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**Feel
good.**



Q2 / 1H 2020 PERFORMANCE UPDATES

KEY FINANCIAL HIGHLIGHTS

(in IDR Bn)	SECOND QUARTER			FIRST HALF		
	2020	2019	Variance %	2020	2019	Variance %
Gross Sales	1,215	7,230	-83.2%	3,933	10,548	-62.7%
SSSG%	-83.7%	1.7%		-62.9%	0.6%	
Sales mix:						
DP	38.8%	35.4%		36.9%	36.2%	
CV	61.2%	64.6%		63.1%	63.8%	
Gross Profit	429	2,553	-83.2%	1,343	3,727	-64.0%
GM%	35.3%	35.3%		34.1%	35.3%	
OPEX	(527)	(1,141)	-53.8%	(1,405)	(2,027)	-30.7%
OPEX%	-43.4%	-15.8%		-35.7%	-19.2%	
EBITDA	(98)	1,412	-106.9%	(62)	1,700	-103.7%
EBITDA Margin%	-8.1%	19.5%		-1.6%	16.1%	
Net Income	(264)	1,019	-125.9%	(358)	1,162	-130.8%
Net Income Margin%	-21.7%	14.1%		-9.1%	11.0%	

We are likely to end the year with a portfolio of around 150  large-format multi-brand stores.

Date	MDS Large-Format Stores		Specialty Stores			Total Stores
	# Store	Comments	Nevada	361°	OVS	
1 Jan'20	157		1	6	5	169
Jan – Jun'20	1	New store: PTC MAL TC PLG, Palembang				1
	-5	Closed stores: Negative EBITDA / Lease Expiry	-1	-6	-5	-17
30 Jun'20	153		0	0	0	153
Jul'20	2	New stores: The Park MAL DPK, Depok Ciputra MAL TNG, Tangerang				2
	-1	Closed store: SPR Plaza TC Padang				-1
Current	154					154

Year-to-date, we have closed 6 large format stores, or 54% of our non profitable stores

NEW STORES OPENING

7 May 2020
PTC MAL TC PLG
Palembang City
South Sumatera

16 Jul 2020
The Park MAL DPK
Depok City
West Java

17 Jul 2020
Ciputra MAL TNG
Tangerang City
Banten

Merchandise Layout Improvements



- Simplified product categories from 12 to 6
- More customer-demographic-oriented grouping (Ladies, Men, Children, Cosmetics & Accessories, and Home Products)
 - Shoes products grouped with the respective demographics
 - Youth products grouped with either Men's or Ladies' products
- Space allocations fully based on contribution analysis



These three stores exhibited a strong set of numbers during the early trading. The numbers were better than the pre-COVID-19 expectations, suggesting that we made the right call for these stores opening.

BALANCE SHEET

ASSETS				LIABILITIES AND EQUITY			
(in IDR Bn)	End Jun 2020	End Dec 2019	Variance	(in IDR Bn)	End Jun 2020	End Dec 2019	Variance
Cash & Bank	1,439	1,173	266	Bank Loans	2,067	0	2,067
Receivables	75	86	(11)	Trade Payables	651	1,471	(820)
Inventories	1,614	1,099	515	Employee Benefit Oblig.	512	520	(8)
Fixed Assets	1,385	1,433	(48)	Other Liabilities	911	1,095	(184)
RoUA (PSAK 73)	3,446	-	3,446	Lease Liability (PSAK 73)	3,448	-	3,488
Others	722	1,042	(320)	Equity	1,052	1,747	(695)
TOTAL ASSETS	8,681	4,833	3,848	TOTAL LIAB. & EQUITY	8,681	4,833	3,848

Remarks:

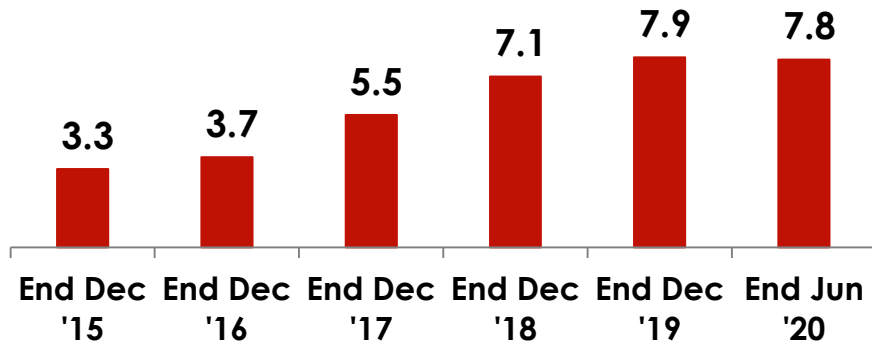
- Due to implementation of PSAK 73: Leases, which effective 1 Jan 2020, the Total Asset has increased by 3.4 Trillion of recognizing Right of Use Assets, and corresponding Lease Liability also being recorded amounted to 3.4 Trillion.
- Obtained temporary credit facility of 500 Billion, with total facilities of 2.2 Trillion.
- Bank loan of 2 Trillion was drawn to preserve cash, which reflected in our cash balance of 1.4 Trillion.

