



## **PT. Matahari Department Store Tbk.**

**4Q 2016/ FY 2016 Earnings Call**

**February 2017**

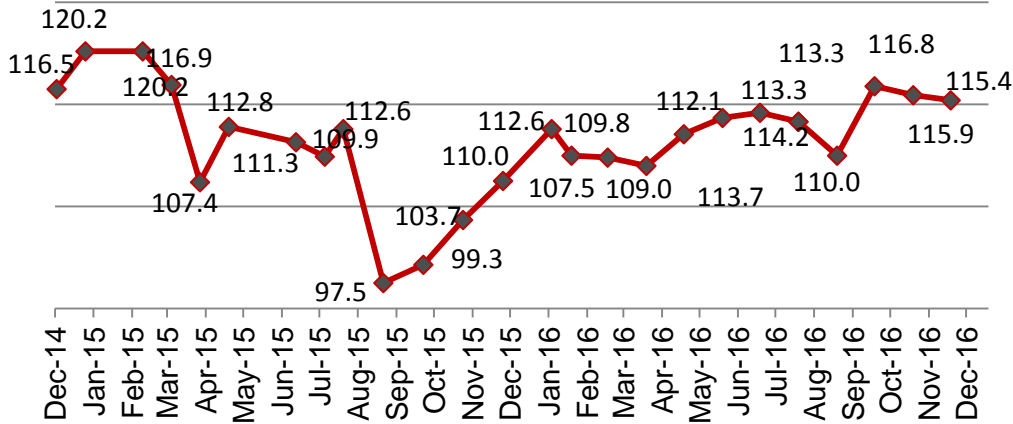
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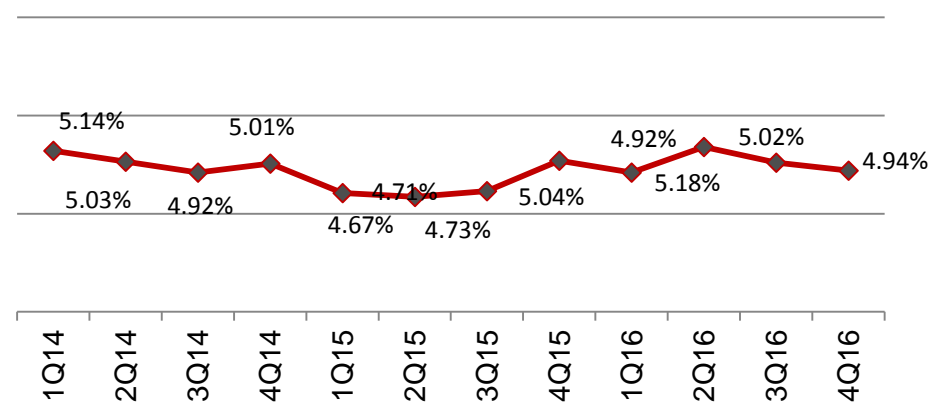


# Key Macro-Economic Data

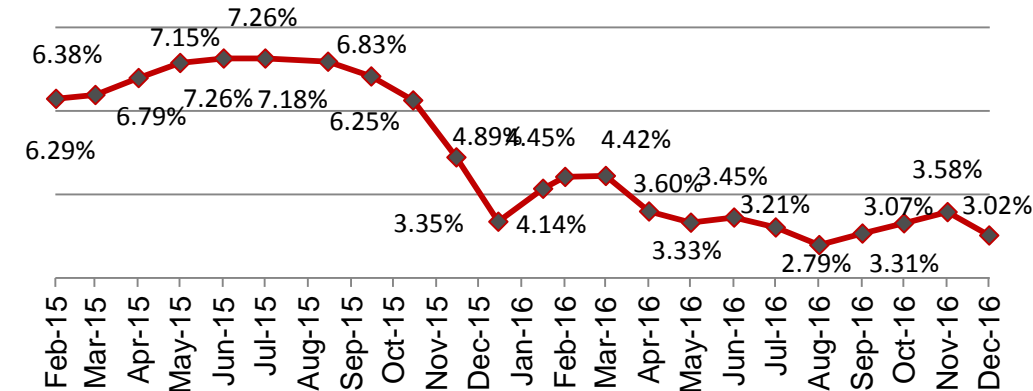
## Consumer Confidence Index



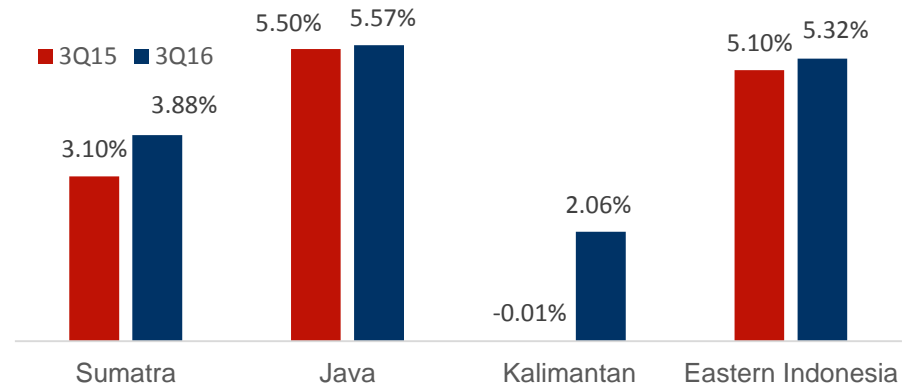
## GDP Growth



## Inflation



## GDP Regional



Source: Bank Indonesia and BPS



Key Highlights of Q4 2016/ FY 2016







# Q4 2016 Key Highlights

IDR Bn

Q4 2015

Q4 2016

△

<b>Gross Sales</b>	3,869	4,079	 5.4%
<b>SSSG</b>	7.6%	2.7%	
<b>EBITDA</b>	636	597	 6.1%
<b>Net Income</b>	397	410	 3.2%
<b>Gross Margin</b>	35.3%	35.2%	 10 bps
<b>EBITDA Margin</b>	16.4%	14.6%	 180 bps








