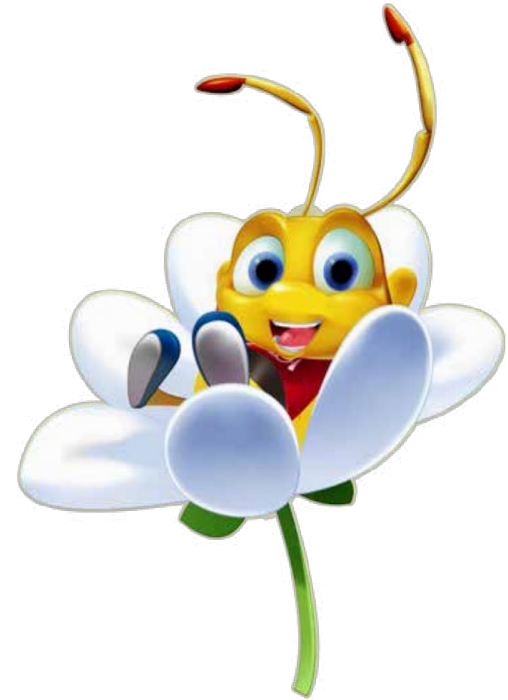




# Management Presentation

PT Sumber Alfaria Trijaya Tbk

Full Year 2016



- **Business Summary**
  - **Retail Industry Overview**
  - **Company Overview**
  - **Financial Highlights**
  - **CSR Program**
  - **Accolades**
-



# Business Summary

1. Total Indonesian grocery sales grew by 7.7% YoY, with Modern Trade Channel growth of 8.6%, whilst Minimarket Trade Channel sales grew by 13.7% compared to 11.6% in 2015.
2. At the same time Alfamart market share to Indonesia Mini Market slightly decreased from 30.7% to 30.4%, whilst Alfamidi grew from 4.7% to 5.0% and consolidated market share 35.4%
3. The increase of net profit for full year 2016 derived from;
  - Increase of Gross Margin
  - Increase of fee based income
  - Efficiency program
  - Lowered interest expense
4. Net addition of stores; Alfamart 1.251 stores, Alfamidi 202 stores, Dan+Dan 34 stores.
5. Opened 2 warehouses in Serang (Banten) and Cianjur (West Java) to add capacities in existing market. We also opened 1 mini warehouse/depot in Gorontalo (North Sulawesi) for new market.
6. Increased member to more than 8.4 mio (51% active members/loyal customers).

