

PT Cisarua Mountain Dairy Tbk

3Q 2023 Results Presentation

30 October 2023



Cimory
YOGURT DRINK
Blueberry

100% FRESH MILK
PASTEURIZED
INDONESIAN MOUNTAIN DAIRY
100% SUSU SEGAR
SUSU PASTEURISASI

Cimory
made with FRESH MILK
Marie Biscuits
SUSU UHT

Cimory
THICK & CREAMY
Squeeze!
YOGURT
Peach

KANZLER
PREMIUM QUALITY SINCE 1999
BOCKWURST
EXTRA MEATY

KANZLER
Singles
ORIGINAL
SUDAH MATANG
TINGGAL MAKAN

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Our Presenters Today



Farell Sutantio

*President Director
Group Chief Executive Officer*



Axel Sutantio

*Director
MP Chief Executive Officer*



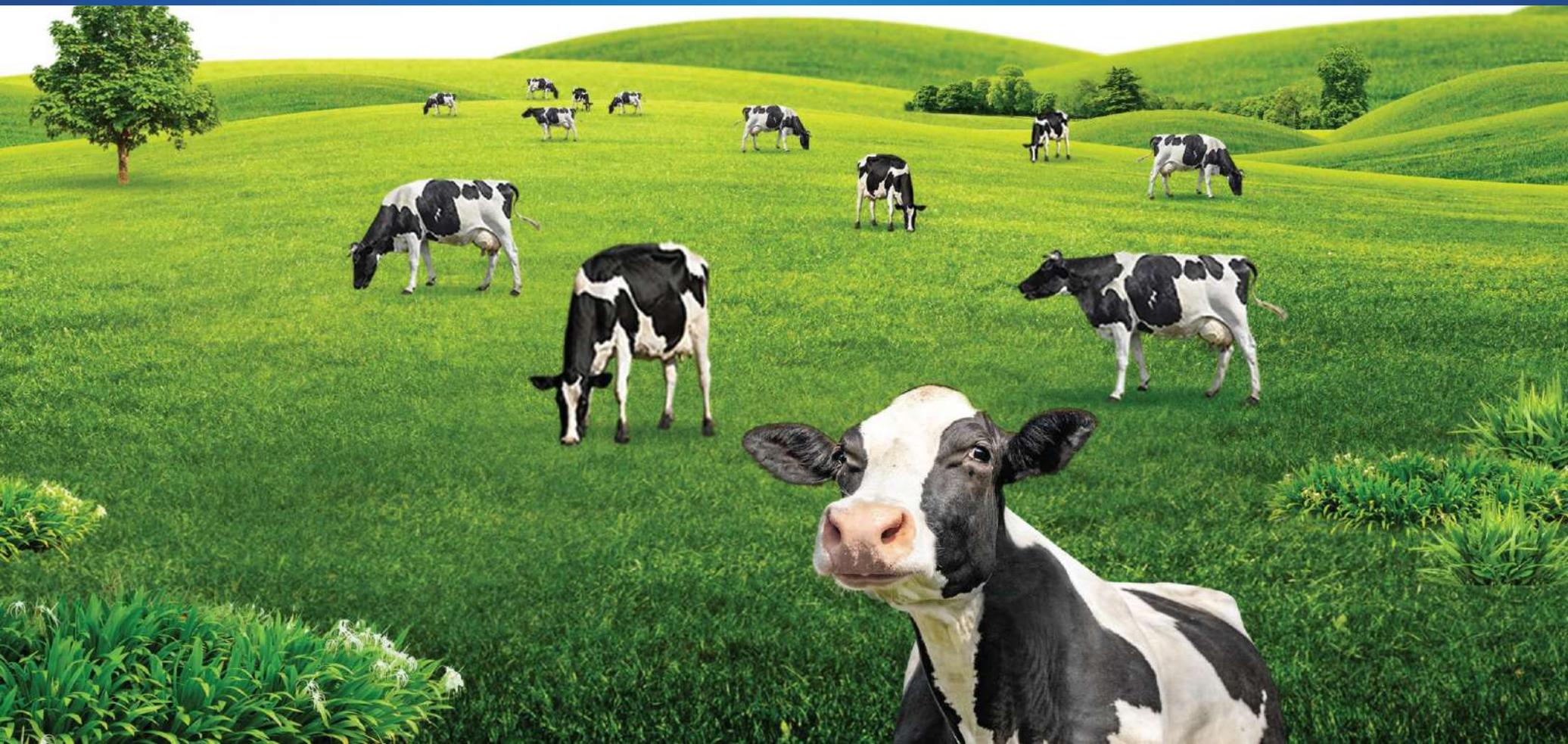
Bharat Joshi

*Director
Chief Financial Officer
& Investor Relations*



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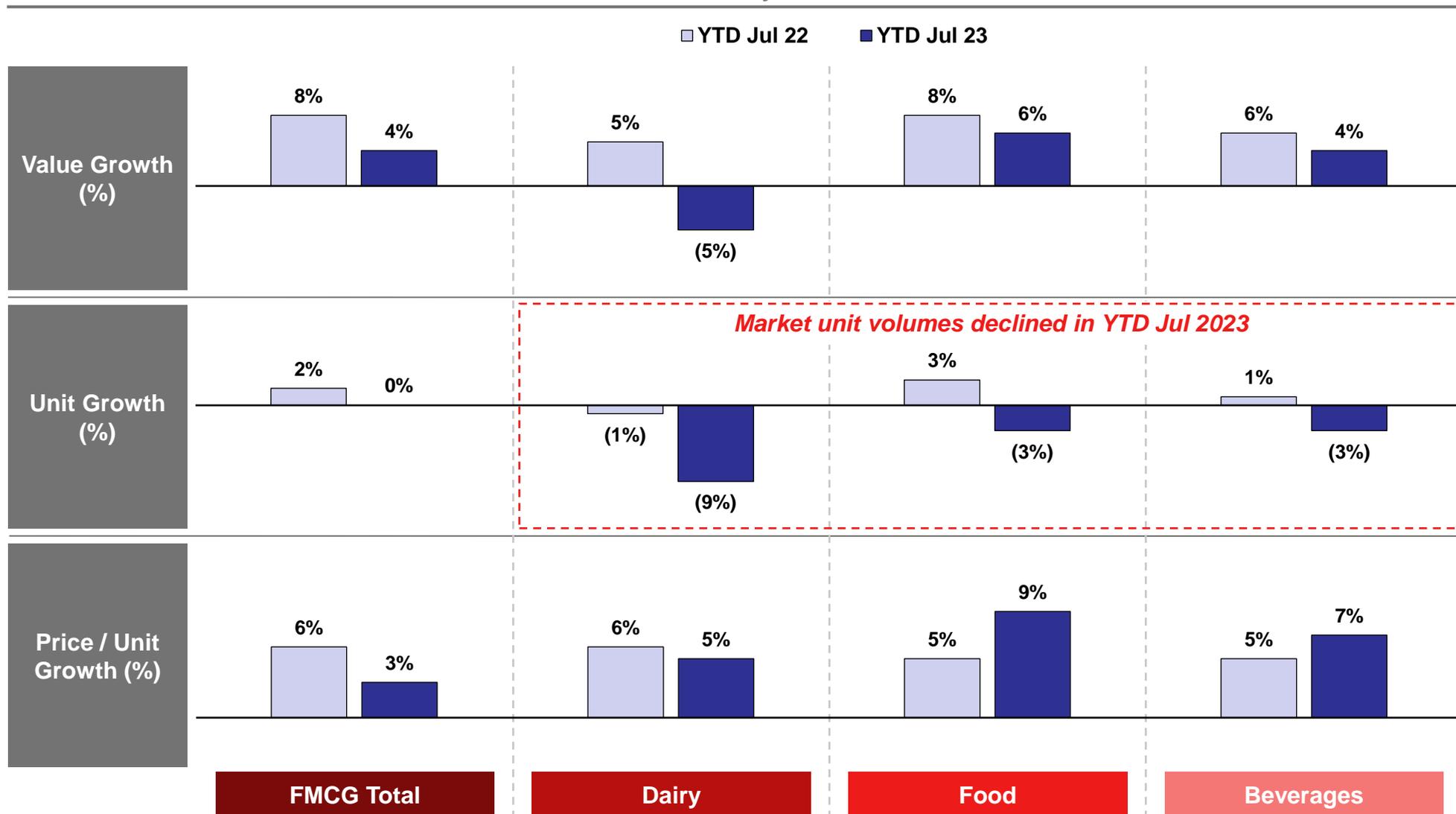
1 | Financial Results



