

MATAHARI RETURNS TO PROFITABILITY; SHOWS RESILIENCE DESPITE PANDEMIC

Highlights :

- Q2 2021 gross sales were Rp 4.5 Trillion, 270% above Q2 2020
- 1st Half 2021 gross sales was Rp 6,.6 Trillion, 67% above 1st Half 2020
- Net income of Rp 533 Billion compared to a net loss of Rp (358) Billion in 1st Half 2020

PT Matahari Department Store Tbk (“Matahari” or “the Company”; stock code: “LPPF”) reported gross sales of Rp 6.6 Trillion for the period ending 30 June 2021, 67% above 2020 of the same period. Net revenue at Rp 3.6 Trillion, 58% above 2020.

(in Billion Rupiah)

Description	Q2 2021	1st H 2021	Variance	
			of Q2 2020	of 1st H 2020
Gross Sales	4,481	6,558	269%	67%
Net Revenue	2,408	3,570	242%	58%
Net Income	628	533	338%	249%

Matahari has returned to profitability, with a net income of Rp 533 Billion for the first half of 2021. This result was achieved despite Mudik restrictions impacting Lebaran sales, reduced purchasing power, mass leave cancellations, and measures to protect public health such as reduced operating hours.

Matahari has seen promising progress in the following key operational areas:

- more predictable margins by the exit of underperforming brands and styles
- ongoing modernisation of merchandise, with a pipeline of new initiatives which is bearing fruit
- re-organised operating regions for greater productivity
- store enhancement work for a smoother shopping experience
- selective use of capital expenditures for essential customer improvements
- shift to asset-light model with reduced warehouses, assets and low-performing assets is well underway



Auric Digital Retail recently became the largest shareholder in the Company, adding confidence to strategy development, continuity and execution.

The Company believes that its shares have underperformed, and therefore launched a share buyback program in August 2021, for a maximum of 15% of the Company's paid-up and issued capital with the earmarked fund of Rp 450 Billion.

Terry O'Connor, CEO of Matahari said, "We are pleased to have returned to profitability and this is a testimony to the hard work and diligence of our people. We have fully repaid our debts and have a very healthy cash balance as at the end of the period. That said, we believe Matahari can perform much better post PPKM as initiatives gather pace and the constraints of COVID-19 are increasingly behind us and we intend to transfer key learnings from this past season forward to Lebaran 2022. With our people now fully vaccinated, and our strong safety protocols we believe that we are well placed to take full advantage of the coming recovery in our stores and in executing our omni channel ambitions."

About Matahari

Matahari is the largest retail platform in Indonesia, with 145 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 (including consignment SPGs) and partners with around 400-500 local as well as international suppliers.

The Company has received many industry recognitions – nationally and internationally – including Top 3 Best Non-Financial Sector and Top 10 Mid-Cap Issuers ASEAN Corporate Governance Awards 2021, 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.



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