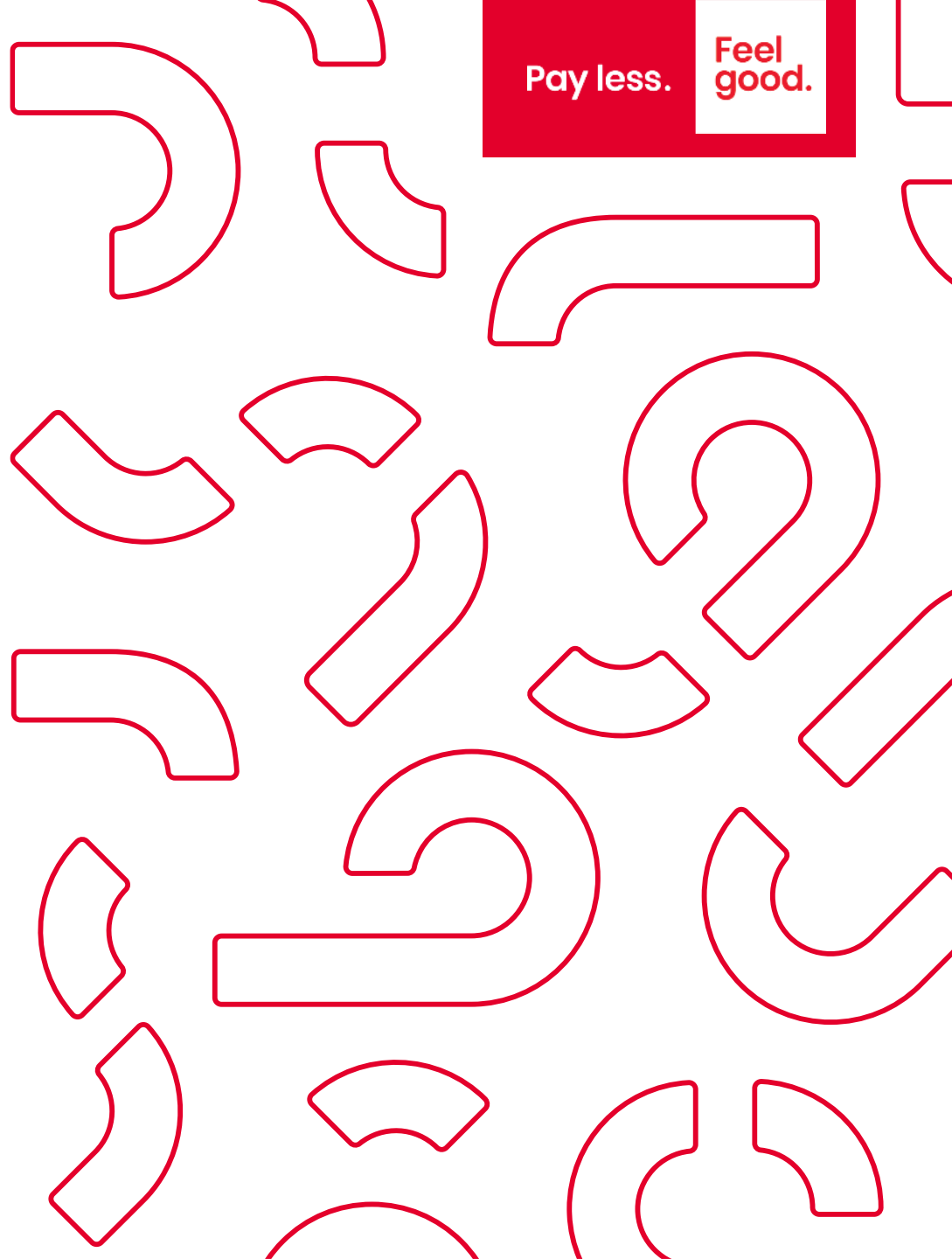


LPPF.IJ / LPPF.JK

Company Update

March 2023



Agenda

No	Topic	Page
1	Profile	3 – 8
2	FY / 4Q 2022 Financial Performance Updates	9 – 17
3	Closing Remarks	18 – 19

Pay less. **Feel good.**

Profile

Key Facts about Matahari

Indonesia's largest fashion retail platform

150 Stores

10 New in 2022 + 7 New in Jan-Apr'23
focusing on all key cities, in addition to leading coverage in multiple regional malls

80 Cities

focusing on the fast-growing mid-income segment

Extensive apparel, footwear, & beauty, offering leading global & popular regional brands, with our array of private labels

94%

Large domestic supplier base



Leading multi-category retailer

Relative Market Share (RMS)

2.7x

Vs. nearest competitor

Best Reach



Well-loved brand,
Ready for omnichannel

Active Loyalty Members Active Member Sales Contribution Net Promoter Score

6.9Mn

65.9%

63

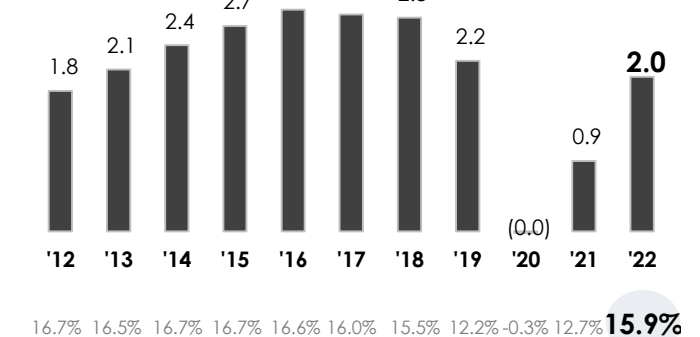
Strong Financial health & shareholders' support

