

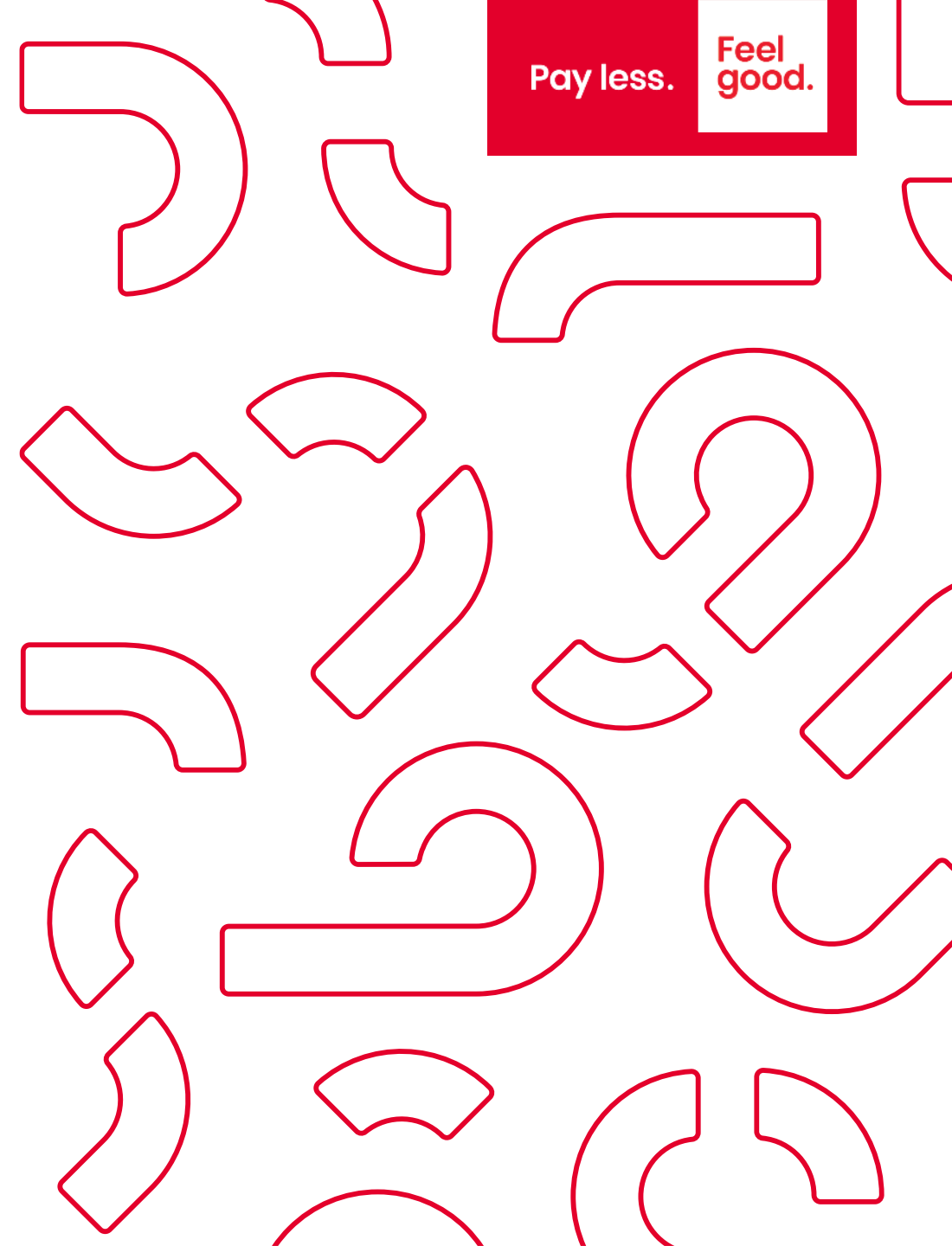
LPPF.IJ / LPPF.JK

Company Update

May 2023



Pay less. Feel good.



Agenda

No	Topic	Page
1	Profile	3 – 9
2	1 Q 2023 Financial Performance Updates	10 – 17
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Pay less. **Feel good.**

