

# PT Cisarua Mountain Dairy Tbk

## 1Q 2023 Results Presentation

2 May 2023



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## Our Presenters Today

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**Farell Sutantio**

*President Director*  
*Group Chief Executive Officer*



**Axel Sutantio**

*Director*  
*MP Chief Executive Officer*



**Bharat Joshi**

*Director*  
*Chief Financial Officer*  
*& Investor Relations*

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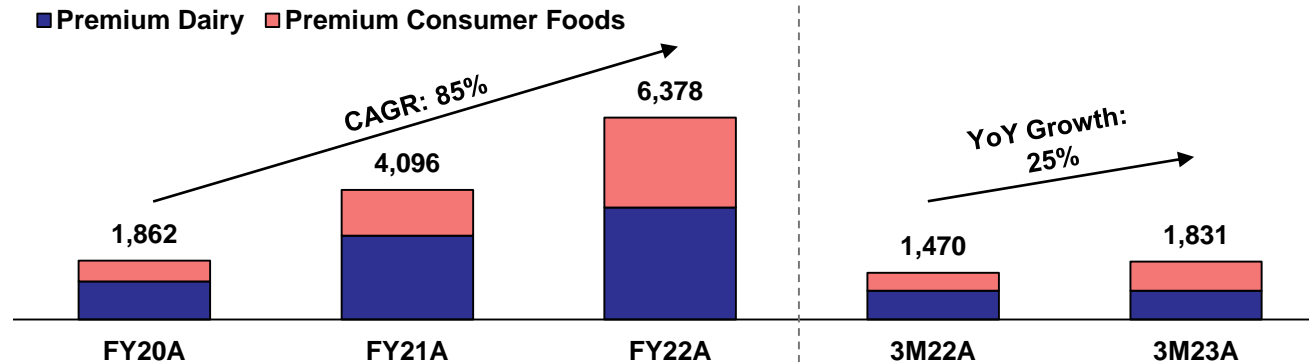
# 1 | Financial Results



# Net sales



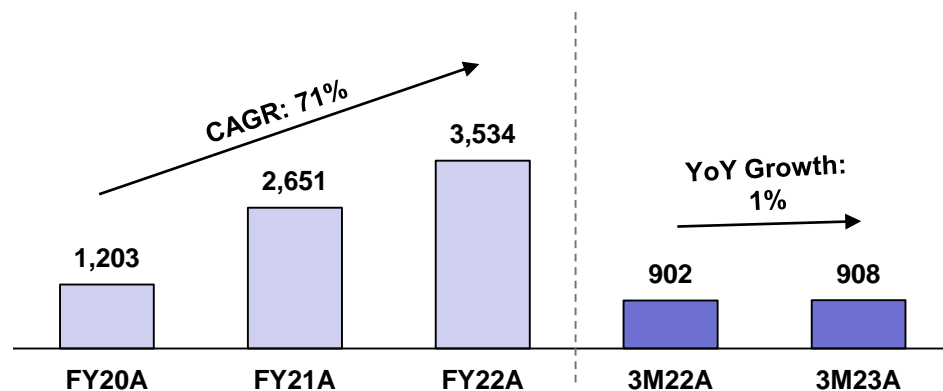
Total Net Sales (Rp bn)



Commentary

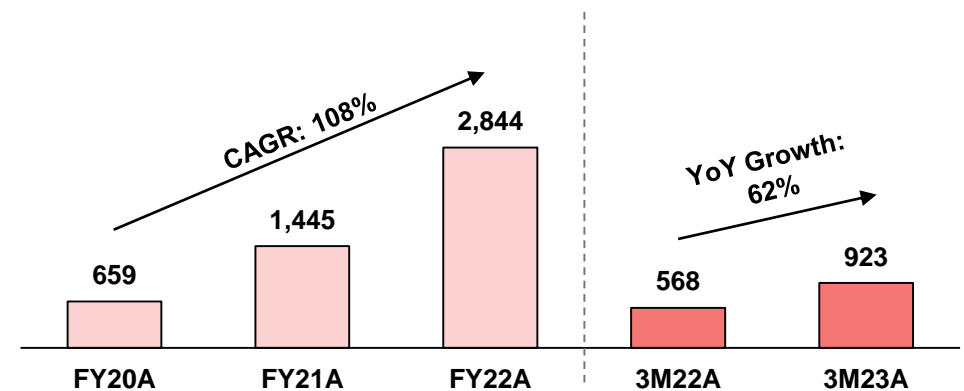
- Continued YoY expansion of Total Net Sales, primarily driven by **strong growth in Premium Consumer Foods and UHT Milk**

Premium Dairy Net Sales (Rp bn)



- Significant YoY growth in the UHT milk category**
- Softening YoY demand for Yogurt, which saw strong performance in 3M22 partially driven by COVID restrictions

Premium Consumer Foods Net Sales (Rp bn)



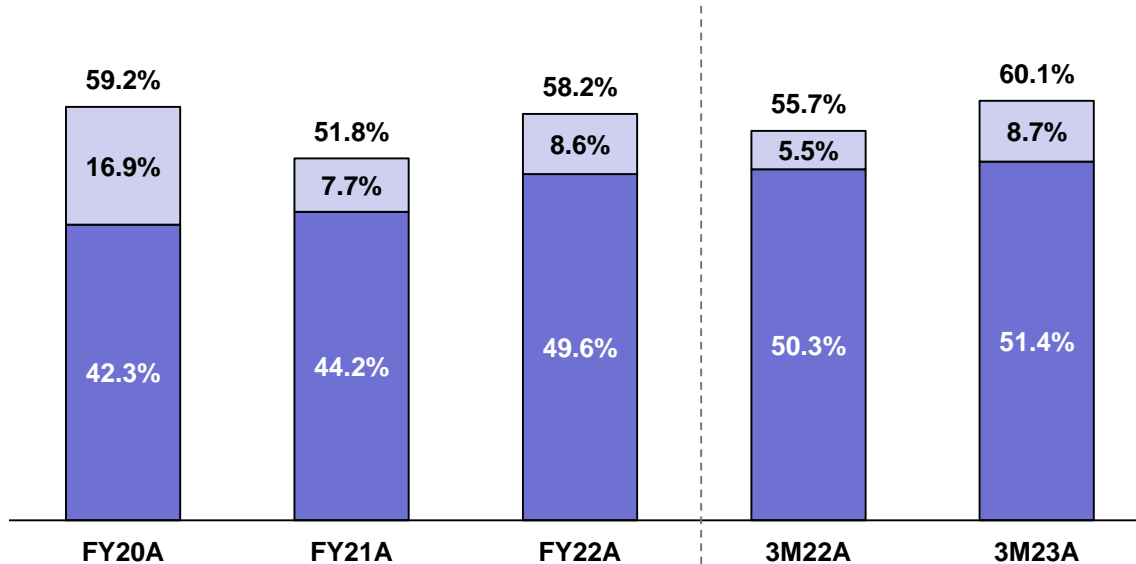
- Substantial growth across all product categories** within Premium Consumer Foods

