



THE TEMPO GROUP

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TEMPO SCAN FY'2024; ITS OPERATING PROFIT JUMPED-UP 67.5%, NET PROFIT INCREASED 23.0% & EBITDA SURGED 60.6%

Global financial market uncertainty is increasing, accompanied by the risk of world economic slowdown. The United States' trade policies that are inward-looking and rather combative, through its import tariffs hike affecting wide range of commodities and trading partners, have heightened the risk of greater world trade war. This has also been accompanied by an escalation of geopolitical conflicts in various regions.

Furthermore, global inflation risk has resurged compared with the previous forecast of lower inflation trend due to supply chain disruptions. The resilient US economy and knock-on effect of inward-looking trade policies are prolonging the disinflation process in the US and have gradually propelled the financial market forecast of more limited reductions on the Federal Funds Rate (FFR). Consequently, this has triggered US Dollars strength hence a build-up of pressures for other major currencies depreciation especially emerging market currencies, correspondingly reduced foreign capital inflows to emerging market including Indonesia.

Given the above global economic backdrop, Indonesian economy remains resilient on the back of its domestic demand, whereas it grew by 5.02% in 4th Quarter 2024 or an improvement if compared to 4.95% in 3rd Quarter 2024. Henceforth for FY'2024, the Indonesian economy GDP grew by 5.03%. Such growth was attributed amongst others by its Household consumption which remained its largest contributor which accounted for 54.04% of the total Indonesian GDP in 2024 and it grew by 4.94%. Meanwhile, Gross Fixed Capital Formation (PMBT) that contributed 29.15% of the GDP also shows an improvement, it increased by 4.61%.

Despite various challenges that must be overcome in 2024, **PT Tempo Scan Pacific, Tbk. (Tempo Scan)** FY'2024 net sales result was able to register a positive net sales increase of 4.1% and amounted to Rp.13,654.6 billion, such net sales result was mainly attributed by **its Pharmaceutical division and Consumer Products & Cosmetics ("CPC") division net sales performance which commendably grew by 16.9% and 10.6% respectively.** On the other hand, its Distribution division which net sales comprises of Tempo Scan external principals' products had significantly declined by 11.9%. Correspondingly, Tempo Scan's FY'2024 operating profit managed to surge by 67.5% and amounted to Rp.1,808.9 billion. Moreover, Tempo Scan's net profit after tax rose considerably by 23.0% and amounted to Rp.1,447.7 billion.

The aforementioned Tempo Scan's FY'2024 consolidated net sales performance major benefactors were as follows:

- 1) **Tempo Scan's Pharmaceutical division was able to sustain its net sales stellar growth which grew high double digits by 16.9% and amounted to Rp.4,746.8 billion**, such net sales growth was significantly higher when compared to its net sales growth in previous year whereas this division net sales only grew by 12.4%.

This division net sales growth main benefactor continued to be **its Consumer Health products group which net sales increased significantly by 17.1% and amounted to Rp.4,669.5 billion**. This Consumer Health group's commendable net sales increase was propelled by **its Nutritional products' net sales which has risen substantially by 35.4% year on year**. The said Nutritional products rapid sales growth occurred on a nationwide basis as consumers demand surged substantially across all sales channels and geographical areas. While similar positive net sales performance was also exhibited by the Consumer Health group's OTC and Vitamins products which net sales increased by 2.7%, despite the overall OTC market challenging condition which amongst others caused by regulatory hurdle.

Moving ahead, Tempo Scan is continuously monitoring consumers slowing demand which corresponded to weaker buying power started from lower income group and gradually expanded to the middle income group, and such a condition has trigger precipitous price discounting and eventually permanent price reductions in the FMCG, pharmaceutical and even nutritional products categories as competitive pressure was intensifying especially toward year end 2024.

In addition, Tempo Scan Pharmaceutical division Prescription Medicine products' net sales had increased by 3.1% and amounted to Rp.77.4 billion. Therefore, for FY'2024 Tempo Scan's Consumer Health products group and its Prescription Medicines group net sales contributions toward its Pharmaceutical division's total net sales were 98.4% and 1.6% respectively.

On the other hand, the Pharmaceutical division's international business net sales had faced a headwind particularly in its West Africa market, however its Malaysia market net sales grew positively, and in aggregate such international business had declined by 8.3% and amounted to Rp.264.6 billion. Such a net sales result was lower compared to its net sales in the previous year which grew by 21.6%. Consequently, the aforementioned Pharmaceutical international business' net sales contribution towards Tempo Scan's Pharmaceutical division total net sales was 5.6% or lower when compared to its net sales contribution of 7.1% in previous year.

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- 2) **Tempo Scan's Consumer Products & Cosmetics ("CPC") division has also been able to register a healthy net sales growth which increased by 10.6% and amounted to Rp.4,556.4 billion.** This division's net sales main benefactor continued to be its Consumer Products group which net sales increased commendably by 10.9% and amounted to Rp.3,656.7 billion. While its Cosmetics group's net sales performance had continued to deliver an excellent growth rate of 9.3% and amounted to Rp.899.7 billion despite industry wide weaker demand.

The Consumer Products group's core brand equities have dominant market positions, henceforth these brands' products are well poised to face the FMCG market malaise related to the consumers demand weakness. There were several major FMCG companies have become despaired and engaged in a massive discount war to cut their products price in order to recover their products dwindling market shares.

