



PT Mitra Pinasthika Mustika Tbk

1H15 MPMX ANALYST & INVESTOR PRESENTATION

6 August 2015

MPM CREDO

Mission

To provide integrated, high quality automotive products and services that excite our customer and deliver sustainable returns to our stakeholders through synergistic capabilities and passionate people across our businesses

Vision

To become a respected automotive products and services corporation recognized for our friendly household name

MPM Core Values

1. Passion for Excellence
2. Customer Focus
3. Continuous Improvement
4. Respect & Humble
5. Gratefulness
6. Integrity
7. Adaptability
8. Teamwork

KEY MESSAGES

MPM Updates

Leading End-to-End Consumer Automotive Company in Indonesia

1H15 Business Segments Performance

Stable 2W, Continue Building 4W, Prudent Financing Business

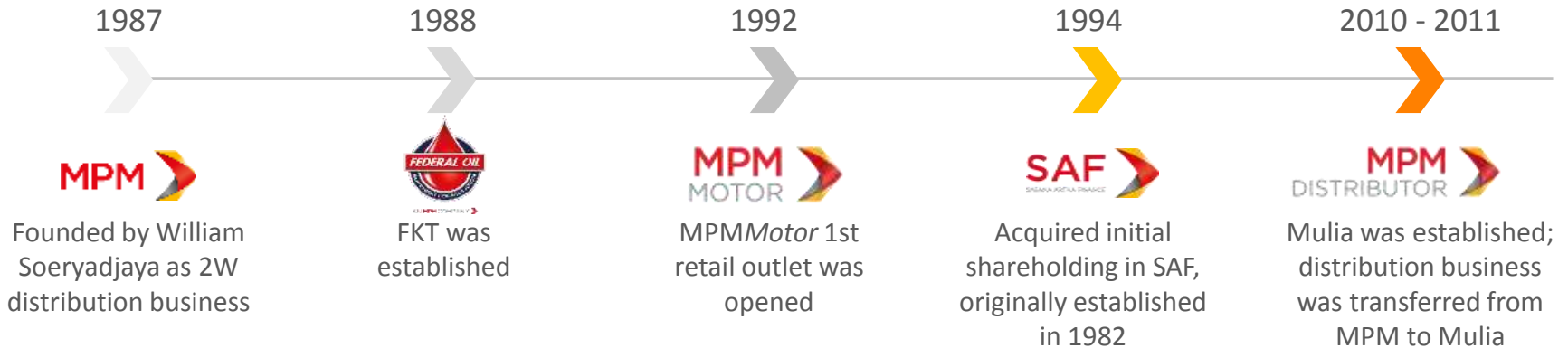
1H15 Summary

+4% Revenue growth YoY, Earnings +1% QoQ and -18% YoY due to Sluggish Market

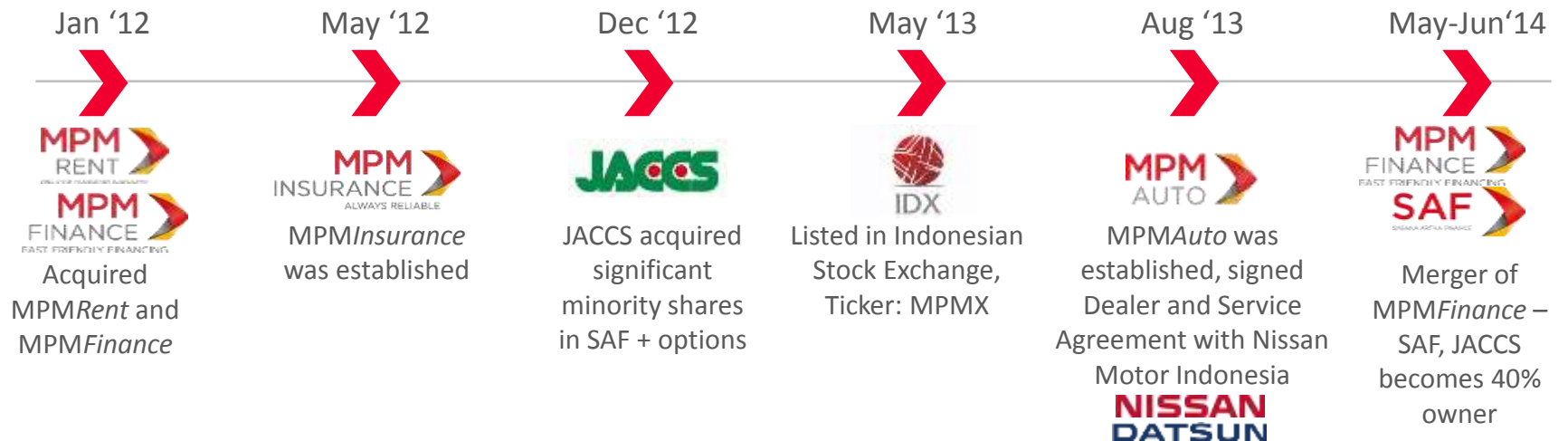
28 YEAR SUCCESSFUL LEGACY AND EXPERTISE IN AUTOMOTIVE...



Establishment – Pre 2012



2012 - Present



AN END-TO-END NATIONWIDE ECOSYSTEM SERVING VAST CONSUMERS IN AUTOMOTIVE SECTOR...



