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1H / Q2 2022 EARNINGS CALL

22 July 2022

AGENDA

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EXECUTIVE SUMMARY

Strong performance in spite of Omicron operating restrictions & earlier Mudik helps deliver full year 2021 EBITDA in 1H22

▷ Q2 and 1st Half 2022 performance :

- Sales for Q2 2022 were IDR 4.8Tn and 1st Half 2022 were IDR 7.2Tn. Vs-2019 SSSG % -30.9% for Q2 and -28.5% for 1st Half respectively. Vs-2021 total sales growth was 6.1% for Q2 and 9.2% for H1,
- Q2 2022 gross margin was at 36.2% vs. 35.6% in Q2 2021 and 1st Half 2022 gross margin was at 36.0% vs 34.9% in 1st Half 2021.
- Resulting in Q2 EBITDA of IDR 1.1 Tn vs 0.9 Tn in Q2 2021. 1st Half 2022 EBITDA was 1.3 Tn, same as full year 2021.
- Net Income for Q2 2022 was at IDR 784 Bn vs 628 Bn in Q2 2021. Net Income for H1 2022 was 918 Bn vs 533 Bn in H1 2021.

▷ Business is well-positioned for further growth

- Project Sunrise 5-year strategy plan is well under execution, with dedicated transformation office tracking and measuring progress on a monthly basis. And is the basis for multi-stakeholders' communication.
- Opened new concept store at Mall Taman Anggrek Jakarta bringing new store openings to 2 in H1 2022. Relaunched Karawaci with new concept on 8th July 2022.
- Curated customer-led merchandising range is leading to ongoing overhaul of our key private labels at healthy margins as well as rationalization of brands and product groups, which is leading to higher space productivity.
- Infrastructure and investments in new POS solution and omni-offering in place to support growth.
- 2022 FY EBITDA Guidance upgraded from IDR 2 Trn to IDR 2.1 Trn on the back of strong actual H1 performance and result to date in July.
- Q3 2022 sales likely to be more than double of 2021 Q3 due to partial closure restrictions in 2021.

▷ Corporate activities are enhancing shareholders' value

- Cancellation of 262 Mn treasury shares to result in 2,356 Mn total outstanding shares.
- Full-year dividend estimated to be at IDR 525 per share or more, an increase of 5% in line with improved guidance and also reflecting a shift to full-year payout rather than interim based on complexity around equity and interim accounting as well as our own seasonal business patterns. Our track record of strong dividends continues reflected in this step up from the prior-year payout of IDR 350 per share (+50%).
- Ended Q2 with a net cash of IDR 136 Bn with zero debt, expected to rise to IDR 800 Bn by financial year end.
- No planned acquisition or investments as our dual focus is on expanding on our core business and rewarding investors.

MACROECONOMIC, INDUSTRY & TRADE UPDATES

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MACROECONOMIC / INDUSTRY UPDATES

Confidence remains, recovery continues despite inflation

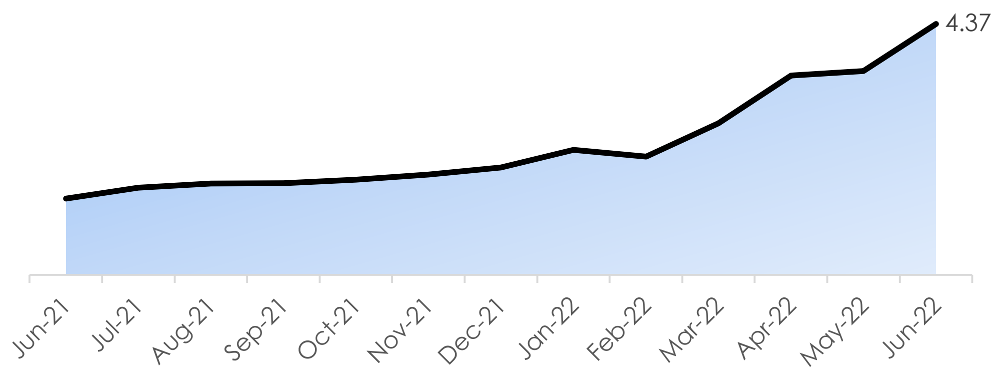
- Despite the backdrop of spiking inflation, we are managing our strategic pricing agenda well to deliver both customer value and progressive margins.

- The flip side of commodities-induced inflation is enhanced employment prospects, many of which are in Matahari's target customer zone.

- Consumers remain confident about job availability in the coming months.

