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27 February 2026

FY/4Q 2025 Earnings Call

LPPF.IJ / LPPF.JK

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Executive Summary

Income Statement

FY25 Sales: IDR 11.1Tn (-10.2% and **-7.5% SSSG** vs. LY), with broad-based weakness across regions (-8.0% SSSG in Java and -7.0% SSSG outside Java).

Gross Margin: 34.7% (vs. FY24: **34.6%**), supported by a higher private label mix and disciplined pricing.

EBITDA: IDR 1.2Tn (**-16.9%** vs. FY24: **IDR 1.4Tn**) reflecting lower sales, partially offset by a 6.6% reduction in OPEX vs. LY.

Net Income: IDR 725Bn (**-12.4%** vs. FY24: **IDR 828Bn**) supported by lower interest expenses, reduced depreciation, and one-off reversal of stores closure provisions.

Balance Sheet

Inventory: IDR 1.0Tn (vs. 2024: **IDR 0.7Tn**), primarily due to the early Lebaran timing and investments in new brands.

Cash: IDR 448Bn (vs. 2024: **IDR 399Bn**) with IDR 1.7Tn in unutilized credit facilities.

Cash Flow

Capital Expenditures: Continued investment in new store expansion, store maintenance, and technology upgrades.

Dividends: Proposed dividend of IDR 250/share for 2026 distribution.

MACROECONOMIC COMMENTARY

- **Softening consumer demand,** as reflected in declining personal savings rates.
- **Weakening labor market conditions**, characterized by: higher proportion of informal workers, increased share of employees earning below minimum wage, and the highest youth unemployment rate in Southeast Asia.
- Continued **pressure from illegal imports**, evidenced by a persistent export-import gap.

STRATEGIC INITIATIVES

Key milestones of 2025 priorities were achieved:

- **Merchandise:** Expanded SUKO and ZES assortments. Refreshed key private labels and introduced new brands under MU+KU to strengthen overall assortment relevance and appeal.
- **Store Network Optimization:** Closed seven underperforming stores. Opened five SUKO and two ZES mono-stores. Launched MU+KU multi-brand stores, successfully attracting new customer segments while maintaining strong retention among existing MDS customers.
- **Improved Economics:** Secured structural cost efficiencies through rental savings, manpower optimization, and supplier consolidation initiatives.
- **Omnichannel**: Delivered online sales growth driven by higher Shop&Talk penetration, stronger customer engagement, and expanded livestreaming activities.

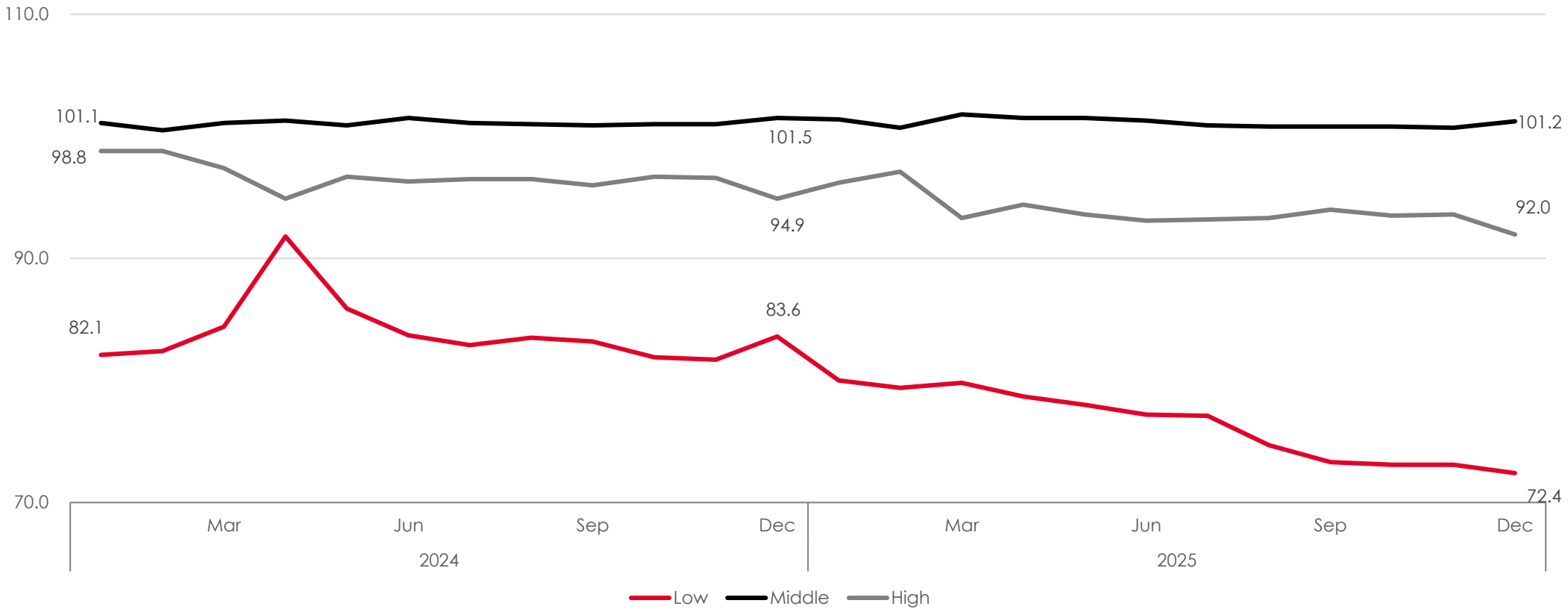
2026 priorities include:

