



# Public Expose

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President Director

Jakarta, August 27<sup>th</sup> 2020



# MBA Today Overview

(End June 2020)

**566**  
RETAIL STORES

**7** PREMIUM  
F&B BRANDS

**6,329**  
EMPLOYEES

**33**  
CITIES

LISTED ON  
INDONESIA  
STOCK EXCHANGE

A MEMBER OF  
**MAP** GROUP  
STRATEGIC  
PARTNERSHIP WITH  
**GENERAL ATLANTIC**



STARBUCKS®



GENKI SUSHI



2019  
Financial  
Highlights



# Financial Highlights 2019



Growth vs LY

<b>Revenue</b>	<b>3.09 trillion</b>	<b>+ 20%</b>
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<b>EBIT</b>	<b>223.4 billion</b>	<b>+ 38%</b>
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<b>EBITDA</b>	<b>457.2 billion</b>	<b>+ 29%</b>
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<b>Net Profit</b>	<b>165.7 billion</b>	<b>+ 50%</b>
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# Growth Summary

SUMMARY	Unaudited 1H 2020	Audited FY 19	Audited FY 18*
• Sales growth	-33%	20%	23%
• EBITDA growth	-16%	29%	16%
• Operating income growth	-261%	38%	3%
• Net income growth	-299%	50%	21%
• Net income growth - normalized**	-259%	50%	-6%

\* as restated - to include acquisition of ownership interest in PT Sari Food Lestari (Paul) in Jan 2019

\*\* In 2020, Group has adopted PSAK 73, Leases. Normalized income is without the impact of PSAK 73

# Consolidated Income Statement

(in Million Rp)	1H 20	FY 19	FY 18*	GROWTH	
	(UA)	(A)	(A)	FY 19 (A)	FY 18* (A)
<b>SALES</b>	959,797	3,094,880	2,576,852	20.1%	22.6%
<b>EBITDA</b>	157,491	457,224	353,724	29.3%	15.5%
<b>% Sales</b>	16.4%	14.8%	13.7%		
<b>OPERATING INCOME (LOSS)</b>	(124,931)	223,478	162,251	37.7%	2.8%
<b>% Sales</b>	-13.0%	7.2%	6.3%		
<b>NET INCOME (LOSS)</b>	(114,753)	165,726	110,688	49.7%	20.5%
<b>% Sales</b>	-12.0%	5.4%	4.3%		
<b>NET INCOME (LOSS) - NORMALIZED **</b>	(92,107)	165,726	110,688	49.7%	-5.5%
<b>% Sales</b>	-9.6%	5.4%	4.3%		

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# Segmental Sales Contribution

