

MATAHARI RECORDS A NET INCOME OF Rp 439 BILLION DESPITE PPKM CHALLENGES

Highlights :

- YTD Sep 2021 gross sales were Rp 7.5 Trillion, 28% above YTD Sep 2020
- YTD Sep 2021 gross profit was Rp 2.6 Trillion, 33% above YTD 2020 period
- Net income of Rp 439 Billion in YTD Sep 2021 compared to a net loss of Rp (617) Billion in the same period of 2020
- The Board of Commissioners revised the dividend policy to a 50% or more payout ratio of net profits, to be distributed in the form of an interim dividend (following Q3 results) and a final dividend
- Management's forward guidance EBITDA is Rp 1 Trillion for FY 2021 and Rp 1.8 Trillion for FY 2022
- The Company intends to distribute an interim dividend of Rp 100 per share on 2nd December 2021, with a final dividend of a similar amount

PT Matahari Department Store Tbk ("Matahari" or "the Company"; stock code: "LPPF") reported gross sales of Rp 7.5 Trillion for the period ending 30 September 2021, 28% above 2020 of the same period. Net revenue at Rp 4.1 Trillion, 23% above 2020.

(in Billion Rupiah)

Description	Q3 2021	YTD Sep 2021	Variance	
			of Q3 2020	of YTD Sep 2020
Gross Sales	941	7,499	-51%	28%
Net Revenue	515	4,085	-52%	23%
Net (Loss) / Income	(94)	439	64%	171%

Matahari recorded a net income of Rp 439 Billion in YTD Sep 2021 compared to a net loss of Rp (617) Billion in the same period of 2020, despite the emergency PPKM which commenced in early July with store closures across 2 months. Matahari temporarily closed a total of 117 stores due to the emergency PPKM, and 31 stores remained open with several restrictions, such as maximum capacity in malls, limitation of operational hours, etc. PPKM still continued in August but with some positive developments each week. The government started to allow Malls to open and allowed limited dine-in. From



September, children under the age of 12 were allowed to enter the Malls, operating hours started to ease, capacity for F&B was relaxed, all leading to progressively higher mall visitations.

In early September, Matahari opened 100% of its stores and continued to see a positive recovery each week. It continued in October with recent recovery reaching over 70% compared to 2019.

To assist shareholders with better earnings visibility, Management provided forward guidance:

- Matahari will open two new stores in December (in Cianjur, West Java and Batam, Riau Islands), and targets to open another ten new stores in 2022.
- New merchandising initiatives are bearing fruit, with improved sales velocity, productivity, and gross margin.
- Matahari is targeted to deliver Rp 1 Trillion EBITDA for FY 2021 with positive net cash, and zero bank loan. The Company projects FY 2022 EBITDA of Rp 1.8 Trillion.

The Board of Commissioners revised the dividend policy, providing payout ratio of 50% or more of net profits to be distributed in the form of an interim dividend (following Q3 results) and a final dividend. With clearer recovery visibility and a strong balance sheet and cash flow generation, the Company is planning to distribute an interim dividend of Rp 100 per share on 2nd December 2021, and proposes a final dividend of a similar amount. Going forward, Management recommends an equal amount for the interim and final dividend.

About Matahari

Matahari is the largest retail platform in Indonesia, with 137 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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