- **Merchandise:** Further broaden SUKO and ZES assortments alongside expansion of the MU+KU collection. Increase private label penetration and curate differentiated assortments to drive topline growth.
- **Store Network Optimization:** Accelerate expansion of SUKO and ZES mono-stores. Scale the MU+KU concept in strategic malls. Renovate selected MDS stores to enhance customer experience and better capture younger demographics.
- **Improved Economics:** Increase private label space allocation through selective brand introductions. Actively manage category productivity through regular space reviews to improve GMROS.
- **Omnichannel:** Expand online assortment with competitive pricing. Align offline and online marketing to improve advertising effectiveness. Leverage social media more effectively to drive online traffic and conversion.

Consumer Savings Decline

Personal savings in both low- and high-income segments declined.

Savings Index



Source: Mandiri Institute

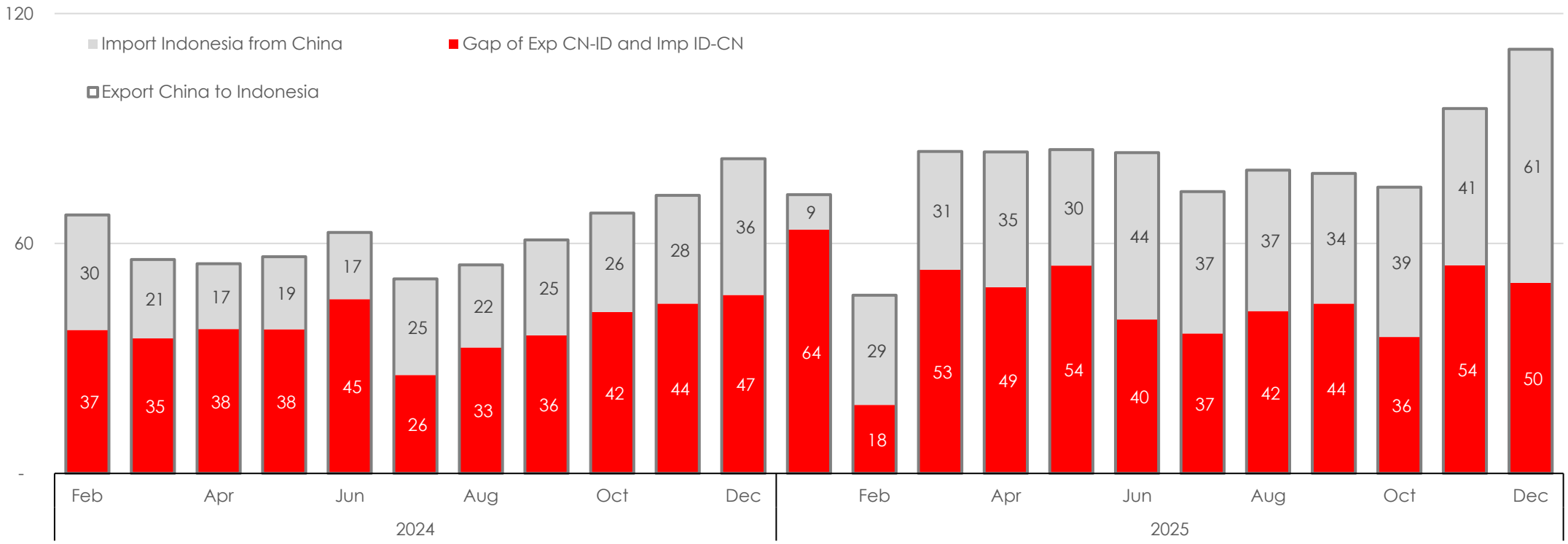
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*Low: average savings balance of <IDR 1mn per year; Middle: average savings balance IDR 1-10mn per year; High: average savings balance of >IDR 10mn per year

