



THE TEMPO GROUP

PT. Tempo Scan Pacific Tbk

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PT. Tempo Scan Pacific, Tbk (“Tempo Scan”) 1st Quarter 2018 Result

Tempo Scan’s 1st Quarter 2018 result was achieved after it had navigated through instable market climate, nevertheless we are pleased that Tempo Scan managed to garner growth through its core businesses where it wanted to focus. On consolidated basis, Tempo Scan managed to register a net sales growth of almost 2% and it amounted to Rp.2,383 billion.

The said consolidated net sales result main benefactors were firstly its Consumer Products & Cosmetics (“CPC”) division’s net sales which grew by 14.3% and amounted to Rp.742.2 billion, hence this division was able to sustain its robust net sales growth rate for the last 2 consecutive quarters since 4th Quarter 2017, whereby this division net sales was increased also by 14.3%.

The CPC division’s net sales was contributed by its Consumer Products group’s net sales which rose by 13.7% and amounted to almost Rp.492 billion, while this division’s Cosmetics group net sales growth trajectory has made a positive turn around from a low single digit to become 15.5% and amounted to Rp.250.3 billion. In addition, this division’s International Business net sales had also risen by 5.8% and amounted to almost Rp.80 billion, hence its net sales contribution towards the CPC division’s total net sales stood at 10.8%.

Moreover, Tempo Scan’s Pharma division’s net sales grew by 3.4% and amounted to Rp.600.6 billion, whilst such growth rate was not too tantalizing nonetheless given the tremendous challenges that the Indonesian Pharmaceutical industry is currently facing, as seen through Tempo Scan’s peers’ financial results, accordingly this division’s net sales growth was still above the said industry growth rate.

Tempo Scan's Pharma division derived its net sales source of growth predominantly from its Consumer Health products group, which net sales had risen commendably by 9.3% and amounted to Rp.547.2 billion propelled by its OTC and Nutritional products' sales growth. On the other hand, this division's Prescription Medicines group net sales had continued to descend and it registered a decline of 33.8% or amounted to Rp.53.4 billion, hence the Prescription Medicines group's net sales contribution towards this division's total net sales had fallen to 8.9% compared to its previous year net sales contribution which was at 13.9%.

Moreover, the Pharma division's International Business net sales had also registered a respectable growth of almost 25% or amounted to Rp.36.2 billion, commensurately such International Business' net sales contribution towards the Pharma division total net sales had risen to become 6.0% or an increase from its preceding year contribution which was at 5%.

Given the abovementioned results of Tempo Scan's CPC and Pharma divisions' net sales which were obtained primarily from its own and core brand equities as the source of growth, consequently those 2 divisions aggregate net sales which amounted to Rp.1,342.8 billion, has contributed 56.4% towards Tempo Scan's consolidated net sales or higher compared to their aggregate net sales contribution in the preceding year period which stood at 52.5%.

Furthermore, as pertained to Tempo Scan's Distribution division net sales which had registered a decline of 6.5% and amounted to Rp.1,039.9 billion, such a decline was attributed to one of its Principal's products distribution discontinuation commencing in January 2018. Consequently, this division's net sales contribution towards Tempo Scan's consolidated net sales had also declined to 43.6% versus its previous year contribution which was at 47.5%.

Moving on to Tempo Scan's consolidated gross profit result which had increased by 4.3% or higher compared to its net sales growth rate, and its gross profit was amounted to Rp.947.6 billion, commensurately its gross profit margin had also increased to become 39.8% compared to 38.8% in the corresponding period last year. The main benefactor of such gross profit margin increase was the rise of its Pharma and CPC divisions' net sales contribution from 52.5% to become 56.4%, hence generating a favorable gross profit mix.



Moreover, Tempo Scan's total operating expenses rose by 5.3% and amounted to Rp.698.9 billion, such an increase was attributed by its selling expenses which increased by 4.6% and its general administrative expenses that grew by 8.4% or amounted to Rp.120.1 billion, consequently its operating profit managed to increase by 1.6% or amounted to almost Rp.248.7 billion.

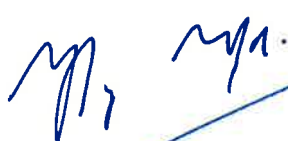
Furthermore, its net non-operating income experienced a decline of 4.7% and amounting to Rp.12.8 billion, correspondingly Tempo Scan's 1st Quarter 2018 net profit after tax had declined by 1.9% or amounted to Rp.203.6 billion. Therefore, its net profit margin stood at 8.5% or slightly lower compared to its net profit margin in the corresponding period last year which was at 8.9%, in addition Tempo Scan's 1st Quarter 2018 EBITDA amounted to Rp.297.2 billion.

Lastly, Tempo Scan's balance sheet position as of 31 March 2018 remained healthy with its cash and cash equivalent amounted to Rp.1,839.4 billion or an increase of almost 3.5% compared to corresponding period last year, hence its total assets has surpassed Rp.7.5 trillion threshold and amounted precisely to Rp.7,529.2 billion. On the other hand its total bank loan had declined by around 11.4% compared to corresponding period last year or amounted to Rp.247.6 billion, while its shareholders equity amounting to almost Rp.5.3 trillion.

We wish to convey our utmost appreciation to all Tempo Scan's employees for their dedication and contribution towards achieving the above reported 1st Quarter 2018 financial results, and also to all Tempo Scan's business partners, professional parties, and its valued shareholders.

Jakarta, 30 April 2018

On behalf of PT. Tempo Scan Pacific, Tbk.



Handojo S. Muljadi
President Director