# Gross profit



Cost of Sales % Net Sales (Rp bn)

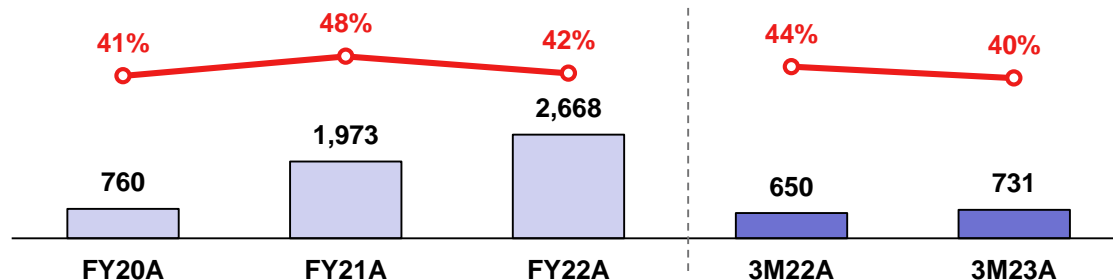
■ Raw Materials & Packaging ■ Others



Commentary

- Heightened Raw Materials & Packaging costs as we work through historical inventory which was acquired during periods of elevated prices
- Increase in Other Cost of Sales partially attributable to wage growth

Gross Profit & Margin (Rp bn)



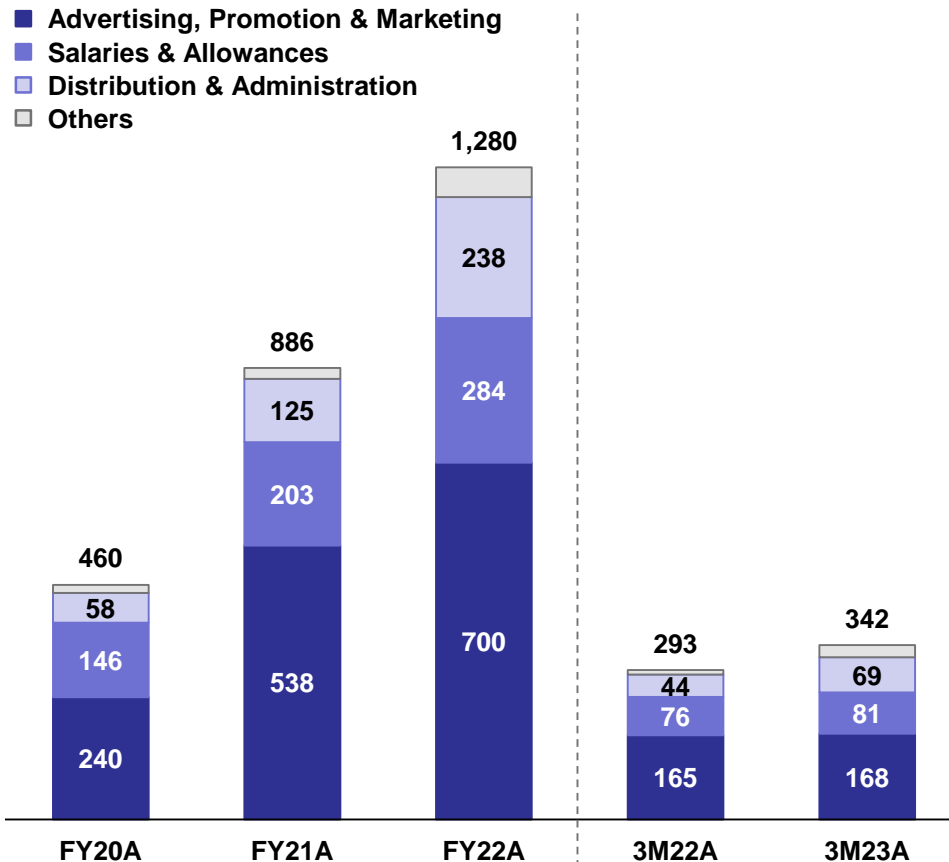
Commentary

- Decline in Gross Margins flowing from historical heightened Raw Materials & Packaging costs
- **Potential for Gross Margin improvement as raw material prices continue to decline and the IDR strengthens**

