



## THE TEMPO GROUP

### PT. Tempo Scan Pacific Tbk

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### **Tempo Scan's YTD September 2023 Robust Results** **Net Sales Grew By 7.4%, Gross Profit Increased By 10.4%,** **Operating Profit Grew By 15.3% & Net Profit Rose by 76.1%**

The Indonesian social and economic activities have fully returned back to normal, all shopping malls, restaurants, stores and, air travels as well as large scale social gatherings such as music concert, wedding, etc. have experienced robust growth. Such a recovery served as the main catalyst for the Indonesia's economy to sustain its growth despite the global economic turbulence, amongst other attributed to the persistent interest rate hikes which triggering tight liquidity by world central banks also due to various military and political conflicts in many parts of the world.

Almost similar with Indonesian economic growth pattern in 2022, whereas its economy grew higher during 1<sup>st</sup> and 2<sup>nd</sup> Quarter 2023 by 5.03% and 5.17% respectively, however subsequently it began to slowdown in 3<sup>rd</sup> Quarter 2023 which is projected to be around 4.8%. Such a pattern was influenced by the Household Consumptions which has always been a major benefactor to the Indonesian economy given its 53,31% contribution towards the country's GDP, while in 2<sup>nd</sup> Quarter 2023 and it still grew by 5.23%. Such Household Consumptions increase had offset the country's export revenue which had declined by 2.75% in 2<sup>nd</sup> Quarter 2023 amongst others due to lower global commodities prices.

Given the above economic backdrop, **Tempo Scan's net sales result for YTD September 2023 grew by 7.4% and amounted to Rp.9,766.5 billion**, and with the full support of its majority shareholder, Tempo Scan continues to escalate its core brand equities marketing investment, on the other hand some of its key competitors have reduced their marketing spending. Notwithstanding such investment, **Tempo Scan's operating profit managed to increase by 15.3% and amounted to Rp.813.6 billion. While Tempo Scan's net profit after tax rose by 76.1% and amounted to Rp.952.2 billion.**

The abovementioned Tempo Scan's consolidated net sales result in YTD September 2023 main benefactors were:

- 1) **Tempo Scan's Pharmaceutical division net sales performance remained vigorous and able to sustain its turnaround, it grew double digits by 12.1% and amounted to Rp.2,971.9 billion**, such net sales growth was higher when compared to its growth in 1<sup>st</sup> Half 2023 whereas this division net sales grew by only 11.9%. The said Pharma division net sales performance was amongst other boosted by its core brand equities' continuous marketing investment.

This division net sales growth main benefactor continued to be **its Consumer Health products group which net sales increased significantly by 12.5% and amounted to Rp.2,913.5 billion**. This Consumer Health group's commendable net sales increase was propelled by **its Nutritional products' net sales which has risen tremendously by 30.1% year on year**. The said Nutritional products robust growth was attributed by broad base consumers demand increased in most of its major resellers and by wider geographical distribution penetration especially outside Java island.

Whilst its Consumer Health group's OTC and Vitamins products' net sales have increased by 2.0%, such positive growth trajectory of these products' net sales have solidified such products sales performance turnaround, amid the overall OTC and Vitamins market weakness in general particularly post Covid-19 pandemic. Therefore, Tempo Scan remains sanguine that such sales recovery trend can be sustained leading to 2023 yearend closing.

The Prescription Medicines group's net sales performance remained sluggish and it has declined by 4.8%, its net sales amounted to a meager Rp.58.4 billion. Correspondingly, in YTD September 2023 the Consumer Health products group and the Prescription Medicines group net sales contributions toward the Pharmaceutical division's total net sales were 98.0% and 2.0%.

Moreover, this division's international business net sales had increased by 9.2% and amounted to Rp.188,9 billion, commensurately the said international business net sales contribution towards Tempo Scan's Pharmaceutical division total net sales stood at 6.4% or slightly lower compared to its contribution of 6.5% during the same period last year.



- 2) As pertained to **Tempo Scan's Consumer Products & Cosmetics ("CPC") division was able to register a commendable net sales growth which increased by 9.3% and amounted to Rp.3,019.7 billion.** This division's net sales main benefactor continued to be its Consumer Products group which net sales increased by 8.1% and amounted to Rp.2,426.1 billion. While its Cosmetics group's net sales performance had continued to deliver an excellent growth with an increase of 14.6% and amounted to Rp.593.6 billion.

Consequently, the Consumer Products group and Cosmetics group net sales contributions toward Tempo Scan's CPC division's total net sales were 80.3% and 19.7% respectively in YTD September 2023 and marginally changed when compared to their net sales contributions during YTD September 2022 which were at 81.3% and 18.7% respectively.

