

Announcement

31st August 2022

PT HERO SUPERMARKET TBK FIRST HALF 2022 RESULTS

The following announcement was issued today by the Company's 89.3%-owned subsidiary, PT Hero Supermarket Tbk.

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South Tangerang, 31st August 2022

PT HERO SUPERMARKET TBK
FIRST HALF 2022 RESULTS

Highlights

- Double-digit underlying revenue growth
- Significantly reduced reported losses in first half of 2022
- PT Hero is well-positioned to deliver strong growth as external conditions normalise

Results

| | (Limited Review) | | |
|--|-------------------------|-------------------|---------------|
| | FIRST HALF | | |
| | 2022 | 2021 | Change |
| | Rp billion | Rp billion | % |
| Net Revenue from continuing operations | 2,142 | 1,783 | +20% |
| Gross Profit from continuing operations | 861 | 730 | +18% |
| Loss for the period from continuing operations | (119) | (194) | n.m. |
| Reported loss for the period | (114) | (551) | n.m. |
| | Rp | Rp | % |
| Loss per share from continuing operations | (28) | (46) | n.m. |
| Reported loss per share | (27) | (132) | n.m. |

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PRESIDENT DIRECTOR'S STATEMENT

Introduction

External trading conditions remained challenging in the first half of 2022. However, the Group is beginning to experience some encouraging improvement in performance. IKEA's first half like-for-like sales growth improved relative to the second half of 2021. In addition, Hero and Guardian reported improvement in like-for-like sales performance over the first half.

Financial Performance

The Group's reported revenue for the first half of 2022 was Rp 2,142 billion, an increase of 20% relative to the prior comparable period. The Group reported a net loss of Rp 114 billion for the first half of 2022, a significant reduction compared to the same period last year.

Guardian Health and Beauty reported double-digit like-for-like growth in the first half of 2022, with growth accelerating in the second quarter relative to the first quarter. Encouragingly, stores in premium malls and tourist locations benefited from strong growth in customer traffic. Profitability more than doubled due to strong sales growth and improved category and margin mix. Guardian continues to focus on driving increased accessibility for customers, strengthening its value proposition and range optimisation tailored to specific customer demographics.

IKEA's reported sales grew strongly primarily due to new store openings in the prior year. IKEA reported improved like-for-like sales growth in the first half of 2022 relative to the second half of 2021. However, reported like-for-like sales in the half continued to be impacted by government-imposed restrictions on operating capacity and trading hours in the first quarter, whilst global supply-chain constraints impacted stock availability. These factors impacted divisional profitability, partially offset by stringent cost control.

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PT Hero Supermarket Tbk

Hero Supermarket's like-for-like sales growth continued to improve throughout the half, driven by recovery in mall traffic. Underlying profitability also improved in the half due to robust cost control. Hero's range optimisation, with the introduction of more than 2,000 new items since the start of 2022, has supported improved sales performance.

Business Update

In April, IKEA opened its first city store inside a shopping mall at Mall Taman Anggrek, offering greater accessibility for customers living in the centre of Jakarta and its surrounding areas. IKEA continues to invest in capabilities and new stores in Indonesia to drive long-term sustainable growth. IKEA will expand operations to East Java, with its first store in Surabaya expected to open by the end of 2022, reaching an estimated three million people in the metropolitan area.

Following its strategic pivot away from the Giant banner in the second half of 2021, the Group remains in active discussions for the potential divestment of owned properties with a number of third parties.

Prospects

The duration of the COVID-19 pandemic and the extent of its impact on PT Hero remain uncertain. However, the Group remains optimistic that its financial performance will continue to improve throughout the second half of the year with government-imposed restrictions easing and consumer behaviour beginning to normalise. PT Hero remains steadfast in investing in its key businesses and building the foundations to position the Group to deliver strong and sustainable growth over the long term.

Patrik Lindvall

President Director

31st August 2022

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PT Hero Supermarket Tbk

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