



THE TEMPO GROUP

PT. Tempo Scan Pacific Tbk

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PT. Tempo Scan Pacific, Tbk. (Tempo Scan) Full Year 2021 **Result Navigating Through Endless Covid Challenges**

Due to resurgence of Covid's Delta variant during 3rd Quarter 2021, the Indonesian economy growth rate faced a roller coaster ride in 2021, after it's GDP grew rapidly in 2nd Quarter 2021 by 7.1%, subsequently such GDP growth rates went down to become 3.5% and 5.0% in 3rd Quarter and 4th Quarter 2021 respectively, hence the Indonesian economy GDP grew only by 3.7% for full year 2021.

Commensurately with the above GDP growth, the Indonesian House Hold consumption which is still its largest contributor and accounted for 54.4% of the total Indonesian GDP in 2021, such House Hold consumption grew only by 2% in FY'2021. Therefore, the Indonesian economy was still relying on the Government spending through its "Pemulihan Ekonomi Nasional (PEN) Programs" as its growth driver, as well as the Indonesia's export revenue recovery as propelled by rising commodities' prices.

Tempo Scan's 4th Quarter 2021 net sales was amounted to Rp.2,889.4 billion or on par with its net sales in the corresponding quarter last year despite the lacklustre market condition, henceforth its full year net sales amounted to Rp.11,234.4 billion or an increase of 2.4%, however such a net sales result when adjusted for one-off impact of one of its external pharma principal business discontinuation would have grown by 8.4% instead.

The main benefactors of Tempo Scan's net sales performance in 2021 were as follows:

1. Tempo Scan's Pharmaceutical division managed to grow by 12.4% and it amounted to Rp.3,541.7 billion, such a growth rate was considerably higher when compared to this division net sales growth rate in previous year. The Pharmaceutical division net sales performance was predominantly contributed by its Consumer Health products group (Consumer Health group) which net sales increased by 13.5% and amounted to Rp.3,458.9 billion.

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The aforesaid Consumer Health group's net sales growth was mainly contributed by its Over The Counter (OTC) medicines and Vitamin Mineral Supplements (VMS) products sales which had been on high demand during the pandemic resurgence, on the other hand its Nutritional products sales had slowed in line with the weak consumers demand trend, whereby the related powder milk and liquid milk market segments performance were respectively plus 2% and minus 7% in 4th Quarter compared to 3rd Quarter 2021.

Moreover, the Pharmaceutical division's Prescription medicines group (Prescription group) had registered a net sales decline of 19.6% and amounted to Rp.82.8 billion, such a decline was contributed by the decline of the Prescription medicines net sales generated from the BPJS channel which had declined by 89.3% due to various issues including supply problem faced by this group.

Correspondingly, the Pharmaceutical division's Consumer Health group net sales contribution was 97.7% hence this group remained by far the Pharmaceutical division largest net sales contributor. On the other hand, the division's Prescription group net sales contribution was 2.3% or lower when compared to the previous year net sales contribution.

2. Tempo Scan's Consumer Products & Cosmetics (CPC) division net sales managed to increase by 8.0% and amounting to Rp.3,370.5 billion. This division biggest net sales benefactor remained its Consumer Products Group which net sales had risen by 8.3% and amounting to Rp.2,762.8 billion. On the other hand, this division Cosmetics group's net sales performance had recovered somewhat and it rose by 6.6% and amounting to Rp.607.7 billion, such a recovery corresponded with better than expected retail sales growth both in the cosmetic and beauty care categories which were respectively 24% and 14% in 4th Quarter compared to 3rd Quarter 2021.

Commensurately the CPC division's net sales contribution was majority contributed by its Consumer Products net sales which contribution was 82% compared to this division's Cosmetics group's net sales contribution that was 18% towards the CPC division's total net sales.

3. Tempo Scan's Distribution division net sales registered a decline of 8% year on year, however when adjusted for one-off impact of one of its external pharmaceutical principal which business had been discontinued in 2021, then this division's net sales would have risen by 5.6% year on year.

Corresponding the above, the Distribution division's external Non-Pharmaceutical principals net sales managed to grow by 5.3%. On the other hand its pharmaceutical principals net sales had declined by 49.5%, however after being adjusted for one-off impact of one of its external pharmaceutical principal business discontinuation then its net sales would have increased by 7.5%.