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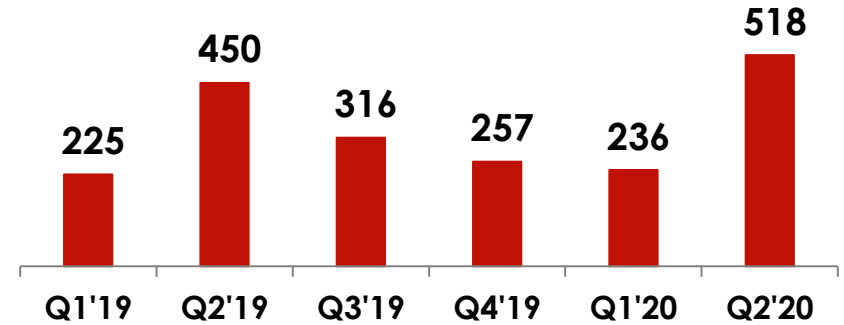


OPERATIONAL UPDATE

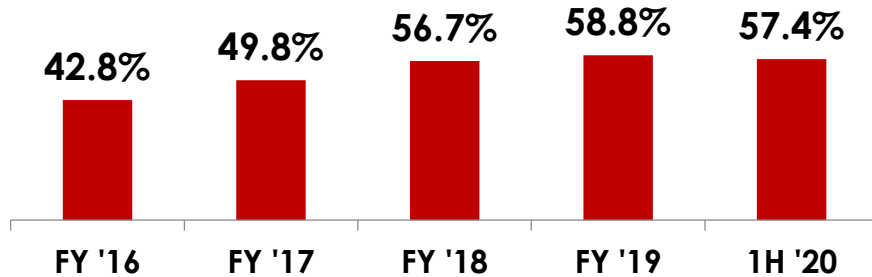
No. of active members (in millions of people)



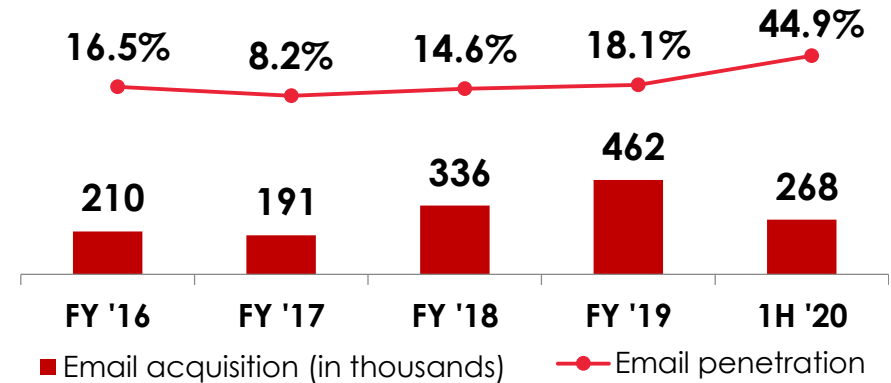
Matahari App downloads (in thousands)



Member sales contribution



Email penetration



Comprehensive review of Matahari Loyalty program is well underway.



Moving forward with health protocols

STORES

- Progressive reopening since May'20
- Upholding the 5-star Pledge
- Strict COVID-19 health protocols
- Operational focus on online channels during store closures

SUPPORT CENTER

- Working From Office since Jul'20, preceded by self-assessment and rapid test
- Work Split arrangement
- Prohibiting intra-floor movements and preventing guest visits
- COVID-19 health protocols campaign and beyond market practice

Keeping financial health

- Securing new Rp 500 Bn credit facility
- Retaining net profit of 2019, not to be distributed as dividend
- Eliminating all non-committed Capex for the year, including several new stores opening
- Reducing all non-essential operating expenses
- Freezing manpower hiring
- More focused management structure



Customers

- Customer Segmentation Completed. Move to Operationalize Phase.
- Fewer, more effective promotions and KVI being rolled out.
- Matahari Rewards to be relaunched with wider consumer benefits
- Feel Good 2.0 Launched internally (Pay Less, Feel Good).
- Expanding Channels Capabilities – JD.ID in August, Shop & Talk growing.