	DISTRIBUTION & RETAIL	AUTO CONSUMER PARTS	AUTO SERVICES	FINANCIAL SERVICES
	 2W Honda distribution in E. Java + E. Nusa Tenggara with 288 dealer relationships 2W Honda retail dealers with 40 outlets nationwide	 2W engine lubricant brand principal with 35 distributors and 15,000+ outlets nationwide	N/A	 Independent 2W, 4W, lease financing business with 137 outlets nationwide
	 4W Nissan & Datsun dealership, opened 1st outlet in Mar '14	 4W engine lubricants launched in '15 through 500 retail workshops in Jakarta area	 Independent 4W rental/lease company with 34 outlets and workshops	 Non-life insurance including 2W, 4W, cargo, & property with 13 offices & 9 service points nationwide
	 3,3M+ active 2W customers, ~ 3,000 4W sale since inception in '14	 3,300+ 2W Federal Oil Centers, 13,000+ 3rd party retailers	 1,300+ corporate clients	 210K+ finance & lease customers, 127K+ insurance clients

...WITH MARKET LEADING POSITION DRIVING GROWTH



SCALE POSITION

+

GROWTH ⁽¹⁾

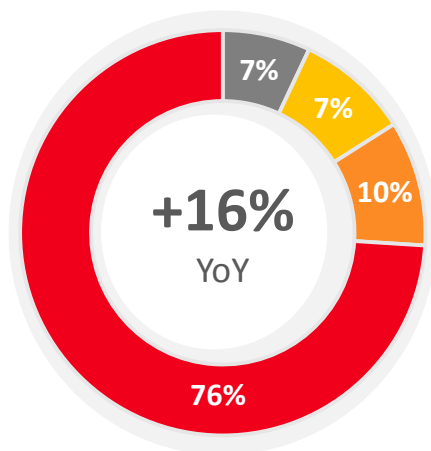
DISTRIBUTION & RETAIL		#1 E. Java, 78% market share	+8% 2W volume growth
		#5 nationwide by volume	+10% 2W retail volume growth
		1 of 2 nationwide dealer	1,545 unit sales 1H15
AUTO CONSUMER PARTS		~20% market share in 2W lube	+5% revenues growth
AUTO SERVICES		#3 largest nationwide by fleet size	+27% fleet size growth
FINANCIAL SERVICES		Top 5 non-bank finco	-19% booking growth YoY
		Scalable non-life insurance	+80% gross premium YoY

(1) 3-year growth (Jun 2012A – 2015A CAGR) unless otherwise noted

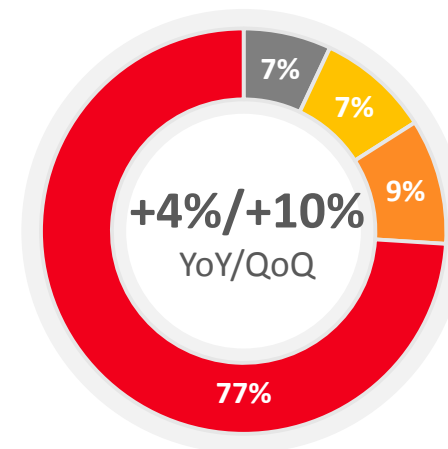
SEGMENT CONTRIBUTION IN THE ECOSYSTEM



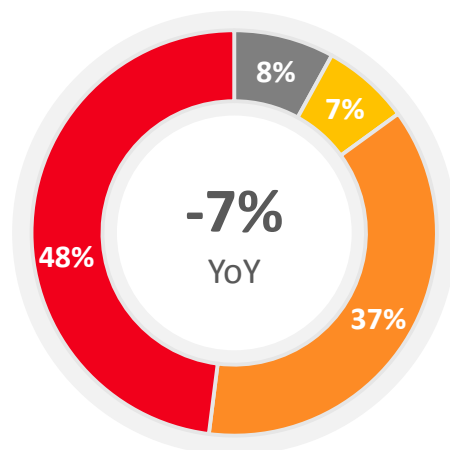
Revenues FY14
IDR 16.1T



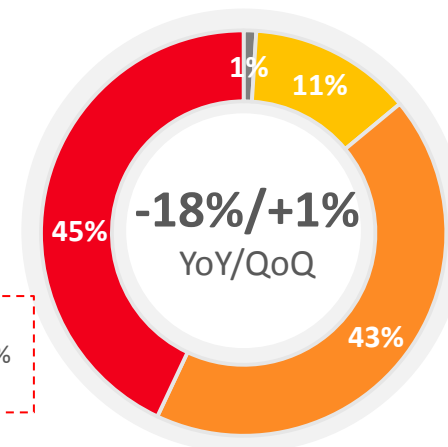
Revenues 1H15
IDR 8.2T



NPATMI FY14
IDR 487B



NPATMI 1H15
IDR 233B



NPAT:

- Non Financial Services: -5%
- Financial Services : -65%

■ Distribution & Retail

■ Auto Consumer Parts

■ Auto Services

■ Financial Services

1) Non Financial Services : Mulia, MPMMotor, FKT, MPMAuto, MPMMobil, MPMRent, Grahmitra, DSS & SAK
 2) Financial Services : MPMFinance & MPMInsurance

