

PT Cisarua Mountain Dairy Tbk

2023 Full Year Results Presentation

March 2024



Cimory
YOGURT DRINK
Blueberry

100% FRESH MILK
PASTEURIZED
INDONESIAN MOUNTAIN DAIRY

Cimory
made with FRESH MILK
Marie Biscuits

Cimory
THICK & CREAMY
Squeeze!
YOGURT
Peach

KANZLER
PREMIUM QUALITY SINCE 1999
BOCKWURST
EXTRA MEATY

KANZLER
Singles
ORIGINAL

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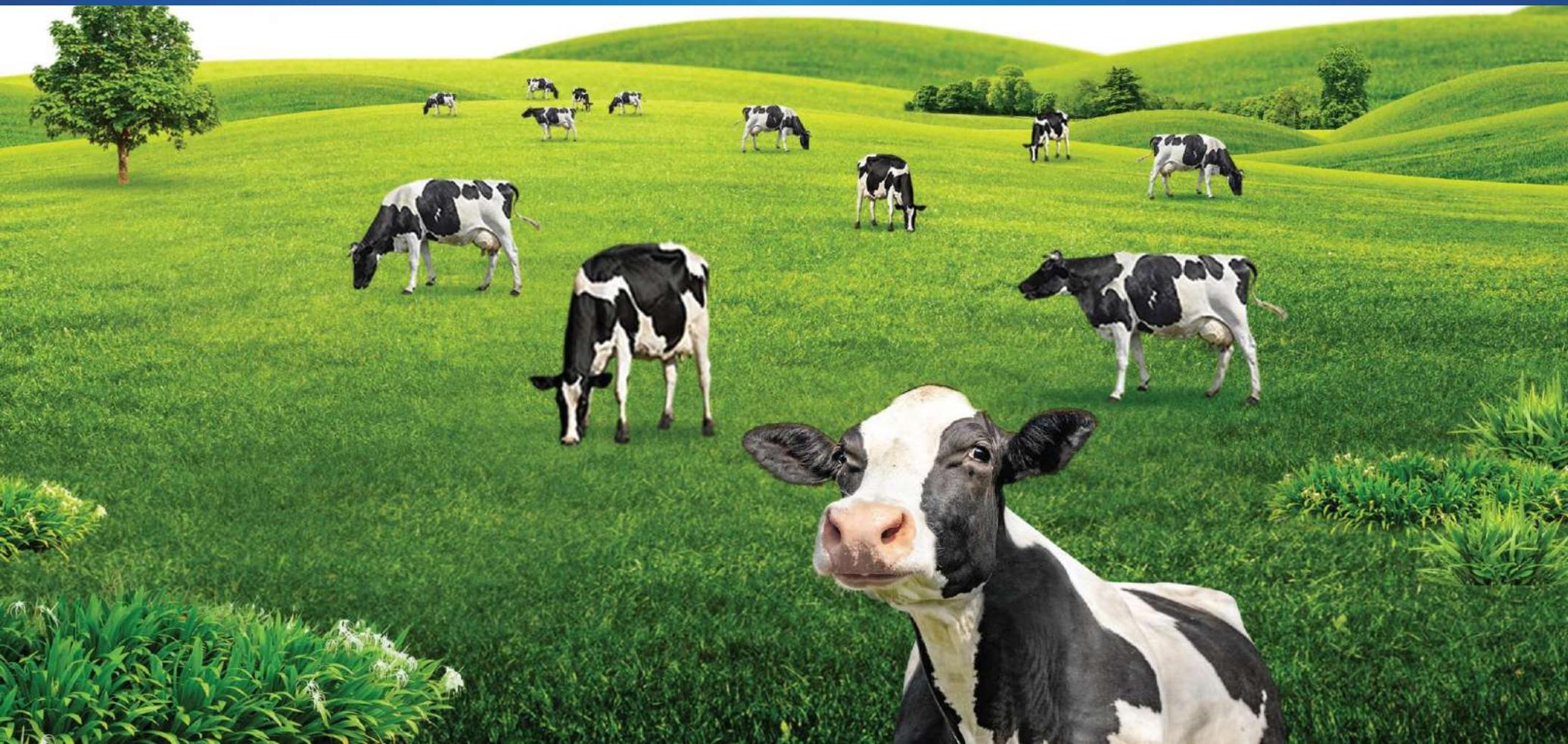
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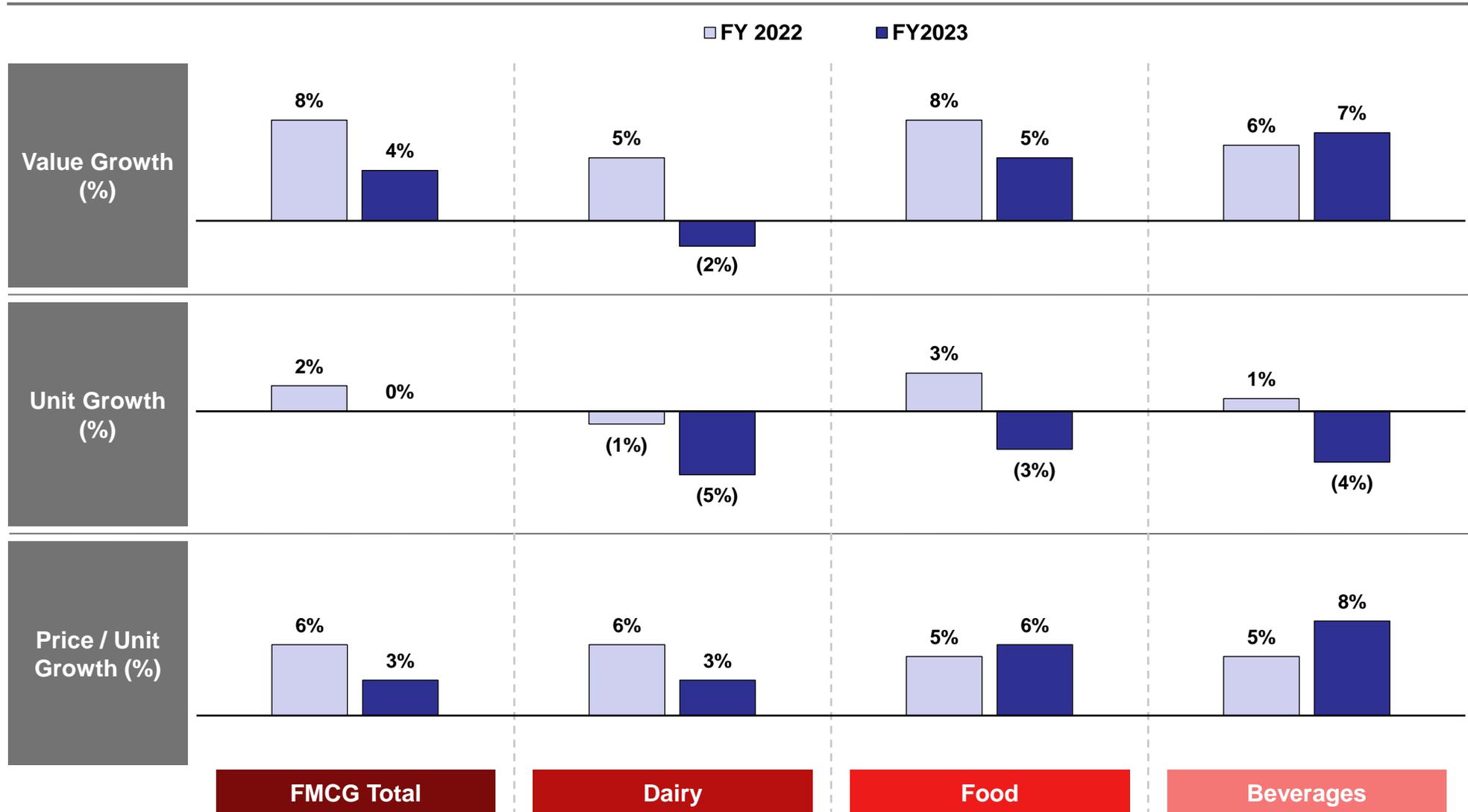
1 | Industry Overview & Operational Performance



