

Matahari Concludes 2023 with 1.1% Sales Growth

Highlights:

- Sales for FY23 grew by 1.1% to IDR 12.6 trillion, with store network expansion.
- FY23 Gross Margin stood at IDR 4.3 trillion, despite inflationary pressure in 2023.
- EBITDA for the year was IDR 1.4 trillion, with the elimination of rental subsidies.
- IDR 200/share dividend proposed by Management, subject to statutory approval.

Matahari ("Company"; stock code: "LPPF") concluded 2023 with eight new stores and one reopening, generating gross sales of IDR 12.6 trillion, reflecting 1.1% overall growth. The sales performance was partially affected by the unexpected delay in THR and early Mudik. Despite inflationary pressure, Gross Margin stood at IDR 4.3 trillion. With the reduction of rental subsidies, EBITDA for the year was IDR 1.4 trillion.

Description	FY 2023
Gross Sales	12,552
Net Revenue	4,980
%Gross Margin	34.2%
EBITDA	1,411

As it refines its strategy, the Company is ensuring it targets the relevant middle-income customers. This repositioning will manifest in changes to store locations, merchandise, and the overall customer experience.

Matahari is improving its Direct Purchase product offerings through reinvigorated private labels and the launch of the SUKO brand. The Company also aims to strengthen high-quality consignment vendor partnerships and onboard new, well-known consignment product brands. Faster sell-through of merchandise is underway for improved freshness via increased promotions and dynamic trading.

Matahari will move forward with a specific focus on rejuvenating high-impact stores and plans to open four to six new stores in 2024. In its omnichannel journey, the Company aims to further enable fulfilment from stores and build visibility to consignment vendors' inventory. Matahari will expand fulfilment from stores from 56 to 96 stores.

The number of active Matahari Rewards members reached 8.6 million at the end of 2023. These active members contributed 79% of sales, compared to 66% the previous year. This increase was coupled with higher customer satisfaction, with an NPS of 73 in 2023, compared to 63 in 2022.



Considering the initiatives for the turnaround strategy, Matahari aims to balance capital allocation for further growth while maximizing shareholders' value. The Company intends to increase its capital expenditure in 2024, and is proposing a dividend of IDR 200 per share, subject to statutory approval.

"Despite some challenges from a weaker Lebaran due to the unexpected delay in THR and early Mudik, we made progress in a number of our strategic initiatives. Our team is better prepared this Lebaran with fresher and more appealing assortment, improved pricing and dynamic trading. We intend to end the year with a more robust store portfolio, and an enhanced omnichannel offering," said **Monish Mansukhani, CEO of Matahari**.

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About Matahari

Matahari is the largest retail platform in Indonesia, with 154 outlets across 82 cities nationwide. Additionally, it operates online through matahari.com, the social commerce platform "Shop & Talk," and third-party marketplaces. With a history spanning over 60 years, Matahari has been a key provider of quality, fashionable, and affordable clothing, beauty products, and shoes for the growing middle class in Indonesia. The company employs over 30,000 staff, including consignment product sales representatives, and collaborates with approximately 600 local and international suppliers.

The company has garnered several accolades on both national and international levels, such as the TrenAsia's ESG Awards 2023, Fashion Retail of The Year 2023 by HIPINDO, Top 50 Mid Capitalization Public Listed Company 2023 by IICD, Top 100 Most Valuable Brand by Brand Finance, Most Improved Investor Relations, and Top 5 Best Senior Management IR Support in 2022 by Alpha Southeast Asia. Other recognitions include being named Top 10 CSR Donor by the Indonesia Stock Exchange, Best Non-Financial Sector, and Top 10 Mid-Cap Issuers at the ASEAN Corporate Governance Awards 2022, Top Digital Company & Best Excellent Service Experience Index Award 2022 by Majalah Marketing, Top 50 Most Valuable Brand Awards 2021 by Brand Finance Indonesia, and Top 500 Retail Asia Pacific by Retail Asia, Euromonitor & KPMG. Matahari was also recognized as one of the Top 3 Most Powerful Retail Brands in Indonesia in the Brand Asia 2018 awards by Nikkei BP Consulting, Inc., and received the WoW Brand Award 2019 – Gold Champion from MarkPlus Inc. Additionally, the company earned the Stellar Workplace Award 2023 for Employee Commitment and Employee Satisfaction, and the Indonesia Netizen's Brand Choice Award 2018 from Warta Ekonomi. These awards collectively contribute to and reinforce Matahari's reputation as a leading, dynamic, and trustworthy company in Indonesia.



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