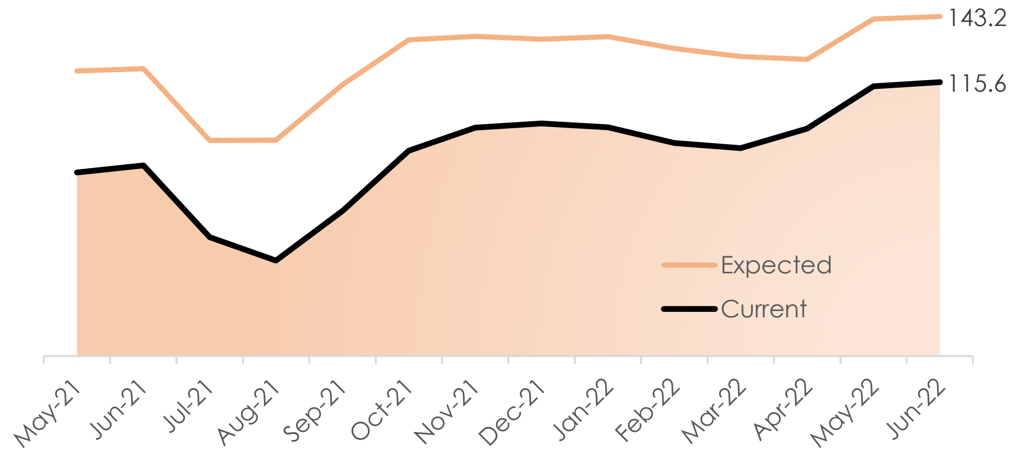
- Post-festive season belt-tightening seems to be easing after June payday.

Inflation (% YoY)



Source: Statistics Indonesia

Job Availability Index*



Source: Bank Indonesia **Consumers' confidence on job availability*

COMMERCIAL UPDATES

Lebaran

Lebaran Campaign

Merchandise Waves

Lucky Draw

Stores

Third-Party Partnership

Digital Engagement

Digital catalogue is available for customers to aid in browsing product

COMMERCIAL UPDATES
After Lebaran

77 Hari Semangat Indonesia

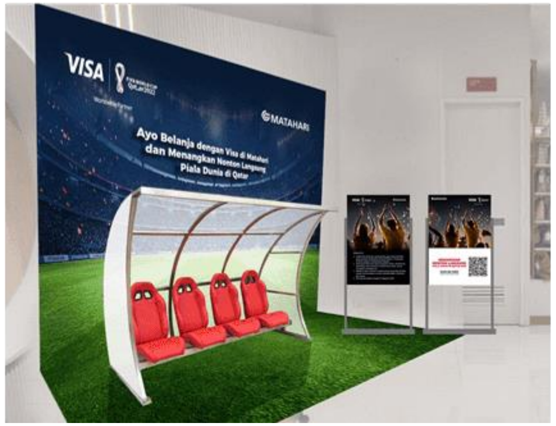
77 HARI SEMANGAT INDONESIA!

Vacation

Back to school

7-Day 7-Night Party

FIFA World Cup Event



1H 2022 FINANCIAL PERFORMANCE UPDATES

H1 2022 FINANCIAL HIGHLIGHTS

Successful Lebaran trading helps deliver Full Year 2021 EBITDA in 6 months of 2022

(in IDR Bn)	1st Half			Q2		
	2022	2021	Var %	2022	2021	Var %
Gross Sales	**7,160**	**6,557**	*9.2%*	**4,756**	**4,481**	*6.1%*
SSSG%	*10.9%*			*7.4%*		
Gross Profit	**2,575**	**2,287**	*12.6%*	**1,722**	**1,595**	*8.0%*
GM%	*36.0%*	*34.9%*		*36.2%*	*35.6%*	
OPEX exc. Rental	669	752	*-11.0%*	360	410	*-12.2%*
EBITDAR	**1,906**	**1,536**	*24.1%*	**1,362**	**1,185**	*15.0%*
EBITDAR Margin%	*26.6%*	*23.4%*		*28.6%*	*26.4%*	
Rental incl. Amortization	603	659	*-8.5%*	310	323	*-3.9%*
EBITDA	**1,303**	**877**	*48.7%*	**1,052**	**862**	*22.0%*
EBITDA Margin%	*18.2%*	*13.4%*		*22.1%*	*19.2%*	
Net (Loss) Income	**918**	**532**	*72.5%*	**773**	**628**	*23.2%*
Net Income Margin%	*12.8%*	*8.1%*		*16.3%*	*14.0%*	

