

Feel  
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 MATAHARI



Q4 2018/ FY 2018 EARNINGS CALL

March  
2019

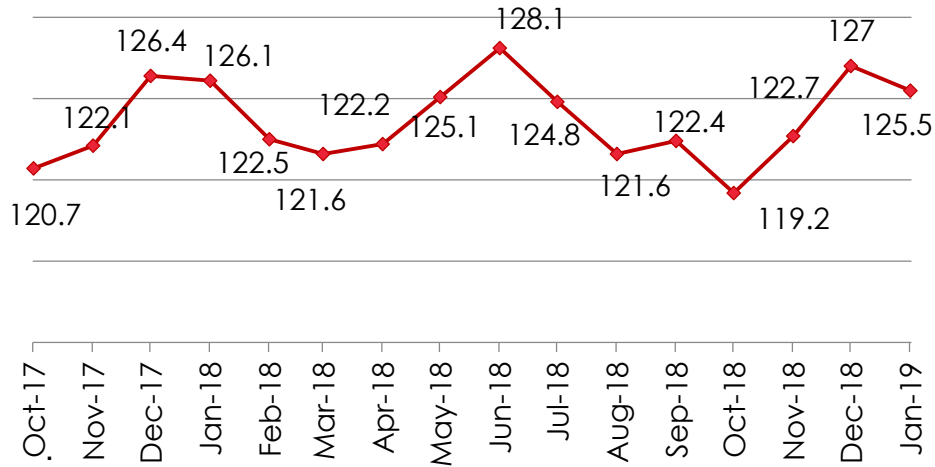
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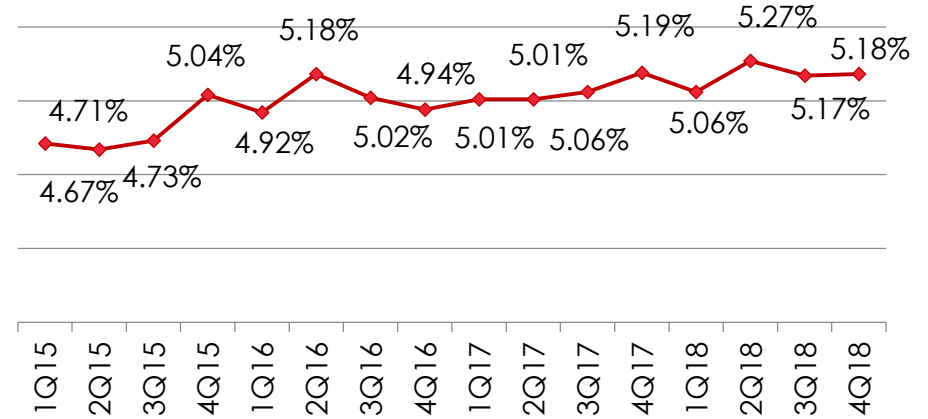


**MACRO-ECONOMIC UPDATES**

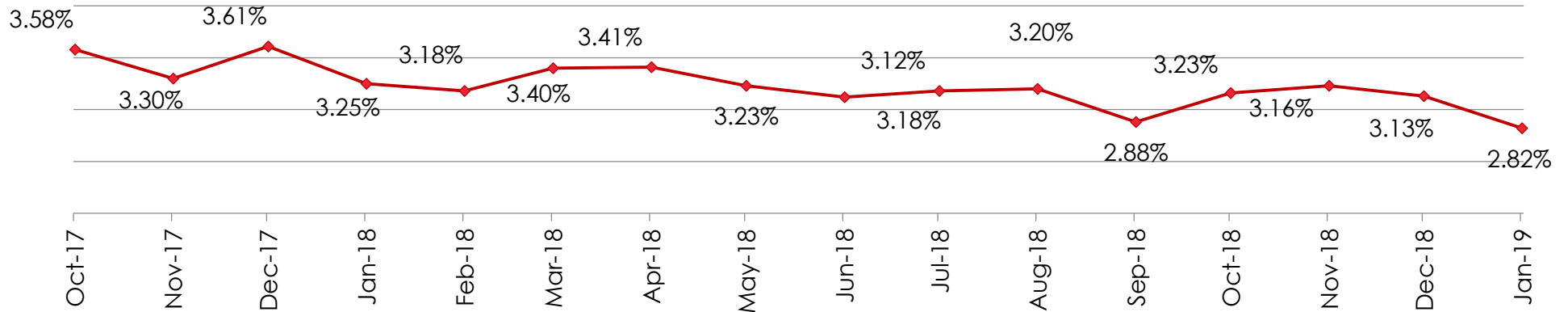
## Consumer Confidence Index



## GDP Growth



## Inflation





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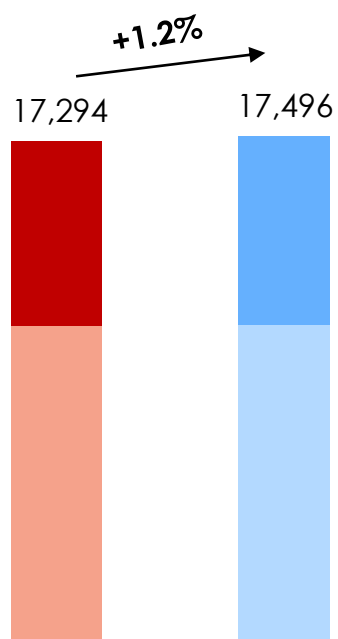
# Q4 2018/ FY 2018 FINANCIAL UPDATES

