

# PT Cisarua Mountain Dairy Tbk

## 1Q 2022 Results Presentation

May 2022



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## Our Presenters Today

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**Farell Sutantio**

*President Director  
Group Chief Executive Officer*



**Bharat Joshi**

*Director  
Chief Financial Officer  
& Investor Relations*



**Axel Sutantio**

*Director  
MP Chief Executive Officer*



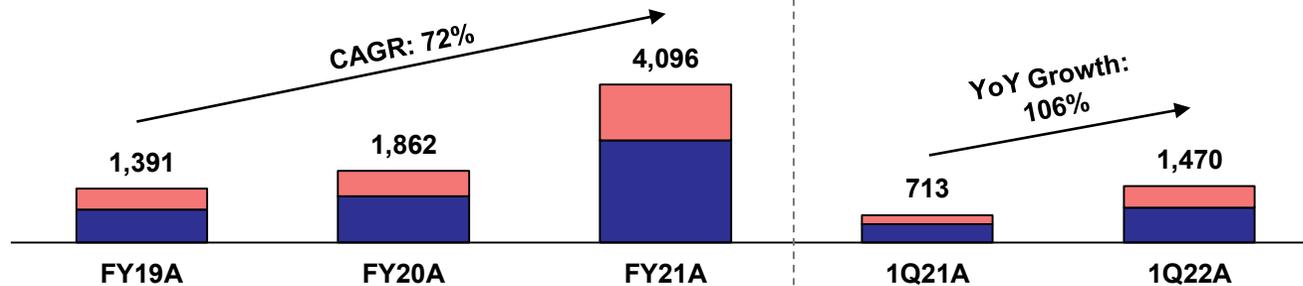
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# 1 | Financial Results



### Total Net Sales (Rp bn)

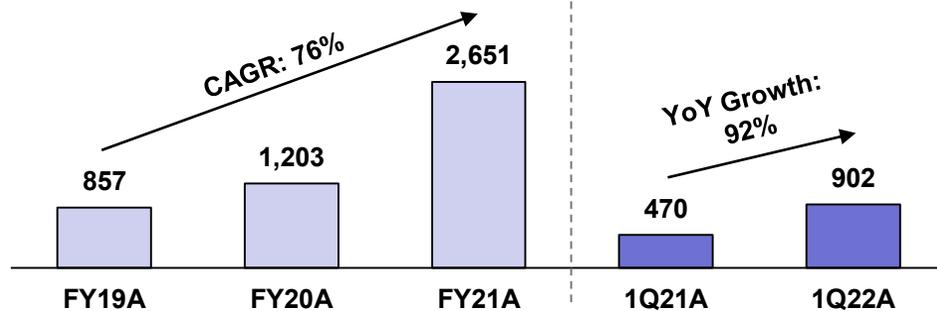
■ Premium Dairy ■ Premium Consumer Foods



### Commentary

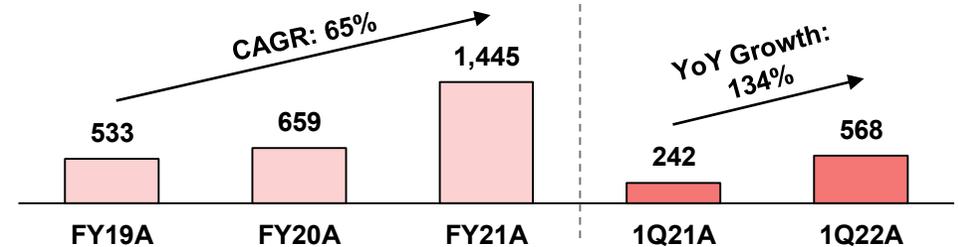
- Strong 1Q Total Net Sales growth rates **across both of our operating segments**, namely Premium Dairy and Premium Consumer Foods

### Premium Dairy Net Sales (Rp bn)



- Growth primarily attributable to **continued success of UHT Milk and Cimory Pouch**, with **improved production capacity** in the latter half of FY21 to meet high demand