# FY 2016 Key Highlights

IDR Bn

FY 2015

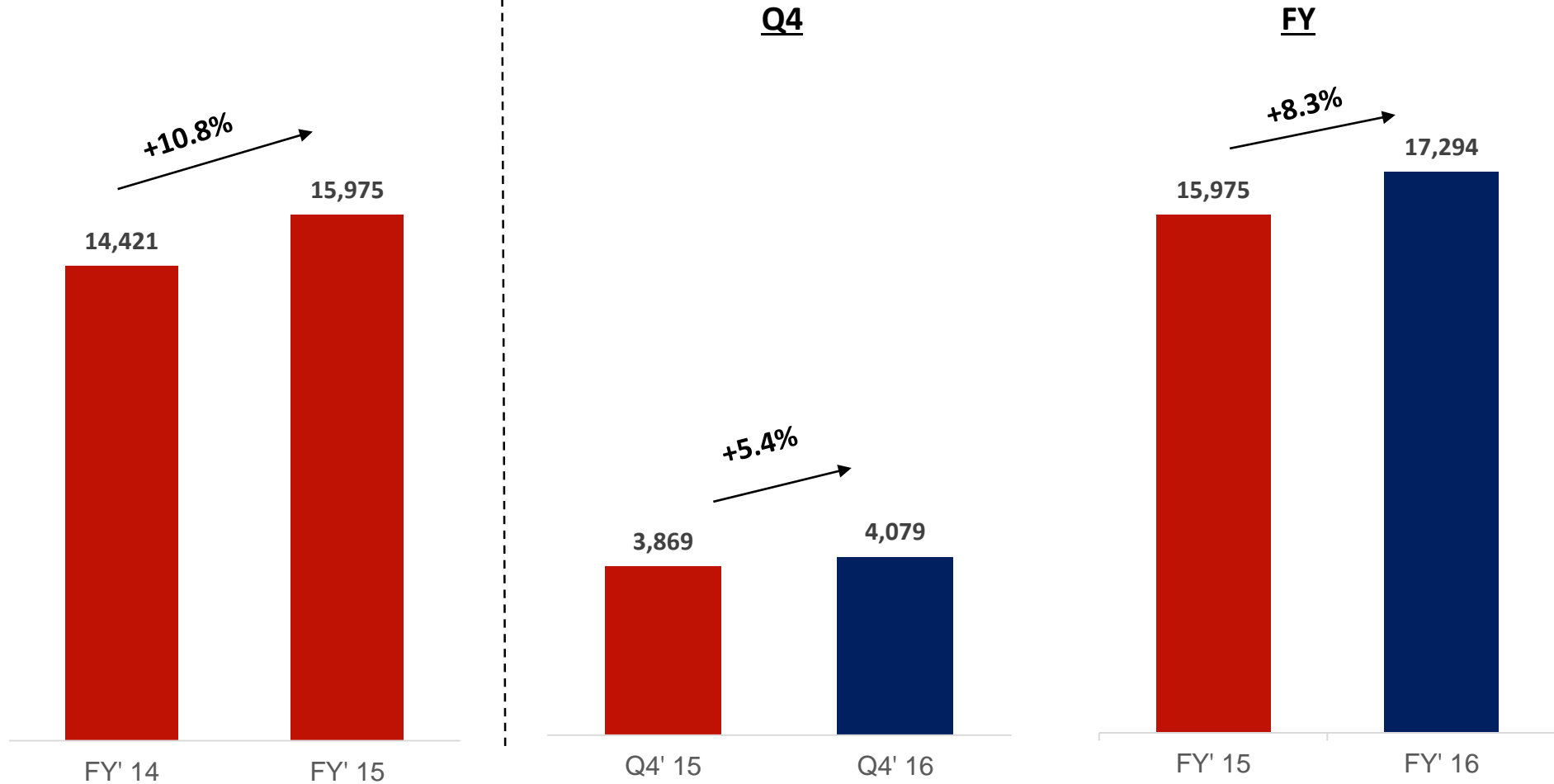
FY 2016

△

<b>Gross Sales</b>	15,975	17,294	 8.3%
<b>SSSG</b>	6.8%	5.5%	
<b>EBITDA</b>	2,660	2,872	 7.9%
<b>Net Income</b>	1,781	2,020	 13.4%
<b>Gross Margin</b>	35.2%	35.5%	 30 bps
<b>EBITDA Margin</b>	16.7%	16.6%	 10 bps
<b>NI Margin</b>	11.1%	11.7%	 60 bps