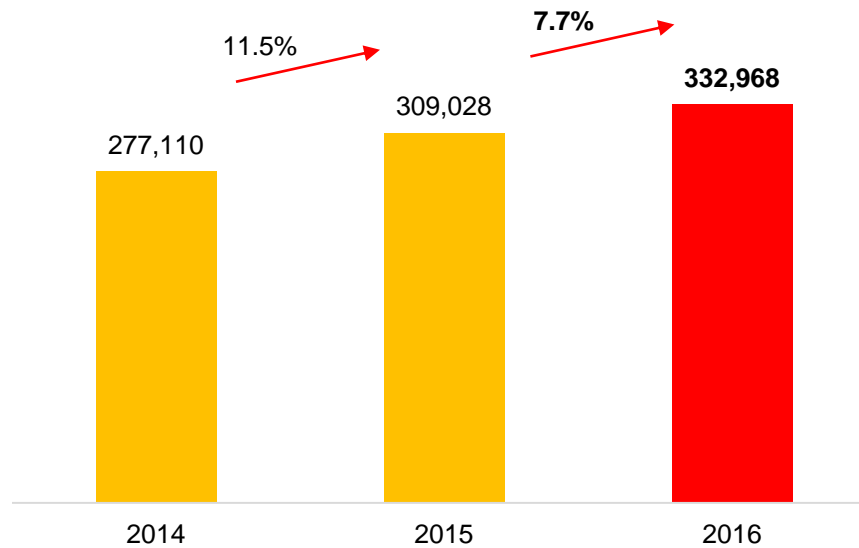


# Retail Industry Overview

## Total Indonesia Grocery

FY 2016 Indonesia grocery grew by 7.7%, down from 11.5% in 2015

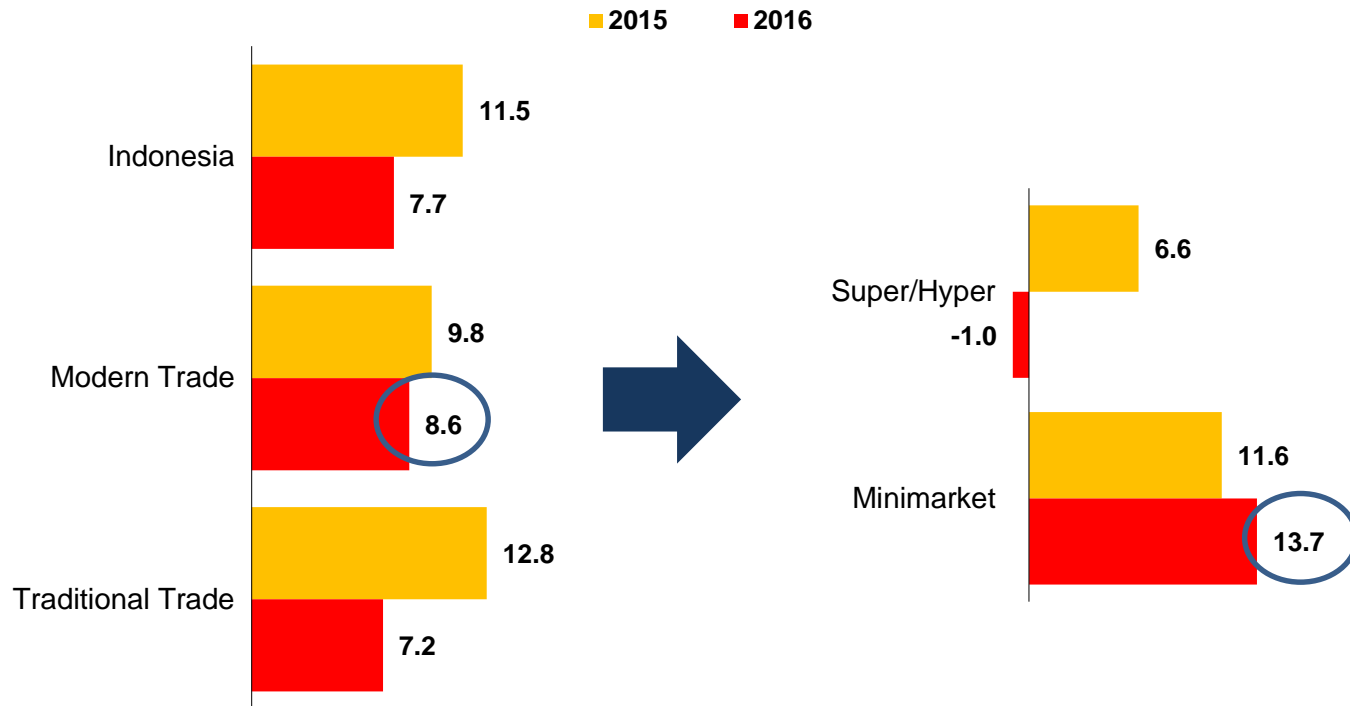
**Indonesia Grocery | Total 55 FMCG Categories | FY 2014 FY 2015 FY 2016**  
**(in Rp bilion)**



## TRADE CHANNEL GROWTH

Modern Trade grew by 8.6%, down from 9.8%, whilst Minimarket recorded growth of 13.7%.

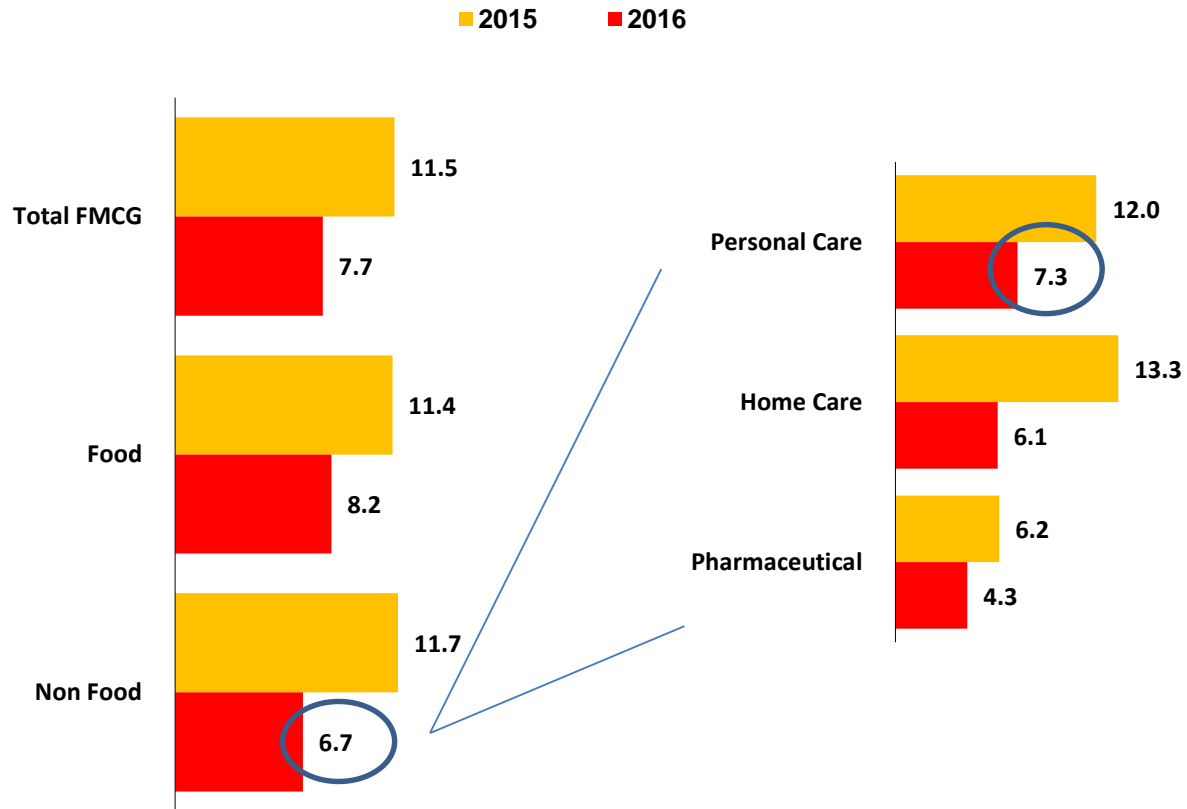
**Indonesia Modern Trade\* | Total 55 FMCG Categories | FY 2016 Vs FY 2015**