### Premium Consumer Foods Net Sales (Rp bn)

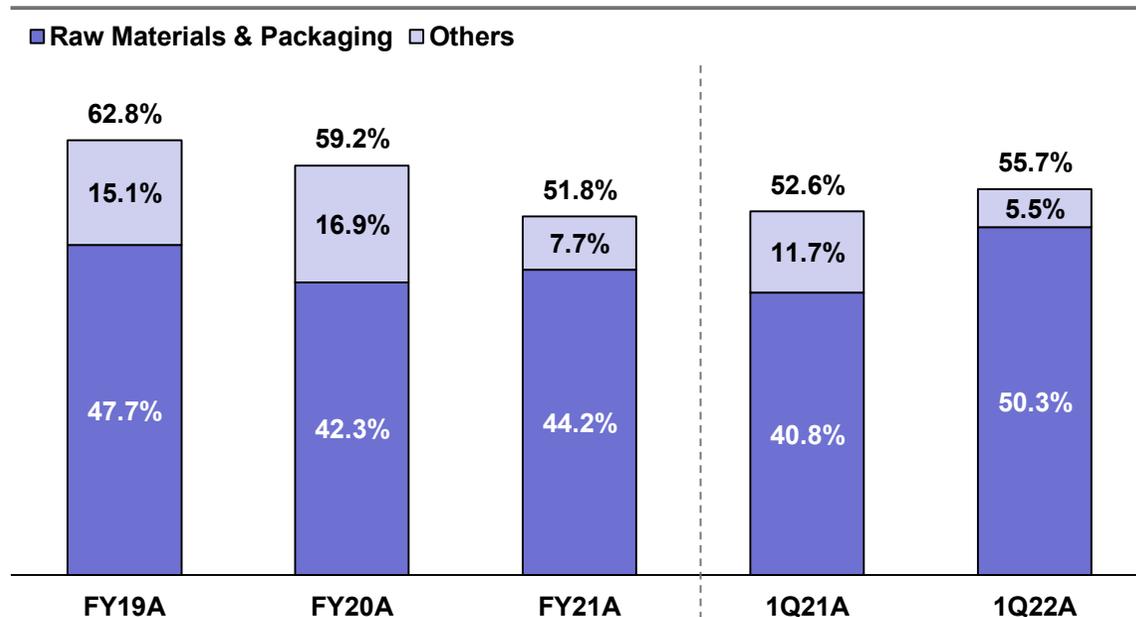


- Growth primarily attributable to **strong performance from Kanzler Singles and Kanzler Nuggets**, as well as the **recent launch of Kanzler Meatballs**

# Gross profit



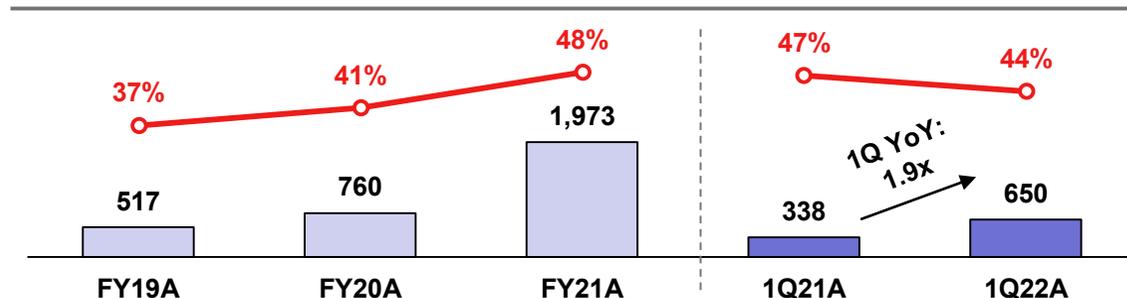
Cost of Sales % Net Sales (Rp bn)



Commentary

- Increases in Cost of Sales a % of Net Sales as **inflationary pressures drive up the price of Raw Materials & Packaging and Labour**
- Moving forward, heightened Cost of Sales due to **inflation is expected to be sustained for sequential quarters**
- Increased overheads as we prepare for and implement **production capacity expansions**
- Reduction in other costs due to timing differences in finished goods and inventory

Gross Profit & Margin (Rp bn)



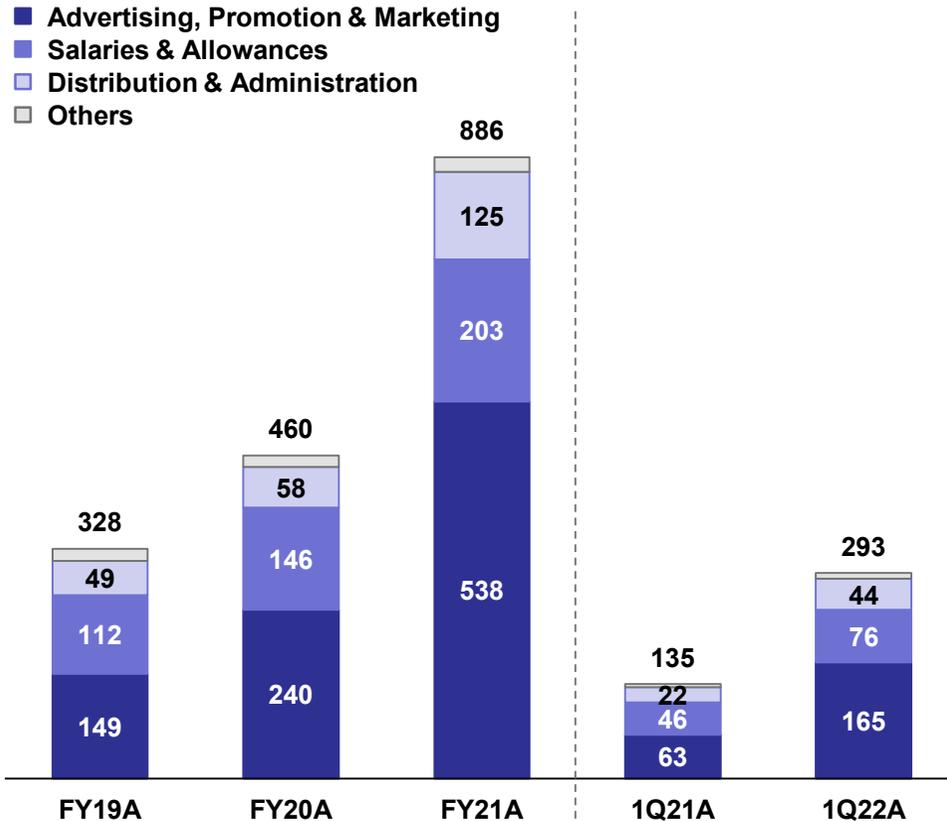
Commentary

- Strong YoY Gross Profit growth in 1Q performance driven by **significant top-line Net Sales expansion**
- Slight decline in Gross Margins **primarily attributable to inflationary pressures**, as well as changes in product mix

