



THE TEMPO GROUP

PT. Tempo Scan Pacific Tbk

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**TEMPO SCAN YTD SEPTEMBER 2024: PHARMA SALES +19.2%,
CONSUMER & COSMETICS SALES +10.5%, OPERATING PROFIT +78.6%,
GROSS PROFIT +13.9%, NET PROFIT +13.7% & EBITDA +61.5%**

During 3rd Quarter 2024, the monetary policy uncertainty in major economies was still persisted even though some of these countries have eased their monetary policy albeit moderately in line with reduced global inflationary pressures. Whilst in the United States, its inflation rate has approached US Federal Reserve ("Fed") medium-term inflation goal of 2% amid slower economic growth and relatively higher unemployment. Correspondingly in the September 2024 meeting of Federal Open Market Committee, the Fed had finally lowered its interest rates by 50 basis points, marking the end of its tight monetary policy for the first time in four years.

Furthermore, several central banks in Europe and Asia had also lowered their interest rates in response to lower inflation and as a counter measure to their slowing domestic economy. Commensurately with the global financial market easing, there was an influx of foreign capital inflows into the emerging markets including Indonesia. Such capital inflows occurred despite the ongoing challenges amongst others geopolitical tensions, China worsening economic slowdown and the upcoming US election which outcome shall pivot its foreign policy direction.

Amidst the above global challenges, the Indonesian economy remains resilient, its economic growth in the 1st Half 2024 was recorded at 5.05% yoy and it is forecasted that the country's economic growth in the 3rd Quarter 2024 would remain at around 5.0% (yoy). Such growth has been primarily supported by its household consumption and investment, particularly supported by government spending amongst others through various national strategic projects (PSN). While its domestic consumption was relatively stagnant, including amongst the middle and upper-class households.

Moreover, Bank Indonesia (BI) had decreased its interest rate to become 6.00% in September 2024, subsequent after such a rate has been maintained at 6.25% since April 2024. And such an interest rate reduction commensurate the global development following the aforesaid Fed decision to lower US interest rates, in order to revamp the country economic growth with the aim to engineer a soft landing.



Under the abovementioned challenging circumstances, **PT Tempo Scan Pacific, Tbk. (Tempo Scan)** YTD September 2024 net sales result was able to register a commendable net sales increase of almost 4.0 % and amounted to Rp.10,150.4 billion, such a result was mainly attributed by **its Pharmaceutical division and Consumer Products & Cosmetics ("CPC") division net sales stellar performance which respectively grew by 19.2% and 10.5%**. On the other hand, its Distribution division which net sales comprises of Tempo Scan external principals' products had decreased considerably by 13.3%.

Moreover, Tempo Scan's YTD September 2024 aforesaid consolidated net sales performance major benefactors were as follows:

- 1) **Tempo Scan's Pharmaceutical division was able to deliver its net sales stellar growth which grew high double digits by 19.2% and amounted to Rp.3,543.4 billion**, such a net sales growth was significantly higher when compared to its growth in the same period last year which grew only by 12.1%.

This division net sales growth main benefactor remained to be **its Consumer Health products group which net sales had increased commensurately by 19.6% and amounted to Rp.3,485.2 billion**. This Consumer Health group's commendable net sales increase was propelled by **its Nutritional products' net sales which has risen exponentially by 40.8% year on year**. The said Nutritional products rapid sales growth transpired on a nationwide basis as consumers demand surged substantially across all sales channels and geographical regions. While similar positive net sales performance was also exhibited by the Consumer Health group's OTC and Vitamins products which net sales increased by 3.6%, despite the overall OTC market challenging condition.

Moving ahead, Tempo Scan is continuously monitoring consumers slowing demand which corresponding to their declining buying power, since such a condition may potentially trigger precipitous price discounting and even permanent price reductions in the overall pharmaceutical and nutritional products categories as competitive pressure is intensifying leading to year end.

On the other hand, Tempo Scan Pharmaceutical division Prescription Medicine products' net sales decreased by 0.4% and amounted to Rp.58.2 billion. Consequently, for YTD September 2024 Tempo Scan's Consumer Health products group and its Prescription Medicines group net sales contributions toward its Pharmaceutical division's total net sales were 98.4% and 1.6% respectively.

In addition, the Pharmaceutical division's international business net sales had increased by 7.4% and amounted to Rp.202.8 billion, such a net sales result was lower compared to its net sales in the corresponding period last year which grew by 9.2%. Correspondingly, the aforementioned international business net sales contribution towards Tempo Scan's Pharmaceutical division total net sales was 5.7% or lower when compared to its net sales contribution of 6.4% in the same period last year.

- 2) **Tempo Scan's Consumer Products & Cosmetics ("CPC") division has also been able to register a commendable net sales growth which increased by 10.5% and amounted to Rp.3,336.0 billion.** This division's net sales primary benefactor continues to be its Consumer Products group which net sales increased commendably by 11.6% and amounted to Rp.2,706.4 billion. While its Cosmetics group's net sales performance delivered a lesser growth rate of 6.1% and amounted to Rp.629.5 billion.