Operations

- Assortment Optimisation and Category strategies (House of Specialists)
- Rationalization of underperforming brands progressing well.
- Multi skilling project launched.
- Shift to lower cost and personalized customer outreach.
- New Store formats well received, next generation store scheduled Dec.

Talent

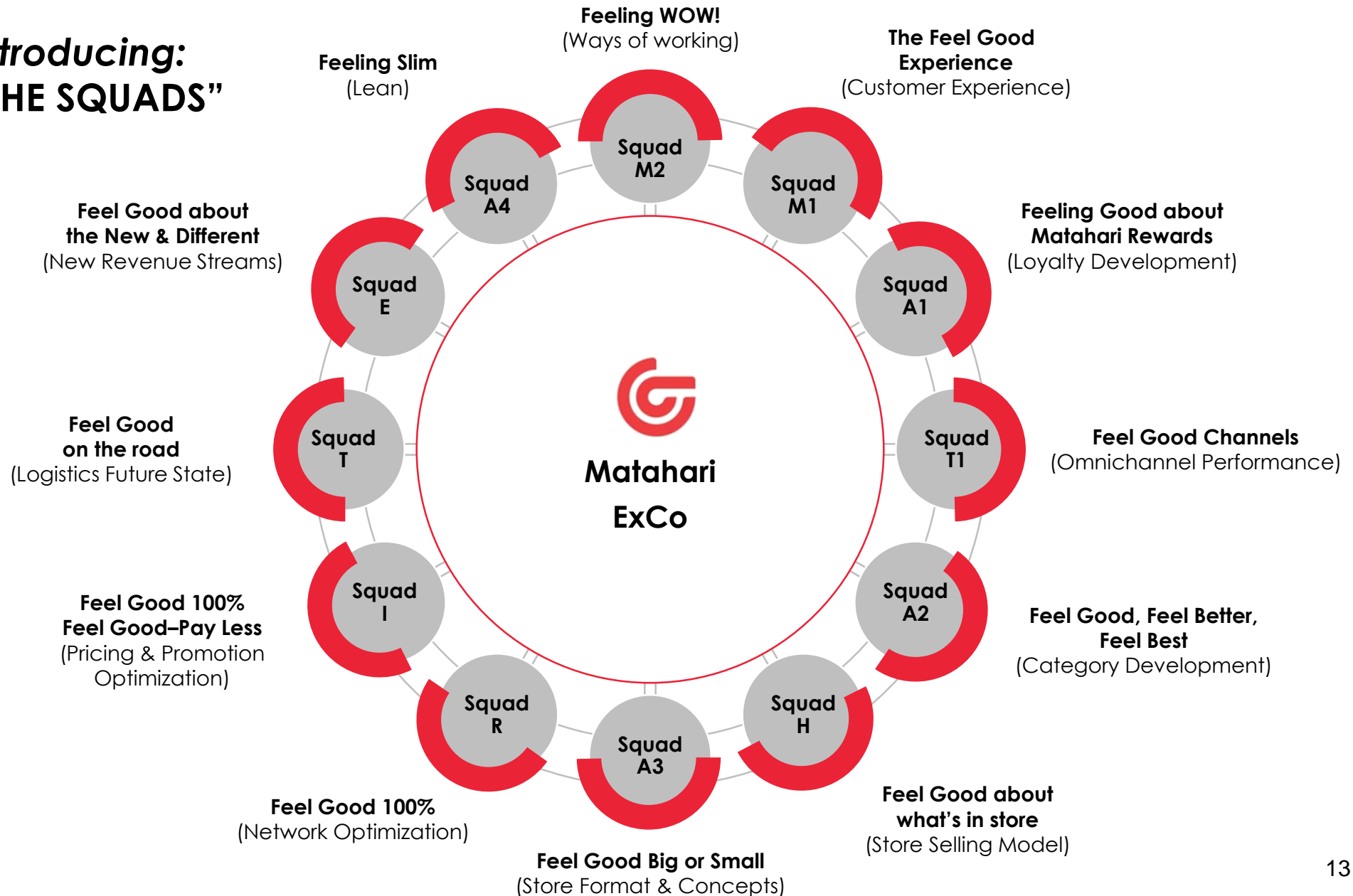
- Talent Review – 3 New Senior hires: Merchandising, Marketing and Logistics.
- Organization Restructure Complete.
- Launched Support Center modernization and culture.
- Consolidated Team from 4 offices into 1 – breaking the silos.
- 12 strategy workstreams being developed by cross functional squads.

Financial

- Significant support from Landlords for Q2 and Q3.
- Bank Facilities repayment plan in place.
- Conservative capex stance to remain for the balance of the year.
- Project Why Spend More delivering operating leverage.
- Top-line recovery velocity satisfying.



Introducing: "THE SQUADS"



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