



# Investor Presentation

November 2015

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# Introduction to Story-i

- Owns and operates 16 consumer electronic retail stores across Indonesia and 1 Apple Premium Reseller store in HCMC Vietnam
- Positioned in the strongly growing middle-class and affluent consumer population in Indonesia and Vietnam
- Sells and distributes 3 key brands – Apple, Samsung and Lenovo
- Early mover advantage with a strategy positioned to capitalise on the rapidly growing demand of consumers in ASEAN

**17 stores**  
across S.E. Asia

**A\$22.7mm**  
in FY2015 revenue

**A\$1.9mm**  
Pre-tax Profit in FY2015

**Indonesia 253mm people**  
4th most populous country

**US\$870bn GDP**  
16th largest global economy

**ASEAN 600mm people**  
Population

## Capital structure (A\$)

Share price (as at 17-11-15)	\$0.06
SOI	138.4mm
Market capitalisation	\$8.3mm
Net debt	\$0.5mm
Minorities	\$0.5mm
<b>Enterprise value</b>	<b>\$8.8mm</b>
EV / EBIT (FY15)	4.6x
EV / EBIT (FY16)	3.5x



Authorised  
Reseller

**SAMSUNG**

**lenovo**

# Company overview – 4 Divisions

*Retail Division : Operates through 3 store formats, targeting the growing affluent consumer population*

## Story-i



- Retail a complete range of Apple products and accessories
- Authorised Apple reseller, moving towards a consolidator of Apple resellers

### Core demographic

Middle to high income households

## iConnect



- Retail Samsung and Lenovo phones, computers and accessories
- Online e-commerce platform

### Core demographic

Low to middle income households

## GeekZone



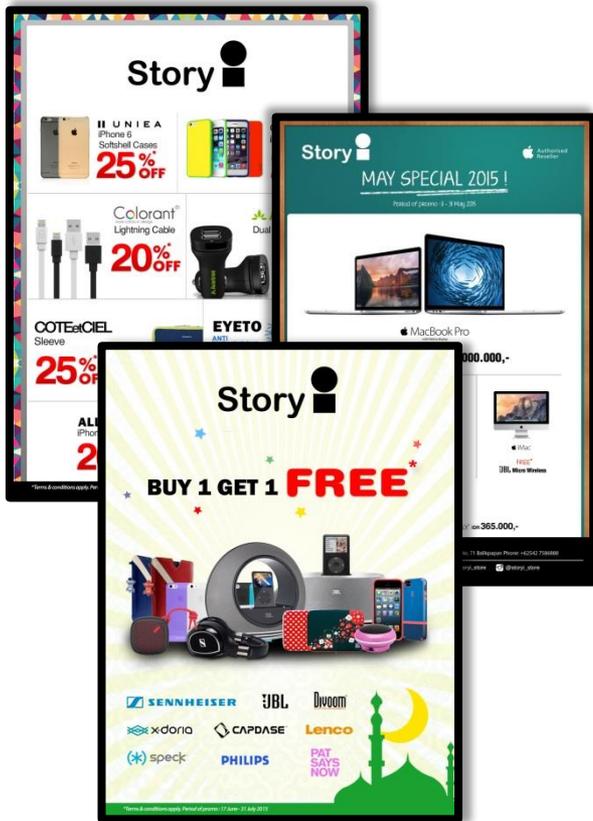
- Provides software, equipment servicing and applications
- Located within Story-i stores
- Authorised Apple service provider in Indonesia

### Core demographic

Middle to high income households

# Company overview

## *Retail Division (cont'd) High levels of customer engagement*



### 1 Continued investment in brand and market positioning

- Leading Apple reseller in Indonesia with a reputation for excellence
- Continue to leverage the global strength of the Apple, Samsung and Lenovo brands
- Significant product recognition: Apple products launches have high growth profiles

### 2 Active in-store promotions

- Targeted promotions linked to key brands
- Drive value perception through strong deals and promotions
- Highly successful in driving increased traffic to store locations
- Marketed through store network, newspapers and online community

### 3 Active community engagement

- through Facebook, Twitter, Instagram and Story-i app

## Company overview

### *Enterprise Division :*

- Building on the recently signed reseller agreement with Citrix that bundles Apple devices with Citrix enterprise software solutions to enable business mobility through mobile access to apps, desktop, data and cloud based application software to enable communication on any device over any network.
- Citrix (NASDAQ: CTXS) is a U.S. multinational company with annual revenues of \$3.14 billion that provides business mobility through secure mobile workspaces. The Citrix solutions are in use at more than 330,000 organisations and have over 100 million users globally.
- In addition to device sales this division will generate additional revenue in the form of Enterprise software sales and recurring income from software service and upgrade contracts.