During YTD September 2023, the CPC division's International Business maintained its positive growth momentum following its initial turnaround commencing in the 1<sup>st</sup> Half 2022, and it registered a commendable double-digit net sales increase of 39.6%. **Such a strong net sales performance was predominantly contributed by its Consumer products and Cosmetics which net sales have increased by 9.4% and 49.5% respectively.**

- 3) Tempo Scan's Distribution division continued its positive performance by growing at 2.7% and amounted to Rp.3,774.9 billion. its main contributor of this division net sales growth was its Non-Pharma Principals' products which net sales rose by 4.6% and amounted to Rp.3,485.5 billion, while on the other hand this division Pharma Principals' products registered a decline of 16.0% and amounted to Rp.289.4 billion. Correspondingly, the aforesaid Non-Pharma Principals' products and Pharma Principals' products net sales contributions toward the Distribution division total net sales stood at 92.3% and 7.7% respectively.

Furthermore, **YTD September 2023 Tempo Scan's gross profit also rose by 10.4% and amounted to Rp.3,383.6 billion,** such an increase was higher compared to its net sales growth, consequently **its gross profit margin had increased to become 34.6% versus its gross profit margin in the same period last year which was 33.7%.** Such margin increased was attributed to declining key raw materials prices in line with the global market trend. Moreover, since the beginning of 2023 Tempo Scan' has commenced commercial production of its dairy spray drying manufacturing facility, such a facility substitutes Tempo Scan's base powder milk which was previously imported from Australia and New Zealand, therefore such facility can reduce significantly Tempo Scan's cost of goods sold for its infant formula and children growing up milk.



Moving on to Tempo Scan's total operating expenses in YTD September' 2023, whereas its selling expenses and general administrative expenses ratios were 20.8% and 4.7% respectively, or lower compared with the same ratios in the corresponding period last year which stood at 21.8% and 4.9% respectively. Correspondingly Tempo Scan's total operating expenses in YTD September 2023 had increased by 9.0% and amounted to Rp.2,570.0 billion, such an increase was attributed to its selling expenses increase that grew by 2.7% and amounted to Rp.2,033.5 billion. On the other hand, the company's general administrative expenses had increased by 3.0% and amounted to Rp.461.7 billion.

Moreover, in YTD September 2023 *Tempo Scan's net other operating expenses* has registered a forex loss amounting to Rp.54.5 billion versus in YTD September 2022 wherein it recorded a forex gain amounted to Rp.79.0 billion, *consequently its net other operating expenses amounted to Rp.74.9 billion*. Such an amount was a sharp contrast compared to *Tempo Scan's net other operating income in the corresponding period last year which amounted to Rp.69.9 billion*.

Notwithstanding the above, **Tempo Scan's operating profit managed to register an increase of 15.3% and amounted to Rp.813.6 billion, however if the aforesaid forex (unrealized) loss of Rp.54.5 billion to be excluded then Tempo Scan's core operating profit would instead be amounted to Rp.868.1 billion or a sharp increase of 38.5%.**

Furthermore, its net non-operating income had increased significantly and amounted to Rp.476.2 billion and it was mainly attributed to the one-time gain obtained from its minority stake divestment to a third party of its associated company, which the company deemed no longer fit into its future strategic business roadmap. As the result, **Tempo Scan's YTD September 2023 net profit after tax has risen by 76.1% and amounted to Rp.952.2 billion**, consequently its net profit after tax margin stood at 9.7% or higher versus its net profit after tax margin in the same period last year which was 5.9%. Correspondingly **Tempo Scan's EBITDA had also grown by 13.0% and amounted to Rp.1,058.5 billion, correspondingly its EBITDA margin in YTD September 2023 was around 11.0%, compared to its EBITDA margin of around 10.0% in the corresponding period last year.**

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As pertained to Tempo Scan's balance sheet position in YTD September 2023, its cash and cash equivalent position remained solid, whereas it increased by 32.8% year on year and amounted to Rp.3,623.0 billion. In addition, its net operating cycle/NOC stood at 72 days despite the difficult market condition versus its NOC in the corresponding period last year which stood at 73 days. Moreover, **in YTD September 2023 Tempo Scan's total assets was amounting to Rp.11,310.5 billion and its shareholders equities amounting to Rp.8,068.5 billion, as such representing almost 6.6% and 12.4% increase respectively.**

Tempo Scan's Board of Directors would like to express our highest appreciation to all Tempo Scan's Board of 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, 31 October 2023

On behalf of PT. Tempo Scan Pacific, Tbk.



**I Made Dharma Wijaya**

President Director

Copies:

- Mr. Handojo S. Muljadi, Tempo Scan's President Commissioner
- Tempo Scan's Board of Directors