Despite contractions across Indonesia's food and beverage markets, Cimory continues to achieve resilient growth



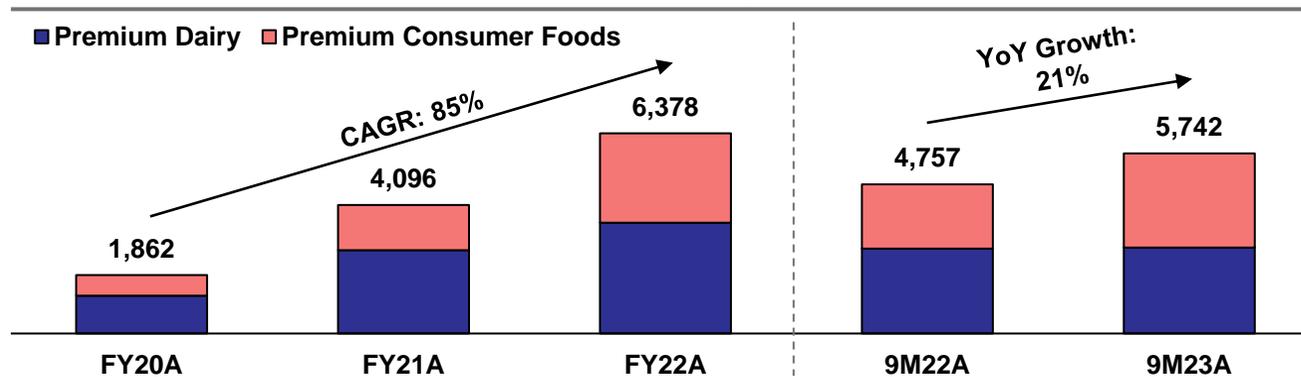
Indonesia Growth by FMCG Sector



Net sales



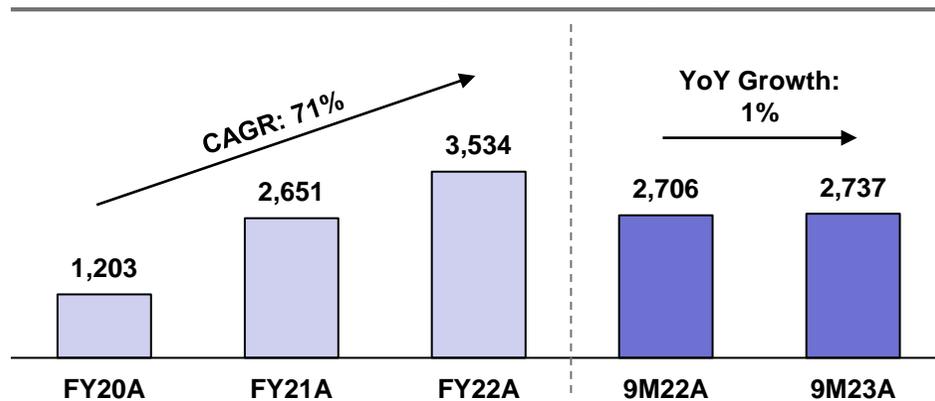
Total Net Sales (Rp bn)



Commentary

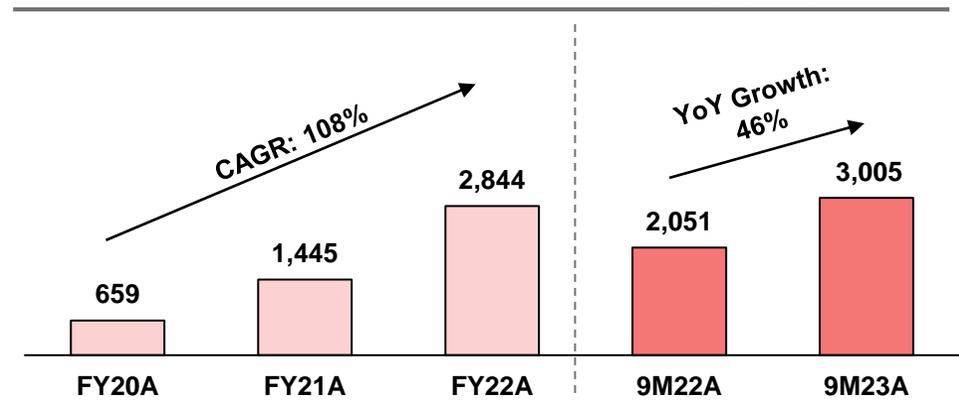
- Continued YoY expansion of Total Net Sales, primarily driven by **strong growth in Premium Consumer Foods**

Premium Dairy Net Sales (Rp bn)



- Continued YoY growth of UHT Milk in 9M23**
- Yogurt sales were challenged in 9M23A, compared against a high base of sales in 9M22A, however **newly launched Yogurt Sticks have seen healthy customer adoption**

Premium Consumer Foods Net Sales (Rp bn)

