

PT Cisarua Mountain Dairy Tbk

2021 Full Year Results Presentation

March 2022



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Officer*



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Chief Financial Officer &
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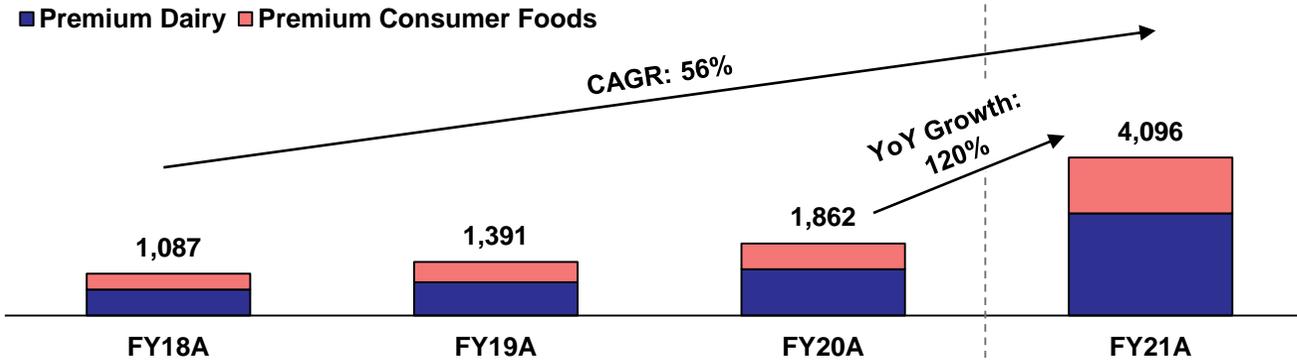
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1 | Financial Results





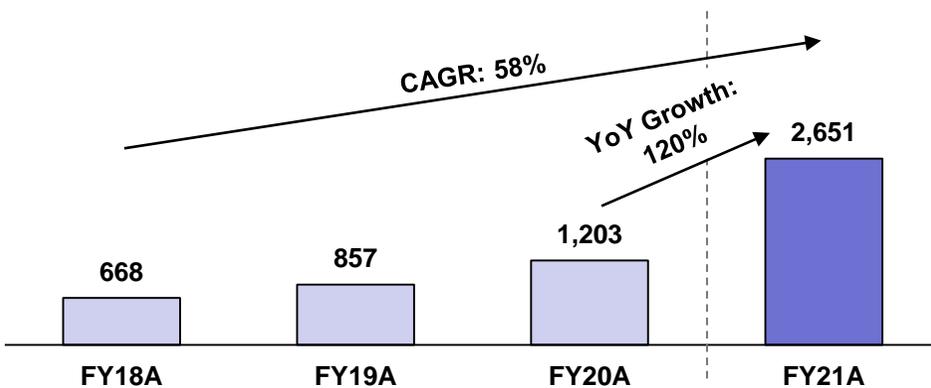
Total Net Sales (Rp bn)



Commentary

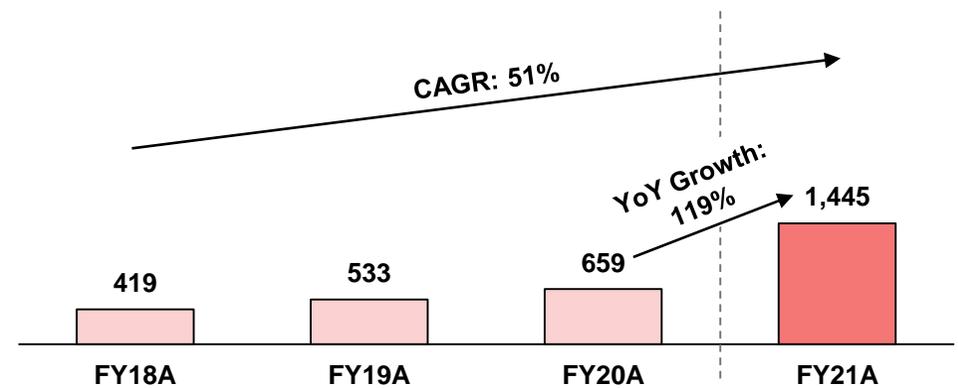
- Strong YoY Total Net Sales growth, with **equal growth rates across both of our operating segments**, namely Premium Dairy and Premium Consumer Foods

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 the year to meet high demand

Premium Consumer Foods Net Sales (Rp bn)

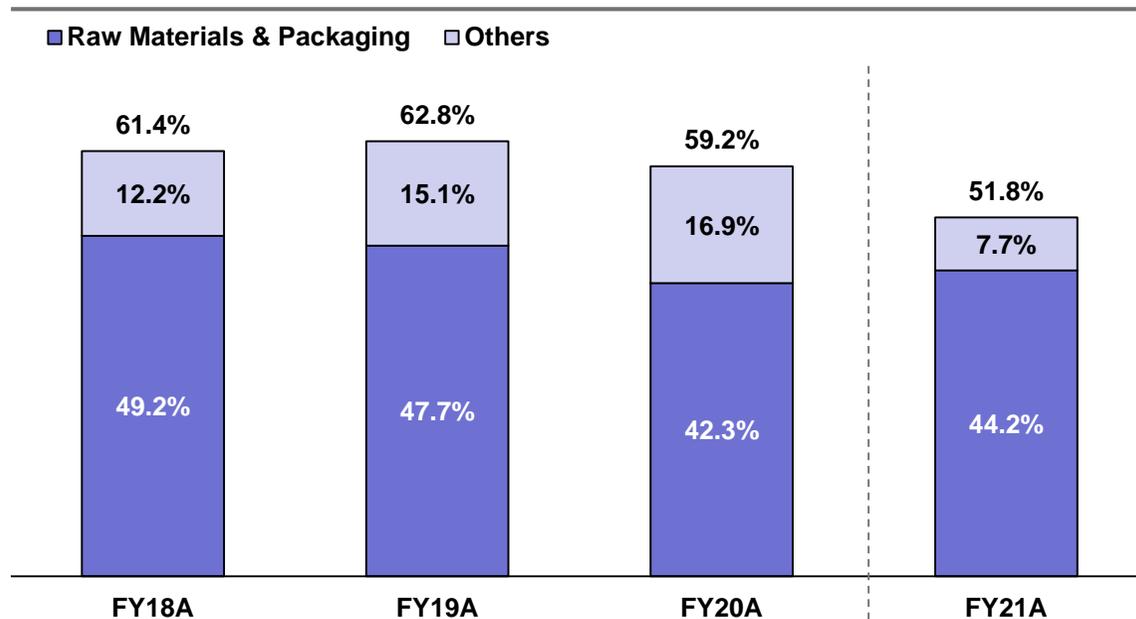


- Growth primarily driven by **strong performance of Kanzler Singles** as well as subsequent flavour extensions launched