2.3+ Trn
2023 EBITDA Guidance

2.28 Bn
Outstanding Shares

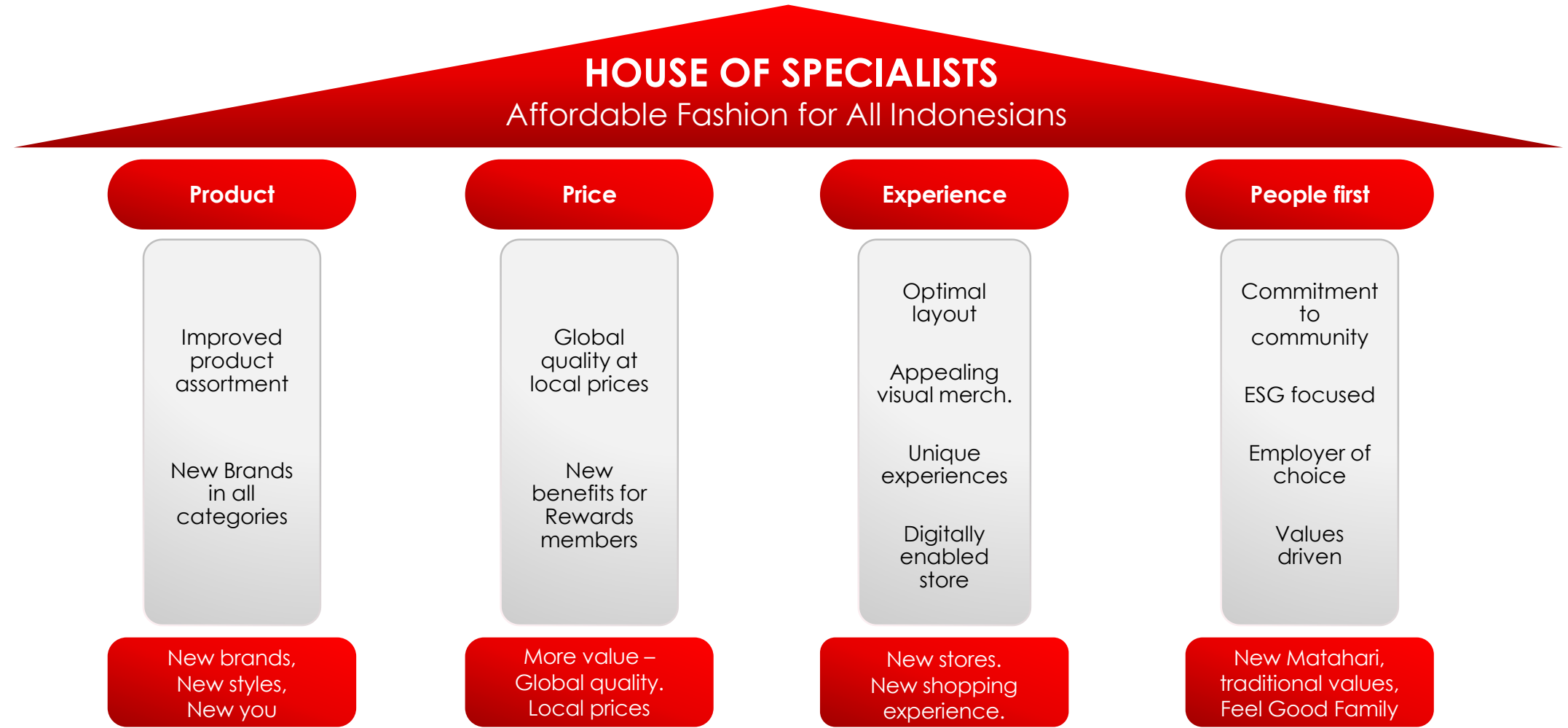
Auric Digital Retail
39.8%
Controlling Shareholders

EBITDA / EBITDA Margin
IDR Trillion / %



MATAHARI REBRANDING

The rebranding signifying improvements in price value, products, customer experience, and people (internal and external)



Vision

Be a leading omni-channel lifestyle retailer as a customer-centric 'House of Specialists'

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

Purpose: Instill pride into everyday Indonesians



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

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

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

4 Cost optimization to achieve operating leverage as the business grows

STRATEGY UPDATE HIGHLIGHTS

Key pillars to deliver multi-year target



Merchandise Full Potential

Well curated products with good merchandising value resulting in strong Christmas trading, with fresh collection generating better margin



Store Network Optimization

Completed 10 new store opening in 2022; securing 7 new locations for new Matahari stores to open before Lebaran in 2023



Omnichannel Expansion

Exiting 2022 with 3 marketplace platforms' official shops, enabling 16 stores for Click & Collect and Fulfilment from stores



Loyalty & Personalization

Active members has grown to 7.2 Million, with contribution of 66% of total sales in 4Q22



Operational Excellence

Improved navigation, product display, and multi-skilled staff increase customer satisfaction, leading to growing Net Promoter Score to 63



OPEX Optimization

Optimum headcount exercise and performance driven compensation are bearing fruit



Environmental, Social, & Corporate Governance

Focus on the next generation, through school library renovation and shopping with orphans

Work initiated on segments in company formats on a tight basis to target specific income and demographic groups

Our Team

Winning formula and target defined; team assembled



ROY MANDEY
Independent
Commissioner



ADRIAN SUHERMAN
Commissioner



MONISH MANSUKHANI
President Commissioner



ANDY ADHIWANA
Commissioner



BIANCA CHEO HUI HSIN
Independent
Commissioner



DAVID AUDY
Independent
Commissioner



MIRANTI HADISUSILO
Director
Corporate Secretary
& Legal



HERNI DIAN
Director
(Chief of People
& Culture Officer)



NIRAJ JAIN
Director
(CFO)



BUNJAMIN MAILOOL
President
Director



TERRY O'CONNOR
Vice President
Director (CEO)



IRWIN ABUTHAN
Director
Store Development



RACHEL STACK
Chief
Merchandising
Officer



Ian P.
DC
Director



Willy W.S.
IT
Director



Tjhai A Eng
Head of
Marketing



Brajesh S.R.
Digital
Director



Dan S.
Planning &
Allocation Director

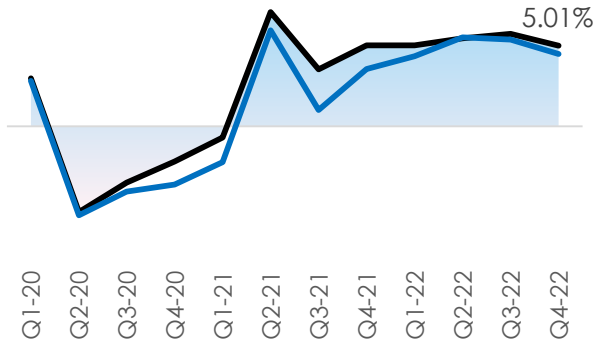
Pay less. **Feel good.**

FY / 4Q 2022 Financial Performance Updates

Macroeconomic / Industry Updates

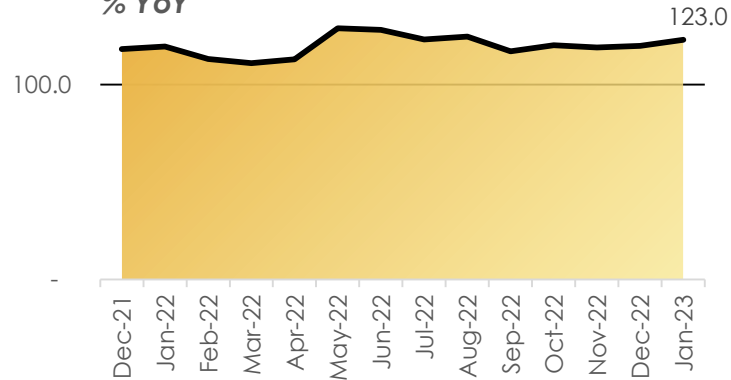
Consumer confidence & economic growth remains strong, inflation is subsiding: An early indication for stronger 2H23