# KEY FINANCIAL HIGHLIGHTS

QUARTER			
(in Rp Bn)	4Q '17	4Q '18	YoY
Gross Sales	4,288	4,261	-0.6% ▼
SSSG	3.7%	0.9%	▼
Gross Profit	1,479	1,476	-0.2% ▼
EBITDA	644	595	-7.7% ▼
Net Income	402	-398	-199% ▼
NI before Impairment	402	371	-7.7% ▼
Gross Margin	34.5%	34.6%	+10 bps ▲
EBITDA Margin	15.0%	14.0%	-100 bps ▼

FULL YEAR			
(in Rp Bn)	FY '17	FY '18	YoY
Gross Sales	17,496	17,865	2.1% ▲
SSSG	-1.2%	3.5%	▲
Gross Profit	6,203	6,343	+2.3% ▲
EBITDA	2,808	2,768	-1.4% ▼
Net Income	1,907	1,097	-42.5% ▼
NI before Impairment	1,907	1,867	-2.1% ▼
Gross Margin	35.5%	35.5%	0 bps
EBITDA Margin	16.0%	15.5%	-50 bps ▼

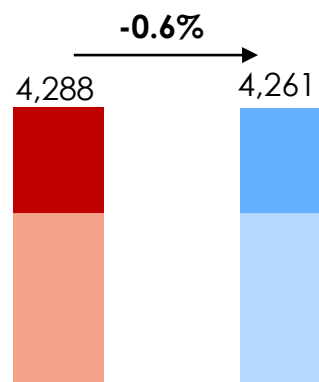
## Sales and DP/CV Mix



**FY '16**      **FY '17**

**DP**      37.0%      37.2%

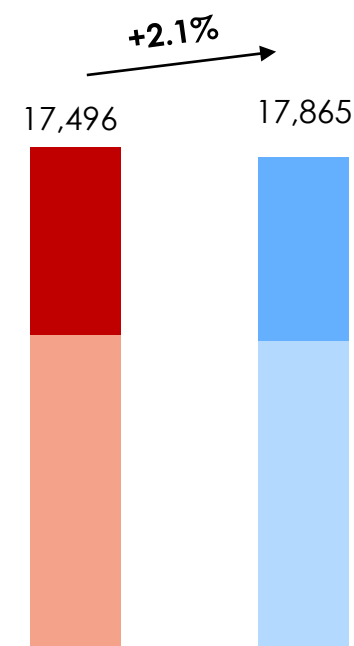
**CV**      63.0%      62.8%



**Q4 '17**      **Q4 '18**

**DP**      38.0%      37.8%

**CV**      62.0%      62.2%



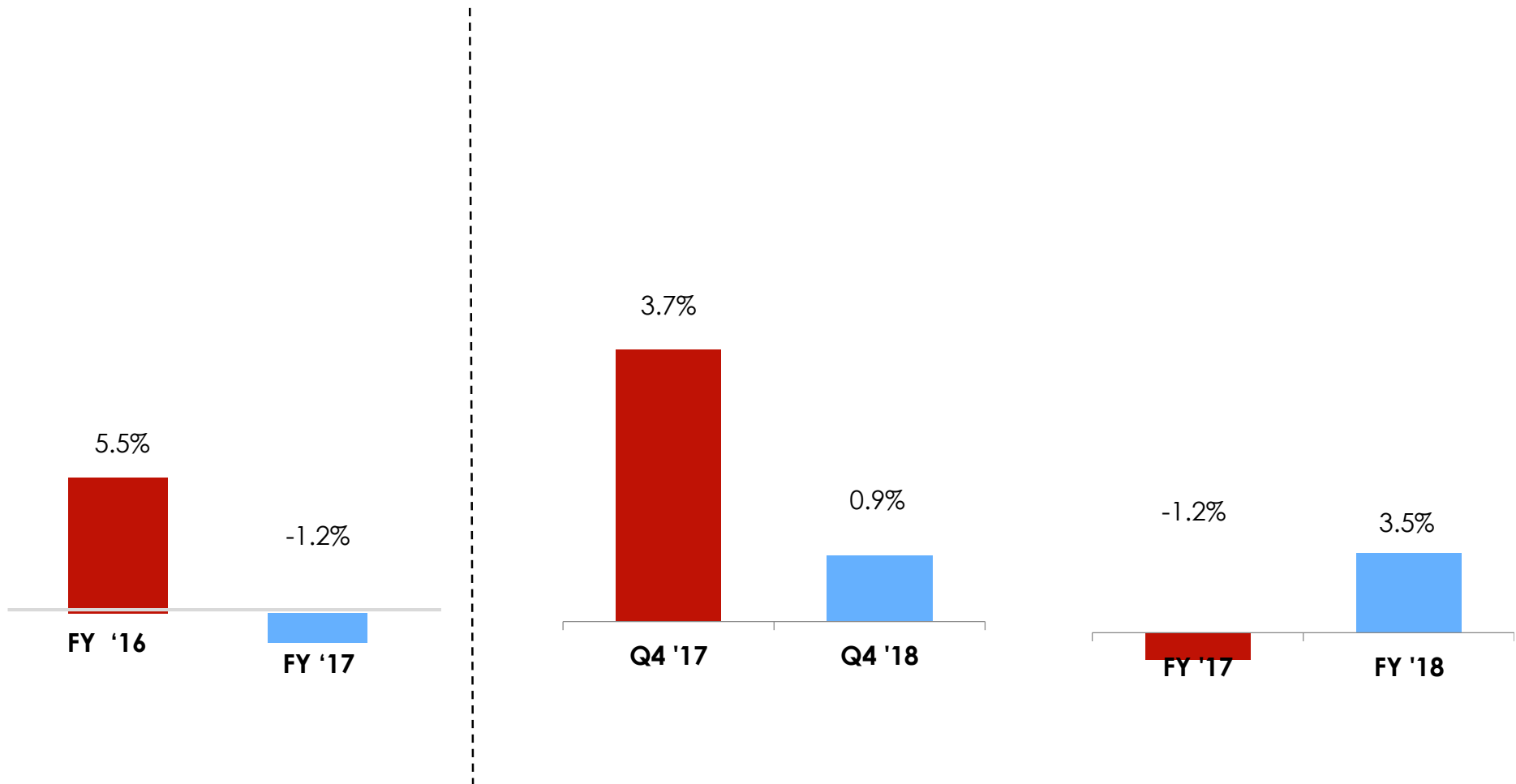
**FY '17**      **FY '18**

**DP**      37.2%      37.4%

**CV**      62.8%      62.6%

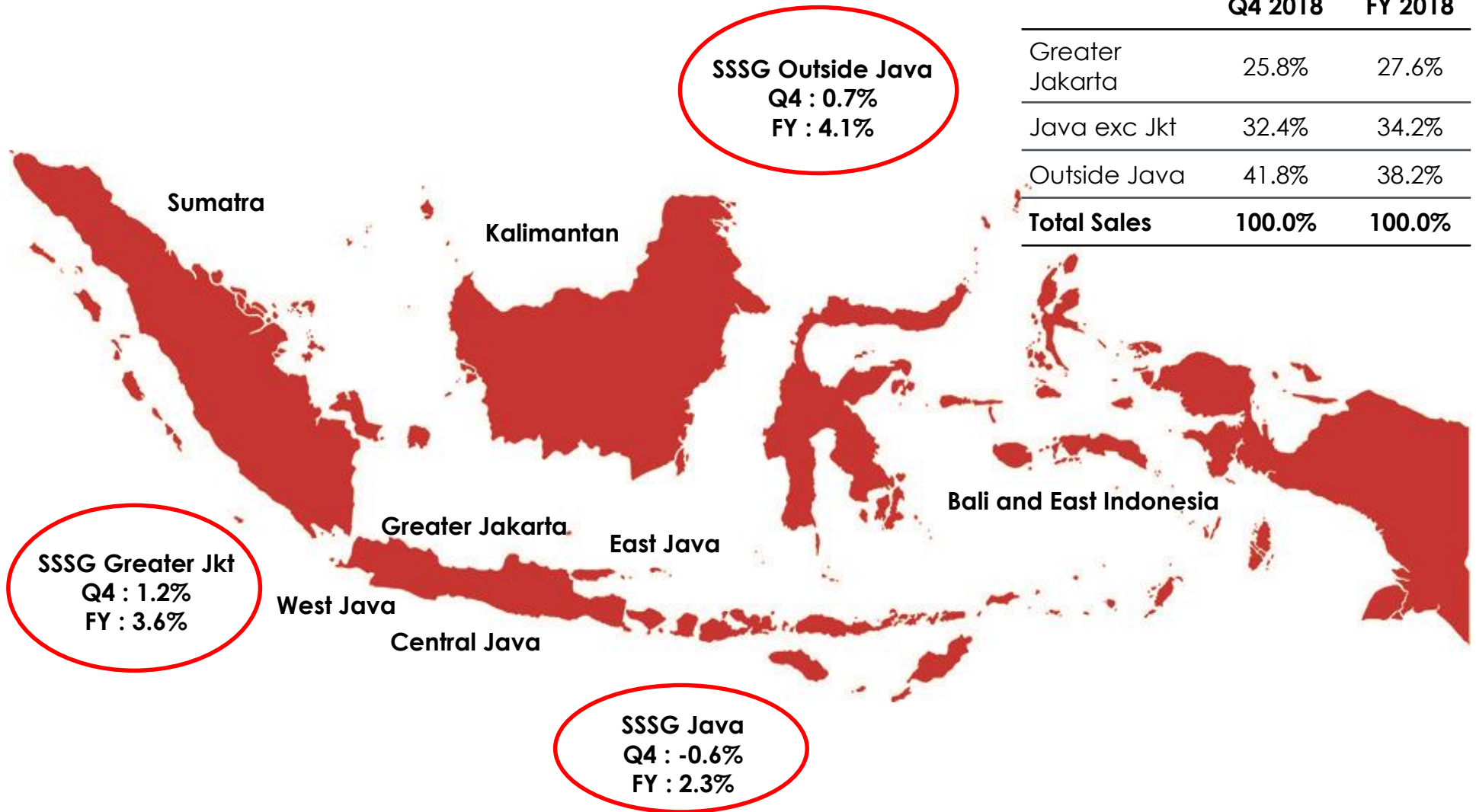
# SAME STORES SALES GROWTH

SSSG (%)