Profile

Key Facts about Matahari

Indonesia's largest fashion retail platform

155 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

81 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

7.6Mn

Active Member
Sales Contribution

81.7%

Net Promoter
Score

67

Strong Financial health & shareholders' support

2.3 Trn

2023 EBITDA Guidance

2.26 Bn

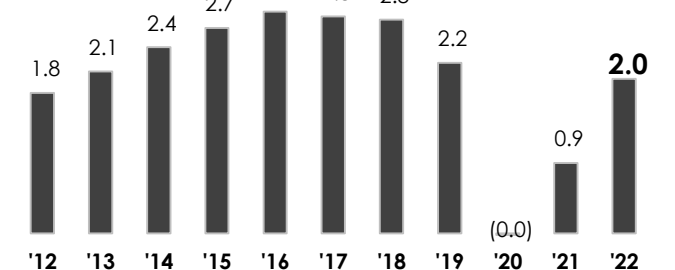
Outstanding Shares

Auric Digital Retail

42.5%

Controlling Shareholders

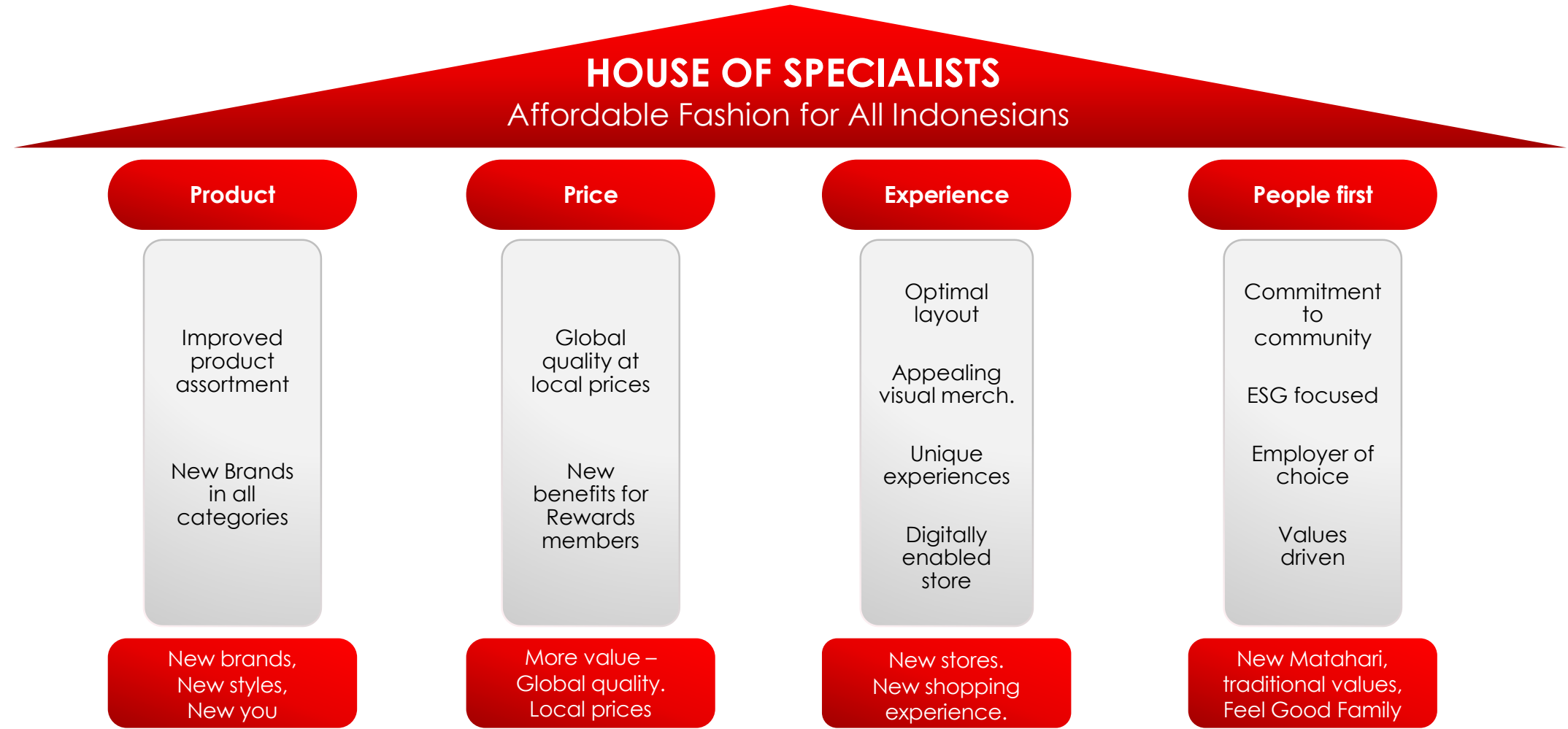
EBITDA / EBITDA Margin IDR Trillion / %



16.7% 16.5% 16.7% 16.7% 16.6% 16.0% 15.5% 12.2% -0.3% 12.7% **15.9%**

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

Investment in Modestwear, strengthening current portfolio & introducing new brands
Pop-Up stores of Suko in play
Early strong acceptance for childrenswear & beauty ranges



Store Network Optimization

The opening of new 7 stores done before Lebaran, on track to open 12-15 stores in 2023, with new premium format well underway



Omnichannel Expansion

Strong growth in marketplace driven by successful collaboration with Shopee & Lazada, leading to expansion in 2H23
ETP project advancing well to digitize CV business across Matahari.com & marketplace



Loyalty & Personalization

Active members has grown to 7.6 Million, with contribution of 82% of total sales



Operational Excellence

Entrepreneurial culture supports seasonal touchpoints for Lebaran



OPEX Optimization

Underlying cost under control, rents normalizing and seasonal staff investment in 1Q23



Environmental, Social, & Corporate Governance

Enhancing diversity & inclusion approach through development program for diffable staff, while continuing improving welfare for kids in needs through donation

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

STRATEGY FOCUS (OGSM)

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.**

Strengthening our private labels

Growth of
Shop-in-Shop
concepts
and
expanding heroes
with more
store space and
upweighting localities

Empowering the growth of beauty

Bringing
new premium brands
as well as
expanding
private label
within online and
improved offline
space

Strengthening CV partnership

Improving
brand expansion,
participation, and
productivity,
as well as,
onboarding
all CV suppliers into
single portal

Expansion of Omnichannel

Building range
and enhancing
customer experience,
whilst establishing
leadership in
marketplace

Growing Loyalty & personalization

Growing
active members
and loyalty &
driving omnichannel
customers,
with better member
value proposition

