

Announcement

17th March 2023

PT HERO SUPERMARKET TBK FULL YEAR 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, 17th March 2023

PT HERO SUPERMARKET TBK
FULL YEAR 2022 RESULTS

Highlights

- Double-digit growth in underlying revenue and gross profit from continuing operations
- Significant turnaround in reported profit
- PT Hero remains well-positioned for growth as the economy recovers following the pandemic

Results

	Audited Full Year		
	2022	2021	Change
	Rp billion	Rp billion	%
Net Revenue from continuing operations	4,437	3,481	+27%
Gross Profit from continuing operations	1,855	1,518	+22%
Loss for the period from continuing operations	(308)	(932)	n.m.
Reported profit / (loss) for the year	59	(964)	n.m.
	Rp	Rp	%
Loss per share from continuing operations	(74)	(223)	n.m.
Reported profit / (loss) per share	14	(230)	n.m.

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PRESIDENT DIRECTOR'S STATEMENT

Introduction

The Company reported encouraging performance in 2022 as COVID restrictions were relaxed, especially in the second half. Guardian saw double-digit growth in like-for-like sales during the year, while IKEA also reported strong year-on-year sales growth.

Financial Performance

The Company's revenue for 2022 was Rp 4,437 billion, 27% higher than the prior year. Net profit was Rp 59 billion for the full year, a significant turnaround from performance in the prior year, supported by profits from the divestment of certain owned properties.

Guardian Health and Beauty reported robust like-for-like sales growth in 2022. Encouragingly, stores in premium malls and tourist locations benefitted from higher customer traffic. As a result, profitability in 2022 grew significantly compared with the prior year, further assisted by improved category 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 sales grew strongly in 2022 as it saw the benefit of new store openings in the prior year. Like-for-like sales growth was higher in the second half than in the first half, with stores benefitting from improved customer traffic and relaxed government restrictions on operating capacity and trading hours. In addition, global supply-chain constraints that impacted stock availability in the first half improved in the third quarter, allowing for an increase in commercial activity compared to the first half.

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IKEA continued to deliver on its strategic pillar of accessibility by opening its first store in East Java, Surabaya, in December 2022, as well as strengthening the digital ecosystem and omnichannel capabilities through revitalisation of its App and website, launching the loyalty program IKEA Family and, during fourth quarter of the year, launching the official IKEA shop at Tokopedia.

Hero Supermarket's sales grew in 2022 relative to the prior year, driven by a recovery in customer traffic, especially to stores located in shopping malls. Hero's range optimisation, with the introduction of more than 2,000 new items since the start of 2022, has also supported sales performance. Hero's profitability also improved in the year.

Business Update

Following the Company's strategic pivot away from the Giant banner in the second half of 2021, the Company successfully divested three owned properties in the second half of the year. Proceeds from the transactions have strengthened the Company's financial position to support future profitability. The Company has subsequently sold one additional property in January 2023, which will further strengthen the Company's financial position.

People

We would like to express our deep gratitude and appreciation to all our team members for their hard work and dedication in serving our customers. Without them, we would not have been able to achieve the results and milestones which the business delivered this year.

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Prospects

The Company has seen an encouraging improvement in performance as external trading conditions and consumer behaviours have begun to normalise. While performance is expected to continue to improve in 2023, the Company will continue to monitor the impact of inflationary pressures and changes to consumer sentiment. The Company remains committed to investing in its key businesses and building the foundations for the Company to deliver robust and sustainable growth over the medium to long term.

Patrik Lindvall

President Director

17th March 2023

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