# Selling & marketing expenses

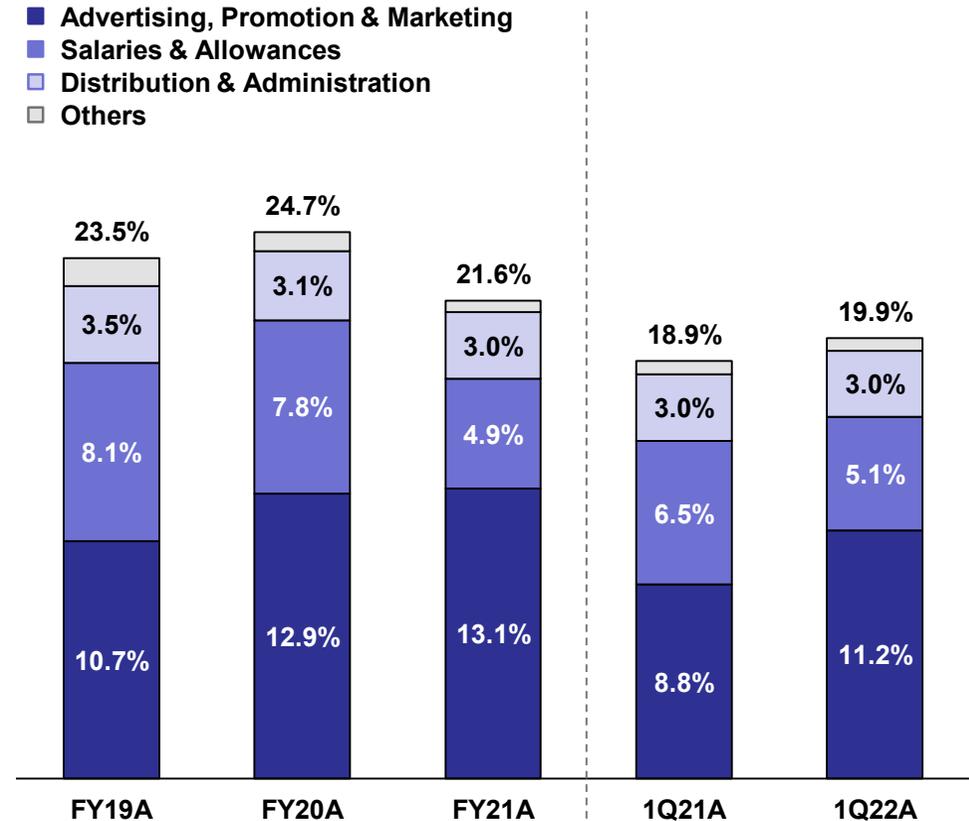


Selling & Marketing Expenses (Rp bn)



- Continually growing expenditure on Advertising, Promotion & Marketing, as our **digital marketing strategy is accelerated to promote brand adoption**

Selling & Marketing Expenses % Net Sales (Rp bn)

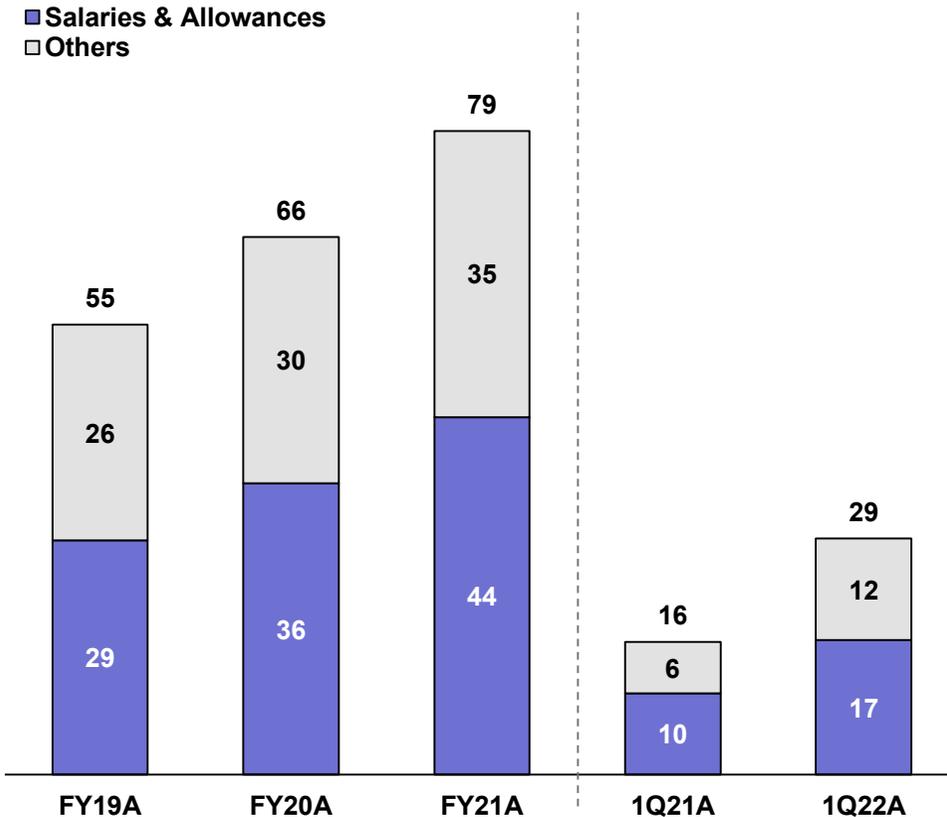


- Compared to 4Q21, lowered Selling & Marketing Expense as a % of Net Sales QoQ** as marketing efforts returned to a more normalized level
- Ongoing investments in Advertising, Promotion & Marketing in order to **promote brand adoption and new product launches**