	Unaudited	Audited	
	1H 20	FY 19	FY 18*
<b>BEVERAGES</b>	<b>64%</b>	<b>65%</b>	<b>66%</b>
<b>FOODS</b>	<b>26%</b>	<b>27%</b>	<b>28%</b>
<b>OTHERS</b>	<b>10%</b>	<b>8%</b>	<b>6%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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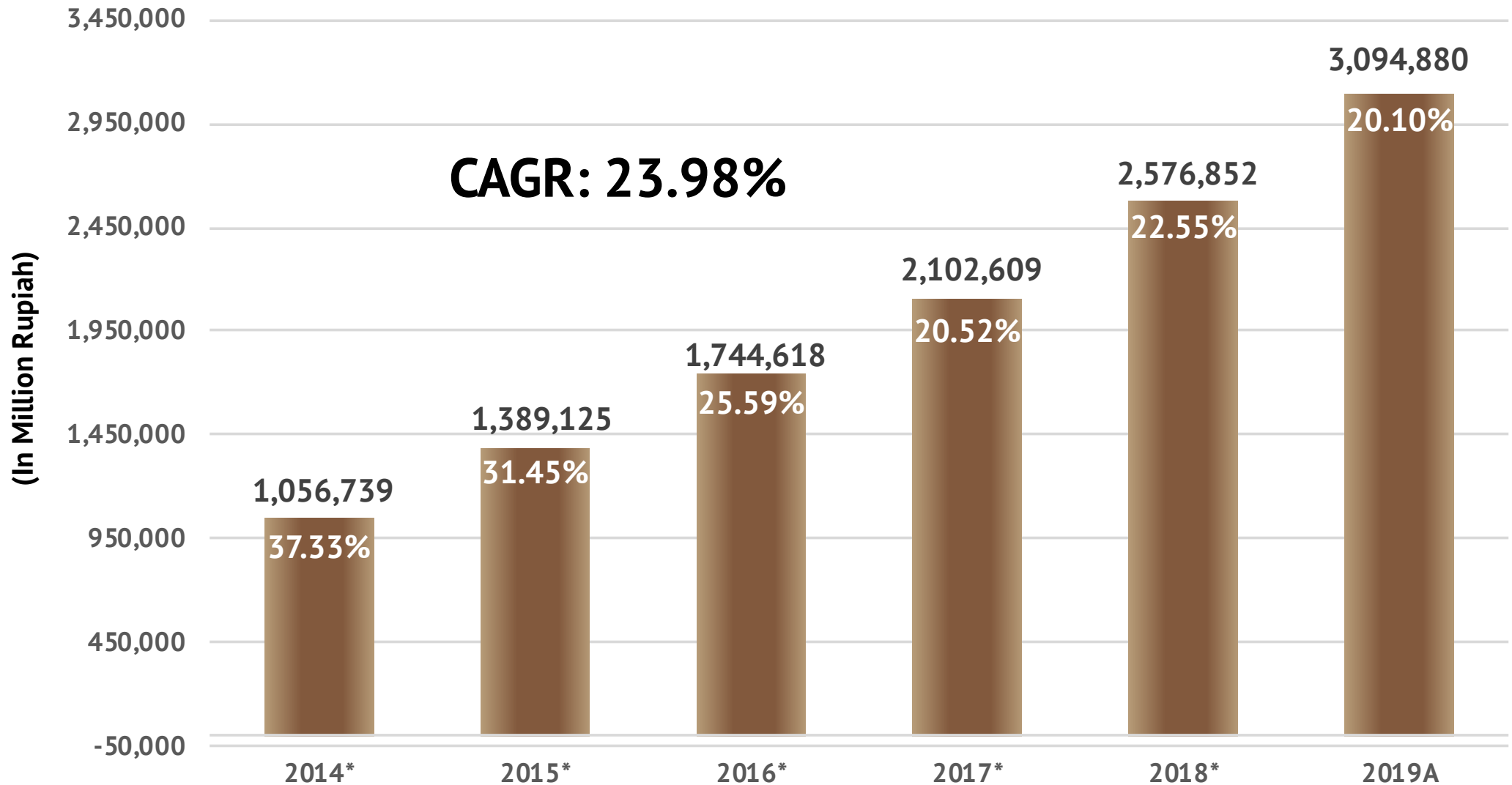
# Balance Sheet Consolidated

(in Million Rupiah)	Unaudited	Audited	
	1H 2020	FY 2019	FY 2018*
<b>ASSETS</b>			
CASH AND CASH EQUIVALENT	374,881	333,741	280,003
ACCOUNT RECEIVABLES	52,985	82,085	84,211
INVENTORIES	136,902	131,377	102,644
ADVANCES	1,615	3,936	3,511
PREPAID EXPENSES	21,674	198,705	163,975
PROPERTY AND EQUIPMENT - NET	1,121,359	1,117,723	929,460
RIGHT-OF-USE-ASSETS - NET	692,053	-	-
REFUNDABLE DEPOSIT AND OTHERS	254,343	199,720	177,180
<b>TOTAL ASSETS</b>	<b>2,655,812</b>	<b>2,067,287</b>	<b>1,740,984</b>
<b>LIABILITIES AND EQUITY</b>			
LIABILITIES FOR PURCHASE OF VEHICLES	1,766	1,809	1,748
LEASE LIABILITIES	560,551	-	-
ACCOUNT PAYABLES	654,540	409,092	335,208
ACCRUED EXPENSES AND TAX PAYABLE	180,809	247,778	190,725
EMPLOYEE BENEFITS OBLIGATIONS	88,469	79,816	56,493
OTHERS	97,083	93,097	75,446
<b>TOTAL LIABILITIES</b>	<b>1,583,218</b>	<b>831,592</b>	<b>659,620</b>
<b>MINORITY INTEREST</b>	<b>8</b>	<b>8</b>	<b>7</b>
<b>EQUITY</b>	<b>1,072,586</b>	<b>1,235,687</b>	<b>1,081,357</b>