STRONG GOVERNANCE AND MANAGEMENT IN PLACE WITH ACTIVE MAJOR SHAREHOLDERS



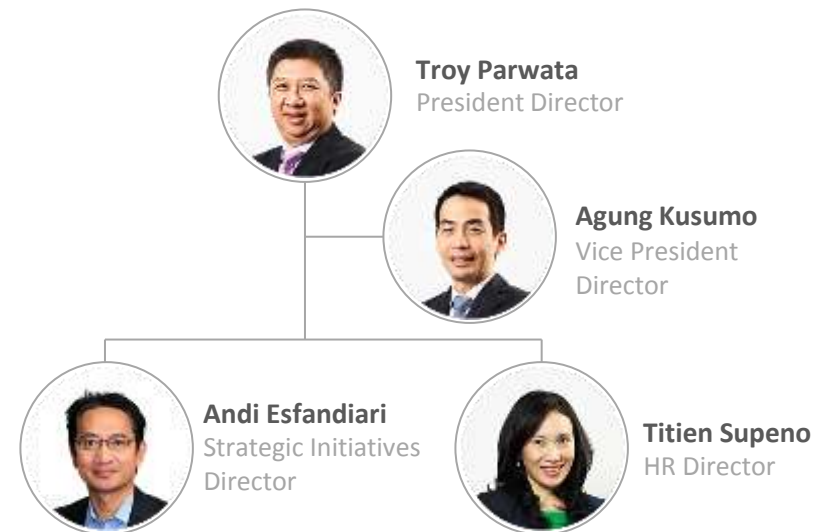
BOARD OF COMMISSIONERS

BoC brings strong mix of operational, strategy, M&A, and governance expertise

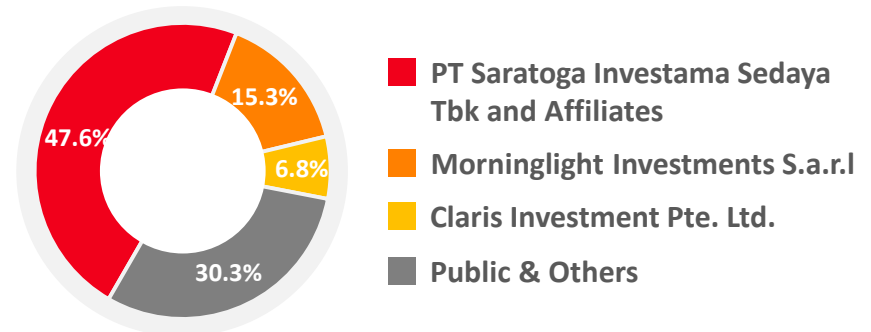


BOARD OF DIRECTORS

BoD members bring over 79 years of combined professional experience



Shareholder Composition as of 30 Jun 2015



APRIL – JUNE 2015 KEY EVENTS: DRIVING THROUGH EXCELLENCE



May '15



MPMAuto opened new Nissan-Datsun dealership in Kenjeran, Surabaya

May '15



Soft launch of MPMAuto Nissan-Datsun Dealership at Tanjung Pinang, Riau Island

May '15



Ground breaking of FKT new LOBP in Cilegon, Banten

May '15



Mulia received multiple awards from Honda National Service Contest 2015

Jun '15



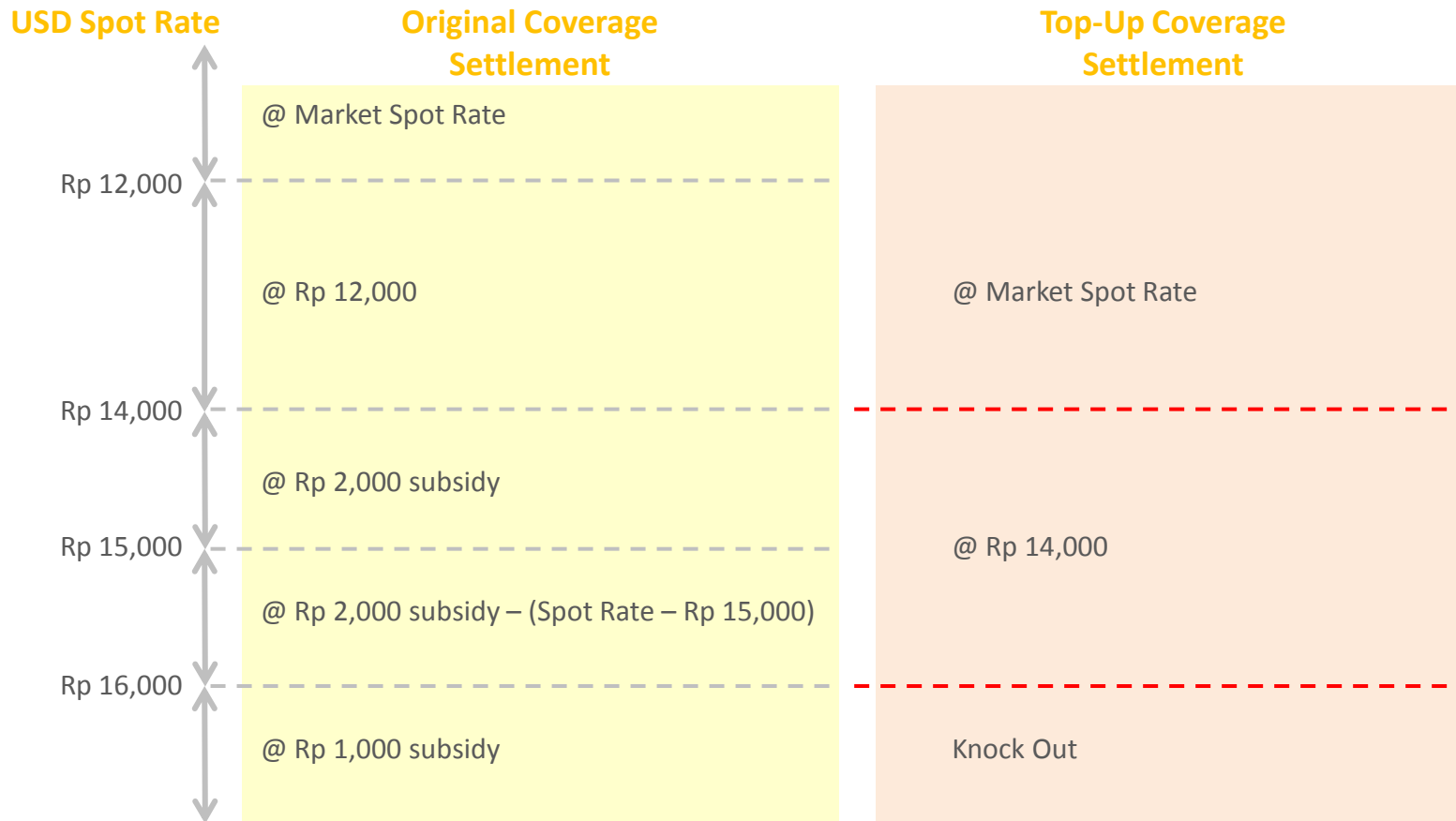
FKT launched Federal Mobil 4W full synthetic lubricant in Surabaya