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



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

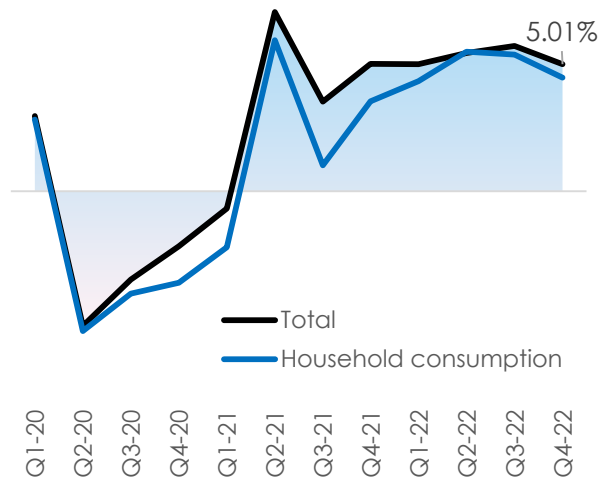
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1Q 2023 Financial Performance Updates

MACROECONOMIC / INDUSTRY UPDATES

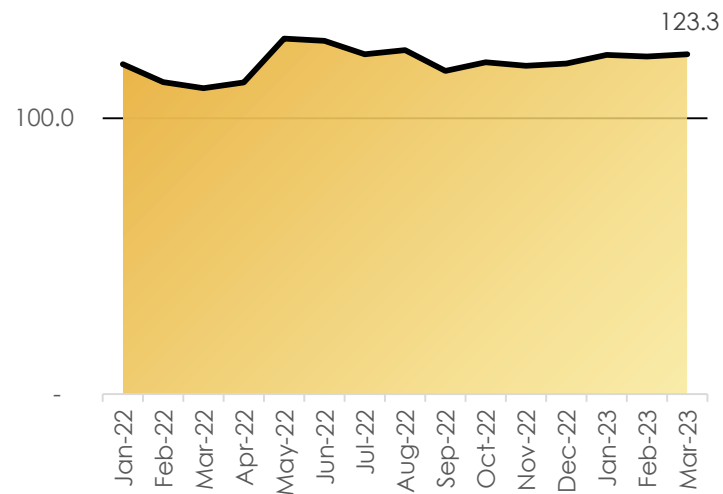
Consumer confidence & economic growth remains strong, inflation is subsiding: An early indication for stronger 2H23

Quarterly Economic Growth
% YoY



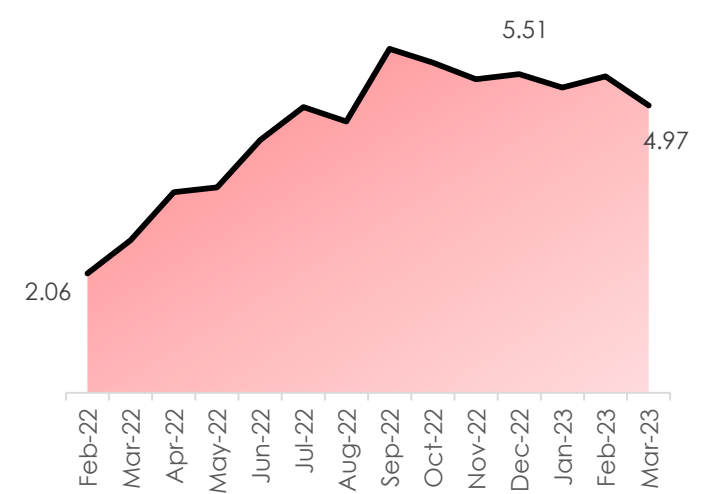
Source: Statistics Indonesia

Consumer Confidence Index
% YoY



Source: Bank Indonesia

Inflation
% YoY



Source: Bank Indonesia

- Inflation remains stubbornly high but has started to drop, giving optimism for the latter part of the year.
- Whilst consumer confidence and economic growth prospect remains robust in the medium term, there has been a shorter Lebaran season driven by payday and THR.
- Lowering inflation, amidst encouraging economic situations, supports the purchasing power during the key Lebaran season in 2023.

FINANCIAL HIGHLIGHTS | Q1 2023

Q1 2023 Sales at IDR 2.7Tn +14.2% from 2022, EBITDA at IDR 234Bn

(in IDR Bn)	Q1				Comparable Q1		
	2023	2022	Var	Var %	2022	Var	Var %
Gross Sales	2,746	2,403	342	14.2%	2,403	342	14.2%
SSSG%	10.4%						
Gross Profit	972	853	120	14.0%	844	129	15.2%
GM%	35.4%	35.5%			35.1%		
OPEX inc. Rental Amortization	(738)	(602)	(137)	22.7%	(661)	(78)	11.8%
EBITDA	234	251	(17)	-6.8%	183	51	27.7%
EBITDA Margin%	8.5%	10.4%			7.6%		