**CITRIX®**

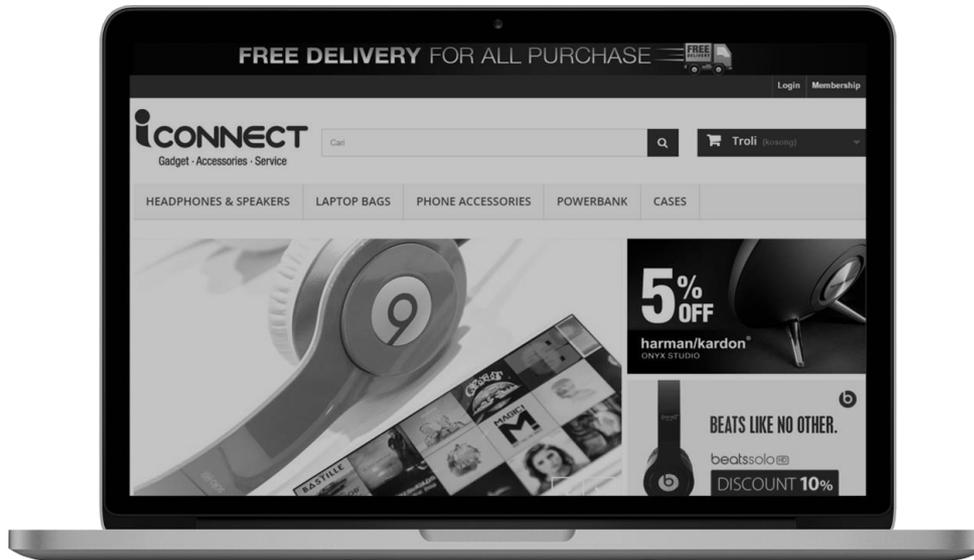
## Education Division

- Story-i supplies Indonesian schools and institutions with bundled Apple devices and solutions
- provides infrastructure to access wireless networks to support on-line education, centralised hosting & maintenance of data base, websites and applications.
- Provide continuous service and maintenance of devices and infrastructure.
- Education spending increased to **A\$14.5** billion in Indonesia – a **13.3%** increase from the prior year.
- Agreement in place with BPK Penabur, a group of private Christian schools with **45 branches across 15 cities.**
- Expected revenue generation from the education division to be **~A\$2.5m in FY2016**



## Company overview

*E-Commerce Division : Well defined online sales strategy to provide additional sales growth*



- **Online sales platform**

- iConnect website launched in April 2015
- Provides significant exposure beyond traditional bricks and mortar store locations
- Free delivery on all purchases
- Leverage online customer database into in-store repeat sales

- **Lifestyle Products**

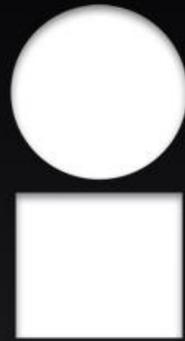
- Audio accessories
- Wearables
- Electronic fashion accessories

# Company overview

## *E-commerce Division (cont'd)*



- Building Story-i eCommerce community
- Membership program targeting Story-i and iConnect customers
  - Re-launched in June 2015
  - 2000+ members monthly sign ups
  - In store sign up during the sale process
  - Instant activation / membership
  - Prioritised special promotions, discounts and rebates
  - Attractive regular promotions for members only
- Increasing customer data base and improved market data analytics



# Financial overview

# FY2015 performance and outlook for FY2016

*Revenue of A\$22.7mm (+3.8% vs FY2014) with pre-tax profit of A\$1.9mm (+19.1%) and net profit after tax of A\$1.32mm (+18.3%)*

- **Continued Indonesian store expansion**

On track to open an additional 4 stores across Indonesia

- **Geographical expansion across South East Asia**

- Opened first flagship Apple store in Ho Chi Minh City, Vietnam in September 2015
- Opportunity to replicate the successful Indonesian model in Vietnam