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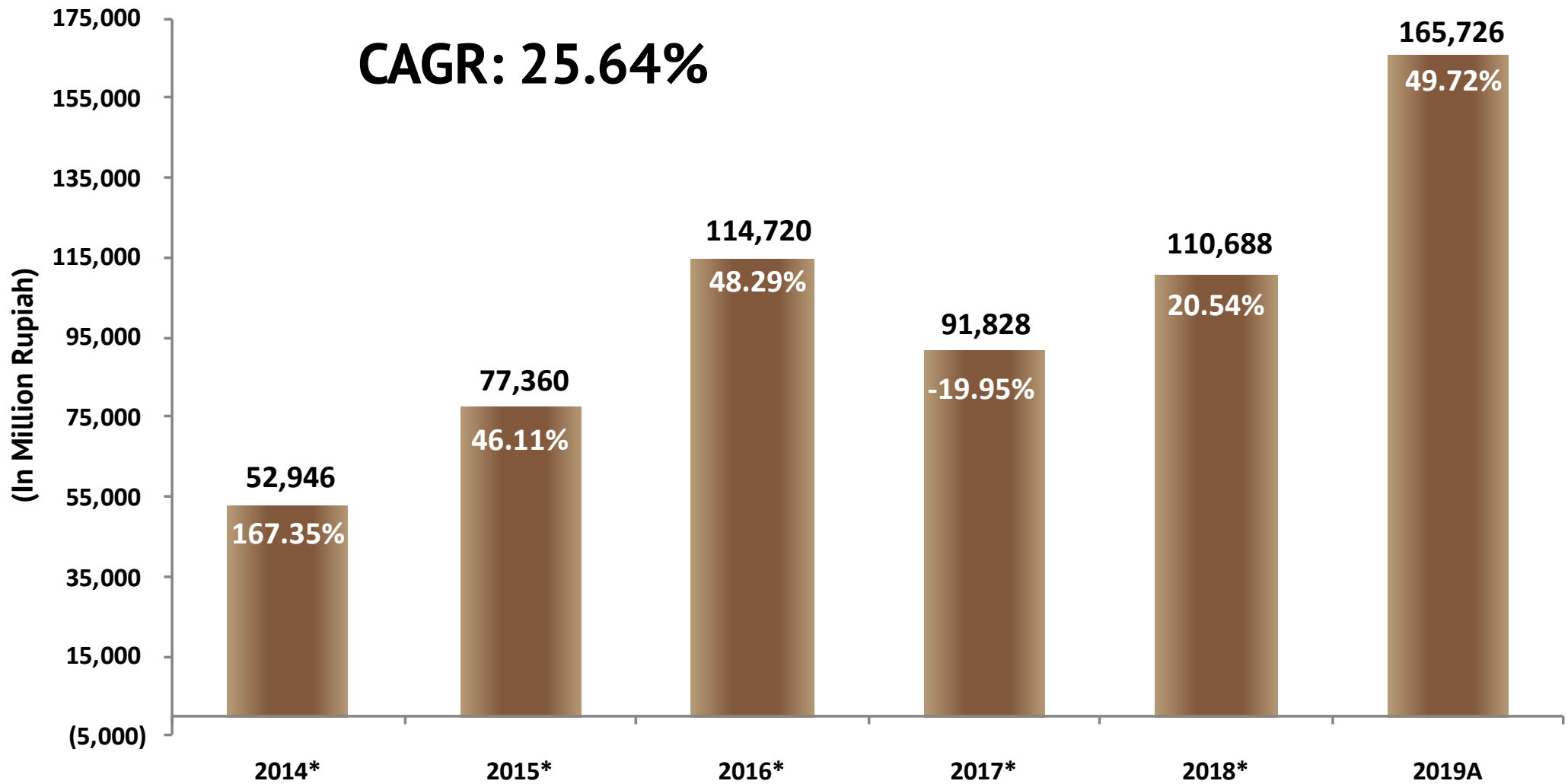