Gross profit



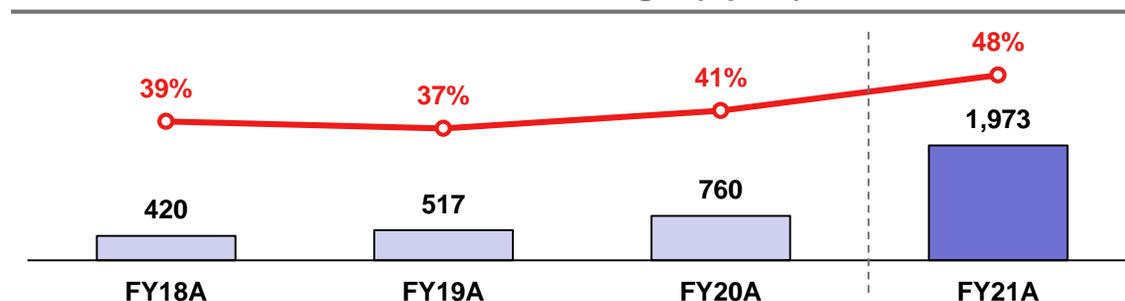
Cost of Sales % Net Sales (Rp bn)



Commentary

- Product mix changes contributing to decreasing Cost of Sales as a % of Net Sales, with **premium price points on newer product lines**, namely Cimory Pouch and Kanzler Singles
- Inflationary pressures stemming from COVID-19 are impacting supply chains globally, causing **increases to the costs of imported Raw Materials & Packaging**
- Negative effects of inflationary pressures are being **outpaced by benefits of scale on fixed costs** as sales volumes grow rapidly

Gross Profit & Margin (Rp bn)



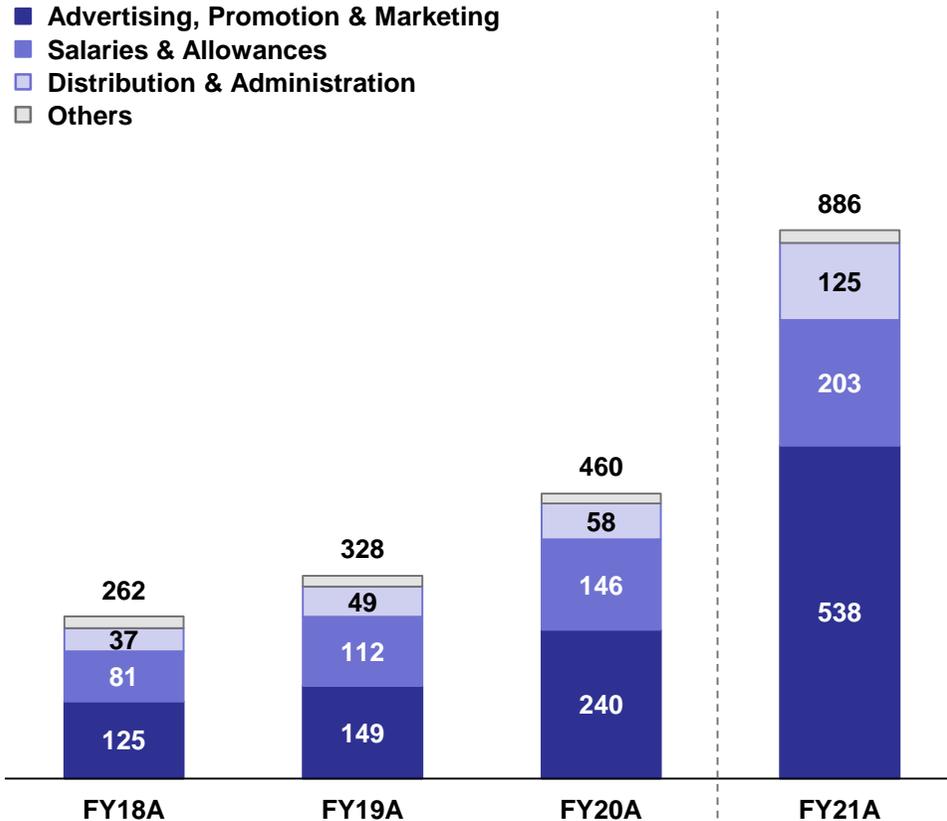
Commentary

- Generally, **profitability improvements from product mix changes** have far outweighed impact of rising Raw Materials & Packaging prices
- Additionally, **growing scale of operations** contributing to gross margin uplift