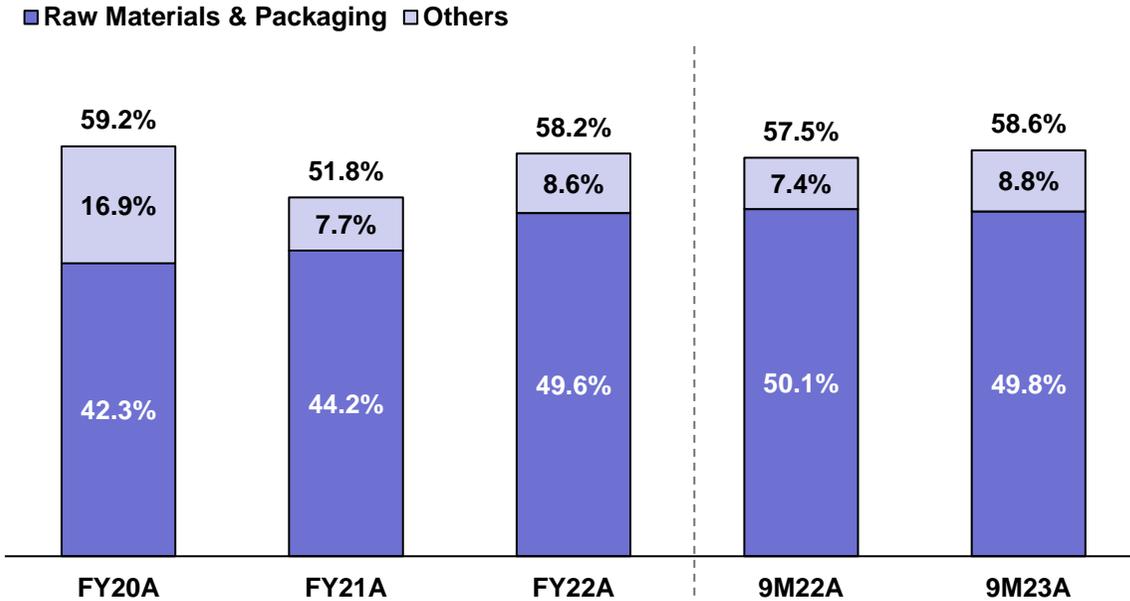


- Strong YoY growth of 46% in 9M23**, with **contributions across all product categories including recent launches**
- Sufficient production capacity to meet growing demands

Gross profit



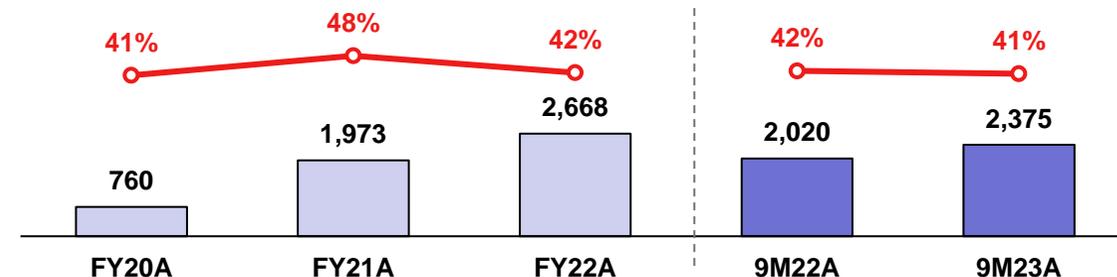
Cost of Sales % Net Sales (Rp bn)



Commentary

- Raw Material prices have normalised (in particular, Dairy prices), whilst Packaging prices remain elevated and may increase further
- Growth of Others (including fixed overheads) reflects **frontloaded costs associated with capacity ramp-up** as the business continues to grow rapidly

Gross Profit & Margin (Rp bn)



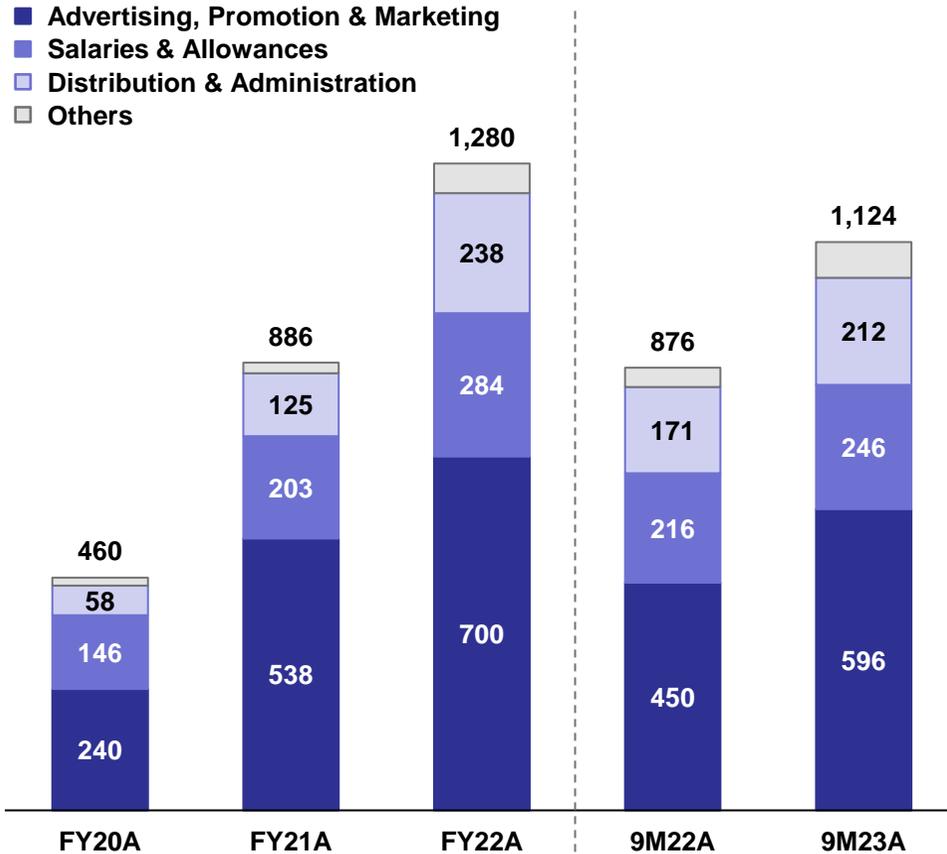
Commentary

- Strong growth in the top line has driven **Gross Profit growth of 18% YoY in 9M23**

Selling & marketing expenses

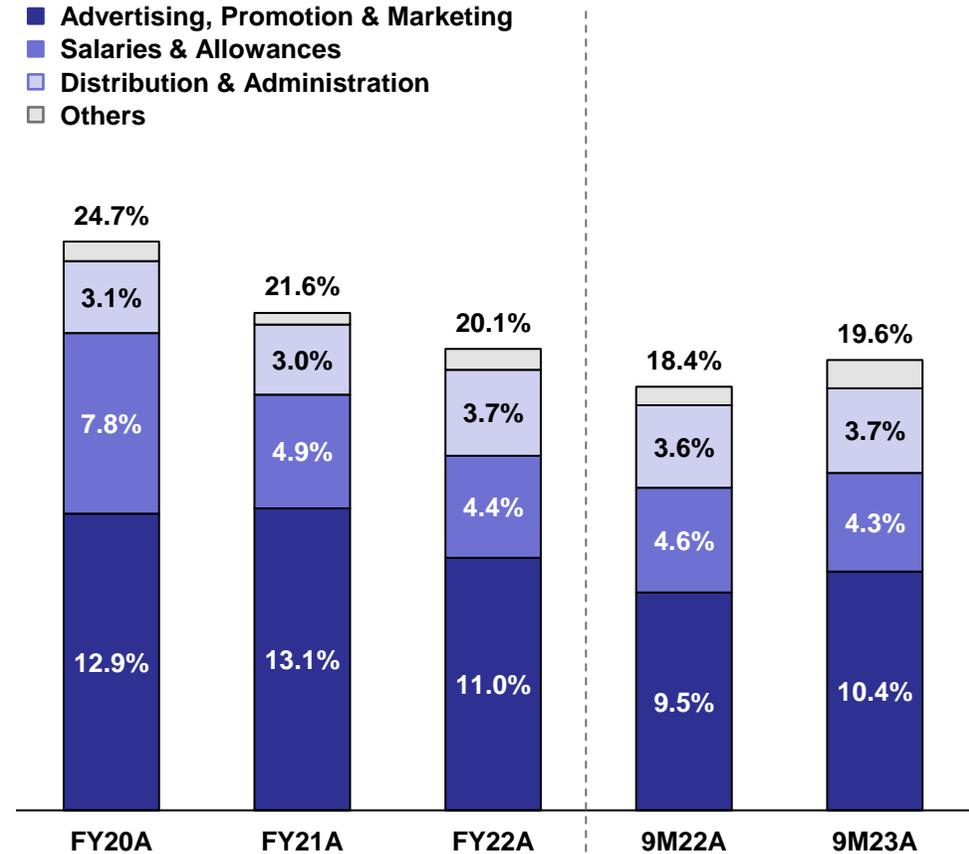


Selling & Marketing Expenses (Rp bn)



