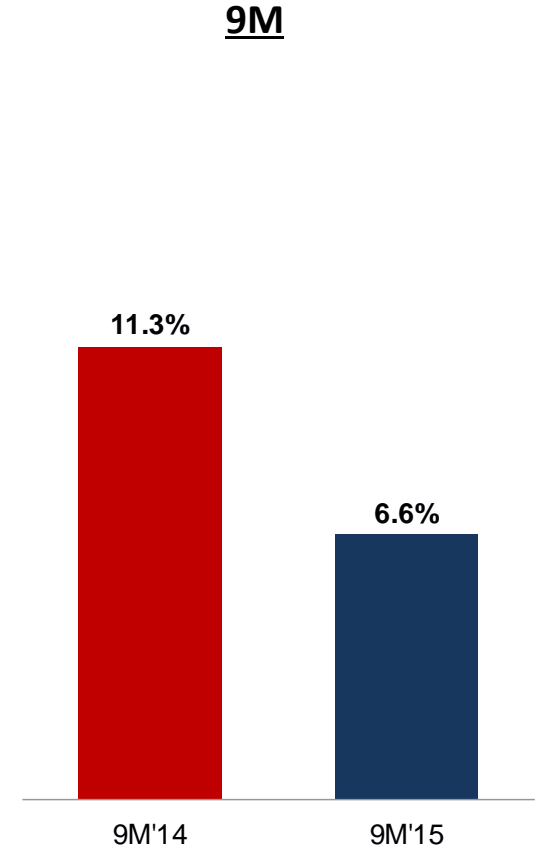
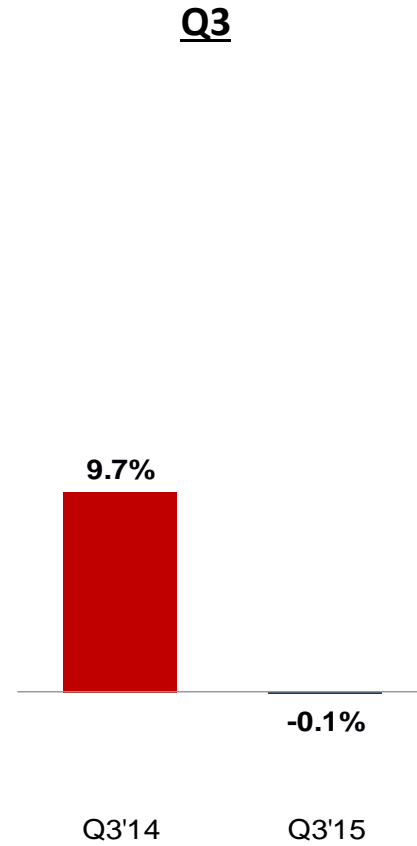
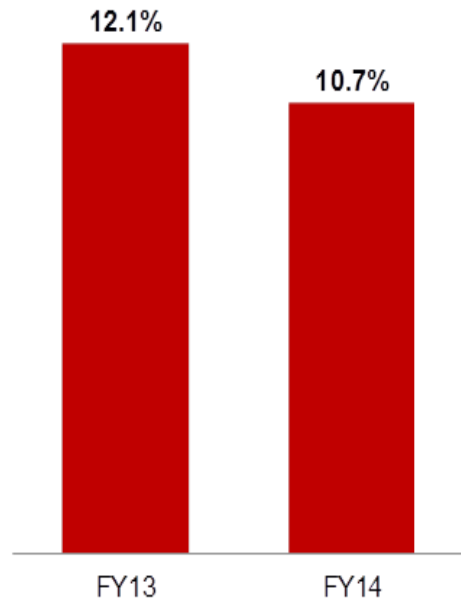
Overall sales strengthened by 10.2% in 9M 2015