## GROWTH BY DEPARTMENT

Of 55 categories, food grew higher than non food categories (8.2% Vs 6.7%)

**Indonesia Modern Trade | Total 55 FMCG Categories | FY 2016 vs FY 2015**

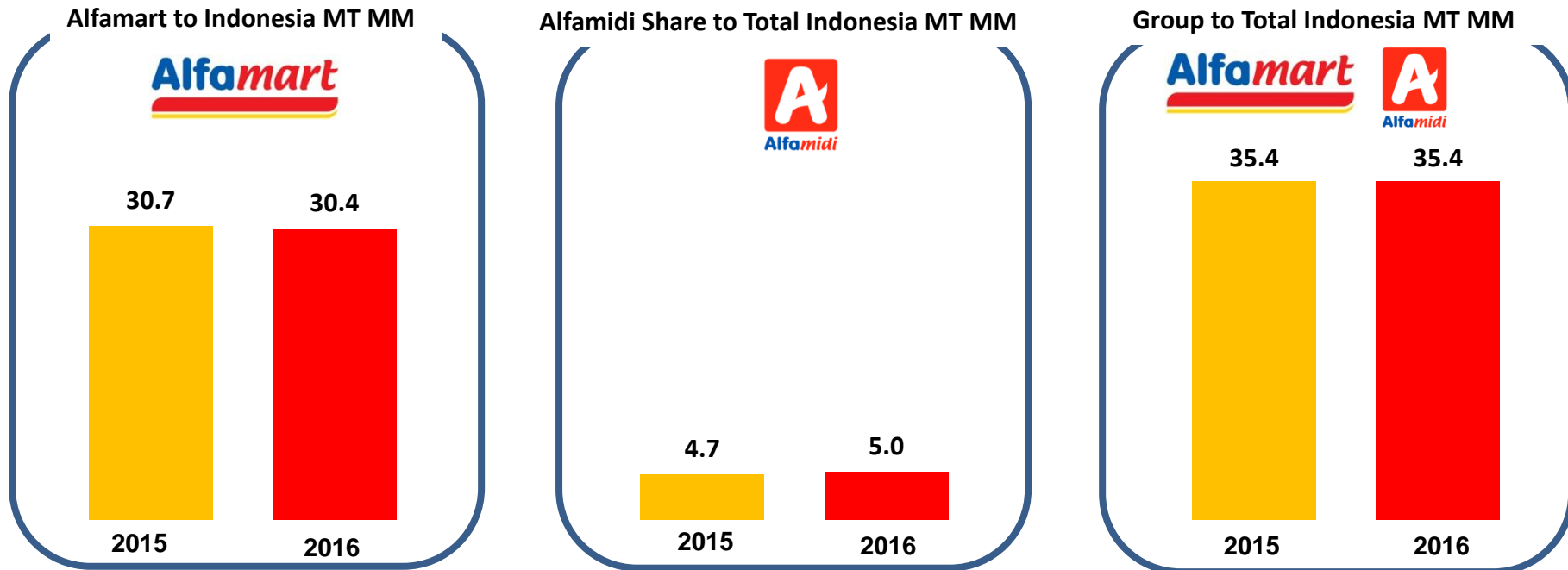


Source: Nielsen Retail Audit

## ALFAMART & ALFAMIDI MARKET SHARE

Alfamart market share to total Indonesia Modern Trade Minimarket marginally decreased from 30.7% to 30.4%. Alfamidi market share grew from 4.7% to 5.0%. Group market share remained at 35.4% in 2016