Selling & marketing expenses

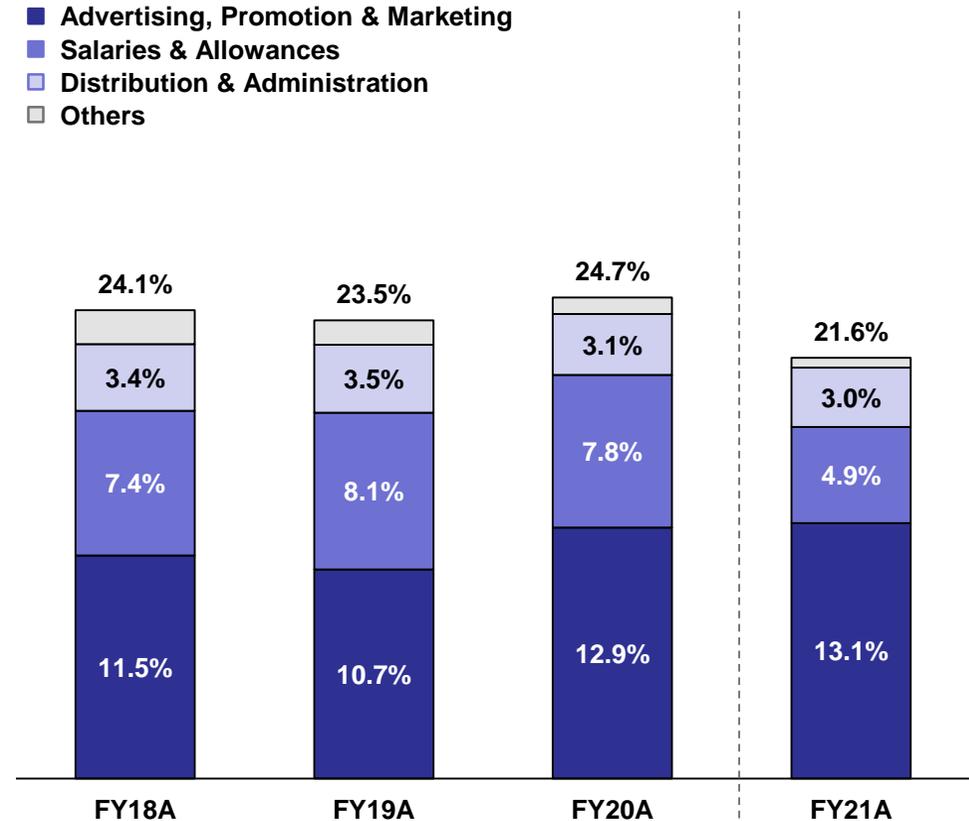


Selling & Marketing Expenses (Rp bn)



- 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)

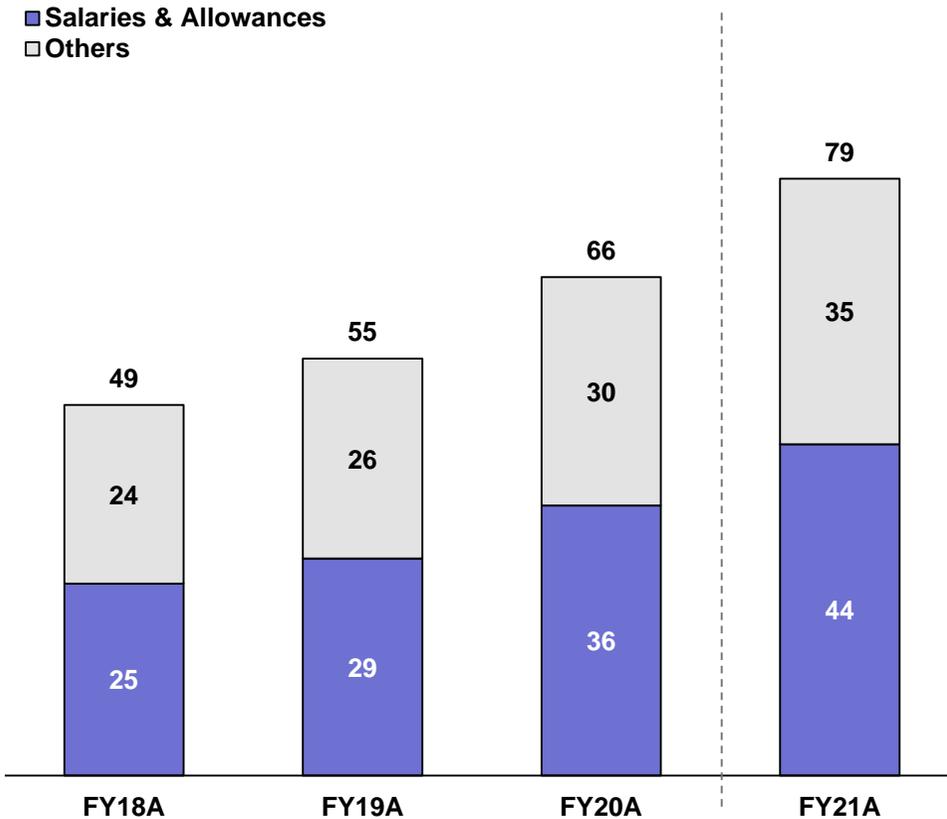


- Downward trend** of Selling & Marketing Expenses as a percentage of Net Sales
- Marketing and distribution functions enjoying benefits of scale** as top-line Net Sales continues to grow rapidly

General & administrative expenses

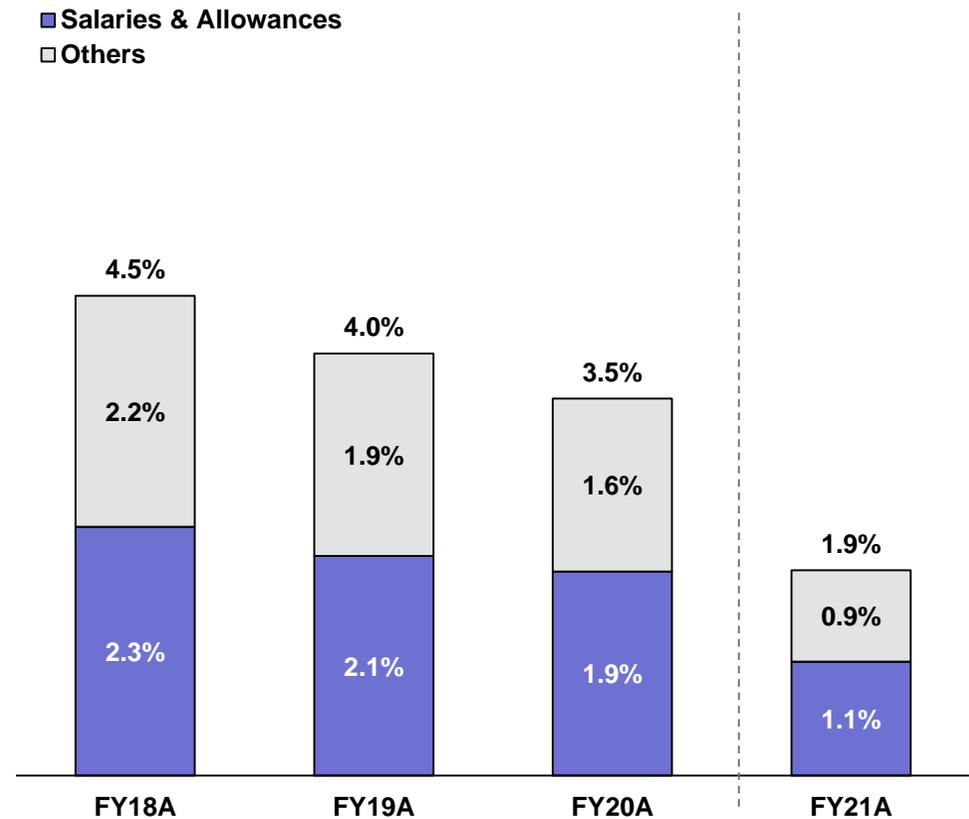


General & Administrative Expenses (Rp bn)