IDR Bn



Shift in Lebaran led to the weak SSSG in 3Q 2015

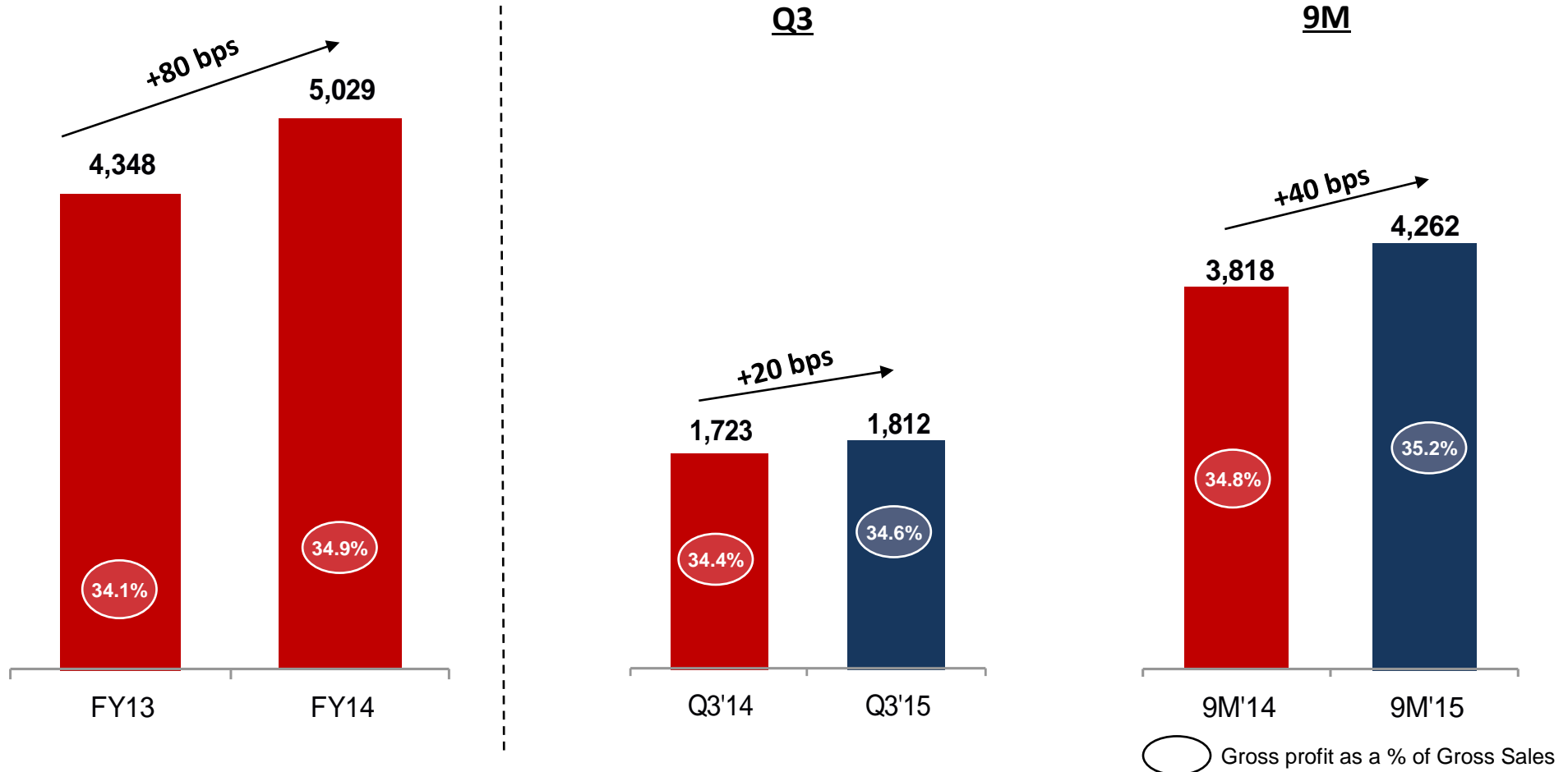
SSSG %



Merchandise margins improved 40 bps over LY

Gross profit and margins

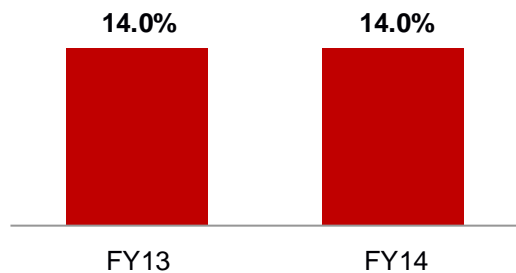
IDR Bn



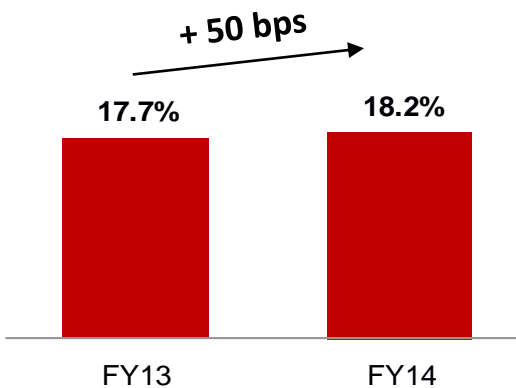