- Increased Marketing spend to **support new product launches in 9M23**
- Also saw **increased Promotion activities, especially in the General Trade channel**

Selling & Marketing Expenses % Net Sales (Rp bn)



- Selling & Marketing Expenses as a % of Net Sales **within normalised levels**

New product launches



Launch of Yoghurt Sticks in General Trade and Modern Trade



vanto de Bitung
24 OKT 2023 15:07:00

Launch of Kanzler Nuggets in General Trade and Modern Trade



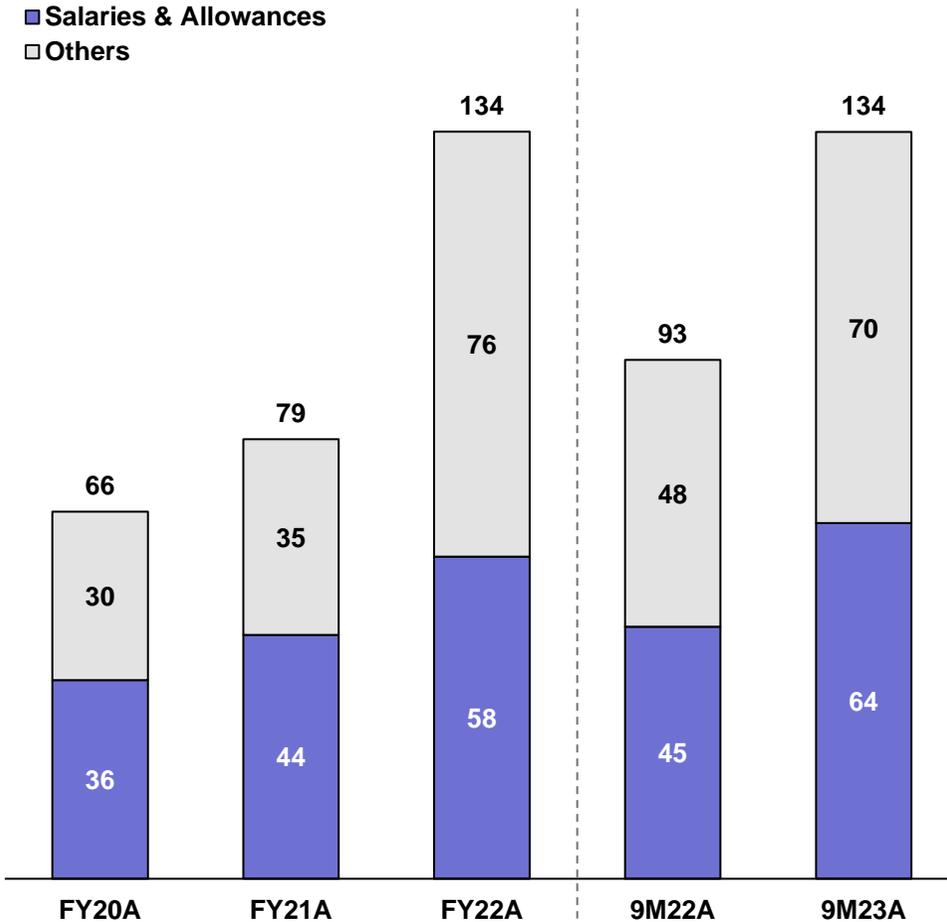
Brand ambassador campaign



General & administrative expenses

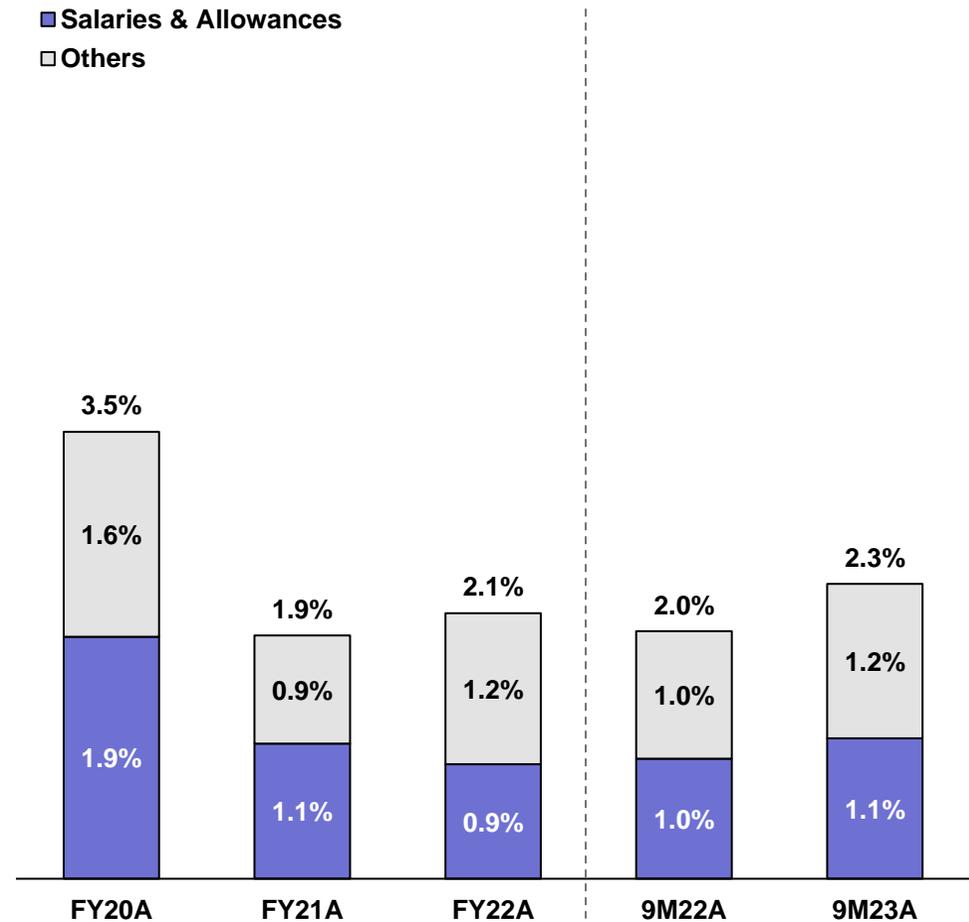


General & Administrative Expenses (Rp bn)