Jun '15



MPMInsurance awarded The Best General Insurance in 2015 from Asuransi Magazine for Category Of Equity from IDR 100-200 bio

USD SENIOR NOTES HEDGING COVERAGE – ORIGINAL & TOP UP



Ave. Premium Coverage

2.18%
Principal @ maturity (Sep 2019)
Coupon up to 2017

Participants

Deutsche Bank, Morgan Stanley, ANZ, MUFG

0.73% p.a.
Principal @ maturity (Sep 2019)

Deutsche Bank, Morgan Stanley

KEY MESSAGES



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1H15 Business Segments Performance

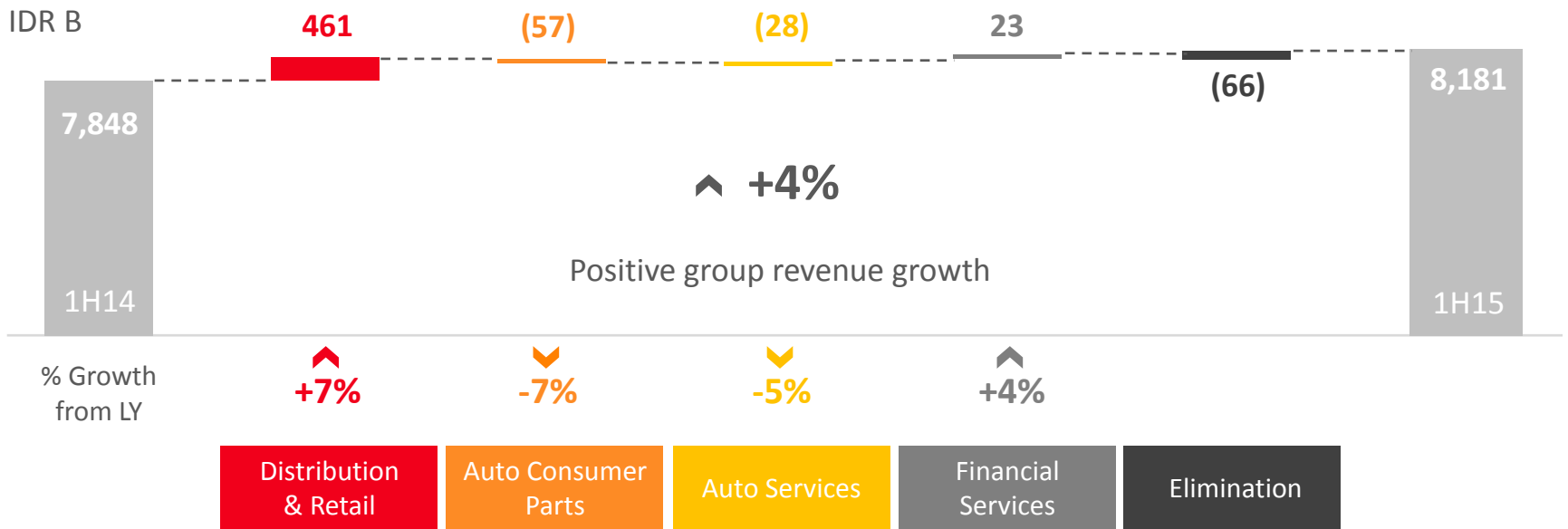
Stable 2W, Continue Building 4W, Prudent Financing Business