# REGIONAL SSSG PERFORMANCE

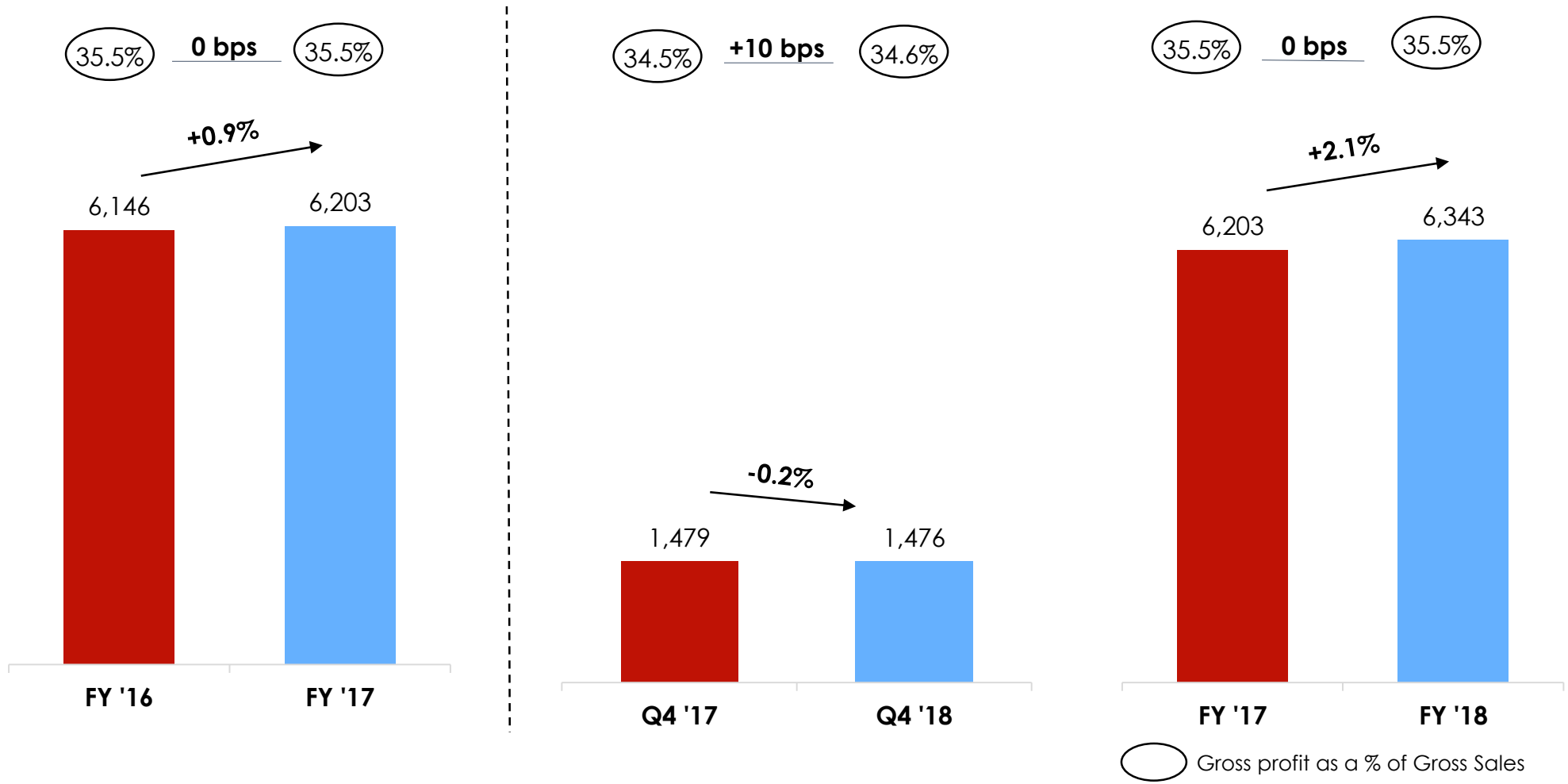


**Gross Sales by Region (%)**

	Q4 2018	FY 2018
Greater Jakarta	25.8%	27.6%
Java exc Jkt	32.4%	34.2%
Outside Java	41.8%	38.2%
<b>Total Sales</b>	<b>100.0%</b>	<b>100.0%</b>

## Gross profit and margins

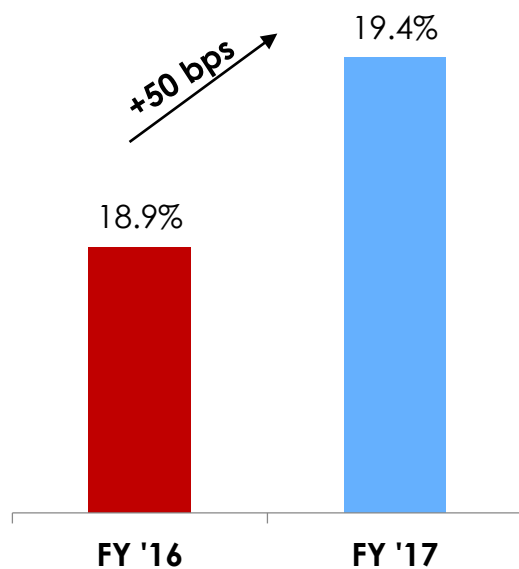
IDR Bn



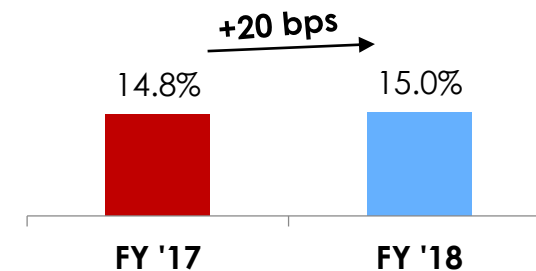
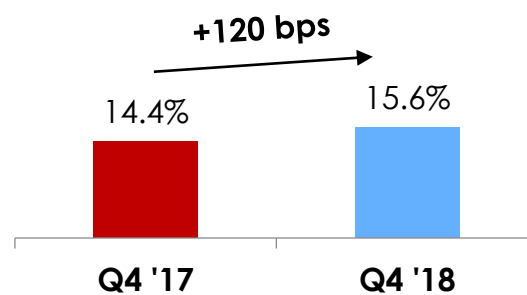
# OPERATING EXPENSES

