



PRESS RELEASE

Financial Performance: 1Q20

HIGHLIGHTS

- **1Q20 Revenues rose 44.8% YoY to Rp2.9 trillion, driven by 114.1% YoY growth in total number of distribution points to 167,675**
- **Subsidiaries operations growing sturdily; DMMX 1Q20 net profit grows 492.7% YoY as ad spot network expands to 9,748 screens (+68.9% YoY) covering 7,365 spots (+58.2% YoY)**
- **Advances into contactless initiatives yielding promising results; Potential new growth engine amidst New Normal**

1Q20 Revenues grew 44.8% YoY to Rp2.9 trillion; Number of distribution points grew 114.1% YoY to 168k

In 1Q20, PT M Cash Integrasi Tbk (“MCAS” or “the Group”) continues to deliver growth momentum with 1Q20 revenues growing 44.8% YoY, from Rp2.0 trillion in 1Q19 to Rp2.9 trillion in 1Q20, largely driven by the total number of distribution points growing 114.1% YoY to 167,675 in 1Q20 from 78,321 in FY18. The healthy growth of the Group’s extensive distribution network continues to be the foundation on which new initiatives bloom.

1Q20 gross profit margins came under pressure largely due to slower contribution from an enlarged digital product aggregator segment, given arbitrary shifts towards lower-margined product mix. As a result, gross profit margins fell from 3.2% in 1Q19 to 2.1% in 1Q20. Operating profit margins fell from 2.2% in 1Q19 to 1.2% in 1Q20, cushioned by improvements in operating efficiency with operating expense-to-revenue ratio falling from 1.1% in 1Q19 to 0.9% 1Q20. Correspondingly, 1Q20 attributable net profit fell 70.1% YoY to Rp10.6 billion, compounded by absence of one-off investment gains as compared to 1Q19. continues to maintain a nimble financial position with a net cash position of Rp326 billion as of 1Q20.

DMMX and TFAS posts satisfying performance as standalones

In 1Q20, the Group’s extension into high-margined Digital Cloud Advertising and Integrated Human Resources (HR) has yielded satisfying results. DMMX led the growth charge with net profit growing 492.7% YoY to Rp8.8 billion in 1Q20, in tandem with the ad spot network growing 58.2% YoY to 7,365 spots. TFAS registered modest improvements with 1Q20 revenues growing 8.9% YoY to Rp146.9 billion, slightly boosted by contributions from a budding digital HR segment. Both entities contributed positively to the Group’s ecosystem and will play a useful role in the diversification of the Group’s earning profile over the next few years.

Foray into contactless technologies yielding promising results

The ongoing public health crisis has posed crucial challenges to the global economy, developed and more pronouncedly, developing ones such as Indonesia. The immediate challenges of reduced human interactions are felt most pronouncedly by businesses that rely on having physical presence, mega chains, or SMEs alike. As such, in 2020, the company has skewed its focus towards contactless digital initiatives, specifically through our Enterprise Communication Platform (WABA), end-to-end food ordering solution (DigiResto) and logistics & delivery support chatbot (LDN).



MCASH



INVESTOR BULLETIN

Financial Performance: 1Q20

The Group has launched contactless platforms across retail, F&B and logistics segments of the economy that is aimed at improving the commercial and communication activities during the difficult time. The timely initiative was met with enthusiasm by our partners and is gaining steady traction.

WABA DigiRetail, DigiResto and LDN, which MCAS soft-launched in 1Q20, are showing promising growth. For instance, currently, LDN is already tracking 4,000 deliveries/day with a 900,000++ user base. In view of the New Normal, the Group's IoT segment could see a reasonable surge in client interest and market reach as the general populace embrace the convenience technology to a larger extent, adding buoyancy to the new business segment of the Group.

Key performance drivers in the next few quarters:

- Organic expansion of Digital Product Distribution Network
- Screen deployment activities remain robust & Expansion of ad spot network continues
- Contactless initiatives continue to gain progressive traction and achieve full commercialization



INVESTOR BULLETIN

Financial Performance: 1Q20

FINANCIAL HIGHLIGHTS

(Expressed in Billion Rupiah, Unless Otherwise Stated)

Profit & Loss	1Q19	1Q20	Change
Revenue	2,031.9	2,941.9	44.8%
Gross Profit	65.9	61.3	-7.1%
Operating Profit	43.8	36.1	-17.5%
Pre-tax Income †	61.9	33.6	-45.7%
Net Income* †	35.4	10.6	-70.1%

Financial Position	FY19	1Q20	Change
Assets	2,240.3	2,039.1	-9.0%
Liabilities	512.1	557.0	8.8%
Equity**	1,728.2	1,482.1	-14.2%

*) attributable to owners of the Company

†) The YoY decline in 1Q20 pre-tax and net income was compounded by the absence of one-off gain of non-core item (gain on other investments) as compared to 1Q19

***) The change in total equity is largely due to buyback activities and purchase of shares of subsidiaries that are recorded at nominal instead of purchase price

(Expressed in Billion Rupiah, Unless Otherwise Stated)

Business Segment:	1Q19	1Q20	Change
Digital Product Sales	1,186.5	884.7	-25.4%
Digital Product Aggregator	833.8	2,030.2	143.5%
Digital Cloud Advertising	10.9	23.7	116.8%
Internet of Things	0.6	3.3	442.9%
Total Revenue	2,031.9	2,941.9	44.8%

Segment Gross Profit Margin	1Q19	1Q20
Digital Product Sales	3.2%	3.7%
Digital Product Aggregator	2.9%	0.8%
Digital Cloud Advertising	28.9%	43.9%
Internet of Things	98.8%	89.3%

Operational Matrix:	1Q19	1Q20	Change
Distribution Points*	78,321	167,675	114.1%
Digital Product Aggregator Members	26,355	102,393	288.8%
Advertising Points	4,655	7,365	68.9%

*) includes digital product Aggregator members and advertising points

Further Information, please contact:

Jo Cheah ZhuoEn, CFA

Head of Investor Relations

PT M Cash Integrasi Tbk

Email: cheah.zhuoen@mcash.id