Competition from Improperly Declared Imports

Meaningful gap in exports/imports data suggest significant illicit imports.

Illegal Imports
Million USD



Source: Trade Map, Statistics Indonesia

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Financial Highlights: Income Statement

Macroeconomic challenges reflected in profitability decline.

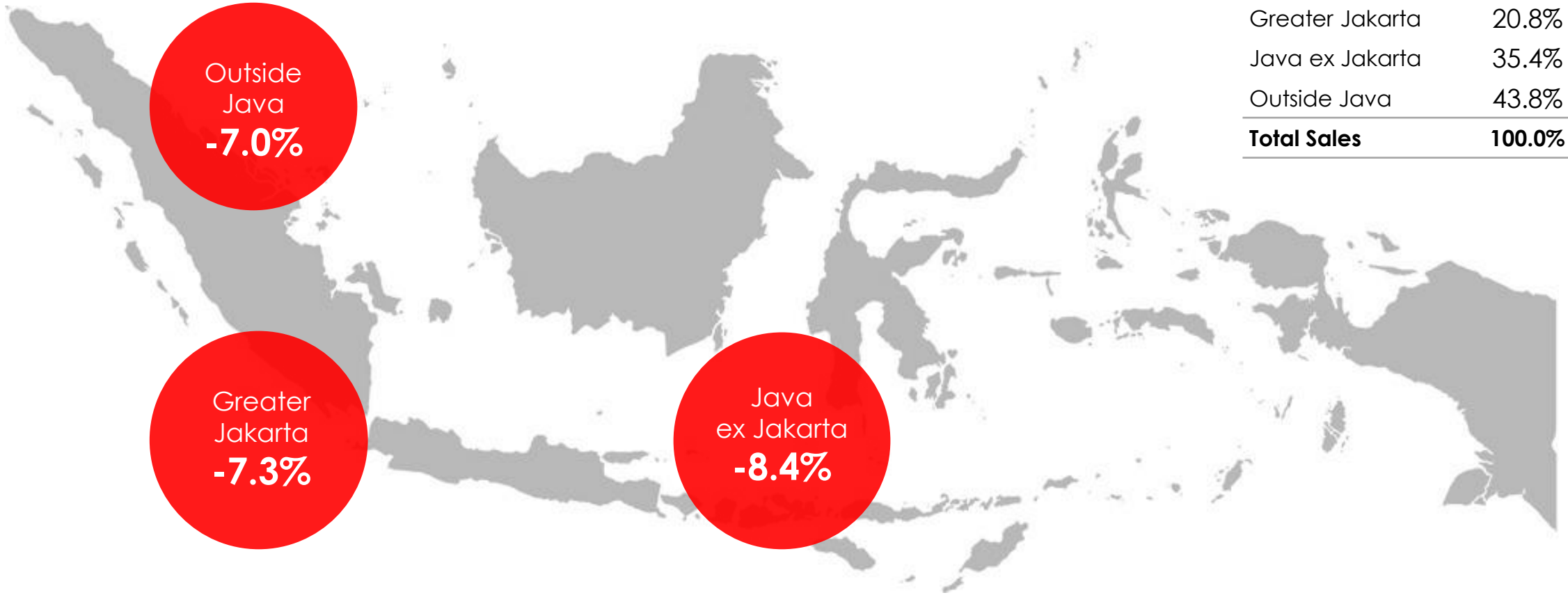
In IDR Bn	Q4			FY		
	2025	2024	% Growth	2025	2024	% Growth
Gross Sales	**2,541**	**2,828**	**-10.2%**	**11,052**	**12,307**	**-10.2%**
SSSG %	***-7.8%***	***-2.0%***		***-7.5%***	***-1.7%***	
Gross Profit*	**879**	**974**	**-9.8%**	**3,830**	**4,253**	**-10.0%**
Gross Margin %	***34.6%***	***34.4%***		***34.7%***	***34.6%***	
OPEX	**(632)**	**(663)**	**-4.7%**	**(2,668)**	**(2,855)**	**-6.6%**
Personnel Expenses	(195)	(196)	-0.7%	(881)	(953)	-7.6%
Occupancy Expenses	(346)	(372)	-7.1%	(1,421)	(1,511)	-6.0%
Marketing Expenses	(35.9)	(35.1)	2.2%	(140.2)	(153.3)	-8.5%
Others	(56)	(60)	-7.2%	(226)	(238)	-5.0%
EBITDA	**247**	**311**	**-20.6%**	**1,162**	**1,398**	**-16.9%**
EBITDA Margin %	*9.7%*	*11.0%*		*10.5%*	*11.4%*	
Net Income (Loss)	**124**	**200**	**-37.8%**	**725**	**828**	**-12.4%**
Net Income Margin %	*4.9%*	*7.1%*		*6.6%*	*6.7%*	