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BALANCE SHEET

Balance Sheet with Net Cash of IDR 136 Bn

ASSETS			LIABILITIES & EQUITY		
(in IDR Bn)	**Jun 2022**	**Dec 2021**	**(in IDR Bn)**	**Jun 2022**	**Dec 2021**
Net Cash (Debt)	***136***	***661***			
Trade Receivables	25	26	CV Trade Payables	443	243
Inventories	808	747	DP Trade Payables	282	487
Right-of-Use Assets	2,471	2,602	Lease Liabilities	2,646	2,800
Other Assets	1,161	1,168	Other Liabilities	1,486	1,315
Fixed Assets	636	647	Equity	379	1,006
TOTAL ASSETS	**5,237**	**5,851**	**TOTAL LIAB. & EQUITY**	**5,237**	**5,851**

Remarks:

- Net cash of IDR 136 Bn and **zero loan balance**, with **IDR 1.7 Tn loan facility**. Expected cash build to IDR 800 Bn by year end.
- Cash utilized for Dividend of IDR 596 Bn and share buyback of IDR 179 Bn during the quarter.
- 98.0% fresh of the inventories represented 2021/2022 intake. Legacy inventory issues are now gone and we now have a massive opportunity to rebalance inventory in Q3, which was not available last year (due to delta).

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EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Meeting held virtually; all agendas approved

- ▷ Extraordinary General Meeting of Shareholders held on 6 June 2022 virtually
- ▷ The meeting met the quorum, and all agendas were approved

DIVIDEND UPDATE

Projected final dividend of IDR 525 or More

Scheme

1,236 Bn
Final Dividend Payout*

2,356 Mn
Total Number of Outstanding Shares*

525 or more
Payout/share

Timeline

April 2023 — **Approval in AGMS**

May 2023 — **Payment to Shareholder.**

**actual number of shares will be using data at recording date*

** **Recommendation basis:**
net profits
the availability of reserves
contractual restrictions
working capital requirements
capital expenditure requirements
future prospects

- **Recent dividend history : Payout of IDR 350 Per Share for FY 2021**
- **Focus on Core Business : No Acquisition , or Investment planned.**
- **Year End Cash likely to be strong 800 Bn or more.**
- **Need to shift from Interim to Full year Cycle due to complexity of managing equity and accounting cycle :**
    1. **Requirement to have Net Assets higher than Issued and Paid Up Capital plus the statutory reserves.**
    2. **Full year payout aligns with post lebaran trading cycle and cash peak.**

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STRATEGY UPDATE

STRATEGY UPDATE HIGHLIGHTS

Project Sunrise well under execution; regularly monitored ensuring milestones reached

Merchandise Full Potential

Customer-led merchandising range is leading to ongoing overhaul of our key private labels at healthy margins

Store Network Optimization

Expansion continues; eyeing 10 new stores in 2022, with new store concept established; stores upgrade underway

Omnichannel Expansion

Infrastructure and investments in new POS solution and omni-offering in place to support growth

Loyalty & Personalization

CRM programs well leveraged during festive season to understand customers better

Operational Excellence

Positive feedback on service excellence reflected in higher NPS; strong execution of enhanced VM for better customer experience

OPEX Optimization

Measured spending during festive seasons for optimized results

Environmental, Social, & Corporate Governance

Being more sustainable with kids as focus, cleaner energy, and proven governance practice