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

General & Administrative Expenses % Net Sales (Rp bn)

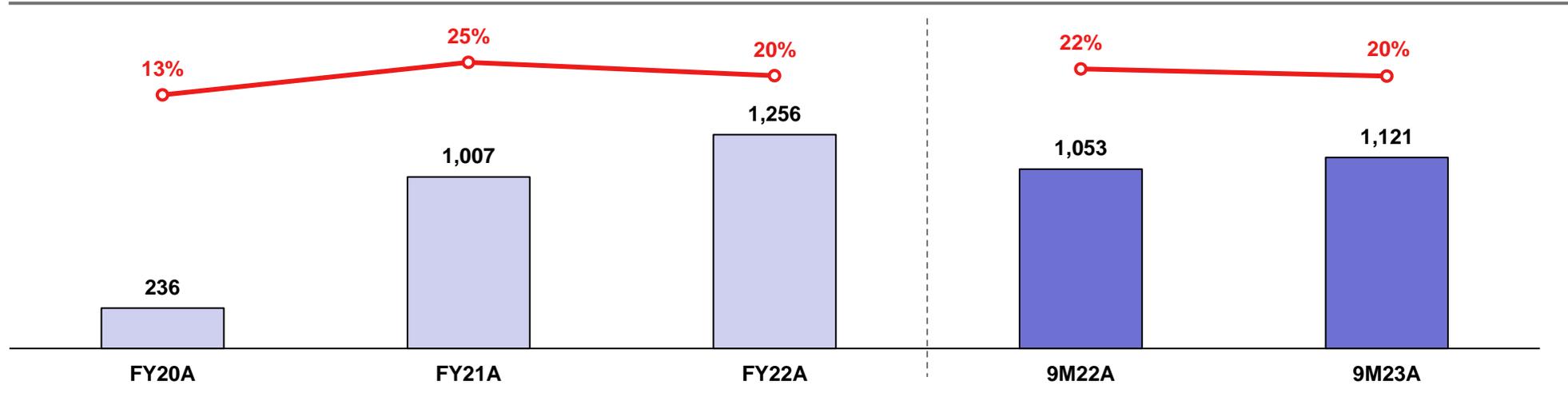


■ Over time, expected to **benefit from economies of scale**

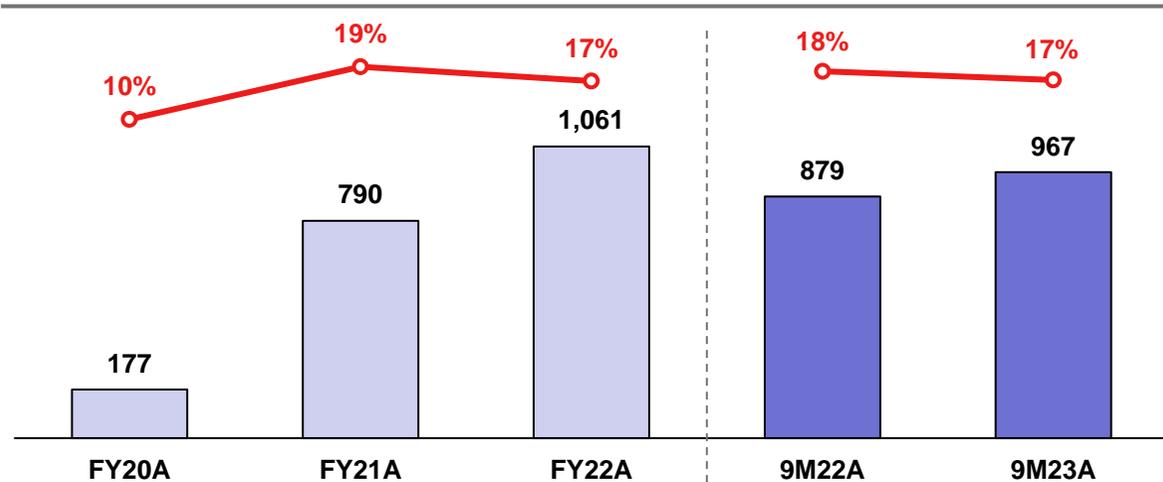
Operating & net profit



Operating Profit & Margin (Rp bn)



Net Profit & Margin (Rp bn)



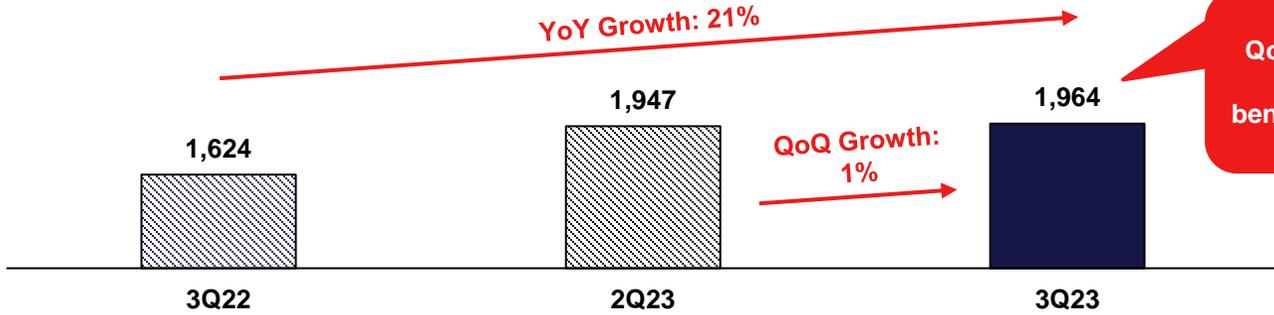
Commentary

- **Strong top-line growth led to improved absolute net profits**
- Benefits from scale expected as capacity ramp-ups come into effect