# Selling & marketing expenses

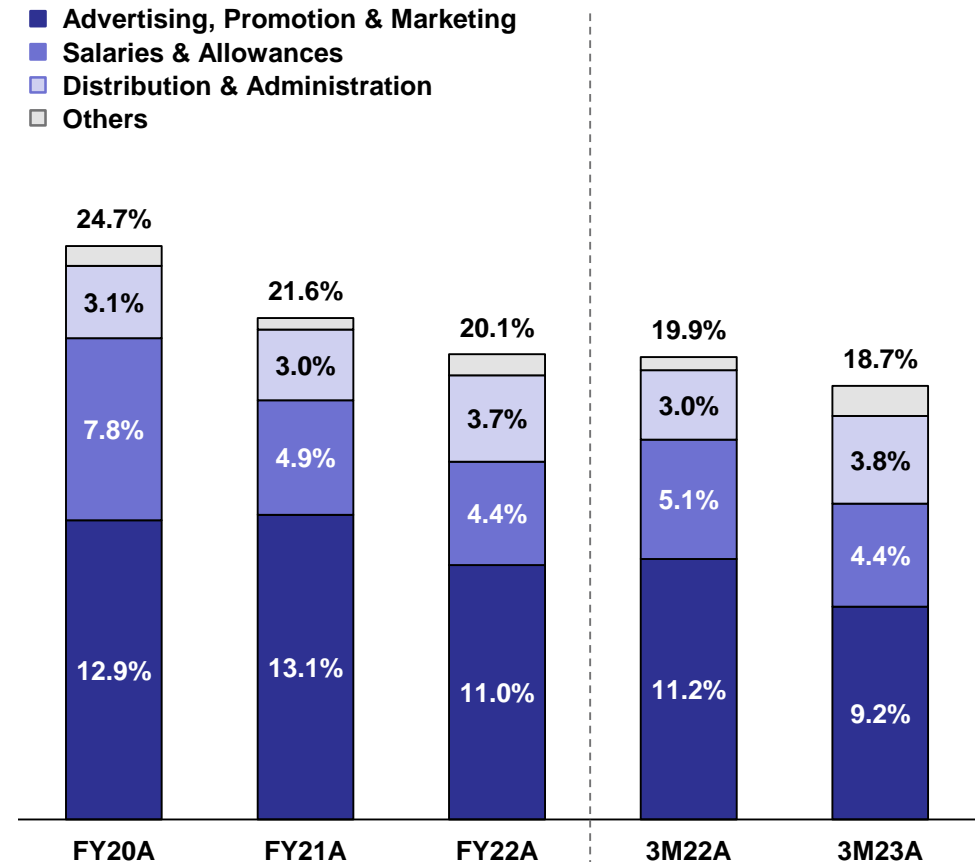


Selling & Marketing Expenses (Rp bn)



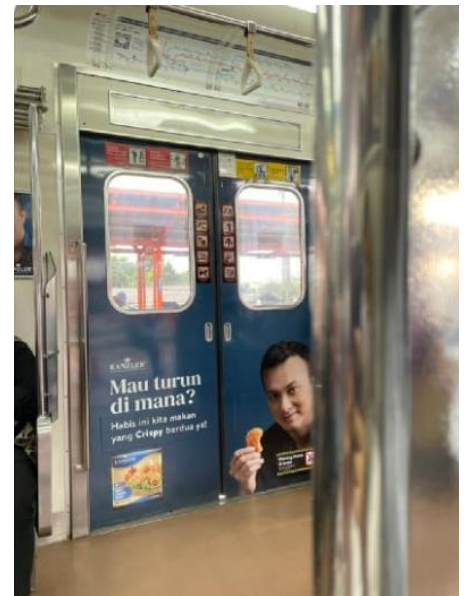
- **Frontloading of Advertising, Promotion & Marketing in 4Q22** resulted in a reduced need for spend in 1Q23

Selling & Marketing Expenses % Net Sales (Rp bn)



- Whilst our core marketing strategy remains digital & social media focused, we are **opportunistically taking advantage of cost-competitive outdoor advertisements**

# Opportunistic outdoor marketing

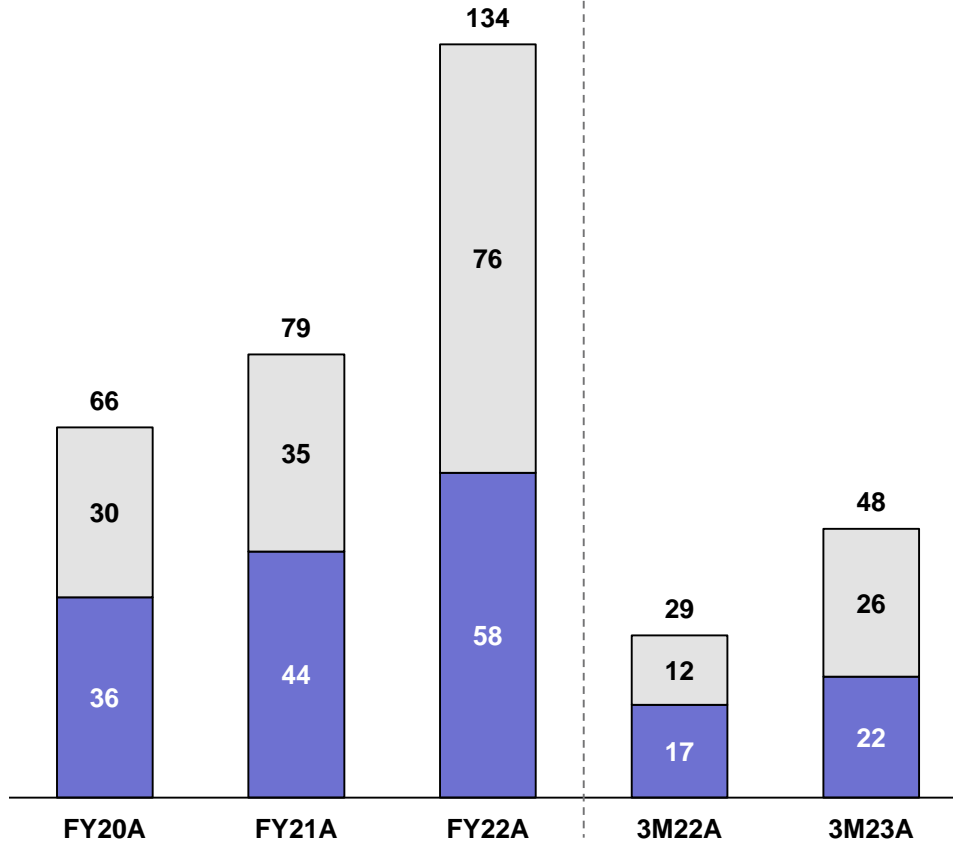


# General & administrative expenses



General & Administrative Expenses (Rp bn)

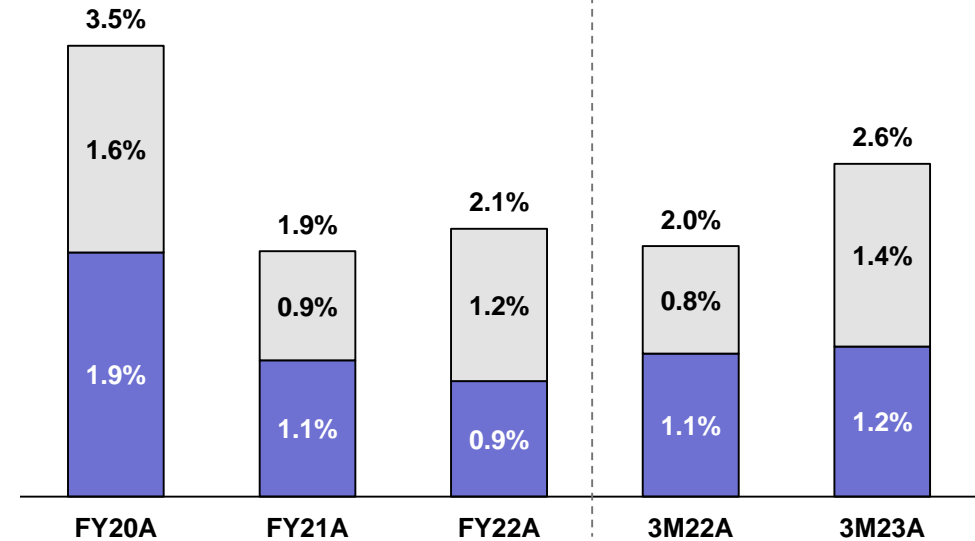
- Salaries & Allowances
- Others



- YoY growth in Salaries & Allowances expenses due to **expanding operations to support top-line growth**