*Improvement a result of higher DP mix and greater pricing discipline.

Geographic Sales Performance

Weakness observed consistently across regions.

% YTD Same-store Sales Growth (SSSG)*



	Gross Sales by Region (%)
Greater Jakarta	20.8%
Java ex Jakarta	35.4%
Outside Java	43.8%
Total Sales	**100.0%**

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*%SSSG 4Q25: Greater Jakarta -5.9%; Java ex Jakarta -11.0%; and Outside Java -6.4%.

Financial Highlights: Balance Sheet

Net cash at IDR 448Bn with unused Bank Loan Facility of IDR 1.7Tn.

ASSET		
In IDR Bn	Dec-25	Dec-24
Cash and Bank Balance	448	399
Trade Receivables	27	40
Inventories	955	728
Right-of-Use Assets	1,940	2,177
Other Assets	1,233	1,193
Fixed Assets	536	604
Total Asset	**5,139**	**5,141**

LIABILITIES & EQUITY		
In IDR Bn	Dec-25	Dec-24
Bank Loan*	-	-
CV Trade Payables	639	469
DP Trade Payables	667	567
Lease Liabilities	2,570	2,843
Other Liabilities	990	935
Equity	273	326
Total Liabilities & Equity	**5,139**	**5,141**

* Unutilized facility at IDR 1.7Tn.

Financial Highlights: Cash Flow Statement

Cautious capex spending and other capital outlay in light of economic condition.

In IDR Bn	Q4			FY		
	2025	2024	% Growth	2025	2024	% Growth
Cash Flow from Operating Activities	**847**	**716**	**18.2%**	**1,668**	**1,810**	**(7.9%)**
Cash Flow from Investing Activities	**(36)**	**(41)**	**(12.3%)**	**(137)**	**(140)**	**(2.1%)**
Cash Flow from Financing Activities	**(484)**	**(399)**	**21.3%**	**(1,481)**	**(1,779)**	**(16.8%)**
Share Repurchase	-	-	0.0%	(62)	(2)	4019.8%
Dividends	-	-	0.0%	(668)	(452)	47.9%
Other Cash Flow for Financing Activities	(484)	(399)	21.3%	(750)	(1,326)	(43.4%)
Cash Increase (Decrease)	**327**	**277**	**18.3%**	**49**	**(109)**	**(145.5%)**
Beginning Cash Balance	**121**	**122**	**(1.0%)**	**399**	**508**	**(21.4%)**
Ending Cash Balance	**448**	**399**	**12.4%**	**448**	**399**	**12.4%**

Capital Allocation

Proposed dividend balanced against projected capital expenditure needs.