# Overall sales increased by 8.3% in FY 2016

IDR Bn





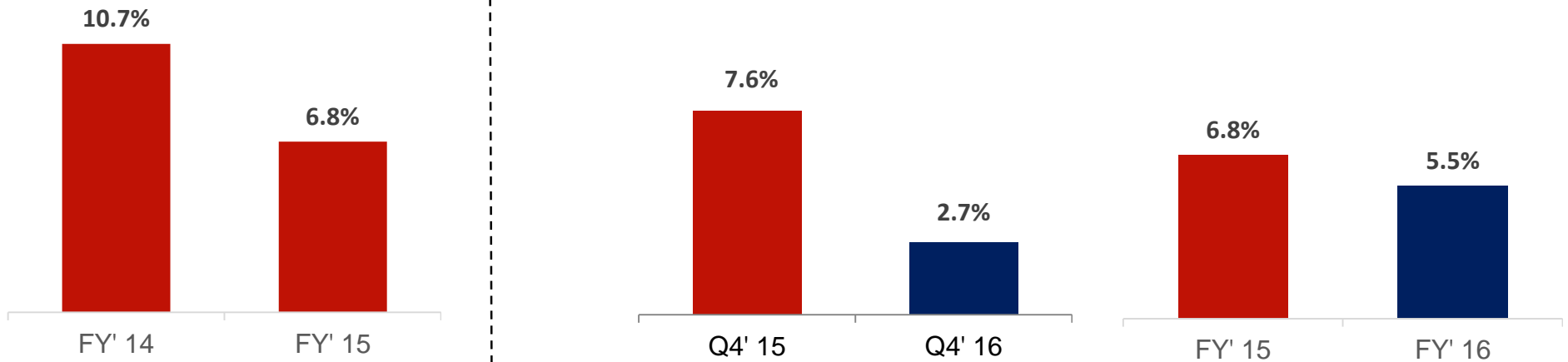
# SSSG was 5.5% for the FY 2016

SSSG %

FY

Q4

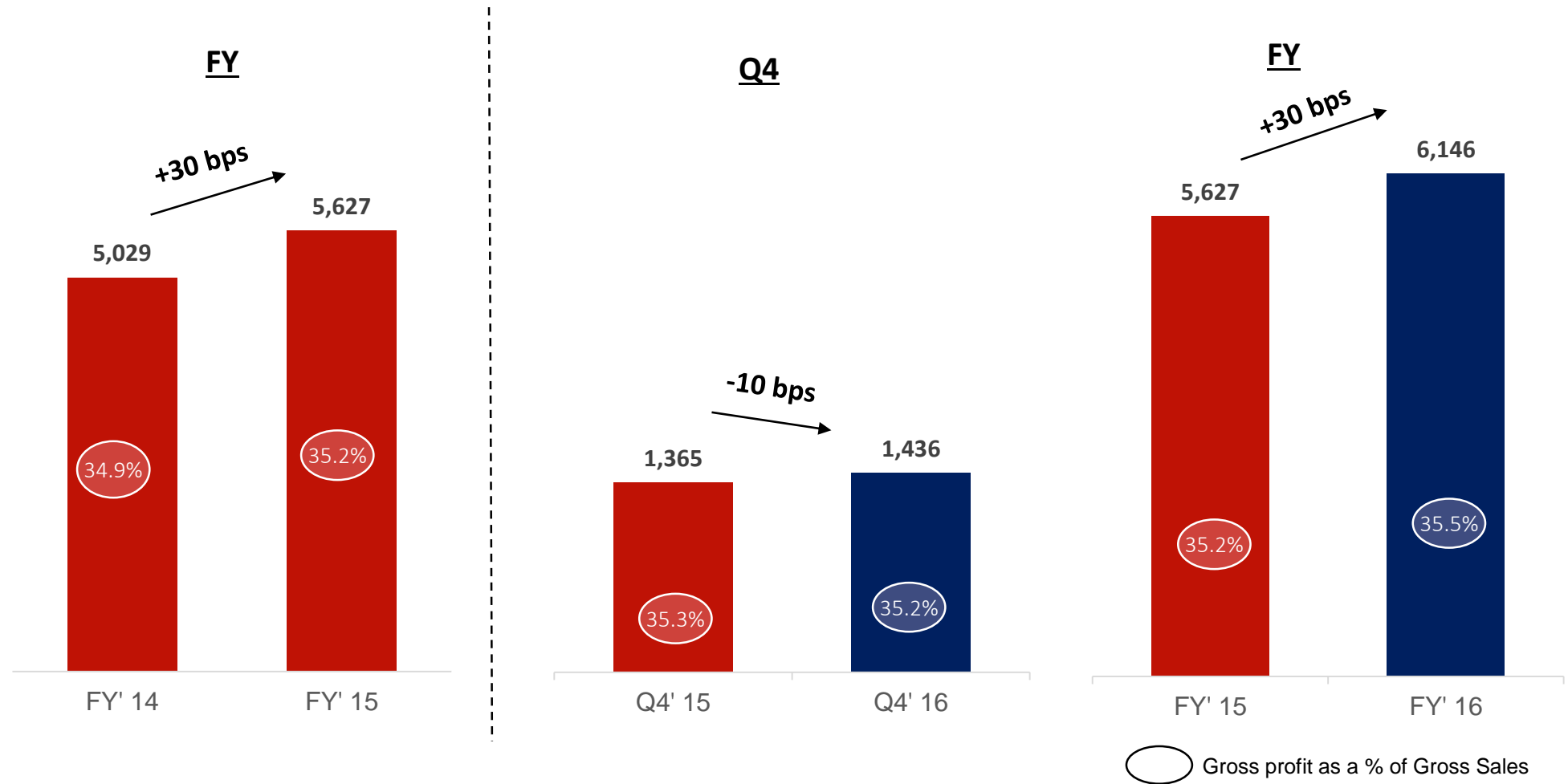
FY



# Merchandise margins continued to build, improving 30 bps in FY 2016

## Gross profit and margins

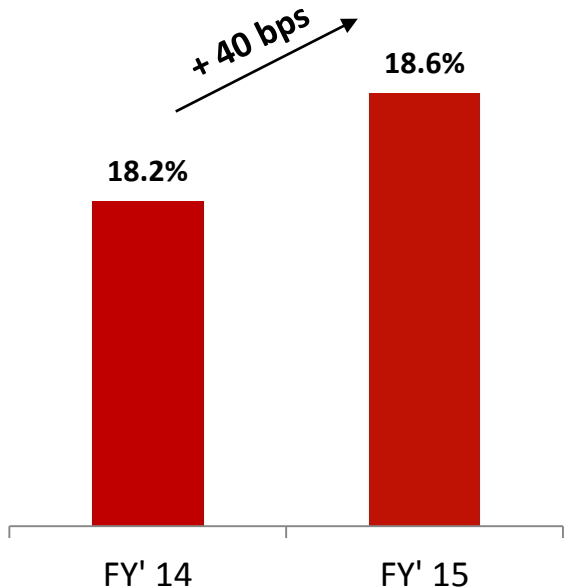
IDR Bn



# Store opex continues to be managed tightly

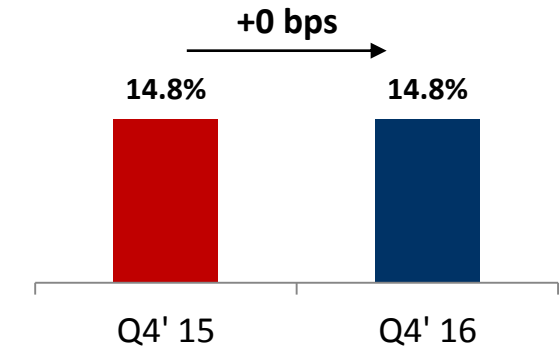
## Opex<sup>(1)</sup> as a % of Gross Sales