# General & administrative expenses

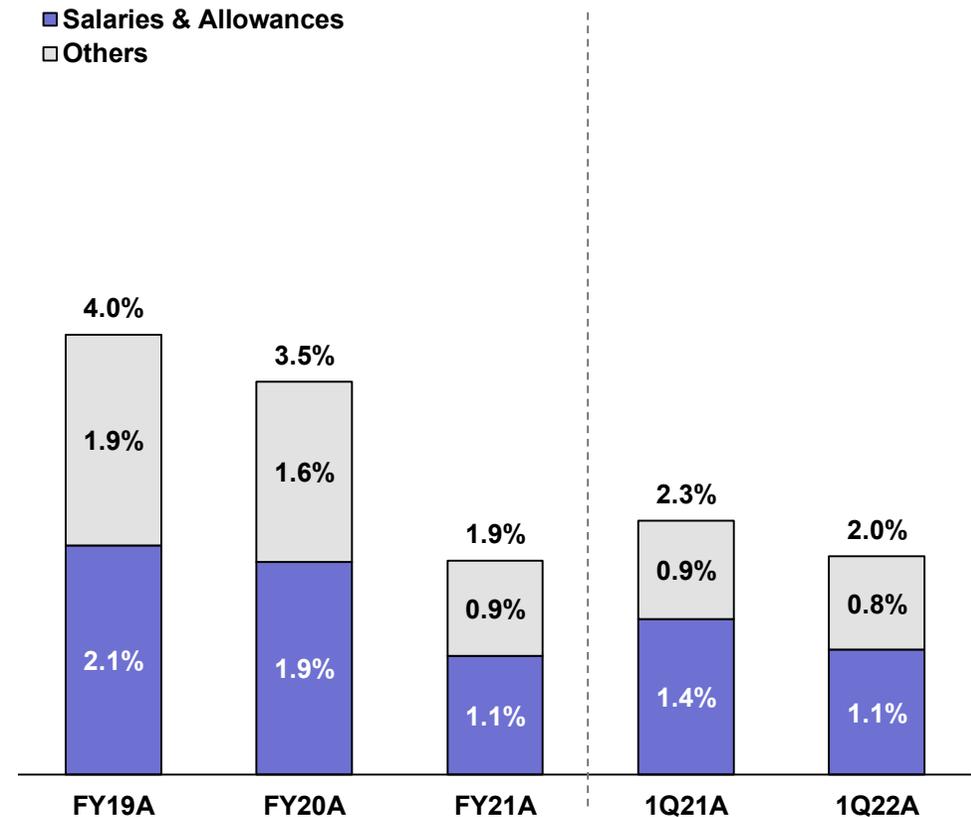


General & Administrative Expenses (Rp bn)



- Year on year growth in Salaries & Allowances expenses as operations continue to expand to support top-line growth

General & Administrative Expenses % Net Sales (Rp bn)

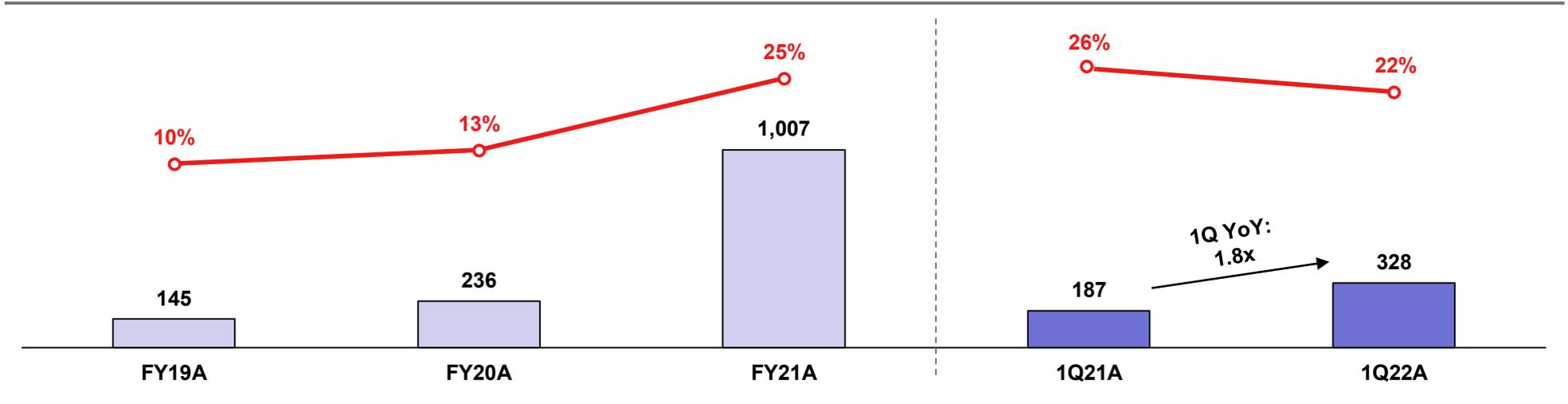


- Consistent **downward trend** in General & Administrative Expenses as a % of Net Sales owing to **significant operating leverage**