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

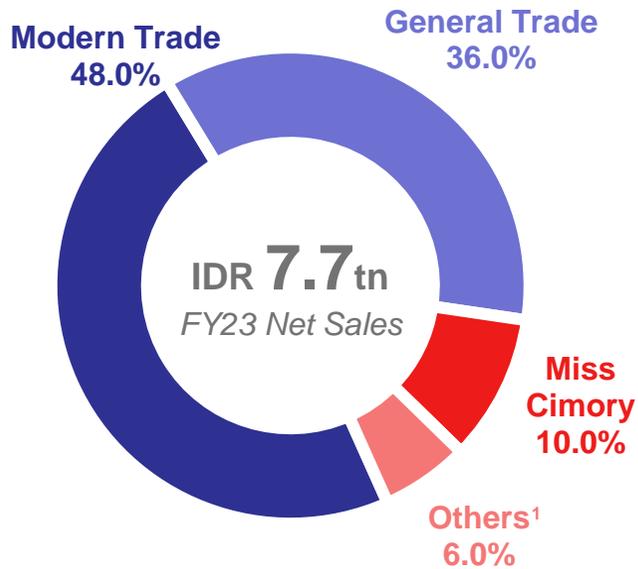


Indonesia Growth by FMCG Sector



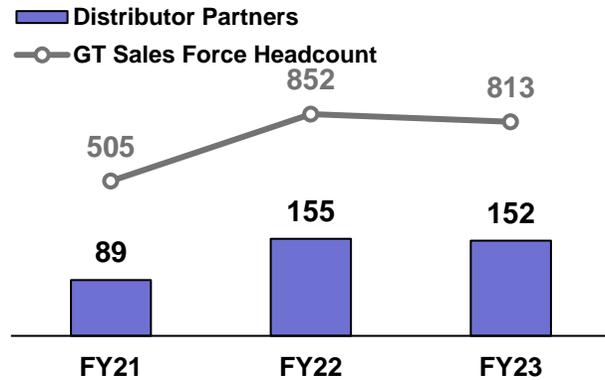
Source: Kantar, Worldpanel FMCG Exclude Cooking Oil, In Home, Indonesia Urban + Rural

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

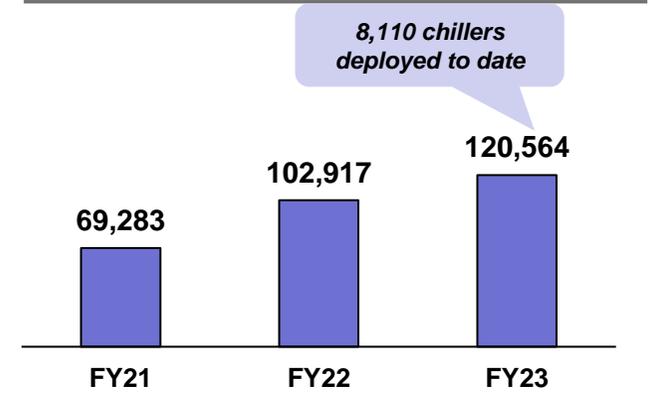


General Trade (“GT”)

Sales Force & Distributor Network

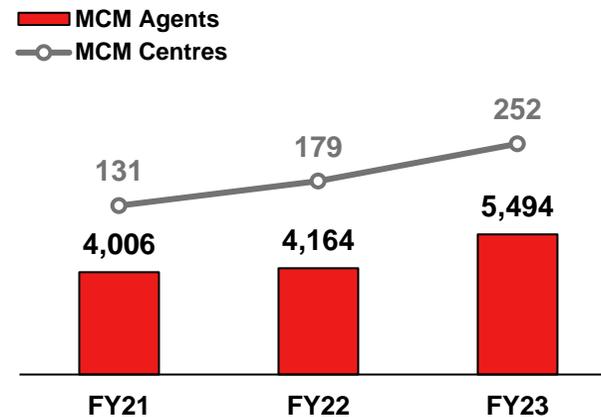


Outlet Footprint



Miss Cimory (“MCM”)

MCM Agents & Centres



Note: 1) Others includes Food Service Industry, E-Commerce and Export segments; 2) Shown on an annualised basis.