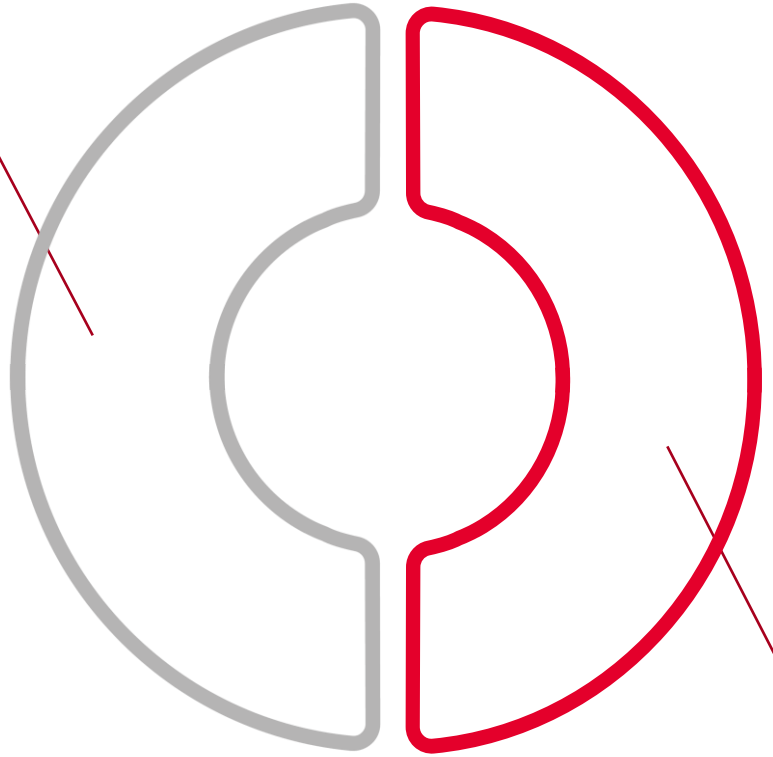
Capex Plan

New store opening

Store refurbishment

Technology & maintenance

Exploring new concepts



Dividend*

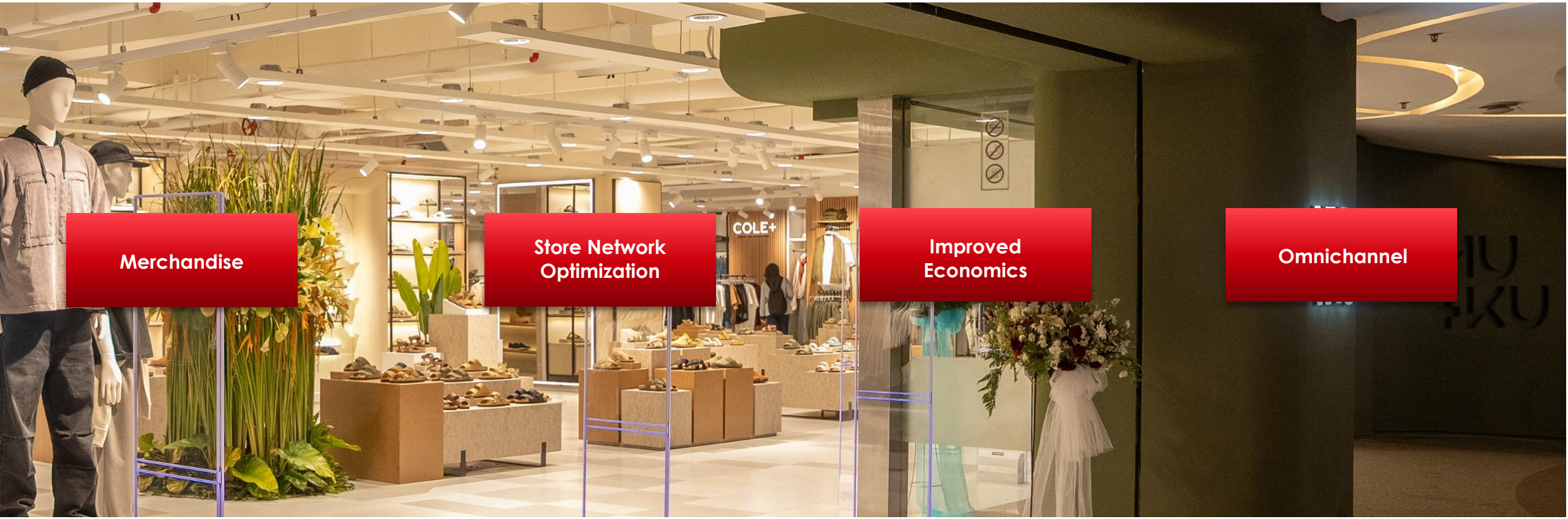
Proposed IDR 250/share as dividend payout