- 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)

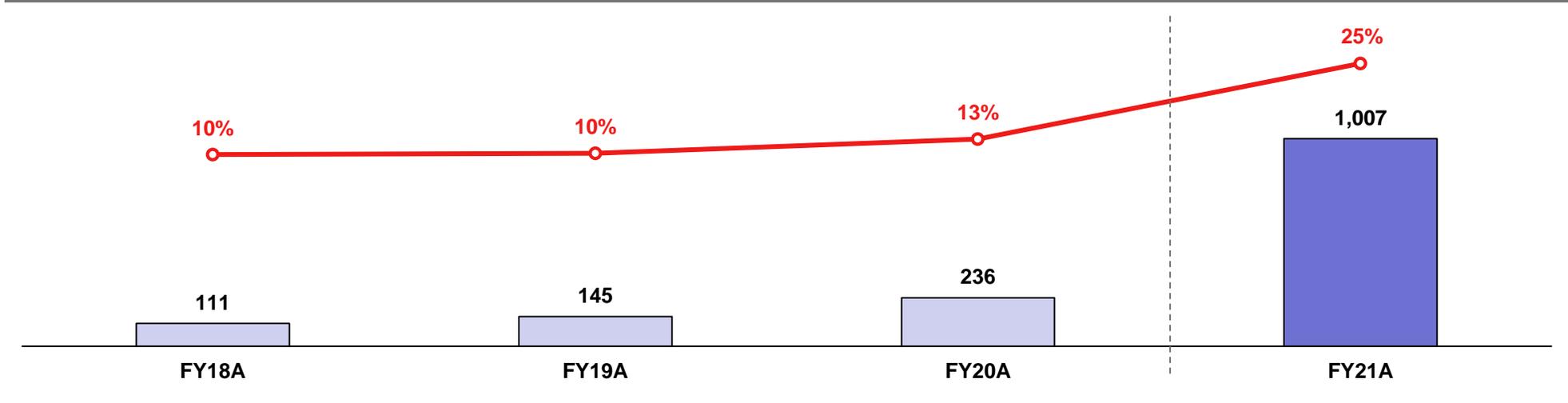


- Consistent **downward trend** in General & Administrative Expenses as a % of Net Sales owing to **significant operating leverage**

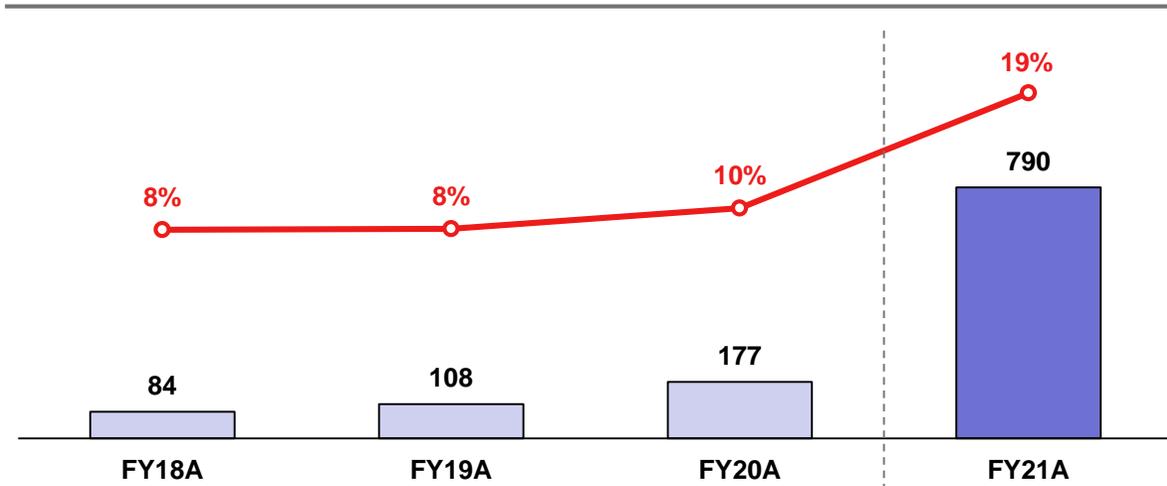
Operating & net profit



Operating Profit & Margin (Rp bn)



Net Profit & Margin⁽¹⁾ (Rp bn)



Commentary

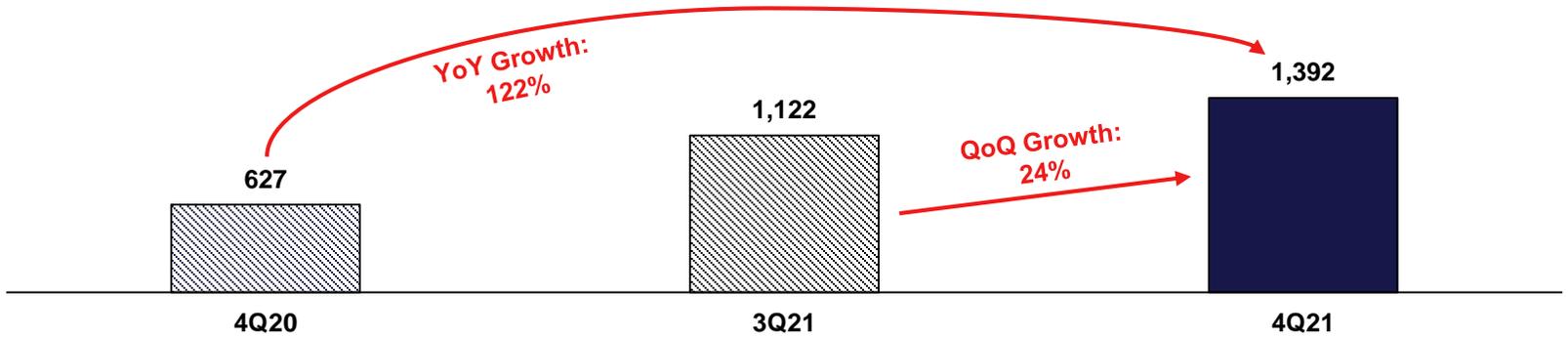
- Strong top-line growth flowing into improved Net Profit Margins due to **operating leverage and benefits of scale**
- Further enhanced by the **adoption of our new product lines**, leading to higher Net Profit Margins

