

Feel
good.



Q3 2019 / 9M 2019 EARNINGS CALL

October 28th
2019

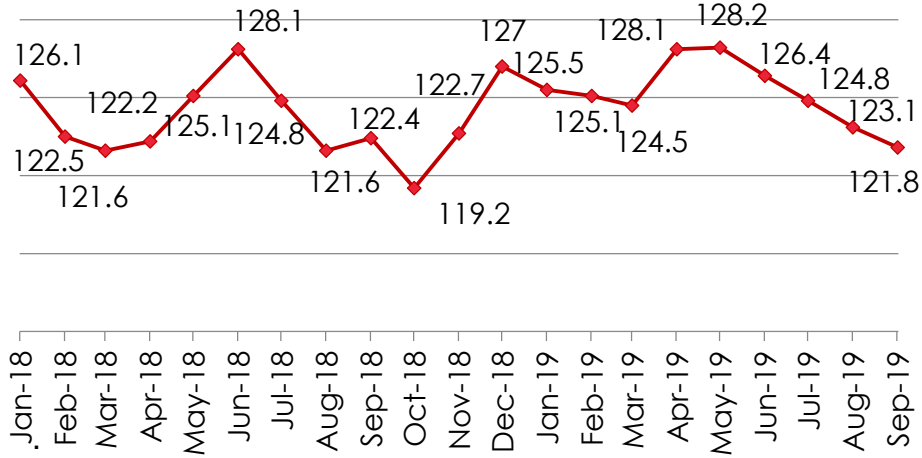
❑ Indonesia Macro Overview	4	❑ Strategy and Operational Updates	
❑ Q3 2019/ 9M 2019		❑ Store Pipeline	16
❑ Key Financial Highlights	6	❑ Matahari Rewards	17
❑ Sales and DP/CV Mix	7	❑ Omni-channel Updates	19
❑ Same Store Sales Growth	8	❑ Summary	20
❑ Regional Sales and SSSG	9	❑ Contact Us	21
❑ Gross Profit and Margin	10		
❑ OPEX	11		
❑ EBITDA and Margin	12		
❑ Net Income and Margin	13		
❑ Inventory, Capex and Cash Position	14		

