



THE TEMPO GROUP

PT. Tempo Scan Pacific Tbk

Head Office : Tempo Scan Tower, 16th floor, Jl. H.R. Rasuna Said Kav. 3-4, Jakarta 12950, Indonesia

Phone : 2921 8888 Fax : 2920 9999 PO BOX : 3269 Jkt 10002 No. P.B.F. : 31081/PBF/II/91

Factory : EJIP Industrial Park, Plot 1G-H, Lemahabang, Bekasi 17550 Phone : 897 1553, 8970801 Fax: 897 1563, 897 0764

PT. Tempo Scan Pacific, Tbk. ("Tempo Scan") **1st Quarter 2021**

The COVID-19 outbreak since 2020 which has caused massive disruption in the economic condition unfortunately it had not diminished in 1st Quarter 2021. In some countries, the 3rd wave of COVID-19 are occurring and the increased of COVID-19 cases in particular in India and Brazil which forced these countries' governments to further reimplemented Social Restriction. Despite the Indonesian government relentless efforts to implement its vaccination program in order to create herd immunity since January 2021, the government through the Indonesian Ministry of Health was able to vaccinate 8.1 million people out of approximately 180 million people that are being targeted. Regardless of such vaccination program the government was still very cautious and continued to enforce strict COVID-19 health protocol given the facts that COVID-19 cases were still increasing.

Furthermore, the Indonesian economy growth rate had declined substantially in the 1st Quarter 2021 and projected to be negative growth of -1%, hence it was a significant decline when compared to the Indonesian economy growth rate during 1st Quarter 2020 which was still increased by 2.97% given the fact that COVID-19 induced crisis had not reached its peak condition.

Despite of the abovementioned condition, for 1st Quarter 2021 Tempo Scan's consolidated net sales was basically flat compared to the corresponding period last year, it was marginally decreased by 0.8% and amounted to Rp.2,743.6 billion. It is worth to note that Tempo Scan's 1st Quarter 2020 net sales in particular January and February 2020 had not been impacted as yet with the COVID-19 induced crisis hence such net sales result was considerably high. Moreover, there was no revenue recognition method difference between the reported 1st Quarter 2021 versus 1st Quarter 2020 net sales results whereby both had already incorporated the implementation of the Indonesian accounting standard's policy change specifically under its PSAK 72 rules which was implemented effective since 1 January 2020.

The aforesaid Tempo Scan's consolidated net sales benefactors remained its 3 major divisions' net sales namely Pharmaceutical ("Pharma") division, Consumer Products & Cosmetics ("CPC") division and Distribution division whereas its Pharma and CPC divisions net sales were still able to grow by 13.8% and 3.3% respectively, on the other hand its Distribution division net sales had declined by 12.2% due to discontinuation of one of its external pharma products principal since

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January 2021, nevertheless excluding the impact of such discontinuation, then Tempo Scan's net sales would have increased by 6.5% quarter on quarter.

Moving on to Tempo Scan Pharma division which net sales grew by 13.8% and amounted to Rp.843.6 billion in 1st Quarter 2021, such a result was a significant improvement if compared to this division's 1st Quarter 2020 net sales that only grew by 5.7%. This Pharma division's net sales growth was contributed predominantly by its Consumer Health products group net sales which managed to grow by 15.8% quarter on quarter and amounted to Rp.824.8 billion or considerably higher when compared to this group's net sales growth in 1st Quarter 2020 which stood at 11.9%. On the other hand, the Pharma division's Prescription Medicines group net sales had declined significantly by 35.1%, however such a net sales decline was significantly less when compared to this group's net sales which declined by 55.1% in 1st Quarter 2020. Correspondingly these 2 groups' net sales contribution toward the Pharma division's total net sales in 1st Quarter 2021 were 97.8% and 2.2% respectively or significant change when compared to 1st Quarter 2020 net sales contribution which stood at 96.1% and 3.9% respectively.

In addition, the Pharma division's net sales contribution towards total Tempo Scan's consolidated net sales was 30.7% in 1st Quarter 2021 which was a considerable increase compared to 1st Quarter's 2020 net sales contribution which stood at 26.8%.

Moreover, Tempo Scan's CPC division net sales has increased by 3.3% and amounted to Rp.822.5 billion. The CPC Division's net sales major contributor remained to be its Consumer Products group which net sales was able to grow by 11.2% in 1st Quarter 2021 and amounted to Rp.680.7 billion or significantly higher compared to this group's net sales in the corresponding period last year that grew only by 4.2%.