Positive market feedback on the launch of yogurt sticks



juanneve

4.9+ Mio Views



10corleone

4.1+ Mio Views



ekagallery

2.9+ Mio Views



ndhiraa07

2.5+ Mio Views

Moo-gical Treats by Cimory: Ice Cream Campaign



esterlitaalexander
11+ Mio Views



Ravie.pie
8.3+ Mio Views



mgdalenafofficial
7.6+ Mio Views

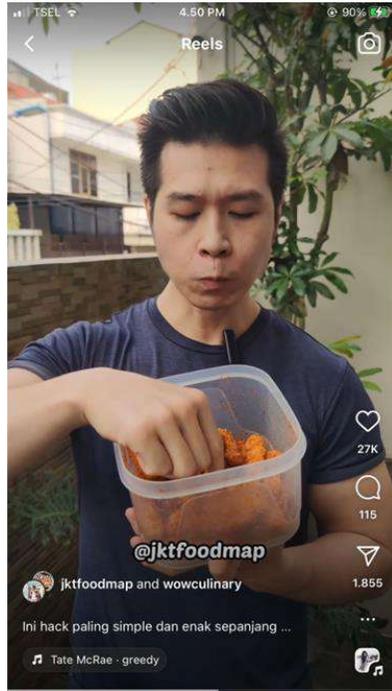


Jkt.spot

Similar marketing trend for Crispy Nugget sticks



Mak Beti
2.4+ Mio Views



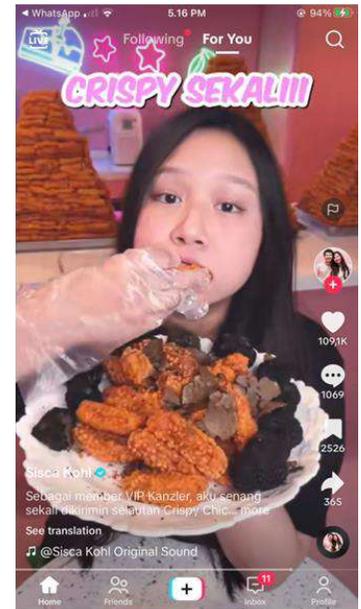
@jktfoodmap
766K Views



@heychandra
15.9 Mio Views



@sibungbung
8.1 Mio Views



@siscakohl
2.1 Mio Views

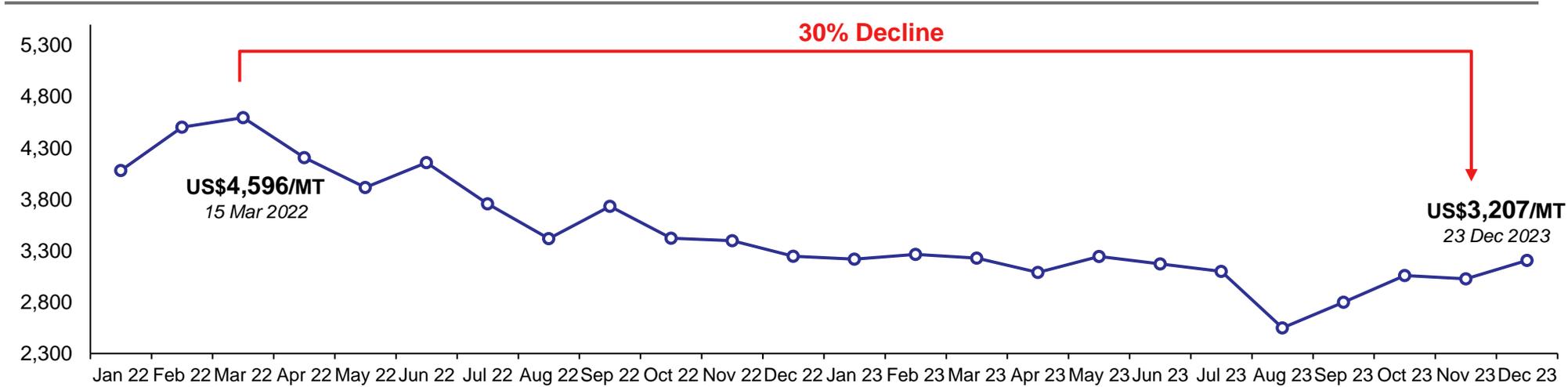
Chicken Nugget Stick OOH marketing launch



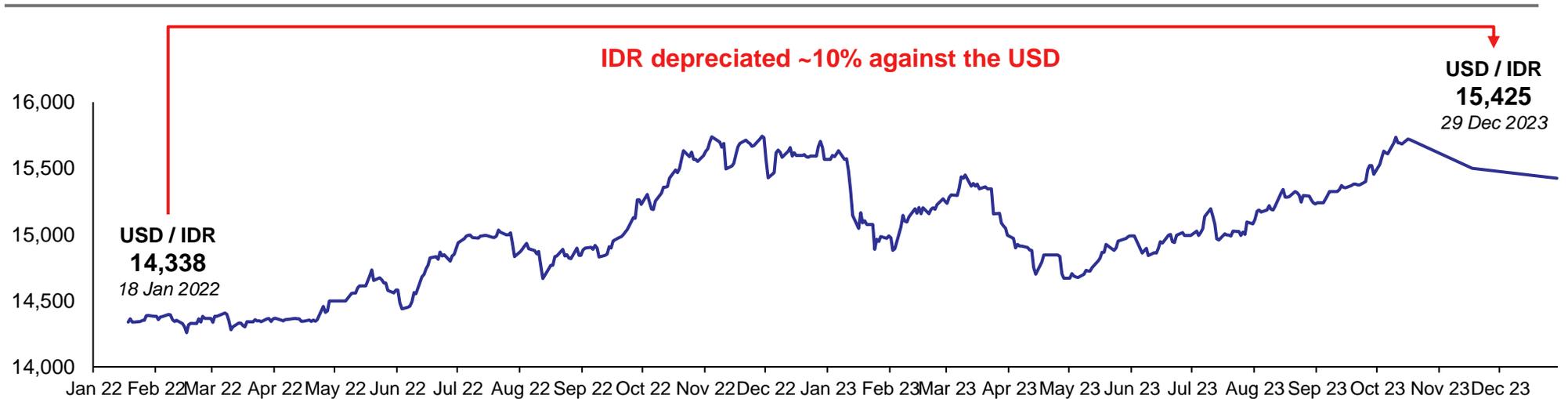
Whilst the price of raw materials have normalised, FX movements have been adverse over the period



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.

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



Yogurt Stick
Flavour Extensions

3Q 2023

3Q 2023

1Q 2024

1Q 2023

2Q 2023

Crispy Chicken Nuggets
New Product



Crispy Nugget Sticks
New Product



3Q 2024



Frutas Jelly
New Product

Premium Consumer Food

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



Channel Growth

We'll be positioned to increase our shelf space while continuing to invest heavily across our fast-growing MCM and GT channels



Launch of New Products

We will continue to expand our product portfolio in response to increasing consumer demand, taking advantage of improved capacity and service levels.



