

Paparan Publik Tahunan 2019

2019 Annual Public Expose



PT HERO SUPERMARKET TBK

GRAHA HERO, TOWNHALL LT. 5 | JUMAT/FRIDAY, 29 NOVEMBER 2019

DISCLAIMER

This presentation contains financial conditions, operational results, projections, plans, strategies, policies, as well as the Company's objectives, which are classified as forward statements in the implementation of the applicable laws, excluding historical matters. Such forward-looking statements are subject to known and unknown risks (prospective), uncertainties, and other factors that may cause actual results to differ materially from expected results.

Prospective statements in this presentation are prepared based on several assumptions concerning current and future circumstances of the Company, and the business environment where the Company operates. The Company has no obligation to guarantee that all the valid documents presented will bring specific results as expected.





BUSINESS OVERVIEW

OUR BRANDS

Four great business serving the needs of every day Indonesians, transforming for a fitter future



HIGHLIGHTS AS OF Q3-2019



Fully focused on our
multi-year
transformation plan



Space
optimization
in Food business



Strong
double-digit
sales growth in
Guardian and IKEA



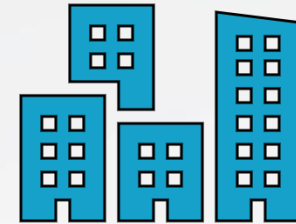
MAIN CHALLENGES



Rapid changes in
**customer
behavior**



**Highly
competitive**
retail industry



Fragmented
infrastructure
presents **supply
chain challenges**



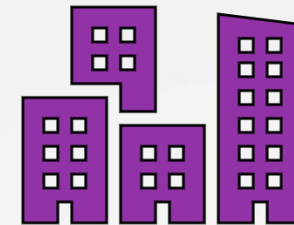
TRANSFORMING TO MEET CHALLENGES



Reshaping and revitalizing our customer offer



Give greater emphasis on **fresh food** and **range optimization**



Continue to **invest** and grow capabilities and improved supply chain





BUSINESS UNITS UPDATE

IKEA Sentul City

Building another
Strength

**NOW
OPEN!**



IKEA CAKUNG & BANDUNG

Good progress for IKEA
Cakung and Bandung
constructions, planned to
open at the end of 2020



IKEA Jakarta Garden City, Cakung



IKEA Kota Baru Parahyangan, Bandung



IKEA E-commerce

- Strong growth
- Enhance customers experiences



LAUNCHED 2020 IKEA CATALOG

“New Catalog, New Inspirations”

- Offers various home furnishings inspirations
- Offers hundreds products with new lower prices
- Introduced new multifunctional furniture collections





Guardian Health & Beauty

- Strategic Expansion across major cities in Indonesia
- Modern Design for New Stores, and upgrades to Existing Stores
- Drive Healthy Beauty Range, Exclusives & Halal focus





Guardian Health & Beauty

Continues to refine its offer with a Healthy Beauty range of products for Indonesian consumers. New store formats are being trialed, with encouraging early results



GIANT

GIANT TAMPIL BEDA
“A new look, brings a new energy to Indonesia customers”
Launched pilot propositions by redefining space and trialing a range of innovations, putting greater emphasis on fresh food, range optimisation and, where relevant, even repurposing the space altogether. While it remains early days on the store renewals, the initial customer response has been encouraging.



GIANT

HARGA TEMAN supports Indonesian families to save spending with new freshness, attractive and cheap prices offers



HERO SUPERMARKET

Grand Opening Hero Casa Domaine and Kamala Lagoon, a response to the positive evaluation of the implementation of new commercial concept



HERO SUPERMARKET

O'Fournil Bakery continues to improve branding and offering, experiencing Year To Date double-digit growth





FINANCIAL PERFORMANCE Q3-2019

Statement of Profit or Loss (in IDR Bio)

	9M19	9M18	Change %
Net Revenue	9,486	9,849	-3.7
Cost of Revenue	(6,815)	(7,105)	-4.1
Gross Profit	2,671	2,744	-2.7
Operating Expenses	(2,878)	(2,854)	0.8
Other Income & Expenses	206	204	0.7
Profit before income Tax	(1)	94	-101.4
Income tax (expense)/benefit	(5)	(8)	-33.3
Profit/(Loss) for the period	(7)	86	-107.8