**Feel
good.**

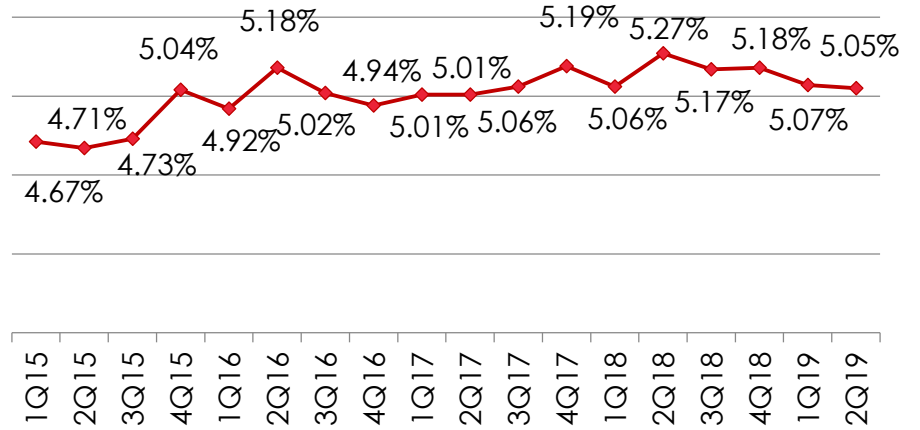


MACRO-ECONOMIC UPDATES

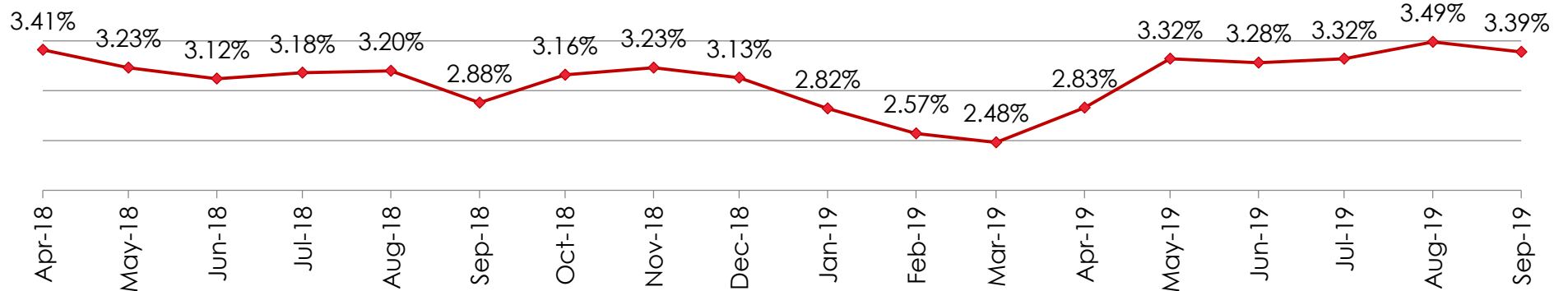
Consumer Confidence Index



GDP Growth



Inflation





**Feel
good.**

Q3 2019 / 9M 2019 FINANCIAL UPDATES

KEY FINANCIAL HIGHLIGHTS

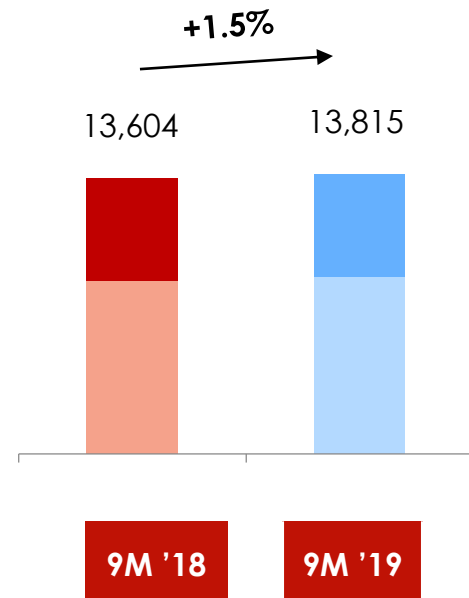
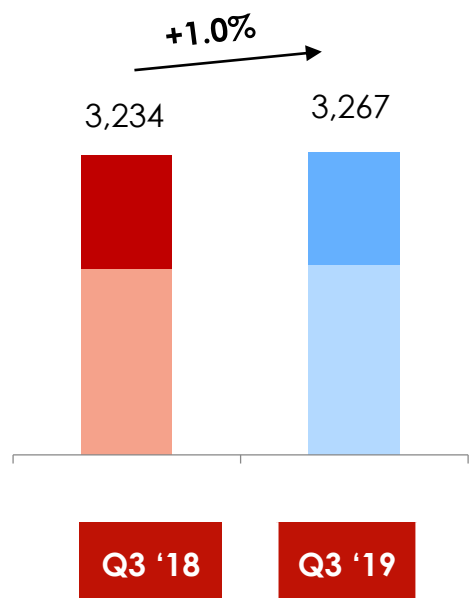
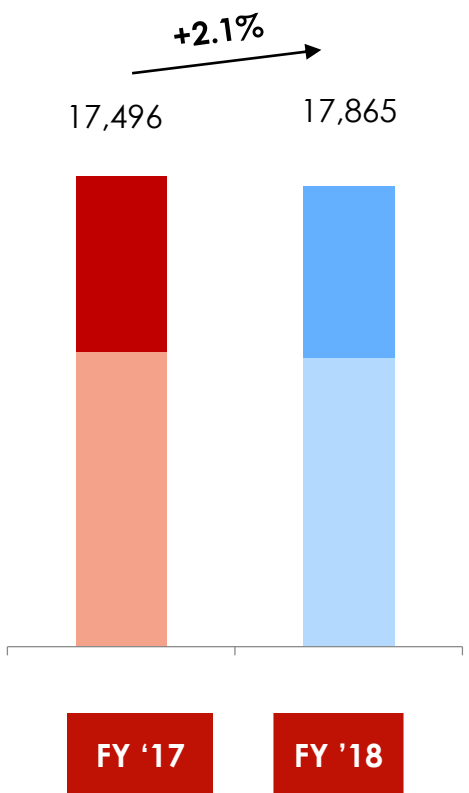
QUARTER			
(in Rp Bn)	Q3 '18	Q3 '19	YoY
Gross Sales	3,234	3,267	+1.0% ▲
SSSG	3.6%	0.1%	▼
Gross Profit	1,123	1,017	-9.4% ▼
EBITDA	289	134	-53.7% ▼
Net Income	151	25	-83.8% ▼
Gross Margin	34.7%	31.1%	-360 bps ▼
EBITDA Margin	8.9%	4.1%	-480 bps ▼

YTD			
(in Rp Bn)	9M '18	9M '19	YoY
Gross Sales	13,604	13,815	+1.5% ▲
SSSG	4.4%	0.5%	▼
Gross Profit	4,867	4,744	-2.5% ▼
EBITDA	2,173	1,834	-15.6% ▼
Net Income	1,496	1,187	-20.7% ▼
Gross Margin	35.8%	34.3%	-150 bps ▼
EBITDA Margin	16.0%	13.3%	-270 bps ▼