1H15 Summary

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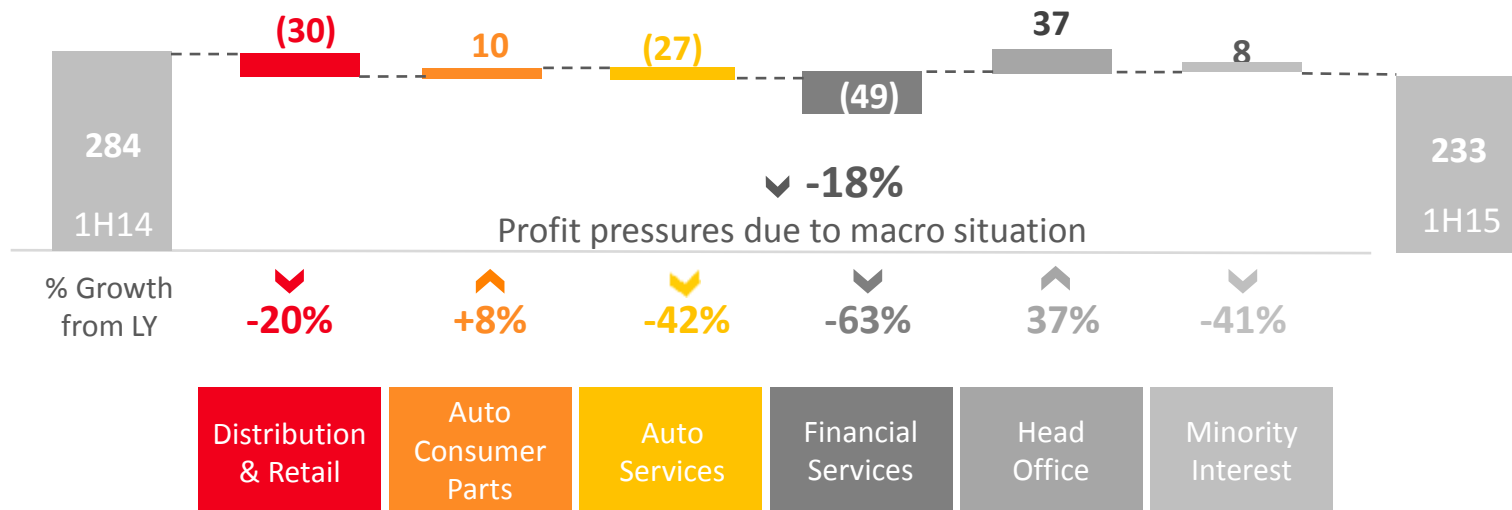
1H15 CONSOLIDATED REVENUE RESULTS



1H15 CONSOLIDATED NET PROFIT AFTER TAX & MINORITY INTERESTS RESULTS



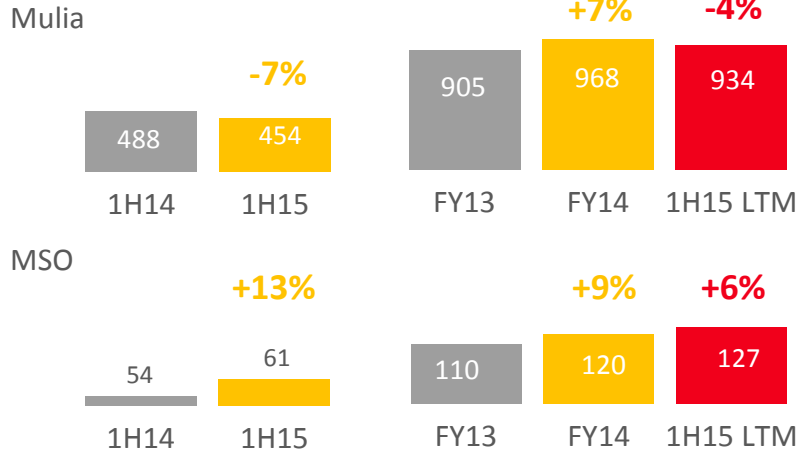
IDR B



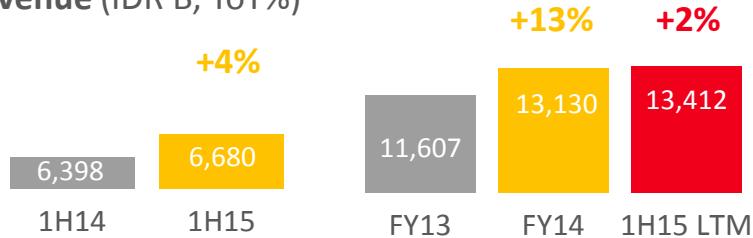
2W DISTRIBUTION & RETAIL: CONTINUE LEADERSHIP IN E. JAVA AND NTT



Sales Volume (000 units, YoY%)



Revenue (IDR B, YoY%)



NPAT (IDR B, YoY%)



1H15 Highlights

- Sales volume impacted by slow macro: lower consumer confidence and purchase power
- Increase in sales price supports revenue growth
- Lower NPAT due to higher opex (professional fees, rent for warehouse, salary increase) and working capital loan interest

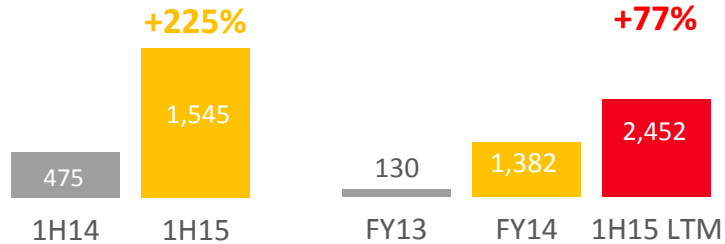
Key Initiatives

- Launch new type in matic & sport
- Increase sales promotion activities to consumer, dealers & finco
- Increase cost efficiency by relocating outsourced labor
- Review & evaluate current business process through Business Process Re-Engineering project