Operating leverage improved on stronger sales

Opex⁽¹⁾ as a % of Gross Sales

Comp store

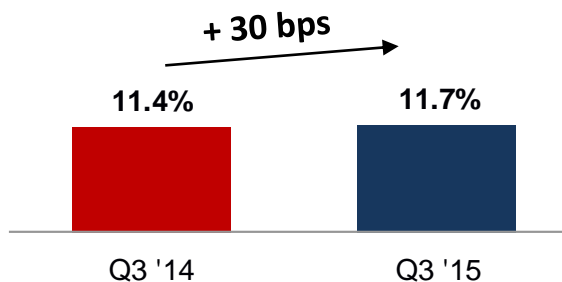


Total Company

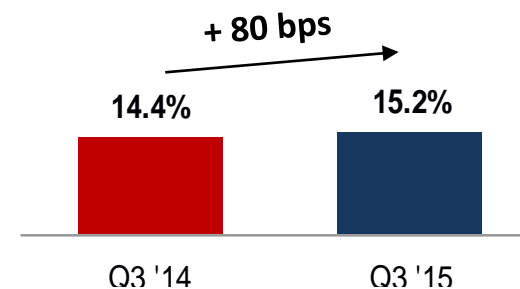


Q3

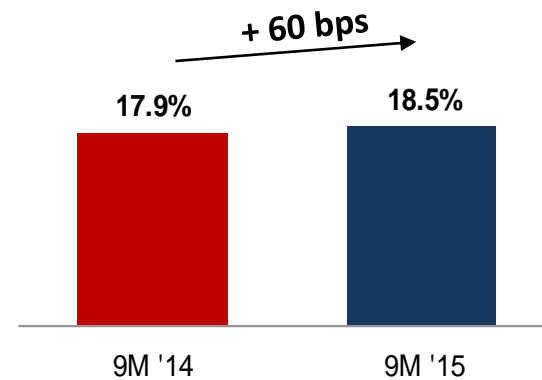
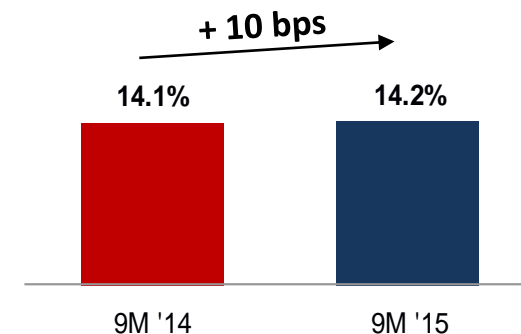
Comp store



