

PT Matahari Department Store Tbk
BUSINESS & INITIATIVES UPDATE

February 2022

AGENDA

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EXECUTIVE SUMMARY

- ▷ Trading in 4Q21 went well to ensure target achievement.
- ▷ Trading was around 10% ahead of our expectation.
- ▷ Focused on developing merchandising offerings continued in terms of :
 - building, shaping, refreshing & rationalisation of brands
 - optimising portfolio & introducing new regional/international brands in the consignment space
 - clear 'customer facing' zoning and enhanced visual merchandising for each category
- ▷ We continued the development of omnichannel, with an improving customer proposition on own platforms.
- ▷ New payment options with partners.
- ▷ Marketing campaign "Season to Shine" was well received.
- ▷ Latest share buyback is progressing well.
The Company will continue the buyback with earmarked funds of Rp 500 Bn.
- ▷ We step forward with optimism in 2022 focusing on our core business and digital transformation, with expected growth of 10 new stores and investment in technology, Gross Sales likely to be at 13.8 Tn and an EBITDA of 1.8 Tn.

4Q 2021 UPDATES

TRADE UPDATE

4Q21 Trading went well to ensure target achievement

PPKM easing aids recovery conditions

- 100% of our stores are allowed to trade mainly full operating hours
- Initial decision to have Jakarta at PPKM Level 3 in the festive period was revoked
- Thus, Q4 as a whole was largely uninterrupted for trading
- With a 100% of Matahari staff fully vaccinated, we also had a stable safe and conducive environment to trade.

Key commercial events happenings

- Shining Destinations lucky draw campaign
- Nevada Sports launched in October 2021
- Successful 11.11 and 12.12
- Second year successful Black Friday
- Baby shop launched in early November 2021
- Christmas & New Year Trading
- 2 news stores opened in Batam & Cianjur
- CSR program 'Your Smile is My Sunshine' was initiated



