



## THE TEMPO GROUP

### PT. Tempo Scan Pacific Tbk

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### **PT. Tempo Scan Pacific, Tbk ("Tempo Scan")** **3<sup>rd</sup> Quarter 2020 Continued Double Digits Earnings Growth**

Eventhough the Indonesian economy in 3<sup>rd</sup> Quarter (Q3) 2020 has declined by -1,5% hence it has shown relative improvement compared to 2<sup>nd</sup> Quarter (Q2) 2020 which was negative by -5.3% versus the corresponding period last year. The Government's less restrictive lockdown implementation (PSBB Transisi) that was started in June 2020 was abruptly changed in September 2020 and reverted back to the strict lockdown commensurately with the Covid 19 positive cases significant increase particularly in the Capital city. Such an abrupt change has dampened the economic gradual recovery which commenced in July and August 2020.

Despite the aforesaid challenging condition, Tempo Scan's YTD September 2020 Net Profit After Tax continued to perform commendably and increased by 19% compared to the corresponding period last year. Such an increase was amongst others propelled by its ability to manage operating expenses which was lowered by 17.1% compared to the same period last year.

Furthermore, in line with the general market trend, Tempo Scan's YTD September 2020 consolidated net sales had registered a marginal decline of 1% compared to the same period last year and amounted to Rp.8,091.6 billion, such net sales decline was attributed by its 3<sup>rd</sup> Quarter 2020 net sales which had decreased by 2.7% year on year. In addition, its net sales result was also affected by the implementation of the Indonesian accounting standard's policy change specifically under its PSAK 72 which commenced on 1<sup>st</sup> January 2020, which mandated that a company sales must reflect the net amount after deduction of the related direct expenses upon realization of such sales, hence it has altered Tempo Scan previous sales recognition policy.

The abovementioned Tempo Scan's YTD September 2020 consolidated net sales result main benefactors were:

- 1) Tempo Scan's Pharmaceutical division which net sales increased by 1.5% and amounted to Rp.2,275.7 billion, this division's net sales was contributed predominantly by its Consumer Health products group which net sales grew by 7.1% and amounted to Rp.2,197 billion. On the other hand, its Prescription Medicines group had declined considerably by 58.9% and amounted to Rp.78.7 billion. Therefore, the Consumer Health products group and the Prescription Medicines group net sales contributions YTD September 2020 toward this division's total net sales were 96.5% versus 3.5% respectively.
- 2) Tempo Scan's Consumer Products & Cosmetics ("CPC") division net sales had declined by 9.8% and amounted to Rp.2,290.2 billion, this division's net sales main benefactor was its Consumer Products group which net sales managed to increase by 5% and amounted to Rp.1,877.7 billion. While its Cosmetics group had continued to be negatively affected by the Government's lockdown implementation that restricted the cosmetics shops including major department stores operation, hence this group net sales had declined considerably by 45% and amounted to Rp.412.5 billion.

Correspondingly, the CPC division's Consumer Products group and its Cosmetics group net sales contributions YTD September 2020 toward this division's total net sales were at 82% and 18% respectively.

- 3) Tempo Scan's Distribution division's net sales managed to grow by 4% and amounted to Rp.3,525.7 billion, this division net sales increase was predominantly contributed by its Non Pharma Principals' products which had risen by 12.2% and amounted to Rp.2,693.1 billion, on the other hand this division's Pharma Principals' products net sales declined by 16% and amounted to Rp.832.6 billion. Correspondingly, the said Non Pharma Principals' products and Pharma Principals' products net sales contributions YTD September 2020 stood at 76.4% and 23.6% respectively.

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Furthermore, Tempo Scan's gross profit had also registered a decline of 9.1% and amounted to Rp.2,828 billion, and given that such gross profit decline was higher compared to its net sales decline, correspondingly Tempo Scan's gross profit margin had also declined to become 35% compared to the same period last year whereby its gross profit margin stood at 38.1%. Such a decline was affected by several factors amongst others were the Rupiah exchange rate that had significantly declined against US Dollar and other major foreign currencies, and Tempo Scan decisions to postpone its products selling price increase in anticipation of the very weak consumers demand, as well as to preserve its products' prices competitive value proposition which will be pivotal sales driver under this Covid 19 induced crisis.

Moving on to Tempo Scan's YTD September 2020 consolidated operating expenses which as I have explained hereinabove, it had declined by 17.1% and amounted to Rp.2,138.4 billion, such a decline was predominantly attributed to its total selling expenses which was kept under control and reduced by 18.2%, it amounted to Rp.1,741.9 billion. Consequently, the said total selling expenses as a ratio to Tempo Scan's consolidated net sales was at 21.5% or a considerable decline compared to the corresponding period last year which ratio stood at 26.1%.

Moreover, Tempo Scan's YTD September 2020 total general administrative expenses had also declined by 3% and amounted to Rp.433.1 billion, the said total expenses ratio versus Tempo Scan's consolidated net sales stood at 5.4% or almost on par compared to the same period last year which ratio stood at 5.5%. Respectively the said total selling expenses and total general administrative expenses contributions toward Tempo Scan's consolidated operating expenses were at 81.5% and 20.3%.

As a result, Tempo Scan's YTD September 2020 consolidated operating profit had risen considerably by 29.8% and amounted to Rp.689.6 billion, commensurately its operating profit margin has also improved to become 8.5% or significantly higher versus the corresponding period last year whereas such margin was only 6.5%. On the other hand, Tempo Scan's net non-operating income & expenses had declined by Rp.25 billion and amounted to negative Rp.4.1 billion.

Therefore, Tempo Scan's YTD September 2020 net profit after tax managed to rise commendably by 19% and amounted to Rp.495.7 billion, correspondingly its net profit margin reached 6.1% versus the same period last year whereas its margin was only at 5.1%. Commensurately, Tempo Scan's EBITDA had also risen by 28.3% and amounted to Rp.894.6 billion, as such its EBITDA margin YTD September 2020 had reached 11.1% versus its EBITDA in the same period last year which was only at 8.5%.

As pertained to Tempo Scan's balance sheet position as of 30 September 2020, it remained strong with its cash and cash equivalent position stood at Rp.2,349.3 billion and its net operating cycle stood at 61 days despite the unfavorable market condition. In addition, Tempo Scan's total assets has risen by 11.4% and amounted to Rp.8,896.9 billion and its shareholders equity has increased by 6.9% and amounted to Rp.6,090.5 billion.

On behalf of Tempo Scan's Board of Directors, we would like to give the highest appreciation to the company's employees for the support and cooperation as well as to all Tempo Scan's business partners, suppliers, customers, professional parties and its shareholders, due to the fact that such supports have enabled Tempo Scan to improve many facets of its operation during this unprecedented global crisis caused by the Covid 19 pandemic.

Jakarta, 2 November 2020

On behalf of PT. Tempo Scan Pacific, Tbk.



**Diana Wirawan**  
President Director