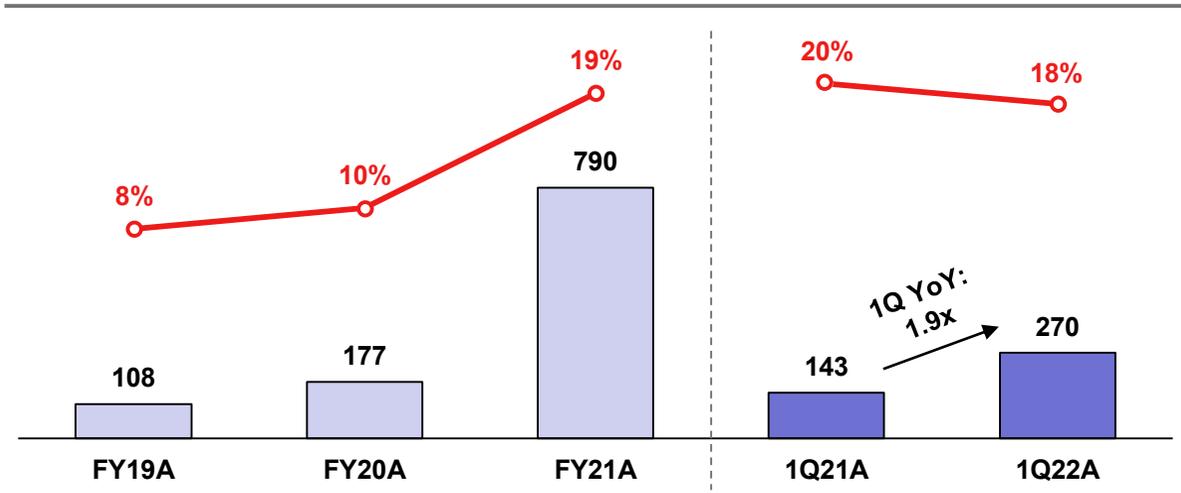
# Operating & net profit



Operating Profit & Margin (Rp bn)



Net Profit & Margin<sup>(1)</sup> (Rp bn)



Commentary

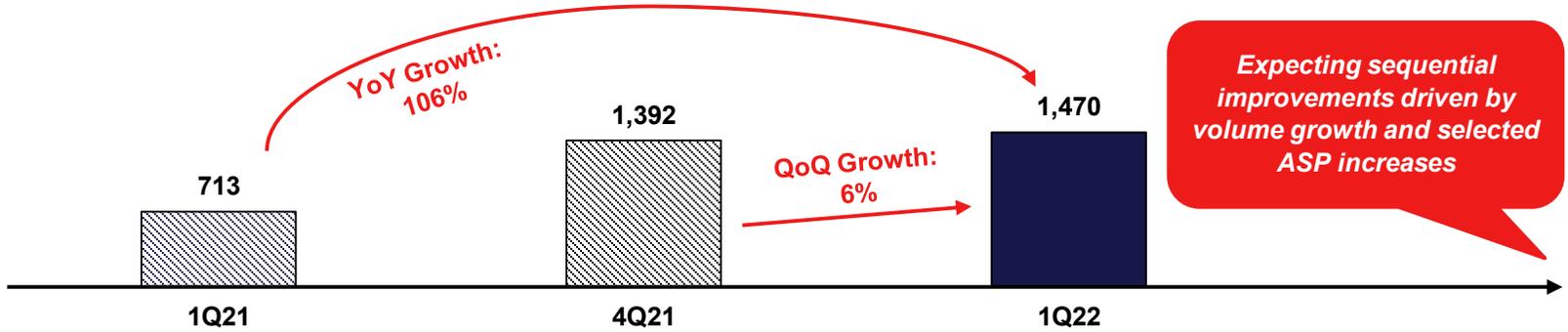
- **Strong top-line Net Sales growth** flowing into improved Net Profit
- **Significant Net Profit growth YoY** with 1Q22 almost double that of 1Q21

Note: (1) Net Profit excluding profit from discontinued operations.