## Opex as a % of Gross Sales

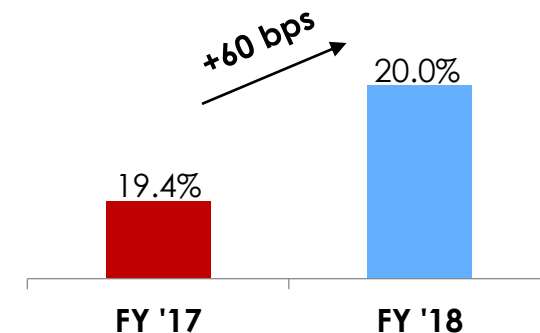
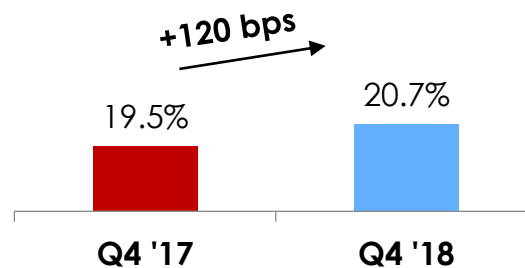
Total Company



Comp store



Total Company



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

# EBITDA MARGIN DOWN 100 BPS IN Q4 AND 50 BPS IN FY

## EBITDA and EBITDA Margins

IDR Bn

16.6% **-60 bps** 16.0%

2,872 **-2.2%** 2,808

FY '16

FY '17

15.0% **-100 bps** 14.0%

644 **-7.7%** 595

Q4 '17

Q4 '18

16.0% **-50 bps** 15.5%

2,808 **-1.4%** 2,768

FY '17

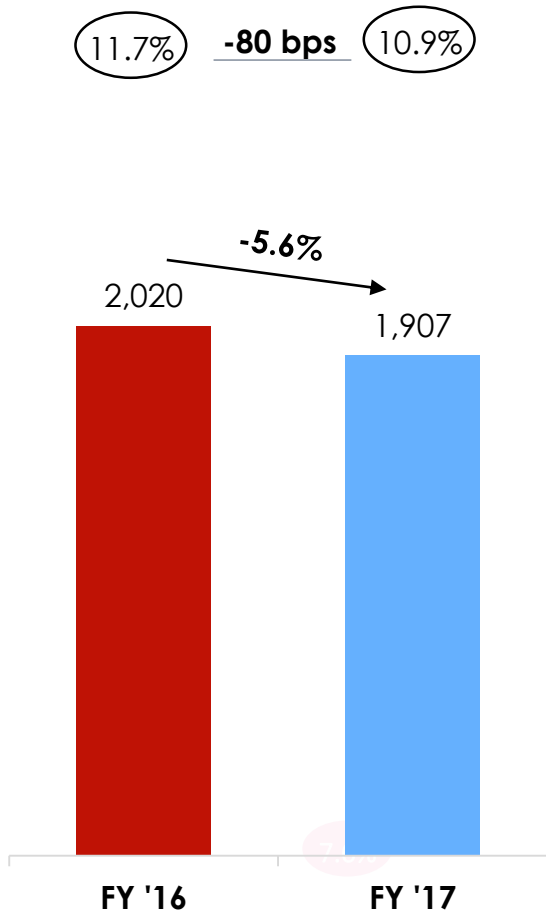
FY '18

**Notes**  
EBITDA adjusted for severance pay

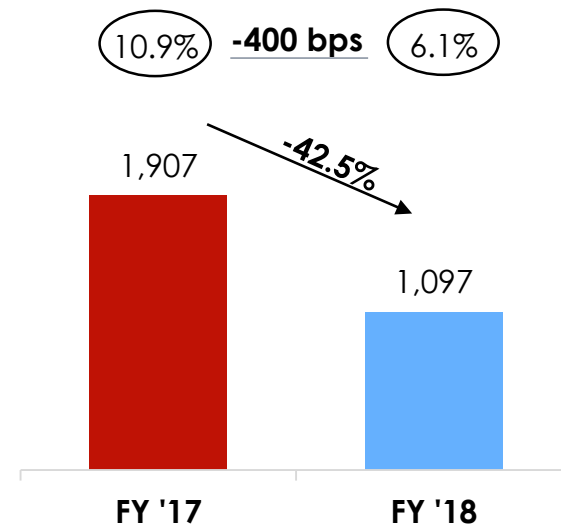
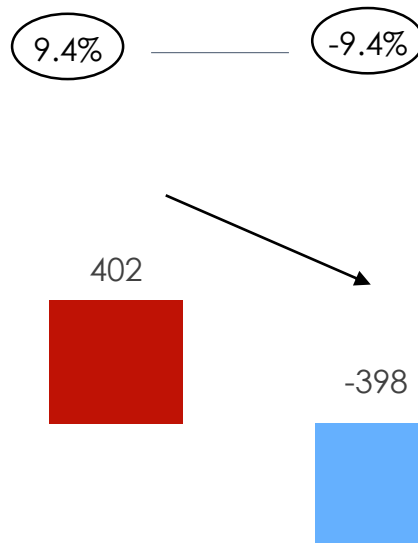
EBITDA as a % of Gross Sales