- **Online sales platform**

Online sales platform to expand customer base

- **Growth in Enterprise and Education**

- **New product launches**

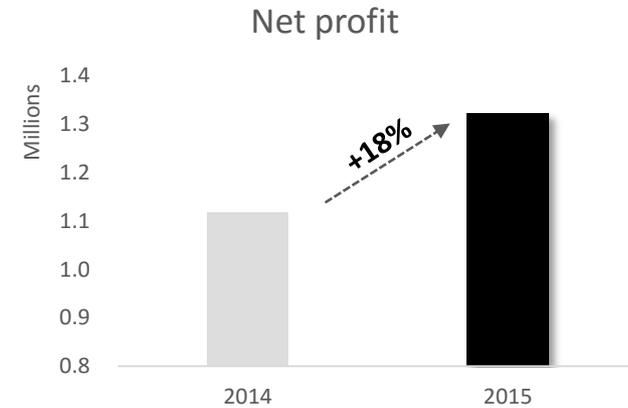
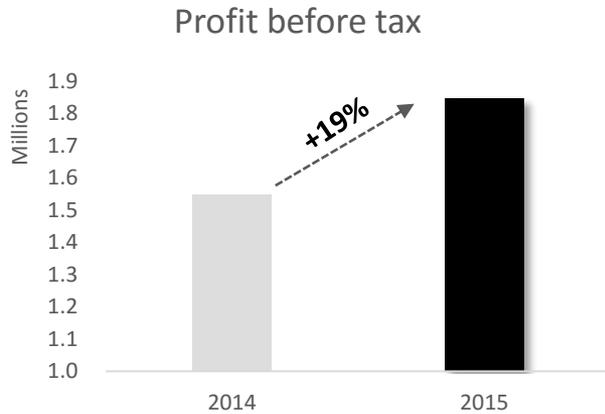
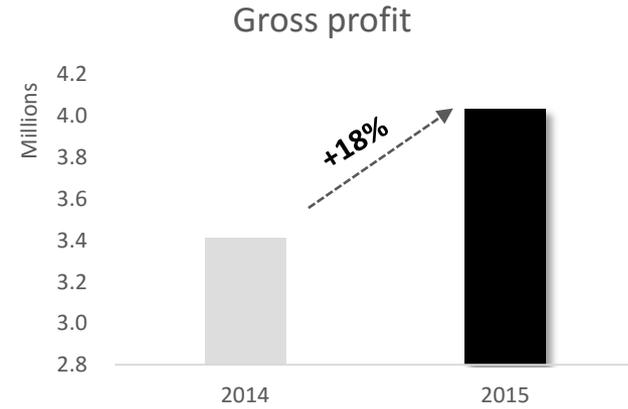
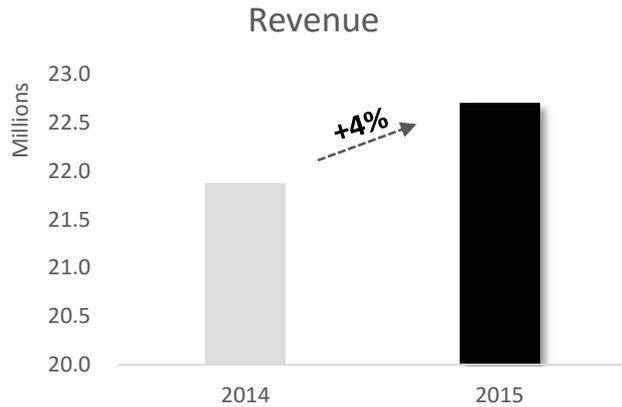
September - November 2015:

- iPhone 6S and 6S Plus
- Apple TV 4th Generation
- Macbook Air new gen (Force touch trackpad)
- iOS 9
- OS X El Capitan

- February - April 2016:

- Apple Watch 2
- Macbook Pro Retina new gen
- Macbook New Gen
- iMac New Gen
- iPod New Gen

# FY2015 performance highlights



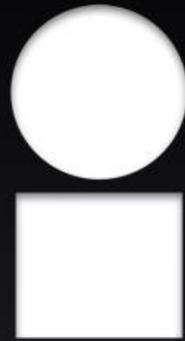
# Financial overview

## Summary profit & loss

December year end, A\$m	FY12A	FY13A	FY14A	FY15U	FY16F
<b>Revenue</b>	<b>4.2</b>	<b>18.3</b>	<b>21.8</b>	<b>22.7</b>	<b>27.0</b>
COGS	(3.2)	(15.1)	(18.4)	(18.7)	(22.1)
<b>Gross profit</b>	<b>1.0</b>	<b>3.2</b>	<b>3.4</b>	<b>4.0</b>	<b>4.9</b>
<i>Gross profit margin</i>	24%	17%	15%	17%	18%
CODB	(0.8)	(1.8)	(1.7)	(2.1)	(2.4)
<i>CODB margin</i>	19%	10%	8%	9%	9%
<b>EBIT</b>	<b>0.2</b>	<b>1.4</b>	<b>1.7</b>	<b>1.9</b>	<b>2.5</b>
<i>EBIT margin</i>	4%	8%	7.8%	8.4%	9%

## Commentary

- Gross margins improved through better product mix
- EBIT is forecast to increase from A\$1.9m in FY2015 to A\$2.5m in FY2016
- Growth is being driven by the increase in profitability as a result of the store roll-out program and expansion into online E-commerce and strong Enterprise & Education sales
- Better trade terms as Story-i continues to grow
- Strong possibility of adding scale to existing network through accretive bolt on acquisitions. **Potential of adding A\$12m to A\$18m in revenue in FY2016.**