# Sales Growth (2014 - 2019)



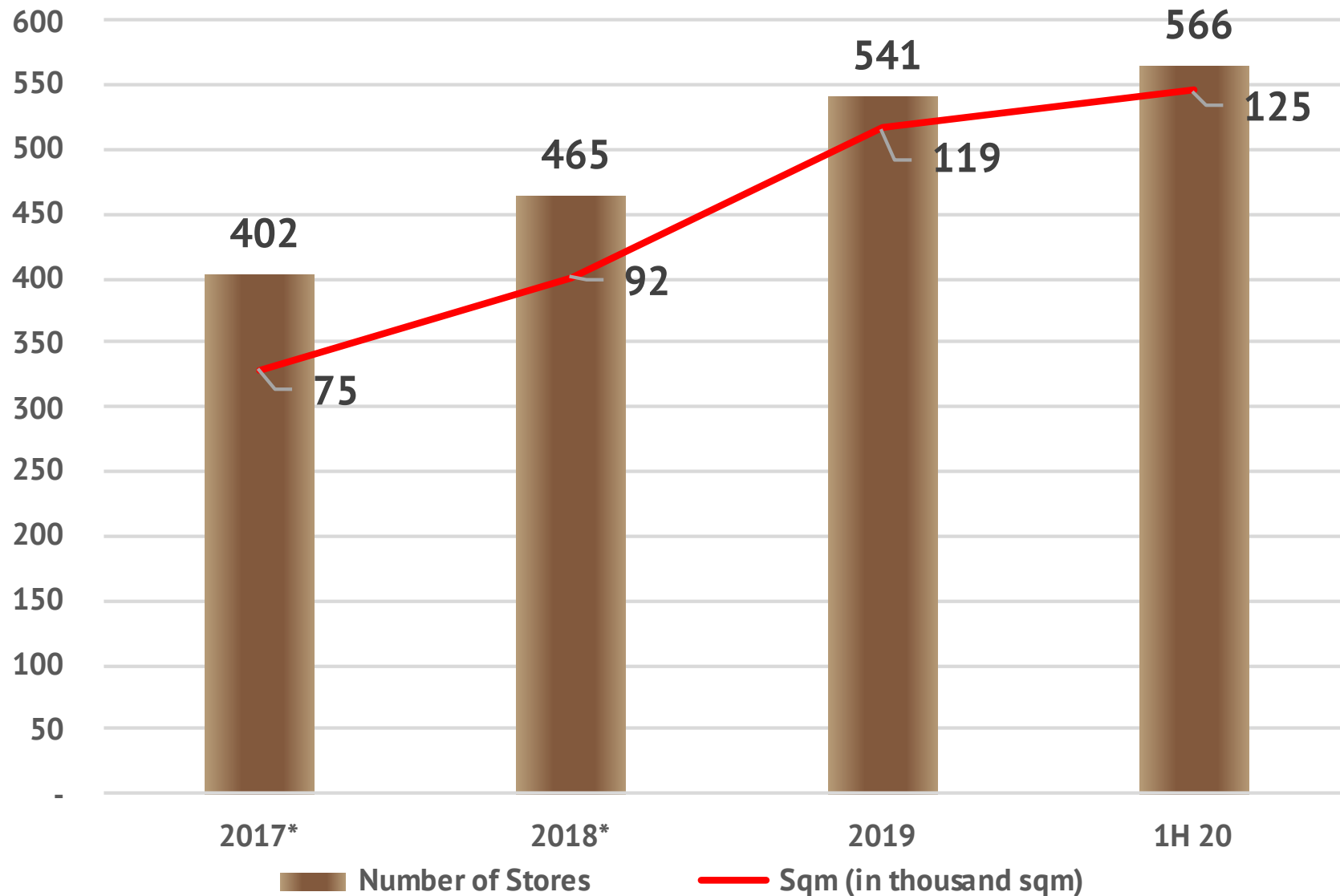
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# Net Profit Growth (2014 - 2019)