Continued Top-Line Growth



Organic Topline Growth

Volume growth through trialship and repeatability of consumption

Market share gains and category growth expansion

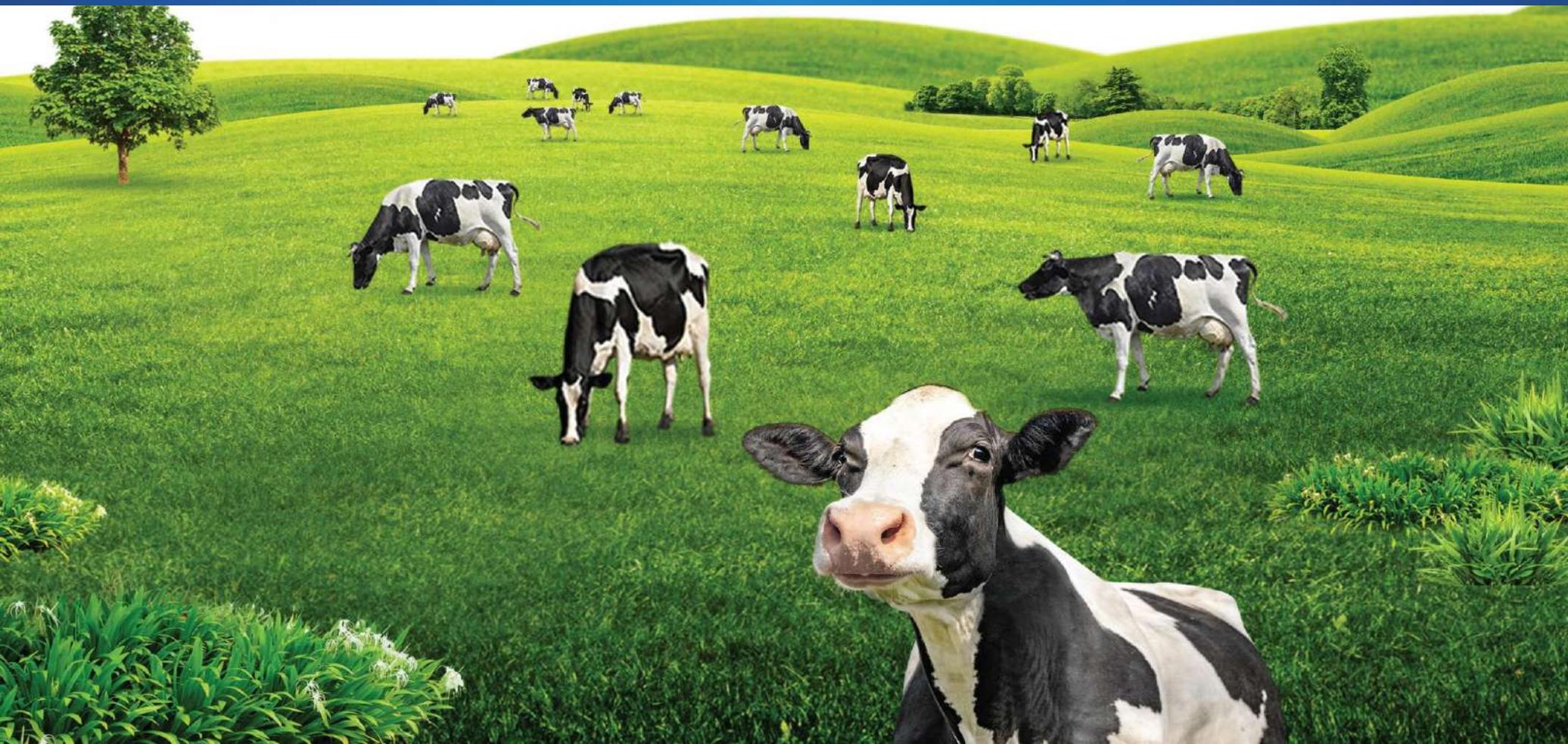


Leverage production facilities and drive cost efficiencies

Investment

Continuous marketing investments and channel expansion

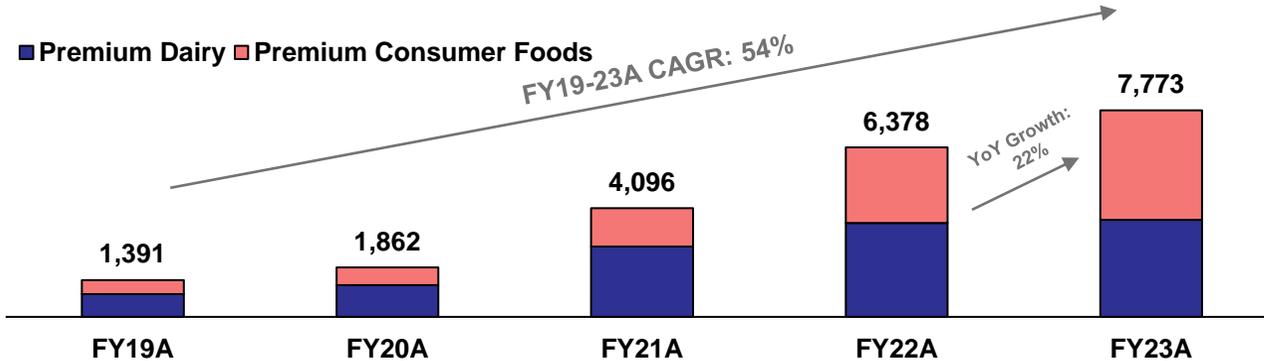
2 | Financial Results



Net sales



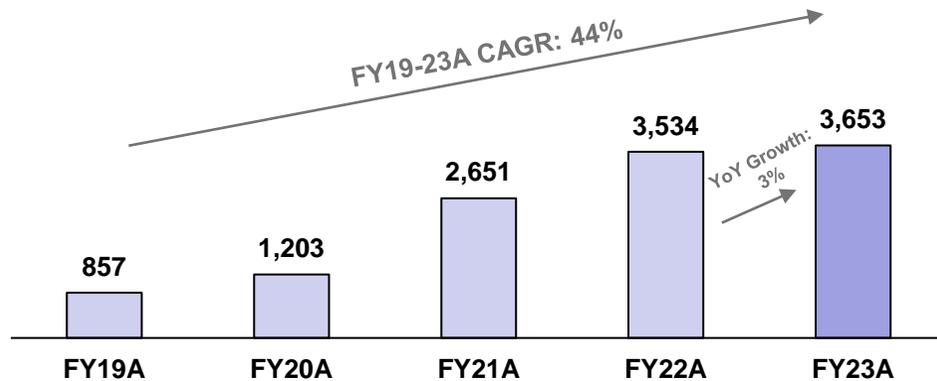
Total Net Sales (Rp bn)



Commentary

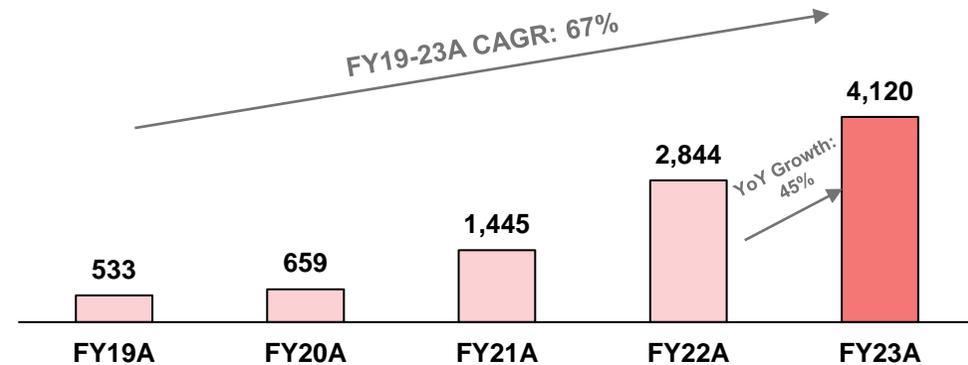
- Strong YoY Total Net Sales growth of 22% supported by **higher-than-expected growth in premium consumer foods**

Premium Dairy Net Sales (Rp bn)



- Growth primarily driven by **UHT** and affordable priced **yogurt sticks** that compensated for the soft growth in yogurt

Premium Consumer Foods Net Sales (Rp bn)



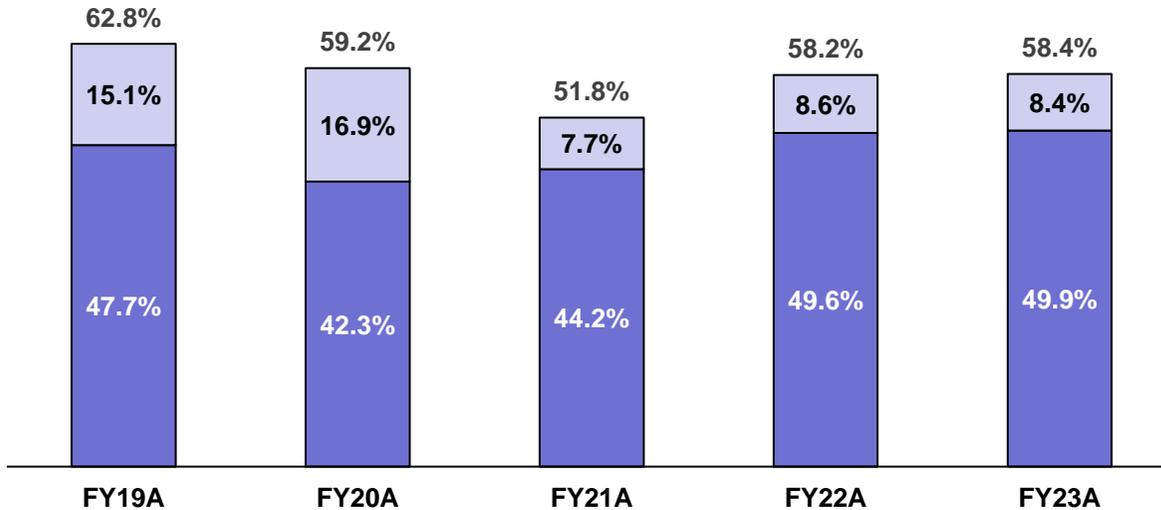
- Robust growth across all channels, benefiting from a recent successful campaign for **Crispy Nugget** and **Stickies** and continued strong sales performance in **ready to eat (RTE)** sausages.