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Moreover, the Pharmaceutical and Non-Pharmaceutical principals net sales contributions were respectively 13.3% and 86.7% toward the Distribution division's total net sales in full year 2021.

In connection with the above, Tempo Scan's Pharmaceutical division and its CPC division aggregate net sales contribution towards Tempo Scan's consolidated net sales was 61.5% in 2021 compared to these 2 divisions' net sales contribution in the previous year which stood at 57.2%, therefore, an encouraging trend that Tempo Scan own brand equities sales contribution had continued to increase year after year.

As pertained to Tempo Scan's gross profit result for FY'2021, it managed to increase by the same rate as Tempo Scan's net sales which was 2.4% and amounted to Rp.4,008.3 billion, commensurately its gross profit margin stood at 35.7% or at par with its gross profit margin last year. Furthermore, Tempo Scan's Pharmaceutical division gross profit margin had declined to 45.7% versus previous year, such a decline was attributed by sharp increase of this division's raw material prices as a result of continuing commodities price increases and global freight container costs upsurge. Correspondingly, Tempo Scan's CPC division gross profit margin was also eroded from 58.5% in previous year and down to become 54.8% in 2021, such a decline contributing factors are similar with those of the Pharmaceutical division. Lastly, its Distribution division's gross profit margin was unchanged and remained the same as in previous year.

In furtherance to the above, Tempo Scan's total operating expenses increased by 2.4% and amounted to Rp.2,903.9 billion, such an increase was attributed by its selling expenses which had risen by 3.3% and amounting to Rp.2,366.9 billion, hence its selling expenses ratio was higher at 21.1% versus similar ratio last year which stood at 20.9%. Tempo Scan was required to escalate its advertising and promotion spent in order to counter the sluggish market condition during the pandemic.

Moreover, Tempo Scan's total general administration expenses had risen by 9.4% and amounting to Rp.554.9 billion, such a steeper increase was due to the reversal of some personnel compensation policies which in 2020 were able to be cut during the peak of the pandemic. Consequently, the general administrative expenses ratio was higher at 4.9% versus such a ratio in previous year which stood at 4.6%. In addition, its (net) other operating income was amounted to Rp.17.8 billion versus last year result which was at negative Rp.38.2 billion.

As a result, Tempo Scan's operating profit grew by 2.7% and amounted to Rp.1,104.3 billion, correspondingly such operating profit margin was able to be maintained at 9.8% or similar with previous year operating profit margin. Moreover, Tempo Scan's (net) other non-operating income was negative by Rp.6 billion or slightly lower compared to the previous year which was negative by Rp.11.2 billion.

Consequently, Tempo Scan's net profit after tax grew by 4.6% and amounted to Rp.823.8 billion hence its net profit margin stood at 7.3% or marginally higher compared to its net profit margin last year which stood at 7.2%. Correspondingly, Tempo Scan's EBITDA had risen by 3.3% and amounted to Rp.1,396.2 billion hence its EBITDA margin was at 12.4% or marginally higher compared to its EBITDA margin in previous year that was at 12.3%.

Pertaining to Tempo Scan's balance sheet position as of 31 December 2021 remained solid with its cash and cash equivalent amounted to Rp.2,687.6 billion or an increase of 1.6%. In addition, its net operating cycle stood at 62 days versus last year which was at 57 days, such an increase was amongst other due to the raw materials inventory built up in anticipation of such raw materials' prices continuing escalation or shortage due to transportation issue. Moreover, Tempo Scan's total assets and shareholder equity were amounted to Rp.9,644.3 billion and Rp.6,875.3 billion respectively.

On behalf of Tempo Scan's Board of Directors, I like to convey our appreciation for all the supports that have been provided by Tempo Scan's management and employees through their hard works and dedications in achieving its financial result for the period as of 31 December 2021, as well as my gratitude towards Tempo Scan's Board of Commissioners, shareholders, business partners, suppliers, customers and professional parties.

Jakarta, 31 March 2022

On behalf of PT.Tempo Scan Pacific,Tbk



I Made Dharma Wijaya
President Director

Copies:

Tempo Scan's President Commissioner

Tempo Scan's Board of Directors