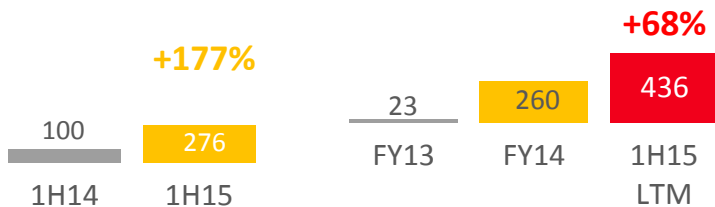
4W DEALERSHIP: BUILD NETWORK & COMPETITIVE CAPABILITY



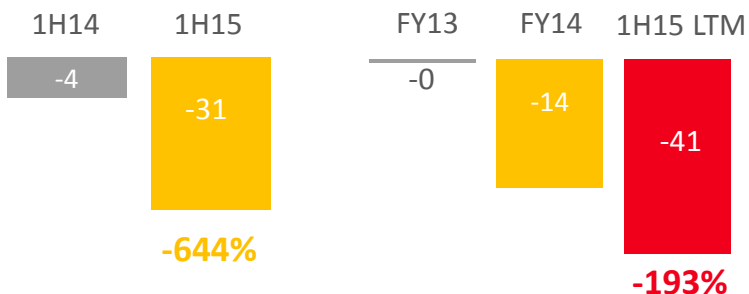
Sales Volume (Car Units, YoY%)



Revenue (IDR B, YoY%)



NPAT (IDR B, YoY%)



1H15 Highlights

- New branches provides volume and revenue growth
- Opened 2 new branches in Tanjung Pinang & Kenjeran on May'15
- Negative NPAT due to additional expenses that incurred from new branches opening

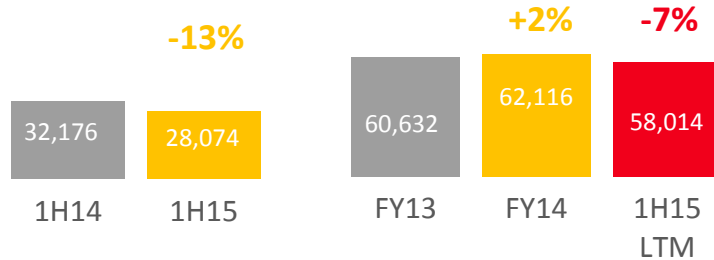
Key Initiatives

- Review dealership development plans

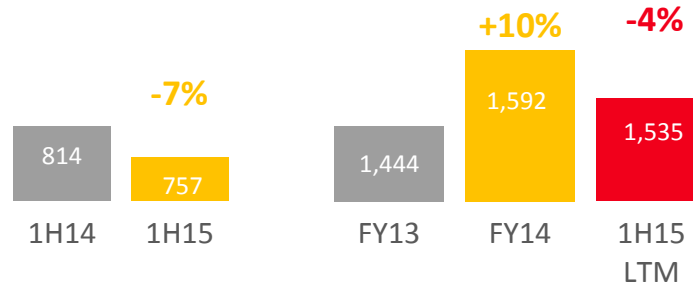
CONSUMER PARTS: CONTINUE STRENGTHEN CHANNEL DEVELOPMENT



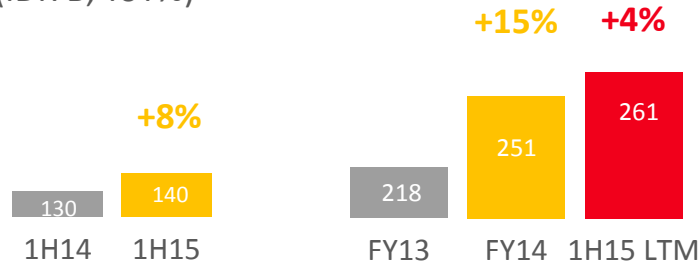
Sales Volume (KL, YoY%)



Revenue (IDR B, YoY%)



NPAT (IDR B, YoY%)



1H15 Highlights

- Normalize volume due to slow consumer demand
- NPAT increase due to lower COGS and opex
- Hedges in place to fulfill FY15 volume needs

Key Initiatives

Federal Oil

- Start new distribution center in East Java
- Continue channel development and spreading task force
- Monitor product quality