BALANCE SHEET

Balance Sheet with Net Cash of IDR 219 Bn

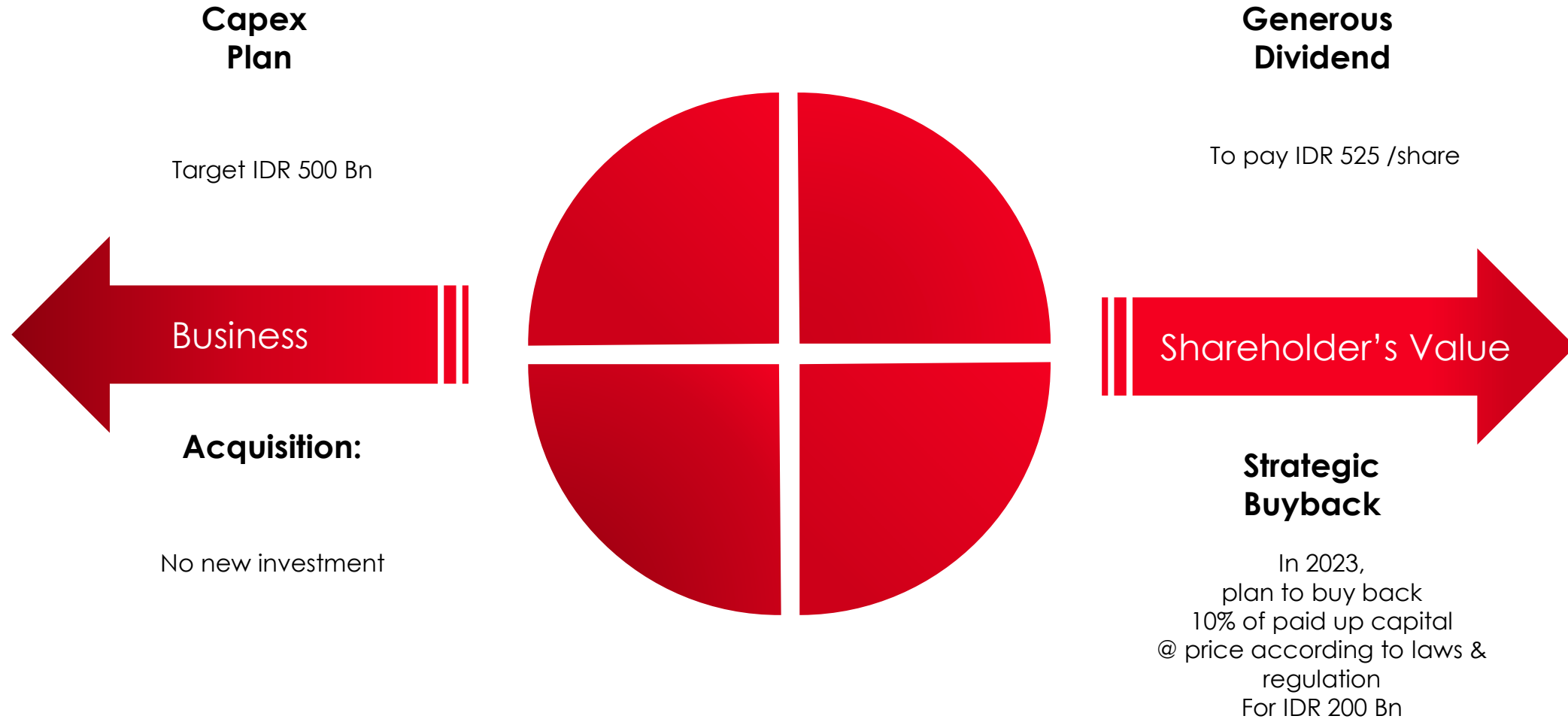
ASSETS			LIABILITIES & EQUITY		
(in IDR Bn)	Mar 2023	Dec 2022	(in IDR Bn)	Mar 2023	Dec 2022
Net Cash	219	354			
Trade Receivables	50	64	CV Trade Payables	622	662
Inventories	1,534	896	DP Trade Payables	1,189	549
Right-of-Use Assets	2,445	2,527	Lease Liabilities	2,878	2,933
Other Assets	1,266	1,223	Other Liabilities	1,055	1,027
Fixed Assets	697	686	Equity	467	580
TOTAL ASSETS	6,212	5,750	TOTAL LIAB. & EQUITY	6,212	5,750

Remarks:

- Net cash of IDR 219Bn, with IDR 1.7Tn loan facility.
- Entering the second quarter with 84% inventory freshness (0-6 months).
- Right-of-use assets and lease liabilities reflect asset and liabilities created as a result of following PSAK 73.