Total Company

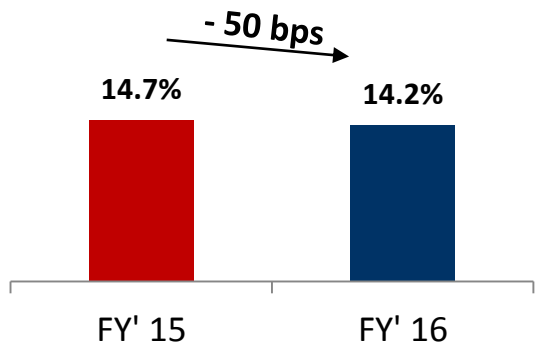


Q4

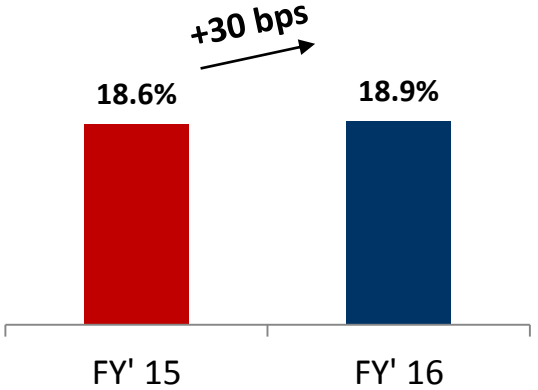
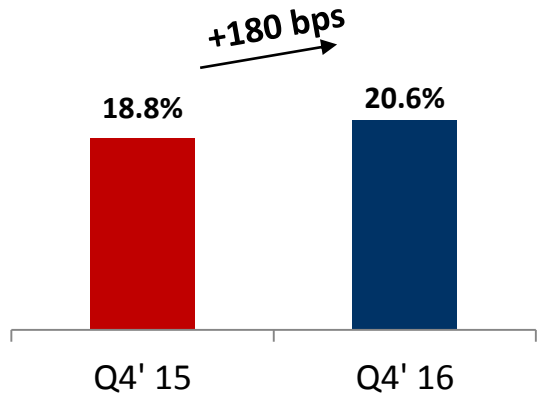
Comp store