SALES PERFORMANCE

Sales and DP/CV Mix

IDR Bn



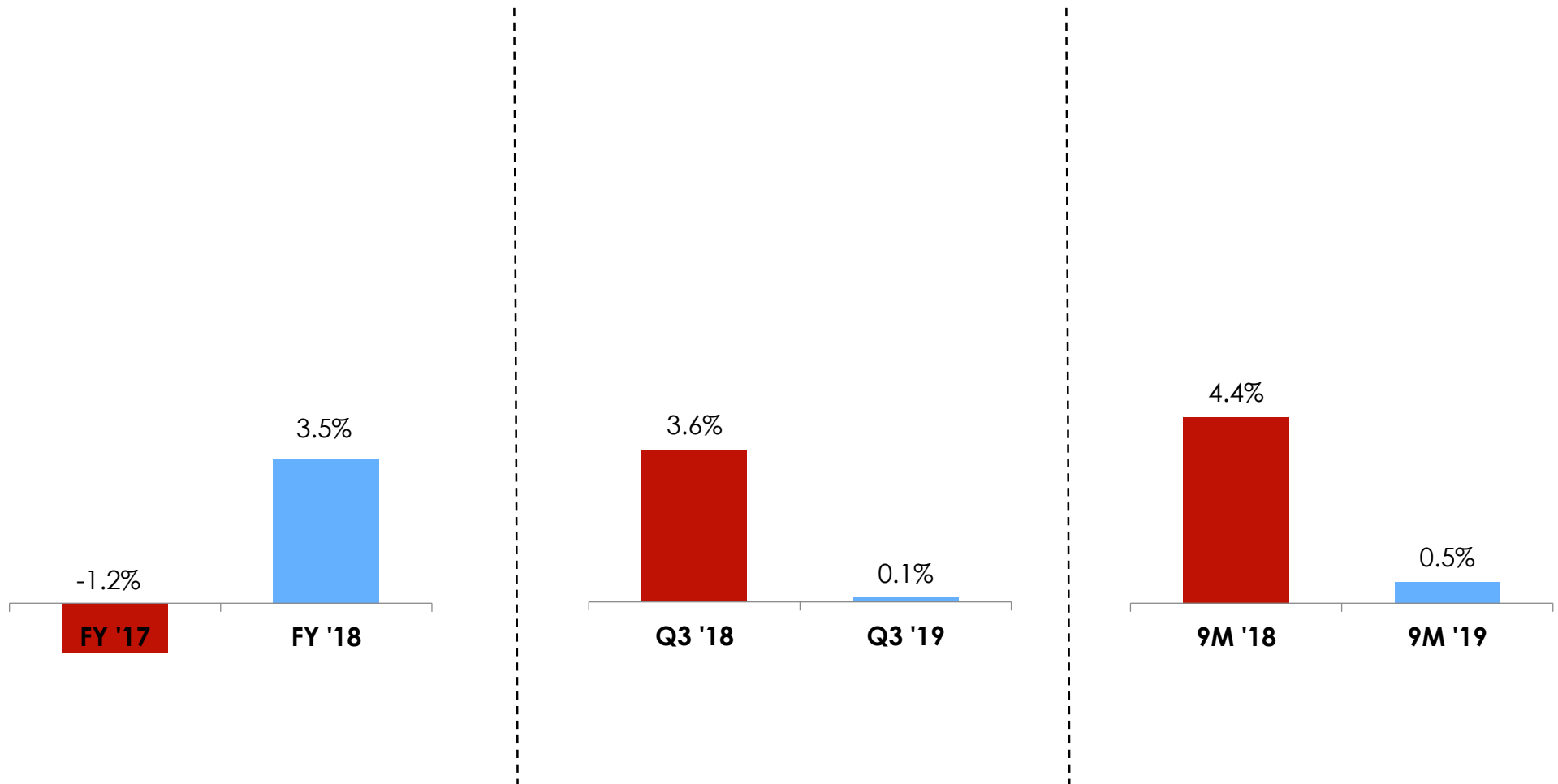
	FY '17	FY '18
DP	37.2%	37.4%
CV	62.8%	62.6%

	Q3 '18	Q3 '19
DP	37.9%	37.3%
CV	62.1%	62.7%

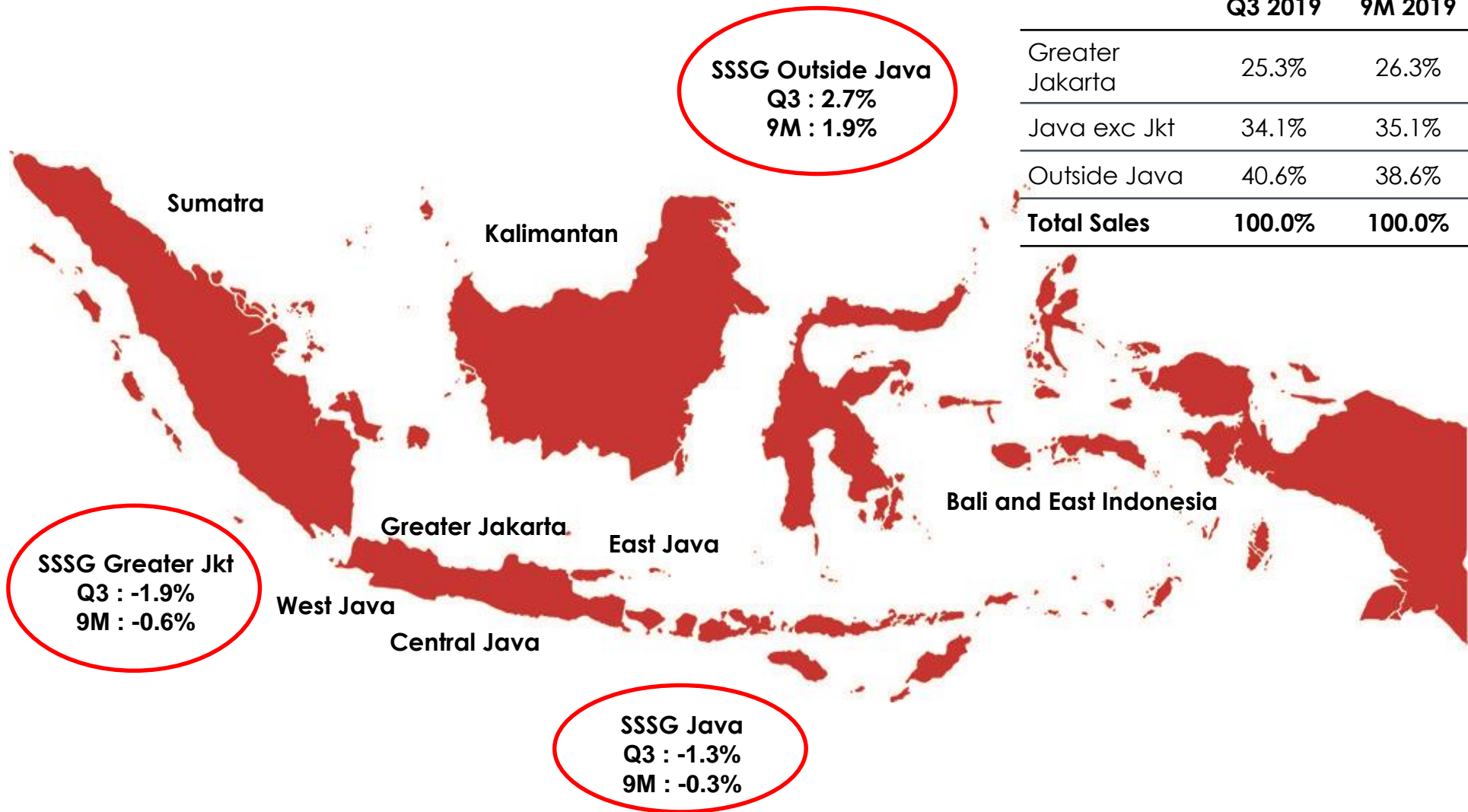
	9M '18	9M '19
DP	37.3%	36.5%
CV	62.7%	63.5%