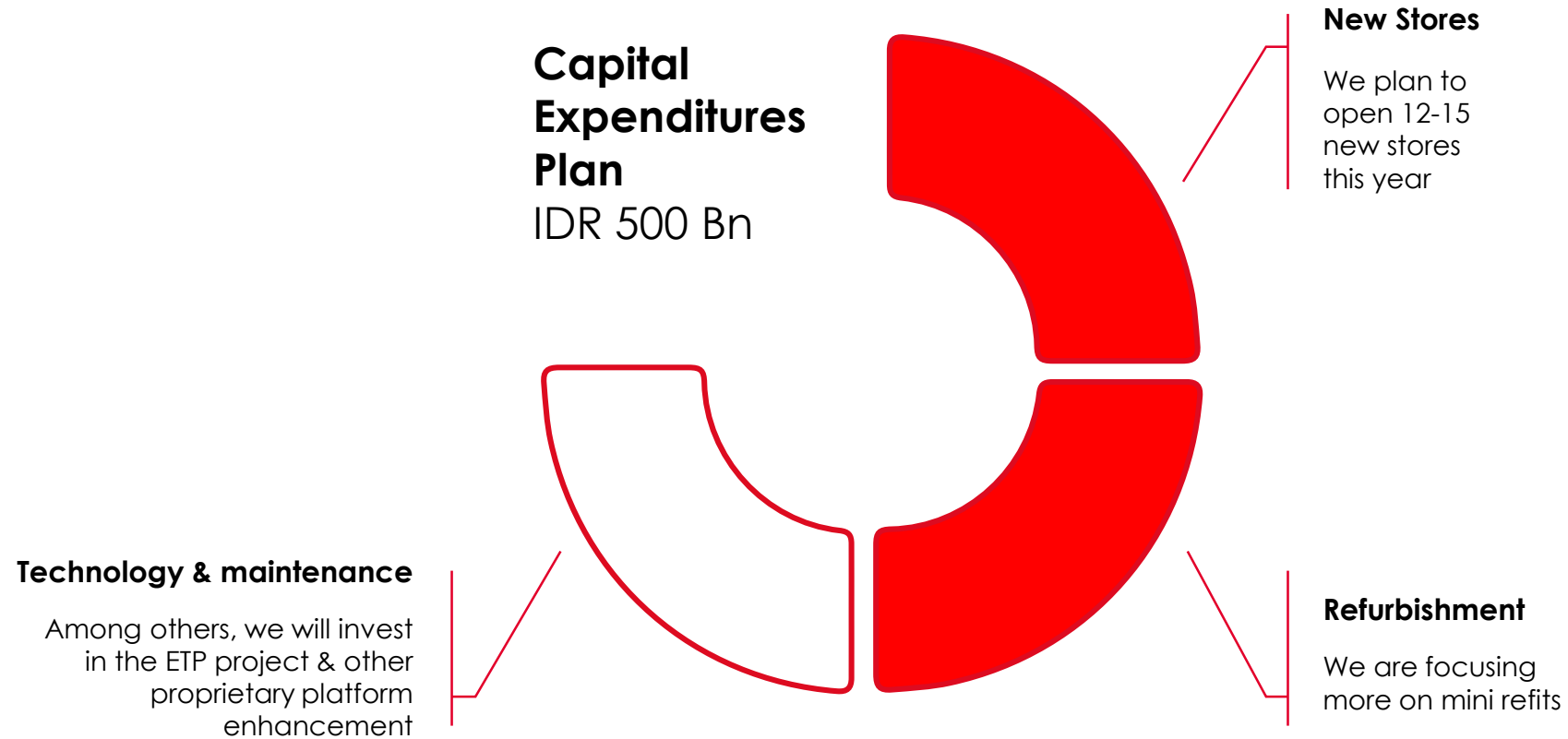
CAPITAL ALLOCATION | Capital Allocation Strategy

Capital well allocated to enhance shareholder value for forward growth



CAPITAL ALLOCATION | Capital Expenditures

Approach to business growth in 2023



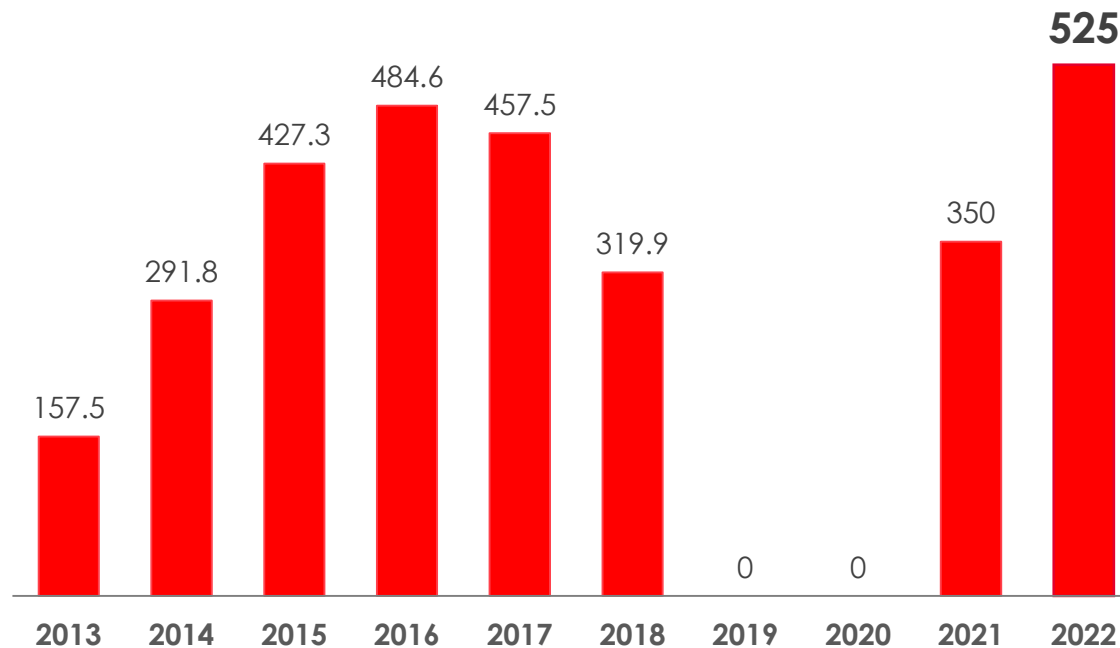
There will be no other acquisition / investment in 2023

CAPITAL ALLOCATION | Dividend

The record dividend of IDR 525/share approved by the AGMS

AGMS has approved the distribution of the IDR **525** per share dividend for 2022, which has just recently been paid

Historical Dividend Payout IDR/share



Dividend Policy

Matahari is committed to allocating the Net Income to be distributed as dividend, with the payout ratio at:



CAPITAL ALLOCATION | Share Buyback

IDR 181.3 Bn utilized to buy back 36.9 Mn shares in 1Q23

Share Buyback Q1 2023

Number of shares bought
36.9 Mn shares

Average Share price
IDR 4,916 per share

Funds used
IDR 181.3 Bn

Period
1 Jan'23 to 31 Mar'23

New Plan: Share Buyback 2023

Max. Number of shares to be bought
10% of paid-up capital

Maximum Share price
IDR 7,900 per share

Maximum funds
IDR 200 Bn

Period
29 Mar'23 to 28 Sep'24

Pay less. **Feel good.**

**Closing
Remarks**

Our achievements, our future

All key initiatives in place to tap in key Lebaran season opportunity

1Q23 Progress

- The opening of 7 new stores before Lebaran has been completed with significant investment within the quarter
- Active Loyalty base growing 7.6 Million, contributing to 81.7% of total sales giving a broader opportunity Q2 to Q4 for well segmented communication
- New format concept initial brand persona completed with pitch book ready for developers in Q2 2023 and target opening H2
- Suko rollout across May to June with Pop-up Stores currently at 2 locations showing early signs of promise with customers
- Seasonal merchandising drive is now underway with well prepared ranges, investment in staffing both Matahari and vendors and full marketing program across March April 2023.
- Significant use of pop-up locations for both category reach and bazaar activity
- Strengthening customer proposition online with strong marketplace growth and range expansion on Matahari.com delivering strong revenue growth
- Gross Profit Margin in line with Q1 2022, in spite of higher input costs
- EBITDA at IDR 234 Bn reflecting normalizing rental costs and minimum wage impact.



Contact us

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Thank you

 **matahari**

Appendix

COMMERCIAL UPDATES

Lebaran activities in 2023

Points of Distribution

Entrepreneurial culture evident, where Store Managers have expanded touchpoints with bazaars, pop-up stores, & beauty fairs well resourced



Support / Enablers

Well supported by vendors



Lebaran campaign



Well prepared collections & stock, featured in Lebaran catalogue 2023



Loyalty programs deployed with various initiatives



Variety of digital engagements to generate traction for both online and offline channels

ANNUAL GENERAL MEETING OF SHAREHOLDERS (29 MARCH 2023)

All agenda passed to maximize shareholder value

AGENDA



Ratification of the Company's Annual Report for the 2022 financial year, including the Company's Activity Report, the Board of Commissioners' Supervisory Report and the Company's Financial Statements for the financial year ending December 31, 2022 as well as granting full release and discharge of responsibility (acquit et de charge) to all members of the Board of Directors and Board of Commissioners of the Company for their management and supervisory actions that have been carried out in the financial year ending December 31, 2022



Determination of the plan to use the Company's Net Income for the 2022 financial year



Appointment of a Public Accountant to conduct an audit of the Company's books for the 2023 financial year and granting authority to the Board of Directors and Board of Commissioners of the Company to determine the honorarium and other requirements of the appointment



Appointment and/or changes in the composition of members of the Board of Directors of the Company, **as well as determination of salary/honorarium** and/or other allowances for **members of the Board of Directors and Board of Commissioners** of the Company



Changes to the Company's Articles of Association



Decrease of the appropriated retained earnings of the Company
Decrease in the issued and paid-up capital of the Company
Buyback of shares that have been issued by the Company

RESOLUTION

**Approved
Annual
Report**

**Dividend
IDR 525/share**

**BOC to appoint the Auditor &
BOD to determine remuneration**

**Changes of BOD:
Rachel Stack appointed
Approved remuneration system**

**Changes to comply with
prevailing regulations**

**↓ RE IDR 65.5 Bn
↓ TS 104.1 Mn Shares
New Buyback 10% Total Shares**

Pay less. **Feel good.**

Strategy Update

MERCHANDISING FULL POTENTIAL

Investment in modestwear in addition to strengthening current portfolio & introducing new brands

Womenswear

Investment in broader range of Modestwear both DP and CV

Expanded Connexion collection



Menswear

Greater presence of merchandise depth in festive woven and denim across private labels and top consignment brands

Development of stronger Cole shop-in-shop execution



Childrenswear

Investment in new Modestwear range for children

Deeper investment in kids wovens and denim

Expansion of kids character ranges through 'House of Characters'



Footwear

Expanded footwear options to 50,000 this season

Introduction of St Yves wide fit and comfort ranges

Substantial number of footwear bazaars across the country



MERCHANDISING FULL POTENTIAL

New initiatives well underway

New Initiatives

Baby Shop

2023 Baby shop in 84 stores

Full concept in 10 stores and
74 tiered stores

Expansion through new brands



Activewear

Royal Sporting House (RSH) is now in 31 stores targeted to be in 60 stores by end 2023 / Q1 2024.

Complemented with expansion of Nevada Sport, Adidas, and broader athleisure approach



Beauty

More brands targeted to on-board in 2H23
Strong growth driven by international brands
New self-serve beauty counters.

Lebaran fairs slated at 35 stores and beauty workshops, and hampers in full swing



SUKO

Available in 20 stores from May'23

Product

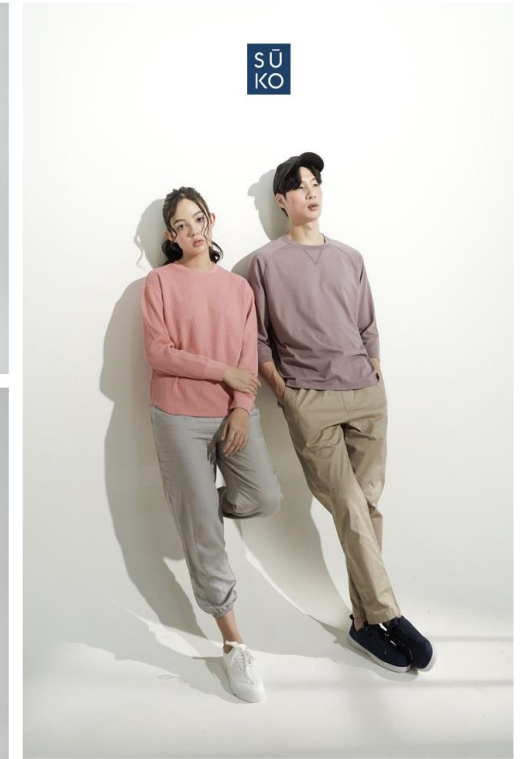
Everyday essentials
Classic comfort
Wide appeal