FY



Total Company

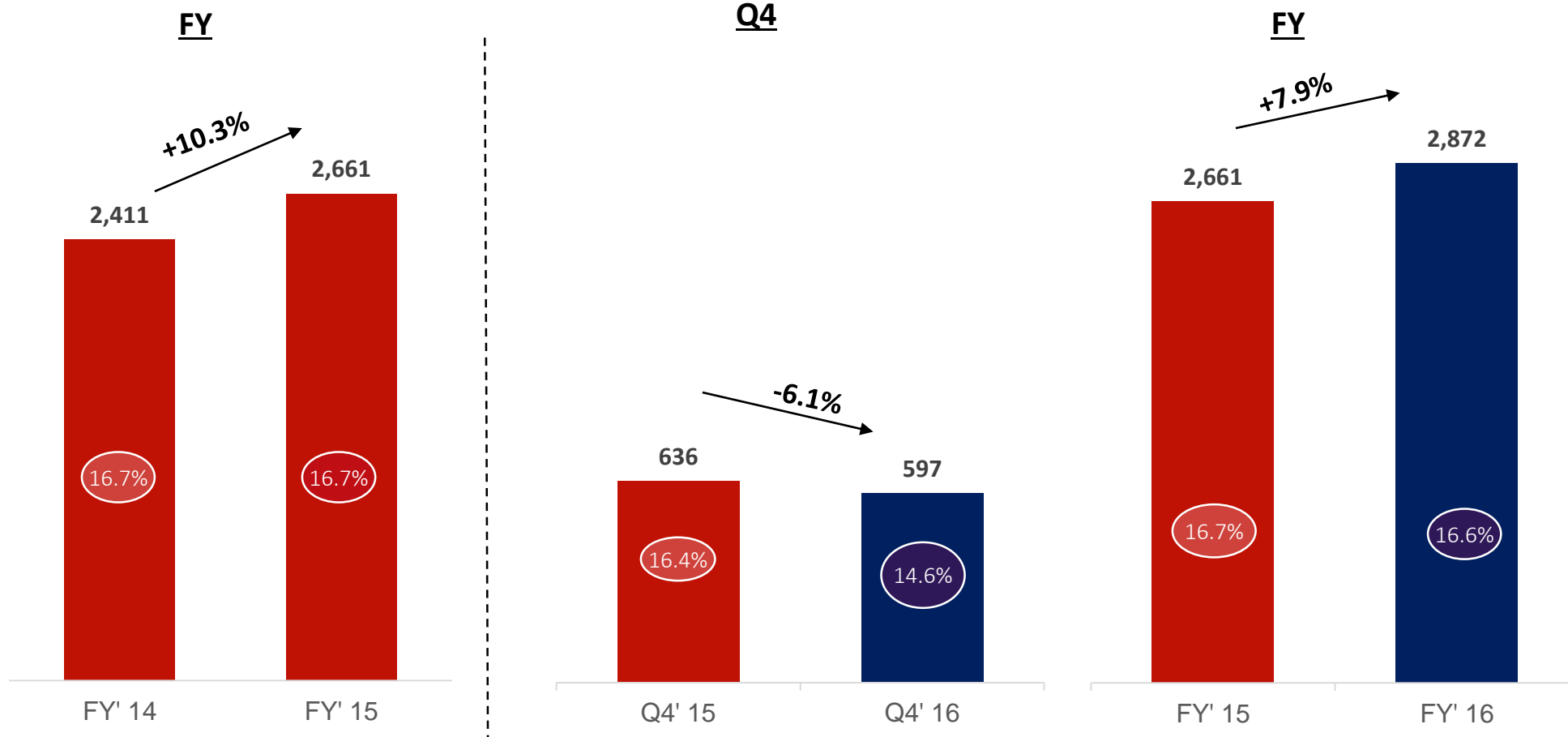


Note  
1. Opex calculated as Adjusted Gross Profit less Adjusted EBITDA

# EBITDA increased 7.9% over last year

## EBITDA and Margins

IDR Bn



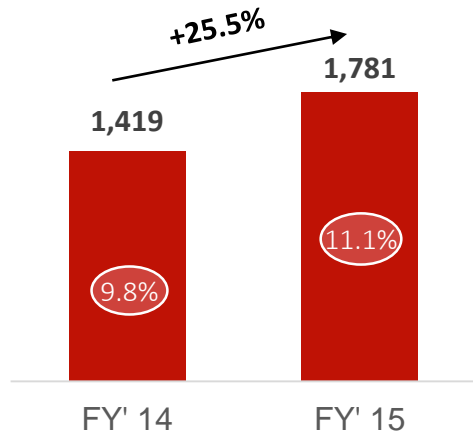
### Notes

EBITDA adjusted for severance pay

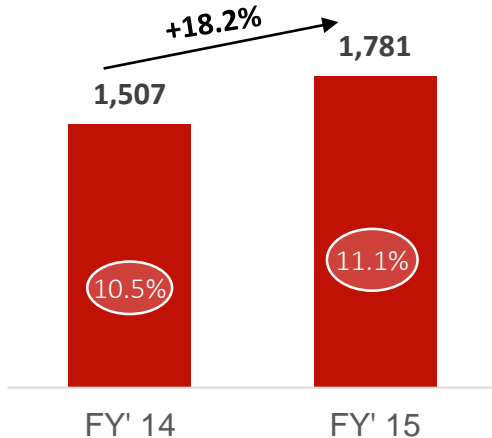
○ EBITDA as a % of Gross Sales

# Net income up by 13.4% in FY 2016

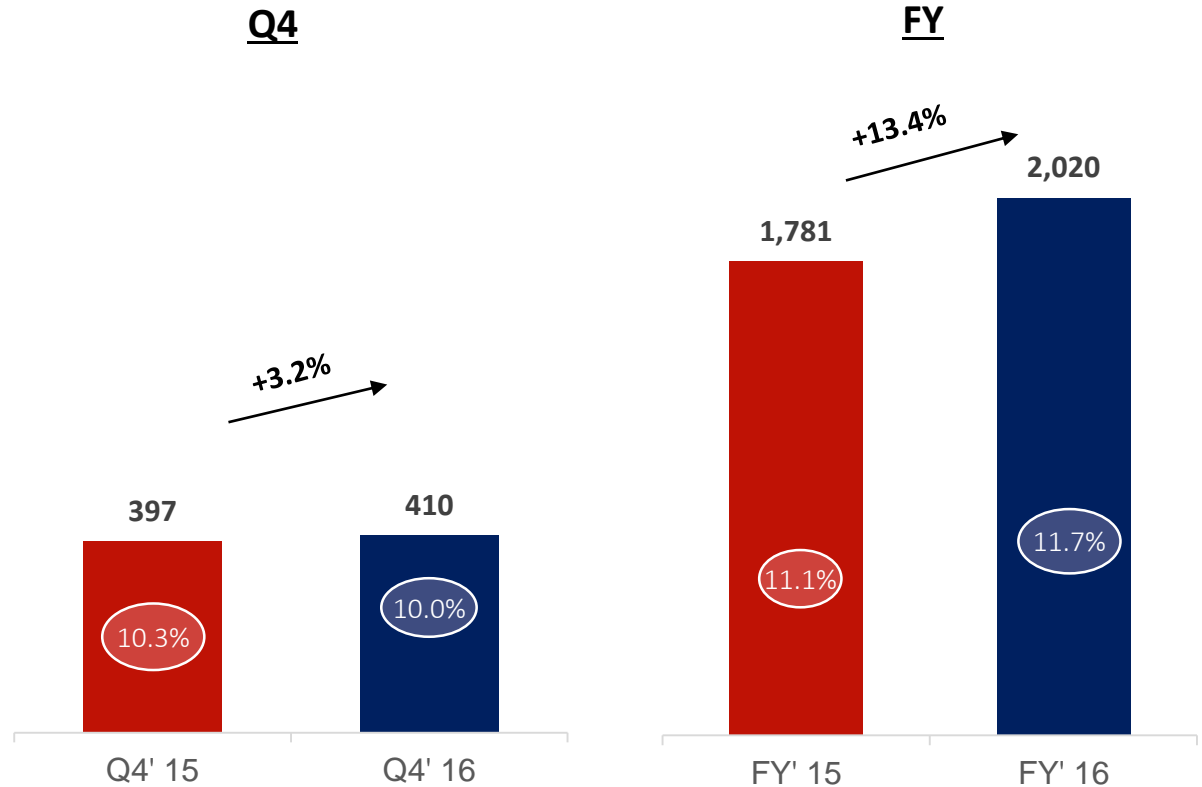
Reported Net Income (IDR Bn)



Comparable Net Income (IDR Bn)



Net Income (IDR Bn)



○ Net Income as a % of Gross Sales

# Inventory days and cash position improved

## INVENTORY DAYS, CASH POSITION AND WORKING CAPITAL FACILITY BALANCE

	End of Q3 2016	End of Q4 2016
LTM Ave. Inventory Days	112 days	109 days
Cash on Hand	Rp671.2 Bn	Rp1,712.8 Bn
Working Capital Facility Balance	Rp 0	Rp 0