\* as restated - to include acquisition of ownership interest in PT Sari Food Lestari (Paul) in Jan 2019

# Number Of Stores (2017 - Jun 2020)



\* as restated - to include acquisition of ownership interest in PT Sari Food Lestari (Paul) in Jan 2019

2019

# Marketing Highlights



# Store Opening 2019

**New store opening : 81 new stores  
(76 net store addition)**

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Starbucks : 57

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Genki Sushi : 6

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Krispy Kreme : 8

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Pizza Marzano : 3

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Cold Stone Creamery : 4

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Godiva : 2

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The Mill : 1

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**End 2019 : 541 stores**

(including 10 Free Standing Starbucks stores)



**Penetrated 2 new cities**

- Labuan Bajo
- Gresik

# Opening of Starbucks Dewata - Biggest in South East Asia



Size: 1,850 sqm



# Opening of First MRT Store

Starbucks MRT Bundaran HI



**STARBUCKS 400<sup>th</sup> STORE**



# Starbucks Rewards Loyalty Program

Acquired over 258,000 new members

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End 2019 : **1.68 million members** - accounted for 27% of Starbucks revenue in 2019

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Aug 2020 : **1.71 million members**

STARBUCKS  
 REWARDS™





# Greener Way of Operating

Expansion of our “**Greener Nusantara**” movement to Bandung, Lombok and Labuan Bajo



# Sustainability Initiatives



100% SUSTAINABLY  
SOURCED

VERIFIED UNDER  
C.A.F.E. PRACTICES





# Sustainability Initiatives



- **Starbucks “Rebuilding Lombok” with Habitat for Humanity.** Mobilized 500 Partners (Employees) to support rebuilding efforts after earthquake in Lombok.
- **Starbucks “Creative Youth Entrepreneurship” program** for vocational students in 4 cities.
- **Starbucks “Ayo ke Museum”, annual program** to raise public interest in Indonesian history and culture.
- **Starbucks “Water for Change” in partnership with Planet Water Foundation** – build water towers to provide access to clean water across 10 communities.
- **Cooperation with Love Pink Indonesia** to increase breast cancer awareness.
- **Starbucks “Drop of Hope”,** annual donation of uniform and stationeries to NGOs.
- **Covid-19 :** Delivered over 40,000 free F&B packages to 46 hospitals and 22 check points in 25 cities.



# ★ Starbucks 17<sup>th</sup> Anniversary Exemplifying Glocalization

Starbucks 17<sup>th</sup> Anniversary Collection - Indonesian Folklore Theme



# First Starbucks Community Store

Starbucks Opens First Community Store in Indonesia



## Starbucks Tanah Abang

The store will support two local NGOs to create educational opportunities for children in Jakarta's Tanah Abang neighbourhood



# Krispy Kreme - New Store Format

## Launch of Krispy Kreme Smart Kiosk



The first of its kind with in-store digital capabilities

# Digital Initiatives

Role of digital initiatives in Starbucks: A Seamless customer Journey.....