*subject to AGMS Approval

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Key Initiatives

2025 Updates and 2026 Priorities.



Merchandise

Diversifying and scaling successes.

2025 Progress

- **Revamped private labels** and launched new brands across key categories.
- **Expanded SUKO** into new sub-categories to reach broader consumer segments.
- **Strengthened merchandising capabilities** with a specialist-led structure to drive private label growth.

2026 Priorities

- **Sharpen private label collections** by developing strong hero SKUs at compelling price points, streamlining underperforming assortments, and enhancing product quality and consistency.
- **Continue structured test-and-learn initiatives** to refine product-market fit.



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Store Network Optimization

Improving productivity and brand reach.










2025 Progress

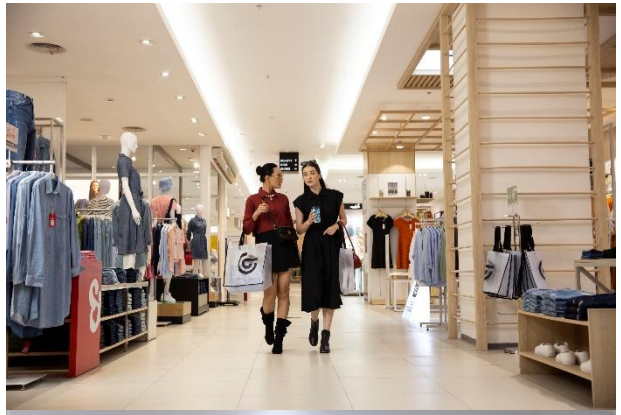
- **Closed seven underperforming stores** to enhance overall network health.
- **Advanced MU+KU multi-brand concept** and **expanded mono-brand formats** (SUKO & ZES).
- **Supported store performance uplift** with a refreshed marketing playbook.

2026 Priorities

- **Expand MU+KU** in strategic malls with strong traffic potential.
- **Accelerate mono-brand expansion** in selected catchments.
- **Renovate selected Matahari stores** to elevate shopping experience.
- **Increase 'test-and-learn' concept** to strengthen brand visibility and awareness.

Improved Economics

Driving efficiency and mix enhancement.





2025 Progress

- **Reduced operating costs** through rental and manpower optimization.
- **Improved margin** through supplier consolidation and space rationalization.
- Transitioned private labels to **net pricing** structure.
- Increased **consignment** brand participation in **store-wide promotions.**