# Growth Strategy

# Attractive growth profile

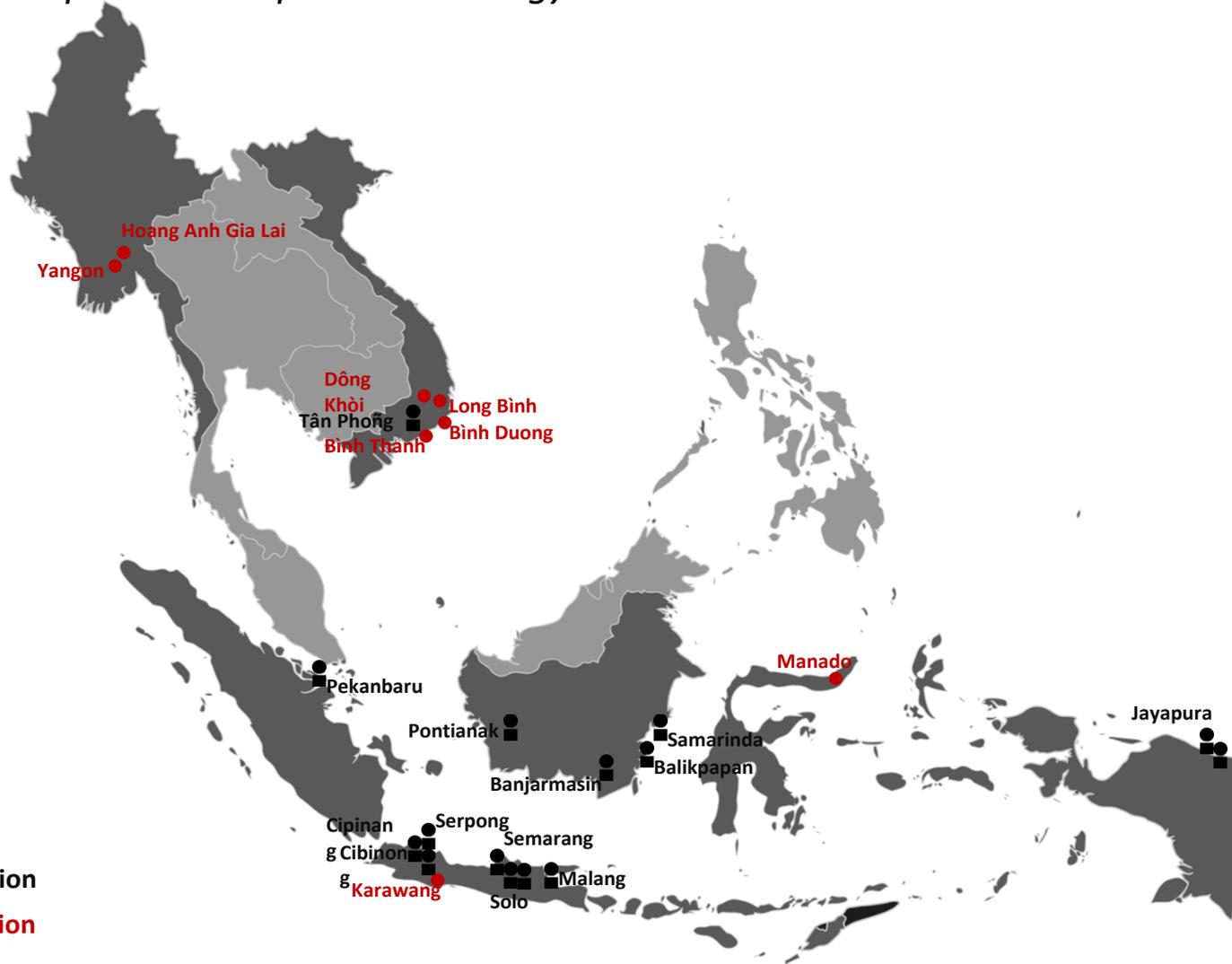
*Well established strategy to support future growth*

## Growth opportunities

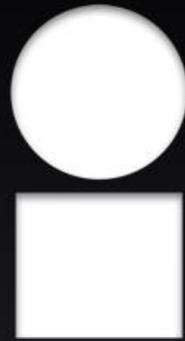
<b>New stores</b>	<ul style="list-style-type: none"><li>• Solid pipeline of <b>4 new store openings</b> in Indonesia in FY2016</li><li>• Story-I will continue its disciplined approach to selecting new stores based on location and demographics</li><li>• <b>Target of 7 stores</b> across Indonesia, Vietnam and Myanmar</li></ul>
<b>Economies of scale</b>	<ul style="list-style-type: none"><li>• Attain Apple premium reseller status delivering more <b>favourable pricing terms</b></li></ul>
<b>Expansion of sales channels</b>	<ul style="list-style-type: none"><li>• Appointed as resellers at the retail and enterprise level for <b>Citrix</b></li><li>• Supplying products to schools and universities implementing <b>eLearning programs</b></li><li>• <b>Enterprise solutions</b> for domestic SMEs and multi-national corporations with service &amp; maintenance contracts</li><li>• Negotiating distribution rights for well known branded <b>accessories</b> across Indonesia, Vietnam and Myanmar</li></ul>
<b>Platform</b>	<ul style="list-style-type: none"><li>• Online sales platform and E-commerce expansion</li><li>• Expansion of mobile kiosks with products &amp; device maintenance and service</li></ul>
<b>Acquisitions</b>	<ul style="list-style-type: none"><li>• Continually review <b>acquisition targets</b> that are consistent with our strategy of accretive bolt-on acquisitions that add scale to our existing business</li></ul>