## Current Starbucks Digital Presence

### E-Commerce



- On 27 Apr'20 we launched official store in Lazada
- Focusing on merchandise products
- Contribution to merchandise sales

### Seamless Order Through WhatsApp



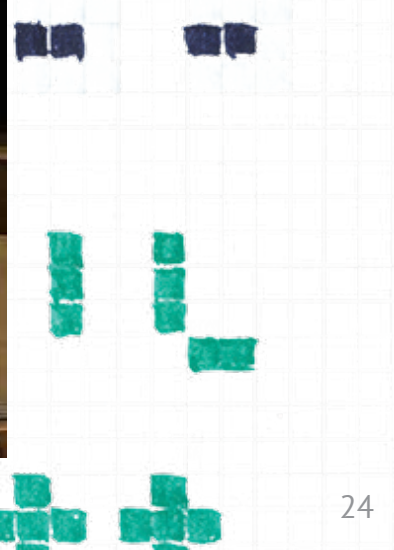
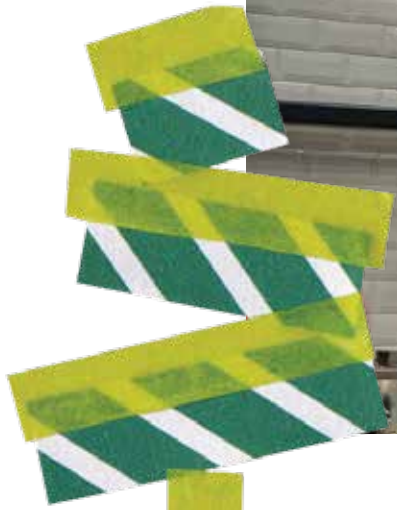
- Customer order thru WhatsApp with multiple pick-up options
- Pilot in 5 stores

### Future Projects

- Converting all physical voucher into electronic
- Opening a new channel of sales by distributing the voucher to B2B and B2C
- Target Q3-2020



# Starbucks Digital Menu Board





# Online Delivery & Financial Technology

Expansion of Fintech partnership & collaboration  
with Delivery aggregators



An advertisement for Genki Sushi delivery. At the top, logos for PAUL, GENKI SUSHI, PIZZA MARZANO, and Krapy Kreme are displayed. A smartphone screen in the center shows a "FREE DELIVERY" banner, the text "Nikmati menu favoritmu bersama keluarga #dirumahaja", "Open hours 11.00 - 19.30 (last order)", "Contact person 0821 1061 9317", and shipping information: "Ongkir 10rb (spend &lt;100rb,5km)" and "Free Ongkir (Min. 100rb,5km)". A 5km radius is indicated. The bottom of the phone screen shows a delivery person on a red scooter, the Genki Sushi logo, and payment options: DANA, gopay, and Cash on Delivery. The background features images of a loaf of bread, a pizza, and a bowl of ramen. The MBA logo is in the bottom right corner.

A pixelated landscape featuring a brown house with white windows on the right, green trees, and a blue sky with a yellow sun. The scene is rendered in a low-resolution, blocky style.