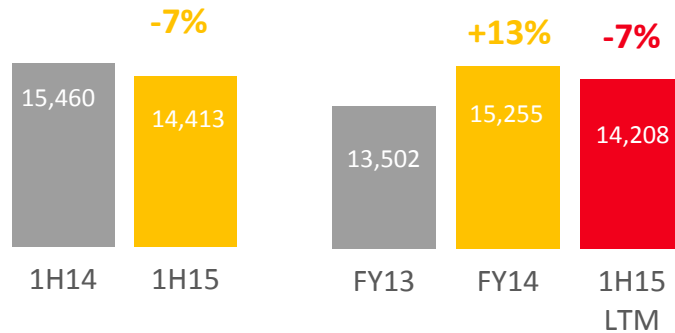
Federal Mobil

- Grow Surabaya and B2B channels

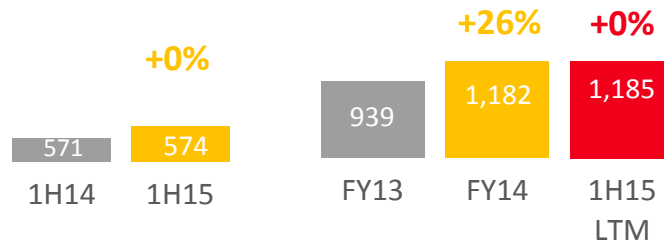
AUTO SERVICES: MAINTAIN OPERATIONAL EXCELLENCE



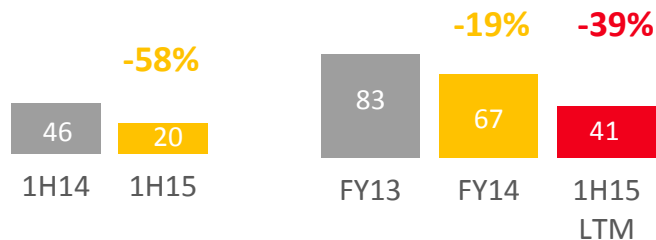
Fleet Size (Units, YoY%)



Revenue (IDR B, YoY%)



NPAT (IDR B, YoY%)



1H15 Highlights

- Focusing on cash flow and rental rate
- Pressures on NPAT mainly due to higher depreciation, increased maintenance costs and loss on sales on mining units

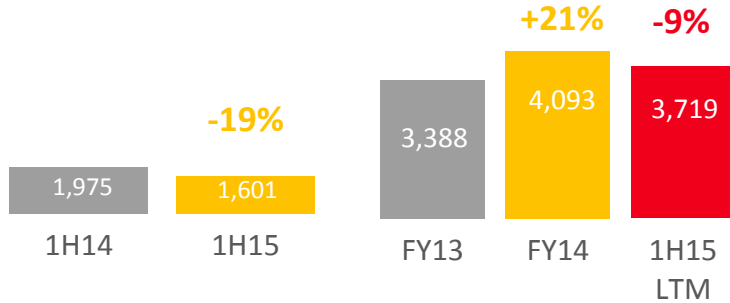
Key Initiatives

- Increase operational efficiencies and AR collections
- Selective acquisition of core customers

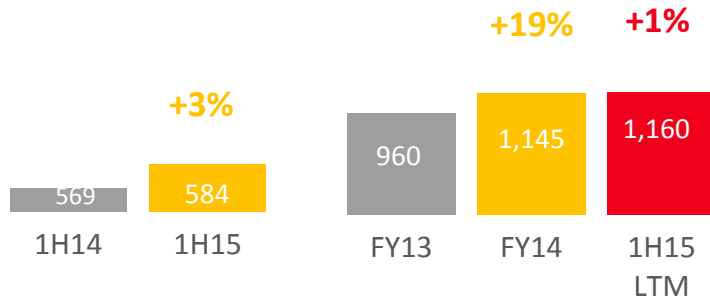
MPMFINANCE: SELECTIVE GROWTH WHILE FOCUS ON ASSET QUALITY



New Booking (IDR B, YoY%)



Revenue (IDR B, YoY%)

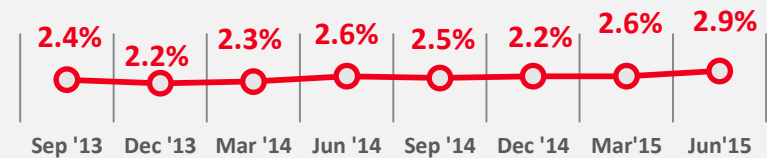


NPAT (IDR B, YoY%)



1H15 Highlights

- Focus on asset quality vs. new booking
- Selective acquisition on 2W, 4W financing and heavy equipment market
- Lower YTD NPAT than LY due to higher provision for doubtful accounts, compensation and office rental
- NPL Performance (>90 days):



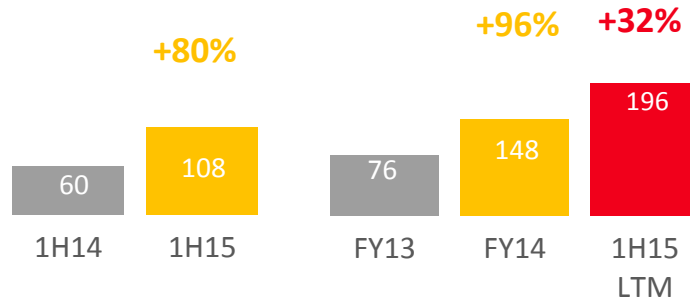
Key Initiatives

- Monitor and implement early warning system in all branches
- Increase fee-based income

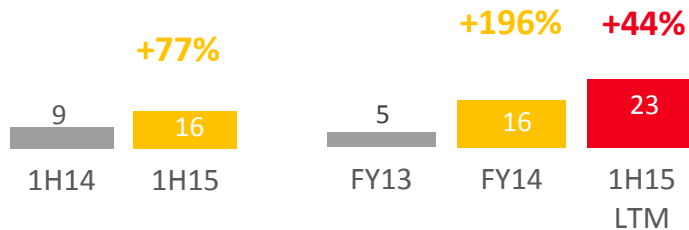
MPMINSURANCE: INCREASE PENETRATION GROUP & NON-GROUP BUSINESSES



Gross Premium (IDR B, YoY%)