Total Company



9M

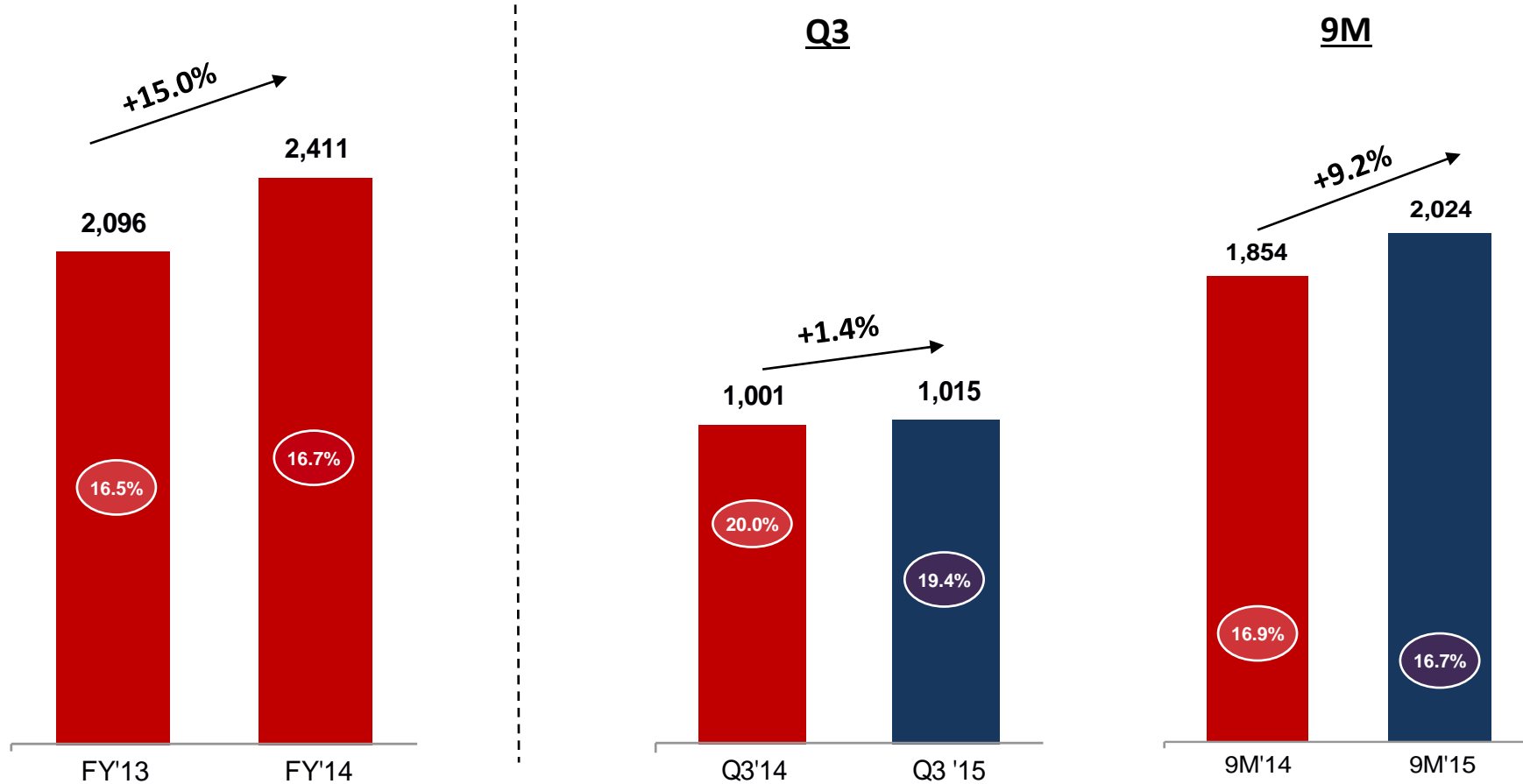


Note
1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

EBITDA increased by 9.2% in 9M 2015

EBITDA and Margins

IDR Bn

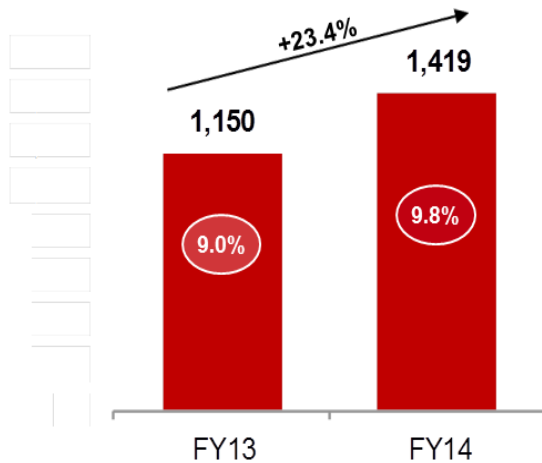