SAME STORES SALES GROWTH

SSSG (%)



REGIONAL SSSG PERFORMANCE



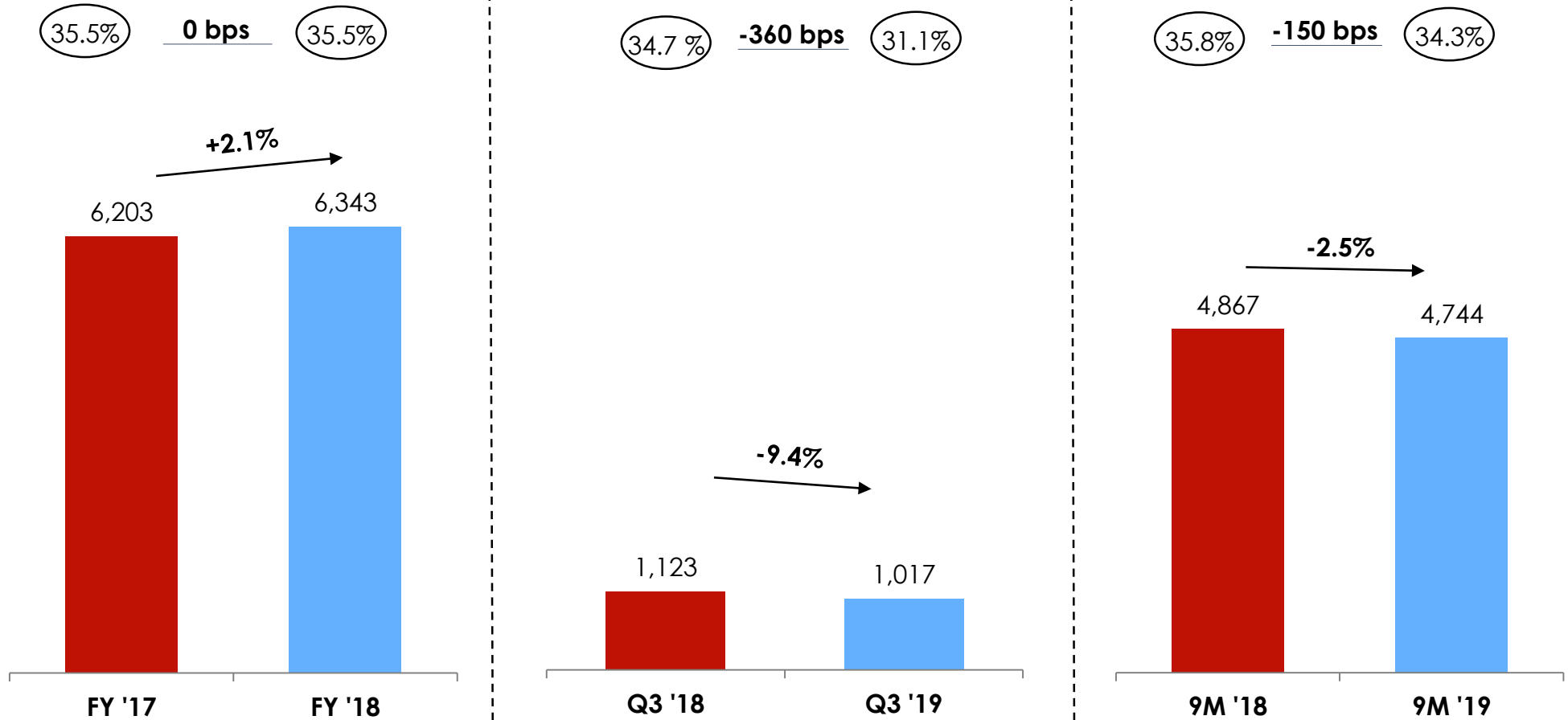
Gross Sales by Region (%)

	Q3 2019	9M 2019
Greater Jakarta	25.3%	26.3%
Java exc Jkt	34.1%	35.1%
Outside Java	40.6%	38.6%
Total Sales	100.0%	100.0%