# Store locations

*Well developed store expansion strategy across ASEAN*



- Existing location
- Planned location

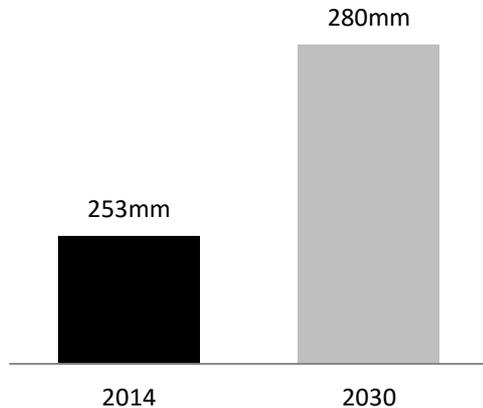


**Market Opportunity**

# Market opportunity

Indonesia's population is young, growing and rapidly urbanising...

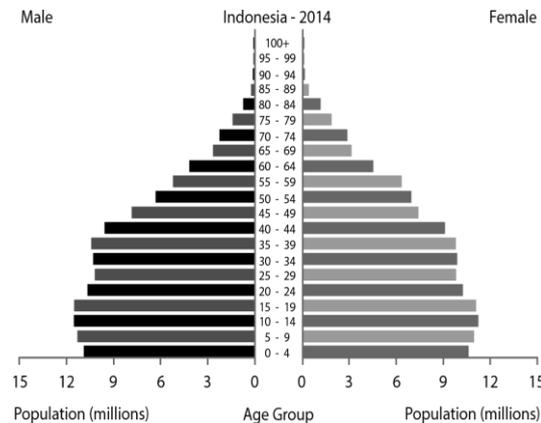
## Population



Source: [x]

- World's **4<sup>th</sup>** most populous nation
- Population expanding to over 280 million by 2030

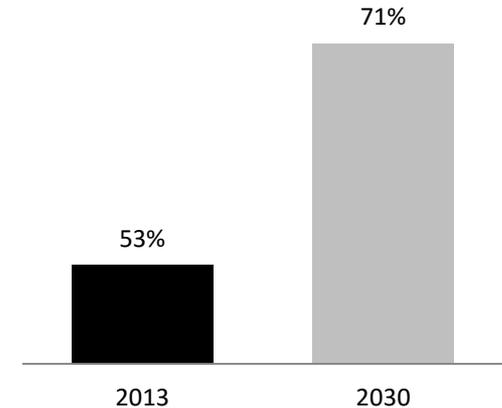
## Demographic



Source: CIA World Factbook

- **Young demographic**, with 60% of the population under 39
- Median age of 29.2 years

## Urbanisation



Source: McKinsey & Company, The Evolving Indonesian Consumer

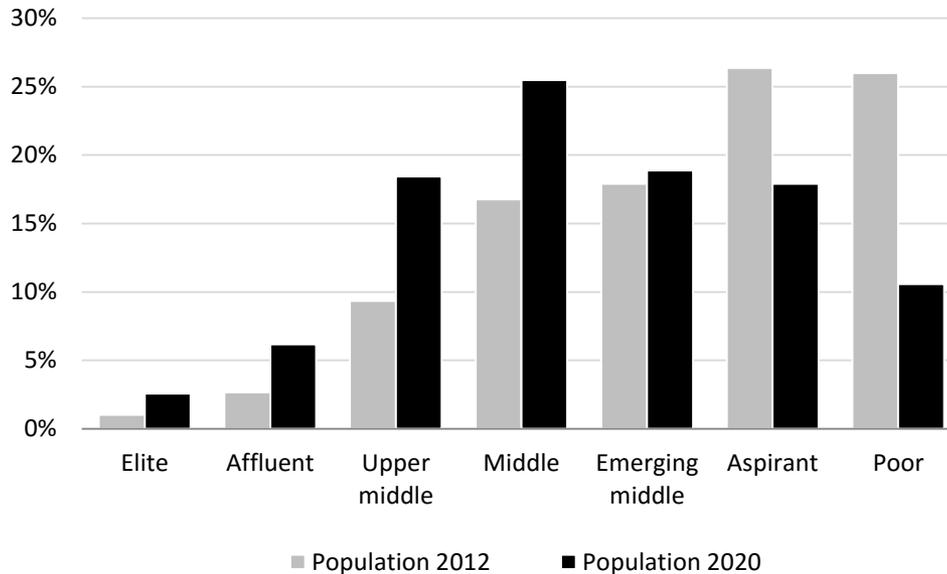
- **Rapid** levels of urbanization
- Urban population expected to reach 71% or ~200 million people

**Favourable demographics, the Indonesian economy is widely expected to continue to grow at a strong pace over the next decade – 7<sup>th</sup> largest in the world**

# Market opportunity (cont'd)

... making it one of the fastest growing consumer markets in the world...