## CAPEX AND REFURBISHMENTS

	2016	2017E
Capex	Rp356.8 Bn	Rp400-450 Bn
Refurbishments	16 stores	20-25 stores

# Financial Summary

## Key Profit & Loss Items

IDR Bn

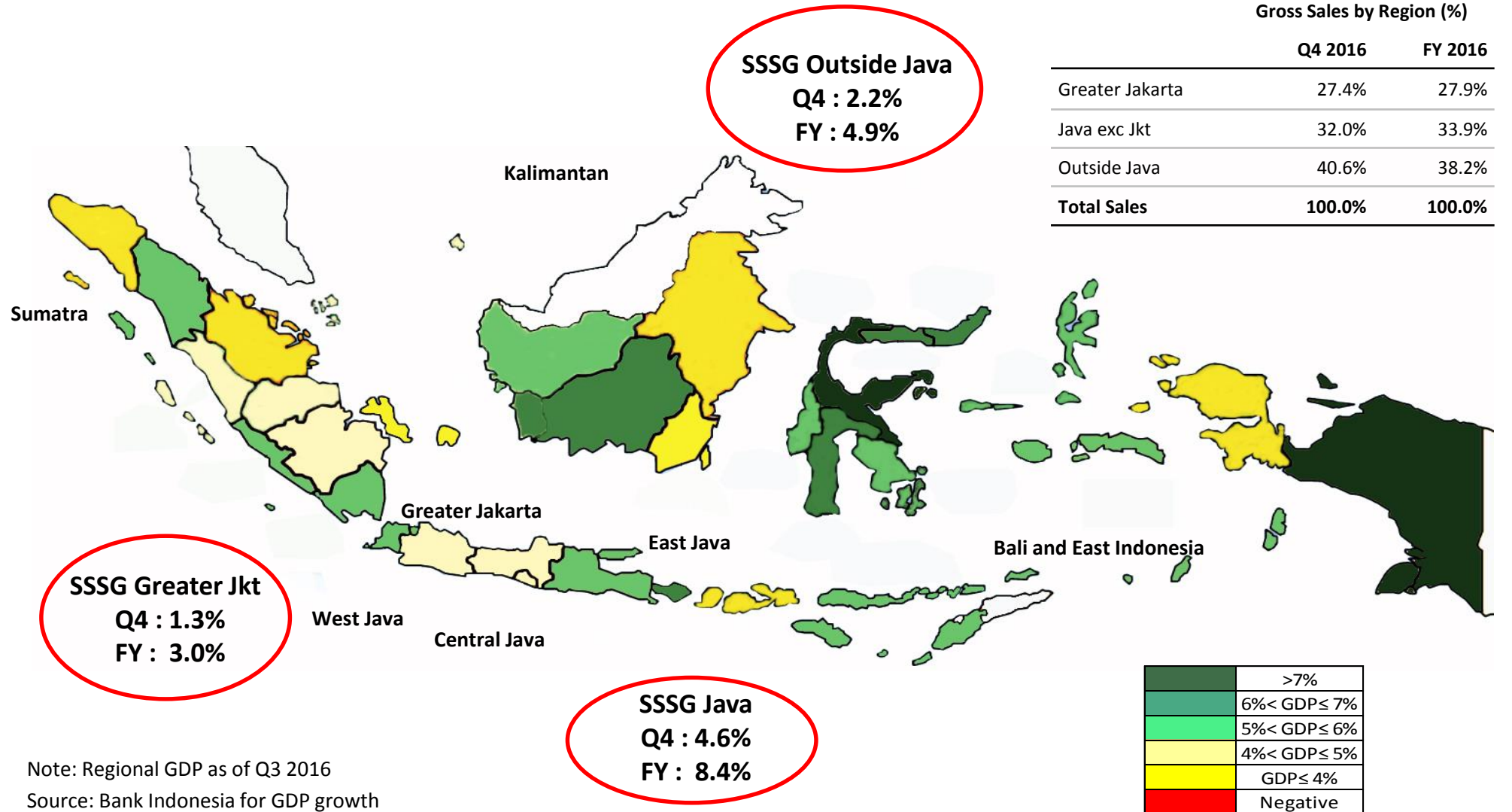
	Q4 2015	Q4 2016	FY 2015	FY 2016
Gross Sales	3,869.4	4,078.8	15,974.5	17,294.2
<i>SSSG</i>	7.6%	2.7%	6.8%	5.5%
<i>Growth</i>	12.4%	5.4%	10.8%	8.3%
Net Revenue	2,193.9	2,374.8	9,006.9	9,897.0
<i>Growth</i>	16.3%	8.2%	13.6%	9.9%
Gross Profit	1,365.3	1,435.7	5,627.0	6,145.6
<i>Margin</i>	35.3%	35.2%	35.2%	35.5%
EBITDAR	922.8	918.1	3,749.1	4,123.0
<i>Margin</i>	23.9%	22.6%	23.5%	23.8%
EBITDA	636.0	597.4	2,660.1	2,871.6
<i>Margin</i>	16.4%	14.6%	16.7%	16.6%
Income before tax	503.9	510.7	2,244.8	2,532.7
<i>Margin</i>	13.0%	12.5%	14.1%	14.6%
Reported net Income	396.8	409.5	1,780.8	2,019.7
<i>Margin</i>	10.3%	10.0%	11.1%	11.7%
<i>growth</i>	10.6%	3.2%	25.5%	13.4%



