



PT. Matahari Putra Prima Tbk

PRESS RELEASE

For Immediate Release

PATH TO PROFITABILITY ON-TRACK WITH EBITDA TURNING POSITIVE IN 3Q 2018

Jakarta, Wednesday, October 31, 2018

PT Matahari Putra Prima Tbk (“Company/MPPA”) announced today its financial results for 9M 2018 which reflects an important milestone of Company in the journey to transform its business. In 3Q 2018, MPPA managed to get back to positive EBITDA and registered a IDR 15 billion EBITDA for the quarter. This was a result of continuous effort of the Company, together with all of its associates, to be front-line focused and be obsessed to serve our retail customers.

The Company continue to see growth in transaction volume which increased by 2.8% y.o.y in 3Q 2018, which means more customers are coming and shopping in its stores. Net sales, however, was lower than last year at IDR 8.28 trillion in 9M 2018 and IDR 2.41 trillion in 3Q 2018 as the Company continue to reducing its low-margin B2B business and redirecting its resources toward growing its retail business by serving its retail customers.

The above strategy has yielded on a substantial improvement in gross profit margin. In 3Q 2018, MPPA delivered a gross profit margin of 16.7% higher by 440bps than last year. The pricing policy introduced last year continue to be refined to ensure our prices remain competitive while the Company maintains a healthy margin.

Cost remains under control with IDR 1.22 trillion of general and administrative costs incurred in the 9M 2018, came down by 22.5% compared to last year, implying a total savings of well over IDR 350 billion. These savings were predominantly driven by operational efficiency put in place since last year. The management remains committed to further review and implement operational efficiency measures to improve profitability moving forward.

In September 2018, Indonesia was hit by an earthquake and a tsunami. Two cities in Central Sulawesi, namely Palu and Donggala are ones that were affected severely. One of MPPA’s stores at Palu was also affected by the tsunami. The Company had taken a swift action to help the community affected by this unfortunate event by sending relief and aid from its Hypermart stores in Makassar and Mamuju directly to the affected area. Furthermore, in support of the Government and to speed up the recovery of the economy in Palu, MPPA managed to partially reopen its Hypermart store in Palu to serve its customers. This was done in less than 3 weeks after the earthquake occurred.

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PT. Matahari Putra Prima Tbk

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