NPAT (IDR B, YoY%)



1H15 Highlights

- Healthy gross premium growth from group and non-group businesses
- Increase in net underwriting income and net investment income

Key Initiatives

- Increase penetration of MPM group businesses and non-group businesses

KEY MESSAGES



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FY13 – FY14 & 1H15 SUMMARY



KEY METRICS	CONSOLIDATED				
	FY13	FY14	1H14	1H15	%
Profit & Loss (IDR Billion)					
Net Revenue	13,879	16,076	7,848	8,181	4.2%
Gross Profit	2,024	2,314	1,144	1,168	2.1%
GP Margins	14.6%	14.4%	14.6%	14.3%	
Operating Expenses	(1,172)	(1,507)	(674)	(820)	21.7%
Other Income (Expenses)	49	62	20	71	260.1%
Operating Profit	901	868	490	419	-14.4%
OP Margins	6.5%	5.4%	6.2%	5.1%	
NPAT	564	513	303	244	-19.5%
NPAT Margin	4.1%	3.2%	3.9%	3.0%	
EBITDA	1,254	1,296	689	636	-7.7%
EBITDA Margin	9.0%	8.1%	8.8%	7.8%	
Balance Sheet (IDR Billion)					
Cash	1,103	1,422	1,061	1,393	31.3%
Bank Funding	5,539	4,519	6,037	4,478	-25.8%
Bonds	-	2,473	-	2,656	100.0%
BV of Equity	4,395	5,260	5,203	5,327	2.4%
EBITDA	1,254	1,296	689	636	-7.7%
Ratios:					
Net Debt/Equity	1.0x	1.1x	1.0x	1.1x	12.7%
ROA **)	5.0%	3.7%	4.5%	3.1%	-30.7%
Net Debt/EBITDA **)	3.5x	4.3x	3.7x	4.5x	19.7%
FCCR	6.0x	4.6x	5.5x	5.0x	-7.9%
**) For 1H14 & 1H15 using LTM					

FY13 – FY14 & 1H15 SUMMARY



KEY METRICS	NON-FINANCIAL SERVICES				
	FY13	FY14	1H14	1H15	%
Profit & Loss (IDR Billion)					
Net Revenue	12,872	14,895	7,274	7,591	4.4%
Gross Profit	1,414	1,556	775	799	3.2%
GP Margins	11.0%	10.4%	10.6%	10.5%	
Operating Expenses	(719)	(851)	(393)	(462)	17.6%
Other Income (Expenses)	44	59	18	55	201.3%
Operating Profit	738	764	400	392	-1.9%
OP Margins	5.7%	5.1%	5.5%	5.2%	
NPAT	418	422	228	218	-4.6%
NPAT Margin	3.2%	2.8%	3.1%	2.9%	
EBITDA	1,318	1,178	593	601	1.5%
EBITDA Margin	10.2%	7.9%	8.1%	7.9%	
Balance Sheet (IDR Billion)					
Cash	848	1,107	785	932	18.7%
Bank Funding	1,987	675	2,583	585	-77.3%
Bonds	-	2,473	-	2,656	100.0%
BV of Equity	4,102	4,387	4,330	4,421	2.1%
EBITDA	1,318	1,178	593	601	1.5%
Ratios:					
Net Debt/Equity	0.3x	0.5x	0.4x	0.5x	25.8%
ROA **)	5.8%	4.7%	5.1%	4.4%	-13.8%
Net Debt/EBITDA **)	0.9x	1.7x	1.3x	1.8x	38.4%
FCCR	6.3x	4.2x	4.7x	4.7x	1.3%
**) For 1H14 & 1H15 using LTM					

FY13 – FY14 & 1H15 SUMMARY



KEY METRICS	FINANCIAL SERVICES				
	FY13	FY14	1H14	1H15	%
Profit & Loss (IDR Billion)					
Net Revenue	1,030	1,212	588	611	3.9%
Gross Profit	631	782	381	383	0.4%
GP Margins	61.3%	64.5%	64.8%	62.6%	
Operating Expenses	(474)	(687)	(296)	(375)	26.7%
Other Income (Expenses)	6	9	5	20	283.0%
Operating Profit	163	104	90	27	-69.8%
OP Margins	15.8%	8.6%	15.3%	4.5%	
NPAT	146	90	75	27	-64.5%
NPAT Margin	14.2%	7.5%	12.8%	4.4%	
EBITDA	174	117	97	35	-63.8%
EBITDA Margin	16.9%	9.7%	16.4%	5.7%	
Balance Sheet (IDR Billion)					
Cash	254	315.01	276	461	67.2%
Bank Funding	3,551	3,844	3,455	3,893	12.7%
Bonds	-	-	-	-	100.0%
BV of Equity	1,201	1,782	1,782	1,815	1.8%
EBITDA	174	117	97	35	-63.8%
Ratios:					
Net Debt/Equity	2.7x	2.0x	1.8x	1.9x	6.0%
ROA **)	3.0%	1.5%	2.9%	0.7%	-75.7%
FCCR	-	-	-	-	0.0%
**) For 1H14 & 1H15 using LTM					

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