Notes

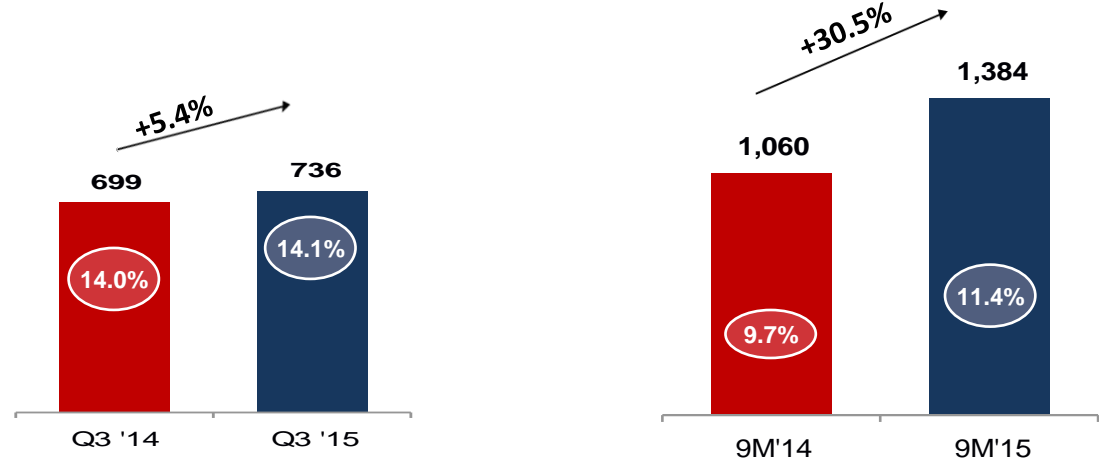
EBITDA adjusted for severance pay

Q3 2015 comparable net income increased by 5.4%

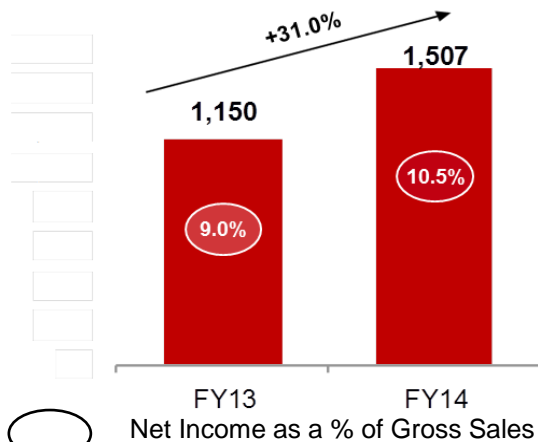
Reported Net Income (IDR Bn)