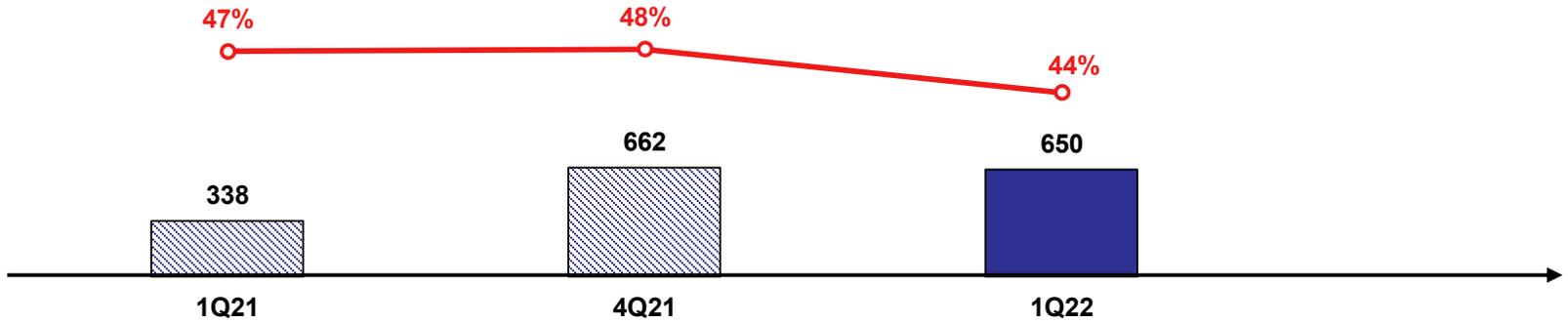
# Quarterly performance



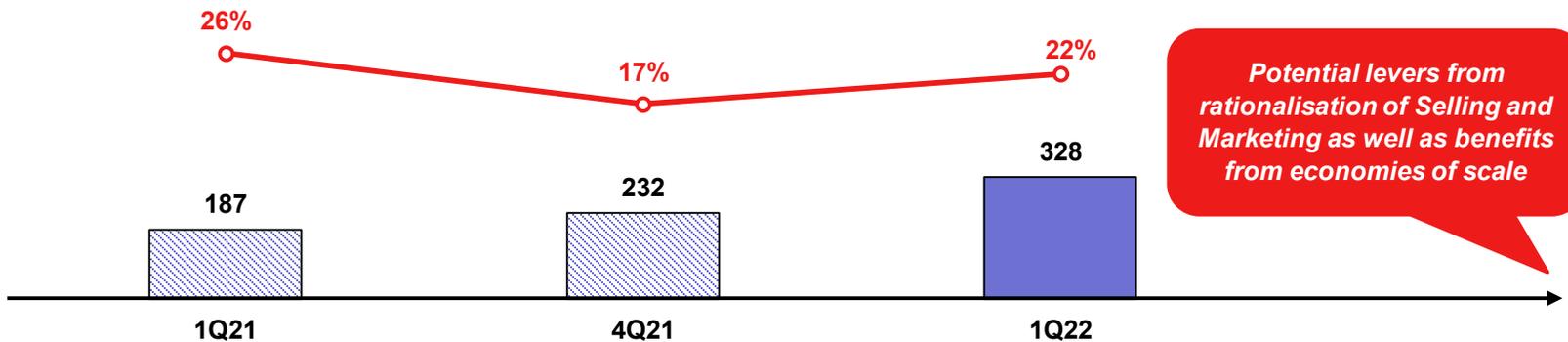
## Net Sales



## Gross Profit & Margin



## Operating Profit & Margin

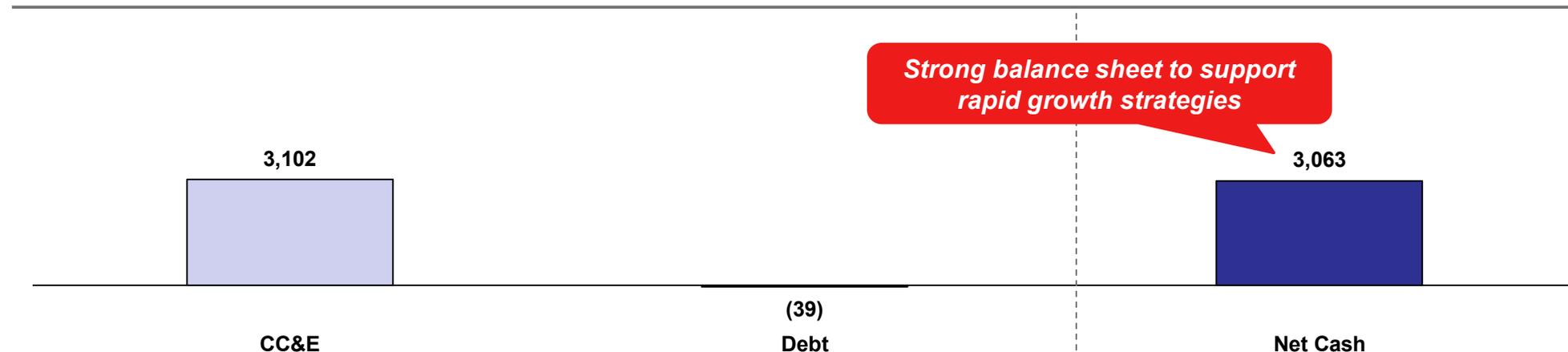


Note: Figures shown in RP bn.

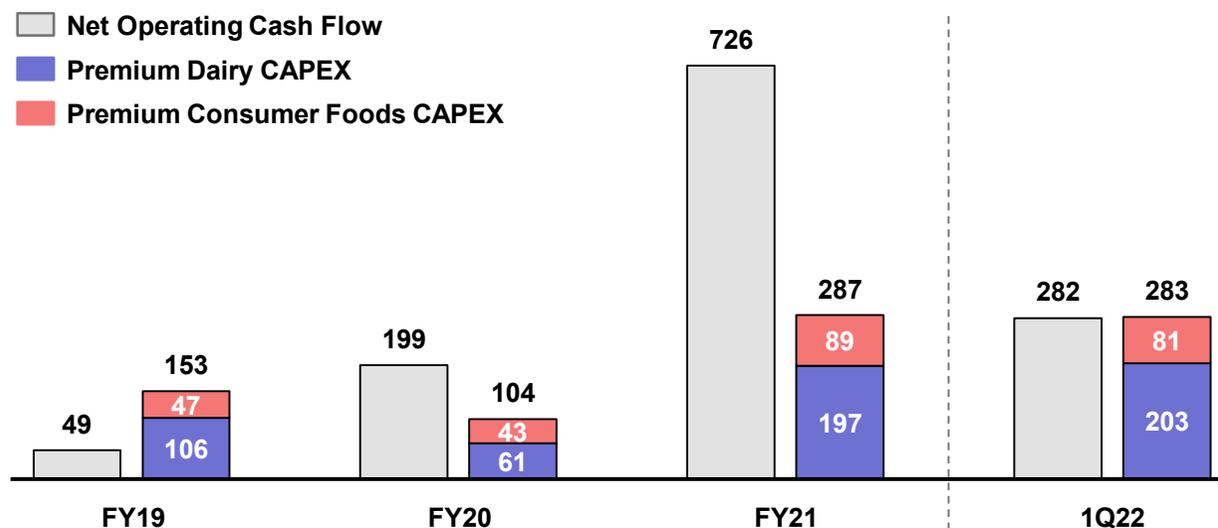
# Balance sheet & cash flows



Net Cash (Debt) Position (Rp bn)