## Net income and Margins

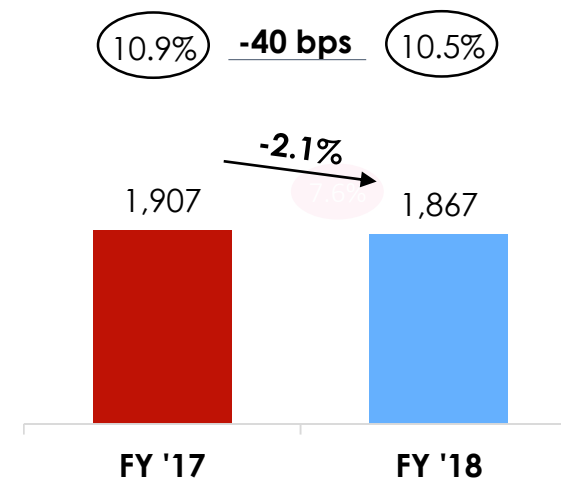
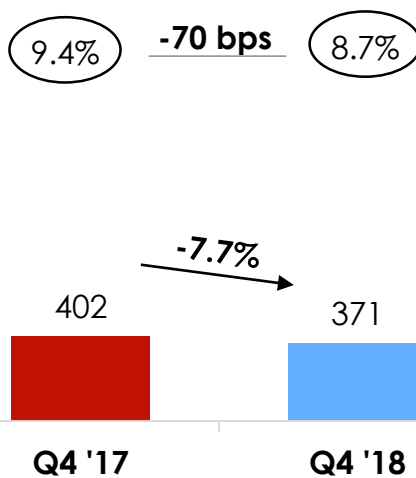
IDR Bn



### After impairment



### Before impairment



○ Net Income as a % of Gross Sales

**INVENTORY DAYS, CASH POSITION AND OUTSTANDING BANK LOAN BALANCE**

<b>(in IDR Bn)</b>	<b>End Sep 2018</b>	<b>End Dec 2018</b>
LTM Ave. Inventory Days	124 days	133 days
Cash on Hand	Rp 799 bn	Rp 1,184 bn
Outstanding Bank Loan Balance	Rp 0	Rp 0

**CAPEX AND REFURBISHMENTS**

<b>(in IDR Bn)</b>	<b>FY 2017</b>	<b>FY 2018</b>
Capex	Rp 323 Bn	Rp 417 Bn + 299 Bn = Rp716 Bn
Refurbishments	16	13

- Share buy back
  - No of shares bought : 67 million ; Percentage of shares bought back: 2.3%
  - Average share price : Rp4,825.52; Amount of funds used : Rp324 bn
- Dividend Policy
  - Board is recommending changing the dividend policy to 50% of Net Income
  - The 50% would be applied to 2018 Net Income, before the non-cash provision made for GEI investment
  - The additional funds from the lower payout ratio will be used to support the Company's growth strategies as they see increasing growth opportunities for the Company, as it develops its assortments, to expand both its large format stores, as well as smaller formats and specialty stores
  - The Board continues to believe the current share price does not reflect the true value of the Company and intends to continue to buy back shares in the Company in line with its prior announcement

