



## PRESS RELEASE

# MULTIPOLAR REPORTS IDR 15 TRILLION IN CONSOLIDATED NET SALES, RECORDS HIGHEST GROSS PROFIT MARGIN IN LAST 3 YEARS

(29 March 2019) **PT Multipolar Tbk** (IDX: MLPL) today reported its 2018 audited consolidated financial statements, with IDR 15 trillion total net sales and 18.8% gross profit margin, its highest gross profit margin in the last 3 years. The Company's TMT (Telecommunications, Multimedia & Technology) segment achieves a healthy topline growth of 13.1% compared to 10.4% growth in the previous year while retail, its main business segment, still shows continuing weakness from the previous year. In 2018, the Company successfully completed an IDR 503 billion rights issue to reinforce the company's financial structure and its business units.

The Company's retail segment's performance reflects subdued private consumption in Southeast Asia's biggest economy where the middle-class segment constitutes the bulk of the consumption base. Retail sales only records a 3.7% growth which, although slightly up from 2.9% in the previous year, remains relatively low compared to the average double-digit performance rate recorded in the past decade. The weakness is attributable to currency volatility, higher commodity prices and a shift in consumer spending priorities from goods to leisure and experience.

Despite the weak retail environment, **Matahari Putra Prima** (IDX: MPPA) successfully delivers 8 new multiformat outlets in 2018 to end the year with 219 outlets in 71 cities across the country, booking IDR 10.7 trillion in net sales coming mainly from Hypermart, its hypermarket format. Its biggest achievement is in boosting its gross profit margin by 586 bps to 13.9% from 8.0% in the previous year, by moving away from low-margin B2B business and implementing a new pricing policy. It also successfully raised IDR 807 billion of new capital to strengthen its financial position and prepare it for growth.

**Matahari Department Store** (IDX: LPPF), despite facing rising competition from other retailers both offline and online, manages to add 4 new large-format stores and 3 new specialty stores and grow its gross sales by 2.1% to IDR 17.9 trillion by keeping a firm focus on providing affordable quality fashion to its target middle income segment and offering additional exclusive brands both at its stores and online through MATAHARI.COM.

In the TMT segment, **Multipolar Technology** (IDX: MLPT) is the main driver of growth with 13.8% revenue growth, utilizing its broad experience and high credibility in systems integration and IT services.

In other businesses and investments segment, **Multifiling Mitra Indonesia** (IDX: MFMI) continues to grow steadily with 9.8% increase in revenue to IDR 121.8 billion through records management, valuable documents management, facility management and computer data services. MLPL's property management businesses, namely **Nadya Putra Investama** and **Matahari Pacific**, focuses on organic growth by maintaining high occupancy rates which in 2018 averages at above 95%.

*Multipolar, a Lippo Group company, is a diversified holding company focused on the retail and TMT (Technology, Multimedia and Telecommunications) segments. In retail, it owns 50.2% of Matahari Putra Prima (MPPA) and 17.5% of Matahari Department Store, one of the leading hypermarket chains and the largest department store in Indonesia, respectively, as well as other retail ventures. In TMT, Multipolar owns 87% of Multipolar Technology, a premier IT systems integrator, outsourcing and services provider, 33.8% of First Media, the country's largest fiber-optic internet broadband and cable TV network and operator, as well as other interests in the TMT sector.*

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