General & Administrative Expenses % Net Sales (Rp bn)

- Salaries & Allowances
- Others

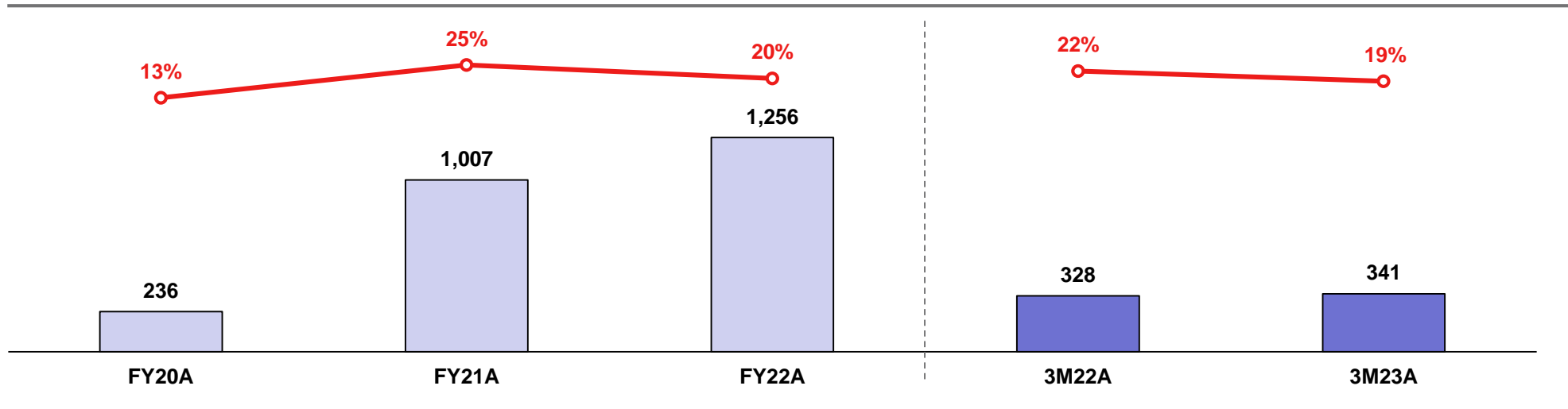


- Over time, expected to **benefit from economies of scale**

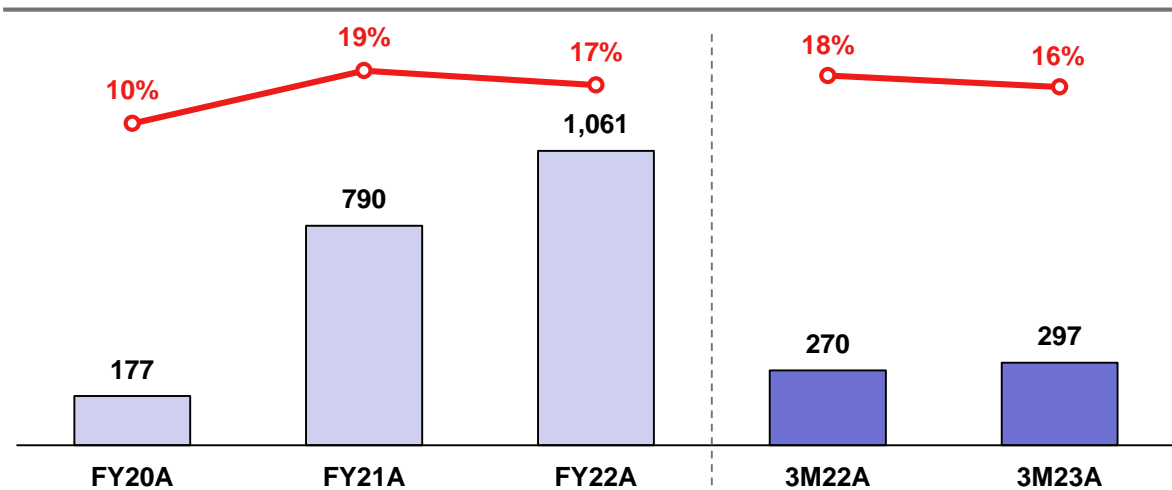
# Operating & net profit



### Operating Profit & Margin (Rp bn)



### Net Profit & Margin (Rp bn)



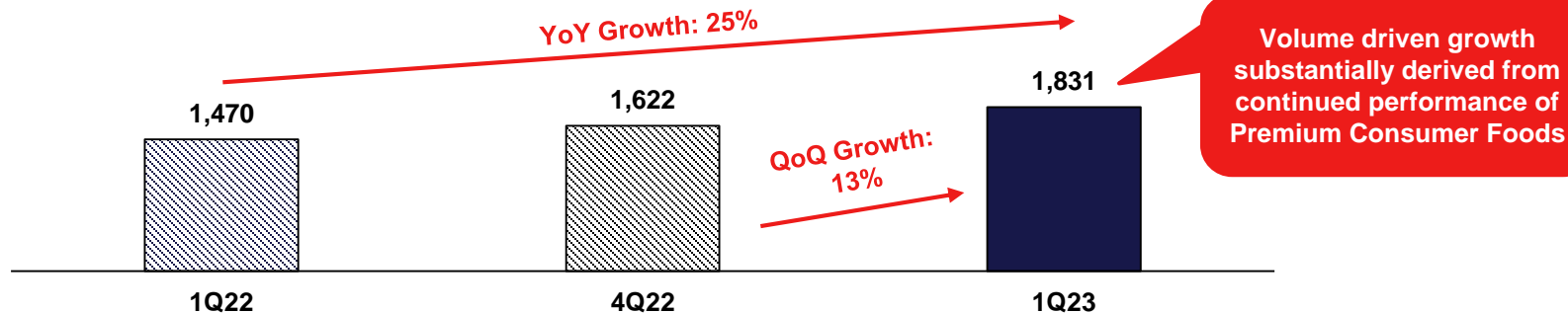
### Commentary

- Strong top-line growth led to improved absolute net profits
- Dampened margins driven by use of historical inventory acquired at heightened prices

