PRESS RELEASE
17 February 2021

MATAHARI REPORTS GROSS SALES OF RP 8.6 TRILLION

Highlights :

- Full year 2020 gross sales of Rp8.6 Trillion, 52.3% below last year.
- Operating expenses decreased by Rp1.1 Trillion or 27.4% over last year.
- Net loss of Rp0.9 Trillion vs net profit of Rp1.4 Trillion in 2019.
- Closed 13 large-format and 12 specialty stores; opened 3 new large-format stores, bringing the total store count to 147 as at December 2020.

PT Matahari Department Store Tbk (“Matahari” or “the Company”; stock code: “LPPF”) reported gross sales of Rp8.6 Trillion for the year ending 31 December 2020, 52.3% below last year, whilst net revenue was down 52.9% to Rp4.8 Trillion.

COVID-19 had an unprecedented impact on businesses across the world and Matahari was no different. During 2020, the Company operated in an environment of considerable uncertainty. In March, Matahari temporarily closed almost all of its stores and then opened them gradually starting May. In mid-September, restrictions were enforced again resulting in store closures / restricted trading hours and as well as limiting the number of customers. Matahari ensured the safety of its customers and its employees and strictly followed various safety protocols.

Matahari took some significant prudent actions during the year:

a) Matahari launched several digital initiatives including the new Matahari.com website, Android App and IOS app. And introduced new sales channels: Social Commerce Shop and Talk (WhatsApp), and via marketplaces (Shopee & JD.ID).
b) Opened 3 new large format stores and closed 13 unprofitable large format stores. Exited Specialty Business (closed all 12 specialty stores) and consolidated distribution business.
c) Reduced all operating expenses. Negotiated with landlords for reduction in occupancy cost. Consolidated all Support Center activities to one location.
d) Secured temporary additional bank facility of Rp0.5 Trillion on top of Rp1.7 Trillion old facility during Q2 2020.

With above actions, the Company managed to end the year with a net loss of Rp0.9 Tn.

Niraj Jain, Chief Financial Officer of Matahari said, “We believe that our sales returning to normal trading levels before 2022 is very unlikely. And our focus will be on keeping our customers and employees safe whilst positioning ourselves for the upturn whenever it comes. Our teams are committed to uphold our 5-Star Pledge, and serve customers well with strict health protocols.”

About Matahari

Matahari is the largest retail platform in Indonesia, with 147 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 400-500 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.

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