Quarterly Economic Growth
% YoY



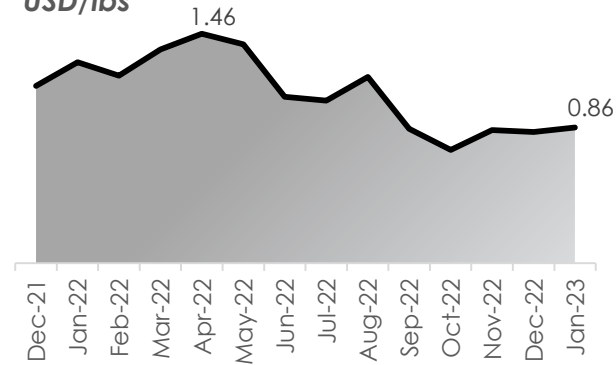
Source: Statistics Indonesia

Consumer Confidence Index
% YoY



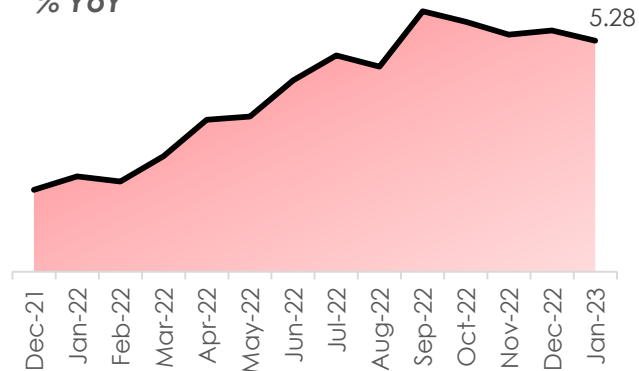
Source: Bank Indonesia

Cotton Price
USD/lbs



Source: Nasdaq

Inflation
% YoY



Source: Bank Indonesia

- Consumer confidence, by the end of 2022 at 119.9 maintained above optimism threshold, has driven household consumption bolstering solid economic growth in 4Q22 of 5.01% YoY & for FY22 of 5.31%.
- Visibility on national minimum wage increase, being an average of 7.26% provincially, will help mitigate inflationary impact, currently standing at 5.28% at the end of Jan'23 and expected to moderate below 4% within 2023.
- Cost inputs are subsiding, with favorable impact as we progress through 2023. Cotton prices that reached USD 1.46/lbs in Apr'22 had dropped to USD 0.86/lbs in Jan'23.

FINANCIAL HIGHLIGHTS | Full-Year 2022

Full Year 2022 Net Income was at IDR 1,383 Bn, +51.5% from 2021, and slightly higher than 2019

(in IDR Bn)	Full Year			Q4(A)		
	2022	2021	Var %	2022	2021	Var %
Gross Sales	12,413	10,284	20.7%	2,929	2,785	5.2%
SSSG%	20.8%			2.4%		
Gross Profit	4,429	3,597	23.1%	1,039	980	6.0%
GM%	35.7%	35.0%		35.5%	35.2%	
OPEX exc. Rental	(1,226)	(1,274)	-3.7%	(274)	(259)	5.6%
EBITDAR	3,202	2,323	37.9%	765	720	6.1%
EBITDAR Margin%	25.8%	22.6%		26.1%	25.9%	
Rental incl. Amortization	(1,234)	(1,019)	21.1%	(340)	(193)	76.3%
EBITDA	1,968	1,304	50.9%	424	527	-19.5%
EBITDA Margin%	15.9%	12.7%		14.5%	18.9%	
Net (Loss) Income	1,383	913	51.5%	329	474	-30.6%
Net Income Margin%	11.1%	8.9%		11.2%	17.0%	

BALANCE SHEET

Balance Sheet with Net Cash of IDR 354Bn

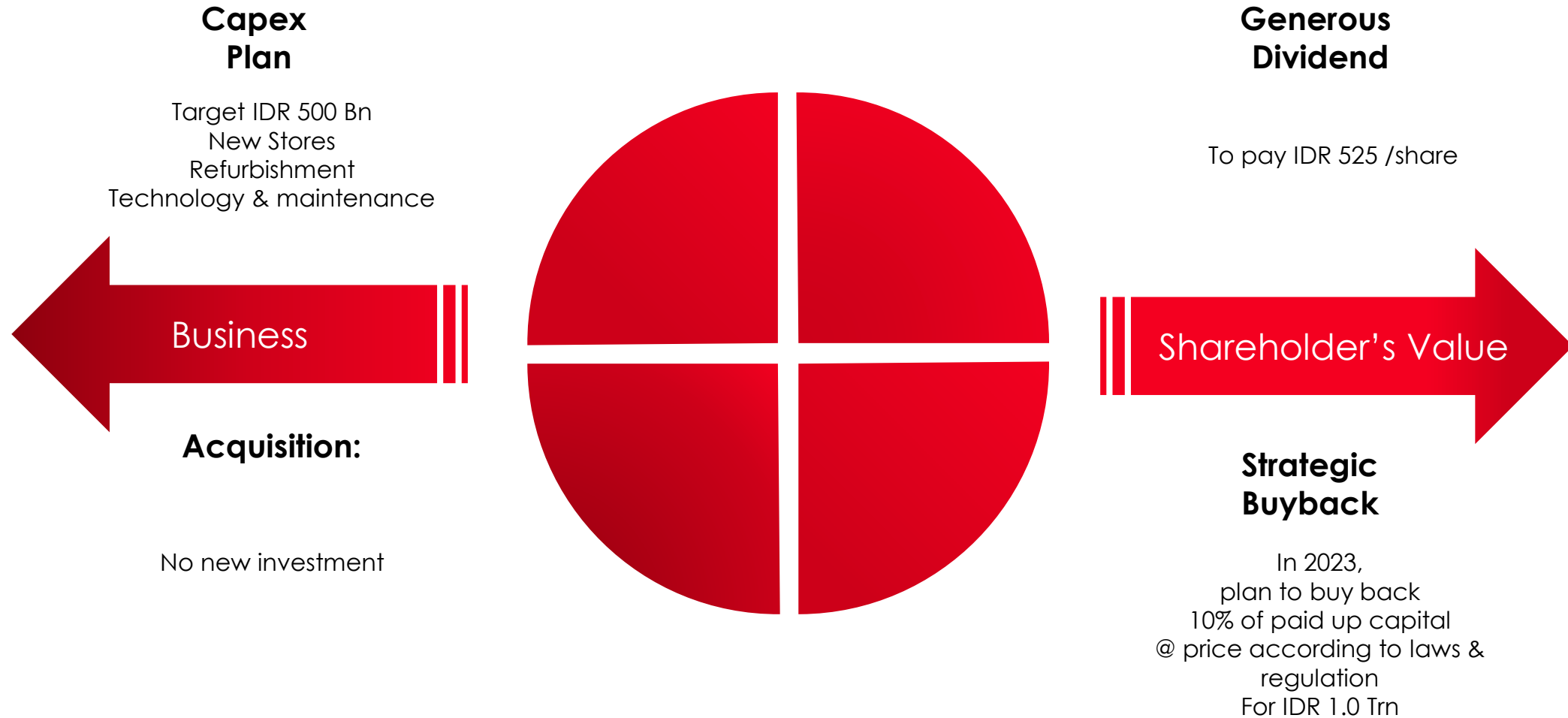
ASSETS			LIABILITIES & EQUITY		
(in IDR Bn)	Dec 2022	Dec 2021	(in IDR Bn)	Dec 2022	Dec 2021
Net Cash (Debt)	354	661			
Trade Receivables	64	26	CV Trade Payables	662	243
Inventories	896	747	DP Trade Payables	549	487
Right-of-Use Assets	2,527	2,602	Lease Liabilities	2,933	2,800
Other Assets	1,223	1,168	Other Liabilities	1,026	1,315
Fixed Assets	686	647	Equity	580	1,006
TOTAL ASSETS	5,750	5,851	TOTAL LIAB. & EQUITY	5,750	5,851