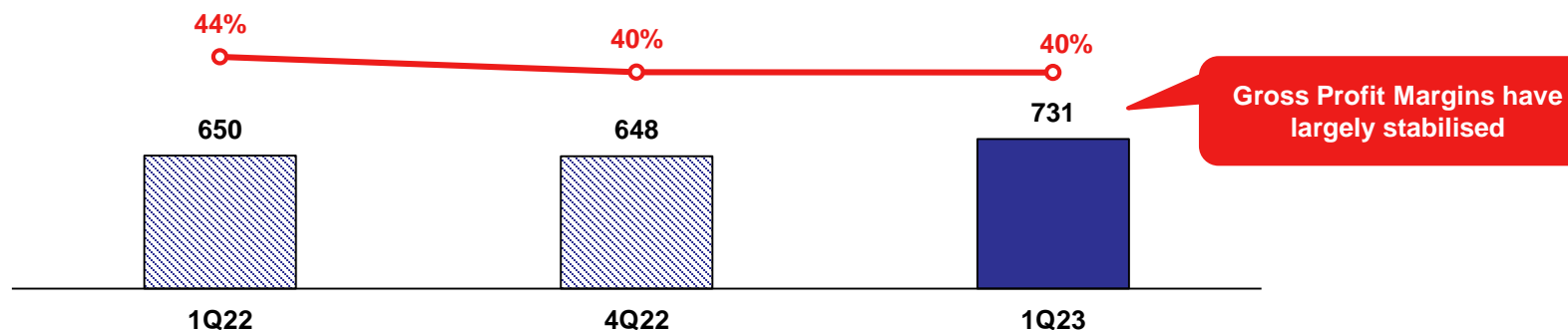
# Quarterly performance



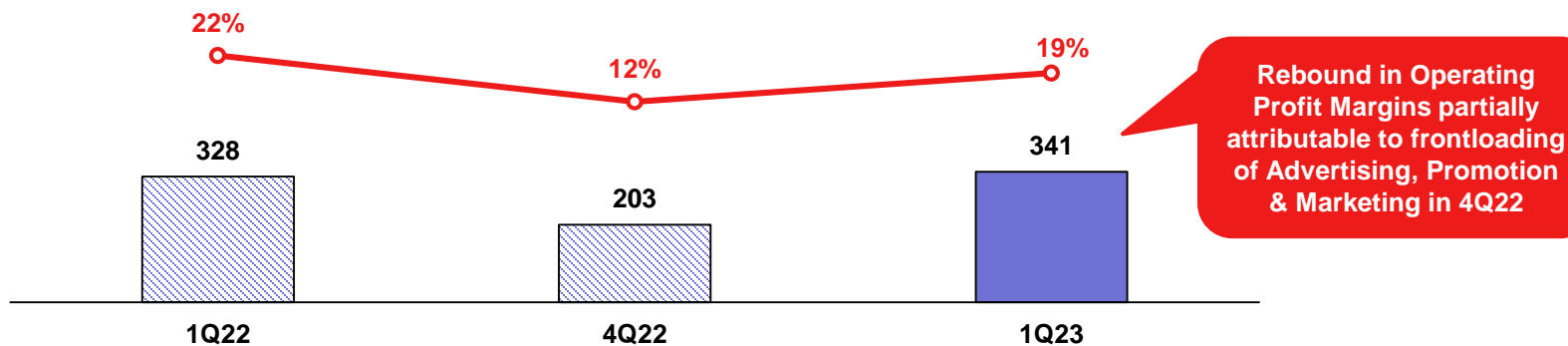
## Net Sales



## Gross Profit & Margin



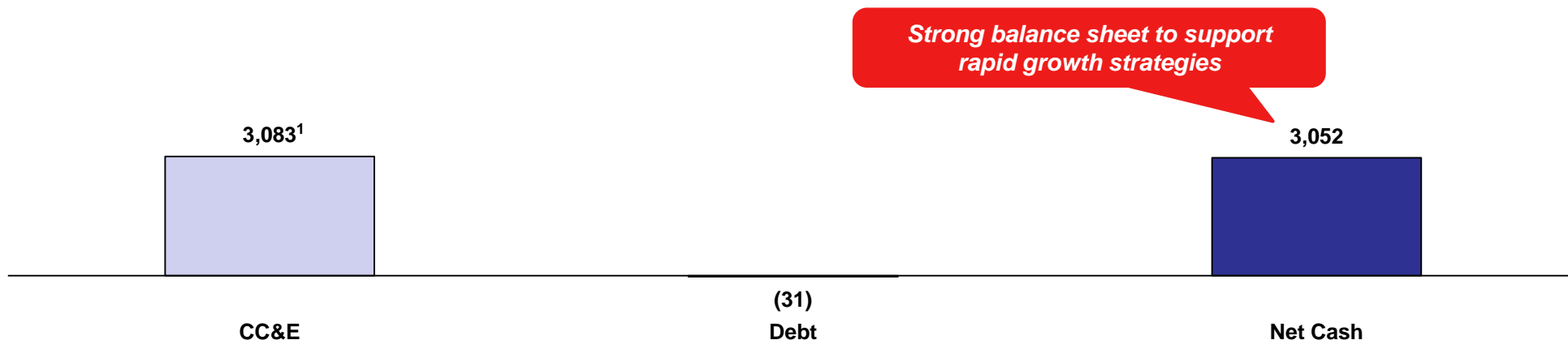
## Operating Profit & Margin



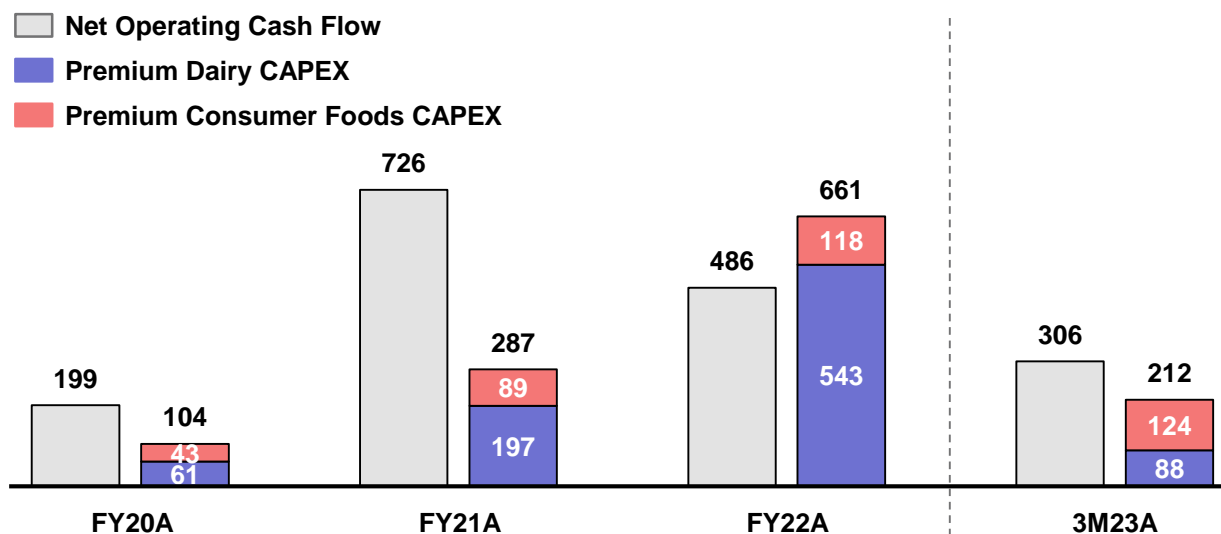
# Balance sheet & cash flows



Net Cash (Debt) Position (Rp bn)



Net Operating Cash Flows vs Capital Expenditure (Rp bn)



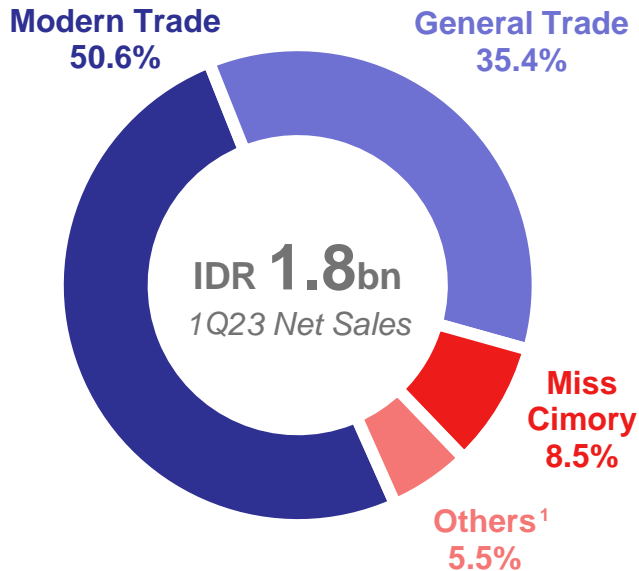
Commentary

- Strong Net Operating Cash Flows in 3M23 driven by **improvements in working capital requirements and reduction of inventory days**
- A portion of CAPEX to expand production capacity made in FY22 was recognized in 3M23