Quarterly performance

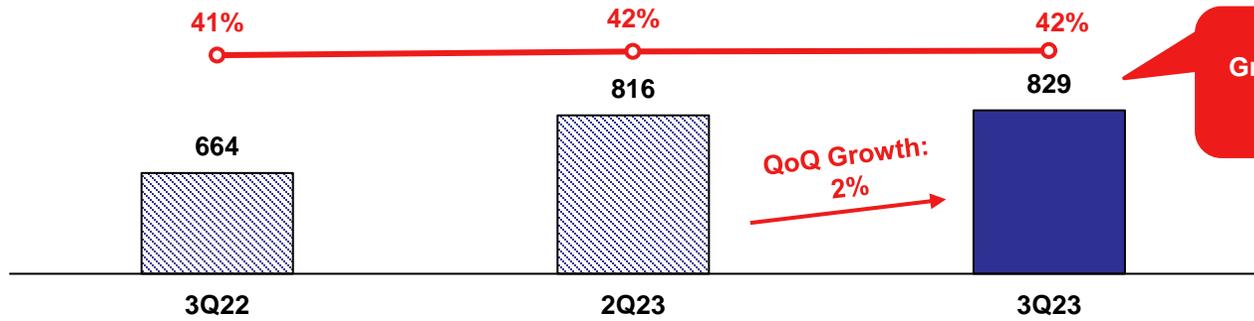


Net Sales



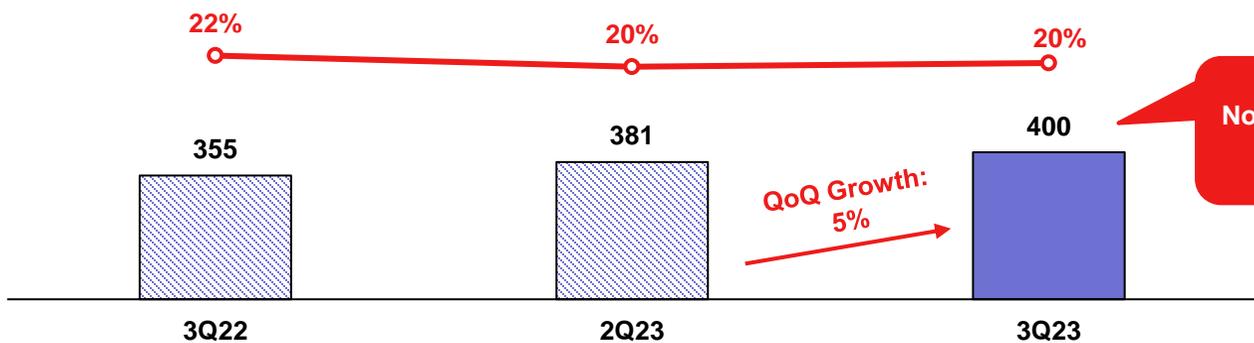
QoQ growth despite high base in 2Q23 (which benefited from seasonality)

Gross Profit & Margin



Gross Profit Margins have largely stabilised

Operating Profit & Margin



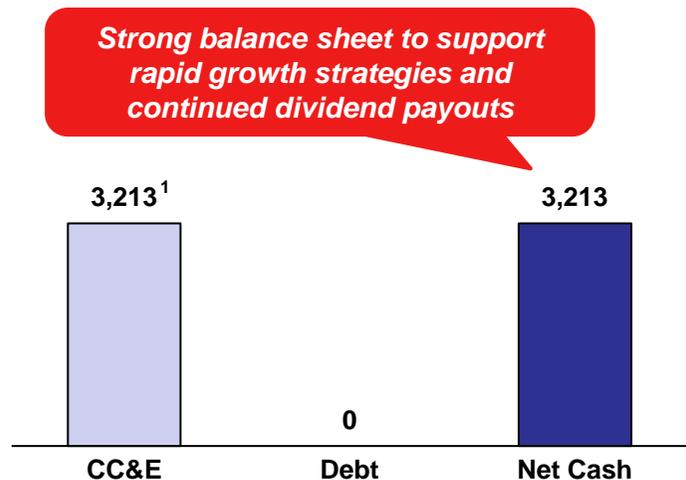
Normalisation of marketing spend in 3Q23

Note: Figures shown in RP bn.

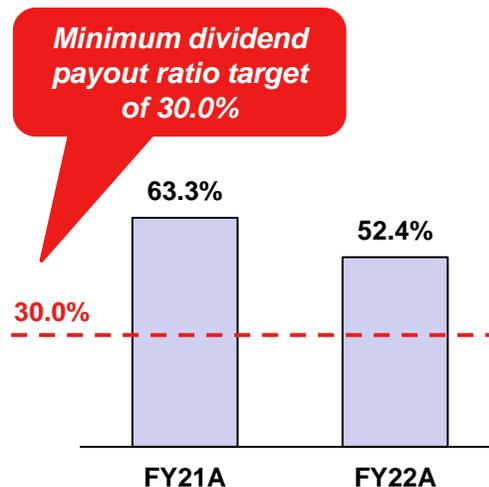
Balance sheet & cash flows



Net Cash Position (Rp bn)



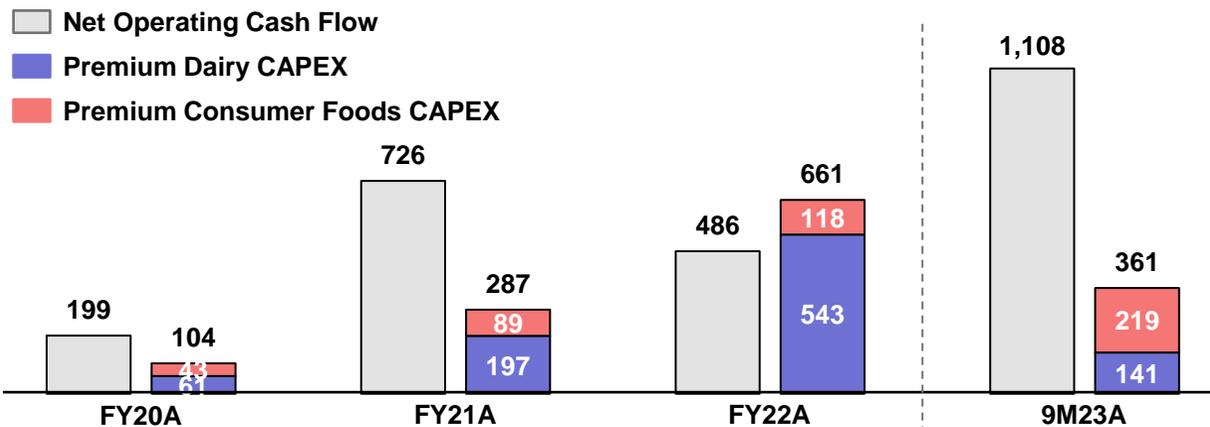
Dividend Payout Ratio (%)²



Commentary

- **Strong net cash position** to continue to drive growth initiatives
- Well positioned to **continue delivering healthy dividends to shareholders**

Net Operating Cash Flows vs Capital Expenditure (Rp bn)