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

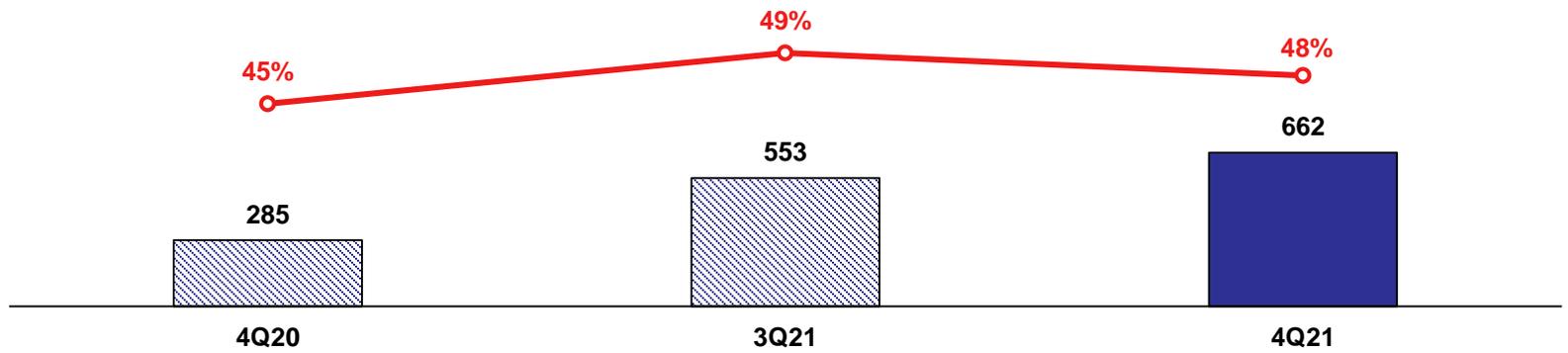
Quarterly performance



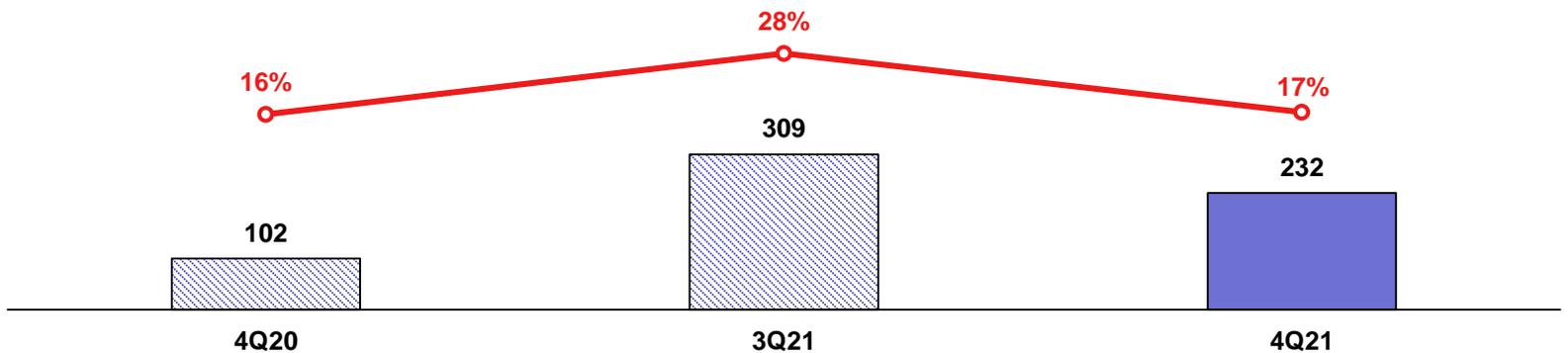
Net Sales



Gross Profit & Margin



Operating Profit & Margin

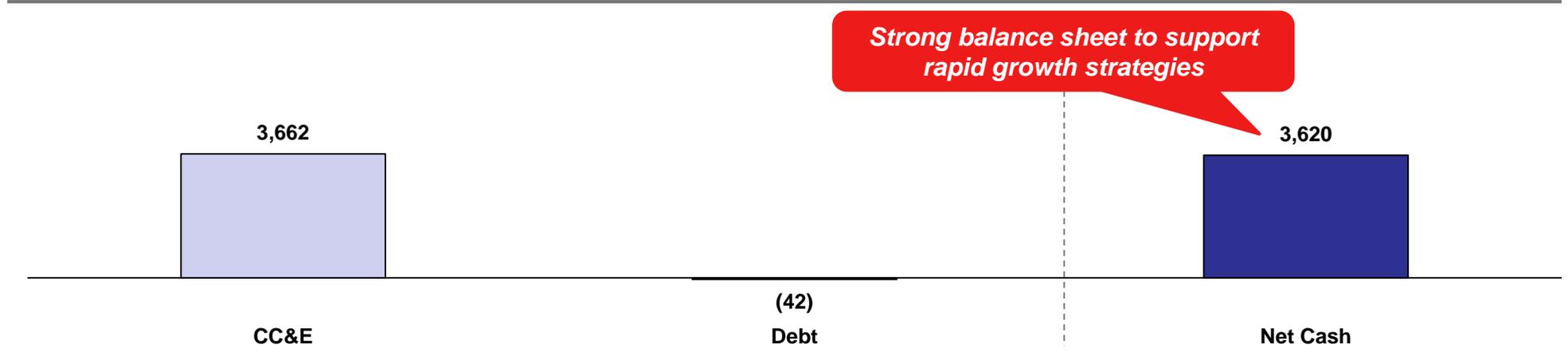


Note: Figures shown in RP bn.