Price Range

IDR 149 - 599k
10 - 15% below globals

Promotion

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



SUKO

Location Details

Pop-up stores during Lebaran to build awareness and gather interests

Pop-up Store at fX Sudirman



Pop-up Store at Supermal Karawaci



Will start in 20 stores across May & June, supplemented by dedicated online presence in marketplaces & social commerce

1. Ayani Mega Mall Pontianak
2. Bali Galeria
3. Bandung Indah Plaza
4. Cibinong City Mall
5. Cilandak Town Square
6. Cirebon Superblock Mall
7. E-Walk Mall Balikpapan
8. Hartono Mall Yogyakarta
9. Mall Panakkukang Makassar
10. Mall Taman Anggrek
11. Manado Town Square
12. Metropolitan Mall Bekasi
13. Pakuwon Mall Surabaya
14. Palembang Square Mall
15. Plaza Medan Fair
16. Royal Plaza Surabaya
17. SKA Pekanbaru
18. Supermal Karawaci
19. The Park Semarang
20. Tunjungan Mall Surabaya

FORMAT WORK

New Format: In progress developing the pitch book for developers

Brands

We have targeted Upper-middle / International Brands

Popular mid-market brands

and discovery brands – the new upcoming brands

Target Customers

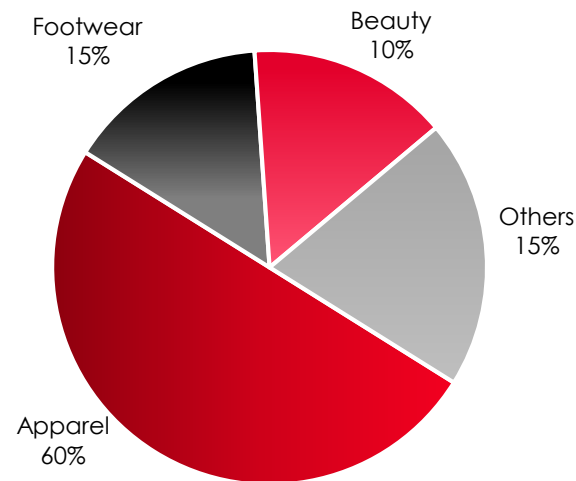
Young millennials
Middle To Upper-Middle Class
Stylish Young Professional

Marketing

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

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



STORE NETWORK OPTIMIZATION

On track to open 12-15 stores in 2023, with 7 stores already opened to date | **Flagship format**



@plazabalikpapan



**Plaza
Balikpapan**
5 April
2023

7,550 sqm



New store with large-format concept executed given the catchment's high traffic

STORE NETWORK OPTIMIZATION

On track to open 12-15 stores in 2023, with 7 stores already opened to date | **Core format**



**Revo Mall
Bekasi**
27 January
2023

4,810 sqm



**The Park
Semarang**
16 March
2023

5,940 sqm



**Uptown Mall BSB
Semarang**
18 March
2023

4,420 sqm

New stores with core format to serve the existing market demand in Bekasi and Semarang

STORE NETWORK OPTIMIZATION

On track to open 12-15 stores in 2023, with 7 stores already opened to date | **Small format**



**Pollux Mall Chadstone
Cikarang**
23 February
2023

3,100 sqm



**Sleman
Hall**
30 March
2023

3,000 sqm



**Discovery Mall
Bali**
6 April
2023

3,400 sqm

Small format concepts opened as the opportunity being available

OMNICHANNEL EXPANSION

Strong growth in digital resulted from marketplace ramp-up



Leadership in ASSORTMENT

Allocated and listed 100% of DP range for Lebaran, **including DP international brands**



Ramp-up of MARKETPLACES

Strong growth of Marketplace business

2-3

New relationships under discussion



Fast CUSTOMER GROWTH

Developing Matahari signature brand days to acquire more customers going forward



Enhanced CUSTOMER EXPERIENCE

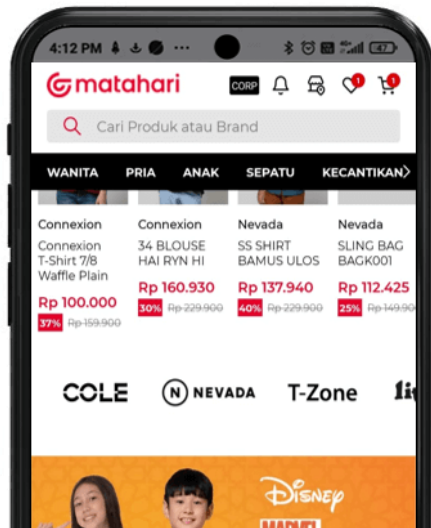
Free shipping helped to boost AOV above **IDR 300k**