MERCHANDISE MARGIN

Gross profit and margins

IDR Bn

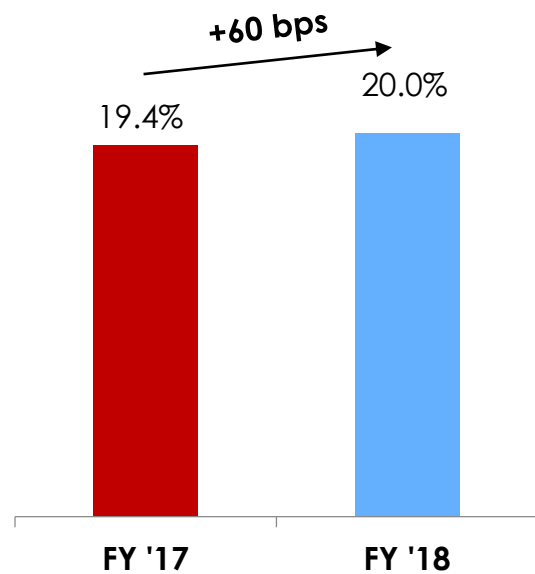


Gross profit as a % of Gross Sales

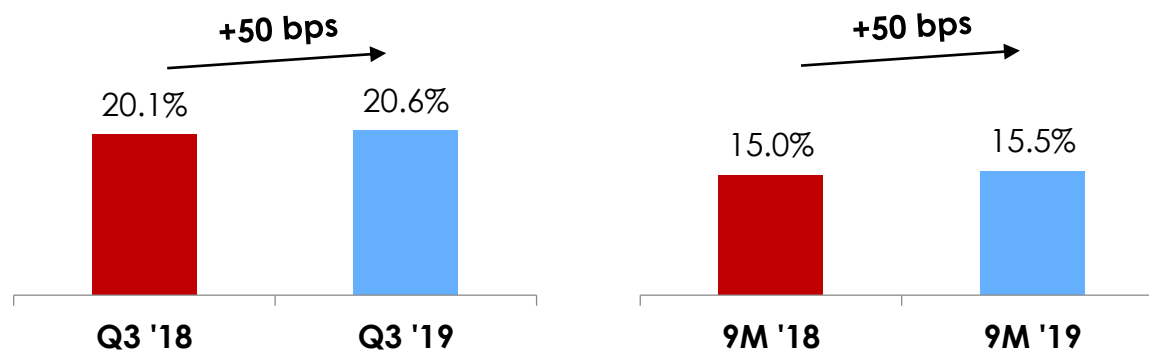
OPERATING EXPENSES

Opex as a % of Gross Sales

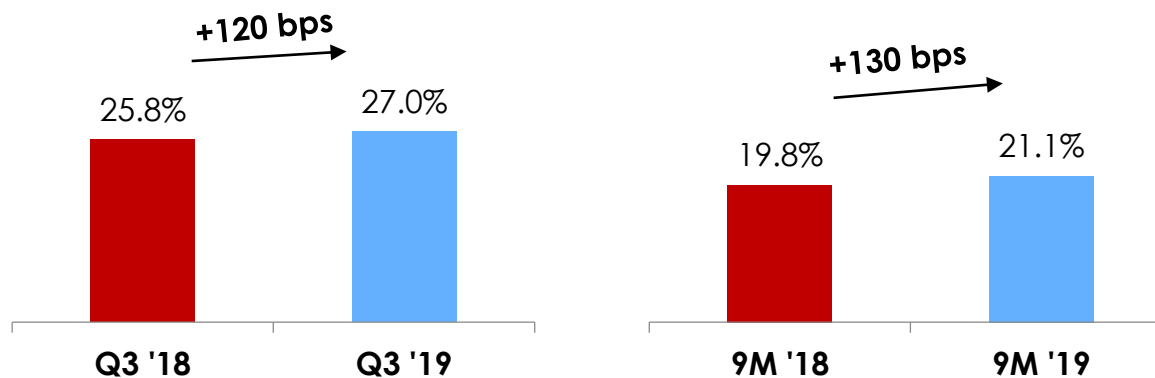
Total Company



Comp store



Total Company



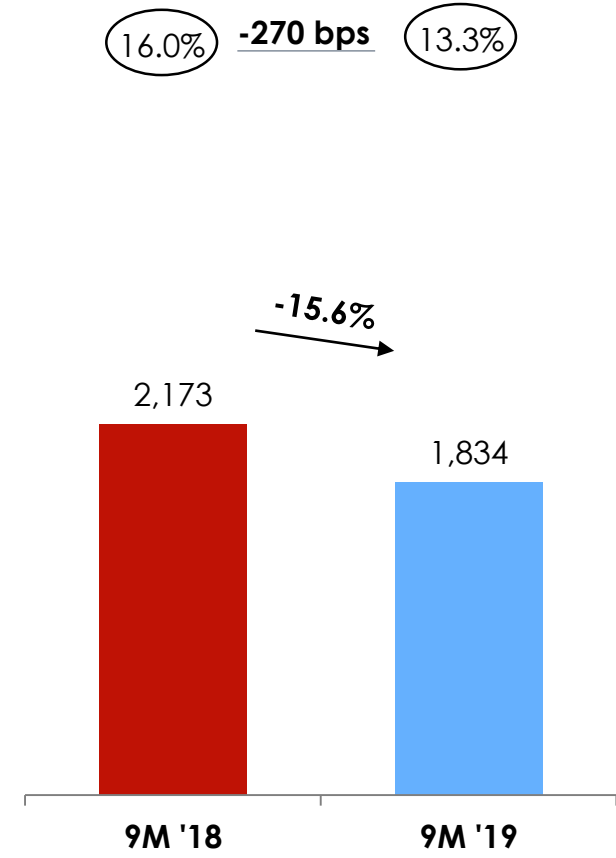
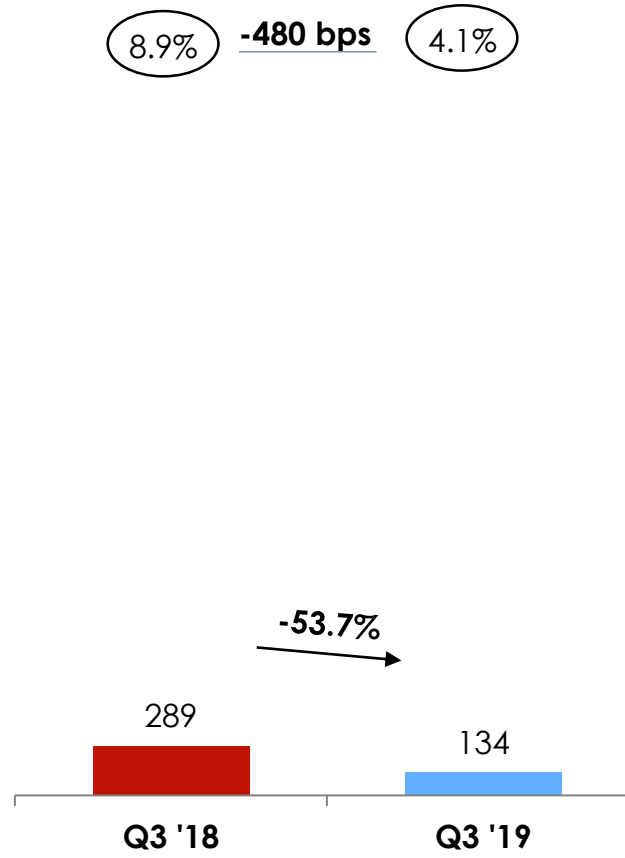
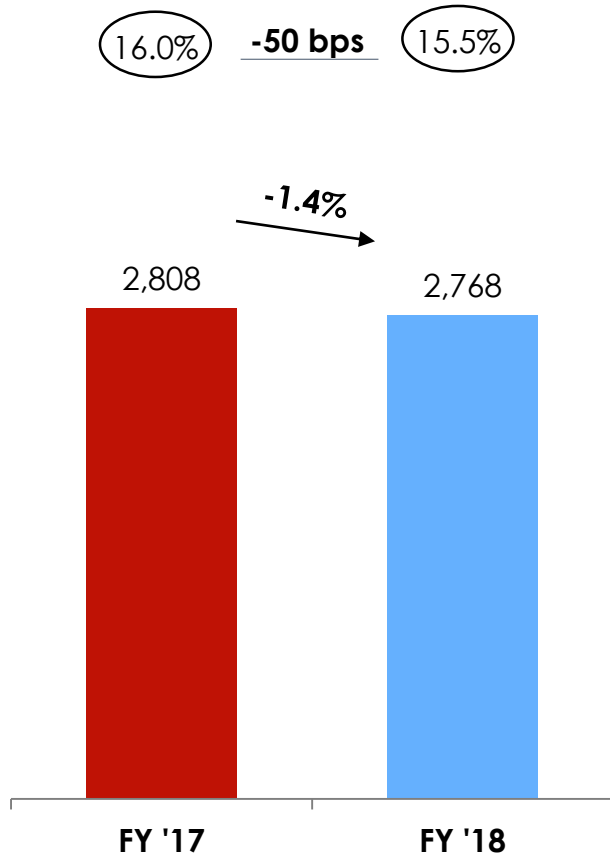
Note