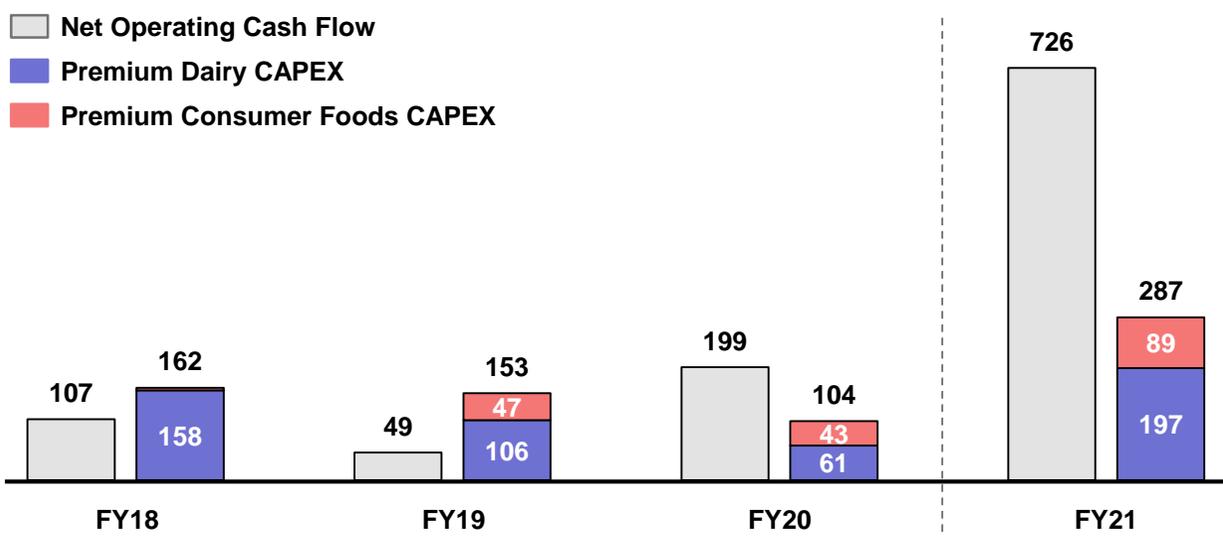
Balance sheet & cash flows



Net Cash (Debt) Position (Rp bn)



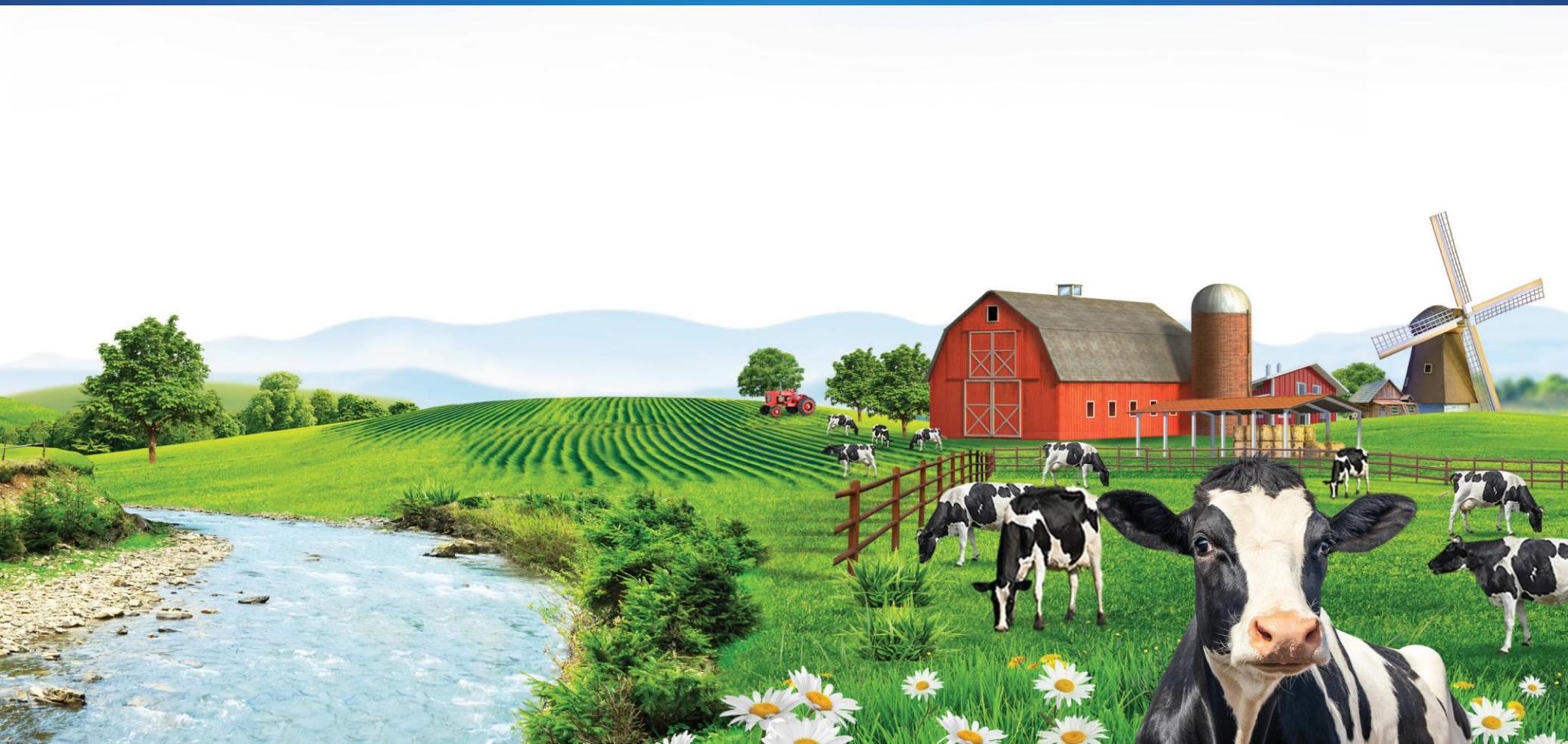
Net Operating Cash Flows vs Capital Expenditure (Rp bn)



Commentary

- FY18 and FY19 CAPEX investments made to support growth in new categories as well as product extension launches
- Cautious with CAPEX investments in FY20 due to uncertainty created by COVID-19
- **Growing investments in CAPEX in FY21** in order to further increase production capacity and meet high demand for our products