## Rising levels of affluence



## Commentary

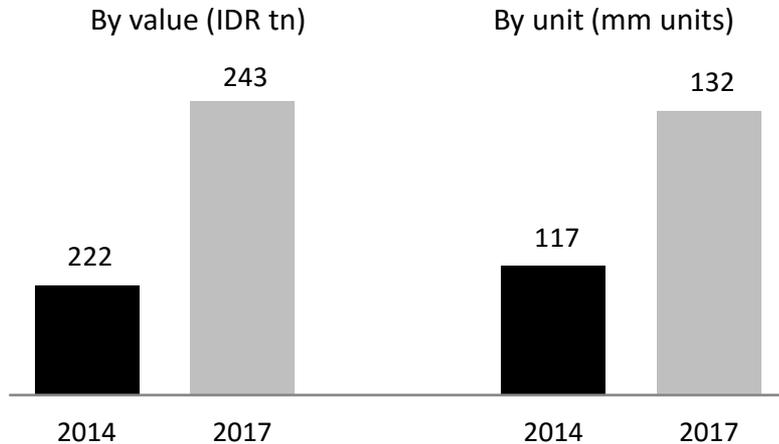
- **Large and growing Indonesian consumer class**
  - Consumer class currently consists of 74mm people (~30% of the population)
  - **Consumer class** forecast to grow to **141mm people by 2020** (~50% of the population)
- Indonesian consumer class expected to grow by 8 – 9mm people each year
- Drive growth of discretionary consumer purchases

**Growing levels of affluences will drive growth in consumer spending**

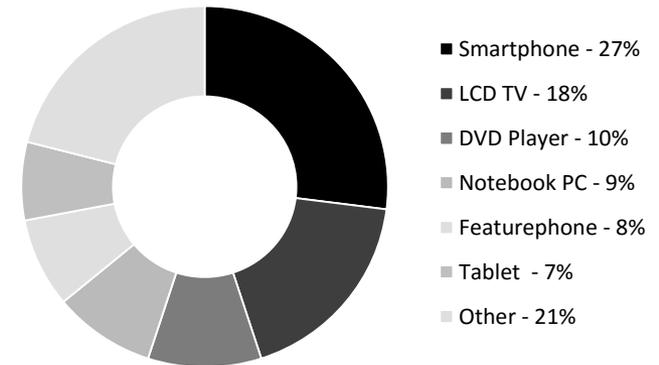
# Market opportunity (cont'd)