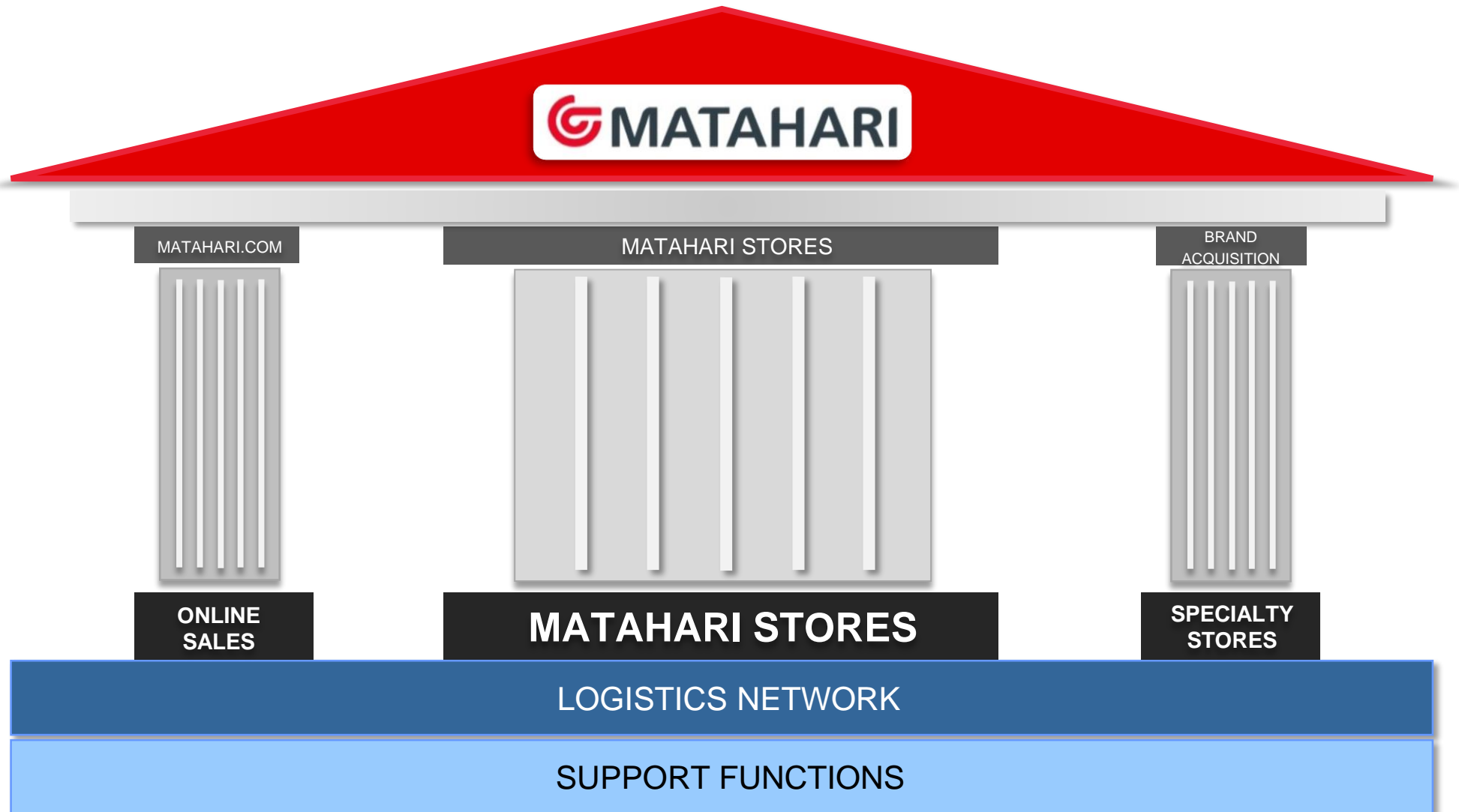


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# **STRATEGY AND OPERATIONAL UPDATES**



## 3 pillars for growth, underpinned by a strong logistics network



# STORE PIPELINE

## Q4 2018

- Opened 2 large format stores

- Opened 3 specialty stores

## FY 2019

- Forecasting 4-6 new stores

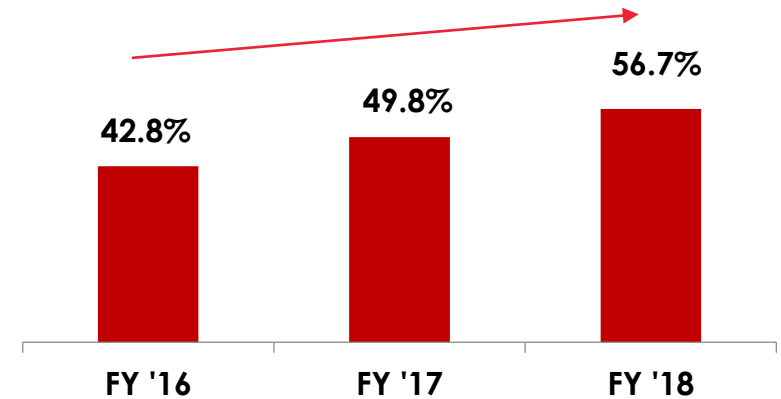
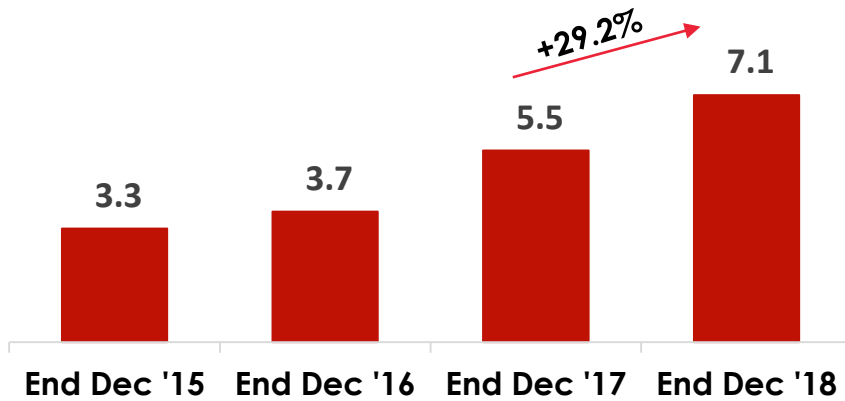
- Anticipating Will close 2-3 stores

	No. of stores	Retail Area (Sqm)
As of Dec 2017	155	980,031
Closures	-3	-10,334
Net minor expansions/downsizing		-239
New opening (4 large format + 3 specialty)	7	22,647
<b>As of Dec 2018</b>	<b>159</b>	<b>992,105</b>
2019 opening (large format)	5	26,000
2019 closures	-2	-11,847
<b>As of Dec 2019</b>	<b>162</b>	<b>1,006,258</b>

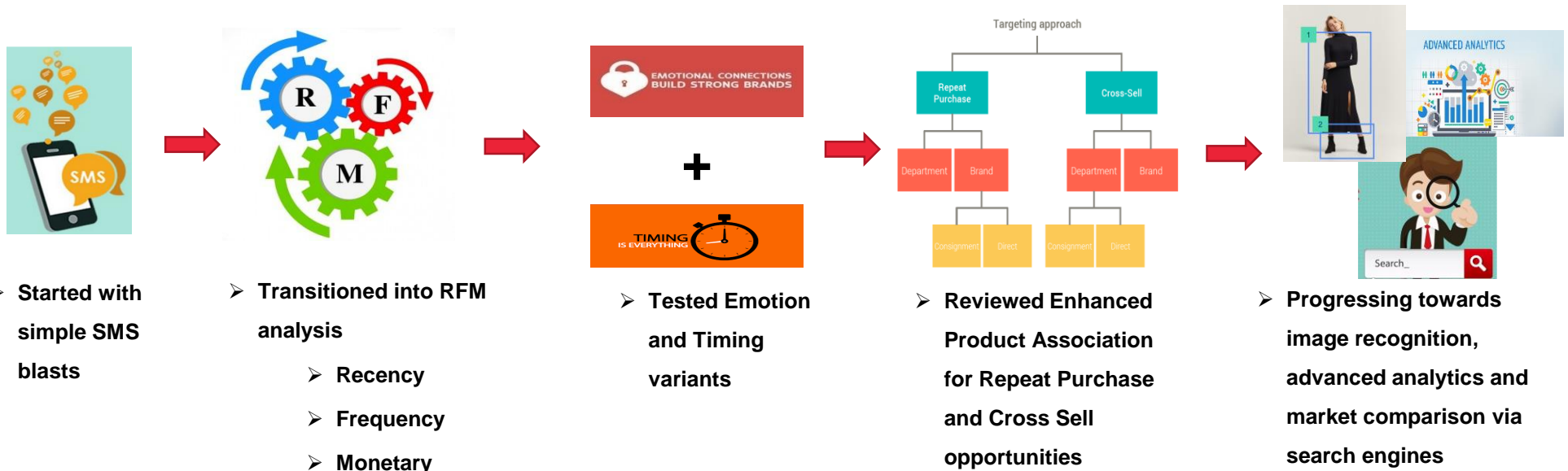
No	Geographic area	Actual		Forecast	
		FY2018	FY 2019	Future Pipeline 2020 and onwards	
		# of stores	# of stores	# of stores	% mix
1	Jabodetabek (Greater Jakarta)	41	0	7	16.7%
2	Java (Exc Greater Jakarta)	54	2-3	17	40.5%
3	Outside Java	64	2-3	18	42.9%
	<b>Total</b>	<b>155</b>	<b>4-6</b>	<b>42</b>	<b>100.0%</b>

