

Announcement

30th April 2024

PT HERO SUPERMARKET TBK THREE MONTHS RESULTS ENDED 31ST MARCH 2024

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

For further information, please contact:

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South Tangerang, 30th April 2024

PT HERO SUPERMARKET TBK
THREE MONTHS RESULTS ENDED 31st MARCH 2024

Highlights

- Net Revenue up 8% compared to the same period last year, driven by strong Lebaran Festive results
- Losses from continuing operations narrowed compared to the same period last year
- Continued encouraging performance in Health & Beauty segment
- IKEA adversely affected by weak home furniture demand

Results

	Unaudited THREE MONTHS		Change %
	2024 Rp billion	2023 Rp billion	
Net Revenue	1,255	1,166	8
Gross Profit	512	478	7
Loss from continuing operations	(67)	(73)	n.m.
Reported (loss) / profit	(1)	152	n.m.
	Rp	Rp	%
Loss per share from continuing operations	(16)	(17)	n.m.
Reported (loss) / profit per share	(0)	36	n.m.

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PT Hero Supermarket Tbk

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PRESIDENT DIRECTOR'S STATEMENT

Introduction

The Company's sales and gross profit increased in the first quarter of 2024 compared to the same period last year. Guardian Health and Beauty performed encouragingly in the first quarter, and Hero Supermarket's like-for-like sales improved. However, IKEA's performance was impacted by decreased demand for home furnishings.

Company Performance

The Company achieved a net revenue of Rp 1,255 billion in the first quarter of 2024, resulting in an 8% increase from the prior year, driven by strong Lebaran Festive results. Losses from continuing operations narrowed in the first quarter relative to the corresponding period last year, primarily due to improved performance from Guardian Health and Beauty. The Company reported reduced profit for the period due to lower gains on the divestment of non-core properties and lower IKEA profitability.

Guardian Health and Beauty reported positive like-for-like sales growth in the first quarter of 2024, underpinned by the recovery of foot traffic in premium malls and tourist locations. Profit also grew strongly relative to the prior year. Guardian continues strengthening its value proposition by optimising its product range and expanding its omnichannel presence to enhance customer accessibility.

The weak demand for home furnishing impacted IKEA's net revenue and profitability for the period. As a result of these challenging market conditions, IKEA has implemented actions to manage financial performance, including space optimisation, cost control initiatives and inventory management.

Hero Supermarket's sales and underlying profit improved in the first quarter, driven by good like-for-like sales performance.

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PT Hero Supermarket Tbk

Business Update

The Company successfully divested two non-core properties in the first quarter and one non-core property in April 2024, which enhanced the Company's financial position.

On 22nd April, the Company announced that it had entered into a Conditional Sale and Purchase Agreement to transfer ownership of the Hero Supermarket business segment to affiliate PT Hero Retail Nusantara. This transaction is expected to be completed by the end of June 2024. After completing this transaction, the Company's operations will fully pivot to the Guardian and IKEA businesses. The Company remains confident in the long-term prospects of these two businesses and the opportunity to increase market share growth.

Prospects

The Company anticipates ongoing variability in demand patterns across its business units in 2024. We expect to continue the positive momentum for the Health and Beauty segment; however, uncertainty remains regarding the recovery of the Home Furnishing business. The Company remains well-positioned to achieve sustainable growth in the medium to long-term.

Hadrianus Wahyu Trikusumo

President Director

30th April 2024

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