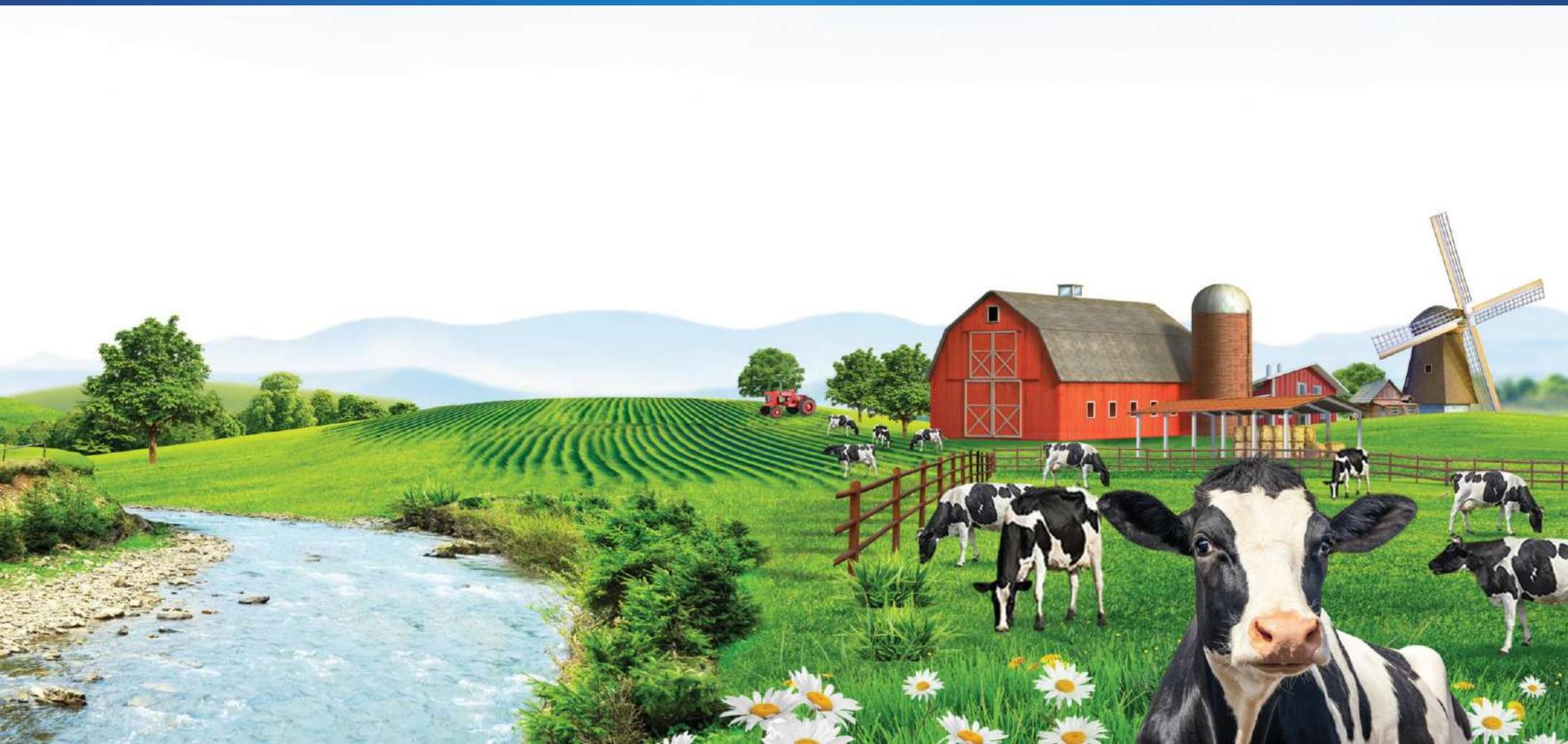


Commentary

- Strong Net Operating Cash Flows in 9M23 driven by **improved working capital positions**, including lower and more **normalised inventory levels** (strategically increased during COVID-19 period)
- Bulk of required CAPEX investments for capacity expansions were made in FY22, resulting in **minimal CAPEX spend in 9M23**

Note: 1) Includes IDR1.0tn of current and non-current investment in Marketable Securities (i.e. government bonds); 2) Based on consolidated net income from the previous year.

2 | Operational Performance



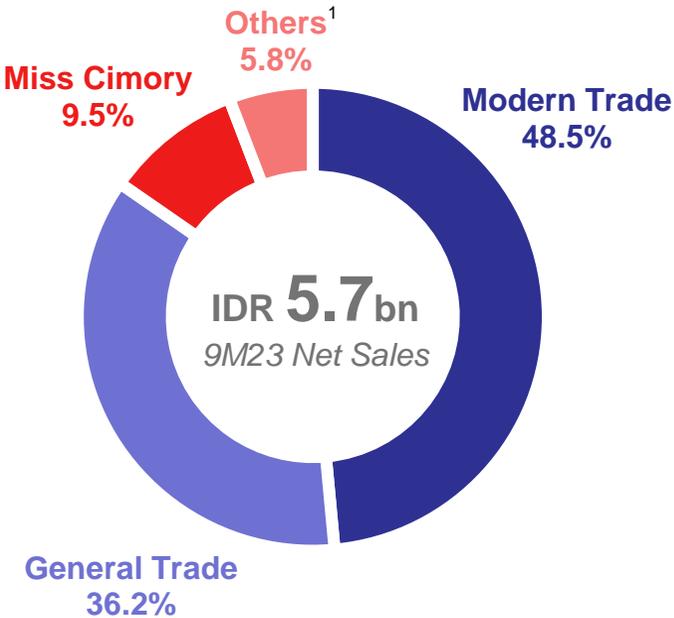
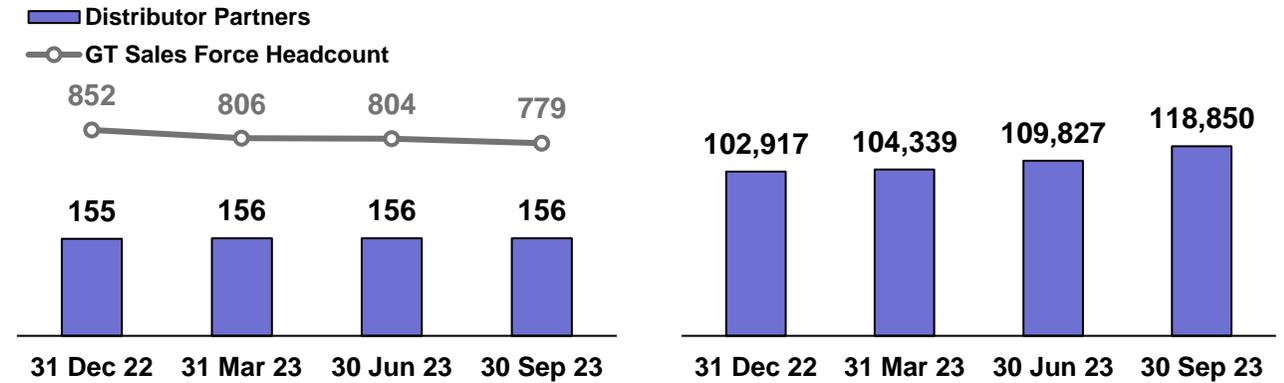
Strong growth seen in the General Trade and Miss Cimory sales channels



General Trade (“GT”)

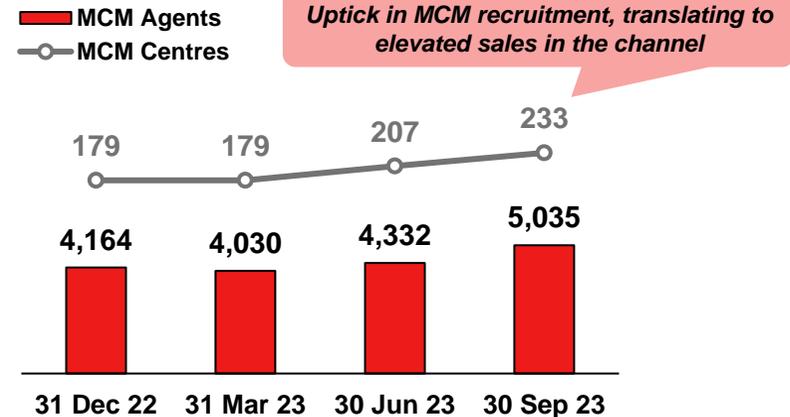
Sales Force & Distributor Network

Outlet Footprint



Miss Cimory (“MCM”)