Moreover, the CPC division's Consumer Products group and Cosmetics group net sales contributions toward this division total net sales were 80.3% and 19.7% respectively for FY'2024, such a contribution was practically unchanged when compared to these net sales contributions in previous year which were at 80.0% and 20.0% respectively.

For FY'2024, the CPC division's international business net sales was able to maintained its robust growth and registered a significant net sales increase of 15.8%. Such **a strong net sales performance was contributed primarily by its Thailand and Philippines markets whereby both of its Consumer Products and Cosmetics which aggregate net sales have increased by 37.2% and 10.9% respectively.** Consequently, this CPC division's International Business net sales contribution towards its total net sales had increased to become 4.3% versus its net sales contribution in FY'2023 which stood at 4.1%.

- 3) Tempo Scan's Distribution division net sales declined by 11.9% and amounted to Rp.4,351.3 billion. Its main contributor of this division net sales growth was its Non-Pharma Principals' products which net sales had decreased by 14.0% and amounted to Rp.3.903,1 billion, while on the other hand this division Pharma Principals' products registered an increase of 12.7% and amounted to Rp.448.2 billion. Correspondingly, the aforesaid Non-Pharma Principals' products and Pharma Principals' products net sales contributions toward the Distribution division total net sales stood at 89.7% and 10.3% respectively, such a contribution was marginally changed when compared to these net sales contributions in previous year which were at 91.9% and 8.1% respectively.

Furthermore, for FY'2024 **Tempo Scan's gross profit result registered a significant increase of 10.1% and amounted to Rp.5,177.5 billion**, such an increase was significantly higher compared to its net sales growth rate, hence as a result **its gross profit margin had also increased significantly to become 37.9% versus its gross profit margin in the previous year which was 35.8%.**

Such a gross profit margin increase was attributed amongst other to its business mix change, whereas for FY'2024 Tempo Scan Pharmaceutical and CPC divisions net sales contribution have risen considerably to become 68.1% of Tempo Scan's consolidated net sales. These 2 divisions have generated significantly higher gross profit margin vis-à-vis its Distribution division which net sales contribution has also declined and generated much lower gross profit margin.

Moving on to Tempo Scan's total operating expenses for FY'2024, it has decreased by 7.0% and amounted to Rp.3,368.7 billion, such a decrease was contributed amongst others by its total selling expenses that had decreased by 1.8% and amounted to Rp.2,784.0 billion. Consequently, its total selling expenses as a ratio to Tempo Scan's consolidated net sales was 20.4% or lower compared to previous year whereas such ratio was still at 21.6%.

On the other hand, its total general administrative expenses increased by 13.1% and amounted to Rp.695.5 billion, therefore the aforesaid total general administrative expenses ratio towards Tempo Scan's consolidated net sales was 5.1% or higher when compared to the same ratio in previous year which was 4.7%.

Moreover, Tempo Scan's net other operating income had considerably increased by 164.0% and positively amounted to Rp.110.8 billion, such a sharp increase was a sharp contrast if compared to previous year net other operating income which was negative by Rp.173.0 billion. The aforementioned net positive amount was predominantly contributed by its foreign currencies reserved fund substantial gain.

Commensurately with the above result, **Tempo Scan's operating profit for FY'2024 managed to deliver a sharp increase of 67.5% and amounted to Rp.1,808.9 billion, henceforth its operating profit margin has also increased to become 13.2% which was a robust increased when compared to previous year whereas its operating profit margin was only at 8.2%.**

Furthermore, for FY'2024 its net non-operating income had decreased and amounted to Rp.126.7 billion or lower compared to previous year which amount was Rp.523.3 billion. However, such a decrease was mainly attributed to the one-time gain registered from non core asset divestment in FY'2023.

As the result, **Tempo Scan's FY'2024 net profit after tax had increased sharply by 23.0% and amounted to Rp.1,447.7 billion**, consequently its net profit after tax margin stood at 10.6% or significantly higher versus its net profit after tax margin in the previous year which was only 9.0%.

Commensurately with the above, **Tempo Scan's EBITDA had robustly surged by 60.6% and amounted to Rp.2.251,7 billion, consequently its EBITDA margin for FY'2024 had also risen to 16.5% or sharply higher compared to its EBITDA margin in previous year which was only 10.7%.**

As pertained to Tempo Scan's balance sheet position as of 31 December 2024, it remained solid whereas its cash and cash equivalent position total amount stood at Rp.4,456.6 billion or a substantial increase of 20.6% compared to previous year. In addition, its net operating cycle was at 74 days despite the extremely challenging market condition. Furthermore, **Tempo's Scan total assets and shareholders' equity were amounted to Rp.12,489.2 billion and Rp.9.150,8 billion respectively.**

Tempo Scan's Board of Directors would like to express our highest appreciation to all Tempo Scan's Board Commissioners, its management team and all of its employees for their continuous support, advise, dedication, commitment and hard works. As well as to our valued shareholders, business partners, vendors, customers and professional parties that has made Tempo Scan can achieved the abovementioned financial results.

Jakarta, 25 March 2025

On behalf of PT. Tempo Scan Pacific, Tbk.



Liza Prasodjo
Chief Financial Officer

Copies:

- Mr. Handojo S. Muljadi, Tempo Scan's Executive Chairman
- Tempo Scan's Board of Directors