1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

EBITDA MARGIN

EBITDA and EBITDA Margins

IDR Bn



Notes
EBITDA adjusted for severance pay

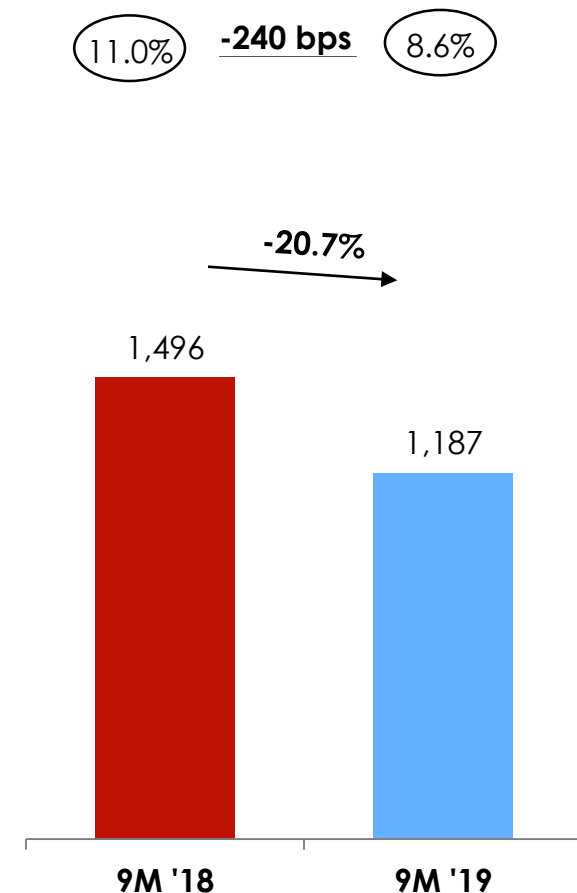
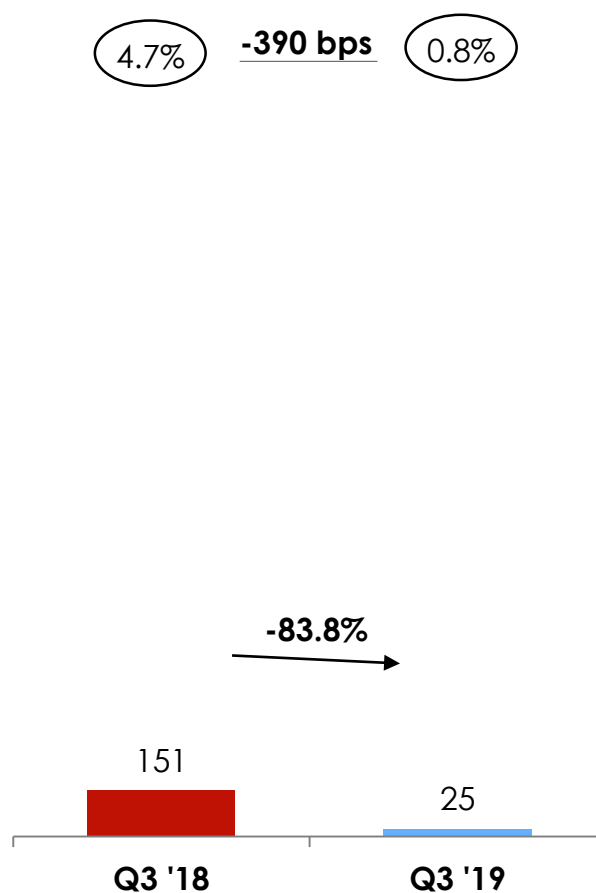
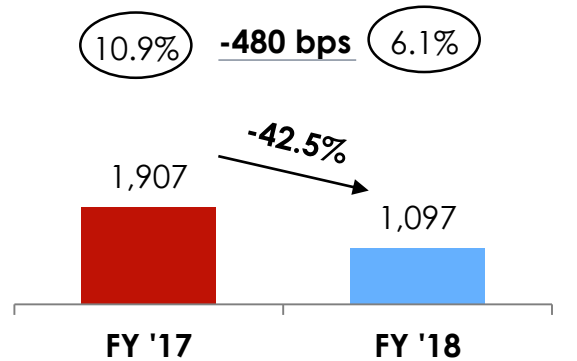
EBITDA as a % of Gross Sales