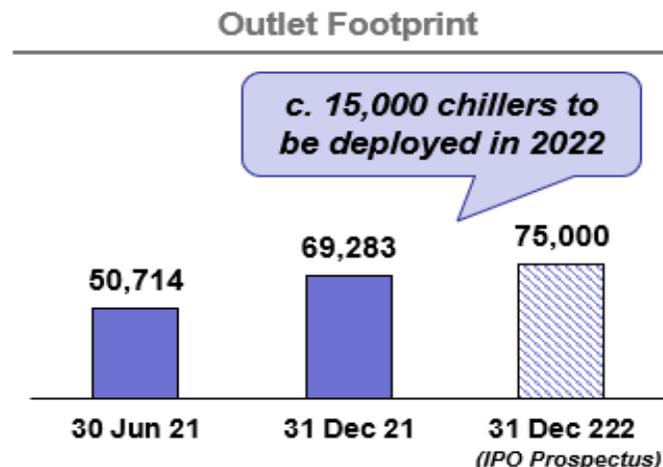
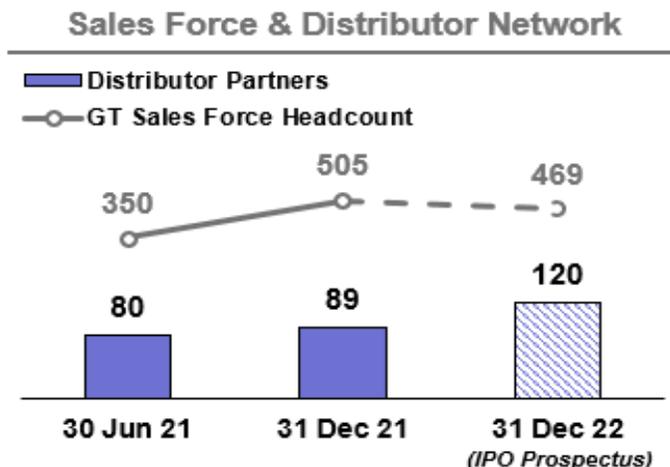
2 | Operational Performance



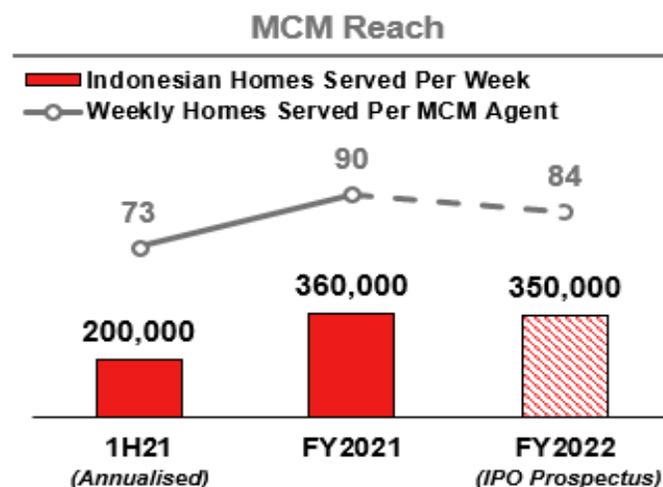
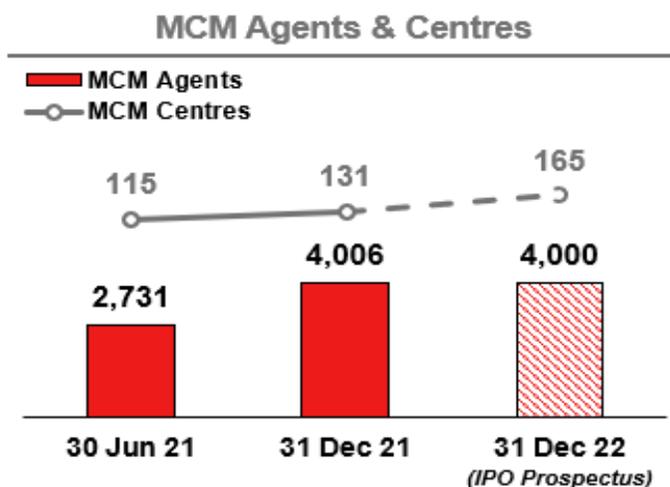
We have successfully executed our expansion plans across sales channels, particularly in GT and our exclusive MCM channel



General Trade (“GT”)



Miss Cimory (“MCM”)



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

Our production capacity for core products continues to grow, with focus now shifting towards increasing channel penetration



UHT Milk



- Increased production capacity for UHT milk in 1Q22
- To focus on increasing channel penetration

Cimory Pouch



- Production capacity constraints have been alleviated
- To focus on increasing channel penetration

Kanzler Singles



- New capacity expected to come online in 2Q22 in order to address strong demand for products

Kanzler Singles Bakso (RTE Meatballs)



- Launched in Nov 2021
- Encouraging performance to date, with sufficient capacity to meet demand

Macro events creating inflationary pressures on the supply chain for dairy and meat products



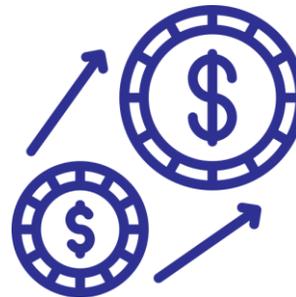
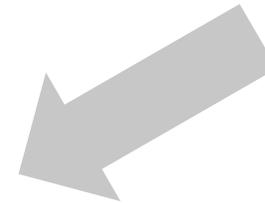
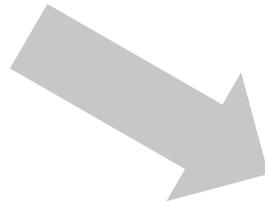
COVID-19 Impact

Continued disruptions to global supply chains have affected pricing and availability of raw materials as well as packaging materials



Ukraine & Russia Conflict

Russia and Ukraine are significant exporters of wheat products, conflict in the region is disrupting supply and the impact is trickling downstream to feed prices



Inflationary Pressures

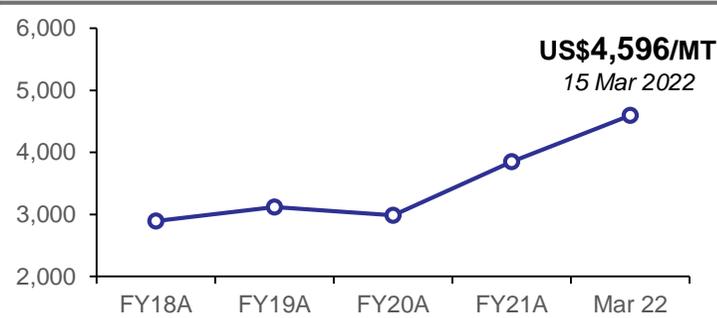
We are well positioned to weather inflationary pressures given our strong margins