MERCHANDISING FULL POTENTIAL

Ongoing overhaul of our key private labels at healthy margins

Nevada Sport to all stores, with bigger presence of RSH

Launch of Nevada Sport Junior

NEVADA SPORT Junior

MERCHANDISING FULL POTENTIAL

Ongoing overhaul of our key private labels at healthy margins

Growth of new trending characters in teen ranges

Disney

Harry Potter

Warner Bros

Marvel

Expansion of Baby Shop & new CV nursery brands

Baby Shop

MERCHANDISING FULL POTENTIAL

Ongoing overhaul of our key private labels at healthy margins

Start of new Nevada 'denim shop' for Men and Ladies

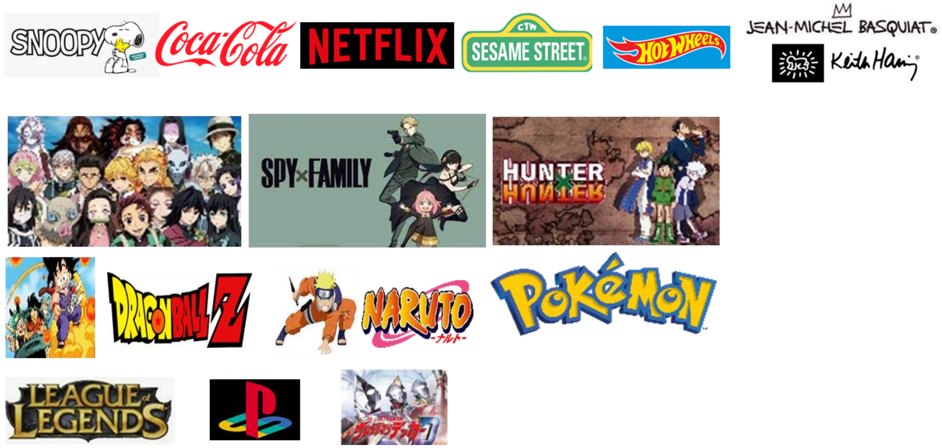
Nevada Denim Corner

Ladies Denim

Early success of new Connexion range

Connexion

Growth of new trending characters in the youth and T-shirt arena



New Character Collaboration

Work on Details DNA underway

Details

STORE NETWORK OPTIMIZATION

10 new stores in 2022, with new store concept established; 22 stores upgrade

Supermal Karawaci

Mall Taman Anggrek

Stores Opened	Stores Confirmed to be Opened	Stores Upgraded	Stores to be Upgraded
1. Plaza Ambarrukmo 2. Mall Taman Anggrek	3. Tangcity Mall 4. Living Plaza Gowa 5. The Park Semarang 6. The Park Kendari 7. Citimall Bontang 8. Citiplaza Bondowoso (2 more to go)	9	16

OMNICHANNEL EXPANSION

Infrastructure and investments in new POS solution and omni-offering in place to support growth

Hiring and retaining **top talent** across all levels

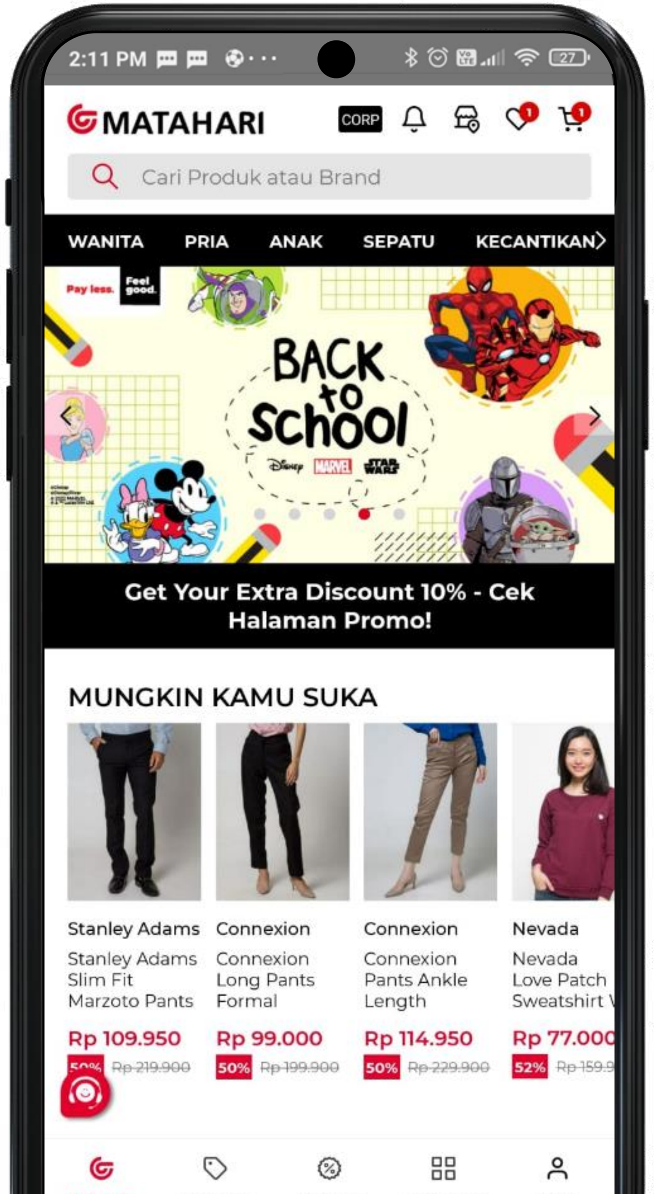
Enhancing pre/post-purchase **customer experience**