Remarks:

- Net cash of IDR 354Bn, with IDR 1.7Tn unutilized loan facility.
- 55.4% of inventory on hand pertains to Q4 2022, compared to Last Year at 45.6%.
- 16% YoY improvement in inventory aged 0-6 months.
- Right-of-use assets and lease liabilities reflect asset and liabilities created as a result of following PSAK 73.

CAPITAL ALLOCATION | Capital Allocation Strategy

Capital well allocated to enhance shareholder value for forward growth



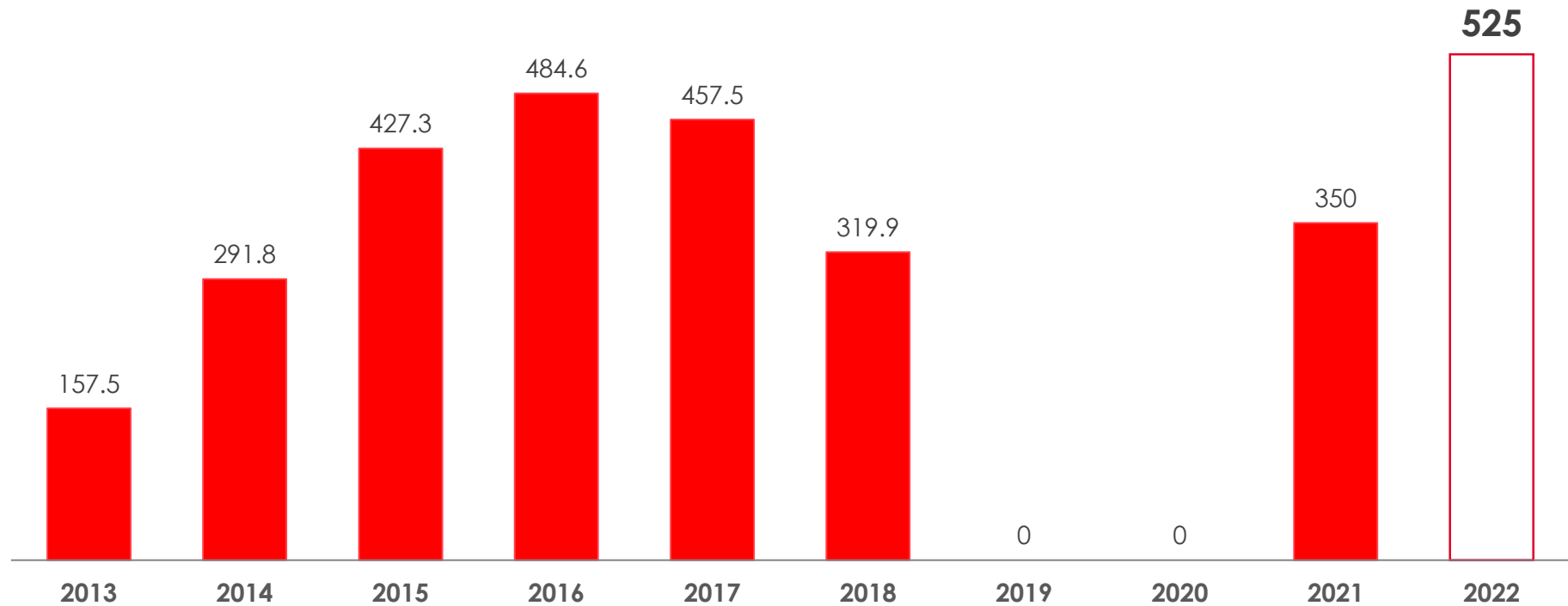
CAPITAL ALLOCATION | Dividend

The Board is committed to increasing shareholder's value by paying regular dividends

Management has recommended a dividend of IDR **525** per share for 2022, to be paid in April 2023, subject to statutory approvals

Historical Dividend Payout

IDR/share



CAPITAL ALLOCATION | Share Buyback Update

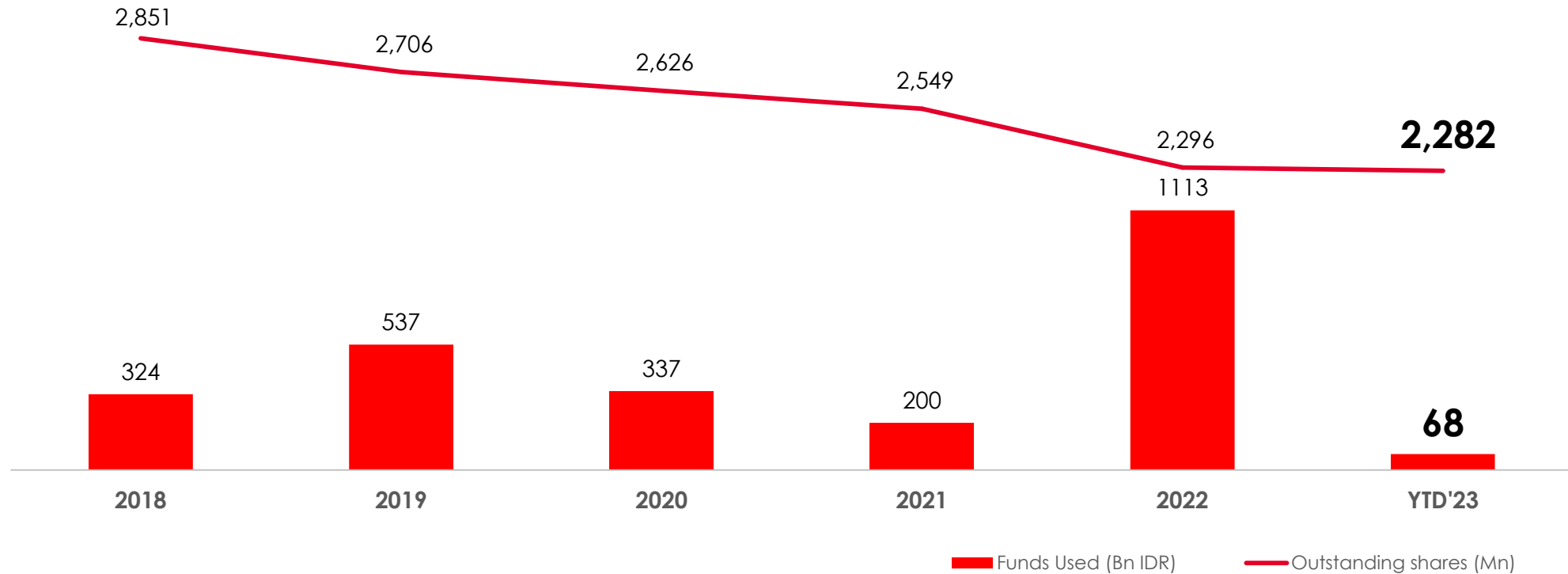
IDR 1.1 Tn utilized to buy back 253 Mn shares in 2022