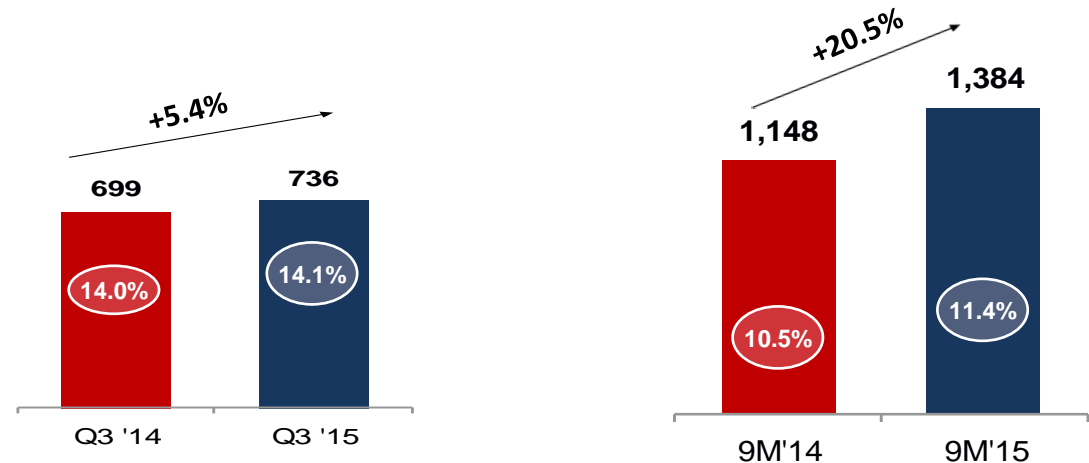
Reported Net Income (IDR Bn)



Comparable Net Income (IDR Bn)



Comparable Net Income (IDR Bn)

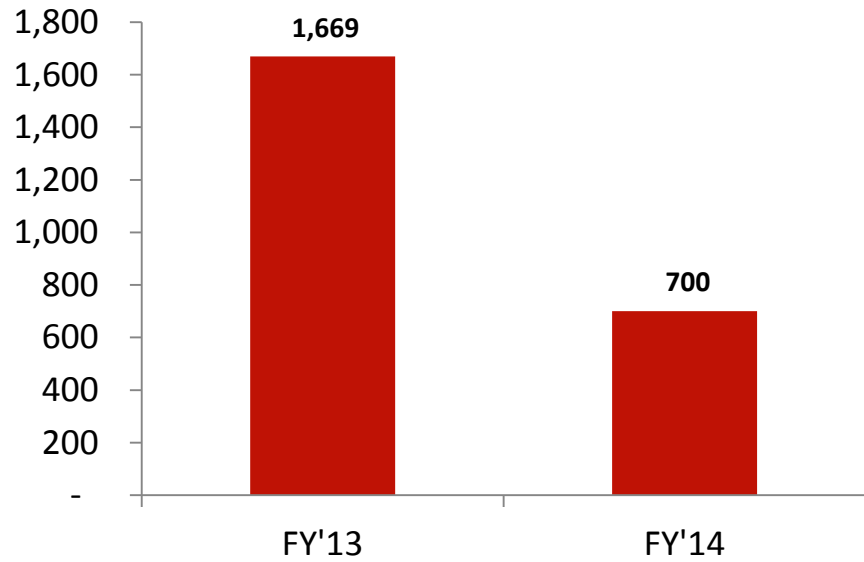


*Net income before non-recurring expense related to prior years of Rp59.9bn (Q2' 14) and Rp88 bn (1H' 14)