Consumer Confidence Index*



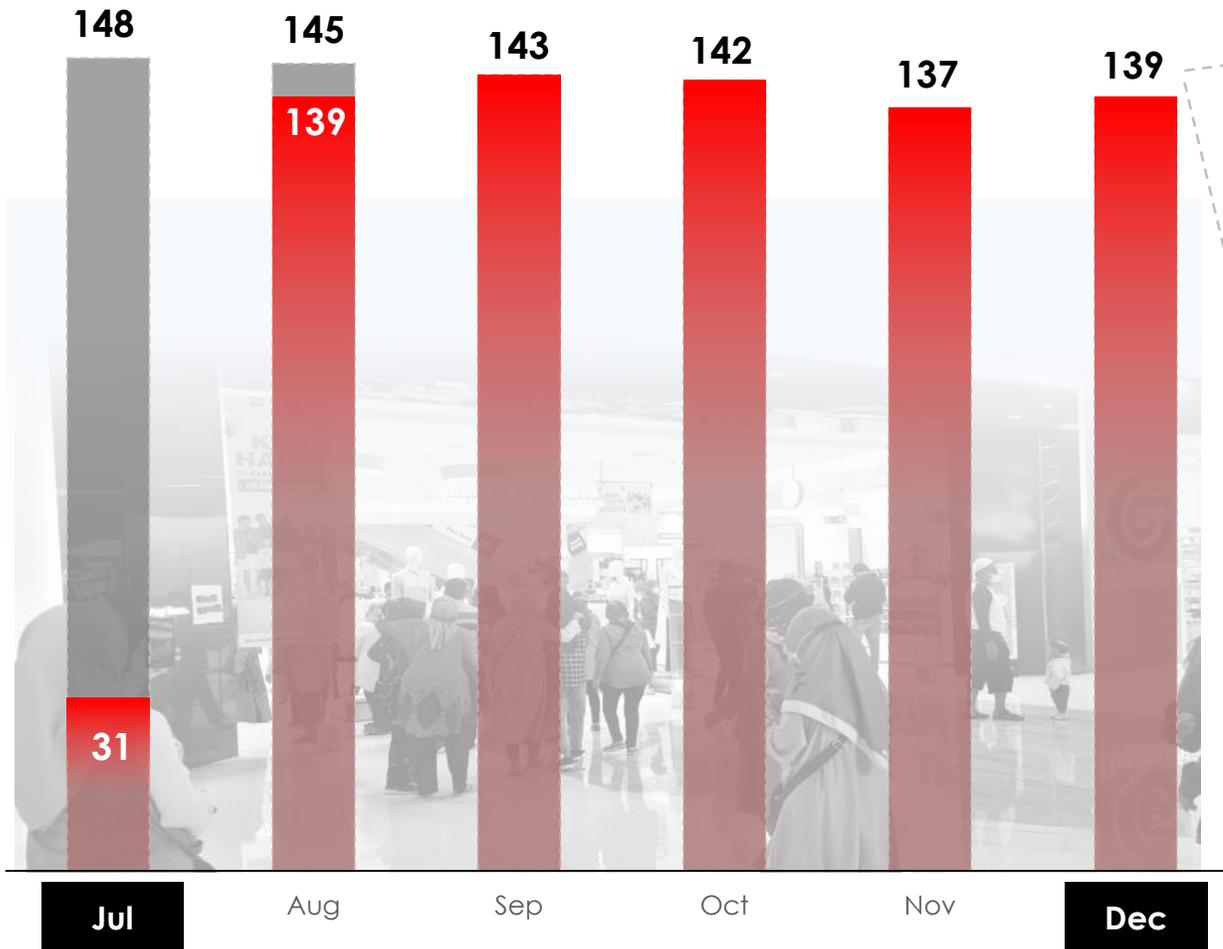
* Source: Bank Indonesia



STORE OPERATIONS UPDATE

Trading was around 10% ahead of our expectation

Number of Stores Operating



Matahari Citimall Cianjur 2

NEW



Matahari One Batam Mall

NEW



Matahari Supermal Karawaci

Karawaci overhaul underway **30% done**

OMNICHANNEL UPDATE

Improving customer proposition on own platforms

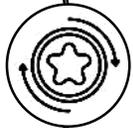
Latest Update



New Director of E-commerce & recruiting strong next level



Multiple enhancements for our app to improve customers' experience



Enabled loyalty points for spending in other wallets



Continue onboarding CV product in own platforms



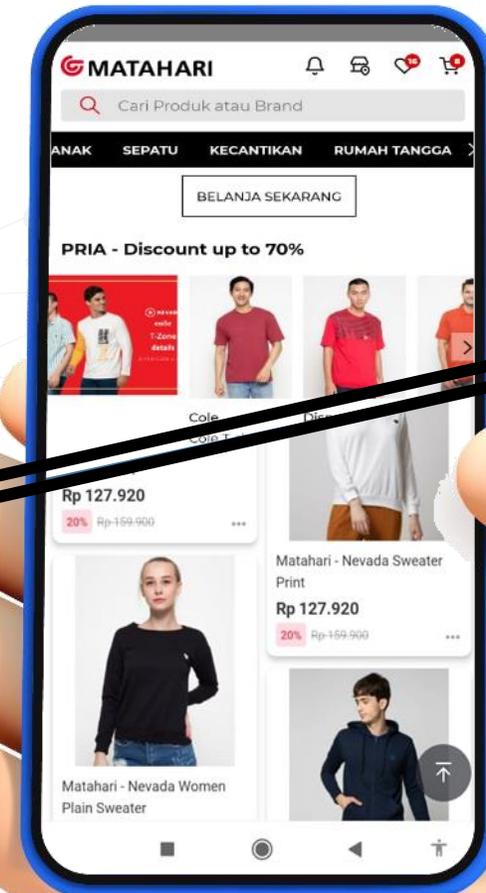
Went live on Tokopedia

Omni-channel vision

We will be market-leader in omnichannel, combining scale, physical assets with accelerated digital presence

Grow Matahari.com

- Best-in-class omni-channel experience (e.g., fulfill from store)
 - Extended assortment (e.g., endless aisle)
- Foundation for vertical marketplace



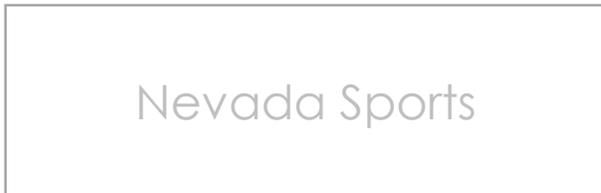
Greater exposure to customers at scale

Partner strategically with winning players

Build strategic marketplace partnerships

MERCHANDISING UPDATE

Babywear & Kidswear: Shop-in-shop destination, fashion expansion, and category focus



- Continue to roll out Baby Shop
- In 2022 we introduce newborn baby layette, new baby essentials and fashion lines in our DP brand Pipiniko.
- Based on the success of toddler sets and multipacks in Q4 2021, we will be expanding on this in 2022.
- Monitor our new nursery accessory brand trials
- Disney nursery has gained particular traction so far.
- Newly designed Disney for kids has been strong in toddler and older kids and we are working in partnership with the Disney team to potentialise this further.
- Nevada teen brand ranges have also proved successful and we will be growing this area going forward.
- Work on Nevada Sports label for kids and teens (Nevada Sports Junior - NSJ) on track for H2 2022.