Share Buyback 2021	Share Buyback 2022	Share Buyback 2023 (ongoing)	New Plan Share Buyback 2023
Number of shares bought 77.2 Mn shares	Number of shares bought 252.8 Mn shares	Number of shares bought 13.7 Mn shares	Number of shares bought 10% of paid up capital
Average Share price IDR 2,591 per share	Average Share price IDR 4,405 per share	Average Share price IDR 4,950 per share	Average Share price In accordance to laws & regulations
Funds used IDR 200.3 Bn	Funds used IDR 1,113.5 Bn	Funds used IDR 67.7 Bn	Plan Funds used IDR 1,000 Bn
Period 1 Jan'21 to 31 Dec'21	Period 1 Jan'22 to 31 Dec'22	Period YTD 2023	Period 29 Mar'23 to 28 Sep'24

CAPITAL ALLOCATION | Share Buyback History

Outstanding shares reduced by 20% between 2019 to 2023, with 10% in 2022 itself

Outstanding shares* & Share buyback

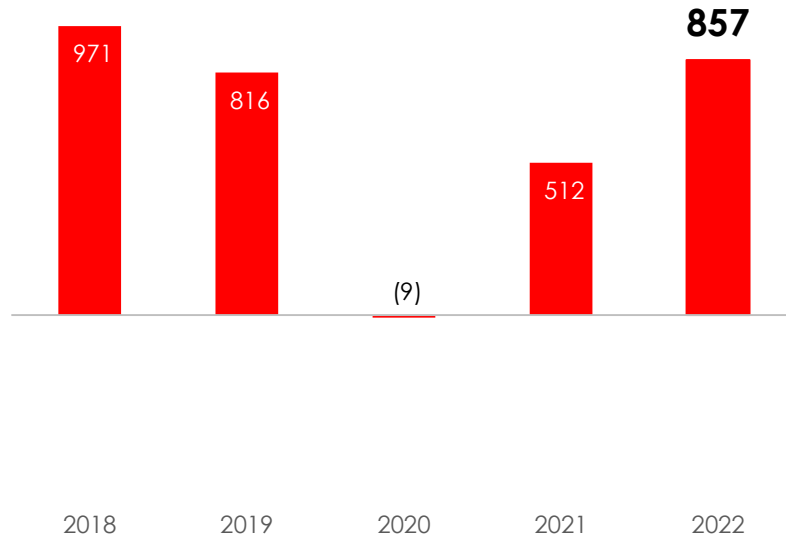


*outstanding shares are presented after deducting treasury shares

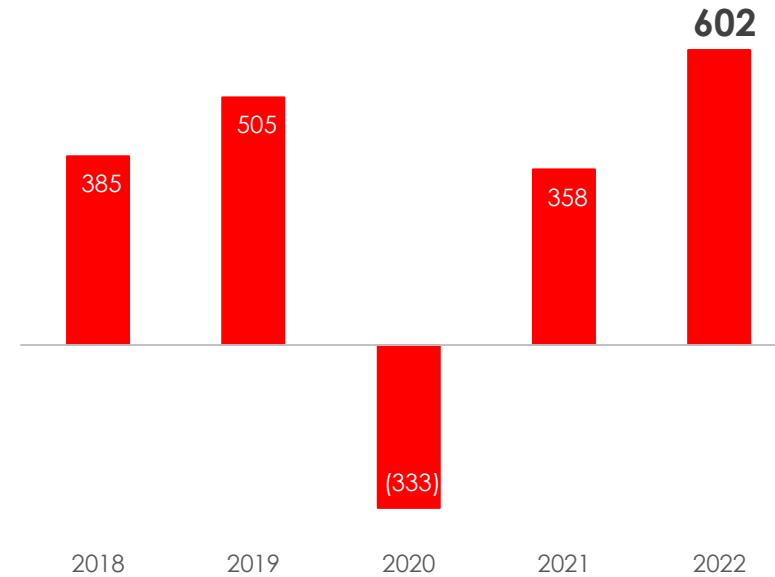
FINANCIAL HIGHLIGHTS | Earnings per Share

FY22 Earnings per Share of IDR 602/share secures the dividend commitment of IDR 525/share

EBITDA per Share
IDR/share



Earnings per Share
IDR/share



- FY22 EBITDA per Share reached IDR 857/share
- FY22 Earnings per Share was IDR 602/share, out of which 87% (IDR 525/share) is recommended to be distributed as dividend for FY 2022, to be paid in 2023.

Pay less. **Feel good.**

Closing Remarks

Our achievements, our future

Baseline of pre-pandemic profitability achieved; time to grow

2022 Achievements (highlight of the year)

- Completion of **the opening of 10 new stores** with new look and feel as promised
- **Execution of 40 total stores** with new branding, including 20 mini refits, completed
- **Active Loyalty Members** in our Matahari Rewards program reaching 6.9 Million, contributing to 66% of total sales
- **Significant NPS improvement** from 54 in 2021 to 63 in 2022, solid forward indicator for repeat business
- **Huge Shopee growth** and **Q4 successful Lazada launch** sees marketplace momentum growing
- **Current freshness level** not seen since pre-pandemic has been reached leading to significantly less aged and intake opportunities for the coming peak Lebaran season
- **Gross Profit Margin of 35.7%**, highest achieved since 2015 as a result of combined rationalization of merchandise ranges over the past 2 years
- **Net Profit of IDR 1.4 Trn**, above pre-pandemic level

Guidance

Profitability guidance for EBITDA of IDR 2.3 Tn or better in 2023 as indicated previously

Growth drivers of 2023 (Project Sunrise / OGSM)

- **12-15 new stores to be opened**, 7 before Lebaran (multi-year expansion)
- **New store format work** of new premium format is well underway, with 3 potential new stores within 2023, extending our consumer reach.
- **8.5 Mn Loyalty members by year end**
- **Expansion of digital marketplaces** after Lazada success with up to 3 more to be added to complement ongoing range, technology, store connectivity, and user experience enhancements at our Matahari.com
- **POS project completion**, accelerating technology rollout
- **Uplifted range and presentation for our power brands**, which are Nevada, Cole, Connexion, and Little M, with shop-in-shop formats, unique staff ambassadors, digital asset, and development as exclusive brand assets
- **Development of new private labels** commencing with Suko, and an entry level private label project is in early stages
- **Reinvigoration of beauty, home, travel, infants, and active**
- **Lebaran preparation** running 2 weeks ahead of prior year, with fresher starting point.