Statement of Financial Position (in IDR Bio)

Assets	Sep 19	Dec 18	Liabilities and Equity	Sep 19	Dec 18
Cash and Cash Equivalent	150	499	LIABILITIES	2,035	2,330
Trade Debtors	228	295	Bank Borrowings and Overdraft	78	-
Other Debtors	96	56	Trade Creditors	986	1,236
Stocks	1,681	1,642	Other Creditors	277	281
Prepaid Taxes	441	388	Intercompany Accounts	16	16
Prepaid Expenses	360	355	Accrued Expenses	348	300
Property and Equipment	2,713	2,783	Employee Benefit Obligations	227	286
Deferred Tax Assets - net	143	142	Other Liabilities	102	212
Other Assets	152	112			
			EQUITY	3,929	3,941
			Share Capital	209	209
			Additional Paid in Capital	2,988	2,988
			Retained Earnings – Appropriated	42	42
			Retained Earnings – Un-appropriated	690	702
Total Assets	5,964	6,272	Total Liabilities and Equity	5,964	6,272



Statement of Cash Flow (in IDR Bio)

	Actual Sep 19	Actual Sep 18
Cash Flow From Operating Activities	(226)	(16)
Receipt from customer	9,534	9,791
Payment to Supplier	(7,092)	(7,308)
Others	(2,668)	(2,499)
Cash Flow From Investing activities	(201)	(194)
Net decreased on cash	(427)	(210)
Cash at the beginning year	499	226
Exchange rate effect	0	0
Cash at end of the year	72	16





CORPORATE SOCIAL RESPONSIBILITY



SME PRODUCT



SME CORNER



TERAS INDONESIA



LOCAL ECONOMY SUPPORT

We believe that supporting local economy will bring more benefit to the society.

ENVIRONMENTAL MANAGEMENT

HERO Group also always strives to contribute through planned activities related to environmental pollution prevention, waste treatment, as well as programmes for effective energy utilisation.



WASTE MANAGEMENT

Pemilahan Sampah

Kami sedang bekerja untuk satu tujuan besar: untuk mengurangi limbah sampah di tempat pembuangan sampah.

Anda juga dapat berpartisipasi dengan membuangnya di tempat sampah yang sesuai dengan jenis sampahnya.



Organik
Organic

Sayuran
Buah
Sisa makanan
Kantong teh
Kayu
Dedaunan

Vegetables
Fruit
Food waste
Tea bags
Wood
Leaves

Ke
Ka
Gel
Piri
Sed
Tisu

Hygiene
Cotton
Paper

Waste Sorting

We are working towards a big goal: to help food waste to benefit. You can participate by putting the waste in related.

HERO Group
www.hero.co.id



ENERGY SAVING



SOCIETY ENGAGEMENT

Our active contribution to society is always implemented through various social programs. We hope that HERO Group presence can bring positive impact to societies across Indonesia.





TRAINING



RETAIL LEADERS ACADEMY

PEOPLE DEVELOPMENT

We fully understand that people is an essential asset in performing business activities and maintaining position amidst the increasing competitive market.



EMPLOYEE VOLUNTARY



EMPLOYEE COMPETITION



2019 AWARDS

2019 Awards

The company's culture on sustainability and compliance result recognition from independent organizations



2019 Industrial Relations Awards "The Best Social Dialogue"

Given to companies that prove its commitment in strengthening employment relations with various stakeholders.

2019 IICD Awards "The Best Role of Stakeholders" & "The Top 50 Mid-Market Capitalisation Public Listed Companies 2019".

Given to companies that implement GCG practices based on the ASEAN Corporate Governance Scorecard.

The Most Valued Business (MVB) Awards

Given to companies that demonstrate the highest standards in 7 critical value areas: Sustainability, Best Possible Business Practices, Ethical Employment, Safety and Security, Customer Service and Respect, Environmental Friendliness, and Corporate Values.



PROSPECTS



We fully focused on our multi-year transformation plan and confident this will lead to **longer-term sustainable improvements**



We continue to **invest and grow** our capabilities



We remain firmly committed to be a **strong competitive retailer** in each of our retail sectors



**THANK
YOU**

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