Gross profit



Cost of Sales % Net Sales (Rp bn)

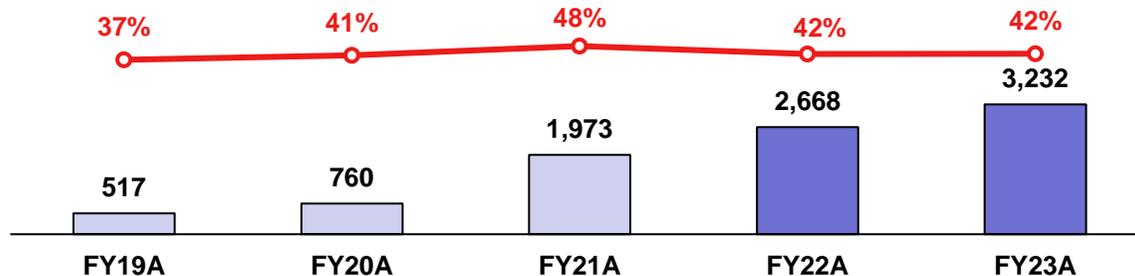
■ Raw Materials & Packaging □ Others



Commentary

- **Input prices have normalized**, particularly for dairy (milk powder prices declined 30% since its peak in Q1'22), although packaging prices remain elevated with some pressure for further increases.
- The **benefits of scale on fixed costs**, derived from our continued top-line growth, is helping to cover the increased in fixed costs.

Gross Profit & Margin (Rp bn)



Commentary

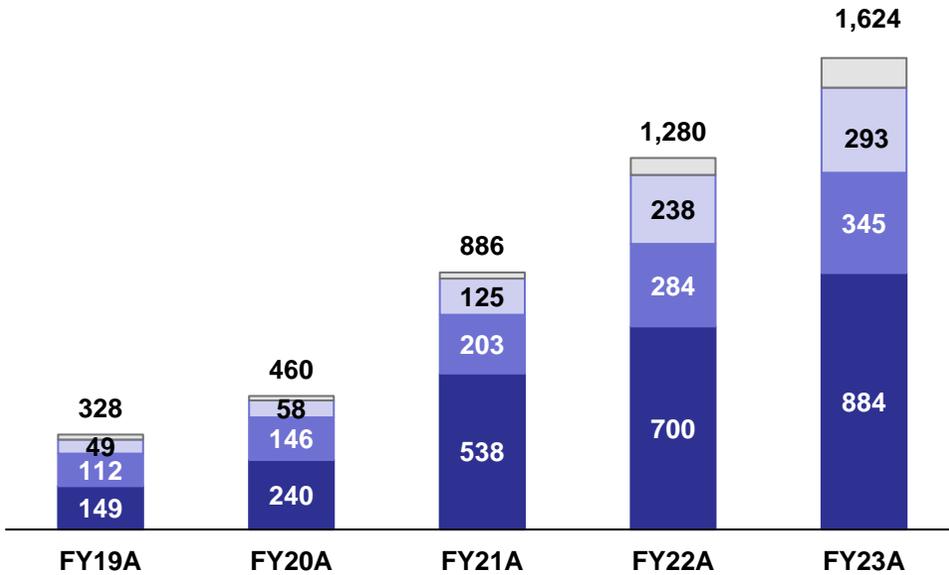
- **GPM remained intact in FY23** despite a shift in mix favoring UHT milk as it was compensated by higher margins in consumer foods
- Expect margin recovery in 2024 following the decline in dairy prices and a rebound in yogurt sales.

Selling & marketing expenses



Selling & Marketing Expenses (Rp bn)

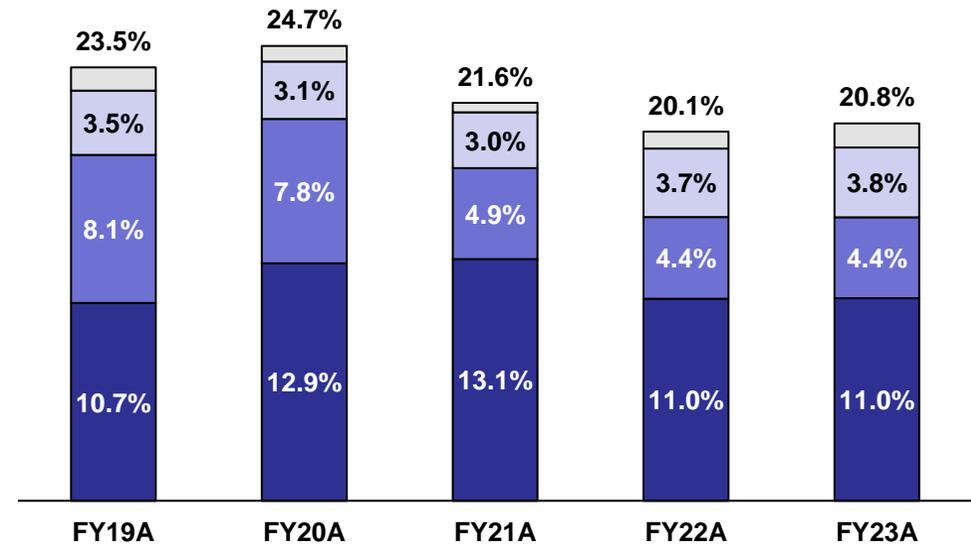
- Advertising, Promotion & Marketing
- Salaries & Allowances
- Distribution & Administration
- Others



- Elevated S&M spend to support new product launches (Yoghurt Stick, Kanzler Crispy Chicken) as well as increased trade marketing support, primarily in the GT channel

Selling & Marketing Expenses % Net Sales (Rp bn)

- Advertising, Promotion & Marketing
- Salaries & Allowances
- Distribution & Administration
- Others



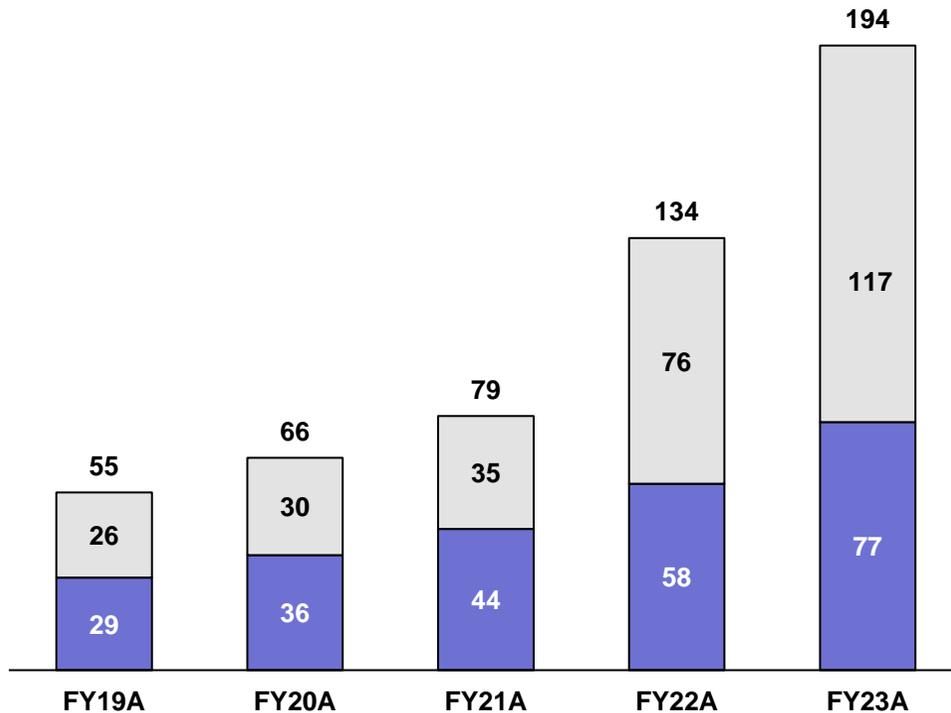
- The company plans on operating with high S&M budget (18-20% of Revenue) to support new product launches and sustain topline growth as we continue to build additional awareness, improve conversion and drive retention of Cimory products in the years ahead.