### Alfamart & MIDI vs MT MM | Total 55 FMCG Categories

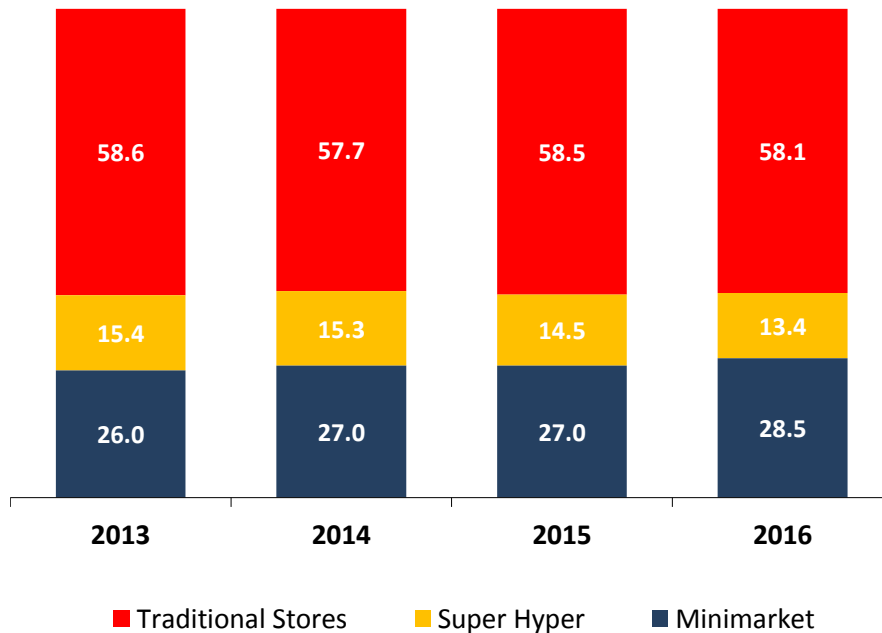


## TRADE CHANNEL CONTRIBUTION

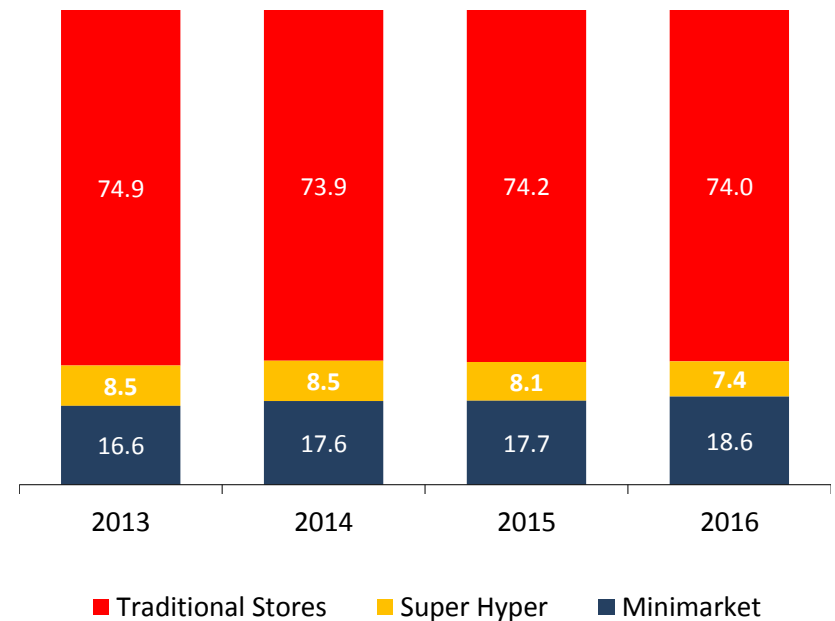
Excluding cigarette, Minimarket's contribution to Indonesia Total Grocery increased from 27.0% to 28.5%, whilst Super/Hyper format decreased from 14.5% to 13.4%.

Including cigarette, Minimarket's contribution to Indonesia Total Grocery increased from 17.7% to 18.6%, whilst Super/Hyper format decreased from 8.1% to 7.4%.