## 2 | Operational Performance

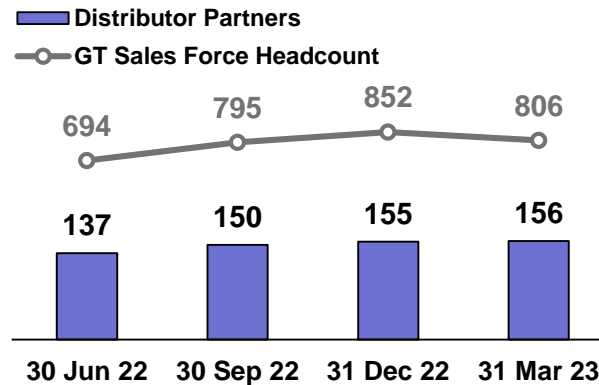


# Successful execution of our channel penetration strategies, with an emphasis on improving productivity per MCM agent

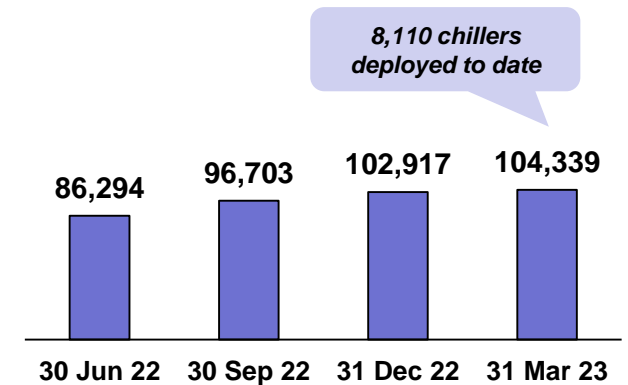


## General Trade (“GT”)

### Sales Force & Distributor Network

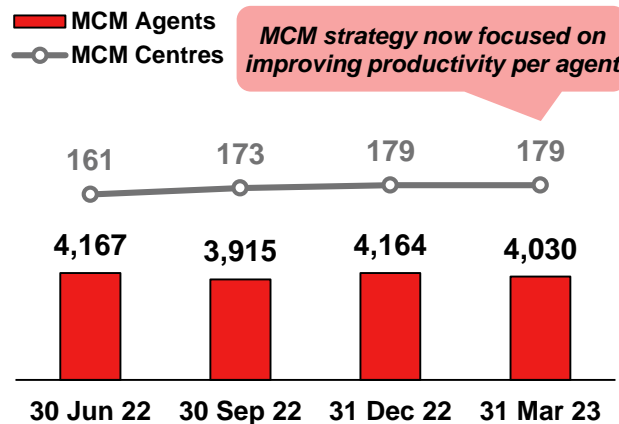


### Outlet Footprint

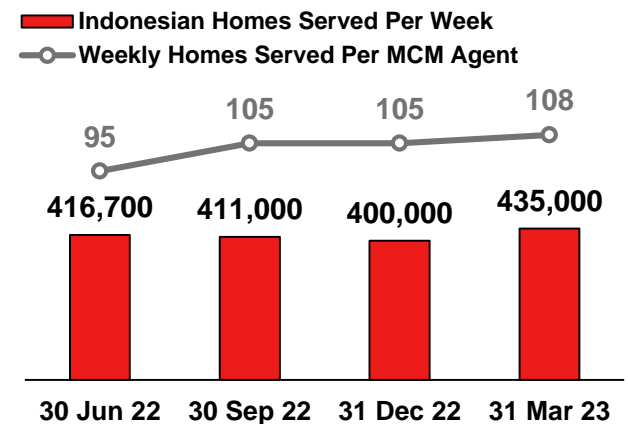


## Miss Cimory (“MCM”)

### MCM Agents & Centres



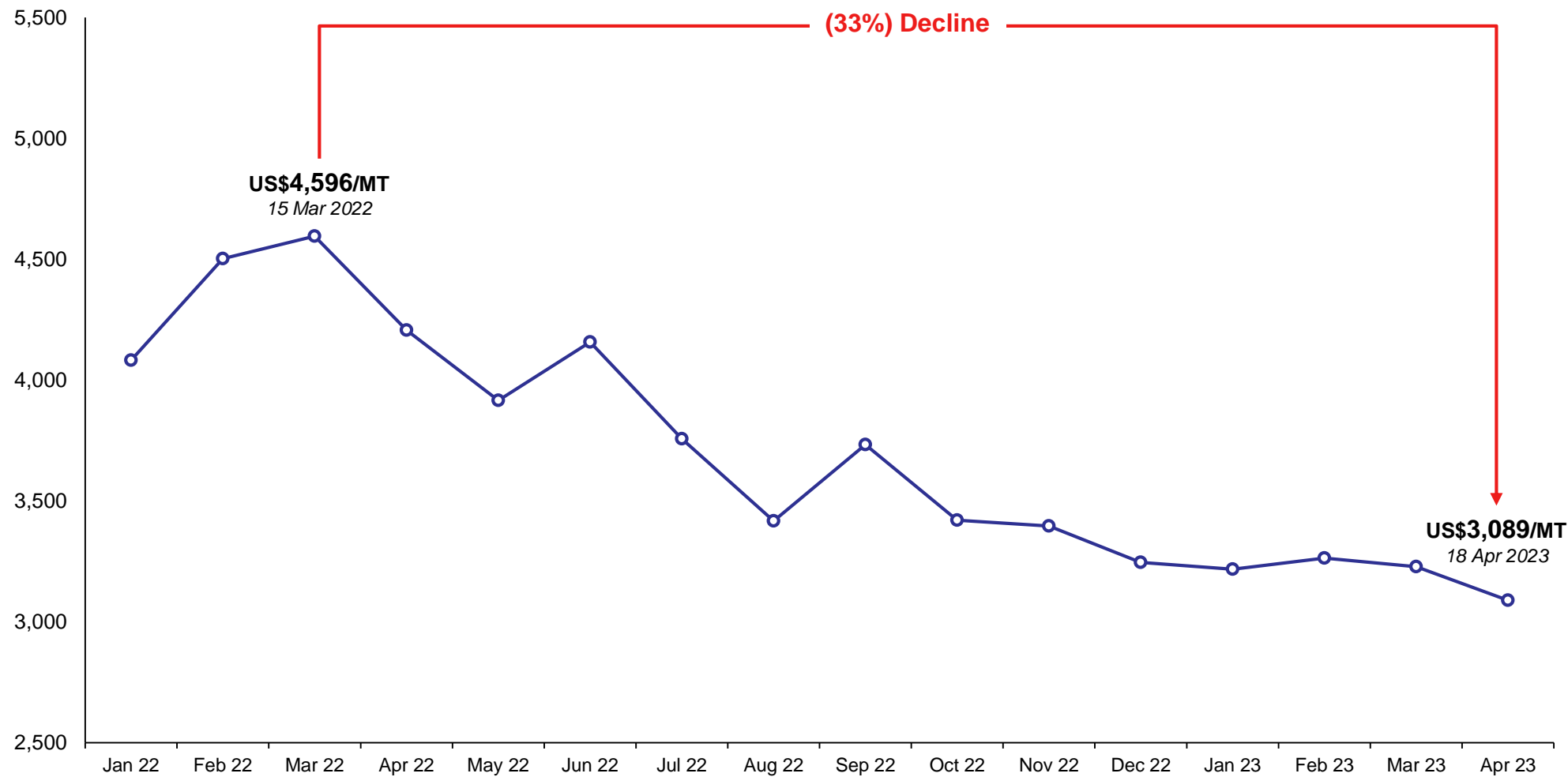
### MCM Reach<sup>2</sup>



# Price of raw materials continue to normalise, which if sustained will result in a positive impact on our Gross Margins



Whole Milk Powder Prices (US\$/MT)<sup>1</sup>

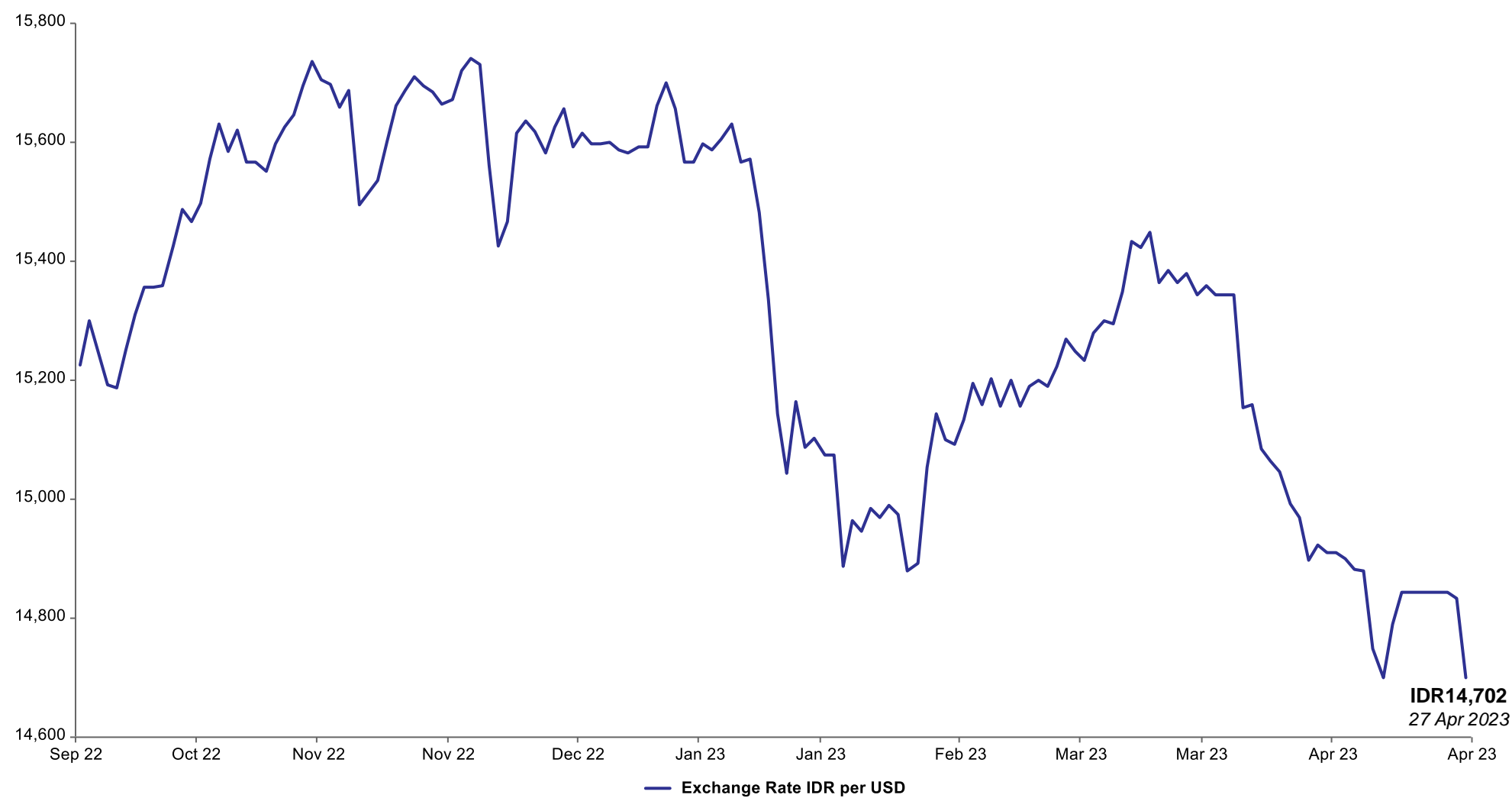


Note: 1) Per Global Dairy Trade as at 18 Apr 2023.

# Continued strengthening of the Indonesian Rupiah



IDR per USD (Last 6 Months)



