



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, 897 0801 Fax: 897 1563, 897 0764

PT. Tempo Scan Pacific, Tbk ("Tempo Scan") 1st Quarter 2017 Result Slower Sales Growth & Sustaining Positive Earnings Reversal

PT. Tempo Scan Pacific, Tbk ("Tempo Scan") 1st Quarter 2017 net sales result grew at slower rate of 6.6% versus the same period last year or amounted to Rp. 2,343.1 billion, such result commensurate its 4th Quarter 2016 net sales result which increased by 7.5% or amounted to Rp. 2,334 billion. The said results were affected by not so conducive general market condition attributed to slower economic condition as well as a heated political situation among others due to the simultaneously executed local elections including the Governorship of the Indonesian capital city of Jakarta.

Tempo Scan's core divisions delivered mix net sales result for the 1st Quarter 2017, whereby its Pharma divisions' net sales amounted to Rp. 581.1 billion or increased by 3% quarter on quarter, its Cosmetics & Consumer Products division's net sales amounted to Rp. 649.3 billion or rose by 9.9% quarter on quarter, while its Distribution division's net sales amounted to Rp. 1,112.6 billion or grew by 6.6% quarter on quarter.

Moreover, Tempo Scan's Pharma division main products categories namely its Consumers Health Care products ("CHC") net sales grew by almost 4% quarter on quarter, on the other hand its Prescription Medicines products ("PM") net sales registered a decline of 2.5% quarter on quarter, the said PM net sales decline was attributed to the discontinuation of one of its business arrangement whereas such relationship had been ended as of the end of June 2016, excluding the aforementioned discontinuation then on adjusted basis its PM's net sales result would have grown by 10.1% quarter on quarter.

Furthermore, its CPC division main products categories namely its Consumer products net sales result managed to maintain its robust growth rate of 15.3% quarter on quarter, on the other hand its Cosmetics products net sales was basically on par with its net sales in the corresponding period last year and it increased only by 0.5%. Such Cosmetic products net sales lackluster growth was attributed among others by less sanguine Indonesian retail environment and due to certain products supply problems.

As pertained to Tempo Scan's Distribution division net sales result that was derived from its pharma principal products net sales grew by 21.6% while on the other hand its non-pharma principal products net sales had registered a decline of 3.8%. In addition, this Distribution division's net sales contribution towards Tempo Scan's consolidated net sales was at 47.5% hence it was practically the same with its net sales contribution in the corresponding period last year.

Moving on to Tempo Scan's gross profit result for 1st Quarter 2017, its gross profit grew by 8.2%, or at a faster rate versus its net sales growth rate, and it amounted to Rp. 908.6 billion. Consequently Tempo Scan's gross profit margin was also increased to become 38.8% or well ahead of its gross profit margin in the corresponding period last year which stood at 38.2%. Such margin increase was led by its Pharma division's gross profit margin which increased from 61.4% to become 65% and its CPC division's gross profit margin that had risen from 59.0% to become 59.4%. On the other hand, its Distribution division's gross profit margin declined from 13.9% down to 13%.

Tempo Scan's operating expenses rose by 9.1% quarter on quarter and amounted to Rp. 663.8 billion, hence its operating expenses ratio was at 28.3% or higher when compared to its operating expenses ratio in the same period last year which stood at 27.7%. Correspondingly its selling expenses delivered the highest increase of 12.8% quarter on quarter, therefore such selling expenses ratio stood at 23.7% versus the same period last year whereas such expenses ratio was around 22.3%. In addition, its general administrative expenses rose by 5.4% hence such expenses ratio stood at 4.7% versus its ratio in the same period last year which stood at 4.8%.

As a result of the above, Tempo Scan managed to register an operating profit result growth of 5.7% or amounted to almost Rp. 245 billion during 1st Quarter 2017, such a result was a positive reversal and a sharp contrast compared to its operating profit result in 1st Quarter 2016 which had declined by 6.4%. Commensurately Tempo Scan's operating profit margin stood at 10.5% or basically on par with its operating profit margin in the same period last year.

Moreover, Tempo Scan's net other income/expenses had declined by 9.3% and it amounted to Rp. 13.4 billion, such decline was due to higher interest expenses which had risen by Rp. 2.2 billion. Consequently in 1st Quarter 2017, Tempo Scan's net profit after tax had increased by 1.1% or amounted to Rp. 211.7 billion, such net profit after tax result was a positive reversal and a sharp contrast compared to its net profit after tax in 1st Quarter 2016 which declined by 10% quarter on quarter. Correspondingly Tempo Scan's EBITDA result had also risen by 5.4% or it amounted to Rp. 291.9 billion hence its EBITDA margin stood at 12.5% versus its EBITDA margin in the same period last year which stood at 12.6%.

In relation to Tempo Scan's working capital net operating cycle during 1st Quarter 2017, it managed to shorten such cycle from 58 days down to 53 days. While its net cash position stood at almost Rp. 1,498 billion or a decline compared to its net cash position in the same period last year which was amounted to Rp. 1,577 billion. Furthermore, its total assets had surpassed Rp. 7 trillion marked for the first time and amounted to Rp. 7,098.9 billion while its shareholders equity amounted to Rp. 4,920 billion.

On behalf of Tempo Scan's Board of Directors, I wish to convey our appreciation to all our business partners, shareholders, vendors/suppliers, professional parties and last but not least to all Tempo Scan's management and employees for their respective support and strong effort in order for Tempo Scan to be able to deliver the abovementioned financial results.

Jakarta, 28 April 2017

On behalf of PT. Tempo Scan Pacific, Tbk.



Handojo S. Muljadi

President Director

f-kr *ofw*