# 2020 & Beyond: Post Covid-19 Strategy





# Post Covid-19: Seizing Opportunities

**INDONESIA:**  
BEYOND THE CRISIS

**INDONESIA:** F&B POTENTIAL  
WILL REMAIN DURABLE.....

*...and in 2030*

**7<sup>th</sup>-largest** economy in the world

**135 million** members of the consuming class

**71%** of the population in cities producing **86%** of GDP

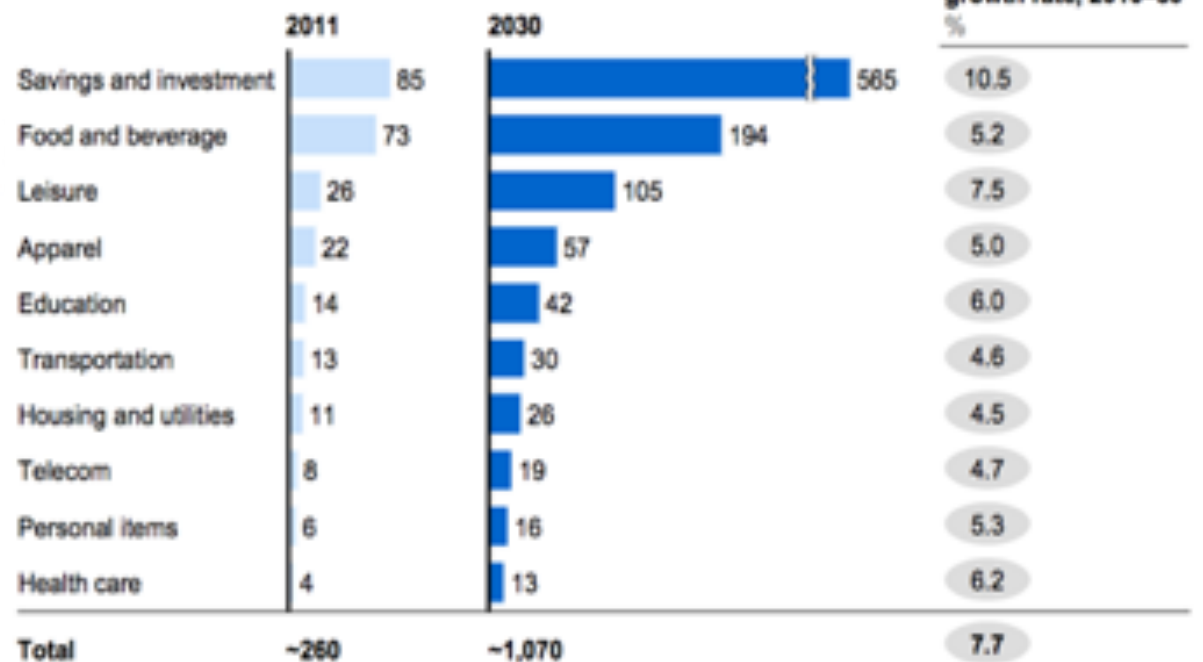
**113 million** skilled workers needed

**\$1.8 trillion**

market opportunity in consumer services, agriculture and fisheries, resources, and education

Indonesia's savings and investments and retail sectors are expected to become large consumer markets by 2030

Annual consumer spend  
\$ billion, 2010 price



SOURCE: CSI Indonesia survey 2011; Indonesia's Central Bureau of Statistics; Canback Global Income Distribution Database (C-GIDD); McKinsey Global Growth Model; McKinsey Global Institute analysis

# 2020 & Beyond: Post Covid-19 Strategy

## Stores vs Digital vs Hybrid

### Customers Behavior

- Location & availability of goods are key factors why customers changed stores.
- Locations with closer proximity are important for convenience & safety.
- Location is critical to accommodate delivery coverage for home orders.

### Store Type Preference.

- Drive-thru & curbside pickup offer ideal solutions for safer & quicker customer interactions (QSR magazine)
- Freestanding store (Drive Thru/curbside pick up) have performed significantly better during pandemic as it is perceived as a safer channel

### Competitive Landscape

- Maintain positioning as a market leader while competitors re-strategize for survival.
- Take over competitors' prime locations and expanding further in new area with location technology (GapMap) based software to gain dominance in real estate.

### Real Estate Tenant Market

- Opportunity on real estate market oversupply to secure affordability for long-term growth

# 2020 & Beyond: Post Covid-19 Strategy

## “Rightsizing”

**Overall F&B market will continue to grow but Covid-19 will alter customer behaviour**

- New strategic initiatives like Digital, Drive-Thru, etc., call for different expertise.
- A need to streamline processes for highest efficiency & cost effectiveness, less bureaucracy from group
- Shift in consumer behaviours demands a faster organizational response. Flatter.
- Resolve other organization issues amid crisis
- Use of third parties and one-off project consultants

We need to support the development of organization to drive all these changes.