Contact us

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Pay less. **Feel good.**

Thank you

 **matahari**

Pay less. **Feel good.**

Appendix

MERCHANDISING FULL POTENTIAL

Well curated products with good merchandising value resulting in strong Christmas trading, with fresh collection generating better margin

Womenswear

Renewed and expanded our womenswear hero brands



Menswear

78 brands both international and popular regional plus **6 private brands**



Childrenswear

Most complete childrenswear offer in Indonesia, cradle to college; Kids Character World: the most complete offer of character apparel



Footwear

New brands added to our **50+ selection**, with **5000+ individual** footwear styles at peak, across womens, mens, kids & active footwear



New Initiatives

Activewear

RSH 20 stores in 2022, rising to 31 by 2023
Nevada Sport & NSJ, into 102 stores in 2023



New Denim Shop

SIS in 8 stores in 2022, targeting 38 stores



Baby Shop

SIS in 74 stores in 2022, targeting 15 Full BS & 80 Curated BS in 2023



HERO BRANDS

Connexion growth plans
~46% YoY in 2023

Cole growth plans
~29% YoY in 2023

Little M growth plans
~27% YoY in 2023

New lines for footwear
Cole & Connexion

EXTENDING OUR MARKET REACH

Tighter segmentation



Geo Reach

We will extend our market leading reach to address high potential whitespace in catchments where our target shoppers live, work, and play

~110 attractive whitespace opportunities identified for Matahari across the country as well as premium format for tier-1 and economy for tier-2 & -3 opportunities

Store Formats



**Premium
(new brand)**

matahari



Flagship

≥ 10k sqm

Marquee stores
in key locations
in Tier 1



Core

Avg. 7-9k sqm

Catering to
higher end of
middle class



Mainstream

Avg. 5-7k sqm

Catering to
middle class
segment



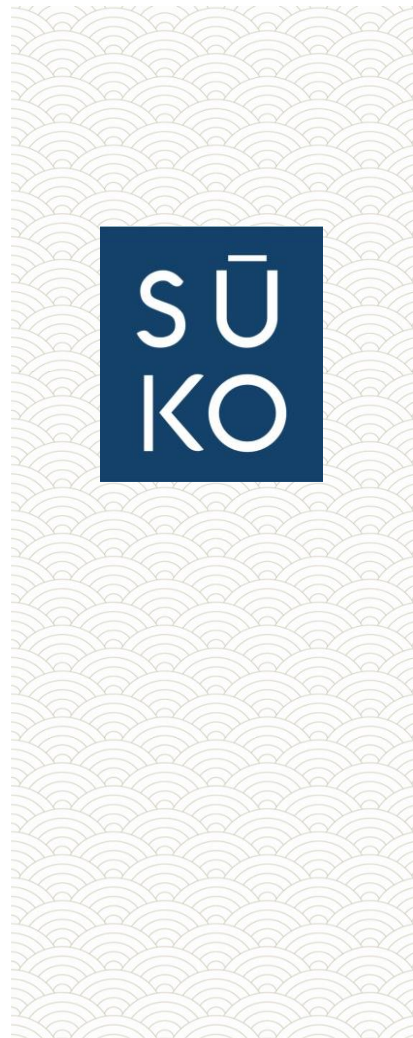
Small Format

Avg. ~3k sqm

when
opportunity
presents

FORMAT WORK

Suko: To be rolled out in May'23, to be available in 20 stores within 2023



Customer Target

Broader age appeal
Emerging middle to upper middle
Cultured and simple lines
Middle to upper-middle mall shoppers

Product

Everyday essentials
Classic comfort
Wide appeal

Price Range

IDR 149 - 599k
10 - 15% below globals

Promotion

Teaser
campaign in
pop up locations
pre-Lebaran,
full official
launch in June

Place

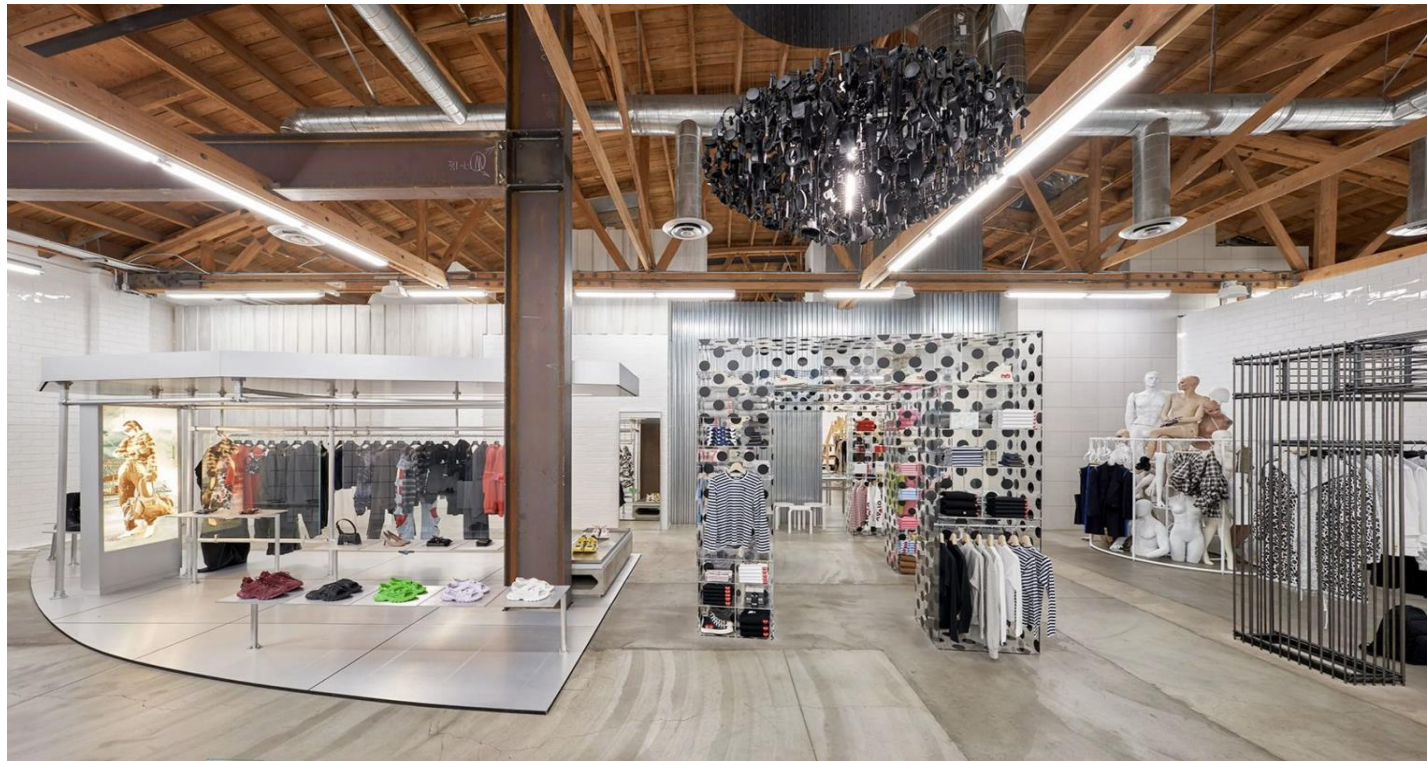
Starts in 20 stores
across May & Jun,
supplemented by
dedicated online
presence in
marketplaces &
social commerce

