

## Gross Sales Reached IDR 9.6 Trillion; Seasonal Momentum Ahead

### Highlights:

- Sales for 9M23 reached IDR 9.6 Trillion, or grew by 1.4 %. However, same-store sales growth (SSSG) was -2.3% driven by the lack of Lebaran stimulation, slowness in economy thereafter, and subsequent inventory actions.
- Gross Margin in 9M23 was 34.9%, vs. 9M22 of 35.7%.
- The Company proactively passed on savings to customers to retain loyalty and accelerate inventory freshness ahead of key seasons to follow.
- EBITDA for 9M23 was IDR 1.1 Trillion vs IDR 1.5 Trillion last year. Net Profit was IDR 631 Billion.

Matahari ("Company"; stock code: "LPPF") managed to book Sales in the first nine months of 2023 of IDR 9.6 Trillion, reflecting a 1.4% growth rate. Yet, the SSSG was -2.3% driven by the lack of Lebaran stimulation and slowness in the economy subsequently. EBITDA for the period was IDR 1.1 Trillion, a decrease from last year's IDR 1.5 Trillion.

Description	9M 2023	Variance
		of 9M 2022
Gross Sales	9,615	1.4%
Net Revenue	4,980	0.3%
EBITDA	1,136	-26,4%

Initiatives to drive merchandising full potential are progressing well. Suko is making good progress in footprint expansion through the upcoming shop-in-shop rollout in the next 14 stores, leading to a total of 34 by the end of the year.

A new private label, Anyday, launches in October 2023. It is designed to counteract the impact of inflation for consumers. To improve merchandise productivity, there will be a greater focus on maximizing inventory sell-through at full price and efforts to speed up the reduction of aged inventory were undertaken within the quarter impacting gross margins.

Initiatives of optimizing the store network are progressing well albeit the Company has a small number of stores with marginal profitability to be addressed under a newly formed watchlist. The focus of expansion in 2024 will be on high-quality stores rather than volume of stores opening. As part of the plan, six stores are expected to open in 2024 of which four will be latest Matahari concepts and two will be MU&KU.



The newly introduced MU&KU concept, catering to the upper middle segment, has been unveiled to target developers recently, the launch of which is expected in the first half of 2024. The Company also intends to advance store rebranding efforts and allocate capital expenditure towards higher potential stores.

In the near future, the Company is optimistic that the key seasons ahead from Christmas 2023 to Lebaran 2024 are well prepared benefitting from fresher inventories, the flow of merchandising initiatives and new brands, as well as greater investments in key store renewal and marketing.

"The challenges in the low-to-middle market segments are expected to remain in the short term but gradually improve with inflation subsiding, liquidity in the economy started to rise, and the Company is preparing for this with fresher, new and more competitively bought ranges coupled with a focus on a stronger brand portfolio across all segments," said **Terry O'Connor, CEO of Matahari**.

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## **About Matahari**

Matahari is the largest retail platform in Indonesia, with 156 stores in 81 cities across Indonesia as well as presence online on [matahari.com](https://matahari.com), social commerce platform "Shop & Talk", and third-party marketplaces. 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 30,000 employees (including consignment SPGs) and partners with around 600 local as well as international suppliers.

The Company has received many industry recognitions – nationally and internationally – including the awards for the Best Overall Category and Top 50 Mid-Cap Public Listed Companies In Indonesia at the 14<sup>th</sup> IICD Corporate Governance Conference & Award 2023, the Best Women Empowerment Company 2023 with Outstanding Commitment in Creating Respective Workplace from HerStory, TrenAsia's ESG Awards 2023, Fashion Retail of The Year 2023 by HIPINDO, Top 100 Most Valuable Brand by Brand Finance, Most Improved Investor Relations and Top 5 Best Senior Management IR Support in 2022 from Alpha Southeast Asia, Top 10 CSR Donor from IDX, Top Digital Company & Best Excellent Service Experience Index Award 2022 from Marketing Magazine, Top 50 Most Valuable Brand Awards 2021 from Brand Finance Indonesia, 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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