NET INCOME

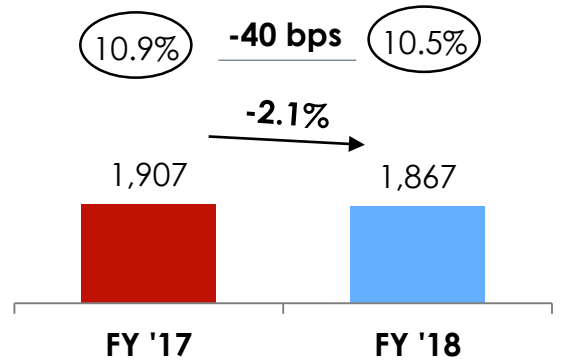
Net income and margins

IDR Bn

After Impairment



Before Impairment



○ Net Income as a % of Gross Sales

INVENTORY DAYS, CASH POSITION AND OUTSTANDING BANK LOAN BALANCE

(in IDR Bn)	End Jun 2019	End Sep 2019
LTM Ave. Inventory Days	144 days	142 days
Cash on Hand	Rp 786 Bn	Rp 633 Bn
Outstanding Bank Loan Balance	Rp 100 Bn	Rp 475 Bn

CAPEX AND REFURBISHMENTS

(in IDR Bn)	FY 2018	FY 2019E
Capex	Rp716 Bn	c. Rp550 Bn
Refurbishments	13	15-20



**Feel
good.**

STRATEGY AND OPERATIONAL UPDATES

STORE PIPELINE

- Opened 3 mono-brand stores in Q3 '19
 - Aug: 1 361° store in Medan
 - Sept: 2 OVS stores in Greater Jakarta
- Plans to open 1-2 additional new large format stores in Q4 '19

	No. of stores	Retail Area (Sqm)
As of Dec 2018	159	992,105
Q2 Opening (1 large format + 2 specialty stores 361°)	3	5,447
Q3 Opening (3 specialty stores)	3	368
Net Expansion		3,178
Closures		0
As of Sep 2019	165	1,001,098

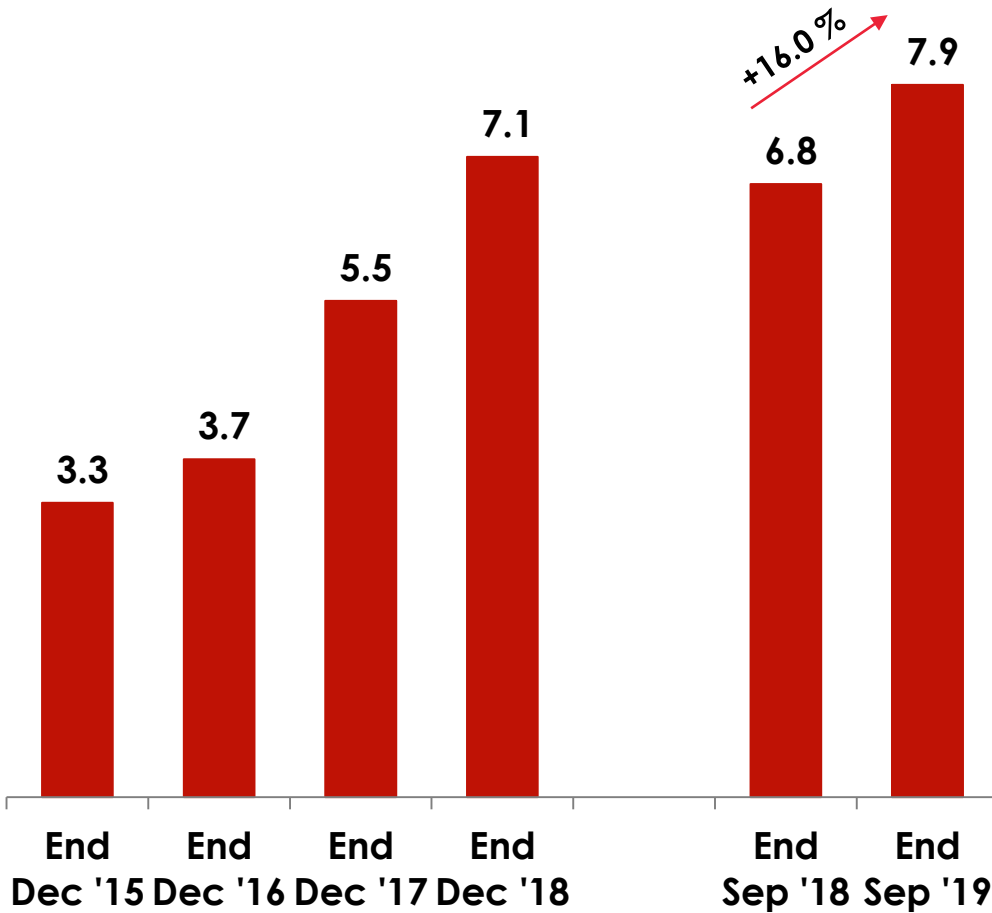
No	Geographic area	Actual						FY 2019E	Forecast	
		FY 2018			9M 2019			Balance	Future Pipeline 2020 and onwards	
		#LF	#MB	#stores	#LF	#MB	#stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	39	2	41	39	5	44	0	7	19.0%
2	Java (Exc Greater Jakarta)	52	2	54	53	3	56	0	15	40.5%
3	Outside Java	64		64	64	1	65	1-2	15	40.5%
	Total	155	4	159	156	9	165	1-2	37	100.0%