... and underpinning strong growth in the electronics & appliances market

## Large electronics market with a positive outlook...



## ...in an under penetrated electronic market

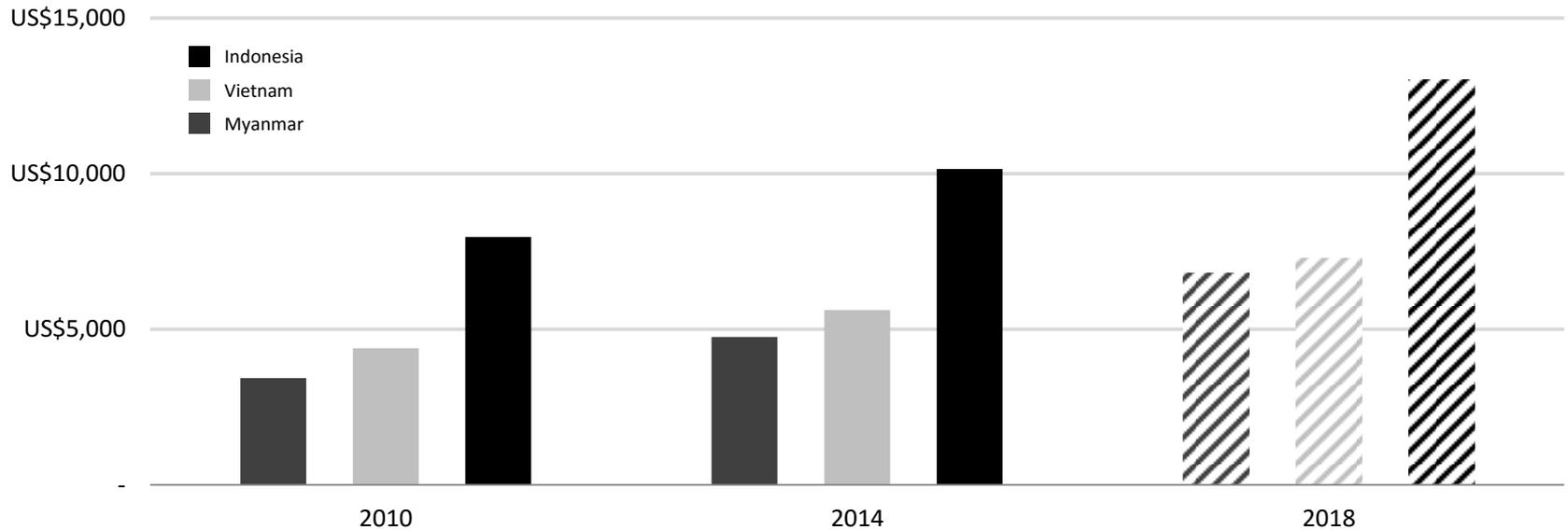


- **Largest consumer electronics and appliances market in Southeast Asia** which is forecast to grow to grow to IDR 243tn (~A\$24bn) by 2017
- Low levels of smartphone penetration (~23%)
- The country contains a large and young population while smartphone penetration is still low.

# Economy: GDP per Capita

*... making it one of the fastest growing consumer markets in the world...*

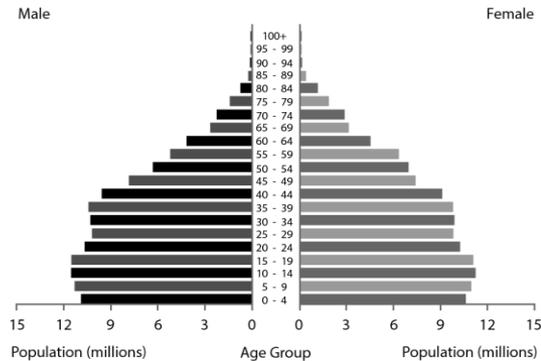
## GDP per capita



**GDP per capita is forecast to grow across each of Story-I's core markets making purchases of electronic goods possible for an increasing proportion of the population**

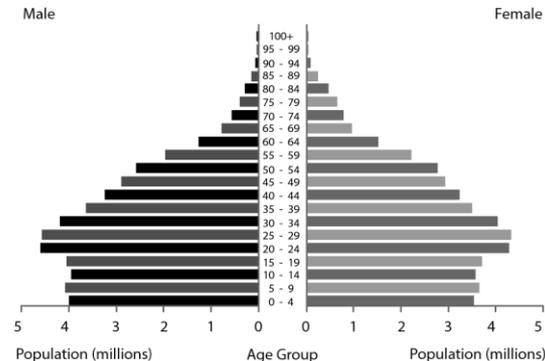
# Economy: Demographic

## Indonesia



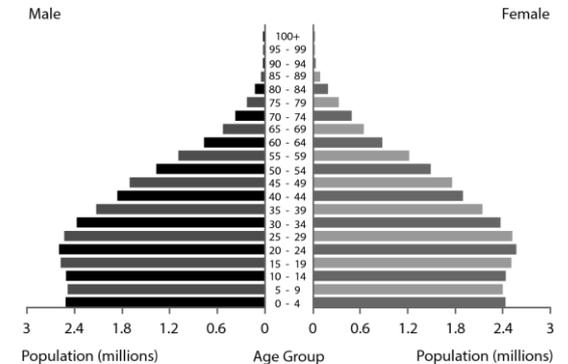
- Median age: 29.2 years
- Urban population: 53%

## Vietnam



- Median age: 29.2 years
- Urban population: 33%

## Myanmar



- Median age: 27.9 years
- Urban population: 34%

- Indonesia
- Vietnam
- Myanmar

# Market opportunity

*Indonesia's population is young, growing and rapidly urbanising...*

	Indonesia	Vietnam	Myanmar	VS	Australia
Population ('000)	253,609	92,775	53,260		23,693
Population <30	51%	54%	54%		40%

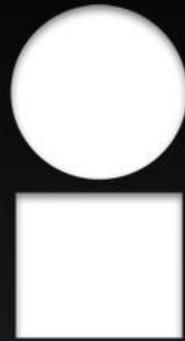
The population of the 3 counties are **substantially younger** with 53% aged <30 years old (vs. 40% in Australia)

TOTAL  
POPULATION

**399,644,000**

**23,693,000**

Total population of the 3 counties are **16.9x the size of Australia's population**.  
The market population is continuing to grow.