General & administrative expenses



General & Administrative Expenses (Rp bn)

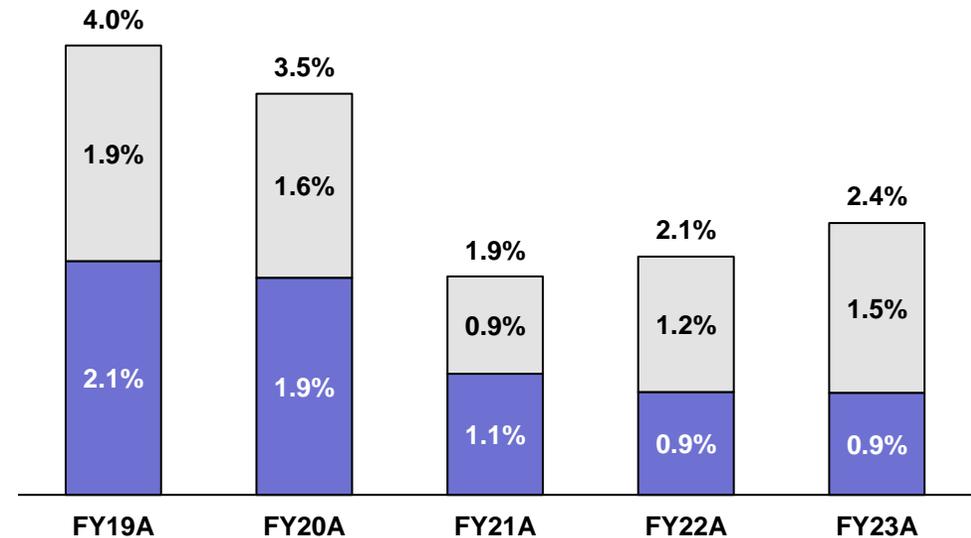
- Salaries & Allowances
- Others



- Year on year growth in Salaries & Allowances expenses due to **expanding operations to support top-line growth**

General & Administrative Expenses % Net Sales (Rp bn)

- Salaries & Allowances
- Others

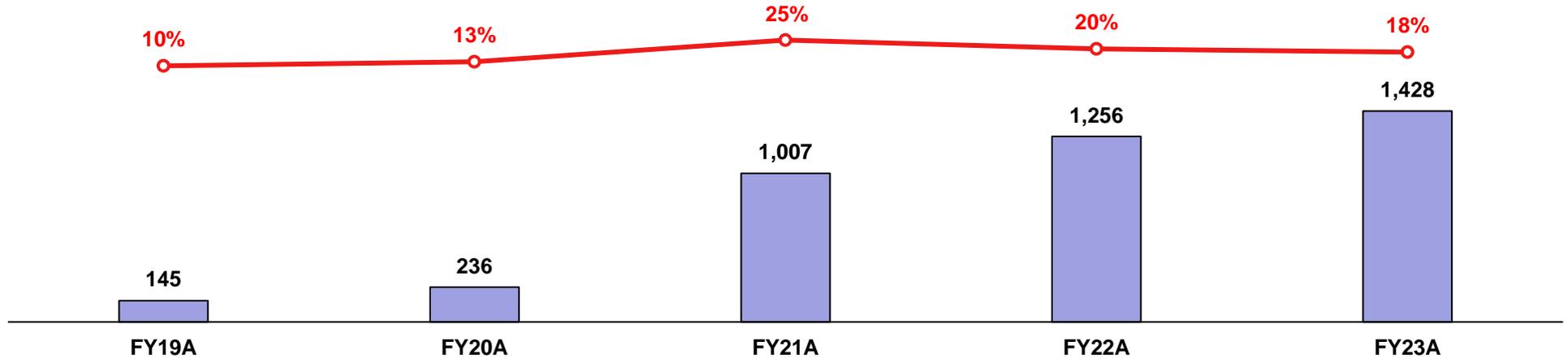


- Increased investments in manpower to **facilitate the expansion of the business**
- Over time, expected to benefit from economies of scale

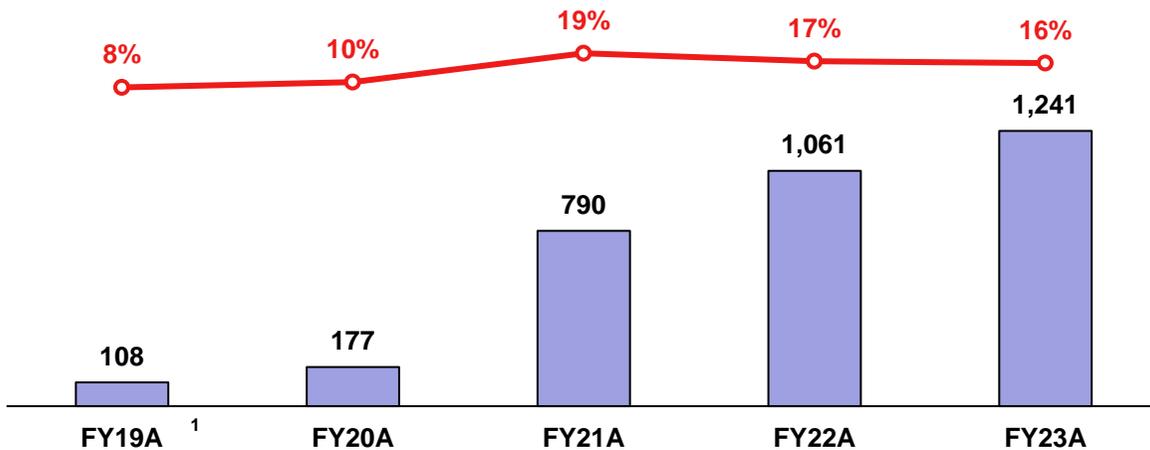
Operating & net profit



Operating Profit & Margin (Rp bn)



Net Profit & Margin¹ (Rp bn)



Commentary

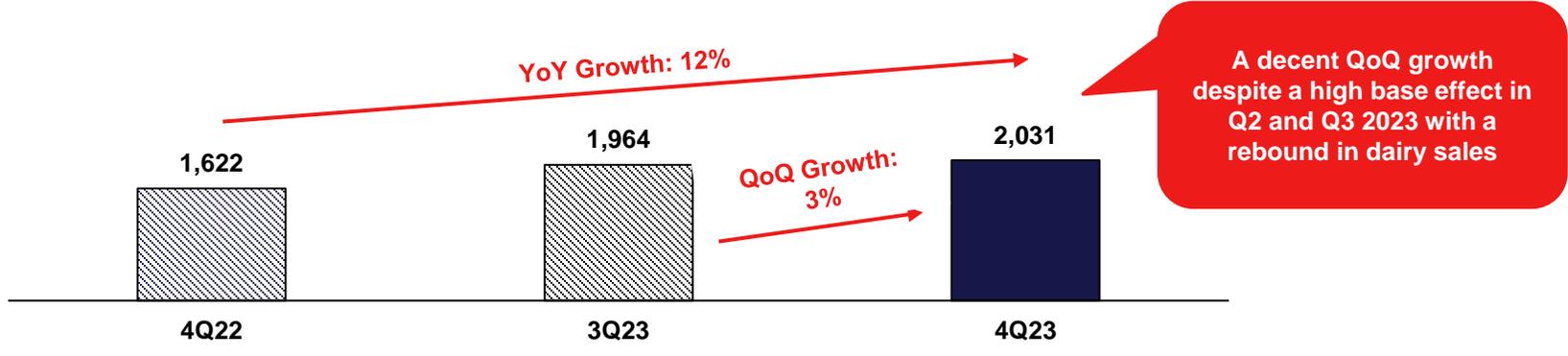
- **Healthy top-line growth** led to improved absolute net profits, **despite the increased investments in S&M and stabilising input prices.**