On the other hand, the CPC division's Cosmetics group net sales has recovered somewhat from its net sales significant decline of 38.5% in 4th Quarter 2020, correspondingly in 1st Quarter 2021 this Cosmetics group's net sales had decreased by 23.1% and amounted to Rp.141.8 billion.

As consequence to the above, in 1st Quarter 2021 the Consumer Products group's net sales contribution towards the CPC division's total net sales had risen to become 82.8% compared to this group's net sales contribution of 76.9% in 1st Quarter 2020. Correspondingly the Cosmetics group's net sales contribution towards the CPC division's net sales had also declined to become 17.2% compared to its net sales contribution in same quarter last year which was 23.1%.

Therefore, total CPC division's net sales contribution towards Tempo Scan's consolidated net sales has become 30% in 1st Quarter 2021 or a substantial increase if compared to the same period in 2020 which contribution stood at 28.8%.

Furthermore, Tempo Scan's Distribution Division net sales had registered a decline of 12.2% and amounted to Rp.1,077.5 billion, such a decline as have mentioned above was attributed to one of its external pharma products principal distribution agreement discontinuation commencing in January 2021. Consequently, this division's net sales contribution towards Tempo Scan's consolidated net sales had also declined to become 39.3% versus its previous year net sales contribution which was 44.4%.



As the result in the 1st Quarter 2021, the Distribution division non pharma products principals' net sales contribution towards the Distribution division's total net sales had increased to become 87% versus the same quarter last year which contribution stood at 74.3%, henceforth the pharma products principals' net sales contribution towards this division's total net sales had declined to 13%, compared to the corresponding period last year wherein its net sales contribution was 25.7%.

Moving further to Tempo Scan's total gross profit registered a decline of 0.8% or basically on par compared to its net sales growth rate, and amounted to Rp.975.4 billion in 1st Quarter 2021, commensurately its gross profit margin was able to be maintained at 35.6% versus its gross profit margin in the same period last year which was 35.5%.

As pertained to Tempo Scan's total operating expenses which had decreased by 2.8% and amounted to Rp.587.1 billion, such a decline was attributed to among others by its total selling expenses which declined significantly by 15.3%, consequently its selling expenses ratio to total Tempo Scan's net sales was at 18.5% compared to the ratio in the corresponding period last year which was 21.7%.

Furthermore its total general administration expenses had decreased by 3.8% and amounted to Rp.130 billion, therefore in 1st Quarter 2021 its general administration expenses ratio against Tempo Scan's consolidated net sales was 4.7% or almost similar with the ratio in 1st Quarter 2020 which was 4.9%.

However its net other operating income had declined by 60.8% or Rp.79.7 billion, such a decline was predominantly attributed to lower foreign exchange gain. As a result, Tempo Scan's operating profit was still able to increase by 2.5% and amounted to Rp.388.3 billion, commensurately its operating profit margin was also increased to become 14.2% compared to its operating profit margin in 1st Quarter 2020 that was 13.7%. Furthermore, its net non-operating income had declined by 68.5% and amounted to Rp.1.7 billion among others due to decrease in interest income as a result of the declining interest rate in line with Bank Indonesia rate cuts, correspondingly Tempo Scan's 1st Quarter 2021 net profit after tax was basically flat with its net profit after tax result in the corresponding period last year and amounted to Rp.286.9 billion. Therefore, its net profit margin stood at 10.5% or marginally increased compared to its net profit margin in the same period last year which stood at 10.3%. As pertained to Tempo Scan's 1st Quarter 2021 EBITDA which had also risen by 3% and amounted to Rp.462.1 billion, hence its EBITDA margin stood at 16.8%.

Furthermore, Tempo Scan's prudent financial management result was also manifested in its Balance Sheet position as of 31 March 2021, wherein its cash and cash equivalent increased by 12.6% quarter on quarter and amounted to Rp.2,676.7 billion. Furthermore, Tempo Scan's total assets and shareholders' equity amounted to Rp.9,715.9 billion and Rp.6,688.9 billion respectively or increased by 9.4% and 9.6% respectively quarter on quarter.

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Tempo Scan's Board of Directors would like convey our high appreciation towards all Tempo Scan's management and employees for their dedication and hard works as well as to our business partners, vendors, customers, professional parties, Board of Commissioners and shareholders for their support, hence Tempo Scan has managed to achieve its 1st Quarter 2021 as abovementioned result despite the negative implication caused by the unprecedented COVID-19 Crisis and we shall continue to work hard and pray so that this crisis can be overcome soon.

Jakarta, 30 April 2021

On behalf of PT. Tempo Scan Pacific, Tbk.



Diana Wirawan
President Director

