



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's 1st HALF 2024 TRIPLE ROBUST GROWTH: OPERATING PROFIT +170.7%, NET PROFIT +18.5% & EBITDA +123.9%

Global financial market uncertainty remains high even though the world economic outlook is improving. Global economic growth in 2024 is forecasted to reach at 3.2%, primarily driven by Asian economies. The US economy has maintained its momentum as a result of improved domestic demand and higher exports, accompanied by an elongated disinflation process. Such conditions are expected to prompt a lower Federal Funds Rate (FFR) towards the end of 2024.

Amidst those global challenges during 1st Half 2024, Indonesia's economy remains positive, underpinned amongst others by its domestic demand. Economic growth in the 1st Quarter 2024 was recorded at 5.1% (yoy) and it is forecasted that the country 1st Half 2024 economic growth would remain within 5.0% vicinity. Such growth was supported by its household consumption and investment, whereas private consumption grew in line with the sustained public spending and strong consumer confidence. Moreover, investment had increased given the ongoing government infrastructure projects and improving private investment.

Given the above economic backdrop, PT Tempo Scan Pacific, Tbk. **(Tempo Scan) net sales growth in 1st Half 2024 has been attributed by its Pharmaceutical division and Consumer Products & Cosmetics ("CPC") division commendable net sales performance which respectively grew by 24.5% and 9.6%.** On the other hand, its Distribution division net sales has decreased by 13.7%, correspondingly Tempo Scan consolidated net sales grew by 4.5% and amounted to Rp.6,777.0 billion.

Furthermore, **Tempo Scan's 1st Half 2024 operating profit has jumped by 170.7% and amounted to Rp.1,102.3 billion,** henceforth it delivered a significantly higher operating profit margin of 16.3%.

Tempo Scan's 1st Half 2024 aforesaid consolidated net sales performance major benefactors were as follows:

- 1) **Tempo Scan's Pharmaceutical division was able to sustain its net sales stellar growth which grew high double digits by 24.5% and amounted to Rp.2,362.8 billion**, such net sales growth was significantly higher when compared to its growth in the same period last year which was grew by 11.9%.

This division net sales growth main benefactor remained to be **its Consumer Health products group which net sales increased commendably by 24.8% and amounted to Rp.2,323.1 billion**. This Consumer Health group's commendable net sales increase was propelled by **its Nutritional products' net sales which has risen exponentially by 44.3% year on year**. The said Nutritional products rapid sales growth was propelled by such products nationwide consumers demand substantial increase across all sales channels and geographical areas including outside Java island. Such stellar performance was also exhibited by its Consumer Health group's OTC and Vitamins products which net sales increased commendably by 10.0%. Going forward, Tempo Scan shall not be complacent with its products' robust net sales growth since the overall pharmaceutical and nutritional markets shall remain highly competitive as well as price sensitive.

Moving on to Tempo Scan Pharmaceutical division's Prescription Medicines group its net sales increased by 8.3% and amounted to Rp.39.7 billion. Correspondingly, in 1st Half 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 98.3% and 1.7% respectively.

In addition, this Pharmaceutical division's international business net sales had increased significantly by 56.7% and amounted to Rp.140.6 billion, such net sales growth was higher compared to its growth in corresponding period last year which was 9.2%. Consequently, the aforementioned international business net sales contribution towards Tempo Scan's Pharmaceutical division total net sales was 6.0% or higher when compared to its net sales contribution of 4.7% in corresponding 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 9.6% and amounted to Rp.2,143.5 billion**. This division's net sales primary benefactor remained to be its Consumer Products group which net sales increased commendably by 11.1% and amounted to Rp.1,742.2 billion. While its Cosmetics group's net sales performance has delivered a lesser growth of 3.3% and amounted to Rp.401.3 billion.

The CPC division core brand equities' products, given their established market positions, are well poised to face the FMCG market ongoing conundrum, that is related to the market dynamic wherein many major FMCG companies have opted to restrain from increasing their products selling price while some even lowered their products selling price to defend their market shares.

Consequently, the aforementioned Consumer Products group and Cosmetics group net sales contributions toward Tempo Scan's CPC division's total net sales were 81.3% and 18.7% respectively in 1st Half 2024, such a contribution was marginally changed when compared to these net sales contributions the same period last year which were at 80.1% and 19.9% respectively.