FORMAT WORK

New Premium Format

Store Profile

- Small format store at A+ malls, but not luxe
- Global & regional brands, with curated private labels, that is affordable/aspirational
- Contemporary store fits, with strong service, warm experience, and digitally connected



Target Customers

Young millennials
Middle To Upper-Middle Class
Stylish Young Professional

Brands

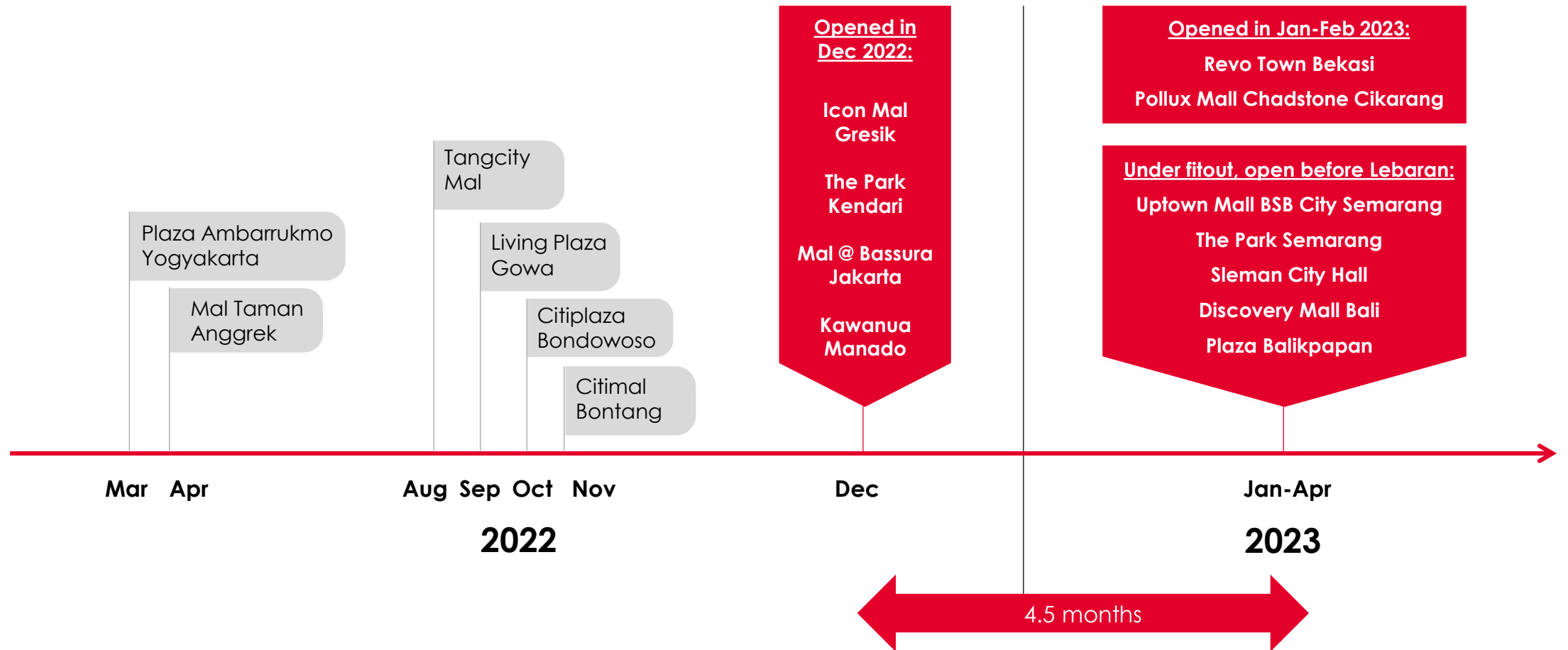
International brands
Exclusive private label brands
New upcoming brands

Marketing

Building awareness, engagement, activation, and loyalty to create sustainable traction

STORE NETWORK OPTIMIZATION

10 new stores opened in 2022. 12-15 new stores to open in 2023, 7 before Lebaran.



Velocity seen in expansion, with 11 stores opened across 4.5 months proving the execution capability

OMNICHANNEL EXPANSION

Exiting 2022 with 3 marketplace platforms' official shops, enabling 16 stores for Click & Collect and Fulfilment from stores