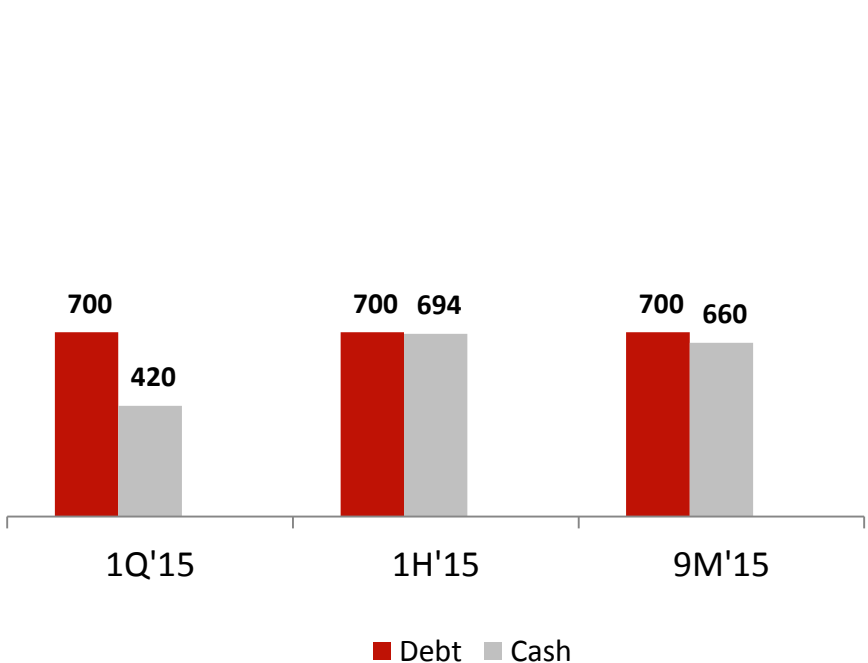
After the term loan repayment, a working capital facility will be put in place

- Term loan balance was Rp700bn at the end of Q3 2015, with a cash balance of Rp660bn
- Once the existing term loan is fully paid, a working capital revolver facility will be put in place

Total Gross Debt (in Rp Billion)



Total Gross Debt and Cash (in Rp Billion)



Notes

1. Effective interest rate is computed by dividing interest expense (excluding amortization of upfront fees) during the relevant period by beginning gross debt of the relevant period
2. Total debt comprises of the bank loan



Summary

Financial Summary

Key Profit & Loss Items

IDR Bn

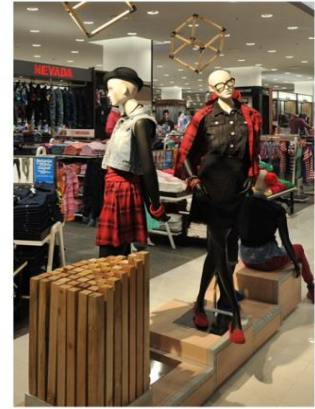
	Q3 2014	Q2 2015	Q3 2015	9M 2014	9M 2015
Gross Sales	5,008.1	3,993.9	5,230.6	10,979.9	12,105.1
<i>SSSG</i>	9.7%	17.8%	-0.1%	11.3%	6.6%
<i>Growth</i>	12.0%	21.2%	4.4%	14.0%	10.2%
Net Revenue	2,710.5	2,307.7	2,892.0	6,039.4	6,813.0
<i>Growth</i>	14.5%	24.8%	6.7%	18.2%	12.8%
Gross Profit	1,722.7	1,444.4	1,811.8	3,818.1	4,261.7
<i>Margin</i>	34.4%	36.2%	34.6%	34.8%	35.2%
EBITDAR	1,255.9	948.3	1,311.3	2,555.3	2,826.3
<i>Margin</i>	25.1%	23.7%	25.1%	23.3%	23.3%
EBITDA	1,000.7	682.8	1,015.2	1,853.7	2,024.1
<i>Margin</i>	20.0%	17.1%	19.4%	16.9%	16.7%
Income before tax	880.1	586.6	913.8	1,390.2	1,740.9
<i>Margin</i>	17.6%	14.7%	17.5%	12.7%	14.4%
Reported net Income	698.7	462.8	736.3	1,060.4	1,384.0
<i>Margin</i>	14.0%	11.6%	14.1%	9.7%	11.4%
<i>growth</i>	10.1%	94.0%	5.4%	17.9%	30.5%