Core technology improvement to support the business

Building **assortment** to create leadership

Data driven **marketing**

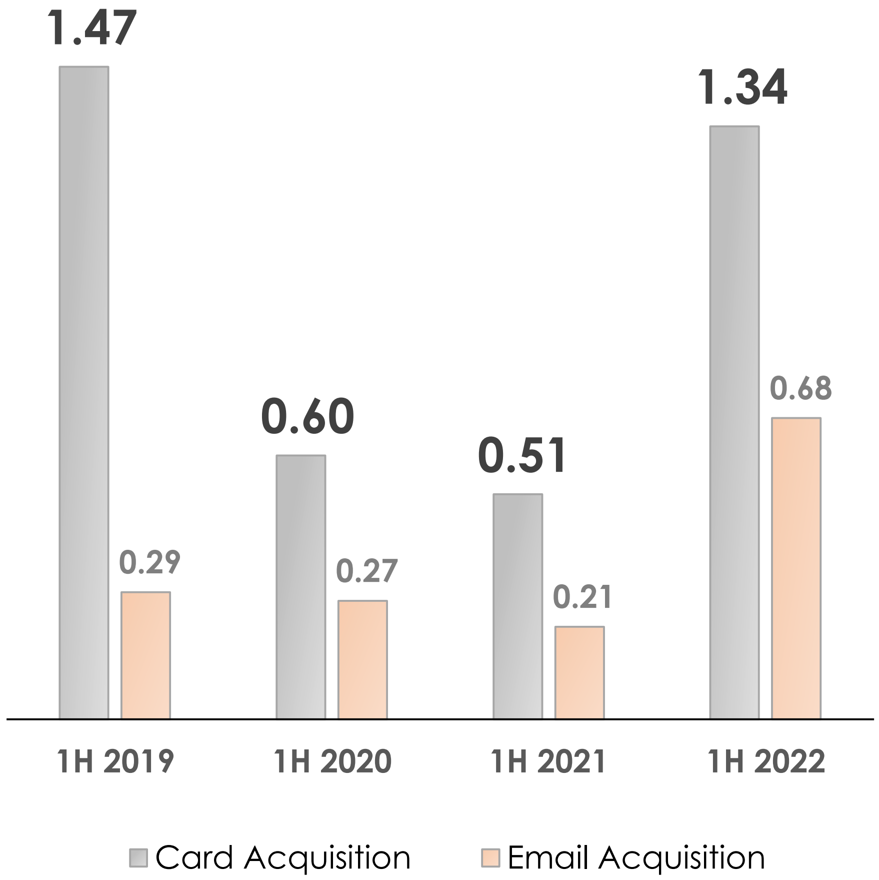
Ramping up **market place business**



LOYALTY

CRM programs well leveraged to understand customers better

Acquisition Trend
in million



Removal of membership charge
Acquisition scaling after removal of membership charge

Optimising data analytics
Reactivating inactive and sleeping customers

Succeeding campaign
for continuous traction, including collaboration with partners

OTHER OPERATIONS UPDATE

Business run sustainably with positive feedback proven in NPS score and award

Operational Excellence

Jakarta Fair successfully delivering daily economics 3-7% of daily sales

New out-of-store format trialled with early success

Net Promotor Score breakthrough, marking a new record of 65

Environmental, Social, & Governance

Together with customers and institutions raising funds and giving support to children

To source electricity from geothermal power plant

Best Non-Financial Sector & Top 10 Mid-Cap By IICD for governance practice

CLOSING REMARKS

OUTLOOK IN 2022

FY EBITDA guidance upgraded to IDR 2.1 Trn based on strong H1 performance & July recovery trend

- Strong H1 performance in spite of Omicron operating restrictions and earlier Mudik helps deliver full year 2021 EBITDA in first 6 months of 2022.
- Despite the backdrop of spiking inflation, we are managing our strategic pricing agenda well to deliver both customer value and progressive margins.
- The flip side of commodities-induced inflation is enhanced employment prospects, many of which are in Matahari's target customer zone.
- Retail operating hours normalized, no major Q3 restriction aids trading conditions year on year for more than doubling of sales in Q3.
- New merchandise and merchandising practices delivering healthy results and improved sales and margin productivity. Many set for expansion in H2.
- Accelerated store openings with 8 due in H2 with contractual visibility on the next 6. Plus, mini refits investment in stores, new technology, and enhanced marketing visibility to create H2 momentum.
- Continued focus on operational excellence, strategy execution, and cost rigor to drive superior results.
- Balance of 2022 will see Project Sunrise focus on enhancements in 7 key areas.
- On track to develop 2023 store opening pipeline of 12-15 stores.
- 2023 business planning, advancing well to continue momentum.
- Forward full year dividend payout enhanced to IDR 525 per share or more on the back of improving prospects and strong forward cash flow generation forecast.

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THANK YOU

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