Improve customer proposition on own platforms

16 stores Enabled with Click & Collect and Fulfilment from Stores



Expansion in existing marketplace platform



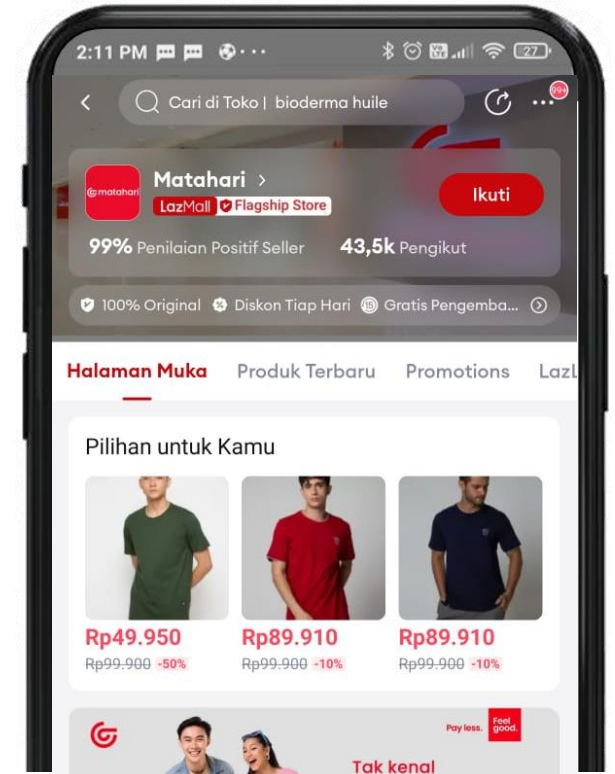
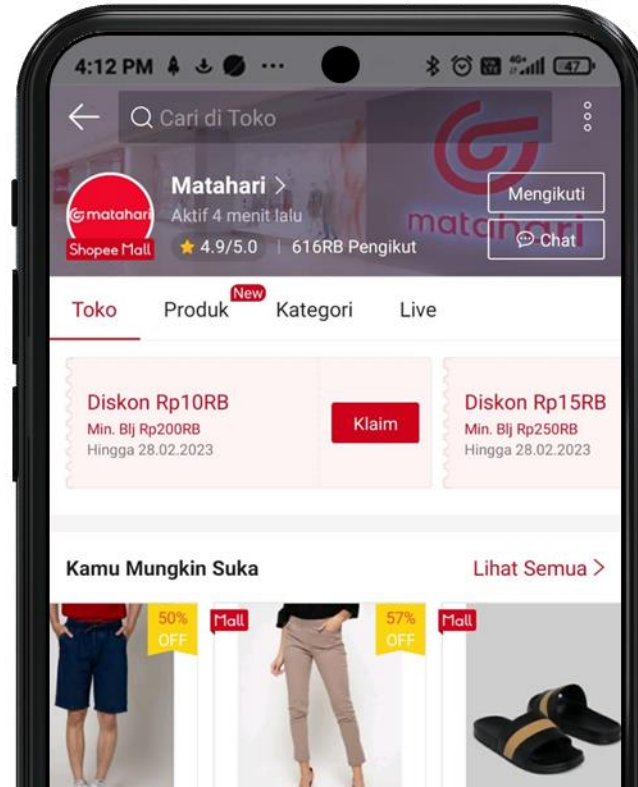
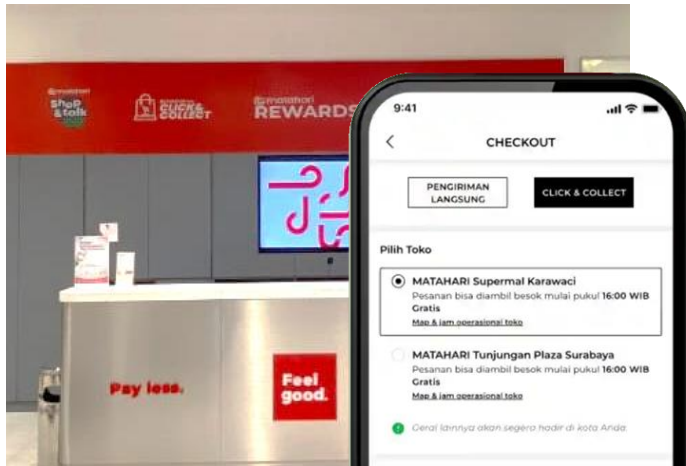
Scaling up Shopee business resulting in solid Shopee growth of 175%



New official shop in third-party marketplace



Successful Launch of Lazada contributing to the business growth in marketplace



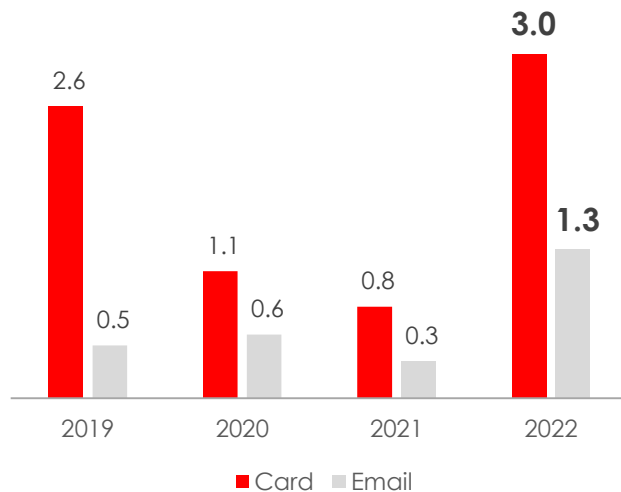
LOYALTY & PERSONALIZATION

Active members has grown to 6.9 Million, contributing to 66% of total sales

Customer Acquisition

Strong performance in acquisition strategy, higher than pre-pandemic level

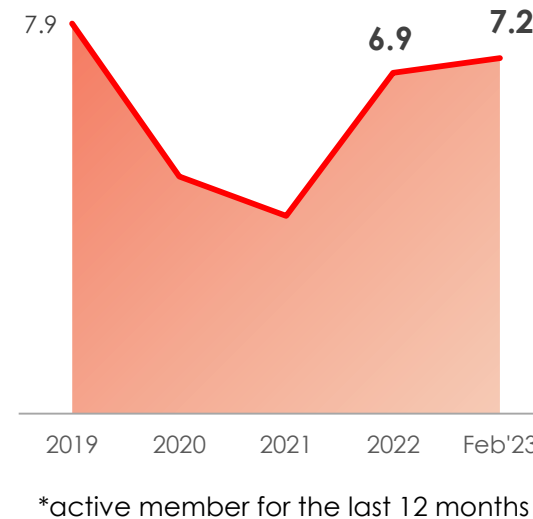
Acquisition
In Million



Active Members

Customer base continues growing to pre-pandemic level

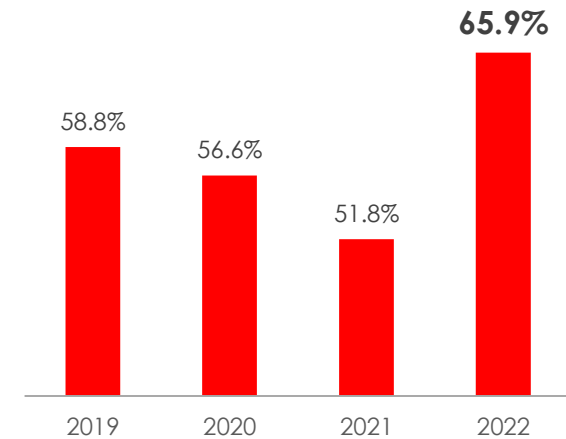
Active Members
In Million



Average Member Contribution

The success rate of Matahari Rewards penetration going up

Average Member Contribution
%



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Focus on the next generation, through school library renovation, shopping with orphans, and Sustainability Framework development



Materials

More eco-friendly merchandising, with Nevada x Repreve, products made of recycled plastic bottles



Inclusion & Labor best practice

Continued engagement activities, a proof of People First pillar in the House of Specialists



Kids

Starting the school library renovation program for 10 schools in 10 regionals



In collaboration with institutions, conducting event of shopping with orphans



Sustainable Acts

Working with Deloitte to develop Sustainability Framework and building a roadmap together through a workshop

NEXT STRATEGY FOCUS

Focuses on private labels, growth of beauty, CV partnership, growth of Omnichannel, and loyalty

**The leadership team had a comprehensive off site session in October 2022.
The strategic session was leading to the Project Sunrise being tightened further into 5 cores.**