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

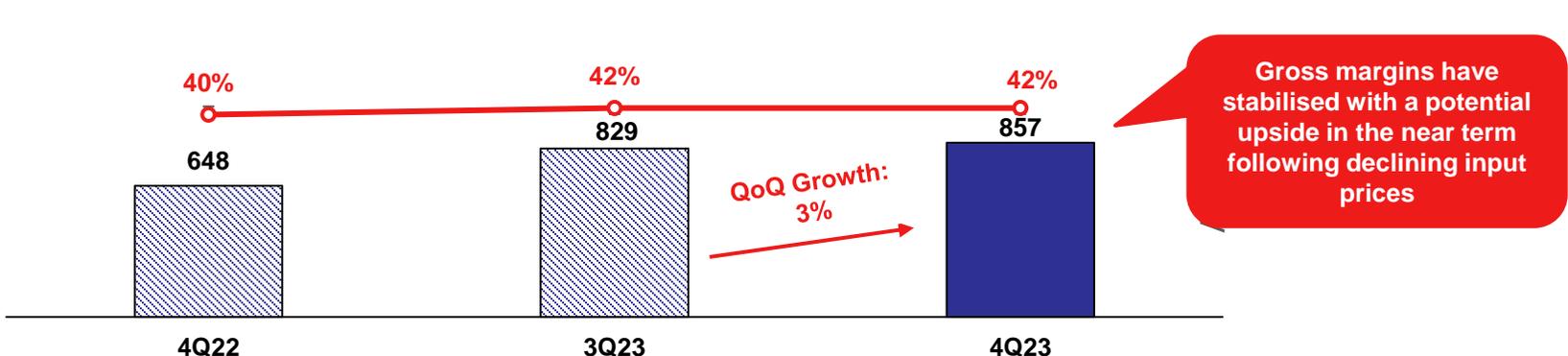
Quarterly performance



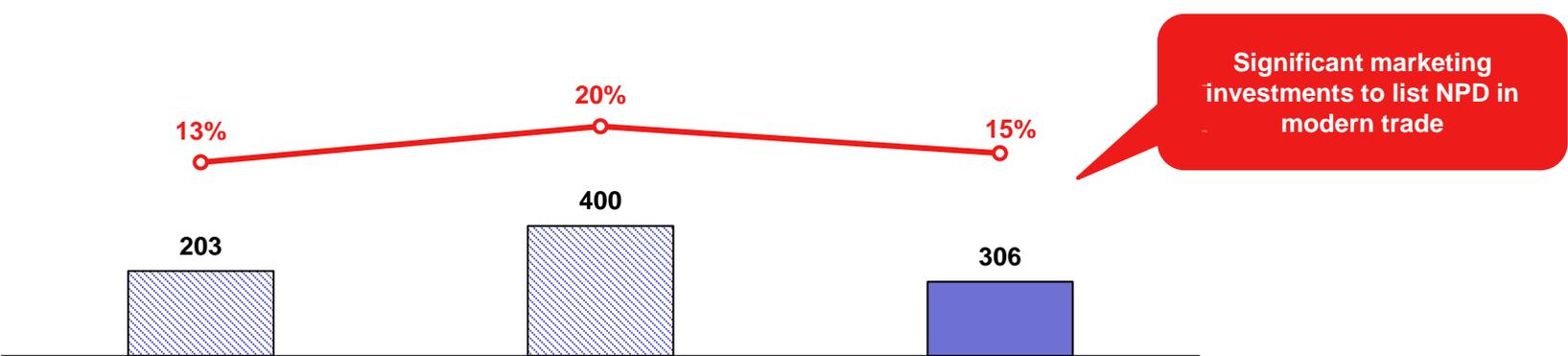
Net Sales



Gross Profit & Margin



Operating Profit & Margin

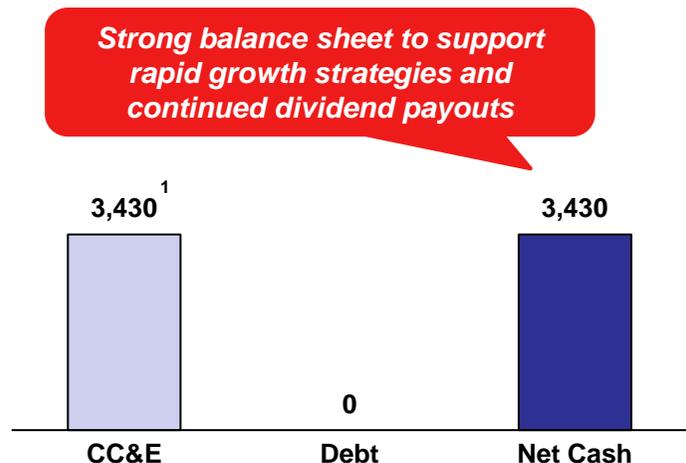


Note: Figures shown in RP bn.

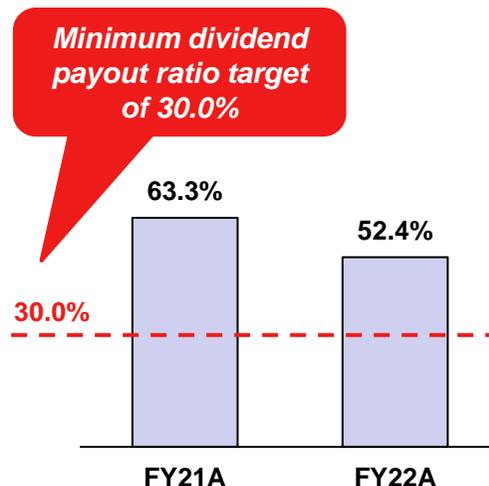
Balance sheet & cash flows



Net Cash Position (Rp bn)



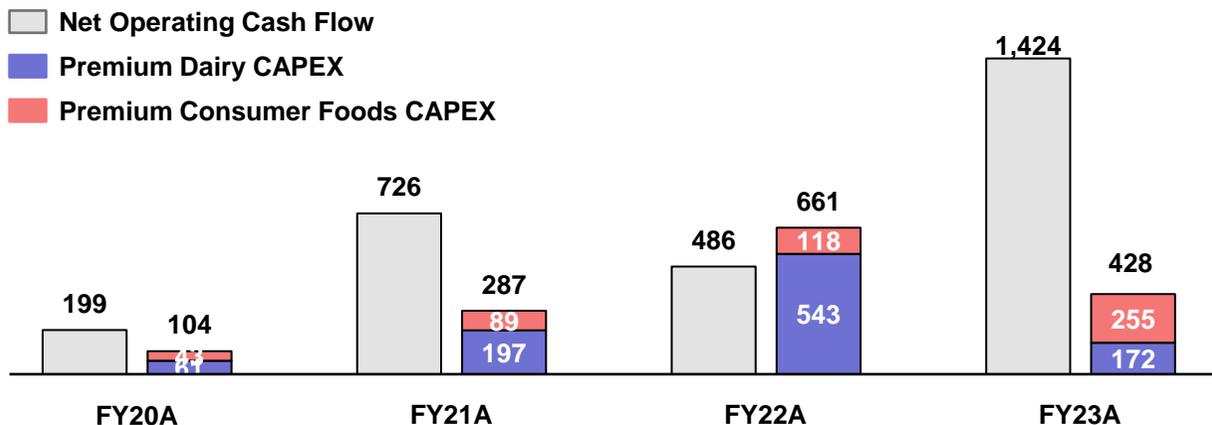
Dividend Payout Ratio (%)



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 FY23 driven by **improved working capital positions**, including lower and more **normalised inventory levels** (strategically increased in FY 2022 and 1H 2023)
- Bulk of required CAPEX investments for capacity expansions were made in FY22, resulting in **lower CAPEX spend in FY 23**

Note: 1) Includes IDR1.0tn of current and non-current investment in Marketable Securities (i.e. government bonds)

3 | Key Takeaways



Key takeaways



1

Strong FY23 top-line expansion of 22% YoY, driven primarily by volume-based growth.