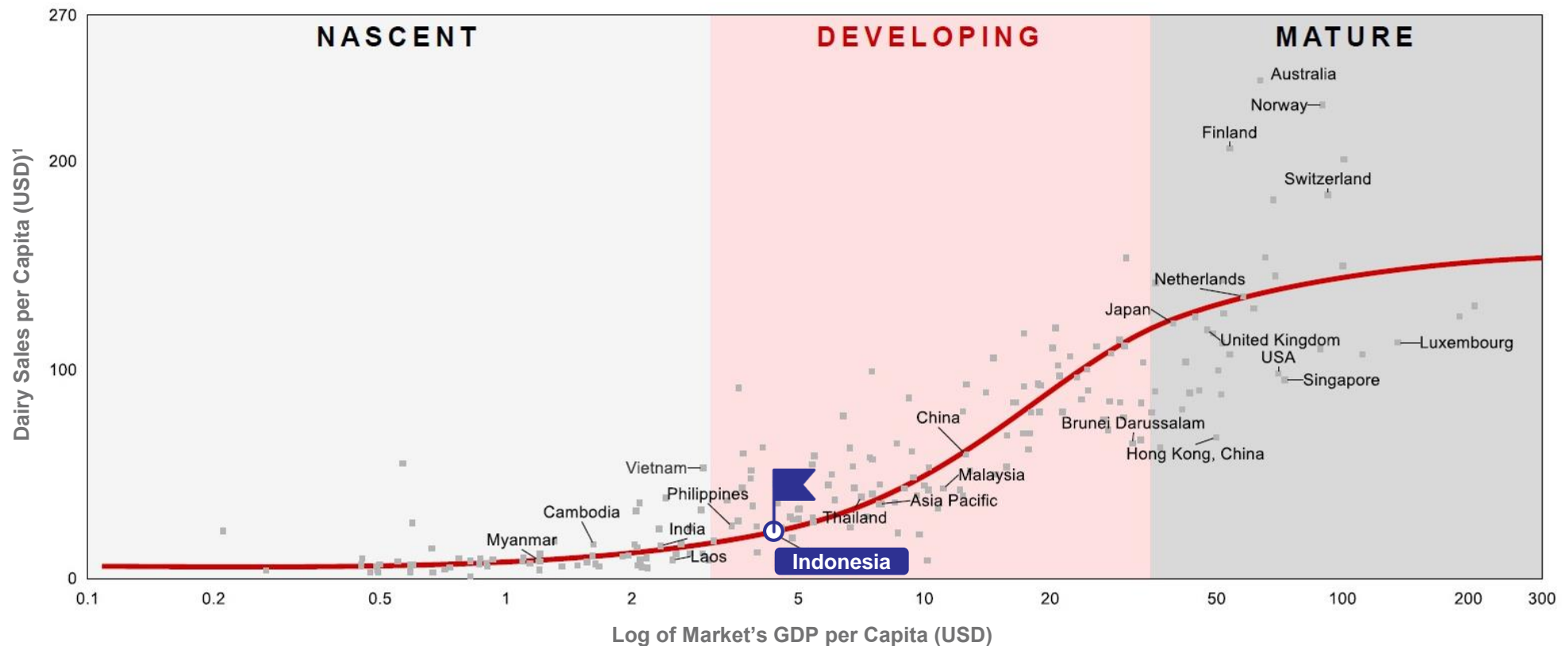
Source: Factset as at 27 Apr 2023.

# Indonesia dairy market has substantial runway to expand on the back of Indonesia's consumption growth story



Dairy market in Indonesia is in the early stages of development with significant headroom to grow, supported by strong Indonesian macroeconomic tailwinds

## Dairy Sales per Capita by Market (2021)



# We will maintain our focus on investing in channel growth and new product launches to capture rising consumer demand



## Channel Growth

*Well positioned to increase our shelf space while continuing to invest heavily across our fast-growing MCM and GT channels*



## New Products Yogurt Stick



## Flavour Extensions Kanzler Singles



## Launch of New Products

- Launch of Yogurt Stick in late 1Q23, a more affordable packaging format aimed at introducing new customer demographics to Cimory
- Continued innovation of flavour extensions across Premium Consumer Foods



**Continued Top-Line Growth**

# 3 | Key Takeaways



# Key takeaways



1

**Strong 3M23 top-line expansion of 25% YoY, driven primarily by volume-based growth**

2

**Consumer Foods exhibited exceptional performance of 62% YoY Net Sales growth in 3M23, driven by contributions from all product categories**

3

**Stabilizing Gross Profit Margins with potential improvements as decreasing raw material prices come into effect**

4

**Improvements in Operating Cash Flows attributable to improved working capital requirements, coupled with a strong balance sheet to support growth initiatives**

5

**Product innovation capabilities puts Cimory in prime position to capitalize on Indonesia's continuing consumption growth story, driven by a rapidly expanding middle class**

