



PRESS RELEASE

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Short-term Challenges, but Promising Opportunities for 2021 as Digital Gathers Pace

Jakarta, 25th November 2020 - PT Mitra Adiperkasa Tbk (MAP), the leading lifestyle retailer in Indonesia today announced its financial result for 9M20. MAP's net sales decreased by 34% to Rp10.2 trillion versus 9M19, whilst eCommerce sales grew 394% YoY. GPM was at 41.8% versus 48.1% in 9M19, while operating loss amounted to Rp459.9 billion. EBITDA was Rp1.4 trillion with a net loss of Rp672.5 billion versus net profit of Rp812.9 billion in 9M19.

Meanwhile during Q3, net revenue of Rp3.4 trillion grew 62.1% from the Q2'20 results of Rp2.1 trillion. GPM significantly improved by 450bps at 40.2% versus 35.7% in Q2, while operating loss was recorded at Rp128.9 billion, compared to Rp492.3 billion posted in the previous quarter. EBITDA rose to Rp467.9 billion from Rp114.4 billion, with net loss of Rp216.7 billion versus Rp483.1 billion in Q2.

MAP showed improved revenue streams in Q3 despite continued restrictions from the Large Scale Social Restriction (*PSBB*) in Jakarta, and limitations on mall traffic nationwide due to regulatory laws surrounding Covid-19 pandemic. Sales recovery was evident across all business sectors, while digital sales continued their extraordinary upwards trajectory powered by MAPEMALL, Zara, PlanetSports and Digimap.

The Group absorbed a greater hit to profits in Q3 due to pre planned measures of aging inventory clearances following the forced store closures in Q2. Additionally, higher supply chain costs due to the pandemic, short term staff costs related to office re-organization, and

continued long-term investments in Digital associated with MAP Club & the MAP 2021 Unified Retail strategy, dampened profits in the quarter.

Yet Q3 margins and sales did exceed internal expectations resulting in fresher levels of merchandise as the company moves into the important Q4 holiday season. Additionally, sales through company eCommerce channels grew at triple digit rate, whether via MAPEMALL, various brand digital flagships, market places, or Chat and Buy message service. Moreover, digital sales remained encouragingly strong post store re-openings boosted by targeted shopper marketing via MAP Club, and exclusive product launches across Sports, Fashion, and F&B platforms.

“We were very encouraged by the strength and resiliency of our 360 degree multi-channel retail model across sports, fashion, digital, health and beauty, F&B, and convenience stores. This, combined with a diversified shopper demographic ranging from babies to grandparents, supplemented by a range of price points from value to premium, and all unified via our MAP Club loyalty app, gives MAP a differentiated business model unlike any other,” said VP Investor Relations & Corporate Communications, Ratih D. Gianda.

Commenting on the road ahead, Ratih related, “We are nowhere near back to normal yet, but we have seen these short-term challenges as long-term opportunities to pause, regroup, and transform our business model into a refreshed Unified Retail approach centred around our MAP Club. This re-organization is a new multi-channel way of servicing our consumers stressing shopping at their choice and convenience. Essentially, ‘shopping for everyone’ when they want, where they want, whether by physical or digital means.”

Elaborating further, Ratih cited MAP Club 2021 as the Group’s major structural adjustment for future growth over the next 24 months. With shoppers shifting online faster than ever before, the Group is in process of re-organizing its sales & marketing teams into Unified Retail brand structures which will drive ‘direct access to shoppers’ via the MAP Club loyalty app which is growing member base at more than 100% per year.

Initial trials of the new Unified Retail Model in Q3 showed tremendous sales upside. Brand managers liaised with club members on new products available via the company's wide array of retail channel options, whether MAP offline mall stores, MAPEMALL, digital brand stores, market places, or traditional SME channels.

“We see the day when every Indonesian will want to join hands with MAP to shop our entire spectrum of products. And all will be connected to our loyalty and rewards program which adds value and savings to every family wallet. This will be the future of shopping,” related Ratih.

About PT Mitra Adiperkasa Tbk

As at end of September 2020, MAP operates more than 2,300 retail outlets in 81 cities throughout Indonesia. The major retail concepts under the group among others: **Department Stores:** Sogo, Seibu, and The FoodHall; **Fashion & Lifestyle:** Zara, Marks & Spencer, Topman, Topshop, Kipling, Nautica, Massimo Dutti, Staccato, Swarovski and Zara Home; **Sports:** Sports Station, PlanetSports.Asia, The Athlete's Foot, Converse, Golf House, Payless ShoeSource, Reebok, Rockport, Skechers, Onitsuka Tiger and Clarks; **Food & Beverage:** Starbucks, Pizza Marzano, Krispy Kreme, Cold Stone Creamery Ice Cream, Godiva, Genki Sushi, Burger King and Domino's Pizza; **Kids:** Kidz Station, Smiggle and Lego; **Others:** Kinokuniya, Digimap and Alun Alun Indonesia. For more information about MAP please visit www.map.co.id.

For more information, please contact:

Ratih Darmawan Gianda

VP Investor Relations & Corporate Communications

PT Mitra Adiperkasa, Tbk

30th Floor, Sahid Sudirman Center

Jl. Jend Sudirman Kav 86, Jakarta 10220 – Indonesia

Tel : +6221 8064 8498 ; +6221 574 5808

Mobile : +62 811 1791 606

Email : Ratih.Gianda@map.co.id

FINANCIAL HIGHLIGHTS

<i>(In Rp millions)</i>	YTD September 2020		YTD September 2019
	Before PSAK 73	After PSAK 73	
Net revenues	10,169,461	10,169,461	15,409,858
Gross profit	4,249,987	4,250,227	7,409,641
Operating profit (loss)	(611,162)	(459,865)	1,341,885
EBITDA	98,265	1,361,858	1,975,851
Income before tax	(757,054)	(862,818)	1,099,142
Net income (loss)	(590,649)	(672,504)	812,916
Net income (loss) after minority interest	(527,662)	(605,332)	642,842
Basic earnings (loss) per share (in full Rupiah)	(32)	(37)	39