2

Consumer Foods exhibited exceptional performance of 45% YoY Net Sales growth in FY23, with contributions from all categories

3

Despite a challenging environment, Dairy sales grew 3% against a high base of sales in FY22, with growth observed in UHT milk and the newly launched Yogurt Sticks.

4

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

5

Continued focus on delivering a positive ESG impact, including through our MCM channel which benefits local communities and empowers women across Indonesia.



1

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

2

How will the new government program providing free milk to school kids nationwide impact Cimory's business moving forward ?

3

Is the dairy business now stabilised and poised for future growth ?

4 | Appendix



Consolidated statement of profit or loss



	Year Ended 31 December			
	2020	2021	2022	2023
	(Rp Billions)	(Rp Billions)	(Rp Billions)	(Rp Billions)
Net Sales	1,861.9	4,095.7	6,378.3	7,772.9
Cost of Sales	(1,101.8)	(2,122.6)	(3,709.9)	(4,540.2)
Gross Profit	760.1	1,973.0	2,668.5	3,232.7
Selling & Marketing Expenses	(460.3)	(885.7)	(1,279.7)	(1,623.9)
General & Administrative Expenses	(65.9)	(78.9)	(134.2)	(193.9)
Other Income / (Expenses), Net	2.0	(1.8)	1.0	13
Operating Profit	236.0	1,006.7	1,255.6	1,427.6
Share in Net Profit (Loss) of Associates	(1.8)	5.1	5.5	8.7
Gain (Loss) on Foreign Exchange	(4.0)	0.1	9.6	0.9
Finance Income	0.4	7.4	75.9	131.0
Finance Cost	(4.9)	(3.1)	(3.7)	(7.0)
Loss on Divestment of Subsidiary	-	-	-	-
Profit Before Income Tax	225.7	1,016.1	1,342.7	1,561.2
Income Tax Expense	(48.7)	(225.9)	(282.1)	(319.4)
Profit For From Continuing Operations	177.0	790.2	1,060.6	1,241.7
Profit For From Discontinued Operations	-	-	-	-
Profit For The Year	177.0	790.2	1,060.6	1,241.7

Consolidated statement of financial position



	Year Ended 31 December			
	2020	2021	2022	2023
	(Rp Billions)	(Rp Billions)	(Rp Billions)	(Rp Billions)
Cash and cash equivalents	67.0	3,661.8	2,159.3	2,197.4
Total Current Assets	556.9	4,832.3	4,025.2	4,539.1
Total Non-Current Assets	529.9	771.5	2,198.0	2,507.7
Total Assets	1,086.8	5,603.8	6,223.3	7,046.9
Total Current Liabilities	275.5	844.9	915.9	1,061.2
Total Non-Current Liabilities	76.9	62.0	49.1	44.8
Total Liabilities	352.4	906.8	964.9	1,106.0
Total Equity	734.4	4,696.9	5,258.3	5,941.3
Total Liabilities and Equity	1,086.8	5,603.8	6,223.3	7,046.9

Consolidated statement of cash flows



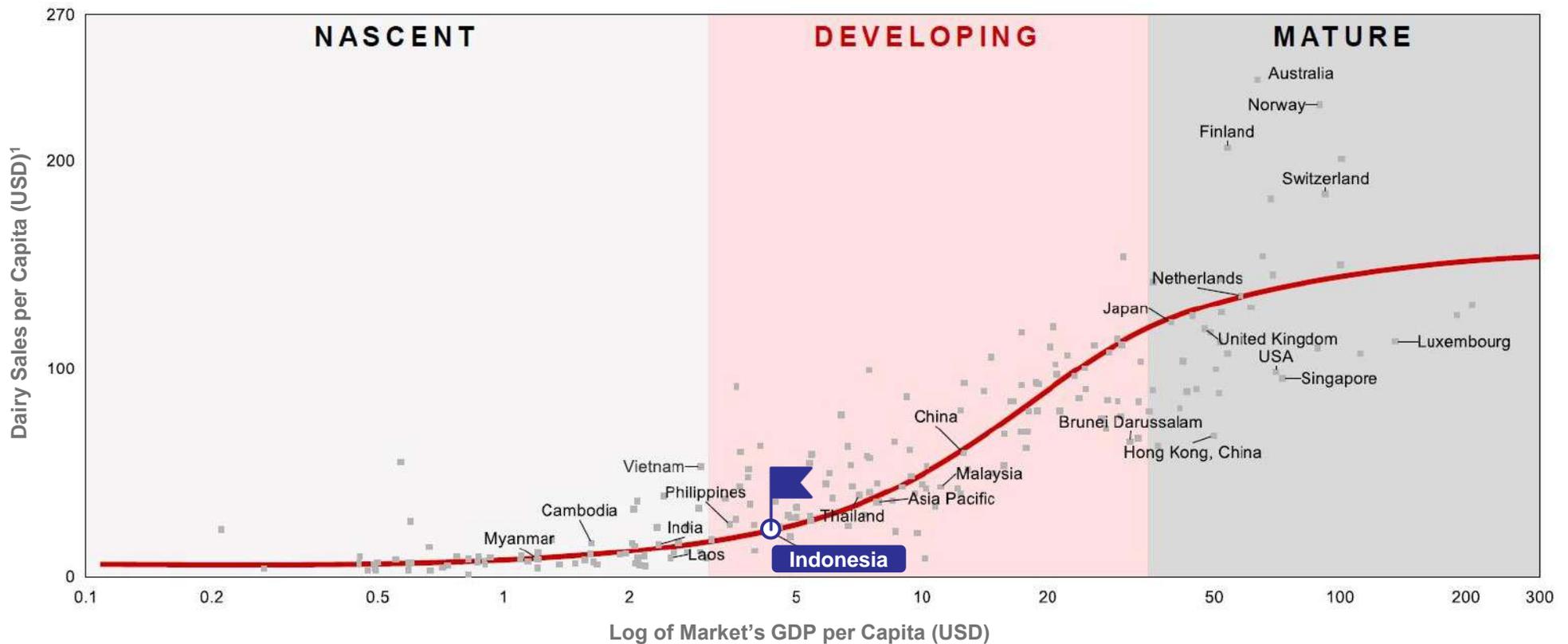
	Year Ended 31 December			
	2020	2021	2022	2023
	(Rp Billions)	(Rp Billions)	(Rp Billions)	(Rp Billions)
Net cash provided by operating activities	198.9	725.6	486.0	1,424.3
Net cash used in investing activities	(105.3)	(288.5)	(1,475.1)	(793.4)
Net cash provided by/(used in) financing activities	(31.9)	3,157.7	(513.4)	(592.8)
Net Increase/(Decrease) In Cash And Cash Equivalents From Continued Operation	61.6	3,594.8	(1,502.6)	38.1
Net Increase/(Decrease) In Cash And Cash Equivalents From Discontinued Operation	-	-	-	-
Cash And Cash Equivalents At Beginning Of Year	5.4	67.0	3,661.8	2,159.3
Cash And Cash Equivalents At End Of Year	67.0	3,661.8	2,159.3	2,197.4

Indonesia Dairy Market Trajectory



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)



Note: 1) Encompasses Milk Formula, Drinking Milk Products, Yoghurt and Sour Milk, and Condensed and Evaporated Milk.
Source: EIU, BPS, World Bank, Euromonitor.