## Operational Updates



# GDP growth, SSSG and Sales per region

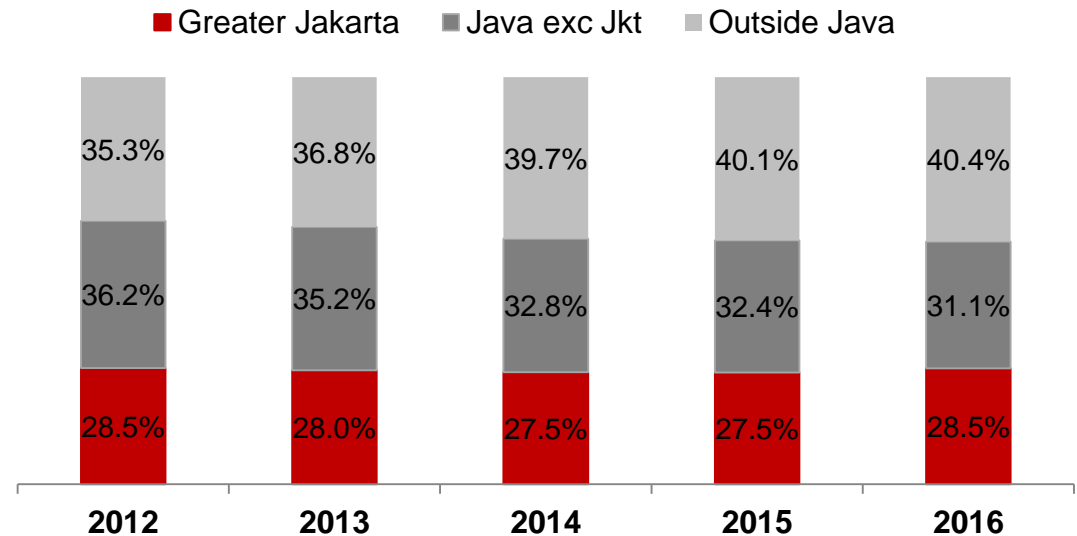


Note: Regional GDP as of Q3 2016  
Source: Bank Indonesia for GDP growth

# Achieved 2016 store expansion forecast, similar expansion seen in 2017

- **9 new store openings as of the end of December 2016 (4 in 4Q 2016)**
- **Forecasting 6-8 new store openings for 2017**

**Store Count Split by Region**

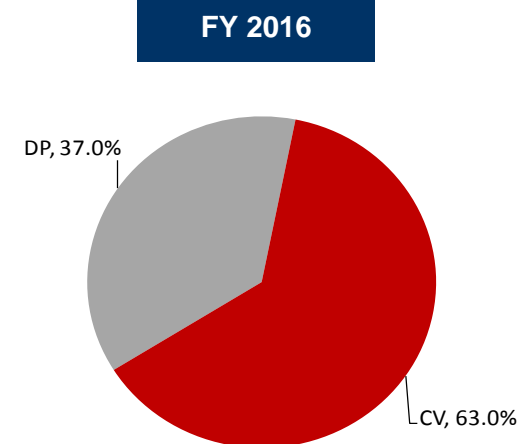
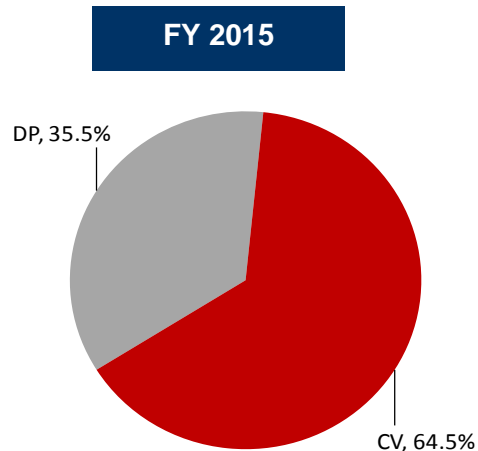
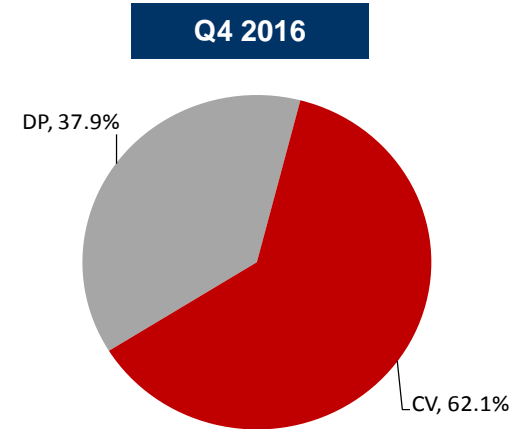
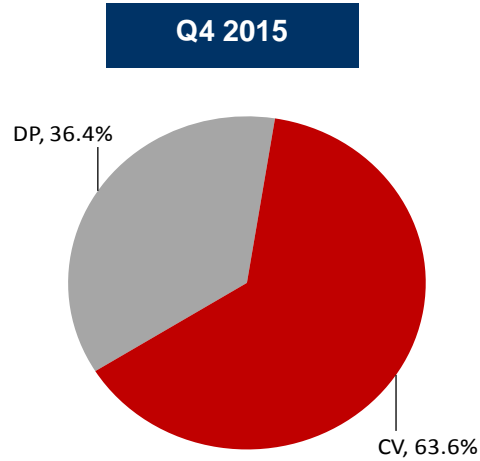


No	Geographic area	Actual		Forecast		
		FY2015	FY 2016	FY 2017	Future Pipeline 2018 and onwards	
		# of stores	# of stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	39	43	0	10	19.6%
2	Java (Exc Greater Jakarta)	46	47	5	22	23.5%
3	Outside Java	57	61	1-3	29	56.9%
<b>Total</b>		<b>142</b>	<b>151</b>	<b>6-8</b>	<b>51</b>	<b>100.0%</b>

# MDS's exclusive brands continue to deliver strong performance

DP accounted for 37.9% of gross sales in Q4 2016, as compared to 36.4% in Q4 2015