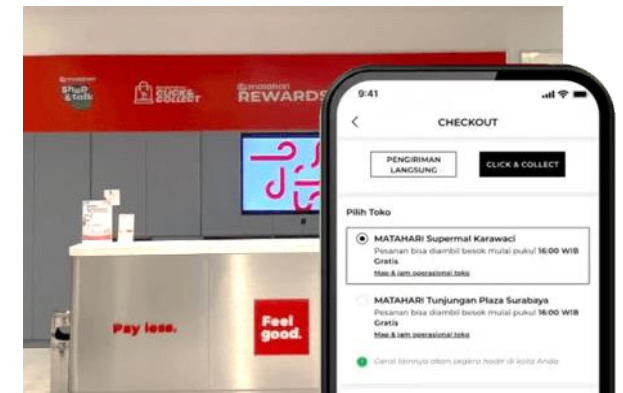
Expansion of OMNI FULFILLMENT

Improved Fulfil-from-store contribution growing **2x QoQ**

New ETP project will enable CV fulfil from stores



matahari



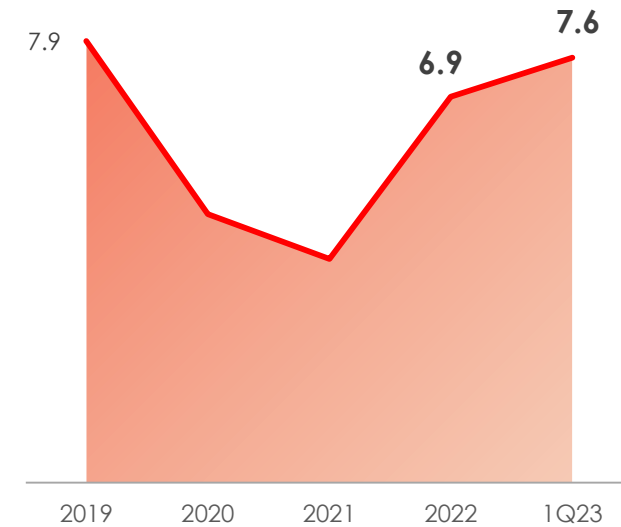
LOYALTY & PERSONALIZATION

Leveraging active members of 7.6 Million, with 82% of total sales contribution, providing opportunity to touch targeted customer personas

Active Members

Customer base continues growing to pre-pandemic level

Active Members
In Million

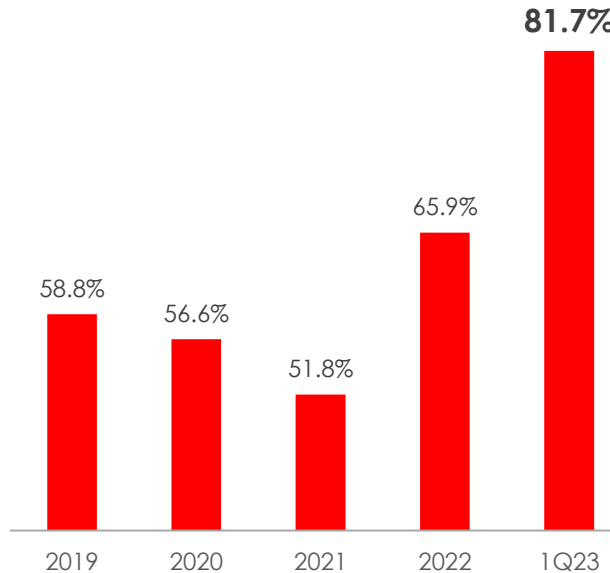


*active member for the last 12 months

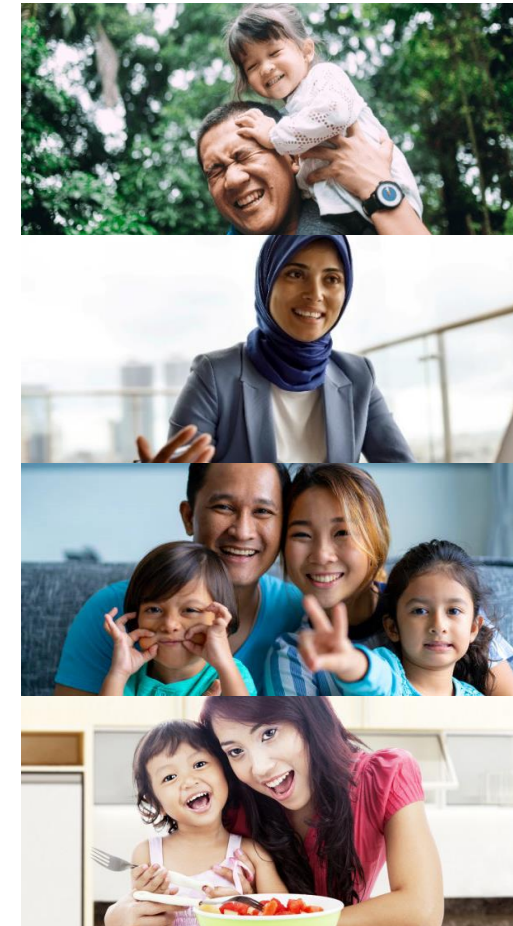
Average Member Contribution

The success rate of Matahari Rewards penetration going up

Average Member Contribution
%



Customer Persona-driven



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Enhancing diversity & inclusion, improving welfare for kids in needs, and supporting the environment with more eco-friendly approach



Materials

Increasing the number of merchandising sourced from eco-friendly materials



Kids

In collaboration with institutions, giving back to the communities to improve their well being



Inclusion & Labor best practice

Enhancing the diversity and inclusion by providing career development for selected diffable candidates



Sustainable Acts

Supporting the environment, with 100% energy-efficient LED lighting in Support Centre, in addition to all applicable stores