Notes

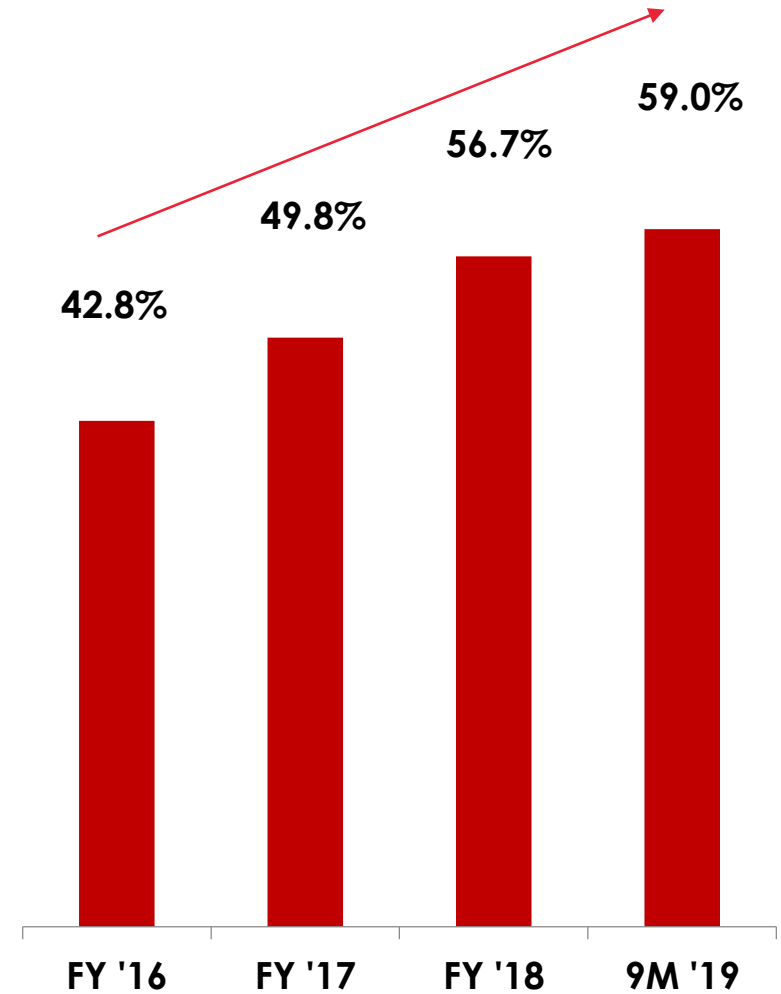
LF : Large-format stores

MB : Mono-brand stores

No. of active members (in millions of people)



Growing member sales contribution



- Current Focus : -
 - core site systems development and navigation,
 - development of our Order Management System (OMS), for a “single view of inventory,
 - Testing of the Consignment vendor portal.
- Sales mix outside of Java continues to gain traction. In Q3 alone, we saw a 13% contribution from Outside Java online sales.

SALES BY REGION

(in IDR Bn)	Q3 '18	Q2 '19	Q3 '19		9M '18	9M '19
Greater Jakarta	36.5%	38.0%	35.1%		38.4%	44.2%
Java Exc. G. Jakarta	53.6%	52.4%	51.8%		53.1%	46.6%
Outside Java	9.9%	9.6%	13.0%		8.6%	9.3%
Total	100.0%	100.0%	100.0%		100.0%	100.0%



- **Same store sales growth was 0.1% in Q3 and 0.5% YTD, with total sales growing 1.0% in Q3 and 1.5% YTD**
- **Ongoing clearance led to gross margin and net income declines**
- **Omni-Channel development is on track**
- **We continue to expand our store network for both the large format and stand-alone stores**

PT. Matahari Department Store Tbk.
15F Menara Matahari Jl. Bulevar Palem Raya No. 7
Lippo Karawaci 1200 Tangerang 15811, Indonesia

Phone: +6221 547 5333

Fax: +6221 547 5232

Email: ir@matahari.co.id

DISCLAIMER: This presentation has been prepared by PT. Matahari Department Store Tbk. ("LPPF" or "Company") for informational purposes. Neither this presentation nor any of its content may be reproduced, disclosed or used without the prior written consent of the Company.

This presentation may contain forward looking statements which represent the Company's present views on the probable future events and financial plans. These views are based on current assumptions, are exposed to various risks, and are subject to considerable changes at any time. The Company warrants no assurance that such outlook will, in part or as a whole, eventually be materialized. Actual results may differ materially from those projected.

The information is current only as of its date and shall not, under any circumstances, create any implication that the information contained therein is correct as of any time subsequent to the date thereof or that there has been no change in the financial condition or affairs of LPPF since such date. This presentation may be updated from time to time and there is no undertaking by LPPF to post any such amendments or supplements on this presentation.

The Company will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

**Feel
good.**



Thank you!