% of Gross Sales

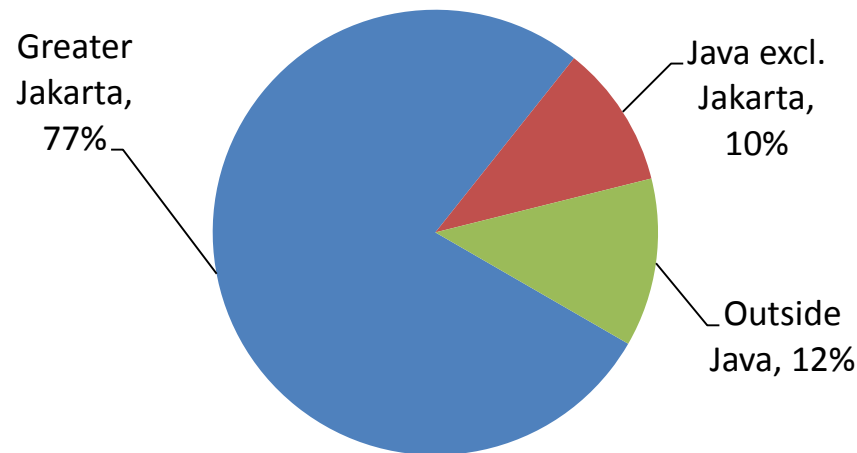


Mataharistore.com is MDS' own domain and positioned as a dedicated page within Mataharimall.com's infrastructure:

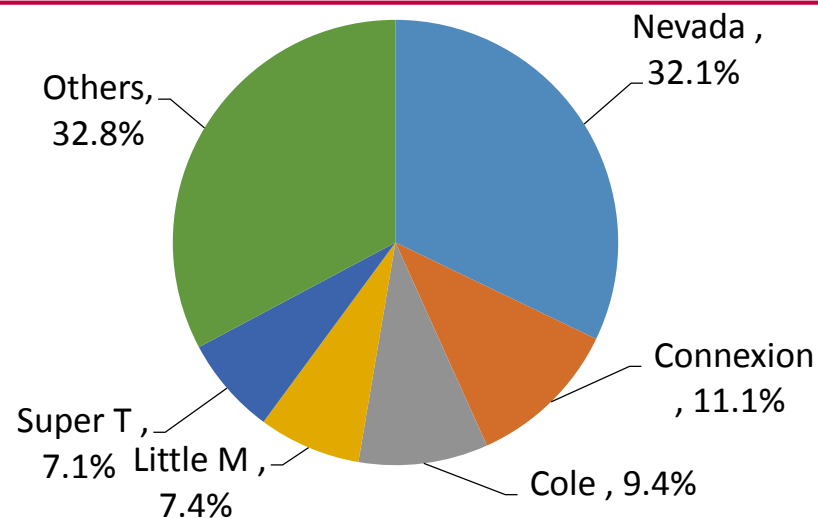
- ❑ Launch date: 9 November 2016
- ❑ Traffic: 15.4 million (December 2016)
- ❑ No. of transactions: over 100,000
  - ❑ 3% picked up from MDS stores
- ❑ DP/CV mix: 84% DP; 16% CV
- ❑ Top 5 exclusive brands contribution: 67% of DP online sales (vs. 55% of offline DP sales)
- ❑ Nevada contribution : 32% of online DP sales (vs. 28% of offline DP sales)
- ❑ Online and offline stores complement one another
  - ❑ More sales occurred online during weekdays while more sales occurred offline during the weekend

Note: Data in this slide refers to on line sale period of 9 Nov – 31 Dec 2016 unless otherwise stated.

## Sales by Region



## Top 5 exclusive brands = 67% of DP online sales



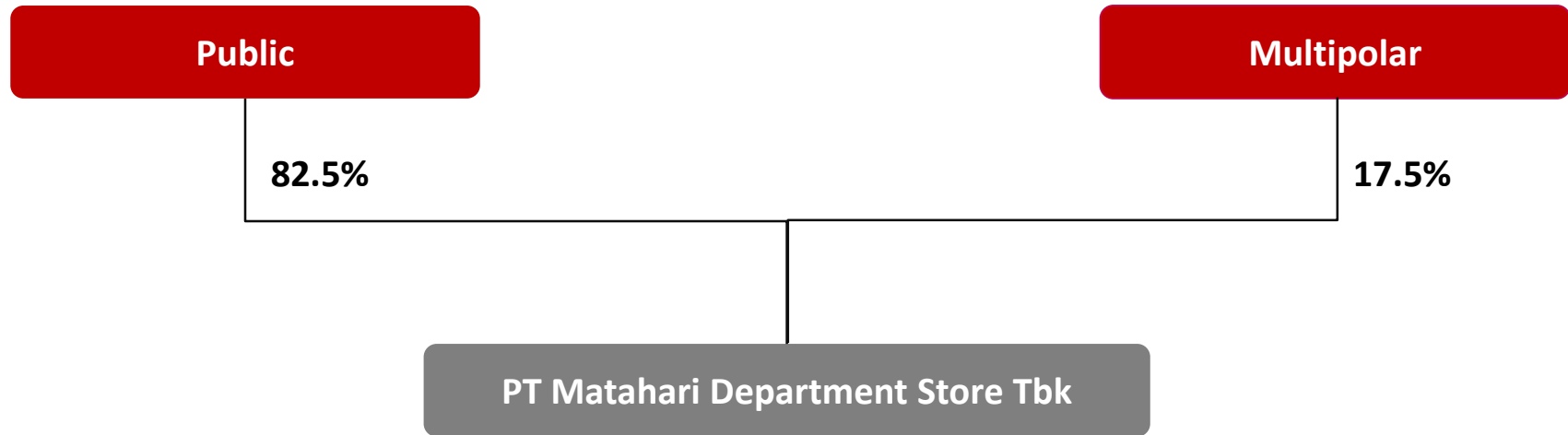
# Summary

- ❑ Overall sales YTD up 8.3% yoy with SSSG of 5.5%
- ❑ Merchandise margin improved 30 bps owing to continued strength in direct purchase offerings
- ❑ Efficiencies in expense management cushioned the impact of a single digit SSSG, with EBITDA margin only declining by 10 bps
- ❑ Net income grew by 13.4%, with margins improving 60 bps
- ❑ Expansion plans were ahead of expectations and the pipeline remains robust
- ❑ Steady progress in developing our omni-channel platform



## APPENDIX

# Shareholding Structure



# Notes

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# Notes

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