**Indonesia Total Grocery | Total 55 FMCG Categories | FY 2016**



**Indonesia Total Grocery | Total 55 FMCG Categories + Cigarette | FY 2016**



Source: Nielsen Retail Audit

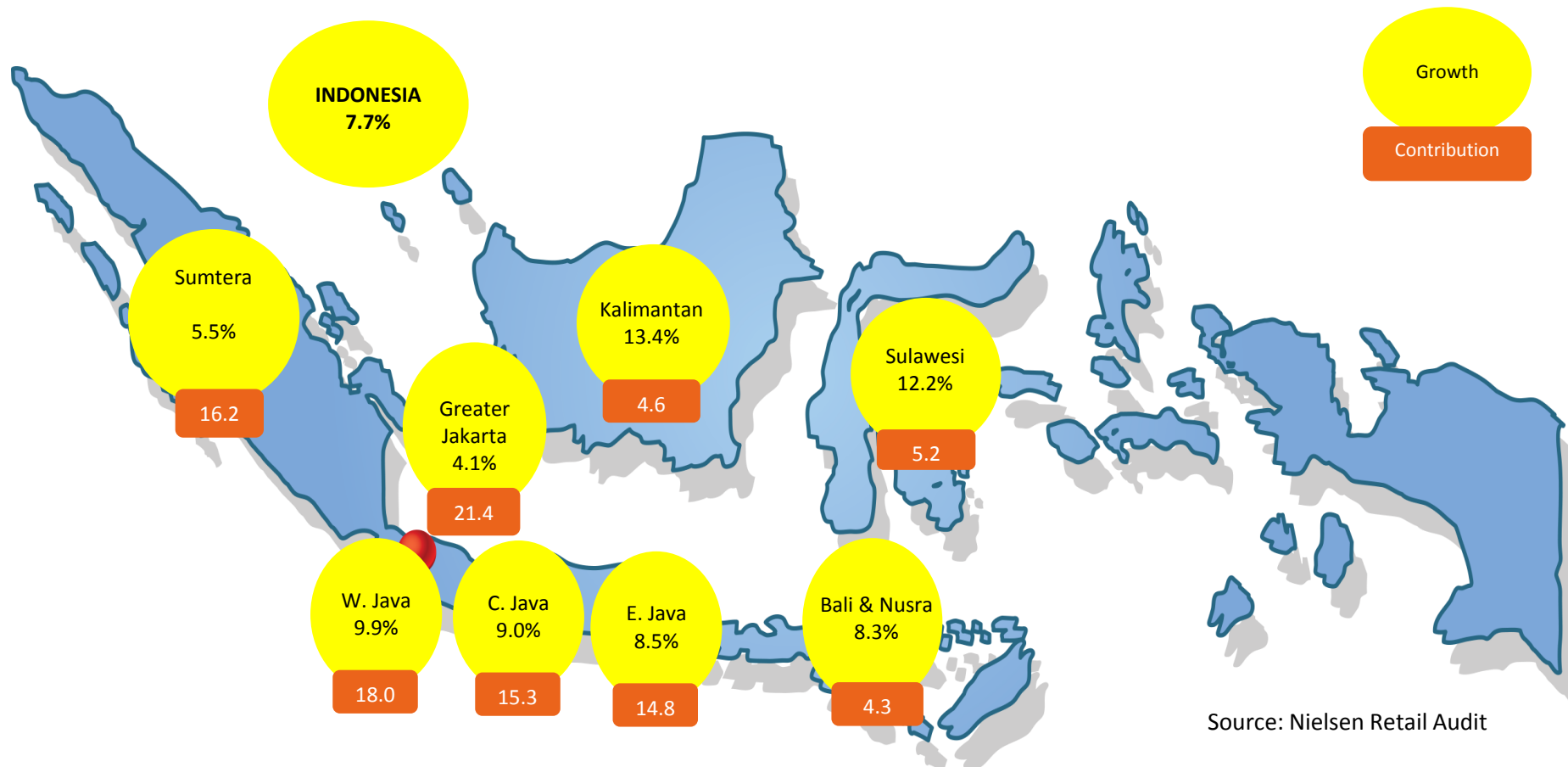
## INDUSTRY LANDSCAPE AS OF DECEMBER 2016

	Store Number	
	Jan 2016	Dec 2016
Alfamart	11,202	12,336
Alfa Midi	1,025	1,230
Lawson	38	35
Dan Dan	79	114
Circle K	450	422
Indomaret	12,178	13,970
Foodmart	68	70
Lottmart Super	2	2
Ramayana	101	101
Ranch Market	13	14
Farmers Market	15	17
Super Indo	128	141
Giant Ekspres	120	114
Hero	34	32
Hypermart	112	116
Lottmart Hypermarket	14	16
Giant Ekstra	53	55
Guardian	318	246
Boston	108	109
Watsons	46	60

## REGIONAL GROWTH AND CONTRIBUTION

Java still recorded the highest contribution of Indonesia Total Grocery (63.2%), whilst Kalimantan recorded the highest growth of 13.4%.

### Indonesia Total Grocery | Nielsen FMCG Categories | % Value Growth by Region | FY 2016





# Company Overview

## EFFICIENCY PROGRAMS

Initiatives which relates to efficiency program includes;





1. Improvement of business process across all departments.
2. Increased utilization of delivery truck.
3. Installation of light and temperature sensor in stores.
4. Optimizing web based application to reduce cost.
5. Optimizing digital channel for marketing promotion programs

These initiatives generated cost saving of more than Rp100 bio in 2016

## ALFAMART GROUP AT A GLANCE

**We are one of the leading minimarket chain operators in Indonesia**

- ☐ More than 13,700 stores scattered in Indonesia
- ☐ 112,000+ employees \*
- ☐ 40 warehouses
- ☐ 500+ active Suppliers
- ☐ 8 million + members