## No. of active members (in millions of people)

## Growing member sales contribution

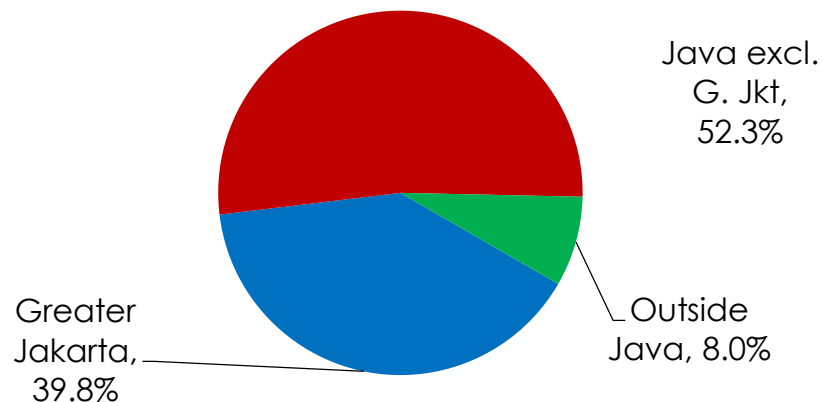


## Big data roadmap

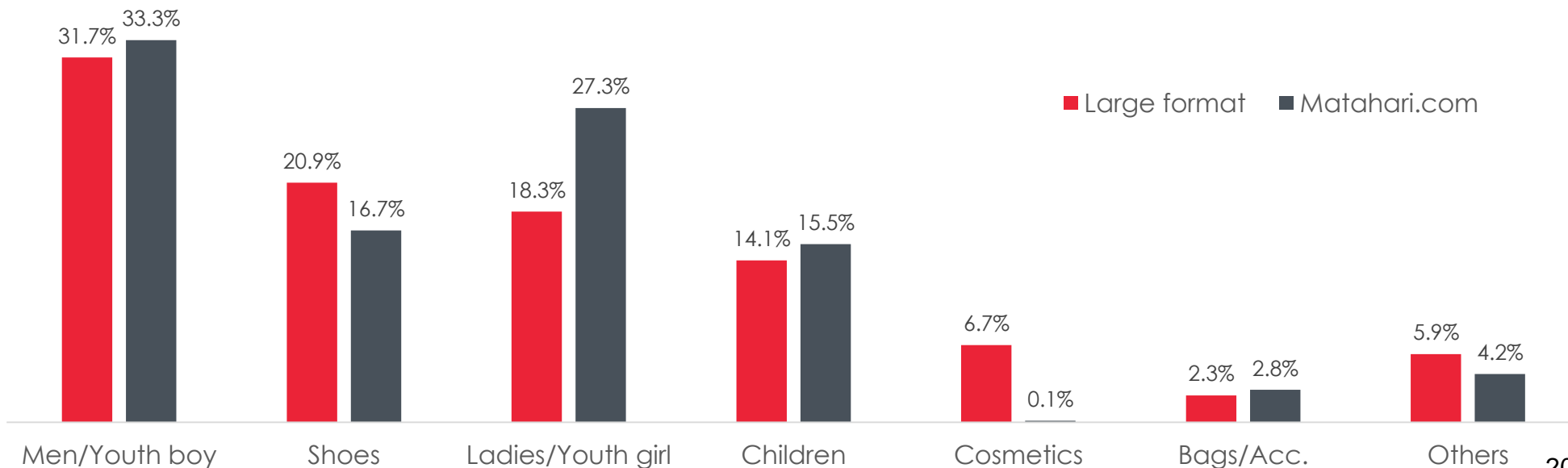


Sales by region (FY '18)

MATAHARI.COM	
FY '18	
Sales	+80.8%
No. of transactions	+31.7%



Sales by category (FY '18)



- Same store sales growth was 3.5% in 2018, improving from -1.2% in 2017
- Gross margin was in line with last year
- Development of existing and new brands, both local and foreign will provide a solid base for future growth, supplemented by a growing specialty store network
- Omni-channel will be an important focus for the business as we move forward, leveraging on our national network of stores
- The higher cash retention will be utilized to invest in growth, redesign the current store format to be more lifestyle oriented, as well as developing smaller format Matahari stores and specialty stores that can take advantage of evolving Regional Mall formats
- An enhanced logistics infrastructure will provide a strong foundation to support the future growth of a growing store network and Omni- channel operations

**Feel  
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**Thank you!**  
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