Summary

- ❑ **Despite the weak economic environment, we continue to deliver sales and earnings growth**
- ❑ **Merchandise margins continue to improve and strong expense controls help mitigate cost pressures**
- ❑ **Our real estate strategy remains unchanged and we will have opened 11 new stores by year end**

Appendix

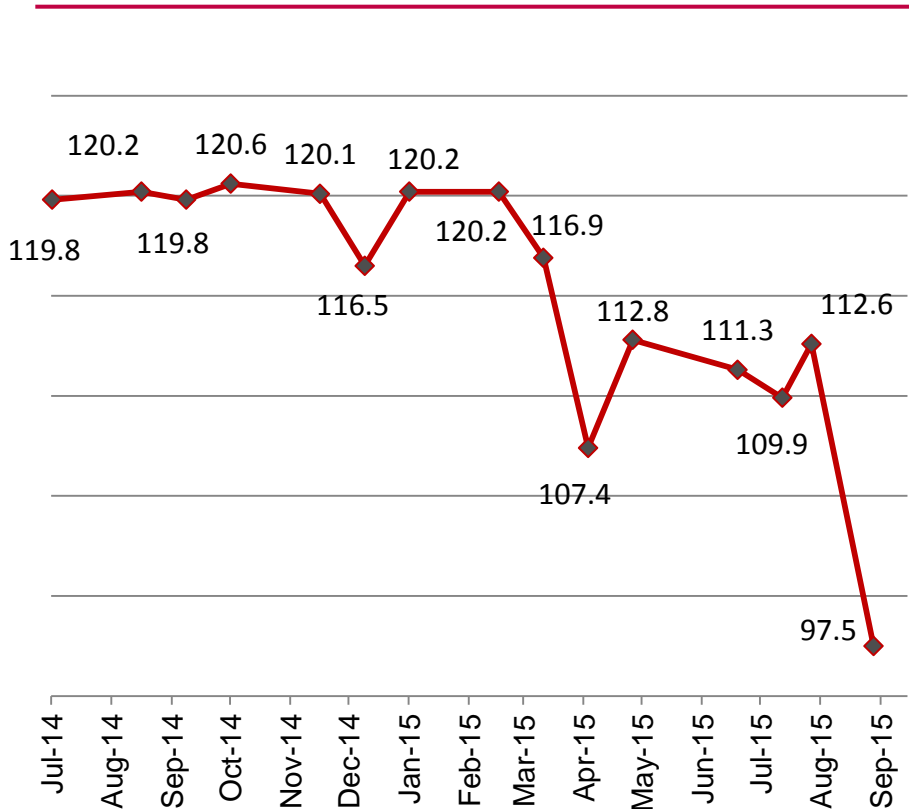




Indonesia Macro Overview

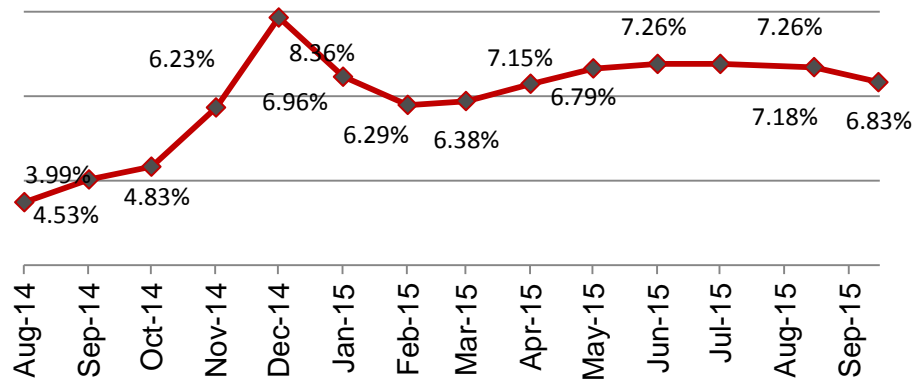
Macro-Economic Data

Consumer Confidence Index



Source: Bank Indonesia and BPS

Inflation



GDP Growth