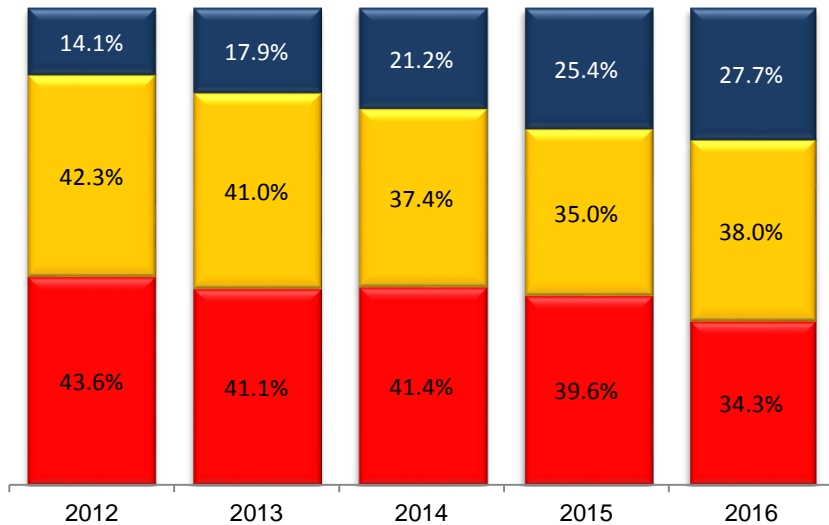
Store Concept	No .of Stores	Description
	<b>12,336</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Selling space 90-100 m2</li> <li><input type="checkbox"/> Small format with 4,000 SKUs</li> <li><input type="checkbox"/> 73% owned stores, 27% franchised</li> <li><input type="checkbox"/> Mostly located in residential area</li> </ul>
	<b>1,230</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Selling space 250–300 m2</li> <li><input type="checkbox"/> Larger format with &gt;7,000 SKUs</li> <li><input type="checkbox"/> Selling fresh products in addition to groceries</li> <li><input type="checkbox"/> Mostly located in residential area</li> </ul>
	<b>35</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Selling space 44 – 184 m2</li> <li><input type="checkbox"/> 2,500 SKUs</li> <li><input type="checkbox"/> Mostly located in commercial area</li> </ul>
	<b>114</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Selling space 100 m2</li> <li><input type="checkbox"/> 5,000 SKUs</li> <li><input type="checkbox"/> Targeting middle and middle lower consumers for health and beauty related products</li> <li><input type="checkbox"/> Mostly located in residential / commercial area</li> </ul>

\* Includes employees of Franchise stores

## STORE GROWTH

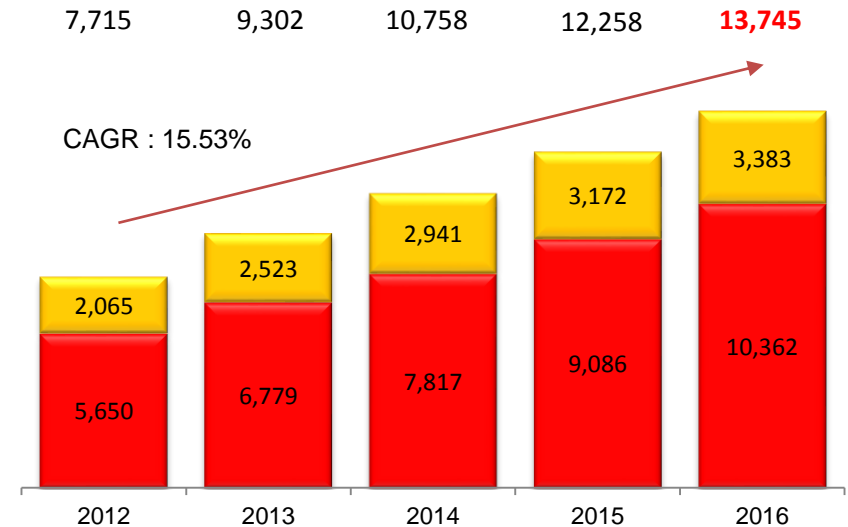
There has been shift of new store opening / store presence from Greater Jakarta to Outside of Greater Jakarta and Outer Island during the last 5 years.

### Geographic Breakdown



■ Outside Java ■ Java(Outside Greater Jakarta) ■ Greater Jakarta

### Company Owned & Franchise Stores



■ Company Owned Store ■ Franchise Store

Above are consolidated total number of Alfamart, Alfamidi, Lawson and Dan+Dan stores.

