

MATAHARI REPORTS GROSS SALES OF RP 5.9 TRILLION

Highlights :

- **Total gross sales of Rp 1,927 billion for Q3, 41.0% below last year compared to 83.2% drop in Q2 as stores fully trading**
- **Year to date sales of Rp 5,860 billion, with an SSSG of -57.7%**
- **Net loss of Rp 259 billion for Q3 vs 264 billion in Q2, YTD Net Loss of Rp 617 billion**
- **Significant operating cost reduction & stringent cash flow management**
- **Repaid the additional credit facility set up during Q2**
- **Year to date seven large-format and all specialty stores were closed; three large-format stores were opened**

PT Matahari Department Store Tbk (“Matahari” or “the Company”; stock code: “LPPF”) today reported gross sales of Rp 5.9 trillion for the nine months ended September 2020, 57.6% below same period last year, whilst net revenue was down 57.5% to Rp 3.3 trillion.

Matahari was recovering steadily in July and August and until mid-September when, on 14 September, large scale social restriction (PSBB) was implemented again in Jakarta and operating restrictions were experienced in other locations. This resulted in Matahari closing some of its stores temporarily, and slowed down its overall performance for the quarter. To mitigate the pandemic impact, the Company took stringent cost actions, including negotiating rental waivers and discounts, which has resulted in a 26.2% operating expenditure decrease for the third quarter and 29.3% for September YTD. Nevertheless, Matahari recorded a net loss of Rp 617 billion for the nine months ended September 2020.

The ongoing COVID-19 pandemic has accelerated the closure of underperforming stores in line with Matahari’s efforts to restructure its business. This year seven large-format and all specialty stores were closed; and three large-format stores were opened. Matahari currently operates 153 stores in 76 cities across Indonesia, and the Company intends to end the year with a portfolio of around 150 profitable large-format MDS stores.

Terry O’Connor, CEO and Vice President Director of Matahari said, “All of our recovery plans are on track however our steady footfall increase was interrupted by PSBB in September 2020. Our stores continue to uphold our 5-Star Pledge, and serve customers well with strict health protocols. We have repaid the additional credit facility set up during May this year. We keep a strict control over our expenses and our capex freeze is still in place other than two stores opened in the quarter. Salary cut restoration has commenced in line with our recovery, and is intended to be fully restored in Q4 2020.”

About Matahari

Matahari is the largest retail platform in Indonesia, with 153 stores in 76 cities across Indonesia as well as presence online on MATAHARI.COM. For over 60 years, Matahari has provided the growing Indonesian middle class with quality, fashionable and affordable apparel, beauty and footwear products. Matahari employs around 40,000 employees and partners with around 600 local as well as international suppliers.

The Company has received many industry recognitions – nationally and internationally – including Top 500 Retail Asia Pacific from Retail Asia, Euromonitor & KPMG; Brand Asia 2018 – Top 3 Most Powerful Retail Brands in Indonesia from Nikkei BP Consulting, Inc. and WoW Brand Award 2019 – Gold Champion from MarkPlus Inc. The Company also received the Netizen’s Brand Choice Award 2018 from Warta Ekonomi. All of these awards reaffirm the Company’s position as one of the leading, most dynamic, and trusted companies in Indonesia.

For further information, please contact:

Corporate Communications / Investor Relations
PT Matahari Department Store Tbk
Tel: (62 21) 547 5333
E-mail: corp.comm@matahari.co.id, ir@matahari.co.id



www.matahari.co.id



Matahari



@matahari



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@gayamatahari



Matahari Dept Store

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