Net Operating Cash Flows vs Capital Expenditure (Rp bn)



Commentary

- Significant CAPEX investments made in 1Q22 towards **expansion of manufacturing capacity** to meet growing demand, in line with IPO Use of Proceeds
- **Additional manufacturing lines** planned to come online in Q2 and Q4 of 2022
- Investments made in advance to **increase our Premium Consumer Foods segment manufacturing capacity**

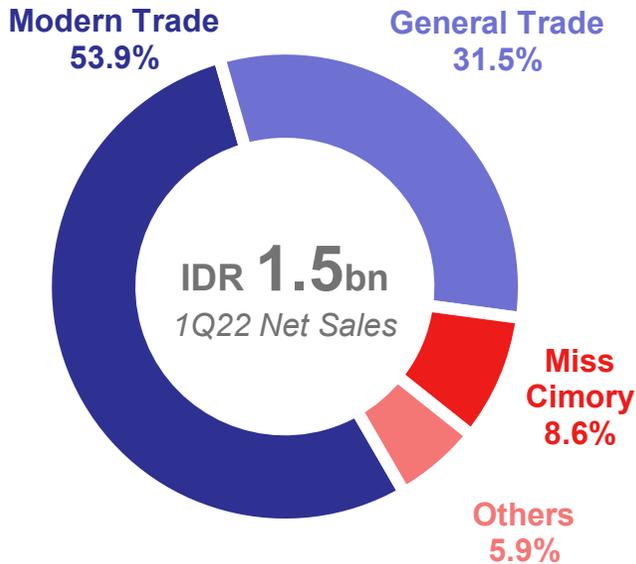
## 2 | Operational Performance



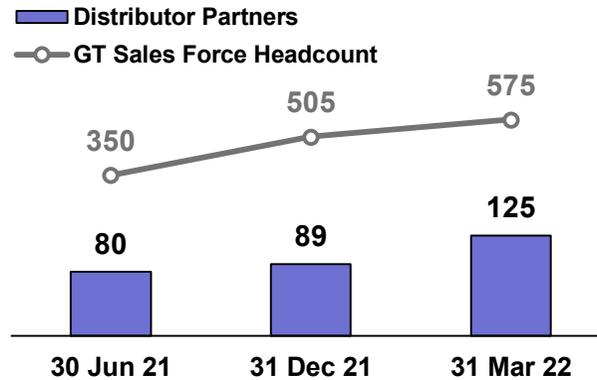
# We have successfully executed our expansion plans across sales channels, particularly in GT and our exclusive MCM channel



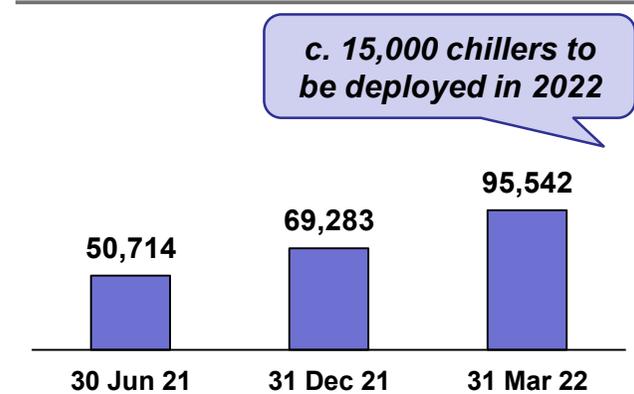
## General Trade (“GT”)



### Sales Force & Distributor Network

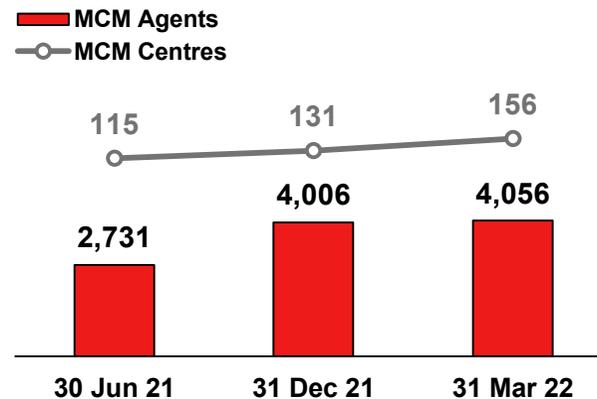


### Outlet Footprint

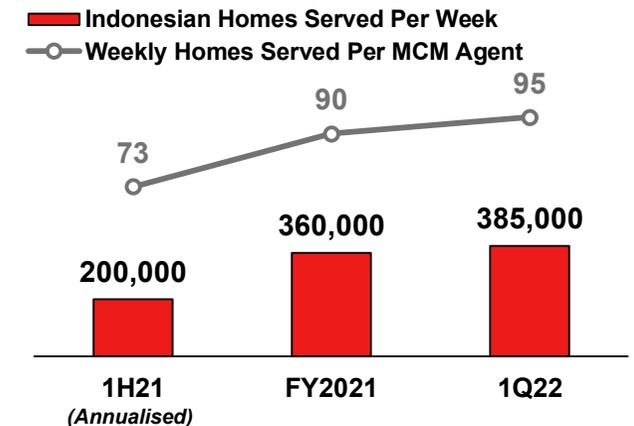


## Miss Cimory (“MCM”)

### MCM Agents & Centres



### MCM Reach



Note: 1) Others includes Food Service Industry, E-Commerce and Export segments.