2026 Priorities

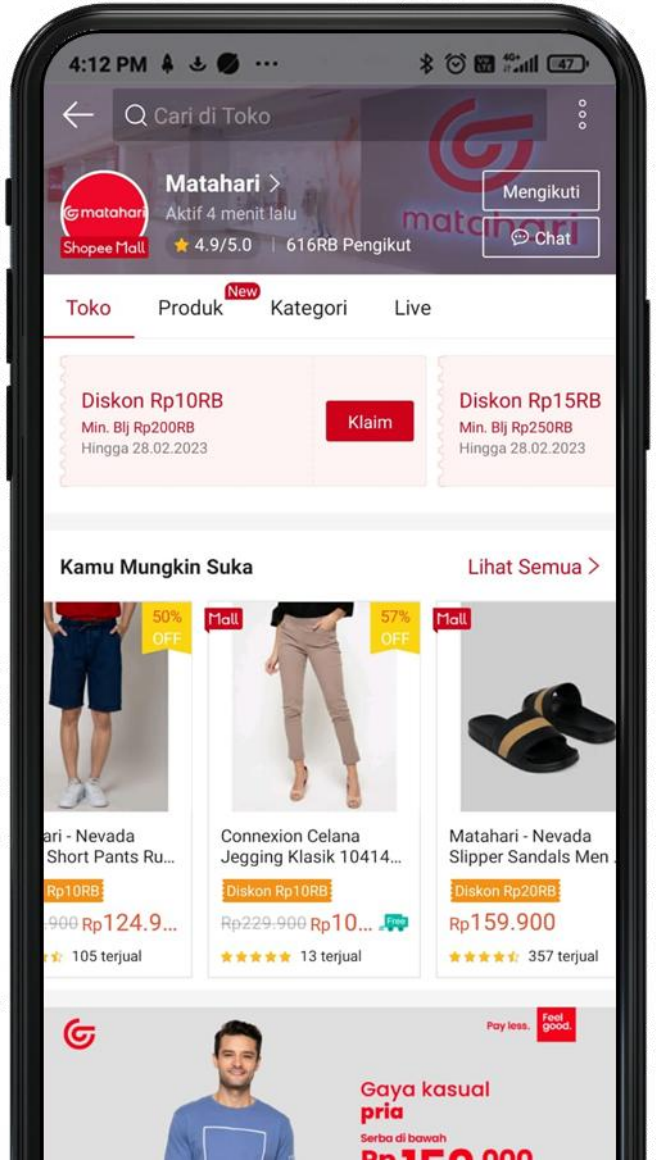
- Conduct comprehensive **space productivity reviews** to improve GMROS.
- **Optimize consignment brand portfolio.**
- **Increase private label mix** in selected stores to support margin resilience.

Omnichannel

Scaling digital with discipline.

2025 Progress

- **Shop&Talk grew 64.7%,** driven by direct WhatsApp engagement and livestreaming.
- **Marketplace sales expanded** through scaled channel presence.
- **Improved customer engagement** via integrated marketing and back-end technology rollout.
- **Piloted traffic-counter analytics** to enhance data-driven decisions.



2026 Priorities

- **Curate focused subcategories** with **competitive pricing** versus top sellers.
- Ensure **consistent product presentation** and design language online.
- **Allocate sufficient inventory** to sustain product lifecycle and improve algorithm performance.
- **Further integrate offline and online marketing** to enhance ROAS and conversion efficiency.

Closing Remarks

Macro challenges

- Consumer demand remains soft amid constrained income growth and limited savings recovery.

Impact on performance

- **FY25 sales declined 10.2% YoY to IDR 11.1 Tn,** with SSSG of -7.5% across regions.
- **Gross margin remained stable at 34.7%,** reflecting improved mix and pricing discipline.
- **EBITDA declined 16.9% to IDR 1.2 Tn**, partially offset by 6.6% OPEX efficiencies.
- **Net income stood at IDR 725 Bn**, supported by lower depreciation, interest expenses, and one-off provision reversals.

Dividends

- Proposed dividend of IDR 250 per share for 2026 distribution.

Progress and Challenges of Strategic Initiatives

2025 Milestones

- **Merchandise:** Expanded SUKO and ZES assortments, refreshed core private labels, and launched new brands within MU+KU. Long merchandising lead times continue to limit private label agility.
- **Store Network Optimization:** Closed seven underperforming stores and expanded mono-brand and multi-brand concepts. Securing high-quality mall locations remains competitive and selective.
- **Improved Economics:** Achieved occupancy, manpower, and supplier cost efficiencies. Long-term lease structures continue to constrain full cost flexibility.
- **Omnichannel:** Delivered double-digit Shop&Talk growth and stronger customer engagement. Technology and data capability gaps remain key areas of focus.

2026 Priorities

- **Merchandise:** Accelerate private label penetration and curated assortment development.
- **Store Network Optimization:** Expand SUKO, ZES, and MU+KU footprint in strategic locations.
- **Improved Economics:** Drive space productivity and GMROS improvement.
- **Omnichannel:** Strengthen omnichannel execution through assortment discipline and tighter offline–online marketing integration.

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