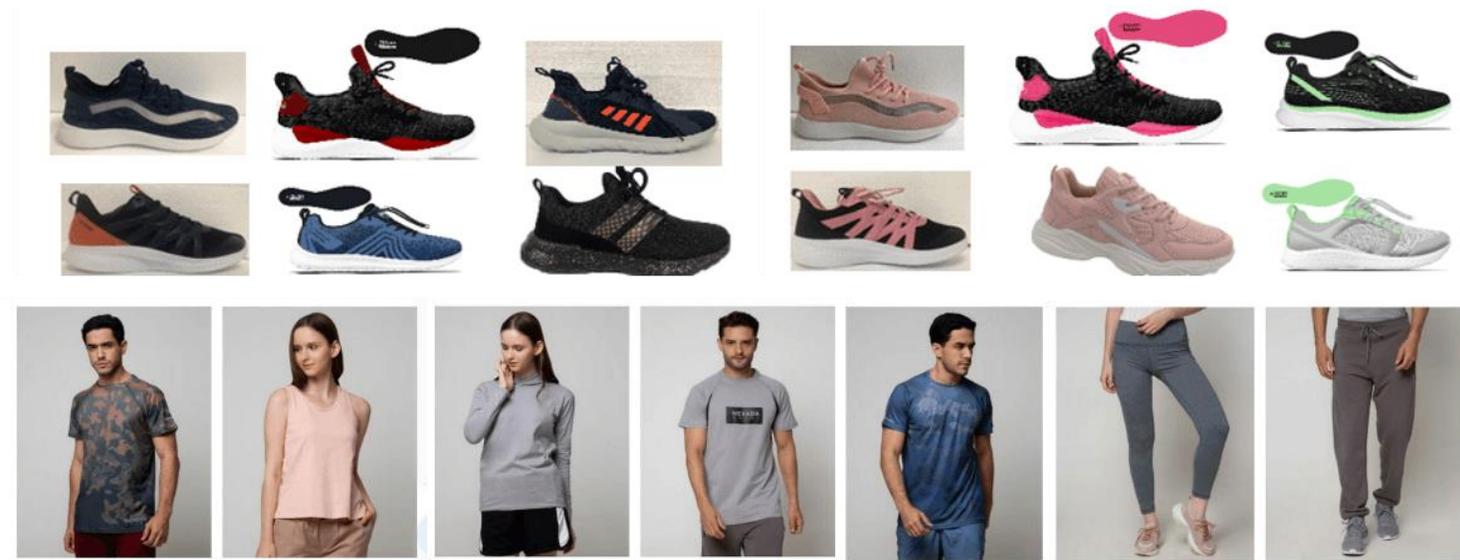
MERCHANDISING UPDATE

Nevada Sports: An affordable and comfortable sports brand that fits everyday looks



Nevada Sports

NEW RANGE COLLECTION



- This is very new and still in early stages but where we see best selling lines, we have already started to potentialise on these items for 2022 selling.
- Mens apparel lines and footwear show good promise and customers have been delighted with the competitive pricing, quality and styling in a number of ranges.

MARKETING & LOYALTY UPDATE

Marketing campaign “Season to Shine” was well received



Shining Destinations
Lucky Draw in Oct – Nov'21



Season to Shine
in Nov – Dec'21

FINANCIAL SERVICES UPDATE

New payment options with partners

Partnership with Atome

Soft launched in November 2021



About Atome

Atome users: 12 million registered in Indonesia



Program

- Buy now pay later (3 months and 6 months, 0% interest)
- Rolled out nationwide in Nov 2021
- Joint marketing, e.g.:
 - SMS Blast
 - Matahari Rewards loyalty members special program
 - Atome Member x Matahari Rewards members special program



Benefits

High user base from Atome to bring the traffic into MDS stores (drive repeat visits, drive new user segments)

SHARE BUYBACK UPDATE

IDR 599.0 Bn utilized to buy back 182.6 Mn shares

Share Buyback Phase I / 2021

Number of shares bought
64.9 Mn shares (2.47%)

Average Share price
IDR 2,338.69 per share

Funds spent
IDR 151.8 Bn

Period
6 Aug'21 to 5 Nov'21

Share Buyback Phase II / 2021

Number of shares bought
117.8 Mn shares (4.48%)

Average Share price
IDR 3,794.34 per share

Funds spent
IDR 447.2 Bn

Period
5 Nov'21 to 4 Feb'22

Share Buyback 2022

Max. number of shares to be bought
262.6 Mn shares (10%)

Maximum share price
IDR 4,700 per share

Funds allocated
IDR 500 Bn

Period
4 Feb'22 to 3 May'22

OUTLOOK & STRATEGY OF 2022

OUTLOOK IN 2022

Optimism going forward



- ▷ 2022 Gross Sales likely to be at 13.8 Tn delivering an EBITDA of 1.8 Tn.



- ▷ 2022 focus will be on Core business and Digital transformation.
 - Digital evolution gathers pace.



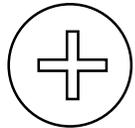
- ▷ Growing again with:
 - 10 new stores to be opened in 2022
 - Shift to mini refits for broader reach
 - New POS System
 - Development of Payment Options
 - Lebaran planning well underway



- ▷ No acquisitions / investments will be made in 2022.



- ▷ Management intends to divest the DC land at Cikarang at the right price.



- ▷ Based on evidence from other markets, we expect the peak of Omicron to occur before the key Lebaran season and so our robust preparation continue regardless

SHARPER FOCUS ON SERVING MORE VALUABLE CUSTOMERS

Re-energized range and omni-channel experience

Mission: To delight customers with aspirational yet affordable fashion that looks good and feels good

Purpose: Instill pride into everyday Indonesians



1 Rejuvenated, evolved and expanded omni-channel presence (online & offline synergies)

2 Curated customer-led range to grow sales & improve margin productivity

3 Best-in-class all-round customer experiences & personalization, focusing on loyalty members

4 Cost optimization to achieve operating leverage as the business grows

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