# Cimory is well positioned to weather inflationary pressures which are impacting the dairy and meat sectors...



**Inflationary Pressures**



**Other Players**

*Subject to significant inflationary pressures and will need to incorporate effects of increased raw material and labour costs*



*Also subject to inflationary pressures, but well-positioned to weather impact given:*

- (i) significant volume-driven growth***
- (ii) premium price points resulting in strong margins***
- (iii) a well capitalised balance sheet to drive expansion initiatives***

...while still continuing to invest in channel growth and production capacity expansion in order to drive top-line growth



### Channel Growth

*Well positioned to take up shelf space vacated by competitors, and continue investing heavily across our fast-growing MCM and GT channels*



### Capacity Expansion

*We will continue to expand our production capacity and improve service levels in order to meet the significant demand across our product lines*



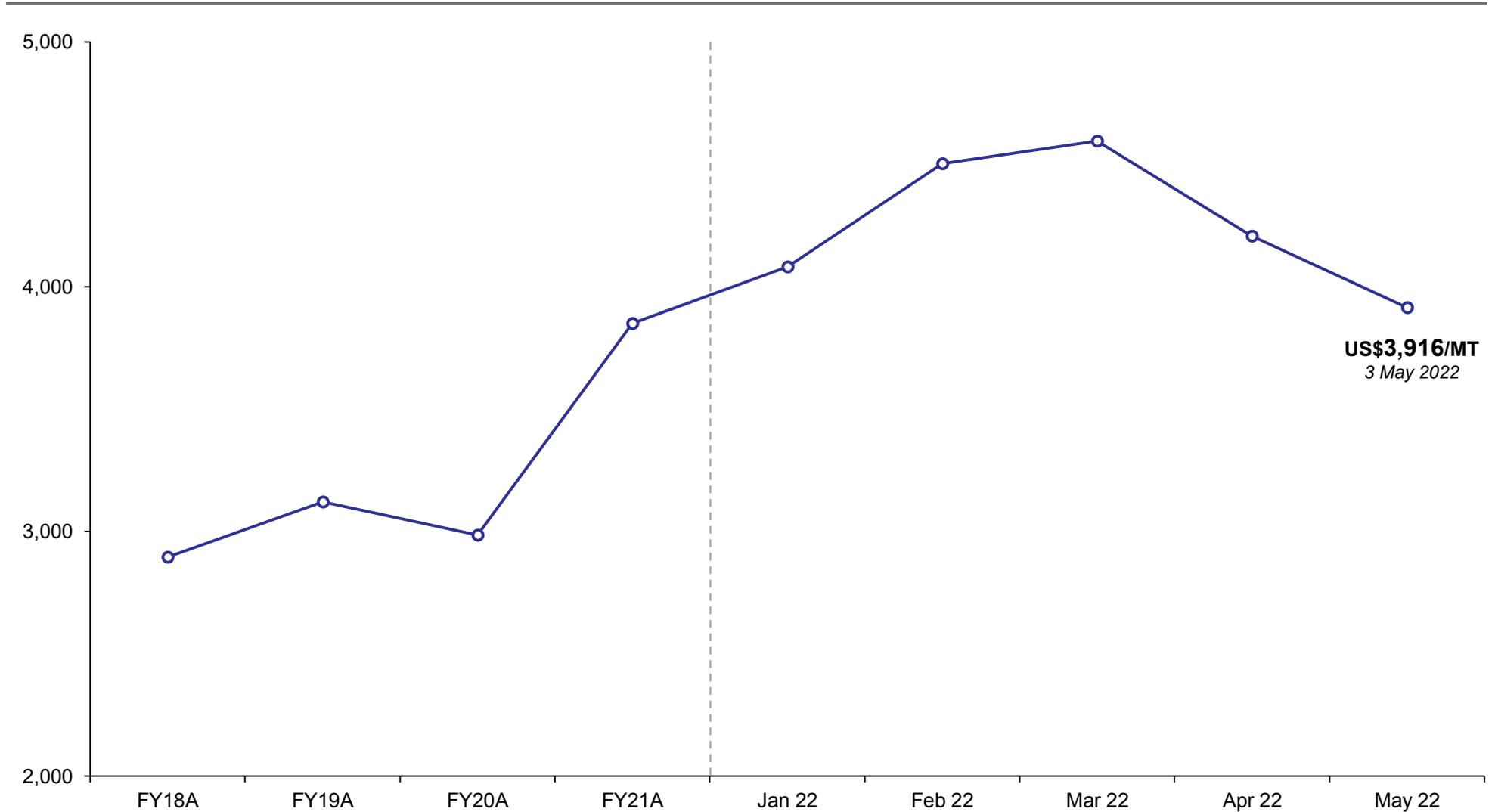
**Continued Top-Line Growth**



# Price of raw materials have begun 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 3 May 2022.

# 3 | Key Takeaways



# Key takeaways



1

**Rapid top-line Net Sales expansion in 1Q22 of 106% YoY compared to 1Q21, driven primarily by volume-based growth**

2

**Robust Net Sales growth coupled with comparative advantage in mitigating inflationary pressures resulted in strong nominal net profit performance**

3

**Selective ASP increases expected to be adopted in 3Q22 in order to sustain our gross margins**

4

**Further investments made to grow our manufacturing capabilities, with additional capacity for UHT and Premium Consumer Foods in FY22**

5

**Initiatives to deepen our channel penetration have positioned us for sustained long-term growth**