# Appendix

# Board and senior management team

*Highly skilled Board and management team with extensive experience in retailing*

**DJOHAN WIDODO**  
*CHAIRMAN*

- Chief Executive Officer of the Senopati group whose activities include logistics, warehousing and distribution of automotive parts for Mitsubishi vehicles in Indonesia
- Over 15 years of experience working with the group

**MICHAEL PIXLEY**  
*NON-EXECUTIVE DIRECTOR*

- Experience includes working as a merchant banker specialising in strategic corporate development, joint ventures and acquisitions
- Over 20 years of experience in the Asian business sector and was part of a management team of a prominent Asian group which oversaw the development of industrial properties throughout China, developments in Australia and the expansion of industrial manufacturing plants in Asia
- Currently a director of Pan Asia Corporation Limited, Oklo Resources Limited and Ephraim Resources Limited

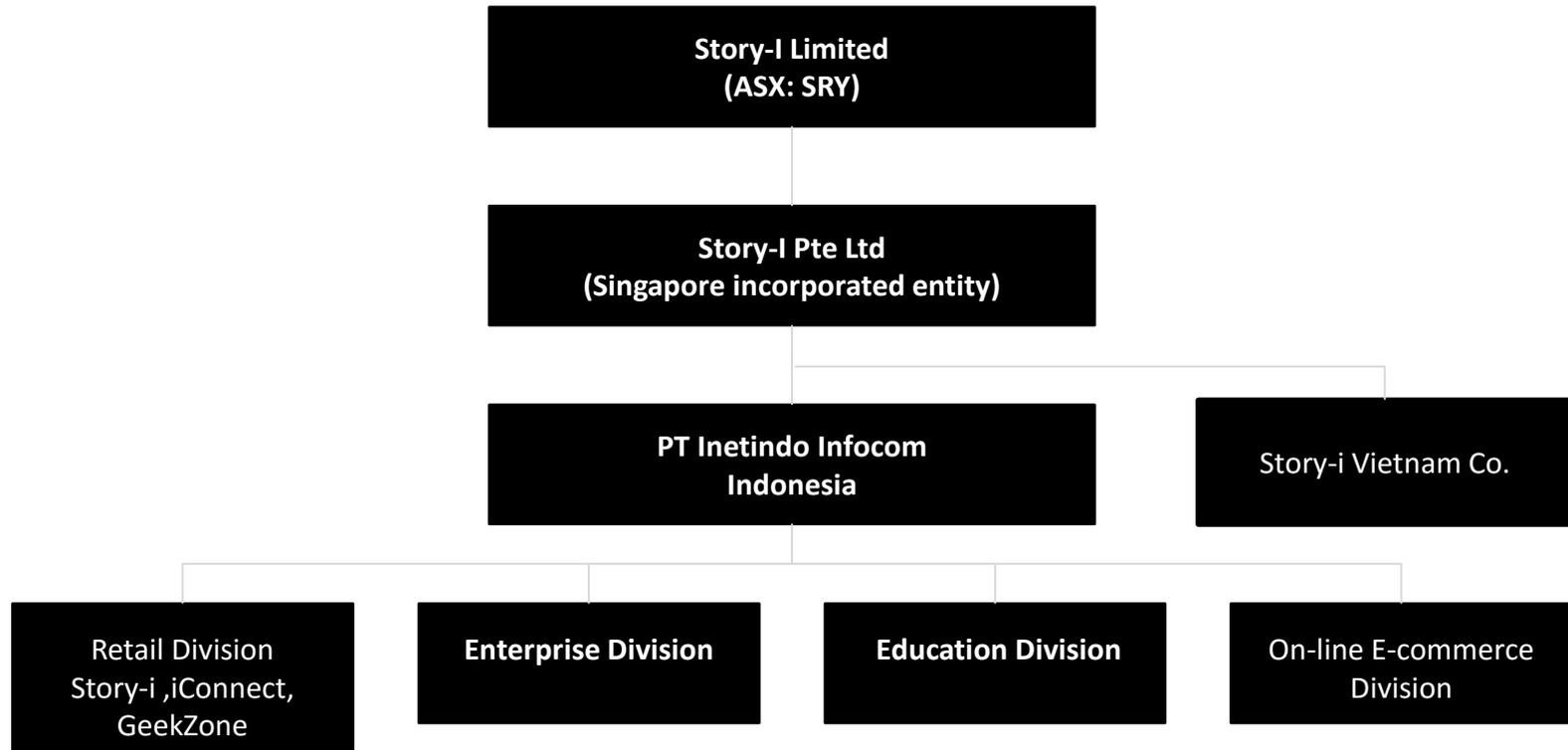
**MICHAEL CHAN**  
*EXECUTIVE DIRECTOR*

- Founder of Story-I in 2010
- More than 15 years of experience, having held management positions in various telecommunication and IT companies throughout Malaysia and Indonesia

**YULIUS HALIM**  
*CHIEF EXECUTIVE OFFICER*

- More than 25 years experience in the IT industry
- Previous experience includes working in channel management for consumer electronic and distribution of IT products ranging from hardware, accessories, software and networking equipment
- Has also held various senior management positions, including as Country Manager for Dell in Indonesia and as Director, Partner Business Group for Microsoft Indonesia

# Corporate structure



# Contacts

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