**Java (24 warehouses)**

 Cileungsi	 Semarang
 Jababeka 1 & 2 <sup>a)</sup>	 Klaten
 Cikokol	 Malang
 Balaraja	 Sidoarjo
 Bogor	 Jember
 Bandung 1 & 2	 Karawang
 Plumbon	 Rembang
 Cilacap	 Parung
 Surabaya <sup>a)</sup>	 Bitung 1 <sup>a)</sup> & 2 <sup>b)</sup>
 Serang	 Yogyakarta <sup>a)</sup>
 Cianjur	

**Outside Java (16 warehouses)**

 Medan 1 & 2 <sup>a)</sup>	 Makassar 1 & 2 <sup>a)</sup>
 Pekanbaru	 Jambi
 Palembang	 Pontianak
 Lampung	 Banjarmasin
 Denpasar	 Lombok
 Kotabumi	 Batam
 Samarinda <sup>a)</sup>	 Manado 1 & 2 <sup>a)</sup>

Notes:

a) Alfamidi

b) Dan+Dan

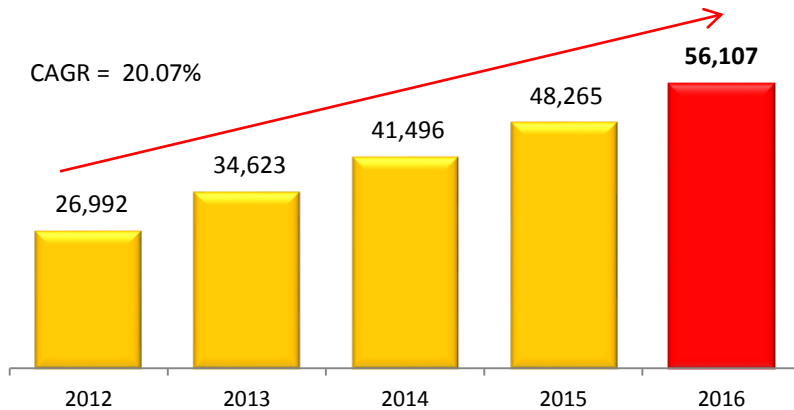
As of December 31, 2016, we managed 40 warehouses scattered throughout Indonesia (32 warehouses for Alfamart, 8 for Alfamidi and 1 for Dan+Dan).