For 1st Half 2024, the CPC division's International Business net sales was able to maintained its growth and registered a commendable net sales increase of 14.7%. **Such a strong net sales performance was contributed by its Consumer Products and Cosmetics which net sales have increased by 24.9% and 12.3% respectively.** Consequently, this International Business net sales contribution towards the CPC division's total net sales had increased to become 4.1% versus its contribution in 1st Half 2023 which stood at 3.9%.

3) Tempo Scan's Distribution division net sales decreased by 13.7% and amounted to Rp.2,270.7 billion. Its main contributor of this division net sales growth was its Non-Pharma Principals' products which net sales decreased by 15.0% and amounted to Rp.2,067.4 billion, while on the other hand this division Pharma Principals' products registered an increase of 2.2% and amounted to Rp.203.2 billion. Correspondingly, the aforesaid Non-Pharma Principals' products and Pharma Principals' products net sales contributions toward the Distribution division total net sales stood at 91.0% and 9.0% respectively in 1st Half 2024, such a contribution was marginally changed when compared to these net sales contributions the same period last year which were at 92.4% and 7.6% respectively

Furthermore, in 1st Half 2024 **Tempo Scan's gross profit result registered a significant increase of 15.1% and amounted to Rp.2,515.3 billion**, such an increase was significantly higher compared to its net sales growth rate, consequently **its gross profit margin had increased to become 37.1% versus its gross profit margin in the corresponding period last year which was 33.7%.**

Such a gross profit margin robust performance was primarily attributed to its business mix change whereas Tempo Scan Pharmaceutical and CPC divisions net sales have risen considerably and these businesses generated significantly higher gross profit margin vis-à-vis its Distribution division which net sales has declined and with lower gross profit margin.

Moving on to Tempo Scan's total operating expenses in 1st Half 2024 decreased by 20.5% and amounted to Rp.1,413.0 billion, such a decrease was contributed amongst others by its total selling expenses that had decreased by 10.5% and amounted to Rp.1,234.7 billion. Consequently, this total selling expenses as a ratio to Tempo Scan's consolidated net sales was 18.2% or lower compared to the same period last year whereas such ratio was 21.3%.

On the other hand, its total general administrative expenses increased by 7.7% and amounted to Rp.327.7 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, its other operating income/(expenses) which net amount was positive by Rp.149.4 billion as such it was a sharp contrast compared to its other operating income/(expenses) net amount that was negative by Rp.94.2 billion in 1st Half 2023. The abovementioned a net positive amount was mainly caused by its foreign exchange (forex) gain which amounted to Rp.128.6 billion in 1st Half 2024.

Notwithstanding the above, Tempo Scan's operating profit in 1st Half 2024 managed to register meteoric rise of 170.7% and amounted to Rp.1,102.3 billion, hence its operating profit margin stood at 16.3% which is the highest margin that Tempo Scan has ever achieved in the last decade.

Furthermore, its 1st Half 2024 net non-operating income had decreased and amounted to Rp.59.6 billion or lower compared to corresponding period last year which amount was Rp.479.8 billion. This decrease was mainly attributed to the one-time gain registered in 1st Half 2023. As the result, **Tempo Scan's 1st Half 2024 net profit after tax has increased by 18.5% and amounted to Rp.821.1 billion**, consequently its net profit after tax margin stood at 12.1% or higher versus its net profit after tax margin in the same period previous year which was 10.7%.

Correspondingly to the above, **Tempo Scan's EBITDA has significantly risen by 123.9% and amounted to Rp.1,269.2 billion, hence its EBITDA margin in 1st Half 2024 stood at 18.7% or higher compared to its EBITDA margin in previous year which was at 8.7%.**

As pertained to Tempo Scan's balance sheet position as of 30 June 2024, it remained solid whereas its cash and cash equivalent position total amount stood at Rp.4,093.9 billion or an increase of 11.2% compared to corresponding period last year. In addition, its net operating cycle was at 71 days despite the challenging market condition. Lastly Tempo's Scan total assets and shareholders' equity were amounted to Rp.12,093.5 billion and Rp.8,634.9 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.

Jakarta, 31 July 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