The Consumer Products group's core brand equities have solid and well establish market positions, henceforth these brands' products are well poised to face the FMCG market conundrum related to the ongoing market weakness. There were several major FMCG companies have become desperate and reluctantly engaged in a discount war and forced to cut their products price in order to defend their products dwindling market shares.

Moreover, the CPC division's Consumer Products group and Cosmetics group net sales contributions toward this division total net sales were 81.1% and 18.9% respectively for YTD September 2024, such a contribution was marginally changed when compared to these net sales contributions in the same period last year which were at 80.3% and 19.7% respectively.

For YTD September 2024, the CPC division's International Business net sales was able to maintained its robust growth and registered a net sales increase of 19.0%. **Such a strong net sales performance was contributed by both of its Consumer Products and Cosmetics which net sales have increased by 31.2% and 16.0% respectively.** Consequently, this CPC division's International Business net sales contribution towards its total net sales had increased to become 4.2% versus its net sales contribution in YTD September 2023 which stood at 3.9%.

- 3) Tempo Scan's Distribution division net sales decreased by 13.3% and amounted to Rp.3,271.0 billion. Its main contributor of this division net sales growth was its Non-Pharma Principals' products which net sales decreased by 15.2% and amounted to Rp.2,955.6 billion, while on the other hand this division Pharma Principals' products registered an increase of 9.0% and amounted to Rp.315.4 billion. Correspondingly, the aforesaid Non-Pharma Principals' products and Pharma Principals' products net sales contributions toward the Distribution division total net sales stood at 90.4% and 9.6% respectively for YTD September 2024, such a contribution was marginally changed when compared to these net sales contributions the same period last year which were at 92.3% and 7.7% respectively.

Furthermore, for YTD September 2024 **Tempo Scan's gross profit result registered a significant increase of 13.9% and amounted to Rp.3,854.6 billion**, such an increase was significantly higher compared to its net sales growth rate, as a result **its gross profit margin had also increased significantly to become 38.0% versus its gross profit margin in the corresponding period last year which was 34.6%**.

Such a gross profit margin commendable performance was amongst other attributed to its sales mix change, whereas for YTD September 2024 Tempo Scan Pharmaceutical and CPC divisions net sales contribution have risen considerably to become almost 70% of Tempo Scan's consolidated net sales. These 2 divisions have generated significantly higher gross profit margin vis-à-vis its Distribution division which net sales contribution has also declined and generated much lower gross profit margin.

Moving on to Tempo Scan's total operating expenses for YTD September 2024, it has decreased by 6.6% and amounted to Rp.2,401.1 billion, such a decrease was attributed amongst others by its total selling expenses that had declined by 6.7% and amounted to Rp.1,897.7 billion. Consequently, this total selling expenses as a ratio to Tempo Scan's consolidated net sales was 18.7% or lower compared to the same period last year whereas such ratio was 20.8%.

On the other hand, its total general administrative expenses increased by 6.5% and amounted to Rp.491.5 billion, hence the said total general administrative expenses ratio towards Tempo Scan's consolidated net sales was 4.8% or slightly higher compared to the ratio in the same period last year which was 4.7%.

Moreover, Tempo Scan's net other operating expenses had considerably decreased by 84.1% and amounted to Rp.11.9 billion, such a decrease was predominantly caused by its lower foreign exchange loss.

Notwithstanding the above, **Tempo Scan's operating profit in YTD September 2024 managed to register meteoric rise of 78.6% and amounted to Rp.1,453.5 billion, hence its operating profit margin has also increased to become 14.3%, higher compared to the same period last year whereas its operating profit margin was only 8.3%.**

Furthermore, for YTD September 2024 its net non-operating income had decreased and amounted to Rp.94.9 billion or lower compared to corresponding period last year which amount was Rp.476.2 billion. This decrease was mainly attributed to the one-time gain registered previously in YTD September 2023. As the result, **Tempo Scan's YTD September 2024 net profit after tax has increased by 13.7% and amounted to Rp.1,082.7 billion**, commensurately its net profit after tax margin stood at 10.7% or higher versus its net profit after tax margin in the same period previous year which was 9.7%.

As furtherance to the above, **Tempo Scan's EBITDA has significantly risen by 61.5% and amounted to Rp.1,709.0 billion, hence its EBITDA margin for YTD September 2024 stood at 16.8% or sharply higher compared to its EBITDA margin in the corresponding period last year which was at 10.8%.**

As pertained to Tempo Scan's balance sheet position as of 30 September 2024, it remained solid whereas its cash and cash equivalent position total amount stood at Rp.3,928.6 billion or an increase of 8.4% compared to corresponding period last year. In addition, its net operating cycle was at 77 days despite the challenging market liquidity condition. Lastly **Tempo's Scan total assets and shareholders' equity were amounted to Rp.12,167.7 billion and Rp.8,944.3 billion respectively.**

Tempo Scan's Board of Directors would like to express our highest appreciation to all Tempo Scan's Board 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, 30 October 2024
On behalf of PT. Tempo Scan Pacific, Tbk.



Liza Prasodjo
Chief Financial Officer

Copies:

- Mr. Handojo S. Muljadi, Tempo Scan's Executive Chairman
- Tempo Scan's Board of Directors