Inflation Impact

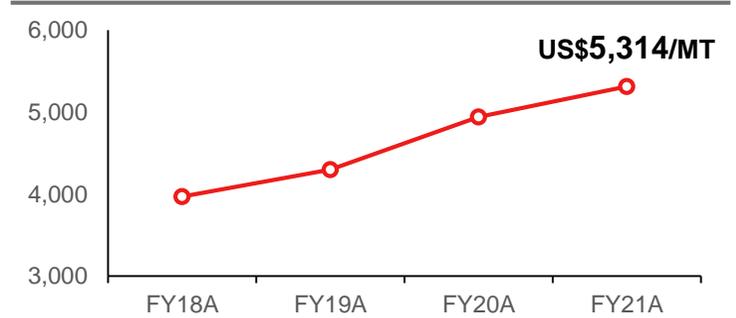
Premium Dairy

Whole Milk Powder Prices (US\$/MT)¹



Premium Consumer Foods

Annual Average Beef Purchase Price (US\$/MT)²



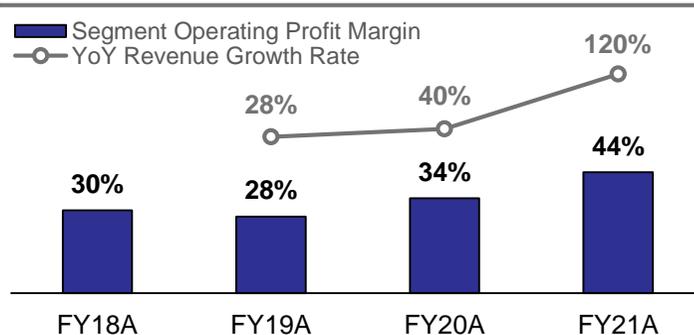
Short-Term Mitigates

6 months supply of milk powder
purchased in advance, up from
3 months pre-COVID-19

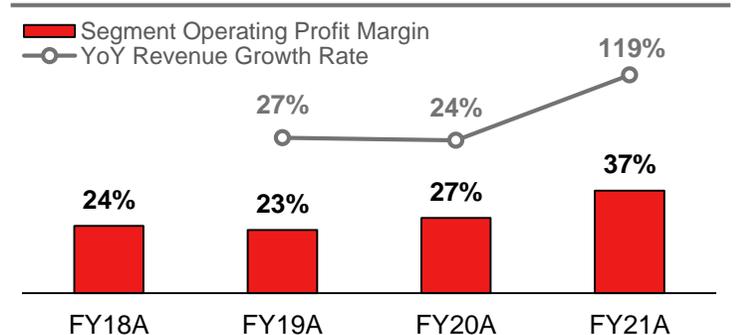
6 months supply of raw beef
purchased in advance, up from
3 months pre-COVID-19

Margin Buffer

Premium Dairy Growth & Margins



Premium Consumer Foods Growth & Margins



Note: 1) Per Global Dairy Trade as at 15 Mar 2022; 2) Company data.

We will continue to invest in channel growth and production capacity expansion in order to drive top-line growth



Channel Growth

We'll be 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

3 | Key Takeaways



Key takeaways



1

Rapid top-line growth of 120% YoY, with a near doubling of operating and net profit margins

2

Increased production capacity, with potential upside from further improvements to service levels

3

Strong balance sheet to support and accelerate our expansion plans across distribution channels, especially within GT and MCM

4

Opportunity in current operating environment to increase investments in growing channel reach, and further expand our digital marketing strategy

5

Well positioned to weather inflationary pressures thanks to premium price points and strong margins



4 | Appendix



Consolidated statement of profit or loss



	Year Ended 31 December			
	2018	2019	2020	2021
	(Rp Billions)	(Rp Billions)	(Rp Billions)	(Rp Billions)
Net Sales	1,086.9	1,390.8	1,861.9	4,095.7
Cost of Sales	(667.3)	(873.4)	(1,101.8)	(2,122.6)
Gross Profit	419.7	517.3	760.1	1,973.0
Selling & Marketing Expenses	(261.6)	(327.5)	(460.3)	(885.7)
General & Administrative Expenses	(49.0)	(55.2)	(65.9)	(78.9)
Other Income / (Expenses), Net	2.1	10.2	2.0	(1.8)
Operating Profit	111.2	144.8	236.0	1,006.7
Share in Net Profit (Loss) of Associates	(2.2)	2.8	(1.8)	5.1
Gain (Loss) on Foreign Exchange	0.4	1.8	(4.0)	0.1
Finance Income	3.5	0.1	0.4	7.4
Finance Cost	(0.7)	(4.7)	(4.9)	(3.1)
Loss on Divestment of Subsidiary	-	(1.3)	-	-
Profit Before Income Tax	112.1	143.5	225.7	1,016.1
Income Tax Expense	(28.5)	(35.6)	(48.7)	(225.9)
Profit For From Continuing Operations	83.5	107.9	177.0	790.2
Profit For From Discontinued Operations	0.3	0.2	-	-
Profit For The Year	83.9	108.1	177.0	790.2

Consolidated statement of financial position



	Year Ended 31 December			
	2018	2019	2020	2021
	(Rp Billions)	(Rp Billions)	(Rp Billions)	(Rp Billions)
Cash and cash equivalents	18.6	20.4	67.0	3,661.8
Total Current Assets	294.4	341.2	556.9	4,832.3
Total Non-Current Assets	365.2	474.1	529.9	771.5
Total Assets	659.7	815.3	1,086.8	5,603.8
Total Current Liabilities	183.0	181.2	275.5	844.9
Total Non-Current Liabilities	24.9	75.3	76.9	62.0
Total Liabilities	208.0	256.5	352.4	906.8
Total Equity	451.7	558.7	734.4	4,696.9
Total Liabilities and Equity	659.7	815.3	1,086.8	5,603.8

Consolidated statement of cash flows



	Year Ended 31 December			
	2018	2019	2020	2021
	<i>(Rp Billions)</i>	<i>(Rp Billions)</i>	<i>(Rp Billions)</i>	<i>(Rp Billions)</i>
Net cash provided by operating activities	107.5	48.9	198.9	725.6
Net cash used in investing activities	(148.3)	(47.5)	(105.3)	(288.5)
Net cash provided by/(used in) financing activities	(51.6)	5.7	(31.9)	(3,157.7)
Net Increase/(Decrease) In Cash And Cash Equivalents From Continued Operation	(92.4)	7.1	61.6	3,594.8
Net Increase/(Decrease) In Cash And Cash Equivalents From Discontinued Operation	0.5	(0.5)	-	-
Cash And Cash Equivalents At Beginning Of Year	90.7	(1.2)	5.4	67.0
Cash And Cash Equivalents At End Of Year	(1.2)	5.4	67.0	3,661.8