MCM Agents & Centres

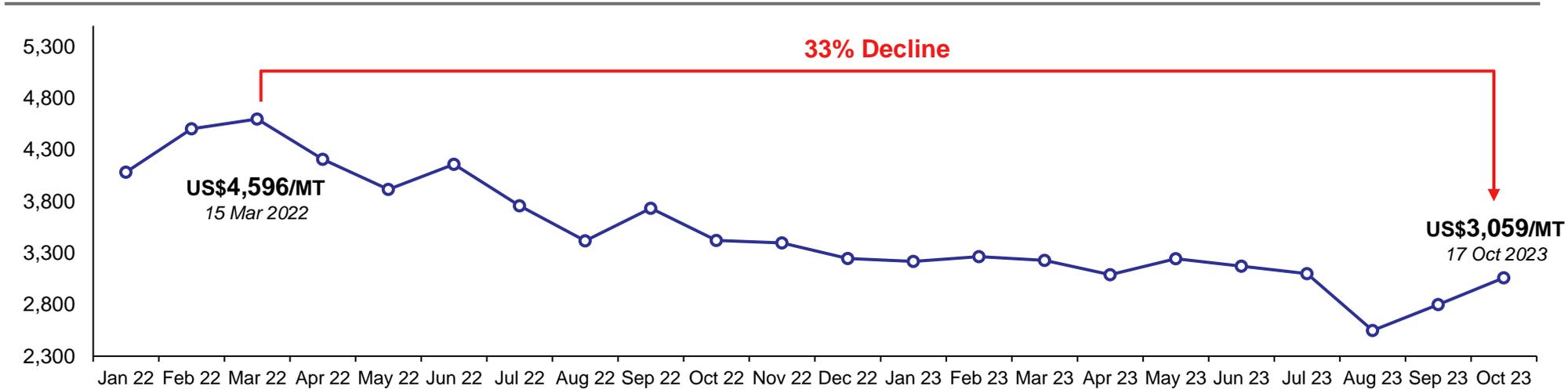


Note: 1) Others includes Food Service Industry.

Whilst the price of raw materials have normalised, FX movements have been adverse over the period



Whole Milk Powder Prices (US\$/MT)¹



Exchange Rate (USD / IDR)²

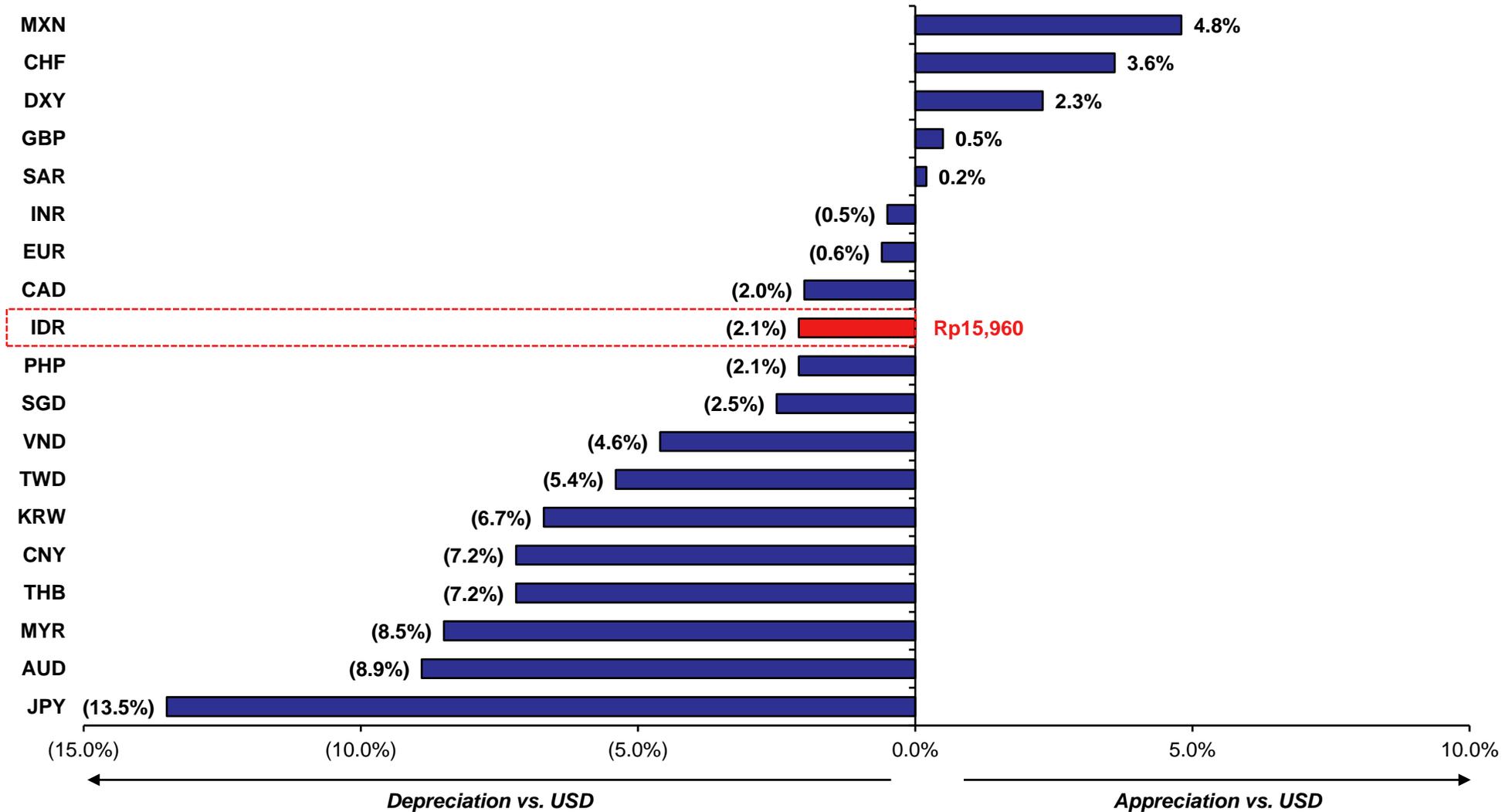


Note: 1) Per Global Dairy Trade as at 17 Oct 2023; 2) Factset as at 17 Oct 2023.

However, in context of a strengthening USD, the IDR remains one of the most stable currencies in the region



Global Currency Performance YTD Oct 23



Growth supported by launch of products into new channels, and continued innovations through new products and extensions



Premium Dairy

Yogurt Stick
New Product

UHT Milk
Flavour Extensions

Frutas Jelly
New Product

Yoghurt Stick
Flavour Extensions

Premium Consumer Food



3 | Key Takeaways



Key takeaways



1

Strong 9M23 top-line expansion of 21% YoY, driven primarily by volume-based growth

2

Consumer Foods exhibited exceptional performance of 46% YoY Net Sales growth in 9M23, with contributions from all categories

3

Despite a challenging environment, Dairy sales remained flat YoY against a high base of sales in 9M22A, with growth observed in UHT milk and the newly launched Yogurt Sticks

4

Launch of proven products into new sales channels, and continued innovations through product launches and flavor extensions, to drive continued topline growth

5

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



1

If enacted, what is the anticipated effect of Indonesia's proposed sugar tax on Cimory's business?

2

How will the observed decline in dairy prices and strengthening of the USD effect Cimory's margins?

3

Has growth in Indonesia's dairy segment tapered? What is Management's views on the future growth potential of the segment?