# 2020 & Beyond: Post Covid-19 Strategy

## Prudent expansion

Store optimisation - store rebuilds and adjustment to store areas



**PHYSICAL  
& VIRTUAL  
= The Hybrid**

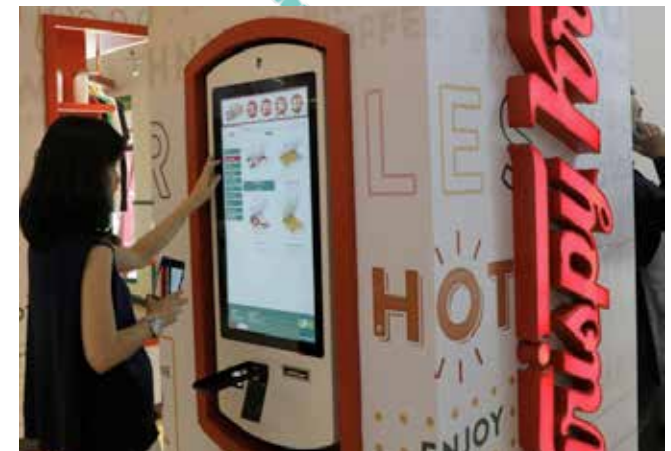
**Curbside pick up,  
smaller footprint...**

Beijing Express store, just 40m<sup>2</sup>  
No seating just order by app and pick up

# 2020 & Beyond: Post Covid-19 Strategy



- New “experiential-first” store format
- Smart Kiosks
- Krispy Kreme Harapan Jaya, Bekasi



Enhanced in-store digital ordering capabilities

# 2020 & Beyond: Post Covid-19 Strategy

## ENHANCED LOYALTY PROGRAMS

DIGITAL Revolution that Starbucks calls the “4<sup>th</sup> Place”

### Future Projects of Starbucks Rewards



#### Mobile Order & Pay

- Mobility, Convenience and Cashless Lifestyle.
- Customer Database & Big Data Analytics on SBUX Platform
- Target Q4-2020



#### E-Vouchers/E-Gifting

- Monetary / Gift-Vouchers distributions via SR apps.
- Fuller Members Experience with friends & families.
- Target Q4-2020



#### Cashless Store

- Piloting a store (Tokopedia Tower) with only cashless transaction.





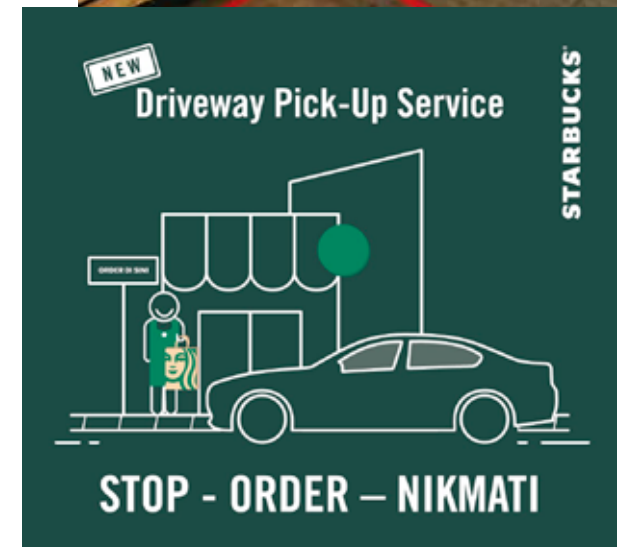
# Starbucks Strategic Priorities

- Focus on Drive Thru store format as the only coffee chain with this concept
- Taking advantage of WFH trend by growing presence in new cluster of residential areas
- Benefit from larger site selection availability with affordable rental for long term
- Opportunity to redefine new store concept as a “3<sup>rd</sup> or 4<sup>th</sup> place” on “new normal”
- East Indonesia market presence inline with government delayed PON in Papua Oct 2021



# Growth Brands Strategic Priorities

- Opportunity on Increase site vacancy due to competitors' downsizings' or out of business
- Leverage on good relationship with Big Developers
- Benefit from crisis / disruption to gain market share
- Showcase different store type especially for Genki Sushi and Pizza Marzano
- Capturing residential cluster with stand alone store in Jabodetabek
- Entering new market outside Jakarta
- New normal concept store to accommodate social distancing, delivery and pick up service more





Thank you