



PT. Matahari Putra Prima Tbk

PRESS RELEASE

For Immediate Release

MPPA CONTINUES TO IMPROVE ITS PROFITABILITY IN 1Q 2019

Jakarta, Tuesday, April 30, 2019

PT Matahari Putra Prima Tbk (“Company/MPPA”) announced today its financial results for the first quarter 2019, reflecting a continuation of profitability recovery as a result of the Company’s transformation plan.

MPPA recorded net sales of IDR 2.0 trillion in Q1 2019. The lower net sales compared to last year was expected and mainly due to lower contribution from B2B business as the Company focusing on redirecting its resources toward growing the retail business.

On the gross margin, the Company continues to demonstrate a good progress in recovering its profitability. Gross profit margin increased by 664bps y.o.y to 18.0% in 1Q 2019, which translates into the highest GPM achieved over the last two years. This was made by possible by the solid implementation of our new pricing strategy as well as inventory management control executed since last year. This has led to an increase in gross profit by 8.4% y.o.y from IDR330.5bn in 1Q 2018 to IDR358.1bn in 1Q 2019.

Cost structure continues to show improvements year on year. Selling expenses was registered at IDR 99.5bn in 1Q 2019 - lower by 13.5% y.o.y, while G&A expenses was at IDR 369.8bn in 1Q 2019 – lower by 11.3% y.o.y. This, in turn, has reduced our operating loss by more than half compared to the same quarter last year. We remain committed to further review and implement operational efficiency measures to improve profitability moving forward.

Entering this coming festive season of Ramadhan which is one of the main events in our business, the Company is well prepared with strong availability of festive products across all stores combined with compelling marketing programs. We believe that this will give a good momentum for the Company to acquire new customers and boost retail sales.

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