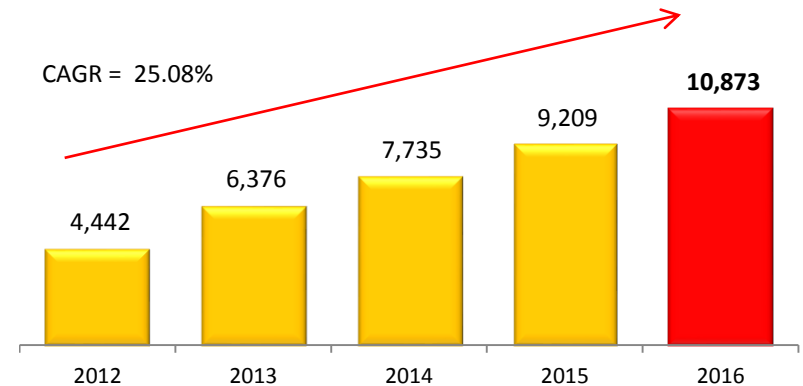
# Financial Highlights

# Income Statement Summary-Consolidated(Rp Billion) as of December 31, 2016 - Audited

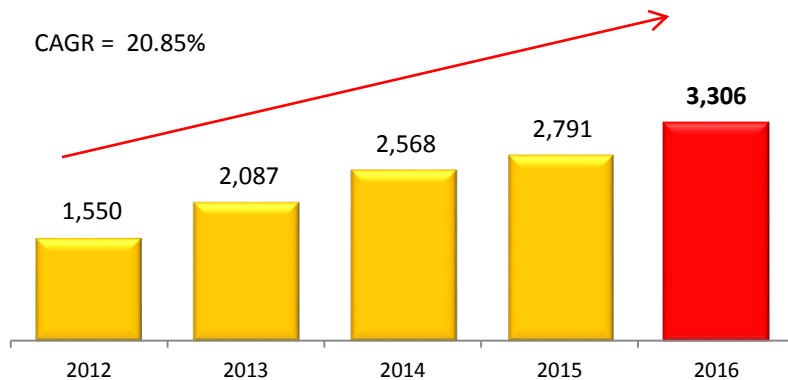
Revenue



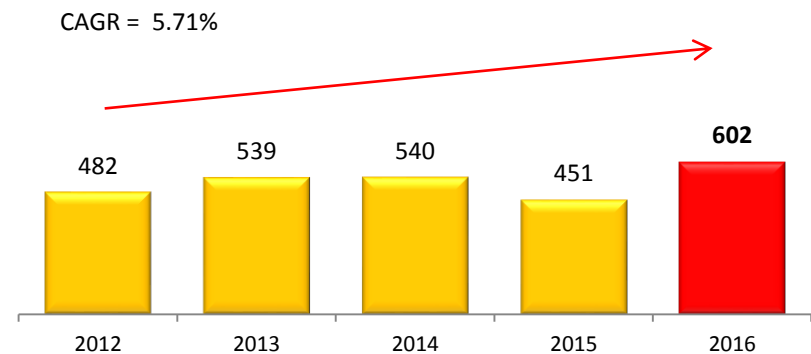
Gross Profit



EBITDA



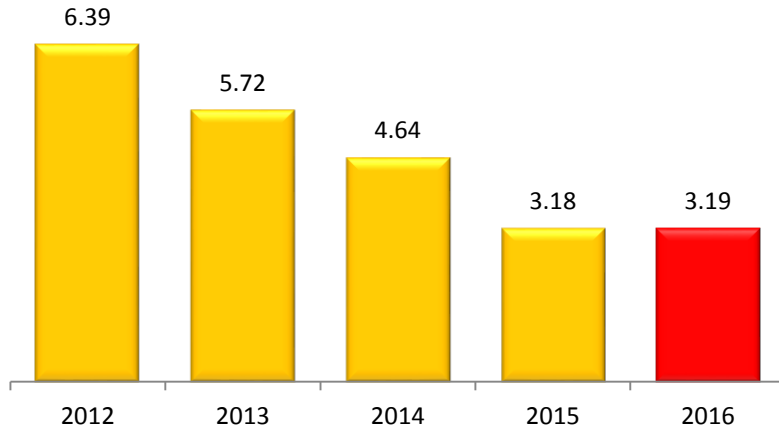
Net Profit Atributable to Parent Company



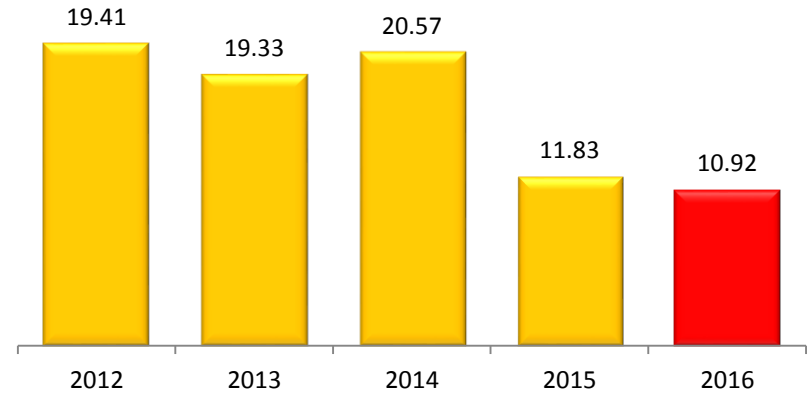
Subsidiaries Include: PT Midi Utama Indonesia Tbk. PT Sumber Indah Lestari, Alfamart Retail Asia Pte.Ltd (ARA), PT Sumber Trijaya Lestari

## Financial (Return & Leverage)

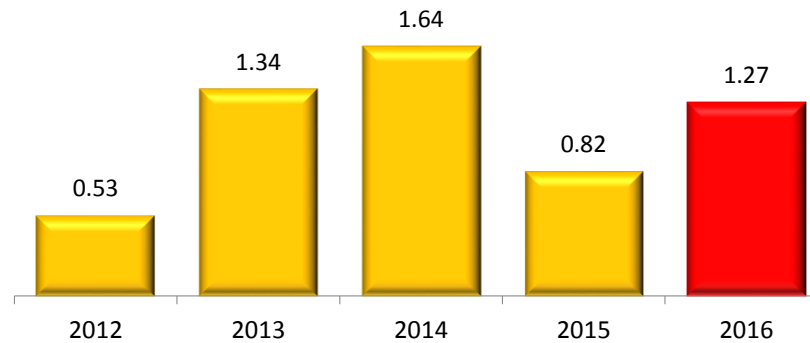
ROAA (%)



ROAE (%)



DER ( Gross Debt to Equity )\*



\* Net Gearing (Consolidated) : as of Dec 31, 2015 0.66x  
as of Dec 31, 2016 1.09x



# CSR Program

## Corporate Social Responsibility

Continuing the Company's CSR program among others:

- Alfamart Classs program in some vocational school in several cities
- Retail management training and “Bedah Warung” for small SME’s in several cities
- City tour bus donation for Jakarta region government and garbage truck for Lebak region government
- Many other programs





Accolades

Some notable awards in 2016;

1. Top Brand Award 2016 for Minimarket Category
  2. Indonesia Best Brand Award 2016 for Minimarket Category
  3. Digital Marketing Award 2016 for Minimarket Category
  4. Social Media Award 2016 for Minimarket Category
  5. Indonesia Original Brand Award 2016 for Minimarket Category
  6. Brand Asia for The Most Powerful Brand Asia
  7. Franchise Indonesia for Global Franchise Category
  8. First 3D Virtual Store in Indonesia from Museum Rekor Indonesia
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